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UNDER SECRETARY TO GOVERNMENT
12 JAN 1959
PUBLIC DEPARTMENT

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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NEW ERA FOR WESTERN EUROPE

THE New Year has brought with it a new era of freedom for economic activity in Western Europe. That is the significance of currency convertibility simultaneously undertaken by as many as ten European countries, namely, Belgium, Denmark, France, West Germany, Italy, Luxembourg, the Netherlands, Norway, Sweden and the United Kingdom. The convertibility established is, of course, of a limited nature, in that it is applicable only to currencies held by non-residents; that is, non-residents can freely convert their currency holdings (cash, bank deposits and investments in Treasury Bills) not only into each other's currency as hitherto but also into U.S. dollars. There are, however, still restrictions on the transfer of capital in most of the countries, as also on the convertibility of currencies by residents and on tourist travel. Nevertheless, it must be conceded that the action taken by the aforesaid ten countries constitute a major step towards multilateral system of payments, a goal accepted by the countries of the free world when they subscribed to the treaty of Bretton Woods. The onward march towards multilateral trade has gained further momentum by reductions in trade restrictions and discrimination. If this move succeeds, the next step will be full convertibility and abolition of all quantitative restrictions on trade.

A notable feature of the developments last week is the close co-operation displayed by the ten countries. All of them acted in unison. This is all the more striking, because a few days before there were strong reports of serious differences of opinion among them and the possibility of a trade war was hinted at, as a result of failure of talks for reconciling the conflicts between the Free Trade Area enunciated by Britain and the Common Market of six Continental countries. To us, it looks as though this very failure has been responsible for the unity of action on the currency front.

The spirit of accommodation shown towards one another is evident from the help given by the stronger countries towards the weaker France, as also from the readiness with which France has subjected itself to financial discipline and relaxed the restrictions on trade. Sizable short-term credit facilities have been made available to France by West Germany, Britain, Holland, Belgium and the Bank for International Settlements, so that the franc can be defended effectively in case of a run on it. In return, France has devalued its currency by 17.55 per cent., increased the import quotas for the O.E.E.C. countries by 90 per cent. of the volume of private imports in 1948, freed the imports from dollar areas by 50 per cent., cut public spending and public subsidies, and abolished the unhealthy practice of "indexing" wages and other benefits to prices. In fine, the de Gaulle Government has taken firm measures to set right the French economy, nick-named as "the sick country of free Europe." It cannot be denied that, in doing so, General de Gaulle has put to good use the extraordinary powers he won for his Government through the new Constitution. There may be room for doubt whether what he has done so far in the fiscal and trade spheres is sufficient to restore strength to the French economy, for much will depend upon his political ambitions. But there can be no doubt that he has moved along right lines and shown courage which no other French Prime Minister did in recent years.

The achievement of convertibility by free Europe, limited though it is to non-residents, has overshadowed the inauguration of the Common Market. It has unified Western Europe which was threatened of a split by the Common Market. And it augurs well for the success of the forthcoming talks on the Free Trade Area, for it has already served many of the purposes of the F.T.A. It must be noted that the large measure of freedom which the European currencies and trade have now obtained is primarily the result of conscious economic policies pursued by their respective Governments ever since 1952, the year which saw the fall of socialists from power. The freedom might have come about much earlier but for the Suez incident and the serious economic dislocation it caused to the world. Convertibility of currencies cannot be had by merely wishing for it. It can be practised only if a country is economically strong and is prepared to submit itself to the discipline of economic laws.

The developments in Europe last week reflect, as the I.M.F. rightly remarks, "the great improvement in the European economic situation, including the strengthening of the monetary reserves." They have been made possible "not only by the general increase in production during the post-war period and certain other favourable circumstances, but more particularly by the pursuit of effective fiscal and credit policies." Great credit for this must be given to the conservative Governments in Britain and Germany. Both of them have demonstrated that sound economic progress can be achieved far more rapidly through a vigorous system of free enterprise, subject to a certain measure of fiscal and monetary discipline, as well as incentives, than through socialist methods of economic controls and State-ownership. France, which was lagging behind all these years in this respect, has now begun seriously to follow in the footsteps of Britain and Germany. If only it chose to cut the deadweight of Algeria and other colonial possessions in North Africa, it would be able to make rapid progress in regaining its economic strength.

Apart from the improvement in monetary reserves, the decline in the external liability of countries such as the U.K., the abatement of inflationary pressures, the continued favourable terms of trade and a substantial increase in the capacity to export, two other factors improved the psychological climate for convertibility. These were the growing misgivings about the invincibility of the U.S. dollar and the decision to enlarge the resources of the International Monetary Fund and the World Bank. The first factor has minimised the possibilities of a flight of capital to the U.S. The second factor has infused confidence among the Governments of Western countries that they can rely on the I.M.F. as a second line of defence, in the event of any unforeseen emergency. But the chief factors that triggered convertibility were the failure of talks between Britain and the Common Market countries in the third week of December 1958 and the brave decision of France to introduce drastic financial reforms to set its house in order.

The foregoing conclusion is warranted from the explanation of our distinguished London contemporary, *The Economist*. After pertinently pointing out that, in any normal circumstances, the proper priority in the scheme for securing

greater freedom for the pound sterling would be to ease or abolish the remaining restrictions on imports from the dollar area and on general tourist travel and not to technical convertibility, *The Economist* remarks that "a special conjuncture of events was required to justify reversing this order of things. It so happens that, by last week-end, such a special conjuncture had come about." Explaining what it was, our contemporary says:

"For political reasons, the French were eager that their devaluation should be accompanied by a declaration of convertibility for the franc, and it is possible that the Germans would have made this a prerequisite to granting the French their financial support. The chance thus arose of the concerted realignment of European currencies. It was a realignment involving more risks for Britain than anybody else. To give any foreigner who holds francs the right to convert them into dollars means very little, for few hold more francs than they irreducibly need, while sterling is a very widely held banking currency which convertibility could render more naked to future sudden squalls of distrust. But for Britain to have stood aside last week-end would have been to run the risk of plunging all these currencies into disarray and of making the pound look like the least desirable currency in Europe. The grant of convertibility to foreign holders of sterling became a necessary and desirable Christmas contribution to European solidarity."

So, when France, Germany and Britain decided on convertibility, albeit for non-resident accounts only, the other European countries, with much less international stake, must have also voted in favour of that step.

It will be seen from the aforesaid quotation that, in extending convertibility to foreign holders of sterling, Britain has assumed greater risks than the other countries which have acted likewise. It is true that, in actual practice, Britain has only given *de jure* recognition to a *de facto* situation existing for a long time, in that the Bank of England has been supporting transferable sterling in New York and Zurich ever since February 1955, a situation from which it would not have been easy for Britain to retreat without causing serious damage to the pound. But it is not so simple as all that, for Britain has accepted an obligation to convert the pounds held by foreigners at fixed rates of exchange which is intended to be permanent. In order to fulfil this obligation in times of adversity, Britain must be prepared to adopt internal deflationary measures, as it did in September 1957, besides losing a part of its hard-won dollar reserves. As against this risk, Britain has certain definite advantages, the most important of which is the re-emergence of London as a full-fledged centre of international banking and commodity trade. This will yield a sizable increase in its invisible exports by way of service charges.

The convertibility of sterling and other currencies has made little difference to the sterling area as a whole and to India, in particular. If the general assumption that this development will lead to increased world trade proves correct, India will gain indirectly. But it can do so only if its efficiency to export its raw materials and manufactured goods at competitive rates improves. For it must not be forgotten that convertibility of currencies and the coming into existence of the Common Market will result in keener competition and greater efficiency among manufacturers, as well as more scope for free enterprise. It is a moot point whether India will be successful in meeting this challenge, what with the diminishing freedom for its *entrepreneurs* and the growing dominance of the public sector, which is by no means efficient.

TAXATION IN UNDERDEVELOPED ECONOMY

A WELCOME development in recent years has been the increasing attention given to the problems of economic development of backward countries. Whatever the motives of those who have taken an interest in this subject—there are sometimes purely political reasons, though there is a broadly humanitarian motive behind the discussions on the subject initiated by the leaders of economic thought in the West—there is no doubt that they are responsible for the growing literature on the subject of development of backward economies. A vital aspect of such development is the pursuit of appropriate fiscal policies. Perhaps, this aspect has received less notice than it deserves. It is also a somewhat complicated subject, attracting to itself much emotional and political fervent. What is necessary is to cut one's way through to the core of the subject, clearing the ideological and sentimental cobwebs which have unfortunately grown around it. It is precisely such a service that has been rendered by Dr. M. H. Gopal, Professor of Economics, Ford Foundation Unit, Madras University, in the course of his presidential address at the forty-first session of the Indian Economic Conference, held at Lucknow towards the close of last month.

Dr. Gopal chose for his address the subject "Towards a Realistic Tax Policy for India 1959-66." A substantial part of his address was devoted to a theoretical discussion of the subject of taxation in an underdeveloped country which is anxious to obtain the resources for development and also to stimulate private investment. Against this theoretical background, he proceeded to discuss what ought to be the appropriate fiscal policy for India. Elsewhere in this issue, we have given the summary of his long address. Although the summary is adequate in its own way, it has not been possible, for obvious reasons, to incorporate the finer shades of thought and the strictly logical treatment of the subject for which one must read the full text of the address. There is no doubt that the address itself will be regarded as a permanent contribution to the literature on the subject of taxation. Within its 42 pages, the address covers a wide ground, and what is more, covers it so convincingly. Its compelling economic logic and strictly academic approach leave little room even for the most sophisticated thinker to raise any serious objection to the author's general reasoning and conclusions.

Most principles of taxation have been developed in the peculiar *milieu* of the highly industrialised West. When these principles are transferred to the underdeveloped world, they tend to be an exotic plant, lacking the necessary sustenance for organic growth. The Indian taxation system, in particular, suffers from indiscriminate borrowing from the modern West. Not merely is this true in the psychological sense—as, for instance, the gift tax which is so abhorrent to India's traditional concept of generosity—but also in the overall inhibiting effect of the tax system on the incentive for economic expansion at a time when such expansion is the need of the hour. Dr. Gopal has done well to indicate the characteristic difference in the fiscal issues as between the industrially advanced countries and the economically backward economies.

In the industrialised countries, the objectives of a tax policy include the raising of revenues for purposes of carrying on the administration and the stabilisation of the economy. In backward countries, as Dr. Gopal rightly points out, the objectives and the setting are different. A stabilising and neutralist tax policy would merely perpetuate stagnation. The Government should give the lead by providing the overheads, encouraging capital formation and directing the coarse of development. Accordingly, the need is for a "revenue-producing, investment-generating and diversionary policy." The tax principles which are appropriate to the conditions in underdeveloped countries, according to Dr. Gopal, are primarily productivity—that is, capacity to raise the revenues required—expediency —that is, effect on private investment and initiative—and only secondarily, equity—that is, fair distribution of the tax load among different individuals, groups and sectors in accordance with their ability to pay taxes. Since taxation of upper income groups and businesses would reduce private capital formation and retard enterprise, indirect taxes should be imposed. Further, the need for revenue suggests increasing consumption taxes and the necessity for development suggests reduction of direct taxes.

Dr. Gopal admits that it is a difficult choice for fiscal authorities when they have to choose between a "policy to stimulate economic growth and one to reduce tax burdens on the poorer sections." The problem is one of increasing mass purchasing power *versus* investment flow into capital formation. Referring to these alternatives, Dr. Gopal observes: "The inevitable, though unpleasant, choice is the latter—the policy for economic growth—for, in a way, and in the long-range interests of the poorer sections themselves, adequate and rapid development is the only means to reach the goal of social justice and greater equality." The key to economic development lies in the provision of incentives to private investment, so as to "maximise savings, mobilise them for productive investment and canalise them towards a balanced and active developmental programme." Again, Dr. Gopal rightly emphasises that the major aim of the policy should be to bring about a "massive" increase in real investment. He reiterates the point when he avers that, "where a tax policy is to be related to incentives and initiative, its material and psychological impact on the flow and pattern of resources towards capital formation in the private sector should be the most important criterion." Summing up his treatment of the subject, he observes:

"If, therefore, capital formation is the major objective of tax policy, if such saving and investment are largely to be done in the private sector, and if the saving and enterprise potential is in the upper income groups and institutions, it follows that, from the angle of development, the tax policy should tone down the effects on decisions to make risky investments, ease tax burden on equity financing, reduce tax factors inhibiting foreign private investment and strengthen further the automatic stabilisers in the tax system. That is, tax reliefs must be in the direction of the higher income groups and companies. Further, there should be a little more emphasis on the qualitative significance of taxation in relation to saving."

All this discussion is followed by a series of very realistic suggestions for the reform of the fiscal system. These include diversification of taxation so as to attain "depth and spread," simplification of tax structure, reduction in the burden of direct tax, liberalisation of depreciation and initial allowances, and integration of agricultural income-tax with general income-tax. By far the most notable of his suggestions—this is a corollary of his major thesis on the limited relevance of equity to the fiscal philosophy in an underdeveloped country—is for an increased emphasis on consumption taxes. Although the higher income groups will be more highly taxed on goods (for example, luxuries) entering consumption, the larger part of taxation for revenue should inevitably fall on lower income groups and on necessaries. He argues that, of the Rs. 11,400 crores of the national income (in 1953-57), only about 10 per cent. comes under income-tax—assessed income of Rs. 936 crores and possible evasion of Rs. 160 crores—whereas 90 per cent. of the national income escapes direct taxation. In 1957-58, the burden of indirect taxation amounted to Rs. 671 crores paid by 360 million people, or Rs. 17.6 *per capita*. An overall increase of 10 per cent. in the basic rate in indirect taxation would bring in about Rs. 60 crores a year. It could mean an additional burden of only Re. 1.7 *per capita*.

As regards direct taxes, he urges the modification of the Kaldor proposals "by accepting the capital gains and gift taxes fully, the wealth tax partially, restricting it to individuals, by adopting the comprehensive return device" and by rejecting the expenditure tax and the equity concept as a primary tax principle. He also pleads for the abolition of what he calls "nuisance" taxes—that is, taxes which have little revenue relevance and are acting as deterrents to investment. To this group belongs the tax on bonus shares, the expenditure tax and the wealth tax on companies.

Clearly, Dr. Gopal's proposals are, by and large, eminently suited to the developmental needs of the country. They are intended to steer clear of any sacrifice in revenue and also of disincentives for investment. The chief merit of his proposals thus lies in harmonising revenue considerations with the provision for necessary incentives for expansion. From this point of view, they ought to commend themselves to the authorities. The only possible objection to the acceptance of his proposals, especially those relating to consumption taxes, is that they may be politically unpopular. It is to be hoped that economic statesmanship will not be abandoned in favour of cheap political applause. In the long run, it is sober economic realism, and not sentimental shibboleths, that sustains political parties.

HUE OF CONGRESS SOCIALISM BECOMING REDDER

MONEY—STERLING—SUGAR—COMMODITIES

THURSDAY, 5 P.M.

THE share markets are in a better mood now than they were before closing down for the seasonal holidays. The L.I.C. and Mr. Nehru, India's Prime Minister, are chiefly responsible for this change in sentiment. The L.I.C. has supported a large number of equities on a fairly sizable scale, thereby establishing a sort of a floor for such speculative counters as Tata Steels, Indian Irons, Bombay Dyeings and Scindias. Mr. Nehru has expressed himself against fixation of ceiling on urban incomes, reiterating his two-year-old views on this subject. Both these developments have induced the bears to cover their position and has encouraged some fresh buying. It is, however, risky to regard this change in sentiment as decisive. There is, again, tendency to indulge in a lot of wishful thinking on optimistic lines. It is extremely risky to take it for granted that the budget for 1959-60 will contain no shocks. It is true that India is fortunate in having at present a sober person like Mr. Morarji Desai as Finance Minister, but, at the same time, one must remember that he is also a faithful follower of his leader whose recent pronouncements by no means sound encouraging for investors.

MARKET GOSSIP

The hue of Mr. Nehru's socialism is tending to become more red than before. The attack on private property has been stepped up. The emphasis is more and more on the public sector. The need for attaining social justice through a further reduction in inequalities of wealth and income is receiving renewed stress. Almost all the Ministers at the Centre, barring a few, are reiterating with one voice that business men must make more sacrifices. Even some of the knowledgeable Ministers have started distorting facts and seem to be deliberately painting the business community in black colours, in the hope of winning the support of the public for socialising trade. It remains to be seen how all this shouting against the private sector will end. Are they empty shoutings or a prelude to imposing further burdens on the private sector? Whether one should buy or sell shares now will depend on one's answer to these posers.

Here is a reading of the Congress Party's mind by the political correspondent of *The Hindu* of Madras. Bringing out the difference between the socialist pattern of society and the full socialism about which Mr. Nehru has been talking for some weeks now, this correspondent says in his despatch dated 6th January from Nagpur:

"A radical change in the basic objectives of the Congress has been brought in by the side door, as it were, by the Congress Working Committee in a resolution it adopted on planning this afternoon. While in the initial paragraphs the tasks to be accomplished for the successful implementation of the remaining phases of the second Plan and the approach that should govern the formulation of the third Plan have been explained in considerable detail, a vital change in the objective has been introduced in an inconspicuous manner, in the very last paragraph of the 1,500-word resolution. It says: 'The creation of a democratic and socialist society should be clearly and unambiguously placed before the nation as the objective of planning and all the implications of socialism, in the terms of individual and co-operative effort it requires, should be clearly explained to the people.' In other words, the Congress has now dropped the objective of the establishment of a 'socialistic pattern of society' and has now adopted the objective of a 'democratic socialist society.' The implication obviously may be that there should be hereafter no room for any uncertainty in the pursuit of socialist policies and that the scope for an elastic approach in regard to economic policies may be considerably restricted."

It may be that the time required for implementing the new socialist policy of the Congress Party will be longer than the seven weeks that are now left for the presentation of the budget. There was an interval of more than two years between the Avadi resolution and the introduction of Kaldorian taxes, though, even before that, every budget after Avadi had meant some addition to both direct and indirect taxes. But now, as Mr. Nehru seems to be impatient with the progress that his socialism has made, he may seek to accelerate its speed sooner than many believe.

* * * *

The short-term money market is fairly tight again. Even after the year-end requirements have been met, the interest rates have not declined. The inter-bank call rate at 3½ per cent. is ½ per cent. up on the rate that was prevailing during mid-December. Term money rates have been knocking against the ceilings fixed under the inter-bank agreement. The response to Treasury Bills this week was relatively poor, as compared with what it used to be before the holidays. All this is not surprising, because, in recent months, the banks have gone in heavily for Government securities. In fact, over the past year, their investments in these securities have been more than the increase in their net deposits. In other words, they have already lent to the Government not only the entire expansion in deposits during 1958 but also a part of the expansion that took place in 1957. It is not, therefore, wholly right to argue, as some seem to do, that the banks are flushed with funds and the Government can borrow more from them.

There are only two ways in which banks can lend further support to Government securities. One is through a fresh growth in their deposits and the other through borrowings from the Reserve Bank. While deposits will, of course, continue to grow, it is hard to determine its pace in advance. By restricting themselves to a ceiling on interest rates, the banks have placed an impediment, albeit invisible, to the growth in their resources, especially as the public sector has stepped up its campaign for collecting the people's savings. There is, however, good scope for borrowing from the Reserve Bank, for the present indebtedness of the banking system to it is only very small. But it will not be sound for banks to borrow from the Reserve Bank and lend the money to the Government. It may not pay them to do so for one thing. It will be inflationary for another. The prospects for the Government's borrowing programme in 1959 thus seem to be somewhat less bright as compared with the big success that attended its 1958 programme

* * * *

The convertibility of West European currencies for non-residents is one of the major developments in international finance since our last issue. The biggest of all these currencies is undoubtedly the pound sterling. So far, this development has had no adverse effect on sterling. On the contrary, sterling has been ruling firm. There was a fractional fall on 29th December 1958, when convertibility was announced and the transferable sterling disappeared; the unified rate for spot sterling in New York opened at $2.80.3/32, as against $2.80.13/32 on 28th December 1958. But it soon began to improve and was quoted at $2.80.17/32 yesterday. Similarly, three months' forward sterling has come back to $2.80.11/32, after being down at $2.79⅞ on 29th December 1958. The last quotation for transferable sterling before it went off the list was 279.80 cents per £. This was 0.40 cent higher as compared with the rate prevailing a week before the convertibility decision was taken. It is noteworthy that "security sterling," that is, the sterling which results from non-residents' sales of sterling securities and is not covered by the convertibility decisions, has come to be quoted on a par with free sterling. There is evidence that foreign demand for British securities has been stimulated by the heightened status of the sterling.

While warmly welcoming the British Government's decision to make non-resident sterling fully convertible, Sir Oscar R. Hobson, the talented money market commentator of the *News Chronicle* and a great believer in free market economy and in the efficacy of monetary discipline, has sounded a note of caution. He says:

"At the moment, I think the most important thing is to avoid being swept away by the swirling optimism and to keep one's feet on the ground. Let us, for example, remember:

"That trade recession is still with us.

"That, if a certain amount of more foreign money comes to London, we have big commitments to meet out of our reserves.

"That these commitments are actually increased by the winding up of the European Payments Union and the extension of the International Monetary Fund.

"Including the repayment of the dollar and E.P.U. credits and the provision of the gold portion of our increased I.M.F. quota, the total payable in gold will amount to well over £400 million.

"This does not count the annual instalments on the U.S. and Canadian debts, including the one, £65 million or so, payable today. (This has since been paid.) All this has to be found out of a reserve which is now only £1,150 million."

* * * *

Although more than a fortnight has elapsed since the Government of India announced its decision to release a quantity of 100,000 tons of sugar for export during the current season, no information is yet available as to whether steps have been taken to fix export quotas for individual mills. Perhaps, the Government is waiting for a clearer picture of the production trends and also for indications of the quantities likely to be produced by each factory. If this is true, as it appears to be, the Government has been in undue haste to announce its export programme for the current season. It has only helped the price of sugar to go up, a development contrary to its oft-repeated desire to keep prices down. It should have at least learned from the past year's mistake. By talking about exporting 200,000 tons, the Government was responsible, to a considerable extent, for the substantial rise in sugar prices last summer, though it finally decided to export only 50,000 tons.

The quantity of sugar fixed for export, namely, 100,000 tons, is certainly large in the context of surplus available in the country. It may even render the supply position somewhat unfavourable to consumers. The rate of cane crushing in mills is currently at a slower rate as compared with the corresponding period of last season. Evidence of this is provided by the fact that the quantity of sugar actually produced since the commencement of crushing operations upto 15th December is estimated at no more than 267,000 tons, as against 289,000 tons a year before. There are three important factors pointing to a decline in the total production of sugar in the current season. First, the sugarcane crop is expected to be poor; the all-India first estimate of cane for 1958-59 places the aggregate area at 4,795,000 acres, as against the adjusted first estimate of 5,031,000 acres and the final estimate of 5,021,000 acres for 1957-58. Secondly, the diversion of cane supplies to the manufacture of *gur* and *khandsari* continues to be large, owing to the relatively high prices commanded by the latter and the sizable tax advantage of Rs. 13 per maund enjoyed by them over white sugar. Thirdly, the agitation for a higher price for sugarcane in U.P. and Bihar has been interfering with the flow of cane into the factories. If the threatened strikes by the growers were to materialise even in part, it would have a markedly adverse effect on sugar production.

Even assuming, for argument's sake, that production will be at the last season's level of 1,976,000 tons, the supply actually available will be less, thanks to the smaller carryover of 364,000 tons. The total supply thus comes to 2,340,000 tons, as against 2,434,000 tons in 1957-58. While the supply of sugar is lower, the demand for it may rise further because of the continuous growth of population. In view of this, it is surprising that the Central Government should have decided upon larger exports (100,000 tons) in 1959 than in 1958 (50,000 tons). Indeed, it looks as though the consumer will have to pay more for his requirements of sugar in the coming months. Already, the ex-mill, wholesale and retail prices of sugar have registered a sharp rise all over the country, an unusual phenomenon in the beginning of the season. Medium grain sugar is now quoted in the Bombay market at Rs. 109.50-Rs. 114 per bag, as against Rs. 108-Rs. 110 towards the close of the last season (29th October 1958).

Apart from rendering the supply position of sugar unfavourable to consumers, exports of 100,000 tons of sugar will entail much loss to the country. The total loss on an export of this quantity will be of the order of Rs. 6.80 crores, while the foreign exchange earned will be no more than Rs. 4.60 crores. Of this loss, the industry's share will be about Rs. 2.90 crores and the Government's share (by way of remission of excise duty and cane cess) at least Rs. 3.40 crores. The exact loss will, of course, depend upon the trend of world sugar market. The amount of loss estimated above is based on an f.o.b. realisation of about £34 per ton.

It should not, of course, be difficult for India to export 100,000 tons in one year, if it is prepared to sell in world markets at competitive rates, irrespective of the loss involved. It may be noted here that, of the 50,000 tons of sugar released for export on 27th June 1958, the quantity actually shipped upto the end of October 1958 was 30,000 tons. The remaining 20,000 tons were exported during November and December 1958.

* * * *

With the exception of non-ferrous metals which are ruling easy, the commodity prices have shown a distinctly hardening tendency since the new year began. In particular, oilseeds have staged an impressive rally, as the figures given below will testify:

	Unit	Latest available	31st Dec., 1958
		Rs.	Rs.
Cotton I.C.C. Jarilla March	Per candy	646 00	641 25
Groundnut February 1959	Per qrt.	164 37	162 12
Castorseed May 1959	„	142 00	137 62
Linseed May 1959	„	81 62	80 81
Cottonseed February 1959	„	121 25	115 25
Sugar medium	Per bag	109½-114	109-112½
Black pepper	„	72	70
Copper scrap	Per cwt.	206	207
Brass scrap	„	163	164
Zinc	„	102	103
Lead	„	90	93
Tin	Per qrt.	153	154
Hapur—			
Wheat	Per maund	26 50	24.75-26
Rice (*Dasmati*)	„	30 00	29 00
Gram	„	20	19 75
Barley	„	16 50	16 50
Maize	„	15.25	15
Jowar	„	14.25	14·12

* 2nd January 1959.

The rise in oilseeds prices is chiefly the result of rumours that the release of a sizable export quota for groundnut oilcake (expeller variety) is impending, good buying of castorseeds by crushers, hopes of export business in castor oil with Communist countries in the near future, and enquiries for linseed from North Indian interests. The Government of India has decided to grant the established exporters of groundnut oil licences for groundnut cake equal in quantity to the oil they export till 28th February next. This decision has been generally welcomed by the trade. A section, however, feels that, barring some sales to Burma and Hong Kong, the outlook for large groundnut oil exports is not bright, thanks to the wide disparity—Rs. 160 per ton—against Indian as compared with world prices.

The firmness of cotton is due to persistent short-covering on account of small arrivals. There is also speculative purchase by a few operators on fears of shortage of supplies, owing to some damage to crops. Further, mill buying of staple varieties in the spot section has been quite active.

With regard to sugar, the advance in prices must be attributed chiefly to heavy buying influenced by fears of a shortage developing in the country. The fears are based on indications of a fall in output, smaller carryover from the previous season, and the Government's decision to export 100,000 tons. Expectations of the Government conceding the sugar millowners' demand for a rise of at least 50 nP to 75 nP per maund in the controlled ex-mill prices has also imparted strength. The bullish fervour has been fanned further by the spurt in *gur* prices in North India, despite the introduction of margin system at Hapur, Kanpur and Agra and rumours that the Government might ban futures trading.

The foodgrains markets which had developed a downward trend a few weeks ago following reports of excellent *kharif* rice crop and modest increase in coarse grains—that is, *jowar*, *bajra*,

(*Continued on next page*)

EQUITIES FIRM

SIZABLE GAINS ALL ROUND

(From Our Own Correspondents)

BOMBAY, *8th January*

THE new account on the Stock Exchange which opened on Monday this week commenced on a promising note, notwithstanding the budget uncertainties and the imminent Congress session which is scheduled to discuss some important issues which are of significance to the private sector of the industry. The first two sessions of the New Year (which were also the last ones under the old settlement) were, however, quiet, with narrow movements in prices on end-of-account considerations, in distinct contrast to the cheerful tone with which the year 1958 closed.

The firm tone since the opening of the new account was inspired by the moderate *budla* charges in the last settlement, the encouraging production trends of the Tata Iron and Steel Company and the Indian Iron and Steel Company during December, the Prime Minister's statement at his monthly Press Conference on Saturday last that the Government had no intention of imposing ceiling on urban incomes, as such a step, in his view, would cramp initiative and dynamism, and the Life Insurance Corporation's support to some of the scrips. The Congress Working Committee's resolution on planning, to be submitted to the A-I.C.C. (adopted on Tuesday), in which it had recommended some measures to mobilise the resources of the country, particularly its emphasis that profits in the private sector should be controlled, did not have any effect on the market. On the contrary, the operators would appear to be optimistic that this resolution would not be brought into effect. The market seems to be also of the view that the Budget would be a sober one.

This review covers two trading weeks, the one ended 24th December 1958 and the first week of the New Year. In the intervening period, the market remained closed due to holidays. The variations in prices referred to below, therefore, represent the changes as compared with the closing quotations on 18th December last (the date of our last weekly review).

The steel section was firm on good support to Indian Irons from Calcutta and purchases of Tata Ordinaries by the L.I.C. The production of both the companies during December was encouraging. The output of saleable steel of T.I.S.Co. touched a fresh record high of 90,100 tons, as compared with 83,600 tons in November and 74,200 tons in December 1957. Steel ingots have gone up from 85,100 tons to 91,900 tons, the figure for the corresponding month of 1957 being 100,500 tons. Production of pig iron amounted to 98,900 tons, having gone up from 84,200 tons in the previous month and 95,100 tons in December 1957. The I.I.S.Co. produced 50,697 tons of saleable steel, as against 43,847 tons in November. Steel ingots rose by 1,115 tons to 61,372 tons and pig iron by 2,495 tons to 92,690 tons.

On the Stock Exchange, Tata Ordinaries, which had risen from Rs. 170.75 (as on 18th December) to Rs. 173 at the close of the year (that is, on 24th December), dipped to Rs. 171 on 3rd January on end-of-account considerations. Subsequently, the shares again staged a spurt to touch Rs. 175 today The closing was, however, a shade lower at Rs. 174.50. Indian Irons fluctuated between Rs. 25.55 and Rs. 25.10 in the closing week of the year before finishing at Rs. 25.30. After receding to Rs. 24.88 on the opening day of the New Year, the shares gained ground to Rs. 25.70 before closing today at Rs. 25 65.

Textile shares too participated in the upward movement on expectations that the demand for cloth would pick up following the rise in agricultural production. Bombay Dyeings which had risen from Rs. 54.50 to Rs. 55.40 in the closing week of December maintained the upward trend in the first week of the New Year also, closing today at Rs. 56. Centurys recorded a gain (over the three-week period) of Rs. 9.75 at Rs. 424. Kohinoors, which had come down from Rs. 235 to Rs. 231, more than made good the loss in the last two days when it finished at Rs. 236. Central Indias rose by Re. 1 to Rs. 88. Finlays were lower by a rupee at Rs. 258. Indu Ordinaries gained 20 nP to Rs. 8.68. Models were done Re. 1.50 higher at Rs. 174, while Morarjee Goculdas were unchanged at Rs. 235, as also Podars at Rs. 128. Shree Niwas Cottons gathered no more than a rupee to Rs. 136, and Simplex a like sum to Rs. 169. Standards were marked up by Rs. 3 to Rs. 408 and Svadeshis by as much as Rs. 7.50 to Rs. 212. Swans moved up by Rs. 5 to Rs. 350, while Tata Mills shed Re. 1 to Rs. 35.

The highlight of business in bank shares was provided by Barodas, which shot up by Rs. 6.50 to Rs. 128.50 and their 'B' shares by Re. 1 to Rs. 60. Centrals rose by 70 nP to Rs. 58.70 and their new shares by Re. 1.70 to Rs.61. Dena Banks advanced by Rs. 3 to Rs. 50. Bank of Indias stood Rs. 2 higher at Rs. 138.75, while their new shares were unchanged at Rs. 139.50. United Commercials picked up Re. 1.50 to Rs. 68.

Electricity shares attracted some investment support. Ahmedabad Electrics improved by 80 nP to Rs. 95.30. Amalgamated Electrics were placed at Rs. 10.92 *ex-div.*, as against Rs. 11.36 *cum-div.* Tata Hydros were done at Rs. 119.50 *ex*-interim dividend of Rs. 3, as against Rs. 122.50 *cum-div.*, Tata Powers at Rs. 1.192.50 *ex-div.* (Rs. 30 per share), as against Rs. 1,217.50 *cum-div.*, and Andhra Valleys at Rs. 1,170 *ex-div.* as against Rs. 1,195 *cum-div.*

Sugar shares were featureless. Belapurs moved within a narrow range, before being done at Rs. 276 *ex-div.* today, which on a *cum-div.* basis represents an increase of only Re. 1. Bhopals gained 30 nP to Rs. 26.30, while Changdeos lost a rupee to Rs. 31, Phaltans a like sum to Rs. 158 and Walchandnagars Rs. 2 to Rs. 269.50. In the cement group, Associated Cements provided a relatively dull feature, closing with a gain of only Re. 1.25 at Rs. 151.50. Digvijays advanced by Rs. 4.75 to Rs. 132 50 and Orissa Cements by 36 nP to Rs. 12.08. Ashoka Cements rose by 76 nP to Rs. 7.48 and Jaipur Udyogs by 36 nP to Rs. 10.20. Engineering shares shaped well, Alcock Ashdowns jumping by Rs. 6.25 to Rs. 247.50. Tata Locomotives gathered Rs. 2.50 to Rs. 158.25 and Premier Constructions Rs. 3 to Rs. 235.50. Larsen and Toubros recorded a rise of 72 nP to Rs. 16.88, while Mahindras were dull at Rs. 18.44. Among mining shares, Shivrajpurs stood Re. 1.50 higher at Rs. 87 and Indian Coppers 4 nP better at Rs. 3.56.

Hindustan Motors were marked up by 32 nP to Rs. 6.76, while Premier Automobiles shot up by Rs. 6.80 to Rs. 86.50. Scindias were prominent on reports of L.I.C. purchases and gained 56 nP to Rs. 21.56. Great Easterns were also favoured and rose to Rs. 24.04 *ex-div.* (dividend. Re. 1.80), as against Rs. 25.05 *cum-div.* Bharat Lines were quiet at Rs. 12.96.

In the miscellaneous group, Bombay Burmahs provided an exception to the general trend, with a decline of Rs. 8 to Rs. 467.50, reflecting the market's disappointment with the lower final dividend of the Company. The Directors have recommended a final distribution of 12 per cent. which with the interim one of 6 per cent. makes a total dividend of 18 per cent. for the year ended May 1959 on the increased capital of Rs. 1,33,75,000, raised by the bonus issue. The total dividend for 1957 58 is equal to 22.5 per cent. on the old capital, as against 32 per cent. paid for 1956-57 on the same. National Rayons were very firm with a smart rise of Rs. 11.50 to Rs. 242.50. Gwalior Rayons put on 16 nP to Rs. 13.68. Tata Chemicals were done 96 nP higher at Rs. 15.12 and Tata Oils 50 nP better at Rs. 44.25. Voltas picked up Rs. 3.50 to Rs. 138 and Wimcos Rs. 4.50 to Rs. 188. Killick Industries had business at Rs. 149 *ex-div.* which on a *cum-div.* basis represents a rise of Rs. 3.

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Calcutta Stock Exchange

CALCUTTA, *7th January*

The Calcutta Stock Exchange opened the New Year on 2nd January on a firm note, displayed an easier movement on the 3rd in the absence of incentives, and gradually steadied up from the 5th, following reports from Nagpur that the Working Committee's draft resolution calling for a ceiling on urban incomes and on profits in the private sector would be toned down considerably before it was placed before the open session of the Congress. In the meantime, enthusiastic note was taken of Mr. Nehru's opinion at his Press conference in New Delhi on Saturday last that imposition of a ceiling on urban incomes at this stage was not desirable. The volume of business did not, however, show an expansion. As much would depend upon further news from Nagpur, operators and investors preferred to follow a cautious attitude.

This review covers the period beginning from 16th December to date, and in the week ended 20th December conditions were steady. Miscellaneous and jute shares were in keen demand, and these, especially the low-priced scrips, recorded gains. After this, there were only four working days in the period from 22nd to 30th December, in view of the intervention of holidays. During these four days, price movements were narrow and that suggested that operators were in a holiday mood. Bear sales for meeting year-end cash requirements depressed prices a little, but the year closed with sizable gains. Market circles believed that speeches at the Congress session would indicate if further steps were in store in the forthcoming budget in the evolvement of the socialistic pattern of society. However, considering the havoc that the 1957 socialistic budget had caused to industrial progress, it was thought here that New Delhi would act with extreme caution and foresight on any recommendations that may come forth from the Congress.

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Madras Stock Exchange

MADRAS, *6th January*

Since we reported last on the 16th ultimo, the Madras Stock Exchange has been ruling distinctly dull, the trend of prices being generally downward. Transactions put through are considerably restricted. For the operators would appear to be not inclined to enter into fresh commitments, pending the deliberations of the Congress session at Nagpur, in view of talks on curbing profits of private enterprise. Coffee shares are depressed on fears of overproduction as revealed by the Chairman of the Consolidated Coffee Estates (1943) Ltd. and reports of competition in world markets. In sympathy, tea and rubber shares are ruling easy. Textiles continue to be neglected, thanks to absence of any encouraging developments in the yarn and cloth markets. Banks and electrics are quiet, as also miscellaneous industrials.

Among tea shares in the planting section, Twyfords were marked down by a rupee to Rs. 15.75. Talayars dropped 50 nP to Rs. 7.90. Parksides declined by 40 nP to Rs. 19.25 and United Nilgiris by 35 nP to Rs. 17.25. Nonsuch Teas receded by 12 nP to Rs. 23.25, Kalasas by 5 nP to Rs. 3.35 and Waterfalls by 3 nP Rs. 3.45. Devasholas lost a like amount to Rs. 24.37. Blue Mountains shed 8 nP to Rs. 3.35.

In the coffee group, Balmadies fell by 20 nP to Rs. 3.30. Sangameshwars eased by 2 nP to Rs. 2.48. Bababudins were neglected at Rs. 12.75, Badras at Rs. 4.40 and Savamalais at Rs. 3.47.

Among rubber shares, Travancore Rubbers retreated by 15 nP to Rs. 17.25. Rajagiris and Vellimalais lost 10 nP each to Rs. 18.40 and Rs. 5.85, respectively. Nemmenys were quoted 7 nP lower at Rs. 15.65. Nilamburs were dull at Rs. 15. Thamarapallys at Rs. 27, Tropicals at Rs. 21.75 and Malankaras at Rs. 18.12.

In the textile section, Bangalore Woollens dropped Rs. 3.50 to Rs. 154.50. Loyals and Vasantas fell by Rs. 2 each to Rs. 27.50 and Rs. 201, respectively. Balasubramanias declined by Re. 1.50 to Rs. 50.50 and Coimbatore Cottons by Re. 1 to Rs. 135. Janardhanas and Ranga Vilas shed 50 nP each, the former to Rs. 68.50 and the latter to Rs. 49.50.

THE BANK OF MAHARASHTRA LTD.

Head Office: POONA, 2.

Net Profit for the year ended 31st December, 1958 (subject to Audit) after meeting all expenses and after making provision for payment of Bonus to Staff of Rs. 1,10,000 (as against Rs. 70,000 last year) and other usual and necessary provisions	Rs.	5,56,600 (4,69,000)
ADD: Balance of Profit brought forward from previous year ..		36,100 (32,000)
Total ..		5,92,700 (5,01,000)
LESS: Appropriations proposed :— Provision for Taxation ..		2,50,000 (2,10,000)
Transfer to Reserve Fund ..		1,50,000 (1,50,000)
Dividend at 6¼% per annum free of Income-tax *pro-rata* on the increased Capital of Rs. 25,22,400 as against Rs. 19,07,800 last year (approximate)		1,55,000 (1,05,000)
To be carried forward to next year's account		37,700 (36,100)

Amounts are rounded to the nearest hundred.
(Figures in brackets relate to corresponding items of the last year, i.e., 1957.)

Deposits—	Rs.
1958	10,60,00,000
1957	7,85,00,000
Investments—	
1958	4,81,00,000
1957	2,50,00,000
Advances—	
1958	4,49,00,000
1957	3,83,00,000
Working Capital—	
1958	12,35,00,000
1957	9,25,00,000

MARKET GOSSIP

(Concluded from previous page)

maize and *ragi*—have since firmed up. It would appear that the agriculturists are trying to withhold crops on expectation of higher prices. The co-operative societies which are getting better credit facilities from the Government, it is said, are helping the agriculturists in this connection.

Two factors have been responsible for an advance in the prices of black pepper. One, inquiries from the U.S. and Communist countries are keen; the U.S. is reported to be willing to purchase at 22 cents per lb. Two, there has been a substaintial fall in arrivals.

In contrast to the generally upward trend of commodity prices, non-ferrous metals are ruling easy, as stated at the outset. Copper scrap has reacted to the drop in copper prices from £223 to £220 in London, following the Board of Trade's decision to release from stockpile the remaining quantity of 30,000 tons. There are also hopes that New Delhi may concede the request of the concerned interests for permission to borrow copper from stocks held by the S.T.C. for replacement from their own supplies later. Meanwhile, the traders are awaiting details of the copper distribution policy of the S.T.C. which, it is believed, will be announced shortly. In the case of zinc, there are reports that imports on S.T.C.'s account, which are expected to be received by the end of this month, will be distributed to the industries early next month. The fall in lead prices is due to selling by speculative interests who had bought sizable quantities last week. The cornering of tin stocks by some operators has abated and prices have tended to come down. The decline is expected to gather further momentum after the tin imported against quota licences granted to established traders starts arriving in the market. Brass scrap prices have declined as a result of the cut of Rs. 8.25 per 100 kilograms in the price of I.C.C. brass sheets. There would have been a more marked fall but for reports of closure notice by Indian Smelting from next week, continued restricted sales by Kamanis, and possibility of reduced allocations of I.C.C. brass scrap due to breakdown in Chatsila works.

NEWS IN BRIEF

THE Government of India proposes to provide five zonal cells of productivity experts in the country to advise industrialists.

Following the Indo-Iraq trade agreement signed recently, the Government of India has decided to increase the import quota for dates from 15 per cent. to 50 per cent.

The Government of India has decided to reintroduce the system of registration of contracts for Egyptian cotton import. This system had been discontinued on 13th December 1958.

The Government of India has decided to accept the offer of the U.S.S.R. to establish a two-million oil refinery at Barauni in Bihar. The proposed refinery will be entirely in the public sector.

The work done by the Regional Honorary Cement Advisers to the Government of India has been taken over by the officers of the State Trading Corporation of India with effect from the 1st inst.

The first lightweight third-class-cum-luggage-van designed and manufactured by the Integral Coach Factory, Perambur, Madras, was put on rail on the 3rd inst. by the Union Deputy Minister for Railways, Mr. S. V. Ramaswamy.

The Governments of India and West Germany signed an agreement on Tuesday last under which the latter will provide a long-term credit of $40 million to help India's second Plan. This credit is part of the agreement reached in August last under the auspices of the World Bank.

A committee, called the Intermediate Port Development Committee, headed by Mr. H. P. Mathrani, Development Adviser and *ex-officio* Joint Secretary in the Ministry, has been set up by the Central Ministry of Transport and Communications, to select suitable intermediate ports for intensive development in the order of priority.

The Government of India has tentatively decided to utilise about Rs. 3 crores annually from the funds of the Life Insurance Corporation for giving loans to middle income group housing schemes. Besides, a sum of Rs. 1 crore is expected to be made available from the Corporation funds to give grants to co-operative housing societies.

A 17-man committee has been constituted by the Madhya Pradesh Government to study and advise it on fixation of minimum wages for agricultural labour. The committee is headed by Mr. Brij Raj Narayan, retired Chairman of the State Board of Revenue and includes representatives of employers and employees. Its recommendations are expected to be submitted within three months.

The total electricity produced by public utility power stations in India in September 1958 amounted to 1,050.9 million kw.h. Of this, 843.1 million kw.h. were sold to ultimate consumers. The corresponding figures for September 1957 were 922.6 million kw.h. and 739.3 million kw.h., respectively, and those for September 1939 were 209.1 million kw.h. and 175.9 million kw.h., respectively.

India will receive a credit of £28.5 million from Britain under the Export Guarantees Act of 1949 which will be utilised for taking delivery of all U.K. goods already ordered. An agreement to this effect was signed in London on 20th December last between the Indian High Commissioner and the Secretary of the U.K. Export Credit Guarantee Department.

A new company, called the Heavy Engineering Corporation Limited, has been set up by the Government of India. The Company will undertake the administration of the different engineering projects under contemplation. The projects include the heavy machine building and coal mining machinery plants, for which assistance has been secured from the U.S.S.R., and the foundry forge plant which is being established with Czechoslovakian assistance.

The Government of Madhya Pradesh has prepared a detailed case for the location of a steel plant at Raughat in Bastar district and an aluminium plant at Amarkantak, in Vindhya Pradesh. This will be submitted to the Central Government shortly. An expert Committee appointed by the State Government in connection with the establishment of the proposed aluminium plant is understood to have favoured its location at Amarkantak, in view of the abundance of bauxite and coal in the region.

Negotiations between India and the U.S. to draft a convention aimed at avoiding double income-tax have made substantial progress, and agreement at the technical level has already been reached on most of the important points, according to the U.S. Treasury Department. An Indian Finance Ministry delegation was in Washington in this connection last month. The final round of negotiations is expected to take place in New Delhi shortly, when an agreement is expected to be reached on a draft convention which will be submitted to the respective Governments for approval.

At the meeting held at Bangalore on the 2nd inst., the standing committee of the Central Silk Board examined several schemes submitted by the State Governments with requests for financial assistance during the current financial year. The schemes included celebration Farmers' Day, development of Sericultural Research Institute at Channapatana and modernisation of silk filatures in Mysore State. The Committee also discussed various steps designed to promote exports of silk fabrics and stabilise prices of raw silk in the country.

Exports of Indian handicrafts earned foreign exchange worth over Rs. 6.36 crores during 1957. This does not include handicrafts sent by post parcels or those purchased by foreign tourists. The figure also excludes exports of handloom fabrics and handprinted cloth. Carpets and druggets led others, the value of their exports being about Rs. 4.19 crores. Brass and bronzewares earned over Rs. 96 lakhs, synthetic stones about Rs. 17 lakhs, fabrics of textile fibres mixed with metal about Rs. 11.8 lakhs, woollen shawls Rs. 11.7 lakhs and wood carvings about Rs. 11.3 lakhs.

It has been clarified by the Union Government that the fair ex-works selling prices of different grades of calcium carbide produced by Messrs. Birla Jute Manufacturing Company Ltd., announced on 9th October 1958, are for packings of 50 kilograms and 100 kilograms and not for 1 cwt. and 2 cwts. In its resolution dated 9th October, the Government had announced acceptance of the Tariff Commission's recommendation that protection to the calcium carbide industry should be extended for a period of three years beyond 31st December 1958 and that the fair ex-works selling prices of different grades of calcium carbide should be fixed as recommended by the Commission.

Production of railway wagons in India has increased nearly sixfold since independence. During 1947-48, production amounted to approximately 3,100 units. Five years later, that is, in 1952-53, it increased to 6,388. Production rose faster during the subsequent five-year period, the number of wagons actually manufactured in 1957-58 being 17,390. At the initial stages, only general purpose wagons were manufactured in the country and most of the special purpose wagons were imported. The manufacture of the latter types has since been developed in the country, and all requirements of the railways can now be met entirely from indigenous production.

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From Abroad

The Soviet oil output in 1958 is estimated to have touched 113.5 million tons, 15.2 million tons more than in 1957.

An agreement fixing the volume of Pakistan's cotton textile exports to the U.K. is expected to be signed by the end of this month.

The South African bank rate was lowered by half per cent. on the 5th inst. to 4 per cent., the level at which it stood between March 1952 and September 1955.

Spain has been granted loans amounting to $22.6 million from the U.S. Loan Development Fund. Of this, $14.9 million will be used for development of railways and the rest for agricultural projects.

The U.S.S.R. and the United Arab Republic signed an agreement on 27th December 1958 providing for a Russian loan of 400 million roubles to build the first stage of the Aswan Dam to harness the waters of the river Nile.

It is reported that China produced 270.2 million tons of coal in 1958, a quantity which was more than that Britain produced. If the report is true, China has become the world's third largest producer, the first two being the U.S. and the U.S.S.R.

Europe's longest pipeline installed in W. Germany, running 240 miles from Wilhelmshaven, a W. German North Sea port, to the Ruhr and Cologne, will shortly begin working. This 24-inch underground pipeline will eventually be able to handle annually about 20 to 22 million tons of oil.

A Swiss cow owned by a New Jersey farmer in the U.S., has set a world record by producing 34,850 pounds of milk in a single year. This is enough to supply four persons with a quart of milk every day for more than 11 years. The cow was exhibited at a farm convention held at Syracuse, New York.

A gas leak detector, so sensitive that it sniffs out leaks so small that it would take more than a year for 1/100th ounce of gas to escape undetected, has been announced by a U.S. manufacturer, the General Electric Company. The new detector is used by the Company to search for leaks in the Redstone and Jupiter rocket engine systems.

Malaya will raise its output of natural rubber to 850,000-900,000 tons by 1965, which represents a gain of over 30 per cent. in seven years, according to a forecast of the Natural Rubber Bureau, Washington. This will be the largest increase ever made in any similar period in this country's history.

Under an agreement signed between the U.S.S.R. and Indonesia on the 3rd inst., the latter country will receive from the former aid amounting to about £30 million for industrial and agricultural projects. The projects include establishment of an iron and steel factory and a superphosphate factory, rice farms and construction of new roads.

The Swedish Government has introduced provisional minimum specific tariffs for rayon, silk, woollen textiles, rubber tyres, in additions to the current *ad valorem* tariffs. The minimum tariffs on cotton knitwear and nylon stockings will remain in force. The new tariffs will affect only goods dumped from Eastern Europe and Italy and not regular imports of high quality goods.

The Benelux countries have concluded big bilateral commercial agreements with Poland and Hungary. The agreement with Poland provides for trade amounting to 2,600 million Belgian francs in both directions. It includes trade with Belgian Congo with some restrictions, particularly on Polish textiles. The agreement with Hungary covers trade valued at 700 million Belgian francs in both directions.

An upward trend in U.K.'s production is indicated in the index of industrial production for October which is estimated provisionally at 110, as compared with the revised figure of 107 for September. This shows signs of rising by another two or three points for November. The figures for September and October 1957 were 111 and 112, respectively.

A U.S. company has developed a process of welding metals by use of high frequency sound waves, according to Dr. C. E. Arntzen of the Westinghouse Electric Corporation. The process, still experimental and known as ultrasonic seam welding, is likely to become a practical and successful production line technique. The process requires no electric current or outside heat source applied to the surfaces of the metals to be welded.

Loans and stand-by credits amounting to $329 million have been extended to Argentina by the U.S. Government, the International Monetary Fund and a group of eleven U.S. banks, to assist the country to achieve financial reforms and promote economic development. Of this, the largest credit is for $125 million from the U.S. Export-Import Bank to finance power development and to expand meat, cement, pulp and other industries.

With a view to expediting oil exploration in the Sinai peninsula and offshore areas in Egypt, the Government of U.A.R. has granted substantial exploration concessions to the Egyptian Eastern Petroleum Company, in which E.N.I., Italy's State-controlled Petroleum Corporation, participates. With the new concessions, the Company's oil production is expected to rise from the present level of 2.0 million tons to about 8.0 million tons per annum.

The first "people's shares" will be issued in West Germany this year as part of the Government's bid to turn the country into a property-owning democracy. The new issue, amounting to £2.2 million, will be made by Preussag, a mining concern owned by the Government. It will be sold only to small investors earning less than £1,360 a year. Nobody will be allowed to buy more than £43 (nominal) of the new issue. Its issue price, yet to be fixed, will be kept as low as is in conformity with good business practice.

The average American family had a gross income of $5 000 per year, or four per cent. greater than in the previous year. Approximately four million of the nation's 44 million families received incomes of $10,000 or more in 1957, and another 18 million had incomes ranging between $5,000 and $10,000. About 15.5 million American families were in the $2,000 to $5,000 income bracket, while an estimated 6.5 million families had incomes of less than $2,000. The average income of non-farm families increased by 3 per cent. over the preceding year and was $5,200.

Japan is understood to have taken steps to simplify its trade, payment regulations with effect from the 2nd inst. This is so designed as to make it possible, for the first time after the war, of the payment of sterling for trade with hard currency areas. Under the new system, foreign currencies have been divided into two categories, namely, the hard currency areas of the dollar and dollar convertible currencies and the open account areas. As a result, with the exception of a few countries like South Korea and Formosa, traders can make payments in any currency for trade with most parts of the world.

PERSONAL

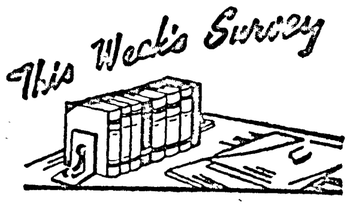
MR. C. P. N. Singh, until recently Governor of the Punjab, has been appointed Indian Ambassador to Japan, *vice* Mr. C. S. Jha.

Mr. N. Dandekar, I.C.S. (Retired), Managing Director of Cement Agencies (Private) Ltd., Managing Agents of the Associated Cement Companies Ltd., has been elected President of the Bombay Chamber of Commerce for the year 1959-60.

Mr. J. K. Srivastava, Chairman, Board of Directors, New Victoria Mills Company, Ltd., Kanpur, has been re-elected President of the Upper India Chamber of Commerce, Kanpur, for the year 1959.

Mr. M. R. Bhide has joined the Union Ministry of Community Development and Co-operation as Additional Secretary in charge of Co-operation.

Dr. N. Das, a former Home Secretary to the West Bengal Government, has taken charge as Director-General of the Employers' Federation of India.



FREE ENTERPRISE AND DEMOCRACY

IN the course of his last monthly Press conference, India's Prime Minister, Mr. Nehru, spoke about the role of private enterprise in a democracy. A correspondent asked him whether he agreed with the view that joint-farming co-operatives would strengthen totalitarian trends. Mr. Nehru replied that he differed from those who held such a view. He added: "It is like statements connecting private enterprise with democracy which I think is wholly unjustified. It has no meaning. I do not accept at all that private enterprise is an essential part of democracy. I shall go a step further and say that private enterprise may come in the way and does come in the way of the functioning of democratic apparatus."

Mr. Nehru has carried a little too far his socialist indignation against his democratic opponents. There may be some element of truth in his argument that private enterprise is not an inevitable part of democracy. This truth rests on the assumption that a democratic country has the right to vote in favour of socialisation of the means of production. Socialism may thus be brought about by democratic means. At the same time, it is well to remember the lessons of history which shows that countries which administered to themselves excessive doses of socialism ceased to be democracies. The only important nation which seriously tread the socialist path without sacrificing its democracy is the U.K. But the experiment was brief, having been confined to the duration of the Labour Party's stay in office. By and large, socialist ambitions of political parties have resulted in subversion of democracy, if not wholesale, at least to a considerable extent. Any experiment in excessive restriction of the area of economic freedom must nearly always end in the disappearance of political liberty. This danger is greater in underdeveloped countries where democracy has not struck firm roots.

In any case, it is one thing to say that private enterprise need not be a necessary concomitant of democracy, and quite another to contend that private enterprise is an obstacle to democracy. The danger to democracy may come from two quarters. It may come from unalloyed capitalism—such capitalism is only a figment of socialist fancy and does not exist anywhere in the world today—or, as historical experience shows, from extremist political ideologies. When property-owning classes use their wealth for corrupting the electorate or the elected representatives, there will no doubt arise a danger to democracy. But there are in all democratic societies ample safeguards against such misuse of wealth. Freedom of Press and freedom of speech, not to mention the elaborate electoral rules, are themselves a powerful safeguard against any such attack on democracy.

A far greater source of danger to democratic institutions is, however, the political party which makes the State its object of veneration and democracy the ladder by which it can go up to seats of power and then kick that ladder for all time to come. It is such a party, not the free enterprise system, that constitutes a threat to freedom. It is a pity that many democrats, not excluding Mr. Nehru, willingly swallow the whole camel of communist threat to democracy but strain at the non-existent gnat of danger to it from private enterprise. Actually, private enterprise is the loyal ally, and in no sense, an antagonist, of democracy. Indeed, in the context of the peculiar social conditions in this country, ridden as it is by the undemocratic caste system, a policy designed to encourage individual initiative and enterprise will strengthen the democratic structure whereas the creation of a new caste of bureaucrats, which socialism must inevitably throw up, may conceivably become a serious menace to democracy.

GINGERING THE THIRD PLAN

Although the Congress Party does continue by and large to retain its hold on the masses, it is certainly losing its hold on economic realities. And those who thought that the many, and not entirely unexpected, difficulties encountered in the progress of the second Plan had induced a lively sense of realism among Congressmen would be disappointed by the tentative version of the third Plan whose authorship is credited to the Congress Socialist Forum. This body, which is reputed to be the "ginger" group in the Congress, obviously believes in aiming high. It is not suggested that it is wrong to aim high. Only, that should not make one confuse what is desirable with what is practicable. Such a confusion is apparent in the Forum's blue-print for the third Five-year Plan which fixes the target of investment at Rs. 9,900 crores.

A more modest target, namely, Rs. 4,800 crores in the public sector, implied in the second Plan, has already meant considerable hardship to the Central and State Governments. Indeed, the Planning Commission has itself admitted that a "strain on resources, both internal and external, has been felt continuously since the commencement of the second Five-year Plan." After referring to the rise in prices, the growing inflationary pressures and the sharply adverse turn in the balance of payments position, the Commission stated that "these trends were symptomatic of the growing imbalance between the resources available and the demands on them." Undeterred by the warnings which this analysis contains, the "ginger" group has come out with an outline for a more ambitious plan. The group insists that there should be greater reliance on domestic resources for financing development programmes. It is not clear how it hopes to raise these resources. Nor is it clear how a programme with a large emphasis on heavy industries could be financed without adequate foreign exchange reserves.

True to its socialistic philosophy, the group has pleaded for socialisation of vital sectors of trade and commerce. It endorses the Government's decision to undertake State trading in foodgrains and suggests its extension to other basic commodities. The group believes that since trade and commerce account for 19 per cent. of the country's national income, the nationalisation of this sector will help raise large additional resources. Apparently, it forgets that the disruption of these normal trade channels which provide employment to a large section of the country's population will mean unemployment for this class of persons and render the political party unpopular in the rural and semi-urban areas, besides making the lot of the consumer particularly difficult.

The group's programme, it is stated, covers practically all aspects of planning and involves radical institutional changes for large-scale mobilisation of national effort for a plan which would impose greater burdens and sacrifices on the people. The question, therefore, is whether the ruling party would have the self-confidence to face the electorate with such a plan, the group avers. It adds: "The inability of the ruling party to do it can be the most serious limitation to the adoption of a historically adequate plan, which is more a function of political courage and farseeing statesmanship than of economic acumen and experts." These are fine brave words. But they overlook the fact that an overambitious plan which does not succeed is a great political disaster for a party, whereas a successfully implemented modest plan is an immense political asset.

COMMON MARKET

Exactly a year after the coming into force of the Rome Treaty (signed on 25th March 1957 and brought into effect on 1st January 1958), the six European Common Market countries—France, West Germany, Italy, Belgium, Luxembourg and the Netherlands—have begun reducing trade barriers among themselves. With effect from the 1st inst., all customs duties applied between member-States have, on the basis of the rates applicable on 1st January 1957, been reduced by 10 per cent. uniformly. This reduction has been made applicable not only to trade within the Common Market but also to imports from the other members of the O.E.E.C., the G.A.T.T. and from any other country with which it has most-favoured-nation agreements. Further, the Common Market countries have expressed their willingness to raise their import quotas for industrial goods by 10 per cent. in trade with any other O.E.E.C. nation which affords them the same concession. They have also expressed their willingness to raise the import quotas by another 10 per cent. as the result of bilateral agreements with the other O.E.E.C. nations concerned.

The aforesaid move marks the first step towards conversion of the six countries into a single customs union in a period of twelve years after which the commerce and trade of these countries will be like that of one country, with no barriers and with complete freedom of movement of workers and resources.

The 10 per cent. cut in tariffs now effected is in accordance with the minimum automatic reductions in the first two stages of four years each as provided in the Rome Treaty. This will be followed by further cuts as indicated below:

At 12 or 18 months' interval, each State will lower its total customs receipts by 10 per cent., making a reduction of at least 5 per cent. in the case of each product. In the case of products on which there would still remain a duty of more than 30 per cent. at any stage, a cut of at least 10 per cent. is required. The rate of cut may vary from one product to another. The average reduction is required to be at least 25 per cent. by the end of the first stage and 50 per cent. by the end of the second stage. It is expected that the total reduction by the end of the second stage will amount to 60 per cent. The balance of 40 per cent. reduction will be accomplished in the third stage; no plan of automatic reduction has been provided for this stage.

The common tariff applicable to the trade between the Common Market members and other countries is to be worked out on the basis of an arithmetical average of the rates actually in force in individual member-countries as of 1st January 1957, subject to certain ceiling rates. These rates vary from 3 per cent. on certain raw materials to 25 per cent. on certain organic chemicals, dyes, and plastic materials. Each member-State is required to bring its tariff into conformity with common customs tariff in three stages corresponding to the aforesaid three stages of the transitional period as follows:

End of first stage: The common tariff will be applied to all products on which the difference between the existing tariff and the common tariff is more than 15 per cent. and, in the case of products, the difference will be narrowed by 30 per cent.

End of second stage: The difference will be reduced by a further 30 per cent.

End of third stage: The difference will be eliminated altogether.

N.B.—The rates of duties in the common tariff are open to negotiations with third countries on a reciprocal and mutually advantageous basis.

The six countries of the Common Market together consisting of about 164 million people constitute a formidable group in the structure of international trade. They account for over 23 per cent. (or $21,890 million) of the total annual free world exports amounting to about $95,000 million (second quarter of 1958). The share (in million dollars) of each of the countries is: France: 4,884; W. Germany: 8,525; Italy: 2,520; Belgium-Luxembourg: 2,901; Netherlands: 3,055.

With the coming into effect of the Common Market, fears are expressed that Western Europe might be split into two conflicting economic blocs, unless, of course, fresh efforts are made to avoid such a split at the forthcoming Council meeting of the Organisation for European Economic Co-operation (O.E.E.C.), scheduled to be held at Paris on Thursday next. The attempts made so far to work out satisfactory trading arrangements that would avoid discrimination between the six Common Market countries and the eleven other European countries associated in the O.E.E.C. have not met with success, thanks to the divergence of opinion on several issues between the Six and the Eleven, particularly the U.K. Even prior to the signing of the Rome Treaty in March 1957, the latter group of countries expressed the difficulty in accepting discrimination inherent in the preferential arrangements within the Common Market. In order to avoid such discrimination, efforts were made by the U.K. and others to set up a Free Trade Area embracing all the 17 nations of Western Europe.

As time passed, the difficulties of establishing the Free Trade Area turned out to be more complex than originally expected and the negotiations actually collapsed in November last. It was, of course, recognised that Western Europe would not be allowed to split into two trading blocs. Alluding to this, the January *Monthly Bank Letter* of the First National City Bank of New York sums up the position thus:

"To alleviate the threat of immediate discrimination within Europe, the Six offered to extend the first tariff reductions scheduled for 1959 under the Common Market treaty to all nations subscribing to the General Agreement on Tariffs and Trade (G.A.T.T.) including the United States. They also offered extension of the first 20 per cent. increase in quotas to the eleven other European nations. At the same time, they wanted to apply to each other, but not to the other European countries, an arrangement provided for in the Treaty of Rome under which import quotas must equal at least 3 per cent. of each Common Market country's output of any particular product. The United Kingdom and most of the other Eleven offered to match the relaxations suggested by the Six, including the extension of the 3 per cent. formula. But this was not accepted by the Six on the ground that the mutual advantages under this formula are accompanied by mutual obligations provided for in the Common Market pact, the Eleven would not be allowed to join the club without paying the dues. Unable to agree on the Common Market countries' proposals, the Seventeen adjourned further discussions until 15th January."

There are two fundamental differences between the Common Market countries and the Eleven others. First, the Common Market countries see a real difficulty in a trading arrangement such as in Free Trade Area where one of the non-Common Market countries can suddenly and unilaterally lower its tariff *vis-a-vis* the outside world. But a common external tariff is held unacceptable by the U.K. and other countries on the ground that it would turn the Free Trade Area into an enlargement of the Common Market. Secondly, the Six are willing to forgo sovereign rights over certain economic activities by transferring final jurisdiction to a supra-national authority. In contrast, the Eleven are unwilling or unable to surrender any part of their sovereignty in exchange for the benefit of an integrated community. Switzerland and Austria are determined to safeguard their status of neutrality and the U.K. can join the Common Market only at the cost of abandoning its special relations with the Commonwealth.

The principal economic arguments against the U.K. joining the Common Market, according to an article by "A Good European," contributed to *The Economist*, London, arises from the fact that the Market has a harmonised outer tariff, being an average of the tariffs of the members. If all Britain's tariffs were harmonised, some of its ordinary tariffs would come down, but some of the zero or low tariffs it places on many Commonwealth raw materials and manufactures would rise. Critics argue that this change would raise Britain's raw material costs and upset the Commonwealth preference system.

While no agreement has yet been reached between the Common Market countries and the Eleven others, fears are expressed by the U.K. industrial circles that the Eleven will suffer discrimination against their goods entering Common Market countries. "There is," to quote a report from London to *Salivati Newsletter*, Bombay, "a sense of growing annoyance among the upper echelons of industry at what is considered the irresponsibility of politicians on certain economic issues, the question of European trade being only one. It is certain that, in future, Government negotiations on freeing European trade will be conducted under much closer scrutiny from the representatives of industry." Meanwhile, the President of the Federation of British Industries has held discussions with the spokesmen of the Swedish industry on the adoption of measures for creating a trade association among the Eleven.

So far as the U.S. is concerned, the January *Monthly Bank Letter* of the First National City Bank of New York points out that what is at stake is not only future trading arrangements within Europe but also the success of new opportunities for progress towards freer and less discriminatory trade throughout the free world. In its opinion, implicit in the Common Market concept is the strong possibility that it would put products from non-participating nations at a disadvantage. Nevertheless, the U.S. would appear to be friendly to both the Common Market and the Free Trade Area on the ground that a speedier advance towards freer trade among neighbours may prove acceptable so long as it does not raise new barriers to world trade. The hope is that the final result will be greater economic efficiency through an integrated Europe and, consequently, greater purchasing power and widening markets for imports from the U.S. and the rest of the world.

F.I.C.C.I.'S BROCHURES

The two brochures brought out by the Federation of Indian Chambers of Commerce and Industry about a fortnight ago—*Industrial Progress—Who Gains?* and *Sales Tax—A Re-appraisal*—make interesting reading. The brochure on industrial progress, while taking into account the great strides made by industries in the private sector during the last decade, seeks to highlight the fallacy contained in the assumption of some people that the management or the shareholders are the main beneficiaries of the growing prosperity in the country. During the period 1947-56, the total earnings of factory workers increased from Rs. 137 crores to Rs. 266 crores, and their average *per capita* annual earnings from Rs. 737 to Rs. 1,213. As the Reserve Bank's study of the appropriation of gross revenue of 1,001 public companies in 1956 shows, 58.7 per cent. of such revenue were spent on raw materials and other manufacturing expenses, 17.3 per cent. on salaries and wages and employees' welfare expenses, 1 per cent. on interest, 7.9 per cent. on miscellaneous expenses, 2.9 per cent. on depreciation, 0.7 per cent. on managing agents' remuneration, 2.6 per cent. on distributed profits, 1.7 per cent. on retained profits, 3.6 per cent. each on direct taxation and excise duty. The index for industrial profits (Base 1939=100) which stood at 260 in 1948 rose to only 326 by 1956, in spite of all the expansion that had taken place in the various industries. On top of this, during the last two years, the number of joint-stock companies has been actually declining. The recent trends in production and employment have also not been encouraging, thanks mainly to the excessive burden of taxation that weighs down private enterprise. The recent trends must cause serious concern. For, as the brochure points out, the programme of raising *per capita* income and the standard of living of the people will obviously depend upon the industrial sector contributing a larger and larger share to the national income. The need of the hour, therefore, is to improve the living standards of the masses through adoption of such policies as will create conditions conducive to the promotion of maximum industrial growth.

In the second booklet, the Federation brings into sharp relief the imperfections of the administration and levy of sales tax and outlines an integrated scheme. It is urged that sales tax should, as far as possible, be levied at the first point. Wherever Central excise is levied, sales tax should be collected along with it. In the case of imports, sales tax may be collected along with the customs duty, but refund should be given in case the imported article is used for

(*Continued on page 9*)

TRENDS IN PROTECTED INDUSTRIES

TARIFF COMMISSION'S REVIEW

From Our Special Correspondent

NEW DELHI, *6th January*

IN a review, submitted to the recent session of Parliament, of the work of the Tariff Commission in the period October 1957 to September 1958, there is a succinct analysis of the production and wholesale price trends in protected industries. The review of production trends covers the calendar year 1957 and the first quarter of 1958 under four categories of protected industries—capital goods, consumer goods, industrial raw materials and consumable stores, and transport. In the group of eight protected capital goods industries (ball bearings, cotton and hair beltings, cotton textile machinery, electric motors, engineers' steel files, grinding wheels, machine screws, and power and distribution transformers), the cotton and hair beltings industry suffered a decline in production of about 18 per cent. in cotton beltings and 15 per cent. in hair beltings. The spinning rings and plain looms sector of the cotton textile machinery industry also experienced a slight decline during the year under report. The remaining protected industries in this group were able to step up production by various degrees. In spite of persistent complaints about the Government's restrictive policy regarding installation of automatic looms, the production of this item had very nearly doubled during 1957. The production of ball bearings too increased by more than 50 per cent.

DELHI LETTER

A comparison of production during the first quarter of 1958 with the corresponding quarter of the preceding year would, however, indicate that the production of hair beltings, ring frames, spindles, fluted rollers and grinding wheels declined during the first quarter of 1958. With the exception of ring frames and grinding wheels, the production of which declined by about 35 per cent. and 24 per cent., respectively, none of the items listed above showed a substantial fall in their level of production. Amongst the commodities the production of which showed increases, mention may be made of automatic looms, ball bearings and machine screws. By and large, it may be stated that, with the exception of the few items listed above, capital goods industries did, on the whole, well during the first quarter of 1958. A sign of the healthy growth of certain industries in this group may be seen from the fact that five more manufacturing units were added to the electric motors industry and three to the power and distribution transformers industry during 1957. The plain loom sector of the cotton textile machinery industry was deprotected with effect from 1st January, 1958.

In the group of six protected consumer goods industries (electric brass lamp holders, oil pressure lamps, plastic buttons, cocoa powder and chocolate, matches and preserved fruits), three industries, namely, electric brass lamp holders, oil pressure lamps and preserved fruits were deprotected with effect from 1st January 1958. It is characteristic of the consumer goods industries that all of them were able to consolidate their positions during 1957, none of them having suffered a recession in their output during this year. There was nearly a fourfold increase in the production of cocoa powder, whereas the production of which more than doubled during 1957, is fruits in syrup. Substantial increase was also noticeable in the case of canned pineapples and jams, jellies and marmalades. A comparison of production during the first quarter of 1958, with the corresponding quarter of 1957, also reveals improvement in all the protected industries. An important event in this group was the addition of a large manufacturing unit in the cocoa powder and chocolate industry, which resulted in an all-round improvement in the activities of the industry.

In the group of 17 protected industrial raw materials and consumable stores industries aluminium, antimony, bichromates, calcium carbide, calcium lactate, caustic soda and bleaching powder, dyestuffs, hydroquinone, non-ferrous metals, oleic and stearic acids, P.F. moulding powder, plywood tea chests, sheet glass, soda ash, sericulture, titanium dioxide and wood screws), it is heartening to observe that a majority of items produced by them showed a tendency towards accelerated production. It may, however, be mentioned that, barring azoic dyes, the production of which increased by more than 100 per cent., gains of the remaining industries were not considerable. It is also a matter for some satisfaction that the industries, which failed to step up production, did not, at the same time, report substantial loss of production. A comparison of production during the first quarter of 1958 with the corresponding quarter of 1957 would also reveal a more or less similar trend, most of the protected items in this group having achieved improvement in production. The improvement was more pronounced in the case of calcium lactate, which recorded an increase of about 50 per cent. In the bichromates industry, one of the manufacturers of sodium bichromate went out of production in October 1956. The potassium bichromate sector also sustained a similar loss in the discontinuance of production by another manufacturing unit from 1957. On the other hand, the production of azoic dyes was favourably affected by the entry of a new unit in this line of production.

In the group of six protected transport industries (automobile hand tyre inflators, automobile leaf springs, automobile sparking lamps, bicycles, diesel fuel injection equipment and piston assembly), the production of only two items, namely, automobile hand tyre inflators and piston rings, declined during 1957. In neither case was the decline of any great significance. The decline in the production of automobile hand tyre inflators was to some extent due to suspension of production by one of the units in the industry from June 1956. The remaining items in this group recorded a steady improvement in their level of production and the improvement was considerable in automobile sparking plugs and diesel fuel injection pumps. A comparison of production during the first quarter of 1958 with that during the first quarter of 1957, reveals that the automobile hand tyre inflator was the only item the production of which declined. The production of 14 mm. sparking plugs had more than doubled while that of diesel fuel injection pumps increased by more than 70 per cent. Variation in the remaining industries was not significant.

In the review of wholesale price trends in protected industries, it is noted that, by and large, the wholesale prices of a majority of protected items either declined or remained unchanged during 1957. This tendency was most pronounced in the case of capital goods industries. A comparison of wholesale prices during the first quarter of 1958 with those during the corresponding quarter of the previous year would, however, show that the wholesale prices of seven commodities, i.e., cotton and hair beltings, spinning rings, fluted rollers, automatic looms, electric motors and grinding wheels, had increased. Among these, the largest increase, of about 11 per cent., was observed in the case of hair beltings. In the consumer goods industries, there was a mild increase of about 4 per cent. in the wholesale price of Golden Cocoa No. 1 and of about 7 per cent. in that of matches. The wholesale prices of 11 commodities in the industrial raw material and consumable stores industries increased during the first quarter of 1958. They are: aluminium ingots, sheets and circles, sodium and potassium bichromates, dyestuffs of Rapidogen Violet B and solubilised vat green I. B. varieties, P.F. moulding powder, plywood tea chests, raw silk, and wood screws. The highest increase of about 21 per cent. was observed in the Rapidogen Violet B variety of dyestuffs. In the transport industries group, the wholesale prices of automobile hand tyre inflators (with and without rubber tubes), automobile sparking plugs (both 14 mm. and 18 mm.) and pistons (except Royal Enfield 2.751" bore) increased during the first quarter of 1958.

In the capital goods industries group, engineers' steel file was the only item the wholesale price of which declined during the first quarter of 1958. The decline in the prices of the various types ranged from 10 to 19 per cent. Similarly, in the consumer goods industries group, the wholesale price of milk chocolate alone declined by 4 per cent. In the industrial raw materials and consumable stores industries, the wholesale prices of calcium lactate, caustic soda, liquid chlorine, refined copper and sheet glass declined during the first quarter of 1958. The largest decline, of about 27 per cent., was observed in liquid chlorine. In the transport industries group, the price of only one item, that is of Royal Enfield 2.751" bore pistons, declined during the first quarter of 1958. Here too, the decline was of less than 1 per cent.

CHRISTMAS CONVERTIBILITY

(From Our Own Correspondent)

LONDON, *3rd January*

THE Christmas holidays have seen the mass convertibility of most of the European Payments Union currencies and the consequent abolition of the E.P.U. itself. These are the fruits of the New Delhi Conference which only left the timing to be decided—a timing hastened in the end as much by the French decision to devalue and let the new franc stand on its own feet (with behind-the-scenes support from West Germany and the U.K. in that order) as anything else.

LONDON LETTER

What does this convertibility mean for sterling? Up till now, there have been three kinds of sterling: that held by the U.K. nationals resident in the U.K. which could only be converted into other currencies under the current Bank of England controls; that held by overseas holders and convertible freely into any currency other than American—known as transferable account sterling; and that which could be converted into dollars—known as American account sterling. What has now happened is the abolition of the restrictions on transferable account sterling which automatically becomes American account sterling, now to be known as convertible sterling. True and full convertibility would, of course, mean convertibility of sterling held by the U.K. nationals resident in the U.K., and this is not yet contemplated.

What is the significance of this convertibility of transferable account sterling? The Treasury argument is that, for practical purposes, it makes little difference—except to add to the prestige of the pound and to restore to London its pre-war position as the supreme exchange market, to the detriment of New York and Zurich. The latter centres had become markets in transferable and American account sterling—where one could be exchanged for the other with transferable sterling carrying a discount. Four years ago, the Bank of England began support operations whenever the discount on transferable sterling became too great. As a result, this country suffered a loss of gold and dollars whenever a speculative crisis against the pound caused a depreciation of transferable sterling, involving heavy support by the Bank of England.

And the Bank would argue that support was necessary since otherwise commodities which could be bought for sterling and sold for dollars would be dealt in at a profit (to convert sterling into dollars) and the U.K. would lose the normal dollar revenue from such business. Odd reasoning—since support for transferable sterling meant that, instead of losing dollar revenue, the Bank had to lose gold and dollars! In any case, the argument is specious, since the answer is to control the dollar-worthy commodities, as was done after the war, and so ensure the proceeds of their sale for dollars accruing to the U.K.

The Labour Party has opposed this new convertibility and the essence of their argument is essentially that sterling and sterling commodities saleable for dollars should be controlled and so enable the British economy to operate without being at the mercy of overseas speculation. This would mean that convertible (or as it was transferable) sterling should be allowed to depreciate on the exchanges in the event of a "confidence crisis," i.e., one not the result of an adverse balance of payments. But, then, such a theory is anathema to the gods of Threadneedle Street and of the Treasury—they never have admitted the desirability of a truly floating external pound. And, for all their criticism, it is questionable whether the Labour Party, if in power, would be prepared to accept a division between the internal pound and the external pound. Yet, is not that, namely, to concentrate on the balance of payments and to leave currency speculators to burn their own fingers without benefit of automatic Bank support, the logical alternative to what the Government has done?—*All Rights Reserved.*

AMERICAN LETTER

ATMOSPHERE OF STRIKES

MORGANS MERGE WITH GUARANTY TRUST

From Our Special Correspondent

NEW YORK, *31st December 1958*

THE second half of December saw the United States enveloped in a strike-laden atmosphere. In New York, nine newspapers were struck by the union of deliverers. In Boston, there was a walk out of transport workers. There were strikes on the west coast and sprinkled throughout the country. This is coupled with widespread talk of a "probable" major steel strike later this year.

The effects of the New York newspaper strike were bordering on the disastrous. Outside of the *New York Times*, the entire editorial and mechanical staffs of the papers were locked out without pay by the publishers. Only department heads, advertising people and some statisticians continued. Law-suits about this mess are yet to be filed.

The losses were enormous, despite the fact that all papers, collectively, have an insurance policy covering strikes. Under that, insurance companies have to pay $10,000 a day to each struck publication. Thus, losses to the *New York Times* are reported to have run at the rate of $95,000 a day, gross, and $85,000 a day, net. The net figure for the *New York Herald Tribune* is understood to be a loss of $35,000 a day.

Publishers were not the only losers, however. Because of the absence of any retail advertising in the large dailies during the holiday season, department store sales in New York are reported to have fallen off 7 per cent. from 1957. The latter year also was down from 1955 because of a strike of subway workers. The biggest city in the world was, indeed, hit.

Here are a few more facts about the New York strike. Out of a union membership of 4,500, a group of 877 voted for a walk out and 772 against it. Thus, only 105 votes decided the issue which cost 15,000 other newspaper employees a wage and salary loss of $1.5 million a week. Lost advertising and circulation revenues amounted to about $12 million a week.

The union's demands included a $10 a week pay boost, reduction in newspaper bundles from 53 to 40 pounds, another paid holiday to a total of nine such days a year and reduction in the work-week from 40 to 35 hours. The publishers offered an increase in wages of $7 a week over a two-year period and cut of paper bundles to 50 pounds. The only two papers not affected by the strike were the *Wall Street Journal* and the *Journal of Commerce*, which are available only at selected news stands.

The news blackout came at a time when momentous financial news broke. The stock market made new highs, the House of Morgan decided to merge with Guaranty Trust Company of New York and the American Telephone and Telegraph Company announced a three-for-one stock split and a 10 per cent. increase in dividends.

Wall Street Boom

The increasing stock prices are becoming more and more disturbing to old-timers who can remember the period preceding the 1929 market crash. Some of the symptoms are the same, some are not. As in the 1920s, there is constant reiteration that this is a new economic era which is only the beginning of bigger and better things to come. Of course, conditions then were not the same as they are today.

There was widespread stock speculation on margin before the great depression. There is hardly any today. There was no Government insurance of bank deposits, as there is today. There is also unemployment insurance, social security and an enormous backlog of savings. So the analogy is not quite as poignant as the pessimists suggest. This does not mean that a lot of people could not get hurt by a severe decline in stock prices.

In the past few weeks, the uptrading of stock prices was motivated a good deal by inflation psychology. There are strong voices, however, which suggest that there will be little of inflation in 1959. The shrinkage in factory employment is not expected to be easily corrected. Thus, the number of unemployed will probably remain at the present, relatively high, level. Almost everything is in ample supply now, in addition to surplus capacity.

Virtually, the only element which could put up prices is higher wages. There is presently much strike trouble in the airline industry. As the companies are shifting from propeller-driven to jet craft, the pilots demand that flight engineers be also trained as pilots. An emergency board appointed by President Eisenhower supported these demands. Opposed are the Civil Aeronautics Board and the engineers themselves.

Pilots are striking for what they consider is an additional safety margin and the engineers threaten to go on strike if contracts with the pilots should require them to be trained as pilots as well. The unions argue, of course, fewer crew members will be required with jets to transport more passengers faster. Each one wants to hold on to as many jobs as possible. It is a strike-laden atmosphere all right.

I used the word "momentous" news a little earlier advisedly. The three-for-one stock split decided by the Directors of A.T. & T. is the first one in the company's existence and the increase in dividends is the first one in 37 years. It was long overdue, I may add. At any rate, it was a holiday present for 1.6 million stockholders, including many employees, widows, children and pension funds. The price of the stock shot up to $226. It could have been had for $160 a year ago.

Morgans

The merger of J.P. Morgan & Co., Inc. with Guaranty Trust Company is another step in the trend towards bigness as an offsetting factor to rising costs. Morgan, with deposits of less than $800 million, was outranked too far to carry its former weight which goes back to three generations of the Morgan family. The elder J.P. Morgan established the firm in 1862. He was one of the key figures in reorganising and consolidating railroads in this country as well as establishing the U.S. Steel Corporation in 1901. He was the accredited savior in two national financial panics, 1895 and 1907.

John Pierpont Morgan Jr. took over after his father's death in 1913. World War I saw him active in aiding the Allied cause. He raised thousands of millions of dollars worth of loans for Allied Governments as their agent. The new name of the combined bank, significantly, will be Morgan Guaranty Trust Company. It would be the fourth largest bank in the U.S., superseded only by the Bank of America, the Chase Manhattan and the First National City.

The general business picture continues on an even keel. Dividends and family income (median) were about the same in 1957 and 1958. Total income for last year is now placed at $353,000 million, up by $5,000 million from 1957, a new record.—*All Rights Reserved.*

SURVEY

(Concluded from page 7)

producing some other article. In regard to commodities where Central excise is not levied, the Central Government with the concurrence of the States could levy this tax at the point of first sale after manufacture and the proceeds divided between the States. In regard to articles which are not covered by a Central levy, the State Governments should levy a tax at the first point. Refund should be given if the goods are subsequently exported or moved out of the State.

The Federation holds the view that manufacturers or traders with a turnover of less than Rs. 50,000 per year may be asked to be registered, but it should not be obligatory on their part to comply with all the formalities. A fee may be levied on them and they may be required to keep an account of their purchases or sales. The Federation also suggests that a multi-point tax, if it is at all to be levied, should be at a low rate of half per cent.

A suggestion worthy of consideration is the establishment of an Inter-State Taxation Council; this, it may be noted, was also recommended by the Taxation Enquiry Commission. Such a body will be best suited for bringing about co-ordination and uniformity in methods, rates and procedures in respect of not only sales tax, but also other taxes.

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BANK OF BARODA'S GOLDEN JUBILEE

IMPRESSIVE GROWTH IN THE PAST FIVE DECADES

THE history of the Bank of Baroda Ltd., which recently celebrated its golden jubilee, is almost similar to that of India's industrial development and Indian banking in general. The last 50 years were by no means a smooth period for Indian banks, because of interruptions by depressions and booms. There were two banking crises during these five decades, the first in the years 1914 to 1918 and the other in the early thirties, when several banks had to close their doors, involving heavy loss to the public. To weather these storms and to retain public confidence during the trying periods was no easy task. The success which attended the Bank of Baroda in withstanding their trials and in developing itself to be one of the "Big Five" in the Indian banking system, redounds to the credit of the men who had fostered the Bank and guided its destinies during the last five decades.

Registered under the Baroda Companies Act, III of 1897, the Bank of Baroda commenced business on 20th July 1908, under the patronage of Maharaja Sayajirao Gaekwad III, who was the largest single shareholder of the Bank. The Bank owes its birth to the vision of this benevolent ruler who had long wished that the people of his State would combine in the organisation of a joint-stock banking concern, believing, as he did, that a bank of this nature would "prove a beneficial agency for the lending, transmission and deposit of money and a powerful factor in the development of arts, industries and commerce of the State and the adjoining territories." That the Bank had more than fulfilled the ambition of its founder-royal patron is proved by its subsequent growth. Though the original idea was to establish a purely Indian banking institution organised on Western lines to meet the demand of the people of the State only, the Bank soon grew in scope and service even beyond the imagination of its promoters.

An indication of the progress made by the Bank since its inception is provided by the fact that its total working capital has risen from Rs. 25.84 lakhs at the end of 1909 to Rs. 83.16 crores as on 1st August 1958. Its paid-up capital has grown from Rs. 6.93 lakhs to Rs. 1.25 crore. During the first decade of its existence, the Bank was able to build up a reserve of Rs. 11 lakhs and this has since swelled to over Rs. 1.59 crore, as on 1st August 1958. Indicative of the public confidence in the Bank is the growth in the Bank's deposits from Rs. 18.52 lakhs to Rs. 67.69 crores as at the end of July last. The advances and bills discounted of the Bank have also gone up from Rs. 23.86 lakhs to Rs. 42.99 crores during this period. It is noteworthy that even in the first year of its operations the Bank earned a profit of Rs. 51,000 and distributed a dividend of 5½ per cent. For the year 1957, the profit aggregated Rs. 43.85 lakhs and dividend 14 per cent.

In 1910, the Bank was appointed bankers to the Baroda State and commenced treasury work on behalf of the State Government. The first branch of the Bank was opened in Ahmedabad in the same year. In April 1919, the Bank established its first office in Bombay and this has now become the principal business office of the Bank. The current decade has proved to be the most notable one in the history of the Bank, when it not only undertook new lines of business but extended its field of activities outside India too. A new department in the Bombay office was opened in 1950 to undertake executor and trustee business and the business of this department is said to be expanding almost daily, as more and more people are coming to realise the advantages of establishing trusts. In recent years, the Bank has also undertaken foreign exchange business, thus playing a great part in removing the misconception held at that time that Indian banks were not competent to do this kind of business, and in diverting a considerable amount of this business into Indian hands. The first overseas branches were opened in 1952 in Kampala, Mombasa and Nairobi. Another branch was opened in Dar-es-Salaam during 1956. In the following year, the Bank's London branch was opened and this enabled the Bank to undertake a substantial volume of foreign exchange business with the U.K. and Europe for its customers in India.

Starting with one office, employing not more than 20 people, the Bank has now 83 offices in India and abroad with a staff of 2,859. The highlight of the golden jubilee year was the absorption by the Bank of the entire business of the Hind Bank Ltd. on 1st August last. This amalgamation has enabled the Baroda Bank to increase its resources, besides providing it with opportunities for expansion, especially in Calcutta, and extension of its activities to new areas like Rajasthan and Pakistan, where it had no branches of its own. The amalgamation is in consonance with the general view that, if the banks are to play their role in the development of the country properly and efficiently, the various smaller units must amalgamate to form larger units. The advantages of such amalgamation are manifold from the administrative and economic points of view.

BANK PROFITS FOR 1958

Dena Bank

In consonance with the general expectations, the net profit of Devkaran Nanjee Banking Company, Ltd. for the year ended 31st December 1958 has suffered a fall. After providing a slightly larger sum of Rs. 1.80 lakh (Rs. 1.60 lakh in 1957) for bonus to staff, the Bank's profit (subject to audit) for the year amounts to Rs. 14.22 lakhs, which represents a fall of Rs. 2.94 lakhs or 17 per cent. from that for the previous year. After bringing in Rs. 2.80 lakhs from 1957, the Directors have reduced the provision for taxation from Rs. 8 lakhs to Rs. 5 lakhs, but have slightly raised the allocation to the reserve fund from Rs. 5.50 lakhs to Rs. 6 lakhs. The distribution to the shareholders is, however, proposed to be maintained at Rs. 3 per share of Rs. 50 each, including the interim dividend of Rs. 1.25 per share paid in respect of the first half of the year. The distribution requires Rs. 3 lakhs, leaving Rs. 3.02 lakhs to be carried forward.

The addition of Rs. 6 lakhs brings the total reserves of the Bank at the end of the year to Rs. 46 lakhs, as against a paid-up capital of Rs. 50 lakhs. The total deposits stand at Rs. 30 crores, having grown from Rs. 23.11 crores a year ago. There has been an addition of six branches during the year, bringing the total number to 75.

Bank of Maharashtra

The results of the Bank of Maharashtra Ltd. for 1958 will probably prove to be one of the exceptions to the general trend. For its profit for 1958, after raising the provision for payment of bonus to staff from Rs. 70,000 to Rs. 1.10 lakh, shows a rise from Rs. 4.69 lakhs to Rs. 5.57 lakhs. The provision for taxation has been enhanced by Rs. 40,000 to Rs. 2.50 lakhs, while the transfer to the reserve fund is unchanged at Rs. 1.50 lakh. The Directors have recommended a dividend of 6.5 per cent. per annum, free of income-tax, *pro rata*, on the increased capital of Rs. 25.22 lakhs, as against 6 per cent. on a capital of Rs. 19.08 lakhs. This will absorb an additional sum of about Rs. 50,000, at Rs. 1.55 lakh, leaving a surplus of Rs. 37,700 to be carried forward.

The deposits of the bank have expanded from Rs. 7.85 crores to Rs. 10.60 crores, while the rise in advances to Rs. 4.49 crores is of the order of only Rs. 66 lakhs. *Investments* stand strengthened from Rs. 2.56 crores to Rs. 4.81 crores.

RESTRAINT ON CREDIT AGAINST FOODGRAINS TO CONTINUE

The restrictions on bank advances against paddy and rice, wheat and other foodgrains are to continue during the current year, according to a directive issued by the Reserve Bank of India to all the scheduled banks. The circular to banks says that the minimum margin of 40 per cent. to be held against foodgrain advances and the ban on extension or enhancement of credit in excess of Rs. 50,000 to an individual borrower are to be continued.

The advances against paddy and rice in each month of 1959 should not exceed the level permitted to the bank individually in the corresponding month of 1958, subject also to the condition that the average aggregate level of credit of branches in Andhra Pradesh and Madhya Pradesh in each month during the current year should not exceed the level permitted to them in the corresponding month of 1958. A similar restriction is imposed on advances against wheat, except roller flour mills, subject to the condition that the monthly average aggregate advances of the offices in the Punjab should not exceed their outstanding total in the corresponding month of 1958. For this purpose, advances against wheat are to be considered separately from advances against other foodgrains.

The exemption granted in favour of offices opened on or after 1st January 1958 in places within a radius of 20 miles from which there is no other scheduled bank's office operating is to be continued during the current year also. In the case of offices opened after 1st January 1957, the exemption limit has, however, been raised to three times the ratio of advances against foodgrains to total advances of offices opened prior to 1st January 1957. The exemptions in respect of advances against pledge of receipts granted by the Central or a State Warehousing Corporation and in respect of advances to co-operative marketing and processing societies will also continue.

Explaining the reasons for the continuation of the credit restrictions, the Reserve Bank's circular says that, though the prospects for the current paddy crop appear satisfactory, the future course of rice prices appears to be uncertain. "Prices of wheat and foodgrains have been showing an upward trend in recent months," it adds, "while there is a certain measure of uncertainty regarding the output of wheat and other foodgrains."

STERLING AREA'S RESERVES

The closing month of the year 1958 witnessed a drop of £52 million in the sterling area's reserves. This is the first time in the past fifteen months that a fall has been recorded in the sterling area's reserves. After having successively grown from the low of £660 million at the end of September 1957 to £1,148 million at the close of November last, the reserves declined to £1,096 million last month. Notwithstanding this setback, the year on the whole closed with an increase of £284 million in the reserves, which also represent a rise of £436 million from the September 1957 level, when the British Bank rate was raised to 7 per cent.

The decline of £52 million in the month of December is mainly accounted for by the repayment of the equivalent of £70 million in dollars by Britain towards its U.S. and Canadian loans. But for this outgo, the sterling area's reserves would have shown an increase of £18 million, even after taking into account the payment of £4 million to the E.P.U. in respect of Britain's November deficit and £1 million towards old E.P.U. debts. The £70 million debts paid by the U.K. were made up of payments to the U.S. of £53 million (U.S. $147.5 million) and to Canada £17 million (Canadian $46.5 million), including the final instalment on the interest-free loan from that country.

Notwithstanding the decline in reserves during December, the position as at the end of 1958 is considered highly satisfactory, inasmuch as Britain has been able to repay the North American loans and to achieve partial convertibility of the pound. It must be noted that the reserves at the end of December include convertible currencies other than the U.S. and Canadian dollars. This has, however, improved the position only to an insignificant extent. Thanks to the status of convertibility attained by many European currencies in the last week of December, the sterling area's reserves are expressed in terms of gold and convertible currencies and not in terms of gold and dollars alone as hitherto. They are given in sterling and not in U.S. dollars.

On the basis of the provisional figures upto 27th December, when the European Payments Union (E.P.U.) gave place to European Monetary Agreement (E.M.A.), the U.K. incurred a deficit of £40 million, as a result of trade and currency movements. This included interest amounting to £2 million on the accumulated debt. This was the largest deficit since September 1957 and was brought about by exceptional circumstances connected with the convertibility of currencies. A substantial part of it was due to special operations —ratissage, as they are called—by France towards the end of the month. Of this deficit, a sum of £30 million will be paid in gold during the current month, while the balance will be added to the book debt.

CURRENCY REFORM IN ARGENTINA

The Government of Argentina has undertaken a comprehensive stabilisation programme, including a reform of its exchange system, which forms the basis for a 12-month, $75 million stand-by arrangement with the International Monetary Fund. The Argentine programme will be supported by additional financial assistance from the United States Government, and by credits provided by a group of private banks.

Argentina's stabilisation effort is aimed in particular at eliminating the inflationary financing of Government deficits. The Government is adopting rigorous measures to effect economies in the national budget and to increase its revenues through internal taxes, and taxes on exports and imports. Other steps are being taken in the field of bank credit and wage and price policy.

The Argentine exchange reform provides for the establishment of a single exchange market for the peso in place of the existing dual (official and free) exchange markets. The Argentine authorities will permit the peso to fluctuate freely in response to market forces, intervening only to avoid excessive variations arising from temporary factors. Amounts available under the stand-by arrangement with the Fund will be used for that purpose. The Government will remove all direct controls on trade and payments, including import licensing and import prohibitions, so that trade will be conducted on a non-discriminatory basis. All existing bilateral payments arrangements with members of the Fund are to be eliminated, but this provision does not exclude Argentina's co-operation with other Latin American countries in programmes to promote regional economic integration.

I.M.F. CREDIT TO U.K.

The International Monetary Fund has agreed, at the request of the Government of the United Kingdom, to renew for one year a stand-by arrangement under which the United Kingdom may purchase with sterling up to the equivalent of U.S. $738,530,000 in foreign currencies at any time during the next twelve months. Stand-by arrangements between the Fund and the United Kingdom have been in effect since 22nd December 1956. Drawings have not been made under them to date.

The U.K. Government has notified the Fund that it will repay $200 million of its December 1956 drawing of $561 million before the end of the Fund's financial year (30th April 1959) and, in accordance with the general principles applicable to drawings, will repay the outstanding balance monthly during 1960 and 1961. The U.K. Government will review the position in December of each year and accelerate these repayments if the position warrants it.

RESOURCES FOR I.M.F. AND WORLD BANK

EXECUTIVE DIRECTORS FINALISE PROPOSALS FOR RAISING THEM

THE Executive Directors of the International Monetary Fund (I.M.F.) and the International Bank for Reconstruction and Development (World Bank) have been prompt in carrying out the desire of their respective Governors for enlarging the resources of their institutions through increases in quotas of member-countries. This desire, it will be recalled, was expressed at the thirteenth annual meetings of these bodies held at New Delhi early in October last. The Executive Directors of both were asked to decide the extent of increase in the capital of their institutions, to put forward suitable proposals, and to suggest whether these proposals should be approved by the Governors at a special meeting or by vote without a meeting. The consensus of opinion among the Governors when they assembled at New Delhi was that (a) the quotas in the Fund and the Bank should be raised by 50 per cent. and 100 per cent., respectively, (b) the basic quotas of West Germany, Japan and Canada should be raised in keeping with the marked increase in their economic growth, (c) the doubling of the Bank's authorised capital should not result in any cash payment by its members, and (d) the Executive Directors should submit their proposals before the end of December 1958, so that Parliaments of member-countries may have sufficient time to give their approval sufficiently early in 1959.

The Executive Directors have observed the dead-line informally given to them. This should have presented no difficulty to them, for there had already been an understanding among their bosses on all the fundamental points. Even the case for increasing the capitals of the Fund and the Bank had been elaborately prepared and presented to the public in one form or another. The Fund's arguments for raising the quotas of its members, for instance, were stated in some detail in the document *International Reserve and Liquidity* published in September last by its staff. They were also eloquently presented by its world-famous Managing Director, Mr. Per Jacobsson, in his speeches at its last annual meeting and at the New York Section of the American Finance Association on 14th November 1958. Similarly, the Bank's case had been ably put forward by its President, Mr. Eugene Black. All that the Executive Directors had to do after the New Delhi meetings was to extend their formal approval to their Governors' decisions, to give the finishing touches to them and to present them in their proper legal form, together with the rationale for raising the quotas. They have done all this now. In India, the texts of their reports and recommendations have been printed and circulated by the Central Government, thereby helping the public and Members of Parliament to understand the subject. The fact that this was done simultaneously with the headquarters of the Fund and the Bank at Washington suggests that the Executive Directors must have finished their job well in advance of 29th December 1958 when the papers were released to the Press.

The I.M.F.

The recommendations of the Executive Directors to increase the resources of the Fund and the Bank are in accordance with the broad understanding reached at the New Delhi meetings. The following are the principal features of the proposals of the Fund's Directors:

1. There should be a general increase of 50 per cent. in members' quotas.
2. In the case of Canada, West Germany and Japan, the increase should be more than 50 per cent., in view of their "position in world trade and their recent relative economic growth." The proposed new quotas for these countries and their existing ones are as under:

(In millions of U.S. dollars)

	New quota	Old quota	% increase
Canada	550	300	83⅓
W. Germany	787½	330	138 3/5
Japan	500	250	100

3. Countries with small quotas should have an opportunity to increase them upto certain stated amounts, even though it may mean an increase of more than 50 per cent. This is in accordance with a policy on small quotas which the Directors have developed over recent years.
4. The increases in quotas will take effect only if and when member-countries having 75 per cent. of the total of present quotas have consented to the increases in their individual quotas. The last date for this purpose is 15th September 1959.
5. With certain exceptions, the orginal subscriptions were payable in the proportion of 25 per cent. in gold and 75 per cent. in the member-country's own currency. It is now proposed that 25 per cent. of the proposed increase in quotas should be paid in gold and the remainder in the member-country's currency by all members including those who, in accordance with the Articles of Agreement, have not yet been required to pay their original subscriptions. Some members, however, might find it difficult to make the full gold payment immediately. Provision, therefore, has been made for them to make deferred payments. But, in any case, full gold payment will have to be completed within a period of about four years.

The proposed general increase of 50 per cent. in quotas coupled with the special increases for Canada, W. Germany and Japan, would add the equivalent of $5,1 billion (one billion=1,000 million) to the Fund's resources, of which $1.3 billion would be in gold. The Fund's holdings of gold and U.S. dollars would double from $2.3 billion to $4.6 billion. Here are the full particulars:

Changes in Fund Holdings of Gold and Currencies as a Result of Quota Increases

(In millions of U.S. dollars)

	As of 30-11-1958	After quota increase	Increase
Gold and U.S. dollars:			
Gold	1,531	2,810	1,279
U.S. dollars	787	1,818	1,031
	2,318	4,628	2,310
Currencies of other countries:			
Belgian francs ..	169	253	84
Canadian dollars	210	397	187
Deutsche mark	183	526	343
Netherlands guilders	206	309	103
Sterling	1,618	2,106	488
Sub-total ..	2,386	3,591	1,205
Other currencies	4,507	6,106	1,599
Grand total ..	9,211	14,325	5,114

The following is a synopsis of the rationale put forward by the Executive Directors in their report to their Governors for raising the resources of the Fund:

The enlargement of the Fund resources will enable the Fund to promote more effectively the purposes for which it was formed. The two main tasks of the Fund, which are closely intertwined, are to further international monetary co-operation and exchange stability as a basis for the balanced growth of world trade, and to provide financial assistance to member-countries, in order to help them stabilise their currencies, maintain or move toward convertibility, and overcome temporary balance of payments problems without resort to policies that would be harmful to national or international prosperity. The possibility of access to the Fund's resources serves in itself as a second line of reserves, which gives members more confidence in undertaking efforts to restore balance, and may, indeed, encourage them to move faster toward achieving the purposes of the Fund than if they had to rely on their own resources alone.

The assistance which has been obtained from the Fund in recent years has been requested under a great variety of circumstances: in an emergency at the time of the Suez events, in conditions of boom and expanding world trade, and in periods of recession, as well as in a wider context when stabilisation efforts have been undertaken. It can only be concluded that the Fund must remain prepared for diverse contingencies, many of which cannot be clearly defined in advance.

Countries which receive assistance from the Fund make declarations of intent as to the policies they will follow. They do so in accordance with the principles governing the use of the Fund's resources which had been laid down by the Executive Directors and stated in annual reports well before the Fund's recent period of increased activity. By the close link that the application of these principles and practices establishes between the Fund's financial assistance and the maintenance or adoption of the necessary remedial measures in the countries concerned, the Fund supports the observance of that degree of financial self-discipline without which the international monetary system cannot function properly. It is in the general interest that, by means of a strengthening of the Fund's position together with continued observance of financial self-discipline, a sound monetary basis is created for the renewed expansion of world trade. It should, for instance, never be forgotten that pressure on one currency may, under adverse circumstances, affect the position of other currencies. While no progress can be achieved without appropriate steps being taken in individual countries, the granting of financial assistance through the Fund reflects the idea that international assistance may be required to enable countries to take these steps.

It is, therefore, in the interest of all members of the Fund that the common pool constituting a secondary reserve should be adequate to face the difficulties which may arise in the future. In considering the need for an increase in the Fund's resources, account must be taken of the fact that, in the last decade, the volume of world trade has nearly doubled. While reserves of gold and foreign exchange of countries outside the United States have increased by about 50 per cent. in that period, Fund quotas have, with minor exceptions, remained at the amounts determined in 1944; and the rise in dollar prices by at least 50 per cent. since that date has correspondingly reduced the real value of the Fund's existing resources.

Fortunately, over the last year, many countries have been able to strengthen their reserves. But the Fund cannot be concerned with only the present or the immediate future; its members must be assured that it is adequately equipped to meet the strains which may arise in emergencies or other adverse circumstances.

The Executive Directors have, therefore, concluded that it is highly desirable to enlarge the Fund's resources through increases in quotas. They have found that an increase of 50 per cent. is a reasonable basis for quota increases at this time, and this appears to be as much as members generally can be expected to contribute. If these new resources are made available, the member-countries will have increased confidence in the capacity of the Fund to perform its tasks in the coming period.

World Bank

So much for the increase in the resources of the Fund. As for the Bank, under the proposal of its Executive Directors, the authorised capital would be increased by $11 billion, that is, from $10 billion to $21 billion. This increase would be effective only when a minimum of $7 billion of new capital is taken up by its members. The time limit for this is 15th September 1959, but the date may be extended by the Directors. The increase proposed would permit member-Governments to double their present capital subscriptions and would still leave a margin of unsubscribed capital for admission of new members and for possible subsequent increase in individual subscriptions. No cash payments on the new subscriptions would be required by the Bank as an addition to its lendable funds. The new subscriptions would be left subject to call. The Directors have recommended that a specific provision should be made by way of a preamble to the resolution authorising the increase in capital, that calls shall be made only when needed to meet obligations arising from the Bank's borrowings, by sales of its bonds and other securities, and from its guarantees of loans made by other investors.

As in the case of the Fund and for the same reasons, Canada, West Germany and Japan are to be given higher quotas in the Bank also. In addition to the general 100 per cent. increase, Canada has been offered $100 million, West Germany $390 million and Japan $166 million special quotas. Accordingly, their total subscriptions will be as follows:

(In millions of U. S. dollors)

	Present	Proposed
Canada	325	750
Germany	330	1,050
Japan	250	666

Half of the special increases would be left uncalled on the same basis as the subscriptions under the general increase, but, of the other half, 20 per cent. would be called, in the form of gold 2 per cent. and member's currency 18 per cent.

It may be noted here that, in accordance with the Bank's Articles of Agreement, 20 per cent. of subscribed capital has been paid in. The remaining 80 per cent. can be called only to meet obligations arising from the Bank's borrowings or from its guarantees of loans. This 80 per cent. —amounting to $7,617,200 000—is in effect a guarantee fund securing the investors holding the Bank's bonds and guarantees. It has always been contemplated, the Bank's Directors point out, that the Bank would raise the bulk of its lendable funds through borrowings. The 80 per cent. portion of the capital is thus an essential factor in the Bank's ability to borrow.

To date, the Bank has undertaken loan commitments in 49 countries equivalent to $4,250,000,000, and it has sold the equivalent of $2,300.000,000 of its bonds and other obligations in leading capital markets, in order to finance a part of these loan commitments. Currently outstanding bonds and notes amount to the

(Continued on page 55)

INSTALLATION OF AUTOMATIC LOOMS

COMMITTEE SET UP TO SELECT UNITS

A SPECIAL two-man committee has been appointed by the Government of India to select the cotton textile mills for the installation of automatic looms during the next six months; it consists of Mr. D. S. Joshi, I.C.S., Textile Commissioner, and Mr. B. N. Dattar, Adviser in the Union Ministry of Labour and Employment. Soon after its constitution, the Committee issued circulars to cotton mills asking them whether they are desirous of having automatic looms. A vast majority of the units is reported to have already submitted replies asking for allotment. The Committee is expected to meet on the 17th inst., to select the mills to which the looms should be allocated and also to fix the number of looms for each one of them.

Three primary considerations have been laid down by the Government for the allotment of automatic looms by the Committee. First, preference should be given to units having established trade connections and sizable annual exports to their credit and to units which provide evidence that they can export if equipped with automatic looms. Secondly, the larger units capable of absorbing surplus labour and the units belonging to an employer who controls more than one unit of the same type in the same area and is in a position to provide alternative jobs. Thirdly, the total three-year target of 7,500 looms may be distributed evenly among different regions. The minimum and maximum number of looms to be allotted to an individual undertaking is fixed at 48 and 144, respectively. In exceptional cases, however, a maximum of 300 looms for a single unit may be allotted with the approval of the union or unions in the concerned unit.

Commendable but Belated

The speed with which the Government of India is giving effect to its decision to permit the installation of 7,500 automatic looms over the three years (1959, 1960 and 1961)—at the rate of 2,500 looms per annum—as a pilot project is commendable, but belated. This decision, it will be recalled, was first announced in the Lok Sabha early last month by Mr. Manubhai Shah, Union Minister for Industry, in the course of his reply to the debate on the present trends in export trade and the state of the textile industry. The Government of India convened at New Delhi on 22nd December 1958 a meeting of the representatives of millowners and labour to discuss the criterion for selecting textile units for the introduction of automatic looms and the number of looms to be allotted to each selected unit. The meeting was presided over by Mr. Gulzarilal Nanda, Minister for Labour and Employment, and was attended by Mr. Manubhai Shah. The employers were represented by Messrs. D. S. Bhakle, M. Mangaldas and J. K. Srivastava, while Mr. S. R. Vasavada represented labour. Mr. Asoka Mehta, M.P., attended in his personal capacity. Mr. S. A. Dange, M.P., who was invited to attend the meeting on behalf of the All-India Trade Union Congress, was not present.

At the above meeting, it was decided that, in choosing units for introducing automatic looms, the Government should consult the appropriate employees' and workers' interests and that the country must be divided into appropriate regions for distributing the looms. It was suggested that a two-man committee should be set up to select units and to allot looms. It was in response to the aforesaid suggestion that the two-man Committee mentioned at the outset came to be appointed. The meeting also discussed the machinery for the settlement of disputes arising in the course of implementing the scheme. It was agreed that the working of the scheme must be reviewed once a year, and more frequently if either party should desire it. It will thus be noted that the Government has been trying to carry the workers with it in the implementation of the scheme for introducing automatic looms.

It is gratifying to learn that the labour representatives who attended the New Delhi meeting accepted the principle of modernisation of the textile industry and recognised the importance of textile exports even from the point of view of trade unions, since dwindling exports would result in the loss of employment. It was felt that the proposal to install 2,500 automatic looms annually was marginal in character and could be supported without much difficulty by the industry and the unions. The participants agreed that, before the actual implementation of the scheme, the workers should be apprised of its object with a view to obviating any misapprehension. In this connection, emphasis was laid that the employers should desist from recruiting new hands when the existing workers were being rendered surplus.

The need for installing more and more automatic looms in cotton mills cannot be stressed too strongly, especially in the present context of things in India and abroad. The competitive capacity of the Indian industry has deteriorated greatly of late, thanks to the cost inflation from which the industry is suffering, due, among others, to the low efficiency of equipment, a good part of which is old and outmoded, as well as direct and indirect labour costs. A large majority of the machines in existence today was installed more than 40 years ago and has outlived its usefulness. Recognising this aspect, the Textile Enquiry Committee (Chairman: D. S. Joshi) clearly urged that, if the machinery and equipment were not replaced at an early date, the effect would be felt, as it has been felt in the case of marginal and sub-marginal units, in the form of low production, bad quality of products, engagement of a large number of workers and high cost of production.

Suitable Conditions Needed

At the New Delhi meeting, both Mr. Nanda and Mr. Manubhai Shah did well to draw pointed attention to the growing preference in foreign markets for flawless cloth produced on automatic looms and to warn that India's exports would continue to fall if the mills did not switch over to automatic looms. The mere emphasis on the need for installing automatic looms, of course, means nothing, unless the Government creates suitable conditions for facilitating the mills to carry out the task. This aspect must be specially stressed considering the absence of any worthwhile progress with the 18,000 automatic looms sanctioned in 1956 after arguing about it for quite a few years. We understand that, though more than 2½ years are over since the permission was given, not more than 600 out of these 18,000 looms have been installed. The reasons for the failure of this scheme are well known. The Government insisted that automatic looms are to be installed for producing cloth meant for export only. In order to make sure that no cloth from automatic looms is diverted to domestic markets, the Government attached three conditions: (1) All the cloth from automatic looms must be exported. (2) In addition, a mill must export 87½ per cent. of its current exports (that is, exports made in a basic period). (3) If, by any chance, a mill were to sell any of its cloth meant for export in the domestic market, it should pay a penal excise duty at a prohibitively higher rate. These conditions were no invitation to mills to introduce automatic looms. They were actually fetters. Naturally, hardly any mill came forward to avail itself of the Government's offer.

It must be noted that the aforesaid conditions were in addition to those meant for safeguarding the interests of workers, as well as those of the indigenous manufacturers of automatic looms. These latter, however, were less irksome and quite understandable.

The two-man committee will be wasting its time and the taxpayers' money if the Government has not abandoned the three impracticable conditions mentioned above. It is surprising that there is not a word on this vital question in the report about the conference which Mr. Nanda and Mr. Manubhai Shah had with the representatives of workers and the millowners. The public is entitled to know as to what are the Government's views on it. Does it still propose to stick to those conditions?

TEXTILE IMPORTS INTO BRITAIN

AGREEMENT SIGNED WITH HONG KONG

AFTER negotiations lasting for many months, Britain and Hong Kong have arrived at a final understanding on the question of voluntary limitation of exports of all types of cotton goods from Hong Kong to Britain. Under the agreement signed in Hong Kong on 30th December, 1958, producers of cotton goods in Hong Kong have agreed to limit their exports to Britain for three years with effect from 1st February 1959 to the levels mentioned below:

(In million square yards)	
Cloth	120
Yarn-dyed cloth	3
Made-up goods	46*
Total ...	169

*Or actual level for the year ended September, whichever is higher.

The agreement is between the millowners in Hong Kong and Lancashire and not between the Governments of the two countries. Both the Governments, however, played a part in promoting it.

Announcing the conclusion of negotiations, Mr. J. D. Clague, Chairman of the Hong Kong Textile Negotiating Committee, made it clear that the Colony's undertaking was firm and irrevocable and not subject to similar arrangements being made with any other parties. Explaining the delay in arriving at a decision, he said: "On purely economic grounds, no ceiling can at the present time be justified. The restrictions create problems for the Colony's traditional free trade policy...the guiding principle has been to ensure the maximum amount of local employment. The pact will, I hope, open up a new phase of Commonwealth economic co-operation, in conformity with the spirit of the Montreal *communique*.

As requested by the Negotiating Committee, the Hong Kong Government, according to an official notification, has agreed to set up the necessary machinery of control and to administer it with the assistance and advice of a representative committee to be appointed for the purpose. Administrative arrangements, including allocation of quotas, it is said, are now being worked out and a further announcement will be made when they are completed. Meanwhile, the exporters have been warned that a letter of credit received on or after 31st December 1958 will not by itself qualify the exporter for an export licence.

Cloud of Secrecy Regrettable

The Hong Kong Government's statement says that "cotton goods exports to Britain will be voluntarily limited for three years in line with the actions already agreed in principle by India and Pakistan." Except for scattered Press reports here and there, we do not have any information on the understanding said to have been reached between the Lancashire millowners and the textile interests of India. Only two persons, we are told, know the details, that is, Mr. Kasturbhai Lalbhai and Mr. Neville Wadia who have been conducting negotiations. No doubt, the Government of India must have been kept informed about it. It is regrettable that a cloud of secrecy should continue to hang on this important issue.

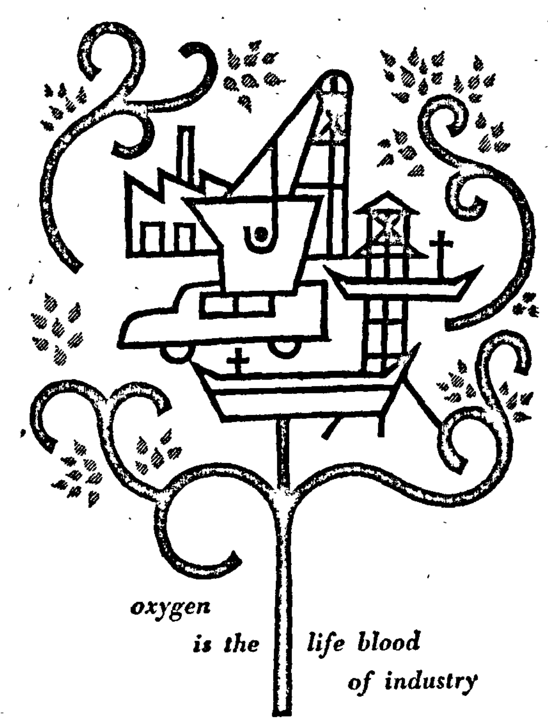
In the absence of details, we have only to take the figure of 140 million square yards given by *The Economist*, London, as the ceiling for exports of cotton cloth from India to Britain (and 35 million square yards for Pakistan). This ceiling is higher than the actual exports during 1957 by just one million square yards, while the ceiling of 120 million square yards of piecegoods fixed for Hong Kong is well above the actual exports in 1957. Further, Hong Kong can export to Britain as many as 46 million square yards of made-up goods and 3 million square yards of yarn-dyed cloth. Hong Kong can thus ship cotton goods up to a total of 169 million square yards, that is, 29 million yards more than the reported ceiling allotted to India. It would appear from these particulars that the treatment accorded to Hong Kong by Lancashire is far more liberal than that given to India. By holding out for a longer time against the pressure from Lancashire millowners, Hong Kong has succeeded in getting a better deal. It may be argued by some that, in view of the fall in India's exports of cotton textiles to Britain in 1958, this point is only of academic importance. But the issue cannot be so lightly dismissed. Apart from

(Continued in previous column)

(Concluded from next column)

the principles involved, the experience of any one year is not sufficient explanation.

Now what have the Indian millowners to say on this development? Will they quietly accept the agreement reached earlier or ask for a revision? Is the reported ceiling of 140 million yards inclusive or exclusive of made-up goods and handloom fabrics? Are there no prospects of India exporting such made-up goods as shirts, sleeping suits and pillow cases to the U.K? These are some of the questions that require answers and only the spokesmen of millowners know them.



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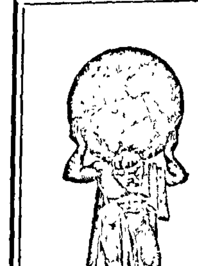

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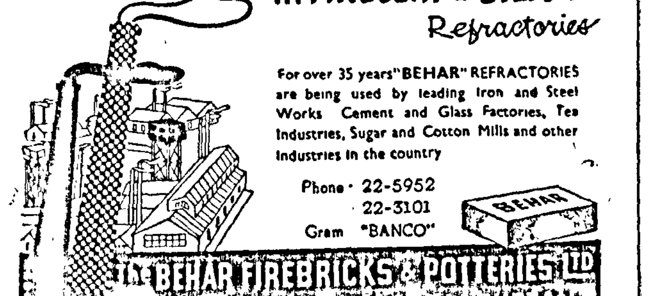

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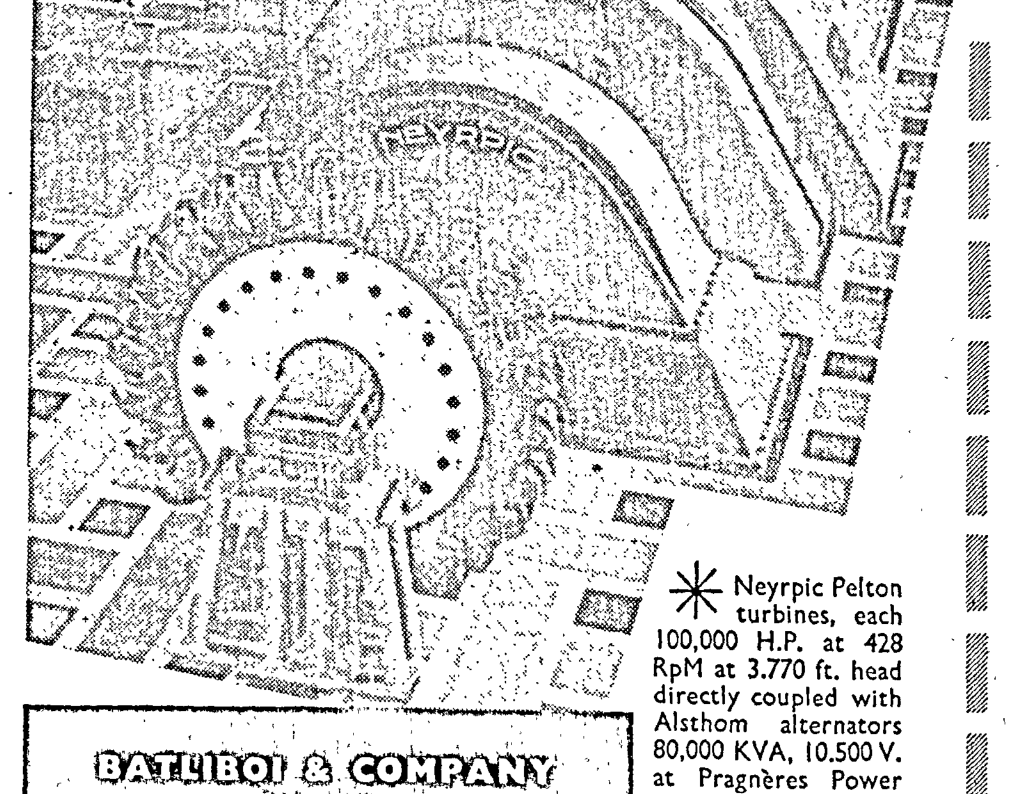

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DETAILS OF TEXTILE PACT WITH HONG KONG AWAITED

FUTURE OF YARN SPINNERS' AGREEMENT

From A Special Correspondent

MANCHESTER, 30*th December* 1958

AS the year ended, Lancashire traders were eagerly awaiting details of the reported agreement, which the Hong Kong negotiating committee had signed, relating to foreign cloth exports to the United Kingdom. In the absence of definite information, the local industrialists were disinclined to commit themselves to an elaborate comment on the situation and confined their opinions to the hopes that any terms arranged would not be unduly adverse to Lancashire.

MANCHESTER LETTER

The news coincided with the disclosure that, for the first time, exports of cotton grey cloth from Hong Kong to Britain had topped the 100-million-yard mark in a single year. To the end of November, arrivals exceeded 101 million yards, as compared with only 71 million yards in the whole of 1957. At this level, Hong Kong's shipments were only 10 million yards lower than comparable imports from India and were far in excess of the 38 million yards received from Japan and China. Most of the arguments about the scope of the Colony's trade in cotton goods with the United Kingdom has centred on the size of the probable quota not only on grey cloth but also on finished fabrics and made-up garments which are entering this country in substantial quantities.

A spokesman for the Cotton Board said: "We are now awaiting the terms which the Hong Kong millowners have agreed upon, but we can say nothing until they have been received on this side. We hope they will prove to be acceptable."

Shipments Tally

As a result of November's overseas trade in cotton goods, Lancashire's import-export gap has narrowed still further; barely 5,000,000 yards now separates the volume of cotton cloth leaving this country and incoming cargoes at British ports. For the 11 months, shipments of fabric aggregated 355,825,000 square yards, while arrivals amounted to 350,229,000 square yards. Although imports as a whole have declined by nearly 35,000,000 yards so far this year as compared with 1957, the drop in comparable exports is much greater, being in the region of 63,000,000 yards. The value of exports of cotton cloth has fallen from over £55,000,000 to £47,000,000.

Lancashire's leading customers so far as cotton cloth are concerned remain Australia, with 60,483,000 square yards, South Africa 46,556,000 square yards and New Zealand 32,539,000 square yards. In most cases, the major Commonwealth markets have shown a slight contraction in takings, New Zealand being the only exception. Cotton yarn shipments in November again exceeded 2,000,000 lbs., but the 11-month total of 24,876,036 lbs. compares with 35,009,942 lbs. shipped in the same period last year. Sharp falls have been recorded in cotton yarn shipments to India, Canada, Finland and Western Germany this year, but slightly bigger supplies have been sent to Australia and New Zealand.

Before the Verdict

The other vital outstanding matter likely to affect Lancashire trading conditions in the coming year is the pending decision on the future of the Yarn Spinners' Agreement following its investigation by the Restrictive Practices Court. Practically a month has now elapsed since the hearing ended but no verdict has yet been given.

So many widely differing views have been put forward prior to the investigation and during the proceedings that anyone not highly versed in the intricacies of the marginal rates system can well be forgiven for becoming confused. Sectional interests have had their say, both for and against the agreement, and traders in various branches would be unfaithful to their cause, if they did not take into consideration the different aspects of the scheme which concerned their everyday activities. Manufacturers as a whole would have been grateful to have a similar system operating on their behalf, while the merchanting section has for long been antagonistic to the plan, blaming the lack of elasticity in prices for their inability to secure more orders. One of the most eagerly scanned commentaries on cotton trade affairs is published periodically by Mr. William Butterworth, of Cook and Thorp, a leading firm of Manchester cotton merchants. To quote this observer: "It all seems so silly debating and arguing for six weeks about something that may or may not make a fraction of a penny difference to the shop prices."

High Retail Margins

When it is considered that the main purpose of the Restrictive Practices Court is to decide whether the various agreements brought before it are "contrary to the public interest," this fundamental fact should surely be borne in mind. To the ultimate consumer buying cotton goods over the counter, how much will be saved in ready cash at the expense of a possible severe dislocation of employment and production in what is still an important British industry? The report continues:

"Over the years spinners and manufacturers have not averaged much above a 5 per cent. return on their original capital, whereas retailers are not satisfied with less than 25 per cent. on sales. Does the housewife receive any benefit from the importing of sweated labour goods? These goods are usually sold over the counter as 'British-made' and only a small tab indicates that they were made in India or Hong Kong. The retailer takes the extra profit and generally pushes the sales of imported cloth, though there is no guarantee that the goods are up to Lancashire standards."

It has been suggested in some quarters that retailers have lately been deliberately reducing their stocks in the belief that prices would still decline. While this may well be so from the viewpoint of the raw cotton situation, any change in the spinners' agreement would have relatively little bearing on the cost of the finished article, however drastic might be the effect on individual mills.

If a poplin shirt requires up to 3¼ yards of cloth the dissolution of the spinners' price scheme might mean a difference of a few coppers on the garment. When selling prices of such goods range up to as much as £2 it is difficult to see what gain will be achieved by the retail customer. Even a catastrophic fall in yarn prices, caused by internal competition of the worst kind, would only scratch the surface of the final cost of many articles now available over the counter.

Maintaining Contact

The cosmopolitan character of the International Cotton Federation was emphasised by its new President, Dr. W. T. Kroese, of the Netherlands, when he visited the headquarters of the organisation in Manchester and delivered a lengthy statement, setting out the aims and achievements of the Federation. Although the main constituents are in Europe, close links are kept with other cotton-using countries on this side of the Iron Curtain. It is nonetheless significant that statistics were obtained from the Soviet Union this year for the first time since the war.

The members of the Federation, Dr. Kroese pointed out, consume more than 80 per cent. of all the raw cotton entering international trade and he hinted that the friendly relations with their colleagues in the United States might become even stronger in the near future. Countries participating in the organisation's affairs outside Europe include Japan and Egypt.

Towards the end of his statement, the President touched on the international aspect of Lancashire's prolonged negotiations on the subject of duty-free cloth imports. The hope that an agreement would soon be reached was shared, he said, even by those who did not look at the problem through Lancashire's eyes. Cotton industrialists on the Continent were closely following the efforts made to find a permanent solution to this problem, because they were themselves directly interested in it.

"It is not sufficiently realised that this matter goes far beyond the cotton industry and has much wider implications," continued Dr. Kroese. Lancashire, first in the Industrial Revolution, was now in the forefront of developments which threatened the industry with contraction. "Today, the cotton industry is suffering from the industrialisation of formerly agrarian countries in the East. We must realise that, in the next 10 or 20 years, practically all branches of industry will find themselves in a similar situation," he warned.

Although the problem of "live and let live" between East and West was only acute in one special sector of industry, it was unthinkable, he went on, to leave the provision of cloth for one

(*Continued on page 55*)

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Men and Oil . . . 4

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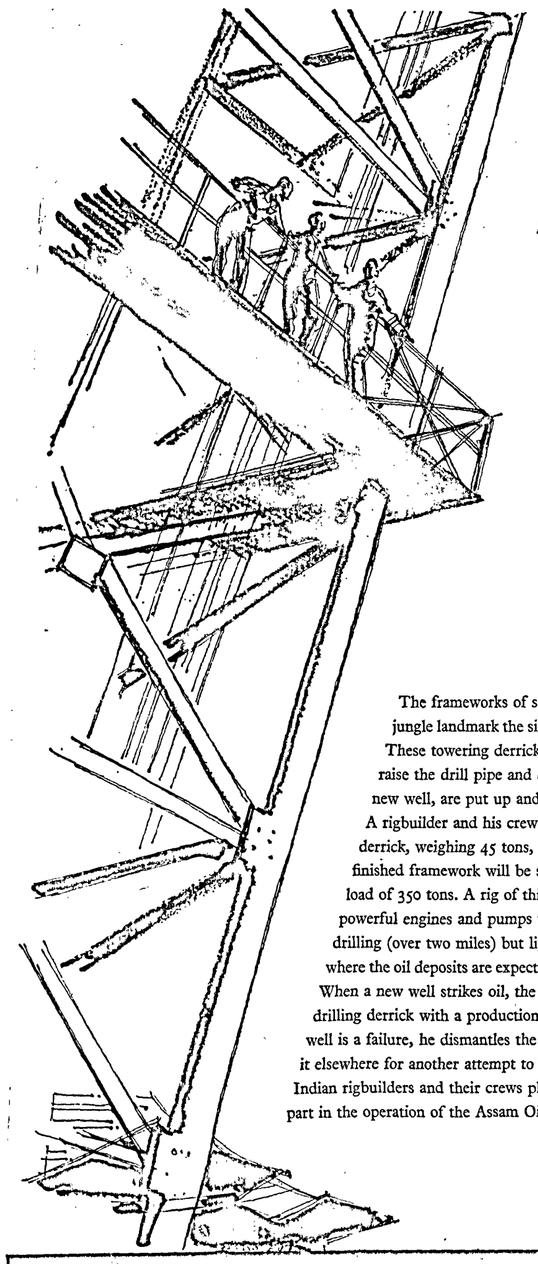

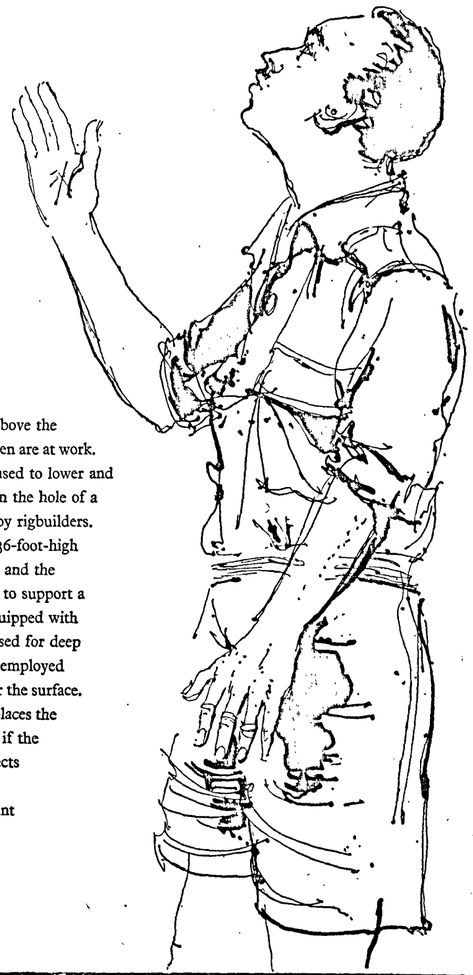

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WHAT PRICE FOR SUGARCANE?

U.P. GROWERS' PLEA FOR INCREASE UNJUSTIFIED

IT is indeed a matter for considerable satisfaction, at any rate for the present, that the Uttar Pradesh Co-operative Cane Growers Unions' Federation has withdrawn its threat to stop supplies of cane to sugar mills with effect from Wednesday next. The decision, announced on 30th December last, followed the conciliation talks held by the Federation with Dr. Sampurnanand, Chief Minister, and Mr. Mohanlal Gautam, Minister for Agriculture and Co-operation. The Chief Minister is reported to have agreed to convene a tripartite conference of the representatives of the Federation, sugar millowners and Government to reconsider the three demands of cane growers, namely, upward revision in the current statutory minimum price of cane—Re. 1.44 per maund—profit-sharing between cane growers and millowners from 1953 onwards, and appointment of a board for fixing the price of sugarcane with suitable representation. The proposed conference is expected to be held early next week, that is, after the return to Lucknow of the U.P. Chief Minister from the Nagpur session of the All-India Congress Committee.

That the cane growers' plea for an increase in price is not only unjustified but also untimely will be shown presently. Before doing so, a brief review of the developments preceding the aforesaid decision of the Cane Growers' Union may be made. Immediately after the current sugar season commenced (on 1st November 1958), the cane growers renewed the plea for higher price. A special resolution was moved by a member of the Opposition in the U.P. Legislative Assembly urging a rise in the price from Re. 1.44 to Re. 1.75 per maund. Deplorably enough, there was no opposition from the side of the State Government. The resolution was passed and forwarded to the Centre. If only the Chief Minister of U.P., his colleagues in the Government and other members of the Congress had stood firm on the issue of cane prices, the situation would not have taken such an ugly turn as widespread demonstrations and strike threats by cane growers.

Mr. Nehru's Opposition

In the Lok Sabha, too, a section of the opposition, consisting of socialists and communists, attempted to get an upward revision in cane prices. A special motion was brought before the House on 18th December by Mr. Brajraj Singh (Praja Socialist Party) and two other members. The motion was, however, defeated by a large margin of votes. Mr. Ajit Prasad Jain, Minister for Food and Agriculture, opposed it strongly. The Prime Minister himself felt so strongly on this issue that he intervened and convincingly explained that any increase in the price of cane, or, for that matter, any other agricultural commodity, was bound to have serious repercussions on other commodities. He emphasised that, in the matter of prices, one should proceed in a planned way and not do anything which would upset the general economy of the country. Here are the impressive arguments put forward by him:

"Unless our sugar price is cheap, we will not be able to compete in the international market. More land is going under sugarcane production. This should prove that the farmers are taking more to cash crops like sugarcane than foodgrains which are so essential for the country. It must also be a paying proposition. Hence there is no need for any additional incentive for sugarcane production.

"The issue of cane prices should not be isolated from the general economic picture in the country. This includes the entire concept of planning also. If we take any wrong step in increasing cane prices, many adverse consequences will follow. It will be highly improper to increase cane prices at the present time.

"I am not an expert on prices, but one thing is clear, that the price of sugar in India is much more than the world price. We want to export sugar, but we cannot compete in the world market with this difference in price. I do not think any millowner will export sugar at a loss. Nobody works at a loss in the private sector, although, for some time, this might be done in the expectation of future gain. Then the question arises: Should the Government subsidise the export of sugar to compete with world prices? It is clear, therefore, that any step that further increases the price of sugar in India will not make things easy for us. Another problem is that more and more land is being diverted from foodgrains to the cultivation of sugarcane. This means that the peasants are not suffering any loss by switching over to the cultivation of sugarcane. They seem to like it."

In his speech, Mr. A. P. Jain declared that the sugarcane producers had been fully protected. Drawing attention to the fact that the price of cane was fixed at Re. 1.44 per maund not arbitrarily but after the fullest consultation and approval of the State Governments, including U.P. and Bihar, Mr. Jain said that any increase in the price would also boost prices of foodgrains. He further pointed out that, as compared with the prices given to the producers of other agricultural commodities, the cane growers were getting a better deal and that those cane growers who supplied cane to sugar mills earned more profit than those who supplied it for *gur* production in cottage industries.

An Absurd Call

The explanations given by Mr. Nehru and Mr. Jain did not satisfy the critics. This is evident from the call for the resignation or dismissal of Mr. Jain from the Union Cabinet by the All-U.P. Co-operative Cane Growers Federation at a special meeting held at Lucknow on 23rd December. The resolution on the subject was passed despite the presence of a sizable section of Congress-dominated Union representatives. The Federation also issued a directive to the 119 cane growers' co-operative unions all over the State to stop cane supplies to the 69 sugar mills for an indefinite period after 14th January. Some delegates even criticised Mr. Nehru on the ground that he made a partisan statement in Parliament "without trying to comprehend the problems of growers and the fairness of their demand."

The cane growers' call for the resignation and dismissal of Mr. Jain is absurd and only exposes the utter hollowness of their plea for higher cane prices. The politicians who instigate and organise strikes suffer nothing. It is the cane growers who sustain losses, losses which they can ill afford and which the politicians cannot at all reimburse. Unlike many agricultural commodities, sugarcane cannot be kept after harvest for a long period; it has to be crushed forthwith for manufacturing sugar, white or brown. Even delays occurring in the transport of cane from the fields to the factories entail much hardship to the cultivators who are financially very poor, not to speak of the deterioration in the quality of cane. That any attempt on the part of cane growers to stop supplies to sugar factories will be suicidal to their own interests was aptly described by the U.P. Chief Minister in the State Assembly on 19th December. He said: "If the *kisans* withhold the deliveries of cane, they will not be able to get enough crushers (*kolhus*) even in Western U.P. to crush the cane for *khandsari* and *gur*. In Eastern U.P. where no *khandsari* and *gur* are manufactured, the cane will either dry up or rot. This will further worsen their condition. With delay in delivery, the yield of sugar per maund will fall and with it will fall the price of cane, causing loss to *kisans*."

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CORRESPONDENTS ALL OVER THE WORLD

It is a pity that sugarcane should continue to be used as a political weapon either to browbeat the powers-that-be or to create false hopes among the cane growers, most of whom are illiterate. None among the agitators has cared to make a comparative study of the economics of sugar industry in India and in other parts of the world. If some of them have, then they are deliberately misleading the growers. As it is, the price of cane is high in all conscience. It accounts for as much as 60 per cent. of the cost of producing sugar. The cost of cane per ton of sugar produced is Rs. 405, which represents over 88 per cent. of the total price of sugar realised on exports. This is due to the defective system of paying for cane only on the basis of quantity, irrespective of quality considerations.

It has been explained in these columns countless times that, if India is to compete successfully with other sugar-producing countries and if the price of sugar to domestic consumers is to be kept at a reasonable level, the cost of cane must be reduced. This is the basic problem of sugar production which has unfortunately been completely overlooked by politicians in their anxiety to earn the goodwill and support of the agriculturists. The sugar factories are made to pay a high price of Re. 1.44 per maund of cane which has, on an average, a sucrose-content of less than 10 per cent. So long as the cane grower is assured of the minimum price, he will simply not care to make any effort to grow cane with richer sucrose-content. The aim should be to help the grower to increase the yield of quality cane per acre rather than endeavour to cripple the sugar industry by threat of strikes and demand for uneconomically high prices. This aspect has been well brought out by Mr. L. N. Sarin of Lucknow in the course of a letter to *The Pioneer*. Mr. Sarin says:

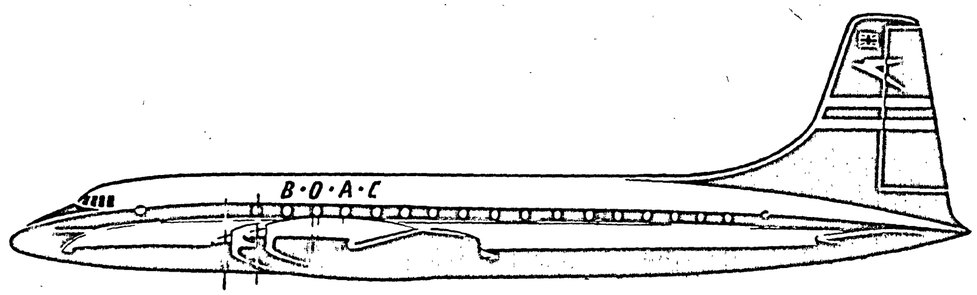
"There are two ways to raise the purchasing power of a cane-grower—one artificial and the other natural. The politician in India aims at the artificial method as it seems to promise political dividends. He, therefore, pleads for higher price and, having failed in his effort, instigates a strike. This gains him the mantle of a leader of men and puts on him a mask of public-spiritedness. The real aims of his mind, if hidden from the public gaze, are not difficult to understand. At the time of election, he can recapitulate his various activities to hoodwink the ignorant voter. If a Congress worker at the time of election talks of nothing but of his past fight with the British Government, his opponent has nothing more positive or creative to mention but his fasts, his raids, his walk-outs from the Assembly, etc. The natural way to help the grower fight his poverty is to help him in increasing his yield per acre. But this has no melodramatic appeal. While this would help the growers, it may mean no political return to the politician at the time of election."

There is considerable force in these observations. The politicians of Uttar Pradesh (and also Bihar) will do well to remember that any increase in the minimum price of sugarcane will, by upsetting the parity of agricultural commodity prices, result in the diversion of a large part of the cultivable land from foodgrains to cane and also lead to a further rise in sugar prices. It may be noted here that the price fixed for cane is just the minimum and it is always open to sugar millowners to give a higher price if they want to. This can be achieved only by growing and supplying the factories with superior varieties of cane and not by threats to stop cane supplies to factories. Such threats constitute an ill-wind that does no good to anyone.

Holding Consumers To Ransom

Any further increase in cane price which, as already said, accounts for 60 per cent. of the production cost of sugar, will amount to holding consumers to ransom. Inasmuch as the States of U.P. and Bihar together account for well over 66 per cent. of the total production of sugar in the country, the pressure exerted by the politicians of the two States for getting higher prices for cane tantamounts, as this journal has pointed out on several occasions in the past, to the imposition of the will of monopoly interests on nearly 70 per cent. of the sugar-consuming population.

The politicians of U.P. and Bihar would serve the cause of cane growers better if, instead of pleading for enhancing cane prices, they were to advocate the introduction of the scheme for payment of cane on the basis of both weight and quality, as against weight alone as at present. It is only such a scheme that will create quality-consciousness among the growers. On its part, the Government of India will do well to stick to its decision not to raise the price of sugarcane. For any concession to pressure tactics of agitators will only mean a "devastating confession of the Government's inability to govern where politics overlap economics."



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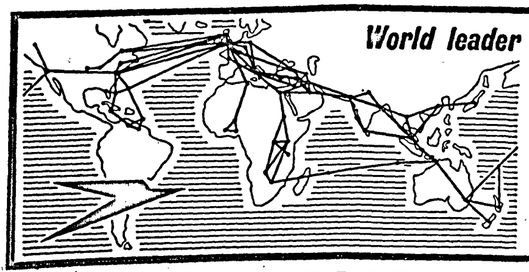

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GOVERNMENT OF INDIA TO BUY RAW JUTE

MILLS AGREE TO INCREASE THEIR STOCKS

THE question of imparting some strength to the raw jute market and helping the growers who have contributed a lot to India achieving near self-sufficiency in the golden fibre figured prominently in the series of discussions which the representatives of the industry and the trade had with Mr. C. S. Ramachandran, Joint Secretary, Union Ministry of Commerce and Industry, and Mr. D. Sandilya, Managing Director, State Trading Corporation of India, last week-end. Following these discussions both the manufacturing industry and the Government have agreed to support the raw jute market. The manufacturers on their part have decided to make additional purchases of the fibre immediately. The Government will also enter the market to purchase and stock raw jute for supply to the mills, as also for export.

Announcing these decisions, a Press note issued by the Ministry of Commerce and Industry says that the Indian Jute Mills Association, on behalf of the manufacturers, has undertaken to buy and hold stocks of raw jute to cover four months' requirements of member-mills. It will be recalled that in September last, the I.J.M.A. had advised its member-mills to increase their purchase of raw jute up to three months' consumption, with a view to arresting the decline in prices, but this did not have the desired effect. The mills' latest decision to hold stocks up to four months' consumption, read together with Mr. Lal Bahadur Sastri's statement in the Lok Sabha on 8th December last that mills were being persuaded to raise their purchases further, shows that mills have not voluntarily come forward to take this step in order to arrest the downward trend in raw jute prices.

Mills to Submit Statements

The mills have agreed to furnish the Jute Commissioner at specified intervals with information regarding their stocks, the purchases effected from time to time, etc. The Jute Commissioner will verify these returns, so as to enable the authorities concerned to take appropriate action against mills who fail to carry out their undertaking in respect of their advance purchases of their requirements of raw jute.

Among the voluntary measures recently taken by the industry and trade to maintain steadiness in the raw jute market was the decision of the East India Jute and Hessian Exchange, the officially recognised body to conduct futures trading in raw jute and jute goods, in September 1958, to impose margins on net outstanding sales of raw jute and jute goods at prices below those fixed by the I.J.M.A. The margins were stepped up last month, as indicated in the following table:

Item	Minimum price	Margin	
		As from 29-9-1958	As from 20-12-1958
	Rs.	Rs.	Rs.
Hessian cloth ..	89.50 per 100 yds.	1.50	2.00
Sacking bag ..	95.00 per 100 bags	3.00	5.00
Raw jute ..	22.50 per maund	2.25	3.00

The enhancement of the margins within less than three months after they were first imposed shows that the fixation of minimum prices was more honoured in the breach than in its observance. The tightening up of the margin system was opposed by a section of the trade and, as a protest, it refrained from trading on the Exchange for a few days. As a result, the margins and floor prices were modified in the case of sackings and raw jute. Thus, sellers in sacking below Rs. 100 per 100 bags, but above Rs. 95 are required to pay a margin of Rs. 3. If sales take place below Rs. 95 per 100 bags, a margin of Rs. 5 will have to be paid. In raw jute, while a margin of Rs. 3 will have to be paid on sales below Rs. 22.50 per maund, a lower margin of Rs. 2 is payable on sales below Rs. 23.50, but above Rs. 22.50. In view of the failure of the margin system and the persistence of sales below the "floor" prices, the Government of India's representatives have assured the Chairman of the Exchange that suitable measures will be taken to deal effectively with units responsible for undesirable practices.

As stated at the outset, the Government of India has decided to purchase raw jute from the growers and to stock it for sale to mills, as also for export. The State Trading Corporation, which is to handle exports of raw jute from India, has discussed this matter with the representatives of State co-operative organisations and has made arrangements to enter primary markets as substantial buyers. These purchases will soon be made in the markets at Forbesganj, Golabag, Kishanganj and Katihar in Bihar. Similar action in other markets is also contemplated. Wherever possible, these purchases will be effected through the apex co-operative societies or primary co-operative societies.

The Government of India is said to be keen on ensuring stability in the market for jute goods also. This is only as it should be, because stability and steadiness of prices of jute manufactures are essential for stability in the raw jute market. The Government feels that the steps already taken or contemplated to be taken by the Indian Jute Mills Association and the East India Jute and Hessian Exchange will help to achieve the desired result. At the same time, it is keeping a close watch on the situation and will not hesitate to take such further measures as will be found necessary to ensure a fair return to the producer and a smooth flow of goods to foreign markets. These measures will, if necessary, be taken in consultation with normal commercial channels and with their help.

The Commerce and Industry Ministry's Press note does not contain even a word on the question of fixing statutory minimum export prices for jute goods, discussions about which were reported to have been held between the I.J.M.A. and the Government. The I.J.M.A. is said to have suggested this step, with a view to putting an end to the violation of the Association's minimum price scheme. The Government of India has, it is stated, agreed in principle to the I.J.M.A.'s proposal and has agreed to support the scheme in future by buying its own requirements of jute goods directly from the mills at the minimum prices, instead of from the bazar even at below these prices, as it used to do hitherto.

The absence of any mention about the statutory minimum export prices for jute goods in the Government Press note apparently means that the Government is against that solution so far as the export market is concerned. Obviously, it feels, and rightly so, that such a scheme is not in the interests of the industry itself, in the light of the present trend in exports, as it will make Indian jute goods less competitive in world markets and will only induce foreign consumers to resort more to bulk handling or to use alternative means of packing. Indian jute goods depend on foreign consumers for more than 80 per cent. of its gunny production. India has not the monopoly in jute goods and cannot, therefore, compel foreign buyers to pay the price it wants.

It may well be suggested that, instead of fixing statutory prices for export, the Government of India can subsidise export of gunnies in some form or other, but even this proposal will be difficult of implementation. For the other major export industries, such as textiles and tea, which are also in a similar predicament, may ask for such subsidies, and the Government can hardly afford to do so.

The only other alternative to improve the industry's position is to reduce the loom-hours, and to close uneconomic units. This will mean large-scale unemployment and reduced consumption of raw jute. The question is whether the situation is so bad as to warrant this drastic step.

RAW JUTE PRODUCTION IN 1958-59

The final official estimate of raw jute production in India during the 1958-59 season places the crop at 5,178,000 bales, representing an increase of 1,126,000 bales or 27.8 per cent. over the previous season's output of 4,052,000 bales. The rise in production is accounted for partly by an increase in the area under jute which has gone up from 1,742,000 acres to 1,827,000 acres, or a rise of 4.9 per cent.

The increase in crop has occurred mainly in West Bengal and Bihar. A decline in output is reported from Assam, Orissa and U.P., due to adverse seasonal conditions and damage to crop caused by floods.

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OUTLOOK FOR COFFEE

NEED FOR LOWER PRICES

THE new year was greeted in the London coffee market with a fresh marking down in prices. On the 2nd inst., Uganda Robusta grade for January shipment was quoted at 185s. per cwt., as compared with 197s. in mid-December and 261s. 6d. a year before. This persistent recession in prices has made the outlook for coffee more sombre than before. There are already rumours that Brazil, which accounts for about 50 per cent. of world production, proposes to lower the minimum prices for the poorer qualities of exportable coffee, with a view to making these varieties more competitive with African Robusta, which finds a good market for use in making soluble coffee. Along with the cut in minimum prices, it is further rumoured, the Brazilian Government is likely to raise the dollar premium paid to coffee growers.

If these moves become an accomplished fact, it will mean further depression for coffee. The anxiety of Brazil to cut its prices is understandable, because of its accumulating stocks, with no signs of world prices stabilising at any level. It is stated that Brazil alone is holding a stock of 15 million bags (or about 1 million tons) of unsold coffee, while the total world output in 1957-58 was 51.8 million bags. In these circumstances, the outlook for Indian coffee, as was pointed out in our last regular issue, is dim, particularly when its own output is expanding rapidly without any corresponding rise in domestic consumption. According to Mr. R. C. Paterson, Chairman of the Consolidated Coffee Estates (a text of whose speech is published on pages 26 and 27 of this issue), "there is every indication that production may increase at a pace entirely unanticipated and already there are thoughts of a possible 60,000-ton crop within the next few years." The current consumption in India is about 30,000 tons and, unless this is increased, a home must be found for the balance in the foreign markets. This, in other words, would mean the doubling of the present quantum of exports.

Large Internal Market

The question is whether India can find a market which will take this extra quantity, in view of the fact that it is only a recent re-entrant to world markets which are already more than adequately supplied from other producing countries with whom the principal consuming countries have the strongest commercial ties. "Under every circumstance, therefore," Mr. Paterson adds, "a stable and expanding market for our produce in India itself is a supreme necessity for the continued existence of the coffee industry and to this end it cannot be said that our needs are in full accordance with the export requirements of the country." He does not, however, minimise the importance of acquiring a more permanent place in world markets than we would appear at present to occupy. In short, with an expanding production, India is more fully dependent on its internal market, as well as overseas markets.

In the past, with smaller crops and good export prices, the grower, the trader, the co-operative, the consumer and the labour were all benefited. The requirements of the domestic market, in regard to quality and quantity, had, no doubt, received the first consideration and the internal price structure was carefully controlled in relationship with the minimum release price by gearing the quantity of coffee offered at the monthly auctions and by allotment through local sales depots. But, in the context of the present changed circumstances, Mr. Paterson suggests that a radical change in the basic approach of marketing coffee is necessary. The only solution to this problem, according to the Consolidated Coffee Estates Chairman, is to do "very active propaganda by all means available both in India and abroad." The task of the Coffee Board, which has taken upon itself the responsibility for doing propaganda, is not by any means an easy one. For it does not have the advantage which the tea industry enjoys, with its large firms of international repute and organisation for marketing the finished product.

Advocating a change in the approach to the marketing of coffee, Mr. Paterson suggests: "Coffee in its unroasted form does not particularly lend itself to individual advertisement and might find comparison with sugar, rice and some other basic food. It would appear on this account that it does not receive the necessary propaganda and advertisement from the trade which is so vital, if sales are to be rigorously pushed."

Proceeding he observes: "Hitherto, it would appear that the Coffee Board has been paying considerable attention to the pegging of prices and so controlling profits which are available to the trade and to the grower. While this undoubtedly is an important role and a necessary one for the consumer, one should not lose sight of the fact that the Board's first *raison d'etre* is to market our coffee, and in the conditions which we are likely to see in the future, that in itself will be no mean performance and, if success is to be achieved, must hold priority over all other considerations."

In other words, Mr. Paterson suggests that the marketing of coffee should be left in the hands of the private trade, if the level of consumption is to be raised. It is, however, difficult to hope that the Government or the Coffee Board will change its policy, especially when it is keen on extending State trading to every commodity possible.

Reorganisation of marketing arrangements and stepping up sales propaganda will be effective only if the price of coffee to the consumer is brought down. Despite increase in production and large unsold stocks, coffee prices in India are still beyond the reach of the vast majority of middle classes who are its principal patrons. It is regrettable that neither the Coffee Board nor the coffee growers seem to be conscious of this vital prerequisite for pushing up the domestic consumption of coffee.

REMITTANCES BY TEA COMPANIES

During the three years, 1954-55 to 1956-57, foreign-owned tea companies in India remitted abroad an aggregate sum of Rs. 32.6 crores, as compared with only Rs. 9.1 crores in the preceding three years, according to the Assam Tea Planters Association's *Bulletin*. Of this account, Rs. 30.9 crores represented profits of branches of foreign concerns, while the balance of Rs. 1.7 crore formed dividends of joint-stock companies registered in India. The comparative figures for the previous three years, that is, 1951-52 to 1953-54, were Rs. 8.1 crores and Rs. 1 crore, respectively.

In 1951-52, the total remittances aggregated Rs. 3 crores; in 1952-53, they declined to Rs. 1.8 crore before rising again to Rs. 4.3 crores in 1953-54. There was a rush of remittances in the following year (1954-55), when a record amount of Rs. 11.2 crores, made up of Rs. 10.4 crores of profits and Rs. 80 lakhs dividends, was sent abroad. The trend has since been more or less maintained, the figure for 1955-56 being Rs. 10.4 crores—Rs. 10 crores profits and Rs. 40 lakhs dividends—and for 1956-57 Rs. 11 crores—Rs. 10.5 crores profits and Rs. 50 lakhs dividends.

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BURMAH-SHELL'S TRADING RESULTS

NET EARNINGS IN 1957 WORK OUT TO 4.75 PER CENT. OF CAPITAL EMPLOYED

THE level of oil consumption in a country provides an index of its industrialisation. A developing economy naturally implies a steady increase in the consumption of oil. From this point of view, it is gratifying to note that the increase in India's consumption of oil is higher than the world average increase in such consumption. Thus, according to the brochure *Survey of Activities—1957*, produced by the Burmah-Shell Oil Storage and Distributing Company of India Ltd., the total consumption of petroleum products in India increased by over 9 per cent. in 1957 to about 5.5 million long tons as compared with some 5 per cent. for the world as a whole. The increase in India was largely reflected in three products, namely, kerosene, furnace oil and high speed diesel oil.

The Burmah-Shell Oil Storage and Distributing Company of India Ltd. is a marketing company owned jointly by the Burmah Oil Company Ltd. and Royal Dutch-Shell Group. It distributes petroleum products supplied by the Burmah Oil Company (India Trading) Ltd., Shell Company, of India Ltd. and B.P. (India) Ltd. The sales of the Company in 1957 aggregated 3,161,517 tons which represents an increase of 8.14 per cent. over 1956. Supplies of crude and products, it is stated, were maintained satisfactorily throughout the year despite a temporary world shortage at the time of the Suez crisis.

Petroleum Products

There has been a steady growth in consumption of kerosene in India. In 1957, the total consumption of petroleum products included kerosene (30.41 per cent.), motor spirit (15.37 per cent.), high speed diesel oil (13.52 per cent.), light diesel oil (8.76 per cent.), furnace oil (16.65 per cent.) and other products (15.29 per cent.)

To revert to the Company's sales. There was a slight decline in the sales of motor spirit in 1957. This trend is expected to continue, unless basic changes in Government's taxation policy take place. Goods, trucks and buses in the past used to account for some 70 per cent. of the motor spirit sold in India. But the trend towards diesel machines restricts the demand for motor spirit. A goods truck or a passenger bus may use between 200 and 300 gallons of motor spirit a month, whereas few private cars use more than 50 gallons a month. The increase in the offtake of motor spirit by private cars is, therefore, more than offset by the decrease in its consumption by the larger vehicles. In this connection, it may be noted that a large part of the price of motor spirit is absorbed by taxation. Thus, out of Rs. 3.37 per gallon as at the end of 1957, Central Government duty absorbed 37 per cent. and State Government sales tax 12 per cent.; railway freight accounted for 9 per cent. and dealers' commission for 6 per cent. The Company's basic price is only 36 per cent. of the price paid by the customer.

Motor Spirit

Although the Company's sales of motor spirit in 1957 were somewhat less than in the previous year, those of high speed diesel oil increased by as much as 34 per cent. And the "spectacular" expansion of this product continues unabated. In October 1957, the sales of this product actually exceeded for the first time those of motor spirit. An analysis of the end-use of high speed diesel oil indicates that automative road transport accounted for 65 per cent., industry and development projects for 15 per cent., agricultural uses for 15 per cent. and rail diesels and miscellaneous purposes for 5 per cent. The railways have received several additional diesel electric locomotives and also ordered more locomotives of this kind. To cater to this new demand, extensive facilities have had to be provided and tanks, trucks and pumps made available. As in the case of motor spirit, taxation absorbs a large part of the price paid by a customer for high speed diesel oil. At the end of 1957, its price to the consumer was about Rs. 2.06 per gallon, of which Central Government duty absorbed 29 per cent. and State Government sales tax 13 per cent. The dealers' commission and railway freight accounted for 4 per cent. and 10 per cent. respectively; the Company's basic price was thus only 44 per cent. of the price paid by the consumer.

Among other products, furnace oil has commanded an increasingly larger market. The Company's sales of furnace oil increased by 21 per cent. in 1957. Textile mills took 22 per cent. of the total sales, international shipping 33 per cent. and coastal shipping 7 per cent. Other users include foundries, steel works, tea factories, sugar factories, railways, cement and chemical works, tobacco curing, power houses and glass and ceramic factories. Furnace oil can be used wherever steam production or heat processing is necessary. The Company also markets liquefied petroleum gas, under the trade name "Burshane." At the end of 1957, about 18,000 people in Western India were using "Burshane" in their homes.

Finance

As regards the financial results of the Company, the trading receipts in 1957 aggregated Rs. 131.68 crores. Of the total receipt, no less than 28.84 per cent. was absorbed by duties and taxes imposed by the Government, 4.95 per cent. by ocean freight, and 26.31 per cent. by distribution charges. The f.o.b. value of oil purchased accounted for 37.62 per cent. Net earnings, after payment of Indian and U.K. taxes, amounted only to Rs. 3 crores or 2.28 per cent. of the total receipts. Again, it is noteworthy that, in relation to the total capital employed—aggregating some Rs. 63.28 crores, made up of fixed assets at original cost (Rs. 23.04 crores), oil stocks (Rs. 25.39 crores) and other net assets (Rs. 14.85 crores)—net earnings constituted only 4.75 per cent.

A notable feature of the Company's activities is the training scheme it operates. It would appear that the Company's all-India residential training centre at Juhu (Bombay) is being expanded and the number of courses increased. No less than 149 Burmah-Shell assistants and 15 from associate companies in the South-East Asian countries attended the courses during the year. In addition, each branch conducted a number of specialised courses on an all-India basis which were also attended by supervisory staff from other branches as also courses for their clerical staff and labour employees. Retail marketing courses were held for the Company's sales staff, in order to help them improve the Company's services to the public.

NUCLEAR ENERGY

Nuclear energy and its application does not offer any magical short-term solution to the problems of the underdeveloped countries; but there is an important place for these techniques, provided they are used with common sense. This was the conclusion reached by Mr. W. J. Whitehouse, nuclear physicist at Britain's Atomic Energy Research Establishment at Harwell, when he addressed a conference on rural life at home and overseas held in Essex recently. His audience included people from 17 countries, among them Britons working in India. Mr. Whitehouse pointed out that statistics about national wealth could be misleading, and that a country which was not wealthy could afford several big enterprises, including a nuclear project, if it was large enough. If, for example, every inhabitant of India contributed the equivalent of 12 American cents—some 0.25 per cent. of his annual income—about $50,000,000 could be collected. To raise this sum, Mr. Whitehouse observed, the inhabitants of a small European country would have to contribute about $10 each, or about 2.5 per cent. of their average annual income. A country with a large population also had a great advantage in finding the highly trained and intelligent men needed to operate such a project, Mr. Whitehouse said. He pointed out that a big country like India might be able to muster 100 men trained to a certain standard in a subject like nuclear physics; whereas a small country, with the same average standards, but with a population less than 5,000,000, would only have one—"and he would not be able to accomplish very much by himself."

Discussing the size of nuclear power stations, Mr. Whitehouse said that while the majority of under-industrialised countries required small stations, India had several large industrial regions—such as those centred on Bombay, Ahmedabad, and Madras—which were a long way from the Central Indian coalfields. Careful calculations had shown, Mr. Whitehouse noted, that the cost of nuclear power compared favourably with the cost of power from conventional thermal stations. He recalled that—as Dr. H. J. Bhabha had recently stated—the same might be true for other countries in South-East Asia and the Far East. In general, Mr. Whitehouse felt that the effects of nuclear power in underdeveloped countries during the next few decades were not likely to be spectacular; but the long-term effects were sure to be revolutionary. Many countries, apart from the discovery of nuclear energy, would have no prospect of enjoying a high standard of living, because they had no adequate power sources within their boundaries. Mr. Whitehouse declared that there was now no reason why, in the long run, these countries should be appreciably behind the more fortunate countries.

BRITISH AIRCRAFT

During the first 11 months of 1958, the British aircraft industry's exports amounted to a record £142,176,592—some £26,000,000 more than for the whole of 1957, itself a record year, the Society of British Aircraft Constructors stated in London. This represents a weekly rate of about £3,000,000, or an annual figure of £155,000,000. Total aviation exports since the war have reached more than £775,000,000. The November figure, at £15,346,438, was the second-highest monthly total ever. It was boosted by record aero-engine sales, which, at £5,188,087, amounted to nearly £700,000 more than in the previous record month achieved in May 1958. Aircraft and parts, at £9,601,045, also sold well. Brazil was Britain's best customer, buying more than £1,500,000 worth of aircraft and parts, followed by South Africa, India, the United States, and West Germany.

The January-to-November total showed an increase of 43 per cent. over the same period the previous year, and a gain of 22 per cent. over the total for the whole of the previous year. During this period, India headed the list of oversea buyers, with £16,778,843 worth of aircraft and parts, followed by Canada, the United States, West Germany, Australia, the Netherlands, and South Africa. Other countries which bought £1,000,000 worth or more included New Zealand, the Irish Republic, France, Switzerland, Turkey, the Lebanon, Iraq, and Brazil. Sales to the United States and Canada during the first 11 months of the year amounted to £26,000,000. To this must be added aero-engine sales. The Society stated that so far this year the sale of aero-engines abroad has accounted for 32 per cent. of total aviation exports.

RESEARCH IN U.K.

A substantial part of the money required for the British Cotton Industry Research Association's programme for applying modern mechanisation and control techniques to the entire process of cotton spinning is being provided by the National Research Development Corporation as one of its new projects. "If this project is successful," says the Corporation's annual report, just published in London, "the spinning side of the industry will be greatly advanced and the competitive position of the cotton industry in the United Kingdom correspondingly improved." The report states that the British Government-sponsored corporation is at present assisting over 1,000 inventions. Its holdings in British and oversea patents and patent applications were close on 3,000 for the year ended last June.

The Corporation, says the report, is also sponsoring a new oil-drilling rig which aims at reducing unproductive time in deep drilling operations, and a new form of image intensifier which may have a wide field of application in such matters as reduction of radiation-exposure hazards in X-ray examination. Another important step taken by the Corporation is the making of a major financial contribution to secure early completion of the development of the ultrasonic flow-meter project at the British Scientific Instrument Research Association. This device is for metering the flow of fluids in, for instance, the chemical, pharmaceutical, food, and other industries.

The Corporation was established in 1948 by the Board of Trade to exploit or develop, in the public interest, inventions resulting from research carried out by Government departments and other public bodies.

HINDUSTAN MACHINE TOOLS

The Hindustan Machine Tools factory (H.M.T.) in Bangalore has been able to manufacture 95 per cent. of the parts required for the production of lathes. This information was given by Mr. M. K. Mathulla, Managing Director of the factory, at a press conference recently held at Bangalore. The percentage of components manufactured in the factory pertaining to milling machines is 60 while that in regard to radial drill is 30. These percentages will be progressively increased to 95 by 1960-61.

H.M.T. will make available by April next smaller and cheaper lathes for the use of medium and small-scale industries. These lathes will be manufactured in technical collaboration with the French firm, Messrs. Battingnolles. The smaller lathes will be marketed in five sizes—170 mm., 200 mm., 225 mm., 250 mm. and 275 mm. (centre height); the prices will range from Rs. 14,000 to Rs. 20,000.

The factory has exceeded the production target for machine tools. The original target was fixed at 400 machines to be reached by 1960-61. But, in 1957-58 alone, the factory turned out 402 machines. During the current financial year, production is expected to reach 600 machines. As regards prices of lathes, H.M.T. is now selling lathes at Rs. 29,500 each, as against Rs. 39,000 in 1956-57; the prevailing ex-factory price of a similar machine in Europe is Rs. 32,740.

STEELWORK DESIGNING

A British steel company recently completed the detailed design calculations for a power-station floor structure in two hours with the aid of a computer. It would have taken a design engineer several weeks to complete a similar task. The computer, in fact, does the job 50 times as fast. In addition to releasing skilled men for more creative work, this important new development in the structural engineering field paves the way for considerable economies in steelwork design, enabling more elaborate stress calculations to be made and the relative merits of various schemes to be assessed before a tender is submitted.

NEW PRODUCTS AND PROCESSES

Vacuum Tester

ONE of the essentials of success in food canning is to maintain a sufficient degree of vacuum in the canned product. since the high internal vacuum in canned foods helps to enhance their shelf life. The need of a suitable, convenient, efficient and inexpensive vacuum tester has long been felt by the Indian food preservation industry. At present, canners are using the commonly known 'tapping test,' which, however, is rather unsatisfactory. It has also been a common practice so far to measure the internal vacuum by puncturing the can with a small vacuum gauge, but in such testing procedure, the economic factor becomes of considerable importance when comparatively large numbers of cans are required to be tested Manufacturers very often, have to test dozens of cans even in one day's production and if such cans could be tested without puncturing or destroying them and then returned to the stock, considerable saving could result. An invention, developed by the Central Food Technological Institute, Mysore. is an improvement over similar type of imported instruments. The instrument is capable of being worked both on the mains and with the help of batteries (the conventional instruments are worked only on batteries). Besides being a convenient arrangement for the replacement of exhausted batteries, it is easy and simple to operate. The instrument comprises a device which permits the application of vacuum to a chamber formed above the lid of the can under test. The operator listens for a sound caused by flexure of the lid when the pressure in the chamber falls below the pressure within the can. The can to be tested is so placed in an electrical circuit containing a signalling device that the circuit is completed by the flexure of the lid of the can, engaging a contact. Other features of the instrument are: (1) The instrument records the vacuum existing in any canned food (namely, fruit and vegetable products, meat, fish, dairy products, etc.) without puncturing or destroying the can (2) The test is completed within a fraction of a minute. (3) Faulty cans can be easily located from a large stock of canned foods. (4) 'Hydrogen Swells' and 'CO_2 Swells' can be detected at the initial stages of formation, suggesting an early disposal or consumption of such canned goods. (5) A complete range of cans of all dimensions commencing from 2" to 6" diameter can be tested. (6) The instrument is compact and easily portable. The only auxiliary equipment needed is a source of vacuum, usually from a vacuum line in the factory or from suction pump attached to a water tap or alternatively by means of a small vacuum pump which may be attached to the instrument. (7) It is of great potential value to the food manufacturers in providing them an easy means of greater quality control over their products at less cost. (8) It can be of great use to the research workers in following up the changes in vacuum existing in individual or particular sets or lots of any canned foods under different storage conditions. Parties interested in taking up the manufacture of the instrument may contact the Secretary, National Research Development Corporation of India, Mandi House, Lytton Road, New Delhi-1.

Injection Pump

C.A.V., of Acton, London, W.3, is now producing single-cylinder, distributor-type fuel injection pumps for diesel engines. They are claimed to have several advantages over other types. Many fuel injection pumps employ a separate pumping element for each engine cylinder, each element consisting of a plunger and barrel with some means of controlling output. With the distributor type pump there is only one pumping element and this is provided with a means of connecting the pump delivery to each of the injectors in turn. The pump, which is arranged for a simple direct drive, is a compact unit convenient for fitting to the smaller engines and suitable for operation horizontally, vertically or any other position Complete with governor, it is an oiltight unit in which pressure is maintained, thus preventing ingress of dust or water during operation.

X-Ray Equipment

A new industrial X-ray equipment has been developed by Marconi Instruments. St. Albans, Hertfordshire. It is designed for radiography in the range 6 kw. to 50 kw. and is mounted on a mobile stand. Both the control unit and the tube-head can be detached from the main unit, and an extension lead permits the controls to be operated at a safe distance from the tubehead. The tube has, it is claimed, an effective focal spot size 1½ millimetres square. The carriage enables a floor-to-target distance of from 16 inches up to 70 inches to be achieved. The tubehead, or X-ray source, can be rotated through 360 degrees about its long and short axes, thereby allowing the beam to be directed at any angle.

Magnetometer

The discovery of a new type of magnetometer, or device for determining the strength and characteristics of the earth's magnetic field, which could be useful in searching for oil and minerals has been reported by a University of Michigan physicist. The new device differs, it is claimed, markedly from previous types in utilising helium in a special gaseous state called metastable helium which makes possible a small and compact instrument. Also, unlike other instruments, it operates independently of temperature changes, thus eliminating the need for an oven to maintain it at a constant temperature. Little power is required and the lightweight device could be suspended under an airplane for mineral exploration, showing small variations in the magnetic field which can serve as indications to geologists of the presence of oil or mineral deposits.

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THE MYSORE TOBACCO COMPANY, LIMITED

CHAIRMAN, MR. M. MALLESHAYYA REVIEWS PROBLEMS OF TOBACCO INDUSTRY

SPEAKING to the shareholders of the Mysore Tobacco Company, Ltd., at their Twenty-first Annual General Meeting held in Bangalore on 17th December 1958, Mr. M. Malleshayya, Chairman, made a brief review of the problems of Indian tobacco industry. The three main problems to which he drew pointed attention were: (1) over-production of low grades and fall in output of higher grades tobacco, (2) competition in export markets from other countries, especially Rhodesia, and (3) the divergence in the requirements of home and overseas markets.

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

"LADIES AND GENTLEMEN,

"I have great pleasure in extending a cordial welcome to you to this the twenty-first annual general meeting of the shareholders.

"The report of the Directors and the audited accounts of the Company for the year ended 31st March 1958 have already been in your hands for some time and, with your permission, I shall take them as read.

"In my address to you last year, I had informed you that the seasonal conditions in 1957-58 were unfavourable to agricultural crops, in general, and tobacco, in particular. The seasonal conditions were most disappointing, as there was wide seasonal variation in weather within the season. The tobacco crop is most sensitive to the environment and these uncertainties of weather, as you all know, constitute the principal hazard for producing tobacco of high quality. The rainfall was ill-distributed and there was a long spell of drought. The weather was mostly cloudy, accelerating the development of diseases in the crop. We had a virulent attack of spot disease on tobacco in Mandya area, which has been our main area for producing very high quality leaf. Spot disease, more than reducing the quantity of the product, reduces the quality.

Lower Realisation

"We experienced a most unfavourable season and you will realise how the returns in our business are dependent on such extremities of natural factors in production of tobacco. This is evident in a comparative review of the results of 1956-57 and 1957-58. In the year 1956-57, in spite of the reduced outturn of cured leaf, we were able to secure higher profits due to the production of greater percentages of top grades. But in the year 1957-58, though the quantity produced in the Company's barns was almost the same as during the previous year, the realisation was very much reduced due to the fall in the percentage of top-grade production. But I wish to assure you that everything possible is being done to control the disease by obtaining advice of specialists in the Indian Central Tobacco Committee and we are assured that the disease can be controlled by spraying and other cultural methods.

"Again during our last meeting, I informed you that the Company assisted the construction of barns by our previous green-leaf growers, with a view to augmenting the supply of cured-leaf tobacco to the Company. By the several measures undertaken, there has been a quick rise in the production of cured tobacco by the private growers. We are happy that liberal aid given by the Company has increased the total production of cigarette tobacco in Mysore State and a number of private curers can now make a decent business out of agriculture. We have been able to give our private curers an assured price for their product. It is our intention to assure to the grower, the payment to his produce based on quality, so that the benefit of his efforts are suitably rewarded and a consciousness to quality is developed. We are furthering this objective in maintaining our payments based on grade outturns. In view of the large expansion of the tobacco in Mysore and its suitability for cigarette manufacture, there is a great interest evinced by other leaf buyers and we have seen this year a keen competition to buy increased quantities of the crop. Several of our growers have found it easy to dispose of their crop to other buyers in Gowribidnur area, at their own premises after rough grading. This has to some extent reduced our acquisition of tobacco from private curers, but this should not unduly disturb us, as we are maintaining to collect all the tobacco in several other areas of suitable leaf which is wanted by us.

"I wish to dilate here and describe to you the business of tobacco, particularly with reference to our dealings with private curers. The supply of tobacco from private curers is purely a voluntary association and each private curer is free to dispose of his tobacco to anyone he prefers. But we have been responsible for the development of this sector and many of our curers find it advantageous to supply their tobacco to our Company on account of the several facilities afforded to them, for the stable prices based on quality and also for the standard of our business relationship. Our shareholders are already aware that for successful production of tobacco both expert advice and experience are necessary. The production is so complicated that, without application of scientific results, the production of tobacco is increasingly difficult. Our Company's staff with long experience and knowledge of tobacco cultivation and curing can provide the technical know-how. We supply the requisites of production right from seedlings, fertilizer, plant protection material, to curing requisites. We have thus been providing reasonable aid within our resources and also ensuring a guaranteed price based on quality and a market for all the grades. All these resources are at their disposal and it is reasonable to expect that through these several facilities, this middle-class enterprise can take sustained interest in tobacco. The registered growers of the Company irrespective of their quality can always hope to dispose of the tobacco to us. The disposal of a portion of their tobacco to selective buyers cannot be considered advantageous, as a large proportion of low grades finds no sale. I am sure they will find their business with the Mysore Tobacco Company a more permanent and reliable proposition. I take this opportunity to thank many of our esteemed private curers for their continued co-operation and good relationship with the Company.

No Need for Anxiety

"I assure our shareholders that there is no need for anxiety on any account. With the experience gained for over 20 years, your Directors will do all their best to improve the financial stability of the Company. I may incidentally inform the shareholders that the outturn of higher grades has improved in the year 1958-59, as compared to the year under report. It is common knowledge that when the same crop is raised continuously for a number of years on the same land without suitable rotation, the yields will get naturally reduced and it will tell upon the quality also. Such a position has come about around Gowribidnur which was once considered as the most suitable area for Virginia tobacco cultivation. Hence your Directors are taking necessary measures to popularise the growing in other areas from which higher grades of tobacco could be obtained.

"I may incidentally and very briefly bring to your knowledge that the major problem of the tobacco industry in India is the overproduction of low grades and decline in production of suitable grades of tobacco. The green and the brown grades are produced in large quantities. These low grades can only be marketed with much difficulty at prices less than the cost of production. This brings less realisation to the growers and the general urge for higher rate can only be solved by the improvement of quality.

"The Indian tobacco, in general, faces competition in international market by other countries, chiefly Rhodesia, and, with disproportionately large production of sub-standard and green grades, the situation in export of tobacco is quite serious. In the export market the Indian tobacco is generally valued as a filler with neutral aroma. In the home market, the demand is for a leaf which has the required aroma and flavour to replace the American tobacco. The divergence in the requirement of tobacco for both home and export market is another complicated problem of the leaf industry. In brief, we have to find a solution to both the requirements of export and home markets. I am confident that the research and extension wings of the Indian Central Tobacco Committee and the Indian Leaf Tobacco Development Company, Ltd., who are our principal buyers, will strive to place the industry in a more secure position.

"Now, coming to the accounts, I would like to inform the shareholders that under fixed assets, you will find an addition of Rs. 1,12,194.37 towards additions under buildings. This has been in the direction of improving the grading and storage facilities at our main grading and redrying station at Whitefield. We have also added five new barns in some of the centres, which have been producing high grade tobacco, in order to increase the production. I am glad to report that we have since redesigned our redrying plant, in order that the tobacco may be redried in the form of tied hands by which the redrying output has increased by 50 per cent. This is the first step at future expansion of tobacco production as our capacity to handle a larger crop is fully met. This will reduce our operational costs considerably. We have added one tractor and trailer in order to minimise the transport charges and afford greater facility in the transport work of the Company.

"The prospects of our Company and the large number of tobacco growers and curers lies in improving the yield and the quality of tobacco and your Directors are taking every step to eliminate unsuitable areas and develop such areas known to produce quality. In the matter of control of diseases we are working with the Tobacco Research Station, Hunsur, for putting on the field the latest methods of control. These require more time to yield results. We are hopeful that the latest findings of research will show the way to greater production of quality tobacco. We are thankful for the most willing assistance we have received from the Research staff of the Tobacco Research Station, Hunsur.

Record Export

"You will no doubt be happy to note that in the matter of export of tobacco, our Company exported to foreign countries a larger quantity of tobacco than in any other year and have received high appreciation for the quality and standard of the grades sent to them. It is by these measures that we have built a high reputation for Mysore tobacco.

"Your Directors have sanctioned the payment of bonus amounting to one-fourth the annual basic pay to the staff in recognition of their work during the year under report.

"Realising the shortfall in the revenue of the Company out of the products produced by it, your Directors embarked on a new line of business to augment the resources of the Company by undertaking to process the tobacco of other agencies at Whitefield. We hope that, in the coming years, we will be able to make use of our plant for similar purposes for longer durations and get higher realisations.

"Ours being an agricultural industry, we have to face the vagaries of the seasons both in the production and the marketing thereof. Hence it is necessary for your Directors to have a prudent policy in regard to the dividends on the share capital. I am sure that you will appreciate the action of the Directors in not touching the dividend equalisation fund for the distribution of profits this year.

"Our thanks are due to the Indian Leaf Tobacco Development Company, Ltd., for their continued co-operation and cordial relationship with us and for their sympathetic consideration to buy a larger quantity of low grades to help us out of a poor season and also for arranging the supply of leaf from Giddalur for being processed in our redrying plant.

"Before I conclude, I would like to express on behalf of the Directors and the shareholders our thanks to the Government of Mysore for their continued interest in the progress of the Company. I am very grateful to my colleagues on the Board for their wholehearted support and valuable guidance.

"I now move that the Directors' report, audited accounts, balance-sheet and profit and loss account of the Company for the year ended 31st March 1958 with the auditors' report thereon be adopted."

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

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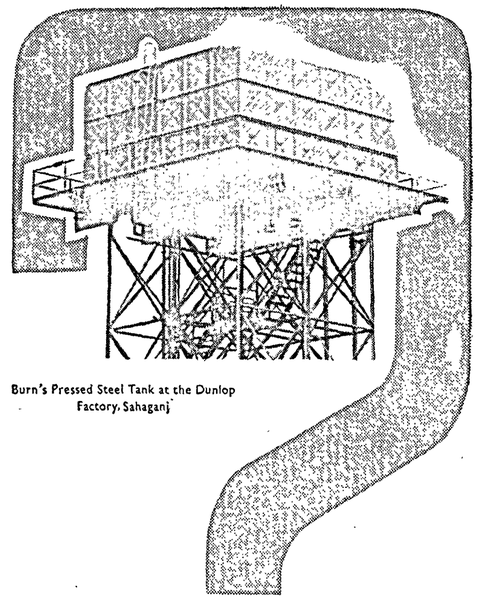

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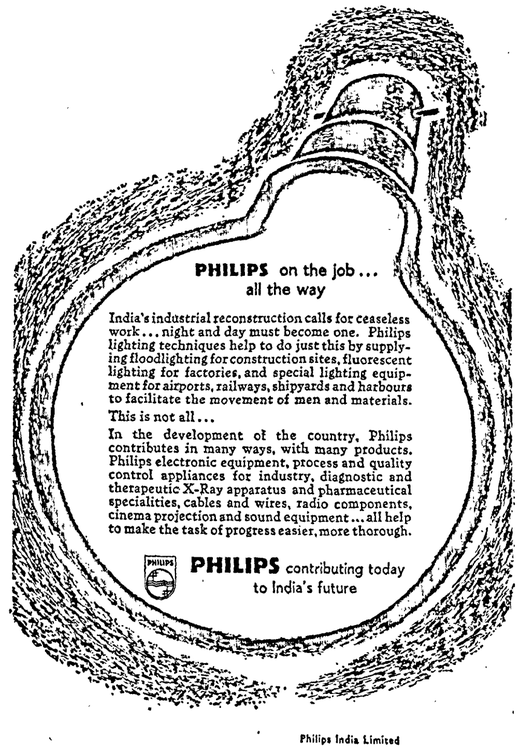

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DR. A. RAMASWAMI MUDALIAR'S SPEECH

THE Eleventh Annual General Meeting of the National Newsprint and Paper Mills Ltd. was held at Nepanagar, M.P., on 29th December 1958. Reviewing the progress of the Company, Dr. A. Ramaswami Mudaliar, Chairman, said that the production of newsprint during the current year was expected to reach 22,000 tons and a fair amount of profit, after allowing for depreciation, was also anticipated. As a result of the year's encouraging working, the ways and means position of the Company had so improved that it had not been found necessary to avail of the undrawn balance of Rs. 31 lakhs from the Government loan.

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

"GENTLEMEN,

"I have much pleasure in welcoming you to the eleventh annual general meeting of the National Newsprint and Paper Mills Ltd. Copies of the balance-sheet and profit and loss account for the year ended 31st March 1958 have been in your hands for some time and, with your permission, I shall take them as read.

"The balance-sheet and profit and loss account for the year under review which shows the results of the second year of commercial production is slightly better than last year. After meeting the depreciation and the interest on loans, the nett loss amounts to Rs. 33,38,113.51. Had our expectations to manufacture 18,000 tons newsprint gone through, the business would have shown a margin of profit, instead of loss. Unfortunately, we could not reach the planned production in 1957-58, owing to unexpected troubles at the Chandni thermal station which is the only source of supply of power and steam to Nepamills. We had to bear the mill operations with heavy restrictions to the draw of steam and power. Fortunately, we were able to prevent complete closure of the mill for about six months by switching over to batch operations to utilise whatever power that was made available. In this process, we had nearly lost an equivalent of 80 working days which would have yielded at least 4,500 tons additional quantity of paper. Considering the above handicaps, a production of 14,145 tons newsprint should be considered a definite improvement over the performance of last year.

Improvement in Power Supply

"Since March 1958 when the boilers were reconditioned for normal duty, the power position has improved and power is available to meet our present requirements. Simultaneously, every effort was made to utilise to the maximum extent the power offered to increase the production of paper. During the current year, it has been possible to reach a production of 1,900 to 2,000 tons during each month. In the months of May, August and September 1958, the production went slightly beyond 2,000 tons. With equipments belonging to stage II development still to arrive, the present production level shows a definite advancement in the progress of the mill. Because of the steady level of production during the current year, the total outturn during the last eight months has reached 15,647 tons so far. We hope to reach the estimated production of 22,000 tons during the current financial year subject to present operating standards and normal conditions. Apart from the efforts to retain the present level of maximum production, it is heartening to note that the cost of operations of the mill is regulated through a well defined budget and attempts are being made to reduce progressively the cost of production of newsprint and improve the profit margin.

"It has always been the endeavour of your Directors to see that the Company's finances are placed on a sound basis. The present capital position of the Company cannot be called satisfactory. As against the *gross block of Rs. 417 lakhs;* the share capital is only Rs. 133 lakhs. The need for conversion of the outstanding heavy amounts of loans into share capital had long been apparent. The proposals for reorganisation of capital structure have now been finalised and are before shareholders. We are grateful to the Central Government and the Government of Madhya Pradesh for having agreed to convert substantial portions of their loans into share capital. The Central Government have agreed to convert Rs. 250 lakhs out of a loan of Rs. 2,82,73,000 into equity share capital and the Madhya Pradesh Government Rs. 1,09,72,900, out of a total loan of Rs. 2,14,86,652.39, into equity share capital ranking *pari passu* with other shares already allotted by the Company. This conversion of loan into shares will have an effect of raising the subscribed share capital to rupees five crores, the authorised capital of the Company. This will leave a balance of loan due to the Central Government Rs. 32,73,000 and due to Madhya Pradesh Government Rs. 1,05,13,752.39. The accumulated interest up to 31st March 1958 is Rs. 95,76,043.32.

Outlook for 1958-59

"I stated last year that the Directors had suggested that the interest should be frozen and that the Governments may be pleased to allow the Company to repay the interest in annual instalments over a period. I am glad to say that the Madhya Pradesh Government have kindly agreed to treat this accumulated interest on loan and further interest till date of reconstitution as interest-free amount repayable in ten instalments. The payment of first instalment begins within one year after date of reconstitution of the capital structure. With this reconstitution of the capital structure, the outstanding loan would be Rs. 1,37,86,752.39 and recurring interest liability on account of the same would be about Rs. 7 lakhs, as against Rs. 19 lakhs at present. The accumulated interest also will be payable in ten equal instalments thereby distributing the liability over a period of ten years. You will appreciate that this is a very generous gesture on the part of both the Governments and paves the way for stabilising the financial position of the Company. The shareholders will have now something tangible to look forward to and there is every hope that the initial sacrifices they made and the long period they waited would bring in return its own dividends in due course. For the year 1958-59, we have budgeted for a production of 22,000 tons and anticipate a fair amount of profit after allowing for depreciation. As a result of the current year's working, the Company's ways and means position has also improved and it has not been found necessary to avail of the undrawn loan of Rs. 31 lakhs from out of the total loan applied for by the Company from the Government.

"Although production is being stepped up through strenuous efforts with an eye on the cost operations, I have to submit that the quality of Nepa newsprint has not yet reached a standard comparable to the imported varieties. Continuous research work is going on in the mill laboratories to improve the physical qualities and colour of newsprint. Encouraging results have been obtained. To exploit commercially the successful investigations, suitable equipments have been incorporated to the development work in progress. It is hoped that both the physical quality and finish of the newsprint would improve when the equipments belonging to the second stage development are tuned to service.

"The present electrical and steam load, as offered by the Chandni power station, is not adequate for a production level beyond 70 to 72 tons paper during each day. We have approached the Madhya Pradesh Electricity Board to arrange for the additional load to meet our requirements for a production of 100 tons paper per day through extensions to the existing installations. It is understood that the Governments have taken a decision to augment the capacity of the Chandni thermal station to the required capacity. It is hoped that additional power and steam would be made available when the equipments belonging to stage II development would be ready for service.

Sound Project

"The project is inherently sound and, if we consider the vicissitudes through which it has passed, the progress achieved is by no means small. It is contributing its modest share to the economy of this country and valuable foreign exchange is being saved. The forest resources of Madhya Pradesh are being properly utilised and opportunities for employment have been increased. The two Governments, the State Government of Madhya Pradesh and the Central Government, are vitally interested in the success of this project and, with their co-operation and with the goodwill of consumers, we can look forward to the progressive development of this project.

"I would like to mention a few words about the sales policy and the appointment of distributors. Prior to 1st April 1958 the supply of newsprint to newspapers was exempted from payment of excise duty. This was with a view to encouraging the use of indigenous newsprint by newspapers who were also getting the import licences for newsprint for their requirements. From 1st April 1958 the Government of India extended this exemption of excise duty in favour of printers and publishers of textbooks and books of general interest. This was with a view to encourage the use of newsprint for publication of textbooks and books of general interest and these demands had to be met first.

"The newsprint requirements of newspapers were to be met by us to the extent authorised by the Press Registrar. To implement this policy and to encourage the use of newsprint in the printing of textbooks and books of general interest, a number of distributors were appointed at important publishing centres. In spite of our attempts to encourage the use of this newsprint for publication of books of general interest the response has not been very encouraging. At the same time complaints have been received of diversion of the duty-free newsprint meant for the publishers. In view of this we have been considering how this concession could be better utilised to promote the use of newsprint in the printing and publication of textbooks and books of general interest.

Entirely Indianised

"I would like to inform you that the mill is now controlled and worked entirely by Indians who by their technical knowledge and devotion to duty have striven to work up to a steady production of 70 to 75 tons a day and are continuing to do their best to step up the production to the target of 100 tons a day. I would like to take this opportunity to thank all the staff for the enthusiastic manner in which they have made their contribution to the progress of the mill.

"Welfare of the workers continued to be given attention to by the Directors. During the year under review, the dearness allowance has been raised by Rs. 5 for employees getting a basic wage not exceeding Rs. 200 per month with effect from 1st June 1957. The construction of 200 tenements is rapidly progressing and is likely to be ready for occupation in another month or so. Other amenities are also being gradually extended. The workers also have shown a spirit of co-operation and the industrial relations remained cordial throughout the year.

"In view of the proposed reconstitution of the Board of Directors, all the nine Directors have resigned. I wish to place on record the appreciation of the services of the outgoing Directors who have been associated with me in this project. They have contributed in no small measure for its present progress."

AMERICAN STEEL INDUSTRY

The American steel industry, rapidly recovering from the recession, has prospects of reaching an operating rate of about 80 per cent. of its present capacity during the first six months of 1959. Announcing this recently, Mr. Roger M. Blough, Chairman of the U.S. Steel Corporation, said that this represents an increase of approximately 45 per cent. over sharply curtailed operations in the first half of 1958. In his year-end statement, Mr. Blough said that in its 1958 modernisation and expansion programme, U.S. steel spent $341 million for additions and replacements and authorised projects to be completed requiring expenditures of $740 million at the end of September. In the 1958 research programme, he said, the world's widest thin-gauge alloy and stainless steel sheets were developed by a new technique and a steel with a tensile strength level of 280,000 pounds per square inch, or six times greater than that of ordinary sheet steel, was processed.

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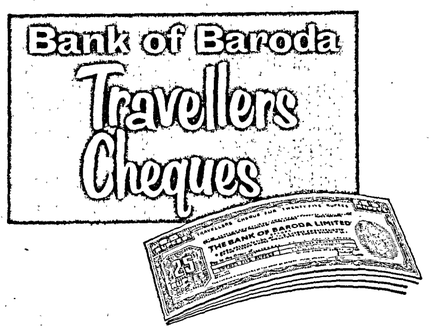

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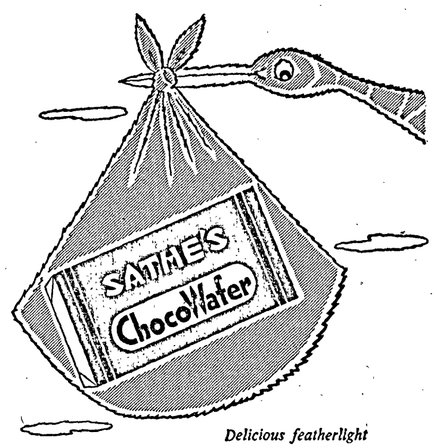

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FALL IN WORLD PRICES AFFECT POOL DIVIDEND

MR. R. C. PATERSON STRESSES NEED FOR EXPANDING DOMESTIC MARKET

A STABLE and expanding market for coffee in India itself is a supreme necessity for the continued existence of the industry and to this end it cannot be said that our needs are in full accordance with the export requirements of the country. At the same time, it is equally important that Indian coffee should secure a more permanent place in the world markets than at present. This view was expressed by Mr. R. C. Paterson, Chairman of the Consolidated Coffee Estates (1943) Ltd., in the course of his speech at the Fifteenth Annual General Meeting of the Company held in Pollibetta, on 30th December 1958.

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

"GENTLEMEN,

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

"The Directors' report and the audited accounts for the year ended 30th June 1958 have been in your hands for the statutory period and, with your permission, I propose to take them as read.

"As indicated in my review a year ago, there has indeed been a very sharp shrinkage in the revenues of the Company in comparison with the results for 1956-57. Although that year was an exceptional one and should not properly be taken as a yard-stick for the future, it will facilitate your understanding of our position, if I make an explanation in regard to some of the larger differences.

"The total crop gathered for the year, at 2,462 tons, is slightly in excess of original estimates on blossom notified to shareholders in May 1957. It is, in fact, the second largest crop harvested by the Company, but is still substantially lower than last year's record of 3,179 tons. Arabica is down by 870 tons, while Robusta (by far the less valuable crop) is up by 153 tons, making a total shortfall of 717 tons of coffee. On the basis of last year's valuation of Rs. 2.50 nP. a point, this has meant a drop in receipts of over Rs. 30 lakhs.

Fall in Pool Dividend

"Further, owing to the continuous weakness in the world markets for coffee, the premium over the minimum release price which export sales gave us in former years has dwindled considerably, and this must necessarily reduce the total value of the pool dividend. This year, therefore, the crop has been valued at Rs. 2.25 nP., as against Rs. 2.50 nP. last year. A difference of As. 4 a point means a further fall in coffee receipts of Rs. 8 lakhs. A smaller crop and lower price have, therefore, cut receipts by as much as Rs. 38 lakhs.

"So far the total dividend declared and paid by the Coffee Board is Rs. 2.12 nP. per point, but in view of the present conditions one cannot look for much better than a total of Rs. 2.30 nP. or Rs. 2.35 nP. per point as final payment. As an indication of the serious decline that has taken place in the world markets in coffee prices over the past two years, the following figures are significant. In the 1957 season, the opening export auction prices for Plantation A was Rs. 345 per cwt. At the end of that season the same coffee was being sold at Rs. 300 per cwt. In regard to the 1958 season, for the first two auctions of the new crop in February this year prices ranged around Rs. 300 per cwt., but thereafter fell away steeply and have since fluctuated at around Rs. 240, a drop of over 20 per cent. The declines in the cheaper Arabica Cherry coffee have even been more marked and there is now little difference in these qualities between the export and internal sale price.

"From a recent Coffee Board *communique* it would appear that 14,126 tons of a total crop of 44,810 tons has been sold for export and that the present stocks unsold are over 12,000 tons, of which 500 tons may be earmarked for additional export.

"At all times it is extremely difficult to make an exact appraisal at this time of year of the final value of the pool dividend, particularly in the past when the practice of awarding bonus points to the main three types of coffee on market performance was in vogue, but now that the premium between the export price and the minimum release price in India has shrunk so considerably one cannot expect as a final figure so very much in excess of the minimum release price.

"It is true that at the end of September, the Government authorised an increase in the minimum release price for coffee to the internal market from Rs. 2.12 nP. a point to Rs. 2.20 nP., but this rise has come so late in the season that it will not make all that difference to the total pool receipts. It might well be labelled as being too late and too little.

Larger Crop Brought Forward

"Against the declines mentioned above, our receipts have been considerably swelled by the large carry forward from the previous year's crop. Against a valuation of the pool point of Rs. 2.50 nP. in last accounts, actual realisations were as high as Rs. 2.81 nP. This result is as welcome as it is unexpected, but it is regretted that under present market conditions it would be very wrong to expect such large carry forward in the coming or subsequent years. With the export premium now largely disappearing, it is unlikely that there will be in the future any large difference between the minimum release price and the total pool dividend.

"On the expenditure side, our accounts reflect the higher labour costs on which I made mention last year and, for the first time, the Company has operated over a full period of twelve months with these enhanced rates. The actual increase in labour wages, provident fund and leave with pay work out at 39¼ per cent., while during the year under review an agreement with the staff union was signed by the planting associations, whereby staff wages themselves were increased by a minimum of 20 per cent. or allowing for the enhanced D.A., approximately 25 per cent.

"A substantial increase in the price of many of our essential estate supplies has been seen, in particular artificial fertilisers and fuel. In the management of any coffee estate there are certain works which have to be done, whatever the size of the crop, and to some considerable extent, therefore, our estate expenditure bears but a limited relationship to the actual crop harvested. The savings through harvesting a smaller crop are limited—

(a) to the cost of gathering;
(b) handling at the pulperhouse and transporting to the curing works;
(c) curing charges;

and these savings are reflected in the accounts before you.

Depreciation

"You will see from the note at the foot of the profit and loss account on pages 14 and 15 that your Board has again altered the system for calculation of depreciation. Under the Mysore Agricultural Income-tax Act and Rules, the initial special depreciation of 20 per cent. given on new assets is written off the value of those assets for the purpose of determining ordinary depreciation allowances. This reduces the normal depreciation allowable and your Board have, therefore, decided that it is preferable to revert to the former system of calculating depreciation on the book value.

"In this regard I must comment again on the unsatisfactory depreciation allowances which are given in regard to motor vehicles. Ten per cent. depreciation allowance is quite unrealistic in relationship to the life of a lorry, and in the accounts before you under this heading we have increased the depreciation allowance to 25 per cent.

"On the last page of this review (vide columns 2 and 3 of page 27) is given a statistical statement from which it will be seen that not only is the crop the second largest we have harvested but the gross profits are also the second largest. The incidence of tax, however, is now such that the net profit after reserving for agricultural income-tax, Central income-tax, wealth tax and dividend tax is the lowest since 1950. Your Board has placed to reserve from the current profits Rs. 1,50,000 to help finance the very considerable capital expenditure which we have to incur.

"In addition, the debenture redemption reserve of Rs. 4 lakhs has now been freed by the repayment of the debenture loan last year and has gone to swell the general reserves. If this had not been available to the Company, a larger allocation to reserves might well have been considered necessary. Under the circumstances the dividend of 20 per cent. recommended by your Board is the maximum possible.

"Our accounts are presented in a slightly different form and include a schedule of fixed assets. Additions during the year amount to the not inconsiderable sum of Rs. 18,46,000. The Company during the year under review has acquired the properties formerly known as Charlotte and Delmore Group for a consideration amount slightly under Rs. 4 lakhs. This property is adjoining one of our existing properties and will prove a most convenient acquisition to the Company.

"Under the item buildings, erection of new labour lines and staff quarters in replacement of obsolete structures is the main item. It is possible to report, however, that the back of this work has now been broken, and with the exception of three estates all the rest are nearly fully equipped with lines conforming to the labour code.

"The item of water and sanitary installation refers mainly to schemes for piping water to selected reservoirs on the estates for the operation of our power sprayers for our Arabica coffee. These areas receive some 2,000 gallons per acre of Bordeaux mixture per annum, and a network of water installations to reservoirs from which water can be fed by gravity to the spraying points is an economic 'must'. This work as well, I am pleased to report, is now reaching completion.

Labour

"It is with some degree of mutual pride and satisfaction that we can report another year of good relations with our labour. It is true that union activity has been on the increase, and there has been a substantial increase in the number of minor disputes and conciliations, but so far we have entirely escaped the unfortunate conditions which seem to prevail in the neighbouring State of Kerala. It cannot be denied but that labour have received most substantial benefits during the past two years and this in itself must have removed most real causes for labour unrest. Unfortunately, in these days, economic considerations do not always hold first priority, and this being so, it is not possible in any way to take a long-term view on the labour situation in Coorg. The main bone of contention at present would appear to be the vexing question of annual bonus which has always been paid on a district-wide basis. This is indeed a problem common to all plantations throughout South India and it can only be hoped that reasonableness will be observed in whatever negotiations that take place.

"The accounts before you are a clear indication of the results of higher operational costs and taxation on a commodity which is considered one of the most speculative counters in the markets of the world, and if we are to maintain our economic balance there are very definite limits as to what further burdens the industry can bear.

"The year has not been an easy one for the coffee industry. Considerable apprehensions were felt earlier in the year regarding the availability of fertilisers and essential supplies for the maintenance of our properties. In particular, there are two major supplies on which no economies can be made. I would refer to the use of artificial fertilisers and also spraying machinery and spare parts. Unless our requirements are fully covered under these two headings, our whole future may be jeopardised. Although assurances have been given to the industry on this subject it has not made the actual acquisition of our supplies any easier. Applications for import permits as essential users of power sprayers get turned down on the ground that local manufactures are available in India, which on enquiry prove to be incorrect. Allotments of fertiliser are made and paid for, from stocks which apparently exist on paper only. With such limited foreign exchange available, I presume it is inevitable that instances of shortages must occur, but when one is the personal sufferer it makes the fact no less unpalatable.

Land Reforms in Mysore

"Considerable feeling of uncertainty has been experienced in the plantation industry as to how they will stand in relationship to proposed land reforms in Mysore State. First indications were made available early in the year following the publication of the 'Jatti Report.' Government have now published the draft Act, from which it would appear that coffee estates are excluded from its purview. As is widely known, coffee estates are really multiple farms and most of them, in Coorg at any rate, have their own extensive fields under paddy cultivation, pepper, cardamom and reserve jungle. It is not known as yet whether the exclusion will refer to coffee land only or to the whole estate as an economic unit. This is, of course, a matter of considerable importance to your Company.

"Apart from this, the main clause affecting coffee estates would appear to be the ceiling for new acquisitions being limited to 100 acres. This will naturally have most serious repercussions on the purchase and sale of larger properties. It has been a matter of popular discussion as to what constitutes an economic holding in coffee, but it is fairly obvious that if an estate has been designed as a large economic unit with centralised labour-lines, water-supply, godowns and pulperhouses, it cannot be split up even to units of 100 acres or thereabouts without drastically interfering with its whole economy.

"There are extensive areas in Coorg of Government reserve jungle suitable for the growing of coffee, in fact possibly a larger acreage than that already planted up with coffee on existing estates. This being so, there is ample land for all who might be tempted to take up this most hazardous occupation. It would not, therefore, in any way interfere with the moral issues at stake, if the coffee industry was excluded *in toto* from the Act. In so doing there would be considerable advantages economically.

"As the Bill stands at present, it would appear that your Company, in regard to further purchases of coffee estates, would be in the same position as any other potential purchaser, limited to a hundred acres only.

Future Prospects

"I cannot close these remarks without some reference to future prospects. It would appear that in Brazil alone they are holding a stock of unsold coffee of 15 million bags (something approaching a million tons). It is understood that an agreement has been reached among the Latin producers for restricting exports for 1959. Brazil has agreed to restrict her exports by 40 per cent. of the current crop, Columbia 15 per cent. and other countries 5 per cent. This would appear to be no cure for overproduction as stocks will only tend to accumulate even further in South American countries. It is understood that African producers have kept out of the agreement. In India, there is every indication that production may increase at a pace entirely unanticipated and already there are thoughts of a possible 60,000-ton crop within the next few years.

"The current consumption in India is in the neighbourhood of 30,000 tons per annum and, unless this is increased, it must necessarily mean that a home must be found for the balance in the foreign markets. This, in other words, would mean the doubling of present exports.

"Quite apart from the uncertainty of future world prices one cannot help wondering whether it would, in fact, be possible to find a market which will take this extra quantity of coffee bearing in mind that Indian coffee is in modern times a new re-entrant to world markets which are already more than adequately supplied from other producing countries with whom they have the strongest commercial ties.

"Under every circumstance, therefore, a stable and expanding market for our produce in India itself is a supreme necessity for the continued existence of the coffee industry, and to this end it cannot be said that our needs are in full accordance with the export requirements of the country. At the same time, it is, of course, of equal importance that we should acquire a more permanent place in the world markets than we would appear at present to occupy.

Marketing of Coffee

"In short, with the larger crops envisaged, we are now fully dependent on both internal sales and export for the disposal of our produce. In the past, with smaller crops and good export prices the Coffee Board has acquired the aurora of a kindly Father Christmas, benefiting all—the grower, the trader, the co-operative, the consumer and labour alike, in which the requirements of the internal market, both in quality and quantity, received first consideration and the price carefully controlled in relationship to the minimum release price by gearing the quantity offered at the monthly auctions and by allotment through local sales depots. With the prospect of declining world prices on a market glutted with overproduction, it seems to me that a radical alteration is necessary in the basic approach of marketing coffee. Very active propaganda by all means available both in India and abroad would seem to be necessary, if we are to avoid the prospects of being left with unsold stocks on our hands or at the best with unremunerative prices.

"The Coffee Board has indeed a most difficult task before it; nor does it have the advantage which is available to our sister industry tea, with its large firms of international repute and organisation marketing the finished product. Coffee, in its unroasted form, does not particularly lend itself to individual advertisement and might find comparison with sugar, rice or some other basic food. It would appear on this account that it does not receive the necessary propaganda and advertisement from the trade which is so vital, if sales are to be rigorously pushed.

"Hitherto, it would appear that the Coffee Board has been paying considerable attention to the pegging of prices and so controlling profits which are available to the trade and to the grower. While this, undoubtedly, is an important role and a necessary one for the consumer, one should not lose sight of the fact that the Board's first *raison d'etre* is to market our coffee, and in the conditions which we are likely to see in the future, that in itself will be no mean performance, and if success is to be achieved, must hold priority over all other considerations.

Fall in Coming Crop

"As disclosed in the Directors' report, we had estimated as our coming crop, a crop of 2,600 tons made up of 1,750 tons Arabica and 850 tons of Robusta. At the time of the report we had anticipated these estimates would be firm. Unfortunately, during the last week of November the whole of Coorg district suffered from monsoon, if not cyclonic conditions, and this has resulted in serious fall of crop. Some of this will, undoubtedly, be gathered as gleanings when we have finished picking, but, of course, a great deal will likewise have been lost.

"It is impossible at this juncture to give an accurate estimate, but it would appear that the loss in the Arabica crop may well be in the neighbourhood of 10 per cent. It is, however, possible that what is lost in Arabica may to some extent be made up in Robusta, which looks as if it may slightly exceed our original estimates. What is one man's meat, however, is another man's poison, and the rains, although harmful to our current harvest, will undoubtedly benefit next season's output. The new wood on the trees was already substantial and there has been additional growth following that week of monsoon conditions. The coffee is looking well and general expectations for 1959-60 are for another most substantial crop, although in agriculture where so much is dependent on the variance of the weather, it would be indeed rash to make any definite forecast.

"It remains to me to record our thanks to our managers, staff and workers for the good work that has been put in during the year."

Statistical Statement

Year ended 30th June	Net Profit		Ordinary Shares		Reserves	Crop			
	Before Tax	After Tax	Earned	Paid		Cwt. Arabica	Cwt. per acre on total area	Cwt. Robusta	Cwt. per acre on total area
	Rs.	Rs.	%	%					
1950 ..	17,02,922	14,88,922	43.28	17	6,12,500	12,673	3.01	9,951	5.43
1951 ..	22,39,598	17,17,598	50.47	20	10,00,000	22,088	5.32	7,073	3.63
1952 ..	24,32,315	19,32,315	38.15	18	11,11,321	15,556	3.54	9,029	4.93
1953 ..	23,29,700	19,29,700	38.10	15	11,00,000	22,670	5.22	16,093	8.11
1954 ..	21,12,151	17,32,151	33.95	17½	8,00,000	22,400	5.33	8,722	3.41
1955 ..	21,33,069	16,04,069	31.27	22½	6,00,000	27,430	6.56	10,532	4.03
1956 ..	30,82,928	20,12,928	26.56	20	6,00,000	25,403	5.97	16,513	6.42
1957 ..	69,11,149	39,75,399	53.99	40	10,00,000	49,065	11.32	14,510	5.78
1958 ..	31,00,087	15,88,087	20.62	20	1,50,000	31,662	7.12	17,582	6.75

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SUBSCRIBED & PAID-UP	Rs. 50 Lakhs
RESERVE FUNDS	Rs. 46 Lakhs
DEPOSITS (31/12/58) EXCEED	Rs. 30 Crores
WORKING FUNDS " "	Rs. 35 Crores
NO. OF ACCOUNTS " "	1,50,000

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TOWARDS A REALISTIC TAX POLICY

IMPROPRIETY OF IMPOSING HEAVY FISCAL BURDENS ON ENTREPRENEURIAL CLASS

[In his presidential address at the Forty-first session of the Indian Economic Conference, held at Lucknow just before the close of 1958, Dr. M. H. Gopal, Professor of Economics, Ford Foundation Unit, University of Madras, made a critical analysis of the objectives of a tax policy in a developing economy. He declared that, in such an economy, equity should be of secondary importance, particularly because the major problem was one of economic growth. Accordingly, he pleaded for more consumption taxes and for relief in tax burdens on those who save and invest their savings. In view of the great importance of the subject to the country's fiscal future and the strictly academic approach to it made by the President of the Conference, it is hoped that the comprehensive summary of his address, published below, will be read with keen interest.—ED.]

THE story of tax policy in India in the last decade has been both depressing and encouraging. It has been encouraging because a young, underdeveloped democracy is grappling with formidable, varied and complex problems; but depressing because the policy has been faltering, confused, inconsistent and, latterly, unreal. With half a dozen changes in policy and half a dozen custodians of the country's finances since independence, it has lacked continuity. While undergoing modernisation on foreign tax advice, the equally essential criterion of being related to the existing environment, aspirations and needs which are of special significance in backward but rapidly developing economy has been lost sight of.

The basic drawback has been that fiscal policy and experience of advanced countries have been drafted on to less advanced economies. A tax policy for a developing economy is conditioned by a number of factors like (1) the socio-economic institutional barriers, (2) dependable basic economic data relating to distribution pattern of national income, (3) the prevailing efficiency of tax administration and the degree of compliance, and (4) the national economic objectives.

A desirable tax system must be born out of the environment and not imposed upon it, however satisfactory a tax has been in an advanced country or from the angle of ideal tax theory. Arising from the basic objectives of a mixed economy, of the need to raise resources from taxation for developmental outlays in the public sector, of expanding production and of maintaining for a long time a climate favourable to private investment, the tax policy operating in India for the next few years must perform three major functions. It should (1) strike a balance between resources needed by the public sector; investment and incentives in the private sector and the ethically more important but immediately less practicable aim of redistributive justice; (2) build up a tax structure not only integrated within itself among the diverse taxes but also co-ordinated with other national policies—economic, social and, specially, monetary; and (3) co-ordinate union, state and local tax systems. During the transition, from a stagnant old order to a dynamic one, such a process raises problems of choosing between the short- and long-term objectives.

Problem of Choice

Choosing between these alternatives raises the fundamental questions of principles appropriate for a developing economy and their applicability (1) to a single tax or a related group of taxes, and (2) to the tax system as a whole.

The equity principle, which is often referred to as the dominant criterion by Prof. Kaldor in his *Report on Tax Reforms for India*, can be of limited success in a fast developing backward economy like India due to lack of economic data and of an efficient tax administration. Even the recapture approach of tax equity, resulting in the return of a part of the tax receipts to the lower-income brackets in the form of social services, cannot operate effectively in a developing economy. For one of the urgent and important aims of tax policy is raising additional revenue for which the consumption taxes are the mainstay and this goes against equity. This is borne out by the low proportion of benefit to burden in India (20 per cent. in 1948 and 27 per cent. in 1953) as against 80 per cent. in a developed economy like Britain.

This raises the issue: why are equity and ability concepts not applicable to backward economies? The answer lies in the objectives. In a developed economy, like the U.K. or the U.S.A., stabilisation and neutrality are the main tax objectives. The Government is expected to maintain the current economic climate, private enterprise doing the rest of economic development. Therefore, stabilisation becomes the overall objective, neutrality, the tax-*cum*-expenditure test and equity and ability the leading principles.

In backward economies where development has been retarded because of low saving and investment, absence of social overheads, entrepreneurial inertia and a static economic approach, a stabilising and neutralist tax policy would merely perpetuate stagnation. The Government should give the lead by providing the overheads, encouraging capital formation and directing the course of development. This objective demands a revenue-producing, investment-generating and diversionary policy. In operational terms, the tax policy looks to productivity, administrative practicability and incentives.

What then is the role of equity in the tax policy of a developing economy? In a mixed economy, it can be partially operative in many of the direct taxes; in a democracy, it can act as a political slogan; it can serve as a tax principle in the long run. Since formulating tax policy in the initial stages of development with equity as the main criterion would give a tax structure unsuited to the environment and objectives, primary considerations should be productivity, expediency and efficiency.

Tax Policy

The first step in formulating a tax policy is to determine the socio-economic goals. In a democracy like India, with its multiplicity of ends, a balance must be established among the competing objectives and a scale of preferences among them drawn up. In such a process, compromises, occasionally even in basic principles, will have to be made—at least in the short run, before the economy has taken the stride of development.

Not only is the tax policy relative to the priority among ends but it is also relative to the existing economic conditions. In order of priority, the major fiscal monetary issues facing a developing economy are: raising resources for the public sector—stimulating saving, investment and enterprise in the private sector; stabilisation of the economy; reduction of inequalities and holding down consumption. In the teething years of development, tax policy will have to take up as its major functions the raising of resources and the stimulation of private investment, leaving the redistributive aim largely to public expenditure and letting monetary policy tackle the problems of stabilisation and meeting inflationary pressures.

Policy for Resources

This objective claims priority because of the need to provide basic facilities like the social overheads as a prerequisite to increased participation of the private sector, to provide the means for accelerated development and for slowly expanding welfare projects.

The necessity to encourage investment in the private sector cautions against unduly heavy taxation of the saving and entrepreneurial class for raising revenues. Consumption taxes will, therefore, have to contribute the major share. The desirability of consumption taxes is conditioned by their fairness, inflationary effects and political consequence. Since the alternatives are to slow down the rate of development which is ultimately harmful to the poor or to resort to deficit financing which would infuse the masses indiscriminately through its inflationary effects, indirect taxation for raising resources is the least of the evils.

The problem of choosing between a policy to stimulate economic growth and one to reduce tax burdens on the poorer sections boils down to that of increasing mass purchasing power *vs.* investment flow into capital formation. The choice, once made, leads, in a mixed economy, to the private sector which, in an underdeveloped country, is the more important instrument of growth. In such a set-up, the tax policy must aim at incentives to private investment so as to maximise savings, mobilise them for productive investment and canalise them towards a balanced and active development programme.

Such fostering of initiative and investment is partly a question of taxation and partly of monetary and other wider policies. The success of fiscal policy in this respect is largely governed by an appropriate monetary policy and by their co-ordination. As for the tax policy, its material and psychological impact on the flow and pattern of resources towards capital formation in the private sector should be the most important criterion. Another consideration in this connection is the effect of tax policy on the quantitative and qualitative aspects of investment.

If, therefore, capital formation is the major objective of tax policy, if such saving and investment are largely to be done in the private sector, and if the saving and enterprise potential is in the upper income groups and institutions, it follows that, from the angle of development, the tax policy should tone down the effects on decisions to make risky investments, ease tax burden on equity financing, reduce tax factors inhibiting foreign private investment and strengthen further the automatic stabilisers in the tax system. Tax reliefs must be in the direction of the higher income groups and companies. Further, there should be a little more emphasis on the quantitative significance of taxation in relation to saving.

The directions of approach in such a theoretical framework would be: (1) to integrate closely tax policy with monetary policy; (2) to impart a hard core of permanence to the tax policy without depriving it of flexibility, required by the prevailing conditions; (3) to avoid nuisance taxes and their irritational effects; (4) to maintain a safe ratio of internal venture capital to external capital; and (5) to create public confidence that the tax system is not punitive or doctrinaire in its approach to the saving and entrepreneurial classes.

Integration

Tax policy, to be effective, must be viewed in relation to the wider national background and be co-ordinated with other policies; for taxation is only one of the forces implied in aggregative economic effects. This problem has a number of facets; some in the field of integration proper and some in that of co-ordination. The former includes the integration of the different structural details of any single tax, of the direct taxes among themselves, of the direct and indirect tax facets of the system, of short, intermediate and long period facets of taxation and of tax policy with expenditure and debt management. The latter cover co-ordination of fiscal and monetary policies, of fiscal policies of public bodies at all levels, and of fiscal and monetary policies with other related ones such as price, wage, trade and industrial policies. Such complete integration requires statistical and other data which, in underdeveloped countries, are still a long way off. However, in respect of the integration of fiscal and monetary policies, monetary policy must play a subsidiary, though important one in stabilisation. Such a co-ordination can be secured only when (1) there is a-day-to-day understanding between the Treasury and the Central Bank on a footing almost of equal partners and not as the subordinate of the other, and (2) there is a readiness on the part of the policy maker to analyse experience and learn lessons it holds for the future without making too many mistakes in the process. The co-ordination of foreign and domestic tax measures will also help a great deal in minimising obstacles to the flow and to internal growth.

Since the Taxation Enquiry Commission reported and particularly since the Kaldor reforms, the number and burden of taxes have increased very considerably and tax legislation has become more complex, particularly at the Centre. With 15 direct taxes, the number being the largest in the world, the present policy has resulted in unwholesome consequences. Apart from its frightening effects on private investment, it has laid new and heavy burdens on the tax administration which has been neither over-adequate nor over-efficient in relation even to the old taxes. Yet the Government has, like Oliver Twist, been looking for more revenue for the public sector. The tax burden in the private sector, the need to attract external capital and the necessity for more domestic resources have led to an incessant demand for a reorientation of the tax policy.

An alternative approach can be thought of on certain assumptions: (1) the long-term objective of the State, namely, a "socialist pattern of society" must be considered as an aim to be achieved in course of time; (2) of the four major resources for the public sector—(*a*) external assistance, (*b*) deficit financing, (*c*) domestic borrowings and (*d*) current budgetary surpluses—the last would be the most important means; (3) the major preoccupation in the next seven years will be increase in output; the public sector will not be able to do this all on its own, and the major responsibility particularly for consumer goods will be that of the private sector; and (4) the private sector, in spite of its patriotic fervour, is motivated mainly by the investment and profit opportunities and any tax policy must, therefore, be oriented towards incentives as well as the raising of public revenues.

In the context of these assumptions, the general principles that should underline tax policy may be stated as follows:

(1) While, for raising revenue as well as restraining consumption, there should be a diversification of taxation in order to attain depth and spread, widening it by multiplying taxes and by too steep a graduation, specially at the top income levels should be avoided. (2) Simplify the tax structure and tax law by partly scrapping taxes of little significance to revenue with great anti-incentive effect. (3) Reduce the tax burden on the direct tax side, especially on business. (4) Liberalise the depreciation policy and increase initial allowances, particularly in industries whose output is necessary for stabilisation and output. (5) The policy should activise equity markets and attract foreign investment. (6) Increase the emphasis on consumption taxes and make them more significant as well as for restraining consumption. (7) Irrespective of the desirability on a ceiling, on incomes, in consonance with the "socialist pattern" objective, it is advisable for the present not to make it a tax policy aim, but if necessary, try to attain it imperceptibly. (8) Reduction of inequalities may be effected through mild adjustments in tax rates, rather than fully training the tax weapon on that objective. It is desirable to make social justice a function more of public expenditure as far as practicable. (9) Reduce the incentives to evasion by (*a*) removing nuisance taxes and nuisance clauses in tax laws, (*b*) reducing the tax burden wherever it unnecessarily hurts, (*c*) giving large discretionary powers to tax administration, and (*d*) adopting the Kaldor comprehensive returns device. (10) Integrate agricultural income taxation with the general income-tax. (11) Centralise sales tax legislation and administration temporarily till 1966, 'renting' the tax, if necessary, on the Canadian model of 'renting' Income and Corporation taxes. (12) Land tax, betterment and irrigation levies must not be increased for a few more years. (13) The States should exploit further the revenue possibilities of smaller items like entertainment tax and stamp duties. (14) Co-ordinate the tax legislations of the States, as well as the Union and the capital exporting countries. (15) In spite of really important non-economic considerations, consider seriously the reintroduction of the salt tax and the scrapping of prohibition. (16) Modify the Kaldor proposals by accepting the capital gains and gift taxes fully, the wealth tax partially, restricting it to individuals, and by adopting the comprehensive return device; reject the expenditure tax and the equity concept as a primary tax principle. (17) Give up the rigid approach characterising the present policy.

Tax Changes

In the direction of simplifying the tax system, expenditure tax, wealth tax on companies and the tax on bonus shares may be withdrawn. Their withdrawal, whatever the ground, will ease the psychological situation. To remove uncertainties that would retard investment, losses may be allowed to be carried indefinitely, as was the case before 1956, instead of being restricted to eight years or less. In the case of new enterprises, extend carry forward of tax exemptions beyond the five-year limit. Such a liberalisation is worth the possibilities of greater business expansion. The incidence on companies, at present 56 per cent., may in the first instance, be brought down to 50 per cent. so as to reduce the total tax burden.

On the personal taxation side, place a ceiling on the overall direct tax burden, as a first step, at 80 per cent. as in Sweden and Germany. Although one or two concessions claimed by private business are not strictly desirable, the special super-tax on new enterprises may be withdrawn as a gesture of goodwill in view of the partners being liable for taxation as individuals at a high rate and of the inconsiderable loss of revenue. The 10 per cent. limit on income allowed to companies under Section 23A of the accumulated resources are in excess of the paid-up capital or the fixed assets, may be increased to 25 per cent. in order to provide a larger margin for expansion and also to bring these companies nearer the industrial companies, now allowed 55 per cent. While the surcharge on unearned income, capital gains and gift taxes have no reasonable claim for their abolition, in the case of limiting dividends to 6 per cent., flexibility in rates could be usefully introduced, keeping in view the needs of highly risky and desirable enterprises. Excess dividend tax may be considered for replacement at least in the third Plan period by the national development tax.

Next Seven Years

These proposals relate to the next seven years and will necessitate a reconsideration in 1965-66 in the light of its operation in 1959-66. In this context, while framing the Plan in the next two years is both undesirable and impracticable, the dependence on taxation will have to be larger than what the Planning Commission *Appraisal* presumes. The analysis of the revenue trend of current taxes indicates that the planners may not look for any substantial additional resources from the income and corporation taxes at least till the middle of the third Plan and any increase that may accrue should be treated as a windfall. However, an additional revenue of Rs. 15 to 20 crores can be expected during 1959-61 from direct taxes by making agricultural income-tax an all-India feature and by roping in evaders.

Among the indirect taxes, customs duties hold little promise, but an increase of 10 per cent. in the basic rate of excise on a few major commodities (say 15 in all) may yield about Rs. 25 crores a year. The additional burden of 65 nP *per capita* on this account, will only amount to one quarter of one per cent. of the *per capita* income. It may, incidentally, be noted here that the role of excise duties has been very insignificant in the textile, sugar and tobacco crises. Moreover, the producers may not grudge the 10 per cent. increase since such an increase will be dovetailed with reductions at the direct tax end. Centralisation of the general sales tax with a 10 per cent. increase on the existing rates coupled with effective plugging of loopholes may yield another Rs. 15 to 20 crores annually. This should be done at least on a temporary basis for the period of the second and third Plans by resorting to the Canadian device of "renting." A similar increase of 10 per cent. in the rates of State excises and motor vehicles levies may bring in about Rs. 7 crores more per annum.

Direction of Yield

The experience under the second Plan regarding domestic resources and foreign exchange, the need for consolidating and correcting the second Plan effort, the second Plan commitments regarding repayment of foreign liabilities, the advice of the international lending institutions to cut the coat according to the cloth and the operation of law of demand for capital resources in a planned economy suggest the size of the third Plan should not exceed that of the second Plan (i.e., of Rs. 4,500 crores). The resources needed would be about the same as in the second Plan and the budgetary contribution will have to be about 35 per cent. or Rs. 1,400 to 1,700 crores in five years. The revenue required can probably be raised under the policy suggested and the direction of yield may be as given below:

Tax Yield in 1961-66
(Rs. in crores)

		Annual	Five-year period
I.	*Union*—		
	(*a*) Tax receipts as estimated under the second Plan	..	725
	(*b*) Normal increase in yield (due to growth in national income and population)	50	250
	(*c*) Receipts from suggested increases, etc.—		
	Indirect taxes (—10 per cent.)	40	800
	Direct taxes (reduced evasion, etc.)	20	
	(*d*) Revenue from salt tax and abolition of partial prohibition	45	225
	(*e*) Increases in non-tax items	20	100
II.	State tax efforts (as in 1956-61) (Includes current rate of receipts of sales tax, agricultural income-tax and land revenue though the former two may be centralised; and in view of the second Plan experience, reduced dependence is placed on State efforts.)	..	175
			1,775
	Less estimating errors and relaxed efforts	..	125
	Probable net tax and non-tax receipts in 1961-66	..	1,650

To the extent the alterations in indirect taxation and on salt and prohibition fronts are not adopted, the tax receipts may fall to Rs. 1,100 to 1,300 crores, in which case the size of the third Plan would be affected. The need of the material advancement and future development should be enthroned over political considerations and ideologies in formulating the tax policy.

The possible repercussions of the suggested tax changes may be viewed from three angles: (1) equity; (2) inflationary potential; and (3) political effects. Equity should be of secondary importance in a developing economy and particularly when the major problem is economic growth. The inflationary argument has a little more substance, because of the increase in consumption taxes involved, but is not completely convincing because of negligible additional burden, neutralisers and the benefits of dovetailing and co-ordination. Moreover, the increased tax yield would naturally reduce the scope for deficit financing, with its more certain inflationary effects. As for political reactions, the party in power with its tradition of sacrifice, its devotion to socio-economic upliftment and its entrenched position, should be able to satisfy the electorate on the issue, which has only worse alternatives.

The application of the suggested tax policy requires a bold approach to the problems and objectives before the country. In the next seven years, there will have to be a slowing down, in practice, of the socialistic pattern of society. Not that the national objective should be abandoned or watered down, but that, since social justice and welfare are largely a function of larger production in the community, the years 1959-66 will be the initial period for raising the output for distribution later. Secondly, the role of the private sector, in this period, will definitely grow in significance and the composition of the "mixed economy" will have to be a little more private-sector-biassed. Finally, though the social justice aspect of fiscal policy will lean more on the expenditure side, the limitation of public revenues, the need for investment and the incentive requirement in the tax policy, will necessarily reduce the expenditure on welfare schemes. Very broadly, the emphasis in tax as well as in general policy should be mainly on resources in the short-term (second and third Plan period), on investment and incentives in the intermediate term (second to fourth Plans) and on social justice in the long-term (fourth Plan onwards).

Fifteen economists, discussing the U.S. business outlook at the annual economic forum of the National Industrial Conference Board, expect the upward trend of late 1958 to continue throughout 1959. At the same time, they warn that inflationary pressures are likely to continue. The group expressed the belief that the gross national product, the value of all goods and services, would reach a rate of $470,000 million to $480,000 million a year at the end of 1959. The present rate is about $450,000 million. Relative stability was forecast for consumer and wholesale prices. Indexes of each were expected to rise only slightly during the year. The penelists expect outlays for capital goods to increase during 1959, but foresee no sharp upsurge. An increase in investment in inventories is anticipated as business shifts from inventory liquidation to accumulation, the panelists agreed. Unemployment is expected to remain above pre-recession levels throughout the coming year, but by the final months of the year the jobless total may drop from a mid-year level of 4 million to an estimated 3.5 million.

Mr. Geoffrey H. Moore, Associate Director of Research for the Bureau, said: "A way to measure the extent of the recovery is by how far we are below the preceding peak. I think we stand today at a lower level relative to the preceding peak than at a similar stage in any of the four milder recessions since 1920, but a much more satisfactory level relative to preceding peaks than in the three more severe recessions since 1920... It is fair to say what we have experienced is very close to an average business cycle contraction as far as... historical data show, and a more severe one than the two preceding contractions of 1948-49 and 1953-54 ... The recovery from this recession of intermediate severity is likely to be of an intermediate character, not exceptionally vigorous and not exceptionally modest."

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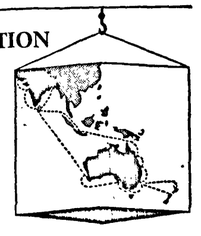

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EXPANSION PLAN MAKES GOOD PROGRESS

DR. JOHN MATTHAI'S PLEA FOR HIGHER PRICE FOR AMMONIUM SULPHATE

THE first stage of the expansion plan of Fertilisers and Chemicals, Travancore Ltd., has made satisfactory progress and the expanded plant will be in production by the end of 1959. Disclosing this at the Fourteenth Annual General Meeting of the Company held at Eloor, Alwaye, on 26th December 1958, Dr. John Matthai, Chairman, said that the Company had sought the permission of the Government of India to go ahead with the second stage of expansion and, if the Government's approval and the import licences were received in time, the Company would be able to complete it by the end of 1960.

The following is the full text of Dr. Matthai's speech:

"GENTLEMEN,

"On behalf of the Board of Directors, I welcome you to this, the fourteenth annual general meeting of the Company. Printed copies of the accounts and the report of the Directors are before you. These have also been circulated to all the shareholders. I shall, if you agree, take them as read.

"Before I deal with the working of the Company I wish to refer to the loss the Company has sustained in the death of Sri V. Seshasayee and I have no doubt you will join me in expressing our sorrow at the sad event. He showed remarkable initiative in the development of industrial enterprise, especially in this part of the country, and I take this opportunity of testifying to the success he achieved in the several fields in which he laboured and the contribution he thereby made to the economic development of the country.

Delay in Fixation of Price

"You will recall that when I addressed you last year, I undertook that in future, annual general meetings will be held before the end of September. Your Directors made every endeavour to keep the promise. The accounts, however, could not be finalised in time due to a circumstance entirely beyond our control. As you are aware, the whole of our production of ammonium sulphate is taken over by the Central Fertiliser Pool and the price to be paid to us is fixed by the Government of India. The fixation of the price of the sulphate supplied during the year under review, unfortunately, took more time than was anticipated and the final orders of the Government were received only by the 10th of November this year. This delay naturally held up the finalisation of accounts and necessitated postponement of this meeting to this date. We are, however, glad that the Government have, after investigation, fixed the price for the year 1957-58 and 1958-59 together. This would avoid delay in finalising and publishing the accounts for the year 1958. I am hoping that the accounts for the current year will be completed in time for the next annual general meeting to be held earlier, if possible by the middle of next year.

"The Directors' report gives a factual account of the working of the Company during the year under review. I do not wish to traverse the same ground, but would confine myself to a few matters which I feel require special mention.

"You will have noticed from the statement of accounts that the working results of the Company show a net profit of Rs. 9.83 lakhs, which has been utilised to reduce the previous years' losses to Rs. 7.08 lakhs. The profit is small compared to the working results of 1956, if the lower depreciation we have provided for is taken into account. This is mainly due to the high cost of production during the year, because of (1) the reduced production as a result of the labour strike, (2) the increased price of raw materials due to higher freight rates as a result of the Suez trouble, and (3) the inadequate return on capital allowed by the Government of India in fixing the final price for our ammonium sulphate. If the costing of individual products is examined, it will be seen that the profits that we earned from other products had to be utilised to some extent for subsidising the production and distribution of ammonium sulphate.

"It was with a view to overcoming this situation that a representation was made by the Company in February 1958, explaining the handicaps under which we were operating and asking for an enhancement of the price of sulphate. In making out the claim, the Company requested that the price should include a fair return on the capital invested. The matter was further pursued informally with the authorities concerned and, as a result, the Government of India finally fixed the price for two financial years 1957-58 and 1958-59 at Rs. 365 per ton, as against Rs. 353 paid to us for the previous years. This price, although an improvement on the price, previously in force, falls short of our expectation especially for the year 1957-58. If the price had been fixed on the basis of the costing adopted some time ago by the Expert Committee of the Government of India, taking into consideration only the increase in price of the raw materials during the year, we should have been entitled to a better price than has now been fixed. I still hope the Government will recognise the justice of our claim and agree to revise a decision which, in my judgment, hardly does justice to the equity shareholder.

"At the last meeting I indicated that it might not be possible to give a return to the shareholders from the working results of the year under review. I had, however, hoped that the Government of India would see its way to fixing a price which would enable us to wipe off the accumulated losses. The working of 1958 promises to be a little more encouraging and I feel it may be possible, as I indicated last year, to provide at least a token return to the shareholders in 1958.

"Although, for reasons I have already explained, we have had to defer holding the general meeting for 1957 till practically the end of 1958, I am in a position today to give you a fairly complete picture regarding production for the current year. We have produced till the middle of December 1958 11,806 tons of ammonia which has been converted to 31,897 tons of ammonium sulphate and 6,401 tons of ammonium chloride besides 351 tons sold directly. We also produced 17,123 tons of superphosphate and marketed 11,372 tons of sulphuric acid and 67 tons of carbon dioxide. Although the total ammonia production may not reach the output in 1955, taking an overall view of the various products manufactured by us, this year promises to be a record year in regard to our total production and sale.

Need for Good Labour Relationship

"This has been made possible to a large extent by the willing co-operation and helpful attitude shown by labour throughout the year. From letters I have received from shareholders I find that in some quarters there is a belief that in the benefits we have granted to labour, we have sacrificed the interests of shareholders. I would like to take this opportunity of assuring you that your Directors are fully alive to their obligations to the shareholders. At the same time you will appreciate that, in the context of events today and the current thinking regarding industrial relations, it would be shortsighted to ignore the key position occupied by labour in industry. No industry can prosper, unless it receives all the co-operation and help that its labour force can give. Improved industrial relations and better conditions of work go a long way towards making labour realise that it is in their own interest to maximise production and to help in maintaining the prosperity of the industry. The main reason for the poor working in 1957 was the strained relationship that existed between labour and management throughout the year. The settlement arrived at in December 1957 meant an additional burden on the Company, but its benefit is reflected in better working results during 1958.

"A point which requires special mention is the change we have adopted in regard to the provision for depreciation. Up to the end of last year, depreciation was provided at 7 per cent. on the original value of the machinery based on the straight line method. On a careful review of the position, the Board felt that it would be more appropriate to adopt the more widely used method of calculating depreciation on the written-down value of the assets at the rate of 10 per cent. for machinery. We consider that this provision is quite adequate.

"I briefly touched in my speech last year on the circumstances that led to the decision to expand the plant and on the various projects that had been included in the scheme of expansion. I am glad to say that the execution of the scheme of expansion has progressed satisfactorily. The air liquefaction plant has already been commissioned and is supplying nitrogen to the ammonia plant. The erection of the large sulphuric acid plant with a capacity of 160 tons per day has just been completed and initial starting operations have been commenced. The Hortonsphere built for increasing the storage of ammonia has already been commissioned and the erection of the new dryer at the bagging section is nearing completion. In regard to the rest of the items, I expect, having regard to the schedule of deliveries, that the expanded plant will be in production by the end of 1959.

Second Stage of Expansion

"In view of the progress we have made in the first stage of expansion, the Company has approached the Government of India for permission to proceed with the work connected with the second stage of expansion, namely, for ordering the equipment necessary for replacing the existing gas plant using wood. In making this request, the Company has also sought the permission of the Government of India to change the process to be adopted from the electrolytic hydrogen to hydrogen by oxygen gasification of oil. With the oxygen available as a by-product and with practically the same capital outlay, hydrogen for 80 tons of ammonia could be produced which would make it possible for us to produce 120 tons of ammonia per day. This project, if approved by the Government of India, would, besides increasing the production of fertilisers in terms of nitrogen to three times our existing capacity, also render the cost of production even lower than was originally contemplated. The progress that has been achieved in the field of gasification of oil with oxygen since the submission of the report by the Expert Committee appointed by the Government of India in August 1954 makes it obligatory on the part of the Company and of the Government to consider this alternative before proceeding with the electrolytic process. If the approval of the Government of India and the import licences are received in time, the Company will be able to complete the second stage of expansion also by the end of 1960.

"Before I conclude I wish to express our thanks to the Central Government and the Governments of Kerala and Madras and to the Industrial Finance Corporation of India for the valuable assistance we have received from them. I would also like to thank my colleagues, the Managing Agents and the members of the staff for their unfailing co-operation during a difficult year.

"I would now move that the Directors' report and the audited statements of accounts for the year ended 31st December 1957 be and are hereby adopted."

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

TEA CONSUMPTION IN U.S.

Tea consumption in the United States will reach the second highest level in history in 1958 and is expected to continue to rise next year, according to Mr. Robert Smallwood, Chairman of the Tea Council of the U.S.A., Inc. The level of consumption this year is particularly significant in view of the rise in U.S. unemployment, the decline in consumer buying power, and the general economic slowdown which began in mid-1957 and continued throughout the first months of this year.

"For the year now closing, total tea sales to groceries and institutions are estimated at 108.1 million pounds," Mr. Smallwood said. The tea industry's overall optimism for 1959 stems from stepped-up promotion and advertising plans—collectively through the Tea Council, and individually by the brand packers.

Concluding its eighth year of operation, the Tea Council of the U.S.A.—a non-profit, international promotion agency, jointly owned by the Government of India, Ceylon and Indonesia, and the U.S. Tea Association—recently launched a $1,200,000 "hot tea" advertising campaign which will run in 18 major U.S. markets through the early part of next March. This programme constitutes the major portion of the Council's 1958-59 promotion budget of $2,300,000.

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Subscribed Capital .. .. .. ,, 30,60,750
Paid-up Capital .. .. .. ,, 15,30,375
Reserve Fund .. .. .. ,, 29,00,000
Head Offices: 1, Prince Yeshwant Road, Indore City,
Bombay Offices: 44, Hamam Street, Fort and Jal Hind Estate, Bhuleshwar.
Branch Offices: Cloth Market, Siyaganj and Sanyogitaganj (Indore City).
Branches: Anjad, Bhopal, Dhar, Khargone, Mhow, Ratlam, Sanawad, Shujalpur Mandi, Tarana and Ujjain.
Pay Offices: Jaora and Sandhwa (Madhya Pradesh)
Safe Deposit Lockers are available at Head Offices, Siyaganj and Cloth Market Indore; Branches at Mhow, Ujjain, Ratlam, Sanawad, Tarana, Dhar and Pay Offices at Jaora and Sandhwa on favourable terms.
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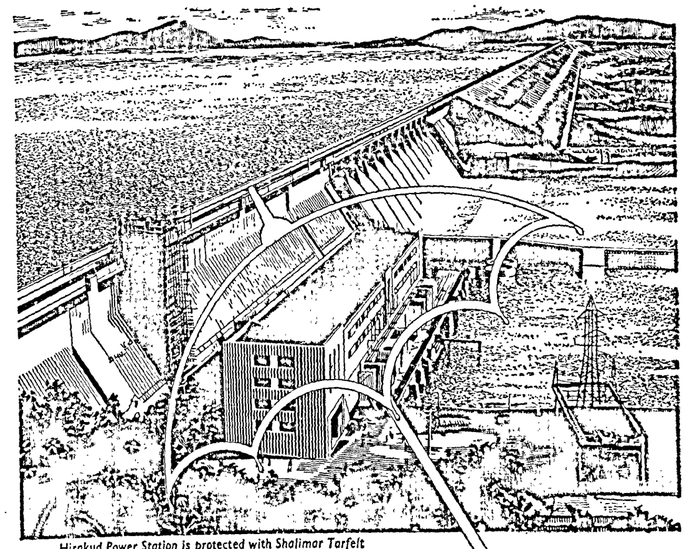
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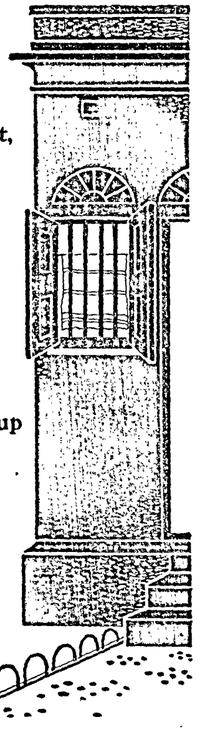
STP 26

Morning breaks—
bustle in home,
the kitchen fire is lit,
children are dressed
for school,
the tiffin box
for the office
is prepared,
bustle ends,
now the housewife
can relax over her cup
of refreshing tea!



I am Tea
I am the friend of the family
PST 213

INDIA STEAMSHIP COMPANY, LIMITED

RECORD FREIGHT EARNINGS—ENTERING SOUTH AMERICAN ROUTE

DR. A. RAMASWAMI MUDALIAR REVIEWS COMPANY'S PROGRESS

ADDRESSING the shareholders of the India Steamship Company Ltd., at their Annual General Meeting held in Calcutta on 22nd December 1958, Dr. A. Ramaswami Mudaliar, Chairman of the Company, controverted the impression held in some quarters that Indian shipping companies would ply their ships only on routes that were profitable and would decline to operate on other routes. He said that it was not the profitability of the route so much as the availability of the number of ships that had stood in the way of operating new routes and establishing direct connection between India and other countries. He disclosed that his Company would shortly be proceeding to the South American ports of the Atlantic seaboard.

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

"GENTLEMEN,

"The audited accounts and Directors' report for the period ended 31st March 1958, have been in your possession for some time. With your permission I shall take them as read.

Trading Experience

"The Directors' report shows that the freight earned during the year was Rs. 7,75,04,245, as against Rs. 6,00,17,168 in the previous year and Rs. 5,26,11,831 in 1955-56. The total number of round voyages made during the year was 30.5. Both in the number of round voyages and in the amount of freight earned in the year under review, the figures exceed all previous records. The average duration of the round voyages is slightly less than in previous years. The increased earnings and the number of round voyages completed are partly due to the number of ships in service and operated during this period. Other factors which contributed to these satisfactory results will be referred to later.

"The Company made a net profit of Rs. 1,21,59,779 after setting aside Rs. 53,37,000 for development rebate and Rs. 59,37,481 for depreciation. The amount for development rebate has been shown separately and set aside for the purpose of expansion of the fleet in accordance with the recent legislation on the subject. This is a matter of sincere gratification to your Board, as I have no doubt it is to you.

Port Conditions

"Conditions in some of the ports are still causing concern to shipping companies, though for reasons different from those which have prevailed hitherto. In my address last year I said: 'I am glad to inform you that, owing to the vigorous steps adopted by the port authorities and the Transport Ministry, delay in finding berths for ships has virtually been eliminated and it is possible, certainly in Bombay and Madras and even in Calcutta, subject to draft restrictions, for a steamer to find a berth on arrival.' It is a matter for regret that these draft restrictions have developed so seriously that it is little satisfaction to the shipping companies to know that berths are available. In the port of Calcutta, the river drafts have fallen so sharply that the delays are now experienced at sandheads and ships awaiting proper drafts are held up for days before proceeding to the vacant berths. The port of Calcutta is the most important port from the point of the volume of traffic, both inwards and outwards. There are other minor disadvantages at this port arising out of the salinity of the fresh water in the river which add to the difficulties. The Government of India is showing a commendable desire to increase exports to various countries and an equal anxiety to bring about a reduction in freights to achieve its objective. The most practical way of achieving this objective is to improve conditions of navigability in the various ports of India and I trust that the measures contemplated for the purpose will be implemented at a very early date. I referred last year to the piece-rate system for dock labour in the port of Calcutta which I hoped would be introduced soon. It is a matter for regret that a scheme which has been found satisfactory in Bombay and Madras has not yet been introduced in the port of Calcutta where it is most needed and where healthy labour relations can be promoted by its adoption. I trust there will be no further delay in implementing the scheme.

Progress

"During the year, another ship, the *Indian Security*, has been added to your fleet. Two more ships, the *Indian Success* and the *Indian Strength*, have both been launched and the first of these is now on her maiden voyage to India. The other ship will, it is hoped, be ready for trials towards the end of the year and is expected to make the maiden voyage early in January. During the current year, there will, therefore, be in the service of the Company 15 ocean-going vessels and one coastal vessel. Within the last fortnight a new vessel has been launched at Visakhapatnam—the *Indian Industry*.

"This is the first ship which is being built by the Hindustan Shipyard for your Company. Besides these, two ships are on order in Germany and they are expected to be delivered by the end of 1959. All these ships were contracted for according to a phased programme in 1956.

"We are grateful to the Government for the financial assistance by way of loan which has been sanctioned and for the foreign exchange allotted which has enabled us to expand our fleet to this extent. We have, however, a further programme of expansion including an option with a German shipyard for the construction of two more ships in 1960 and additional ships in the following years. The foreign exchange requirements for some of these ships have been engaging the attention of both the Government and your Board and it is clear, despite the difficulties so obvious, that a solution has to be found.

Earnings and Dividend

"I have referred to the profit earned by your Company during the financial year. This profit, I wish to emphasise, is to be related not to the paid-up capital only but to the total capital employed including borrowed capital. On this basis, it will be realised that at the end of the year, i.e., 31st March 1958, the total cost of the fleet was Rs. 13,40,78,416 and, after deducting the amount written off for depreciation, the net value of your fleet was Rs. 10,19,90,379. I trust these figures will give a better perspective of the net profit earned by your Company and its ratio to the investment. As you are aware, the Directors recommended that the amount standing in the share premium account may be capitalised and issued as fully paid-up ordinary bonus shares to the shareholders in the proportion of one share to every ten shares held. The approval of the Controller of Capital Issues and your approval having been obtained, the recommendation has been given effect to.

"It will be noted that fairly substantial amounts have been credited to the various reserves which the Company is building up. These reserves and further increase in some of them, the Directors consider as essential and as dictated by a policy of prudent stewardship of the affairs of the Company. It will be appreciated that a substantial sum is due to the Government of India on account of loans granted for the acquisition of ships. The interest on these loans has been paid as it fell due. The instalment payments are beginning to fall due and your Directors have kept this in mind and have so provided reserves as to be in a position to meet these commitments without undue difficulty. I should also like to state that it is the experience of all shipping companies that, while boom periods are comparatively rare, lean years, when the quantity of freight falls and the rates drop down sharply, are more common. International shipping is peculiarly susceptible to world conditions, economic or political, and prudence requires conservation of resources to a reasonable extent.

"It is with regret that I refer once more to the restrictive practices that some conferences and individual lines have resorted to in preventing legitimate national shipping to develop. Year after year, in these addresses, I have referred to the unsuccessful applications for membership to various conferences which Indian lines have made. Indian lines have not been admitted to the conferences of lines trading from ports like those of Ceylon, Burma, Egypt and other ports on our direct route, to the ports of the United Kingdom or the Continent. But the Indian trade is a happy hunting field for shipping of numerous foreign countries. Neither their initial entry into the Indian trade nor the extent of shipping tonnage employed by them has any relation to the trade subsisting between India and such countries. I venture to state, with due deliberation, that the shipping lines of certain European countries are readily accorded by the conference the privilege of calling at several Indian ports irrespective of the volume of traffic or the number of lines that are already serving these ports. A solid front of opposition is presented to a reasonable demand by the Indian lines of serving the wayside ports. When this attitude is combined with the deliberate policy of accusing Indian lines of resorting to flag discrimination on the flimsiest of flimsy grounds, an intolerable situation arises and a determined effort is needed to remedy this state of affairs.

New Routes

"This brings me to the question of Indian shipping establishing itself in new routes so as to promote the trade of the country both in exports and in imports. The recent difficulty regarding foreign exchange and balance of payments has brought this question to the fore. The Ministry of Commerce and Industries, particularly through its State Trading Corporation, is anxious, and legitimately so, that the export and import trade should not be jeopardised, but, on the other hand, considerably facilitated by Indian shipping lines entering new routes and giving direct service for such trade. It is also anxious that the shipping freights are fairly reasonable and take into account from time to time the falling values of commodities transported. It is true that conferences are not unaware of the need of revising freight rates from time to time to suit altering conditions; but it is also clear that membership in each conference of one or other of the Indian lines facilitates the better appraisement of the situation having regard to the country's needs and brings to bear on the decisions of the conference a point of view and a presentation of facts which may not always be available in their absence. It has sometimes been suggested that Indian shipping lines are at one with other non-Indian shipping lines in fixing the maximum freight rates possible. That this is an entirely mistaken notion and has no factual basis will be borne out by the record of the attempts of Indian shipping to get freight rates adjusted so as to help and promote India's trade.

Desire to Promote Direct Service

"I wish to controvert another impression that is prevalent in some quarters that Indian shipping companies will ply their ships only on routes that are profitable and will decline to operate on other routes. The record of these lines during the past recent years will vindicate their claim that it is not the profitability of the route so much as the availability of the number of ships that has stood in the way of new routes and direct connection between India and other countries being established. Your Company, in addition to its normal route to the United Kingdom and the Continent, has been plying its ships to the Soviet and Rumanian ports of the Black Sea, to the Levantine ports of East Mediterranean, and will be shortly proceeding to the South American ports of the Atlantic seaboard. The other shipping company engaged in regular overseas trade—Scindias—has opened direct routes to the North American continent, to the ports of West Africa and the Mediterranean and to ports in the Black Sea. It is hardly necessary to state that our adventure into these new routes is an indication of the desire of Indian shipping companies to promote direct service to various countries and so help the trade of India.

"It seems to me that every effort should be made to encourage Indian shipping to expand and companies engaged in overseas shipping to operate new direct routes from India to various parts of the world. This was exactly what was envisaged by the Shipping Policy Committee which put as a target 2 million tons to be achieved during a period from the date of the report which has long since passed. From every point of view, therefore, it seems to be necessary that facilities should be given by way of loan, to build such ships as soon as possible both in Indian shipbuilding yards and in foreign yards. In either case, it is quite clear that foreign exchange will be necessary and it is my hope that, realising the gravity of the situation and the urgency of developing the Indian mercantile marine, a proper and appropriate priority will be given to the requirement of foreign exchange for building ships for Indian companies.

"It is hardly necessary to repeat that a ship begins to earn foreign exchange from the date that it is handed over after trial to the company. You have seen from the balance-sheet that the freight earned is Rs. 7,75,00,000 and a careful calculation has been made of how much this is represented by foreign exchange earnings, with the result that Rs. 3 crores or 40 per cent. of the earnings is the foreign exchange content of these receipts. The other companies engaged in overseas trade can show similar results and I would earnestly suggest that the time has come for considering the giving of a high priority for foreign exchange loans to Indian shipping companies.

Thanks

"We are indeed indebted to the Minister of Transport, to the Secretary and officers in the Ministry and to the Director-General of Shipping and his officers for the help they have rendered to Indian shipping and for the advice they have given from time to time. They have shown a deep and abiding interest in Indian shipping and have done their best to promote the expansion of such shipping. I trust that the importance that they have attached to such expansion is shared by the Government of India as a whole. A new Mercantile Marine Act has now been passed—a purely Indian law is now effective as much to promote and foster the development of Indian shipping as to regulate and prescribe its activities. I hope that both aspects of the law will receive equal attention and that Indian shipping will be made to feel that restrictions and controls are only one phase and occasional, while they are coupled with assistance and encouragement which will be constant and that both are equally for the benefit of the industry.

Tribute

"The results that I have referred to, of the financial working of the Company during the year, could not have been achieved without the wholehearted and devoted contribution which all its officers, afloat and ashore, of all ranks and its agents and brokers both in India and abroad, have made. On your behalf and on behalf of the Directors, I wish to convey our special thanks to all of them for their good and enthusiastic work throughout the year.

"We have received during the year the continued and firm support of some shippers both in this country and overseas and I should like to thank them for the confidence that they have placed in our service and the recognition that they have shown of the competency of that service. Our fleet, one of the fastest in cargo service from India to the United Kingdom and Continent, if not the fastest, has established itself for its reliability and for the reasonably careful handling of the cargo entrusted to it. It will still be our endeavour to improve further so that, comparatively new as we are to the shipping world, we shall have established a reputation second to no other shipping line, however long established it may have been. I wish to thank you, gentlemen, for your attendance at this meeting and to join with you in the hope that the Company will further progress in the years to come and have to its credit more than the financial results—the reserve of goodwill of all those connected with it, of our shippers, and I hope, of our Government too."

Rajasthan's tradition of chivalry, martial prowess and colourful pageantry has inspired artists, poets and musicians through the ages. It is reflected in the delicate artistry of the Rajasthani miniatures, the sensitive portrayal of musical moods in the Ragmala paintings and the ecstatic abandon of the Ghumar folk dance. The colour and intricate craftsmanship of Rajasthan's weaving, embroidery, pottery and brassware bear testimony to the rich artistic heritage of this picturesque land.

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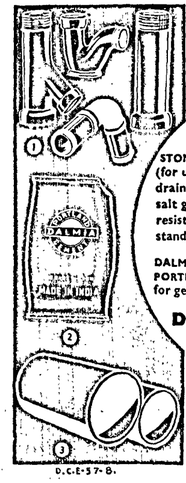

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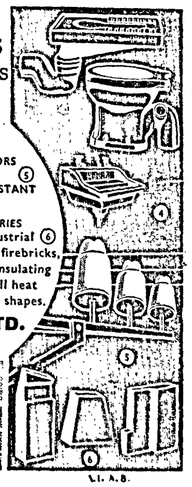

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PENSION SCHEME FOR WORKERS

STUDY GROUP'S SUGGESTIONS

A DEPLORABLE lacuna in India's social security structure is the absence of a pension scheme. Broadly speaking, the only class of employees who receive pensions today are Government servants who are eligible for pension, the actual quantum of pension depending upon the number of years of service prior to retirement. Other classes of employees are now expected to make their own arrangements for their old age. At present, the emoluments available for employees at the time of retirement in all quasi-Government undertakings and in most enterprises in the private sector consist of provident fund and gratuity. These lump-sum payments which the employees receive on retirement are of great benefit to them. Nevertheless, these cash benefits are no substitutes for a pension scheme.

Against this background, an interesting pension scheme has been worked out by the Study Group on Social Security set up by the Government of India. The chief feature of the scheme is to convert into a pension scheme the existing provident fund scheme, introduced in 1952 and covering nearly 3 million workers in over 5,800 factories; there are also separate provident fund schemes for coal miners and plantation workers. The Group has recommended for adoption a scheme of old age, invalidity and survivorship pension-*cum*-gratuity. It has suggested that in order to provide pensions of reasonable amounts the resources should be augmented by increasing the present rate of contributions of workers and employees to the provident fund from 6¼ per cent. of their wages to 8⅓ per cent. It is suggested that, while the statutory amendments and administrative arrangements required for introducing a pension scheme will take time, the increase of provident fund contributions to 8⅓ per cent. should come into effect immediately.

Cash Benefits

As regards the Employees' State Insurance Scheme, the Group has recommended that the quantum of cash benefits at present granted under the Act should be augmented. Thus, (a) sickness benefit should be payable upto a maximum period of 13 weeks in any three benefit periods of 26 or 27 weeks each; (b) extended sickness benefit, at full normal benefit rate, may be granted in case of tuberculosis or other prescribed long-term diseases for a further period of 39 weeks but only to such persons as have completed at least two years of qualifying service; and (c) maternity benefit rate should be raised so as to be equal to the full average wage of the insured woman and subject to a minimum of one rupee per day.

Statutory Maximum

The Group has stated that there is considerable scope for improving the standard of medical care and treatment for workers covered by the Employees' State Insurance Act. The prevision of medical care and treatment for families of workers is urgently needed, as it is this omission that has brought in quite legitimate criticism from organisations of workers and individual workers themselves. All these improvements could be provided only if substantial additional funds are available. For this purpose, the Group has suggested that the levy on employers should be increased to the maximum that the law already provides for. While the statutory maximum works out at 4¾ per cent. of the total wage bill, at present only 1¼ per cent. are paid by employers in areas where the scheme has been implemented. The Group has stated that the justification which existed for levying contributions at lesser rates has, with the considerable extension of the scheme, lost much of its force.

Single Agency

The Group has recommended the setting up of a single agency, which should, as a first step, assume administrative responsibility for the Employees' State Insurance Act and the Provident Fund Acts. In the case of workers covered by both the Employees' State Insurance Act and one of the Provident Fund Acts, employers will pay to this agency, in one single payment, contributions due under both. Inspectorate and supervisory staff will be unified. The Group has stated that these and other consequential measures will aim at simplification and added convenience to both employers and workers. It has further stated that it should be the aim to make the coverage under the two enactments identical as far as practicable and in stages by a prescribed target date. As a step towards facilitating this, the Group has recommended the deletion of the provision in the Employees' Provident Funds Act under which newly established factories are exempted from its provisions for the first three years. Thus, in the case of factories where workers are covered for the full range of benefits under the Employees' State Insurance Act and the proposed scheme of old age, invalidity and survivorship pension-*cum*-gratuity, the rates of contributions will work out to about 13 per cent. (4¾ per cent. plus 8⅓ per cent.) by employers and 10⅝ per cent. (2¼ per cent. plus 8⅓ per cent.) by employees.

In its report, the Group has stated that under existing conditions any large extension of social security measures will not be possible either in terms of coverage or actual benefits. The aim should be to improve upon existing measures and to simplify administrative procedure, restricting additional financial levy for the time being to what is required for this limited purpose.

Unemployment Benefit

The Group has stated that, while the provisions in the Industrial Disputes Act relating to compensation on retrenchment and lay-off have afforded some relief and acted as a deterrent to hasty retrenchment, certain unsatisfactory features have nevertheless been revealed. The permanent remedy may be in the form of a scheme of unemployment benefit, but a scheme of this type will not be practicable for some time to come. Till then, improvements should rather be in the direction of avoiding closures and consequent retrenchment, as far as possible —for example, by creating a fund through which industrial units in temporary difficulties can be assisted and kept running where such a course is in the interests of the workers and the public at large.

There is certainly a great deal to be said in favour of co-ordinating the various social security measures in this country and bringing them under a single administration. But the conversion of the provident fund scheme into a pension scheme raises certain difficult issues. The most important of these is the broader question of the equity or appropriateness of converting a provident fund scheme into a pension scheme. After all, provident fund amounts in the hands of retiring employees constitute a capital which they use for such purposes as buying a house or the marriage of their daughters. Since many classes of employees lose, on retirement, the housing accommodation which they enjoy during the period of their service, they are compelled to own a house. Provident Fund amounts often enable them to do so. Further, in the peculiar social set-up at present, the marriages of daughters cannot be arranged without heavy expenditure. For this purpose, too, provident fund amounts have been found to be helpful. What is, therefore, necessary is a pension scheme which will supplement, rather than supplant, the provident fund scheme. If this cannot be arranged in the present state of the country's economy, it is better to await the arrival of better days, rather than convert the provident fund into a pension scheme.

U.K. INDUSTRY

"We are all expansionists now," said Sir Miles Thomas, addressing industrialists and trade union leaders at a meeting of the British Productivity Council, held recently in London. The British Productivity Council is the body established as a result of the experience gained by the Anglo-American productivity teams some years ago, and its purpose is to bring together both sides of industry in the interests of increased productivity. Sir Miles, a leading British industrialist, said he found the prospect of being Chairman of the Council next year "particularly exciting," and added: "There is so much at stake. The prizes which broadened understanding and more efficient work can bring for everyone are so glittering, so enormous. . . . I do not hold out the prospect of a dramatic breakthrough, but we do see real prospects of steady and exhilarating progress. Better understanding, greater respect and confidence between individuals and the two sides could bring a new pride of purpose to British industry, which today is better equipped than ever before."

COLLECTIVE BARGAINING IN U.S.

Approximately 85 per cent. of American workers covered by collective bargaining contracts received wage increases this year, the U.S. Department of Labour reports. A preliminary annual report issued by the Department's Bureau of Labour Statistics showed that about 6,800,000 workers were included—in all industries except construction, services, finance and Government. The average raise was 12 cents an hour. The wage increases resulted almost equally from new contracts signed during the year and from cost-of-living adjustments or deferred increases negotiated earlier but not effective until this year.

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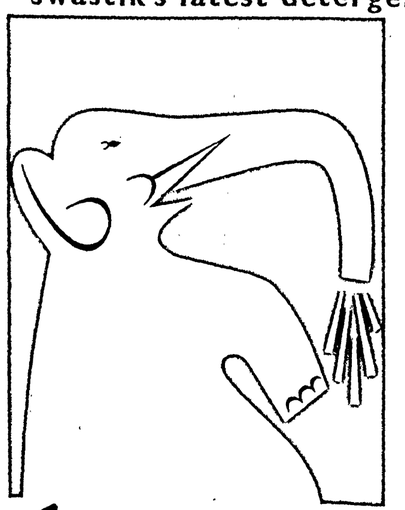

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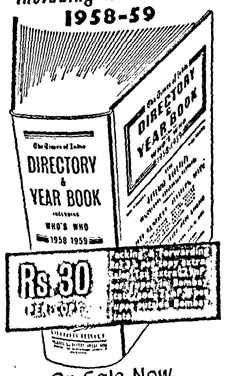

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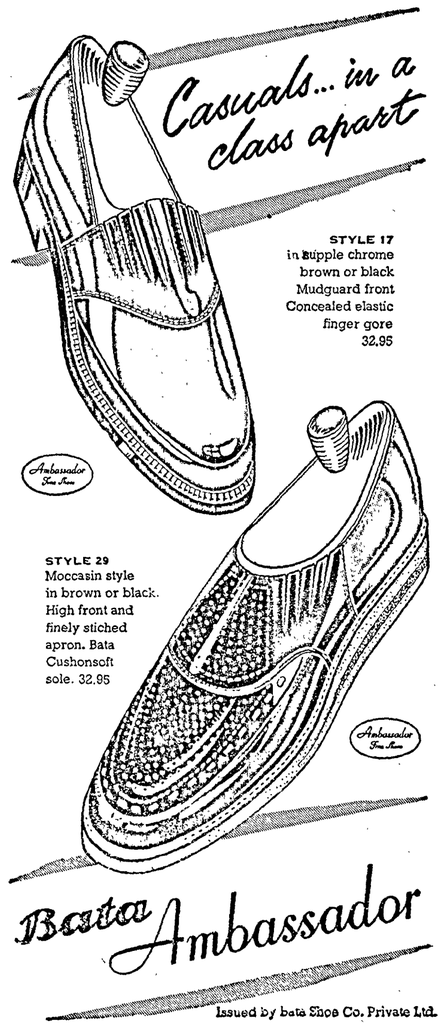

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PRINCIPLES OF INDUSTRIALISATION

SUGGESTIONS OF AN AMERICAN OFFICIAL

ALTHOUGH India is half-way through its second Five-year Plan, controversies continue on many vital issues of planning such as priorities, sectoral balance and choice of techniques of production. The latter, in particular, has been a subject of hot debate ever since the second Plan assigned an unprecedented, if not arbitrary, role to the cottage industries and laid too much stress on labour-intensive rather than labour-saving devices. While undue emphasis on small-scale industries is bound to restrict the pace and progress of capital formation in the country, it cannot be gainsaid that they have an important part to play in a co-ordinated development of the economy—a part which is complementary to, and compatible with, large-scale industries. It is, therefore, in the fitness of things that Mr. Nathaniel Knowles, leader of the United States Trade Mission, currently touring India, highlighted in the course of an interview at the U.S. Small Industries Exhibit, New Delhi, the importance of proper balance between large, medium and small industries in India for ensuring industrial efficiency and making the economy a strong one. Such an integrated approach, he said, would go a long way towards realising the goal of continually higher standards of living, with greater opportunities for the people to express their abilities and lead a full life. He pertinently pointed out that the solution of the basic economic problems is the key which would resolve many social problems. With these ends in view, he suggested a ten-point plan.

Mr. Knowles laid particular emphasis on the need for, and importance of, striking a balance among the large-scale and small-scale industries, as already indicated. He conceded that such a balance among the conflicting demands for community's resources might necessitate a certain amount of Government help to small producers and legal regulations in their favour, particularly with a view to preventing monopoly and protecting economically weaker units from exploitation by stronger ones. But he hastened to add that the legal measures for maintaining such balance must of necessity be marginal and should be restricted to the minimum. At any rate, the only real assurance for ultimate success, he said, depended upon the wisdom of the people themselves and their understanding of the implications of the problem.

Ancillary Role

Admittedly, the small-scale industries have a significant place in any scheme of development, but this need not, and should not, be exclusive and absolute. These industries, for instance, have a distinct contribution to make towards ensuring economic production, if they are so organised as to be ancillary and supplementary to the big industries. Elucidating this well-known, but often ignored (in this country) point, Mr. Knowles observed:

"Individual small industries are essential as suppliers to larger industries. The economic reasons for this are manifold. In brief, only small industries, each serving many larger businesses with specialised technical skills, can ensure economic production. Small industries as used here are distinct from cottage industries and service industries. The cottage industries of India can make a tremendous contribution, through handicrafts and artistic skills of the people, to the prosperity of India and the trade of India. Service industries are usually small by their very nature and perform such functions as putting wrinkles in hairs (hair dressing) and taking wrinkles out of automobile fenders (auto repair shops)."

There is a general tendency in this country to believe that small industries need not be equipped with modern labour-saving machines or use up-to-date processes. This is, of course, a wrong conception. We are glad that Mr. Knowles has strengthened the hands of those who have been trying to dispel it by pleading for modernisation of small industries as well. He said: "The maximum use of machinery is absolutely essential in supplier type small industries." And he added force to this argument by saying that "only thus can quality controls, technical standards and uniform production be maintained." He then stressed the need for constant effort to reduce costs by the use of machinery. In this connection, he sought to allay the fear that mechanisation could aggravate the problem of unemployment. "There is a paradox," he averred, "in that labour-saving machinery creates jobs and creates more employment. This has been demonstrated throughout the entire history of the U.S. By decreasing costs, markets are rapidly expanded, products more widely distributed and standards of living raised thereby. Jobs are operated not only in the industry in which the labour-saving machinery is installed but also as a result of the general increase in prosperity resulting from efficient production in many other segments of the economy."

The pace of mechanisation of small units, however, is conditioned by the availability of appropriate equipments in the country. Mr. Knowles, therefore, suggested that the thousands of machines essential for the development of small industries should be manufactured in India by medium and large-scale industries. He averred that this could best be done in collaboration, both financial and technical, with companies in other countries, specialised in the manufacture of such machines.

The ready availability of adequate number of machines at reasonable prices will definitely help the sustained growth of small units. This by itself will be of little assistance, unless arrangements are made for adequate provision of credit for small business men to finance their programmes. Mr. Knowles did well to emphasise that the small producer must be able to obtain loans from banks based largely on his demonstrated technical training, business knowledge and integrity. He also wanted that the small-scale producer must treat his banker as his intimate adviser and discuss freely with his banker all his problems. In turn, the banker must have, he added, a genuine wish to assist individual small business man to succeed.

Government Protection

Another important point made by Mr. Knowles was that "no business man should be guaranteed success by his Government or anyone else." In a competitive society there were of necessity many failures. He pointed out that the men who failed as individual business men must return to work for someone else. He was of the opinion that "to maintain by Government assistance an inefficient and incompetent business man is a drain on the rest of the economy with the inevitable lowering of standards of living." If only our planners and the Government had borne this point in mind, the Indian economy would have gained greater strength than it has done.

Alluding to the relative significance of manual labour and mental labour, Mr. Knowles felt that it was essential in any industrial economy that there be no artificial social distinctions between the two types of labour. Discussing this issue, he observed:

"The difference between the illiterate manual labour and educated managerial labour is one only of degree. Intermediate labour such as foremen and superintendents must be thoroughly trained in both activities. In general, top management will be recruited from the ranks of labour and will of necessity be able to do personally virtually any job in the business. Training programmes in all phases of production, covering both labour and management skills, are essential. Mobility of people must be encouraged both vertically and horizontally. It is indicated that a labourer must be free to rise to any more skilled or responsible work if his talents warrant. Similarly, he must be free to move from job to job and from location to location as the expanding economy and the creation of new jobs dictate."

Last, but not least, sufficient attention should be bestowed on the development of agriculture, which, in fact, conditions, and is conditioned by, the development of industries. Expanding business and mass production can furnish agricultural tools of all kinds at low cost and in large quantities. This and improved agricultural methods, according to Mr. Knowles, could increase the productivity of land, thereby making more food available for the entire population. This increasing standard of living, he believed, would be reflected in better health and more efficient and effective work by every one. Mr. Knowles was at pains to establish the point that eventually, agricultural employment would tend to decrease, as agricultural methods became more efficient. But this need not frighten anyone, because higher productivity in agriculture will facilitate the process of rapid economic growth through industrialisation.

OUTLOOK FOR U.S. INDUSTRIES

Industry in the U.S. is taking an optimistic view of the prospects for 1959. The U.S. Department of Commerce, after a survey of 75 industrial segments of the nation's economy, said that the expectation for continued improvement in 1959 is based primarily on the general strength of the economy following its recovery from the 1957-58 decline. Key elements in the bright 1959 picture are (1) higher automobile production—now estimated at 5,500 000 units; (2) a record construction estimate of $52,300 million, and (3) steel output figured at between 105 and 110 million tons.

The Commerce Department officials also reported that, in November, U.S. manufacturers continued their recovery from the recession, shipping $27,000 million worth of goods in that month. New orders were at the October level while inventories were steady. The 1959 outlook survey summarised the situation in auto output, construction, steel, aluminium and equipment as follows:—

Autos—"The skies are clearing for the automobile industry, the operating level of which affects so vitally many segments of the U.S. economy. Industry estimates look to production of 5.500,000 passenger cars, or 30 per cent. above the 1958 output of 4,240,000, lowest in a decade. The expected increase in automobile production would be reflected in increased markets for metals, glass, rubber and upholstery leather."

Construction—"Construction, the biggest single industry in the American economy, is expecting to pass the $50,000 million mark in 1959 for the first time, with advance estimates putting construction spending at $52,300 million, a seven per cent. increase over 1958. Private construction—largely housing—is expected to account for $35,200 million of the total. The prospective increase in private construction is figured at four per cent.; in public construction at 14 per cent."

Steel—"In the iron and steel industry, generally improved business conditions *plus* inventory build-ups are expected to push 1959 ingot production to 105 to 110 million tons. This compares with 85 million tons in 1958 and the peak production figure of 117 million tons in 1955..."

Electronics—"Spurred by military and industrial needs, total electronics output in 1959 is estimated at $7,900 million, a new record that exceeds 1958 levels by 14 per cent. More than half goes to the military. Consumer demand for radio and television receivers, phonographs and other consumer products is expected to recover from the dip registered in 1958, while the output of industrial and commercial electronics equipment will follow the trends of the expanding economy."

Aluminium—"Producers anticipate that aluminium shipments in 1959 will be 20 per cent. or more above 1958, because of increased usage in normal channels of consumption, plus the growing demand for the metal in new products..."

Plants and Equipment.—"Business outlays for new plants and equipment, after a decline during 1958 from the peak reached in 1957, were firmed toward the close of the year at a $30,000 million annual rate. Assuming at least the maintenance of the 1953 year-end rate of investment outlays, the broad group of capital goods industries finds the outlook generally favourable as the new year starts."

FOREIGN TRADE OF INDIA IN OCTOBER 1958

The total value of exports (including re-exports) of merchandise and treasure fell short of imports by Rs. 93 lakhs during the month of October 1958, in contrast to the favourable balance of trade witnessed in the previous month, according to the provisional figures of foreign trade by all routes —sea, air and land—on private and Government accounts published by the Department of Commercial Intelligence and Statistics, Calcutta. Exports of merchandise (excluding transit trade of Pakistan and other overland foreign countries, namely, Nepal, Tibet, Sikkim and Bhutan) accounted for Rs. 55.76 crores, re-exports for Rs. 34 lakhs and imports for Rs. 56.99 crores. The merchandise import figures are exclusive of the value of certain consignments of Government stores awaiting adjustment. Exports (including re-exports) of currency notes amounted to Rs. 32 lakhs. There were, however, no exports of gold and those of current coins (excluding gold coins) were negligible. Imports of currency notes aggregated Rs. 4.18 crores, those of gold Rs. 4 lakhs and current coins (excluding gold coins) Rs. 2 lakhs.

The following table shows the trend of trade, month by month, during the ten months ended October 1958, as compared with that in the corresponding period of 1957:

(Value: In crores of rupees)

	Imports	Exports (including re-exports)	Balance of trade
1957			
January	78.00	55.27	—22.73
February	70.62	54.44	—16.18
March	79.45	53.94	—25.51
April	89.42	47.85	—41.57
May	85.41	52.83	—32.58
June	86.24	48.34	—37.90
July	81.15	55.79	—25.36
August	81.00	60.25	—20.75
September	83.32	61.55	—21.77
October	73.17	53.64	—19.53
1958			
January	66.07	54.81	—11.26
February	66.34	41.93	—24.41
March	70.61	46.68	—23.93
April	60.02	41.73	—18.29
May	63.33	44.71	—18.62
June	64.01	28.12	—35.89
July*	66.79	54.31	—12.48
August*	55.94	49.91	— 6.03
September*	58.63	59.02	+ 0.39
October*	57.03	56.10	— 0.93

* Provisional.

N.B.—This table shows the total of sea, air and land trade; includes treasure (gold only) but excludes transit trade of Pakistan and other overland foreign countries, namely, Nepal, Tibet, Sikkim and Bhutan.

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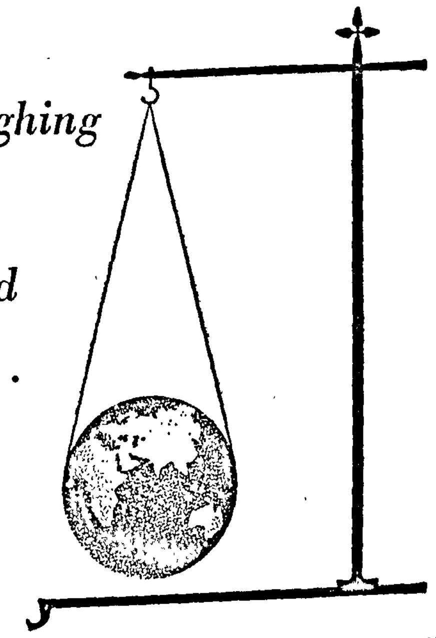

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Mr. A. H. Beck (Tack Sales Training)	Mr. H. N. Robinson (L. A. Stronach)	Mr. F. Murdoch (Geoffrey Manners)	HOW TO INCREASE SALES?
Dr. M. J. Sethna (Govt. Law College)	Mr. G. D. Somani, M.P.	Mr. H. Nanjundiah, I.A.S. (Company Law Admn., Govt. of India).	SALIENT FEATURES OF COMPANIES ACT 1956
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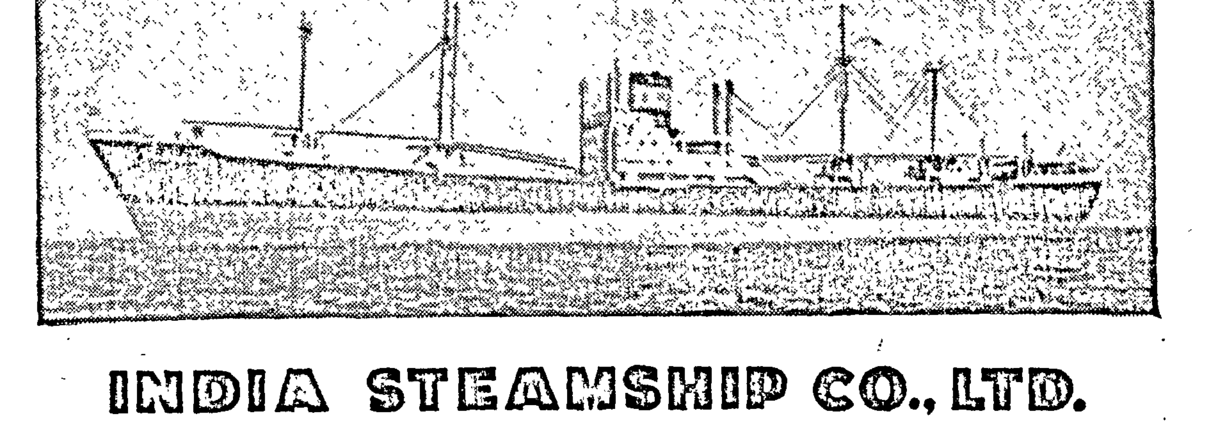

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TAXATION, HOWEVER, TELLS ON NET PROFIT

AFTER experiencing a downward trend for two years in succession, the gross profit of the Associated Cement Companies Ltd. (Managing Agents: Cement Agencies Private Ltd., Bombay) has recorded a sizable improvement in the year ended 31st July 1958. This is the result of larger sale proceeds of cement, aided by a sizable rise in other income. But an increase in gross profit is by itself no great consolation to the shareholders of the Company, for it has been nearly offset by the heavy incidence of taxation.

Offtake of cement during the year under review increased from 3,205,000 tons in 1956-57 to 3,462,000 tons. In terms of value, the sale proceeds rose from Rs. 22.63 crores to Rs. 24.34 crores. So did other income from Rs. 53.92 lakhs to Rs. 80.27 lakhs. In all, the Company's income expanded by Rs. 1.97 crore. It is true that expenses, too, went up but by only Rs. 1.18 crore. Consequently, the gross profit at Rs. 550.90 lakhs is Rs. 63.49 lakhs higher than Rs. 487.41 lakhs for 1956-57. It is also Rs. 4.14 lakhs better than that (at Rs. 546.76 lakhs), for 1955-56, although as compared with that for 1954-55 (Rs. 588.43 lakhs), it still represents a drop of Rs. 37.53 lakhs.

In contrast to gross profit, the net profit (after substantially raising the provisions for both depreciation and taxation) stands only a shade higher at Rs. 182.07 lakhs, as compared with Rs. 177.86 lakhs for the previous year. The Company had to provide a considerably larger amount for depreciation as a result of addition to its productive capacity at progressively higher capital cost. Thus, over the year, the provision on this account has gone up from Rs. 156.04 lakhs to as much as Rs. 180.24 lakhs. The provision for taxation is also heavier at Rs. 147.57 lakhs, as against Rs. 117.45 lakhs. It must be noted here that the provision of Rs. 147.57 lakhs does not fully reflect the burden of taxation for the year under review, as it is exclusive of Rs. 29.38 lakhs transferred from deferred taxation reserve and another Rs. 19.41 lakhs from excess provision made in the previous year. If account is taken of these adjustments, it will be seen that the amount required to meet taxation is no less than Rs. 196.36 lakhs. While the heavy incidence of taxation made a deep inroad into the Company's profit margin, the sharp rise in expenses by Rs. 117.98 lakhs to Rs. 19.74 crores aggravated the position further. Of this rise, raw materials and coal, oil and gas, etc., increased from Rs. 505.84 lakhs to Rs. 562.30 lakhs, power and fuel from Rs. 138.72 lakhs to Rs. 164.38 lakhs and packing materials, stores and spares from Rs. 375.61 lakhs to Rs. 418.90 lakhs.

Explaining in detail the factors which adversely affected the net profit, the Directors, in their latest report, state thus:

"Despite a higher offtake of 34.62 lakh tons of cement during the year under report compared with 32.05 lakh tons in the preceding year, there has occurred a substantial decline in the net profit compared with the previous year. This was due entirely to further increases in the various elements of cost coupled with the very high incidence of taxation. Coal prices were increased, railway freight rates were enhanced and Central sales tax became leviable on inter-State movements of materials required for production, namely, coal, gypsum, gunny bags, stores and spares. In addition, prices of stores, spares and gypsum also went up and the incidence of wages rose appreciably on account of long-term settlements entered into with the labour unions at most of the factories for the maintenance of good relations with labour over a fairly long period. Moreover, electricity duty was imposed by State Governments at a very heavy rate at Bhupendra and Banmor factories, both on power purchased and generated. While these and other increases in production costs were more than offset by a sustained endeavour to increase production and effect economies, the results of these efforts were to some extent neutralised by the charge for depreciation which was considerably higher in consequence of expansion of productive capacity at progressively higher capital cost. Lastly, and perhaps most importantly, the incidence of taxation was very much higher than in the preceding year, despite the accretion to the depreciation allowance by reason of the capital assets newly brought into production; and this was due to two circumstances; firstly, higher profits (before charging depreciation); and, secondly, a net reduction in the aggregate depreciation allowance admissible not merely because of the accelerated depreciation allowances earned in preceding years but also because of the termination (for the relevant assessment year) of the allowance for extra depreciation (equal to normal) hitherto admissible under the present Income-tax law. Moreover, there was also the need to comply with the new statutory requirement by providing out of the profits of the year under report a sum equal to 75 per cent. of the development rebate on plant coming into use from 1st January 1958."

Although there has been no real increase in net profit, the amount allocated to reserves has been maintained at the previous year's level of Rs. 55 lakhs. While in the previous year, the entire amount was credited to reserve for plant reinstatement, this year the allocation consists of Rs. 34 lakhs to reserve for plant reinstatement and Rs. 21 lakhs to development rebate reserve. The distribution to shareholders has actually been lowered further to 8½ per cent. per annum from 9 per cent. for 1956-57 and 10 per cent. per annum for 1955-56 and 1954-55. With this cut, the dividend is back to the 1953-54 level. The year's dividend is, however, on a higher capital of Rs. 19.02 crores, consequent on the new shares becoming fully paid from 1st February 1958 (exclusive of 12,202 fully paid shares allotted to the employees of the Company). This rate is in proportion to the 8½ per cent. on the fully paid-up shares for the whole year. For the current year, both the new and the old shares will rank for the same dividend.

The following comparative table brings out the salient features of the Company's working during the past four years:

(In lakhs of rupees)

	For the year ended 31st July			
	1958	1957	1956	1955
Sale proceeds of cement	24,34.48	22,62.79	22,13.47	21,23.05
Other income	80 27	53 92	59 80	80 08
Stocks	1,01 80	92 60	65 63	64 38
Expenses	19,73.65	18,55.67	17,30.76	15,86.12
Gross profit	5,50 90	4,87 41	5,46 76	5,88 43
Managing Agents' commission	41.02	36.06	42.75	51.56
Provision for—				
Depreciation	1,80 24	1,56 04	1,35 64	1,06 89
Taxation	1,47 57	1,17 45	1,16 99	1,99 28
Net profit	1,82 07	1,77 86	2,53 38	2,30 70
Excess provisions written back	20 13	12 30		
Transfer to reserves	55 00	55 00	1,28 88	1,04 82
Dividend	1,47 80 (8½%)*	1,35 61 (9%)†	1,27 18 (10%)	1,27 18 (10%)
Carry forward	1.93	2.59	2.94	5.63

* On a higher capital of Rs. 19 02 crores.
† On a higher capital of Rs. 15.79 crores.

The Tariff Commission submitted its report on the cement industry in 1958. All the recommendations made by the Commission were accepted by the Government, excepting the one relating to retrospective increase in price from 1st January 1958. The Directors state that, Government's disregard of this recommendation has had the most adverse effect on the Company's financial results for the year under review for two reasons: first, the Tariff Commission did not recommend any interim price increase during the progress of its enquiry; and, secondly, while costs were rising in all directions during the year, the price increase of Rs. 3.50 per ton that was eventually sanctioned was effective for only the last month of the year. The Government has, therefore, been approached to reconsider its decision and to allow either the price increase retrospectively from 1st January 1958 or to allow such further increase in the price for future sales as would make good the shortfall. The Company had urged the Tariff Commission to recommend the grant of an expansion allowance in the price in addition to the continuance of the rehabilitation allowance of Rs. 2 per ton (net after tax) allowed at the time of the first enquiry in 1952-53. Not only was this request ignored by the Commission, but even the allowance for rehabilitation was halved. The combined result of the unremunerative price for cement in the context of steadily rising costs, the absence of an expansion allowance and the reduction of the rehabilitation allowance is lower profits and reduced resources for the Company.

In view of the foregoing development and also because of the large expansion schemes to which the Company has already committed itself, arrangements have been made for obtaining further advances on cash credit accounts from the Company's bankers to the extent of Rs. 5 crores against the security of 6 per cent. first mortgage debentures of a like amount, ranking *pari passu* with the earlier debentures of Rs. 4 crores. These funds would be utilised for financing the various projects of modernisation and extension of the existing factories and for the construction of a new factory at Durg in Madhya Pradesh, as well as for investment in the heavy engineering project to be set up in collaboration with Messrs. Vickers Ltd. and Babcock and Wilcox Ltd.

An interesting chart entitled "Where did the money go in 1957-58" reveals that, of the money earned by the Company during the year under review, 49.44 per cent. was spent on raw materials, depreciation, maintenance and other manufacturing charges, 12.28 per cent. on freight and 17.57 per cent. on employees. Of the balance, administration charges constituted 5.40 per cent., taxes and duties 8.16 per cent., reserves 1.32 per cent. and shareholders 5.83 per cent. The table given hereunder indicates the position for the past four years:

	1957-58 %	1956-57 %	1955-56 %	1954-55 %
Raw materials, depreciation, manufacturing charges, etc.	49 44	47 94	40 30	36.11
Freight	12 28	12 38	18 65	19 47
Employees	17 57	19 52	18 60	17.52
Administration	5.40	5 32	4 62	5 30
Taxes	8.16	6 68	6.65	11.51
Reserves	1.32	2 34	6.57	4.11
Shareholders	5.83	5 82	5.61	5 89
	100.00	100.00	100.00	100 00

The following synopsis of the Company's balance sheet as at 31st July 1958 will give an idea of its latest financial position:

Liabilities	Rs.	Assets	Rs.
Capital	19,02,38,708	Gross block	36,32,76,342
Reserves and surplus	11,34,02,197	*Less*—Depreciation	12,79,15,052
Welfare and endowment fund	92,633	Net block	23,53,61,290
Reserve for taxation	1,85,25,387	Machinery, furniture and equipment in transit	21,58,265
Liabilities	12,28,46,731	Unallocated capital expenditure	60,47,305
		Stores, spares, etc.	14,10,44,842
		Stocks	1,01,79,965
		Debts, deposits and advances	2,06,20,927
		Investments	73,12,869
		Cash	1,33,80,082
Rs.	44,51,05,656	Rs.	44,51,05,656

Some of the main features of the Company's financial position are: (*a*) the block account is substantially higher than the paid-up capital, despite fresh issue of capital in the previous year; (*b*) the reserves and surplus are about 60 per cent. of the paid-up capital; (*c*) the floating assets are more than adequate to cover the current liabilities, although they are by all means heavy; (*d*) additions to the gross block during the year under review were of the order of Rs. 6.21 crores, while deductions were no more than Rs. 69.88 lakhs.

The Rs. 100 fully paid-up old shares of the Company are currently quoted at Rs. 149.75 *cum-div.* On an *ex-div.* basis, the yield works out to 6 per cent. per annum.

LABOUR UNREST AFFECTS F.A.C.T.'S WORKING

The accounts of the Fertilisers and Chemicals Travancore Ltd. (Managing Agents: Messrs. Seshasayee Brothers (Travancore) Private Ltd., Alwaye, Kerala State) for the year ended 31st December 1957 show an all-round setback. The Company's production and turnover fell from the previous year's levels and so also its profit. A notable exception on the manufacturing side was the production of ammonium chloride and superphosphate which, however, was fairly satisfactory. The chief cause for the fall in output was the strained relationship that existed throughout the year between the management and labour. There was a total strike for a month from the middle of March. The strained atmosphere prevailed till December 1957 when a final settlement on all issues was reached with the workers. Since then the relationship with labour has been satisfactory.

In addition to the shortfall in production, the Company was hit by a sharp increase in the cost of raw materials. This was offset only in part by the increase of Rs. 12 in the price paid to the Company by the Central Fertiliser Pool.

The gross profit for the year under review at Rs. 31.62 lakhs makes an unfavourable comparison with Rs. 35.37 lakhs for 1956 and Rs. 42.04 lakhs for 1955. After lowering the provision for depreciation from Rs. 26.35 lakhs to Rs. 19.51 lakhs and setting aside Rs. 1.47 lakh as wealth tax, the net profit stands slightly higher at Rs. 9.83 lakhs, as compared with Rs. 8.26 lakhs for the previous year. As usual, the entire net profit has been utilised for reducing the accumulated loss incurred during earlier years. The amount still to be written off on this account stands at Rs. 7.08 lakhs. Three years before, the debit balance was as large as Rs. 44.67 lakhs. Sales during the year under review declined to Rs. 174 lakhs from Rs. 182.76 lakhs in 1956 and Rs. 188.26 lakhs in 1955. Expenses, on the other hand, increased from Rs. 145.74 lakhs to Rs. 162.18 lakhs.

During the year under review, 8,313 tons of ammonia were produced, as against 10,139 tons in the previous year. Sale of liquid ammonia amounted to 260 tons. The production of sulphuric acid was lower at 33,610 tons, as compared with 33,834 tons in 1956. In addition, 114 tons of oleum were produced and supplied to the D.D.T. factory. Also 10,264 tons of acid were sold to titanium and rayon factories. Production of ammonium sulphate dropped from 28,518 tons a year ago to 21,809 tons. As in the case of previous years, the entire production was taken over by the Central Fertiliser Pool of the Government of India. The market for superphosphate showed appreciable improvement. Hence, despite the labour trouble, it was possible to produce 17,073 tons, as against only 9,840 tons in 1956. Likewise, production of ammonium chloride was maintained at a high rate, output having risen from 4,682 tons in 1956 to 5,196 tons. The distribution arrangement with I.C.I. continued to work satisfactorily. The production of *caustic soda* by the Travancore-Cochin Chemicals Private Ltd. in which the Company holds Rs. 25 lakhs worth of shares continued to be satisfactory.

Referring to the Company's expansion scheme, the Directors observe thus:

"The scheme of expansion consists in doubling the capacity of our ammonia plant and in utilising the additional ammonia for producing a new product, namely, ammonium phosphate and for increasing the present production of ammonium sulphate. The work connected with the expansion scheme is progressing satisfactorily. The air liquefaction plant and the sulphuric acid plant forming part of the first stage of expansion have practically been completed and are expected to be in production before the end of 1958. The whole of the first stage of expansion is expected to be completed before the end of 1959. The total expenditure on development projects till 31st December 1957 amounted to Rs. 65.22 lakhs."

The Company has a paid-up capital of Rs. 346.06 lakhs, all in ordinary shares of Rs. 10 each. It has no reserves yet. The current liabilities stand at Rs. 133.16 lakhs, of which loans from banks secured against stock of raw materials, general stores and finished products, etc., account for Rs. 27.16 lakhs and from the Industrial Finance Corporation of India against mortgage of fixed assets, machinery, stores, spares, etc., for Rs. 42.69 lakhs. The gross block of the value of Rs. 429.70 lakhs has been written down to Rs. 191.49 lakhs. Amounts spent on development projects are of the order of Rs. 65.22 lakhs. Miscellaneous expenditure and losses to the extent not written off amount to Rs. 3.01 lakhs. The current assets aggregate Rs. 214.51 lakhs and exceed the current liabilities and provisions by a substantial margin.

The speech of Dr. John Matthai, Chairman, at the Company's annual meeting, is published on an earlier page. It will be seen therefrom that the outlook for the Company has improved and that the prospect of at least a token return to shareholders for 1958 is good.

The Rs. 10 paid-up ordinary shares are currently quoted at a discount of Rs. 2.80.

BRITANNIA ENGINEERING CO. LTD.

Despite a sizable decline in sale proceeds and the work done, the Britannia Engineering Company Ltd. (Managing Agents: Messrs. McLeod & Co. Ltd., Calcutta) has been able to maintain the gross profit for the year ended 31st December 1957 at the previous year's level. Sale proceeds and work done were lower at Rs. 122.85 lakhs, as compared with Rs. 143.59 lakhs for 1956. But the gross profit for the year under review at Rs. 10.13 lakhs does not compare too unfavourably with Rs. 10.39 lakhs for the previous year. This was possible on account of the fall in expenses from Rs. 128.64 lakhs in 1956 to Rs. 122.53 lakhs. The net profit, after paying Managing Agents' commission and providing for depreciation and taxation, however, stands lower at Rs. 3.58 lakhs, as against Rs. 4.95 lakhs for the previous year. The provision for depreciation has been raised from Rs. 4.53 lakhs to Rs. 4.92 lakhs. A sum of Rs. 1.13 lakh has been provided for taxation, inclusive of Rs. 43,000 for wealth tax, as against only Rs. 38,350 for wealth tax in the previous year. No amount has been transferred to the reserves, whereas a sum of Rs. 3 lakhs was credited to machinery reserve a year ago. The dividend on ordinary shares has been kept unchanged at 6 per cent. This has taken up Rs. 2.40 lakhs. The dividend on preference shares costs Rs. 5,197. The sum left to be carried forward is higher at Rs. 1.93 lakh, as against Rs. 84,849 brought in.

The Company is going ahead with the development of its wagon building plant at Mokameh, Bihar, where, in addition to railway wagons and B.G. railcoach underframes, the plant will have a capacity to fabricate steel structurals to the extent of 9,000 tons per annum. A piece of land measuring approximately 40 acres has been acquired for the Company by the Government of Bihar. The plant and equipment for the wagon building plant has been ordered, for which the Government of India has granted necessary import licences. The plant and equipment are expected to reach the site early in 1959 and the project is expected to be completed by the end of 1959.

The Company's paid-up capital amounts to Rs. 41.74 lakhs, of which Rs. 40 lakhs are in ordinary shares of Rs. 10 each and the balance in 6 per cent. tax-free cumulative preference shares of Rs. 100 each. It is noteworthy that its reserves and surplus at Rs. 41.40 lakhs are more than equal to the ordinary capital. There is a small debenture liability of Rs. 5 lakhs carrying interest at 5½ per cent. In addition, there are current liabilities of the order of Rs. 148.49 lakhs, of which provision for taxation accounts for Rs. 5.65 lakhs. The gross block of Rs. 83.14 lakhs, including Rs. 6.41 lakhs by way of additions, has been written down to Rs. 45.45 lakhs. Current asse's aggregate Rs. 188.65 lakhs, exclusive of Rs. 2.54 lakhs representing patent fees which are being written off every year.

The Company has been a steady dividend-payer. It paid 15 per cent. per annum for six consecutive years from 1950 to 1955. In the latter year, it expanded its capital by Rs. 30 lakhs through issue of new shares. The new capital has been used for financing expansion in the Company's manufacturing capacity, which has not yet started yielding results. When it does, the profits are bound to expand. It is, therefore, reasonable to assume that, in the years to come, the Company should be able to step up the dividend steadily. The Company is engaged in the manufacture of textile machinery, tea machinery, railway carriage and wagon components, signal lever frames and interlocking material, forgings and drop-stampings of all kinds. Repetition machine work and gear-cutting-castings in cast iron and non-ferrous metals are also produced. Besides the new factory at Mokameh in Bihar, the Company has its original works at Titaghur close to Calcutta.

At the time of writing, the Rs. 10 paid-up shares of the Company are being quoted at Rs. 11, at which rate the yield is 5.45 per cent. Considering the strong reserve position and the possibility of growth in profits in the coming years, the yield does not seem to be unattractive. It may be noted that, early in October last, that is, before the share markets began to take a downward turn, this scrip was quoted at Rs. 13.

RESULTS OF CONSOLIDATED COFFEE

DIVIDEND HALVED—FINANCES STRONG

LIKE some of its confreres, the Consolidated Coffee Estates (1943) Ltd. (Managing Director: Mr. R. C. Paterson, Pollibetta, Coorg) also has reported adverse results for its latest accounting year, namely, the year ended 30th June 1958. There was a substantial fall in the output of coffee and with lower price realisation, rendered worse by higher expenses, the Company's profits have experienced a sharp drop from the record level reached in the previous year. The value of coffee sold during 1957-58 declined sizably by Rs. 38.25 lakhs to Rs. 75.07 lakhs. The value realised on coffee sales was at Rs. 2.25 per point, as against Rs. 2.50 in the previous year, though it is anticipated that the final payment may be slightly in excess of this figure. The coffee crop was lower by 717 tons at 2,462 tons.

The gross profit at Rs. 38.74 lakhs is less than half of the record profit of Rs. 78.26 lakhs for the previous year. As a result of this fall, the upward trend in the Company's gross profit which had continued during the previous four years in succession has suffered a break. A redeeming feature, perhaps, is that the year's gross profit is a shade higher than the previous best at Rs. 38.59 lakhs earned in 1955-56. A fall in profit naturally means lower income for the Government. Accordingly, the provision for taxation has been reduced from Rs. 29.36 lakhs to Rs. 15.12 lakhs. This provision consists of Rs. 11.40 lakhs for agricultural and wealth tax, as against Rs. 26.75 lakhs last year, and Rs. 3.72 lakhs for Indian income-tax, as against Rs. 2.61 lakhs. The provision for depreciation, however, has been raised from Rs. 2.01 lakhs to Rs. 4.37 lakhs. After these essential provisions, the net profit amounts to a mere Rs. 15.88 lakhs, as compared with Rs. 39.75 lakhs earned a year ago.

Consequent on the fall in profit, the amount allocated to general reserve has been substantially cut from Rs. 10 lakhs to Rs. 1.50 lakh. Likewise, the dividend to ordinary shareholders has been halved to 20 per cent. from 40 per cent. for 1956-57, to which level it had been doubled from the same rate, namely, 20 per cent., paid for 1955-56.

The Company's progress during the past four years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Value of crop—				
Coffee	75.07	1,13.32	67.53	55.89
Pepper	1.98	0.85	1.78	3.80
Other produce	4.10	3.27	3.74	2.47
Profit on previous season's stocks	15.98	13.45	7.46	6.89
Other income	25 20	26 28	17.58	5.50
Closing stock	0.93	1.13	0.81	1.80
Estate and other expenditure	83 40	79.23	59.36	46.78
Gross profit	38.74	78.26	38.59	27.28
Commission to Managing Director, management, etc.	3.37	7.14	3.17	1.88
Depreciation	4 37	2.01	4.59	4.06
Taxation	15 12	29 36	10.70	5.59
Net profit	15 88	39.75	20.13	16.04
Provisions written back	0 67	..	..	..
To reserves	1.50	10.00	6.00	6.00
Dividends—				
6 per cent. preference	1.12	1.12	1.12	1.12
Ordinary	14.31 (20%)	28.62 (40%)	14.31* (20%)	10 73 (22½%)
Carry forward	0.75	1.13	1.12	2.43
Output of—				
Coffee (tons)	2,462	3,179	2,096	1,903
Pepper (tons)	96	47	77	101
Cardamoms (maunds)	457	354	418	310

* On the increased capital of Rs. 71.55 lakhs.

It will be observed that, though the results for 1957-58 compare unfavourably with those for 1956-57, they are as good as those for 1955-56. For an agro-industry like coffee, it will not be fair to make comparisons only with the best year. If right conclusions about the performance of the Company are to be drawn, it will be necessary to view its latest results against the background of those for a period of a few years. Such a study will show that there is no cause for dissatisfaction with the results for 1957-58. In fact, the net profit would have been better than it has been but for the higher incidence of taxation. A comparison of the tax provision for 1957-58 with that for 1955-56 will show that it is 50 per cent. higher, though the gross profits for both the years are practically the same.

The Company's estate consists of 10,608 acres. Of these, the area under coffee is 7,052 acres (arabica 4,449 acres and robusta 2,603 acres). Of the balance, 108 acres are devoted to oranges, 154 acres to cardamoms, 596 acres to rice lands and 41 acres to plantain and other fruits. Reserve lands account for 2,657 acres.

The Company's works at Kushalnagar cured 2,745 tons of coffee during the year under review, as against 2,741 tons in the previous year.

The Company's financial position as disclosed by its balance-sheet as at 30th June 1958, is impressive. It has a paid-up capital of Rs. 90.30 lakhs, made up of 75,000 six per cent. tax-free cumulative preference shares of Rs. 25 each and 715,500 ordinary shares of Rs. 10 each. This is supplemented by reserves and surplus aggregating Rs. 58.45 lakhs, of which the general reserve alone accounts for Rs. 51.75 lakhs. During the year under review, the Company redeemed debentures amounting to Rs. 10 lakhs in full. It has, therefore, transferred the sum of Rs. 4 lakhs which was in the debenture redemption fund to the general reserve. There was an addition of Rs. 18.46 lakhs to the gross block during the year, bringing its total value to Rs. 142.78 lakhs. This has been written down to a book value of Rs. 111.83 lakhs. The current liabilities amount to Rs. 77.93 lakhs and include a provision of Rs. 44.84 lakhs for taxation. As against these, there are current assets aggregating Rs. 114.85 lakhs. Of the latter, cash and bank balances alone amount to Rs. 19.72 lakhs.

The Rs. 10 fully paid up ordinary shares of the Company are currently quoted at Rs. 24.65 *cum-div.* On an *ex-div.* basis and on the basis of the dividend for the year under review, the shares provide a yield of 8.8 per cent. per annum.

As for the outlook, the following quotation from the Chairman's speech will give an idea:

"As disclosed in the Directors' report, we had estimated as our coming crop, a crop of 2,600 tons made up of 1,750 tons of Arabica and 850 tons of Robusta. At the time of the report we had anticipated these estimates would be firm. Unfortunately, during the last week of November the whole of Coorg district suffered from monsoon, if not cyclonic conditions, and this has resulted in serious fall of crop. Some of this will, undoubtedly, be gathered as gleanings when we have finished picking, but, of course, a great deal will likewise have been lost.

"It is impossible at this juncture to give an accurate estimate but it would appear that the loss in the Arabica crop may well be in the neighbourhood of 10 per cent. It is, however, possible that what is lost in Arabica may to some extent be made up in Robusta, which looks as if it may slightly exceed our original estimates. What is one man's meat, however, is another man's poison, and the rains, although harmful to our current harvest, will undoubtedly benefit next season's output. The new wood on the trees was already substantial and there has been additional growth following that week of monsoon conditions. The coffee is looking well and general expectation for 1959-60 are for another most substantial crop, although in agriculture where so much is dependent on the variance of the weather, it would be indeed rash to make any definite forecast."

Industrias Kaiser Argentina, Buenos Aires, an affiliate of Willys Motors, Inc., U.S.A., has announced that it would begin the manufacture of a new small passenger car in Argentina next year. The new car will have the world-famous Alfa Romeo, four-door sedan body (1900 series) and an IKA four-cylinder engine and mechanical components.

At the present time, IKA is building universal Jeeps, Jeep station wagons, Jeep pickup trucks and the Kaiser Carabela passenger car. The Carabela is a six-cylinder, five-passenger, standard size vehicle comparable to the 1955 Kaiser Manhattan.

It was announced simultaneously that an agreement had been signed between IKA, Willys Motors and Alfa Romeo, SPA, Milan, Italy, licensing IKA to manufacture the Alfa Romeo four-door sedan body at its plant in Cordoba, Argentina. The new car, which has not yet been named, will weigh approximately 2,200 pounds.

Production of the IKA small car will begin in October 1959 and the Company expects to build 1,350 units before the end of that year. A tentative schedule of 16,500 small vehicles has been set for 1960.

IKA, which has pioneered the manufacture of motor vehicles in Argentina, expects to further expand its production of Jeep vehicles and Carabela passenger cars in 1959. It has a tentative schedule of 32,500 Jeep vehicles and 3,500 Carabelas for next year.

RAJAGIRI RUBBER REPEATS DIVIDEND

PROFIT OF INDIAN VEGETABLE PRODUCTS LOWER

Rajagiri Rubber and Produce Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey, Kerala State) present the audited accounts of the Company for the year ended 30th June 1958.

The total estimated crop for the year under report was 5,70,000 lbs. rubber from Rajagiri and 8,00,000 lbs. from Shaliacary (total 13,70,000 lbs.) to be produced at an average cost of 74 nP per pound. The actual crop harvested was 14,10,177 (13,89,753) lbs., viz., 5,63,500 lbs. on Rajagiri and 8,46,677 lbs. on Shaliacary at an average estate cost of 77 (71.42 cents per pound) nP per pound. The average sale price realised was Re. 1.51 per pound as compared to Re. 1.50 for the previous year.

After providing Rs. 4,50,000 (Rs. 6,10,000) for taxation and after adjusting Rs. 1,01,250 (Rs. 1.35,000) towards interim dividend paid at 7½ (10) per cent. on the equity shares and Rs. 1,35,600 (Rs. 1,35,600) towards the dividend of 6 per cent. on preference shares for the year, a balance of Rs. 2,03,080 (Rs. 59,217) is available. This, together with the balance brought forward of Rs. 12,299 (Rs. 8,082) and Rs. 9,036 (Rs. 80,000 from dividend equalisation fund) transferred from reserve for Kuthakapattom land aggregating Rs. 2,24,414 (Rs. 1,47,299) is recommended to be disposed of as under:

To proposed final dividend of 12½ (10) per cent. [making 20 (20) per cent. for the year] on equity shares absorbing Rs. 1,68,750 (Rs. 1,35,000), to transfer to rehabilitation reserve Rs. 15,000 (*nil*) and to carry forward Rs. 40,664 (Rs. 12,299).

Estimate for 1958-59.—A total crop of 13,70,000 (13,70,000) lbs. of rubber—5,70,000 (5,70,000) lbs. from Rajagiri and 8,00.000 (8,00,000) lbs. from Shaliacary—is estimated to be harvested during 1958-59 season at an average cost of 80 nP per pound. The capital expenditure for the year is estimated at Rs. 1,26,900.

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

The directors would like to express their appreciation and satisfaction of the work of the Managing Agents and Superintendents and staff of the Company for the satisfactory results achieved during another year of successful working.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,10,000	Gross block	46,47,820
Reserves ...	8,36,102	*Less*—Depreciation ...	4,23,094
Provision for taxation ...	9,48,401		
Liabilities ...	5,79,752	Net block ...	42,24,726
Profit and loss account ...	40,664	Stock-in-trade	1,46,009
		Stores, etc.	1,08,620
		Debts, deposits and advances ...	1,86,691
		Investments	10,000
		Cash ...	13,38,873
Rs.	60,14,919	Rs.	60,14,919

Indian Vegetable Products Ltd.

The directors of the above Company (Managing Agents: Messrs. Forbes, Forbes Campbell & Co. Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September 1958.

The results for the year show a profit of Rs. 4,86,482 (Rs. 7,20,006) but after providing for bonus to staff amounting to Rs. 27,000 (*Rs. 50,000*), depreciation Rs. 52,949 (Rs. 45,888), development reserve Rs. 15,676 (*nil*) and taxation Rs. 2,33,000 (Rs. 3,92,000) there is left a balance of Rs. 1,57,857 (Rs. 2,32,118). To this amount has to be added excess provision for previous years written back of Rs. 55,000 (*nil*) and the balance brought forward from 1957 of Rs. 3,693 (Rs. 8,325) making available a sum of Rs. 2,16,550 (Rs. 2,40,443). From this amount the directors recommend the payment of a dividend of Rs. 10 (Rs. 10) per share, free of income-tax, which will absorb (Rs. 2.11,750 (Rs. 2.11,750) leaving a balance to be carried forward of Rs. 4.800 (Rs. 3,693).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,17,500	Gross block	27,14,482
Reserves ...	4,90,964	*Less*—Depreciation ...	20,30,370
Provision for taxation ...	2,08.457		
Liabilities ...	18,38,910	Net block ...	6.84,112
Profit and loss account ...	4,800	Stock-in-trade	17,35,681
		Stores ...	5,64,321
		Debts, deposits and advances ...	15,30,328
		Investments	79,164
		Cash ...	67,025
Rs.	46,60,631	Rs.	46,60,631

Western Bengal Coalfields, Ltd.

The directors of the above Company (Managing Agents: Hindusthan Investment Corporation Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1958.

The profit for the year before charging depreciation and taxation amounts to Rs. 7,54,443 (Rs. 5,28,489) from which are deducted provision for income-tax Rs. 1,25,000 (Rs. 53,928), provision for cess charges Rs. 1,04,500 (Rs. 49,000) and provision for depreciation Rs. 3,06,115 (Rs. 2,15,308) leaving a balance of Rs. 2,18,828 (Rs. 2,10,253) which, together with the balance brought forward from last year of Rs. 11,543 (Rs. 7,262) makes a total of Rs. 2,30,371 (Rs. 2,61,443 after including Rs. 43,928 being provision for taxation not required). Out of this after transferring to development reserve Rs. 22,500 (*nil*), there remains a balance of Rs. 2,07,871 (Rs. 2,61,443). The directors recommend payment of dividend at the rate of 40 (50) nP per share, absorbing Rs. 1,99,920 (Rs. 2,49,900) leaving a balance to be carried forward to the next year's account of Rs. 7,951 (Rs. 11,543).

As required by the New Finance Act, the directors have created a new reserve called "Development Reserve" to which has been credited 75 per cent. of the estimated amount of development rebate in respect of additions to plant and machinery during the period 1st January 1958 to 31st March 1958.

Raisings.—Total raisings for the year were 2,27,205 (1,98,893) tons and despatches 2,14.421 (2,02,320) tons. Occurrence of the fire in Pit Nos. 3 and 4 of the Samla *Manderboni Colliery* was mentioned in the directors' last report. This fire caused no small setback to the working of the Company during the year because of the heavy loss of revenue that was involved due to the subsequent closure and sealing of these pits. Permission from the Mines Department for the re-opening of these pits was received very recently. The pits have now been re-opened and necessary reclamation work is being carried out. It is hoped that these pits would reach normal production in another few months' time.

Depillaring operations were commenced at the Moira Colliery with satisfactory results. Workings at this colliery of the Company were and continue to be satisfactory.

Various changes in the cost structure of the coal industry were referred to in the last report. The excessive increase in cost of production due to these changes is being very acutely felt by the coal industry, but unfortunately the coal Price Revision Committee has not yet submitted its report and hence the revision of coal prices has been delayed. The industry is keenly awaiting the recommendations of the Committee.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	49,98,000	Gross block	70,81,423
Reserves ...	89.284	*Less*—Depreciation ...	27,21,423
Provision for taxation ...	1,78,928		
Provision for wealth tax	25.000	Net block ...	43,60.000
Liabilities ...	18,13,942	Stock of coal	83,051
Profit and loss account ...	7,951	Stores, etc.	4,67,987
		Debts, deposits and advances ...	16,79,670
		Investments	1,49,943
		Cash ...	3,72,454
Rs.	71,13,105	Rs.	71,13,105

United Breweries Ltd.

The directors of the above Company (Chairman: Mr. Vittal Mallya, Bangalore) submitted the audited accounts of the Company for the 43rd year ended on 31st March 1958.

The working of the Company for the year under review resulted in a profit of Rs. 3,83.566 (Rs. 1,21,343). To this is added the unappropriated profit brought forward from the previous year of Rs. 6.022 (Rs. 4,679) making a total of Rs. 3,89,588 (Rs. 1,26,022). The directors have paid an interim dividend at Rs. 7.50 (Rs. 7.50) per share, without any deduction for income-tax payable by the Company, on 31st March 1958, absorbing Rs. 60,000 (Rs. 60,000) and transferred to development rebate reserve Rs. 20,100 (*nil*) leaving an available balance of Rs. 3,09,488 (Rs. 66,022). The directors now propose the payment of a final dividend at Rs. 37.50 (Rs. 7.50) per share, without any deduction for income-tax payable by the Company, in the following manner: Rs. 12.50 per share in cash, which will absorb Rs. 1,00,000 (Rs. 60,000) and Rs. 25.00 (*nil*) per share by the allotment of one newly created share, which will absorb Rs. 2,00,000 (*nil*) leaving a balance of Rs. 9,488 (Rs. 6,022) which the directors recommend to be carried forward to the next year. The directors further recommend that each of the newly created shares of Rs. 25 fully paid allotted by way of dividend be consolidated with each of the existing shares of Rs. 75 fully paid so as to make the capital of the Company Rs. 8,00,000 consisting of 8,000 shares of Rs. 100 each fully paid.

Operations.—The demand for the Company's products remained at a high level throughout the year under review and but for the difficulties experienced in obtaining licences for the import of basic raw materials, the turnover would have been considerably higher. The prospects continue to remain very satisfactory.

Subsidiary Company.—The dividend on the equity share capital recommended by the directors of the subsidiary Company will be received and taken into account during the current year. The directors of the subsidiary Company are issuing 760 equity and 704 preference shares of Rs. 100 each, being the balance of the authorised capital of the subsidiary Company, and these have been offered in the first instance to the Company as the holders of the entire equity capital of the subsidiary pursuant to Section 81 of the Companies Act, 1956. The directors propose to accept the offer in respect of the equity shares and renounce the Company's rights in respect of the preference shares in favour of such persons as may be interested in purchasing them.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block	30,85,103
Reserves ...	9,80,100	*Less*—Depreciation ...	26,85,097
Provision for taxation ...	3,73,897		
Liabilities ...	14,46,678	Net block ...	4,00,006
Profit and loss account ...	9,488	Stock-in-trade	11,95,991
		Stores and spare parts	49,982
		Debts, deposits and advances ...	1,70,977
		Investments	15,61,805
		Cash ...	31,402
Rs.	34,10,163	Rs.	34,10,163

Bombay Safe Deposit Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Forbes, Forbes Campbell & Co. Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September 1958.

The results for the year show a profit of Rs. 70,443 (Rs. 74,507) but after providing for bonus to staff amounting to Rs. 4,500 (Rs. 4.500), staff gratuity Rs. 2,725 (Rs. 2,500), depreciation Rs. 1,302 (Rs. 3,322) and taxation Rs. 30,500 (Rs. 41,500 there is left a balance of Rs. 31,416 (Rs. 22,685). To this amount has to be added the balance brought forward from 1957 of Rs. 324 (Rs. 339) making available a sum of Rs. 31,740 (Rs. 31.524 which includes Rs. 8,500 transferred from reserve fund). From this amount the directors recommend the payment of a dividend of Rs. 26 (Rs. 26) per share, free of income-tax, which will absorb Rs. 31,200 (Rs. 31,200) leaving a balance to be carried forward of Rs. 540 (Rs. 324).

The deposit was well patronised during the year under review and income from rentals was almost maintained at last year's level.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,40,000	Gross block	5,83,807
Reserves ...	63,857	*Less*—Depreciation ...	4,27,487
Provision for taxation ...	31,604		
Liabilities ...	1,36,174	Net block ...	1,56,320
Profit and loss account ...	540	Investments	2,61,464
		Loans and advances	16,975
		Cash ...	37,416
Rs.	4,72,175	Rs.	4,72,175

Rajendra Coffees Ltd.

The directors of the above Company (Managing Agents: The Associated Planters Private Ltd., Balehonnur) submitted the audited accounts of the Company for the year ended 31st March 1958.

The result of the Company's working for the period under review shows a profit of Rs. 1,75,537 (Rs. 1,32,874) and after making provisions for depreciation written off Rs. 7,768 (Rs. 6,190), Company's contribution to provident fund Rs. 1,948 (Rs. 1,861) and debenture interest and income-tax payable thereon of Rs. 8,029 (Rs. 10,272), there is left a net profit of Rs. 1,57,792 (Rs. 1,14.551). To this amount is to be added a sum of Rs. 31,341 (Rs. 24,290) being the last year's balance brought forward making a total of Rs. 1,89,133 (Rs. 1,38,841). The directors have transferred to agricultural income-tax reserve and other taxes Rs. 43.000 (Rs. 46,000) and to general reserve Rs. 20,000 (*nil*) leaving for appropriation a sum of Rs. 1,26,133 (Rs. 92,841). The directors recommend payment of a dividend at 6 per cent. tax-free on 10.000 preference shares absorbing Rs. 6,000 (Rs. 6,000), a dividend at 5½ per cent. tax-free on 10.000 redeemable preference shares absorbing Rs. 5,500 (Rs. 5 500) and a dividend at 40 (25) per cent. tax-free on 40.000 ordinary shares absorbing Rs. 80,000 (Rs. 50,000), leaving a balance of Rs. 34,633 to be carried forward to next year.

The estimated agricultural income-tax and other taxes for 1957-58 are Rs. 43.000 and the directors have transferred a sum of Rs. 43.000 to agricultural income-tax reserve to meet the contingent liability.

Working.—The directors feel that the working results for the year ending 31st March 1958 have been quite satisfactory. As against a profit for the year ending 31st March 1957 Rs. 1,14,551 the profit and loss account for the year ended 31st March 1958 shows a sum of Rs. 1,57,792. The general condition of the estate has improved as may be noted from the estimated crop for the coming year. The Horikhan Estate has been sold. The expenses for the year incurred on the above estate have not been included in profit and loss account since the expenses incurred were reimbursed by the purchaser of the Horikhan Estate.

Crop.—The coffee crop realised for the year under review was 123 (82) tons robusta against the estimate of 120 tons robusta.

The coffee crop estimate for the year 1958-59 is 147 tons robusta and one ton arabica. The average cultivation cost of coffee per acre is Rs. 337.32.

As per the agreement signed by the representatives of the Planters' Association in Mysore and the Estate Staffs' Union of South India, the Company revised the salary and the scale of the estate staff and implemented the other terms of the agreement with effect from 1st July 1957.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Gross block	5,01,534
Reserves ...	2,02,000	*Less*—Depreciation ...	34,190
Provision for agricultural income-tax	1,23,032	Net block ...	4,67,344
Liabilities ...	1,79,610	Stock of coffee	2,66,351
Profit and loss account ...	34,633	Stock of cardamom ...	3,696
		Stores ...	12,761
		Debts, deposits and advances ...	76,040
		Investments	1,00,250
		Cash ...	12,833
Rs.	9,39,275	Rs.	9,39,275

Teekoy Rubbers (India) Ltd.

The directors of the above Company (Managing Agents: East India Agencies Private Ltd., Palai, Kerala State) submitted the audited accounts of the Company for the year ended the 31st March 1958.

The area of the Company's Estate remains unchanged at 1,178 acres seedling rubber, 276 acres budded rubber and 416 acres reserve land. In pursuance of the replanting programme mentioned in our previous report, 85 acres of the seedling area were replanted with high yielding clones during the year under the Rubber Board's subsidised replanting scheme. Sanction from the Board has also been received for the replanting of another area of 85 acres in 1959. Under the Scheme, the Company gets from the Board a subsidy of Rs. 250 per acre spread over seven years which is the period required for a plant to begin yielding. The total expenditure on replanting per acre for the seven-year period is estimated at Rs. 1,300. It is proposed to continue the replanting programme as far as possible. The amounts under the general reserve, reserve for doubtful debts and the debenture redemption fund (less Rs. 1,29,600 being the amount of outstanding debentures) have been transferred to a replacement reserve, to which is charged the replanting expenditure during the year.

The net profit for the year, after meeting all working expenses and charges and the replanting expenditure of Rs. 27,182 incurred in the year, is Rs. 1,48,070 (Rs. 1,61,918). This amount together with Rs. 9,940 (Rs. 8,472) brought forward from the previous year and Rs. 27,182 (*nil*) brought down from replacement reserve makes available a total of Rs. 1,85,192 (Rs. 1,70,390). Out of this, the directors have paid the dividend on preference shares for the year ended the 31st March 1958 amounting to Rs. 36,000 (Rs. 36,000) and provided for taxes Rs. 72,500 (Rs. 64,450). The balance Rs. 76,692 (Rs. 69,940) may be allocated as under:—

To dividend on ordinary shares at 6 (6) per cent. absorbing Rs. 60,000 (Rs. 60,000) and to carry forward Rs. 16,692 (Rs. 9,940).

The crop obtained during the year is 4,40,602 (4,01,436) lbs. rubber. This is in excess of the previous year's figure by 39.166 lbs. The Estate cost per 100 lbs. rubber is Rs. 94 (this does not include expenditure on replanting) compared to Rs. 97 in the previous year. But for the increased crop, the average Estate cost would have gone up on account of the additional charges the industry had to meet in the year such as Provident Fund benefits to labour from the 30th April 1957, enhancement of salaries and allowances to staff with retrospective effect from the 24th October 1956, increased wages to labour from the 1st November 1957, etc. The average net price obtained for rubber is Rs. 151.50 per 100 lbs., as against Rs. 154 in the previous year.

The amount of debentures at present outstanding is Rs. 1,27,600. In accordance with the terms of issue, this amount has to be paid off on the 31st March 1959.

The price of rubber in India continues to be fixed at Rs. 155.75 per 100 lbs. Since the last fixation of price in September 1955, there has been substantial increase in costs of production which warrant a revision in price.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Gross block	22,50,914
Debentures ...	1,29,600	*Less*—Depreciation ...	1,70,646
Reserves ...	2,74,418		
Provision for taxation ...	1,36,513	Net block ...	20,80,268
Liabilities ...	2,16,086	Stock-in-trade	54,345
Profit and loss account ...	16,692	Stores, etc. ...	36,220
		Debts, deposits and advances ...	36,427
		Investments	10.653
		Cash ...	1,55,396
Rs.	23,73,309	Rs.	23,73,309

Pulgaon Cotton Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Hardayal Sons, Bombay) submit the audited accounts of the Company for the year ended 30th June 1958.

The working of the mills in the year has resulted in a loss of Rs. 1,97,964 (profit of Rs. 5,91,026 out of which provision for depreciation amounted to Rs. 5,06,222. The balance of Rs. 84,804 along with the amount brought forward from 1955 of Rs. 1.099 made a total of Rs. 85,903. From this, ordinary dividend at 50 nP per share, absorbed Rs. 75,000, leaving a balance to be carried forward of Rs. 10,903) exclusive of depreciation.

The difficulties through which textile mills producing medium counts are passing is well known. The mills mainly produce medium counts depending on cotton available in the vicinity. Added to the adversity there had been a most unfortunate and ill-conceived strike of over two months by labour. In view of these circumstances and in comparison with the results of several other mills, the directors are happy to state that the Company has steered fairly well out of the crisis mainly because of very careful purchases, sales and working of the mills. The crisis is not yet over and still further efforts have to be made to avoid losses in the coming year and the directors are endeavouring to do their best to meet the situation. A dividend cannot be declared for the year, which was being continuously given except for two in last twenty years of the Company.

By a resolution dated the 23rd April 1952, the lands, buildings and plant and machinery belonging to the Company were written up by Rs. 15,00,000 being the estimated appreciation in their values. On recent reconsideration the Board has decided to write down these assets. A sum of Rs. 1,100 to the debit of goodwill account was adjusted against the appreciation of Rs. 50,000 allocated to the appreciation in lands, as such Rs. 48,900 have now been written off against lands, Rs. 4,50,000 against buildings and Rs. 10,00,000 against plant and machinery. This write-off was done as the Board felt it necessary, having regard to the uncertain condition of the textile trade leading to the value of the block as a whole depreciating to the extent the same had appreciated in 1952.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Gross block	52,17,806
Reserves ...	14.975	*Less*—Depreciation ...	30,28,449
Taxation reserve ...	9,281		
Liabilities ...	79,86,689	Net block ...	21,89,357
		Stock-in-trade	55,60,912
		Stores and spare parts, etc. ...	5,72,483
		Debts, deposits and advances ...	4,03,801
		Investments	10,133
		Cash ...	2,40,296
		Profit and loss account ...	5,33,963
Rs.	95,10,945	Rs.	95,10,945

Dibrugarh Co., Ltd.

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

The season's working resulted in a profit, after providing for depreciation, of Rs. 3.81,530 (Rs. 4,56,139) to which must be added unclaimed labour bonus written back Rs. 8,733 (*nil*) and the balance of profit brought forward from 1956 of Rs. 33,396 (Rs. 53,921) making a total of Rs. 4,23,659 (Rs. 5,10,060). From this amount must be deducted—adjustment account Rs. 16,634 (Rs. 3,861), bad debts written off Rs. 379 (Rs. 717 being stores written off), provision for taxation Rs. 1,54,000 (Rs. 1,57,807) and provision for wealth tax Rs. 5,000 (*nil*) leaving a balance of Rs. 2,47,646 (Rs. 3,18,396 after providing Rs. 29,279 for labour bonus). From this balance the directors have set aside to general reserve Rs. 25,000 (*nil*) and to buildings and machinery reserve Rs. 74,000 (Rs. 1,50,000) leaving an available balance of Rs. 1,48,646 (Rs. 1,68,396) which, the directors recommend, should be dealt with as follows:—

In payment of a dividend for the year ended 31st December 1957, at the rate of Rs. 2.50 (Rs. 3.00) per ordinary share on 45,000 ordinary shares, absorbing Rs. 1,12,500 (Rs. 1,35,000) leaving to be carried forward Rs. 36.146 (Rs. 33,396).

Crop.—The saleable crop weighed out at 6,832 maunds against an estimate of 7,200 maunds and was disposed of at an average price of Rs. 2.73 nP per lb. The usual comparative statement for previous seasons is given below:—

Season	Crop	Avg. Price per lb.
	Mds.	Rs.
1956	7,323	2.64
1955	7,245	2.37
1954	7,222	3.26
1953	6,233	2.09

The revised estimate for season 1958 provides for a saleable crop of 8,000 maunds at a total revenue expenditure of Rs. 9,90,000.

The smaller crop made in 1957, was mainly due to adverse weather conditions.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,50,000	Gross block ...	11,35,651
Reserves ...	9,75,000	*Less*—Depreciation ...	3,08,766
Provision for taxation ...	3,22,777		
Liabilities ...	7,20,150	Net block ...	8,26,885
Profit and loss account ...	36,146	Work-in-progress ...	1,32,168
		Stock of tea ...	4,96,256
		Stores, etc. ...	2,30,392
		Debts, deposits and advances ...	4,88,312
		Investments	58,482
		Cash	2,71,578
Rs.	25,04,073	Rs.	25,04,073

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

COMPANY MEETINGS AND DIVIDENDS

INDIAN VEGETABLE PRODUCTS LTD. Annual General Meeting, Bombay, 15th January 1959. Dividend: Rs. 10.00 per share, free of tax, payable on and after 19th January 1959. Transfer books were closed from 22nd December 1958 to 5th January 1959, both days inclusive.

JAM SHRI RANJISINGHJI SPG. AND WVG. MILLS CO., LTD. Annual General Meeting, Bombay, 19th January 1959. Dividend: *Nil.* Transfer books remain closed from 10th to 19th January 1959, both days inclusive.

SHEVEROY ESTATES LTD. Annual General Meeting, Kannankurichi, Salem, 24th January 1959. Dividend: 7½ per cent. or 15 nP per share. Transfer books will remain closed from 18th to 24th January 1959, both days inclusive.

KEMP AND CO., LTD. Annual General Meeting, Bombay, 28th January 1959. Dividend: Rs. 15.00 per share, payable on or after 28th January 1959. Transfer books will remain closed from 22nd to 28th January 1959, both days inclusive.

SIJUA (JHERRIAH) ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 29th January 1959. Dividend: Re. 0.68 per share, payable on or after 9th February 1959. Transfer books will remain closed from 19th to 29th January 1959, both days inclusive.

LOYAL TEXTILE MILLS LTD. Annual General Meeting, Kovilpatti, 2nd February 1959. Dividend: *Nil.* Transfer books will remain closed from 27th January to 2nd February 1959, both days inclusive.

CUTTACK ELECTRIC SUPPLY CO., LTD. Dividend of Re. 0.65 per share, for the year ended 31st March 1958. Transfer books were closed from 30th December 1958 to 6th January 1959, both days inclusive.

BISHNAUTH TEA CO., LTD. Dividend of 10 per cent. or Re. 1.00 per share, for the year ended 31st December 1957.

EAST INDIA TEA CO., LTD. Dividend of 5 per cent. or Re. 0.50 per share, for the year ended 31st December 1957.

RAMPUR DISTILLERY AND CHEMICAL CO., LTD. Dividend of 3 per cent. on ordinary shares, for the year ended 31st March 1958, payable on or after 14th January 1959.

MYSORE COFFEE CURING WORKS LTD. Interim dividend of 5 per cent. or Re. 0.50 per share, for the year ended 30th June 1958. Transfer books remain closed from 5th to 15th January 1959, both days inclusive.

MARIKAR (MOTORS) LTD. Dividend of 9 per cent. or Rs. 4.50 per share, for the year ended 31st March 1958.

TEXTOOL CO., LTD. Dividend of 12 per cent. or Rs. 12.00 per share, for the year ended 30th April 1958. Transfer books will remain closed from 16th to 30th January 1959, both days inclusive.

SPENCER AND CO., LTD. Final dividend of 10 per cent. or Re. 1.00 per share, for the year ended 30th June 1958. Transfer books remain closed from 10th to 17th January 1959, both days inclusive.

NATIONAL INSULATED CABLE CO. OF INDIA LTD. Dividend of Rs. 2.50 per share, for the year ended 31st March 1958. Transfer books were closed from 17th to 30th December 1958, both days inclusive.

BRITANNIA ENGINEERING CO., LTD. Dividend of 6 per cent. or Re. 0.60 per share, for the year ended 31st December 1957, payable on or after 15th January 1959. Transfer books were closed from 16th to 30th December 1958, both days inclusive.

SUTLEJ COTTON MILLS LTD. Dividend of Rs. 6.00 per share, for the year ended 31st March 1958. Transfer books were closed from 15th to 30th December 1958, both days inclusive.

JHANSI ELECTRIC SUPPLY CO., LTD. Dividend of Re. 0.62½ per share for the year ended 31st March 1958. Transfer books were closed from 20th December 1958 to 2nd January 1959, both days inclusive.

CENTRAL PROVINCES RAILWAY CO., LTD. Final dividend of 4¾ per cent. per annum, less income-tax, for the year ended 30th September 1958. Transfer books were closed from 19th December 1958 to 6th January 1959, both days inclusive.

NELLIAMPATHY TEA AND PRODUCE CO., LTD. Dividend of Re. 0.30 per share or 15 per cent. for the year ended 30th June 1958. Transfer books were closed from 25th December 1958 to 8th January 1959, both days inclusive.

PHALTAN SUGAR WORKS LTD. Dividend of Rs. 10.00 per share, for the year ended 30th September 1958, payable on and after 16th January 1959. Transfer books were closed from 22nd December 1958 to 6th January 1959, both days inclusive.

BORREA COAL CO., LTD. Interim dividend of 50 nP per ordinary share, for the year ended 31st December 1958. Transfer books were closed from 15th to 22nd December 1958, both days inclusive.

NEELAMALAI TEA AND COFFEE ESTATES LTD. Dividend of 7½ per cent. for the year ended 30th June 1958. Transfer books will remain closed from 21st to 29th January 1959, both days inclusive.

BOMBAY BURMAH TRADING CORPORATION LTD. Final dividends of Rs. 300 per share, on the original shares, Rs. 15 per share, on the old shares and Rs. 6 per share, on the new shares, for the year ended 31st May 1958. These dividends are payable on and from 23rd February 1959. Transfer books will remain closed from 27th January to 17th February 1959, both days inclusive.

Notices

THE MYSORE KIRLOSKAR LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH Annual General Meeting of the Company will be held on Saturday the 31st January 1959 at 2 p.m. (I.S.T.) at the Registered Office of the Company at Harihar to transact the usual business and also special business, the details of which have been made known to the Shareholders separately by a notice sent along with the Balance Sheet and the Profit and Loss Account and Directors' Report.

The Share Transfer Books and Membership Register shall remain closed from the 25th January 1959 to the 5th February 1959 (both days inclusive).

By Order of the Board,
For THE MYSORE KIRLOSKAR LIMITED,
(Sd.) M. S. VARTAK,
Secretary.

2nd December 1958.

SHAW WALLACE & CO., LTD.

DIVIDEND ON PREFERENCE SHARES

THE DIRECTORS HAVE DECLARED A Second Interim Dividend of 3 per cent., less Income-tax, on the Company's Preference Shares in respect of the year 1958, payable to Members whose names appear in the Preference Share Register on the 15th January 1959. Warrants will be posted on or after that date to the addresses or in accordance with the instructions, recorded in the Company's books.

The Transfer Register of the Preference Shares will be closed from the 8th to the 15th January 1959, both days inclusive.

By Order of the Board,
SHAW WALLACE & COMPANY LIMITED,
D. A. HOUGHTON,
Secretary.

4, BANKSHALL STREET,
CALCUTTA, *23rd December*, 1958.

THE GENERAL INDUSTRIAL SOCIETY LIMITED

Formerly known as

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR

(Societe Anonyme)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE name of the Company has been changed from "Societe Generale Industrielle de Chandernagor (Societe Anonyme)" to "The General Industrial Society Limited," for which due approval has been obtained from the Central Government and a fresh certificate bearing the new name has also been received from the Registrar of Companies, West Bengal and that the Company will henceforth carry on its business under its new name.

KEWAL CHAND BAGRI,
Manager.

8, INDIA EXCHANGE PLACE,
CALCUTTA, *2nd January* 1959.

TEA ESTATE FOR SALE

MESSERS. J. THOMAS WILL SELL BY public auction, unless previously disposed of by private treaty, at their Sale Room, 8 Mission Row, Calcutta 1, on Friday, 30th January 1959, at 11 a.m., under instructions from The Consolidated Tea and Lands Company (India) Limited of Glasgow (owner of Dam Dim Tea Estate) in one lot as a going concern on and from the 1st December 1958.

For the conditions under which the Tea Estate will be sold and arrangements for inspection or further particulars relating to the Tea Estate, intending Purchasers should apply to J. Thomas & Co. Private Limited, 8 Mission Row, Calcutta 1, or Messrs. Fowler & Co., Solicitors, 7 Hastings Street, Calcutta 1, or James Finlay & Co., 2 Netaji Subhas Road, Calcutta 1.

KEMP & COMPANY LIMITED

NOTICE

THE SEVENTY-SEVENTH ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF KEMP & CO., LTD., will be held at the Office of Messrs. H. M. Mehta & Co., Mehta House, Apollo Street, Fort, Bombay, on WEDNESDAY, THE 28TH JANUARY, 1959, at 3-30 p.m. (S.T.) to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1958.
2. To declare Dividend.
3. To elect a Director in place of Shri Murli Tahilram who retires by rotation and being eligible offers himself for re-election.
4. To elect a Director in place of Shri A. A. Jasdenvala who retires by rotation and being eligible offers himself for re-election.
5. To appoint Director in place of Shri D. D. Chothia who was appointed as an Additional Director of the Company by the Board of Directors pursuant to the clause No. 107 of the Articles of Association of the Company and who ceases to hold office under Section 260 of the Companies Act, 1956 but who is eligible for reappointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.
6. To consider and if thought fit to pass the following Resolution as a special Resolution:

   "RESOLVED THAT the Company hereby consents to Mr. M. D. Chothia, B.A., LL.B., (Advocate), a relative of Mr. D. D. Chothia, being employed by the Company as a Deputy Manager at a salary of Rs. 425 per month plus usual Dearness Allowance and other benefits available to the employees of the Company."

7. To appoint Auditors for the current year and to fix their remuneration.

The Register of Members and the Share Transfer Register of the Company will remain closed from 22nd January, 1959, to 28th January, 1959, both the days inclusive.

Note:—

1. A member entitled to attend and vote may appoint a proxy to attend and vote at the Meeting for him. A proxy need not be a member of the Company.

2. The relative explanatory statements pursuant to Section 173 of the Companies Act, 1956 of the special business under item No. 5 and 6 set out above are annexed herewith.

3. If the Dividend on Shares as recommended by the Directors is passed at the Meeting, it will be paid on or after 28th January, 1959, through the Company's Bankers to those Shareholders whose names are on the Company's Register of Members on 28th January, 1959.

By Order of the Board of Directors,
HOMI F. MEHTA,
Director.

BOMBAY, *16th December*, 1958.

ANNEXURE TO THE NOTICE

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

The following explanatory statements as required by Section 173 of the Companies Act 1956 set out all material facts relating to the special business mentioned in the Notice dated 16th December, 1958.

Item No. 5 of the Notice:

Shri D. D. Chothia was appointed as an additional Director in August, 1958 by the Board of Directors under Article No. 107 of the Articles of Association of the Company. Under Section 260 of the Companies Act 1956, he can hold office only upto the date of this Annual General Meeting. As required by Section 257 of the Act, a notice has been received from some members signifying their intention to propose his appointment as a Director. Shri D. D. Chothia is a capable and active business man of repute and experience and it is in the interest of the Company that he should continue to be a member of the Board.

Item No. 6 of the Notice:

Shri M. D. Chothia being a relative of Shri Dickey D. Chothia, a Director of the Company, it is necessary to pass a Special Resolution for his employment, under Section 314 of the Companies Act, 1956. He is a B.A., LLB., of the Bombay University and worked as an Articled Clerk in the firm of Messrs. Mulla & Mulla and Craigie Blunt & Caroe for three years. He has lately been practising as an Advocate. As such his knowledge and experience will be useful to the Company, if he is employed in its service. The Directors have thought fit to employ him as a Deputy Manager at a salary of Rs. 425 per month and the usual Dearness Allowance and other benefits available to other employees will be available to him also. The future increases in his remuneration will be according to the discretion of the Directors. Your Directors commend the Resolution for your approval.

HOWRAH MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors of this Company have today declared the following interim dividends payable to those Members whose names are registered in the Books of the Company on the 31st January, 1959 or to their mandatees.

An Interim Dividend on the Preference Shares at Rs. 3.50 nP. (Rupees three and naye Paise fifty only) per share for the year ending 31st March, 1959.

An Interim Dividend on the 'A' Preference Shares at Rs. 3.50 nP. (Rupees three and naye Paise fifty only) per share for the year ending 31st March, 1959.

An Interim Dividend on the Ordinary Shares at Rs. 0.50 (Fifty naye Paise only) per share for the year ending 31st March, 1959.

The Share Transfer Books of the Company will be closed from the 24th to the 31st January, 1959.

By Order of the Board,
JARDINE HENDERSON LIMITED,
D. SMALLEY,
Chief Accountant,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, *29th December*, 1958.

Kemp and Co., Ltd.

The directors of the above Company (Chairman: Mr. Jal H. Mehta, Bombay) submit the audited accounts of the Company for the year ended 31st March 1958.

The net profit for the year ended 31st March 1958, after providing Rs. 67,562 (Rs. 66,471) for depreciation, Rs. 90,000 (Rs. 88,000) for taxation and Rs. 34,350 (Rs. 34,773) for bonus to staff and workers amounts to Rs. 91,122 (Rs. 94,544). To this is added the amount brought forward from last year of Rs. 15,313 (Rs. 14,719) making a total of Rs. 1,06,435 (Rs. 1,09,263). After adding to this excess of provision for taxation transferred back of Rs. 10,000 (*nil*) there is a total amount available of Rs. 1,16,435 (Rs. 1,13,476 including Rs. 4,213 being surplus provision for bonus in past years written back). The directors recommend appropriation of this amount as follows:—

To distribution of a dividend at Rs. 15 (Rs. 15) per share (Rs. 200 paid up), free of income-tax absorbing Rs. 90,000 (Rs. 90,000) leaving a balance to be carried forward of Rs. 26,435 (Rs. 15,313 after providing Rs. 3,270 for Bombay sales tax for the year 1954-55 and Rs. 4,893 for Inter-State (Bihar) sales tax for the period from April 1953 to September 1955.

The directors consider the provision for taxation as sufficient to meet this liability, and the depreciation on fixed assets as adequate.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	12,00,000	Gross block	25,97,593
Reserves ...	6,23,983	Less—Depreciation ...	13,03,860
Provision for taxation ...	1,96,507	Net block ...	12,93,733
Liabilities ...	15,85,303	Stock-in-trade	11,13,101
Profit and loss account ...	26,435	Goods-in-transit ...	377
		Debts, deposits and advances ...	11,55,335
		Investments	17,544
		Cash ...	57,138
Rs.	36,32,228	Rs.	36,32,228

STRINGENCY IN MONEY

(From Our Own Correspondent)

BOMBAY, *7th January*

The last three weeks under review witnessed extremely stringent conditions in the short-term money market. In the closing weeks of last month, the demand for funds was rather heavy, due to year-end requirements of banks and scarcity of floating funds in the market. Indeed many of the banks had to seek accommodation from the Reserve Bank and the State Bank. The position did not, however, improve since the beginning of the New Year. Contrary to expectations banks continued to be heavy borrowers, with the result that interest rates in the inter-bank call money section hardened further. The rate among the Exchange banks and big Indian banks rose from 2½ per cent. in the second week of December to 3¼ per cent. towards the close of the year. Similarly, the rate among the smaller Indian banks rose from 3 per cent. to 3¼-3½ per cent. These rates continued even after the turn of the year and could be had even at the time of writing. House money at seven days' notice was bid at 3½ to 3¾ per cent., as against 3¼-3¾ per cent., three weeks ago. The rate on short-term deposits too hardened from 3¼-4 per cent. to 3¾-4 per cent. for one to six months, depending upon the period and the amount.

The sale of 91-day Treasury Bills was resumed this week after a break of two weeks. As against an invitation for Rs. 3 crores, the total amount offered was no more than Rs. 3.05 crores. Tenders at Rs. 99.385 were accepted in full. This represented a discount rate of 2.460 per cent. per annum, as compared with 2.445 per cent. in the last sale. In view of the present stringency in the money market, the Reserve Bank has reduced the tenders for next week to Rs. 2 crores. No sales of intermediate Treasury Bills were held during the last three weeks, but the Bank has announced that they will be resumed this week at the fixed rate of Rs. 99.401 per cent. If sales materialise at this rate, it would mean a yield of 2.396 per cent. per annum, as against 2.356 per cent. per annum at the last sale of these bills.

The Reserve Bank of India's statement for the week ended 2nd January 1959 discloses, as compared with that for the previous week, an expansion of Rs. 12.57 crores in notes in circulation and, with this rise, the note circulation has once again crossed, after a lapse of over six months, the Rs. 1,600-crore mark. Notes held in the Banking Department are lower by Rs. 3.31 crores and the net increase of Rs. 9.26 crores in total notes issued is covered by a rise of Rs. 10 crores in rupee securities and a drop of Rs. 74 lakhs in rupee coin. There is no change in foreign securities at Rs. 164.67 crores, but balances held abroad have registered a rise of Rs. 35 lakhs to Rs. 24.52 crores. The total foreign assets now stand higher at Rs. 189.19 crores, as against Rs. 180.62 crores a month ago. There has been a decline of Rs. 2.89 crores in deposits of the Central Government, while those of other Governments have gone up by Rs. 1.30 crore. Deposits of banks have dropped by Rs. 4.36 crores. Loans and advances to Governments are up by Rs. 1.28 crore and other loans and advances by Rs. 12.06 crores, of which advances to Scheduled banks against usance bills account for Rs. 1.20 crore. Investments have declined by Rs. 11.36 crores.

The year-end state of affairs in the short-term money market is fully reflected in the Scheduled banks' statement for the week ended 26th December 1958. Over the week, while demand deposits have gone up by Rs. 7.49 crores, time deposits are lower by Rs. 6.47 crores. Inter-bank borrowings repayable on demand are higher by Rs. 4.55 crores, but those of a time nature show a fall of Rs. 5.85 crores. Borrowings from the Reserve Bank are almost unchanged, whereas those from the State Bank show a rise of Rs. 1.21 crore. The upward trend in advances has been maintained with a fresh rise of Rs. 4.47 crores during the week under review and bills purchased and discounted too are higher by Rs. 1.27 crore. Investments stand reduced by Rs. 5.22 crores, bringing the total fall in three successive weeks to Rs. 12.06 crores. Cash balances show a rise of Rs. 9.60 crores and money at call and short notice Rs. 1.26 crore.

The Gilt-edged market ruled steady during the last three weeks. While business in the Central Government loans was scanty, the State loans continued to be active, on good demand, the main buyer being the Life Insurance Corporation. 4 per cent. 1967 and 1968 loans, as well as 4½ per cent. issues were particularly in favour and they recorded further smart gains.

Among the Central Government securities, 3 per cent. 1986 Conversion Loan and 3 per cent. 1970-75 were in demand, the former having buyers 35 nP higher at Rs. 73.50 and the latter 20 nP higher at Rs. 90.85. 3 per cent. 1966-68 were a fraction lower at Rs. 93.95, while 3 per cent. 1964 and 1963-65 each gained 5 nP to Rs. 96.95 and Rs. 96.85, respectively. 3½ per cent. 1965 was placed at Rs. 99.75 *ex*-voucher, as against Rs. 99.80 *cum*-voucher three weeks ago. 3¾ per cent. 1974 gained 10 nP to Rs. 98.45, due to proximity of interest payment. The Reserve Bank has stopped sale of this security. In the State loans section, Bombay 4 per cent. 1970 recorded a rise of 25 nP to Rs. 99.25. 4½ per cent. 1969 improved by 15 nP to Rs. 101.25, 1970 by 5 nP to Rs. 101.15 and 1971 by 20 nP to Rs. 101.10. West Bengal 4 per cent. 1967 and 1968 were marked up by 10 nP each to Rs. 99.85 and Rs. 99.80, respectively, while 4½ per cent. 1970 rose by as much as 30 nP to Rs. 100.90. Madras 4 per cent. 1967 gathered 20 nP to Rs. 100.10 and 1968 a like amount to Rs. 100. 4½ per cent. 1970 moved up by 20 nP to Rs. 100.90.

GOLD TOUCHES NEW HIGH LEVEL

(From Our Own Correspondent)

BOMBAY, *7th January*

A bullish tone prevailed in the bullion market since our last report three weeks ago. Though prices of both silver and gold moved somewhat erratically, the general trend was upward, which gathered momentum particularly after the turn of the new year. The highlight of the trading was, however, provided by gold, which moved up to a new high of Rs. 116-7 for ready and Rs. 116-5 for forward (January settlement) on the 5th inst. The rate for the February settlement touched a still higher level of Rs. 116-8. The peak level for ready gold touched this week was higher than last year's high of Rs. 114-15 by no less than Re. 1-10 and was, in fact, the best level seen since the middle of 1951.

The rise in bullion prices, under the leadership of gold, was largely due to speculative buying and heavy short-covering, inspired by reports that seasonal demand had set in and by expectations of still larger offtake in the coming months.

Forward gold (January settlement) advanced from Rs. 113-13 (on 17th December, the date of our last report) to Rs. 115-3 on 26th December. After a setback to Rs. 114-4 on the 30th, forward gold for the current settlement advanced to a high of Rs. 116-4 on 5th January. There was a setback yesterday to Rs. 115-7, on heavy profit-taking, but today sentiment was again better pushing up the price to Rs. 115-14 at the close. Business in February settlement commenced on Monday this week at Rs. 116-1 and, after moving up to Rs. 116-8, finished at Rs. 116-4.

Ready gold gained over the three weeks from Rs. 113-8 to Rs. 115-14; the highest level touched was, as stated earlier, Rs. 116-7.

The floating stocks of gold are estimated at 30,000 tolas, having declined from 36,000 tolas in the second week of December. The daily average arrivals were 3,000 tolas and the offtake was also of the same order.

Silver for forward delivery (January settlement) suffered an early setback from Rs. 194-6 to Rs. 192-11 on 19th December, but, in consonance with the trend of gold, it gained ground to Rs. 194-8 (for the current settlement) on the 26th ultimo. After a decline to Rs. 193-9 on the 29th, the January settlement advanced to Rs. 195-14 on Monday this week before closing at Rs. 195-2 today. Business in February settlement commenced on 30th December at Rs. 194-9, and, after touching a high of Rs. 196-13, the price shaded off to Rs. 196-1 at the close today.

Ready silver quoted at Rs. 194-4 today, after having gained ground from Rs. 192-13 to Rs. 195.

The floating stocks of silver are reported to be 1,400 bars. The daily average arrivals were 25 bars, while the offtake was less than 15 bars per day on an average.

In New York, the price of silver was stepped up from 89.625 cents to 89.875 cents, while in London it was unchanged at 75¾*d.* for spot and 75¾*d.* for forward. Gold moved erratically and closed lower at 250*s.* 2*d.*, as against 250*s.* 3*d.* quoted on 17th December.

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

	7-1-59	Highest	Lowest	17-12-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	115 14	116 7	112 15	113 8
Forward*	115 14	116 5	112 13	113 13
Sovereign	73 0	73 0	72 12	73 0
SILVER				
Ready (.996 fine Mint) ..	194 4	195 0	192 8	192 13
Forward†	195 2	195 14	192 11	194 6
London Silver Ready ..	75¾*d.*	..	..	75¾*d.*
London Forward	75¾*d.*	..	..	75¾*d.*
London Gold	250*s.* 2*d.*	250*s.* 5½*d.*	250*s.* 2*d.*	250*s.* 3*d.*
New York Silver	89.875 c.	89.875 c.	89.625 c.	89.625 c.

* 24th January settlement. † 27th January settlement.

FAIR CLEARANCE IN HIDES

(From Our Own Correspondent)

MADRAS, *5th January*

Although U.K. trading in kips was selective, values hovered slightly above previous levels, reflecting that importers were likely to enter the market after the Christmas holidays. Locally, arrivals of tanned cow hides and calves were moderate and clearance was fair. Prices ruled firm, because U.K. buyers were reluctantly paying half to one penny advance, as sellers declined to accept levels lower than those ruling early in December 1958. Buffalo calves were in good demand from the U.K. and the U.S.A., and prices improved by 5 nP. As the raw markets remained out of line with the tanned parity, tanners slowed down their activity in the North India raw centres.

There was good call for light weight goat skins and lower grades in all average weights and prices ruled firm. Other lines were easy. Tanned sheep prime and medium tannages were unchanged and prices in the local market were higher than U.K. importers' ideas, because shippers had large orders on hand to complete.

Shipments during December 1958 were:—To the U.K.: 2,495 bales tanned cow hides, 208 tanned cow calf, 2 tanned buff hides, 360 tanned buff calf, 542 tanned goat and 608 bales tanned sheep skins; to the Continent: 7 bales tanned cow calf, 1 tanned buff calf, 394 tanned goat and 197 bales tanned sheep skins; to the U.S.A. ports: 9 bales tanned cow calf skins, 137 tanned buff hides, 197 tanned buff calf and 195 bales tanned goat skins; to Japan: 106 bales tanned sheep skins.

COTTON FUTURES MOVE UP

(From Our Own Correspondent)

BOMBAY, *7th January*

After presenting a distinctly firm trend during the fortnight ended 31st December 1958 the cotton futures market began the New Year on a bearish note which persisted practically till the close yesterday. Today, the market put on a cheerful appearance. The earlier firmness was aided by renewed purchases by spot interests and short-covering due to small arrivals. There was also replacement buying by bull operators. Consequently, cotton prices registered handsome improvement. The upward trend was halted on the 2nd inst., when the market developed a sagging tendency. Spot interests and a leading bear operator were inclined to sell, but fresh support was lacking, with the result that prices suffered a setback. After a brief recovery on the following day, the market again staged a relapse in the subsequent two sessions, but picked up considerable strength today, thanks to reduced arrivals from Nagpur area and a feeling that some mill groups might enter the market to cover their requirements in case they failed to receive deliveries against December delivery contracts. A large part of the previous losses was made up and today's closing rates were higher than those three weeks ago.

I.C.C. Moglai Jarilla March 1959, which stood at Rs. 631.75 on 17th December, met with renewed buying support and gradually moved up to touch a high of Rs. 652.00 on 31st December. It was, however, subjected to selling pressure subsequently and receded to Rs. 638.75 yesterday. Today, the contract staged an impressive recovery to Rs. 646 before finishing a shade easy at Rs. 645.50. The net rise over the three weeks was Rs. 13.75.

The following table indicates the trend of prices of the contract during the three weeks under review:

(In rupees per candy of 784 lbs.)

	7-1-59	*High*	*Low*	17-12-58
I.C.C. Moglai Jarilla (March 1959) ...	645.50	652.00	629.00	631.75

The spot market ruled quite active during the period and there was a sharp rise in prices. Staple varieties evoked increasing attention, while arrivals were small. Many mills in Bombay and Ahmedabad were reported to have made sizable purchases of Khandesh and other varieties.

No large-scale fresh business was reported in exportable styles. Export sales continued to be meagre. Out of the new crop quotas of 250,000 bales Bengal *Deshi*, 200,000 bales ¾" cotton and 50,000 bales cotton below ¾", the sales actually registered up to 30th December 1958 were no more than 41,267 bales, 9,834 bales and 250 bales, respectively.

In the foreign section, most of the mills are said to have covered their requirements of East African cotton against their recent quota allotments. Sizable business was put through in new crop A.R. Uganda, B.P 52 and Busoga for January-February shipment but at prices lower than those paid in previous weeks.

The last date for submitting applications for import of cotton under the Textile Export Incentive Scheme for July-September 1958 quarter has been extended up to the 15th inst. and that for the quarter ended December is fixed as the 31st inst. It is clearly stated that no further extension of time limit will be granted. In the meantime, the Government of India has reintroduced the system of registering contracts with the State Bank for imports of Egyptian cotton.

The latest available quotations—in rupees per candy of 784 lbs.—for Sewri are as follows, the figures in brackets being the closing rates for 17th December:

Bengal *Deshi* 650 (630); Berar Jarilla 710 (670); Khandesh 785 (760); Vijay 910 (885); Jaydhar 860 (840).

A distinctly bearish trend was in evidence in the Karachi cotton futures market during the week under review. New crop arrivals continued to be heavy, while actual offtake by mills and shippers was not large. The latest estimate of the current (1958-59) season's cotton crop places the aggregate yield at 1,425,000 bales of 478 lbs. net, as against 1,350,000 bales in 1957-58. There were reports that purchases of Pakistan cotton by Japan in the coming weeks might be lower, since three leading Japanese trading enterprises have reached an agreement with the U.S. Commodity Credit Corporation on a barter trade transaction involving exchange of 12,000 tons of ferro-chrome for 40,000 bales of U.S. cotton. N.T.R.G. January delivery fell from Rs. 62-7-6 on 31st December to Rs. 61-6 yesterday. March position dropped from Rs. 64-2-6 to Rs. 62-10.

The latest available quotations—in rupees per 82 lb.—for a few popular varieties of Pakistan cotton prevailing at Karachi are: Sind *Deshi* 65; Punjab *Deshi* 58; 4F Punjab R.G. 59-1; S.G. 64-9; L.S.S. Punjab R.G. 63-5; S.G. 67-1; N.T.R.G. 65-9; S.G. 73-1; 289F Punjab R.G. 69-1; S.G. 79-1.

The Alexandria cotton futures market ruled steady during the week. Overseas enquiries were quite good. It was stated that French spinners had completed purchases of cotton worth two million Egyptian pounds in a barter deal with Egypt. The United Arab Republic has discontinued cotton barter deals with Britain from the 1st inst. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: January 72.00; March 72.47. *Ashmouni*: February 63.20; April 63.15.

Dull conditions prevailed in the Liverpool cotton futures market. Buyers were holding off pending the decision of the Restrictive Practices Court on the minimum price scheme of the Yarn Spinners' Association. It was felt that, if the decision were to go against the Association, there might

be a considerable shake-out in prices. Trade circles were also awaiting the publication of the exact details of the agreement entered into between the textile interests of Britain and Hong Kong on the question of imports into Britain. There was hedge selling against some cheap purchases of Central American cotton which could not be absorbed well by mill fixing and trade covering order. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: March-April 22.20; May-June 21.55; July-August 20.50; October-November 20.00; December-January 20.00. *American cotton mixed growth contract*: March-April 21.95; May-June 21.55; July-August 20.20; October-November 19.48; December-January 19.48. *Sudan Lambert seed contract*: January-February, May-June and July-August 25.75.

The New York cotton futures market presented a firm trend during the week. The firmness was aided by reports of a further increase in certified stocks, buying by traders who had sold late last year for tax purposes and the average price at the 14 primary markets being well below the loan level. Cotton circles were inclined to believe that the demand for cotton would improve. Meanwhile, the shipment offering prices of U.S. cotton remain higher than those of American style growths, particularly Central American, Mexican and Nigerian.

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

(In cents per lb.)

	6-1-59	30-12-58	23-12-58
Spot	35.70	35.70	35.70
March	34.64	34.10	34.26
May	34.79	34.22	34.46
July	33.88	33.52	33.64

RAYON YARNS IMPROVE

(From Our Own Correspondent)

BOMBAY, *7th January*

The last three weeks under review witnessed an improvement in the prices of rayon yarns, while staple fibre yarns and cotton yarns continued to rule easy. The firmness of rayon yarns was due to renewed enquiries from important consuming centres and smaller arrivals of imported yarns. Staple fibre yarns were generally neglected. Demand for 2/40s particularly was far from satisfactory. There were reports that several South Indian mills had made sizable sales of staple fibre yarn in the Punjab where scarcity conditions were said to be prevailing. The prospects of higher indigenous output of staple fibre in the coming months also imparted weakness. Even the Government of India's decision, announced this week, to allow exports of staple fibre yarn on "first-come-first-served-basis" during January-June 1959 within a ceiling of 1.5 million lbs. failed to have any effect, since it was felt that the Indian yarns would not be able to compete with the much cheaper Japanese yarns. Cotton yarns continued to rule dull, thanks to poor offtake from internal markets and keen competition in export markets from China, Pakistan and other countries.

Among art silk yarns, 120 Japan rallied 18 nP to Rs. 4.87. 150 Italy rose by a like amount to Rs. 5.37. 120 Italy was fully maintained at Rs. 5.25. 150 Japan, however, receded by 7 nP to Rs. 5.12. Among indigenous yarns, National Rayons 120 bright first grade gained 6 nP to Rs. 4.47. But 150 bright cones first grade lost 6 nP to Rs. 4.44.

Cupressa Bamberg art silk yarn (60/1) February delivery improved from Rs. 1,595 (per case of 200 lbs.) on 31st December 1958 to Rs. 1,640. Spot 60/1 Cupressa went up by 7 nP to Rs. 8.44 (per lb.)

Staple fibre yarn (40×2) February delivery encountered selling and dropped Rs. 7 to Rs. 620. In the spot section, 40×2 Citys receded by 4 nP to Rs. 3.18 and Kohinoors by 3 nP to Rs. 3.28. Centurys were quoted 6 nP lower at Rs. 3.22. Among foreign yarns, Paramounts fell by 25 nP to Rs. 8.87. Fujis were neglected at Rs. 8.87.

In the cotton yarn section, ten counts Podars were dull at Rs. 12.25. Among twenty counts, Moderns lost 6 nP to Rs. 16.25. But thirty counts Hinds rallied 12 nP to Rs. 19.12 on special support. Among forty counts, Moderns decreased by 12 nP to Rs. 25.25, while Minaxis hardened by 36 nP to Rs. 24.94. Sixty counts Finlays were stagnant at Rs. 65.

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

	7-1-1959	31-12-1958	17-12-1958
Art silk yarn (per case of 200 lbs.)—	Rs.	Rs.	Rs.
120 Japan (per lb.)	4.87	4.78	4.69
150 Japan (per lb.)	5.12	5.12	5.19
120 Italy (per lb.)	5.25	5.25	5.25
150 Italy (per lb.)	5.37	5.37	5.19
Staple fibre yarn (per case of 200 lbs.)—			
40 × 2 December	—	609.00	617.00
40 × 2 February	620.00	624.00	627.00
40 × 2 Kohinoor (per lb.)	3.28	3.28	3.31
40 × 2 Century (per lb.)	3.28	3.30	3.34
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	12 25	12 25	12.25
20s Modern	16 25	16.25	16 31
30s Hind	19 12	19 00	19 00
40s Minaxi	24 94	25 00	24 58
60s Finlay	65.00	64.00	65.00
80s Modern	—	—	—

EXPORT OF GROUNDNUT CAKE

(From Our Own Correspondent)

BOMBAY, *7th January*

The much-awaited release of export quota for groundnut cake has now been announced. An announcement made by the Union Commerce and Industry Ministry in this connection on the 6th inst., says that the Government of India has reviewed the position regarding the export of groundnut oil, and decided, as a promotion measure, to grant established exporters of groundnut oil, export licences for groundnut cake equal in quantity to the oil they export between now and the end of February 1959 against their current quotas. Although the measure is widely welcomed, it was not an unmixed blessing to the trade. For, the release of quota for cakes is clubbed together with that of oil, the prices of which in foreign markets are relatively lower. At any rate, this measure seems to have given new hopes, after a prolonged spell of dull conditions. Another development is the commencement of new hedge contracts (May 1959) in groundnuts and cottonseed with effect from 5th inst.

The oilseeds market, during the last three weeks following our last review on 17th of last month, witnessed quietly steady conditions, except for an overnight recovery today, under the leadership of groundnuts, thanks to the release of export quotas for cakes. The sustained subdued sentiments which characterised the working of the market in the major part of the period are due to larger arrivals and lack of encouraging exports from abroad.

The groundnut section moved within narrow ranges for the major part of the last three weeks, with a bearish undertone. The pressure of arrivals, particularly of oil, had a depressing effect on the market. The decline would have been more pronounced, had it not been for encouraging local demand, especially from *vanaspati* manufacturers. Groundnut February Contract, which stood at Rs. 162.50 on 17th December 1958, moved down to Rs. 160.25 before winding up the year at Rs. 162.12. The contract moved both ways and recovered to Rs. 163.50 yesterday. It further advanced to Rs. 164.87 today. May 1959 contract opened on 5th inst. at Rs. 165.50 and rallied to Rs. 169.00 today. Bold ready also recorded minor fluctuations and rose from Rs. 32.62 to Rs. 32.75 after touching a low of Rs. 31.75. Oil ex-mill, which closed at Rs. 33.50 on 17th December, fell to Rs. 32.50 on 24th December, but recouped later to Rs. 32.62 at the end of the year. Although it opened the current year on an easy note, its prices rallied to Rs. 32.75 today.

The castorseed section suffered a notable setback in view of larger arrivals, particularly from Hyderabad region and of the continued lull in the export section. Slight recovery was in evidence during the close of this week, due mainly to persistent rumours about business in oil with the U.K. Castorseed May 1959 contract, which stood at Rs. 142.87 on 17th December, was hammered down to Rs. 137.62 on 31st December. It, however, recovered to Rs. 138.62 on the 2nd inst. and improved progressively to touch Rs. 142.25 today. Ready Madras, in sympathy, moved down from Rs. 28.75 to Rs. 27.62 at the close of the year. It recovered subsequently and finished at Rs. 28 today. Oil B.S.S. closed today at Rs. 15.25, as against Rs. 15 on 31st December and Rs. 16.37 on 17th December.

In the absence of any fresh developments, linseed section ruled quiet during the major part of the last three weeks. During the last few sessions, however, linseed witnessed steady conditions, mainly on account of good support from North Indian speculators and in sympathy with other seeds. Linseed May 1959 contract fell from Rs. 31.75 on 17th December to Rs. 30.81 at the end of the year and recovered later to close today at Rs. 31.81. Bold ready, which closed on 17th December at Rs. 37.50, after moving in either directions closed today at Rs. 35.25. Oil prices stood at Rs. 17.87 today, as compared with Rs. 17.78 on 31st December and Rs. 18.62 on 17th December.

The prices in the cottonseed section was conditioned mainly by the speculative activities. Cottonseed February 1959 contract fell from Rs. 116.75 to Rs. 115.25 at the end of 1958 but later recovered in sympathy with other seeds to close today at Rs. 120.25. May 1959 contract which opened at Rs. 115.00 on the 5th inst. improved to close today at Rs. 116.50.

The following table shows the prices of oils and oilseeds today, as compared with those at the end of a week and three weeks before:

	7-1-1959	31-12-1958	17-12-1958
Groundnut	Rs.	Rs.	Rs.
February 1959	164.87	162.12	162.50
May 1959	169.00	..	..
Bold ready	32.75	32.00	32.62
Coromandel ready	32.12	32.62	33.50
Khandesh quality	33.25	32.62	33.50
Oil ex-mill ready*	17.37	17.12	17.62
Railway receipts*	17.31	17.00	17.37
Castor seed			
May 1959	142.25	137.62	142.87
Ready Madras	28.00	27.62	28.75
Ready Kanpur	27.00	26.50	27.75
Oil B.S.S.†	15.25	15.00	16.37
Oil commercial†	14.19	14.00	14.62
Linseed			
May 1959	31.81	30.81	31.75
Bold ready	35.25	33.00	37.50
Oil ready†	17.87	17.78	18.62
Cotton seed			
February 1959	120.25	115.25	116.75
May 1959	116.50	..	..
Niger seed	26.50	26.25	28.00
Kardi seed	19.62	19.50	19.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR ADVANCES

(From Our Own Correspondents)

BOMBAY, *7th January*

There has been a sharp rise in sugar prices since we reported last on 17th December. The rise has followed hectic buying influenced by fears of sugar shortage in the current season. The fears are based on three factors, namely, fall in output small carryover from the previous season, and the Government's decision to export 100,000 tons. The anticipated fall in output is attributed to poor cane crop, continued diversion of large cane supplies to *gur* and *khandsari* production, and frequent threats of U.P. and Bihar cane growers to withhold supplies to factories with a view to securing higher prices. Meanwhile, the sugar millowners are actively agitating for an upward revision of at least 50 nP to 75 nP in the controlled ex-mill prices.

Medium grain sugar has gone up over the past three weeks by Rs. 2 to Rs. 109.50-Rs. 114 per bag. Large grain has advanced from Rs. 113-Rs. 119 to Rs. 115-Rs. 120. Small grain is fully maintained at Rs. 108.

The total arrivals of sugar by rail into the market during the week amounted to 12,560 bags.

* * * *

HAPUR, *5th January*

Sugar prices ruled quiet during the fortnight, with the release of 165,000 tons for free sale by the Government out of the 1958-59 season production. Crushing is in full swing in west U.P. where cane supplies are adequate, but latest estimates reveal a moderate setback in sugar output in the country, as production upto 15th December in the current season was 267,000 tons, as against 289,000 tons in the corresponding period last year.

The Muzaffarnagar sugar market was quiet. Heavy business was done by some factories at controlled prices for different destinations in the Punjab, U.P., Delhi, Gujerat and Saurashtra. The latest prevailing prices, were: Spot delivery old Deobund C29 damaged Rs. 36; Sakoti D29 dry Rs. 36.62; moist Rs. 35.75 to Rs. 36; new Saharanpur D29 Rs. 37; Shamli D29 Rs. 37; wholesale mill delivery Shamli B29 Rs. 37.12; C29 Rs. 36.37; D29 Rs. 36.

Ex-mill delivery sugar prices registered an upward trend in the Kanpur market, following increased demand from the principal consuming areas. Some of the mills, which were given individual allocations from the new season's quota below consumption requirements, were charging slightly better prices than the controlled rate. The latest ex-mill controlled prices were: Kanpur Rs. 36 a maund; spot per bag C29 Basti Rs. 105; Gola Rs. 103; D29 Gola, Balrampur and Tulsipur Rs. 101-4; Gargaon and Waltergunj Rs. 101.

Khandsari prices ruled quietly steady. Production is gradually increasing. New quality *khandsari* dry is quoted at Rs. 30 to Rs. 35, and wet at Rs. 25 to Rs. 28.

Ready *gur* registered an improvement of about Re. 1.50 per maund in the last fortnight, as arrivals were small at an average of 2,000 to 3,000 maunds daily following rains and inclement weather. Demand from the consuming areas was fairly good and loading facilities were easy. The latest prevailing prices were: *Gur pansera* Rs. 15.75 to Rs. 16.12; *balti* upto Rs. 16.25; *shakker* Rs. 17 per maund.

Prices in the Muzaffarnagar market also improved due to poor arrivals and prevailing prices were: *Chaku* ready Rs. 16 to Rs. 16.50; *pansera* Rs. 15.50; *shakker dara* Rs. 16.50; *masala* Rs. 18.50.

Gur futures recorded a sharp advance during the week on continued bull support from Agra and other operators. In order to check this unduly rise, the local Chamber increased the deposit on every buying transaction in *gur fagun* and also fixed the maximum limit for a firm to 200 transaction. *Gur fagun* opened at Rs. 14.90 on Monday last and was quoted today at the highest touched so far at Rs. 15.60.

HINDUSTHAN MERCANTILE BANK LIMITED

Head Office:

10, CLIVE ROW, CALCUTTA-1

Chairman: **SRI M. L. JALAN**

CAPITAL

Authorised ... ... **Rs. 2 Crores**
Issued and Subscribed ... **Rs. 1 Crore**
Paid-up ... ... **Rs. 50 Lakhs**

Interest on Savings Bank account raised to 3% from 1st January, 1958

All types of Banking business transacted. Branches and Agencies throughout India. Deposits received on various terms. Special concession on deposits from Widows and Orphans. Loans granted on approved securities. Terms on application.

P. H. KOTHARI, B.Com., LL.B.,
General Manager.

STRONG DEMAND FOR TEAS

(From Our Own Correspondent)

CALCUTTA, *6th January*

Strong demand pushed up prices during the export sales held yesterday, and prices for the good quality teas made some gains. This was so despite the increase in U.K. stocks to 182 million lbs. in the week ended 26th December from 177 million lbs. in the preceding week. For this increase was considered as a normal feature for that time of the year. U.K. stocks would continue to rise in the first two or three months of the year reflecting the seasonal weight of the tea shipments from Calcutta.

Trade circles feel that it is time that West Bengal and Assam abolish the entry tax on teas, inasmuch as it affects plain teas. This subject was naturally referred to by Mr. W. E. Postlethwaite when he recently addressed the Calcutta Teas Traders Association in his capacity as Chairman. He said that the recent reductions in export and excise duties had fallen below the relief necessary to place gardens producing common teas on an economic basis. He advocated a further reduction in these duties, and declared that the reduction in duties brought no improvement in the prices of low medium and common teas, because the prices in Calcutta had generally been higher than in London. Mr. Postlethwaite termed the recent relief as resulting from inadequate appreciation of the industry's real difficulties by the Government.

Export offerings during yesterday's sales amounted to 65,200 packages. The general demand was strong, and increased as the sales progressed. The strongest feature was provided by fannings among plain brokens, as these sold above valuations. Keen competition was offered for the better types in C.T.Cs, while the prices for the poorest types were unchanged. Medium brokens and fannings were steady as were the medium B.O.Ps; but the brighter liquoring lots improved. O.F's attracted considerable attention and rose. Whole leaf grades were fully steady, but Darjeelings were below valuations. Non-wither legg cut teas realised valuations. The quotations (in rupees per lb. with those of the last auctions) were: Best Assam C.T.C. fannings 2.40 nominal (2.30 nominal), best Assam C.T.C. B.P. 2.25 nom. (2.20 nom.), clean black pekoe 2.00 (1.98), medium fannings 1.80 to 1.90 (1.72 to 1.78), plain B.P. 1.54 to 1.60 (same, medium B.P. 1.62 to 1.64 (1.62), and plain fannings 1.70 to 1.80 (1.66 to 1.72).

Export quota changed hands at 2¼ nP, but soon sellers put up the rate to 3¼ nP.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, *6th January*

The outstanding event in the period under review commencing from 16th December was the further measures taken by the Government, the industry and the market to arrest raw jute prices. These measures have not yet begun to have any significant effect, since throughout the period, conditions were quiet and raw jute prices moved within very narrow limits. As for jute goods, while hessian prices recovered impressively, sacking always lagged behind with B. twills being quoted well below the I.J.M.A. minimum price. However, the report that the Government of India was likely to accept the I.J.M.A.'s recommendations to fix minimum export prices for the various categories of jute goods caused a slight recovery in sacking prices subsequently. However, this expectation did not materialise, and there was also no reference to this in the Government's announcement on 3rd January relating to measures being taken to stabilise the raw jute market. According to these, the State Trading Corporation will soon begin making purchases both from stockists and producers direct for export. Purchases in the interior will be made in the markets at Forbesganj, Golapbag, Kishanganj, and Katihar in Bihar. However, it is doubted here if producers have much to offer of the good quality fibre suitable for export, since they had already disposed most of their holdings to the traders and other middlemen to meet hard-pressed cash requirements. Market circles feel that the West Bengal Government, which has also been permitted to export raw jute, will possibly entrust its quota to the State Trading Corporation. Quantities suitable for export are naturally the best varieties which cannot be offered for export, in veiw of their acute need at home. However, it was thought here that some of the inferior varieties might find a market in the United Kingdom, since they could be mixed up with the good variety to produce miscellaneous constructions and sacking goods. The S.T.C. will have to meet a competitive market, since it is known here that Red China has by now increased raw jute production significantly to be able to offer superior varieties in world markets at prices attractive to buyers. It is also reported that Pakistan is contemplating cancellation of the export duty on raw jute in order to step up exports and arrest decline in prices consequent on the bumper crop.

The I.J.M.A. mills are also doing what they can in order to steady raw jute prices. They have now increased their purchases to four months' requirements from three months. The East India Jute and Hessian Exchange Ltd. has regulated trading further. The prices below which margins are collected have been increased. The margins for sacking and hessian will be payable when trading take place below the minimum prices fixed by the I.J.M.A. Under these new rules, the seller will have to pay a margin of Rs. 3 on all outstanding sacking sales at the close of each day in respect of contracts below Rs. 100 per 100 bags and Rs. 5 for contracts below Rs. 95. In regard to hessian, the margin is Rs. 2 for contracts below Rs. 39.50 per 100 yards. For raw jute, the margin to be deposited by the seller is Rs. 2 for sales at rates below Rs. 23.50 but above Rs. 22.50. and Rs. 3 for sales below Rs. 22.50. The increases in margin deposits have naturally been unwelcome, and it is too early for these to have any marked effect in the course of prices. But the Government statement relating to the measures disclosed that the Chairman of the East India Jute and Hessian Exchange has assured the Government that suitable measures would be taken to deal effectively with units responsible for undesirable practices.

Note was taken here of the fall in U.S. burlap consumption in November to 65 million yards from 79 million yards in October, and with the figure for December still to come, it appeared that there would be no change in the average monthly consumption which was 69 million yards up to November 1958, as also in 1957. This is a matter of interest, since despite the economic recession of last year, burlap consumption in the U.S.A. was maintained at the 1957 level. This was indicative of the strong demand for the commodity as heavy-duty packing and industrial fabrics, according to Mr. William A. Nugent, the Vice-President of Burlap Council in the United States.

On the 16th December, there was selling pressure in the futures market, and B. twills moved down to Rs. 94.25 from Rs. 94.80 and hessian 40" 10 oz. to Rs. 40 from Rs. 40.15. Soon, sacking prices became steadier, following reports of raising of the margin for futures trading and also of the price of B. twills to the level fixed by the I.J.M.A. By the week ended 20th December, B. twills recovered to Rs. 94.40, but in view of lack of demand hessian 40" 10 oz. moved down to Rs. 39.90. On 22nd and 23rd December, there was no trading in the futures market, as a protest against raising of the margins, which were modified later on as detailed above. While demand for ready hessian increased and the price for the 40" 10 oz, construction improved to Rs. 40.95 by the week ended 27th December, B. twills were weak and sagged to Rs. 93.00. In the following week, a recovery was noted in hessian 40" 10 oz. to Rs. 42 and in B. twills to Rs. 95.25. This followed buying pressure in futures, following the announcement of the modifications in margins. Yesterday, there was covering in ready hessian goods and the 40" 10 oz. remained unchanged at Rs. 42, while B. twills sagged to Rs. 94.60 as there was no business.

During the entire period under review, the raw jute market was dull. although mills purchased a fair quantity after the holidays. Daissee bottoms are quoting at Rs. 22.75, but earlier the rate had moved down to Rs. 22.00 from Rs. 22.75. From Rs. 21.25, Assam bottoms gave way to Rs. 20, but following the Government announcement that the S.T.C. had been authorised to make purchases from stockists as well as from cultivators in the interior markets, the rate recovered to Rs. 21.50. The latest quotations for January-February delivery are:

	Middles Rs.	Bottoms Rs.
Pakistan:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	23.50	21.00
Assam	24.00	21.50
Orissa	26.50	24.00
Desal	22.25	19.75
Murshidabad	21.25	18.75
Jungli	21.00	18.50
Daissee	24.50	22.00
Uttar Pradesh	21.00	18.50
Daissee mesta	20.00	17.50
Bimli f.a.q.		Rs. 18.50

Pucca bales 1st marks Rs. 145.00 per bale ready.

GOOD DEMAND FOR DUST TEAS

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

COCHIN, *2nd January*

There was 626,523 lbs. on offer in the last dust sale for 1958. which was held on Tuesday, 30th December. This smaller quantity met with a strong general demand which continued throughout the auction. All descriptions met with useful competition and prices were irregularly 5 to 10 nP dearer. The sole exception to this was highgrown dusts which were barely steady. The smaller selection of C.T.Cs. which were on offer met a good demand and were dearer.

London Market:—*Sale of 29th December 1958.*—Market firm for all kinds, except C.T.C. teas, which were generally at a lower level. Very best C.T.C., however, remained firm."

Sale of 30th December 1958.—Slightly dearer tendency, expect for very plainest descriptions which were irregular.

Colombo Market.—No sale this week.

Calcutta Market.—No sale this week.

Export Quota.—The market has hardened during the week, and business has been done at 2¼ nP. There are sellers at 2¼ nP and buyers at 2 nP.

Forthcoming Auctions.—Dust sale 'A' will be held on Thursday, 15th January 1959.

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

"*Sale* 1.—1,300,000 lbs. Good general demand, particularly for low-medium and medium which are 5 to 10 nP dearer. Highgrowns were in limited demand and prices easier following quality."

BASE METALS EASY AT CLOSE

(From Our Own Correspondent)

CALCUTTA, *6th January*

The period under review covers three weeks to date. While in the earlier two weeks prices of free base metals were hardening due to the delay in the grant of import licences for consumers, profit-taking was a feature in the latest week, following issue of licences and expected easiness in supply position. Reflecting this trend. tin shot up to reach a high of Rs. 617 from Rs. 609 to move down to Rs. 608 at which rate the old year closed. Thereafter, the price continued to move down, and the latest quotation was Rs. 605. Stockists reported lack of demand, and there was some selling pressure on this score. The price in Bombay continued to be higher than in Calcutta, and, despite this, not much diversion took place.

Electrolytic zinc rose from Rs. 102 to Rs. 107, but closed on 31st December at Rs. 103.50 on account of profit-taking. The opening for the New Year saw the rate recover to Rs. 104 following a tender from Tatas for 1,700 tons. The railways had also earlier invited tenders. Virgin lead was earlier quoted at Rs. 87, but moved down to Rs. 84. Demand was not impressive, and the supply position was easy. Indigenous lead supplies also contributed to increase market stocks. It was noted here that, prior to the Christmas holidays, copper on the London Metal Exchange was steady, but since reopening, spot copper declined from £223½ to £221. A recessionary trend was also reported from New York. Noted with enthusiasm in industry circles here was the statement in Calcutta by the Union Minister of State for Oils and Mines, Mr. K. D. Malaviya, that, in the third Plan, exhaustive exploration for locating copper, zinc, lead and sulphur mines in the Himalayan and other regions would be taken on hand. At present, the country spent Rs. 25 crores a year on the import of these minerals. Consumption of these is increasing, and the Minister declared that the next Plan projects would need minerals worth Rs. 150 to 200 crores.

"KHARIF" GRAINS SUPPLY SATISFACTORY

(From Our Own Correspondent)

HAPUR, *5th January*

Quiet to steady conditions prevailed in the foodgrains market during the past fortnight. The supply position of *kharif grains*—rice, maize and *bajra*—was satisfactory in the markets and supplies of *rabi* grains—wheat and gram—was small, while *rabi* crop prospects had brightened following very good winter rains over a wide area of U.P. and Punjab. The U.P. Government has begun procurement of rice in the State. For this purpose, export of rice from 23 "rice surplus" districts of the State has been banned and the Government is confident of achieving its procurement target of 150,000 tons of rice. The Bihar Government has also started procurement of rice and paddy in the State. The Union Government, in its latest order, has banned export of paddy from Punjab.

Wheat prices at Hapur were quoted slightly lower than the highest touched so far and were quoted on Monday at Rs. 24.75 per maund for average quality and upto Rs. 26 for farm produce. Some wheat reached here from outside during the session and better crop prospects following winter rains was also a depressing factor.

Rice prices, however, registered some gains, as imports from the surplus districts had been banned and supplies were restricted. Week-end prevailing prices were: Rice *basmati sela* Rs. 28.75; *mainpuri* Rs. 21.75; *ramajawayan* Rs. 25; and *raimunia* Rs. 26 per maund.

Gram ruled quiet. Despite poor local stocks with the trade, demand was slack. There were reports that the standing crops here and in Punjab had benefited from timely winter rains. Barley and *bejhar* were listless, while maize tended to move down despite good consumer seasonal demand. For stocks were good. *Bajra* eased slightly with better supplies in the market and *jowar* and *guwar* tended to run down as demand was dormant. The prevailing prices on Monday (in rupees per maund) were: Gram punjabi 19.75; barely 16.50; *bejhar* 17.12; maize white 15; red 14.75; *bajra* 16.25; *guwar* white 15; *jowar* 14 per maund.

Pulses continued to be devoid of notable activity. Peas stocks were small and demand was dormant. *Arhar* stocks were put at about 30 *khatties*; it was all owned by one firm which was not selling in the open market but was grinding it in *dal* for sale. Conditions of the standing peas and *arhar* crop was satisfactory. New *moong* and *urd* are reaching the markets. Prevailing prices were: Peas Rs. 19 to Rs. 21; *arhar* Rs. 22; *urd* Rs. 18.75; *moong* Rs. 20; and *massor* Rs. 17.50 per maund.

STRONG DEMAND FOR HIDES

(From Our Own Correspondent)

KANPUR, *5th January*

A feature of trading in the hides and skins market during the week under review was the strong demand for high grade buff and cow. The prices of these registering a rise. Arrivals of buff and cow from western U.P. districts were good, while those from northern Bihar region were lower. The main purchasers were the local tanners and the Madras dealers.

The latest available quotations are: Wet salted cow 1st grade Rs. 400, 2nd grade Rs. 360 and 3rd grade Rs. 300 per score; wet salted buff 1st grade 2 lbs. 10 ozs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 375 and 2nd grade Rs. 300 per 100 pieces; sheep 1st grade Rs. 350 and 2nd grade Rs. 325 per 100 pieces.

LINSEED DECLINES

(Messrs. A. Bradley and Co.)

CALCUTTA, *5th January*

Absence of buyers and generally dull conditions in the oil market caused a decline in linseed prices. After touching Rs. 27, linseed was quiet today at Rs. 26.75, with buyers' bids a shade lower. In the oil section, small local business was reported at Rs. 57 earlier in the week, but buyers' ideas were now around Rs. 56.50. Stocks, however, were rather limited.

The latest quotation for ready—January is Rs. 26.75 per maund.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 2nd Jan., 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	52,98,90,000
(2) Other Governments	18,51,82,000
(b) Banks	76,56,03,000
(c) Others	118,14,32,000
Bills Payable	18,41,03,000
Other Liabilities	29,73,44,000
Rupees	427,35,54,000

Assets	Rs.
Notes	11,07,53,000
Rupee Coin	3,96,000
Subsidiary Coin	4,20,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	12,24,55,000
Balances held abroad*	24,52,38,000
Loans and Advances to Governments†	25,25,33,000
Other Loans and Advances	77,43,35,000
Investments	265,67,15,000
Other Assets	11,07,09,000
Rupees	427,35,54,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 3,03,51,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	11,07,53,000	
Notes in circulation	1601,99,73,000	
Total Notes issued		1613,07,26,000
Total Liabilities		1613,07,26,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		135,84,86,000
Government of India Rupee Securities		1194,78,81,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1613,07,26,000

State Bank of India

Statement of Affairs for the week ended 2nd Jan., 1959

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		476,84,07,000
Borrowings from Other Banking Companies, Agents, etc.		2,85,25,000
Bills Payable		6,24,40,000
Bills for Collection being Bills Receivable as per contra		2,51,38,000
Acceptances, Endorsements and Other Obligations per contra		1,18,59,000
Other Liabilities (including Inter-Office Adjustments)		4,54,50,000
Total Rs.		506,43,19,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		30,84,87,000
Balances with other Banks		2,98,45,000
Money at Call and Short Notice		2,30,66,000
Investments:		
Government and other Trustee Securities	271,68,92,000	
Other Authorised Investments	11,70,98,000	
		283,39,90,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	159,47,82,000	
Bills Discounted and Purchased	14,74,86,000	
		174,22,68,000
Bills Receivable being Bills for Collection as per contra		2,51,38,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,18,59,000
Premises less Depreciation		1,21,87,000
Furniture and Fixtures less Depreciation		94,20,000
Other Assets (including Inter-Office Adjustments)		6,80,59,000
Total Rs.		506,43,19,000

State Bank of Pakistan

Statement of Affairs for the week ended 26th Dec., 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	82,19,29,000
(b) Provincial Governments	50,11,000
(c) Banks	15,26,14,000
(d) Others	5,62,15,000
Bills Payable	23,86,000
Other Liabilities	9,83,89,000
Rupees	119,65,44,000

Assets	Rs.
Notes	7,60,73,000
Rupee Coin	47,000
Subsidiary Coin	33,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	11,18,000
Balances held outside Pakistan*	12,62,97,000
Loans and Advances to Governments	8,88,00,000
Provincial Governments' Debtor Balances	3,28,13,000
Other Loans and Advances	18,77,27,000
Investments	59,30,30,000
Other Assets	9,06,06,000
Rupees	119,65,44,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	7,60,73,000	
Notes in circulation	352,56,52,000	
Total Notes issued	....	360,17,25,000
Total Liabilities	....	360,17,25,000

Assets	Rs.	Rs.
I.A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	50,76,07,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
		116,85,72,000
B. Rupee Coin	4,64,05,000	
Government of Pakistan Securities	232,77,42,000	
Internal bills of exchange and other commercial paper	....	
		237,41,47,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	360,17,25,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34 00 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 26th Dec., 1958

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	23,66,21,000
(ii) Other demand liabilities	694,65,51,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	30,05,06,000
(ii) Other time liabilities	879,63,57,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	7,25,05,000
(ii) Time liabilities	10,00,000
Borrowings in India from the Reserve Bank of India‡	10,04,86,000 (1,83,51,000)
Cash in India	42,90,18,000
Balances with the Reserve Bank in India	76,24,75,000
Balances with other banks in current account in India	13,51,64,000
Money at call and short notice in India	42,87,10,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	637,57,24,000
Advances in India	741,82,28,000
Inland bills purchased and discounted in India	83,30,24,000
Foreign Bills purchased and discounted in India	40,65,75,000

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

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	26th Dec., 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1589.42	1589.06	1555.18	1506.79
Notes held in Banking Department	35.05	14.39	14.49	40.24	16 52
Foreign Securities	59.50	164.68	164 68	164.68	275 23
Rupee Securities	37.39	1184.79	1184.76	1174.73	997.26
Banking Department					
Deposits of:					
Government of India	14.89	55.88	58.04	59.60	53.54
Other Governments	..	17.22	18.82	24 15	13.01
Balances held abroad	10.98	24.17	23.97	15.95	22.42
SCHEDULED BANKS					
Demand Liabilities	134.36	718.32 (23 66)†	706.28 (19 11)†	712.46 (17 07)†	719.49 (17 67)†
Time Liabilities	102.24	909 69 (30.05)†	922 00 (35.90)†	919.40 (39.32)†	686 47 (20.78)†
Borrowings from Reserve Bank	..	10.95 (1.84)‡	10 80 (0.82)‡	1.56 (0.67)‡	23.63 (21.07)‡
Borrowings from State Bank	..	7.35	6.14	3.38	6.77
Cash in India	8.70	42.90	39.47	40.29	39.63
Balances with Reserve Bank	25.17	76.25	72.91	86.50	67.88
Excess over statutory limits	15.52	22.15	19.16	32.49	18.18
Balances with other banks in current account in India	..	13.52	13.18	13.40	12.97
Money at call and short notice in India	..	42.87	41.61	43.53	51.97
Investments (at book value)	..	637.57	642.79	643.00	433.42
Advances and bills	105.09	865.78	860.05	832.45	857.10
STATE BANK					
Deposits	87.76	472.39	475.21	472.59	364.98
Investments	51.99	284.96	286.71	285 91	183 67
Advances	80 85	170 32	167 00	163.31	170 92
Cash	14 69	37.89	33.13	38 24	27 12

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R = Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3 50	6
Austria	17th Nov., 1955	4 50	5
Belgium	Aug., 1958	3 75	3 50
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2.50
Chile	Feb., 1957	4½	6
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Equador	18th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	16th Oct., 1958	5	4½
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4¼	4½
Italy	7th June, 1958	4	3 50
Japan	Sept., 1958	7.67	7 30
Mexico	4th June, 1942	4	4½
Netherlands	14th Nov., 1958	3.50	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3 50
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan., 1959	4½	4
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Oct., 1958	2	2½
West Germany	27th June, 1958	3½	3

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Rs.	Per cent
14th October	2.00	3 90	2 00	2 521	99 365
21st October	Nil	Nil	Nil	Nil	Nil
28th October	3 00	3 75	3 00	2 489	99 375
4th November	4.00	10.00	4.00	2.458	99 385
5th to 7th November *	3.50	—	3 50	2 396	99 401
10th November	4 00	7.20	4 00	2 430	99 390
18th November	4 00	5.03	4 00	2 458	99 385
19th to 22nd Nov.*	0 64	—	0 64	2 396	99 401
25th November	3 00	5.50	3 00	2.442	99.385
6th to 29th Nov.*	0 50	—	0 50	2 376	99 406
2nd December	3 00	4.55	3 00	2 423	99 390
3rd to 6th Dec.*	0 65	—	0 65	2 356	99 411
9th December	3 00	3 95	3 00	2 420	99 390
16th December	3 00	3 60	3.00	2.445	99 385
1959					
6th January	3.00	3.05	3.00	2.460	99.385
Total amount outstanding	37.29	..	37.29	..	..

Intermediate Bills sold.

EXCHANGE RATES

		7th January 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 29/32	1-5 29/32
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 ⅛	1-6 ⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.50	477.25
Buyers T.T.	Rs.	473 75	474.50
London on New York	$	2.80⅜ 2 80½	2.80⅜-2 80½
London on Paris	Fcs.	1,178	1,179
London on Berne	Sw. Fcs.	12 18¼	12.24¼
New York on London	$	2.80⅜-2.80½	2.80⅜-2.80½

CLEARING HOUSE RETURNS

Centre	Week ended 2nd January, 1959 Number of Cheques	Amount Rs.	Week ended 26th December, 1958 Number of Cheques	Amount Rs.
Bombay	2,61,480	69,43,82,000	2,97,820	71,54,87,000
Calcutta	1,28,000	58,78,00,000	1,51,000	55,61,00,000
Madras	76,109	9,51,27,719	79,570	9,20,67,957
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00 000
1957-58	..	..	41,671 000	89 54 66,00 000
Sept.,	..	..	3,537,000	8,03,69,00,000
Oct.,	..	..	3,922,000	7,96,89,00,000
Nov.,	..	..	3,528,000	7,73,01,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	20th Dec., 1958	13th Dec., 1958	21st Dec., 1957	November 1958	November 1957	Percentage of Increase (+) or Decrease (—) in Nov., 1958 as compared with Nov., 1957	Financial Year Average 1957-58	1956-57
Food Articles	504	112 9	113 8R	103 6	118 0	107.9	+ 9 4	108 4	102 3R
Cereals	192	104 3	105 3	97 8	110 5	102 0	+ 8 3	101	96
Pulses	43	110 7	110 8	79 4	112 3	83 2	+35 0	83	81
Fruits and Vegetables	23	113 9	117 3R	101 3	117 0	110 7	+ 5.7	114	112
Milk and Ghee	84	104 3	104 5	98 1	106 2	103 9	+ 2 2	105	100
Edible Oils	47	117 9	118 2	125 0	123 8	131 4	— 5 8	126	125
Fish, Eggs and Meat	17	109 8	106 6R	98 9	108 7	98.4	+10 6	93	97
Sugar and Gur	48	120 7	120 5	110 3	127 8	110 2	+16 0	108	98
Others	50	150 8	154 5	131.0	159 8	135 7	+17 8	131	128
Liquor and Tobacco	21	96 5	95 5	97 3	96 0	96 5	—0 05	94 0	84 3
Tobacco	—	95 0	93 9	95 8	94 4	95 0	— 0 6	93	83
Fuel, Power, Light and Lubricants	30	115 0	115 1	114 8	115 0	115 3	—	113 6	104 2R
Industrial Raw Materials	155	112 7	112 9R	115 8	113 2	116 0	— 2 4	116 5	116 0
Fibres	61	105 3	105 5R	115 8	102.7	114 4	—10 2	118	116
Oilseeds	60	122 2	123 0	119 6	126 8	122 8	+ 3 3	120	120
Minerals	2	107 3*	107 3*	107 1	106 5	107 4	— 0 8	108	102
Others	32	109 3	108 3	109 3*	108 0	106 8	+ 1.1	108	109
Manufactures	290	108 1	108 4	108 0	108 7	108 5	+ 0 2	108 1	106 3
Intermediate Products	41	110 5	110 3R	105 5	109 5	106 0	+ 3 3	107 3	110 0
Finished Products	249	107 7	108 1	108 4	108 6	108 9	— 0 3	108 2	105 8
Textiles	147	101 5	112 1R	106 6	103.2	107 1	— 3.6	107	108
Cotton	—	110 0*	111 0*R	116 9	111 2*	115.8	— 4.0	116	116
Jute	—	84 9	84 9	91 6	88 0	97 1	— 9 4	95	95
Woollen	—	105 9	105 9	103 0	105.9	103 3	+ 2 8	103	98
Silk and Rayon	—	90 2*	90 2*	81 8*	92 2*	81 8*	+12 7	86	89
Metal Products	12	143 1	143 1	143 4	143.1	143 4	— 0 2	141	80
Chemicals	20	110.9	111 1R	98 7	110 5	98 9	+11 7	98	93
Oil cakes	10	143 7	142 9	122 3	143 2	126 9	+12 8	115	108
Machinery and Transport Equipment	31	104 3	104 3	102 3	104 1	102 3	+ 1 8	102	99
Others	30	114 1	114.1	111.8	113 8	111 5	+ 2.1	110	101
All Commodities	1,000	111 2	111 7R	107 0	114 0	109 3	+ 4.3	108 4	106 3R

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	final	79,027	79,320	24,821	28,282
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41 411	40,367	8,056	7,249
Bajra	final	27,453	27,884	3,565	2,885
Barley	final	7 531	8 726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5 831	1 716	1,715
Small millets	final	11,979	12,230	1 759	1,964
Total cereals¶	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24 265	4,754	6 264
Tur	final	5,598	5,686	1,396	1,954
Other Kharif pulses§	final	15,832	16,484	1,401	1,515
Rabi pulses‡	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,457	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3 318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,153	19,893	4 753	4,735
Jute A.	final	1,754	1,908	4.088	4.288
Mesta A.	final	726	733	1,211	1,478
Other crops—					
Potato	final	702†	691††	1,674†	1,830††
Sugarcane	final	5,021	5.057	63 954	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	926	1,029	252	294

Source: Ministry of Food and Agriculture. § Excluding Tur. * In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur. A. In thousand bales of 400 lbs. each. † Refers to 1956-57. †† Refers to 1955-56.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	1956	Jan. to Sept. 1958	1957
Exports	637.74	612,96	413,76	488,03
Re-exports	5.11	6,21	6,47	3,27
Total Exports	642,85	619,17	425,23	491,30
Imports	1025,82	821,46	571,37	744,58
Overall Balance of Trade	—382,97	—202,29	—146,14	—253,28
Exports—				
Tea	123,40	142,43	89,94	85,19
Jute yarns and manufactures	114.83	112,52	84,55	95,81
Cotton yarns and manufactures	68,58	62,23	33,00	54,34
Metallic ores and metal scrap	49,80	23,30	24,54	33,57
Cotton, raw and waste	18,66	25,09	16,76	16,68
Oils—vegetable, mineral and animal	19,31	24,51	10,80	16,08
Fruits and vegetables	18 60	18,03	14,75	13,72
Tobacco	12 83	13,30	14,83	11.72
Mica	8,67	8,75	6,85	6.67
Wool—Raw	11,73	10,64	7,38	10.77
Gums, resins and lac	8,59	11,19	5,68	6.72
Spices	8,43	9,56	6,52	6,73
Hides and skins, raw	6,99	6,07	5,24	5,77
Imports—				
Machinery of all kinds	232,97	150,12	140,00	164,90
Iron and Steel	146,98	122,49	68,34	118,33
Oils—vegetable, mineral and animal	113,38	74.69	57,25	80,23
Cotton raw and waste	48,62	53,61	24,67	43,69
Chemicals, drugs and medicines	76,77	43,14	47,91	60,52
Electrical goods and apparatus	61,14	20,15	37,83	42,98
Paper, pasteboard, etc.	13,11	15,99	5,90	10,40
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	36,39	51,84
Fruits and vegetables	21 27	12,66	11,49	14,85
Spices	2,93	8,10	2 47	2,23
Dyes and colours	13,87	16,37	6,45	11,10
Woollen and worsted fabrics	1,31	2,18	22	98
Cotton fabrics	2,87	2,39	75	1,97

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During November, 1958	87.0
	Corresponding month, 1957	91.9
	Five months ended Nov., 1958	431.1
	Corresponding period, 1957	429 2
Stocks	At the end of November, 1958	105 4
	Corresponding month, 1957	71.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852.9
	1957-58	832 6
	October, 1957	70.5
	October, 1958	67.3
For Internal Consumption	1956-57	179.0
	1957-58	198 0
	October, 1957	12 9
	October, 1958	15.6
	RAW JUTE	(In 000 bales)
Consumption by Mills	November, 1958	505
	Corresponding month, 1957	533
	Five months ended Nov. 1958	2,477
	Corresponding period, 1957	2,462
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	8,305.8	7,185 2
1956-57	769	9,377.8	8,103.1
1957-58	834	11,176.9	9,011.1
July 1957	809	928.3	743.9
Aug., 1957	811	916.0	731 0
Sept., 1957	814	924.7	739.3
July 1958	791	1,056.7	846 0
Aug., 1958	791	1,040.7	831 9
Sept., 1958	793	1,053 5	843 1

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. Source:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	36	389	52	189
1957-58	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
October 1957	8,056	1,366	736	107	46	34	109	13	135	263	19	261	31	120
November "	9,240	1,566	844	129	53	37	137	16	149	309	24	302	37	134
December "	10,506	1,766	941	152	64	40	162	18	163	360	28	350	42	146
January 1958	11 814	1,979	1,033	174	80	44	186	21	177	413	32	394	45	161
February "	13 011	2,172	1,123	191	93	49	202	23	194	456	36	435	46	176
March "	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June "	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July "	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August "	5,823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September "	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
October "	8,040	1,542	771	107	46	21	98	12	110	274	19	283	29	72

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

INDUSTRIAL PRODUCTION

Industries	Unit	1957	Jan. to Aug. 1958*	Jan. to Aug. 1957	July 1958	August 1958*	August 1957
Major Industries—							
Coal	million tons	43.50	29.88	30.12	3.75	3.54	3.37
Steel (Ingots and Metal for castings)	thousand tons	1,715	1,012†	988†	158	—	137
Yarn	million lbs.	1,780	1,104	1,113	145	140	144
Cloth	million yds.	5,317	3,278	3,331	419	408	421
Cement	million tons	5 60	3 72†	3.08†	0.48	—	0.45
Jute	thousand tons	1,030	709	676	90	85	82
Paper and paper boards	tons	210,132	142,081†	119,925†	21,653	—	18,015
Matches	cases	578,400	415,200	385,100†	53,400	57,800	48,200
Sugar	thousand tons	2,068	1,483	1,565	4	7	2
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	250 85	218.80†	128.62†	27.20	—	25.49
Electric lamps	millions	33.15	20 20	20 89	2.68	2.49	2.72
Dry cells	millions	166.56	107.72	118 14	14 70	14.48	15 82
Power transformers	k.v.a.	1,219,200	667,400†	680,600†	97,100	—	105,400
Electric Motors	h.p.	469,200	407,600	295,800	63,700	52,900	40,200
Electric fans	Nos.	524,400	419,400	339,600	54,900	50,400	44,300
Radio receivers	Nos.	190,692	131,239	122,232	18,171	15,853	14,517
Storage batteries	Nos.	324,000	227,100	244,400	28,700	29,900	25,900
Copper conductors	tons	8,556	5,443	5,707	795	708	631
Winding wires	tons	1,020	1,028	634	150	150	103
Rubber and plastic Ins. cables and flexibles	million yds.	103.80	77 09	70 02	11.25	10.67	9.24
Insulators—H.T.	Nos.	193,200	360,100†	58,000†	77,700	—	20,000
Insulators—L.T.	million Nos.	4 69	3 18†	2 85†	0.36	—	0.38
Diesel engines—Vehicular	Nos.	3,336	2,827	1,758	311	294	212
Do —Stationary	Nos.	16,644	13,442†	7,680†	1,948	—	1,887
Chemical Industries—							
Salt	million mds.	98.70	98 23†	83.40†	5.98	—	4.72
Caustic soda	tons	42,648	31 178†	24,422†	5.180	—	3,645
Soda ash	tons	91,920	55,683	61,180	4,748	5,036	7,520
Chlorine liquid	tons	15,696	11,211	10,480	1,676	1,355	1,333
Bleaching powder	tons	5,340	4,014	3,459	594	485	536
Bichromates	tons	3,672	2,035†	2,066†	315	—	321
Sulphuric acid	tons	196,068	126,881†	111,932†	19,968	—	17,670
Superphosphate	tons	141,684	95,484†	79,833†	17,249	—	14,439
Non-ferrous Metals—							
Aluminium	tons	7,784	5,450	5,142	693	707	678
Antimony	tons	502	369	318	45	54	50
Copper (virgin metal)	tons	7,848	5,082	5,151	692	680	620
Lead (virgin metal)	tons	3,174	2,081	1,922	288	306	245
Gold	thousand ozs.	179	111	119	14	14	14
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	167,484	137,610	110,320	18,372	17,216	14,151
Bicycles	Nos.	790,424	543,809†	444,947†	80,265	—	69,158
Automobiles	Nos.	31,932	16,575	21,781	1,763	2,517	2,273
Cycle tyres and tubes	million Nos.	14 18	11 07	9 65	1.52	1.43	1 20
Motor tyres and tubes	million Nos.	1.92	1 31	1 83	0 18	0.17	0 16
Cigarettes	million Nos.	28,892	17,745†	16,867†	2,533	—	2,381
Plywood—Tea chests	million sq. ft.	95.02	51 18†	58 11†	6.58	—	6.63
Plywood—Commercial	million sq. ft.	31.64	21 83†	18 79†	3.83	—	2 66
Sheet glass	million sq. ft.	52 61	40 96†	25 30	4.66	—	5.24
§Woollen manufactures—Worsted Fabrics	million yds.	15.79	12 82	9 56	1.32	2.46	1 36
§Woollen manufactures—Worsted Yarn	million lbs.	27.80	19.21	17 30	2.69	2.68	2.48
Footwear—Western type (Leather)	million pairs	4 37	2.96	2 91	0.42	0.35	0 34
Footwear—Indigenous type (Leather)	million pairs	3 04	2.22	2 06	0.29	0.28	0 24
Alcohol—Industrial	million Bulk galls.	8 50	5.53†	4 86†	0 69	—	0 71
Alcohol—Power Absolute	million Bulk galls.	10.14	5.68†	6.40†	0.61	—	0.78
General Index—(Base 1951 = 100 Revised)		137.3	140 8‡	150.8‡	147 3	—	127 5

* Figures are subject to revision month to month. —Not Available
§ Includes figures for Jammu and Kashmir. † Upto July only. ‡ Average of first seven months.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53 = 100)

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	64	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	104	95	100	89	111	126	111	97	116	95	116	131
1957-58*	105	88	114	126	68	164	109	110	107	92	106	133	106	96	128	95	116	143
Oct. 1957	107	88	113	121	67	156	108	110	112	93	97	132	105	101	130	100	117	148
Nov. "	107	87	115	121	67	167	105	109	111	95†	101	132	104	102	130	97	115	148
Dec. "	102	86	109	117	65	157	99	109	110	96	105	129	102	104	130	93	115	147
Jan., 1958	101	86	103	114	64	162	101	117	106	95†	105†	130†	101	101	130	90	116	148
Feb.	99*	84	92	109	61	156	105	117	104	95	104	133	102	96	130	88	116	148
March "	100	84	94	110	63	152	107	118	108	93†	103†	120†	103	93	130	86	116	148
April "	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	8	114	145
May "	106	86	92	111	64	158	115	120	115	89	100	125	110	102	132	88	114	145
June	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July "	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	143
Aug., "	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept., "	113	105	103	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct., "	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., "	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	145

* Provisional. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 1st Jan., 1959	33,801(J)
	Corresponding week, 1958	31,111(J)
	1st Sept. 1958 to 1st Jan., 1959	370,069*
	Corresponding period, 1957-58	343,586*
Cotton Exports	Week ended 15th Dec., 1958	960
	Corresponding week, 1957	2,093
	1st Sept. to 15th Dec., 1958	104,560
	Corresponding period, 1957	48,715
Mill Consumption (Estimated)	1st Sept. 1958 to 1st Jan., 1959	415,291
	Corresponding period, 1957-58	447,166
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 1st Jan., 1959	397,145
	Corresponding date, 1958	437,234
‡		
Consumption of Cotton—		
Indian	October, 1958	394,558
Foreign	October, 1958	41,303
Indian	Two months ended Oct., 1958	777,057
Foreign	Two months ended Oct., 1958	83,857
Indian	Same Period 1957	771,906
Foreign	Same Period 1957	97,725
Stocks (Mills and Elsewhere)—		
Indian	As on 31st October, 1958	861,253
Foreign	As on 31st October, 1958	101,459
Indian	As on 31st October, 1957	779,044
Foreign	As on 31st October, 1957	204,989

Particulars	From 1st Sept., to 11th Dec., 1958 Bales	From 1st Sept., to 11th Dec., 1957 Bales
From Bombay Cotton Shipments to—		
United Kingdom	2,758	1,005
Continent	5,515	314
Hongkong	24,869	1,080
China	6,446	—
Japan	49,945	8,810
U.S.A.	457	139
Other Countries	1,275	391
Total to all foreign countries	91,265	11,739
Coastal Ports	12,703(a)	20,789(b)
Total	103,968	32,528

Particulars	Period	Quantity
		Bales of 392 lbs.
Cotton Exports from Bombay (by sea)	During Sept., 1958	38,727
	During Sept., 1957	1,325
	1st Sept., 57 to 31st Aug., 1958	250,670K.
	1st Sept., 56 to 31st Aug., 1957	261,387
Cotton Pressed in India† (In running bales)	Week ended 19th Dec., 1958	—
	Corresponding week, 1957	142,049
	1st Sept., to 19th Dec., 1958	224,170
	Corresponding period, 1957	884,044
Karachi (Pakistan)—		Bales
Receipts	1st Sept., to 11th Dec., 1958	470,639
	Corresponding period, 1957	512,280
Exports	1st Sept., to 11th Dec., 1958	228,381
	Corresponding period, 1957	136,094

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (a) Form 1st Sept. to 31st Oct. 1958. § Includes Zoda and Pickings, etc.
— Not Received. K—Includes 9,000 bales burnt by fire on 11-5-1958. (b) From 1st Sept., to 30th Nov 1957.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series.

[1952-53=100]

Group and Sub-Group	27th Dec., 1958	20th Dec 1957	29th Nov., 1958	28th Dec., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 5	100 5	100 4	98.4
2. Government of India	100 4	100 5	100 3	98.1
3. State Government	102 0	101 9	101 8	100 1
4. Municipal, Port Trust, etc.	99.2	99 0	99 0	99.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101.1	101 1	100 6	98 8
6. Plantations	100 1	100 1	100 1	100 0
7. Coal	99 6	99.6	99 6	99 6
8. Sugar	99 0	99 0	99 0	95.4
9. Cotton Textiles	98 2	98 2	98 2	99.9
10. Jute Textiles	91 5	91 5	91 5	93 1
11. General Engineering	101.1	101.1	101 1	96.3
12. Electricity Generation and Supply	97.1	97 1	97 1	96 6
13. Others	104 1	104.1	103.1	100 5
PREFERENCE SHARES—ALL INDIA.				
14. Total	87.9	88 0	88 1	86.5
15. Plantations	97 1	97 0	98 0	101 0
16. *Mining & Quarrying: Total*@	89 2	89.4	88 4	86.9
17. Coal	80 2	80 6	79.5	79 0
18. *Processing and Mfg.: Total**	88 0	88 0	88 0	86.5
19. Sugar	88 7	88 2	88.2	92 2
20. Cotton Textiles	78 4	78 4	78 5	85 5
21. Jute Textiles	81.5	81.3	79 8	72 9
22. Iron and Steel	90 7	90 6	90 4	86 4
23. General Engineering	100.9	101.2	102 3	102 6
24. Basic Industrial Chemicals	86 4	86 4	86 8	83 0
25. Cement	99 9	100 0	99 5	97.1
26. Paper	83 5	84.4	86 0	90.3
27. *Other Industries: Total**	84.9	85 1	85 5	82 5
28. Electricity Generation and Supply	86 0	86 1	86 9	84 5
29. Trading	81 8	81 8	81 0	76.2
30. Shipping and Other Transport	84.4	85 1	85 3	84 3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	136.5	136 4	139.7	120.2
32. *Agriculture and Allied Activities: Total**	146.7	147.1	152 0	135 9
33. Tea Plantations	141 2	141 6	146 3	132 3
34. Coffee Plantations	197 0	196 6	203.1	186 3
35. Rubber Plantations	147 6	147 8	151 0	128.4
36. *Mining and Quarrying: Total*	136.3	136 2	141.1	114 4
37. Coal	107 2	107.4	110 9	87 8
38. Other Mining	156 2	155.9	161.8	132.7
39. *Processing and Manufacturing: Total*	134 5	134.3	137.9	118 8
40. *Processing and Mfg. (Food† stuffs, Textiles, etc.). Total**	122 9	123 0	126 0	114 2
41. Sugar	162 2	162 7	169 7	157 2
42. Cotton Textiles	108 4	108 4	110 6	112 7
43. Jute Textiles	86.5	87.2	90 8	61.9
44. Silk and Woollen	410.7	412.7	423.8	298.1
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	153.5	153 0	157.8	124.0
46. Iron and Steel	147.4	147.2	151 9	110.7
47. Transport Equipment	182.1	181 3	196.4	165 2
48. Electrical Machinery	140.0	140.6	149.5	187.6
49. Machinery other than Transport and Electrical	171.7	170 7	174.4	142.6
50. Basic Industrial Chemicals	125.6	124.1	126.2	102.7
51. *Processing and Mfg. (Others): Total**	134 2	134.1	137.4	123 5
52. Cement	118 1	117.9	121 1	116 9
53. Paper	181 6	182.8	191 2	160 5
54. *Other Industries: Total**	115.9	116 2	118 0	101 4
55. Electricity Generation and Supply	94 3	94 3	95 4	88 1
56. Trading	86 6	86 5	88 4	75 7
57. Shipping and Other Transport	137.0	137.2	141 1	119.3
58. Construction	249 9	252 0	256 8	188 9
59. *Financial: Total*	179 2	179 2	178.9	152 6
60. Banks	201 6	201 4	201.0	173 0
61. Insurance	127 1	127.6	131.8	105.9
62. Investment Trusts	103.1	103 2	94 4	81.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	138.1	137.9	142.0	119 1
64. Calcutta	134 6	134.6	137.3	117 1
65. Madras	149 6	149 4	150 9	140.4
66. Delhi	155.1	154.9	159.9	144 8

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.' @ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,86,900
Oct., 1957	95,100	96,500	59,000
Nov., "	94,900	95,100	66,000
Dec., "	95,100	1,00,500	74,200
Oct., 1958	94,200	96,400	76 900
Nov., "	84,200	85,100	83,600
Dec., "	93,900	91,500	90,100
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95 156	5,82 315	4,41 483
Do. 31st March, 1958	7,33,945	5,07,580	4 10,558
Three months ended Sept. 1957.	1,71,397	1,19,172	96,815
" " " Mar. 1958	1,99,839	1 33,563	1,06,501
" " " June 1958	2,14,469	1,21 988	1,01,014
" " " Sept 1958	2,30 436	1,43,516	1,05 603

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Nmuber of man-days lost
1956	1,203	715,130	6,992,040
1957	1,630	889,371	6,429,319
January 1958	147	56,492	371,125
February "	152	99,482	447,586
March "	167	85,462	818,824
April "	170	61,489	5,30,162
May "	160	57,657	5,60,459
June "	163	161,711	1,529,248
July "	164	98,592	464,165
August "	132	63,571(a)	613,682(a)

‡ In progress during the month. (a) Not known in 8 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'56-'57	387.68		..	11,010	284
Pakistan††	'56-'57	83 50		..	2,079	249
Burma	1957	20.00	Kyats	4,450	446	223
Ceylon	1955	8.38		..	475	567
Japan	1957	90 90	Y.	8,252,000	10,915	10,020
Philippines	1957	22 60	Ps.	8,799	2,005	927
New Zealand	1957	2 22	£ (N.Z.)	928	1,237	5,570
Australia	1957	9 60	£ (A.)	4,678	4,970	5,177
U.K.	1957	51 40	£	17,418	23,220	4,520
U.S.A.	1956	168 09	$	343,600	163,554	9,731
Canada	1957	16 60	$	23,830	11,680	7,035
France	1957	44.00	F.Fr.	15,680,000	17,880	4,063
W Germany	1957	51 40	Dm.	158,000	18,057	3 513
Italy	1957	48 30	Lr.	12,231,000	9,412	1,949
Norway	1957	3 49	Kr.	23,290	1,560	4,470
Sweden	1957	7 30	Kr.	48,290	4,490	6,150
Netherlands	1957	11 00	Grs.	28,240	3,574	3,250
Denmark	1957	4 50	Kr.	25,480	1,760	3,910
Switzerland	1957	5.10	Sw. Fr.	26,900	2,956	5,796

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

Source: *International Financial Statistics*, October 1958.

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

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

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
	(1949=100)	Base June (1934=100)	Base July (1927=100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August (1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	102
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	250	339	94	112	364	116	114	99	103	115	107	126
June 1957	112	356	254	330	91	112	371	115	115	98	105	113	111	127
July "	112	356	256	333	89	112	371	116	115	98	106	119	109	129
August "	113	377	265	347	98	113	375	115	118	99	105	120	108	128
September "	114	375	262	338	97	113	378	115	113	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	113	99	105	120	107	129
June 1958	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July "	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August "	120	404	288	322	103	118	403	126	117	108	106	125	111	132
September "	121	404	289	327	104	120	406	127	117	111	109	131	..	132
October "	123	405	290	333	108	122	406	130	119	113	105	130	..	132
November "	..	402	292	330	..	..	..	..	..	..	..	..	..	..

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates: 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C: Receipts	Outstandings	Post Office Savings Bank Deposits: Receipts	Out standings	10-Year National Plan Certificates D: Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 4½% F: Outstandings	4% C: Receipts	Outstandings	15-Year Annuity Certificates G: Receipts	Out standings	Total: Receipts	Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25 64	..	..	..	..	146,83	211 93
1953-54	5,91	4,26	104 38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152 71	252,96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177 35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203 53	380 04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25.38	—38,82	44 28	..	..	43	1,32	225 88	440 17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958																
January	2.37	4,94	148,57	7.95	47,18	13,88	202,54	23,77	—39.55	43,80	63	4,08	18	1,68	22,68	478.93
February	2,31	4,83	146 14	10.24	57,42	14,22	203,12	23,45	—39,62	43,69	74	4 81	9	1,75	25 29	487 52
March	2,22	4,73	143,45	14.03	71,43	27,35	213,91	23,11	—39,73	43.58	70	5 47	12	1,87	42,20	509.77
April	2,15	4,65	141,31	6,56	77,99	15 27	214.24	22 85	—39,82	43.47	77	6.15	11	1,97	22,71	514 78
May	2 07	4 55	139,23	5,84	83,82	15 22	212,66	22.58	—39 90	43 37	57	6 72	5	2,01	21,68	517.01
June	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7 12	3	2,03	19,95	520 60
July	1,96	4,38	135 18	5,49	94,65	16,04	215,13	22 19	—40,06	43,17	47	7 63	5	2,07	22 49	526 36
Aug.	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532 75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537.82
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November	..	..	..	..	..	..	..	..	..	42,81	47	9,58	7	2,23	..	..

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

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100 80
3 % Loan	1938-39	116,17,46,000	1963-65	96 85
3 % Loan	1950	30,32,10,000	1964	96 95
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93 95
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90 85
3 % 2nd V. Loan	1945	1,13,65 64,000	1959-61	99 70
2¾% Loan	1946	45,63,07,000	1960	99 00
2¾% Loan	1946	57,00,69,000	1961	97 25
2½% Loan	1946	14,77,48,000	1976	83.20
2¾% Loan	1947	75,86,72,000	1962	96 90
3¼% N. P. Bonds	1953	75,29,00,000	1961	100 10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.90
3½% N. P. Bonds (2nd Series)	1955	1,03,67,02,000	1965	99.75
3½% Loan	1956	87,27,36,000	1962	99 20
3½% N. P. Bonds	1956	83,81,83,000	1967	99 15
3½% Loan	1956	66,63,53,000	1974	98 45
3¾% N P. Bonds (4th Series)	1957	56,99,15,000	1967	100 80
4 % Loan	1957	49,17,27,000	1972	101 20
3½% Loan	1958	58,06,00,000	1963	100 05
3¾% Loan N.P.B.	1958	84,34,00,000	1968	100 60
4 % Loan	1958	49,47,00,000	1973	100.90
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34 000	M.	72.70
3% Loan	1946	2,48,91,37,000	K.	73.50
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	99 90
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	99 80
4½% Andhra	1958	5,00,00,000	15th July 1970	100 80
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96 50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 50
4 % Bombay	1952	3,45 85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100 50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	99 25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	101 25
4½% Bombay	1958	5,00,00,000	15th July 1970	101.15
4½% Bombay	1958	5,00,00,000	15th July 1971	101.10
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	99 50
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	99 40
4½% Bihar	1958	2,50,00,000	13th Oct. 1970	100 90
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99 00
3½% Cochin	1936	30,00,000	1st June 1956-61	98 00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	99 90
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	99 80
3 % Madras	1939	1,23,96,000	21st June 1959	99 80
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98 85
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97 75
3 % Madras	1950	4,38,25,400	31st July 1960	98 85
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98 75
4 % Madras	1953	10,33,71,000	15th July 1963	100 25
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 10
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100 00
4½% Madras	1958	5,00,00,000	15th July 1970	100 90
4 % Mysore(ƒ)	1933	2,95,85,200	1st Dec. 1953-63	101 25
3 % Mysore(ƒ)	1936	5,99,73,000	30th Apr. 1956-61	99 50
4 % Mysore	1953	3,33,47,000	15th July 1963	100 25
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	99 90
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	100.10
4½% Mysore	1958	5,00,00,000	15th July 1970	100 90
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 65
3 % M.P.	1950	1,01,45,000	31st July 1960	98 60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
4 % M.P.	1953	1,10,18,000	15th July 1963	100 10
4 % M.P.	1955	1,63.12,000	1st Sept. 1967	99 50
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	99 40
4½% M P.	1958	2,00,00,000	15th July 1970	100 90
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100 00
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100 00
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99 50
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	98 25
2½% U.P.Z.A	1952	41,44,79,000Z	..	48.40
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98 80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97 75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89 14,000	1st Aug. 1964	100 10
4 % U.P.	1953	5,58,25,000	15th July 1963	100 30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100 00
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100.00
4½% U.P.	1958	7,00,00,000	15th July 1970	100 90
4 % Rajasthan	1956	3.14,19,000	3rd Sept. 1968	99 50
4½% Rajasthan	1958	2,50,00,000	15th July 1970	100 85
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	99 65
4½% Orissa	1958	3,00,00 000	15th July 1970	100 85

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35.00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.75
40,00.000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	97.75
88 25,000	4	1914	1975	97.75
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24 58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48 04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97 75
76,90,100	4	1915	1975	97 75
1,50,00,000C	3††	1921	1981	82 00
68,02,300C	6½	1921	1981	144 00N
60,00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	98 50
25,00,000	3	1938	1963-68	92 00
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84 75
50,00,000	3	1946	2006	74 00
50,00,000	2½	1947	1977	79 50
50,00,000	3	1948	1978	83 75
50,00,000	3	1949	1959	99 12
1,00,00,000	3	1949	1959	99 12
50,00,000C	3	1950	1980	82 00
1,00,00,000	3	1950	1960	98 00
1,00,00,000	3	1950	1960	98 00
50,00,000	3	1951	1981	81 75
1,50,00,000	3½	1953	1961	99 00
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97 50
90,00,000	4	1955	1985	97 25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99 50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901.000	5	1924	1954-84	£80 25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000††	3	1947	1977	A
3,00,000††	3	1949	1979	
45,00,000††	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	97.75 N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97 50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118 90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115 00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95 50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	102 00
50,00,000	4	1934	1964	99 06
35,00,000	3½	1935	1965	94 00
30,00,000	3	1936	1966	90 00
50,00,000	3	1937	1962	93 50
20 00,000	3	1938	1963-68	90 00
80,00,000	4	1952	1962	99 25
1,02,00,000	4	1956	1968	99 00
75,00,000	4½	1958	1968	100 00

MUNICIPAL LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	97 00
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	101 00
8,25,00,000	3½	1947	1977	85 25
2,50,00,000	3½	1949	1979	85 25
4,00,00,000	3½	1950	1965	93 00
2,50,00,000	4	1952	1964	99 50
2 00,00,000	3½	1951	1966	97 40
1,30,00,000	4	1953	1963	99 50
1,00,00,000†	4	1952	1964	99 25
1,00,00,000†	4	1954	1966	99 00
2,50,00,000	4	1955	1967	99 50
1,50,00,000	4	1956	1968	99 50
2,00,00,000	4½	1957	1969	100 75
400,00,000	4½	1958	1970	100.70
CALCUTTA				
Rs				Rs.
36,00,000	5	1928	1958	100 00
10,00,000	5½	1932	1962	108 00
33,91,000	3½	1925	1965	94 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1968	90 00
17,64,400	3½	1942	1959	96 50
21,10,000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	97.50
66,88,000	3½	1951	1966	97 50
87,36,000	4	1952	1962	99 25
72,50,000	4½	1954	1979	100 00
2,22,72,000	4	1955	1985	—
73,86,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107 00N
15,00,000	3½	1952	1962	107 50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100 10
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	99 50
3½% W. Bengal	1951	1,75,00 000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100 10
4 % W. Bengal	1953	3,60,23 000	15th July 1963	100 30
4 % W. Bengal	1955	7,58,72 000	1st Sept. 1967	99 85
4 % W. Bengal	1956	7 11 46 000	3rd Sept 1968	99 80
4½% W Bengal	1958	5,00,00,000	15th July 1970	100 90
4½% Kerala	1958	3 00,00,000	15th July 1970	99.90

ABBREVIATIONS.

A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. N—Nominal.
(ƒ) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6¼ to 4 per cent. with effect from 1st April, 1935.
‡—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months' notice. K—On September, 1986, or later at option of Government after three months' notice.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6	Mar.	Sep.	114.00	100
BREWERIES AND SUGAR							
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5	April	..	85 00	100
Carew & Co T.F.R.C.	8,00,000	1875	6½	Mar.	Sep.	90 00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8	Feb.	Aug.	107 00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7	July	Apr.	5 92xd	5
¶East India Distilleries T.F.C.	£200,000	1897	7	Jan.	July	16.50cd	£1
Gwalior Sugar T.R.C.	6,75,000	1940	7	Dec.	..	60 00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec.	..	60 00	100
Purtabpore Co. T.C.	6,00,000	1922	10	Oct.	..	13 50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6	Aug.	..	90 00	100
Ravalgaon Sugar	20 00,000	1943	5½	Oct.	Apr.	70 00	100
South Behar Sugar T.	5 00 000	1936	7	Oct.	..	20 00N	100
Travancore C.T.F.	15,00,000	1946	5	Dec.	..	7.10	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec.	..	90.00N	100
Do. T.C.R.O.	15,00,000	1946	5	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	7	Apri	May	118.75	100
COAL							
Borrea T.F.C.	4,00,000	1896-97	6½	Oct.	Apr.	86.00xd	100
Burrakur (1st) T.F.C.	22,99,800	1901-19	7	Apr.	Oct.	103 00	100
Do. (2nd) T.C.	4,50,000	1946	6	..	..	6.25	10
Equitable T.F.	4,00,000	1895	6	Mar.	Sept.	96 00	100½
Karanpura Collieries T.C.	9,89,500	1946	5½	..	..	52 00xd	75p.
††Khas Kajora C.	1,93,000	1931	5	Mar.	Sept.	9 50N	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan.	July	10.75	10
Ondal T.F.C.	2,00,000	1898-99	6	Apr.	Oct.	90.50	100
COTTON							
Ahmedabad Advance T.F.	10,00,000	1939		Apr.	Oct.	78.50xd	100
Bangalore C.T.F.	6,00 000	1884	6¼	Jan.	July	110 00xd	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	8 25	10
Bowreah 'A'	6,00,000	1900	8	Feb.	Aug.	145 00	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	62 00	100
Bradbury T.F.	14,75,000	1919	7	June	Dec.	56 00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7½	Jan.	July	118 75xd	100
Cambodias C.T.F.	1,00,000	1928	7	Apr.	..	110 00	100
Central India T F.	50,00,000	1912	5	Apr.	Oct.	840 00	495
Coimbatore Pioneer C.T.F.	1,00,000	1935	6½	June	..	91 75	100
Elgin	11,00,000	1912	8	May	Nov.	105 00	100
Do 'B' Pref.	4,20,000	1943	5	July	Jan.	7 50	10
Elphinstone T.	25,00,000	1919	7	May	Nov.	65.30	100
Kesoram	20,00,000	1919	7	June	Dec.	99 00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4	Nov.	..	70 00	100
Kothari C.T.F.	18,00,000	1937	6	Dec.	..	8 65	10
Kothari 'B' (Pref.)	6,00,000	..	6	..	..	10 00N	5
Lakshmi Cotton (Bombay) T.	16,00,000	1896	5	..	..	158 75	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	Jan.	..	85 00	100
Mysore Spg.	7,45,050	1944	4½	..	..	28 00	50
National Rayon T.	1,74,64,700	1947	5	..	..	73.00	100
New Great T.	8,00,000	1913	5½	Mar.	..	130 00	200
Podar Mills	10,00,000	1943	4	Feb.	..	72 00	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr.	..	51 00	50
Shree Niwas Cotton	4,80,000	1944	4	..	..	67.00	100
Sholapoor R.	32,00,000	1943	3	..	..	78 25	100
Svadeshi T.F.	15,00,000	1935	5	Apr.	Oct.	85.00	100
Swadeshi (Kanpur)	35,00,000	1927	6	June	..	74 00	100
Travancore Rayon C.T.F.	50,00,000	..**	5	May	..	7 90	10
Vasanta (1st) C.T.F.	3 00,000	1931	6½	Apr.	Oct.	101 00	100
Do. (2nd) C.T.F	1,50 000	1938	6	..	..	90 00	100
Vishnu T.	15,66,500	1908	7	Apr.	..	422.50	500
ELECTRICS							
Andhra Valley Power Supply T.	49 34,000	1917	7	May	Nov.	1,050.00xd	1,000
Amalgamated Electric T.F.	24,15,000	..	5½	..	..	89 00	100
Calcutta Electric	19,00,000	1909-11	5(t)	June	Dec.	10 70xd	£1
Poona Electric T.	4,00,000	1935	7	June	Dec.	103 00	100
South Madras (1st) C.T.F.	22,00,000	1940	5½	Sept.	ea.	9 04	100
Do. (2nd) C.T F.	8 00,000	1940	5½			8 89	10
Surat Electric Co. T F.	5,00,000	1939	6½	Apr.	..	109 50	100
Tata Hydro Electric Power T.	89,28,000	1907	7	May	Nov.	104 00xd	100
Tata Power T.	86,97,000	1918	7½	May	Nov.	1,100 00	1,000
Vellore C.T.	1,25 000	1923	6	Dec.	..	7.04xd	10
ENGINEERING							
Arthur Butler (Muzafferpore)	1,30,000	1919	7	Mar.	..	9.50	10
Burn & Co. Ltd. (1st)	13,00,000	1895-98	7	Feb.	Aug.	124 00	100
Do. (2nd)	15,00,000	1902	6	Feb.	Aug.	115 00	101
Indian Iron and Steel Co., Ltd. T.F.	2,69 95,400	1950	5	Dec.	..	100.50	100
Indian Standard Wagon	19,66,500	1918	7	June	..	122 00	100
Jessop	20,00,000	1941	5	May	Nov.	78 00	100
Kamani Engineering C.	15,00,000	..	5	July	..	54 00	100
†††Kumardhubi Engineering	12,00,000	1915	4	June	Dec.	91 00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5	..	..	86 30	100
Mahindra & Mahindra R.C.	25,00,000	1945	6	May	..	100 50	100
McKenzies (1st)	5,50,000	1907	..	..	..	80 00	100
Premier-Construction (1st) T.	10,00,000	..	6½	..	..	86 50	100
Do. do. (2nd) T.	15,00,000	1936	6½	..	..	83 00	100
Do. do (3rd) T.	56,25,000	1947	4½	..	..	5 44	10
Tata Iron and Steel (1st) T.	75,00,000	1908	6	Nov.	..	151 00	150
Do. do. (2nd) T.	6,93,81,900	1908	7½	May	..	112.50	100
JUTE							
Agarpara	10,00,000	1927	7	Jan.	July	101 00	100
Alexandra	9,00,000	1905	7	Feb.	Aug.	96 50	100
Alliance	15,00,000	1895	6	Mar.	Sept.	80 00	100
Anglo-India	40,00,000	1917	7	May	Nov.	100 00	100
Auckland	10 00 000	1909	5½	May	Nov.	76 00	100
Do. (2nd)(j)	15,00,000	1945	4½	June	Dec.	65 00	100
Bally	20,00,000	1918	7	Apr.	Oct.	101 00	100
Barnagore	£200,000	1896	5	May	Nov.	40 00	5
Belvedere	7,00,000	1906	7	Jan.	July	100 00	100
Birla	23 64,200	1919	7½	June	Dec.	88 50	100
Budge-Budge	9,00,000	1894	7	May	Nov.	102 00	100
Calcutta	6,00,000	1934	6½	Jan.	July	69 00	100
Caledonian	10,00,000	1915	7	June	Dec.	100 00	100
Cheviot	10 00,000	1919	7	June	Dec.	100 00	100
Chitavalsah	15,00,000	1928	7	Mar.	Sept.	100 00	100
Clive (1st Pref)	8,00,000	1900	6	May	Nov	67 50	100
Do (A) (2nd Pref.)	8,00,000	1905	7	May	Nov	74 00	100
Dalhousie	15 00,000	1903-13	7	May	Nov.	90 00	100
Delta	5 00,000	1897	5	June	Dec.	74 00	100
Empire	10,00 000	1912	7	Feb.	Aug.	100 00	100
Fort Gloster	14,00,000	1890-98	7	May	Nov.	104 00	100
Do (2nd Pref.)	7 00 000	..	5	..	..	70 00	100
Fort William	10 00,000	1911	7	May	Nov.	104 00	100
Ganges	6,00 000	1916	8	June	Dec.	100 00	100
Gourepore	26,50,000	1895-04	6	May	Nov.	87 00	100
Hastings	25,00,000	1935	6	Mar.	Sept	88 00	100
Hooghly	11,76,000	1913	10	May	Nov.	11 75	10
Howrah	8,75 000	1890	7	May	Nov.	102 00	100
Do (A)	17 50,000	1903-6	7	May	Nov.	102 00	100
Hukumchand	40 00,000	1919	7	June	Dec.	198 00xd	100
Kamarhatty	16 00,000	1898-04	6	Feb.	Aug.	100 00	100
Kanknarrah	10,00,000	1900	6	Feb.	Aug.	75 00	100
JUTE—*Continued.*							
Kelvin	10,00,000	1907	7	Mar.	Sept.	102.00	100
Khardah	9,00,000	1895-09	6	May	Nov.	86 00	100
Kinnison	15,00,000	1900-13	7	May	Nov.	102 00	100
Lansdowne	15,00,000	1905	7	May	Nov.	100 00	100
Lawrence (A)	5,00,000	1907	7	May	Nov.	98 00	100
Do. (B)	10,00,000	..	5½	Dec.	..	76 00	100
Naihati	7,50,000	1905	7	May	Nov.	95 00	100
Do. (2nd) (j)	10,00,000	..	4½	June	Dec.	65 00	100
National	5,00,000	1917	7	May	Nov.	101.00	100
Nellimarla	5,00,000	1939	6	Apr.	Oct.	87 00	100
New Central	83,00,000	1915	7	Jan.	July	99 00	100
Northbrook	15,00,000	1900	½	May	Nov.	73 00	100
Reliance	20,00,000	1906-12	7	May	Nov.	70.00	100
Samnuggur	£150,000	1901	6	Feb.	Aug.	Sh. 21 50N	£1
Soorah	10,00,000	1920	7	Feb.	Aug.	100 00	100
Standard	9,00,000	1895-01	6	May	Nov.	100 00	100
Shree Ambica	11,70,000	.	7½	Mar.	Sept.	90 00	100
Titaghur	£150,000	1897	6	Feb.	Aug.	Sh. 21 50	£1
Union	6,00,000	1901-02	7	May	Nov.	103.00	100
Victoria	£150,000	1898	6	Feb.	Aug.	Sh.21 50	£1
Waverly	7,50,000	1918	7	Mar.	Sept	43.00	5
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship	3,00,000	1895	7	Nov.	..	58.00	60
Calcutta Tramways	£250,000	1906	5	Apr.	Oct.	8 00	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5½	Dec.	..	95.20	100
Indian General Nav. & Rly. T.	£244,000	1899	6	Mar.	Nov.	58 00	£10
India Steamship (w)	25,00,000	1928	5	..	..	86.00xd	100
TEA							
Amluckie Tea	75,000	1902-03	7	May	Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900-02	6½	Jan.	July	109 00	100
Birpara	1,00,000	1900-03	8	Jan.	..	108 00	100
Choonabhutti	2,00,000	1914	8	Jan.	July	109 00	100
Gielle	2,00,000	1894	6	Sept.	..	67 00	100
Hantapara	50,000	1901	8	Jan.	..	109 00	100
Hasimara	3,00,000	1904	7	Mar.	..	109 00	100
Kingsley Golaghat	2,40,000	1897	6	Dec.	..	95 00xd	100
Moheema	3,20,000	1929	6	May	Nov.	8 00	10
†††New Dooars	2,00,000	1907	6	Jan.	July	109 00	100
New Samanbagh	1,00,000	1903	8	Nov.	..	100 00	100
†††Okayti	50,000	1888	7	Dec.	..	90 00	100
Pussimbing	2,05,000	1916	7	Jan.	..	83 00	100
Sonai River	1,00,000	1909	8	May	..	100 00	100
***Tezpore	2,05,000	1932	8	Jan.	..	10.25	100
Tirribannah	1,00,000	1922	10	May	Nov.	14.00	100
PLANTING							
Be Be Rubber N.R.C.T.	1,43,005	1944	6½	..	..	8.13cd	5
Do. R.C.T.	2,86,450	1944	6½	..	..	6 64cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June	..	46 70	50
Coffee Lands C.T.F.	10,40,600	..	5	..	..	79 00	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr.	..	98 00	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov.	..	10 75	10
Devon Tea C.T.F.	2,00,000	1936	7½	July	..	104 00	100
Highland Produce C.T.F.	3,00,000	..	6	July	Jan.	9 00	10
Neelamalai C.T.F.	18,00,000	1943	5	Jan.	July	7 05	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July	..	4 25	5
Pullangode C.T.F.	1,50,000	1943	6	Mar.	..	8 65	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar.	Sept.	7 35	10
T. R. & T Co. C.T.F.	16,00,000	..	6	June	Dec.	7 75xd	10
Waterfalls R.C.T.F.	5,00,000	1948	6	Nov.	..	8.00	10
MISCELLANEOUS							
Alembic Chemicals (1st T.	5,00,000	..	6½	June	..	83 50	100
Do. do. (2nd)	5,00,000	..	5	June	..	85 00N	100
Alkali & Chemicals	31,00 000	1937	5	Apr.	..	101 00	100
Aluminium Corpn. (1st)	20,00,000	1938	6(f)	..	..	83 00	100
Andhra Cement C.T.F.	2,48,800	1937	6	Feb.	June	100 00	100
Associated Hotels of India T.	21 67,000	1916	7	Mar.	Sept.	54 00	100
Bengal Chemicals	9,00,000	1925	7½	Aug.	..	11 00	10
Bengal Paper Mill	2.00,000	1903	7	Mar.	Sept.	53 00xd	50
Do "A"	4 00,000	1923	7	Mar.	Sept.	105 00xd	100
Do. "B" T.	20,00,000	..	4	..	..	64.00xd	100
Bengal Timber Trading	3,00,000	1896	8	Aug.	..	17 00N	100
Britannia Biscuit	15,450	1921	8	Feb.	Aug.	13 75	10
British Ceylon Corporation	17,50,000	1918	6	Feb.	Aug.	8 00N	5
British India Corporation	81,00,000	1920	8	Feb.	..	96 50	100
Dalmia Cement (Bharat)	85,00,000	1937	6(k)	Sept.	..	85 00	100
Do.	23 75,000	1945	6(k)	Sept.	..	32 50	40
Dhrangadhra Chemical Works Ltd.	31,91,900	1956	6	..	..	90 00	100
Shree Digvijay Cement T.F R.C.	79,93,875	1944	5	Dec.	..	83 00	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6½	Apr.	..	118 00	100
Do. do. do. T.C.P. (2nd)	40,00,000	1936	6	Jan.	July	82 00	100
General Investment Trust (1st)	1,00,000	1946	5	Feb.	Aug.	63 00	100
Do. do. (2nd) T.	1,00,000	..	6	Feb.	Aug.	54 00	100
Gillanders Arbuthnot(f) T.	25,00,000	..	5	Apr.	Oct.	55 00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6	Mar.	..	37 50	50
Humayan Properties	12,00,000	1933	6	..	..	7 62	10
India Cement T.	29,85,000	1946	7½	Oct.	..	92 43xd	100
Indian Aluminium (g) T.	40,00,000	1945	5	June	..	72 00	100
Indo-Burma Petroleum T.C.	50 00,000	1921	7	Jan.	July	88 00	33
Indian Cable (m)	12,87,750	1923	6	June	Dec.	25 50xd	10
India Rubber Mfrs (n)	8,28,000	..	5	Apr.	..	76 00	100
Jardine Henderson T.	50,00,000	1946	5½	Dec.	..	56 00	100
Kettlewell and Bullen (1st) T.	20,00,000	..	5½	May	..	59 00	100
Do. do. (2nd)	10,00,000	..	4	May	..	56 00	100
Kumardhubi Fireclay & Silica	2,00,000	1915	7	June	Dec.	63 00xdN	100
Martin Burn (k)	30,00,000	1946	5	Apr.	Oct.	98 50	100
McLeod and Co. (1st) T.	10,00,000	1930	5	July	Jan.	53 00	100
Do. (2nd)	40,00,000	1936	5	July	Jan.	72 00	100
Metal Box Co.	30 00,000	..	6	..	..	84 00	100
Mettur Chemicals (Old) C.T.F.	20 00,000	1903-18	6	Feb.	Sept.	93 50	100
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6	June	..	9 00	10
Mysore Lamps R C.T.F	2,50,000	..	4	Aug.	..	6 50	10
National Tobacco (Old) (p	25 00 000	..	5	Mar.	Sept.	67 00	100
Do. do. (New) (q)	19 98 000	..	4½	Mar.	Sept.	59 00	100
Orient Paper	69 88 900	1936	5½	Jan.	..	95 00	100
Do. (2nd) (r) T.	60,00,000	..	5½	Apr.	Oct.	61 00	100
Rohtas Industries (Old T.	20,00,000	1936	7	Apr.	..	124 00	100
Do. do. (New)	85.04,700	..	4½	Apr.	..	64 00	100
*Smith Stanistreet & Co.	5 00 000	1920	10	Feb.	Aug.	65 00	50
Spencer & Co. "A" C.T.	23 20,000	1898	6½	Jan.	July	8 00cd	10
Do. "B" C.T.	36 80,000	1922	8½	Jan.	July	11.00cd	10
Standard-Vacuum C.	75,00 000	1955	6	June	Dec.	100 00	100
Star Paper	10,00,000	..	5	Mar	Sept.	70 00	100
Tata Chemicals T.F.	59,97 000	..	5	June	..	90 80	100
Tata Oil Mills C.	29,88 800	1946	4½	July	..	68 70	100
Titaghur Paper Mills	11,50 000	1899	8	Jan.	June	140 00	100
Do. do. (2nd)	15,00,000	1934	4½	Jan.	July	78.00	100

** These shares carry the right of a preferential dividend at the rate of 5 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. out of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus profits available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free.
R.O.—Redeemable at option. N.R.—Non-Redeemable. P.—Participating

(f) Participating preference shares. (g) Redeemable at Rs 105 at any time on 3 months notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank pari passu with ordinary shares after ordinary shares received 6 per cent. dividend (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice (s) Participating to 9 per cent (t) Free of income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 5 years after the date of Issue at a premium of Rs 10 per share on 3 months' notice. (z) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
					BOMBAY CITY AND ISLAND											
50,00,000	5,37,500	1,01,25,505	44,03,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.24	2	0.19	0.19			12	Y.
44.00,000	24 90,000	1,40 93,494	78,99 035	17 302	M.	50,596	1,031	B R. Cotton Mills	25.00	100	Nil	Nil	Nil		8	Y.P.T
2,50 00 000	3,42 88 483	7 95 80 951	3 93 39 819	86 708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23 480	3,646	Bombay Dyeing & Mfg. Z	55 80	25	2 50*	2 50	2 50	0.75l	12	Y.
18 00 000	36,04,615	71 89,139	45,08 521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	133 75	50	12.50	20 00	15 00	7 50	8	Y.P
1,13 85,650	2 79 59,276	7,45,37 167	2 69,98 324	9,27,648	Birla Brothers Private Ltd	1,26,752	2,752	Century Spg. & Mfg.	419 00	100	22.00	22.00	22 00	8.00l	12	Y.
49,00,000	25,42,326	1,19,99 766	65 07,085	—33,08,097	V. J. Pilani (Chairman and Managing Director)	50,596	698	Colaba Land & Mill	46.00	100	Nil				12	Y.
26,00,000	28.31 920	1 13 36 792	67 79 552	58 223	Cowasjee Jehangir & Co., Pvt. Ltd.	80,984	680	Coorla Spg. & Wvg.	137 50	100	7 50	12.50*	12 50*	12.50*	8	Y.
25,00,000	26 37 709	90 59 554	54 08 586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	80 00	50	15 00	—	7 50F	5.00	12	Y.
34 00 000	26 36 389	1 12 98,983	69,27 928	—11,15 096	Puranmal Bubna Sons	46,668	928	Edward Textiles	215 00	200	18 00	15 00	15 00		12	Y.
29,98 050	15 72 144	1,31,76 951	81,20,938	..	M.	45,996	886	Elphinstone Spg. & Wvg.	32.00	50	5 00	15 00	Nil		12	Y.P
50.00 000	65 54 875	1,67 84,064	89 06,207	37 155	James Finlay & Co., Ltd.	52,528	784	Finlay Mills	257 00	100	20 00	20 00	20 00		12	Y
50,00,000	48,98,022	94,91,910	61,37,387	10,233	James Finlay & Co., Ltd.	45,768	1,618	Gold Mohur Mills Ltd.	178 50	100	15 00	15 00	15 00		12	Y.
11,84,000 16,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills	4,800.00 992 50	1,000 250	300 00 75 00	325 00 81 25	350 00* 87.50*	350 00 87.50	8	Y.P.
2,50,00,000	56.39,672	4 90,61,319	3,54.00,000	1,29,960	Agarwal & Co.	2,44,150	6,278	India United Mills	8 60 1 08	0 100. 0 1D.	0 94 0 19	0 92 0 18			12	Y.
8,65,000 35,000	1,09,49,981	1,69,30 792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	4,350.00 —	1,000 500	300 00 150 00	300 00 150 00	825 00* 162 50*	825 00 162 5.	8	Y.P.
59,85,000	47.84 646	3 32 60 641	2 39 44 370	30 411	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	156 25	100	12 00	10 00	10 00(c)	10 00	6	Y.P.
1,00 00 000	1,18.27 791	3 67 76 376	2,84 94 794	52 791	Killick Industries Ltd	1,20,504	1,846	Kohinoor Mills	235 00	100	18 00	18 00	18 00	4.00l	12	Y.
33 18 800	46 27 870	1 28,83,753	67 99 178	43 271	N Sirur & Co. Private Ltd.	49.000	644	Modern Mills	46 00	50	8 00*	8 00*	5 00'C'		10	Y.T.
51,75 000	42.39 896	2 75 32,726	2.00 41 588	21.603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg.& Wvg.	235 00	100	14 00	15 00	14.00(c)	15.00	6	Y.P.
1,60,63 400	1,42 58 205	10,55,96,105	2.40,00,000	1,23.937	Chinai & Co Private Ltd.	..	..	National Rayon Corporation	240 00	100	12 00	14 00*	14 00		12	Y.P.
24 00 000	25 62,456	82 11 723	48 70,075	1,495	W H Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	93 00	100	10 00	10 00	5 00		12	Y.
30 00 000	11 72 134	101 83 002	63 37 034		W H Brady & Co., Ltd.	49,012	1,016	New Great Spg. & Wvg.	219 00	100	10 00	10 00	Nil		12	Y.P.
48.00 000	55 51,580	1 69 40 494	1,08 77 159	3.59 718	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	121 25	100	10 00		12 50F	10.00	8	Y.
48 00,000	45,64,554	53 92 841	25 34 581	1 63 546	Podar Sons Private Ltd.	32,600	930	Podar Mills	127 00	100	12 00*	12.00*	10 00		12	Y.P.
10,00,000	..	23.94.122	18 44 733	—1 10 689	M.			Sassoon & Alliance Silk Mill	9.76	10	0 50	0 25(c)	Nil		12	Y.
37.76 100	1,19.98,715	2,11,34 514	1,36 87 248	12 182	M G Investment Corp Private Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	40.00	10	2 00	2 00	2 00		12	Y.
80 00 000	44 70,061	1 27 66,700	67 73 552	58 530	Marwar Textiles Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	136 00	100	12 00	12 00	8 00		12	Y.P.
42 00,000	39,80 473	1 95 86,294	79,84 101	8 089	Forbes F Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	169 00	50	10 00	12 00	8 50	8.50	8	Y.
87 80,000	2 50 26 472	2 96 16 751	1 87,99 317	1,55 642	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	405.00	100	20 00	22 50*	22 50*		12	Y.P.
1,00,00,000	95 02,854	2 74,30,400	1 44 86 214	29 124	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	212 50	100	12 00	14 00*	9 00		12	Y.P.
36 00 000	65,13,465	1,52 27 488	96.52 715	26 062	James Finlay & Co., Ltd.	40,328	549	Swan Mills	345 00	100	25 00	25 00	25 00		12	Y.
65,57,875	58.20 412	2,18,16 540	90 53,601	17 925	Tata Industries Private Ltd.	70,832	1,800	Tata Mills	34 50	25	4 00	3 50*	2.00		12	Y.T.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,136	1,212	Western India Spg .& Mfg.	4,525.00	1,000	300.00	300.00	325.00*	325.00	8	Y.P
					AHMEDABAD											
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	140.00xd	100	7 00	12.00	5.00	5.00	6	Y.P.T
15 00,000	98 23,183	1,29 00,836	73 82,228	....	P. M. Hutheesing & Co., Ltd.	44,220	912	Aruna Mills	602 75	100	30.00	25 00	25 00		12	Y.P.
40,00,000	3.03 12 127	2,17 78.010	1,10,66,897	28 706	M.	66,412	1,216	Arvind Mills	960 00	100	35 00*	35 00*	35 00*		12	Y.P.
22,00 000	47 41 123	1,22.40,943	77 79 729	1.04 815	Mangaldas & Brother (Pvt.) Ltd.	35 908	892	Aryodaya Ginning & Mfg.	417 50xr	200	25 00*	30 00*	Nil		12	Y.P.
12.00,000	1,40 46 694	99 92 464	67,28 819	728	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	616 25	100	30 00	30 00	30.00		12	Y.P.
2,06 25 000	2.60 65 170	6 22.25 491	2,74 71 141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,89,120	2,409	Calico	509 00	125		30 00	30 00	25.00	3	Y.P.
63,00,000	28.51 630	1,44 37 907	1,02 61,820	20 815	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	451 25	250	80.00	100.00*	25 00*		12	Y.P
52 00,000	91.54,187	1,55,49 668	1,07,88,296	92.673	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	785 00	125	35 00	40 00*	30 00		12	Y.
15 00.000	64 29 775	69,45 065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	397 50	100	20 00	20 00	20 00		12	Y.P.
20,00,000	1,06.87,132	1 07 28 484	66,60,480	105	Lalbhai Dalpatbhai & Co.	32 828	636	Raipur Mfg.	670 00XR	100	35 00*	35.00*	35 00*		12	Y.P.
48 75,000	28.46.580	1,33.74,914	73 60,111	9 983	M	35 196	648	Rohit Mills	130 00	100	Nil	8 00*	8 00*		12	Y.P.
57 96,300	2,88,74,105	2,17 82 370	1,17,57 907	1,76,451	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	634.00	50	27 00*	30 00*	25 00		12	Y.P.
29,25,000	69.60,633	1 00 70,06?	73 48,312	18 346	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	462 50	100	25.00	30.00*	20 00		12	Y.
35,00,000	33,00,929	1,28,90,368	90,20,734	23,300	Haridas Achratlal & Co., Ltd.	41,056	780	Vijaya Mills	565.00	500	35.00*	50.50*	40.00*		12	Y.P
					WEST BENGAL											
15,00,000	3,05,455	38,27 581	24,03,641	1,14,855	Calcutta Agency Private Ltd.	13.044	356	Basanti Cotton Mills	6.31	10	0.50	0.60	0.60		12	Y.P.T.
7,11,280 3,00,620	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee, Esq. (Mg Director)	83 836	935	Bengal Luxmi Cotton Mill	35 00N	40	4.00	4.00	4.00	Nil	3	Y.P.
24 00 000	1 50,000	1,20 71,237	49 68 051	1.17 244	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	105 00	100	Nil	Nil	Nil		12	Y.P.
19.00 000	24 30,708	1 39 78 961	73 14 165	—1 86 242	Kettlewell Bullen & Co., Ltd.	42,944	523	Dunbar Mills	140 00	100	2.50	6 00	Nil		12	Y.T.
50,08 000	85,968	76 97 325	21 97 8.8	82 386	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	85 00	10	Nil	0 37	0.50		12	Y.T.
1,60,00,000	2,29.91 250	4.00 62 835	1,40,16 478	4,94.772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	12 81	10	0 87	1 00	0 75		3	Y.P
19 47 7500 5,00,000D	9,50,000	48,59,254	28,75,466	9,388	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	15 00N 4.00N	10 1D	1.00 0.34	1.00 0.26	1 00 0.15		6	Y.
					SOUTH INDIA AND OTHER CENTRES											
11,98,600	6,57,619	30,87,104	19,12,226	16,013	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72.00 006	17,82,554	1 87,65,112	68,45,582	6 719	C. S. Tyabjee, Esq.	36,136	716	Azam Jahi Mills	59.50	100	3 50(c)	5.00	3.50		9	Y.
1,21,50,000	1,47.74 679	3,67,98,866	2 76,43,043	2,90,471	Binny & Co. (Madras), Ltd.	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills	154 50	100	30.00	30 00	10,00'C'	4.00l	12	Y.P.
35 00.000	74 79 507	1 41 25 225	1 10 21 274	1 04 207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	26 25N	10	3 00	1 50	1 50	0 75	8	Y
1,78,47 800	2,99 20,000	6 93,67,943	4 19 97,472	1,92,471	Binny & Co (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic	173 00	100	10 00	10 00	10 00	4.00l	12	Y.P.T
20,00 000	15 37 935	50 23 440	26 18 048	..	Peirce, Leslie & Co., Ltd.	37 536	4	Cambodia Mills	8 00	10	0 50	0 50	0 50(c)		12	Y.P.
15 00,000	5.11 500	53.88 579	29 91,389	1,08,342	Damodaran & Co.	20,600	..	Cannanore Spg & Wvg.	135 00	100	12 00	15 00	20 00	12 50	8	Y.
30 00 000	33.43,336	76,05,050	59 57,015	11 053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Textiles	4 12	5	Nil	0 25	0 25	Nil‡	12	Y.
9,36,560	5 31 645	60,81 289	25,97,117	20,645	C. R Srinivasan, Esq. (Chairman)	81 200	..	Cauvery Spg & Wvg Mills Ltd.	10 80	10	0 62	0 75	0 90	0.90	8	Y.P T.
35,21,362	22,09,767	69 79 002	31,91 699	698	R. Bheema Naidu & Co.	30,864	..	Coimbatore Cotton Mills	135 00	100	25 00	25 00	9 00'C'		12	Y.
18,15,000	7,25,195	39,16,552	24,29 633	....	T A. R Chettiar Sons & Co.	25 840	100	Coimbatore Murugan Mills	92 00	100	20 00	12 00			12	Y.P.
20 00,000	18 28.450	80,21,737	44 09,621	599	T R. N Naidu & Co.	38,728	..	Coimbatore Pioneer Mills	273 00	100	20 00	20 00	20 00		12	Y P.
20,76,900	5,076	1,37,90 104	88.52 968	—7,29,806	R. G S. Naidu & Co.	72 188	407	Coimbatore Spg. & Wvg.	45 00	50	8 00	10.00	Nil		12	Y.
46 87 500	27,24,735	2,42 10 703	1,54 86 354		Tata Industries Private Ltd.	67,452	1,620	Central India	87 00	100	3.00	Nil	Nil		12	Y.P.
26 90 661	19.55 000	1 04 60 142	44 85 815	21 830	R. Hanumanthappa & Son	28 816	360	Davangere Cotton Mills	113 50	100	9 00	9 00	9 00	9.00	8	Y.
3,38,36 225 1,00,563	3,59 53,968	12,81,26,690	7,47,89,631	4.80 599	B. R. Charat Ram & Co. Private Ltd.	1,41.180	2,352	Delhi Cloth & General Mills	28 81	25 2½	2 25 0.22	2 50 0 25	2 00 0.16	2 00 0.16	6	Y.P.T.
47 98 296	26.25,000	84 28,224	49,84,057	1 965	M. N. Chettiar & Sons	42,212	201	Dhanalakshmi Mills	167 00	100	30 00	25 00	10 00'C'		12	Y.
63,00,000	1 05.56 192	1,69,12.424	1 41.93 839	75,531	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	11 37	10	1.00	1 25	1.00		9	Y.P.
48,81,000	43 55 161	1 36 06 142	77 13 982	4 172	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	127 00	100	15 00	13 00	8.00		12	Y.
2,50,00.000	8.75 000	5,73 71.041	1,64,46 856	1,00 48 693	Birla Gwalior Private Ltd.			Gwalior Rayon	13 25	10	Nil	Nil	Nil		3	Y.P
50,00 000	6 94 589	1 59,76,049	1,21 32 273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	51,180	1,356	Indore Malwa United	98 50	100	9 00	11 00	6 00	Nil	8	Y.
8,90 000	10 66 553	35 60 221	20,68,005	....	G V. Naidu & Co., Ltd	23,784	..	Janardana Mills	68 50	50	10 00	10 00	8 00		12	Y.
15,54.000	15,02 599	57,13,987	33 88,095	7,012	Mr. Bhairuratan Damani (Managing Director)	20,212	512	Jam Shri Ranjitsinghji	1,450 00	1,000	50 00	60 00	40 00		6	Y.
4,63,65 300	3,05 67 516	4.59 43 795	3 29 32 899	3.47 483	Birla Gwalior Private Ltd.	54.876	1,680	Jiyajeerao Cotton	9 76	10	1 00l	0 55	0 85		3	Y.P.
42.00,000	19 25 000	1,05,81,567	38,28 076	91.772	Kothari & Sons	41 040	800	Kothari Textiles	9 90	10	1 00	1 00	1 00	0.25	6	Y.P
82,00,000	63.39 487	1.84 50 574	1,25.78 615	2 294	M.	51,008	1,248	Lakhshmi Cotton Mfg.	405 00	250	42 50	42 50	15 00		12	Y.P.
71 00,000	66 85,96?	2 25 46.381	1,29 69 687	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	94 00 45 00	50 25	12 50 6 25	12 50 6 25	10 00 5 00	5.00 3.00	8	Y.
1,75.02 480	4,24,40,278	5,90,89,121	3,96,10 817	6,92,368	A. & F. Harvey Ltd.	4,53 000	..	Madura Mills	28 50	15	3 00	2 62	2 25		12	Y.
12,00,000	8,67,363	29 03,852	18,76 700	213	V. K. Eradi (Cha'rman)	22 692	100	Malabar Spg & Wvg.	80 00N	200	Nil	8 00			12	Y.
60 00 000	69.00 000	66 60,298	47 39,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	328 00	100	35 00	42 50	20 00	20.00	12	Y.
29 80 884	12 88 081	93 11 180	51,89 457	19 733	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	60 00	100	6 00	6 00	Nil		12	Y.
94.91,850	21.56 146	1,71,94 769	78,81,528	1,85 008	M.	52 408	952	Model Mills (Nagpur)	172 50	250	7 50(c)	7 50			6	Y.
24 83,500	39 98 562	1 13 65 249	72 49 736	27,671	N. Sirur & Co. Private Ltd.	50.492	500	Mysore Spg & Mfg.	85 00	50	6 00(c)	9 00*	9.00*	5.00	2	Y.P.
12 61.780	....	29.12,641	17,83,814	3,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6.25N	10	Nil	Nil	Nil		3	Y.
37 23 200	39.29,981	1 73 83,244	67 86.683	....	M.	87,788	902	Osmanshahi Mills	43 00	100	2 50(c)	3 00(c)	Nil		9	Y.
4 00 000A 6 00 000B	13.00,000	71.79,976	28 66 277	8 909	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	126 00 180 00	50A 75B	12 00 18 00	15 00 22 50	9 00 13 50		12	Y.P.
15 00 000	....	85 52 644	19.72 637	—13,17,124	C. S R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	38 00	100	4 00(c)	Nil	Nil			Y.
10 -1 2004 8 40 600B	31 21 189	1,06 11 851	58 39,265	3 877	A. G. Gurusamy Naidu & Co.	59,264	300	Radhakrishna Mills	135 00 67 00	100A 50B	20 00 10 00	20 00 10 00	12 00 6 00		12	Y.
19 52 275	30 55 750	76 37 378	32 62 433	....	B. R Naidu & Sons	37 096	..	Rajalakshmi Mills	65 50	50	10 00	7 50	4 50		12	Y.P
16 14 300	14 00 000	58 40 286	20 95 406	....	Ramco Agencies Private Ltd.	24,996	..	Rajapalayam Mills	117 00	100	10 00	10 00	12 00	8.00	3	Y.
27 32 000	11 50 000	53 72 976	23 15 892	5 786	Rayalaseema Development Co.	21,200	..	Rayalaseem.. Mills	105 00	100	10 00	10 00	10 00		12	Y.
15 90 000 10 000	2 69 01	3 15 04 564	2,05 50 756	—34.29.635	M.	95,232	2,232	Sholapoor Spg. & Wvg.	425.00 —	1,000 500	Nil	Nil	Nil		3	Y.P
36 69 700	21 91 449	1,05 51,059	61 65,564	37 576	H N. Palegar, Esq.	80,744	292	Sri Krishnarajendra Mills	61 50	50	5 00	7.00	7 00	4 50	3	Y.
15,00.000	3 63.83 415	1,06 79,186	80.23,012	30.16.282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	81 00N	10	6 00	6.00	6.00	6.00	3	Y.
17 50 000 O 1,57.50,000 PO	2,36.28,071	5,28 86 193	1 97,31,347	2 64 970	M.	1.12,216	2,098	Swadeshi Cotton (Kanpur)	16 25 10 00	100. 10P.O.	0 75 1 15	0 75 1 15	0 75 1 15		12	Y.P.
1 00 00,000	60 00,000	3 88 81 393	1 95 13 492	1,78.216	Emcote & Sons (Travancore) Ltd.	..	..	Travancore Rayons	16 00	10	0 75	1 00	1 00		12	Y.P.T.
13 98 730	9 45,940	19,58 289	13.60 126	704	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11 50	10	0 90	1 12	0 90		12	Y.
21 00 000	39 86 738	86 30 ·95	51 76 507	12 000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	201 00	100	20 00	20 00	12 00		12	Y.P
32 00,300	18 73,770	1 85 96 083	1 17 44 692	—9 85 569	The Bombay Co. (Private) Ltd.	49,660	1,375	Vishnu Cotton	98 00	100	8 00	8 00	Nil		12	Y.P.

* Includes bonus. † Subject to taxation M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March 1957.
Z—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. ‡On old capital. ‡ For Nine months ended 31st December 1957. 'C'—On Increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
					CEMENT									
72,59,940	13,33,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10 10	B. 10	1.00*	1.00			12	Y.P.
59 85 555	...	1,55 92,861	....	12,928	M.	Ashoka Cement Ltd.	7 36	10	..	..	Nil		3	Y.T.
12,71,80,070 6,34,26,150	10,06,76,940	36,32,76,342	12,89,15,052	1,98,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	151 75	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
83.92 587	....	1,23,58 448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8 52	10	0.30	0.60	0.60		12	Y
1,44,10 795 5,00,000	53 35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	9 10 2 63	O. 10 D. 1	1.25 0.12	1 25 0 12	1.20 0.12		12	Y.P.
1,09,79,135	30,37,736	2,18,27,299	73,38 865	71,092	Essen Private Ltd.	India Cements Ltd.	— 5 10xd	O. 25 D. 5	1 87 0 37	2 06 0 41	2.06 0 41	2.25 0.45	3	Y.P.
1,50,00,000	4,00,000	4,72,60,138	89,99,750	21,36,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10 16	10	0 75	1 25	Nil		3	Y.P.
1,00,00,000	31 43,497	3,25,68,768	1,17,79,523	87,55 949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	11 84	10	1 25	1 25	1.50		12	Y.P.
1,34,20,200	48,94,785	3.55.77,865	1,29,16 661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	131 25	100	8 50	9 00	9 00		12	Y.P.
75,00,000	17,70,000	2,18,91 926	1,54,88 889	18 727	M.	Sone Valley Portland Cement	4 94	5	0.30	0 15	0 30		12	Y.
50,00,000	6,00,000	1,04,84,565	48,33,451	3,24,681	Essei (Private) Ltd.	Travancore Cements Ltd.	9.00	10	0.62	0 60	0.60		12	Y.
					CERAMIC; MINING AND QUARRYING									
8,50,000O. 5,00,000D.	3,38,041	10,99,022	6,14,954	12,83,240	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	15.48 —	10O. 5D.	1.00 1 41	3.00 3 12	1 50 1 84	.. ..	9	Y.P.
50,50,275	8.45,000	1,20 18,973	35,41 847	20 918	Bharat Ram Bhagat & Co.	Bengal Potteries	3 52	2½	0 25	0 25	0 25		12	Y.
10,00,000	34,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	30 25xd	10	1 75	0 87	1 75	1.75	3	Y.
£1,371,300	£1,348,400	£2,621,717	£1,593 562	1,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3 56	Sh. 2	10 8d.*	4.8d.	4 32d		12	Y.
0.15,00,000 P.5,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	10 37	10	1 00 3 00	Nil Nil	Nil Nil		6, 12	H.
6,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13 00	10	0 75	1 00			3	Y.
20,00,000	36,50,291	49.10,494	27 87,433	1,15,703	Bird & Co. Private Ltd.	Orissa Minerals	26.37	10	2 00*	1.00l	2.00		6	Y.
7 00,000	71,05,000	74,84,368	29,53,314	52,523	Killick Industries Ltd.	Shivrajpur Syndicate	86.50	10	3.00*	3.00*	3.00*		11	Y.
					CHEMICAL									
41,27,700	37,60,000	1,10,24,566	49,60,560	31,068	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	153.50	100	8.00	10.00	12.00		12	Y.P.
62,00,000 2,86,42,455A	1,02,92,519	2,75,52,962	60,65,069	1,20,250	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	17.37 —	10 10New	0 80 ..	0.80 ..	0 80 ..		9	Y.P.
60 00 000	....	67 15,919	....	1,15 111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	106 00	100	Nil	Nil	Nil		12	Y.P.
1,89,27 800	11 05,700	2,96,61 485	67,85,495	58,686	Lalbhai Sons & Co.	Atul Products Ltd.	214 50	100	5 25	6 00	8 00		12	Y
48,17,200	48,33,400	1,45,22,653	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	95 00	100	6 00	6 00	6.00	6.00	3	Y.P.T.
21,50,000 42 74 800	63 31 297	1 48,64 534	57,89,669	9 989	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	93 00xd —	100 100New	12 00 ..	9 00 4 50	7 50 3 75	6 00 6.00	3	Y.P.
3,46,06 075	....	4,29,69,769	2,38,20,365	—7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	7 80	10	Nil	Nil	Nil		12	Y.
12,00,000	6 20,038	25 16,435	12,37,298	15,313	S. V. S. Iyer (General Manager)	Kemp & Co.	210 00	200	12 00	15 00	15 00		3	Y.
40,50,000	16,32,446	1,12 61 931	60,21 994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	11 10	10	0 70	0 75	0 75	0.87½	3	Y.P.T
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	7 80xd	10	0 50	0 50	0 50		3	Y.
6,00 000	4,00,000	7,37 855	4,44,350	1,95,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemica Mfg.	21 60	10	2 00	2 00	2 00		3	Y.P.
39,99 975	12,740	43 18,383	3,46,866	2,71 243	C. A. Buxton	Smith Stanistreet & Co.	12 50	5	0.50	1.00	1.00		6	Y.P.
10,00,000	12,00,954	19,34,603	14,27,276	87,365	M.	Polychem. Ltd.	66 50	50	..	..	..	Nil	3	Y.P.
1,39,95,990 56,00,000	17,19,952	4,57,35,637	1,71,48,316	3,736	Tata Industries Private Ltd.	Tata Chemicals	15.00	10	Nil	0.75	0.80	0.75	6	Y.P.T.
					ELECTRIC (Bombay State)									
8,74,78,895	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95.30xd	100	5.00	6.50	3.25	6.50	3	Y.T.
72,50,000	14,67,106	1,93 94 397	45 21 447	15.26,326†	N C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10 92	10	0.75	0.75	0.42½	0 85	3	Y.P.
8,02 76,250	76 70,609	9 04 96 522	2 41,70 436	32 105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,167 50xd	1,000	75 00	75 00	58 25	80 00*	3	Y.P.T.
1 75,00 000	54,34 572	3 30 22,445	77 28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	110 00	100	7 00	7 00	7 00	7 00	3	Y.
7,07,020	99 267	16,08,942	7 53,744	199	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8 24	10	0 75	0 62	Nil	0 50	3	Y.T.
18,89,000	9 35 596	1 40 77 220	53 14,908	7.836	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	110 00	100	10 00	10 00	2 50	7 50	3	Y.P.T.
60 62 500	25,74 514	1,34 27 302	42.37 719	3,828	Killick Industries Ltd.	Surat Electricity	112 00	100	7 00	..	8 75	7 00	3	Y.P.
2,39,99 575	74,19 097	6 63,96,657	1,61.14 106	28,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	119 50xd	100	7 50	7 50	5 52	8 00*	3	Y.P.
5,15,35,750	2,13,05,278	16,15,83,754	3,15.30,938	29,701	Ta a Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,192.50	1,000	75.00	75.00	56.25	80.00*	3	Y.P.
					West Bengal and Other Centres									
19,99,600	44,20,246	1,12,31,453	35,25 328	49,395	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	145 00	100	10.00	10.00	10.00	10.00	3	Y.T.
3,00,000	14 59,897	50.97,022	18 71 544	16 812	Martin Burn Ltd.	Bareilly Electric Supply	14 87	10	1 00	..	1 25	1.00	3	Y.T.
7,00,000	35,12 989	1 29,85,409	37,39 559	38,395	Martin Burn Ltd.	Benares Electric Light & Power Co.	14 12	10	1 25	..	1 25Z		3	Y.T.
5,91,360	5.95,855	21,28,477	9.59 684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	8 62xd	8	0 50	..	0 62Z		3	Y.
£4,262,646	£8,460,286	£30,407,122	£10,881,162	£130,008	Harry Burn Esq. (Chairman	Calcutta Electric Supply	14 50	£1	6%	6%	8½%Z		3	Y.P.T.
6,60,040	4.76,468	22,12,320	7.48,254	68 009	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8 50	10	0 62	...	1 00Z		3	Y.
48 20,000	16,40,106	98,00 595	33 79,613	8,16,830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	100 00	100	6 00	6.00	6 50	7.00	3	Y.P.
5,34,640	82,299	27,82,501	11,21 717	10,385	Moonna Lall & Sons	Jhansi Electric Supply	8 00N	10	0 69	..	0 86Z		3	Y.T.
2,49,700	25,37,546	98 31,343	35,83,663	29,425	Martin Burn Ltd.	Jubbulpore Electric Supply	14 12	10	0 91	0.40	0 92	0.92	3	Y.
4,95,000	2,23,843	11.90,280	5,58,180	30,541	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	8 00N	9	0 50	..	1 22Z		3	Y.
5,82,390	2,60,308	28.65.459	10,27,922	42,756	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8 06xd	10	Nil	..	1 25Z		3	Y.
6,99,850	1,67,563	15.28.893	7 17 358	18,925	G. D Bhagat, Esq.	Muttra Electric Supply	11 50	10	0 60	0.80			3, 9	H.
35,10,478	33,83,006	1,24.04 772	47,62,576	2,45,921	Octavius Steel & Co., Ltd.	Patna Electric Supply	12 25	10	0 75	..	1 25Z		3	Y.T.
9 10,000	1,72,511	14.76,100	9,25.082	52,700	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8 75	10	0 50	Nil	Nil		3	Y.
16,80,000	10,22,823	77,04,019	48 92,100	2,346	Bird & Co. Private Ltd.	Sijuan (Jherriah) Elec. Supply Co.	11 00xd	10	0 75		0 94Z		3	Y.T.
56 00,000	9,42,467	1,85 49 991	54,65 888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	11 90	10	0 91	0.91	1 23	0.87	3	Y.P.T.
5,99,250	4,67 280	21,09 262	9,36,176	9,038	Martin Burn Ltd.	Upper Ganges Valley Electric Supply.	13 00	10	0 94	..	1 25	1.00	3	Y.
5,00,000	6 65,006	25,81,076	8,92,154	32,516	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	18 00	10	1 25	1 25	1.25		3	Y.
56,01,185	65,36,540	3,01,72,909	84,072	83,837	Martin Burn Ltd.	U. P. Electric Supply Co.	135 00	100	10 00	10 00	10 00		3	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.00	1.00	1.00	3	Y.P.
					ENGINEERING (Bombay)									
'33 42,200	52,31,831	74,21,408	62,82,616	'25,010	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	243.75	100	12 50	15.00	12 50		12	Y.
14,99 960	2,35,000	15,31,033	5,71,244	4,133	W H Brady & Co., Ltd	Brady Engineering Co., Ltd.	65 00	60	3 00	3 00	3 00		12	Y.
6 40,000	3,75,000	1,57,259	1,17 027	1,448	M. R. Rao-Esq. (General Manager)	Jost's Engineering	60 50	50	4 00	4 00	5 00	5.00	3	Y.
44,96,250	2,57 957	55,59,741	16,71 411	56,266	Kamani Bros. Private Ltd	Kamani Engineering Corporation	5 76	10	Nil	Nil	Nil		9	Y.P.
50,00,000	15,01,511	44 29,526	20 09 734	25 546	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	16 72	10	1 00	1 00	1 00	1.25	3	Y.P.
55,00,000	26 00 000	1,05 24 440	12,56 894	1,16 134	M.	Mahindra & Mahindra Ltd.	18.20	10	1 00	1 25	1.75		10	Y.P.
11,00,000	49,774	31,43,786	13,71,575	31,416	P. Jhunjhunwala Esq. (Mg. Director)	McKenzies	80 00	100	Nil	Nil			7	Y.P
39 69 895	24,80,000	83,15 927	31,99 497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	12 87	10	Nil	Nil	1.00	1.20	3	Y.P
22,50 000 1 31 250Pr	1,28,56,576	7,51,153	73,243	1 43,527	Walchand & Co. Private Ltd.	Premier Construction	233 50	30	3.50	3.50	10.00		12	Y.P.
9,63,75,000 9,51 47,175	28 26,43,033	147,05,45,438	42,01,71,546	4,49,862	Tata Industries Private Ltd.	Tata Iron and Steel	174 00 170 25	75old 75new	10.50 ..	10.50 ..	9.50 2 54	8 25 7.56	3	Y.P.
5,00,00,000	65,53,390	16,75,33,296	6,63,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	158 00	100	Nil	4 00	8.00	9.00	3	Y.P.T.
1,50,00,000 1,05,00,000	28,75,537	66,54,806	10,96,031	4,38,920	B. H. Schuepp, Esq. (Mg. Director)	Voltas Ltd.	136.50	Old 100 New 100	5.00 ..	9.00 ..	9.00 6.00		3	Y.
					West Bengal and Other Centres									
6,00,000	4,46,170	10,76,888	1,64,075	61,965	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	8.25	10	..	..			10	Y.P.T.
50,00,000	19,00,060	1,22,29,219	79,69,445	97,400	Bhartia Co., Ltd.	Bhartia Electric Steel	15 00	10	1.25	1.25	1.25		12	Y.
56,59 790	61,42,015	59,77,344	7,01,161	1,82,269	Y. S Tayal, Esq. (Secretary)	Braithwaites & Co. (India) Ltd.	31 00	7	1 75	2 00	2.00		12	Y.
12,00,000	25,05,000	49,19,444	27,99,444	1,73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34 00	10	1 50	2 00	2.00		12	Y.T.
19,78 570	5,14,361	46,62,423	14,72,196	51,637	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6 00	10	1 00	0 50			3	Y.P.T.
40,00,000	39,42,365	77,11,561	32,93,390	84,849	McLeod & Co., Ltd.	Britannia Engineering	10 19xd	10	1 50	0 60			12	Y.T.
5,00,000	3,06,358	19,15,871	12 28,274	77 782	Balmer Lawrie & Co., Ltd.	Br. I Electric Construction	21 25N	10	Nil	Nil	2.00		12	Y.
84,00,000	1 99,04 936	4,42,87 297	2.71,68,251	1,30,345	Martin Burn Ltd.	Burn & Co.	364.00	100	15 00	20 00	20.00	20.00	4	Y.T.
2,00,00,000	2. 02,39,092	3 89,31,446	1,68,28,306	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	38 12	10	..	2 30	2 00		12	Y.
12 50,000	23,50,000	60 07 710	38,80,350	5,810	Martin Burn Ltd.	Hooghly Docking	118 00	50	6.25	6.25	5 00		12	Y.P.
36,94 590	4,35,000	48,08,664	28 13 944	4,22,513	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	16 75	10	1 00	Nil	Nil		12	Y.P.
10,36,74,160	18,72,11,475	43,94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	25 45	10	1 00	1.00	1 00	1.00'C'	3	Y.P.
38,98 500	54,64,443	1,09,07 195	64.95 575	42 976	Martin Burn Ltd.	Indian Standard Wagon	87 00	25	6.25	7 50*	7 50*	5.00	3	Y.P.
32,00,000 26 580	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	80 00xd 14.50xd	0.10 0.1	3.00 0.30	3 00 0 30	4.00* 0 40*	4 00* 0 40*	3	Y.
68,62 575	52,15,306	2,84,90,851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	173 00	100	12 00	10.00	15 00	12 00	3	Y.P.T.
1,01,99 000	51,82 557	1,72 18,507	62,69,132	51 642	M.	Jessop & Co.	24.81	10	3 00	Nil	Nil		10	Y.P.
24,23,187	10,05,500	48,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	14 52	10	0 50	0 60	0 90	1.00	3	Y.
18 43 200	54,56,724	72,53,319	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	8 06	3	0 50	0 62	0.45		11	Y.P.T.
10,50,000	23,78,264	17,13 875	13 52,941	1,35 774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	5 62	2	0 30	0 40	0.40		6	Y
49 96 000	6,07,922	1,08,46,46,750	63,10 209	3 28 210	M	National Iron and Steel Co., Ltd.	8 87	10	0 25	0 62	0 62		3	Y.P
40,00 000	30,56,944	50,38,480	13,59,471	9,633	S. B Ind Development Co. Ltd.	Richardson & Cruddas Ltd.	8 12N	10	1 50				6	Y.P.
6 00,000	8 16,855	29,83,251	18,00,849	21 638	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co	6 22	4	0 25	0.25	0.40	0.40	3	Y.
1,50,00,000	40,87,211	3,55,99,392	1,47,60,898	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	20.55	10	1.00	1.25	1.50		12	Y.P.T
					INSURANCE (x)									
12,60,000	46,99,060	1,33,51 354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	11.94	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	35 30	50	3 00	3.00	3.00		12	Y.
5,15,000	1,84,95,246	12,88,65,607	....		R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	212 50	100	25 00				12	Y.
24,00,000	62,91 344	1,26 11,797	....	3 40,636	R. K Srinivasan, Esq. (Mg Director)	Hercules Insurance	24 25	10	2 00	2 00	2.00		12	Y.
18,74,940	3,16,61,024	4,00,62,157	....	5,97,428	M J Rao, Esq (Administrator)	Jupiter General Insurance	7 12	15	Nil	Nil			12	Y.P.
20 00,000	53,99 401	1 56 15 926	....	10 976	M. G Mody, Esq.	New Great Insurance	20 88	20	1 50	1 50	2 00		12	Y.
1,06 81,390	7,19,81 437	13,20,95,176	....	1,41,481	B. K. Shah Esq.	New India Assurance	52 30	15	2 50	3 00	3 00		12	Y.
6,00,000	78,22 32,610	82,01,80,624	....		L S Vaidyanathan, Esq.	Oriental Life Assurance	3,700 00	200	200 00				12	Y.
32,00 000	65,90,064	1,60,63,503	....	29,354	B. K. Setalvad Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	6 19	8	0 50	0 62			12	Y.
5,75,000	67 91,968	42,97,528	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	149 00	25	11 25	11 25	11.25		12	Y.
15,99,270	33 72,513	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	19.76	10	1.25	1.50	1.50		12	Y.
					OIL									
35,00,000	86,85,342	86,72,792	36,11,118	1,55,753	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7 75N	7	1.50	1.50			12	Y.P.
1,00 00,000	1,44 75,991	94,16 791	49 77,641	1 96,640	Steel Brothers & Co. Ltd	Indo-Burma Petroleum Co. Ltd., A.	25 12	10	4 00*	2.00	2.00		12	Y.P.
70,07,475	25 88 424	2,22 58,663	1,37,40,956	5,511	Tata Industries Private Ltd.	Tata Oil Mills	43 00	25	2.00	3.00	2.50	2.50	3	Y.P.
6,00,000	9 41,500	2,24,955	1 61,723	68 892	Andrew Yule & Co., Ltd	Tide Water Oil Co. (India), Ltd.	13.69	10	1.09	1 25	1.25		10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—Latest dividend is for fifteen months ended 31st March 1957.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
						PAPER								
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	91.00xd	25	4.69	2.50	3.12	2.00†	12	Y.P.T.
63,00,000	61 52 258	1,94,26 902	88 79,418	29 471	Andrew Yule & Co., Ltd.	India Paper Pulp	19 12	10	1.39-2/5	1.39-2/5	1.40	1 00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17 30	10	0.75*	1 00*	1 00*	1 00	3	Y.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	29 45	10	1 12	0 62	1 50	1.50	3	Y.P.T.
1,25 49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	15 37	10	1.25	1.25	1 25		12	Y.P.T.
50,00,000 'A'10 00,000	7,29,123	71,98,686	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12.37 12 37	O. 10 A. 10	1.25 1.25	1 05 1 05	0 60 0 60		9	Y.P.
2,18,55,240	48,43,060	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd.	Sirpur Paper Mills	12.12	10	5 00‡	0.50	0 50		6	Y.P.
56,00,000A. 56,04,800B. 4,37,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titagbur Paper Mills Co., Ltd.	40 50xd 40 50xd 3.94xd	A. 10 B. 10 P.O. 2½	2 00* 2.00* 0.25	1.12* 1.12* 0.12	2 38* 2.38* 0.24	2.38* 2.38 0.24	3	Y.P.
						SAW MILLS AND TIMBER								
13,99,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	3.53	3	*Nil*	*Nil*	*Nil*		9	Y.
50,00,000 42,00,000	3,81,14,271	4,60,47,879	1,88,08,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	466.00 172.50	Old125 New50	37.50 15.00	40 00 13.75	40 00 16.00	7.50† 3.00†	5	Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	44.00	10	3.00	3.00	2.75	1.00†	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	0,406	42,92,220	31,12,074	57,702	M.	Balrampur Sugar	8.00	5	0.06	*Nil*	0.25			Y.
12,00,000A 3,00,000B.	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	135.00N 11.50N	A. 100 B. 10	10.00 1 00	10.00 1 00			4	Y.T.
19,49,050	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	11.75	7½	0.75	1 00	1.00		9	Y.
15,00,000	13,51,513	19,28,777	13 40,840	7,653	Cotton Agents Private Ltd.	Bharat Sugar	13 50N	10	1 50	1.50	1 50		6	Y.P.
32,00,000	25,22,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd.	Carew & Co.	8 37	10	0 25	*Nil*	*Nil*		6	Y.P.T.
30,00,000	54,39,509	1,65,39,057	93,52,334	—3,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	11 00	10	0 75	0 75	*Nil*		10	Y.P.
18,00,000	34,56,103	84,72,400	59,12,695	—3,43,163	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	17 75	10	1 50	1 00	*Nil*		6	Y.
9,58,252	2,59,762	25,14,152	16,98,883	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	10.00N	10	0 50	0 50			8	Y.T.
18,00,000	12,51,626	79,38,731	49,86,047	1,05,664	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	56 50	40	2 25	4.00	7.00		7	Y.P.
7,89,100	22,50,288	48,69,619	26,90 926	79,525	Cotton Agents Private Ltd.	New India Sugar Mills	28 00	10	2 50	2 50	2.50		6	Y.P
11,00,000	4,45,000	47,92,961	28 66,816	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5 00	10	0 25	0.37	0 37		5	Y.
13,21,100 38 275	49,91,797	73,75,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	237 50 50 00N	100 25	20 00 5 00	20 00 5 00	20 00 5.00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	142.50	100	11 00	11 00	12.50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	13 50	10	0 75	0 75	*Nil*		10	Y.P.
63,59,400	48 34,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	12 87	10	1 50	1 50	1.50		10	Y.
8,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	17 25	10	*Nil*	1.75	1.50		6	Y.P.
11,99,000	16,33,214	47,23,583	25,13,422	—2,20,853	M.	Samastipur Central Sugar	12 00	10	*Nil*	1.75	*Nil*		6	Y.
39,88,800	22,68,560	1.47,99.287	73.09,801	47.608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.31	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	29,48,608	14,85,401	—3,16 557	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2.37	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M	Shri Sitaram Sugar	11 62	10	1.00	1.00	0.50		8	Y.
8,00,000	34,74,348	1,27,30,247	80,57,754	9,663	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	2.50	3.00	5.00		6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.	United Provinces Sugar	14.50	10	1.50	0.60	0.75		9	Y.
						Other Centres								
30,00,000	19,50,000	76,27,6..	18,97,501	15,070	Rangarao & Co.	Andhra Sugars Ltd.	18 50	10	0.60	1.00	1.25		9	Y.
70,49,650	1,83,26,508	1,53,99,065	1,08,78,700	2,88,214	W. H Brady & Co., Ltd.	Belapur Company	275 00xd	50	16 00	16 00	18 00	20.00*	9	Y.
17,50,000	12,58,285	41,35,701	23,06,315	30,827	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	26 00	10	1 00	1 50	2 00		9	Y.P.
37,50,000	16,15,171	76,19,408	50,40,255	31,529		Shree Changdeo Sugar	31 00	12.50	2 00	5 00	2 25		9	Y.
39,84,000	47 43,760	1,15,18,224	62,38,314	1,16,220	Parry & Co. Ltd.	Deccan Sugar & Abkhari	10 10xd	5	0 50	0.75	0.85		5	Y.P.
£ 549,950	£ 1,197,467	£ 1,387,940	£ 701,485	£ 52,719	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	30 10	£ 1	Sh. 4	Sh. 3	Sh. 3	Sh 11	9	Y.P.
15,93,900	15,86,419	43,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80 00	100	*Nil*	6.00	10 00		6	Y.P.
63,98,200	11,02,669	78,71,515	18,88,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12 80	10	1.40	1.12	1.00		9	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind Corpn. Private Ltd.	Jeypore Sugar	15 00	10	1.00	0 60	0 60		6	Y.P.
10,52,200O. 2,87,190D.	88,00,000	2,48,45,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd.	K. C P Ltd.	120.00 184 00	O.100 D. 10	7.50 10.00	7 50 10 00	7 50 10 00		6	Y.P.
67,50,000	38,21,978	1,22,47,683	57,87,087	36,423	M L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	166 00	50	..	100 00*	100 00*		9	Y.P.
21,79,280	86,24,043	1,54,89,192	39,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	43 25	10	2 00	2 00	2 00		6	Y.
50,00,000	53,21,430	1,16,88,154	67,80,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	158 00	50	8 00	9.00	12 00*		9	Y.
16,59,820	40,00,000	59,42,584	83,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	18 00	10	2 00	2 00	1 50		8	Y.P.T.
20,00,000O. 4,00,000D.	42,07,214	1,04,79,940	59,80,737	70,575	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	135 00 80 00N	O. 50 D. 10	9.00 0.07	12 00 0 70	12 00 3 75		9	Y.P.T.
30,00,000	23,85,000	65 43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	10 37	10	0.75	1.00	1.00	1 00	7	Y.P.
1,01,00,000	1,16,37,173	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries	269.50	100	18.00	21.00	21.00		9	Y.P.T
						TRANSPORT								
30,00,000	99,80,970	1,22,58,916	19,44,277	36,887	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	107 00	100	7.50	7.50	5.00		10	Y.P.
1,00,00,000	27,28,000	4,10,96,641	1,62,42,552	4,06,086	Dinshaw (Private) Ltd.	Bharat Line J.	13 08	10	5 00	6.00	12 00*		12	Y.
60,00,000 30,00,000	1,98,50,067	5,87,36,543	1,23,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd	Great Eastern Shipping Co.	25 00xd 20 52	10 5	*Nil*	1.00	1 50	1.80 0.90	6	Y.P.
£655,580	£997 739	£5,665 834	£3,428,088	—£106,393	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	50 50	£10	Sh. 10	*Nil*			12	Y.P.
2,47,50,000	2,83,86,232	15,10,10,777	3,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	13 80xd	10	*Nil*	1.00	1.00	1.00	3	Y.P.
9,40,19,673	10,85,51,342	27,66,48,271	5,78,99,812	5,84,102	M.	Scindia Steam Navigation Co.	21 56	20	0 50	1.00	1.25		6	Y.T.
2,40,800O. 2,10,200P.O.	21,67,472	12,59,963	8,41,760	1,35,400	R. R. Aiyer Esq. (Manager)	Walford Transport Ltd.	1.75 1.50	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.14 0.12		12	Y.
						UNCLASSIFIED (Bombay)								
25,00,000	1,00,000	26,13 548§§	....	58,589†	M.	Devkaran Nanji Investment Co.	11 00	25	0.75	0.81	0.81		3	Y.
57 00,000	2,01,70,519	4,79,59,818	1,35,62,169	89,94,000	S. H Turner (Chairman)	Hindustan Lever	26 30	10	..	1.25	1 40		12	Y.
31,07,000	16,29,510	1,09 45,989	67,14,407	14 986	Birla Brothers Private Ltd.	Hind Cycles	110 50	100	10.00	..	12 50F		3	Y.P.T
14,98,840	4,61,996	33,87,568	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	36 50	50	2 00	3.00	3 50*	3 00	3	Y.P.
99 99 250	20,13,147	1,25,61,398§§	....	1,74,683	Premchand Roychand & Sons	Industrial Investment Trust	82 00	100	4.50	5.00	5.50		12	Y.
1,00,00,000	28 08 446	38,85,170	11,25,734	2,758	K. G. Milne, Esq. (Mg. Director)	Killick Industries	147.50xd	100	11 00	11.00	11 00	4.00†	6	Y.
20,25,325A O.	63 14,265	3,42 78,324	1,69,98 078	6,31,752	Aero-Auto Private Ltd.	Premier Automobiles	85.00	100	*Nil*	6 00	6 00		6	Y.T.
21,60,000	29,18,738	64,65 614	14,68 874	64,830	Polson Agencies Private Ltd.	Polson Ltd.	155 00	10	10 00	12 50	10 00		12	Y.P.
10,21,200	4,83,147	8,09,102	5,85,506	2,481		United Motors (India) Ltd.	15 00	20	2 00	2.00	1 20		12	Y.
2,75,00,000	1,44,13,441	3,87,52,891	1,68,58,848	39,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	187.00	100	11 00*	11.00*	11 00*		12	Y.
45,00,000	60,62,390	3,64,935	5,24,956	75,054	..	W. H. Brady & Co., Ltd.	297.50	150	20.00	22.50	25.00		12	Y.
						Other Centres								
37,50 000 2,50,000	1,99,56,712	3,81,21,462	36,96,3 1	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.§	10 37 —	O. 10 D. 2½	*Nil* *Nil*	0.50 *Nil*	0.90 *Nil*		3	Y.P.T.
79 95 653	34.25 000	1 05 40,087	34 37 767	49,715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd.	17 75	10	1.25*	1.25	1 25	1.25		
30,00,000	36,20,717	34,97 377	23,60,332	3,61,289	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	19.00	10	2.00*	2.00*	1 80*		3	Y.
30,00,000	17 14,736	38,54,872	19,66,372	1,83,944	Mr A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17.25	10	1.25*	1 25*	1 25*		8	Y.
20,00,000	35,94,600	1,05,12,033	39,58,428	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	7 75N	10	0 40	1 20	0 60		12	Y
30,01,400	34,59,405	74,46,138	40 46,138	5,00,886	M.	Balmer Lawrie & Co., Ltd.	142 00xd	100	12 50	15.00	12.50	5.00†	3	Y.P.T.
12,00,000	17,56,000	34,55,743	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	30 00	10	2.25	2.50	2.50	1.25†	12	Y.
20 00,000	8 05,715	62,28 492§§	....	37 612	Lovelock & Lewis	Birds Investment Ltd.	14 25	10	1.25	1 00			12	Y.
45 97,020	38,11 814	1,15 02 202	42,92 212	2 18 164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	17.37	10	1.00	1.00	1.00	1.20	9	Y.P.
3,25 00 000	1,27 72,883	3,51 40 132	2,47,20 776	—11,35 910	M.	British India Corporation Ltd.	3.64	5	*Nil*	0.10	*Nil*		3	Y.P.T.
8,00,000	3,26,572	13,981	13,858	28 272	Andrew Yule & Co. Ltd.	Calcutta Hydraulic	48 00N	100	*Nil*	*Nil*	3.00		12	Y.P.
5,00,000	2,47,132	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	82 00N	100	5 00	6.00	10 00*		6	Y.
1,38,80,000	17,84,264	2,05,94,990§§	....	3,10,588	Andrew Yule & Co. Ltd.	Clive Row Investment	11 50	10	0 56	1.38	0.75	0.75	6	Y.
3,00,00,000	4,40 29,606	6,50,49,175	2,68,24,548	22,22,643	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	20 69	10	1.50	1.50	1.62		3	Y.
16.20 630	26.75,014	29 38,961	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	15 25xr	5	0 56	0.56	..	..	12	Y.P.T.
51,26,000	54,81,635	1,64,12,908§§	....	2,42,272	Bird & Co. Private Ltd.	Eastern Investments Ltd.	146 50	100	9.00	9.00	9.00		8	Y.
14,94,675	....	22,64,862	91,811	5.110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10 00	10	..	..	..		12	Y.P.
14 00,000	10,35,000	36,71,778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	164 00	100	15 00	4.00	12 50	15.00	12	Y.P.
40,00,000	4,00,000	63,89,740	52,43,367	10,90 318	M.	Godfrey Phillips India Ltd.	19 75N	10	2 00	2.00	1 50		3	Y.
65,00,000	36,00,000	29,50,904	12,41,168	1,46,370	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	11 25	10	1.40	1.60	1 00	1.00	12	Y P.
30 00 000	15,17,854	83,08,821	36,24,688	74 215	B. P. R. Syndicate	Great Eastern Hotel	250 00	250	6.25	15 00	15.00		3	Y.P.
4,96,13,250	13 87,499	5.26 95 200	2 25,48,541	9.88,841	Birla Brothers Private Ltd.	Hindustan Motors	6 72	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
3,84 58 900	1,17 58,800	7,37 43,612	2,21,77 728	7,20,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	16 12	10	0.9	1.00	0.60		3	Y.P.
1,52,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	28 50	10	1.25*	1.50*	1.50*	1.50*	12	Y.P.
8,27,970	6,03,000	16,74,908	9,50,308	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	17.00N	10	0.50	0.62			3	Y.P.T.
2,00,00,000	....	....	....	....	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	23 50	10	..	..	1.00		3	Y.P.
15,16,00,000	9 06,59,979	10,61,81 642	2,04,62,122	24,04,558	Mr. G. H. J Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	11 85	10	0.80	0.80	0.70	0 70	9	Y.
2,50,00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	73 25xd	100	7 50	7 50	2.50	2.50	3	Y.
40,00,000O. 5 00,000D.	82,86,900	48,58,407	10,43,712	2,57 153	M.	McLeod & Co.	200 00N —	O. 100 D.O.10	22 50 1.75	3 00 0 30			3	Y.P.
1,45,28 500	90,58,581	25,54,484	14,97,332	2,35,312	T Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29 37	10	1 81*	2 12*	2.12*		12	Y.P.
1,15,00,000	1,29,00 151	2,84,27,676	1,01 16,457	16,62 798	H Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	82 25	10	1 25	1.62	1.75	1.75	9	Y.P
6,56 250	6,92,500	11 29,680	5,97,362	6,349	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	16 85	10	0 75	0 90	1 25		3	Y.P.
10,00,000	3 70,000	18,04,172	10,70,792	4,088	M. Mallesayya, Esq. (Chairman)	Mysore Tobacco	12 60xd	10	1 00	1.50	1 50	1.25	3	Y.P.
[illegible]000	83 55 505	2,14 82,470	61,33 962	28,42 424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	28 62	10	0.32	1.50	1.40		3	Y.
2,00,[illegible] 59 96 000	98 71 172	77,84 528	42 87,426	2,67 636	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	30 25	10	1 50*	2 00*	2 00		12	Y.
40 00,000	20 00,606	86 22 809	17.66 018	24,266	Do.	National Rolling & Steel Ropes	13 00	10	0.60	0.60	0 60		3	Y.T.
2,50,000	6,00,000	50,21,760	28,60 528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	14 12 —	10 5	.. ..	.. ..	1 00 0 50		6	Y.P.
79,97,000	63,89 261	1,25,70,061	65,79 351	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	11 69	10	0.80	0.70	0 90		12	Y.
2,20,00,000	42,21 731	89 43 288	83 40 874	63 842	P C. Vink, Esq (Mg Director)	Phillips India Ltd.	16 62	10	..	..	0.34		12	Y.P.T.
2,25,00 000	4,83 498	1,22,26,543	60 08 534	—44,12,938	M P. A. Paspatti, Esq.	Rallis India Ltd.	39 75	100	*Nil*	*Nil*	*Nil*		12	Y.
2,50,80,000	1,57,90,209	13,84 94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	18 62	10	1.50	1.50		2.00††	6	Y.P.
4.73,200 5.13,400	51,836	31,11,657	6,29,199	19,106	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100 00N 50 00N	100 50	.. ..	5 00 2 50	6.00 3 00		3	Y.P.T.
70 00 000	17 66,318	1,67,21 608	34,47,040	66,321	M.	Sen-Raleigh Industries	15 50	10	0 60	0 60	0 60		3	Y.P.
40,00 000	88 41,163	1,21,89 272	72,08,599	9,02,978	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	19 50cd	10	1 50	1 50	1 50		9	Y.P.
75 00,000	21,22 788	71,93,265	11,63 597	3,65,425	S. M Smith Esq. (Mg. Director)	Shaw Wallace & Co. Ltd.	15 19	10	1 00	1 00	1 00		6	Y.P.
15 00,000	95,15,571	1,13,44,098	16,55 796	3 212	J. K. Agents Private Ltd.	Straw Products Ltd.	10 00N	10	1.00	1.25	1.25		12	Y.P.
9,98,380	19 925	14 83 995	5,18,593	—7,432	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	4 10	10	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	9,80 100	30,85,103	26,85,097	9,488	Vital Maliva, Esq. (Chairman)	United Breweries	257.50xd	75	15 00	15 00	15 00	45 00R	3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus ‡ On old capital. § Excluding Rs 1.49 02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs 10 in 1958.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each, into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. R—United Breweries—The final dividend of Rs. 37.50 for the year 1958 consists of Rs. 12.50 to be paid in cash, Rs. 25 per share by the allotment of one newly created share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	27.50N	10	18.00A	4.75	5.00	1.00	12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea	19.00	10	7.50	1.00	2.00		12	Y.
7,00,000	6,43,250	12,00,883	3,51,119	58,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	18.00	10	8.00*	1.00	1.25	0.50	12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	18 25	10	3.50	1.00	2.50	1.50	12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co., Ltd.	377	Basmatia	27.00	10	8 00	1.50	2.00	1.75	12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64 213	National Tea Corporation	579	Bateli	17.75	5	4 00	2.50	3 00	1.50	12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co., Ltd.	581	Betjan	19.94	10	10 00*	2 00	2.50	1.50	12	Y.
33,00,000	15,39,600	73,03,588	30,33,388	3,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	18.25	10	5.50	2.00	2.00	1.00	12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	14.00	10	1.00	*Nil*	0.50	*Nil*	12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.00	10	3.50	2.00	1.50	*Nil*	12	Y.P.
35,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M.	2,884	Brooke Bond	15 06	10	1.25	4.75	1.25	1.75	6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	67.00	10	6.00	3.00	3.00	2.00	12	Y.
8,40,000	7,77,250	31,03 643	18,55,911	—1,18,361	Jardine Henderson Ltd.	1,156	Dessai & Parbuttia	151.00	100	40.00	10 00	10.00	*Nil*	12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	21.00	10	2.50	2.50	0.50†		12	Y.P.
4,63,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	15.50	10	5.00	1 00	1.25	2.00	12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	36,146	McLeod & Co., Ltd.	458	Dibrugarh	24 00	10	4.00	2.00	3.00	2.50	12	Y.P.
4,73,400	6,15,000	15,05,630	6,48,530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	27.87	10	6.00	2.00	3.00	3.00	12	Y.P.
7,00,620	10,33,300	23 48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Dufflaghur	33.00	10	5.00	4.00	4.00	3.00	12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co., Ltd.	1,166	East India Tea	19.50	10	3.50	1.00	1.00	0.50	12	Y.
5,03,760	6,36,175	13,30,198	5,28,090	16,110	M.	407	Gillapukri	28 00	10	3.00	3.50	3.00	2.50	12	Y.
6,76,000	4,38,700	19,45 409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	19.75	10	5.00	3.00	2.50	2.00	12	Y.
A. 7,41,540 B. 3,61,185	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	25.00 12 50	A 10 B 5	5.00 2.50	2.50 1.25	3.25 1.62	2.50 1.25	12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,695	Andrew Yule & Co., Ltd.	476	Hoograjuli	28.00	10	9.00	0 50	1.50	1.00	12	Y.
8,70,000	13,02,909	25,53,023	13,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	160.00	100	55.00	7.50	15 00	12.50	12	Y.
58,56,900	50,04,519	1,55,03,124	45,03,124	92,757	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	11.37	10	1.00	1.00	1.00	1.00	12	Y.P.
9,00,000	7,35,000	16,10,603	4,43,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutlibari	18 00	10	3.50	*Nil*	1.00	1.75	12	Y.
2,40,000	11,30,500	12,75,848	6,72,848	65,988	M.	1,699	Kingsley-Golaghat (Assam)	175.00xdN	100	25.00	25 00	25.00		12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	11.75	5	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
6,50,000	10,94,454	12,07,806	3 53,788	392	Duncan Bros. & Co., Ltd.	636	Ledo	17.75	10	2.75	1.00	0.75	*Nil*	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	18.19	10	4.50	1.75	2.00	1.50	12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13.00N	10	*Nil*	*Nil*			12	Y.P.
O. 1,50,000	8,20,000	9,69,706	5,17,244	67,133	Kettlewell Bullen & Co., Ltd.	410	Mothola	415.00	100	65.00	50.00	60.00	40.00	12	Y.
P. 1,75,000 O. 2,00,000	6,98,309	10,96,678	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	28.00 28.50	O. 10 P.O. 10	4.50 5.00	1.25 1.75	2.00 2.50	1.75 2.25	12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	12 25	10	3.00	1.00	1.50		12	Y.
5,00,000	....	7,72,341	2 90,502	—38,569	Duncan Bros. & Co., Ltd.	801	New Cinnatolliah	98 00	100	10 00	*Nil*	*Nil*	*Nil*	12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co., Ltd.	370	Rajgarh	42 50	10	7.50	0.25	4.00	2.50	12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	22.50xd	10	4.50	2.50	2.50	1.50	12	Y.
2,49,000	3,86,030	11,48,864	6,60,764	87,974	Williamson Magor & Co. Ltd.	482	Seajuli	26 25	10	4.00	1.50	1.50	2.25	12	Y.
5,98,000	12,48,874	15,39,500	4 94,783	78,434	McLeod & Co., Ltd.	495	Teloijan	29.12	10	5.00	2.50	3.50	3.00	12	Y.P.
8,00,000	5,35,127	12,11,400	3 86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45.00xdN	10	6.50*	0.75	1.00	1.50	12	Y.
19,82,880	12,75,000	46,07,888	19,46,388	36,041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	15.25	10	5 00	1.50	1.25	*Nil*	12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,044	McLeod & Co., Ltd.	1,050	Tyroon	37.12	10	6.00	3.00	4.50	3.00	12	Y.P.T.
							CACHAR								
3,00,000	....	5,16,444	1,84,445	—1,34,480	M.	862	Arcuttipore	7.00	10	*Nil*	*Nil*	*Nil*		12	Y.
7 00,000	....	7,06,139	1,03,460	—3,49,181	Octavius Steel & Co., Ltd.	649	Eastern Cachar	3.75	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
12,60 000	10,43,149	30,19,522	12,69,051	—1,06,851	Octavius Steel & Co., Ltd.	2,154	Hattikhira	10.25	10	4.00	0.75	0.50	*Nil*	12	Y.
3,00,000	1,70,000	6,34 207	2,50 949	1,081	Duncan Bros. & Co., Ltd.	625	Kunchunpore	7.12	10	2.75	*Nil*	*Nil*	*Nil*	12	Y.
7,00,000	6,50,000	11,33,080	3 08,080	88,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	100.00	100	20.00	15.00	15.00	15 00	12	Y.
2 60,000	3,09,004	9,34,349	2,76,278	—87,588	McLeod & Co., Ltd.	638	Roopacherra	9.87	10	1.00	1.50	0.50	*Nil*	12	Y.
5,00,000	10 53,794	15,91 369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	700	Rungamattee	66.00	50	17.50	10.00	10.00	3.75	12	Y.
4,00,000	3,36,980	10,68,284	3,68,708	—31,199	M.	662	Sonai River	9.50	10	1.25	*Nil*	*Nil*		12	Y.P.T.
							DARJEELING								
2,79,900	1,05,000	3,98,716	74,916	22,108	Williamson Magor & Co., Ltd.	408	Chamong	9.75	10	2.00	*Nil*	0.75	*Nil*	12	Y.
2,00,000	1,68,526	3,89,734	1,69,830	—893	M.	488	Dilaram	95.00	100	21.00	*Nil*	5 00	*Nil*	12	Y.
2,00,000	2,42,006	7,99,605	2,97,665	—57,639	Davenport & Co., Ltd.	507	Gielle	8.50	10	2.50	*Nil*	*Nil*	*Nil*	12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,386	—27,148	Andrew Yule & Co., Ltd.	463	Mim	225.00	100	40.00	15.00	10.00	*Nil*	12	Y.
2,99,900	3,39,000	6,22,886	1,89,536	1,01,563	Williamson Magor & Co., Ltd.	690	Nagari Farm	24.00	10	5.00	1.50	3.50	2 50	12	Y.
1,00,000	1,07,647	4,60,379	2,40,749	1,973	Duncan Bros. & Co., Ltd.	505	Okayti	450 00N	100	37.50	*Nil*	*Nil*	*Nil*	12	Y.P.
3,00,000	95,000	6,40,072	2,43,808	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	6.75	10	1.50	*Nil*	*Nil*	*Nil*	12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10.00	10	1.00	*Nil*	*Nil*		12	Y.P.
1,40,000	5,01,653	4,38,361	1,95,341	10,362	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	385.00	100	50.00	20.00	35 00	25.00	12	Y.
3,00,000	3,06,462	5,55,461	1,82,549	4,401	M.	389	Seeyok	11.00	10	1.50	*Nil*	*Nil*	1.00	12	Y.
9,00,000	65,000	11,65,737	2,33,715	7,369	Goenka & Co.	583	Singtom	5.25	10	0.50	0.12	0.50		12	Y.P.
3,00,000	3,87,500	7,34,116	3,71,916	1,69,219	Williamson Magor & Co., Ltd.	554	Soom	33.75	10	5.00	3 00	4.00	3.50	12	Y.
6 25,000	7,73,767	16,47,148	4,38,738	26,923	McLeod & Co., Ltd.	745	Sungma	14.12	10	0.75	*Nil*	1.50	0.75	12	Y.
3,20,000	8,69,909	7,53,534	2,55 534	54,633	Davenport & Co., Ltd.	718	Testa Valley	19.50	10	4.00	1.50	2.50	1.00	12	Y.
3,01,350	2,61,083	16,07,033	3,76,038	—2,94,248	Williamson Magor & Co., Ltd.	1,666	Tukvar	8.44	10	1.00	*Nil*	*Nil*		12	Y.
							DOOARS								
27,00,000	28,56,560	51,80,345	23,19,586	1,37,193	Andrew Yule & Co., Ltd.	2,540	Banarhat	280.00	100	120.00	25.00	40.00	20.00	12	Y.P.
12,00,000	16,25 000	42,61,095	23,93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	18.25	10	6.50	3.00	2.00	1 50	12	Y.
9,00,000	17,75,000	21 72,529	11,20,841	13,385	McLeod & Co., Ltd.	1,112	Bhatkawa	21.00	10	6.50	2.50	3.00	1.50	12	Y.
9,00,000	14,81,358	25,85,244	8 19,732	47,850	Duncan Bros. & Co., Ltd.	1,331	Birpara	143.00	100	20 00	5.00	25 00	7.50	12	Y.P.
6,00,000	8 31,552	13 82,183	4,29,045	18,641	Duncan Bros. & Co., Ltd.	602	Carron	110 00	100	25.00	7.50	10.00	5 00	12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co., Ltd.	903	Choonabhutti	260.00	100	90.00	20 00	35 00	20 00	12	Y.P.
3,00,000	3,76,102	9,53,074	4,15,527	13,348	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	155 00	100	15.00	*Nil*	5 00	*Nil*	12	Y.
1 20,000	2 00,531	4,58 517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	430 00N	100	110.00	*Nil*	*Nil*	*Nil*	12	Y.
4,90,000	60,533	9,51,864	2,69,493	3,627	M.	447	Ethelbarrie	10 75xd	10	5.00	1.25	1.00	0.75	12	Y.
17,50,000	5,76,833	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	125.00	100	70 00*	*Nil*	10.00	*Nil*	12	Y.
33 00,000	34,58,954	64,82,327	20,30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	106.00	100	60.00	6.00	7.50	*Nil*	12	Y.P.
32,00,000	55,67,967	1,05,55,331	50,96,452	3,63,371	Davenport & Co., Ltd.	4,235	Hasimara	20 25	10	6.00	1.00	2.25	0.75	12	Y.P.
8,25,000	13,53 650	22,13,133	9,84,181	1,10,677	Davenport & Co., Ltd.	1,452	Huldibari	20 00	10	8.00	1.25	2.50	1.25	12	Y.
7,00,000	4,49,831	10,38,634	4,89,134	—62,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	16.50	10	6.50	*Nil*	0.60	*Nil*	12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	17 00	10	4.12	1.00	2.00	1.50	12	Y.
2,00,000	5,76,240	8,23,163	3,03,827	15,812	M.	578	Manabarrie	70.00xdN	10	6.50	1.00	2.00	1.50	12	Y.
9,60,000	13,69,809	25,11,708	8,55,607	37,054	Duncan Bros. & Co., Ltd.	1 130	Nagaisuree	120 00	100	40.00	7.50	15.00	7.50	12	Y.
14,00,000	20,39,828	24,35,562	10,48,173	73,709	Andrew Yule & Co., Ltd.	1,163	New Dooars	270.00	100	110 00	25.00	35.00	20.00	12	Y.P.
2,50,000	3,74 030	5,53 613	1 88,281	1 220	Duncan Bros. & Co., Ltd.	343	Phaskowa	107.00	100	30 00	*Nil*	7.50	*Nil*	12	Y.
6 00 000	8,00,496	13,67,535	5,93,723	—3,00,933	McLeod & Co., Ltd.	764	Rajabhat	15.87	10	6.00	1.25	1.25	*Nil*	12	Y.
7,65,000	13,43,550	25 92,133	13,67,489	28,013	McLeod & Co., Ltd.	1,035	Ranicherra	14.00	10	3.00	1.50	2.00	0.50	12	Y.
14,92,800	26,84,600	55,29,933	31,23,891	49,715	Jardine Henderson Ltd.	1,628	Rydak	27.75	10	10.00	5.00	3.00	2.00	12	Y.
							SYLHET								
3,00,000	7,95,000	10,31,..8	3,93,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	25.00	10	3.00	3.00	*Nil*		12	Y.
6,00,000	9 44,551	9,54,785	2,32,849	33,625	Duncan Bros. & Co., Ltd.	584	Dauracherra	8 00	10	2.00	2.00	1.50	0.75	12	Y.
4,00,000	7,56,165	10,78,529	3,50,481	1 94,619	M.	1,190	Lackatoorah	18 00	10	1.00	3 00			12	Y.
4,00,000	9,00,000	11 60,065	4 82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	19 75	10	*Nil*	6.25	2.00		12	Y.P.
36,00,000	56,34,901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	134.00xd§	100	30 00	35 00	10.00§	10.00	12	Y.P.
3,20,000	1,40,000	7,82,985	4,24,185	1,13,279	Shaw Wallace & Co., Ltd.	648	Rajnagar	10.00	10	*Nil*	*Nil*	1.00	1.10	12	Y.
9,00,000	20,73,827	10,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,72	Tellapara	118.00	100	45.00	25.00	15.00	5.00	12	Y.
							TERAI								
4,50,000	65,000	4,45,710	3,67,923	[illegible]	Goenka & Co.	667	Atal	5.25N	10	1.50	0.25	0 50		12	Y.P.T.
2,50 000	4 15 000	4 13 655	2,24,210	35,493	National Tea Corporation	522	Belgachi	46 75	10	4 00	10.00	4.00	2.00	12	Y.
13 44,000	31,50,650	26,81,849	9,42 013	81,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	136 00	100	60 00	7.50	10.00	7.50	12	Y.
5 00,000	10 53,794	15,91,369	6,14,096	15,892	Duncan Bros. & Co., Ltd.	530	Hansqua	16 75	10	2 50	1 00	1.00	1.00	12	Y.
3,00,000	7 64,500	7 61 676	3,29,500	77 698	Davenport & Co., Ltd.	514	New Chumta	38 50	10	5.50	1.50	2.50	1.25	12	Y.
2,20,000	9,75,250	13,61,474	5,52,735	33,691	McLeod & Co., Ltd.	549	Tirrihannah	34.00	10	4.00	3.00	2.50	3.00	12	Y.P.
							SOUTH INDIAN ESTATES								
10,08,990	8,36,010	15,84,554	2,70,543	7,689	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	17.62	10	1.25	2.50*	2.50*	1.75*	3	Y.P.
52,50 000	21,47,000	73,46,387	10,86,204	2,77,391	Kothari & Sons (Ags.) Pvt. Ltd.	1 318	Blue Mountain	3 35	2	0 25	0.40	0.30	0.25	6	Y.
9,33,400	13,09,262	23 56 197	7,13,191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3 40	2	0.20	0.40	0.20	0 40	3	Y.
3,77 820	12,25,145	20,87,246	1 13,916	27 021	Matheson Bosanquet & Co., Ltd.	381	Coonoor Tea	25 75xd	10	4.50*	2 50	1.75	2 00	9	Y.P.
4,00,000	5 50 000	8 21,540	1,78,200	1 205	Parkins Private Ltd.	432	Coorg Tea	4 90XR	2	0 75	1 25	1.50	1.50	3	Y.P.
4,49 630	3 55,370	9,62,073	1,64,495	45 087	Young India Agencies Private Ltd.	450	Devon Tea	16 62	10	1.25	2 50*	2 50*	1.75	3	Y.P.
3,50,000	1,22,986	3,52 158	56,452	....	Parkins Private Ltd.	198	Emerald Valley Estates	6 65	5	1.50	1.25	0 50	0.30	12	Y.
18,75,000	21,25 000	43 05,343	6,91,655	28,840	Parkins Private Ltd.	1,466	Haileyburia	16.75	10	2 50	2 50	2 50	1.50'C'	12	Y.P.T.
6,00 000	7 27,746	13,70,714	2,26,620	76,650	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	3 35	2	0 92	1.35	0.92	1.35	3	Y.T.
8,58,538	13,75,462	23 33,493	3,68,699	31,190	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	6 65	2	0 60	0 40	0 40	0 30	10	Y.P.
3 00 000	1 43 500	6,74 822	2,05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mianmallay	36 00	25	5 00	18.75	6.25	4.50	3	Y.P.
36,00,000	19,24,400	78,01,894	10 99 642	91,273	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	5 00cd	5	0.37	0.87	0 37	0.37	6	Y.P.
12 00,000	4,90,000	27,04,883	5,01,002	33,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	3 00cd	2	0 25	0.50	0 20	0.40	6	Y.P.
14 06,250	6,95 346	38 09,977	5,17,286	20 656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	7 40	10	1 62	1.50	9 62	0.60	3	Y.P.T.
17,00,000	8,81 944	36 18,723	11,78 754	1,02 542	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	19 62	10	5 50	3 50	3 75	2.60	12	Y.P.
57,94,880	45 46,152	91 59,457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3,459	Periakaramalai	3 86	2	0.70	0.90	0.90	0.70	3	Y.P.
12 50,000	13 10 000	30,23 670	2 65,955	744	Parkins Private Ltd.	1,070	Talayar Tea	7 90	10	1 25	1 62	1.25	1.00	3	Y.P.
11,25,000	16,53,663	25 52,610	2 35,551	31 923	Parkins Private Ltd.	1,341	Twyford	15 75	10	2 50	2.00	2 00	1.50'C'	12	Y.
21 93 280	10 82 217	41 37 876	13 69 874	1,20 125	T. Stanes & Co., Ltd.	1 773	United Nilgiri‡	17 25	10	23.00	35 00	2 00	1.77	3	Y.
31,50,000	23,54,311	57,57,727	6,63,633	1,34,481	Kothari Mehta & Co. Pvt. Ltd.	909	Waterfall	3.45	2	0.25	0.40	0 30	0.25	6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividends for 1954 and 1955 are on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
§ Patrakola Tea declared 25 per cent. dividend but paid only 10 per cent. so far. 'C'—On increased Capital. A—Amluckie Tea Co.—Dividend on Rs. 100 paid-up.

TEA AND OTHER PLANTING COMPANIES—Continued.

PLANTING; PRODUCE AND RUBBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	References
3,00,000	2 10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.30	2	0 30	0.21	0.45		5	Y.P.
26 91,279	17 00,000	56 38 212	6,78,584	29,944	Peirce, Leslie & Co., Ltd.	Cochin Malabar	5 44	3	0 45	0 75	0 52	0 30'C'	2	Y.P.
22,50 000	28 00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	24 50xd	10	1 80	2 50	4 00	2 00	6	Y.P.
71,55,000	57,69,923	1,42,78,181	30,95,427	75,345	B C. Paterson, Esq.	Consolidated Coffee	22 25xd	10	2 25	2 00	4 00	2 00	6	Y.P.
4,00,000	5,87 423	10,43 962	53,995	8,519	Associated Planters Private Ltd.	Cottanad Plantations	15 25	10	1 75*	1 50	1 75		3	Y.P.T.
18,00,000	9,30 543	29 08 448	5,85,748	48,584	A. V. Thomas & Co. Ltd.	Highland Produce	11 37	10	2 00	2 00	0 75		12	Y.P.
8,00 000	6,92,899	19,66 900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	11 90	10	2 75	2 00	2 00	1 00'C'	4	Y.P.
13 50 000	4 55 880	20 40 926	3,38 888	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber	18 12	10	2 25	3 25	2 25	1 70'C'	3	Y.
40 50 000	29,09,139	86,11,082	10,30,522	2 531	A. V. Thomas & Co., Ltd.	Midland Rubber	10 60xd	10	2 50	2 00	2 00	1.00'C'	3	Y.
3,35 000	4 06,000	14,43,851	2,26,134	22,019	A. V. George & Co., Ltd.	Nenmeny Rubber	15 65	10	1 50	1 50	0 75		12	Y.P.
2,00,000	3 06,500	9 44,297	1,14,753	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	15 00	10	1 50	1 50	1 50		12	Y.P.T.
19,45,980	23 79,615	45 25,952	14,74 565	53,868	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5 47	2	0 40	0 20	0 60		10	Y.P.T.
13 50,000	8,36,102	46,47 820	4,23,094	40,664	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	18 40cd	10	2 00	2 50	2 00	2 00	6	Y.P.
5 50 170	4,00,000	8.17 112	92,732	798	Peirce, Leslie & Co., Ltd.,	Savamalai Estates Ltd.	3 47	2	1 00	1.50	0 80		11	Y.
12 00 000	1 00 000	17 43,035	35 695	..	Patco Agencies	Sanyameshwar Coffee Estates Ltd.	2 48	2				0 18	3	Y.P.T.
10,00 000	2,74,418	22,50 914	1,70,646	16,692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	6 65xd	10	0 90	0 90	0 60	0 60	3	Y.P.T.
2,50 000	2,75,000	5,73,150	38 399	33 647	A. V. George & Co., Ltd.	Thamarapally Rubber	27 00	10	3 00	3 00	3 00		12	Y.P.
9 15 300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	1 66	1	0 12½	0 12½	0 05		9	Y.T.
6 00,000	33,742	7,60,835	1,41,828	1 270	Espen Thomas Esq. (Mg Director)	Travancore Rubber	17 25	10	3 00	2 00	1 50		12	Y.
41 00 000	12,79 221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	6 75	10	1 25	0 75	0 40		12	Y.P.
20,00,000	36 000	30,13,628	7,73,086	167	P. T. Thomas, Esq (Mg Director)	Tropical Plantations Co.	21 75	25	4 00	3 00	1 00		12	Y.
2,20 000	4 29,600	9,26 785	83,552	..	A. V. George & Co., Ltd.	Udayagiri Rubber Co. Ltd	11 15	10	0 60	0 75	0 60		12	Y.P.
8,80 100	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber	23 35	10	2 50	3 50	3 50J	1.25†	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg Director)	Woodland Estates	8 12xd	10	2 00	1 25	1 00	0 50	3	Y.P.T.

J—Final dividend of Rs. 1.50 is on the increased capital. • Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	References
60,00,000	44,25,000	1,20,25 991	53,26,489	16,786	B. N. Elias & Co. Private Ltd.	879	Agarpara	10 69	10	0 62	0 25	0 25		3	Y.T.
6,00,000	10,81 600	59 82 765	40,52,871	1 66,651	McLeod & Co., Ltd.	456	Alexandra	185 00	100	10 00	10 00	10 00		12	Y.P.T.
30 00,000	5,25,000	1,25,28 740	95,78,601	—5,74 381	McLeod & Co., Ltd.	1,264	Alliance	113 00	100	6 00	Nil	Nil		5	Y.P.
49 20,700	72,21,000	3,09 93 668	2 15 04 087	2,36,742	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	206 50	100	3 50	3 50	7 00	10 00	3	Y.P.
40,00,000	32 60 924	1,49 82 554	63 17,403	3,215	Bird & Co. Private Ltd.	810	Auckland	164 00	100	10 00	1 00	Nil	5 00	3	Y.P.T.
20,00 000	24,84,715	98,59,961	67,55,861	1 18 223	Birla Brothers Private Ltd.	959	Bally	185 00	100	3 50	Nil	2 00	6 00	3	Y.P.
£2,75,000	£631 032	£1,640,294	£987 467	—£175 567	Sir John H. Burder (Chairman)	1,889	Barnagore	138 00	£5	sh 15	Nil	Nil	Nil	3	Y.P.
28,00 000	26 27,128	97,66,495	53,10 415	6 111	Andrew Yule & Co. Ltd.	820	Belvedere	165 00	100	7 50	Nil	2 50		12	Y.P.
45,00,000	29,71,745	58 94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	11 62	10	1 12	1 00	Nil		6	Y.P.T.
91 26 000	2,26 05,284	4,09 60 115	1,66 74,137	24 155	Birla Brothers Private Ltd.	1,373	Birla	18 68	10	1 00	1 00	1.00	1.00	3	Y P.
36,00,000	19,36,926	1,22 32,479	71,78,657	2,799	Andrew Yule & Co., Ltd.	991	Budge-Budge	146 00	100	7 50	Nil	Nil		10	Y.P.
7 47 380		44,38,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg.	7 00	10	Nil	Nil			12	Y.P.T.
18,00,000	35,21,234	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd.	616	Caledonian	177 00xd	100	6 50	Nil	Nil		11	Y.P.
59,16,400	75 85 462	2,31 96 782	1,27,96 666	—5,45 989	James Finlay & Co., Ltd.	600	Champdany	112 00	100	10 00	2 00	Nil	Nil	3	Y.
15,95,000	21,56,262	85,02,301	58 78,175	5,857	Andrew Yule & Co., Ltd.	580	Cheviot	192 00	100	10 00	2 00	Nil		11	Y.P.
30 15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd.	500	Chitavalsah	14 87	10	1 37	0 62½	1.10		7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	13 00	10	1 25x	0 50	Nil	Nil	3	Y.P.
31,49 200	45 61 566	1,39,75,669	56 08,218	—12 92 367	Bird & Co Private Ltd.	766	Dalhousie	125 00	100	4 00	Nil	Nil	Nil	3	Y.P.T.
28,00,000	37,22,179	82,37,464	48 90,760	4,243	Andrew Yule & Co., Ltd.	779	Delta	160 00	100	10 00	5 00	Nil		11	Y.P.
15,00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co. Ltd.	500	Empire	18 50	10	1 75	0 50†	0.75		7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1 65,59,223	2,53 668	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	220 00XR	100	15 00	10 00	10 00	20 00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	63 50 852	1 96 479	Bangur Bros., Ltd.	1 014	Fort William	22 75	10	20 00	0 75K	1.50	1.50	3	Y.P.T.
34 32 100		2,11,07,224	1 32,88,825	—2,87 452	M.	1,709	Ganges Mfg.	65 75	100	2 50	Nil			2 9	H P.
10 80,000	28,00,000	76,64,785	55,99,505	39,411	M.	607	Gondalpara	650 00	800	Nil	50 00	60 00		12	Y.T.
24 00 000	32 06,464	2,35,37,322	1 60 44 632	47 269	Macneill & Barry Ltd.	1 394	Gourepore	358 00	100	15 00	2 50	2 50	20 00	3	Y.P.
40,00,000	65,68,233	1,32,37,430	67 67,854	3 19 478	Bangur Bros., Ltd.	1,078	Hastings	99 00	100	11 50	5 00	5.00	5.00	3	Y.P.
16,20,000	18,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	13 50	10	1 25	Nil			3	Y.P.
65 62,500	26,09,105	2,24,85,466	1,24,24,441	32,775	Jardine Henderson Ltd.	1,940	Howrah	19 87	10	0 37	0 25	Nil	Nil	3	Y.P.T.
52,50,000	30,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand	20 75xd	7 50	2 00	2 00	1 50	1 50	3	Y.P.
87,30,000	19 89,967	1,41,58,695	87,84,018	84,575	M.	790	India	15 00xd	12 50	4 69	4 69	9.37	15.62‡	3	Y.
24,00,000 / B'19,20,000	21,09,455	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	171 00 / 162 00	100 / 'B' 100	2 50 / 2 50	Nil / Nil	Nil / Nil		12	Y.P.T.
30,00,000 / B'24,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	102 00 / 81 00	100 / 'B' 100	1 00 / 1 00	Nil / Nil	Nil / Nil		12	Y.P.T.
21,00,000	53,00,000	1,35,45,052	33,77,736	36,701	McLeod & Co., Ltd.	703	Kelvin	230 00	100	17 50	5 00†	9 00		5	Y.P.
54,00,000	23,33,275	1,96,60,992	1,22,03,770	27,027	Anderson Wright Ltd.	1,530	Khardah	160 00	100	11 00	5 00	3 00		3	Y.P.
48,00,000	77 32 121	2,38,47,961	1,08 51,199	25 650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	178 00	100	18 00	6 00	Nil	5 00	3	Y.P.T.
24 48,000	27 76 883	1,28 67 077	58,39,647	—9,82,635	Bird & Co. Private Ltd.	931	Lansdowne	130 00	100	7 00	Nil	Nil	Nil	3	Y.P.
28,00 000	40 49 600	1,48,98 886	66 75 920	—8 16 201	Bird & Co. Private Ltd.	840	Lawrence	113 00	100	6 00	Nil	Nil	Nil	3	Y.P.T.
31 65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	14 50	10	3 75	3 75	5.00	17.50‡	3	Y.
29,98,900	34,62,195	1,65,70,565	36,70,690	—18,08,719	M.	315	Naihati	72 00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	15,55,000	36,02,650	21,34 037	—1,65,266	Howrah Trading Co., Ltd.	425	Naskarpara	12 00	10	1 25	Nil			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	352	National	25 50	10	1 75	0.75	0.75		10	Y.P.
26,25,000	27 55,572	31,27,861	21,92,842	43,512	McLeod & Co., Ltd.	216	Nellimarla Jute	12 94	10	1 00	....	0.90		7	Y.P.T.
35,50,000	2,36,31,171	4 68,32,343	1,06 43 534	3,35,601	Sahu Jain Ltd.	1,765	New Central†	13 00	10	1 50	1 50			12	Y.P.
16 79 880	43 38 845	1,35 66 574	61 41 213	—2 43 817	Bird & Co. Private Ltd.	567	Northbrook	17 50	10	1 50	1 50	Nil	Nil	3	Y.P.T.
66 79 500	17 81 396	2.26.00.780	1,19 72,061	79 151	Macneill & Barry Ltd.	1,092	Nuddea	58 00	50	1 00	Nil	Nil	2 50	3	Y.P.
24.91 000	23.04,040	76.55 436	52,45,690	5,981	Andrew Yule & Co., Ltd.	601	Orient	176 00	100	9 00	2 00	Nil		11	Y.
25,00,000	7,83,173	86,18,253	67,97,872	7,049	McLeod & Co., Ltd.	490	Presidency	6 12	5	0 31	0 20	0.30		7	Y.T.
20,00,000	10,324	29,80,939	9,24,705	—7,07,557	Birla Brothers Private Ltd.	305	Rameshwara	5 75	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	2,00,000	1,24,61,131	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	7 25	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£669,000	£1,093 713	£1,245,244	....	£58 994	Thomas Duff & Co. (India) Ltd.	2,013	Samnaggur	10 62	£1	8%†‡				12	Y.P.
30 00,000	13,14,910	1,21,72,882	85,21,532	48,032	Bagaria More & Co., Ltd.	911	Shree Ambica	11 50N	10	0 50	0 25	0 50		3	Y.P.
14,00,000	11,14,980	68 87,540	47,50,476	40 154	Hindustan Investment Corpn. Ltd.	401	Soorah	10 00	10	1 50	1 50	1 50		12	Y.P.
25,19 600	3,04 087	9,29,724	3,23,203	61 862	Bird & Co. Private Ltd.	550	Standard	114 00	100	1 00	Nil	Nil	5.00	3	Y.P.
£600,000	£925,119	£1,137,660		£83,548	Thomas Duff & Co. (India) Ltd.	1,794	Titaghur	10 50	£1	8%†‡				12	Y.P.
35,98 600	48 33 581	1,05 53 316	42 51,394	56 837	Bird & Co Private Ltd	1,326	Union	225 00	100	10 00	1.00	Nil	15.00	3	Y.P.T.
£400,000	£688,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd.	1,331	Victoria	11 25	£1	8%†‡				12	Y.P.
2,50,000	6,35,000	41,78,264	27,76,059	—4,15,286	McLeod & Co., Ltd.	447	Waverley	3 62	1	0.37	Nil	Nil		5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	References
25 50,000	27,26,630	1,04,15,636	75,57,686	40,639	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	21.12	10	1.37	0 50	1 25	1 25	3	Y.
12 00 000	8 49 890	35 13 891	33 46,842	57 344	Jardine Henderson Ltd.	Bararee Coke	11 75	10	1.46	1 10	0 37	0.50	3	Y.
4 49 350	88,000	9,25 102	5 69 530	1 317	Kalyanji Mavji & Co.	Bengal-Bhatdee	4 25N	10	0 62	0 75			12	Y.
,00 00,000	1 62 13,157	6,38,12 765	4,41,60 343	11 43 060	Andrew Yule & Co., Ltd.	Bengal Coal	258 00	100	35 00*P	17 50	17 50		10	Y.P.
2,25 000	3 76 706	24,32,075	23,49 060	—1 39 041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	11 50	10	Nil	Nil	Nil		12	Y.
40 00,000	10 28 269	1,44 33,027	77 56 407	2,120	Sahu Jain Ltd.	Bharat Collieries	6 37	10	0 62	0 62	0 60		6	Y.P.T.
7,15,000	10 15 172	49,80 946	34,34,101	—4 92,536	M	Bhulanbararee	8 00N	10	Nil	Nil			12	Y T.
7,50,000	24,50 150	46,69,896	27,71 129	26 931	F W Heilgers & Co Private Ltd.	Borrea	17 25xd	10	2 00	1 50	0 75		12	Y.P.
90,92 480	1,70 33 767	4,37 67 223	1,99 48 073	96 349	Bird & Co Private Ltd.	Burrakur	16 25	10	0 62	0 68	0 37		6, 12	H.P.T.
49,97,000	82,960	55,20,477	17,60,531	10 769	Hindustan Investment Corpn. Ltd.	Central India	6 81	10	0 25	0 50	0 50	0.50	3	Y.
3 00,000	12,90,590	49,56 445	33,71,352	23 320	M.	Central Kurkend	9 75N	10	0 50	0 50			12	Y.
6,00 000	1 49 122	7,29,936(k)	....	10,537	F W Heilgers & Co. Private Ltd.	Churlia	2 75	4	0 06	0 06	0 20		12	Y.
16 00 000		54,47,612	31,35 393	—67,535	Macneill & Barry Ltd.	Dhemo Main	8 87	10	Nil	Nil	Nil		12	Y.
£240 000	£273 125	£1,070 637	£776 882	£19 431	Jardine Henderson Ltd.	East Indian	22 69	£1	3 00	2 50	1 50	1 00	4	Y.
29 63 760	93 25,027	4,34 54 587	3 12 99 700	59,732	Macneill & Barry Ltd.	Equitable	28 00	10	1 50	1 50	1 50		12	Y.P.T.
10 00 000	1,40 469	14 24,422	4 33 296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	14 00N	10	0 25	0 25			3	Y.
12,00,000	65 000	43,00 791	26,55,359	—6,34,206	Killick Industries Ltd.	Hingir-Rampur	19 00	50	2 25	2 25	Nil	Nil	6	Y.P.
8 00 000	2 50,000	24 57 368	19 66 774	168	Macneill & Barry Ltd.	Hurriladih	15 00	10	2 50	1 50	Nil		12	Y.
3,50,000	3,35,964	14,76,413	7 56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	21 00	10	Nil	Nil	Nil	Nil	2	Y.
20,00,000	2,87,375	35,11,943	7 18,220	11,229	Bird & Co Private Ltd.	Karanpura Collieries	115 00xd	100	2 50	5 00	Nil	5.00	2	Y.P.
5,00,000	19,66,031	49 73 401	39,04,335	1,68 572	Andrew Yule & Co., Ltd.	Katras Jherriah	70 00	10	4 50	6 50	6 50	6.50	1	Y.
11,00,240	68,366	16 86 967	10 94,163	13 871	H V Low & Co. (Private) Ltd.	Kuardi	2 75N	10	0 12	0 19			6	Y.
9 00 000	10,22,762	28 39 712	22 94,628	3 568	H V Low & Co (Private) Ltd.	Lakurka	15 50N	10	0 12	0.12	0.12		4	Y.
7 43 240	2 25 000	13 48 892	9 89 769	55 358	Tantia Brothers Private Ltd.	Nazira	7 62	10	0 50	0 50	0 75		12	Y.
17 76 230	19,58 049	1,30 10 149	94 97 263	83 316	Andrew Yule & Co. Ltd	New Beerbhoom	18 87	10	1 00	0 75	0 75		10	Y.P.
6.00 000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	11 00	10	Nil	Nil	0 50	0.50	3	Y.
1.15 000 / [illegible] 500 / 1,50 000	3 85 824	13 05 939	9.24,131	25 543	Andrew Yule & Co., Ltd.	North West	24 00 / 19 25	10 / 7.50	1 87 / 1 03	1 50 / 1 12	1 50 / 1 12	1 50 / 1.12	3	Y.
[illegible]	15 69 648	3,97 666	2 77 664	41 941	F W Heilgers & Co. Private Ltd.	Ondal	12 00	10	1 00	0 75	0.50		12	Y.P.
[illegible]	20 000	23 49 367	9 36 591	3 080	Deepchand Kishenlal	Parasea	15 00	10	1 00	0 50			12	Y.P.T.
15 75 000	17 04 800	59,95 210	42,69 210	36 465	Shaw Wallace & Co., Ltd.	Pench Valley	24 87	10	1 50	0 70	2 00	2 00	3	Y.
23 [illegible] 500	25 66,861	1,37 28,021	91 38 862	29 060	B N Elias & Co Private Ltd.	Raneegunge	13 75	10	0 62	0 37	0 75		3	Y.
13 50 000	6 38 835	42 17 417	32 31,916	24 549	Shaw Wallace & Co., Ltd.	Rewa	17 50	10	2 07	1 50	1.00		12	Y.
37 50 000	27 12 000	95,06 524	26 37 721	21 162	M.	Samla Collieries	10 50	10	1 00	1.25	0 90		12	Y.
2 50 000	1,95 802	13 78 480	12 21 237	21,070	M.	Searsole	5 00N	2.50	0 75				1	Y.
2 00 000	9 25,098	29.24 442	19 99 221	48,188	Andrew Yule & Co., Ltd.	Seebpore	26.25	7	2 50	2 25	1.75		12	Y.P.
8 00 000	4 91 081	52 401	28 867	628	F W Heilgers & Co Private Ltd.	Sendra	10 00	10	0 25	0.25	0.25		12	Y.T.
63 21 450	1,04 26 883	5 58 10,811	2,61 62,810	....	Industries (I. F.) Department, (Govt. of Andhra Pradesh)	Singareni	15 75xd	10	0 75	1 00	1 50		12	Y.T.
17 50 000	10.37 541	39 01,396	17 00 094	8 739	Bird & Co. Private Ltd	South Karanpura	12 00	10	0 12	0 85	0 75		8	Y.
5 00 000	13 76 745	1 69 570	23 510	9 790	F W Heilgers & Co. Private Ltd.	Standard	13 50	10	1 00	1 00	1.00		12	Y.
10,00,000	....	31 92 604	15 43 563	—5 62 907	M.	Taicher	1 62	2 50	Nil	Nil			9	Y.T.
3 50 000	2 80 000	19 15 700	14 79 400	1 77,962	Williamson Magor & Co. Ltd.	Union	14 75	10	Nil	Nil	0.37		12	Y.
49,98 000	89,284	70 81 423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal	5 72	10	0 50	0 50	0 50	0.40	3	Y.
7 00 000	....	58,61 405	27,57,669	—8.46 108	Macneill & Barry Ltd	West Jamuria	6 69	10	Nil	Nil	Nil		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (x) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co. Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

PRIVATE LIMITED COMPANIES

A REVIEW OF THEIR FINANCIAL POSITION

THE December 1958 issue of the *Reserve Bank of India Bulletin* contains an interesting article which presents the results obtained by analysing the published accounts of 333 private limited companies for the accounting years 1955 and 1956. The scope of the regular study of company finances made by the Department of Research and Statistics of the Bank, which was so far confined to public limited companies only, has now been extended to private limited companies also. The present study revealed that the financial structure of private limited companies and their operating results differed widely from those of public limited companies.

The main income (sales) of the companies showed a spurt from Rs. 196 crores in 1955 to Rs. 232 crores in 1956. Of the total, 98 companies had trading as their main business and the sales of these companies moved up from Rs. 86 crores in 1955 to Rs. 98 crores in 1956, that is by 13.6 per cent. The sales of the remaining companies, majority of which are manufacturing concerns, rose from Rs. 109 crores to Rs. 134 crores, representing an increase of 22.8 per cent. The total salaries and wages of the 333 companies were higher at Rs. 27.3 crores, as against Rs. 23.6 crores. Managing agents' remuneration declined from Rs. 43 lakhs to Rs. 35 lakhs.

Profits before tax amounted to Rs. 13.2 crores in 1956, as compared with Rs. 11.0 crores in 1955. Tax provision showed a sharp rise from Rs. 5.2 crores to Rs. 7.1 crores and, consequently, profits after tax showed only a small increase, from Rs. 5.8 crores to Rs. 6.1 crores. Despite higher provision for taxation, engineering companies and cotton mills showed a substantial increase in profits after tax which was partly offset by the decline in the case of trading companies.

Taxes and Profits

For all the industries together, tax provision rose from 47 per cent of profits before tax in 1955 to 54 per cent in 1956. Distributed profits, however, remained unaltered around 31 per cent of profits before tax during both the years, while retained profits fell from 22 per cent to 15 per cent. As percentage of profits after tax, dividend distribution in 1956 was higher at 68, as compared with 59 in 1955. During the two years together, half of the profits before tax was provided for tax purposes and a little less than one-third was distributed among the shareholders.

The profitability of equity capital as measured by the ratio of profits after tax to net worth (paid-up capital plus all free reserves), which is perhaps a more appropriate index of profitability, recorded a slight rise from 7.3 per cent in 1955 to 7.5 per cent in 1956.

The average rate of dividend on ordinary shares of the 333 companies rose from 5.7 per cent of paid-up capital to 6.9 per cent in 1956, while the corresponding rate for preference shares declined from 4.5 per cent to 3.9 per cent. The increase in the rate of dividend on ordinary shares was substantial in the case of trading companies. A more precise indicator of profitability, namely, dividend as percentage of net worth, rose from 4.3 in 1955 to 5.1 in 1956, the rise being reflected in many of the individual industries.

Capital Formation

The total assets formation in these 333 companies during 1956 amounted to Rs. 21.5 crores. Gross capital formation during 1956 was of the order of Rs. 13.8 crores, of which gross fixed assets accounted for Rs. 6.3 crores and inventories for Rs. 7.5 crores. The rate of growth of gross fixed assets was 10.4 per cent per annum and the corresponding figure of inventories was higher at 13.5 per cent. Net fixed assets formation amounted to Rs. 3.1 crores, showing an annual rate of growth of 9.3 per cent.

Of the total funds of Rs. 21.5 crores used for financing assets formation, paid-up capital (excluding capitalised reserves) amounted to only about Rs. 1.0 crore. Borrowings at Rs. 7.5 crores contributed more than one-third of the total funds and formed the most important source of finance; of this amount, bank borrowings amounted to Rs. 4.2 crores. Depreciation reserves acounted for Rs. 3.1 crores and taxation reserves for Rs. 3.0 crores. The contribution of free reserves (general reserves and other reserves) was very small, being Rs. 62 lakhs. Next to borrowings, "trade dues and other current liabilities" was the most important item and it contributed Rs. 5.9 crores. A measure of the internal financing of the industries may be provided by the net additions to (1) depreciation reserves, (2) taxation reserves, (3) capital reserves, and (4) general and other free reserves. It would appear that internal financing was relatively small at Rs. 6.7 crores, as compared with Rs. 14.7 crores provided by external sources.

The paid-up capital of these 333 companies as at the end of 1956 amounted to Rs. 61.8 crores. As against this, their total liabilities/assets (net) amounted to Rs. 203 crores. The paid-up capital thus formed roughly one-third of the total liabilities. This proportion holds good also for the 1,001 public limited companies referred to earlier. Free reserves (excluding taxation and depreciation reserves) formed only 10 per cent of total liabilities of the 333 private limited companies, while the corresponding percentage was almost double for the 1,001 public limited companies. Borrowings and trade dues and other current liabilities accounted for 43 per cent in the case of public limited companies, as against 52 per cent in respect of private limited companies.

On the assets side, net fixed assets at Rs. 36.8 crores formed 18 per cent of the total net assets of the 333 companies, the corresponding figure for the 1,001 public limited companies was 38 per cent. For all industries other than trading, the ratio of net fixed assets to total net assets works out at 22 per cent for private limited companies, as against 39 per cent for public limited companies.

Financial Claims

The two important items of financial claims, namely, receivables and investments, together formed about 37 per cent of the total net assets, as against 22 per cent for the 1,001 public limited companies. It would thus appear that, in relation to public limited companies, the financial claims of the private limited companies on the assets side and borrowings and current liabilities on the liabilities side are substantially higher.

Just as the financial structure of private limited companies differed widely from that of public limited companies, capital formation and operating results also showed considerable differences. The rates of capital formation (gross and net) during 1956 in respect of private limited companies were lower than for public limited companies. Profitability ratios also were lower for private limited companies during both the years 1955 and 1956. Private limited companies provided a relatively higher proportion of their profits before tax for tax purposes during both the years; profits distributed were slightly lower. Retained profits were lower in proportion in the case of private limited companies than in public limited companies.

The principal indicators of the growth and operating results of the 333 selected companies are shown below:

(Amounts in crores of rupees)

	1955	1956	*Percentage increase*
Paid-up capital plus free reserves (net worth) at the end of the year ..	79 6	81.2	2.0
Gross fixed assets at the end of the year ..	60.1	66.3	10.4
Net fixed assets ,, ..	33.7	36 8	9 3
Inventories ,, ..	55 8	63.3	13 5
Total assets (net) ,, ..	184.5	202.9	9 9
Total income during the year	238.3	278.6	16.9
Sales ,, ...	195.7	232.4	18.7
Profits before tax ,, ...	11.0	13.2	20 3
Profits after tax ,, ...	5.8	6.1	5.0
Dividends paid ,, ...	3.4	4.1	21.1
Profits retained ,, ...	2.4	2.0	—18.0
Gross profit as percentage of total capital employed	7.2	7.8	
Gross profits as percentage of gross sales..	6.8	6.8	
Profits after tax as percentage of net worth	7.3	7.5	
Dividends as percentage of paid-up capital (ordinary shares)	5.7	6.9	

ANNOUNCEMENT

BOKARO & RAMGUR LIMITED

REDEMPTION OF DEBENTURES

THE BOARD OF DIRECTORS AND THE Board of Debenture Trustees of Bokaro and Ramgur Ltd. of 22, Chittaranjan Avenue, Calcutta 13, have pleasure in announcing that 4½% Mortgage Bearer Debentures of Rupees Ten Lakhs consisting of 1,000 Debenture Bonds of Rs. 1,000 each which were floated in 1948 for a period of 10 years have been redeemed with interest in full to the satisfaction of all the Debenture-holders in compliance with the provisions of the Debenture Trust Deed, dated 3rd June 1948 and the Supplemental Deed of Trust, dated 27th October 1948.

By Order of the Board,
RAMGARH INDUSTRIES (COAL) CO.,
Managing Agents.

CALCUTTA, 18*th December*, 1958.

BANKING AND MONEY

(*Concluded from page* 11)

equivalent of $1,800,000,000, and are held by investors in at least 35 countries.

After expressing satisfaction with this record, the Executive Directors express the opinion "that, in today's conditions, the present capital structure does not give the Bank the borrowing capacity needed to enable it to meet the reasonable requirements of its lending operations in the near future." To support this view, their report cites the 75 per cent. increase in lending in the last fiscal year and a continuing high rate of lending in the current year. The report also holds it prudent to assume that Bank lending will continue at or above recent levels in the foreseeable future. To finance continued lending at the current rate, the Bank will have to borrow on a greater scale than before.

While the Bank has raised about half of its borrowed funds from investors in other countries, the United States is the principal market for Bank obligations, and institutional investors in that country are the main source of its long-term funds. The soundness of the Bank's loans and the guarantees of members other than the United States have also been of great importance in marketing the Bank's obligations. Nevertheless, in the opinion of the Bank's Executive Directors, "most... U.S. institutional investors and many of the non-U.S. investors in the Bank's dollar securities have been willing to take up, at reasonable rates of interest, the increasingly large and frequent offerings of the Bank's bonds, chiefly because the bonds have the backing of the $2,540,000,000 guarantee of the United States." The Executive Directors express the belief that investors may in future attach increasing importance to the guarantees of members other than the United States. But to take no action now to increase the Bank's capital, they conclude, would be to run the risk of a curtailment of lending.

The Executive Directors are of the view that the proposed increase should be sufficiently large to avoid the necessity of seeking frequent changes in the Bank's capital structure in the future, and emphasised that the responsibility for strengthening the Bank's resources should be shared generally by the members. Hence their recommendation that authorised capital should be increased by 100 per cent. in addition to a further increase of $1 billion, as a margin of authorised but unsubscribed capital for future members or possible later individual increases of subscriptions. They are confident that a cent per cent. increase in the authorised and subscribed capital would not necessitate any further increase during the next decade.

MANCHESTER LETTER

(*Concluded from page* 14)

part of the world's population to industries situated many thousands of miles away in another part of the world.

An encouraging account of raw cotton shipments to the Port of Manchester during the past year was given by Mr. A. L. Hughes, President of the Manchester Cotton Association, at the annual meeting. In the past season, he said, arrivals of all types of cotton into the United Kingdom declined by more than 200 000 bales, but supplies reaching Manchester were only 4,573 bales below those imported in the previous 12 months.

No one in his position should be expected to give a glowing account of conditions in the raw cotton trade, and Mr. Hughes did not gloss over the many problems facing merchants and brokers. He bluntly accused spinners of failing to support the spot market by purchasing almost all their requirements on a shipment basis, pointing out that it was not reasonable to expect a large and comprehensive stock of cotton to be available on the spot at low prices awaiting the day when the spinner might take an interest in it.

The increase in the number of growths of cotton, while complicating business for the merchant, brings advantages to consuming countries. Government control, according to Mr. Hughes, would by now have destroyed the element of competition if Lancashire had remained dependent on a small number of countries for the supplies for the mills. The development of cotton growing in many lands, not least British Colonial territories, had kept the price of the commodity down. Strong competition and pressure from discriminating buyers had resulted in a steady improvement in quality, classification and packing and in marketing and shipping facilities.—*All Rights Reserved.*

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000	1,08,00,000	10,41,547	Allahabad Bank	362 00	100	18.00	18.00	18.00‡		12	Y.P.
14,50,000				181.00	50	9.00	9.00	9.00‡			
1,01,000				106 50	100	6.50	8.00	6.00	2.50‡		
40,78,300	17,84,000	3,83,732	Andhra Bank	88.75	85	4 54	5.59	5.10	1.12‡	6,12	H.
1,00,00,000	1,28,00,000	4,10,731	Bank of Baroda	128 50	50	6.00‡	7.00	7.00	3.00‡	12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	25.50	25	0 87	1.12	1.25		12	Y.
2,50,00,000	3,10,00,000	16,02,381	Bank of India	138.50	50	8.00	8.00	8.00	3 00‡	6,12	R.L.Y.
50,00,000 'A'				140 50	50 'A'	...	...	8.00	3.00‡		
15,30,375	29,00,000	52,270	Bank of Indore	63.00N	25	3.50	4.00	4.25		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	46.00	50	2 00	2.50	3.00		12	Y.
50,00,000	91,95,613	1,87,085	Bank of Mysore	300.00	100	16.00‡	16 00‡	16 00	8.00‡	12	Y.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	82.00	50	5 00	5 00	6.00		12	Y.P.
7,50,000	13,55,000	5,670	Canara Banking Corporation Ltd.	77.00	50	5 50‡	5 00‡	5.00‡		12	Y.P.
5,92 930 'A'				182.00	100 'A'	12 50	15 00	15.00			
23,787 'C'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	1.71	1'C'	12½%	15%	15%		12	Y.
2,62,11,875				58.50	25	3.00	3.50	3.50	1.50‡		
62 42 375	4,03,60,821	18,44,046	Central Bank of India Ltd.	60.50	25	3.00	3.50	3.50	1.50‡	12	R.L.H.
50 00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co.	49 50	50	2 50	3.00	3.00	1.25‡	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29 12	5	0.87	1.37	1.00		12	Y.
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank	9.00	50	*Nil*	*Nil*			12	Y.
60,00,000	1,80,000	4,233	Hindustan Mercantile Bank	12.50	50	*Nil*	*Nil*	*Nil*		12	Y.
44 00 000	1,00,00,360	2,04,376	Indian Bank	225.00	100	12.00‡	13 00	15.00‡	6.50‡	6,12	R.L.H.
22 40,000				183 00	80	7.75	9.75	12 00‡	5.20‡		
66 23,350	46,36,300	2,32,067	Indian Overseas Bank	166.00	100	7.50	10 00	10 00		12	Y.
10,00,000	10,25,000	33,502	Pandyan Bank Ltd.	32.00	25	1 87	1 87	1.87		12	Y.
1,25,00,000	1,10,00,000	4,51,004	Punjab National Bank	56.50	25	3 50	4.00	5.00	2.50‡	12	Y.
3,00,00,000	29,17,000	5,628	Travancore Bank	29.25	25	1.00	1.00	1.25		12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	7.52	5	0.37	0.44	0.44		12	Y.
2,00,00,000	1,34,00,000	49,432	United Commercial Bank	67.20	50	2.75	3.50	3.75		12	H.
PRINCIPAL EXCHANGE BANKS						**Dividend (per cent.)**					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East§	£2-8-3	£1	10	10	10	10	S	Y.
£5,000,000	£5,500,000	£412,542	Chartered Bank	£2-6-0	£1	15†	15†	15†		12	Y
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,062,463	Honokong and Shanghai Banking Corporation	£47	H.K.$125	5*	5*	12½*Z	1½*	12	Y.
£18,563,070	£18,000,000	£826,712	Lloyds Bank	£2-6-0	£1	12†	13†	13†		12	Y.
£2,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£2-5-0	£1	14†	14†	18‡†		12	Y.
£2,851,563	£3,104,637	£355,589	National Overseas and Grindlays Bank Ltd.	£1-9-3	sh. 12‡	15†	15†	15†		12	Y.

§ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. ‡ 7½% interim dividend for 1959 declared.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	92 00	1st June 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90 00	28th February 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100 25	27th December 1962-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	67 00	1st November 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November 1959-64
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90 00	30th June 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87 00	30th June 1967 (a)
60,00,000	4½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December 1969 (a)‡
COTTON						
7,00,000	6½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85 00	30th April 1964
4,00,000	6	30th May and 30th November	Bengal-Nagpur	1897	89.00	15th November 1966 (b)
70,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	98.00	1st March 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100 25	1st April 1967-72
13,71,000	6½	30th June and 31st December	Jaykhere Textiles	1949	90.00N	1st January 1966-69
39,90,000	5½	1st June	Tata Mills	1951	93.00‡	15th November 1960
ELECTRIC?						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	90 00	31st March 1965 (a)
1,20,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	...	99 00	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	99.50	1st October 1960
12,00,000	4½	30th June and 31st December	Benares Electric Licht and Power Co., Ltd.	1949	90 00	31st December 1964 (a)
£4,048,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84 00	31st December 1970
13,80,000	5	1st January and 1st July	Sijua (Dherrian) Electric Supply Co., Ltd.	1951	91 00	30th June 1976 (a)
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95 00	1st April 1959-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93 50	30th September 1953-63
47,73,000	5	1st April and 1st October	Tata Power	1940	102 62	1970
2,50,00,000	4½	1st April and 1st October	Tata Power	...	86.00	15th September 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94 00	31st December 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	104.50	1st January 1971
30 00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97 25	1st July 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	82 00	31st May 1961
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98 25	1st October 1966-68
1,00,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	96.00	31st December 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	90 50	31st March 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91 00	30th June 1969
15,00,000	6	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77 00	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90 00	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	86 00	31st July 1959
10 69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88 50	30th June 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90 00	31st March 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90 00	15th July 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94 00	31st March 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90 00	31st December 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90 00	31st March 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92 00	31st May 1959
20,00,000	6	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80 00	31st December 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	85 00	6th September 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95 00	31st March 1967
10,00,000	5½	31st January and 31st July	Waverley	1925	80.00	31st July 1968
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£74 10N	1st October 1974
6,50 000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December 1974 (a)
£200 000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00	1st September 1963
PLANTING						
11,25,000	6†	31st March and 30th September	Nilciri Tea	...	99.50	1st April 1958-68†
1,27,600	5½	31st March and 30th September	Teckoy	1944	100 00	31st March 1949-59
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92 00	31st December 1965
23 60,000	4½	1st January and 1st July	Associated Hotels of India	1948	88 00	31st December 1963
6,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	101 00	1st September 1964-69 (a)‡
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1954	101 75	1st October 1964-69 (a)‡
21 00 000	5½	1st February and 1st August	Chowringhee Properties	1915	85 00	1st February 1970
19 29 000	4	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82 00	1st July 1964
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78 00	15th September 1960
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	85 00	1966
1,05,21,000	5	1st January and 1st July	Dunlop Rubber Co (India) Ltd.	1950	105.25	1969
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100 50N	1st January 1973 (a)††
15,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	88 00	30th June 1969 (a)‡
9,51,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	600 00	30th September 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	465 00	31st December 1972 (a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	(per cent.) 85 50N	1st April 1964
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100 75	30th June 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92 00	31st March 1965-70
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91 00	31st March 1961 (a)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India. Ltd.	1953	101.75	31st December 1959 1st May 1968 (a)††

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100 8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice.
†† Option to repay at par on 6 months' notice, on or after 31 January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 8th January 1959.

	Closing quotations 24-12-1958	High	Low	Closing quotations 8-1-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	145.00	—	—	145.00
Apollo (2)	1 24	1.24	1.20	1.24
Bombay Dyeing (25)	55 40	56.10	55.00	56.00
Bradbury (50)	133 75	—	—	133.75
Central India (100)	88 00	88.00	85 50	88 00
Century Mills (100)	416 50	424.50	413 00	424.00
Colaba (100)	42.50	49.00	46.00	49 00
Edward Textile (200)	220 00	217.50	215.00	215 00
Elphinstone (50)	32 00	—	—	32.00
Finlay (100)	255.00	258 00	255.00	258 00
Gokak (100)	127 00	—	—	127.00
Ind. Untd. Petd. (1)	1.10	1.10	1 06	1.10
Ind. Untd. Ord. (10)	8 52	8.72	8.44	8 68
Indore Malwa (100)	98.50	99 00	97.00	99.00
Khatau (100)	155.00	156.25	155.00	156.25
Kohinoor (100)	233 50	236.50	231.00	236.00
Lakshmi (250)	405 00	—	—	405.00
Minerva Mills (100)	64.00	—	—	64.00
Model Nacpur (250)	175 00	177.50	170.00	174.00
Morarji (100)	235.00	235.00	225.00	235 00
Mysore (50)	85.00	—	—	85.00
National Rayons (100)	233.25	243.00	230.75	242 50
New City (100)	93 00	—	—	93.00
New Great (100)	218.00	219.00	218 00	219.00
Phoenix (100)	117.50	122.25	117.50	121.25
Podar Mills (100)	127.00	128.00	126.00	128 00
Sassoon Silk (10)	9.75	—	—	9.75
Sassoon Spg. (10)	40 00	—	—	40.00
Shahpur (1,000)	425.00	—	—	425.00
Shrinivas (100)	135 00	136.00	133.00	136.00
Simplex (50)	170 00	170 00	167.00	169.00
Standard (100)	405 00	408 00	393 00	408 00
Svadeshi (100)	204.00	214 50	201 00	212 00
Swan (100)	345.00	350.00	345 00	350 00
Tata Mill (25)	35 50	35.00	33.50	35.00
Vishnu (100)	98 00	—	—	98.00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	137.00	138.75	137.00	138.75
Do. (New) (50)	139 50	139 50	138 00	139.50
Bank of Baroda (50)	129 50	129 00	128 00	128.50
Central (25)	58 50	58.70	58 00	58.70
Central 'A' (25)	58 70	61.00	58 80	61.00
Dena Bank (50)	49 50	50.00	49.00	50.00
Punjab National (25)	56.50	—	—	56 50
Union Bank (5)	7 36	7.52	7.32	7.48
United Com. (50)	66.20	68.00	66.50	68.00
ELECTRIC COS.				
Ahmedabad (100)	94.80	95.40	94.80	95.30
Amalgamated (10)	11 32	—	—	10 92xd
Andhra Valley (1,000)	1,197.50	1,200 00	1,167.50	1,170.00xd
Bom. Sub-El. (100)	110 25	111.00	110 00	110 00
Surat (100)	112.50	112 00	111.50	112.00
Tata Hydro (100)	122 50	123.00	119 50	119 50xd
Tata Power (1,000)	1,220.00	1,225.00	1,188.75	1,192.50xd
INSURANCE COS.				
British India (10)	13.80	—	—	13.80
Empire of India (100)	212.50	—	—	212.50
Ind. Mercantile (20)	46.25	46.25	46.00	46.00
Jupiter (15)	7.12	—	—	7.12
New India (15)	52.50	52.70	52.00	52.20xd
Oriental (200)	3,700 00	3,850.00	3,700.00	3,850 00
Universal (10)	13 00	—	—	13 00
Vulcan (10)	19.72	19.76	19.72	19.76
STEEL COS.				
Ind. Iron (10)	25.30	25.70	24.88	25.65
Tata Steel Ord. (75)	173.00	175.00	171.00	174.50
SUGAR COS.				
Belapur (50)	295.50	295.00	273.00	276.00xd
Dhapal (10)	26.50	26 30	25.05	26.30
Chalisgaon (12.50)	32.50	32.50	31.00	31.00
Dhaltan (50)	159.00	159.00	157.25	158 00
Walchand Ind. (100)	270.00	270.50	268.00	269.50
CEMENT COS.				
Associated Cts. (100)	150 25	152.00	149.50	151.50
Dirvlay (100)	128.00	133.00	129.75	132.50
MISCELLANEOUS				
Alcock Ashdown (100)	242.50	248.75	240 00	247.50
Bom. Burmah (125)	476.50	474 50	462 50	467 50
Do. (New) (50)	175.00	175.00	171.25	172.50
Br. B. Petrol (4 sh.)	2 02	2.06	1 96	2.06
Br. I. Corpn. (5)	3 58	3.64	3.60	3.64
Hindusthan Motors (10)	6.60	6 88	6.44	6.72
Indian Copper (2 sh.)	3 60	3 64	3 54	3.60
Ind. Inv. Tr. (100)	82 00	83 50	82 00	83 50
Killicks (100)	146 50	149 00	146 00	149.00xd
Polsons (100)	155 00	—	—	155 00
Pre. Automobiles (100)	80 20	80.00	79.50	80 50
Premier Con. (80)	230 75	237 00	228 00	235.50
Scindia (50)	21 04	21.68	20 92	21 56
G. A. Shipg. (10)	25 25	25.00	24 01	24.04xd
Shivraipur (10)	85 50	87.00	85 00	87 00
Tata Chemicals (10)	14 40	15 20	14 24	15 12
Tata Locomotive (100)	157.00	159 00	154 75	158.25
Tata Oil (25)	43.00	44.25	42 00	44 25
W. I. Match (100)	186.50	188.00	185 00	188.00

GOVERNMENT SECURITIES	24-12-1958 Rs.	Gross Yield Earlier Redemption	Later Redemption	8-1-1959 Rs.
2½% 1961	97.25	—	3 05	97.25
2½% 1962	99 00	—	3 81	99.00
2½% 1962	96 90	—	3 63	96.95
2½% 1963	83 20	—	3 63	83 20
3 % 1959-61 2nd Vict.	99 70	3.34	3 10	99 70
3 % 1964	97.00	—	3 56	97.00
3 % 1963-65	96.85	3.70	3 47	96 85
3 % 1966-68	94 00	3.89	3 72	94 00
3 % 1970-75 1st Def.	90 70	4.00	3 73	90 90
3 % 1966 Con. Loan	73 20	—	4 08*	73.50
4 % 1960-70	100.75	3.40	3 92	100 75
3½% 1961 N.P. Bonds	100.10	—	3 47	100 10
3½% 1964 N.P. Loan	99.90	—	3.53	99 90
3½% 1965 N.P. Bonds	99 80	—	3.53	99 80
3½% 1962	99 20	—	3.53	99 20
3½% 1967 N.P. Bonds	99 20	—	3 60	99 25
3½% 1974	98 40	—	3 88	98 50
3½% 1967 N.P. Bonds	100.80	—	3 65	100 80
4 % 1972 Loan	101 20	—	3 89	101 20
3½% 1968	98 85	—	3 65	98 85
3½% 1963 N.P. Bonds	100 05	—	3 49	100 05
3½% 1968 N.P. Bonds	100 60	—	3 62	100 60
4 % 1973 Loan	100 90	—	3 92	100.90

BRITISH GOVERNMENT SECURITIES

	Closing quotations 24-12-1958 £			Closing quotations 8-1-1959 £
2½% Brit. Consols	51‡	—	—	53
3 % Savings Bonds 1965-75	75‡	—	—	76‡
3 % War Loan 1955-59	100½	—	—	100½
3½% War Loan	66½	—	—	67‡
4 % Victory Bonds 1976	96½	—	—	97
4 % Funding 1960-90	90‡	—	—	91

* Current Income. x.d.—Ex-div. x.d. x.r.—Ex-rt.

COMMERCE

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

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SOCIALISM AND BUSINESS MEN

THE resolution on planning and economic development finalised by the Congress Working Committee and adopted by the sixty-fourth session of the Indian National Congress is practically the same as the draft approved by the Working Committee at its New Delhi meeting four weeks ago and commented upon by this journal in its issue dated 20th December 1958. The plea for more realism in the approach to planning voiced by us, as also by the vast majority of the Press in this country, has gone unheeded. This is not surprising, because the Congress High Command is so utterly devoted to its high-sounding ideals that it will not just think in terms of practicability. It is just India's bad luck that its destinies are now in the hands of those who are unable to realise that its progress in the economic field is being impeded by their ideological predilections and who have little experience in practical planning.

As though the ideological content in the draft resolution was not enough, one more para has been added to it in the end. A reference to this addition was made in our last issue, *vide* page 3. This last minute addition says that "the creation of a democratic and socialist society should be clearly and unambiguously placed before the nation as the objective of planning and all the implications of socialism in terms of individual and co-operative effort it requires should be clearly explained to the people." It is not clear why the Working Committee found it necessary to make this amendment to its draft resolution. When Mr. K. Hanumanthaiya, a former Chief Minister of Mysore State, asked Mr. Nehru and the Congress Working Committee to explain the meaning of the phrase "democratic and socialist society," he did not get much of a reply. What is the difference between the "socialist pattern of society," which was supposed to be the goal hitherto, and the "democratic and socialist society" now chosen as the objective? If there is little or no difference, why change the phrase then? It may be noted here that the phrase "socialist pattern of society" itself was carefully chosen through an amendment moved by Mr. Jagjivan Ram at the Amritsar session of the Congress to the phrase coined at Avadi, namely, "socialistic pattern of society." This development is recalled just to show that changes in the key phrases of the Congress Party are not made just casually but after deliberation. So, there must be a significance to the latest change and the authors of the resolution have been unfair to the public in not having explained as to why they chose to make this alteration.

The socialism of the Congress Party is the vaguest of its kind in the world, for it has never been fully defined. Mr. Nehru, its author, has repeatedly stated that it is not doctrinaire socialism, but he has not said what it is. Nevertheless, in actual implementation, his socialism has not been far different from the doctrinaire socialism practised in the West. Indeed, in some respects, it has been worse than that, for what India has had so far is State capitalism rather than socialism. Mr. Nehru blames business men for refusing to accept the consequences of socialist pattern of society when they criticise the extension of the public sector to trade, industry and finance. He is not quite fair to them in doing so, for he never defined in precise terms what his socialism meant. Had he said at the time the socialist pattern of society was first chosen as the goal that life insurance would be nationalised, that a big part of commercial banking would be brought under State ownership, that the State Trading Corporation would be formed to take over the trade not only with the Communist countries but also to be progressively extended to other spheres, that the wholesale trade in foodgrains would be virtually nationalised, etc., the business community would probably not have endorsed the Avadi resolution through its accredited body, the Federation of Indian Chambers of Commerce and Industry.

This does not mean that the business community was right in accepting an objective without knowing fully what it was. That was undoubtedly unbusinesslike, for he is not a good business man who accepts commitments without a clear idea of the liabilities involved in them. To this extent, Mr. Nehru is technically right in saying that business men have no business to complain, grouse and quibble. But, morally, he is wrong, for he must be aware that, had he spelled out his socialist pattern of society instead of leaving it vague, business men would have made their reservations before accepting it. When business men supported the socialist pattern, they apparently thought that they were being called upon to endorse the ideal of a Welfare State and not State capitalism. The note of caution given in these columns was ignored, unwisely as subsequent developments have shown. It may be argued that they had no choice in this matter. While there is force in this argument, we feel that they should have had the courage of conviction to disassociate themselves from an ideology which they knew full well was not the right one for the material advancement of this economically poor country. It is wrong to think that political expediency is paramount to all other considerations. To say so would be to place opportunism at a high premium. At least now, business men know what the socialist pattern of society means, for, as will be seen from the next article, the private sector, in the eyes of Mr. Nehru, is vastly inferior to the public sector. Accordingly, the public sector will have precedence over the private sector. Even though the new phrase of the Congress Party has not been explained, its meaning, in the context of the several speeches made by Mr. Nehru, is not in doubt.

THE TWO SECTORS

THE public sector *versus* private sector controversy received a fresh lease of life when the Defence Ministry decided to go into the business of manufacturing automobile trucks in partnership with a firm in the private sector in West Germany. Naturally, the automobile manufacturers in this country protested against this new intrusion by the State. There would have been some justification for the Government to take over this additional responsibility on its shoulders had there been no surplus capacity in the automobile works in the private sector or if these works were incapable of doing the job. But there is no room for such justification. The Government could have been at least dignified in turning down the plea of automobile manufacturers. Instead, Prime Minister Nehru himself came down heavily on the private sector as a whole and declared in a public meeting at Calcutta that all those who opposed the growth of public sector would be swept aside with a broom. The opposition from traders to the proposed nationalisation of wholesale trade in foodgrains was an additional factor that infuriated him against the private sector.

At his last monthly Press Conference at New Delhi, the Prime Minister again reiterated his preference for the public sector and spoke in an uncomplimentary tone about the private sector. Stating that the Government was committed to encourage the public sector, he averred: "The public sector will always get priority wherever it can do things economically and profitably.... The policy of the Government is to proceed towards a socialist pattern of society—may be slowly, if you like—and, therefore, encourage the public sector whenever it can be encouraged." He also made it clear that, normally, whenever he spoke about private enterprise, he referred to big enterprises and not petty shops.

In less than a week after this Press Conference, Mr. Nehru referred to this subject again. This time it was at the Nagpur session of the Congress Party. If the reports in the daily Press fully reflect what he said there, it seems to us that his indignation against the private sector must have been high. He also gave his reasons for being so—reasons which are interesting and highly significant. On 8th January 1959, Mr. Nehru said: "I believe that the public sector represents the dynamic urge to go towards a certain society which we are seeking to build up. The public sector has to grow not only in extent but in importance, strategic importance, but, even so, there is a vast field of expansion left for the private sector, provided it does not impinge on the public sector and does not challenge the right of the public sector to do what it is doing." He then went on to add that the private sector came in for criticism, because it tried to challenge the right of the public sector and impinge on it. He conceded that "the public and the private sectors in their right places are necessary today" and that, "in its

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right place, the private sector should have freedom to function and not have criticism or quibbling about it." He further conceded that he did not mind the private sector criticising the public sector, for this was a free country for anybody to say anything, sense or nonsense. But, at the same time, the private sector should not object to his saying in his own language what he thought of it. He also alleged that there was a tendency recently on the part of the private sector "to check or make us shift from the basic position he had adopted."

Mr. Nehru spoke again on this subject on the following day (9th inst.) almost in the same vein. Referring to the criticism that there was too much corruption in the public sector, he admitted that there was corruption here and there, but explained that this was inevitable, to some extent, in a rapidly expanding public sector. He thought that, having regard to the large expansion of the public sector in recent years, the extent of corruption was much less. He would even go further and say that it was less than that in the private sector. Striking a somewhat friendly note towards the private sector, he remarked that he had at times strongly criticised not the private sector but some leaders of private enterprise, because of the wrong assumptions and criticisms they were making of the public sector. While he wanted to encourage the private sector within its proper field, he advised it not to come in the way of the public sector or try to do something against which the country had decided and meant to carry it out. "All beautiful pamphlets," he asserted, "are not going to make any change in our decision."

This somewhat lengthy summary of his observations has become necessary, in order to substantiate two things. First, as a democrat, he realises that criticisms of his policies are bound to be made and have to be tolerated. He also recognises that, in a democracy, everyone has a right to influence public opinion against the party in power. At the same time, he insists on his right to criticise those who criticise him. All this is fair enough. He has every right to expose the specific faults and failings of the private sector. In fact, it will be for the good of this sector if he does so. We would even go further and add that not only should he do so, but actually see to it that the guilty members of private enterprise are brought to book. It is no exaggeration to say that the inefficiency of his administration is to a large extent responsible for the increase in the number of black sheep in the private sector. But Mr. Nehru's resentment of either healthy criticisms of the public sector or the legitimate attempts made by some to influence public opinion against its growth is pointless and unjustifiable. There is no evidence that there has been any unhealthy criticisms of the public sector or any undesirable attempts to mould public opinion against it. Secondly, Mr. Nehru's attitude towards the private sector is not based on any conviction of its virtues or of its recognition as a necessary element in a democratic society. It is one of tolerance of, and patronage to, the private sector. Such an attitude is not conducive to a healthy and vigorous growth of the private sector.

Another important point made by Mr. Nehru was that he was in favour of competition between the two sectors for two reasons. One, it would keep the public sector up to the mark, and, two, he disliked monopolies anywhere, whether in the public or the private sector. It is gratifying to hear that the Prime Minister realises the value of competition, but will competition between the two sectors be always fair? In some cases, it may turn out to be a competition between the giant and the dwarf. Again, if he dislikes all monopolies, why has he created a monopoly in life insurance and why does he oppose even now all suggestions for introducing a strong element of competition in this field? It is to be hoped that his reply to this poser will not be that this is a case of the Devil quoting scripture.

LAND REFORM

THE Congress has now committed itself to a definite line of agricultural policy. At its Nagpur session this week, it reaffirmed its faith in co-operation. The deliberations of the Party, in general, and the speeches made in support of land reform, in particular, should leave no one in any doubt as to what the Congress hopes to achieve on the agricultural front. It is co-operativisation of agriculture, pure and simple, that the Congress seeks. "The organisation of the village," it declares, "should be based on village *panchayats* and village co-operatives, both of which should have adequate powers and resources to discharge the functions allotted to them." Both the *panchayat* and the co-operative, it is stated, should be the "spearheads" of all developmental activities in the village and more especially should encourage intensive farming with a view to raising the per-acre yield of agricultural produce.

In broad terms, the future of agrarian pattern has been indicated by the Party. It will take the form of co-operative joint farming, in which the "land will be pooled for joint cultivation, the farmers continuing to retain their property rights and getting a share from the net produce in proportion to their land." Further, those who actually work on the land, whether they own the land or not, will get a share in proportion to the work put in by them on the joint farm. It is indicated that, as a first step prior to the institution of joint farming, service co-operatives should be organised throughout the country. This stage should be completed within a period of three years, though, even within this period, joint cultivation may be started wherever such cultivation is possible. In order to remove uncertainty regarding land reforms, it has been suggested that ceilings should be fixed on existing and future holdings and legislation to this effect, as well as for the abolition of intermediaries, should be completed in all States by the end of 1959. The surplus land, arising from the imposition of ceilings, should vest in *panchayats* and be managed through village co-operatives.

In considering the whole complex of agricultural situation which must arise through implementing the Congress resolution, it is just as well that two factors are clearly understood. In the first place, there is no doubt whatever that a ceiling on land and the proposed co-operativisation of agriculture are imposed decisions. There is no evidence to show that it is a reform for which there has been any insistent plea. It is a reform which some political leaders at the top think is good for the country. It has never been a live political issue. It is true that the Communist Party has been advocating it for a long time now. By stealing its thunder, the Congress cannot hope to win many new votes. For the Communists are bound to represent this imitation as the sincerest form of flattery to its ideals. Secondly, the move towards co-operativisation of agriculture does not stem from any proved success of co-operative experiments. Actually, all available evidence suggests that, even in spheres where co-operative endeavour ought to be able to show good results, there has been a singular lack of co-operative spirit.

In particular, co-operative farming has never been a pronounced success in India. A study of co-operative farming societies, made by the Programme Evaluation Organisation of the Planning Commission, reveals a state of affairs which is by no means encouraging. Many societies are overcapitalised and few have resorted to improved agricultural practices. Again, Mr. S. S. Puri, Registrar of Co-operative Societies in Punjab, whom we quoted in our issue of 15th November 1958, warns that fiscal relief and other concessions to co-operatives have led to what he rightly calls the "growing menace of spurious brand of co-operation." What the country has achieved so far is the pomp and vain glory of co-operation, not its reality. It is on this record, not of encouraging success but deplorable failure, that the Congress Party is trying to erect the imposing edifice of co-operative farming, which even countries with high co-operative traditions have hesitated to sponsor.

What the country needs today is a reform not of land-ownership but of agriculture. No great benefit is likely to accrue to the country by the application of the legislator's axe for parcelling out lands. The failure on the agricultural front is largely due to the lack of facilities, physical, educational and financial, for adopting superior cultural methods. This defect cannot be remedied by introducing co-operative farming. Further, if increased agricultural production is the objective of the new reform—as, in fact, it ought to be—it could be achieved without tinkering with the present form of ownership in land. As the Indian Co-operative Union pointed out in its study of co-operative farming, Japan, despite its small holdings, has achieved significant results in agriculture. The *per capita* cultivated land in Japan is only 0.07 hectare, as compared with 0.29 hectare in India. While in India, 50 per cent. of holdings are less than five acres in size, such holdings account for about 95 per cent. in Japan. And yet, the yield of paddy in Japan is 48.1 quintals per hectare, as compared with 12.2 quintals in India, 28.3 quintals in the U.S. and 21.5 quintals in the U.S.S.R. It is unnecessary to go the whole hog of co-operative farming for achieving higher agricultural productivity.

An average peasant is greatly devoted to his land. No inducement offered by co-operative farming can wean him away from his devotion to that plot of land. In his valuable study on co-operative farming, Dr. Otto Schiller, Professor of Agricultural Economics, Stuttgart-Hohenheim, Germany, who spent a year studying co-operative farming in Pakistan and also visited India, observes that "it is hardly possible to show any examples that peasants in an existing village have voluntarily given up their individual use of land and have pooled their land for joint utilisation." He adds: "This seems to be true also for India. If so, it is quite surprising that so much is expected from the introduction of co-operative farming in this country." Dr. Schiller does not believe that economics of large-scale agriculture can come only through co-operative farming. He says: "It is a mistake to believe that the advantages of large-scale operations can be brought to the small cultivator only on condition that he gives up his independence and merges his holding with others to make a big managerial unit." He rightly suggests that, "if the small cultivators could gain most of the assured advantages of co-operative farming without giving up their individual plots of land and without losing their economic independence, they might easily be ready for co-operation." In the context of Indian conditions, it would be folly to attempt any large-scale experimentation in co-operative farming which implies the abandonment of invidual freedom.

The practical difficulties in co-operative farming are so numerous that the best administrative talent—the country does not possess it—would find it difficult to implement it. There are not sufficient administrative personnel even for implementing relatively easier forms of co-operation, such as credit and marketing. Where is one to find the personnel for co-operative farming? Again, the losses suffered by co-operative farming institutions would be a drag on the Exchequer. It must be remembered that, since the proposals for ceiling on land and co-operative farming have already tended to dry up private sources of agricultural credit, the Government will be increasingly called upon to foot the bill for agricultural operations. In addition to finding resources for the second and third Plans, it will have to undertake the task of financing agricultural production, besides its commitments arising out of State trading in foodgrains. Nor should it be forgotten that co-operative farming which may have to be supported by the State Governments, at least in the initial stages, will mean less land revenue for these Governments and possibly the virtual abandonment of revenue by way of agricultural income-tax, betterment levy and other sources of income.

Above all, in the actual working of co-operative farming, there is bound to be considerable discontentment, because of the inherent difficulties in the determination and apportionment of profits and wages; unlike in industry, profits and wages are not so easily determined in agriculture. The Programme Evaluation Organisation of the Planning Commission, in its study of co-operative farming, was told that persons who do heavy work are paid the same wages as those who do "light work." The members of a co-operative farming society expressed the view that "it would be difficult to ascertain the amount of labour put in throughout the year by each member and to pay him accordingly." These administrative difficulties would lead to nepotism and corruption, which, in their turn, would worsen the social conditions in villages which are already bad in all conscience. Co-operation will thus serve as a smoke-screen behind which a large variety of social and economic sins can multiply unhindered.

All this is not to suggest that co-operation has no place in agriculture. Actually, agriculture is an occupation in which co-operation can be practised with much benefit. In the dispensation of credit, in making available superior agricultural machinery and implements, and in the distribution of the physical requirements of better farming, co-operation can and should be adopted. There is thus a place for co-operative credit and co-operative management of agricultural services common to the community. To attempt things beyond this stage of co-operation is to import into the rural regions an ideological ferment which is bound to take a heavy toll in the shape of economic disruption and seething social discontentment.

SHARE MARKETS NOT DEPRESSED BY CONGRESS RESOLUTION

SOME BANK RATES—COTTON SITUATION

THURSDAY, 5 P.M.

THE share markets have refused to be frightened by the resolutions adopted by the Indian National Congress at its Nagpur session this week. In fact, they have replied to them by staging a small boomlet. Apparently, the operators feel that, having done its worst to the private sector, the Congress Party cannot do any more damage to it. That similar smug assumptions in the past proved disastrous to equities have been *ignored* for the moment. Really speaking, one should not read too much into this recovery of share markets, because it is more due to bear covering than to any large-scale fresh buying. A few of the leading bears, who had ultimately proved successful on a previous occasion by operating on the theory that the Congress Party's insistent talk of socialist pattern of society would surely hurt the private sector one day, chose to lighten their commitments this week. This seems to have led some to believe that these bears do not feel the same way this time. Whether this inference is right or not will be known only in course of time. It may be that the bears are playing a trick on an unsuspecting market. Or it may be that they might have had hints of some forthcoming development or developments which might prove bullish to equities. It is significant that, during the past one week, 3 per cent. 1986 Conversion Loan has gone up from Rs. 73.50 to Rs. 74.25, whereas all the other dated loans have either remained unchanged or moved up by only 5 or 10 nP. The spurt in this speculative counter of the Gilt-edged section is attributed to rumours of a reduction in the Bank rate in the not distant future. This rumour, it must be added, has not yet become widespread. Nor is it believed by many. There is, of course, no case for a reduction in the Bank rate, unless the Government wants to facilitate the banking system to lend more to it, even by borrowing from the Central banking institution, if need be.

MARKET GOSSIP

* * * *

Be that as it may, Mr. Nehru's remarks at Nagpur on taxation and ceiling on incomes are not as reassuring as many seem to feel. In order to soften the opposition to the ceiling on land within his own Party, he has stated that ceiling on land did not mean a ceiling on agricultural incomes. Evidently, his idea is that, after the ceiling on land is initially determined, the cultivator should be free to raise his income by striving hard to increase the yield from his land. In fact, an elucidation to this effect was given by some of his colleagues in the Party when they spoke on the relevant resolution. This is undoubtedly an improvement over the previous stand which sought to fix the income of an agriculturist at Rs. 3,500 per annum. But it is a relatively small mercy.

In so far as urban incomes are concerned, Mr. Nehru said that, while the Congress aimed at "progressive equalisation of incomes in rural and urban areas," it was not practicable to attempt ceilings on both the sectors simultaneously. To put them on the same basis might be sentimentally good but, practically, obviously, it was not so. The general principle that the country should move towards equalisation was natural, but, he added, to suggest that every person should have from tomorrow onwards equal incomes was not socialism. "If you do that, it will be death to India," he asserted, and pointed out that it would mean that there should be no incentive, no industrialisation, except living on the "sad brink of existence." At the same time, he hastened to add: "But I quite agree that our policy should be directed towards bringing about a certain measure of uniformity between urban and rural incomes."

It will thus be noted that Mr. Nehru has hedged his remarks on ceiling on urban incomes in such a way that they can be quoted by both the protagonists and the antagonists of ceiling on incomes in their favour. Since, in the hustings, it is the former who are more vocal and influential than the latter, in future, the stress may be more and more on the equalisation of incomes rather than on incentives for investors. In any case, it appears that the Congress Party has made it extremely difficult for the Finance Minister to give any tax relief to them. If this inference is right, the private sector's dependence on the Government for its resources will be greater than it is now.

* * * *

Since the beginning of the New Year, four countries have changed their Bank rates; while three of them have cut the discount rates of their Central Banks, one has stepped it up. South Africa, Belgium and West Germany were the three which lowered their discount rates and Pakistan provided the exception.

The first in the field was South Africa, which reduced its Bank rate from 4½ per cent. to 4 per cent. with effect from the 5th inst. This is the first change since September 1955, when the Union's Bank rate was raised to the erstwhile level from 4 per cent., which again was kept unchanged from March 1952 to September 1955. The present cut brings the South African Bank rate on par with the British Bank rate which was last reduced in November 1958 from 4½ per cent. In fact, the cut in the U.K. reduction in the South African rate, though the move was somewhat belated. The main reasons for the cut, according to Dr. M. H. de Kock, Governor of the South African Reserve Bank, were: (1) the existence of appreciable slackness in several primary and secondary industries, (2) a continued slowing down in the tempo of economic activity, (3) the decline in interest rates in the London money market following the cut in Bank rate in November last, and (4) the need for avoiding the possibility of South Africa attracting hot money from London.

Following the cut in the South African Bank rate, there was a fall in short-term rates too; the Reserve Bank of South Africa reduced its rates for transactions in Government stocks with maturities of not more than one year and between one and two years to 3¾ per cent. and 4 per cent., respectively, from the previous uniform rate of 4½ per cent. for all maturities up to three years. The Bank did not, however, see any reason for a reduction in medium- and long-term rates, as the prevailing conditions of supply and demand in local and overseas capital markets did not appear to justify a cut in these rates.

The reduction in South African Bank rate followed the relaxation of credit squeeze on commercial banks made last month. Neither of the two measures is expected to provide the necessary stimulus to the Union's flagging economy and further measures, such as easing of restrictions on hire purchase, are anticipated. The latest move is, however, taken as an indication of the Government's anxiety to do something to stimulate the economy.

Belgium reduced its Bank rate by ½ per cent. to 3½ per cent. with effect from the 7th inst. This was the fifth successive cut since the Belgian National Bank put up its discount rate to a high of 4½ per cent. in July 1957. It was lowered to 4½ per cent. in May 1958, to 4 per cent. in June, to 3¾ per cent. in July, to 3½ per cent. in August and now to 3½ per cent. The latest reduction was not an unexpected move. For the growing liquidity in the Brussels money market has in recent weeks been spreading from Government funds into industrial shares. In the present industrial recession, the demand for credit is said to be insufficient to absorb the available funds. It is, however, expected that industrial conditions are more likely to improve than to deteriorate and the latest cut in the Bank rate may provide the necessary stimulus.

The West German Bank rate was cut on the 9th inst. from 3 per cent. to 2¾ per cent., the lowest discount rate ever known in Germany since the first Central Bank of the country was established in 1879. This has followed five successive reductions in recent years—½ per cent. each time—from 5½ per cent. established in May 1956 to 3 per cent. in June last. Simultaneously, the Central Banking Council of West Germany reduced the rates for 60-90 days Treasury Bills by ¼ per cent. to 2¼ per cent. and that for 30-59 days bills by a like extent to 2¼ per cent. The interest rate on six-month Treasury Bonds was lowered from 2¾ per cent. to 2½ per cent. and on two-year bonds from 3¼ per cent. to 3¼ per cent.

No reason has so far been assigned for the latest cut. It is, however, in consonance with the Bundesbank's policy of reducing interest rates as an instrument for stimulating capital exports and encouraging the flow of short-term funds abroad. Since the beginning of the year, West German banks are said to have placed on the London, New York and Montreal money markets several million marks. The total of money market funds placed abroad is estimated at over £40 million. Welcoming the cut in discount rate, Dr. Erhard, Minister for Economics, West Germany, said that it would enable the country to overcome any difficulties which might have been caused by the advent of convertibility.

The latest in the field to change the Bank rate is Pakistan, which raised it yesterday from 3 per cent. to 4 per cent. This is the first change since 1st July 1948, when the State Bank of Pakistan was established. The Bank gave no reason for the stepping up of the rate, but it is considered as part of the measures to combat the inflationary pressure on the country's economy.

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Close on the heels of a cut in the Bank rate to the record low rate of 2¾ per cent., West Germany has restored "full" convertibility to the D-mark with effect from the 12th inst., thus fulfilling the long cherished hope of its financial wizard, Dr. Erhard. As a result of this development, Germans are now free to purchase any foreign currency (including dollars) in bank notes, coins, cheques or travellers' cheques up to any amount. German residents can also open foreign currency accounts abroad and keep foreign exchange either in their homes or in German bank accounts without any obligation to offer them for exchange. This step has been taken two weeks after free convertibility to non-residents was assured in company with Britain and other West European countries.

West Germany's action is not a surprise move. In fact, it is only a formal recognition of an existing facility to German residents. For even before the restoration of "free convertibility," German residents and non-residents were able to get any amount of foreign exchange after going through the necessary formalities. The latest step only amounts to the abolition of these formalities.

The D-mark is, however, not fully convertible within the meaning of Article VIII of the Articles of Agreement of the I.M.F. For there are still some restrictions on commercial dealings abroad. Although the currency is now freely convertible, there are limitations on capital transfers. Certain conditions are also to be fulfilled when doing business in the fields of films, insurance and transport services. There are some restrictions on exchange of goods also.

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The Government of India has directed the sugar industry to export, in the first instance, 50,000 tons of sugar out of the 100,000 tons which it decided last month should be exported in the 1958-59 season. The first instalment of export quota to each mill has been allotted on the same basis as in the last season. It is believed that the Government will allocate the remaining 50,000 tons in June or thereafter and the quotas to individual mills will presumably be adjusted then, taking into account their actual production.

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Commodity markets have hardened further considerably this week. The upward trend is pronounced in oilseeds. The buoyancy has been whipped up by the release of a further quota (20,000 tons) of groundnut oilcake—expeller variety—for export during the period ending March and postponement of the proposed rise in freight charges for oil and oilcakes by the Karmahorn Conference. In addition, there are strong rumours of sizable export quotas for H.P.S. groundnuts (20,000 to 30,000 tons) and castorseeds. On top of these bullish factors, it is reported that the U.S. is interested in purchasing Indian castor oil (commercial quality) at Rs. 15.68 per quarter. Foodgrains prices have advanced sharply, owing chiefly to speculative support. In particular, gram in North India has spurted to Rs. 21.25, a level never touched before in the past fifteen years. The sugar market continues to be bullish, for reasons mentioned last week.

Among non-ferrous metals, copper scrap and brass scrap prices have registered a rise, on account of the delay in the announcement of "final" import licences to certain scheduled industries. The delay, it is pointed out, has prevented the industries from chalking out their future manufacturing schedule. Zinc, lead and tin prices, however, continue to move downward on expectations of better supply following arrivals of imported metals and distribution of zinc imported by the State Trading Corporation.

The following table gives the latest available prices of commodities, as compared with those a week before and at the end of December 1958:

	Unit	Latest available	8th Jan. 1959	31st Dec. 1958
		Rs.	Rs.	Rs.
Cotton I.C.C. Jarilla March ..	Per candy	662	646 00	641.25*
Groundnut February 1959 ..	Per qrt.	170	164 37	162.12
Castorseed May 1959 ..	"	147	142 00	137.82
Linseed May 1959 ..	"	31.87	31.62	30.81
Cottonseed February 1959 ..	"	124	121.25	115 25
Sugar medium ..	Per bag	109½–114	109½–114	109–112½
Black pepper ..	Per maund	73	72	70
Copper scrap ..	Per cwt.	209	206	207
Brass scrap	"	167	163	164
Zinc	"	99.50	102	103
Lead	"	89	90	93
Tin	Per qrt.	152	153	154
Hapur—				
Wheat	Per maund	28.30	26.50	24.75–26
Rice (*Basmati*)	"	31.00	30.00	29.00
Gram	"	21.50	20	19.75
Barley	"	17.75	16 50	16.50
Maize	"	16 50	15.25	15
Jowar	"	15.00	14 25	14.12

* End January 1959.

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The firmness of raw cotton continues unabated, thanks to hectic short-covering and fresh buying by bulls. On Monday alone, a prominent "bear" was reported to have covered his sales to the extent of 30,000 bales. *Impetus to a bull market* has been provided by three factors—fears of crop damage due to cold weather, sustained mill demand, and slow pace of new crop arrivals. Consequently, cotton prices have registered a strident advance. I.C.C. Jarilla March 1959 is now quoted at Rs. 662 per candy of 784 lbs., as against Rs. 640 a week ago and Rs. 638.75 on the 6th inst., the lowest after the commencement of 1959. The *current rate* is the highest to be touched after *Deepavali*; the closing rate in the *moorat* session on Monday 11th November 1958 was just Rs. 608.25 and a low of Rs. 593.50 on 1st November 1958 (misprinted in our *Annual Number* as Rs. 693.50).

The impressive rise in cotton futures has been based essentially on the encouraging performance of the spot market. It is said that the mills are holding only small stocks of cotton and they are not finding it easy to secure ready supplies of good quality cotton, especially the longer staple *Indian* varieties. For arrivals are still below normal for this time of the season. Reflecting these trends, cotton prices at Sewri have shown a distinctly hardening tendency. Over the week, Bengal *Deshi* has gone up by Rs. 50 to Rs. 700, *Berar Jarilla and* Khandesh by Rs. 40 each to Rs. 750 and Rs. 825, respectively, Vijay by Rs. 30 to Rs. 940, and Jayadhar by Rs. 25 to Rs. 885.

The unusually poor arrivals of cotton have led many observers to believe that the current season's crop will be much smaller than what had all along been anticipated. In fact, one estimate of the crop places the aggregate production at no more than 5.1 million bales (of 400 lbs. each), which compares very unfavourably with the preliminary estimate of 5.43 million bales and the last season's actual harvest of 5.25 million bales. It is thus evident that the hopes of a bumper cotton crop have receded. The latest position in respect of the crop is described by a leading firm of cotton brokers as follows:

"On the production side, notice has been taken of the poor condition, not only in yield but also quality-wise, of the Punjab crops. Continuous and partly heavy rains have apparently caused damage from which the plants never really recovered. Here, the crop will definitely be below last year's production figures. Some reduction compared with last

(*Continued on next page*)

BUOYANCY IN SHARES MAINTAINED

SPURT IN ASSOCIATED CEMENTS

(From Our Own Correspondents)

BOMBAY, *15th January*

BUOYANT conditions continued to prevail in the share market this week also and activity was brisk. There were no fresh bullish developments, but in the absence of any adverse news equities continued to enjoy speculative support and to gain fresh ground. The rise in prices over the week was less marked than in the previous week, except in textiles and a few miscellaneous counters, due to profit-taking today on end-of-account considerations. Textiles attracted renewed support on reports of an improvement in offtake of cloth, particularly in Ahmedabad, and Associated Cements, Alcocks, Premier Constructions and Tata Oils were conspicuous in the miscellaneous industrial section.

In the steel section, Tata Ordinaries rallied from Rs. 174.50 to Rs. 177 yesterday, but profit-taking brought them down to Rs. 175.50 at the close today. Their new shares gained over the week Re. 1.25 to Rs. 172.75. Indian Irons displayed considerable strength, rising from Rs. 25.65 to Rs. 26.20, before closing at Rs. 26.

In the textile group, Bombay Dyeings crept up from Rs. 56 to Rs. 56.80, but on profit-taking dipped to Rs. 56.30 at the close. Centurys again staged a rally from Rs. 424 to Rs. 434.75, before reacting to Rs. 431.25. After an early decline from Rs. 236 to Rs. 233.25, Kohinoors spurted from Rs. 236 to Rs. 245 on rumours about the prospect of a change in management. At the close, however, there was a drop to Rs. 241.50. Central Indias jumped from Rs. 88 to Rs. 91. Finlays too gained Rs. 3 to Rs. 261 and Gokaks Rs. 5 to Rs. 132. Indu Ordinaries were up by 28 nP at Rs. 8.96. New Greats declined from Rs. 219 to Rs. 215, before moving up to Rs. 218. Models were lower by Re. 1.50 at Rs. 172.50 and Mysore Spinnings by Rs. 4 at Rs. 81. Simplex rose by a rupee to Rs. 170. Standards recorded a rise of Rs. 13 to Rs. 421 and Svadeshis Re. 1.25 to Rs. 13.25. Tata Mills put on 50 nP to Rs. 35.50.

Barring a smart rise of Rs. 5.75 to Rs. 48.25 in Bank of Maharashtras, bank shares were dull and disclosed fractional changes. Barodas were a shade quiet at Rs. 128. Centrals gained a fraction to Rs. 59, while their new shares were unchanged at Rs. 61. Bank of Indias changed hands at Rs. 139.25 and Jaipurs at Rs. 45.75. Union Banks were a shade better at Rs. 7.52 and their new shares at Rs. 7.20.

A feature of the business in the insurance section was the sudden spurt in Orientals to Rs. 4,010 from Rs. 3,850, on rumours that full compensation to the shareholders would be paid soon. New Indias were marked up by 30 nP to Rs. 52.50, while their *new shares were unchanged at Rs. 52.70. All-India* Insurance had business at Rs. 3.12.

Small variations were recorded in electricity shares. Ahmedabad Electrics were brought down from Rs. 95.30 to Rs. 94.90. Bombay Suburbans were done 50 nP higher at Rs. 110.50 and Surat Electrics 75 nP better at Rs. 112.75. Tata Hydros were a fraction higher at Rs. 19.75. Andhra Valleys picked up Rs. 2.50 to Rs. 1,172.50, while Tata Powers shed Re. 1.25 to Rs. 1,191.25.

After an early dip from Rs. 276 to Rs. 273, Belapurs rallied to Rs. 278, but this gain was more than wiped out today when shares finished at Rs. 275. Phaltans, however, closed with a gain of Re. 1 at Rs. 159 and Walchandnagars improved by Rs. 3 to Rs. 272.50. Maharashtra Sugars gathered Rs. 6 to Rs. 160. Associated Cements provided the highlight of the cement group, with a spurt of Rs. 4.50 to Rs. 156 on reports that the stocks of *cement with the Company had considerably de*clined, as also on revival of rumours about bonus issue. While some of the operators did not give credence to these rumours, others confidently hoped that the bonus issue would be announced at the forthcoming annual meeting of the Company. Digvijays were a shade quiet at Rs. 132, while Orissa Cements were marked up by 40 nP to Rs. 12.48. Dalmia Cements gathered 44 nP to Rs. 9.64, and Ashoka Cements 32 nP to Rs. 7.80. *In the engineering section, Alcock Ashdowns staged* a smart rise of Rs. 7.50 to Rs. 255. Tata Locomotives were erratic, moving between Rs. 157 and Rs. 161 before closing at Rs. 158.25, with no change over the week. Premier Constructions advanced by Rs. 3.50 to Rs. 239 and Texmacos by 52 nP to Rs. 21.16, while Larsen and Toubros were a shade quiet at Rs. 16.84. Shivraipurs, among minings, maintained their upward trend with a further rise of Rs. 3 to Rs. 90. Indian Coppers were steady at Rs. 3.60.

Hindustan Motors scored further gains from Rs. 6.76 to Rs. 7.24, while Premier Automobiles shed a part of their last week's gains with a *decline* from Rs. 86.50 to Rs. 85.20. Scindia Steamships fluctuated between Rs. 21.40 and Rs. 21.76 before closing at Rs. 21.52. Great Easterns were steady at Rs. 24.08.

In the miscellaneous group, Bombay Burmahs (old) suffered a further drop from Rs. 467.50 to Rs. 460 early in the week, but revival of *buying lifted them up to Rs. 471.50* yesterday. Subsequently, there was again a slight setback on profit-taking to Rs. 466.50. National Rayons came up to Rs. 247 from Rs. 239.50, to which level they had reacted early in the week, but closed at Rs. 244 with a net gain of Re. 1.50. Gwalior Ravons gained ground from Rs. 13.68 to Rs. 13.92. Sirpur Papers, which had been admitted into the forward list of the Bombay Stock Exchange, *rose by 56 nP to Rs. 13.68.* Tata Chemicals picked up 20 nP to Rs. 15.32 and their new shares 56 nP to Rs. 14.56. Tata Oils were *conspicuous with a* rise of Re. 1.75 to Rs. 46 on renewed rumours of a bonus issue. Wimcos were another bright feature, with a rise of Rs. 3 to Rs. 191. Tractors Indias greeted the increase of 25 nP in dividend for the year ended June 1958 to Rs. 2.25, with a spurt of Rs. 2.16 to Rs. 20.24. Killick Industries jumped from Rs. 149 to Rs. 153.25.

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Calcutta Stock Exchange

CALCUTTA, *14th January*

Although the volume of transactions put through on the Calcutta Stock Exchange during the week under review was far from impressive, the undertone was fully steady and, in fact, favourite counters in most groups recorded substantial gains. This was so on account of short-covering, and prospect of larger support from the Life Insurance Corporation. A factor which caused particular enthusiasm in market circles was the decision by the L.I.C. to hold periodic deliberations by its Investment Committee in the investment centres other than Bombay also. The Committee is expected to meet here on 22nd January, when it would consider offers from Calcutta brokers. Mr. Nehru's spirited reference to the need to have both the public and private sectors side by side, coming as it did in the wake of his recent unfavourable remarks about the private sector, also helped prices improve, despite lack of adequate business. The resolution of the Congress referring to the need to control profits would have normally brought in a wave of chillness, but in the light of the speeches delivered in Nagpur, especially those of the Prime Minister at the A.-I.C.C. and the open session, it was apparent that any attempt to limit or control dividends of joint-stock companies was remote. For, if the Government did so, that would amount to the abolition of the private sector in its entirety. Speeches by Congress leaders have amply shown that this is not the intention, at any rate for the time being! However, it was thought here that other methods for achieving the aim of the Congress resolution were taxation and statutory control over production. Direct taxation is already too high, and it is difficult to imagine any addition to the same. It was this line of argument which paved the way for restoring confidence, notwithstanding budget uncertainties.

Sectionwise, jute shares continued to rise. At Rs. 175, Aucklands added a substantial gain of Rs. 8. Ganges were fully steady at Rs. 77.50. Howrahs, after being higher at Rs. 20.12, gave way to Rs. 19.60 on profit-taking. Anglo-Indias were higher at Rs. 217 on investment buying, although transactions took place in small lots only. Kinnisons added a few points, to stand at Rs. 190. Nationals were fully firm at Rs. 26. Gourepores gathered strength to harden to Rs. 364 from Rs. 361. Unions improved to Rs. 226 from Rs. 210.

The star feature in the coal section was the advance in Bengals to Rs. 273 from Rs. 268, while Burrakurs were back at Rs. 16.56.

Among minings, Indian Coppers continued to recover and hardened to Rs. 3.58, while a strong feature in this section was the rise in Metal Corporations to Rs. 8.94.

Although the number of transactions declined in the engineering section, business was done at hardening levels. Indian Irons rose gradually to put on a fractional gain at Rs. 25.92. Following suit, Texmacos gained Rs. 20.80 from Rs. 20.30.

Among miscellaneous industrials, India Steamships, after realising Rs. 14.12, sagged to Rs. 14.06 on profit-taking. Titaghur Papers rose to Rs. 40.87 from Rs. 40.25. At Rs. 13.81, Sirpur Papers maintained the earlier rise. Orient Papers recovered to Rs. 30.70. National Pipes earlier fell to Rs. 15.19 following news of labour troubles leading to strike, but soon recovered to Rs. 15.44 due to proximity of dividend. Indian Oxygens drew attention at Rs. 23.75, but gave way to Rs. 23.31. Martin Burns at Rs. 29.19 added a small gain.

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Madras Stock Exchange

MADRAS, *12th January,*

The easy trend noted on the Madras Stock Exchange in the past three weeks abated during the week under review. In fact, the market put on a distinctly steady appearance, with values showing a hardening tendency. The Prime Minister's statement at the Nagpur session of the Congress that he was opposed to the imposition of a ceiling on urban incomes at the present stage had a salutary effect on the market. The stress on the need for some sort of control on the profits of companies was taken note of, but it was considered that it might not be implemented, at any rate, in the near future. Select tea and rubber shares met with enlarged buying inquiries. Coffee shares, however, were easy, as operators seemed to be worried over possible overproduction and uncertain trend of world prices. Textiles evoked good support, induced by reports of higher offtake of cloth for both domestic consumption and export. Banks, sugar and miscellaneous industrials ruled fully steady.

Among tea shares in the planting section, Nonsuch Teas spurted by 75 nP to Rs. 24. Kil Kotagiris *improved by 20 nP to Rs. 6.85.* Chembras advanced by 17 nP to Rs. 3.57. T.R. & Ts gathered 5 nP to Rs. 6.80, Neelamalais 3 nP to Rs. 5.03 and Periakaramalais 2 nP to Rs. 3.88. Woodcotes were firm at Re. 1.50 *cum-div.*, despite the lower dividend of 6 per cent. for the year ended 30th June 1958, as against 9 per cent. for the previous year. Balanoors were fully maintained at Rs. 17.62, as also Mlamallays at Rs. 36, Peermades at Rs. 19.62 and United Nilgiris at Rs. 17.25.

Among rubber shares, Midlands recorded a gain of 25 nP to Rs. 10.85. Malankaras climbed up by 13 nP to Rs. 18.25. Puthutotams were quoted 15 nP higher at Rs. 2.80. Kailas strengthened by 8 nP to Rs. 4.93, Thirumbadis by 5 nP to Re. 1.71, Highlands by 3 nP to Rs. 11.40 and Teekoys by 2 nP to Rs. 6.67.

Deals in coffee shares were put through at reduced prices. Consolidated Coffees were marked down by 65 nP to Rs. 21.60. Coffee Lands dropped 50 nP to Rs. 24. Ouchterlonys eased by 10 nP to Rs. 5.37 and Savamalais by 2 nP to Rs. 3.45.

In the textile section, Buckinghams and Dhanalakshmis advanced by Rs. 2 each to Rs. 175 and Rs. 169, respectively. Bangalore Woollens rallied Re. 1.50 to Rs. 156. Janardhanas, Lakshmis, Pankajas and Rajalakshmis hardened by 50 nP each to Rs. 69, Rs. 94.50, Rs. 38.50 and Rs. 66, respectively. Travancore Rayons gathered 60 nP to Rs. 16.60.

MARKET GOSSIP

(Concluded from previous page)

year has also to be faced in respect of 197/3 in C.P., Berar and Khandesh, whereas, elsewhere in the Oomras, a yield on at least last year's levels seems to be assured. The development in Gujerat and Kathiawar has been normal and we may look forward to better crop this year than we had last year."

Reports from South India point to the possibility of Karunganni and Cambodia crop falling short of earlier expectations for want of adequate rains. It is, however, a little too early to envisage the size of this crop with any degree of accuracy.

Despite the setback to the cotton crop, the supply position in the current cotton season as a whole may be said to be quite comfortable. As against the estimated crop of 5.1 million bales, mill consumption is expected to be about 4.6 million bales. After taking into account the consumption by surgical manufacturers and spinners, there will still be a surplus of 400,000 to 450,000 bales for export cut of this year's crop "without," to quote the aforesaid firm, "eating into last season's rather heavy end-season carryover" (of 2.05 million bales).

It is considered doubtful whether the country will be able to export as much as 500,000 bales already permitted by the Government. The total quantity of cotton actually shipped during the first four months of the season (September-December 1958) was no doubt higher at 125,000 bales, as compared with a bare 22,000 bales in the corresponding period of 1957-58, but the bulk of the shipment was against business concluded earlier. Indeed, it is said that "very little fresh sales have been concluded" in recent weeks. This is attributed to two factors. One, prices of Indian cotton are not attractive enough, notwithstanding the recent adjustment in export duty. Two, textile activity the world over is at a low ebb and, with prospects of a large U.S. acreage in 1959 and lower support levels, "it is all too obvious that lower world prices are inevitable." It is no wonder then that many cotton-producing countries outside the U.S. are anxious to liquidate their surplus before the U.S. *cotton becomes cheaper; they are actually prepared* to make considerable price concessions. To quote the firm again: "As a result, Indian prices, which for many years—internally—were the lowest in the world, now happen to be far above world parity for our longer staples and are at the moment also very much on the high side for shorter exportable styles." This state of affairs is due, to a considerable extent, to the stringent restrictions on imports of long-staple cotton and to the pattern of excise duties on cloth which is in favour of coarse and medium varieties.

Viewed thus, it will be clear that the trend of cotton prices in India in future will be influenced not so much by the performance on the export front as by the demand from mills. Mill consumption of Indian cotton in the current season, as already noted, is estimated at 4.6 million bales, which represents a rise of nearly 200,000 bales as compared with the previous season. There are indications that the actual consumption may be higher still. Offtake of cloth in the domestic market is reported to have improved and overseas enquiries have been broadening of late, resulting in some reduction in the stocks of cloth with traders. A section of cloth trade believes that, in view of the notable expansion in the production of foodgrains and other agricultural commodities, there will be a distinct increase in the offtake of cloth.

Just as in India so also in Pakistan, the current season's cotton crop is said to have suffered a setback. The latest estimate places the total yield at 1.57 million bales, that harvested in 1957-58 being 1.69 million bales. This production, together with the carryover of 180,000 bales, gives a total supply of 1.75 million bales. Excluding the anticipated mill purchases of 1.00 million bales and making allowance for a normal carryover of about 150,000 bales, Pakistan is likely to export 600,000 bales. By the end of December 1958, it had shipped nearly 240,000 bales. In view of the comfortable supply position, cotton prices in Karachi have declined substantially, the extent of fall since the beginning of October last being as much as 20 per cent.

NEWS IN BRIEF

THE Madras Government has suggested to the Union Government the pegging of production of mill-made cloth at 4,800 million yards per year.

The first blast furnace of the Rourkela steel plant will be ready for test operation by the end of this month, according to Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel.

The first blast furnace of the Bhilai Steel Works will be commissioned on the 26th inst. The plant has the capacity to produce 1,000 tons of pig iron every day.

The Government of India has removed the individual ceiling limit of 50 tons per shipper in respect of potatoes introduced on 15th November 1958. The other licensing procedures for exports, however, will remain.

The Government of Mysore has decided to invest Rs. 40 lakhs in the paper mill proposed to be started near Mandya by a private *entrepreneur* in collaboration with an American firm. The proposed mill, it is said, will utilise bagasse, the waste of sugarcane used in the Mysore Sugar Factory.

Arrangements are being made by Mr. Venkataswami and Mr. G. K. Devarajulu, both prominent cotton millowners of Coimbatore, to establish an aluminium plant in Salem with the co-operation of Italians. The project report on the aluminium plant drawn up by the foreign technicians, who were in South India last month, are expected to be in their hands in April 1959.

The Government of India has decided to release a further quota of 20,000 tons of groundnut oil cake (expeller variety) for export during the period ending March 1959 to all permissible destinations. Established shippers will be given a quota equal to 20 per cent. of their basic year exports, subject to a maximum of 400 tons per shipper from all the ports. Shipments will be allowed up to the end of March 1959.

The validity period of the Indo-Swedish trade agreement has been extended to 31st December 1959. In terms of the latest letters exchanged, several new commodities have been added to the list of items available for export from India. These include lycopodium, tooth brushes and shaving brushes with nylon bristles, tents, surgical dressings such as bandages, etc., cotton, wool, prawns and other canned provisions, knitting wool, animal casings, pearls and precious stones.

The Punjab Governor has promulgated an Ordinance empowering the State Government to realise betterment charges with effect from the 1958-59 *kharif* harvest. Under the Ordinance, all those persons who are liable to pay such betterment charges are required to pay the Government advance payment of betterment charges in respect of his "matured area" in each harvest at a rate not exceeding Rs. 25 per acre of such areas as the Government may determine.

The Indian Council of Agricultural Research has constituted a sub-committee, under the chairmanship of Dr. B. N. Uppal, Agricultural Commissioner, Government of India, to test the efficacy of special Chinese techniques of paddy production under Indian conditions. The sub-committee will draw up a plan for experimentation with these techniques in different parts of India. There have been reports from China that phenomenally high yields of paddy and other crops have been obtained by the adoption of these techniques. The first meeting of the Sub-Committee is to be held at Cuttack on 9th February.

Ways and means of developing labour relations in companies and corporations in the public sector will be discussed at a conference at New Delhi on the 21st inst. Representatives of the employing Ministries, State Governments and the Central Trade Unions will attend the meeting which will be presided over by the Union Labour Minister, Mr. G. L. Nanda. With the steady expansion of the public sector in recent years, the maintenance of harmonious industrial relations in undertakings in this sector has assumed importance. At present, there are 33 undertakings of the Centre, which employ about 350,000 workers.

A pilot scheme to mechanise country-craft transport was launched by the Union Government on the 14th inst., with the introduction of mechanised water transport in the Ganga river from Buxhar to Ragmahal. The tug or power boat provided by the Central Government will tow a number of country boats tied together to their destination. After two months, the tugs will be taken to Kerala, where mechanisation has immense potentialities. The object of the Government in launching the scheme is only to show the advantages of the project and then leave it to the private or the public sector to organise it on a co-operative basis.

The employment opportunities generated by the Five-year Plans have helped reduce the volume of unemployment, though the number of job opportunities occurring has failed to keep pace with the growing labour force, according to a study of trends in the number and type of employment-seekers between 1953-57, made by the National Employment Service of the Ministry of Labour and Employment. While the number of applicants on the live registers of employment exchanges increased steadily throughout the period under review, the rate of increase went down from 8,344 per month in 1955 to 6,012 in 1957.

An agreement has been signed between the Governments of the Punjab and Rajasthan, under which both the States have agreed to collaborate in the construction of a dam across the river Sutlej at Bhakra as well as other ancillary works included in the Bhakra Nangal project for extension and improvement of irrigation and generation of hydro-electric power. They have also agreed to share the supplies of water in the river Sutlej in certain proportions. The cost of Bhakra dam is estimated at Rs. 68.31 crores, including the cost of works for left and right power houses. About 84.87 per cent. of the cost will be borne by the Punjab and the rest by Rajasthan.

Cash rewards and commendation letters have been given to nearly 120 railwaymen belonging to various categories for inventions and suggestions made by them and accepted by railway administrations. For accepted suggestions and inventions, the successful employees receive either cash rewards or advance increments in pay, preference for grant of study leave or a record made in their service sheets for purposes of promotion in future. The scheme has been working satisfactorily and, during the 15 months ended 30th June 1958, as many as 1,378 separate inventions and suggestions were turned in by the employees. Cash rewards were given to 83 employees and letters of appreciation or commendation issued to another 35. In one case, an advance increment in pay was sanctioned.

Indian export goods were displayed in 16 international exhibitions and fairs in the first seven months of the current financial year. This display is part of the publicity drive for promotion of exports. Of the displays, five were in Italy, two in the U.S.A., two in East Germany and one each in Poland, Canada, Sweden, Yugoslavia, Afghanistan, Sudan and France. It is expected that India will have participated in five more exhibitions before the current financial year ends. A large variety of exportable merchandise ranging from traditional export goods to the products of India's engineering industries are displayed in these exhibitions.

A British firm of consultant engineers (Messrs. W. S. Atkins and Partners) has been appointed by the United Kingdom Government under the Colombo Plan to prepare for the Government of India a detailed project report for a heavy structural fabricating works and a heavy plate and vessel shop. The project report will be in sufficient detail to enable the Indian Government to ask for competitive tenders for each project as a whole, or for major sections of each project, if it wishes to do so. The consultants hope to be able to deliver their reports by the summer. The heavy structural fabricating works and the heavy plate and vessel shop are among the projects dealt with in a report prepared by a U.K. mission led by Sir Eric Coates, which was appointed more than two years ago, under the joint auspices of the Colombo Plan and the Federation of British Industries, to advise the Indian Government on the expansion of heavy engineering capacity in India.

A survey of clay resources of the country has recently been published in the form of a monograph, entitled *Indian Clays: Their Occurrences and Characteristics, Part I*, by the Council of Scientific and Industrial Research, New Delhi. The monograph, the price of which is put at Rs. 8, deals with essential data regarding the character and composition of the major occurrences of clay. The Geological Survey of India was responsible for the collection of samples from various places and the laboratories of the Central Glass and Ceramics Research Institute, Calcutta. The preliminary results of examination of about 500 clay samples, mostly china-clays and fireclays, collected from 15 Indian States during 1950 to 1952, are incorporated in this publication. Information on the location, extent of deposits, visual and washing characteristics, behaviour on drying and firing, refractories and suitability for use in production of ceramicware is included in the monograph.

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From Abroad

Australia has ratified the new International Sugar Agreement.

The U.S. has agreed to give Yugoslavia a loan of $22.5 million to finance a nitrogen fertiliser plant.

The population of the U.S., as at the end of 1958, was about 175.6 million, representing an increase of 3.0 million over the year.

The Pakistan Government is considering a proposal to change the fiscal year from April-March to July-June, that is, in line with the American model.

The U.S. has granted a loan of $47.5 million to Persia, to assist its second seven-year development plan, due to end in 1962. The loan will be repayable in dollars in 12 years.

Malayan rubber exports in 1958 aggregate 1,080,656 tons, a rise of nearly 8 per cent., as compared with 1957. The 1958 level is the highest for the past seven years and the third highest since the war.

The United Arab Republic Government has accepted the Russian tender to construct the Alexandria Naval Shipyard at a cost of £6 million. Another tender is expected to come up shortly for the construction of a dry dock at Alexandria.

PERSONAL

MR. Ramnath A. Podar has been re-elected Chairman of the Millowners' Association, Bombay, for the third successive year.

Mr. V. Shankar, I.C.S., took charge as Chairman of the Indian Airlines Corporation on the 7th inst., in addition to his duties as the Director-General of Posts and Telegraphs.

Mr. Babubhai Chinai, M.P., has been unanimously elected representative of the Federation of Indian Chambers of Commerce and Industry on the National Shipping Board.

The Duke of Edinburgh will arrive in India on the 21st inst. to participate in the Forty-sixth Indian Science Congress to be held in New Delhi from the 21st to 28th inst. on behalf of the British Association for Advancement of Science.

Mr. N. K. Sengupta, till recently Postmaster General of Ambala, has taken over charge as the General Manager of the Bombay Telephones *vice* Mr. S. R. Bashyam, who has been transferred to Ambala as Postmaster General.

Mr. U. J. Bhat, Chief Engineer (Road and Buildings) of Bombay State, has been elected President of the Indian Roads Congress for the next year. *Messrs. N. Durrani, Chief Engineer for Highways, Andhra Pradesh; B. Prasad, Chief Engineer* for Roads and Buildings, Bihar, and L. R. Patel of Messrs. William Jacks, have been elected Vice-Presidents.

The Economic Council of the Arab League has unanimously decided to establish an Arab Development Bank, with a capital of £40 million. The proposed bank will finance and supervise the development projects in member-countries.

Japan's population is estimated at 92 million as on 1st October 1958, an increase of 19.85 million as compared with 1945. Of this, 46.78 million were females and 45.22 million males. The density of population was 249 per one square kilometre.

Denmark has concluded a contract for the purchase of Soviet diesel oil worth Kr. 3 million for the Danish State Railways. The price per ton of oil is lower by about Kr. 40, as compared with British and American prices.

An increase in freight rates to Colombo, with effect from 2nd February 1959, has been announced by the British and Continental Shipping Conferences, following the marked rise in the actual cost of discharging cargo such as increased port and labour charges in Colombo.

The prices of light and heavy industrial fuel oil in the U.K. have been raised by 1d. a gallon by the main distributors, with effect from the 7th inst. The increase will affect only the industrial users, particularly the steel industry and electric power stations, which are the biggest consumers of fuel oil.

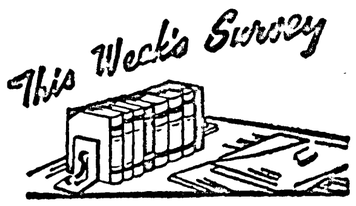
French Equatorial Africa (Sahara) has entered the world market for crude oil. The French African Oil Exploration Company has offered the Argentine Petroleum Agency 80,000 cubic metres of crude oil. The Company, which operates five oilfields in Gabo, produced slightly more than 500,000 tons in 1958.

The population of the world rose by about 90 million during 1957 and 1958 and will gain another 100 million in the next two years, according to a memorandum prepared by the secretariat for the U.N. Population Commission. The experts predict that world will have 3,000 million inhabitants by 1962 and 4,000 million by 1967.

The U.S. Export-Import Bank has granted a credit of Rs. 10 lakhs ($210,000) to Warner Lambert (Pakistan) Ltd., Karachi, an affiliate of the Warner Lambert Pharmaceutical Company of Morris Plains, New Jersey, for the construction of a drugs and toiletries manufacturing plant. The repayment of the loan is to be made over a period of six years.

About 121 million Americans had some sort of health insurance at the end of 1958. During the year, an estimated total of $4,800 million in health-care benefits was paid out, some 14 per cent. more than the previous year. During 1958, two out of every five American families used the amount to help defray medical expenses and seven out of ten families had used their health insurance at some time during the period their policies were in force. Substantial progress was made last year in providing sound programmes for persons over 65 years of age through employer-sponsored group plans as well as individual health policies.

The Pakistan Government has radically liberalised its import policy by almost reverting to the open general licence in order to boost export trade. Under the new scheme, which has been enforced from the 15th inst., allocation of foreign exchange to various industries and categories of commercial importers has been abolished. Instead, the industries earning foreign exchange by their exports have been allowed a percentage for importing their own requirements, etc. The other exporters have also been allowed a certain percentage of their actual foreign exchange earning for importing items detailed in a list which includes over 250 items covering most consumer goods.



ROLE OF RESERVE BANK

THE role of a central bank in underdeveloped countries formed an interesting part of the address which the Governor of the Reserve Bank of India, Mr. H. V. R. Iengar, delivered at a meeting of the Commerce Graduates Association in Bombay. Mr. Iengar said that, whereas in industrially advanced countries, central banks were chiefly concerned with the stability of the currency and of the level of economic activity, their counterpart in underdeveloped countries had to perform similar functions and also render positive assistance to the economic development which was a dominant problem in these countries. Referring to Indian conditions, he said there was a "compulsive desire" to show some material progress within a short period. He added: "This desire acquires further urgency, because, unlike Western democracies, where adult franchise was given after the Industrial Revolution had time to evolve itself into a state of massive productive ability, India is operating a full-fledged democracy in conditions of abject poverty and mass illiteracy. The political compulsions created by this heroic decision are continuously aggravated by a population pressure whose dimensions look to be even more serious than is generally supposed." The result of these pressures, he said, is that the Government is compelled to resort to deficit financing. Although the Reserve Bank is consulted about the size of the Plan, the "decision is ultimately taken by the Government and necessarily the Bank has to function within the conditions created by the effort to carry out the Plan."

It will thus be seen that the Reserve Bank has a particularly difficult role to play. While it can make its influence felt at the consultative stages of planning, there is no guarantee that it will always carry the day. Its political masters may, and perhaps do, create conditions in which it will find it difficult to perform its important function, namely, the maintenance of the purchasing power of the money. In one sense, this difficulty is an inevitable result of nationalisation of a central bank in any country. Only, in India its proportions are bound to be greater, thanks to the Government's political need for showing quick results. Having regard to this difficulty, the Reserve Bank may claim some credit for the success—limited though it may be—it has achieved on the price front. Mr. Iengar traced the course of index number of wholesale prices to show how the rise in prices was not abnormally high. The index number (base: 1952-53=100) was 120 in April 1951, 97 in May 1952, 110 in July 1953, 89 in April 1955, 112 in August 1957, 105 in February 1958 and is in the neighbourhood of 117 now. These figures would show that present prices are no doubt high as compared with those of April 1955. But the two periods, according to Mr. Iengar, are not strictly comparable, since April 1955 was a period of steep fall in food prices which then caused much concern to the authorities.

Not all will accept this argument unreservedly. Even if it is accepted, the fact remains that the current level of prices is nearly as high as they were in the post-Korean boom and has to be regarded as abnormal. Again, if prices have not moved up higher than they have done, the credit for this mainly goes to the fiscal policy of the Government which has sought to restrain consumption as also to the rigorous controls exercised by the Government on the prices of coal, oil, electricity, cement, steel and several other basic commodities and manufactures. Another factor that has prevented the price line from jumping too high has been the large import surplus at the expense of India's external reserves and the generous supply of U.S. wheat under P.L.480. The Reserve Bank, therefore, cannot claim much credit even for the so-called limited success on the price front. Indeed, the Reserve Bank has been a helpless spectator of the heavy deficit financing indulged in by the Governments during the past three years. Even where it could help, as, for instance, in the sphere of interest rates, it has followed a policy of least resistance. One of the real indicators of the value of the rupee is provided by the capacity of Indian goods to compete effectively in the external markets. If this test is applied, it will be seen that the rupee is not as strong as is made out by Mr. Iengar and others belonging to the Treasury Benches. That India has become a high-cost economy is clear from the none too satisfactory export performance of several of its manufactured goods.

What about the future? It is not known to what extent the Government will resort to, or be compelled to resort to, deficit financing which will undoubtedly exercise a pressure on prices. It is, however, gratifying to note Mr. Iengar's assurance that "it will be a task of primary importance for both Government and the Reserve Bank to see that, in the difficult years that are still ahead of us, this performance is maintained and the value of the rupee is not allowed to be eroded." It is to be hoped that the Government will take note of this point when preparing the third Plan.

Reviewing India's recent achievements in the economic sphere, Mr. Iengar pointed out how national income at constant (1948-49) prices had moved up from Rs. 8,850 crores in the pre-Plan year to Rs. 11,010 crores in 1956-57, showing an increase of 24 per cent. over a period of six years. The base year taken for this comparison, it must be noted, is different from the one adopted for measuring the value of the rupee. Gross fixed capital formation, according to a study of the subject by the Reserve Bank, increased from less than 6 per cent. per year in 1951 to 16.5 per cent. in 1957. In this connection, he said: "All available information suggests that the organised private sector in industry, mining, plantations, electricity undertakings and transport other than railways have invested in the first half of the Plan itself almost as much as it was expected to invest over the whole of the Plan period." It is not clear on what set of data Mr. Iengar bases this opinion. The Planning Commission, on its part, has held that investment in the private sector over the Plan period may aggregate only Rs. 475 crores, as against Rs. 685 crores envisaged in the Plan and Rs. 840 crores which it would really need in order to reach the physical targets set for it.

Again, Mr. Iengar was, perhaps, underestimating the rigour of the Government's economic policy towards the private sector, when he suggested that the "range and scope of private enterprise in India are in fact immense" and the scope for this sector in India "compares very favourably with that in certain West European countries which are regarded as having a basically private sector economy, e.g., France, Italy and Sweden." This explanation leaves a few relevant questions unanswered. In the first place, the comparison is not apt. Sweden has been a socialist economy for a long time. It is also a relatively small, indeed tiny, country as compared with India, its population being no more than 7.4 million, equal to the combined population of Calcutta and Bombay cities alone. After the war and until recently France and Italy were under the control of socialist Governments and could by no means be called private enterprise economies in the real sense. Secondly, it is undeniable that, on purely ideological grounds, the area for the private sector is being abridged year after year. Thirdly, the Government has not only bitten more than it can chew but has betrayed, despite its jaws being full, an insatiable hunger for more economic and industrial power. And, fourthly, whether by accident or design, there has been a virtual denial of resources to the private sector, which are mopped up largely by the Government, so that the scope allotted to the private sector is a theoretical possibility rather than something capable of early achievement.

STATE TRADING IN FOODGRAINS

It is now almost certain that the Government of India will introduce a system of State trading in foodgrains (wholesale), as recommended by the National Development Council early in November last, although the exact manner in which it will be done is not known. Intervening in the debate on the resolution on planning at the Nagpur session of the Indian National Congress this week, Mr. Nehru declared that the decision "is of vital importance and an essential and inevitable thing, and, no doubt, we shall pursue it to the end." This statement, we are told, evoked loud cheers among the audience, which shows that the majority of Congress men welcome and support State trading in foodgrains. In fact, the resolution on agrarian organisational pattern adopted at the session urged that the decision "should be fully given effect to." Mr. A. P. Jain, Union Food and Agriculture Minister, vigorously defended the decision in his speech on the planning resolution laying down the broad approach to the third Plan moved by Mr. Nehru. Mr. Jain said:

"State trading in foodgrains is meant to check the activity of hoarders and speculators. These private traders have treated the people as victims of their speculative activity and profiteered at their expense by manipulating prices at will. The peasant will also benefit from State trading, as he will be assured of a price for his produce; he will no longer be at the mercy of price fluctuations manipulated by the private trader. The policy of price support is also meant to keep prices at reasonable levels, and it is a part of State trading. The middlemen have to be removed by having producers' co-operatives and consumers' co-operatives."

These observations of Mr. Jain give the impression that the Government has decided to introduce State trading in foodgrains solely to curb the unsocial activity indulged in by a section of the trade. It is true that there were reports of such activity having brought about an increase in prices of foodgrains some months ago. This factor should not be exaggerated, since there is evidence to show that production was well below the demand for foodgrains. Be that as it may, the situation has lately changed, thanks to prospects of a marked improvement in supplies. The total production of foodgrains in the current season (1958-59) is expected to exceed, according to a Bombay merchant, 70 to 71 million tons, as against 62 million tons in 1957-58 and 68.75 million tons in 1956-57. The rice crop alone is placed at a record high level of 29 million tons, that harvested in the previous season being just 24.8 million tons.

Considering this and taking into account the impending imports of wheat from the U.S. under P.L.480—these are expected to be at the rate of 400,000 tons per month in the next three months—the foodgrains supply position is at present quite comfortable and bids fair to remain easy in the coming months. The trend of prices may, therefore, be expected to be downward. The prices of rice have already suffered a setback; rice *basmati* is now quoted in the Hapur market at Rs. 30 per maund, as against Rs. 33-Rs. 34 two months ago, that is, when the N.D.C. made the recommendation on State trading in foodgrains. The prices may recede further when more quantities move into the market. It may be noted here that the new crop wheat will begin arriving in the market in April.

If, however, the Government still feels that State trading in foodgrains is necessary, it should be confined only to licensing of wholesale dealers. It should not extend to include direct procurement, movement, distribution and fixation of prices. Such an extension of Government activity is beset with two disquieting consequences. First, the attention of the Government and the public will be diverted away from policies and programmes to increase production which is the real solution of the problem. Secondly, there will be disruption of the channels of distribution which have been well organised for generations. In addition to these, the introduction of State trading in foodgrains entails considerable investment of money by the Government. Mr. Babubhai Chinai did well to draw special attention to this aspect at the Nagpur session of the Congress. Estimating the investment required at as high as Rs. 2,100 crores, Mr. Chinai said: "While the country is facing a shortage in resources, it is necessary to utilise the available resources for furthering the objects of planned development." He rightly warned that State trading in foodgrains "is a big step and, if the Government makes a slip, it will prove disastrous."

The view that State trading in foodgrains might do incalculable harm and create an artificial scarcity was expressed by Mr. M. H. Hasham Premji, a well-known authority on foodgrains trade, while addressing a meeting organised by the Forum of Free Enterprise in Bombay last week. Characterising the scheme as ill-conceived and hastily projected, Mr. Premji feared that a "complete mess up" would result, if officialdom tried to usurp the position of the grain trader. He averred that the Government could utilise its energy and efforts with far better results, if it concentrated on increasing food production. In this connection, Mr. Premji pointed out, and rightly so, that, if only the Government were to modify or drop the present zonal system, build up buffer stocks for lean seasons, abandon the idea of State trading, and utilise about Rs. 300 crores required for minor and medium-scale irrigation projects, better seeds, and production and distribution of fertilisers, the real problem before the country namely, increased food production, could easily be solved in the next few years.

A recent Press report from New Delhi avers that the Working Group, constituted by the Union Ministry of Food and Agriculture, in respect of the N.D.C.'s decision to embark on State trading in foodgrains, has prepared a report which has been circulated among the State Governments for comment. The Working Group was presided over by Mr. B. B. Ghosh, Secretary to the Ministry of Food and Agriculture, and included officers of the Planning Commission, the Reserve Bank of India and the State Bank. In its report, the group is understood to have laid particular stress on control over marketable surplus of foodgrains, the wholesale dealers being made accountable to the authorities. It would appear that the group has drawn attention to the difficulties in the way of State trading in foodgrains, with special reference to finance, storage and administration.

After the State Governments submit their views on the scheme and the Planning Commission reports to the Cabinet on the results of its discussions with the various Central Ministries, the Government will finally take the decision on the machinery and the ways and means of implementing the policy decision taken in regard to State organisation of foodgrains trade. An official announcement is expected to be made early next month. In view of the utmost importance attached to the scheme, the announcement will be awaited with considerable interest by both the foodgrains trade and the public at large.

A NEW ROAD PLAN

A notable development of recent years is the possibility of the targets for roads set by the Nagpur Plan being exceeded. But this should not induce an attitude of complacency in the authorities for, considering the size of the country, India's road mileage is still inadequate and, what is more deplorable, the quality of a large part of roads leaves much to be desired. What is necessary, therefore, is an extension of, as well as improvement in, the network of roads. From this point of view, it is gratifying to note that the Indian Roads Congress, which has been rendering a great national service by spreading the gospel of the importance of roads, has already drawn up a long-term plan for road transport.

Reviewing the salient features of the Plan, Mr. W. X. Mascarenhas, the well-known authority on road problems, observed in the course of his presidential address to the annual session of the Indian Roads Congress, held last week at Hyderabad, that it was proposed to increase by the end of 1980-81 the total road mileage from 331,000 (Nagpur Plan target) to 657,000, of which about two-fifths will be surfaced. This, it is computed, will give a network of 52 miles for 100 sq. miles. The objective of the new Plan is to bring every village (*a*) in a developed and agricultural area within four miles of a metalled road and 1.5 mile of any road; (*b*) in a semi-agricultural area within about eight miles of a metalled road and three miles of any road; and (*c*) in a non-agricultural area within 12 miles of a metalled road and five miles of any road. The break-up of the new Plan, the Nagpur Plan targets and anticipated road development by 1960-61 are:

	Nagpur Plan targets	Estimated development by 1960-61	New Plan targets	Cost of new plans
	(In miles)			(Rs. in crores)
National Highways ..	20,000	13,800	32,000	980
State Highways ..	53,000	35,000	70,000	1,580
Major Dist. Roads ..	50,000	95,200	150,000	1,360
Other Dist. Roads ..	70,000	78,300	180,000	650
Village Roads ..	138,000	156,700	225,000	630
Total ..	331,000	379,000	657,000	5,200

Clearly, the new Plan involves a large investment. Such investment is placed at Rs. 5,200 crores. It would, however, be unwise parsimony to grudge this expenditure, considering that roads confer immense benefits on the community. These benefits are both indirect (in the sense the roads facilitate marketing and movement of goods and services) and direct (in the sense they reduce costs of vehicle operation). Bad roads constitute an invisible form of taxation on vehicles. The loss to motor transport on account of bad and inadequate roads has been placed at Rs. 38 crores per year. A pilot investigation has shown that the cement-concreting of a road can bring down costs of vehicle operation by 17 per cent. The waste and loss inflicted by bad roads, according to Mr. Mascarenhas, result from (*a*) waste of time through reduced vehicle speed and stoppages, (*b*) high fuel consumption, (*c*) heavy wear on tyres, (*d*) avoidable accidents reflected in cost of insurance, and (*e*) wear and tear of vehicles leading to increased cost of repairs and maintenance. Although road users derive much direct benefit from new and improved roads, it would be unjust to continue the present policy under which they, as a class, are expected to finance all, or nearly all, the expenditure on roads. Mr. Mascarenhas suggested that at least half the expenditure should be met from general revenues. Whatever the proportion that may commend itself to legislators, it is only just and fair that the general community, which benefits through the extension of the road system, should bear a reasonable share of the cost of road development

INDO-U.S. COLLABORATION

Although the importance of foreign collaboration in the field of large-scale industries is widely recognised in the country, sufficient attention has not been given to find out the ways and means by which advanced countries can help develop the medium and small-scale industries. It is gratifying to note, therefore, that the six-man U.S. Trade Mission, which toured India for about a couple of months—from 10th November 1958 to 9th January 1959—made a particular study of this aspect of economic development in the country. The Mission, headed by Mr. Nathaniel Knowles, Deputy Director of the U.S. Bureau of Foreign Trade, visited 14 leading industrial cities in North India and inspected 60 manufacturing plants and establishments, ranging from small cottage industries to large-scale industries. It has come to the conclusion that there is good scope for promoting U.S. collaboration in the field of producing American-type equipment and machinery in India to the mutual advantage of the two countries. This is the substance of a note submitted by the Trade Mission to the Union Ministry of Commerce and Industry.

The Mission feels that among those Indian industries in which substantial advancement could and would be recorded in the near future are those concerned with the production of machine tools and metal-working machines, hand tools, paper and paper products, electric light bulbs, electric household appliances, industrial and domestic air-conditioning equipment, electronic components, fractional horsepower motors, road-building equipment, aluminium structural materials, insulation materials, shoe manufacturing machinery, hardware and plumbing fixtures, and hospital and surgical supplies. The interest of the United States Trade Mission, however, was focussed primarily upon India's plans for the development of small and medium-scale industries, and in proposals calling for the collaboration of American equipment, finance, and technical know-how in such projects. Meetings with officials of the National Small Industries Corporation and with private businessmen in the small industries field served to emphasise that collaboration on the part of the American business community with both the private and public sectors of the Indian economy in the formation and operation of essential small industries could prove mutually beneficial to all concerned.

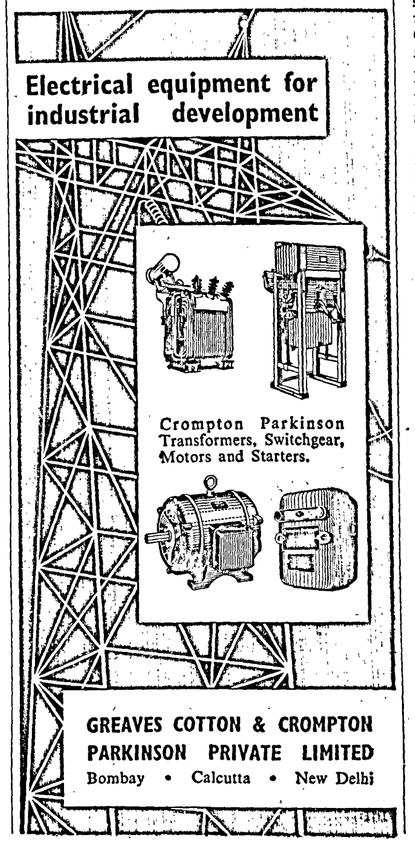
The Mission has highlighted the fact that a rapid increase in the number of small individual production units using machinery would help the development of, and serve as suppliers to, larger plants and would prove beneficial to industry in India. It is the consensus of opinion among Mission members that the future demand for machines to be used by small industries in India will increase substantially within the next few years and that available financial resources will probably not be sufficient to satisfy this demand through imports from overseas suppliers. Consequently, the Mission is of the view that there are good opportunities for American businessmen and Indian businessmen to collaborate in the production in India of certain American-type equipment and machinery through joint ventures or licensing arrangements. This process of providing "tools to make tools" should benefit both countries. The expanded use of machinery by small industries, as well as by large industries should, in the opinion of the Mission, enable Indian industry to reduce unit cost, expand employment and aid in the raising of living standards. In larger industries, such a procedure should result in mass production, with low unit profits instead of limited production with high unit profits, and the Mission feels that this, in turn, will uncover a new field of consumers.

It is generally held that prices of certain types of American machinery and equipment are higher than those of other countries. Answering this criticism, the Mission points out that "Indian management appears to be well aware that the initial cost of such equipment is not the final cost and that purchases made on lowest-first-cost basis often prove more expensive in the long run, if rates of service, maintenance, and performance are evaluated." Consequently, the Mission feels that there is a good market in India for essential types of American machinery and equipment, even though the initial cost of such items may be higher, in certain instances, than that quoted by suppliers in competitive countries.

The Mission devoted a part of its time to the study of Indian production methods and techniques and its impressions are highly valuable. According to it, the Indian industrial and business community is well equipped to respond to new production and marketing concepts; the work being done in labour and management training is most important; and there is adequate room for increased American collaboration in the establishment of training centres in India and in the expansion of training programmes for Indian personnel with American industries and universities.

Surveying the prospects for U.S. private investment in India, the Mission holds the view that there has been an improvement in India's foreign investment climate. It believes that Indo-United States Investment Guarantee (Convertibility) Agreement and negotiations currently being held on an Indo-United States convention for the avoidance of double taxation are illustrative of the *rapprochement* existing between India and the United States in the field of economic and commercial relations. It has also welcomed the investment centre which the Government of India has under consideration.

The Mission has made some good suggestions for promoting India's exports to the U.S., particularly handicrafts. It is confident that India can step up exports of its "unique and beautiful" handicrafts, if proper merchandising techniques are employed. To facilitate the expansion of Indian exports to the U.S., the mission suggests that consideration may be given to the establishment of permanent sales rooms in the U.S. or in the operation of a retail speciality store, perhaps in New York City, where Indian merchandise could be displayed and sold. It may be noted here that Japan has already opened a Department store in New York to push sales of its handicrafts.



EUROPEAN MONETARY AGREEMENT

From Our Own Correspondent

LONDON, *9th January*

AS far as the *City of London* is concerned, they are so satisfied at the moment with the working of the convertible sterling arrangements and the extra business it is bringing into the London foreign exchange market that they are not bothering their heads at all about the death of E.P.U. and the emergence (for it was born more than three years ago) of E.M.A.—European Monetary Agreement. E.P.U. had to die once transferable accounts sterling was turned into dollar convertible sterling, because, otherwise, any country having an account in European currencies which it could settle through the machinery of E.P.U. would prefer to convert the whole of that account into gold or dollars rather than receive settlement of only three-quarters in gold and the remaining 25 per cent held as a European currency balance. Conversely, debtor countries, i.e., countries finding themselves debtors on balance of the other E.P.U. countries, would enjoy not having their currencies converted fully into gold or dollars, but only so converted as to 75 per cent. In brief, debtor countries would want E.P.U. to continue, because of the 25 per cent. credit that they would get, and creditor countries would not let it continue because they could collect all their debts 100 per cent. in gold or dollars. So came to an end that very useful system of which the only other analogy is with the sterling area, whereby inter-country debts could be settled by book entries without the need of having to find gold or dollars. Of course, in the last resort, when the limits of credit have been reached, payments would have to be made in gold and dollars, but E.P.U. brought in a great element of elasticity into European debt settlements, an elasticity which can only be appreciated by a country of the sterling area if it thought that the whole of its payments with the rest of the sterling area would have to be met suddenly in gold or dollars as each arose. But that is the position now of the seventeen countries of the O.E.E.C., now that the European Payments Union has been dissolved.

LONDON LETTER

It was just over three years ago that convertibility was envisaged and the European Monetary Agreement drawn up in anticipation. To make it sound good it has been described as a system (*a*) of multi-lateral settlements and (*b*) a Fund the O.E.E.C. will supervise, both these parts through a Board of Management under the Council's control.

First for the so-called multi-lateral system of settlements. With convertibility, every country is obviously free to convert its foreign exchange holdings of other members directly into gold or dollars through the foreign exchange markets. But, if they do not wish to do this, they can run accounts with one another through E.M.A. In other words, every country party to the agreement is allowed to run a credit with other countries up to a limit, beyond which limit it must settle anyway, whether it likes or not. This system, therefore, provides for limited credit and settlement between members at ruling foreign exchange market rates.

Now as for the Fund, this is intended to have a capital of $600 million to be used at the discretion, that is, not automatically, of the O.E.E.C. to help countries having temporary balance of payments difficulties. A little under half the capital will be found from funds transferred from the E.P.U. and a little over half will come from gold contributed by members. The money will be paid in by these members as and when required, the general idea being that, apart from the short-term credits, the Fund should have in hand around $100 million as a float. All this is very small money, indeed, but no doubt some of the debtor countries of Europe will be grateful for small mercies.

So, on a realistic appraisal, Europe has lost a system which at one time would have provided a clearing house for debt settlements and gained what is nothing more than a means of limited and temporary finance for distressed members. There is no importance at all to be attached to the business of monthly settlements *apart from* the small credit limits allowed. The members of E.M.A. are in exactly the same position as a customer of a bank which says to him: your overdraft is for £X. You can have up to that and beyond that pay cash.

On the other hand, it must also be realised that, since the inception of the O.E.E.C. ten years ago, the original function of the E.P.U. has been steadily whittled away. Its originally broad concept was that European countries would consume their own smoke as it were, the bad creditors spending the foreign exchange they had acquired with the debtor countries and all payments would be kept even. But, gradually, the creditors insisted on a higher and higher percentage of gold being paid to them against their debts, until, in the end, the paid creditors were hardly penalised at all. So ends a once good experiment in free exchange in a limited area which had gradually outlived most but by no means all of its virtues. And, once again, the sterling area is left as the only appreciable trading area, where one currency not convertible into gold or dollars is still used as the basis of trade with the object of making the debts incurred self-liquidating.—*All Rights Reserved.*

The Japanese Government has decided to restrict exports of all types of cotton fabrics, including *sarongs*, to South-East Asia countries in the current year. The restriction will be applied through quarterly country-by-country quotas to shipments to Hong Kong, Viet Nam, Cambodia, Laos, Thailand, Singapore, Malaya, Burma, Ceylon, the Philippines and Indonesia. The official control is expected to be more effective than the voluntary control applied by leading trading firms last year, which excluded many small exporters. It is estimated that Japanese exports to these countries in 1958 aggregated 430 million square yards, as compared with 605 million square yards in 1957.

The cost of some of the new U.S. bombers, such as B-58 and 43J, exceed their weight in gold, according to a spokesman of the White House, Washington. B-58 bomber (air force) for instance, weighs 47,000 lbs. and costs $26,700,000 or $567 a pound. The 43J bomber (navy) weighs 27,000 lbs. and costs $17,600,000 or $650 a pound. As compared with these, gold at $35 a troy ounce, costs about $500 a pound, figured at the rate of 16 ounces a pound used in weighing aeroplanes.

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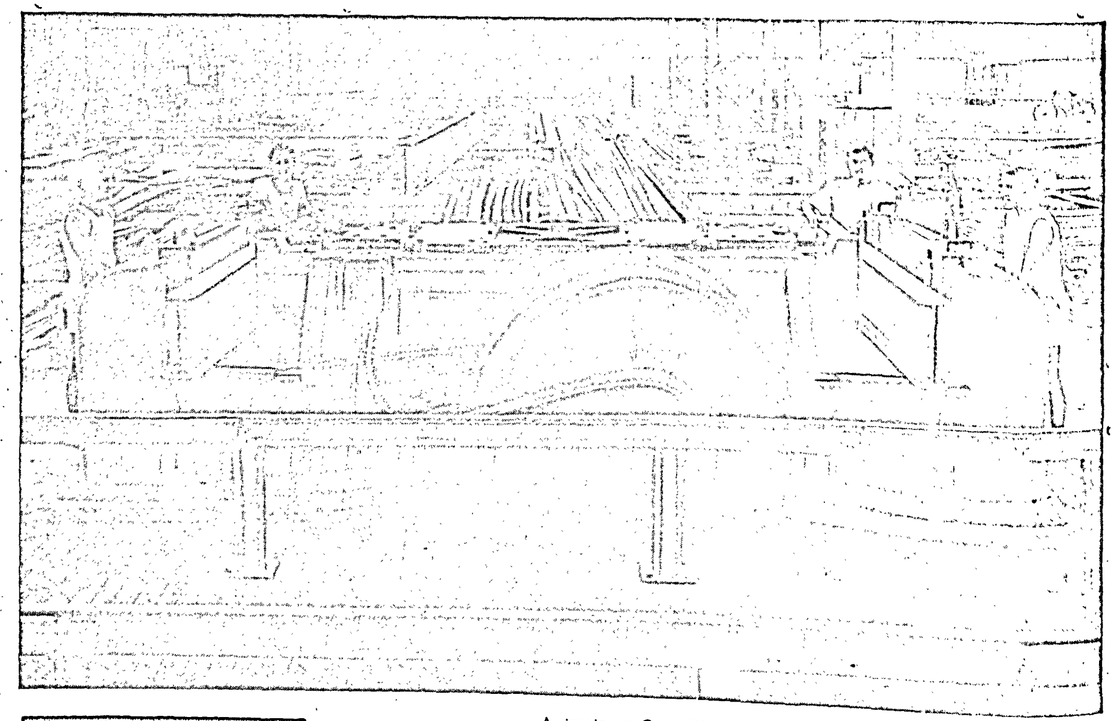

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FLAGS OF CONVENIENCE—OR NECESSITY?

THE controversy surrounding the registration of shipping under flags of convenience has flared up again in recent weeks. To mark its opposition to the practice the International Transport Workers' Federation sought during the first four days of December to organise a world-wide boycott of "Panlibhonco" vessels whose owners had no agreement with any of the unions. The ban was ignored in many ports, but the Federation claims that it was observed in 17 countries and that over 200 ships were affected. It undoubtedly drew public attention to a subject hitherto of little concern outside shipping circles. Since one-quarter of the world's tankers now fly one of these flags of convenience, it is worth inquiring why some owners resort to the practice and why others so strongly protest against it.

Until the end of 1958, four countries were mainly concerned—Panama, Liberia, Honduras and Costa Rica: hence the nickname "Panlibhonco." But the practice was not popular in Costa Rica and, by an Act passed in November, this country (which some time ago abolished its army) has now withdrawn facilities for shipping registration. A glance at the statistics shows how rapidly the fleets of these countries have been growing in recent years. In 1939, and again just after the war, these fleets totalled about 750,000 gross tons, those of Liberia and Costa Rica being negligible. By the end of 1950, the total had risen to 4 million gross tons, and by 1958 to well over 15 million. And the President of the Chamber of Shipping of the United Kingdom has ventured the opinion that, on present indications, the Negro republic of Liberia alone might have a fleet of well over 30 million gross tons in 10 years time; this would make her the world's biggest "maritime" country, though, in fact, she has no ocean-going vessels of her own.

Tankers Dominate

The proportion of vessels flying flags of convenience is much higher for tankers than it is for dry cargo ships—24 per cent., against 8½ per cent. For tankers, as the following table shows, Liberia heads the list, followed by Panama and Honduras; Costa Rica was never of much importance from this point of view. (Incidentally, in terms of deadweight tons, flags-of-convenience tankers account for 13 million out of a total world fleet of nearly 53 million tons.) Most of the tankers so registered are owned either by American interests (mainly U.S. oil companies) or by owners of Greek origin or nationality. The reasons why these owners resort to flags of convenience differ in the two cases, though financial considerations are common to both.

*World Merchant Shipping**

Flag	Tankers		Other		Total	
	No.	Thousand gross tons	No.	Thousand gross tons	No.	Thousand gross tons
Costa Rica ..	3	18	141	492	144	510
Honduras ..	11	127	78	211	89	338
Liberia	382	5,610	613	4,460	975	10,070
Panama	188	2,324	414	2,034	602	4,358
Total above ..	564	8,088	1,246	7,197	1,810	15,285
World Total ..	4,023	33,590	31,179	84,444	35,202	118,034
Percentage Flags of Convenience ..	..	24	..	8½	..	13

* July, 1957, excluding vessels below 100 gross tons.
Source: Lloyd's Register of Shipping.

For American owners, the dominant motive is the urge to reduce operating costs—primarily wage costs. This is not to imply that the crews of tankers registered in Liberia or Panama are paid low wages or work under bad conditions: quite the reverse. For example, Mr. Niarchos, the well-known Greek shipowner, recently claimed that, although most members of his crews have elected not to join a trade union (and though it was not his policy to create a "closed shop"), they enjoy terms that are generally more favourable than those laid down by the unions in the countries in which they are recruited. The prevailing wage scales and food expenditure per man on his ships are, he claimed, second only to those of vessels registered in the U.S.A.

U.S. Shipowners

This immediately pinpoints the problem facing American shipowners in this highly competitive industry: if they register their vessels in their own country, they must pay their crews according to American wage scales, which, being related to general wage levels in the U.S.A., are 60 to 100 per cent. above those of most other maritime nations. For U.S. liner companies whose vessels ply between the U.S.A. and other countries, this wide disparity in wage rates creates no problem, since they enjoy a Government subsidy deliberately designed to remove the disability. (This is granted for security reasons: in time of war, liners immediately become troop carriers.) U.S. shipbuilders are also subsidised to enable them to compete with builders in countries where wages are lower. But no such subsidy is payable to the owners of tankers or tramp ships. Hence tanker owners can escape the burdens of the American wage scale only by resorting to flags of convenience—or, as they would say, "flags of necessity," for U.S. owners have recently formed the American Committee of Flags of Necessity, to defend their interests. And it is the contention of shipowners elsewhere that this flight to "Panlibhonco" flags is encouraged by the U.S. Government.

Greek Shipowners

For Greek owners, flags of convenience are attractive for other reasons. Immediately after the war, unstable political conditions and the election of left-wing Governments aroused fears of nationalisation among Greek shipowners. They were also handicapped by obsolete shipping laws—now substantially amended. Finally, and most important, they were subject to heavy taxation, as were owners in most other maritime countries. Registration in Liberia or Panama offered, and still offers, a ready and a legal means of escape from these financial and other burdens.

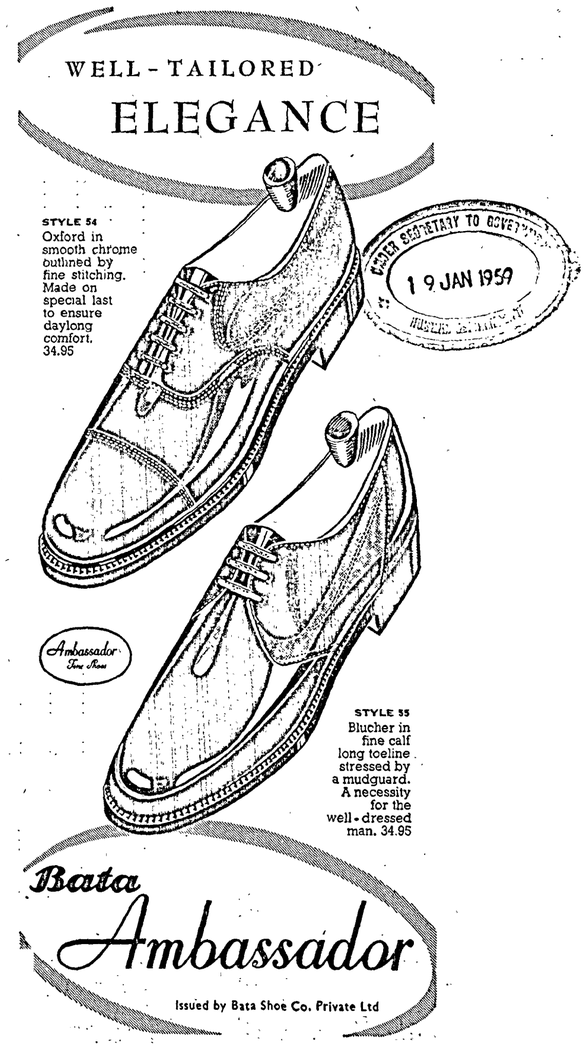
It is the very considerable tax advantage enjoyed by shipping companies registered in Liberia, Panama, etc., which constitutes these countries' main appeal to shipowners outside the U.S.A. Liberia and Panama charge a registration fee of U.S. $1.20 per net ton, while Honduras asks only 25 cents. In addition, owners pay an annual tax of 10 cents per net ton in Liberia and Panama, and of 5 cents in Honduras. This means, for example, that the owner of a 38,000 d.w. tons tanker (which would have a net tonnage of about 14,000) would pay in Liberia an initial registration fee of $16,800 *plus* an annual tax of only $1,400. Incidentally, Liberia has undertaken not to increase these charges for 20 years from the date of initial registration, and Honduras for as long as 30 years. No other taxation is payable by the shipowner in these countries, and very few obligations attach to the right of registration.

Host Governments

From the shipowner's standpoint, these charges are negligible, as compared with the taxation levied, largely in the form of income and profits taxes, in the traditional maritime countries. But it represents an easy source of revenue for the host Governments. And for Liberia, in particular, it is an important source. In the year to last July, some 2.6 million gross tons of shipping were registered under the Liberian flag for the first time, while the total so registered at the end of the period was over 10 million gross tons. If net tonnage is reckoned to be about 60 per cent. of gross tonnage, it may be roughly calculated that the registration fees and annual taxes on this shipping must have brought in some $2½ million. As a proportion of the Government's total revenue, this is of the order of one-seventh.

A similar calculation shows that Panama must have obtained only about $425,000 from

(*Continued on page 86*)



FOREIGN ASSISTANCE TO INDIA

AUTHORISATIONS AGGREGATE OVER RS. 1,373 CRORES

IT is common knowledge that India has come to depend to a very large extent on external assistance for economic development. In spite of the Government's vigorous efforts to mobilise domestic savings and to augment its income by a series of fresh tax measures, India could not do without the aid of foreign countries to achieve the targets set under its two Five-year Plans and to bridge the gap in its balance of payments. A number of foreign countries and international agencies have given generous aid. This has taken the form of long-term loans and deferred payment facilities, grants, equipment and commodities. Besides, some of these countries have made available to India the services of technical experts in various fields of development programme. Notable among the countries which have given substantial economic assistance are the U.S., the U.K., the U.S.S.R., West Germany, Canada, Australia, New Zealand, Norway and Japan. International agencies, such as the World Bank and the I.M.F., as also private U.S. banks, have given loans to India to assist a number of development projects in the public and private sectors alike. Besides, private philanthropic agencies in the U.S., like the Ford Foundation and the Rockefeller Foundation, and agencies of the United Nations such as the F.A.O., the U.N.I.C.E.F., the U.N.E.S.C.O., the W.H.O., and the I.L.O. have provided funds for the procurement of equipment and technical experts.

India has implemented one Five-year Plan and has almost completed three years of the second Five-year Plan. Yet, there has not so far been any connected and consolidated account of the external assistance promised and disbursed. In fact, this journal, in its issue dated 18th October 1958, drew pointed attention to the need for the Union Ministry of Finance or the Planning Commission undertaking the task of making a detailed assessment of the foreign assistance authorised and utilised, so that the public will have the benefit of accurate and latest idea of the position in respect of external resources required for implementing the Plan. It is gratifying to note that the Department of Economic Affairs, Ministry of Finance, Government of India, has just published a brochure, *External Assistance* 1958, giving a consolidated account of the nature of external assistance promised and received since the beginning of the first Five-year Plan. The table published at the foot of this page gives, at a glance, the details of such assistance.

Total Assistance

It will be seen from the table that the total foreign assistance, by way of loans and grants, authorised so far, since the beginning of the first Five-year Plan, aggregates Rs. 1,027.43 crores. This takes into account the additional credit of $100 million from the Development Loan Fund (U.S.) for which an agreement was signed on 24th December 1958. In addition to these loans and grants, India has been authorised so far a loan of Rs. 32.47 crores under P.L. 665 and Rs. 345.89 crores under P.L. 480 for purchase of U.S. surplus agricultural commodities. Taking these also into account, the total amount of external assistance authorised comes to Rs. 1,373.32 crores. The loan part of the authorisations (other than the credits under P.L. 665 and P.L. 480) accounts for Rs. 845.85 crores and grants for Rs. 181.58 crores. Of these, loans disbursed up to the end of March 1958 by the donor countries amount to Rs. 265.89 crores and grants to Rs. 131.67 crores, leaving a balance of authorised • funds available amounting to Rs. 629.87 crores.

A country-wise analysis shows that the U.S. has by far been the biggest benefactor of India, the total amount of Government loans and grants (including the credit for purchase of surplus agricultural commodities) being no less than Rs. 682.46 crores. In addition, the private U.S. bank credit authorised amounts to Rs. 5.33 crores and Export-Import Bank loan to Rs. 71.43 crores. Thus, the total U.S. assistance comes to Rs. 759.22 crores, of which loans and grants disbursed up to 31st March 1958 account for Rs. 207.30 crores and deposits made in the U.S. Government account in India in respect of purchases under P.L. 665 and P.L. 480 aggregate Rs. 171.66 crores.

The U.S. has been providing economic assistance on a large scale since 1951. The first loan was for $190 million granted in June 1951 for the purchase of two million tons of foodgrains from the U.S. to meet the food crisis in India resulting from floods and drought in 1950. The entire loan amount has been received by India. The loan carries interest at 2½ per cent. per annum and is repayable over a period of 30 years. Recently, the U.S. Government has agreed to reschedule (that is, re-lend to India) about $23 million of principal payments and about $39 million of interest payments. As a result of this, the completion of payments on the loan has been deferred from the present terminal date of 30th June 1986 to 30th June 1995. Further, no interest will be charged on the amounts of principal and interest so deferred. Are not these terms more generous than those offered by Russia, about which much trumpeting has gone on not only in India but throughout Asia and Africa?

T.C.A. Aid

In pursuance of the Point Four Programme, the Government of India and the U.S. Government signed the Indo-U.S. Technical Co-operation Agreement (T.C.A.) on 5th January 1952 which provided for the execution of agreed projects in co-ordination with India's Five-year Plan. For the execution of projects mutually agreed upon under this agreement, operational agreements were entered into from time to time, the number of such agreements signed up to the end of September 1958 being 88. The T.C.A. laid down limits up to which funds were to be allocated by the U.S. Government for each fiscal year ending 30th June. The allocations were as follows:

(In million dollars)

Fiscal Year	Amount allocated • Grant	Loan	Total
1952	50.00	..	50.00
1953	38.35	..	38.35
1954	82.50	..	82.50
1955	30.50	45.00	75.50
1956	22.50	37.50	60.00
1957	25.00	47.50	72.50
1958	15.06	95.00	110.06
1959	..	100.00	100.00
Total	263.91	325.00	588.91

• Does not include allocation for technical experts and Indian trainees sent abroad.

The T.C.A. agreement signed in 1952 contemplated the undertaking of joint projects with special emphasis on agricultural development. From the fiscal year 1954, separate funds were allocated for economic development and technical assistance and the aid was described as development assistance, which extended over such fields as transport and industrial development. It will be seen from the above table that, during the first three years, the aid was in the form of grants.

The new feature introduced in 1955 was that the major part of the aid should be in the form of loan and that 50 per cent. of the development assistance should be taken in the shape of U.S. surplus agricultural commodities. A new concept of aid has been introduced with effect from the fiscal year 1958. A "Development Loan Fund" has been established and the financing of projects is extended to the private sector also. The entire aid has to be in the form of loans carrying interest at the rate of 3 to 4 per cent. and repayable in not more than 40 years either in local currency or in dollars at the borrowers' option. The total amount of loan allocated in 1958-59 is $175 million, for which agreements have been signed. In addition, an allocation of $20 million has been received from the U.S. President's Asian Economic Development Fund for the Orissa iron ore project.

Commodities Agreement

The Agricultural Commodities Agreement between India and the U.S. under Public Law 480, signed in August 1956, provides for the sale of surplus agricultural commodities worth $302.90 million during the three years ending 30th June 1959. In addition, the U.S. Government has agreed to finance 50 per cent. of the total ocean freight to the extent of $59.5 million. A supplementary P.L. 480 agreement was signed in June last for $57 million for the purchase of wheat, maize and milo. Under another agreement signed in September 1958, India has received an allocation of $238.8 million out of the extended P.L. 480 for financing the purchase of wheat, maize and milo. The rupee equivalents of these P.L. 480 loans are to be utilised as follows:

(In million dollars)

	Under agreement dated 29-8-1956	23-6-1958	26-9-1958
U.S. expenses	74.3	7.7	28.7
Grant for economic development	54.0	..	..
Loan " "	234.1	35.1	114.6
Mutually agreeable loans to U.S. and Indian firms	..	14.2	59.7
Grant for non-self-liquidating projects	..	..	35.8
Total	362.4	57.0	238.8

Out of the loan of 234.1 million dollars under the first agreement, a sum of $55 million has been reserved for re-lending to private enterprise. For this purpose, a Refinance Corporation has been set up. India is also purchasing surplus agricultural commodities under section 402 of P.L. 665. In this case also, the rupee equivalent is deposited in the U.S. Government account in India, from which a loan of Rs. 7 crores has been given for Rihand Valley Development. During 1958-59, the U.S. Government has made available to India third country currency assistance to the extent of $4 million for the purchase of fertilisers and tube-well equipment. This will be in Italian lira, Japanese yen and French francs. The rupee equivalent of these foreign currencies is to be deposited in the U.S. Government account in India. For the present, no loan out of these funds is envisaged.

Foreign Aid Since 1950-51

(In crores of rupees)

Source	Authorisations up to 31-3-1956 Loan	Grant	Authorisations from 1-4-1956 to 31-3-1958 Loan	Grant	Total authorisations up to 31-3-1958 Loan	Grant	Disbursements made up to 31-3-1958 Loan	Grant	Balance available Loan	Grant	Further authorisations after 1-4-1958* Loan	Grant
I. United States—												
Wheat loan	90.31	..	..	..	90.31	..	90.31	..	..	..	..	..
T.C.A. programme (other than Section 402)	39.28	85.63	22.63	2.54	61.91	88.17	29.55	87.44	32.36	0.73	35.71† 47.65‡	..
Canada	..	32.34	11.52	22.82	11.52	55.16	..	29.09	11.52	29.07	0.65§	3.33‖
Australia	..	11.08	..	0.04	..	11.12	..	9.74	..	1.38	4.19	8.09
New Zealand	..	1.72	..	1.09	..	2.81	..	2.19	..	1.38	0.30	..
Norway	..	0.66	..	1.00	..	1.66	..	1.55	..	0.62	..	0.42
U.K.	..	0.39	..	..	..	0.39	..	0.28	..	0.11	..	..
U.S.S.R.	63.07	..	59.50	0.76	122.57	0.76	15.22	0.76	107.35	0.11	..	..
West Germany (Rourkela Steel)	..	..	75.00	..	75.00	..	13.00	..	62.00	..	..	..
Ford Foundation	..	5.61	..	3.94	..	9.55	..	3.62	..	5.03	..	0.12
II. World Bank—												
Public sector	32.00	..	45.53	..	77.53	..	59.77	..	17.76	..	72.85	..
Private sector	26.78	..	65.38	..	92.16	..	57.37	..	34.79	..	..	..
III. Other bank credits—												
U.S. Bank credit for Air-India	..	..	5.33	..	5.33	..	..	..	5.33	..	..	..
Ex.-Im. Bank (U.S.)	..	..	15.33	..	15.33	..	0.67	..	14.66	..	71.43	..
U.K. Lazard credit	..	..	..	..	..	..	..	..	..	..	..	..
U.K. credit (Durgapur Steel)	..	..	20.00	..	20.00	..	..	..	20.00	..	..	..
Japanese Yen credit	..	..	24.00	..	24.00	..	..	..	24.00	..	8.57	..
Total	251.44	137.43	344.22	32.19	595.66	169.62	265.89	131.67	329.77	37.95	250.19	11.96
	Authorisation up to 31-3-1956		Authorisation from 1-4-1956 to 31-3-1958		Total authorisations up to 31-3-1958		Deposits made in U.S. Government account up to 31-3-1958		Further authorisation after 1-4-1958			
IV. Purchase of U.S. surplus agricultural commodities—												
P.L. 665 (Section 402—Wheat and cotton)	16.92		15.55		32.47		31.66		140.85			
P.L. 480	..		172.57		172.57		140.00					

• The authorisations exclude the amounts allotted for technicians and Indian trainees sent abroad.
† D.L.F.—I. ‡ D.L.F.—II. § President's Asian Economic Development Fund. ‖ Out of allocations from previous years.

Russia

Next in order of foreign countries which have rendered assistance is the U.S.S.R. The total amount authorised up to the end of March 1958 was Rs. 123.33 crores, while disbursements made aggregate only Rs. 15.98 crores, leaving a balance of Rs. 107.35 crores available. Under the agreement signed in 1954-55, Soviet Russia agreed to supply equipment and structural steelwork worth Rs. 63.07 crores for the Bhilai steel plant. Out of these, equipments worth Rs. 15.22 crores were received in 1956 and 1957. By the end of 1958-59, total credit to the extent of Rs. 45.23 crores is expected to be utilised, leaving a balance of Rs. 17.84 crores. The utilisation of credits and supplies from Russia are said to be according to schedule. Further credits to the tune of about Rs. 60 crores have been offered by the Soviet Government to be utilised from 1959 onwards to finance (1) heavy machine building works, (2) mining machinery plant, (3) power station at Neyveli, (4) optical glass factory, and (5) development of Korba coalfields. The Soviet Government has also given grants to the extent of Rs. 76 lakhs in the form of agricultural machinery for the establishment of a State-mechanised farm at Suratgarh.

West Germany

Out of the loan of Rs. 75 crores granted by West Germany to finance the Rourkela steel project, the amount received up to the end of March 1958 was Rs. 13 crores, leaving a balance of Rs. 62 crores.

Britain

The U.K. Government has entered into an agreement for the grant of a loan of £15 million (Rs. 20 crores) to finance a part of the Durgapur steel plant. No withdrawals have so far been made against this loan. It is, however, expected that the entire amount will be drawn during 1958-59, that is, in another 2½ months. In addition, a consortium of British banks has agreed to give a loan of £11.5 million for financing the sterling portion of the payments to be made to ISCON with whom a contract has been entered into for the construction of an integrated steel plant at Durgapur. Out of this, a sum of £500,000 only has been drawn.

Canada

The total amount of Canadian aid from 1951-52 to 1957-58 comes to about $140 million (Rs. 66.68 crores). This includes a grant of $30 million and a loan of $25 million for wheat, $15.82 million for copper and aluminium, and about $7.5 million allocated for the Canada-India Reactor at Trombay. The Canadian aid covers a wide variety of projects, such as hydro-electric projects at Umtru, Mayurakshi and Kundah, locomotives, locomotive boilers, diesel generating sets, locust control, plant protection and æromagnetic survey for oil prospecting in Rajasthan. Besides the amount mentioned above, Canada has allocated a sum of $17 million as aid during the current year (1958-59). In addition, wheat worth $8.8 million will be received as loan. There will also be a separate grant for wheat. In all, aid by Canada upto the end of the current year is as much as $165.80 million, excluding the grant for wheat just referred to.

World Bank

The largest external assistance, other than those from foreign Governments, has been provided by the World Bank. The loans granted upto the end of September 1958 aggregate $315.82 million (Rs. 150.39 crores) for the public sector and $191.27 million (Rs. 91.08 crores) for the private sector, bringing the total to $507.09 million or Rs. 241.47 crores. Out of the loans sanctioned for the public sector, a sum of $60.84 million (Rs. 28.97 crores) was drawn during the first Plan period, leaving a balance of $254.98 million (Rs. 121.42 crores) for the second Plan, of which a sum of $90.82 million (Rs. 43.25 crores) has been drawn up to 30th September 1958. Out of the loans amounting to $191.27 million granted to the private sector, the actual amount utilised comes to $143.23 million. Repayments in res-

(Continued on page 86)

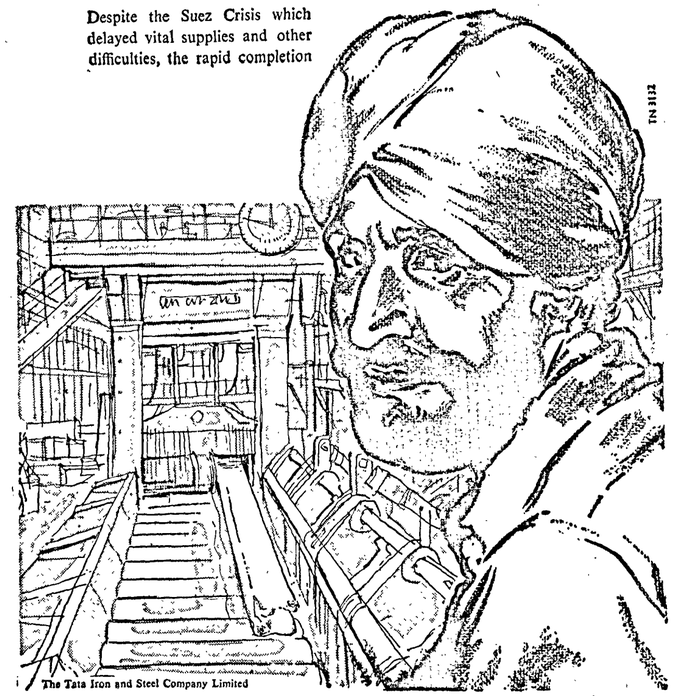
A Great Sound of Machines...

WHEN BALBIR SINGH came to Jamshedpur from Bahrein in 1957, the site for the new Rs. 100-million Blooming Mill—a key unit of Tata Steel's Two Million Ton expansion programme—had just been cleared after levelling a large hillock.

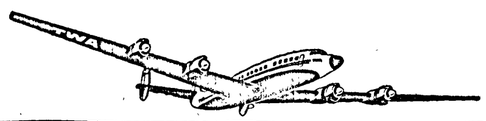
Today this new 46" Blooming Mill, the largest of its kind in India, with a rolling capacity of two million tons, is all set to produce the blooms and slabs from which rails, structurals, plates, sheets and many other products will be rolled.

Despite the Suez Crisis which delayed vital supplies and other difficulties, the rapid completion of the Blooming Mill was made possible by the devoted service of men like Balbir Singh. He and hundreds of other Indians, assisted by American and German technicians, worked round-the-clock on this major expansion project to produce more steel to strengthen India's economy.

TATA STEEL
ON TO TWO MILLION TONS



The Tata Iron and Steel Company Limited



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MORE ABOUT U.K.-HONG KONG TEXTILE PACT

QUITE A FAVOURABLE DEAL TO THE COLONY

AS readers are aware, a reference was made in these columns last week to the agreement on the voluntary limitation of cotton cloth exports from Hong Kong to Britain signed between the textile interests of the two countries in Hong Kong on 30th December 1958. Since then, further details of this agreement have been made available at Manchester. These show a slight difference in the ceiling on exports of cotton piecegoods from Hong Kong to the United Kingdom. The ceiling on piecegoods is 115 million square yards and not 120 million square yards as reported last week. The ceilings on the other two types remain unchanged, so that the total which Hong Kong can export is 164 million square yards per annum, instead of 169 million yards as was claimed by reports from Hong Kong last week.

The ceiling of 115 million square yards on piecegoods refers to cloth in loomstate. This ceiling, it is interesting to note, applies to cloth imported by Britain from Hong Kong for retention. The inclusion of words "for retention" raises the question whether cloth imported by Britain and re-exported after processing will be outside the ceiling. If so, Hong Kong has had a far more favourable deal than we had assumed last week.

The ceiling of 115 million square yards, under the agreement, is for each year of the three-year period, namely, 1959, 1960 and 1961. If the ceiling is not reached in any particular year, the shortfall can be carried forward for use within the first six months of the following year. In addition, a ceiling of three million square yards is to be applied specifically to yarn-dyed cloth and towelling exported in excess of four million yards. The ceiling for made-up goods and garments is set at 46 million square yards, but the quantity of cloth shipped to the U.K. can be varied within the limits of this ceiling, so that, if more garments are exported than the 46 million square yards limit, the quantity of grey cloth to be exported in the following year will be reduced by an equivalent quantity. This means that the ceiling for made-up goods is flexible. Further, the agreement excludes cotton yarns and threads, articles manufactured from cloth of U.K. origin, sacks and bags, stocking and socks, knitted underwear, outerwear and gloves, fabric gloves, plimsolls and canvas shoes. It also excludes any other manufactures of cotton which the Hong Kong Government specifies as not properly coming within the scope of the undertaking.

The agreement provides the opportunity for both sides to hold, during the period of the arrangement, negotiations to adjust the situation should major changes occur in the pattern of U.K. import trade in cotton textiles to the detriment of either the Hong Kong industry or the British industry. Further consultations can then be held at the request of either industry to consider whether any modifications to the undertaking are necessary. The Hong Kong Negotiating Committee, of course, reserves to itself the right to withdraw the undertaking, if the Hong Kong Government at any time decides that economic conditions in the Colony have deteriorated to such an extent as to justify the withdrawal.

The U.K.-Hong Kong textile pact has been generally welcomed in Britain. Lord Rochdale, Chairman of the Cotton Board, for instance, is very pleased that some agreement has been secured, though he recognises that the industry in Lancashire would have preferred lower figures than had been achieved. Expressing the hope that the Indian and Pakistan cotton industries would now ratify the agreements on similar lines reached in principle last year, he said that such a move "should bring stability to the home industry and enable traders to turn away from this problem and concentrate on other important matters such as re-equipment and the reorganisation of the structure of the industry." He added that the rapid increase of duty-free imports had been sufficient to put off any re-investment in the industry. Sir Cuthbert Clegg, Vice-President of the Cotton Manufacturers Association and leader of the Lancashire mission to Hong Kong, says that it had been imperative to get the arrangement fixed up in order to restore confidence in the Lancashire cotton industry. He feels that the agreement will have an important psychological effect both on the industry in the U.K. and on textile industries abroad.

From the aforesaid brief account, it would appear that the U.K. cotton textile interests will, in the course of their talks with their Indian and Pakistan counterparts, insist on adherence to the agreement provisionally negotiated which envisages a ceiling of 140 million square yards and 30 million square yards, respectively, as against the total ceiling of 164 million square yards fixed for Hong Kong. How the proposed ceilings on exports of cotton piecegoods from India, Pakistan and Hong Kong compare with the actual imports into Britain during the last four years is indicated in the following table:

(In million square yards)

	Ceiling	1958*	1957	1956	1955
Hong Kong	164	106	75	58	51
India	140	124	186	133	136
Pakistan	30	1	6	6	N.A.
Japan	..	43	58	32	64
China	..	36	28	9	5
Others	..	51	64	69	43
Total ..	..	361	417	307	299

* Based on the trend during the first nine months.
N. A. Not available.

It will be seen from the foregoing figures that the ceiling for exports of piecegoods from Hong Kong and Pakistan are very much higher than the actual exports during the year 1957, while, in the case of India, the proposed ceiling is lower by as much as 46 million yards. Now that the quota of a tiny island like Hong Kong is so generously fixed at 164 million yards, one wants to know whether the Indian millowners will come out with a plea for a corresponding upward revision in the ceiling on their exports. Many millowners would appear to feel that the ceiling figures for Hong Kong are much higher than that mentioned during the "understanding" reached between Indian and British textile interests in London. Stating that the Hong Kong industry's past performances of the last two years in regard to exports to the U.K. have not been taken into account, some characterise the agreement as "complete surrender" by the U.K.

The reaction of Pakistan millowners and Government spokesmen to the U.K.-Hong Kong textile agreement is one of mixed feeling. Thus, any limit on Pakistan's cloth exports is considered to be undesirable in that it would cut the country's foreign exchange earnings at a time when they are needed most, but the need for giving a helping hand to the Lancashire industry to tide over its crisis is accepted. Official sources are reported to have confirmed that Pakistan would agree to limit its textile exports to 30 million square yards annually and an arrangement to this effect is likely to be concluded shortly. The whole issue was discussed by the Pakistan Textile Millowners' Association

(Continued on page 86)

Limestone and dolomite from the dusty quarries of Katni, steel and pig iron from the roaring furnaces in Asansol and Jamshedpur, coal from the dark depths of the earth in Bihar . . . each year, from all over this vast land a stream of materials worth about Rs. 3 crores, pours into our shopping bag. Out flows from Texmaco's production lines another stream, a stream of finished products manufactured to international standards—sugar, cotton and jute mill machinery, rolling stock, industrial and locomotive boilers, hydraulic dam equipment and other steel structurals. Thus playing its part in the complex pattern of India's developing economy, Texmaco is linked with a multitude of other enterprises, large and small. As Texmaco grows so too the other industries prosper.

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REACTIONS TO ACCORD WITH HONG KONG

BREATHING SPACE FOR THREE YEARS

From A Special Correspondent

MANCHESTER LETTER

MANCHESTER, *6th January*

AFTER so many "inspired" statements indicating the details of the arrangement with Hong Kong on future imports of cotton goods, the release of the official document came as *something of an anti-climax.* There were no real surprises, except possibly the interchangeable limits between arrivals of grey cloth and garments from year to year.

Oddly enough, some commentators still persisted in describing the undertaking as "cuts" in Hong Kong's trade, whereas the reality is that, for three years at least, a limit of nearly 165 million square yards has been fixed, curbing any substantial increase in imports. Nor should the final paragraph of the undertaking be disregarded; this provides the Colony's negotiating committee with the right to withdraw from the scheme should the Hong Kong Government at any time decide that local economic conditions have deteriorated to such an extent as to justify this action.

From Lancashire's standpoint, the establishment of a ceiling offers a three-year breathing space, with the opportunity to get to grips with the main problems confronting the trade—obsolescence of existing machinery, the acknowledged excess of plant to cope with the smaller level of demand and the need for consolidation to re-establish the industry on a more limited but more effective basis.

A Voluntary Undertaking

Secrecy over the progress of the negotiations between Hong Kong and the British cotton industry, with conflicting rumours as to the exact nature of the ceilings proposed on exports from the Colony to this country, has persisted to the bitter end. The acceptance of a voluntary undertaking by the Hong Kong millowners to establish a limit on their shipments was worthy of the type of guarded welcome which Lord Rochdale accorded the decision, but, amid the mill towns of Lancashire, traders generally are cynically-minded enough to suggest that "the proof of the pudding is in the eating."

Throughout the discussions, Hong Kong has taken the lead in publicising, under a thin guise of anonymity, details of the basis on which the talks were proceeding. When it came to a final agreement, the story was put out for world consumption that Hong Kong had made substantial concessions to Lancashire. If the figures quoted by "a source close to the negotiations" can be accepted as a guide to the probable ceiling, it is extremely doubtful whether such a claim could be substantiated.

A limitation of grey cloth shipments to Britain at a rate of approximately 115,000,000 yards a year, without any ceiling on goods arriving for processing and re-export, would mean that Hong Kong would be free to raise its shipments to Britain by about 50 per cent. above the current level. Imports in 1958 were around 110,000,000 square yards, but, of this quantity, some 25 per cent. was for re-export. The current volume of retained imports at near 80,000,000 square yards can now apparently be raised to *115,000,000 square yards—some concession!*

Meanwhile, during the much-publicised negotiations with Hong Kong, there has been a tendency to forget that India and Pakistan are also deeply involved in this situation. Both these countries have agreed in principle to the suggestion of a limitation on their exports to the United Kingdom, but details have awaited the conclusion of the discussions with Hong Kong. *The latest developments may cause some* adjustment in the arrangements already tentatively agreed in Bombay and Karachi.

Cotton Mill Statements in 1958

Despite the uneven nature of trading in Lancashire throughout the past year and the inability of most firms in the cotton trade to secure fresh business, the results published by public companies have been reasonably well maintained. A fall in profits could hardly have been avoided in the circumstances, as the contraction of the industry has continued on such an obvious scale, but the accounts now being surveyed offer abundant evidence for the frequently expressed opinion that the financial position of most firms in the trade is strong enough to withstand at least temporary setbacks.

It should be emphasised, yet again, that the figures which follow are those announced during the past 12 months. They, therefore, include some firms the accounts of which are made up in the early part of the year, thus reflecting the more favourable trading which took place during 1957. At the same time, the reports from individual mills and some of the leading groups which have been released even in the past few weeks, thus covering most of 1958, have been by no means as disappointing as some observers might have led us to believe.

According to a special analysis, the average profit announced by 45 spinning mills during 1958 was £25,099 per company, as compared with an average of £26,245 for 51 firms in 1957 and £21,077 for 49 companies in 1956. The average dividend paid by 45 spinning mills last year was 18.51 per cent., as against 18.84 per cent. for 52 firms in 1957. The average profit of 19 concerns which combine spinning and weaving was £71,504 per company in 1958, as compared with £72,292 for the same companies in the previous year. The average dividend paid by these firms was 10.74 per cent., as against 11.37 per cent. For the whole of these 64 companies, the average profit was £38,876 in 1958, as against £41,029 for the same firms in 1957. The dividend for 64 firms was 16.23 per cent. on average, as against 16.63 per cent. Aggregate credit balances accumulated by these 64 firms, mainly engaged in spinning, but with some weaving capacity, now total £10,849,713, an average of £169,527. A year ago, 70 companies had credit balances amounting to £11,157,218, an average of £159,389. These figures in themselves illustrate the underlying strength of many concerns to hold out against difficult trading conditions for some time ahead.

It has been the practice in the past to comment on the tendency for those firms in the trade which are mainly dependent on weaving for their livelihood to display distinct weakness in profitability. During recent years, the earnings achieved by this section have dwindled and manufacturers have often been in an unenviable "squeeze" between the price arrangements adopted in the spinning and finishing branches. Latterly, a good deal of the burden caused by foreign cloth imports has been felt by weavers.

The latest analysis, however, indicates only a minor reduction in profits, which is in line with that incurred by the other sections. Average profits of 23 weaving concerns last year amounted to £25,015, as against £28,414 for the same firms in 1957. Dividends averaged 5.07 per cent., as against 7.00 per cent. Credit balances amounted on average to £99,966 per company, as against £103,369 a year previously.

Combines' Earnings Drop

As compared with the experience of some of the smaller individual units in the trade, the results returned by the larger combines during the past year show a wider disparity in earnings. Total profits of the 14 large groups and their subsidiaries announced during 1958 amounted to £3,300,026, as against £4,937,026 in 1957. The average profit was £235,716, as against £352,644 in 1957. The dividend distributed averaged 10.79 per cent., as against 12.72 per cent. in 1957.

Again, the tendency towards retaining substantial sums in credit balances to be carried forward is apparent. Aggregate credits maintained by these 14 groups amounted to £9,300,404, as against £9,052,067 in the previous year, an average of £664,315, as against £646,576.

Capital changes affecting cotton textile companies during the year were not extensive although repayments became more popular. In four cases scrip bonus issues were made, totalling £242,488, whereas in the previous year the bonuses amounted to £1,099,526, including one substantial issue by a large group. Capital repayments numbered eight, the firms concerned distributing £636,397 to shareholders, whereas in the previous year four companies had distributed £560,037 in this way.

The Cotton Board's quarterly statistical review, commenting on conditions in the third quarter of the year, reached the industry just before 1959 dawned. Cotton yarn production in the leading countries covered by the survey was 6 per cent. down on the same period in 1957 and world trade in cotton fabrics slumped by 18 per cent. The Cotton Board estimates that China shipped about 350,000,000 square yards of cotton cloth to overseas markets in 1957 and forecast that exports in the following year would be even larger. On this assumption, Chinese overseas trade is running at about the same level as British exports.

Lancashire yarn output in November was 17 per cent. below the same month in 1957, despite the fact that those spun from man-made fibres and mixtures were fractionally higher. Total cloth output in October was 18 per cent. down as compared with November 1957, the drop in cotton cloth output being 20 per cent.—*All Rights Reserved.*

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PROSPECTS FOR WORLD COTTON CONSUMPTION

DOWNWARD TREND EXPECTED TO PERSIST

THE first half of the current world cotton season (from 1st August 1958 to 31st July 1959) is drawing to a close and it looks as though the season will witness the continuation of the downward trend in consumption of cotton in the free world noted during 1957-58. The International Cotton Advisory Committee, Washington, estimates the total consumption at about 27.72 million bales, a decline of 750,000 bales (or more) as compared with 28.47 million bales consumed in 1957-58. The rate of decline is, of course, less than that in the previous season when it was of the order of over one million bales.

An interesting analysis of the prospects for cotton consumption in the free world during the 1958-59 season is contained in a recent issue of *Cotton*, the monthly review of the Committee. The analysis is based on the actual position during the first four months of the season.

According to the Committee, two influences which may have some bearing on the present situation, particularly with respect to the regional distribution of cotton consumption, are textile exports and competition from other fibres and materials. In the last three decades, cotton cloth exports have shrunk to the point where they now represent only 10 per cent. of total free world production and their importance as a factor determining total consumption has correspondingly diminished; the raw cotton equivalent of cotton cloth exports is currently between 2.5 and 3.0 million bales of raw cotton per annum. In 1957, textile exports increased signficantly, though still well under the post-war peak. Of the major exporting countries, the U.K., the cotton goods exports of which have declined every year since 1954, was the only exception. The increase in the cotton cloth exports of the free world during 1957 was equivalent to a little less than 300,000 bales, whereas aggregate consumption rose by over a million bales in that year.

Cloth and Yarn Exports

The aggregate free world exports of cotton cloth during the first half of 1958, as compared with the same period in 1957, was lower by about 16 per cent., representing a loss of more than 200,000 bales in raw cotton consumption, the fall in the total free world consumption being a million bales. Data on cotton yarn exports are incomplete, but the crop was probably of a similar magnitude to cotton cloth. The following table gives the actual shipments of cotton cloth and yarn from the major exporting countries during the first half of 1957 and 1958, as also in the whole of 1956 and 1957:

(In thousand metric tons)

	First half		1957	1956
	1958	1957		
Cloth—				
Japan	63.3	69.0	147.0	123.0
India	35.1	55.8	99.7	81.6
U.S.	32.3	34.4	65.5	60.6
U.K.	23.1	26.4	50.6	62.7
France	15.3	17.7	33.3	32.9
W. Germany	10.1	10.3	21.8	20.7
Netherlands	12.3	12.6	25.0	25.6
Belgium	17.5	22.1	22.4	22.2
Hong Kong	9.7	10.8	22.3	15.0
Others	24.0*	23.7*	47.4	48.5
Total free world	242.7*	282.8*	535.0	483.7
Yarn—				
Japan	6.7	7.9	14.6	12.4
India	1.8	2.0	7.6	5.5
U.S.	3.2	4.5	8.8	7.1
U.K.	6.6	9.1	17.1	16.2
France	1.8	2.2	3.8	4.3
W. Germany	1.0	1.4	3.3	2.0
Netherlands	3.3	3.4	6.1	6.6
Belgium	7.7	10.3	19.0	20.3
Hong Kong	6.7	8.4	15.0	14.0
Italy	6.2	6.0	12.5	10.7
Pakistan	7.6	11.9	18.3	12.6
Exypt	5.5	4.9	10.9	11.3
Others	6.0*	6.0*	12.0	10.1
Total free world	64.1*	76.0*	149.0	133.0

* Estimate only.

Although the importance of cotton textile exports in determining the aggregate level of cotton consumption has declined, fluctuations in the volume of textile trade, it is said, may sometimes be of overriding importance in certain countries. Evidence of this is provided by the inexorable contraction in textile exports—and consumption—in the U.K. since the first World War and, in more contemporary times, by the rehabilitation of the Japanese industry based, to a large extent, on the rapid rise in export trade in the early fifties, especially after the Korean war. Cotton has undoubtedly lost markets to rayon since the end of World War II, particularly in the industrial field. Nevertheless, there is nowadays increasing indication that rayon, in turn, may be more vulnerable to other fibres and materials, including cotton, in some countries. Referring to this, the Committee says:

"Certainly, the effects of the present recession in rayon production in many countries has been every bit as marked as on cotton. Even before this, statistics show some loss of momentum in the expansion of rayon production. Indeed, world production of rayon and acetate yarn has levelled off since 1955 and, in staple fibre, the increment to production in 1957 was noticeably smaller than in previous years."

It is estimated that, in the 17 countries which together account for nearly 70 per cent. of the world total, rayon production during the first half of 1958 was down by as much as 19 per cent. as compared with the same period in 1957. While the setback to production has brought about some improvement in the inventory situation, there are apprehensions over the competitive position of rayon, in view of the recent trend of raw cotton prices.

As regards non-cellulose fibres, the year 1957 witnessed a noticeable acceleration in the rate of increase in production and the capacity is expected to double in 1959. Even here, however, production in the U.S., which accounts for well over half the world total, showed a marked decline during the first half of 1958, despite stepping up of programmes for advertising and promotion. In Japan, the Tokyo Rayon Company has decided to cut nylon production by about 10 to 15 per cent. from October 1958 to March 1959.

Two Other Factors

In addition to textile exports and inter-fibre competition, short-term fluctuations in cotton consumption are closely associated with inventory policy (which, in turn, is related to price) and political factors. While on the former, the Committee points out that the build-up of cotton textile stocks contributed to the increase in world cotton consumption in 1957, but overproduction, once the climate of demand changed, intensified the degree of adjustment required to re-establish equilibrium. Political factors in the past have brought about marked fluctuations in cotton consumption. The speculation following the outbreak of hostilities in Korea, for instance, gave a decided fillip to cotton consumption in many countries, notably the U.S. Any estimate of world consumption during the current season must, therefore, be on the basic assumption that the international situation will preserve its *status quo*.

The review of the cotton consumption prospects in different countries, as made by the Committee, reveals that the recession in textile trade concerns primarily the older established industries in North America, Western Europe, India and Japan which together account for 80 per cent. of the total free world cotton consumption. Some improvement has been noted in the U.S. in recent weeks and official sources predict an increase, albeit small, in cotton supplies as compared with the last season's total of 8.0 million bales. At the consumer level, expenditure on apparel is said to be rising, but, at the manufacturing end, profit margins are still small, notwithstanding some recent increases in cloth prices. With prospects of lower cotton prices, policy is geared to reducing textile inventories.

Reports from Canada indicate an overall improvement in cotton textile industry which may be reflected in increased cotton consumption in the current season.

The position in Western Europe is that large stocks of yarn and cloth call for a continued readjustment in production schedules. Most countries anticipate a reduction of about 10 per cent. and, therefore, the prospects are that aggregate consumption will be off by over half a million bales.

The textile situation in India is described to be enigmatic. To quote the Committee: "All the facts seem to indicate that the recession continues; yet some sources look for an increase in cotton consumption this season. However, significance must be attached to the large-scale accumulation of cotton piecegoods in Bombay, Ahmedabad and other textile centres and rising production costs." It may be noted here that the total consumption of cotton (Indian and foreign) in mills during the three months ended October 1958 was only 1,270,633 bales of 392 lbs. each, as against 1,291,767 bales in the corresponding period of 1957.

In the case of Japan, the present restrictions on cotton yarn production are expected to continue through March. The policy thereafter will be influenced by the inventory position and the market trend, but trade sources believe that controls may be relaxed somewhat towards the end of the season. The domestic demand may improve, but, so far, there is little to show any revival in textile exports. On balance, cotton consumption is expected to decline by about 100,000 bales.

The consumption of cotton outside the aforesaid main regions, representing 20 per cent. of the free world total, is likely to be at least as high as in the last season with probable increases in some countries. Consumption in Hong Kong is still rising but has stabilised in Korea and Formosa.

In the opinion of the International Cotton Advisory Committee, immediate expansion in world cotton consumption will depend, to a large extent, on the development of export markets for cotton textiles. "One of the factors sustaining a high level of world consumption," the Committee says, "has been the marked increase in textile production in cotton-producing countries where, in the aggregate, consumption has doubled in the last ten years. To a large extent, however, these countries have now reached a degree of self-sufficiency compatible with their general economic development and, consequently, some slowing down in the rate of increase may be expected in the future."

Alluding to the communist countries, the Committee points out that aggregate cotton consumption in these countries has gone up by over 40 per cent. since the Korean crisis, as compared with only 11 per cent. for the rest of the world. The U.S.S.R., it is said, is making every effort to expand the textile industry. Cotton consumption in mainland China depends on domestic cotton crop and, with a record crop, the presumption is that consumption will be higher than in 1957-58 when it amounted to 6.7 million bales.

PROSPECTS FOR WOOL IN 1959

After passing through a difficult phase during 1958, there are encouraging signs that the world wool industry may experience better trade conditions during 1959, according to the International Wool Secretariat trade correspondent in Bradford. The most hopeful indication is that, in several of the chief manufacturing countries, the decline in the rate of wool consumption, which persisted during the greater part of the year, was arrested during the later months and, in some instances, reversed. Final figures for the year will not be available for some time, but the later months of 1958 revealed an upward turn in activity. This was especially true of the U.S., where the recession was the first to set in and wool usage has shown a particularly sharp decline. By October last, however, a sharp rise of 17 per cent. was recorded on the corresponding month of the previous year, and there is reason to believe that the improvement has been substantially maintained.

In a more modified form, the same trend was seen in the U.K. during October, and as the U.K. uses more wool than any other country and is the world's largest exporter of wool products, particular significance attaches to the experience of this country. West Germany and Italy are also showing better figures than a year earlier, although, among the principal manufacturing countries, signs of improvement are still awaited in France and Japan.

Although world consumption of wool has been running throughout the greater part of 1958 at an average level about 14 per cent. below that of the previous year, the offerings of Commonwealth wool which came on to the market last September have been moved with great freedom. As the second stage of the selling season is about to open, only normal quantities await disposal during the second half. Wool values have reflected the easier trend which has characterised most commodities but, at the outset of the New Year, they are considered to be at an attractive level and one calculated to encourage commercial operations. In most qualities, they are well below the average level for other commodities, and the relative stability which they have displayed at public auction in recent weeks is steadily promoting that confidence which is essential to sound business.

IMPORT OF TEXTILE MACHINERY

The State Trading Corporation has entered into special agreements with the manufacturers of textile machinery in Japan, the German Democratic Republic and Czechoslovakia for the supply of various types of textile machinery on deferred payment terms ranging between four and five years. The machinery and equipment covered by these agreements include weaving machinery, finishing machinery, blow room equipment, carding engines, drawing frames, combing sets, speed frames, ring frames, complete cotton waste spinning plant, winding and warping machines, sizing machines, automatic looms, etc. The imports will be subject to the Import Trade Control Regulations current from time to time. The supplies available from these countries through the agreements may cover bulk of the requirements of the textile mills which may require modernisation and rehabilitation in pursuance of the public notices issued by the Government of India on 31st October 1958 and 5th November 1958. For fuller particulars, the prospective importers may contact the Regional Manager, State Trading Corporation of India Ltd., 159, Churchgate Reclamation, Bombay-1.

SUGAR MILL MACHINERY MANUFACTURE

TWO CONSORTIUMS OF PRODUCERS TO BE FORMED

THE initiative taken by the Government of India for holding a conference at New Delhi last week to discuss the ways and means of expediting the manufacture of sugar mill machinery is commendable for two reasons. One, the sugar industry is on the threshold of a new era of expansion under the second and subsequent Five-year Plans and, unless energetic steps are taken to produce machinery from now alone, the pace of expansion is bound to slow down. Two, to the extent sugar mill machinery is manufactured in India, the dependence on foreign countries will be reduced and much precious foreign exchange saved; it may be noted here that the setting up of a sugar plant with a daily cane crushing capacity of, say, 1,000 tons, entails a foreign exchange expenditure of as much as Rs. 55 lakhs.

The New Delhi conference was held for three days (6th, 7th and 8th inst.) under the presidentship of Mr. Manubhai Shah, Union Minister for Industry. It was attended by the representatives of six sugar machinery manufacturers, the promoters of twelve sugar factories (eleven of which are co-operatives), the State Governments concerned, and the Central Ministries of Food and Agriculture, Community Development and Co-operation, and Commerce and Industry.

At the conference, agreed decisions were reached for the supply of twelve complete sugar plants for setting up new sugar factories, all but one in the co-operative sector. The plants will be manufactured by two sugar consortiums. The first will consist of the Walchandnagar Industries, the Textile Machinery Corporation, and the Indian Sugar and General Engineering Corporation. The second will consist of K.C.P. Ltd., Binny & Co., Ltd., and the New India Development Corporation. Of the twelve plants, four are expected to be delivered to four of the co-operative sugar factories during the crushing season 1960-61 and the eight remaining plants in the season following it (1961-62). All these twelve units will together produce about 160,000 tons of sugar per annum.

Sizable Indigenous Content

Of the twelve sugar plants, eleven will have a daily crushing capacity of about 1,000 tons to 1,200 tons each, with provision for expansion up to 1,500 tons. The remaining unit, belonging to the Bist Industrial Corporation, will have a capacity of 2,000 tons. The total value of the order for the machinery is estimated at Rs. 11 crores and it is said that the indigenous content of the machinery of each unit will be more than 75 per cent. The terms of the draft supply agreement, payment, delivery and performance guarantees have been finalised between the sugar co-operative societies and the machinery manufacturers.

As regards finance, each co-operative sugar society has agreed to collect funds up to Rs. 20 lakhs from the agriculturist shareholders, "as a mark of their greater contribution to co-operative effort." The balance of the amount is proposed to be raised as loans from the Industrial Finance Corporation of India and the State Apex Co-operative Banks and as share capital participation by the State Governments concerned. With a view to promoting the growth of co-operatives, the Central Government has decided to assist the societies, even in the present difficult foreign exchange situation, by a phased release of about Rs. 3 crores to Rs. 3.5 crores of exchange during the next four years. This amount will be utilised to import essential raw materials for fabricating the plants, as well as for such equipment as turbo-generators which are not yet manufactured in the country. Of the eleven co-operative sugar mills, four are being located in Andhra, two each in the Punjab and Bombay, and one each in Mysore, Orissa and Uttar Pradesh.

Explaining the decisions arrived at at the New Delhi conference, a Government of India Press note observes: "These decisions constitute a major step forward in the direction of heavy machinery in the country. . . . They will also enable the country for the first time to manufacture eight to twelve complete sugar plants every year, after the first order of twelve sugar mills is completed within the next two years. This will make India more or less self-sufficient in the field of sugar machinery manufacture."

The sugar mill plants include a wide range of machinery—(*a*) machinery for cane crushing section, (*b*) high-speed and/or continuous type centrifugals, and (*c*) machinery for clarification, evaporation, condensation, etc. At the commencement of the Second Plan, six firms were engaged in the manufacture of machinery falling under section (*c*). These were: Bery Brothers, 24-Parganas, West Bengal; Saran Engineering Co., Marhourah; Richardson and Cruddas, Bombay; Arthur Butler & Co., Muzaffarpur; Indian Sugar and General Engineering Corporation, Ambala, and Port Engineering Works, Calcutta. During the year 1955-56, the following applied for permission and were allowed to install factories for the manufacture of the entire range of sugar mill machinery:

Company	*Technical collaboration with*	*Capacity*
Walchandnagar Industries.	Skoda Works of Czechoslovakia.	One mill in 1957-58 and two per annum on double-shift basis thereafter.
Protos Engineering Co...	Buckau Wolf of Germany.	Two mills per annum on double-shift.
Texmaco	Storks Worspoor of Holland.	Two mills per annum.
Indian Sugar and General Engineering Corporation.	A. F. Galg & Co., Ltd. of Scotland and Eachr Wyas Ltd. of Zurich.	Two mills per annum on double-shift.

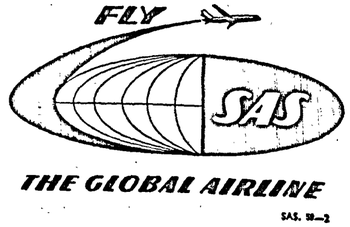
N.B.—In addition to the above, certain firms undertook to produce parts of sugar mill machinery.

Recent Progress

No information is available regarding the latest position of the sugar mill machinery manufacturing programme. The annual report of the Union Ministry of Commerce and Industry for 1957-58 gives an account of the progress made up to the end of 1957. According to the review, there was a considerable rise in the production of sugar mill machinery in 1957, the total value being estimated at Rs. 1,62,05,825, as against Rs. 32,06,125 in 1956. The number of units engaged in production was twelve, as against seven. By the end of 1957, a firm in Bombay (Walchandnagar Industries) had completed preliminary arrangements for taking up the assembly of a cane crushing plant, one of the major items of a sugar plant, in collaboration with a Czech firm. It was already producing other items of sugar machinery such as vacuum pans, evaporators and condensers. Another firm (Protos Engineering) had installed in its factory most of the plant and machinery required for the project. A firm in Madras was reported to have manufactured and despatched sugar machinery for four co-operative units in the Bombay State.

The importance attached to the manufacture of sugar mill machinery is only as it should be. On the basis of replacement requirements alone, the Planning Commission says that, after 1960-61, there would be need, annually, for the equivalent of five sugar plants with a daily cane crushing capacity of 1,000 tons each.

The expansion of the sugar industry under the second Plan involves an investment of Rs. 50 crores, covering expenditure on land, buildings, machinery, etc., over the five-year period. The demand for sugar machinery alone is put at Rs. 20 crores—Rs. 4 crores per annum—exclusive of electrical equipment, steam raising plants and the like. Assuming that the rate of expansion of sugar industry in the third Plan would be the same as that in the second Plan, the Planning Commission feels that there would *prima facie* be much scope for expansion of facilities for producing sugar mill machinery.



LABOUR WELFARE IN COAL MINES

PROGRESS OF HOUSING SLACK

WELFARE measures for coal miners in India began during the war years, as an exigency measure, in order to keep up the productive efficiency of the industry and the morale of workers. For this purpose, a labour welfare adviser was appointed in 1942 and a coal mines welfare fund was instituted in 1944. The welfare measures provided by the industry to its workers did not, however, cease even after the war-time exigencies. On the contrary, they were extended and the fund also grew within a short period, developing into a State organisation. In order to place the organisation on a sound footing, the Government of India passed, in 1947, the Coal Mines Labour Welfare Fund Act which came into force on 14th June 1957.

The Act provided for the setting up of a fund, called the Coal Mines Labour Housing and General Welfare Fund, to be maintained under two separate heads—the Housing Account and the General Welfare Account. The Fund is derived from the levy of an excise duty on coal and coke despatched from the collieries, at a rate of not less than As. 4 and not more than As. 8 per ton fixed by the Central Government. The present rate of duty is As. 6 per ton. At this rate and on the basis of the total despatches made during the year ended 31st March 1958, the total collections to the Fund during the year, according to the Coal Mines Labour Welfare Fund's annual report for 1957-53, are expected to amount to Rs. 138.59 lakhs (the figure is still provisional). The proceeds are distributed between the housing account and general welfare account in the ratio of 13 : 3. A sum of Rs. 12.53 lakhs is also expected to be credited to the Fund on account of other receipts, of which the receipts under housing account amount to Rs. 8.36 lakhs and those under general welfare account Rs. 4.16 lakhs. This brings the total collections credited to the Fund to Rs. 151.12 lakhs, made up of Rs. 26.64 lakhs under general welfare account and Rs. 124.48 lakhs under housing account. As against these, the total expenditure incurred during 1957-58 amount to no more than Rs. 60.39 lakhs—Rs. 57.55 lakhs on general welfare and Rs. 2.84 lakhs on housing. Since the inception of the Fund, the total receipts amount to Rs. 915.39 lakhs for the general welfare account and Rs. 510.15 lakhs for the housing account and the total expenses incurred on general welfare aggregate Rs. 596 lakhs and on housing Rs. 125.86 lakhs. The closing balance as at the end of the year in the general welfare account is Rs. 319.39 lakhs and that in the housing account Rs. 384.29 lakhs.

The receipts and expenditure under the two major group of welfare for the last five years are compared in the following table:

(In lakhs of rupees)

	General Welfare		Housing	
	Receipts	Expenditure	Receipts	Expenditure
1953-54 ..	111.12	45.81	33.61	7.62
1954-55 ..	71.50	57.15	25.35	11.43
1955-56 ..	103.90	56.83	34.53	9.64
1956-57 ..	92.92	58.52	27.48	3.25
1957-58 ..	26.64	57.55	124.48	2.84

Note.—Figure for 1957-58 are provisional.

The total receipts for the year under review show a rise of more than 25 per cent. over those for 1956-57 and are perhaps a record. On the other side of the account, the expenses have maintained a downward trend for the third year in succession.

The expenditure on medical facilities provided during the year amounted to Rs. 25.28 lakhs, as against Rs. 19.70 lakhs in 1956-57, on anti-malaria operations Rs. 6.27 lakhs (Rs. 5.96 lakhs), on adult education centres Rs. 2.71 lakhs (Rs. 2.19 lakhs) and on women welfare centres Rs. 3.12 lakhs (Rs. 2.56 lakhs).

Under the scheme of construction of experimental townships, the Coal Mines Labour Housing Board has so far constructed in all 1,566 houses at Bhuli, 48 at Bijoynagar, 219 at Bokaro, 180 at Kargali, 50 at Giridih, 50 at Bhurkunda and 40 at Kurasia. Out of the total number of 2,153 houses thus built under the township scheme, only 1,466 are occupied by coal miners, 445 are lying vacant and the rest are occupied by others. As this scheme did not prove a success, in view of the distance between the township and mines, a decentralised construction scheme was introduced. Under this scheme, the colliery owners were entitled to a subsidy of Rs. 600 per house which was later raised to 25

(*Continued on page 85*)

GUNNY STOCKS WITH MILLS MOUNT UP

HESSIANS, HOWEVER, SHOW A DECLINE

AN enlargement of 4,500 tons to 109,900 tons in stocks of gunnies with mills is disclosed by the statistics of jute goods relating to the month of December 1958. This increase is in distinct contrast with the successive declines noted in the previous five months, when stocks fell from a peak of 134,000 tons (as at the end of June 1958) to 105,400 tons (at the close of November). The rise in stocks has mainly occurred in sackings and miscellaneous constructions, which have gone up by 4,900 tons and 1,100 tons, respectively, over the month, while hessian stocks have actually declined by 1,500 tons.

The fall in stocks of hessian during December is on top of a small drop of 500 tons noted in the previous month and has taken them to the lowest level since November 1950, when a low of 13,500 tons in stocks of hessian was touched. In the absence of figures of production for the month under review at the time of writing, it is difficult to assign any precise reason for the sharp fall in stocks of hessian. It is, however, known that shipments of this variety of goods during the month have been substantially higher than in November. Over the year, stocks of hessian are lower by 9,400 tons and are 15,200 tons less than the year's (calendar year) peak of 31,000 tons touched at the end of June last. At level touched last month, hessian stocks constitute 14.4 per cent. of the total stocks, as against 33.6 per cent. at the end of 1957 and 23.1 per cent. as on 30th June 1958.

As stated already, stocks of sacking have recorded a rise of 4,900 tons to 80,400 tons, thus reversing the downward trend experienced in the previous four months. This is the sharpest increase noted in any month since June last, lifting the December-end stocks by 42,000 tons over the year. At 80,400 tons, the stocks of heavy goods constitute 73.2 per cent. of the total stocks, as against only 51.2 per cent. at the close of 1957. Even in June last, when stocks of all varieties were at a high of 134,000 tons, sackings accounted for only 65.6 per cent. of the total. In view of the growing proportion of heavy goods in stocks with mills for want of sufficient overseas inquiries, it is not surprising that sackings are very much depressed in the Calcutta market and mills are anxious to dispose of their stocks, with a view to cutting their losses. Notwithstanding the fixation of minimum prices by the I.J.M.A. some of the mills are reported to have sold last week sizable quantities of sacking at below the minimum prices.

The upward trend in stocks of miscellaneous goods has been maintained for the third month in succession with a rise of 1,100 tons to 13,700 tons, the highest level since June last.

The following comparative table shows the monthly variations in stocks of jute goods with mills during 1958 and the end-of-year (calendar year) variations during the last five years:

(In tons)

At the close of		Hessian	Sacking	Others	Total
January	1958 ..	29,700	53,700	13,200	96,600
February	,, ..	27,200	53,300	14,400	94,900
March	,, ..	24,300	54,800	15,000	94,300
April	,, ..	20,400	60,200	16,900	97,500
May	,, ..	25,000	71,800	15,300	112,100
June	,, ..	31,000	87,900	15,100	134,000
July	,, ..	19,900	89,600	12,400	121,900
August	,, ..	19,000	86,400	11,800	117,200
September	,, ..	17,000	80,200	11,800	109,000
October	,, ..	17,800	77,500	12,100	107,400
November	,, ..	17,300	75,500	12,600	105,400
December	,, ..	15,800	80,400	13,700	109,900
	1957 ..	25,200	38,400	11,400	75,000
	1956 ..	19,700	64,700	11,300	95,700
	1955 ..	23,500	34,400	5,600	63,500
	1954 ..	23,300	45,000	1,300	69,600

It will be noted with interest that, notwithstanding the fall during the five months July-November, the stocks at the end of 1958 represent an increase of 34,900 tons over those at the close of 1957. They are also at the highest level since 1952. The stocks of sacking (so far as calendar year-end is concerned) constitute a record since 1947.

While mills are burdened with such heavy stocks, the move to fix statutory minimum prices for exports is not a wise one. It is true that the bumper jute harvest during 1958-59 is encouraging overseas buyers of gunnies to stay out of the market and to look for lower and still lower prices. To fix floor prices and to hope for foreign consumers to come in for jute goods at those prices once their stocks get exhausted is not realistic. For the foreign buyer will know that the stocks of jute goods with mills are increasing and that some day they will get tired of sitting on these stocks. He will, therefore, buy only his minimum requirements till his hopes are realised. In a buyers' market, it is practically impossible for the seller to dictate his terms. It may be noted here that such tactics as those now advocated by the Government of India have not always yielded satisfactory or sustained results. Other countries have tried them, with the full support of the Government, with other commodities. But the ultimate result was failure. Only last week, we referred in our columns to the unsuccessful experiment of Brazil to hold the price of coffee at a particular level. There may be some chance of success if there is an understanding between all the producers of raw jute and jute goods in the world in regard to production and marketing. But, in the present political atmosphere between India and Pakistan, such a solution is unthinkable. The Government of India, however, can buy jute goods and exchange them with some of the South Asian countries and Australia for foodgrains required for building up a buffer stock. Such exchanges, however, will necessarily include an element of subsidy to the importing country. But the experiment is worth a trial.

GOOD OUTLOOK FOR BURLAP IN U.S.A.

The outlook for burlap as India's most important dollar earner is good for the current year in the American market, according to Mr. William A. Nugent, the acting representative in North America of the Indian Jute Mills' Association and Vice-President of the Burlap Council. The consumption of burlap in the U.S.A. for 1958, he added, should just about equal the 830 million yards consumed in 1957, in spite of industrial recession of the last year "which was an indication of the strong demand for the commodity as a heavy duty packing and industrial fabrics."

The Calcutta mills which supply about 25 per cent. of the U.S. burlap requirements are the backbone of India's foreign trade, since they account for 41 per cent. of India's dollar earnings and 20 per cent. of that country's total foreign exchange earnings.

(Concluded from next column)

show a rise from 220.72 million lbs. to 234.72 million lbs., but fall short of those (278.51 million lbs.) in the corresponding period of 1956, as the following table of exports of North Indian tea show:

(In million lbs.)

Countries	Eleven months ended November		
	1958	1957	1956
Britain	234.72	220.72	278.51
Irish Republic	13.84	14.45	13.16
Rest of Europe	6.29	4.96	10.48
U.S.S.R.	17.22	14.82	9.65
Turkey	6.82	6.12	5.23
Canada	10.79	9.62	13.68
U.S.	15.26	14.41	19.26
South America, Central America and West Indies	1.21	0.94	0.19
Iran	9.84	10.98	7.69
Persian Gulf and Iraq	5.74	5.23	7.05
Egypt	23.08	13.15	13.77
Other Middle Eastern Countries ..	14.66	4.08	6.40
Other places	1.58	2.02	5.09
Total ..	361.05	323.30	390.18

It will be noted from the table that exports to U.S.S.R. have maintained the upward trend and those to Egypt and Middle Eastern countries have actually recorded a sharp rise. Exports to the U.S. show a meagre rise.

Exports of South Indian tea for the ten months ended October 1958 amounted to 76.05 million lbs., as against 60.85 million lbs. and 65 million lbs. in the corresponding periods of 1957 and 1956. Exports to the U.K., which had shrunk from 41.87 million lbs. to 38.05 million lbs., have jumped up to 44.99 million lbs. Exports to the U.S.S.R. are higher at 3.17 million lbs., as compared with only 1.25 million lbs. in the corresponding period of 1957. There were no exports of South Indian tea to that country in 1956.

PEPPER EXPORTS

Exports of black pepper from India during the last season from November 1957 to October 1958 amounted to 2,61,336 cwts., as against 2,93,554 cwts., during the corresponding period of 1956-57, thus showing a decline of 32,218 cwts. This steep fall in export is mainly attributed to the smaller purchases by the U.S., the principal buyer of Indian pepper in recent years.

A county-wise analysis of exports reveals that U.S.S.R. was the largest buyer of Indian pepper having absorbed during the 12 months under review 93,370 cwts., or 35.73 per cent. of the total. The U.S. came next with an offtake of 62,515 cwts., which was 23.92 per cent. of the total. Italy came third with an import of 22,152 cwts., or 8.48 per cent. of the total. An important feature in the trend of export during the year was the increased demand from the Communist countries having purchased 127,258 cwts., that is, about 48 per cent. of the entire exports.

TEA PRICES STILL BELOW LAST YEAR'S LEVELS

LARGER WORLD SURPLUS

THE Calcutta tea market presented a cheerful tone last week, thanks to a substantial improvement in demand. Prices at export auctions, as well as in sales for internal consumption, staged a rise from those which prevailed at the closing auctions for 1958, though the increase was not marked. Notwithstanding the better trend at the opening sales of the year after the Christmas and New Year holidays, the prices fetched at the auction for export were still below those at the corresponding sale of 1958 and much less than those at the first sale of 1957, as will be seen from the following comparative table:

	Export auction held on		
	5-1-1959	6-1-1958	2-1-1957
	Rs.	Rs.	Rs.
Clean B.P.	2.00	2.30 to 2.35	2.34
Plain B.P.	1.54 to 1.60	1.58 to 1.62	2.25
,, Fannings	1.70 to 1.80	1.68 to 1.72	..
Medium B.P.	1.62 to 1.64	1.64 to 1.68	2.34
,, Fannings	1.80 to 1.90	1.78 to 1.82	..
Best Assam C.T.C. B.P.	2.25*	2.60 to 2.80	2.81 to 2.87
,, ,, Fannings	2.40*	2.50 to 2.60	..

* Nominal

The rise in prices at last week's internal auctions was, however, more marked and this has lifted the rates well above those a year before, but not to the levels of 1957, as is evident from the data given below:

	Internal sale held on		
	7-1-1959	7-1-1958	3-1-1957
	Rs.	Rs.	Rs.
Medium Dooars dust	1.70	1.60	2.00 to 2.03
,, Assam grainy dust ..	1.80 to 1.84	1.62 to 1.64	2.06 to 2.09
,, ,, C.T.C. dust ..	2.00 to 2.15	1.90	2.31 to 2.37
Best Assam C.T.C. dust	2.50 to 3.00*	2.50 to 2.80	2.55

* Nominal

It is stated that, at last week's export auctions, Egypt appeared as a prominent buyer and placed orders for about 10 million lbs. Russia, the U.K. and other countries were also said to have shown some interest. Some feel that the buying interest will be sustained for a few weeks more. It is, however, too early to place much hopes on this, though the Egyptian delegation which visited India recently and the Russian delegation which has completed a visit to this country have assured that there are possibilities of an expansion in their offtake of Indian tea. Any improvement in the outlook for Indian tea on this ground must be judged against the background of world production, which shows a rising trend.

The total output of North Indian tea up to the end of November 1958 aggregated 539.3 million lbs., an increase of 22.8 million lbs. over that (516.5 million lbs.) in the corresponding period of 1957 and was even a fraction better than the 1956 crop (up to November) of 538.6 million lbs. The South Indian crop up to the end of November amounted to 148.1 million lbs., as against 139.4 million lbs. and only 116.3 million lbs. in the corresponding periods of 1957 and 1956, respectively. Thus, the Indian output of tea alone has recorded a rise of 31.5 million lbs. upto the end of November. Pakistan's production during the same period is higher by about 7 million lbs. at 50.5 million million lbs. Ceylon's crop too (up to the end of October) has gone up by 7.8 million lbs. to 341.3 million lbs. Indonesia has more or less maintained its output (up to the end of September) at 73.6 million lbs., while British East Africa has raised its production by 2.9 million lbs. to 46 million lbs. during the same period. Thus, the total production of major tea-producing countries (on the basis of statistics available at the time of writing) is higher by 49.2 million lbs. In the face of such larger supply and substantially higher stocks in Britain, prices cannot be expected to go much higher than the present level.

The trend of exports during the past year has no doubt been encouraging as compared with 1957, though not with 1956. The exports of North Indian tea during the eleven months ended November 1958 aggregated 361.05 million lbs., representing an increase of 37.75 million lbs. over those in the corresponding period of 1957, but they are 29.13 million lbs. less than those in the first eleven months of 1956. Exports to Britain

(Continued in previous column)

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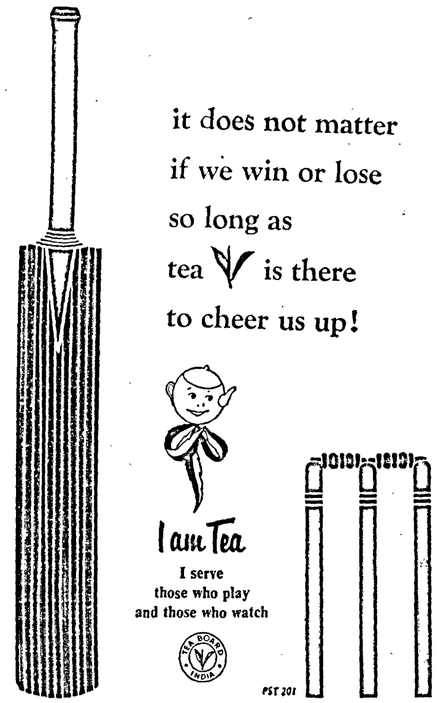

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INDIA'S FOREIGN TRADE IN 1958

DISQUIETING EXPORT AND IMPORT TRENDS

THANKS to the austere import policy in force in the last one year and more, India's unfavourable balance of trade in the nine-month period January-September 1958 has been of the value of only Rs. 146 crores, as against an adverse balance of Rs. 253 crores in the comparable nine-month period of 1957. This restrained adverse trend in the sector of foreign trade has been partly due to the steep reduction in imports of iron and steel, petroleum products and industrial raw materials. The commodity-wise statistics for the two comparable periods of 1957 and 1958 given in Table I show that the import trade in the former year amounted to an aggregate value of Rs. 745 crores and in the latter to Rs. 571 crores. On the other hand, the export trade (including re-exports) in 1957 was of the value of Rs. 491 crores, whereas in 1958 it was Rs. 425 crores. It would appear that there has been simultaneously a disquieting trend of a fall in the country's exports. If this fall in exports had not been there, the adverse balance of trade in the nine-month period of 1958 would have been substantially less than what it actually was.

Judging by the monthly averages of exports and imports in the January-September period of the year under review, it may be that 1958 (January to December) has closed with an aggregate adverse balance of trade amounting to about Rs. 200 crores, as against Rs. 383 crores for all the twelve months of 1957. It may be recalled, in this connection, that, in the twelve months of 1957, India's import trade amounted to a value of Rs. 1,026 crores, while her export trade (including re-exports) came to Rs. 643 crores. That the monthly average of adverse trade balance in the first nine months of 1958 has been just about half of the monthly average of adverse balance in the comparable period of 1957 may be deemed an encouraging factor in the situation.

Decline in Exports

But a closer look at the commodity-wise figures of exports and imports during the comparable nine-month periods of 1957 and 1958 would show some disquieting trends. To take export trade first. For example, sugar exports in the relevant period of 1957 were valued at Rs. 13.6 crores but they were only Rs. 1.8 crore in the relevant period of 1958; this, of course, was due to the steep fall in world sugar prices and the delay in the matter of evolving a suitable scheme of subsidised exports of Indian sugar. Exports of raw wool have also come down from Rs. 10.8 crores in 1957 to Rs. 7.4 crores in the year under review. Iron ore and scrap exports have come down from Rs. 11.9 crores to Rs. 9.3 crores, while exports of non-ferrous metal ores were valued at only Rs. 15.2 crores in 1958, as against Rs. 26.5 crores in 1957. Vegetable oils also have fared rather badly, with exports in 1958 being of the value of Rs. 6.4 crores, as against Rs. 10.2 crores in 1957, and leather exports have come down from Rs. 17.0 crores to Rs. 13.8 crores.

It is, however, in the matter of exports of standard cotton fabrics that the situation has deteriorated greatly, for, in 1958, they have amounted in value to Rs. 34.6 crores, whereas they represented Rs. 52.2 crores in 1957. The exports of made-up textile articles other than clothing have also come down from Rs. 46.5 crores to Rs. 36.5 crores in the current year. Of the chief foreign exchange earners, tea alone has more or less maintained its 1957 level of exports in the past year; the value of tea exports in 1957 was Rs. 85.2 crores, whereas in 1958 it has been Rs. 89.9 crores. The export of unmanufactured tobacco has increased to Rs. 13.8 crores in the past year from Rs. 10.9 crores in 1957. It would thus appear that barring these two export commodities, the important foreign exchange earners have performed badly in the first nine months of 1958; at this rate, it may be that 1958 (January to December) must have closed with a total export trade of the value of about Rs. 570 crores, as against Rs. 643 crores in the twelve months of 1957. The fall in export earnings during 1958 as compared with the last year's may, therefore, be broadly put down at about Rs. 75 crores.

Decline in Some Crucial Imports

On the import side, too, the trend has been disquieting in some lines, though the reduction (from Rs. 118.3 crores in 1957 to Rs. 68.3 crores in 1958) in the imports of iron and steel has been due to the fact that the larger part of the requirements of the three public sector iron and steel projects was imported in 1956 and 1957. Even after allowance is made for this fact in respect of iron and steel imports, it will be seen that the reduction in the imports of certain other crucial commodities—crucial to the maintenance of the level of industrial production in the country—has been rather substantial. For example, the imports of non-ferrous metals and scrap which come in the category of industrial raw materials have come down by Rs. 8.3 crores. The imports of raw cotton have come down from Rs. 43.7 crores in the relevant period of 1957 to Rs. 24.7 crores in the comparable period of the current year; there has also been a fall of Rs. 2.0 crores in the import value of raw jute. Similarly, imports of petroleum and petroleum products have come down from Rs. 75.5 crores to Rs. 53.6 crores in the first nine months of 1958. Imports of pulp for paper making, of crude minerals and of chemical elements and compounds have come down from Rs. 39.4 crores to Rs. 30.8 crores. Similarly, imports of dyeing, tanning and colouring materials have fallen by Rs. 4.2 crores. Imports of some metal manufactures probably constituting spares and stores have also come down substantially from Rs. 17.1 crores to Rs. 10.1 crores. The only redeeming trend has been in respect of imports of fertilisers which have been Rs. 6.3 crores in 1958, as against Rs. 2.7 crores in 1957; this should have been of some help in increasing agricultural production.

It would thus appear that the reduction in imports has been fairly substantial even in the matter of crucial raw materials and spares required for the maintenance of industrial production in the country. Although the index of value per unit of imports in general has come down from 98 in 1957 to round 94 in 1958 and, thus, there should have been a corresponding increase in the quantum of imports in the current year, the reduction in imports of industrial raw materials in terms of both quantity and value is still found to be substantial. The index of industrial production also shows that there is a *prima facie* correlation between the level of imports of raw materials and spares and the level of industrial production in the country. This correlation is seen in the moderate rise of the general index of industrial production from about 138 in 1957 to round 141 in 1958, as compared to the increase in 1957 of five points over the index for 1956. While indigenous availability of industrial raw materials may have increased to some extent, *prima facie* there is warrant for the inference that the reduced level of imports of raw materials and spares has meant a reduced rate of increase in industrial production in 1958 as compared with 1957.

Of course, this reduction in the imports of industrial raw materials has been accompanied by a substantial reduction in imports of consumer goods as well. The only exception is in the matter of foodgrain imports which in the first nine months of 1958 have increased by Rs. 33 crores over the comparable period of 1957. Of course, these foodgrain imports have been on commercial account; actually, imports have been much larger under the P.L. 480 agreement with the United States. Otherwise, there has been in the past year a substantial reduction in the imports of a wide range of consumer goods like condensed or dried milk, dairy products, fruits and edible nuts, medicines and pharmaceuticals, paper and paper board, standard textile fabrics other than cotton textiles, standard cotton fabrics, sanitary and other fittings, watches and clocks and some other manufactured articles. The aggregate reduction in the imports of these consumer goods in the past year, as compared with 1957, is of the order of Rs. 25 crores.

If imports of industrial raw materials and consumer goods have come down substantially, those of some items of machinery have also been less in 1958, as compared with the last. For example, imports of mining, construction and other industrial machinery have been Rs. 61.9 crores in the relevant period of the past year, as against Rs. 85.2 crores in the comparable period of 1957. Similarly, imports of road motor vehicles have also come down from Rs. 28.7 crores in 1957 to Rs. 14.7 crores in the year under review. But, by and large, all imports of machinery and transport equipment have been maintained at a fairly high level, although they have come down from Rs. 218.9 crores in 1957 to Rs. 181.1 crores in 1958.

Sterling Draw-down

The broad conclusion that emerges from this examination of the commodity-wise statistics of India's foreign trade in 1957 and 1958 is that the substantial reduction in the unfavourable balance of trade has been entirely due to the reduction in imports and not to any increase in exports. If anything, exports have declined in 1958 in terms of value and, to a somewhat lesser extent, in terms of quantity inasmuch as the index of value per unit of exports in general has come down from about 95 in 1957 to round 91 in 1958. It is, therefore, obvious that export promotion which may have any effect, if at all, only over the long-term has not produced any significant results, in the year under review at any rate. In the circumstances, the drain on the country's sterling balances has continued, though at a reduced rate as compared with 1957, taking that adverse trade balances have been largely responsible for the sterling draw-down. It may be noted, in this connection, that, according to the last Friday figures of 1956, the sterling balances were Rs. 529.9 crores, while, according to the last Friday figures of 1957, they were Rs. 297.6 crores; and that, according to the last Friday figures of September 1958, they were Rs. 183.9 crores.

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Trade With Commonwealth

Table II in this article gives the country-wise statistics of India's foreign trade. It will be seen from these figures that India's exports to the Commonwealth countries in the first nine months of 1958 have not declined too steeply as compared to the relevant period of 1957. The respective figures for the two comparable periods are Rs. 205.3 crores and Rs. 220.3 crores. Of the value of export trade to the Commonwealth countries, the United Kingdom has continued to account for more than 50 per cent. in the past year as in the previous. It is worthy of note, in this connection, that India's exports to the United Kingdom have been maintained at nearly the same level as in 1957. On the import side, imports from the Commonwealth countries have come down from Rs. 272.4 crores in 1957 to Rs. 202.9 crores in 1958. It is again worthy of note that the larger part of this reduction in imports from the Commonwealth countries has been due to the steep fall in imports from the United Kingdom. The only other Commonwealth countries to which India has exported merchandise at about the same level as in 1957 are Aden, Kuwait and Bahrein Islands, Pakistan, Malaya, Ceylon, Canada, New Zealand and Nigeria.

Trade With Non-Communist Countries

In Table II, the statistics pertaining to foreign countries have been divided into two sections, one dealing with non-Communist countries and the other with Communist countries. As far as the non-Communist foreign countries are concerned, it will be seen that India's exports (Rs. 188.5 crores) to them in the nine months of 1958 have been far less than her imports (Rs. 338.7 crores) from those countries. Of course, this situation is not so bad as in 1957, when India's imports from those countries amounted to Rs. 438.7 crores, as against her exports to them of Rs. 243.9 crores. Among the countries to which India has exported substantially less in 1958 than in 1957, the more important are the United States of America, France, Japan, Indonesia and Burma. Among the countries from which India has imported substantially less in the year under review than in 1957, the more important are West Germany, Sweden, Belgium, France, Switzerland, Italy, Iran, Japan, Egypt and the United States of America. Broadly, it will be seen from the figures pertaining to non-Communist foreign countries that India continues to run a very large adverse balance of trade with them, whereas she has now a small favourable balance of trade with the Commonwealth countries. It may be noted here that India's imports from the Commonwealth countries amounted to Rs. 203 crores in 1958 as against Rs. 205 crores of exports to them.

Trade With Communist Bloc

The statistics pertaining to Communist countries do not show any spectacular change in 1958 as compared to 1957. In 1957, the U.S.S.R. accounted for more than 50 per cent. of the entire export trade of India to the Communist bloc countries; in 1958 also she has continued to account for more than 50 per cent. of India's export trade to them. On the import side, again, the U.S.S.R. has accounted for more than 50 per cent. of imports from the Communist bloc countries in 1958, as in 1957. India's trade with People's China has been second in order of importance, but in absolute terms it is nothing very substantial. It will be seen from the figures that, with some Communist countries, like East Germany, Hungary, Bulgaria, Rumania and North Viet Nam, India's export and import trade is by no means of very great significance.

In spite of the efforts made by the State Trading Corporation in the matter of exports to and imports from the Communist bloc countries on the basis of special trade agreements and rupee payment arrangements, it is, indeed, surprising that the aggregate trade with those countries has not substantially increased. As a matter of fact, India's exports to those countries have been of the order of Rs. 24.8 crores in the nine-month period of 1958, as against Rs. 23.8 crores in the comparable period of 1957. On the import side, it does not look as though the Communist bloc countries have stepped in to supply industrial raw materials, because the total imports from those countries in the nine-month period of 1958, have been only Rs. 29.7 crores, as against Rs. 33.5 crores in the comparable period of 1957. The only striking feature is that India's exports to and imports from the Communist bloc countries are much better balanced than her trade with many non-Communist countries. But the more significant fact is that India's trade (exports and imports) with the Communist countries continues to represent only a small part (5.5 per cent. in 1958, as against 4.7 per cent. in 1957) of its entire foreign trade.

TABLE I

India's Foreign Trade

(Commoditywise statistics)

(In lakhs of rupees)

Commodities	Exports		Imports	
	January to Sept., 1957	January to Sept., 1958	January to Sept., 1957	January to Sept., 1958
I. Food, Beverages, Tobacco				
Condensed or dried milk and cream	..	..	482	361
Live animals for food, meat and meat preparations, and dairy products other than above	60	86	312	90
Fish and fish preparations	345	408	178	139
Wheat	..	..	1,500	2,797
Rice	..	3	811	2,814
Other cereals and cereal preparations	6	10	198	85
Fresh fruits and vegetables and nuts other than oil nuts	1,324	1,391	1,223	927
Dried fruits	13	13	251	221
Preserved fruits and vegetables and preparations	33	72	11	1
Sugar	1,360	176	87	1
Coffee	601	515	2	..
Tea	8,519	8,994	14	6
Spices	673	652	2	247
Animal feed	100	472	2	..
Other food products	7	12	67	22
Alcoholic beverages	..	..	75	41
Tobacco, unmanufactured	1,086	1,383	85	133
Tobacco manufactures	86	105	12	3
Total I	14,235	14,292	5,533	7,840
II. Inedible Crude Materials Except Fuels				
Hides and skins	577	524	101	97
Oilseeds, oil nuts and oil kernels	13	17	952	796
Crude rubber	1	..	346	304
Wood, lumber, etc.	136	128	202	173
Pulp and waste paper	..	..	376	262
Silk	27	10	53	17
Wool	1,077	738	992	899
Cotton	1,668	1,676	4,399	2,467
Jute	9	..	489	290
Other vegetable fibres	225	170	70	50
Synthetic fibres	10	8	188	7
Textile wastes and rags	60	14	..	..
Crude fertilisers	26	13	107	111
Other crude *minerals* except coal, petroleum and precious stones	891	857	563	410
Iron ore	959	830	4	2
Iron and steel scrap	234	101	58	9
Non-ferrous metal ores	2,649	1,518	18	34
Non-ferrous metal scrap	16	5	195	70
Crude animal materials	361	295	39	9
Crude vegetable materials	1,120	1,017	200	201
Total II	10,059	7,921	9,382	6,217
III. Mineral Fuels, Lubricants, etc.				
Coal, coke, etc.	430	418	4	8
Crude petroleum	..	..	1,051	1,216
Petroleum products	487	387	5,900	4,141
Total III	917	805	7,555	5,360
IV. *Animal* and Vegetable Oils and Fats				
Animal oils	..	1	48	30
Vegetable oils	1,020	644	417	828
Processed oils and fats	101	48	9	9
Total IV	1,121	693	474	867
V. Chemicals				
Chemical elements and compounds	52	43	2,344	2,002
Coal-tar dyestuffs and indigo	3	1	896	606
Dyeing and tanning materials	18	14	81	83
Paints and varnishes	10	9	133	801
Medicines and pharmaceuticals	76	62	1,291	67
Essential oils and perfumes	203	156	105	16
Cosmetics and soaps	27	24	82	633
Fertilisers, manufactured	..	..	271	216
Explosives	..	..	196	410
Miscellaneous chemicals	22	13	653	..
Total V	411	322	6,052	4,790

TABLE I—*Contd.*

(In lakhs of rupees)

Commodities	Exports		Imports	
	January to Sept., 1957	January to Sept., 1958	January to Sept., 1957	January to Sept., 1958
VI. Manufactured Goods				
Leather	1,698	1,379	11	5
Leather manufactures	14	9	64	27
Rubber manufactures	9	18	235	164
Wood and cork manufactures except furniture	21	10	92	43
Paper and paperboard	56	59	1,002	574
Paper and paperboard articles	12	5	38	16
Textile yarn and thread	686	751	1,495	907
Standard cotton fabrics	5,224	3,459	197	75
Standard textile fabrics other than standard cotton fabrics	4,763	4,864	195	100
Lace, ribbons, etc.	75	60	18	9
Special textile fabrics	99	104	87	50
Made-up textile articles other than clothing	4,647	3,648	20	9
Floor coverings and tapestries	672	646	2	1
Lime, cement, etc.	41	28	242	79
Clay and refractory construction materials	31	26	293	205
Glass and glassware	19	15	142	46
Pottery	1	1	11	3
Other mineral manufactures	86	67	185	124
Silver and platinum	..	..	11	3
Precious stones, pearls, etc.	28	20	72	48
Jewellery and ornaments	120	70	9	4
Iron and steel	11	82	11,833	6,834
Copper	3	3	1,485	1,081
Nickel	..	..	49	50
Aluminium	2	1	605	382
Lead	2	..	104	167
Zinc	2	1	530	478
Tin	1	..	379	333
Miscellaneous non-ferrous metals	..	..	37	32
Ordnance	..	..	94	7
Other metal manufactures	124	90	1,711	1,056
Total VI	18,453	16,567	21,308	12,922
VII. Machinery and Transport Equipment				
Power generating machinery except electric	8	10	1,764	1,621
Agricultural machinery and implements	2	1	44	51
Tractors other than steam	1	..	379	289
Office machinery	1	..	207	70
Metal working machinery	2	1	1,273	1,099
Mining, construction and other industrial machinery	59	63	8,523	6,188
Electric machinery and appliances	41	38	4,298	3,783
Railway vehicles	..	..	2,055	2,063
Road motor vehicles	13	7	2,871	1,465
Other road vehicles	2	2	258	111
Aircraft	20	6	210	444
Ships and boats	2	1	11	24
Total VII	151	129	21,893	18,108
VIII. Miscellaneous Manufactured Goods				
Sanitary and other fittings	10	7	179	46
Furniture and fixtures	26	31	10	3
Travel goods, handbags, etc.	54	39	2	1
Clothing	108	83	20	4
Footwear	230	178	1	..
Scientific and medical instruments	5	3	461	404
Photographic and cinematographic supplies	1	..	313	212
Exposed cinematographic films	81	71	32	26
Watches and clocks	..	..	274	29
Musical instruments, etc.	12	10	54	18
Printed matter	90	65	126	132
Other manufactured articles	186	170	297	187
Total VIII	803	657	1,769	1,062
IX. Miscellaneous Transactions and Commodities				
Postal packages	74	362	223	137
Live animals, not for food	88	59	10	2
Returned goods and special transactions	2,492	71	261	332
Total IX	2,654	492	494	471
Grand Total	48,803	41,877	74,458	57,137
Re-exports	328	647	..	..

TABLE II

India's Foreign Trade

(Countrywise statistics)

(In crores of rupees)

Countries	Exports		Imports	
	January to Sept., 1957	January to Sept., 1958	January to Sept., 1957	January to Sept., 1958
I. Commonwealth Countries				
United Kingdom	119.24	115.37	177.82	121.49
Other Commonwealth countries in Europe	0.05	0.08	..	..
Aden	5.19	4.69	0.62	0.46
Kuwait and Bahrein Islands	4.38	4.61	12.62	8.04
Pakistan	4.84	5.46	0.47	4.93
Ceylon	11.90	12.79	4.39	3.06
Singapore	7.48	5.44	10.31	6.93
Malaya	3.42	3.65	11.18	8.21
Hong Kong	4.46	3.23	0.99	0.54
Other Commonwealth countries in Asia	1.38	1.05	1.35	0.49
Ghana	1.80	0.07	0.02	0.11
Nigeria	5.17	5.66	..	0.34
Rhodesia	1.74	0.72	6.05	6.98
Zanzibar and Pemba	0.52	0.26	1.70	2.08
Kenya	5.73	3.35	7.54	8.37
Tanganyika	2.90	1.89	2.38	1.81
Other Commonwealth countries in Africa	3.05	2.44	1.69	2.53
Canada	11.21	11.15	10.87	13.23
Other Commonwealth countries in America	1.27	0.97	..	0.03
Australia	19.64	16.15	11.41	12.39
New Zealand	4.90	4.85	1.93	0.92
Other Commonwealth countries in Oceania	0.51	0.72	0.05	..
Total I	220.26	205.30	272.39	202.94
II. Foreign Countries (Non-Communist)				
Finland	0.17	0.19	2.42	1.53
Sweden	1.08	1.07	9.98	6.82
Norway	0.49	0.95	3.62	2.79
Irish Republic	2.47	3.05	0.09	..
Denmark	1.43	1.46	3.22	1.80
West Germany	12.71	11.28	86.31	70.12
Netherlands	7.37	5.08	9.98	7.05
Belgium	4.93	3.55	17.48	11.52
France	8.91	5.56	17.12	10.08
Switzerland	0.87	0.53	13.75	6.98
Italy	5.67	4.12	21.85	17.53
Austria	0.20	0.14	3.09	1.40
Turkey	2.41	1.80	0.04	..
Other Non-Communist countries in Europe	0.84	1.22	2.58	1.25
Syria	1.13	1.54	0.01	0.01
Saudi Arabia	3.84	3.02	9.61	13.77
Iraq	2.64	1.18	1.00	0.74
Iran	4.08	3.53	38.28	22.88
Afghanistan	1.19	2.22	3.03	2.92
Burma	12.41	5.06	9.31	23.78
Indonesia	4.24	1.73	2.37	1.82
Thailand	2.68	1.70	0.50	0.26
South Viet Nam	0.72	1.42	..	0.22
Cambodia	0.76	0.52	..	..
Philippines	1.00	0.58	0.16	0.16
Japan	23.51	20.46	41.55	26.86
Other Non-Communist countries in Asia	1.70	0.71	0.90	0.90
Egypt	7.55	7.03	9.40	4.31
Sudan	7.89	8.33	8.06	6.10
Belgian Congo	0.15	0.11	1.53	1.15
Mozambique	0.62	0.63	5.60	4.98
Ethiopia	3.04	1.60	0.01	..
Other countries in Africa	2.89	2.53	0.22	0.29
United States of America	93.47	72.08	113.12	82.56
Cuba	4.59	3.60	0.17	..
Uruguay	1.21	0.55	0.10	..
Argentina	8.68	7.51	0.05	0.02
Chile	0.55	0.78	0.41	0.17
Peru	1.09	0.73	1.40	0.05
Other countries in America	1.73	1.32	1.04	0.89
Countries in Oceania	0.04	0.02	0.41	..
Total II	243.94	188.49	438.67	338.66
III. Foreign Countries (Communist)				
U.S.S.R.	13.15	16.07	18.28	16.25
Poland	1.05	0.83	4.34	0.90
East Germany	0.58	0.62	0.57	0.70
Hungary	0.24	0.47	0.58	0.47
Czechoslovakia	3.37	2.71	4.55	4.95
Yugoslavia	0.40	0.72	1.47	1.73
Bulgaria	0.01	0.09	0.05	0.07
Rumania	0.47	0.51	0.22	0.25
North Viet Nam	0.23	0.30	..	1.00
China	4.34	2.48	3.35	3.42
Total III	23.84	24.80	33.52	29.74
Grand Total (rounded off)	488	419	745	571

ECONOMIC TRENDS IN CANADA

PACE OF ACTIVITY REMARKABLY STRONG

By Gordon Churchill

CANADIAN MINISTER OF TRADE AND COMMERCE

THERE are many signs of renewed economic growth in the Free World and particularly in North America. At different stages within the past two years, most areas of the world have encountered some easing in the tempo of economic activity. This interruption was relatively more pronounced in the United States than elsewhere. Business conditions in that country underwent a relatively sharp, but short, setback during the period from late summer 1957 to the spring of 1958. Although the subsequent recovery has been rapid, overall output for 1958 as a whole has been below the level of the preceding year. The adverse effects upon the rest of the world of reduced activity in the United States have been less consequential than might have been expected. During this period imports into the United States declined less than either exports or industrial production. Partly as a result of this decline in the trade balance of the United States and also reflecting the high level of foreign investment and aid, reserves of the non-dollar trading areas have increased substantially. Notwithstanding improved international liquidity, reduced activity in the United States and moderately lower factory output in a number of other industrial countries has been reflected in a decline in world trade from the 1957 level.

As a major supplier to the United States and other manufacturing countries, Canada could not escape the adverse effects of this world-wide decline in production. Material-producing industries in particular encountered a fall off in demand for their products. Nor were these effects confined to export shipments. They have also exerted a dampening influence upon business investment which has been accentuated because of the fact that much of the build-up in productive capacity in recent years has been concentrated in export-oriented industries.

Considering the severity of the impact of these adverse influences from abroad, the pace of economic activity in Canada has been remarkably strong. Weaknesses in some areas of demand have been offset by increasing strength in others and business conditions have in general remained favourable. The downward trend in overall production and employment in evidence in the closing months of 1957 was checked early in 1958. Despite Canada's sensitivity to world market influences, the extent of contraction in the Canadian economy was of much smaller dimensions than in the United States.

On the basis of nine-month figures, it now appears that Canada's Gross National Product for 1958 will exceed $32,000 million, 2 per cent above the figure for 1957. Prices on average have increased by almost the same percentage. Overall production in volume terms has equalled the level of the preceding year. Employment also has held up well and, by the last quarter, job-holders numbered about the same as a year ago. Industrial employment has been running moderately lower, but this has been offset by a further filling out in service occupations. The labour force has grown at a slower rate this year, reflecting a level of immigration less than half that of 1957. Unemployment has been higher, but the percentage increase from the same date a year ago has been narrowing sharply.

Foreign Trade

Despite conditions of ample supply in world commodity markets, Canada's sales abroad have not followed the downward trend of world trade at large. Total exports in 1958 have remained at about the same level as in the preceding year. Substantially increased sales have been achieved for several commodities. Prominent among these is wheat, exports of which reached 316 million bushels in the crop year 1957-58—up from 267 million bushels in the preceding year. Sales in commercial markets accounted for a good part of this increase. The improved protein quality of the 1957 and 1958 crops has been an important factor contributing to higher sales. Shipments made to Colombo Plan countries under long-term credit and aid arrangements have further added to the total movement. Barley also has been exported in larger quantities during the past year, most of the increase going to the United Kingdom. Canadian beef has been moving into the United States market in substantially increased volume to supplement drought-depleted supplies in that country. The annual export value of this item has surpassed the $100 million mark for the first time since 1950. Among Canada's newer exports, sales of uranium have risen more than twofold since last year to a figure well in excess of one-quarter billion dollars annually. With the delivery of natural gas through the West Coast transmission line, the export value of this item is fast approaching the $20-million level. Within the category of manufactured goods, deliveries of military aircraft to N.A.T.O. countries have added more than $100 million to exports during the past year. Among Canada's more traditional markets, sales of farm implements to the United States have been substantially higher during 1958. Increases in the value of exports of the foregoing items have roughly offset declines in a number of Canada's principal forest and mineral export commodities. On the whole, the reduction in exports of industrial materials has been relatively moderate when considered in relation to the decline in industrial activity in the United States.

Imports into Canada, on the basis of figures available to date, are about 10 per cent. lower in 1958 than in the preceding year. A more moderate pace of industrial activity in Canada and reduced outlays for plant and equipment have involved widespread declines in imports. Smaller outlays for industrial materials, machinery and related investment goods have accounted for most of the reduction in total purchasing from abroad. Some consumer goods imports have declined also, particularly cotton and woollen products and North American-type cars and parts.

A sustained level of merchandise exports, and lower imports, has entailed a substantial decline in Canada's merchandise deficit which for the first 10 months of the year stands at $242 million compared with $733 million for the same period in 1957. Most of this reduction has occurred in the commodity deficit with the United States which has declined from $983 million to $589 million. On the other hand, Canada's imbalance on non-merchandise items, such as tourist expenditures and interest and dividend payments, has been increasing. For the first nine months of 1958, Canada's deficit with the rest of the world on all current transactions amounted to $795 million, as compared with $1,150 million in the same period of the previous year.

Capital Investment

At mid-year, capital spending plans, both private and public, provided for outlays of $8.5 billion in 1958. Housebuilding as proceeded more rapidly than anticipated at that time. Capital expenditures of other types appear to have reached and possibly exceeded the level previously indicated. Overall capital outlays for the year may fall but little short of the record $8,700 million spent in 1957.

Though little changed in total, there has been a substantial shift in the composition of capital outlays in 1958. Much of the recent build-up in mineral and forest product industries had been completed by the end of 1957 and expenditure of this type has been down substantially. One the other hand, large outlays have been involved in the late construction stages of the St. Lawrence Seaway and the Trans-Canada gas pipeline system. Power development also has held close to the record pace of last year. Expansion in the fields of trade, finance, and other service industries has continued at an undiminished rate. At the same time, institutional and Government building has continued upward in response to the growing need for additional facilities.

Another factor having an important sustaining effect upon general activity during the past year has been the high level of consumer spending supported by rising personal incomes. Of the principal forms of income, social security payments and other types of Government transfers to individuals contributed more than any other category to the increase in current purchasing power. On the basis of nine-month figures, payments of this type have been running more than one-fifth higher this year compared with last. Farm income has shown a similar percentage gain mainly as a result of substantially larger livestock marketings. Certain categories of investment income also have increased quite sharply. The percentage rise in employee earnings, on the other hand, has been of more moderate proportions. Slightly lower employment, together with a moderating upward trend in wage rates, has resulted in a 2 per cent increase in labour income. Personal income, in total, increased by about 5 per cent between 1957 and 1958. Personal direct tax payments have been lower, so that income left at the disposal of individuals has risen by about 6 per cent. *Per capita* income in real terms has maintained an upward trend.

Consumer spending in 1958 has increased by about 4 per cent from the level of the previous year, reflecting mainly higher outlays for food and other soft goods, services, and certain durable lines. Of the major consumer items, automobiles is the only one to show a significant decline. While spending more, Canadians have also been saving more. As a proportion of disposable income, personal savings have increased from 7 per cent in 1957 to about 9 per cent in the current year, much of this in liquid form. This is one of the highest ratios on record for a peace-time year. The financial position of consumers, on average, has been strengthening while living standards have been maintained.

Industrial Conditions

The changing pattern of market demands during the past year has resulted in quite divergent conditions among Canadian industries. Many consumer lines, construction, and related material-producing industries have had a good year—in some cases a record one. On the other hand, most durable goods producers and export processing industries have experienced setbacks. In aggregate terms, shipments from domestic sources have declined less than imports, but, in some manufacturing lines, import competition has been felt keenly.

Among the consumer-based industries, the food-processing group has had an unusually busy year, as a result of rising domestic demand and increased marketings of livestock and other farm products. In the clothing and textile trades, a high level of purchasing at retail has been accompanied by a quite substantial drawing down of stocks, and output in the industry has declined temporarily. In the case of cotton and woollen fabrics, imports have shown about the same percentage fall as domestic shipments, indicating that most domestic producers have been holding their own against foreign competition. In synthetic lines, however, domestic manufacturers have witnessed a further diminution in their share of a somewhat smaller market. Leather goods manufacturers, on the other hand, have maintained a fairly steady volume of business. Automobile producers have been affected by a moderate decline in total sales in the Canadian market and also by quite substantial inroads on the part of European-type cars. In the first nine months of 1958, automobile and truck production fell off by about 18 per cent: however, output has picked up in the last quarter. Household appliance producers, on the other hand, have enjoyed a stronger market this year and in all major lines (except refrigerators) have held their own against foreign competition.

A number of Canada's principal material-producing industries have had a lower level of output in 1958 because of declining export demand. These include pulp and paper, nickel, asbestos, petroleum and iron ore. For certain other items such as copper, lead and zinc, output in tonnage terms has been maintained but lower prices have meant substantially reduced dollar sales and profits to producers. The market for lumber products on the other hand, has improved in 1958 mainly in response to the upsurge in domestic housing but also reflecting larger shipments to the United States. Some mineral industries also have done better. Gold production is up moderately. More natural gas has been needed to provide for expanding domestic and foreign outlets, and uranium output has moved up to the level provided for under-existing contractual arrangements. While the Canadian market has absorbed substantially less steel this year, most of this reduction has fallen on imports. Although operations in the primary iron and steel industry were affected for a time by a strike shut-down, otherwise the operating rate has been considerably higher in Canada than in the United States.

Prospects for 1959

Of the industries which had previously suffered a decline, most have experienced some degree of improvement by the year-end. In

(*Continued on page 85*)

THE ASSAM SILLIMANITE LIMITED

STEADY PROFIT MAINTAINED, LOSSES MADE UP

MR. S. M. WAHI ON NEW ERA OF PROSPERITY FOR COMPANY

ADDRESSING the shareholders at the Seventh Annual General Meeting of the Assam Sillimanite Ltd., held at Gauhati on 20th December 1958, Mr. S. M. Wahi, Chairman, said:

"Seven years have been a long waiting for this mining company and though during the last three years of operation a steady profit has been maintained, it has gone to make up the losses of the earlier years. It is gratifying to observe that the profit of Rs. 6,91,000 earned in the last three years has now wiped out the entire previous losses amounting to Rs. 6,80,021.1.11 and it has been possible to carry forward a net profit of Rs. 11,746.38 to the next year. A new era of prosperity for the Company seems to have dawned.

"The Directors' report and the balance-sheet along with the auditors' report have been with you for some time and, with your permission, I shall take them as read.

"With the mechanisation of the mine and replacement of the old fleet of transport vehicles with four-wheeler heavy duty diesel trucks, specially suited for hill-road conditions, the production and transportation have increased by 50 per cent., compared with last year and by almost 100 per cent. when compared with the year before last. The effect of mechanisation has not yet been fully reflected in production and sale, as all the equipment, which took some time to reach the site, and the new crusher, have only recently been installed. The limitation on production is presently being placed by the excessive amount of quarrying that has to be done and the large quantities of overburden that have to be removed, compared with earlier years.

"An appreciation of the work done since the mine has been mechanised would be revealed by the fact that over 5,901,064 c.ft. of overburden has been removed as against the total of 333,790 c.ft. during the first six years of operation. Such has been the magnitude of work done at the mine, that too under extremely hard conditions during the year.

Effective Steps

"Effective measures taken to maintain the quality of the material and considerable vigilance exercised in selecting and grading the material, have resulted in increased and growing demand for Khasi Sillimanite in newer markets, as also in attracting new customers in the existing markets. Even with the strong competition from Mullite and other such materials being marketed under the trade name of 'Sillimanite' the increased production of 5,495 tons and sale of 5,551 tons this year could not fulfil the market demands. The position is that we are left with pending orders for approximately 4,500 tons, valuing over Rs. 17.00 lakhs, which shall have to be executed in the next year. This situation and demand of nearly 10,000 tons has come about even after our accepting orders with much restrictions and only against confirmed letters of credit from new parties.

"Our intensive sales campaign in the overseas market is being maintained and consequently Khasi Sillimanite has continued, and would seem to continue to be, a good foreign exchange earner. The general recession in the United States, which affected European markets, did not, however, affect the price of and demand for our product overseas. The demand for sillimanite bricks and shapes from the ceramic industry and high temperature furnace manufacturers in most parts of Europe, has urged a lot of refractory plants to go in for use of Khasi Sillimanite as raw material.

"Japan, France and some of the South-East Asian markets, which had difficulties with their foreign exchange situation, still continue to import Khasi Sillimanite and pay for it at world market prices. These facts bring out two major points for our guidance. First, that Khasi Sillimanite will continue to be used, despite competition by substitutes, and recessions, and other factors; secondly, that we have to gear up our production to a yearly output of 10,000 tons, so as to be able to meet the minimum needs of our customers, both within the country and overseas.

"Excessive rain, sometimes heavy monsoons, continue for longer than four to five months and adversely affect our capacity. Besides, unexpected rain upsets the plans. The Company's road has again been redone and is constantly being maintained and improved. While this means a lot of investment and continued recurring cost, nevertheless this road, being the backbone of the entire operations at the mine, has to be kept in good shape; more so, as the road has been playing an important and useful role in linking some of the tribal areas with the rest of the country. No progress could be reported so far with regard to handing over this 22-mile stretch of road to the Government against the reimbursement of the cost incurred by the Company. The management is still pursuing the matter, as the reimbursement, when received, could be very usefully employed for the development plans of the Company, as enunciated in last year's report.

Development of Mine

"At the last annual general meeting, the position regarding the increase in export quota of Sillimanite and our request for the same was still resting with the Government of India. Since then we had a visit by the Joint Secretary in the Ministry of Natural Resources, Government of India, to examine on the spot, the possibilities of the development and potentialities of the mine. Subsequent to this visit, a confirmation was received from the Ministry that, subject to our agreeing to fulfil certain conditions, we would be permitted to export larger quantities. The Company has taken necessary steps to meet these requirements of the Government.

"One of the major conditions imposed, however, was that effective steps would be taken to establish a refractory plant in India. In this direction steps were taken to explore the possibility of establishing such an undertaking. The economic soundness of the project—linked with our mining operations—in the general context of the industrial development programme as envisaged in the core of the Plan of the country, has since been a matter of study and constant review by the Board of Directors. One of our Directors, who has been specifically working on this project, with a group of consultants and with technical assistance that was available through the refractory plant manufacturers in Europe, has drawn up a comprehensive project for submission to the Government of India as per requirement envisaged in the procedure for establishment of industrial undertakings.

"It is likely that the licence for the establishment of a refractory plant would be issued with an installed capacity of 40,000 tons approximately, as our Company is more or less following the suggestions and recommendations of the Government in this respect. This project is a large one, but a very sound one. It would involve a capital investment of Rs. 85 lakhs and, with an installed capacity of 40,000 tons, the annual production would be of the value of Rs. 70 lakhs of refractory bricks, which are, up till now, being imported from abroad.

"As a scheme of this magnitude could not be undertaken by the resources of this Company—both technical and financial—it is proposed to go in for financial and technical collaboration with some established and renowned refractory works in Europe, who have evinced interest in this undertaking and with whom negotiations are going on. A separate company for this undertaking may have to be promoted, while this Company may continue to provide the necessary minerals. Also the Company itself could consider increasing its capital structure, if the refractory plant project has to be implemented.

Meeting Demands

"To meet the demands from customers for raw materials for their refractory works, the Company has to look for raw materials like magnesite, kyanite, chrome and quartzite. If they wish to take advantage of the patronage they are getting from some of the world markets at present, it would be appropriate to undertake mining of some similar minerals required for refractory works.

"As has been mentioned in the Directors' report, Mr. C. F. Shaw-Hamilton is to leave India shortly and in the vacancy caused in the Board of Directors, Mr. P. G. Price, the General Manager of Messrs. Steel Brothers and Company, Ltd., who is also a Director of Messrs. Indo-Burma Petroleum Co. and Balmer Lawrie & Co., Ltd., has agreed to join the Board. His association would, no doubt, be found a great asset to the Company.

"Mr. Fakruddin Ali Ahmed, Bar-at-Law, was one of the Directors from the very inception of this Company. The Board of Directors had always been benefited by his advice and guidance from time to time. We are indeed sorry to have lost his valuable association, now that he has joined the Assam Government as Finance Minister, and has expressed his inability to continue on the Board. We wish him all success in his new assignment, as his work as the Finance Minister of the State of Assam is, surely, of great importance to the country. In his place, the Directors decided to co-opt Mr. Mahendra Mohan Choudhury, who was the Minister for Agriculture and Development of the Government of Assam, till he quit this office to take over the stewardship of the Congress organisation in the State. The Board expects the benefit of his advice and guidance from time to time, for the utilisation of the mineral resources of the State, for the economic development of the country and the local people.

"The Board appreciates the attention and co-operation the Company is getting from their Managing Agents, the United Provinces Commercial Corporation, in the development of the mine and progress of the Company.

"The Directors also wish to express their appreciation of the endeavours of the Mine Manager, who continues to look after the mine work in increasingly difficult and hard conditions. It specially commends the welfare work that has been done for the workers in this period by the Managing Agents and hopes that the hard work of all those deeply attached to their duty, would continue to be recognised and respected."

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SOME NEW YEAR THOUGHTS ON LIFE INSURANCE

SERVICES TO POLICYHOLDERS SHOULD BE IMPROVED

IT is symptomatic of the new age in which we live, with its nuclear power, jet airplanes and man-made satellites of the earth and the moon that the traditional practice of forming New Year resolutions seldom evokes the enthusiasm it used to do in the past. However, for life insurance men, more than to any other class of persons, a new year ought to signify the commencement of new business connections. Although life insurance is one of those contracts which literally last through one's life, and are thus among the long-term contracts which a man makes in his life, the fact remains that those who are actively engaged in the business of life insurance begin every year with a determination to exceed their previous best records. To them, every year is new; it is a period of immense, if uncertain, possibility.

A Duty

Life insurance salesmen and staff owe a duty to themselves, to the corporation under which they work and to the wider public they serve in order to help spread the gospel of insurance. This is by no means an easy task, considering that few countries in the world have attached less importance to the mundane things of life than India. Fortunately, the great traditions of salesmanship and service built up by the private insurers in the pre-nationalisation era do indeed stand the Corporation and its men in good stead. The point to be stressed in this country—or what the publicity experts would call the "selling" point—is that it is possible, nay desirable, for a person to combine a high sense of philosophical idealism with that sound sense of economic realism which life insurance policy signifies. From this point of view, it is worth recalling what that great European philosopher, Schopenhauer, had to say on the problems of life. Now, this philosopher who was as keen a student as an ardent admirer of the Indian philosophical lore in general, and the *Upanishads* in particular, deserves to be read with respect in this country. He said:

"In estimating the possibility of danger in connection with any undertaking an ordinary man will confine his inquiries to the kind of risk that has already attended such undertakings in the past, whereas a prudent person will look ahead and consider everything that might possibly happen in the future, having regard to a certain Spanish maxim... a thing may not happen in a year and yet may happen within two minutes.... What I mean is that a man should not hesitate about spending time, trouble and money, or giving up his comfort, or denying himself if he can thereby shut the door on the possibility of misfortune. The most terrible misfortunes are the most improbable and remote—the least likely to occur. The rule I am giving is best exemplified in the practice of insurance—a public sacrifice made on the altar of anxiety. Therefore, take out your policy of insurance!"

A Great Thinker

Here is an excellent exposition of the case for life insurance by a man who was at once a great thinker, a clear writer and a man of much profound insight into human nature. And Schopenhauer's wise counsel ought to provide the necessary corrective to a country like India, where misfortunes are attributed to the fury of a blind fate and people pin their faith to astrological prediction rather than the art of sane living. By relieving a man of all anxiety and releasing his mental energy for higher purposes, a policy of life insurance performs a service which no State with the best organised welfare organisation can render.

It must, however, be admitted that, if people ought to appreciate the role of life insurance in their lives, they should first be convinced that the authorities are really imbued with a high sense of their calling. The field force and the office staff of the Life Insurance Corporation will be judged by the degree of satisfaction which the policyholders, actual as well as potential, feel in their dealings with the Corporation. Hitherto, one has been treated to stories of their discontent, rather than to the solid record of L.I.C.'s work. It is time this was reversed, and ample evidence were given in order to show that the period of agitation has ended and the era of service begun.

Occasionally, one does come across letters to the Press from policyholders complaining of absence of prompt attention by the authorities. Even if one allows for the fact that some sensitive spirits suffer from an irrepressible desire to rush to the Press to ventilate their grievances, fancied or real, there is evidence to show that there is room for improvement in the Corporation's services. Again, no longer can deficiencies be attributed merely to the teething troubles of a nationalised enterprise. Further, it is no comfort to the public to know that it is a vast national enterprise, and not some private undertaking, that is the cause of inconvenient delays, any more than it is to a mother to be told that her child met with an accident, not from a nondescript public vehicle but from a royal carriage. Efficiency and service ought to be the hallmark of a nationalised institution, no less than they are the chief justification for any public undertaking. A re-dedication to these virtues deserves to form the content of insurance men's New Year resolution.

PROFITS COVER

A loss of plant and machinery by fire or any other cause of damage implies, as is well known, more than mere material damage. It involves the loss of profits for that enterprise. In many cases, the receipt of the amount for which the plant was insured is no guarantee that the enterprise will start functioning. There is often a considerable time-lag between the receipt of such money and the restarting of the enterprise. In several large undertakings, such time-lag could be considerable, in view of the fact that the necessary plant and machinery cannot always be obtained at short notice. Since this will necessarily involve considerable loss of profits, large industrial groups take out, besides a fire policy, a loss of profits insurance. Discussing the problems of "loss of profits" insurance, the insurance correspondent of the *London Financial Times* observes:

"The period of indemnity under the profits insurance needs to be sufficient to cover the largest possible interruption, for if the period runs out before turnover or trade has been fully restored, the continuing loss will fall upon the insured company.

"The linking of units in an industry means that a serious fire or explosion may affect the earning power of several units in the group. Sometimes there is merit in effecting the profits insurance to cover the whole group in a single policy, but this is not always necessarily an advantage.

"Where separate policies are maintained, the profits policy of a member of the group can be extended in such a way as to provide that the consequences of a fire at one or more of the other units in the group will be fully covered. The customer concern's policy can include loss caused at the supplier's factory, and the supplier can insure against a fire at the customer's premises.

"A careful examination of the relationships between the companies in a group will show to what extent damage at one premises could affect the business of other members, and profits insurances can be extended to include other premises wherever this seems necessary.

"To some extent grouping of companies may minimise the possible size of any profits loss. In the event of one premises being put out of action, the manufacture or trade might with advantage be transferred elsewhere. This can only be done, however, when there is unused capacity at the alternative premises, and if suitable additional labour is readily available there. In practice it is not usual to find that anything more than a moderate proportion of any loss can be avoided in this way.

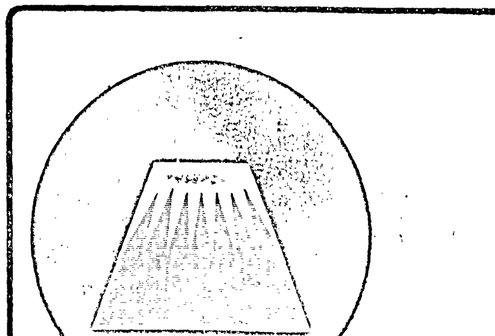
"Other extensions of profits policies too often overlook are those covering damage at premises of suppliers, sub-contractors and major customers not in any way allied to the concern insured. A component manufacturer the bulk of whose output is taken by one or two large customers would suffer severe loss if, though a fire at one of these customers' works, his products could not be absorbed. His profits policy can be extended to include this contingency.

"Profits policies can also be made to include the consequences of fire or other damage at public utilities supplying power or gas."

LIFE BUSINESS

The proposed and completed new life business, as on 22nd December 1958, by the Life Insurance Corporation, according to certain Press reports, are Rs. 310 crores and Rs. 227 crores, as compared with Rs. 275 crores and Rs. 215 crores on the corresponding date of 1957, and Rs. 314 crores and Rs. 277 crores respectively at the end of 1957.

According to the latest issue of the *Memento de l'Assureur Belge*, there were 546 insurers in Belgium in 1957—470 stock companies, 27 co-operatives, 24 mutuals and 25 others. According to their nationality, of 195 companies registered with head offices in Belgium, 108 were British, 78 French, 48 Holland, 22 Swiss, 12 Swedish, and the rest of different nationality.



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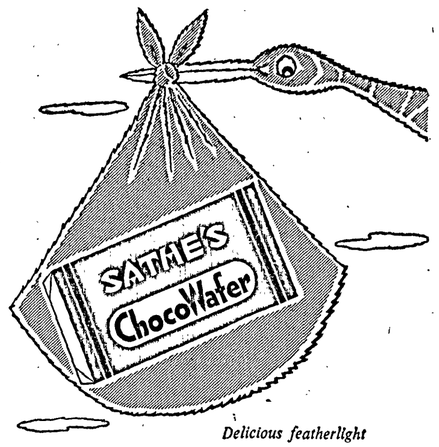

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ABUNDANT SUPPLIES OF NICKEL

BRIGHT PROSPECTS AHEAD

THE free world nickel industry witnessed some important changes in the calendar year 1958. Supplies were abundant. Indeed, the production capacity of nickel in the free world touched new heights. Dr. John Thompson, Chairman of the Board of the International Nickel Company of Canada, estimates, in the course of his comprehensive review of the developments in the sphere of nickel industry, free world production capacity at about 525,000,000 lbs., almost double the capacity existing prior to the Korean conflict. The free world consumption, however, not only failed to keep pace with production, but suffered a marked setback. In 1958, it is expected to have been between 325,000,000 lbs. and 335,000,000 lbs., as compared with about 415,000,000 lbs. in the previous year. This decline is attributed mainly to business recession in the U.S. and Canada which hit hard the production of durable goods, the major consumers of nickel.

It must have been a blessing in disguise, then, that actual production also lagged behind. Thanks to a fall in demand and a strike in September, the production of the International Nickel Company of Canada Limited, the major producing unit in the free world, declined to an annual rate of about 200,000,000 lbs., equal to about two-thirds of its capacity. In addition, production in Cuba also fell, owing primarily to lower demand and internal disorders in that country. In these circumstances, prices continued to be more or less stable during the year. The market price for electrolytically refined nickel remained throughout the year at 74 cents (U.S. currency), including 1½ cents U.S. import duty.

Although the demand for nickel fell short of supply during 1958, there are reasons to believe that it will soon pick up. This is so, because the U.S. is fast recovering from the recession and the nickel industry is making great strides to find new applications, in the field of both civilian and defence consumption. Dr. Thompson expresses the belief that the improvement in consumption, witnessed during the end of 1958, will continue in 1959 as well. He, however, emphasises the need for capturing new markets for nickel and observes:

"The nickel industry is entering into a period of vigorous competition. During the past period of nickel shortage, producers of competitive materials have naturally taken advantage of the fact that large quantities of nickel were required for defence production and were also put into Government stockpile. As a result, substantial inroads were made into traditional civilian markets for nickel. Now that nickel supplies are plentiful, both for defence and civilian purposes, the nickel industry must re-capture these markets and create new uses for nickel-containing products."

Future Consumption

The belief that consumption requirements in future are bound to go up can by no means be regarded as mere wishful thinking. The year just passed bears testimony to nickel's versatility. For, as Dr. Thompson himself has sought to stress, the abundance of supplies in 1958 also brought with it new applications and a restoration of older uses which had been in effect prior to the period of restricted civilian supplies.

Free world consumption by different industries, during the year under review, was as follows: stainless steels 28 per cent., engineering alloy steels 16 per cent., nickel speciality alloys 16 per cent., foundry products 15 per cent., electroplating 14 per cent., copper and aluminium base alloys 6 per cent. and miscellaneous 5 per cent.

Nickel is, thus, being put to a wide range of uses. Although the total production of stainless steel dropped substantially in 1958, the percentage of nickel-containing grades showed some increase relative to the total. It is to be noted that, in the U.K., Sweden and other European countries, productive capacity for stainless steel has increased. Dr. Thompson feels confident that, with a plentiful supply of nickel assured for the future, the use of nickel-containing stainless steels will continue to increase in all fields of application, particularly in those which for a period had remained either dormant or incompletely developed. Some of these fields, which are receiving the greatest attention from steel producers, are household products, automotive functional trim, and architectural applications including curtain-wall construction, all of which, according to him, show great progress and development potentials.

Free availability of nickel during the year under review made it possible for engineering alloy steel consumers to return to the higher nickel-containing types for established applications such as in automobiles, trucks, tractors, aircraft, military equipment, farm machinery and road-building and transportation equipment. The most important new applications were those involving heat-treated structural plates and shapes containing up to about 3 per cent. nickel for bridges, pressure vessels, and hulls for naval vessels.

Nickel and its alloys of copper and of chromium are increasingly employed in aircraft as also in the production of small gas turbines. Austenitic nickel cast irons, long-established for high temperature service, such as in diesel engine components, and for service under corrosive conditions in the chemical processing industry, are now made available in ductile forms, which are found useful in industry as a supplement to the heat and corrosion resistant steels used hitherto. There has also been an increased use of abrasion-resisting nickel-chromium cast irons for grinding and crushing. Among the countless other applications of nickel, mention may be made of its traditional use for coinage, which increased by 50 per cent. last year. Further, there are good potentialities for extending the application of nickel in such industries as nickel-cadmium storage battery.

Plans for Expansion

In the light of the scope for such an expanding market for nickel, it seems possible, as well as necessary, to develop the industry. It is gratifying to note that various schemes are under way, designed to raise progressively the existing free world annual nickel production capacity to about 550 million lbs. by 1959, 600 million lbs. by 1960 and 650 million lbs. by 1961. Giving a detailed account of the sources of increased supplies, Dr. Thompson says:

"A substantial part of the estimated increase in free world nickel production capacity by 1961 will be forthcoming from International Nickel's Thompson Mine in Manitoba which has been under development for two years. This project is scheduled to start its breaking-in period some time in the latter half of 1960. Full production at the annual rate of 75,000,000 lbs. will be reached as soon as possible after the end of the breaking-in period. At this rate, International Nickel's production capacity at its operations in Ontario and Manitoba will total 385,000,000 pounds per year.

"The Manitoba project will be the world's second largest source of nickel, exceeded only by the Company's operations in Sudbury District of Ontario which have an annual nickel production capacity of 310,000,000 pounds. This project is being financed from Company funds and without any Government guarantee of a market.

"The free world's total potential output in 1961 also includes from Canada that of Falconbridge Nickel Mines Limited and Sherritt Gordon Mines Limited. As a result of expansion programmes in which these companies have been engaged, their respective capacities will reportedly amount to 55,000,000 and 27,500,000 pounds per year. It has also been reported that the capacity of the United States Government-owned plant at Nicaro, Cuba, will be 54,000,000 pounds annually, and Freeport Sulphur Company has announced it will produce 50,000,000 pounds of nickel annually from its deposits at Moa Bay, Cuba. The capacity of producers in the United States is estimated at some 20,000,000 pounds of nickel, annually, orginating largely from the M. A. Hanna Company's deposit at Riddle, Oregon. According to published statements, the French nickel company, Societe Le Nickel, with mines on the island of New Caledonia, contemplates increasing its nickel output to some 50,000,000 pounds per year. In addition, there will be a relatively small output of nickel in Japan, which is also produced from New Caledonia ores."

The sustained growth and development of the industry depends to a large extent on the discovery of new applications of nickel. This is the only safeguard for ensuring to the industry strength and stability not only in the current year but also in the years to come.

JAPAN'S EXPORT PROMOTION

Japan has been making all-out efforts to boost its exports. One of them is the launching of a fresh international promotion campaign, jointly sponsored by the Japanese Government, semi-governmental and private organisations headed by the Japan Export Trade Promotion Agency (JETRO). This scheme lays particular emphasis on making the people conscious of the fact that trade supports the nation. The main objectives of the campaign are to educate people in the realisation that the nation exists by trading, to promote trade-consciousness at every level, to improve productivity in export industries and strengthen competitive ability through improving quality and design, to establish a broad and orderly system of trading by combining manufacturers, exporters and foreign dealers and to strengthen co-operation among official and private organisations for the promotion of trade. Behind the campaign is the belief that, in order to strengthen its ties with other countries of the world, it is necessary for Japan to expand its foreign trade.

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NEW PUBLICATIONS

Prosperity Through Competition. By Dr. Ludwig Erhard. Published by Messrs. Thames and Hudson, London. Price: 25s. net.

ALL those who are enthusiastic, if somewhat uncritical, supporters of a socialist economy for India will do well to peruse carefully the 258 pages of the book *Prosperity Through Competition*, written by that economist of world repute, Dr. Ludwig Erhard, Vice-Chancellor and Minister for Economic Affairs of the German Federal Republic. Such a perusal will clearly dispel the several wrong notions held by many politicians and economists. The core of Dr. Erhard's philosophy is simple and straightforward; it is as follows:

"The most successful means for the achievement and retention of prosperity is competition. Only by competition can an economy expand to serve all people, especially in their capacity as consumers, and dissolve all advantages that do not result directly from higher performance. Free competition thus leads to progress and profits for the whole of social order."

These are, indeed, wise words, coming as they do from a person who, in a world of inflationary troubles, has transformed the economy of West Germany into a most powerful and stable unit in just a decade's time. The achievement is very remarkable considering that conditions in West Germany were abnormal when Dr. Erhard took over the direction of its economic affairs at the beginning of 1948. When the country was in the grip of a severe inflation, Dr. Erhard came out with his decree to end rationing and price controls. He said then: "Turn the people and the money loose and they will make the country strong." He did prove correct. Thanks to the courageous principle and application of *die soziale Marktwirtschaft*—that is, social market economy—unemployment in W. Germany is now low and workers' real wages have gone up by 60 per cent. as compared with 1950. Germany is today the third largest producer of steel in the world and a major exporter of engineering, chemical and other allied products. Naturally enough, it was not surprising that the English edition of Dr. Erhard's book *Wohlstand für Alle* ran through six editions during the brief period of nine months after it first appeared early in 1957.

Dr. Erhard has described in his own inimitable style how he has attempted to apply, in practice, the principles of modern national economics, which all the countries of the West have evolved, with a view to overcoming the age-old antithesis of an unbridled liberalism and a soulless State control, to finding a sound middle way between out-and-out freedom and totalitarianism. The learned author begins his study with a brief note on what he calls the "Thread." The "Thread," to quote him, "is a desire, after years of effort, for increased general prosperity and, if the only possible path leading to this goal is through increased economic competition, then economic policy is bound, at the same time, to strengthen the many traditional basic human freedoms." He has rightly laid stress on the importance of giving "first consideration" to the freedom of every citizen to live his life according to his financial circumstances, personal desires and values. This basic principle of freedom for the consumer must logically be counterbalanced by freedom for the producer to make and sell what he believes to be marketable, that is, what he has found, after studying individual needs, to be essential and likely to succeed.

In the next five chapters, Dr. Erhard reviews the developments since the birth of the market economy. His review shows that the economic prosperity of West Germany has been achieved not through rigidity of planning but through a realistic economic policy free of ideological considerations. Any dispassionate student of economics will agree with Dr. Erhard when he says that "the yardstick and criterion of what is good or bad in economic policy are not dogmas or the points of view of pressure groups, but exclusively the human being, the consumer, the people; economic policy can only be regarded as good, if and as long as it is regarded simply as useful and welcomed by the individual."

Being a firm believer in the conception of social market economy, Dr. Erhard is naturally very outspoken in his views on cartels. A fairly big chapter is devoted to this subject. The author regards all attempts at forming cartels as a crime against the sanctity of life, the inner meaning of which is change, movement and progress and, therefore, cannot respond to the uncouth methods of planning regulations and stabilisation. Warning against the dangers of collective agreements gaining the upper hand in the camp of business men, he pertinently remarks that, much earlier than these business men would like to believe, the time will come for the question to be put politically: What defence is there for private ownership in production and what right has the business man to make economic decisions?

There is an interesting chapter entitled: "Does Prosperity Lead to Materialism?" Dr. Erhard is of the opinion that, only if consumption, including productive consumption, exercises a constant pressure on the economy will that force remain active which adopts itself in the sphere of production to increasing demand. Elucidating this view, he rightly observes: ".... the better we succeed in increasing prosperity, the rarer will be man's tendency to adopt a purely materialistic attitude towards life, because an increase in prosperity creates the ambient in which man is lifted from a purely primitive materialistic way of thinking."

Dr. Erhard has a few notable observations to make on Welfare State—"the modern delusion." He minces no words when he says that social policy must not damage national economic productivity even indirectly and run counter to the basic principles of the market economic order.

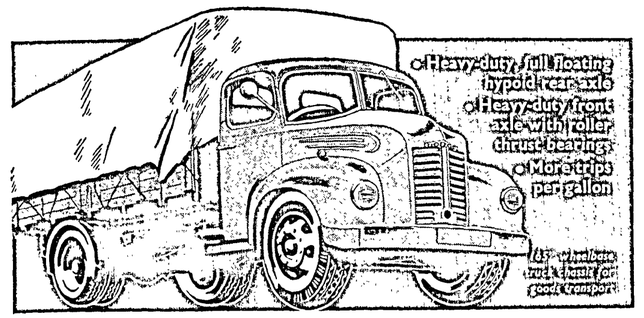
It must be said to the credit of Dr. Erhard that he thinks as an internationalist, and not merely as a German. Referring to some who regard a free economic policy as the sum of those measures which, in different ways, are expressed in bilateral agreements, dealing case by case, commodity by commodity and country by country, he declares that such a policy is almost undignified in its arbitrariness and lack of consistency and that it is not at all suited to the conduct of peaceful economic relations among the peoples and the countries of the free world. To quote him: "It can only be disturbing." It is here that Dr. Erhard considers the integration of Europe as being more necessary than ever before. The best kind of integration, in his view, depends not on the establishment of new offices and administrative procedures or a growing bureaucracy but on the "reconstruction of a free international order as best and most completely expressed in a free convertibility of the currency; convertibility of the currency, of course, includes complete freedom of movement of goods, services and capital."

In conclusion, Dr. Erhard has sought to remind his countrymen that they do not live alone in the world, but that their well-being depends both on the fitting of their country into the free world without tensions and on the friendship and confidence among the peoples.

Company Law and Problems of Corporate Enterprise. By F. R. Ginwalla. Published by Messrs. N. M. Tripathi Private Ltd., Princess Street, Bombay. Pages: 211. Price: Rs. 10.

Law is made for man and not man for law. Legislation in this country has come to a stage where every thinking man is bound to feel some concern over the complex nature of the growing body of laws. The Indian Companies Act of 1956 is a complex piece of legislation. It is a mass of sections and sub-sections. We have had in the space of ten years two expert committees to advise the Government on the subject. But both committees have failed to simplify the law and make it precise. The Bill to amend the Companies Act based on the Sastri Committee Report will be introduced in Parliament during

(Continued on page 83)



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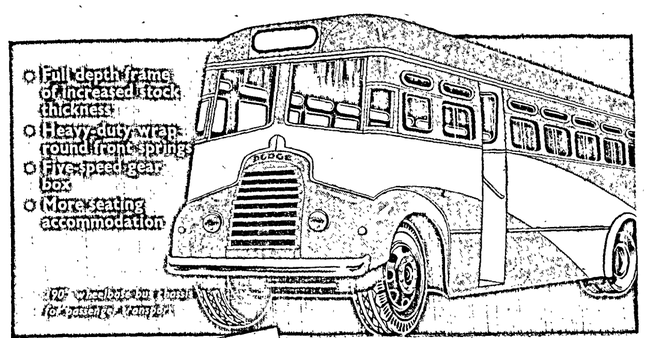

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MYSORE KIRLOSKAR'S PROGRESS STEADY

ADDITIONAL CAPITAL PROPOSED

YET one more year of highly encouraging working has been completed by the Mysore Kirloskar Ltd. (Managing Agents: Messrs. Kirloskar Associates, Yantrapur P.O., Harihar), the period referred to being the year ended 30th June 1958. The Company's sale proceeds made a substantial advance over those for the previous years which itself had witnessed a sizable growth. The gross profit, too, has recorded an impressive rise. The dividend to shareholders has also been increased to 7½ per cent., from 6 per cent., at which level it had remained steady for the preceding three years, after having been stepped up from 5 per cent. paid for 1953-54.

The gross profit for the year under review at Rs. 17.70 lakhs represents an increase of Rs. 5.49 lakhs or 45 per cent, from Rs. 12.21 lakhs for the previous year. It is twice as much as that for 1954-55 and a little more than that for 1955-56. Such a smart rise in gross profit reflects the growth of a young Company engaged in a key engineering industry and must not be misinterpreted as pointing to profiteering or anything of that sort.

In contrast to the sharp rise in gross profit, the net profit is up by only a meagre sum of Rs. 16,000 to Rs. 2.55 lakhs. This is because of the marked increase in the provision for depreciation from Rs. 6.01 lakhs to Rs. 10.15 lakhs, inclusive of Rs. 3.81 lakhs provided as development rebate. The provision for taxation also is higher at Rs. 3.61 lakhs, as against Rs. 3.15 lakhs. It includes Rs. 25,000 on account of wealth tax and another Rs. 16,442 towards wealth tax paid for 1955-56. The amount set aside to gratuity fund has been raised from Rs. 40,000 to Rs. 60,000 but nothing has been transferred to debts redemption fund which had been the recipient of Rs. 50,000 a year before. Instead, a smaller sum of Rs. 1,500 has been transferred to bad and doubtful debts reserve, as against *nil*. The dividend equalisation fund has been credited with Rs. 2,050 and this represents the surplus from the amount earmarked for dividend in the previous year.

The following comparative table provides an idea of the Company's progress in terms of financial results for the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Sale proceeds	86 62	54.43	44.59	
Other income	2 30	1.08	1.37	
Closing stock	18.67	21.20	19.41	N.A.
Expenses	68 69	45.09	44.92	
Gross profit	17.70	12.21	7.77	8.86
Managing Agents' remuneration	1.39	0.66	0.47	0.91
Provision for—				
Depreciation	10.15	6.01	4.33	4.30
Taxation	3.61	3.15	0.60	2.10
Net profit	2.55	2.39	2.37	1.55
Provisions written back ..	..	..	44.42	..
Adjustments relating to previous year	0.14	..	..	..
To reserves	0.61	0.90	45.41	0.25
To L. K. Kirloskar memorial ..	0.25	..	..	..
To dividend	1.87 (7½%)	1.42 (6%)	1.38 (6%)	1.35 (6%)
Carry forward .. .. Rs.	2,792	7,234	467	1,106

N. A.—Not Available.

As will be seen from the aforesaid table, sale proceeds have jumped up from Rs. 54 lakhs to Rs. 87 lakhs. Other income, too, has advanced notably. Closing stock is substantially lower, which is evidently due to good demand for the Company's products. A good part of the rise in sale proceeds apparently reflects the growth in production. But it would appear that the increase in expenses is more than proportionate to the expansion in business. This is evident from the ratio of expenses to the total of sale proceeds and closing stock. This ratio has risen from 59.5 in 1956-57 to 65.2 in 1957-58. The Directors' report tells us that increase in dearness allowance to employees itself meant an additional expenditure of as much as Rs. 1 lakh to the Company.

The Company, according to the Directors' report, has made good progress in the manufacture of new types of lathes. The negotiations for technical collaboration with Messrs. Alfred Herbert Ltd., Coventry, U.K., were concluded and the manufacturing agreement with them was recently executed as from 1st August 1958. As a result of this collaboration, the Company will be taking up new lines of Capstan and Turrets in addition to normal expansion of production and this will necessarily require additional finance. The Directors have therefore proposed to issue additional capital to the tune of Rs. 15 lakhs for which, it is stated, circulars will be sent to the shareholders in due course. The consent of the Central Government has also been received for the issue of the said capital. The Company has availed of a loan of Rs. 21 lakhs from the Industrial Finance Corporation of India so far and the balance of the loan of Rs. 4 lakhs is still due from the Corporation. A fly in the ointment, however, is the continued acute shortage of raw materials, particularly quality steel. No wonder the Directors have expressed their concern over this matter.

A satisfactory finanical position is disclosed by the Company's balance-sheet as at 30th June 1958. Against a paid-up capital of Rs. 24.87 lakhs, all in ordinary shares of Rs. 100 each, it has reserves and surplus aggregating Rs. 23.20 lakhs. Of this amount, Rs. 7.19 lakhs belong to development reserve and Rs. 4.64 lakhs to initial depreciation account. The current liabilities stand at Rs. 51.64 lakhs, of which secured loans account for Rs. 23.93 lakhs, unsecured loans for Rs. 7.82 lakhs and provision for taxation (approximate tax liability for three years) for Rs. 7.29 lakhs. The gross block of Rs. 81.26 lakhs which includes additions during the year of the value of Rs. 20.23 lakhs, has been written down to Rs. 37.02 lakhs. Buildings under construction were of the order of Rs. 55,922. The current assets aggregate Rs. 62.14 lakhs and cover the current liabilities and the provision for taxation by a comfortable margin of Rs. 10.50 lakhs.

The Rs. 100 paid-up ordinary shares are currently quoted at Rs. 130 *cum-div.* and on an *ex-div.* basis, the yield is 6.12 per cent. per annum.

WESTERN SHIPPING CORPORATION FARES BETTER

The Western Shipping Corporation (Private) Ltd. (Chairman: Dr. Nagendra Singh, I.C.S., Bombay), another Government-owned shipping company, earned a higher gross profit of Rs. 9.92 lakhs for the year ended 31st March 1958, as against Rs. 1.72 lakh for the period from 22nd June 1956 (date of incorporation) to 31st March 1957. After providing Rs. 6.43 lakhs for depreciation, as against Rs. 1.51 lakh, the net profit was Rs. 3.49 lakhs which compares well with only Rs. 20,955 for the previous accounting period. No provision has been made for taxation as no tax liability is anticipated for the year under report on account of additional depreciation allowable to the Company under the Income-tax Act. Adding the sum of Rs. 20,955, the amount of profit brought forward from the previous year's account, the sum available for disposal was Rs. 3.70 lakhs. Out of this, the Directors have appropriated Rs. 2.50 lakhs to provision for special survey reserve and another Rs. 50,000 to deferred taxation reserve. This leaves a balance of Rs. 69,897 which is proposed to be carried forward.

The Directors report that the time charter arrangements with Messrs. Shell Tankers Ltd., London, regarding tanker s.t. *Desh Sevak* (the only operating unit of the Company), came to an end in March 1958 and the vessel was put under four-yearly special survey during April-May 1958. According to the new charter arrangements, for a period of three years from 1st April 1958, agreed to between the Company and Messrs. Burmah-Shell Oil Storage and Distributing Company of India Ltd., London, the vessel was delivered to the charterers on 29th May 1958. The charter hire is at the enhanced rate of 32s. 6d. per dw.t. per month, a rate which is expected to yield better results for the current year.

The Directors state that the construction of vessels in the European yards has made good progress; the vessel under construction at the Uljanik Shipyard, Pula, Yugoslavia, was launched on the 14th September 1958. This vessel is expected to be delivered by April 1959. The execution of orders placed with the Apuania Yard in Italy and with the Lubecker Yard in Germany is also progressing satisfactorily. Delivery of the vessels by these yards is expected in 1959-60. It is stated that the commitments under the contracts in respect of the five vessels on order (four with European yards and one with Hindustan Shipyard, Visakhapatnam) are approximately Rs. 572.07 lakhs as at 31st March 1958. An order for construction of a 10,000-ton tanker has been placed with the Harima Shipbuilding and Engineering Company, Ltd., Japan. The specifications of this tanker were settled with Caltex to suit its requirements. The price of the tanker is fixed at 815.5 million yen (about £815.500) and compares favourably with £1.5 million quoted by certain Continental yards for building a tanker of the same specifications. The cost of this tanker will be met from funds to be obtained under the loan agreement with the Export-Import Bank of Japan under the line of yen credit entered into by the Government of India with that Bank. A provisional contract in this regard was signed on 29th August 1958 and the loan application for 815.5 million yen was made. It is under the consideration of the Ministry. The contract provides that Harima will give delivery of the tanker within ten months after the contract becomes effective. On this basis, it is expected to be delivered in 1959.

The paid-up capital of the Company as at 31st March 1958 is Rs. 350 lakhs, all in ordinary shares of Rs. 100 each, of which Rs. 35 per share has been called up. Its reserves and surplus are small and amount to only Rs. 3.70 lakhs. The current liabilities stand at Rs. 2.37 lakhs. The fleet account of a value of Rs. 90.02 lakhs stands depreciated at Rs. 82.07 lakhs. Payments made on account of ships under construction aggregate Rs. 207.07 lakhs. The current assets amount to Rs. 66.92 lakhs.

On the outlook for the Company, the following extract from Dr. Nagendra Singh's speech will be read with interest:

"Although the prices of ships have registered a steady decline, it has not been possible for the Corporation, owing to the present acute foreign exchange difficulty, to acquire any suitable second-hand ship and commence operation in any of the trade routes allotted to it. Nevertheless, during my visit to Europe in April-May last, to attend the 41st Maritime Session of the I.L.O. Conference, I investigated the possibility of acquiring tonnage for the Corporation on deferred payment basis. Though vessels of the type needed by us were available at economic prices, it was not possible to acquire any, owing to non-availability of free foreign exchange. Even deferred payment terms which were available required initial payment of foreign exchange and since the allotment of Rs. 15 lakhs in free foreign exchange made to the Ministry of Transport was all allocated to the private sector, there was no possibility of acquiring any secondhand vessel in the public sector. It is hoped that when the fresh allotment of free foreign exchange is made for the quarter beginning from 1st January 1959, there will be some free foreign exchange earmarked for the public sector which would enable us to take advantage of the falling market to acquire suitable secondhand tonnage for the Corporation. In any case, with the delivery of the three vessels under construction in Yugoslavia, Italy and Germany, the Corporation is expected to commence operation in overseas trades next year."

N.Y. STOCK EXCHANGE MECHANISED TO HANDLE HUGE BUSINESS VOLUME

Last year, the New York Stock Exchange was open for business a total of 251 days, and in that relatively short time a staggering 714¼ million shares changed hands. This involved thousands upon thousands of daily transactions among the 657 member-firms. And at the end of November, the volume was running about 30 per cent. higher than in the previous year.

Set up to handle the mechanics of this tremendous volume of business is the Stock Clearing Corporation, a wholly owned subsidiary of the New York Stock Exchange, which is able to do the job with the help of 65 I.B.M. machines varying from keypunches, collators, and tabulators, to interpreters, calculating punches, and electronic sorters. Today's new machines are on an average 50 per cent. faster than the machines they replaced. For example, the electronic sorters now feed 1,000 cards per minute, as compared with the former capacity of 650.

Speed is vitally important, because each day's operations must be completed that same day. Here is the procedure: Monday's transactions—stock, price, number of shares, member-firms involved—are reported by the seller Tuesday morning and transcribed to punched cards. From these cards lists of all sales and purchases are prepared. These are in the hands of member-firms (both buyers and sellers) by 8 a.m. Wednesday. Any corrections on Monday's transactions are due in Stock Clearing before noon Wednesday, and adjustment lists are returned to member-firms before 3 p.m. of the same day.

At 8 a.m. on Thursday, a summary is delivered to each member-firm showing the total value of purchases, sales, balances to receive and to deliver, and the net cash credit or debit. On this summary are based Friday's cash settlements and deliveries of securities.

Clearance is not the only operation performed on the machines. Using data supplied by member-firms, and often employing statistical sampling techniques, the Clearing Corporation develops information significant in every area of Exchange activity and interest.

One of the most complex studies ever attempted on standard I.B.M. machines is currently being worked on by Stock Clearing—a 1959 census of shareowners. The survey will cover over 5,000 publicly-held companies with about 8,000 different stock issues represented. One thousand brokerage firms and all stock exchanges in the U.S. and Hawai will co-operate in the census. Approximately, 400,000 cards will be analysed during the study, designed to give a new count—and a new portrait—of the American stockholder. The census will show the composition and geographic spread of all American shareowners, as well as establish such facts as their ages, occupations, and income and education levels.

The Exchange conducted a similar survey in 1956 and found that America had 8.6 million shareowners—an increase of 33 per cent. over a study made four years earlier.

The Directors of Messrs. Smith Stanistreet and Company Ltd. have decided to issue 100,000 new ordinary shares of Rs. 5 each for cash at par. They will rank in all respects *pari passu* with the existing ordinary shares, except that they will not participate in any dividend declared in respect of any period ending on or before 30th June 1957. The aforesaid shares will be offered in the first instance to the holders of ordinary shares in the ratio of one new share for every two full ordinary shares held.

EASTERN SHIPPING CORPORATION

PROFIT DECLINES SHARPLY

THE results of the Eastern Shipping Corporation Ltd. (Chairman and Managing Director: Mr. R. R. Saksena, Bombay) for the year ended 31st March 1958 are disappointing. As a result of non-availability of adequate cargoes and a precipitate and steep decline in freight rates, the Company's profit has suffered a sharp setback from the encouraging level reached in the previous year. The gross profit for the year under review at Rs. 41.57 lakhs represents a fall of Rs. 27.55 lakhs from Rs. 69.12 lakhs for the previous year, to which level it had increased from Rs. 67.21 lakhs for 1955-56. The provision for depreciation has been raised from Rs. 32.05 lakhs to Rs. 37 lakhs. But the provision for taxation has been reduced from Rs. 1.75 lakh to Rs. 13,000. These amounts refer to taxation liability abroad as there was no liability on account of Indian income-tax for these years. After the aforesaid provisions, the net profit amounts to a mere Rs. 4.44 lakhs, as compared with Rs. 35.32 lakhs earned a year earlier.

The decline in profit has had an adverse effect on the amount allocated to reserves. Thus, as against Rs. 35.50 lakhs in the previous year, a sum amounting to no more than Rs. 4.50 lakhs has been conserved. This has been credited to fleet special repairs reserve. The amount allocated in the previous year consisted of Rs. 26 lakhs to deferred taxation reserve and Rs. 9.50 lakhs to general reserve. The provision for gratuity, however has been maintained at the previous year's level of Rs. 20,000.

As readers are aware, this Shipping Company is owned and managed by the Government of India.

The following comparative table shows at a glance the Company's financial results for the past three years:

(In lakhs of rupees)

	For the year ended 31st March		
	1958	1957	1956
Freight, passage money, etc.	255.37	263.88	220.84
Other income	8.27	7.88	6.10
Expenses	222.07	202.64	159.73
Gross profit	41.57	69.12	67.21
Managing Agents' commission ..	..	..	3.54
Depreciation	37.00	32.05	29.05
Taxation	0.13	1.75	2.00
Net profit	4.44	35.32	31.71
Excess provision written back ..	..	0.69	..
To provision for gratuity	0.20	0.20	..
Transfer to reserves	4.50	35.50	13.00
Indemnity amount refundable to Government of India	..	..	17.99
Carry forward	0.30	0.56	0.24

The Company's income from freight and passage money declined from Rs. 263.88 lakhs in 1956-57 to Rs. 255.37 lakhs for the year under review—a drop of Rs. 8.51 lakhs. At the same time, expenses increased by Rs. 19.43 lakhs to Rs. 2.22 crores.

During the year under report, 40 complete voyages were performed by the Corporation's vessels, as against 36 performed in the previous year. Five round voyages were completed by three of the Company's vessels on the India-Australia service. All the three vessels carried general cargo from Calcutta and returned with wheat for Calcutta on Government of India account along with available general cargo from the main Australian ports for Colombo, Madras and Calcutta. On the India-Far East Service, three vessels completed two voyages each to Japan during the year. As in the previous year, they carried general cargo both ways besides wheel-sets and other railway materials from Japan to India on Government account. The t.s.s. *State of Bombay* completed 11 voyages during the year on the India-East Africa Service. The t.s.s. *State of Madras* completed 14 voyages to the Straits ports during the year.

As regards expansion in the Company's fleet, the Directors report that the m.v. *State of Orissa*, the second of the two 8,000-tonners ordered from the Hindustan Shipyard, Visakhapatnam, was delivered to the Corporation on 31st December 1957. With the addition of this ship, the Company's fleet now comprises eight owned ships with an aggregate gross registered tonnage of 52,892. The Company's intention is to build at the Hindustan Shipyard eight cargo ships for itself and the Western Shipping Corporation, another State-owned concern. The Hindustan Shipyard has commenced execution of orders for three ships. Of these three, one vessel has been allotted to the Western Shipping Corporation. These vessels will be of Lubecker design, with dw.t. of 9,500 each and a speed of 17 knots.

The following extract from the latest Chairman's speech (delivered on 23rd December 1958) will throw further light on the Company's position in regard to its expansion plans:

"In my speech last year I had stated that our future programme of fleet expansion included provision of four ships on each of the Australian and the Far East runs, with an additional relief ship to fill gaps caused by temporary withdrawal of any of the regular ships for survey, repairs, etc. As we have only six ships to cater to these trades, an additional three ships are required for this purpose. We also must consider seriously replacing the t.s.s. *State of Bombay* which, as I have pointed out elsewhere, has not been rendering satisfactory service on the Bombay/East African run. We need a passenger-*cum*-cargo vessel for the Madras/Rangoon service and another vessel for the Tuticorin/Colombo trade. The two Liberty ships namely, the *State of Saurashtra* and the *State of West Bengal*, are also now due for replacement as they have outlived their useful life. We thus need for our immediate requirements eight ships, both passenger and cargo. During the year under review, no new acquisitions were added to our fleet except m.v. *State of Orissa* in fulfilment of our requirements. We have on order with the Hindustan Shipyard three vessels of Lubecker design of 9,500 dw.t. each and a speed of 17 knots. The contract for these vessels has still not been entered into with the Hindustan Shipyard though we have met all the demands made by the Shipyard for payment of instalments due on these vessels. It is indeed a pity that the Shipyard is still not in a position to indicate definite dates of delivery of the vessels, which they are building for us. We are unable, therefore, to say when these units will be added to our fleet. I have also to mention with regret that the performance of the Hindustan Shipyard in building ships for us has not so far been entirely satisfactory and ships built by them have had to be immobilised for long periods for rectification of defects and deficiencies. Let me once again express the hope that the Shipyard will soon begin to build ships which will in no way be inferior to those built in the best shipyards of the world. As regards our other requirements, negotiations have been conducted for the purchase of second-hand vessels and offers have been received for new constructions in Japan. It has unfortunately not been possible to bring negotiations for purchase of second-hand vessels to a successful conclusion or to accept offers for new construction in the Japanese shipyards. These questions are, nevertheless, receiving our active consideration and it is my fervent hope that we shall be able to make additions to our fleet in the near future."

The Company has a paid-up capital of Rs. 550 lakhs, all in ordinary shares of Rs. 100 each. The reserves and surplus aggregate Rs. 74.96 lakhs. Secured loans from the Government of India on mortgage of a part of the Company's fleet stand reduced from Rs. 126.39 lakhs to Rs. 112.17 lakhs. The other current liabilities and provisions stand at Rs. 84.57 lakhs. Unfinished voyages amount to Rs. 9.83 lakhs and security and general average deposits to Rs. 42,561. Of the gross block of Rs. 682.50 lakhs, the fleet account stands at Rs. 680.08 lakhs, including additions of the order of Rs. 107 lakhs during the year under review. This has been written down to Rs. 540.42 lakhs. Payments on account of ships under construction amount to Rs. 29.01 lakhs. Miscellaneous expenditure and losses account for Rs. 16.05 lakhs. The current assets aggregate Rs. 244.64 lakhs. Of the current assets, cash and other balances alone amount to Rs. 80.78 lakhs.

NEW PUBLICATIONS

(*Concluded from page 81*)

the Budget session. A series of articles on this report appeared in this journal. Mr. Ginwalla, the author of those articles, clearly brought out the pitfalls in the Act of 1956 and analysed the features of the report also. These articles have now been published in book form. The author has taken pains to make the book comprehensive in that the book not only consists of the articles, but also several additions. The book will thus prove useful not only till the amendments are made law but even after they have been placed on the Statute Book. It contains the history of company legislation, and a discussion on the new Act, the objectives of the Act and the role of the public and private sectors under the Act. The author has ably explained the shortcomings of the Sastri Committee's report which should be useful to legislators. There are also a chapter on accounts, a digest of the case law up to date and the recent Government notifications. The lucid manner in which the sections are explained and the analytical study of the various suggestions of the Sastri Report are features which ought to appeal to laymen and lawyers alike.

COMPANY MEETINGS AND DIVIDENDS

JAM SHRI RANJISINGHJI SPG. AND WVG. MILLS CO., LTD. Annual General Meeting, Bombay, 19th January 1959. Dividend: *Nil*. Transfer books remain closed from 10th to 19th January 1959, both days inclusive.

KOTAMULLAI TEA CO., LTD. Annual General Meeting, Calcutta, 21st January 1959. Transfer books remain closed from 14th to 21st January 1959, both days inclusive.

CALCUTTA SAFE DEPOSIT CO., LTD. Annual General Meeting, Calcutta, 22nd January 1959. Transfer books remain closed from 16th to 22nd January 1959, both days inclusive.

SHEVEROY ESTATES LTD. Annual General Meeting, Kannankurichi, Salem, 24th January 1959. Dividend: 7½ per cent. or 15 nP per share. Transfer books will remain closed from 18th to 24th January 1959, both days inclusive.

KEMP AND CO., LTD. Annual General Meeting, Bombay, 28th January 1959. Dividend: Rs. 15.00 per share, payable on or after 28th January 1959. Transfer books will remain closed from 22nd to 28th January 1959, both days inclusive.

TINGAMIRA TEA SEED CO., LTD. Annual General Meeting, Calcutta, 29th January 1959. Transfer books will remain closed from 20th to 29th January 1959, both days inclusive.

SIJUA (JHERRIAH) ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 29th January 1959. Dividend: Re. 0.68 per share, payable on or after 9th February 1959. Transfer books will remain closed from 19th to 29th January 1959, both days inclusive.

NEW HUNTODIH COAL CO., LTD. Annual General Meeting, Calcutta, 31st January 1959. Dividend: *Nil*. Transfer books remain closed from 19th to 31st January 1959, both days inclusive.

MYSORE KIRLOSKAR LTD. Annual General Meeting, Harihar, 31st January 1959. Dividend: 7½ per cent. Transfer books will remain closed from 25th January to 5th February 1959, both days inclusive.

VITA SUPPLIES CORPORATION PRIVATE LTD. Annual General Meeting Calcutta, 31st January 1959.

MADHUSUDAN MILLS LTD. Annual General Meeting, New Delhi, 31st January 1959. Transfer books remain closed from 10th to 31st January 1959, both days inclusive.

LOYAL TEXTILE MILLS LTD. Annual General Meeting, Kovilpatti, 2nd February 1959. Dividend: *Nil*. Transfer books will remain closed from 27th January to 2nd February 1959, both days inclusive.

BOMBAY BURMAH TRADING CORPORATION LTD. Annual General Meeting, Bombay, 4th February 1959. Final dividends of Rs. 300 per share, on the original shares, Rs. 15 per share, on the old shares and Rs. 6 per share, on the new shares, for the year ended 31st May 1958. These dividends are payable on and from 23rd February 1959. Transfer books will remain closed from 27th January to 17th February 1959, both days inclusive.

WOODCOTE ESTATES LTD. Annual General Meeting, Coonoor, 5th February 1959. Dividend: 6 per cent. Transfer books will remain closed from 29th January to 5th February 1959, both days inclusive.

HOWRAH MILLS CO., LTD. Interim dividend of Re. 0.50 per share, for the year ending 31st March 1959. Transfer books will remain closed from 24th to 31st January 1959.

CHRESTIAN MICA INDUSTRIES LTD. Interim dividend of 6 per cent. on ordinary shares and 6 per cent. on the deferred shares, for the year ended 31st December 1957. Transfer books will remain closed from 22nd to 31st January 1959, both days inclusive.

MADRAS SAFE DEPOSIT CO., LTD. Dividend of 5 per cent. or Rs. 4.00 per share, for the year ended 30th June 1958. Transfer books remain closed from 12th to 19th January 1959.

NEW SWADESHI SUGAR MILLS LTD. Dividend of Rs. 20.00 per share, for the year ended 30th June 1958, payable on 2nd February 1959. Transfer books remain closed from 15th to 23rd January 1959, both days inclusive.

OUDH SUGAR MILLS LTD. Dividend of Rs. 12.50 per share, for the year ended 31st July 1958, payable on 2nd February 1959. Transfer books remain closed from 15th to 23rd January 1959, both days inclusive.

HINDUSTHAN SUGAR MILLS LTD. Dividend of Rs. 15.00 per share, for the year ended 30th June 1958, payable on 18th February 1959. Transfer books will remain closed from 24th January to 10th February 1959, both days inclusive.

ZANDU PHARMACEUTICAL WORKS LTD. Dividend of Rs. 7.00 per share, for the year ended 31st March 1958, payable on 16th February 1959. Transfer books remain closed from 15th to 29th January 1959, both days inclusive.

COMPANY REGISTRATIONS

HINDUSTAN ALUMINIUM CORPORATION LTD. (First Director: Mr. G. D. Birla.) Managing Agents: Messrs. Birla Gwalior Private Ltd. Business: Manufacturers and dealers in alumin'um and aluminium products. Authorised capital: Rs. 20,00,00,000. Public company. The company is registered in the State of Bombay.

BHARTIA ENGINEERING CORPORATION PRIVATE LTD. (First Director: Mr. D. T. Javeri.) Business: Engineers, founders and smiths, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 'Victoria Buildings', Parsee Bazar Street, Bombay.

RESULTS OF SIJUA JHERRIAH ELECTRIC

BISRA STONE MAINTAINS DIVIDEND

Sijua (Jherriah) Electric Supply Co., Ltd.

THE directors of the above Company [Secretaries: Messrs. Bird and Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st March 1958.

The profit and loss account shows the figures of income and expenditure for a period of 12 months as compared with the corresponding figures of the previous accounting period of 15 months.

The profit and loss account, after crediting Rs. 2,000 (Rs. *nil*) for unclaimed debentures of the old issue, providing for all charges and making provisions of Rs. 1,60,000 (Rs. 1,13,000) for taxation on income, Rs. 14,000 (Rs. 12,000) for wealth tax and Rs. 1,35,726 (Rs. 1,66,833) for depreciation shows a profit of Rs. 2,68,634 (Rs. 2,95,604) to which is added the balance brought forward from the last account of Rs. 2,346 (Rs. 19,430) making a total of Rs. 2,70,980 (Rs. 3,46,209 which includes Rs. 31,175 transferred from general reserve). From this is deducted the amount transferred to capital reserve not available for dividend of Rs. 2,000 (*nil*), to reserve for contingencies Rs. 35,872 (Rs. 43,227), to tariffs and dividend control reserve Rs. 11,435 (Rs. 26,575), to provision for rebate to consumers Rs. 11,435 (Rs. 21,940), to general reserve—forfeited dividends Rs. 934 (Rs. 1,621), to debenture redemption reserve Rs. 60,000 (Rs. 60,000) and to development reserve Rs. 34,347 (Rs. 33,000 to development rebate reserve) leaving a balance of Rs. 1,14,957 (Rs. 1,59,846). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the ordinary shares for the year ended 31st March 1958, at the rate of 68 (94 for 15 months ended 31st March 1957) naye Paise per share without any deduction for income-tax payable by the Company absorbing Rs. 1,14,240 (Rs. 1,57,500) and by carrying forward Rs. 717 (Rs. 2,346).

By a recent amendment to the 6th Schedule to the Electricity (Supply) Act, 1948, the quantum of profits available for distribution as dividend has been considerably reduced. This will permanently affect the dividend payable.

In particular from this year the interest on debentures and loans amounting to Rs. 62,503 is no longer a charge before arriving at "clear profit" and, therefore has to be met from the balance at the disposal of the Company before dividend can be considered.

Units sold in the year under review was 103,626,146 as compared with units sold in the period of 15 months ended 31st March 1957 of 124,809,948. The D.V.C. supplied 31,662,150 units during this year as compared with 37,210,750 units supplied during the period of 15 months ended 31st March 1957. In view of the sub-normal rainfall this year, sales may be considered satisfactory.

Labour was restive and expressed difficulty in interpreting the Industrial Tribunal Award on the issue of revised wage structure and merger of dearness allowance. These matters have been referred to arbitration and the outcome is awaited.

Rising costs of labour and fuel resulted in a steady increase in the cost of generation and distribution and to off-set these increases, the directors have circularised to "B" and "C" grade tariff consumers their decision to increase the existing surcharge by 7 per cent. effective from 1st November 1958.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,80,000	Gross block ...	79,62,083
Debentures ...	12,00,000	*Less*—Depreciation ...	50,24,986
Reserves ...	11,63,747		
Provision for taxation ...	1,42,019	Net block ...	29,37,097
Provision for wealth-tax	13,649	*Less*—Consumers contribution ...	5,99,056
Liabilities ...	12,25,398	Balances ...	23,38,041
Profit and loss account ...	717	Capital jobs in progress ...	1,31,644
		Stores and spare gear	10,10,249
		Debts, deposits and advances ...	8,09,275
		Investments	2,38,991
		Cash ...	8,43,092
		Miscellaneous expenditure and losses	54,238
Rs.	54,25,530	Rs.	54,25,530

Bisra Stone Lime Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird and Co. (Private) Ltd., Calcutta] submitted the audited accounts of the Company for the year ended 31st March 1958.

Limestone :—Raisings increased from 8,19,208 tons to 9,26,412 tons. Sales also improved from 7,80,026 tons to 8,35,535 tons. Sales of reject stone recorded an increase from 36,888 tons to 43,398 tons.

The shortage of wagons continued during the period under review, with slight improvement in the position towards the close of the year.

Dolomite:—Raisings increased to 70,470 tons from 49,795 tons with an increase in sales from 51,656 tons to 68,303 tons.

Lime:—Production again recorded an increase from 12,73,549 maunds in the last year to 13,74,687 maunds this year. Sales also showed considerable improvement from 12,65,697 maunds to 15,66,269 maunds.

Labour :—Relations with the labour were satisfactory during the year. The use of Gorakpuri labour has continued during the period under review.

The profit and loss account after providing for all charges, and making provision of Rs. 4,50,000 (Rs. 5,15,000) for taxation and Rs. 1,70,625 (Rs. 1,36,100) for depreciation shows a profit of Rs. 5,09,115 (Rs. 3,31,813). To this amount is to be added the balance brought forward from the previous year of Rs. 18,440 (Rs. 20,179) making a total of Rs. 5,27,555 (Rs. 3,51,952). From this is deducted amounts transferred to general reserve of Rs. 49,926 (Rs. 15,977), to mechanisation reserve Rs. 2,15,000 (Rs. 1,25,000), to tax contingency reserve Rs. 19,000 (Rs. 8,000) and to development rebate reserve Rs. 56,000 (Rs. 9,575) leaving a balance of Rs. 1,87,629 (Rs. 1,93,440).

The interim dividend declared on 9th June 1958 on the ordinary shares at Re. 0.87 per share, without any deduction of income-tax payable by the Company absorbed Rs. 87,000 leaving a balance available of Rs. 1,00,629 (Rs. 1,93,440). The directors propose to dispose of this amount by payment of a final dividend on the ordinary shares at Re. 0.88 (Re. 1.75) per share without any deduction for income-tax payable by the Company absorbing Rs. 88,000 (Rs. 1,75,000) and by carrying forward Rs. 12,629 (Rs. 18,440).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block ...	68,82,558
Reserve ...	34,05,833	*Less*—Depreciation ...	36,38,162
Provision for taxation ...	4,61,579		
Liabilities ...	35,12,191	Net block ...	32,44,396
Profit and loss account ...	12,629	Capital work-in-progress	2,26,485
		Stock-in-trade	2,17,964
		Stores, loose tools, etc. ...	14,50,827
		Debts, deposits and advances ...	30,70,385
		Investments	4,683
		Cash ...	1,77,492
Rs.	83,92,232	Rs.	83,92,232

Bishnauth Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Williamson Magor & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit on revenue account of Rs. 4,37,750 (Rs. 16,73,076) after providing for depreciation amounting to Rs. 1,66,528 (Rs. 1,80,836), writing off development expenditure of Rs. 65,027 (Rs. 14,183) incurred during the year on tea estate and providing Rs. 2,39,600 (*nil*) for contingencies. After transferring the above profit, making various adjustments and setting aside Rs. 2,90,000 (Rs. 7,00,000) for taxation, the balance available on profit and loss account amounts to Rs. 6,66,234 (Rs. 11,51,326) from which it is proposed to transfer to staff account Rs. 16,334 (Rs. 25,000) and pay a dividend of 10 (20) per cent. for 1957 absorbing Rs. 3,30,000 (Rs. 6,60,000) and to carry forward Rs. 3,19,900 (Rs. 3,16,326 after transferring Rs. 50,000 to general reserve, Rs. 50,000 to repairs and renewals reserve and Rs. 50,000 building reserve).

Tea crop amounted to 36,35,385 (38,79,539) pounds and was sold at an average sale price of Rs. 2.58 (Rs. 2.74) per pound.

The estimate for 1958 provides for a crop of 38,64,000 lbs. of tea at a cost of Re. 1.96 per pound.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Gross block	79,93,588
Reserves ...	15,39,600	*Less*—Depreciation ...	30,33,388
Provision for taxation ...	4,95,525		
Liabilities ...	58,14,690	Net block	43,60,200
Profit and loss account ...	3,19,900	Stock-in-trade	41,57,934
		Stores and tools ...	10,35,731
		Debts, deposits and advances ...	9,06,574
		Investments	3,26,119
		Cash ...	6,83,157
Rs.	1,14,69,715	Rs.	1,14,69,715

Calcutta Tramways Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Hays, Akers and Hays, London) submitted the audited accounts of the Company for the year ended 31st December 1957.

The result of the year's working was as follows:—The revenue for the year, after transferring £80,000 (£80,000) to renewals and replacements account amounted to Rs. 137,041 (£157,196). Against this total has been debited:—Provision for income-tax and wealth-tax £61,831 (£61,000), 4½ per cent. first debenture stock interest £14,692 (£14,745) and 5 per cent. second debenture stock interest £7,937 (£8,251). The income-tax deducted from debenture interest paid, less tax deducted from investment income amounted to £12,254 (*nil*). Thus there is an available balance for the year of £64,835. In accordance with the agreement dated 30th August 1951, between the Governor of the State of West Bengal and the Company, there has been credited to shareholders' account the sum of £87,457 (£87,457) leaving a debit of £22,622 (£14,257) which has been transferred to special reserve account in the terms of the above agreement. The amount credited to shareholders' account, as above, is £87,457 (£87,457). Out of this amount is payable the cost of £2,389 first debenture stock purchased for cancellation of £1,589 (£10,831) and the contribution for the year to second debenture stock redemption account £6,680 (£6,268). The dividend on preference shares less income-tax, absorbs £7,188 (£7,188). It is now proposed to pay a dividend for the year on the ordinary shares of 2½ (8½) per cent., free of income-tax (net) £17,500 (£59,500) leaving to be added to the amount carried forward on shareholders' account, the balance of £54,500 (£3,670).

In view of the strike in all departments, which completely closed down the tramway services from the 12th August to 22nd September 1958, it has become necessary to conserve the Company's financial resources. The Board regrets, therefore, that it is unable to recommend a greater dividend than 2½ per cent. free of tax on the ordinary shares for the year 1957.

The renewals and replacement account at the commencement of the year stood at £334,622. Deducting therefrom £121,859 written off for renewals and replacements during the year and adding £80,000 allocated out of the 1957 profit, there remains a balance of £292,763 to the credit of the account.

Accounts in brief were as under:—

Liabilities	£	Assets	£
Capital ...	950,000	Block ...	2,863,932
Debentures ...	483,068	Other assets	12,757
Reserves ...	1,231,930	Stock and stores ...	339,577
Provision for taxation ...	8,831	Debts, deposits and advances ...	47,974
Liabilities ...	634,643	Investments	19,121
Profit and loss account ...	366,499	Tax reserve certificates	70,625
		Cash ...	320,985
£	3,674,971	£	3,674,971

Sathe Biscuit & Chocolate Co., Ltd.

The directors of the above Company (Managing Agents: Sathe Food Industries Private Ltd., Poona) submitted the audited accounts of the Company for the year ended 31st March 1958.

The accounts disclose a profit of Rs. 4,68,424 as against the profit of Rs. 3,51,798 during the previous year. (Both figures are subject to depreciation). Adding to this the amount of Rs. 19,106 (Rs. 9,738) brought forward from the last year, the total comes to Rs. 4,87,530 (Rs. 3,61,536) which the directors disposed of as follows:—

To provision for depreciation Rs. 2,35,633 (Rs. 2,58,420), to redeemable cumulative preference shares redemption fund Rs. 50,000 (Rs. 50,000), to payment of dividend on 7 per cent. redeemable cumulative preference shares on the paid-up value *pro rata* Rs. 31,590 (Rs. 25,000), to payment of dividend on ordinary shares at 6 (6) per cent. on paid up value Rs. 59,010 (Rs. 59,010), to provision for taxation Rs. 11,000 (*nil*), to employees' gratuity fund Rs. 50,000 (*nil*), to provision for doubtful debts Rs. 10,000 (*nil*) and to carry forward Rs. 40,297 (Rs. 19,106).

The amount of Rs. 2,35,633 proposed to be appropriated to depreciation includes arrears of depreciation of Rs. 1,41,638 for the year 1952-53. Now there is no arrears of depreciation to be provided for. However, the old biscuit machinery of the value of about Rs. 48,000 has yet to be written off.

The income-tax assessment for the last year is yet to be finalised. It is, however, estimated that there would be no income-tax liability because of the carryover or loss for tax purposes due to various depreciation allowances. Therefore, no special provision for income-tax has been made.

The tax liability on dividend of preference shares will be met with, either from the amount carried over from profit or provision made during the past years which is considered to be sufficient. To be on safe side a provision of Rs. 11,000 has been made for Wealth-tax.

The sales during the period under report show an increase of about Rs. 6,07,000 over that of the last year which shows the satisfactory progress made by the Company.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,83,550	Gross block	30,83,514
Reserves ...	1,13,295	*Less*—Depreciation ...	8,64,403
Provision for taxation ...	11,000		
Liabilities ...	16,54,828	Net block ...	22,19,111
Profit and loss account ...	40,297	Stock of finished goods ...	2,45,173
		Raw materials	3,28,942
		Work-in-progress ...	23,442
		Stores and loose tools	59,987
		Debts, deposits and advances ...	3,50,645
		Investments	1,454
		Cash ...	74,216
Rs.	33,02,970	Rs.	33,02,970

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

COAL

(*Concluded from page 71*)

per cent. of the cost, subject to a maximum of Rs. 750 in cases of houses which were completed before the end of 1953. 2,805 houses were sanctioned under the scheme, but only 1,623 were reported to be completed as on 31st March 1958 and 24 were under construction. Applications for 926 houses were withdrawn. Out of 1,623 houses reported as complete, claims in respect of 1,599 for subsidy amounting to Rs. 11.02 lakhs were received and payments aggregating Rs. 10.87 lakhs were made.

In view of the poor progress of this scheme it was revised to make the terms more attractive to colliery owners, by providing subsidy, as well as loan. The scheme provides for a subsidy of 25 per cent. and a loan of 37½ per cent. of the cost of the house subject to the ceilings of Rs. 735 and Rs. 1,102-8, respectively, per house. Under the subsidy-*cum*-loan scheme, applications from 59 collieries for construction of 3,677 houses were sanctioned, but only 1,639 houses were completed by the end of the year. 552 houses were under construction at the end of the year and applications in respect of 415 houses were withdrawn.

Since the response under the old subsidy scheme as well as under the subsidy-*cum*-loan scheme was poor, a new housing scheme was recently sanctioned, under which the Fund itself will construct houses on sites provided by the colliery owners. The scheme provides for the construction of 30,000 houses during the next five years. It is proposed to construct 10,000 houses during 1958-59. The cost of construction of each house will be Rs. 3,300 in Bengal, Bihar and M.P. coalfields and Rs. 3,100 in the Orissa, Hyderabad, Rajasthan and Chanda coalfields. The rent for each house is Rs. 2 per month and this will be paid by the employees. The maintenance of houses also will be the responsibility of the employers. Out of the 10,000 houses proposed to be constructed during the current year, 5,516 houses have already been allocated to the various collieries. It is not known how many houses have actually been constructed so far during the current year.

ECONOMIC TRENDS IN CANADA

(*Concluded from page 76*)

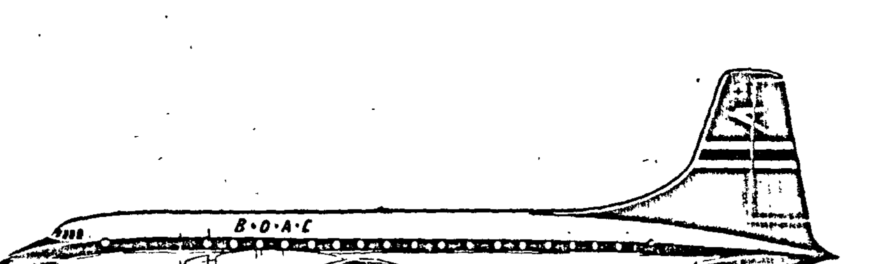
aggregate terms, the pick-up in production to date has been quite moderate. There is, however, strong indication of a further expansion in market demand. Partly as a reflection of this improvement and also contributing to it is the fact that inventory liquidation is now coming to an end. In the first part of 1958, the tendency to meet orders by a drawing down of stocks was quite prevalent throughout a broad segment of Canadian industry. Conditions in this respect still vary from one trade to another. On balance, however, it now appears that the full impact of market demands are being reflected in new orders at the producer level. Operating levels are rising in a number of industries and this, in turn, is having a favourable effect upon earnings. In the months immediately ahead, this underlying improvement will be masked by the customary winter slow-down in outside operations, accompanied by a relatively high level of unemployment. Nevertheless, construction activity is likely to be higher than usual this winter, partly due to the record carryover of unfinished houses and also as a result of the special measures which have been taken to stimulate off-season work.

The strength of further recovery will depend in large part upon external influences. In this regard, recent economic developments in the United States are encouraging. Production, in that country has already recovered nearly all of the previous decline and employment, after making allowance for usual seasonal changes, is now moving upward. Moreover, the present upswing appears to be broadly based and prospects of sustained expansion are generally considered to be good. Increased activity in the United States will, in turn, reinforce measures being taken internally in other industrialised countries to stimulate stronger rates of growth. Recent additions to hard currency reserves means that, in a number of these countries, some rise in domestic consumption could occur without strain on foreign balance positions. In these circumstances, some upturn in world demand for industrial material is likely to occur during the coming year. With greatly increased capacity in export industries and expanded reserves of proven resources, Canada is better equipped than ever before to meet increases in requirements from abroad.

In recent months, new capital expenditure plans have been appearing in increasing volume. In terms of the actual amount of physical capital being put in place, this rising volume of new work may not for a time fully compensate for the termination of work on large projects now being completed. What is presently known of capital expenditure plans for 1959 indicates that business investment will be up in some sectors but moderately down in total. However, a period of improving business conditions tends to encourage the creation of new expansion programmes and the speeding up of existing ones. In the current situation, there is likely to be a further filling out of business investment intentions affecting the short as well as the longer term.

Perhaps, the sharpest impetus to demand in the period immediately ahead will come from the consumer. This new punch may be sparked by the resurgence of consumer interest in durable goods, particularly automobiles, sales of which have been lagging in the last two years. Also, the rising volume of housing completions will give further momentum to the upward trend in purchases of home appliances. New incentives to buy will be reinforced by the improved financial position of consumers and the continuing rise in personal incomes. These conditions augur well for the enterprising retailer.

All in all, the current improvement in economic conditions is proceeding on a sound basis. The upward movement of wage rates has moderated, but employment prospects are improving and purchasing power at the disposal of the wage earner is being maintained. Prices of materials have firmed, but, with capacity being ample, have not surged upward. At the same time, output in many industrial establishments is moving closer to the optimum level of plant operation. These developments should help to restrain the upward pressure on prices and also contribute to some recovery in business earnings. The market forces which have been described give promise of a progressive increase in physical demand, yet give little indication of an upsurge of boom proportions. In the continuation of such a balanced improvement lies the hope of achieving prolonged and steady growth.



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FLAGS OF CONVENIENCE—OR NECESSITY?

(*Concluded from page 65*)

registration fees and taxes on shipping in 1957-58; this represents a mere 1 per cent. of its total revenue. As for Costa Rica, that country will sacrifice between $50,000 and $100,000 a year by withdrawing its registration facilities.

It is mainly the relief from taxation through registration in "Panlibhonco" countries which shipowners in the maritime nations have in mind when they speak of the unfair competition to which they are subjected. They argue, moreover, that the advantage enjoyed by owners of flags-of-convenience tonnage tends to be cumulative: not only do these owners have untaxed profits which they can re-invest, but they are in a favourable position for borrowing from finance houses, especially in the U.S.A.

A year or two ago, it was commonly said that these financial advantages, coupled perhaps with a less considerate attitude to crews, would enable owners of "convenience" tonnage in time of slack trade to cut their freight rates drastically and so to drive other owners out of business. The freight markets have certainly been depressed during the past 18 months, but, so far as tankers are concerned, the depression seems to have hit the "Panlibhonco" vessels more severely than the rest. Flags-of-convenience vessels comprised 24 per cent. of the total commercial fleet afloat in 1958, but they accounted for over 40 per cent. of the 4 million tons of tankers laid up at the end of the year.

Common Objections

Common objections levied against the practice include the fact that the Governments of Liberia, etc., are not in a position to exercise effective jurisdiction over, or to give diplomatic protection to, the vessels they register (as the maritime nations are); and that the existence of large flags-of-convenience fleets is undermining the influence of the maritime powers in world shipping matters. The seamen's unions in the maritime countries fear that the growth of "convenience" fleets may jeopardise their own employment opportunities or lead to a lowering of standards as regards conditions of employment, etc.

Why do not more owners escape this "unfair competition" by following the example of the Americans and the Greeks? One answer is that, in many cases, their Governments will not allow them to transfer their vessels to overseas registration. And, even if they could, this might not offer a complete solution. A U.K. owner, for example, may set up a subsidiary company in Bermuda, where there are no income-taxes, and acquire new ships for registration there. He may then re-invest the profits in additional vessels, thus gradually building up a sizable fleet. If control of the ships lies in Bermuda, no U.K. tax is payable, but, immediately he wants to repatriate any of the profits of the enterprise to the U.K., the remitted profits will be subject to U.K. income-tax and profits tax at the standard rate.

Solution

Can one envisage an internationally agreed solution? The Maritime Transport Committee of the O.E.E.C., in a study released early in 1958, were unable to recommend specific action on an international level. And last year's Geneva conference on the law of the sea failed to agree upon any proposal. Perhaps, the biggest obstacle is that U.S. owners, who account for about two-fifths of the total flags-of-convenience tonnage, fear that they would be driven out of business if they were forced to register their vessels under the U.S. flag; and the U.S. Government would certainly not contemplate this result with equanimity. However, a conference is to be held in Washington in the near future at which the European and U.S. Governments will get together to discuss the problem.

If the chances of an international agreement on the question seem remote, the only solution is for individual Governments to take steps to remove the disability under which their nationals labour, if they register vessels under their own flags. In practice, this means making tax concessions. Britain's Chancellor pointed the way when he raised the investment allowance—granted to shipowners and to no one else—from 20 per cent. to 40 per cent. in his 1957 budget. The effect is that, for every £100 invested in new ships, the depreciation chargeable against profits for tax purposes will be £140. The concession naturally has no relevance, unless profits are being made; but, where they are being made, a considerable tax relief is enjoyed—though owners say that it does not go far enough. It is surely by such fiscal measures as these that the challenge of the "Panlibhonco" fleets will have to be met.—*By Special arrangement with* Petroleum Press Service.

MONEY AND BANKING

(*Concluded from page 67*)

pect of the various loans up to the end of September last were $27.85 million.

HONGKONG AND SHANGHAI BANKING CORPORATION

The working of the Hongkong and Shanghai Banking Corporation during the year ended 31st December 1958 has resulted in a profit (subject to audit) of HK$23,466,050 (approx. £1,467,000), as compared with HK$21,035,543 (£1,315,000) earned in 1957. This profit has been arrived at after making provision for taxation. As in the previous year, the Directors have utilised a sum of HK$4 million to write off Bank premises. The Directors have recommended a final dividend of £1 17s. 6d. per share, which, together with the interim one of £1 2s. 6d. per share, makes a total distribution of £3 per share for the year. While both these distributions for the year under review are on the increased capital of HK$50 million raised by a script-for-scrip bonus issue, only the final one of £1 12s. 6d. per share for 1957 was on the present capital. The interim payment of £2 per share was on the old capital.

It may be noted here that the recent negotiations between the Bank and the Mercantile Bank over the offer of the former to purchase the shares of the latter concluded in the last week of December and an agreement was reached in principle, subject to formal contract over the same. Under this agreement, the Hongkong Bank has offered to exchange its shares to the holders of the Mercantile Bank shares on the basis of one new share of HK$125 for every 20 shares of £1 each of the Mercantile Bank. Those who do not wish to exchange their shares have the right to cash their holdings at the rate of 44s. per share *ex-div.* The new shares of the Hongkong Bank to be issued for this purpose will not be entitled to the final dividend for 1958 mentioned above, but thereafter, they will rank pari passu with the existing shares. The offer is conditional, among other things, upon acceptance in respect of 90 per cent. (or such less percentage as the Hongkong Bank may decide) of the Mercantile Bank shares other than those already held by the Hongkong Bank. The Directors of the Mercantile Bank have agreed to recommend this offer to its shareholders for acceptance. If the offer is successful, it is intended to retain the identity of the Mercantile Bank with its head office and Board in London.

WORLD BANK ISSUES BONDS IN SWITZERLAND

The International Bank for Reconstruction and Development offered last week in Switzerland bonds of the value of Sw. Fr. 100 million (about $23.2 million). The bonds were issued, on behalf of the Bank, by a group of three Swiss banks—the Swiss Bank Corporation, the Swiss Credit Bank and the Union Bank of Switzerland—which underwrote the issue, as they did the previous offerings of the World Bank.

The bonds were offered at par and have a maturity of 15 years, carrying interest at 4 per cent. per annum. The bonds will have no sinking fund and will not be redeemed for ten years. On and after 1st February 1969, however, the World Bank may redeem at par all or part of the issue on any interest payment date after giving 45 days' notice in case of partial redemption and three months' notice for total redemption.

This is the seventh public issue of the World Bank in Swiss Francs and brings the total funded debt of the Bank to the equivalent of about $1,370 million in U.S. dollars and other currencies, after taking into account the deliveries of bonds under delayed delivery contracts and the amounts to be drawn down under a Deutsche Mark borrowing.

BANK OF INDIA LTD.

The profit of the Bank of India Ltd. for the year ended 31st December 1958, after making the usual provisions for contingencies and subject to audit, amounts to Rs. 85.77 lakhs, thus suffering a setback from the record level of Rs. 93.47 lakhs touched in 1957. This drop of Rs. 7.70 lakhs has wiped out, to a large extent, the increase in profit recorded during the previous two years. After bringing in the previous year's surplus of Rs. 16.02 lakhs, the Directors have pruned the provision for taxation from Rs. 28 lakhs to Rs. 25 lakhs, while no addition has been made to the reserve fund as in the previous year. The dividend is unchanged at 16 per cent. per annum, free of income-tax, made up of an interim distribution of 6 per cent. and a final one of 10 per cent. The dividend absorbs Rs. 48 lakhs, leaving a surplus of Rs. 28.79 lakhs to be carried forward, subject to payment of bonus to staff, for which purpose a sum of Rs. 15 lakhs was utilised last year.

WORLD BANK LOAN TO EL SALVADOR

The World Bank granted last week a loan of $5 million to El Salvador to finance the construction of 21 feeder roads and some additional work on the Coastal Highway of the country. The First National City Bank of New York, the Grace National Bank and the National Bank of Washington participated in the loan without the World Bank guarantee for a sum of $300,000, representing the first two maturities which fall due on 15th April and 15th October 1963. The loan is for a term of 15 years and will bear interest at 5½ per cent. per annum, including the usual commission of 1 per cent.

TEXTILES

(*Concluded from page 68*)

at a meeting held this week and the Association agreed to accept the abovementioned export limit.

Reports from Hong Kong say that textile manufacturers in that Colony are still studying the exact effects of the pact. Some are inclined to feel that the impact on trade with the U.K. will be little and that the ceilings may not be reached over the next three years. There are, however, a few others who think that the pact has "put a stopper on expansion here for some time," though they admit that the ceiling is not ungenerous to the Hong Kong industry.

The leading textile manufacturers of Hong Kong have failed to agree on how to administer the new quota agreement with Britain. One group has strongly opposed the idea of allocations under the 115 million square yards annual export ceiling based on past performance on the score that it would shut out new progressive concerns from the U.K. market, while another section maintains that, without some form of allocation, increased competition would cause a fall in prices. Some observers feel that the "new quarrel" would be patched up.

Meanwhile, the clothing industry in Britain has criticised the terms of the arrangement. The figure for made-up goods (46 million yards), it is pointed out, does not constitute any limitation and, in fact, can be increased. A deputation of clothing trade leaders has already met Sir Frank Lee, Permanent Secretary to the Board of Trade, and other senior officials in this connection. The deputation has made it clear that the industry does not in any way accept the agreement between Lancashire and Hong Kong cotton industries as binding upon the clothing manufacturers.

TEXTILE MACHINERY IMPORT

The Government of India has decided to call for applications for import entitlement and for import of the required types of textile machinery from mills intending to import textile machinery (other than automatic looms) against export of cloth and/or yarn. The mills manufacturing and exporting in any one year, cotton cloth and/or yarn by value in excess of 75 per cent. of the average of its exports in the three calendar years 1954, 1955 and 1956 put together or in excess of exports valued at Rs. 1,500 per installed loom per year in the case of cloth and Rs. 10 per installed spindle per year in the case of mills manufacturing and exporting cotton yarn, whichever is higher, will be eligible for import entitlement equivalent to 50 per cent. of the f.o.b. value of such excess exports. The permissible import entitlement shall be utilised by the mills for import only of specified textile machinery necessary for the modernisation and/or rehabilitation of the productive equipment in the mill, subject to such terms and conditions as may be prescribed by the Textile Commissioner.

Notice

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-fifth Annual General Meeting of the Shareholders of the Corporation will be held at the Jehangir Art Gallery, Fort, Bombay, on Wednesday, 4th February, 1959, at 4 p.m. S.T., for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and audited accounts for the year ended 31st May, 1958.
2. To sanction the declaration of a dividend.
3. To elect a Director in place of Mr. M. G. R. Aitken who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Arvind N. Mafatlal who retires by rotation and is eligible for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.
6. To appoint Branch Auditors at a remuneration to be fixed by the Board.

By Order of the Board,
WALLACE & CO.,
Secretaries and Treasurers.

BOMBAY, *6th January*, 1959.

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

Warrants for the dividend, if declared, will be posted to Shareholders on 23rd February, 1959, and will be payable on and from that date.

The Transfer Books of the Corporation will be closed from 27th January, 1959 to 17th February, 1959, both days inclusive.

MONEY RATES HARDEN FURTHER

(*From Our Own Correspondent*)

BOMBAY, *14th January*

The short-term money market continued to experience stringent conditions during the week under review also. With the progress of the busy season, there was a further expansion in the demand for credit, while funds were in short supply. Many of the banks had to seek accommodation from the Reserve Bank to meet their requirements. The prevailing conditions were reflected in a further rise in inter-bank call money rate from 3½ per cent. to 3¾ per cent. among the Exchange banks and big Indian banks. The smaller Indian banks offered up to 3¾ per cent., but today they were borrowers at no more than 3¾ per cent. House money at seven days' notice were bid at 3¾ to 3¾ per cent. and short-term deposits at 3¾ to 4 per cent. for one to six months.

Notwithstanding the cut in the amount of tenders from Rs. 3 crores to Rs. 2 crores, the response to this week's Treasury Bill sales was not very encouraging and the average discount rate hardened further from 2.460 per cent. to 2.470 per cent. per annum. The total amount offered (Rs. 2.05 crores) exceeded the amount invited by only Rs. 5 lakhs. Tenders at Rs. 99.385 were accepted in full and those at Rs. 99.380 allotted approximately 95 per cent. Tenders for next week are unchanged at Rs. 2 crores. There were no sales of intermediate Treasury Bills last week, but sales of these bills have been announced for this week at Rs. 99.396 per cent., which will mean a discount rate of 2.416 per cent. per annum.

The upward trend in notes in circulation is being maintained with a sharp expansion of Rs. 25.36 crores during the week ended 9th January 1959. Disclosing this, the Reserve Bank of India statement for that week shows a drop of Rs. 2.11 crores in notes held in the Banking Department. The rise of Rs. 23.26 crores in total notes issued is covered by an increase of Rs. 25 crores in rupee securities and a fall of Rs. 1.74 crore in rupee coin. While foreign securities show no change, balances held abroad have improved by Rs. 2.51 crores, bringing the total foreign assets to Rs. 191.71 crores. Central Government's deposits are up by Rs. 13.16 crores, while those of other Governments are lower by Rs. 7.64 crores. Deposits of banks too have fallen by Rs. 7.17 crores. Loans and advances to Governments have risen by Rs. 6.68 crores and other loans and advances by Rs. 12.56 crores. There has been a further substantial decline in investments to the tune of Rs. 26.10 crores.

The Scheduled banks' statement for the week ended 2nd January 1959 discloses an increase of Rs. 11.06 crores in demand deposits of banks and a drop of Rs. 4.50 crores in their time deposits. Inter-bank borrowings have declined by Rs. 6.52 crores, while borrowings from the Reserve Bank have gone up by Rs. 11.87 crores, of which those against usance bills account for Rs. 1.20 crore. A sharp rise of Rs. 13.87 crores is noted in advances and of Rs. 3.50 crores in bills purchased and discounted. Investments are lower by Rs. 3.56 crores. Cash balances, too, have shrunk by Rs. 2.28 crores, as also money at call and short notice by Rs. 5.56 crores.

With the growing stringency in the short-term money market, activity in the Gilt-edged market was dull. Barring the 1986 Conversion Loan and 3 per cent. 1970-75, almost all other issues in the Central Government list were on offer. The rise in the above two securities was due to covering by those who had sold short on expectation of a cut in the Bank rate. State loans continued to be in demand, from institutional investors.

3 per cent. 1986 Conversion Loan jumped up by 65 nP to Rs. 74.15 and 3 per cent. 1970-75 by 15 nP to Rs. 91. 3 per cent. 1964 was better by 5 nP at Rs. 93.95. 3 per cent. 1964 was better by 5 nP at Rs. 97, while 3 per cent. 1963-65 shed 5 nP to Rs. 96.80. 3½ per cent. 1963 was unchanged at Rs. 100.05, while 3½ per cent. 1964 declined by 5 nP to Rs. 99.85, as also 3½ per cent. 1965 to Rs. 99.70. 3½ per cent. 1974 looked up by 5 nP to Rs. 98.50, due to proximity of half-yearly interest payment. Among State loans, Bombay 4 per cent. 1967 and 1968 were quoted at par, disclosing a rise of 15 nP and 20 nP, respectively. Andhra 4 per cent. 1968 gained 10 nP to Rs. 99.90. Madhya Pradesh, Bihar, Punjab and Orissa loans were all keenly sought after and they recorded smart rises over the week.

In the foreign exchange section, the rupee was featureless in terms of the U.S. dollar, with no variations in quotations. Banks' selling rate of ready dollars was stagnant at Rs. 477 per $100 and their buying rate at Rs. 473.75 per $100. In New York, sterling showed a slight weakness. Spot sterling dropped from $2.80.17/32-2.80.19/32 to $2.80½-2.80.9/16. Transferable sterling moved down from $2.80.11/32-2.80.13/32 to $2.80½-2.80.5/16.

HIDES QUIET

(*From Our Own Correspondent*)

KANPUR, *12th January*

During the week under review, hides and skins market was quiet. Fresh arrivals were large. The main purchasers were the local tanners and the Madras dealers. The country tanners were luke warm.

The latest quotations are: wet salted cow 1st grade Rs. 360, 2nd grade Rs. 260 to Rs. 265 and 3rd grade Rs. 190 to Rs. 210 per score; wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 1 lb. 14 ozs. per rupee; goat 1st grade Rs. 400 and 2nd grade Rs. 350 to Rs. 375 and 3rd grade Rs. 190 to Rs. 200 per 100 pieces; sheep 1st grade Rs. 325 to Rs. 350 and 2nd grade Rs. 300 per 100 pieces.

GOLD MOVES UP AGAIN

(*From Our Own Correspondent*)

BOMBAY, *14th January*

The bullion market ruled steady during the week under review, under the leadership of gold, which gained further ground on persistent demand from Madras. Over the week, gold recorded a rise of As. 7 per tola, while silver was a shade lower.

The market remained closed today on account of *Makar Sankaranthi*.

Early in the week, silver was subdued on selling pressure from Calcutta operators and discouraging advices from upcountry centres. Fall in demand in the ready section and rumours that heavy duty had been paid for import of silver coins from Tibet affected sentiment in the white metal. Gold, too, suffered a slight reaction in sympathy with silver. Thereafter, the bullish trend reasserted itself on revival of demand for gold from Madras, absence of any arrivals from Tibet and reports of trouble in Tibet which gave rise to hopes that there would be no import of coins from that country for some time to come. Nevertheless, silver could not fully make good the earlier loss, while gold advanced to fresh high levels.

Silver forward (January settlement) declined from Rs. 195-2 to Rs. 193-14 on Friday, but crept up to touch a high of Rs. 195-6 yesterday. At the close, however, profit-taking brought it down to Rs. 194-15. The February settlement came down from Rs. 196-1 to Rs. 194-12 before gaining ground to Rs. 195-14.

Ready silver closed with a gain of As. 5 over the week at Rs. 194-9. The floating stocks of silver are reported to be 1,400 bars. The daily average arrivals were 16 bars, while the offtake was lower at 14 bars per day.

After an initial reaction from Rs. 115-14 to Rs. 115-5, gold for forward delivery (January settlement), rallied to touch Rs. 116-10 yesterday. The closing was done at Rs. 116.5. The February settlement came down from Rs. 116-1 to Rs. 115-12, but recovered to a high of Rs. 117-1 yesterday. At the close, there was again a setback to Rs. 116-13.

Ready gold advanced from Rs. 115-14 to Rs. 116-12 and closed at Rs. 116-7. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals were 3,000 tolas, while the average offtake was a shade better at 3,500 tolas per day.

In New York, there was a further rise in the price of silver from 89.875 cents to 90.125 cents. The London prices too hardened from 75½d. to 76¼d. for spot and from 75¾d. to 75¾d. for forward. Gold weakened from 250s. ¾d. to 249s. 10¾d.

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

	13-1-59	Highest	Lowest	7-1-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	116 7	116 12	115 5	115 14
Forward*	116 5	116 10	115 5	115 14
Sovereign	73 0	73 0	72 12	73 0
SILVER				
Ready (.900 fine Mint) ..	194 9	194 14	193 4	194 4
Forward†	194 15	195 6	193 14	195 2
London Silver Ready ..	76¾d.	76¾d.	76d.	75¾d.
London Forward	75¼d.	75¼d.	75¼d.	75¼d.
London Gold	249s.10¾d.	250s. ¼d.	249s.10¼d.	250s. ¼d.
New York Silver	90.125 c.	90.125 c.	90 c.	89.875 c.

* 24th January settlement. † 27th January settlement.

ELECTROLYTIC ZINC ADVANCES

(*From Our Own Correspondent*)

CALCUTTA, *13th January*

The feature in the metal market during the week under review was the impressive advance in the price of electrolytic zinc following good demand from upcountry, while other base metals receded. Stocks of zinc depleted and, until fresh arrivals were received, the price should be maintained at the higher level. The tender for 1,300 tons of zinc by Tata Steels was opened, and this would also contribute to tightness in supply. In the meantime, the report that the State Trading Corporation would soon import about 7,000 tons of zinc from the U.S.S.R. was circulating, but, in the absence of confirmation of this news, it failed to have any effect on the market. The opening quotation was Rs. 102.50 and the rate soon spurted to Rs. 104.00, following demand from alloying industries upcountry. When the demand was fully met, the price gave way to Rs. 101.50, but, since stocks were insufficient, the price recovered to close fully steady at Rs. 103.

In tin, since the Bombay quotation was higher at Rs. 620, upcountry demand was diverted to Calcutta. Opening at Rs. 605, the price improved to Rs. 606, but closed lower at Rs. 603. The price moved down, following the grant of licences to established importers.

Virgin lead moved down from Rs. 84 to Rs. 82.50. There was no demand from local consumers, while demand from Bombay was fair, since the quotation in Bombay was higher at Rs. 92. The supply position was easy. This factor also contributed to the easing trend, despite demand from upcountry.

In London and New York, copper was steady and, according to reports, an increase in U.S. customs smelter price was considered imminent. The higher trend was attributed to fears of labour troubles affecting production in Belgian Congo and good demand from West Germany.

COTTON FUTURES FIRM

(*From Our Own Correspondent*)

BOMBAY, *14th January*

The firm trend noted in the cotton futures market on Wednesday last gathered momentum during the week under review and prices registered a handsome improvement. The firmness was due to large-scale short-covering—to the extent of nearly 30,000 bales—by a leading bear operator against heavy commitments earlier. The bullish fervour was also fanned by fears of crop damage due to cold weather, as well as by reports regarding enlarged offtake of cloth—domestic and overseas. The trade estimate of cotton crop in the current season places the yield at 5,150,000 bales, as against 5,425,000 bales estimated earlier. Advices from the spot market were quite encouraging. Arrivals were said to be small, while there was good mill buying of staple varieties.

I.C.C. Moglai Jarilla March 1959 opened the week firm at Rs. 647.50, as against last week's closing rate of Rs. 645.50. Under the impetus of hectic short-covering, the contract spurted to touch a high of Rs. 659.50 today, the net gain over the week being Rs. 14. There would have been a more marked advance but for intermittant profit-taking by some bull operators.

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

(In rupees per candy of 784 lbs.)

	14-1-59	*High*	*Low*	7-1-59
I.C.C. Moglai Jarilla (March 1959) ...	659.50	659.50	645.00	645.50

Trading in the spot market during the week was characterised by persistent mill demand for staple varieties of cotton. In particular, Vijay-Digvijay came in for good business by Ahmedabad and Saurashtra mills.

Among exportable styles, old crop Berar 25/32" and Bengal *Deshi* superfine attracted attention of shippers. Moglai was also moderately sought after, as also the delivery contracts of Wagad, Kala and Mathia. Traders noted with satisfaction the marked rise in the purchase of Indian cotton by Japan; the total of these purchases during the first eleven months of 1958 is put at 201.191 bales, as against 187,627 bales in the same period of 1957. The purchases are expected to be larger still in the coming months. The expectation is based on a recent report from Japan which suggests that the cotton industry there has requested the Government to liberalise imports of raw cotton.

In the foreign section, B.P. 52 and higher grade Sudans elicited persistent demand. Traders were awaiting the outcome of the discussions being held by an Egyptian trade delegation on a satisfactory arrangement for enabling Indian mills to buy more Egyptian cotton.

The latest available quotations—in rupees per candy of 784 lbs.—from Sewri are as follows, the figures in brackets being the closing rates a week ago:

Bengal *Deshi* 685 (650); Berar Jarilla 730 (710); Khandesh 800 (785); Vijay 920 (911); Jayadhar 875 (860).

Cotton traders noted with great interest the auction sale on the 7th inst. of 50 bales of Sea Island Andrews cotton grown in about 1,600 acres in Mysore and Kerala. The Central Government had fixed Rs. 2,300 per candy as retention price, though the East India Cotton Association graders' valuation was Rs. 2,800. The price actually obtained at the auction was Rs. 3,510. Auctions of this cotton will be held at an interval of 15 days for six fortnights, the next auction being fixed for the 21st inst.

The Karachi cotton futures market presented an irregular trend during the week under review. Thus, the N.T.R.G. January delivery firmed up from Rs. 61-6 to Rs. 63-0-6 on good buying support, while the March position encountered selling and declined from Rs. 62-10 to Rs. 62-4-6 before recovering to Rs. 62-8-6 yesterday. Prices in the spot section registered a handsome improvement on hopes of better export business with Japan. The hopes were based on reports that the Japanese cotton industry had requested the Government to liberalise imports of raw cotton. Special significance was attached to the reports, because exports of Pakistan cotton to Japan had so far been at a slow pace; the quantity actually shipped during the first eleven months of 1958 was no more than 226.874 bales, as against 294,963 bales in the corresponding period of 1957. The latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi, with figures in brackets indicating last week's rates, are given below:

Punjab *Deshi* 59 (58); Sind *Deshi* 64-8 (65); 4F Punjab R.G. 61-5 (59-1); S.G. 66-5 (64-9); L.S.S. Punjab R.G. 63-13 (63-5); S.G. 67-13 (67-1); N.T.R.G. 66-13 (65-9); S.G. 73-13 (73-1); 289F Punjab R.G. 72-5 (69-1); S.G. 82-5 (79-1).

Firm conditions prevailed in the Alexandria cotton futures market during the week. The firmness was aided by renewed buying inquiries from abroad. The record estimate of the Egyptian cotton crop for 1958-59 puts the aggregate yield at 1,353,288 bales (of 730 lbs.), which together with the carryover of 273,138 bales, gives a total supply of 1,626,426 bales. Of this quantity, about 291,826 bales had been exported and 107,533 bales consumed by the end of December, so that the remaining visible supply as at 31st December 1959 was 1,227,068 bales.

The latest available quotations—in tallaris per lb.—for Alexandria are: *Karnak*: January 72.80 and March 72.85. *Ashmouni*: February 64.17 and April 64.03.

The Liverpool cotton futures market ruled distinctly easy during the week under review. There was large-scale selling, while trade covering was limited. Outside interest was lacking. Traders preferred to await the decision of the Restrictive

Practices Court on the minimum price scheme of the Yarn Spinners Association. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton 1" staple contract: March-April 22.05; May-June 21.45; July-August 20.40; October-November 19.90; December-January 19.90. *American cotton mixed growth contract*: March-April 22.25; May-June 21.60; July-August 20.35; October-November 19.78; December-January 19.94. *Sudan Lambert seed contract*: January-February, May-June and July-August 24.75.

After remaining fully firm in the initial sessions of the week, the New York cotton futures market developed a sagging tendency later. The initial firmness was due to support lent by commission houses on expectations that the mid-January parity price might move up rather sharply. Consequently, prices recorded a rise. The upward trend was halted subsequently, following scattered hedging and profit-taking, along with selling attributed to lack of follow through to previous late buying movement. Yesterday, however, the market staged a recovery induced by demand being associated with the Government loan programme which was expected to tighten up free market supplies later in the season and the belief that many farmers would restrict their acreage this year for a high support price.

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

(In cents per lb.)

	13-1-59	6-1-59	30-12-58
Spot	35.70	35.70	35.70
March	34.68	34.64	34.10
May	34.82	34.79	34.22
July	33.94	33.88	33.52

YARNS RECEDE

(From Our Own Correspondent)

BOMBAY, *14th January*

The yarn market had only four working sessions during the week under review, as it remained closed yesterday and today. During this brief period, the market put on a distinctly easy appearance. In particular, rayon yarns encountered selling, thanks to decline in demand from weaving centres in the wake of increased supplies from indigenous manufacturers. Staple fibre yarns also came in for selling on fears of enlarged supplies. The fears were based on reports that the production of staple fibre in the Gwalior rayon factory had been stepped up from 40 tons to 60 tons per day, as well as on the belief that several mills might switch over from spinning cotton yarn to spin staple fibre yarn, in view of the low margin of profit on the former. There were, besides, rumours of large sales of staple fibre yarns by several South Indian mills in the Punjab at lower prices in anticipation of getting sufficient raw staple fibre from the indigenous manufacturer. Some Bombay mills were also reported to have made sales at reduced prices. Cotton yarns lacked support.

In the art silk yarn section, 150 Japan dropped 12 nP to Rs. 5. 120 Japan eased by 3 nP to Rs. 4.84. 150 Italy were neglected at Rs. 5.37. 120 Italy, however, advanced by 6 nP to Rs. 5.31 on special support. Among indigenous yarns, National Rayons 120 bright cones first grade receded by 6 nP to Rs. 4.41. 150 bright cones first grade were dull at Rs. 4.45.

Cupressa Bamberg art silk yarn (60/1) February delivery was subjected to selling pressure and fell by Rs. 10 to Rs. 1,630 per case of 200 lbs. Spot 60/1 cupressa eased by 7 nP to Rs. 8.37.

Staple fibre yarn (40 x 2) February delivery slumped by Rs. 13 to Rs. 607. In the spot section, 40 x 2 Citys climbed down by 18 nP to Rs. 3. Centurys and Kohinoors each lost 3 nP to Rs. 3.25. Foreign yarns, however, fared better, Paramounts rising by 13 nP to Rs. 9 and Fujis by 7 nP to Rs. 8.94.

In the cotton yarn section, ten counts Podars decreased by 13 nP to Rs. 12.12. Twenty counts Moderns were stagnant at Rs. 16.25. Among 30s, Hinds were unchanged at Rs. 19.12. Forty counts Minaxis were quoted 25 nP lower at Rs. 24.69. Moderns changed hands at Rs. 25.25, same as last week. Sixty counts were dull, Raghuvamshis being quoted at Rs. 53 and Finlays at Rs. 65.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted on the 12th inst., as compared with those five days before:

	12-1-59	7-1-59
Art silk yarn (per case of 200 lbs.)—	Rs.	Rs.
120 Japan (per lb.)	4.84	4.87
150 Japan (per lb.)	5 00	5.12
120 Italy (per lb.)	5.31	5.25
150 Italy (per lb.)	5.37	5.37
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 February	607.00	620.00
40 x 2 Kohinoor (per lb.)	3.25	3.28
40 x 2 Century (per lb.)	3.25	3.28
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.12	12.25
20s Modern	16.25	16.25
30s Hind	19.12	19.12
40s Minaxi	24.69	24.94
60s Finlay	65.00	65.00
80s Modern	..	..

GROUNDNUTS BUOYANT

(From Our Own Correspondent)

BOMBAY, *14th January*

Buoyant conditions prevailed in the oilseeds market during the week under review. The marked recovery, which was in evidence during the last week-end, gained considerable momentum, thanks mainly to encouraging demand for exports and *relatively lower quantum of arrivals.*

This improvement was the result of many helpful factors. On the 7th inst., the Government of India announced its decision to release a further quota of 20,000 tons of groundnut oil cake (expeller variety) for export during the period ending March 1959 to all permissible destinations. Established shippers will be given a quota equal to 20 per cent. of their basic year exports, subject to a maximum of 400 *tons per shipper from all the ports.* On top of it came the news that the Karmahom Conference has decided to postpone the proposed enhancement of freight for oil and oil cakes in February by a month.

In these circumstances, prices of oil and seeds made an impressive rally, under the leadership of groundnuts. There were rumours of export business in groundnut oil with Burma, Hongkong and certain countries of the Communist block. Groundnut February contract which stood at Rs. 164.87 *last Wednesday, after fluctuating between* Rs. 164.37 and Rs. 167.50, closed at Rs. 168.25. May Contract gained by Rs. 3.50 over the week and touched Rs. 172.50 today. Bold ready, which stood at Rs. 32.75 last Wednesday, wound up the week at Rs. 33.56. Oil ex-mill, which opened on a steady note at Rs. 17.37 last Wednesday, moved up to Rs. 18.00 today.

Rumours of sizable export demand for castor oil, particularly from the U.S., constituted the main sustaining factor in the castor section. The rally in prices was also aided by the strength in other seeds and oils. Castorseed May 1959 contract, although it fell by 25 nP on Thursday, gained considerable ground and it closed firm today at Rs. 145.00. Ready Madras also looked up, it having closed today at Rs. 28.75, as against Rs. 28.00 last week-end. Oil B.S.S. advanced from Rs. 15.25 to Rs. 15.87.

Sympathetic movements were in evidence in the linseed section. Some prospects for exports of linseed oil from Australia were in sight. However, these factors failed to enthuse the market, in view of the fears of increased competition following de*valuation of Argentine currency and selling* pressure. Linseed May 1959 contract, which stood at Rs. 31.81 last week-end, after a decline by 19 nP on the following day, rallied to Rs. 32.00 on Monday. It fell to Rs. 31.37 yesterday but advanced today to close at Rs. 31.62. Bold ready, however, gained by about 25 nP, to close today at Rs. 35.50. Linseed oil, after experiencing minor fluctuations was quoted today at Rs. 18.00, as compared with Rs. 17.87 last week-end.

Cottonseed witnessed cheerful conditions dur*ing the week under review*, thanks to lower crop estimates and good export demand for cakes, apart from the speculative support. Cottonseed February 1959 contract moved up from Rs. 120.25 last Wednesday to Rs. 123.50 on Monday, but eased slightly today to Rs. 122.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	14-1-1959	7-1-1959	31-12-1958
Groundnut	Rs.	Rs.	Rs.
February 1959	168.25	164.87	162.12
May 1959	172.50	169.00	..
Bold ready	33.56	32.75	32.00
Coromandel ready	34.50	33.12	32.62
Khandesh quality	34.62	33.25	32.62
Oil ex-mill ready*	18.00	17.37	17.12
Railway receipts*	17.94	17.31	17.00
Castor seed			
May 1959	145.00	142.25	137.62
Ready Madras	28.75	28 00	27.62
Ready Kanpur	27.75	27.00	26.50
Oil B.S.S.†	15.87	15.25	15.00
Oil commercial†	14.62	14.19	14.00
Linseed			
May 1959	31.62	31.81	30.81
Bold ready	35.50	35.25	35.00
Oil ready†	18.00	17.87	17.78
Cotton seed			
February 1959	122.50	120.25	115.25
May 1959	118.50	116.50	..
Niger seed	27.75	26.50	26.25
Kardi seed	20.62	19.62	19.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, *except linseed, which is in cwt. A candy is 560 lbs.*, except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR FIRM

(From Our Own Correspondents)

BOMBAY, *14th January*

The sugar market continues to rule firm, thanks to paucity of stocks in the city and renewed demand from Malabar side. Both spot and ex-mill delivery prices have tended to move up. Reports of hooliganism by cane growers in the U.P. have also imparted *strength to the market. Even* the report that the normal monthly release will be made on the 24th inst., if not earlier, has had no effect. Trade circles in the interior are inclined to feel that sugar production in North India would be lower as a result of the diversion of cane supplies to *gur* manufacture.

Arrivals of sugar by rail into the market during the week aggregated 14,400 bags, as against 12,560 bags in the previous week.

Over the week, small grain sugar has gone up by a rupee to Rs. 109. Medium grain is fully maintained at Rs. 109.50-Rs. 114 and large grain at Rs. 115-Rs. 120.

* * * *

HAPUR, *12th January*

Sugar prices ruled quietly steady during the week under review. Although the supply position was reported satisfactory, there were reports of scarcity conditions in certain areas where sugar was not allotted in required quantities. It was also felt in some trade circles that the Government did not have sufficient stocks in hand to rush supplies to deficit areas. Production in the country upto 22nd December 1958 aggregated 348,159 tons of which 205,354 tons were in factories in Northern India and 142,805 tons in Southern India and despatches upto this date were 262,587 tons.

Sugar prices ruled steady in the Muzaffarnagar market, owing to good support from the Punjab, Delhi, Gujerat and Saurashtra. In no case were the quotation for mill delivery lower than the con*trolled prices fixed by the Government. Crushing* was in full swing. Recovery was reported to be 7.87 per cent. in Moradabad division, while, on this line, it was 8.72 per cent. The latest prevailing prices were: Crystal spot delivery old Deoband C29 Rs. 37; New Deoband D29 Rs. 37.25; Saharanpur D29 Rs. 36.75; Deoband D28 Rs. 36.75; Shamli D29 Rs. 36.75; E29 Rs. 36.56.

Sugar prices ruled quiet in the Kanpur market. The latest prices were: Ex-mill controlled for Kanpur Rs. 36 per maund, spot per bag C29 *Basti Rs. 105*; Gola Rs. 103-8; D29 Gola Rs. 101-4; Hargaon, Balrampur and Tulsipur Rs. 101. Warhwal and Waltergunj were unstocked.

Khandsari ruled quiet and production was reported to be *gradually increasing* and demand was slack. The prevailing prices were: dry Rs. 30 to Rs. 34; wet Rs. 26 to Rs. 29 per maund.

Ready *gur* continued to rule steady. Although outside demand was slack, stockists had entered the market, with the result that the local stocks were *now put at 12,500 maunds.* Daily arrivals continued to be small at an average of 3,000 to 4,000 maunds and this was due to fodder scarcity, as producers were crushing only that amount of cane which was needed for daily fodder requirements. Ready *gur* was quoted slightly higher in the *mofussil* areas and, while *pansera* quality was put in stocks, *balti* quality was being despatched to Gujerat side. Prevailing prices on Monday were: *pansera* Rs. 16.50 to Rs. 16.75; *balti* Rs. 16.75; *shakker* Rs. 17.25 per maund.

Ready *gur* also improved by 62 nP to Re. 1 per maund in the Muzaffarnagar market, due to *good demand from consuming areas of Gujerat* and Madhya Pradesh. The latest prevailing prices were: *Chaku* Rs. 16.50 to Rs. 17.25; *pansera* Rs. 16 to Rs. 16.50; *ladu* Rs. 16.25 to Rs. 16.50; *khaupa* rusket Rs. 11.50 to Rs. 12.50; *shakker dara* Rs. 16.50 to Rs. 17.25; *masala* Rs. 19 to Rs. 19.75.

Future *gur* ruled quietly both ways during the week in alternate bouts of buying and selling. Opening at Rs. 15.60 on Monday and touching the highest at Rs. 15.86 and lowest at Rs. 15.37, *fagun delivery* was quoted today at Rs. 15.55.

SACKINGS AND RAW JUTE QUIET

(From Our Own Correspondent)

CALCUTTA, *13th January*

Excepting for steadier hessian prices, the jute markets were featureless during the week under review. Sacking goods were quiet, and B. twills were throughout available at below the minimum price. Raw jute, after being steady for a time, moved down, following depression in the goods market. During the week, the details of jute goods in stock with mills at the end of December were announced, and the total of all constructions at 109,900 tons recorded a significant increase of 4,500 tons. This increase did not surprise market circles, as it had been anticipated in view of the Christmas and year-end holidays in foreign markets. It was noted that stocks now exceeded a month's production, although, considered construction-wise, hessian at 15,800 tons declined by 1,500 tons and was only about a fortnight's output. Ready hessian continued to be in short supply. It is a pity that mills have not yet transferred as many sacking looms to hessian manufacture as would give a better balance in production. Technical difficulties are said to be a problem. Sacking stocks at 80,400 tons increased by 4,900 tons and, with such a huge figure, it was not surprising that shippers were finding it difficult to book business at and above the minimum price.

Market circles considered that, without a better balancing of production, any attempt to fix minimum prices might prove futile. Alternatively, if Government would increase its purchases of sacking goods for a few months' consumption and thus relieve the mills of a portion of the stocks, it would go a long way towards stabilising the minimum prices. Instead of some such realistic action on the above lines, it was felt that mere control by shippers' associations and mills over the minimum prices would only contribute to weakness.

Reports of worsening conditions in Pakistan markets continued. In the border areas, there is said to be acute distress, owing to accumulation of output and also to the inferior quality produced in these areas. Further, China is exporting raw jute at competitive rates. The Pakistan Government has banned cultivation of jute in the Indo-Pakistan border areas in the districts of Barisal, Chittagong, Jessore, Khulna, Kusthia, Noakhali, Rajashai and Rangpur. Other crops would be grown in these areas. This decision was arrived at not only to prevent smuggling across the border but is also a recognition that, for the inferior quality jute, overseas market is shrinking. Another measure which the Pakistan Government has taken in order to relieve distress in the border areas is to request Pakistan exporters to purchase as much as they can from these areas. It would be remembered that India was Pakistan's largest market for jute cuttings, but, with near self-sufficiency here, imports from Pakistan have been cut down to a small quantity of the superior fibre only. This has resulted in huge accumulation of cuttings in Pakistan, and balers are put to much inconvenience, as funds have been blocked up. According to a report from Dacca, the Pakistan Government has requested the mills there to conserve jute cuttings in larger quantities.

Reflecting the stock position, *shipments of sacking* in December were lower than in the previous month, but those of hessians were higher. On Tuesday last, there was good covering demand for *hessian*, and the 40"×10 oz. advanced to Rs. 42.10 from Rs. 42. In sympathy, ready B. twills at Rs. 94.80 represented an increase of 20 nP. At this stage, mills increased their offers of *hessian* and reported fair offtake. This pushed down ready hessian 40"×10 oz. to Rs. 42 on Wednesday. B. twills sagged to Rs. 94.55. Reports from New York indicated that there was moderate demand for both afloat and ready goods. Market circles noted with satisfaction the optimistic outlook for burlap entertained by Mr. William A. Nugent, Vice-President of the Burlap Council in the United States. His premises are two: (1) Consumption in the United States in 1958 was almost equal to that of 1957, despite economic recession for some time; and (2) industrial uses of burlap were expanding and in 1958 burlap consumed for backing for tufted carpets registered a significant increase.

Despite these reports, the price of hessian 40"×10 oz. gave way to Rs. 40.75, for, in view of the earlier heavy sales, business was lacking. By the week-end, however, there was a recovery to Rs. 41. B. twills were quiet at Rs. 94.85. Prices were depressed yesterday following selling pressure in futures. A small amount of covering *business* was done and the ready 40"×10 oz. was around Rs. 41. Ready goods were in short supply. In the absence of business, ready B. twills declined to Rs. 94.65.

Quietness prevailed in the raw jute market in sympathy with goods. Buyers were discounting offers, and, in fact, at discounted rates some business took place. From Rs. 21.50, Assam bottoms fell to Rs. 20.75 and Daissee *bottoms* to Rs. 21.25 from Rs. 22.75.

The fall in jute prices was the subject of discussion at a conference held here yesterday, which was attended by representatives of the Eastern States, the State Bank, the S.T.C., co-operative *marketing* societies and the Central Warehousing Corporation. Several speakers demanded a price support policy, which they said was essential for increasing production. There was recognition that storage and warehousing facilities were inadequate. The need for co-operative marketing and storing was much stressed, and it was probable the State Bank might provide sufficient funds to the co-operatives. If the recommendations are accepted and executed, they would prove to be a boon to the cultivators.

Latest quotations for the different varieties January-February shipment are:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	22.75	20.25
Assam	23.25	20.75
Orissa	25.50	23.00
Desal	21.50	19.00
Murshidabad	20.75	18.25
Jungli	20.50	18.00
Daissee	23.75	21.25
Uttar Pradesh	20.50	18.00
Daissee mesta	19.25	16.75
Bimli f.a.q.		Rs. 17.50
Pucca bales	Rs. 137.50 first mark ready.	

TEA IN GOOD FORM

(From Our Own Correspondent)

CALCUTTA, *13th January*

Fair activity was continued to be exhibited by buyers in the export auctions held yesterday. A small increase in prices was recorded. Tea districts in North India reported fairly good weather in December, and it is now expected that the total of 1958 production would reveal a substantial increase over 1957. This increase, however, might not adversely affect the market trend in the coming few weeks, as not only internal consumption has increased but overseas buyers are expected to operate actively.

The fall in prices in the sales held in Mincing Lane (London) during the past week was attributed to poor quality. The North Indian teas offered in London was mostly of the "*rains*" description. In the local auctions, however, British buyers showed fair interest, and Russia was not lagging behind. The United Arab Republic's demand was considerable, judging from the interest being displayed by Egyptian buyers. Egyptian sorts have naturally added gains in prices, and indications available were that, in the next few weeks, the U.A.R. would purchase about 10 million lbs.

In the meantime, an interesting report from Colombo has set tea circles athinking. For, according to it, the Ceylon Government would soon revise the export duty levied on tea. It was not known here if the proposed revision would lower the existing rates. The indication was that the present flat rate would be withdrawn and a new basic flat rate would be applicable to all teas. For teas realising prices more than the minimum or determined price, for which the flat rate would be levied, higher levies would be computed on an *ad valorem* basis. There was anxiety here if the contemplated revision was directed to increase the competitive nature of Ceylon tea in foreign markets.

Another report of some amount of anxiety here was the increasing nature of imports of Chinese tea into the United Kingdom. In the eleven months to November last, these amounted to over 8¼ million lbs., representing an increase of 2 million lbs. over the figure in the corresponding period in 1957. In January to November 1956, Chinese tea sent to the U.K. were only 1¼ million lbs. Tea trade circles were inclined to interpret these figures to mean that China must have been exporting tea in even more impressively increased quantities to the Communist countries. At the same time, India's exports to the U.K. have also increased. This suggests that world consumption has also increased. In the last sales in London, black tea of Chinese origin, amounting to 524 packages, met with keen competition.

In the internal sales held here last week, dusts on offer amounting to 17,477 chests received the keen attention of buyers, and, as the sales proceeded, demand increased considerably. Orthodox grades were fully steady, with the cleaner teas improving by 10 nP. Legg-cut Dooars also recorded a similar addition. C.T.C. teas were buoyant, and rose by more than 10 nP., with the demand for the small powdery teas being greater. In Darjeelings, quality teas were shown preference, and these advanced. The quotations were: Best Assam C.T.C. Rs. 2.50 to 3.00 (nominal), medium Assam C.T.C. Rs. 2.00 to 2.15, medium Assam grainy Re. 1.80 to 1.84, and medium Dooars Re. 1.78 to 1.82.

Leaf amounting to 1,337 chests rose by 2 to 4 nP on good demand.

Steady conditions were also in evidence in the sales held in Chittagong on 7th January when offerings were leaf 16,392 chests and dusts 5,794 chests, in addition to a supplement of 64 chests. Leaf teas advanced by 8 as. Green teas amounting to 630 chests gained As. 6 to 8. The quotations were: O.F. Rs. 2-7-6, B.O.P. Rs. 2-7, B.P.s Rs. 2-6 to 2-6-6, O.P. Rs. 2-7, P.F. Rs. 2-5-6, B.P. Rs. 2-6, and Pekoes Rs. 2-4.

Dusts rose by As. 4 to 5 with the quotation for Sylhets at Rs. 2-3.

The 21st January has been fixed as the date for the next sales.

Export offerings during yesterday's sales amounted to 64,367 packages. The strong and general demand pushed up prices. The cheaper lots of C.T.C. Assams realised prices above valuations, while the best varieties were a shade irregular. Plain and medium B.Ps were steady, with the cleaner sorts rising above valuations. On the other hand, medium Assam B.O.Ps and tippy kinds eased by 20 nP, and O.Fs in this category by 10 to 15 nP. Whole leaf grades were fully firm and often dearer with the stylish lots receiving more attention. Darjeelings were firm. Non-wither Dooars met with ready buyers. The quotations were: best Assam C.T.C. fannings Rs. 2.30 (nominal), clean black pekoe Rs. 2.00 to 2.04, best Assam C.T.C. B.P. Rs. 2.15 to 2.20 (nominal), plain fannings Re. 1.72 to 1 76, plain B.P. Re. 1.58, medium fannings Re. 1.76 to 1.84, and medium B.P. Rs. 1.58 to 1.62.

Export quota after being done at 4½ nP declined to 4 nP.

MEDIUM TEAS IN DEMAND

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

COCHIN, *8th January*

Approximately 1,300,000 lbs. were on offer in Sale No. 1, which was held on Tuesday, 6th January. Quality was rather irregular, although some low medium and medium teas showed improvement. High growns were a little disappointing and some of these declined slightly in quality. The sale opened to a good general demand and, in particular, buyers showed interest in low medium and medium teas. Under keen competition these types, both brokens and fannings, advanced by 5 to 10 nP per lb. *High grown teas were irregular*, but generally slightly easier. There was an improved demand for whole leaf grades but tippy teas sold at easier rates. A feature of the sale was the demand for clean black leaf brokens and fannings. The quotations were: Low medium Re. 1.50 to 1.60; Medium Re. 1.65 to 1.80; Good medium Re. 1.90 to 2.25 and Quality Rs. 2.10 to 3.65.

The average price of tea realised in Sale No. 1 was Re. 1.83 per lb., as compared with Re. 1.92 per lb. in the previous sale and Re. 1.94 in the corresponding sale of 1958.

London Market: Sale of 5th January 1959:—Better liquoring and well-made teas steady; others irregular and generally 1d. to 2d. lower.

Sale of 6th January 1959:—Market fully steady.

Colombo Market: Sale of 5th January 1959:—Good demand. Best Dimbula Dickoyas lower. Others down 15 to 25c. Good mediums slightly lower; low mediums 5c. dearer. Low growns slightly dearer.

Sale of 6th January 1959:—Good demand. Dusts and black leaf fannings dearer. Other kinds slightly lower.

Calcutta Market: Export:—Good general demand. Plain B.P. steady. Fannings irregularly dearer. C.T.C.s firm to occasionally dearer.

Internal:—Strong active demand strengthening as sale progressed. Orthodox closed 6 nP to 10 nP dearer. C.T.C. good demand steady.

Export Quota:—The market has developed a stronger tone and at the time of writing business has been done at 3½ nP.

Forthcoming Auctions:—Sale No. 2 will be held on Tuesday, 13th January and Dust Sale 'A' on Thursday, 15th January.

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

"*Sale* 2:—800 000 lbs. Market irregular. Low medium and medium fannings and whole leaf strongest feature and 5 to 10 nP dearer. Low medium and medium brokens steady. All others, particularly highgrowns, irregular and easier."

FOODGRAINS MOVE UP

(From Our Own Correspondent)

HAPUR, *12th January*

Firm conditions prevailed in the foodgrains market during the week under review. Brisk demand from consumers locally and from rural areas where reserve stocks had been exhausted and firm conditions in the Punjab and Delhi were the main influencing factors. As a step to check the rising trend in prices in Delhi, the Government of India has banned exports of wheat and wheat products from there and a large number of fair-price shops have been opened. In order to check the sympathetic rise in prices in the State, the U.P. Government has increased the daily supplies to fair-price shops from 25 maunds to 30 maunds and increased the number which is now put at 4,500.

Wheat prices touched new heights for the season registering an advance of about Rs. 2 per maund in the past week to be quoted at Rs. 27.50 per maund for average quality and upto Rs. 30 for farm produce. Good quality wheat was not available in the market. Arrivals continued to be scanty and only five fair-price shops here and two in rural areas are insufficient to meet the daily requirements of the area. Some more fair-price shops are to be opened shortly.

Rice prices recorded gains during the week in sympathy with prices of other cereals and due to restricted supplies following ban on exports from the surplus districts of the State. The prevailing prices towards the week-end were: rice *basmati sela* Rs. 30.50; mainpuri Rs. 23; *ramajwayan* Rs. 25; *raimunia* Rs. 27 per maund.

Gram prices recorded an advance of Re. 1 per maund, due to poor local stocks and firm Punjab advices. Barley and *bejhar* also sought higher levels in sympathy with the bullish trend in wheat prices. Maize spurted to touch new heights on brisk consumer demand locally and from rural areas. Although arrivals from outside were small, local stocks were reported to be comfortable. *Bajra* prices also registered gains and prices of all other foodgrains recorded further hardening trend. Prices on Monday (in rupees per maund) were: gram punjabi Rs. 21; barley 17.50; *bejhar* 18; maize 16 to 16.50; *bajra* 17; *jowar* 14.75; *guwar* 15.

Pulses were devoid of notable activity, barring *urd* and *moong* the prices of which recorded modest gains on good seasonal demand. Peas stocks were nominal and demand too was dormant. *Arhar* stocks were fast dwindling and were now put at 19 *khatties*. The latest prevailing prices (in rupees per maund) were: peas 20 to 21; *arhar* 22; *arhar dal* Rs. 26.50; *urd* 19; *moong* 19.50; *massor* 18.

GOAT SKINS EASIER

(From Our Own Correspondent)

MADRAS, *12th January*

Arrivals of tanned hides and calves were on usual scale, while offtake by shippers was steady at unchanged prices for F.A.Q. marks. Superior standards were held firm. Traders, however, felt that prices were likely to weaken, if U.K. buying continued to be small for a week. There was good demand for lower grades for inland trade, and shipment business was small in this section.

Prices of tanned goat skins were a shade easier than the earlier week, but those of sheep medium classes were firmer.

In the tanned skins London public auctions, 250,000 goat skins and 350,000 sheep will be available for sale. As the quantities are small, it is likely that prices will show increases all round to some extent.

The total shipment of tanned goat and sheep skins to all overseas ports during 1958 were 25,030 bales of 560 lbs. each, as against 29 259 bales in 1957 and hides and calves 31.586 bales of 600 lbs. each during 1958, as against 42.911 bales in 1957.

LINSEED FIRM

(*Messrs. A. Bradley & Co.*)

CALCUTTA, *12th January*

There has been no change in the linseed market this week. Prices are firmly held and trading *conditions* are dull. With little interest from either buyers or sellers and scarcity of local supplies, turnover is poor. The oil section is inactive. Although few enquiries have been received, prices are maintained, owing to limited stocks available.

The latest quotation for ready-January is Rs. 26.75 per maund.

Notice

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LIMITED

THE BOARD OF DIRECTORS HAVE declared an interim dividend of Rs. 3 on each Preference Share and 44 nP. on each Equity Share—both tax-free—for the year 1958-59. The dividends are payable to the shareholders standing in the registers of the Company as on 28th February 1959.

The Share Transfer Books of the Company will remain closed from 20th February, 1959 to 28th February 1959, both days inclusive.

By Order of the Board,

SESHASAYEE BROTHERS (PRIVATE) LTD.,

Managing Agents.

METTUR DAM R.S., 10th *January*, 1959.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 9th Jan., 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	66,14,99,000
(2) Other Governments	10,87,99,000
(b) Banks	69,39,05,000
(c) Others	116,11,65,000
Bills Payable	18,21,72,000
Other Liabilities	29,55,25,000
Rupees	423,30,65,000

Assets	Rs.
Notes	8,96,89,000
Rupee Coin	3,31,000
Subsidiary Coin	4,51,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	14,62,55,000
Balances held abroad*	27,03,77,000
Loans and Advances to Governments†	31,93,72,000
Other Loans and Advances	89,99,07,000
Investments	239,56,65,000
Other Assets	11,10,18,000
Rupees	423,30,65,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 2,24,01,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	8,96,89,000	
Notes in circulation	1627,36,06,000	
Total Notes issued		1636,32,95,000
Total Liabilities		1636,32,95,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		134,10,47,000
Government of India Rupee Securities		1219,78,89,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1636,32,95,000

State Bank of India

Statement of Affairs for the week ended 9th Jan., 1959

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital—20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		464,87,35,000
Borrowings from Other Banking Companies, Agents, etc.		15,68,25,000
Bills Payable		6,00,91,000
Bills for Collection being Bills Receivable as per contra		2,48,43,000
Acceptances, Endorsements and Other Obligations per contra		1,16,25,000
Other Liabilities (including Inter-Office Adjustments)		4,32,97,000
Total .. Rs.		506,79,16,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		24,04,02,000
Balances with other Banks		3,28,31,000
Money at Call and Short Notice		1,73,33,000
Investments:		
Government and other Trustee Securities	273,27,06,000	
Other Authorised Investments	11,65,97,000	
		284,93,03,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	165,39,67,000	
Bills Discounted and Purchased	14,50,93,000	
		179,90,60,000
Bills Receivable being Bills for Collection as per contra		2,48,43,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,16,25,000
Premises less Depreciation		1,21,88,000
Furniture and Fixtures less Depreciation		94,78,000
Other Assets (including Inter-Office Adjustments)		7,08,53,000
Total .. Rs.		506,79,16,000

State Bank of Pakistan

Statement of Affairs for the week ended 2nd Jan., 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	8,00,00,000
Deposits :—	
(a) Central Government	85,98,43,000
(b) Provincial Governments	50,87,000
(c) Banks	15,97,33,000
(d) Others	5,62,07,000
Bills Payable	19,94,000
Other Liabilities	11,65,29,000
Rupees	125,93,93,000

Assets	Rs.
Notes	9,87,40,000
Rupee Coin	49,000
Subsidiary Coin	31,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	3,99,000
Balances held outside Pakistan*	12,30,00,000
Loans and Advances to Governments	9,03,00,000
Provincial Governments' Debtor Balances	2,76,37,000
Other Loans and Advances	23,53,97,000
Investments	59,31,80,000
Other Assets	9,05,70,000
Rupees	125,93,93,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	9,87,40,000	
Notes in circulation	350,19,62,000	
Total Notes issued	....	360,07,02,000
Total Liabilities	....	360,07,02,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	50,76,07,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
		116,85,70,000
B. Rupee Coin	4,53,84,000	
Government of Pakistan Securities	232,77,42,000	
Internal bills of exchange and other commercial paper	....	
		237,31,26,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	360,07,02,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.01 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 2nd Jan., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	19,57,35,000
(ii) Other demand liabilities	705,71,72,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	27,62,08,000
(ii) Other time liabilities	875,13,56,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	7,84,31,000
(ii) Time liabilities	10,50,000
Borrowings in India from the Reserve Bank of India‡	22,81,61,000 (3,03,51,000)
Cash in India	45,46,70,000
Balances with the Reserve Bank in India	71,40,40,000
Balances with other banks in current account in India	14,28,87,000
Money at call and short notice in India	37,31,34,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	634,01,51,000
Advances in India	755,69,36,000
Inland Bills purchased and discounted in India	87,97,62,000
Foreign Bills purchased and discounted in India	39,48,64,000

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

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	2nd Jan., 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1602.00	1589.42	1582.23	1523.06
Notes held in Banking Department	35.05	11.08	14 39	11.04	9 13
Foreign Securities	59.50	164.68	164.68	164 68	275 23
Rupee Securities	37.89	1194.79	1184.79	1174.73	1007.20
Banking Department					
Deposits of:					
Government of India	14.39	52.99	55 88	61.59	52.50
Other Governments	..	18 52	17.22	12 19	8 10
Balances held abroad	10.96	24.52	24.17	18.34	17.96
SCHEDULED BANKS					
Demand Liabilities	134.36	725 29 (19 57)†	718.32 (23 66)†	705 02 (22 27)†	707.11 (15 77)†
Time Liabilities	102.24	902.76 (27.62)†	909 69 (30.05)†	928 34 (38.06)†	691 98 (17.94)†
Borrowings from Reserve Bank	..	22 82 (3.04)‡	10.95 (1.84)‡	1 85 (0.67)‡	30 59 (24.92)‡
Borrowings from State Bank	..	45.47	7.35	4 07	7.80
Cash in India	6.70	71.40	42.90	39.45	40 52
Balances with Reserve Bank	25.17	17.08	76.25	70.69	66.26
Excess over statutory limits	15.52	14.29	22.15	16.88	11.07
Balances with other banks in current account in India	..	37.31	13.52	13.57	11.97
Money at call and short notice in India	..	..	42.87	47.84	49.84
Investments (at book value)	..	634.02	637.57	649 63	433 52
Advances and bills	105.9	883.16	865.78	840.93	873.24
STATE BANK					
Deposits	87.76	476 84	472.39	470 02	366 47
Investments	61.99	283.40	284.96	288 14	173 72
Advances	30 35	174 23	170 32	165 20	174.93
Cash	14.69	33.83	37.89	28 94	24.12

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R=Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2 50
Chile	Feb., 1957	4½	6
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	16th Oct., 1958	5	4½
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3 50
Japan	Sept., 1958	7.67	7.30
Mexico	4th June, 1942	4	4½
Netherlands	14th Nov., 1958	3 50	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2 50	3 50
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	23rd Oct., 1958	2	2½
West Germany	10th Jan., 1959	3	2½

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Rs.	Per cent
21st October	Nil	Nil	Nil	Nil	Nil
28th October	3 00	8.75	3 00	2.489	99 376
4th November	4.00	10.00	4.00	2.458	99.385
5th to 7th November*	3.50	—	3.50	2 396	99 401
10th November	4 00	7.20	4.00	2.430	99 390
18th November	4 00	5.03	4.00	2 458	99 385
19th to 22nd Nov.*	0.64	—	0.64	2.396	99 401
25th November	3 00	5.50	3.00	2.442	99.385
6th to 20th Nov.*	0.50	—	0 50	2.376	99.406
2nd December	3.00	4.55	3 00	2.423	99.390
3rd to 6th Dec.*	0 65	—	0 65	2 356	99 411
9th December	3 00	3.95	3 00	2 420	99 390
16th December	3.00	3.60	3.00	2.446	99.385
1959					
6th January	3 00	3 05	3 00	2.460	99.385
13th January	2.00	2.05	2.00	2.470	99.380
Total amount outstanding	37.29	..	37.29	..	..

* Intermediate Bills sold.

EXCHANGE RATES

		14th January 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 1/8	1-6 1/8
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.00	477.50
Buyers T.T.	Rs.	473.75	473.75
London on New York	$	2.80½-2.80 5/8	2.80½-2.80¼
London on Paris	Fcs.	1,178	1,178
London on Berne	Sw. Fcs.	12 09¼-2 09½	12 18½
New York on London	$	2.80½-2.80 5/8	2.80½-2.80¼

CLEARING HOUSE RETURNS

Centre	Week ended 9th January, 1959 Number of Cheques	Amount Rs.	Week ended 2nd January, 1959 Number of Cheques	Amount Rs.
Bombay	3,67,020	92,58,17,000	2,61,489	60,43,82,000
Calcutta	1,93,000	73,65,00,000	1,28,000	58,78,00,000
Madras	1,06,243	11,97,53,865	76,109	9,51,27,719
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89 54 66,00,000
Sept., "	..	..	3,537,000	8,03,69,00,000
Oct., "	..	..	3,922,000	7,06,89,00,000
Nov., "	..	..	3,528,000	7,73,01,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weights	27th Dec., 1958	20th Dec., 1958	28th Dec., 1957	November 1958	November 1957	Percentage of Increase (+) or Decrease (—) in Nov., 1958 as compared with Nov., 1957	Annual Average 1958	Annual Average 1957
Food Articles	504	112.1	112.9	102 9	118 0	107.3	+ 9.6	112 0	106 3
Cereals	192	104 1	104.3	97.4	110 5	102.0	+ 8.3	104.7	101.7
Pulses	48	110 3	110.7	79 8	112.3	83.2	+35.0	94.0	84.5
Fruits and Vegetables	25	112 2	113.9	96 2	117.0	110.7	+ 5.7	111.0	116.8
Milk and Ghee	64	101.1	104 3	98.1	106 2	103.9	+ 2.2	106.2	103.8
Edible Oils	47	116 6	117.9	124.8	123 8	131.4	— 5.8	123.2	128.3
Fish, Eggs and Meat	17	108 4	109.8	98.4	108 7	98.4	+10 6	106 9	96.6
Sugar and *Gur*	48	120 8	120 7	107 3*	127.8	110 2	+16.0	122.8	104.6
Others	50	151.3	150 3	131.5*	159.8	135.7	+17 8	145 7	132.0
Liquor and Tobacco	21	97.8	96 5	97 3	96 0	96 5	—0 05	93.7	91.6
Tobacco	—	96.4	95 0	95 8	94.4	95 0	— 0.6	92.0	90.1
Fuel, Power, Light and Lubricants	30	115 1	115 6	114.8	115 0	115 3	—	115 2	111.5
Industrial Raw Materials	155	112.4	112.7	114 6	113.2	116 0	— 2.4	114.8	118.1
Fibres	61	106 1	105 3	115 3	102.7	114.4	—10.2	109.4	119.8
Oilseeds	60	120 5	122 2	117 4	126 8	122.8	+ 3.3	123.6	122.4
Minerals	2	107 3*	107 3*	107.1*	106 5	107.4	— 0.8	106.9	108.5
Others	32	109 6	109.8	109 0	108 0	106 8	+ 1.1	108 9	107.3
Manufacture	290	108 0	108 1	108.0	108 7	108 5	+ 0 2	108 2	108 0R
Intermediate Products	41	110 2	110 5	105 6	109.5	106 0	+ 3.3	109 4	108 5R
Finished Products	249	107 6	107.7	108.3	108 8	108 9	— 0 3	108 0	107 9R
Textiles	147	101 5	101.5	106.3	103.2	107.1	— 3.6	104.3	107.9
Cotton	—	110 0*	110.0*	116 9	111.2*	115.8	— 4.0	113.0	116.3
Jute	—	84 8	84.9	90 8	88.0	97.1	— 9.4	87.7	97.7
Woollen	—	105.9	105 9	103.0	105.9	103.3	+ 2 6	104.9	102.1
Silk and Rayon	—	90 2*	90 2*	81.8	92.2*	81.8*	+12.7	92.5	85.0
Metal Products	12	143 1	143.1	143 4	143.1	143.4	— 0 2	143.1	138.2R
Chemicals	20	110 9	110.9	99 0	110 5	98 9	+11.7	104 0	97.6
Oil cakes	10	141 0*	143 7	123.6	143 2	126 9	+12.8	128.6	114.7
Machinery and Transport Equipment	31	104.3	104.3	102.3	104 1	102 3	+ 1.8	103 2	101.2
Others	30	114.0	114.1	111.8	113.8	111.5	+ 2.1	113.2	107.7
All Commodities	1,000	110 7	111.2	106 5	114 0	109 3	+ 4.3	111 0	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—*Revised Series.*

[1952-53=100]

Group and Sub-Group	Week ended 3rd Jan., 1959	27th Dec., 1958	6th Dec., 1958	4th Jan., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 6	100.5	100.5	98.4
2. Government of India	100.4	100 4	100 3	98.1
3. State Government	102 0	102.0	101 8	100 1
4. Municipal, Port Trust, etc.	99.2	99.2	99 0	99.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101.1	101.1	100 9	98.7
6. Plantations	100.1	100.1	100.1	100.0
7. Coal	99.6	99.6	99.6	99 6
8. Sugar	99 0	99.0	99.0	95.4
9. Cotton Textiles	98 3	98.2	98 2	98.8
10. Jute Textiles	91.5	91.5	91.5	93 1
11. General Engineering	101.1	101.1	101.1	96.3
12. Electricity Generation and Supply	97.1	97.1	97.1	96 5
13. Others	104.1	104.1	103.7	100.5
PREFERENCE SHARES—ALL INDIA.				
14. Total	87 7	87.9	88.1	88.0
15. Plantations	96 9	97 1	97.7	100 2
16. *Mining & Quarrying: Total*@	88 5	89.2	89 0	85 1
17. Coal	79 9	80.2	79.9	76 8
18. *Processing and Mfg.: Total**	87.7	88 0	88 0	86 0
19. Sugar	88 3	88 7	89.0	90 9
20. Cotton Textiles	78.2	78 4	78 3	84.4
21. Jute Textiles	81.4	81.5	80 1	72 3
22. Iron and Steel	90.6	90 7	90.6	86 3
23. General Engineering	100.4	100.9	102 2	101 5
24. Basic Industrial Chemicals	86 3	86 4	86.6	83 0
25. Cement	98.5	99 9	99 5	97.1
26. Paper	82.4	83.5	85.8	88.8
27. *Other Industries: Total**	84.7	84.9	85.6	82.1
28. Electricity Generation and Supply	85.9	86.0	86.8	84 2
29. Trading	81 2	81.8	81.7	75.6
30. Shipping and Other Transport	83.1	84.4	85 3	82.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	136.1	136.5	139.5	119.7
32. *Agriculture and Allied Activies: Total**	145.9	146.7	151.1	134.5
33. Tea Plantations	140 3	141.2	145.4	131 2
34. Coffee Plantations	195.5	197.0	201.7	181.6
35. Rubber Plantations	148.1	147 6	149 7	127 7
36. *Mining and Quarrying: Total*	135 0	136 3	141.7	114 0
37. Coal	106 8	107.2	110.5	87 5
38. Other Mining	154.3	156.2	163.0	132.3
39. *Processing and Manufacturing: Total*	134.1	134.5	137.7	118.3
40. *Processing and Mfg. (Food† stuffs, Textiles, etc.) Total**	122.8	122.9	125.7	113 5
41. Sugar	162 1	162 2	167.8	156 8
42. Cotton Textiles	108.2	108 4	110 4	112 0
43. Jute Textiles	86.1	86 5	91 5	60 6
44. Silk and Woollen	410.9	410.7	423.7	299.3
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	152 5	153 5	157 6	123 4
46. Iron and Steel	146 3	147.4	152 3	110 7
47. Transport Equipment	182 3	182 1	193.8	165.6
48. Electrical Machinery	139.4	140.0	146.3	129.3
49. Machinery other than Transport and Electrical	169 8	171.7	174.1	141.8
50. Basic Industrial Chemicals	125 0	125 6	124.9	102.7
51. *Processing and Mfg. (Others): Total**	134 2	134 2	137.3	123.6
52. Cement	118 6	118 1	121 0	118 2
53. Paper	180 9	181 6	189 9	159 0
54. *Other Industries: Total**	115.3	115.9	117.7	101 3
55. Electricity Generation and Supply	94 4	94 3	94 8	88 0
56. Trading	85 4	86 6	88 7	74 1
57. Shipping and Other Transport	135 8	137.0	140 4	119 5
58. Construction	246 5	249 9	258 6	188 2
59. *Financial: Total*	179 3	179 2	179.0	152 5
60. Banks	201.7	201 6	201.1	172 6
61. Insurance	127.4	127 1	131 2	106.6
62. Investment Trusts	102.4	103.1	95 6	81.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	137 8	138.1	142 1	119 2
64. Calcutta	134.0	134.6	136 9	116 2
65. Madras	149 5	149 6	150 8	139 9
66. Delhi	153.9	155.1	159 6	144.2

* *Including* 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,600	7,97.500
Do. 31st March, 1958	10,98,300	11,06,800	7,86.900
Oct., 1957	95,100	96,500	59 000
Nov., "	94,900	95,100	66,000
Dec., "	95,100	1,00,500	74,200
Oct., 1958	94,200	96,400	76 900
Nov., "	84,200	85,100	83,600
Dec., "	98,900	91,500	90,100
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32 315	4,41 483
Do. 31st March, 1958	7,33,945	5,07,580	4,10,558
Three months ended Sept. 1957.	1,71,397	1,19,172	96 815
" " " Mar. 1958.	1,99,839	1,33,563	1,06,501
" " " June 1958.	2,14,469	1,21 988	1,01 014
" " " Sept 1958	2 30 436	1,43,516	1,05 603

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Nmuber of man-days lost
1956	1,203	715 130	6,992.040
1957	1,630	889,371	6,429,319
January 1958	147	56,492	871,125
February "	152	99 482	447 586
March "	167	85,462	818,324
April "	170	61,489	5,30,162
May "	160	57,657	5,60,459
June "	163	161,711	1,529,248
July "	164	98,592	464,165
August "	132	63,571(a)	613,682(a)

‡ In progress during the month. (a) Not known in 8 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'56-'57	387 68	..	11,010	284
Pakistan††	'56-'57	83 50	..	2,079	249
Burma	1957	20 00	Kyats 4,450	446	223
Ceylon	1955	8 38	..	475	567
Japan	1957	90 90	Y. 8,252,000	10,915	10,020
Philippines	1957	22 60	Ps. 8,799	2,095	927
New Zealand	1957	2 22	£ (N.Z.) 928	1,237	5,570
Australia	1957	9 60	£ (A.) 4,678	4,970	5,177
U.K.	1957	51 40	£ 17,418	23,220	4,520
U.S.A.	1958	174 00	$ 352,400	168,447	9,680
Canada	1957	16 60	$ 23,830	11,680	7,035
France	1957	44 00	F.Fr.15,680,000	17,880	4,063
W Germany	1957	51 40	Dm. 158,000	18,057	3,513
Italy	1957	48 30	Lr. 12,231,000	9,412	1,949
Norway	1957	3 49	Kr. 23,290	1,560	4,470
Sweden	1957	7 30	Kr. 48,290	4,490	6,150
Netherlands	1957	11 00	Grs. 28,240	3,574	3,250
Denmark	1957	4 50	Kr. 25,480	1,760	3,910
Switzerland	1957	5 10	Sw. Fr. 26,900	2,956	5,796

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, October 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	250	339	94	112	364	116	114	99	103	115	107	126
June 1957	112	356	254	330	91	112	371	115	115	98	105	113	111	127
July "	112	356	256	333	89	112	371	116	115	98	106	119	109	129
August "	113	377	265	347	98	113	375	115	118	99	105	120	108	128
September "	114	375	262	338	97	113	378	115	113	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	113	99	105	120	107	129
June 1958	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July "	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August "	120	404	288	322	103	118	403	126	117	108	106	125	111	132
September "	121	404	289	327	104	120	406	127	117	111	109	131	..	132
October "	123	405	290	333	108	122	406	130	119	113	105	130	..	132
November "	..	402	292	330	..	..	..	..	..	..	..	..	..	..

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,93
1953-54	5,91	4.26	104 38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252,96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163 68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958																
January	2,37	4,94	143,57	7,95	47,18	13,88	202,54	23,77	—39,55	43,80	68	4,08	18	1,68	22,68	478,93
February	2,31	4,83	146 14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	4,81	9	1,75	25,29	487,52
March	2,22	4,73	143,45	14,03	71,43	27,35	213,91	23,11	—39,73	43,58	70	5,47	12	1,87	42,20	509,77
April	2,15	4,65	141,31	6,56	77,99	15,27	214 24	22,85	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May	2,07	4,55	139,23	5,84	83,82	15,22	212,66	22,58	—39,90	43,37	57	6,72	5	2,01	21,68	517,01
June	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	88	7,12	3	2,03	19,95	520,60
July	1,96	4,38	135,18	5,49	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug.	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40 13	43,07	45	8,11	5	2,10	21,10	532,75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537,82
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November	..	..	..	..	..	..	..	..	..	42,81	47	9,58	7	2,23	..	..

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

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100 80
3 % Loan	1938-39	116,17,46,000	1963-65	96 80
3 % Loan	1950	30,32,10,000	1964	97.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93 95
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.00
3 % 2nd V. Loan	1945	1,13,65 64,000	1959-61	99.70
2¾% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97 25
2¾% Loan	1946	14,77,48,000	1976	83 20
2¾% Loan	1947	75,86,72 000	1962	96 90
3½% N. P. Bonds	1953	75,29,00,000	1961	100 10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.85
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	97.70
3½% Loan	1956	87,27,36,000	1962	99.20
3½% N. P. Bonds	1956	63,81,83,000	1967	99 15
3½% Loan	1956	66,63,53,000	1974	98.50
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100 80
4 % Loan	1957	49,17,27,000	1972	101 20
3½% Loan	1958	58,06,00,000	1963	100 05
3½% Loan	1958	30,00,00,000	1968	98.85
3½% Loan N.P.B.	1958	34,16,76,500	1968	100 60
4 % Loan	1958	49,47,00,000	1973	100 90
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34 000	M.	72.50
3% Loan	1946	2 48,91 37,000	K.	74.15
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	99 90
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	99 90
4½% Andhra	1958	5,00,00,000	15th July 1970	100 90
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96 50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 50
4 % Bombay	1952	3,45 85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100 50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100 00
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	101 25
4½% Bombay	1958	5,00,00,000	15th July 1970	101 15
4½% Bombay	1958	5,00,00,000	15th July 1971	101 10
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	99 75
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	99 65
4½% Bihar	1958	2 50 00,000	13th Oct. 1970	100 90
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99 00
3½% Cochin	1936	80,00,000	1st June 1956-61	98 00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94 12
4 % Hyderabad	1955	2,12,46,000	1st Sept 1967	100 00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 00
3 % Madras	1939	1,23,96,000	21st June 1959	99 30
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98 85
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97 75
3 % Madras	1950	4,38,25,400	31st July 1960	98 85
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98 75
4 % Madras	1953	10,33,71,000	15th July 1963	100 30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 10
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100 00
4½% Madras	1958	5,00,00,000	15th July 1970	100 90
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101 25
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99 50
4 % Mysore	1953	3,33,47,000	15th July 1963	100 30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	99 95
4½% Mysore	1957	3,33,76,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,00,00,000	15th July 1970	100 90
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 65
3 % M.P.	1950	1,01,45,000	31st July 1960	98 60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
4 % M.P.	1953	1,10,18,000	15th July 1963	100 10
4 % M.P.	1955	1,63 12,000	1st Sept. 1967	99 70
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	99.50
4½% M P.	1958	2,00,00,000	15th July 1970	100 90
4 % Saurashtra	1955	3,61,65 500	1st Sept. 1967	100 00
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100 00
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.75
4% Trav Cochin	1956	2,22,08,000	3rd Sept. 1968	98 25
2½% U.P.Z.A	1952	41,44,79,000Z	..	48.60
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98 80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97 75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89 14,000	1st Aug. 1964	100 10
4 % U.P.	1953	5,58,25 000	15th July 1963	100 30
4 % U.P.	1955	9.39,16,000	1st Sept. 1967	100 00
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100 00
4½% U P.	1958	7,00,00,000	15th July 1970	100 90
4 % Rajasthan	1956	3,14 19,000	3rd Sept. 1968	99.80
4½% Rajasthan	1958	2,50,00,000	15th July 1970	100 85
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	99 80
4½% Orissa	1958	3,00,00 000	15th July 1970	100 90

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.75
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	97 75
88,25,000	4	1914	1975	97.75
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50 000	3½	1932*	1962	
24.58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48 04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97 75
76,90,100	4	1915	1975	97.75
1,50,00,000C	3½††	1921	1981	82 00
68,02,300C	6½	1921	1981	144 00N
60,00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	98 50
25,00,000	3	1938	1963-68	92 00
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84 75
50,00,000	3	1946	2006	74 00
50,00,000	2½	1947	1977	79 50
50,00,000	3	1948	1978	83 75
50,00,000	3	1949	1959	99 12
1,00,00,000	3	1949	1959	99 12
50,00,000C	3	1950	1980	82 00
1,00,00,000	3	1950	1960	98 00
1,00,00,000	3	1950	1960	98 00
50,00,000	3	1951	1981	81 75
1,50,00,000	3½	1953	1961	99 00
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97 50
90,00,000	4	1955	1985	97 25
77,00,000	4	1956	1986	97 25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99 50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901 000	5	1924	1954-84	£80 25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000t	3	1947	1977	A
3,00,000t	3	1949	1979	
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.	**BOMBAY**			Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00 000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00 000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
Rs.	**CALCUTTA**			Rs.
25,00,000	5½	1929	1959	102.00
50,00,000	4	1934	1964	99 06
35,00,000	3½	1935	1965	94 00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	93 50
20,00,000	3	1938	1963-68	90 00
80,00,000	4	1952	1962	99 25
1,02,00,000	4	1956	1968	99 00
75,00,000	4½	1958	1968	100.00

MUNICIPAL LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.	**BOMBAY**			Rs.
20,00,000	4	1913-18	1974	98 00
10,00,000	5	1920	1980	113 00N
28,21,500	5	1929	1959	101.00
8,25,00,000	3½	1947	1977	85 25
2,50,00,000	3½	1949	1979	85 25
4 00,00,000	3½	1950	1965	93 00
5,00,00,000	4	1952	1964	100 00
2,00,00 000	3½	1951	1966	97 40
1,30,00,000	4	1953	1963	100 00
1,00,00,000†	4	1952	1964	99 25
1,00,00,000†	4	1954	1966	99 00
2,50,00,000	4	1955	1967	99 90
1,50,00,000	4	1956	1968	99.90
2,00,00,000	4½	1957	1969	100 75
400,00,000	4½	1958	1970	100.70
Rs.	**CALCUTTA**			Rs.
36,00,000	5	1928	1958	100 00
10,00,000	5½	1932	1962	108 00
33,91,000	3½	1925	1965	94 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1968	90 00
17,64,400	3½	1942	1959	96 50
21,10,000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	97.50
66,88,000	3½	1951	1966	97 50
87,36,000	4	1952	1962	99 25
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	—
73,86,000	4½	1958	1970	—
Rs.	**MADRAS**			Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M Bharat	1953	1,04,77,000	15th July 1963	100 25
4 % M Bharat	1956	1,11,26,000	3rd Sept. 1968	99 75
3½% W. Bengal	1951	1,75,00 000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100 10
4 % W. Bengal	1953	3,60,23 000	15th July 1963	100 30
4 % W. Bengal	1955	7,58,72 000	1st Sept. 1967	100 00
4 % W. Bengal	1956	7,11.46 000	3rd Sept 1968	100 00
4½% W Bengal	1958	5,00,00,000	15th July 1970	100 90
4½% Kerala	1958	3 00,00,000	15th July 1970	99 90

ABBREVIATIONS. N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.
‖—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months' notice. K—On September, 1986, or later at option of Government after three months' notice.

CONVERTIBILITY OF RESIDENT STERLING

IMPLICATIONS ANALYSED

By John Kingsley

THE British Treasury's recent announcement that all sterling held or acquired by non-residents of the Sterling Area was to be freely transferable throughout the world and could, therefore, be converted into dollars at the current rate of exchange was foreshadowed by the Chancellor of the Exchequer at last year's Commonwealth Conference in Montreal and the International Monetary Fund meeting in New Delhi. Observers of the financial situation, however, had expected that this step would be taken some time in 1959, and the actual date (27th December 1958) of the announcement came, therefore, as a surprise.

The United Kingdom Government has been able to take this step earlier than expected because sterling has regained a position of strength. Three conditions necessary for the introduction of external convertibility (convertibility for non-residents) have been fulfilled.

First, thanks to the drastic measures taken in September 1957, inflation has been checked in the U.K. Restrictions have been progressively eased or removed since last spring and it is confidently expected that economic expansion in the U.K. will be resumed in 1959 without danger of new inflationary pressures. Secondly, after an uninterrupted rise, from October 1957 to November 1958, the reserves of the U.K.—which, in fact, are the reserves of the whole Sterling Area—are now adequate to bear any temporary strain which unpredictable changes in the international situation may impose. Lastly, U.K. exports kept up better during the recession of world trade in 1957 than was expected and, partly as a result of the end of the American recession, the prospects of international trade are now satisfactory.

No Direct Benefit

The new system of external convertibility does not mean an end to exchange control, and the policy regarding capital transfers to countries outside the Sterling Area remains unchanged. There is no immediate relaxation in import restrictions and payments for services. Thus neither the man in the street nor the businessman in the U.K. and the rest of the Sterling Area is directly affected by the new move. But, indirectly, he will benefit from the advantages that foreign holders of sterling now enjoy.

Non-resident convertibility completes the process of amalgamating the different types of non-resident sterling (sterling held by non-residents) which has been going on since the end of the war. These different types arose from the special exigencies of the war and the immediate post-war period. By March 1954, only two main types were left—official sterling and transferable sterling.

Holders of official sterling (U.S. and Canadian account sterling) were permitted to use this sterling for payments to any part of the world, or to convert it into dollars at the official rate. Holders of transferable sterling could use it for payments to all countries outside the dollar area, but were not permitted to convert it into dollars at the official rates. There had developed, however, unofficial markets for transferable sterling, mainly in Zurich and New York, and since 1955, when the U.K. authorities began to support the rates in these markets, the discount at which transferable sterling could be exchanged into dollars was very small.

This "informal" convertibility marked great progress towards formal external convertibility. Under the new system, holders of sterling in all countries outside the Sterling Area (both the former dollar area and the transferable sterling countries) may use their sterling for payments to the Sterling Area and to all "third" countries, or convert it into dollars at the official rate.

This will contribute to the further strengthening of sterling's use as an international trading currency. (It already finances probably about 40 per cent. of world trade.) If foreigners hold more sterling, they will be inclined to buy more from the sterling countries. Thus the new move is likely to benefit both the U.K. and the rest of the Sterling Area.

The introduction of informal convertibility has meant the closing down of the unofficial markets for sterling, since no business is left for them. A large part of the business formerly done by them is now carried out in the London market. This will give additional earnings to the City in the form of commissions, and these will be reflected in the reserves, which are the central reserves of the Sterling Area. It can also be expected that foreigners will make extended use of the commodity markets and the gold market and this, in turn, should lead to additional business for insurance and other services provided in the City.

With the introduction of external convertibility, the European Payments Union (E.P.U.) has been replaced by the European Monetary Agreement. E.P.U. has played a great part in facilitating European trade and payments during the past eight years and, with the association of the Sterling Area, has had a world-wide significance from the start. But its provisions for automatic credit and centralisation of payments were not designed for conditions of convertibility, nor was it ever intended to be a permanent institution.

A Good Omen

The European Monetary Agreement provides for short-term credits out of a new European Fund for countries in temporary difficulties. These will no longer be automatic, but at the discretion of the Organisation for European Economic Co-operation. Thus, European mutual help for countries in payments difficulties will continue in the new era of external convertibility. There will also be a monthly settlement of outstanding balances between member countries; but this will be voluntary, and probably mainly used only by the members who have not adopted external convertibility. It is a good omen for the future of European co-operation that the transition from E.P.U. to the Monetary Agreement is the result of a concerted move by the major European countries.

As a result of the end of E.P.U., private banking institutions will play a larger role in the financing of international transactions, and central banks will again become "banks of last resort." This will give greater flexibility to the international banking mechanism, comparable with the greater flexibility to trade discussed earlier. Such flexibility will add to the strength of sterling, which alone made the new step possible. It is likely that this move will be followed by a further relaxation on dollar import restrictions in the course of this year.

THE CENTRAL BANK OF INDIA LIMITED

PROFITS FOR 1958

The Net Profits of The Central Bank of India, Ltd., for the year ended 31st December 1958, subject to audit, including the sum of Rs. 18,44,046.05 brought forward from the previous year's account, amounted to Rs. 1,19,86,110.29.

The following appropriations have been made:—

	Rs.
An *ad-interim* dividend paid for the half-year ended 30th June, 1958, at the rate of 12% per annum, free of income-tax, i.e., Rs. 1.50 per share on 12,58,170 shares ..	18,87,255.00
Amount provided for Taxation ..	16,50,000.00
Amount transferred to Staff Gratuity Fund	10,00,000.00
Amount provided for Bonus to Staff	32,00,000.00
Rs.	77,37,255.00
The balance of Rs. 42,48,855.29 the Directors propose to recommend to the shareholders to dispose of as follows:—	
To pay a final dividend for the half-year ended 31st December, 1958, at the rate of 16% per annum, free of income-tax, i.e., Rs. 2 per share on 12,58,170 shares (making in all 14% per annum for the whole year) ..	25,16,340.00
To carry forward to next year's account	17,32,515.29
Rs.	1,19,86,110.29

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 15th January, 1959.

	Closing quotations 8-1-1959	High	Low	Closing quotations 15-1-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	145 00	—	—	145 00
Apollo (2) ..	1 24	1 26	1 24	1 26
Bombay Dyeing (25) ..	56 00	56.80	55.70	56 30
Bradbury (50) ..	133 75	—	—	133 75
Central India (100) ..	88 00	90 00	87 80	91 00
Century Mills (100) ..	424 00	434 75	422 50	431 25
Colaba (100) ..	49 00	51 00	48 75	50 00
Edward Textile (200) ..	215 00	215 50	215 00	215 50
Elphinstone (50) ..	32 00	32 00	30 00	30 00
Finlay (100)	258 00	261.50	259 00	261 00
Gokak (100) ..	127 00	132 00	127 00	132 00
Ind. Untd. Defd. (1) ..	1 10	1 20	1 08	1 16
Ind. Untd. Ord. (10) ..	8 69	9 12	8 68	8 96
Indore Malwa (100) ..	90 00	99.50	98 00	99 00
Khatau (100) ..	156 25	156 75	155 00	156 75
Kohinoor (100) ..	236 00	245 00	233 25	241 50
Lakshmi (250) ..	405 00	405.00	400.00	400 00
Minerva Mills (100) ..	64 00	—	—	64 00
Model Naypur (250) ..	174 00	175 00	172 00	172 50
Morarji (100)	235 00	235 00	232 50	232 50
Mysore (50)	85 00	85 00	81 00	81 00
National Rayons (100) ..	242 50	247 00	230 50	244.00
New City (100) ..	93 00	93 00	92 00	92 50
New Great (100) ..	219 00	219.00	215 00	218 00
Phoenix (100)	121 25	—	—	121 25
Podar Mills (100) ..	128 00	—	—	128 00
Sassoon Silk (10) ..	9 76	—	—	9 76
Sassoon Spg. (10) ..	40 00	—	—	40 25
Shahjapur (1,000) ..	425 00	—	—	425 00
Shrinivas (100) ..	130 00	136 50	125 50	130 50
Simplex (50)	169 00	170 50	168 50	170 00
Standard (100) ..	408 00	421 00	407 00	421 00
Svadeshi (100) ..	212 00	216 00	210 50	213 25
Swan (100)	850 00	—	—	850 00
Tata Mill (25) ..	85 00	86 25	84 75	85 50
Vishnu (100)	98 00	98.00	92.00	92 00
Western India (1,000) ..	4,625.00	—	—	4,625.00
BANKS				
Bank of India (50) ..	138 75	139.25	138 50	139 25
Do. (New) (50) ..	139 50	—	—	139 50
Bank of Baroda (50) ..	128 50	128 50	127 75	128 00
Central (25)	58 70	59 00	58 50	59 00
Central 'A' (25) ..	61 00	61 00	60 70	61 00
Dena Bank (50) ..	50 00	50 50	50 00	50 50
Punjab National (25) ..	59 50	60 00	57 00	60 00
Union Bank (5) ..	7 48	7 56	7 44	7 52
United Com. (50) ..	68 00	68.50	68.20	68.50
ELECTRIC COS.				
Ahmedabad (100) ..	95 80	95 30	94.70	94.00
Amalgamated (10) ..	10 92xd	—	—	11 00
Andhra Valley (1,000) ..	1,170 00xd	1,172 50	1,170 00	1,172 50
Bom. Sub-El (100) ..	110 00	110 50	109 50	110 50
Surat (100)	112 00	112 75	112 00	112 75
Tata Hydro (100) ..	119 50xd	119.75	119 00	119 75
Tata Power (1,000) ..	1,192.50xd	1,195.00	1,191.25	1,191.25
INSURANCE COS.				
British India (10) ..	13 80	—	—	13 80
Empire of India (100) ..	212 50	—	—	212 50
Ind. Mercantile (20) ..	46 00	—	—	46 00
Jupiter (15)	7 12	—	—	7 12
New India (15) ..	52 20xd	52 00	52 10	52 50
Oriental (200)	3,850 00	4,010.00	3,850.00	4,010 00
Vulcan (10)	19.76	—	—	19.76
STEEL COS.				
Ind. Iron (10) ..	25 65	26 20	25.55	26 00
Tata Steel Ord. (75) ..	174.50	177.00	173.75	175.50
SUGAR COS.				
Belapur (50)	276 00xd	278 00	273.00	275 00
Bhopal (10)	26 30	26 30	25 70	26 00
Chandpur (12.5) ..	24 00	24 00	23 25	23 25
Dhulian (50)	158 00	161.00	157 50	159 00
Walchand Ind. (100) ..	269.50	273.50	270.50	272.50
CEMENT COS.				
Associated Cts. (100) ..	151.50	156.50	151.00	155 50
Digvijay (100) ..	132.50	135.50	131.50	132.00
MISCELLANEOUS				
Alcock Ashdown (100) ..	247.50	261.25	246.25	255.00
Bom. Burmah (125) ..	467 50	471 50	468 50	466.50
Do. (New) (50) ..	172 50	171 25	170 00	171 25
Fr. B. Petrol (4 sh.) ..	2 06	2 06	2 00	2 02
Fr. I. Corpn. (5) ..	3 64	3 80	3 64	3 78
Hindusthan Motors (10) ..	6.76	7 28	6.76	7.24
Indian Copper (2 sh.) ..	3 56	3 60	3 54	3 60
Ind. Inv. Tr. (100) ..	83 50	85 30	83 00	85 20
Killicks (100)	140 00xd	153.50	148.75	153.25
Polson (100)	158 00	—	—	155 00
Tre. Automobiles (100) ..	89 50	87.00	84 00	85.50
Premier Con. (80) ..	235 50	242 50	230 25	239 00
Scindia (20)	21 56	21 70	21 40	21 52
G. K. Shipping (10) ..	24 04xd	24.12	23 80	24 08
Shivranjan (10) ..	87 00	91.00	87 00	90 00
Sirpur Paper (10) ..	13.32	14 00	13 32	13 68
Tata Chemicals (10) ..	15 12	15 66	14 96	15 32
Tata Locomotive (100) ..	156 25	161 00	157 00	158 25
Tata Oil (25)	44 25	47.75	44 00	46 00
W. I. Match (100) ..	188 00	191.00	188 00	191.00

GOVERNMENT SECURITIES	8-1-1959 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	15-1-1959 Rs.
2½% 1961	97.25	—	3 65	97.25
2½% 1960	99.00	—	3 31	99 00
2½% 1962	96 05	—	3 63	96 05
2½% 1976	83.20	—	4 08	83 20
3 % 1959-61 2nd Visl.	99 70	3.34	3 10	99 70
3 % 1964	97.00	—	3 58	97 00
3 % 1963-65	96.85	3 70	3 47	96 85
3 % 1966-68	94.00	3 89	3 74	93.95
3 % 1970-75 1st Def.	90 00	3.93	3 73	91 00
3 % 1986 Con. Loan.	73 80	—	4 04*	74 25
4 % 1960-70	100 75	3.46	3 92	100 75
2½% 1961 N.P. Bonds	100 10	—	3 47	100 10
2½% 1964 N.P. Loan..	99 10	—	3 54	99 85
2½% 1965 N.P. Bonds	99 80	—	3 55	99 70
2½% 1966	99 20	—	3 50	99 20
2½% 1967 N.P. Bonds	99 25	—	3 60	99 25
2½% 1974	98 50	—	3 67	98 55
2½% 1967 N.P. Bonds	100 80	—	3 65	100 80
4 % 1972 Loan ..	101 20	—	3 89	101 20
2½% 1968	98 85	—	3 63	98 85
2½% 1963 N.P. Bonds	100 05	—	3 49	100 05
2½% 1968 N.P. Bonds	100 60	—	3 68	100 60
4 % 1973 Loan ..	100.90	—	3 92	100 90

BRITISH GOVERNMENT SECURITIES

	Closing quotations 6-1-1959 £			Closing quotations 13-1-1959 £
2½% Brit. Consols ..	53	—	—	53⅛
3 % Savings Bonds 1965-75	74¼	—	—	75⅛
3 % War Loan 1955-59	100⅛	—	—	100⅛
3½% War Loan	67⅛	—	—	67⅛
4 % Victory Bonds 1976	97	—	—	98⅛
4 % Funding 1960-90 ..	91⅛	—	—	91⅛

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

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PUBLIC DEPARTMENT

COMMERCE

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

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U.S. ECONOMIC POLICY

THE U.S. economic policy, domestic as well as foreign, continues to be guided by the principle of freedom. "America means freedom," declared President Eisenhower in his State of the Union Message. Appropriately enough, the loyalty to ideals of freedom forms the general theme of Mr. Eisenhower's State of the Union Message last week and the budget and other economic reports to the Congress submitted this week. The U.S., as the chief exponent of the democratic way of life, must necessarily ensure that permanent values of freedom are not endangered by extremist political dogmas which derive their inspiration from a philosophy of enslavement of man. A high defence expenditure in the American budget is thus a reflection of the American people's determination to defend freedom. This does not mean that the budget is dominated only by defence requirements. For both social security and welfare measures nearer home and economic aid for foreign countries are now among the important features of the American economic balance-sheet. There is, further, a declared adherance to the objective of economic progress which is sought to be achieved without sacrificing stability.

The U.S. economy has left the recession which threatened it last year far behind. In the last quarter of 1958, its annual income rose to a record annual rate of some $453,000 million. Its population is growing steadily and at the end of the next five years should exceed 190 million. Nearly a million more people were at work in December 1958 than in July. Nevertheless, unemployment among workers is still a disturbing factor. Although the unemployed were one million less than in the period of recession, they still aggregate a little over four million. This is attributed to the impact of rapid increase in population. Governmental action, including unemployment insurance, serves to soften the rigour of the impact of unemployment on the economy. The chief aim of the Administration is to stabilise the economy and yet provide the basis for continued progress. The budget has been balanced at a level of about $77 billion. National security constitutes the major item, claiming some 60 per cent. of the expenditure. Mr. Eisenhower called the budget a "positive budget," in that it was designed to respond to national needs with due regard to urgencies and priorities, without being either "extravagant or unduly limiting."

In the sphere of domestic economic policy, the U.S. is determined to "safeguard and improve the institutions of our free competitive economy." Mr. Eisenhower said that their objective must be to "establish a firm foundation for extending economic growth with stable prices into the months and years ahead." He felt that there was reason for the confidence that the improvement in business activity which commenced in the second quarter of 1958 would continue in the current year. The importance of curbing Governmental spending is recognised. There is determination to defend the dollar. Inflation is acknowledged as a potential enemy which must be continuously fought. Indeed, the warning against inflation is among the most inspiring passages in the State of the Union Message. After emphasising that, if they were wise and resolute, they would not tolerate inflation in the years to come, he said:

"... history makes clear the risks inherent in any failure to deal firmly with the basic causes of inflation. Two of the most important of those causes are the wage-price spiral and continued deficit financing. Inflation would reduce job opportunities, price us out of world markets, shrink the value of savings and penalise the thrift so essential to finance a growing economy. Inflation is not a Robin-hood, taking from the rich to give to the poor. Rather, it deals most cruelly with those who can least protect themselves. It strikes hardest those millions of our citizens whose incomes do not quickly rise with the cost of living. When prices soar, the pensioner and the widow see their security undermined; the man of thrift sees his savings melt away; the white collar worker, the minister and the teacher see their standards of living dragged down. Inflation can be prevented. But this demands statesmanship on the part of business and labour leaders and of government at all levels. We must encourage the self-discipline, the restraint, necessary to curb the wage-price spiral and we must meet current costs from current revenue."

Among the measures which President Eisenhower has suggested are examination by the Treasury of appropriate tax proposals for increasing the incentives for all Americans to work, to save and to invest and reduction in "federal operations in an area where private enterprise can do the job." He has also suggested more effective use of the large federal expenditure for agriculture. The farm-price support programme will cost the administration over five billion dollars for the current fiscal year, at the end of which there will be in Government hands surplus farm products worth about nine billion dollars; by 1st July 1959, Government expenditure for storage, interest and handling of agricultural stocks will reach one billion dollars a year. Mr. Eisenhower obviously regards this level of expenditure as one on the high side. He recalled that he had in the past sent messages to the Congress requesting greater freedom for the farmers to manage their farms and greater freedom for markets to reflect the wishes of producers and consumers. He emphasised the need for further action along these lines.

Discussing the U.S. foreign economic policy, Mr. Eisenhower averred that its two chief objectives were the maintenance of mutual security of the free world and the promotion of conditions favourable to the exchange of goods, services, technology and capital among nations and assistance in economic growth and development. The U.S., as is well known, has given generous assistance to underdeveloped countries both on its own and through the specialised agencies of the U.N. A notable feature of Mr. Eisenhower's economic report is the emphasis on the reduction of trade barriers. This should meet the oft-repeated demand for trade, as distinguished from aid. Last year, the Congress extended the Reciprocal Trade Agreement Act by four years. The new authority provided under the Act, Mr. Eisenhower said, would be used "in further efforts to reduce trade barriers on a reciprocal basis." He recommended an expenditure of $3,930 million for the Mutual Security Programme, made up of $1,600 million for military aid, $700 million for Development Loan Fund, $835 million for defence support, $211 million for technical co-operation and $584 million for contingencies and other aid.

Commending the work of the World Bank and the International Monetary Fund (I.M.F.), Mr. Eisenhower said that these two institutions had "proved their worth as instruments of international co-operation." Accordingly, he requested the Congress to approve the suggestion of the Executive Directors of these two bodies for an increase of member-countries' subscriptions by 100 per cent. for the Bank and 50 per cent. for the I.M.F. The U.S. budget includes a request for $1,375 million for the I.M.F., of which $344 million are to be paid in gold and the balance in non-interest bearing treasury notes. He disclosed that the U.S. was negotiating with Latin American countries for the establishment of an inter-American development banking institution which would facilitate the flow of private and public capital to Latin American countries. New authority for spending $700 million, besides supplemental appropriation of $225 million for the 1959 fiscal year, for the Development Loan Fund (D.L.F.) is another request made by Mr. Eisenhower. This Fund, which was created in 1957, provides loans to the less developed countries on terms more favourable than are normally available from other sources. It finances both public and private projects. The Fund, it is stated, will have committed virtually its entire capital by the end of this month. India is one of the largest beneficiaries of the D.L.F.

The importance of the flow of private capital to underdeveloped countries was rightly stressed by Mr. Eisenhower. As he pointed out, the "greater share of investment capital and technical ability in the U.S. and other highly developed countries is to be found in private hands." The U.S., on its part, has supported the conclusion of tax treaties designed to encourage its citizens to invest their capital in foreign countries. The Export-Import Bank is "actively seeking more private participation in its loans and is selling a part of its portfolio to private investors." Mr. Eisenhower revealed that he would recommend legislation for expanding the Mutual Security Investment Guarantee Programme which offers guarantee to American private investors against losses on foreign investment that are caused by inconvertibility of currencies

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either due to expropriation or war. It is to be hoped that these measures will stimulate the flow of private capital from the U.S. But it should be clear that the greatest stimulus is the one which the underdeveloped countries alone can offer, namely, the creation of an attractive climate for foreign investors. Capital is better attracted from without than stimulated to move out from within.

POPULATION PROBLEM

IT is a truism to say that population control is of utmost importance to India, if its plans for raising living standards are to succeed. The need for formulating a national population control policy and implementing it fully and vigorously cannot be too strongly stressed. Although this need is fully recognised by the Government and the Planning Commission, they do not seem to have accorded it the priority it deserves. True, some provision has been made in the Plan for popularising family planning as a method of population control. But, considering the magnitude of the problem, what is being attempted in the field is inadequate and cannot touch even the fringe of the problem. In fact, the Second Plan provision of Rs. 4.9 crores for family planning is far too inadequate. The sum earmarked for health services—desirable in itself, but, will have the opposite effect of accelerating the rate of increase in population growth—is many times more. The recent world developments in the sphere of health services are so spectacular that even a relatively small outlay can bring about substantial results in the form of a sharp fall in death rate. It is already admitted that the current rate of increase in India's population has gone up from 1.5 per cent. per annum assumed in the Second Plan to 1.75 per cent. Some even say that it is 2 per cent. Unless, therefore, measures to control birth rate are more vigorously pursued from now onwards, India will witness in future a further acceleration in the rate of population growth.

Viewed against this background, considerable significance attaches to the Sixth International Conference on Planned Parenthood, due to be held at New Delhi from 14th to 21st February. The main theme of the Conference will be Family Planning—its motivations and methods. Since the Conference takes place at a time when ideas about the third Five-year Plan are beginning to crystallise, the sponsors could not have selected a better venue for the Conference. For, on the demographic map of the world, India is one of the major areas of crisis. The deliberations of the Conference will be of direct and immediate interest to India. In fact, no other country in the world is more in need of family planning than ours with its deplorably low living standards. Further heavy additions to the already outsized population of the country will have grave repercussions on the economic potential of the country and make the task of democratic planning extremely difficult. A few of these repercussions are indicated in a technical study of population trends in India, sponsored by Princeton University's Office of Population Research and supported by the World Bank. The authors of the study are the noted demographer Ansloy C. Coale and the economist Edgar M. Hoover. The conclusions of the study are set out in a book entitled *Population Growth and Economic Development in Low-Income Countries: A Case Study of India's Prospects.*

The study attempts to correlate India's population growth and its economic potential. For this purpose, it makes projections of three alternative possibilities. In all the three cases, it is assumed that public health programmes will bring about a decline in death rate by at least 40 per cent. by 1986. The first projection assumes no reduction in India's present rate of population growth and a consequent population of 775 million by 1986. Increases in living standards would thenceforth be progressively cancelled out by population growth. The second projection assumes a downward trend in birth rate commencing from 1966 and progressing to a 50 per cent. drop by 1981. The population under this projection is expected to reach 634 million by 1986 and a slight increase in living standards is not altogether ruled out. The third projection assumes a downward trend in birth rate initiated immediately and progressing to a 50 per cent. drop by 1981 and a consequent population of 589 million by 1986. It holds out reasonable hope for economic growth.

It must be noted here that even the lowest Coale-Hoover projection for 1986 of 589 million, assuming that effective birth control programmes are initiated immediately, is considerably higher than the projection of 529 million made by Mr. R. A. Gopalaswami in the *Census of India*, 1951. In fact, the study discounts his projections as too modest, though they caused great consternation among some, when they were first published, and had evoked the criticism that he was too pessimistic. One must not, however, jump to the conclusion that the distinguished American economists are out to cause alarm amongst us. They have only sought to figure out possibilities in a diligent manner.

The aforesaid U.S. study indicates the possibilities for economic growth under each of the three projections. They are certainly not reassuring. These possibilities, as summed up by the Washington correspondent of the *Hindustan Times*, are as follows:

> "Whereas, given the 589 million population, the increase in income per consumer jumps from 1.5 per cent. annually in the 1956-61 period to 3.4 per cent. annually in 1981-86, the increase reaches only 2.8 per cent. annually under the 634 million figure. Given an unchecked birth rate and the 775 million figure, there is a steady decline in the rate of increase from the present 1.4 per cent. down to 0.9 per cent. in 1981-86. Similarly, consumption per consumer (described as income per consumer *plus* welfare outlays directed to the existing population at each point in time) shows a decline in the rate of increase from 1.2 per cent. annually to 0.8 per cent. under the high population 775 million figure."

Under the top projection (population of 775 million in 1986), only 10.1 per cent. of India's national income, according to the U.S. authors, would be available for direct growth investments in 1986. The percentage of direct growth investment would be 8.9 in 1971, 9.4 in 1976, 9.9 in 1981 and finally 10.1. Under the medium projection, the percentage of national income available for investment would be 9.6 in 1971 and 13.5 in 1986, while, under the low projection, the percentage would be 10.4 in 1971 and 14.7 in 1986. The difference between 10.1 per cent. and 14.7 per cent. of the national income may not seem impressive. But, as Mr. Robert Cook, editor of *Population Bulletin*, comments, to a nation struggling to emerge from a marginal agrarian economy, it may well mean the difference between victory and defeat. It is thus clear from this study that India has to bestir itself forthwith and take appropriate measures to bring down its birth rate effectively.

The essence of India's population problem is this. If the birth rate is not brought down, sheer numbers will stifle economic development and the present and future Plans will fail to make any significant impression on the standard of living. Will the Government and the Planning Commission bear this in mind when formulating the Third Plan making allocations for the various items of outlay?

WORLD CO-OPERATION IN SHIPPING

THE establishment of the Inter-Governmental Maritime Consultative Organisation (I.M.C.O.), the first session of which commenced this month in London, deserves to be welcomed. The need for such a body has been felt for a long time now. Although shipping, by its very nature, is international in scope and operation, there has been no specialised agency for shipping at the international level. Shipping has thus remained the only major means of transport and communication without a permanent organisation for co-operation among governments. The establishment of the I.M.C.O. thus rectifies a major defect in the international consultative machinery.

The idea of establishing an international agency to deal with shipping matters is by no means new. The U.N. Transport and Communications Commission declared as early as 1946 that a permanent central maritime agency should be established to deal with technical shipping problems. At the U.N. Maritime Conference, held at Geneva in 1948, the Convention on the Inter-Governmental Maritime Consultative Organisation was adopted by 20 of the participating nations. The Convention did not come into effect till March 1958, when the legal requirements for bringing the organisation into effect were satisfied. It stipulated that the headquarters of I.M.C.O. should be in London; the new organisation will thus be the first specialised agency of the U.N. to have the capital of the U.K. as its permanent home. Thus, the U.K., which has played so notable a part in world maritime history, becomes the home of the new shipping body. Pending the establishment of the I.M.C.O., the U.K. has been carrying out the duties imposed by the two international conventions concerned with maritime safety measures and pollution of sea by oil. These duties will now be taken over by the new agency.

Briefly, the I.M.C.O. will provide machinery for co-operation among governments in solving the technical problems of international shipping, including those concerning safety at sea. Never was the need for such international consultation more vital than today. For the application of many recent scientific developments, including radar and nuclear power, presupposes the exchange of information and results of research at the international level. The I.M.C.O.'s objectives include the encouragement of the removal of discriminatory action and unnecessary restrictions by governments which may affect international shipping. In addition, it will consider matters relating to unfair restrictive practices by shipping concerns. It will also take action on any matter connected with shipping that may be referred to it by other international bodies.

A commendably reassuring note was struck by the British Minister of Transport, Mr. Harold Watkinson, when he welcomed nearly 300 delegates from twenty-eight countries to the first assembly of the I.M.C.O. He gave the assurance that the U.K. intended to play a full part in removing barriers which might hamper international shipping. He said: "Ships are still the main carriers of passengers across the seas and are prime movers of the bulk of the commodities that are exchanged between the countries of the world. Making full allowances for the development of air travel, the sea routes will provide the essential means of communication between countries." He added: "I urge you to remember that the heart of your task and the basis of your activity are the ships themselves and, even more important, those who man them. Without ships and the exercise of maritime skill, civilisation as we know it could not exist." Among the subjects considered by the Assembly was the acceptance of the initial work programme. It was decided to refer this matter along with other matters to the Administrative and Finance Committee. The Assembly has elected a 16-member Council which will consist of representatives of Argentina, Australia, Belgium, Canada, France, India, Greece, the Netherlands, Norway, Sweden, the U.K., the U.S., Italy, Japan, Russia and W. Germany.

Although the full text of the Assembly's proceedings, which are expected to last till the end of this week, is not yet available, it is clear that the new maritime organisation will have to bring to bear on its tasks both imagination and goodwill. The treatment accorded to India is, however, not calculated to inspire confidence among underdeveloped countries. The Assembly has voted in favour of a U.K. resolution granting India only restricted membership of the I.M.C.O. without a vote. Dr. Nagendra Singh, India's Director-General of Shipping, rightly insisted that international organisations could not be reduced to the status of private clubs. Again, it is not without significance that the Scandinavian countries have insisted that the I.M.C.O.'s activities should be confined to purely technical and shipping matters and should not deal with economic or commercial aspects. The U.S. delegate declared that his country would oppose any attempt to extend the Organisation's sphere into economic activities.

It is noteworthy that India, in the course of its ratification of the I.M.C.O. Convention, made a declaration which, according to the President of the Assembly, amounted to a reservation; the reservation related to the practice of State aid for its shipping. In this connection, a realistic concession is the one made in the definition of the objectives of the I.M.C.O. Thus, although the I.M.C.O. is pledged to encouraging the removal of discrimination by governments in shipping matters, it recognises that assistance and encouragement given by a government for the development of national shipping and for purposes of security would not by itself constitute discrimination, provided that such assistance and encouragement is not based on measures designed to restrict the freedom of shipping of all flags to take part in international trade. Since shipping is a subject which could easily arouse national fervour, it is of the utmost importance that the member-nations should be convinced that the I.M.C.O. is neither a supra-national authority which demands excessive sacrifice of national sovereignty, nor an organisation designed to protect the rights of countries which have become maritime powers by historical accident and have been trying to check the growth of shipping in younger countries.

FURTHER UNCERTAINTY DISTURBS SHARES

AUTOMATIC LOOMS—U.K. BANK RATE—WORLD SUGAR MARKET—A.C.C.'S NEW VENTURE

THURSDAY, 5 P.M.

THE budgets of the Central and State Governments are anxiously awaited. The market most concerned with this hardy annual is the Stock Exchange. While the budget of the Central Government is the main source of its worry, there is no inclination on its part to feel that State budgets will be innocuous. A general criticism against State Governments has been that they have not done their best to raise their tax revenue. Will not the State Governments try to meet this charge by imposing more taxes in their budgets for 1959-60? There is already a fear in the Bombay share market that the Bombay Government may introduce agricultural income-tax. This apprehension has depressed sugar scrips. Over the week, Belapurs have fallen from Rs. 278 to Rs. 262-8 and Walchandnagars from Rs. 273-8 to Rs. 267.

MARKET GOSSIP

There is room for fear that even the Railway budget may impose some new burdens, because of the stress in the Congress Party's latest resolution that investments by the public sector must make a significant contribution to capital formation.

The Centre will present its budget on 28th February 1959, that is, five weeks hence. The recent speeches by Congress men and a few officials, emphasising the need for finding more resources for the public sector, have caused considerable misgivings about the outlook for investors. Consequently, there has been a sizable bull liquidation during the last few days. As the desire to take risks is at a low ebb, there is little fresh business and turnover has shrunk. The recovery witnessed last week has proved to be a short-lived affair. Most of the scrips have wound up the week with modest losses.

It is, however, not possible to say whether the share markets have fully discounted the worst possible budget. The general feeling in market circles is that, if the *status quo* is maintained in taxation, there will be a good recovery in equity values. This is apparently based on the theory that, as the recession in recent weeks is due to apprehensions of increase in taxation, values are bound to look up when the apprehensions turn out to be wrong. Further, after Mr. Morarji Desai's categorical statement at Calcutta early last month that there could be no relief in taxation, the markets have reconciled themselves psychologically to the prospect of the budget not containing any reduction in taxation. But this does not necessarily mean that investors will be satisfied with such a budget.

While the market is generally in a state of suspense about the Central budget, there are two minority opinions. One is still optimistic enough to expect a modification of the tax on bonus shares in favour of investors. This school also believes that some of the nuisance taxes may be made a little easier. In fine, it is confident that the Finance Minister will do something that will at least make the camel feel that a part of the burden has been taken off its back. Of course, those who feel this way are very much in a minority.

The other minority is a little sizable. It feels that, notwithstanding all the recent speeches of Ministers, officials, and Congress men in favour of more taxation, there will be no significant increase in the burden. It expects the *status quo* to be maintained. Two reasons are given in favour of this surmise. One is that the latest campaign, which has frightened the markets and investors, has been deliberately started with a view to countering the pressure from influential quarters for a reduction in the tax burden. The other reason is that any increase in taxation which will make the task of the private sector more difficult than now might upset the climate for getting foreign assistance. It is significant, in this connection, that the second meeting of five Western countries and the World Bank, which have promised to help India with sufficient foreign exchange to see its second Plan through, is scheduled to take place only in the second half of March next, that is, after the presentation of the Union budget. It is at this meeting that the terms of the credit for 1959-60 and 1960-61 will be decided. If the budget and the financial and fiscal policies that go with it appear to be unrealistic to these creditor countries, the results of the meeting may not be quite favourable to India.

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A brief reference to the applications invited by the Textile Commissioner from mills which wish to install automatic looms in replacement of their existing plain looms and the conditions governing allotment is made on page 104 of this issue. The total number of automatic looms that will be allowed for installation now is 2,500. This is part of the 7,500 looms to be installed over the three years (1959, 1960 and 1961) under the "pilot project" first announced by Mr. Manubhai Shah, Union Minister for Industry, in Parliament early in December 1958 and later discussed at the conference of the representatives of millowners and labour at New Delhi on 22nd December (*vide* page 12 of *Commerce* dated 10th January 1959).

It is, indeed, gratifying to hear that the Government has no intention of imposing, as a condition for giving permission for the installation of 7,500 automatic looms, any "obligation of export" on the mill concerned. The mills will be completely free to dispose of the entire quantity of cloth produced on these looms in whatever manner they like—to sell either for export or for domestic consumption. This is a healthy and hence welcome departure from the policy governing the installation of 18,000 automatic looms—announced in 1956—which pins down mills to the condition of maintaining 87½ per cent. of their exports in any of the three preceding years, besides exporting the full production of automatic looms. It is, of course, stated that, while making allotment of automatic looms, preference will be given to units having established trade connections and sizable annual exports to their credit and to units which provide evidence that they can export if equipped with automatic looms.

In addition to the 7,500 automatic looms in replacement of the existing plain looms, the Government has also decided to allow installation of 3,000 additional automatic looms in pursuance of the recommendations of the Textile Enquiry Committee. The only condition attached to this scheme is that the entire production of the looms in question must be exported, though no definite stipulation is made that the mills concerned must give a guarantee to that effect. The condition is somewhat vague. It raises the question as to what will happen to the quantity of cloth produced under the scheme, if world market conditions are not favourable to its export. Will the Government let the mills sell this production in the internal market, without subjecting it to the penal excise duty proposed in 1956?

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The latest advices from London point to the possibility of a further cut in the British Bank rate. The general employment situation in the U.K. is still a source of concern for the Government. Undercapacity is still widespread in industry and underemployment among workers is on the increase. The Government, however, is said to be keen on improving this state of affairs at an early date, apparently because the General Elections are drawing near. Besides this factor, the general trend of interest rates on the European Continent is downward, in contrast to the hardening tendency in the U.S. and Canada. The easier trend in the non-dollar countries, to which a reference was made in these columns last week, is placing the U.K., according to the Money Market Correspondent of the *Financial Times*, under an actual pressure to lower rates and liberalise short-term credit facilities. This, it is felt, will be necessary to safeguard London from the growth of competition for international financing business from other centres. Another ½ per cent. cut in the British Bank rate before long is, therefore, envisaged. If this expectation were to materialise, it would bring the Bank of England rate to 3½ per cent., that is, ½ per cent. below the Reserve Bank of India rate.

The increase in surplus industrial capacity in Britain and the anxiety of the British Government to bring about a speedy improvement in the economic situation are likely to help India indirectly. There are already reports that the Export Credit Guarantee Department has shown readiness to liberalise the terms for deferred payment arrangements in favour of India. This is likely to help India's imports of British machinery. Now that the Government of India also has relaxed the conditions for introducing automatic looms by cotton mills, the prospects for British textile machinery makers' business in India appear to have improved somewhat.

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The outlook for exports of Indian sugar has turned bleaker, thanks to the continued weakness of world sugar markets. In the past few days, spot Cuban raw sugar at New York has fallen, from 3.67 cents on 30th December 1958 to 3.25 cents per lb. (f.o.b. Cuba). This is the minimum price fixed under the new International Sugar Agreement which came into force on the 1st inst. The Agreement, it will be recalled, stipulates that, if the New York market price falls below 3.25 cents and then averages less than that figure for seventeen consecutive market days and is actually below it on twelve of these days, the Sugar Council must immediately reduce the basic export tonnages of member-countries by 2½ per cent. Thereafter, it must meet within seven days. If the Council fails to agree on the action to be taken, the quotas shall be cut by a total of 5 per cent., provided they are not then less than 90 per cent. of this basic figure, unless the prevailing price is below 3.15 cents in which case further reduction in quotas may be made within the limits prescribed by Article 23.

It is, of course, not possible to assess at present what the above-mentioned reductions mean in terms of actual tonnages, since the initial export quotas for 1959 have still not been fixed. Naturally enough, sugar traders the world over are eagerly awaiting the outcome of the Sugar Council's forthcoming meeting scheduled to begin in London on Wednesday next. The meeting will consider general matters arising out of the new Agreement and fix the initial export quotas for 1959. Until then, the Agreement "is operating," to quote a London report, "in something of a vacuum, though dealers are able to take heart from the fact that all the main producing countries (including Brazil, Peru, Italy and Denmark, none of which had joined the old Agreement) are now members."

Meanwhile, world sugar trade circles would appear to be uncertain about the trend of sugar prices in the immediate future, in view of the difficulty of foreseeing the effect of political events in Cuba, the world's largest exporter of sugar, on the market sentiment. Generally speaking, however, everybody seems to feel that the aggregate world supplies of sugar would be fully adequate to meet requirements for sometime to come. The preliminary estimate of the world sugar crop places the current year's output at 50.6 million tons (raw value), representing a rise of over 3.0 million tons as compared with the 1958 crop. Of this rise, the European beet sugar production alone is expected to account for more than 2.0 million tons, the anticipated output being 18.0 million tons. The Cuban sugar crop is estimated higher by 400,000 tons at 6.0 million tons.

Considering the potential oversupply position thus, the effect of political upheavals in Cuba on world sugar prices has been lessened greatly. European beet sugar has already been on offer at competitive rates, particularly by Belgium and Poland. Cuban sales are expected to be quite large shortly. Fresh supplies of Brazilian sugar will be ready in the summer, although the size of this year's crop is said to have been below expectations. All these factors have imparted weakness to the world sugar market, leading to a marked fall in prices, as noted at the outset.

It is against this background that one has to assess the outlook for sugar exports from India. The currently ruling average price of sugar in Bombay is about Rs. 1,100 per ton, as against the world price of Rs. 393 (London). After excluding the full remission of excise duty (Rs. 291.20 per ton) and cane cess (Rs. 50.90), the export price (f.o.b.) of Indian sugar will come to Rs. 768 per ton. In other words, the loss involved to sugar producers alone in exporting one ton of sugar amounts to as much as Rs. 375. The loss to the country as a whole will be not less than Rs. 750 per ton, if not more, as against which foreign exchange earned will be no more than Rs. 393.

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The Congress Party has been trying to create the impression in this country, as well as abroad, that the private sector lacks entrepreneurial skill to undertake heavy engineering projects and that, consequently, the public sector has to establish these industries. That this impression is wrong is borne out by the incorporation of a new company last week under the name of A.C.C.-Vickers-Babcock Ltd., for the purpose of undertaking the manufacture of a wide variety of heavy industrial plant and machinery. The A.V.B. project, a joint venture of the Associated Cement Companies Ltd., Vickers Ltd., London, and Babcock and Wilcox Ltd., London, is in fact one of the largest heavy engineering projects to be started in the post-war period.

The idea of setting up a project of this kind was conceived three years ago, but many impediments had to be got over before the scheme was finalised. At one time, it looked as though the project would fall through, due to the sharp rise in the British Bank rate to as high as 7 per cent. and the enforcement of credit restrictions in the U.K. The change in the Government of India's policy towards the private sector and the heavy taxation imposed in 1956 and 1957 also stood in the way of the promoters going ahead with the project. That the scheme has been finalised against those heavy odds provides positive proof that the private sector is vigorous and enterprising.

The new company, A.C.C. Vickers-Babcock Ltd. (A.V.B. in brief) was registered on the 16th inst with an authorised capital of Rs. 10 crores, of which Rs. 5.40 crores are expected to be issued just before the Company goes into production. The Company is also expected to raise debenture capital to the tune of Rs. 4 crores by private negotiation. Of the share capital, A.C.C. will hold 49.8 per cent., Vickers Ltd. and Babcock and Wilcox Ltd. 24.9 per cent. each, and Killick Industries Ltd., F. E. Dinshaw Ltd., Tata Sons (Private) Ltd., and Mulraj Khatau and Sons (Private) Ltd. 0.1 per cent. each. The Company will be directly managed by a Board of Directors, with Mr. Dharamsey M. Khatau as Chairman.

The A.V.B. project is an outstanding example of collaboration among the members of the Commonwealth not only in finance but also in technical know-how in the field of heavy engineering. It is a big step forward in India's industrial development and progress towards self-sufficiency. Arrangements have been completed for acquiring land and other facilities in Durgapur, where the Company's works will be situated.

The Company's manufacturing programme covers a wide range and includes manufacture of machinery for cement making, general mining and coal mining, the well-known Babcock water-tube boilers, pressure vessels and ancillary items. It will be noted with interest that the A.C.C. has been manufacturing machinery for producing cement for the last 15 years and its workshops will form an integral part of the new project. An appreciable part of the products envisaged under the project will be turned out in A.C.C. workshops. The construction of the A.V.B. works is expected to be completed in 1961 and, when in full production, will provide employment for over a thousand workers.

The foreign exchange cost of the project will be met by the two British participants. When the plant goes into full production, it will not only save substantial foreign exchange now spent on importing certain items of heavy engineering items but may even prove to be a source of foreign exchange earner through exports of some of the products to the neighbouring countries, after meeting India's own requirements.

EQUITIES QUIETLY STEADY

SUGARS RULE WEAK

(From Our Own Correspondents)

BOMBAY, 22*nd January*

WITH only five weeks to go for Mr. Morarji Desai, Union Finance Minister, to present his maiden Budget, the share market entered a sluggish spell during the week under review and turnover also declined. After a sharp rise earlier in the week, equities staged a modest retreat, but today again they looked up a little, due to support at lower levels. Nevertheless, the enthusiasm which marked trading during the past two weeks, notwithstanding the resolutions of the Congress, was conspicuous by its absence this week and prices over a wide front were lower on balance. Fresh fears of additional tax measures and control on profit would appear to have induced operators to be cautious, but there was no heavy selling pressure. The undertone remained steady and the technical position of the market was also healthy, as witness the normal *budla* charges at the last settlement and smaller number of shares to be delivered in respect of that settlement.

Tata Ordinaries rose on Friday last from Rs. 175.50 to Rs. 176.75, but staged a retreat subsequently to touch Rs. 174.25 yesterday. Today again they recovered a little to Rs. 175.50 at the close. The new shares were a fraction lower at Rs. 172.25. Indian Irons came up to Rs. 26.35 from last week's closing of Rs. 26, before receding to Rs. 25.95. At the close, however, they gained to Rs. 26.20.

Barring Centurys, which displayed wide variations and scored a moderate gain over the week, textile shares ruled quiet. After an initial spurt from Rs. 431.25 to Rs. 438, Centurys retreated to Rs. 429.50 yesterday. Part of this loss was, however, made good today, when the shares finished at Rs. 434.50. Bombay Dyeings moved between Rs. 56.60 and Rs. 55.60 before closing with a loss of 30 nP over the week at Rs. 56. Kohinoors shed Rs. 2.50 to Rs. 239, thus wiping out a portion of the previous week's gain. Central Indias lost a rupee to Rs. 90 and Finlays Rs. 2 to Rs. 259. Indore Malwas were marked down by Re. 1.50 to Rs. 97.50, Khataus by Rs. 3 to Rs. 153.75 and Morarjees by Rs. 2 to Rs. 230. Shree Niwas Cottons provided an exception with a rise of Rs. 3.50 to Rs. 140. Simplex were done Rs. 2.50 lower at Rs. 167.50. Standards declined by Rs. 3.50 to Rs. 417.50, Svadeshis by Rs. 3.75 to Rs. 209.50, Swans by Rs. 3 to Rs. 347 and Tatas by Re. 1 to Rs. 34.50.

Bank shares presented a mixed trend. While Bank of Barodas gained Re. 1 to Rs. 127, Centrals were 20 nP lower at Rs. 58.80. Bank of Indias put on Re. 1.75 to Rs. 141 and their new shares Rs. 2.75 to Rs. 142.25. Punjab Nationals were done Re. 1 lower at Rs. 59, and United Commercials 50 nP down at Rs. 68, while Union Banks were better by 12 nP at Rs. 7.64.

In the insurance section, New Indias were in the limelight with a rise of Re. 1.50 to Rs. 54. Their new shares jumped by Re. 1.40 to Rs. 54.10. Orientals were done at the previous week's rate of Rs. 4,010.

Electricity shares were featureless with minor fluctuations. Ahmedabad Electrics were a shade quiet at Rs. 95, Bombay Suburbans at Rs. 110 and Surat Electrics at Rs. 112.50. Tata Hydros closed with a gain of Re. 1 at Rs. 120.75 and Tata Powers put on Re. 1.25 at Rs. 1,192.50, while Andhra Valleys were unchanged at Rs. 1,172.50.

Sugar shares ruled weak, with a sizable fall in values, due to fears of agricultural income-tax being imposed by State Governments in the forthcoming budgets and growing competition from producers of *khandsari*. Belapurs recorded a decline of Rs. 12.50 to Rs. 262.50. Phaltans were done at Rs. 144.75 *ex-div.* (dividend: Rs. 10 per share), which on a *cum-div.* basis represented a loss of Rs. 4.25 over the week. Walchandnagars were marked down by Rs. 5.50 to Rs. 267, Maharashtra Sugars by Rs. 10 to Rs. 170 and Kesar Sugars by Re. 1 to Rs. 55.50. Among cement shares, A.C.C. came down from Rs. 156 to Rs. 153.25 before finishing at Rs. 154.25. Digvijays were dull at Rs. 132.50 and Orissa Cements at Rs. 12.52. In the engineering and mining group, Alcocks were a bright feature with a rise of Rs. 13 to Rs. 268. Tata Locomotives were marked up by Rs. 3.25 to Rs. 161.50. Mukand Irons, which had been included in the forward list, gained 76 nP to Rs. 13.76. Larsen and Toubros were done 28 nP higher at Rs. 17.12. Premier Constructions were picked up Rs. 2.50 lower at Rs. 236.50. Shivrajpurs shed Rs. 2 to Rs. 88. Indian Coppers were dull at Rs. 3.58.

Scindias fluctuated between Rs. 21.56 and Rs. 21.28 before closing at Rs. 21.48. Great Eastern Shippings closed with a loss of 20 nP at Rs. 23.84. Among automobiles, Premier Automobiles recorded a decline of Re. 1.50 to Rs. 83.70 and Hindustan Motors 8 nP to Rs. 7.16.

In the miscellaneous section, Bombay Burmahs (old) gave way to Rs. 460, after an initial rise from Rs. 466.50 to Rs. 469.50. Towards the close there was a partial recovery to Rs. 463. National Rayons lost Re. 1.25 over the week at Rs. 242.75. Tata Chemicals gained 12 nP to Rs. 15.44. Tata Oils advanced by Re. 1.25 to Rs. 47.25. Voltas staged a rally from Rs. 137.75 to Rs. 144, on expectations of higher dividend, while Wimcos shed Re. 1.50 to Rs. 189.50.

Calcutta Stock Exchange

CALCUTTA, 21*st January*

A firmer trend under the lead of speculative counters was in evidence on the Calcutta Stock Exchange during the week under review. Had it not been for the pre-budget caution, the volume of business would have shown an impressive increase. Operators were looking forward with interest to the forthcoming Calcutta meeting of the L.I.C. Investment Committee, and that accounted for the features in the miscellaneous industrials section. For the Committee would consider offer of shares from Calcutta brokers. The Committee would in future also periodically meet in Calcutta. Another encouraging thought is the expected commissioning of a blast furnace each in Bhilai and Rourkela within the next fortnight, and consequent prospect of acceleration of industrial progress. All the same, the news of a wide gap of Rs. 19 crores in November's foreign trade introduced caution.

Another discouraging news during the week was the lockout, from the 19th January, in the works at Shamnagar of Messrs. National Pipes and Tubes Company Ltd., Messrs. National Rolling and Steel Ropes Ltd. and Messrs. National Insulated Cables Company of India Ltd., belonging to the managing agency of Messrs. Associated Industrial Development Company, Private Ltd. This followed a sit-down strike from 5th January, following alleged differences over the recruitment policy between the trade union and the management. All the three companies belong to the category of essential manufacturers for Plan projects, and their products are of a wide variety including non-ferrous rods and tubes, steel wires and ropes, and electrical insulated cables.

Section-wise, jutes were put through at hardening rates. For, despite the Government's price support policy, raw jute is still selling at low rates. If mills succeed in getting minimum export prices fixed for goods, mills' profitability is bound to increase. This expectation accounted for the buying spree in the section. Gondalparas came to business this week, and, at Rs. 780, were higher by Rs. 40. Aucklands continued to rise and touched a high of Rs. 184, as against Rs. 176 earlier. Gourepores received keen attention and made a substantial gain to Rs 387. Dalhousies hardened to Rs. 137 from Rs. 129 and Anglo-Indias were firm at Rs. 227. Kinnisons, at Rs. 195, were fully steady.

Coals received more attention, and most counters recorded fractional gains. Operators believed that working of collieries would show improved results in view of the increased production. Thus, Burrakurs, at Rs. 17.62, added 37 nP, but this gain was lost in yesterday's trading. New Beerbhoums picked up to Rs. 20 from Rs. 19.37. South Karanpuras changed hands at Rs. 12.31, as against Rs. 12 previously, and Equitables at Rs. 23.75, as against Rs. 23.25. In cheerful trading, Bengal Coals were pushed up to Rs. 284 from Rs. 273, finishing slightly lower at Rs. 282.

In minings, after last week's rise, Metal Corporations were subjected to profit-taking and the rate receded to Rs. 7.78 from Rs. 9.25, but there was a spurt to Rs. 9.06 yesterday on interested buying. Indian Coppers were maintained at Rs. 3.62.

Engineering shares were keenly sought following the enthusiastic discussion in Nagpur on the bumper third Plan prospects. Moreover, fabricating industries are assured of steel supplies in the third Plan period, and the imminent opening of the blast furnaces in Rourkela and Bhilai was noted with enthusiasm. Indian Irons opened at Rs. 26.02, and after rising to Rs. 26.38, closed at Rs. 26.14. Britannia Engineerings at Rs. 11.12 recorded an impressive rise, while Texmacos, after rising to Rs. 21.05, receded to Rs. 20.80.

Among miscellaneous industrials, Dunlop Rubbers were fractionally higher at Rs. 30.37 and National Pipes hardened to Rs. 15.65 from Rs. 15.44. National Cables were looked at lower at Rs. 29.25. Indian Oxygens recovered to Rs. 23.81 from Rs. 23.25, but Indian Aluminiums receded to Rs. 15.25 from Rs. 16.37. From Rs. 52, Indian General Navigations rose to as high a rate as Rs. 63. India Steamships moved between Rs. 13.97 and Rs. 14.12. Indian Cables were quiet at Rs. 29.25.

The news of higher output in December checked enthusiasm in tea shares; had it not been for this, the rises in selective counters would have been more impressive. Tezpores gave way to Rs. 15.06 from Rs. 15.87, while Bishnaths, after being lower at Rs. 17.75, recovered to Rs. 17.87. Another feature was the rise in Sungmas to Rs. 15.56 from Rs. 14.31. Methonis were better at Rs. 19.62 and Hattikhiras improved by Re. 1 to Rs. 11.50.

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Madras Stock Exchange

MADRAS, 20*th January*

The Madras Stock Exchange had only three working sessions during the week under review, as it remained closed on three days owing to *Pongal* holidays. During this short period, the market ruled easy, the trend of prices being generally downward. The operators were disappointed at the categorical statement of Mr. Gopala Reddi at the meeting of the Indian Chamber of Commerce, Coimbatore, held this week that "situated as we are today, we cannot think of reducing taxes." Plantation shares encountered selling. In particular, coffee shares were marked down on persistent fears of overproduction. Textiles were depressed, despite reports of encouraging offtake in piecegoods, domestic and overseas. Banks, electrics and sugars were dull. The only exception to the general trend was provided by select miscellaneous industrials which evoked good buying support and tended to move up.

Among tea shares in the planting section, Kil Kotagiris and United Nilgiris lost 5 nP each to Rs. 6.80 and Rs. 17.20, respectively. Twyfords receded by 3 nP to Rs. 15.62. Blue Mountains, Chandramalais and Chembras shed 2 nP each to Rs. 3.25, Rs. 2.85 and Rs. 3.55, respectively. Balanoors were neglected at Rs. 17.62, Coonoors at Rs. 25.75, Nilgiris at Rs. 7.25 and Parksides at Rs. 19.25. Nonsuch Teas, however, climbed up by 35 nP to Rs. 24.35 on special support.

In the coffee group, Consolidated Coffees slumped by 95 nP to Rs. 20.65. Coffee Lands dropped 75 nP to Rs. 23.25. Kumergodes eased by 10 nP to Rs. 6.65, Cowcoodys by 8 nP to Rs. 7.12 and Sangameshwars by 3 nP to Rs. 2.45.

Deals in rubber shares were put through at reduced rates. Vaikundams declined by 23 nP to Rs. 23.12. Kalpettas fell by 15 nP to Rs. 11.75. Midlands receded by 10 nP to Rs. 10.75. Velimalais lost a like amount to Rs. 5.65. Swintons shed 5 nP to Rs. 2.40, Kailas 3 nP to Rs. 4.90 and Cochin Malabars 2 nP to Rs. 5.43.

Among textile shares, Maduras dropped Rs. 2.40 to Rs. 25.50. Vijayeswaris were quoted Re. 1.50 lower at Rs. 83.50. Coimbatore Cottons shed a rupee to Rs. 134. Cambodias softened by 5 nP to Rs. 7.85. Bangalore Woollens were dull at Rs. 156, Buckinghams at Rs. 175, Metturs at Rs. 328, Radhakrishnas at Rs. 135 and Lakshmis at Rs. 94.50.

MORE BANK RESULTS

The results of working of a few more leading banks released during the last one week serve to confirm the general pattern of lower profits for the year ended 31st December 1958. All of them have, however, maintained the dividend levels at the rates paid for the previous year.

Central Bank of India

The Central Bank of India Ltd. has earned a net profit of Rs. 101.42 lakhs for the year under review, as compared with Rs. 108.74 lakhs in 1957. The drop of Rs. 7.32 lakhs is in distinct contrast to the rise of Rs. 4.38 lakhs recorded in the previous year and of Rs. 26.60 lakhs in 1956. After bringing in Rs. 18.44 lakhs from the 1957 account, the Directors have stepped up the provision for taxation from Rs. 13 lakhs to Rs. 16.50 lakhs and made larger provisions for staff. The amount set aside for staff gratuity fund is Rs. 10 lakhs, as against Rs. 6.50 lakhs, and that for bonus is Rs. 32 lakhs, an increase of Rs. 2 lakhs over the year. Presumably, in view of these larger allocations, which together absorb Rs. 9 lakhs more than in the previous year, the Directors have not made any transfer to the investment account, which had received Rs. 15 lakhs in each of the previous four years. The dividend is, however, proposed to be maintained at 14 per cent. per annum, made up of a 6 per cent. interim distribution already made and the final one of 8 per cent. now recommended. This dividend, which is being repeated for the third year in succession, requires Rs. 41.03 lakhs, leaving to be carried forward Rs. 17.32 lakhs.

United Commercial Bank

The results of the United Commercial Bank Ltd. are a little more disappointing, in that its profit has suffered a fall of Rs. 14.32 lakhs, that is, from Rs. 59.70 lakhs to Rs. 45.38 lakhs. This decline is more than that in the case of other leading banks which have so far published their results. The year's profit is the lowest since 1955. The provision for taxation has been pruned sharply from Rs. 18.50 lakhs to Rs. 9 lakhs and the allocation to the reserve fund has been reduced from Rs. 19 lakhs to Rs. 14 lakhs. The provision for bonus to staff has, however, been raised slightly from Rs. 7 lakhs to Rs. 7.25 lakhs. The dividend is to be kept unchanged at 7½ per cent. per annum, to which level it had been successively raised from 4 per cent. paid for each of the four years 1950 to 1953. The 7½ per cent. dividend will absorb Rs. 15 lakhs, leaving to be carried forward a small sum of Rs. 62,097, including Rs. 49,432 brought in from 1957.

Union Bank of India

One of the exceptions to the general trend is provided by the Union Bank of India Ltd. The Bank's profit is a fraction better at Rs. 14.75 lakhs, as compared with Rs. 14.71 lakhs earned in the previous year. After bringing in Rs. 1.50 lakh from the previous year's account, the Directors have maintained the provision for taxation at Rs. 4 lakhs. While the transfer to the reserve fund has been raised from Rs. 2.50 lakhs to Rs. 3 lakhs, the allocation to the contingency account has been reduced from Rs. 1.50 lakh to Rs. 50,000 and the amount set aside to write off Bank's premises from Rs. 1 lakh to Rs. 50,000. As in the case of other banks, the provision for bonus to staff has been raised from Rs. 2.50 lakhs to Rs. 3.15 lakhs. The dividend is proposed to be repeated at 8½ per cent. on the increased capital. This will mean that the holders of the 800,000 old shares will receive 44 nP per share and those of the 400,000 new shares will receive a *pro rata* dividend of 11 nP per share (for the three months from October to December 1958). The sum proposed to be carried forward is Rs. 1.14 lakh.

NEWS IN BRIEF

THE Government of Uttar Pradesh is expected to introduce in the coming budget session a Bill which will give effect to the Congress resolution on co-operative farming.

India is one of the 50 countries invited to the fifteenth International Dairy Congress to be held in London between 29th June and 3rd July next.

The management of the Cawnpore Cotton Mills, a B.I.C. unit which has been on a lay-off since the beginning of last month, has put up notice of closure. It has a complement of 7,400 workers.

The East German Government is expected to provide about Rs. 2.5 crores for the establishment of the proposed raw film factory in India. The total foreign exchange requirements of the project are put at Rs. 4 crores.

A permanent training centre for the southern zone of the Life Insurance Corporation of India was inaugurated at Egmore, Madras, on the 19th inst. The centre will impart training to different categories of its development personnel—agents, field officers and branch managers.

The first consignment of Russian equipment for the Indian Institute of Technology, Bombay, has been received. Under an agreement recently signed between the two countries, equipment worth three million roubles, mostly engineering apparatus, will be landed in Bombay during the years 1959 and 1960.

The Government of India has sanctioned about Rs. 1.75 crore for the development and upgrading of about 160 miles of existing roads in the north and north-western region of Dandakaranya, besides constructing a 50-mile new road from Kondagaon to Paralkote. These schemes are designed to provide employment to a large number of displaced persons moving into the area.

A three-point suggestion to strengthen the democratic trade union movement in India was put forward by Mr. Joseph D. Keenan, a prominent American trade union leader. Trade unions in India, according to him, should (1) federate on an industry-wise and craft-wise basis, (2) be divorced from political parties, and (3) dispense with compulsory adjudication. Compulsory adjudication, he averred, had a retarding effect on the growth of trade union movement.

The Government of India has set up a panel of experts to recommend the lines on which the manufacture of clocks, timepieces and watches should be developed in India. Mr. S. D. Joshi, Managing Director, National Instruments Ltd., is the Chairman of the panel. The panel will assess the present and future requirements of different types of clocks, timepieces and watches, examine the facilities already existing in the country for their manufacture and recommend measures for future development.

With a view to promoting application of atomic energy to food and agriculture, the Department of Atomic Energy, Bombay, will supply radio-isotopes and other equipment to scientific workers in universities and other institutions. Grants-in-aid will also be made available for those engaged in investigating the use of atomic energy in agriculture, food processing, animal husbandry, fishery, forestry and allied subjects. A ten-member committee, presided over by Dr. B. P. Pal, Indian Agricultural Research Institute, New Delhi, has been appointed to advise the Department in this connection.

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From Abroad

Holland has lowered its Bank rate from 3 to 2½ per cent. with effect from the 21st inst.

Greece has decided to introduce decimal metric system with effect from 1st April 1959.

West Germany has made further relaxation of restrictions on imports of goods from hard currency areas.

The U.K. had a visible trade deficit of £426 million during the year 1958, about 30 per cent. less than in 1957; it is the smallest gap since 1950.

The Egyptian Government has enhanced the ceiling on company dividends to 20 per cent. per annum, as against 10 per cent. originally envisaged.

Shell Oil has reduced its purchase price of crude oil by 7 per cent. per barrel in West and West Central Texas, South-East New Mexico and Kansas.

The Monsanto Chemicals Company, U.S., has decided to expand its investment in the U.K. by putting up a new plant to manufacture maleic anhydride, with a capacity of 15 million lbs. per annum.

West German private investments abroad from February 1952 up to the end of 1958 are estimated by the West German Industrial Institute at £230 million. Of these, 35 per cent. is said to be in Europe, 29 per cent. in Latin America, and 8 to 10 per cent. in Africa and Asia.

Exclusive exploration rights for oil in Eire has been granted to the U.S. firm, Ambassador Irish Oil, a wholly owned subsidiary of Ambassador Oil Corporation, Texas. The amount expected to be spent by Ambassador Irish Oil is about $12½ million over a period of 20 years.

A new product, Unistrength pipe, has been announced by the Aluminium Company of America. This product is expected to compete with steel for making tubular goods. The new aluminium product is a seamless one-piece pipe that combines thin walls with a standard wall thickness at tube ends. It is stated that, price-wise, the new product is quite competitive with steel.

The U.S. became a full member of the Colombo Plan Council for Technical Co-operation in South and South-East Asia and of the Technical Co-operation Scheme with effect from the 15th inst. The U.S. had been a member of the Colombo Plan since 1951, but had not been a direct participant in the Technical Co-operation Scheme, which works in conjunction with the capital-aid programme of the Colombo Plan.

More than 130,000 U.S. motorists in 1958 bought British cars, the total value being about $170 million putting Britain once again ahead of all other countries exporting cars to the U.S. The British share of imported car sales in the U.S. was 36 per cent. The Federal Republic of Germany supplied 34 per cent. and France 18 per cent. It is estimated that U.S. sales of British cars this year may rise to 185,000.

France has lifted quota restrictions on imports of a wide range of raw materials from the dollar area and the non-O.E.E.C. countries, thereby bringing into effect an increase in the percentage liberalisation on dollar goods from 13 to 50 (on 1953 basis) announced last month. The goods include bars of aluminium, chrome, zinc, lead, molybdenum and thorium for both the regions and natural rubber, pulp, cotton, raw copper and certain leathers and skins for the dollar area only.

The fifth agreement between Spain and the U.S. for the supply of U.S. agricultural surpluses valued at £34.4 million ($96.4 million) was signed at Madrid on the 13th inst. The commodities covered under the agreement include edible oils, cotton, tobacco, barley and other foodgrains. The largest item is edible oil which accounts for £18.3 million. Including the latest agreement, the total U.S. aid to Spain has aggregated £393 million ($1,100 million). The aid excludes military aid and base construction which amount to £143 million and £135 million, respectively.

China has agreed to give a long-term loan of 55 million roubles (£4,824,561) to Albania between 1961 and 1965 which will be utilised for the purchase from China of equipment for a cotton mill, a flax mill and a glass works, other machinery, dyes, paint, paper, etc. The loan is repayable in the form of commodities to be supplied over a ten-year period starting from 1981. A long-term trade agreement covering the above period has been signed between the two countries. Under the agreement, China will import from Albania vegetable oil, rice, paper, rubber and steel materials in exchange for crude oil, petroleum, copper and chrome ore.

PERSONAL

MR. Shreelal J. Kajaria, a Bombay business man, has been elected Chairman of the Western India Minerals Association for the current year.

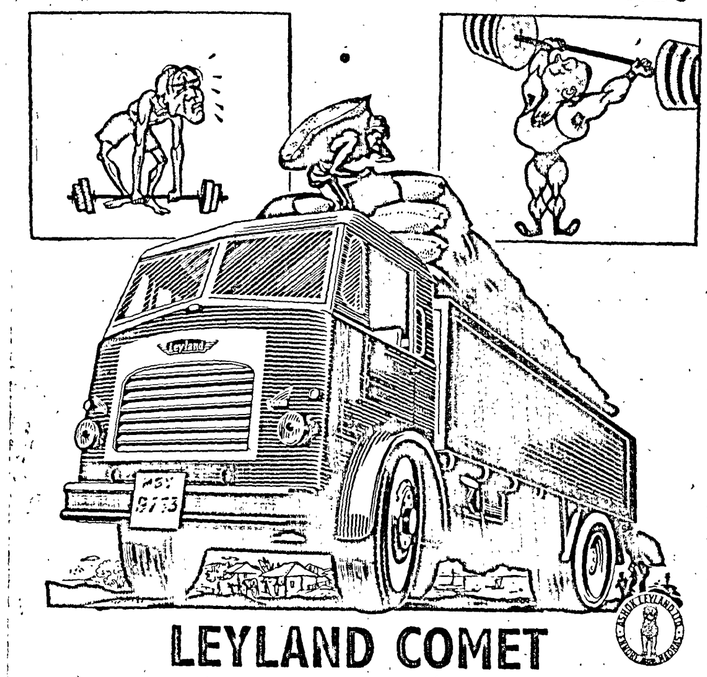
Mr. D. N. Shroff and Mr. J. K. Tarakhia have been elected Chairman and Vice-Chairman, respectively, of the Silk and Art Silk Mills Association Ltd., Bombay, for the current year.

Lord Knollys, Chairman of Vickers Ltd., visited Bombay City for a few days this week, on special invitation by the Board of Directors of the A.C.C.-Vickers-Babcock Ltd., the first meeting of which was held on 20th inst.

Mr. Lalchand Hirachand, a prominent business man of Bombay, belonging to the House of Walchand Hirachand, has been elected President of the Indian Merchants' Chamber, Bombay, for the year 1959. The Vice-presidentship of the Chamber for 1959 has gone to Mr. Pratapsinh Mathuradas, another leading business man belonging to the House of Vissonjis.

Messrs. Vithal Chandavarkar, T. V. Baddeley, Krishnaraj M. D. Thackersey, Neville N. Wadia, G. D. Somani, Radhakrishna R. Rula, M. L. Tapuriah, S. P. Jain, E. D. Sheppard, Pratap Bhogilal, Arvind N. Mafatlal, Naval H. Tata, Babulal Bubna, F. H. Kemple, F. Edwards, E. S. Vernon Jones, C. H. Campbell, Chandrakant Mulraj Khatau and Debiprasad Poddar have been elected members of the Committee of the Millowners' Association, Bombay, for 1959.

BUILT TO CARRY HEAVIER LOADS



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Main Dealers: Bombay State and Andhra Pradesh: Automotive Manufacturers Private Ltd., 108, Bazaar Ward, Kurla, Bombay-37. ● West Bengal, Bihar & Assam: Associated Indian Enterprises (Private) Ltd., 206, Lower Circular Rd., Calcutta-17. ● Uttar Pradesh: Dharam Singh Ram Singh (Motors) Private Ltd., 25, Bhopal House, Lal Bagh, Lucknow. ● Delhi, Himachal Pradesh, Punjab & Rajasthan: Globe Motors Private Ltd., Saraidham, 13, Jhandewala, New Delhi. ● Madras, Mysore and Kerala: T. V. Sundram Iyengar & Sons Private Ltd., West Veli Street, Madurai and Sundaram Motors Private Ltd., Mount Road, Madras. ● Jammu & Kashmir: Jay Kay Automobiles, Residency Road, Srinagar (Kashmir). ● Madhya Pradesh: C. Eduljee & Co., Kamptee Road, Nagpur.

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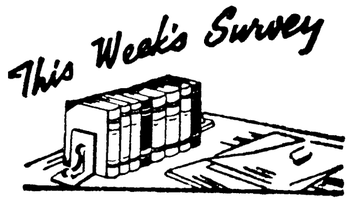


CODE OF INDUSTRIAL EFFICIENCY?

THE Union Ministry of Labour is reported to be having under active consideration the question of sponsoring a tripartite code of industrial efficiency and welfare which will supplement the code of industrial discipline finalised at the Naini Tal session of the Indian Labour Conference last year and already ratified by organisations of employers and workers. Mr. G. L. Nanda, the Union Labour Minister, would appear to have already sounded the State Governments, employers and workers in this regard and the initial responses are said to be favourable. An informal conference or seminar on the subject is expected to be held sometime in the near future as a preparatory to a special conference or session of the Indian Labour Conference.

Unlike the code of industrial discipline evolved by the Indian Labour Conference at Naini Tal, which merely enumerated a series of 'dont's" for the workers and employers, the proposed code of efficiency and welfare is a positive one, in that it will specify what the employers and workers should do, in order to ensure better industrial relations and higher production.

It is common knowledge that employers frequently complain about the inefficiency of workers, while the latter on their part, complain of lack of amenities for them. Employers will, therefore, be called upon to state specifically what they expect the workers to do to increase production and improve efficiency. Workers' organisations, on their part, will be asked to state what, in their opinion should be done by employers and the Government to enable them to give of their best. When both sides have put forward their suggestions, it is expected that a common approach can be evolved, binding the parties concerned to certain positive codes of conduct. It is felt that it is not difficult to agree upon a mutually acceptable method of ensuring higher production and increased efficiency. Various industrial productivity teams have pointed out that, by scientific management and better arrangement of work, the output of existing industrial units could be increased. It is also possible to improve the efficiency of workers without having to increase the workload to any great extent. In so far as workers' welfare is concerned, there is scope and need for improving welfare activities in industrial concerns.

Experience during the brief period in which the code of discipline has been in force has underlined the fact that a negative code in itself cannot ensure industrial peace. Some of the major strikes such as the T.I.S.Co. strike, the Premier Automobile strike, the plantation strike in Kerala and the Calcutta Tramway strike occurred despite the presence of the code. Enquiries have been instituted to ascertain the causes of these strikes. These are in the nature of case studies which will provide lessons for the future. The code of efficiency, now proposed, in so far as it seeks to make a positive approach, is likely to lead to more tangible results. One of its commendable features is that, while committing employers and Government to undertake and implement various welfare measures, it will commit the workers too to make their contribution for increasing production and better efficiency.

FOUNDRY INDUSTRY

A well organised foundry industry must necessarily form part of any scheme of industrial expansion. The Indian foundry industry, despite the progress it has made so far, is at present faced with shortage of raw materials, including pig iron, ferro-silicon and hard coke. Naturally enough, this problem figured prominently in the speech of Mr. K. L. Chowdhary, President of the Indian Foundry Association, at the annual meeting of the Association, held last week at Calcutta. The Union Minister for Industry, Mr. Manubhai Shah, who inaugurated the meeting, gave the assurance that the Government would see that the Indian machinery manufacturers were not hampered through shortage of raw materials. Reviewing the progress of machinery industry, he said that India produced machines worth Rs. 60 crores in 1958, as against only Rs. 5 crores in 1951. The proposed Government-owned National Forging and Foundry, at Ranchi, he said, would turn out the heaviest varieties of machines they could conceive of in heavy engineering. He rightly urged the machinery manufacturers to design new machines instead of merely copying the existing models.

The inadequate supply of pig iron constitutes the chief difficulty which the foundry industry has to face. It would appear that sufficient quantities of scrap are also not available from the railways. The supply of hard coke, according to Mr. Chowdhary, is "inadequate, irregular and hectic." The foundries manufacturing C.I. pans need additional quantities of M.S. rods. Supplies of ferro-silicon are also stated to be less than the demand of the foundry industry. An important section of the foundry industry, namely, the steel foundry industry, is, however, stated to be faced with a shortage of orders for its products. Mr. Chowdhary asked whether, against the background of the difficulties of the steel foundry industry, the Government was well advised in starting a new steel foundry at Chittaranjan. The Government, in its present mood, is not likely to abandon any project merely on the ground that it will create surplus capacity in any industry of which the project is a unit. Even so, the Government will do well to consider how best excessive surplus capacity which will mean a national waste could be avoided.

Steel and pig iron shortages, which the foundry industry, along with other engineering industries is facing, are likely to ease when the expansion schemes in the steel industry in the private sector and the State-sponsored steel projects are implemented. In two weeks' time, the steel projects at Rourkela and Bhilai, according to Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel, will be ready for the production of iron. The blast furnaces in Rourkela and Bhilai are due to be commissioned by the President of India, Dr. Rajendra Prasad, on 3rd and 4th February 1959, respectively. Addressing a Press conference at New Delhi last week, Sardar Swaran Singh stated that the commissioning of the blast furnaces was an important development, inasmuch as these furnaces consisted of a complex network of inter-connected operations and services—the coal and ore handling system, coke ovens, a by-product plant and a power plant, blowers, a gas cleaning plant and provision and distribution of power, gas and water. The commissioning of blast furnaces is, however, only a first step. For, in order to complete the steel works, two more blast furnaces, steel milling shops and rolling mills will have to be commissioned. Production of steel, as distinct from iron, in Rourkela and Bhilai is expected to start in the middle of the year and saleable steel from the rolling mills is expected to be produced before the end of the current year.

The supplies of pig iron and steel products should improve in the course of the current year. The supply position of railway materials and plates and sheets will improve when the rolling mills in Rourkela and Bhilai go into production. Rourkela will produce 20,000 tons of plates, 470,000 tons of hot and cold-rolled sheets and 50,000 tons of tinplate, besides about 50,000 tons of foundry iron. The fertiliser plant will produce 580,000 tons of nitro-limestone. The by-product plant will utilise 130 tons of tar per day to produce benzol, creosote, naphthalene and other products. A similar plant is being set up in Bhilai. The production programme in Bhilai envisages the manufacture of 200,000 tons of rails and sleeper bars, 160,000 tons of heavy structurals and 260,000 tons of medium structurals, besides 150,000 tons of billets for the re-rolling industry and 300,000 tons of iron for the foundry industry.

CONCEALED INCOMES

An Ordinance further to amend the Indian Income-tax Act 1922 has been promulgated by the Union President. The Ordinance empowers the Income-tax Department to reopen assessments which had become more than eight years old by 1st April 1956. It also empowers the Government to retain the moneys already paid by assessees on concealed incomes disclosed by them voluntarily for adjustment against the liability that may be raised by issuing notices under Section 34 of the Act; this has been done through the introduction in the Act of a new provision (section 49EE).

The promulgation of the Ordinance has been necessitated by the fact that Parliament is not in session and circumstances exist which render it necessary to take immediate action. It will be recalled that Section 34 of the Income-tax Act, as it stood prior to 1956, permitted re-assessment of concealed incomes within a period of eight years from the assessment year to which the concealed income related. This limit was removed in 1956 by an amendment which empowered the Income-tax Department to reopen assessments in cases of concealment for any back year without limitation of time, subject to the condition that the Department could not reopen any assessment falling beyond eight years unless the concealed income was Rs. 1 lakh or more. Some High Courts, however, have held that the amended section cannot be applied to assessments which had become more than eight years old by 1st April 1956, in the absence of express provision to that effect. The Ordinance now promulgated is intended to make it clear that the provision applies to such cases also.

The above provision and the new provision (section 49EE), it is said, are necessary to deal with cases in which proceedings leading to settlements of tax and penalty on admitted concealed incomes by assessees whose cases were referred to the Income-tax Investigation Commission were invalidated by a recent judgment of the Supreme Court. Giving its decisions on the appeal preferred by Mr. Basheshar Nath of Delhi against the order made by the Commissioner of Income-tax, Delhi, calling upon him to make payments of tax in terms of the settlement arrived at between him and the income-tax authorities, the Constitution Bench of the Supreme Court held on 19th November 1958, that the Government could not recover tax from an assessee in terms of the settlement arrived at under Section 8A of the Taxation on Income (Investigation Commission) Act 1947, the main provisions of which had been declared to be unconstitutional by the Court. It also held by a majority that no person could give up or waive a breach of his fundamental right guaranteed by Article 14 or relieve the State of the solemn obligation imposed on it by the Constitution.

What was invalidated by the Supreme Court's judgment has now been made valid by the issue of an Ordinance. Accordingly, the income-tax authorities are now enabled to resume proceedings under Section 8A of the Taxation on Income (Investigation Commission) Act 1947. The total number of assessments affected is put at over 500, the amount of tax involved being estimated at Rs. 20 crores; about half of this sum is said to have already been paid.

STABILISING JUTE PRICES

The desire for achieving self-sufficiency in raw jute has gathered such momentum, as witness the sharp rise in output during 1958-59, that the problem now is not one of getting adequate supply of the golden fibre from within the country, but that of ensuring an economic price to growers and providing them adequate credit, marketing, warehousing and processing facilities. With prices of jute still remaining at low levels, while those of rice, wheat and other articles of food are highly expensive, the need for evolving a solution to meet the distress of jute growers has assumed considerable urgency. In saying this, we do not mean that nothing has been done so far in this direction. Indeed, the Governments of India and West Bengal, as well as the jute mills, have been seized of the problem for some months now.

Several measures have already been taken to arrest the declining trend in raw jute prices. Thus, "floor" prices were fixed; margins were imposed on sales below the "floor" prices; mills were induced to buy raw jute up to four months' requirements; and the Government of India came forward to support the market through purchases of certain quantities of jute through the State Trading Corporation. The S.T.C., in turn, appointed co-operative marketing societies as its agents for this purpose and, in fact, has started purchases in Bihar, Orissa, Assam and four northern districts of West Bengal. The purchases so far made by the S.T.C. through co-operative societies are said to be to little to have any significant effect on prices. The mills are said to have acquired adequate stocks, equivalent to four and a half months' requirements, and they are, therefore, not very much interested in buying more.

It is possible that some individual mills which had not cared to buy sufficient raw jute before the S.T.C. stepped in and [illegible]

the baling centres during the last two or three days to fulfil its needs even by paying a little more than the S.T.C. This, however, does not mean a perceptible change in the trend of raw jute market. In fact, the available rates for raw jute at the time of writing are a shade lower than those at the commencement of the year which themselves were sufficiently low to cause concern to all the parties concerned.

It will be recalled that the question of assuring a minimum price to the jute grower was discussed at some length by the Jute Enquiry Committee under the chairmanship of Dr. S. R. Sen, Economic and Statistical Adviser, Union Ministry of Food and Agriculture, in its report submitted to the Government of India in September 1957. The Committee had recommended, among other things, that mills should be asked to build up at least two to three months' stocks during the first five months of the season. This step, the Sen Committee had conceded, could only be a short-term solution to the problem. The more permanent and long-term solution would, according to the Committee, be provided by setting up either a Government organisation or a co-operative marketing organisation which would buy jute from the cultivators at a reasonable price at the harvest season and sell it to the mills later at a competitive price. "Such an organisation alone," the Committee had opined, "will be able to protect the interests of the cultivator effectively. It, however, such a system is put into operation and adequate warehousing facilities are available, a regulated stock policy for the mills, as suggested above, will go a long way in solving the problem."

The Committee, however, had added that a minimum stock policy would not be effective, if as a result of either increased production of jute (as is the case now) or any other market factor, prices fell heavily and minimum purchases by mills were not sufficient to impart the necessary strength to prices. Answering the question whether, in such an event, the mills should be asked to buy more than their normal requirements of two or three months, the Committee thought that such a solution would be unfair to the mills, unless the Government was prepared to finance them and bear the loss that might be incurred by them on this account. The Committee realised that this would cause complications and did not, therefore, recommend it.

The Sen Committee had, of course, not envisaged the emergence of a situation such as the present. It was, therefore, content to recommend that the regulation of stock policy and imports from Pakistan would be sufficient to stabilise prices. But now even purchases by mills to the extent of 4½ months' requirements and the dumping in of the S.T.C. have not yet stopped the rot. If the Sen Committee is taken as the guide, the only thing that remains to be tried is the formation of a co-operative marketing organisation which will effectively operate in mopping up the surplus jute from the markets and stock-pile the commodity. This is what the S.T.C. is trying to do. Perhaps, it is too early to judge the results of its operation.

Meanwhile, it is gratifying to find that the authorities are continuing to bestow thought on the problem, with a view to finding an effective solution. Thus, the problem of marketing, warehousing and processing of jute through co-operatives was discussed last week at a conference of the representatives of the Governments of the jute growing States (namely, West Bengal, Assam, Orissa, Bihar, U.P. and Tripura), the State Bank of India, the Central Warehousing Corporation, co-operative marketing societies, the State Trading Corporation of India and the Jute Commissioner. Mr. B. Venkatappiah, Deputy Governor of the Reserve Bank of India, was in the chair. The conference recognised that the present tempo of progress in providing storage and warehousing facilities was not commensurate with the requirements. It was agreed that co-operatives should have their own baling units; otherwise, they would not be able to make much progress in the marketing of jute. As the entire programme of marketing and processing, the Conference recommended that the National Co-operative Development and Warehousing Board should make necessary funds available. The representative of the State Bank of India stated that the Bank would consider the provision of necessary funds, if the co-operatives were prepared to take up the business. Since these measures are not of immediate import, they have not provided any strength to the market.

ARECANUT CULTIVATION

When the Indian Central Arecanut Committee laid special emphasis on intensive cultivation, at the tenth annual meeting held in Trivandrum last week, it merely echoed what has been repeatedly said for a number of years now. Despite the much valuable work done by the Committee since its inception more than nine years ago—in September 1949, to be precise—the conditions obtaining in the arecanut economy continue to be none too happy. The production of arecanuts has not only not registered any improvement but actually suffered a distinct setback. The estimated output for 1957-58 was no more than 2.3 million maunds, which compares unfavourably with about 3.3 million maunds in 1949-50. This production is sufficient to meet just two-thirds of consumption requirements, so that India continues to spend every year foreign exchange of about Rs. 3-4 crores for importing arecanut, the quantity involved being about a million maunds.

Thanks to the low level of output as well as to the restriction on the quantity imported and the imposition of a heavy import duty, the internal prices of arecanuts have shown a distinctly hardening tendency in recent months. The average quality arecanut is now quoted around Rs. 240 per maund, as against Rs. 160-Rs. 170 a year before. The growers of arecanut should not, however, be jubilant over the prevailing high prices. They must, as Mr. M. V. Krishnappa, Union Deputy Minister for Agriculture, urged, while inaugurating the Central Arecanut Committee meeting, endeavour to step up production and bring down prices to such levels as would be within the easy reach of the consuming classes, a vast majority of whom are agricultural and industrial workers. With the protection to arecanut through a restrictive import policy, the trend of prices "will remain quite reasonable for the growers to go ahead with their operations for intensive cultivation and for establishing new gardens where conditions are most optimum for the development of this crop."

The shortage in the supply of arecanut already existing is bound to become more acute in the coming years, what with the increase in population and higher rate of consumption. The Planning Commission has estimated the total consumption requirements in 1960-61 at over 3.51 million maunds, while the production target is fixed at 2.70 million maunds. It may be noted here that arecanut trees take eight to ten years to bear fruit. Unless, therefore, energetic steps are taken from now alone to raise production of arecanut, there will be a critical shortage of the commodity and prices will soar further, assuming that imports will remain severely restricted.

Considering the urgency of the situation thus it is certainly disquieting to be told that the funds allotted by the Central Government for development schemes in the States have not been fully utilised and that comprehensive schemes having a direct bearing on enhanced production have yet to be finalised and implemented. Mr. Krishnappa did well to draw special attention to this slow progress. As he rightly pointed out, the recognised ways of increasing internal production of arecanut are to bring a larger area under arecanut and to step up output in the existing gardens by adopting more intensive methods of cultivation, protecting palms against pests and diseases, removing uneconomic bearing palms and substituting them by quality seedlings, and providing adequate facilities to arecanut growers to market their produce at a fair price. The Minister called upon the State Governments to accord high priorities for the provision of facilities to arecanut growers in regard to better methods of irrigation, manuring and plant protection measures.

At the end of the meeting, the Arecanut Committee recommended the complete abolition of imports within the next five years by which time it expected that the arecanut regions would be able to take to intensive methods of cultivation, in order to improve production. It is rather difficult to agree with this view. For the imposition of a total ban on imports will, by providing a closed market for arecanut growers, take away the incentive on their part to produce quality arecanut at a reasonable cost. The tendency among growers will generally be to exploit the situation which means holding consumers to ransom. Be that as it may, some of the other decisions taken by the Arecanut Committee will go a long way towards achieving self-sufficiency in arecanuts. These decisions cover establishment of a permanent technology wing of the Committee at Mysore, spreading arecanut cultivation in regions like North Bihar and Teria regions of East Uttar Pradesh where natural conditions are reported to exist for the development of the crop, and a long-term programme for intensifying research on arecanut.

COCONUT INDUSTRY

India has the distinction of being the second largest coconut growing country in the world, next only to the Philippines, producing as it does, about 4,100 million nuts annually. Yet, it is not self-sufficient in this commodity and has to depend on imports for a sizable part of its requirements, its deficit being placed at about 30 per cent. of its total production. During the 10 months ended October 1958, imports of coconut and oil amounted to Rs. 13.06 crores, as against Rs. 10.63 crores during the corresponding period in 1957. There is no doubt that, with the increase in population and industrial expansion, the demand for palm products will go up. What is, therefore, necessary is to make every effort to step up production, by adopting the techniques of both intensive and extensive cultivation. Dr. M. S. Randhawa, President, Indian Central Coconut Committee, did well to call upon the coconut cultivators to avail themselves of the opportunity provided by the Government's restrictive import policy to increase internal production. In the course of his address to the twenty-sixth plenary session of the Committee held at Trivandrum, Kerala State, on the 17th inst., Dr. Randhawa said he felt confident that the deficit could be made good, if only the existing coconut gardens were properly manured and fertilised and pests and diseases controlled effectively.

Besides manuring, adequate attention should be bestowed on the selection of good quality seedlings, which is an important item in the long-term programme. A report prepared by a sub-committee on this subject is now in the hands of the Committee. This is likely to give some idea of the seedlings required by each State and thus expedite the production and distribution of good quality seedlings. Dr. Randhawa also stressed the need for setting up "mother palms" in the States of Kerala, Mysore, W. Bengal and Assam. He insisted that nuts from selected mother palms alone should be taken for propagation and planting in new areas, so that they developed into progeny gardens.

Another long-term measure is the planting of coconut in new areas, in suitable waste lands, bunds of paddy fields, banks of irrigation canals and channels, etc. In the working paper on coconut development during the third, fourth and fifth Five-year Plans, it has been suggested to bring under coconut a new area of 20,000 acres during the third Plan and 16,000 acres under each of the fourth and fifth Plans. Dr. Randhawa disclosed that the Madras Government had sanctioned a scheme to plant 50,000 seedlings on the bank of canals in the State. He considered this as a forward step and commended it to the other States for emulation.

Dr. B. Ramakrishna Rao, Governor of Kerala, who inaugurated the session, pointed out that the lives of lakhs and lakhs of people in the State were inextricably bound up with the fortunes of coconut industry, and its development was, therefore, to them a matter of great importance. The Governor commended the Committee's efforts designed to achieve self-sufficiency for India in coconuts and their products. The activities of the Committee included research on the breeding of better varieties of palm, eradication of pests and diseases, supply of quality seedlings to cultivators and propaganda regarding better methods of cultivation. These measures, he said, would go a long way towards expanding production. He, however, urged the Committee to find out ways and means by which coconut growers in the country, most of whom were small cultivators, could be provided with the necessary manure and credit for undertaking these operations.

Further, the Governor made a fervent plea to recognise coconuts also as a food crop, so that these cultivators might receive all the kinds of assistance extended to growers of food crops. For, though coconut oil enters industry to some extent, particularly in the manufacture of soaps and hair oils, it has to be remembered that coconut is primarily and fundamentally an essential article of food in Kerala and several other parts of India. About 80 per cent. of the country's production of nuts is used for edible purposes—54 per cent. as fresh nuts, 10 per cent. as edible copra and 16 per cent. as edible oil. The Kerala Governor's plea is, therefore, quite pertinent.

AFFAIRS OF FRANCE

From Our Own Correspondent

LONDON, *16th January*

YOUR Correspondent arrived in Paris on the day that General de Gaulle was inaugurated as President of what is called the fifth Republic and, in a few days' hurried tour of the capital, formed a valuable impression of the mood of the new Government and the mood of the people in receiving it. The first thing that emerges is that these moods are both different! The Government is determined to make France "great" and that the French people shall foot the necessary bill! That bill has *already been presented*—it amounts to a 17 per cent. devaluation of the franc, the cutting down of subsidies to agriculture to the tune of some Fr. 250 milliard, some economies in social services and, on the other side, a substantial increase in taxation. All this is accompanied with exaltations in speech, through the Press and by posters throughout the City to Frenchmen to play their part in the new programme.

LONDON LETTER

But one of the costliest burdens, what has been called a millstone round the necks of both *the fourth and the fifth Republics*, is not referred to. That burden is the continuing cost of the Algerian war reckoned at Fr. 800 milliard a year —say £600 million. There is a good deal of evidence that de Gaulle knows that the cost of this is too high and that its continuation can ruin all his plans, but his colleagues in the Government have not yet faced up to the possibility of getting a cease fire at, perhaps, any cost. Notably the Kingmaker, Mr. Soustelle, who levered the General into power but has been rewarded by the General only with the post of Assistant Premier instead of that of Premier for which he angled, reckons that the whole de Gaulle movement swung to victory on the policy of keeping Algeria, with its vast mineral worth, an integral part of France. During the next few weeks, the political struggle inside the Government will continue and it is not too much to say that France's salvation will depend upon the outcome of this struggle and the progress made to resolve the Algerian question.

Now for the attitude of the French. The percentage of votes for the General ignores the high percentage of abstainers. The country is not as solid for the General's policy as the 80 per cent. victory suggested. What the French are asking themselves under the guidance of the dissident parties, notably the Communists whose smaller posters rival the General's propaganda, is that the cost of de Gaulle-ism is considerable. Frenchmen are certainly glad to have got out of the squabble of parties which are incapable of setting up suitable Governments but they do not like paying for the privilege. Already, notices appear in the restaurants that the prices of meals are being put up because of the increase in prices for particular foodstuffs, and it seems clear already, as far as tourists are concerned, that the 17 per cent. devaluation is being swallowed up by rising prices. These rising prices will percolate through into every Frenchman's household. On Algeria, the majority of French feeling is that the revolt ought to be put down and the Government must, therefore, continue in its policy of either winning the war or making a gainful peace. It has certainly not percolated through the mass of Frenchmen that the cost of the war is likely to be the principal cause of their financial distress in the months ahead. The ordinary pattern of French life, never much affected by politics, appears to go on undisturbed and, unless the problems of France become too great—and this really means the Algerian war—there is unlikely to arise any factor which would make the General put his cause once again to the country and possibly this time lose it.—*All Rights Reserved.*

OUTLOOK FOR BRITISH ECONOMY

There is enough unused labour and capacity to permit a rise in United Kingdom industrial production of from 10 to 15 per cent. in two years. This is the conclusion of a new two-monthly review—the *National Institute Economic Review*—just published in London by the National Institute of Economic and Social Research. The conclusion is based on the view that there is wide-spread spare capacity in industry, suggested both by global estimates of the increase in the quantity of capital in industry and by a survey made by the Institute in July last year, which it has since amplified. It is also based on a review of unemployment figures which, the Institute thinks, do not fully reflect the size of the labour reserve.

On the current position, the *Review* thinks *the United Kingdom economy is beginning to* emerge from the mild recession brought about mainly by reduced stock-building and by a fall in exports. Industrial production is now no higher than in 1955, and so there is enough unused capacity and labour to permit a rise of from 10 to 15 per cent. in two years.

On the prospects for 1959, the *Review* argues that, if no further Government measures were introduced, demand would recover gradually, but there would not, in effect, be much change. The expected fall in private investment should be offset by the rise in public investment and in Government current expenditure. Exports may rise gradually, and the fall in stocks may soon be reversed. Discussing the prospects for production in different sectors of industry, the *Review* says: "Prospects are best for industries producing consumers' durable goods which are already benefiting from the rise in home sales."

The *Review* thinks that Government measures to raise demand would probably not have much effect on prices, because there is sufficient scope for higher productivity to prevent a rise in costs per unit. *And on the move to convertibility*, it argues that it should not have much direct effect on the balance of payments.

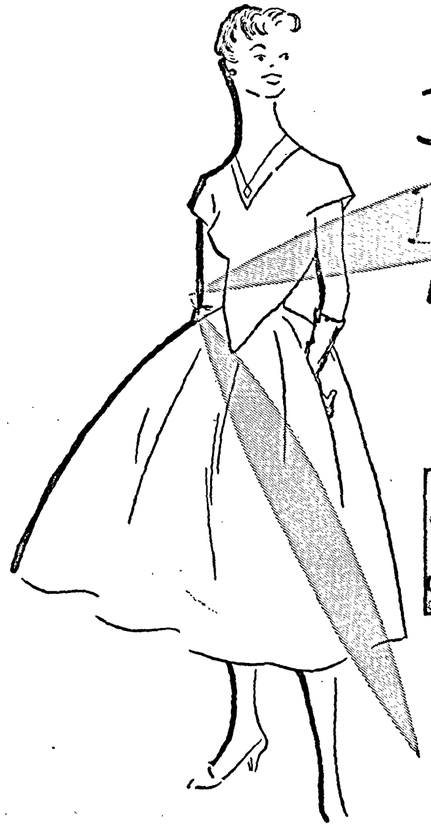
EXPORT OF £ NOTES

The Bank of England has announced that, in future, authorised banks will be able to export sterling notes to non-residents of the £ area, against payment in sterling from an external account or any foreign currency without seeking official sanction.

The banks have for some time past been able to send sterling notes to their correspondents abroad on the condition that they could satisfy the authorities that the notes were needed to cover demands for U.K. currency from travellers planning to visit the U.K.

As sterling has now been made convertible for non-residents, it is felt that the banks can now be given complete freedom in this matter.

The first new ocean-going vessel in the world fitted with three-piston exhaust gas turbine, built in a shipyard in Glasgow, has completed successful trials. This vessel is a 9,200-dw. tonner and belongs to Scottish Ore Carriers. It has also several other new features including electrically driven hatch covers which work on the principle of a roll-top desk.



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AMERICAN LETTER

ECONOMIC RECOVERY ONLY SELECTIVE

INFLATION PSYCHOLOGY GAINING FORCE

From Our Special Correspondent

NEW YORK, *15th January*

THE business recovery from the recession low is proceeding. But it is a selective recovery. So far, the winter in the industrial north-east of the United States has been rather severe.

It has helped some business and retarded others. It certainly has been no inducement for buyers of new automobiles. Assemblies of new automobiles, a major factor in the U.S. economy, fell to 4,244,005 cars in 1958, the lowest in 10 years. The 1948 figure was 3,911,350 cars. Strangely enough, America's own low-priced car, the Rambler, manufactured by American Motors, nearly doubled its sales.

Overall figures are somewhat deceiving. The Federal Reserve Board's industrial production index reached 140 in December, as compared *with 139 in* December 1957. December employment was nearly 64.7 million, against 64.9 million twelve months previously, but unemployment was 3.9 million, against 3.2 million.

The recovery is quite selective. Factory employment is still not what it used to be. Yes, steel is doing better, operating as *it does at about* 76 per cent. of capacity, but insiders expect a long and bitter strike when present labour-management contracts expire in the middle of the year. Higher steel wages, almost inevitably, would mean higher steel prices—and an additional inflationary pressure.

There are other things to be thankful for. Personal income for December was given at the annual rate of $360,000 million, against $350,200 million twelve months previously.

Also, the Gross National Product, the total of goods and services produced, in the last quarter of 1958 returned to the record rate of the third 1957 quarter. *Individual* savings are also at extraordinary levels.

Public optimism is reflected in a $142 million increase in the hire-purchase debt in November. But the total was $440 million less than total outstandings a year previously.

Perhaps, the most bullish element is building and construction. A statistical documentation is that building permits, issued in 217 cities in November, was equal to $485,756,268. This compares with $330,817,963 in November 1957. The increase is far above inflationary price increases.

It may be interesting to note that figures in the *Survey of Current Business* by the U.S. Department of Commerce will be quoted "in terms of actual current dollars." This will apply particularly to the quarterly Gross National Products statistics. The only trouble is that these "constant" figures are stated in terms of 1957 dollars.

The year 1957 is not particularly interesting —it may be more appropriate to choose 1947, when controls were removed after the last war, or even 1950 which has been chosen as a base for other indices.

For example, G.N.P. for the third quarter of 1958 were given at $439,000 million which is about equal to the average for 1957 as a whole. However, stated in terms of 1950 dollar, the figure would be $355,100 million.

In other words, the current dollar G.N.P. figure recorded a gain of 54 per cent. between 1950 and the third quarter of 1958. On a *per capita* basis, the improvement was only 8.3 per cent.

The constant G.N.P. dollar figure shows an increase of only 25 per cent. between 1950 and the third quarter of 1958. In the same period, the Government sector rose 74 per cent. which shows the increasing dependence of the U.S. economy on Government spending of tax revenue and of the spending of borrowed money by the Federal, State and Local Governments.

If this trend was apparent in the past, there is no reason to assume it will be reversed in the future. Almost everybody expects the new Congress, which has just convened, to be inclined to spend rather than save, even though the President in his State of the Union Message is pledged to fight inflation.

Professor Slichter of Harvard University contended the other day, there was hardly a chance anything drastic would be done to stem inflation, since, so far, most people had been helped rather than hurt by inflation. He was, of course, widely attacked for this statement.

The opposition comes from bankers, the Federal Reserve Board and the White House as well as others, who, unfortunately, are labelled "conservatives"—a term, not exactly endearing to the masses of people who think of them as "tycoons" and "tories" who are interested only in feathering their own nests, not to protect the people's savings and property.

The boom in stock prices into 1959, accompanied by another dip in Government securities' quotes, continued to amaze U.S. financial circles. Treasury obligations bearing 2½ per cent. coupon are now so low that, at current prices, they yield 4 per cent. if held to maturity, for example.

Present prices of most stocks seem not only high in relation to current earnings, but also to a reasonable assumption of improvement in business. It may be of interest to quote at this point a research corporation on its opinion of the U.S. equity markets.

"This deviation from conventional measurements (earnings to prices' ratios) in itself *represents a degree of vulnerability to disappoint*ments and to any unpredictable shocks. But, on a day-to-day basis, it still seems probable to us that the present intense inflation psychology is more likely to intensify further over the next several *months than reverse.*"

Consumers seem to see a rosy future ahead, judged by the latest retail trade indications. Late last year, sales did not come quite up to expectations, but volume was good in soft good lines which were priced reasonably.

Another reason for current bullishness over the long-term are the projections of the Census Bureau. The present U.S. population is given at 175,560,000. It is estimated, on the basis of the present growth rate, by 1965 there will be 194,300,000 consumers in this country.

Individual savings have been mounting. They were $5,200 million in the third quarter of 1958, a figure higher than that for the third *quarter of 1957.*

An interesting suggestion is heard again this year regarding the establishment of a privately-owned World Surplus Bank which would acquire surpluses from the Governments all over the world and swap wheat for burlap—coffee for cotton and so on. I shall write more about the subject as developments occur.—*All Rights Reserved.*

U.S. BUDGET

President Eisenhower presented Congress, on 20th January, a balanced $77,000 million federal budget for the fiscal year beginning 1st July. Mr. Eisenhower called it a "responsible...confident...positive...attainable" budget. He said it "*proposes to increase* our military effectiveness, to enhance domestic well-being, to help friendly nations to foster their development, to preserve fiscal soundness, and to encourage economic growth and stability, not only in the fiscal year 1960 but in the years beyond." In his message to Congress accompanying the 1,027-page budget. Mr. Eisenhower declared: "With continued vigorous economic recovery, and with the relatively few new tax adjustments proposed herein, budget receipts in fiscal year 1960 are expected to reach a total of $77,100 million, an increase $9,100 million over fiscal 1959. Thus a very modest surplus of about $100 million is estimated for 1960 compared with a recession-induced deficit of $12,900 million in the current fiscal year."

The estimated budget for the current fiscal year, reflecting both a decrease in revenue and an increase in expenditure resulting from the recent economic recession, shows receipts of $68 000 million and expenditures of $80,900 million. The 1960 budget estimates a $3.900-million decrease in expenditure *from the present fiscal year coupled* with $9 100-million increase in receipts. The budget estimates allocation of 59 per cent. of expenditure for major national security items, 10 per cent. to pay interest on the national debt, eight per cent. for agricultural activities, seven per cent. for

(Continued on page 135)

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CURRENCY REFORMS IN FRANCE

RESERVES RISE BY $250 MILLION

THE closing week of December proved to be a momentous one for France, inasmuch as it witnessed the introduction of one of the most sweeping economic and monetary reforms since the war. The French franc was devalued by 17.55 per cent., accompanied by the restoration of convertibility to non-resident franc. An austerity budget was introduced, with a 50 per cent. cut in subsidies, higher taxes and increase in the price of service and goods of nationalised industries. A new "heavy" franc, worth 100 old francs, was created to be introduced gradually during the current year. The French Government also freed from quota restrictions 90 per cent. of its 1948 trade with other O.E.E.C. countries. All these were interlinked measures which the French Government was compelled to take, in order to restore strength to its heavily depleted economy.

The utterly bad shape of the French economy was the result of continued high level of expenditure which was far beyond the country's means. While, on the one hand, France had been making heavy capital investments in plants to keep pace with Germany and Britain and to exploit the oil sources in Sahara, its war against Algeria had been costing the country no less than $1,000 million per annum. These two factors alone had created such inflationary pressures that the situation could no longer be kept under check. The Government found that the growing defence expenditure, which it was unwilling to cut, could be met only by reducing home consumption and raising taxation. The austerity budget is expected to reduce the deficit to 600 milliard francs.

As a result of inflationary pressures, French goods were not competitive with those of other European countries. Even in June last, French industrialists openly admitted that they could not compete with Germany and Italy, owing to high cost of operation. An industry-wise survey had shown that the average cost of French production was 10 per cent. higher than in Germany. The French budget, with its cuts in subsidies and the rise in internal prices, would have further widened the gap between French and other European prices on the eve of the inauguration of the Common Market. With the gradual reduction and final elimination of tariffs and trade quotas, French goods would have been completely priced out of the Common Market. It was the fear of this development that induced France to devalue its currency.

Changes in Exchange Rates

As a result of devaluation (by 17.55 per cent.), the French franc is now officially quoted at 493.7 francs per U.S. dollar, as against the previous rate of 420 francs to the dollar, a rate which had been in existence since 11th August 1957. France had altered its exchange rate several times since the war, as will be seen from the following table of annual average of exchange rates for the U.S. dollar:

Year	*Francs per U.S. dollar*
1937	25.14
1938	34.96
January—August 1939	37.85
September 1939—2nd November 1944 ..	43.80
2nd November 1944—26th December 1945 ..	49.62
26th December 1945—26th January 1948 ..	119.11
26th to 16th October 1948	214.40—261.00
16th October 1948—19th September 1949 ..	263.80—322.80
19th September 1949—12th August 1957 ..	350.00
12th August to 28th October 1957 ..	350.00—420.00
28th October 1957 to 29th December 1958 ..	420.00
Thereafter	493.70

France had multiple exchange rates in effect from January 1948 to September 1949. From 26th January to 16th October 1948, a rate of 214.4 francs per U.S. dollar applied to all foreign exchange transactions in non-convertible currencies and to selected imports paid for in convertible currencies. For all other transactions, the effective rate was an average of 214.4 and the "free" rate. The "free" rate was approximately 206 francs per dollar for February-August and 312 for September-October, making the effective rate 260 and 264 francs per dollar. On 16th October 1948, the average rate was made applicable to all transactions, except non-trade transactions in convertible currencies. During the period October 1948 to September 1949, the effective rate gradually depreciated from about 264 to 273 francs. In September 1949, the single rate of 350 francs was set for all transactions. On 11th August 1957, a 20 per cent. surcharge on this rate was imposed for most of the import payments and a 20 per cent. premium was granted on the proceeds of most exports. This effective rate was extended to all transactions on 28th October 1957 and, on 20th June 1958, the surcharge and premiums were incorporated in the exchange rate, giving a uniform rate of 420 francs per dollar.

It will also be noted with interest that France has not established an agreed par value for its currency with the I.M.F. since 26th January 1948. However, the latter's holdings of French francs have since then (up to 29th December 1958) been valued at the official exchange rate of 420 francs per U.S. dollar. The previous par value was 119.107 francs per dollar, established on 18th December 1946.

Complementary Measures

As stated already, France has devalued its currency many times since the war. It has resorted to this extreme step every time only when the reserve position left it no choice. There is, however, one difference between the latest step and the previous ones. On earlier occasions, the country could not derive any benefit that would normally accrue as a result of devaluation, because most of these benefits were dissipated soon after devaluation was resorted to. This was so, because, for political reasons, complementary measures designed to check inflation and impart stability and flexibility to the nation's economy could not be taken. The result was that, within a few months after each devaluation, there used to be a fresh spiralling of internal prices. This time, however, France has taken care to see that the earlier mistake was not repeated. This is evident from the series of fiscal measures mentioned earlier. It is accordingly hoped that the beneficial effects of devaluation will be sustained at least for some time to come. Though there will be a rise in internal prices, as a result of the permission given to nationalised industries to adjust the prices of their products according to costs, the new tax measures, together with cuts in subsidies, severe limitations on wage increases and social service payments, will reduce home consumption and make available more goods for export. The latest devaluation, which was 2 to 3 per cent. more than expected, will also make these goods competitive in foreign markets.

The occasion created by the currency convertibility and devaluation was availed of by France to revalue its currency internally and create a new "heavy" franc. This was done, in effect, by erasing the two zeros from each unit of 100 francs. Thus, the new currency, "heavy" franc, is equal to 100 old units and has 100 times the purchasing power of the old currency. Immediately after the creation of the "heavy" franc, all foreign currencies were quoted at the new rate of exchange, namely, 13.82 francs per £ and 49.37 francs per $. Internally, the "heavy" franc will be introduced gradually over the year. This currency reform has thus restored the old French centime which had passed out of currency.

France has resorted to this new device, because it has been found to be a more convenient method of giving new life to a country's currency, rather than allowing it to depreciate and go out of existence, as did the German mark and a number of other Central European currencies in the twenties of this century. When this stage was reached, the Governments concerned usually scrapped their currencies and introduced new currencies. This resulted in cancelling all monetary obligations. In the years following the Second World War, Germany, Belgium, China, the U.S.S.R. and many other countries resorted to "conversion operations," which had the effect of replacing many existing currency units by a very much smaller number of new heavy units, sometimes accompanied, and sometimes not, by an adjustment in the exchange rate. More recently, Greece carried out a currency reform by cancelling the last three zeros, as a result of which the exchange rate changed from 84,000 to 84 drachmas per £ sterling. Tunisia, following its liberation from France recently, replaced the franc by a dinar currency, each unit of which was equivalent to 1,000 francs.

The latest French currency reform, which was a double-pronged move—devaluation accompanied by a revaluation—does not mean that it will not be necessary for France to take any drastic steps to avoid further depreciation of its currency. It, however, removes the several disadvantages of having a currency unit of a very low value, in which case, any further depreciation is likely to lead to a complete collapse. These disadvantages are: (1) calculations are rendered complicated, in that even small operations have to be expressed in thousands and large transactions in millions of units; (2) even small depreciations in the low valued currency undermine the confidence of one's own countrymen as well as of foreigners; and (3) once this confidence is shaken, it will be difficult for the Government to borrow fresh money. More than anything else, this sort of currency reform will have a psychological reaction in the minds of the people who will have the feeling that their currency has regained its old solid value.

Franc Gains Strength

Immediately after devaluation the devalued franc, quoted in its new "heavy" form, displayed some strength, but this was largely due to covering by those who had sold short. In London, it closed on 29th December (the date of devaluation) at 13.73¼ francs per £, as against the previous Wednesday's rate of 1,178½ old francs. In Paris, dollar was unofficially quoted below the official parity, for the first time in several years, at 4.92 francs, as against the new official parity of 4.94 francs. Sterling was unofficially dealt with on that day at 13.75 francs, as against the official parity of 13.82 francs. It is significant that even the latest rates are still below the new official parity, reflecting the continued firmness of the franc in terms of U.S. dollar and pound sterling. Thus, the latest rates in Paris are 13.77 francs per £ and 4.90 francs per U.S. dollar.

The rupee-franc rate was in the neighbourhood of 8,842 francs per Rs. 100 before devaluation. Immediately after devaluation, it was 103.06 "heavy" francs per Rs. 100, that is, a rupee was equal to 1.03 "heavy" francs. The rate at the time of writing is 103.22 "heavy" francs per Rs. 100.

In order to bolster up the new franc parity and strengthen the French currency reserves, the Bank of England, the Central Banks of Germany, Holland and Belgium, and the Bank for International Settlements have spontaneously offered to place at the disposal of the Bank of France substantial sums, but the extent of aid is not known. A group of American banks, headed by the Chase Manhattan Bank and the First National City Bank of New York, have also offered the French Government a standby credit of $200 million. The confidence reposed by foreign investors in French economy as a result of the measures taken by the de Gaulle Government is also reflected in a rise of $250 million in the French reserves since the beginning of the year. With this increase and taking into account the standby credit offered by foreign banks, the French reserves are estimated to stand at about $1,500 million.

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The net profit of The Union Bank of India Ltd., for the year ended 31st December 1958 including the sum of Rs. 1,50,331.79 nP brought forward from the last year's account amounts, subject to audit, to Rs. 16,25,551.87 nP. Out of this sum the Directors have made the following appropriations:—

	Rs. nP
(1) To Reserve Fund Account ..	3,00,000.00
(2) To Contingency Account ..	50,000.00
(3) To Depreciation on Bank's Building	50,000.00
(4) To Provision for Taxation Account	4,00,000.00
(5) To Provision made for Bonus to Staff	3,15,000.00
(6) To Balance	5,10,551.87
Rs. ..	16,25,551.87

Out of the above balance the Directors propose to recommend to the Shareholders at the next General Meeting payment of dividend at the rate of 8½% per annum, free of income-tax or 44 nP per share, on 8,00,000 Old Shares and, at the same rate, on 4,00,000 New Shares for three months from 1st October 1958 to 31st December 1958 (11 nP per share), leaving Rs. 1,14,551.87 to be carried forward to the next year's account.

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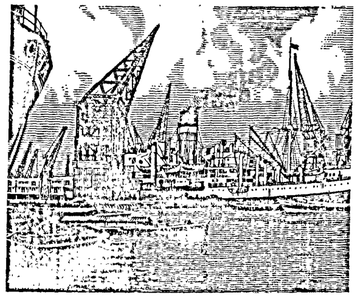

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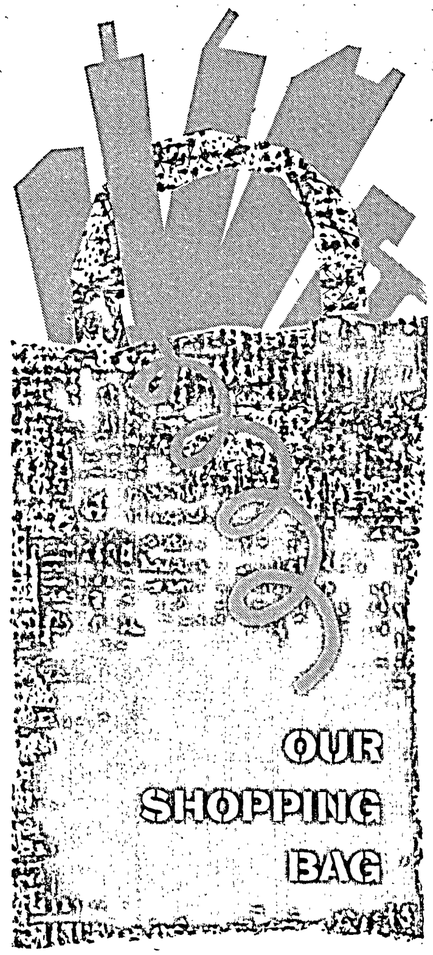

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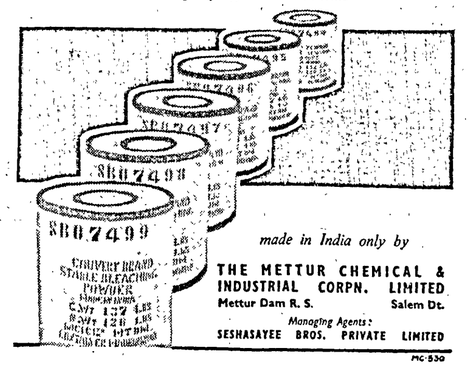

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TEXTILE ADVISORY COMMITTEE SET UP

ITS SUGGESTIONS MUST BE IMPLEMENTED PROMPTLY AND EXPEDITIOUSLY

THE long-awaited constitution of the Cotton Textiles Advisory Committee was announced by the Government of India on Thursday the 15th inst. The functions of the Committee, according to the relevant Press note, will be to render advice to the Textile Commissioner on any general or particular questions relating to the cotton textile industry. These include production control, demand for and supply of cloth and yarn for domestic as well as export purposes, rationalisation, rehabilitation and modernisation, and procurement of raw materials, machinery, stores and accessories, etc., required by the industry.

Inasmuch as the scope of the Committee's functions is very comprehensive, the Government has done well to take special care in selecting the personnel of the Committee. Two vital considerations would appear to have been taken into account. One, the members must have intimate knowledge of the problems of the cotton textile industry. Two, due representation should be given to the different interests concerned with the industry—mills, handlooms, cotton, textile and machinery traders, textile machinery manufacturers and labour. The personnel of the Committee is as follows:

Chairman: Mr. D. S. Joshi, I.C.S., Textile Commissioner.

Members: Messrs. K. M. D. Thackersey, Ramnath A. Podar, S. Hatheesingh, Chandansingh Barkatia, G. Sarabhai, Ramratan Gupta, T. P. Chakravarti, R. Deshmukh, G. Devarajulu, I. Cameron, Bharat Ram, Konda Laxman, Raghavendrachar Jaghirdar, Manilal Patel, R. G. Saraiya, N. L. Kara, C. H. Satya, Ratansi Champsi, J. C. Morton, R. L. Makharia, Prabhu V. Mehta, G. A. Kulkarni, S. A. Kher, N. Ullal, A. N. Ghosh, S. R. Vasavada and Miss Maniben Kara.

Secretary: Under Secretary (Co-ordination), Textile Commissioner's Office, Bombay.

The formation of the above Committee is in pursuance of the recommendation made by the Textile Enquiry Committee (Chairman: Mr. D. S. Joshi) in its report submitted to the Government in July last year. In that report, the Committee drew special attention to the absence of any machinery which would ensure a timely survey of the operations of individual mills, particularly of mills which had been found to be operating on unsound or inefficient lines ever a period of years, so that, on getting clear indications of a major worsening of the situation, corrective action could be suggested. It also drew attention to the fact that, even when a closed mill had been restarted after investigation, there was no machinery to ensure that the mill did not get into bad ways again. It was for these and for other reasons connected with the sound and progressive working of the textile industry that the Committee felt that an Advisory Committee consisting of all interests and having representatives from all important textile centres should be set up.

If the advice the Committee will render is to be sound and effective, it is imperative that measures must be taken to see that the Committee is in possession of adequate, correct and up-to-date information on the trends in textile economy not merely in India but the world over. It will be recalled that the Joshi Committee had specifically referred to this aspect and urged the strengthening of the special Survey Wing in the Textile Commissioner's organisation with adequate staff. The Committee stated:

"It would obtain adequate and correct knowledge of the fluctuations in the fortunes of the industry and be forewarned of anticipated difficulties in respect of the industry as a whole or of any unit of the industry, in particular. The Textile Commissioner, assisted by the Advisory Committee, will then be in a position to come to their assistance with constructive suggestions before the crisis develops into something necessitating more drastic remedies."

While the constitution of the Textile Advisory Committee will be widely welcomed, it is necessary to point out that whatever suggestions put forward by the Committee should be implemented promptly and expeditiously. It is necessary to stress this point because there are innumerable instances of the authorities having simply pigeonholed the findings of expert bodies and advisory committees in the past. It is to be hoped that the textile policy of the Government in future would be based strictly on the basis of the Advisory Committee's recommendations.

The appointment of the Committee is of great importance, as the cotton mill industry is passing through a crisis of great magnitude. The cost structure of the industry is persistently rising, on account of heavy taxation—direct and indirect—increase in raw cotton prices, enhanced fuel and power cost, and rise in basic wages, dearness allowance and other benefits conferred on workers by statute or otherwise without regard to productivity. The advance in cost of production has not been accompanied by a corresponding rise in prices of cloth. On the contrary, several mills have had to reduce prices with a view to stimulating consumption. It is not surprising, therefore, that there has of late been a marked fall in mill cloth production brought about by putting certain looms out of commission, by closure of shifts and, in certain cases, by complete closures. If, in spite of the adverse conditions, many mills are trying their best not to close down, it is due to the fact that they are reluctant to undertake the commitments in respect of retrenchment compensation and gratuity on retrenchment.

When one speaks or writes about cotton mill industry, one usually remembers only the composite mills and the purely spinning mills are usually forgotten. It is, therefore, necessary to say a word about them separately. The spinning mills too have been faring no better than the composite mills. Most of them have suffered equally badly, especially as the handlooms, to which they sell their yarn, have also been hit by the depression. An idea of the setback experienced by the spinning mills will be evident from the report that the Madura Mills Company, Ltd., the largest spinning unit in the country, has sustained a loss of Rs. 56 lakhs in 1958. Of this loss, lay-off and retrenchment compensation alone amounted to Rs. 32.25 lakhs. This will show how costly it is to terminate the services of surplus labour.

The basic question confronting the cotton mill industry is how best production cost could be scaled down without adversely affecting the interests of workers. This question figured prominently at a meeting of the Indian Cotton Mills Federation held in Bombay on Thursday last week. The discussions were based on the report prepared by a sub-committee of the Federation, headed by Mr. Ramnath A. Podar, Chairman of the Millowners' Association, Bombay. The contents of the report have not been disclosed. From a brief Press note issued after the meeting, it is gathered that, among the various remedial measures suggested by the Federation was the plea for speeding up rationalisation and modernisation.

At the meeting, it was pointed out that the difficulties of the cotton mill industry began in 1956 consequent on the imposition of a heavy additional excise duty on mill cloth in September and the adoption of other restrictive measures by the Government. At the same time, the industry was called upon to incur heavier manufacturing charges as a result of the increase in dearness allowance and the general rise in the prices of articles consumed by mills. The cumulative effect of all these adverse measures was an abnormal reduction in the volume of production. The situation was further aggravated by the steep fall in exports of cloth in 1958 when they amounted to no more than 600 million yards, on the basis of preliminary estimates.

AUTOMATIC LOOMS

Those cotton mills which wish to install automatic looms in replacement of their existing plain looms are required to apply before 15 th February next in the prescribed forms that can be obtained from the Office of the Textile Commissioner. The allotment of automatic looms, it is said, will broadly be governed by the following conditions:

1. The normal minimum and maximum number of looms allotable for a single unit is fixed at 48 and 144, respectively.

2. The reed space formula currently applicable for replacement of plain looms by plain looms will also be applicable for replacement by automatic looms.

3. The allotment of these looms will be governed by the principles contained in the recommendations of the fifteenth session of the Indian Labour Conference (I L C)—held in July 1957—in regard to modernisation and rationalisation.

Steel is the starting point in a country's progress towards economic self-sufficiency. In India today there exists a wide gap between requirements and production of steel. While the present annual production is only 1,430,000 tons, by the end of the Second Five Year Plan the country will need at least 6,000,000 tons a year.

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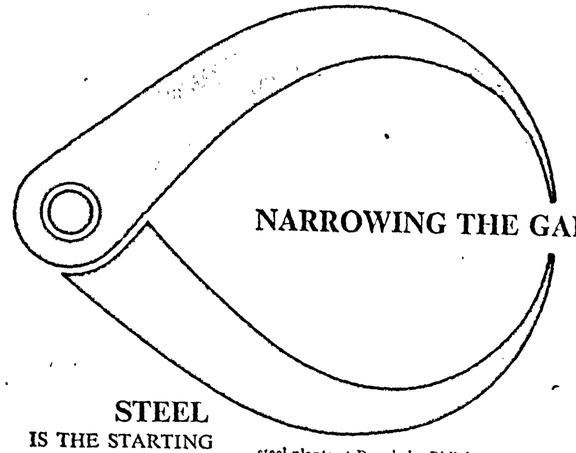

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SPINNERS CRITICISE PACT WITH HONG KONG

PLEA FOR REMOVING WORLD TEXTILE SURPLUS

From A Special Correspondent

MANCHESTER, 13*th January*

IT was only to be expected that such a controversial issue as the Hong Kong cotton pact, which has hung fire for so long, should, on its conclusion, create a prolonged talking point for Lancashire traders. Whatever the subsequent attitude of India and Pakistan to this arrangement, the local trade is not likely to drop the topic for some time to come. At best, the scheme offers Lancashire some relief from prevailing doubts as to how much cloth will be imported in the future for retention in the home market. Given a guide for a three-year period, plans can be laid. The mood of millowners, however, is far from tranquil enough to allow them to settle their future quite so easily. Hong Kong was only one obstacle ahead, even if it was the most highly publicised one.

MANCHESTER LETTER

Decisions on whether to continue trading, whether to go flat out for intensive modernisation or whether to diversify to a greater extent their activities are matters which individual managements can only work out for themselves in their own particular circumstances. Hopes that new-found stability would usher in a changed era, expressed in some quarters at the conclusion of the negotiations with Hong Kong, cannot be fulfilled immediately, nor even in the three-year breathing space.

"High" Ceiling

Not all the comment on the voluntary undertaking by Hong Kong, however, was even moderately favourable. The Central Committee of the Cotton Spinners' and Manufacturers' Association, representing owners of nearly 1,000 Lancashire weaving mills, said in Manchester that the settlement was not all that could be wished and the ceiling for piecegoods was uncomfortably high. But they added that it would at least provide stability and give assurance that imports into the United Kingdom home market from Hong Kong could not exceed certain limits during the next three years.

Mr. J. Michael Grey, the Chairman, said after the meeting in a prepared statement: "If similar agreements provisionally negotiated with India and Pakistan can now be ratified then the United Kingdom industry and its customers in the home market will be assured of some stability and defence against a problem which has been growing unchecked for several years. This would at least provide Lancashire with breathing space in which to adjust itself to the likely future conditions."

The new agreement between Lancashire and Hong Kong on the limitation of textile shipments to Lancashire came in for more criticism from owners of 400 Lancashire spinning mills. After examining the terms of the undertaking in detail in Manchester, the Master Spinners' Federation, representing the spinning employers, said that they considered the ceiling figures fixed for retained imports of grey cloth and made-up goods—115 million square yards and 46 million yards, respectively—were "higher than was justified." They also deplored that no provision had been made in the agreement limiting imports of yarn from Hong Kong.

In a statement, the Federation pointed out that it still felt that the U.K. Government itself should take the responsibility for fixing and implementing ceiling figures of imports from Colonies and Commonwealth countries, in view of the fact that imports from low standard living areas within the Commonwealth were a problem affecting large sectors of U.K. industry in addition to textiles. It added: "We now consider that it is more important than ever that legislation should be passed to ensure that all textiles sold in the U.K. should be clearly marked to indicate their exact origin and that only goods spun, woven, finished and made-up in the U.K. should qualify as being of U.K. origin."

Garment Imports

Nor is the clothing industry happy about the terms of the agreement under which Hong Kong has voluntarily agreed to limit its textile exports to the United Kingdom for a period of three years. Mr. A. L. Beckett, Chairman of the Garment Manufacturers Section of the Manchester Chamber of Commerce, told the annual meeting that a deputation of clothing trade leaders had already met Sir Frank Lee, Permanent Secretary to the Board of Trade, and other senior officials and had made it clear that the industry did not in any way accept an agreement between the Lancashire and Hong Kong cotton industries as binding upon clothing manufacturers. Mr. Beckett said: "They maintained the right to approach H.M. Government at any time on the subject of clothing imports and to demand such protection as might be justified by evidence produced."

These representations were made before the announcement of final agreement with Hong Kong, but there is nothing in the agreement likely to change the clothing manufacturers' attitude. Their attitude is that, while a figure for made-up goods is included in the agreement, this does not constitute any sort of limitation and, in fact, can be increased, in the words of Mr. Beckett, "so as to account for the whole amount of the quota agreed for cotton goods of all kinds."

Figures quoted at the meeting underlined the progress made by Hong Kong's clothing industry in developing exports to the United Kingdom. Although the woven shirt trade showed a declined in the first ten months of last year, there were sharp rises—and, according to Mr. Beckett, an "alarming threat"—in shipments of other types of garments. Arrivals of brassieres rose to 1,200,000, as compared with only 120,000 in the first ten months of 1957, blouses to 5,000,000 garments, as against 2,500,000, headwear to 12,400 dozen, as against, 4,500 dozen, and arrivals of woven nightwear and nightwear from Hong Kong increased in value to £154,000, as compared with £41,000 in the same period of 1957.

Cotton Compensation

The claim by the Lancashire cotton unions for compensation payments to millworkers who lose their jobs when mills close down is to go before the Industrial Disputes Tribunal. The hearing will take place in London on 3rd February. The employers' organisations have twice rejected the unions' application which proposed the setting up of a central fund from which payment could be made. At the outset, they urged that each mill should pay into the fund each week the equivalent of one quarter of one per cent. of its wages bill.

In turning down the application, the millowners said that protection against unemployment was a matter for the State. But they pointed out that, whilst they were opposed to a central compensation claim, there was nothing to prevent individual mills paying compensation to redundant workers, if they wished to do so.

Surplus Output

An international study of textile production and consumption problems in a bid to narrow the gap between the two has been urged by Mr. W. Crossley, Chairman of the Finishing and Allied Trades Section of the Manchester Chamber of Commerce. He told the annual meeting: "It seems clear that, in spite of the fact that a large portion of the world's population is still inadequately clothed, there is at present—in the free world at any rate—more production than the consumer is either capable or desirous of absorbing."

Mr. Crossley said that, failing a move on these lines, the textile finishing industry in Britain would have to consider its redundancy problem. In his opinion, "it may be that our ultimate salvation will lie in a marked reduction in the number of individual units engaged in the industry."

Overseas Opportunities

Perhaps because so many doubtful factors clouded the outlook at the time they were written, the annual sectional reports issued by the Manchester Chamber of Commerce this year make less forceful reading than on some past occasions. On the export side particularly, the continual reference to lower shipments of textiles offers a depressing note, not calculated to create much confidence for the future. The report of the Africa section emphasises that native crops have a major bearing on purchasing power in most of the territories involved. Current crop advices indicate a sharp fall on last season's levels. In Northern Nigeria, the groundnut crop is distinctly lower and the prices being paid to farmers have also been reduced. Raw cotton supplies are also likely to show a contraction, from over 120,000 tons to 75,000 tons. "Unless there is an unusually sharp fall in imports in the last four months of the year," the report adds, "it seems safe to prophesy very adequate supplies of textiles will be available in Nigeria. By contrast, the indications are that textile imports into Ghana will be lower than in recent years."—*All Rights Reserved.*

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COTTON EXPORT POLICY

NO REDUCTION IN DUTY

THE cotton traders' meeting with Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, on the 16th inst. at Bombay, provided an appropriate occasion for them to apprise him of their difficulties and grievances. Mr. Shastri showed genuine appreciation of the difficulties of the trade and spent considerable time discussing them. However, those who had entertained hopes of a reduction in, or abolition of, export duty were naturally disappointed at the Minister's categorical statement that there was no intention of reducing the export duty in the present circumstances. The recent large export quota, he pointed out, had met with the wishes of the cotton dealers and the reduction of export duty had further helped them. In spite of the large quota, exports had not been satisfactory. He urged the trade to pay special attention to exports and hoped that it would be possible to exhaust the full quota. He asked the trade not to be content with reaching the export level of last year which was of the order of barely 300,000 bales.

The Minister's statement is welcome, if for no other reason, at least for the fact that it will set at rest all speculation regarding duty reduction. He did well to point out that no uncertainty should be created in the market which might affect exports.

Despite the announcement of a large quota in the season and the reduction in duty to Rs. 25 per bale, exports have failed to pick up. For instance, of the total quota of 500,000 bales released so far in the season, sales registered up to the end of last month aggregated only a little more than 50,000 bales. Sluggish conditions in the world textile market, keen competition from countries like Pakistan, and currency shortage with India's traditional customers are the main reasons for the poor export performance. It is recognised on all hands that every effort should be made both by the Government and the cotton trade to push up exports.

Trade quarters had urged that the Government, on its part, should not only remove all fiscal impediments such as export taxes or other levies, but also give sufficient incentives for stepping up exports. A section of the trade, however, was sceptical whether a reduction in, or even an abolition of, the export duty would help exports. Past experience had shown that a reduction of export duty, instead of resulting in larger sales abroad, had the opposite effect of a rise in prices. Moreover, a mere fiscal manipulation, it was felt, would be of little help in a situation brought about by higher domestic prices and the slackness of world textile market. Obviously, the Government had been influenced by this line of reasoning.

Suggested Measures

Mr. Shastri was of the view that, since the Government had done almost all that could possibly be done in the matter, it was now up to the trade to do its best to push up exports. But the trade felt that there was much that the Government could still do in promoting exports. Mr. Madan Mohan Ruia, President of the East India Cotton Association, urged that special consideration should be given to some urgent measures for stimulating larger exports. It was suggested, for instance, that cotton should be included in the export incentive scheme formulated by the Government for various export items and that exporters should be allowed to retain a percentage of the foreign exchange earnings obtained on exports of cotton for importing foreign cotton. It was also urged that, considering the currency shortage with India's traditional customers, bilateral trade agreements, permitting foreign buyers to pay for their purchases of cotton in their own currencies, should be concluded. Another suggestion was that the Government should take up with the Shipping Lines the question of revision of freight rates on raw cotton shipments.

Although the Minister did not make any specific commitments regarding these suggestions, his statement that the Government was keeping a constant watch over the situation and was ready to take steps in the light of developments was interpreted as indicating a helpful attitude in the matter.

Mr. Shastri did not agree with the plea of Mr. Ruia that the floor and ceiling prices fixed for cotton should be abolished, so as to enable the hedge market to function smoothly. He pointed out that there was no price control for cotton at present. Only the floors and ceilings were fixed which he felt was in the best interest of the grower, the industry and the trade.

The trade took the opportunity to tell the Minister of the tight supply position of long-staple cotton and urged the release of sufficient quotas. He assured the trade and the mills that the Government would keep in mind the needs and requirements of the industry and take necessary steps at the appropriate time.

WORLD COTTON SITUATION

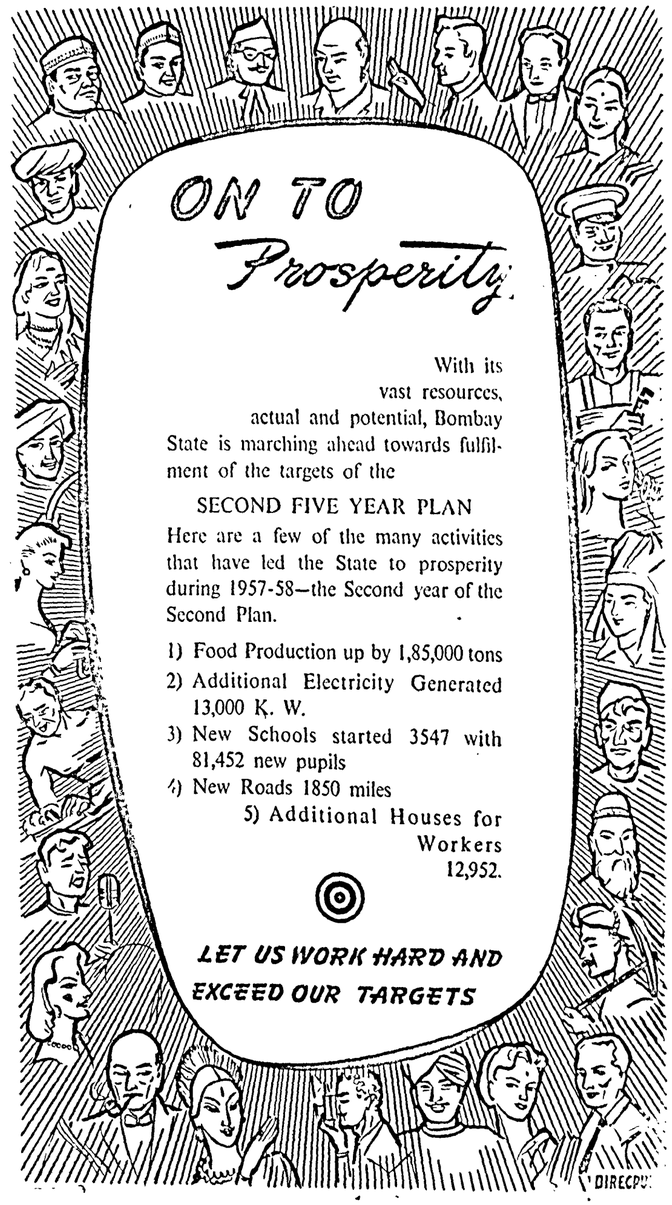
The world cotton situation this season did not appear to be favourable, according to the International Cotton Advisory Committee, Washington. The Committee, in its December review of the world cotton situation, forecast that production this season would increase and consumption decline. This possibility, according to it, had already been reflected in lower cotton prices in many markets. There was also a danger of a recurring cotton surplus. The Committee held that, if the present relationship between the price of U.S. cotton and other growths persisted, the United States was likely to bear the brunt of any contraction in cotton trade. U.S. exports could fall to below 3.5 million bales, as compared with the 5.7 million bales exported last season, and the opportunity for reducing carryover stocks on 1st August 1959, was quite limited.

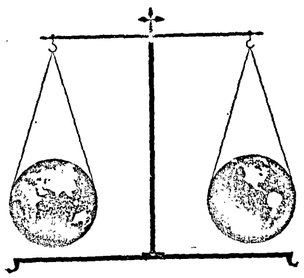
GAMMA-RAYS BOOST COTTON CROP YIELD

An experimental plantation of the Uzbek University in U.S.S.R. has obtained a big crop of cotton raised from seeds subjected to treatment of gamma-rays of the isotope of cobalt before being planted. Research has shown that seeds subjected to irradiation of radioactive substances display new qualities—increased vitality, 100 per cent. germination, more intense vegetation (the plants ripen seven to ten days sooner than usual). By applying gamma-rays of the isotope of cobalt each cotton bush on the experimental plantation yielded on an average five bolls more than on the control plants. Each of these bolls weighed from 1.5 to 2 grams more.

PAKISTAN COTTON

The latest estimate of the area under cotton in Pakistan in the 1958-59 season puts the acreage at 3.33 million, as against the corresponding estimate of 3.41 million last season. Although the acreage thus showed a decrease of 2.2 per cent., production of cotton is estimated higher at 1.6 million bales, as against 1.58 million bales last season. Of the estimated production, 1.43 million bales are expected to be American seed cotton and 170,000 bales *Desi* variety.





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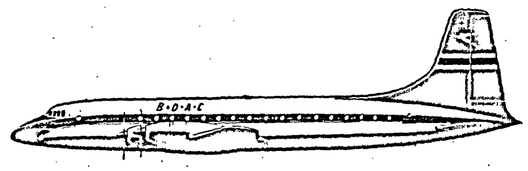

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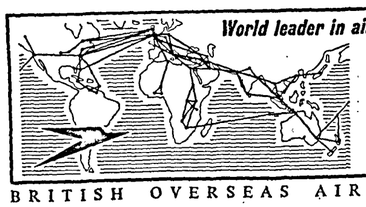

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WHY ARE SUGAR PRICES HIGH?

PRODUCERS' EXPLANATION

ALTHOUGH the sugar industry in India has been endeavouring its best to maintain as high a level of output as possible, it is unfortunately subjected to much unwarranted criticism in Parliament and a section of the Press. The criticism is mainly on the score that the currently ruling high prices of sugar are due to profiteering by manufacturers. Such an impression has been created, to a large extent, by the politicians of Uttar Pradesh and Bihar, not excluding Congress men, who, with the sole motive of winning votes, have launched a persistent campaign for higher cane prices and share in the profits of sugar mills. The allegations of profiteering, etc., levelled against the sugar industry are not only baseless but also unjustified and must be refuted with full facts and figures. The President (Mr. P. Hadfield), and members of the Indian Sugar Mills Association (I.S.M.A.) certainly did well in holding a Press conference at New Delhi on the 15th inst. with the object of enlightening the public on the correct position of the industry and the series of disquieting problems confronting it.

The spokesmen of sugar millowners sought to emphasise in particular that, out of every rupee the public spent on sugar, cane cost accounted for as much as 36.5 per cent., taxation—Central and State—for 33 per cent., and transport and retail distribution charges for 10 per cent., leaving the industry with just 20.5 per cent. to cover manufacturing charges, to put money aside for reserves, so that machinery may be replaced at today's enhanced costs when it is worn out, and to pay a dividend. They cited the Reserve Bank statistics (1951-55) to show that the profits after taxation as percentage of net worth (paid-up capital and reserve plus balance of profits) in the case of sugar industry compared unfavourably with the profits earned by other industries, being only 10 per cent., as against the percentage share of 17.6 for iron and steel, 14.3 for tea, 14 for other plantations, 11 for cement and 11 for matches. Why then, they asked, was the sugar manufacturer exposed to criticisms to a much greater extent than producers of other products? The answer to the poser given by the spokesmen of the sugar industry is as follows:

"....the supplier of raw material to the sugar factory is intimately connected with the factory which processes his product. The grower of cotton has no means of knowing whether his crop is finally turned into cloth in a local mill or one situated many hundred miles distant. He does not know who to blame for what he regards as less than satisfactory prices. The grower of sugarcane, on the other hand, is tempted to lay responsibility for his lack of prosperity at the door of the factory to whom he delivers his cane, and it is the common experience of those who wish to plead a cause in a democracy that, the louder they shout, the better the chances of their pleading meeting with success. This great difference between the sugar industry and others is, the Association believes, the main cause for much unreasonable criticism."

Cost Structure

There is considerable force in these remarks, as also in the statement that there is absolutely no scope for increasing the share of cane in the existing price of sugar. This point would be appreciated better if one were to take into account the changes in the cost structure of the industry during the last few years. The table below explains the correct position:

	1946-47	1957-58	Rise or fall
	Rs.	Rs.	Per cent.
Sugarcane price, including transport charges	12.62	14.70	+16
Taxes (Central excise duty, cane cess, co-operative societies' commission) ..	2.97	13.16	+342
Manufacturing charges, including salary, wages and packing	3.75	6.05	+61
Overhead charges and profit subject to taxation	2.20	2.19	—0.5
Total ..	21.54	36.10	
Less for molasses	0.10	0.10	
Ex-factory price	21.44	36.00	+68

It will be seen from the above figures that the taxes levied by the Government show a phenomenal increase of 342 per cent., the cost of cane has gone up, and manufacturing charges have risen, thanks chiefly to higher prices of stores and enhanced labour charges. In sharp contrast to the increase in all these items, the one item which has declined is that of overheads and the gross profit margin allowed to the industry. In this connection, attention was drawn at the New Delhi Press conference to the fact that reduced duration of the current crushing season and lower recovery of sugar from cane would increase the manufacturing cost; the cost would further go up as a result of the reported recommendations for an interim wage increase of Rs. 3 made by the Central Wage Board for Sugar Industry.

The sugar industry's spokesmen regretted that the Government had not appreciated the industry's viewpoint and had saddled it with a very uneconomic price which, they warned, would definitely affect in the long run the industry's efforts to further progress. "The fixation of uneconomic ex-factory prices (Rs. 36 per maund for sugar of I.S.S. D.29 for U.P. and North Bihar and Rs. 36.50 for Punjab)," to quote them, "is bound to affect sugar production, because the factory cannot afford to draw cane from distant areas, particularly towards the close of the season."

Growth of "Khandsari"

A disquieting problem facing the sugar industry, to which the President and members of the I.S.M.A. drew pointed attention, related to the "sudden and large-scale" growth of *khandsari* units. How such a growth has hampered the production of white sugar, especially in West U.P., will be evident from the fact that the total quantity of sugar actually produced in this region (West U.P.) during 1957-58 was no more than 621,000 tons, as against the peak output of 752,000 tons in 1956-57); the estimated production in 1958-59 is put lower still at 587,000 tons. The diversion of cane to *khandsari* in West U.P. during the 1957-58 season accounted for a loss of about 20 per cent. of the estimated cane supply. In certain cases, factories have reported loss of as much as 40 per cent. of the estimated supply. As a result, while the production of sugar has suffered, the production of *khandsari* in the areas of these factories has shown an appreciable increase. According to the Union Food Minister, the production of *khandsari* last year amounted to 200,000 to 300,000 tons, as against about 100,000 tons in the previous years, which means 200 to 300 per cent. of the previous output. This has been mostly at the cost of sugar production and to a lesser extent of *gur* also.

The marked growth of the *khandsari* industry was attributed, and rightly, to the growing tax burden on white sugar, as compared with the complete immunity of *khandsari* units from such burden. The Central excise duty on white sugar, which was only Rs. 4.12 per maund before May 1957, is now as high as Rs. 10.70. Besides this tax, the sugar factories pay cane cess and co-operative societies' commission which bring the total tax burden to Rs. 13.16. Being completely exempt from such a crushing burden, the *khandsari* units get an indirect protection to the extent of Rs. 13.16 per maund.

No one will oppose the existence of *khandsari* units as a cottage industry supplementing the cane growers' earnings in areas where there are no sugar factories to buy their cane. But what one does not appreciate is the justification for permitting these units in the cane areas of sugar factories. Although the Government has appreciated this point and issued a warning to prospective *khandsari* manufacturers, no effective action has yet been taken to halt the actual setting up of these *khandsaris*. In the considered opinion of white sugar producers, the only effective way for the Government to deal with the situation is to impose an appropriate excise duty on *khandsari* sugar. It is feared that, as time passes, more and more *khandsari* units will be put up and the problem thereafter will become more difficult. To quote the spokesmen of the industry again:

"With the advantages now enjoyed by the *khandsari* units, it is likely that this will not remain confined to West U.P., but, in due course, will spread in other areas also and dominate the sugar industry in the whole country. The difficulties encountered by the textile industry as a result of the undue encouragement given to the powerlooms are too well known. A similar situation may develop in the case of sugar industry also, if timely and appropriate steps are not taken."

The apprehensions of the growth of *khandsaris* dominating the sugar industry in the whole country are, however, somewhat exaggerated. As this journal pointed out on an earlier occasion, *khandsari* production will not touch a level that will offer stiff competition to white sugar, especially when the sugar consuming capacity of the country is expanding. Moreover, the consumption of *khandsari* sugar is rather limited and, although it is available at lower prices than white sugar, consumer preference is and will always be for white sugar.

The situation, however, needs to be carefully watched and the Government should take steps to see that the growth of *khandsaris* is not at the expense of the white sugar industry. Few would deny that the nature of *khandsari* production is uneconomic and wasteful. A *khandsari* unit recovers 6 to 7 per cent. sugar from cane crushed, as against 10 per cent. in the vacuum pan sugar factory. The diversion of 1.5 million tons of cane in West U.P. during 1957-58 resulted in a loss of Rs. 4.5 crores for the country (in terms of sugar lost), Rs. 4.4 crores by way of excise to the Centre, in addition to loss of corporation tax as a result of lower profits of mills, and Rs. 76 lakhs by way of cane cess to the State Government.

FUEL NEEDS OF INDIA

CENTRAL RESEARCH INSTITUTE'S USEFUL WORK

THE quantum of energy generated and utilised by a country provides an index of its prosperity and industrial activity. Measured by this yardstick, India, which consumes about 100 therms of energy per head per annum (equivalent to ¼ ton of coal), is ranked as one of the most underdeveloped countries. In most countries, solid fuels form the largest source of energy. This is true of India too. Although there is vast scope for further development of hydel energy, liquid fuel and atomic energy, coal will hold the field for many decades to come, for India has large reserves of it which can be more easily developed than the others.

Even the known reserves of coal in India are estimated to be sufficient, in terms of quantity, for any demand that may arise in future. But all the coals that it has are not suited for the particular and the various specialised needs of industries. The problem is, therefore, one of ascertaining whether the country possesses sufficient quantities of coal of the required varieties to meet the needs of its growing industries. It is here that scientific research comes into play. Fuel research, particularly coal research, serves another purpose. Fuel leaves many by-products valuable for the chemical industry. From coal are derived such important products as dyes, drugs, disinfectants, industrial explosives and fertilisers. Research enables us to extract these and other useful commodities from coal. These considerations and objects led to the establishment of the Fuel Research Committee in 1940. The Committee's chief recommendation was the formation of a well-equipped institute for fuel research. Accordingly, the foundation of the Fuel Research Institute was laid at Digwadih, about nine miles from Dhanbad, situated in the heart of the Central India coalfields area. The Institute was opened in April 1950.

The First Task

The first task of the Institute was to assess the nature of coal reserves and to this end a systematic physical and chemical survey of the various coalfields was organised. Six regional coal survey stations, with fully equipped laboratories, were established in the major coalfields of India, namely, at Jharia, Raniganj, Ranchi, Bilaspur, Jorhat and Hyderabad. The survey is a continuous one and the aims and objects of it vary with the immediate and long-term industrial objectives of the country.

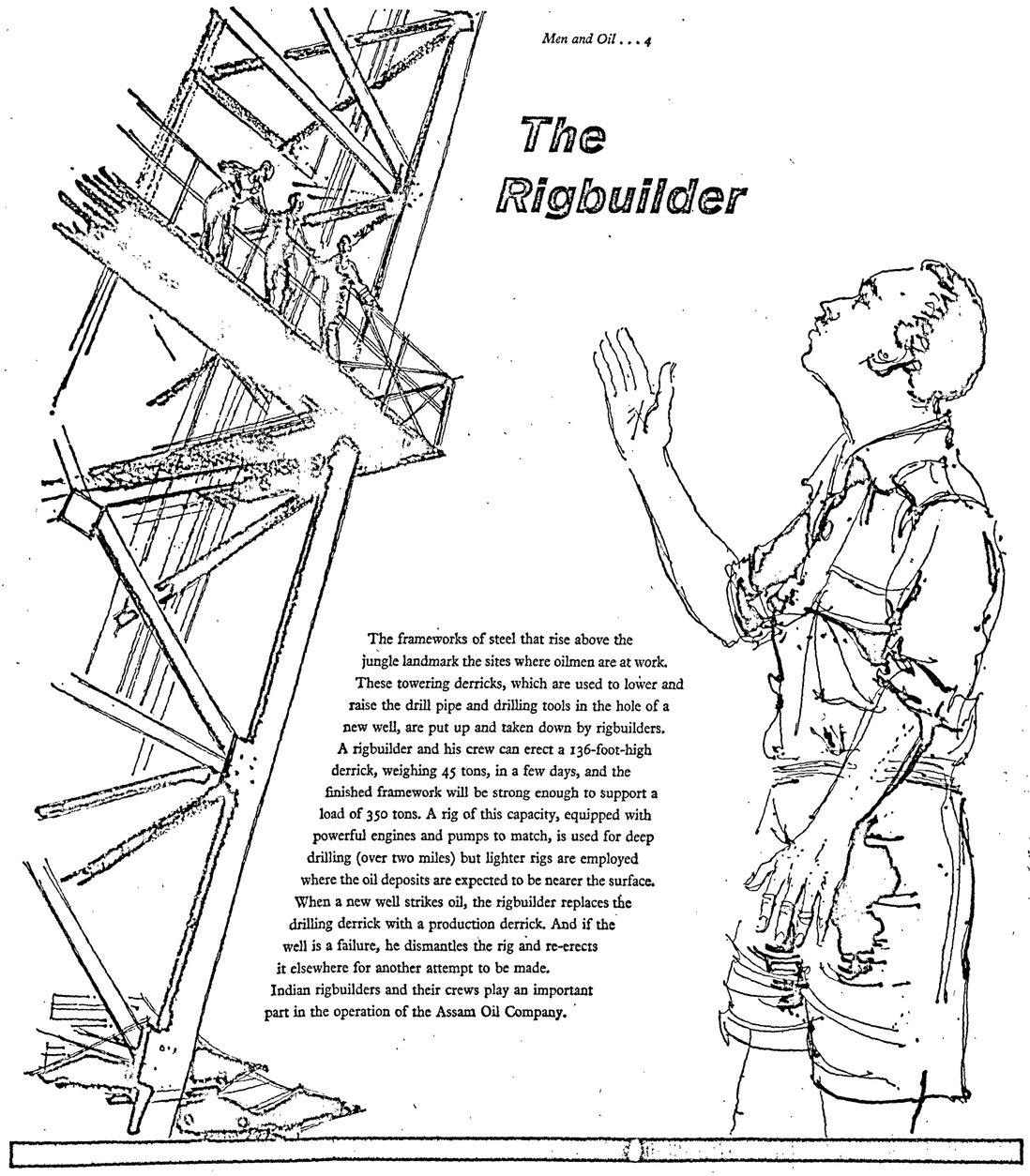
The Fuel Research Institute's survey has revealed that the country is extremely short of high quality coals of all kinds, coking, gas, high calorific value, non-coking coals, etc. Along with this survey, the Institute undertook the task of upgrading inferior coals of all kinds for replacement of the naturally occurring high quality coals when the demand exceeds the supply of the latter. Large reserves of coking coal of inferior variety have been surveyed for upgrading. Simultaneously, blending tests have been carried out for coking of coal for metallurgical coke manufacture, so that the existing reserves of metallurgical coal can be conserved further. The work done in this respect (at the Fuel Research Institute and at the Coal Blending and Coking Research Organisation at Jamshedpur) has shown that it is possible to obtain good metallurgical coke to meet the requirements of the iron and steel industry.

The Central Fuel Research Institute has been a pioneer in the field of coal cleaning in India. This fact was amply recognised by the

(Continued on page 135)

Men and Oil . . . 4

The Rigbuilder



The frameworks of steel that rise above the jungle landmark the sites where oilmen are at work. These towering derricks, which are used to lower and raise the drill pipe and drilling tools in the hole of a new well, are put up and taken down by rigbuilders. A rigbuilder and his crew can erect a 136-foot-high derrick, weighing 45 tons, in a few days, and the finished framework will be strong enough to support a load of 350 tons. A rig of this capacity, equipped with powerful engines and pumps to match, is used for deep drilling (over two miles) but lighter rigs are employed where the oil deposits are expected to be nearer the surface. When a new well strikes oil, the rigbuilder replaces the drilling derrick with a production derrick. And if the well is a failure, he dismantles the rig and re-erects it elsewhere for another attempt to be made. Indian rigbuilders and their crews play an important part in the operation of the Assam Oil Company.

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CLOSER ASSOCIATION OF WORKERS IN MANAGEMENT

AT Jamshedpur, the Ruhr of India, a notable experiment in industrial democracy is being tried by the workers and management of the Tata Iron and Steel Company (T.I.S.Co.). The experiment, which seeks to associate the employees with the management of T.I.S.Co., is said to be working successfully. With the inauguration of the Joint Consultative Council of Management on the 12th inst. at Jamshedpur, the three-tier structure of joint councils, envisaged in the agreement the Company entered into with the Tata Workers' Union in August 1956, is complete. The Council stands at the apex of the three-tier structure of joint councils. As provided for in the agreement, to begin with, 27 Joint Departmental Councils were set up for the various works departments in 1957. A Joint Works Council was formed in March 1958 for the works side and a parallel Joint Town Council was set up in November 1958 covering the departments outside the works side. Above the Works and Town Council, at the apex, stands the Joint Consultative Council of Management, now formed. The Council consists of eight representatives of the management and an equal number of representatives of employees, in addition to the Chairman, Mr. Jehangir Ghandy, Director-in-charge of T.I.S.Co.

The Council will advise the management of T.I.S.Co. on all matters concerning the working of the industry in the fields of production and welfare as also in regard to economic and financial matters placed before it by the management, excluding questions affecting the relations of the Company with its shareholders or managerial staff or those concerning taxes or other confidential matters. The Council will also consider and advise on any matter referred to it by the Joint Works Council or the Joint Town Council.

Speaking at the first meeting of the Council, Mr. Jehangir Ghandy referred to the delay in the formation of the Council. Since T.I.S.Co., he pointed out, was the first organisation in India to initiate a scheme for closer association of employees with management, "it was a new field for us and there was no sign-posts to guide us." A lot of spade-work had, therefore, to be done before the scheme could be put into practice and a lot of teething troubles had to be overcome and various procedural matters settled from time to time.

In contrast to the failure of joint consultation in some of the other industrial concerns in India and the reluctance of many organisations to provide for employees' association with management, joint consultation in T.I.S.Co. has been a success. According to Mr. Ghandy, not only had the relatively orthodox form of joint consultation been practised with success for many years now at T.I.S.Co., but the new joint councils, set up under the agreement of 1956, have also been functioning effectively, as was reflected in the working of the Joint Works Council. For instance, out of a number of items discussed in the Council in 1958; 68 per cent. had been implemented, 12 per cent. either dropped or had failed to command general agreement and only 20 per cent. were pending consideration. Further, both the Joint Works Council and Joint Departmental Council had, of late, shown a gradual shift of emphasis from welfare to production. It may be noted here that this is in keeping with the trend of similar councils in Europe.

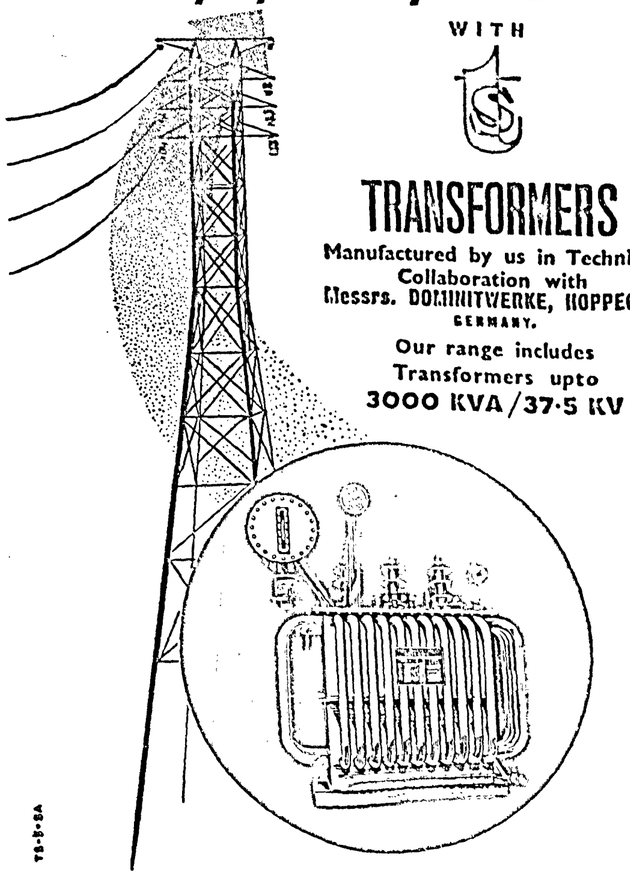
The Joint Consultative Council of Management will certainly aid in securing increased productivity and better functioning of the various departments. It will also give employees an opportunity for self-expression which is bound to promote better employer-employee relations. But no scheme for associating employees with management will succeed, unless there is a proper definition of the functions of the Joint Council. The representatives of workers and management have, therefore, done well to specify what the Council should do and what it should not. It is also important, as Mr. Ghandy pointed out, that there must be a proper appreciation of the terms of reference within which the Council has to function. Given the necessary help and co-operation between the workers and the management, the Council can fulfil the purpose for which it has been set up.

T.I.S.Co.'s experiment is of more than local importance. It will set the pattern for other organisations which might desire to try the experiment. It will not only contribute to the prosperity of the Company and promote good relations between the management and workers but will also help in the development of better industrial relations in India as a whole. The success of the scheme will depend to a large extent on the attitude of workers to it. It is heartening to note that Mr. Michael John, President of the Tata Workers' Union, has assured the Union's co-operation in making it a success. The T.I.S.Co. workers have a long tradition of solving their problems by negotiation with the management. Prof. J. H. Richardson, the well-known British expert in Industrial Relations, currently in India, who was present at the first meeting of the Council, noted that there was a genuine desire on the part of both management and employees to work together for the success of the new scheme. He hoped that the rank and file would be interested in the new system of joint consultation and that necessary information would constantly travel up and down. Both the management and workers at Jamshedpur, he felt, were convinced of the value of joint consultation.

INDUSTRIAL EMPLOYMENT ACT

The Industrial Employment (Standing Orders) (Bombay Amendment) Act, 1957, has been brought into force from 15th January 1959. The revised rules under the Industrial Employment (Standing Orders) Act, as amended, and two sets of model standing orders, one for workmen doing manual or technical work and the other for workmen employed on clerical or supervisory work, have also been brought into force with effect from the 15th inst. The main changes effected by the new Act are given below: (1) The Industrial Employment (Standing Orders) Act, which is at present applicable to establishments employing 100 workmen or more, will apply to all establishments employing 50 workmen or more and thus cover a larger number of establishments and workmen employed thereunder. (2) The definition of "workmen" having been enlarged to include even supervisory and technical workmen, two sets of model standing orders have been prescribed, one for manual and technical workmen and the other for clerical and supervisory workmen. (3) The standing orders which have already been certified under the Act and have come into operation will not be affected and will continue to apply to the establishments concerned. In regard to other establishments and categories of workmen to whom certified standing orders are not applicable, the model standing orders will be applicable from 15th January. (4) Within six months from 15th January the employers and workmen concerned may submit to the certifying officer, namely, the Commissioner of Labour, Bombay, draft amendments to the model standing orders applicable to them according to the requirements of each individual establishment. The certifying officer will, after consulting the other party, decide whether any modifications to the draft amendments are necessary and then certify draft amendments with or without modifications, as the case may be. (5) The definition of the term "employer" is enlarged and the owner of an establishment who enters into a contract with a person for doing any work which is ordinarily part of the establishment would be the employer for the workmen employed by the contractor on the premises of the establishment. (6) Suitable provision has been made for dealing with contraventions of the Act or rules made thereunder and the courts competent to deal with cases of such contravention have been empowered to require an employer to pay adequate compensation to the workmen affected by the contravention. (7) In order that a suitable provision can be made in the standing orders for prescribing the age for retirement or superannuation of the workmen, a new item, namely, age for retirement or superannuation, has been added in the schedule.

Step up or step down



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ACHIEVEMENTS OF INTERNATIONAL GEOPHYSICAL YEAR

SUCCESSFUL LAUNCHING OF ROCKETS

BY far the most important achievement of the International Geophysical Year (I.G.Y.) which commenced on 1st July 1957 and ended on 31st December 1958, is the successful launching of artificial satellites. It will be some time before the data collected during the period are analysed and presented to the public. These are bound to throw a great deal of new light on the facts of world geography and the universe around the earth. But the year will, however, be long remembered as a period which marked the commencement of a new era which has brought the possibility of inter-planetary travel well within the bounds of human possibility.

Reviewing the tentative findings of the I.G.Y., Mr. William I. Laurence, writing in the *New York Times*, points out that an intense band of radiation increasing in intensity with altitude to a height as yet undetermined has been discovered to begin at a height of 250 miles. New light has been shed upon weather and climate, the influence of the Antarctic on world weather, the currents in the oceans and on the inter-relationships of phenomena in the upper atmosphere and terrestrial events. Further, according to the author, a vast mineral-rich region has been discovered in the Pacific. Millions of square miles of the South-West Pacific, it is stated, bear a bottom sludge laden with nodules of manganese and iron with upto 1 per cent. of cobalt mixed with copper. The value of these minerals is estimated at about $500,000 per square mile and the economics of dredging is stated to be promising.

Few events have had a greater psychological impact on the lay and the scientific world than the launching of the cosmic rocket by Russia on 2nd January. In the race into space between the U.S. and the U.S.S.R., which commenced some 15 months ago, with the Russian announcement of the launching of the first satellite around the earth, the lead has been maintained by Russia. The following is the chronology of the events in the space era:

4th October 1957. Russians launch Sputnik I; 184 pounds; maximum altitude 560 miles. Disintegrated after three months.

3rd November 1957. Russians launch Sputnik II; 1,120 pounds, with a dog aboard; maximum altitude 1,056 miles. Disintegrated after four and one-half months.

31st January 1958. U.S. launches Explorer I; 30.8 pounds; maximum altitude 1,587 miles. Expected to orbit for three to five years.

17th March 1958. U. S. launches Vanguard II; 3.25 pounds; maximum altitude 2,466 miles. Expected to orbit at least 200 years.

26th March 1958. U.S. launches Explorer III; 31 pounds; maximum altitude 1,741 miles. Disintegrated after three months.

15th May 1958. Russians launch Sputnik III; 2,925.53 pounds (including 2,129 pounds of instruments and a carrier of unspecified weight); maximum altitude 1,168 miles.

26th July 1958. U.S. launches Explorer IV; 38.43 pounds (including 18.26 pounds of instruments); maximum altitude 1,380 miles. Expected to orbit for a few years.

11th October 1958. U.S. launches Pioneer I in an effort to hit or orbit the moon. Soared 71,300 miles, then fell back and disintegrated.

8th November 1958. U.S. launches Pioneer II in a second attempt to reach the moon. Crashed back after flight of 7,500 miles.

6th December 1958. U.S. launches Pioneer III aimed at passing the moon. Tumbled back and disintegrated after reaching height of 66,654 miles.

18th December 1958. U.S. launches Atlas I; weight 8,700 pounds (including 167 pounds of instruments); maximum altitude 928 miles.

Launched into a trajectory in the direction of the moon, the Russian cosmic rocket, which has been named the Lunik, passed the moon on 4th January to swing into the sun's orbit and thus become the first artificial solar satellite. The rocket is believed to have reached its nearest point to the sun on 14th January at a distance of about 91 million miles from the sun and is now on 214-million mile orbit which it would take 15 months to complete; it will attain a maximum distance of 122 million miles in September next. It may be mentioned here that the earth's average distance from the sun is 93 million miles.

The plane of the rocket's orbit is said to be virtually identical to that of the earth's orbit. The rocket, which weighs about 1.45 ton, is equipped with a special container, inside which are placed the measuring instruments for carrying out scientific observations relating to the magnetic field of the moon, the cosmic rays outside the magnetic field of the earth, cosmic radiation, the radioactivity of the moon, gas components of inter-planetary matter, corpuscular solar radiation and meteoric particles. The main purpose of launching the rocket, it is stated, is to obtain fundamentally new scientific data on cosmic rays unaffected by the earth's magnetic field and also new information about inter-planetary substances.

To break into space, the Lunik had to achieve what the Russians call second cosmic speed, about 7 miles per second; the first cosmic speed would be about 6.5 miles per second needed to put a satellite into orbit. It is the achievement of the second cosmic speed that has made inter-planetary flights possible. Some Soviet scientists predict that space travel by man might become a practical possibility within seven years. According to the Soviet Communist Party newspaper, the *Pravda*, the "next stage must be the further exploration of cosmic space round the sun, the investigation of the planets and the solar system and manned flights to other planets." Russia, it is stated, has already started training the first man to be rocketed into space.

The planets which are frequently mentioned in connection with inter-planetary travel are Venus, Mars and the moon. So far as it is known, none of these planets has a hospitable climate. Venus is boiling hot and Mars is known to be freezing cold. At the claimed rocket speed of 4,000 miles an hour, the moon is only 65 hours' journey from the earth. But there is a total absence of atmosphere, so that oxygen masks will have to be used by visitors to the moon. They will also have to cover themselves with suits, the temperature in which can be controlled, considering that outside temperature in the moon will be about 200° F below zero in the morning and 200° F above zero in the noon. They will, however, not be able to communicate with each other, thanks to the absence of air, except by means of a radio. Only they will be able to move about, as well as lift things, more freely, because the moon has only one-sixth the gravitational force of the earth; a man who can lift 100 lbs. on earth can lift 600 lbs. on the moon or a man who can jump 5 ft. in the air can clear on the moon a hurdle 30 ft. in height. However, it is not known whether life, as we know it, is to be found in the moon or in any other planet, for that matter. Discussing this question, the famous scientist, Dr. J. B. S. Haldane, in the course of an interesting article in the *Hindu*, observes:

"In the present state of astronomical theory we cannot state with any confidence whether planetary systems like our own, are common or rare. But more astronomers guess that they are not very rare, and Eta Cassiopeiæ is one of the ten or so visible stars from which the light reaching us tonight started in my lifetime which is like enough to the sun and otherwise qualified, to have planets which are possible abodes of life. Among the disqualifications is a companion star close enough to disturb the orbits of the planets. This, for example, probably rules out Procyon as a likely sun round which habitable planets may revolve. Of course, it may turn out that even when a planet has the correct temperature the proper chemical conditions for life are usually lacking. It may be that it only originates under quite unusual conditions, or that only very rarely does life blossom into mind, even of the rather poor quality found in most of our species. However, unless there are unexpected difficulties, I think there must be many planets in our galaxy whose inhabitants are far superior to ourselves both intellectually and morally. We ought, however, I suppose, to consider one other possibility. It may be a law of nature that whenever conscious beings discover the sources of energy which would enable them to journey from one planet to another, they use them to destory themselves."

Whatever may be the outcome of man's continuing probe into the mysterious universe, in which the earth on which he lives is but a small speck, there is no doubt that the future may unfold many new things unknown to him hitherto. It may be that the rocket age is the beginning of a new era of exciting possibilities.

P.A.A.'S RESULTS

An upswing in traffic in the last half of 1958 will give Pan American Airways an increase of 11 per cent. this year over 1957 on its transatlantic routes. according to Mr. Willis C. Lipscomb. Pan American's Vice-President, Traffic and Sales. Announcing this in a year-end report, he said that in the last six months of 1958, traffic in these routes gained 18 per cent. over the last half of 1957, in a dramatic upswing. This growth in transatlantic business, said Mr. Lipscomb, was the result of improved business conditions and of introduction of jet service on the Atlantic. The stimulating effect of the jets, he said, could be judged from the fact that advance bookings to Paris, Rome and London —Pan American's jet Clipper destinations—during the period January through April 1959, were two and a half times those on the books for a similar period a year ago. Cargo ton-milcage also increased this year over 1957, Mr. Lipscomb said. The Airline's east-bound transatlantic cargo ton-miles showed a 45 per cent. increase for the first ten months of 1958 over the same period in 1957 and were estimated to hold to that level for the full year.

Looking forward to 1959, Mr. Lipscomb predicted that the business improvement of the last half of 1958 would continue through 1959. Traffic this winter, he said, was already showing a considerable increase over last year. Next summer jet flights would stimulate more travel to Europe than ever before. The year 1958 was studded with important developments for Pan American. It saw the opening of the first United States commercial jet service with Boeing 707 flights to Paris, Rome and London. The first six Jet Clippers now in operation had set speed records of 5 hours and 41 minutes to London, and six hours and four minutes to Paris. And they had been operating with an average of 95 per cent. of their capacity filled. Also, its jet lease arrangement with National Airlines this year made it possible for the airline to operate two jet flights every day between New York and Miami. This year also saw the opening of a 15-million-dollar hangar and the start of construction on a revolutionary new terminal at Idlewild. An umbrella-designed cantilevered roof, covering 4 acres, would extend well beyond the terminal building itself, providing cover for parked aircraft and weather protection for passengers and cargo.

ELECTRICITY INDUSTRY

The view that, while in an essential public utility like electric supply, consumer interest must receive due consideration, it was no less important that the power system, whether in the public or the private sector, should not be exposed to the "dangers inherent in regulations not keeping in step with the needs of the industry" was expressed by Mr. N. N. Adajania, Vice-President of the Association of Electrical Undertakings, Bombay Province, in the course of his address at the annual meeting of the Association held last week at Bombay. He said that the industry had to reckon with rapid strides in the economy and growing needs for power by industries and homes. These needs, he said, postulate an ever-expanding generating capacity. He hoped that the situation faced by the industry would engender realistic regulatory policies.

Mr. Adajania also expressed the hope that the Bill to amend the Indian Electricity Act, now at the Select Committee stage, would embody the desirable improvement suggested by the industry. Commenting on the scheme of financial assistance to the electrical supply undertakings in respect of rural electrification, he said that the scheme indicated a "policy free from doctrinaire considerations, the emphasis being that whichever party is best situated to develop a given area should be permitted to do so." Referring to the incidence of electricity duty, he said it was a "hardy annual." He added: "I bring this point up not in the hope that a measure of relief could be obtained, but to emphasise that the industry has in no way reconciled itself to this form of taxation." He pointed out that the objectionable feature of the duty was that it was a levy on progress and to that extent, it was regressive and militated against the growth of tax potentials in other directions.

TRANSISTOR-CONVERTER

A new type of compact transistor converter designed to replace existing types of rotary converters and mechanical vibrators in the 50-1,000 volt output range has been developed by the A.B.E.M. Company, Stockholm. Its small size and low weight —about one-quarter of that of a conventional rotary converter with the same output effect—is claimed to make it suitable for many applications in both commercial and military fields. The A.B.E.M. Company—also known as AB Elektrisk Malmletning—has long been specialising in prospecting acitivities in Sweden and abroad. In 1955, when the activities were expanded to include airborne electromagnetic, magnetic and radio-activity surveys, the Company's research engineers were faced with the problem of designing a low-weight converter to obtain a high voltage D.C. from the 24-volt D.C. aircraft supply. The outcome of this research work was the semi-conductor TO-1310, which after exhaustive tests is now being launched on the market.

INDIAN ALUMINIUM

Mr. H. V. Echols, Managing Director of Indian Aluminium Company Ltd., announces the commencement of operations on 6th January, at its new smelter at Hirakud (Orissa). The smelter has an installed production capacity of 10,000 tons of aluminium ingot per annum, which, at a stroke, more than doubles India's production of the metal. Production at the Company's Alupurum smelter in Kerala is about 5,500 tons of ingot per annum. The Company plans to further increase its production of aluminium by expanding the Hirakud smelter to 20,000 tons annual capacity. The construction of the additional capacity is expected to be taken in hand as soon as negotiations with the Orissa Government for the additional power requirements are completed.

NEW PRODUCTS AND PROCESSES

Metal Forming Process

A NEW process for forming metal parts which, it is claimed, could eliminate the need for large expensive presses has been developed by the Ordnance Division of the Aerojet General Corporation, U.S. The operation of the process depends on the use of explosives. The blank metal material from which the part is to be formed is placed over a shaped metal mould. The explosive is then fastened over the blank and the blank metal and the explosive are both secured to the mould. The entire unit is then lowered into a tank of water and a pipe and hose are attached to the mould in order to create a partial vacuum within it. The explosive is then detonated and the forming process is completed—leading to a "geyser" of water being thrown out of the tank. The shapes produced are said to be extremely accurately formed. Although the process was developed initially for use in the construction of guided missile parts, it is expected that it will also have widespread industrial applications.

Plating Watches

The pinions, cog wheels, levers, springs and other moving parts used in the manufacture of watches can be protected from wear and corrosion, it is claimed, by means of a form of tin-nickel plating developed in the U.K. The ordinary wrist watch has between 50 and 100 pinions, cog wheels, levers, springs, etc., and some of the screws used may be far smaller than the smallest pin-head. All these parts are subject to wear, and the threat of corrosion from the sweat on fingers of the watch makers, or from oil and condensation when the watches are in use. The tin-nickel plating is said to prevent corrosion and finger marking all through the life of the watch, and, since it is as hard as chromium, surfaces which bear on or engage each other are protected from wear. Since watch parts are so finely engineered plated coatings must be very thin. Tests carried out in conjunction with watch makers are said to have shown that tin-nickel coatings as thin as three hundred-thousandths of an inch still provide worthwhile protection for the smallest screws in a watch.

Metal Address Plates

In addition to standard address plates for a seven-line punched text, an addressing-machine factory, Hapee Adresseermachine Mij c.v. Veldm. Montgomeryweg 9-17 Soesterberg (Holland), also manufactures address plates provided with a legible coloured address strip. These address plates can contain five lines of punched text and a coloured two-line cardboard strip which is also visible during printing in the machine. The strips can be attached to the top or bottom of the plate, but the addressing machine in which they are to be used should be adapted to the place of the strip on the address plate. The strip is always on the side of the plate opposite that containing the two holes for the riders, which continue to be visible in the machine. If the strip is attached to the top of the plate the riders are invisible in the storage drawers. The seven available colours of the riders and the six available colours of the strips enable an extensive sorting system to be used. As each plate has two rider-holes it can hold two differently coloured riders.

Measuring Tensile Stress

An electronics laboratory, Laboratorium voor electronica Peekel, Alblasstraat 1, Rotterdam (Holland), has manufactured an apparatus for measuring tensile stress by means of tensile strain gauges. The apparatus is operated by transistors fed by a small built-in nickel-cadmium 6-volt storage battery which can be charged by the electric light mains via a built-in rectifier. As the voltages and currents are exceedingly low the apparatus is absolutely explosion-proof and suitable for measuring tensile stresses and tensions in coal mines and other spaces exposed to explosion hazards. The meter comprises a very small oscillator which feeds an A.C. of 1,000 cycles per second to the Wheatstone bridge consisting of tensile strain gauges; an amplifier with a demodulator, and an indicator. The tensile stress of the tensile strain gauges and the resultant diagonal voltages are not measured direct but compared to a second voltage. This compensating voltage is taken from a built-in, manually operated slide wire which also forms part of a bridge circuit. The slide wire is provided with a calibrated graduation. The measuring range is calibrated from 0-2,000 micro-tensile stress and can be extended to a maximum total range of 30,000 micro-tensile stresses. Even one micro-tensile stress can be detected as a result of the high sensitivity. The accuracy of the apparatus is ± 1%, that is, about 5 micro-tensile stresses. The apparatus is housed in a small metal cabinet with handle and cover.

Metal Testing Device

The patented "Intactor Microport Minor" method and equipment, developed in Hungary, ensures a cheap and speedy method of testing the internal structure of metal objects without fracturing them, and makes possible a new method of quality inspection formerly discarded either because of the absence of appropriate instruments or on account of the long time and high costs involved. The essence of the equipment is an electrolytic head which prepares the surface of the object for microscopic testing without fracturing it. The importance of the new device is in the fact that, contrary to other metallographical equipment in use hitherto, which involved a stationary and usually slow and expensive method of testing, it provides a portable equipment that can be used with equal success in the laboratory as in the shop or out of doors and at a great distance from, and even independently of, electric mains.

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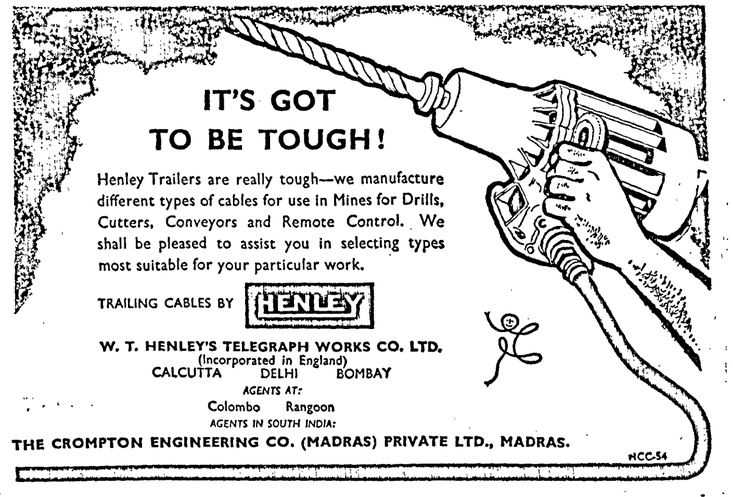

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INDIA'S DEVELOPMENT EFFORT

AN ASSESSMENT AND PROGNOSIS

By J. J. Anjaria

ECONOMIC ADVISER, MINISTRY OF FINANCE, GOVERNMENT OF INDIA

SINCE the commencement of the first Five-year Plan about eight years ago, the main objective of economic policy in India has been development. Over these years, the country has made considerable progress. But, it can hardly be said that India has crossed the "threshold." Only a few first steps have been taken. We have another two years to go before the third Plan starts, but it is necessary to consider fully at this stage how far we have moved in the direction of our accepted goals, what the limitations and shortcomings of our effort and of our achievement have been, and how we can advance more rapidly hereafter. I have, therefore, to be not only backward-looking, but also forward-looking. It will, I suppose, be agreed that we are entering a crucial stage in our planning, and both the pattern and speed of development hereafter will depend upon whether we take the right decisions at this juncture.

When the first Plan was formulated, the reaction of most people was: "This is too little and too slow. More should be attempted." Some even said the first Plan was not a plan of economic development; it was merely a piecing together of schemes some of which had already been begun earlier. The second Plan was relatively more ambitious, if one may use that term. It called for a larger effort; it asked for more rapid advance in the dynamic sectors of the economy; and it promised more substantial increases both in income and in employment. There was a view that less should have been attempted, although there was another view that even more was required at least in certain directions. Similar differences in emphasis, if not in basic approaches, are likely to arise in connection with the third Plan, and it is the essence of the democratic approach we have accepted that all these aspects of further planning are fully discussed. It is likely that the nearer we are to a particular task, the more difficult it is likely to look. But development is a continuing and inescapable task. It is *the* problem before the country; there is hardly any other that really matters from the point of view of the welfare of the common man, especially the coming generation, and the preservation of the basic ideals and values we cherish.

What has been the rate of development attained so far? Is this rate satisfactory? What have been the costs? Have the strains and stresses in the system been too great? Must we, therefore, move forward more slowly, or is there a way of maintaining and accelerating the pace? These are the basic questions to which it is essential to attempt answers as objectively as possible in order to see that development planning proceeds along right lines and with the full awareness of what it involves.

Significant Advance

There is no doubt that the Indian economy has registered a significant advance over the last eight years or so. National income has increased by about 25 per cent. in real terms, and there has been an increase of 13 to 15 per cent. in *per capita* incomes. Industrial production has gone up by more than 50 per cent., and—what is even more significant—the industrial structure is becoming rapidly more diversified and more capable of serving the needs of a developing economy. The transportation system has been greatly strengthened and social services have been expanded substantially. Electricity generation has gone up by about 100 per cent. The value of mineral output is now 60 per cent. higher than in 1950-51. A number of industrial projects are under way, both in the public and in the private sector, and there is in the system a new expansionary impulse which augurs well for the future.

In agricultural production, the results are not up to the mark, because the outturn still depends mainly on the monsoon. There have, therefore, been large variations in agricultural production from year to year. But it is fair to say that the underlying trend is upward. The index of agricultural production (1950-51=100) rose to 119.5 in 1953-54; it reached a peak of 129.5 in 1956-57, and receded to 118.5 in 1957-58, which was a bad year. For 1959-60, the level of agricultural production is expected to be higher than in 1956-57. The progress achieved is by no means adequate relatively either to potentialities or to needs. The facts must, however, be noted. Irrigation facilities are being steadily expanded. By the end of the two Plans, irrigation potential to cover some 16 million acres would have been created by way of major and medium projects and about an equal area would have come under minor irrigation. On full development, the major and medium irrigation projects in hand will represent an irrigation potential of 22 million acres, and minor irrigation could be extended rapidly if the necessary manpower and local resources are mobilised effectively. In the community projects and national extension organisation, we have machinery that can be turned to good account for the sort of push we wish to give to agricultural production. The abolition of intermediaries represents an important step in land reform and co-operative credit has also made considerable headway with the help extended by the Reserve Bank.

Investment

The most crucial determinant of development is investment, and in this regard the progress made has been impressive. During the first Plan, investment was stepped up from 5 per cent. of national income to a little over 7 per cent. Currently, the rate is between 10 and 11 per cent. A few figures will be of interest in this connection. In 1951-52, the first year of the Plan, public investment was Rs. 212 crores. In 1955-56, it had risen to Rs. 482 crores. For the first three years of the second Plan, the estimated figures are Rs. 587 crores, Rs. 718 crores and Rs. 850 crores. This represents a fourfold increase in seven or eight years' time. Net private investment (not including inventories) also rose from about Rs. 390 crores in 1951-52 to about Rs. 416 crores in 1955-56, and is at present around Rs. 470 crores. In broad terms, total investment in the economy has of late been around Rs. 1,300 crores a year, which is 2½ times the investment at the beginning of the first Plan. Although an investment rate of 10 to 11 per cent. cannot be considered high or even adequate when compared to requirements, the step-up achieved is quite significant. The stresses and strains of which one hears so much these days will appear less frightening if one views them, as one should, in this perspective.

Private Sector

Nor is it true that only the public sector has gone forward. The advance in the private sector, especially in what may be called the organised industrial sector, has been large. For the first Plan period as a whole, private investment in industries was Rs. 233 crores or an average of about Rs. 46 crores a year. In 1956-57, this was Rs. 100-110 crores and this was also the level probably in 1957-58. In the iron and steel industry alone, investment in 1957-58 was about Rs. 68 crores. Over the second Plan period, investment in the organised industrial sector, including an expenditure of about Rs. 100 crores on replacement and modernisation, is expected to total Rs. 575 crores. The Reserve Bank analysis of the balance-sheets of companies (manufacturing, plantations, mining and trading) indicates that net fixed investment in these lines in 1956-57 was about 3½ times the investment in 1953-54. This was financed mainly from internal resources, though, of late, there has been relatively larger reliance on external resources. The shortage of foreign exchange has been a limiting factor, but it cannot be argued that the growth of private industry has been affected prejudicially by the advance in public investment. Despite the cut in plan outlay in the public sector and some slowing down of private investment because of the foreign exchange situation, aggregate investment in the economy over the period of the second Plan will be close to the level of Rs. 6,200 crores postulated in the Plan.

Judged in terms of investment which means an increase in, and diversification of, the production potential, the Indian economy today is markedly stronger than seven or eight years ago. It offers more opportunities for gainful work, even if they are not up to requirements. More skills are being developed. New techniques are being learnt. In any case, we have moved forward to the extent that economic stagnancy is no longer regarded as part of the natural order of things. The economy is on the move.

Source of Finance

So far the credit side. Let us now see how this investment has been financed. But, before going on to this, a word must be said about the trend of prices. It must be emphasised, in this connection, that all this development has taken place with what must, on the whole, be regarded as moderate increases in prices. Prices were high in the earlier phase of the first Plan; they came down in the latter phase. Since the second Plan began, inflationary pressures have been themselves felt, and the index of wholesale prices now is 10-12 per cent. above the April 1956 level. One should not minimise the hardship caused by high prices. Nor should one underrate the importance of price stability. It must be noted, however, that the price rise that has occurred so far is not, when taken in relation to the step-up in investment, something to complain of bitterly, especially since a part of it, at any rate, is attributable to the shortfall in food production. It is arguable, though one might not press this point too far, that the fluctuations in prices that we have had, e.g., the sharp fall in 1954-55 and the sharp rise in 1957-58, are more objectionable than the net rise over the period of the two Plans.

The major difficulty that has been encountered in the implementation of the second Plan is that the rate of savings in the economy has not been going up *pari passu* with the needs of investment. The current rate of saving is about 8 per cent. which means that the step-up since the second Plan began has been small. The consequence has been that a great deal more external assistance has become necessary for implementing the Plan. This is not to suggest that external assistance is undesirable or unnecessary. All countries need external finance in the early stages of development. But external finance is good as a supplement to domestic savings, which must show improvement progressively. In actual fact, the step-up in investment in the latter part of the second Plan is being financed from external assistance.

External Assistance and Deficit Financing

During the first Plan period, of the total investment—this is different from Plan outlays—of Rs. 1,500 crores in the public sector, about 23 per cent. was financed by public savings (i.e., the surplus of Government's current receipts over current expenditure), some 43 per cent. by loans and small savings, 23 per cent. by deficit financing and only 12 per cent. from external assistance. For the first three years of the second Plan, public savings will have contributed about 5 per cent. of the total of Rs. 2,100 crores or so of investment outlay; 31 per cent. will have been raised by way of loans, small savings, etc.; deficit finance would account for about 42 per cent. of the total and some 22 per cent. would represent external assistance. In other words, while in the first Plan period, the contribution of external assistance and deficit financing was 35 per cent., in the first three years of the second Plan, as much as 64 per cent. of the investment outlays will, roughly speaking, have been financed from these two sources. For the second Plan as a whole, the contribution of these two sources to investment in the public sector might approximate 60 per cent. All this is, of course, only another way of saying that the resources available to the public sector have not been increasing sufficiently.

For the economy as a whole, by the end of the second Plan period, external assistance utilised will be of the order of Rs. 1,300-1,400 crores. To this we should add the drawing down of sterling balances by Rs. 600 crores—which represents past savings. Thus, a little less than one-third of the expected investment of Rs. 6,200 crores will have been financed from a draft on foreign savings.

Public Savings

It would take me into too much detail, if I attempt an analysis of these figures on an annual basis. The point to stress is that public savings have been going down in spite of the large increases in taxation. Now, public savings ought to be an important element in financing a development plan if the State is really to be in a position to take on the role assigned to it. But, the initial estimates in the Plan regarding revenue surpluses at existing rates turned out to be overoptimistic, and part of the new taxation was claimed by non-Plan uses. This decline in public savings has meant that the public sector plans must depend vitally upon the success of Government's borrowing operations. These, in turn, are affected by the relative ease or stringency in the money and capital markets. The fact that, in 1957-58, money was tight meant correspondingly heavier reliance on deficit financing. Altogether, the whole financing pattern has been inadequate and unstable.

The second Plan came up against foreign exchange difficulties almost from the start. Various factors contributed to this. When the Plan was drawn up, the needs of the various newly-developed industries which had a large foreign exchange component were underrated. There was underestimation on other counts also. The import requirements in respect of food turned out to be larger. Some of the new non-development items involved foreign exchange. In the result, foreign exchange reserves have been drawn down heavily, in spite of external assistance on a larger scale than was at first envisaged. Exports have not risen either, and it is only in recent months that serious attention has been given to this problem. Exports are also a form of saving, a particularly valuable form because their proceeds can be used to buy imports. The inelasticity of export can be accounted for in terms of various factors, but, in the last analysis, it, too, represents inadequacy of savings. The result is that the third Plan has to begin with a handicap in so far as sizable payments by way of interest and repayment of the obligations incurred will have to be made from out of current production. These payments will be a first charge to be met before we import the equipment and capital goods needed for that Plan.

Effort Not Adequate

What, then, is our assessment of the developmental effort made so far? The answer, clearly, is that the effort has not been adequate. The Plan has been looked upon as so much expenditure. Those who put forward projects are, naturally, anxious to see that they get their due share of the total expenditure to be incurred. But, in all this, there is insufficient balancing of costs and returns, and not enough care or effort is devoted to make sure that the projects earn adequate returns. It cannot be said that the country has not taxed itself. Nor can it be argued that some classes, e.g., the fixed-income earners, have not had to make sacrifices, because of the rise in prices and cost of living. What has lagged behind is organisational effort, i.e., the bringing together of unutilised resources, full utilisation of whatever production facilities are available, the assiduous collection of surpluses from the commercial and industrial enterprises in the public sector; the welding together of the community for continuous, co-ordinated hard work and austerity. The effort at producing more has thus been inadequate, though it can be argued that the savings effort has also not been up to the mark. Given the levels of production, a greater restraint on consumption was called for, but the techniques for achieving this have not been used. More production as well as more savings require an organisational effort which has not been forthcoming. And we seem to have assumed that development planning is possible without sweat and tears.

Taxation

The complaints one hears about excessive taxation are perhaps illustrative of the sort of ambivalence we often display in our thinking. The burden of taxation, it is said, is too high, and there are not enough incentives for producing more and earning more. One cannot, of course, deny that taxation is high, but to argue that taxation should be reduced—and, by implication, the Plan cut correspondingly—is to ignore the fact that incomes will themselves tend to get reduced if investment is curtailed. The burden of taxation cannot be judged by itself, and certainly not in relation to past levels. The fact of the case is that taxation in India does not bring into the public exchequer more than 9 per cent. of the national income. In industrialised countries the ratio is between 20 and 30 per cent. Their *per capita* incomes, it must be granted, are high. But, even in countries not so well developed, a significantly larger proportion of national income—around 15-20 per cent.—is drawn into the public exchequer through taxation. There is, of course, no arguing with those to whom development is not a desideratum. But, if we are agreed as to the urgency of development, the problem becomes one of devising an optimum pattern of taxation, profits from commercial and other enterprises, loans—internal and external—and, if you like, deficit financing for raising the quantum of resources required. It is possible to take the line that taxation in particular directions is too high or that tax yields can be improved by better administration so as to obviate the need for higher tax rates. One could also legitimately argue that certain sections of the community are highly taxed. But it must be recognised that development involves the raising of resources and an important element in the scheme has to be taxation. It is illogical to approve expenditure and the objects for which it is to be incurred and to be lukewarm in the matter of taxation. The criterion of sound finance in a developing economy, I suggest, is that the receipts from taxation increase faster than national income, which means, in effect, that the marginal rate of taxation must be higher than the average rate.

Public Sector Must Make Profit

Another inhibition we seem to have is that public enterprises must not make a profit. There might have been some justification for this when the role of governments in economic activity was marginal. The attitude is untenable if the public sector is to grow and to assist the private sector financially at crucial points. All investments must yield a profit, and as large a proportion of these profits as possible should be ploughed back. That is the correct principle. The pricing policies of public enterprises must be formulated with a view to maximising the surplus of receipts over costs. Hard cases for subsidisation might, of course, be considered on merit. The principle of accumulation in capitalist, socialist and mixed economies is the same. There has to be a surplus of production over consumption, of receipts over costs. And maximisation of returns and keeping down of costs are vital both for the public as well as the private sector.

Scope for Deficit Financing

I must now say a few words about the much talked of and controversial issue of deficit financing. The dangers of deficit financing are obvious. But I think we must recognise that, under conditions, deficit financing is not only safe, but necessary. This is true not merely under recessionary conditions in industrially advanced countries. It holds for underdeveloped economies which are trying to increase output by utilising the idle resources within the system. Deficit financing for the public sector has the same role as bank credit for the private sector. Both have the same limitations. When prices are high, and foreign exchange reserves are small, deficit financing has great dangers, and the less of it there is, the better. But, those who argue against deficit financing as such are, one suspects, sceptical of any planned development at all. For them, investment must be equal to voluntary savings, and since the latter are by definition voluntary, the actual level is always the optimum. In a developing economy, the question is how the rate of investment can be stepped up, how the rate of saving can be raised, and how, to the extent there is an imbalance between the two, the adverse effects of it can be mitigated. There is everything to be said for building up defences against deficit financing. But the device has a place. Suppose, for instance, that food production increases steadily for the next two years: that the machinery for increasing crop yields has been functioning on the field; that the pipe-lines for food are full; and that Government have sizable stocks in hand when the third Plan begins—in these circumstances, I should say, there would be a case for deficit financing in order to step up investment.

It must be emphasised that a developing economy is necessarily subject to inflationary pressures, as the object is to push up investment beyond the levels that would otherwise have materialised. It is, therefore, necessary to keep in hand certain levers or techniques with the help of which to tide over the periods of imbalance between the demands for various types of resources and their availability. This is where allocations and controls come in. They can function, provided their role and purpose are understood and accepted. If they are eschewed, as it were, on principle, there is nothing left but to cut down investment.

Third Plan

I shall now go on to the prognosis that I promised. In the second Five-year Plan, the system has been strained a great deal. Can it be operated so as to ensure better results for the third Plan? The task is, evidently, difficult. But, it is not impossible of achievement. There *are* unutilised real resources in the system. There *is* idle manpower. There are skills which can be drawn upon, with some re-polishing and re-training if we like. There is the urge for progress, which awaits canalisation.

In the first and second Plans, a broad picture of the increases in investment and in national income required over a period of 25 years was given. On that basis, an investment of Rs. 9,900 crores (at 1952-53 prices) would be required for the third Plan. This would imply stepping up investment from 11 per cent. to about 14 per cent. of national income. Domestic savings at present do not come up to more than 8 per cent., but they will have to be raised to at least 10 or 11 per cent. if the Plan is not to depend too much on external assistance.

While this is important, I must add that this question of external assistance has to be approached from the point of view of the requirements of an *optimum plan*, rather than with any set ideas about how much external assistance we ought to take or how much will be forthcoming. There is no need to be chary of external assistance as such, if we are sure that the investments thus undertaken are the right ones and are capable of generating the surplus out of which interest and amortisation can be paid. Mere totals of external assistance need not be a matter of concern. A relatively small but unproductive external debt can cause a serious upset, while an apparently large volume, but undertaken for projects which add directly and cumulatively to the national product can be an excellent device for lifting the economy from stagnation. But there are balance of payments considerations, and it is conceivable that an economy which is still developing finds it difficult to secure a surplus on external account to pay for past debts. What is required, basically, is, therefore, determination to raise internal resources to the maximum and this presupposes an improvement not only in financial but also in organisational techniques.

If the problem is viewed as one of enlarging savings from a static pool of resources, the task is hopeless. But this pool *can* be enlarged. The key to this is increased agricultural production, mainly through utilisation of idle manpower and improvements in techniques. The inelasticity of agricultural output has been the major bottleneck in our plans. If this is broken, investment as well as employment can be increased. For an important limiting factor in the way of more investment and more rapid enlargement of employment opportunities is the availability of food on which the bulk of the new incomes generated get spent. This is not a question of finance so much as of *organisation*. If food production can be increased substantially, finance can be provided for investment on a big enough scale.

Conclusion

To conclude: while as a result of the developmental effort of the last eight years, the economy has been strengthened markedly, it will be some time before it can reach the stage of self-sustaining growth. The "take-off" has yet to take place. It will be necessary for this to improve both upon the scale and intensity of financial and organisational effort. The third and fourth Plans will represent a crucial phase—a turning point—in the country's development. If the investment in these Plans is adequate, and if the pattern is carefully laid out, the barrier will have been crossed. Difficulties of the type experienced in the second Plan will continue until the country is in a position to make its own equipment and capital goods for further development. Any slowing down at this stage will, therefore, mean a more than proportionate setback. The problems of resource mobilisation must be viewed in this larger context, and the necessary sacrifices made. What is required is *organisation*, especially of the agricultural sector, and economic policies and techniques to ensure that consumption does not rise too fast and scarce resources are utilised for priority purposes. It is vital for the future progress of the country that this perspective is kept in view while considering the size and shape of the third Five-year Plan.—*Text of address to the Commerce Graduates Association, Bombay.*

The inflow of gold and foreign currency into West Germany has receded in 1958, although export surpluses have reached another high, the monthly bulletin of the German Bundesbank disclosed. The net increase of foreign currencies in bank accounts amounted to some 4,000 million D.M. during 1958, as against 5,200 million in 1957 and 4,700 million in 1956. Changes in terms of payment, less surpluses in service transactions and increasing deficits in invisible and capital transactions are cited by the Bank as reasons for this downward trend.

AN ESTIMATE OF INDIA'S NATIONAL INCOME

SIGNIFICANT DOWNTURN IN 1957-58

By M. S. Parthasarathi

NATIONAL income studies have assumed a new and increasing importance since the Great Depression of the early thirties. Before then, national income analysis was thought of primarily as having some historical value in indicating the magnitude of the national income, the rate at which it had been growing and the relative prosperity and rates of growth of different countries. The influence of the late Lord Keynes and other economists who followed in his footsteps and the remarkable success of Roosevelt's New Deal measures in tackling the depression in the U.S. led to the final abandonment of classical theory, which conceived of economics as a negative, passive science rooted in *laissez faire* ideas, and to the adoption of the New Economics which seeks to avoid, remove and, where inevitable, minimise human misery and actively promote human welfare. A corollary of this doctrinal revolution was that the only social institution capable of handling the complex tasks arising therefrom was found to be the Government, which was, therefore, assigned an increasingly dominant role in the operation of the economic system—a development that would have shocked economists even in the first quarter of the century.

From this followed a new set of demands on economics for providing a variety of information to the new central authority to help it to discharge its duties in the economic field. This meant that the Government needed to know, first of all, how the total economy was functioning and behaving and, secondly, how the various sectors of the economy were moving by themselves and in relation to each other. Thus arose the new importance of national income analysis, since an estimate of the national income of a country measures the total volume of commodities and services produced within that country during a given period of time (usually a year), counted without duplication. Further, for ease of estimation, as well as for purposes of analytical study, it is the practice to distinguish the important sectors of the economy, such as agriculture, industry, transport and commerce. A set of national income accounts will, therefore, not only provide an overall view of the economy, but also highlight the weak spots by showing how the individual sectors are faring. As long as the Government did not have the responsibility for maintaining economic stability and promoting economic progress, such complex studies were not felt to be essential. Lately, national income research has led to further econometric studies such as input-output analysis and linear programming, all further aids to Government in its new role and based on national income data.

Importance

If national income studies have been found to be of great value to Governments in advanced countries in formulating economic policy, with the principal object of staving off recessions and maintaining a steady rate of growth, they are even more important to underdeveloped countries like India which are trying to attain a minimum level of economic development in the shortest possible time. Not only studies of their national income but also of the national incomes of developed economies have lessons for them. In particular, the experience of western economies during the early stages of their growth can reveal to them many pitfalls they should and can probably avoid. But, if they are to avoid these pitfalls, they must have fairly reliable national income data themselves so that they can know well in time what is happening in their economies and take the appropriate steps without delay.

The Government of free India realised the importance of preparing and maintaining on an up-to-date basis the country's national income data as early as 1949 and appointed a committee "to prepare a report on national income and related estimates, to suggest measures for improving the quality of the available data and for the collection of further essential statistics and to recommend ways and means of promoting research in the field of national income." A National Income Unit was also set up to compile authoritative estimates of national income, the two reports of the Committee serving as guide lines in its work. Unfortunately, however, the estimates put out by the National Income Unit of the Central Statistical Organisation are a year too late to be of any use to the Government in formulating economic policy for the next twelve months. There is a big lag which needs to be made up. In the course of the paragraphs that follow, an attempt is made to estimate the national income of India in 1957-58 and to indicate its probable magnitude in 1958-59 within the limitations imposed by published available data.

Limitations

It is necessary to underline the limitations, because even the official estimates are far from satisfactory. The National Income Committee, in its final report submitted in February 1954, observed: "The existing estimates have been arrived at, in the main, by calculation of the national product in the major fields of agriculture and organised industry. Data for estimating national product even in these fields are not completely satisfactory today. The main existing shortcomings are (*a*) incomplete coverage, and (*b*) systems of compilation of varying accuracy." The situation in 1959 is unlikely to be radically different from what it was in 1954, when the National Income Committee itself admitted that the error in the official estimates might be as much as 10 per cent. All we can hope is that the error is on the same side throughout so that the trends are not distorted.

Table 1 presents the national income data as published in March 1958 by the National Income Unit in terms of 1948-49 prices along with estimates for the principal sectors, while Table 2, presents the trends in national income and the principal aggregates on an index basis. An examination of Table 1 reveals that, while the growth of almost all sectors has been more or less steady, progress has been steadier and more uniform in the non-agricultural sectors. One is also struck by the close correlation between the growth of income in industry and the other two non-agricultural sectors. In fact, the two service sectors, "commerce and transport" and "other services," have been growing faster than the two real productive sectors. Bearing these trends and relationships in mind, it is possible to venture an estimate of national income in 1957-58 and of its probable level in 1958-59.

Sector-wise

The index of agricultural production in 1957-58 (base: 1949-50=100) is placed by the Directorate of Economics and Statistics, Ministry of Food and Agriculture, at 113.4, a fall of 8.4 per cent. from the 1956-57 level. This should mean that the income generated in 1957-58 in "agriculture and allied activities" would approximately be Rs. 43.2 abja (abja=100 crores). From the indices of industrial production for calendar years and for months published by the Directorate of Industrial Statistics, Ministry of Commerce and Industry, it can be concluded that industrial production in 1957-58 was just about 2.0 per cent. above that in the previous year. Assuming that the output of small enterprises did not move very differently, a not entirely unreasonable supposition, it can be calculated that income generated in "industry" in 1957-58 was Rs. 18.8 abja. Again, it is logical to expect that increases in incomes generated in the other two sectors will bear the same relation to increases in incomes generated in industry as in the preceding years. On this basis, income generated in 1957-58 in "commerce and transport" will be Rs. 21.3 abja and in "other services" Rs. 18.7 abja. These calculations indicate that India's national income in 1957-58 was about Rs. 107.0 abja in 1948-49 prices, that is to say, approximately 3.0 per cent. below the 1956-57 level.

The outlook for 1958-59 is, however, quite bright. There are reports of a bumper rice crop and all indications are that food production in 1958-59 will be almost 10.0 per cent. higher than in 1957-58. Also, the second Plan targets for jute and tea are reported to have been achieved even in the current crop year. It will not be surprising even if total agricultural output in 1958-59 is 10.0 per cent. above last year, in which case income generated in agriculture in the current year will be Rs. 53.1 abja. Industrial production is not likely to be more than 3.0 per cent. higher than last year's level, so that incomes generated in the other sectors will be as follows: industry Rs. 19.4 abja; commerce and transport Rs. 22.2 abja; and other services Rs. 19.5 abja. This will give a national income figure of Rs. 114.2 abja for 1958-59, an increase of 6.7 per cent. over 1957-58.

Rate of Growth

It must be emphasised that even this expected sizable rise in national income in the current year will not alter the long-term growth trend. Statistical calculations show that the trend is for national income to grow at the compound rate of 3.5 per cent. a year, accompanied by an annual rate of growth of 3.0 per cent. in agricultural production and 5.7 per cent. in industrial production. These trends have been calculated from the data presented in Table 2. These incidentally show up some minor inconsistencies between the agricultural output series as revealed in national income statistics and the indices of production prepared by the Ministry of Food and Agriculture. Perhaps, a part of the apparent inconsistency is due to the fact that the indices of agricultural production are for the crop year July to June, though the small quantity of crops harvested in the months April to June makes it almost certain that all of the inconsistency cannot be thus explained away. Moreover, the indices of agricultural production are based on gross value while the contribution of agriculture to national income is based on value added in the process, and this may cause some discrepancy. Again, however, it must be pointed out that, in such a primary industry as agriculture, almost the whole value of the output will be value added in the process. Table 2

(Continued on page 135)

TABLE 1

National Income by Industrial Origin

(At 1948-49 Prices)

(In Rs. 100 crores)

Sector	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
Agriculture, animal husbandry and ancillary activities	42.5	43.6	43.4	44.4	46.0	49.8	50.3	50.2	52.6
Mining, manufacturing and small enterprises	14.8	14.6	14.8	15.2	15.8	16.5	17.0	17.6	18.4
Commerce, transport and communications	16.0	16.4	16.6	17.3	17.9	18.3	19.1	19.7	20.8
Other services (including Government)	13.4	13.8	13.9	14.3	15.0	15.7	16.4	17.3	18.2
Net earned income from abroad ..	—0.2	—0.2	—0.2	—0.2	—0.1	0	0	0	0.1
National income—Total	86.5	88.2	88.5	91.0	94.6	100.3	102.8	104.8	110.1

TABLE 2

Trends in National Income and Related Aggregates (Index Numbers)

	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
National Income (1949-50=100)	100.0	100.3	103.2	107.3	113.7	116.6	118.8	124.8
Share of Agriculture in National Income (1949-50=100)	100.0	99.5	101.8	105.5	114.2	115.4	115.1	120.6
Share of Organised Industry in National Income (1949-50=100)	100.0	102.7	105.0	116.1	126.0	135.8	143.3	159.9
Agriculture Production (1949-50=100) ..	100.0	95.6	97.5	102.0	114.3	117.0	116.9	123.8
Industrial Production (1949-50=100) ..	100.0	101.3	113.8	116.4	118.1	129.5	137.2	150.2

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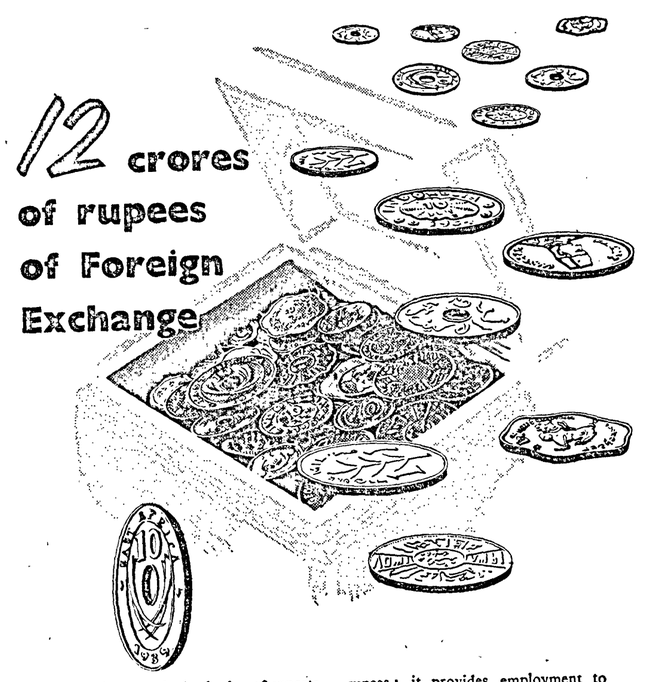

That was the beginning of exports by the Indian Sugar Industry to earn foreign exchange. Geographically, India is within easy reach of sugar importing countries in the Middle, Near and Far East. In quality too, Indian Sugar compares favourably with that produced in other countries. With a better understanding of the industry's structure and problems and co-operation from the Government and consumer, the Industry can consolidate the position it has secured in the world market and improve it further to earn more foreign exchange: so vital for the progress of the Second Five Year Plan.

Today the Sugar Industry provides scope for Indian capital investment of more than 100 crores of rupees; it provides employment to over 1,40,000 skilled and unskilled workers and 3,600 university educated men, their total earning representing 5% of the national wages and salaries; it supports 20 million cultivators; it constitutes 12% of the total value of production of major Indian industries; it contributes over 65 crores of rupees (@ Rs. 13.16 per maund) in levies to the national exchequer.

It offers even brighter prospects for the country. With a lighter burden with some of its present-day handicaps removed—this industry can contribute to achieving a more stable national economy. Its upward trend of production can continue to meet the needs of a growing home market and yet leave a surplus for export in order to earn foreign exchange.

Indian sugar ...
vital to
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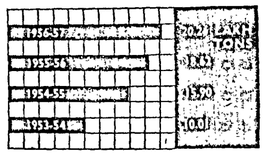

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GOVERNMENT'S IMPORT POLICY

MR. SHASTRI'S ELUCIDATION

FURTHER light on the import policy of the Government of India was thrown by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, when he addressed the third quarterly meeting of the All-India Importers' Association last week. He said that he had no doubt that the third Five-year Plan would be much bigger than its predecessor. Accordingly, he thought imports would have to be made on a bigger scale and that importers would have to play an important role. Having this prospect in view, he described the broad features of the future import policy as follows:

1. Reduce imports through indigenous production and increase our exports, so that there is a favourable trade balance for our country.

2. Import of essential raw materials will have to be continued and not further reduced, if the development of economy has to be maintained. It will be most unfortunate, if the shortage of raw materials leads to a decline in production. That eventuality has to be avoided at all costs.

3. Goods imported should be properly distributed at reasonable prices.

4. Actual users' licence should not be done away with, but the Government would always be willing to examine any specific proposal about a specific commodity.

Mr. Shastri took a pragmatic view of the future for import trade and listened to the grievances of the traders, as listed by Mr. Shantilal M. Shah in his speech, with sympathy and understanding. He appreciated the services rendered by these middlemen and gave convincing reasons for limiting their activities through restrictions on imports, issue of licences to actual users and the State Trading Corporation. Mr. Shah referred to all these three subjects in his speech.

Actual Users' Licences

Alluding to the subject of licences to actual users, Mr. Shah contended that there was a strong case for dividing the available foreign exchange between the actual users and established importers equitably. He argued that "our economic structure is such that neither all actual users can afford to apply for licences nor many of them have sufficient means and resources to import on their own account. Moreover, the end-use of an item is so diversified that a number of actual users might require very insignificant quantity and imports made by them will be neither worthwhile nor economical." He gave the specific instance of coconut oil, the import of which through established trade is banned; only millers are allowed to import it. Explaining the effect of this ban on prices, he observed:

"Imported copra is very widely used for edible purposes and by small *ghanis* in villages. All this demand is starved under the present policy. Further, the object which the Government had in view of lowering the price of coconut oil is not only not served but completely defeated since the prices are now ruling at Rs. 30 per quarter, while the cost for the miller is below Rs. 24. When established importers were issued licences for copra, there was healthy competition, serving as a check on and maintaining the prices of coconut oil around Rs. 24 to Rs. 25 per quarter. Same is the case with copper, metals and art silk yarn. These examples provide ample evidence to support our plea that at least 25 per cent. to 30 per cent. of the foreign exchange import ceiling, even of raw materials, should be allocated for imports through the established trade."

Not Convinced

Apparently, Mr. Shastri was not wholly convinced by these examples, for they do not explain why the actual users have preferred to import their requirements direct, instead of using the established trade channels. Giving the Government's reasons for changing the policy of issuing import licences in favour of actual users, Mr. Shastri said:

"As far as I can see, it was done, as the actual users were not fully satisfied with the dealings of the importers. There have been demands from other trades also to provide for licences being given to actual users. Two reasons seem to be obvious: (1) That there has not been fair distribution, and (2) the profits charged were very much on the high side. I need not mention, but it is a well-known fact that, sometimes, the profits made by the established importers have been highly excessive and it has led to increases in the prices of manufactured goods. The members of your Association should, instead of criticising the Government, think over these two points and try to rectify their own mistakes. It is often better to look within than to look to the deficiencies of others. It is an irony of fate that, in this country, which produced a man like Gandhiji, who was always prepared to shoulder the responsibility for the faults and short-comings of others, we should now be so critical of each other. It is in that old spirit that I will suggest to you to examine this matter."

Mr. Shah was, however, right in saying that not all the users were able to use the licences given to them. These are mostly small producers. Mr. Shastri appreciated Mr. Shah's point and remarked that the established importers had a very good opportunity to serve these relatively small actual users, provided they functioned well and did not act merely in their own self-interest. He promised to consider favourably Mr. Shah's suggestion for a co-operative organisation to handle the imports of small actual users.

State Trading

On S.T.C., Mr. Shah's complaint was that it had been gradually encroaching on the legitimate sphere of import trade. He gave paper, camphor and photographic goods as recent instances in the import of which the S.T.C. had taken interest without any justifiable reason. He pointed out that, while the established importers were given no licences for the import of camphor, the S.T.C. was favoured with one. Proceeding, he observed:

"There is also a good deal of heart-burning and misunderstanding regarding the distribution methods adopted by the State Trading Corporation for goods imported by it. In some cases, the representatives of the manufacturers of similar commodities have been entrusted with the distribution, while, in other cases, local agents of foreign manufacturers from whom the goods have been imported have been permitted to do so. Both these methods are unsatisfactory and unjustified. Wide experience, specialised knowledge and vast contacts of the normal trade channels to import economically and distribute advantageously should be profitably utilised for the purpose. Another suggestion which I would like to make is that an advisory committee, consisting of non-officials, should be appointed to advise the State Trading Corporation on its policy matters. Such a step will not only benefit the State Trading Corporation to utilise the experience and know-how of the intricacies of the trade whose well-organised and improved distribution services will be of great asset, but will also help to remove the misunderstanding and misconception on the part of the traders."

Replying to the aforesaid criticisms, Mr. Shastri said:

"The question of prices and the consumers' interests comes up. Whenever it is found that there is scarcity and there is a fear of cornering of goods and the prices have soared high, Government advises the S.T.C. to import, in a limited way, those particular commodities, so that the industries or the actual users do not suffer. I might, however, frankly admit that the present arrangements for distribution made by the S.T.C. are not wholly satisfactory. There is no doubt that, unless new arrangements have been made, the normal channel should be allowed to function. Our general policy still is to arrange for distribution through the established importers as far as possible."

Mr. Shastri, however, did not give any reply to Mr. Shah's suggestion for an advisory committee of traders to help the S.T.C.

ROPE INDUSTRY

Reviewing the problems of, and prospects for, the Indian rope industry, Mr. K. L. Jalan, the retiring President of the Indian Rope Manufacturers' Association, Calcutta, observed, in his speech at the eighth annual meeting of the Association, that, with a helpful import policy, the industry would come to occupy an important place in India's economy. The indigenous industry, he said, was producing all types of ropes and cordages required by the country. The combined capacity of the production of the members of the Association of rope and cordages of Manila, sisal and aloe, etc., is over 15,000 tons a year. In addition, they have a capacity to produce 10,000 tons of ropes and cordages from coir, jute, cotton and hemp.

The major problem confronting the industry relates to raw materials. The industry is completely dependent upon imports for such raw materials as Manila hemp and sisal. The world supply position of sisal was comfortable in 1958, while that of Manila hemp suffered a contraction. Consequently, while the price of sisal moved within a narrow range, that of Manila hemp ruled high. India's need of these raw materials is small as compared with those of the U.K., the U.S., Japan and Continental Europe. What caused a handicap to the Indian rope industry was the restrictive import policy of the Government. The import restrictions still continue and adequate supply of raw material has become a big problem for rope manufacturers. Referring to this problem, Mr. Jalan observed:

"While I am thankful to the Government for restricting the issue of licences to the actual users only, I may point out that since October 1956, when the import of these fibres was removed from the Open General Licence, our member factories have not been given licences for the import of their requirements in full with the result that they have been compelled to curtail their production.... The world prices for Manila and sisal fibres have already gone up and if the rope factories are not given licences adequate to meet not only their current requirements but also for building up sufficient stocks, they will have no other alternative but to pay very high prices for these fibres in the coming months. Thus, as a result of the restrictive policy pursued in the matter of issuing licences, more foreign exchange will have to be spent for import of these fibres later on, which would run contrary to the Government's intention of conserving foreign exchange. Moreover, the capacity of the rope factories has been increased recently, in some cases by about 20 to 25 per cent. or even more. The total foreign exchange involved in the import of sisal and Manila fibres is about Rs. 50 lakhs, while the saving effected by the restrictive import policy would come to about Rs. 12½ lakhs which, I consider, is insignificant in the country's total import bill of about Rs. 900 crores per year. Since most of our members have been left at present with meagre stocks and as the industry has to depend for these essential raw materials on foreign sources, I would urge upon the Government to take a sympathetic view of the situation and allow the factories to import Manila

(Continued on page 135)

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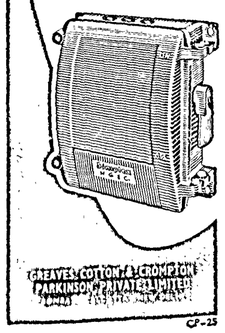

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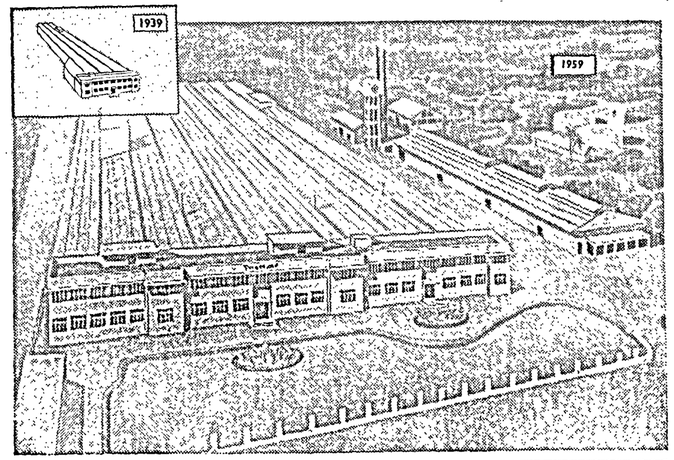
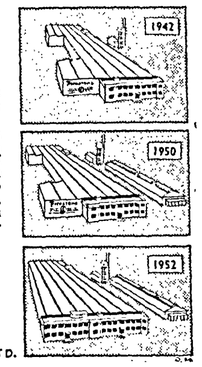


Year by year expansion of Firestone-India keeps in step with nation's requirements



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SHARP FALL IN BOMBAY BURMAH'S PROFIT

RESULT OF POOR EARNINGS FROM TIMBER BUSINESS

THE trading results of the Bombay Burmah Trading Corporation Ltd. (Secretaries and Treasurers: Messrs. Wallace & Co., Bombay) for the year ended 31st May 1958, are disappointing. The Company's earnings for the year under review have sustained a precipitous fall from the record levels at which they had been maintained in the preceding two years. Indeed, the year 1957-58 would appear to have been the worst for the Company in recent years. The gross trading profit from its various branches of business amounts to no more than Rs. 73.96 lakhs. This is less than half of Rs. 151.84 lakhs for 1956-57 and Rs. 151.81 lakhs for 1955-56. In fact, the aggregate trading profit would have been still lower had it not been for the sizable rise in the trading profit from South Indian plantations. It is the profit on the timber business that has registered the sharpest fall.

The aggregate net profit amounting to Rs. 31.58 lakhs makes a very unfavourable comparison with Rs. 52.38 lakhs for 1956-57 and Rs. 49.10 lakhs for 1955-56. This is the position even after substantially lowering the provision for taxation from Rs. 68.87 lakhs in 1956-57 to Rs. 9.19 lakhs. A breakdown of this provision shows that foreign tax takes up only Rs. 94,035 (as against Rs. 19.30 lakhs in 1956-57), agricultural tax Rs. 5.50 lakhs (Rs. 12.35 lakhs) and wealth tax Rs. 2.75 lakhs (Rs. 2.50 lakhs). No provision has been made for Indian income-tax and super-tax which claimed Rs. 34.71 lakhs in the previous year, as it is calculated that there is no taxable profit. The depreciation account, however, has received a larger provision of Rs. 34.40 lakhs, as against Rs. 30.36 lakhs a year ago. Other income has shown a modest rise from Rs. 37.29 lakhs to Rs. 37.69 lakhs. But it should be noted here that, of the latter amount, as much as Rs. 13.99 lakhs do not represent any actual income, but only provisions made in previous years written back. If this factor is taken into account, the net profit for the year under report would be still lower. Another factor which arrested a steeper decline in net profit is the saving made in the Secretaries and Treasurers' remuneration (subject to adjustment) which has come down from Rs. 9.75 lakhs to Rs. 3.22 lakhs.

The following comparative table brings out the salient features of the Company's working results for the past four years:

(In lakhs of rupees)

	For the year ended 31st May			
	1958	1957	1956	1955
Trading profit on—				
Timber ..	20 07	102 42	97 06	43 75
South Indian plantations ..	49 22	39 98	44 38	68 02
Namlsan tea factory ..	0 20	4 03	6 81	7 98
Sundries	4 47	5 41	3 57	4 41
Total trading profit ..	73 96	151 84	151 81	124 16
Other income	37 69	37 29	14 22	11 11
Establishment and other expenses ..	33 26	27 77	15 42	22 23
Secretaries' commission ..	3 22	9 75	24 66	20 30
Depreciation	34 40	30 36	28 45	28 39
Taxation	9 19	68 87	48 40	22 42
Net profit ..	31 58	52 38	49.10	43 03
From unpaid preferential dividend	6 50	—	—	—
To reserves	8 93	16 70	8 58	5 00
To dividend	30 49	34 24*	30 24	28 25
	(24%)†	(32%)	(32%)	(30%)
Preferential dividend	—	—	10 50	10 53
Carry forward	0.50	1 83	0 39	0 62

* On the increased capital, raised by the issue of 10,000 ordinary shares of Rs. 125 each after the close of the accounting year.
† Includes the special dividend of 6 per cent. paid in respect of 1955-56. The balance of 18 per cent. is on the increased capital raised by the bonus issue.

It will be seen from the above table that, barring the South Indian plantations, all other sections have shown a sharp decline in their trading results. The Company's timber business which had shown progressively better results year after year has yielded a mere Rs. 20 lakhs, as against Rs. 102 lakhs in the preceding year.

The dividend is proposed to be lowered to 18 per cent. from 32 per cent. for the preceding two years, to which level it had been stepped up from 30 per cent. paid for 1954-55. It should, however, be noted that the year's dividend is on a higher capital of Rs. 133.75 lakhs, raised by the capitalisation of Rs. 26.75 lakhs from the amount standing to the credit of the share premium account and a part from the general reserve and issued as fully paid bonus shares. These shares rank for dividend for the year ended 31st May 1958, subject to certain special provisions in regard to fractional certificates issued under the bonus issue. In addition, the shareholders received during the year a special dividend of 6 per cent., amounting to Rs. 6.42 lakhs, in respect of the year ended 31st May 1956 declared on 8th August 1957, that is, prior to the issue of bonus shares. It may be recalled that, under the scheme of arrangement for extinguishing the preferential rights, it had been agreed that, out of the preferential dividend payable for the year 1955-56 amounting to Rs. 10.50 lakhs, a sum of Rs. 4 lakhs was payable immediately on the 10,000 shares of Rs. 125 each issued under the scheme to the beneficial owners of the founder shares. The balance of Rs. 6.50 lakhs, which had been kept in suspense, has since been paid by way of special dividend to the shareholders in accordance with the scheme of arrangement.

The Company has trading activities in India, Burma, Thailand and Borneo. Referring to its activities in Burma, the Directors report that the volume of repair work in the dockyard was limited, but progress was made in the construction of timber and steel launches. It was necessary, during the year, to restrict somewhat the output from the plant for the manufacture of concrete pipes and similar products until demand is developed to absorb full potential production. The plant for the manufacture of asbestos cement sheeting came into production in April 1958. Here, too, a demand for the products of the factory is being steadily built up. Sales of lubricating oils and greases continued, but without any appreciable progress in the volume of sales. Import controls continued to limit the volume of sundry trading activities.

In Namhsan (tea factory in Burma), output of made tea dropped to 627,502 lbs. from 742,230 lbs. in 1956-57. Sales totalled 507,984 lbs. at an average price of K.3.09 per lb., as against K.3.08 in the previous year. Costs stood higher at K.2.90, as against K.2.65 per lb. Stocks were, in the main, disposed of to the Government of Burma tea blending plant as in previous years. A start was made in May in the resumption of sales through normal market channels. It is stated that difficult weather conditions and competitive demand from new local factories resulted in green leaf supplies being limited and expensive. This, together with restricted demand from the Government tea blending plant, affected results during the year.

The Directors report that, in Thailand, the small residue of logs extracted under the old leases was disposed of during the year. The Joint Timber Company L.d., in which this Company has 26 per cent. of the equity, started operations in October 1957. The late start caused by delay in the issue of working permits prevented disposal of any of the production in the year under review and the Company, consequently, made a small loss in 1957-58. Production of starch by Thai Tapioca Ltd. in 1957-58 amounted to 4,035 metric tons, as against 1,535 tons in 1956-57. Results for the year again showed a loss mainly due to the fall in commodity prices in the U.S.A.

In Borneo, production and purchases of hardwood logs at the Company's branch in Wallace Bay reached a record of 86,681 tons, as against 83,692 tons in 1956-57. The bulk of supplies was shipped in log form. Mill production of sawn timber amounted to 6,640 tons, as against 2,730 tons in the previous year. The North Borneo Timbers Ltd. made further progress in reducing the debit balance in profit and loss account.

The Company's South Indian tea estates produced a record crop of 6,738,359 lbs., as compared with 5,677,690 lbs. a year ago. Unit costs per lb. of made tea rose from Re. 1.34 in 1956-57 to Re. 1.44 in 1957-58, while average gross returns dropped from Rs. 2.46 in 1956-57 to Rs. 2.29. There has been a steady development of the area under tea in the South Indian plantations. Production of coffee in the Company's estates in Mysore amounted to 12,885 cw.s., including 2,753 cwts. from the estate purchased in 1957-58, as against 14,465 cwts. in 1956-57. Closing stocks have been valued at Rs. 2.25 per point. Further development of the Company's coffee acreage has taken place in South India. These areas will come into maturity over the next few years.

In Tanganyika, development continues on the Company's holdings of land in the Usambaras. Six hundred and twenty acres had been planted by 31st May 1958.

The financial position of the Company, as disclosed by its balance-sheet as at 31st May 1958, is quite strong. The paid-up capital stands raised from Rs. 94.50 lakhs to Rs. 133.75 lakhs, consequent on the issue of bonus shares referred to

(Continued on page 122)

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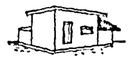

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COMPANY MEETINGS AND DIVIDENDS

SIJUA (JHERRIAH) ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 29th January 1959. Dividend: Re. 0.68 per share, payable on or after 9th February 1959. Transfer books remain closed from 19th to 29th January 1959, both days inclusive.

CHUNDEECHERRA TEA CO., LTD. Annual General Meeting, Calcutta, 30th January 1959. Dividend: *Nil*. Transfer books will remain closed from 27th to 30th January 1959, both days inclusive.

KALITI TEA CO., LTD. Annual General Meeting, Calcutta, 30th January 1959. Dividend: *Nil*. Transfer books will remain closed from 27th to 30th January 1959, both days inclusive.

NEW HUNTODIH COAL CO., LTD. Annual General Meeting, Calcutta, 31st January 1959. Dividend: *Nil*. Transfer books remain closed from 19th to 31st January 1959, both days inclusive.

MYSORE KIRLOSKAR LTD. Annual General Meeting, Harihar, 31st January 1959. Dividend: 7½ per cent. Transfer books will remain closed from 25th January to 5th February 1959, both days inclusive.

LOYAL TEXTILE MILLS LTD. Annual General Meeting, Kovilpatti, 2nd February 1959. Dividend: *Nil*. Transfer books will remain closed from 27th January to 2nd February 1959, both days inclusive.

BOMBAY BURMAH TRADING CORPORATION LTD. Annual General Meeting, Bombay, 4th February 1959. Final dividends of Rs. 300 per share, on the original shares, Rs. 15 per share, on the old shares and Rs. 6 per share, on the new shres, for the year ended 31st May 1958. These dividends are payable on and from 23rd February 1959. Transfer books will remain closed from 27th January to 17th February 1959, both days inclusive.

WOODCOTE ESTATES LTD. Annual General Meeting, Coonoor, 5th February 1959. Dividend: 6 per cent. Transfer books will remain closed from 29th January to 5th February 1959, both days inclusive.

SPENCER AND CO., LTD. Annual General Meeting, Madras, 5th February 1959. Dividend: Re. 1.50 per share (includes interim dividend of Re. 0.50 per share), free of income-tax. Transfer books will remain closed from 30th January to 5th February 1959, both days inclusive.

CHERRA-CHHATAK ROPEWAY CO., LTD. Annual General Meeting, Calcutta, 7th February 1959. Dividend: Re. 0.25 per share. Transfer books will remain closed from 29th January to 7th February 1959, both days inclusive.

SMITH STANISTREET & CO., LTD. Annual General Meeting, Calcutta, 10th February 1959. Dividend: 16 per cent. or Re. 0.80 per share. Transfer books will remain closed from 27th January to 10th February 1959, both days inclusive.

CHAMPARUN SUGAR CO., LTD. Annual General Meeting, Kanpur, U.P., 11th February 1959. Dividend: Re. 1.00 per share. Transfer books will remain closed from 27th January to 11th February 1959, both days inclusive.

BIRDS INVESTMENTS LTD. Annual General Meeting, Calcutta, 18th February 1959. Transfer books will remain closed from 4th to 18th February 1959, both days inclusive.

METTUR CHEMICAL AND INDUSTRIAL CORPORATION LTD. Interim dividend of 44 nP per ordinary share, free of tax for the year 1958-59. Transfer books will remain closed from 20th to 28th February 1959, both days inclusive.

BHOPAL SUGAR INDUSTRIES LTD. Dividend of Rs. 2.00 per ordinary share, free of tax, for the year ended 30th September 1958, payable on 1st April 1959. Transfer books will remain closed from 7th to 21st February 1959, both days inclusive.

BOMBAY SUBURBAN ELECTRIC SUPPLY LTD. Interim dividend of Rs. 3.00 per share, for the year ending 31st March 1959, payable on 3rd February 1959. Transfer books remain closed from 5th to 24th January 1959, both days inclusive.

HINDUSTAN ELECTRIC CO., LTD. Dividend of Re. 7.00 per share, for the year ended 30th April 1958, payable on 29th February 1959. Transfer books remain closed from 15th to 29th January 1959.

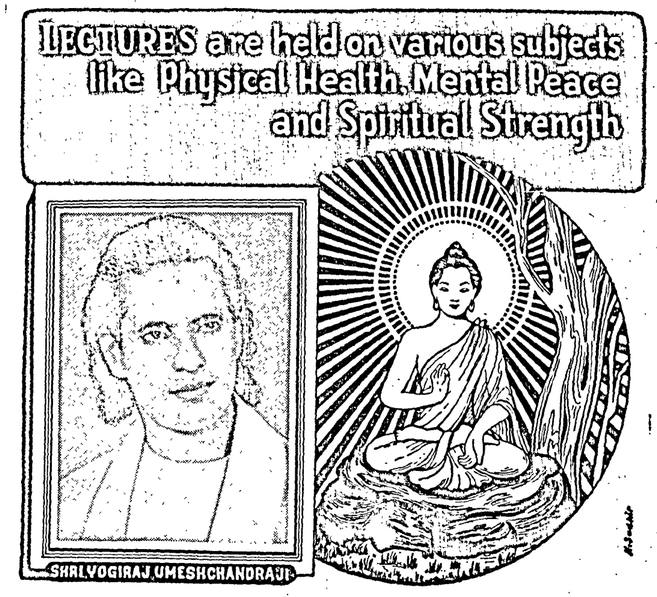
COMPANY REGISTRATIONS

HOECHST-FEDCO DYES AND CHEMICALS PRIVATE LTD. (First Director: Mr. Erich Wenzes.) Business: Manufacturers of dyes and dyestuffs. Authorised capital: Rs. 50,00,000. Private company. Address: Bank of Baroda Building, Apollo Street, Bombay-1.

IMPERIAL TYRE AND RUBBER CO. PRIVATE LTD. (First Director: Mr. H. J. Sheth.) Business: Manufacturers and dealers in rubber and plastic articles. Authorised capital: Rs. 10,00,000. Private company. Address 'Jamal Building', 3rd Floor, Nagdevi Street, Bombay 3.

WORAH TRADING CO. PRIVATE LTD. (First Director: Mr. N. S. Worah.) Business: General mining. Authorised capital: Rs. 5,00,000. Private company. The company is registered in the State of Bombay.

BOMBAY CONSTRUCTION AND ENGINEERING CORPORATION PRIVATE LTD. (First Director: Mr B. V. Kulkurni.) Business: Builders and constructors. Authorised capital: Rs. 5,00,000. Private company. Address: Mandvi Chambers, 3rd Floor, Samuel Street, Bombay 9.



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SHRI RAMTIRTH YOGASHRAM DADAR BOMBAY 14

CHAMPARUN SUGAR RESUMES DIVIDEND

PROFIT OF SMITH STANISTREET HIGHER

Champarun Sugar Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co. Private Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th June 1958.

The results for the year, after making the usual provisions for taxation, depreciation and adjustments, show a surplus of Rs. 5,69,985 (loss of Rs. 3,72,666). From this amount there has been transferred to rehabilitation reserve [including Rs. 13,000 (*nil*) for development rebate reserve] Rs. 40,000 (*nil*) leaving a balance of Rs. 5,29,985 (debit Rs. 3,72,666). From this the directors have deducted the debit balance brought forward from the previous year of Rs. 3,43,163 (credit of Rs. 29,503) leaving at credit of profit and loss account Rs. 1,86,822 (debit of Rs. 3,43,163). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend of Re. 1 (*nil*) per share, free of income-tax, for the year ended 30th June, 1958 Rs. 1,80,000 (*nil*) and carry forward to next account Rs. 6,822 (debit of Rs. 3,43,163).

The improved financial results over the previous year have been largely due to the improved quality of sugarcane supplied to Barrah Factory although the reduction in the cane crushed by that Factory may have mitigated against maximum profits. The results have also been favourably influenced by the improved quality and quantity of sugarcane supplied to the Chanpatia Factory in the past year, which has been very largely due to the efforts made under the Company's *Cane Development Scheme*. The relative figures for crush and extraction are given in the following table:—

	Barrah	Chanpatia
Cane crushed—	Mds.	Mds.
1956-57	35,32,463	27,60,361
1957-58	23,18,329	30,98,892
Yield of sugar—	Per cent.	Per cent.
1956-57	8.57	9.31
1957-58	9.65	9.98

The cane price remained at the previous rate of Rs. 1.44 nP per maund for cane delivered at the Factory gate and Rs. 1.31 nP per maund for cane delivered at outstation.

The results shown in these accounts are considerably affected by stocks of sugar as at 30th June, having been valued at a rate lower than the market rate for the particular sugars. This is due to the imposition of a control on the price and distribution of sugar by the Government of India in July, 1958. The Company, in collaboration with others, strongly protested to the Government and have indeed taken the matter to the Supreme Court.

The efficiency of both the factories has been well maintained and in the season under review a considerable increase in the crushing capacity at the expense of technical efficiency was introduced. This increase in the crushing capacity was made for several reasons not the least of which being to encourage the planting of cane for future seasons.

For the current season, the prospects are similar to last season, in that the cane to be crushed is approximately the same and quality also about the same.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,00,000	Gross block	85,45,310
Reserves ...	38,41,544	*Less*—Depreciation ...	62,25,089
Provision for taxation ...	61,046		
Liabilities ...	65,57,404	Net block ...	23,20,221
Profit and loss account ...	6,822	Machinery under construction ...	3,894
		Stock-in-trade	68,37,778
		Stores, spare parts and loose tools	13,70,656
		Debts, deposits and advances ...	14,85,685
		Investments	36,600
		Cash ...	2,11,982
Rs.	1,22,66,816	Rs.	1,22,66,816

Smith, Stanistreet & Co., Ltd.

The directors of the above Company (Chairman: H. N. Nicholls, Calcutta) submit the audited accounts of the Company for the year ended 30th June 1958.

With the increased acceptance of the Company's products and the restrictions on imports now imposed by the Government of India the opportunity has been taken substantially to enhance the sales force and research activities in order further to develop the Company's markets and whilst they may not be marked in the coming year it is expected that the results will place the Company in an increasingly satisfactory position.

It is also opportune to report that the Company has been privileged to participate in the capital of Messrs. Parke Davis (India) Private Ltd. to an extent of Rs. 3,00,000 which in view of that Company's potential in this country must prove a very sound investment as well as being regarded as a concrete record of the goodwill that Company bears to this Company, its distributors, in a substantial part of India.

In the accounts, after making adequate provision for depreciation and all other charges and transferring Rs. 1,00,000 (Rs. 1,00,000) to General reserve the profit for the year amounted to Rs. 2,90,090 (Rs. 2,18,970). After bringing in the amount of Rs. 87,365 (Rs. 1,18,395) carried forward from last year the balance at the credit of the profit and loss account as at 30th June, 1958, is Rs. 3,77,455 (Rs. 3,37,365) which sum the directors recommend should be disposed of as follows:

To payment of a dividend for the year to 30th June, 1958, on the preference shares at 10 per cent. per annum, free of income-tax absorbing Rs. 50,000 (Rs. 50,000), to dividend for the year to 30th June, 1958, on the ordinary shares, inclusive of the rights issue, at 16 (20) per cent. per annum, free of income-tax absorbing Rs. 2,40,000 (Rs. 2,00,000) and to carry forward to the next account Rs. 87,455 (Rs. 87,365). Shareholders are reminded that of the above an interim dividend of 10 per cent. on ordinary shares including the rights issue was paid on 30th December, 1958 and amounted to Rs. 1,50,000.

The Company has become a subsidiary of Turner, Morrison & Co. Private Ltd. in terms of the Companies Act 1956 and certain changes in the Board have been made.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Gross block	20,04,902
Reserves ...	13,06,999	Less—Depreciation ...	14,47,983
Provision for taxation ...	7,41,239		
Liabilities ...	30,14,119	Net block ...	5,56,919
Profit and loss account ...	87,455	Stock-in-trade	39,69,018
		Stock-in-process ...	1,59,624
		Stock-in-transit ...	2,08,849
		Stores and spares ...	28,780
		Debts, deposits and advances ...	13,11,772
		Investments	666
		Cash ...	4,14,184
Rs.	66,49,812	Rs.	66,49,812

Woodcote Estates Ltd.

The directors of the above Company (Managing Agents: Messrs. Goodall & Co., Coonoor) submit the audited accounts of the Company for the year ended 30th June 1958.

After providing for taxation the net profit (including adjustment) is Rs. 3,123 (Rs. 3,451) to which is added the balance brought forward from 1956-57 of Rs. 16,960 (Rs. 26,409) making a total of Rs. 20,083 (Rs. 29,860). Out of this amount the directors recommend payment of a dividend of 6¼ per cent. tax-free on the preference capital absorbing Rs. 3,900 (Rs. 3,900) and payment of a dividend of 6 (9) per cent. tax-free on the ordinary capital absorbing Rs. 6,000 (Rs. 9,000) leaving to be carried forward a balance of Rs. 10,183 (Rs. 16,960).

The estimates for 1958-59 provide for an estate crop of 80,000 lbs. and leaf to be purchased outside 25,000 lbs.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,60,000	Gross block	3,39,032
Debentures ...	50,000	*Less*—Depreciation ...	89,947
Reserves ...	67,417		
Liabilities ...	22,695	Net block ...	2,49,135
Profit and loss account ...	10,183	Stock of tea	3,360
		Debts, deposits and advances ...	19,137
		Investments ...	5,468
		Estate development account ...	26,464
		Cash ...	6,731
Rs.	3,10,295	Rs.	3,10,295

East India Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit on revenue account of Rs. 1,41,878 (Rs. 2,89,553) after providing for depreciation amounting to Rs. 74,357 (Rs. 66,227), writing off development expenditure of Rs. 10,745 (Rs. 50) incurred during the year on Tea Estate, and making a provision of Rs. 86,277 (*nil*) for contingencies. After transferring the above profit, making various adjustments, setting aside Rs. 43,000 (Rs. 65,000) for taxation, the balance available on profit and loss account amounts to Rs. 2,57,293 (Rs. 2,72,777) from which it is proposed to transfer to building reserve Rs. 1,00,000 (*nil*) and pay a dividend of 5 (10) per cent. for season 1957 on Ordinary shares absorbing Rs. 50,000 (Rs. 1,00,000) and carry forward Rs. 1,07,293 (Rs. 1,12,777 after transferring Rs. 25,000 to general reserve; Rs. 25,000 to repairs and renewals account and Rs. 10,000 to staff account).

Tea crop for 1957 was 1,182,837 (1,045,926) pounds. The average selling price per pound of tea was Rs. 2.48 (Rs. 2.72).

The estimate for 1958 provides for a crop of 1,140,000 lbs. of tea at a cost of Rs. 2.04 per pound.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block	29,79,027
Reserves ...	7,86,277	Less—Depreciation ...	11,51,727
Provision for taxation ...	1,63,517		
Liabilities ...	21,60,428	Net block ...	18,27,300
Profit and loss account ...	1,07,293	Stock-in-trade	13,72,303
		Stores, loose tools, etc.	3,15,629
		Debts, deposits and advances ...	5,08,412
		Investments	1,17,000
		Cash ...	76,871
Rs.	42,17,515	Rs.	42,17,515

Chundeecherra Tea Co., Ltd.

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

Crop.—A crop of 7,835 maunds was manufactured and was sold in Pakistan for internal consumption. The average price per lb. realised was Re. 1-15-3 as compared with Rs. 2 per lb. obtained for the previous season's crop of 8,623 maunds.

No extensions were put out during the year and the area under cultivation remains unchanged at 622 acres.

The revenue account shows a profit of Rs. 5,49,372 (Rs. 6,75,586). After deducting from this gratuity Rs. 1,325 (Rs. 10,725), staff commission and bonus Rs. 22,783 (Rs. 71,798), managing agents' remuneration Rs. 50,000 (Rs. 57,019), advances—written off Rs. 33,847 (*nil*), provision for taxation Rs. 2,50,000 (Rs. 2,60,000) and depreciation Rs. 31,646 (Rs. 49,904) there is left a sum of Rs. 1,59,771 (Rs. 2,25,281 after deducting Manager's planting commission Rs. 859). To this is added the dividend on investments (net) Rs. 235 (Rs. 329), profit on sale of motor vehicle Rs. 10,501 (*nil*) and excess provision of staff commission in respect of previous year—written back Rs. 26,675 (*nil*) giving a net profit for the year of Rs. 1,97,182 (Rs. 2,25,610). After adding to this the adjusted credit balance of Rs. 1,14,550 (Rs. 42,062) brought forward from the previous year, there is a credit balance of Rs. 3,11,732 (Rs. 1,14,550 after transferring Rs. 1,50,000 to buildings and machinery reserve and deducting Rs. 3,122 on account of sundry adjustments) on profit and loss account. The directors regret that owing to lack of funds in India they are unable to recommend the payment of any dividend at present. As and when funds are available in India a dividend will be declared. Meantime the balance at credit of profit and loss account is to be carried forward.

The estimates for season 1958 provide for a crop of 8,000 maunds at a total cost of Rs. 7,75,413 which excludes Rs. 3,32,500 being estimated capital expenditure.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Gross block	10,51,547
Reserves ...	7,95,000	*Less*—Depreciation ...	4,19,980
Provision for taxation ...	13,57,604		
Liabilities ...	7,20,532	Net block ...	6,31,567
Profit and loss account ...	3,11,732	Capital work-in-progress ...	3,14,700
		Stock-in-trade	6,32,028
		Stores and supplies ...	3,75,135
		Debts, deposits and advances ...	4,84,143
		Investments	1,940
		Cash ...	10,45,355
Rs.	34,84,868	Rs.	34,84,868

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

COMPANY AFFAIRS

(*Concluded from page 120*)

earlier and by the issue of 10,000 ordinary shares of Rs. 125 each for extinguishing the special rights of founder shares of Rs. 2,500 each. The reserves and surplus aggregate Rs. 345.34 lakhs. The current liabilities amount to Rs. 278.29 lakhs. The gross block of the value of Rs. 528.19 lakhs has been written down to Rs. 307.78 lakhs. Additions during the year were of the order of Rs. 69.44 lakhs. These are exclusive of buildings, machinery, roads, etc., under construction amounting to Rs. 18.73 lakhs. Investments in shares of subsidiary companies, other companies and Government securities, together with interest accrued, are shown at Rs. 84.36 lakhs. The other current assets aggregate Rs. 347.34 lakhs and include, among other things, stores at cost Rs. 50.77 lakhs, stock-in-trade of timber, tea, coffee, etc., and sundry trading stock Rs. 52.15 lakhs, sundry debtors Rs. 47.84 lakhs, loans and advances Rs. 96.17 lakhs and cash and bank balances Rs. 99.21 lakhs.

The Rs. 125 fully paid-up shares of the Company are currently quoted at Rs. 468 *cum-div.* (final dividend Rs. 15). On an *ex-div.* basis, the dividend of 18 per cent. for the year under review means a yield of 5 per cent. per annum, free of tax.

TREASURY BILL RATE HARDENS

(From Our Own Correspondent)

BOMBAY, 21*st January*

There has been no notable change in the state of the short-term money market. It continues to be stringent, thanks to the growing seasonal pressure of demand for bank credit. Weekly scheduled bank statistics show that bank deposits are slowly declining, while the pace of increase in their lendings is gathering momentum. Cash balances are dwindling and borrowings from the Reserve Bank are rising. These borrowings have so far been mostly against Government securities, as the outstanding borrowings against usance bills are no more than Rs. 3.21 crores.

There has been no change in interest rates in the market, inter-bank call money being done at the self-same rate of 3½ per cent. among the Exchange banks and big Indian banks. They, however, do not appear to be in a mood to pay more. The rate among the smaller Indian banks is 3¼-3½ per cent. House money at seven days' notice continues to fetch 3½ to 3¾ per cent. and short-term deposits for one to six months at 3¾ to 4 per cent. depending upon the period and the amount.

The tight money conditions are reflected in a further hardening of the Treasury Bill rate from 2.470 per cent. to 2.490 per cent. per annum this week. While the amount offered is unchanged at Rs. 2.05 crores, against an invitation for Rs. 2 crores (same as in the past week), biddings were at the lower rate of Rs. 99.375, as against Rs. 99.385 and Rs. 99.380 last week. Tenders for next week are unchanged at Rs. 2 crores. There were no sales of Intermediate bills this week also. Nevertheless, the Reserve Bank has decided to continue their sale at Rs. 99.391 per cent.

A further small expansion of Rs. 2.34 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 16th January 1959. Notes held in the Banking Department are lower by Rs. 2.43 crores. There has been no change in foreign securities, but balances held abroad have risen further by Rs. 5.56 crores, so that the total foreign assets stand at Rs. 197.27 crores. Central Government's deposits have declined by Rs. 13.92 crores, while other Government's deposits show a sharp rise of Rs. 36.26 crores. Deposits of banks, too, are higher by Rs. 2.81 crores. Loans and advances to Governments have declined by Rs. 7.54 crores, while other loans and advances have gone up by Rs. 4.94 crores. Investments have risen by Rs. 29.21 crores; this is in sharp contrast to the sharp fall in the preceding two weeks.

The Scheduled banks' statement for the week ended 9th January 1959 discloses a decline of Rs. 13.60 crores in demand deposits and a rise of Rs. 3.14 crores in time deposits. Inter-bank borrowings are higher by Rs. 65 lakhs, borrowings from the Reserve Bank by Rs. 12.48 crores and those from the State Bank of India by Rs. 99 lakhs. A sharp rise of Rs. 16.39 crores is noted in advances and of Rs. 1.97 crores in bills purchased and discounted. Cash balances have shrunk by Rs. 8.80 crores.

The Gilt-edged market continues to rule dull. There has been very little interest in Central Government loans, due to the stringency in the money market, which is keeping out institutional buyers. State loans continue to attract attention. The Life Insurance Corporation seems to be out of the market for the present. 3 per cent. 1986 Conversion Loan has gained a further 15 nP to Rs. 74.30, while 3 per cent. 1970-75 is unchanged at Rs. 91, as also 3 per cent. 1966-68 at Rs. 93.95. 3 per cent. 1963-65 is stagnant at Rs. 96.80, 3½ per cent. 1961 at Rs. 100.10, 3½ per cent. 1963 at Rs. 100.05, 3¾ per cent. 1964 at Rs. 99.85 and 3½ per cent. 1965 at Rs. 99.70. 3½ per cent. 1967 is placed at Rs. 99.15 *ex*-voucher, as against the same rate before payment of half-yearly interest. 3¾ per cent. 1967 and 3¾ per cent. 1968 stands unchanged at Rs. 100.80 and Rs. 100.60, respectively. 3½ per cent. 1974 is placed at Rs. 98.50 *ex*-voucher, as against Rs. 98.50 *cum*-voucher a week ago. Among State loans, Bombay 4½ per cent. 1969 has picked up 45 nP to Rs. 101.70, 4½ per cent. 1970 60 nP to Rs. 101.75 and 4½ per cent. 1971 40 nP to Rs. 101.50. Andhra 4 per cent. 1967 and 1968 has gained 5 nP each to Rs. 99.95. M.P. 4 per cent. 1967 has put on 10 nP to Rs. 99.80 and 1968 30 nP to Rs. 99.80.

In the foreign exchange section, rupee has gained some strength in terms of the U.S. dollar, following the recovery of sterling abroad. Banks selling rate of ready dollars is being quoted today at Rs. 476.75, as against Rs. 477 per $100 a week ago, and their buying rate at Rs. 473.50 per $100, as against Rs. 473.75. In New York, spot sterling has risen from $2.80½-2.80.9/16 to $2.80.11/16-2.80¾ and three months' forward from $2.80½-2.80.5/16 to $2.80.7/16-2.80¾.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 19*th January*

Firm conditions prevail in the linseed market. Both seeds and oil prices have advanced in sympathy with sharp rises recorded by other oilseeds, notably groundnut and mustard. With supplies still being very scarce, sellers have shown no interest, whilst there have been livelier inquiries from millers. The oil market is firm. Stocks are limited and only small lots are changing hands at higher prices.

The latest quotation for ready-January is Rs. 27 per maund.

FURTHER RISE IN GOLD

(From Our Own Correspondent)

BOMBAY, 21*st January*

There was a further rise in the price of gold during the week under review, while silver remained subdued, though some recovery was in evidence even in this metal yesterday and today. Today, the price of the yellow metal touched a level of Rs. 118-1, which was only Rs. 2 below the all-time peak of Rs. 120-1 touched on 6th May 1950 and As. 11 below the peak seen in 1951.

The persistent upward trend in gold is the result of hecting buying by speculators who are exploiting the situation caused by poor floating stocks, thanks to small arrivals and good demand from the interior. The small arrivals must be attributed to sharp decline in smuggling, seizure of large parcels of contraband gold by the customs and continued suspension of Mysore gold sales. Incidentally, there are rumours that the Union Government will shortly take steps to regulate the outflow of rupee notes to Arab countries with a view to checking smuggling activity more efficiently. When such is the position, buying inquiries have broadened and there are indications of the present bullish trend gathering further momentum in the coming weeks, what with the marriage season demand as well as improvement in the production of food and other agricultural commodities. A section of the trade feels that a large part of the increased incomes in rural areas will be spent on purchases of gold jewellery.

As for silver, there has not been any large-scale fresh buying. Operators appear to be cautious on reports that import duty on about 35,000 Tibetan coins was paid on Wednesday last week. Consequently, prices have tended to move down. The decline in prices would have been more marked but for replacement buying at lower levels yesterday and today.

Gold for forward delivery (January settlement) opened the week distinctly firm at Rs. 116-12-6, as against Rs. 116-5-6, and spurted to touch a high of Rs. 117-11 today before finishing at Rs. 117.10. The net gain over the week was Rs. 1-4-6. The February settlement moved up from Rs. 116-13 to Rs. 118. At the close today, it was an anna lower. The carry forward charge, which stood at As. 7-6 against bulls last week, narrowed down to As. 5 today.

Ready gold met with excellent buying support and registered a rise of Re. 1-13-6 to Rs. 118; at one time today, it was as high as Rs. 118-1. The daily average arrivals of gold were 4,000 tolas, while the offtake was 2,500 tolas per day. The floating stocks of gold are estimated at 30,000 tolas.

Silver forward (January settlement) came in for selling in the earlier sessions and receded from Rs. 194-14 to Rs. 193-3 on the 19th inst. It, however, recovered subsequently to Rs. 194-13 today before finishing easy at Rs. 194-12-6. The February settlement, after declining from Rs. 195-13-6 to Rs. 194-3, rose to Rs. 195-12 today. The carry forward charge remained unchanged at As. 15-6 against bulls throughout the week.

Ready silver, which stood at Rs. 194-9 last week-end, gradually declined to Rs. 193-9 on Monday. Thereafter, it recovered a little, today's closing rate being Rs. 194-12. The daily average arrivals and offtake were 14 bars and 12 bars, respectively. The floating stocks of silver are estimated at 1,400 bars.

The ready and forward silver prices at London were unchanged, the former at 76½*d.* and the latter at 75¾*d.* The price of gold in New York moved up from 249*s.* 10¾*d.* to 250*s.* 0¼*d.* Silver, too, rose from 90.125c to 90.375c.

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

	21-1-59	Highest	Lowest	13-1-59
Gold	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	118 0	118 1	116 8	116 7
Forward*	117 10	117 11	116 8½	116 5
Sovereign	73 8	73 8	73 0	73 0
Silver				
Ready (.996 fine Mint) ..	194 12	195 13	193 9	194 9
Forward†	194 12½	194 13	193 3	194 15
London Silver Ready ..	76¼*d.*	..	..	76¼*d.*
London Forward	75¾*d.*	..	..	75¾*d.*
London Gold	250*s.* 1*d.*	250*s.* 0¼*d.*	249*s.* 10¼*d.*	249*s.* 10¾*d.*
New York Silver	90.375 c.	—	—	90.125 c.

* 24th January settlement. † 27th January settlement.

TRADING IN KIPS PATCHY

(From Our Own Correspondent)

MADRAS, 19*th January*

Trading in E.I. hides and calves with the U.K. has been patchy, because importers are making selective purchases with emphasis on lower ends, while shippers wish to sell more top selections. Prices are likely to ease to some extent, due to financial reasons at this end. Arrivals are moderate, but clearance of stocks is restricted. The tone is bearish, which is not, however, warranted by the prices ruling in the raw section.

In the tanned skins section, inquiries from overseas buyers have been mostly for light weight goat skins and medium sheep fifths. As tanners have large orders to ship, they do not seem to be keen on booking orders, unless at 6*d.* above last established prices, which has been turned down by importers. Prices in this section as well as in kips will have to decline to some extent in order to stimulate export trade.

COTTON FUTURES FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 21*st January*

Despite the categorical statement of Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, in Bombay on the 15th inst. that there will be no reduction of export duty on cotton, the cotton futures market ruled fully firm during the major part of the week under review. Although the possibility of a reduction of duty was thus ruled out, most operators were inclined to take an optimistic view of the future, considering Mr. Shastri's appreciation of the problems of the trade and his keen desire to see that exports are stepped up. Reports of improvement in offtake of piecegoods and the prospect of a smaller crop favourably affected sentiment. However, large arrivals in up-country markets and the consequent fall in prices induced a reaction in the market on Saturday. But it proved shortlived as values spurted on Monday following extensive buying by Ahmedabad and Akola interests in Bombay. This was prompted by fears of damage to the crop due to the wet spell in Gujerat and Saurashtra. Large-scale local mill and investment buying aided the upward trend. The Jarilla contract firmed up by as much as Rs. 7.25 on Monday, although it eased slightly the next day. The market ruled steady today.

I.C.C. Moglai Jarilla March opened the week at Rs. 659, and after improving to Rs. 664 the next day, declined to Rs. 655 on Saturday. The contract, however, rose to Rs. 677.75 on Monday, but receded to Rs. 664.75 yesterday. Commencing today's session at Rs. 665, it improved to Rs. 667.25 before finishing at Rs. 664.50. The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	21-1-59	*High*	*Low*	14-1-59
I.C.C. Moglai Jarilla (March 1959) ...	664.50	667.75	655	659.50

The spot market also ruled firm. Values registered improvement. Sustained inquiries were reported for staple styles like Vijay, 197/3, CO2, O394, Rajapalayam, Khamgaon, etc.

In the export section, since there was no possibility of reduction in duty, trading interest was at a low ebb. Overseas demand continued to be discouraging. Some inquiries were, however, noted for Oomra *Deshi*, Bengals and old crop Berar 25/32″ staple and a moderate volume of business was reported.

The foreign section was quiet. Traders were eagerly awaiting an import allocation for cotton of stapling 1.3/16″.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week's closing rates:

Bengal *Deshi* 685 (690); Berar Jarilla 730 (740); Khandesh 810 (800); Vijay 945 (920); Jaydhar 900 (875). *Delivery contracts*: Bengal 622; Mathia 610.

The Karachi cotton futures market ruled easy during the week under review. A larger crop forecast by the Ministry of Food and Agriculture during the current season in its latest estimate and slack foreign demand imparted weakness to the market. N.T.R.G. January declined from Rs. 63-0-6 last week-end to Rs. 62-4-6, while the March position eased by As. 12 to Rs. 61-12-6. In the spot section, prices of *Deshi* varieties declined while those of other varieties showed some improvement. Punjab *Deshi* was quoted Re. 1-8 lower at Rs. 57-8. Sind *Deshi* declined fractionally to Rs. 64. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few other popular varieties of Pakistan cotton prevailing at Karachi:

4F Punjab Roller 62-7; S.G. 67-7; LS.S. Punjab Roller 63-15; S.G. 68-7; N.T. Roller 66-11; S.G. 73-15; 289F Punjab Roller 72-15; S.G. 82-15.

Quiet conditions prevailed in the Alexandria cotton futures market during the week. Values showed a sagging tendency. In the absence of any fresh development, trading interest was subdued. Domestic spinner demand was negligible. Foreign inquiries were few and far between.

Export sale of new crop from the commencement of this season till the end of December aggregated 474,193 bales of (720 lbs.), as against 392,911 bales sold during the same period of last season. Actual shipments during the season up to 7th January were 335,179 bales, as against 252,758 bales in the same period last season.

The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's closing quotations:

Karnak: *January* 72.12 (72.80); March 72.70 (72.85). *Ashmouni*: February 64.14 (64.17); April 64.05 (64.03).

Cotton futures values in Liverpool scored handsome gains during the week. There was large scale buying by spinners in anticipation of a general improvement in the textile trade. Commission Houses also supported the market. Sudan cotton contracts in Liverpool were neglected. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closings:

American cotton one inch staple contracts: March-April 22.45 (22.05); May-June 21.90 (21.45); July-August 20.70 (20.40); October-November 20.00 (19.00). *American cotton mixed growth contract*: March-April 22.95 (22.25); May-June 22.30 (21.60); July-August 21.00 (20.35); October-November 20.00 (19.78). *Sudan*: January-February, May-June, July-August 24.75 (24.75).

The New York cotton futures market suffered a setback during the week under review. There was heavy New Orleans selling and Commission House

liquidation. This was prompted by the news of the steady build up in the certified cotton stocks and reports of discouraging export prospects during the rest of the season. The forecast of the International Cotton Advisory Committee, Washington, that the U.S. exports could fall below 3.5 million bales, as compared with 5.7 million shipped last season, also adversely affected the sentiment of operators.

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

(In cents per lb.)

	20-1-59	13-1-59	6-1-59
Spot	35 55	35.70	35.70
March	34.35	34.68	34.64
May	34.52	34.82	34.79
July	34.03	33.94	33.88

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 21*st January*

The yarn market ruled dull during the week under review. Transactions put through were limited and values *moved narrowly*. Art silk yarns were quiet, thanks to enlarged supplies from indigenous manufacturers and large arrivals of foreign yarns against export promotion licences, while demand from consuming centres was at a low ebb. Staple fibre yarns were somewhat well supported, despite large offerings from local and upcountry manufacturers. Cotton yarns continued to rule depressed. Demand from internal markets was poor. Nor were advices from export markets encouraging; it was reported that there was continued keen *competition from* China, Hong Kong, Italy and Japan. The firmness of raw cotton had no effect.

The year 1958 witnessed a sharp drop in imports of art silk yarn, due to the Government of India's restricted import policy. The *actual* imports into Bombay port aggregated *no more* than 27.4 million lbs., as against 36 million lbs. in 1957. Imports of cotton yarn amounted to 1.46 million lbs. as compared with 1.50 million lbs. in 1957. The quantity of staple fibre yarn imported was only 16,699 lbs., that in the previous year being as much as 290,481 lbs. There were no imports of raw staple fibre during 1958, while, in 1957, 8.36 million lbs. had been imported.

In the art silk yarn section, indigenous yarns lacked support. National Rayons 150 bright cones first grade dropped 7 nP to Rs. 4.38. 120 bright cones first grade shed 3 nP to Rs. 4.38. 150 Japan were quiet at Rs. 5, as also 120 Italy at Rs. 5.31 and 150 Italy at Rs. 5.37. 120 Japan hardened by 7 nP to Rs. 4.91.

Cupressa Bamberg art silk yarn (60/1) February delivery was subjected to heavy selling pressure and climbed down by Rs. 32 to Rs. 1,598. Spot 60/1 cupressa were dull at Rs. 8.37.

Staple fibre yarn (40 x 2) February delivery gathered Rs. 2 to Rs. 609. April delivery was done at Rs. 617. Spot (40 x 2) Citys rose by 12 nP to Rs. 3.12. Kohinoors put on 5 nP to Rs. 3.30. Centurys were firm at Rs. 3.25. Foreign yarns, however, were neglected, Paramounts receding by 13 nP to Rs. 8.87 and Fujis by 7 nP to Rs. 8.87.

In the cotton yarn section, ten counts Podars were dull at Rs. 12.12. Moderns were on offer at Rs. 12.75. Among twenty counts, Moderns were quoted at Rs. 16.25. Thirty counts Hinds, however, put on 13 nP to Rs. 19.25. Among forty counts, Minaxis receded by 19 nP to Rs. 24.50. Moderns were quiet at Rs. 25.25. Sixty counts Raghuvamshis changed hands at Rs. 53, same as last week. Finlays were on offer at Rs. 65.

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

	21-1-59	12-1-59
Art silk yarn (per case of 200 lbs.)—	Rs.	Rs.
120 Japan (per lb.)	4.91	4.84
150 Japan (per lb.)	5.00	5.00
120 Italy (per lb.)	5.31	5.31
150 Italy (per lb.)	5.37	5.37
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 February	609.00	607.00
40 x 2 Kohinoor (per lb.)	3.30	3.25
40 x 2 Century (per lb.)	3.25	3.25
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.12	12.12
20s Modern	16.25	16.25
30s Hind	19.25	19.12
40s Minaxi	24.50	24.69
60s Finlay	65.00	65.00

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 21*st January*

The firm conditions witnessed in the local oilseeds market last week was turned into a bullish fervour during the week under review, thanks mainly to sustained prospects for sizable exports of oils and relatively tight supply position.

There was spectacular rally in prices in the groundnut section. This was aided by good demand for groundnut oil, oilcakes and H.P.S., particularly from Hong Kong and Canada and better prospects ahead. The reduction in freight rates in respect of H.P.S. on the India-Atlantic Ocean ports was another helpful factor. Arrivals were more or less limited, presumably as a result of the increased holding capacity of the farmers. There were, in addition, reports of lower crop from Saurashtra region owing to unfavourable weather conditions Margin considerations do not seem to have made much impression on the market, especially in the light of the distinct support from the North Indian speculators. Prices touched new high levels on Monday, which were more or less kept up yesterday as well. Today, however, there was slight setback mainly on account of technical considerations.

Groundnut February 1959 contract, which closed last week at Rs. 168.25, *moved* both ways in a narrow groove until Saturday. Monday saw an impressive rally in prices and the contract gained overnight about Rs. 6.75 nP to close at Rs. 176.00. It, however, eased to Rs. 174.25 today. The May 1959 contract, similarly, made headway from Rs. 172.50 last week-end to Rs. 180.50 yesterday, but it wound up today's session at Rs. 178.75. Bold ready which opened the week on a firm note at Rs. 33.56 readily picked up strength mainly on account of good demand from *vanaspati* manufacturers and touched Rs. 35.37 on Monday, but slightly declined to Rs. 35.25 today. Oil ex-mill improved from Rs. 18.00 to Rs. 19.12 yesterday. It, however, sagged today to Rs. 18.75.

The castorseed section was firm on prospects for exports of oil. Traders expect that the U.S. and the countries of the Communist block will be in the market in due course. The bullish sentiments might also be attributed to the good upcountry support and bear covering. Castorseed May 1959 contract spurted from Rs. 145.00 last week-end to Rs. 149.75 today, but not before touching a high of Rs. 150.25 yesterday. Ready Madras hardened from Rs. 28.75 to Rs. 29.25 today. Oil B.S.S. made considerable headway during the week. It rallied from Rs. 15.87 to Rs. 16.37 yesterday, but gave way to close today at Rs. 16.19.

There were no significant developments affecting the linseed section, but it improved in sympathy with other seeds. In view of the comfortable world supply position in linseed oil, it is difficult to predict the future course of export demand. Linseed May 1959 contract, after experiencing minor fluctuations, wound up the week with an overall gain of 88 nP at Rs. 32.50. Bold ready moved between Rs. 35.50 and Rs. 36.00 but was hammered down today to Rs. 35.62. Oil prices lost 19 nP over the week to close today at Rs. 17.81. Cottonseed moved up in sympathy with the cotton market. Cottonseed February 1959 contract advanced from Rs. 122.50 last Wednesday to Rs. 125.75 today.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	21-1-1959	14-1-1959	7-1-1959
Groundnut	Rs.	Rs.	Rs.
February 1959	174.25	168.25	164.87
May 1959	178.75	172.50	169.00
Bold ready	35.25	33.56	33.75
Coromandel ready	35.75	34.50	33.12
Khandesh quality	35.75	34.62	33.25
Oil ex-mill ready*	18.75	18.00	17.37
Railway receipts*	18.62	17.94	17.31
Castor seed			
May 1959	149.75	145.00	142.25
Ready Madras	29.25	28.75	28.00
Ready Kanpur	28.25	27.75	27.00
Oil B.S.S.†	16.19	15.87	15.25
Oil commercial†	14.94	14.62	14.19
Linseed			
May 1959	32.50	31.62	31.81
Bold ready	35.62	35.50	35.25
Oil ready†	17.81	18.00	17.87
Cotton seed			
February 1959	125.75	122.50	120.25
May 1959	122.25	118.50	116.50
Niger seed	28.25	27.75	26.50
Kardi seed	21.00	20.62	19.62

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for future contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR MOVES DOWN

(From Our Own Correspondents)

BOMBAY, 21*st January*

The firm trend noted in the sugar market in the past two weeks abated during the week under review. In fact, the market presented a distinctly easy appearance, though the sentiment was somewhat better today. The easiness was due to substantial arrivals of sugar by trucks into the city. The arrivals by rail were also quite heavy, being 23,360 bags, as against 14,400 bags last week. The highly comfortable supply position, together with rumours of the normal monthly release being announced on the coming Saturday, and the drop of a rupee per bag in the Bombay-Deccan ex-mill values, induced selling, with the result that prices suffered a setback. There was some recovery today, but it was not marked enough to make up the earlier losses, so that today's rates were much lower than those at the end of last week.

Over the week, large grain sugar fell by Rs. 2 to Rs. 112-Rs. 118 per bag. Medium grain declined by a like amount to Rs. 109.50-Rs. 111. Small grain lost 50 nP to Rs. 108.50.

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HAPUR, 19*th January*

Steady conditions were witnessed in the sugar market during the past week and prices of some grades were higher than the controlled rates fixed by the Government. The President of the Indian Sugar Mills' Association has urged the Government either to withdraw price control on sugar or to raise its price to a fair level, as also to impose an appropriate excise duty on *khandsari* in order to avoid unfair competition with mills. Crushing operations of mills in west U.P. were reported to be in full swing, as cane supplies were adequate.

The supply position in the Muzaffarnagar sugar market during the past week was quite comfortable, as demand tapered off towards the week-end on account of heavy despatches against previous commitments. Some business, however, was done for the Punjab, Gujerat and Saurashtra. The latest prevailing prices were: Crystal spot delivery Deoband C29 moist Rs. 35.25; New Deoband D29 Rs. 37.

Fresh demand lacking, the Kanpur sugar market ruled dull during the week. Sentiment in the ex-mill delivery section was well maintained, as the share of U.P. mills in the last quota was found to be short of requirements. The trade was now awaiting the release of fresh quota for restarting its buying operations.

After an early fall, ready *gur* tended to move up, due to good support by bulls. Arrivals were modest, the average being 3,000 to 4,000 maunds and local stock swelled to 25,000 maunds. Prevailing prices were: *gur pansera* Rs. 15.37 to Rs. 15.63; *balti* Rs. 16.25 to Rs. 16.44; *shakker* Rs. 16.75 per maund.

S.T.C. BUYS RAW JUTE

(From Our Own Correspondent)

CALCUTTA, 20*th January*

Quiet conditions prevailed in both raw jute and jute goods market during the week under review. In response to the price support policy, the State Trading Corporation commenced buying raw jute in a few districts, but this did not go far enough to have any effect on the trend of prices. For the Corporation's purchases have so far been meagre, as compared with the quantities on offer. The Corporation is caught between two horns of a dilemma: if only the Corporation purchases in greater quantities, the market can be relieved of surplus of the mesta varieties. If the Corporation must purchase in greater quantities, proper storage facilities will present a problem in the first instance. Again, it is unlikely that all the mesta quality fibre can be exported. In that case, the S.T.C. will be obliged to dispose of its holdings to mills at a later date. Further, it will be several months before mills may need to buy from the Corporation, as they have in their godowns fibre adequate for 4½ months' consumption. It is doubtful whether, even at a later date, the Corporation will be able to sell mesta to mills without putting itself to any loss, because mills can buy at competitive rates from the open market.

Trade circles here believe that some portion of the surplus of the inferior varieties can be exported, but point out that this field is entirely new to the Corporation. If only the services of the trading firms, which had much experience in the export of raw jute during the pre-partition time, could be utilised, trade circles feel, a greater quantity could be exported than the Corporation could achieve by acting alone.

Meanwhile, mills have stepped up purchases of the fibre. As a measure of support, mills bought from the same areas where the S.T.C. was operating. Even this has failed to impart steadiness to the market. There was a report that, in these districts, agencies of mills were offering premium price. However, the Indian Jute Mills Association was not aware of this. It was pointed out here, on behalf of the Association, that negotiations were in progress between the S.T.C. and the Association on the question of buying jute by mills from the Corporation. If in the area where the Corporation is buying raw jute mills offer higher prices, that will put the Corporation to difficulties. The area of activity of the Corporation comprises four northern districts of West Bengal, Bihar, Assam, and Orissa, where, due to a glut in supplies of the inferior varieties, prices have touched very low levels. The S.T.C's price is higher than the market rate, and the margin is to be shared by the growers and the local co-operative marketing societies.

During the week under review, there was the happy news from New York that burlap consumption in the United States in December was as high as 73.6 million yards, as against 64.5 million yards in the previous month. This news lent support to the hessian section of the goods market. On the other hand, the report of higher production in December checked enthusiasm. For production totalled 90,500 tons, representing an increase of 9,500 tons over November. Sacking increased to 49,200 tons from 44,900 tons, and hessian to 40,100 from 35,800 tons. At 7,200 tons, other constructions, too, recorded a small rise. The increase in production was due to increased working hours. As stocks at the end of November were 105,400 tons, goods available in the month of December were 201,900 tons. Stocks at the end of December were 109,900 tons, so that demand in the month was only 92,000 tons, that is, much less than production. On Tuesday last (13th January), ready B. twills were fractionally better at Rs. 94.70 and hessian 40"×10 oz. at Rs. 41 was steady. The news that the recent tender for heavy Cees was being kept pending soon spread and in the next day B. twills sagged to Rs. 94.15. In sympathy, hessian 40"×10 oz. fell to Rs. 40.90 and there were also rumours of an expected fall in U.S. burlap consumption in December, which proved incorrect subsequently. At this stage, bear-covering developed and B. twills on Thursday recovered to Rs. 94.25, while hessian 40"×10 oz. remained unchanged at Rs. 40.90. No business, however, took place, and, by the week-end, B. twills fell to Rs. 93.50. The recovery in hessian 40"×10 oz. to Rs. 41 on Friday could not be sustained, as the rate fell to Rs. 40.90 by the week-end. Yesterday, with the quotation at Rs. 92.20, ready B. twills reached the lowest level of the week. The decline followed selling pressure in the futures market. Although hessian 40"×10 oz. also declined, the ready goods at Rs. 40.75 were nevertheless steady due to shortage for ready goods.

The raw jute market was dull, despite buying interest shown by mills and the State Trading Corporation. Prices in the agencies, however, were firm, in view of buying by mills there. Northern bottoms, after falling to Rs. 20, recovered to Rs. 20.25, while Daissee bottoms were unchanged at Rs. 22. Daissee mesta bottoms changed hands at Rs. 17 with the middies being quoted at Rs. 19.50. Fair interest was shown in this variety. Mills were anxious to purchase this quality, since, in view of its satisfactory quality, consumption was increasing. As mills have stepped up purchases and already have with them fibre for four to five months' consumption, they have been put to difficulties for storage of fresh arrivals.

The latest quotations for the different varieties for 1958-59 crop, January-February delivery are:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	22.75	20.25
Assam	23.25	20.75
Orissa	25.50	23.00
Desal	21.75	19.25
Murshidabad	20.75	18.25
Jungli	20.50	18.00
Daissee	24.00	21.50
Uttar Pradesh	20.50	18.00
Daissee mesta	19.50	17.00
Bimli f.a.q.		Rs. 17.75
Pucca bales 1st marks ready.	... Rs. 140.00 per bale	

BLACK PEPPER RALLIES

(Messrs. Parekh and Co.)

BOMBAY, 21*st January*

Malabar black pepper, after fluctuating within a narrow range of Rs. 10 last week, rallied sharply during the week under review, following news of reduction of freight from India to the U.S.A. from $70 to $50 per ton Smaller arrivals at all terminal markets helped the sentiment. The bulls were not slow in exploiting the situation. The improvement in seeds and ginger proved a supporting factor. Outside speculators were reported to be paying more attention to pepper, as they thought that the present prices were low.

Both Indian exporters and growers are likely to try their best to pocket for themselves the advantage of the reduction in freight. They are quoting the same price as before. New York, however, will haggle for the concessions. If the exporters remain firm and in the meantime Singapore does not undercuote India, the market is likely to advance further.

Alleppey improved from Rs. 550 to Rs. 587½ for ungarbled, while garbled at Cochin from Rs. 93½ to Rs. 99. There were heavy fluctuations in February on the forward ring, owing to short-covering by bears and fresh buying by bulls. February delivery spurted from Rs. 95½ to Rs. 100. Calicut improved to Rs. 625, as arrivals were restricted, owing to rain in the interior.

Singapore remained steady with minor fluctuations, but news from Djakarta were encouraging, as speculators were buying both at Telok Betong and at Djakarta. Reduction of freight from Singapore to New York appeared imminent. New York spot, after improving to $0.24, came down to $0.23¾.

The future of the market depends upon the buying policy of New York dealers, for most of the sales to Russia and the East European countries stand covered.

In specific delivery, February improved from Rs. 526 to Rs. 563, while April delivery was forced up to Rs. 583 by speculative support.

Business in A.S.T.A. was very much restricted, as support from New York was lacking. New York continued to buy hand to mouth and paid $0.22 to $0.22½ for January shipment.

Today's nominal quotations are: Ready delivery Rs. 79 per Bengal maund; February Rs. 563-Rs. 568 and April Rs. 583-Rs. 588 per candy of 5¼ cwts.

MEDIUM TEAS DEARER

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

COCHIN, 15*th January*

891 280 lbs. were on offer in sale No. 2, which was held on Tuesday, 13th January. The quality of the high grown teas was maintained, and some improvement was noticeable in the good medium teas. The market opened to an irregular demand, with internal buyers competing for the low mediums, and the export buyers showing interest in the good medium and high grown teas. Low medium and medium fannings and whole leaf were the strongest feature of the sale and these descriptions were 5 to 10 nP dearer. The Egyptian buyer showed interest in black leaf fannings. Low medium and medium brokens were steady, but all others, particularly high growns, were irregular and easier. The quotations were: low medium Re. 1.53 to 1.63; medium Re. 1.68 to 1.83; good medium Re. 1.90 to Rs. 2.30 and quality Rs. 2.10 to 2.60.

Dust Sale 'A':—In the first dust auction of 1959 held on Thursday, 15th January there was 617,124 lbs. on offer. From the outset there was a very strong general demand for all teas up to good medium. Prices were irregularly 10 to 15 nP dearer and sometimes more. The sole exception were high grown dusts which can be quoted about steady. A quantity of C.T.C. dusts met keen competition and sold at dearer rates.

London Market:—Sale of 12th January 1959.—Good demand. Best dearer; others fully firm.

Sale of 13th January 1959.—Only best steady; others easier.

Colombo Market.—Good demand. Dimbula Dickoya B.O.Ps declined 15 to 20c. Corresponding fannings dearer. Useful medium brokens up 15c. Plainer sorts steady. All lowgrowns, including Gulf types, about 5c dearer. Offgrades strong demand, generally 5 to 10c dearer.

Calcutta Market:—Export.—Continued strong general demand. Plain brokens and fannings firm to dearer. C.T.Cs good demand; best irregular; poorer types dearer. Darjeelings less support.

Internal.—17,500 packages dust. Continued strong demand. Orthodox firm to dearer. C.T.Cs strong; poorest 5 to 10 nP dearer. Few best also dearer.

Export Quota.—The market improved during the week, and a fair volume of business was transacted at 4¼ nP. The market has since shown a slightly easier tendency, and the latest quotation is sellers 3¾ nP, buyers 3¼ nP.

Forthcoming Auctions.—Sale No. 3 will be held on Tuesday, 20th January 1959.

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

"*Sale* 3:—845,000 lbs. Strong general demand. Low medium brokens fully firm, fannings dearer, medium good medium and best liquoring prices higher following quality."

TEA FARES WELL AGAIN

(From Our Own Correspondent)

CALCUTTA, 20*th January*

Strong demand was again a feature during the tea sales held yesterday for export. A similar tendency was also in evidence in the internal sales held in the last week.

Meanwhile, reports from London also encouraged the stimulating trend here. Although warehouse and about-to-be landed stocks in the United Kingdom in the week ended 9th January rose from 183.3 million lbs. to 187.7 million lbs.—the increase in weight in landings has been due to the rains character of the tea—it was noted that there was a strong belief there that world consumption was increasing. Traders in London would be offered a bigger quantity each week in the next month. May be, buyers will consider higher quantities as involving no risk.

The production figure for North-East India for December is now available. Adding the December figure, which, incidentally, was 6.000 lbs. lower as compared with December 1957, production in 1958 aggregated 551 million lbs., thus recording an increase of 22.71 million lbs. This surplus is not such as to be a botheration, think market circles, but, considering the growing competition from China and East Africa, it remains to be seen if common teas will prove economic to gardens. It is to be hoped that the industry's just demand to both the West Bengal and Assam Governments to abolish the entry tax on tea will be conceded at an early date. This tax alone costs the industry about Rs. 4 crores, according to estimates.

In the internal sales held last week, dusts on offer totalled 17,470 chests, which met with a strong general demand. C.T.C. Assams provided the star feature of the sales. The better varieties rose by 20 nP and the poorer and medium sorts by 10 nP. The clean orthodox grades received good support, and the black leaf exportable teas and the smaller coloury grades advanced by 10 nP. The quotations, in rupees per lb. excluding the excise duty, were: best Assam C.T.C. 2.40 to 2.90 (nominal), medium Assam C.T.C. 2.00 to 2.15, medium Assam grainy dust 1.74 to 1.80, and medium Doars 1.78 to 1.80.

Leaf on offer totalled 1,859 chests, prices of which rose as demand was good.

On offer during yesterday's export sales were 66,325 packages. Prices showed an irregular tendency. Orthodox B.O.Ps were in good demand at declining rates, but the few bright liquoring kinds were fully firm. O.Fs were in demand at lower rates. In the C.T.C. group, the poorer sorts rose, and the remainder realised valuations. The leafy teas in the plain and medium B.P. group were in keener demand and their prices hardened. The P.Fs occupied a shady corner, while the better medium teas receded. Although demand was good, legg-cut teas lost by 2 to 4 nP. Whole leaf grades were firm, with the stylish lots and the well-made B.P.Ss in greater attention, realising higher prices. Darjeelings were in strong demand, and realised improved prices. The quotations were: best Assam C.T.C. fannings Rs. 2.30 (nominal), clean black pekoe Rs. 2.00 to Rs. 2.04, best Assam C.T.C. B.P. Rs. 2.25 (nominal), medium B.P. Re. 1.60 to Re. 1.64, plain B.P. Re. 1.60 to Re. 1.62, and plain fannings Re. 1.72 to Re. 1.76.

Export quota was offered 2¼ nP towards the close, after earlier business at 3 nP.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 19*th January*

Steady conditions continued in the foodgrains market during the week on reports of acute shortage of rabi grains. Thanks to the record rice crop, which is expected to reach 30 million tons against the peak of 28.8 million tons in 1956-57, the Central Government's procurement target of 1.5 million tons is expected to be exceeded. With procurement operations in full swing in various States, two million tons of rice or more are expected to be easily procured.

Wheat, after touching the peak level of Rs. 28 to Rs. 30 per maund during mid-session, eased slightly to be quoted on Monday at Rs. 27.50 to Rs. 29.50 per maund, thanks to some arrivals from outside by road and a wagon-load from Lalitpur (Jhansi).

Rice also recorded modest gains during the week in sympathy with wheat. Supplies were restricted, as it was not freely possible to bring rice from surplus areas due to Government restrictions. The prevailing prices were: *basmati sela* Rs. 31.50; *mainpuri* Rs. 22.50; *raimunia* Rs. 27; coarse Rs. 18.25 per maund.

Gram touched an all-time high level by recording further advance of Re. 1 per maund during the week, due to paucity of stocks and firm advices from Punjab and Delhi, where prices had spurted to new heights. Barley and *bejhar* also tended to move up. The condition of the standing *rabi* crop is satisfactory, but the new crop will not be available before the first week of April. Maize improved fractionally, following brisk consumer demand from rural areas. *Bajra*, *jowar* and *guwar* sought higher levels to be quoted towards the week-end (in rupees per maund) at: gram 21.75; barley 17.75; *bejhar* 18.25; maize 16.25 to 16.75; *bajra* 17; *jowar* 15; *guwar* 15.50.

Pulses remained steady. While local peas stocks were negligible, *arhar* stocks were fast running down. Heavy frost earlier this week adversely affected standing peas and *arhar* crops. *Urd* and *moong* were also steady and prevailing prices were: peas Rs. 20 to Rs. 21; *arhar* Rs. 22; *arhar dal* Rs. 26.50; *urd* Rs. 18.75; *moong* Rs. 20 to Rs. 22.50; *massor* Rs. 18.50.

METALS RECEDE

(From Our Own Correspondent)

CALCUTTA, 20*th January*

Listless conditions were in evidence in the metal market during the week under review. In the absence of buying support, prices of base metals searched lower levels. Tin gave way to Rs. 592 from Rs. 602. Business done was very poor, and stockists reported a satisfactory supply position. It was expected that the higher trend in Bombay could not be maintained for long. Copper scrap was in good demand. Brass scrap was also wanted in higher quantities. Copper scrap at Rs. 227 a cwt. registered a small rise. On the other hand, copper-wire met with a poor market and, even at Rs. 2.31 per lb., buyers were few.

Encouraged by anticipations of a decline in warehouse stock, it was noted here, the price of copper on the London Metal Exchange advanced to £229 from £224. In New York also, a rise was reported, and stockists there anticipated that consumers might add to their inventory in view of a possible strike in mines. The U.S.S.R. and Red China continued to show interest in copper on London and demand from Europe was also increasing.

Locally, electrolytic zinc opened at Rs. 103 and gave way to close at Rs. 100. There were some arrivals during this week and, in the absence of sales, these increased stocks in the bazaar and had an effect on price. Lead sagged from Rs. 82.50 to Rs. 81. The price in Bombay was higher at Rs. 91 and, as a result, Bombay parties placed orders on Calcutta. Despite these sales, the stock position here continued to be comfortable.

HIDES IN GOOD DEMAND

(From Our Own Correspondent)

KANPUR, 19*th January*

The hides and skins market ruled fully steady during the week despite fairly considerable fresh arrivals. For the demand for upper level cow and buff was strong, the main purchasers being the local tanners. The Madras dealers and the country tanners were active in the goat and sheep sector. The latest available quotations are: Wet salted cow 1st grade Rs. 400, 2nd grade Rs. 360 and 3rd grade Rs. 300 per score; wet salted buff 1st grade 2 lbs. 1 oz. and 2nd grade 2 lbs. 3 ozs. per rupee: goat 1st grade Rs. 375 and 2nd grade Rs. 300 per 100 pieces; sheep Rs. 350 per 100 pieces.

Notice

THE BRITANNIA BISCUIT CO., LTD.

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend of 4 per cent. on Ordinary Shares and 4 per cent. on Preference Shares has been declared by the Directors for the year ending 31st March, 1959. The Dividend will be payable to those shareholders whose names appear on the Register of Members on the 11th February 1959. Warrants will be posted on or after that date to the addresses or in accordance with the instructions recorded in the Company's books.

The Register of Members of the Company will remain closed from the 4th February 1959 to the 11th February 1959, both days inclusive.

By Order of the Board,

A. P. CHANDA,
Secretary.

15, TARATOLA ROAD,
CALCUTTA, 27, 17*th January*, 1959.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 16th Jan., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	52,23,19,000
(2) Other Governments	47,14,01,000
(b) Banks	72,20,13,000
(c) Others	115,86,69,000
Bills Payable	18,90,69,000
Other Liabilities	33,23,69,000
Rupees	452,58,40,000

ASSETS	Rs.
Notes	6,53,92,000
Rupee Coin	2,65,000
Subsidiary Coin	3,95,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	14,11,61,000
Balances held abroad*	32,59,75,000
Loans and Advances to Governments†	24 39,62,000
Other Loans and Advances	94,93,72,000
Investments	263,77,89,000
Other Assets	11,15,29,000
Rupee	452,58,40,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 3,21,01,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,53,92,000	
Notes in circulation	1629,70,37,000	
Total Notes issued		1636,24,29,000
Total Liabilities		1636,24,29,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		134,00,21,000
Government of India Rupee Securities		1219,80,49,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1636,24,29,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	9th Jan., 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1627.36	1602.00	1595.63	1540.72
Notes held in Banking Department	35 05	8.97	11.08	7.35	10.21
Foreign Securities	59 50	164.68	164.68	164.68	270.26
Rupee Securities	37.39	1219.79	1194.79	1184.74	1032.10
Banking Department					
Deposits of:					
Government of India	14.39	68.15	52.99	66.25	49 69
Other Governments	..	10 88	18.52	9.39	16.16
Balances held abroad	10.06	27.04	24.52	19.95	19.63
SCHEDULED BANKS					
Demand Liabilities	134.36	713.75 (21.64)†	725.29 (19 57)†	706.41 (21.09)†	702.25 (15.78)†
Time Liabilities	102.24	904.49 (26.21)†	902.76 (27.62)†	924 42 (37.07)†	692 19 (17.95)†
Borrowings from Reserve Bank	..	35.29 (2.24)‡	22 82 (3.04)‡	9.77 (0.68)‡	35.26 (30.29)‡
Borrowings from State Bank	..	8.94	7.95	5.10	8.77
Cash in India	6.70	40.67	45.47	39.52	38.36
Balances with Reserve Bank	25.17	67.40	71.40	70.03	58.28
Excess over statutory limits	15.52	13.63	17.08	16.23	9.83
Balances with other banks in current account in India	..	13.72	14.29	13.08	11.47
Money at call and short notice in India	..	36.76	37.31	43.81	45.66
Investments (at book value)	..	633.65	634.02	647.71	434.06
Advances and bills	105.9	901.52	883.16	840.76	883.68
STATE BANK					
Deposits	87.76	464 87	476.84	468.58	363.23
Investments	51.99	284.93	283.40	285.43	184.16
Advances	30 35	179.91	174.23	168 45	180 83
Cash	14.69	27.32	33.83	31.31	18.08

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	.. .. ..	3.50	3.61
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1918	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	8	4
Finland	20th April, 1956	5	6½
France	16th Oct., 1958	5	4½
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3 50
Japan	Sept., 1958	7.67	7.30
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2¾
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan., 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	23rd Oct., 1958	2	2½
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 16th Jan., 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		464,81,74,000
Borrowings from Other Banking Companies, Agents, etc.		18,00,00,000
Bills Payable		6,01,67,000
Bills for Collection being Bills Receivable as per contra		2,41,21,000
Acceptances, Endorsements and Other Obligations per contra		1,06,49,000
Other Liabilities (including Inter-Office Adjustments)		4,36,23,000
Total Rs.		508,92,34,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		27,22,13,000
Balances with other Banks		2,91,40,000
Money at Call and Short Notice		2,66,67,000
INVESTMENTS:		
Government and other Trustee Securities	273,77,02,000	
Other Authorised Investments	11,70,96,000	
		285,47,98,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	164,89,26,000	
Bills Discounted and Purchased	13,63,28,000	
		178,52,54,000
Bills Receivable being Bills for Collection as per contra		2,41,21,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,06,49,000
Premises less Depreciation		1,21,87,000
Furniture and Fixtures less Depreciation		95,03,000
Other Assets (including Inter-Office Adjustments)		6,47,02,000
Total Rs.		508,92,34,000

Scheduled Banks*

Statement of Affairs for the week ended 9th Jan., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	21,63,74,000
(ii) Other demand liabilities	692,11,15,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	26,21,18,000
(ii) Other time liabilities	878,27,35,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	8,89,12,000
(ii) Time liabilities	5,00,000
Borrowings in India from the Reserve Bank of India‡	35,29,46,000 (2,24,01,000)
Cash in India	40,67,24,000
Balances with the Reserve Bank in India	67,39,70,000
Balances with other banks in current account in India	13,71,94,000
Money at call and short notice in India	36,75,71,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	633,65,22,000
Advances in India	772,08,00,000
Inland Bills purchased and discounted in India	89,28,19,000
Foreign Bills, purchased and discounted in India	40,15,55,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in braket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Rs.	Per cent
28th October	3.00	8.75	3.00	2.489	99.375
4th November	4.00	10.00	4.00	2.458	99.385
5th to 7th November*	3.50	—	3.50	2 396	99 401
10th November	4.00	7.20	4.00	2.430	99 390
18th November	4.00	5.03	4.00	2 458	99 385
19th to 22nd Nov.*	0.64	—	0.64	2.396	99.401
25th November	3.00	5.50	3.00	2.442	99.385
6th to 29th Nov.*	0.50	—	0.50	2.376	99.406
2nd December	3.00	4.55	3.00	2.423	99.390
3rd to 6th Dec.*	0.65	—	0.65	2.356	99.411
9th December	3 00	3.95	3 00	2.420	99 390
16th December	3.00	3.60	3.00	2.445	99.385
1959					
6th January	3.00	3 05	3 00	2.460	99.385
13th January	2 00	2.05	2.00	2.470	99.380
20th January	2.00	2.05	2.00	2.490	99.375
Total amount outstanding	39.29	..	39.29	..	..

* Intermediate Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 9th Jan., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	84,97,49,000
(b) Provincial Governments	31,64,000
(c) Banks	15,99,00,000
(d) Others	5,62 78,000
Bills Payable	16,90,000
Other Liabilities	11,15,74,000
Rupees	124,23,55,000

ASSETS	Rs.
Notes	11,87,49,000
Rupee Coin	48,000
Subsidiary Coin	34,000
Bills Purchased and Discounted:—	‡
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	4,89,000
Balances held outside Pakistan*	12,44,50,000
Loans and Advances to Governments	9,50,00 000
Provincial Governments' Debtor Balances	8,80 84,000
Other Loans and Advances	18,32,80,000
Investments	59,26,32,000
Other Assets	8,95,89,000
Rupees	124 23,55,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,87,49,000	
Notes in circulation	348,04,65,000	
Total Notes issued	....	359,92,14,000
Total Liabilities	....	359,92,14,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	50,76,07,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
		116,85,70,000
B. Rupee Coin	438,96,000	
Government of Pakistan Securities	232,77,42,000	
Internal bills of exchange and other commercial paper	....	
		237,16,38,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	359,92,14,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.02 per cent.

EXCHANGE RATES

	21st January 1959	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot s.	1-5$\frac{11}{16}$	1-5$\frac{11}{16}$
Sellers T.T. D.D. upto six months s.	1-5$\frac{11}{16}$	1-5$\frac{11}{16}$
Buyers T.T. spot to nine months s.	1-6$\frac{1}{16}$	1-6$\frac{1}{16}$
Buyers T.T. 10 to 12 months s.	1-6$\frac{1}{8}$	1-6$\frac{1}{8}$
Bombay on New York—		
Sellers T.T. D.D. Rs.	477.00	477.00
Buyers T.T. Rs.	473 60	473 75
London on New York $	2.80$\frac{11}{16}$-2 80$\frac{3}{4}$	2.80$\frac{5}{8}$-2 80$\frac{11}{16}$
London on Paris Fcs.	13 75	13.75
London on Berne Sw. Fcs.	12 00$\frac{1}{4}$-12 10	12 00$\frac{1}{4}$-12 00$\frac{1}{2}$
New York on London $	2.80$\frac{11}{16}$-2 80$\frac{3}{4}$	2.80$\frac{5}{8}$-2.80$\frac{11}{16}$

CLEARING HOUSE RETURNS

Centre	Week ended 16th January, 1959 Number of Cheques	Amount Rs.	Week ended 9th January, 1959 Number of Cheques	Amount Rs.
Bombay	3,34,667	81,15,59,000	3,67,920	92,58,17,000
Calcutta	1,87,000	63,28,00,000	1,93,000	73,65,00,000
Madras	61,302	6,83,22,108	1,00,243	11,97,63,865
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,071,000	89,54 60,00,000
Sept., „	..	..	3,537,000	8,03,60,00,000
Oct., „	..	..	3,922,000	7,96,80,00,000
Nov., „	..	..	3,528,600	7,73,01,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	3rd Jan., 1959	27th Dec., 1958	4th Jan., 1958	November 1958	November 1957	Percentage of Increase (+) or Decrease (—) in Nov., 1958 as compared with Nov., 1957	Annual Average 1958	1957
Food Articles	504	112 5	112 2 R	102 9	118 0	107.9	+ 9 4	112 0	108 8
Cereals	192	103.9	104 1	97.4	110 5	102 0	+ 8.3	104.7	101.7
Pulses	43	111.1	110 9 R	81.1	112 3	83 2	+35.0	91 0	84 5
Fruits and Vegetables	23	114.9	112 1 R	94 5	117 0	110 7	+ 5 7	111 9	116 8
Milk and Ghee	84	103 9	101.1	97.2	106 2	103 9	+ 2 2	106 2	103 8
Edible Oils	47	115.3	116 8 R	121 8	123 8	131.4	— 5 8	123 2	128 3
Fish, Eggs and Meat	17	110 1	110 4 R	98 9	108 7	98 4	+10 6	106 9	96 6
Sugar and *Gur*	48	122 0	120 8	111.7	127 8	110 2	+16 0	122 8	104 6
Others	50	149 1*	151.1 R	130 8*	159 8	135 7	+17 8	145 7	132 0
Liquor and Tobacco	21	98 5	97 8	98 6	96 0	96 5	—0 05	93.7	91 8
Tobacco	—	97.1	96 4	95 0	94 4	95 0	— 0 6	92 0	90 1
Fuel, Power, Light and Lubricants.	30	115 0	115 1	113.7	115 0	115 3	—	115 2	111 5
Industrial Raw Materials	155	111 1	112.2 R	114.1	113 2	116 0	— 2 4	114 8	118 1
Fibres	61	104 8	105 4 R	114 3	102 7	114 4	—10 2	109 4	119 8
Oilseeds	60	118 2	120 5	116 6	126 8	122 8	+ 8 3	123.6	122 4
Minerals	2	107 3*	107 3*	107.1	106 5	107.4	— 0 8	106 9	108 5
Others	32	110 1	109 6	109 3	108 0	106 8	+ 1.1	108 9	107 3
Manufacture	290	107 9	108 0	107 9	108 7	108 8	+ 0 2	108 2	108 0 R
Intermediate Products	41	110 1	110 2	106 8	109 5	106 0	+ 3 3	109 4	108 5 R
Finished Products	249	107 6	107 6	108 0	108 6	108 9	— 0 3	108 0	107 9 R
Textiles	147	101.7	101 5	106 1	103.2	107.1	— 3.6	104 3	107 9
Cotton	—	110 0*	110 0*	116 1	111.2*	115 8	— 4 0	113 0	116 3
Jute	—	85 3	84 8	90.6	88 0	97.1	— 9.4	87.7	97.7
Woollen	—	105 9	105.9	103 0	105.9	103 3	+ 2 8	104.9	102 1
Silk and Rayon	—	91.1*	90 2*	84.5*	92 2*	81.8*	+12.7	92 5	85 0
Metal Products	12	143 1	143 1	143 4	143.1	143 4	— 0 2	143.1	138 2 R
Chemicals	20	111 0	110.0 R	99 0	110.5	98 9	+11 7	104 0	97.6
Oil Cakes	10	136.8*	141 0*	120 4	143 2	126 9	+12 8	128 6	114.7
Machinery and Transport Equipment.	31	104 3	104 3	102 4	104.1	102 3	+ 1 8	103 2	101 2
Others	30	113.8	114 0	111.6	113 8	111.5	+ 2.1	113 2	107.7
All Commodities	1,000	110.7	110.8 R	106.3	114 6	109 3	+ 4 3	111 9	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	final	79,027	79,320	24,821	28,282
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41 411	40,367	8,056	7,249
Bajra	final	27,453	27,884	3,565	2,885
Barley	final	7,531	8,726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5 831	1 716	1,715
Small millets	final	11,979	12,230	1,759	1,964
Total cereals	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24 265	4,754	6 264
Tur	final	5,598	5,686	1,396	1,954
Other Kharif pulses§	final	15,832	16,484	1,401	1,515
Rabi pulses‡	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,457	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3 318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,893	4 753	4,735
Jute A.	final	1,827†	1,742††	5,178†	4,052††
Mesta A.	final	726	733	1,211	1,476
Other crops—					
Potato	final	785	707	1,981	1,698
Sugarcane	final	5,021	5,057	63 954	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	926	1,029	252	294

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1958-59.
†† Refers to 1957-58.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	1956	Jan. to October 1958	1957
Exports	637,74	612,96	474,53	537,74
Re-exports	5,11	6,21	6,81	4,46
Total Exports	642,85	619,17	481,34	542,20
Imports	1025,82	821,46	628,36	833,98
Overall Balance of Trade	—382,97	—202,29	—147,02	—291,78
Exports—				
Tea	123,40	142,43	106,48	97,03
Jute yarns and manufactures	114.83	112,52	100,36	95,83
Cotton yarns and manufactures	68,58	62,23	43,11	59,75
Metallic ores and metal scrap.	49,80	23,36	26,85	42,19
Cotton, raw and waste	18,66	25,09	18,76	17,39
Oils—vegetable, mineral and animal	19,31	24,51	11,39	17,52
Fruits and vegetables	18 60	18,03	17,65	15,50
Tobacco	12 83	18,30	15,20	12,08
Mica	8,67	8,75	7,65	7,30
Wool—Raw	11,73	10,64	8,17	11,25
Gums, resins and lac	8,59	11,19	6,27	7,36
Spices	8,43	9,56	7,37	7,22
Hides and skins, raw	6,99	6,07	5,65	6,28
Imports—				
Machinery of all kinds	232,97	150,12	151,69	187,93
Iron and Steel	146,98	122,49	75,17	129,64
Oils—vegetable, mineral and animal	113,38	74,69	61,99	96,09
Cotton raw and waste	48,62	53,61	26,65	45,54
Chemicals, drugs and medicines	76,77	43,14	54,05	65,90
Electrical goods and apparatus	61,14	20,15	41,17	49,08
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	39,39	57,79
Fruits and vegetables	21,27	12,66	13,25	17,08
Paper, pasteboard, etc.	13,11	15,99	6,62	11,85
Dyes and colours	13,87	16,37	7,48	12,16
Spices	2,93	8,10	2,54	2,47
Woollen and worsted fabrics	1,31	2,18	25	1,14
Cotton fabrics	2,37	2,39	86	2,14

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During December, 1958	96.5
	Corresponding month, 1957	92.8
	Six months ended Dec., 1958	527.6
	Corresponding period, 1957	522.0
Stocks	At the end of November, 1958	109.9
	Corresponding month, 1957	75.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852.9
	1957-58	832.6
	November, 1957	76.6
	November, 1958	70.4
For Internal Consumption	1956-57	179.0
	1957-58	198.0
	November, 1957	20.4
	November, 1958	18.8
	RAW JUTE	(In 000 bales)
Consumption by Mills	December, 1958	560
	Corresponding month, 1957	538
	Six months ended Dec., 1958	3,037
	Corresponding period, 1957	3,000
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1955-56	715	8,965.8	7,185.8
1956-57	769	9,877.8	8,193.1
1957-58	834	11,176.9	9,011.1
July 1957	809	928 3	743.9
Aug., „	811	916 0	731.0
Sept., „	814	924.7	739.3
July 1958	791	1,056.7	846.0
Aug., „	791	1,040.7	831 9
Sept., „	793	1,053 5	843 1

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source*:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13.586	2,265	1,023	219	108	58	207	24	196	427	36	389	52	186
1957-58	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
October 1957	8,056	1,366	736	107	46	34	109	13	135	263	19	281	31	120
November „	9,240	1,566	844	129	53	37	137	16	149	309	24	302	37	134
December „	10,506	1,766	941	152	64	40	162	18	163	360	28	350	42	146
January 1958	11,814	1,979	1,038	174	80	44	186	21	177	418	32	394	45	161
February „	13 011	2,172	1.123	191	93	49	202	23	194	456	36	435	46	178
March „	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April „	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May „	2,439	431	234	40	18	7	28	4	31	88	5	78	4	27
June „	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July „	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August „	5,823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September „	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
October „	8,040	1,542	771	107	46	21	98	12	110	274	19	283	29	72

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

INDUSTRIAL PRODUCTION

Industries.	Unit	1957	Jan. to Oct. 1958*	Jan. to Oct. 1957	September 1958	October 1958*	October 1957
Major Industries—							
Coal	million tons	43.50	37.48	35.52	3.85	3.75	3.56
Steel (Ingots and Metal for castings)	thousand tons	1,715	1,337†	1,264†	149	—	150
Yarn	million lbs.	1,780	1,250†	1,336†	144	—	142
Cloth	million yds.	5,317	3,690†	4,032†	411	—	415
Cement	million tons	5 60	5 09	4.50	0.48	0.41	0.51
Jute	thousand tons	1,030	878	845	87	82	84
Paper and paper boards	tons	210,132	185,511†	171,111†	21,979	—	18,297
Matches	cases	578,400	466,400†	433,000†	53,500	—	43,800
Sugar	thousand tons	2,068	1,512	1,574	11	18	3
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	250 85	279.50†	175.52†	29.85	—	21.29
Electric lamps	millions	33.15	25.16	27.71	2.51	2.46	2 42
Dry cells	millions	166.56	135 88	141.05	14 65	13.51	9 72
Power transformers	k.v.a.	1,219,200	864,000†	896,500†	95,700	—	102,200
Electric Motors	h.p.	469,200	464,900†	838,900†	56,900	—	37,700
Electric fans	Nos.	524,400	469,900†	884,500†	50,700	—	37,400
Radio receivers	Nos.	190,692	147,253†	138,791†	16,124	—	12,047
Storage batteries	Nos.	324,000	285,900	266,300	32,100	23,000	24,200
Copper conductors	tons	8,556	5,915†	6,336†	615	—	789
Winding wires	tons	1,020	1,204†	730†	173	—	100
Rubber and plastic Ins. cables and flexibles	million yds.	103.80	89 44†	80 29†	12 43	—	0 24
Insulators—H.T.	Nos.	193,200	520,200†	100,400†	84,900	—	29,600
Insulators—L.T.	million Nos.	4 69	3.85†	3.60†	0.30	—	0.26
Diesel engines—Vehicular	Nos.	3,336	3,504	2,632	333	344	280
Do —Stationary	Nos.	16,644	20,644	13,256	2,421	2,348	1,736
Chemical Industries—							
Salt	million mds.	98.70	107 66	95 56	3.21	3.46	2 31
Caustic soda	tons	42,648	46,720	35,067	5,064	5,241	3,640
Soda ash	tons	91,920	73,680	75,794	8,919	9,078	7,747
Chlorine liquid	tons	15,696	15,929	13,082	1,739	2,704	1,322
Bleaching powder	tons	5,340	5,287	4,477	569	695	494
Bichromates	tons	3,672	2,651†	2,717†	320	—	323
Sulphuric acid	tons	196,068	167,463†	145,206†	20,404	—	15,895
Superphosphate	tons	141,684	127,749†	107,376†	15,335	—	11,612
Non-ferrous Metals—							
Aluminium	tons	7,784	6,140†	5,798†	690	—	687
Antimony	tons	502	409†	363†	40	—	45
Copper (virgin metal)	tons	7,848	6,476	6,478	685	700	672
Lead (virgin metal)	tons	3,174	2,584	2,589	362	142	317
Gold	thousand ozs.	179	141	149	15	15	14
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	167,484	157,122†	124,118†	17,410	—	8,558
Bicycles	Nos.	790,424	684,510†	580,477†	72,094	—	56,032
Automobiles	Nos.	31,932	23,055	26,944	2,471	2,704	2,450
Cycle tyres and tubes	million Nos.	14 18	13.42	11.70	1.42	0.94	0 72
Motor tyres and tubes	million Nos.	1.92	1 62	1.60	0 18	0.14	0.10
Cigarettes	million Nos.	28,892	22,390†	21,765†	2,318	—	2,281
Plywood—Tea chests	million sq. ft.	95 02	65 72†	73 95†	7.47	—	5.72
Plywood—Commercial	million sq. ft.	31.64	28 64†	23 84†	4 07	—	2.58
Sheet glass	million sq. ft.	54 23	53.77†	34 29†	6 56	—	6 23
‡Woollen manufactures: Worsted Fabrics	million yds.	15.79	16.80	12 61	2 51	1.47	1.52
‡Woollen manufactures: Worsted Yarn	million lbs.	27 80	24.63	22.49	2.60	2.83	2.58
Footwear—Western type (Leather)	million pairs	4 37	3 64	3.55	0.39	0.29	0.27
Footwear—Indigenous type (Leather)	million pairs	3 04	2.71	2 47	0 32	0.17	0 16
Alcohol—Industrial	million Bulk galls.	8.56	6.91†	6 30†	0 63	—	0.69
‡Alcohol—Power Absolute	million Bulk galls.	10 14	6.75†	7.72†	0.54	—	0 64
General Index—(Base 1951 = 100 Revised)		137 3	142.8‡	149.1‡	153.1	—	122.8

* Figures are subject to revision month to month. —Not Available. † Upto September only.
§ Includes figures for Jammu and Kashmir. ‡ Average of first nine months. The general index for September 1957 was 135.6.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base: 1952-53 = 100]

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	99	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58*	105	88	114	126	68	164	100	110	107	92	106	133	108	96	125	95	116	142
Oct. 1957	107	89	113	121	67	156	108	110	112	93	97	132	105	101	130	100	117	143
Nov. „	107	87	115	121	67	167	105	109	111	95†	101	132	104	102	130	97	115	143
Dec. „	102	86	109	117	65	157	99	109	110	96	105	129	102	104	130	92	115	147
Jan., 1958	101	86	103	114	64	162	101	117	106	95†	105†	130†	101	101	130	90	116	143
Feb., „	99*	84	92	109	61	156	105	117	104	95	104	123	102	96	130	88	116	143
March „	100	84	94	110	63	152	107	118	108	93†	108†	120†	103	93	130	86	116	145
April „	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	[illegible]	114	145
May „	106	86	92	111	64	158	115	120	115	89	109	125	110	102	132	88	114	145
June „	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July „	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	145
Aug., „	118	101	109	128	90	176	116	121	145	87	99†	125†	125	123	135	90	111	145
Sept., „	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct., „	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., „	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	145

* Provisional. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 15th Jan., 1959	25,864(J)
	Corresponding week, 1958	37,032(J)
	1st Sept. 1958 to 15th Jan., 1959	442,245*
	Corresponding period, 1957-58	439,046*
Cotton Exports	Week ended 31st Dec., 1958	14,164‡
	Corresponding week, 1957	2,299‡
	1st Sept. to 31st Dec., 1958	132,222
	Corresponding period, 1957	53,008
Mill Consumption (Estimated)	1st Sept. 1958 to 15th Jan., 1959	460,397A
	Corresponding period, 1957-58	500,377
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 15th Jan., 1959	392,767
	Corresponding date, 1958	455,696
Consumption of Cotton—		
Indian	November, 1958	363,650
Foreign	November, 1958	35,644
Indian	Three months ended Nov. 1958	1,140,707
Foreign	Three months ended Nov. 1958	119,501
Indian	Same Period 1957	1,162,690
Foreign	Same Period 1957	143,756
Stocks (Mills and Elsewhere)—		
Indian	As on 30th November, 1958	752,775
Foreign	As on 30th November, 1958	97,953
Indian	As on 30th November, 1957	750,680
Foreign	As on 30th November, 1957	190,170

Particulars	From 1st Sept., to Jan., 3rd 1958-59 Bales	From 1st Sept., to 3rd Jan., 1957-58 Bales
From Bombay Cotton Shipments to—		
United Kingdom	3,824	1,005
Continent	6,681	773
Hongkong	27,770	1,630
China	6,446	—
Japan	73,497	14,043
U.S.A.	707	1,024
Other Countries	1,575	577
Total to all foreign countries	120,500	19,052
Coastal Ports	16,589(a)	36,515(b)
Total	137,089	55,567

Particulars	Period	Bales of 392 lbs.
Cotton Exports from Bombay (by sea)	During October, 1958	30,907
	During October, 1957	2,547
	1st Sept., to 31st Oct., 1958	69,484
	1st Sept., to 31st Oct., 1957	8,872
Cotton Pressed in India† (In running bales)	Week ended 9th Jan., 1959	—
	Corresponding week, 1957	156,818
	1st Sept., to 9th Jan., 1958-59	329,839
	Corresponding period, 1957-58	1,387,017
Karachi (Pakistan)—		Bales
Receipts	1st Sept., to 8th Jan., 1958-59	614,432
	Corresponding period, 1957-58	647,854
Exports	1st Sept., to 8th Jan., 1958-59	283,185
	Corresponding period, 1957-58	196,680

(J) By Rail and Sea. † Incomplete * By Rail, Sea and Road. (a) From 1st Sept to 30th Nov., 1958. § Includes Zoda and Pickings, etc.
— Not Received. ‡ From 27th to 31st December. A—Adjusted. (b) From 1st Sept., to 31st Dec., 1957.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series.

(1952-53 = 100)

Group and Sub-Group	Week ended 10th Jan., 1959	3rd Jan., 1959	13th Dec., 1958	11th Jan., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	**100 6**	**100 6**	**100.5**	**98 4**
2. Government of India	100 4	100 4	100 4	98 1
3. State Government	102 1	102 0	101 9	100 1
4. *Municipal, Port Trust etc.*	99 2	99.2	99 0	99 0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total**	**101 2**	**101 1**	**101 0**	**98 7**
6. Plantations	100 1	100 1	100 1	100 0
7. Coal	99 6	99 6	99 6	99 6
8. Sugar	99 0	99 0	99 0	95 4
9. Cotton Textiles	98 3	98 3	98 2	97 7
10. Jute Textiles	91 5	91 5	91 5	92 9
11. General Engineering	101 4	101.1	101.1	96.3
12. Electricity Generation and Supply	97 2	97 1	97 1	96 6
13. Others	104 2	104.1	103.9	100.5
PREFERENCE SHARES—ALL INDIA.				
14. **Total**	**87 5**	**87 7**	**88.1**	**86 1**
15. Plantations	96 9	96 9	96 9	100 1
16. *Mining & Quarrying: Total@*	**88 1**	**88 5**	**89 4**	**84 8**
17. Coal	80 6	79 9	80 6	76 7
18. *Processing and Mfg.: Total**	**87 6**	**87 7**	**88 0**	**88 1**
19. Sugar	88 5	88 3	88 2	91 0
20. Cotton Textiles	78 3	78 2	78 2	84.2
21. Jute Textiles	81 1	81 4	80 9	72 3
22. Iron and Steel	90 7	90 6	90 6	87 1
23. General Engineering	100 1	100 4	101 2	101 3
24. Basic Industrial Chemicals	85 3	86 3	86 6	83 1
25. Cement	98 5	98 5	99 9	97 4
26. Paper	83 1	82 4	85 2	87 0
27. *Other Industries: Total**	**84 3**	**84 7**	**85 4**	**82 2**
28. Electricity Generation and Supply	85 2	85 9	86 6	84 4
29. Trading	81 3	81 2	81 6	75 7
30. Shipping and Other Transport	84 7	83 1	85 2	82 2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. **Total**	**136 3**	**136 1**	**136 2**	**120 3**
32. *Agriculture and Allied Activities. Total**	**144 7**	**145 9**	**149 3**	**133 8**
33. Tea Plantations	139 3	140 3	143 9	130 3
34. Coffee Plantations	192 2	195 5	196 5	177 3
35. Rubber Plantations	148 0	148 1	149 0	126 9
36. *Mining and Quarrying: Total*	**136 2**	**135 0**	**139 6**	**113 5**
37. Coal	107 4	106 8	109 1	87 6
38. Other Mining	156 0	154.3	160 4	131 2
39. *Processing and Manufacturing: Total*	**135 3**	**134.1**	**136 2**	**119 2**
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.). Total*†*	**123 7**	**122.8**	**124 5**	**114 1**
41. Sugar	161 1	162 1	165 1	155 1
42. Cotton Textiles	108 9	108 2	109 4	112 3
43. Jute Textiles	88 8	86 1	89 7	59 3
44. Silk and Woollen	419 8	410.9	421.2	317 0
45. *Processing and Mfg. (Metals, Chemicals etc.): Total**	**154 5**	**152 5**	**155 6**	**125 2**
46. Iron and Steel	149 1	146 3	150 2	113 6
47. Transport Equipment	187 3	182 3	188 3	166 1
48. Electrical Machinery	138 6	139 4	143 4	130.2
49. Machinery other than Transport and Electrical	170.0	169 8	172 7	142 2
50. Basic Industrial Chemicals	126 4	125 0	124 8	104 2
51. *Processing and Mfg. (Others): Total**	**134 9**	**134 2**	**136 0**	**123 6**
52. Cement	119 7	118 6	119 5	119 3
53. Paper	180 2	180 9	187 1	158 2
54. *Other Industries: Total**	**115 0**	**115.3**	**117 3**	**101 5**
55. Electricity Generation and Supply	93 4	94 4	94 6	87 5
56. Trading	86 3	85 4	88 3	73 6
57. Shipping and Other Transport	135 7	135 8	139 5	120 3
58. Construction	248 1	246 5	258 2	190 6
59. *Financial: Total*	**179 8**	**179 3**	**179 5**	**153 2**
60. Banks	202 4	201 7	201 3	173 3
61. Insurance	127 1	127.4	129 5	107 9
62. Investment Trusts	102.9	102 4	103 8	81 0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	139 2	137 8	140 4	120 8
64. Calcutta	134 2	134 0	136 0	115 9
65. Madras	149 8	149 5	149 8	140 3
66. Delhi	156 2	153 9	158 5	143 9

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,600	7,97 500
Do. 31st March, 1958	10,98,800	11,06,800	7,86 900
Oct., 1957	95,100	96 500	59 000
Nov., "	94,900	95,100	66,000
Dec., "	95,100	1,00,500	74,200
Oct., 1958	94,200	96,400	78 900
Nov., "	84,200	85,100	83,000
Dec., "	98,900	91,500	90,100
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6 95 156	5 32 315	4 41 483
Do. 31st March, 1958	7 83,945	5.07 580	4 10,558
Three months ended Sept. 1957	1,71,397	1,19,172	96 815
" " " Mar 1958	1,99,839	1 33 563	1 06,501
" " " June 1958	2,14,469	1,21 988	1 01 014
" " " Sept 1958	2 30 436	1,43,516	1,05 603

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man days lost
1956	1,203	715 130	6,992 040
1957	1,630	889,371	6,429,319
January 1958	147	56,492	371,125
February "	152	99 482	447 586
March "	167	85,462	818,824
April "	170	61,489	5,30,162
May "	160	57,657	5,60,459
June "	163	161,711	1,529,248
July "	164	98,592	464,165
August "	132	63,571(a)	613,682(a)

‡ In progress during the month. (a) Not known in 8 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'56-'57	387 68	..	11,010	284
Pakistan††	'56-'57	83 50	..	2,079	249
Burma	1957	20 00	Kyats 4,450	446	223
Ceylon	1955	8 38	..	475	567
Japan	1957	90 90	Y. 8,252,000	10,915	10,020
Philippines	1957	22 60	Ps. 8,799	2,095	927
New Zealand	1957	2 22	£ (N.Z.) 928	1,237	5,570
Australia	1957	9 60	£ (A.) 4,678	4,970	5,177
U.K.	1957	51 40	£ 17,418	23,220	4 520
U.S.A.	1958	174 00	$ 352,400	168,447	9,680
Canada	1957	16 60	$ 23,830	11,680	7,035
France	1957	44 00	F Fr.15,680,000	17,880	4 063
W Germany	1957	51 40	Dm. 158,000	18,057	3,513
Italy	1957	48 30	Lr. 12,231,000	9,412	1,949
Norway	1957	3 49	Kr. 23,290	1,560	4,470
Sweden	1957	7 30	Kr. 48,290	4,490	6,150
Netherlands	1957	11 00	Grs. 28,240	3,574	3,250
Denmark	1957	4 50	Kr. 25,480	1,760	3,910
Switzerland	1957	5.10	Sw. Fr. 26,900	2,956	5,796

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

Source: *International Financial Statistics*, October 1958.

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

†† According to budget speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	108
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	250	339	94	112	364	116	114	99	103	115	107	126
June 1957	112	356	254	330	91	112	371	115	115	98	105	113	111	127
July "	112	356	256	333	89	112	371	116	115	98	106	119	109	129
August "	113	377	265	347	93	113	375	115	118	99	105	120	108	128
September "	114	375	262	338	97	113	378	115	113	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	113	90	105	120	107	129
June 1958	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July "	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August "	120	404	288	322	103	119	403	126	117	108	106	125	111	132
September "	121	404	289	327	104	120	406	127	117	111	109	131	..	132
October "	123	405	290	333	108	122	406	130	119	113	105	130	..	132
November "	..	402	292	330				..						

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31 07	25,64	..	..	..	..	146 83	211 93
1953-54	5,91	4 26	104 38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152 71	252 96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7.38	—36,35	37 15	..	..	55	54	177 35	310 29
1955-56	3,76	5 48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163 68	..	..	176,97	196 50	25,38	—38 82	44 28	..	..	43	1 32	225 88	440 17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1.87	264,32	509,77
1958																
January	2 37	4.94	148 57	7.95	47,18	13.88	202.54	23.77	—39.55	43.80	68	4.08	18	1.68	22.68	478.93
February	2,31	4.83	146 14	10,24	57,42	14.22	203 12	23.45	—39 62	43 69	74	4 81	9	1.75	25 29	487.52
March	2,22	4.73	143,45	14 03	71,43	27,35	213,91	23,11	—39.73	43 58	70	5 47	12	1.87	42,20	509 77
April	2,15	4.65	141,31	6 56	77,99	15 27	214 24	22 85	—39,82	43.47	77	6.15	11	1 97	22,71	514 78
May	2 07	4 55	139,23	5,84	83,82	15 22	212 66	22,58	—39 90	43 37	57	6 72	5	2.01	21,68	517 01
June	2,01	4,47	137,44	5 03	88,80	14 51	213 05	22,30	—39,98	43,29	38	7 12	3	2.03	19 95	520 60
July	1,96	4.38	135,18	5,49	94,65	16 04	215,13	22 19	—40 06	43 17	47	7 63	5	2.07	22 49	526 36
Aug.	1 94	4 30	133,28	6.20	100 72	14,40	217 21	22 02	—40 13	43 07	45	8 11	5	2.10	21 10	532 75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40 22	42 99	41	8 55	5	2.15	20,44	537 82
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2.17	22,01	543,16
November	..	..	..	..	..	..	..	..	..	42,81	47	9.58	7	2.23		

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

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100 80
3 % Loan	1938-39	116,17,46,000	1963-65	96 80
3 % Loan	1950	30,32,10,000	1964	97.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93 95
3 % Dev. Loan	1945	1 15 05,83,000	1970-75	91 00
3 % 2nd V. Loan	1945	1,13,65 64,000	1959-61	99.70
2½% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97 25
2¾% Loan	1946	14,77,48,000	1976	83 20
2¾% Loan	1947	75,86,72 000	1962	96 95
3½% N. P. Bonds	1953	75,29,00 000	1961	100 10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99 85
3¾% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	97.70
3¾% Loan	1956	87 27,36 000	1962	99.20
3¾% N. P. Bonds	1956	63,81,83,000	1967	99 15
3¾% Loan	1956	66,63,53,000	1974	98.50
3¾% N.P. Bonds (4th Series)	1957	56,09 15 000	1967	100 80
4 % Loan	1957	49,17,27,000	1972	101 25
3½% Loan	1958	58,06,00,000	1963	100 05
3½% Loan	1958	30,00,00,000	1968	98.85
3¾% Loan N.P.B.	1958	31,16,76,500	1968	100 60
4 % Loan	1958	49,47,00,000	1973	100 90
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34 000	M.	72 50
3% Loan	1946	2 48,91 37,000	K.	74.30
STATE LOANS				
4 % Andhra	1955	5,00 18,000	1st Sept. 1967	99 95
4 % Andhra	1956	6 56,15,000	3rd Sept. 1968	99 95
4½% Andhra	1958	5,00,00,000	15th July 1970	100 90
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96 50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 50
4 % Bombay	1952	3,45 85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28 000	1st Sept. 1967	100 50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100 00
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	101 70
4½% Bombay	1958	5,00,00,000	15th July 1970	101 75
4½% Bombay	1958	5,00,00,000	15th July 1971	101 50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	99 80
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	99 80
4½% Bihar	1958	2 50 00,000	13th Oct. 1970	100 90
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99 00
3¼% Cochin	1936	30,00,000	1st June 1956-61	98 00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94 12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 00
3 % Madras	1939	1,23,96,000	21st June 1959	99 30
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98 85
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97 75
3 % Madras	1950	4,38,25,400	31st July 1960	98 85
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98 75
4 % Madras	1953	10,33,71,000	15th July 1963	100 30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 10
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100 00
4½% Madras	1958	5,00,00,000	15th July 1970	100 90
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101 25
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100 30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100 00
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,00,00,000	15th July 1970	100 90
3 % M P.	1948	2,03,28,800	15th Sept. 1964	93 65
3 % M.P.	1950	1,01,45,000	31st July 1960	98 60
3½% M P.	1951	1,02,18,100	17th Sept. 1962	98 00
4 % M.P.	1953	1,10,18,000	15th July 1963	100 10
4 % M.P.	1955	1,63 12,000	1st Sept. 1967	99 80
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	99 80
4½% M P.	1958	2,00,00,000	15th July 1970	100 90
4 % Saurashtra	1955	3,61,65 500	1st Sept. 1967	100 00
4 % Saurashtra	1956	2.74,84,600	3rd Sept. 1968	100 00
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.75
4% Trav Cochin	1956	2,22,08,000	3rd Sept. 1968	99 25
2½% U.P.Z.A	1952	41,44,79,000Z	..	48 60
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98 80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97 75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89 14,000	1st Aug. 1964	100 10
4 % U.P.	1953	5,58,25,000	15th July 1963	100 30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100 00
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100 00
4½% U P.	1958	7,00,00,000	15th July 1970	100 90
4 % Rajasthan	1956	3 14 19,000	3rd Sept. 1968	99 90
4½% Rajasthan	1958	2,50,00,000	15th July 1970	100 85
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	99 90
4½% Orissa	1958	3,00 00 000	15th July 1970	100 90

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.75
40,00 000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	97 75
88 25,000	4	1914	1975	97.75
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50 000	3½	1931*	1961	
13,50 000	3½	1932*	1962	
24 58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48 04,000	3½	1936*	1960	
10,00 000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24 300	4	1914	1974	97 75
76,90 100	4	1915	1975	97 75
1,50,00 000C	3††	1921	1981	82 00
68 02 300C	6½	1921	1981	144 00N
60 00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	98 50
25,00 000	3	1938	1963-68	92 00
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00 000	3	1946	1976	84 75
50,00,000	3	1946	2006	74 00
50,00,000	2¾	1947	1977	79 50
50,00,000	3	1948	1978	83 75
50,00,000	3	1949	1959	99 12
1,00,00,000	3	1949	1959	99 12
50,00,000C	3	1950	1980	82 00
1,00,00,000	3	1950	1960	98 00
1,00,00,000	3	1950	1960	98 00
50,00,000	3	1951	1981	81 75
1,50,00,000	3½	1953	1961	99 00
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97 50
90,00,000	4	1955	1985	97 25
77 00,000	4	1956	1986	97 25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99 50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901 000	5	1924	1954-84	£80 25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48 275	3½	1947	1977	
9,88,000t	3	1947	1977	A
3,00,000t	3	1949	1979	
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00 000	4	1901	1961	
30 00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97 75 N
20,00,000	4	1906	1966	
15,00 000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	97 50 N
50 00,000	4	1914	1974	
25 00,000	4	1916	1976	
40,00 000	5	1919	1957-79	118 90
60,00,000	6	1920	1955 80	115 00N
25 00 000	5	1926	1956 86	
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95 50N
£338,000		1910	1970	£95 50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	102 00
50,00,000	4	1934	1964	99 06
35,00,000	3½	1935	1965	94 06
30 00 000	3	1936	1966	90 00
50,00 000	3	1937	1962	93 50
20 00,000	3	1938	1963 68	90 00
80,00,000	4	1952	1962	99 25
1,02,00,000	4	1956	1968	99 00
75,00,000	4½	1958	1968	100 00

MUNICIPAL LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913 18	1974	98 00
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	101 00
8,25,00,000	3½	1947	1977	85 25
2,50,00,000	3½	1949	1979	85 25
4 00 00,000	3½	1950	1965	93 00
5,00,00,000	4	1952	1984	100 00
2 00 00 000	3½	1951	1966	97 40
1,30,00,000	4	1953	1963	100 00
1,00,00,000†	4	1952	1964	99 25
1,00,00,000†	4	1954	1966	99 00
2,50,00,000	4	1955	1967	99 90
1,50,00,000	4	1956	1968	99 90
2,00 00 000	4½	1957	1969	100 90
400,00,000	4½	1958	1970	100 85
CALCUTTA				
Rs.				Rs.
36,00,000	5	1928	1958	100 00
10,00 000	5½	1932	1962	108 00
33,91,000	3½	1925	1965	94 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1968	90 00
17,64,400	3½	1942	1959	96 5
21,10,000	3½	1942	1972	92 0
16,33,000	3½	1951	1961	97 50
66,88,000	3½	1951	1966	97 50
87 36,000	4	1952	1962	99 25
72,50,000	4½	1954	1979	100 00
2,22 72,000	4	1955	1985	—
73,86,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00 000	3½	1951	1961	107 00N
15,00,000	3½	1952	1962	107 50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M Bharat	1953	1,04,77,000	15th July 1963	100 25
4 % M Bharat	1956	1,11,26,000	3rd Sept. 1968	99 90
3½% W. Bengal	1951	1,75 00 000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug 1964	100 10
4 % W. Bengal	1953	8,60,23 000	15th July 1963	100 30
4 % W. Bengal	1955	7 58,72 000	1st Sept. 1967	100 00
4 % W. Bengal	1956	7 11 46 000	3rd Sept 1968	100 00
4½% W Bengal	1958	5,00 00,000	15th July 1970	100 90
4½% Kerala	1958	3 00,00,000	15th July 1970	99 90

ABBREVIATIONS.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. N—Nominal.
(f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.
‡—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months' notice. K—On September, 1956, or later at option of Government after three months' notice.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6	Mar. Sep.	114.00	100
BREWERIES AND SUGAR						
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec. ..	70 00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5	April¶ ..	85 00	100
Carew & Co T.F.R.C.	8,00,000	1875	6	Mar. Sep.	90 00	100
Cawnpore Sugar Works T.F.C.	10 00,000	1905-24	8	Feb. Aug	107 00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7	July Apr.	5 92xd	5
¶East India Distilleries T.F.C.	£200 000	1897	7	Jan. July	16 50cd	£1
Gwalior Sugar T.R.O	6,75,000	1940	7	Dec. ..	60 00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec. ..	60 00	100
Purtabpore Co T.C.	6,00,000	1922	10	Oct. ..	13 50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6	Aug. ..	90 00	100
Ravalgaon Sugar	20 00,000	1943	5½	Oct. Apr.	68 00	100
South Behar Sugar T.	5 00 000	1936	7	Oct. ..	20 00N	100
Travancore C.T.F	15,00,000	1946	5	Dec. ..	7 10	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec. ..	90 00N	100
Do. T.C.R.O.	15,00,000	1946	5	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	7	April May	118.75	100
COAL						
Borrea T.F.C.	4,00,000	1896-97	6½	Oct. Apr.	86 00	100
Burrakur (1st) T.F.C.	22,99,800	1901-19	7	Apr. Oct.	104 00	100
Do. (2nd) T.C.	4,50,000	1946	6	.. ..	6 25	10
Equitable T.F.	4,00,000	1895	6	Mar. Sept.	96 00	100½
Karanpura Collieries T.C.	9,89,500	1946	5½	.. ..	56 00	75p.
††Khas Kajora C.	1,93,000	1931	5	Mar. Sept.	9 50N	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan. July	10 75	10
Ondal T.F.C.	2,00,000	1898-99	6	Apr. Oct.	89.00	100
COTTON						
Ahmedabad Advance T.F.	10,00,000	1939	6	Apr. Oct.	78 50xd	100
Bangalore C.T.F.	6,00 000	1884	6½	Jan. July	110 00xd	100
Basanti Cotton	5,00,000	1938	8	Nov. ..	8.50	10
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	145 00	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	62 00	100
Bradbury T.F.	14,75,000	1919	7½	June Dec.	56 00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7	Jan. July	118 75xd	100
Cambodia C.T.F.	1,00,000	1928	5	Apr. ..	110 00	100
Central India T.F.	50,00,000	1912	6½	Apr. Oct.	342 00	495
Coimbatore Pioneer C.T.F.	1,00,000	1935	8	June ..	91 75	100
Elgin	11,00,000	1912	5	May Nov.	105 00	100
Do. 'B' Pref.	4,20,000	1943	7	July Jan.	7 50	10
Elphinstone T.	25,00,000	1919	7	May Nov.	35.20	100
Kesoram	20,00,000	1919	4	June Dec.	99 00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	6	Nov. ..	70 00	100
Kothari C.T.F.	18,00,000	1937	6	Dec. ..	8 65	10
Kothari 'B' (Pref.)	6,00,000	..	6	.. ..	10 00N	5
Lakshmi Cotton (Bombay) T.	16,00,000	1896	5	.. ..	158 75	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	Jan. ..	85 00	100
Mysore Spg.	7,45,050	1944	4½	.. ..	28 00	50
National Rayon T.	1,74 64,700	1947	5	.. ..	73.50	100
New Great T.	8,00,000	1913	5½	Mar. ..	130 00	200
Podar Mills	10,00,000	1943	4	Feb. ..	72 00	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr. ..	51 00	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	67 00	100
Sholapoor R.	32,00,000	1943	3	.. ..	78 25	100
Svadeshi T.F.	15,00,000	1935	5	Apr. Oct.	85.00	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	74 00	100
Travancore Rayon C.T.F.	50,00,000	..	5	May ..	7 90	10
Vasanta (1st) C.T.F.	3 00,000	1931	6½	Apr. Oct.	101 00	100
Do. (2nd) C.T.F	1,50 000	1938	6	.. ..	90 00	100
Vishnu T.	15,66,500	1908	7	Apr. ..	422.50	500
ELECTRICS						
Andhra Valley Power Supply T.	49 34,000	1917	7	May Nov.	1,050.00xd	1,000
Amalgamated Electric T.F.	24,15,000	..	5½	.. ..	84 00	100
Calcutta Electric	19,00,000	1909-11	5(t)	June Dec.	10 31	£1
Poona Electric T.	4,00,000	1935	7	June Dec.	103.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5½	Sept. ea.	9 04	100
Do. (2nd) C.T.F.	8 00,000	1940	6½	Sept. ea.	8 89	10
Surat Electric Co. T F.	5,00,000	1939	7	Apr. ..	110 00	100
Tata Hydro Electric Power T.	89 28,000	1907	7½	May Nov.	104 00xd	100
Tata Power T.	86,97,000	1918	6	May Nov.	1,102 50	1,000
Vellore C.T.	1,25 000	1928		Dec. ..	7.04xd	10
ENGINEERING						
Arthur Butler (Muzafferpore)	1,30,000	1919	7	Mar. ..	9.50	10
Burn & Co. Ltd. (1st)	13,00,000	1895-98	7	Feb. Aug.	121 00	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.	112 00	101
Indian Iron and Steel Co., Ltd. T.F.	2,69 95,400	1950	5	Dec. ..	100.50	100
Indian Standard Wagon	19,66,500	1918	7	June	122 00	100
Jessop	20,00,000	1941	5	May Nov.	79 00	100
Kamani Engineering C.	15 00,000	..	5	July ..	49.00	100
†††Kumardhubi Engineering	12,00,000	1915	4	June Dec.	91 00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5	.. ..	86 30	100
Mahindra & Mahindra R.C.	25,00,000	1945	6	May ..	100 50	100
McKenzies (1st)	5 50,000	1907		.. ..	80 00	100
Premier-Construction (1st) T.	10,00,000	..	6½	.. ..	86 50	100
Do. do. (2nd) T.	15,00,000	1936	6½	.. ..	83 50	100
Do. do (3rd) T.	56,25,000	1947	4½	.. ..	5 48	10
Tata Iron and Steel (1st) T.	75,00,000	1908	6	Nov. ..	151.50	150
Do. do. (2nd) T.	6,93,81,900	1908	7½	May ..	113.50	100
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	101.00	100
Alexandra	9,00,000	1905	7	Feb. Aug.	96 50	100
Alliance	15,00,000	1895	6	Mar. Sept.	80 00	100
Anglo-India	40,00,000	1917	7	May Nov.	103 00	100
Auckland	10 00,000	1909	5½	May Nov.	76 00	100
Do. (2nd)(j)	15,00,000	1945	4½	June Dec.	65 00	100
Bally	20,00,000	1918	7	Apr. Oct.	101 00	100
Barnagore	£200,000	1896	5	May Nov.	40 00	5
Belvedere	7,00,000	1906	7	Jan. July	100 00	100
Birla	23 64,200	1919	7½	June Dec.	88 50	100
Budge-Budge	9,00,000	1894	7	May Nov.	102 00	100
Calcutta	6,00,000	1934	6½	Jan. July	69 00	100
Caledonian	10,00,000	1915	7	June Dec.	100 00	100
Cheviot	10,00,000	1919	7	June Dec.	100 00	100
Chitavalsah	5,00,000	1928	7	Mar. Sept.	100 00	100
Clive (1st Pref)	8,00,000	1900	6	May Nov.	67 50	100
Do (A) (2nd Pref.)	8,00,000	1905	7	May Nov.	74 00	100
Dalhousie	15,00,000	1903-13	7	May Nov.	90.00	100
Delta	5,00,000	1897	5	June Dec.	74 00	100
Empire	10,00,000	1912	7	Feb. Aug.	100 00	100
Fort Gloster	14,00,000	1890-98	7	May Nov.	104 00	100
Do. (2nd Pref.)	7 00,000	..	5	.. ..	70 00	100
Fort William	10,00,000	1911	7	May Nov.	104 00	100
Ganges	6,00,000	1916	8	June Dec.	100 00	100
Gourepore	26,50,000	1895-04	6	May Nov.	87 00	100
Hastings	25,00,000	1935	6	Mar. Sept	88 00	100
Hooghly	11,76,000	1913	10	May Nov.	11 75	10
Howrah	8,75 000	1890	7	May Nov.	102 00	100
Do. (A)	17,50,000	1903-6	7	May Nov.	102 00	100
Hukumchand	40 00,000	1919	7	June Dec.	100 00	100
Kamarhatty	16,00,000	1898-04	6	Feb. Aug.	100 00	100
Kanknarrah	10,00,000	1900	6	Feb. Aug.	75.00	100
JUTE—*Continued.*						
Kelvin	10,00,000	1907	7	Mar. Sept.	102.00	100
Khardah	9,00,000	1895-09	6	May Nov.	86 00	100
Kinnison	15,00,000	1900-13	7	May Nov.	102 00	100
Lansdowne	15,00,000	1905	7	May Nov.	100 00	100
Lawrence (A)	5,00,000	1907	7	May Nov.	98 00	100
Do. (B)	10,00,000	..	5½	Dec. ..	76 00	100
Naihati	7,50,000	1905	7	May Nov.	95 00	100
Do. (2nd) (j)	10,00,000	..	4½	June Dec.	65 00	100
National	5,00,000	1917	7	May Nov.	101.00	100
Nellimarla	5,00,000	1939	6	Apr. Oct.	87 00	100
New Central	83,00,000	1915	7	Jan. July	99 00	100
Northbrook	15,00,000	1900	½	May Nov.	73 00	100
Reliance	20,00,000	1906-12	7	May Nov.	70.00	100
Samnuggur	£150,000	1901	6	Feb. Aug.	Sh. 21 50N	1£
Soorah	10,00,000	1920	7	Feb. Aug.	100 00	100
Standard	9,00,000	1895-01	6	May Nov.	100 00	100
Shree Ambica]	11,70,000	..	7½	Mar. Sept.	90 00	100
Titaghur	£150,000	1897	6	Feb. Aug.	Sh 21 50	£1
Union	6,00,000	1901-02	7	May Nov.	103 00	100
Victoria	£150,000	1898	6	Feb. Aug.	Sh.21 50	£1
Waverly	7,50,000	1918	7	Mar. Sept	43.00	5
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship	3,00,000	1895	7	Nov. ..	58 00	60
Calcutta Tramways	£250,000	1906	5	Apr Oct.	7 75xd	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5½	Dec. ..	95 20	100
Indian General Nav. & Rly. T.	£244,000	1899	6	Mar. Nov.	58 00	£10
India Steamship (w)	25,00,000	1928	5	.. ..	86.00	100
TEA						
Amluckie Tea	75,000	1902-03	7	May Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900-02	6½	Jan. July	109 00	100
Birpara	1,00,000	1900-03	8	Jan. ..	108 00	100
Choonabhutti	2,00,000	1914	8	Jan. July	109 00	100
Gielle	2,00,000	1894	6	Sept. ..	67 00	100
Hantapara	50,000	1901	8	Jan. ..	109 00	100
Hasimara	3,00,000	1904	7	Mar. ..	109 00	100
Kingsley Golaghat	2,40,000	1897	6	Dec. ..	95 00	100
Moheema	3,20,000	1929	6	May Nov.	8 00	10
†††New Dooars	2,00,000	1907	6	Jan. July	109 00	100
New Samanbagh	1,00,000	1903	8	Nov. ..	100 00	100
†††Okayti	50,000	1888	7	Dec. ..	90 00	100
Pussimbing	2,05,000	1916	7	Jan. ..	83 00	100
Sonai River	1,00,000	1909	8	May ..	100 00	100
***Tezpore	2,05,000	1932	8	Jan. ..	10 25	100
Tirribannah	1,00,000	1922	10	May Nov.	14.00	100
PLANTING						
Be Be Rubber N.R.C.T.	1,43,005	1944	6¼	.. ..	3.13cd	5
Do. R.C.T.	2,86,450	1944	6¼	.. ..	6 64cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June ..	46 70	50
Coffee Lands C.T.F.	10,40,600	..	5	.. ..	79.00	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr. ..	98 00	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov. ..	10 75	10
Devon Tea C.T.F.	2,00,000	1936	7½	July ..	104 00	100
Highland Produce C.T.F.	3,00,000	..	6	July Jan.	9 00	10
Neelamalai C.T.F.	18,00,000	1943	5	Jan. July	7 05	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July ..	4 25	5
Pullangode C.T.F.	1,50,000	1943	6	Mar. ..	8 65	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar. Sept.	7 85	10
T. R. & T. Co. C.T.F.	16,00,000	..	6	June Dec.	7 75xd	10
Waterfalls R.C.T.F.	5,00,000	1943	6	Nov. ..	8.00	10
MISCELLANEOUS						
Alembic Chemicals (1st) T.	5,00,000	..	6½	June ..	83.50	100
Do. do. (2nd)	5,00,000	..	5	June ..	85 00N	100
Alkali & Chemicals	31,00 000	1937	5	Apr. ..	101 00	100
Aluminium Corpn. (1st)	20,00,000	1938	6(f)	.. ..	83 00	100
Andhra Cement C.T.F.	2,48,800	1937	6	Feb. June	100 00	100
Associated Hotels of India T.	21,67,000	1916	7	Mar. Sept.	54 00	100
Bengal Chemicals	9,00,000	1925	7½	Aug. ..	11 00	10
Bengal Paper Mill	2,00,000	1903	7	Mar. Sept.	53.00xd	50
Do. "A"	4.00,000	1928	7	Mar. Sept.	105 00xd	100
Do. "B" T.	20,00,000	..	6	.. ..	64.00xd	100
Bengal Timber Trading	3,00,000	1896	8	Aug. ..	17 00N	100
Britannia Biscuit	15,450	1921	8	Feb. Aug.	13 75	10
British Ceylon Corporation	17,50,000	1918	6	Feb. Aug.	8 00N	5
British India Corporation	81,00,000	1920	8	Feb. ..	96 50	100
Dalmia Cement (Bharat)	35.00,000	1937	6(k)	Sept. ..	85 00	100
Do.	23 75,000	1945	6(k)	Sept. ..	32 50	40
Dhrangadhra Chemical Works Ltd.	31,91,900	1956	6	.. ..	83 00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5	Dec. ..	84.30	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6§	Apr. ..	118 00	100
Do. do. do. T.C.P. (2nd)	40,00,000	1936	6	Jan. July	82 00	100
General Investment Trust (1st)	1,00,000	1946	5	Feb. Aug.	63 00	100
Do. do. (2nd) T.	1,00,000	..	6	Feb. Aug.	54 00	100
Gillanders Arbuthnot(f) T.	25,00,000	..	5	Apr. Oct.	55 00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6	Mar. ..	37.50	50
Humayan Properties	12,00,000	1933	6	.. ..	7 62	10
India Cement T.	29,85,000	1946	7½	Oct. ..	92 43xd	100
Indian Aluminium (g) T.	40,00,000	1945	5	June ..	72 00	100
Indo-Burma Petroleum T.C.	50 00,000	1921	7	Jan. July	88 00	33
Indian Cable (m)	12,87,750	1923	6	June Dec.	25.50xd	10
India Rubber Mfrs. (n)	8,28,000	..	5	Apr. ..	76 00	100
Jardine Henderson T.	50,00,000	1946	5½	Dec. ..	56 00	100
Kettlewell and Bullen (1st) T.	20,00,000	..	5½	May ..	59 00	100
Do. do. (2nd)	10,00,000	..	4	May ..	56 00	100
Kumardhubi Fireclay & Silica	2,00,000	1915	7	June Dec.	63 00xdN	100
Martin Burn (k)	30,00,000	1946	5	Apr. Oct.	98.50	100
McLeod and Co. (1st) T.	10,00,000	1930	5	July Jan.	53 00	100
Do. (2nd)	40,00,000	1936	5	July Jan.	70 00	100
Metal Box Co.	30 00,000	..	6	.. ..	84 00	100
Mettur Chemicals (Old) C.T.F.	20 00,000	1903-18	6	Feb. Sept.	93 50	100
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6	June ..	9 00	10
Mysore Lamps R. C.T.F.	2,50,000	..	4	Aug. ..	6 50	10
National Tobacco (Old)(p)	25,00,000	..	5	Mar. Sept.	69 00	100
Do. do. (New)(q)	19,98 000	..	4½	Mar. Sept.	58 00	100
Orient Paper	69 88 900	1936	5½	Jan. ..	89 50	100
Do. (2nd)(r) T.	60,00,000	..	5½	Apr. Oct.	61 00	100
Rohtas Industries (Old) T.	20,00,000	1936	7	Apr. ..	124 00	100
Do. do. (New)	85,04,700	..	4½	Apr. ..	64.00	100
†Smith Stanistreet & Co.	5 00,000	1920	10	Feb. Aug.	65 00	50
Spencer & Co. "A" C.T.	23 20,000	1898	6½	Jan. July	8 00cd	10
Do. "B" C.T.	36,80,000	1922	8½	Jan. July	11.00cd	10
Standard-Vacuum C.	75,00 000	1955	6	June Dec.	100.00	100
Star Paper	10,00,000	..	5	Mar. Sept.	70 00	100
Tata Chemicals T.F.	59,97 000	..	5	June ..	91.70	100
Tata Oil Mills C.	29,88 800	1946	4½	July ..	58 70	100
Titaghur Paper Mills	11,50,000	1899	8	Jan. June	136.00	100
Do. do. (2nd)	15,00,000	1934	4½	Jan. July	78.00	100

** These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

†††These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus prfiots available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free
R.O.—Redeemable at option. N.R.—Non-Redeemable. P.—Participating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (h) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50,00,000	5,37,500	1,01,25,506	44,03,840	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.22	2	0.19	0.19			12	Y.
40,00,000	24 00,000	1,40 98,494	78,99,835	17,302	M.	50,596	1,031	B. B. Cotton Mills	18.00	100	Nil	Nil	Nil		3	Y.P.T
2,50 98 900	3,42,88,483	7.95,80 951	3,93 89 819	84 706	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,480	3,646	Bombay Dyeing & Mfg. Z	55.80	25	2.50*	2.50	2.50	0.75I	12	Y.
10,00 000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	133.75	50	12.50	20 00	15.00	7.50	3	Y.P
1,13,85,650	2,79,59,276	7,45,32,167	2 69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	430.00	100	22.00	22.00	22.00	8.00I	12	Y.
49,00,000	25,42,826	1,19,99,766	65,07,035	—33,08,097	V. J. Pilani (Chairman and Managing Director)	50,596	698	Colaba Land & Mill	46.00	100	Nil				12	Y.
26,00,000	28,31,920	1 13 36 792	67 79 552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	30,984	680	Coorla Spg. & Wvg.	137.50	100	7.50	12.50*	12.50*	12.50*	3	Y.
28,00,000	26,37 709	90 59 554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	78.00	50	15.00	—	7.50F	5.00	3	Y.
34 00,000	26,86,889	1 12 98,983	69,27,928	—11,15,096	Puranmal Bubna Sons	46,668	928	Edward Textiles	215.00	200	18.00	15.00	15.00		12	Y.
29,98,050	15,72,144	1,31,76,951	81,20,935	....	M.	45,996	886	Elphinstone Spg. & Wvg.	30.50	50	5 00	15 00	Nil		12	Y.P
50,00 000	65,54 875	1,67 34,064	89 06,207	37 155	James Finlay & Co., Ltd.	52,528	784	Finlay Mills	259 00	100	20.00	20 00	20 00		12	Y
50,90,000	43,98,022	94,91,910	61,37,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	178 50	100	15.00	15 00	15 00		12	Y.
11,84,000 / 16,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills	4,725 00xd / 992.50	1,000 / 250	300 00 / 75.00	325 00 / 81.25	350 00* / 87.50*	350.00 / 87.50	3	Y.P.
2,50,00,000	58,29,672	4,90,61,319	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	8 84 / 1.14	O 10 / D 1	0.94 / 0.19	0 92 / 0.18			12	Y.
8,65,000 / 35,000	1,09,49,981	1,69,80,792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	3,860 00xd	1,000 / 500	300 00 / 150 00	300 00 / 150 00	325.00* / 162 50*	325.00 / 162.50	3	Y.P.
59,85,000	47,84 646	3,32,60,641	2 39,44,870	30,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	155 50	100	12 00	10.00	10 00(c)	10.00	6	Y.P.
1,80,00,000	1,13,27,791	3,67 76,376	2,84,94,794	52 791	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	237.50	100	18.00	18 00	18 00	4.00I	12	Y.
33,18 800	46 27,870	1,28,83,753	67,99 178	43,271	N. Sirur & Co. Private Ltd.	49,000	644	Modern Mills	46 00	50	8.00*	8.00*	5.00'C'		10	Y.T.
31,75 000	42,39,896	2 75,32,726	2,00 41,588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Gouldas Spg. & Wvg.	230 00	100	14.00	15 00	14.00(c)	15.00	6	Y.P.
1,60,68,400	1,42,58 205	10,55,96,105	3,40,00,000	1,23,937	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	241.25	100	12.00	14 00*	14.00		12	Y.P.
24 00,000	25,62,455	82,11,722	43,70,075	1,495	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	92 00	100	10.00	10 00	5.00		12	Y.
30,00,000	11.72.134	101,83,002	62,37,034	....	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	219 00	100	10.00	10.00	Nil		12	Y.P.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	3,59 718	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	121.25	100	10 00	..	12.50F	10.00	3	Y.
40 00,000	45,64,554	53,92 841	25 34,581	1,63 546	Podar Sons Private Ltd.	32,600	930	Podar Mills	130 00	100	12.00*	12.00*	10 00		12	Y.P.
16,00,000	....	23,94,122	18,44 733	—1,10 689	M.	..	..	Sassoon & Alliance Silk Mill	9 76	10	0.50	0.25(c)	Nil		12	Y.
27,70,100	1,19,98,715	2,11,34 514	1,36,87 248	12 182	M. G. Investment Corp. Private Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	42.00	10	2.00	2.00	2.90		12	Y.
80,00,000	44,70,061	1 27,66,700	67,73 452	53,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	140 00	100	12 00	12.00	8 00		12	Y.P.
42 00,000	29,80,473	1,96,86,294	79,84,101	8 089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	168 00	50	10 00	12.00	8 50	3.50	3	Y.
37 80,900	2 50 26,472	2,96 16,751	1,87,99,317	1,55,642	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	417.00	100	20 00	22.50*	22.50*		12	Y.P.
1,00,00,000	95,63,854	2,76,30,400	1,44,86,214	29,124	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	208.75	100	12.00	14.00*	9 00		12	Y.P.
36,00,000	65,13,465	1,52,27,488	96,52,715	26 062	James Finlay & Co., Ltd.	40,328	549	Swan Mills	345.00	100	25.00	25 00	25 00		12	Y.
65,57,875	53,20,412	2,18,16,540	90,53,601	17,925	Tata Industries Private Ltd.	70,832	1,800	Tata Mills	84.50	25	4.00	3.50*	2.00		12	Y.T.
12,00,000	1,04,98,944	1,72,83,864	1,08,61,776	—20,69,771	M.	54,136	1,212	Western India Spg. & Mfg.	4,475.00xd	1,000	300.00	300.00	325.00*	325.00	3	Y.P

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	140.00xd	100	7 00	12.00	5.00	5.00	6	Y.P.T
15 00,000	98 23,183	1,29 00,836	73,32,228	....	P. M. Hutheesing & Co., Ltd.	44,220	912	Aruna Mills	607 50	100	30.00	25.00	25.00		12	Y.P.
40,00,000	3,03 12,127	2,17,78,010	1,10,66,897	23,706	M.	66,412	1,216	Arvind Mills	1,025 00	100	35.00*	35.00*	35 00*		12	Y.P.
22,00,000	47,41,123	1,22,40,943	77 79 729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	417.50xr	200	25.00*	30 00*	Nil		12	Y.P.
12,00,000	1,40,46 694	99,92 464	67,28,819	728	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	616 25	100	30.00	30.00	30.00		12	Y.P.
2,06 25 000	2,60,65 170	6,22,25,491	2,74,71,141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,29,120	2,400	Calico	518 00	125	..	30.00	30.00	25.00	3	Y.P.
63,00,000	28,51,630	1,44 37 907	1,02 61,820	20,315	Tricumlal Bhogilal & Co., Ltd.	45,836	366	New Commercial Mills	451 25	250	30.00	100.00*	25.00*		12	Y.P
52 00,000	91,54,187	1,55,49,643	1,07,88,296	92,673	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	802 00	125	35.00	40.00*	30 00		12	Y.
15 00 000	64,29,775	69,45 065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	897 50	100	20 00	20.00	20 00		12	Y.P.
20,00,000	1,06,87,182	1,07 33 484	66,60,480	105	Lalbhai Dalpatbhai & Co.	32,828	636	Raipur Mfg.	698.75	100	35.00*	35.00*	35 00*		12	Y.P.
43 75,000	23,46,590	1,33,74,914	73,60,111	9,983	M.	35 196	648	Rohit Mills	130 00	100	Nil	8 00*	8 00*		12	Y.P.
57 96,300	2,38,74,105	2,17,82,370	1,17,57 907	1,76,461	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	634.00	50	27.00*	30.00*	25.00		12	Y.P.
29,25,000	69,60,633	1,00,70,063	73,43,312	18,346	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	455.00	100	25.00	30.00*	20 00		12	Y.
35,00,000	33,00,929	1,28,90,368	90,20,734	23,800	Haridas Achratlal & Co., Ltd.	41,056	730	Vijaya Mills	570.00	500	35.00*	50.50*	40.00*		12	Y.P

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
15,00,000	3,05,454	33,27,581	24,03,641	1,14,255	Calcutta Agency Private Ltd.	15,044	356	Basanti Cotton Mills	6.25	10	0.50	0.60	0.60		12	Y.P.T.
7,11,280 / 3,00,620	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee, Esq. (Mg. Director)	33,336	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	4.00	Nil	3	Y.P.
24,00,000	1,50,000	1,20,71,237	49 68,081	1,17,244	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	105 00	100	Nil	Nil	Nil		12	Y.P.
19,00,000	24,30,708	1,39 78 961	73 14 165	—1,36,242	Kettlewell Bullen & Co., Ltd.	42,944	523	Dunbar Mills	140 00	100	2.50	6.00	Nil		12	Y.T.
56,08,000	33,968	76,97,325	21,97,325	82,686	Birla Brothers Private Ltd.	4,852	306	Jay Shree Textiles Ltd.	8.19	10	Nil	0.87	3.50		12	Y.T.
1,60,00,000	2,29,91,250	4,06,62,835	1,49,10,475	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	12 31	10	0.87	1 00	0 75		3	Y.P
19,47,750 O / 5,00,000 D	9,50,000	43,59,254	28,75,466	6,338	Hazareemull Heeralal	23,066	795	Rampooria Cotton Mills	15.00N / 4.00N	10 / 1D	1.00 / 0.34	1.00 / 0.26	1.00 / 0.15		6	Y.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
11,98,600	5,57,619	39,87,164	19,12,229	16,013	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,000	17,82,554	1,37,65,112	65,45,562	6,716	C. S. Tyabjee, Esq.	36,136	716	Asam Jahi Mills	59.50	100	3.50(c)	5.00	3.50		9	Y.
1,21,50,000	1,47,74,679	3,67,98,856	2,76,48,043	2,06,471	Binny & Co. (Madras), Ltd.	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills	156.00	100	30.00	30.00	10.00'C'	4.00I	12	Y.P.
35 00,000	74.79.507	1.41.25,225	1.10.21.274	1.04.207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	26 25N	10	3.00	1.50	1.50	0.75	3	Y
1,78,47,800	2,99,20,000	6,93,67,942	4,19,97,472	1,92,471	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic	175 00	100	10 00	10 00	10.00	4.00I	12	Y.P.T
20,00,000	15,37,935	59 23 446	26 18 948	..	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	8.00	10	0 50	0.50	0 50(c)		12	Y.P.
15 00,000	5,11,500	53,83,579	29 91,389	1,08,342	Damodaran & Co.	20,600	..	Cannanore Spg. & Wvg.	135.00	100	12.00	15.00	29 00	12 50	3	Y.
30,00,000	83,48,836	76,05,050	59,57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Text'les	3.50	5	Nil	0.25	0 25	Nil‡	12	Y.
9,36,560	5,31,645	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	10 80	10	0 62	0.75	0.90	0.90	3	Y.P.T.
35,21,362	22,09,767	69 79 002	31,91,699	698	R. Bheema Naidu & Co.	30,864	..	Coimbatore Cotton Mills	134.00	100	25 00	25 00	9.00'C'		12	Y.
18,15,000	7,25,195	39,16,552	24,29,633	....	T. A. R. Chettiar Sons & Co.	25 340	180	Coimbatore Murugan Mills	92.00	100	20.00	12 00			12	Y.P.
20 00,000	18,28,450	30,21,737	44,09,621	599	T. R. N. Naidu & Co.	38,226	..	Coimbatore Pioneer Mills	265 00	100	20.00	20 80	20.00		12	Y.P.
20,76,900	5,076	1,37,90 104	38,52,968	—7,29,806	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	45 00	50	8.00	10.00	Nil		12	Y.
46,87,500	27,24,735	2,42,10,703	1,54,86,354	....	Tata Industries Private Ltd.	67,452	1,020	Central India	89.50	100	3.00	Nil	Nil		6	Y.P
26 90 661	19,55,000	1,04,60,142	44,85,815	21,830	R. Hanumanthappa & Son	28,816	300	Davangere Cotton Mills	113.50	100	9.00	9.00	9 00	9.00	3	Y.
3,33,36,225 / 1,00,563	3,59,53,968	12,81,26,690	7,47,59,631	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,41,180	2,352	Delhi Cloth & General Mills	23.75	25 / 2½	2.25 / 0.22	2.50 / 0.25	2 00 / 0.16	2.00 / 0.18	6	Y.P.T.
47,93,295	26,25,006	84,28,224	49,84,057	1,965	M. N. Chettiar & Sons	42,212	201	Dhanalakshmi Mills	170.00	100	30 00	25.00	10.00'C'		12	Y.
63,00,000	1 85,55 192	1,69,12,424	1,41,93,839	75,531	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	11 87	10	1.00	1.25	1.00		9	Y.P.
48,81,000	43 55,161	1 36,96,042	77 13,982	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	132 00	100	15.00	13.00	8.00		12	Y.
2,50,00,000	3.75.000	5,73,71,041	1,64,46 856	1,00.48,693	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	18 92	10	Nil	Nil	Nil	Nil	3	Y.P
50,00,000	6.94.589	1,59,76,049	1,21 32 273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	51,180	1,356	Indore Malwa United	97 00	100	9.00	11.00	6.00		12	Y.
8,90 000	10,66,553	35 60 221	20,68,005	....	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	69.00	50	10.00	10.00	3.00		12	Y.
15,54,000	15,02,599	57,18,937	33 88,995	7,012	Mr. Bhairuratan Damani (Managing Director)	26,212	512	Jam Shri Ranjitsinghji	1,450.00	1,000	50.00	60.00	40 00		6	Y.
4,63,65,800	3,05,67 516	4,59,43 795	3 29,32,899	3,47 488	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	9.76	10	4.00‡	0.55	0.35	0.25	3	Y.P.
42,00,000	19.25.000	1,06,31,567	33,28,076	91,772	Kothari & Sons	41 040	300	Kothari Textiles	9.90	10	1.00	1.00	1 00		6	Y.P
32,00,000	63,39,487	1,84,50,574	1,25,78,615	2,394	M.	51,008	1,248	Lakshmi Cotton Mfg.	400.00	250	42.50	42 50	15.00		12	Y.P.
71,00,000	66,85,960	2,25,46,331	1,29,69 637	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	94 00 / 46.00	50 / 25	12.50 / 6.25	12.50 / 6.25	10 00 / 5.00	6.00 / 3.00	3	Y.
1,75,02,480	4,24,40,278	5,90,89,121	3,96,10,317	6,92,368	A. & F. Harvey Ltd.	4,53 000	..	Madura Mills	23 50	15	3.00	2 62	2.25		12	Y.
12,00,000	3,67,363	29,03,352	18,76,700	213	V. K. Eradi (Chairman)	22 592	100	Malabar Spg. & Wvg.	80.00N	200	Nil	3.00			12	Y.
60,00 000	69,00 000	66,60,298	47,39,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	328.00	100	35 00	42.50	20.00	20.00	3	Y.
29,80,884	12.83 081	93,11,180	51,89,457	19,733	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	60 00	100	6.00	6.00	Nil		12	Y.
94,91,850	21.56.146	1,71,94,769	78,81,528	1,85 008	M.	52 408	952	Model Mills (Nagpur)	172.50	250	7.50(c)	7.50			6	Y.
24 83,500	39,98,562	1 13,65,249	72,49,736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	83 00	50	6.00(c)	9.00*	9.00*	5.00	2	Y.P.
13,61,780	....	29,12,641	17,83,314	3,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6 25N	10	Nil	Nil	Nil		3	Y.
87,23,800	39,29,981	1,73,83,244	67,86,683	....	M.	87,788	902	Osmanshahi Mills	44 00	100	2.50(c)	3.00(c)	Nil		9	Y.
4,00,000A / 6,00 000B	13,00,000	71,79,976	28,66,277	8,909	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	126 00 / 180.00	50A / 75B	12.00 / 18.00	15.00 / 22.50	9 00 / 13 50		12	Y.P.
15,00,000	....	35,52,644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	88 00	100	4.00(c)	Nil	Nil		12	Y.
16 81,200A / 8,40,600B	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	300	Radhakrishna Mills	135 00 / 67.00	100A / 50B	20 00 / 10 00	20.00 / 10.00	12 00 / 6 00		12	Y.
19,53 275	30,55 750	76,37,278	32 62 433	....	B. R. Naidu & Sons	37,096	..	Rajalakshmi Mills	65 50	50	10 00	7.50	4 80		12	Y.P
16 14,300	14 00,000	58 40 236	20,95 406	....	Ramco Agencies Private Ltd.	24,996	..	Rajapalayam Mills	117 00	100	10 00	10.00	12.00	8.00	3	Y.
23,32 050	11,50,000	53,72,976	23,15 892	5,286	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	105 00	200	10.00	10.00	10.00		12	Y.
15,90,000 / 10 000	2,69,010	3,15,04 564	2,05,50 756	—34,29,635	M.	95,232	2,232	Sholapoor Spg. & Wvg.	425.00 / —	1,000 / 500	Nil	Nil	Nil		3	Y.P
36 69 700	21,91,449	1,05,51,059	61 65,564	37 576	H. N. Pallegar, Esq.	80,744	292	Sri Krishnarajendra Mills	61.50	50	5.00	7.00	7.00	4.50	3	Y.
15,00,000	3,63,22,415	1,06,79,186	80,23,012	30,16,282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	81 00N	10	6.00	6.00	6.00	6.00	3	Y.
17,50 000 O / 1,57,50,000 PO	2,36,28,071	5,28 86,193	1 97,31,347	2,64 970	M.	1,12,216	2,998	Swadeshi Cotton (Kanpur)	10 25 / 10.25	10O. / 10P.O.	0.75 / 1.15	0.75 / 1.15	0.75 / 1 15		12	Y.P.
1,00,00,000	60,00,000	3,88,81,393	1,95 13,492	1,78,216	Emcote & Sons (Travancore) Ltd.	..	..	Travancore Rayons	16 00	10	0.75	1.00	1 00		12	Y.P.T.
13,98,730	9,45,949	19,53,289	13,60,129	794	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11 50	10	0.90	1.12	0 90		12	Y.
21,00,000	39 86 738	86,30 895	51,76,507	12,000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	201 00	100	20.00	20.00	12 00		12	Y.P.
32 00,000	18,73,770	1,85,96,083	1,17,44,692	—9,85 569	The Bombay Co. (Private) Ltd.	49,660	1,375	Vishnu Cotton	92 00	100	8.00	8.00	Nil		12	Y.P.

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

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
72,59,840	18,83,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.03	B. 10	1.00*	1.00			12	Y.P.
59,85,555	....	1,55,92,861	....	12,928	M.	Ashoka Cement Ltd.	8.76	10	..	..	Nil		3	Y.T.
12,71,80,070 / 6,84,26,150	10,06,76,940	36,32,76,342	12,89,15,052	1,93,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	153.75	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
83,92,587	....	1,23,58,448	16,77,717	779	Tesdulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8 52	10	0.30	0.60	0.60		12	Y
1,44,10 795 / 5,00,000	58 35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	10.00 / 2.63	O. 10 / D. 1	1.25 / 0.12	1.25 / 0.12	1.20 / 0.12		12	Y.P.
11,09,79,135	30,37,786	2,18,27,299	78,38,865	71,092	Basen Private Ltd.	India Cements Ltd.	— / 5.45	O. 25 / D. 5	1.87 / 0.37	2.06 / 0.41	2.06 / 0.41	2.25 / 0.45	3	Y.P.
1 50,00,000	4,00,000	4,72,60,133	89,99,750	21,36,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10 00	10	0.75	1.25	Nil		3	Y.P.
1,00 00,000	31 43,497	3,25,68,763	1,17,79,528	37,55 949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	12 52	10	1.25	1.25	1.50		12	Y.P.
1,34,20,200	48,94,785	3.55,77,865	1,29,16 661	2,23,856	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	132.25	100	8.50	9.00	9.00		12	Y.P.
75 00 000	17,70,000	2.18,91 926	1,54,83 889	18 727	M.	Sone Valley Portland Cement	5.34	5	0.30	0.15	0.30		12	Y.
50,00,000	6,00,000	1,04,84,565	48,33,451	3,24,631	Essel (Private) Ltd.	Travancore Cements Ltd.	8.90	10	0.62	0.60	0.60		12	Y.

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
13,50,000	3,38,041	10,99,022	6,14,954	12,83,240	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	15.48	100.	1.00	3.00	1.50	..	9	Y.P.
50,50,275	8.45,000	1,20,18,973	35,41 847	20 913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.00	2½	0.25	0.25	0.25		12	Y.
10,00,000	34,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	30.25xd	10	1.75	0.87	1.75	1.75	3	Y.
£1,371,300	£1,348,400	£2,621,717	£1,593,562	£1,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3.58	Sh. 2	10.8d.*	4.8d.	4.32d		12	Y.
O.15,00,000 / P.5,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	11.25	10	1.00 / 3.00	Nil / Nil	Nil / Nil		6, 12	H.
6,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13 00	10	0.75	1.00			3	Y.
20 00,000	36,50,291	49,10,494	27,87,433	1,15,703	Bird & Co. Private Ltd.	Orissa Minerals	26.37	10	2.00*	1.00I	2.00		6	Y.
7 00,000	71,05,000	74,84,368	29,53,314	62,523	Killick Industries Ltd.	Shivrajpur Syndicate	88.00	10	3.00*	3.00*	3.00*		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
41,27,700	37,60,000	1,10,24,566	49,60,560	31,068	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	153.75	100	8.00	10.00	12.00		12	Y.P.
62,00,000 / 1,86,42,455A	1,02,92,519	2,75,52,962	60,65,069	1,20,250	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	17.81 / —	10 / 10New	0.80 / ..	0.80 / ..	0.80 / ..		9	Y.P.
60,00,000	....	67,15,919	....	1,15,111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	108.50	100	Nil	Nil	Nil		12	Y.P.
1,89,27 800	11,05,700	2,96,61,485	67,85,495	58,686	Lalbhai Sons & Co.	Atul Products Ltd.	221.25	100	5.25	6.00	8.00		12	Y.
48,17,200	48,38,400	1,45,22,658	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	95.00	100	6.00	6.00	6.00	6.00	3	Y.P.T.
21,50,000 / 42,74,800	63,31,297	1,48,64,534	57,39,669	9,989	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	93.00xd / —	100 / 100New	12.00 / ..	9.00 / 4.50	7.50 / 3.75	6 00 / 6.00	3	Y.P.
3,46,06,075	....	4,29,69,769	2,38,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	7.28	10	Nil	Nil	Nil		12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jal H. Mehta	Kemp & Co.	215.00	200	12.00	15.00	15.00	15.00	3	Y.
40,50,000	16,32,446	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	11.90	10	0.70	0.75	0.75	0.87½	3	Y.P.T.
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	7.85	10	0.50	0.50	0.50		3	Y.
6,00 000	4,00,000	7,37,855	4,44,350	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.75	10	2.00	2.00	2.00		3	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	10.25	5	0.50	1.00	1.00	0.80'C'	6	Y.P.
10,00,000	12,00,954	19,34,602	14,27,276	87,365	M.	Polychem. Ltd.	67.00	50	..	..	..	Nil	3	Y.P.
1,39,95,990 / 56,00,000	17,19,952	4,57,35,637	1,71,43,316	8,736	Tata Industries Private Ltd.	Tata Chemicals	15.40	10	Nil	0.75	0.80	0.75	6	Y.P.T.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
8,74,78,895	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95.00	100	5.00	6.50	3.25	6.50	3	Y.T.
72,50,000	14,67,106	1,98,94,397	45,21,447	15,26,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	11.08	10	0.75	0.75	0.42½	0.85	3	Y.P.
3,02,76,250	76 70,609	9.08 96,522	2,41,70,836	32,105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,170.00	1,000	75.00	75.00	56.25	80.00*	3	Y.P.T.
1,75,00 000	54,34 572	3 30,22,445	77 28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	110.00	100	7.00	7.00	7.00	7.00	3	Y.
7,07,020	99 267	16.08,942	7,53,744	199	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8 08	10	0.75	0.62	Nil	0 50	3	Y.T.
18,89,000	9,35,596	1,40.77,220	53,14,908	7,836	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	111.00	100	10.00	10.00	2.50	7 50	3	Y.P.T.
60 62,500	25.74 514	1,34,27,302	42,37,719	3,828	Killick Industries Ltd.	Surat Electricity	112 50	100	7.00	..	8.75	7 00	3	Y.P.
2,39,99 575	74,19 097	6 63,96,657	1,61,14,106	28,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	120.25	100	7.50	7.50	5.52	8.00*	3	Y.P.
5,15,35,750	2.13,05,278	16,15,83,754	3,15,30,933	29,701	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,191.25	1,000	75.00	75.00	56.25	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
19,99,600	44,26,245	1,12,31,458	33,25,328	49,395	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	145.00	100	10.00	10.00	10.00	10.00	3	Y.T.
3,00,000	14,59,897	50,97,022	18,71,544	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14.87	10	1.00	..	1.25	1.00	3	Y.T.
7,00,000	35,12 989	1,29,85,469	37,39,559	33,395	Martin Burn Ltd.	Benares Electric Light & Power Co.	14.12	10	1.25	..	1.25Z		3	Y.T.
5,01,360	5,95,855	21,28,477	9,59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	8 62	8	0.50	..	0.62Z		3	Y.
£4,262,646	£8,460,286	£30,407,122	£10,881,162	130,008	Harry Burn Esq. (Chairman)	Calcutta Electric Supply	14.81	£1	6%	6%	8½%Z		3	Y.P.T.
6,60,090	5,11,491	28,13,024	8,33,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8 00xd	10	0.62	..	1.00Z	0.65	3	Y.
48 20,000	16,40,106	98,00 595	33 79,618	8,16 830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	100 00	100	6.00	6.00	6.50	7.00	3	Y.P.
5,34,640	96,514	29,51,444	12,22,358	3,590	Moosma Lall & Sons	Jhansi Electric Supply	7 75xdN	10	0.69	..	0.86Z	0.62½	3	Y.T.
2,49,700	25,37,546	98 31,343	35 83 665	29,425	Martin Burn Ltd.	Jubbulpore Electric Supply	13 87	10	0.91	0.40	0.92	0.92	3	Y.
4,95,000	2,21,374	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.25xdN	9	0.50	..	1.22Z	0.72	3	Y.
5,82,390	3,35,296	82,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8 00	10	Nil	..	1.25Z	1.00	3	Y.
6,99,850	1,67,563	15,28,892	7,17,358	18,925	G. D. Bhagat, Esq.	Muttra Electric Supply	11.50	10	0.60	0.80			3, 9	H.
35,10,478	87,51,068	1,32,14,704	51,65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.50xd	10	0.75	..	1.25Z	0.75	3	Y.T.
9,10,000	1,93,940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25xd	10	0.50	Nil	Nil	0.50	3	Y.
16,80,000	11,63,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	11.00	10	0.75	..	0.94Z	0.68	3	Y.T.
56,00,000	9,42,467	1,85,49,991	54,65 888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	11.90	10	0.91	0.91	1.23	0.87	3	Y.P.T.
5,99,250	4,67,280	21,09,262	9,36,176	9,033	Martin Burn Ltd.	Upper Ganges Valley Electric Supply	13.00	10	0.94	..	1.25	1.00	3	Y.
5,00,000	6,65,006	25,81,076	8,92,154	32,518	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	18 00	10	1.25	1.25	1.25		3	Y.
56,01,185	85,36,540	3,01,72,909	84,072	33,837	Martin Burn Ltd.	U. P. Electric Supply Co.	136.00	100	10.00	10.00	10.00		3	Y.T.
4,00,000	7,51,747	83,03,944	8,61,891	2,25,577	Chandris & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.00	1.00	1.00	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
33,42,206	52,81,831	74,21,408	62,82,616	125,010	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	261.25	100	12.50	15.00	12.50		12	Y.
14,99,960	2,35,000	15,31,038	5,71,344	4,132	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	65.00	60	3.00	3.00	3.00		12	Y.
6,40,000	3,75,000	1,57,259	1,17,027	1,448	M. B. Rao Esq. (General Manager)	Jost's Engineering	60.50	50	4.00	4.00	5.00	5.00	3	Y.
44,96,250	2,57,957	55,59,741	16,71,411	56,266	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	5 60	10	Nil	Nil	Nil		9	Y.P.
50,00,000	15,01,511	44,29,526	20,09,704	25,546	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	17.04	10	1.00	1.00	1.00	1.25	3	Y.P.
55,00,000	26 00 000	1,05,24,440	12,56,894	1,16,134	M.	Mahindra & Mahindra Ltd.	18.24	10	1.00	1.25	1.75		10	Y.P.
11,00,000	49,774	31,43,786	18,71,576	31,416	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	80 00	100	Nil	Nil			7	Y.P.
39 69,895	24,80,000	83,15,927	31,99,497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	13.76	10	Nil	Nil	1.00	1.20	3	Y.P
£2,50 000O. / 1 31,250Pr.	1,28,56,576	7,51,158	73,248	1 43,527	Walchand & Co. Private Ltd.	Premier Construction	235.25	30	8.50	8.50	10.00		12	Y.P.
8,63,75,000 / 9,51 47,175	23,26,43,033	147,05,45,438	42,01,71,546	4,49,362	Tata Industries Private Ltd.	Tata Iron and Steel	174.50 / 171.50	75old / 75new	10.50 / ..	10.50 / ..	9.50 / 2.54	8.25 / 7.56	3	Y.P.
5,00,00,000	65,53,390	16,75,33,296	6,68,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	161.50	100	Nil	6.00	8.00	9.00	3	Y.P.T.
1,50,00,000 / 1,05,00,000	28,75,537	66,54,806	10,96,031	1,38,920	E. H. Schnepp, Esq. (Mg. Director)	Voltas Ltd.	144.00	Old 100 / New 100	6.00 / ..	9.00 / ..	9.00 / 6.00		3	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
6,00,000	4,46,170	10,76,888	1,64,079	81,965	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	9.12	10	..	..	..		10	Y.P.T.
50,00,000	19,00,000	1,22,29,219	79,69,445	97,400	Bhartia Co., Ltd.	Bhartia Electric Steel	15.00	10	1.25	1.25	1.25		12	Y.
56,59,790	61,42,015	59,77,844	7,01,161	1,82,269	Y. S. Tayal, Esq. (Secretary)	Braithwaites & Co. (India) Ltd.	81.37	7	1.75	2.00	2.00		12	Y.
12,00,000	25,05,000	49,19,444	27,99,444	1,73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34.00	10	1.50	2.00	2.00		12	Y.T.
19,78 570	5,14,861	46,62,428	14,72,196	51,637	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6 00	10	1.00	0.50			3	Y.P.T.
40,00,000	39,42,365	83,13,780	37,68,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	11.12	10	1.50	0.60	0.60		12	Y.T.
5,00,000	3,06,358	19,15,871	12,28,274	77,782	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	21 25N	10	Nil	Nil	2.00		12	Y.
84,00,000	1,99,04 936	4 42,87 297	2 71,68,251	1,30,345	Martin Burn Ltd.	Burn & Co.	364.00	100	15.00	20.00	20.00	20.00	4	Y.T.
2,00,00,000	2,02,39,092	3,89,31,446	1,68,28,306	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	37.75	10	..	2.30	2.90		12	Y.
12,50,000	23,50 000	60,07 710	38,80,350	5,810	Martin Burn Ltd.	Hooghly Docking	118.00	50	6.25	6.25	5 00		12	Y.P.
36,94 590	4,35,000	48 08 664	23 13,944	4,22,513	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	16.75	10	1.00	Nil	Nil		12	Y.P.
10,36,74,160	18,72,11,475	43,94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	26 05	10	1.00	1.00	1.00	1.00'C'	3	Y.P.
38,98,500	54,64,443	1,09,67,195	64,95,575	42,976	Martin Burn Ltd.	Indian Standard Wagon	86.00	25	6.25	7.50*	7.50*	5.06	3	Y.P.
32,00,000 / 26,580	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	80.00xd / 14.50xd	O.10 / O.1	3.00 / 0.30	3.00 / 0.30	4.00* / 0.40*	4.00* / 0.40*	3	Y.
68,62,575	52,15,305	2,84,90,851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	173.00	100	12.00	10.00	15.00	12.00	3	Y.P.T.
1,01,89 000	51,82 557	1,72 18,507	62,69,132	51,642	M.	Jessop & Co.	24.75	10	3.00	Nil	Nil		10	Y.P.
24,23,187	10,05,500	48,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	13 48	10	0.50	0.60	0.90	1.00	3	Y.
18 43 200	54,56,724	72,53,819	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	8.69	3	0.50	0.62	0.45		11	Y.P.T.
10,50,000	23,78,264	17,13,875	13 52,941	1,35,774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	5.94	2	0.30	0.40	0.40		6	Y.
49,96,000	6,07,922	1,08,46,46,750	63,10 209	8 28,210	M.	National Iron and Steel Co., Ltd.	8.94	10	0.25	0.62	0.62		3	Y.P.
40,00,000	30,56,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.12N	10	1.50				6	Y.P.
6,00,000	8 16,855	29,83,251	18,00,849	21,633	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	6.25	4	0.25	0.25	0.40	0.40	3	Y.
1,50,00,000	40,87,211	3,55,99,392	1,47,60,898	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	20.80	10	1.00	1.25	1.50		12	Y.P.T.

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
12,50,000	46,99,060	1,33,51 354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	11.87	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	35 30	50	3.00	3.00	3.00		12	Y.
5,15,000	1,84,95,246	12,38,65,607	....	....	R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	212 50	100	25.00				12	Y.
24,00,000	62,91 344	1,26 11,737	....	2,40,686	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	24 25	10	2.00	2.00	2.00		12	Y.
18,74,940	2,16,61,024	4,00,62,157	....	5,97,428	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	7 12	15	Nil	Nil			12	Y.P.
20,00,000	53,99 401	1,56 15 926	....	10,976	M. G. Mody, Esq.	New Great Insurance	21.48	20	1.50	1.50	2.00		12	Y.
1,06 81,590	7,19 81 437	18,20,95,176	....	1,41,481	B. K. Shah, Esq.	New India Assurance	54 20	15	2.50	3.00	3.00		12	Y.
6,00,000	78,22 32,610	82,01,80,624	....	....	L. S. Vaidyanathan, Esq.	Oriental Life Assurance	4,010 00	200	200.00				12	Y.
32,00,000	65,90,0?4	1,60,63,502	....	29,354	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	6 31	5	0.50	0.62			12	Y.
5,75,000	67,91,968	42,97,528	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	149 00	25	11.25	11.25	11.25		12	Y.
15,99,270	33,72,513	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	19.76	10	1.25	1.50	1.50		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
35,00,000	86,85,342	86,73,792	36,11,113	1,55,753	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	6 50N	7	1.50	1.50			12	Y.P.
1,90 00,000	1,44 75,961	94,16,791	49 77,641	1,06,640	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co. Ltd., A.	25 12	10	4.00*	2.00	2.00		12	Y.P.
74,87 478	35 88 424	2,22 58,463	1,37,40,856	5,511	Tata Industries Private Ltd.	Tata Oil Mills	46.25	25	2.00	3.00	2.50	2.50	3	Y.P.
6,06 000	9 41,500	2,24,955	1,81,723	65,892	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India), Ltd.	13.69	10	1.09	1.25	1.25		10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—dividend is for fifteen months ended 31st March 1957.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
						PAPER								
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	91.00xd	25	4.69	2.50	3.12	2.001	12	Y.P.T.
63,00,000	61 52,258	1,94,26,902	88 79,418	29,471	Andrew Yule & Co., Ltd.	India Paper Pulp	21 12	10	1.39 2/5	1.39-2/5	1.40	1 00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17 30	10	0 75*	1 00*	1 00*	1 00	3	Y.P.T.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	30 00	10	1 12	0 62	1.50	1.50	3	Y.P.T.
1,25 49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	15.81	10	1 25	1 25	1.25		12	Y.P.T.
50,00,000 'A'10 00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12 37 12 37	O. 10 A. 10	1.25 1 25	1 05 1 05	0 60 0 60		9	Y.P.
12,18,55,240	48,43,060	3,65,20,949	75,56,136	5,497	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.40	10	5 00‡	0 50	0 50		6	Y.P.
56,00,000A. 56,04,800B. 4,37,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	41 75xd 41.75xd 3.94xd	A. 10 B. 10 P.O. 2½	2 00* 2 00* 0.25	1 12* 1 12* 0.12	2 88* 2.88* 0.24	2.88* 2.88 0.24	3	Y.P.
						SAW MILLS AND TIMBER								
13,99,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	3.87	3	Nil	Nil	Nil		9	Y.
50,00,000 42,00,000	3,81,14,271	4,60,47,879	1,88,08,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	462 62 171.25	Old125 New50	37 50 15 00	40 00 13 75	40 00 16.00	7.501 3 001	5	Y.
20,00,000	20,43,037	19,96,486	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	44.00	10	3.00	3.00	2.75	1.001	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	15,30,406	42,92,220	31,12,074	57,702	M.	Balrampur Sugar	8 00	5	0 06	Nil	0.25			Y.
12,00,000A. 3,00,000B.	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	135 00N 11 50N	A. 100 B. 10	10 00 1 00	10 00 1 00			4	Y.T.
19,49,050	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	11 75	7½	0 75	1.00	1.00		9	Y.
15,00,000	13,51,518	19,28,777	13,40,840	7,653	Cotton Agents Private Ltd.	Bharat Sugar	13 50N	10	1 50	1.50	1.50		6	Y.P.
32,00,000	25,22,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd.	Carew & Co.	9 00	10	0 25	Nil	Nil		6	Y.P.T.
30,00,000	54,39,509	1 65,39,057	93,52,334	—8,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	11 00	10	0 75	0 75	Nil		10	Y.P.
18,0 0,000	38,41,544	85,45,310	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	17 75	10	1 50	1 00	Nil	1.00	6	Y.
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	10 00N	10	0 50	0 50			8	Y.T.
18,00,000	12,51,626	79,38,731	49,86,047	1,05,664	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	55 00	40	2 25	4 00	7 00		7	Y.P.
7,89,100	22,50,298	48,69,619	26,90,926	79,525	Cotton Agents Private Ltd	New India Sugar Mills	28 00	10	2 50	2 50	2 50		6	Y.P
11,00,000	4,45,000	47,92,961	28 66,816	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5 00	10	0 25	0 37	0 37		5	Y.
13,21,100 38,275	49,91,797	73,75,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	237 50 50 00N	100 25	20 00 5 00	20 00 5 00	20 00 5 00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	142 50	100	11 00	11 00	12.50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	13 50	10	0 75	0 75	Nil		10	Y.P.
63,59,400	48,34,090	81,89,788	31,42,934	89,548	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	12 87	10	1 50	1 50	1.50		10	Y.
8,00,000	6,21,932	28,74,898	23,31,931	2,175	M.	Ryam Sugar	17 25	10	Nil	1 75	1.50		6	Y.P.
11,99,000	16,33,214	47.23,583	25,13,422	—2,20,853	M.	Samastipur Central Sugar	12 00	10	Nil	1.75	Nil		6	Y.
39,88,800	22,68,560	1,47,99,287	73 09,801	47 608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9 81	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	29,48,608	14,35,401	—3,16,557	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2 37	10	Nil	Nil	Nil		6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M	Shri Sitaram Sugar	11 62	10	1 00	1 00	0 50		8	Y.
8,00,000	34,74,348	1,27,30,247	80,57,754	9,663	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	2.50	3 00	5.00		6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.	United Provinces Sugar	14.50	10	1.50	0.60	0.75		9	Y.
						Other Centres								
30,00,000	19,50,000	76,27,625	18,97 501	15,070	Rangarao & Co.	Andhra Sugars Ltd.	18 50	10	0.60	1.00	1.25		9	Y.
70,49 650	1,33,26,508	1,53,99,065	1,08,78,700	2,88,214	W. H. Brady & Co., Ltd.	Belapur Company	264.00	50	16 00	16 00	18 00	20.00*	9	Y.
17,50,000	12,58,285	41,35,701	23,96,816	30,827	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	26 00	10	1 00	1 50	2 00		9	Y.P.
37,50,000	16 15 171	76.19,408	50,40,255	31,529		Shree Changdeo Sugar	30.25	12.50	2 00	5 00	2 25		9	Y.
39,84,000	50,19,492	1,19,44,328	66,95,463	1,49,743	Parry & Co. Ltd.	Deccan Sugar & Abkhari	10 10xd	5	0.50	0.75	0.72½'C'	0.90	5	Y.P.
£549,950	£ 1,197,467	£ 1,387,940	£ 701,435	£ 52,719	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	30 25	£ 1	Sh. 4	Sh. 3	Sh. 3	Sh 11	9	Y.P.
15,93,900	15,86,419	43,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80 00	100	Nil	6 00	10 00		6	Y.P.
63,98,200	11,02,669	78,71,515	18,88,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12 30	10	1 40	1 12	1 00		9	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Iad Corpn. Private Ltd.	Jeypore Sugar	15 00	10	1 00	0 60	0 60		6	Y.P.
10,52,2000 2,87,190D.	88,00,000	2,48,45,158	41,94,129	23,068	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	120 00 134 00	O.100 D. 10	7 50 10.00	7 50 10 00	7 50 10 00		6	Y.P.
67,50,000	38,21,978	1,22,47,683	57,87,087	36,428	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	175 00	50	..	100 00*	100 00*		9	Y.P.
21,79,280	86,24,048	1,54,89,192	89,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	43 25	10	2 00	2 00	2 00		6	Y.
50,00,000	53,21,430	1,16,83,154	67,30,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	144 00xd	50	8 00	9 00	12 00*		9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	18 00	10	2 00	2 00	1 50		8	Y.P.T.
20,00,000O. 4,00,000D.	42,07,214	1,04,79,940	59,30,737	70,575	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	135 00 30 00N	O. 50 D. 10	9 00 0.07	12 00 0 70	12 00 3 75		9	Y.P.T.
30,00,000	23,85,000	65,43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	10.40	10	0.75	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,16,37,173	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries¶	267.50	100	18.00	21.00	21.00		9	Y.P.T
						TRANSPORT								
20,00,000	99,80,970	1,22,58,916	19,44,277	86,387	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	107.00	100	7.50	7.50	5.00		10	Y.P.
1,00,00,000	27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	18 08	10	5.00	6.00	12.00*		12	Y.
60,00,000 30,00,000	1,98,50,067	5,87,36,543	1,23,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	23 92 20 52	10 5	Nil	1.00	1.50	1.80 0.90	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	63 00	£10	Sh. 10	Nil	Nil		12	Y.P.
2,47,50,000	2,83,86 232	15,10,10,777	3,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	13 96	10	Nil	1 00	1.00	1.00	3	Y.P.
9,40,19,673	10,85,51,842	27,66,48,271	5,78,99,812	5,84,102	M.	Scindia Steam Navigation Co.	21.36	20	0 50	1 00	1 25		6	Y.T.
3,40,800O. 2,10,200P.O.	21,67,472	12,59,963	8,41,760R	1,35,400	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	1.75 1.50	O. 1 P.O. 1	0 14 0.12	0.14 0.12	0.14 0.12		12	Y.
						UNCLASSIFIED (Bombay)								
57,00,000	2,01,70,510	4,79,59,816	1,85,62,169	69,94,000	S. H Turner (Chairman)	Hindustan Lever	28 10	10	..	1.25	1.40		12	Y.
31,07,000	16,29,510	1,09 45,989	67,14,407	14 986	Birla Brothers Private Ltd.	Hind Cycles	108 75	100	10 00	..	12 50F		3	Y.P.T.
14,98,840	4,61,996	33,87,568	21,55,554	10,066	Chooniial Manilal Private Ltd.	Estrela Batteries	36 50	50	2 00	3 00	3 50*	3.00	3	Y.P.
99,99 250	20,13,147	1,25,61,398§§	....	1,74,682	Premchand Roychand & Sons	Industrial Investment Trust	85 30	100	4 50	5 00	5 50		12	Y.
1,00,00,000	28 08 446	38.85,170	11.25,734	2,758	K. G. Milne, Esq. (Mg. Director)	Killick Industries	153 00	100	11 00	11 00	11 00	4.001	6	Y.
20,25,325A O.	68 14,265	8,42 78 324	1 69,98 076	6,81,752	Aero-Auto Private Ltd.	Premier Automobiles	84 00	100	Nil	6 00	6 00		6	Y.T.
21 60,000	29,18,738	64,65 614	14.68 374	64,830	Polson Agencies Private Ltd.	Polson Ltd.	155 00	10	10 00	12 50	10.00		12	Y.P.
2,75,00,000	1,44,13,441	3,87,52,891	1,68,58,348	39,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	190 00	100	11 00*	11 00*	11 00*		12	Y.
45,00,000	60,62,390	3,64,935	5,24,956	75,054		W. H. Brady & Co., Ltd.	297.50	150	20 00	22.50	25.00		12	Y.
						Other Centres								
57,50 000 2,50,000	1,99,56,713	3,81,21,462	36,96,361	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	11.06 —	O. 10 D. 2½	Nil Nil	0.50 Nil	0.90 Nil		3	Y.P.T.
79 95.653	34.25 000	1 05 40,087	34 37 767	49 715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd.	17 75	10	1 25*	1 25	1 25	1.25	3	Y.
30,00,000	36 20,717	34,97 377	23,60,332	3,61,289	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	19 87	10	2 00*	2 00*	1 80*		8	Y.
30,00,000	17 14 736	38,54,872	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17 31	10	1 25*	1 25*	1 25*		12	Y.
20,00,000	35,94,600	1,05,12,038	89 58,428	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	7 75N	10	0 40	1 20	0 60		3	Y.P.T.
30,01,400	84,59,405	74,46,138	40 46,135	5,00,886	M.	Balmer Lawrie & Co., Ltd.	145 00	100	12 50	15 00	12 50	5.001	12	Y.
12,00,000	17,56,000	34,55,743	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	30 00	10	2 25	2 50	2 50	1.251	12	Y.
20,00,000	8,05,715	62.28 492§§	....	37 612	Lovelock & Lewis	Birds Investment Ltd.	14 25	10	1 25	1 00			9	Y P.
45,97,020	38,11 814	1,15 02,202	42,92 212	2 18 164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	17 37	10	1 00	1 00	1.00	1 20	3	Y.P.T.
3,25 00,000	1,27 72,883	3,51 40 132	2.47.20 776	—11 35 910	M.	British India Corporation Ltd.	3 78	5	Nil	0 10	Nil		12	Y.P.
5,00,000	2,47,132	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	82 00N	100	5 00	6 00	10 00*		6	Y.
1,38,80,000	17,34,264	2,05,94,990§§	....	3,10,588	Andrew Yule & Co. Ltd.	Clive Row Investment	11 60	10	0 56	1 38	0 75	0.75	3	Y.
3,00,00,000	4,40 29,606	6,50,49.175	2,68,24,548	22,22,643	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	30 37	10	1 50	1 50	1.62		12	Y P.T.
16.20,630	26,75,014	29 88,961	16.23,422	38,736	Mr. K. G Khanna	Dyer Meakin Breweries	15 25xr	5	0 56	0 56			8	Y.
51.26 000	54,81,635	1,64,12 908§§	....	2,42,272	Bird & Co. Private Ltd.	Eastern Investments Ltd.	149 00	100	9 00	9 00	9 00	..	12	Y.P.
14,94,675	....	22.64.862	91,811	5 110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10 00	10					12	Y.P
14,00,000	10,35,000	36,71 778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	164 00	100	15 00	4 00	12 50	15 00	3	Y.
40,00,000	4.00,000	63.89,740	32.43,367	10,90 318	M.	Godfrey Phillips India Ltd.	19 75N	10	2 00	2 00	1 50		12	Y P.
65,00,000	36,00,000	29,50,904	12,41,168	1,46,370	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	11 25	10	1 40	1 60	1 00	1.00	3	Y.P.
30.00,000	15,17,854	33,08,821	36,24,688	74 216	B. P. R Syndicate	Great Eastern Hotel	250 00	250	6 25	15 00	15 00		3	Y.
4,96,13,250	13.37,499	5,26,95 200	2 25.48,541	9,38,841	Birla Brothers Private Ltd	Hindusthan Motors	7 12	10	Nil	Nil	Nil	Nil	3	Y.P.
3,34 58,900	1,17 58,800	7,37,43,612	2,21,77 728	7,20,182	K. C Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	16 31	10	0 90	1 00	0 60		3	Y.P.
1,52,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg Director)	Indian Cables	29 25	10	1 25*	1.50*	1.50*	1.50*	12	Y.P.T.
8,27,970	6,08,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	17 00N	10	0.50	0.62			3	Y.P.
2,00,00,000	....	....	....	....	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	23.81	10	..	..	1.00		9	Y.
15,16,00,000	9 06,59,979	10,61,31,642	2,04.62,122	24,04,558	Mr G. H. J Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	11 85	10	0 30	0 30	0.70	0 70	3	Y.
2,50,00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	81.50	100	7 50	7 50	2.50	2.50	3	Y.P.
40,00,000O. 5,00,000D.	82,86,900	48,53,407	10,43,712	2,57,158	M.	McLeod & Co.	200 00N —	O. 100 D.O.10	22 50 1 75	8 00 0 30			12	Y P.
1,43,23 500	90,58,581	25,54,434	14,97,382	2,35,312	T Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23.75	10	1 81*	2 12*	2 12*		9	Y.P
1,15,90,000	1,29,00 151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	32 25	10	1 25	1 62	1 75	1 75	3	Y.P.
6,56,250	6,92,500	11,29,680	5,97,362	8,849	Mr. J. I. D'Sa (Chairman)	Mysore Lamp Works	16 85	10	0 75	0 90	1 25		3	Y.P.
10,00,000	3 70,000	18,04,172	10,70,792	4,088	M. Malleshayya Esq. (Chairman)	Mysore Tobacco	12 60xd	10	1 00	1 50	1 50	1.25	3	Y.
2,00,00,000	83,55 505	2,14,82,470	61,33,962	23,42,424	J R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	27 69	10	0 32	1 50	1 40		12	Y.
59,96,000	98 71,172	77,84,523	42 87,426	2,67 636	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	30 25	10	1 50*	2 00*	2 00		3	Y.T.
40 00,000	20 00,600	86 22 809	17,66,013	24.266	Do.	National Rolling & Steel Ropes	12.94	10	0 60	0.60	0 60		6	Y.P.
8,00,000	6.00.006	50 21.760	28,60 523	1,80.392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	14 12 —	10 5	.. ..	.. ..	1 00 0 50		12	Y.
79,97 000	68.80 261	1,25,70 061	65,79 851	8,87,736	R. N. Ellas & Co. Private Ltd.	National Tobacco Co.	11 69	10	0.80	0.70	0 90		12	Y.P.T.
2'20,00,000	42.21 731	89 43,253	83 40 874	63 842	P C. Vink, Esq (Mg Director)	Phillips India Ltd.	16 75	10			0 84		12	Y.
2,25,00,000	4.83 498	1,22,26.543	60 08,534	—44,12,938	M P. A. Paspatti, Esq.	Rallis India Ltd.	39 75	100	Nil	Nil	Nil		3	Y.P.
2,50,80 000	1,57,90,209	13,84 94,825	4,66,87,580	93,507	Sahu Jain Ltd.	Rohtas Industries	19 31	10	1.50	1 50		2 00††	3	Y.P.T.
4,73,200 5,13 400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100 00N 50 00N	100 50	.. ..	5 00 2 50	6 00 3 00	6.00 3.00	3	Y.P.
70,00,000	17 66,318	1,67,21 608	84,47 040	66,321	M	Sen-Raleigh Industries	15 50	10	0 60	0 60	0 60		9	Y.P.
40,00,000	89,05,314	1,28,83,302	73,61,372	9,13 245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	19 60cd	10	1 50	1 50	1 50	1.50	6	Y.P.
75,00,000	21.22,788	71,93,265	11.63,597	3,65,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	15 12	10	1 00	1 00	1 00		12	Y.P.
15,00,000	95,15,571	1.13,44,098	16.55 796	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	10 00N	10	1 00	1.25	1 25		12	Y.
9,98,380	19,925	14,83,995	5.18,593	—7,432	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	4 10	10	Nil	Nil	Nil		12	Y.
6,00,000	9,80,100	30,85,103	26,85,097	9,488	Vital Mallya, Esq. (Chairman)	United Breweries	257 50xd	75	15 00	15 00	15 00	45.00R	8	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49 02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
† Subject to taxation. F—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. J—Bharat Line has sub-divided shares of Rs 100 each into shares of Rs. 10 in 1958.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each. into shares of Rs. 50 each in 1958 The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. R—United Breweries—The final dividend of Rs. 37.50 for the year 1958 consists of Rs. 12.50 to be paid in cash, Rs. 25 per share by the allotment of one newly created share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	27.00N	10	18.00A	4.75	5.00	1.00	12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea	18.50	10	7.50	1.00	2.00		12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	18.50	10	3.00*	1.00	1.25	0.50	12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co. Ltd.	573	Baghmari	17 87	10	3.50	1.00	2 50	1.50	12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co. Ltd.	377	Basmatia	26.00	10	8 00	1.50	2.00	1.75	12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64 213	National Tea Corporation	579	Bateli	17 50	5	4 00	2.50	3.00	1.50	12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co. Ltd.	581	Betjan	22 00	10	10 00*	2 00	2.50	1.50	12	Y.
33,00,000	15,39,600	73,93,588	30,33,388	3,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	17 62xd	10	5.50	2.00	2.00	1.00	12	Y.
6,00,000	2,50,000	13,10 965	2,81,380	46 960	Octavius Steel & Co., Ltd.	485	Bokakhat	14.50	10	1.00	Nil	0.50	Nil	12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co. Ltd.	450	Bormah Jan Tea	15.50	10	3 50	2.00	1 50	Nil	12	Y.P.
35,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M	2,884	Brooke Bond	16 00	10	1.25	4.75	1.25	1.75	6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	67 00	10	6.00	3.00	3.00	2.00	12	Y.
8,40,000	7,77,250	31,03 643	18,55,911	—1,18 361	Jardine Henderson Ltd.	1,156	Dessai & Parbuttia	149.00	100	40.00	10 00	10.00	Nil	12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	20.50	10	2.50	2.50	0.501		12	Y.P.
4,68,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	15.50	10	5.00	1 00	1.25	2 00	12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	36,146	McLeod & Co., Ltd.	458	Dibrugarh	24 25	10	4.00	2.00	3.00	2.50	12	Y.P.
4,73,400	6,15,000	15,05,630	6 48 530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	26.27	10	6 00	2 00	3.00	3.00	12	Y.P.
7,00,620	10,33,300	23 48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Duflaghur	32.50	10	5 00	4.00	4.00	3.00	12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co. Ltd.	1,166	East India Tea	18.50xd	10	3.50	1 00	1.00	0.50	12	Y.
5,03,760	6,36,175	13,30,198	5,28,090	16,110	M.	407	Gillapukri	28 00	10	3.00	3 50	3.00	2 50	12	Y.
6,76,000	4,38,700	19,45 409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	19 75	10	5.00	3.00	2.50	2 00	12	Y.
A. 7,41,540 B. 3,61,185	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	25 50 13 00	A 10 B 5	5 00 2 50	2.50 1 25	3.25 1.62	2 50 1.25	12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,595	Andrew Yule & Co. Ltd.	476	Hoograjuli	28.00	10	9 00	0 50	1.50	1 00	12	Y.
8,70,000	13,02,909	25,53,023	13,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	158 00	100	55.00	7.50	15 00	12.50	12	Y.
58,56,900	50,04,519	1,55,03,124	45,03 124	92 757	Birla Brothers Private Ltd.	4 900	Jay Shree Tea Gardens	12 00	10	1.00	1.00	1 00	1.00	12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutlibari	17 75	10	3.50	Nil	1.00	1.75	12	Y.
2,40,000	11,30,500	12,75,848	6,72,848	65,988	M.	1,699	Kingsley-Golaghat (Assam)	185.00	100	25.00	25.00	25.00		12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	11.50	5	Nil	Nil	Nil	Nil	12	Y.P.
6,50,000	10,94,454	12,07,806	3 53 788	392	Duncan Bros. & Co. Ltd.	636	Ledo	17.75	10	2.75	1 00	0.75	Nil	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	19 62	10	4.50	1.75	2.00	1.50	12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13 00N	10	Nil	Nil	Nil		12	Y.P.
1,50,000	8,20,000	9,69,706	5,17,244	67,123	Kettlewell Bullen & Co., Ltd.	410	Mothola	415 00	100	65 00	50 00	60 00	40.00	12	Y.
P. 1,75,000 2,00,000	6,98,309	10,96,678	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	28.00 23.50	O. 10 P.O. 10	4 50 5 00	1 25 1.75	2.00 2 50	1.75 2.25	12	Y.
5,35,000	1,75 000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	12 25	10	3 00	1.00	1.50		12	Y.
5,00,000	....	7,72 341	2 90 502	—38 569	Duncan Bros. & Co. Ltd.	801	New Cinnatolliah	98 00	100	10 00	Nil	Nil	Nil	12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co. Ltd.	370	Rajgarh	42 50	10	7 50	0.25	4.00	2.50	12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	22 00	10	4 50	2 50	2.50	[illegible]	12	Y.
2,49,000	3,86,000	11,48,864	6,60,764	87 974	Williamson Magor & Co. Ltd.	482	Seajuli	25 25	10	4 00	1 50	1.50	[illegible]	12	Y.P.
5,98,000	12,48 874	15,39 500	4 94 783	78 434	McLeod & Co., Ltd.	495	Teloijan	29 00	10	5 00	2 50	3.50	3.00	12	Y.
8,00,000	5,35,127	12,11,400	3 86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45 00N	10	6 50*	0.75	1 00	1.50	12	Y.
19,82,880	12,75,000	46,07,888	19,46,388	36 041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	13.75	10	5 00	1.50	1.25	Nil	12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,644	McLeod & Co., Ltd.	1,050	Tyreon	37.12	10	6.00	3.00	4.50	3.00	12	Y.P.T.
							CACHAR								
3,60,000	....	5,16,444	1,84,445	—1,34,480	M.	362	Arcuttipore	7.00	10	Nil	Nil	Nil		12	Y.
7 00,000	....	7,66,139	1,03,460	—3,49,181	Octavius Steel & Co. Ltd.	649	Eastern Cachar	3.75	10	Nil	Nil	Nil	Nil	12	Y.
12,60 000	10,43 149	30 19,522	12,69,051	—1,06,851	Octavius Steel & Co. Ltd.	2,154	Hattikhira	11.50	10	4.00	0.75	0.50	Nil	12	Y.
3,00,000	1 70,000	6,34 207	2,50 949	1,081	Duncan Bros. & Co., Ltd.	525	Kunchunpore	7.37	10	2 75	Nil	Nil	Nil	12	Y.
7 00,000	6,50,000	11 33 080	3 08 080	88,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	100.00	100	20 00	15 00	15 00	15 00	12	Y.
2 60 000	3,09 004	9,34 349	2,76,278	—87 588	McLeod & Co., Ltd.	638	Roopacherra	9.50	10	1 00	1 50	0 50	Nil	12	Y.
5,00,000	10 53,794	15,91 369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	700	Rungamattee	55.25	50	17.50	10 00	10.00	3.75	12	Y.
4,00,000	3,30,980	10,68,284	3,68,708	—31,199	M.	662	Sonai River	9.50	10	1.25	Nil	Nil		12	Y.P.T.
							DARJEELING								
2,79,900	1,05,000	3,98,716	74,916	22,108	Williamson Magor & Co., Ltd.	408	Chamong	9.75	10	3.00	Nil	0.75	Nil	12	Y.
2,00,000	1,68,526	3,89,734	1,60,880	—893	M.	438	Dilaram	95 00	100	21 00	Nil	5.00	Nil	12	Y.
2,00,000	2 42,0·6	7,99 665	2,97,665	—57 639	Davenport & Co., Ltd.	507	Gielle	9 00	10	2.50	Nil	Nil	Nil	12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,386	—27,148	Andrew Yule & Co. Ltd.	463	Mim	225 00	100	40 00	15 00	10 00	Nil	12	Y.
2,99,900	3 39,000	6 22,886	1,89,586	1,91,563	W illiamson Magor & Co. Ltd.	690	Nagari Farm	24 00	10	5.00	1.50	3.50	2 50	12	Y.
1,00,000	1,07,647	4,60,379	2,40,749	1,973	Duncan Bros. & Co., Ltd.	505	Okayti	450 00N	100	37.50	Nil	Nil	Nil	12	Y.P.
3,00,000	95,000	6,40,072	2,48,808	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	6 75	10	1.50	Nil	Nil	Nil	12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10.00	10	1 00	Nil	Nil		12	Y.P.
1,40,000	5,01,653	4,38,361	1,95,341	10,362	Duncan Bros. & Co. Ltd.	341	Rungliee Rungliot	385.00	100	50 00	20.00	35 00	25 00	12	Y.
3,00,000	3 06 462	5 55,461	1,82 549	4,401	M.	389	Seeyok	11 00	10	1 50	Nil	Nil	1.00	12	Y.
9,00,000	65,000	11,65 737	2,38 715	7 369	Goenka & Co.	583	Singtom	4 87	10	0 50	0 12	0 50		12	Y.P.
3,00,000	3,87,500	7,34 116	3,71,916	1,69 219	Williamson Magor & Co., Ltd.	554	Soom	33 50	10	5 00	3 00	4.00	3.50	12	Y.
3 25,000	7,73,767	16,47,148	4,38,738	26 923	McLeod & Co. Ltd.	745	Sungma	14 50	10	0 75	Nil	1 50	0.75	12	Y.
3,20,000	3,69,909	7,53,534	2,55 534	54 633	Davenport & Co., Ltd.	718	Testa Valley	19.00	10	4 00	1.50	2.50	1.00	12	Y.
3,01,350	2,61,088	16,07,038	3,76,038	—2,94,248	Williamson Magor & Co., Ltd.	1 646	Tukvar	8.44	10	1.00	Nil	Nil		12	Y.
							DOOARS								
27,00,000	28,56,560	51,60,345	23.19,586	1,37,198	Andrew Yule & Co., Ltd.	2,540	Banarhat	272.00	100	120.00	25.00	40.00	20.00	12	Y.P.
12,00,000	16,25 000	42,61 095	23 93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	18 25	10	6.50	3 00	2 00	1 50	12	Y.
9,00,000	17,75.000	21 72,529	11 20,841	13 386	McLeod & Co., Ltd.	1,112	Bhatkawa	19 87	10	6 50	2 50	3 00	1 50	12	Y.
9,00,000	14,81,356	25 85 244	8 19 732	47,850	Duncan Bros. & Co. Ltd.	1,381	Birpara	148 00	100	20 00	5 00	25 00	7 50	12	Y.P.
6,00,000	8,31,552	13 82,183	4,29,045	18,641	Duncan Bros. & Co. Ltd.	602	Carron	110 00	100	25 00	7 50	10 00	5 00	12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co., Ltd.	903	Choonabhutti	260 00	100	90.00	20 00	35 00	20 00	12	Y.P.
3,00,000	3,76,102	9 53,074	4,15 527	13,348	Duncan Bros & Co., Ltd.	560	Ellenbarrie	155 00	100	15 00	Nil	5.00	Nil	12	Y.
1 20,000	2 00 531	4,58 517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Bago	430 00N	100	110 00	Nil	Nil	Nil	12	Y.
4,90,000	60,538	9,51,864	2,89,498	3,627	M.	447	Ethelbarrie	10 75	10	5 00	1.25	1 00	0.75	12	Y.
7,50,000	5,76,838	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	125 00	100	70 00*	Nil	10 00	Nil	12	Y.
16 00,000	24,58 954	64 82 327	20 30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	112 00	100	60 00	6.00	7 50	Nil	12	Y.P.
32,00,000	55,67 967	1,05,55,381	50,96,452	3,65 371	Davenport & Co. Ltd.	4,235	Hasimara	20 25	10	6 00	1.00	2 25	0.75	12	Y.P.
8,25,000	18,53 650	22,13 183	9,84 183	1,10,677	Davenport & Co., Ltd.	1,452	Huldibari	20 25	10	3 00	1.25	2 50	1.25	12	Y.
7,00,000	4,49,831	10,36,684	4,89,134	—62,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	15 75	10	6 50	Nil	0 60	Nil	12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	16 75	10	4 12	1.00	2 00	1.50	12	Y.
2,00,000	5,76,240	8,23,168	3,08,827	15,312	M.	578	Manabarrie	70.00N	10	6 50	1.00	2 00	1 50	12	Y.
9,60,000	18,69,809	25,11,708	8,55 607	37,054	Duncan Bros. & Co. Ltd.	1 120	Nagaisuree	120.00	100	40.00	7 50	15 00	7.50	12	Y.
14,00,000	20,39,898	24,35,562	10,48 172	73 709	Andrew Yule & Co., Ltd.	1,163	New Dooars	261.00	100	110 00	25 00	35 00	20 00	12	Y.P.
2,50,000	3.74 080	5,53 613	1 88,281	1 220	Duncan Bros. & Co., Ltd.	343	Phaskowa	115 00	100	30 00	Nil	7 50	Nil	12	Y.
6 00 000	8,00.496	13,67 535	5 98,723	—3,00 938	McLeod & Co., Ltd.	764	Rajabhat	15 75	10	6.00	1.25	1 25	Nil	12	Y.
7,65,000	13,43,550	25 92,138	13 67 489	28,043	McLeod & Co., Ltd.	1,035	Ranicherra	14 00	10	3 00	1.50	2.00	0.50	12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,623	Rydak	27.00	10	10.00	5.00	3.00	2.00	12	Y.
							SYLHET								
3,00 000	7,95 000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	24.00	10	3.00	3.00	Nil		12	Y.
6 00,000	9 44,551	9.54 785	2,32,849	33 625	Duncan Bros. & Co., Ltd.	584	Dauracherra	7 25	10	2 00	2.00	1.50	0.75	12	Y.
4,00 000	7,56,165	10,78,529	3,50,481	1 94,610	M.	1,190	Lackatoorah	18 00	10	1.00	3 00			12	Y.
4,00,000	9.00,000	11 60,065	4 82,064	99,037	Shaw Wallace & Co. Ltd.	984	New Samanbagh	19 75	10	Nil	6 25	2.00		12	Y.P.
36,00,000	56,34 901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	125 00	100	30 00	35 00	10 00§	10.00	12	Y.P.
3,20,000	1,40,000	7,82,985	4,24,135	1,18,279	Shaw Wallace & Co., Ltd.	648	Rajnagar	10.00	10	Nil	Nil	1.00	1 10	12	Y.
9,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,72	Teliapara	115.00	100	45.00	25.00	15.00	6.00	12	Y.
							TERAI								
4,50,000	65,000	4,45,710	3,67,923	18,509	Goenka & Co.	667	Atal	5.25N	10	1.50	0.25	0.50		12	Y.P.T.
2,50,000	4,15 000	4 13 655	2,24 210	35 493	National Tea Corporation	522	Belgachi	46 00	10	4.00	10.00	4 00	2.00	12	Y.
12 44,000	4,50,650	26 81 849	9,42 013	31,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	137 00	100	60.00	7.50	10 00	7 50	12	Y.
5 00,000	10 53,794	15 91,369	6,14,096	15 882	Duncan Bros. & Co., Ltd.	530	Hansqua	16 50	10	2.50	1 00	1.00	1 00	12	Y.
3 00,000	7,64,500	7 61 676	3,29,500	77 698	Davenport & Co., Ltd.	514	New Chamta	38 50	10	5.50	1.50	2.50	1 25	12	Y.
2,20,000	3,75,250	13,61,474	5 52,785	23,691	McLeod & Co., Ltd.	549	Tirrihannah	34.00	10	4.00	3.00	2.50	3.00	12	Y.P.
							SOUTH INDIAN ESTATES								
10 06,990	5,36,610	13,84,554	2,70,543	7,689	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	17.62	10	1.25	2.50*	2.50*	1.75*	3	Y.P.
52 50 000	21,47,000	73 46,387	10,86,204	2,77,391	Kothari & Sons (Ags.) Pvt. Ltd.	1,318	Blue Mountain	3 35	2	0 25	0 40	0 30	0.25	6	Y.
9,33,400	13 09,262	23 56 197	7,13,191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3 55	2	0 20	0 40	0.20	0 40	3	Y.
3,77 820	12,25,145	20.87 246	1 13,916	27 021	Matheson Bosanquet & Co., Ltd.	381	Coonoor Tea	25 75	10	4 50*	2 50	1.75	2 00	9	Y.P.
4 00 000	5 50 000	8 21,540	1,78,200	1 205	Parkins Private Ltd.	432	Coorg Tea	4 90XR	2	0 75	1 25	1.50	[illegible]	3	Y.P.
4,49,630	3 55,370	9,62 073	1,64 495	45 087	Young India Agencies Private Ltd.	450	Devon Tea	16 62	10	1.25	2 50*	[illegible]	1 75	3	Y.P.
3,50,000	1,22,986	3 52 153	56,452	....	Parkins Private Ltd.	198	Emerald Valley Estates	6 65	5	1.50	1 25	0 50	0 30	12	Y.
18,75 000	21,25 000	43 05,347	6 81,655	28,840	Parkins Private Ltd.	1,446	Haileyburia	[illegible]	10	2 50	2 50	2.50	1 50'C'	12	Y.P.T.
6,00 000	7 27 746	13.70 71[illegible]	2,26,620	76,650	Peirce Leslie & Co., Ltd.	466	Kalasa Tea	3 35	2	0 92	1 35	0.92	1.35	3	Y.T.
8 68,538	13,75 462	28 33,493	3,68,899	31,196	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	6 80	2	0 60	0 40	0.40	0.30	12	Y.P.
3 00 000	1 43 500	6,76 822	2 05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mamallay	36 00	25	5 00	18 75	6 25	4.50	3	Y.P.
36,00,000	19,24,400	78 01,894	10 99 642	91,273	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	5.00cd	5	0 37	0.37	0 37	0 37	6	Y.P.
12,00,000	4,90,000	27,04,888	5,01,002	23,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	3.00cd	2	0 25	0 56	0 26	0 46	6	Y.P.
14 06,250	6.95 346	35 09,977	5 17,286	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	7 40	10	1 62	1 50	0 62	0 60	3	Y.P.T.
17,00,000	8 81 944	36 18,723	11 78 754	1,02,542	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	19 62	10	5 50	3 50	3 75	2 60	12	Y.P.
37,94,880	45 46,152	91 50 457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3 459	Periakaramalai	3 86	2	0.70	0 90	0 90	0 70	3	Y.P.
12 50,000	13 10 000	30,23 670	2 65,956	744	Parkins Private Ltd.	1,070	Talayar Tea	7 90	10	1 25	1 62	1 25	1.00	3	Y.P.
11,25,000	16,53,668	25 52,610	2 35 551	31 923	Parkins Private Ltd.	1,341	Twyford	15 62	10	2 50	2 00	2 00	1 50'C'	12	Y.
21 93 960	10 82 217	41 37 874	13 69 874	1,20 125	T. Stanes & Co., Ltd.	1 773	United Nilgiri‡	17 25	10	23 00	35 00	2 00	1 77	3	Y.
31,50,000	28,54,311	57,57,727	6,68 638	1,34,481	Kothari Mehta & Co. Pvt. Ltd.	999	Waterfall	3 42	2	0 25	0.40	0 30	0.25	6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividends for 1954 and 1955 are on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
§ Patrakola Tea declared 25 per cent. dividend but paid only 10 per cent. so far. 'C'—On increased Capital. A—Amluckie Tea Co.—Dividend on Rs. 100 paid-up.

COMMERCE, 24TH JANUARY 1959

TEA AND OTHER PLANTING COMPANIES—*Continued.*

PLANTING; PRODUCE AND RUBBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.30	2	0 30	0 21	0.45		5	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd.	Cochin Malabar	5.44	3	0.45	0 75	0.52	0.30'C'	2	Y.P.
22,50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	23 25	10	1.80	2 50	4 00	2 00	6	Y.P.
71,55,000	57,69,923	1,42,78,181	30,95,427	75,345	R. C. Paterson, Esq.	Consolidated Coffee	22 25xd	10	2 25	2 00	4.00	2.00	6	Y.P.
4,00,000	5,87,423	10,43,962	53,995	8,519	Associated Planters Private Ltd.	Cottanad Plantations	15 25	10	1.75*	1 50	1.75		3	Y.P.T.
18,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd.	Highland Produce	11 37	10	2.00	2 00	0 75		12	Y.P.
8,00,000	6,92,899	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	11.75	10	2.75	2 00	2 00	1.00'C'	4	Y.P.
13,50,000	4,55,880	20,40,926	3,38,888	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber	18.25	10	2.25	3 25	2 25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co., Ltd.	Midland Rubber	10 75	10	2 50	2 00	2.00	1.00'C'	3	Y.
3,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd.	Nenmeny Rubber	15 65	10	1.50	1 50	0 75		12	Y.P.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	15 00	10	1.50	1 50	1.50		12	Y.P.T.
19,45,980	23,79,615	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5 47	2	0 40	0 20	0 60		10	Y.P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	17.15	10	2 00	2 50	2 00	2.00	6	Y.P.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd.,	Savamalai Estates Ltd.	3.47	2	1.00	1.50	0 30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2.48	2	..	..	..	0.18	3	Y.P.T.
10,00,000	2,74,418	22,50,914	1,70,646	16,692	East India Agencies Private Ltd.	Teekov Rubber (India) Ltd.	6 65xd	10	0 90	0 90	0 60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd.	Thamarapally Rubber	27.00	10	3 00	3 00	3 00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	1.66	1	0 12½	0 12½	0 05		9	Y.T.
6,00,000	33,742	7,80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	17.25	10	3 00	2 00	1 50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	6.75	10	1 25	0.75	0 40		12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	21.75	25	4 00	3 00	1.00		12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd.	Udayagiri Rubber Co., Ltd.	11.15	10	0 60	0 75	0 60		12	Y.P.
8,80,100	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber	23.12	10	2 50	3 50	3 50J	1.25‡	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.12xd	10	2 00	1 25	1.00	0 50	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	18,786	B. N. Elias & Co. Private Ltd.	879	Agarpara	11 00	10	0 62	0 25	0 25		3	Y.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	185 00	100	10 00	10 00	10 00		12	Y.P.T.
30 00,000	5,25,000	1,25,28,740	95,78,601	—5,74,381	McLeod & Co., Ltd.	1,264	Alliance	125 00	100	6 00	Nil	Nil		5	Y.P.
49,20,700	72,21,000	3,09,93,668	2,15,04,087	2,36,742	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	225 00	100	3 50	3 50	7 00	10 00	3	Y.P.
40,00,000	32,60,924	1,49,82,554	63,17,403	3,215	Bird & Co. Private Ltd.	810	Auckland	179 00	100	10 00	1 00	Nil	5 00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd.	959	Bally	205 00	100	3 50	Nil	2 00	6 00	3	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman)	1,889	Barnagore	145 00	£5	sh. 15	Nil	Nil	Nil	3	Y.P.
28,00,000	26,27,123	97,66,495	53,10,415	6,111	Andrew Yule & Co., Ltd.	820	Belvedere	166 00	100	7.50	Nil	2 50		12	Y.P.
45,00,000	29,71,745	58,94,091	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	11 62	10	1.12	1 00	Nil		6	Y.P.T.
91,26,000	2,26,05,284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd.	1,373	Birla	19 94	10	1 00	1 00	1 00	1.00	3	Y.P.
36,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd.	991	Budge-Budge	150 00	100	7 50	Nil	Nil		10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Davaram & Sons	502	Calcutta Jute Mfg.	7.00	10	Nil	Nil			12	Y.P.T.
18,00,000	25,21,234	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd.	616	Caledonian	195 00	100	6 50	Nil	Nil		11	Y.P.
59,16,400	75,85,462	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd.	600	Champdany	127 00	100	10 00	2 00	Nil	Nil	3	Y.
15,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd.	530	Cheviot	212 00	100	10 00	2 00	Nil		11	Y.P.
30,15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd.	500	Chitavalsah	15 12	10	1.37	0 62½	1 10		7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	12.50	10	1 25z	0 50	Nil	Nil	3	Y.P.
31,49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd.	766	Dalhousie	136 00	100	4 00	Nil	Nil	Nil	8	Y.P.T.
28,00,000	37 22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd.	779	Delta	170 00	100	10 00	5 00	Nil		11	Y.P.
15,00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd.	500	Empire	19.25	10	1.25	0 50‡	0.75		7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	258 00	100	15 00	10 00	10.00	20 00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	63,50,852	1,96,479	Bangur Bros., Ltd.	1,014	Fort William	23 75	10	20 00	0 75K	1.50	1.50	3	Y.P.T.
34,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	78 50	100	2 50	Nil			3, 9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39,411	M.	607	General Ind. Society Ltd.	23 50	10	Nil	50 00	60 00§		12	Y.T.
24,00,000	32,06,464	2,35,37,322	1,60,44,632	47,269	Macneill & Barry Ltd.	1,394	Gourepore	387 00	100	15 00	2 50	2 50	20 00	3	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	99 00	100	11 50	5 00	5.00	5 00	3	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	13 50	10	1 25	Nil			3	Y.P.
65,62,500	28,09,105	2,34,85,488	1,24,24,441	32,775	Jardine Henderson Ltd.	1,040	Howrah	20 50	10	0.37	0 25	Nil	Nil	3	Y.P.T.
52,50,000	30,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand	21 00	7 50	2 00	2 00	1 50	1 50	3	Y.P.
87,30 000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	16 12	12 50	4 69	4 69	0 37	15.62§	3	Y.
24,00,000 / 'B'19,20,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	181 00 / 170 00	100 / 'B' 100	2.50 / 2 50	Nil / Nil	Nil / Nil		12	Y.P.T.
30 00,000 / 'B'24,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	99 00 / 81 00	100 / 'B' 100	1 00 / 1.00	Nil / Nil	Nil / Nil		12	Y.P.T.
21,00,000	53,00 000	1,35,45,052	88,77,736	86,701	McLeod & Co., Ltd.	703	Kelvin	250 00	100	17 50	5 00‡	9 00		5	Y.P.
54,00,000	23,23,375	1,96,60 992	1,22,03,770	27,027	Anderson Wright Ltd.	1,530	Khardah	162 00	100	11 00	5 00	3 00		3	Y.P.
48,00,000	77,32,121	2,38,47,961	1,08,51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	193 00	100	18 00	6 00	Nil	5 00	3	Y.P.T.
24,48,000	27,76,883	1,28,67,077	58,39,647	—9,32,635	Bird & Co. Private Ltd.	931	Lansdowne	135 00	100	7 00	Nil	Nil	Nil	3	Y.P.
28,00,000	40,49,600	1,48,98,886	66,75 920	—3,16,201	Bird & Co. Private Ltd.	840	Lawrence	117 00	100	6 00	Nil	Nil	Nil	3	Y.P.T.
81,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	14.75	10	3 75	3 75	5 00	17.50§	3	Y.
29,98,900	34,62,195	1,65,70,565	36,70,690	—13,08,719	M.	315	Naihati	80 00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	15,55,000	36,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd.	425	Naskarpara	12.00	10	1 25	Nil			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	26.12	10	1 75	0.75	0 75		10	Y.P.
26,25,000	27,55,572	31,27,861	21,92,842	43,512	McLeod & Co., Ltd.	316	Nellimarla Jute	12.31	10	1 00	..	0 90		7	Y.P.T.
35.50,000	2,86,31,171	4,08,32,343	1,06,43,534	3,35,601	Sahu Jain Ltd.	1,765	New Central†	13.50	10	1.50	1 50			12	Y.P.
16,79,880	43,38,845	1,35,66,574	61,41,213	—2,43,817	Bird & Co. Private Ltd.	567	Northbrook	18.50	10	1.50	1 50	Nil	Nil	3	Y.P.T.
66,79,500	17,81,396	2,26,00,780	1,19,72,061	79,151	Macneill & Barry Ltd.	1,092	Nuddea	60.50	50	1 00	Nil	Nil	2.50	3	Y.P.
24,91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd.	601	Orient	179.00	100	9 00	2 00	Nil		11	Y.
25,00,000	7,83,173	86,18,353	67,97,872	7,049	McLeod & Co., Ltd.	400	Presidency	6.37	5	0 31	0 20	0 30		7	Y.T.
20,00,000	10,324	29,80,939	9,24,705	—7,07,557	Birla Brothers Private Ltd.	305	Rameshwara	6.06	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	2,00,000	1,24,61,131	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	8 00	10	Nil	Nil	Nil	Nil	8	Y.P.T.
£600,000	£420,518	£1,474,082	£790,162	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	11 00	£1	8%‡	3%‡	Nil		12	Y.P.
30,00,000	13.14,910	1,21,72,882	85,21,532	48,032	Bagaria More & Co., Ltd.	911	Shree Ambica	11 50N	10	0 50	0 25	0 50		3	Y.P.
14,00,000	11,14,980	68,87,540	47,50,476	40,154	Hindusthan Investment Corpn. Ltd	401	Soorah	19 50	10	1.50	1 50	1 50		12	Y.P.
25,19,600	3,04,087	9,29,724	3,23,203	61,862	Bird & Co. Private Ltd.	650	Standard	115 00	100	1 00	Nil	Nil	5.00	3	Y.P.
£600,000	£334,805	£1,259,274	£693,019	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	10.75	£1	3%‡	Nil	Nil		12	Y.P.
35,98,600	48,33,581	1,05,53,316	42,51,394	56,837	Bird & Co. Private Ltd.	1,326	Union	231.00	100	10 00	1 00	Nil	15 00	8	Y.P.T.
£400,000	£247,635	£1,271,988	£541,723	£13,328	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	11.85	£1	8%‡	3%‡	3%‡	Nil	12	Y.P.
2,50,000	6,35,000	41,78,264	27,76,059	—4,15,285	McLeod & Co., Ltd.	447	Waverley	4.00	1	0.37	Nil	Nil		5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,688	40,639	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	21.12	10	1 37	0 50	1 25	1.25	3	Y.
12 00,000	4,49,890	35,13,891	33,46,842	57,344	Jardine Henderson Ltd.	Bararee Coke	11.75	10	1 46	1.10	0.37	0.50	3	Y.
4,49,350	88,000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	4 25N	10	0 62	0 75			12	Y.
1,00,00,000	1,62,13,157	6,38,12,765	4,41,60,343	11,48,060	Andrew Yule & Co., Ltd.	Bengal Coal	282 00	100	35 00*P	17 50	17 50		10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	10 00	10	Nil	Nil	Nil		12	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	6 37	10	0 62	0 62	0.60		6	Y.P.T.
7,15,000	10,15,172	49,80,946	84,84,101	—4,02,536	M.	Bhulanbararee	8 00N	10	Nil	Nil			12	Y.T.
7.50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	17 75	10	2.00	1 50	0 75		12	Y.P.
90.92 480	1,70,33,767	4,37,67,223	1,09,68,073	95,339	Bird & Co. Private Ltd.	Burrakur	17.25	10	0 62	0 68	0 37		6, 12	H.P.
49 97 000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	7.25	10	0 25	0 50	0.50	0.50	3	Y.
3 00,000	12,00,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	9.75N	10	0 50	0 50			12	Y.
6.00,000	1,49,122	7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churlia	2 75	4	0 06	0 06	0 20		12	Y.
16,00 000	....	54,47,612	31,85,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	9 12	10	Nil	Nil	Nil		12	Y.
£240,000	£273,125	£1,070,637	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	22 62	£1	3 00	2.50	1 50	1.00	4	Y.
29,63,760	93,25,027	4,34,54,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Equitable	28 87	10	1.50	1 50	1.50		12	Y.P.T.
10,00 000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	14 00N	10	0 25	0 25			8	Y.
12,00,000	65,000	43,00,791	26,55,359	—6,34,206	Killick Industries Ltd.	Hingir-Rampur	19 00	50	2.25	2 25	Nil	Nil	6	Y.P.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Harriladih	15 00	10	2 50	1 50	Nil		12	Y.
3,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	21 00	10	Nil	Nil	Nil	Nil	2	Y.
20,00,000	2,87,375	35,11,943	7,18,220	11,229	Bird & Co. Private Ltd.	Karanpura Collieries	115 00	100	2 50	5 00	Nil	5 00	2	Y.P.
5,00,000	19,66,031	49,73,401	39,04,335	1,68,572	Andrew Yule & Co., Ltd.	Katras Jherriah	70 00	10	4 50	6 50	6.50	6.50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	2.75N	10	0 12	0.19			6	Y.
9.00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15 50N	10	0 12	0 12	0 12		4	Y.
7,48,240	2,25 000	13,43,892	9,89,769	55,358	Tantia Brothers Private Ltd.	Nazira	7 31	10	0 50	0 50	0.75		12	Y.
17,76,230	19,58,049	1,30,10,149	94,97,263	83,316	Andrew Yule & Co., Ltd.	New Beerbhoom	20 00	10	1 00	0 75	0 75		10	Y.P.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	11 00	10	Nil	Nil	0 50	0 50	3	Y.
1,15 000 / 1,57,500	3,85,824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd.	North West	24 00N / 19 25N	10 / 7.50	1.37 / 1 03	1.50 / 1 12	1 50 / 1 12	1 50 / 1.12	3	Y.
7.50,000	15,69,648	3,97,666	2,77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	12 00	10	1 00	0.75	0 50		12	Y.P.
8,34,000	20 000	23,49,367	9,36,591	3,080	Deepchand Kishenlal	Parasea	15 00	10	1 00	0 60			12	Y.P.T.
15 75 [illegible]	17,04 800	59,95,210	42 69,210	36,465	Shaw Wallace & Co., Ltd.	Pench Valley	24 12	10	1 50	0.70	2 00	2.00	3	Y.
23.09,500	25 00 [illegible]	1,37,28,021	91 88 862	29,060	B. N. Elias & Co. Private Ltd.	Raneegunge	14 25	10	0 62	0 37	0 75		3	Y.
13.50 000	6 38.385	42 [illegible]	32,31 918	24,549	Shaw Wallace & Co., Ltd.	Rewa	17 87	10	2 07	1.50	1 00		12	Y.
87 50 000	37.12 000	95 06 524	26,3[illegible]	[illegible]	M.	Samla Collieries	10 50	10	1 00	1.25	0.90		12	Y.
2.50,000	1 95.302	13,78,480	12,21,237	21,070	M.	Searsole	5 00N	2 50	0 75				1	Y.
2.80 000	9 25 098	29,24,442	19.99,221	48,188	Andrew Yule & Co., Ltd.	Seebpore	26.25	7	2 50	2.25	1.75		12	Y.P.
8 00 000	4 91 081	52,491	23,867	628	F. W. Heilgers & Co. Private Ltd.	Sendra	11.25	10	0.25	0.25	0.25		12	Y.T.
63.21,450	1,04,26,553	5,58,10,511	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	15 75xd	10	0 75	1.00	1.50		12	Y.T.
17.50,000	10,37,541	39,01,896	17,00,094	8,739	Bird & Co. Private Ltd.	South Karanpura	12 31	10	0 12	0.35	0 75		8	Y.
8.00,000	13,76,745	1,69,570	28 510	9,790	F. W. Heilgers & Co. Private Ltd.	Standard	13 50	10	1 00	1 00	1.00		12	Y.
10 00,000	....	31,92,694	15,43,502	—5,62,907	M.	Talcher	1.62	2 50	Nil	Nil			9	Y.T.
3,50,000	2,80,000	19,15 700	14,79,400	1,77,952	Williamson Magor & Co., Ltd.	Union	14 25	10	Nil	Nil	0 37		12	Y.
49,98,000	89,284	70,81,423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal	5 94	10	0 50	0 50	0 50	0.40	3	Y.
7,00,000	....	58,61,405	27,57,669	—3,49,103	Macneill & Barry Ltd.	West Jamuria	7.00	10	Nil	Nil	Nil		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills— Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co., Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

AMERICAN LETTER

(*Concluded from page* 101)

veterans' affairs, and the remaining 16 per cent. for all other federal activities.

The President was asking for $40,945 million for the Defence Department, $145 million more than estimated 1959 fiscal year expenditure. He emphasised that this represented a *strengthening* of the effectiveness of the nation's defence forces through modernisation and improved efficiency. "In addition to strengthening our own armed forces, and recognising the inseparability of free world defence, the budget continues to provide through military assistance the critical margin of weapons and equipment required by *our allies who,* with us, forge a strong shield against possible aggressors," Mr. Eisenhower said. Mr. Eisenhower also recommended continued efforts to "assist free nations in their economic development through well-considered programmes." As part of this effort, the President recommended increased U.S. subscriptions to the International Monetary Fund and World Bank, a $225 million supplement to the U.S. Development Loan Fund, creation of a Development Institute for Latin America, and increased emphasis on economic development in the mutual security programmes.

The President called for total 1960 fiscal year expenditure of $3,498 million for the mutual security programmes, a $383 million reduction from the current year's estimated expenditures. The decrease reflects a reduction both in military assistance and the defence support programme, and accompanying small increases in economic programmes. "In a world which still contains much want and suffering," Mr. Eisenhower said, "it is a goal of our foreign policy to promote the economic stability and growth of less-developed countries. ... Although military danger persists, a strengthened free-world defence system enables less-developed countries to concentrate much of their effort on needed economic progress. Increased international trade, private investment, public programmes of lending, and technical assistance are essential to these efforts."

Noting the growing importance of scientific research and space explorations, Mr. Eisenhower called for a record expenditure of $5,484 million for national research and development.

Emphasis would be on "space exploration, peaceful uses of atomic energy, and basic science," Mr. Eisenhower said. He added: "Extensive space exploration investigations are being initiated, utilising satellites and probes. Development work is going forward on high-energy fuel rockets, a million-pound thrust engine, and a nuclear rocket engine." Other major items in the budget included: interest on the National Debt, $8,096 million; agriculture, $5,996 million; veterans' services and benefits, $5,088 million; labour and welfare, $4,129 million; atomic energy programme, $2,745 million; and commerce and housing, $2,243 million.

COAL

(*Concluded from page* 108)

Government of India, when it entrusted to the Institute the task of drawing up the specifications for new washeries in the public sector. These washeries are to be located at Kargali, Dugda, Bhojudih, Patherdih and Korba. In addition, the Institute will shortly take up investigations and planning for at least three more Central washeries for the Indian railways.

Since reserves of natural oil in India are considered insufficient for our needs, extra importance is attached to developing suitable methods for its production synthetically. The production of synthetic diesel oil is intimately connected with the fuel problems of the domestic sector, which still remains the largest consumer of coal. At present, the bulk of domestic fuel need is fulfilled with cowdung and firewood, with baneful effects on agriculture. To avoid the use of these fuels, it is necessary to find a suitable alternative fuel. The work on the development of soft-coke done at the Fuel Research Institute is of great value in this connection. Research workers at the Institute have succeeded in developing a simple process for the production of soft-coke for domestic use.

Fuel research does not, however, end with the survey and selection of coals for different industrial or domestic uses. It also extends to such needs as utilisation of tars and to find uses for other by-products obtained from coal. Among the important by-products of coal obtained at the Institute are chemicals used in water softening and for the manufacture of glucose from starch; ashless carbon for the manufacture of electrode carbon and other moulded products; certain types of resins from Indian coal tars for paint, varnish, rubber and paper industry, floor coverings, printing inks and adhesives; montan wax from South Arcot lignite and pyrites from the washery rejects from coal. The great value of these products to Indian economy can be judged from the fact that large quantities of some of these materials were until recently imported from foreign countries.

INDIA'S NATIONAL INCOME

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also brings to light some discrepancy between the indices of industrial production and the indices of organised industry's contribution to the national income. This discrepancy is the more difficult to understand, since the industrial production indices are based on value added in manufacture, and should normally correspond to the trends in the share of organised industry in national income.

To conclude this study, it is obvious that the first Five-year Plan accomplished nothing remarkable since the growth of national income, aided by favourable monsoons and unutilised capacity in industry when the Plan began, has only been in keeping with the long-term trend of a compound rate of growth of 3.5 per cent. a year. The second Plan seems unlikely to achieve even this rate of increase, unless the economy is aided by favourable monsoons in the next two years. This seems to be a disheartening conclusion to reach. Certainly any higher pace of development will call for far greater efforts than are being put in now. This should be obvious, since agricultural production will have difficulty in maintaining even the 3.0 per cent. rate of increase indicated by the trend calculations. Any higher rate of increase in national income will, therefore, have to come from industry which must rise more than the 5.7 per cent. shown by the trend, and industry needs much larger investments than any other sector for producing a given rise in income.

COMMERCE AND INDUSTRY

(*Concluded from page* 118)

and sisal fibres in adequate quantities so as to enable them to maximise production."

Mr. Jalan referred to the Export Promotion Scheme also. Under this scheme, licences for the import of fibres are issued for 75 per cent. of the foreign exchange received in payment of the f.o.b. value of the ropes exported. This provision, in his opinion, does not give sufficient incentive to the exporters to increase their exports, because the current selling prices of ropes for export would not even cover the processing charges. The result is that manufacturers are trying to maintain their exports even without any margin, surely with a view to build up the export trade. Mr. Jalan, therefore, considered that the value for which import licences were given under the scheme should be raised at least 100 per cent. of the foreign exchange received.

Emphasising the need to modify the procedure in the present scheme under which only those who exported in excess of the quantity exported in the previous year were given the benefit of importing the fibres, Mr. Jalan wanted the benefits to be extended to those who maintained their exports at the previous level. He also suggested that exporters of ropes should be permitted to import fibres against all kinds of ropes exported under the scheme when alone it would be possible to develop the export of ropes and utilise the installed capacity to the maximum extent.

It may be noted here that India exported coir ropes worth Rs. 22 lakhs between April 1957 and March 1958. Coir ropes are produced entirely from indigenous raw material. Burma is already emerging as a competitor in this business in Malaya. India is at present exporting ropes of all kinds to countries like Pakistan, Ceylon, Thailand, Malaya, Indonesia and others. It is, however, experiencing stiff competition from advanced countries, especially Japan. As a result, the exports of Indian sisal rope have come down from the peak figure of Rs. 8,31,921 during 1953-54 to about Rs. 8,610 during 1957-58.

In order to put the industry on a stable foundation and to raise its competitive capacity in world markets, it is essential to ensure self-sufficiency in hard fibres and to improve their quality. The quality of sisal and aloe fibres grown in India is not up to the standard. Out of 10,000 tons of sisal and aloe fibres required by the industry, only 4,000 tons of aloe fibres are available, mostly from South India and the Western districts of Ahmedabad. Consequently, 6,000 tons of hard fibre have to be imported. The West Bengal Government has taken steps to grow sisal over an area of 1,000 acres at Rajnagar. But, according to Mr. Jalan, this will be able to begin supply of fibre only in 1961.

Notices

ASHOKA CEMENT LIMITED

NOTICE IS HEREBY GIVEN THAT THE Third Annual General Meeting of the shareholders of the Company will be held on Tuesday, the 24th February, 1959, at 11.30 a.m., at the Registered Office of the Company at Dalmianagar to consider the Balance Sheet and accounts for the period ended March, 1958, to elect a Director in place of the retiring Director and to appoint the Auditors for the current year and to fix their remuneration. The Share Transfer Books of the Company will remain closed from 16th February, 1959 to 24th February, 1959, both days inclusive.

The Board of Directors in their meeting held on the 13th January, 1959, have declared an interim dividend of 30 Naye Paise per share for the current year payable to those shareholders whose names stand registered in the books of the Company on 24th February, 1959.

By Order of the Board,

H. D. BISHNOI,

General Secretary.

DALMIANAGAR, 17*th January*, 1959.

N.B.—A member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

NEW CENTRAL JUTE MILLS COMPANY, LIMITED

THE ANNUAL GENERAL MEETING OF THE shareholders of the Company will be held on Monday, the 23rd February, 1959, at 11.30 a.m., at the Registered Office of the Company, at 11, Clive Row, Calcutta, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the financial period ended 31st March, 1958.
2. To declare dividends.
3. To elect Directors in places of Shri A. K. Jain and Shri M. L. Shah, who retire by rotation, but being eligible offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. N. C. Jain & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.

As special business:

5. Resolved that the appointment of Messrs. Cathie Dempster & Co. Ltd., Nathan's Buildings, Grey Street, Wellington, C.1., New Zealand, as sole distributors for New Zealand for the sale of Jute Carpet Backing and other jute speciality goods manufactured by the Company, as per draft agreement placed before the meeting and duly approved by the Board of Directors, be and is hereby approved in accordance with Section 294 of the Companies Act, 1956.

The Share Transfer Books of the Company will remain closed from 16th February, 1959 to 23rd February 1959, both days inclusive.

By Order of the Board,

For SAHU JAIN LIMITED,

A. K. JAIN,

Managing Director,

Managing Agents.

CALCUTTA, 17*th January*, 1959.

N.B.—A member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

Explanatory Note to item No. 5: Under Section 294 of the Companies Act appointment of Sole Selling Agents for any area is required to be approved by the Company in General Meeting. Messrs. Cathie Dempster & Co. Ltd., Nathan's Buildings, Grey Street, Wellington, C.1., New Zealand wholly managed by nationals of that country, are being appointed as sole distributors for the sale of Jute Carpet Backing and other jute speciality goods manufactured by the Company in New Zealand, from the date of approval in the General Meeting.

The said Agreement is available for inspection of the shareholders on all working days during business hours at the registered office of the Company and will be placed before the Company at the General Meeting.

The Managing Agents and/or the Directors of the Company have no interest in the said Agreement.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000	1,03,00,000	10,41,547	Allahabad Bank	362.00	100	18.00	18.00	18.00‡		12	Y.P.
14,50,000				181.00	50	9.00	9.00	9.00‡			
1,01 000	17,84,000	3,83,732	Andhra Bank	106 50	100	6.50	8 00	6.00	2.50I	6, 12	H.
40,78,300				88 75	85	4 54	5 59	5.10	1.12I		
1,00,00,000	1,28,00,000	4,10,731	Bank of Baroda	127 00	50	6 00‡	7 00	7.00	3.00I	12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	25.50	25	0 87	1.12	1.25		12	Y.
2,50,00,000	3,10,00,000	16,02,381	Bank of India	141 00	50	8.00	8.00	8 00	3.00I	6, 12	R.L.Y.
50,00,000'A'				141 00	50'A'	..		8.00	3.00I		
15,30,375	29,00,000	52,270	Bank of Indore	63 00N	25	3.50	4.00	4.25		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	45 75	50	2.00	2 50	3.00		12	Y.
50,00,000	91,95 618	1,87,085	Bank of Mysore	300 00	100	16.00‡	16 00‡	16 00	8.00I	12	Y.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	82.00	50	5.00	5.00	5.00		12	Y.P.
7,50,000	13,55,000	5,670	Canara Banking Corporation Ltd. ..	77 00	50	5.50‡	5 00‡	5.00‡		12	Y.P.
5,32,930 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	182 00	100'A'	12 50	15.00	15.00		12	Y.
23,787 'C'				1.71	1'C'	12½%	15%	15%			
2,82,11 375	4,03,60,821	18,44,046	Central Bank of India Ltd. ..	58.50	25	3.00	3.50	3.50	1.50I	12	R.L.H.
52 42,875				61.00	25	3 00	3.50	3.50	1.50I		
50 00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co. ..	50 50	50	2 50	3 00	3.00	1.25I	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29 12	5	0.87	1.37	1.06		12	Y.
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank ..	9.00	50	Nil	Nil			12	Y.
50,00,000	1,80,000	4,233	Hindustan Mercantile Bank ..	12 50	50	Nil	Nil	Nil		12	Y.
44,00,000	1,00,00,360	2,04,376	Indian Bank	225.00	100	12.00‡	13 00	15.00‡	6.50I	6, 12	R.L.H.
22,40,000				183 00	80	7 75	9 75	12 00‡	5.20I		
56,23,350	46,36,300	2,32,067	Indian Overseas Bank	166 00	100	7.50	10 00	10 00		12	Y.
10,00,000	10,25,000	33,502	Pandyan Bank Ltd.	82 00	25	1 87	1 87	1 87		12	Y.
1,25,00,000	1,10,00,000	4,51,904	Punjab National Bank	59 00	25	3 50	4.00	5 00	2.50I	12	Y.
1,00,00,000	29,17,000	5,628	Travancore Bank	26.35	25	1.00	1.00	1.25		12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	7 64	5	0.37	0.44	0.44		12	Y.
2,00,00,000	1,34,00,000	49,432	United Commercial Bank ..	68.00	50	2.75	3.50	3.75		12	H.
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East§ .	£2-8-3	£1	10	10	10	10	3	Y.
£5,000,000	£5,500,000	£412,542	Chartered Bank	£2-5-0	£1	15†	15†	15†		12	Y
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,062,463	Hongkong and Shanghai Banking Corporation	£47	H.K.$125	5*	5*	12½*Z	1¼*	12	Y.
£18,565,070	£18,000,000	£826,712	Lloyds Bank	£2-4-9	£1	12†	13†	13†		12	Y.
£2,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£2-4-3	£1	14†	14†	18‡†		12	Y.
£2,851,563	£3,104,637	£355,539	National Overseas and Grindlays Bank Ltd.	£1-9-6	sh 12½	15†	15†	15†		12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr—Ex-Right
Z.—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim dividend for 1959 declared.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June ..	Carew & Co.	1933	92.00	1st June 1963
4,00,000	5½	1st March and 18th September ..	Carew & Co. (2nd mortgage)	1941	90 00	28th February .. 1960
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	100 25	27th December .. 1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	94.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October ..	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December ..	Burrakur Coal Co.	1947	87.00	30th June .. 1967 (a)
50,00,000	4½	15th June and 15th December ..	Equitable Coal Co.	1953	100.00	14th December .. 1969 (a)‡
			COTTON			
7,00 000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November ..	Bengal-Nagpur	1897	89.00	15th November .. 1966 (b)
70,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	98.00	1st March .. 1972 (a)
40,00 000	6	1st April and 1st October ..	Gokak Mills	1957	100 25	1st April 1967-72
13,71,000	5½	30th June and 31st December ..	Jayshree Textiles	1949	90.00N	1st January .. 1956-59
39,90,000	5½	1st June	Tata Mills	1951	93.25	15th November .. 1960
			ELECTRIC			
19,00,000	4½	31st March and 30th September ..	Agra Electric Supply Co., Ltd.	1950	90 00	31st March .. 1965 (a)
1,25 00 000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd.	..	100 00N	14th June .. 1960
93,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	99 50	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	90 00	31st December .. 1964 (a)
£4,043,914	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	98 00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd. ..	1945	84 00	31st December .. 1970
13,80,000	5	1st January and 1st July ..	Sijua (Jherriah) Electric Supply Co., Ltd. ..	1951	91 00	30th June .. 1976 (a)
2,00,000	5½	31st March and 30th September ..	South Madras Electric Supply	1939	95 00	1st April 1959-61
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply	1940	93 50	30th September .. 1953-63
47,73,000	5	1st April and 1st October ..	Tata Power	1940	100.10	1st July 1970
2,50,00,000	4	1st April and 1st October ..	Tata Power	..	80.25	15th September .. 1965-70‡
			ENGINEERING			
75,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	94 00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July ..	Guest, Keen, Williams Ltd.	1958	104 50	1st January .. 1971
30 00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer)	1942	97 25	1st July 1957-62
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd. ..	1946	82 00	31st May 1971
3,00,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	99.25	1st October .. 1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	98.00	31st December .. 1960 (a)
			JUTE			
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	90.50	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	91 00	30th June .. 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	77.00	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1945	90 00	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	86 0[illegible]	31st July 1959
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	88 50	30th June .. 1966
20,48,000	5½	31st March and 30th September ..	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (a)
8 86,000	5	15th January and 15th July ..	Empire	1951	90 00	15th July .. .. 1966 (a)
30,00,000	5½	31st March and 30th September ..	Howrah Mills Co., Ltd.	1955	94 00	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1949	90 00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December ..	Naihati	1952	90 00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1939	92 00	14th May 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1945	80 00	31st December .. 1964
25,00 000	5	31st March and 30th September ..	Reliance Jute Mills Co., Ltd. ..	1950	85 00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December ..	Union	1937	95 00	31st March .. 1967
10,00,000	3½	31st January and 31st July ..	Waverley	1925	80.00	31st July 1966
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
189,363	5	1st April and 1st October ..	Calcutta Tramways	1933	£74.10N	1st October .. 1974
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	85.00	31st December .. 195[illegible] (a)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway ..	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	97.09	1st September .. 1962
			PLANTING			
11,25,000	6	31st March and 30th September ..	Nilgiri Tea	..	99.50	1st April .. .. 1958-68†
1,27,600	5½	31st March and 30th September ..	Teekoy	1944	100.00	31st March .. 1949-59
			MISCELLANEOUS			
10,00,000	4	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
23,60,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	85 00	31st December .. 1962
6,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	101.00	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	101 75	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	85.00	1st February .. 1964
19,29,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	82.00	1st July 1966
20,00,000	4	15th March and 15th September ..	Dalhousie Properties	1946	78 00	15th September .. 1960
1,00,00,000	6½	31st March and 30th September ..	Dalmia Cement (Bharat) Ltd. ..	1946	82 00	 1966
1,05,21,000	5	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	105.25	1st January .. 1971 (a)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	100 50N	30th June .. 1969 (a)‡
15,00,000	5	2nd January and 2nd July ..	Mettur Chemical Industries ..	1949	83 00	30th September .. 1964
9,52,000	4	31st March and 30th September ..	Martin Burn Ltd. (Convertible Notes) ..	1946	600 00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes) ..	1947	465 00 (per note)	31st December .. 1972 (a) / 30th September .. 1964
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	85 50N	1st April 1971
1,50,00 000	5½	30th June and 31st December ..	National Rayon	1955	101 50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92 00	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	92.25	31st December .. 1959
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India. Ltd.	1953	101.50	1st May .. .. 1968 (a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 30 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 22nd January, 1959.

	Closing quotations 15-1-1959	High	Low	Closing quotations 22-1-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	145.00	—	—	145.00
Apollo (2) ..	1.26	1.26	1.22	1.26
Bombay Dyeing (25) ..	56.30	56.60	55.60	56.00
Bradbury (50) ..	133 75	—	—	133 75
Central India (100) ..	91 00	92 00	89.50	90 00
Century Mills (100) ..	431.25	438.00	429 50	434 50
Edward Textile (200) .	215.50	—	—	215 50
Elphinstone (50) ..	80 00	80.50	80.00	80 50
Finlay (100) ..	261 00	261.50	259 00	259 00
Gokak (100) ..	132 00	134.00	132 00	132 00
Ind. Untd. Defd. (1) ..	1 16	1.18	1 14	1.14
Ind. Untd. Ord. (10) ..	8 96	9.08	8.80	8 84
Indore Malwa (100) ..	99 00	99 00	96 00	97.50
Khatau (100) ..	156 75	157 50	153 75	153.75
Kohinoor (100) ..	241 50	244.00	237.50	239 00
Lakshmi (250) ..	400 00	—	—	400 00
Minerva Mills (100) ..	64 00	—	—	64 00
Model Nagpur (250) ..	172 50	176.25	172.50	172 50
Morarji (100) ..	232.50	231 00	222 50	230 00
Mysore (50) ..	81 00	83 00	81 00	83 00
National Rayons (100).	244.00	245 50	240 25	242 75
New City (100) ..	92 50	—	—	92 50
New Great (100) ..	218 00	219.00	218.50	219 00
Phoenix (100) ..	121 25	—	—	121 25
Podar Mills (100) ..	128 00	—	—	130 00
Sassoon Silk (10) ..	9.76	—	—	9 76
Sassoon Spg. (10) ..	40 25	42.00	40.25	42 00
Sholapur (1,000) ..	425 00	—	—	425 00
Shrinivas (100) ..	136 50	140 00	136 50	140 00
Simplex (50) ..	170 00	170 00	167 50	167 50
Standard (100) ..	421 00	426 25	414 00	417 50
Svadeshi (100) ..	213 25	214 50	207 50	209 50
Swan (100) ..	350 00	350 00	345.00	347 00
Tata Mill (25) ..	35 50	36.00	34.25	34 25
Vishnu (100) ..	92 00	—	—	92.00
Western India (1,000).	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50) ..	139.25	141.00	139.25	141.00
Do. (New) (50) ..	139 50	142 25	139 50	142 25
Bank of Baroda (50) ..	128 00	128 00	126 50	127 00
Central (25) ..	59 00	59 00	58 20	58 80
Central 'A' (25) ..	61 00	61.50	61 00	61 00
Dena Bank (50) ..	50 50	—	—	50 50
Punjab National (25) .	60 00	60 00	59.00	59 00
Union Bank (5) ..	7 52	7.64	7.52	7 64
United Com. (50) ..	68.50	60.30	67.50	68 00
ELECTRIC COS.				
Ahmedabad (100) ..	94.00	95.10	94.70	95.00
Amalgamated (10) ..	11 00	11.08	11.00	11 08
Andhra Valley (1,000).	1,172 50	1,172 50	1,167 50	1,172 50
Bom. Sub-El. (100) ..	110 50	110.50	110 00	110 00
Surat (100) ..	112.75	112 75	112 50	112 50
Tata Hydro (100) ..	119.75	120.75	119 75	120 75
Tata Power (1,000) ..	1,191.25	1,195.00	1,187.50	1,192.50
INSURANCE COS.				
British India (10) ..	13.80	—	—	13.80
Empire of India (100).	212 50	—	—	212 50
Ind. Mercantile (20) ..	46 00	—	—	46 00
Jupiter (15) ..	7 12	—	—	7 12
New India (15) ..	52 50	54.50	52.70	54 00
Oriental (200) ..	4,010 00	—	—	4,010.00
Vulcan (10) ..	19.76	—	—	19.76
STEEL COS.				
Ind. Iron (10) ..	26.00	26.35	25.95	26 2[illegible]
Tata Steel Ord. (75) ..	175.50	176.75	174.25	175.50
SUGAR COS.				
Belapur (50) ..	275 00	275.00	262.00	262.50
Bhopal (10) ..	26 00	26 00	25.70	25.75
Changdeo (12.50) ..	30 25	—	—	30 25
Phaltan (50) ..	159.00	159 50	144 50	144.75xd
Walchand Ind. (100) ..	272.50	272.50	267.00	267.00
CEMENT COS.				
Associated Cts. (100) ..	155.50	156.50	153.25	154 25
Digvijay (100) ..	132.00	133.00	131.50	132 50
MISCELLANEOUS				
Alcock Ashdown (100).	255.00	269.50	253.75	268.00
Bom. Burmah (125) ..	466.50	469.50	460.00	463 00
Do. (New) (50) ..	171 25	171 25	170 00	171.25
Br. B. Petrol (4 sh.) ..	2.02	2.06	2.00	2.02
Br. I. Corpn. (5) ..	3.78	3.78	3.70	3.72
Hindusthan Motors (10)	7.24	7.38	7.12	7.16
Indian Copper (2 sh.) ..	3 60	3 62	3.54	3.58
Ind. Inv. Tr. (100) ..	85 20	85 30	85.00	85.30
Killicks (100) ..	153.25	153.50	153.00	153 00
Polson (100) ..	155 00	—	—	155 00
Pre. Automobiles (100)	85 20	85 50	83.70	83 70
Premier Con. (80) ..	239 00	241 50	235.00	236.50
Scindia (20) ..	21 52	21 56	21.28	21.48
G. E. Shipping (10) ..	24 08	24 08	23.84	23.84
Shivrajpur (10) ..	90 00	91 50	88.00	88.00
Sirpur Paper (10) ..	13.68	13.76	13.40	13 52
Tata Chemicals (10) ..	15 32	15 64	15.32	15.44
Tata Locomotive (100).	158.25	163 00	159 00	161 50
Tata Oil (25) ..	46 00	47.50	45.75	47.25
Voltas (100) ..	137.75	144.75	137.50	144 00
W. I. Match (100) ..	101.00	191.50	189.50	189 50

GOVERNMENT SECURITIES	15-1-1959 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	22-1-1959 Rs.
2½% 1961	97.25	—	3 65	97.25
2½% 1960	99 00	—	3 81	99 00
2½% 1962	96 95	—	3 63	96 95
2¾% 1976	83 20	—	4 08	83 20
3 % 1959-61 2nd Vict.	99 70	3.84	3 10	99 70
3 % 1964	97.00	—	3 56	97.00
3 % 1963-65 ..	96 85	3 70	3 47	96 85
3 % 1966-68 ..	93.95	3.91	3 74	93 95
3 % 1970-75 1st Dev.	91 00	3.97	3 78	91.00
3 % 1986 Con. Loan.	74.25	—	4 03*	74 30
4 % 1960-70 ..	100 75	3.46	3 92	100.75
3½% 1961 N.P. Bonds	100 10	—	3.47	100 10
3½% 1964 N.P. Loan.	99.85	—	3 54	99 85
3½% 1965 N.P. Bonds.	99 70	—	3 55	99.70
3½% 1962	99.20	—	3 50	99.20
3½% 1967 N.P. Bonds	99 25	—	3 60	99 25
3½% 1974	98 55	—	3 87	98 55
3½% 1967 N.P. Bonds	100 80	—	3 65	100.80
4 % 1972 Loan ..	101.20	—	3.88	101.25
3½% 1968	98 85	—	3 65	98 85
3½% 1963 N.P. Bonds	100 05	—	3 49	100 05
3½% 1968 N.P. Bonds	100 60	—	3 68	100 60
4 % 1973 Loan ..	100.90	—	3.92	100.90

BRITISH GOVERNMENT SECURITIES

	Closing quotations 13-1-1959 £			Closing quotations 20-1-1959 £
2½% Brit. Consols. ..	53 1/16	—	—	52⅞
3 % Savings Bonds 1965-75 ..	75 13/16	—	—	76
3 % War Loan 1955-59	100 1/32	—	—	100⅛
3½% War Loan	67⅛	—	—	67⅛
4 % Victory Bonds 1976	98¼	—	—	98
4 % Funding 1960-90.	98¾	—	—	92

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

COMMERCE

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

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ELECTRICAL INDUSTRIES

FEW industries have made more rapid strides of progress than the electrical industry. In the range and quantum of output, the group of electrical industries, which includes both light electrical goods like lamps and relatively heavy electrical equipment like transformers and motors, has established new records of production. Indeed, the pace of progress in some of these industries has outstripped the demand for their products. Clearly, the future prosperity of these industries is bound up with the overall economic progress, in general, and the development of power resources, in particular. The scope for power development is vast. To take only hydro-electric resources, the country's potential resources are estimated at 40 million kw., of which not more than 15 per cent. will have been exploited by the end of the second Plan. Again, the fact that the *per capita* consumption of electricity in India is only 25 units, as compared with 1,270 units in the U.K. and 4,400 units in the U.S., must give some idea of the scope for further consumption of electricity in this country.

It must, however, be admitted that, in the recent past, the generation of electric power has expanded at a rapid pace. During the first Five-year Plan period, the installed capacity rose from 1.8 million kw. to 3.4 million kw. At the end of the second and the third Plan periods, the installed capacity is expected to go up to 6.4 million kw. and 12 million kw., respectively. So far as the immediate future is concerned, the fear has been expressed that a shortage of power may develop in certain key industrial regions. Thus, Mr. K. J. Cleetus, Chairman of the Indian Electrical Manufacturers Association, in his speech at the annual meeting of the Association, held at Calcutta this week, averred that the generation of electric power had not "kept pace with the actual needs of development." He added: "There is admittedly a power shortage and this is most unfortunate at a time when the country is planning large industrial development." It would appear that the shortage of power is particularly acute in the D.V.C. area, where, despite the increase in power generation that has taken place, the "prospects of the generating capacity meeting the full requirements of the area and the important industries that are going to be established there are not encouraging." Any continued shortage of power in this region will mean a serious threat to a whole group of very important industries, including iron and steel. Since the generation and distribution of power are the basis of an expanding industrial economy, the authorities should lose no time in perfecting the arrangements for installation of new capacity. Further, since it is immaterial whether power comes from the public or the private sector, they should not hesitate to provide such incentives as will facilitate the flow of capital into this key industry.

The demand for the products of electrical industries depends on the availability of power. If this supply grows with the increasing demand for power for both domestic and industrial consumption, the prospects for electrical industries are bright indeed. The authorities should, therefore, ensure that industrial development is not held up through shortage of power and that electrical industries are given the necessary facilities for expanding their production. It must be remembered that some of the products of electrical industries, notably those of the heavy section, are in the nature of capital goods. When the State-owned Heavy Electricals (Private) Ltd. at Bhopal goes into full production, it will be able to meet the demand for many different kinds of electrical equipment. As Mr. Cleetus pointed out, the establishment of this plant will lead to the production in the country, for the first time, of a wide range of electrical goods. It is designed to produce such items as electrical generators, transformers, switch gears, turbines for river valley projects, traction equipment for railways and insulating materials. Mr. Cleetus, however, rightly pleaded for the avoidance of "duplication of capacity, because that would be a waste which this country cannot afford." It is to be hoped that the manufacturing programme of the Heavy Electricals Project will be so arranged as to cause minimum disturbance to existing industries in which large amounts have been sunk after a period of pioneering effort.

The electrical industry in the private sector has already made a notable contribution to the country's economic development. Among the products of the relatively heavier section of this industry are A.C.S.R. conductors, batteries, motors and transformers. The demand for A.C.S.R. and all-aluminium conductors has increased so rapidly that the original (1960-61) target of capacity fixed at 21,570 tons has had to be raised to 30,000 tons. The industry will require larger quantities of aluminium rods and wires. It will take some time before the approved plans for increased aluminium production are implemented. Meanwhile, there is need for imports of aluminium which has to pay a prohibitive duty of 35 per cent. Mr. Cleetus reiterated the demand for an appropriate reduction in the burden of this duty. The production of storage batteries has expanded from a monthly rate of 9,200 units in 1948 to 30,000 at present.

The manufacture of electric motors and power transformers has also recorded impressive progress in the last decade. The monthly rate of output of electric motors in 1958 was about 51,000 h.p. as against 5,000 h.p. in 1948; the corresponding figures for transformers are 96,000 k.v.a. and 7,000 k.v.a. In the last few months, however, production of transformers and motors has shown some fluctuations. Manufacturers are faced with a certain slackness in demand. Reviewing the problems of the electrical motor industry, Mr. Cleetus said that the "general feeling is that there is considerable amount of over-production in this field, relative to the actual demand as distinct from the assessed demand." One of the principal reasons for this state of affairs in the industry is stated to be the existence of a large number of small manufacturers. Mr. Cleetus said: "New capacity that is being rapidly established in the unorganised sector has led to over-production and all its attendant evil consequences." He warned that a state of unhealthy competition had developed which might ultimately undermine the strength and stability of the industry as a whole.

It should not be difficult to see the truth of Mr. Cleetus's complaint that the small units are not capable of manufacturing equipment of standard design and performance. He rightly felt that, before such units were allowed to be established, it was "the duty of the Government to convince themselves that these units possess the necessary technical competence, equipment, capital resources, etc." Generally speaking, there are two reasons why the Government, in relation to electrical goods industry, will be well advised in abandoning its policy of excessive zeal for small-scale units. In the first place, electrical goods, as stated at the outset, form the capital goods for a host of industries, large-scale as well as small-scale. It is no service to the small-scale industries that they should depend for their equipment on ill-equipped suppliers who cannot produce quality products. Secondly, industrial accidents may easily occur through the use of electrical goods of sub-standard quality. In the interests of industrial safety, it is necessary that electrical goods are allowed to be produced only by those who have the technical and financial resources for maintaining high standards of quality.

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INTERNATIONAL WHEAT AGREEMENT

THE present International Wheat Agreement is due to expire on 31st July 1959 and, with it, a decade of experiment in one of the very few world commodity agreements designed to stabilise prices will have been over. A five-week Conference has just begun (on Monday, 26th January, to be precise) at Geneva to decide the future of this commodity agreement. The current agreement is the third one concluded in May 1956. A feature of these wheat agreements is that they have been covering only a part of the wheat entering the world trade, each successive agreement being less important than its predecessor. The quantity of wheat covered by the first agreement (1949-53) was 581 million bushels, equal to 61 per cent. of world export trade in wheat. It fell to 395 million bushels or 40 per cent. of world exports under the second agreement (1953-56) and still further to 303 million bushels or 25 per cent. of world trade under the third agreement. A second feature is that not all the countries are members of the agreement. The first agreement failed to rope in Argentina, an important wheat producing and exporting country. The second agreement fared worse, in that both Argentina and the U.K., the largest wheat importer in the world, accounting as it does, for nearly one-fifth of world imports of wheat, were not party to it. The third agreement fared a little better in one sense, in that all the principal wheat producing and exporting countries participated in it, though, among the importing countries, the U.K. continued to stay out. A third feature of the agreements pertains to the minimum and maximum prices, related to the market quotation for No. 1 Manitoba Northern wheat in bulk in store at Fort William—Fort Arthur. The minimum and maximum rates per bushel were \$1.50 and \$1.80 under the first agreement, \$1.55 and \$2.05 under the second agreement and \$1.50 and \$2.00 under the third agreement. The understanding under the agreements is that, if the free market price of wheat rose above the maximum, the importing member-countries could call upon the exporting

member-countries to deliver the agreed quantities at the maximum price. Similarly, when the free market price fell below the minimum, the exporters could ask the importers to take up the agreed quantities at the minimum price.

The first agreement was concluded at a time when wheat was a relatively scarce commodity. It, therefore, worked well, in that the importing countries, including the U.K. which was a member then, took wheat from the exporting countries at the maximum price whenever it was below the free market price. By the time the second agreement came to be negotiated, the supply position had vastly improved and the U.K. insisted that this change in position should be reflected at least in the minimum price. It fell out as the principal exporting countries would not concede even its minimum demand that the minimum price must remain unchanged at $1.50 per bushel. Argentina, having enjoyed certain advantages by not being a member of the first agreement, did not have any incentive to join the second pact. But it changed its mind when the third agreement came to be negotiated and was willing to accept a small quota. Apparently, the continued increase in the surplus stocks of wheat in the world had induced it to safeguard its position at least to some extent. Britain, however, preferred not to come in again. Since the wheat surplus had grown in size, Britain, as the largest importer of wheat, had nothing to lose by staying out of the pact. Even the reduction in the minimum price to $1.50 per bushel, for which it fought hard without success when the second agreement was negotiated, did not attract it. On the contrary, it stipulated a fresh condition that the agreement should provide for measures for solving surpluses, for regulating production and for restricting the scope for bilateral deals by the principal exporting countries for the disposal of their surplus stocks. This condition, however, was unacceptable to exporters, especially to the U.S. and Canada which together account for about 70 per cent. of world exports.

The maximum price under the agreement has not come into force even once since 1953. This is not surprising, because, all these years, the world has been confronted with a surplus. Nor has the minimum price operated during this period. This, too, is not surprising, but it is unnatural. In the case of other commodities suffering from a surfeit of supply, prices have crashed, because the surplus has occurred in countries which have no holding power. In the case of wheat, however, the countries that have to hold the surplus production are all rich, with plenty of resources to nurse them. The U.S., Canada, Australia and Argentina are the largest producers and exporters of wheat in the world as will be seen from the tables appearing on this page. It is unnecessary to describe the financial strength of the first two countries, as it is common knowledge. Australia is, of course, relatively less strong as compared with the first two, but its surplus problem was reduced to a considerable extent by bad crops in some years. Argentina is poorer than Australia, but the size of its surplus is not that large; besides, it has been successful in disposing of a good part of its production to the U.K. and other European countries at competitive prices. But even Argentina is better off than some of the other Asian countries which have been faced with the problem of surplus commodities.

TABLE I

World Wheat Production

(Million metric tons)

Country	Pre-war Average	1951-52-1955-56 Average	1956-57	1957-58 (Preliminary)
Argentina	6.6	5.8	7.1	5.8
Australia	4.2	5.0	3.7	2.6
Canada	7.2	14.5	15.6	10.1
United States	19.5	29.3	27.3	25.8
Total 4 countries	37.5	54.6	53.7	44.3
Western Europe	31.1	34.3	32.0	39.8
Importing countries outside Europe	12.4	13.7	15.9	16.5
North Africa and Near East	7.6	12.0	12.8	14.9
Others*	6.4	7.6	8.8	8.0
World	95.0	122.2	123.2	123.5

* Excluding the U.S.S.R., Mainland China, and Eastern Europe.

TABLE II

World Wheat Exports

(Million metric tons)

Country	1934-35-1938-39 Average	1951-52-1955-56	1956-57	1957-58 July-June (Prelim.)
Argentina	3.3	2.3	2.7	2.0
Australia	2.9	2.5	3.4	1.8
Canada	4.8	8.6	7.7	8.1
United States	1.5	8.8	14.9	10.6
Total 4 countries	12.5	22.1	28.7	22.5
Others*	5.6	4.4	3.5	5.5
World	18.1	26.5	32.2	28.0

* Including U.S.S.R. Eastern Europe, Mainland China.

The fact that the principal producing countries could themselves stabilise the price of wheat is, however, not something to be deplored. It cannot be denied that, if Canada and the U.S. were not keeping a firm hold on their surpluses, the wheat trade would be thrown into chaos. It is little consolation to the underdeveloped countries to see one more commodity in the doldrums, even though it may not be their principal export crop. It is easy to criticise the price support programmes of the U.S. and Canada, but it must not be forgotten that their wheat surpluses have saved the free world from starvation in times of emergency and are even now being utilised to support the economies of underdeveloped countries which have undertaken big programmes of development for raising their living standards. The U.S., in particular, which has the largest surplus stocks of wheat in the world, has been supplying these countries with large quantities of wheat with a considerable element of subsidy. And India has been one of the principal beneficiaries. This important point needs to be borne in mind by those who are inclined to criticise the International Wheat Agreement on the ground that its price provisions are unrealistic and not sufficiently attractive for a large importing country like the U.K. to become a member of the pact. If one were to analyse carefully the current agreement, one would find that it came into being more because of the desire of the smaller importing countries to have a sort of hedge against future uncertainties than because of any large concern on the part of the U.S. and Canada. After all, the quantities to which these countries are committed under the agreement constitute only a fraction of their total surplus. Not all the importing countries can afford to take the risks which a rich country like the U.K., with a small population of 50 million people, can assume. Another point that must be remembered is that the principal wheat producing and exporting countries are not the only ones to subsidise their production. Almost all countries have been doing so. Indeed, it has been estimated that nearly 96 per cent. of the world's wheat crop is produced under some kind of price support or official assistance to wheat cultivation.

It is against this background that one has to view the prospects for the renewal of the International Wheat Agreement. The present conference is taking place at a time when the chances of a record surplus of wheat are bright. Notwithstanding two poor crops in Canada and a bad one in Australia, the carryover at the end of the current crop year is expected to be the heaviest ever seen, on account of a bumper wheat harvest this year in the U.S., thanks to a sharp rise in the yield per acre and of huge stocks in Canada. If, however, the Conference now going on in Geneva were to engage itself in the task of finding a solution to this huge surplus problem, it would hardly achieve anything, for the problem has become chronic. Besides, it is a national problem of the U.S., Canada and the other principal producing-*cum*-exporting countries. There is enough evidence that the U.S. has been conscious of it, as witness the steps it has taken to bring down the acreage under wheat and to reduce the quantum of price support. It is a different matter if these steps have not yet yielded the results desired. All that the Conference can, therefore, do in this respect is to recommend measures for discouraging excessive production and stimulating consumption. But it would be unrealistic to insist, as Britain has been doing, that these measures should form part of the agreement. It would, however, be quite pertinent for the Conference to attempt a revision of the price levels and the quantity of wheat to be covered and to bring a larger number of countries under the agreement.

ECONOMIC ASSISTANCE

LONG before the question of assistance by industrially advanced countries to the economic development of underdeveloped regions won international recognition, several banking institutions from the West had established traditions in serving the economies of these regions. The services they have rendered in the past, and continue to render today, are no doubt modest, especially in relation to the regions' massive requirements of capital for purposes of development. Even so, their help has not been inconsiderable. And, in opening up new markets for what the regions export, the foreign banks have undoubtedly played a notable part. It is of the utmost importance to the future of their economy that their traditional markets should be maintained and expanded, so that they could rely upon their exports to help finance the imports they would need for carrying through their development programmes. An aspect of this problem was discussed by The Rt. Hon. Sir Oliver Franks, Chairman of Lloyds Bank, in his statement to the Bank's shareholders. After stressing that the whole question of the trading relations between industrialised countries and less developed countries had been rendered a matter of lively international concern by the decline in commodity prices, he recalled that the difficulties of developing countries had been repeatedly stressed in the report of the Montreal Conference where it was agreed that the industrially advanced countries should do all in their power "even to the extent of some sacrifice" to assist in the solution of these difficulties.

Some in the U.K. fear that the favourable swing in Britain's terms of trade facilitated by a reduction in the export incomes of its overseas customers might react adversely upon its export industries. Alluding to this misgiving Sir Oliver felt that these anxieties were "excessive." He argued, in effect, that a reduction in demands upon export industries could be something of a blessing in disguise, in that it might lead to a release of resources for meeting domestic demand "without a relapse into inflation." At the same time, the Lloyds Bank Chairman recognised that, from the international point of view, the fall in incomes of underdeveloped countries was "more serious." He said: "With some exceptions, the standard of living of primary producers, especially in tropical areas, is deplorably low by European standards. There is an obvious danger of the gap between rich and poor countries widening still further. Aside from all other considerations, the political dangers of this are apparent." These remarks remind us of what Mr. Jawaharlal Nehru, India's Prime Minister, said at the annual meetings of the World Bank and the I.M.F. at New Delhi in October last. Mr. Nehru said almost the same thing which Sir Oliver has now emphasised. It is gratifying to find that Sir Oliver is in agreement with Mr. Nehru on this point, especially because some of the British bankers who attended these meetings were rather critical of this aspect of our Prime Minister's speech.

Naturally, Sir Oliver proceeded to pose the question as to what should be done to give "practical expression" to the Montreal undertaking. He urged the industrially advanced countries to concede that they would have to cover by finance or by gift the gap in balance of payments which would develop in underdeveloped countries through the implementation of schemes of economic development. He added: "It is of mutual advantage that the export earnings of the primary producers should be raised, if only to prevent this gap from becoming too wide." The underdeveloped countries could reasonably demand that their products should not be unfairly denied access to the markets in the industrial countries. As regards export of capital to the underdeveloped countries, he said: "Whether transfers of capital take the form of investment or of aid, the essential condition is that we should have a surplus in the balance of payments available for investment overseas." Further, he stressed that "co-operation, not exclusiveness; that, surely, must be the guiding principle throughout the free world."

The underdeveloped countries, too, on their part, should do all they can to attract the flow of capital from abroad and to avoid placing impediments to its flow. As Sir Oliver himself pointed out, the underdeveloped countries "cannot be free to embark upon development programmes, regardless of their own resources, and then demand that the industrial countries underwrite these to any extent that the former may wish." This is a pitfall which is best avoided in the initial stages of planning itself. But an important prerequisite for this is that the developed countries should help the underdeveloped even in the initial stages of their plans by displaying a sympathetic understanding of their needs and aspirations. The underdeveloped countries, besides adopting realistic fiscal and economic policies, should, of course, realise that the mere fact that there is a payment surplus in the capital-exporting countries is no guarantee that capital will, in fact, be exported, in the absence of an attractive difference in interest rates. After all, money goes only to centres where it is sought after and its use is reasonably, if not richly, rewarded.

OUTLOOK FOR ASSOCIATED CEMENTS

L.I.C.—TWO ABSURD SUGGESTIONS—RUSSIA AND TIN AGREEMENT

THURSDAY, 5 P.M.

MARKET GOSSIP

THE move by the shareholders of the Associated Cement Companies Ltd. to have the amount standing to the credit of the share premium account capitalised and issued as bonus shares has had a favourable response from the management. Addressing the shareholders at the annual general meeting of the Company held this evening, Mr. Dharamsey M. Khatau, Chairman, announced the decision of the Directors to capitalise the share premium account amounting to Rs. 1.27 crore, and issue, subject to the sanction of the Controller of Capital Issues, a scrip bonus in the ratio of one share for every 15 shares held by them.

Many shareholders expressed their dissatisfaction at the cut of half a rupee in the dividend for the year ended 31st July 1958 and opined that the management would have done well to maintain the distribution at Rs. 9 per share. They complained that, whereas the Government, the workers and the Managing Agents had all their shares increased, the shareholders did not get a fair deal. In support of their contention, they quoted the statistics published by the Company itself, according to which, during the last twenty-two years, the return to shareholders on the total invested capital had exceeded 7 per cent. only twice, once in 1936-37 and again in 1941-42. The shareholders' grouse was strengthened by the Chairman's announcement that the Managing Agents had volunteered to cut a part of their remuneration and distribute it to the employees by way of bonus (a reference to which is made later). They added that the Company's position would not have been worse, if the dividend had been maintained. The cut of half a rupee, according to them, had resulted in a depreciation of over Rs. 1 crore in the market value of their shares.

Mr. Khatau, in his reply, did not agree with the shareholders that they had not had a fair deal. He took pains to explain to them the unhappy circumstances in which the industry had been placed, following the accumulation of cement stocks. If the cut in dividend was any indication of the future, Mr. Khatau said, the position during the current year would be worse. Thanks to the accumulation of stocks in the face of a fall in demand and rising output, a number of small factories had to close down or cut their production. Fortunately, in the case of the A.C.C., the production was being maintained. Nevertheless, the A.C.C. Chairman added that the Company would have to face difficulties throughout the current year, despite the fact that it would have the benefit of the increase of Rs. 3.50 per ton in the cement price for full twelve months, as against only one month in 1957-58. It is obvious from these remarks of Mr. Khatau that the shareholders should consider themselves fortunate if they got the same rate of dividend for 1958-59.

In reply to a series of questions as to why the Company should go on with their expansion programme, in view of the "dismal" outlook for the industry, Mr. Khatau said that, if the A.C.C. had not undertaken the expansion of their works, somebody else would have taken the place, and the position would not have been different. If the Company had not done so, its production would have been less and the unique position which it occupied in the cement world would have been lost. He asserted that a certain amount of expansion was necessary in order to reduce costs. Moreover, the Company had planned to establish factories in some places for various reasons and it had chosen these places with an eye on freight, cost of raw materials, cost of coal, etc. Mr. Khatau claimed that the Company had not blindly rushed into expanding their output. In fact, he said, the percentage of the Company's production in terms of the total output of all units was declining. And the management, he disclosed, had given up some of the expansion programmes which it had earlier wanted to have. He pointed out that, even when the 10-million-ton target which the Commerce and Industry Minister had in mind originally for the second Five-year Plan was reached, A.C.C.'s own production at the end of the Plan period would not exceed 4 million tons.

Answering the criticism that the Managing Agents had only favoured the employees, Mr. Khatau explained that, in view of the substantial fall in net profit (after providing for taxation), the Directors had, along with the cut in dividend to the shareholders, decided to reduce the bonus to employees also from one-fourth to one-fifth of their annual basic salaries. Subsequently, the Managing Agents voluntarily agreed to forgo one-fifth of their remuneration, yielding a sum of Rs. 8.20 lakhs, and to utilise this amount to restore the cut in employees' bonus. This arrangement is, however, subject to the approval of the Central Board of Revenue. In other words, the employees will get the enhanced bonus only if the Managing Agents get the benefit of the tax relief (which will be Rs. 4 lakhs) on this cut. In response to some shareholders' demand that the Managing Agents should move with the times and reduce their remuneration, the Chairman announced that the Managing Agency agreement would soon be revised.

Some of the shareholders considered the A.C.C.-Vickers-Babcock and Wilcox project as a mere prestige venture, as they did not see a good future for it. Disagreeing with their view, Mr. Khatau explained that the project was of considerable importance and was the first of its kind in this country. Being a heavy engineering project, it would take time to go into production. He added that many changes had taken place during the last three years since the project was first negotiated. The cost of the scheme went up considerably and the British Bank rate was raised to 7 per cent. The British collaborators had at one time thought that it would not be profitable to go ahead with the project. Subsequently, the scheme was revised to suit the capital available. Mr. Khatau assured the shareholders that he and his colleagues would try to bring the project into production as early as possible.

In reply to a suggestion whether the surplus cement could not be exported, Mr. Khatau said that about 5 per cent. of the country's output could be exported, but the prices in other consuming countries were considerably lower. This would mean a loss of Rs. 20 to Rs. 40 per ton and would have to be borne by the industry as a whole.

According to the Chairman of the A.C.C., the Life Insurance Corporation holds only a little over 10 per cent. of the Company's share capital.

* * * *

The ordinary shares of Rallis India Ltd. have of late been in the limelight with a spurt in their value to Rs. 47.50 per share (of Rs. 100 each) from Rs. 39.50 quoted at the close of 1958. A year ago, they stood at no more than Rs. 26.75. The latest rise is attributed to reports that the Company has almost turned the corner with the addition of several new lines of business. Its recent acquisition of the Teddington Chemical Factory Private Ltd., the well-known manufacturers of pharmaceutical products in Bombay, has greatly improved its prospects. With imports of pharmaceuticals drastically cut, the T.C.F. products enjoy a good market. The Wolf electric tools venture, under the name of Ralliwolf Private Ltd., formed in collaboration with Wolf Electric Tools Ltd., London, is also said to be progressing well. The foundation-stone of the factory premises of this venture was laid last week near Mulund on the Bombay-Agra Road. It is expected that this factory will be opened in June this year. The Company is also believed to have taken steps to consolidate its financial position by cutting out a lot of deadwood.

* * * *

With commendable pioneering zeal, the Life Insurance Corporation of India is attempting new experiments in popularising insurance. The *Janata* scheme and the pilot scheme of rural insurance introduced in some regions are conceived in this spirit, though the results of these endeavours are not yet known. It is, indeed, heartening to note that the Corporation is aware that, as the sole agency for developing life insurance in a growing economy, it cannot remain content by keeping to the beaten track but has to explore fresh avenues and new techniques of expansion. The Chairman of the L.I.C., Mr. P. A. Gopalakrishnan, disclosed a few days ago at Patna that, under the Corporation's rural insurance scheme, it was proposed to make *gram panchayats* the sole agency for securing life insurance business in villages. The Corporation must, obviously, have felt that the setting up of independent agencies in each village would be uneconomical, as the turnover might not be sufficiently large. It might also have thought it undesirable to have too many agencies in villages for collecting the people's savings. The small savings schemes of the State Governments are also sought to be promoted through village *panchayats* and, presumably, the Corporation found that life insurance could be sold through the same agency.

There is, however, a section of opinion which doubts the wisdom of this step. It points out that small savings and life insurance are competitive schemes, in the sense that both compete for the people's savings and, if the same agency handles both, one or the other or both will suffer. But it may be pointed out in answer to this criticism that life insurance has certain features which the small savings do not possess, as, for instance, cover against risks. The selling agency can explain to the prospective investors the merits of both forms of savings and leave the choice to them. Be that as it may, too many savings agencies in small villages are not only not desirable but costly too. The experiment to sell life insurance through *panchayats* may well be tried and, if found defective, suitable modifications could be made. But there is hardly any need or justification for making *panchayats* the exclusive agency for life insurance in rural areas. There is no reason why enterprising individuals with initiative and drive should not be allowed to canvass business, assuming that they come forward. Insurance has to be sold, after all, and an element of competition is desirable. Giving monopoly to *panchayats* will not even enable one to judge whether or not they are exerting enough to get life business and to popularise it.

While the L.I.C. is thus making efforts to popularise life insurance, some dangerous suggestions are reported to have been put forward—it is not stated by whom—for consideration at the forthcoming meeting of the National Development Council, which, if accepted, would bring to naught all the efforts, present and future, of the Corporation to sell insurance and also those of others to promote savings and divert them to profitable channels. The suggestions are two:

1. A moratorium on full withdrawal of life insurance money on maturity of policies by placing a ceiling on the amount of cash payment and retaining the balances in the shape of Government bonds.

2. A ceiling on the encashment of National Savings and Plan Certificates.

These proposals are akin, in some respect, to the suggestion for converting provident schemes into pension schemes, made by the Study Group on Social Security appointed by the Government of India (*vide Commerce* dated 10th January 1959, page 34). It is difficult to conceive of more incentive-killing remedies. The surprising thing is that such proposals should at all be made at a time when the supreme need is for more and yet more savings and for their investment in productive projects. Apart from the question whether a contractual obligation could be unilaterally altered legally, as is implied in the aforesaid suggestions, it is pertinent to ask whether there will be many who will be prepared to take out a life policy which promises, in return for hard cash paid regularly for a lifetime, a bunch of paper bonds. What guarantee is there that these bonds will not depreciate in value or will be redeemed against cash at maturity and that the policyholder will not be served with yet another instalment of bonds when the early ones mature. These absurd proposals, which are said to have been meant for raising funds for the third Plan, will have two immediate effects even if they are countenanced by the National Development Council, let alone their implementation: (1) a sharp setback to life insurance and small savings and (2) a further fillip to the habit of hoarding in precious metals and stones, both of which, far from helping the Plan, will only impede it. Even investments in Government securities will be adversely affected.

As we do not think that any sensible person will make such proposals as those mentioned above, we do not wish to give any credence to them. Nevertheless, it will be desirable for the Government of India to refute them forthwith, so that any misgivings that might have already been created in the minds of investors might be removed.

* * * *

Among non-ferrous metals in India, tin continues to rule depressed, in company with others. Spot tin is now quoted at Rs. 151 per quarter, a drop of Rs. 4 as compared with the rate prevailing early in the month. The setback is attributed to two factors. One, the metal is subjected to persistent selling induced by expected arrivals of considerable quantities of tin imported against quota licences granted to established importers. Two, a prominent bull operator is reported to have adopted dilatory tactics and delayed taking deliveries.

The weakness of tin is in contrast to the distinctly firm trend of this commodity in world markets. The currently ruling price of tin on the London Metal Exchange is around £762-£763 per ton, which compares very favourably with £745½ prevailing early in the year, £730½ a year before and £640, the lowest level touched on 19th September 1958 when the Buffer Stock Manager withdrew his support from the market. The sizable rally in tin thus has followed reports of Russian exports being limited under an agreement believed to have been concluded with the International Tin Council recently. No details of the agreement have yet been announced, but it is gathered that Russia has given an undertaking to restrict its exports of tin to just 13,000 tons per annum, or 5,000 tons less than in 1958.

The aforesaid report follows protracted negotiations. It was as early as in June 1958, it will be recalled, that the International Tin Council decided officially to approach Russia and invite it to become a producer-member. This would have entailed limitations on Russian tin exports similar to those accepted by Malaya and other producers in the Far East. Russia, however, was prepared to join the Council only as an observer-member. The Council members were divided on this issue; some were willing to accept the Russian offer, while others wished to reject it. Renewed negotiations were, therefore, held by the Council with Russia which has since agreed to limitation on exports of tin, presumably after being "impressed," to quote a report, "by the damage which falling prices and production cutbacks did to the South-East Asian economies last year." The heavy competition offered by Russia at cut prices had seriously undermined the financial position of several producing countries. Consequently, Russia had become very unpopular in these regions. The importing countries of the International Tin Agreement also took measures to restrict imports of Russian tin. These steps would appear to have induced Russia to change its tactics.

It may be noted that the country which has suffered most is Malaya, the world's largest producer of tin. The total output during 1958 was no more than 38,458 tons, representing a fall of 35 per cent. as compared with the previous year; the figure is the lowest for the past eleven years. Several mines were forced either to close down completely or to curtail production drastically. The number of active mines at the end of 1958 was markedly lower at 417, as against 731 a year before. The percentage net closure of dredges, gravel pumps and other mines was 52, 44 and 23, respectively. The number of workers affected by the slump was 13,618, the number at the end of the year being 23,153.

The decision of Russia to limit its exports of tin to 13,000 tons annually may not have any significant effect on the world market, since the quantity mentioned is considered to be just about as much as Russia could be expected to ship this year, in view of the import quotas on Soviet metal which are now in force and the efforts Russia is making to extend its sales in other markets.

(*Continued on page 168*)

EQUITIES STEADY

SMALL GAINS IN VALUES

(From Our Own Correspondents)

BOMBAY, *29th January*

THE share market ruled steady during the week under review, but the trend of prices was two-sided. Over the week, however, prices showed minor gains. In the earlier part of the week the tone was subdued and equities suffered minor losses on stray liquidation. Expectations that L.I.C. support might not be forthcoming for some time to come and Budget uncertainties were the main bearish factors to depress prices—albeit to a small extent. The news that the Indian Iron and Steel Company had sealed off all its blast furnaces at Burnpur on the 26th inst., following a strike by the crane drivers of the smelting shop since the 21st, brought selling pressure from Calcutta operators, but there was some resistance from Bombay. It is stated that the opening of the new furnace, with a capacity of 14,000 tons of steel per month, was scheduled to take place on 21st inst., but on that day the crane workers struck work. It was feared that if the cranes of the smelting shop were not started immediately all other shops would have to be closed within a day or two. It would also take some time before they were brought into operation after they were relighted.

There was, however, a recovery during the last two days on revival of support. Reports that the strike at Burnpur had been called off induced buying and short covering in Indian Irons. Since the L.I.C. had finalised its buying programmes in Calcutta, it was expected that the Corporation would once again turn its attention to the Bombay market.

Tata Ordinaries were marked down earlier in the week from Rs. 175.50 to Rs. 173.50, but they gained ground to touch Rs. 176 today. The closing was done at Rs. 175.50. The new shares were a fraction lower at Rs. 172. Indian Irons declined from Rs. 26.20 to Rs. 25.75 before they recovered to Rs. 26.20. They, however, closed at Rs. 26.10.

Textile shares were on the whole steady, with small gains over the week on a wide front. After an early dip from Rs. 56 to Rs. 55.70, Bombay Dyeings revived to Rs. 56.90 and closed at Rs. 56.70. Century Mills were erratic. They moved down from Rs. 434.50 to Rs. 431.75, before staging a spurt to Rs. 439 today on expectations of encouraging working results. At the close, there was heavy profit-taking which pushed them back to Rs. 434.50. Kohinoors moved within a narrow range and finished with a gain of Re. 1 at Rs. 240. Central Indias were lower by a rupee at Rs. 89, while Finlays were marked up by Rs. 2 to Rs. 261. Gokaks were unchanged at Rs. 132 and Indu Ordinaries ruled steady at Rs. 8.88. Indore Malwas were a shade quiet at Rs. 97. Khataus were maintained at Rs. 153.75, while Morarjee Mills were a fraction higher at Rs. 230.50. New Greats were stagnant at Rs. 219, while Simplex put on Re. 1 to Rs. 168.50. Standards advanced from Rs. 417.50 to Rs. 421, before finishing at Rs. 418. Svadeshis gained 25 nP to Rs. 209.75 and Swans Rs. 3 to Rs. 350, while Tata Mills were a shade quiet at Rs. 34.25.

Bank shares were quiet. Barodas suffered a fall of Rs. 6 to Rs. 121, following the cut in dividend from 14 per cent. to 12 per cent. Their 'B' shares shed Rs. 3.30 to Rs. 56.70. Centrals were dull at Rs. 58.70. Bank of Indias lost 75 nP to Rs. 140.25 and their 'A' shares Re. 1.25 to Rs. 141. United Commercials were unchanged at Rs. 68.

In the insurance group, Orientals gained Rs. 10 to Rs. 4.020. New Indias were done 30 nP lower at Rs. 53.70 and their 'A' shares 40 nP down at Rs. 53.70. All-India Generals picked up 14 nP to Rs. 3.26.

Electricity shares were featureless. Ahmedabad Electrics changed hands 10 nP lower at Rs. 94.90, while Bombay Suburbans were unchanged at Rs. 110. Surat Electrics gained a fraction to Rs. 112.75. Tata Hydros lost Re. 1.75 to Rs. 119. While Tata Powers gathered Re. 1.25 to Rs. 1,193.75, Andhra Valleys showed no change at Rs. 1,172.50.

In the sugar group, Belapurs maintained their downward trend early in the week with a further drop from Rs. 262.50 to Rs. 259.50, but staged a rally before closing at Rs. 263. Bhopal Sugars lost 70 nP to Rs. 25.05 and Phaltans Rs. 3.25 to Rs. 141.50. Walchandnagars were a fraction lower at Rs. 266.25.

Associated Cements moved within a narrow range between Rs. 155 and Rs. 153.25, and closed at Rs. 154.75. Digvijays dropped a rupee to Rs. 131.50, while Orissa Cements put on 12 nP to Rs. 12.64. Jaipur Udyogs changed hands at Rs. 10.04 and Dalmia Cements at Rs. 9.80.

In the engineering and mining group, Alcocks were featureless but steady, at Rs. 267.50. Tata Locomotives gained strength from Rs. 161.50 to Rs. 163.50. Premier Constructions were a shade better at Rs. 237.25. Larsen and Toubros were steady at Rs. 17.08. Brady Engineerings had business at Rs. 64.70, as against Rs. 65 at which the previous transaction was done. Cooper Engineerings lost a rupee to Rs. 130. Shivrajpurs were picked up 50 nP higher at Rs. 88.50 and Indian Coppers 4 nP lower at Rs. 3.54. The cut in the dividend of B.B. Petrols to 2 per cent. brought the shares down by 32 nP to Re. 1.70.

Scindias fluctuated between Rs. 21.52 and Rs. 21.20 before closing at Rs. 21.40, as against the previous week's closing of Rs. 21.48. Great Easterns gained 9 nP to Rs. 23.92. Premier Automobiles gathered over the week Re. 1 to Rs. 84.70, despite the cut in dividend from Rs. 6 to Rs. 4 per share. Hindustan Motors were steady at Rs. 7.20.

In the miscellaneous section, Bombay Burmahs (old), after an earlier setback from Rs. 463 to Rs. 459.50, rallied to Rs. 466.50. Profit-taking at the close, however, brought the shares down to Rs. 464.50. National Rayons were erratic. Declining from Rs. 242.75 to Rs. 240, the shares jumped to Rs. 246, but again reacted to Rs. 243.50 at the close. Gwalior Rayons were done 16 nP lower at Rs. 13.76. Tata Chemicals lost 12 nP to Rs. 15.32 and Tata Oils Re. 1.50 to Rs. 45.75. Voltas moved down by Rs. 3.75 to Rs. 140.25 and Wimcos by Rs. 2.50 to Rs. 187.

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Calcutta Stock Exchange

CALCUTTA, *28th January*

With two holidays on the 23rd (Netaji Bose's birth anniversary) and the 26th (Republic Day) intervening and fresh incentives lacking, conditions on the Calcutta Stock Exchange during the week under review were generally quiet and uneventful. There was a sharp reaction yesterday, when the Indian Iron and Steel Company, Ltd., announced that, following labour troubles, the blast furnaces in the smelting shop had been sealed with effect from the 27th as a safety measure. Crane drivers in the shop were on strike from 21st January, entailing a loss in production of 2,000 tons of steel a day. The market was anxious over the fact that when once the furnaces are sealed it would be a long time before they are brought to the operational stage again after lighting.

The dullness in jute goods and the continued fall in prices contributed to shrinkage of interest in the jute section. Great expectations had been kindled when the L.I.C. Investment Committee met on Friday last. It interviewed brokers, who suggested that investment in jute and tea shares would prove profitable. This was followed by the report that the Committee had rejected certain offers of Jutes as also of Indian Irons, and this contributed to the declining interest in the market. Brokers pointed out to the Committee that, because of increasing internal consumption, tea shares were a good field for investment, and that jute shares should be considered attractive, in view of the modernisation that had taken place in mills. The Committee had earlier showed interest in the working of these two industries by enquiring the investment prospects from brokers. It is understood the Committee discussed the working of the other important Calcutta industries, namely, engineering, sugar, coal and miscellaneous industrials. Brokers endeavoured to impress on the Committee the need for its sittings in Calcutta. There was a natural reluctance on the part of both operators and genuine investors to enter into long-term commitments, in view of the Budget uncertainties arising from the Nagpur resolution for a ceiling on profits, although there was no nervousness whatsoever.

Sectionwise, jutes trod a hesitant ground, as, in addition to the factors stated above, there was uncertainty about the minimum prices for goods being maintained. Kinnisons were hammered down to Rs. 190 from Rs. 195, and Anglo-Indias, after recovering to Rs. 225 from Rs. 222, were dealt with at Rs. 215 in small lots. Barnagores were quiet, declining to Rs. 142 from Rs. 145. At Rs. 77, Ganges lost Rs. 2 with Nationals being fractionally lower at Rs. 26.25. Northbrooks improved to Rs. 19.25 from Rs. 18.50.

Coals were mostly quiet, but there were rises on selective buying. Thus, while Central Indias eased to Rs. 7.19 from Rs. 7.25, Bengals were pushed up to Rs. 285 from Rs. 282. Pench Valleys recovered to Rs. 24 from Rs. 23.94. At Rs. 17.50, Burrakurs were for a time fractionally higher, but soon receded to Rs. 17.25.

Minings were quiet, with Indian Coppers changing hands at Rs. 3.57 and Metal Corporations at Rs. 9.06.

Among engineerings, Indian Irons opened at Rs. 26.07 and improved to Rs. 26.18 on the eve of the L.I.C. Investment Committee's meeting. After the meeting and on the reported disinclination of the Committee to accept the offer for this speculative scrip, the rate sagged to Rs. 25.86 on Saturday. A low of Rs. 25.60 was touched yesterday before finishing at Rs. 25.73. Texmacos were fractionally better at Rs. 21.15 before easing to Rs. 20.70. Indian Galvanizings were transacted at Rs. 16.62, as against Rs. 16.50 previously.

Among miscellaneous industrials, Assam Saws received support from interested quarters and rose impressively to Rs. 4.25 from Rs. 3.94. Angelo Bros. hardened to Rs. 20 from Rs. 19.87, but closed at Rs. 19.81. Indian Aluminiums, after rising to Rs. 16.69 from Rs. 16.25, gave way to Rs. 16.50, and Indian Oxygens changed hands at Rs. 23.31, as against Rs. 23.75 earlier. Alkali and Chemicals were firmer at Rs. 17.94, but closed lower at Rs. 17.80. Indian Cables eased to Rs. 28.62 from Rs. 29.25.

Selected tea scrips put on strength following enquiries by the L.I.C. Carrons were traded at Rs. 122 or Rs. 6 higher than previously. Hantaparas at Rs. 123 were better by one rupee. Methonis improved to Rs. 19.81 from Rs. 19.62 and Birparas to Rs. 161 from Rs. 160. Hatikhiras picked up to be quoted higher at Rs. 11.81, as against Rs. 11.50 earlier.

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Madras Stock Exchange

MADRAS, *27th January*

Easy conditions continued to prevail on the Madras Stock Exchange during the week under review also. Tea shares encountered selling on rumours of the Madras Government contemplating to raise agricultural income-tax. Coffee shares were depressed, thanks to the gloomy picture of overproduction, rising costs and falling prices painted by the Chairman of the Coffee Board at Bangalore recently. Rubber shares, however, were somewhat steady, with prices tending to look up. Textiles were neglected in the absence of encouraging reports from yarn and cloth markets. Banks, electrics and sugars lacked support. Miscellaneous industrials ruled dull with the exception of certain select counters which evoked scattered buying enquiries.

Among tea shares in the planting section, Devasholas declined by 25 nP to Rs. 24.12. Lucky Valleys retreated by 22nP to Rs. 12.18 and Kil Kotagiris by 20 nP to Rs. 6.60. Woodlands were quoted 12 nP lower at Rs. 8. Nilgiris eased by 10 nP to Rs. 7.15. Parksides lost a like amount to Rs. 19.15. Periakaramalais shed 9 nP to Rs. 3.94 and Blue Mountains 2 nP to Rs. 3.23.

In the coffee group, Coffee Lands were marked down by 50 nP to Rs. 22.75. Kumergodes dropped 30 nP to Rs. 6.35. Ouchterlonys fell by 22 nP to Rs. 5.05. Consolidated Coffees eased by 10 nP to Rs. 20.55. Anaparais and Balmadies lost 5 nP each to Rs. 4.30 and Rs. 3.25, respectively.

Rubber shares, as already stated, were steady. T.R. & Ts improved by 20 nP to Rs. 7.20. Highlands and Midlands hardened by 10 nP each, the former to Rs. 11.50 and the latter to Rs. 10.85. Puthutotams gathered 3 nP to Rs. 2.93. Velimalais 5 nP to Rs. 5.70 and Pullangodes 2 nP to Rs. 1.59. Thirumbadis, however, shed 2 nP to Rs. 1.80 *cum-div.*, despite announcement of higher dividend of 10 per cent. for the year ended 30th September 1958, as against 5 per cent. in the previous year.

Deals in textile shares were put through at reduced rates. Coimbatore Pioneers and Vijayalakshmis declined by Rs. 2 each to Rs. 263 and Rs. 84, respectively. Loyals dropped Re. 1.25 to Rs. 25.25. Coimbatore Cottons lost a rupee to Rs. 133. Janardhanas softened by 50 nP to Rs. 68.50, Travancore Rayons by 25 nP to Rs. 16.58 and Mysore Spuns by 15 nP to Rs. 5.60.

Among miscellaneous industrials, Textools slipped down by Rs. 2 to Rs. 175 *cum-div.* Aluminium Industries declined by 35 nP to Rs. 18.35. Dalmia Cements receded by 30 nP to Rs. 9.70. Ashok Leylands by 15 nP to Rs. 6. India Cements by 10 nP to Rs. 5.35 and F.A.C.Ts by 5 nP to Rs. 7.23. Hindustan Levers, however, attracted investment support and hardened by Re. 1.45 to Rs. 27.75. Rallis moved up by Re. 1.50 to Rs. 46

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NEWS IN BRIEF

THE West Bengal Government has decided to fix minimum wages for agricultural labour in the State as early as possible.

The Orissa Government has imposed a purchase tax on fish and betel leaves, with effect from 1st February 1959, at the rate of 3 per cent.

The Kerala Government has constituted a Conciliation Board, with Mr. Justice T. K. Joseph of the State High Court as Chairman, to bring about a settlement of the plantation dispute relating to bonus for 1957.

The first meeting of the newly established Geological Society of India was inaugurated by Mr. K. D. Malaviya, Union Minister for Mines and Oil, at the Indian Science Congress session at New Delhi on the 23rd inst.

The 37-mile Barhan-Etah rail link in western U.P. has been formally inaugurated by President Dr. Rajendra Prasad. The Rs. 1.34-crore project is expected to give an impetus to economic development of the backward regions of Etah district.

India figures as the largest recipient of the U.S. farm surpluses during the period 1955-58, accounting for imports of the value of $349 million, nearly 14 per cent. of the total U.S. exports under Public Law 480.

The agreement for the avoidance of double taxation between India and Sweden will come into force from the assessment year beginning 1st April 1959. The agreement provides for taxation of industrial and commercial profits, dividends, interest, royalties and pensions only by the country in which the source of the income is located.

The Union Defence Ministry has entered into an agreement for collaboration with Pye Telecommunications, England, for manufacturing army type signals at the Bharat Electronics, Bangalore. The agreement is a licensing one and the Bharat Electronics will build radio communications equipment to Pye designs.

The Government of India has brought the cashewnut industry within the scope of the registration and licensing provisions of the Industries (Development and Regulation) Act, 1951. Owners of industrial undertakings in the cashewnut industry who use power and employ 50 or more workers or those who employ 100 or more workers without the use of power, have now to obtain licences under the Act.

The Government of India has announced its decision not to allow any of its employees to undertake other work of a casual or occasional character, even though such employment may be after office hours. The ban, applicable to 1.7 million employees, has been imposed to prevent any deterioration in efficiency. In rare cases, however, permission may be granted to accept part-time employment.

The average monthly income of an industrial worker in Kerala in the year 1957 was Rs. 47.52, according to a report of the Statistical Department of the State. In 1957-58 over 98,200 persons were employed in 1,621 factories in the State. Of these 40.2 per cent. were women workers and the employers had spent an average of Rs. 148 per woman worker on maternity benefit schemes.

Workers of the Hirakud Dam Project units have served a strike notice on the authorities. They have planned to strike work on 26th February unless, in the meantime, their demands are met. Their demands include recognition of the employees' union, withdrawal of the order under Section 144, Cr.P.C., from the project area and a grant of 20 per cent. construction allowance to all workers.

The Government has fixed maximum prices at which certain varieties of fine and coarse and other varieties of rice and paddy may be sold in nine districts in Andhra Pradesh. The control prices for the finer varieties of paddy range from Rs. 11.27 per maund to Rs. 14.29 per maund and of rice from Rs. 17.50 per maund to Rs. 22.00 per maund. The prices for the coarse varieties range from Rs. 9.78 to Rs. 10.77 per maund in respect of paddy and from Rs. 15.50 to Rs. 17.00 per maund in respect of rice. For other varieties the price is Rs. 10.11 per maund of paddy and Rs. 16.00 per maund of rice.

The Government of India has further relaxed the conditions for movement of goods by rail to the ports for export under higher priority, in order to help exporters. The movement of all export goods to ports other than programmed movement of traffic, such as iron ore, manganese ore, etc., has so far been permitted under item 'D' of the Preferential Traffic Schedule on the consignor supplying to the station master of the despatching station a certificate from the shipping agents that space has been reserved. Cotton textiles will hereafter be moved under priority 'D' without the production of the shipping agents' certificate if the outer coverings of the bales containing textiles offered for booking bear the mark "For Export Only." This will be subject to verification of particulars to be given at the time of registration with the station master concerned for priority movement. Molasses, power alcohol and raw tobacco will also be moved to ports for export under the higher priority without the production of the shipping agents' certificate, on the basis of quarterly programmes accepted by the Ministry of Commerce and Industry (Directorate of Export Promotion), in consultation with the Ministry of Railways.

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From Abroad

The U.S. Development Loan Fund has approved of a $5-million loan to the Philippines.

Ghana had a surplus balance of payments to the tune of £11 million in 1958, as against a deficit of £14.5 million in 1957.

It is reported that a number of businessmen in Kuala Lumpur, Malaya, are planning to establish sugar plantations and set up factories to manufacture white sugar.

The automobile industry in Italy produced over 400,000 vehicles in 1958, as against 351,799 in 1957. Out of this production a little over 150,000 vehicles were exported.

The net income of the Shell Oil Company, the U.S. unit of Royal Dutch-Shell group, for 1958 is $116.5 million or $3.85 a share, as compared with $135.08 million or $4.46 a share in 1957.

West Germany's gross national product was £18,900 million in 1958, representing a gross increase of 6.1 per cent. over that in 1957. After allowing for price increases the net rise was of the order of 2.8 per cent.

The Chilean Government has again devalued the peso by lowering its value in free bank exchange dealings. The new exchange rate has been fixed at 1,004 to 1,006 pesos per U.S. dollar as compared with 991 to 993 per U.S. dollar on 9th December 1958.

Total W. German exports to Communist block countries have been assessed at 1,440 million DM. during January-October 1958, as against 980 million DM. in 1957. Imports amounted to 1,120 million DM., as against 982 million DM. in 1957.

The West German Government has under consideration a proposal to impose an import duty on coal to help its mines get over their present difficulties. Duty will be charged at the rate of DM 20 a ton on coal coming from outside the European Coal and Steel Community.

Exports of butter by the main producing countries of the world during 1958 fell by about 2 per cent. The Commonwealth's share of world butter trade, however, was higher. The heavy supplies from New Zealand more than offset the slight fall in Australian shipments.

An American oil company, Plymouth Oil, Delaware, has secured a concession from the Australian Government to explore for oil in an area of about 29 million acres in Queensland, in the north-eastern part of Australia. It plans to begin exploration work immediately.

The Central Bank of Malaya having the appellation *Bank Negara Tanah Melayu* in Kuala Lumpur, has commenced business with effect from the 26th inst. with assets no less than $M100 million. The Bank will act as a clearing house for commercial banks, which already have made deposits for a working system.

The British Co-operative Permanent Building Society has decided to give its borrowers the option of making their annual payment in 10 instalments, instead of 12 as at present. This measure is designed to freeing the borrowers from the obligation to make payments in December and a summer month.

The cost of living in the U.S. in December last fell by two-tenths of one per cent. to 123.7 per cent. of the 1947-49 average, the first decline since August last. While cost of rents, medical care and some other consumer items rose, there was a perceptible decline in the cost of food, cars and clothing.

Some of the Latin American countries, particularly Brazil, Uruguay and Chile, are considering the possibility of simplifying their present cumbersome multiple exchange rate system. Argentina, it may be noted, has already done so. This would be an essential step towards a Latin American Payments Union and Common Market.

West Germany has removed the restrictions on security deals which had been retained since convertibility. In future, there will be no bar to the import and export of German or foreign securities and residents in W. Germany will be permitted freely to buy and sell foreign securities This applies also to bonds of German loans raised abroad.

The U.S.A. will send, in the nearest future, mail by guided missile through outer space to all corners of the globe. Disclosing this, Mr. Summerfield, the Post-master General, stated that before man reached the moon—which is estimated to take another ten years—the mail would be delivered within hours from New York to California, to England, to India, or Australia by guided missiles.

The U.S.S.R. has started mass production of a new midget car, the Ogonyok, well suited to difficult road conditions and capable of carrying four passengers at about 46 m.p.h. Another report claims that an automobile capable of speeding at 161 m.p.h. has also been produced by the U.S.S.R. The body of this car is made of a new light plastic said to be as durable as steel.

The Government of France proposes to amend its Company Law in such a way as to compel joint-stock companies in France to disclose more particulars about their financial affairs than they are doing at present and to publish their financial statements at frequent intervals. This measure is designed to encourage foreign investment in France and to persuade small savers to invest in commercial ventures instead of putting their earnings in gold or real estates.

W. Germany's 15,000 cigarette workers are the first to enjoy a regular 40-hour week in the Federal Republic of Germany. The shorter work week was introduced on 1st January 1959 by collective agreement. Simultaneously, about 2.5 million metal workers and 80,000 printers saw their regular work week cut by one more hour to 44 with full pay. Already, the 44-hour week had been introduced for some 300,000 workers of the garments industry since 1st October 1958.

The Latin American countries are expected to set up a Development Bank of their own. It is tentatively suggested that the proposed bank will have a capital of $850 million. Of this, $700 million will be covered by loans in hard currencies, of which the U.S. will contribute $300 million The remainder will be subscribed by the Latin American countries themselves. Of the $150 million cover for loans in soft currencies, the U.S. share will be $100 million.

The Singapore Government proposes to impose protective tariffs on manufactured goods, according to a new Customs Bill just passed into law. The Bill, which met with vigorous opposition when published, was originally drafted to enable the Government to impose duties on any goods besides intoxicating liquors, tobacco, and motor cars. The Bill, however, was later so amended as to protect light industries by imposing restrictions on imported goods similar to those produced by local industries.

The Economic Sub-Committee of the Baghdad Pact countries which met at Karachi last week has passed a resolution asking the experts to prepare a scheme for establishing free trade in the region as early as possible. In another resolution, it has urged the speedy implementation of the economic projects on which survey had already been completed. These projects include a micro-wave wireless link between the Pact capitals, a coastal highway linking the Pact countries through railway from Pakistan to Iran and from Pakistan to Turkey and development of some ports on the coasts of Pakistan, Iran and Turkey.

PERSONAL

MR. George Gellhorn, President of the U.S. Financial and Development Fund, arrived in Bombay on the 23rd inst.

Mr. R. Tarmoedji, till recently Acting Consul for Indonesia in Bombay, left here for Djakarta, where he will join the External Affairs Ministry.

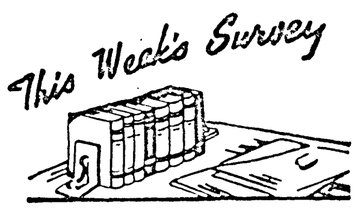
Mr. Chinubhai Kilachand and Dr. F. P. Antia have been elected President and Vice-President, respectively, of the Indian Roads and Transport Development Association for the current year.

Mr. R. K. Choudhry, a retired Judge of the Allahabad High Court, has been appointed Chairman of the Railway Rates Tribunal. The two other members of the Tribunal are Mr. Gorakhnath Sinha and Mr. S. K. Mukerji.

The Earl of Inchcape, a Director of the British India Steam Navigation Company Ltd., London, has been appointed a Deputy Chairman of the Company. Mr. M. W. J. Campbell and Mr. C. S. Mundy, O.B.E., also Directors of the Company, have been appointed Managing Directors.

Mr. Ananthasayanam Ayyangar, Speaker of the Lok Sabha, who led the Indian delegation to the meeting of the Commonwealth Parliamentary Association General Council, recently held at Barbados, in West Indies, returned to India via Bombay on Tuesday last.

Mr. Stefan H. Robock, a former Chief Economist for the Tennessee Valley Authority, U.S., and one time U.N. Economic Adviser to the Brazilian Government on the development of North-east Brazil, will arrive in New Delhi shortly to advise the National Council of Applied Economic Research in a survey designed to provide an objective basis for balanced industrial development in India. The services of Mr. Robock have been secured for three months by the Government of India under the U.N. Technical Assistance Scheme. Currently, Mr. Robock is Deputy Director of Business Education of the Committee for Economic Development, a private research and educational organisation in the U.S.



EDUCATIONAL STANDARDS

MR. G. D. Birla, speaking at Pilani, where he has pressed into the service of India's youth his generous instinct and great organisational abilities by creating a vast educational enterprise under an endowment, made the point that the standard of education in India had gone down in the last decade. If this were an isolated expression of a baseless fear by a man who is given to happy reminiscences by decrying the "unworthy" present, it might be dismissed without any comment. Actually, Mr. Birla is a great optimist and not given to uncritical admiration of all that is old. Further, Mr. Birla's fear of the fall in educational standards is shared by many other impartial observers in this country. It is time some investigation were made in order to ascertain the extent of deterioration in educational standards and the reasons for it and to suggest appropriate remedies. Obviously it would be statistically difficult to compare the average educational standards of today with those of the past, thanks to absence of reliable data. But it should not be difficult to arrange for an international comparison which could reveal how India's educational achievements compare with those of other leading countries. If such a comparison reveals that the average standards are low, the malaise must be explained and appropriate remedial measures adopted. It is of the utmost importance to national progress in all directions that average educational standards—as distinguished from the standards of "top" students—are reasonably high.

There is considerable truth in the view, now held by many, that the fall in educational attainments could be traced to the neglect of the English language. Mr. Birla, who seemed to hold a similar view, rightly pleaded for giving the same importance to the study of English as had been attached to it till the achievement of independence. He said that we should not ignore English in a mistaken zeal to promote the national language. This plea was heartily endorsed by Mr. S. K. Patil, Union Minister for Transport and Communications, who was the chief guest on the occasion. Protagonists of any language, he said, should remember that "trying to foster their language was like closing all windows but one and expecting all the air to rush in." He urged them to remember further that English was not only the "carrier of knowledge to India's doorsteps but also the language which had helped the nation's leaders to negotiate with the ruling power and attain freedom for the country."

We commend these observations to the attention of the authorities in the hope that, in any scheme of educational reorganisation, they will ensure that English retains the importance it has received in the past. In particular, the cause of scientific education, as Dr. A. L. Mudaliar, President of the Indian Science Congress, pointed out, in effect, is best advanced by the use of English as a medium of instruction. He said: "The language that science speaks is international and one must recognise that, whatever may be the vehicle through which scientific thought can be conveyed, the use of this international language is absolutely essential if progress in science in any country is to be speeded up." Surely, to ignore English or even to reduce the emphasis on its study may well lead to an all-round deterioration in educational levels.

AGRICULTURAL MARKETING

The Seminar on Regulated Markets, held at Mysore on Friday the 22nd inst., is of significance for two reasons. One, the Seminar is the first of its kind ever organised in the country under the auspices of the Union Ministry of Food and Agriculture. Two, for the first time, both officials and non-officials met together to exchange views on the development of agricultural marketing. Such an exchange of views, it is needless to say, will help improve conditions in the markets of India which are, as Mr. Mullick, Joint Secretary, Department of Agriculture, Government of India pointed out in his speech at the Seminar, far from satisfactory. In many cases, the producers do not get a fair price, so that they lose the incentive to grow more. This is an age-old weakness of agriculture which has become a stock argument against middlemen. But farmers today are not as backward as they were, say, 20 years ago or even 10 years before, in that they are better informed about the trend of markets and have large holding power. The authorities must try to find out to what extent the evil still persists and in which parts of the country it is strong. A fresh survey of marketing conditions in all the principal crops at least is necessary, in order to ascertain what part of the rupee realised on sale of agricultural crops reaches the hands of the grower and how bad is the influence of middlemen. After such a survey, proper solutions for eradicating the evil must be thought of and applied.

In the context of the planned development of agriculture, regulated markets play a vital role. The chief objective of such markets is to secure for the farmer his due share of the price paid by the consumer through elimination of the malpractices associated with buying and selling of commodities and arrangements for the efficient distribution of marketable surpluses from producing to consuming areas. Despite all the stress laid on the importance of regulated markets, the progress actually achieved so far is not much. For this, the State Governments are largely responsible. While the Congress Party has been crying hoarse against middlemen, its representatives in charge of Governments have done precious little in the promotion of such positive reforms. The number of markets newly established since the second Five-year Plan began is just 100, the total number now in existence being 552 (as against 265 in 1950-51). Incidentally, it may be noted that there are at present 1,800 wholesale markets and 2,300 periodical markets. It is in these markets that conditions are to be improved. Mr. Mullick, therefore, did well to call upon the State Governments' representatives to get the necessary legislations passed and set up regulated markets in their respective areas.

Inaugurating the Seminar, the Governor of Mysore, Mr. Jayachamaraja Wadiyar, certainly struck a note of realism when he declared that co-ordinated efforts were required to solve many practical difficulties in the working of regulated markets. Special mention was made by him of the difficulty faced at the time a new regulated market starts functioning on account of the opposition from strongly entrenched vested interests. On the other side, the producers who are mostly illiterate people, get utterly confused and treat the regulated market machinery as an infliction. They even begin hating the institution, especially when they find that the system of advances made by wholesale merchants against produce is abolished, and there is delay in starting equally prompt arrangements for such advances within the framework of the regulated market machinery.

Several useful suggestions were made by Mr. Mali Mariappa, Minister for Co-operation, Government of Mysore, who presided over the Seminar. They included (1) inclusion of fruits, vegetables, livestock and its products under the purview of the Regulated Markets Acts; (2) regulation of foodgrains for the purpose of purchase and sale in wholesale *mandis;* (3) *ad valorem* basis of levy of market cess as one of the means of increasing the income of market committees; (4) improvement in the service conditions of staff working in the various regulated markets; (5) the co-ordination of the various aspects of marketing development such as co-operative marketing, warehousing, grading and standardisation of regulated markets; (6) introduction of a system of sales on the basis of description according to prescribed standard; (7) co-ordination of developmental activity on an all-India basis; and (8) uniformity in units of quotation, market charges, etc. Surely, all these suggestions are quite pertinent and will, if implemented in right earnest, go a long way towards the development of regulated markets on a sound and solid footing. Surely, Mr. Mariappa, who seems to have a clear grasp of the problem, could set an example for other State Governments, by energetic implementation of the reform of regulated markets in his own State, namely, Mysore.

LICENCES FOR INDUSTRIES

The Government of India has taken certain welcome steps to expedite the issue of licences for the expansion of industries in the private sector. It may be noted that the Licensing Committee, constituted under the Industries (Development and Regulation) Act, 1951, is entrusted with the task of scrutinising the applications for new units and expansion of existing capacity in the scheduled industries. Thus, the Committee advises the Government in matters of industrial expansion in the country, keeping in view the broad pattern and targets of development envisaged by the Planning Commission, except, of course, in the case of those industries covered under separate Development Councils. There is no doubt that the elaborate formalities associated with the functions of the Committee in some cases are either superfluous or irrelevant. Besides, they often lead to unnecessary delay and inhibit the rapid growth of industries. The steps taken by the Government at present for streamlining the role assigned to the Committee have come not a day too soon.

In the first place, the Government has, in consultation with the Licensing Committee, decided that applications for the production of new articles by the existing industrial undertakings need not now be referred to the Committee, if these do not involve the installation of additional machinery and the use of imported raw materials. Such schemes will be approved without reference to the Committee, by the Senior Industrial Advisor concerned, provided there is scope for fresh capacity. The Licensing Committee, however, will periodically be informed about these applications and the action taken on them. Again applications for shifting the location of industrial undertakings from one State to another will be disposed of by the Ministry of Commerce and Industry, subject to the condition that the State Governments concerned do not have any objection.

All other applications for grant of manufacturing licences will be placed before the Committee immediately. In order to facilitate quick action on those applications, the local members of the Committee will meet every two or three weeks and discuss cases which have been considered by the Development Wing of the Ministry of Commerce and Industry. The views of the local members will be circulated to the other members of the Licensing Committee (representatives of State Governments). If there are any differences of opinion among them, they will be considered at the meeting of the full Licensing Committee. The Committee will meet every six weeks or two months. Under the procedure followed so far, all the applications were being disposed of only by the full Licensing Committee, which met once a month or sometimes once in two months. The Directors of Industries or Secretaries of Departments of Industries of State Governments attended these meetings. Now that the local members of the Committee have been given wider powers for taking decisions, it is expected that the system of granting licences will function more expeditiously.

BOMBAY PORT TRUST

The Report of the Bombay Port Trust for the year 1957-58 shows that the port is making steady progress in handling an increasingly larger volume of trade. It is gratifying to note that, despite the rather unhelpful attitude adopted by labour, the aggregate weight of the cargo handled at the docks and bunders during the whole of the year touched a new record of 13.11 million dw. tons, as against 11.98 million dw. tons in the previous year. The traffic in passengers, however, was lower at 708,605, as compared with 767,903.

There was a perceptible improvement in the aggregate revenue on General Accounts (including surcharge), such having gone up from Rs. 11.07 crores to Rs. 12.09 crores. The total expenditure amounted to Rs. 9.98 crores in 1957-58 as compared with Rs. 8.74 crores in the previous year. The total revenue and expenditure on General and Pilotage Accounts (excluding social receipts) for the year was Rs. 12.32 crores and Rs. 9.10 crores, respectively, in 1957-58, as against Rs. 11.27 crores and Rs. 8.87 crores in the previous year.

To revert to the volume of traffic. Both docks and bunders accounted for the increased volume of traffic. The volume of imports rose from 3.53 million tons in 1956-57 to 4.42 million tons. The volume of exports at 1.87 million tons, however, remained practically the same as in the previous years. The total traffic aggregated 6.29 million tons, as against 5.39 million tons in the preceding year. Excluding mineral oils (in bulk) and foodgrains (in bulk), iron and steel continued to form the largest single item in the foreign import trade passing through the port. There was a fall in the closing months of the year in the overall volume of dry cargoes imported and exported the fall being marked in respect of imports. The volume of imports handled at the bunders rose from 4.71 million tons in 1956-57 to 4.88 million tons and that of exports from 1.88 million tons in 1956-57 to 1.94 million tons. The total traffic aggregated 6.82 million tons, as against 6.59 million tons in 1956-57. The increase, both in imports and exports, was chiefly under bulk mineral oils.

The Report also draws attention to the various programmes of development and modernisation undertaken by the Port Trust during the year under review. Mention may be made of the preliminary steps taken regarding the scheme for the modernisation of Princes' and Victoria Docks, reconstruction of transit sheds in these two docks, labour housing projects, installation of electric cranes for Ballard Pier and Alexandra Dock and reorganisation of electrical distribution system in the docks. We are also told that the entire fleet of seven dredgers was fully employed during the year. A fleet of three suction dredgers was used for dredging the Alexandra Dock approach channel, Princes' and Victoria Docks channel and Pir Pau access channel. The grab dredgers were mostly employed for dredging the dock berths, turning basins and harbour wall berths.

The section on labour records that unrest among the Port Trust workmen showed no signs of abatement and the tendency to stop work at the slightest provocation continued to manifest itself. However, the authorities continued their policy of emphasis on labour welfare activities. For instance, nine welfare centres have been opened by the Labour Department at Port Trust residential settlements for workmen. Literary classes and reading rooms are being run. Clinics for women and children are being conducted. It is to be hoped that port workers will display a better awareness of their responsibilities and co-operate with the Port Trust authorities to enable the Bombay Port to discharge its growing responsibilities expeditiously.

LAND REFORMS IN PAKISTAN

A strange feature of the land reform measures announced by President Ayub Khan on the 24th inst., is that it is applicable only to West Pakistan. They seek to lay down a land tenure policy for West Pakistan which would satisfy, on the one hand, the social need for greater equality of opportunity and status and, on the other, the economic need for increasing agricultural production and improving the standard of rural living and securing a more equitable distribution of income from land. For this purpose, the President proposed, among other things, the break up of the feudal system prevailing in West Pakistan, ceiling on land holdings, resumption of *jagirs* without payment of compensation, ban on fragmentation of holdings below economic level, compulsory consolidation of fragmented holdings and security of tenure for tenants. A remarkable feature is the speed with which the Government arrived at a decision on the recommendations of the Land Reforms Commission. It took hardly four days for the Government to make up its mind. It is, however, not clear why East Pakistan has been excluded from this reform.

The salient features of the reforms are as follows:

No person will be allowed to own more than 500 acres of irrigated land or 1,000 acres of unirrigated land. Existing landlords will be allowed to retain such additional land to which they would have been entitled had the ceiling been fixed as equivalent to 36,000 produce index units allowed in the case of refugees. They can additionally retain up to 150 acres under orchards and alienate by gift a limited area to their heirs.

Land in excess of the ceilings will be resumed by the Government for redistribution to tenants and other deserving climants, in order to avoid displacement of existing tenants and disruption of production. Tenants already cultivating the resumed areas will be given the option to buy them on instalments spread over 25 years.

The landlord will be paid fair compensation for the resumed land in the form of interest-bearing bonds redeemable in 25 years.

The quantum of compensation will be fixed by a sliding scale, according to which the compensation payable decreases as the surplus land in excess of the ceiling increases. The formula is based on what is termed as produce index unit. The produce of 500 acres of fertile land in Lyallpur district in West Punjab is reckoned as equivalent to 36,000 produce index units. For the first 18,000 produce index units (roughly equivalent to 250 acres of irrigated land), the compensation payable is Rs. 5 per unit. For the next 24,000 units Rs. 4 per unit, for the next 36,000 units Rs. 3 per unit, for the next 72,000 units Rs. 2 per unit and for the balance Re. 1 per unit.

Compensation will be paid out of a special fund to be created by depositing the sale proceeds of resumed land and it will be operated by a Land Commission which will implement the reforms. The fund will also be utilised for the liquidation of bad debts, development of resumed lands and the administrative charge incurred in the implementation of the reforms.

Occupancy tenants will be converted into full owners of the land throughout West Pakistan. Tenants in congested areas will, as far as possible, be accommodated in the programme for colonisation of State land. They will have security of tenure. In the event of an ejectment according to a process of law, they will be entitled to a fair compensation for improvement of land and disturbance of possession. An embargo will be placed on enhancement of rents, and illegal exactions in the shape of fees, free labour or services from tenants, will be eliminated.

All *jagirs* will be resumed without payment of compensation and other intermediary interests will be abolished. In order to prevent progressive fragmentation of holdings, division of holdings below a certain economic or subsistence level will be forbidden. Immediate steps will also be taken to introduce a province-wide scheme for the compulsory consolidation of fragmented holdings.

On a comparison of these measures with those of some of the Indian State Governments, a few points of contrast stand out prominently. In the first place, the ceiling proposed in Pakistan is fairly high. Secondly, *jagirs* are to be taken over without paying any compensation, whereas, in India, compensation of varying amounts was paid both for *jagirs* and *zamins*. Thirdly, unlike in India, fragmentation of holdings is banned and compulsory consolidation of uneconomic holdings is proposed. Other features of the reform, such as security of tenure, are to be found in India, too.

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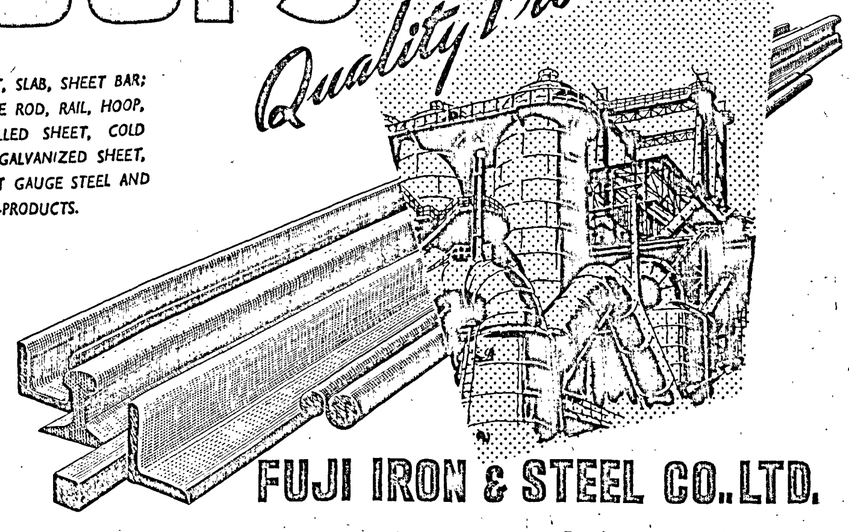

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EXPORT TRADE OF INDIA

FEDERATION'S REPORT

From Our Special Correspondent

NEW DELHI, *27th January*

DELHI LETTER

THE Federation of Indian Chambers of Commerce and Industry has just brought out a study analysing, countrywise, the recent trends in India's export trade. This study, it is stated in the foreword, will form the background paper to the Conference on Promotion of Exports to be held in Calcutta on the 29th and 30th of this month. The Federation's analysis is most welcome for the reason that it deals, in one compass, with different commodity exports to different countries. The only limiting factor of the study is that it generally ends with an analysis of figures for 1957. Since exports have declined further in 1958, the need for knowing and overcoming, if possible, the difficulties in the way of export promotion should be obvious. The Federation's study should go some way in fulfilling this need.

As of 1957, the four most relevant countries in the matter of India's direction of exports are the United Kingdom, the United States of America, Australia and Japan. The percentage shares of these countries in India's export trade were 26.6, 15.6, 4.1 and 4.5, respectively. A general picture of trends in commodity exports to these four significant countries (each accounting for more than 4 per cent. share of this country's export trade) is given in the following paragraphs.

As far as the United Kingdom is concerned, exports of tea to that country declined from Rs. 98.4 crores in 1956 to Rs. 82.4 crores in 1957. Thus, while total imports of tea in the United Kingdom in 1957 were higher by 15 per cent. over the previous year's record shipment of 513 million lbs., exports from India declined by 17 per cent. or so. The Federation believes that the exports of tea from India can be increased to the level achieved in 1956 provided the Indian tea is made cheaper. It is also urged that possibilities of setting up a Joint Tea Promotion Council in London should be explored. As for hides and skins, their exports to the United Kingdom have remained more or less stable, being of the value of Rs. 16.3 crores in 1956 and Rs. 15.6 crores in 1957. It is stated that some sections of the trade in Britain are against the free imports of Indian skin into that country. The prospects, however, for Indian leather and leather goods, according to the Federation's study, appear to be favourable, except in the glove leather trade. In spite of systematic increase in the use of substitutes in the U.K., particularly for sole leather, there is at present a growing demand for Indian skins and leather, and the prospects of increasing our exports, therefore, appear to be good. As for mill-made cotton piecegoods, their exports to the United Kingdom have been to the value of Rs. 11 crores in 1957. But they have gone down in 1958 and the agitation of the textile industry in Lancashire has introduced an element of uncertainty. Since this country is expected to restrict her cotton piecegoods exports voluntarily, any promotion of exports in this direction is ruled out. The decline in manufactured jute exports to the United Kingdom from Rs. 9.3 crores in 1956 to Rs. 5.9 crores is attributed to the keen competition from paper bags. This, in its turn, is the direct result of the U.K. Jute Control which sells Indian jute goods at greatly inflated prices to bring them into line with the prices of Dundee goods. It is, therefore, urged that, if Indian jute goods are to recover the ground lost to paper bags, a substantial reduction in the mark-up of Indian jute goods in the U.K. is essential.

India's exports to the United States have increased since 1956, principally in respect of manganese ore. Its exports in 1956 were of the value of Rs. 3.3 crores and in 1957, Rs. 14.6 crores. That country accounted for nearly half of the total exports of that ore from India in 1957. American demand for it has, however, abated in 1958, with export earnings showing a sharp decline. It is stated that, apart from the effect of recession in the American market, the competition from Brazil, Morocco and South Africa has increased considerably. Because of lower steamer freight rates from these destinations, the American buyer has turned increasingly to these sources of supply. Exports of Indian manufactured jute goods to the United States have, however, remained more or less stable, being of the value of Rs. 34.0 crores in 1956 and Rs. 33.6 crores in 1957. As for tea exports to that country, they have been to the value of Rs. 7.8 crores in 1956 and Rs. 6.4 crores in 1957. Although in 1958, there has been some rise in tea exports to America, much more remains to be done, in the opinion of the Federation, to bring down the cost of exports in a market where Indian teas, quality for quality, were costlier than teas from other sources. As for exports of cashew kernels to the United States they have also been more or less stable, being Rs. 10.9 crores in 1956 and Rs. 11.0 crores in 1957. According to the Federation's study, there is scope for a moderate increase in their exports to that country. One of the limiting factors, however, is the difficulty in augmenting internal supplies in the short run for even now we are dependent, to some extent, on the import of raw cashew nuts from East Africa.

India's exports to Australia have remained more or less stable in respect of manufactured jute and cotton piecegoods. Exports of the former commodity were to the value of Rs. 12.0 crores each in 1956 and 1957; exports of the latter were Rs. 3.9 crores in 1956 and Rs. 5.0 crores in 1957. There has been a decline in jute exports in 1958, because the fall in production of wheat in Australia has reduced the demand for packaging materials. According to the Federation, there is a positive scope not only for maintaining our present market in Australia but for bringing about some increase in export of jute goods to that country. As for exports of cotton piecegoods to Australia, the Federation's study has referred to the likely adverse effect of increased import duties levied since October 1958 in Australia on plain weave sheetings, bleached and dyed.

India's exports to Japan also have remained more or less stable in recent years. In 1956, raw cotton exports were to the tune of Rs. 10.9 crores and in 1957, Rs. 8.8 crores; iron ore exports were Rs. 5.4 crores and Rs. 7.0 crores in the respective years; and manganese ore exports were Rs. 2.3 crores and Rs. 2.5 crores, respectively. Iron and steel scrap exports, however, came down from Rs. 3.6 crores in 1956 to Rs. 1.9 crores in 1957. The decline in raw cotton exports to Japan has been due largely to competition from the United States, Mexico, Pakistan and Brazil. The prospects for maximising our raw cotton exports to Japan, in the opinion of the Federation, do not seem to be very bright. Nevertheless, it is expected that Japan's textile industry would be able to take up much larger quantities of our Bengal *deshi* varieties than hitherto, since their imports into Japan are allowed under the Foreign Exchange Allocation System and no import duty is levied. The decline in exports of scrap iron is attributed to two factors, namely, the large carryover of stocks by the Japanese steel mills and the Indian Government's policy of restricting scrap exports in order to preserve them for use in India.

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BANKERS EXPOUND

From Our Own Correspondent

LONDON, *24th January*

LONDON LETTER

THIS year's Bank speeches lack peculiarly in interest. Some paid special attention to what has been happening overseas but even the Chairman of Lloyds had little new to say. He noted that the increase in the gold reserves was well founded and the continued prospects for sterling therefore better than in the past. Sterling countries had drawn down their balances by £200 million and non sterling countries increased theirs by £100 million—a net reduction of indebtedness of £100 million. Others commented that, while in the early part of the year (indeed since autumn 1957), American production had been going down, in the last eight months this had been half recovered. However, U.S. exports had consistently fallen and over the past year America had lost $2,000 million in gold—largely to Europe.

Thus, American recession appeared to have done more good than harm—though against this the general world recession had sent commodity prices tumbling to the detriment of the less developed countries. Two of the Bank Chairmen suggested that such countries could not expect everything they might like to have, but that, if the U.K. went on building up an export surplus, then they would stand a better chance of getting more than otherwise!

The fall in import prices had benefited the U.K. over the past eighteen months by some £400 million—hence the balance of payments surplus. But every banker was well pleased with the strength of sterling and had no criticism to make of the means whereby this had been achieved. Some—such as Westminster—even minimised the cost in production and unemployment to this country. Others were just disappointed that production had not expanded. There were even fears that, if consumers were too much encouraged to spend, then exports might be diverted—without much increase in home production—imports somewhat increased and our last state be worse than our first. But there seemed no real fear that this Government would push reflation too far.

On Europe, there was on the whole a realisation that the European Economic Community was a necessary start towards a *politically* unified Western Europe, but a lot of fears of possible discrimination to come against the remaining eleven countries and the rest of the world. No one wanted to see the O.E.E.C. die—but mostly this was because of the repercussion on the U.K. which sent £500 million of exports per annum to the Common Market countries.

At home, there was jubilation at the freeing of the bankers from their bonds though Westminster did not like the new weapon which the Treasury has brought in of demanding special receipts from the banks to restrict credit. It was noted that, if the hire-purchase houses developed the idea of financing themselves by direct deposits from the public they would, in future, be less amenable to credit restriction applied through the banking system. The banks are all satisfied with their incursion into hire-purchase finance by purchase of finance houses or shares in them and also with the drive they are making for more accounts with the general public. Not all are agreed just which measures are best: Some want to popularise the use of cheques by people who have never had a banking account—a new sort of cheap restricted (no overdraft) account is being introduced; others like the new idea of lending small sums on personal security only for specific purposes and for repayment in a specified time. But all comments in this field show how competitive British banking has become since the ending of the credit squeeze.

The only real piece of forward looking on the part of British bankers was on trade with the undeveloped areas. They opined that the export earnings of these areas should be increased, that there might be a case for considering price stabilisation schemes for some of their primary commodities (anathema to the British Government) that, of course, real surpluses earned in overseas trade should be invested in these territories.—*All Rights Reserved.*

THIS IS AN ANNOUNCEMENT AND NOT A PROSPECTUS

BOWREAH COTTON MILLS COMPANY, LIMITED

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

A copy of the Prospectus dated the 30th December 1958 having attached thereto the documents required by Section 60 of the Companies Act, 1956 has been delivered for registration to the Registrar of Companies, West Bengal. Copies of the Prospectus and application forms may be obtained from the registered office of the Company and from the Company's Bankers and Brokers.

Application will be made to the Stock Exchange at Calcutta for permission to deal in and for quotation for the whole of the Stock now being offered.

The Subscription List will open on the 2nd February, 1959 and will close at the discretion of the Directors.

BOWREAH COTTON MILLS COMPANY, LIMITED

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, 1882)

SHARE CAPITAL

AUTHORISED		ISSUED AND FULLY PAID
Rs.		Rs.
88,00,000	Ordinary Shares of Rs. 100 each	24,00,000
6,00,000	Cumulative "A" Preference Shares of Rs. 100 each	6,00,000
6,00,000	Non-Cumulative "B" Preference Shares of Rs. 100 each	6,00,000
1,00,00,000		36,00,000

LOAN CAPITAL

Rs. 20,00,000/- 6½ per cent. Debenture Stock 1968/73 being the Stock now offered.

The Company has no mortgages, debentures or other loan capital outstanding other than the Stock now offered and an overdraft with Lloyds Bank Limited, secured by hypothecation of stocks of cotton, cotton waste, yarn, cloth and book debts, an overdraft with Bank of Baroda Ltd., secured by hypothecation of stores. As at 15th November 1958 such overdraft with Lloyds Bank Ltd. amounted to Rs. 68,48,273/- and with The Bank of Baroda Ltd., to Rs. 11,95,000/-. The Company has also an overdraft with The Union Bank of India Ltd. secured by deposit of certificate of Debenture Stock of the nominal value of Rs. 20,00,000/- and as at 15th November, 1958 such overdraft amounted to Rs. 13,45,732/-.

The amount of unsecured loans from the Managing Agents was Rs. 33,89,173/- as at 15th November, 1958 and from Kishore Trading Company Ltd. was Rs. 5,00,000/- as at 15th November 1958.

OFFER OF

Rs. 20,00,000/- 6½ PER CENT. DEBENTURE STOCK 1968/73 AT PAR.

DIRECTORS

RANG NATH BANGUR, Merchant, 21, Strand Road, Calcutta.
HENRY JOSHUA SILVERSTON, Solicitor, 29, Netaji Subhas Road, Calcutta.
BISHAMBHAR NATH CHATURVEDI, Merchant, 7, Lyons Range, Calcutta.
PURUSHOTTAM DASS BANGUR, Merchant, 21, Strand Road, Calcutta.

TRUSTEES FOR THE DEBENTURE STOCK HOLDERS

RANG NATH BANGUR, 21, Strand Road, Calcutta.
JAMES LESLIE ESPLEN, 6, Lyons Range, Calcutta.
DALHOUSIE HOLDINGS LTD., 4D, Garstin Place, Calcutta.

REGISTERED OFFICE

21, STRAND ROAD, CALCUTTA.

MANAGING AGENTS

KETTLEWELL BULLEN & CO., LTD., 21, Strand Road, Calcutta.

BROKERS

PLACE, SIDDONS AND GOUGH, 6, Lyons Range, Calcutta.

BANKERS

LLOYDS BANK LIMITED, 29, Netaji Subhas Road, Calcutta.
BANK OF BARODA LIMITED, India Exchange Place, Calcutta.

SOLICITORS

ORR, DIGNAM & CO., 29, Netaji Subhas Road, Calcutta.

AUDITORS

PRICE, WATERHOUSE, PEAT & CO., Chartered Accountants, B4, Gillander House, Calcutta.

The Rs. 20,00,000 of Debenture Stock was created by a Resolution of the Board of Directors of the Company passed on the 28th April, 1958 and is secured by a Trust Deed dated the 16th May 1958 in favour of Messrs. R. N. Bangur and J. L. Esplen and Dalhousie Holdings Ltd., as Trustees for the Stockholders.

The Trust Deed provides, *inter alia*, as follows:—

1. INTEREST

Interest will be payable on the 30th June and the 31st December in each year in respect of the half-yearly periods ending on those dates. The first payment will be made on the 30th June, 1959 in respect of the period from the date of receipt by the Company of the Application Form accompanied by a remittance for the amount due and will be at the rate of 6½ per cent. per annum, income-tax being deducted at the appropriate rate;

2. SECURITY

(a) Payment of principal and interest will be secured by a first fixed charge on the Company's immovable properties, including fixed plant and machinery relating thereto, and by a floating charge on the remainder of its undertaking and assets, present and future, excluding any uncalled capital, such floating charge being subject as to the Company's Stocks of cotton, cotton waste, yarn, cloth, stores, chitty bills and book debts to the hypothecation in favour of Lloyds Bank Limited, and as to the Company's Stores to the hypothecation in favour of The Bank of Baroda Ltd. In respect of leasehold property (if any) for which the consent of the Landlord is required for the creation of the charge therein but has not been obtained when the Trust Deed is executed, the charge affecting such property will not be of immediate effect but will be postponed until such consent has been obtained.

(b) The Company may create mortgages or charges on its stocks of cotton, cotton waste, yarn, cloth, shares, chitty bills and book debts ranking in priority to or *pari passu* with the floating charge to secure sums borrowed from or obligations incurred to bankers in the ordinary course of business of the Company but save as stated the Company may not create any charge ranking in priority to or *pari passu* with the floating charge and/or the fixed charge.

3. REDEMPTION

Such part of the Stock as has not been previously purchased or redeemed will mature for payment at par plus accrued interest on the 31st December, 1973. The Company may redeem the whole or any part (to be selected by drawings) of the Stock on or at any time after the 31st December, 1967 at par plus accrued interest on giving three calendar months' previous notice to the Stockholders.

The Company was incorporated on the 22nd February 1900 and its mill is situated at Bauria in the District of Howrah and consists of 42,880 spindles and 841 looms. It is one of the oldest cotton mills in West Bengal.

The Board of Directors of the Company have undertaken a scheme for modernisation of the plant and machinery and electrification of the Mills with a view to manufacturing finer qualities of cloth and cotton goods and other varieties which were not manufactured by the Company. The debenture stock now being offered has been issued in favour of the Bank as security for such overdraft. It is proposed in the first instance to repay out of the net proceeds of this issue the amount borrowed by the Company from the Bank in full and, if the proceeds are insufficient, partly to the extent of the net amount received by the Company so that the Debenture Stock or a part thereof, as the case may be, would be released from the Bank and issued to the applicants for the Stock. The balance of the proceeds will be utilised towards the repayment of the other loans.

TRADING AND FUTURE PROSPECTS

In these days, the demand of the public in respect of cotton goods appears to be for quality products, and the mills have been manufacturing cotton goods of finer quality and the Company is adopting the policy of producing improved quality goods. Whilst the Directors can give no assurance as to future prospects, they expect that the Company will be able to produce still better quality of cotton goods and increase the output and that the sale of cloth and other varieties of cotton goods will increase.

MANAGING AGENTS

The Company's Managing Agents are Kettlewell Bullen & Co., Ltd.

APPLICATION FOR DEBENTURE STOCK

Application for the Stock (which must be for Rs. 500 or multiples thereof) must be made on the accompanying Application Form in accordance with the terms thereof and sent to the Company's Bankers, Lloyds Bank Limited, at 29, Netaji Subhas Road, Calcutta, or at Dr. Dadabhoi Naoroji Road, Bombay, The Bank of Baroda Limited, India Exchange Place, Calcutta, or to the Company's Brokers, Messrs. Place, Siddons and Gough, or to the Company's Registered Office. Cheques/Drafts should be crossed "Not Negotiable" and made payable to "Bowreah Cotton Mills Co., Ltd., or Order." Any alteration from "Bearer" to "Order" must be signed by the drawer. A separate cheque must accompany each Application Form. Cheques drawn on and presented in Calcutta, Bombay and other places where The Bank of Baroda Ltd. has branch offices need include no allowance for collection charges. All other cheques drawn must include commission at the rate of 25 nP. per Rs. 100. Any non-resident person, firm or company applying for Stock must first apply for and obtain the sanction of the Reserve Bank of India.

Copies of this Prospectus and Forms of Application may be obtained from the Registered Office of the Company and from the Company's Bankers and Brokers.

BANK PROFITS SUFFER A SETBACK

YEAR-END DATA ANALYSED

THE financial results of four of the "Big Five" scheduled banks (in the private sector) and of the State Bank of India (in the public sector) for the year 1958 published so far confirm that the high level of deposits, particularly time deposits, accumulated by them has on the whole proved to be unremunerative. All these four Scheduled banks, namely, the Central Bank of India Ltd., the Bank of India Ltd., the Bank of Baroda Ltd. and the United Commercial Bank Ltd., have reported lower profits, the fall being more pronounced in the case of the last two institutions. The State Bank of India has, however, earned a higher profit, but the rise in profit is less marked than that in the previous year. In any case, the State of Bank of India is in a different category, enjoying as it does certain privileges which the other commercial banks do not. It will be no exaggeration to say that the State Bank's average cost of deposits is less than that of the ordinary commercial banks. It is, of course, true that the State Bank provides the country with certain services at below cost. But this disadvantage is more than offset by the advantages it has.

The following table shows at a glance the trend of profits of the five banks during the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
State Bank ..	190.14	187.45	156.18	135.93
Central Bank ..	101.42	108.74	104.36	77.76
Bank of India ..	85.77	93.47	92.03	84.91
Bank of Baroda ..	27.42	43.85	39.90	29.65
United Commercial.	45.38	59.70	56.52	36.69

All of them, except the Bank of Baroda, have maintained the dividend; the Baroda Bank has cut the distribution by 2 per cent., but as the lower dividend is on a higher capital, the amount to be distributed is higher.

Main Factors

The main factors which have brought about the setback in bank earnings were fully discussed in our 1958 *Annual Number*. In short, it is due to the high rate of interest which banks had to pay on the business funds which were kept with them as short-term deposits, as these idle funds could not find any remunerative investment, thanks to the import restrictions and contraction in opportunities for expansion by the private sector. This in turn affected the demand for bank credit. The selective credit control exercised by the Reserve Bank also kept down the volume of bank credit. In the result, banks had to invest these idle funds in the less remunerative Gilt-edged securities.

The analysis made in our 1958 *Annual Number* was based on the statistics of Scheduled banks up to the end of November. The year-end consolidated figures now available shows that the position is not far different, as will be seen from the following comparative statement relating to Scheduled banks as a whole and to the State Bank of India, in particular:

As at the end of the year—on 26th December 1958, to be more precise—the total net deposits of all Scheduled banks stood at a little over Rs. 1,574 crores, that is, Rs. 15 crores short of the notes in circulation (over Rs. 1,589 crores) on that date, and represent an expansion of Rs. 207 crores over the year. This rise is entirely accounted for by time deposits which have gone up by Rs. 214 crores and that on top of an increase of Rs. 208 crores in 1957. Demand deposits have, on the contrary, suffered a drop of Rs. 7 crores, in contrast to the rise of Rs. 58 crores in the previous year. Of the expansion of Rs. 207 crores in total (net) deposits, the State Bank of India alone have, as will be seen from the above table, contributed over Rs. 107 crores, thanks to the deposit of U.S. counterpart funds under P.L. 480 and section 402 of P.L. 665. It is difficult to say, nor are statistics available to show, to what extent these funds have contributed to the rise in deposits of the State Bank of India. It will, however, be noted that the total amount deposited in the U.S. Government account out of the sale proceeds of agricultural commodities imported under these two laws (since the beginning of the first Five-year Plan) upto the end of March 1958 was Rs. 171.66 crores (Rs. 140 crores under P.L. 480 and Rs. 31.66 crores under P.L. 665). Since March last further authorisations under P.L. 480 aggregate Rs. 140.85 crores. It may also be noted that the rise in deposits of the State Bank of India during 1958 was less than that (Rs. 123 crores) in 1957.

Small Rise in Advances

As against a rise of Rs. 207 crores in deposits, the Scheduled banks' advances have gone up by only Rs. 8.68 crores; the net expansion in bank credit during 1957 was about Rs. 69 crores; in 1956, it was of the order of Rs. 157 crores. These figures show that the pace of increase in bank credit had considerably slowed down. This may seem strange in a developing economy, but the authorities have had to clamp down controls on credit in order to check inflationary pressures. Industrial production was slightly down on top of a sizable fall in production of agricultural commodities. Consequently, the volume of internal trade must have been perceptibly lower during 1958 as compared with 1957. This had its adverse repercussions on the business of banks. With a view to arresting the depletion of foreign exchange reserves, imports had to be cut drastically and this also restricted the demand from traders and manufacturers. This is reflected in the fall of Rs. 20.90 crores over the year in bills purchased and discounted.

The level of advances of the State Bank of India was almost unchanged. The slower pace of increase in advances of Scheduled banks brought down the credit ratio from 71.6 per cent. at the end of 1956 to 62.7 per cent. a year later and to 55 per cent. at the end of 1958. The drop is more pronounced in the case of the State Bank of India. From 57.9 per cent. at the end of 1956, it declined to 46.8 per cent. at the close of 1957 and still further to 36 per cent. by the close of 1958.

Almost the entire expansion in deposit resources of Scheduled banks was utilised to boost their investments in Government securities, the rise in the latter being of the order of Rs. 204 crores, nearly half of which was accounted for by the State Bank of India alone. This has raised the ratio of investments to total (net) deposits from 31.7 per cent. at the close of 1957 to 40.5 per cent. Over 60 per cent. of the State Bank's deposits at the end of 1958 was invested in Government securities, as compared with 50 per cent. a year before. Cash balances of all Scheduled banks were a little higher, but, in view of the substantial expansion in deposits, the cash coverage declined from 12.6 per cent. to 11.1 per cent. This ratio has been arrived at after taking into account balances with other banks and money at call and short notice. During the greater part of the year, the cash ratio was invariably below 10 per cent., the slightly higher ratio at the end of 1958 being due apparently to window dressing

(In crores of rupees)

	Scheduled Banks			State Bank		
	As on 26-12-58	As on 27-12-57	Change over the year	As on 26-12-58	As on 27-12-57	Change over the year
Demand deposits (net)	694.65	701.82	—7.17	..	..	..
Time deposits (net)	879.64	665.69	+213.95	..	..	..
Total deposits (net)	1,574.29	1,367.51	+206.78	472.39	364.98	+107.41
Inter-bank borrowings ..	53.71	38.45	+15.26	0.64	1.49	—0.85
Borrowings from Reserve Bank ..	10.95	23.63	—12.68			
Of which borrowings against usance bills	1.83	21.07	—19.24	..	..	..
Borrowings from State Bank.. ..	7.35	6.77	+0.58	..	..	..
Advances	741.82	712.24	+29.58	156.10	152.01	+4.09
Inland bills	83.30	98.42	—15.12	14.22	18.91	—4.69
Foreign bills	40.66	46.44	—5.78			
Total bank credit	865.78	857.10	+8.68	170.32	170.92	—0.60
Ratio to deposits	55.0%	62.7%	..	36.0%	46.8%	..
Investments	637.57	433.42	+204.15	284.06	183.67	+101.29
Ratio to deposits	40.5%	31.7%	..	60.3%	50.3%	..
Cash balances*	175.54	172.45	+3.09	40.29	30.72	+9.57
Cash ratio	11.1%	12.6%	..	8.5%	8.4%	..

* Include balances with other banks and money at call and short notice.

MORE BANK RESULTS

State Bank of India

Contrary to the general trend of bank results, the State Bank of India has earned a higher profit for the year ended 31st December 1958, but the pace of increase has considerably slowed down as compared with that in 1957. Thus, the Bank's profit for the year under review amounts to Rs. 190.14 lakhs, as compared with Rs. 187.45 lakhs in 1957 and Rs. 156.18 lakhs in 1956. With the sum of Rs. 55.99 lakhs, brought in from the previous year, the total sum available for disbursement is Rs. 246.13 lakhs, as against Rs. 229.37 lakhs a year ago. The transfer to the reserve fund has been stepped up substantially from Rs. 25 lakhs to Rs. 37.50 lakhs. The amount set aside to pension funds and bonus to staff are also higher at Rs. 6.90 lakhs (Rs. 6.37 lakhs) and Rs. 36 lakhs (Rs. 32 lakhs) respectively. While the allocation to the staff welfare fund has been reduced from Rs. 10 lakhs to Rs. 5 lakhs, the transfer to the staff co-operative housing fund has been raised from Rs. 10 lakhs to Rs. 15 lakhs. The dividend is unchanged at Rs. 16 per share which requires Rs. 90 lakhs, leaving a surplus of Rs. 55.73 lakhs.

Canara Bank Ltd.

A fall of Rs. 1.29 lakh to Rs. 14 lakhs in profit is disclosed by the working results of the Canara Bank Ltd. for the year 1958, thus reversing the upward trend noted for some years past. After bringing in the previous year's surplus of Rs. 44,768, the Directors have transferred to the statutory reserves Rs. 5 lakhs (as against Rs. 4 lakhs added out of the profit for 1957) and have made a provision of Rs. 3.91 lakhs for taxation, the corresponding allocation last year being Rs. 7.30 lakhs. Bonus to staff has been raised from Rs. 1.50 lakhs to Rs. 2.55 lakhs. The dividend is unchanged at 10 per cent., but this is on an increased capital raised by a fresh issue of shares. The dividend absorbs Rs. 2.55 lakhs, as against Rs. 1.50 lakh a year ago. The surplus left to be carried over is Rs. 37,383.

The Bank's paid-up capital stands higher at Rs. 49.8 lakhs (as compared with Rs. 29 lakhs at the end of 1957). The reserves stand strengthened to Rs. 45 lakhs. The deposits have enlarged by Rs. 5.92 crores to Rs. 23.76 crores and advances by Rs. 2.14 crores to Rs. 10.93 crores. Investments aggregate Rs. 10.07 crores, being almost double the previous year's figure of Rs. 5.46 crores.

Andhra Bank Ltd.

The profit of the Andhra Bank Ltd. for the year 1958 (subject to audit) amounts to Rs. 7.98 lakhs, having gone up from Rs. 7.03 lakhs, but this rise does not fully make good the drop in the previous year's profit from Rs. 8.46 lakhs. After taking into account the previous year's surplus of Rs 1.909 (Rs. 11,996 out of 1956 profit) and deducting the amount distributed as interim dividend at 5 per cent. per annum, for the half-year ended 30th June 1958, which had taken up Rs. 1.03 lakh (the corresponding distribution for 1957 being Rs. 1.47 lakh at 8 per cent. per annum), the net profit available for final appropriation is Rs. 6.97 lakhs.

Bank of Baroda Ltd.

The results of the Bank of Baroda Ltd. for the past year make depressing reading, in that the profit has not only suffered a sharp fall of Rs. 16.43 lakhs, that is from Rs. 43.85 lakhs to Rs. 27.42 lakhs, but has touched the lowest level since 1953. It will be recalled that from Rs. 22.45 lakhs earned in 1953, the Bank's profit had successively risen to Rs. 43.85 lakhs, thus nearly doubling itself in five years. Even this lower profit for 1958 includes that of the Hind Bank Ltd., which was taken over by the Bank in August last. With the sum of Rs. 4.11 lakhs brought in from the previous year, the amount available for appropriation is Rs. 31.53 lakhs, as compared with Rs. 48.61 lakhs a year ago. The provision for taxation has been cut from Rs. 21 lakhs to Rs. 5.50 lakhs and bonus to staff from Rs. 9.50 lakhs to Rs. 8 lakhs. The dividend for the year has been reduced from 14 per cent. to 12 per cent. per annum, but this is on a higher capital of Rs. 1.25 crore, raised by the issue of 100,000 shares of Rs. 25 each to the holders of the Hind Bank shares following the amalgamation of the latter Bank with the Baroda Bank. The Directors had made an interim distribution of Rs. 3 per share on the old shares of Rs. 50 each and of Re. 1.50 per share on the new 'B' shares of Rs. 25 each. They have now recommended the final dividend also at the same rate. The total dividend will absorb Rs. 15 lakhs, as against Rs. 14 lakhs in the previous year. This will leave a sum of Rs. 3.04 lakhs to be carried forward.

Bank of Patiala

Despite an increase in the cost on deposits and establishment expenses, the profit of the Bank of Patiala Ltd. for the year 1958 has recorded an improvement from Rs. 8.68 lakhs to Rs. 10 lakhs, the highest in the last ten years of the Bank's history. The Bank has appropriated a sum of Rs. 1,60,500 for payment of bonus to the staff, on the basis of two months' substantive pay.

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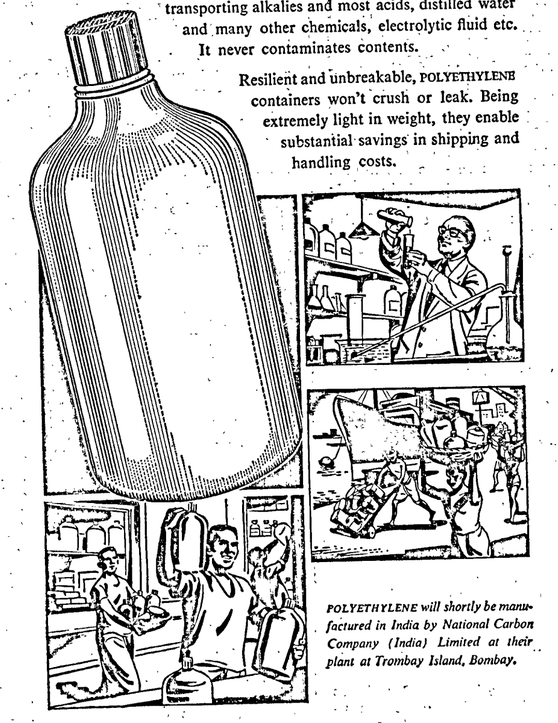

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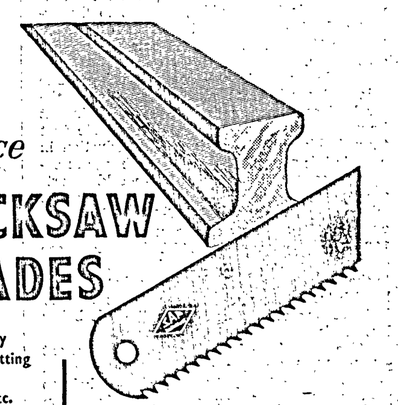
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WORLD COTTON OUTLOOK

SIGNIFICANT REDUCTION IN EXPORTS LIKELY

IN contrast to the improved cotton situation during the past two seasons, the outlook for the current season, namely, 1958-59, does not appear to be favourable. The bleak outlook, according to the International Cotton Advisory Committee, Washington, is already reflected in sharply reduced raw cotton prices in many markets. Free world cotton stocks declined by about 4 million bales (of 478 lbs.) during the 1956-57 and 1957-58 seasons so that on 1st August 1958, stocks aggregated 18.3 million bales, the lowest since 1953. This reduction in stocks can be mainly attributed to lower production, especially in the U.S. Higher consumption in the 1956-57 season, when it reached 29.6 million bales, as compared with 28.5 million bales in the previous season, also helped to bring down stocks. During the last season, however, consumption declined by over a million bales to 28.5 million bales. This was partly offset by larger shipments to communist countries which were of the order of 1.3 million bales, as compared with 0.7 million bales in 1956-57.

In its latest (December 1958) review of the world cotton situation, the Committee forecast that in the current season production of cotton will show a sizable increase while all indications are that consumption will be lower in many countries. On the basis of present estimates, disappearance is expected to equal production roughly and the liquidation of surplus stocks will be halted. Inherent in the larger production potential in 1959-60 is the danger of recurring surplus.

The following table illustrates the position:

Production and Disappearance

(In million bales of 492 lbs.)

	1958-59*	1957-58	1956-57	1955-56
Production	29 2	27.8	28.9	31.0
Disappearance ..	29.2	30.0	30.6	29.4
Of which :				
Consumption ..	27.8	28.5	29.6	28.5
Net exports to-communist countries	1.3	1.3	0.7	0.7
Destroyed	0.1	0.2	0.3	0.2
Variation in end-season stocks	..	—2.1	—1.7	+1.4

* Preliminary.

Record yields per acre in the United States more than offset the further drastic cut in acreage and production is estimated at 11.5 million bales, which is higher than last season's outturn by half a million bales. Disappearance is unlikely to exceed production and the opportunity for reduction in carryover stocks on 1st August 1959 is, therefore, quite limited. The combination of larger acreage and higher average yield in other free world countries is expected to carry aggregate production to a new high level of 17.7 million bales, an increase of one million bales as compared with 1957-58. Acreage has been expanded significantly in Mexico, the Central American countries, Egypt, the Sudan, Uganda and Brazil. Production is noticeably higher in all these countries except Brazil. With aggregate stocks at the beginning of the present season about half a million bales higher, total free world supply outside the United States, estimated at 27.3 million bales, will set a new record. This is in striking contrast to the expected decline in consumption from 28.5 million bales in 1957-58 to 27.8 million bales in the present season.

Trade prospects are not reassuring. The prime factors in assessing the prospects are the level of consumption and stock policy in net importing countries. Both these indicate that there is likely to be a significant reduction in exports this season. Assuming no change in exports to communist countries, free world exports are expected to decline to between 11 and 11.5 million bales, as compared with 12.6 million bales exported last season and the record exports of 14.3 million bales in 1956-57. Importers are covering only immediate requirements, thanks to the recession in world textile markets and the bearish trend in cotton prices. Imports in many instances are currently running at levels below last year's.

The Committee forecasts that if the present relationship between the price of U.S. cotton and other growths persists, the U.S. is likely to bear the brunt of any contraction in cotton trade. In the position of residual exports, exports from the U.S., according to the Committee, could fall to below 3.5 million bales, as against 5.7 million bales shipped last season.

Export availabilities outside the United States are expected to increase to over nine million bales and, unless there is any change in price outlook, exports from these countries should increase despite the reduction in total world trade. In most instances, exports over the first three or four months of the current season were running significantly ahead of last season. There is not likely to be any reduction in stocks in net importing countries at the end of the present season.

Domestic prices in the United States have moved within narrow limits but of late futures quotations have weakened perceptibly. Export prices declined slightly in November and December. Elsewhere, markets continue to rule weak. Prices are now significantly lower than at the beginning of the season and the downward trend continues in most markets. The price differential between U.S. and other growths has also widened appreciably.

EXTRA LONG-STAPLE COTTON

Notwithstanding the vigorous attempts being made to make good the deficiency in cotton production, Indian textile mills continue to depend on imports to meet their requirements of extra long-staple cottons. However, it would appear that the necessity of such imports has been minimised to a large extent, thanks to the progress of cotton breeding. India is self-sufficient in respect of its requirements of long and medium staple cottons.

There is, however, a gap of nearly 600,000 bales of superior quality cottons which are definitely not being produced in this country. Indications are that there is a great possibility of bridging this gulf by about 50 per cent. from indigenous production in the near future.

Notable achievement in regard to the isolation of superior long-staple strains of 1.1/16" and above has been recorded at Surat under the scheme for interspecific hybridisation, where two strains, namely, 170-Co. 2 and 134-Co. 2-M, have been released for general cultivation which answer, to some extent, the requirements for finer cottons. These strains have proved extremely popular, particularly in the Gujerat area, and, in 1955-56, are estimated to have been grown over an area of 260,000 acres with an estimated production of 125,000 bales. However, these strains are lacking in yarn strength resulting in their being utilised for spinning only lower counts than what their imported counterparts are used for.

Another improved strain is MCU-2 which is adapted for cultivation in the Southern districts of Madras State in the summer season. This new variety spins from 36s to 38s counts. In addition to the breeding of extra long staple Cambodia cottons, attempt have also been under way to acclimatise Sea Island cottons on the West Coast. These trials have indicated that the most promising variety is "Andrews" which gave in 1955-56, 1,600 lbs. of *kapas* per acre and recorded a spinning capacity of 70s counts. Further trials are under way as also attempts to extend its cultivation in suitable areas.

The other potential area for cultivating extra long staple cottons is the Punjab. Past experiments have resulted in the isolation of extra long-staple strains of the LL series Nos. 43, 51, 52, 53, 54 and 56, which are now in advanced stages of trials. The best among these, namely, LL 56, possess a spinning capacity of 58s H.S.C. Other promising strains are LL 53 and 54.

Work is also being done in Mysore on the acclimatisation of Egyptian cottons. Two of these Egyptian strains, namely, Giza 7 and Giza 12, were found to be promising with a spinning capacity of 65 to 70s H.S.C. Further work is in progress to find out the agronomic conditions for obtaining maximum yields.

The prospects of evolving extra long-staple cottons of 1.1/16" to 1¼", therefore, appear to be bright and it is hoped that within the course of two to three years, it would be possible to reduce considerably, if not entirely do away with, the imports of cotton of this range of staple and save an annual drain of Rs. 28.74 crores from the country.

BRITISH WOOL AND THE EUROPEAN COMMON MARKET

Analysing some of the first effects upon the wool textile industry of the inauguration of the European Common Market, the National Wool Textile Export Corporation observes that the Common Market countries do not intend, at present, to grant to outside countries all the increases in quotas which they are giving to each other. There are, however, no quota restrictions on the import of wool textiles into Belgium, Holland, Luxembourg, Western Germany and Italy, while France has within the past few days removed quota restrictions on the import of wool textiles.

On 1st January 1959, according to the Corporation the countries in the Common Market reduced their import duties in favour of each other by 10 per cent. Thus, the import duty on wool cloth entering Holland, Belgium and Luxembourg has been cut by 1.8 per cent., from 18 to 16.2 per cent. in favour of Common Market countries. These countries have stated that they will accord this 10 per cent. reduction to other countries, such as the United Kingdom, provided that the rate of duty does not fall below the rate which will eventually become the external tariff rate for the whole of the Common Market. This external tariff rate is to be the average of the duties levied on the particular item in the various Common Market countries at the time of the signing of the Treaty. A commission has been engaged in working out the external tariff rates, but they have not yet been published.

Discussions are to take place between the Common Market countries and other European countries, including the United Kingdom, and these may change the position as now defined.

WOOL CONSUMPTION IN BRITAIN

The rate of wool consumption in the United Kingdom continues to show an upward trend. There was a further improvement during November, the most recent month for which official figures are yet available, and the number of productive workers employed in the industry increased by no less than 819 to an estimated total of 147,102. The rate of wool consumption was more than 8 per cent. higher than in October, and 7 per cent. more than in November 1957. Merino topmaking output was 10 per cent. higher than that a year earlier, and crossbred top production one per cent. higher. In the woollen section of the industry, November consumption was nine per cent. higher than in October and showed a similar gain on a year earlier.

The delivery rate in worsted yarns was 3 per cent. higher than in October but 4 per cent. below a year earlier, while the wool cloth delivery rate was 2 per cent. higher than in October but 6 per cent. below November 1957. November output figures were: Wool consumption, 39.68 million lbs. (clean); top production, 25.76 million lbs.; worsted yarns delivered, 18.44 million lbs.; woven wool fabrics delivered, 29.96 million square yards; blankets delivered, 2.66 million square yards.

U.K. COTTON DELEGATION TO SUDAN

Two prominent representatives of the Lancashire cotton industry will fly to Khartoum next month, at the invitation of the Sudanese Government, for talks with Sudanese cotton interests. The delegation is expected to arrive in the Sudan by the 20th February. During the visit talks are likely to take place on raw cotton marketing methods and the possibility of bringing Sudan cotton prices more into line with those of comparable types. The visit of the Lancashire delegation follows the talks held in Manchester and Liverpool recently by two representatives of the Sudan Gezira Board. The invitation to Khartoum, however, was received by the Lancashire cotton industry from the Sudanese Government a month before these talks.

COTTON PRODUCTION IN CHINA

Cotton production in Communist China is said to have increased eightfold since 1949 to reach a record of 3.35 million tons of ginned cotton in 1958. The national per hectare average yield in 1958 is put at 563 kilogrammes of ginned cotton which is said to be almost double the previous year's yield. In many areas, it is said, per hectare yields of 750 kilogrammes were harvested. Last year's cotton harvest was characterised by the universal success of all cotton growing areas. With this "unprecedented" success, Chinese cotton growers, it is claimed, fulfilled the targets laid down in the 12-year National Agricultural Development Programme nine years ahead of schedule.

The factors that contributed to this spectacular achievement were spotlighted at a National Agricultural Exhibition in Peking early this month. The more important of these were: moderately deep ploughing, ample watering and manuring, appropriate advancement of sowing, closer planting, good strains, pest control and intensive field work in the later stages of growth.

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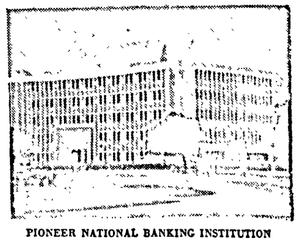

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REDUNDANCY PROGRAMME FOR COTTON INDUSTRY?

MR. WINTERBOTTOM'S CRITICISM

From A Special Correspondent

MANCHESTER, *20th January*

WHEN the details of Hong Kong's voluntary undertaking to limit exports for retention in Britain's home market were announced, Lord Rochdale commented that this development should provide stability for the home industry and enable traders to turn away from consideration of this problem and concentrate on "other important matters such as re-equipment and the re-organisation of the structure of the industry." This was taken to mean, in many quarters, a further attempt at consolidation and probably some movement towards a redundancy programme.

MANCHESTER LETTER

This controversial topic has been revived by Mr. Roger M. Lee, Chairman of the Lancashire Cotton Corporation, whose annual statement sets out his belief in the need for an organised redundancy scheme. Commenting on the reduction of considerably more than 1,000,000 spindles annually during recent years, Mr. Lee adds: "There is no doubt that this contraction will continue to take place, but it may be that the best interests of the industry would be served, if some means could be devised to expedite the process, in order to bring about quickly a balance between productive capacity and potential demand. This could be achieved by an organised scheme to deal with the excess capacity."

Leaders of the trade are evidently divided in their views on this important subject. Mr. Lee speaks for the Corporation in announcing the Board's readiness to do everything possible to promote the best interests of the industry in general and expresses the hope that others will join the combine in these endeavours. He points out that the Corporation was formed in 1929 to bring about a measure of rationalisation in the industry and is still ready and willing to play an active part in any such measures.

Wrong Approach?

On the other hand, in a recent contribution to an annual review surveying the prospects of the trade, Mr. W. T. Winterbottom, Chairman of Fine Spinners and Doublers Ltd., is critical of an organised plan of this kind. "I am convinced," he says, "that this is entirely the wrong approach." The idea is based on the completely false assumption that the industry's problem is one of redundancy. This is a negative and defeatist attitude." In Mr. Winterbottom's view, there is no redundancy in the trade in the true sense of the word, meaning too much of the right kind of machinery. He believes that there is too little of the right kind and too much of the wrong kind, bringing obsolescence and not redundancy.

Opponents of any redundancy scheme contend that it could not be made selective and would tend to preserve some of the wrong type of mills and eliminate some of the better ones. "There are many mills in operations today where the shareholders would, quite rightly, be only too glad to be given the opportunity to put their money to more profitable use," continued Mr. Winterbottom, urging the introduction of "an intensive cleaning-up operation."

Among those who answered the questions on this point from the platform at the Cotton Board's conference last year, there was no diversity of opinion about the necessity for further contraction in the number of mills and machinery. Few were prepared to quarrel with Mr. Winterbottom's declaration that foreseeable demands in the spinning section could be met by 10,000,000 modern ring spindles working on a single shift or 6,000,000 working two shifts. Disagreement was only evident on the way this reduction in capacity could be achieved.

Although textile take-over moves have been relatively quiet in the past month or two, the past week has seen two fresh developments of this kind. A bid for the issued capital of Sir Elkanah Armitage and Sons, the old-established Salford spinning and weaving firm, which concentrates on fabrics for industrial use, is under consideration, the prospective buyer remaining secret. Fine Spinners and Doublers Ltd. has made arrangements to purchase John Stansfield and Son, a Burnley weaving firm, controlling more than 800 looms, thus adding to the group's manufacturing capacity.

Commonwealth Trade

Reference was made last week to certain sectional reports of the Manchester Chamber of Commerce; others which have since come to hand offer no further solution to Lancashire's export trade problems. Most of them are content to record falling shipments to foreign markets with the customary note of regret. Even in the Commonwealth markets, which have in recent years been the main standby for Lancashire's overseas cloth business, the prospects offer little encouragement. The sectional survey mentions the New Zealand-Japanese Trade Agreement signed last September as a development viewed with the greatest apprehension. "The Agreement will and has already facilitated a greater flow of Japanese goods to the New Zealand market," adds the report.

A disturbing fall in the volume of exports of cotton and rayon piecegoods to the Australian market is also mentioned. Competition has become more intense, particularly from Japan, mainly as a result of the Australian-Japanese Trade Agreement, signed in 1957. This accorded most-favoured-nation treatment to imports from Japan, coupled with the removal of specific import licensing arrangements. Australian producers of textiles are also protesting at this threat to their local trade.

Recording a 10 per cent. drop in shipments of cotton cloth from the United Kingdom to South Africa last year, the report describes the market as being one of the most competitive in the world, with a very liberal import policy and a low basic tariff on a wide range of fabrics. While Lancashire still retains her place as the principal supplier of cotton piecegoods to South Africa, her position is being contested by the United States, Japan, Hong Kong, Holland and Western Germany.

When it comes to reviewing the export position in such one-time giant importers as India and adjacent countries, the Chamber's sectional report is understandably gloomy. Total shipments in the first ten months of last year to India, Pakistan, Ceylon and Burma were only slightly more than half the quantity exported in 1957. The fall as regards Pakistan is described as "catastrophic." At the same time, on a value basis British cotton goods accounted for 82 per cent. of total imports of such textiles into the Indian market, however small the actual quantity involved.

Labelling of Goods

A call to the British Government to insist, by legislation if necessary, on imported goods being marked with the country of origin, has been made by the North-West Regional Council of the National Union of Manufacturers, representing 1,100 firms, mainly in the Lancashire textile belt. The Council expressed "very grave concern" at the growing volume of imports sold in the United Kingdom without any clear indication of where they were produced.

Under the Merchandise Marks Acts, most imported goods did not have to bear any indication of origin and where indication was given it was at present sufficient in law for the goods to be marked "foreign" or "Empire." The Council said: "The result is that goods are coming into the United Kingdom on an ever-increasing scale, in some cases flooding in, and being offered for sale as if they may have been manufactured in this country. The advent of the European Free Trade Area will make the position even worse."

In a resolution, the Council urged the Government to ensure, by fresh legislation if necessary, that all goods imported into the United Kingdom must indicate the precise country of origin without any special separate application for marking orders under the Merchandise Marks Act.

Anglo-Sudan Cotton Trade

It has been announced in Manchester that a small Lancashire cotton delegation will fly to the Sudan next month for talks with Sudanese cotton interests on raw cotton marketing methods and the possibility of bringing prices for Sudan cotton more into line with comparable types. The visit is being made at the invitation of the Sudan Government. The delegation will consist of Mr. E. R. Orme, President of the Liverpool Cotton Association, and Mr. H. Tonge, a Director of the Lancashire Cotton Corporation. They are expected to arrive about 20th February. The visit follows quickly on talks held in Manchester and Liverpool earlier this month with two representatives of the Sudan Gezira Board when Sudan's attitude towards barter deals was among the matters discussed.—*All Rights Reserved.*

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FIXATION OF FAIR PRICES FOR SUGAR

SUPREME COURT DISMISSES APPEAL

THE Central Government notification fixing the ex-factory price of sugar in the Punjab, Uttar Pradesh and North Bihar—issued on 30th July 1958—has been held valid by the Constitution Bench of the Supreme Court. The judgment was delivered by Mr. Justice Wanchoo on Friday last week while dismissing the writ petitions filed by some sugar factory owners challenging the validity of the notification issued under the Sugar (Control) Order of 1955 as promulgated under the Essential Commodities Act.

Two arguments had been put forward on behalf of factory owners. First, the notification did not fix any price at which persons purchasing sugar from the mills should sell it and it was open to the middleman who bought sugar from factories to sell it at any price. The notification thus discriminated not only between sugar factories in the specified areas and those in other parts of the country but also between the producers selling sugar and the middlemen selling it. Secondly, the fixation of the price was arbitrary, as it did not take into account the production cost of a large number of units in the country, besides failing to provide for a fair and equitable distribution of sugar at a reasonable price.

In the opinion of the Supreme Court, it cannot be said that the Sugar Control Order of 1955 gives "uncontrolled and unguided power" to the executive to fix prices arbitrarily, as much as Clause 5 of the Order makes it amply clear that the price is to be fixed after taking into account all reasonable factors which usually play a part in its determination. Elucidating the position, Mr. Justice Wanchoo said: "It is well known that the wholesale and retail prices depend upon ex-factory price in the case of a commodity like sugar. Therefore, if fixation of price at the factory level is enough to ensure a fair price for the consumer, there is no reason why the Government should also go on to fix wholesale and retail prices." Pointing out that the petitioners had not even alleged that the wholesalers and retailers were profiteering and making it impossible for sugar to be available for the general public at a fair price, he stated that "what price the Government should fix would depend upon this estimate of the situation."

Mr. Justice Wanchoo also rejected the sugar factory owners' contention that their cost of production was above the prices fixed by the notification, as also their argument that the notification imposed an unreasonable restriction on their right to carry on their trade. Commenting on the price of sugar in India, His Lordship averred that the price depended upon the price of factories in Uttar Pradesh and Bihar, which were called mainly surplus areas. In these circumstances, he declared, if the price was fixed in the specified areas, the price all over the country was practically fixed, and it was not necessary to fix prices separately so far as factories in other States, which were said to be mainly deficit, were concerned.

Case for Fair Price

Whatever may be the legal aspect of the notification fixing the ex-factory prices of sugar (I.S.S.D. 29 grade) at Rs. 36.00 per maund for factories in Uttar Pradesh and North Bihar and Rs. 36.50 for factories in the Punjab, it must be said that these prices are not adequate fully to cover the cost of production and the loss on exports. As a result, many sugar factories, particularly in East Uttar Pradesh and Bihar, are expected to show losses. The case of the sugar industry for the fixation of a fair price for its product is based on the following grounds:

The comparative figures of estimated duration for 1958-59, as also the actuals for the 1957-58 season, are given below:

	1958-59	1957-58
West U.P.	123	136
East U.P.	112	118
North Bihar	113	115
Weighted average for U.P. and North Bihar ...	116	124

The comparative figures of to-date recovery for West U.P. and East U.P. and North Bihar for the period ended 31st December 1958 for which figures are available are given below:

	Recovery up to the week ended 31st December 1958	Corresponding week of the preceding season	Drop
West U.P. ...	8.67	8.98	0.31
East U.P. ...	8.91	9.17	0.26
North Bihar ...	9.08	9.30	0.22

It will be seen that the average drop in recovery is expected to be of the order of 0.27 per cent.

The combined effect of a fall in duration by eight days and recovery by 0.27 per cent. on the various items of cost of production is as follows:

	nP
Cane cost	38
Cane cess	5
Manufacturing cost	30
Total	73

Besides, the cost of production would further go up as a result of the agreement reached at the last meeting of the Wage Board to give an interim increment in the wages by Rs. 3 per month to unskilled workers. This would increase the cost by 9 nP per maund of sugar.

Therefore, the cost of production based on the Naidu Scale would be higher in the season 1958-59 by 82 nP per maund of sugar, as a result of the estimated fall in duration and recovery and higher wages (73 nP for duration and recovery and 9 nP for higher wages).

Owing to the aforesaid factors, the sugar prices fixed at present are said to leave just Rs. 2.19 per maund for overheads and profits before tax. The profit margin, it is urged, is meagre and must be enhanced at least to Rs. 5. In other words, the fair ex-factory price of North Indian sugar, according to the I.S.M.A., comes to about Rs. 39 per maund. The Government, however, is unlikely to concede the demand for three reasons. One, any upward revision in sugar prices will result in a renewed clamour for an increase in cane prices. Two, the price differential between sugar and *khandsari* will widen further in favour of the latter, so that the *khandsari* producers will be able to compete more effectively with the sugar mills for the normal cane supplies. Three, a rise in sugar prices will add further to the cost of living which has already gone up quite markedly in the last two years. If all this is to be avoided, the sugar industry's plea for a more reasonable margin of profit could possibly be conceded by a reduction in the present high level of excise duty—Rs. 10.70 per maund—while keeping intact the ex-factory prices.

Rehabilitation Allowance

It would appear that the Government will not take any decision till the Tariff Commission, which is currently examining the cost structure of the sugar industry and the fair price payable to it, completes its findings and submits its recommendations. The Indian Sugar Mills Association has already submitted a memorandum to the Commission on the allowances for rehabilitation of plant and machinery. The full text of the memorandum is not available. From scattered Press reports, it is gathered that the Association has asked for a higher rehabilitation allowance of Rs. 3.44 per maund of sugar, as against 52 nP allowed at present. The allowances for factories established between 1930 and 1940, it is said, are particularly inadequate. For these factories, the figure of nearly six times the cost between 1930 and 1935 is considered to be appropriate. The net rehabilitation allowance after depreciation is computed at Re. 1.72 per maund.

The Association is also reported to have emphasised in its memorandum to the Tariff Commission that, in prescribing a fair price for the sugar industry, the net return to the investor must be not less than that allowed to the other industries. To quote it: "In order to build up reserves which would be necessary to the extent that current rehabilitation allowances are not adequate for the full replacement of the machinery in time, sugar companies should be allowed reserves which should be at least two-thirds of the amount provided for dividends." The Association has also demanded full compensation for the losses sustained owing to export, as also for "contingent inescapable expenditure" like increase in wages that might be proposed by the Wage Board.

VALUATION OF LIFE INTERESTS FOR WEALTH-TAX PURPOSE

By K. A. Pandit
CONSULTING ACTUARY, BOMBAY

A LIFE interest is created under a Trust. The income of the Trust is made payable for lifetime to one or more beneficiaries. Thus, a person may have a part of his wealth in the form of life interest arising out of a Trust; and it is the value of such a life interest that requires determination for Wealth Tax purposes.

Statutory Valuation

The value of the life interest, like any other asset, has to be determined under Section 7(1) of the Wealth Tax Act, 1957, which lays down as follows:

"The value of any asset, other than cash for the purposes of this Act, shall be estimated to be the price, which, in the opinion of the Wealth Tax Officer, it would fetch if sold in the open market on the valuation date."

Thus, the value has to be determined, keeping in view that the same shall be open market price, that is to say, what it would fetch if sold on the valuation date.

This statutory requirement of a market price has to be kept in view even if any asset has no market. The considerations which would enter into the determination of a market price cannot be set aside if there is no market for any asset. They are to be interpreted on the assumption that there exists a hypothetical buyer and what would be his considerations if he has to quote a market price. Accordingly, life interests, like other properties, are to be valued on the market basis.

The mere fact that the price is to be determined which in the opinion of the Wealth Tax Officer the property would fetch, does not mean that the Wealth Tax Officer is free to determine any price. He has to take into consideration the same factors which enter into the calculation of a market price; only, he is free to interpret these factors in the light of the current market conditions which in his opinion are fair.

Determination of Market-Value

The primary consideration of the valuation of a life interest is the mortality factor. No buyer would ever quote a price, unless he is satisfied that his investment is safe even when the interest ceases on death of the beneficiary. Thus, life interest valuation is always associated with insurance cover. Out of every year's income, a buyer would always calculate how much deduction would be necessary so as to pay an insurance premium for purchasing a Whole Life policy on the life of the beneficiary for an amount equal to his investment, since, in case of death of the beneficiary, such a life policy would pay the value.

Secondly, he has to consider whether the life of the beneficiary is insurable at ordinary rates or extra if the life is sub-standard. In case the life is not insurable at all, perhaps no market value is possible and hence the Wealth Tax assessment may have to be made on some arbitrary low figure.

Thirdly, the past income may be fluctuating and the life interest may not arise in future at the same average rate as in the past. Thus, some average rate has to be assumed which can be taken as fairly available for future years.

Fourthly, the income at the hands of the purchaser would be taxable. Thus, he would receive net, that is, after deduction of income-tax and super-tax. What he would consider is, therefore, the net life interest that would be receivable in future *in lieu* of the purchase price he pays.

Fifthly, what interest yield should be expected on the investment? This would naturally be net but would vary according to the nature of Trust assets. If the life interest arises out of ordinary shares or building property, the yield that would be expected on the purchase price should be at least at par with the market rate obtainable on similar investment. Further, since the investments of the Trust may vary according as the Trustees may think proper, some margin by way of higher yield is usually adopted while calculating the purchase price. Generally speaking, a life interest would not be saleable, unless a fairly higher yield is obtainable and thus it is usual to value at 6 per cent. or more.

Lastly, the purchaser would have to consider as to what incidental charges like stamp duty, etc., he has to incur before quoting the purchase price.

Just as life insurance business has to be valued by an actuary periodically for determination of its policy liabilities, a life interest cannot be valued without actuarial help.

The life interest depends upon the payment of a particular income during the lifetime of a beneficiary, and thus its valuation is dependent upon mortality considerations and has to be done by actuarial methods. Any *ad hoc* formula fails to give even an approximation and has to be discarded.

Board of Revenue's Directions

The Board of Revenue has given the following directions for valuing a life interest.

"In valuing rights for life, the benefit derived from the right during the year ending on the valuation date may be assumed to arise at the same average rate for the rest of the life and the present value of the future benefits may be evaluated accordingly. For the purpose of calculation, life rights may be assumed to continue till the beneficiary attains the age of 65 or for a period of 25 years from the valuation date whichever gives the shorter period in any particular case."

The above directions merely take into account the following assumptions:

1. Life interest may be assumed to arise at the same average rate as the benefit derived during the year ending the valuation date.

Usually, life interest may be of a fluctuating nature, particularly if such interest arises from income on ordinary shares. Thus, the above assumption is only approximate, and may sometimes bring out a higher valuation.

2. For the purpose of calculation, life interest may be assumed to continue upto age 65 or 25 years whichever gives a shorter period.

The above assumption limits the period of valuation and is intended to lead to an approximation to the market value. This assumption, however, cannot rule out other principles of the actuarial valuation. In fact, it should be taken to limit the valuation for a fixed period only and thereby give some relief to the assessee.

3. Subject to the above two assumptions, the present value of the future benefits may be evaluated.

Thus, ultimately, what is required is to find out the present value of the life interest and this present value should not be higher than the open market price or the value determined on open market considerations.

In this context, I may point out that—

(a) valuing life interest by merely multiplying the income with 25 or by a figure equal to age 65 *minus* age of the beneficiary, whichever is less, is entirely wrong and is never intended by the Wealth Tax Act nor by the directions of the Board of revenue.

In fact, this method, which is very often loosely adopted, gives a valuation which sometimes exceeds the corpus of the Trust. This is really fallacious. How can the market value of a particular life income exceed the value of assets?

If assessees for Wealth Tax purposes are to pay tax on the method of valuation now followed by the authorities, it can be said that such tax is unjust and never intended by law.

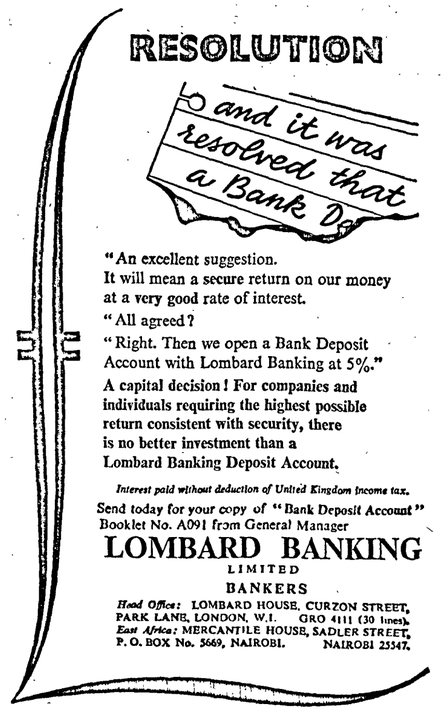
(b) Valuing life interest for 25 years or for years equal to age 65 *minus* the beneficiary's age whichever is less by adopting compound interest annuity functions is also an equally wrong method. How can a life interest, which is dependent upon survival of the beneficiary year by year and the *investment whereon* is likely to be lost in case of earlier death, be valued as a term certain annuity? Would any purchaser pay such a heavy price of a term certain annuity for purchasing a life income which may be lost even the next day if the beneficiary dies?

The above method not only brings about a high valuation figure but is a wrong interpretation of the directions of the Board of Revenue. These directions, as pointed out above, have never indicated a method for term certain annuity. All that is required is to find the present value and such present value should be either as a matter of approximation, arrived at by adopting both market rate of interest and suitable mortality factors, or by a proper actuarial valuation.

In conclusion, I may say that the assessments for the purposes of Wealth Tax are sometimes found to be based on the wrong interpretation of the directions from the Board of Revenue. The life interest valuation is strictly actuarial and a proper method of valuation should be adopted, so that undue hardship and overassessment to the tax-paying public may be avoided.—*All Rights Reserved.*

FIRST ATOMIC REACTOR INSURANCE POLICY

The German Pool for the insurance of atomic risks, consisting of 86 national and foreign companies operating in Germany, issued the first policy on 18th October 1958, covering all fire, machine, storm, water and other risks on the one hand, and the liability risk on the other of a 5 MW.—research-reactor, owned by a society for the use of atomic energy in ship-building and navigation in *Geesthacht-Tesperhude* near Hamburg. The Pool has an underwriting capacity of DM.25-millions per reactor but this capacity can be increased considerably by way of reinsurance and reciprocal exchange of atomic insurances with other countries.



WORLD COFFEE PRICES LOOK UP

LONG-TERM OUTLOOK STILL BLEAK

THE trend of prices in world coffee markets during the last few days indicates that the downward trend noted since August 1958 has been arrested. In London, for instance, the price of Uganda Robusta grade 10, which had slided from a peak of 309s. per cwt. touched in August 1958 to a low of 173s. on 13th January this year, staged a recovery to 213s. per cwt. on the 23rd inst. This slight reversal of the trend is said to be due to buying by roasters, who had earlier been holding off in order to get a clearer picture of the Brazilian situation. They have come into the market to cover their immediate requirements. Some buying from the U.S. has also been unavoidable on account of the very low stocks. It is stated that the stocks of green coffee in the U.S. may be no more than 1 million bags at the end of this month and that this is considered to be very low for this part of the season when consumption usually runs high. It is reported that three U.S. steamers are in Mombasa loading coffee and buying has, therefore, been somewhat heavy.

Another important factor which has contributed to the present rise in prices is the change in the marketing policy of the Uganda Coffee Industry Board. The Board has decided to restrict the quantity of coffee for sale much more than what was expected. Dealers have, therefore, been caught napping and are finding it difficult to meet their commitments; this has resulted in a squeeze on nearby supplies. If the American buying continues, this squeeze will persist for some time to come.

This improvement in coffee prices does not mean that the long-term outlook for the industry has changed for the better. The excess of supply over demand is expected to continue for a few more years. The members of the Latin American Coffee Agreement have decided to extend the agreement to limit exports beyond the present expiration date of September this year. Though the prospect of African producers coming within a world agreement is still dim, it is suggested that it will be in the interests of both the Latin American growers and African growers that they enter into a common agreement.

Though India is not a leading producer in the world, Indian coffee is a useful earner of foreign exchange for the country, in that about a third of its output is being exported. To this extent, the Indian coffee industry is concerned over the long-term outlook for world coffee. Expressing this concern at the meeting of the newly constituted Coffee Board, Mr. K. Srinivasan, Chairman, observed that, while he did not wish to be unduly pessimistic, the conclusion was inevitable that the coffee industry is in for an anxious time ahead, perhaps for the next five or six years at least. Dilating on this point, he said:

"The prices are steadily falling all the time, and production is going up substantially in almost all countries in spite of it all, India not excluded, and notably too even in Brazil, Angola, Uganda, etc. In Brazil, for instance, there has been an increase of 11 per cent. in exportable production in 1958-59, over the previous year. This percentage is true of the total world exportable surplus also. The European Common Market Scheme, which is reported to have come into existence on New Year Day, is still a dark horse and we do not know how this will affect the coffee industry as a whole, and the prospects of our own coffees in particular, because our main market is Western Europe and our own production of coffee is increasing. Most of the coffee producing countries are finding themselves in an unenviable position of having more coffee to market at lower prices, and, at the same time, the costs of the manufactured articles they have to import are also going up, making the gap in their balance of trade position wider. It is beyond question that this situation regarding coffee is going to lead us into more difficult positions in the next few years. The economy of the Mexico Agreement countries has been subjected to a considerable strain these two or three years, and this strain will be increasingly greater in the future. Coffee men have serious misgivings about the capacity of these countries to bear this strain indefinitely.

"I do not wish to be unduly pessimistic, but we have to be realistic. The conclusion is inevitable that the coffee industry is in for an anxious time ahead, perhaps for the next five or six years at least. Conferences and discussions between the various countries of the old and the new world, as also between the producer and consumer countries, are continuously going on, specially constituted Study Groups are hard at work all the time, and it is difficu t to say when, if at all, a solution may be found to lessen the anxiety and to bring hope to the situation. A satisfactory solution, in the very nature of things, will be difficult to find for some years. It is common knowledge that, in spite of all the promotion work, consumption of coffee all the world over has been increasing at a far lower rate than that of production. The surplus stocks today have been estimated at six to nine months' needs."

Mr. Srinivasan's solution to this problem of overproduction is to restrict world output to reasonable limits, not to such an extent as to make it a monopoly and to compel the consumers to pay unreasonably high prices. He admitted that it was very difficult to say what a fair price should be, fair to the consumer as well as to the producer. Given the will and the honesty of purpose on both sides, and perhaps the time, it should not, according to him, be difficult to find a way out.

In addition to the external adverse influence on prices, Indian coffee industry has its own internal problems, in the shape of increasing taxation, rise in labour and cultivation charges and the problems stemming from the proposed land reforms. Mr. Srinivasan warned that it would be extremely hazardous on our part to overlook these factors. The industry could hope to survive the challenges in the increasingly adverse market only by enforcing economy in production expenditure, wherever possible, improving quality and increasing the yield per acre. India depends for two-thirds of its coffee output on the domestic market. This journal has been advocating the need for enlarging internal consumption and for bringing down internal prices to promote consumption. Mr. Srinivasan was in agreement with this view, when he said, "We ought to be able to rely more and more on the internal market, and expand our consumption at home, even as Brazil and other large producers are doing now. More promotional activities in India are necessary and one of the biggest incentives to increased consumption would be to bring down the prices. It is my fervent hope that the Board will be able to face this challenge successfully."

The 1957-58 crop was estimated in April last at 43,619 tons. The actual receipts to the pool out of this crop were, however, a little higher at 44,149 tons, a record in the history of India coffee industry. These were made up of 21,504 tons of Plantation, 8,046 tons of Arabica Cherry and 14,599 tons of Robusta. The Coffee Board had originally provided 29,434 tons for internal consumptions and 13,137 tons for export out of the 1957-58 crop. The actual exports were, however, slightly higher at 14,281 tons, thanks to better receipts of Robusta and Plantation. They would have been but for the decline in exports of Cherry, due to paucity of exportable grades. While the total quantity exported was higher, the aggregate realisations on exports showed a decline, on account of the fall in prices.

Sales in the internal market during 1958 aggregated 27,570 tons, as compared with 26,622 tons released in 1957 and 24,189 tons in 1956. It was, however, 1,864 tons short of the Board's original estimates. The prices in the internal market were fairly steady during the first half of the year. In view of the large stocks then in the hands of the trade and the tendency for the prices to go down from June onwards, the quantities released were reduced correspondingly. But as prices, especially of Plantation and Robusta began to rise in November, larger quantities were released in December and early January. This held the prices, but there has been decline again this month. The stocks at the end of the year 1958 aggregated 8,307 tons, an increase of 1,250 tons over what the Board had wished to keep in hand.

The estimate of the 1958-59 crop, now under harvest, is placed at 44,810 tons, consisting of 27,895 tons of Arabica and 16,915 tons of Robusta. This estimate was made in November last. Judged by past performances, the Coffee Board Chairman felt that the actual output might be still higher. The Board has allocated 30,760 tons for sale in internal market during 1959 and 14,494 tons for exports, but these also may be revised on the basis of the final crop.

Despite the none too bright outlook for the industry and the growing level of output in the face of it, efforts are being made by several States to grow coffee. The Governments of Assam and West Bengal are said to be anxious to introduce cultivation of coffee, in order to settle the hilly tribes or to find alternative occupation to the labour engaged on cinchona plantations. The Coffee Board Chairman said

(Continued on page 165)

GUNNY OUTPUT RISES

INTERNAL OFFTAKE, TOO, EXPANDS SUBSTANTIALLY

THE statistics of production for the month of December 1958 confirm that the rise of 4,500 tons in stocks of gunnies at the end of the month, as compared with those at the close of November, has been mainly due to the expansion in output of mills during the month. Thus, while production shows a rise of 9,500 tons, total despatches have gone up by only about 2,900 tons. The output for the month under review, at 96,500 tons, falls short of the year's peak (98,300 tons) touched in January 1958 by 1,800 tons, but represents an increase of 3,700 tons over that for December 1957. The higher production last month is due to the larger working hours, namely, 217.5, as compared with 197.5 in the previous month and 209 in the corresponding month of 1957.

A break-up of the month's output shows that all varieties of goods have contributed to the expansion. Thus, hessian production has gone up from 35,800 tons to 40,100 tons, the highest level since June 1948. As compared with December 1957, it shows an increase of no less than 8,000 tons, and forms 41.5 per cent. of the total output, as against 34.6 per cent. in the closing month of 1957. Sacking output has risen during the month from 44,900 tons to 49,200 tons, a monthly record since May last. Over the year, however, it shows a fall of 5,500 tons. While in December 1957 the production of sacking formed 58.9 per cent. of the total output, in the month under review it was 50.9 per cent. The production of other varieties aggregates 7,200 tons, as compared with 6,300 tons in the previous month and 6,000 tons in the corresponding period of 1957.

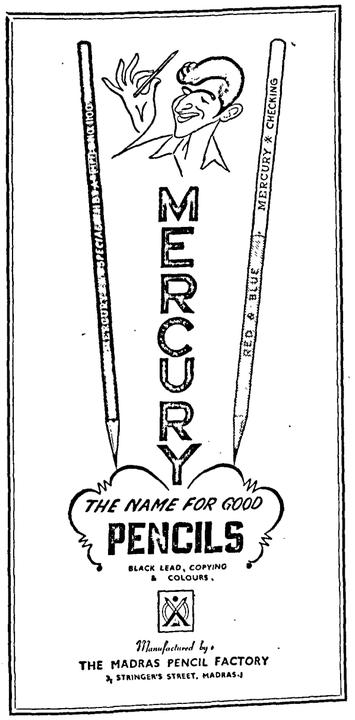
The total production of gunnies during the whole of 1958 aggregates 1,061,800 tons, which represents an increase of 31,900 tons over that in 1957. It, however, falls short of the 1956 output of 1,092,800 tons by 31,000 tons. It will be noted here that, barring in 1956, the past year's production was the highest since 1912. This rise is accounted for by sacking and "miscellaneous varieties," and would have been substantially large but for the fall in output of hessian. Thus, the production of sacking has gone over the year from 549,700 tons to 582,400 tons and miscellaneous constructions from 66,900 tons to 72,300 tons, while hessian has shrunk from 414,300 tons to 407,100 tons.

The following comparative table shows the monthly variations in output of gunnies during 1958 and the annual production from 1954 onwards:

(In tons)

	Hessian	Sacking	Others	Total
1958				
January	34,400	57,300	6,600	98,300
February	30,100	49,300	5,900	85,300
March	30,400	49,500	5,400	85,300
April	30,900	50,600	6,500	88,000
May	34,200	53,700	7,000	94,900
June	31,300	45,900	5,200	82,400
July	35,300	48,000	5,500	88,800
August	35,400	44,300	5,500	85,200
September	35,900	45,700	5,700	87,300
October	33,300	48,000	5,800	87,100
November	35,800	44,900	6,300	87,000
December	40,100	49,200	7,200	96,600
Total 1958 ..	407,100	582,400	72,300	1,061,800
1957 ..	414,300	548,700	66,900	1,029,900
1956 ..	415,200	605,500	72,100	1,092,800
1955 ..	401,400	674,700	61,100	1,027,200
1954 ..	388,900	606,100	32,700	927,700

As stated earlier, the despatches of gunnies during the month of December show a rise of only about 2,900 tons, that is, from 89,200 tons (in November) to 92,100 tons. As compared with the corresponding month of 1957, they disclose a rise of 4,000 tons from 88,100 tons. This is the second month in succession for which despatches from mills have recorded a rise, though the pace of increase during December has been slower than in November. Even this rise has been mainly due to the larger offtake for domestic consumption, which has gone up from 18,800 tons (in November) to 22,300 tons, while despatches for export purposes have shrunk a little from 70,400 tons to 69,800 tons. The total despatches during the whole of 1958 aggregate 1,021,300 tons, as compared with 1,043,300 tons in 1957 and 1,054,900 tons in 1956. Thus, the fall in despatches is more marked in the past year than in the previous year. This is due to the shrinkage in despatches for export purposes from 864,500 (in 1957) to 815,800 tons, thus reversing the upward trend noted since 1950. Despatches for internal consumption have, however, gone up from 179,300 tons to 205,500 tons, thus more than making good the substantial decline in 1957, when the internal offtake fell from 193,400 tons to 179,300 tons. Further, they are also a record since 1950.



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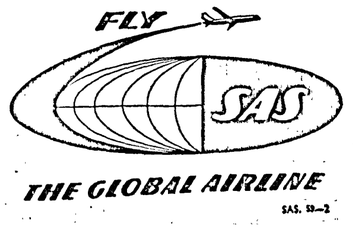

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WORLD OIL OUTPUT IN 1958

NEW HIGH LEVEL TOUCHED

WORLD production of crude oil touched a new high level in 1958 when it aggregated 905.2 million tons, as against 882.2 million tons in 1957 and 837.7 million tons in 1956. The free world accounted for 775.9 million tons last year or 6.4 million tons more than in 1957 and as much as 36.1 million tons more than in 1956. The increase in free world output would have been more marked but for the fact that, in the first half of 1958, there was a decline in production, reflecting sluggish conditions of demand in the U.S. and elsewhere. Last year, production in Communist countries aggregated 129.2 million tons, as compared with 112.7 million tons in 1957 and 97.9 million tons in 1956. After presenting an analysis of the trends in oil output, the *Petroleum Press Service*, in its January issue, points out that "all the indications are that demand will rise continually, unless any political obstacles intervene, and a world production of 1,000 million tons annually could be reached within two of three years."

Production

The following table gives the country-wise breakdown of world oil output in 1958, 1957 and 1956:

(In '000 Metric Tons)

Countries	1958	1957	1956
World Total	**905,238**	**882,246**	**837,731**
North America	349,200	377,526	375,975
Of which			
California	43,000	45,700	47,376
Other States	284,500	307,255	305,473
Canada	21,700	24,481	23,126
Latin America: Caribbean Area	149,700	156,099	139,330
Of which			
Venezuela	138,000	145,315	128,923
Colombia	6,600	6,479	6,284
Trinidad	5,100	4,905	4,129
Other Countries	24,800	22,425	21,673
Of which			
Mexico	13,250	12,401	12,796
Argentina	4,900	4,543	4,408
Peru	2,550	2,550	2,540
Brazil	2,400	1,321	530
Middle East	214,760	177,943	172,455
Of which			
Kuwait	70,100	57,286	54,982
Saudi Arabia	50,400	40,002	48,622
Persia	41,000	35,500	20,530
Iraq	35,800	21,880	31,313
Quatar	8,070	6,643	6,876
Kuwait Neutral Zone	4,000	3,328	1,670
Egypt	3,000	2,338	1,629
Bahrein	2,000	1,597	1,597
Turkey	300	299	296
Israel	90	70	30
Far East	23,765	22,847	20,008
Of which			
Indonesia	16,800	15,470	12,730
Br. Borneo	6,100	5,590	5,690
India	425	429	380
Burma	465	398	236
Japan	300	321	314
Pakistan	315	309	283
W. New Guinea	300	330	375
W. Europe	12,300	11,822	10,216
Of which			
Germany	4,420	3,960	3,506
Austria	2,850	3,186	3,428
Netherlands	1,550	1,523	1,094
Italy	1,500	1,281	607
France	1,400	1,415	1,261
Africa (excluding Egypt)	1,411	281	140
Of which			
Gabon	500	173	..
Sahara	435	..	..
Nigeria	300	..	..
Free World	775,998	709,548	739,803
Of which			
Western Hemisphere	523,760	556,650	536,984
Eastern Hemisphere	252,238	212,893	202,819
Eastern Europe and China	129,240	112,698	97,923
Of which			
U.S.S.R.	113,500	98,230	83,796
Rumania	11,500	11,188	10,920
China	2,200	1,460	1,176

It will be seen from the table given above that, in 1958, there was a striking contrast between the production of oil in the Western hemisphere and that in the Eastern. The former showed a decline of about 33 million tons and the latter an increase of nearly 40 million tons. In the U.S., production declined by 25½ million tons, in Venezuela by 7 million tons and in Canada by nearly 3 million tons. But there were record increases of 37 million tons in the Middle East, and of over 15 million tons in the U.S.S.R.

Production in the main crude oil producing countries of the Western hemisphere was boosted early in 1957 because of the Suez crisis, but was adversely affected, late in 1957 and early in 1958, by the trade recession in North America. Helped by seasonal demand, production in the U.S.A. and Venezuela has, however, revived in recent months, and is expected to do so soon in Canada. By contrast, the Middle East has benefited from the continued good increase in oil demand in Europe and elsewhere in the Eastern hemisphere and last year supplied an increasing share (over 27 per cent.) of the free world's needs. An event of great potential importance last year was the start in January of commercial production in the Sahara.

The one per cent. increase in the free world's production in 1958 compares with average annual increase of about seven per cent. since the end of World War II. In that period, only once—in the recession year of 1949—has there been a decline. With the U.S. recession ended and with demand elsewhere continuing to expand, the rise in world production will again gather speed. It is of interest that the United Nations index figures for the free world's industrial production show an overall increase of 19 per cent. during 1953-57, while crude oil production rose by 30 per cent. during the same period.

United States

Reaching in March 1957—owing to the Suez crisis—a record of over 7.7 million barrels daily (equivalent to about 380 million tons a year), output in the U.S. was reduced to between 6.6 and 6.7 million b/d late in 1957 and early in 1958, and then to between 6 and 6.2 million b/d in March-May last year. There followed, however, a gradual recovery in June-July, when the formerly excessive stocks had been worked off and inland consumption began to pick up, and the production rate in August-December varied between about 6.7 and over 7 million b/d. The result was that the U.S. output in 1958 was about 25 million tons (7 per cent.) lower than in 1957 or in 1956, and 7 million tons less than in 1955. The share of the U.S. in the free world's crude oil production was last year reduced to 42 per cent. compared with 46 per cent. in 1957, and with over 50 per cent. in 1954 and earlier years.

The Middle East continues to set new records in oil production. Last year, it accounted for 214.7 million tons or more than 50 per cent. of the free world's output outside North America. Since 1946, production in this region has increased sixfold. The most rapid growth has taken place in Kuwait, where output has recently reached an annual rate of over 75 million tons. The rate of expansion in Saudi Arabia has slowed down. Production aggregated some 50½ million tons in 1958, as against 49 million tons in 1957. In this connection, it is stated that, apart from the difficulties of selling "dollar" oil in Eastern hemisphere countries, production has been affected by the relatively low demand and the import restrictions in the U.S. Persia has continued its substantial and steady advance under the consortium arrangements and production rose last year by 5½ million tons to a record of 41 million tons. The revolution of last July has not affected Iraq's oil production, now at a rate approaching 40 million tons a year. There are proposals for raising the country's production capacity to over 60 million tons annually by the end of 1961. In the Far East, the increase in Indonesian production comes mainly from new fields discovered some time ago.

Russia

Crude oil production in the U.S.S.R., advancing from 23 million tons in 1946 to 98 million tons in 1957 and 113½ million tons in 1958, has risen since the war at a rate somewhat similar to that in the Middle East. The recently announced Seven-year Plan foresees a further increase to 230-240 million tons in 1965, while a target of 350-400 million tons has been set for 1972.

Since the leap forward in Rumania's production in the early 1950s when the new Moldavia, Oltenia, and Pitesti areas were being developed, expansion has greatly slowed down. Hungary produced last year about 840,000 tons, or little more than half the record rate (1.6 million tons) reached in the summer of 1956 before water encroachment reduced output at Nagylengyel. But, with remedial measures at Nagylengyel, and with new finds in Central Hungary, production is now rising again, and it is hoped to reach 2 million tons by 1962. In Albania, where an important oilfield extension has recently been found, production is now rising with a target of over 2,000,000 tons set for the year 1960.

Information from China indicates a 50 per cent. increase in crude oil production in 1958 which appears to have reached about 2.2 million tons, including, say, about 1.6 million tons natural crude, the balance being shale and coal oil. This steep advance has been made possible by the development of various new fields, including a major field recently located in Central Szechwan, and it is claimed that there are excellent prospects of further rapid advances, facilitated by the forthcoming completion of railway extensions to outlying oil regions and by the projected construction of new shale oil facilities with an output capacity of 2,000,000 tons of oil a year.

HYDRO-ELECTRIC EXPANSION

There has been a significant development of power resources in the second Plan period, and, more so, in 1958-59. At the end of the first Plan period, the total installed capacity of power generating plants—hydro and thermal—was 3.4 million kw., and electricity production during 1955-56 was 8,782 million units. During the first two years of the second Plan, the additional installed capacity increased, on an average, by 0.29 million kw. and output by 1,270 million units annually. The rise in both installed capacity and power production will be more impressive in the current financial year than in 1956-58, the current estimates being higher by about 40 per cent. in the installed capacity and by 11 per cent. in production.

To give the latest detailed data available here, six major power plants were commissioned till the end of November 1958, raising the installed capacity at the end of 1957-58 by 0.16 million kw. Among the plants which contributed to this progress were Maithon (D.V.C.), according to 40,000 kw., Hirakud 37,500 kw., Periyar 35,000 kw., Madras (Thermal) 30,000 kw., Ahmedabad (thermal)15,000 kw., and Delhi (thermal) 6,100 kw. In addition, eight thermal and two hydro power plants, with an installed capacity of about 0.25 million kw., are expected to be commissioned in the next four months. The hydro plants will be at Periyar (70,000 kw.) and Machkund (42,500 kw.). The additional thermal plants, which will start functioning by the end of March 1959 are at Delhi (6,400 kw.), Gorakhpur, Sohwal and Mau in Uttar Pradesh (15,000 kw.), Sikka (8,000 kw.), Utran (30,000 kw.), Kanpur (15,000 kw.), Kandla (6,000 kw.), Korba (30,000 kw.), Kotah (2,000 kw.) and Chola (18,000 kw.).

The above figures include the contribution of power projects which are aided by the Central Government or are being implemented by the States. The more important Centrally-aided power projects are Bhakra, D.V.C., Chambal, Koyna, Rihand, Hirakud and Tungabhadra. The Bhakra Nangal system includes the Nangal power stations with an installed capacity of 96,000 k.w., which, along with the Uhl River system, supply power to Delhi, Jammu and Kashmir and Himachal Pradesh, in addition to Punjab. The work on the erection of five units each of 90,000 kw. at Bhakra Dam is continuing, and it is expected that the first unit will be commissioned in 1959-60 and the entire power house by 1960-61. Two more units of 29,000 kw. each at Ganguwal and Kotla power houses will also be commissioned during the second Plan period.

The Bokaro power station of the D.V.C., with an installed capacity of 150,000 kw. is working at full capacity. The second and third units of Maithon power station of 20,000 kw. each were commissioned in May-August 1958. The work on the Bokaro thermal station extension and on a new thermal station at Durgapur is progressing, and an installed capacity of 225,000 kw. is expected to be commissioned before the end of 1959. The Panchet Hill Station (40,000 kw.) is scheduled for completion next year. The first set of 23,000 kw. of the Chambal Project will be commissioned in 1959-60 and the remaining two sets in 1960-61. The Koyna and Rihand projects are also progressing fast, as also the second stage of Hirakud project.

Towards the end of the second Plan the total installed capacity will be about 6.4 million kw. In the third Plan the installed capacity will further increase to about 12 million kw. The power generation will also increase proportionately, as also the demand for it.

Such spectacular progress both in practice and planning in power development is, indeed, gratifying, but, viewed against the immense hydro resources of the country, these achievements shrink into tiny steps towards electrification of the country. For, according to available topographical surveys, the hydro resources in India are estimated at 40 million kw.

This represents the potential for the sites which are capable of being developed economically on the basis of present-day costs. Further detailed investigations are likely to reveal additional sites, increasing available hydro-electric potential of the country considerably.

These apart, on the borders, particularly in the Himalayas and the Brahmaputra river, very large hydro-electric resources are available, which, with technical developments in high tension transmission systems, might eventually be economical to tap for the benefit of the country.

HARDWARE INDUSTRY

The importance of ensuring adequate and regular supplies of raw material to the manufacturers of builders' hardware was emphasised by Mr. A. Paul, President of the Builders' Hardware Association of India, in the course of his speech at the annual meeting of the Association, held last week, in Calcutta. It is gratifying to note that most sections of the industry have reached a stage where they are able to meet the country's requirements for their products. The industry produces such items as hinges, padlocks, pad-bolts and tower-bolts. At present, there are 54 units in the industry, employing some 10,000 workers. The major section of the industry is the one that produces steel hinges. Production in this section is running at an annual rate of four million dozen-pairs, as against the domestic demand of 2.5 million dozen-pairs. In this connection, Mr. Paul urged the Government to continue the policy under which imports of hinges have been banned.

The industry requires for manufacturing purposes such raw materials as steel sheets, sheet cuttings and rods. It would appear that the industry is not able to secure adequate supplies of these raw materials. Mr. Paul stressed the need for enhancing the steel quota for the industry, especially the quota for sheet cuttings of appropriate gauges. The industry also requires H.B. wire of 3/12 gauge. Mr. Paul appealed to the Government to make some satisfactory arrangemen's for supply of H.B. wires from commercial imports.

NEW PRODUCTS AND PROCESSES

Production Control System

A DATA recording and production control system which is said to provide the production supervisor in his office with an "almost visual" check of factory operations and could permit a great reduction in work orders, time sheets and other paper work, has been developed in the U.S. The system uses electro-mechanical counters which show, at a central control point, the output of each machine. Other counters, after being pre-set at the beginning of a production run, indicate completion of an order. Each station on the production line it is claimed, is equipped with alarm buttons and lights to summon help in case of trouble. A plug-in telephone jack at each station allows a foreman to communicate with the supervisor. With a special key, the foreman also can control a mechanism in the data recorder to show an individual worker's "down" or "non-production" time for piecework records.

Fluorocarbon

A new range of fancy whipped foods which, it is claimed, are capable of remaining frothy and appetising for two to three days could be dispensed from aerosols employing a new liquified "fluorocarbon" propellent Freon-C318, developed in the U.S. It is described as odourless, tasteless, non-toxic, chemically stable, and particularly suitable for food products of low to moderate viscosity which are sprayed or foamed. The new propellent is insoluble in water. Once the foam is produced by the propellent's expansion, it remains intact because the chemical is not soluble in the water forming the boundaries of the bubbles and therefore does not diffuse through. The new propellent also is said to provide a constant, uniform pressure in the container at any given temperature throughout use of the product so that flow rate and consistency are the same when the package is nearly empty as when it is full.

Automatic Tractor

An automatic tractor has been invented by I. Loginov, a tractor driver at the Irtyshsky State Farm in Pavlodar Region of U.S.S.R. This machine does not have to be driven by man. He only has to make the first furrow, after which a special automatic device takes over. It sees to it that the tractor moves parallel with the first furrow and at specified distances. Tests have shown that automatically-driven tractors can be used not only for ploughing, but also for harrowing, cultivation and some other jobs. They operate irrespective of the weather or time of the day. Soon automatic tractors will come in for wide use in the fields of the Soviet country. It is also intended to equip some of the existing machines with automatic control devices. This will further lighten the labour of peasants and improve the quality of field work.

Alloy Tablets for Aluminium

An agreement has been concluded between Murex Ltd. and a West German manufacturer for the production and sale in the U.K. and Commonwealth of alloy tablets based on manganese, chromium, titanium, antimony, copper and other metals. The chief function of these tablets is to provide a more satisfactory and economic means of introducing alloying element directly into aluminium and its alloys by eliminating the "hardener" stage. Not only is the hardener stage eliminated but many positive advantages can be claimed. Because the tablets (with a few exceptions such as silicon and magnesium) have a high specific gravity, they are self-sinking and, therefore, do not need mechanical aids such as plungers. Slight turbulence caused by the tablets going into solution leads to a homogeneous distribution of the alloying element, at the same time enabling such elements already present to be more thoroughly distributed. The time required to allow the element to go into solution is cut down and thus labour and fuel costs are reduced, with the complementary advantage of enabling increased production to be achieved from a single furnace unit. Little or no mechanical stirring is necessary, which means that dross is virtually eliminated. No additional heating is required to put the element into solution, and up to 100 per cent. recovery of the alloying element can be expected. The cleansing and grain refining properties of the tablets are considered, by some users, to be the prime advantages, and the removal of contaminants results in improved flow ability and castability. The element concerned is incorporated in the tablets to give a fixed weight of useful content, which makes the weighing and observation of changing composition unnecessary. The form in which the element can be added and the speed of solution enables final corrections to analysis to be achieved easily.

Raw Material for Paints

An important raw material for the manufacture of paints and plastics industry which has been produced previously in the U.S., but not in Britain, is now to be made in the U.K. The material, which is called dimeric acid, is now being manufactured in the U.K. by Victor Wolf, of Manchester, by means of a new process. A new plant, fitted with equipment of novel design, has been operating for a few weeks. This new product, which is called "Dimac," makes users of dimeric acid in the U.K. independent of imports. It is also said to have colour and colour retention to an extent never previously achieved.

THE MYSORE KIRLOSKAR LTD.

This is neither a Prospectus nor an invitation to the public to subscribe for the Equity Shares, but is only an announcement.

The Prospectus along with the documents required under Section 60 of the Companies Act, 1956, has already been delivered to the Registrar of Companies in Mysore, Bangalore, for registration.

Copies of the Prospectus are obtainable from the Registered Office of the Company or from Messrs. R. R. Nabar & Co., Share and Stock Brokers, 31, Dalal Street, Fort, Bombay.

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

THE MYSORE KIRLOSKAR LTD.

YANTRAPUR P.O., HARIHAR

SHARE CAPITAL

AUTHORISED CAPITAL

Rs. 50,00,000 (Rupees Fifty lacs) divided into 50,000 Equity shares of Rs. 100 each.

ISSUED CAPITAL

Rs. 25,00,000 (Rupees Twenty-five lacs) divided into 25,000 Equity shares of Rs. 100 each.

PAID-UP CAPITAL

Rs. 24,95,450 as at 31st October, 1958

PRESENT ISSUE

15,000 Equity shares of Rs. 100 each:

PAYABLE AS FOLLOWS:

Rs. 25 per share (Rupees Twenty-five) per share on application. Rs. 25 (Rupees Twenty-five) per share on allotment and the balance of Rs. 50 per share as and when required in calls of Rs. 25 each at intervals of not less than three months.

The whole of the said issue is offered in the first instance to the existing shareholders of the Company whose names shall stand in the Register of Members on the 6th December, 1958, in the proportion of three such new shares for every five existing equity shares held by such shareholders respectively, no fractional certificates being issued. The existing shareholders have the right to renounce the offer in favour of any other person and can also apply for additional shares as stated in the notice sent to them.

Such of the said new shares as are not taken up by the existing shareholders will be allotted to Messrs. R. R. Nabar & Co., a firm of Share and Stock Brokers in Bombay, who have underwritten this issue or to persons whom they may procure to subscribe for such shares in terms of the Underwriting Agreement.

DIRECTORS

1. Sri M. D. SHIVANANJAPPA, Director and Vice-Chairman, The Mysore Iron and Steel Works, Bhadravati.
2. Sri CHANNAGERI RANGAPPA, C/o Channageri Rangappa and Sons, Davangere.
3. Sri PANDURANG S. SIRUR, Prince Extension, Davangere.
4. Sri V. P. VARDE, C/o R. R. Nabar & Co., 31, Dalal Street, Fort, Bombay.
5. Sri T. CHANDRANNA, C/o Messrs. B. T. Ltd., Davangere.
6. Sri R. RAMA SETTY, C/o Davangere Cotton Mills Ltd., Davangere.
7. Dr. M. N. MAHADEVAN, No. 2, St. Mark's Road, Bangalore 1.
8. Sri S. B. KHER, C/o Messrs. Manilal Kher Ambalal & Co., 51, Mahatma Gandhi Road, Bombay.
9. Sri M. B. JAMBEKAR, No. 2, Barucha Buildings, Bara Bangala Road, Lonavla.
10. Sri S. L. KIRLOSKAR, No. 1, Modi Baugh, Ganeshkhind Road, Poona 5.
11. Sri N. W. GURJAR, C/o Kirloskar Bros. Ltd., Kirloskarvadi.

MANAGING AGENTS

Messrs. KIRLOSKAR ASSOCIATES, Yantrapur P.O., Harihar (Mysore State).

GENERAL MANAGER

R. L. KIRLOSKAR, Esq., Yantrapur P.O., Harihar.

BANKERS

THE BANK OF MYSORE LTD., Bangalore and Davangere.

THE CENTRAL BANK OF INDIA LTD., Davangere.

THE BANK OF MAHARASHTRA LTD., Bombay and Harihar.

THE BANK OF INDIA LTD., Calcutta, Bangalore and Madras.

SOLICITORS

Messrs. MANILAL KHER AMBALAL & CO., 51, Mahatma Gandhi Road, Fort, Bombay 1.

UNDERWRITERS

Messrs. R. R. NABAR & CO., Share and Stock Brokers, 31, Dalal Street, Fort, Bombay 1.

AUDITORS

Sri S. R. MANDRE, Chartered Accountant, Bangalore.

Messrs. P. G. BHAGWAT, Chartered Accountant, Bombay.

REGISTERED OFFICE

YANTRAPUR P.O., HARIHAR, MYSORE STATE.

BUSINESS

The main object of the Company is to carry on business of Iron Founders, Mechanical Engineers, etc., and the other objects are referred to in Clause III of the Memorandum of Association of the Company. The Company from its inception took up the manufacture and sale of machine tools of various types and has been manufacturing and selling them.

DIVIDENDS DECLARED

For the year ended 30th June, 1954 : 5% per annum tax-free

For the year ended 30th June, 1955 : 6% per annum tax-free

For the year ended 30th June, 1956 : 6% per annum tax-free

For the year ended 30th June, 1957 : 6% per annum tax-free

For the year ended 30th June, 1958 : 7½% per annum tax-free (proposed).

OBJECTS OF THE ISSUE

The Company has entered into an agreement for technical collaboration with Messrs. Alfred Herbert Ltd., Coventry, England, for the manufacture of Capstan and Turret lathes and has also expansion plans for its existing lines. The money raised by this issue will be required for this purpose.

LIFE INSURANCE IN SWEDEN

EFFORTS TO MAINTAIN VALUE OF SAVINGS

THE rapid expansion of life insurance in Sweden in the post-war period clearly illustrates how important are a high and stable level of employment and increasing real incomes to the growth of life insurance. The Swedish economy had maintained a high level of activity since the War. The recessions, which were noticeable in many other countries, have had no great influence on the economy of Sweden. The growing economic prosperity of the country was fully reflected in the almost uninterrupted increase in life insurance. Life insurance coverage in Sweden at the end of 1957 was about four and a half times as large as in 1940, comprising five million individual life insurance policies in a population of 7.4 million. In addition, 1.4 million policyholders were covered by group life insurance and 177,000 salaried employees were members of pension groups. The highlights of this remarkable development are summed up by Mr. Kjell Hansson, Economist of the Thale group of insurance companies, the largest insurance organisation in Sweden, in an article contributed to a recent issue of *The Policy-Holder*, Manchester.

According to Mr. Hansson, the rising standard of living in Sweden and the accompanying increase in the number of marriages are among the main factors which explain the rapid growth of life insurance. The reduction in the premium rates on individual and group life insurance in 1955 also led to a conspicuous increase in the amount of new business. The following table indicates the trend of progress of life insurance in Sweden during the period 1940-57.

(In million Swedish Kroner)

	Ordinary and *Industrial* life	Group Life	Group Pension	Total
1940	5.6	..	0.1	5.7
1950	11.1	0.2	0.2	11.5
1955	17.8	2.6	0.5	20.9
1956	19.1	3.9	0.5	23.5
1957	20.1	5.2	0.6	25.9

A remarkable feature of this growth is the rapid progress in group life insurance. This form of insurance was first introduced in the country in 1948 and now, after ten successful years, the business in force exceeds five million Swedish Kroner and comprises 20 per cent. of total life insurance. The increase in 1957 alone was as much as 33 per cent. It is said that there is still scope for expansion in this class of insurance, especially since it was recently extended to cover credit groups as well.

Another interesting feature is the tendency, recently evident, to switch over to temporary insurance. Purchases of life insurance during the last few years have been characterised by an ever-growing change to temporary assurance, of which the expansion of group life assurance is an example. Individual insurance is also marked by a change to policies with little or no element of saving.

This changeover was fully reflected in the 1956 new business wherein the increase was mainly confined to temporary insurance. A further development in the same direction took place in 1957. There was a decrease in endowment life insurance by approximately 300 million Swedish Kroner in 1957 while the acquisition of individual temporary insurance was more or less unchanged as compared with 1956.

The increased interest in life insurance without the element of saving has many possible explanations. Two of the most obvious are: first, continuing inflation has contributed greatly to the diminution in saving by life insurance and, second, the recent intense debates on the national pension scheme have discouraged the tendency to save through life insurance.

Inflation is also threatening to undermine the value of life insurance savings. Measures to protect the value of insurance savings are rendered difficult by the existing rigid laws regulating investment of life funds.

In contrast to conditions in Great Britain, the investment of life funds in Sweden is strictly controlled by legislation. The primary principle is safety. Consequently, the major portion of the funds must be put into Government or other gilt-edged bonds, loans to municipalities, mortgages, etc. Legislation permits 10 per cent. of the fund to be freely invested, but not in shares. There is no limitation on the investment of bonus funds, which amounted to 9.4 per cent. of the total funds at the end of 1957. It is, however, prescribed that the portfolio of investment shares should not exceed 5 per cent. of the voting shares of joint-stock companies. The following table indicates the distribution of investment of life funds:

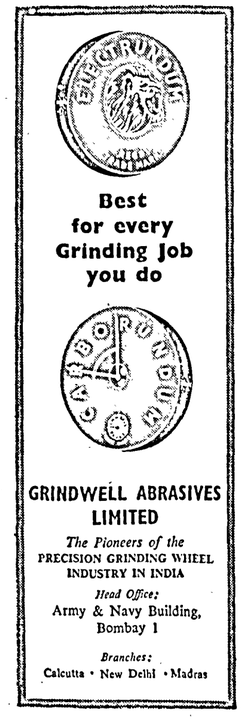
(In million Swedish Kroner)

		%
Bonds	5,003	44.9
Mortgages	3,106	27.9
Loans to municipalities	1,298	11.4
Other Securities	602	5.9
Life assurance loans	615	5.5
Real property	325	2.9
Shares	173	1.5
Total ..	11,152	100.0

There have been frequent complaints that the Swedish Insurance Act, regulating investment of insurance savings, seriously checks the efforts of companies to maintain the value of savings. Methods that might be adopted to maintain the real value of savings were the subject of much discussion of late. The political debates on the National Supplementary Pension Scheme, in which provision is made for pension benefits to maintain their purchasing power, have intensified this question. One possible solution suggested is that the companies should be permitted to invest more of their assets in shares. This, it is pointed out, can only be a partial solution since the Swedish stock market is not large enough to offer much scope for this kind of operation. Nonetheless, it is important. Another possibility much discussed in Sweden is to maintain the real value of savings through securities linked with price-index clause. This method has already been tried in a number of countries, for instance, in Finland.

Swedish life insurance, according to Mr. Hansson, can at present be said to be faced with two main problems—inflation and the Government pension reform. Both tend to discourage savings and their adverse influence on life insurance appeared in 1956 and even more markedly in 1957 and continued in 1958. New individual life insurance policies, for instance, have declined by more than 19 per cent. in the period January to September 1958.

In Sweden, as in most other countries, the last 10 years have been characterised by a high propensity to consume. Long-term voluntary saving has become less tempting. This is especially the case where the public is expecting a gradual decline in the purchasing power of money. It is strongly felt that life insurance companies must very soon be enabled to invest their funds in order to protect the policyholders from the consequences of inflation.



"NEW YEAR THOUGHTS"

Apropos our article entitled "Some New Year Thoughts on Life Insurance" which appeared in these columns two weeks ago, Mr. D. S. Mehta, Zonal Manager, Bombay Zone, Life Insurance Corporation of India, writes to us as follows:

"I have just read, with considerable interest, the article 'Some New Year Thoughts On Life Insurance' appearing on page 78 of your issue dated the 17th instant which has just come to hand. I am particularly impressed by the quotation from Schopenhauer and am taking the liberty of repeating it in a future of issue of our House Magazine, together with your incidental comments in this connection.

"We are fully alive to our shortcomings in the matter of service to be rendered to the policyholders. I am also in agreement with your remarks that the field force and the office staff of the Life Insurance Corporation will be judged by the degree of satisfaction which the policyholders ... feel in their dealings with the Corporation. Let me assure you, and through the columns of your esteemed journal, your readers—that we are doing all in our power to ensure greater efficiency in our servicing at all levels. The Chairman himself has been showing keen personal interest in all matters of service to policyholders and effective measures have been taken, and are being taken from time to time to step up efficiency and expeditiously dispose of matters.

"That there has been considerable improvement in this direction is obvious from the fact that complaints are less and we do receive, regularly, letters of appreciation for efficient and prompt disposal of matters. Unfortunately, it is only those who have grievances that go to the Press. Letters of appreciation come to us. We are hesitant to use such letters of appreciation lest it be held against us that we advertise our merits to cover our shortcomings. It must not be forgotten that many of the ills attributed to the Corporation are a consequence of a *malaise* that existed much earlier, about which the public know very little (since it was not, then, the practice for policyholders to ventilate their grievances in the Press) and which we have inherited. The cure cannot be effected overnight.

"You have paid a well deserved tribute to the great traditions of salesmanship and service built up by some private insurers in pre-nationalisation era. But what you have omitted to mention are the potent ills which accompanied some of the hectic competition that existed in the pre-nationalisation days and which it will take time to eradicate. I am writing this to you not in any spirit of controversy but so that the public may know that positive efforts are being made to improve our servicing and, with their co-operation, we hope to be able to attain that standard of efficiency which would be the envy of the private sector.

"Incidentally, in giving particulars of the life business for 1958 *on the same page, you have*, while discussing position of business as at 22nd December 1958, also made mention of the actual figures for close of books for that year. This might create some wrong impression in the minds of your readers. We would, therefore, appreciate your giving a further note on the more up-to-date position as revealed on the 12th January 1959 when the introduced business is shown to be Rs. 375.74 crores, out of which business of Rs. 275.40 crores stands completed on that date. Over and above this, there is a considerable amount of business accepted and paid for—in respect of which policies are still being issued. When the final figures are announced—probably at the beginning of February, we are sure that the substantial increase in the figure of introduced business will be reflected in equally substantial increase in our completions for 1958 as compared with 1957."

We are gratified to learn that the authorities are quite aware of the importance of service to policyholders and are making efforts to improve it. Success in this sphere is bound to build up goodwill with the public, which, in its turn, will enable the Corporation to write increasingly larger life insurance business.

EXPORT CREDIT GUARANTEE IN U.K.

The Export Credits Guarantee Department of the U.K. recently simplified arrangements for cover on those engineering goods commonly sold on credit terms ranging from six months to three years maximum, whatever the unit value of those goods, which are covered by "Extended Terms" endorsements or memoranda attached to the normal short-term cover. The normal short-term cover will continue to apply to raw materials and consumer goods. (For one class of consumer goods—motor cars—terms in excess of six months have been and will continue to be covered on a case-by-case basis.) Hitherto the credit terms acceptable for insurance within this field have been decided for each application for cover on an individual transaction. E.C.G.D. has now informed such policyholders that they can assume there will be no objection to credit terms up to two years maximum in respect of orders of £20,000 or more for either commercial credit users (such as distributors) or for end-user buyers; and that there will be no objection to terms up to three years maximum for orders of £50,000 or more for end-user buyers.

The E.C.G.D. hopes that this will relieve exporters of uncertainty as to credit terms in much of the Extended Terms field, and thereby assist them in negotiation of business. Where the exporter seeks to give credit for longer periods than provided for above, it will still be necessary for him to make an individual case to E.C.G.D.

WORLD TRADE IN AGRICULTURAL PRODUCTS

RATE OF EXPANSION SLOW

DESPITE many disturbances in the world economy, the aggregate volume of world trade in agricultural products in 1957 rose, but at a slower pace, thus continuing the upward trend that had started in 1955, after several years of stability at about the pre-war level. The increase was no more than 3 per cent. as compared with 1956, which compares quite unfavourably with an average rise of 8 per cent. in the two preceding years. According to the Report on the *State of Food and Agriculture* 1958, published by the Food and Agricultural Organisation (F.A.O.) of the United Nations (available in India from *Orient Longmans* Private Ltd.), the expansion in the volume of trade was due, as before, largely, though by no means entirely, to the surplus disposal operations of the U.S. and to a much lesser extent to subsidised exports by West European countries. On the imports side, about 60 per cent. of the increased volume of trade was shared by Western Europe, mainly of raw materials and beverages, and about 30 per cent. by countries of the Far East, which imported foodgrains—partly for reserve stocks and the rest for current consumption—in spite of the record rice crop harvested late in 1956. It may be noted that the volume of total trade in agricultural products, as throughout the post-war period, increased a good deal more slowly than the volume of world trade as a whole.

Production

These trends in trade, obviously, owe their origin to certain significant developments in the supply and demand position of agricultural commodities. The steady expansion in world agricultural output witnessed in the post-war years was arrested, for the first time, in 1957-58. Thus, the F.A.O. index of agricultural production (average 1952-53=100) fell by 1 point to 119, and world *per capita* agricultural production by 2 points to 107, as compared with 1956-57. The output of world's fisheries and forests was also slightly lower in 1957-58 than the year before. Agricultural production continued to increase in the Near East and more slowly in Europe, the U.S.S.R. and Latin America. But, in the Far East, there was no increase over the record level of 1956-57, while in Africa, Oceania and, especially, North America, agricultural production in 1957-58 was appreciably lower than in the year before. The comparative Table I at the bottom of this page shows the trend of production of major commodities. The setback in production in the year under review is attributed to unfavourable weather conditions in a number of producing areas. In addition, many of the advanced countries, notably the U.S., chose to pursue policies designed to restrain production, in view of their growing agricultural surpluses.

While production thus fell, world demand for agricultural commodities also weakened to some extent due to recession in the U.S. and the slowing down of economic activity in Western Europe. In contrast, the demand for domestically produced foodstuffs, and, in general, for agricultural raw materials, was generally well maintained in both industrial and less developed countries.

There is no doubt that these trends—surplus situation in the more industrialised countries and the decline in the exportable surplus in the less developed countries, in the light of their own growing consumption requirements—are bound to affect the course and pattern of trade in primary products. The recent trends in world trade in major agricultural commodities are indicated in Table II on this page. Describing the trend of exports in 1957, the F.A.O. Report says:

"Exports of agricultural products from Latin America declined, and there was no change in the general level of African exports, but, with these exceptions, all regions of the world exported more agricultural products than in 1956. As in the two previous years, however, by far the largest part of the increase in world trade in 1957 resulted from larger North American exports, due mainly to surplus disposal operations. Exports of food and foodstuffs from North America were in fact rather smaller than in 1956. The Western European demand for cereals receded from the high level of 1956, when European crops were below average. France, which in 1956-57 became exceptionally a wheat-importing country, is likely to export over 2 million tons in 1957-58. There was also some fall in North American exports of livestock products, though these were partly offset by larger exports of oils and fats. But the rise in cotton exports more than outweighed the smaller shipments of foodstuffs from North America. The heavy fall in Latin American exports occurred in coffee and textile fibres, and included wool and, especially cotton; larger exports of sugar, oils and fats, fruit, and meat, however, led to somewhat increased shipments of food as a whole, despite some decline in cereals."

Underdeveloped Countries

Discussing the position of underdeveloped countries, the Report observes:

"Under the pressure of rapidly growing requirements, outrunning the growth of production, gross food exports of the less developed regions of the world have declined, and, in addition, considerable imports of foodstuffs into Asia and Latin America have developed from North America and Australia. These consist primarily, but by no means exclusively, of cereals. Both the Far East and the Near East, formerly substantial net exporters, have had large net imports of foodstuffs in nearly every year since the war. Net food exports from Latin America have generally ranged from 20 to 40 per cent. below the pre-war average. Africa has been an exception, and in recent years net food exports from that region have been some 20 to 30 per cent. higher than before the war. Nevertheless, net exports of food and feedingstuffs from the less developed regions of the world as a whole to the industrialised countries had shrunk by 1956 and 1957 to little more than one-third of their pre-war volume. Net exports of non-food products including both beverages (e.g., coffee) and fibres and other raw materials, have been maintained and in some cases expanded. Their production has increased, and domestic consumption of these commodities has not yet begun to expand at the rate that the requirements of the less developed regions for foodstuffs has expanded. Non-food products thus account for an increasingly important share of the total agricultural exports and foreign exchange earnings of the less developed regions. As a result, net agricultural exports of all kinds from these regions have fallen by only 10 to 20 per cent. from the pre-war volume, compared with the fall of some 60 per cent. for foodstuffs alone."

In contrast, agriculturally more advanced regions, particularly Oceania, have expanded their net exports in the year under review. A large share of this increase, according to the Report, went to Asian countries rather than to the traditional importers in Western Europe. The Report adds that the North American region, which before the war was a small net importer of foodstuffs and a large net importer of agricultural products as a whole, has been a consistent net exporter of foodstuffs, and in 1956 and 1957 became also a net exporter of agricultural products as a whole (in terms of volume weighted at 1952-53 prices. In 1956 and 1957 Western Europe thus became for the first time the sole net importing region for agricultural products, though for foodstuffs alone the Far East and the Near East are also net importers. Nevertheless, for the products which Western Europe itself produces the pressure of its own expanding production, stimulated by

(*Continued on page* 168)

TABLE I

World Production of Major Commodities*

Commodity	1934-38	1948-52	1954-55	1955-56	1956-57	1957-58
	Million metric tons					
Wheat	95.0	113.5	118.7	123.4	123.3	122.4
Barley	28.5	36.0	44.8	46.4	52.5	49.7
Oats	37.5	42.5	42.3	45.7	43.8	40.8
Maize	94.1	119.6	123.1	129.8	136.1	137.6
Rice (milled equivalent) ..	70.2	74.8	82.2	87.6	92.1	88.2
Sugar (centrifugal)	20.0	26.4	31.4	32.0	33.5	35.6
Citrus fruit	11.1	15.1	17.7	18.1	17.9	17.3
Apples	11.0	12.6	13.8	12.8	14.6	9.0
Bananas	8.1	11.2	12.2	12.3	12.7	12.7
Vegetable oils and oilseeds (oil equivalent)	9.2	11.6	13.2	13.4	14.7	14.9
Animal fats	3.01	4.20	4.58	4.94	5.26	5.14
Coffee	2.41	2.25	2.48	2.86	2.60	2.98
Cocoa	0.74	0.76	0.82	0.83	0.91	0.76
Tea	0.47	0.57	0.67	0.70	0.70	0.71
Wine	18.0	17.6	21.1	21.3	20.6	16.1
Tobacco	1.96	2.46	2.81	2.88	2.93	2.76
Cotton (lint)	5.31	5.75	6.47	6.80	6.50	6.03
Jute	1.95	2.03	1.68	2.32	2.30	2.23
Wool (greasy basis)	1.51	1.53	1.76	1.81	1.90	1.91
Rubber (natural)	0.96	1.74	1.85	1.95	1.91	1.93
Milk (total)	193.6	204.8	226.5	229.1	233.8	241.8
Meat**	26.9	30.50	35.7	37.4	39.0	39.2
Eggs	5.82	7.49	8.69	8.83	8.99	9.10
Index of all farm products§ ..	85	100	111	115	118	117
	Million cubic metres					
Forest products—						
Roundwood	—	1,469†	1,550	1,598	1,600	1,570
Sawnwood	—	266.4†	274.0	285.5	290.0	280.0
Plywood	—	8.6†	9.3	11.0	11.4	11.5
	Million metric tons					
Woodpulp	—	39.1†	42.4	46.6	49.7	50.2
Newsprint	—	9.8†	10.4	11.2	12.0	12.3
Other paper and board ..	—	38.5†	40.8	46.4	47.7	48.9

* Excluding U.S.S.R., Eastern Europe and China.
** Beef and veal, mutton and lamb, pork.
† 1953.
§ 1948, 49—1952/53=100.

TABLE II

World Trade† in Major Commodities

Commodity	1934-38	1948-52	1954	1955	1956	1957
Imports	Million metric tons					
Wheat and wheat flour ..	16.3	25.23	22.59	23.75	28.12	28.50
Barley	2.70	3.58	5.47	4.79	7.07	6.51
Oats	0.86	1.33	1.48	0.94	1.22	1.42
Maize	9.88	4.79	4.91	5.15	6.05	6.69
Rice (milled equivalent) ..	8.55	4.32	4.68	4.60	5.51	5.45
Sugar‖ (raw equivalent) ..	9.38	10.76	12.09	12.75	13.16	14.05
Citrus fruit	1.72	1.80	2.50	2.64	2.23	2.55
Apples	0.67	0.50	0.61	0.73	0.80	1.04
Bananas	2.43	2.34	3.00	3.03	3.03	3.27
Vegetable oils and oilseeds (oil equivalent)	4.66	3.67	4.49	4.66	5.02	5.17
Coffee	1.62	1.90	1.82	2.04	2.24	2.24
Cocoa	0.64	0.65	0.69	0.67	0.71	0.69
Tea	0.40	0.42	0.50	0.49	0.48	0.53
Wine	1.82	1.61	2.37	2.77	2.55	2.94
Tobacco	0.49	0.49	0.55	0.59	0.58	0.58
Cotton (lint)	2.77	2.14	2.52	2.30	2.59	2.83
Jute	0.73	0.77	0.84	0.92	0.89	0.82
Wool (actual weight)	1.07	1.07	0.98	1.07	1.15	1.20
Rubber*‖ (natural)	0.98	1.58	1.66	1.82	1.71	1.74
Meat†† (fresh, chilled frozen) ..	1.16	0.90	0.87	1.01	1.21	1.33
Eggs (in the shell)	0.33	0.27	0.36	0.38	0.39	0.42
Exports	Million cubic metres					
Roundwood	—	18.4†	21.3	27.0	26.9	26.5
Sawnwood	—	28.7†	39.1	35.7	32.3	32.3
Plywood	—	0.5†	0.8	1.0	1.0	1.2
	Million metric tons					
Wood pulp	—	6.0†	6.9	7.6	7.8	7.6
Newsprint	—	5.9†	6.2	6.6	7.0	6.9
Other paper and board ..	—	2.2†	2.8	3.1	3.3	3.5

‖ Including imports into the rest of the world from the U.S.S.R., Eastern Europe and China, but excluding imports into these countries.
‖ Excluding U.S. trade with its territories.
*‖ Excluding imports into Malaya and Singapore for re-export.
†† Beef and veal, mutton and lamb, pig meat.
† 1953.

SCINDIA STEAM'S RESULTS ENCOURAGING

EXPANSION PROGRESSING—FINANCES STRONG

THE working of the Scindia Steam Navigation Company Ltd. (Chairman: Mr. Dharamsey M. Khatau, Bombay) during the year ended 30th June 1958 has yielded satisfactory results. There was a sharp fall in the tramp freight rates and this had its impact on the Liner trade and Conference freight rates of several bulk commodities which have fallen to uneconomic levels. The Company, however, was fortunate in having the benefit of high rates for a greater part of the year. Further, it was able to lift more cargo than in the previous year, the tonnage carried in 1957-58 being 2,072,792, as against 1,866,932 in 1956-57, an increase of 205,860 tons or 10.7 per cent. Consequently, its earnings from freight and passage money increased from Rs. 12.46 crores in 1956-57 to Rs. 13.95 crores, a rise of Rs. 1.49 crore over the year or 12 per cent. But this increase falls far short of the rise of Rs. 2.27 crores registered in the previous year. The income from other receipts also was better at Rs. 51.72 lakhs, as against Rs. 35.63 lakhs. Expenses, too, increased by Rs. 140.79 lakhs, or 15.3 per cent. to Rs. 10.52 crores. Although percentage-wise the increase in expenses was greater than that in earnings, it was relatively small in absolute terms. The gross profit, therefore, has been able to show an improvement and at Rs. 395.39 lakhs, it represents an increase of Rs. 24.91 lakhs or 6.7 per cent. over that for 1956-57. With this increase, the upward trend in gross profit has been maintained for the third year in succession, in pleasant contrast to the progressive decline in gross profit from Rs. 242.29 lakhs in 1952-53 to Rs. 117.69 lakhs in 1954-55. The net profit at Rs. 137.21 lakhs, however, shows a drop of Rs. 1.41 lakh, as compared with Rs. 138.62 lakhs for 1956-57. This is due to the large stepping up in the provision for depreciation from Rs. 187.19 lakhs to Rs. 234.18 lakhs. The provision made this year consists of Rs. 144.18 lakhs normal depreciation and Rs. 90 lakhs special depreciation, representing development rebate. This provision is, as readers are aware, compulsory under the Income-tax Act. Explaining the details of the provision, the Directors say that Rs. 38 lakhs out of the Rs. 90 lakhs is on the basis of 25 per cent. of the cost of ships acquired up to 31st December 1957 and that the balance of Rs. 58 lakhs represents 75 per cent. of 40 per cent. development rebate allowed on ships acquired after that date. The provision for taxation, however, has been lowered from Rs. 31 lakhs to Rs. 24 lakhs.

The dividend to shareholders is proposed to be maintained at the previous year's rate of 6¼ per cent. per annum and compares with 2½ per cent. per annum for 1953-54 and 1954-55 and 5 per cent. for 1955-56. Out of the net profit, the Directors have transferred Rs. 10 lakhs (same as in the past few years) to debenture sinking fund and another Rs. 56 lakhs to other reserves, as against Rs. 53 lakhs provided a year before. The allocation to deferred taxation reserve has been raised from Rs. 24 lakhs to Rs. 36 lakhs but that to dividend equalisation reserve has been pruned from Rs. 24 lakhs to Rs. 20 lakhs. The sum left to be carried forward is a shade higher at Rs. 6.65 lakhs, as against Rs. 5.84 lakhs brought in.

The table below brings out the salient features of the Company's working during the year under review, against the background of those for the preceding three years:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Freight and passage money	13,95 56	12,46 03	10,18 75	8,88 22
Other income	51 72	35 63	42 41	25 68
Expenses	1,051 89	9,11 18	7,01 85	7,09 21
Gross profit	3,95 39	3,70 43	2,69 31	1,17 69
Agents' commission	..	13 67	25 74	10 27
Depreciation	2,34 18	1,87 19	1,72 16	74 70
Taxation	24 00	31 00	..	..
Net profit	1,37 21	1,38 02	71 41	32 73
Transfer from reserves and excess provisions	..	..	55 08	11 75
To reserves	56 00	53 00	53 68	11 00
To debenture sinking fund	10 00	10 00	10 00	10 00
" gratuity reserve	..	..	13 00	..
" dividend	70 40	70 40*	46 93	23 47
	(6¼%)	(6¼%)	(5%)	(2½%)
Carry forward	6.65	5 84	5.62	2.74

* On the capital raised by the transfer of Rs. 1·88 crore from share premium account.

It will be observed from the table above that, despite the rise in other income, the gross profit for the year under review constitutes only 28.3 per cent. of the freight and passage income, as against 29.7 per cent. in the previous year. This is due to the rise of Rs. 140.71 lakhs in expenses. Of this rise, the lion's share has been taken up by stevedoring, claims, transhipment and charter hire, etc., which have increased from Rs. 219.42 lakhs to Rs. 288.22 lakhs and by marine dues, light dues and customs charges, etc., from Rs. 57.36 lakhs to Rs. 77.01 lakhs.

As regards new tonnage, the Directors report that the Company has now two ships on order with the Lubeck Yard, the keel of one of which has already been laid and the ship is to be delivered in the middle of 1959. The other ship is expected to be delivered some time in April 1960. Out of the two ships on order with the Visakhapatnam Shipyard, one, namely, m.v. *Jalavikram*, has been delivered to the Company's subsidiary, the Kamal Shipping Company Private Ltd., while the other m.v. *Jalaveera*, has been delivered to the Company.

The Government of India has negotiated a yen loan from Japan. Of this loan, yen 5 billion have been earmarked for shipping, of which one billion yen have been allotted to the Company, which has placed an order for a ship with Messrs. Mitsubishi Heavy Industries Reorganised Ltd., Kobe. It is stated that, as soon as the loan agreement is finalised by the Government of India, the order will be confirmed with the builders. In pursuance of the policy of modernising the Company's fleet, the Directors have acquired two sister ships of the s.s. *Silverburn*. These two ships, together with the s.s. *Silverburn*, have been bought on deferred payment basis.

Since July last, the Company has restarted its India/U.S.A. service on a monthly basis. The Company met with initial difficulties but feels confident that it will gradually establish itself in this new trade.

The Company's financial position is quite impressive. Its paid-up capital as on 30th June 1958 stands raised from Rs. 9.40 crores in 1956-57 to Rs. 11.28 crores due to the capitalisation of Rs. 1.88 crore out of the share premium account, after the closing of the last accounting year, through the issue of bonus shares in the ratio of one fully paid-up share for every five shares held. Even after such large capitalisation, its reserves and surplus aggregate Rs. 10.93 crores. Notwithstanding such large reserves, the Company has 4½ per cent. 1953 debentures amounting to Rs. 3.63 crores and loans from the Government of India of the order of Rs. 9.19 crores and these, together with overdrafts from banks, etc., bring the total of long-term secured liabilities to Rs. 14.69 crores. These are matched by fixed assets which, after normal and special depreciation, appear at Rs. 23.11 crores. Of this, the net value of fleet account is Rs. 22.24 crores and payments on account of steamers under construction Rs. 64.79 lakhs. The gross value of the fixed assets amounts to Rs. 30.05 crores, against which the total depreciation provided comes to Rs. 6.95 crores. The current liabilities stand at Rs. 8.53 crores, against which the current assets aggregate Rs. 22.38 crores. Of the current assets, cash and bank balances alone amount to Rs. 8.90 crores, having risen from Rs. 3.58 crores as at the end of 1956-57.

The Rs 20 fully paid-up shares of the Company are currently quoted at Rs. 21.24 *cum-div.* and, on an *ex-div.* basis, the shares provide a yield of 6.25 per cent. per annum.

The Directors have given no indication of the outlook for the Company, especially as freight rates have fallen. Nearly seven months of the current year have passed and it should be possible for them to say how the Company has fared so far. It is to be hoped that the Chairman will give the necessary information in his speech at the forthcoming annual meeting of the Company.

CHANGDEO SUGAR

The gross profit of Changdeo Sugar Mills Ltd. for the year ended 30th September, 1958, has declined to Rs. 18.04 lakhs from Rs. 24.98 lakhs for 1956-57. This is mainly due to lower yields from the farms caused by shortage of irrigation water and shortfall in late rains. The directors, however, have maintained the dividend at Rs. 2.25 per share of Rs. 12.50, equivalent to 18 per cent. per annum.

SPENCER'S PROFIT DROPS

DIVIDEND, HOWEVER, MAINTAINED

THE year ended 30th June 1958 has turned out to be a year of adverse working results for Messrs. Spencer and Company Ltd. (Chairman: Mr. Z. R. Irani, Madras). The Company's business turnover would appear to have suffered a setback, while at the same time expenses, other than those on raw materials consumed, have increased to touch a level at which they are the highest during the three years ended 30th June 1958. Consequently, the Company's profit has registered a sizable decline from that earned a year ago. The Directors have effected a small cut in the allocation to the reserves. The distribution to the shareholders is unchanged at 15 per cent., a rate which the Company had consistently paid from 1952 onwards.

The gross profit, at Rs. 22 lakhs, shows a drop of Rs. 4.51 lakhs from Rs. 26.51 lakhs for the previous year. It is, however, a shade higher than that of Rs. 21.86 lakhs earned in 1955-56. The net profit at Rs. 8.65 lakhs, compares unfavourably with Rs. 10.87 lakhs for 1956-57 and Rs. 10 lakhs for 1955-56. The provision for depreciation has been raised from Rs. 1.99 lakh in 1956-57 to Rs. 2.45 lakhs, whereas that for taxation has been reduced from Rs. 13.65 lakhs to Rs. 10.90 lakhs. The latter amount is inclusive of Rs. 1 lakh provided for wealth tax in respect of the year 1957-58; the corresponding provision for each of the previous two years was Rs. 75,000 set aside from the profit for 1956-57. A sum of Rs. 1.87 lakh has been transferred to the various reserves, as against Rs. 2.09 lakhs in the previous year. This consists of Rs. 1 lakh (Rs. 1 lakh) to fixed assets depreciation reserve, Rs. 39,000 (Rs. 93,200) to provision for current repairs, Rs. 36,351 (Rs. 11,405) to capital reserve and Rs. 12,000 (*nil*) to development rebate reserve.

The following comparative table provides an idea of the Company's progress in working during the past two years:

(In lakhs of rupees)

	For the year ended 30th June		
	1958	1957	1956
Sale proceeds and other income	304 90	330.37	308 02
Closing stocks of finished goods and work-in-progress	69 04	75.49	64.87
Raw materials and finished goods consumed	106 31	225 53	211 09
Other expenses	86 70	78 62	75 29
Gross profit	22 00	26 51	21 86
Provision for—Depreciation	2 45	1 99	1.91
Taxation	10 90	13 65	9 05
Net profit	8 65	10 87	10 00
Excess provisions written back	2.50	3 22	4.18
Transfer to reserves	1.87	2 09	3.55
Dividends—			
6% "A" cum. preference	1 03	1 07	1.11
8½% "B" cum. preference	2 14	2 22	2 31
Ordinary	6 00	6 00	6 00
	(15%)	(15%)	(15%)
Carry forward	9.13	9 03	6.33

The setback in the turnover is reflected in the fall in sale proceeds and other income and in the cost of raw materials and finished goods consumed. Closing stocks of finished goods and work-in-progress at Rs. 69.04 lakhs are also lower, as compared with Rs. 75.49 lakhs a year before. Of the rise in expenses, salaries, wages, bonus and pensions account for Rs. 4.38 lakhs at Rs. 46.16 lakhs and office and establishment for Rs. 1.35 lakh at Rs. 9.16 lakhs

A satisfactory financial position is disclosed by the Company's balance-sheet as at 30th June 1958. It has a paid-up capital of Rs. 100 lakhs, made up of Rs. 40 lakhs in ordinary shares of Rs. 10 each and the balance in two categories of A and B cumulative preference shares of Rs. 10 each. This is supplemented by reserves and surplus aggregating Rs. 93.18 lakhs. The gross block of a value of Rs. 123.83 lakhs stands written down to Rs. 55.22 lakhs, the depreciation provided so far being Rs. 73.61 lakhs. Buildings in course of construction is shown at Rs. 82,730. The current assets aggregate Rs. 204.10 lakhs and are equal to more than three times the current liabilities and the provision for taxation, amounting to Rs. 61.97 lakhs. Of the current assets, it is significant that the Company's quoted investments of a book value of Rs. 23.74 lakhs have a market value of Rs. 26.36 lakhs.

The Rs. 10 fully paid-up ordinary shares are currently quoted at Rs. 19.60 *cum-div.* (final dividend Re. 1). On an *ex-div.* basis, the yield is 8 per cent. per annum free of income-tax.

COMPANY MEETINGS AND DIVIDENDS

SPENCER AND CO., LTD. Annual General Meeting, Madras, 5th February 1959. Dividend: Re. 1.50 per share (includes interim dividend of Re. 0.50 per share), free of income-tax. Transfer books remain closed from 30th January to 5th February 1959, both days inclusive.

CHERRA-CHHATAK ROPEWAY CO., LTD. Annual General Meeting, Calcutta, 7th February 1959. Dividend: Re. 0.25 per share. Transfer books remain closed from 29th January to 7th February 1959, both days inclusive.

SMITH STANISTREET & CO., LTD. Annual General Meeting, Calcutta, 10th February 1959. Dividend: 16 per cent, or Re. 0.80 per share. Transfer books remain closed from 27th January to 10th February 1959, both days inclusive.

CHAMPARUN SUGAR CO., LTD. Annual General Meeting, Kanpur, U.P., 11th February 1959. Dividend: Re. 1.00 per share. Transfer books remain closed from 27th January to 11th February 1959, both days inclusive.

BIRDS INVESTMENTS LTD. Annual General Meeting, Calcutta, 18th February 1959. Dividend: Re. 0.70 per share. Transfer books will remain closed from 4th to 18th February 1959, both days inclusive.

SCINDIA STEAM NAVIGATION CO., LTD. Annual General Meeting, Bombay, 18th February 1959. Dividend: Re. 1.25 per share, free of income-tax, payable on or after 25th February 1959.

KHARDAH CO., LTD. Annual General Meeting, Calcutta, 19th February 1959. Dividend: Rs. 8.00 per share. Transfer books will remain closed from 3rd to 19th February 1959, both days inclusive.

BRITISH BURMAH PETROLEUM CO., LTD. Annual General Meeting, Bombay, 23rd February 1959.

NEW CENTRAL JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 23rd February 1959. Dividend: Re. 1.50 per share. Transfer books will remain closed from 16th to 23rd February 1959, both days inclusive.

ASHOKA CEMENT LTD. Annual General Meeting, Dalmianagar, 24th February 1959. Dividend: Re. 0.30 per share (being interim dividend). Transfer books will remain closed from 16th to 24th February 1959, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Interim dividend of 4 per cent. on ordinary shares, for the year ending 31st March 1959. Transfer books will remain closed from 4th to 11th February 1959, both days inclusive.

METTUR CHEMICAL AND INDUSTRIAL CORPORATION LTD. Interim dividend of 44 nP per ordinary share, free of tax for the year 1958-59. Transfer books will remain closed from 20th to 28th February 1959, both days inclusive.

BHOPAL SUGAR INDUSTRIES LTD. Dividend of Rs. 2.00 per ordinary share, free of tax, for the year ended 30th September 1958, payable on 1st April 1959. Transfer books will remain closed from 7th to 21st February 1959, both days inclusive.

BOMBAY SUBURBAN ELECTRIC SUPPLY LTD. Interim dividend of Rs. 3.00 per share, for the year ending 31st March 1959, payable on 3rd February 1959. Transfer books remain closed from 5th to 24th January 1959, both days inclusive.

HINDUSTAN ELECTRIC CO., LTD. Dividend of Re. 7.00 per share, for the year ended 30th April 1958, payable on 29th February 1959. Transfer books remain closed from 15th to 29th January 1959.

COMPANY REGISTRATIONS

ENGINEERING PRODUCTS PRIVATE LTD. (First Director: Mr. H. B. Patel.) Business: Manufacturers and dealers in machinery, plants, etc. Authorised capital: Rs. 25,00,000. Private company. The company is registered in the State of Bombay.

V. LILARAM CORPORATION (INDIA) PRIVATE LTD. (First Director: Mr. B. V. Lilaram.) Business: Importers and exporters. Authorised capital: Rs. 5,00,000. Private company. Mandvi Chambers, 3rd Floor, Samuel Street, Bombay-9.

SURFACTANT PRIVATE LTD. First Director: Mr. S. H. Sheth.) Business: Manufacturers and dealers in dyes and chemicals. Authorised capital: Rs. 5,00,000. Private company. Address: 28, Apollo Street, Fort, Bombay 1.

FOTO RESEARCH LABORATORIES PRIVATE LTD. (First Director: Dr. B. N. Purandare.) Business: To manufacture photographic materials. Authorised capital: Rs. 5,00,000. Private company. Address: 172A, Girgaum, Bombay 4.

GOPHIL LABORATORIES PRIVATE LTD. (First Director: Mr. B. G. Gandhi.) Business: Manufacturers and dealers in pharmaceuticals. Authorised capital: Rs. 5,00,000. Private company. The company is registered in the State of Bombay.

GREAVES DRONSFIELD PRIVATE LTD. (First Director: Mr. J. W. Dronsfield.) Business: Manufacturers and dealers in plastic and other materials. Authorised capital: Rs. 4,00,000. Private company. Address: 1, Forbes Street, Bombay-1.

LLOYDS BANK LIMITED

SATISFACTORY GROWTH IN VOLUME OF BUSINESS

RT. HON. SIR OLIVER FRANKS ON FREE WORLD'S NEED FOR CO-OPERATION, NOT EXCLUSIVENESS

THE Annual General Meeting of Lloyds Bank Ltd. will be held on 13th February at the Head Office, 71, Lombard Street, London, E.C. 3. The following is an extract from the circulated statement by the Chairman, The Rt. Hon. Sir Oliver Franks, G.C.M.G., K.C.B., C.B.E.:

"The profit for the year 1958, at £2,727,535, is £225,144 higher than last year and the dividends paid or proposed represent an effective increase from 13 per cent to 15 per cent allowing for the enlargement of the capital by the issue of one new share for every two shares held.

"The business of the Bank has shown a satisfactory growth over the year, and this applies to all categories of our domestic affairs; the number of our customers continues to increase as the banking habit spreads to a wider section of the population."

"The offers to purchase the ordinary and preference share capital of Olds Discount Company Ltd. were accepted to the extent of 99½ per cent of the ordinary share capital and 97¼ per cent of the preference capital. Steps are being taken to acquire the outstanding balance in each case. The purchases were made in conjunction with The National Bank of Scotland Ltd., and The Commercial Bank of Scotland Ltd., and have since been transferred to a new holding company, Lloyds and Scottish Finance Ltd., to which company the Commercial Bank of Scotland has similarly transferred its holding of shares in Scottish Midland Guarantee Trust Ltd. The Commercial Bank of Scotland and Lloyds Bank each hold 50 per cent of the capital of this company at a cost to us of £10,300,000.

"Our Bank has also subscribed for 2,000,000 new ordinary shares of 5s. 0d. each in Bowmaker Ltd. at 29s. 6d. per share, costing £2,950,000.

Eastern Branches

The year 1958 proved a difficult one for our Eastern branches. The continuing restriction on imports in both India and Pakistan has inevitably been reflected in a reduced call for our services; in addition to which we have during the year under review seen some decrease in the rather exceptionally heavy demand for bank advances which we experienced in 1957.

"In spite of these adverse factors our Eastern branches have succeeded in maintaining our business at a satisfactory level, thanks in no small measure to the high standards of loyalty and service of our officials and staff. We are grateful for all they have done during the year.

"I hope and believe that Lloyds Bank, with the benefit of the experience we have gained in past years, can continue to play its full part in furthering the interests of the countries in which we operate in the sub-continent."

Towards Convertibility

In the course of his review of economic affairs, Sir Oliver Franks said:

"Meeting at Bretton Woods in 1944 to thrash out a post-war monetary system, forty-four nations agreed that the interests of the world would best be served, after a transition period, by a regime of stable and convertible currencies, free of exchange restrictions and discrimination.

"The recent return to convertibility of the leading Continental currencies, and the merging of the official and transferable rates for sterling, clearly brings us a long step nearer to such a system than anything we have seen hitherto. It opens a fresh chapter in world currency relations, a new phase in which the dollar will be only one among many convertible currencies and in which, therefore, special discrimination against dollar goods will cease to have any point.

"The most disappointing feature of our situation has been the failure of production to expand. During the first decade after the war the world passed through a major boom. In the last two or three years the pace of activity has slackened, not only in this country but in North America and most other industrial countries. In our own case, after two years or more of stability at high level, production fell away perceptibly after the spring, though in recent weeks there have been signs of improvement. In the United States, on the other hand, after a very sharp decline in activity during 1957, a pronounced upswing had already set in before the middle of 1958, with the result that nearly the whole of the lost ground had already been regained by the end of the year. Whether, and if so at what rate, that recovery will be maintained is one of the outstanding questions in the world economic outlook.

European Economic Community

"On the long view, the most significant developments of the past year have been the entry into force of the Rome Treaty creating the so-called European Economic Community, and the attempt to bring into being, as an adjunct to the common market of the six countries of that Community, a free trade area that would include the United Kingdom and other members of the O.E.E.C.

"The aim is that in the end the economies of the six nations will be welded into a single economic unit of a great power. And this in an area which in 1957 took about £500 millions of this country's exports and a further £1,000 millions of goods supplied by the overseas sterling countries.

"It remains to be seen what direction the European Economic Community will take as it develops. It could become either a great area of complete free trade internally, trading liberally with the outside world; or it could become a discriminatory bloc.

"This is not just an issue between the Common Market and other industrial countries. The agrarian countries also have much at stake. To mention only a few examples, the countries of the European Economic Community take nearly a third of the exports of Ghana and Kenya, a quarter of the exports of Pakistan, getting on for a quarter of the exports of Australia and Nigeria.

"Apprehensions on the score of possible discrimination by the Common Market countries reinforce those which are felt in underdeveloped countries about the limitation of the outlets for their products by agrarian protectionism in Europe and in the industrial countries generally.

"The whole question of the trading relations between industrialised and less developed countries has been rendered a matter of lively international concern by the decline in commodity prices. The difficulties of developing countries are repeatedly stressed in the report of the Montreal Conference, where it was agreed that we must do all we can, "even to the extent of some sacrifice," to assist in their solution, knowing that in the end this would be of material benefit to us all. What the underdeveloped countries can reasonably demand is that their products should not be unfairly denied access to the markets of the industrial countries. Nobody supposes that agrarian protectionism is going to disappear overnight, in the Commonwealth or anywhere else; but the Commonwealth is at any rate committed in general terms to its reduction."

Sir Oliver concluded his review: "Co-operation, not exclusiveness; that, surely, must be the guiding principle throughout the free world. The arrangements between the six countries of the Common Market, the discussions in Montreal, are each in their own way recognitions of the growing interdependence between nations; yet neither of these groupings is sufficiently embracing by itself to provide a satisfactory answer to the problems they set out to solve. Our interest is that a solution should be found of the difficulties in the relations of the Common Market and of the developing countries with the rest of the free world which gives an extension of liberal trading policies over the widest possible area."

ASSOCIATED CEMENT COMPANIES LIMITED

TWENTY-SECOND ANNUAL GENERAL MEETING

SPEECH OF THE CHAIRMAN, MR. DHARAMSEY M. KHATAU

SPEAKING at the 22nd Annual General Meeting of the Associated Cement Companies, Ltd., the Chairman, Mr. Dharamsey M. Khatau, said:

"The year under review has been one of increased production and despatches, the latter having increased by 2.57 lakh tons. Nevertheless, we have ended the year with considerable diminution in the profits available for distribution mainly due to the aggregate burden of taxation and the mandatory development rebate reserve."

Basic Industry

"It is beyond one's comprehension," the Chairman continued, "that a basic industry which has such an impressive record of progressive performance, which has contributed so much to the country's economic progress and in which the public from all classes has invested so much with such confidence, should be expected to operate under the burden of such exactions. The result is a ridiculous position, in which everybody, with the sole exception of the shareholder, seems to come out on the right side, at any rate in monetary terms. But that is not by any means the end of this dismal story. The final net result of the last year's working of your Company affords ample proof of the serious effect of taxation policy on corporate finance. For, apart from depreciation, the net 'plough back' of profits after a whole year's working on a vast scale is only about Rs. 6 lakhs! And it is from this paltry sum that your Company is expected to meet not merely the cost of replacements and renewals at steadily rising prices but also the needs of an expanding business!"

Tariff Commission

"It is in this context," the Chairman stated, "that the recommendations of the Tariff Commission have to be examined. Your Company had high hopes that the Commission would be alive to the realities of rising costs and increasing taxation and would recommend a fair price, such as would cover *all costs* and leave a fair margin of net profit after tax. Unfortunately, our hopes have been belied and the only substantive outcome has been the award of a totally inadequate increase of Rs. 3.50 per ton in the ex-works price of our cement. And even here, the Commission's recommendation that this price increase should be retroactive from 1st January 1958 was rejected by Government without assigning any cogent reasons save that it would involve 'administrative and financial complications.'"

Fair Return

While commending the concept of 'fair return' on 'capital employed' accepted by the Tariff Commission as a welcome departure from past practice, Mr. Khatau remarked, "the substance of this 'fair return' on capital employed was taken away by the incomprehensible proposition that such return was intended to cover not merely taxation and dividend, but also such charges as the annual bonus to employees and the commission contractually payable to Managing Agents which were manifestly items of overhead costs. Moreover, while it can be accepted that any reserve that may be voluntarily created by a company out of its profits (and which can be drawn upon by the company at any time), should be ignored in fixing the 'return' to be allowed, such cannot obviously be the case with the mandatory reserve which is statutorily required to be made at 75 per cent. of the development rebate. But the price structure as now determined and which is to remain in force up to July 1961 totally ignores these considerations, with the result that your Company will have to provide for all these charges besides taxation and dividend out of the 12 per cent. return on capital employed that has been allowed to it in the price of cement.

"Your Company, therefore, submitted a representation to Government that items of cost such as stockists' commission, bonus to employees, Managing Agents' remuneration, etc., and the charge for 75 per cent. of the development rebate should be allowed as legitimate and necessary elements of 'overheads' in computing costs and that the price of our cement ex-works should be refixed accordingly. We also requested the Government to allow the price increase with retrospective effect from 1st January 1958 as recommended by the Tariff Commission, in view of the considerable loss of profits suffered by the Company since the time the industry's case was referred to the Tariff Commission in 1957. I regret to have to report that our proposals have not found favour with Government and the representation has been wholly negatived."

Expansion

Mr. Khatau reported that the various expansion projects of the A.C.C. were proceeding satisfactorily. The *dry-process* plant at Mancherial, which went into operation recently, though slightly higher in initial capital cost, would economise in coal consumption. The extensions to the Sindri and Chaibasa works had been completed and those of the Kymore and Shahabad works were proceeding satisfactorily. The Chairman also announced that the Company would manufacture blast furnace portland cement at Chaibasa by utilising the slag obtained under agreement from the T.I.S.Co. works at Jamshedpur.

Finance for Expansion Projects

Speaking about the enormous capital outlay involved in financing the Company's expansion and modernisation projects, Mr. Khatau stated: "As the internal resources of the Company were diminishing and as the funds which had been already raised through borrowing against debentures for Rs. 4 crores issued in 1954-55 and by the offer of equity capital were inadequate to meet these requirements, your Board has now made arrangements for obtaining further advances to the maximum limit of Rs. 5 crores on cash credit accounts from the Company's bankers against the security of 6 per cent. first mortgage debentures of a like amount ranking *pari passu* in all respects with the earlier debentures. The proceeds will be utilised partly for financing the immediate needs of our modernisation and expansion programme and partly for investment in the heavy engineering project set up in collaboration with Messrs. Vickers Ltd. and Messrs. Babcock and Wilcox Ltd., of the U.K."

A.C.C.-Vickers-Babcock Ltd.

The Chairman announced that a new company under the name of A.C.C.-Vickers-Babcock Ltd. had been formed and registered as a public company, with its headquarters in Bombay. The first Board meeting of the new Company was held on the 20th of January. "The authorised capital of the Company is Rs. 10 crores, of which about Rs. 5.4 crores will be subscribed and fully paid-up over a period of some three years. Your Company's share of this will be 49.8 per cent. while the two overseas shareholding companies will take up 24.9 per cent. each. The balance of 0.4 per cent. will be held equally by the four firms who are the principal shareholders in the Cement Agencies (Private) Ltd.

"The works of the new Company will be located at Durgapur, West Bengal. It will manufacture cement-making machinery, general machinery, pumps, water tube boiler plants and accessories and pressure vessels. Production is expected to commence in 1962 and the works will attain its target of full manufacturing capacity by 1965." The project is expected to save a substantial amount of foreign exchange and in course of time perhaps *earn* foreign exchange through export of machinery items.

"This project constitutes an important step in the diversification of your Company's activities. The returns will be slow, because it may take as long as seven years before any dividends begin to come in; but when they do, they will be sure, though not spectacular. In itself the project will be one of major significance in the national economy."

The Chairman expressed his thanks to the Government of India for their continued encouragement and guidance and to the Government of West Bengal for their assistance in acquiring land and other facilities at Durgapur.

Central Workshops

Referring to the A.C.C.'s Central Workshops, the Chairman reported that their surplus capacity was being utilised to meet the requirements of outside parties and said that these workshops would be operated integratedly with the works of A.C.C.-Vickers-Babcock Ltd.

Demand for Cement

Mr. Khatau then referred to the sharp drop in the demand for cement since August last and remarked: "Any further deterioration in the situation would compel us to curtail production. In fact, whereas at one time the Government of India were continually pressing us to expand production capacity even more rapidly than we thought either practical or prudent, they have been recently suggesting that we should curtail production. But the stand we have taken is that in the best interests of the country such a desperate remedy should not be resorted to until all other measures have first been tried to correct the imbalance between supply and demand."

The Chairman narrated how the cement target under the Second Five-year Plan was raised again and again—starting with 10 million tons in 1954 to 12.5 million tons in 1955 and then to 15 million tons or so in 1956. This was contrary to the industry's considered advice, based on a careful assessment of the market conditions then prevailing, that the target should be pitched at 8 million tons. Referring to this unrealistic target of 15 million tons, Mr. Khatau remarked: "In cement, as in most other basic industries, 'physical planning' based on a 'plan frame' held the field, in total disregard of all such relevant considerations as the availability of transport or resources (whether internal or external), or the relationship between over-rapid investment, deficit finance, costs and prices, or between demand and supply at any given level of costs and prices, etc."

Mr. Khatau then listed (a) the licensing of excessive capacities for new factories and for the extensions to old factories, based on fanciful targets; (b) the rapid pace of such expansion, which is running quite out of step with, and far ahead of, the demand for cement both for Government requirements and for private and industrial consumption; (c) the licensing of expansions at the wrong places and (d) shortage of reinforcement steel, as the main causes of the serious imbalance between supply and demand, and warned that "this imbalance will intensify as more and more production becomes effective every year between now and 1960-61."

Coming to the immediate causes of the sudden drop in demand, he hoped that the falling off in Government demands was temporary and that the offtake would soon pick up again and that as regards private and industrial demands the position would also improve gradually over the next year or so. He expressed some concern over the one million tons or so of additional cement capacity which would come into production in the meantime.

"In these difficult circumstances, and following upon the deliberations at a conference of cement producers convened by the Government of India in October last, we joined with other producers in submitting a memorandum to Government suggesting certain specific remedial measures. Among the more important of the suggestions so made were: (1) diversion of large quantities of cement to road building, (2) rapid promotion of cement exports, (3) suspending further work on licences for the expansion of existing factories and for the establishment of new factories in those cases where no substantial financial commitments had yet been made and (4) reduction in price by reducing the excise duty back to Rs. 5 per ton."

Regarding cement prices, Mr. Khatau observed that while the excise duty on cement was raised from Rs. 5 per ton in 1954 to the incredible figure of Rs. 24 per ton in 1958, "the price of cement remained steady at an average of Rs. 90 to Rs. 91 per ton packed (f.o.r. destination) until the middle of 1956 when, with the advent of State trading in cement, it was pushed up to Rs. 102.50 per ton. In May 1957, the price of packed cement was raised again to Rs. 117.50 per ton (f.o.r. destination), at which level it stands today."

Tax Burden

Referring to the tax burden which cement has to carry apart from excise duty, Mr. Khatau observed: "The other indirect tax burdens included in the price of cement—at any rate for A.C.C. cement—account for an aggregate average of Rs. 2.23 per ton (based on 1957-58 figures) for royalties, duties, sales taxes, municipal taxes, etc. This does not include the incidence of *direct* taxes such as income-tax, corporation tax, etc., because it may be objected that, being taxes on profits, they do not enter into the make-up of the price of cement. This is, of course, totally wrong, because in the case of commodities such as cement where the price is controlled and fixed by Government from time to time, not only the net profit element but also the direct taxes do enter *as a specific load* in the final make-up of the price so fixed. In the case of A.C.C. cement, the incidence of this load was Rs. 5.52 per ton based on 1957-58 figures.

"The total tax-loading (including excise duty) in the price of unbagged A.C.C. cement is therefore as much as Rs. 31.75 per ton ex-works as against the present ex-works selling price of Rs. 82 per ton (inclusive of excise duty). It is against this background that the suggestion to cut back the excise duty to Rs. 5 per ton must be considered because there is, I submit, ample justification for this proposal in the facts I have just outlined. It should also not be overlooked that excise duty was increased in 1957 and 1958 with the specific purpose of inhibiting demand when cement was in short supply. This purpose it has served admirably; but today, when there is urgent need to stimulate demand and increase sales, the high excise duty is acting as a serious deterrent.

"As I have said earlier, it would be quite wrong to attempt to resolve the present surplus situation by recourse to desperate measures such as curtailing production until all other remedies have first been tried. The various measures to which I have referred in this connection are designed, on the one hand, to increase the offtake in such directions as accelerated programmes for building cement roads and exporting cement to the near markets and, on the other, to stimulate demand by a substantial, necessary and fully justifiable reduction in price by reducing the load of excise duty.

Labour-Management Relations

Turning to labour-management relations, the Chairman stated: "Except at the two collieries our relations with employees at our various works continued to be harmonious. I would like to congratulate our employees and trade union officials at the various factories on their growing sense of realism, maturity and increased awareness of their responsibilities in our common and joint endeavour.

"We have reached three-year agreements with the workers' unions at Katni, Kistna, Dwarka, Lakheri and the new works at Mancherial. These bring the total number of works covered by such agreements to eleven. Though it is too early to evaluate the results of these settlements, it is evident that they have been beneficial both to workers and management, by fostering goodwill and mutual trust, and ensuring smooth working, better emoluments and minimum loss of production time through industrial strife."

Wage Board

Referring to the Central Wage Board for the cement industry constituted by the Government of India, the Chairman observed: "The responsibility lies squarely on employers as well as on labour to put all relevant facts before the Wage Board and to assist the Board in arriving at correct conclusions. An even heavier responsibility lies on the Board itself to make recommendations, after a thorough study, which will be found acceptable to labour as well as to employers."

Shares for Employees

Mr. Khatau announced that the 12,202 shares of the new issue which had been offered to permanent employees as they had remained unapplied for by shareholders, had been fully subscribed for by the employees.

Bonus

The Chairman expressed regret that due to the substantial reduction in net profits, the Directors were compelled not only to reduce the net appropriations to reserves and to lower the dividend to 8.5 per cent., but also to scale down the bonus to employees to one-fifth (instead of one-fourth) of their annual basic salaries. The Chairman concluded by recording the Company's warm appreciation of the unremitting hard work and unstinted co-operation of all the Company's employees.

Note: *This does not purport to be a report of the proceedings of the annual general meeting which will be sent separately to shareholders on request.*

KHARDAH JUTE EARNS HIGHER PROFIT

RESULTS OF DECCAN SUGAR GOOD

Khardah Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Anderson Wright Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The revenue account after deduction of all working charges and commissions shows a profit of Rs. 10 69,427 (Rs. 8,43,192) to which is added the amount brought forward from last year of Rs. 27,027 (Rs. 56,928) making a total of Rs. 10,96,454 (Rs. 9,00,120). After providing for depreciation Rs. 4,94,127 (Rs. 3,43,643), for taxation Rs. 64,128 (Rs. 43,450) and for development rebate reserve Rs. 6,366 (*nil*) there remains an available balance of Rs. 5,31,833 (Rs. 5,13,027). Which the directors recommend be dealt with as follows:—

For payment of dividends for the year ended 31st March 1958, without any deduction in respect of income-tax paid by the Company:—On preference shares at the rate of 6 per cent. per annum absorbing Rs. 54,000 (Rs. 54,000) and on ordinary shares at the rate of Rs. 8 (Rs. 8) per share absorbing Rs. 4,32,000 (Rs. 4,32,000) leaving to be carried forward Rs. 45,833 (Rs. 27,027).

In compliance with the working time agreement of the Indian Jute Mills Association, the Mills worked during the period under review, and are still working, 48 hours per week with 12½ per cent. of the total complement of looms sealed.

Since the directors' last report the working condition of the industry has improved to a certain extent. Till the end of January 1958 sacking constructions were showing good manufacturing profit although prices of hessian cloth were uneconomic. Later, however, the prices of raw jute started declining rapidly with consequent fall in prices of manufactured goods and in February 1958 the Indian Jute Mills Association decided to recommend to the Member Mills not to sell manufactured goods below Rs. 39.50 for 40" x 10 oz. Hessian cloth and Rs. 100 for heavy cees and B. twills. This step was primarily intended to arrest the decline in the fibre prices in order to ensure a satisfactory jute crop for the ensuing year, i.e., 1958-59. The prices in all sections showed considerable improvement thereafter, although these remained below the minimum level fixed by the Association from time to time. In July 1958 markets reacted sharply to the Middle East crisis and prices of sacking as well as hessian cloth went appreciably above the minimum level.

The recession in trade in the United States was practically overcome by the middle of the year 1958 and since then the consumption of burlap in that country has improved very considerably. The stocks of hessian cloth which continued to rise till June 1958 started declining and by the end of December 1958 stood at only 15,800 tons, which is the lowest figure for the last decade. As a result of the increased offtake of hessian cloth, prices in this section remained at a high level throughout the latter half of the year 1958. Prices of sacking constructions which remained at a higher level than the minimum during the months of July and August 1958, started falling steeply since the beginning of September and have been a source of constant worry to the jute mills. The bumper jute crop of this year resulted in heavy fall in the prices of raw jute and these also have been causing a very serious concern to the industry as well as the Government. In order to prevent a further fall in the prices of the fibre the Indian Jute Mills Association in consultation with the Government of India have recommended to the Member Mills to maintain the minimum price agreement arrived at in February 1958 but sacking constructions are still ruling below the minimum level in spite of all effort's by the industry as well as the Government. The fibre prices have come down to what may be considered as an uneconomic level for the cultivators and although the industry is having at present a good manufacturing margin it is apprehended that the present level of prices of raw jute will seriously hamper the jute cultivation during the coming year which may result in unsatisfactory working conditions again.

The East India Jute and Hessian Exchange started its operations from the end of March 1958 and has since been functioning satisfactorily as a regulated futures market, although it is too early to say that the desired stabilisation of prices has been achieved. It must, however, be mentioned to its credit that the directors of the East India Jute and Hessian Exchange have taken timely and appropriate measures which have saved the catastrophic fall in the raw jute prices.

As a result of bumper jute crop during the present year it is felt by Government of India as well as the jute trade that a limited quantity of raw jute must be exported in order to improve the prices of raw jute. The Government have entrusted the State Trading Corporation with the task of carrying on the export trade and it is hoped that after a period of nearly 10 years India will start its export business in raw jute again.

The modernisation programme of the Mills continues according to schedule. The machinery for the 3rd and 4th phases of the modernisation programme has started arriving and several units have already commenced working. As a result of modernisation certain workers who were rendered surplus created dissatisfaction amongst other workers resulting in a strike by the workers and the Mills remained closed from the 8th March 1958 to the 15th March 1958.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	63,00,000	Gross block	2,00,52,835
Reserves ...	23,39,741	*Less*—Depreciation ...	1,26,97,897
Provision for taxation ...	43,000		
Liabilities ...	1,22,13,186	Net block ...	73,54,938
Profit and loss account ...	45,833	Stock-in-trade	84,23,992
		Stores ...	16,47,771
		Debts, deposits and advances ...	26,48,773
		Investments	1,55,574
		Cash ...	7,10,712
Rs.	2,09,41,760	Rs.	2,09,41,760

Deccan Sugar and Abkhari Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Parry and Co., Ltd., Madras) submitted the audited accounts of the Company for the year ended 31st May 1958.

The net profit for the year before providing for taxation was Rs. 30,39,224 (Rs. 26,54,871) upon which taxation amounts to Rs. 17,57,581 (Rs. 17,05,211) leaving a net profit after taxation of Rs. 12,81,643 (Rs. 9,49,660). To this should be added the surplus brought forward from last year amounting to Rs. 1,16,220 (Rs. 1,23,240) making the profit available for appropriation of Rs. 13,97,863 (Rs. 10,72,900). Out of this amount the following appropriations have been made by the directors:

To capital reserve Rs. 32,000 (Rs. 30,000), to general reserve Rs. 3 00,000 (Rs. 3,00,000), to dividend equalisation reserve Rs. 1,50,000 (*nil*), to dividends, free of income-tax, for the year on preference share capital, 7 per cent. absorbing Rs. 49,000 (Rs. 49,000) and on ordinary share capital: an interim dividend of 5 (5) per cent. absorbing Rs. 1,99,200 (on old capital Rs. 99,600), and a final dividend of 13 (12) per cent. (including a special dividend of 3 per cent.) absorbing Rs. 5,17,920 (Rs. 4,78,080 on increased capital) leaving a surplus to be carried forward to next year of Rs. 1,49,743 (Rs. 1,16,220).

Reserves: As at 31st May 1958 the capital and revenue reserves and surplus of the Company, excluding the taxation equalisation reserve, aggregated Rs. 28,46,243 as against Rs. 23,30,720 last year.

Financial Position: The Company's financial position has improved considerably and the excess of current assets over current liabilities and provisions amounted to Rs. 44 lakhs as at 31st May 1958 as compared with Rs. 22 17 lakhs last year.

Review of Operations: *Samalkot*: The 1957-58 season started on 29th November 1957 and finished on 14th May 1958. During this period 1,11,567 tons on cane were crushed and 10,015 tons of sugar were produced as compared with 1,16,881 tons of cane crushed and 10,822 tons of sugar produced during the previous year.

Pugalur: The 1957 special season started on 20th August 1957 and finished on 12th November 1957. 66,028 tons of cane were crushed and 5,805 tons of sugar were producer at a recovery of 8.79 per cent. The main season for 1957-58 started on 1st December 1957 and finished on 7th June 1958. At the request of the ryots the season was extended by 7 days in June to crush unregistered cane. A total of 1,61,179 tons of cane was crushed and 15,083 tons of sugar were produced at a recovery of 9.36 per cent.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	46,84,000	Gross block	1,19,44,328
Reserves ...	50,19,492	*Less*—Depreciation ...	66,95,463
Provision for taxation ...	31,00,052		
Liabilities ...	1,11,41,482	Net block ...	52,48,865
Profit and loss account ...	1,49,743	Buildings and plant under construction	3,90,403
		Stock-in-trade	1,19,27,184
		Stores, etc. ...	26,00,489
		Debts, deposits and advances ...	22,18,308
		Investments	3,94,740
		Cash ...	13,14,780
Rs.	2,40,94,769	Rs.	2,40,94,769

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

Notices

THE BHOPAL SUGAR INDUSTRIES LIMITED

NOTICE

THE FIFTEENTH ANNUAL GENERAL MEETING of the Bhopal Sugar Industries Limited will be held on Saturday, the 21st February 1959, at 2-30 p.m. (S.T.), at the Registered Office of the Company, Sehore, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 30th September 1958.
2. To declare Dividends on Preference and Equity shares.
3. To elect a Director in place of Shri K. H. Bhiwandiwalla who retires under the Articles of Association of the Company, and to consider, and if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice as required by Section 261 of the Companies Act, 1956 has been received by the Company and the relative explanatory statement concerning which is annexed hereto as prescribed by Section 173 of the said Act.

   "RESOLVED that pursuant to the provisions of Section 261 and other relevant provisions (if any) of the Companies Act, 1956, Shri K. H. Bhiwandiwalla who retires by rotation under the Articles of Association of the Company, and who is also a Director and member of A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd., the Managing Agents of the Company, be and is hereby re-appointed a Director of the Company."

4. To elect a Director in place of Shri Jayantilal J. Mulji who retires under the Articles of Association of the Company, and to consider, and if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice as required by Section 261 of the Companies Act, 1956 has been received by the Company and the relative explanatory statement concerning which is annexed hereto as prescribed by Section 173 of the said Act.

   "RESOLVED that pursuant to the provisions of Section 261 and other relevant provisions (if any) of the Companies Act, 1956, Shri Jayantilal J. Mulji who retires by rotation under the Articles of Association of the Company, and who is also a Director and member of A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd., the Managing Agents of the Company, be and is hereby re-appointed a Director of the Company."

5. To appoint Auditors for the current year and to fix their remuneration.

Notice is also hereby given that the Transfer Books of the Company will be closed from 7th February 1959 to 21st February 1959, both days inclusive.

By Order of The Board of Directors,

V. R. JHAVERI,
Secretary.

BOMBAY, 12*th January* 1959.

Note

(*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of himself, and a proxy need not be a member of the Company.

(*b*) If Dividends on shares as recommended by the Directors are passed at the meeting, the payments will be made to those shareholders whose names are on the Company's Register on the 21st February 1959. The payments will be made on and after the 1st April 1959.

(*c*) Shareholders are requested to intimate change, if any, in their registered address.

ANNEXURE TO THE NOTICE

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

To

THE SHAREHOLDERS OF
THE BHOPAL SUGAR INDUSTRIES LTD.

DEAR SIR/MADAM,

In conformity with the Companies Act, 1956, the following Explanatory Statement, as required by Section 173 of the aforesaid Act, sets out all material facts relating to the special business mentioned in the Notice dated the 12th January 1959.

Item No. 3: In respect of Item No. 3 of the Notice it is notified that Shri K. H. Bhiwandiwalla who is a Director of the Company and who retires by rotation under the Articles of Association of the Company, is also a Director and member of A. H. Bhiwandiwalla & Co. (Bombay) Private Limited, the Managing Agents of the Company. Under Article 122 of the Articles of Association of the Company the said Managing Agents are authorised to appoint two Directors as Ex-officio Directors, and they have in pursuance of the said authority, appointed Shri A. H. Bhiwandiwalla, and Shri Maneklal Ujamshi as Ex-officio Directors of the Company. Accordingly, under Section 261 of the Act, Shri K. H. Bhiwandiwalla cannot be re-appointed as a Director of the Company on retirement by rotation except by a Special Resolution passed by the Company and hence the necessity for passing the resolution set out in the aforesaid Notice. A special notice to move the resolution has been received by the Company from a member as required by the said Section 261. Shri K. H. Bhiwandiwalla has been a Director of the Company since long and has been associated as one of the Directors of the Managing Agents with the management of the affairs of the Company. As it is in the interest of the Company that it should continue to receive the benefit of his advice as a member of the Board, it is desirable that his re-appointment be made by Special Resolution in accordance with the provisions of Section 261 of the Act.

Item No. 4: In respect of Item No. 4 of the Notice it is notified that Shri Jayantilal J. Mulji who is a Director of the Company and who retires by rotation under the Articles of Association of the Company, is also a Director and member of A. H. Bhiwandiwalla & Co. (Bombay) Private Limited, the Managing Agents of the Company. Under Article 122 of the Articles of Association of the Company the Said Managing Agents are authorised to appoint two Directors as Ex-officio Directors, and they have in pursuance of the said authority, appointed Shri A. H. Bhiwandiwalla, and Shri Maneklal Ujamshi as Ex-officio Directors of the Company. Accordingly, under Section 261 of the Act, Shri Jayantilal J. Mulji cannot be re-appointed as a Director of the Company on retirement by rotation except by a Special Resolution passed by the Company and hence the necessity for passing the resolution set out in the aforesaid Notice. A special notice to move the resolution has been received by the Company from a member as required by the said Section 261. Shri Jayantilal J. Mulji has been a Director of the Company since long and has been associated as one of the Directors of the Managing Agents with the management of the affairs of the Company. As it is in the interest of the Company that it should continue to receive the benefit of his advice as a member of the Board, it is desirable that his re-appointment be made by Special Resolution in accordance with the provisions of Section 261 of the Act.

By Order of The Board of Directors,

V. R. JHAVERI,
Secretary.

BOMBAY, 12*th January* 1959.

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the members of the Company will be held at the Registered Office of the Company, 12, Mission Row, Calcutta, on Tuesday, the 24th day of February, 1959, at 3 p.m., to consider and, if thought fit, to pass, with or without modification, the following resolutions, namely:—

As a Special Resolution:

1. That the authorised capital of the Company be increased to Rs. 16,00,00,000 by the creation of 20,00,000 further Ordinary shares of Rs. 10 each.

As a Special Resolution:

2. That the Articles of Association of the Company be altered in manner following:

   Article 5(1) shall be deleted and the following substituted therefor—

   "5(1). The capital of the Company is Rs. 16,00,00,000 divided into 1,30,00,000 Ordinary Shares of Rs. 10 each and 3,00,000 Five per cent Cumulative Preference Shares of Rs. 100 each."

As an Ordinary Resolution:

3. That it is desirable to capitalise the sum of Rs. 2,07,34,830 out of the amount standing to the credit of the Share Premium Account as at the 31st March, 1958, and that such sum be capitalised accordingly and that such sum be applied in paying up in full at par 20,73,483 Ordinary Shares of Rs. 10 each to be allotted and distributed as fully paid bonus shares (hereinafter referred to as "Bonus Shares") to and amongst the holders of Ordinary Shares in the Company whose names appeared on the Company's Register of Members on the 22nd January, 1959, in the proportion of one Bonus Share for every five Ordinary Shares of Rs. 10 each held on that date and that the Bonus Shares shall rank in all respects *pari passu* with the existing Ordinary Shares of Rs. 10 each except that the Bonus Shares shall not rank for dividends for any period ending on or before the 31st March, 1959.
4. That the Chairman of this Meeting be and he is hereby authorised on behalf of the holders of the existing Ordinary Shares of the Company on the said 22nd day of January, 1959, to enter into an Agreement with the Company in the form submitted to this meeting and that such Agreement be and is hereby approved.
5. That the said 20,73,483 Bonus Shares be and they are hereby allotted and credited as fully paid up in pursuance of and subject to the provisions of the above-mentioned Agreement.

By Order of the Board,

MARTIN BURN LIMITED,

F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 28*th January*, 1959.

Note: (1) A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

(2) The Share Transfer Books and Register of Members were closed from the 12th to the 22nd January, 1959, both days inclusive.

(3) Definitive Certificates for Bonus Shares along with cheques in payment for fractional entitlements will be posted to the registered addresses of shareholders who are entitled or to their mandatees promptly after the resolutions are passed at the Meeting.

N.B.—Explanatory Statement as required by Section 173 of the Companies Act, 1956, has been sent to all Shareholders.

MONEY STRINGENT

(From Our Own Correspondent)

BOMBAY, 28*th January*

Inter-bank activity in the money market continues to be on a limited scale, due to paucity of floating funds and growing demand for bank credit. Banks' requirements are being mainly met by running down their deposits with the Reserve Bank and by taking fresh loans from the Reserve Bank and the State Bank of India. In spite of the stringency, the rate of interest on inter-bank borrowings among Exchange banks and big Indian banks is unchanged at 3½ per cent. this week also, as banks are unwilling to pay more. The rate among the smaller Indian banks is also maintained at 3½-3¾ per cent. *House money* at seven days' notice is being done at 3½-3¾ per cent. and short-term deposits fetch 3¼-4 per cent. for one to six months.

This week's sale of 91-day Treasury Bills has brought no better response than in the previous week, the total amount offered being unchanged for the third week in succession at Rs. 2.05 crores, against an invitation for Rs. 2 crores. The average rate of accepted tenders has hardened further to 2.50 per cent. from last week's rate of 2.49 per cent. Tenders for next week are unchanged at Rs. 2 crores. There have been no sales of Intermediate Treasury bills in the week ended 23rd January too. Nevertheless, they are being continued at Rs. 99.391 per cent.

The Reserve Bank of India statement for the week ended 23rd January 1959 show a shrinkage of Rs. 5.83 crores in notes in circulation, while notes held in the Banking Department have risen by Rs. 6.45 crores. Foreign securities disclose no change, but balances held abroad have maintained their upward trend, though the extent of rise during the week under review is small, being no more than Rs. 70 lakhs. This raises the total foreign assets to Rs. 198.03 crores. Central Government's deposits are higher by Rs. 3 crores, while those of other Governments and banks have declined by Rs. 5.14 crores and Rs. 4.02 crores, respectively. Loans and advances to Governments are lower by Rs. 46 lakhs and other loans and advances by Rs. 10.23 crores. Scheduled banks' borrowings against usance bills, however, have gone up by Rs. 1.62 crore.

The Scheduled banks' statement for the week ended 16th January 1959 shows a rise of Rs. 3.25 crores in demand deposits and a decline of Rs. 6.21 crores in time deposits. Inter-bank borrowings have fallen by Rs. 1.44 crore, while those from the Reserve Bank are higher by Rs. 5.97 crores. Advances show a fractional rise of Rs. 74 lakhs, while bills purchased and discounted are actually lower by Rs. 1.97 crore. Investments are almost unchanged, but cash balances have gone up by Rs. 2.60 crores. Money at call and short notice have declined by Rs. 1.14 crore.

The Gilt-edged market is featureless, with activity very much restricted in the absence of demand for Central Government securities. In fact, some of the loans have started looking down, though the fall in prices is small and is confined to select counters. State loans, however, continue to be in demand at higher prices.

3 per cent. 1986 Conversion Loan has suffered a drop of 15 nP to Rs. 74.15, while 3 per cent. 1970-75 is unchanged at Rs. 91, as also 3 per cent. 1966-68 at Rs. 93.95. 3 per cent. 1963-65 has had some enquiries and is quoted 10 nP higher at Rs. 96.90. Among the 3½ per cent. loans, 1963, 1964, 1965 and 1967, each is being quoted 5 nP lower at Rs. 100, Rs. 99.80, Rs. 99.65 and Rs. 99.10, respectively. 3½ per cent. 1968 has picked up 10 nP to Rs. 98.95. 3½ per cent. 1975 stands 5 nP higher at Rs. 98.55, following the rise in the official selling price. 4 per cent. 1960-70 is marked down by 5 nP to Rs. 100.75, while 4 per cent. 1972 has hardened by 5 nP to Rs. 101. Rs. 101.30 and 4 per cent. 1973 by 10 nP to Rs. 101. Among the State loans, Bombay 4½ per cent. 1970 has risen by 5 nP to Rs. 101.80 and 4½ per cent. 1967 has gained 10 nP to Rs. 101.80. 4 per cent. 1967 has 1969 by 10 nP to Rs. 100.60. West Bengal 4½ per cent. 1970 is higher by 10 nP at Rs. 101 and 4 per cent. 1964 by 5 nP at Rs. 100.15. Madras 4½ per cent. 1967 has shed 5 nP to Rs. 101, while 4 per cent. 1970 has put on 10 nP to Rs. 100.05. Mysore, Saurashtra, Madhya Bharat and Rajasthan loans have all been marked up.

There has been a further hardening of the rupee in terms of the U.S. dollar. Banks' selling rate of ready dollar is quoted at Rs. 476.50, as against Rs. 476.75 per $100 a week ago, and their buying rate at Rs. 473, as against Rs. 473.50 per $100. This is in tune with the growing strength of sterling abroad. In New York, spot sterling is being quoted ¼c. higher at $2.80.15/16-2.81. Three months' forward has gained ground from $2.80.7/16-2.80½ to $2.80-23/32-2.80¾.

KIPS TEND TO DECLINE

(From Our Own Correspondent)

MADRAS, 27*th January*

Arrivals of E.I. tanned hides and calves were of the usual volume, and prices showed a decline of 2 nP to 3 nP per lb. Shipment business with the U.K. was spotty and demand centred round mostly lower selections for which inland demand was brisk. U.K. buyers showed less interest in buff calf and cow calf skins and prices were expected to decline in this section.

As regards tanned skins, a few sales were made in premium marks at full prices and sellers did not seem to be anxious to take counter bids.

In the January London tanned skins public sales, prices of goat skins of good quality advanced by 3d. to 6d. on December levels, while those of sheep declined by 6d. when sold.

BULLION BUOYANT

(From Our Own Correspondent)

BOMBAY, 28*th January*

Buoyant conditions prevailed in the bullion market during the week under review and the prices of both silver and gold made a strident advance. The buoyancy was engendered by expectations of better demand for the precious metals in the coming weeks and the firmness of commodity markets. Reports from upcountry centres already received indicated signs of growing offtake. On the option settlement day on the 22nd inst., option dealers were keen buyers, while there was stopless buying by bears. Consequently, values registered a handsome improvement. Yesterday, when business in March silver delivery commenced, a prominent bull operator was reported to have extended his commitment in this position.

January settlement in silver opened the week distinctly firm at Rs. 195-3, as against Rs. 194-12-6 on the preceding day. After easing slightly on Friday, it moved up thereafter to touch a high of Rs. 195-14 yesterday before finishing at Rs. 195-12-6 at which level the settlement terminated. The February settlement spurted from Rs. 195-12 last week to Rs. 196-12 today. Towards the close, it was an anna lower. The carry-forward charge against bulls, after narrowing down from As. 15-6 to As. 13 on the 24th inst., widened again yesterday to As. 15-6. Business in March settlement commenced on Tuesday at Rs. 196-5. The quotation for this settlement today was Rs. 197-3.

Ready silver met with good buying orders and advanced from Rs. 194-12 to Rs. 196-4 today before closing at Rs. 196-3. The net gain over the week was Re. 1-7. The daily average arrivals and offtake were 13 bars and 12 bars, respectively. The floating stocks of silver are estimated at 1,400 bars.

In the gold section, January settlement, which stood at Rs. 117-11 on Wednesday last, improved to Rs. 118-4 and terminated at Rs. 117-12 on the 24th inst. February settlement rose from Rs. 117-15 to Rs. 118-8 today before finishing at Rs. 118-7.

Ready gold opened at Rs. 118-5, as against Rs. 118, and hardened on good buying support to touch Rs. 118-14 today. Towards the close, it was a shade easy at Rs. 118-13. The daily average arrivals of gold were 4,000 tolas, while the offtake was 3,500 tolas per day. The floating stocks of gold are reported to be around 25,000 tolas.

Ready silver in London rose from 76½d. to 76⅝d. and forward from 75⅞d. to 76⅜d. Gold in London declined steadily, the rate yesterday being 249s. 6¾d., as against 250s. 1d. on the 20th inst. Silver in New York remained unchanged at 90.375 cents throughout the week.

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

	28-1-59	Highest	Lowest	21-1-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (99 fine Mint)	118 13	118 14	117 11	118 0
Forward*	118 7	118 10½	117 10	117 15
Sovereign	74 6	74 6	73 12	73 8
SILVER				
Ready (.996 fine Mint)	196 3	196 4	194 14	194 12
Forward†	196 11	196 12	195 5	195 12
	76⅛d.	76⅛d.	76¼d.	76¼d.
London Silver Ready	76¾d.	76¾d.	75¼d.	75⅛d.
London Forward	249s. 6¾d.	250s. 1¾d.	249s. 6¾d.	250s 1¾d.
London Gold	90.375 c.	—	—	90.375 c.
New York Silver				

* 23rd February settlement. † 24th February settlement.

BLACK PEPPER RISES FURTHER

(Messrs. Parekh and Co.)

BOMBAY, 28*th January*

The firmness of Malabar black pepper reported last week continued unabated. Prices rose further under pressure of speculative buying and short-covering. The speculators switched their interest mainly to the specific delivery for the month of April, as the Bombay market was still below cost parity at all terminal centres and whatever arrived was taken up by consuming centres. The chances of any sizable export business failed to improve materially, as prices at almost all primary markets went up. This was considered to be a weak spot in the picture, since the major part of production was to be marketed.

Alleppey rallied from Rs. 587½ to Rs. 650. Garbled at Cochin for February delivery spurted from Rs. 100 to Rs. 115. Heavy fluctuations were seen on the forward ring, as the control of the market seemed to have passed into the hands of a couple of prominent bulls. Calicut improved from Rs. 625 to Rs. 710, with limited arrivals. With the advance in prices, growers became reserved sellers. Consequently, arrivals became restricted. This emboldened the bulls to push up prices almost daily.

Lampong pepper in Singapore showed a hardening tendency. Sizable business with New York was reported done at prices ranging from $0.22 to $0.23.

Spot in New York, after showing a temporary fall to $0.23, improved to $0.24¼, as inventories with the grinders were reported to be low.

Ready in Bombay hardened to Rs. 88. Arrivals were low, owing to higher replacing parity.

At the time of writing, Alleppey is reported quoting Rs. 625, while Cochin at Rs. 106 for garbled. Calicut is reported quiet at Rs. 680.

In A.S.T.A., January was done at $0.23¾, while Feb.-March at $0.24¼. In specific delivery, February is quoted at Rs. 595, while April at Rs. 615.

Today's nominal quotations are: Ready delivery Rs. 86 per Bengal maund, February Rs. 595-Rs. 600, April Rs. 615-Rs. 620 per candy of 5¼ cwts.

COTTON FUTURES SPURT

(From Our Own Correspondent)

BOMBAY, 28*th January*

The cotton futures market, which ruled easy from the commencement of the week till Saturday, staged a smart rally on Tuesday. The earlier easiness was attributed to heavy profit-taking and persistent liquidation prompted by weaker spot and upcountry advices. Yesterday's firmness was due to large-scale buying touched off by reports of unwanted rains in Vidarbha area and crop-killing snow in the Punjab. The crop in Punjab was already unsatisfactory and, with the weather taking an adverse turn, considerable deterioration in crop was feared. Weather news from the South and Gujerat and Saurashtra regions also was not encouraging. Under pressure of all-round buying orders, cotton futures spurted. The market ruled fully steady today.

I.C.C. Moglai Jarilla (March 1959) opened the week at Rs. 663.50 and, after improving slightly to Rs. 667.25, declined to Rs. 656 on Saturday. The market was closed on Monday it being Republic Day. The contract rose to Rs. 672 yesterday. Commencing today's session at Rs. 670, the contract improved to Rs. 671.50 before finishing at Rs. 670.25. The price trend of the contract is indicated below:

(In rupees per candy of 784 lbs.)

	28-1-59	*High*	*Low*	21-1-59
I.C.C. Moglai Jarilla (March 1959) ...	670.25	672	656	664.50

The spot section, which was quiet during the early part of the week, became active towards the close. The adverse crop reports prompted mills to make fresh purchases. Prices continued to rule firm. Ahmedabad mills were interested in Moglai Jarilla, Rajapalayam, Khandesh, Berar 0394, etc., also evoked interest. Vijay was well favoured.

The export section was dull. Foreign demand was practically negligible. Higher price of exportable styles and deterioration in the quality of crop were said to be keeping foreign buyers off the market. Meanwhile, it is reported that the proposal for sending a cotton delegation to Japan, Hong Kong, Western Europe and the U.S.A. has taken practical shape. The main object of the visit will be to renew personal contacts, study the requirements of these countries and how India can help in meeting them.

Activity on the import front came to a virtual standstill, thanks to the failure of the much-awaited import quota announcement to materialise. The quotas so far issued have been already exhausted and fresh business is not possible until further quotas are announced. Limited interest was noted for East African growths. Egyptian cotton was considered too dear *vis-a-vis*, Sudans, especially after the latest reduction in reserve prices.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 685; Berar Jarilla 735; Khandesh 820; Vijay 960; Jaydhar 920. *Delivery contracts*: Bengal 625; Mathia 610.

In contrast to the easy trend noted last week, Karachi cotton futures market ruled fairly firm during the week under review. There was good demand from mills, although export demand was poor. N.T.R.G. March improved from Rs. 61-12-6 last week-end to Rs. 62-4-6. The January contract expired on the 24th inst. at Rs. 62-4. The spot section was active. Prices of all varieties registered improvement. Sind *Deshi* was quoted one rupee higher at Rs. 65. Punjab *Deshi* advanced by a like amount to Rs. 58-8. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few other popular varieties of Pakistan cotton prevailing at Karachi:

4F Punjab Roller 62-12; S.G. 67-12; L.S.S. Punjab Roller 65-4; S.G. 69-4; N.T. Roller 66-8; S.G. 73-12. 289F Punjab Roller 73-4; S.G. 82-2.

Easy conditions prevailed in Alexandria cotton futures market during the week. The further reduction in the reserve prices of the Sudan Gezira Board had a dampening effect on the sentiment of operators in Alexandria cotton futures market. It was feared that Egyptian cotton would have to face renewed competition from Sudanese styles. Karnak January contract expired on the 26th inst. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: March 72.80; May 73.30. *Ashmouni*: February 64.10; April 63.95.

The Gezira Board is reported to have lowered its reserve prices once again For unsold stocks of 'S' cotton the reserves have been reduced from 112 penny points per pound to 162 penny points per pound while those for 'L' cotton have been lowered from 50 points per pound to 125 points per pound.

Reports on new crop developments continued to be very encouraging. According to some private advices, there is a distinct chance of the crop surpassing the 1956-57 season's record harvest of 626,630 bales (of 425 lbs. each). The weather has been very favourable to plant growth and insect infestation has been light. No announcement has been made about the selling policy for new crop by the Gezira Board.

Further gains were recorded by the Liverpool cotton futures market during the week under review. In the absence of selling pressure, and on the emergence of trade covering and investment buying, values advanced. Both the American and American type contracts registered improvement. Sudan contracts were inactive. Values were unchanged. The latest available quotations—in pence per lb.—from Liverpool are as follows:

American cotton one inch staple contract: March-April 22.75; May-June 22.20; July-August 20.85; October-November 20.00. *American cotton mixed growth contract*: March-April 23.05; May-

June 22.35; July-August 20.97; October-November 20.10. *Sudan*: January-February, May-June, July-August 24.75.

The New York *cotton futures* market ruled more or less *firm* during the week under review. The near deliveries in particular received good mill and trade support, and the quotations rose. The improvement would have been more marked but for reports of steady build-up in certified stocks.

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

(In cents per lb.)

	27-1-59	20-1-59	13-1-59
Spot	35.75	35.55	35.70
March	35.30	34.35	34.68
May	35.41	34.52	34.82
July	34.67	34.03	33.94

STAPLE FIBRE YARN IMPROVES

(From Our Own Correspondent)

BOMBAY, *28th January*

Easy conditions were in evidence in the yarn market during the week under review, with the exception of staple fibre yarns which were somewhat steady. Offtake continued to remain restricted with values moving further downward. Art silk yarn was subjected to pressure of deliveries from indigenous manufacturers against contracts entered into earlier. Arrivals of foreign imported yarns against export promotion licences were also reported to be heavy. Demand from important consuming centres was poor, due to low offtake of cloth. Despite firmness of raw cotton prices, cotton yarns continued to remain depressed. Weavers were reported to be reluctant to augment their stocks of yarn, as demand for handloom fabrics had not picked up. Prices would have shown a marked fall but for hopes that, with the advent of the hosiery season in the next few weeks, offtake of yarn would show some improvement. Staple fibre yarns, however, evoked good demand on expectations of enlarged offtake of staple fibre fabrics.

In the art silk yarn section, 150 Japan, 120 Italy and 150 Italy declined by 6 nP each to Rs. 4.94, Rs. 5.25 and Rs. 5.31, respectively. 120 Japan receded by 2 nP to Rs. 4.89. Among indigenous yarns, National Rayons 150 bright cones first grade lost a naye Paisa to Rs. 4.37, while 120 bright cones first grade were neglected at Rs. 4.38.

Cupressa Bamberg art silk yarn (60/1) February delivery encountered selling pressure and dropped Rs. 20 to Rs. 1,578. Spot 60/1 Cupressa eased by 18 nP to Rs. 8.19.

Staple fibre yarns, as stated earlier, elicited some support. February delivery (40x2) gathered Rs. 2 to Rs. 611. April delivery was steady at Rs. 617. Spot (40x2) Citys improved by 4 nP to Rs. 3.16. Kohinoors put on a naya Paisa to Rs. 3.31. Centurys were firm at Rs. 3.25. Among foreign yarns, Fujis strengthened by 7 nP to Rs. 8.94. Paramounts were fully maintained at Rs. 8.87.

In the cotton yarn section, sixty counts were neglected, Finlays being quoted at Rs. 65 and Raghuvamshis at Rs. 53. Among forty counts, Moderns changed hands at Rs. 25.25, same as last week. Minaxis, however, rose by 6 nP to Rs. 24.56. 32 counts Sarojas declined by 12 nP to Rs. 20.50. Moderns eased by a like amount to Rs. 21.25. Maduras were quiet at Rs. 21.75. Among thirty counts, Hinds were stagnant at Rs. 19.25. Twenty counts Moderns were dull at Rs. 16.25. Ten counts, however, were better, Moderns rising by 50 nP to Rs. 13.25, and Podars by 7 nP to Rs. 12.19.

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

	28-1-59	21-1-59
Art silk yarn (per case of 200 lbs.)—	Rs.	Rs.
120 Japan (per lb.)	4 89	4.91
150 Japan (per lb.)	4 94	5.00
120 Italy (per lb.)	5 25	5.31
150 Italy (per lb.)	5.31	5.37
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 February	611.00	609 00
40 x 2 April	617.00	617.00
40 x 2 Kohinoor (per lb.)	3.31	3 30
40 x 2 Century (per lb.)	3.25	3.25
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.12
20s Modern	16 25	16 25
30s Hind	19 25	19 25
40s Minaxi	24 56	24 50
60s Finlay	65 00	65.00

OILSEEDS BUOYANT

(From Our Own Correspondent)

BOMBAY, *28th January*

The impressive rally in prices of oils and oilseeds witnessed last week showed no signs of abatement during the week under review. Indeed, prices generally touched new high levels. The rise should be attributed to speculative support, particularly by certain North Indian interests and to demand from crushers. The margin considerations and the advice of the Forward Markets Commission proved of no avail. The spot prices, also moved ahead, particularly in view of relatively lower arrivals. The firmness of groundnuts gathered considerable momentum today following the announcement of the Central Government's decision to grant additional (bonus) quotas of H.P.S. groundnuts and groundnut oil for export up to the end of June 1959. The trade notice issued in this behalf by the Joint Chief Controller of exports gives the following details:

Quota holders will be allowed a quota of two tons of H.P.S. groundnuts for every ton of H.P.S groundnuts exported by them before the end of September 1958. Similarly, for every ton of groundnut oil exported by them up to the end of September 1958, they will be allowed three tons of *groundnut oil*. Export of H.P.S. groundnuts will be allowed in the form of kernels only. Shippers of H.P.S. groundnuts and groundnut oil should submit their applications along with the necessary documentary evidence, such as bills of ladings and export invoices and statement of the evidence as proof to show that they have actually shipped the goods on or before the end of September 1958, when the necessary allotment memos will be issued to them.

The Government of India has decided that all varieties of vegetable non-essential oils exported out of India on or after the 24th inst. will be granted rebate of excise duty at the rate of Rs. 104 per ton, as against Rs. 88 per ton admissible till then. In the case of exports of linseed oil, castorseed oil and tobaccoseed oil, however, full excise duty of Rs. 112 per ton is admissible, as has been the practice hitherto.

Distinctly bullish sentiments prevailed in the groundnut section. This was aided by lower levels of offerings. The upcountry operators lent support to the market. The impressive rally in prices led to heavy short covering. In the spot section, there was good demand both from *vanaspati* manufacturers and crushers. Groundnut February and May contracts which closed last week at Rs. 174.25 and Rs. 178.75 on a firm note, after experiencing minor fluctuations with a distinctly steady undertone, wound up the week at Rs. 179.62 and Rs. 184.37. Bold ready moved up from Rs. 35.25 to Rs. 36.37. Oil prices, in sympathy, advanced from Rs. 18.75 to Rs. 19.12.

There was sizable improvement in the castor-seeds section. Advices from abroad were, however, limited. Nevertheless, castorseed registered considerable gains mainly on account of special active support. There were rumours that Brazil's crop has been adversely affected by unfavourable weather conditions. It cannot, however, be overlooked that the soaring prices in castor oil widens the disparity between Indian and foreign prices. It is likely to affect adversely India's export business in castor oil. Castorseed May 1959 contract spurted by Rs. 5 to touch a high of Rs. 154.75 today. Ready Madras hardened from Rs. 29.25 to Rs. 30.50. Oil B.S.S. which closed last week at Rs. 16.19 rallied to Rs. 16.75.

The strength in other markets gave an impetus to the linseed section. There were unfavourable weather reports from the Punjab. Linseed May 1959 contract which stood at Rs. 32.50 last Wednesday, fluctuated between Rs. 32.31 and Rs. 33.06, but it secured renewed strength today to close at Rs. 33.25. Bold ready lost about 12 nP over the week to touch Rs. 35.50. Linseed oil, however, gained by 19 nP to close at Rs. 18.00 today. Persistent short-covering and scarcity of fresh offerings pushed up cottonseed prices. Firmness in the cottonseed cakes aided this improvement. Cottonseed February 1959 contract rose from Rs. 125.75 to Rs. 132.00 yesterday; it, however, reacted today in sympathy with the cotton market to touch Rs. 131.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	28-1-1959	21-1-1959	14-1-1959
Groundnut	Rs.	Rs.	Rs.
February 1959	179 62	174 25	168 25
May 1959	184 37	178 75	172 50
Bold ready	36 12	35 25	33 56
Coromandel ready	36 37	35 75	34 50
Khandesh quality	36 50	35 75	34 62
Oil ex-mill ready*	19 12	18.75	18.00
Railway receipts*	18.04	18.62	17.94
Castorseed			
May 1959	154.75	149 75	145 00
Ready Madras	30 50	29 25	28.75
Ready Kanpur	29 50	28 25	27 75
Oil B.S.S.†	16.75	16.19	15 87
Oil commercial†	15.50	14.94	14.62
Linseed			
May 1959	33.25	32.50	31.62
Bold ready	35.50	35 62	35.50
Oil ready†	18 00	17.81	18.00
Cottonseed			
February 1959	131.50	125.75	122.50
May 1959	127.25	122.25	118 50
Niger seed	29 00	28.25	27.75
Kardi seed	21.50	21.00	20.62

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 500 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR FIRM

(From Our Own Correspondents)

BOMBAY, *28th January*

The sugar market ruled firm during the week under review, in contrast to the distinctly easy trend noted last week. There was an overall rise of 50 nP per bag in ex-mill quotations. Traders feel that sugar production in the current season will be lower than in 1957-58. This factor, together with rumours regarding imposition of agricultural income-tax on sugarcane plantations in the forthcoming Central Government budget and levy of excise duty on *khandsari*, has imparted much strength to the market. There are also expectations of upward revision in ex-mill prices of North Indian sugar and cane prices.

Arrivals of sugar by rail into the market during the week were small, being just 12,710 bags, as against 23,360 bags last week.

Large grain sugar advanced by a rupee to Rs. 113-Rs. 118 per bag. Medium grain gained a like amount to Rs. 109-Rs. 112. Small grain was done at Rs. 103.

HAPUR, *26th January*

The sugar market ruled quiet during the week, due to better supplies following a further release of 165,000 tons for free sale by the Government of India. Crushing here in west U.P. is in full swing and the cane supply is reported to be adequate, but, on the whole, the sugar production in the country is tending to decline. The supplies of cane to factories in U.P. is being threatened again as strike has been announced from 5th February if cane price is not increased from Re. 1.44 to Rs. 17.75 per maund.

The Muzarfarnagar sugar market ruled quiet. Crystal spot delivery old Deoband C29 moist was quoted at Rs. 35, new Deoband D29 at Rs. 37, Saharanpur D29 at Rs. 37, Rohana D29 at Rs. 37 and Shamli D29 at Rs. 36.75. Mill delivery rates were: Rohana B28 Rs. 36.75; Raja D29 Rs. 36; Iqbalpur A29 Rs. 37.75; Khatauli A29 Rs. 37.75; B29 Rs. 37.12.

Sugar prices at Kanpur were quiet in the absence of new urges. The latest prices were: Ex-mill controlled Rs. 36 per maund; spot per bag C29 Basti Rs. 104-4; Gola Rs. 103; D29 Gola Rs. 102; Rurhwal Rs. 101-12; Tulsipur and Belrampur Rs. 101-4; Lakhimpur and Hargaon Rs. 101 per bag.

Khandsari ruled quietly steady. *Khandsari* of crystal quality is also being manufactured. This is being quoted lower than mill crystal. The *khandsari* manufacturers are buying cane upto Re. 1.37 per maund. The prevailing prices were: superior Rs. 30 to Rs. 35; inferior moist Rs. 26 to Rs. 29 per maund.

Ready *gur* registered an improvement of about Re. 1 per maund during the week, as arrivals were low, following cloudy weather and some rains. Continued bull support from speculators was also a bullish factor. The total arrivals from the beginning of the season were 403,000 maunds, as against 290,000 maunds in the corresponding period last year. The latest prices were: *gur pansera* Rs. 15.75 to Rs. 16; *Balti* Rs. 16.75 to Rs. 17, *shakker* Rs. 17.

Gur recorded fractional gains in the Muzaffarnagar market where arrivals averaged 6,000 to 7,000 maunds daily. The latest prices were: *chaku* Rs. 17.25; *pansera* Rs. 16; *ladu* Rs. 16; *shakker dara* 17; *masala* Rs. 18.

Future *gur* prices moved both ways during the week but the undertrend continued to be bullish. Opening at Rs. 15.23 last Monday, *fagun* touched the highest at Rs. 15.78 in midsession and, on Saturday, it was done at Rs. 15.41.

JUTE GOODS DULL

(From Our Own Correspondent)

CALCUTTA, *27th January*

Although raw jute remained steady and a small rise in price was recorded for the best variety, jute goods were dull and uninspiring, in the absence of adequate business during the week under review. The steadiness in raw jute followed further purchases by the State Trading Corporation and the rumour that a few baling presses had been granted export quotas for raw jute. Business was in fact done for export in respect of a few thousand bales at about £88 per ton. Sacking goods were dull, and B. twills were throughout the week well below the I.J.M.A. minimum level. Sentiment was further chilled by the report that a well-established old firm of gunny brokers had decided to close down, as it felt that it was no longer remunerative to trade in sacking goods. Although, the December consumption of burlap in the United States showed a rise, hessian did not show any cheer, as the December-end stocks at 235.3 million yards were higher by 12.4 million yards. The news that no further shipments should be made from Calcutta until fresh import licences were granted by Argentina spread, and this shook the confidence of the market by a further marked degree.

Market circles felt that when prices of goods were continuously depressed in the absence of adequate business with overseas buyers, the best that could be done was to permit unrestricted exports of raw jute for some time at least. This, they said, would not only push up raw jute prices to a level, which will not only be fair to the cultivator but also contribute to confidence in goods also. The fact that prices of jute goods has for some time now continued to be much below the minimum prices and business at the reduced rates still left a margin of profit, in view of the heavy fall in prices of raw jute, made traders discuss the question whether it would not be possible to lower the minimum prices and thereby remove the hesitancy on the part of the foreign buyers. So, when the Committee of the Indian Jute Mills Association met to discuss the market conditions for jute goods, the expectation that the minimum prices would be lowered ran high and business was brought to a standstill. However, the Committee met and dispersed, and the minimum prices continued to be enforced at the existing levels. This brought further nervousness and foreign buyers were not attracted to enter the market. The possible thought in their minds would have been that an unreal relationship between the raw material and the manufactured goods' prices could not long be maintained; they, therefore, anticipated a corrective sooner or later. That explained for their wait-and-see attitude, which has driven away confidence from the market.

Earlier in the week, there was much selling pressure in the futures market and this contributed to depression in the ready market. Ready B. twills lost to Rs. 92.00 from Rs. 92.20, and ready hessian 40" 10 oz., although unchanged at Rs. 40.75, was extremely quiet. This was followed by some covering demand in the futures market, and, although business was lacking in the ready market, B. twills nominally recovered to Rs. 40.75. At this stage that is, on Wednesday, the news of increase in

United States burlap stock, both spot and afloat, was available, and this depressed hessian 40" 10 oz. to Rs. 40.60, and to Rs. 40.50 on Thursday. However ready B. twills registered a recovery to Rs. 93.05 on Thursday, as there was buying pressure in the futures. The market was closed on Friday on account of Netaji Bose's birth anniversary. After reopening on Saturday, small business continued to be done with hessian 40" 10 oz. remaining unchanged at Rs. 40.50 and B. twills at Rs. 93.00 being fractionally lower. There was no market yesterday being Republic Day.

In raw jute, the superior varieties picked up fractionally, while the poorer qualities remained unchanged at or about previous rates. The news that the State Trading Corporation released small quantities for export had only a small reaction, in view of the continued weakness in the manufactured goods market. Traders felt gravely that when, even in this year of near self-sufficiency, fibre prices had gone down much to the disadvantage of traders and cultivators, the situation in a year of self-sufficiency could be only anybody's guess. This way of thinking was provoked by reports that in Rajasthan displaced persons from Pakistan were bidding well to growing jute. They pointed out that the sooner India reverted to unrestricted raw jute export as in the pre-partition period, the better. Daisees bottoms February-March improved to Rs. 23 from Rs. 22, while Northern bottoms, at Rs. 20.50, were unchanged but steady.

TEA PRICES GAIN FURTHER

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

COCHIN, *22nd January*

Sale No. 3 which was held on Tuesday, 20th January amounted to 814,533 lbs. Teas from the Anamallais district showed a marked improvement, with a number of invoices having very useful quality. Nilgiri teas continued to show a seasonal improvement. The sale opened to a strong general demand from both exporters and internal buyers. The exporters competing strongly for the improved quality teas. Low medium brokens were fully firm, but equivalent fannings were dearer. The medium good medium and best liquoring teas met with useful competition and prices for these teas were higher following quality. There was a better demand for whole leaf teas, but tippy teas sold at dearer rates. The quotations were: low medium Re. 1.55 to 1.65, medium Re. 1.75 to 1.90, good medium Rs. 2.10 to 2.40 and quality Rs. 2.35 to 3.75.

The average price realised in Sale No. 3 was Rs. 2.11 per lb., as against Rs. 2.02 in the previous sale and Rs. 2.29 in the corresponding sale of 1958.

London Market:—*Sale of 19th January 1959.*—Better demand and dearer tendency, particularly for plain teas which were 1d. to 2d. higher.

Sale of 20th January.—Firm to dearer.

Colombo Market:—*Sale of 19th January 1959.*—Less demand. Highgrown brokens declined 20 to 30c. Good mediums down 15 to 20c. Plainer mediums down 10c. Lowgrowns 3 to 5c.

Sale of 20th January 1959.—*Offgrades* good demand. Black leaf sorts firm. Other kinds slightly lower.

Calcutta Market:—*Export.*—66,000 chests. Good general demand. Plain and medium B.P. occasionally dearer. Similar pekoe fannings less enquiry. C.T.Cs firm.

Internal.—17,500 packages dust. Good general demand. Grainy orthodox 4 nP easier. Powdery types strongest. C.T.Cs irregularly dearer rates.

Export Quota.—The market has been easier, and very little business has been transacted during the week. Last business was done at 2¾ nP. There are sellers and possible buyers at 3 nP.

Forthcoming Auctions.—Sale No. 4 will be held on Tuesday, 27th January and Dust Sale 'B' on Thursday, 29th January.

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

"*Sale* No. 4.—900,000 lbs. Market irregular, rather less demand for low mediums which are barely steady. Mediums and best liquoring dearer following quality."

GOOD DEMAND FOR TEA DUSTS

(From Our Own Correspondent)

CALCUTTA, *27th January*

The weekly export auction was not held yesterday on account of Republic Day. During last week's sales for internal consumption, there was good demand, but prices followed an irregular pattern.

It was enthusiastically noted here that, despite an abnormal increase in the U.K. warehouse and about-to-be-landed stocks to 190.2 million lbs. in the week ended 16th January from 187.7 million lbs. in the previous week—incidentally these stocks created a post-war high record—fully steady conditions were in evidence in the last sales held in Mincing Lane.

Figures relating to tea shipments of North Indian tea up to 10th January from 1st April last, show a striking increase, as compared with those in the corresponding period of 1957-58. The total of all shipments comes to 337.7 million lbs. or 71.7 million lbs. more than in the same period of 1957-58. Countrywise, impressive increases are noted in shipments to the United Kingdom, the U.S.S.R., and the Middle East, at 231.3, 19.4 and 41.4 million lbs., as against 182.2, 10.8 and 30.1 million lbs., respectively. Exports to Europe and America show small increases at 11.4 and 22.9 million lbs., from 9.4 and 21.3 million lbs., respectively. Eire records a slight decline at 10.2 million lbs., as against 10.4 million lbs., followed by Far East and miscellaneous countries at 800,000 lbs. and 300,000 lbs., respectively, as against 900,000 lbs. each. These figures speak impressively, but the only comment in the tea trade was that if only an analysis was made according to value, that would unfold a different story. For prices realised during auctions have been much lower than in the previous season. All the same, the blessing in disguise is that these figures conclusively prove that world consumption is increasing along with the rise in world output.

The production figure for 1958 for North-east India is also now available, and as expected, a small rise at 551.1 million lbs. (as against 528.4 million lbs. for 1957) is recorded. Pakistani output amounts to 54.1 million lbs., recording an advance of 7.6 million lbs. Up to October, production in British East Africa was 52.1 million lbs., as against 46.8 million lbs.; up to September, Indonesia produced 73.6 million lbs., as compared with 73.5 million lbs. and up to November South India and Ceylon raised crops amounting to 148.1 and 375.3 million lbs. as against 139.4 and 369.6 million lbs., respectively. If, as expected, the figures for the closing months of the year showed increase, the net increase would even be larger than at present indicated. It is believed that an impressive increase in production in China has taken place; possibly also in other areas less significant.

Dusts on offer during last week's sale amounted to 17,455 chests. The star feature of the sale was the keen demand in C.T.C. descriptions. Medium descriptions and smaller powdery teas were taken at advancing rates, while the fibrous lots realised valuations. Although orthodox teas were in good demand, prices declined by 4 nP. There was keen competition for the smaller and powdery teas in the orthodox variety. Offerings of Darjeelings were limited, but these were irregular. Legg-cut teas tended easier. The quotations were: Best Assam C.T.C. Rs. 2.50 to Rs. 3.00 (nominal), medium Assam C.T.C. Rs. 2.00 to Rs. 2.20, medium Assam-grainy dust Re. 1.74 to Rs. 1.78, and medium Dooars Re. 1.74 to Rs. 1.78.

Leaf offerings amounting to 1,789 chests met with good demand at higher rates.

Export quota changed hands at 2½ nP; subsequently there were buyers only at 2 nP while sellers demanded 2¼ nP.

WHEAT PRICES RECEDE

(From Our Own Correspondent)

HAPUR, *26th January*

Quiet conditions prevailed in the foodgrains market during the week, thanks to better supply position of wheat with some arrivals by rail from east U.P. and increased sales by the Government through fair-price shops. Beneficial rains for the standing *rabi* crops during the week also acted as a depressing factor. The U.P. Government has announced two measures to relieve the distress to people caused by high prices. One, ration cards are to be issued to all persons with a monthly income upto Rs. 250 per month, which was hitherto being allowed only for persons with incomes upto Rs. 150 per month. Two, it has been made obligatory on the part of all traders possessing 50 maunds or more of foodgrains for sale at any time to secure licence.

Wheat at Hapur registered a fall of about Re. 1 per maund during the week to be quoted now at Rs. 26.50 per maund for average quality and upto Rs. 28.50 for farm produce. In retail, wheat was quoted at Rs. 29 per maund. Apart from arrivals by rail from east U.P., some wheat was also flowing into the market from rural areas. Fall in wheat prices in Delhi and Punjab also acted as a depressing factor.

Rice, however, continued to rule steady, due to restricted supplies. The Government's procurement plan from surplus areas was progressing satisfactorily. Prevailing prices of rice here were: *basmati sela* Rs. 32; *mainpuri* Rs. 22.25; *raimunia* Rs. 27 per maund.

The bullish trend in the gram section continued unabated and prices touched all-time new heights, due to poor supplies and sharp advance in prices in Punjab. Barley and *bejhar* ruled quiet. Trading was limited, due to poor demand. Maize continued to attract good seasonal demand and prices were unchanged, as stock position was comfortable with fresh arrivals from outside and bright prospects of *rabi* crops due to timely winter rains. *Bajra* registered downward trend, due to fall in seasonal demand, but *jowar* and *guwar* sought higher levels on account of poor local stocks. The prevailing week-end prices (in rupees per maund) gram *punjabi* 23.25; barley 17.50; *bejhar* 18.25; *maize* 16.25 to 16.50; *bajra* 16.62; *jowar* 15.25; *guwar* 15.50.

Pulses were devoid of notable activity. Peas was nominally quoted at Rs. 20 to Rs. 21 per maund, due to very poor stocks left and dormant demand. *Arhar* stocks were running down to be put at 10 *khatties* now. Urd and *moong* improved slightly to be quoted in the week-end at: *arhar* Rs. 22; *arhar dal* Rs. 26.50; *urd* Rs. 19; *moong* Rs. 21.50 to Rs. 24; *massoor* Rs. 18.25 per maund.

LINSEED WELL MAINTAINED

(Messrs. A. Bradley and Co.)

CALCUTTA, *27th January*

There has been no change in the linseed market. The undertone is firm and prices are well maintained. Only small business has been reported with neither buyers nor sellers showing much interest. The oil market is dull. Prices have shown no change, but few enquiries have been received.

The latest quotation for ready-January is Rs. 27 per maund.

PLANTING

(Concluded from page 152)

that the vegetative growth of coffee in those areas was vigorous and full of promise, but it was too early to say anything of the possibilities of growing coffee there on an economic basis, as also of the quality of the output. The Governments of Mysore, Bombay and some other States are also equally keen on growing more coffee. While the cases of Assam and West Bengal were considered by the Coffee Board Chairman as exceptional, in view of the peculiar circumstances there, he felt that it would be wise to go slow in the matter of extension of area under coffee in the context of the present world coffee position.

FOR RAIL PASSENGERS

DOES YOUR LUGGAGE CONTAIN JEWELLERY, PRECIOUS STONES, WATCHES, SILKS, SHAWLS, CAMERAS, MUSICAL INSTRUMENTS OR OTHER "EXCEPTED ARTICLES"?

If so, you are advised that when you entrust such articles to the care of the Railways for carriage and the value of such articles in any one package exceeds Rs. 300/-, you should

(1) **declare their value in writing at the time of booking, and**

(2) **pay a percentage on the value so declared, over and above the normal freight charges,**

failing which the Railways will not accept liability for the loss, destruction, deterioration of or damage to such articles. The articles named above and many others you will find listed as "Excepted Articles" in the I.R.C.A. Coaching Tariff No. 17.

The Station Master of the nearest station will give you detailed information if you contact him.

CENTRAL AND WESTERN RAILWAYS

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 23rd Jan., 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	55,23,12,000
(2) Other Governments	41,99,92,000
(b) Banks	68,17,65,000
(c) Others	115,44,42,000
Bills Payable	19,72,26,000
Other Liabilities	32,69,94,000
Rupees	446,27,31,000

Assets	Rs.
Notes	12,99,13,000
Rupee Coin	1,90,000
Subsidiary Coin	3,25,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	11,71,82,000
Balances held abroad*	33,35,54,000
Loans and Advances to Governments†	23,93,89,000
Other Loans and Advances	84,70,14,000
Investments	268,34,78,000
Other Assets	11,16,86,000
Rupees	446,27,31,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 4,83,01,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	12,99,13,000	
Notes in circulation	1623,87,19,000	
Total Notes issued		1636,86,32,000
Total Liabilities		1636,86,32,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		134,61,77,000
Government of India Rupee Securities		1219,80,96,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1636,86,32,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	16th Jan., 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1629.70	1627.36	1589.06	1540.25
Notes held in Banking Department	35.05	6.54	8.97	14.49	10.76
Foreign Securities	59.50	164.68	164.68	164.68	245 54
Rupee Securities	37.39	1219.80	1219.79	1184.76	1056.82
Banking Department					
Deposits of:					
Government of India	14.39	52.23	66.15	54.04	52.11
Other Governments	..	47.14	10.88	18.82	31.35
Balances held abroad	10.06	32.60	27.04	23.97	42.20
SCHEDULED BANKS					
Demand Liabilities	134.36	716.26 (20.90)†	713.75 (21.64)†	706.28 (19.11)†	713.85 (14.02)†
Time Liabilities	102.24	897.57 (25.51)†	904.49 (26.21)†	922.00 (35.90)†	690 21 (18.00)†
Borrowings from Reserve Bank	..	41.26 (3.21)‡	35.29 (2.24)‡	10.80 (0.82)‡	33.42 (30.65)‡
Borrowings from State Bank	..	8.98	8.94	6.14	9.00
Cash in India	6.70	41.48	40.67	39.47	39.26
Balances with Reserve Bank	25.17	69.19	67.40	72.91	59.97
Excess over statutory limits	15.52	15.43	13.63	19.16	10.50
Balances with other banks in current account in India	..	13.86	13.72	13.18	11.45
Money at call and short notice in India	..	35.62	36.76	41.61	43.72
Investments (at book value)	..	633.46	633.65	642.79	434.36
Advances and bills	105.9	905.03	901.52	860.05	889.99
STATE BANK					
Deposits	87.76	464.82	464.87	475.21	371.05
Investments	51.99	285.48	284.93	286.71	184.06
Advances	30.85	178.53	179.91	167.00	183.96
Cash	14.69	30.14	27.32	33.13	23.43

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R=Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.50	3.61
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	8	4
Finland	20th April, 1956	5	6½
France	16th Oct., 1958	5	4½
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4¼
Italy	7th June, 1958	4	3 50
Japan	Sept., 1958	7.67	7.30
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2¾
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	23rd Oct., 1958	2	2½
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 23rd Jan., 1959

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		473,83,42,000
Borrowings from Other Banking Companies, Agents, etc.		10,03,00,000
Bills Payable		6,55,71,000
Bills for Collection being Bills Receivable as per contra		2,35,77,000
Acceptances, Endorsements and Other Obligations per contra		1,06,62,000
Other Liabilities (including Inter-Office Adjustments)		1,07,81,000
Total .. Rs.		507,59,83,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		22,88,54,000
Balances with other Banks		3,05,38,000
Money at Call and Short Notice		2,26,06,000
Investments:		
Government and other Trustee Securities	273,35,71,000	
Other Authorised Investments	11,70,96,000	
		285,06,67,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	165,91,94,000	
Bills Discounted and Purchased	13,00,78,000	
		178,92,72,000
Bills Receivable being Bills for Collection as per contra		2,35,77,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,06,62,000
Premises less Depreciation		1,21,87,000
Furniture and Fixtures less Depreciation		95,75,000
Other Assets (including Inter-Office Adjustments)		9,79,85,000
Total .. Rs.		507,59,83,000

Scheduled Banks*

Statement of Affairs for the week ended 16th Jan., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	20,90,22,000
(ii) Other demand liabilities	695,35,82,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	25,50,83,000
(ii) Other time liabilities	872,06,01,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	8,58,23,000
(ii) Time liabilities	40,00,000
Borrowings in India from the Reserve Bank of India‡	41,26,36,000 (3,21,01,000)
Cash in India	41,48,29 000
Balances with the Reserve Bank in India	69,18,52,000
Balances with other banks in current account in India	13,85,94,000
Money at call and short notice in India	35,61,98,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	633,45,71,000
Advances in India	772,82,67,000
Inland Bills purchased and discounted in India	91,65,05,000
Foreign Bills, purchased and discounted in India	40,54,84,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in braket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
				Per cent.	Rs.
1958					
4th November	4.00	10.00	4.00	2.458	99.385
5th to 7th November*	3.50	—	3 50	2 396	99 401
10th November	4.00	7.20	4 00	2 430	99 390
18th November	4 00	5.03	4 00	2 458	99 385
19th to 22nd Nov.*	0 64	—	0 64	2 396	99 401
25th November	3 00	5.50	3 00	2.442	99.385
6th to 29th Nov.*	0.50	—	0 50	2.376	99 406
2nd December	3.00	4.55	3 00	2.423	99 390
3rd to 6th Dec.*	0.65	—	0 65	2 356	99 411
9th December	3 00	3.95	3 00	2 420	99 390
16th December	3.00	3.60	3.00	2.445	99.385
1959					
6th January	3.00	3.05	3 00	2 460	99.385
13th January	2 00	2.05	2 00	2.470	99.380
20th January	2.00	2.05	2 00	2 490	99 375
27th January	2.00	2.05	2.00	2.500	99.375
Total amount outstanding	33.29	..	33.29	..	..

* Intermediate Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 16th Jan., 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	85,83,10,000
(b) Provincial Governments	..
(c) Banks	16,40,50,000
(d) Others	5,66,10,000
Bills Payable	17,18,000
Other Liabilities	12,00,32,000
Rupees	126,07,20,000

Assets	Rs.
Notes	13,30,14,000
Rupee Coin	52,000
Subsidiary Coin	36,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	4,89,000
Balances held outside Pakistan*	13,03,60,000
Loans and Advances to Governments	9,50,00,000
Provincial Governments' Debtor Balances	4,27,17,000
Other Loans and Advances	17,89,98,000
Investments	59,10,81,000
Other Assets	8,89,64,000
Rupees	126,07,20,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	13,30,14,000	
Notes in circulation	346,67,03,000	
Total Notes issued	....	359,97,17,000
Total Liabilities	....	359,97,17,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	50,76,07,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
		116,85,70,000
B. Rupee Coin	4,43,99,000	
Government of Pakistan Securities	232,77,42,000	
Internal bills of exchange and other commercial paper	....	
		237,21,41,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	359,97,17,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.02 per cent.

EXCHANGE RATES

		28th January 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/32	1-6 1/32
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476.75	477.00
Buyers T.T.	Rs.	473.00	473 50
London on New York	$	2.80 11/16-2.80 13/16	2.80 11/16-2.80¾
London on Paris	Fcs.	13.76¼	13.75
London on Berne	Sw. Fcs.	12.10¼-12.10¾	12 09¾-12.10
New York on London	$	2.80 11/16-2.80 13/16	2.80 11/16-2.80¾

CLEARING HOUSE RETURNS

Centre	Week ended 23rd January, 1959: Number of Cheques	Amount Rs.	Week ended 16th January, 1959: Number of Cheques	Amount Rs.
Bombay	3,31,054	81,02,87,000	3,37,567	81,15,50,000
Calcutta	1,55,000	65,87,00,000	1,87,000	63,28,00,000
Madras	1,05,600	11,52,91,605	61,302	6,83,22,103
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,60,00,000
Sept.,	..	..	3,537,000	8,03,69,00,000
Oct.,	..	..	3,922,000	7,96,89,00,000
Nov.,	..	..	3,528,600	7,73,01,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	10th Jan., 1959	3rd Jan., 1959	11th Jan., 1958	November 1958	November 1957	Percentage of Increase (+) or Decrease (—) in Nov., 1958 as compared with Nov., 1957	Annual Average 1958	1957
Food Articles	504	113 6	112 5	102.6	118 0	107.9	+ 9.4	112 0	106 8
Cereals	192	105 0	103.9	97.5	110 5	102 0	+ 8.3	104.7	101.7
Pulses	43	113 3	111 1	81.1	112.3	83.2	+35.0	94.0	84.5
Fruits and Vegetables	23	114 4	114 9	91.7	117.0	110.7	+ 5.7	111.9	116.8
Milk and Ghee	84	103 8	103.9	97.7	106.2	103.9	+ 2.2	106 2	103.8
Edible Oils	47	117 3	115.3	119.5	123 8	131.4	— 5.8	123.2	128.3
Fish, Eggs and Meat	17	109 9	110.1	99 5	108.7	98.4	+10.6	106.9	96.6
Sugar and *Gur*	48	127 0	122 0	107.5*	127 8	110 2	+16.0	122 8	104.6
Others	60	148 4	149 1*	133 5	159.8	135.7	+17 8	145.7	132.0
Liquor and Tobacco	21	102 5	98 5	96 9	96 6	96 5	—0 05	93.7	91.8
Tobacco	—	101.4	97.1	95 4	94 4	95 0	— 0.6	92 0	90.1
Fuel, Power, Light and Lubricants	30	114 8	115 0	113.6	115 0	115 3	—	115 2	111.5
Industrial Raw Materials	155	113 0	111 1	114 0	113 2	116 0	— 2.4	114.8	118.1
Fibres	61	106 6	104 8	114 9	102.7	114 4	—10.2	109.4	119.8
Oilseeds	60	121.2	118 2	115 3	126 8	122.8	+ 3.3	123.6	122 4
Minerals	2	107 3*	107 3*	107.1*	106 5	107.4	— 0.8	106 9	108 5
Others	32	110 3	110 1	110 0	108 0	106 8	+ 1.1	108 9	107 8
Manufacture	290	108 4	107 9	107.7	108 7	108 5	+ 0 2	108 2	108 0R
Intermediate Products	41	110 8	110 1	108 6	109 5	106 0	+ 3 3	109 4	108 5R
Finished Products	249	108 0	107 6	107 9	108 6	108 9	— 0 3	108 0	107 9R
Textiles	147	101 9	101 7	106 0	103.2	107.1	— 3.6	104.3	107.9
Cotton	—	110 0*	110 0*	116.4	111.2*	115.8	— 4.0	113.0	116 3
Jute	—	86 1	85 3	89.8	88 0	97.1	— 9.4	87.7	97.7
Woollen	—	105.9	105 9	103.0	105.9	103 3	+ 2.8	104 9	102.1
Silk and Rayon	—	91 1*	91.1*	84.5	92 2*	81.8*	+12.7	92.5	85.0
Metal Products	12	143 1	143 1	143 4	143 1	143 4	— 0 2	143.1	138.2R
Chemicals	20	111.9	111 0	98 8	110 5	98.9	+11.7	104.0	97.6
Oil Cakes	10	141.9	136 8*	118 8	143 2	126 9	+12.8	128 6	114.7
Machinery and Transport Equipment	81	104 3	104 3	102 4	104.1	102 8	+ 1.8	103.2	101.2
Others	30	113 9	113.8	111.6	113.8	111.5	+ 2.1	113.2	107.7
All Commodities	1,000	111.8	110 7	106.1	114 0	109.3	+ 4.3	111 0	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—*Revised Series.*

[1952-53=100]

Group and Sub-Group	Week ended 17th Jan., 1959	10th Jan., 1959	20th Dec., 1958	18th Jan., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.6	100.5	98.4
2. Government of India	100.5	100.4	100.4	98 1
3. State Government	102.2	102.1	101.9	100.1
4. Municipal, Port Trust, etc.	99.2	99 2	99.0	99.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101.3	101.2	101.1	98.7
6. Plantations	100.1	100.1	100.1	100.0
7. Coal	99.6	99.6	99 6	99 6
8. Sugar	99 0	99.0	99.0	96.7
9. Cotton Textiles	98 4	98.3	98.2	97.5
10. Jute Textiles	91.5	91.5	91.5	93.1
11. General Engineering	101.6	101.4	101.1	96.3
12. Electricity Generation and Supply	97.2	97.2	97.1	96.6
13. Others	104.3	104.2	104.1	100.6
PREFERENCE SHARES—ALL INDIA.				
14. Total	87.6	87.5	88 0	88.0
15. Plantations	96.9	96 9	97.0	100.1
16. *Mining & Quarrying: Total*@	88.2	88 1	89 4	84 0
17. Coal	80.2	80 6	80 6	74 8
18. *Processing and Mfg.: Total**	87.7	87 6	88 0	86 0
19. Sugar	88.5	88 5	88 2	91 0
20. Cotton Textiles	78 3	78 3	78 4	83.5
21. Jute Textiles	81.2	81.1	81.3	72 2
22. Iron and Steel	90.8	90.7	90.6	87.3
23. General Engineering	100.1	100.1	101.2	101.3
24. Basic Industrial Chemicals	84.8	85 3	86.4	83.1
25. Cement	99.2	98 5	100.0	97.7
26. Paper	83.9	83 1	84.4	86.0
27. *Other Industries: Total**	84.1	84.3	85.1	82.3
28. Electricity Generation and Supply	84.8	85.2	86.1	84.6
29. Trading	81 2	81.3	81.8	75.6
30. Shipping and Other Transport	85.6	84.7	85.1	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	138.2	136.8	136.4	121.1
32. *Agriculture and Allied Activities: Total**	144.6	144.7	147.1	135.6
33. Tea Plantations	139 3	139.3	141.6	132 9
34. Coffee Plantations	191.2	192 2	196 6	177.3
35. Rubber Plantations	147.5	148.0	147.8	126 9
36. *Mining and Quarrying: Total*	138.5	136.2	136.2	114.1
37. Coal	108.6	107.4	107.4	88.0
38. Other Mining	159.0	156.0	155.9	132.0
39. *Processing and Manufacturing: Total*	136.9	135.3	134.3	119.7
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†	124.7	123.7	123.0	114.3
41. Sugar	162 2	161 1	162.7	154.2
42. Cotton Textiles	109.4	108 9	108.4	112 6
43. Jute Textiles	90.6	88.8	87 2	59.2
44. Silk and Woollen	428.6	419.8	412.7	320.0
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	156.8	154 5	153 0	126.5
46. Iron and Steel	151.7	149.1	147.2	115.0
47. Transport Equipment	194 4	187.3	181.3	165.3
48. Electrical Machinery	138.5	138.6	140.6	141.7
49. Machinery other than Transport and Electrical	171.0	170.0	170.7	142.0
50. Basic Industrial Chemicals	127.2	126.4	124.1	104 5
51. *Processing and Mfg. (Others): Total**	137.0	134 9	134.1	123.6
52. Cement	122.0	119 7	117 9	120.1
53. Paper	181.1	180 2	182 8	158 0
54. *Other Industries: Total**	115.1	115.0	116 2	102 2
55. Electricity Generation and Supply	93.2	93 4	94.3	87 5
56. Trading	88 5	86.3	86 5	75.5
57. Shipping and Other Transport	134.3	135.7	137 2	121.6
58. Construction	251 4	248.1	252 0	191.1
59. *Financial: Total*	182.1	179 8	179.2	156 1
60. Banks	205 5	202 4	201.4	177 4
61. Insurance	126 9	127 1	127.6	107.7
62. Investment Trusts	103 9	102.9	103.2	81.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	141.1	139.2	137.9	121 5
64. Calcutta	135.4	134 2	134 6	117.4
65. Madras	150 3	149 8	149 4	140 3
66. Delhi	159.1	156.2	154.9	144.8

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98,800	11,06,800	7,86,900
Oct., 1957	95,100	96,500	59,000
Nov., "	94,900	95,100	66,000
Dec., "	95,100	1,00,500	74,200
Oct., 1958	94,200	96,400	76,900
Nov., "	84,200	85,100	83,600
Dec., "	98,900	91,500	90,100
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32,815	4,41.488
Do. 31st March, 1958	7,33,945	5,07,580	4,10,558
Three months ended Sept. 1957.	1,71,397	1,19,172	96,815
" " " Mar. 1958.	1,99,859	1,33,563	1,06,501
" " " June 1958.	2,14,469	1,21 988	1,01,014
" " " Sept 1958	2,30,486	1,48,516	1,05,603

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Nmuber of man days lost
1956	1,203	715,130	6,992,040
1957	1,248	640,871	4,982,229
March 1958	166	89,909	847,911
April "	172	61,024	537 841
May "	183	116,202(1)	720,588(1)
June "	164	162,244(2)	1,539,000(2)
July "	169	101,137(1)	469,303(1)
August "	147	72,432(4)	657,836(4)
September "	151	68,599(7)	499,362(7)
October "	121	34,445(3)	262,600(3)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'56-'57	387 68	..	11 010	284
Pakistan††	'56-'57	83 50	..	2,079	249
Burma	1957	20 00	Kyats 4,450	446	223
Ceylon	1955	8 88	..	475	567
Japan	1957	90 90	Y. 8,252,000	10,915	10,020
Philippines	1957	22 60	Ps. 8,799	2,095	927
New Zealand	1957	2 22	£ (N.Z.) 928	1,237	5,570
Australia	1957	9 60	£ (A.) 4,678	4,970	5,177
U.K.	1957	51 40	£ 17,418	23,220	4,520
U.S.A.	1958	174 00	$ 352,400	168,447	9,680
Canada	1957	16 60	$ 23,830	11,680	7,035
France	1957	44 00	F Fr.15,680,000	17,880	4,063
W Germany	1957	51 40	Dm. 158,000	18,057	3 513
Italy	1957	48 30	Lr. 12,231 000	9,412	1,949
Norway	1957	3 49	Kr. 23,290	1,560	4,470
Sweden	1957	7 30	Kr. 48,290	4,490	6,150
Netherlands	1957	11 00	Grs. 28,240	3,574	8,250
Denmark	1957	4 50	Kr. 25,480	1,760	3,910
Switzerland	1957	5 10	Sw. Fr. 26,900	2,956	5,796

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, October 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	250	339	94	112	364	116	114	99	103	115	107	126
June 1957	112	356	254	330	91	112	371	115	115	98	105	113	111	127
July "	112	356	256	333	89	112	371	116	115	98	106	119	109	129
August "	113	377	265	347	98	113	375	115	118	99	105	120	108	128
September "	114	375	262	338	97	113	378	115	113	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	113	99	105	120	107	129
June 1958	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July "	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August "	120	404	288	322	103	118	403	126	117	108	106	125	111	132
September "	121	404	289	327	104	120	406	127	117	111	109	131	108	132
October "	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November "	..	402	292	330	..	..	..	..	120	..	..	..	..	..

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates: 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Total Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,98
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252.96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440.17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958																
January	2,37	4,94	148,57	7,95	47,18	13,88	202,54	23,77	—39,55	43,80	68	4,08	18	1,68	22,68	478,93
February	2,31	4,83	146,14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	4,81	9	1,75	25,29	487,52
March	2,22	4,73	143,45	14,03	71,43	27,35	213,91	23,11	—39,73	43,58	70	5,47	12	1,87	42,20	509,77
April	2,15	4,65	141,31	6,56	77,99	15,27	214,24	22,85	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May	2,07	4,55	139,23	5,84	83,82	15,22	212,66	22,58	—39,90	43,37	57	6,72	5	2,01	21,68	517,01
June	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	88	7,12	3	2,03	19,95	520,60
July	1,96	4,38	135,18	5,49	94,65	16,04	215,18	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,86
Aug.	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532,75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537,82
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November	..	..	..	..	..	..	..	..	..	42,81	47	9,58	7	2,23	..	..

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

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.75
3 % Loan	1938-39	116,17,46,000	1963-65	96.90
3 % Loan	1950	30,32,10,000	1964	97.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93.95
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.00
3 % 2nd V. Loan	1945	1,13,65,64,000	1959-61	99.70
2½% Loan	1946	45,63,07,000	1960	99.00
2½% Loan	1946	57,00,69,000	1961	97 25
2½% Loan	1946	14,77,48,000	1976	83.20
2½% Loan	1947	75,86,72,000	1962	96.95
3½% N. P. Bonds	1953	75,29,00,000	1961	100.10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.80
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.65
3½% Loan	1956	87,27,36,000	1962	99.20
3½% N. P. Bonds	1956	63,81,83,000	1967	99.10
3½% Loan	1956	66,63,53,000	1974	98.55
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.80
4 % Loan	1957	49,17,27,000	1972	101.30
3½% Loan	1958	58,06,00,000	1963	100.00
3½% Loan	1958	30,00,00,000	1968	98 95
3½% Loan N.P.B.	1958	34,16,76,500	1968	100 60
4 % Loan	1958	49,47,00,000	1973	101.00
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34,000	M.	72.50
3% Loan	1946	2,48,91,37,000	K.	74.15
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	99.95
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	99.95
4½% Andhra	1958	5,00,00,000	15th July 1970	100.95
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96.50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 50
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.60
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100 00
4 % Bombay	1957	6,57,22,000	16th Sept. 1969	101.80
4½% Bombay	1958	5,00,00,000	15th July 1970	101.80
4½% Bombay	1958	5,00,00,000	15th July 1971	101 50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	99.80
4 % Bihar	1956	2,18,41,000	3rd Sept. 1968	99.80
4½% Bihar	1958	2,50,00,000	13th Oct. 1970	100.90
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99.00
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 00
3 % Madras	1939	1,23,96,000	21st June 1959	99.30
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98 85
2½% Madras	1946	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	98.85
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98.75
4 % Madras	1953	10,33,71,000	15th July 1963	100.30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.10
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 05
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100.00
4½% Madras	1958	5,00,00,000	15th July 1970	101.00
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101.35
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100 30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100.00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.00
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101.15
4½% Mysore	1958	5,00,00,000	15th July 1970	101.00
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93.65
3 % M.P.	1950	1,01,45,000	31st July 1960	98.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	100.10
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	99.80
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	99.80
4½% M.P.	1958	2,00,00,000	15th July 1970	100.90
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100.10
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100.10
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.75
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99 50
2½% U.P.Z.A	1952	41,44,79,000Z	..	48.75
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
2½% U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100 10
4 % U.P.	1953	5,58,25,000	15th July 1963	100 30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100 00
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100 00
4½% U.P.	1958	7,00,00,000	15th July 1970	100 95
4½% Rajasthan	1956	3,14,19,000	3rd Sept. 1968	99.95
4½% Rajasthan	1958	2,50,00,000	15th July 1970	100 90
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	99 95
4½% Orissa	1958	3,00,00,000	15th July 1970	100 90

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	98.00
35,00,000	4	1905	1965	98.00
15,00,000	4	1906	1967	98.00
44,00,000	4	1907	1968	98.00
75,00,000	4	1908	1968	98.00
40,00,000	4	1909	1970	98.00
56,00,000	4	1910	1971	98.00
75,00,000	4	1911	1972	98.00
1,10,00,000	4	1912	1973	98.00
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	98.00
88,25,000	4	1914	1975	98.00
10,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	D
61,61,000	4	1922*	1960	D
11,51,000	4	1924*	1960	D
18,25,000	3½	1926*	1960	D
35,00,000	3½	1929*	1959	D
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	D
24,58,000	3½	1935*	1975	D
15,00,000	3½	1936*	1966	D
48,04,000	3½	1936*	1960	D
10,00,000	3½	1938*	1968	D
7,00,000	3½	1941	1971	D
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97.75
76,90,100	4	1915	1975	97.75
1,50,00,000C	3††	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
60,00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	98 50
25,00,000	3	1938	1963-68	92 00
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99.12
1,00,00,000	3	1949	1959	99.12
50,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	98.00
1,00,00,000	3	1950	1960	98.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.00
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,88,000‡	3	1947	1977	A
3,00,000‡	3	1949	1979	A
45,00,000‡	4½	1954	1984	A

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	97.75 N
30,00,000	4	1902	1962	97.75 N
60,00,000	4	1903	1963	97.75 N
50,00,000	4	1904	1964	97.75 N
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	97.75 N
15,00,000	4	1907	1967	97.75 N
30,00,000	4	1908	1968	97.75 N
25,00,000	4	1912	1972	97.75 N
13,00,000	4	1913	1973	97.50 N
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	97.50 N
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.60N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	102.00
50,00,000	4	1934	1964	99.00
35,00,000	3½	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	93.50
20,00,000	3	1938	1963-68	90.00
80,00,000	4	1952	1962	99.25
1,02,00,000	4	1956	1968	99 00
75,00,000	4½	1958	1968	100.00

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
20,00,000	4	1913-18	1974	98.00
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	101.00
8,25,00,000	3½	1947	1977	85.50
2,50,00,000	3½	1949	1979	85.50
4,00,00,000	3½	1950	1965	93.00
5,00,00,000	4	1952	1964	100 00
2,00,00 000	3½	1951	1966	97 40
1,30,00,000	4	1953	1963	100 00
1,00,00,000†	4	1952	1964	99.25
1,00,00,000†	4	1954	1966	99 00
2,50,00,000	4	1955	1967	99 90
1,50,00,000	4	1956	1968	99.90
2,00,00,000	4½	1957	1969	100 90
400,00,000	4½	1958	1970	100 90
Rs		**CALCUTTA**		Rs.
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1965	94 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1968	90 00
17,64,400	3½	1942	1959	96 50
21,10,000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	97 50
66,88,000	3½	1951	1966	97 50
87,36,000	4	1952	1962	99.25
72,50,000	4½	1954	1970	100.00
2,22,72,000	4	1955	1985	—
73,86,000	4½	1958	1968	100.00
1,67,32,000	4½	1958	1970	—
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107 00N
15,00,000	3½	1952	1962	107 50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100 25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	99.95
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.15
4 % W. Bengal	1953	3,60,23 000	15th July 1963	100.30
4 % W. Bengal	1955	7,58,72 000	1st Sept. 1967	100 00
4 % W. Bengal	1956	7,11,46 000	3rd Sept 1968	100 00
4½% W. Bengal	1958	5,00,00,000	15th July 1970	101.00
4½% Kerala	1958	3.00,00,000	15th July 1970	100.00

ABBREVIATIONS.
N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.
‡—Interest free to first 12 years. †—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months' notice. K—On September, 1956, or later at option of Government after three months' notice.

MARKET GOSSIP

(*Concluded from page 139*)

Referring to this aspect, the *Financial Times*, London, makes the following interesting observations:

"The short-term gains of a Soviet agreement to hold tin exports to 13,000 tons could, therefore, be quite small, and it might be a disadvantage, if the whole of the quota was shipped over a short period of time. The present import quotas are fixed on a quarterly basis, so that shipments have to be spread out over the year. The Russians would also be able to bring more direct pressure on to the London market, which is the hub of the Tin Council's operations, if, as presumably will happen, the present U.K. import quota of 750 tons a quarter is removed. The traders here are naturally hoping that this would not happen and are finding some comfort in the possibility that Russia's stocks of tin may now be substantially smaller than this time last year, when exports were running at a high rate. An agreement would at least, in the short- as well as the long-term, remove the fear of Soviet penetration into countries outside the Tin Agreement, Japan and West Germany especially. Four Tokyo firms are reported to be negotiating to buy, between them, 420 tons of tin from Russia, and a larger firm hopes to import 1,000 tons —not large quantities but an ominous trend nevertheless. Shipments to W. Germany have also been rising sharply, though there are no statistics available beyond October."

Viewed thus, the trend of the world tin market in future will be influenced not by Russia agreeing to limit exports of tin but by the Tin Council's export quotas and trade demand. The Buffer Stock has large surplus of tin and there are no signs that these will be sold in the near future. Meanwhile, the chances of the U.S. joining the Council as a producer-member and Germany and Japan as consumer-members would appear to have brightened. All these countries are presently standing out of the Tin Agreement, thereby reducing its utility as a stabilising factor.

• • • •

What is described as a "key test case" is the decision of the U.S. Civil and Defence Mobilisation Agency to reject the $1.45 million tender of the English Electric—the lowest to be offered—for the supply of two hydraulic turbines to the Greer's ferry dam and reservoir project undertaken by the Army Corps of Engineers. This is somewhat surprising, considering that the English Electric's bid was fully in conformity with the Government's stipulation, being 12 per cent. below the lowest U.S. tender of $1.75 million submitted by the Baldwin-Lima-Hamilton Company of Philadelphia. But the Government's decision, it is said, is based on the ground of high unemployment in the Philadelphia area. Before the decision was taken, the American Company had warned the authorities that an acceptance of the British Company's tender would threaten national security. It was alleged that employment of foreign equipment was not conducive to national security, for, in the event of a breakdown, service and spare parts would not be readily available, an argument with which the U.S. heavy electrical industry has been seeking general curbs on imports. British sources consider the U.S. Government's decision as a surrender to pressure from the American electrical heavy industry. It is pointed by them that the decision gives "little" assurance of protection to foreign bidders either under existing Government regulations or any which may be framed in future.

COMMERCE AND INDUSTRY

(*Concluded from page 157*)

technical improvements and by price and income supports, increases steadily against a more slowly rising ceiling of requirements. The increase in the consumption requirements of Western Europe has been met either by raising the production within the country or by importing from other countries by the Western European region. Thus domestic production and to a lesser extent intra-European trade have generally increased.

Thus, while the advanced countries are making strides, the less developed countries are struggling on account of a rapid fall in their exports of food, by the irregular growth of net exports of beverages and tobacco, and the somewhat fluctuating course of trade in agricultural raw materials. Commenting on this situation, the Report observes:

"There are at present no indications of any substantial change in these trends. It seems likely that the pressure of supplies on the markets of the more industrial countries will increase, especially since the initial impact of surplus disposal operations may be diminishing. The growing demand for foodstuffs in the less developed regions may continue to provide some expansion of outlets for surplus production in the more advanced regions, though the absorptive capacity of these new markets is heavily circumscribed by their lack of foreign exchange. To the extent that this difficulty can be overcome, however, the rather widespread policy of establishing national reserve stocks should for some years provide an additional source of demand superimposed upon that already provided by rising populations and incomes."

The Report also dwells upon the measures adopted by the various countries to expand agricultural exports. A review of surplus disposal operations in recent years indicates that some 30-40 per cent. of the United States agricultural exports are currently shipped under special programme, while payments under other Government subsidies amount to some 6-8 per cent. of the total value of United States' agricultural exports outside the special programme. Directly or indirectly subsidised exports of agricultural products from Western Europe are also increasing, but, because of the complexities of the various systems, no estimate, the Report says, can be made of their extent. Other countries also use various methods of expanding agricultural exports, including special credits and multiple exchange rates; again, no estimate of their total extent is possible, but they appear to be, according to the F.A.O., on a smaller scale than those in the United States and Western Europe.

Prices

The slow decline in the general level of agricultural prices in world markets was reversed temporarily in the first half of 1957, but was resumed later in the year and in early 1958. Nevertheless, the F.A.O. index of average export unit values of agricultural products for the year 1957 as a whole (average 1952-53=100) at 95 was three points higher than in the year before. The halt was in a sense illusory, however, since prices of manufactured goods on world markets continued to rise. The average purchasing power of agricultural exports for manufactured goods, therefore, fell for the third year in succession. In comparison with the base period 1952-53, the average purchasing power of agricultural products has fallen by about 10 per cent. of which about one-half represents lower agricultural prices and the other half the increase in average export unit values of manufactures. The average figures naturally conceal considerable differences between commodities. Thus, prices of, for example, cereals and butter tended to fall continuously, while cocoa prices recovered though prices of both coffee and cocoa remain much lower than in the boom year 1954.

Commenting on the prospects for world trade in agricultural commodities, the Report points out that there are no indications of any increase in import demand in the immediate future. It, however, strikes an optimistic note by adding that the recent experience, together with the measures being adopted in some countries for maintaining consumer purchasing power and for the revival of economic activity, suggests that the overall domestic demand, for foodstuffs in the industrialised countries is likely to be maintained.

Notices

BURMAH-SHELL REFINERIES LTD.

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent. Debentures 1965-69 will be closed for transfers from 14th February 1959 to 28th February 1959, both days inclusive.

N. A. KRISHNAN,
Offg. Secretary and Treasurer,
State Bank of India,
Agents for Burmah-Shell Refineries Ltd., for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 31*st January*, 1959.

STATE BANK OF INDIA

NOTICE

THE FOURTH ANNUAL GENERAL MEETing of the Shareholders of the State Bank of India will be held at the Local Head Office of the Bank, Apollo Street, Bombay, on Friday, the 27th February 1959, at 4 p.m. (Standard Time), for the transaction of the following business:—

To receive the Central Board's Report, the Balance Sheet and Profit and Loss Account of the Bank made up to the 31st December 1958 and the Auditors' Report on the Balance Sheet and Accounts.

P. C. BHATTACHARYYA,
Chairman.

CALCUTTA, 22*nd January* 1959.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 29th January, 1959.

	Closing quotations 22-1-1959	High	Low	Closing quotations 29-1-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	145 00	—	—	145 00
Apollo (2)	1 26	1 26	1 22	1 22
Bombay Dyeing (25)	56 00	56 00	55 70	56 70
Bradbury (50)	133 75	—	—	133 75
Central India (100)	90 00	91 50	89 00	89 00
Century Mills (100)	434 50	439 00	431 25	434 50
Edward Textile (200)	215 50	—	—	215 50
Elphinstone (50)	30 50	—	—	31 00
Finlay (100)	259 00	261 00	258 00	261 00
Gokak (100)	132 00	132 00	130 50	132 00
Ind. Untd. Defd (1)	1 14	1 14	1 12	1 12
Ind. Untd. Ord. (10)	8 84	8 92	8 80	8 83
Indore Malwa (100)	97 50	98 00	96 50	97 00
Khatau (100)	153 75	153 75	151 00	153 75
Kohinoor (100)	239 00	242 00	237 00	240 00
Lakshmi (250)	400 00	400 50	400 00	400 50
Minerva Mills (100)	64 00	—	—	64 00
Model Nagpur (250)	172 50	173 75	172 00	172 00
Morarji (100)	230 00	233 00	230 00	230 50
Mysore (50)	83 00	—	—	83 00
National Rayons (100)	242 75	246 00	240 00	243 50
New City (100)	92 50	93 00	92 50	93 00
New Great (100)	219 00	—	—	219 00
Phoenix (100)	121 25	125 00	122 00	124 50
Podar Mills (100)	130 00	—	—	130 00
Sassoon Silk (10)	9 76	—	—	9 76
Sassoon Spg (10)	42 00	42 50	41 25	41 25
Sholapur (1,000)	425 00	—	—	425 00
Shrinivas (100)	140 00	—	—	140 00
Simplex (50)	167 50	169 00	167 50	168 50
Standard (100)	417 50	421 00	415 00	418 00
Syndicate (100)	209 50	211 00	207 50	209 75
Swan (100)	847 00	—	—	850 00
Tata Mill (25)	34 25	35 00	34 25	34 25
Vishnu (100)	92 00	94 50	92 00	94 50
Western India (1,000)	4,625 00	—	—	4,625 00
BANKS				
Bank of India (50)	141 00	141 00	140 00	140 25
Do. (New) (50)	142 25	142 25	141 00	141 00
Bank of Baroda (50)	127 00	125 00	121 00	121 00
Central (25)	58 80	58 80	58 20	58 70
Central 'A' (25)	61 00	61 30	61 00	61 30
Dena Bank (50)	50 50	—	—	50 50
Punjab National (25)	59 00	59 50	59 00	59 50
Union Bank (5)	7 64	7 64	7 48	7 60
United Com (50)	68 00	68 50	67 50	68 00
ELECTRIC COS.				
Ahmedabad (100)	95 00	95 10	94 80	94 90
Amalgamated (10)	11 08	11 04	10 92	11 00
Andhra Valley (1,000)	1,172 50	1,175 00	1,170 00	1,172 50
Bom. Sub-Ut (100)	110 00	110 50	110 00	110 00
Surat (100)	112 50	—	—	112 75
Tata Hydro (100)	120 75	120 50	119 00	119 00
Tata Power (1,000)	1,192 50	1,196 25	1,190 00	1,193 75
INSURANCE COS.				
British India (10)	13 80	—	—	13 80
Empire of India (100)	212 50	—	—	212 50
Ind. Mercantile (20)	46 00	—	—	46 00
Jupiter (15)	7 12	—	—	7 12
New India (15)	54 12	54 20	53 00	53 70
Oriental (200)	4,010 00	4,020 00	4,010 00	4,020 00
Vulcan (10)	19 76	—	—	19 76
STEEL COS.				
Ind. Iron (10)	26 20	26 85	25 75	26 10
Tata Steel Ord (75)	175 50	176 00	173 50	175 50
SUGAR COS.				
Belapur (50)	202 50	205 00	200 50	203 00
Bhopal (10)	25 75	25 50	25 00	25 06
Chanalee (12 50)	30 25	29 75	29 00	29 50
Phaltan (50)	144 75xd	144 00	140 50	141 50
Walchand Ind. (100)	207.00	207.00	206 25	206.25
CEMENT COS.				
Associated Cts (100)	154 25	155 00	153 25	154 75
Dalmia (100)	132 50	132.50	131 25	131.50
MISCELLANEOUS				
Alcock Ashdown (100)	268 00	269 50	261 25	267 50
Bom. Burmah (125)	463 00	460 50	459 50	464 50
Do. (New) (50)	171 25	—	—	170 00
Br. B. Petrol (5 sh.)	2 02	2 00	1 66	1 70
Br. I. Corpn (5)	3 72	3 90	3 74	3 90
Hindustan Motors (10)	7 16	7 24	7 00	7 20
Indian Copper (2 sh.)	3 58	3 60	3 54	3 54
Ind. Inv. Tr (100)	85 30	85 50	84 00	84 70
Kirloskar (100)	153 00	153 25	153 00	153 25
Larsen & Toubro (10)	17 12	17 12	17 00	17 08
Polson (100)	155 00	155 00	152 00	152 00
Pre. Automobiles (100)	83 70	85 50	81 50	84 70
Premier Cot (80)	236 50	239 50	232 00	237 25
Scindia (20)	21 48	21 52	21 20	21 40
G. E. Shipping (10)	23 84	23 92	23 80	23 92
Shivaranjan (10)	88 00	88 50	87 30	88 50
Sirpur Paper (10)	13 52	13 52	13 24	13 28
Tata Chemicals (10)	15 44	15 48	15 12	15 32
Tata Locomotive (100)	161 50	164 50	159 50	163 50
Tata Oil (25)	47 25	47 50	45 75	45 75
Voltas (100)	144 00	143 75	139 50	140 25
W. I. Match (100)	189 50	189 50	186 00	187 00

GOVERNMENT SECURITIES	22-1-1959	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	29-1-1959
	Rs.			Rs.
2½% 1961	97 25	—	3 65	97 25
2½% 1960	99 00	—	3 81	99 00
2½% 1962	96 95	—	3 63	99 95
2½% 1976	83 20	—	4 08	83 20
3 % 1959-81 2nd Vlch	99 70	3 84	3 10	99 70
3 % 1964	97 00	—	3 56	97 00
3 % 1963 65	96 85	—	3 58	96 85
3 % 1966 68	93 95	3 70	3 47	93 95
3 % 1970 75 1st Dev	91 00	3 91	3 74	91 00
3 % 1966 Con Loan	74 30	3 97	3 78	74 15
4 % 1960-70	100 75	—	4 05*	100 75
3½% 1961 N P Bonds	100 10	3.46	3 92	100 10
3½% N.P. Loan	99 85	—	3 47	99 80
3½% 1965 N P. Bonds	99 70	—	3 54	99 65
3½% 1962	99 20	—	3 55	99 20
3½% 1947 N.P. Bonds	99 25	—	3 50	99 25
3½% 1974	98 55	—	3 60	98 55
3½% 1967 N P. Bonds	100 80	—	3 87	100 80
4 % 1972 Loan	101 25	—	3 85	101 60
3½% 1964	98 85	—	3 87	98 05
3½% 1963 N P Bonds	100 05	—	3 64	100 05
3½% 1968 N P Bonds	100 60	—	3 49	100 60
4 % 1973 Loan	100 90	—	3 91	101 00

BRITISH GOVERNMENT SECURITIES

	Closing quotations 29-1-1959 £			Closing quotations 27 1 1959 £
2½% Brit Consols	52⅛	—	—	52⅛
3 % Savings Bonds 1965-75	76	—	—	75⅞
3 % War Loan 1955-59	100⅛	—	—	100⅛
3½% War Loan	67⅛	—	—	66⅞
4 % Victory Bonds 1976	98	—	—	96⅛
4 % Funding 1960-90	92	—	—	91⅛

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Rights.

COMMERCE

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

VOL. XCVIII. No. 2498 BOMBAY, 7th FEBRUARY 1959 PRICE: Rs. 2

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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WARMEST CONGRATULATIONS

THIS is a week when the Government of India deserves our warmest congratulations, for, after many trials and errors, two of its gigantic investments in heavy industry have begun to yield results. These are the iron and steel plants at Rourkela and Bhilai, with a capacity of a million tons each in ingot terms. President Dr. Rajendra Prasad formally inaugurated the first blast furnace at Rourkela on Tuesday and at Bhilai on the following day, thereby signifying the commencement of pig iron production, the first step in the manufacture of steel. Although much more remains to be done before these projects could attain their full production potential, there is no doubt that they have now reached a significant stage and that, given the enthusiasm and care shown by all those engaged in the execution of these projects in the last 12 months, the targets set for them will be hit by the time limit, namely, 31st March 1961. It is true that, in the initial stages, there was considerable slackness and the pace of progress was slow, but the vigilance of Parliament and the rapid advance of China in economic development helped engender a new sense of drive among the authorities and the workers concerned. The agreement with West Germany for the establishment of Rourkela plant was concluded as early as in 1953 and the plant should have gone into full production at least a couple of years ago. The delay was the result of defective planning on the part of the Government and many bottlenecks in ports, railways and administration. There were several hold-ups in the execution of Bhilai works also. All this has cost the country heavily and raised the capital expenditure. Even so, the country can draw comfort from the thought that things could have been worse. Indeed, Dr. Rajendra Prasad was modest when he averred that the massive structures in both the new steel towns of India and the chimneys jutting through them should be taken as "the symbol of the nation's faith in its future and its determination to go ahead undaunted by any difficulties."

The story of India's economic development is an essay on fruitful international economic co-operation. Both the free world and the Communist countries have come to its assistance. Rourkela owes its existence to West Germany and Bhilai to Russia. A third steel plant is going up in Durgapur with the help of Britain. The U.S. has helped the Tata Iron and Steel Company to expand at Jamshedpur. All these countries have given India both capital and know-how on reasonable terms. Although economic co-operation of this sort benefits both the giver and the receiver, it cannot be denied that the latter has to be grateful to the former, because the gain to it is greater.

There has also been much mutual co-operation between the public and private sectors in the establishment of steel industry in this country. Ideological predilections of the governing party have, of course, delayed the growth of this key industry, resulting in heavy loss of valuable foreign exchange and a sharp increase in the capital cost of establishing it. If only the Government had allowed the Tata Iron and Steel Company, Ltd. and the Indian Iron and Steel Company, Ltd. to expand their capacity to the extent desired by them in 1948 itself, instead of half a decade later, and if it had not reserved all future expansions in steel industry to the public sector, India would have made by now great strides in this sphere to the benefit of all concerned. Prime Minister Nehru himself has admitted this error in some of his speeches in the past two years. Fortunately for India, the rigidity of the Congress Party's ideology thawed a little in 1953 and the T.I.S.Co. and the I.I.S.Co. were encouraged to expand. For this welcome change in attitude, credit must be given to Mr. T. T. Krishnamachari who was a pragmatic person then. But for this relaxation in ideology, which unfortunately seems to have been a temporary phenomenon of the Congress Party, the stress now being on full socialism, even the modest progress which India is now making in steel industry would not have come to pass.

To return to the subject of co-operation between the two sectors. While the Government has helped the two iron and steel producers in the private sector by giving interest-free loans and enabling them to borrow from the World Bank, the T.I.S.Co. and the I.I.S.Co., on their part, have helped the public sector by providing training facilities for its technicians and skilled workers and by making available the services of their key personnel for consultation and planning, notwithstanding their preoccupation with their own expansion programmes. Another notable feature is the integration of the production plans of both the public and private sector units, taking into account the country's overall needs. It is to be hoped that this co-operation will be sustained in future also, so that wasteful competition can be avoided. While production by 1961 and, perhaps, for a short while thereafter will be shared equally by both the sectors, the public sector's share will sharply increase in the course of the third Plan period and in the subsequent years.

The progress that has already been made by all the three projects in the public sector is substantial enough to expect confidently that, in two or three years from now, India will attain near self-sufficiency in steel, which will lead to a large saving in foreign exchange. We advisedly say near self-sufficiency, because, even after these works are completed and in full production, many varieties of special steels and alloy steels will have to be imported. The need for such steels would be greater then than now, if the third Plan were to include heavy industrial projects for making machines and transport equipment, as is now contemplated. Not long ago, it used to be said, both by officials and non-officials, that India would have a surplus of steel for export by 1961, if not a little earlier. There is not much talk of it now. Whether or not there will be an exportable surplus will depend upon the growth of steel-consuming industries, progress of housing and other construction activity in the country. Again, assuming there will be a surplus, the prospects for its disposal in foreign markets will depend upon world market conditions and the competitive capacity of Indian steel.

Few countries in the world enjoy the great locational advantages which India has for making iron and steel. All the raw materials required for producing steel are found in compact regions and do not have to be hauled over long distances. It is true that India does not have a plentiful supply of coking coal. But modern

technology has advanced sufficiently to enable the use of non-coking coal after proper treatment. This shortcoming cannot, therefore, be a great disadvantage. In any case, India has sufficient reserves of coking coal to last for several years to come, so that this is not an immediate problem. In view of the natural advantages which it thus has and of the fact that it has gone in for up-to-date, modern plants, it should be possible for this country to make steel at competitive prices as compared with the rest of the world. Indeed, it is vitally necessary for India to produce and sell iron and steel at prices well below the world prices, if it is to emerge successfully as an exporter of manufactured goods, which it must do in order to liquidate its growing foreign debts.

Planning and construction of steel plants constitute only one part of the job. Their efficient and profitable management is another, and perhaps more difficult, part of it. The Government of India has invested heavy amounts on these plants. It is estimated that the aggregate cost of these projects will be Rs. 559 crores and it will not be surprising if, by the time they are completed, the total cost comes to Rs. 600 crores, if not more. The Government has, therefore, to take proper steps to see that a satisfactory return is obtained on this huge investment. The question of efficient running of the plants and the marketing of their products is thus of paramount importance. Will the Government be in a position to discharge this function creditably, especially as it will be taking more and more burdens on its shoulders under the third Plan? Should it not consider the advisability of leasing out one or two of the steel plants to the private sector on a competitive basis? We feel that it should, if only to provide a certain element of healthy competition among the three plants for producing good results. We are, of course, not suggesting anything novel. During the war years, the U.S. Government, for instance, constructed several heavy industrial projects and leased them to the private sector after the emergency was over. Even now, there are quite a few aluminium plants which are owned by the Government but are operated by the private sector on the basis of lease which is renewed periodically on competitive lines through tender system. This is not an impractical system for India, for both domestic and foreign private enterprise could join hands and work the steel plants successfully to the satisfaction of both the Government and the consumer.

RUSSIA'S SEVEN-YEAR PLAN

THE new Soviet economic plan continues to provide the main inspiration for Russia's propagandists. It was the main talking point in the twenty-first Soviet Communist Party Congress which met at Moscow last week. Delegates vied with one another in praising the Plan and in extolling Russian economic achievements. With the recent success in the sphere of rocket science, which has attracted world attention, the leaders of the Party can always hope to get a wider audience for preaching their economic philosophy, though no scientific distinction can, by itself, be held up as the product of any particular brand of political theory. The deliberations of the Congress, however, showed that the Soviet Union is more than ever earnest about its new economic programme. Only time will reveal how far actual achievement will match the present, almost wild, enthusiasm for the Plan.

There is, however, no denying the fact that Russia's role in world economy is becoming increasingly important. The vast size of the Soviet Union and its satellites—even if one makes allowance for the many internal divisions and dissensions, ruthlessly held in check by an implacable Party machine—alone invests the Soviet economic offensive with an international significance. Russia covers one-sixth of the land area of the earth, in which live some 200 million people. Together with Communist China and East European countries, the Russian orbit encloses one-fourth of the world's surface and about 900 million people. "When the socialist countries, accounting for 26 per cent. of the world's territory and 35 per cent. of its population, top capitalist production in 1965," averred a party member in the recent Congress, "it will be a victory for socialism that will stagger the whole of the capitalist system." Even when the Communist Party's challenge is shorn of its propagandist elements, there is something in it which must give the free world some food for thought and cause for redoubling its efforts towards achieving high levels of prosperity without sacrificing its democratic ideals. It is obvious, in this context, that the developed countries in the free world must step up their assistance to the underdeveloped countries, even at some sacrifice to themselves.

What is the Soviet new Plan? Although the form in which it has reached, or more properly, has been allowed to reach, the outside world lacks coherence, its broad outlines are reasonably clear. It is a seven-year (1959-65) Plan which calls for massive investments in industry, agriculture and social services. Roughly, it involves an investment of about 3,000,000 million roubles; by way of comparison, it may be mentioned here that the 1958 Soviet budget revealed an income of 643,000 million roubles and an expenditure of 627,000 million roubles. Industrial production is scheduled to go up by some 8.6 per cent. per annum. Much emphasis is placed on consumer goods, though heavy industry still claims a large share of the investment. Gross farm production is expected to go up by 70 per cent. Mechanisation of agriculture and automation in industry have received considerable emphasis. A much-publicised part of the Plan is the addition of 15 million new flats—a boon to a nation which has been afflicted by acute overcrowding due to insufficient houses.

State capital investments—that is, exclusive of investments from non-centralised funds, such as investments by people on housing and by collective farms—will be close to 2,000,000 million roubles. Of this total, industry will claim some 1,488-1,513 thousand million roubles, housing and public facilities 375-380 thousand million roubles, and educational and health facilities 77,000 million roubles. Capital investments in agriculture by the State and the collective farms will amount to about 500,000 million roubles. The allocation (in thousand million roubles) among individual industries includes: iron and steel industry 100; chemical industry 100; oil and gas industry 173; coal 78; electric power plants 129; timber, paper and woodcrushing industries 60; food industry 85 and railway transport 115. In physical terms, the Plan aims at ambitious targets to be reached by 1965. The production of steel will go up to 86-91 million tons and of rolled metal to 65-70 million tons. The output of non-ferrous metals will move up by 180 per cent. and of chemical industry by 200 per cent. The share of oil and gas in total fuel production will increase from 31 per cent. to 51 per cent. The production of oil will be 230-240 million tons by 1965, of gas 150,000 million cubic metres, of coal 596-609 million tons and of electricity 500,000-520,000 million kw.h.

The consumer who has had a lean time all along is expected to get a square deal. He should gain by the larger grain output now planned and the higher production of a wide range of consumer goods. Grain output will be expanded to some 16 million tons, while the output of raw cotton will move up to 5.7-6.1 million tons, of sugar beet to 70-78 million tons and of oilseeds to 5.5 million tons. The Plan also envisages production targets for such consumer goods as cotton fabrics (7,700-8,000 million metres), woollen fabrics (500 million metres), silk fabrics (1,485 million metres) and leather footwear (515 million pairs).

The first thing that strikes an impartial observer of the deliberations of the Communist Party Congress is Russia's passion for publicity, the Party's exultant self-congratulatory mood and its almost amateurish desire to be "first" in the world, in general, and to surpass the U.S., in particular. Above all, the Plan has provided first-class meat for propaganda for communism itself. "In the next 15 years," declared Mr. Khrushchev, "the U.S.S.R. will rise to first place in the world not only in the overall volume of production but also in *per capita* output, and communism's material and technical basis will have been established in our country." He forecast that socialist countries would produce more than half of world industrial output and predicted that, when that happened, the "new balance of forces will be so patently evident that even the most diehard imperialists will clearly see the futility of any attempt to start a war against the socialist camp." Further, he indicated that the increase in Russian production will "signify a great victory for the Soviet Union in peaceful economic competition with the most highly developed capitalist countries." There is, of course, a great deal to be said in favour of a turn of events by which Russian rivalry in relation to the free world is strictly confined to "peaceful economic competition." But communism, as a political philosophy, is so irrevocably wedded to violence that it is difficult to place much credence on the Russian propagandists' protestations of peaceful intentions.

The Russians' blind spot for progress in countries other than their own is becoming proverbial. They are so obsessed with their own achievements, actual as well as those in prospect, that they almost take for granted that the rest of the world will remain static all the time. When they talk about outstripping the U.S.—not that there is anything wrong about the desire—they conveniently ignore that, by 1965, the U.S. too will have made significant progress. Even as it is, there is considerable "catching up" to be accomplished before the U.S.S.R. can match American production levels. Thus Russia hopes to produce 230-240 million tons of oil by 1965, whereas the U.S. production in 1957 was 354 million tons. Again, the U.S.S.R. targets for steel and electric power are respectively set at 86-91 million tons and 500-520 million kw.h., as compared with the U.S. 1957 levels of 102 million tons and 716 kw.h. Again, the *per capita* production of consumer goods in 1965—that is, assuming that the targets will be reached—will be lower than the present U.S. levels. Thus, the *per capita* Russian production of cotton fabrics by 1965 is likely to be 32.8-34.0 metres, as compared with the U.S. 1957 level of 51.1 metres. Surely, catching up with the U.S. is bound to prove a little more arduous than communist propaganda strategy will care to admit.

It is, however, clear that Russia is determined to make a bold bid for world leadership *in agricultural and industrial production*. Agriculture has been the weakest link in Russia's economic chain. Recent reforms have aimed at the restoration of initiative and freedom for collective farms. Nevertheless, it remains to be seen whether collective agriculture will really win the race towards the targets set for it. As regards industrial production, the chief difficulty is the acute labour shortage in Russia. Much store is, of course, set by automation and rationalisation. But the shortage is perhaps too acute to be remedied by such expedients. This consideration alone will make it difficult for Russia to reach out to the 40-hour week by 1962 and to 35-hour week of five working days by 1966-68. Some easing of the man-power situation may take place if the size of the Russian army is reduced, as it well might be in view of the new forms of weapons of war.

There is one main bottleneck to be overcome before the pace of expansion can be speeded up. As the area of Russian centralised economy expands, the problem of co-ordination will grow in size and complexity. An amusing story is told of the discovery by Moscow officials that eight separate teams had been digging stone for eight separate branches of the Soviet Government out of one small quarry; each ministry wanted its own supply. Extension of the area of State control poses intricate problems for those who control and innumerable hardships for those who are controlled. A particularly pernicious effect of State control is the total absence of any respect for cost consideration. Mr. Khrushchev, who inaugurated the Congress, and other members, who participated in its discussion, repeatedly stressed the need for economy in expenditure. "It is first of all necessary," said Mr. Khrushchev, "that our planning and economic bodies approach with particular care and thrift the matter of distributing enterprises among the economic areas, the specialisation of enterprises in construction as well as the expedient co-operation of enterprises going up in one district." In a regimented economy, these principles are more easily stated than observed, though they will present no great difficulty in a free economy where the competitive urge to keep production costs down to a minimum ensures economic operation of enterprises.

In assessing the significance of Russia's economic plan, one cannot ignore the fact that its successful completion will place the country in a stronger position to distribute aid and engage itself in world trade. Quite conceivably, it will use its position for political ends. For, with the communists, trade and politics are inseparable. What it has done with tin, it may be tempted to repeat with other commodities of which it has a surplus. Finally, its economic progress will acquire a new meaning for the underdeveloped countries in two ways. First, it may result in more trade between them and Russia. Second, the political sermon-writers will attempt to present Russia's progress against the background of its backwardness five decades ago. It is, therefore, necessary, in the interests of economic truth, that Russia's achievements are viewed in a global perspective, so that, while they receive credit where it is due, they are allowed to obscure neither the progress made elsewhere in the free world nor the cost paid for such progress by the Russian citizens.

RIFT IN KILLICK INDUSTRIES BOARD?

MONEY AND BANKING—GROUNDNUT—CHINESE COTTON—U.K. STEEL INDUSTRY

THURSDAY, 5 P.M.

EVER since the boiler episode of the Ahmedabad *Electricity Company* Ltd., which led to the resignation of Mr. K. G. Milne and Mr. E. D. Sheppard from the Board of that company (*vide* page 867, *Commerce* of 29th November 1958), things do not seem to be going well with the Board of the Killick Industries Ltd., the managing agency company. There are reports of a serious rift among the Directors of this company (Killick Industries). The annual general meeting of the Company has been postponed. A public notice was issued last week putting off the closure of the Company's transfer books and cancelling the earlier notification which had said that the books would be closed between 9th and 26th February. It was stated that other suitable dates for closing the books would be announced as soon as the revised programme for the holding of the annual general meeting was decided upon.

MARKET GOSSIP

Market circles are wondering as to why the Company, which had been punctual hitherto in holding its meetings and paying dividends, has found it necessary to resort to the aforesaid extraordinary step. According to knowledgeable sources, there is a move to oust Mr. Milne and Mr. Sheppard, the Managing Directors of the Company, from the Board. It is stated that, at a recent Board meeting of the Company, the remaining three directors of the Company resolved that the contracts of Mr. Milne and Mr. Sheppard with the Company which are due to expire in the third week of June 1959 should not be renewed. Apparently, the intention of the majority of directors in deciding to postpone the annual meeting of the Company has something to do with this decision.

Meanwhile, collection of proxies by the friends and supporters of the Managing Directors, as well as by those who are opposed to them, is going on vigorously. It is understood that a section of shareholders, representing more than the statutory minimum of 10 per cent. shareholding, has put in a requisition to the Board of the Company for calling an extraordinary general meeting for passing a resolution reiterating their confidence in Mr. Sheppard and Mr. Milne and for electing another director to the Board. If the Board fails to comply with this request, then the dissenting 10 per cent. shareholders can, under the Company Law, themselves convene an extraordinary general meeting. Some interesting developments are, therefore, in the offing, unless, of course, the rift in the Board of the Company is closed through mutual understanding between the two Managing Directors, on the one hand, and the remaining three directors, on the other.

The other Directors are: Mr. Purshotamdas Thakurdas, Mr. Chunilal V. Mehta, and Mr. Jaisinh Vithaldas.

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The rumours of a downward revision of the Bank rate in India, referred to in these columns three weeks ago, would appear to have died down. It is these rumours—wishful thinking would be more appropriate—that had led to a perceptible rise in the value of 3 per cent. 1986 Conversion Loan to a high of Rs. 74.30 a fortnight ago. Since then, it has climbed down to Rs. 73.95 (with sellers even at this rate), presumably due to selling by those who had pushed it up, as their hopes have not materialised. Meanwhile, short-term interest rates in the market have been ruling firm since the beginning of the year at 3½ per cent. for inter-bank call money, 3½ to 3¾ per cent. for house money at seven days' notice and 3¾ to 4 per cent. for one to six months' deposits. Despite the fact that deposit resources of banks as a whole are substantially larger than a year ago—the total net deposits of Scheduled banks were Rs. 182 crores more as on 23rd January 1959—banks are finding it difficult to get their day-to-day requirements from the market. Interest rates would have hardened further but for the voluntary ceiling fixed by banks on house money and short-term deposit rates. In fact, the inter-bank call money rate, for which no ceiling has been fixed, is ½ per cent. more than that this time last year. Moreover, the 91-day Treasury Bill rate has been hardening for some weeks past. It stands now at 2.559 per cent., having successively gone up from 2.420 per cent. in the week ended 12th December 1958. That the banks' cash position is strained is indicated by the fact that their cash ratio (ratio of cash on hand and balances with the Reserve Bank to net deposits) as on 23rd January this year was as low as 6.83 per cent., as against 7.93 per cent. on the corresponding date of 1958. No doubt, their investment ratio is much higher at 40.16 per cent. on that date as compared with 31.07 per cent. a year before and their credit ratio is lower at 57.56 per cent., as against 64.14 per cent.

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While such is the position of the money market in India, the prospect of a further cut in the British bank rate is being widely discussed in the U.K., though it is hardly nine weeks since the last reduction of ½ per cent. to 4 per cent. was made. Between March and November last, the Bank of England reduced its discount rate *five times*, from 7 per cent. to the present level of 4 per cent. It is not this chain of reductions that has given rise to hopes that a further downward revision is due. The discussion centres round the fact whether there is a necessity for doing so and whether Britain can afford it. The arguments in favour of maintaining the present level of Bank rate for some time to come run thus:

The present rate is not very high as compared with the rates which have prevailed during the current decade. Having taken a series of measures in recent months, the authorities may not be in a hurry to make a further lowering of the Bank rate. It is, therefore, held that the Bank rate may stay at this level for some more time. The recent statement by the Bank of England Governor that "we are now comfortably poised at a level from which we can move in either direction as circumstances may require" is interpreted by some as an indication that the authorities are convinced that the downward trend in short-term rates has gone far enough for the time being and that, accordingly, there will be no more alterations in the Bank rate, unless there is a sudden change in the country's economy.

Those in favour of a further cut in the Bank rate say that the re-expansion of British economy is proceeding at such a slow pace that a monetary stimulus such as a reduction in the Bank rate will not prove to be inflationary. From the long-term point of view, they add, there is much to be said in favour of a cut during the present period of economic lull. The Chairman of the National Provincial Bank has expressed the view that the 4 per cent. rate is "perhaps still rather on the high side for a period of recession."

While there is thus a difference of opinion on the necessity for a reduction in the Bank rate on grounds of internal economic conditions, are external circumstances such as to induce a cut in the rate? Here also there are two opinions. The interest rates in many European countries are much lower than those in the U.K. Germany and the Netherlands have recently reduced their Bank rates to 2½ per cent. Belgium has cut it to 3½ per cent. France is expected to bring it down from the present level of 4½ per cent. In Italy and Norway, it is 3½ per cent. Switzerland's rate is 2½ per cent. These lower rates have naturally encouraged a substantial flow of "hot" money to London and this has gathered momentum following the restoration of convertibility of currencies. While the hot money provides a useful prop to sterling and the external reserves, the Bank of England and the Treasury are known to be not in favour of encouraging this trend, as these funds might any day be withdrawn, thus causing a drain on sterling. This, it is felt, is a ground on which the Bank of England may prune its discount rate.

There is, however, another school of thought which argues that there is nothing wrong in Britain taking full advantage of hot money, as long as it can and that, as the Bank of England knows the extent of such money coming into the country, it could earmark sufficient reserves to cover its eventual withdrawal. The handling of hot money, it is pointed out, is not far different from managing deposits by bankers. This school is, therefore, not in favour of a cut in the Bank rate.

In distinct contrast to the trend in Europe, money rates in the U.S. are moving up. The three months' Treasury Bills yield 2.98 per cent. and six months' bills 3.34 per cent., as against 3.11 per cent. in London for three months' bills. A cut of ½ per cent. in Britain's bank rate will bring the London short-term rates below the U.S. rates. It is generally expected in the U.S. that there will be a further increase in the Federal discount rate from the present level of 2½ per cent. If this is done, then the disparity between the London and U.S. rates will widen much more in favour of New York. Normally, this will encourage an outflow of money from London to New York, but, in view of the present "distrust" of the dollar, some observers feel that this may not happen and London can afford this "rare luxury" of cutting the Bank rate further.

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Fresh ideas on extending credit facilities to individuals in all possible ways and to as many as those who would like to avail themselves of these facilities are taking shape even in the U.S., where consumer credit is well advanced and highly specialised. The First National City Bank of New York has just taken the lead in augmenting credit facilities which were already being made available. Termed as "Ready Credit," this new facility is being provided to New Yorkers by all the 77 New York City branches and the Head Office in Wall Street. A notable feature of this innovation is that, in order to qualify for this service, one need not be a customer of the Bank.

Designed to supplement other personal credit services, with an individual line of credit, the Ready-Credit plan provides for a mutually agreed upon amount of credit that the customer can draw against with personalised cheques supplied free. Credit lines may be established for amounts ranging from a minimum of $120 to a maximum of $3,000.

The Citibank Ready-Credit plan will enable each customer to purchase what he wants, where he wants, and when he wants it. The balance of the account will be repayable in monthly instalments at the rate of 1/12 of the credit line. Interest will be charged only on the amount of the credit line used and outstanding at the rate of 98/100ths of 1 per cent a month (less than $1 per month per $100) *plus* a few cents for life insurance. The amount available to the customer is continually restored to the extent of his repayment.

The Citibank Ready-Credit is part of a new concept the First National City Bank of New York is making available to the public to assist customers in planning their family budgets intelligently. A booklet, "New Spending Guide for the Budget Minded Family," has been widely circulated by the Bank in recent weeks and are available to Citibank Ready-Credit customers. The plan is described as an ideal way to finance consolidation of bills, vacations, tuition, appliances, furniture and other items that ordinarily are a heavy drain on the family budget. Although it will be useful to all borrowers as an instrument for careful budget planning, the Citibank Ready-Credit will be of particular value to professional people and others whose incomes are subject to seasonal fluctuations.

To arrive at the amount of his credit line, the customer simply decides how much he can afford to repay each month and multiplies this by 12. After the first cheque drawn has been paid by the Bank, monthly statements will be mailed to him showing cheques drawn, monthly payments made, and charges for interest and insurance on the life of the borrower for any unpaid balance outstanding. The monthly statements will also show the amount of the credit line used and the amount of credit available for immediate use.

In providing this new service, the First National City Bank of New York is drawing upon thirty years' experience in the broad field of consumer lending, during which time it has extended more than 9.25 million personal loans amounting to 4½ billion dollars. The Citibank Ready-Credit is a step to broaden the Bank's service to individual borrowers in the same way that it recently expanded its service to small business men by raising monthly payment business loan limits from $25,000 to $50,000.

The principle involved in the aforesaid credit arrangement is similar to the one underlining the system of overdraft followed by the banks in India for financing trade and industry. Here is one more instance to prove that American bankers, who have set many examples in the sphere of personal loans to the rest of the world, do not want to rest on their oars and that they have not yet exhausted the scope for discovering new means of serving the public.

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The Forward Markets Commission's move to stem the upward trend in groundnut and groundnut oil prices—details of measures taken by it are referred to in the oilseeds market report, *vide* page 200 of this issue—has served the purpose, at any rate for the present. Groundnut February contract, which had gone up from Rs. 162.12 on 5th January to as high as Rs. 181 on Thursday last, has since receded to Rs. 178.37. Similarly, the May position has declined from Rs. 185.37 on Thursday last to Rs. 184.62 today. Nevertheless, the prices are markedly higher than those prevailing a year before, when February 1958 delivery was quoted at Rs. 152.62 and May 1958 position at Rs. 154.37. The recent steep increase in the prices of groundnuts and groundnut oil is attributed by the Commission to excessive speculation by certain parties. There may be some truth in this, but the fact cannot be disputed that the statistical position of groundnut is quite in favour of the seller. Although the commercial estimate of the current season's crop is placed higher by 100,000 tons at 2.30 million tons (kernels), the extent of improvement is not commensurate with the rising domestic consumption as a result of increase in population and enlarged demand from *vanaspati* producers. This factor, together with the export promotion measures such as grant of export quotas for H.P.S. groundnut and abolition of export duty on seed and oil, has fanned the bullish fervour in the market to a great extent. Further, it is reported that the cultivators are trying their best to hold off supplies from the market in the hope of realising still better prices in the months to come. It is natural for producers and stockists to stick to their holdings in a rising market.

In view of the aforesaid factors, and considering that there are no margins or penalties on ready, specific delivery contracts, the measures now announced by the Forward Markets Commission may not succeed in effectively curbing the bullish fervour. The situation arising from the rise in prices was considered by the Board of the Bombay Oilseeds and Oils Exchange Ltd. on Saturday. The Board is reported to have felt that ceilings should be fixed for hedge as well as delivery contracts in all oilseeds on an all-India basis. It is not known whether this suggestion will find favour with the Forward Markets Commission. A meeting of the representatives of the oilseeds trade and the Commission is expected to be held shortly.

Meanwhile, manufacturers of oils are greatly worried over the rise in prices. Mr. G. V. Swaika of Swaika Oil Mills, Calcutta, for instance, has addressed a telegram to the Government pleading for firm action against unhealthy speculation in this commodity by immediate intervention in the futures market, as the higher prices have completely neutralised the prospects for export of groundnut oil and made the position of domestic consumers miserable. He contends that the Bombay Oilseeds Exchange and the Adoni Exchange in groundnuts have failed to curb unhealthy speculation and that the system of margins adopted by them are ineffective. In his view, the very manner and method of imposing such margins are thoroughly unscientific and illogical, because they are fixed not in the event of the market advancing beyond the prices ruling at the time of imposition

(*Continued on page 212*)

SHARE MARKET DULL

BOMBAY BURMAHS SPURT

(From Our Own Correspondents)

BOMBAY, *5th February*

LETHARGIC conditions prevailed on the Stock Exchange during the week under review. With only three weeks to go for the Central Budget to be presented, operators were in no mood to extend their commitments either way. Trading was, therefore, on a small scale and price movements were narrow. The undertone, however, remained steady, in the absence of any adverse factors. The firm trend in commodity markets also kept sentiment intact. The decline in production of Tata Iron and Steel Company, Ltd., and the Indian Iron and Steel Company, Ltd. during January did not have any effect on the market. T.I.S.Co's production of saleable steel aggregated 89,700 tons, as against 90,100 tons in December. While semis accounted for a fall from 39,700 tons to 34,000 tons, finished steel rose from 50,400 tons to 55,700 tons. Production of steel ingots moved up from 91,900 tons to 96,200 tons, but pig iron declined from 98,900 tons to 97,700 tons. There was, however, a sharp fall in production of I.I.S.Co. saleable steel having fallen from 50,697 tons in December to 45,698 tons. Pig iron declined from 92,690 tons to 73,728 tons, while despatches of saleable steel were nearly maintained at the previous month's level, having aggregated 49,646 tons, as compared with 49,772 tons in December.

In the steel section, Tata Ordinaries dropped early in the week from Rs. 175.50 to Rs. 174.50. After a short-lived spurt to Rs. 176.50 on Monday, the shares moved narrowly between Rs. 175.50 and Rs. 175 and closed at Rs. 175.50. The new shares were a fraction better at Rs. 172.25. Indian Irons fluctuated between Rs. 26 and Rs. 26.20 before closing at Rs. 26.15, the gain over the week being no more than 5 nP.

Barring a spurt in Centurys on speculative support, textiles were featureless. After an initial dip from Rs. 434.50 to Rs. 431.75, Centurys moved up to touch Rs. 441 today. On profit-taking at this level, the shares declined to Rs. 438.50 at the close. Bombay Dyeings came up to Rs. 57.50 from last week's closing of Rs. 56.70, but lost part of this gain when the shares closed at Rs. 57.20. Kohinoors were marked down over the week by Rs. 2.25 to Rs. 237.75. Central Indias gathered over the week Re. 1.50 to Rs. 90.50. New Greats were dull at Rs. 218.50. The Company has skipped over the ordinary dividend for the year ended 31st December 1958. This is the second year in succession for which the distribution on ordinary shares is being held over. Morarjee Mills lost Rs. 3 to Rs. 227.50, while Shree Niwas Cottons were unchanged at Rs. 140 and Standards at Rs. 418. *Svadeshis* were a fraction lower at Rs. 209. Swans were steady at Rs. 350.50 and Tata Mills at Rs. 34.50. Ahmedabad Advances were done at Rs. 130, as against the previous rate of Rs. 140. Coorlas had business Rs. 12.50 lower at Rs. 125.

Minor variations were noted in bank shares. Barodas were 50 nP higher at Rs. 121.50 and Centrals 10 nP better at Rs. 58.80. Bank of Indias were unchanged at Rs. 140.25, while their new shares gained 25 nP to Rs. 141.25. Punjab Nationals shed 50 nP to Rs. 59, while United Commercials were unchanged at Rs. 68.

A sharp fall in New Indias was the main feature of trading in the insurance section. Their old shares lost Re. 1.70 to Rs. 52 and the new ones Re. 1.50 to Rs. 52.20. Industrial Prudentials picked up 75 nP to Rs. 30.25.

In the sugar group, Belapurs came to the limelight with a smart rise of Rs. 4 to Rs. 267. Bhopals were quiet at Rs. 25.55 and Phaltans at Rs. 141. Walchandnagars were unchanged over the week at Rs. 266.25. Maharashtra Sugars, however, gained Rs. 4 to Rs. 175.50. Cement shares were listless. Associated Cements moved between Rs. 155.25 and Rs. 153 before closing at Rs. 154.50. Digvijays were done at Rs. 131, as against Rs. 131.50 a week ago. Orissa Cements improved by 40 nP to Rs. 13.04. Ashoka Cements lost 40 nP to Rs. 8.08 and Jaipur Udyogs were done at Rs. 10. Among engineering and mining shares, Alcocks were quiet, dropping Re. 1 over the week to Rs. 266.50. Tata Locomotives were erratic, fluctuating between Rs. 161.75 and Rs. 164.50. The closing was done at Rs. 162.75, as against Rs. 163.50 a week ago. Premier Constructions were marked down by Re. 1.50 to Rs. 235.75. Mukand Irons were dull at Rs. 14, while Larsen and Toubros were a shade better at Rs. 17.16. Brady Engineerings suffered a loss of Re. 1.40 to Rs. 63. Mahindras showed no change at Rs. 18.24. Cooper Engineerings had business Re. 1 lower at Rs. 129. Shivrajpurs were a shade quiet at Rs. 88. Indian Coppers were steady at Rs. 3.60.

Scindias maintained a steady tone at Rs. 21.40. Great Easterns picked up 20 nP to Rs. 24.12. Hindustan Motors recorded a gain of 32 nP to Rs. 7.52 and Premier Automobiles moved up by Re. 1.30 to Rs. 86, despite the discouraging financial results and the Company's announcement that the production of Plymouth and Dodge cars had been stopped.

In the miscellaneous section, Bombay Burmahs provided a feature with a smart rise to Rs. 472 from Rs. 461.50, to which level they had declined earlier in the week from Rs. 464.50. This improvement is said to be due to the favourable view that the operators have taken of the Company's outlook. The Partly-paids were, however, unchanged at Rs. 170. National Rayons were erratic, moving between Rs. 242.25 and Rs. 245.75. The closing was done at Rs. 244. Tata Chemicals were a shade better at Rs. 15.40, while Alembic Chemicals picked up Re. 1.25 to Rs. 157.50. Tata Oils gained 25 nP to Rs. 46. Voltas advanced by Rs. 2 to Rs. 142.25. W. H. Bradys changed hands at Rs. 331.25, as against Rs. 300 at which the last business was done. Indian Dyestuffs were marked up by Rs. 19.75 to Rs. 190.

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Calcutta Stock Exchange

CALCUTTA, *4th February*

Gains in prices in most sections, notwithstanding the setback in the last two days, and an expansion in the volume of business were the main features of trading on the Calcutta Stock Exchange during the week under review. This measure of increased support followed steadier advices from Bombay and the belief that there would be no major surprises in the Budget. How far this belief would be justified, time alone would reveal, but speculative elements clung to this feeling and purchased the more popular counters in all sections in the hope of making profits; for, if the Budget should not add to the direct taxation burden, the recovery would gain further momentum. Optimism centres round the official declaration at that time that the 1957 Budget evolved a taxation structure for the entire second Plan period. The easing of the labour troubles in Burnpur, which earlier in the week led to a day's sealing of the blast furnaces, drew to Indian Irons speculative support leading to a smart recovery which erased the earlier loss. The improvement in the external reserves and the increasing collaboration which the private sector is able to obtain from foreign manufacturers for setting up industrial units in this part of the country also aided sentiment. Mr. Lal Bahadur Shastri's offer of assistance to export surpluses was interpreted here as an indication of more intrusion by the State Trading Corporation in the export field, and if this week's steadier trend was subsequently tempered by caution, as in the last two days, it was due to the proximity of the West Bengal Budget. For the States have often been maligned in New Delhi as lagging behind in raising adequate resources for the Plan and depending too much on Central loans and grants.

Sectionwise, jutes held a firm ground following strong optimism that mills were doing better in the current accounting period. On Monday and Tuesday, however, quotations were marked down. At Rs. 183, Aucklands put on Rs. 3, while Lansdownes, after being maintained at Rs. 137, rose to Rs. 138. They, however, finished lower at Rs. 135. Anglo-Indias advanced to Rs. 218 from Rs. 216. From Rs. 26.37, Nationals gave way to Rs. 26.25 to close better on balance at Rs. 26.75, but Indias lost ground to Rs. 15.06 from Rs. 15.50. Ganges closed at Rs. 73.50 after having earlier sagged to Rs. 72 from Rs. 77. Megnas changed hands at Rs. 14.44, as against Rs. 14.75 last week, and Barnagores at Rs. 137, as against Rs. 142.

Following the L.I.Cs support, there were a few features in the coal section. Burrakurs reached a high of Rs. 18 before reacting to Rs. 17.50, at which level the shares were higher by 13 nP on balance. Central Indias reached Rs. 7.62 from Rs. 7.19, and Raneegunges continued to forge ahead and finished 44 nP higher at Rs. 15. East Indians were brought to business at Rs. 23.81, as against Rs. 22.87 previously. South Karanpuras advanced to Rs. 13 from Rs. 12.62 before declining to Rs. 12.87. Dhemo Mains, at Rs. 9.50, were fractionally higher. New Beerbhooms rose to Rs. 20.37 from Rs. 19.87, only to close at Rs. 20.12. Equitables had buyers at Rs. 29.75, as against Rs. 29.62 earlier.

A small widening of interest was discernible in textiles, and Basantis met with buyers at Rs. 6.37, as compared with the previous rate of Rs. 6.25. Elgin Mills gained to Rs. 12.25 from Rs. 11.75, and Kesorams to Rs. 12 from Rs. 11.37.

Among minings, Indian Coppers carried a gain for some time to Rs. 3.59, but receded to Rs. 3.56. Karanpura Developments sagged to Rs. 10.75 from Rs. 11.31, while Burma Mines in cheerful trading forged ahead to Re. 1.80 from Re. 1.55.

Engineerings were supported at slightly hardening rates. Indian Irons opened at Rs. 25.80 and soon scored to reach a high of Rs. 26.30 before finishing at Rs. 26.12. Texmacos rose to Rs. 21.20 from Rs. 20.75, but in consonance with the general trend closed lower at Rs. 20.95, while Kumardhubis maintained the upward trend and reached Rs. 8.81 from Rs. 8.56. Guest Keens were steady at Rs. 37.31 and Jessop & Cos. hardened to Rs. 25.19 from Rs. 24.69.

Several features were recorded in miscellaneous industrials. Assam Saws reached a high of Rs. 5.25 from Rs. 4.06 before falling back to Rs. 4.06. Ralhs touched a high of Rs. 52, as against Rs. 47.25 earlier before finishing at Rs. 50. Alkali and Chemicals hardened to Rs. 18.12 from Rs. 17.75. India General Navigations at Rs. 71.50 were higher by Rs. 2.50 with National Pipes reaching a high of Rs. 17.44, at which rate the week's gain was Re. 1.44. Another strong feature was provided by Indian Aluminiums which were pushed to Rs. 17.31 from Rs. 16.69 before closing slightly lower at Rs. 17.06. At Rs. 7.62, Hindustan Motors were keenly chased, and Aluminium Corporations were bid at Rs. 11.12, as against Rs. 10.47 previously. Among the less striking features were National Cables which at Rs. 29.31 were fractionally better, albeit the continuance of the "lock-out" on labour troubles. National Rollings were a fraction better at Rs. 13.31. Orient Papers had support at the improved rate of Rs. 30.85.

More interest was in evidence in tea shares, with Carrons advancing to Rs. 127.50 from Rs. 125. Bishnauths at Rs. 19 were better by 50 nP. Dufflaghurs were done at Rs. 34.75, as against Rs. 32.50 previously. Baghmaris were pushed up to Rs. 19.44 from Rs. 18.62 and Jutlibaris to Rs. 19 from Rs. 18.49. At Rs. 27.50, Grobs "A" added one point, but Birparas declined to Rs. 158.50 from Rs. 161. Sungmas had buyers at the hardened rate of Rs. 16.44.

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Madras Stock Exchange

MADRAS, *3rd February*

Thanks to pre-budget uncertainties, trading on the Madras Stock Exchange was featureless during the week under review, the trend of prices being generally downward. In the planting section, coffee shares were subjected to renewed selling pressure and suffered losses. In sympathy, tea and rubber shares ruled easy. Textile shares lacked support. The statement of the Union Minister for Commerce and Industry that there would be no further relief in excise duty on cloth disappointed operators. Bank, electric and sugar shares were quiet. Activity in the miscellaneous section was at a low ebb; only certain select scrips evoked some attention and tended to move up.

Among tea shares, Peermades were marked down by Re. 1.42 to Rs. 18.20. United Nilgiris declined by 30 nP to Rs. 16.90. Twyfords retreated by 27 nP to Rs. 15.35 and Devasholas by 25 nP to Rs. 23.87. Chandramalais receded by 10 nP to Rs. 2.75. Kil Kotagiris shed 8 nP to Rs. 6.52. Chembras 6 nP to Rs. 3.39, Coorg Teas 4 nP to Rs. 5 and Parksides 3 nP to Rs. 19.12.

Transactions in coffee shares were put through at reduced rates. Coffee Lands were pushed down by Re. 1.50 to Rs. 21.25. Consolidated Coffees slumped by Re. 1.05 to Rs. 19.50. Kumergodes came down by 35 nP to Rs. 6 and Cowcoodys by 31 nP to Rs. 6.75. Rajendras eased by 20 nP to Rs. 12.50 and Ouchterlonys by 15 nP to Rs. 4.90.

In the rubber group, Rajagiris and Kalpettas declined by 25 nP each to Rs. 16.90 and Rs. 11.50, respectively. Vaikundams were quoted 12 nP lower at Rs. 23. Nellampathys lost 10 nP to Rs. 2.67. Thirumbadis 14 nP to Re. 1.66, Swintons 5 nP to Rs. 2.35 and Puthutotams 3 nP to Rs. 2.95.

Textiles, as stated earlier, lacked support. Coimbatore Cottons, Rayalaseemas and Vijayakumars decline by Rs. 2 each to Rs. 131, Rs. 103 and Rs. 100, respectively. Bucklinghams eased by a rupee to Rs. 174. Madurus dropped 65 nP to Rs. 25.25. Loyals lost 25 nP to Rs. 25 and Cambodias 20 nP to Rs. 7.65.

Among sugar shares, Kirlanpudis slipped down by Re. 1.50 to Rs. 45.50. Deccans gave way by 33 nP to Rs. 9.62. Travancores decreased by 15 nP to Rs. 10.15 and Indias by 5 nP to Rs. 12.20.

In the miscellaneous group, Ralhs provided a bright spot, the quotation spurting by Rs. 5 to Rs. 51. United India Fire hardened by 35 nP to Rs. 7.75 and Vanguard Fire by 25 nP to Rs. 6.25. Sen-Raleighs gained a like amount to Rs. 15.50.

MERCANTILE BANK LTD.

The Directors of the Mercantile Bank Ltd. have declared a second interim dividend of 6¼ per cent. less income-tax on all shares for the year ended 31st December 1958. The dividend is payable on 14th March 1959. They have recommended no further dividend for the year, so that the total distribution comes to 12½ per cent. less income-tax.

Notice

THE AUCKLAND JUTE CO., LTD.

NOTICE OF INTERIM DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Interim Dividends for the year ended 31st March 1959 without deduction of Income Tax paid by the Company.

On Preference Shares at 2.75 per cent.

On Preference Shares Redeemable at 2.25 per cent.

On Ordinary Shares at Rs. 5 per share.

The dividends will be paid on or after 5th March 1959 to those Shareholders (or their mandatees) whose names appear in the Company's books on 27th February 1959.

The Share Transfer Registers of the Company will be closed from 17th February 1959 to 27th February 1959, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,

Managing Agents.

CALCUTTA, *31st January* 1959.

NEWS IN BRIEF

THE Union Government has agreed to purchase from Orissa the entire exportable surplus of rice estimated at 400,000 tons.

The President has given assent to the Rajasthan Warehouses Bill, 1958. The legislation has been promoted to increase warehousing facilities in Rajasthan during the second Five-year Plan period.

The Government of India has decided to allow exports of sugar coated, salted and unsalted groundnuts (fried and roasted) without any maximum limit hitherto imposed, namely, five tons per shipper per steamer.

The Hindustan Machine Tools Factory at Bangalore established a new production record in the month of January by turning out 100 machines, as against 63 machines produced in the previous month. The original monthly target fixed for 1961 was only 33 machines.

The Punjab Electricity Board was inaugurated by Mr. Gian Singh Rarewala, the State's Minister for Power and Irrigation, on the 1st inst. The Board is a statutory body constituted under the Electricity Supply Act 1948. Its annual revenue is expected to be about Rs. 7 crores.

The Central Government has decided that the parties who are able to secure bulk business for the export of manganese ore in excess of their quotas or who are able to negotiate sales on long-term basis for deliveries beyond June 1959 for three years from June 1959 will be considered for allotment of quotas on *ad hoc* basis, subject to certain conditions.

The Air-India International and the British Overseas Airways Corporation are considering the possibility of commercial pooling of their operations between the U.K. and India. In the meantime, the Governments of the two countries have agreed, following talks held at New Delhi last week, to extend the existing pact until a final decision is taken by the two airlines.

A Bill designed to unify the existing enactments for administration of minor ports in all the areas of the new Bombay State and to facilitate levy of charges, which cannot be levied under the Indian Ports Act 1908, for better and more convenient administration of minor ports, has been published by the Bombay Government in its *Gazette* dated 3rd February 1959.

A proposal to have an inter-State grid connecting the power stations in Andhra, Madras, Mysore and Kerala was accepted by the Power Development Committee of the Southern Zonal Council at its meeting held at Munnar on 30th January. The proposed grid will facilitate the transmission of surplus power available in one State to another in the zone which is deficit in power supply.

The West Bengal Government proposes to set up a factory to manufacture X-ray equipment. The factory will be run by a joint-stock company, with an issue capital of Rs. 1 crore, the State Government contributing 51 per cent. To start with, the factory will manufacture X-ray plant without tubes. The tubes are expected to be supplied by an American company which will directly participate in the project at a later stage.

The Cashew and Pepper Export Promotion Council, Cochin, proposes to send a trade delegation to the West European and Far Eastern countries, including Japan, during the coming summer to explore the possibilities of building up markets for cashew and pepper in these countries. It may be recalled that a trade delegation of the Council recently visited the East European countries with the same object in view.

The possibility of establishing a straw board factory in or around Tansa in Thana District has been investigated by the Forest Department of the Government of Bombay. It is said that coarse grasses of suitable varieties are found in abundance in the revenue forest of Tansa and Valtarna Lake catchment areas and they afford a potential supply for establishing a straw board factory of about 10-12 tons daily capacity.

A bilateral agreement for the supply by India of manganese ore of the value to cover United States' exports of 450,000 tons of foodgrains is expected to be signed by the Governments of the two countries shortly. The agreement will be signed by the State Trading Corporation of India on behalf of the Government of India and the Commodity Credit Corporation on behalf of the United States Government—although, in the latter case, trading will be through private channels.

The Central Government has announced the first export allotment of tea for 1958-59 at 494.50 million pounds. This represents 67 per cent. of the crop basis for the year, estimated at 738.10 million maunds. The Tea Board has already allotted export quota at 65 per cent. of the crop basis to all estates. Arrangements are being made by the Board to allot the balance of quota at the rate of 2 per cent. of the crop basis to all estates as early as possible.

An Indian Trade Promotion Organisation is to be set up in West Germany to promote the exports of Indian products to that country. The organisation will have its headquarters at Frankfurt and a branch office at Hamburg. It will study German tastes and preferences in regard to different commodities and undertake market research and surveys to keep Indian exporters informed about the requirements of the German consumers. It will establish contacts with German business houses, import agencies and departmental stores to create awareness among them about Indian products. For this purpose, it will also conduct publicity for Indian goods and arrange participation by Indian firms in German fairs and exhibitions. The organisation will also help to promote and maintain contacts between Indian business men and German traders and act as a general service organisation for Indian business men visiting West Germany.

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From Abroad

The British Exports Credits Guarantee Department set up another record in 1958 with its commercial business touching £520.6 million, 7 per cent. higher than in the previous year, although U.K. exports as a whole fell by 3½ per cent.

The next meeting of the United Nations Sub-Committee on lead and zinc is expected to take place some time in April next. It will reconsider the possibility of international action for ensuring stability in the prices of these two metals.

The Dominican Republic Sugar Commission has fixed the sugar production quota for the 1958-59 season at 987,000 metric tons. Of this quota, 655,000 tons will be exported to world market and 68,200 tons to the U.S., the balance being diverted for internal consumption.

The Jordanian Parliament has approved of the setting up of a State Bank for the country, with a capital of 1 million dinars, to be subscribed by the Government. The Bank will issue currency and supervise financial policy, including gold and foreign exchange transactions.

A new unit trust, entitled Europa I, specialising in securities of all the European Common Market countries, has started selling its certificates in West Germany. The trust is associated with the Frankfurt banking house of Hardy and Co. It will shortly extend operations to Italy and the Benelux countries.

A reduction in *ad valorem* taxes on exports of cotton fibre, ranging between 22 per cent. to 10 per cent., has been announced by the Mexican Government. This step is designed to give a temporary relief to compensate for higher production costs, the effect of climatic conditions on the quality of the fibre and lower yields.

Japanese steel manufacturers have set up a committee to investigate the long-term problems of, and prospects for, the utilisation of New Zealand coal. The Committee will presently receive a report from a mission recently sent by the Mitsubishi Mining Company for a fact-finding survey of New Zealand's West Coast Coalfields and transport facilities.

PERSONAL

THE Earl of Home, British Secretary of State for Commonwealth Relations, arrived in New Delhi on Tuesday this week.

Mr. K. B. Lall, Joint Secretary, Ministry of Commerce and Industry and Director-General, Foreign Trade, has been appointed Additional Secretary to the same Ministry.

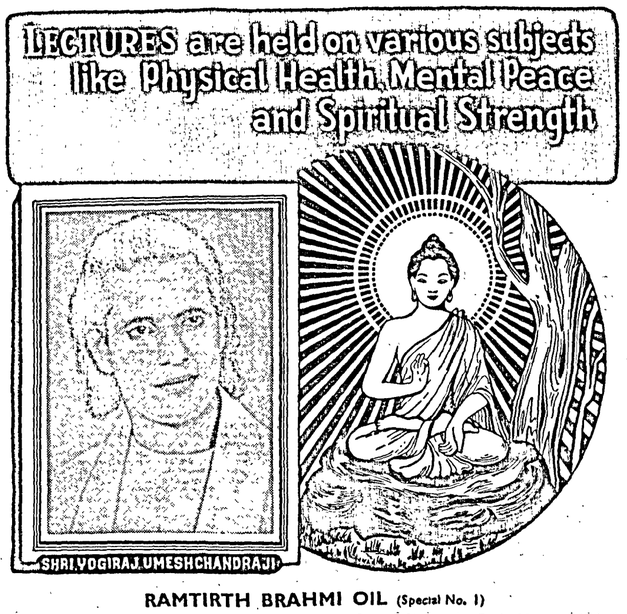
Mr. Bejoy Krishna Acharya, Joint Secretary, Union Ministry of External Affairs, has been appointed Ambassador of India to Czechoslovakia. He is concurrently accredited as Ambassador to Rumania.

Mrs. Sumati Morarjee, Director, the Scindia Steam Navigation Company, Ltd., has been re-elected President of the Indian National Steamship Owners' Association for the third year in succession. Mr. Vikramsingh S. Vallabhdass, Mr. J. M. Kapadia and Mr. K. P. Shah have been elected Vice-President, Honorary Treasurer and Honorary Secretary, respectively.

The price of steel in France is proposed to be raised by 9 per cent. following an agreement reached between the Government and the industry. The increase agreed to by the Government is, however, considered to be less by the industry which estimates the average rise in production cost at no less than 15 per cent., as a result of devaluation, higher wages and other 1959 budget measures.

All those banks and importers in France who had speculated against the franc at the end of last year have been ordered to turn over such profits as they had made to the Exchange Stabilisation Account. The institutions which had bought sterling, dollars or other currencies in December last for delivery in January are required to pay the stabilisation fund the difference between the price they paid and the present rate.

In the U.K., 85 persons were prosecuted for taxation offences, 81 being convicted during 1957-58, the highest figures in the last seven years. The outstandings in unpaid taxes at the end of 1957-58 amounted to £422.9 million. Of this, the recoverable amount is estimated at £210 million. Analysing the taxation by income brackets, the report of the Inland Revenue Commissioners says that 20.9 million people had incomes over the tax exemption limit, while 2.8 million earned insufficient to pay tax. The report also indicates that there were 45 people in Britain with incomes of £100,000 or more before tax and their total annual income aggregated £8.4 million.



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Hair and Brain Tonic, and useful for Eyes, Memory, Sound Sleep and Body Massage is being prepared scientifically with precious ingredients at SHRI RAMTIRTH YOGASHRAM. It is useful to every one in all seasons. Available everywhere. *Price: Big bottle Rs. 4/-, Small bottle Rs. 2/-, postage extra.*

YOGASANA MAP (Chart)

To be healthy and to keep fit ask for our attractive Yogasana Chart showing Yogic Asanas, which will be sent on receipt of an M. O. for Rs. 2/50 nP including postage. These Asanas can be easily performed at home.

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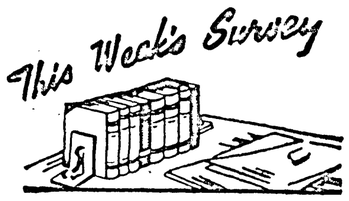

"DRIVE-IN" BANKS IN BRITAIN

THE extension of banking facilities in Britain has taken another shape, with the inauguration of a "drive-in" bank last week by the Westminster Bank in Liverpool. The first bank to announce its proposal to provide such a facility was Martins Bank. More than two weeks ago, it disclosed that it would open in Leicester towards the close of this month (February) what had hitherto been regarded as Britain's first "drive-in" bank. The Westminster Bank, however, sprang a surprise by actually opening such a bank on 30th January, thus earning the distinction of establishing the first "drive-in" bank of Britain.

The Westminster's "drive-in" bank has two service windows, to which the motorist-customer can drive in his vehicle. On approaching the windows, the motorist's car will pass over a traffic pad in the approach way and this will sound a buzzer for four seconds inside the Bank. There is also a system of indicator lights to warn the cashier that a customer is approaching. Each of the two cashiers will be seated in his own special office, connected by telephone with the main banking hall and the manager's office. The cashier has on his desk a microphone to enable him to speak to his customers. He has also a drawer which he alone can operate in which to pass cash and cheques to and from customers.

The object of the facility is twofold: first, to make it easier for motorist-customers to transact their banking business without the necessity of having to park their cars and walk into the bank to cash their cheques or make remittances; and, secondly, to obviate the danger of pedestrian customers being waylaid while carrying large sums to and from the bank.

The "drive-in" banks is an American innovation and has been in vogue for some years now. The British banks are thus copying another U.S. practice. In the U.S., "drive-in" banking facilities are provided even in small towns. It is popular and serves a real need, because almost everyone in that country has a car. The number of cars in the U.S. exceeds the number of families, as, in many cases, a family owns more than one car. Further, motorists in the U.S. find it difficult to get parking space for their cars and, even if they do, they will have to pay a fee which, in some cities, is not negligible.

COMMONWEALTH PREFERENCES

The British Government deserves to be warmly congratulated on its continued earnestness in preserving the system of Commonwealth preferences throughout the negotiations for a European free trade area. It has sought to impress upon the countries of Western Europe, particularly the six Common Market (C.M.) nations, the fact that Commonwealth preferences have never caused difficulty in the development of the O.E.E.C. (Organisation for European Economic Co-operation); in fact, there has been a very great and welcome extension in recent years of trade between Europe and the Commonwealth. This view has, once again, been reiterated by the Government in a White Paper published last week. The Government did not believe, it says, that, in practice, any risk of disequilibrium in the conditions of competition can arise as a result of Commonwealth preference, as was suggested in the memorandum from the European Economic Community. In this connection, the White Paper recalls the viewpoint expressed by the U.K. Government at the Inter-Government Committee meeting of 13th November and says:

"It was then explained on behalf of Her Majesty's Government that the preferences which United Kingdom exports enjoy in certain parts of the Commonwealth had been negotiated with the Commonwealth Governments concerned and were not, therefore, under the sole control of the U.K. Government. They were part of a balanced system of rights and obligations, and it was wholly misleading to consider the question of Commonwealth preference by calling attention simply to the benefits it confers and ignoring the obligations. The two must be taken together."

The U.K. Government is firmly convinced of the overriding importance for Europe's future in finding "a multilateral solution" which would provide for freedom of trade, including removal of tariffs and quantitative restrictions, among all O.E.E.C. members. Such a task is, of course, beset with many difficulties, but these are not incapable of solution, provided further negotiations are held in an atmosphere of common determination to succeed and agreement reached on the ultimate objective.

Appropriately enough, Britain has stressed that the continuance of the system of Commonwealth preferences will not in any way be an obstacle to expanding world trade. For the greatest beneficiaries of such preferences today are the underdeveloped parts of the Commonwealth and the primary producers in New Zealand and Australia. It will be recalled that, ever since the European Common Market scheme was first mooted, the underdeveloped countries—Commonwealth and non-Commonwealth—have been greatly apprehensive of the effects of the C.M. on their economies.

The possible effects of the C.M. on Asia figured prominently in the discussions at the meeting of the United Nations E.C.A.F.E. Committee on Trade last week. The Asian delegates expressed the fear that the C.M. was likely to hurt their export trade and reduce their foreign exchange earnings and slow down their economic development programmes. They saw in the C.M. certain protectionist elements likely to produce detrimental effects and felt that the associated territories of six members of the C.M. would have a preferential position; all this would discriminate against Asian exports and upset the traditional pattern of world trade. India, Ceylon, Indonesia and Japan took up a somewhat firm stand against the C.M., while Vietnam, Thailand and Malaya were slightly more open-minded. Australia feared agricultural protectionism.

On their part, the European representatives pointed out that the European Economic Community (E.E.C.) would give, in the long run, an impulse to world and Asian trade. In particular, the French and the Netherlands delegates gave the assurance that the C.M. countries were always willing to consult third parties and adjust difficulties, adding that the scheme was designed to expand world trade. It is not known how far this explanation convinced the Asian countries. The Committee, however, agreed that the E.C.A.F.E. Secretariat should continue to keep the E.E.C. under study in consultation with the G.A.T.T., the Economic Commission for Europe, the F.A.O. and the Economic Commission of O.E.E.C. and make a report next year.

Although the details of the Rome Treaty for the establishment of C.M. were published many months ago, it is surprising that the E.C.A.F.E. Secretariat has not so far analysed the implications of the C.M. to Asian trade. Considering this lacuna, it is certainly gratifying to note that the Federation of Indian Chambers of Commerce and Industry has at last made an attempt to study this question.

The Federation feels that exports of goods, particularly manufactured goods, from Asian (and African) countries to the C.M. countries are likely to be adversely affected. This view is based on the ground that the product of other C.M. countries will offer stiff competition, inasmuch as they will, on the one hand, bear lower rates of duties in the transitional period and no duties later on and, on the other, benefit by lower manufacturing costs following economic integration and other measures, as well as the likely setting up of giant enterprises. Even at present, it is said, imports of manufactured goods of the six C.M. nations represent just 16 per cent. of world trade, whereas their exports of manufactured goods account for as much as 36 per cent. of world exports. As an example, mention is made of cotton textiles and jute manufactures. The exports of these commodities from outside countries to the C.M. countries will suffer, since they will have to pay an import duty of about 20 per cent. or more, while the internal tariffs to be levied on the goods of C.M. countries will gradually decline during the transitional period and completely disappear after 12 to 15 years. How the exports of certain other items from Asian and African regions will be affected by the linking of the overseas territories of each of the member-countries with the C.M., as has been brought out by the Federation, is indicated below:

Unmanufactured tobacco: The proposed common tariff is 30 per cent. It will have to face competition with exports from the Belgian Congo and the French colonies.

Vegetable oils: Exports will be subject to a 9 per cent. duty or so. There will be competition from the lower tariff goods of the Belgian Congo and the French possessions.

Coffee: This will be subjected to a 16 per cent. duty, while that of Belgian Congo and French African colonies will get preferential treatment.

Tea: The imposition of a 35 per cent. duty under the common tariff may encourage tea plantation in the overseas territories, since the exports of these territories will ultimately be exempt from import duty.

The Federation has also drawn attention to the special provisions relating to agriculture, including the use of long-term contracts and the system of minimum prices provided for agricultural products which, it says, can lead to the continuation of agricultural protection in the C.M. and, over a period, have a restrictive effect on imports of those from third countries. It is feared that the establishment of the C.M. may lead to monopolistic tendencies and stimulate agreements on prices among exporters of capital goods, etc., thereby making the Asian countries pay higher prices for their requirements. It is further feared that a part of the investment funds available from the C.M. countries for the economic development of the Afro-Asian region may be diverted to other overseas territories.

The Federation has not merely analysed the serious repercussions of the C.M. on the economies of the Asian and African countries, as well as of the other parts of the world, but has also urged the adoption of steps to safeguard the economic interests of these countries. In particular, the Federation has put forward three suggestions. In the first place, the C.M. countries should be persuaded, through the G.A.T.T., to incorporate such provisions in the Rome Treaty as may not have any restrictive effect on the exports of outside countries. Secondly, it is desirable that provisions be incorporated in the Treaty providing for necessary checks against monopolistic tendencies and the special provisions on agriculture be amended suitably. Thirdly, the Afro-Asian countries must devise schemes for promoting trade and economic co-operation among themselves. There can be no two opinions about the relevancy of the first two suggestions. As for the third, it must be stressed that much depends on the extent of co-operation and assistance rendered by the economically more prosperous countries of the West. In conclusion, it would be pertinent to pose the question whether formation of regional economic blocs such as the C.M. is conducive to the setting up of a free and multilateral system of world trade and payments.

ENGINEERING INDUSTRIES

Much commendable progress has been made by India's engineering industries in the last ten years. Although their establishment has meant the use of foreign exchange in considerable amounts, there is no doubt that they have more than repaid such expenditure. Besides creating employment opportunities for thousands of workers, they have disseminated technical know-how among them and also saved immense foreign exchange, which, in their absence, would have been absorbed by importing the goods. These industries are, therefore, fully entitled to some special consideration, particularly in the matter of allotment of raw materials. And yet, Mr. R. M. Agrawal, President of the Engineering Association of India, in the course of his speech at the annual meeting of the Association, held at Calcutta, complained that "unfortunately, the importance of engineering industries has not been sufficiently recognised in India except in theory." His point was that, if the authorities really recognised the importance of these industries, there would have been no serious setback in their production through "acute shortage of raw materials and components." He pointed out how a survey of 263 industrial units showed that, in 1957, the extent of idle capacity varied from 20 per cent. to 80 per cent. The authorities cannot be oblivious of the fact that idle industrial capacity represents a national waste which should be reduced to the minimum. A higher priority for engineering industries in the allocation of raw materials, spare parts and other essential equipment is clearly indicated.

In the light of the admitted scarcity of raw materials and other factors which have led to the emergence of idle capacity, it is of the utmost importance that the Government should not lightly permit additions to existing capacity. What is necessary, as Mr. Agrawal rightly insisted, is efficient utilisation of available resources by industries for serving the market. This criticism is not always borne in mind. In this connection, Mr. Agrawal drew the attention of the Government to two instances of deliberate creation of surplus capacity—the proposal to set up an automobile plant as a Defence Ministry enterprise and the enlargement of the productive activities of the Hindustan Machine Tools Private Ltd. in certain directions. He asked how the Defence Ministry "would be able to manufacture trucks at a cost cheaper than that of the firms in the private sector with a much larger capacity." As regards the H.M.T.'s proposal to manufacture cheaper lathes in technical collaboration with a French firm, he asked whether it was wise to create surplus capacity in lathes. He claimed that there was already sufficient capacity for the production of such lathes. Further, the move was "against assurances given from time to time by the Government that the H.M.T. will supplement the efforts in the private sector and never compete with it."

The Union Minister, Mr. Lal Bahadur Shastri, who inaugurated the meeting, stated, in the course of his reply to these points, that there was no reason why the automobile industry should feel that the Government-sponsored truck enterprise would restrict its market. As regards the production of cheaper lathes by the H.M.T., he said that the Government, in giving the permission, satisfied itself that the demand for such lathes was more than could be met by present production. It is to be hoped that the Minister's confidence will be borne out by events.

Mr. Shastri did well to stress the importance of exports. He said that the most important contribution the engineering industry could make towards the solution of foreign exchange difficulty was to increase exports. The industry can make this contribution, only if it has access to ample supplies of raw materials. Further, it should constantly strive to improve its quality and bring down prices, which alone will enable the industry to market its goods abroad.

U.S. FARM POLICY

In the U.S., the price-support and production-control programme of the Department of Agriculture has come in for much criticism in recent years. The fact that, even if the coming crop were not harvested, the country would still have more than enough for domestic use, export sales, foreign donations and adequate stocks for an entire year is sufficient to show the weakness of the country's agricultural policy. The rigid price-support programme has turned out to be a costly experiment, because of the failure to correct it in good time. Outlays for the current fiscal year ending 30th June 1959 are expected to exceed five billion dollars, which is approximately equal to two-fifths of the net income of all farmers in the entire United States, even though the number of commodities eligible for support is fewer than in previous years. It is estimated that, by the end of the current fiscal year, stocks of surplus farm products with Government will be worth about nine billion dollars. By 1st July next, Government expenditure for storage, interest and handling of its agricultural surplus stocks will reach an annual rate of one billion dollars.

In view of the mounting surpluses, many have of late been wondering how long the Government can continue supporting farm prices at unrealistically high levels. High price supports have had their origin in the exigencies of World War II. Despite the fact that legislation calling for rigid price supports at 90 per cent. of parity expired at the end of 1948, a return to lower, flexible supports was postponed year after year. Rigid supports were not lifted until the Agricultural Act of 1954. The latter provided for flexible supports ranging from 82.5 to 90 per cent. of parity on five major crops in 1955, with the floor, supply and demand conditions warranting, dropping to 75 per cent. of parity beginning in 1956. Supports, however, did not drop to the 75 per cent. level, until last year and, even then, for only two crops, namely, wheat and rice. Even the 75 per cent. level is, as indicated by the mounting crop surpluses, too high to induce the needed adjustments within agriculture.

President Eisenhower, being aware of the need "to flex lower," asked Congress in January 1958 to lower the support floor on basic crops to 60 per cent. of parity and to abolish the escalator clauses that require supports to be raised as surpluses are worked down. The Congress rejected this request in March and enacted, as a so-called anti-recession measure, a Bill freezing price supports for the 1958 crop at the previous year's level. The President vetoed the Bill. The Congress and the Administration, however, agreed on a compromise, embodying the Administration's objective of flexible supports and larger acreage. The President signed it into law in August 1958. The new law was based on the principle that greater flexibility in price supports would lead to expanded markets. This law has two outstanding weaknesses. First, it has left out three basic crops, namely, wheat (in which there is the biggest surplus), tobacco and peanuts. Second, the lowest support levels (65 per cent. for cotton) are not authorised until 1961 and 1962.

Realising that these legislative changes had not gone far enough, the President recommended, in his annual Farm Message to the Congress on 29th January last, measures designed to ensure greater freedom to the farmers in farm management and for markets to reflect the supply and demand conditions. The President asked Congress to approve smaller and more flexible farm subsidies. He made two alternative recommendations:

(1) Prices for the 12 commodities now subject by law to mandatory price supports—including wheat, maize and cotton—be related to a percentage of the average market price during the immediately preceding years. The appropriate percentage of the average market price should be discretionary with the Secretary of Agriculture, at a level not less than 75 per cent. and not more than 90 per cent. of such average in accordance with the general guide lines set forth in the law.

(2) If the Congress still preferred to relate price supports to existing standards, the Secretary of Agriculture should be permitted to establish discretionary, flexible price support for all commodities including the 12 now subject to mandatory controls.

The President also called for continuation of the P.L. 480 scheme for supplying friendly countries with U.S. surplus farm products. He gave the assurance that this scheme would be operated with care to avoid disturbance to the normal pattern of commercial trade.

The President's farm programme is expected to face stiff opposition from the farm bloc in the U.S. Congress. According to Senator Ellunder, Democratic Chairman of the Senate Agriculture Committee, there is not even a "ghost of a chance" that Congress will approve it.

AMERICAN LETTER

WHY DID MIKOYAN IGNORE TRADE UNION LEADERS?

INTEREST RATES STILL MOVING UP

From Our Special Correspondent

NEW YORK, 30th *January*

ANASTAS I. Mikoyan's visit to the United States was a memorable one in many ways. The No. 2 man of the Soviet Union, instead of Nikita Khrushchev himself, travelled some 7,000 miles in this country.

Outstanding in my mind is the fact that, wherever he went, he went out of his way to talk to "big business" leaders. In Detroit, he talked to the Fords. In New York, he was the guest of First National City Bank, for example.

It seemed as though Comrade Mikoyan was believing his own propaganda. Why did he ignore the leaders of outstanding trade unions whose voices are thunder at Washington, as compared with the whispers of so-called "big business"?

Surely, it would have been quite profitable to get the views of such labour giants as Walter and Victor Reuther of the United Automobile Workers, John L. Lewis of the United Mine Workers of America and of Mr. Meany, who presides over the combined American Federation of Labour and the Congress of Industrial Organisations. Was this an intended "snub" on the part of the Soviet hierarchy, or was it ignorance of the most vital forces in the U.S. today?

It is certainly no secret, if one reads the daily papers, that the new Congress is expected to be quite hostile to "big business." At the same time, there are no indications of hostility towards labour, even though some labour-restricting legislation has been introduced. But its fate in the Congress is uncertain. What's more, the trade union position is so well entrenched that such people as spokesmen for United States Steel concede privately that the expiration of the steel workers contracts on 30th June may well be followed by a strike lasting six to eight weeks.

It's a platitude to say that Mr. Mikoyan created a very good impression. Rather, such an impression was created by a very able, suave and personal young interpreter among audiences who were completely unaware what Mikoyan had first said in Russian. This is not to say that the translations may have been incorrect, but the impressions were second hand, not first hand.

Perhaps, the most truthful observation about the visit is that it was useful. Mr. Mikoyan was exposed to much independent American thinking in many fields. He saw American life in many phases unrehearsed and had a chance to form his own opinions. If Mikoyan's chief mission was to make Soviet Russia "respectable" in American eyes, I do not think it was too successful. Too many disappointments preceded him.

Economic Trends

On the U.S. Economic front, the pattern remained unchanged. The stock market continued to hover around its historic highs. There was a further deterioration of bond prices and bond yields are approaching their previous 1957 highs.

The yield curve has disturbing connotations. An example may be the 21-year 4 per cent. issue which the Treasury floated this January at a discount price of 99. In the third week of January, this bond declined in price to 98⅜, or to a yield basis of 4.10 per cent. This is very little less than the statutory cost limit under which Treasury obligations, due in five years or more, can be sold. This limit is 4¼ per cent. It was set during the First World War and there has never been any occasion to change it since.

Another Merger

Following announcements of a proposed merger of Guaranty Trust Co. and J. P. Morgan & Co., Inc., both Bankers Trust Co. and Manufacturers Trust issued statements saying that they, too, were studying merger proposals.

Thus, the trend towards bigness continues. There are indications, however, that both the Federal Government and State supervisory authorities are studying such consolidations to determine whether or not they would stifle competition and create "monopolies." The past economic justification for mergers has been to lower the unit cost of operation, in order to overcome rising expenses and wages. On the debit side, it must be noted that the bigger the organisation, the less personal is the touch with the customer.

Unless some dramatic news development shakes the markets out of their present trends, it seems quite certain that the Federal Reserve system will be compelled to tighten credit again. There may be another tightening of the discount rate.

Employment Lagging Behind

Economic indices continue to point upward, but employment has not caught up with this trend. Despite higher automobile output, the number of unemployed in that industry have remained virtually unchanged.

Steel production has been helped by higher automobile construction and the railroads, too, show better freight loadings. Other encouraging signs include a gain in lumber production, to keep pace with home building, an increase in department store sales and predictions of a boost in 1959 foreign trade, with exports expected to reach $17,000 million, up $800 million from the 1958 figure.

But several clouds on the horizon must be recognised. There is still a widespread public inflation psychology. There is a large excess capacity in the capital goods industries and there is large non-defence as well as defence spending by Washington.

G.N.P.

Observers of contemporary U.S. economics have been harping for a long time on the built-in stabilisers, providing continually rising personal incomes in this country. In my last dispatch, I talked about Gross National Product figures on a constant dollar basis.

Let's have a look this time at personal disposable income (after taxes) on a constant dollar basis. For the third quarter of 1958, such income was given at an annual rate of $314,000 million, or $1,800 *per capita*. On a constant 1950 dollar base, these figures were $260,800 million, or $1,485 *per capita*. Thus, about one-half of the improvement was fictitious, because it was offset by rising prices. The population growth was a considerable factor, too. In fact, about two-thirds of the 8.5 per cent. in real personal purchasing power seems to be attributable to the rising population factor.

The *per capita* standard of living, in terms of 1950 dollars, was no higher than it was three years earlier, in mid-1955. It was, indeed, 3 per cent. lower than the average of 1956. Meanwhile, fixed charges, on the same basis, such as interest charges, debt repayments and similar contractual disbursements are currently noticeably higher than they were in the years prior to 1957. If the same measurements is applied to savings, the result is the same. If a constant 1940 dollar were used, not to mention a 1930 dollar, the outcome would be shocking.

Such comparisons, however, are rarely mentioned in polite society. Sales managers and advertising people have to show ever increasing figures. Otherwise, they get fired. The same applies to leaders of the trade unions, who have to stand on the record of increasing wages. Thus, the cycles goes on and on.—*All Rights Reserved.*

(*Concluded from next column*)

Government ought to have the courage to make the currencies whence the pressure arises inconvertible. The long-term alternative is merely to lose the reserves of the sterling area and possibly be faced by deflation at the end of it.

Muddled Thinking

It is sad to see such muddled thinking about the future of sterling on the Opposition side of the House. We even had the spectacle of the shadow Chancellor of the Exchequer saying that an inflow of hot money was undesirable because the hot money would flow out again. What does it matter? Let the funds flow in and build up the reserves and let the Bank of England, which is well informed on these matters, ear-mark the part of the reserves to deal with a possible future outflow. International banking is no more complicated than joint-stock banking, although it is inclined to be a good deal more volatile. It is all a matter of keeping the right cash reserves for the occasion.—*All Rights Reserved.*

LONDON LETTER

JUSTIFYING CONVERTIBILITY

From Our Own Correspondent

LONDON, 30th *January*

THIS week the House of Commons debated the Government's action in throwing together transferable and dollar account sterling so making equal convertibility. They did this in face of a Labour amendment which criticised the Government's action as making the British economy more vulnerable without going so far as to say that a future Labour Government would attempt to repudiate it.

In fact, Mr. Gaitskell made the specific point that, although he would not have done what the Government did, the thing having been done, in future Labour Government would have to support the action so long as necessary. But he made the further point that the Labour Party would oppose by every means in its power—and implied that a future Labour Government would repudiate—any further action taken to make sterling fully convertible.

Whether a Labour Government in power when sterling was convertible would ever in practice reverse this is another matter. Political Parties, whatever their opinions, are just as obliged as human beings to take notice of the unalterable facts of life. But the Parliamentary debate was interesting as showing the different approaches to this question of convertibility. "Look," said Mr. Amory, "the reserves are now £1,100 million." On top of that, we have got about £265 million which we can draw from the International Monetary Fund. Admittedly, we also have an obligation to repay the International Monetary Fund £260 million—that we must work off but when we have done this our drawing power will be even greater, hence the resources behind sterling will be even greater. Moreover, although the dollar rate is free to move between $2.78 and $2.82 for a little while, the rate has been as high as $2.81 and all the while for a year now America has been losing gold heavily. Moreover, the sterling balances are down (he gave a total of £3,300 million and stated that a very large proportion of this was irreducible working balances). Finally, of course, he repeated the point that, for a long time, this country had been committed to support the free market in transferable sterling, so that that market had *de facto* been convertible.

Labour Party's Argument

Now all Mr. Amory's arguments are correct, but Mr. Gaitskell and the Labour Party want to argue that the wider the measure of convertibility, that is the more types of sterling debts are convertible, the greater the vulnerability of the pound. Both sides are right. Mr. Amory is undoubtedly right in dealing with the situation as it is at the present time, but Mr. Gaitskell is also right, because the non-dollar world, and one could almost say the dollar world as well, is aware that, ever since the war, dollars are normally a very acceptable and rather a rare currency. (In saying this, one is deliberately leaving aside the present atmosphere of beginning to discount the dollar as the currency which is no longer either as rare or as desirable, a feeling which could evaporate the moment that American industrial recovery becomes complete.) Thus, in the normal atmosphere of dollars as a rather separate currency, it is always easier to exchange control to discriminate against a dollar account than it is to discriminate against other currencies and, by the Government's action in throwing all external currencies in with the dollar, he has exposed Britain to the possibility of Balance of Payments difficulties, with the awkward choice between running down a gold reserve to support the whole market in Britain's external non-sterling debts and making a split once again between the dollar debts and the other non-sterling debts. Mr. Gaitskell, by saying that he would not alter the Government's decision if he came back to power, actually means that, come what may, he will support the market in sterling debts. Accordingly, all his arguments become of no practical avail. It will most obviously be the task of any British Government to maintain the overseas position of sterling, so that the country pays its way for everything it buys, but, should the pressure on sterling derive from non-commercial sources as they all too easily might, then a future British

(*Continued in previous column*)

U.S. REMEDY FOR RECESSION SEEDS FEARS OF INFLATION

DETERMINED ATTEMPTS TO COMBAT IT

By Edwin L. Dale, Jr.

MASSIVE Governmental financial moves during 1958 helped cure a serious recession but raised widespread fears of future inflation. By the end of the year, the painful and difficult process of shifting gears was well under way. The big effort was to squeeze out of the economy the inflationary water that had been pumped in to cure the slump. Prospects of success, however, were uncertain.

The men in charge of the Treasury and the Federal Reserve System are the first to concede —privately, of course—that the recession was probably "over-cured." In part, the situation got away from them.

No one dreamed a year ago at this time that the budget would swing from a small surplus to a massive deficit of $12,000 million. There was equally little realisation that the "easy money" policy of the Federal Reserve would in eight months add more than $10,000 million to the total of bank credit.

Ingredients of Inflation

To the financially-minded, such huge additions to the spending stream generally can spell only one thing; inflation. But some economists were not worried on this count. They maintained that the economy at the end of 1958, despite a vigorous recovery, was still seriously underemployed. They argued, therefore, that fears of inflation were unwarranted. Some even advocated more Government spending and a relaxation of money supply curbs.

But to the men in charge of the Government, there seemed only one right thing to do; reverse course. The President imposed a severe budget squeeze, which, with the aid of automatic reductions stemming from the expiration of certain programmes, was expected to enable him to estimate spending in the next fiscal year significantly lower than in the present one. With receipts rising, the budget will be estimated in balance.

The Federal Reserve, moving with unusual speed, began to reverse the easy-money policy as early as August and by year-end had created conditions approaching tightness in the money markets. Interest rates rose sharply and new reserves for the banks were gauged to seasonal needs.

The Treasury, frustrated in its efforts to float extended debt maturities during the last half of 1958 because of a collapse in the Government bond market, was clearly aiming at resuming those efforts as soon as possible, even at the cost of higher interest rates.

Thus, it was plain that the authorities were willing to risk some slowing of the pace of recovery in order to squeeze the inflation out of the system. They were willing to use vigorously each of the three main weapons at their command—budget policy, monetary policy and debt management policy.

Publicly and privately, they insisted that inflation was the major threat to the United States economy—even including a threat to the respect held for the dollar abroad. They meant it when they said that 1959 was the year for a decisive attack on inflation.

Deficit Large

In part, their attitude reflected their own sense of alarm at what had happened to the Government's finances in 1958. The $12,000 million deficit was much the largest in peace-time (the highest during the new deal 1930's was only $4,400 million). How had it happened?

It happened, first, because the recession cut yearly $7,500 million from the original estimate of receipts. Most of that, in turn, was in the corporation tax. Corporate profits nose-dived in 1958.

Second, it happened because a surprising variety of influences—most of them unrelated to the recession—pushed up spending. A partial list follows:

The most important single item was farm price supports, which are estimated to cost some $2,000 million more than had been estimated, when the budget was presented a year ago. This rise came about because of huge crops, not because anyone "willed" it.

Defence spending, reflecting a reaction to the launching of the Soviet's Sputnik, was permitted to rise to $500 million.

The postal deficit soared $600 million, mostly because Congress passed a smaller rate increase and a larger pay increase than the President asked.

Federal pay rose all along the line nearly 880 million more than the President asked.

The Export-Import Bank had to "bail out" a number of Latin American countries to the tune of $200 million in unanticipated loans.

Finally, a pair of anti-recession programmes added about $1,500 million to spending. These were the emergency mortgage purchase programme of the Federal National Mortgage Association and the programme of extended unemployment compensation benefits.

Spending Up

Altogether, spending rose a little more than $5,000 million according to the latest official estimate, and $1,000 million more has been added since. This increase reflects mainly the proposed higher United States contribution to the International Monetary Fund, which is to be included in this year's budget.

Thus, the recession was scarcely the driving force behind the huge upward surge of the budget, but a combination of forces. Fortunately, for the President's objective of reducing spending in the next fiscal year, some of the expenses are non-recurring. He expects to reduce spending from about $80,000 million this year to $77,000 million in the next fiscal year.

But, if the spending upsurge was not in response to the recession, there is little doubt that it had a great deal to do with halting the recession and keeping recovery brisk. Counting increases in non-budget items such as social security and unemployment compensation, Federal outlays (on a gross national product accounting basis) rose from a rate of $80,800 million a year in the fourth quarter of 1957 to $88,700 million by the third quarter of 1958.

This spending helped to maintain demand in the economy, while a typical—though sharp —'inventory cycle' ran its course.

At the same time, the vast expansion of bank loans and investments resulting from the Federal Reserve's easy money policy also contributed something to the spending stream, although most of the increase in bank credit was converted in the first instance into time deposits.

The Government wishes now that it had not acted so massively—or rather that forces beyond its control had not pushed it into acting so massively. But the very alarm of the men in power is the factor behind the speed with which they have tried to change direction.

The next inflation, as it were, is being combated before it begins. The big question is whether the inflationary finance of 1958 was so vast that no feasible reversal of policy can quite offset it.—*Copyright 1959 by the New York Times Company.*

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OUTFLOW OF AMERICAN GOLD

A record outflow of gold from the U.S. last year has focused attention on the willingness of the United States to put its fiscal house in order and the ability of its industry to compete in world markets. By no stretch of language could the $2,300 million drop in the United States monetary gold stock be described as a "run on the dollar." Foreign countries failed to liquidate existing dollar holdings as they had briefly during the sharp Korean war inflation. What is more, they continued to add to their short-term dollar assets. During the first nine months of 1958, these were increased more than $400 million.

In addition, the free world outside the United States added an estimated total of $600 million to its monetary reserves from newly mined gold and some shipments from the Soviet Union.

The free world gained strength in part because the United States declined to export its recession. In contrast to previous downturns, imports were held at a level only 3 per cent. below that of 1957, based on data for the first three quarters. Raw materials imports remained large while imports of certain manufactured goods—notably small foreign cars—jumped up substantially.

Exports, on the other hand, fell back from their 1957 heights to their more normal pre-Suez level. The 18 per cent. drop reflected not only the end of emergencies boosting the demand for American petroleum and farm products but a moderate decline in Europe's own economic activity. This appeared to hurt imports from the United States more than proportionately.

Because of the greater decline of exports than imports, the balance of payments surplus accruing to the United States last year from merchandise trade dropped to an annual rate of $3,500 million from $6,300 million in 1957.

The spending of a record number of United States tourists abroad, payments for shipping and insurance charges to concerns overseas, United States economic aid and loans, and a rising outflow of private American capital more than offset this surplus.

In addition, the recovery of British gold and dollar reserves after the Suez crisis and the 1957 'bear raid' on sterling brought back to Western Europe funds that had fled the area to the United States in fear of sterling devaluation.

Two other influences affected the size of the gold outflow from the United States. One was the fact that most of the payments gains were recorded by Western European nations, countries that traditionally maintain more of their reserves in gold than in dollars. During the first nine months of 1958, Western European nations bought $2,000 million of gold from the United States. Britain alone bought $800 million worth. In part, this reflected the improvement in its position with regard to raw material supplying nations. For much of the year, raw material prices declined, while the price of Britain's exports held firm.

Another factor that may have influenced foreign decisions to buy gold rather than dollars was the decline in the yield of short-term United States Government securities during the first half of the year, influenced by the Federal Reserve's policy of credit ease to combat the recessions.

If the gold outflow has reflected increased European strength rather than dollar weakness, it has emphasised to some who may have forgotten the interdependence of all free world currencies.

With the country's gold stock still $20,500 million it amounts to more than half the free world's official gold holdings and exceeds by about $8,000 million the 25 per cent. gold coverage required against the note and deposit liabilities of the Federal Reserve System.

This $8,000 million on "free" gold represented more than 57 per cent. of the $14,000 million of short-term dollar liabilities to foreign countries—about the same amount as held by foreign monetary authorities to meet exchange requirements or to intervene in foreign exchange markets. The remainder ($6,000 million) is held by foreign banks, businesses and individuals largely for financing international transactions.

A leading banker-economist observed recently, however, that the strong technical position of the dollar, like every other currency, depends ultimately on a sound and stable domestic economy. Mr. Roy L. Reierson, Vice-President and chief economist of the Bankers Trust Company, commented:

"Through most of the post-war era, the rebuilding of European economies and the corollary strains on their exchange positions conferred on the United States dollar a key role in international trade almost independently of policies followed at home. This advantage cannot be expected to last indefinitely."

Two hazards, Mr. Reierson suggested, are emphasised by increasing sensitivity of the dollar to world opinion; the hazard to confidence resulting from continued large and uncontrolled Government deficits and the possibility that the United States' producers may price themselves out of world markets.—*Copyright 1959 by the New York Times Company.*

INDIAN BANKS BREAK FRESH GROUND

PERSONAL LOAN SCHEMES SPONSORED

BRITISH banking, on which Indian banking is closely modelled, had for long been known for its conservatism. It was only last year that the British banks broke fresh ground, after the credit restrictions were abolished. In fact, 1958 is described as a year of adventure for British banking. Though for some years past it had been generally felt that there were useful services which the banks could render to those who were not already fully utilising the banking system, particularly persons of small means, no step could be taken in this direction while the credit squeeze was in operation. The new lines of business undertaken by them last year were: (1) participation in hire purchase business, (2) introduction of personal loan scheme and (3) provision of economy bank service.

In keeping with the tradition set by the British system, Indian banks have been treading the conservative lines. The big banks of the country have not so far taken any steps to diversify their activities. A notable feature of the banking system in India is that credit facilities through normal banking channels are not within the reach of low income or fixed income groups. Even the lead given by the Reserve Bank to the co-operatives by prescribing a new definition of creditworthiness has not inspired them to find new customers outside the established mercantile community. In fact, several of them have begun to feel that the accounts of persons of small means are a nuisance and are encouraging them to close their accounts by raising their service charges and through other means. While such is the position in regard to maintenance of deposit accounts, extension of credit facilities to middle class people is considered as an extremely risk affair.

Lack of Saving

It is common knowledge that, despite the progress of the economy under the developmental plans, many of the amenities of life, which are enjoyed by people of much smaller countries in the West, are not within the easy reach of this group. This is because a person within this group is not able to find the lump sum required to buy the things that he needs for a comfortable living in urban areas. In other words, he is unable to make any decent saving, thanks to the persistent inflationary pressure. The common amenities of life, such as a decent place to live, sanitary equipment, fans, cycles or motor cycles, etc., can be made available to him, if only banks provide him with small credit facilities, which he can repay in easy instalments spread over a number of years.

There is, however, room for honest differences of opinion on this subject. There is, in the first place, the question whether consumer credit at this stage will not aggravate inflationary pressures and diversion of resources to non-plan projects. Secondly, the social customs and obligations in India being different from those in Western countries and there being no social security benefits, it is doubtful whether many people will prefer to mortgage their future savings for the advantage of certain immediate comforts. But there may be scope and need for assisting persons who wish to be self-employed or who wish to build houses which are a necessity, or who require conveyance and equipment facilities to further their means of living. In meeting these needs of small persons, banks can certainly render valuable help.

First Bank to Launch

The distinction of coming out first with a scheme for providing such consumer credit or personal loans in this country, goes to the Pandyan Bank Ltd., Madural (Madras State), a small scheduled bank with total working funds of not more than Rs. 3.28 crores (as on 31st December 1957). The scheme is said to have met with good success, as it is bound to be. Taking this lead, another bank from South India—The Indian Overseas Bank Ltd.—has announced a personal loan scheme. The Devkaran Nanjee Banking Company, Ltd. (Dena Bank Ltd.) is also working out a similar scheme.

Under the Indian Overseas Bank's scheme, its customers can own a wide range of durable consumer goods such as cycles, scooters, motor cycles, motor cars, radios, electric fans, electric motors, sewing machines, furniture, sanitary equipment, refrigerators, air-conditioning plants, agricultural equipment and X-ray and other equipment for medical practitioners. The Bank also provides loans for property improvement and small business and for refinance loans to hire purchase agencies.

Only those who have an account with the Bank will be provided with personal loan facilities. Anyone who has the will and capacity to repay is eligible to borrow, not on that frightful term repayable "on demand," but in easy monthly instalments running as long as thirty months. All that he should do is to share, in confidence, with the Bank full information on his steady income and what he has to provide therefrom. The Bank's official discusses the loan requirement and sees what he can do to help the customer. The borrower has then to contact a dependable dealer who can be relied upon to sell the article he requires in good condition. He has to deposit with the Bank a small portion of the cost as may be agreed with the Bank, and the latter will then pay the dealer the full cost of the article and the customer will become the owner of the article.

Saving Made Compulsory

The scheme will be a success only if the customer takes care to save every month at least what he agrees to repay and remit it to the Bank. The customer need not even take the trouble of going to the Bank every month for this purpose. By leaving standing instructions, the Bank recovers the instalment from the customer's account and sends him an advice. In his own interest, the customer is advised not to buy second-hand goods.

The goods purchased under this scheme certainly belong to the customer, but, until he pays the final instalment, he has to give an undertaking that the Bank has interest in the goods. Naturally, the Bank expects the customer to take good care of the goods. So long as this is done and the customer continues to enjoy the use of these goods and fulfill the conditions agreed upon at the time of taking the loan, the customer has unrestricted use of the goods.

The minimum amount that one can borrow under the scheme is Rs. 150. If the customer's regular income permits repayment of good amounts every month, he can even borrow up to a maximum of Rs. 10,000. The rate of interest to be charged on the loan is 6 per cent. per annum and this is payable in advance on the total amount of loan and for the whole period of the loan. In other words, it will be deducted from the loan amount. It saves the customer from the botheration of remitting interest monthly, quarterly or yearly. The following table will give an idea of the monthly payment one has to pay on loans for various periods:

Period	Amount of loan	Discount	Net proceeds	Monthly payment
	Rs.	Rs.	Rs.	Rs.
30 months ..	1,200	180	1,020	40
24 ,, ..	1,200	144	1,056	50
18 ,, ..	1,800	162	1,638	100
12 ,, ..	1,200	72	1,128	100
6 ,, ..	1,200	36	1,164	200

Penalty for Non-payment

Since interest is collected in advance, the effective rate of interest on the aforesaid credit will be more than 6 per cent., varying between 7 and 9 per cent. If, however, the customer likes to save some interest and repays the loan in advance, he will get a rebate of interest. In case he is unable to repay an instalment in time, the Bank may permit him to pay the overdue instalment with a penalty of 1 nP per rupee, provided it is paid before the close of the month in which the instalment is due and provided the Bank is satisfied with the explanation for not paying the instalment in time. The Bank has, of course, the right to seize the concerned goods if the borrower fails to fulfil his part of the contract, but the Bank will do so only when forced to the extreme. In the event of the death of the borrower before all instalments are paid, the burden of repayment will fall on the family. In order to avoid this, the customer has to take out a life insurance policy and assign it to the Bank. Incidentally, the scheme provides a fillip to life insurance business also.

The Dena Bank's scheme, which is yet to be finalised, is more or less similar, but it has other distinct features of its own. The amount of loan is restricted to a maximum of Rs. 5,000. The idea of restricting the amount to this figure is to provide the facility to the really needy and deserving with smaller means. The period of repayment will vary from 6 months to not more than 24 months. The rate of interest will be 5½ per cent. on loans for less than 12 months and 6 per cent. on credit for 12 to 24 months. Another feature of the Dena Bank's scheme is that the personal loan will be a clean one and will not be secured by the goods, as is the case with the Indian Overseas Bank's scheme. In case the borrower dies during the currency of the loan, the burden of repayment will not be cast on the family, and the Bank will write off the loan. In order, however, to cover the loss, the Bank will take out a life policy and get the amount of loan due from the insurer. In this case, the premium will, no doubt, have to be borne by the borrower, but this will be small and included in the amount of discount (at 5½ per cent. or 6 per cent. as the case may be) which will be deducted from the loan amount in advance. If, however, the borrower repays the loan in advance, the Bank will not give him a corresponding rebate on the interest, as is the case with the Indian Overseas Bank's scheme. The scheme will, in the first instance, be tried in the head office of the Dena Bank, but customers from branches will be entitled to the facility from the head office. The delay in implementing the scheme is said to be due to a hitch in concluding an agreement with the Life Insurance Corporation on the insurance cover.

The personal loan scheme, it is claimed, has fourfold advantages. In the first instance, it is a beneficiary loan, helping customers to equip themselves with the ordinary comforts of life or to make a start in business or profession. Secondly, it will lead to an improvement in the standard of life of the borrower. Thirdly, it may help him get a rebate on income-tax. Fourthly, it creates consumer demand for goods which are not within the reach of the fixed income or low income group and thereby assist the industrial development of the country.

TORONTO STOCK EXCHANGE TO DEAL IN GOLD

A novel step to list gold bars for dealings within the ring of a stock exchange was taken by the Toronto Stock Exchange on the 3rd inst. It is stated that this is the first time that trading in gold bars is allowed by any stock exchange in the world. For the present, business will be confined to Canadian kilo bars of about 32 ozs. each. Troy weight and worth about $1,100. It may later on be extended beyond the kilo bar, but this depends upon the success of the new scheme.

The move of the Toronto Stock Exchange is said to be intended to make people interested in owning gold in smaller quantities than the 400 oz. bars which are good delivery in London. The move is also closely linked with the growing distrust of the dollar in both Canada and the U.S. It may be noted here that citizens in the U.S. are not allowed to hold gold bullion in their own country, but are free to buy it for storage in other countries. Canadians, on the other hand, have been permitted to hold gold freely since 1956. In the past few months, rumours of devaluation of the dollar and discussions on dangers of inflation have stimulated fresh interest in gold hoarding among the people of the U.S. Apparently, Canadians are interested in affording opportunities to these people for satisfying their desire to keep a part of their savings in gold as a hedge against a fall in the value of U.S. dollar. In November last, a firm of stock brokers in Toronto announced a scheme for selling gold bars on instalment basis for a down-payment of 3 per cent. of the value of the bars. This was expected to draw a substantial flow of gold from the U.S.

LONG-TERM CREDIT TO SMALL INDUSTRIES IN SWEDEN

A new credit institution to provide long-term loans to small and medium-sized industries has been sponsored by 14 leading Swedish commercial banks. The banks have sought the approval of the Government to set up the institution, which will supplement regular commercial banking activities.

To be known as AB Foretagsfinans, the new institution will have an initial share capital of Kr. 5 million. The working funds will be secured through open market borrowing to an amount not exceeding eight times the share capital. Loans will normally be granted for a period of 10 years for investment in plant, machinery and modernisation schemes. As a rule, loans will be granted against regular bank security, but the new institution will also provide credit facilities under more liberal forms than prescribed by current banking legislation. Such "confidence" credits will be granted to companies which are not able to provide full formal security, but are considered to have satisfactory developmental potentialities.

THE UNITED STATES AND INDIA

PARTNERS IN TRADE

By Ellsworth Bunker
AMERICAN AMBASSADOR TO INDIA

AMERICANS have long taken pride in the fact that theirs is a trading nation whose merchant ships have sailed distant seas almost from the first days of American independence. As recently as last March, President Eisenhower reminded us that, as the foremost trading nation, the U.S. accounts for one fifth of the world's total export trade of $100 billion. Our imports supply American industries with needed raw materials many of which can be obtained only from abroad. Others go directly to the American consumer, enriching his life and adding to his high standard of living. The countries from which we buy are able to use the dollars earned from us to buy the products of our industries and farms; about 4½ million Americans depend on these exports for their livelihood. In the countries which buy from us, additional millions depend on our products to equip their factories and supply them with raw materials, to augment their food production or to lighten the burden of their daily tasks.

To meet the growing needs of men everywhere trade between all nations must flow in *greater volume*. The mutual benefit to the countries which carry on this trade made me choose the expression "Partners in Trade," in this discussion of our commercial relations with India.

Historical Background

Trade between the United States and India is not a new thing. "The Indies" have been a major factor in the commercial life of the Western world for many centuries. It was a shorter and safer trade route to India that Columbus was seeking when he stumbled across the Americas more than four and a half centuries ago. The new nation which grew out of that discovery some 300 years later established trade connections with India almost from its inception. As early as 1787—four years after the close of the Revolutionary War—an American merchantman put into Indian ports. By 1793, there was enough United States trade with India to warrant appointing Benjamin Joy of Massachusetts as American consul in Calcutta, to look after United States' commercial interests.

In the early 19th Century, United States trade with India burgeoned. The United States consul in Calcutta in 1845 reported that three-fourths of the ships that docked in the port that year had been American.

To the American trader of 1958, the cargoes these vessels carried would seem strange. From the northeast ports fast clipper ships sailed to India with ice cut from New England ponds. Other ships putting out from Philadelphia carried Pennsylvania coal. From all of the east coast ports went ships laden with agricultural products, flax, candles, medicines and some manufactured goods.

On the return trip, these American vessels carried the age-old trade goods of India: pepper and other spices; textiles for the luxury trade, sugar, indigo, tea and coffee.

Downward Slide

For a complex of reasons, America's trade with India subsequently declined. The ice trade went out with the advent of the ice-making machine in the 1870's. British coal replaced Pennsylvania's. Latin American sugar production supplanted the supply from India. The Civil War upset American shipping. Political and economic factors intruded, particularly after the British Crown assumed control of India's affairs from the East India Company after the Indian uprising of 1857.

The downward slide was rapid. Consular reports from Calcutta show that 167 United States ships put into the port in 1857; in 1881 the total was but 16.

In 1914, imports of American goods into India amounted to only 2.6 per cent. of total Indian imports, whereas the U.K. supplied 64.8 per cent. Gradually, as the growing U.S. steel industry required manganese, as the American leather industry needed larger supplies of raw hides, as the first manufacturing industries were established in India, and as American automobiles earned a reputation around the world, the movement of goods between India and the United States resumed its earlier proportions and then surpassed it. In 1956, more than 250 American ships called at Indian ports to load or discharge nearly one million tons of cargo. In 1957, delivery of more than 2½ million tons of American foodgrains under the PL-480 Agreement with India doubled the number of American ships visiting Indian ports.

Since attainment of independence by India in 1947, the United States has become India's second-largest customer and second-largest supplier, first place being occupied by the United Kingdom through traditional bonds and the continuing association in the British Commonwealth.

The importance of the U.S. to India as a market for her products, may be seen from the fact that America buys one-third of her jute, two-thirds of her cashews and pepper, about two-thirds of her manganese ore, one-third of her mica and of hides and skins, and seven per cent. of her tea. Together, these commodities, and others of lesser significance accounted for about $260 million worth, or 20 per cent., of India's total exports of about $1,300 million last year.

Two-way Street

That Indo-U.S. trade is a two-way street is illustrated by the fact that the importance of the U.S. as a market for certain Indian goods is almost evenly matched by the importance of India to the U.S. as a supplier of these goods. The dependence of the American economy on Indian products is both quantitative and qualitative. For example, India supplies two-thirds of the mica we need; mica is used as an insulator in electronic devices, from the flight control mechanisms of space missiles to household switches. She supplies three-fourths of the jute we use, mainly for packaging and cushioning. Some 14 million bales of cotton produced in America in a year are packed in burlap made from jute to move them from the farms to textile mills around the world. About one-third of the 2 million tons of manganese imported from abroad in a year comes from India. The U.S. is almost totally dependent on foreign supplies of this essential ingredient of quality steel. American consumers, who have in recent years developed a taste for tea, depend on the tea gardens of Assam and the South Indian peninsula for 38 per cent. of their supply. One-half of the pepper they use to season their food is grown in India.

For nearly the first ten years of India's existence as an independent nation, her trade with the United States was balanced slightly in her favour. The surplus dollars earned helped India offset deficits with other trading partners and keep her overall trade accounts in balance. However, the balance has been disturbed in recent years by India's growing need for imports from America.

India's Needs Grow

The Government of India and, more importantly, the people of India are currently engaged in a determined effort to conquer poverty and hunger. They are striving to develop and put to use the rich natural resources of their land, to provide more jobs in industry and to provide more food through increased agricultural production. Such a programme of economic development requires increased imports of machinery to equip the new factories, fertiliser for the farms and raw materials to feed the new industries. Consequently, Indian import needs have jumped in the past few years, as the development programme has gained momentum. American exporters of capital goods and industrial raw materials, notably in the chemical field, have participated in supplying these increased Indian needs, with the result that, in 1956 and 1957, India's imports from the United States exceeded her exports and reached a level of about $340 million last year.

Considering the prominent position which America occupies as a customer for Indian exports, particularly for such commodities as manganese, jute and spices it is obvious that any pronounced change in the trade pattern between the two countries would have a profound effect on total Indian export earnings and on the well-being of the Indian producer. The U.S. economic recession has, therefore, caused concern in India, where the effect was almost immediately felt through a drop in American orders for manganese ore and in the price level of other exports. It is not enough for India to maintain her dollar earnings; she must increase them through exports because of her increased need for American manufactures and for raw materials to fulfill her plans for economic development.

To some extent the export potential of the major Indian export commodities may be increased by the improvement of production and marketing facilities which will result from the development programme. For example, export shipments of such commodities as manganese ore have in the past been delayed by the lack of adequate transport facilities. These delays have been costly to the exporter or the shipper, and the increased cost is necessarily reflected in the price. New equipment for Indian railways and ports, much of it bought in the United States, will improve these conditions, with consequent benefit to both countries.

Obviously, the entire answer cannot be found in such automatic compensation, and efforts must be made to develop new products for the American market and new uses for traditional commodities. For example, jute cloth or burlap has had to face stiff competition from other packing materials and many things which were formerly packed in burlap are now shipped in paper bags. Recent experiments have shown that burlap is an ideal material for lining irrigation canals, which opens up new possibilities for Indian jute exports.

Promising Fields

The development of jet aircraft engines has greatly increased our need for castor oil, the only lubricant which resists the high temperatures of these engines. India is one of the two principal producers of castor oil and last year supplied about one-half of U.S. imports. Our steadily growing need for this lubricant could mean increased exports by India whose production is capable of expansion.

Another promising field of exports to America is frozen speciality foods. The waters of the west coast of India abound with shrimp and fish. It has been proven feasible and economical to ship quick-frozen shrimp to America to meet the growing demand. What is needed to develop a thriving business is better equipment for deep-sea fishing, freezing plants where the catch can be cleaned, packaged and frozen as soon as it is brought ashore, and refrigerated transport with which to deliver it to ships which will carry it in refrigerated holds to American ports. About 500 tons of Indian frozen shrimp were sent to the United States in 1957 and many more tons could be shipped if adequate facilities existed. Similarly, it seems possible to give Americans an opportunity to enjoy the delicious Indian mangoes and papayas once facilities are developed for processing and transporting frozen foods.

Two American Trade Missions which have visited India, one in the fall of 1955, the other in the spring of 1957, found considerable scope for increasing Indian exports to the United States, particularly in the field of handicrafts in which Indian artisans have produced articles of great beauty and artistic value, which add to gracious living.

Tourist Trade

Enterprising businessmen in both countries will no doubt discover other opportunities. Many such opportunities will be found by American travellers to India. These travellers themselves constitute an item of increasing significance in the total trade picture. Last year, 10 million American tourists spent nearly two billion dollars on travel to other countries. In a report made to the President on 17th April, 1958, Mr. Clarence B. Randall called international travel a form of international trade in which economically less developed countries can readily participate, since they often possess great scenic beauty to attract tourists. Moreover, the commodities sold in the tourist trade, scenery, services and souvenirs, cost little to produce and consume no natural resources. India has many places of scenic beauty, or historical and cultural interest; their attraction for American tourists is evident by the fact that their numbers have grown from 3,500 in 1952 to 16,000 in 1957 and now constitute 20 per cent. of all foreign visitors to India. Some 4,000 visitors from India come to the United States in a year. This exchange of people in the tourist trade brings with it also an exchange of ideas and viewpoints and of information about one another which is sure to promote closer friendship between the people of India and the United States.

I have said much in this article about the need and possibilities for increasing Indian exports to America. But the other side of the coin is equally important. India, with her great

(Continued on page 211)

YARN SPINNERS' PRICE AGREEMENT

RESTRICTIVE PRACTICES COURT'S VERDICT EVOKES MUCH RESENTMENT

From a Special Correspondent

MANCHESTER, *27th January*

MANCHESTER LETTER

NOT only millowners but traders connected with all sections of the cotton industry are awaiting developments after the adverse judgment passed on the Yarn Spinners' minimum price agreement by the Restrictive Practices Court. Chief talking point was the proposal to put forward an alternative scheme for submission to the Court next week. No details of the substitute plan are available, but members of the Association took no action on prices until they had official notification from the organisation that the current system of calculating yarn selling rates was to to be abandoned.

Considerable resentment was expressed by employers and trade union officials at the comments made in the judgment. Mr. Wm. T. Winterbottom, Chairman of the Fine Spinners and Doublers Ltd., described the decision as "bitterly disappointing." Only one talking point was discussed on the Boards of the giant trading floor of Manchester Royal Exchange as the news was flashed to the mill towns. Mr. Winterbottom said that the efforts to achieve price management by the Yarn Spinners' Association now seemed to have become a lost cause. "A more realistic approach to our acute problems now becomes more urgent," he added. A determined attempt must now be made to secure a more compact and efficient industry if it is to survive. Forecasting a "painful period ahead," Mr. Winterbottom said: "A lot of firms must think about their position and prospects."

Extraordinary Comment

On the statement made by the Court that more Lancashire mills would be forced to close, Sir Alfred Roberts, Secretary of the Cardroom Amalgamation, said: "It is an extraordinary comment to make. It is none of their business. I think it is deplorable that this sort of comment should be made in giving what one would have regarded as a legal judgment." As a trade union leader, he had been prepared to see modifications to the Yarn Spinners' price agreement to make it conform more closely to the public interest. The Court's decision was not in the interests of Lancashire cotton workers. Sir Alfred added: "It seems to me that what they are saying is that the Agreement is contrary to the public interest and, therefore, that the number of mills existing at the moment is contrary to the public interest and that some mills will have to go."

Business in cotton goods, which has been virtually at a standstill for several weeks pending a decision on the Agreement, is expected to broaden once price stability has been achieved. Stocks of textile goods held by distributors in the home trade are known to be very low and, in the circumstances, there is every likelihood that a substantial offtake will be recorded when business begins to broaden. The general feeling in merchanting quarters was that the decision about the Agreement should bring relief, as the merchants have for long advocated more flexibility in price schedules to bring an expansion in turnover.

Meanwhile, the President of the Yarn Spinners' Association has sent a message to all members. It said:

"I regret to inform you that the Restrictive Practices Court has expressed the opinion that the operating cost prices and the terms and conditions of sale of the Yarn Spinners' Association are against the public interest. The Court has not made an immediate order declaring them void and has adjourned until Monday, 2nd February. Until an order is made by the Court at the adjournment or later, the current operating cost prices and the terms and conditions of sale of the Association remain effective."

Issue Settled

As the weeks went by with no decision on the Agreement, traders began to take the view that the Court was more favourably disposed towards the arrangement than had appeared from the Press reports quoted during the hearing. The fact that the system was not quickly dismissed lent support to the belief that it might be upheld in the final judgment. Such, however, was not to be the case and the announcement effectively settled the issue, although it created profound disappointment in many places —not entirely in the spinning trade alone. Such a momentous and far-reaching decision cannot be easily digested in a matter of hours and few interested parties were ready to comment or take action on a matter of such vital concern to so many different sectors of the industry.

Final judgment on the situation must be withheld until more stability in price levels is reached. Immediate reactions may perhaps be more apprehensive than is justified by the eventual outcome. For the moment, a nervous tone cannot be avoided with spinners wary about the attitude of their neighbours towards future selling rates.

December turns the Scales

Much publicity has been given to the fact that, in 1958, the volume of imports of cotton cloth into this country exceeded the quantity of cloth shipped abroad. December proved the turning point, as arrivals increased and exports failed to record any expansion as compared with recent months. Such a situation was not altogether surprising to traders who have watched the trend of overseas returns but it merely emphasised the unfortunate state of the industry at the moment.

As the table below indicates in no uncertain fashion, the fault does not lie entirely with the volume of imports as they too have declined; the responsibility rests more on the inability of Lancashire shippers to secure more than a meagre share of available export trade. The comparable import-export situation over recen years is as follows:—

(Cloth in thousand sq. yards; Yarn in thousand lbs.)

	Cotton cloth		Rayon, etc., cloth		Cotton yarn	
	Exports	Imports	Exports	Imports	Exports	Imports
1949 ..	903,578	343,800	160,708	51,600	82,061	1,000
1950 ..	822,473	286,920	189,568	55,280	70,986	14,480
1951 ..	864,375	376,640	217,206	99,240	65,481	31,720
1952 ..	710,813	179,680	149,794	29,280	35,722	7,280
1953 ..	709,905	98,640	170,329	44,400	41,920	3,360
1954 ..	637,378	267,167	175,256	67,331	40,431	10,721
1955 ..	594,594	299,470	193,747	65,415	35,663	14,919
1956 ..	474,150	396,173	120,322	74,249	33,822	16,794
1957 ..	455,760	416,252	111,239	73,400	37,036	14,727
1958 ..	334,078	386,703	84,404	47,171	26,797	14,637

The balance swung in favour of imports mainly in the final quarter of the year and it now remains to be seen what effect the voluntary undertaking by Hong Kong and the anticipated arrangements on a similar basis with India and Pakistan will have on future developments.

Most of the major outlets for Lancashire cotton cloth took smaller quantities in 1958, exceptions being New Zealand and the Irish Republic. Leading buyers were (in thousand square yards, with 1957 comparisons):—Australia 64,523 (71,511); South Africa 49,672 (57,254); New Zealand 34,372 (33,937); Nigeria 30,078 (30,545); Rhodesia and Nyasaland 17,886 (25,047); Ghana 17,775 (22,977); Belgian Congo 17,448 (21,619); and Irish Republic 15,143 (13,558).

As regards imports, the major influence has, of course, been the rise in shipments from Hong Kong. Grey cloth arrivals from the Colony have been stepped up from 55,859,000 square yards in 1956 to 71,095,000 square yards in 1957 and to 116,081,000 square yards last year. In contrast, India's share in this trade in 1958 slipped back to slightly below the 1956 level, 120,946,000 square yards being imported, as against 182,094,000 square yards in 1957.

Notwithstanding the quota restrictions introduced on trade with China at the beginning of the year, the sharp rise in shipments from that source early in 1958 enabled a total of 39,306,000 square yards of grey cloth to be imported during the twelve months, as against 27,609,000 square yards in the previous year. Takings from Japan fell from 56,465,000 yards in 1957 to 40,391,000 square yards last year.

Slump in Yarn Shipments

After six years in which exports of cotton yarn had varied between 35 and 42 million lbs., shipments in 1958 slumped to 26,797,390 lbs., the lowest total recorded for a century or more, except in the 1942-46 period, when war-time and post-war influences were predominant. Mainly responsible for this reduction in export trade were the lower takings from India, Nigeria, Canada and several Continental countries. Again New Zealand is one of the few areas which has absorbed more Lancashire-made yarn, accompanied, in this case, by Australia, which retains her place well at the top of the list of buyers with 8,445,000 lbs.

Exports of rayon and synthetic fibre yarns, which in 1957 overtook comparable shipments of cotton yarns, maintained their predominance, despite a reduction of more than 6,000,000 lbs. to 37,910,000 lbs. Shipments of rayon and synthetic fibre piecegoods took a further dive, being

(Continued on page 196)

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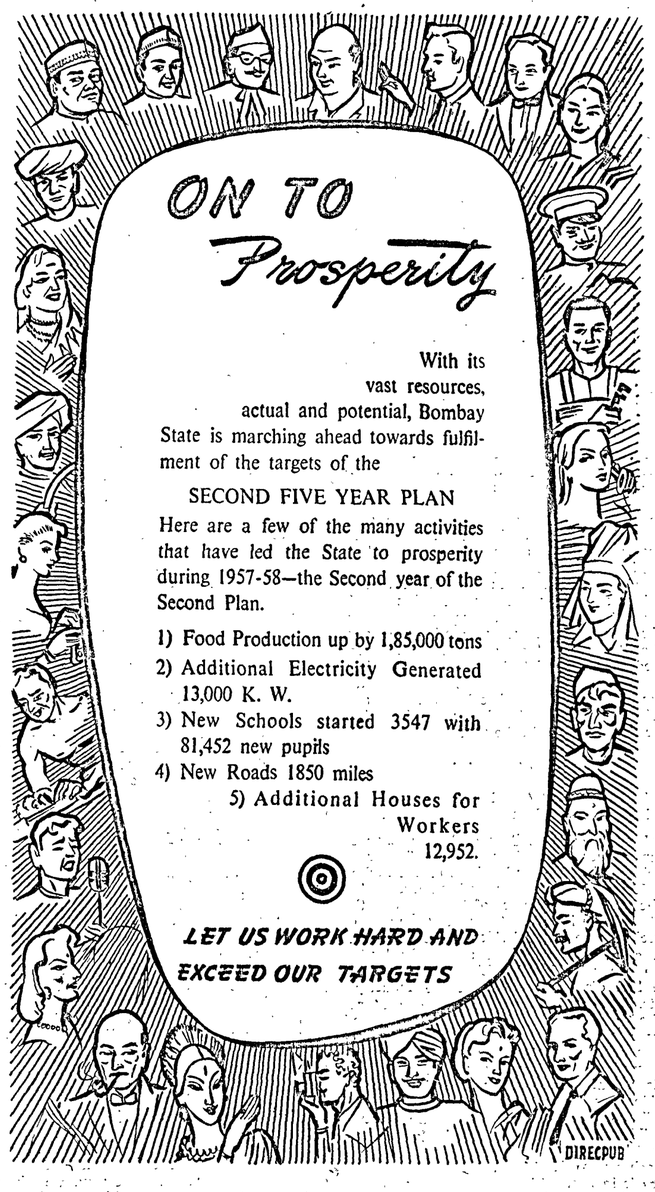

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DEARNESS ALLOWANCE FOR TEXTILE WORKERS

MILLS' PLEA FOR CUT RIGHTLY REJECTED

THE Full Bench of the Industrial Court, Bombay, consisting of Mr. M. R. Meher, President, Mr. S. T. Bilgrami and Mr. I. G. Thakore, Members, rejected, on 28th January 1959, the application made by the Millowners' Association, Bombay, seeking permission for a one-third cut in dearness allowance paid to the textile workers in the City. The court held that the Association had not made out a convincing case for reduction in dearness allowance. A cut in dearness allowance, the court maintained, should not be resorted to lightly. In all industrialised countries, it is pointed out, it was recognised that wage cuts lowered the morale of workers and caused much discontent.

The court further held that a cut in wages or dearness allowance should not be resorted to, unless it appeared that economies and other expedients would not bring the industry back to profitable working. While the court did not underrate the difficulties through which the industry had been passing, it did not think that the position was as bad as was sought to be made out by the Association or that there was such a deterioration in the position of the industry as to justify a cut in dearness allowance. The textile industry had survived many difficulties in the past and the court had no doubt that it would emerge from the present crisis which appeared to be temporary. The court went on to observe: "The industry supplies the basic need of the people. The national income has increased and is bound to increase as the various plans of the State materialise. With this the demand for cloth is bound to increase. We are, therefore, not disposed to take a pessimistic view of the industry even in the near future."

Millowners' Submission

The Millowners' Association, in its application, had made the following submissions:

"The financial position of the industry at present is very precarious. The profit-making capacity of the industry has been on the decline since 1956 and the situation has been accentuated by the rates and structure of taxation, and the profits left are insufficient to meet the needs of depreciation, reserves, dividends, etc. The continuous increases in excise duty and sales tax (since converted into additional excise duty), have had disastrous effect on the industry's profits. The position of the mills have been turned from profit-making into loss-incurring and many of the member-mills are left with little or no working capital to carry on the working of the mills. The industry has to meet additional burdens, such as gratuity and increase in provident fund and employees' insurance fund contributions. The industry is not in a position to build up any reserves to fall back upon and has not been able to progress with rehabilitation of machinery which is an urgent need. The industry is in need of immediate relief by reduction in dearness allowance so as to enable the industry to pass through the critical and difficult times, and to avert disastrous consequences to the units of the industry."

Union's Stand

Opposing the application, the *Rashtriya Mill Mazdoor Sangh*, the representative union of the textile workers of Bombay, submitted:

"It is the general capacity of the industry which is to be taken into consideration and not temporary ups and downs. The capacity of the industry has to be seen as a whole and not unitwise by taking into consideration uneconomic and mismanaged mills. Because a few units might be in difficulties, in many cases, of their own creation, it does not follow that the capacity of the industry as a whole has deteriorated. The industry, which has been established for over a century, is financially very stable and sound. From 1942, the industry has been continuously making good profits, building up large reserves and the general picture of the industry is one of steady progress, prosperity and expansion. The industry has developed export markets and has a very bright future. It has capitalised reserves to a great extent and has made rapid progress in rationalisation. It is misleading to say that the profit-making capacity has deteriorated on account of the structure of taxation. It is only after profits are ascertained that the question of taxation arises. The excise duty was increased to mop off surplus profits. In consequence of representations made, relief has been given in the excise duty. The Government appointed the Textile Inquiry Committee which made its report on 15th July 1958. Most of the recommendations of the Committee were accepted by the Government of India. The application of the Millowners' Association asking for a reduction in dearness allowance is made on the same grounds which were pressed before the Government and before the Committee. The recommendations of the Committee will go a long way to solve the problems of the industry. There is no justification for the industry, after having received substantial benefits from Government, to place the same grievances and ask for reduction of the dearness allowance."

The *Sangh* further submitted that the present rate of neutralisation by 99 per cent. of the minimum wage covered hardly 60 per cent. of the rise in the cost of living for the average wage-earner. Any decrease in the dearness allowance at the present time would make living impossible for the workers and cause serious discontentment among them. The principles which should govern the determination of the question of wage reduction, the *Sangh* maintained, were quite different from those which were to be followed for wage fixation or wage increases.

Gandhiji Cited

The court dealt at length with the point raised by Mr. G. D. Ambekar on behalf of the *Sangh*, namely, that the principles which governed the question of reduction of wages were different from those which governed the question of fixation of a wage structure. Mr. Ambekar had relied on the principles enunciated by Mahatma Gandhi in a dispute in 1936 between the Ahmedabad Millowners' Association and the Ahmedabad Textile Labour Association in which the former had asked for a 20 per cent. cut in wages. The judges observed:

"It seems to us that, while the principles enunciated by Gandhiji serve as a useful warning that a wage cut should not be lightly resorted to, it cannot be laid down as an unalterable principle that, under no circumstances should a wage cut be resorted to until reserves are wiped out and mills are obliged to fall back upon their capital for continuing the industry. In a society, so long as profit motive is accepted as legitimate, employers cannot be expected to continue to run an industry for a long time at a loss. If the position of an industry has deteriorated to an extent as to justify a wage cut, it cannot be insisted that the mills must be obliged to fall back on their capital for continuing the industry; since the capital and a considerable portion of the reserves are usually sunk in the block, this argument would mean that no cut can be made till the losses have wiped out not only the reserves but a portion of the capital. It has to be borne in mind that maintenance of employment is an aim that should be kept in view both by the employers and unions. It may be too late to wait till the patient is on the verge of or in a state of collapse."

Is Cut in D.A. Justified?

The court held the view that the question for consideration was whether the Association had shown that there had been such a deterioration in the condition of the industry as to justify a cut in dearness allowance. It did not think that the position was that bad. Dealing at some length with the contention of the Association that the financial position of the industry at present was very precarious, the court observed that the present position of the industry had been examined by the Textile Inquiry Committee appointed by the Government of India in May 1958. All the recommendations of the Committee, except the one regarding the formation of an autonomous corporation for taking over mismanaged mills, had been accepted by the Government. The excise duty was reduced thrice, that is in December 1957, in March 1958 and again in July 1958. The court held that there was considerable force in the argument of the *Sangh* that the application of the Millowners' Association was based on the same grounds and difficulties which were pressed before the Government and the Committee and which have been relieved to a considerable extent by the reduction in, and rationalisation of, the excise duty. The full effects of the reduction in the excise duty, and other measures adopted by the Government for assisting the industry, will be seen when the balance-sheets for 1958 were out.

Considering all the relevant facts, the court came to the conclusion that the millowners had not made out a case for a cut in the dearness allowance.

There is no doubt that the ends of justice would not have been met had the court taken a decision different from the one it did. This is not to deny the financial plight in which the industry finds itself today—the court itself recognised it, albeit in a qualified manner. But that is certainly not a sufficient justification for millowners to seek a solution through a cut in wages, especially at a time when the cost of living is mounting up by leaps and bounds. By doing so, they have only provided a justification to the charge level'ed against business men in this country by Mr. Walter Reuther, a prominent American trade unionist, that they knew only three ways of making profits—cutting wages, increasing prices and reducing quality. If, however, their move was designed to forestall a likely demand for a raise in dearness allowance by workers, it was certainly bad policy, for it could have no other result than the generation of suspicion among workers at a time when mutual understanding of each other's problems was most necessary.

Industry's Problems

What have brought the cotton mill industry to its present plight are mainly the misguided fiscal policy and directional controls of the Government. It is rectification of these defective policies that are more important than a reduction in the dearness allowance of workers. We do not deny that the labour cost of the industry has become rigid. Nor do we deny that at present workers' earnings are not fully related to productivity. There may be several anomalies in the wage structure of industry. But this question is under consideration by the Central Wage Board for textile industry and it is through this body that attempts should be made to rectify these defects. In fact, it would be a healthy principle for both the parties to await the report of the Wage Board before raising fresh disputes. It may be noted here that it was for this very reason that an application filed by the *Sangh* for a modification of certain awards in favour of workers had been stayed by the court.

The main problem of the industry is higher cost of production and lower demand for cloth. Offtake of cloth can be stimulated only by making cloth cheaper and raising its quality. There are two possible alternatives to this remedy—either to improve productivity or to reduce wages. Since the latter is neither possible nor desirable in the context of the present social, political, and economic climate, the former offers the only solution. All impediments in the way of its adoption, whether it be fiscal or those arising from the opposition of labour to, or from the Government's restrictions on, modernisation of industry, should be removed.

Palliatives Won't Help

At the same time, it is necessary to add that the trade unions themselves have contributed not a little to the weakening of the cotton mill industry's economy. They have always tended to look upon their interest as distinct from and opposed to that of the industry. How else could one explain its stern opposition to modernisation of the industry and its blind support to the wrong fiscal policies of the Government that have throttled the expansion of the industry? The chiefs of the I.N.T.U.C. and the A.I.T.U.C. have strongly endorsed the Government's plans for boosting the handlooms and *Ambar Charkas* at the expense of the cotton mill industry, plans which time has shown to be unprofitable. Surely, they cannot have it both ways. Even now it is not too late. If taxation on cloth is reduced further and vigorous steps are initiated to expand production and modernise the equipment, the present difficulties of the industry may prove to be temporary. A cut in dearness allowance or minor readjustments in the basic wage will be no more than palliatives. For the industry's difficulties are more deep-seated than is generally realised. Surely, gangrene cannot be cured with lavender water.

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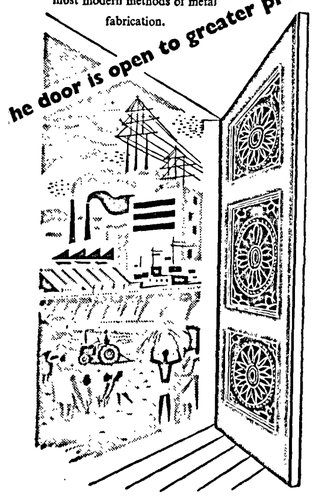

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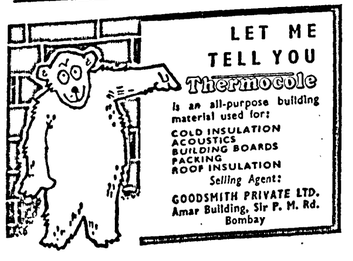

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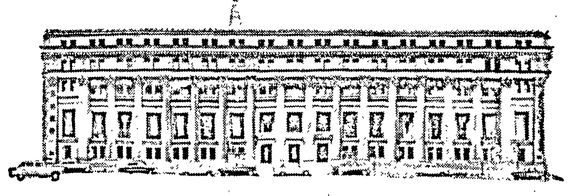

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U.P. SUGARCANE GROWERS' THREAT

MILLOWNERS OPPOSE HIGHER PRICE FOR CANE

IT is, indeed, unfortunate that the sugar industry in Uttar Pradesh is confronted with a crisis of great magnitude when the need for maintaining a high level of output is urgent in the context of rising demand for sugar within the country and fixation of a large export quota (100,000 tons). At the time of writing, the cane growers are reported to have decided to stop supply of cane to sugar factories with effect from the 5th inst. in response to the call of 20th January made by the Praja Socialist Party Sugarcane Sub-Committee. At the same time, the workers of 25 sugar mills out of the 68 units functioning in Uttar Pradesh have served notices on the managements conveying their decision to go on strike if their wage claims are not conceded. As if these disquieting trends are not sufficient, the U.P. sugar industry is seriously threatened by shortage of cane supplies, thanks to a smaller cane crop and the continued competition from *khandsari* manufacturers who enjoyed a distinct tax advantage of Rs. 13.16 per maund.

The latest move for State-wise strike of sugarcane growers has been sponsored as "a united struggle of all opposition parties, as also of Congressmen sympathetic to the cause of cultivators." A similar strike call (with effect from 15th January, it will be recalled, had been issued on 30th December last by the Uttar Pradesh Co-operative Cane Growers Unions' Federation, but was withdrawn following the conciliation talks held with Dr. Sampurnanand, U.P. Chief Minister. It had then been said that the Chief Minister had agreed to convene a tripartite conference of representatives of the Federation, sugar millowners and Government to consider the three demands of cane growers, namely, upward revision in the current statutory minimum price of cane—Re. 1.44 per maund—profit-sharing between cane growers and mill-owners from 1953 onwards, and appointment of a board for fixing the price of cane with suitable representation. The proposed conference was expected to be held after the Nagpur session of the All-India Congress Committee. The Conference has not been held up till now. In fact, one report claims that the Chief Minister of U.P. had never agreed to convene such a conference.

Unjustified and Untimely

Be that as it may, the agitation of U.P. cane growers for an increase in the statutory minimum prices fixed for their product is not only unjustified but also untimely. Since this aspect has been discussed in some detail in these columns four weeks ago (*vide* page 16 of *Commerce* dated 10th January 1959), it is unnecessary to deal with it again. Nevertheless, it is necessary to refer here to some of the remarks made by Mr. Genda Singh, a member of the National Executive of the Praja Socialist Party and the State Vidhan Sabha while supporting the strike call. Addressing a Press conference at Lucknow the other day, Mr. Singh observed:

"We will not wait for the tripartite talks, as the conditions have changed. We have given enough time to the Government and the millowners for an amicable settlement. But the millowners have adopted delaying tactics. If the millowners had been sincere, something should have materialised by now. This is the best year for the cane growers for bargaining and we do not want to miss the opportunity. This is the best year, because there is international commitment for sugar export. Gur prices this year are good and the production of sugar is low. The proposed tripartite conference, if at all held, will not bring in the desired result. What is the legal force of the Chief Minister to compel the industrialists to pay enhanced price?"

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The aforesaid observations of Mr. Genda Singh clearly show that he is out to exploit the present position in his favour. He does not seem to care for the interests of consumers. Nor does he care very much for the huge losses that farmers will suffer by not supplying the cane to mills. He is only trying to bolster himself up politically by misleading the ignorant cane growers. His statement that the plea for higher cane price is fully borne out by the incomes of the sugar industry and the profits of factory owners will not stand the test of impartial scrutiny. As this journal has ere now pointed out, the price of sugarcane is high in all conscience, accounting as it does for as much as 60 per cent. of the cost of producing sugar. The cost of cane per ton of sugar produced is Rs. 405, which represents over 88 per cent. of the total price of sugar realised on exports. Indeed, having regard to the low sucrose content of the cane grown in Uttar Pradesh, the price that is now being paid for it is excessive. If Mr. Genda Singh and his followers are genuinely interested in the welfare of cane growers, they should agitate not for a higher price for relatively poor quality sugarcane, which, if conceded, is bound to hurt the vast mass of consumers, but for proper facilities that will enable the growers to raise better varieties of cane and to increase the per acre yield of sugar. It is only such constructive methods that will help both cane growers and sugar consumers and bring lasting glory to persons who wish to serve the people.

Millowners' Deputation

The series of handicaps that deterred the progress of the sugar industry in U.P. were, it is said, explained by a delegation of millowners when it met the U.P. Chief Minister at Lucknow recently. The delegation was led by Mr. S. S. Kanoria, President of the U.P. branch of the Indian Sugar Mills Association. The daily Press version of the meeting reveals that the delegation alluded in particular to the three main obstacles to the smooth running of sugar mills, namely, low recovery of sugar from cane, near-certainty of a short crushing season, and fixation of an unremunerative ceiling of Rs. 36 per maund (ex-factory). The result was an increase of at least Re. 1 per maund in the cost of sugar production in the current season. It was, therefore, emphasised by the delegation that there was no question of an increase in the price of cane. In fact, even on the basis of the present level of cane price (Re. 1.44 per maund), there was a strong case for an increase in the ex-factory price of sugar.

Apart from the fact that the present ex-factory prices are low, the price fixation has not benefited the consumers in any way, because there is no control on the retail price of sugar anywhere. So, even when the factories release their sugar stocks at the controlled price, the price of sugar in the free market, even in Kanpur, has never been less than Rs. 38 per maund. The consumer buys sugar at a still higher price from the retail market. It is thus evident that the fixation of ex-factory price of sugar has helped only the middlemen. Drawing attention to this aspect, the millowners' representatives are understood to have lodged a protest against Central control on ex-factory price of sugar for North India. It was pointed out that, as there was no such control in Western or Southern India, the U.P. sugar industry had been placed at a disadvantage.

The reactions of the U.P. Chief Minister to the millowners' views are not known. Talking to Press men after the meeting, the Chief Minister, however, said that the views had to be scrutinised before another meeting was held betwen the representatives of the Government and the industry. Commenting on the convening of a tripartite conference as demanded by cane growers, the Chief Minister declared that no purpose would be served by such a conference, unless common ground was found and that the Government would, therefore, examine the data placed before it and try to find the ground on which the cane growers' demand for a price increase could be considered. As for the strike organised by the P.S.P., he had nothing to say. There was little the Government could do, he said, if the P.S.P. wanted to organise protest demonstrations and strikes by cane growers.

By expressing inability on the part of the Government to interfere with the situation caused by the cane growers' strike, the Chief Minister of Uttar Pradesh has left the sugarcane growers and the sugar mills in a quandary. It is an admission of failure on the part of the Congress Party to provide correct leadership in rural areas. The merit of real leadership lies not in stirring up people, a relatively easy job in areas where illiteracy and ignorance are widespread, but in convincing people in economically sound solutions. If only Dr. Sampurnanand, his colleagues in the Government and other members of the Congress had stood firm on the issue of cane prices when it was first mooted in the Legislature, the situation would certainly not have taken such an ugly turn. The blame for all the troubles brewing in and around the sugar industry of Uttar Pradesh rests as much with the leftist parties as with the Congress Party which, deplorably enough, did not oppose a private member's resolution in the U.P. Legislature urging a rise in the cane price from Re. 1.44 to Re. 1.75 per maund and allowed it to be passed unanimously. By doing so, the U.P. Congress Party badly let down the Central Government.

CHITALE SUGAR FACTORY

To the chain of sugar factories functioning in Bombay State, one more will be added during the next sugar season commencing from 1st November 1959. This is the Chitale Sugar Works, the foundation-stone of which was laid at Chitalenagar in Malsiras taluk of Sholapur district on Tuesday last week by Mr. S. K. Patil, Union Minister for Transport and Communications. The project has been sponsored by Messrs. S. D. Chitale and W. D. Chitale who have rich experience in sugar trade and cane culture. The estimated capital outlay on the plant is put at Rs. 45 lakhs. The plant is expected to have an annual crushing capacity of about 120,000 tons of cane, yielding 13,200 tons of sugar valued at Rs. 1.36 crore. The sucrose content of cane is assumed at 11 per cent. It will be interesting to note here that machinery and equipment are being purchased from existing sources in India, thereby avoiding expenditure of precious foreign exchange.

Chitalenagar, where the new sugar factory is being set up, enjoys all the advantages required for sugar manufacture. Special mention may be made of abundant supply of sugarcane. There are vast fertile fields with ample irrigation. Out of the total annual requirements of cane—120,000 tons—one-third will be grown on farms attached to the factory itself and the balance will be purchased from private cultivators.

Laying the foundation-stone of the Chitale Sugar Works, Mr. Patil emphasised the need for stepping up sugar production so as to meet fully the increasing domestic demand for the product and also make available large quantities for export. Complimenting the promoters of the factory, Mr. Patil declared that it was only through pioneering and enterprising spirit of such persons that a healthy expansion and sustained development of sugar industry could be ensured.

WORLD SUGAR

The International Sugar Council, which ended its two-day meeting in London on 29th January, adopted an estimate of the minimum net requirements of the free market for 1959 amounting to 5,405,000 metric tons, raw value. It decided that provisional export quotas to the free market should be the basic export tonnages established under the 1958 Agreement. In arriving at this decision, the Council had regard to present uncertainties in the sugar supply position; to the fact that this allocation of quotas is provisional only and must be followed by final determination at the next session, which will open on 19th March; and that the agreement contains an automatic mechanism and provides for a prompt meeting of the Council if the market situation so requires. The Council deferred until its next session the consideration of the establishment of a special reserve to meet cases of special hardship.

The Union Food and Agriculture Ministry has issued a *corrigenda* in respect of the all-India final estimate of sugarcane crop for the season 1957-58 published on 23rd August 1958. The revised estimate places the aggregate production of cane at 64,142,000 tons, as against 63,954,000 tons forecast earlier, the partially revised estimate for 1956-57 being unchanged at 66,998,000 tons. In terms of *gur*, the output of cane is now put at 6,476,000 tons, as against 6,367,000 tons in the earlier estimate and 6,751,000 tons for 1956-57. There has been no change in the figure for area, namely, 5,021,000 acres, that for the previous season being 5,057,000 acres.

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A. C. BHAT,
General Manager.

SAFETY IN COAL MINES

DHANBAD CONFERENCE RECOMMENDATIONS

COAL mining is an inherently hazardous industry, in which even an unconscious slip by one engaged in it may not only undo the valuable work of all others but also land the management in serious trouble. The hazards of mining go on increasing with intensive exploitation of the mines. For larger production from a given field one has to go deeper into the mines and for an effective working one has to adopt a greater degree of mechanisation. All these involve a larger number of hazards. Intensive working and increased mechanisation of mines are inevitable if the production targets are to be achieved. This does not mean that production targets should be achieved at the cost of safety of workers. It only underlines the need for greater vigilance on the part of management, the workers and the inspectorate, who are all responsible for maintaining safety in mines. This can be ensured by all the three parties playing their part conscientiously and in full co-operation with each other.

With this end in view, the Conference on safety in mines held at Dhanbad on 29th January 1958, in which the representatives of workers, employers, the Government, technical experts and members of Parliament took part, drew up a comprehensive set of recommendations for a concerted drive to prevent mine accidents. The Conference was presided over by Mr. Abid Ali, Union Deputy Minister of Labour. The measures recommended by the Conference are: safety education and propaganda, cultivation of safety consciousness among the staff and workers and stabilisation of the labour force. The Conference was of the view that a stable and permanent labour force would go a long way towards ensuring safety in mines. For this purpose, it was suggested that the existing methods of recruitment should be improved. A list of workers retrenched or likely to be retrenched for whatever reason should be maintained by the Mines Welfare Organisation or any other suitable agency. Workers on this list should have first claim on future vacancies in the industry. Other things being equal, the Conference recommended, local labour should be given preference over outside labour.

Fatigue and physical fitness of miners are two important factors which have a large bearing on safety. The Conference, therefore, suggested that a body of experts should carry out scientific investigations into the fatigue factor. In this connection, it was suggested that the experts should go into the question of working hours. Since physical fitness of miners helped in reducing accidents, they should be medically examined first at the time of appointment and subsequently every two years.

The other recommendations of the Conference are:

1. A high priority should be given to the question of housing for mine workers and the supply of wholesome drinking water and sanitation in their colonies;

2. A committee should conduct investigations, with a view to making more specific the regulations about the standards of ventilation and lighting;

3. The use of open lights should be prohibited and precautions relating to the use of electricity should be incorporated in the mines regulations, instead of in the Indian Electricity Rules as at present;

4. More attention should be paid to routine analysis of mine air and only specially trained persons should be employed on the job;

5. A technical committee should be set up to consider the problems created by coal dust and to suggest measures to deal with them; and

6. Where heat and humidity is above a specified level, the duration of shift should be reduced or other suitable procedures adopted to meet the conditions.

It is not lack of rules and regulations that has been the cause of accidents in mines. We have rules and regulations and penal provisions for their breach. While they are necessary, they themselves are neither adequate nor effective in ensuring safety, unless the people charged with their observance bring to bear on their work a high sense of duty. Mr. Abid Ali was, therefore, right in emphasising, in his inaugural speech at the Conference, that "maintenance of safety in mines is essentially a matter of conscientious performance of duties by all concerned." The men in charge of safety at every level, he added, must approach their task not in a petty spirit of technical compliance with legal requirements, but with a constant awareness of their great responsibility and of the serious consequences that might follow from a slip on their part.

An important facet of the whole problem is that of inducing safety consciousness among the workers and making them more and more safety-minded. Mr. Abid Ali reminded the workers' organisations of their responsibility in this regard. He said:

"The promotion of safety consciousness is largely a matter of education, training and propaganda. As matters stand today, the workers very often go down the pits without an adequate knowledge of the hazards to which they are exposed. The environment from which they come is so different from the one in which they have to work that it calls for a high degree of psychological readjustment which is not always easy to achieve. This problem may be solved if some initial training is given to the workers before they are actually put on jobs. This will improve their efficiency, acquaint them with the hazards of mining and equip them with the knowledge necessary for fighting them. It may not be feasible to launch upon any elaborate training programme immediately, but it is time we made a beginning, even if it be on a modest scale. The workers' organisations also should address themselves earnestly to this task. They should keep the problem of safety constantly before the workers and bring home to them the imperative necessity of scrupulous observance of the safety rules with utmost care."

It is needless to emphasise the importance of discipline in ensuring safety. The Code of Discipline drawn at the Naini Tal Conference was intended to create a climate of peace in industries, more so in mines. As Mr. Abid Ali pointed out, if the workers and employers observe the Code to which they have agreed, they will help to create conditions in which the observance of safety measures will be relatively easy. To quote the Minister: "It is obvious that, under an emotional stress, a person or a group would be less mindful even of routine precautions." This is very true indeed.

It is distressing to hear that the differences that divide the trade union movement, on account of their political rivalry, have been carried even to the sphere of safety also. Safety is a subject of common interest to all. Surely, those *who refuse to co-operate in ensuring safety* are uncivilised and unfit to hold position of leadership in any society. If any trade union is found guilty of non-co-operation in this vital matter, it deserves to be censured. There may be differences of opinion over the methods to be adopted for ensuring safety, but they have to be thrashed out through friendly discussion. There is, however, no excuse whatever for political rivalry among workers' organisations to interfere with the enforcement of the safety measures.

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

Condensed Statement of Condition December 31, 1958

(Figures of Overseas Branches are as of December 24, 1958)

RESOURCES

Cash and Due from Banks	$ 1,860,453,871.96
United States Government Securities and Securities Guaranteed by the Government	2,398,143,579.13
Federal Agency Securities	124,372,037.99
State, County, and Municipal Securities	740,290,190.72
Other Securities	154,734,050.16
Loans Guaranteed or Insured by the United States Government or its Agencies	1,382,149,369.30
Other Loans and Discounts	4,279,738,981.37
Bank Premises, Fixtures, etc.	130,696,396.48
Customers' Liability for Acceptances	150,067,009.00
Accrued Interest and Other Resources	70,207,265.61
TOTAL RESOURCES	**$11,290,852,751.72**

LIABILITIES

Capital	$160,000,000.00	
Surplus	340,000,000.00	
Undivided Profits and Reserves	107,536,822.99	
TOTAL CAPITAL FUNDS		$ 607,536,822.99
Reserve for Possible Loan Losses		103,771,685.06
DEPOSITS Demand	$4,975,210,399.13	
DEPOSITS Savings and Time	$5,332,350,593.47	10,307,560,992.60
Liability on Acceptances		152,985,857.84
Reserve for Interest, Taxes, etc.		118,997,393.23
TOTAL LIABILITIES		**$11,290,852,751.72**

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(Branch figures are as of December 24, 1958)

RESOURCES

Cash and Due from Banks	$136,330,592.04
United States Government Obligations	13,646,792.97
Other Securities	15,487,814.21
Loans and Discounts	141,269,082.88
Customers' Liability for Acceptances	26,056,780.50
Accrued Interest and Other Resources	2,128,808.03
TOTAL RESOURCES	$334,919,870.63

LIABILITIES

Capital	$34,000,000.00	
Surplus	6,800,000.00	
Undivided Profits	1,201,812.11	
TOTAL CAPITAL FUNDS		$ 42,001,812.11
Reserve for Possible Loan Losses		2,630,002.42
Deposits		260,529,535.01
Liability on Acceptances		27,575,309.75
Reserve for Interest, Taxes, etc.		2,183,211.34
TOTAL LIABILITIES		$334,919,870.63

DESPATCHES OF GUNNIES FROM MILLS

SHARP RISE IN DOMESTIC CONSUMPTION OFFSET BY FALL IN EXPORTS

A brief reference was made in our last issue (*vide* page 152) to the trend of despatches of gunnies from jute mills in India during the calendar year 1958. It was pointed out that the total despatches had suffered a shrinkage of 22,000 tons to 1,021,300 tons in the past year. This was on top of a fall of 11,600 tons in 1957, thus bringing the aggregate decline in the last two years to 33,600 tons.

It may be interesting to note that, in the immediate post-partition year of 1948, the total despatches from Indian mills aggregated a high of 1,063,500 tons. The next two years witnessed a setback in despatches to a low of 793,000 tons, the lowest level for the post-partition period. Thereafter, there was a recovery. Except for a break in 1953, the upward trend was maintained till 1956, when the despatches amounted to no less than 1,054,900 tons, thus nearly making good the fall in 1949 and 1950. This improvement was not sustained in 1957 and 1958. On the contrary, there was a setback during these two years, as pointed out earlier, the fall being more pronounced in 1958 than in 1957.

A variety-wise analysis of despatches during 1958 shows that, whereas hessian accounted for a rise of 8,600 tons to 416,800 tons and miscellaneous varieties for 2,000 tons to 61,400 tons, sacking actually declined from 576,200 tons to 543,000 tons. An interesting feature of the trend of despatches is the marked rise in the offtake of miscellaneous varieties during the last few years, in tune with the rise in the output of these varieties. Thus, while their production rose from 32,700 tons in 1954 to 72,300 tons in 1958, the offtake improved from 23,600 tons to 61,400 tons during the same period.

Exports Fall

The decline in total despatches during 1958 was mainly accounted for by exports which had suffered a shrinkage of 43,800 tons, chiefly in heavy goods and miscellaneous construction. This was the first time since 1950 that a decline in despatches for export purposes has occurred. From a high of 934,800 tons reached in 1948, they fell to 680,700 tons in 1950, but gradually picked up to touch 864,500 tons in 1957. The decline in total despatches from mills would have been more marked but for the rise of 26,200 tons in offtake for internal consumption, which touched a post-partition peak of 205,500 tons.

The following table shows the monthly variations in despatches of gunnies during 1958 and the annual fluctuations from 1954 onwards:

Despatches of Gunnies (In tons)

Period	Export Purpose				Internal Consumption				Total Despatches
	Hessian	Sacking	Others	Total	Hessian	Sacking	Others	Total	
1958									
January ..	28,100	26,200	1,300	55,600	1,900	15,300	2,700	19,900	75,500
February ..	30,800	35,200	1,400	67,400	1,700	14,600	2,100	18,400	85,800
March ..	31,300	32,700	1,500	65,500	2,300	15,800	2,400	20,500	86,000
April ..	32,400	31,500	2,000	65,900	2,000	13,400	2,600	18,000	83,900
May ..	27,800	28,500	5,400	61,700	1,800	13,600	2,400	17,800	79,500
June ..	23,800	19,800	2,400	46,000	1,300	10,200	2,300	13,800	59,800
July ..	45,500	38,000	4,500	88,000	1,300	9,700	3,100	14,100	102,100
August ..	34,900	39,300	3,400	77,600	1,400	8,300	2,000	11,700	89,300
September ..	36,200	42,000	2,400	80,600	1,700	10,400	2,500	14,600	95,200
October ..	30,900	34,000	2,400	67,300	1,400	12,000	2,200	15,600	82,900
November ..	34,600	33,400	2,400	70,400	1,900	14,200	2,700	18,800	89,200
December ..	39,700	27,600	2,400	69,700	2,100	17,300	2,900	22,300	92,100
Total 1958..	396,000	388,200	31,500	815,700	20,800	154,800	29,900	205,500	1,021,300
1957..	385,000	440,800	38,700	864,500	23,200	135,400	20,700	179,300	1,043,300
1956..	397,800	430,700	33,000	861,500	21,900	148,400	23,100	193,400	1,054,900
1955..	376,000	457,000	16,100	849,100	24,900	122,600	21,700	169,200	1,018,300
1954..	372,900	459,000	8,700	840,600	17,000	77,400	15,400	109,800	950,400

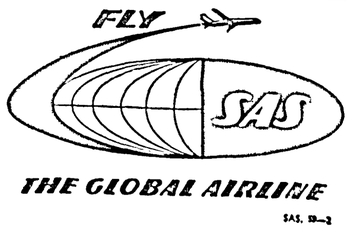
The decline in despatches for export purposes during 1958 is accounted for by sacking, which fell by 52,600 tons to 388,200 tons, and "other varieties" which dropped from 38,700 tons to 31,500 tons. The fall in sacking exports was greater than the rise witnessed in the previous year and has taken the despatches of this variety to the lowest level since 1953. The setback in "other varieties" was in striking contrast to the successive rise—at a very marked pace indeed—in the past few years. Notwithstanding the lower offtake of hessian by the U.S., the despatches of hessian for export show an increase of 11,000 tons to 396,000 tons, thus nearly making good the decline they had suffered in 1957.

The statistics of country-wise exports are available only up to the end of October, that is, for the ten months of last year. These show that the total exports of gunnies aggregated 680,800 tons, as against 720,100 tons in the corresponding period of 1957. Of these, the share of hessian was 345,900 tons (as compared with 331,700 tons during January-October 1957) and sacking 334,900 tons (as against 355,500 tons). Exports of hessian to the U.S. show a small increase from 146,300 tons to 149,200 tons, despite the recession. If, however, the exports of sacking during the ten months of 1958 are also taken into account, the total offtake of gunnies by that country from India will aggregate 154,100 tons; this shows a fall of 1,500 tons, as compared with the corresponding period of 1957. It may be noted, in this connection, that, during the whole of 1957, the U.S. took 183,400 tons of hessian as against 190,500 tons in 1956. The slight improvement during 1958 (upto the end of October) was, therefore, welcome. Exports of hessian to the U.K. also rose from 18,800 tons to 31,200 tons and so also to Canada from 27,700 tons to 32,700 tons. But Argentina, the second largest customer of India for hessian, took only 49,400 tons, as against 59,200 tons in the first ten months of 1957.

Exports of sacking during the first ten months show a decline of 59,300 tons, of which Africa accounted for 14,200 tons (to 74,400 tons), Far East for 36,600 tons (to 40,200 tons), Australia for 12,300 tons (to 59,100 tons) and American countries (other than the U.S., Canada and Argentina) for 3,200 tons (to 58,400 tons).

Internal Market

That there is vast scope for raising internal offtake of gunnies is proved by the sharp rise of 26,200 tons during 1958 in despatches of mills to the domestic market. This can be expected to rise still further with the growing production of cement and agricultural products. Though there is a glut of cement at present, its consumption is expected to expand with the rise in production of steel. The use of paper bag for packing cement can be ruled out for some time to come, on account of the foreign exchange difficulties, so that India has to rely only on gunny bags for packing cement. During 1958 alone, the despatches of sacking from mills for internal consumption rose by 19,400 tons to 154,800 tons, a record since 1945. They were at a low of 77,400 tons in 1954 and have thus doubled themselves in the four years. The offtake of miscellaneous varieties too rose sizably by 9,200 tons to a record level of 29,900 tons, at which level it exceeded that of hessian by as much as 9,100 tons. Despatches of hessian to domestic markets dropped by 2,400 tons to 20,800 tons, the lowest level since 1954.



SAS. 19—2

CEYLON TO CUT EXPORT DUTY ON TEA

BID TO REGAIN MARKETS

THE Government of Ceylon has decided to introduce a new two-tier system of export duty on tea, instead of the existing flat rate system. Under the proposed scheme, all teas will be subject to a fixed duty of 35 cents per lb., collected at the point of export. In addition, an *ad valorem* duty will be collected at the auctions on teas which fetch over Re. 1.85 per lb., the rate of duty being 50 per cent. of the prices realised in excess of Re. 1.85 per lb., subject to a maximum of 70 cents per lb. The duty on teas from plantations owned by the English and Scottish Co-operative Wholesale Society will be fixed at a flat rate or on some equitable system. The existing export duty is a flat rate of 70 cents per lb.

The object of revising the export duty is, we are told, to regain the foreign markets which Ceylon has lost to India, particularly as a result of the recent cut in Indian export duty. It is further stated that the revision has been decided in response to the representations made by producers and traders who wanted a new system of duty which will be less burdensome than now and which will be related to the prices and the capacity of the industry to pay.

The Ceylon Government and the tea industry of the Island are said to be concerned over the growing popularity of Indian teas in the Middle East countries. An official of the Ministry of Commerce is of the view that the recent reduction of 10 cents per lb. in the export duty on Indian tea is a "bold step aimed primarily at improving the competitive position of common teas in the world markets." By levying a lower export duty and buying goods of tea consuming countries at prices higher than what Ceylon can afford to pay, India has, according to official circles, successfully captured Ceylon's traditional markets in the Middle East. Ceylon is not concerned over the competitive position of India alone. British East African teas, which are not subject to any export duty, offer a much stronger competition to the low priced Ceylon teas.

The following table shows the country-wise exports of tea from Ceylon during the nine months ended September 1958 (the latest available) and in the corresponding period of 1957, as compared with those from India during the same periods:

(In million lbs.)

	Ceylon		India	
	Jan.-Sept.		Jan.-Sept.	
	1958	1957	1958	1957
Britain	127.29	109.56	210.92	208.62
Irish Republic	1.87	1.76	10.30	11.31
Rest of Europe	10.09	10.60	7.26	5.36
U.S.S.R.	2.52	Nil	13.32	0.53
Canada	12.62	14.05	14.15	12.21
U.S.	27.08	32.53	17.89	16.82
South America, Central America and West Indies	4.37	2.30	1.13	0.82
Iran	10.19	8.31	6.83	6.79
Persian Gulf and Iraq ..	16.95	23.05	4.49	4.89
Egypt	3.74	8.91	19.77	10.25
Other Middle East countries ..	10.41	12.84	10.72	3.94
Africa	25.88	29.46	1.28	0.69
Australia	31.02	27.39	6.00	4.73
New Zealand	11.40	11.71	0.82	1.21
Malaya and Straits ..	1.04	1.22	0.14	0.25
Other places	4.03	5.20	3.31	3.53
Total ..	302.61	298.82	337.42	300.77

In order to protect the market for its tea in Iraq, the Ceylon Government has offered a special concession to that country by reducing the import duty on dates imported from that country from Rs. 5.50 to Re. 1 per cwt. and stepping up the import of dates.

The price of Re 1.85 per lb. over which the *ad valorem* export duty will become operative is roughly the average price fetched by all grades of tea during 1957. During 1958, only high grown teas fetched an average price above that rate, while medium and low grown were sold well below that price, so that the average for all varieties was below Re. 1.85 per lb. Thus, in the case of teas fetching Re. 1.85 and below, there is, in effect, a cut of 50 per cent. in export duty, that is from 70 cents to 35 cents per lb. Even those teas which fetch above Re. 1.85 per lb. will be benefited by the new system of export duty. For the maximum *ad valorem* duty, over and above the flat rate of 35 cents, is only 35 cents. This maximum rate will become operative only if the excess price over Re. 1.85 is 70 cents, that is if the price realised in the auction is Rs. 2.50 per lb. Though the system of *ad valorem* levy is a complicated one, it will make Ceylonese tea very much cheaper than now and all the efforts taken by India to expand the market for its common teas will have been in vain, unless this country takes prompt steps to offset the advantage sought to be given by Ceylon for its teas.

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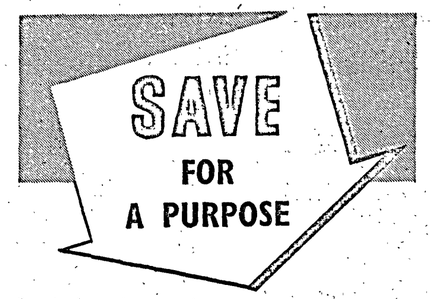

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STEEL INDUSTRY IN PUBLIC SECTOR

BHILAI AND ROURKELA PLANTS COMMENCE PRODUCTION

THE commencement of production of iron in the State-owned Bhilai (Madhya Pradesh) and Rourkela (Orissa) steel plants, formally inaugurated this week by the Union President, Dr. Rajendra Prasad, marks a definite stage in India's industrial progress; the third State-owned steel plant at Durgapur (W. Bengal) is expected to go into production in October next. This is part of the implementation of the steel production programme, designed to produce six million tons of ingots by the end of the second Plan or about 4.5 million tons of saleable steel. The target will be attained through the expansion of production in the existing steel works, namely, Tata Iron and Steel Works (from 0.78 million tons to 1.50 million tons), Indian Iron and Steel Works (from 0.33 million tons to 0.80 million tons) and Mysore Iron and Steel Works (from 0.03 million tons to 0.10 million tons) and new production in the three State-owned steel plants—Rourkela plant (0.72 million tons), Bhilai plant (0.77 million tons) and Durgapur plant (0.80 million tons). In terms of financial investment, the three State-owned steel plants represent the largest enterprises of their kind undertaken by the Government, making in all Rs. 439 crores—Rourkela (Rs. 170 crores), Bhilai (Rs. 131 crores) and Durgapur (Rs. 138 crores). This estimate is exclusive of the cost of townships, ore mines and quarries, power supply facilities, etc., for which a provision of Rs. 120 crores has been made. The total cost of the three steel enterprises is thus estimated at Rs. 559 crores.

The manufacture of iron and steel is an integrated engineering process. Broadly speaking, a steel plant consists of four main sections—coke ovens for converting coal into coke, blast furnace for smelting iron ore into iron, steel melting plant for making alloys of iron with carbon and other metals in order to make steel, and rolling mills for converting steel into saleable products. All the three State-owned steel plants, as will be seen from the figures of output targets given at the outset, have nearly the same capacity, though Durgapur has somewhat larger capacity than either of the two.

At Durgapur, where the steel plant is being set up under an arrangement with a consortium of British steel companies there are three coke oven batteries of 78 ovens each and a by-product plant. There will be three blast furnaces, each with a capacity of 1,250 tons per day, which will produce all the iron required for the steel melting shops and also 350,000 tons of pig iron for sale. The steel making plant consists of 8 basic open hearth furnaces, of which each will be of 200 tons capacity each. The rolling mills consist of a blooming mill, intermediate mill, continuous billet mill, medium and merchant section mills and a sleeper bar plant. They will produce 100,000 tons of forging blooms and billets, 24,000 tons of merchant sections, 200,000 tons of light structurals, 60,000 tons of sleeper bars, 150,000 tons of billets for sale. The wheel and axle plant will make 40,000 tons of wheels and axles.

Bhilai Plant

The plant in Bhilai, which is being set up with the technical and financial co-operation of the U.S.S.R., has a capacity of one million tons of crude steel to be rolled into 770,000 tons of billets, rails and structural sections. The capacity of the plant can be expanded, with a few additions, to 1.25 million tons. The lay-out provides for ultimate expansion to 2.5 million tons. The main plant and equipment worth Rs. 63 crores is supplied on credit repayable in 12 equal annual instalments; interest will be at 2½ per cent. The U.S.S.R. will be responsible for the supply of the main plant and equipment and technical supervision of the construction, erection and commissioning of the plant. The coke ovens in Bhilai consist of three batteries of 65 ovens each. There will be three blast furnaces of 1,135 tons capacity per day. Iron will be converted into steel by the conventional open hearth process in six furnaces, each with a capacity of 250 tons. The rolling mills consist of one blooming mill, one continuous billet mill, one rail and structural mill and one merchant mill. They will convert one million tons of ingots into such products as (1) rails narrow gauge 10,000 tons; (2) rails standard gauge 100,000 tons; (3) railway sleeper bars 90,000 tons; (4) standard and broad-flanged beams, channels, angles and other light and heavy structural sections (beams with section height upto 24") 284,000 tons, (5) rounds (from ¼" to 3" diameter and squares with sides ¾" to 3") 121,000 tons, (6) flats (from 2" to 5" wide) 15,000 tons and (7) billets for re-rolling at outside rolling mills (from 2"×2" to 3"×3" cross-section) 150,000 tons; about 300,000 tons of pig iron will also be produced. The by-products plant will deal with 130 tons of tar per day and produce benzol, creosote, naphthalene and other products. In addition, a fertiliser plant will produce 580,000 tons of nitro-limestone.

Rourkela Plant

The steel plant at Rourkela, which enjoys the technical assistance of the German combine Krupp Demag, has a capacity of one million tons of crude steel to be rolled into 720,000 tons of plates, sheets and strips. The capacity of the plant can be expanded with a few additions to 1.3 million tons. The lay-out provides for ultimate expansion to two million tons. Coal will be "cooked" in three batteries of 70 coke ovens each. There are three blast furnaces which will smelt the iron ore into iron, each of the three producing 1,000 tons a day. The conventional open-hearth process will be employed for producing 250,000 tons of steel and the L.P. process for making 570,000 tons of steel. The blooming and slabbing mill will convert ingots into slabs which will be converted into plates, sheets and strips in three different mills—the plate mill, the continuous strip mill and the cold rolling mill. Actual production will aggregate 720,000 tons, made up of plates (3/16" and above) 200,000 tons, hot-rolled sheets and strips 300,000 ons, cold-rolled sheets and strips 170,000 tons and tin plates 50,000 tons. It will have a by-products plant similar to the one at Bhilai.

Massive quantities of raw materials, as is well known, are needed for producing iron. It has been computed that, in order to produce one million tons of steel, it will be necessary to have about 2 million tons of iron ore, a little less than 2 million tons of coal, 500,000 tons of limestone and an equal quantity of dolomite manganese ore and alloy elements. For the Rourkela steel project, iron ore will be drawn from mines which are being developed in Barsua, about 50 miles away from the site of the plant. The Bhilai plant will be fed with iron ore from Rajhara, at a distance of 60 miles. For Durgapur, iron ore will be obtained from new mines being developed in Bolani in Orissa.

For Rourkela, coal will be drawn from Kargali-Bokaro and Jharia fields. For Bhilai, it is expected that besides Kargali-Bokaro and Jharia, the new fields of Korba which are being developed will also supply coals. As a measure of conservation of the limited resources of metallurgical coal, coals from Kargali-Bokaro will be washed in a washery which has been built in Kargali. To wash the coals from Jharia, a washery is under construction in Dugda near the coalfields. Until this washery is ready, unwashed coals from the Jharia fields will be selected and used for the operation of the Rourkela and Bhilai steel plants. Korba coals will not be washed. For the Durgapur steel plant, metallurgical coals of Jharia will be blended with the high volatile semi-coking coals of Barakar. Jharia coals will be washed in a washery which is being put up as a part of the main steel plant in Durgapur.

Limestone

Limestone for both Rourkela and Durgapur will be obtained from the Birmitrapur-Hathibari areas. A preliminary project report prepared for the opening of quarries in Hathibari (Purnapani) shows that, beyond a certain stage, it might be more economic to look for other sources of limestone even if they were somewhat more distant. The quarry will, therefore, be limited in its size to the requirements, principally of the blast furnaces and, to some extent, of the steel melting shops, for the one million tons stage of Rourkela. For Durgapur, limestone will be drawn partly from this quarry and partly from existing market sources in Birmitrapur next door. For Bhilai, limestone will be drawn from the Nandini deposits about 12 miles from the steel works.

Personnel

A problem which has demanded considerable thought and effort for its solution is the training of the personnel for manning the steel plant. For each plant, some 700 engineer-officers and about 6,300 skilled workers have to be found. Of the latter, 1,000 men must be operatives with experience of steel works. For the training of these 2,100 engineers and 19,000 skilled workers, including 3,000 operatives, the authorities have set up a large training school at Jamshedpur and smaller institutions at Burnpur and Bhadravati. Further, workers, who have had some initial training, are receiving higher practical training in Railway workshops and in several engineering works (about 78 in number) in Calcutta, Bombay and other centres. Through the good offices of the Ford Foundation, the programme of training 900 Indian engineers in steel works in the U.S.A. has made considerable progress. The U.S.S.R. is training 700 engineers for Bhilai, the U.K. 700 engineers for Durgapur and W. Germany about 150 engineers for Rourkela. Australia and Canada have also offered training facilities. Inside the country, the Tatas have rendered notable assistance. Besides making available their own trained men to the three steel plants, they have also undertaken to train technical men for eventual absorption by the steel industry in the public sector.

"SIXTY YEARS OF MOTOR TRANSPORT IN INDIA"

In 1898, when the automobile first appeared in India, there were very few who considered it as more than a noisy or dangerous nuisance. Although there is some debate on the precise date of the first arrival it is known that there were four automobiles registered in Bombay in 1898. Characteristically, Mr. Jamshedji Tata, the pioneer industrialist, was one of the first to own this 'new fangled' vehicle. It is said that when he drove along in Bombay, "great crowds lined the streets and watched the Oldsmobile's progress in wonder and awe as it overtook and outstripped all other vehicles." The early 'horseless carriages' were clumsy in performance and appearance. The book *Sixty Years of Motor Transport in India*, published by the Dunlop Rubber Co. (India) Ltd., to commemorate Dunlop's Diamond Jubilee in India, provides interesting descriptions of the fore-runners of the modern limousine. Breakdowns were frequent and the woes of the early motorists are well reflected in a speech by Mr. Bompas who said, "If one bought a motor car, one was presented a book of 150 pages which explained the reasons why the car stopped. For myself, I have never been able to understand the reason why the car went...." The booklet contains many authentic illustrations, including some with historical interest, such as the first motor car exhibition in Calcutta, the car in which the Prince of Wales toured Hyderabad in 1906, etc.

It is strange to recall the opposition which the automobile had to encounter shortly before and after its arrival. For instance, the Bombay Corporation negatived, in 1898, a proposal to purchase an automobile for the Municipality on the ground that it was "too costly and dangerous." As late as 1910, the Calcutta Corporation debated a proposal to replace pony carts by motor vehicles for carrying the city's refuse and ultimately the pony carts won. The beginnings of commercial motor transport were made in 1912, and, in fact, the early years of the First World War gave a great impetus to the growth of motor transport. There are interesting circumstances attending the origins of bus services in some Indian cities. In Calcutta, for example, when the tramwaymen went on strike in 1921, the Police gave temporary permission to lorries to transport people. Soon a multitude of lorries appeared on the streets of Calcutta with wooden benches and chairs tied on top with bits of rope. This was the beginning and soon, more organised bus services appeared. Even in the 'thirties, we come across the following description of bus services in some parts of the country. "These vehicles were so overcrowded that the conductor's final job was to tie a rope to one of the stanchions and take it right round the passengers and each stanchion in turn so that the rope contained the mass of humanity who would otherwise spill on to the road."

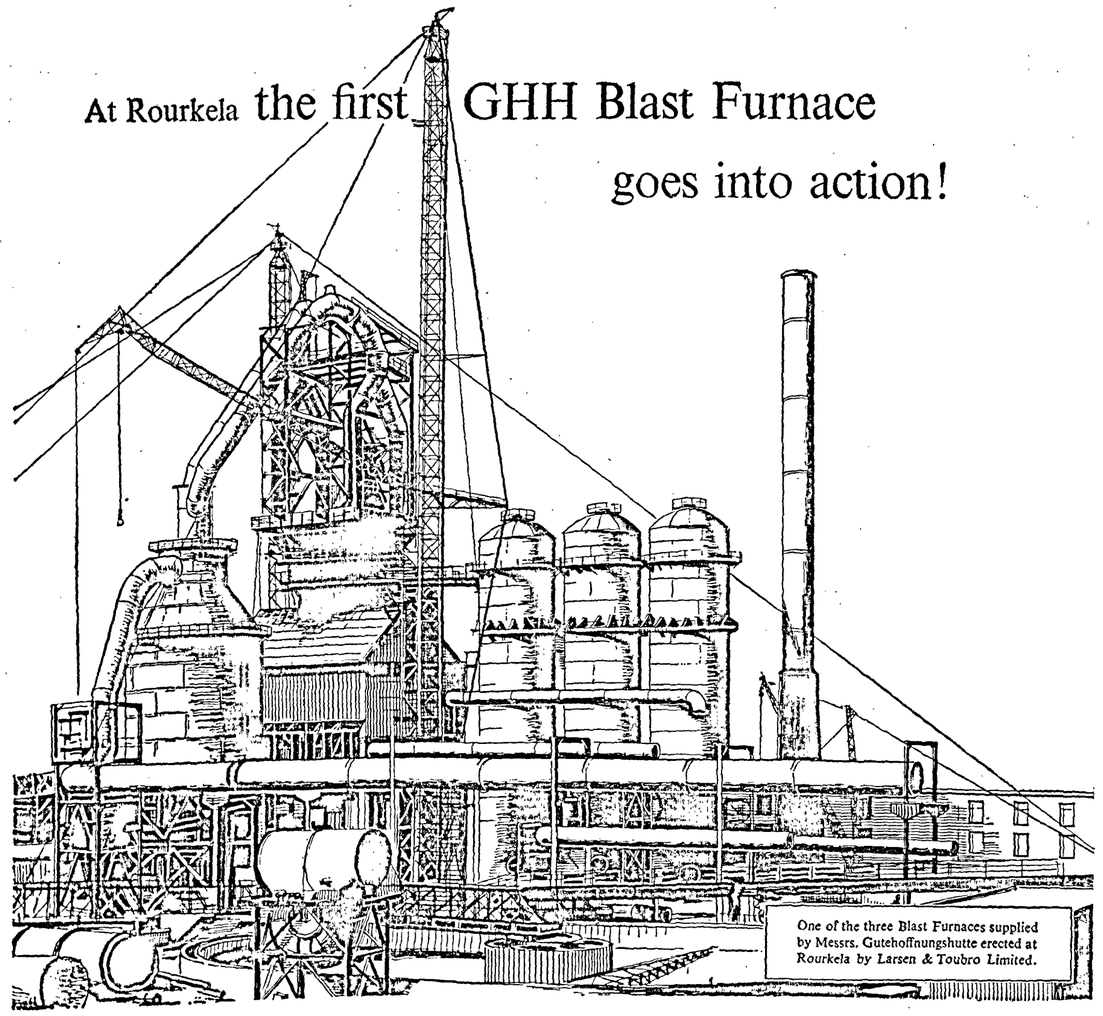
However, by the late thirties, commercial motor transport had spread out to many parts of the country and was handling such a large volume of traffic that the railways complained of this new element of competition. Several committees were appointed, the most important being the Kirkness-Mitchell Committee, the findings of which throw a great deal of light on the state of motor transport at the time. The booklet refers to this in considerable detail.

The problem of road development is touched upon at some length in the booklet which traces the early efforts for the establishment of a Road Fund and a co-ordinated road policy. Motorists in Calcutta today might well echo the sentiments expressed way back in 1921 with reference to roads: "Instead of trying to adapt Calcutta's roads to the needs of motor transport it would perhaps be easier to adapt motor transport to the roads!" The booklet devotes some attention to the taxation of motor vehicles and how it compares with other countries. In 1920-21, we learn, duties on private cars and accessories were 7½ per cent.; by 1949 they were increased to 60 per cent.; duties on commercial vehicles and their accessories rose from 7½ per cent. to 30 per cent. during the same period.

The booklet concludes with an analysis of the present position of road transport in the light of requirements generated by the Five-year Plan, and an account of the automobile industry and the automobile tyre manufacturing industry. The latter is particularly important in view of the substantial increase in the number of motor vehicles

(Continued on page 211)

At Rourkela the first GHH Blast Furnace goes into action!



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TREND OF CONSUMER PRICES

PURCHASING POWER OF WAGES AND OTHER INCOMES DECLINES

IN his report on developments on the labour front during 1957, Mr. David A. Morse, Director General of the International Labour Organisation, uttered the warning, early last year, that in the year, that is 1958, world labour should be on guard against two grim and relentless enemies, namely, inflation and unemployment. Of these two, the former, it is common knowledge, is the more formidable, because it will affect the employed, the unemployed the self-employed, in fact, every section of the community. Its impact on those having fixed or sluggish incomes is particularly severe, since a rise in consumer price invariably threatens their standard of living and undermines the protection afforded by social security schemes. For instance, though the current wave of world inflation which started in 1955 is mild, as compared with that experienced in war-time, it has reduced the purchasing power of wages, social security benefits and other incomes by 10 to 20 per cent. or more in most countries of the world. In 1957, consumer prices registered their greatest advance for several years. The upward movement of prices, however, definitely abated between 1957 and 1958 but the final picture for 1958 is not clear yet.

A review of consumer prices, which constitute one of the most significant indicators of economic and social conditions, contained in a recent issue of the *International Labour Review*, throws some interesting light on recent trends in the movement of consumer prices. For the purpose of the review, consumer price statistics for some 91 countries and territories in most of the regions of the world were collected. These statistics have, of course, certain limitations. They are very uneven in comprehensiveness and quality. In general, they reflect the prices paid by wage earners and middle income groups. Most of them reflect price movements only in a capital city or other restricted area. Some apply only to prices paid by special groups. But, as a whole, they can be regarded as giving a rough indication of the magnitude of price movements.

Cyclical Movements

From these data, it is possible to discern cyclical price movements which, while obscured in some countries by purely national or regional developments, are of very general significance. Available statistics amply demonstrate the widespread rise in consumer prices during and after the first World War. The depression years of early 1930s witnessed price decreases in all countries. From the relatively prosperous year 1929 to the year of lowest average consumer prices, for instance, the drop in the U.S. was 24 per cent., that in the U.K. 15 per cent., that in Poland 42 per cent. and that in India 27 per cent. After the outbreak of the second World War, prices soared again and, in many countries, substantial increases continued throughout the post-war period. After the spurt in many countries at the time of the Korean war, prices attained remarkable stability in several countries by 1952 and this stability continued in many countries until 1955. But, in 1955, an upturn in prices became generally apparent. Even during 1953 and 1954 prices were rising but only very slowly. The "median" increase—that is, the middle increase about which the larger and smaller increase (and a few decreases) ranged in equal numbers—from 1953 to 1954, based on annual averages, was only 1.2 per cent. This was probably the smallest annual gain since the recession of the 1930s. From 1954 to 1955, however, the median increase was about twice as great and it continued to rise during the following two years.

The modest magnitude of current price rise has caused inflation to be described as "creeping inflation," in contrast to the "galloping inflation" experienced by many countries in war time. The following figures represent the median annual increase in 91 countries from 1951 to 1958:

Year	Median Increase
1952-53	2.1 per cent.
1953-54	1.2 "
1954-55	2.4 "
1955-56	3.5 "
1956-57	4.0 "
1957-58*	2.4 "

*Based on most recent monthly index for each country in 1958 as compared with the index for the same month in 1957; data for earlier years are based on annual averages.

The highest median increase so far attained for any full year will be seen to be 4 per cent. or only about double the increase from 1952 to 1953, generally regarded as a year of considerable price stability. The median figure of 4.0 per cent. was reasonably representative of the general magnitude of price increases from 1956 to 1957. About half (44) the countries reported increases within the range of 2 to 5.9 per cent., while only five reported price decreases, but 12 reported increases of 10 per cent. or more. India was one of them.

Regional Contrasts

The timing and magnitude of the rise in consumer prices have varied considerably by geographic region. The largest increases occurred in South America, a region in which inflation has continued to flourish. Considerable inflation was also apparent in the Far East and the Middle East between 1955 and 1957 but prices in most of these countries have been brought under control during the past year. All these regions showed a modest tendency to inflation after 1954 and all but central America gave evidence of some abatement in 1957-58. The following table gives the annual percentage increases in consumer prices for selected countries:

Annual Percentage Increase in Consumer Prices By Country*—1953 to 1958

	1953-54	Year ended latest month of 1958		Whole period—1953 to latest month 1958
		Month	Percentage increase*	
Europe—				
Belgium	1.3	August	1.0	8.1
Denmark	0.9	July	0.4	16.9
France	0.3	June	17.6	22.0
Germany (F.R.)	..	August	2.0	10.2
Italy	2.7	July	6.6	20.2
Norway	4.4	August	6.6	19.5
Sweden	1.0	August	4.8	19.0
Switzerland	0.7	August	1.7	7.5
U.K.	1.9	August	1.8	18.6
N. America				
Canada	0.6	August	2.1	8.0
U.S.	0.3	August	2.2	8.3
S. America—				
Argentina	3.8	July	31.4	120.1
Brazil	18.4	April	12.1	129.3
Far East—				
Burma	—4.0	July	—2.8	25.7
Ceylon	—0.5	July	—0.4	2.8
India	—5.4	July	4.8	10.0
Japan	6.4	July	—1.7	8.8
Pakistan	—1.8	June	5.9	11.6
Middle East—				
Egypt	—4.1	July	0.2	2.0
Iran	17.6	July	1.7	39.2
Turkey	8.8	January	11.8	56.6
Africa—				
Algeria	0.9	July	14.5	20.0
Ghana	1.8	March	—1.9	9.4
Sudan	7.8	May	11.6	16.8
S. Africa	1.8	July	4.4	14.6
Oceania—				
Australia	1.2	2nd qtr.	1.5	14.7
Hawaii	1.0	June	5.6	11.0
New Zealand	4.6	2nd qtr.	2.4	15.9

* Isolated decreases are indicated by a minus sign(—)

Recent price rises have been moderate in most countries of Western Europe. From 1953 to mid-1958 increases as high as 25 per cent. were reported only by Finland, Greece, Iceland, the Saar, Spain and Yugoslavia. Increases of less than 10 per cent. during this period were experienced in Belgium, Luxembourg, Portugal and Switzerland.

For the most part, the price rises in Western European countries were of domestic origin. A major economic boom was under way in the mid-1950s, with production mounting rapidly and unemployment at low levels. Special developments, which had a noticeable influence during the period, included devaluation of the drachma in Greece in 1953 and of the French franc in 1957, the abolition or curtailment of food subsidies in Finland and Ireland, and relaxation of rent controls in a number of countries. Rents rose more rapidly during this period than any other component of the cost of living, closely followed by fuel and light. The Suez crisis had only a slight and transitory effect on consumer prices in Europe.

As regards the U.S.S.R. and East European countries, official price indices disclose declining prices from 1953 to 1956, ranging from about 5 per cent. in the U.S.S.R. to 23 per cent. in Bulgaria. Increases in productivity presumably played a significant part in these declines, for it is customary in these countries to distribute a good portion of the benefit from increased productivity in the form of lower prices, rather than through higher wages, which is the predominant formula under free enterprise.

The United States and Canada shared in the world inflationary movement though the price increases experienced in these countries were not very great and seemed disturbing largely because they were seen against a background of unusual stability. Both countries had enjoyed a period of almost stationary prices which began in about 1952 and continued until mid-1956. From 1956 to 1957, consumer prices in both countries rose slightly more than 3 per cent., and, in the 12 months ended August 1958, the increase was slightly above 2 per cent. Rising prices brought wage increases to hundreds of thousands of workers whose employment contracts included "escalator" clauses. The wage increases sometimes contributed to further price rises. It may be noted that consumer prices in both countries continued to rise even under conditions of advancing recession and as unemployment reached its highest levels for many years.

Mexico, which has been enjoying a vigorous economic boom, witnessed increase in prices, amounting to nearly 50 per cent. between 1953 and early 1958. Inflation, however, made little headway in Central America. Lower returns from coffee and cotton exports had unfavourable economic repercussions during the period but the effect on domestic prices was mixed. Unfavourable harvests exerted some upward pressure on food prices. Price increases in most countries between 1953 and early 1958, however, were held around 10 per cent.

South America

South America, as stated at the outset, has been the strong hold of inflation since the end of the war. From 1953 until early 1958, prices doubled or more in five of the eleven reporting countries and showed large increases in three years. A variety of special factors have affected the pattern of inflation in South America, including a drop in foreign exchange from sales of raw materials, currency devaluation or adjustment and failure to maintain food supplies adequate to satisfy rising purchasing power. Ambitious investment programmes have led to much deficit financing. Finally, ineffective or misplaced Government controls have played a large part in price increases in several countries.

Far East

The countries of the Far East provided numerous examples of galloping inflation since the outbreak of the second World War and, ever since 1953, consumer price in South Korea have more than tripled and those in Indonesia (measured in terms of food alone) more than doubled. In most of the countries, however, the price rise has flattened perceptibly in recent years. Economic development programmes have tended to exert powerful upward pressure on consumer prices in the Far East, particularly in view of the difficulty of increasing food supplies. In Burma, India and Pakistan, price decreases around 1954 and 1955 were more than offset by rapidly rising prices during 1956, 1957 and 1958. More recently, however, prices in Burma have again declined.

Price movements in the Middle East have been erratic with occasional declines intermingled with increases. Consumer prices in Africa have risen steadily since 1953. But marked inflation has not appeared. Price increases in Australia, Hawaii and New Zealand have been moderate and quantitatively in line with the European pattern. Both Australia and New Zealand, however, experienced a levelling off of consumer prices since 1956.

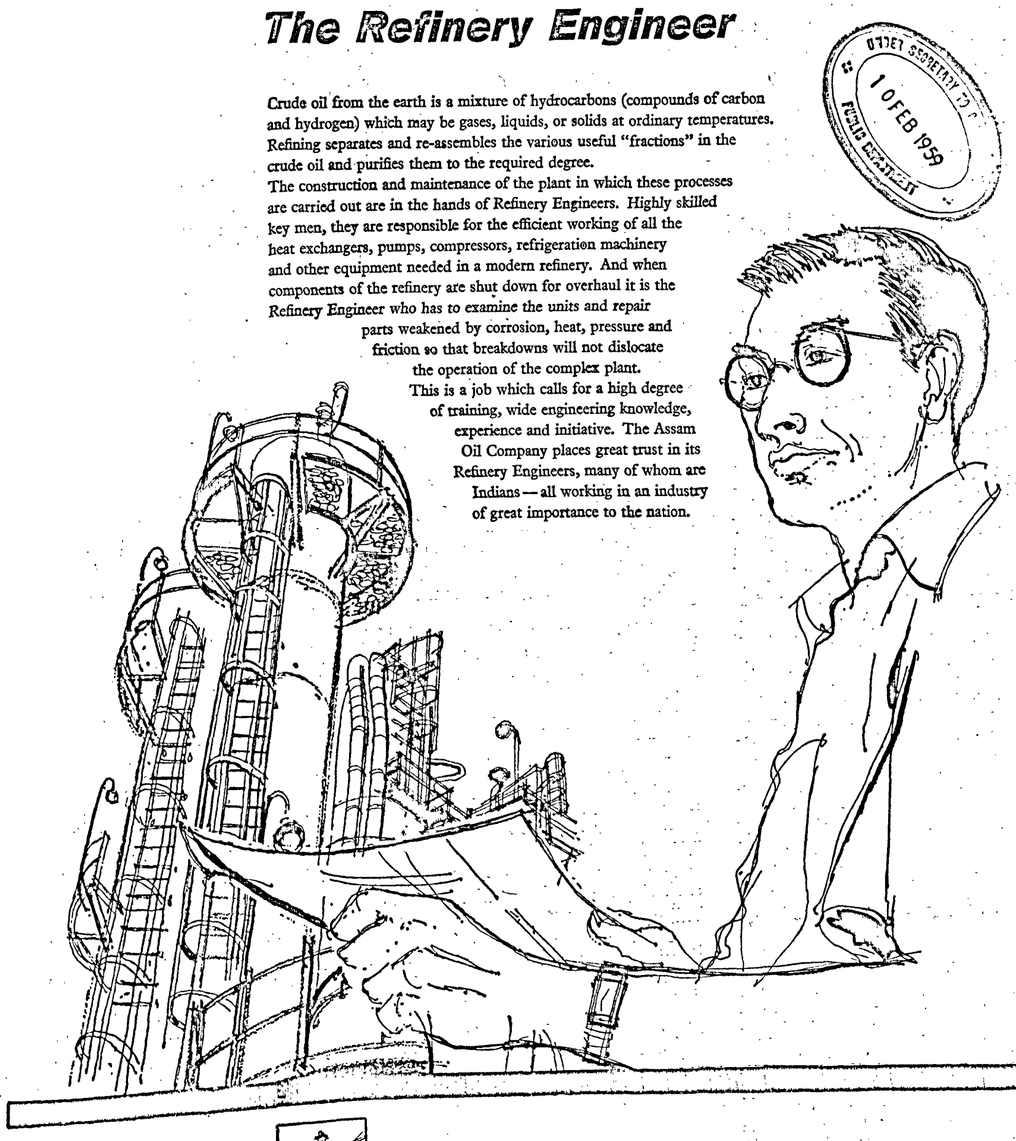
EMPLOYMENT COMMITTEE

The Government of India has constituted a 30-member Central Committee on Employment to advise the Union Ministry of Labour and Employment on matters relating to employment, creation of employment opportunities and the working of the National Employment Service, Mr. Gulzarilal Nanda, Union Minister for Labour, Planning and Employment is the Chairman of the Committee, which consists of representatives of all State Governments and of central trade unions and employers' organisations. The Committee also has four Members of Parliament—Mr. D. C. Sharma and Mrs. Parvathi Krishnan representing the *Lok Sabha*, Mr. R. M. Dave and Mr. S. D. Patil from *Rajya Sabha*. Dr. K. N. Raj of the Delhi University is one of the economist members of the Committee. Besides, the Committee has a representative each of the Small Scale Industries Board and the All-India Khadi and Village Industries Commission. The Director-General of Resettlement and Employment is the Secretary.

There were 94 fresh industrial disputes during November, 1958, bringing the total number of disputes current at any time during the month to 128, including 12 lockouts. In the previous month, there were 92 fresh disputes in 121 disputes current. During November, time-loss due to industrial disputes decreased by 87,583 man-days. The average duration of disputes current at any time during the month was 5.2 days, as against 7.6 days in the preceding month. One hundred disputes terminated during November. Of these, 66 lasted not more than 5 days each and 10 lasted more than 30 days each.

Men and Oil . . . 5

The Refinery Engineer



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TASK OF EXPORT PROMOTION

RESULTS OF FEDERATION'S CONFERENCE

A TWO-DAY conference was held at Calcutta on 29th and 30th January 1959 by the Federation of Indian Chambers of Commerce and Industry, with a view to highlighting the problems pertaining to export promotion. On the eve of this Conference, the Federation had published a brochure of about 140 pages entitled "Our Export Trade—Country-wise Analysis" to provide the background for discussion at the Conference. After these discussions, which were inaugurated by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, the Conference adopted the following 14-point statement:

The question of export promotion has assumed special and urgent significance in the context of India's developmental programmes and the imperative need in this connection to broad-base its foreign trade on increasingly higher levels. There has been considerable discussion both in and outside Parliament on the measures to be adopted in this behalf. The Government has also taken some steps in regard to providing some incentives and facilities to promote exports. Those in charge of industry and trade, too, are fully conscious of the part they have to play in the matter of export promotion.

The Conference, however, feels that there should be a more systematic approach on the part of both the authorities and the industry and trade. It is also the considered opinion of the Conference that a well-thought-out export promotion programme must be implemented, directing it towards apprising the people, generally, and the industrial workers, in particular, of the urgency of export promotion and the implications thereof. This programme must necessarily be initiated, in the first instance, in the various Government Departments, for, unless the various authorities at different levels dedicate themselves to their duties and expedite their work connected with export trade promotion, it will be well-nigh impossible to launch upon an export drive in any effective or sizable manner.

By and large, the main focal points on which efforts for export promotion require to be concentrated in a developing economy like India are known. These are: a sustained increase in the production in all sectors—agricultural, industrial, mining, etc.; an increase in the export of particular commodities both primary and processed; and, in the short run, by a reduction in home consumption. The maintenance of prices at competitive levels, the exploration of new markets and research into new uses for traditional exports are equally important. And, as in the maintenance of prices at competitive levels, labour and other policies of Government have a great influence, these policies should be carefully reviewed.

It is against this background that the Conference has reviewed our export trade, generally, and the major export commodities, in particular. The magnitude of the problem and the peculiar difficulties confronted by specific commodities in specific markets have been brought out in the study of the Federation's Secretariat analysing country-wise the recent trends in export trade. The record of India's exports in 1958 has not been generally good. For example, exports of cotton textiles were far below the target that had been set for India at the Buxton Conference. Our jute manufactures are continuing to experience difficulties from the competition offered by substitutes as also the growing industry in certain other countries. In the export of common tea, competition from East African territories has to be countered. Another principal item of export, namely, manganese ore, has to meet the severe competition from Brazil and other sources of supply which are gradually being built. Even in respect of other traditional items like raw cotton, vegetable oils, tanned hides and skins, etc., it is becoming difficult to effect sales.

Thus, the general features of the international markets which have gained an extra edge with the formation of the European Common Market are increasing competition and reduction in the relative importance of trade between industrial and non-industrial parts of the world. On the domestic front, pressures on costs are continually increasing pressures brought about by imposts by Government on industry and trade at various points of production and distribution and pressures generated by demands for increased wages and additional amenities without a corresponding increase in productivity. Mention may also be made of the fact that high railway freight rates have to be paid for movement of some commodities. Our exports have also to contend against the difficulties presented by non-availability of direct shipping facilities to certain destinations and discriminatory freight rates. The consequent disequilibrium, engendered by factors emanating within and outside the country, must be set right. Inasmuch as the problem has to be met, the Conference would suggest the following measures as part of a comprehensive and concerted drive to assist exports:

1. As indicated earlier, an export climate must be induced. The major problem of export promotion must be looked upon as presenting a challenge to the nation that can be met only by a co-operative approach on the part of the authorities, the public and all those connected with trade and industry in different capacities, whether as employers or employees.

2. All burdens on production must be eased. The movement of commodities has to be facilitated and freight concessions for raw materials which are exported as such and for those which enter into the manufacture of finished goods that are exported, as also for the export of finished goods should be granted. The recently granted transport concessions have proved to be only marginal and extremely limited.

3. The incentive schemes in the field of exports must be liberalised without restrictive qualifications and duly strengthened to be really effective, and they should be extended both to industry and trade who actually export.

4. New fiscal concessions must be thought of, with a view to really encouraging those in industry and trade to take more than ordinary risks.

5. Long delays and procedural difficulties must be eliminated.

6. While export control has been relaxed considerably, it will be useful to reshape the Export Control Order by freeing all items from control and enumerating only the residual items where controls in one form or another may have to be retained.

7. Export duties should be reviewed from time to time and, where they act as impediments to exports, the necessary adjustment should be made promptly.

8. Port facilities should be developed and improved and additional plots and railway sidings made available to all exporters both at interior despatching stations and at the ports, wherever these are required and necessary.

9. Industry and trade also should themselves develop a measure of export consciousness and be prepared to show initiative and enterprise by organising themselves and creating institutions on a voluntary basis so as to be in a position to take and reduce risks, and to ensure maintenance of standards in regard to quality, packing, performance, etc.

10. Inasmuch as personal contacts play an important role in business dealings, those going abroad from India should be encouraged to do so and the release of foreign exchange for business trips should be on a more liberal scale than now. Those who want to establish branches abroad should be given the requisite assistance by Government.

11. Private barter arrangements which will assist export of non-traditional items should be encouraged by Government.

12. The personnel of the commercial section of our Embassies/Legations abroad should be strengthened.

13. The Federation of Indian Chambers of Commerce and Industry should establish closer liaison with the Governmental Departments. The Federation should also examine the feasibility of setting up, in the first instance, two or three Councils dealing with trade with specific countries/regions. These Councils should *inter alia* compile lists of importers and exporters of goods from and to the countries/regions concerned, review from time to time the consumption pattern in foreign countries and the trends of trade with special reference to the impediments in the way of smooth flow of trade, and hold meetings to consider positive measures for promoting exports to foreign markets.

14. Greater thought must be given to the question of augmenting earnings from invisible exports.

The Conference was aware that the foregoing was only a brief outline of the problems and of the kind of action required to be taken. Yet, it hoped that this would assist concentrated thinking by Government on one hand and industries and trades on the other.

INDO-BRITISH TRADE

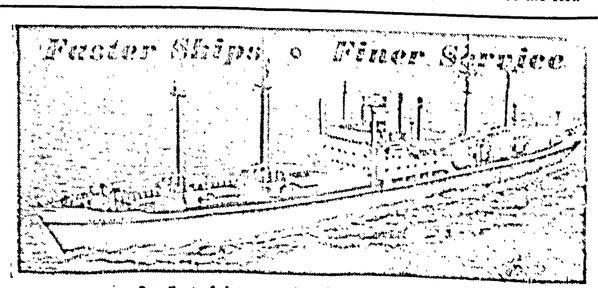
The total value of India's exports to the U.K. during the eleven months ended November 1958 was lower at £124,752,000, as compared with £144,449,000 during the corresponding period in 1957. Among the major commodities exported from India to the U.K., mention may be made of tea, the earnings of which fell from £75,893,000 to £65,301,000. Similarly, exports of leather and manufactures and dressed furs declined from £12,297,000 to £8,766,000; and those of miscellaneous textile manufactures from £11,342,000 to £10,279,000. There was, however, a slight improvement in exports of tobacco and tobacco manufactures from £7,040,000 to £9,227,000.

The value of India's imports from the U.K. also fell during the period under review from £159,062,000 to £146,628,000. Imports of machinery (other than electric), however, remained more or less steady at £41,346,000, as against £41,747,000, while those of road vehicles and aircraft actually moved up by £8,777,000 to £24,400,000. Imports of electric machinery, apparatus and appliances went down from £20,525,000 to £16,887,000, as also of metal manufactures from £15,299,000 to £13,128,000.

FOREIGN TRADE OF INDIA IN NOVEMBER 1958

India had an adverse balance of trade to the tune of Rs. 19.12 crores during the month of November 1958, according to the provisional figures of foreign trade by all routes—sea, air and land—on private and Government accounts published by the Department of Commercial Intelligence and Statistics, Calcutta. Exports of merchandise (excluding transit trade of Pakistan and other overland foreign countries, namely, Nepal, Tibet, Sikkim and Bhutan) amounted to Rs. 49.24 crores and re-exports to Rs. 33 lakhs. Imports aggregated Rs. 68.65 crores. The merchandise import figures are exclusive of the value of certain consignments of Government stores awaiting adjustment. Exports (including re-exports) of currency notes were Rs. 1.53 crore. There were no exports of gold and those of current coins (excluding gold coins) were negligible. Imports of current notes aggregated Rs. 3.61 crores, and those of gold Rs. 4 lakhs. Imports of current coins (excluding gold coins) were negligible.

The Government of India has decided to bring within the scope of the licensing and registration provisions of the Industries (Development and Regulation) Act units engaged in the manufacture of vulcanised fibre sheets, cellulose film and masking tapes also called adhesive tapes. The manufacturers of these products are required to apply before 9th April 1959 for a licence or permission under the Industries Act. The manufacture of these products was so far exempt from the licensing registration provisions of the Act.



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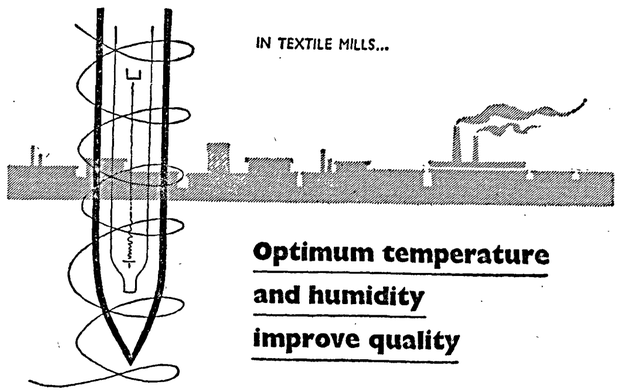

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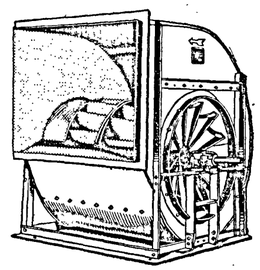

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RESULTS OF BHOPAL SUGAR

PRODUCTION HIGHER, BUT PROFIT LOWER

RECORD production of sugar but a fall in profit. That, in brief, is the main feature of the result of working of the Bhopal Sugar Industries Ltd. (Managing Agents: Messrs. A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd., Bombay) during the year ended 30th September 1958. Viewed from the angle of production and sales, the Company's performance during 1957-58 shows a distinct improvement over that for 1956-57, which was in itself a year of highly encouraging results for the Company. The quantity of cane crushed, production of sugar and the average recovery of sugar exceeded the previous year's best, thus creating a new record for the Company. Despite these encouraging factors, the Company's profit has declined and, although the dividend to shareholders is proposed to be maintained at 20 per cent. per annum paid for the previous year, such has been possible only after substantially reducing the allocations to the reserves. The fall in profit is attributed by the Directors to the scheme of compulsory exports, sharp rise in the cost of fertilisers and stores and higher wage bill.

The gross profit for the year works out to Rs. 15.75 lakhs, a decline of Rs. 2.71 lakhs or 14.6 per cent. from Rs. 18.46 lakhs for the previous year. It is, however, Rs. 4.79 lakhs better than that (Rs. 10.96 lakhs) for 1955-56 and more than thrice that (Rs. 4.71 lakhs) for 1954-55.

The Company's results for the past four years are summed up in the following table:

(In lakhs of rupees)

	For the year ended 30th September			
	1958	1957	1956	1955
Sale of sugar and molasses	1,04.39	75.25	48.80	25.53
Closing stocks of sugar and molasses	25.98	32.36	19.61	12.13
Manufacturing and other expenses	54.86	50.96	37.60	25.57
Excise duty	28.18	18.04	7.96	4.49
Gross profit	15.75	18.46	10.96	4.71
Managing Agents' commission	1.24	1.60	0.96	0.31
Depreciation	2.57	1.56	1.34	0.51
Taxation	6.50	7.55	5.50	0.75
Net profit	5.44	7.75	3.16	2.04
Transfer from reserves ..	..	..	0.37	..
Provisions no longer required	0.20	0.06	..	..
To reserves	0.61	3.71	..	..
Dividends—				
5% Red. cum. preference.	0.62	0.62	0.62	0.62
Ordinary	3.50 (20%)	3.50 (20%)	2.62 (15%)	1.75 (10%)
Carry forward	1.21	0.31	0.34	0.05
Cane crushed .. (mds.)	2,715,545	2,693,458	2,031,425	1,222,870
Sugar production .. (bags)	97,086	95,491	68,581	40,242
Recovery .. .. %	9.75	9.70	9.27	9.10

A striking feature brought out by the above table is the sharp rise in excise duty. From Rs. 4.49 lakhs in 1954-55, the amount of excise duty paid by the Company has shot up to Rs. 28.18 lakhs in 1957-58, a rise of Rs. 23.69 lakhs in the course of only three years. Over the year, it has increased by as much as Rs. 9.24 lakhs or 48.7 per cent. The provision for taxation has, of course, been reduced from Rs. 7.55 lakhs to Rs. 6.50 lakhs, but the decline is less than a lakh of rupees and is nothing as compared with the increase in excise duty. Depreciation at Rs. 2.57 lakhs is higher.

The net profit, after the aforesaid provisions, at Rs. 5.44 lakhs does not compare favourably with Rs. 7.75 lakhs for 1956-57. Consequently, the general reserve which had been credited with Rs. 3 lakhs in the previous year has received nothing. The amount transferred to development rebate is lower at Rs. 41,400, as against Rs. 71,400. A sum of Rs. 20,218 has been transferred from unclaimed dividend account and this has been set aside to unclaimed dividend reserve. The dividend, as stated earlier, is proposed to be maintained at 20 per cent. for the previous year, to which level it had been raised from 15 per cent. for 1955-56 and 10 per cent. for 1953-54 and 1954-55.

The Directors say that the working of the factory during 1957-58 was better than that in the previous year. There was no major breakdown during the season and labour relations also continued to be fairly satisfactory. The duration of the season was 134 days, as against 142 days in the previous season. The total quantity of sugarcane crushed increased from 2,693,458 maunds in 1956-57 to 2,715,545 maunds and the output of sugar from 95,491 bags to 97,086 bags. Likewise, the average recovery at 9.75 per cent. was higher, as compared with 9.70 per cent., 9.27 per cent. and 9.10 per cent. in 1956-57, 1955-56 and 1954-55 respectively. There was a marked improvement in the daily rate of crushing and the average for the season worked out to 864 tons, as against 807 tons in the previous season. Due to pith formation and unsatisfactory irrigation conditions, the total overall average yield from the farms declined from 854 maunds per acre to 779 maunds.

Referring to the expansion programme of the Company, the Directors say that the Central Government has refused permission for expanding the crushing capacity of the factory from 750 tons to 1,250 tons per day on the ground that sufficient foreign exchange was not available. Negotiations are, however, going on for securing a foreign exchange loan, but such agreements, it is stated, also require the approval of the Central Government. The Directors are hopeful of obtaining the sanction.

The Government of India promulgated a Sugar Export Ordinance during the year, whereby a scheme of compulsory exports came into existence. According to the Ordinance, 2½ per cent. of each factory's production had to be exported. On this basis, the Company's export quota was 2,439 bags. This sugar was not exported but the Company paid the sugar exporting agency a sum of Rs. 1,09,957, being the estimated loss on its export quota.

A chart in the Directors' report entitled "the Bhopal rupee, where it goes" discloses that, of the Company's earnings during the year, taxes took up 35.5 per cent., raw materials 34 per cent. and salaries, wages, commissions, etc., 14.5 per cent. Of the balance, other costs and expenses constituted 8 per cent., dividend 4 per cent., depreciation 3 per cent., and reserves 1 per cent.

The balance sheet as at 30th September 1958 shows no change in the Company's paid-up capital at Rs. 30 lakhs. This consists of Rs. 17.50 lakhs in ordinary shares of Rs. 10 each and Rs. 12.50 lakhs in 5 per cent. tax-free cumulative preference shares of Rs. 100 each. The reserves and surplus aggregate Rs. 14.41 lakhs. The gross block of the value of Rs. 43.17 lakhs stands written down to Rs. 17.70 lakhs. The current liabilities stand at Rs. 35.43 lakhs, inclusive of a provision of Rs. 20.88 lakhs for taxation, against which there are current assets aggregating Rs. 62.19 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are currently quoted at Rs. 25.05 *cum-div.* On *ex-div.* basis, the yield on the share works out to 8.6 per cent. per annum.

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HINDUSTAN ELECTRIC PAYS HIGHER DIVIDEND

GROSS PROFIT SMALLER

DESPITE a substantial rise in sale proceeds, the gross profit of the Hindustan Electric Company Ltd. (Managing Agents: Messrs. Dharmsinh and Company, Bombay) for the year ended 30th April 1958 has suffered a fall of Rs. 7.42 lakhs, or 33 per cent. from Rs. 22.22 lakhs for 1956-57 to Rs. 14.80 lakhs. This is obviously due to higher manufacturing charges and other expenses. The net profit at Rs. 6.52 lakhs, however, is only a shade lower, as compared with Rs. 6.55 lakhs earned a year ago. The smaller decline in net profit is due to cuts in the provisions for both depreciation and taxation. Thus, the provision for depreciation has been more than halved, from Rs. 10.57 lakhs to Rs 5.13 lakhs. The provision for taxation including wealth tax, has been lowered from Rs. 4 lakhs to Rs. 2.11 lakhs.

Explaining these provisions, the Directors observe as under:

"The income-tax assessments of the Company are completed upto 30th April, 1956. Provision for taxation has been accurately worked out and made in consultation with experts and authorities concerned.

"During the year, the Company discontinued acceptance of civil engineering contracts with the object of closing the civil engineering division. The plant and equipment which formed a substantial part of our machinery block were withdrawn from works and were placed for sale and a large number of the equipment was sold. The benefits through use of this machinery and depreciation thereof were not fully available during the year, with the result that depreciation on fixed assets, although fully provided for as permissible, is lower. Depreciation on the fixed assets for Faridabad Works No. III and V has not been provided for, both the works not having gone into production."

The net profit has, however, been strengthened by Rs. 2.45 lakhs, representing provision of credit to P.W.D. for contract work executed, no longer required. Out of the amount available on appropriation, a sum of Rs. 2.40 lakhs has been utilised for writing off goodwill and rights, Rs. 70,073 for commission on shares and Rs. 25,000 for preliminary expenses. Further, the general reserve has been credited with Rs. 1 lakh and development rebate reserve with Rs. 44,243, as against nothing at all in the previous year. The dividend on ordinary shares has been raised slightly to 7 per cent. from 6 per cent. per annum for the preceding three years.

The following comparative table brings out the Company's progress during the past four years:

(In lakhs of rupees)

	For the year ended 30th April			
	1958	1957	1956	1955
Sale proceeds	1,04.85	1,42.87	89.70	1,09.74
Closing stocks of finished goods and work-in-progress	28.53	26.70	26.82	7.88
Raw materials consumed ..	1,25.82	1,09.28	1,50.48	99.78
Other expenses ..	54.96	71.48		
Gross profit	14.80	22.22	11.81	8.49
Managing Agents' commission	1.04	1.10	0.75	0.60
Depreciation	5.13	10.57	5.82	0.70
Taxation	2.11	4.00	1.16*	1.19
Net profit	6.52	6.55	4.08	4.19
Provisions written back ..	2.45	..	..	..
Goodwill and expenses written off	3.35	3.34	1.64	..
Transfer to reserves ..	1.44	..	2.00	..
Dividends—				
6% Cum. preference ..	1.20	0.75	0.63	0.23
Ordinary	2.80 (7%)	2.40 (6%)	1.74† (6%)	..
Carry forward	0.43	0.25	0.18	4.01

*For the year 1954-55.
†Includes a dividend of 6 per cent. per annum for 1954-55.

The Company's sale proceeds during the year increased by Rs. 51.98 lakhs to Rs. 1.95 crore. At the same time, cost of raw materials consumed rose by Rs. 16.54 lakhs and other expenses by Rs. 13.48 lakhs. Closing stocks of finished goods and work-in-progress were higher at Rs. 28.53 lakhs, as against Rs. 26.70 lakhs in 1956-57.

Referring to the Company's operations during the year under review and the progress made in its expansion schemes, the Directors observe:

"At Howrah works switchgear design and development division was established and substantial progress was made in construction of building, switchgear designs and prototypes. During the year transformer division faced raw materials and labour problems for the first time, both of which have been subsequently settled. Work commenced on additional building for Faridabad Works No. 1. Cables manufactured at Faridabad Works No. I received I.S.I. (Indian Standards Institute) quality certificate mark. Construction of building for rolling mill was taken in hand during the year. Work on design and development of rolling mill machinery and equipment was nearly complete at the end of the year and manufacture of the rolling mill was taken in hand. Attention at Faridabad works No. II was mainly concentrated in consolidating production lines so far established. Electric motors manufactured by Faridabad works No. II were the first and the only recipient of I.S.I. quality mark. As a result of shortage of raw materials during the year, more particularly those of iron, steel and copper, production has been adversely affected.

"During the year under review, construction of buildings for Faridabad works foundry was completed and the plant and equipment were installed and production started. A non-ferrous metal foundry was also established and production commenced. Faridabad works No. III was refitted and was ready to go into production of motor control gear and low tension switchgear. However, production was held up for want of receipts of licences and raw materials/components. Construction of buildings for Faridabad machine tool works was taken in hand during the year and the erection of machinery and equipment commenced towards the end of the year."

The Company has a paid-up capital of Rs. 59.99 lakhs, divided into 40,000 ordinary shares of Rs. 100 each and 20,000 six per cent. tax-free cumulative preference shares of Rs. 100 each. As against this, the reserves, including the surplus, are small, being only Rs. 3.87 lakhs. Secured loans from banks, Industrial Credit and Investment Corporation, Government of India, etc., stand at Rs. 43.38 lakhs and unsecured loans at Rs. 3.46 lakhs. The other current liabilities and provisions amount to Rs. 60.82 lakhs. The gross block of a value of Rs. 69.96 lakhs, including additions during the year of Rs. 6.05 lakhs, has been written down to Rs. 46.26 lakhs. The current assets aggregate Rs. 125.26 lakhs.

On the prospects for the Company, the Directors observe:

"The Company has turned the corner. With large orders in hand, bulk of its production means installed and geared to output, with trained personnel and other manufacturing facilities consolidated, the Company has emerged from its initial difficulties into a period of steady progress. The bulk of the Company's products goes towards meeting vital requirements of the hard core of the second Five-year Plan in the public sector. Quality of products manufactured by the Company is highly valued both by the public and the private sectors. Today with hardly 3 per cent. of the Indian villages electrified, the needs of the people are yet to be met when compared to *per capita* electricity consumption in the developed countries. The Company will have to play a very vital, active, and at times pioneering role."

The Rs. 100 fully paid-up ordinary shares of the Company are currently quoted at Rs. 105.50 *cum-div.* and, on *ex-div.* basis, the yield is 7.1 per cent. per annum.

NEW COMPANIES IN NORTHERN REGION

During the last quarter of 1958, 44 companies and an association not for profit, with a total authorised capital of Rs. 16,53,47,000 were registered under the Companies Act, 1956, in the Northern Region. The Region consists of the Punjab and Himachal Pradesh, Uttar Pradesh, Rajasthan and Delhi. Of the 44 companies, two were public and 42 private companies. During the period, 22 companies went into liquidation and names of 109 companies were struck off the register under section 560 of the Companies Act.

In Punjab and Himachal Pradesh, nine companies, all private limited, with an authorised capital of Rs. 92.87 lakhs, were registered and nine companies with paid-up capital of Rs. 13.97 lakhs went into liquidation. Names of 17 companies with paid-up capital of Rs. 9.12 lakhs were struck off the register.

In Delhi during the quarter under review, one public and 26 private companies with an authorised capital of Rs. 5 lakhs and Rs. 15.95 crores, respectively, were registered and six companies with a paid-up capital of Rs. 1.45 lakh went into liquidation. Names of ten companies were struck off the register.

In Uttar Pradesh five companies, all private limited, with an authorised capital of Rs. 15.5 lakhs and one association not for profit were registered and seven companies with paid-up capital of Rs. 5.09 lakhs went into liquidation. Names of 80 companies with a paid-up capital of Rs. 12.80 lakhs were struck off the register.

In Rajasthan two private companies, one limited by guarantee and the other with an authorised capital of Rs. 3 lakhs and one public company with an authorised capital of Rs. 2 lakhs were registered and ten companies with a paid-up capital of Rs. 5.85 lakhs went into liquidation. Names of two companies were struck off the register under section 560 of the Companies Act, 1956 during the same period.

ASHOKA CEMENT LTD.

The results of Ashoka Cement Ltd. (Chairman: Mr. S. P. Jain, Dalmianagar, Bihar) during the year ended 31st March 1958 are encouraging and augur well for the future. The Company's sale proceeds during the year registered a smart rise, from Rs. 15.27 lakhs in 1956-57 to as much as Rs. 98.79 lakhs. The gross profit for the year under review amounts to Rs. 1.22 lakh, as against a mere Rs. 12,928 for the previous year. This should be considered satisfactory considering that there was a strike for a month and that the kiln and cement mill could not function continuously for want of certain key equipment. It is true that the Company has not been able to pay any dividend for 1957-58, but the shareholders will be happy to learn that preliminary expenses and brokerage on shares have been completely written off. Further, the Directors have paid an interim dividend of 30 nP per share (of Rs. 10 each) for the current year, as the results for this year are better.

Out of the year's profit, a sum of Rs. 21,936 has been provided for depreciation. (No depreciation has been provided on machinery, plant and buildings). The Directors have also set aside Rs. 70,508 as provision for bonus and another Rs. 23,620 to development rebate reserve. This leaves a balance of Rs. 6,415 to be carried forward.

The Directors state that, during the year under report, there was a month's strike at the cement works. Further, owing to delay in receipt of clinker conveyor and other auxiliary equipment required for proper working, kiln and cement mill could not run continuously. The kiln was stopped for nearly 45 days towards the close of the year for replacement of clinker conveyor. The machinery suppliers deputed their experts again to examine the plant.

As a result of the recommendation of the Tariff Commission on cement prices, the Government has granted an increase of Rs. 11.50 per ton in the retention price of the Company's cement with effect from 1st July 1958. The Company has also installed a steel furnace for manufacture of steel castings and grinding balls required in cement industry.

The balance-sheet as at 31st March 1958 shows the Company's paid-up capital at Rs. 59.89 lakhs. These are in ordinary shares of Rs. 10 each. Being an infant company, still in a period of active growth, its reserves amount to only Rs. 42,963. It has a debenture liability of Rs. 50 lakhs carrying interest at 6½ per cent. Secured loans from banks against hypothecation of stock of cement, clinker, coal, etc., amount to Rs. 35.11 lakhs. The other current liabilities, including unsecured loans of Rs. 47.30 lakhs, are of the order of Rs. 66.03 lakhs. The gross block of Rs. 157.06 lakhs stands depreciated at Rs. 156.84 lakhs. Machinery under erection is shown at Rs. 9.28 lakhs. Miscellaneous expenditure (debenture issue expenses) amounts to Rs. 83,392. The current assets aggregate Rs. 44.51 lakhs.

THE BOMBAY STATE CO-OPERATIVE BANK LIMITED
9, BAKEHOUSE LANE, FORT, BOMBAY-1.
(ESTABLISHED IN 1911)
Chairman: SHRI RAMANLAL G. SARAIYA, O.B.E.
Money deposited with this Bank helps the Indian Agriculturists and Co-operatives.

PAID-UP SHARE CAPITAL:		Rs.
Subscribed by the Shareholders	Rs. 44,00,000	
Subscribed by the Government of Bombay ..	Rs. 81,00,000	1,25,00,000
RESERVE AND OTHER FUNDS		53,00,000
TOTAL DEPOSITS		12,00,00,000
WORKING CAPITAL		over 24,00,00,000

BRANCHES 43 IN 10 DISTRICTS AND GREATER BOMBAY
Collection arrangements in all the important cities of the Indian Union. Banking business of every description transacted.
Deposits of all kinds accepted. Terms on application.
C. M. LAUD, *Managing Director.*

COMPANY MEETINGS AND DIVIDENDS

EASTERN INVESTMENTS LTD. Dividend at 9 per cent. on the ordinary shares, free of tax, for the year ended 31st December 1958.

NAGPUR ELECTRIC LIGHT AND POWER COMPANY LTD. Interim dividend of 2 per cent. or 50 nP per ordinary share, free of tax, for the year ending 31st March 1959. Transfer books will remain closed from 10th to 17th February 1959, both days inclusive.

PREMIER AUTOMOBILES LTD., Annual General Meeting, Bombay, 16th March 1959. Dividend on 'A' ordinary shares, payable on and after 27th April 1959. Transfer books will remain closed from 16th February to 14th March 1959, both days inclusive.

COMPANY REGISTRATIONS

INDIA STEERING GEARS PRIVATE LTD. Business: Manufacturing, dyeing, selling, reselling in steering, gears etc. Authorised capital: Rs. 10,00,000. Address: Construction House, Wittett Road, Ballard Estate, Bombay, 1.

KOTHARI AUTO-PARTS MANUFACTURERS PRIVATE LTD. Business: Assembling, producing of parts, component parts, accessories, equipment, tools etc. Authorised capital: Rs. 25,00,000. Address: 431, Lamington Road, Bombay.

A. C. C. VICKERS BABCOCK LTD. Business: Manufacturers of and dealers in cement, making machinery, coal-mining machinery etc. Authorised capital: Rs. 10 crores. Address: Adelphi, 119, Queen's Road, Bombay.

GWALINI BROTHERS & CO. (INDIA) PRIVATE LTD. Business: importing, exporting and manufacturing all sorts of merchandise, machineries and goods, particularly electrical and radios etc. Authorised capital: Rs. 5,00,000. Address: Gopal Bhawan, 199, Princess Street, Bombay, 2.

Points From the Chair

Cement Industry

"IT is beyond one's comprehension, that a basic industry which has such an impressive record of progressive performance, which has contributed so much to the country's economic progress and in which the public from all classes has invested so much with such confidence, should be expected to operate under the burden of such exactions. The result is a ridiculous position, in which everybody, with the sole exception of the shareholder, seems to come out on the right side, at any rate in monetary terms. But that is not by any means the end of this dismal story. The final net result of the last year's working of your Company affords ample proof of the serious effect of taxation policy on Corporate Finance. For, apart from depreciation, the net 'plough back' of profits after a whole year's working on a vast scale is only about Rs. 6 lakhs! And it is from this paltry sum that your Company is expected to meet not merely the cost of replacements and renewals at steadily rising prices but also the needs of an expanding business! It is in this context, that the recommendations of the Tariff Commission have to be examined. Your Company had high hopes that the Commission would be alive to the realities of rising costs and increasing taxation and would recommend a fair price, such as would cover *all costs* and leave a fair margin of net profit after tax. Unfortunately, our hopes have been belied and the only substantive outcome has been the award of a totally inadequate increase of Rs. 3.50 per ton in the ex-Works price of our cement. And even here, the Commission's recommendation that this price increase should be retroactive from 1st January 1958 was rejected by Government without assigning any cogent reasons save that it would involve 'administrative and financial complications'."

DHARAMSEY M. KHATAU,
Associated Cement Companies Ltd.

Land Reform Proposals

"Another issue which has been looming large during recent months is the land reform proposals of the various State Governments in South India. That these States are making a doctrinaire approach to this question and that their policies are dictated more by political ideologies and election pledges than the real merits of the issue is obvious from the fact that each Government is grappling at the problem in its own way and opinion is sharply divided even among members of the same political group. Although some of these State Governments have assured us that the land reform proposals will not affect existing plantations, indications are that future extensions and replacements may come under the purview of these reforms and it is feared that this will have serious repercussions and might interfere with future development schemes. We hope the Central Government will intervene and secure complete exemption for plantations from the provisions of the land reforms bills which are expected to come up before the State Legislatures."

A. V. THOMAS,
Neelamalai Tea and Coffee Estates Ltd.

Khasi Sillimanite

"Effective measures taken to maintain the quality of the material and considerable vigilance exercised in selecting and grading the material, have resulted in increased and growing demand for Khasi Sillimanite in newer markets, as also in attracting new customers in the existing markets. Even with the strong competition from Mullite and other such materials being marketed under the trade name of 'Sillimanite' the increased production of 5,495 tons and sale of 5,551 tons this year could not fulfil the market demands. The position is that we are left with pending orders for approximately 4,500 tons, valuing over Rs. 17.00 lakhs, which shall have to be executed in the next year. This situation and demand of nearly 10,000 tons has come about even after our accepting orders with much restrictions and only against confirmed letters of credit from new parties. Our intensive sales campaign in the overseas market is being maintained and consequently Khasi Sillimanite has continued, and would seem to continue to be, a good foreign exchange earner."

S. M. WAHI,
Assam Sillimanite Ltd.

European Economic Community

"On the long view, the most significant developments of the past year have been the entry into force of the Rome Treaty creating the so-called European Economic Community, and the attempt to bring into being, as an adjunct to the common market of the six countries of that Community, a free trade area that would include the United Kingdom and other members of the O.E.E.C. The aim is that in the end the economies of the six nations will be welded into a single economic unit of a great power. And this in an area which in 1957 took about £500 millions of this country's exports and a further £1,000 millions of goods supplied by the overseas sterling countries. It remains to be seen what direction the European Economic Community will take as it develops. It could become either a great area of complete free trade internally, trading liberally with the outside world; or it could become a discriminatory bloc. This is not just an issue between the common market and other industrial countries. The agrarian countries also have much at stake. To mention only a few examples, the countries of the European Economic Community take nearly a third of the exports of Ghana and Kenya, a quarter of the exports of Pakistan, getting on for a quarter of the exports of Australia and Nigeria."

RT. HON. SIR OLIVER FRANKS,
Lloyds Bank Ltd.

NEELAMALAI TEA REPEATS DIVIDEND

PROFIT OF TEXTOOLS DROPS

Neelamalai Tea and Coffee Estates Ltd.

THE directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co. (India) Ltd., Madras) present the audited accounts of the Company for the year ended 30th June 1958.

During September 1958, Doondanery Division of Sutton Estate comprising of—Tea in bearing 41.00 acres, tea immature 26.64 acres and buildings, etc. 4.62 acres has been disposed off. This was a small division away from the main property, presenting certain problems in the matter of supervision, water supply, etc., and the directors, therefore, felt that it was desirable to sell this area.

Tea: The tea crop harvested during the season, together with the costs is given below:—

	Crop harvested 1957-58	Yield per acre 1957-58	Crop secured 1958-57
	Lbs.	Lbs.	Lbs.
Katary and Bhawani	9,88,486	971	8,73,000
Sutton	5,60,000	1,208	4,95,000
Total ..	15,48,486	1,046	13,63,000

With the favourable weather conditions the Estates had, the tea crop has exceeded the estimates by over 2,33,000 lbs. The total f.o.b. cost per pound was as follows: Estate's cost of production Re. 1.40 plus excise duty, export duty and cess Re. 0.13 and additional payments being retrospective wages and bonus, as per agreement, to labour and staff Re. 0.06 making total f.o.b. cost of Re. 1.59 (Re. 1.46).

The bonus disputes in respect of staff and workers for the earlier seasons have been settled during the year and an amount of Rs. 96,768 had been paid in implementing this settlement, which was with retrospective effect. This had put up the cost of production by 6 cents per pound. The estate cost of production has also gone up as this is the first full year when the increased wages agreed last season have been reflected in the accounts.

Tea sales: The average price realised was Rs. 2.02 nP per pound against Rs. 2.15 nP per lb. last year. The depressed market conditions about which reference was made in the last report, continued till March 1958, whereafter there had been some improvement.

Coffee: Crop and cost of production:

	Estimates 1957-58	Crop secured 1957-58	Crop secured 1956-57
	Cwts.	Cwts.	Cwts.
Sutton	30 00	27.96	57.49
Woolligooly	3,600.00	2,658.37	3,480 05
Katary	..	..	14.35
Total ..	3,630 00	2,686.33	3,551.89

There had been a shortfall of about 942 cwts. of coffee crop against the estimate on Wooligooly. The estate did not get sufficient rains for the satisfactory development of coffee berries and this had seriously affected the crop. The entire crop was delivered to Pool and was valued at Rs. 180.24 per cwt.

The profit for the year under review amounted to Rs. 7,05,000 (Rs. 8,30.929) to which is added the balance brought forward from previous year of Rs. 91,273 (Rs. 35,344) making a total of Rs. 7,96,274 (Rs. 8,66.273). Out of this amount, the directors have made the following appropriations:—To transfer to reserve for taxation Rs. 3,50,000 (Rs. 4,15,000) and to payment of a dividend of 5 per cent. on preference shares for 1957-58 Rs. 90.000 (Rs. 90,000) leaving a balance of Rs. 3,56,274 (Rs. 3,61,273) available for distribution, which the directors recommend to be disposed of as under:—

To transfer to investment reserve Rs. 8,000 (*nil*), to payment of a dividend of 7½ (7½) per cent. on equity shares amounting to Rs. 2,70,000 (Rs. 2,70,000) and to carry forward to next year Rs. 78,274 (Rs. 91,273).

Estimates for the season 1958-59:—

	Tea		Coffee	
	Crop lbs.	Cost of production Cts./lb.	Crop cwts.	Cost of production Rs./cwt.
Sutton	4,80,000	134 39	10	105.00
Katary and Bhawani ..	9,00,000	132.10	..	..
Woolligooly	..	..	2,800	131.89
Total ..	13,80,000	132 93	2,810	129.17

With regard to the coffee crop on Wooligooly, the latest reports from the Estate indicate that owing to the heavy showers they had in November, the estimated crop may not be secured and that the actual crop for the season may be about 100 tons.

Development: During the year, 15 30 acres were opened in tea, besides completing the planting of 20 acres opened last year. About 12 acres of coffee were also opened in Wooligooly.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	54.00.000	Gross block	80,13,774
Reserves ...	19,31,384	Less—Depreciation ...	12.04.051
Provision for taxation ...	8 83,258		
Liabilities ...	9,71,521	Net block ...	68,09,723
Profit and loss account ...	78,274	Stock of tea and coffee	10,18,611
		Stores and tools, etc.	1,56,404
		Debts. deposits and advances ...	6,42.054
		Investments	44.934
		Cash ...	5.97,711
Rs.	92,69.437	Rs.	92,69,437

Textool Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balasundaram & Co., Coimbatore) present the audited accounts of the Company for the year ended 30th April 1958.

During the year the Company has earned a net profit of Rs. 4.50.285 (Rs. 16,95,163), after deducting all working expenses and interest and providing Rs. 3,03,144 (Rs. 4,66,931), towards depreciation. Adding to this, Rs. 13,521 (Rs. 70,751), the amount brought forward from last year, the total amount to the credit of profit and loss appropriation account comes to Rs. 4,63,806 (Rs. 17.65,734). Out of this, the directors have paid Rs. 3,634 (Rs. 2,213), by way of charity and donation and have provided Rs. 30,750 (*nil*), towards development rebate on new machinery. A sum of Rs. 680 (*nil*), has been spent in connection with the new issue of shares. After deducting these amounts, the balance of profit is Rs. 4,23,722 (Rs. 12 63,521). The directors recommend that this may be appropriated as follows:—

To pay a tax-free dividend of 12* (20) per cent. for one year on the amounts paid up on the shares upto 30th April 1957 and a tax-free dividend at the rate of 12 per cent. on the amounts paid up on the shares from 1st May 1957 to 30th April 1958 from the date of payment of such amounts till 30th April 1958 to those persons whose names are registered as members of the Company on 30th January 1959. (However no dividend will be paid on the amounts for any period prior to the date of allotment) absorbing Rs. 1,93,384 (Rs. 2,00,000), to provision for taxes Rs. 2,00,000 (Rs. 10.50.000), and to carry forward to next year's account Rs. 30,338 (Rs. 13,521).

It may be observed from the accounts that the profits of the year have fallen considerably. Due to the increase in basic wage structure from 1st May 1957 and the consequent additional amount which the Company had to pay by way of wages, dearness allowance, insurance and provident fund contribution, there is an increase of about Rs. 16,00,000 in the cost of production and the margin of profit is necessarily reduced.

There was also power cut for a long period of 6 months, i.e., May and June, 1957 and January to April, 1958 and to minimise the resulting loss of production the Company had to supplement the power by its own generation arrangements at an additional cost of about Rs. 1.00.000. The prices of raw materials and stores have also increased by about 25 per cent. Sufficient raw materials even for the quota allotted were not available and the Company was forced to pay lay off (non-productive) wages to the workers due to non-availability of raw materials. Here also to minimise the loss in production the Company had to supplement pig iron by using scrap iron. This resulted much in reworking and consequently in increased cost of production. All the above factors have contributed to the steep fall in the profits of the year under consideration.

On the other hand, the Company had to supply its products on the confirmed orders. It had to also keep its schedule of prices in par with those of the competitors and as such was not able to raise the schedule of prices.

During the year under report, the Company started fabrication of the blast furnace for the manufacture of pig iron and the furnace has been commissioned for production in the current year. As soon as the Company obtains the concession to mine iron ore, the directors expect that the raw materials position will improve.

The resources of the Company being insufficient in spite of the new issue of shares, the Company has secured from the Madras Industrial Investment Corporation Ltd., during the current year a loan of Rs. 20.00.000, on the mortgage of the buildings and machinery. The Company will be making borrowings from others as and when necessary by way of fixed deposits, hundies or promissory notes. In order that the borrowing powers of the directors may not exceed the present sanctioned limit, a resolution seeking the approval to increase the limit to the aggregate of five times the paid up capital and free reserves is to be moved at the ensuing annual general meeting.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19 91.950	Gross block	53,61,480
Reserves ...	13,30,750	Less—Depreciation ...	18.69,356
Provision for taxation ...	11,40,766		
Liabilities ...	97,51,045	Net block ...	34.92.124
Profit and loss account ...	30,338	Stock-in-trade	43,72.693
		Stores, etc. ...	31,67,916
		Debts, deposits and advances ...	31,85.317
		Investments ...	16 000
		Cash ...	10,799
Rs.	1,42,44 849	Rs.	1,42,44 849

*The dividend for the year ended 30th April 1958 is 12 per cent. This is on the increased capital of Rs. 19,91.950. In the previous year the dividend was 20 per cent. on a paid-up capital of Rs. 10.00,000.

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

MANCHESTER LETTER

(*Concluded from page 180*)

well below 100 million yards for the first time for more than a decade.

Spun Rayon Output Revival

The outstanding feature of the Cotton Board's monthly output and employment figures for November was the disclosure that production of man-made and mixture yarns was at its highest level during the past two years. Weekly production was 3,200,000 lbs., whereas output of cotton yarn continued in the doldrums at 9,800,000 lbs., as against 13,000,000 lbs. weekly in the same month last year. Total output of all types of yarn was more than 3,000,000 lbs. weekly below the 1957 level at 15,230,000 lbs.

Cloth production during November was nearly 9,000,000 square yards below the corresponding figures in 1957, weavers turning out 38,910,000 linear yards per week. Of this contraction, cotton cloth accounted for a drop of 7,000,000 yards and man-made and mixture fabrics showed a fall of some 2,000,000 yards weekly.

The rate of reduction in the manpower available for spinning and weaving employers has lately shown some slowing down. After several months in the middle of last year when the labour force was declining by at least 3,000 a month, recent figures indicate a drop of around 1,000. At the end of November, manpower amounted to 211,040, as against 242,490 a year previously.

Fine Spinning Figures

The annual report published by the Bolton Master Cotton Spinners' Association invariably contains a mine of information. Although the membership consisting of 27 companies, owning 136 mills with 8,200,000 spindles, has a specialist flavour, comprising most of the fine spinning industry, the report rewards close inspection.

As a commentary on trade affairs during 1958, the disclosure that 42.1 per cent. of mules were stopped on average during the 12 months to the end of November last in the borough of Bolton underlines the situation, particularly when the previous worst comparison is 35.4 per cent. in 1938. In some weeks last year, the proportion of machinery stopped reached well over 50 per cent., whereas the average in 1957 was 27.2 per cent. and in 1954 only 18.1 per cent.

Another aspect of current trading conditions is revealed by the steady decline in the average count of yarn spun in the areas involved. In 1954, the average in the Leigh district was 40.5 and in Bolton 47.9, but, by last year, the Leigh figure had dropped to 29.8 and Bolton to 42.5.

Commenting on "a disappointing and frustrating year," the report records a decline of 1,000,000 in the number of spindles in membership, a loss of 10.8 per cent. "Never before have our members experienced such a loss during such a limited period," it adds.

The coming influx of school-leavers into industry will present many problems. Already the number is appreciably in excess of those available for employment in recent years, and the rise will continue to a peak in 1962. In Bolton alone, the school-leaving total of 2,000 in 1956 is expected to increase to 2,707 in 1961 and to over 3,000 in the following year, declining thereafter to 2,270 in 1965.—*All Rights Reserved.*

Notice

THE LAWRENCE JUTE CO., LTD.

NOTICE OF INTERIM DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following arrear Dividends for the year ended 31st March 1957 without deduction of Income Tax paid by the Company.

On "A" Preference Shares at 7 per cent.

On "B" Preference Shares at 5.50 per cent.

The dividends will be paid on or after 5th March 1959 to those Shareholders (or their mandatees) whose names appear in the Company's books on 27th February 1959.

The Share Transfer Registers of the Company will be closed from 17th February 1959 to 27th February 1959, both days inclusive.

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

CALCUTTA, 31st *January* 1959.

Notices

UPPER GANGES SUGAR MILLS LTD.

NOTICE IS HEREBY GIVEN THAT THE Twenty-sixth Annual General Meeting of The Upper Ganges Sugar Mills Ltd. will be held at 8, India Exchange Place, Calcutta, on Monday, the 2nd March, 1959 at 2 p.m., for the following purposes:—

1. To receive and consider the Report of Directors and to adopt the Audited Accounts of the Company for the year ended 30th June, 1958.
2. To declare Dividends.
3. To appoint a Director in place of Shri R. K. Kanoria who retires and is eligible for re-election.
4. To appoint Shri C. C. Desai as a Director of the Company.

   Shri C. C. Desai, being a Director of The Cotton Agents Private Ltd., the Managing Agents of the Company, is an associate of the Managing Agents. Hence he can be appointed as a Director of the Company provided a special resolution, as required by Section 261 of the Companies Act, 1956 is passed. Shri C. C. Desai has vast experience in varied spheres and it is considered advisable in the interest of the Company to appoint him on the Board to avail of his valuable advice. A special notice to move the following special resolution as required under Section 261 of the Companies Act, 1956 has been received by the Company and is hereby given by the Company to the shareholders.

   "Resolved that Shri C. C. Desai who is a Director and an associate of The Cotton Agents Private Ltd., the Managing Agents of the Company, be and is hereby appointed as a Director of the Company."
5. To appoint Shri B. T. Thakur as a Director of the Company.

   As Shri B. T. Thakur has attained the age of 66 years, he can be appointed provided a resolution as required under Section 281 of the Companies Act, 1956 is passed in the General Meeting. Shri B. T. Thakur has wide experience in finance and it is considered advisable in the interest of the Company to appoint him on the Board to avail of his valuable advice. A special notice to move the following resolution has been received by the Company and is hereby given by the Company to the shareholders.

   "Resolved that Shri B. T. Thakur who has attained the age of 66 years be and is hereby appointed as a Director of the Company and that the age limit prescribed by Section 280 of the Companies Act, 1956 shall not apply to him."
6. To appoint Auditors and fix their remuneration.

As Special Business:

7. To consider and if thought fit to pass with or without modification the following resolutions:

   (a) *As Ordinary Resolution:*—

   "Resolved that the appointment of the following parties as sole distributors for the areas allotted to them for sale of the products of Birla Laboratories (Chemical Department) owned by the Company be and is hereby approved.

   1. M/s. Ramlal Kedarnath, Old Ganj, Rampur.
   2. M/s. Kanhailal Ratanlal, Maulvi Ganj, Buduan.
   3. M/s. Nagarmal Radheshyam, Bhagalpur.
   4. M/s. G. G. Trading Co., Sadar Bazar, Delhi.
   5. M/s. Varma & Co., Basnoi Bazar, Mirzapur."

   (b) *As Special Resolution:*—

   "Resolved that sanction be and is hereby accorded to The Cotton Agents Private Ltd., the Managing Agents of the Company, for advancing loan by the said Managing Agents to the Company, by way of short-term credit with or without security for a period of 5 years with effect from the 1st March, 1958 bearing interest at the rates which will be agreed upon from time to time."

By Order of the Board,
Per Pro. THE COTTON AGENTS PRIVATE LTD.,
G. C. DHARIWAL,
Managing Agents.

"INDIA EXCHANGE,"
CALCUTTA-1, 29*th January*, 1959.

Notes:

(1) A member entitled to attend and vote is entitled to appoint a proxy and the proxy need not be a member.

(2) Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses as registered with the Company.

(3) The dividends, when declared, will be payable to registered shareholders as on the 2nd March, 1959 on or after the 10th March, 1959.

(4) The Register of Members of the Company will remain closed from the 23rd February, 1959 to the 2nd March, 1959, both days inclusive.

(5) *Explanatory Statement to*

Item 7 (*a*): The firms and concerns referred to in the resolution have been appointed sole distributors for the areas respectively allotted to them. Although the Company has been advised that Section 294 does not apply to such appointment, the approval of the shareholders is sought to avoid any doubt whatsoever.

Item 7(*b*): To meet the short-term financial requirements of the Company, money has sometimes to be borrowed from the Managing Agents, The Cotton Agents Private Ltd. The rate of interest on such borrowings is at present 6 per cent. per annum which is considered reasonable. The Special Resolution has been proposed to obtain the sanction of the shareholders to obtain loan as and when required in view of the provisions of Section 360 of the Companies Act, 1956.

Shri K. K. Birla, a Director of the Company, is a Director and shareholder of The Cotton Agents Private Ltd.

BHARAT SUGAR MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-seventh Annual General Meeting of the Bharat Sugar Mills Ltd., will be held at 8, India Exchange Place, Calcutta, on Friday, the 27th February, 1959, at 2-30 p.m., for the following purposes:—

1. To receive and consider the Report of Directors and to adopt the Audited Accounts of the Company for the year ended 30th June, 1958.
2. To declare Dividends.
3. To appoint a Director in place of Shri R. K. Bhuwalka who retires and is eligible for re-election.
4. To appoint Auditors and fix their remuneration.

As Special Business:

5. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:

   "Resolved that sanction be and is hereby accorded to The Cotton Agents Private Ltd., the Managing Agents of the Company, for advancing loan by the said Managing Agents to the Company by way of short-term credit with or without security for a period of 5 years with effect from the 1st March, 1958, bearing interest at the rates which will be agreed upon from time to time."

By Order of the Board,
Per Pro. THE COTTON AGENTS PRIVATE LTD.,
G. C. DHARIWAL,
Managing Agents.

"INDIA EXCHANGE"
CALCUTTA-1, 29*th January*, 1959.

Notes:

(1) A member entitled to attend and vote is entitled to appoint a proxy and the proxy need not be a member.

(2) Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses as registered with the Company.

(3) The dividends, when declared, will be payable to registered shareholders as on the 27th February, 1959 on or after the 10th March, 1959.

(4) The Register of Members of the Company will remain closed from the 16th February, 1959 to the 27th February, 1959, both days inclusive.

(5) *Explanatory Statement to item No.* 5.—To meet the short-term financial requirements of the Company, money has sometimes to be borrowed from the Managing Agents, The Cotton Agents Private Ltd. The rate of interest on such borrowings is at present 6 per cent. per annum which is considered reasonable. The Special Resolution has been proposed to obtain the sanction of the shareholders to obtain loan as and when required in view of the provisions of Section 360 of the Companies Act, 1956. Shri K. K. Birla, a Director of the Company, is a Director and shareholder of The Cotton Agents Private Ltd.

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY, LTD.

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend on the shares of the above Company of 5 per cent., for the year ended 31st December, 1958, was declared by the Board of Directors on 28th January, 1959, payable on or after 20th February, 1959, to those Members whose names are registered in the Register of Members of the Company on the 20th February, 1959. Dividend Warrants will be despatched to Members and no application to the Company is necessary.

The Register of Members of the Company will be closed from 11th February, 1959 to 20th February, 1959, both days inclusive.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, 28*th January*, 1959.

THE EASTERN INVESTMENTS LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the Members the following dividends for the year ended 31st December 1958:—

On the Cumulative Preference Shares a final Dividend at 2½ per cent. per annum, making a total of 5 per cent. per annum less income-tax.

On the Ordinary Shares at 9 per cent. per annum without any deduction in respect of tax payable by the Company.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 28*th January*, 1959.

Notices

NEW INDIA SUGAR MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Annual General Meeting of the New India Sugar Mills Ltd. will be held at 8, India Exchange Place, Calcutta, on Friday, the 27th February, 1959, at 3 p.m., for the following purposes:—

1. To receive and consider the Report of Directors and to adopt the Audited Accounts of the Company for the year ended 30th June, 1958.
2. To declare Dividends.
3. (*a*) To appoint a Director in place of Shri Rudra Narain Khaitan who retires and is eligible for re-election.

   (*b*) To appoint Shri Tulsidas Kanoria as a Director, who was appointed as an additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 and Article 120 of the Articles of Association of the Company on the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose that he be appointed a Director of the Company.

   Shri Tulsidas Kanoria has wide experience in business and it is considered advisable in the interest of the Company to appoint him on the Board to avail of his valuable advice.
4. To appoint Auditors and fix their remuneration.

As Special Business:

5. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

   "Resolved that sanction be and is hereby accorded to The Cotton Agents Private Ltd., the Managing Agents of the Company, for advancing loan by the said Managing Agents to the Company by way of short-term credit with or without security for a period of 5 years with effect from the 1st March, 1958, bearing interest at the rates which will be agreed upon from time to time."

By Order of the Board,

Per Pro THE COTTON AGENTS PRIVATE LTD.,

G. C. DHARIWAL,
Managing Agents.

"INDIA EXCHANGE"
CALCUTTA-1, 29*th January*, 1959.

Notes:

(1) A member entitled to attend and vote is entitled to appoint a proxy and the proxy need not be a member.

(2) Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses as registered with the Company.

(3) The dividends, when declared, will be payable to registered shareholders as on the 27th February, 1959 on or after the 10th March, 1959.

(4) The Register of Members of the Company will remain closed from the 16th February, 1959 to the 27th February, 1959, both days inclusive.

(5) *Explanatory Statement to item No. 5.*—To meet the short-term financial requirements of the Company, money has sometimes to be borrowed from the Managing Agents, The Cotton Agents Private Ltd. The rate of interest on such borrowings is at present 6 per cent. per annum which is considered reasonable. The Special Resolution has been proposed to obtain the sanction of the shareholders to obtain loan as and when required in view of the provisions of Section 360 of the Companies Act, 1956.

Shri K. K. Birla, a Director of the Company, is a Director and shareholder of The Cotton Agents Private Ltd.

WAVERLEY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Members of WAVERLEY JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday, the 27th day of February, 1959, at 3-15 O'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st May, 1958, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare a Dividend on the Preference Shares.
3. To appoint a Director in place of Mr. A. N. Sil, the Director retiring by rotation at the Meeting.

   And in this connection to consider, and if thought fit, to pass the following Resolution which will be proposed as a Special Resolution in conformity with the provisions of Section 261 of the Companies Act, 1956.

   "That Mr. A. N. Sil be and is hereby re-appointed a Director of the Company liable to retirement by rotation."

   Special Notice of the intention to propose the foregoing Resolution as a Special Resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company wherein it is stated that Mr. A. N. Sil is an "associate" of the Managing Agents within the meaning of the Act and that, therefore, he can only be re-appointed by a Special Resolution as a Director of the Company liable to retirement by rotation.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 14th to 27th February, 1959, both days inclusive.

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

By Order of the Board,

McLEOD & Co., LTD.,

C. HOCKLEY,
Secretary,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 28*th January*, 1959.

Note:—Payment of the proposed dividend, if declared, will be made on or after 12th March, 1959, only to those members whose names are registered in the Books of the Company as holders of the Preference Shares on 27th February, 1959, or to their Mandatees. Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

THE KINNISON JUTE MILLS COMPANY, LIMITED

NOTICE OF INTERIM DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Interim Dividends for the year ended 31st March 1959 without deduction of Income Tax paid by the Company.

On Preference Shares at 3.50 per cent.

On Ordinary Shares at Rs. 5 per share.

The dividends will be paid on or after 5th March 1959 to those Shareholders (or their mandatees) whose names appear in the Company's books on 27th February 1959.

The Share Transfer Registers of the Company will be closed from 17th February 1959 to 27th February 1959, both days inclusive.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 31*st January*, 1959.

THE KELVIN JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Members of The Kelvin Jute Company, Limited, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday, the 27th day of February, 1959, at 3 O'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st May, 1958, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint a Director in place of Mr. G. L. Bangur, the Director retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 14th to 27th February, 1959, both days inclusive.

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

By Order of the Board,

McLEOD & Co., LTD.,

C. HOCKLEY,
Secretary,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 28*th January*, 1959.

Note:—Payment of the proposed dividends, if declared, will be made on or after 12th March, 1959, only to those members whose names are registered in the Books of the Company on 27th February, 1959, or to their Mandatees. Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

THE STANDARD JUTE CO., LTD.

NOTICE OF INTERIM DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Interim Dividends for the year ended 31st March 1959 without deduction of Income Tax paid by the Company.

On Preference Shares at 3 per cent.

On Ordinary Shares at Rs. 2.50 per share.

The dividends will be paid on or after 5th March 1959 to those Shareholders (or their mandatees) whose names appear in the Company's books on 27th February 1959.

The Share Transfer Registers of the Company will be closed from 17th February 1959 to 27th February 1959, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 31*st January* 1959.

UNION JUTE COMPANY, LTD.

NOTICE OF INTERIM DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Interim Dividends for the year ended 31st March 1959 without deduction of Income-Tax paid by the Company.

On Preference Shares at 3.50 per cent.

On Ordinary Shares at Rs. 5 per share.

The dividends will be paid on or after 5th March 1959 to those Shareholders (or their mandatees) whose names appear in the Company's books on 27th February 1959.

The Share Transfer Registers of the Company will be closed from 17th February 1959 to 27th February 1959, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 31*st January*, 1959.

FURTHER RISE IN TREASURY BILL RATE

(From Our Own Correspondent)

BOMBAY, 4*th February*

The short-term money market continues to rule tight, with the growing pace of demand for bank credit in the face of an acute shortage of floating funds. The volume of business in the inter-bank section is restricted to the availability of money. Banks have been seeking accommodation from the Reserve Bank and the State Bank of India on an increasing scale. Interest rates, however, remain unchanged, apparently because of the inter-bank agreement fixing ceiling on rates. Inter-bank call money is being done among the Exchange banks and big Indian banks at 3½ per cent. and among the smaller banks at 3½ to 3¾ per cent. House money at seven days' notice is quoted at 3½ to 3¾ per cent. and short-term deposits at 3¾ to 4 per cent. for one to six months, depending on the period.

There has been a further hardening of the Treasury Bill rate this week, from 2.500 per cent. to 2.559 per cent. per annum. As against an invitation for Rs. 2 crores, the amount offered was Rs. 2.10 crores. Tenders for next week are again unchanged at Rs. 2 crores. There were no sales of Intermediate Treasury bills during the week ended 31st January. Nevertheless, they are being continued this week at Rs. 99.376 per cent.

The Reserve Bank of India statement for the week ended 30th January 1959 does not show any worthwhile variations in the Issue Department. Notes in circulation are higher by only Rs. 56 lakhs, while notes held in the Banking Department have declined by Rs. 29 lakhs. While there has been no change in foreign securities, balances held abroad (in the Banking Department) have, after a lapse of many weeks, suffered a drop of Rs. 6.61 crores, thus bringing the total foreign assets down to Rs. 191.42 crores. While there has been a rise of Rs. 2.59 crores in deposits of the Central Government, deposits of other Governments have declined by Rs. 13.44 crores. Deposits of banks have gone up by Rs. 7.57 crores. Loans and advances to Governments are up by Rs. 3 crores and other loans and advances by Rs. 9.16 crores, of which advances to Scheduled banks against usance bills account for only Rs. 27 lakhs.

The Scheduled banks' statement for the week ended 23rd January 1959 shows a substantial rise in banks' deposits, demand deposits having gone up by Rs. 8.26 crores and time deposits by Rs. 3.75 crores. Inter-bank borrowings, too, are higher by Rs. 2.17 crores. While there has been a sizable fall of Rs. 11.30 crores in borrowings from the Reserve Bank, those from the State Bank are up by Rs. 1.04 crore. A small increase of Rs. 2.43 crores is noted in advances and of Rs. 1.58 crore in bills purchased and discounted. Cash balances have shrunk by Rs. 2.74 crores. Money at call and short notice, however, shows an increase of Rs. 3.39 crores.

Barring the State loans, which continue to be in demand, the Gilt-edged market is devoid of any interest. The Central Government loans are mostly on offer. 4 per cent. long-dated issues have, however, attracted some attention. The persistent stringency in the short-term money market is the main factor which restrains activity in this section. 3 per cent. 1986 Conversion Loan has suffered a further drop of 15 nP to Rs. 74.05. 3 per cent. 1970-75 has lost 10 nP to Rs. 90.90 and 3 per cent. 1966-68 5 nP to Rs 93.90. 3 per cent. 1964 is unchanged at Rs. 97, while 3 per cent. 1963-65 has been marked down by 5 nP to Rs. 96.85. 3½ per cent. and 3¾ per cent. loans are all unchanged at last week's rates, while 4 per cent. 1960-70 has gained 5 nP to Rs. 100.80. 4 per cent. 1972 is placed at Rs. 101.35 *ex*-voucher, as against Rs. 101 30 *cum*-voucher a week ago. 4 per cent. 1973 has shot up by 25 nP to Rs. 101.25. Among State loans, Bombay 4¼ per cent. 1971 is being quoted 40 nP higher at Rs. 101 90. Madras 4 per cent. 1968 has hardened by 5 nP to Rs. 100.05. Andhra 4 per cent. 1967 and 1968 has gained 5 nP each to Rs. 100, as also U.P. 1967 and 1968 to Rs 100.05.

There has been a further hardening of the rupee in terms of the U.S. dollar during the week. Banks' selling rate for ready dollars has declined from Rs. 476 50 to Rs. 476 25 per $100. Their buying rate is unchanged over the week at Rs. 473 per $100, although it had touched early in the week Rs. 473.25. In New York, spot sterling has gained further strength from $2.80.15/16-2.81 to $2.81-2.81.1/16. After a decline from $2.80.23/32-2.80¾ to $2.80.19/32-2.80.21/32 three months' forward has improved to $2.80.11/16-2.80¾.

HIDES FIRM

(From Our Own Correspondent)

KANPUR, 1*st February*

During the week under review, the hides and skins market ruled firm. There was keen demand for high grade buff and cow. New arrivals were considerable Thanks to the extreme cold weather, the local butcheries were instrumental in supplying a larger volume of fresh goods. The Madras dealers were keen buyers of high grade goat and sheep. In the sector of buff and cow, the main buyers were the local tanners.

The latest quotations are: Wet salted cow 1st grade Rs. 400, 2nd grade Rs. 360 and 3rd grade Rs. 300 per score; wet salted buff 1st grade 2 lbs. 1 oz. and 2nd grade 2 lbs. 3 ozs. per rupee; goat 1st grade Rs. 375 and 2nd grade Rs. 350 per 100 pieces; sheep Rs. 350 per 100 pieces.

LINSEED STEADY

(Messrs. A. Bradley & Co.)

CALCUTTA, 2*nd February*

In sympathy with groundnut and mustard, the linseed market has remained steady and a general firm tendency prevails. Little business ahs been reported, with buyers scarce and supplies limited. Some new crop business is reported, but neither buyers nor sellers have been keen. With crop reports fair to good, the price discount is sizable. The oil market is dull, and very little business has been reported, with price levels unchanged.

The latest quotations per maund are: Ready Rs. 27.4; Feb.-March Rs. 25; and April-May Rs. 23-4.

BULLION EASY

(From Our Own Correspondent)

BOMBAY, 4*th February*

The buoyant conditions noted in the bullion market last week abated a little during the week under review. In fact, the market presented a distinctly easy appearance. The high level of prices touched by both gold and silver in previous weeks attracted sizable profit-taking. There was also unloading by certain tired bulls, while fresh buying was limited. The yellow metal was subjected to selling by spot houses on rumours of large arrivals of contraband gold in the city. In sympathy with gold and following unloading by Calcutta and Delhi operators, silver too suffered a setback. There would have been a marked fall in prices but for professional buying and covering by bears.

In the silver section, February settlement opened the week by Rs. 197-5, as against Rs. 196-11, last week-end, and moved down gradually to touch Rs. 195-4 today. Towards the close, however, it recovered to Rs. 196-4. March settlement receded from Rs. 197-3 to Rs. 195-13 before finishing at Rs. 196-13. The carry-forward charge against bulls, after narrowing down from As. 8 to As. 7 in the first three sessions of the week, widened yesterday to As. 9 which persisted today too.

Ready silver elicited good buying support on the opening day and hardened from Rs. 196-3 to Rs. 196-12. Subsequently, selling ensued and the price declined to Rs. 195-1 today, although, towards the close, it was firm at Rs. 195-12. The net loss over the week was As. 7. The daily average arrivals and offtake were 17 bars and 12 bars, respectively. The floating stocks of silver are estimated at 1,400 bars.

February settlement in gold encountered persistent selling and fell from Rs. 118-7 on Wednesday last to Rs. 117 today before recovering to Rs. 117-6 at the close. Business in March settlement commenced on Monday at Rs. 118.5. The quotation for this contract today was Rs. 117-8.

Ready gold, which stood at Rs. 118-13 at the close of last week, came down on selling pressure to Rs. 117 today; at the close, it was better by As. 6. The daily average arrivals of gold were 5,000 tolas, while the offtake was 3,500 tolas per day. The floating stocks of gold are reported to be around 25,000 tolas.

Ready and forward silver in London were both unchanged throughout the week at 76⅛d. and 76¾d., respectively. Gold in London, after declining from 249s. 6¾d. to 249s. 6d. on 30th January, recovered to 249s. 6¼d. on the 2nd inst. Yesterday, it again declined to 249s. 5¾d. Silver in New York remained unchanged at 90.375 cents.

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

	4-2-59	Highest	Lowest	28-1-59
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	117 6	118 9	117 0	118 13
Forward*	117 6	118 8	117 0	118 7
Sovereign	74 8	74 10	74 8	74 6
SILVER				
Ready (.996 fine Mint) ..	195 12	196 12	195 1	196 3
Forward†	196 4	197 7	195 4	196 11
London Silver Ready ..	76⅛d.	—	—	76⅛d.
London Forward	76⅛d.	—	—	76⅛d.
London Gold	249s. 6¼d.	249s. 6¾d.	249s. 5¾d.	249s. 6¼d.
New York Silver	90.375 c.	—	—	90.375 c.

* 23rd February settlement. † 24th February settlement.

RUSSIA BUYS RAW GOAT SKIN

(From Our Own Correspondent)

MADRAS, 2*nd February*

Arrivals of E.I. tanned cow hides and calves into the market was on the usual scale during the week. Shippers were slowly buying their requirements, reducing their limits. As U.K. buying was selective and mostly for lower grades, shippers were not keen to meet the buyer's requirements, as upper grades would be left over in their hands. Shipment business, therefore, continued to be difficult for market F.A.Q. marks, though top marks found ready buyers for all grades.

In the buff calf section, tanners were nervous because of their large holdings. They were taking lower prices.

Tanned buff hides and cow calf remained unchanged.

Prices of tanned skins for shipment business were unchanged, but the tone was weak, due to price resistance at the importers' end. Locally, prices were firm.

Raw goat markets were firm, due to heavy purchases for shipment to the U.S.S.R.

In the January tanned skins London public auctions 150.000 tanned sheep skins were sold, as against 350 000 offered. Demand for lower grades was well sustained.

COTTON FUTURES STRONG

(From Our Own Correspondent)

BOMBAY, 4*th February*

The cotton futures market, after a brief spell of easiness early in the week, ruled very firm in subsequent sessions. Speculators lent fresh support to the market on reports of damage to the crop in some areas due to the severe cold. Smaller arrival of new crop, and the improvement in the piece-goods market induced mills to come forward and make purchases. Sentiment was also favourably affected by the expectation that, due to the crop damage and reduction in crop estimate, tenders against the maturing contract would be small. The rise in price would have been more marked but for the imposition of heavy margin on oilseeds and the fear that additional curbs would be clamped down. This acted as a restraining influence on the cotton futures market.

I.C.C. Moglai Jarilla March 1959 opened the the week at Rs. 671.25 and, after rising to Rs. 674 the same day, declined to Rs. 663.25 on Saturday. The contract spurted to Rs. 677 on Monday and further to Rs. 678.25 yesterday. Commencing today's session at Rs. 675 50, the contract strengthened to Rs. 681.50 before closing fractionally lower at Rs. 680.25.

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

(In rupees per candy of 784 lbs.)

	4-2-59	*High*	*Low*	28-1-59
I.C.C. Moglai Jarilla (March 1959) ...	680.25	681.50	663.25	670.25

In the spot section, mill activity was on a restricted scale. But prices ruled very firm. Mills were reluctant to make large purchases at the prevailing high price. Needy mills, however, covered their requirements. Some of the main varieties in demand, were Vijay, Berar and Khandesh varieties, CO2, 197/3, etc.

In the export section, a revival of foreign demand, especially from Japan and Hong Kong, was noticed. Shippers bought moderate quantities of 25/32" cotton, C.P. and Berar *Deshi* and Bengal in anticipation of better demand from the U.K. following China's refusal to grant export licences for cotton to the U.K.

The foreign section was quiet. Importers were eagerly awaiting an import allocation.

It is reported that, with a view to persuading Indian mills to buy Egyptian cotton, the Egyptian cotton delegation which recently visited the country has agreed to offer an extra discount of 15 per cent. over and above the 15 per cent. which is presently given to India. It appears that certain leading consumers of Egyptian cotton in this country have reached an understanding on this question.

The period of shipment in respect of imports of 20,000 bales of raw cotton stapling 1-3/16" and above and 10,000 bales of raw cotton stapling 1-3/16" and above and 10,000 bales of raw cotton stapling 1-1/16" and above from soft currency area has been extended from the end of January up to 31st March 1959. The Government it may be recalled allowed the import of these quotas of cotton on 29th October 1958.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 700; Berar Jarilla 750; Khandesh 830; Vijay 945. *Delivery contracts*: Bengal 635; Vijay 240 'ON'.

Cotton futures values in Karachi registered a decline this week. Export inquiries were not encouraging. Domestic spinner demand, which was brisk of late, slackened. N.T.R.G. March contract came under bear pressure and declined from Rs. 62-4-6 last week-end to Rs. 61-9-6. The May contract softened by an anna to Rs. 60-11. The spot market was, however, active. Most varieties were quoted higher. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 63-8; Punjab Deshi 62-8; 4F Punjab Roller 63-4; S.G. 63-4; L.S.S. Punjab Roller 65-4; S.G. 69-4; 289F Punjab Roller 73-8; S.G. 82-12.

Alexandria cotton futures market presented a better appearance during the week under review. Operators extended support to the market. Part of the buying was attributed to the expectation that India might make large purchases of Egyptian cotton following the reported promise of the Egyptian Delegation to India to give an additional discount to Indian buyers. Stiff competition from Sudan, however, discouraged large-scale buying. The latest available quotations—in tallaris per lb. —are given below:

Karnak: March 73.27; May 73.00. *Ashmouni*: February 64.40; April 63.85.

The Sudan Gezira Board has cancelled all previous reserve prices at the cotton auctions. No list of reserve prices will, therefore, be published hence forward. Buyers can place any bids and the Board reserves the right to accept or reject any bid. Whether the introduction of this scheme will stimulate offtake at the auctions is yet to be seen.

Liverpool cotton futures market depicted a mixed trend during the week. While the American cotton contracts ruled fully steady the mixed growth contracts declined. The steadiness of the former was due to buying induced by fears of scarcity of tenderable U.S. cotton. The easiness of the latter was attributed to the emergence of hedge selling by mills against yarn stocks. Sudan cotton contracts were quoted lower following easier advices from Khartoum. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: March-April 23 15; May-June 22.60; July-August 21.00; October-November 20.05. *American cotton*

mixed growths contract: March-April 22.95; May-June 22.40; July-August 20.95; October-November 20.00. *Sudan*: May-June, July-August, September-October 22.25.

Cotton values in New York received a setback early in the week. The announcement of a lower than expected mid-January parity price of 38 cents per lb. as against the mid-December parity of 38.93 cents per lb. adversely affected sentiment. A recovery was in evidence later, thanks to scarcity of offerings and heavy loan impoundings.

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

(In cents per lb.)

	3-2-59	27-1-59	20-1-59
Spot	35.70	35.75	35.55
March	35.33	35.30	34.35
May	35.39	35.41	34.52
July	33.93	34.67	34.03

YARNS DULL

(From Our Own Correspondent)

BOMBAY, *4th February*

The yarn market put on a dull appearance during the week under review. Operators were not inclined to extend their commitments either way, in view of budget uncertainties. Actual turnover was, therefore, small. Art silk yarns were depressed, thanks to reports of large stocks lying with dealers as well as consumers and pressure of further deliveries in both indigenous and imported yarns. Cotton yarns lacked support in the absence of any encouraging news regarding domestic and overseas offtake. Staple fibre yarns, however, were held firm, due to expectations of large seasonal demand emerging in the next few weeks. It was reported that several local and upcountry spinning mills which had recently received supplies of indigenous fibre would shortly be making large sales of yarn. These reports, as also reports of slackness in demand for staple fibre fabrics and decline in prices, particularly in the Punjab, Surat, Calcutta and Bhagalpur, did not, however, have any effect.

Long liquidation and bear hammering in Cupressa Bamberg art silk yarn (60/1) February delivery brought down the quotation for the delivery from Rs. 1,578 last week to Rs. 1,535 today. In sympathy, spot 60/1 Cupressa fell by 29 nP to Rs. 7.90. Ready 150 Japan dropped 10 nP to Rs. 4.84. 120 Japan receded by 8 nP to Rs. 4.81. 120 Italy and 150 Italy declined by 6 nP each to Rs. 5.19 and Rs. 5.25, respectively. Among indigenous yarns, National Rayons 150 bright cones first grade eased by 9 nP to Rs. 4.28, while 120 bright cones firmed up by 6 nP to Rs. 4.44 on special support.

In the staple fibre yarn section, 40x2 April delivery met with good buying enquiries and strengthened by Rs. 5 to Rs. 622. February delivery was fully maintained at Rs. 611. Spot (40x2) Kohinoors picked up 9 nP to Rs. 3.40. Citys, however, shed 6 nP to Rs. 3.10. Among foreign yarns (80x2), Fujis gathered 6 nP to Rs. 9. Paramounts were firm at Rs. 8.87.

Cotton yarns ruled dull. Ten counts Moderns were unchanged at Rs. 13.25, as also Podars at Rs. 12.19. Twenty counts were done at Rs. 16.25, same as last week. Thirty counts Hinds were favoured well, the quotation rising by 12 nP to Rs. 19.37. Deals in forty counts Minaxis were put through at Rs. 25, which compares favourably with the last week's closing rate of Rs. 24.56. Among 60s, Raghuvamshis were quiet at Rs. 53 and Finlays at Rs. 65. Eighty counts Finlays and Citys were on offer, the former at Rs. 71 and the latter at Rs. 66.

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

	4-2-59	28-1-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg February (per case of 200 lbs.)	1,535	1,573
60/1 Cupressa Bamberg spot (per lb.)	7.90	8.19
120 Japan (per lb.)	4.81	4.89
150 Japan (per lb.)	4.84	4.94
120 Italy (per lb.)	5.19	5.25
150 Italy (per lb.)	5.25	5.31
Staple fibre yarn—		
40 x 2 February (per case of 200 lbs.)	611.00	611.00
40 x 2 April Do	622.00	617.00
40 x 2 Kohinoor (per lb.)	3.40	3.31
40 x 2 Century (per lb.)	3.22	3.25
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern	16.25	16.25
30s Hind	19.37	19.25
40s Minaxi	25.00	24.56
60s Finlay	65.00	65.00

GROUNDNUTS EASY

(From Our Own Correspondent)

BOMBAY, *4th February*

The uptrend in prices on the local oilseeds market witnessed during the last one month, seems to have been halted. The market eased perceptibly during the week under review, thanks mainly to stiffer margin on groundnuts and a fresh levy on cottonseeds introduced by the Forward Markets Commission. On Friday, the Forward Markets Commission directed the Bombay Oilseeds and Oils Exchange to raise the rate of margin deposits on open 'long' positions in groundnuts to Rs. 45.00 per candy when the closing rate of the futures contract is above Rs. 185.50 per candy. Till now the rate of margin was Rs. 25.00 per candy when the closing rate exceeded Rs. 175.00 per candy. The Commission has also imposed a new margin of Rs. 15.00 per candy on open 'long' positions in cottonseed when the closing rate of the futures contract is above Rs. 135.00 per candy. The directive further stated that if the price of the groundnuts futures contract ruled above Rs. 185.50 per candy, during the delivery period, the 'longs' would be required to pay a margin deposit equal to one half of the value of the 'long' position held by them.

While taking this action the Commission said that the recent spurt in prices in the oilseeds futures market and "the tendency of certain parties to rig-up prices" had been a source of "serious concern" to the Commission. Such activities distorted the price structure and caused hardship to processors and genuine traders. The Commission's directive also called for daily submission of detailed statements by members of their transactions in regard to their own business as well as the business of their constituents for the purposes of margin. Similar margin deposits are being imposed in the case of cottonseed, groundnut and groundnut oil at the recognised associations at Rajkot, Madras, Adoni, Delhi, Akola, Ahmedabad and Ujjain. The action of the Commission has served to put a brake on unbridled speculation.

The margins and a vulnerable technical position which was developing in the market for some time led to marked setback in the groundnut section. Bull liquidation and absence of fresh support brought down the prices of groundnuts and oil. Groundnut February 1959 contract, which closed last Wednesday at Rs. 179.62, improved overnight on Thursday to Rs. 181.00. Subsequently, the contract moved both ways in a limited range and closed today at Rs. 178.50. Likewise, May 1959 contract moved ahead by one rupee on Thursday to Rs. 185.37. It lost ground later and touched Rs. 180.37 before winding up the week today at Rs. 182.50. Bold ready, which opened the week on a firm note at Rs. 36.12, after fluctuating between Rs. 35.62 and Rs. 36.37, closed today at Rs. 35.75. Oil ex-mill lost 37 nP over the week when it closed at Rs. 18.75 today.

In contrast, castorseed section staged a smart recovery after a fall by the middle of the week. This was assisted by reports of rising prices in the U.K. and unfavourable weather reports from Brazil. The market closed today on a distinctly bullish note, on account of reports that a sizable amount of oil has been purchased by the U.K. Traders entertained hopes that the countries of the Communist bloc and some of the Far Eastern countries would enter the market for castor oil. Castorseed May 1959 contract gained by Rs. 3.62 on Thursday, as compared with previous day's closing rate. It, however, lost considerable ground subsequently and touched Rs. 154.12 on Monday. Once again, on encouraging advices from abroad, the contract rose to close today at Rs. 156.00. Ready Madras, which stood at Rs. 30.50 on last Wednesday, after fluctuating in a narrow groove, closed today at Rs. 30.37. Oil B.S.S. was quoted at Rs. 16.37, as against Rs. 16.75 last week-end.

Large arrivals of new crop and reports of good crop from other producing countries pulled down the prices of linseed and its oil. Linseed May 1959 contract, after moving irregularly between Rs. 33.62 and Rs. 32.62, closed the week at Rs. 32.50 with a net loss of 75 nP. Bold ready sagged from Rs. 35.50 to Rs. 33, today. Linseed oil also declined to Rs. 17.37, as against Rs. 18.00 last week-end. The margin considerations held speculation in the cottonseed section in check. However, there was sustained support, as the present rates are well below the margin level. Cottonseed February and May contracts, which closed last week at Rs. 131.50 and Rs. 127.25 wound up the week at Rs. 133.00, and Rs. 128.25, respectively.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	4-2-1959	28-1-1959	21-1-1959
	Rs.	Rs.	Rs.
Groundnut			
February 1959	178.50	179.62	174.25
May 1959	182.50	184.37	178.75
Bold/ready	35.75	36.12	35.25
Coromandel ready	36.25	36.37	35.75
Khandesh quality	36.25	36.50	35.75
Oil ex-mill ready*	18.75	19.12	18.75
Railway receipts*	18.62	18.94	18.62
Castorseed			
May/1959	156.00	154.75	140.75
Ready Madras	30.37	30.50	29.25
Ready Kanpur	29.25	29.50	28.25
Oil/B.S.S.†	16.87	16.75	16.19
Oil/commercial†	15.50	15.50	14.94
Linseed			
May 1959	32.50	33.25	32.50
Bold ready	33.00	35.50	35.62
Oil ready†	17.37	18.00	17.81
Cottonseed			
February 1959	133.00	131.50	125.75
May 1959	128.25	127.25	122.75
Nigerseed	29.00	29 00	28.25
Kardi seed	21.75	21.50	21.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR RISES MARKEDLY

(From Our Own Correspondents)

BOMBAY, *4th February*

There was a sharp rise in sugar prices during the week under review, the ex-mill quotation for Bombay-Deccan sugar itself having gone up by Rs. 2 per bag. There was a strong buying spree induced chiefly by rumours that the excised duty on sugar might be increased in the forthcoming Union Government budget. Expectations of upward revisions in cane prices and ex-mill prices of North Indian sugar, too, imparted strength to the market. Many operators were busy extending their commitments, but offerings were small, thanks to tight stock position and small arrivals on account of transport difficulty. The aggregate arrivals of sugar by rail during the week were just 9,600 bags, as against 12,710 bags in the previous week and 23,360 bags in the week preceding it.

Small grain sugar climbed up by Rs. 3 to Rs. 110-Rs. 111 per bag. Medium grain spurted by a like amount to Rs. 112-Rs. 113.50. Large grain rallied a rupee to Rs. 114-Rs. 118.

Following the steep rise in sugar prices, the Deccan Sugar Factories Association is understood to have suggested to the Union Food Ministry to issue a further release for sale in free market and also to modify the export policy which, it is said, is mainly responsible for the bullish fervour of the market. Some in market circles attribute the recent sudden jump in sugar prices to the cornering of free market stocks of co-operative factories in the Bombay-Deccan region by a group of outsiders who are not genuine traders. The quantity involved in the release orders issued to the co-operative mills, it is said, accounts for as much as 35-40 per cent. of the total for the Bombay-Deccan region. Trade circles feel that the Union Food Ministry should issue a directive to the co-operatives to accept tenders from genuine traders for quantities less than 1,000 bags per tenderer, with a view to permitting as large a number of dealers as possible to participate in sugar trade.

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HAPUR, *2nd February*

Sugar prices ruled steady during the week, as stocks with factories were dwindling. The last monthly quota released provided small quantities for factories on this side which was reported to have been nearly exhausted. Crushing in west U.P. is in full swing, as cane supplies are adequate, but the cane supply strike threat from the 5th inst. continues. The Muzaffarnagar sugar market ruled steady, due to good consumer demand. The quotations for mill delivery were in no case below the controlled price, while some factories were reported to be dealing at the higher prices. The latest prevailing prices were: crystal spot delivery Shamli D29 Rs. 36.75; E29 Rs. 36.56; Mansurpur D29 Rs. 37; Rohana D29 Rs. 37.25; Saharanpur D29 Rs. 37.12; Deoband D29 Rs. 37.50; wholesale mill delivery Khatauli A29 Rs. 37.75; D29 Rs. 37.12; Deoband C29 Rs. 36.37; D29 Rs. 36; Iqbalpur A29 Rs. 37.75.

The Kanpur sugar market ruled active. Traders from all consuming areas remained keen buyers, as their stock position was far from satisfactory. Local stocks were very poor and most of which was of moist quality. The latest prevailing prices were: Spot per bag C29 Basti Rs. 104-8; Gola Rs. 103; D29 Gola and Burhwal Rs. 102-4; Waltergunj Rs. 102; Tulsipur and Balrampur Rs. 101-12; Hargaon Rs. 101-8; Lakhimpur Rs. 101-4.

Ready *khandsari* ruled quietly steady, as production was slightly hampered following rains. Good crystal quality is being produced in the *khandsari* unit which is fetching a comparatively better price. Prevailing prices were: *khandsari* dry superior Rs. 30 to Rs. 35; moist Rs. 25 to Rs. 29 per maund.

Ready *gur* registered a further gain of Re. 1 per maund during the week, as arrivals were small due to rains and cloudy weather. The stockists were main supporters. In order to lend support to prices in the future section, the bulls also purchased ready arrivals at higher prices. Prevailing prices on Monday were: *gur pansera* Rs. 16.75 to Rs. 17.12; *balti* Rs. 17.75; *shakker* Rs. 18 per maund.

Future *gur* continued bullish. *Fagun* opened at Rs. 15.64 last Monday, touched the highest of the week and is quoted today at Rs. 16.02.

JUTE GOODS UNSETTLED

(From Our Own Correspondent)

CALCUTTA, *3rd February*

Conditions in the jute goods market during the week under review were unsettled, and prices closed lower on balance. Earlier in the week, sacking recorded a small improvement. This followed a meeting of the Committee of the Indian Jute Mills Association. Although details of discussions were not known, the rumour that the mills would soon seal off 2½ per cent. of sacking looms spread like wild fire. As a result, there was a small improvement in the sacking section. In sympathy, hessian was also better. Then came another rumour that a revision of the minimum prices by the I.J.M.A. was imminent. Thereupon, prices searched lower levels and the earlier improvement was erased in its entirety. What little buying was taking place for export in sacking constructions also stopped. It was a logical conclusion in trade circles that the I.J.M.A. Committee discussed the unreality of the minimum prices being maintained for any length of time. The minimum selling price for B. twills as recommended by the I.J.M.A. is Rs. 100 per 100 bags; but for months now, this has been much below that. Not only that. Foreign buyers consider the minimum prices as being artificial, bearing no relation to the prices of raw fibre, and being used to extract higher prices from abroad. According to them, prices must be left to be determined by the natural forces of supply and demand. It is not surprising, therefore, that foreign buying, especially in sacking, has been declining markedly in recent weeks; January-end stocks with mills must reveal a new high level of sacking goods.

The position has been entirely different in the case of hessian, the 40" 10 oz. of which has been often quoted at or above the minimum price. That there are always large quantities of B. twills available in the market at below the minimum price suggests that the original sellers, that is, the mills, have been selling this construction at a price lower than the minimum price. Indeed, the State Trading Corporation has purchased B. twills at the current market rate. This indicates that the mills are able to make profit in sacking even at the low rates, in view of the heavy decline in fibre prices. This position has awed foreign buyers and it is surprising to trade circles that the I.J.M.A. has not so far revised the minimum price of B. twills. This state of affairs has gone against the demand of mills for fixation of minimum export prices at the official level based on the I.J.M.A. minimum prices. Trade circles here pointed out that the present was hardly the time for fixation of minimum prices for goods. For, in the present circumstances, minimum export prices would only amount to adding to profits of shippers who could buy from the market cheaply and sell to importers overseas at higher rates.

The trade view is that, so long as prices of raw jute do not improve to levels fairer to cultivators, uncertainty in the goods market would continue. During the week, raw jute receded fractionally, despite continuance of support by the S.T.C. However, mills accorded only meagre support, as they had adequate stocks. If, at the present stage, a minimum price was fixed for raw jute, it would not be of much help to cultivators. For most jute has left the cultivators' hands. Nevertheless, the view that, if self-sufficiency is to be maintained, if prices of fibre and goods should have a proper relationship, and if self-sufficiency should not depress fibre prices and discourage cultivators from growing more jute, the Government of India should follow a fixed long-term jute policy even from the very beginning of the next jute season cannot be resisted. If only a minimum price for the cultivator was ensured from the very beginning of the season and if the minimum price could only be supported by the Government and the S.T.C. by adequate purchase power and storage capacity, that would be a beginning towards solution of the many headaches which the fibre and goods markets faced when once the season had developed year after year.

On Tuesday last, ready B. twills at Rs. 93.60 added a small gain following the rumour that the mills were contemplating to reduce sacking output. It would be remembered that, as from 17th September 1956, the I.J.M.A. mills have sealed 12½ per cent. of the looms. The drop in sacking sales during recent months has been such as to raise the proportion of sacking stocks by the end of December to a level far higher than the ratio of output of sacking in relation to other constructions. In sympathy, hessian 40" 10 oz. improved to Rs. 41. This was soon followed by selling pressure in the futures market, which affected the rates for ready goods. B. twills fell to Rs. 93.20 and hessian 40" 10 oz. to Rs. 40.90. This was on Wednesday. On Thursday, there were strong rumours that, the following day, there were the possibility in recognition of reality, there was the possibility of the minimum prices being removed. Soon, B. twills fell to Rs. 92 and hessian 40" 10 oz. to Rs. 40.50. On Friday, the rates declined further to Rs. 40.50. On Friday, the rates declined further to Rs. 91.40 and Rs. 40.20, respectively. On Saturday, B. twills at Rs. 91 were nominal, while there was a small improvement in hessian 40" 10 oz. to Rs. 40.40. Prices were unchanged yesterday, and business passing for genuine export was small. There was very little activity in the futures market. An air of expectancy in relation to the I.J.M.A. prices is persisting and holds up business.

In the raw jute market, there was a decline in business, although sellers refused to discount quotations, in view of the firm conditions in the agencies. Locally, there was a fractional decline in the prices of inferior varieties, but the good quality was firm. The latest quotations for February-March delivery for the different varieties are:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	23.75	20.75
Assam	24.00	21.00
Orissa	25.75	22.75
Desal	22.75	19.75
Murshidabad ...	21.25	18.75
Jungli	20.75	18.25
Daissee	24.50	22.00
Uttar Pradesh ...	20.75	18.25
Daissee mesta ...	19.75	17.25
Bimli f.a.q. ...	Rs. 17.75	

Pucca bales 1st marks ... Rs. 155.00 ready per bale.

GOOD LIQUORING TEAS IN DEMAND

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

COCHIN, *30th January*

956,522 lbs. were on offer in Sale No. 4 which was held on Tuesday 27th January. Quality showed an all-round improvement and there were some useful teas on offer from all districts. The market was irregular, with rather less demand from internal buyers, and, as a result, low medium brokens and fannings were barely steady on last rates, and in some cases difficult of sale. Exporters continued to show interest in medium and best liquoring teas which were dearer following quality. Whole leaf teas were easier by 5 nP except where quality showed an improvement. Tippy teas sold at easier rates. The quotations were: low medium Re. 1.52 to 1.62; medium Re. 1.80 to 2.00; good medium Rs. 2.20 to 2.50, and quality Rs. 2.40 to 4.10.

Dust Sale 'B':—A quantity of 580,578 lbs. were on offer in Dust Sale 'B' which was held on Thursday, 29th January. The teas showed an all-round improvement both in leaf and liquor. The sale opened to a very strong demand and prices were 10 to 15 nP dearer for all descriptions. The sole exception were high grown dusts which were barely steady. A small selection of C.T.Cs met with strong competition and prices were sometimes up to 20 nP dearer.

London Market:—*Sale of 26th January* 1959.—Best liquoring and teas for price fully firm. Others somewhat irregular and sometimes easier.

Sale of 27th January 1959.—Fair demand slightly irregular.

Colombo Market:—*Sale of 26th January* 1959.—Strong demand. Quality second invoices slightly improved highgrown brokens dearer than last weeks closing. Mediums up 10 to 15c. Lowgrowns about steady.

Sale of 27th January 1959.—Strong demand, particularly liquoring fannings and dusts appreciably dearer. Other offgrades firm to dearer, except stalky kinds.

Export Quota.—The market has remained firm throughout the week, with business going through at 2¾ nP. There has, however, been an easier tendency, and some business has been done at 2½ nP. The latest quotation is Sellers 3 nP, Buyers 2½ nP.

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

"*Sale* 5.—875,000 lbs. Good demand, particularly for improved low mediums and best liquoring which are dearer. Plain tea barely steady."

STRONGER DEMAND FOR QUALITY TEAS

(From Our Own Correspondent)

CALCUTTA, *3rd February*

While there was stronger demand for quality teas during yesterday's export sales, common teas during last week's internal auctions eased. It was noted here that the average price realised at last week's sales in Mincing Lane, London, was slightly lower, being 48d. per lb., as against 48.52d. in the previous week.

In the week ended 23rd January, tea stocked in U.K. warehouses rose to 166 million lbs. from 159.39 million lbs. in the previous week. The quantity afloat was 28.75 million lbs., and hence the total of stocks at 194.75 million lbs. reached the highest figure so far during recent years. The decline in price in sales in London is attributed to increase in stocks.

The anticipation that West Bengal and Assam would abolish the entry tax on tea at least on common tea has so far not been fulfilled. The tea industry has made several representations in this regard to New Delhi as well to the Governments of West Bengal and Assam. While the matter is understood to be still under consideration with the authorities concerned, the Commerce and Industry Minister, Mr. Lal Bahadur Shastri, in a speech at Dibrugarh on Sunday last, referred to the possibility of the Government of India providing loans to uneconomic gardens.

Reports from Colombo about the decision of the Government of Ceylon to introduce a new scheme of export duty for tea has caused concern in tea trade circles here. There is no doubt in tea trade circles here that Ceylon is determined to re-capture its lost markets, as more than half the Ceylonese tea output is common teas, which is mostly exported. Unless India is prepared to meet this new challenge from Ceylon with a further reduction in the excise and export duties for common teas, the surplus of such teas may as well become a financial problem to the trade as well as the industry. Further news and auction trends from Colombo will be closely watched and studied here for some time before the tea industry and trade make representations to the Government of India.

Meanwhile, it was noted that, during the last auctions in Colombo, there was strong demand. Medium teas rose by 5 to 10 cents, and low growns and commons were steady. The prices of good quality teas also improved.

During last week's sales for internal consumption here, dusts on offer aggregated 21,273 chests. Although at the opening of the sales demand had declined, as the sale progressed, there was a strengthening of demand. In orthodox teas, the small and powdery teas realised slightly higher prices, while the poorer and medium teas eased by 2 to 4 nP. Legg-cut teas were steady, as were Darjeelings. Among C.T.Cs., the best lots hardened, while the poorer and medium descriptions fell by 15 nP. The quotations exclusive of excise duty, were: best Assam C.T.C. Rs. 2.50 to 3 (nom.); medium Assam C.T.C. Re. 1.95 to 2.15; medium Assam grainy Re. 1.72 to 1.76; and medium Dooars Re. 1.72 to 1.76.

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Leaf offerings amounting to 2,262 chests met with good demand at increased rates, excepting the small lot of green teas which eased.

During the export sales held on Tuesday last, offerings amounted to 64,927 chests. Conditions were mixed. Stylish whole leaf grades advanced, while Darjeelings, C.T.Cs, and legg-cut teas eased. Prices for plain and medium B.Ps and plain P.Fs improved, while those of medium P.Fs declined.

Export offerings during yesterday aggregating 66,370 chests met with limited demand and better varieties were steady, while prices of others gave way. A strong feature was the steady trend in "teas for price," Plain B.Ps and P.Fs. and medium P.Fs. The smaller fannings recorded a hardening trend, while medium B.Ps receded. In the C.T.C. group, the better liquorings gave way by 10 nP with subsequent withdrawals, and the poorer fibrous kinds eased by 4 to 6 nP. Lower priced O.Fs were about dearer, with no demand for the tippiest lots. Tippy B.O.Ps were sold at easier rates. Orthodox B.O.Ps met with limited support at declining rates. Legg-cut teas were pushed down by 2 to 6 nP. The stylish kinds in whole leaf grades improved, while Darjeelings reacted to a dull market. The quotations—in rupees per lb.—with those of last Tuesday's in brackets are: best Assam C.T.C. fannings Rs. 2.30 (same); clean black pekoe 2.00 to 2.04 (same); best Assam C.T.C. B.P. 2.25 (same); medium fannings 1.74 to 7.78 (same); plain B.P. 1.62 to 1.66 (same); medium B.P. 1.60 to 1.62 (1.60 to 1.64); and plain fannings 1.74 to 1.80 (same).

Yesterday, export quota changed hands at 2½ nP, but, soon, sellers raised the quotation to 2¾ nP.

BLACK PEPPER CLIMBS UP FURTHER

(Messrs. Parekh and Co.)

BOMBAY, *4th February*

The bullish fervour in Malabar black pepper noted last week continued unabated and prices climbed up further. Ready pepper in the local market was traded at Rs. 95 per Bengal maund, as against Rs. 86 on 28th January 1959. Specific delivery for February rallied to Rs. 630. The sudden flare up appears to be paradoxical, as Russia and other East European countries, after buying about 2,200 tons, refused to follow up. The U.S.A. is buying Lampong from Singapore at prices ranging from $0.22 to $0.23 when Malabar is nominally quoting $0.24¼.

Business in delivery contract and A.S.T.A. in Bombay has come to a standstill. The fear of intervention by the Forward Market Commission following the enforced closure of forward business in cloves has unnerved the operators. They have, therefore, decided among themselves to square up all their outstanding at an agreed rate. Though February delivery rose to Rs. 640 and April to Rs. 660 on 30th January 1959, the rate for squaring up the business was fixed at Rs. 615 for February and Rs. 635 for April. Business in A.S.T.A. for February-March shipments was squared up at $0.23¼, as against the ruling price of $0.24¼.

The ready in Bombay and forward at Cochin are reported to be in the grip of bulls from North India who are buying all kinds of spices and other commodities, as the trading in foodgrains is likely to be taken up by the State. Another bolstering factor is the report that the present crop of Malabar black this year will not be more than 22,000 tons, as against the earlier estimate of 27,000 tons. Trade estimates of pepper vary from 20,000 to 23,000 tons. However, it should be noted that all pepper estimates are guess work and one's guess is as good as another's. Even after the recent reduction in freight to the U.S.A., there is competition between the Conference and Non-Conference. It is possible that the Conference may be forced to reduce the freight still further, though nothing is known so far.

Singapore, after remaining steady at Str. $71 for a long time, improved to Str. $74 under pressure of buying by America and Europe who were forced to action by the continuous rise in the prices of Malabar black pepper. Spot in New York, after going down to $0.23¼, improved to $0.24, the stock with the dealers and grinders in U.S.A. being limited. Repurchases of sizable quantity of Malabar black for February-March shipments by Indian exporters have set New York thinking and everybody is inquiring for the reasons for such a sudden change in the trend at this time of the season.

Some of the reasons for the present rise in the market are: (1) Reduction in freight to the U.S.A. with chances of further downward revision in the near future; (2) the statement of the Chief Minister of Kerala at the news conference before his departure for Moscow that he would try to negotiate to sell pepper and coir goods in exchange for machinery; (3) downward revision in the estimate of the present crop of Malabar black pepper; (4) speculative and investment buying of pepper along with other spices and commodities by *moffusil* merchants; (5) sudden and speculative rise in ginger, oilseeds and other commodities; (6) possibility of Russia and other East European countries coming into the market in the near future; and (7) chances of improvement in inland consumption, as prices of pepper are comparatively cheaper than those of allied spices like chillies and cloves.

At the time of writing, ungarbled at Alleppey, after improving to Rs. 687½, is quoted at Rs. 675. Ready garbled at Cochin is quoted at Rs. 113.50, while February and March at Rs. 116 and Rs. 118, respectively.

Arrivals at both Cochin and Alleppey are restricted, owing to the reserved attitude of the

(*Continued on page 212*)

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 30th Jan., 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	57,82,05,000
(2) Other Governments	28,55,71,000
(b) Banks	75,74,36,000
(c) Others	115,24,21,000
Bills Payable	25,59,74,000
Other Liabilities	35,28,44,000
Rupees	451,24,51,000

Assets	Rs.
Notes	12,70,08,000
Rupee Coin	1,58,000
Subsidiary Coin	3,60,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	10,71,65,000
Balances held abroad*	26,74,97,000
Loans and Advances to Governments†	26,94,07,000
Other Loans and Advances	93,85,74,000
Investments	268,70,71,000
Other Assets	11,52,11,000
Rupee	451,24,51,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 5,10,51,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	12,70,08,000	
Notes in circulation	1624,43,23,000	
Total Notes issued		1637,13,31,000
Total Liabilities		1637,13,31,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		134,90,38,000
Government of India Rupee Securities		1219,79,34,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1637,13,31,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	23rd Jan., 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1623.87	1629.70	1589.42	1533.63
Notes held in Banking Department	35.05	12.99	6.54	14.39	18.04
Foreign Securities	59.50	164.68	164.68	164.68	245.54
Rupee Securities	37.39	1219.81	1219.80	1184.79	1056.82
Banking Department					
Deposits of:					
Government of India	14.39	55.23	52.23	55.88	62.43
Other Governments	..	42.00	47.14	17.22	23.85
Balances held abroad	10.06	33.36	32.60	24.17	39.89
SCHEDULED BANKS					
Demand Liabilities	134.36	728 82 (25.21)†	716.26 (20.90)†	718 82 (23 66)†	735 68 (18 06)†
Time Liabilities	102.24	899.18 (23.37)†	897.57 (25.51)†	909.69 (30.05)†	690 21 (17.33)†
Borrowings from Reserve Bank	..	29 06 (4.83)‡	41.26 (3.21)‡	10.95 (1.84)‡	23.42 (21.37)‡
Borrowings from State Bank	..	10.03	8.98	7.35	9.18
Cash in India	6.70	40.09	41.48	42.90	36 80
Balances with Reserve Bank	25.17	67.83	69.19	76.25	74.02
Excess over statutory limits	15.52	13.41	15.43	22.15	23.31
Balances with other banks in current account in India	..	13.51	13.86	13.52	11.71
Money at call and short notice in India	..	39.01	35.62	42.87	46.49
Investments (at book value)	..	634.24	633.46	637.57	433.93
Advances and bills	105.9	909.04	905.03	865.78	895.95
STATE BANK					
Deposits	87.76	473.88	464.82	472 39	391.58
Investments	51.99	285 07	285.48	284 96	184.15
Advances	30.35	178 93	178.53	170 32	187 16
Cash	14.69	25.94	30.14	37 89	30.28

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R = Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.50	3.61
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	8	4
Finland	20th April, 1956	5	6½
France	16th Oct., 1958	5	4½
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3 50
Japan	Sept., 1958	7.67	7.30
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	23rd Oct., 1958	2	2½
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 30th Jan., 1959

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		473,26,43,000
Borrowings from Other Banking Companies, Agents, etc.		15,00,00,000
Bills Payable		7,03,53,000
Bills for Collection being Bills Receivable as per contra		2,34,27,000
Acceptances, Endorsements and Other Obligations per contra		1,06,62,000
Other Liabilities (including Inter-Office Adjustments)		1,17,88,000
Total .. Rs.		512,51,23,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		23,03,71,000
Balances with other Banks		3,11,31,000
Money at Call and Short Notice		1,73,33,000
Investments:		
Government and other Trustee Securities	276,02,68,000	
Other Authorised Investments	11,70,96,000	
		287,73,64,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	167,76,43,000	
Bills Discounted and Purchased	12,99,85,000	
		180,76,28,000
Bills Receivable being Bills for Collection as per contra		2,34,27,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,06,62,000
Premises less Depreciation		1,22,30,000
Furniture and Fixtures less Depreciation		97,50,000
Other Assets (including Inter-Office Adjustments)		5,52,27,000
Total .. Rs.		512,51,23,000

Scheduled Banks*

Statement of Affairs for the week ended 23rd Jan., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	25,20,69,000
(ii) Other demand liabilities	703,61,51,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	23,36,88,000
(ii) Other time liabilities	875,80,62,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	9,62,81,000
(ii) Time liabilities	40,00,000
Borrowings in India from the Reserve Bank of India‡	29,06,41,000 (4,83,01,000)
Cash in India	40,09,38 000
Balances with the Reserve Bank in India	67,83,19,000
Balances with other banks in current account in India	13,50,63,000
Money at call and short notice in India	39,00,77,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	634,23,61,000
Advances in India	775,25,79,000
Inland Bills purchased and discounted in India	93,28,94,000
Foreign Bills, purchased and discounted in India	40,49,25,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in braket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Per cent.	Rs.
5th to 7th November*	3.50	—	3 50	2 396	99 401
10th November	4 00	7.20	4 00	2 430	99 390
18th November	4 00	5.03	4 00	2 458	99 385
19th to 22nd Nov.*	0.64	—	0.64	2 396	99 401
25th November	3.00	5.50	3.00	2.442	99.385
6th to 29th Nov.*	0.50	—	0 50	2.376	99 406
2nd December	3.00	4.55	3 00	2.423	99.390
3rd to 6th Dec.*	0 65	—	0.65	2 356	99 411
9th December	3 00	3.95	3 00	2.420	99 390
16th December	3.00	3.60	3.00	2.445	99 385
1959					
6th January	3.00	3 05	3 00	2.460	99.385
13th January	2 00	2 05	2.00	2.470	99.380
20th January	2.00	2 05	2 00	2.490	99 375
27th January	2 00	2.05	2.00	2.500	99 375
3rd February	2.00	2.10	2.00	2.559	99.360
Total amount outstanding	36.29	..	36.29	..	..

* Intermediate Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 23rd Jan., 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	88,83,53,000
(b) Provincial Governments	28,07,000
(c) Banks	14,77,53,000
(d) Others	6,03,56,000
Bills Payable	17,15,000
Other Liabilities	11,80,33,000
Rupees	127,90,17,000

Assets	Rs.
Notes	15,19,73,000
Rupee Coin	51,000
Subsidiary Coin	32,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	4,23,000
Balances held outside Pakistan*	13,84,44,000
Loans and Advances to Governments	9,50,00,000
Provincial Governments' Debtor Balances	5,03,27,000
Other Loans and Advances	16,25,08,000
Investments	59,17,99,000
Other Assets	8,84,60,000
Rupees	127,90,17,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	15,19,73,000	
Notes in circulation	344,80,49,000	
Total Notes issued	....	360,00,22,000
Total Liabilities	....	360,00,22,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,34,00,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
		117,43,63,000
B. Rupee Coin	4,47,03,000	
Government of Pakistan Securities	232,19,50,000	
Internal bills of exchange and other commercial paper	....	
		236,66,53,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	360,00,22,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.18 per cent.

EXCHANGE RATES

		3rd February 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 1/32	1-6 1/32
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476.75	476.75
Buyers T.T.	Rs.	473.00	473 50
London on New York	$	2.81-2 81 1/16	2.80 15/16-2.80 15/16
London on Paris	Fcs.	13.76¼	13.75
London on Berne	Sw. Fcs.	12.11¼-12.11½	12.10¼-12 10½
New York on London	$	2.81-2.81 1/16	2.80 15/16-2.80 15/16

CLEARING HOUSE RETURNS

Centre	Week ended 30th January, 1959 Number of Cheques	Amount Rs.	Week ended 23rd January, 1959 Number of Cheques	Amount Rs.
Bombay	290,625	78,97,64,000	331,054	81,02,87,000
Calcutta	169,000	59,67,00,000	155,000	55,87,00,000
Madras	82,109	10,12,85,366	105,600	11,52,91,605
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,60,00,000
Sept., „	..	..	3,537,000	8,03,69,00,000
Oct., „	..	..	3,922,000	7,96,89,00,000
Nov., „	..	..	3,528,600	7,73,01,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	17th Jan., 1959	10th Jan., 1959	18th Jan., 1958	December 1958	December 1957	Percentage of Increase (+) or Decrease (—) in Dec., 1958 as compared with Dec., 1957	Annual Average 1958	Annual Average 1957
Food Articles	504	114.5	113.6	102.4	113.3	104 0	+ 8 8	112 0	106 8
Cereals	192	105 5	105 0	96 9	105 0	98 3	+ 0 8	104.7	101.7
Pulses	43	118 2	113 8	79 1	111.1R	80 0	+38.9	94.0	84.5
Fruits and Vegetables	23	109.4	114 4	93 6	115 6	101.3	+14.1	111.9	116.8
Milk and Ghee	84	104 2	103 8	98.7	103 6	99 0	+ 4.6	106 2	103 8
Edible Oils	47	119 5	117 3	118 6	118 1R	125.3	— 5.7	123 2	128.3
Fish, Eggs and Meat	17	112 1	109 9	98.9	108 1R	98 6	+ 9.6	106 9	96.6
Sugar and *Gur*	48	125 8	127.0	109.1	120 6	109.1	+10 5	122 8	104 6
Others	50	151.1	148 4	133.2	152.7	133 0	+14 8	145 7	132 0
Liquor and Tobacco	21	105 5	102.5	96 1	96 4	97 7	— 1.3	93.7	91.8
Tobacco	—	104.5	101.4	94 6	94.9	96 2	— 1 4	92 0	90.1
Fuel, Power, Light and Lubricants	30	114 8	114 8	113.6	115 1	114 9	+ 0.2	115 2	111.5
Industrial Raw Materials	155	114 6	113 0	113 4	112 5	115.4	— 2 5	114.8	118.1
Fibres	61	106 5	106 6	115 9	105 2	115 4	— 8.8	109.4	119 8
Oilseeds	60	125.3	121 2	112 7	122 1	119 1	+ 2 5	123.6	122 4
Minerals	2	107 3*	107 3*	107 1*	107.3*	107.1*	+ 0.2	106 9	108 5
Others	32	110 2	110 3	110 4	109 0	109 0	—	108.9	107 3
Manufacture	290	108 5	108 4	107.7	108 3	107 9	+ 0 4	108 2	108 0R
Intermediate Products	41	110 7	110 8	106 8	110 3	105 7	+ 4.4	109 4	108 5R
Finished Products	249	108 1	108 0	107 9	108 0	108 8R	— 0 2	108 0	107 9R
Textiles	147	102 1	101 9	106 0	101 9	106 3	— 4.1	104 3	107.9
Cotton	—	110 6*	110 0*	115 6	110 6*	116 2	— 4.8	113.0	116 3
Jute	—	85 5	86 1	90 4	85 3	92 8	— 8.1	87.7	97.7
Woollen	—	105 9	105 9	103 0	105.9	102 3	+ 3 5	104 9	102 1
Silk and Rayon	—	91 1*	91.1*	88.9*	92.2*	91.8*	+10 3	92 5	85 0
Metal Products	12	143 1	143 1	143 4	143.1	143 4R	— 0 2	143.1	138 2R
Chemicals	20	111 3	111.9	99.2	110 5	98.8	+11 8	104.0	97.6
Oil Cakes	10	143.7*	141.9	117 0	143 0	122 2	+17.0	128 6	114.7
Machinery and Transport Equipment	31	104 3	104 3	102.4	104 3	102 3	+ 2 0	103.2	101.2
Others	30	118.9	113.9	117.7	114.1	116.6	+ 2.2	113.2	107.7
All Commodities	1,000	112 6	111.8	105.8	111 4	107.1	+ 4 0	111 9	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	final	79,027	79,320	24,821	28,282
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41 411	40,367	8,056	7,249
Bajra	final	27,453	27,884	3,565	2,885
Barley	final	7,531	8,726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5 831	1 716	1,715
Small millets	final	11,979	12,230	1.759	1,964
Total cereals	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24 265	4,754	6 264
Tur	final	5,698	5,686	1,396	1,954
Other Kharif pulses§	final	15,832	16,484	1,401	1,515
Rabi pulses‡	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,457	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3,318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,893	4 753	4,735
Jute A.	final	1,827†	1,742††	5,178†	4,052††
Mesta A.	final	726	733	1,211	1,478
Other crops—					
Potato	final	785	707	1,981	1,698
Sugarcane	final	5,021	5,057	46,142R	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	926	1,029	252	294

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1958-59.
†† Refers to 1957-58. R.= Revised.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to October 1958	Jan. to October 1957
Exports	637,74	612,96	474,53	537,74
Re-exports	5,11	6,21	6,81	4,46
Total Exports	642,85	619,17	481,34	542,20
Imports	1025,82	821,46	628,36	833,98
Overall Balance of Trade	—382,97	—202,29	—147,02	—291,78
Exports—				
Tea	123,40	142,43	106,48	97,93
Jute yarns and manufactures	114.83	112,52	100,36	95,83
Cotton yarns and manufactures	68,58	62,23	43,11	59,75
Metallic ores and metal scrap	49,80	23,36	26,85	42,19
Cotton, raw and waste	18,66	25,09	18,76	17,39
Oils—vegetable, mineral and animal	19,31	24,51	11,39	17,52
Fruits and vegetables	18 60	18,03	17,65	15,50
Tobacco	12 83	13,30	15,20	12,08
Mica	8,67	8,75	7,65	7,30
Wool—Raw	11,73	10,64	8,17	11,25
Gums, resins and lac	8,59	11,19	6,27	7,36
Spices	8,43	9,56	7,37	7,22
Hides and skins, raw	6,99	6,07	5,65	6,28
Imports—				
Machinery of all kinds	232,97	150,12	151,69	187,93
Iron and Steel	146,98	122,49	75,17	129,64
Oils—vegetable, mineral and animal	113,38	74,69	61,99	96,09
Cotton raw and waste	48,62	53,61	26,65	45,54
Chemicals, drugs and medicines	76,77	43,14	54,05	65,90
Electrical goods and apparatus	61,14	20,15	41,17	49,08
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	39,39	57,79
Fruits and vegetables	21 27	12,66	13,25	17,08
Paper, pasteboard, etc.	13,11	15,99	6,62	11,35
Dyes and colours	13,87	16,37	7,48	12,16
Spices	2,93	8,10	2,54	2,47
Woollen and worsted fabrics	1,31	2,18	25	1,14
Cotton fabrics	2,37	2,39	86	2,14

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During December, 1958	96.5
	Corresponding month, 1957	92 8
	Six months ended Dec., 1958	527.6
	Corresponding period, 1957	522 0
Stocks	At the end of December, 1958	109.9
	Corresponding month, 1957	75.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852.9
	1957-58	832 6
	December, 1957	69 0
	December, 1958	69 8
For Internal Consumption	1956-57	179 0
	1957-58	198 0
	December, 1957	19.1
	December, 1958	22.8
	RAW JUTE	(In 000 bales)
Consumption by Mills	December, 1958	560
	Corresponding month, 1957	538
	Six months ended Dec., 1958	3,037
	Corresponding period, 1957	3,000
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	8,805.8	7,185 8
1956-57	769	9,877 8	8,163 1
1957-58	834	11,176.9	9,011.1
Aug., 1957	811	916 0	731 0
Sept., „	814	924 7	739 3
Oct., „	822	917.5	731.3
Aug., 1958	791	1,040 7	831 9
Sept., „	793	1,053 5	843.1
Oct., „	810	1,070 2	869.8

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source.*—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	38	389	52	186
1957-58	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
November 1957	9,240	1,566	844	129	53	37	137	16	149	309	24	302	37	134
December „	10,506	1,766	941	152	64	40	162	18	163	360	28	350	42	149
January 1958	11,814	1,979	1,038	174	80	44	186	21	177	413	32	394	45	161
February „	13,011	2,172	1,123	191	93	49	202	23	194	456	36	435	46	176
March „	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April „	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May „	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June „	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July „	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August „	5 823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September „	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
October „	8,040	1,542	771	107	46	21	98	12	110	274	19	283	29	72
November „	9,169	1,763	868	121	50	24	125	14	125	311	24	326	35	72

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

INDUSTRIAL PRODUCTION

Industries	Unit	1957	Jan. to Oct. 1958*	Jan. to Oct. 1957	September 1958	October 1958*	October 1957
Major Industries—							
Coal	million tons	43.50	37.48	35.52	3.85	3.75	3.56
Steel (Ingots and Metal for castings)	thousand tons	1,715	1,337†	1,264†	149	—	150
Yarn	million lbs.	1,780	1,250†	1,336†	144	—	142
Cloth	million yds.	5,317	3,690†	4,032†	411	—	415
Cement	million tons	5.60	5.09	4.50	0.48	0.41	0.51
Jute	thousand tons	1,030	878	845	87	82	84
Paper and paper boards	tons	210,132	185,511†	171,111†	21,979	—	18,297
Matches	cases	578,400	466,400†	433,000†	53,500	—	43,800
Sugar	thousand tons	2,068	1,512	1,574	11	18	3
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	250.85	279.50†	175.52†	29.85	—	21.29
Electric lamps	millions	33.15	25.16	27.71	2.51	2.46	2.42
Dry cells	millions	166.56	135.88	141.05	14.65	13.51	9.72
Power transformers	k.v.a.	1,219,200	864,000†	896,500†	95,700	—	102,200
Electric Motors	h.p.	469,200	464,900†	338,900†	56,900	—	37,700
Electric fans	Nos.	524,400	469,900†	384,500†	50,700	—	37,400
Radio receivers	Nos.	190,692	147,253†	138,791†	16,124	—	12,047
Storage batteries	Nos.	324,000	285,900	266,300	32,100	28,000	24,200
Copper conductors	tons	8,556	5,915†	6,336†	615	—	789
Winding wires	tons	1,020	1,204†	730†	173	—	100
Rubber and plastic Ins. cables and flexibles	million yds.	103.80	89.44†	80.29†	12.43	—	0.24
Insulators—H.T.	Nos.	193,200	520,200†	100,400†	84,900	—	29,600
Insulators—L.T.	million Nos.	4.69	3.85†	3.60†	0.30	—	0.26
Diesel engines—Vehicular	Nos.	3,336	3,504	2,632	333	344	280
Do —Stationary	Nos.	16,644	20,644	13,256	2,421	2,348	1,736
Chemical Industries—							
Salt	million mds.	98.70	107.66	95.56	3.21	3.46	2.31
Caustic soda	tons	42,648	46,720	35,067	5,064	5,241	3,640
Soda ash	tons	91,920	73,680	75,794	8,919	9,078	7,747
Chlorine liquid	tons	15,696	15,929	13,082	1,739	2,704	1,322
Bleaching powder	tons	5,340	5,287	4,477	569	695	494
Bichromates	tons	3,672	2,651†	2,717†	320	—	323
Sulphuric acid	tons	196,068	167,463†	145,206†	20,404	—	15,895
Superphosphate	tons	141,684	127,749†	107,376†	15,335	—	11,612
Non-ferrous Metals—							
Aluminium	tons	7,784	6,140†	5,798†	690	—	687
Antimony	tons	502	409†	363†	40	—	45
Copper (virgin metal)	tons	7,848	6,476	6,478	685	700	672
Lead (virgin metal)	tons	3,174	2,584	2,589	362	142	317
Gold	thousand ozs.	179	141	149	15	15	14
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	167,484	157,122†	124,118†	17,410	—	8,558
Bicycles	Nos.	790,424	684,510†	580,477†	72,094	—	56,032
Automobiles	Nos.	31,932	23,055	26,944	2,471	2,704	2,450
Cycle tyres and tubes	million Nos.	14 18	13.42	11.70	1.42	0.94	0.72
Motor tyres and tubes	million Nos.	1.92	1.62	1.60	0.18	0.14	0.10
Cigarettes	million Nos.	28,892	22,390†	21,765†	2,318	—	2,281
Plywood—Tea chests	million sq. ft.	95.02	65.72†	73.95†	7.47	—	5.72
Plywood—Commercial	million sq. ft.	31.64	28.64†	23.84†	4.07	—	2.58
Sheet glass	million sq. ft.	54.23	53.77†	84.29†	6.56	—	6.23
§Woollen manufactures—Worsted Fabrics	million yds.	15.79	16.80	12.61	2.51	1.47	1.52
§Woollen manufactures—Worsted Yarn	million lbs.	27.80	24.63	22.49	2.60	2.83	2.58
Footwear—Western type (Leather)	million pairs	4.37	3.64	3.55	0.39	0.29	0.27
Footwear—Indigenous type (Leather)	million pairs	3.04	2.71	2.47	0.32	0.17	0.16
Alcohol—Industrial	million Bulk galls.	8.56	6.91†	6.30†	0.63	—	0.69
Alcohol—Power Absolute	million Bulk galls.	10.14	6.75†	7.72†	0.54	—	0 64
General Index—(Base 1951 = 100 Revised)		137.3	142.8‡	149.1‡	153.1	—	122.8

* Figures are subject to revision month to month. —Not Available. † Upto September only.
§ Includes figures for Jammu and Kashmir. ‡ Average of first nine months. The general index for September 1957 was 135.6.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53 = 100)

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	98	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	101	95	100	80	111	126	111	97	116	95	116	131
1957-58*	105	88	114	126	63	164	100	110	107	92	106	133	108	96	128	95	116	142
Nov. 1957	107	87	115	121	67	167	105	109	111	95†	101	132	104	102	130	97	115	143
Dec. „	102	86	109	117	65	157	99	109	110	96	105	129	102	104	130	93	115	147
Jan., 1958	101	86	103	114	64	162	101	117	106	95†	105†	130†	101	101	130	90	116	143
Feb.	99*	84	92	109	61	156	105	117	104	95	104	123	102	96	130	88	116	143
March „	100	84	94	110	63	152	107	118	108	93†	103†	120†	103	93	130	86	116	145
April „	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	114	145
May „	106	86	92	111	64	158	115	120	115	89	100	125	110	102	132	88	114	145
June	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July „	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	145
Aug., „	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept., „	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct., „	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., „	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	145
Dec., „	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145

* Provisional. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 29th Jan., 1959	21,868(J)
	Corresponding week, 1958	37,721(J)
	1st Sept 1958 to 29th Jan., 1959	551,738*
	Corresponding period, 1957-58	559,889*
Cotton Exports	Week ended 13th Jan., 1959	4,792‡
	Corresponding week, 1958	2,842‡
	1st Sept. to 13th Jan., 1959	146,088
	Corresponding period 1958	60,248
Mill Consumption (Estimated)	1st Sept 1958 to 29th Jan., 1959	507,997
	Corresponding period, 1957-58	550,497
Stock (with exporters, dealers and mills' in Bombay (Estimated.)	On 15th Jan., 1959	434,290
	Corresponding date, 1958	515,184
Consumption of Cotton—		
Indian	November, 1958	363,650
Foreign	November, 1958	35,644
Indian	Three months ended Nov. 1958	1,140,707
Foreign	Three months ended Nov. 1958	119,501
Indian	Same Period 1957	1,162,690
Foreign	Same Period 1957	148,756
Stocks (Mills and Elsewhere)—		
Indian	As on 30th November, 1958	752,775
Foreign	As on 30th November, 1958	97,953
Indian	As on 30th November, 1957	750,680
Foreign	As on 30th November, 1957	190,170

Particulars	From 1st Sept., to Jan., 13th 1958-59 Bales	From 1st Sept., to 13th Jan., 1957-58 Bales
From Bombay Cotton Shipments to—		
United Kingdom	3,874	1,105
Continent	10,143	959
Hongkong	28,218	1,935
China	6,446	—
Japan	78,271	17,833
U.S.A.	972	1,210
Other Countries	1,575	691
Total to all foreign countries	129,499	23,733
Coastal Ports	16,589(a)	36,515(b)
Total	146,088	60,248

Particulars	Period	Bales of 392 lbs.
Cotton Exports from Bombay (by sea)	During November, 1958	15,252
	During November, 1957	5,396
	1st Sept., to 30th Nov., 1958	84,736
	1st Sept., to 30th Nov., 1957	9,268
Cotton Pressed in India† (In running bales)	Week ended 16th Jan., 1959	—
	Corresponding week, 1958	164,259
	1st Sept., to 16th Jan., 1958-59	473,101
	Corresponding period, 1957-58	1,561,272
Karachi (Pakistan)—		Bales
Receipts	1st Sept., to 15th Jan., 1958-59	639,336
	Corresponding period, 1957-58	683,707
Exports	1st Sept., to 15th Jan., 1958-59	299,218
	Corresponding period, 1957-58	207,638

(J) By Rail and Sea. † Incomplete * By Rail Sea and Road. (a) From 1st Sept to 30th Nov., 1958. § Includes Zoda and Pickings, etc — Not Received. ‡ From 9th to 13th January A—Adjusted. (b) From 1st Sept., to 31st Dec., 1957.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series.

[1952-53=100]

Group and Sub-Group	Week ended 24th Jan., 1959	17th Jan., 1959	27th Dec., 1958	25th Jan., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.7	100.5	98.4
2. Government of India	100.5	100.5	100.4	98.1
3. State Government	102.2	102.2	102.0	100.1
4. Municipal, Port Trust, etc.	99.4	99.2	99.2	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101.3	101.3	101.1	98.8
6. Plantations	99.9	100.1	100.1	100.0
7. Coal	99.6	99.6	99.6	99.6
8. Sugar	99.0	99 0	99.0	98.4
9. Cotton Textiles		98.4	98.2	97.5
10. Jute Textiles	91.5	91.5	91.5	94.0
11. General Engineering	101.7	101.6	101.1	96.4
12. Electricity Generation and Supply	97.2	97.2	97.1	96.6
13. Others	104.2	104.3	104.1	100.6
PREFERENCE SHARES—ALL INDIA.				
14. Total	87.7	87.6	87.9	85.9
15. Plantations	97.2	96.9	97.1	100 2
16. *Mining & Quarrying: Total*@	88.1	88.2	89.2	84.7
17. Coal	80.1	80.2	80.2	74.8
18. *Processing and Mfg.: Total**	87.9	87.7	88.0	85.9
19. Sugar	88.8	88.5	88.7	91.1
20. Cotton Textiles	78.2	78.3	78.4	83.7
21. Jute Textiles	81.3	81.2	81.5	72.2
22. Iron and Steel	91.1	90.8	90.7	87.2
23. General Engineering	100.2	100.1	100.9	101.3
24. Basic Industrial Chemicals	85.1	84.8	86.4	82.7
25. Cement	99.4	99.2	99.9	97.7
26. Paper	83.8	83.9	83.5	84.6
27. *Other Industries: Total**	83.9	84.1	84.9	82.1
28. Electricity Generation and Supply	84.1	84.8	86.0	84.7
29. Trading	82.0	81 2	81.8	74.7
30. Shipping and Other Transport	85.0	85.6	84.4	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	138.3	138.2	136.5	123.2
32. *Agriculture and Allied Activities: Total**	144.9	144.6	146.7	138.0
33. Tea Plantations	139.9	139.3	141.2	135.5
34. Coffee Plantations	190.1	191.2	197.0	178.3
35. Rubber Plantations	147.9	147.5	147.6	127.4
36. *Mining and Quarrying: Total*	139 0	138.5	138.3	115.4
37. Coal	109.2	108.6	107.2	88.0
38. Other Mining	159.4	159.0	156.2	134.2
39. *Processing and Manufacturing: Total*	136.7	136.9	134.5	121.9
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	124.3	124.7	122.9	116.0
41. Sugar	158 4	162.2	162.2	153.0
42. Cotton Textiles	109 0	109.4	108.4	114.9
43. Jute Textiles	91.8	90.6	86.5	59.8
44. Silk and Woollen	426.9	428.6	410.7	333.4
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	156.6	156.8	153.5	129.7
46. Iron and Steel	151.3	151.7	147.4	119.4
47. Transport Equipment	193 8	194.4	182.1	169.4
48. Electrical Machinery	138.2	138.5	140.0	150.4
49. Machinery other than Transport and Electrical	171.2	171.0	171.7	141.7
50. Basic Industrial Chemicals	126.4	127.2	125.6	106 7
51. *Processing and Mfg. (Others): Total**	137.8	137.0	134.2	125.3
52. Cement	122 6	122.0	118.1	122.5
53. Paper	182 5	181.1	181 6	158.1
54. *Other Industries: Total**	115.4	115.1	115.9	102 6
55. Electricity Generation and Supply	93 0	93.2	94.3	87.4
56. Trading	89.3	88 5	86.6	76.0
57. Shipping and Other Transport	135.6	134.3	137 0	122.9
58. Construction	251.3	251.4	249.9	194.0
59. *Financial: Total*	184.2	182.1	179.2	160.3
60. Banks	208 0	205.5	201.6	182.9
61. Insurance	127 7	126.9	127.1	108.2
62. Investment Trusts	104.6	103.9	103.1	82.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	140.4	141.1	138.1	124.1
64. Calcutta	136.6	135.4	134.6	119 0
65. Madras	150 4	150 3	149.6	144.1
66. Delhi	158.9	159.1	155.1	144.3

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,300	7,86,900
Nov., 1957	94,900	95,100	66,000
Dec., "	95,100	1,00,500	74,200
Oct., 1958	94,200	96,400	76,900
Nov., "	84,200	85,100	83,600
Dec., "	98,900	91,500	90,100
Jan., 1959	97,700	96,200	89,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,82,315	4,41,483
Do. 31st March, 1958	7,23,945	5,07,580	4,10,553
Three months ended Sept. 1957.	1,71,397	1,19,172	96,815
" " " Mar. 1958.	1,99,339	1,33,563	1,06,501
" " " June 1958.	2,14,469	1,21,988	1,01,014
" " " Sept. 1958.	2,30,436	1,43,516	1,05,603

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Nmuber of man-days lost
1956	1,203	715,130	6,992,040
1957	1,248	640,871	4,982,229
March 1958	166	89,909	847,911
April "	172	61,024	537,841
May "	183	116,202(1)	720,588(1)
June "	164	162,244(2)	1,539,000(2)
July "	169	101,137(1)	469,303(1)
August "	147	72,432(4)	657,836(4)
September "	151	68,599(7)	499,362(7)
October "	121	84,445(3)	262,600(3)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'56-'57	387.68		..	11,010	284
Pakistan††	'56-'57	83.50		..	2,079	249
Burma	1957	20.00	Kyats	4,450	446	223
Ceylon	1955	8.88		..	475	567
Japan	1957	90.90	Y.	8,252,000	10,915	10,020
Philippines	1957	22 60	Ps.	8,799	2,095	927
New Zealand	1957	2.22	£ (N.Z.)	928	1,237	5,570
Australia	1957	9.60	£ (A.)	4,678	4,970	5,177
U.K.	1957	51.40	£	17,418	23,220	4,520
U.S.A.	1958	174.00	$	352,400	168,447	9,680
Canada	1957	16.60	$	23,830	11,680	7,035
France	1957	44.00	F.Fr.	15,580,000	17,880	4,063
W. Germany	1957	51.40	Dm.	158,000	18,057	3,512
Italy	1957	48.30	Lr.	12,231,000	9,412	1,949
Norway	1957	3.49	Kr.	23,290	1,560	4,470
Sweden	1957	7.30	Kr.	48,290	4,490	6,150
Netherlands	1957	11.00	Grs.	28,240	3,574	3,250
Denmark	1957	4.50	Kr.	25,480	1,760	3,910
Switzerland	1957	5.10	Sw. Fr.	26,900	2,956	5,796

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

Source: *International Financial Statistics*, October 1958.

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

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

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	108
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	250	339	94	112	364	116	114	99	103	115	107	126
July 1957	112	356	256	333	89	112	371	116	115	98	106	119	109	129
August "	113	377	265	347	98	113	375	115	118	99	105	120	108	128
September "	114	375	262	338	97	113	378	115	118	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November "	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December "	113	383	275	328	93	115	375	121	110	100	105	120	109	129
July 1958	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August "	120	404	288	322	103	118	403	126	117	108	106	125	111	132
September "	121	404	289	327	104	120	406	127	117	111	109	131	108	132
October "	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November "	..	402	292	330	..	..	399	..	120	..	..	..	..	..
December "	..	398	290	322	..	..	..	..	..	..	..	..	..	..

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Out standings	10-Year National Plan Certificates D Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	Out standings	Total Receipts	Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,98
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252,96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213 91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958																
February	2,31	4,83	146,14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	4,81	9	1,75	25,29	487,52
March	2,22	4,73	143,45	14,03	71,43	27,35	213,91	23,11	—39,73	43,58	70	5,47	12	1,87	42,20	509,77
April	2,15	4,65	141,31	6,56	77,99	15,27	214,24	22,85	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May	2,07	4,55	139,23	5,84	83,82	15,22	212,60	22,58	—39,90	43,87	57	6,72	5	2,01	21,68	517,01
June	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7,12	8	2,03	19,95	520,60
July	1,96	4,38	135,18	5,49	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,86
Aug.	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532,75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537,82
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November	187	4,10	127,15	6,36	119,33	12,52	218,72	21,56	—40,37	42,81	47	9,58	7	2,23	19,42	547,35
December	..	..	..	..	..	..	..	..	..	42,76	51	10,01	6	2,28	..	..

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

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.80
3 % Loan	1938-39	116,17,46,000	1963-65	96.85
3 % Loan	1950	80,82,10,000	1964	97.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93.90
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90.00
3 % 2nd V. Loan	1945	1,13,65,64,000	1959-61	99.70
2¾% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97.25
2¾% Loan	1946	14,77,48,000	1976	83.30
2¾% Loan	1947	75,86,72,000	1962	96.95
3½% N. P. Bonds	1953	75,29,00,000	1961	100.10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.80
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99 60
3½% Loan	1956	87,27,36,000	1962	99.15
3½% N. P. Bonds	1956	63,81,83,000	1967	99.10
3½% Loan	1956	66,63,53,000	1974	98.55
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.80
4 % Loan	1957	49,17,27,000	1972	101.35
3½% Loan	1958	58,06,00,000	1963	100 00
3½% Loan	1958	30,00,00,000	1968	98 95
3½% Loan N.P.B.	1958	34,16,76,500	1968	100.60
4 % Loan	1958	49,47,00,000	1973	101.25
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34,000	M.	72.50
3% Loan	1946	2,48,91,37,000	K.	74.05
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100 00
4½% Andhra	1958	5,00,00,000	15th July 1970	100.95
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96 50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100.60
4 % Bombay	1952	3,45 85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.60
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100.00
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	101.80
4½% Bombay	1958	5,00,00,000	15th July 1970	101.80
4½% Bombay	1958	5,00,00,000	15th July 1971	101 90
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	99 80
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	99.80
4½% Bihar	1958	2,50,00,000	18th Oct. 1970	100.95
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99.00
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 00
3 % Madras	1939	1,23,96,000	21st June 1959	99 80
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98 85
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	98 85
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98.75
4 % Madras	1953	10,33,71,000	15th July 1963	100 80
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 10
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 05
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100.05
4½% Madras	1958	5,00,00,000	15th July 1970	101 00
4 % Mysore(f)	1938	2,95,85,200	1st Dec. 1953-63	101 85
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100 80
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100 00
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101.15
4½% Mysore	1958	5,00,00,000	15th July 1970	101 00
3 % M.P.	1943	2,03,28,800	15th Sept. 1964	98 65
3 % M.P.	1950	1,01,45,000	31st July 1960	98.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	100 10
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	99 80
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	99 80
4½% M.P.	1958	2,00,00,000	15th July 1970	100 95
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100.10
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100.10
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.75
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99 50
2½% U.P.Z.A	1952	41,44,79,000Z	..	48.75
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100 10
4 % U.P.	1953	5,58,25,000	15th July 1963	100 30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100 05
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100 05
4½% U.P.	1958	7,00,00,000	15th July 1970	100 95
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	99 95
4½% Rajasthan	1958	2,50,00,000	15th July 1970	100 95
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	99 95
4½% Orissa	1958	3,00,00,000	15th July 1970	100 95

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
86,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	90.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	90.00
88,25,000	4	1914	1975	90.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97.75
76,90,100	4	1915	1975	97.75
1,50,00,000C	3½††	1921	1981	82 00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	98.50
25,00,000	3	1938	1963-68	92.00
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2¾	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99.12
1,00,00,000	3	1949	1959	99.12
50,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	98.00
1,00,00,000	3	1950	1960	98.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.00
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000‡	3	1947	1977	A
3,00,000‡	3	1949	1979	
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1963	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	101.00
50,00,000	4	1934	1964	99 00
35,00,000	3½	1935	1965	94 00
30,00,000	3	1936	1966	90 00
50,00,000	3	1937	1962	98.50
20,00,000	3	1938	1963-68	90 00
80,00,000	4	1952	1962	99.25
1,02,00,000	4	1956	1966	99.00
75,00,000	4½	1958	1968	100.00

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	98.00
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	101.00
8,25,00,000	3½	1947	1977	85.50
2,50,00,000	3½	1949	1979	85 50
4,00,00,000	3½	1950	1965	93.00
5,00,00,000	4	1952	1964	100 00
2,00,00,000	3½	1951	1966	97.40
1,36,00,000	4	1953	1963	100.00
1,00,00,000†	4	1952	1964	100.00
1,00,00,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.90
1,50,00,000	4	1956	1968	99.90
3,00,00,000	4½	1957	1969	100 90
400,00,000	4½	1958	1970	101.00
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	103.00
33,91,000	3½	1925	1965	94 00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90 00
17,64,400	3½	1942	1959	96 50
21,10,000	3½	1942	1972	92.00
16,33,000	3½	1951	1961	97.50
66,58,000	3½	1951	1966	97.50
87,36,000	4	1952	1962	99.25
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	—
73,86,000	4½	1958	1968	100.00
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1955	1,11,26,000	3rd Sept. 1968	99.95
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.15
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.30
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100 00
4 % W. Bengal	1956	7,11,46,000	3rd Sept 1968	100.00
4½% W. Bengal	1958	5,00,00,000	15th July 1970	101.00
4½% Kerala	1958	3,00,00,000	15th July 1970	100.00

ABBREVIATIONS.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. N—Nominal.
(f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1933.
‡—Interest free to first 12 years. ‡—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months' notice. K—On September, 1956, or later at option of Government after three months notice.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6	Mar.	Sep.	114.00	100
BREWERIES AND SUGAR							
arat Sugar T.R.C.	5,00,000	1931	5	Dec.	..	70.00	100
opal Sugar T.F.C.	12,50,000	1937	5	April	..	85.00	100
ew & Co. T.F.R.C.	8,00,000	1875	6	Mar.	Sep.	90.00	100
wnpore Sugar Works T.F.C.	10,00,000	1905–24	8	Feb.	Aug.	107 00	100
ecan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7	July	Apr.	5.92xd	5
ast India Distilleries T.F.C.	£200,000	1897	7	Jan.	July	16.50cd	£1
allor Sugar T.R.C.	6,75,000	1940	7	Dec.	..	60.00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec.	..	60.00	100
rtabpore Co. T.C.	6,00,000	1922	10	Oct.	..	13.50	10
mnugger Cane T.F.C.	4,00,000	1933–36	6	Aug.	..	90.00	100
valgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	68 00	100
ith Behar Sugar T.	5,00,000	1936	7	Oct.	..	20 00N	100
avancore C.T.F.	15,00,000	1946	5	Dec.	..	7.10	10
per Ganges T.F.C.	12,00,000	1932	5	Dec.	..	90.00N	100
Do. T.C.R.O.	15,00,000	1946	5	Dec.	..	70.00N	100
lchandnagar T.F.C.	3,50,000	....	7	Apri	May	118.75	100
COAL							
rrea T.F.C.	4,00,000	1896–97	6½	Oct.	Apr.	86.00	100
rrakur (1st) T.F.C.	22,99,800	1901–19	7	Apr.	Oct.	104 00	100
Do. (2nd) T.C.	4,50,000	1946	6	--	--	6.25	10
uitable T.F.	4,00,000	1895	6	Mar.	Sept.	96.00	100½
aranpura Collieries T.C.	9,89,500	1946	5½	..	..	56 00	75p.
Khas Kajora C.	1,93,000	1931	5	Mar.	Sept.	9.50N	10
ew Beerbhoom T.F.C.	2,00,000	1920	7	Jan.	July	10.75	10
dal T.F.C.	2,00,000	1898–99	6	Apr.	Oct.	89.00	100
COTTON							
hmedabad Advance T.F.	10,00,000	1939	6	Apr.	Oct.	83.00xd	100
angalore C.T.F.	6,00,000	1884	6½	Jan.	July	110.00xd	100
asanti Cotton	5,00,000	1938	8	Nov.	..	8.50	10
owreah 'A'	6,00,000	1900	7	Feb.	Aug.	145.00	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	62 00	100
radbury T.F.	14,75,000	1919	7½	June	Dec.	56 00	50
uckingham & Carnatic C.T.F.	21,30,200	1920	7	Jan.	July	118 75xd	100
ambodias C.T.F.	1,00,000	1928	5	Apr.	..	110 00	100
entral India T.F.	50,00,000	1912	6½	Apr.	Oct.	328.75	495
oimbatore Pioneer C.T.F.	1,00,000	1935	8	June	..	91.75	100
lgin	11,00,000	1912	5	May	Nov.	105 00	100
Do. 'B' Pref.	4,20,000	1943	7	July	Jan.	7 50	10
lphinstone T.	25,00,000	1919	7	May	Nov.	65 20	100
eoram	20,00,000	1919	4	June	Dec.	99 00	100
hatau Makanji (2nd) T.F.	29,92,500	1947	6	Nov.	..	70 00	100
othari C.T.F.	18,00,000	1937	6	Dec.	..	8 65	10
othari 'B' (Pref.)	6,00,000		5	..	..	10 00N	5
akshmi Cotton (Bombay) T.	16,00,000	1896	4½	..	..	158.75	250
orarjee GocuIdas Spg. & Wvg.	17,25,000	1947	4½	Jan.	..	85 00	100
ysore Spg.	7,45,050	1944	5	..	..	28 00	50
ational Rayon T.	1,74,64,700	1947	5½	..	..	74.00	100
ew Great T.	8,00,000	1913	4	Mar.	..	130.00	200
odar Mills	10,00,000	1943	6½	Feb.	..	72 00	100
ajalakshmi C.T.F.	2,00,000	1932	4	Apr.	..	51 00	50
hree Niwas Cotton	4,80,000	1944	3	..	..	67.00	100
holapoor R.	32,00,000	1943	5	..	..	78 25	100
wadeshi T.F.	15,00,000	1935	6	Apr.	Oct.	85.00	100
wadeshi (Kanpur)	35,00,000	1927	5	June	..	74 00	100
ravancore Rayon C.T.F.	50,00,000	..**	6½	May	..	7 90	10
asanta (1st) C.T.F.	3 00,000	1931	6½	Apr.	Oct.	101 00	100
Do. (2nd) C.T.F.	1,50,000	1938	7	..	..	90 00	100
ishnu T.	15,66,500	1908		Apr.	..	422.50	500
ELECTRICS							
Andhra Valley Power Supply T.	49,84,000	1917	7	May	Nov.	1,076.26xd	1,000
Amalgamated Electric T.F.	24,15,000	..	5½	.	..	84 00	100
Calcutta Electric	19,00,000	1909–11	5(t)	June	Dec.	10 31	£1
Poona Electric T.	4,00,000	1935	7	June	Dec.	103 00	100
South Madras (1st) C.T.F.	22,00,000	1940	5½	Sept.	ec.	9 04	100
Do. (2nd) C.T.F.	8,00,000	1940	5½			8 89	10
Surat Electric Co. T.F.	5,00,000	1939	6½	Apr.	..	111 00	100
Tata Hydro Electric Power T.	89,28,000	1907	7	May	Nov.	104 50xd	100
Tata Power T.	86,97,000	1918	7½	May	Nov.	1,087.00	1,000
Vellore C.T.	1,25 000	1928	6	Dec.	..	7.04xd	10
ENGINEERING							
Arthur Butler (Muzafferpore)	1,30,000	1919	7	Mar.	..	9.50	10
Burn & Co. Ltd. (1st)	13,00,000	1895–98	7	Feb.	Aug.	121 00	100
Do. (2nd)	15,00,000	1902	6	Feb.	Aug.	112 00	101
Indian Iron and Steel Co., Ltd. T.F.	2,69,95,400	1950	5	Dec.	..	101.25	100
Indian Standard Wagon	19,66,500	1918	7	June	..	122.00	100
Jessop	20,00,000	1941	5	May	Nov.	79 00	100
Kamani Engineering C.	15,00,000	..	5	July	..	49.00	100
†††Kumardhubi Engineering	12,00,000	1915	4	June	Dec.	91.00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946–47–51	5	..	..	86.30	100
Mahindra & Mahindra R.C.	25,00,000	1945	6	May	..	100 50	100
McKenzies (1st)	5,50,000	1907		..	..	80 00	100
Premier-Construction (1st) T.	10,00,000	..	6½	..	..	86 50	100
Do. do. (2nd) T.	15,00,000	1936	6½	..	..	84 50	100
Do. do (3rd) T.	56,25,000	1947	4½	..	..	5.48	10
Tata Iron and Steel (1st) T.	75,00,000	1908	6	Nov.	..	153 00	150
Do. do. (2nd) T.	6,93,81,900	1908	7½	May	..	113.50	100
JUTE							
Agarpara	10,00,000	1927	7	Jan.	July	101.00	100
Alexandra	9,00,000	1905	7	Feb.	Aug.	96 50	100
Alliance	15,00,000	1895	6	Mar.	Sept.	80 00	100
Anglo-India	40,00,000	1917	7	May	Nov.	103 00	100
Auckland	10,00,000	1909	5½	May	Nov.	76 00	100
Do. (2nd)(j)	15,00,000	1945	4½	June	Dec.	65 00	100
Bally	20,00,000	1918	7	Apr.	Oct.	101 00	100
Barnagore	£200,000	1896	5	May	Nov.	40 00	5
Belvedere	7,00,000	1906	7	Jan.	July	100 00	100
Birla	23,64,200	1919	7½	June	Dec.	88 50	100
Budge-Budge	9,00,000	1894	7	May	Nov.	102 00	100
Calcutta	6,00,000	1934	6½	Jan.	July	69 00	100
Caledonian	10,00,000	1915	7	June	Dec.	100 00	100
Cheviot	10,00,000	1919	7	June	Dec.	100 00	100
Chitavalsah	5,00,000	1928	7	Mar.	Sept.	100 00	100
Clive (1st Pref.)	8,00,000	1900	6	May	Nov.	67.50	100
Do (A) (2nd Pref.)	8,00,000	1905	7	May	Nov.	74 00	100
Dalhousie	15,00,000	1903–13	7	May	Nov.	90.00	100
Delta	5,00,000	1897	5	June	Dec.	74 00	100
Empire	10,00,000	1912	7	Feb.	Aug.	100 00	100
Fort Gloster	14,00,000	1890–98	7	May	Nov.	104 00	100
Do. (2nd Pref.)	7,00 000	..	5	..	..	70 00	100
Fort William	10,00,000	1911	7	May	Nov.	104 00	100
Ganges	6,00,000	1916	8	June	Dec.	100 00	100
Gourepore	26,50,000	1895–04	6	May	Nov.	87 00	100
Hastings	25,00,000	1935	6	Mar.	Sept.	88 00	100
Hooghly	11,76,000	1913	10	May	Nov.	11 75	10
Howrah	8,75 000	1890	7	May	Nov.	102 00	100
Do. (A)	17,50,000	1903–6	7	May	Nov.	102 00	100
Hukumchand	40 00,000	1919	7	June	Dec.	100 00	100
Kamarhatty	16,00,000	1898–04	6	Feb.	Aug.	100 00	100
Kanknarrah	10,00,000	1900	6	Feb.	Aug.	75 00	100
JUTE—*Continued.*							
Kelvin	10,00,000	1907	7	Mar.	Sept.	102.00	100
Khardah	9,00,000	1895–09	6	May	Nov.	86 00	100
Kinnison	15,00,000	1900–13	7	May	Nov.	102.00	100
Lansdowne	15,00,000	1905	7	May	Nov.	100 00	100
Lawrence (A)	5,00,000	1907	7	May	Nov.	98 00	100
Do. (B)	10,00,000	..	5½	Dec.	..	76 00	100
Naihati	7,50,000	1905	7	May	Nov.	95.00	100
Do. (2nd) (j)	10,00,000	..	4½	June	Dec.	65.00	100
National	5,00,000	1917	7	May	Nov.	101.00	100
Nellimarla	5,00,000	1939	6	Apr.	Oct.	87.00	100
New Central	83,00,000	1915	7	Jan.	July	99.00	100
Northbrook	15,00,000	1900	½	May	Nov.	73.00	100
Reliance	20,00,000	1906–12	7	May	Nov.	70.00	100
Samnuggur	£150,000	1901	6	Feb.	Aug.	Sh. 21 50N	14
Soorah	10,00,000	1920	7	Feb.	Aug.	100 00	100
Standard	9,00,000	1895–01	6	May	Nov.	100 00	100
Shree Ambica	11,70,000	..	7½	Mar.	Sept.	90.00	100
Titaghur	£150,000	1897	6	Feb.	Aug.	Sh. 21 50	£1
Union	6,00,000	1901–02	7	May	Nov.	103.00	100
Victoria	£150,000	1898	6	Feb.	Aug.	Sh.21.50	£1
Waverly	7,50,000	1918	7	Mar.	Sept	43.00	5
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship	3,00,000	1895	7	Nov.	..	58.00	60
Calcutta Tramways	£250,000	1906	5	Apr	Oct.	7 75xd	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1943	5½	Dec.	..	95.20	100
Indian General Nav. & Rly. T.	£244,000	1899	6	Mar.	Nov.	58.00	£10
India Steamship (w)	25,00,000	1923	5	—	—	86.00	100
TEA							
Amluckie Tea	75,000	1902–03	7	May	Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900–02	6½	Jan.	July	109 00	100
Birpara	1,00,000	1900–03	8	Jan.	..	108 00	100
Choonabhutti	2,00,000	1914	8	Jan.	July	109 00	100
Gielle	2,00,000	1894	6	Sept.	..	67.00	100
Hantapara	50,000	1901	8	Jan.	..	109 00	100
Hasimara	3,00,000	1904	7	Mar.	..	109 00	100
Kingsley Golaghat	2,40,000	1897	6	Dec.	..	95 00	100
Moheema	3,20,000	1929	6	May	Nov.	8 00	10
†††New Dooars	2,00,000	1907	6	Jan.	July	109 00	100
New Samanbagh	1,00,000	1903	8	Nov.	..	100 00	100
†††Okayti	50,000	1888	7	Dec.	..	90 00	100
Pussimbing	2,05,000	1916	7	Jan.	..	83 00	100
Sonai River	1,00,000	1909	8	May	..	100 00	100
***Tezpore	2,05,000	1932	8	Jan.	..	10.25	100
Tirribannah	1,00,000	1922	10	May	Nov.	14.00	100
PLANTING							
Be Be Rubber N.R.C.T.	1,43,005	1944	6½	..	..	3.13cd	5
Do. R.C.T.	2,86,450	1944	6½	..	..	6 64cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June	..	46 70	50
Coffee Lands C.T.F.	10,40,600	..	5	..	..	79.00	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr.	..	98 00	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov.	..	10 75	10
Devon Tea C.T.F.	2,00,000	1936	7½	July	..	104 00	100
Highland Produce C.T.F.	3,00,000	..	6	July	Jan.	9 00	10
Neelamalai C.T.F.	18,00,000	1943	5	Jan.	July	7.05	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July	..	4 25	5
Pullangode C.T.F.	1,50,000	1943	6	Mar.	..	8 65	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar.	Sept.	7 85	10
T. R. & T. Co. C.T.F.	16,00,000	..	6	June	Dec.	7.75xd	10
Waterfalls R.C.T.F	5,00,000	1943	6	Nov.	..	8.00	10
MISCELLANEOUS							
Alembic Chemicals (1st) T.	5,00,000	..	6½	June	..	83.50	100
Do. do. (2nd)	5,00,000	..	5	June	..	85 00N	100
Alkali & Chemicals	31,00 000	1937	5	Apr.	..	101 00	100
Aluminium Corpn. (1st)	20,00,000	1938	6(f)	..	..	83 00	100
Andhra Cement C.T.F.	2,48,800	1937	6	Feb.	June	100 00	100
Associated Hotels of India T.	21,67,000	1916	7	Mar.	Sept.	54 00	100
Bengal Chemicals	9,00,000	1925	7½	Aug.	..	11 00	10
Bengal Paper Mill	2,00,000	1903	7	Mar.	Sept.	53.00xd	50
Do. "A"	4.00,000	1928	7	Mar.	Sept.	105 00xd	100
Do. "B" T.	20,00,000	..	6	..	..	64.00xd	100
Bengal Timber Trading	3,00,000	1896	8	Aug.	..	17 00N	100
Britannia Biscuit	15,450	1921	8	Feb.	Aug.	13 75	10
British Ceylon Corporation	17,50,000	1918	6	Feb.	Aug.	8 00N	5
British India Corporation	81,00,000	1920	8	Feb.	..	96 50	100
Dalmia Cement (Bharat)	35,00,000	1937	6(k)	Sept.	..	85 00	100
Do.	23 75,000	1945	6(k)	Sept.	..	82 50	40
Dhrangadhra Chemical Works Ltd.	31,91,900	1956	6	..	..	83 00	100
Shree Digvijay Cement T.F R.C.	79,93,875	1944	5	Dec.	..	84 30	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6§	Apr.	..	118 00	100
Do. do. do. T.C.P. (2nd)	40,00,000	1936	6	Jan.	July	82 00	100
General Investment Trust (1st)	1,00,000	1946	5	Feb.	Aug.	63 00	100
Do. do. (2nd) T.	1,00,000	..	6	Feb.	Aug.	54 00	100
Gillanders Arbuthnot(f) T.	25,00,000	..	5	Apr.	Oct.	55 00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6	Mar.	..	37.50	50
Humayan Properties	12,00,000	1933	6	..	..	7 62	10
India Cement T.	29,85,000	1946	7½	Oct.	..	92.43xd	100
Indian Aluminium (g) T.	40,00,000	1945	5	June	..	72 00	100
Indo-Burma Petroleum T.C.	50 00,000	1921	7	Jan.	July	88.00	33
Indian Cable (m)	12,87,750	1923	6	June	Dec.	25.50xd	10
India Rubber Mfrs. (n)	8,28,000	..	5	Apr.	..	76 00	100
Jardine Henderson T.	50,00,000	1946	5½	Dec.	..	56.00	100
Kettlewell and Bullen (1st) T.	20,00,000	..	5½	May	..	59 00	100
Do. do. (2nd)	10,00,000	..	4	May	..	56 00	100
Kumardhubi Fireclay & Silica	2,00,000	1915	7	June	Dec.	63 00xdN	100
Martin Burn (k)	30,00,000	1946	5	Apr.	Oct.	98 50	100
McLeod and Co. (1st) T.	10,00,000	1930	5	July	Jan.	53 00	100
Do. (2nd)	40,00,000	1936	5	July	Jan.	70 00	100
Metal Box Co.	30 00,000	..	6	..	..	84 00	100
Mettur Chemicals (Old) C.T.F.	20 00,000	1903–18	6	Feb.	Sept.	93 50	100
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6	June	..	9 00	10
Mysore Lamps R.C.T.F.	2,50,000	..	4	Aug.	..	6 50	10
National Tobacco (Old) (p)	25 00,000	..	5	Mar.	Sept.	69 00	100
Do. do. (New) (q)	19,98,000	..	4½	Mar.	Sept.	58 00	100
Orient Paper	69 88 900	1936	5½	Jan.	..	89 50	100
Do. (2nd) (r) T.	60,00,000	..	5½	Apr.	Oct.	61 00	100
Rohtas Industries (Old) T.	20,00,000	1936	7	Apr.	..	124 00	100
Do. do. (New)	85,04,700	..	4½	Apr.	..	64 00	100
¶Smith Stanistreet & Co.	5 00,000	1920	10	Feb.	Aug.	65 00	50
Spencer & Co. "A" C.T.	23 20,000	1898	6½	Jan.	July	8 00cd	10
Do. "B" C.T.	36,80,000	1922	8½	Jan.	July	11 00cd	10
Standard-Vacuum C.	75,00 000	1955	6	June	Dec.	100 00	100
Star Paper	10,00,000	..	5	Mar.	Sept.	70 00	100
Tata Chemicals T.F.	59,97 000	..	5	June	..	91.70	100
Tata Oil Mills C.	29,88,800	1946	4½	July	..	58 70	100
Titagur Paper Mills	11,50,000	1899	8	Jan.	June	136 00	100
Do. do. (2nd)	15,00,000	1934	4½	Jan.	July	78 00	100

** These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus prfiots available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free
R.O.—Redeemable at option. N.R.—Non-Redeemable. P.—Participating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50,00,000	5,37,500	1,01,25,505	44,03,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.24	2	0.19	0.19			12	Y.
46,60,000	24 60,000	1,40 93,494	78,99,035	17,302	M.	50,596	1,031	B. R. Cotton Mills	18.00	100	Nil	Nil	Nil		8	Y.P.T
2,59 98 600	3,42,88,483	7 95,80 951	3,93,39 819	85 708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,480	3,646	Bombay Dyeing & Mfg. Z	57.20	25	2.50*	2.50	2.50	0.75i	12	Y.
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	133.75	50	12.50	20.00	15.00	7.50	8	Y.P
1,13,85,650	2,79,59,276	7,45,32,167	2 69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	438.50	100	22.00	22.00	22.00	8.00i	12	Y.
49,00,000	25,42,826	1,19,99,766	65,07,035	—33,08,097	V. J. Pilani (Chairman and Managing Director)	50,596	698	Colaba Land & Mill	46.00	100	Nil				12	Y.
26,00,000	28,31,920	1 13 86,792	67 79,552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	30,984	680	Coorla Spg. & Wvg.	137.50	100	7.50	12.50*	12.50*	12.50*	8	Y.
28,00,000	26,37 709	90,59 554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	73.00	50	15.00	—	7.50F	5.00	8	Y.
34 00,000	26,36,389	1 12 98,983	69,27,928	—11,15,096	Puranmal Bubna Sons	46,668	928	Edward Textiles	215.00	200	18.00	15.00	15 00		12	Y.
29,98,050	15,72,144	1,31,76,951	81,20,935	....	M.	45,996	886	Elphinstone Spg. & Wvg.	30.50	50	5.00	15.00	Nil		12	Y.P
50,00 000	65,54 875	1,67 34,054	89 06,207	37 155	James Finlay & Co., Ltd.	52,528	784	Finlay Mills	261.00	100	20.00	20 00	20 00		12	Y
50,00,000	48,98,022	94,91,910	61,37,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	178 50	100	15.00	15 00	15.00		12	Y.
11,84,000 16,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills	4,725 00xd 902.50	1,000 250	300 00 75 00	325.00 81.25	350 00* 87.50*	350 00 87.50	8	Y.P.
2,50,00,000	56,39,672	4,90,61,319	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	8.88 1.14	0 10O. 0 1D.	0.94 0.19	0.92 0.18			12	Y.
8,65,000 85,000	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	3,860.00xd —	1,000 500	300.00 150 00	300 00 150 00	325.00* 162.50*	325 00 162.50	8	Y.P.
59,85,000	47,84 646	3,32,60,641	2,39,44,370	30,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	153.75	100	12.00	10.00	10.00(c)	10.00	6	Y.P.
1,00,00,000	1,13,27,791	3,67,76,376	2,84,94,794	52 791	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	238 00	100	18.00	18 00	18 00	4.00i	12	Y.
33,13 800	46 27,870	1,28,83,753	67,99 178	43,271	N. Sirur & Co. Private Ltd.	49,000	644	Modern Mills	46 00	50	8.00*	8.00*	5.00'C'		10	Y.T.
51,75,000	42,39,896	2 75,32,726	2,00 41,588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Gokuldas Spg. & Wvg.	227.00	100	14.00	15.00	14.00(c)	15.00	6	Y.P.
1,60,63,400	1,42,58 205	10,55,96,105	3,40,00,000	1,23,937	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	243 25	100	12.00	14.00*	14.00		12	Y.P.
24 00,000	25,62,456	82,11,723	48,70,075	1,495	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	93 00	100	10.00	10 00	5.00		12	Y.
30,00,000	11 72,134	101,83,002	63,37,034	....	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	218.50	100	10.00	10.00	Nil		12	Y.P.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	3,59,718	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	124.50	100	10 00	..	12.50F	10.00	8	Y.
40 00,000	45,64,554	53,92,841	25 34,581	1,63,546	Podar Sons Private Ltd.	82,600	930	Podar Mills	130.00	100	12.00*	12.00*	10 00		12	Y.P.
10,00,000	....	23,94,122	18,44,733	—1,10,689	M.	..	..	Sassoon & Alliance Silk Mill	9.76	10	0.50	0.25(c)	Nil		12	Y.
37,76,100	1,19,98,715	2,11,34 514	1,36,87,248	12,182	M. G. Investment Corp. Private Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	41.25	10	2.00	2.00	2.00		12	Y.
80,00,000	44,70,061	1,27,66,700	67,73,552	58,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	139 00	100	12.00	12.00	8.00		12	Y.P.
42 00,000	39,80,473	1,95,86,294	79,84,101	8,089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	167 50	50	10.00	12.00	8.50	8.50	8	Y.
87 80,000	2 50 26,472	2,96 16,751	1,87,99,317	1,55,642	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	418 00	100	20.00	22.50*	22.50*		12	Y.P.
1,00,00,000	95,03,854	2,76,30,400	1,44,86,214	29,124	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	208.75	100	12 00	14.00*	9 00		12	Y.P.
36,00,000	65,13,465	1,52,27,488	96,52,715	26,062	James Finlay & Co., Ltd.	40,328	549	Swan Mills	349.00	100	25.00	25.00	25.00		12	Y.
65,57,875	53,20,412	2,18,16,540	90,63,601	17,925	Tata Industries Private Ltd.	70,832	1,800	Tata Mills	34.50	25	4.00	3.50*	2.00		12	Y.T.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,136	1,212	Western India Spg. & Mfg.	4,475.00xd	1,000	300.00	300.00	325.00*	325.00	8	Y.P

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	130.00xd	100	7 00	12.00	5.00	5.00	6	Y.P.T
15,00,000	93 23,183	1,29,00,836	73,32,228	....	P. M. Hutheesing & Co., Ltd.	44,220	912	Aruna Mills	607 50	100	80.00	25.00	25.00		12	Y.P.
40,00,000	3,03,12,127	2,17,78,010	1,10,66,897	28,706	M.	66,412	1,216	Arvind Mills	1,010 00	100	85.00*	85.00*	85 00*		12	Y.P.
22,00,000	47,41,123	1,22,40,943	77,79,729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	417.50xr	200	25.00*	30.00*	Nil		12	Y.P.
12,00,000	1,40,46,694	99,92,464	67,28,819	728	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	616.25	100	80.00	80.00	80.00		12	Y.P.
2,06 25 000	2,60,65 170	6,22,25,491	2,74,71,141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,39,120	2,400	Calico	519 00	125	..	30.00	30.00	25.00	8	Y.P.
63,00,000	28,51,630	1,44 37 907	1,02,61,820	20,815	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	432.50	250	80.00	100.00*	25.00*		12	Y.P
52,00,000	91,54,187	1,55,49,668	1,07,88,296	92,673	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	835.00	125	85.00	40.00*	30.00		12	Y.
15 00,000	64,29,775	69,45 065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	397 50	100	20 00	20.00	20 00		12	Y.P.
20,00,000	1,08,87,132	1,07,88 484	66,60,480	166	Lalbhai Dalpatbhai & Co.	32,828	636	Raipur Mfg.	698.75	100	85.00*	85.00*	85 00*		12	Y.P.
48,75,000	28,46,589	1,33,74,914	73,60,111	9,983	M.	35 196	648	Rohit Mills	130 00	100	Nil	8.00*	8 00*		12	Y.P.
57 96,300	2,88,74,105	2,17,82,370	1,17,57 907	1,76,451	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	634.00	50	27.00*	30.00*	25.00		12	Y.P.
29,25,000	69,60,633	1,00,70,063	73,48,312	18,846	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	455.00	100	25.00	30.00*	20.00		12	Y.
35,00,000	38,00,929	1,28,90,368	90,20,784	23,300	Haridas Achratlal & Co., Ltd.	41,056	780	Vijaya Mills	570.00	500	35.00*	50.50*	40.00*		12	Y.P

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
15,00,000	3,05,458	38,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	6.25	10	0.50	0.60	0.60		12	Y.T.T.
7,11,280 8,00,620	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee, Esq. (Mg. Director)	33,836	935	Bengal Luxmi Cotton Mill	85.00N	40	4.00	4.00	4.00	Nil	8	Y.P.
24,00,000	1,50,000	1,20,71,237	49,68,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	105.00	100	Nil	Nil	Nil		12	Y.P.
19,00,000	24,30,708	1,89,78,961	73,14,165	—1,86,242	Kettlewell Bullen & Co., Ltd.	42,944	523	Dunbar Mills	140.00	100	2.50	6.00	Nil		12	Y.T.
50,08,000	85,968	76,97,325	21,97,345	82,036	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	8 56	10	Nil	0.87	0.50		12	Y.T.
1,60,00,000	2,29,91,250	4,00,62,835	1,40,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	11.75	10	0.87	1.00	0 75		8	Y.P
19,47,750O 5,00,000D	9,50,000	43,59,254	28,75,466	9,888	Hazareemull Heeralal	23,036	795	Rampooria Cotton Mills	15.00N 4.00N	10 1D	1.00 0.34	1.00 0.26	1.00 0.15		6	Y.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
11,98,600	5,57,619	80,87,104	19,12,220	16,013	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,000	17,82,554	1,87,65,113	68,45,582	6,710	C. S. Tyabjee, Esq.	36,136	716	Azam Jahi Mills	59.50	100	3.50(c)	5.00	3.50		9	Y.
1,21,50,000	1,47,74,679	3,67,93,866	2,76,43,043	2,90,471	Binny & Co. (Madras), Ltd.	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills	160 00	100	30.00	30.00	10.00'C'	4.00i	12	Y.P.
35,00,000	74 79,507	1,41,25,225	1,10 21,274	1,04,207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	26 25N	10	3.00	1.50	1.50	0.75	8	Y
1,78,47,800	2,99,20,000	6 93,67,943	4 19,97,472	1,92,471	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic	174 00	100	10.00	10.00	10.00	4.00i	12	Y.P.T
20,00,000	15,37,935	50 23,440	26,18,948	..	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	7.75	10	0.50	0.50	0 50(c)		12	Y.P.
15 00,000	5,11,500	53,88,579	29 91,389	1,08,342	Damodaran & Co.	20,600	..	Cannanore Spg. & Wvg.	135.00	100	12.00	15.00	20.00	12 50	8	Y.
30,00,000	33,43,836	76,05,050	59,57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Textiles	4.31	5	Nil	0.25	0 25	Nil‡	12	Y.
9,36,560	5,31,645	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	10.80	10	0.62	0.75	0.90	0.90	8	Y.P.T.
35,21,362	22,09,767	69 79 002	31,91,699	698	R. Bheema Naidu & Co.	30,864	..	Coimbatore Cotton Mills	131.00	100	25 00	25.00	9.00'C'		12	Y.
18,15,000	7,25,195	39,16,552	24,29,633	....	T. A. R. Chettiar Sons & Co.	25,340	160	Coimbatore Murugan Mills	92.00	100	20.00	12 00			12	Y.P.
20 00,000	18,28,450	30,21,737	44,09,621	599	T. R. N. Naidu & Co.	38,226	..	Coimbatore Pioneer Mills	263.00	100	20.00	20.00	20.00		12	Y.P.
20,76,900	5,076	1,37,90 104	88,52,968	—7,29,806	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	45 00	50	8.00	10.00	Nil		12	Y.
46,87,500	27,24,735	2,42,10,703	1,54,86,854	....	Tata Industries Private Ltd.	67,452	1,620	Central India	89.50	100	8.00	Nil	Nil		6	Y.P
26 90 661	19,55,000	1,04,60,142	44,85,815	21,830	R. Hanumanthappa & Son	28,816	300	Davangere Cotton Mills	113.50	100	9.00	9.00	9 00	9.00	8	Y.
3,38,36 225 1,00,563	3,59,53,968	12,81,26,690	7,47,89,631	4,80,590	B. R. Charat Ram & Co. Private Ltd.	1,41,180	2,352	Delhi Cloth & General Mills	23.75	25 2½	2.25 0.22	2.50 0.25	2.00 0.16	2.00 0.16	6	Y.P.T.
47,98,296	26,25,000	84,28,224	49,84,057	1,965	M. N. Chettiar & Sons	42,212	201	Dhanalakshmi Mills	170.00	100	30.00	25.00	10.00'C'		12	Y.
63,00,000	1 95,56 192	1,69,12,424	1,41,93,839	75,531	Begg, Sutherland & Co. Private Ltd.	48,452	1,193	Elgin Mills	11.75	10	1.00	1.25	1.00		9	Y.P.
48,81,000	43,56,161	1 36,06,042	77 13,982	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	132 00	100	15.00	13.00	8.00		12	Y.
2,50,00,000	8,75,000	5,73,71,041	1,64,46 856	1,00,48,693	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	13 92	10	Nil	Nil	Nil		8	Y.P
50,00,000	6,94,589	1,59,76,049	1,21,32,273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	51,180	1,856	Indore Malwa United	97 00	100	9.00	11.00	6.00	Nil	12	Y.
8,90 009	10,66,553	35 60 221	20,68,005	....	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	63.50	50	10.00	10.00	3.00		12	Y.
15,54,000	15,02,699	57,13,937	33 88,095	7,012	Mr. Bhairuratan Damani (Managing Director)	20,212	512	Jam Shri Ranjitsinghji	1,450.00	1,000	50.00	60.00	40 00		6	Y.
4,63,65,300	3,05,67 516	4,59,43 795	3 29,32,899	3,47,483	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	9.76	10	4.00‡	0.55	0.85	0.25	8	Y.P.
42,00,000	19,25 000	1,05,81,567	38,28,076	91,772	Kothari & Sons	41,040	800	Kothari Textiles	9.90	10	1.00	1.00	1 00		6	Y.P
32,00,000	63,39,487	1,84 50,574	1,25,78,615	2,294	M.	51,008	1,243	Lakshmi Cotton Mfg.	400.00	250	42.50	42 50	15.00		12	Y.P.
71,00,000	66,85,960	2,25,46,381	1,29,69,687	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	95 00 47.50	50 25	12.50 6.25	12.50 6.25	10 00 5.00	6.00 3.00	8	Y.
1,75,02,480	4,24,40,278	5,90,89,121	3,96,10,817	6,92,368	A. & F. Harvey Ltd.	4,53 000	..	Madura Mills	25.25	15	3.00	2.62	2.25		12	Y.
12,00,000	8,67,363	29,03,352	18,76,700	213	V. K. Eradi (Chairman)	22 592	100	Malabar Spg. & Wvg.	80 00N	200	Nil	8.00			12	Y.
60,00 000	69,00,000	66,60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	828.00	100	85.00	42.50	20.00	20.00	8	Y.
29,80,884	12,88 081	93,11,180	51,89,457	19,735	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	60 00	100	6.00	6.00	Nil		12	Y.
94,91,850	21,56 146	1,71,94,769	78,81,528	1,85 008	M.	52,408	952	Model Mills (Nagpur)	172.50	250	7.50(c)	7.50			6	Y.
24,83,500	39,98,562	1 13,65,249	72,49,736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	83 00	50	6 00(c)	9.00*	9.00*	5.00	2	Y.P.
13,61,780	....	29,12,641	17,83,314	3,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6 25N	10	Nil	Nil	Nil		8	Y.
37,23,200	39,29,981	1,73,83,244	67,86,683	....	M.	37,788	902	Osmanshahi Mills	44 00	100	2.50(c)	3.00(c)	Nil		9	Y.
4,00,000A 6,00 000B	13,00,000	71,79,976	28,66,277	8,909	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	126.00 180.00	50A 75B	12.00 18.00	15.00 22.50	9.00 13 50		12	Y.P.
15 00 000	....	35,52,644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	33.00	100	4.00(c)	Nil	Nil		12	Y.
10 81,200A 8,40,600B	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	800	Radhakrishna Mills	135.00 67.00	100A 50B	20.00 10.00	20.00 10.00	12 00 6 00		12	Y.
19 53 275	30,55,750	76,37,378	32 62,433	....	B. R. Naidu & Sons	37,096	..	Rajalakshmi Mills	66.00	50	10.00	7.50	4 50		12	Y.P
16 14 300	14 00,000	58 40 286	20,95 405	....	Ramco Agencies Private Ltd.	24,996	..	Rajapalayam Mills	117.00	100	10 00	10.00	12.00	8.00	8	Y.
22,32,060	11,50,000	53,72,976	23,15 892	5,286	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	105 00	100	10.00	10.00	10.00		12	Y.
15,90,000 10 000	2,69,010	3,15,04 564	2,05,50 750	—34,29,635	M.	95,232	2,232	Sholapoor Spg. & Wvg.	425.00 —	1,000 500	Nil	Nil	Nil		8	Y.P
36 69 700	21,91,449	1,05,51,059	61 65,564	37 576	H. N. Pallegar, Esq.	80,744	292	Sri Krishnarajendra Mills	60.50	50	5.00	7.00	7.00	4.50	8	Y.
15,00,000	3,63,33,415	1,06,79,186	80,23,012	30,16,282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	81 00N	10	6.00	6.00	6.00	6.00	8	Y.
17,50 000 O 1,57,50,000 PO	2,36,23,071	5,28 86,193	1 97,31,347	2 64 970	M.	1,12,216	2,098	Swadeshi Cotton (Kanpur)	10 25 10.25	10O. 10P.O.	0.75 1.15	0.75 1.15	0.75 1.15		12	Y.P.
1,00,00,000	60,00,000	3,88,81,393	1,95,13,492	1,73,216	Emcote & Sons (Travancore) Ltd.	..	..	Travancore Rayons	16 90	10	0.75	1.00	1 00		12	Y.P.T.
13,98,730	9,45,940	19,58,289	13,60,120	794	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11 62	10	0.90	1.12	0 90		12	Y.
21,00,000	39 86 738	86,30,895	51,76,507	12,000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	201.00	100	20.00	20.00	12 00		12	Y.P
32 00,000	18,73,770	1,85,96,083	1,17,44,692	—9,85,569	The Bombay Co. (Private) Ltd.	49,660	1,375	Vishnu Cotton	92.00	100	8.00	8.00	Nil		12	Y.P.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
Z—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. On old capital. ‡ For Nine months ended 31st December 1957. 'C'—On Increased Capital.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
72,59,940	13,33,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	9.90	B. 10	1.00*	1.00			12	Y.P.
59 85,555	....	1,55,92,861	....	12,928	M.	Ashoka Cement Ltd.	8.19	10	..	..	Nil		3	Y.T.
12,71,80,070 6,34,26,150	10,06,76,940	36,32,76,342	12,89,15,052	1,98,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	154.50	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
83,92,587	....	1,23,58,448	16,77,717	. 779	Teadulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8 52	10	0.30	0.60	0.60		12	Y
1,44,10 795 5,00,000	53,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	9.70 2.63	O. 10 D. 1	1.25 0.12	1.25 0.12	1.20 0.12		12	Y.P.
1,09,79,135	30,37,736	2,18,27,299	73,38 865	71,092	Essen Private Ltd.	India Cements Ltd.	— 5.25	O. 25 D. 5	1.87 0.37	2.06 0.41	2.06 0.41	2.25 0.45	3	Y.P.
1 50,00,000	4,00,000	4,72,60,133	89,99,750	21,36,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	9.94	10	0.75	1.25	Nil		3	Y.P.
1,99,00,000	31 43,497	3,25,68,768	1,17,79,528	37,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	12 66	10	1.25	1.25	1.50		12	Y.P.
1,34,20,266	48,94,785	3,55,77,865	1,29,16 661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	131.00	100	8.50	9.00	9.00		12	Y.P.
75,00,000	17,70,000	2,18,91 926	1,54,88,889	18,727	M.	Sone Valley Portland Cement	5.25	5	0.30	0.15	0.30		12	Y.
59,00,000	6,00,000	1,04,84,565	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	8.90	10	0.62	0.60	0.60		12	Y.

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
13,50,000	3,38,041	10,99,022	6,14,954	12,83,240	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	15.48	100.	1.00	3.00	1.50	..	9	Y.P.
50,50,275	8,45,000	1,20,18,973	35,41,847	20,913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.00	2½	0.25	0.25	0.25		11	Y.
10,00,000	34,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Biara Stone Lime Co.	30.25xd	10	1.75	0.87	1.75	1.75	3	Y.
£1,871,300	£1,348,400	£2,621,717	£1,593,562	11,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3.58	Sh. 2	10.8d.*	4.8d.	4.32d		12	Y.
O.15,00,000 P.5,00,000	24,41,770	44,65,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	11.25	10	1.00 3.00	Nil Nil	Nil Nil		6, 12	H.
6,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.00	10	0.75	1.00			3	Y.
29 00,000	36,50,291	49.10,494	27,37,433	1,15,708	Bird & Co. Private Ltd.	Orissa Minerals	26.37	10	2.00*	1.001	2.00		6	Y.
7 00,000	71,05,000	14,84,368	29,53,314	52,523	Killick Industries Ltd.	Shivrajpur Syndicate	88.00	10	3.00*	3.00*	3.00*		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
41,27,700	37,60,000	1,10,24,566	49,60,560	31,068	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	157.50	100	8.00	10.00	12.00		12	Y.P.
62,00,000 1,86,42,455A	1,02,92,519	2,75,52,962	60,65,069	1,20,250	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	18.12 —	10 10New	0.80 ..	0.80	0.80		9	Y.P.
60 00,000	....	67,15,919	....	1,15,111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	108.50	100	Nil	Nil	Nil		12	Y.P.
,39,27 800	11,05,700	2,96,61,485	67,85,495	58,686	Lalbhai Sons & Co.	Atul Products Ltd.	223.75	100	5.25	6.00	8.00		12	Y.
48,17,200	48,38,400	1,45,22,658	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	95.00	100	6.00	6.00	6.00	6.00	3	Y.P.T.
21,50,000 42 74,800	63,31,297	1,43,64,534	57,89,669	9,989	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	89.00xd —	100 100New	12.00 ..	9.00 4.50	7.50 3.75	6.00 6.00	3	Y.P.
3,46,06,075	....	4,29,69,769	2,38,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	7.25	10	Nil	Nil	Nil		12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jal H. Mehta	Kemp & Co.	200 00	200	12.00	15.00	15.00	15.00	3	Y.
40,50,000	16,32,446	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	11.90	10	0.70	0.75	0.75	0.87½	3	Y.P.T
34,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	7.75	10	0.50	0.50	0.50		3	Y.
6,00 000	4,00,000	7,37,855	4,44,356	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.90	10	2.00	2.00	2.00		3	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	10.31	5	0.50	1.00	1.00	0.80'C'	6	Y.P.
10,00,000	12,00,954	19,34,602	14,27,276	37,365	M.	Polychem. Ltd.	67.00	50	..	..	..	Nil	3	Y.P.
1,39,95,990 56,00,000	17,19,952	4,57,35,637	1,71,48,316	3,736	Tata Industries Private Ltd.	Tata Chemicals	15.28	10	Nil	0.75	0.80	0.75	6	Y.P.T.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
3,74,78,895	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95.00	100	5.00	6.50	3.25	6.50	3	Y.T.
72,50,000	14,67,106	1,93,94,397	45,21,447	15,26,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.96	10	0.75	0.75	0.42½	0.85	3	Y.P.
3,02,76,250	76,70,609	9,08 96,522	2,41,70,836	32,105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,170.00	1,000	75.00	75.00	56.25	80.00*	3	Y.P.T.
1,75,00 000	54,34,572	3,30,22,445	77,28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	109.75	100	7.00	7.00	7.00	7.00	3	Y.
7,07,020	99,267	16,08,942	7,53,744	199	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.60	10	0.75	0.62	Nil	0.50	3	Y.T.
18,89,000	9,35,596	1,40,77,220	53,14,908	7,836	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	111.00	100	10.00	10.00	2.50	7.50	3	Y.P.T.
60 62,500	25,74 514	1,34,27,302	42,37,719	3,828	Killick Industries Ltd.	Surat Electricity	113.00	100	7.00	..	8.75	7 00	3	Y.P.
2,39,99,575	74,19,097	6 63,96,657	1,61,14,106	28,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	119.50	100	7.50	7.50	5.52	8.00*	3	Y.P.
5,15,85,750	2,13,05,278	16,15,83,754	3,15,30,938	29,701	Ta a Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,193.75	1,000	75.00	75.00	56.25	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
19,99,600	44,26,245	1,12,31,458	33,25,328	49,395	MartinBurn Ltd.	Agra Electric Supply Co., Ltd.	145.00	100	10.00	10.00	10.00	10.00	3	Y.T.
8,00,000	14,59,897	50,97,022	18,71,544	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14.87	10	1.00	..	1.25	1.00	3	Y.T.
7,00,000	35,12 989	1,29,85,469	37,39,559	38,395	Martin Burn Ltd.	Benares Electric Light & Power Co.	14.12	10	1.25	..	1.25Z		3	Y.T.
5,91,360	5,95,855	21,23,477	9,59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	8.62	5	0.50	..	0.62Z		3	Y.
£4,262,646	£8,460,286	£30,407,122	£10,881,162	180,008	Harry Burn Esq. (Chairman	Calcutta Electric Supply	15.12	£1	6%	6%	8¼%Z		3	Y.P.T.
6,60,000	5,11,491	28,13,024	8,33,890	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.00xd	10	0.62	..	1.00Z	0.65	3	Y.
43 20,000	16,40,106	98,00,595	33 79,613	8,16,830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	100.00	100	6.00	6.00	6.50	7.00	3	Y.P.
5,34,640	96,514	29,51,444	12,22,358	3,590	Moonna Lall & Sons	Jhansi Electric Supply	7.25xdN	10	0.69	..	0.86Z	0 62½	3	Y.T.
2,49,700	25,37,546	98,31,343	35,83,665	29,425	Martin Burn Ltd.	Jubbulpore Electric Supply	13.87	10	0.91	0.40	0.92	0.92	3	Y.
4,95,000	2,21,874	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.25xdN	9	0.50	..	1.22Z	0.72	3	Y.
5,82,390	3,85,296	32,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8.00	10	Nil	..	1.25Z	1.00	3	Y.
8,99,850	1,67,563	15,28,892	7,17,358	18,925	G. D. Bhagat, Esq.	Muttra Electric Supply	11.50	10	0.60	0.30			3, 9	H.
35,10,478	37,51,063	1,32,14,704	51,65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.50xd	10	0.75	..	1.25Z	0.75	3	Y.T.
9,10,000	1,93,940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25xd	10	0.50	Nil	Nil	0.50	3	Y.
16,80,000	11,03,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	11.00	10	0.75	..	0.94Z	0.68	3	Y.T.
56,00,000	9,42,467	1,85,49 991	54,65 888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	11.90	10	0.91	0.91	1.28	0.87	3	Y.P.T.
5,99,250	4,67,280	21,09,262	9,36,176	9,038	Martin Burn Ltd.	Upper Ganges Valley Electric Supply.	13.00	10	0.94	..	1.25	1.00	3	Y.
5,00,000	6,65,006	25,81,076	8,92,154	32,516	Martin Burn Ltd.	Upper Jamna Valley Elec. Supply	18.00	10	1.25	1.25	1.25		3	Y.
56,01,185	65,36,540	3,01,72,909	84,072	33,837	Martin Burn Ltd.	U. P. Electric Supply Co.	136.00	100	10.00	10.00	10.00		3	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.00	1.00	1.00	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
32,42,200	32,31,831	74,21,408	62,82,616	25,010	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	267.00	100	12.50	15.00	12.50		12	Y.
14,99,960	2,35,000	15,31,038	5,71,244	4,132	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	65.00	50	3.00	3.00	3.00		12	Y.
6 40,000	3,75,000	1,57,259	1,17,027	1,448	M. R. Rao Esq. (General Manager)	Jost's Engineering	63.50	50	4.00	4.00	5.00	5.00	3	Y.
44,96,250	2,57,957	55,59,741	16,71,411	56,266	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	5.92	10	Nil	Nil	Nil		9	Y.P.
50,00,000	15,01,511	44,29,526	20,09,704	25,546	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	17.12	10	1.00	1.00	1.00	1.25	3	Y.P.
55,00,000	26,00 000	1,05,24,440	12,56,894	1,16,134	M.	Mahindra & Mahindra Ltd.	18.24	10	1.00	1.25	1.75		10	Y.P.
11,00,000	49,774	31,43,786	18,71,575	31,416	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	80 00	100	Nil	Nil			7	Y.P.
89,69,895	24,80,000	83,15,927	81,99.497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	14.08	10	Nil	Nil	1.00	1.20	3	Y.P.
22,50 000O. 1,31,250Pr.	1,23,56,576	7,51,153	78,248	1 43,527	Walchand & Co. Private Ltd.	Premier Construction	236.00	30	3.50	3.50	10.00		12	Y.P.
9,63,75,000 9,51 47,175	28,26,43,033	147,05,45,438	42,01,71,546	4,49,862	Tata Industries Private Ltd.	Tata Iron and Steel	175.50 171.50	75old 75new	10.50 ..	10.50 ..	9.50 2.54	8.25 7.56	3	Y.P.
5,00,00,000	65,53,390	16,75,33,296	6,68,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	162.75	100	Nil	6.00	8.00	9.00	3	Y.P.T.
1,50,00,000 1,05,00,000	23,75,537	66,54,806	10,96,031	1,33,920	R. H. Schuepp, Esq. (Mg. Director)	Voltas Ltd.	142.50	Old 100 New 100	5.00 ..	9.00 ...	9.00 6.00		3	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
6,00,000	4,46,170	10,76,888	1,64,075	61,965	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	9.12	10	..	..			10	Y.P.T.
50,00,000	19,00,000	1,22,29,219	79,69,445	97,400	Bhartia Co., Ltd.	Bhartia Electric Steel	15.00	10	1.25	1.25	1.25		12	Y.
56,59,790	61,42,015	59,77,844	7,01,161	1,82,269	Y. S. Tayal, Esq. (Secretary)	Braithwaites & Co. (India) Ltd.	81.37	7	1.75	2.00	2.00		12	Y.
12,00,000	25,05,000	49,19,444	27,99,444	1,73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34.00	10	1.50	2.00	2.00		12	Y.T.
19,78 570	5,14,361	46,62,428	14,72,196	51,637	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6 00	10	1.00	0.50			3	Y.P.T.
40,00,000	39,42,365	83,13,780	37,63,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	11.00	10	1.50	0.60	0.60		12	Y.T.
5,00,000	3,06,358	19,15,871	12,23,274	77,782	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	21 25N	10	Nil	Nil	2.00		12	Y.
84,00,000	1,99,04,936	4,42,87 297	2,71,63,251	1,30,345	Martin Burn Ltd.	Burn & Co.	365.00	100	15.00	20.00	20.00	20.00	4	Y.T.
2,00,00,000	2,02,39,092	3,89,31,446	1,68,28,306	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	38.12	10	..	2.30	2.90		12	Y.
12,50,000	23,50 000	60.07 710	38,80,350	5,810	Martin Burn Ltd.	Hooghly Docking	118.00	50	6.25	6.25	5.00		12	Y.P.
36,94,590	4,35,000	48,08 664	28,13 944	4,22,513	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	16.75	10	1.00	Nil	Nil		12	Y.P.
10,36,74,160	13,72,11,475	43,94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	26 21	10	1.00	1.00	1.00	1.00'C'	3	Y.P.
38,98,500	54,64,443	1,09,97,195	64,95,575	42,976	Martin Burn Ltd.	Indian Standard Wagon	86.00	25	6.25	7.50*	7.50*	5.00	3	Y.P.
32,00,000 26,580	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	80.00xd 14.50xd	O.10 O.1	3.00 0.30	3.00 0.30	4.00* 0.40*	4.00* 0.40*	3	Y.
68,62,575	52,15,306	2,84,90,851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	193.00	100	12.00	10.00	15.00	12.00	3	Y.P.T.
1,01,39,000	51,82 557	1,72.18,507	62,69,132	51,642	M.	Jessop & Co.	25.19	10	3.00	Nil	Nil		10	Y.P.
34,23,187	10,05,500	48,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	13 48	10	0.50	0.60	0.90	1.00	3	Y.
18,43,200	54,56,724	72,53,319	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	8.69	2	0.50	0.62	0.45		11	Y.P.T.
10,50,000	23,78,264	17,13,875	13,52,941	1,35,774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	5.69	2	0.30	0.40	0.40		6	Y.
49,96,000	6,07,922	1,03,46,46,750	63,10,209	8,23,210	M.	National Iron and Steel Co., Ltd.	9.06	10	0.25	0.62	0.62		3	Y.P.
40,00,000	20,56,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.12N	10	1.50				6	Y.P.
6,00,000	8 16,855	29,83,251	18,00,849	21,638	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	6.25	4	0.25	0.25	0.40	0.40	3	Y.
1,50,00,000	40,87,211	3,55,99,392	1,47,60,898	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	21.10	10	1.00	1.25	1.50		12	Y.P.T

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
13,50,000	46,09,060	1,32,51,354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	11.69	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	35 30	50	3.00	3.00	3.00		12	Y.
5,15,000	1,84,95,246	12,83,65,607	....	....	R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	212 50	100	25.00				12	Y.
24,00,000	62,91 344	1,26 11,707	....	3,40,686	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	26.25	10	2.00	2.00	2.00		12	Y.
18,74,940	3,16,61,024	4,00,62,157	....	5,97,428	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	7 12	15	Nil	Nil			12	Y.P.
20,00,000	53,99 401	1,56,15,926	....	10,976	M. G. Mody, Esq.	New Great Insurance	21.48	20	1.50	1.50	2.00		12	Y.
1,06 81,390	7,19,81,437	13,20,95,176	....	1,41,481	B. K. Shah, Esq.	New India Assurance	52.25	15	2.50	3.00	3.00		12	Y.
6,00,000	78,22,32,610	82,01,80,624	....	....	L. S. Vaidyanathan, Esq.	Oriental Life Assurance	4,010.00	200	200.00				12	Y.
32,00,000	65,90,004	1,60,65,502	....	39,354	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	6.23	5	0.50	0.62			12	Y.
5,75,000	67,91,963	42,97,528	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	149.00	25	11.25	11.25	11.25		12	Y.
15,99,270	33,72,518	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	19.76	10	1.25	1.50	1.50		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
35,00,000	36,85,342	36,78,792	36,11,118	1,35,753	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	6.50N	7	1.50	1.50			12	Y.P.
1,60 00,000	1,44,75,891	94,16,791	49 77,641	1,96,640	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co. Ltd., A.	25.44	10	4.00*	3.00	3.00		12	Y.P.
79,07,475	35 88,424	2,22 58,643	1,37,40,954	5,511	Tata Industries Private Ltd.	Tata Oil Mills	46.25	25	2.00	3.00	2.50	2.50	3	Y.P.
6,00,000	9,41,590	3,34,955	1,61,723	63,892	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India), Ltd.	13.69	10	1.09	1.25	1.25		10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—Dividend is for fifteen months ended 31st March 1957.

MISCELLANEOUS COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP	Rs.	Rs. nP	Rs. nP	Rs. nP	Rs. nP		
						PAPER								
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	87.50xd	25	4.69	2.50	3.12	2.00†	12	Y.P.T.
63,00,000	61 52 258	1.94,26 902	88 79,418	29 471	Andrew Yule & Co., Ltd.	India Paper Pulp	21.12	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17 40	10	0.75*	1.00*	1.00*	1.00	3	Y.P.T.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	30.80	10	1.12	0.62	1.50	1.50	3	Y.P.T.
1,25 49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	15.62	10	1.25	1.25	1.25		12	
50,00,000 'A'10,60,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12.37 12.37	O. 10 A. 10	1.25 1.25	1.05 1.05	0.60 0.60		9	Y.P.
2,18,55,240	48,43,060	2,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.56	10	5 00‡	0.50	0.50		6	Y.P.
56,00,000A. 54,04,800B. 4,37,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	41.75xd 41.50 3.94xd	A. 10 B. 10 P.O. 2½	2.00* 2.00* 0.25	1.12* 1.12* 0.12	2.38* 2.38* 0.24	2.38* 2.38 0.24	3	Y.P.
						SAW MILLS AND TIMBER								
13,09,998	22,88,889	82,79,430	18,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	4.56	8	Nil	Nil	Nil		9	Y.
1,34,58,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corpn.	468.50 170.00	Old 125 New 50	37.50 15.00	40.00 18.75	40.00 16.00	05.22	5	Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	44.00	10	3.00	3.00	2.75	1.00†	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	15,30,406	42,92,220	31,12,074	57,702	M.	Balrampur Sugar	8.00		0.06	Nil	0.25			Y.
12,00,000A. 3,00,000B.	29,80,260	55,40,831	36,82,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	135.00N 11.50N	A. 100 B. 10	10.00 1.00	10.00 1.00			4	Y.T.
19,49,050	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	11.94	7½	0.75	1.00	1.00		9	Y.
15,00,000	13,51,513	19,28,777	13,40,840	7,653	Cotton Agents Private Ltd.	Bharat Sugar	13.50N	10	1.50	1.50	1.50		6	Y.P.
32,00,000	25,22,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd.	Carew & Co.	9.00	10	0.25	Nil	Nil		6	Y.P.T.
30,00,000	54,39,509	1,65,39,057	93,52,334	—6,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	11.00	10	0.75	0.75	Nil		10	Y.P.
18,0 0,000	38,41,544	85,45,310	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	17 50	10	1.50	1.00	Nil	1.00	6	Y.
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	10.00N	10	0.50	0.50			3	Y.T.
18,00,000	12,51,626	79,38,731	49,86,047	1,05,664	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	55.00	40	2.25	4.00	7.00		7	Y.P.
7,89,100	22,50,288	48,69,619	26,90,926	79,525	Cotton Agents Private Ltd.	New India Sugar Mills	28.00	10	2.50	2.50	2.50		6	Y.P.
11,00,000	4,45,000	47,92,961	28 66,816	4,549	K. C. Thapar & Bros. Private Ltd.§	New Savan	5.00	10	0.25	0.37	0.37		5	Y.
13,21,100 38,275	49,91,797	78,75,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	237.50 50.00N	100 25	20.00 5.00	20.00 5.00	20.00 5.00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	142.50	100	11.00	11.00	12.50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	13.50	10	0.75	0.75	Nil		10	Y.P.
63,59,400	48,84,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	12.94	10	1.50	1.50	1.50		10	Y.
8,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	17.25	10	Nil	1.75	1.50		6	Y.P.
11,99,000	16,83,214	47,23,583	25,18,422	—2,20,858	M.	Samastipur Central Sugar	12.00	10	Nil	1.75	Nil		6	Y.
39,88,800	22,68,560	1,47,99 287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.06	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	29,48,608	14,35,401	—3,16,557	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2.37	10	Nil	Nil	Nil		6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		3	Y.
8,00,000	34,74,348	1,27,30,247	80,57,754	9,663	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	2.50	3.00	5.00		6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.§	United Provinces Sugar §	14.50	10	1.50	0.60	0.75		9	Y.
						Other Centres								
30,00,000	19,50,000	76,27,625	18,97,601	15,070	Rangarao & Co.	Andhra Sugars Ltd.	18 50	10	0.60	1.00	1.25		9	Y.
70,49 650	1,33,26,508	1,58,99,065	1,08,78,700	3,88,214	W. H. Brady & Co. Ltd.	Belapur Company	265.50	50	18.00	18 00	18.00	20.00*	9	Y.
17,50,000	13,19,902	42,58,150	25,46,204	1,21,343	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	25.55	10	1 00	1.50	2.00	2.00	9	Y.P.
37,50,000	16 15,171	76,19,408	50,40,255	31,529		Shree Changdeo Sugar	30.25	12.50	2.00	5.00	2 25		9	Y.
39,84,000	50,19,492	1,19,44,328	66,95,463	1,49,743	Parry & Co. Ltd.	Deccan Sugar & Abkhari	9.62xd	5	0.50	0.75	0.72½'C'	0.90	5	Y.P.
£549,950	£1,197,467	£1,887,940	£701,435	£52,719	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	80.50	£1	Sh. 4	Sh. 3	Sh. 3	Sh. 11	9	Y.P.
15,93,900	15,86,419	43,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80 00	100	Nil	6.00	10.00		6	Y.P.
63,98,200	11.02,669	78,71,515	18,88,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.25	10	1.40	1.12	1.00		9	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15 00	10	1.00	0 60	0.60		6	Y.P.
10,52,200O. 2,87,190D.	88,00,000	2,48,45,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	120.00 134 00	O.100 D. 10	7.50 10.00	7.50 10.00	7.50 10 00		6	Y.P.
67,50,000	38,21,978	1,22,47,683	57,87,087	36,423	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	175.00	50		100 00*	100 00*		9	Y.P.
21,79,280	36,24,048	1,54,89,192	39,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	43 25	10	2.00	2.00	2 00		6	Y.
50,00,000	53,21,430	1,16,88,154	67,30,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	140.00xd	50	8.00	9.00	12 00*		9	Y.
16,59,820	40,00,000	59.42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	18.00	10	2.00	2 00	1 50		3	Y.P.T.
20,00,000O. 4,00,000D.	42,07,214	1,04,79,940	59,30,737	70,575	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	135.00 30.00N	O. 50 D. 10	9.00 0.07	12 00 0.70	12 00 3.75		9	Y.P.T.
30,00,000	23.85,000	65,43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	10.15	10	0.75	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,16,37,173	2,71,48,027	1,06,46,123	21,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries	260.25	100	18.00	21.00	21.00		9	Y.P.T.
						TRANSPORT								
20,00,000	99,30,970	1,22,58,916	19,44,277	§86,387	Andrew Yule & Co., Ltd.§	Bengal-Assam Steamship Co.	107.00	100	7.50	7.50	5.00		10	Y.P.
1,00,00,000	27,28,000	4,10,96,641	1,62,42,552	4,06,086	Dinshaw (Private) Ltd.	Bharat Line J.	13.08	10	5.00	6.00	12.00*		12	Y.
60,00,000 30,00,000	1,98,50,067	5,87,36,543	1,28,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	24.12 20.52	10 5	Nil	1.00	1.50	1.80 0.90	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	70 50	£10	Sh. 10	Nil	Nil		12	Y.P.
2,47,50,000	2,83,86 232	15,10,10,777	3,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	13 94	10	Nil	1.00	1.00	1.00	3	Y.P.
11,28,19,293	10,91,45,114	30,05,36,672	6,94,73,743	6,65,069	M.	Scindia Steam Navigation Co.	21.40	20	0.50	1.00	1.25	1.25	6	Y.T.
6,40,800O. 2,10,200P.O.	21,67,472	12,59,963	28,41,760	1,85,400	R. B. Aiyer, Esq. (Manager)	Walford Transport Ltd.	2.03 1.50	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.14 0.12		12	Y.
						UNCLASSIFIED (Bombay)								
57,00,000	2,01,70,510	4,79,59,818	1,35,62,169	69,94,000	S. H. Turner (Chairman)	Hindustan Lever	27.50	10		1.25	1.40		12	Y.
31,07,000	16,29,510	1,09,45,989	67,14,407	14,986	Birla Brothers Private Ltd.	Hind Cycles	107.00	100	10.00		12.50F		3	Y.P.T.
14,98,840	4,61,996	33,87,568	21,55,554	10,066	Chooniial Manilal Private Ltd.	Estrela Batteries	36.50	50	2.00	3.00	3 50*	3.00	3	Y.P.
99 99 250	20,13,147	1,25,61,398§§	....	1,74,653	Premchand Roychand & Sons	Industrial Investment Trust	85.30	100	4.50	5.00	5 50		12	Y.
1,00,00,000	28 08 446	38.85,170	11.25,784	2,758	K. G. Milne, Esq. (Mg. Director)	Killick Industries	153 00	100	11.00	11.00	11 00	4.00†	6	Y.
20,25,325A.O.	68 14,265	3,42 78 324	1,69,93,078	6,81,752	Aero-Auto Private Ltd.	Premier Automobiles	85.70	100	Nil§	6 00	6 00		6	Y.T.
21,60,000	29,18,738	64,65 614	14,68,874	44,830	Polson Agencies Private Ltd.	Polson Ltd.	152 50	10	10 00	12.50	10 00		12	Y.P.
2,75,00,000	1,44,13,441	3,87,52,891	1,68,58,348	39,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	187.50	100	11.00*	11.00*	11.00*		12	Y.
45,00,000	60,62,890	8,64,935	5,24,956	75,054	[illegible]	W. H. Brady & Co., Ltd.	297.50	150	20.00	22.50	25.00		12	Y.
						Other Centres								
37,50 000 2,50,000	1,99,56,713	3,81,21,462§§	36,96,361	3,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	11.12 —	O. 10 D. 2½	Nil Nil	0.50 Nil	0.90 Nil		3	Y.P.T.
79 95 653	34,25,000	1 05 40,087	34 37 767	49,715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd.	18.15	10	1.25*	1.25	1.25	1.25	3	Y.
30,00,000	36,20,717	34.97 377	23,60,332	3,61,289	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	19.37	10	2 00*	2.00*	1.80*		3	Y.
30,00,000	17 14 736	38,54,872	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17.81	10	1.25*	1.25*	1 25*		12	Y.
20,00,000	35,94,600	1,05.12,033	39 58,423	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	7 75N	10	0 40	1.20	0 60		3	Y.P.T.
30,01,400	34,59,405	74,46,136	40 46,136	5,00,886	M.	Balmer Lawrie & Co., Ltd.	143.00	100	12 50	15 00	12.50	5.00†	12	Y.
12,00,000	17 56,000	34,55,743	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	80 00	10	2.25	2.50	2.50	1.25†	12	Y.
20,00,000	8,48,877	....	....	14,920	Lovelock & Lewis	Birds Investment Ltd.	15.00	10	1.25	1.00	0.50	0.70	9	Y.P.
45,97,020	38,11 814	1,15,02,202	42,92 212	2 18 164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	20.12	10	1.00	1.00	1 00	1.20	3	Y.P.T.
3,25,00,000	1,27 72,883	3,51 40 132	2,47,20 776	—11 35 910	M.	British India Corporation Ltd.	4.12	5	Nil	0.10	Nil		12	Y.P.
5,00,000	2,47,132	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	82 00N	100	5 00	6.00	10 00*		6	Y.
1,38,80,000	17,34,264	2,05,94,990§§	....	3,10,588	Andrew Yule & Co. Ltd.	Clive Row Investment	11.56	10	0.56	1.38	0.75	0.75	3	Y.
3,00,00,000	4,40 29,606	6,50,49,175	2,68,24,548	22,22,643	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	29.87	10	1.50	1.50	1.62		12	Y.P.T.
16,20 630	26,75,014	29 38,961	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	15 25xr	5	0 56	0.56	..	..	3	Y.
51,26 000	54,81,635	1,64,12,908§§	....	2,42,272	Bird & Co. Private Ltd.	Eastern Investments Ltd.	152 00	100	9.00	9.00	9.00		12	Y.P.
14,94,675	....	22.64,862	91,811	5,110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10.00	10	..	..	..		12	Y.P
14 00,000	10,35,000	36,71 778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	164.00	100	15.00	4.00	12.50	15.00	3	Y.
40,00,000	4.00,000	63.89,740	32,43,367	16,90 313	M.	Godfrey Phillips India Ltd.	19.75N	10	2.00	2.00	1.50		12	Y.P.
65,00,000	36,00,000	29,50,904	12,41,168	1,46,370	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	11.25	10	1.40	1.60	1 00	1.00	3	Y.P.
30 00 000	15,17,354	33,08,821	36,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	250 00	250	6 25	15 00	15 00		3	Y.
4,96,13,250	13 37,499	5 26,95 200	2,25,48,541	9,38,841	Birla Brothers Private Ltd.	Hindustan Motors	7.62	10	Nil	Nil	Nil	Nil	3	Y.P.
3,34,58 900	1,17 58,800	7,37 43,612	2,21,77,728	7,20,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	17.25	10	0.90	1 00	0.60		12	Y.P.
1,52,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	29 69	10	1.25*	1.50*	1.50*	1.50*	3	Y.P.T.
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Moniton & Co. (India) Ltd.	Indian Rubber Manufacturers	17.00N	10	0.50	0.62			3	Y.P.
2,00,00,000	....	....	....	....	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	23 56	10	..	..	1.00		9	Y.
15,16,00,000	9 06,59,979	10.61,31,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	11 25	10	0.30	0.30	0.70	0 70	3	Y.
2,50,00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	80 50	100	7.50	7.50	2.50	2.50	3	Y.P.
40,00,000O. 5,00,000D.	82,86,900	48,53,407	10,43,712	2,57,153	M.	McLeod & Co.	200 00N —	O. 100 D.O.10	22.50 1.75	8 00 0 30			12	Y.P.
1,45,23 500	90,56,531	25,54,484	14,97,332	2,35,312	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28.75	10	1 81*	2 12*	2.12*		9	Y.P
1,15,00,000	1,29,00 151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	31.00	10	1.25	1 62	1.75	1.75	3	Y.P.
6,56,250	6,92,500	11,29,680	5,97,362	3,349	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	16 85	10	0.75	0 90	1 25		3	Y.P.
10,00,000	3 70,000	18,04,172	10,70,792	4,088	M. Malleshayya Esq. (Chairman)	Mysore Tobacco	12 60xd	10	1 00	1.50	1 50	1.25	3	Y.
2,00,00,000	33,55 505	2,14 82,470	61,33 962	23,42,424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	27.50	10	0.32	1.50	1.40		12	Y.
59.96 000	98 71 173	77.84 523	42 87,426	2,67 636	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	30 25	10	1.50*	2 00*	2 00		3	Y.T.
40 00,000	20 06,600	86 22 809	17,66,013	24.266	Do.	National Rolling & Steel Ropes	13 00	10	0.60	0.60	0.60		6	Y.P.
8,00,000	6.00.000	50 21,760	28,60 528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	13 06 —	10 5	.. ..	.. ..	1 00 0 50		12	Y.
79.97,000	62.89 261	1,25,70,061	65.79 351	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	12.31	10	0.80	0.70	0.90		12	Y.P.T.
2,20 00,000	42.21 731	80 43,238	33 40 874	63 842	P. C. Vink, Esq (Mg Director)	Phillips India Ltd.	16 56	10	..	..	0 34		12	Y.
2,25,00,000	4.83.498	1,22.26,543	60 08,534	—44,12,938	M. P. A. Paspatti, Esq.	Rallis India Ltd.	51 00	100	Nil	Nil	Nil		3	Y.P.
2,50,80 000	1,57,90,209	13,84 94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	19 00	10	1.50	1.50		2.00††	3	Y.P.T.
4,73,200 5.13,400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100 00N 50 00N	100 50	.. ..	5 00 2 50	6.00 3 00	6 00 3.00	3	Y.P.
50,00,000	17 66,318	1,67.21 608	34.47 040	66,321	M	Sen-Raleigh Industries	15 50	10	0.60	0 60	0 60		9	Y.P.
40,00,000	89,05,314	1,28,83,302	73,61,372	9,13 245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	19 30cd	10	1.50	1 50	1 50	1.50	6	Y.P.
75,00,000	21 22 768	71.93,265	11 63 597	3,65,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	15 12	10	1 00	1 00	1 00		12	Y.P.
15,00,000	95,15,371	1,13,44,098	16 55 796	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	10 00N	10	1.00	1.25	1.25		12	Y.
9,98,380	19 925	14 83 995	5 18,593	—7,432	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	4 10	10	Nil	Nil	Nil		12	Y.
6,00,000	9,80 100	30,85,103	26,85,097	9,488	Vital Mallya, Esq. (Chairman)	United Breweries	260 00	75	15 00	15 00	15 00	45.00R	8	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. J—Bharat Line has sub-divided shares of Rs 100 each into shares of Rs. 10 in 1958.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. R—United Breweries—The final dividend of Rs. 37.50 for the year 1958 consists of Rs. 12.50 to be paid in cash, Rs. 25 per share by the allotment of one newly created share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. nP	Rs.	Rs. nP	Rs. nP	Rs. nP	Rs. nP		
							ASSAM								
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	27.00N	10	4.75	5.00	1.00		12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea	18.50	10	1.00	2.00			12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	18 50	10	1.00	1.25	0.50		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	19.44	10	1.00	2 50	1.50		12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co., Ltd.	377	Basmatia	26.00	10	1.50	2.00	1.75		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	17 50	5	2.50	3.00	1.50		12	Y.
6,40,000	8,40,000	11,69,583	4,11,989	1,12,913	Gillanders Arbuthnot & Co. Ltd.	581	Betjan	22 00	10	2 00	2.50	1.50		12	Y.
33,00,000	15,39,600	73,93,588	30,33,388	3,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	19.00xd	10	2.00	2.00	1.00		12	Y.
6,00,000	2,50,000	13,10 965	2,81,380	46 960	Octavius Steel & Co., Ltd.	485	Bokakhat	14 87	10	Nil	0.50	Nil		12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.00	10	2.00	1 50	Nil		12	Y.P.
35,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M.	2,884	Brooke Bond	16 50	10	4.75	1.25	1.75		6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	67.00	10	3.00	3.00	2.00		12	Y.
8,40,000	7,77,250	31,03 643	18,55,911	—1,18,361	Jardine Henderson Ltd.	1,156	Dessai & Parbuttia	149.00	100	10.00	10.00	Nil		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	22.12	10	2.50	0.50†			12	Y.P.
4,68,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	15.50	10	1.00	1.25	2 00		12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	36,146	McLeod & Co., Ltd.	458	Dibrugarh	26.12	10	2.00	3.00	2.50		12	Y.P.
4,73,400	6,15,000	15,05,630	6,48 530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	26.27	10	2.00	3.00	3.00		12	Y.P.
7,00,620	10,33,300	23 48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Duflaghur	34 50	10	4.00	4.00	3.00		12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co., Ltd.	1,166	East India Tea	18.50xd	10	1.00	1.00	0.50		12	Y.
5,03,760	6,36,175	13,30,193	5,28,090	16,110	M.	407	Gillapukri	28 00	10	3.50	3.00	2.50		12	Y.
6,76,000	4,38,700	19,45 409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	19.75	10	3.00	2.50	2 00		12	Y.
A. 7,41,540 B. 3,61,185	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	27.50 13 00	A 10 B 5	2.50 1.25	3.25 1.62	2.50 1.25		12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,598	Andrew Yule & Co. Ltd.	476	Hoograjuli	28.00	10	0.50	1.50	1.00		12	Y.
8,70,000	13,02,909	25,53,023	13,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hoolungooree	158.00	100	7.50	15 00	12.50		12	Y.
58,56,900	50,04,519	1,55,03,124	45,03,124	92 757	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	12 37	10	1.00	1 00	1.00		12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutlibari	19.00	10	Nil	1.00	1.75		12	Y.
2,40,000	11,30,500	12,75,848	6,72,848	65,988	M.	1,699	Kingsley-Golaghat (Assam)	185 00	100	25.00	25.00			12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	11 50	5	Nil	Nil	Nil		12	Y.P.
6,50,000	10,94,454	12,07,806	3 53,788	392	Duncan Bros. & Co., Ltd.	636	Ledo	17.75	10	1.00	0.75	Nil		12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	20.25	10	1.75	2.00	1.50		12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	18.00N	10	Nil	Nil			12	Y.P.
O. 1,50,000	8,20,000	9,69,706	5,17,244	67,133	Kettlewell Bullen & Co., Ltd.	410	Mothola	415.00	100	50.00	60.00	40.00		12	Y.
P. 1,75,000 O. 2,00,000	6,98,309	10,96,678	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	28.00 28.50	O. 10 P.O. 10	1.25 1.75	2.00 2.50	1.75 2.25		12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	12 25	10	1.00	1.50			12	Y.
5,00,000	....	7,72 341	2 90 502	—38,569	Duncan Bros. & Co. Ltd.	801	New Cinnatollah	98.00	100	Nil	Nil	Nil		12	Y.
2,00,000	3,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co. Ltd.	370	Rajgarh	42 50	10	0.25	4.00	2.50		12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	22 00	10	2.50	2.50	1 50		12	Y.
2,49,000	3,86,000	11,48,864	6,60,764	87 974	Williamson Magor & Co. Ltd.	482	Seajuli	25 25	10	1 50	1.50	2.25		12	Y.
5,98,000	12,48,874	15,39,500	4,94,783	78,434	McLeod & Co., Ltd.	495	Teloijan	29 00	10	2.50	3.50	3 00		12	Y.P.
8,00,000	5,35,127	12,11,400	3 86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45 00N	10	0.75	1.00	1.50		12	Y.
19,82,880	12,75,000	46,07,888	19,46,383	36,041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	14.87	10	1.50	1.25	Nil		12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,644	McLeod & Co., Ltd.	1,950	Tyreon	40.50	10	3.00	4.50	3.00		12	Y.P.T.
							CACHAR								
3,00,000	....	5,16,444	1,84,445	—1,34,430	M.	862	Arcuttipore	7.60	10	Nil	Nil			12	Y.
7,00,000	....	7,66,139	1,03,460	—3,49,181	Octavius Steel & Co. Ltd.	649	Eastern Cachar	3 81	10	Nil	Nil	Nil		12	Y.
12,60,000	10,43,149	30,19,522	12,69,051	—1,06,851	Octavius Steel & Co., Ltd.	2,154	Hattikhira	11 87	10	0.75	0.50	Nil		12	Y.
13,00,000	1,70,000	6,34 207	2,50 949	1,061	Duncan Bros. & Co., Ltd.	625	Kunchunpore	7 37	10	Nil	Nil	Nil		12	Y.
7,00,000	6,50,000	11 33,080	3 08 080	88,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	100 00	100	15.00	15 00	15 00		12	Y.
2,60,000	3,09 004	9,34 349	2,76,278	—37 588	McLeod & Co., Ltd.	633	Roopacherra	9.50	10	1.50	0.50	Nil		12	Y.
5,00,000	10 53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	700	Rungamattee	55.25	50	10.00	10.00	3.75		12	Y.
4,00,000	3,36,980	10,66,264	3,68,708	—31,199	M.	662	Sonai River	9.50	10	Nil	Nil			12	Y.P.T.
							DARJEELING								
2,79,900	1,05,000	13,98,716	774,916	22,108	Williamson Magor & Co., Ltd.	408	Chamong	9.75	10	Nil	0.75	Nil		12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	438	Dilaram	95 00	100	Nil	5.00	Nil		12	Y.
2,00,000	2 42,096	7,99 665	2,97,665	—57,639	Davenport & Co., Ltd.	507	Gielle	9 00	10	Nil	Nil	Nil		12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,386	—27,148	Andrew Yule & Co. Ltd.	463	Mim	225 00	100	15.00	10.00	Nil		12	Y.
2,99,900	3 89,000	6,22,886	1,89,586	1,91,563	Williamson Magor & Co. Ltd.	690	Nagari Farm	24 00	10	1.50	3.50	2 50		12	Y.
1,00,000	1,07,647	4,60,379	2,40,749	1,973	Duncan Bros. & Co., Ltd.	505	Okayti	450 00N	100	Nil	Nil	Nil		12	Y.P.
3,00,000	95,000	6,40,072	2,48,803	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	6 75	10	Nil	Nil	Nil		12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10 00	10	Nil	Nil			12	Y.P.
1,40,000	5,01,653	4,38,361	1,95,341	10,362	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	385.00	100	20.00	35.00	25 00		12	Y.
3,00,000	3,06,462	5,55,461	1,82,549	4,401	M.	389	Seeyok	11 00	10	Nil	Nil	1.00		12	Y.
9,00,000	65,000	11,65,737	2,38 715	7,369	Goenka & Co.	533	Singtom	5 00	10	0.12	0.50			12	Y.P.
3,00,000	3,87,500	7,34,116	3,71,916	1,69,219	Williamson Magor & Co., Ltd.	554	Soom	33 50	10	3.00	4.00	3.50		12	Y.
3,25,000	7 73,767	16,47,143	4,38,723	26,923	McLeod & Co., Ltd.	745	Sungma	15.81	10	Nil	1.50	0.75		12	Y.
3,20,000	3,69,909	7,53,534	2,55,534	54,633	Davenport & Co., Ltd.	718	Testa Valley	19 00	10	1.50	2.50	1.00		12	Y.
3,01,350	2,61,083	16.07,038	3,76,038	—2,94,248	Williamson Magor & Co., Ltd.	1,666	Tukva	8.44	10	Nil	Nil			12	Y.
							DOOARS								
27,00,000	28,56,560	51,80,345	23,19,586	1,37,198	Andrew Yule & Co., Ltd.	2,540	Banarhat	273.00	100	25.00	40.00	20.00		12	Y.P.
12,00,000	16,25 000	42,61,095	23.93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	18 25	10	3 00	2 00	1 50		12	Y.
9,00,000	17,75,000	21 72,529	11.20,841	13 385	McLeod & Co., Ltd.	1,112	Bhatkawa	19 87	10	2.50	3 00	1 50		12	Y.
9,00,000	14,81,356	25,85 244	8 19,732	47,850	Duncan Bros. & Co. Ltd.	1,381	Birpara	161 00	100	5.00	25 00	7 50		12	Y.P.
6,00,000	8,31,552	13,82,183	4,29,045	18,641	Duncan Bros. & Co., Ltd.	602	Carron	125.00	100	7.50	10 00	5 00		12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co., Ltd.	903	Choonabhutti	260 00	100	20.00	35 00	20 00		12	Y.P.
3,00,000	3,76,102	9,53,074	4,15 527	13,348	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	155 00	100	Nil	5.00	Nil		12	Y.
1,20,000	2 00,531	4,58,517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	430.00N	100	Nil	Nil	Nil		12	Y.
4,90,000	60,538	9,51,864	2,69,493	3,627	M.	447	Ethelbarrie	10.75	10	1.25	1 00	0.75		12	Y.
7,50,000	5,76,833	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	125.00	100	Nil	10.00	Nil		12	Y.
16,00,000	34,58,954	64,82,327	20,30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	112.00	100	6.00	7.50	Nil		12	Y.P.
32,00,000	55,67 967	1,05,55,331	50,96,452	3,65,371	Davenport & Co. Ltd.	4,235	Hasimara	20.25	10	1.00	2 25	0.75		12	Y.P.
8,25,000	18,53,650	22,13,183	9,84,183	1,10,677	Davenport & Co., Ltd.	1,452	Huldibari	21.25	10	1.25	2 50	1.25		12	Y.
7,00,000	4,49,831	10,38,684	4,89,134	—62,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	15 75	10	Nil	0 60	Nil		12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	17 75	10	1.00	2.00	1.50		12	Y.
2,00,000	5,76,240	8,23,163	3,08,827	15,812	M.	578	Manabarrie	70 00N	10	1.00	2 00	1 50		12	Y.
9,60,000	18,69,809	25,11,703	8,55,607	37,054	Duncan Bros. & Co., Ltd.	1 130	Nagaisuree	126.00	100	7 50	15 00	7 50		12	Y.
14,00,000	20,39,898	24,35,562	10,48,172	73,709	Andrew Yule & Co., Ltd.	1,163	New Dooars	261.00	100	25.00	35 00	20 00		12	Y.P.
2,50,000	3,74 080	5,53 613	1 88,281	1 220	Duncan Bros. & Co., Ltd.	848	Phaskowa	115 00	100	Nil	7 50	Nil		12	Y.
6 00,000	8,00,496	13,67,535	5,98,723	—3,00,938	McLeod & Co., Ltd.	764	Rajabhat	15 75	10	1.25	1.25	Nil		12	Y.
7,65,000	13,43,550	25 92,133	13,67 489	28,093	McLeod & Co., Ltd.	1,035	Ranicherra	14.12	10	1.50	2.00	0.50		12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,628	Rydak	27.12	10	5.00	3.00	2.00		12	Y.
							SYLHET								
3,00,000	7,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	24.00	10	3.00	Nil			12	Y.
6,00,000	9.44 551	9,54,786	3,32,849	33,625	Duncan Bros. & Co., Ltd.	584	Dauracherra	7.25	10	2.00	1.50	0.75		12	Y.
4,00,000	7,56 165	10,78,529	3,50,481	1,94,619	M.	1,190	Lackatoorah	18 00	10	3 00				12	Y.
4,00,000	9,00,000	11,60,065	4 82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	20 00	10	6 25	2 00			12	Y.P.
36,00,000	56,34 901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	125 00	100	35 00	10 00§	10.00		12	Y.P.
3,20,000	1,40,000	7,82,985	4,24,185	1,18,279	Shaw Wallace & Co., Ltd.	648	Rajnagar	10.00	10	Nil	1 00	1 10		12	Y.
9,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,72	Teliapara	115.00	100	25.00	15.00	6.00		12	Y.
							TERAI								
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	5.25N	10	0.25	0.50			12	Y.P.T.
2,50 000	4,15 000	4 13 655	3,24 210	35 498	National Tea Corporation	522	Belgachi	46 00	10	10.00	4 00	2.00		12	Y.
13 44,000	4,50,650	26,81 849	9,42 013	31,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	138.00	100	7 50	10 00	7 50		12	Y.
5,00,000	10,53,794	15 91,369	6,14,096	15 882	Duncan Bros. & Co., Ltd.	530	Hansqua	16 50	10	1 00	1 00	1 00		12	Y.
3,00,000	7 64,500	7 61,676	3,29,500	77 698	Davenport & Co., Ltd.	514	New Chumta	38 50	10	1.50	2.50	1 25		12	Y.
2,20,000	3,75,250	13,61,474	5.52,735	33,691	McLeod & Co., Ltd.	549	Tirrihannah	34.00	10	3.00	2.50	3.00		12	Y.P.
							SOUTH INDIAN ESTATES								
10,98,990	5,36,010	15,84,554	2,70,843	7,689	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	17.62	10	2.50*	2.50*	1.75*		3	Y.P.
52 50 000	21,47,000	73 46,387	10,86,204	2,77,391	Kothari & Sons (Ags.) Pvt. Ltd.	1,318	Blue Mountain	3.23	2	0 40	0 30	0 25		6	Y.
9,33,400	13 09,262	23 56 197	7,13,191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3 39	2	0 40	0 20	0 40		3	Y.
3,77 820	12,25,145	20 87 246	1,18,916	27 021	Matheson Bosanquet & Co., Ltd.	881	Coonoor Tea	25 75	10	2 50	1 75	2 00		9	Y.P.
4,00,000	5 50 000	8 21,540	1,78,200	1 205	Parkins Private Ltd.	432	Coorg Tea	4.50	2	1 25	1 50	1 50		3	Y.P.
4,49,630	3 55,370	9,62 073	1,64,495	45 087	Young India Agencies Private Ltd.	450	Devon Tea	16 62	10	2 50*	2 50*	1 75		3	Y.P.
3,50,000	1,22,986	3,52 158	56,452	....	Parkins Private Ltd.	198	Emerald Valley Estates	6 65	5	1 25	0 50	0 30		12	Y.
18,75,000	21,25 000	43 05,347	6,81,655	28,840	Parkins Private Ltd.	1 466	Halleyburia	16 80	10	2 50	2 50	1 50'C'		12	Y.P.T.
6,00 000	7 27 746	13.70 711	2,26,620	76,650	Peirce Leslie & Co., Ltd.	466	Kalasa Tea	3 35	2	1 35	0 92	1 35		3	Y.T.
3 58,538	13 75 462	28 33,493	3,68,699	81,190	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	6 52	2	0 40	0 40	0 30		10	Y.P.
3 00 000	1 43 500	6 76 822	2 05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mismallay	36.25	25	18 75	6 25	4 50		3	Y.P.
36,00,000	19,31,384	80,13,744	12,04,051	73,274	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	5 00cd	5	0.87	0 87	0 87	0.37	6	Y.P.
12 00,000	4,90,000	27,04,888	5,01,002	33,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	3 00cd	2	0 50	0 20	0 44		6	Y.P.
14 06,250	6,95 346	38 09,977	5,17,286	20,656	A. V. George & Co., Ltd	1,423	Nilgiri Tea	7.25	10	1 50	9 62	0 60		3	Y.P.T.
17,00,000	3,81 944	36 18,723	11,78 754	1,02,542	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	18.20	10	3 50	3 75	2 60		12	Y.P.
57,94,880	45 46,152	91 59,457	25,94,414	1,22,173	Peirce, Leslie & Co. Ltd.	3,459	Periakaramalai	3 86	2	0 90	0 90	0 70		3	Y.P.
12 50,000	13 10 000	20,23 670	2 65,955	744	Parkins Private Ltd	1,070	Talayar Tea	7 90	10	1 62	1 25	1 00		3	Y.P.
11,25,000	16,53,668	25,52,610	2 35,551	81 923	Parkins Private Ltd.	1,341	Twyford	15 35	10	2 00	2 00	1 50'C'		12	Y.
21 93 280	10 82 217	41 37 876	13 69 874	1,20 125	T. Stanes & Co., Ltd.	1 773	United Nilgiri‡	16 90	10	35 00	2 00	1 77		3	Y.
31,50,000	28,54,311	57,57,727	6,68 638	1,34,481	Kothari Mehta & Co Pvt. Ltd.	999	Waterfall	1 85	2	0 40	0 30	0 25		6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividends for 1954 and 1955 are on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
§ Patrakola Tea declared 25 per cent. dividend but paid only 10 per cent. so far. 'C'—On increased Capital. A—Amluckie Tea Co.—Dividend on Rs. 100 paid-up.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

PLANTING ; PRODUCE AND RUBBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd. ..	Balmadies Plantations	3.15	2	0.30	0 21	0.45		5	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	5 53	3	0 45	0 75	0 52	0.30'C'	2	Y.P.
22,50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	21 25	10	1 80	2 50	4 00	2 00	6	Y.P.
71,55,000	57,69,923	1,42 78,181	30,95,427	75,345	R. C. Paterson, Esq.	Consolidated Coffee	19 50	10	2 25	2 00	4 00	2.00	6	Y.P.
4,00,000	5,87,423	10,43,962	53,995	8,519	Associated Planters Private Ltd..	Cottanad Plantations	15 25	10	1 75*	1 50	1 75		3	Y.P.T.
18,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd. ..	Highland Produce	11 55	10	2 00	2 00	0 75		12	Y.P.
8,00,000	6,92,899	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	11 55	10	2 75	2 00	2 00	1.00'C'	4	Y.P.
13,50,000	4,55,880	20,40,926	3,38,888	..	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	18 25	10	2 25	3 25	2 25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co. Ltd. ..	Midland Rubber	10 90	10	2 50	2 00	2.00	1.00'C'	3	Y.
8,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Nenmeny Rubber	15 65	10	1 50	1 50	0 75		12	Y.P.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd..	Nilambur Rubber Co. ..	15 00	10	1.50	1 50	1 50		12	Y.P.T.
19,45,980	23,79,615	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	4 90	2	0 40	0 20	0 60		10	Y.P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	16 90	10	2 00	2 50	2 00	2.00	6	Y.P.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd., ..	Savamalai Estates Ltd. ..	3 37	2	1 00	1.50	0 30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2 50	2	..	..	..	0 18	3	Y.P.T.
10,00,000	2,74,418	22,50,914	1,70,646	16,692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	6.67	10	0 90	0 90	0 60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd ..	Thamarapally Rubber ..	27 00	10	3 00	3 00	3 00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd ..	Thirumbadi Rubber Co., Ltd. ..	1 70	1	0 12½	0 12½	0 05		9	Y.T.
6,00,000	33,742	7,80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	17 25	10	3 00	2 00	1 50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7 35	10	1 25	0 75	0.40		12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	21 75	25	4 00	3 00	1 00		12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd. ..	Udayagiri Rubber Co., Ltd ..	11 15	10	0 60	0 75	0 60		12	Y.P.
8,80,100	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber ..	23 00	10	2 50	3 50	3 50J	1.25l	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq (Mg. Director)	Woodland Estates	8 00	10	2 00	1 25	1 00	0 50	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	18,786	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	11 00	10	0 62	0 25	0.25		3	Y.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	185 00	100	10 00	10 00	10 00		12	Y.P.T.
30 00 000	5,25,000	1,25,28,740	95,78,601	—5,74,381	McLeod & Co., Ltd.	1,264	Alliance	125 00	100	6 00	*Nil*	*Nil*		5	Y.P.
49,20 700	72,21,000	3,09,93,668	2,15,04 087	2,36,742	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India ..	216 00	100	3 50	3.50	7 00	10.00	3	Y.P.
40,00,000	32,60,924	1,49,82,554	63 17,403	3,215	Bird & Co Private Ltd ..	810	Auckland	183 00	100	10 00	1 00	*Nil*	5 00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd. ..	959	Bally	205 00	100	3 50	*Nil*	2 00	6 00	3	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H Burder (Chairman) ..	1,889	Barnagore	137 09	£5	sh. 15	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	26,27,123	97,66,495	53,10,415	6,111	Andrew Yule & Co., Ltd. ..	820	Belvedere	166 00	100	7 50	*Nil*	2 50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	11 62	10	1 12	1 00	*Nil*		6	Y.P.T.
91,26,000	2,26,05,284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd. ..	1,373	Birla	19 44	10	1 00	1 00	1 00	1.00	3	Y.P.
36,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd. ..	991	Budge-Budge ..	150 00	100	7 50	*Nil*	*Nil*		10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg. ..	7 00	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	25,21,234	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd. ..	616	Caledonian	105 00	100	6 50	*Nil*	*Nil*		11	Y.P.
59,16,400	75,85,462	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd. ..	600	Champdany, ..	127 00	100	10 00	2 00	*Nil*	*Nil*	3	Y.
15,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd. ..	530	Cheviot	212 00	100	10 00	2 00	*Nil*		11	Y.P.
30,15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd	500	Chitavalsah	15 31	10	1 37	0 62½	1 10		7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	12 50	10	1 25z	0 50	*Nil*	*Nil*	3	Y.P.
31,49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd	766	Dalhousie	136 00	100	4 00	*Nil*	*Nil*	*Nil*	3	Y.P.T.
28,00,000	37 22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd. ..	779	Delta	170 00	100	10 00	5 00	*Nil*		11	Y.P.
15 00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd.	500	Empire	19 25	10	1.25	0 50‡	0.75		7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53 663	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd.	258 00	100	15 00	10 00	10.00	20.00	3	Y.P.T.
21,00,000	18,00,000	1,25,79 765	63,50,852	1,96,479	Bangur Bros., Ltd.	1,014	Fort William	23 75	10	20 00	0 75K	1.50	1.50	3	Y.P.T.
34,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	77 00	100	2 50	*Nil*			3, 9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39 411	M.	607	General Ind. Society Ltd.	23 50	10	*Nil*	50 00	60 00§		12	Y.T.
24,00,000	32,06,464	2,35,37,322	1,60,44,632	47 269	Macneill & Barry Ltd.	1,394	Gourepore	287 00	100	15 00	2 50	2.50	20 00	3	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	99 00	100	11 50	5 00	5 00	5 00	3	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	13 50	10	1 25	*Nil*			3	Y.P.
65,62,500	28,09,105	2,34,85,488	1,24,24,441	82,775	Jardine Henderson Ltd.	1,940	Howrah	20 50	10	0 37	0 25	*Nil*	*Nil*	3	Y.P.T.
52,50,000	30,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand	21 00	7 50	2 00	2 00	1.50	1.50	3	Y.P.
87,30 000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	15 50	12 50	4 69	4 69	9.37	15.62§	3	Y.
24,00,000 } 'B'19,20,000 }	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	{ 181 00 { 177 00	100 'B' 100	2 50 2 50	*Nil* *Nil*	*Nil* *Nil*		} 12	Y.P.T.
30,00,000 } 'B'24,00,000 }	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	{ 99 00 { 81 00	100 'B' 100	1 00 1.00	*Nil* *Nil*	*Nil* *Nil*		} 12	Y.P.T.
21,00,000	53,00,000	1,35,45,052	88,77,736	86.701	McLeod & Co., Ltd.	703	Kelvin	251 00	100	17 50	5 00‡	9 00		5	Y.P.
54,00,000	23,39,741	2,00.52,835	1,26,97,897	45,833	Anderson Wright Ltd.	1,530	Khardah	162 00	100	11 00	5 00	8 00	8.00	3	Y.P.
48,00,000	77,32 121	2,38,47,961	1,08 51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	195 00	100	18 00	6 00	*Nil*	5.00	3	Y.P.T.
24,48,000	27,76,883	1,28,67,077	58,39,647	—9,32 635	Bird & Co. Private Ltd	931	Lansdowne	138 00	100	7 00	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	40,49,600	1,48,98,886	66,75 920	—3,16,201	Bird & Co. Private Ltd.	840	Lawrence	117 00	100	6 00	*Nil*	*Nil*	*Nil*	3	Y.P.T.
81,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Meghna	14 75	10	3.75	3 75	5 00	17.50§	3	Y.
29,98,900	34,62,195	1,65,70,565	36,70,690	—13,08,719	M.	315	Naihati	80 00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	15,55,000	36,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd.	425	Naskarpara	12 00	10	1 25	*Nil*			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd. ..	852	National	26 50	10	1.75	0.75	0.75		10	Y.P.
26,25,000	27,55,572	31,27,861	21,92 842	43,512	McLeod & Co., Ltd.	316	Nellimarla Jute ..	12 31	10	1 00	..	0.90		7	Y.P.T.
35,50,000	2,86,31,171	4,68,32,343	1,06,43,534	8,35,601	Sahu Jain Ltd.	1,765	New Central†	13 31	10	1 50	1 50			12	Y.P.
16,79,880	43,38,845	1,35,66 574	61,41,213	—2,43,817	Bird & Co. Private Ltd. ..	567	Northbrook	19 75	10	1 50	1 50	*Nil*	*Nil*	3	Y.P.T.
66,79,500	17,81,396	2,26,00,780	1,19,72 061	79,151	Macneill & Barry Ltd	1,092	Nuddea	59 25	50	1 00	*Nil*	*Nil*	2.50	3	Y.P.
24,91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd. ..	601	Orient	179 00	100	9 00	2 00	*Nil*		11	Y.
25,00,000	7,83,173	86,18,353	67,97,872	7,049	McLeod & Co., Ltd.	400	Presidency	6 25	5	0 31	0 20	0 30		7	Y.T.
20,00,000	10,324	29,80,939	9 24,705	—7,07,557	Birla Brothers Private Ltd. ..	305	Rameshwara	5 87	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49 50,000	2,00,000	1,24,61,131	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	7 87	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£420,518	£1,474,082	£790,162	£17,569	Thomas Duff & Co (India) Pvt. Ltd	2,013	Samnuggur	11 00	£1	8%‡1	8%‡1	*Nil*		12	Y.P.
30,00,000	13,14,910	1,21,72,882	85,21,532	48,032	Bagaria More & Co., Ltd ..	911	Shree Ambica	11 50N	10	0 50	0 25	0 50		3	Y.P.
14,00,000	11,14,980	68,87,540	47,50,476	40,154	Hindustan Investment Corpn. Ltd	401	Soorah	19 50	10	1 50	1 50	1.50		12	Y.P.
25,19 600	3,04,087	9,29,724	3,23,203	61 862	Bird & Co. Private Ltd. ..	650	Standard	115 00	100	1 00	*Nil*	*Nil*	5.00	3	Y.P.
£600,000	£334,805	£1,259,274	£693 019	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	10 75	£1	8%‡1	*Nil*	*Nil*		12	Y.P.
35,98,600	48,33,581	1,05,53,316	42,51,394	56,837	Bird & Co. Private Ltd ..	1,326	Union	236 00	100	10 00	1 00	*Nil*	15 00	3	Y.P.T.
£400,000	£247,635	£1,271,988	£541,723	£13,328	Thomas Duff & Co (India) Pvt. Ltd	1,331	Victoria	11 85	£1	8%‡1	8%‡1	8%‡	*Nil*	12	Y.P.
2,50,000	6,35.000	41,78,264	27,76,059	—4,15,285	McLeod & Co., Ltd.	447	Waverley	4 00	1	0 37	*Nil*	*Nil*		5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	22 25	10	1 37	0 50	1 25	1 25	3	Y.
12,00,000	4,49,890	35,13,891	33,46,842	57,344	Jardine Henderson Ltd. ..	Bararee Coke	11 75	10	1 46	1 10	0 37	0.50	3	Y.
4,49,350	88.000	9,25,102	5,69,530	1,317	Kalvanji Mavji & Co. ..	Bengal-Bhatdee ..	4 25N	10	0 62	0 75			12	Y.
1,00,00,000	1,62,13,157	6,38,12,765	4,41,60,343	11,48,060	Andrew Yule & Co., Ltd. ..	Bengal Coal	285 00	100	35 00*P	17 50	17 50		10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur ..	10 00	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,28,269	1,44,83 027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries ..	6 62	10	0 62	0 62	0 60		6	Y.P.T.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbararee	8 00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	24,50,150	46,69,896	27 71,129	26,931	F. W. Heilgers & Co Private Ltd.	Borrea	18 37	10	2 00	1 50	0 75		12	Y.P.
90 92 480	1,70,33,767	4,37,67,223	1,99,68 073	95,339	Bird & Co. Private Ltd. ..	Burrakur	18 00	10	0 62	0 68	0 37		6, 12	H.P.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	7 37	10	0 25	0 50	0 50	0.50	3	Y.
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend ..	9 75N	10	0 50	0 50			12	Y.
6,00,000	1,49,122	7,29,936(k)	...	10,537	F. W Heilgers & Co. Private Ltd.	Churlia	3 12	4	0 06	0 06	0 20		12	Y.
16,00,000	....	54,47,612	31,85,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	9 12	10	*Nil*	*Nil*	*Nil*		12	Y.
£240,000	£273,125	£1,070 637	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	23 62	£1	3 00	2 50	1 50	1.00	4	Y.
29,63,760	93,25,027	4,34,54,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Equitable	29 75	10	1 50	1 50	1 50		12	Y.P.T.
10,00,000	1,40,469	14,24,422	4,83 296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia ..	16 50N	10	0 25	0 25			3	Y.
12,00,000	65,000	43,00,791	26,55,359	—6,34,206	Killick Industries Ltd.	Hingir-Rampur	19 00	50	2 25	2 25	*Nil*	*Nil*	6	Y.P.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Harriladih	15 00	10	2 5●	1 50	*Nil*		12	Y.
3,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd. ..	Kalapahari	21 00	10	*Nil*	*Nil*	*Nil*	*Nil*	2	Y.
20,00,000	2,87,375	35,11,943	7,18,220	11,229	Bird & Co. Private Ltd. ..	Karanpura Collieries ..	115 00	100	2 50	5 00	*Nil*	5.00	2	Y.P.
5,00,000	19,66,031	49 73 401	39,04,335	1,68 572	Andrew Yule & Co., Ltd ..	Katras Jherriah ..	66 25	10	4 50	6 50	6 50	6.50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	13 871	H V. Low & Co. (Private) Ltd.	Kuardi	2 75N	10	0 12	0 10			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H V. Low & Co. (Private) Ltd. ..	Lakurka	15 50N	10	0 12	0 12	0 12		4	Y.
7,48,240	2,25,000	13,43,892	9,89,769	55,358	Tantia Brothers Private Ltd. ..	Nazira	7 31	10	0 50	0 50	0 75		12	Y.
17,76,230	19,58,049	1,30,10,149	94,97,263	83,316	Andrew Yule & Co., Ltd ..	New Beerbhoom ..	20 19	10	1 00	0 75	0 75		10	Y.P.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd. ..	New Manbhoom ..	11 47	10	*Nil*	*Nil*	0 50	0.50	3	Y.
1,15,000 } 1,57,500 }	3,85,824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd. ..	North West	{ 24 00N { 19 25N	10 7 50	1 37 1 03	1 50 1 12	1 50 1 12	1.50 1.12	} 3	Y.
7,50,000	15,69,648	8,97,666	2,77,666	41,941	F W. Heilgers & Co. Private Ltd.	Ondal	12 00	10	1 00	0 75	0 50		12	Y.P.
8,34,000	20,000	23,49,367	9,36,591	3,080	Deepchand Kishenlal	Parasea	15 00	10	1 00	0 50			12	Y.P.T.
15,75 000	17,04,800	59 95,210	42,69,210	36,465	Shaw Wallace & Co., Ltd. ..	Pench Valley	24 12	10	1 50	0 70	2 00	2.00	3	Y.
23,99,500	25 66,861	1,37,28,021	91 88,862	29,060	B N. Elias & Co. Private Ltd. ..	Raneegunge	14 81	10	0 62	0 37	0 75		3	Y.
13,50 000	6,38,385	42,17 417	32 31 916	24,549	Shaw Wallace & Co., Ltd. ..	Rewa	18 75	10	2 07	1 50	1 00		12	Y.
37,50,000	37,12,000	95 06,524	26,37 721	21 162	M.	Samla Collieries ..	10 50	10	1 00	1.25	0 90		12	Y.
2,50,000	1,95,802	13 78,480	12,21 237	21 070	M.	Searsole	5 00N	2 50	0 75				1	Y.
2,80,000	9.25 098	29.24.442	19,99,221	48,188	Andrew Yule & Co., Ltd. ..	Seebpore	26 25	7	2 50	2.25	1 75		12	Y.P.
8 00 000	4 91.081	52.491	28,867	628	F W. Heilgers & Co Private Ltd.	Sendra	11 31	10	0 25	0.25	0 25		12	Y.T.
63.21.450	1,04,26,883	5,58,10,811	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	15 75xd	10	0 75	1 00	1 50		12	Y.T.
17,50,000	10,37,541	39,01,896	17,00,094	8,739	Bird & Co. Private Ltd ..	South Karanpara ..	12 87	10	0 12	0 35	0 75		8	Y.
8,00,000	13,76,745	1,69,570	28 510	9,790	F. W. Heilgers & Co. Private Ltd.	Standard	13 50	10	1 00	1 00	1 00		12	Y.
10,00,000	....	31,92,694	15,43,502	—5,62,907	M.	Talcher	1 44	2 50	*Nil*	*Nil*			9	Y.T.
3,50,000	2,80,000	19,15 700	14 79,400	1,77 952	Williamson Magor & Co., Ltd. ..	Union	14 25	10	*Nil*	*Nil*	0 87		12	Y.
49,98,000	89,284	70,81,423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal ..	5 84	10	0 50	0 50	0 50	0.40	3	Y.
7,00,000	....	58,61 405	27,57,669	—3,49,103	Macneill & Barry Ltd.	West Jamuria	7 00	10	*Nil*	*Nil*	*Nil*		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax (z) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills— Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co., Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

DELHI LETTER

ANNUAL PLANS OF STATES

From Our Special Correspondent

NEW DELHI, *3rd February*

THE Planning Commission has by now approved of the Annual Plans of a number of States—Andhra Pradesh, Assam, Bihar, Bombay, Madras, Punjab, Uttar Pradesh and West Bengal—for the fourth year (1959-60) of the Second Plan. The agreed outlay for Andhra Pradesh will be Rs. 37.6 crores, of which agriculture will account for Rs. 6.1 crores, community development Rs. 3.4 crores, irrigation and power Rs. 15.7 crores, industry and mining Rs. 2.3 crores, transport and communications Rs. 1.8 crore and social services Rs. 7.8 crores.

The outlay under the Assam Plan for 1959-60 will be Rs. 12.3 crores, of which agriculture and community development will account for Rs. 3.2 crores, irrigation and power Rs. 1.3 crore, industry and mining Rs. 1.0 crore, transport Rs. 1.4 crore and social services Rs. 5.1 crores.

The Bihar Plan for the coming year will involve an outlay of Rs. 41.2 crores, of which agriculture and community development will account for Rs. 13.4 crores, irrigation and power Rs. 11.6 crores, industry and mining Rs. 1.8 crore and social services Rs. 11.3 crores.

The 1959-60 outlay under the Bombay Plan will be Rs. 87.7 crores, of which agriculture and community development will account for Rs. 25.0 crores, irrigation and power Rs. 34.1 crores, industry and mining Rs. 2.0 crores, transport Rs. 5.0 crores and social services Rs. 20.2 crores.

The agreed outlay under the Madras Plan will be Rs. 33 6 crores, of which agriculture and community development will account for Rs. 8.8 crores, irrigation and power Rs. 12.5 crores, industry and mining Rs. 2.3 crores, transport Rs. 1.0 crore and social services Rs. 8.8 crores.

The Punjab Plan for the coming year will involve an outlay of Rs. 35.2 crores, of which agriculture and community development will account for Rs. 6.6 crores, irrigation and power Rs. 16.1 crores, industry and mining Rs. 1.3 crore, transport Rs. 1.9 crore and social services Rs. 8.3 crores.

The agreed outlay under the Uttar Pradesh Plan for 1959-60 will be Rs. 50.0 crores, of which agriculture and community development will account for Rs. 16.9 crores, irrigation and power Rs 15.5 crores, industry and mining Rs. 2.8 crores, transport Rs. 3.0 crores and social services Rs. 11.0 crores.

The 1959-60 Plan for West Bengal will involve an outlay of Rs. 37.5 crores, of which agriculture and community development will account for Rs. 7.3 crores, irrigation and power Rs. 7.9 crores, industry and mining Rs. 3.0 crores and social services Rs. 13.1 crores.

The following table brings out the progress of expenditure under the State Plans in the Second Plan period in respect of eight States. The agreed outlays for 1958-59 and 1959-60 would have to be compared, with caution, with the actual outlays in 1956-57. It may be that the actuals for 1957-58, 1958-59 and 1959-60 will ultimately turn out to be considerably less than the figures given in the table:

(In crores of rupees)

State	1956-61 Plan provision	1956-57 Actuals	1957-58 Revised	1958-59 Agreed outlay	1959-60 Agreed outlay
Andhra Pradesh	174.8	25.0	34.6	30.0	37.6
Assam	57.9	9.2	11.6	10.7	12.3
Bihar	190.2	23 7	20.0	30.7	41.2
Bombay	350.2	44 5	61.3	71.5	87.7
Madras	152 3	28 0	32 4	30.5	33.6
Punjab	162.7	24.1	33.9	33.8	35 2
Uttar Pradesh ..	253.1	40.7	47.8	46.7	50.0
West Bengal ..	157.7	22.4	31.6	29.7	37.5

Since writing the above, the Planning Commission has given its approval to Madhya Pradesh's Plan for the coming year. The outlay agreed to is Rs. 34.22 crores, of which irrigation and power alone account for Rs. 12.40 crores. The allocation for agriculture and community development is Rs. 9.61 crores and for social services Rs. 7.09 crores.

Handloom Industry

The Sixth Handloom Week (8th to 15th February 1959) provides an appropriate occasion for taking stock of the progress so far registered in a substantial sector of the country's industrial economy. If progress is to be measured by the liberal financial assistance provided to the handloom sector it should be deemed substantial since 1953. During the period 1953-58, the loans and grants given to the handloom sector have together, amounted to Rs. 21.4 crores. The Statewise figures of such assistance are given in the table below:

(In lakhs of rupees)

State	Loans	Grants	Total
Andhra Pradesh	223	195	418
Assam	14	18	32
Bihar	68	64	132
Bombay	64	135	199
Kerala	36	39	75
Madras	317	320	637
Madhya Pradesh	66	39	105
Mysore	71	48	119
Orissa	34	37	71
Punjab	9	13	22
Rajasthan	18	8	26
West Bengal	60	45	105
Uttar Pradesh	91	100	191
Union Territories	11	5	16
Total ..	1,080	1,066	2,146

A large part of this State aid to the handloom industry appears to have been related to the co-operative organisation of handlooms. Here, too, there has been some striking progress. In Madras, for example, nearly a fifth of all (4.6 lakhs) handlooms have been brought into the co-operative fold; in Punjab, again, a fifth of all (0.6 lakh) handlooms; in Kerala, a little more than 40 per cent. of all (1.0 lakh) handlooms; in Andhra Pradesh, nearly two-thirds of all (4 lakhs) handlooms; and in Bombay, Madhya Pradesh and Mysore, nearly half of all (5.1 lakhs) handlooms. State aid in this regard has taken the form of provision of share capital and working capital.

But it is by no means clear that all this progress in terms of financial assistance and co-operative organisation has been reflected in increased production and in increased export which have been the two proclaimed objectives of the Government's programme for the handloom sector. Figures of exports of handloom cloth from India show that in 1957 and 1958, there has been a steep decline in exports, both in terms of quantity and value. Actually the country exported less handloom cloth in 1957 than in the years prior to the imposition in 1953 of the handloom cess.

THE UNITED STATES AND INDIA

(*Concluded from page* 179)

population, represents a large and expanding field for American exports, potentially the world's largest mass market. But her ability to satisfy her need for the products of American industry will depend on her ability to pay for them with her exports. To assist India to meet her extraordinary requirements for imported food, raw materials and machines for the initial phases of her economic development programme, the United States has given India substantial financial assistance. More will be needed to assure success of India's inspiring effort. But loans are only temporary props ; in the long run, exports must provide the means for paying for needed imports and for repaying the loans.

In a statement issued in Washington last February, at the conclusion of a series of consultations on trade matters, K. B. Lall, Joint Secretary of India's Ministry of Commerce and Industry, and Henry Kearns, Assistant Secretary of Commerce, "expressed their desire to facilitate, develop and expand private trade by every appropriate means" and resolved "to encourage such measures as might be undertaken by the businessmen of their respective countries and by their Governments which would promote trade between India and the United States."

Businessmen interested in establishing trade connections with India may be assured of the assistance and co-operation of the Government of India and of the agencies of the United States Government—the Department of Commerce in Washington, and its field offices in cities across the country, and the commercial sections of our Embassy in New Delhi and our Consulates-General in Bombay, Calcutta and Madras. Our personnel in these offices are devoted to the task of promoting an ever-increasing flow of goods in both directions. They give advice to Indian exporters on trade opportunities and market conditions in the United States and they advise American manufacturers and exporters on trade opportunities in India. They have long followed the principle that trade must flow in both directions, that only by earning dollars through exports to America can India in the long run afford to buy American goods, including the tools and machines so vital to fulfilment of her aspirations for a better future for the Indian people.—The *New York Times* Indian Republic Day Supplement.

ENGINEERING

(*Concluded from page* 188)

envisaged by the second Five-year Plan. Of the two new automobile tyre factories, licence for which has been granted by the Government of India, the Dunlop factory at Ambattur, near Madras, is the first to go into production. It is Dunlop's second factory in India and its opening takes place 60 years after the Company brought the first pneumatic tyres to India. As the foreword to this booklet says, along with the automobile, Dunlop completes sixty years in India—"a fitting occasion to sketch the landmarks on the road which the automobile has traversed since then."

ARTIFICIAL STEEL ISLAND IN GULF OF MEXICO

An island of steel, which will stretch nearly one mile and will be the largest ever made, is being erected over what may be the world's first offshore sulphur mine. The sulphur dome is located on Grand Isle, Louisiana, seven miles from the State of Louisiana coast.

The gigantic steel structure, shaped in the form of the letter "Y," will cost an estimated $30.000.000. Supported by 250-foot tubular steel pilings, the structure rises at least 60 feet above water level with its two well towers soaring 225 feet above the waters of the Gulf of Mexico.

The steel island will house everything needed for a sulphur mine, including a water heating plant, air compressing equipment, three drilling platforms, a heliport for helicopter landings, and living quarters for 250 workers.

At the base of the "Y" will be a processing plant, one of the largest of its kind in existence, which will consume some 13,000,000 cubic feet of natural gas daily in the processing operation.

From each of the two drilling platforms, 36 drilling pipes will run through 50 feet of water, through the gulf floor and into the sulphur dome. Under ground, the pipe will spread out, by directional drilling, to some 108 locations as far as 800 feet horizontally distant from the platform.

Each well will be serviced by three concentric pipes, one inside the other. Hot water forced down the outermost pipe will melt the sulphur, converting it into a brownish-yellow liquid. This liquid will be forced up the middle pipe by compressed air sent down the smallest, or inner, pipe. When in full operation, the plant will force 5,000,000 gallons of hot water daily down into the sulphur dome.

Once on the surface, the liquified mineral will be transferred to huge barges which will carry it to the mainland and thence to industrial plants throughout the United States. This method of conveyance may be changed by the time the island is completed in 1960. Engineers are now working on plans to run an underwater pipeline direct from the "island" to the mainland.

The seagoing miners will have all the comforts of home. They will be housed in two two-storey air-conditioned steel houses containing 60 bedrooms and 30 bathrooms.

Notice

THE JAIPUR UDYOG LIMITED

NOTICE

THE ANNUAL GENERAL MEETING OF THE Company will be held at the Registered Office of the Company at Sawai Madhopur on Saturday, the 28th February 1959, at 12.45 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Statement of *Accounts for the year ended 31st March*, 1958.
2. To declare dividend on Preference Shares and final dividend on Ordinary Shares.
3. To elect a Director in place of Shri A. K. Roy, I.A.S., who retires by rotation but, being eligible, offers himself for re-election.
4. To elect a Director in place of Shri S. P. Jain who retires by rotation but, being eligible, offers himself for re-election and, in this connection, to consider as a special business and if thought fit to pass the following Resolution to be proposed as a 'Special Resolution' with or without modification of which special notice as required by Section 261 of the Companies Act, 1956 has been received by the Company.

   "RESOLVED that Shri S. P. Jain, the retiring Director, who is Director and an associate of Messrs. Sahu Jain Limited, the Managing Agents of the Company, be and is hereby re-elected a Director of the Company pursuant to the provisions of Section 261 of the Companies Act, his period of office being subject to retirement by rotation."
5. To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. R. D. Joshi & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.

The Share Transfer Books of the Company will remain closed from Monday, the 23rd February 1959 to Saturday, the 28th February 1959, both days inclusive.

By Order of the Board,
For THE JAIPUR UDYOG LIMITED,
M. L. RATHI,
Secretary.

SAWAI MADHOPUR,
1st February, 1959.

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

Explanatory Statement under Section 173 *of the Companies Act.*

Item No. 4: Shri S. P. Jain, retiring Director, being also a Director and an associate of Messrs. Sahu Jain Limited, the Managing Agents of the Company, his re-election as Director needs approval of the members of the Company by a Special Resolution under the provisions of Section 261 of the Companies Act.

MARKET GOSSIP

(*Concluded from page 171*)

but mainly on anticipation of much higher prices than those ruling at the time of imposition. Mr. Swaika avers that such ineffective price margins have only given encouragement to the speculators to indulge in rash speculation, thereby rendering futile the very objectives of forward markets.

* * * *

Communist China's decision not to grant licences for export of cotton to the U.K. has come as a great shock, so we are told, to the trade in Manchester, for, it means that several thousand tons of cotton ordered from China by U.K. textile firms will not be delivered. Further, shipments to the Continent will also be affected. This development has aroused considerable interest in cotton and textile trade circles in India. What has been intriguing to the trade is the fact that the Chinese Government, in its unexpected notification to the customers that undelivered balances of cotton have been cancelled, did not assign any reason whatever for doing so. Cancellation of licences, due to special reasons, is not uncommon in commercial transactions between countries. But it is very rarely that such abrogation of contractual obligations is made without even a word of explanation.

It is only natural, therefore, that commercial circles in the U.K. are disturbed at this breach of contract on the part of Chinese Communists. The situation was discussed by the British Cotton Waste Association. According to this body, since imports of cotton and cotton waste from China was resumed after the war, very large contracts have been entered into and all of them have been scrupulously fulfilled. Action like the one now taken by China, it feels, will "undermine all possible confidence in trade relations with a Government to which a firm contract is apparently nothing more than a scrap of paper." There are also allegations in trade circles in London of cancellation of contract and delays in shipment of other goods exported by China, including oilseeds, bristles and wood oil. If Communist China had scrupulously honoured all its trade commitments in the past, why has it chosen to depart from this practice this time?

One is forced to think that there must be something more than meets the eye in this lightning decision. What might have been the reason for it? Probably, scarcity of cotton? But, if the claims regarding cotton production in China were to be believed, a scarcity of cotton is quite unlikely. For instance, China is said to have increased its cotton production eightfold since 1949 and last year Chinese cotton production, at 3.35 million tons (about 15 million bales of 500 lbs.) exceeded the U.S. production by a wide margin. It is claimed that last year from the same area of land Chinese cotton growers doubled their output of cotton, fulfilling the targets laid down in the 12-year National Agricultural Development Programme nine years ahead of schedule. It was only a few weeks ago that the factors behind "this great leap forward" in cotton production was graphically demonstrated at the National Agricultural Exhibition which opened in Peking early in January. A country which claims to be producing 4 million bales of cotton more than the U.S. but having far less number of spindles and looms must certainly have sufficient surplus to honour at least its firm export commitments. If that is the case, why has China scrapped its contracts? There is not the slightest suggestion that the U.K. and the Continental buyers in any way failed to fulfil any of their obligations. One wonders, therefore, whether shortage of cotton is not the real reason behind China's decision! It is just possible that the so-called "great leap forward" is part of a subtle propaganda to mislead the uncommitted free countries like India by claiming for communism more credit than is due in the matter of economic development. If, however, the step was taken with a view to supplying the requirements of other countries of the Communist bloc, it only confirms one's worst fears about Communist Governments that they will not hesitate to repudiate contracts, should it suit their convenience.

* * * *

Will the British steel industry remain in the hands of its present owners or pass under State ownership? This question is once again being hotly discussed in Britain. It has been revived by the pronouncements on renationalisation of steel industry by the spokesmen of the Labour Party. Mr. Morgan Phillips, the Party's Secretary, declared in London the other day that "we are going to return to public ownership essential parts of the steel industry; that policy has not changed one iota." The Party, we are told, has prepared a draft report on renationalisation of steel industry which is expected to be considered by its Executive at a meeting to be held shortly. The contents of the report have not been revealed yet. It is, however, gathered from Mr. Phillips' statement that the report is an "explanatory propagandist pamphlet that will answer some of the attacks of the steel employers."

The latest propaganda of the Labour Party on steel is only to be expected, as the General Elections are expected to be held in May next. Apart from doubts as to whether the Labour Party would be voted to power, many observers in Britain feel that, even in the event of its victory, the Party will find it extremely difficult to fulfil its pledge of renationalising steel industry. For the concensus of opinion among the majority of the electorate, including a substantial minority of Labour Party members, seems to be against nationalisation.

Whether or not this assessment is correct will be borne out by the interim report on a survey of public opinion on nationalisation among voters in 127 marginal constituencies to be published within a month's time. The survey has been commissioned by Messrs. Colin Hurry and Associates, management consultants, and is being conducted by the British Market Research Bureau.

Although the Labour Party has been talking about renationalising the steel industry for a long time, it has still not indicated how exactly it would be effected and how the industry would be controlled after the take-over. Nothing is known about the method and manner in which present shareholders in the steel industry would be compensated. This issue is of considerable importance, especially in view of the conflicting statements made by two prominent members of the Labour Party, Mr. Gaitskell and Mr. Herbert Morrison. The former has said that full compensation would be paid, while the latter has threatened that there would be none. While on these statements, the Party's Secretary merely observed that, if these statements were conflicting, "it is not our fault," adding that compensation would be a matter for the Government to decide.

Whatever may be the final shape of the Labour Party's policy relating to the steel industry, there is a strong feeling in Britain that the case for renationalising the industry is too weak. The industry, it is pointed out, has been endeavouring its best to maintain as high a level of output as possible. Production in 1958 was at an annual rate of 20 million tons, which compares favourably with 17.6 million tons in 1953, when denationalisation of the industry was begun by the Conservative Government. The rise in production has followed an expansion in installed capacity, from 16 million in 1952-53 to 23.5 million tons at present. Even in 1957, when the industry's capital expenditure on expansion exceeded £90 million, there was a margin of capacity approaching 700,000 tons. Nevertheless, the industry has pursued its development programme vigorously. The expenditure actually incurred in 1958 is believed to have been more than £100 million. Further, large-scale expenditure is proposed to be incurred this year; the addition to capacity is put at about 1 million tons.

The Labour Party may point to the alleged defects of the steel industry in its present form of ownership. But this allegation is said to be baseless. A recent analysis of the ownership of twelve of the largest British steel companies shows that the small investor is much more important in these companies than in most of the other British companies for which similar information is available. According to the latest quarterly issue of the *Steel Review* published by the British Iron and Steel Federation, none of the aforesaid twelve companies has fewer than 3,000 shareholders and, in four out of the twelve, the shareholders number more than 25,000. Most of the holdings are quite small; over a third owns fewer than 100 shares and a further half owns from 101 to 500 shares. Moreover, small investors taken together have quite a big share; as much as a third of the capital is owned by shareholders with fewer than 1,000 shares and over half the capital is in the hands of shareholders with fewer than 10,000 shares. In addition, a quarter of the total share capital is held by institutions such as insurance companies, pension funds and investment trusts. As these institutions channel the savings of millions of people of moderate means, the small investors' share in the steel industry is even larger than appears at first sight.

Those who are against nationalisation, therefore, ask: What justification is there for the British Labour Party to harp upon renationalising the steel industry time and again? Can the Party give an assurance that a nationalised Board would achieve results better than the present ownership? It would be worthwhile to refer here to the following observations of *The Financial Times*, London:

"The example of the already nationalised industries is hardly inspiring. Moreover, there is the question of providing the personnel to run a nationalised steel industry. One of the great problems of all the nationalised industries has been to find enough executive personnel of the right calibre. In the case of steel, this will be exceptionally hard, because few, if any, of the leading people in the industry now are likely to be willing to take jobs on a nationalised Board. This was one of the difficulties encountered by the previous Labour Government, and it is likely to be at least as serious next time. In fact, if the Labour Party were sensible, it would interefere as little as possible with the existing structure of the industry."

The persistent cry of the British Labour Party on the renationalisation of the steel industry—and more particularly the threats by Mr. Morrison and other Socialist leaders to renationalise without compensation—have created two serious misgivings. One, the Governments in countries where British assets are there will be inclined to nationalise them without compensation. Two, American and overseas investors wanting to invest in Britain would be frightened away from the country.

MARKET REPORTS

(*Concluded from page 201*)

growers. Calicut is quoting at round about Rs. 740 where arrivals are also not up to the mark.

The future of the commodity at the moment appears uncertain, as foreign inquiries are lacking.

Today's nominal quotation for ready is Rs. 98 per Bengal maund.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *2nd February*

Quiet conditions continue to prevail in the foodgrains markets. The most influencing factor has been very good timely winter rains which have brightened *rabi* crop prospects. The Union Food Minister, Mr. Jain, has said that, with a record production of 30 million tons of rice and bright prospects for bumper *rabi* crop, prices of foodgrains were bound to decline. The Government has no intention to import rice this year except under existing agreements and the Government is going to procure *rabi* grains once the harvest is completed.

Wheat prices at Hapur recorded a further slight fall of about 50 nP per maund during the week to be quoted now at Rs. 26 per maund for average quality and upto Rs. 28 for farm produce. The daily sales through fair-price shops have been increased from 30 to 35 maunds in the town and to 40 maunds in the rural areas and more fair-prices shops are being opened in West U.P.

Rice, however, continued to rule steady, due to restricted supplies. The Government's plan to procure from surplus areas was reported to be progressing satisfactorily. Prevailing prices of rice were: *sela basmati* Rs. 32; *mainpuri* Rs. 22.25; *raimunia* Rs. 27; coarse quality Rs. 18.50 per maund.

Gram touched an all-time high level of prices, due to paucity of local stocks and firm advices from Punjab the only source of supplies to these areas. Barley and *bejhar* ruled quiet in the absence of seasonal consumer demand. The condition of the standing gram, barley and *bejhar* crop is reported to be excellent, following latest rains over a wide area. Maize continued to attract good demand, but prices ruled quiet, as, despite good offtake, arrivals continued from outside the district. Bajra was slightly depressed in view of falling seasonal demand, but *jowar* registered small gains. The prevailing week-end prices (in rupees per maund) were:—gram *punjabi* 23.75; barley 17.75; *bejhar* 18.24; maize 16 to 16.50; *bajra* 16.62; *jowar* white 15.75; *guwar* 15.25.

Arhar touched new heights, as local stocks at about ten *khatties* were in one hand who was selling at higher prices by grinding it into *dal*. Peas stocks were negligible and demand too, was, dormant. Condition of the standing *arhar* and peas crops is fairly good. *Urd* and *moong* recorded gains on good demand and latest prices were: *arhar* Rs. 24; *arhar dal* Rs. 28 to Rs. 30; peas Rs. 21; peas *dal* Rs. 23; *urd* Rs. 19.50; moong Rs. 21.50 to Rs. 24; *massoor* Rs. 18.50 per maund.

BASE METALS RECEDE

(From Our Own Correspondent)

CALCUTTA, *4th February*

With more arrivals from abroad and a decline in consumer buying following the comfortable supply position, prices of the "free" base metals recorded a decline during the week under review. Now that the supply position had considerably improved, consumers thought that prices would tend to decline further. Moreover, with the improvement in foreign exchange position, albeit mostly due to credits from foreign countries, it was expected that the next import policy would be less rigorous than the one now in vogue. Established importers looked forward with hope that they would again be permitted to import virgin metals.

From Rs. 97, electrolytic zinc gave way to Rs. 95; however, it was thought that, with the indication of increasing consumption, the price would improve sooner or later. A decline in price in virgin lead was also in evidence, and, in view of the lower price here, Bombay parties continued to show interest in local offers. Demand for tin was poor. Trade circles considered that, now that the U.S.S.R. agreed to reduce its exports of tin, the world price would not be affected by the Russian surplus as recently. This agreement was interpreted in market circles as being Russia's inclination to offer co-operation with the International Tin Council, although a close watch would be necessary to ensure that the U.S.S.R. did not exceed the agreed export limit, that is, 13,500 tons in this year, in view of the fact that Russia is getting abundant tin supplies from China. The firm trend in copper on the London Metal Exchange was noted here. The price there reached a high of £238 a ton. The rise was attributed to labour troubles in Chile and increase in the U.S. custom smelter's price by ½ cent to 30 cents a lb.

Notice

THE NORTHBROOK JUTE CO., LTD.

NOTICE OF INTERIM DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Interim Dividends for the year ended 31st March 1959 without deduction of Income Tax paid by the Company.

On Preference Shares at 2.75 per cent.

The dividends will be paid on or after 5th March 1959 to those Shareholders (or their mandatees) whose names appear in the Company's books on 27th February 1959.

The Share Transfer Registers of the Company will be closed from 17th February 1959 to 27th February 1959, both days inclusive.

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

CALCUTTA, 31*st January* 1959.

COMMERCE

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

VOL. XCVIII. No. 2499 BOMBAY, 14th FEBRUARY 1959 PRICE: Rs. 2

SOME THOUGHTS ON THIRD PLAN—I

IT is but appropriate that the first official reference to the third Plan should have figured in the President's address to the Budget session of Parliament which began on Monday this week. What the President said on the subject was, of course, brief, but, really speaking, not much could be stated at this stage, as a lot of research and exploration is yet to be made. It is gratifying that he took care not to mention anything about the size of the next Plan, though considerable speculation on it has been going on for some time now. The figure of Rs. 10,000 crores as the ideal capital outlay has been stated by some, particularly by Prof. Mahalanobis in a paper which he is believed to have submitted to the Planning Commission. Dr. J. J. Anjaria, Economic Adviser to the Union Finance Ministry, has been talking of Rs. 9,900 crores. The period of the third Plan assumed by all those who have been talking about it is five years. There is no wisdom in choosing the financial target first and giving wide publicity to it, without caring to see whether it is realistic from the point of view of practicability. That is the first lesson to be learned from the second Plan. Some may think that mentioning a high figure of outlay on the third Plan is politically desirable and will serve to show the ambitious character of planning. But, in actual practice, the reverse is true. To try to impress a vastly ignorant public by dangling before it a gigantic plan, without even ascertaining the availability of resources, is tantamount to indulging in political opportunism. It is also a very risky game, for, when such a plan fails to succeed in full, it will lead to disappointment and despondency, and the political stock of those responsible for them will surely go down both at home and abroad. It will, therefore, be prudent for the party in power not to give currency to the financial, or even the physical, targets of the Plan, until they have been carefully considered from all angles and final decisions are taken on them.

This does not mean that it is wrong to prepare a draft outline of the next Plan and circulate it for discussion. But, when a draft plan is published, it must be made clear that it is subject to amendment. Besides, no attempts should be made to sanctify the targets in the draft plan or to make them an issue of prestige. It is also equally important that those who criticise the draft plan on constructive lines should not be decried or frowned upon by those holding seats of power. In recent years, more especially in recent months, those who have counselled caution, pleaded for planning on practical lines and urged a lower priority to certain socialist ideals, have come in for unwarranted, severe censure at the hands of no less a person than the Prime Minister himself. We, therefore, specially welcome the President's reassuring statement that:

> "Planning is a national undertaking, requiring the efforts of the whole nation and the co-operation of all at every stage. My Government have, therefore, called for and look forward to a constructive, even if critical, approach by all and contribution in ideas from the different shades of opinion in Parliament and outside. To this end, my Prime Minister and the Planning Commission are seeking the co-operation of all parties."

The President gave an outline of the objectives of the third Plan. These are:

> A substantial increase in national income; rapid industrialisation; expansion of employment on a sufficient scale; a reduction in inequalities of income and wealth; continuance of aid and support to small and cottage industries; maintenance and acceleration of the tempo of development already attained.

As broad objectives, there could be no difference of opinion with them. It is only when one comes to details, the scope for controversy and compromise on the basis of what is feasible arises. It should be realised that the objectives, as stated above, are themselves somewhat contradictory. The extent of increase in national income and employment, for instance, will depend upon the nature of industrialisation. If there is too much stress on heavy industries which require enormous sums of capital, the growth of national income and employment in the first few years will be slow. If, however, a higher priority is given to secondary and finishing industries, such as automobiles, machine tools, capital and consumer goods of all kinds, the national wealth and employment will grow faster. This would also help the realisation of the objective of reducing inequalities of income and wealth more easily than would be possible if heavy industries were given too much prominence. For the best way to reduce inequalities is to raise the standards of those who are at the lower end of the scale and not through a levelling down of incomes and wealth. Again, if the provision of millions of jobs were to be accorded the pride of place in the Plan, there could be neither a substantial increase in national income nor rapid industrialisation. Under such a plan, the chances of reducing inequalities will be even more slender than under a heavy industry-oriented plan. It is, therefore, necessary to strike a proper balance between the conflicting objectives by giving priorities to those that lead to a swifter and larger increase in national wealth.

These are no new issues. They were discussed threadbare when the second Plan was formulated. The objectives referred to above have been incorporated in that Plan and given a certain order of priority. If the Government is wise, it will subject the policies underlining the second Plan to a critical and impartial examination, in order to find out to what extent they have been successful in serving its "laudable" objectives. Such an introspection will enable it to avoid repetition of the pitfalls in the second Plan while formulating the third Plan. The Government, for instance, can find out whether the subsidy and protection given to cottage and small industries at the expense of large-scale factories have yielded results proportionate to the investment involved and consider dispassionately whether the same amount would not have led to better employment and larger capital formation if it had been invested in more productive enterprises. Similar tests should be applied to a number of projects and policies pertaining to the second Plan.

It would be a sheer waste of time and energy and lead to an endless verbose controversy of a vexatious nature, if the planners were to concentrate their attention on a discussion of the ideological aspects of the Plan. This country has had far too much of discussion of ideology in the first two Plans. A great British leader, Lord Attlee, said a few weeks ago in his reminiscences that Indians were great talkers. His remark was perfectly justified. But our planners should seek to disprove it at least in the third Plan, by making it compact and businesslike. It is unnecessary to indulge too much in the theoretical exercise of *per capita* incomes, *per capita* savings, *per capita* this and that and in working out how much investment will have to be made if so many millions of people are to be employed within so many years and so on. This kind of theoretical planning has not availed us of anything tangible, except providing points for making speeches by politicians and writing articles by journalists. The large number of economists engaged for this purpose may as well be employed in the colleges where they can render more useful work in educating the growing numbers of youths seeking university education. Instead, the third Plan should be concerned mainly with the practical aspects of expansion of agriculture, industry and transport. The planners should decide the industries to be established, the extent of increase in agricultural production, the size and means of transport, etc., estimate the cost of reaching these goals more precisely than in the second Plan, decide the role of the private and public sectors in taking the country to these goals not on the basis of any ideology but of practicability, and work out the resources that could be found without impairing the incentives for heavy work and maximum production.

If all these tasks are to be performed satisfactorily, the Planning Commission requires to be strengthened. It should consist of energetic, practical-minded persons and not merely theoreticians. Some of the best business men in this country should be associated with the Commission. And there should be on its staff fewer economists but more scientists and engineers. From this point of view, the present composition of the Planning Commission leaves much to be desired. And, what is more, some of its members have far too many irons in the fire. Others are either too old in age or too young in experience. It is true that the Commission now

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consists of more like-minded persons than it did when the second Plan was drafted and finalised. But, considering their strong leftist leanings, this is a disadvantage to realistic planning rather than an advantage. There is thus urgent need for reorganisation in the composition of the Commission and its advisers.

LABOUR PROBLEM

IN the past few months, quite a few important labour issues have come to the forefront. But none has caused greater concern than the fact that labour has been compelled to choose between democracy and authoritarianism. Jamshedpur was the scene of a miniature cold war in which one union, pledged to democracy, sobriety and peaceful agitation for better living standards for its members, was pitted against a union ideologically wedded to a philosophy which is inseparably linked to violence and subversion of the existing political, social and economic order. Although the war ended in a victory for sanity, it is undeniable that success did not come without a painful struggle. In many other centres, a similar cold war, at different degrees of political temperature, is being fought. Labour is at the crossways. Sooner than later, it will have to choose between the democratic way to prosperity and the authoritarian way which promises nothing but enslavement for the masses. It is a welcome development that Indian labour, as represented by the Indian National Trade Union Congress (I.N.T.U.C.), has, by and large, been a democratic force. In no uncertain terms, its President, Mr. G. Ramanujam, reaffirmed his faith in democracy when addressing the annual session of the I.N.T.U.C. at Dibrugarh last week.

The Christian maxim, "faith, if it hath not works, is dead, being alone," is applicable to labour's adherence to democracy. No affirmation of one's faith in freedom will be of any avail, if it is not accompanied by sustained work in its cause. The I.N.T.U.C. must face the fact that, wherever it has failed to maintain its contact with the workers, it has paved the way for the emergence of anti-democratic trade unions. It is gratifying to note that it is aware of the need for organisational improvement. Mr. Ramanujam urged the I.N.T.U.C. to prepare itself to meet "the challenge" to its supremacy from communists who use trade unions as "instruments for augmenting discontent to bring about a violent revolution." He pointed out how communists paid only lip-service to the code of discipline, breaking it in actual practice. He warned the I.N.T.U.C. members against any talk of "joint fronts or joint action committees with communists even for a temporary period" and added that ultimate objectives of their movement should not be sacrificed for the sake of temporary gains which might accrue through joint action. Mr. Ramanujam must be congratulated on his sense of idealism which, in fact, lies at the root of democratic progress.

The fact must, however, be faced that no free trade union movement can develop in the absence of organised effort in the cause of labour welfare, publicity and study of labour problems. Till now, it is the Government that has invariably initiated labour legislation and undertaken studies of labour problems. We are far from decrying the value of this effort. Much commendable work has, no doubt, been done by the Union Ministry of Labour and also by some State labour ministries. But this work is apt to suffer—frequently, it does suffer—from being a little too academic, divorced from the realities of the actual labour situation. We would like to see the work of the Government supplemented by that of the free labour unions, so that the workers, may benefit from studies of their problems conducted by those who have an intimate knowledge of them. No organisation is, perhaps, better fitted to undertake this task than the I.N.T.U.C. Besides being free from excessive ideological rancour, it has a historic tradition in working for the welfare of the workers. It must outgrow its agitational stage and, without, of course, abandoning its inherent right to strike, it should acquire and systematise a body of labour knowledge which should enable it to speak with authority on industrial problems. Further, it should develop a social welfare policy, particularly in regard to education, clean and healthy ways of living and housing, which will bring within its scope not merely the active workers but also the rank and file of its membership. Here is a task which calls for bold and far-sighted action. From this point of view, the modest educational programme, which Mr. Ramanujam suggested, deserves all support. He proposed the establishment of more training institutions for selected trade union workers and provision for prompt and effective services to the affiliated unions. If this work is to be enduring, it needs adequate financial assistance and able and trained men to do it.

Greater educational facilities may conceivably lead to an improvement of the system of resolving labour disputes which now prevails in India. This system, as is well known, rests largely on an elaborate legislation with its conciliation and adjudication machinery. It has unfortunately bred much formal legalism. The employer is inclined to disregard what constitutes sound industrial relations, handing over his disputes with the employees to his labour officer or his association, which is followed by protracted court proceedings. The employees, on their part, are seldom willing to negotiate a settlement. Instead, they pin their faith to the industrial courts. They sincerely hope that the courts will give them a little less than what they demand which will still be good enough for them. Broadly speaking, neither side is earnest about resolving a dispute on its merits. It is true that the system has given over a period some semblance of industrial peace. But it has been bought at a heavy price.

Meanwhile, it is disconcerting to be told that the system has thrown up some new problems. Mr. Ramanujam averred that the management-labour relations were getting a "little more strained" after the abolition of the Labour Appellate Tribunal. He said that "indiscriminate resorts to the Supreme Court have resulted in serious delays." He pointed out that the provision in the Industrial Disputes Act that no award or decision of a tribunal could be called in question in any manner was being rendered a dead letter, because of the powers of the High Court and the Supreme Court to entertain writ petitions and appeals against those awards. He, therefore, urged the Government to fix a time limit of 90 days within which all writ petitions and appeals against awards of labour courts and tribunals should be disposed of. We wonder whether this suggestion is practicable. The real solution to this problem lies only in minimising the reference of disputes to industrial courts. But this cannot be done, unless both sides place greater reliance on collective bargaining. The employers, on their part, should know that a court-directed industrial peace is not an enduring settlement. An equally great responsibility lies on the employees and those who seek to represent them. Instances are not wanting where the trade union leaders have been more adamant than the workers themselves. They should not hesitate to modify their demand in the light of the capacity of the industry to pay. Any attachment to prestige considerations and insistence on excessive demands will ruin the chances of building up industrial prosperity which alone can determine the size of labour's share in national income. If labour flies from economic realism, it will be faced with the stark reality of a structure of high industrial costs which must inevitably lead to lower turnover and lower profits and, in the case of marginal units, even to their closure.

Labour movement in this country has yet to give adequate evidence of its having attained maturity in judgment. Little thought has been given by it to the three urgent problems before the country—the foreign exchange deficit, the need to curb rising prices and the provision of wider employment opportunities. Surely, labour has a responsibility to bear and a contribution to make in the solution of these problems. If it exercises some control over its demands, it will enable our export industries to sell more abroad and also help keep under check the rising trend of prices. Mr. Ramanujam did well to point out that the next Plan should provide for an additional 15 million jobs, besides solving unemployment at the existing level. This is a stupendous problem. Labour has a direct responsibility in the creation of employment opportunities. Hitherto, it has given the impression that it is more interested in improving the prospects for those who have jobs than in creating conditions favourable to those who enter the employment market each year. There are two ways in which labour can help in this respect. In the first place, by relaxing its stand on rationalisation, modernisation and re-equipment of industrial plant and machinery, it can give a fillip to a technological movement which is a prelude to a higher level of industrialisation and employment. Secondly, it ought to realise that, just as India is an underdeveloped country in relation to the West, there are regions in this country which are economically backward in comparison with the western and eastern regions. There is no reason why it should not declare that, in the backward areas, it will not queer the pitch of its demands until the new industries, which may be started there, are firmly established. Such declaration will help stimulate the flow of capital, technical know-how and management to those areas and eventually lead to the creation of larger employment opportunities there.

TWO MORE NEW PROJECTS

LAST week, two projects in the public sector, the Bhilai and Rourkela steel plants, commenced production. These have been followed this week by two of the more important projects in the private sector, the Hirakud smelter of the Indian Aluminium Company and the second factory of the Dunlop Rubber Company at Ambattur (Madras). Elsewhere in this issue, we have drawn attention to the significance of the Hirakud smelter to India's economy. The smelter has an initial capacity of 10,000 tons which itself doubles the aluminium capacity in the country. The Company has plans for increasing the capacity of the smelter to 20,000 tons. In the course of his speech at the inauguration of the smelter, the Chief Minister of Orissa, Dr. Harekrushna Mahatab, said that it would be possible soon "to give the green signal to enable the Company to go ahead with its programme of expansion." It is to be hoped that the necessary power and other facilities, on which the fruition of the Company's expansion plans so greatly depends, will be readily available.

Dunlop is no new-comer to India. It has for long been associated in the public mind with tyres for which many still think Dunlop is a synonym. Having come to this country as far back as 1898, the Dunlop organisation is celebrating its golden jubilee this year. Perhaps, there can be no more appropriate way of celebrating the event than the inauguration of a second factory. Dunlop's first factory at Sahaganj, established in 1936, already ranks as Asia's largest rubber manufacturing enterprise, turning out every type of tyre, besides other products such as fan and vee belts, hose, cycle rims and Dunlopillo. The equipment in the Rs. 2.5-crore Ambattur factory, according to Mr. John Luckham, the Company's Managing Director, is "of the most modern design and has been specially chosen for its suitability for Indian conditions." It will produce tyres for trucks, buses and bicycles and retread rubber, principally for the needs of the South Indian market.

There is a feature common to the two private sector projects which went into production this week. Both have benefited from their collaboration with their principal foreign associates. Canadian collaboration has made the Hirakud smelter possible. As regards the Dunlop factory, the Dunlop Rubber Company (India) Ltd. continues to draw upon the rich research experience of the parent British company. As Mr. G. E. Beharrell, Chairman of the Dunlop Rubber Company, Ltd., Britain, pointed out, in his speech at the inauguration of the Ambattur factory, the Indian Company derives no small benefit from its association with other Dunlop companies, in general, and the Dunlop Research Centre in the U.K., in particular. Referring to the research centre, he said: "From this realm of ideas springs the future prosperity of this group." He added: "This factory, with every other Dunlop factory, will share the fruits of that research, and it will share in the development, which is going on unceasingly throughout the group of new methods, new equipment and the use of new materials." Nor is this the only benefit of foreign collaboration. For a no less important benefit is the dissemination of technical know-how. It is significant that, whereas the Sahagunj factory had to be built with the help of a large team of British experts, the Ambattur factory could be established with the services mostly of Indian technical personnel from Sahaganj.

The Dunlop enterprise plays an important role in the country's transport economy. It has been estimated that the volume of road traffic will increase from 20-25 million tons at the beginning of the second Plan to 60-70 million tons by 1960-61. This ought to give a measure of the traffic which motor transport will be called upon to handle. The Dunlop organisation produces a vital equipment needed by motor transport, namely, its tyres. Further, the growth of the rubber goods manufacturing industry has had its impact on the agricultural sector. The demand for raw rubber, which was about 25,000 tons in 1951, is likely to exceed 60,000 tons by 1962. Here is, therefore, an industry which literally sets the wheels of road transport in motion, besides lending support to India's agricultural economy.

MARKETS TENSELY AWAITING BUDGET

U.S. COTTON SUBSIDY—CANE GROWERS' STRIKE—U.K. BANK RATE

THURSDAY, 5 P.M.

LISTLESS conditions are prevailing in share markets. Turnover is small and price variations are negligible. Everyone is tensely waiting for the Central Budget for 1959-60. So far, no rumours about the Budget are current. Two State Governments—Bihar and Bengal—have presented their budgets. Although the estimated revenues of both the States have fallen short of their expenditure, neither of them has chosen to impose any fresh taxes. But this fact seems to have been ignored by the markets. Nevertheless, the absence of selling pressure is significant. It suggests two things. First, those who fear sizable additional taxation have already sold out or hedged their holdings. Second, many are now confidently hoping that the Budget will not contain any fresh imposts. The tenor of gossip in the market about the post-budget trend is still the same as it was three weeks ago. It is that equities will jump up and go forward if the Budget contains no heavy taxation. They will, however, sustain a heavy fall if the Budget turns out to be a bad one. The hope of getting any appreciable relief in taxation has practically died down. It will, therefore, be a pleasant surprise to share markets if the Finance Minister concedes some of the suggestions that have been made to him from time to time by the business community, both in India and abroad.

MARKET GOSSIP

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Among the commodity markets, cotton and oilseeds, which were displaying a strong bullish trend ever since the commencement of this year, are somewhat subdued now, thanks to the action taken by the Forward Markets Commission and the Reserve Bank of India to restrain speculation. But the current prices are still well above those at the end of 1958, as will be seen from the following figures:

--	Latest available	A week ago	Highest levels in the past fortnight	End of 1958
	Rs.	Rs.	Rs.	Rs.
Cotton I.C.C. March ..	672.50	683.25	688.00	641.25
Groundnut Feb. contract ..	173.80	178.87	181.00	162.12
Castorseed May contract ..	154.87	157.87	158.00	137.62
Linseed May contract ..	32.62	32.62	33.00	30.81
Cottonseed Feb. contract ..	130.75	133.50	134.00	115.25

N.B.—Cotton touched the highest levels mentioned above on 6th February 1959 and oilseeds towards the close of January 1959.

The measures taken by the Forward Markets Commission and the Reserve Bank to check speculation in oilseeds are referred to elsewhere in this issue. In so far as cotton is concerned, the Reserve Bank has not taken any step, while the F.M.C. has only issued a warning. But their action against oilseeds has had a sympathetic effect on speculation in cotton and, to a lesser extent, on other commodities, as also bullion. Since the futures contract in cotton is still below even the notional ceiling of Rs. 700—not to mention the official ceiling which is as high as Rs. 820—there has really been no justification for any intervention by the F.M.C. in futures trading in cotton or for imposition of selective credit control by the Reserve Bank on this commodity. The consensus of opinion in regard to oilseeds, however, is that both the bodies should have acted earlier.

While unhealthy speculation deserves to be effectively curbed, it is a moot point whether such control by itself can make any perceptible or sustained impression on price levels, if the supply is not adequate to meet the demand. The fact that, in the case of some oilseeds, particularly groundnut, the ready position has begun to command a premium over the futures, suggests that the supply position is tight. It is, of course, too early to be dogmatic on this point. Nevertheless, it would appear that trade estimates of the crop made at the commencement of the season have erred rather too much on the high side. This is true of cotton too. The latest trade estimates place the 1958-59 crop at no more than 4.9 million bales, as against 5.4 million bales shortly after the monsoon and 5.2 million bales in December 1958. Since exports were allowed on the basis of earlier crop estimates, the supply available for domestic consumption has turned out to be smaller than expected. Thus, the extremely difficult foreign exchange position, which forced the authorities to liberalise exports of key raw materials, has indirectly contributed to the rise in cost of living.

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The announcement by the U.S. Department of Agriculture on the 4th inst. of a revised cotton export programme for the next season which is aimed at making U.S. surplus cotton more competitive abroad has created a flutter in trade circles in the main cotton exporting countries of the world. The move, it is apprehended, will spark a virtual "price war" in cotton, as other exporting countries, to which cotton is the principal, and to some the only, foreign exchange earner, will be forced to cut their prices too in a bid to retain their markets.

The terms and conditions of the new export programme of the U.S. have yet to be worked out fully. The three major changes effected in the programme for the marketing year beginning on 1st August next are the following:

(1) The payment-in-kind export programme, which has been in effect since the start of the current marketing year, will be continued. Under this programme, an exporter who exports commercial stocks (free) acquired from normal trade sources at internal market price will earn a subsidy in kind. The subsidy will consist of C.C.C.-owned cotton which, in turn, will also have to be exported.

(2) The initial rate of subsidy under the payment-in-kind programme will be 8 cents per lb. for cotton shipped after 1st August 1959. This rate will be subject to change without prior announcement or notice. The current rate of subsidy, it may be noted, is 6.5 cents per lb. The 8 cents per lb. rate may be adjusted from time to time to keep in step with developing conditions. The effective payment rate will be under constant study and it will be reviewed fully at least once a month.

(3) The "direct sales" programme, which has been in effect since 1956 and under which the C.C.C.-owned cotton is offered for export sale at competitive-bid prices, will, however, be discontinued from the next marketing year onwards. Cotton will be drawn from C.C.C. stocks for exports, under the payment-in-kind programme, for barter, for credit sales, for donations and for any emergency operations.

The U.S. Department of Agriculture believes that the expanded payment-in-kind programme will allow greater participation in the merchandising of cotton by the various segments of the cotton industry, "from the country merchants to futures exchanges." It also expects that the new scheme will lessen Government control over the marketing of cotton and serve to concentrate export demand on commercial or free market stocks.

The initial export subsidy rate of 8 cents per lb. works out to about $40 per bale of 500 lbs., as compared with the current rate of $32½ per bale. But, in actual practice, the effect of the new rate for making U.S. cotton competitive in world markets, it is expected, will be increased by a greater amount than indicated by the dollars-and-cents difference from this year's rate, since the domestic price at which exporters will be able to buy cotton from commercial stocks is likely to be materially lower than this year.

The new export programme is meant to enable the U.S. to recapture its former share in the world market. *Import circles point out* that the provision to make readjustments in the effective payment rate from time to time will cause much uncertainties in the market, as it will induce buyers to live on a hand-to-mouth basis and postpone purchases in anticipation of further enhancement of the subsidy rate. It will also upset the cloth and yarn markets, as mills will find it difficult to make forward sales.

The effect of the new export programme for U.S. cotton on India is not expected to be much, as India exports only a very negligible quantity of cotton in terms of the world trade in this commodity. Exports of cotton of staple length ¾" and above may, however, be adversely affected to some extent.

The new export programme of the U.S. has led a section of the trade in India to demand that the Government of India, taking a lesson from the U.S., should also take vigorous steps to promote cotton exports. They point out that some incentives should be given for its export. Barter deals and special payments arrangements are mentioned as measures that will help exports.

The problem in India and that in the U.S.A. is, however, entirely different. In the U.S., the problem is huge surplus of cotton. In India, barring rare seasons when the crop turns out to be good, there is hardly any sizable surplus of cotton. It is true that, due to acute foreign exchange shortage, it has been decided to spare a sizable part of the limited supplies for export. But even for this quantity, buyers are lacking. The main reason is that prices of Indian cotton are above world parity, chiefly due to certain special causes. The progressively declining estimates of the new crop and damage to the quality of some varieties, delay in the movement of crop and the improved holding power of the farmer, assisted by cheap finance provided by the co-operatives, are the principal reasons for the current high price of cotton. The restrictive import policy, which has rendered it difficult for mills to get adequate supplies of foreign cotton, is another factor responsible for keeping up the prices of Indian cotton above world parity, in that it has forced the mills to rely more and more on domestic cotton. In fact, the severe curtailment of imports have virtually sheltered internal cotton prices from the impact of the downward trend in world cotton prices and the world-wide recession in cotton textiles. Yet another factor that has induced the mills to rely more and more on Indian cotton is the defective fiscal policy in regard to cloth. These special circumstances, which have reduced the ability of Indian cotton to compete effectively in world markets, have to be borne in mind in any discussion of the ways and means of making it more attractive to foreigners.

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The widely held fear that the Communist-backed Praja Socialist Party's call for a strike by sugarcane growers in Uttar Pradesh would have serious effect on sugar production has been set at rest by the statement of Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, in the Lok Sabha yesterday in reply to a calling-attention motion by several members. It is comforting to hear from the Minister that the strike has fizzled out. After the strike started on the 5th inst., five sugar mills out of the 66 units working had to stop work and 18 other mills were partially affected. By the 7th or 8th inst., however, all the mills, except one at Bulandshahr, resumed practically normal working.

The failure of the cane growers' strike, despite all the disquieting tactics of the leftist politicians, is not surprising. Evidently, the cultivators must have realised that it is they, and not those who organise strikes, who would sustain heavy losses, losses which they can ill-afford. It is common knowledge that sugarcane is a quickly perishable crop. It drys up soon after it is harvested. Nor can it be left standing in the field for a long period after it is ripe, for its quality will then deteriorate. So sugarcane has to be cut as soon as it is ripe and crushed quickly if maximum yield of sugar is to be obtained. Even delays occurring in the transport of cane from fields to factories entail much hardship to cultivators who are financially poor. By ensuring continued supplies of cane to the mills, the growers have only saved themselves from financial ruin and falling a prey to the tactics of power-hungry politicians.

The Union Food Minister must be congratulated on his firm stand on the issue of sugarcane prices. Describing the cane growers' strike as ill-advised, Mr. Jain reiterated yesterday that, if the price of cane was increased, it would not only be against the interests of consumers or the peasantry in general but also affect a large section of the cane growers themselves. No one who has cared to make a comparative study of the economics of the sugar industry in India and in other parts of the world will dispute the force of this contention.

While the fizzling out of the U.P. cane growers' strike is a matter for considerable satisfaction, it must be emphasised that frequent threats and agitation for higher cane prices are not conducive to the maintenance of high level of sugar production. Indeed, the existing statutory minimum price of cane, namely, Re. 1.44 per maund, itself is quite high, bearing no relation whatever to the sugar it contains. Far too long has uncertainty regarding the fixation of reasonable price for cane persisted, so that it is time that some permanent arrangement for determining prices was made. It is to be hoped that this aspect will receive due recognition at the two-day meeting of the Development Council for Sugar Industry commencing in New Delhi tomorrow. The Council has before it a heavy agenda which includes, among others, the review of the following important subjects:

1. Progress of the sugarcane quality payment scheme.

2. Work done by the Joint Committee set up to consider the question of levy of cess on sugarcane and its utilisation for development work.

3. Position regarding the grant of licences to the sugar industry.

4. Report of the Committee on standardisation of costing methods used in sugar factories and the recommendations made by the Standing Advisory Committee on Sugar Standards.

5. Question of increasing productivity in the industry through the programme sponsored by the National Productivity Council.

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Hopes of a cut in the British Bank rate have gained fresh strength during the last few days, following the reduction of ½ per cent. to 4½ per cent. in the French Bank rate on the 5th inst. and the sharp fall in the British Treasury Bill rate from £3 2s. 1.68d. to £3 0s. 0.22d. on the following day. With the present cut, the gap between the French and British Bank rates has narrowed down from ½ per cent. to ¼ per cent. This represents the second break in the tight money policy pursued by the French Government and the Bank of France since August 1957, when the Bank rate was stepped up from 4 per cent. to 5 per cent. In October last, however, it was reduced to 4½ per cent. and the latest cut of ½ per cent. shows that the French Government is cautious in making credit cheaper in an effort to check recession by encouraging industrial expansion.

With last week's fall, the British Treasury Bill rate has declined to the lowest level since mid-February 1955. The gap between this Bill rate and the Bank rate has widened markedly to as much as one per cent. Nevertheless, the Bank of England has not so far followed it up with any reduction in its discount rate from 4 per cent., at which level it has stood unchanged for nearly three months now. Commenting on this situation, Sir Oscar Hobson, the Financial Editor of the *News Chronicle*, says: "Possibly the Old Lady deemed that, coming on top of abolition of the new issue controls, a reduction to 3½ per cent. would have been too heady a wine for the economy. Her restraint, at any rate, attests her 'unflappability' and that is always a desirable quality in a central bank."

Meanwhile, the Chancellor of the Exchequer has struck a cautiously optimistic note on the British economy. Addressing a meeting of the National Production Advisory Council on Industry on Friday last, Mr. Amory said that Britain had started 1959 on a sound basis for the safe resumption of expansion. He added that there were small, but distinct, signs of an upturn in Britain's economy. The four "bull points" to which the Chancellor drew attention were: (1) production is beginning to rise—but not by much yet; (2) retail sales improved in the fourth quarter of 1958 under the stimulus of increased hire-purchase facilities; (3) the trend in exports during the last quarter of last year was encouraging, particularly, the increase of a third in sales to the U.S., and (4) the prospect for investment looks brighter now than before.

EQUITIES LISTLESS

BUSINESS SHRINKS

(From Our Own Correspondents)

BOMBAY, 12th *February*

THE share market passed through another spell of extreme dullness during the week under review. Barring sporadic buying activity in some of the counters in the forward section, as well as the cash section, business was extremely limited. Though there was an inclination to buy at the current attractive levels, in view of the growth prospects of industries in general, operators were a bit cautious and preferred to await the budget. Further, some of the operators, who had gone short in commodity markets, were badly caught there and they were, therefore, obliged to restrict their activities in the share market. The undertone, however, remained fairly steady, on expectations that the Budget would not present any jitters to industries.

In the steel section, Tata Ordinaries dipped from Rs. 175.50 to Rs. 173.75 and, after recovering to Rs. 175, closed at Rs. 174.25. The new shares finished with a loss of Re. 1 at Rs. 171.25. Indian Irons fluctuated between Rs. 26.30 and Rs. 26.05 before closing at Rs. 26.10.

Textiles were lethargic and fluctuations were extremely narrow. Bombay Dyeings moved down from Rs. 57.20 to Rs. 56.80, but soon regained to Rs. 57.20. Towards, the close, they softened to Rs. 56.90. Centurys, which had attracted some speculative activity in the past few weeks, were dull this week. They drifted lower from Rs. 438.50 to Rs. 434 in the earlier half of the week, but subsequently gained ground to Rs. 439.50. The closing was again lower at Rs. 438. Kohinoors moved between Rs. 238.50 and Rs. 236, before closing at Rs. 237.50. Central Indias lost over the week Re. 1 to Rs. 89.50 and Finlays Rs. 2 to Rs. 259, while Gokaks gathered Re. 1.50 to Rs. 134. Indu Ordinaries were unchanged at Rs. 8.84. A drop of Rs. 10 to Rs. 162.50 is noted in Model Mills, while Morarjees gained Rs. 6 to Rs. 233.50. Following the Directors' decision to skip over the dividend for 1958, New Greats were marked down by Rs. 5 to Rs. 213.50. New Citys, for which also no dividend has been recommended, shed Re. 1 to Rs. 92. Osmanshahis, however, gained Re. 1 to Rs. 43. Simplex shaded off from Rs. 167.50 to Rs. 167 before improving to Rs. 168. Standards lost Rs. 2 to Rs. 416, Svadeshis Re. 1 to Rs. 208 and Tata Mills 50 nP to Rs. 34.

Bank shares ruled steady with minor gains over the week. Barodas put on 50 nP to Rs. 122 and their new shares 30 nP to Rs. 57. Centrals were 20 nP better at Rs. 59. Bank of Indias rose by 25 nP to Rs. 140.50 and their new shares by a like amount to Rs. 141.50. Punjab Nationals, the Rs. 25 paid-up shares of which have been split up into Rs. 10 each, were done at Rs. 24, which on the basis of the old face value represents a rise of Re. 1 over the week. State Bank of India shares, which were admitted on the Stock Exchange list recently, changed hands at Rs. 382.50, as against Rs. 360 a week ago. Union Banks were a fraction better at Rs. 7.72 and United Commercials 50 nP higher at Rs. 68.50.

In the insurance section, New Indias were picked up 90 nP higher at Rs. 52.90 and their new shares 80 nP higher at Rs. 53. Orientals were marked up by Rs. 190 to Rs. 4,200. Jupiters were done at Rs. 6.08, as against the previous rate of Rs. 7.12.

Very little activity was noted in electricity shares. Ahmedabad Electrics, however, advanced by 40 nP to Rs. 95.40. Bombay Suburbans gained 25 nP to Rs. 110, as also Surat Electrics to Rs. 113.75. Tata Hydros were unchanged at Rs. 119.50, while Tata Powers moved up by Rs. 2.50 to Rs. 1,197.50 and Andhra Valleys by a similar extent to Rs. 1,172.50.

Sugar shares ruled quiet, with an all-round drop in prices. Belapurs dipped from Rs. 267 to Rs. 265 and Phaltans shed Re. 1 to Rs. 140. Walchandnagars were a fraction lower at Rs. 266. Maharashtra Sugars lost 50 nP to Rs. 175 and Ravalgaon Sugars Rs. 2 to Rs. 133. Cement shares were listless. After a rise from Rs. 154.50 to Rs. 156.25 Associated Cements receded to Rs. 155. Digvijays lost 50 nP to Rs. 130.50, while Orissa Cements were unchanged at Rs. 13.04. Dalmia Cements gained 12 nP to Rs. 9.76. Jaipur Udyogs and Ashokas shed 4 nP each to Rs. 9.96 and Rs. 8.04, respectively.

In the engineering and mining group, Alcock Ashdowns suffered a fall of Rs. 4.50 to Rs. 262. Tata Locomotives were a bit erratic, moving between Rs. 163 and Rs. 160.25. The closing was, however, done at Rs. 161.25, a loss of Re. 1.50 over the week. Premier Constructions drifted from Rs. 235.75 to Rs. 230.25. Larsen and Toubros were a steady feature at Rs. 17.24. Cooper Engineerings were quiet at Rs. 128.50, while Mahindras were maintained at Rs. 18.24. Kamani Engineerings dropped 20 nP to Rs. 6.72. Shivrajpurs picked up a rupee to Rs. 89, while Indian Coppers were quiet at Rs. 3.56 and B.B. Petrols at Re. 1.76.

After an initial rise from Rs. 21.40 to Rs. 21.44, Scindias reacted to Rs. 21.28, but closed at Rs. 21.32. Great Easterns were 16 nP lower on balance at Rs. 23.96. Bharat Lines lost 28 nP to Rs. 12.12. Premier Automobiles were a shade higher at Rs. 86.50, while Hindustan Motors were unchanged at Rs. 7.52.

In the miscellaneous group, Bombay Burmahs (old) moved erratically downwards from Rs. 472 to Rs. 467. Their coupons were unchanged at Rs. 117.50. National Rayons were featureless at Rs. 243.25, while Gwalior Rayons advanced by Re. 1.24 to Rs. 15. Tata Chemicals were dull at Rs. 15.32, while their new shares were steady at Rs. 14.32. Alembic Chemicals staged a spurt from Rs. 157.50 to Rs. 163. Dhrangadhra Chemicals were unchanged at Rs. 89. Amar Dyes came to the limelight with a spurt of Rs. 17.25 to Rs. 117.25. Hindustan Levers were a shade quiet at Rs. 27.75, while Indian Dyestuffs gained further to Rs. 192. Jyoti (old) advanced by Rs. 13.10 to Rs. 150 and their new shares by Rs. 5.75 to Rs. 143. West Coast Papers changed hands at Rs. 111.50. Tata Oils shed 75 nP to Rs. 45.25 and Voltas Re. 1.75 to Rs. 140.50. Killick Industries shot up by Rs. 6 to Rs. 160, while Wimcos were unchanged at Rs. 187.50.

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Calcutta Stock Exchange

CALCUTTA, 11*th February*

Trading in the last three sessions of the week under review, on the Calcutta Stock Exchange, was marked by pre-budget caution and part of the gains recorded in selective counters earlier in the week was erased. The business volume also shrunk. The selective buying earlier in the week followed good corporate news. In some cases, proximity of dividend provided the incentive. Opinion in market circles is gaining ground that the budget will not add to direct taxes, and thus the present levels of equity prices are considered attractive for long-term commitments. However, buying was selective and operators preferred to take risks only in the minimum. Sectionwise, jutes shed a part of the gains following the slump in jute goods. The interim dividends of the Bird-Heilgers mills, announced in this week, were noted encouragingly, and the recession in prices of goods did not alarm the more prudent holders. Coals were marked higher earlier, following reports of good despatches from collieries, while sugars were dull following reports of concern over cane supplies. Teas were held steady, and the improved auction trend assisted sentiment. Shares of paper mills were on demand as prospects for this industry were bright, inasmuch as demand for paper continued unsatisfied and expectations of benefit from Tariff Commission's recommendations were entertained.

Coals responded to selective buying. Equitables put on 62 nP to Rs. 30.37 before closing at Rs. 30.19. Bengals closed firm at Rs. 282 after having recovered to Rs. 285 from Rs. 280. Burrakurs touched a high of Rs. 17.81, but soon lost to Rs. 17.61. Central Indias at Rs. 7.50 closed a few nP higher on balance. Pench Valleys improved to Rs. 24.25 from Rs. 23.94. South Karanpuras were marked down to Rs. 12.31, while Western Bengals encountered support at the unchanged rate of Rs. 6.

Empires, in jutes, were a prominent feature with a rise to Rs. 20.81 from Rs. 19.69, while Lansdownes fell to Rs. 133 from Rs. 133 and Alliances to Rs. 118 from Rs. 123. At Rs. 163, Kamarhatties lost Rs. 14. Aucklands were pushed back to Rs. 173 from Rs. 181. Howrahs were lower at Rs. 18.94. New Centrals were unchanged at Rs. 13.44, but Nationals were marked down to Rs. 26.50.

Profit-taking took down Burmas, in minings, to Re. 1.50 from Re. 1.80. Indian Coppers hovered around Rs. 3.53.

In engineerings, Indian Irons, after moving up to Rs. 26.26 from Rs. 26.08, closed at Rs. 26.07. Texmacos were for a time better at Rs. 21.30 to return to Rs. 20.95. Guest Keens were fractionally lower at Rs. 37.12, as were Jessop & Cos. at Rs. 25.50.

Tea shares were fully steady before being neglected. Bormahjans gained one rupee at Rs. 16.50 and Carrons rose to Rs. 127.50 from Rs. 125. Banarhats, at Rs. 272, added a few points, while Brooke Bonds were unchanged at Rs. 16.75. Hattikhiras were quiet and unchanged at Rs. 11.75, while Methonis receded to Rs. 20.12 from Rs. 20.19.

Among miscellaneous industrials, Orient Papers, after moving up to Rs. 31.70 from Rs. 30.85, closed at Rs. 31.55. At Rs. 42.62, Titaghurs recorded a small rise and were fully steady. Sree Gopals were also better at Rs. 15.62. India General Navigations were subjected to profit-taking to move down to Rs. 68.50 from Rs. 71, while Indian Oxygens were fully steady at Rs. 24.06 due to proximity of dividend. National Cables were better at Rs. 30.50, but Raills were marked down to Rs. 49, as were Indian Aluminiums at Rs. 16.81. National Pipes lost to Rs. 16.37 from Rs. 17.44, but rallied around to close steady at Rs. 16.56. National Carbons were fractionally higher at Rs. 27.75, while National Rollings reacted to Rs. 13.06 from Rs. 13.31.

* * * *

Madras Stock Exchange

MADRAS, 10th *February*

The Madras Stock Exchange depicted a steady trend during the week under review. There was enlarged demand for plantation scrips. Rubber shares in particular were well favoured, thanks to rumours of an upward revision in rubber prices. Coffee shares attracted fresh investment support and staged a smart rally. In sympathy, several tea shares tended to move up. Textiles were generally firm on reports of better offtake of cloth, internal and overseas. Bank, electricity and sugar shares were steady, as also miscellaneous industrials.

Among tea shares in the planting section, Kurchermalas recorded a rise of Re. 1 to Rs. 7. Kil Kotagiris firmed up by 33 nP to Rs. 6.85. Nonsuch Teas improved by 25 nP to Rs. 25 and T.R. & Ts. by 20 nP to Rs. 7.80. Twyfords advanced by 15 nP to Rs. 15.50, Chembras by 11 nP to Rs. 3.50 and Woodcotes by 10 nP to Rs. 1.60. Emerald Valleys put on a like amount to Rs. 6.75. Periakaramalais and Parksides gathered 8 nP each to Rs. 3.94 and Rs. 19.20, respectively. Waterfalls rose by 9 nP to Rs. 3.94.

Deals in coffee shares were put through at higher rates. Bababudins spurted by 75 nP to Rs. 13.50 *cum-div.*, reflecting operators' satisfaction over the performance of the Company in the past year. The directors of the Company have maintained the dividend at 25 per cent. for the year ended 30th June 1958. Coffee Lands rallied 37 nP to Rs. 21.62. Consolidated Coffees strengthened by 30 nP to Rs. 19.80 and Amalgamateds by 25 nP to Rs. 13.50. Ouchterlonys put on 5 nP to Rs. 4.95.

In the rubber group, Midlands provided a bright spot, the quotation rising by 50 nP to Rs. 11.40. Cochin Malabars were marked up by 27 nP to Rs. 5.80. Nilamburs were quoted 25 nP higher at Rs. 15.25. Kalpettas hardened by 20 nP to Rs. 11.70. Rajagiris gained a like amount to Rs. 17.10. Kailas gathered 7 nP to Rs. 4.75, Pullangodes 5 nP to Rs. 1.65 and Nelllampathys 3 nP to Rs. 2.70. Thirumbadis were better by 11 nP at Rs. 1.77 *cum-div.*

In the textile section, Lakshmis climbed up by Rs. 3.50 to Rs. 98.50. Metturs and Cannanores rose by a rupee each to Rs. 329 and Rs. 136, respectively. Adonis gathered 18 nP to Rs. 7.30. Bangalore Woollens were firm at Rs. 160, Cambodias at Rs. 7.65, Janardhanas at Rs. 68.50, Maduras at Rs. 25.25, Pankajas at Rs. 38.50 and Radhakrishnas at Rs. 135. Rayalaseems, however, came in for selling and fell by Rs. 3 to Rs. 100. Vijayakumars and Coimbatore Cottons lost a rupee each, the former to Rs. 99 and the latter to Rs. 120. Buckinghams receded by 50 nP to Rs. 173.50 and Kotharis by 40 nP to Rs. 9.50. Loyals shed 20 nP to Rs. 24.80 and Travancore Rayons 10 nP to Rs. 16.80.

Among sugar shares, United Breweries were in the limelight, the quotation forging ahead by Rs. 20 to Rs. 280. Cauverys hardened by a rupee to Rs. 106. Deccans rose by 8 nP to Rs. 9.70. Kirlampadis, on the other hand, declined by 50 nP to Rs. 45. E.I.Ds softened by 10 nP to Rs. 30.40 and Indias by 5 nP to Rs. 12.15.

Among miscellaneous industrials, Orissa Cements were lifted up by 34 nP to Rs. 13. A. V. Thomas advanced by 25 nP to Rs. 15.75 and Aluminium Industries by 20 nP to Rs. 18.35. F.A.C.Ts hardened by a like sum to Rs. 7.50. Sen-Raleighs increased by 18 nP to Rs. 15.68, Mysore Stones by 10 nP to Rs. 13.10 and Forest Industries by 5 nP to Rs. 2.98. Rallis, however, dropped Rs. 2.25 to Rs. 48.75 for want of support.

POOLING OF AIRLINES IN EUROPEAN COMMON MARKET

The various airlines operating in the six Common Market (C.M.) countries are taking the initiative to form themselves into a combine to be known as "Europe-Air." Preliminary negotiations between the airlines at the Chairman level have already been held in Brussel and Paris. These discussions, valuable as they have been, have brought to light the fact that the airlines do not see eye to eye on many issues and that it will take a long time before these companies accept a formula for full merger. What is conceived at present is, therefore, a modest plan. It is proposed that, at the first instance, they should work some scheme of co-operative effort, say, on the lines of the Scandinavian Airlines System. This will call for the creation of a joint subsidiary with its own flag to which the services would be transferred as soon as pooling terms could be arranged. Under this scheme, each airline will preserve much of its own individuality.

Under the Rome Treaty, the C.M. is empowered to compel the constituent airlines within its jurisdiction to follow a common policy at the option of the Council of Ministers. This provision is likely to be invoked in due course. The present move, undertaken in advance by the companies themselves, is designed primarily to ensure that their co-operation is based on their own terms.

Be that as it may, the first step, it is suggested, might be the pooling of the transatlantic services. Co-operation, however, will not be confined to flight services. The proposed combine is bound to result in substantial economies by pooling repair and maintenance work on terms enabling each airport to specialise in specific aircraft types. Besides, attention has been drawn to the need for using the same type of aircraft for similar duties. Sabena airlines and K.L.M. have already experimented this policy with the Convair Metropolitans used in the European services.

The proposal to pool the flight services presents certain difficulties. A solution is yet to be found for the differences regarding the monopoly services, particularly the Air France and Sabena services to and in Africa—an issue not included in the Rome Treaty. The services in Africa are said to be useful for the employment of superannuated aircraft in the absence of any possible competition. It is also stated that the African communications could be greatly improved by the intake of aircraft from all the six C.M. countries, together with a modification of the principle of mutual exclusiveness of the French and Belgian systems. A standing settlement on the issue will not, however, be possible, until the position of the French services is clarified in relation to the new political status of the African territories concerned.

BRITISH BANK OF THE MIDDLE EAST

Indian merchants trading with the Persian Gulf will be interested to note that a branch of the British Bank of the Middle East was opened at Abu Dhabi (Persian Gulf) on the 10th inst. This has brought the total number of offices of the Bank in the Persian Gulf sheikhdoms to eight.

NEWS IN BRIEF

WITH effect from the 9th inst., the selling price of imported soda ash has been fixed at Rs. 19 per cwt., instead of at Rs. 19.50 per cwt. as hitherto.

The Neyyar Irrigation Project, a joint venture of the two States of Kerala and Madras, was formally inaugurated by the Governor of Madras on the 9th inst.

A new Rs. two-crore distillery, now being erected at Chitali, Shrirampur, to manufacture spirit and alcohol from molasses, is expected to commence operation in April next.

Established exporters seeking import licences under the Export Promotion Scheme on the basis of their past exports have now been exempted from the condition regarding the execution of a bond.

With a view to providing vocational guidance to the physically handicapped in the State, the Government of Bombay has set up a special employment exchange under the Director of Employment.

The Government of India has released for export 5,000 tons of linseed oil cake from Bombay to all permissible destinations, excluding the Portuguese possessions in India, upto the end of March or till the ceiling is reached, whichever is earlier.

The Metals Committee of the Council of Scientific and Industrial Research has decided to set up four foundry research stations in the country, one each in Bombay, Howrah, Madras and Batala (the Punjab).

A modern fishing trawler specially designed for deep sea fishing has been presented by the U.S. Technical Co-operation Mission to the Government of India's Deep Sea Fishing Station in Bombay. The trawler, costing $58,000 (Rs. 2,76,000), is one of the 16 fishing crafts presented by the U.S.

The number of diesel engines to drive agricultural pumps produced in India in 1958 was over 27,000 (valued at Rs. 5.43 crores), exceeding the target set for the year in the second Plan by about 7,000. There are at present 17 units manufacturing such diesel engines in the country.

The output of sulphuric acid in India rose from 165.215 tons in 1956 to 227,000 tons in 1958. This is expected to be doubled by 1961. The increase will be achieved by the implementation of 12 schemes for which the foreign exchange required for the import of machinery has already been secured.

The production of the 800th locomotive at the State-owned Chittaranjan Locomotive Works was completed last month. It is expected to turn out the 1,000th locomotive by the beginning of 1960. The Chittaranjan is now producing one complete locomotive every alternate day, or an average of 14 per month.

The Geological Survey of India has sent a six-man team to the northern-most hilly district of Doda in Jammu province for an extensive exploratory survey of the area. The district is said to possess sapphire mines, iron, copper and lead ores. Indeed, it is considered to be the richest mineral belt in North India.

The Digboi oil refinery of the Assam Oil Company had a record production of 114¼ million gallons of oil in 1958—one million gallons more than that in 1957. This brings the total output for the past eleven years to 919,600,000 gallons of oil. Digboi is still the only producer of mineral oil in India making use of crude indigenous petroleum.

A Central Engineering Research Institute has been established by the Government of Bombay under the administrative control of the Director of Engineering Research. The Institute will deal with problems of engineering research and testing connected with the State Public Works Department. It will have its headquarters at Nasik and a branch office at Baroda.

The first flood forecasting unit in India now being set up at Tajewala along the river Jamuna is expected to begin functioning effectively before the next monsoon breaks. The unit will make a detailed study of the river's discharge and rainfall in the catchment area, so that it could warn Delhi and other areas of the impending flood nearly five days in advance.

A draft agreement for the avoidance of double taxation of income between India and Norway has been initialled at New Delhi, following talks between a two-member Norwegian delegation and the officials of the Central Board of Revenue. After its ratification by the Governments of the two countries, the agreement will become effective in India for and from the assessment year commencing on 1st April 1959.

The twenty-sixth annual general meeting of the Indian Sugar Mills Association will be held at New Delhi on 9th March, 1959. Mr. P. Hadfield, President of the Association, will preside over the meeting and Mr. Ajit Prasad Jain, Minister for Food and Agriculture, Government of India, will inaugurate it. Apart from reviewing the various important developments in the sugar industry during the outgoing year, certain important resolutions having a vital bearing on the sugar industry will also be taken up for discussion at the meeting.

The Central Government has decided to allow exports of manganese dioxide, peroxide, chrome and kyanite ore on a quota basis during 1959. The quotas will be allotted to shippers and mineowners equal to the quotas allotted to them in 1958. The Government has also decided to allow exports to be made by the State Trading Corporation on an *ad hoc* basis against contracts concluded by it. Further requests for allotment of a supplementary quota on an *ad hoc* basis will be considered favourably against firm commitments, if an individual's quota is exhausted.

* * * *

From Abroad

Canada had an adverse balance of trade to the extent of $276 million in 1958, as against $689 million in 1957.

The U.S. railroads plan to raise the expenditure on new construction projects in 1959 to about $325 million, as compared with $300 million in 1958.

According to a report from Dacca, the Overseas Shipping Companies have decided to reduce freight charges on shipments of jute cuttings to continental ports by £2 to £7 per ton.

The U.S. steel production has been steadily rising. Last week, it was 80 per cent. of capacity. The trend is still upward. The U.S. steel industry's annual capacity has grown from 128,363,000 tons in 1956 to a 1959 total of 147,633,670.

The Demag of West Germany is supplying a steel works and rolling mills to Argentina. The plant, with an annual crude steel capacity of 150,000 tons, is expected to cost about £13 million. The steel works will use charcoal for fuel, produced from eucalyptus wood.

For the first time since the end of the Second World War, the Bank of Japan has bought gold worth $50 million from a U.S. Federal Reserve Bank, with a view to raising its gold reserves. With this purchase, Japan's gold reserves have risen to about $73 million.

Czechoslovakia and the United Arab Republic have signed a three-year trade agreement for the exchange of goods worth 30 million Egyptian pounds (£29,250,000 sterling). The U.A.R. will import factory and other industrial equipment and Czechoslovakia cotton and other goods.

The first fully mechanised post office in the U.S. will be built at Rhode Island at an estimated cost of $20 million. It will be constructed by Intelex Systems, Inc., for the U.S. Post Office Department and will feature complete mechanisation of mail handling. The building will be ready for use in September 1960.

The U.S. Steel Corporation paid more than $375,000 to its employees during 1958 for submitting suggestions which resulted in reduction of operating costs, more than twice the amount paid by the firm in the preceding year. The winning employees are paid a percentage of the money saved through adoption of their suggestions.

A new agreement for co-operation in nuclear research has been signed between the Netherlands and Norway. The agreement contains provisions for the co-ordination of research in the two countries, and for the exchange of data and information, as well as regulations governing the ownership of inventions arising from the joint research work.

The Swiss watch industry suffered a serious setback in 1958, on account of lower exports to the U.S., its principal customer, and closing up of certain foreign markets, particularly India. The industry exports 97 per cent. of its total production. The value of its watch exports in 1958 fell by 14 per cent. to Swiss Frs. 1,118 million (£91.7 million), the number of watches exported declining by 17 per cent. to 24.5 million.

The total value of textiles exported from Norway during 1958 were higher by 20 per cent. at Kr. 60 million (£3 million), establishing an all-time record. There was a spectacular rise in exports to W. Germany, thanks mainly to a campaign launched there by the Norwegian textile industry last year. Similar campaigns have previously been conducted in the U.S. and Canada.

A draft international convention seeking to obtain protection for private capital abroad has been prepared by Sir Hartley Shawcross and a group of British lawyers. The proposed convention lays down that, in case of any dispute between two countries, the issue should be submitted to the International Court. It is stated that, if a multilateral treaty can be negotiated between a group of States, such as the 17 members of the O.E.E.C., the experiment may be followed in other parts of the world as well.

Sweden's total output of cars and commercial vehicles during 1958 amounted to about 90,000 units. Of this, about 40,000 units were exported. According to preliminary figures, Volvo's output in 1958 was about 71,900 units. Some 33,000 units were exported at a value of approximately Kr. 310,000,000. Passenger cars, numbering 28,000 units, constituted the bulk of exports. Of these, 15,500 cars went to the United States. For 1959, the production is estimated at 82,700 units, including about 40,500 for export.

Tax concessions and other incentives to industry in Pakistan catering to the export trade have been recommended by Mr. Wilhelm Vocke, the West German financial expert, in his report submitted to the Pakistan Government following his recent study tour of the country. He has warned against any control on industries earning foreign exchange for the country. He has also suggested that, in future, preference should be given to the expansion of those industries the raw materials for which are available in the country.

A report to a recent meeting of the Pacific Area Travel Association at Singapore points out that the average American who travels abroad is not wealthy. In the first six months of 1958, 24,049 stenographers and office workers applied for passports, while executives applying numbered only 11,125. More nurses got passports than did bankers. More women are travelling now than was the case 10 years ago. American women accounted for 37 per cent. of the passports issued in 1948 and 55 per cent. during the first six months of 1958.

The Imperial Chemical Industry and Farbenfabrik Bayer have bought licences and patent-rights from the Norwegian firm *Sunde Fabrikker*, Spjelkavik, for 500,000 kroner (£25,000) each. The deal is for a new process for manufacturing foam plastic insulation of water pipes which is claimed to have extraordinary qualities—heat, oil and acid resisting and stopping air and condensation. The contract also comprises royalties and manufacturing machinery, which will give the *Sunde Fabrikker* an income of several times the original amount.

There are indications of growing American interest for investments in South Africa. The Chase Manhattan Bank of New York has decided to open a branch in Johannesburg this month, the second bank to open a branch office there within two months. These followed closely the establishment of the American-South African Investment Trust. The U.S. investments in South Africa amounts to £170.6 million, representing 12.2 per cent. of foreign capital invested. The British investments aggregate £864 million, or 62 per cent. of the total overseas investments in S. Africa.

The American Iron and Steel Institute has published what it calls a "rare comparison" of free world steel making capacity and that of the Soviet Union and satellites. The Institute says the comparison is unusual, because few nations make regular estimates of steel capacity. From 1955 to last year, the free world's capacity rose by 53,800,000 tons to 285,727,000 tons, showing a marked gain over the Communist world. About half the total represented U.S. capacity. Russia and its satellites added 19,800,000 tons in the same period to bring the 1958 capacity to 86,751,000 tons.

The U.S. Atomic Energy Commission (A.E.C.) is at present negotiating with a private manufacturer, the Martin Company of Baltimore, Maryland, for the design, development and installation of a portable, prefabricated nuclear power plant to produce heat, light and power for remote areas. The plant will have a pressurised water reactor, cooled and moderated by light water. It will be fuelled with enriched uranium, and will generate 1,000 kilowatts of electricity and about 2,000 kilowatts of heat. Costing about $6 million, the plant will consist of factory-assembled units which can be air-transported to remote sites and rapidly put together. It could also be dismantled, flown to another site, and reassembled.

PERSONAL

MR. Madanmohan R. Ruia, a well-known industrialist of Bombay, has been elected President of the Federation of Indian Chambers of Commerce and Industry for 1959-60.

Mr. A. S. Mehta, India's Consul General-designate to Geneva and India's Permanent Representative (European Division), U.N.O., left Bombay on Saturday last for Geneva.

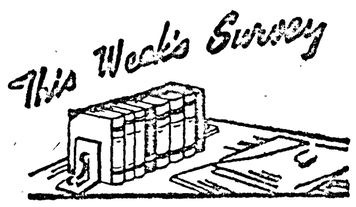
Mr. R. N. Philips, Director-designate of the proposed Export Promotion Organisation for European Trade, left Bombay for Frankfurt, West Germany, on the 7th inst.

Mr. Naranji L. Kara and Mr. Chinoobhai C. Jhaveri have been elected President and Vice-President, respectively, of the All-India Exporters' Association, Bombay.

Mr. Jai Kumar Atal, Joint Secretary, Union Ministry of External Affairs, has been appointed Ambassador of India to Turkey. He is expected to take over his new assignment next autumn.

Sir Evelyn Wrench will be the first President of the Commonwealth Union of Trade, London, recently founded by him with a view to promoting the cause of inter-Commonwealth trade. The Duke of Bedford and Admiral Sir Alan Scott-Moncreiff, C.-in-C., Far East Station in 1955-57, will be the Vice-Presidents of the Union.

Dr. Laurence de Rycke, Chairman of the Department of Economics at Occidental College, Los Angeles (U.S.A.), and Dr. Solomon J. Flink, Professor and Chairman of the Economics Department of the School of Business Administration of Rutgers University in Newark, are now on a lecture-tour of India sponsored under the U.S. Government's exchange-of-persons programme.



ATOMIC POWER

NUCLEAR technology, though its birth can be traced only to the early years of the post-war period, has advanced so rapidly that there are few leading countries which do not look forward to deriving benefit from it. Many of them, notably the U.K., the U.S., the U.S.S.R. and Canada have already set up nuclear power plants. Nuclear power has thus virtually ceased to be regarded as a mere scientific curiosity. Among the underdeveloped countries, India has made notable advances in nuclear research, thanks to a band of energetic research workers, headed by Dr. H. J. Bhabha. In the course of his address to Parliament, President Dr. Rajendra Prasad made the point that "considerable advance and expansion in the field of atomic energy, and exclusively for peaceful purposes has been made and continues satisfactorily." He stated that the Government had decided to install nuclear-powered plants of a minimum capacity of 250,000 kilowatts. He revealed that the construction of uranium metal plant had been completed and had undergone trial runs successfully; the first ingot of uranium of atomic purity was produced on 30th January 1959.

It should thus be clear that efforts are being made to put India on the world nuclear map. It is true that India's hydro-electric potential is large. This is estimated at 40 million kw. Of this, by the end of the current Plan period, India will have tapped only 6 million kw. But it must be remembered that hydro-electric potential is not evenly distributed throughout the country. This is even more true of reserves of coal, which is the basis of thermal power stations. Further, power consumption will increase at the rate of 100 per cent. every five years. Indeed, the increase has to be even more rapid, if the country is to attain soon the high levels of consumption in the West. The *per capita* consumption of electricity is only 34 kw.h. in India, as against 2,000 kw.h. in the U.K., 4.180 kw.h. in the U.S., 5,450 kw.h. in Canada, 850 kw.h. in Japan; the world average is about 670 kw.h. Power is required not merely for further advances in industrial and agricultural spheres but for raising the living standards in the rural areas, to large parts of which electricity has yet to be carried.

All this serves to emphasise the need for undertaking preparations for producing nuclear power. The question of comparative costs of nuclear and conventional power stations has to be viewed against the background of the rapid improvements which are taking place in nuclear technology. Referring to this problem, Dr. Bhabha, in the course of his speech at Bangalore, observed that the "economics of nuclear power were already such as to make it competitive with coal power in most parts of India." He predicted that, with the reserves of thorium available in India, any additional investment in nuclear power in the first ten years would repay itself within the following ten years. He said that even if one took into account only present technology, nuclear power would become cheaper than conventional thermal power stations in terms of capital investment and the cost of nuclear power would tend to be lower than thermal power in most parts of India within ten years. The rapid rate of advance of nuclear technology made it probable that nuclear power costs would go down.

Dr. Bhabha made it clear that a total reserve of 30,000 tons of uranium would not enable the installation of more than about four million kilowatts of installed capacity. Additional reserves would have to be located before further planning was undertaken. He said that the plutonium produced by the first generation of power stations could be used in a second generation of power stations designed to produce electric power and convert thorium into uranium 233, or depleted uranium into more plutonium with a breeding gain. The second generation of power stations might be regarded as an intermediate step intended to convert plutonium into uranium 233 for the breeder stations of the third generation.

Discussing the capital investments in a nuclear power programme, Dr. Bhabha said that an investment of Rs. 250 crores would be required for the first million kilowatts and a further investment of Rs. 50 crores for the next 250,000 kilowatts; the total investment for obtaining similar capacity from thermal power stations would not be less than Rs. 200 crores. The additional investment of about Rs. 100 crores for nuclear power in the first ten years would be cancelled by the saving in capital investment in the following ten years, by which time, five million kilowatts of electric power in the third generation reactors could be installed. Clearly, the prospect for nuclear power is bright. Indeed, time may reveal even brighter possibilities.

ROAD TRANSPORT

Road transport, after a long period of neglect, is coming into its own. In pre-war years, a major problem was road-rail competition. Transport policies were vitiated by the consideration that road transport was an unhealthy rival to the railways. Much has been done in recent years to set road transport on its feet. The Motor Vehicles Act has been amended, with a view to giving impetus to road transport development. The Inter-State Transport Commission has been set up. The Road Transport Reorganisation Committee (Chairman: Mr. M. R. Masani) is now engaged in recommending a model administrative set-up for motor transport; it is expected to submit its report by the end of this month. Despite the adoption of these measures, there are misgivings in the minds of road transport operators that they are being discriminated against. As Rajkumari Amrit Kaur pointed out, in the course of her presidential address at the All-India Conference of Road Transport Operators, held under the auspices of the All-India Motor Unions' Congress, which met at Bangalore last week, the road transport industry is of the opinion that the time has come for adopting a policy of positive encouragement in contrast to that of "mere tolerance." She rightly stressed that in India, which suffered from grave inadequacy, both of rail and road transport, there should be no waste or duplication of resources. There is room for both road and rail transport. It would be unwise to treat them as rivals. What is needed is a policy of co-ordination and development of these two modes of transport.

Of the problems of road transport, high taxation and threat of nationalisation are the greatest deterrents to its progress. The Union Minister for Transport and Communications, Mr. S. K. Patil, who inaugurated the conference, stressed the need for uniform taxation in regard to motor vehicles in all the States. Uniformity is an important, though not the only, aspect of taxation. What is particularly important is that the burden must be suitably reduced. The other problem is threat of nationalisation. On this issue, Mr. Patil's assurance was encouraging. He stated that the Government did not intend to nationalise goods transport in the next seven years. He added that, if the road transport operators did their job well, they would not be disturbed even after the next seven-year period for which immunity from nationalisation had been given. This assurance should encourage the operators to plan ahead and give efficient service to the public.

The formation of viable motor transport units will go a long way towards increasing their capacity to render the services the public expects from them. From this point of view, the suggestions which were made by Mr. T. S. Santhanam, Chairman of the Reception Committee, deserve notice. He said that better roads and the use of heavier trucks and truck-trailers would bring down the cost of operation and make road transport cheap, rapid and efficient. He urged the early removal of the restrictions on loads. If these suggestions, together with suitable relief in taxation, were implemented, it would enable the road transport industry to make an effective contribution to India's transport economy. The development of the industry will also mean wider employment opportunities, considering that, inclusive of manufacture, service, maintenance and other trades, the industry, according to Mr. Santhanam, already employs some three million men.

Among the resolutions adopted by the conference was the one which cried halt to the tendency in some States to rush through schemes of nationalisation of motor transport. The conference was of the view that there was ample room for the expansion of the nationalised sector in underdeveloped areas and on all new roads. Rationalisation of road tax structure and consolidation of different taxes into a single tax were the suggestions made in another resolution. Other suggestions made by the conference were simplification of administrative procedure in relation to road transport and need for extending larger credit facilities to operators and for allocation of larger resources for development of roads and road transport.

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FOOD SITUATION

It looks as though the food situation, which was gloomy until recently, has lately turned out to be encouraging. This at any rate is the impression one gets from the statements made by the spokesmen of the Government. Opening Parliament's budget session on Monday the 9th inst., President Dr. Rajendra Prasad, for instance, declared that the outlook for food crops was promising and that it was intended to build up considerable stocks and to widen the scope of State trading. The Prime Minister and the Union Food Minister have also struck a note of optimism regarding the food position. The former observed in his latest Press conference that the food prospect was better now than it had been for many years; the rice crop was very good; there was prospect of good wheat crop; and efforts to raise food production were yielding results. In his speech at the fifth annual conference of the All-India Women's Central Food Council at Calcutta on 29th January, the Food Minister, Mr. A. P. Jain, stated that, as far as the food situation was concerned, the worst was over. He went even to the extent of saying that India could export foodgrains if certain measures were taken immediately such as improved agricultural methods, proper storage arrangements, change of people's food habits and elimination of wastage.

While the statements regarding improvement in food situation are certainly reassuring,

the trend of foodgrains prices continues to be high, as will be seen from the following table:

(In Rs. per maund)

	Latest available	A month ago	3 months ago	A year ago
Wheat ..	27.00	27.50	22.75	16.06
Rice ..	32.50	30.00	32.50	28.50
Barley ..	17.00	17.50	17.13	8.75
Bajra ..	16.75	16.50	15.75	10.87
Maize ..	16.00	16.00	14.88	10.62
Jowar ..	15.25	14.50	14.00	9.38

The persistent firmness of foodgrains, as noted above, points to the need for taking corrective measures to hold prices in check simultaneously with the launching of a more intensive drive to augment production. This aspect requires to be specially stressed, lest the seemingly good prospects for food crops should lead to a sense of complacency in the minds of Government departments, the farmers and the politicians. What is urgently needed is proper advance planning, prompt and adequate provision of facilities for intensive cultivation and co-operation, between merchants, producers and officials. This aspect was forcefully brought out by Mr. Jain, while inaugurating the two-day conference of State Agriculture Ministers at New Delhi last week-end. Mr. Jain did well to draw special attention to the rapid rate of increase in population—2 per cent. per annum at present, as against 1.25 per cent. estimated at the last census—and aver that, since the control of population, desirable as it was, did not offer itself as a major factor in the solution of the food problem, "we must look for the solution through increased yield per acre; it was in this context that our production drive assumes special importance." Incidentally, he reiterated the Government of India's aim to double the country's food poduction by the end of the third Five-year Plan.

It is, indeed, gratifying to be told by Mr. Jain that he has already requested the States to prepare for the guidance of their workers a *kharif* campaign guide more or less on the model furnished by the Centre. The guide should indicate the different operations to be undertaken and the time schedule by which each of the operations should be completed. It must also taken into account the available resources and man-power. It may be noted here that the major crops included in the *kharif* campaign are paddy, *jowar*, maize, *bajra* and *ragi*; paddy is, of course, the principal crop which accounts for about half the total production of foodgrains. Special attention has, therefore, to be paid to raising rice output.

The continuing need for increasing the production of food crops (and other agricultural commodities) imparts supreme urgency to the adoption of measures designed to reorganise the State Agricultural Departments. A clear idea of what these measures are is provided in that illuminating report of the Agricultural Administration Committee (Chairman: Raja Surendra Singh, Adviser, Agricultural Production, Union Ministry of Food and Agriculture). Commenting on the report in the course of an editorial (*vide* page 794 of *Commerce* dated 15th November 1958), we observed that resolute and prompt action on the lines suggested by the Committee would help improve Indian agricultural administration to a level of competence which would do justice to the country's major occupation. We are glad that both the Centre and the State Governments have recognised the importance of such action and measures are accordingly being taken in this direction.

In the group discussions held in New Delhi during the past few months to discuss the State Plans for 1959-60, every State made a token provision in the budget for expenditure relating to the implementation of the report. Welcoming this step, Mr. Jain told the conference of State Agricultural Ministers that the recommendations could be quickly implemented if additional funds were reappropriated to augment the token provisions. He revealed, in this connection, that the Centre had already made a preliminary study of the recommendations and classified them under different categories which had been communicated to the State Governments in order to facilitate examination at their end. Broadly, these recommendations fall under the following two groups:

Recommendations which involve no financial implications and, therefore, can be implemented without any delay, provided they are otherwise sound and acceptable; these relate mainly to procedural matters, delegation of powers to officers at different levels, simplification of budgetary procedures and expenditure sanction, framing of rules for different posts, revision of service rules, direct recruitment of officers in order to inject fresh blood, promotions based on merit, and co-ordination of action between irrigation development and agricultural departments.

Recommendations involving financial implications which require a little more consideration, particularly in regard to the sources from which the expenditure could be met; these relate, among others, to the building up of key personnel, removal of deadwood in departments, need for better service conditions, provision of more opportunities for the staff of agricultural departments, departmental tests with necessary incentives for the staff to be in a state of continuous preparation for better work, institution of training facilities for staff, proper programme planning, and separation of what are called the "trading functions" from scientific and educational work related to farming.

All these are surely very valuable suggestions which, if given effect to earnestly and vigorously, will go a long way towards toning up the agricultural departments of State Governments, thereby contributing significantly to the improvement in production. As Mr. Jain very aptly put it, there is need to concentrate more on the man behind the plough than on paper, and this is the time for the administration and the staff to be thoroughly reoriented to give first priority to an action programme for higher production.

At their New Delhi conference, the State Agricultural Ministers put forward three suggestions. First, a country-wide drive for higher food production should be launched during the forthcoming *kharif* season. Secondly, the Centre must make every effort to meet the growing need for fertilisers by direct purchase, barter or other arrangements from abroad until such time as fertilisers are produced within the country in adequate quantities. Thirdly, the Centre should take adequate steps to ensure a fair price to the producer after taking into account all aspects of the problems. As regards the first mentioned suggestion, the Government of India has agreed to allot an additional iron and steel quota of 100 per cent. over and above the normal allocation for agricultural purposes in each State. It has also agreed to make available an amount likely to exceed Rs. 4 crores for the provision of short-term loans to farmers, besides supplying the required quantities of insecticides and pesticides. With these measures, one may expect better results during the next *kharif* season.

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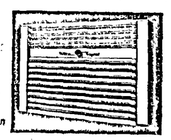

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PUBLIC EXPENDITURE

Two important considerations point to the need for a proper scrutiny of the expenditure in the public sector. First, public concerns are in charge of officials who have no financial stake. Secondly, the promotion of and prospects for the officials do not depend on the degree of efficiency with which they administer the units. Apart from the fact that public enterprises should be, like Cæser's wife, above suspicion, they should be run strictly on business lines like any other enterprise in the private sector. In other words, public enterprises must take special care to see that they spend money wisely and get the best advantage in return. How is this objective to be achieved? Some thought to this question was paid by Mr. A. K. Chanda, Comptroller and Auditor-General of India, when he addressed the Commonwealth Parliamentary Association (Madras Branch) at Madras on Friday last week. He commended the Canadian procedure which preserves the autonomy of corporations while making them accountable to Parliament. Mr. Chanda's thesis may be summed up thus:

1. Public enterprises, by reason of their public investment and operations in a monopolistic field, must depend upon popular support for their growth and expansion. Again, very large investments have been made in these nationalised industries and, hence, it is difficult to envisage a situation in which Parliamentary control over the activities of these enterprises would be abrogated. It must be accepted that these public enterprises must be accountable to Parliament.

2. Parliament should keep a watchful eye over the activities of the corporations; it should apply the same "rigidity" in the case of corporations as it does in the case of departmental expenditure.

3. Where a unit serves the purpose of a department like the Chittaranjan Locomotive Factory or the Perambur Coach Factory in Madras, there is no need to organise corporations. In Canada, financial statements are presented to the House which has also to approve of their capital budgets and the same body also decides how their reserves must be regulated and so on. A solution on similar lines should be found in India.

4. There is a feeling not only in India but also elsewhere that Ministers try to evade responsibility by not issuing directives. The mere existence of this power to issue directives is enough for them to be able to influence the policies and deliberations of State enterprises. Some way has to be found by which the Ministers' accountability can be more strictly enforced.

Here are a few valid points which provide much food for thought. The field of State activities has expanded vastly in recent years and indications are that the expansion would be more marked in the coming years. The investments in the three steel plants alone, for instance, will be Rs. 600 crores. Parliament's responsibility to see that these huge investments pay without squeezing consumers too much is, therefore, great.

MADRAS SALES TAX BILL

The Madras General Sales Tax Bill, 1958, has emerged from the Select Committee's unusually long scrutiny almost unscathed. Barring a few changes such as the raising of the exemption limit from Rs. 5,000 to Rs. 10,000 and certain marginal adjustments in the rate of levy on certain commodities and some additions to and deletions from the different schedule of goods, the Bill retains most of the original provisions.

The Bill, it may be recalled, seeks to consolidate and amend the law relating to the levy of a general tax on the sale or purchase of goods and, when passed, will replace the present Act of 1939. It was brought in to enable the Government to give effect to its decisions on the recommendations of Dr. Lokanathan for the simplification and improvement of sales tax system in Madras. It was referred to the Select Committee in March last year. Some of the important changes recommended by the Select Committee are: (1) the exemption limit should be raised from an annual turnover of Rs. 5,000 to Rs. 10,000, (2) rice and rice products, wheat and wheat products, which were subject to two

(*Continued on page 221*)

GROWTH OF GOVERNMENT SPENDING IN UNITED STATES

WILL KHRUSHCHEV BE RIGHT?

EVEN in the U.S., as in India, the public sector *versus* the private sector controversy is there. But it is of a slightly different nature. There are serious apprehensions in that country that, if the present trend of growing Governmental expenditure to ensure employment and higher living standards were to continue, it would gravely undermine the system of free enterprise and make the people slaves of the State. These fears have gathered fresh momentum, following the majority won by the Democrats in the Congress in the last November elections. Alluding to these apprehensions and striking a note of warning, the February issue of *Monthly Bank Letter* of the First National City Bank of New York observes as follows:

There is increasing interest, in and out of the U.S. Congress, in ways to spur the economy to greater productive achievement and keep up with the Russians. Two paths are open. One, commended by the President, is to work toward tax reforms and stimulate the individual enterprise that gave us world-wide economic supremacy. The other way, advocated by the Democratic Advisory Committee, is to use enlarged government expenditures as a stimulant. The sequels of oppressive taxes and controls to hold back private activities then become such an impediment that Government finds it "necessary" to shoulder still more responsibilities and do still more subsidising.

More Dependents

Uncontrolled rise in Government spending naturally encroaches upon the areas of individual responsibility; indeed, it breeds a race of dependents. But advocates of more and more Government spending deny this obvious consequence: rather they would have us believe that private enterprise will be so powerfully stimulated that ever-rising Government expenditures will make up a smaller percentage of the national production.

This curious theory bears an unwholesome resemblance to Karl Marx' thesis that, under communism, Government will gradually wither away. But setting up new departments to pass out "federal funds for free" is no act of withering away; quite the reverse.

Nevertheless, spending more public funds has a strong appeal as a way out of our national dilemma. If economic progress can be legislated in the halls of Congress by the passage of a few more appropriation bills, then higher standards of living and an unmatched defence capability are easily realised. On the other hand, if national strength demands something *real*—like longer hours of harder work by enterprising people and more effective use of time in the nation's schools—it might be better to stop the easy talk of spending so many more billions.

Nothing, except talk, is cheaper than printed money. All we may get from undisciplined public expenditure is greater inflationary pressure, dislocation of the economy, and—in the end—still higher taxes and bureaucratic control of prices and production. As Senate Majority Leader Lyndon Johnson has said, in noting the variety of proposals for countering inflation: "We cannot afford to 'go broke' in tinkering with our economic system merely because an idea is appealing or attractive. The idea must be tested in the market place of ideas."

An Exploded Theory

The fact is that the idea of stimulating enterprise by more public spending has already been tested, not only in the market place of ideas but in the stern school of experience.

The U.S. Government under the Constitution represented a new start after the financial fiasco under the Articles of Confederation and Perpetual Union ratified 1778-81. The paper money of the Continental Congress had become practically worthless. Since 1789, Government spending—Federal, State and Local—has been growing with the development of the nation.

Since 1913, the G.N.P. has risen a little more than eleven times—from an estimated $39 5 billion to above $450 billion at present. Total Government expenditures have risen near fifty times, from $3.0 billion in 1913 and now pushing toward $145 billion.

These figures for total government expenditures are designed so far as possible to include expenditures outside regular budgets (as from trust funds), but adjusted to eliminate double counting of grants-in-aid from one governmental level to another. They are derived from tabulations of the Tax Foundation with fiscal '60 projected on the basis of the federal "cash" budget and the established uptrend of state and local outlays. Estimates of state and local spending involve many problems for statisticians. The President's Council of Economic Advisers compiles data for recent years on total cash payments of Government in the national income accounts. These are running about $12 billion lower than the longer Tax Foundation compilations. But they show the same disproportionate rise. By any valid test, Government is figuring more and more largely in the American economy.

On the record, we must look with suspicion upon the argument that more public spending can stimulate private enterprise. Right now, the radically increased Government spending is stimulating the private economy. But we have not yet paid the bill. Sooner or later, higher taxes will act to curb the area of discretionary spending for the people and limit growth of the markets for the private sector of the economy.

It is argued that a dollar of increased federal spending will produce a multiplied growth in private spending and in the G.N.P. But the final result is encroachment, rather than stimulation. On the basis of the Tax Foundation figures, we had $13 of G.N.P. for every $1 of Government outlays in 1913. Now we have between $3 and $4 of G.N.P. for every $1 of Government outlays.

A Prophecy

Premier Khrushchev predicted a year or two ago that our grandchildren would live under socialism. If we let Government keep crowding in with more programmes, more handouts and more controls, he will be right.

More and more thoughtful people are pondering where we are headed and what kind of society we want. We can treat the individual as dignified and self-reliant. Or we can reduce him to self-pity and dependence on the labours of others for support. Then, as production falters, the whip of compulsion must supplant the spirit of enterprising advancement. This is Hayek's *Road to Serfdom*, Orwell's 1984.

A thoughtful recent visitor to Russia and Czechoslovakia was led to comment: "While the Soviets are widening their use of incentives and devoting most of their increased production to capital formation, the Welfare states of the West, through inflation, taxation, and cradle-to-grave security, are reducing the incentives to work and to save. One cannot help but fear the outcome under such conditions."

The Issue Joined

The issue is joined in the debate on the President's 1960 budget proposals. The President turns attention to the desirability of retrenchment in federal expenditure and working toward tax reforms. The opposite view is that of the Democratic Advisory Committee which complains that, while the President says we need to do more, "his budget proposes to do less." Here stands naked the seductive presumption that it is only Government, and Government money, that can accomplish anything useful.

While college textbooks speak of the U.S. as a "mixed economy," we ought to guard against becoming a "mixed up economy," one without clear purpose or guiding principle. Few people openly espouse socialism. But, if we want to rely on the enterprise of the individual to get us ahead we must buttress his incentives, nourish self-reliance, control the greed of the tax-collector, and give the private, tax-paying sector of the economy room in which to grow and prosper.

GOLD RESERVES STILL RISING

MORE FREEDOM FOR RAISING CAPITAL

(From Our Own Correspondent)

LONDON, *6th February*

WHAT a different picture do the gold and sterling reserves present this winter from the crisis level of eighteen months ago. The rise has been continuous but has been not less impressive, since, from their low point of £660 million in September 1957, the reserves surpassed the £1,000 million mark in the spring of last year. For it is one thing to get back money which went out in a hurry and another to keep on steadily adding to the reserves, thus the rise of another £15 million in January bringing the reserves up to £1,111 million is encouraging. It is also encouraging that the month of December, although nominally showing a decrease purely as a result of the interest and capital payments on North American loans, had shown a rise on trade and commercial account.

LONDON LETTER

As an exercise in confidence, there is no doubt that the amalgamation of the transferable and dollar account sterling has worked. Behind this confidence, there are also the benefits which trade recession in the wider sense has continued to bring, that is, the gain through lower prices of imported goods over the value obtained for British exports. But the margins of increase in the reserves under discussion amount to something like 5 per cent. of the month's import trade. They could thus easily be washed away by a slight revival in internal activity resulting in an expanded import bill. Sterling at the moment is the popular currency, but this position could change overnight and there might be a run out of sterling into dollars. A fall in the reserves would then not reflect at all the worsening of Britain's Balance of Payments; it might reflect a substantial rise in productive activity. But the world would only see it in a black light.

Capital Market

The Government has belatedly recognised that the rise in reserves is not enough to keep butter on British bread, and it has now removed the last hindrance to increase capital investment by permitting industry to raise money freely in the City. Whether this move is in time to do any good is very doubtful—there are some issues amounting to little more than conversions waiting to come forward—but what matters from an industrial point of view is whether money is going to be put into new factories and new plants. In other words, whether the productive capacity of the country is going to be increased. At least, it is a good thing that there is no artificial barrier to this and thus the last of the obstacles raised against industrial borrowing for twenty years has now fallen. Oddly enough, local authorities are not given the benefit of this same freedom, though they might be some of the larger spenders on housing and other public works. But the Chancellor has assured us that the purpose of not exempting them is merely to keep an eye on what they are doing and is not intended to prevent them from borrowing money for "sound" purposes. The Chancellor will undoubtedly remain the Guardian of what is "sound". The other known exempt class of borrowers are not so oddly foreigners, since a completely free capital market could knock a large hole in the sterling defences.

Influencing Voters

One final point of interest in the City this week has been the furore over the Government's back-handed attempt to the iron and steel industry to weight the marginal constituencies in the country against the Opposition. The steel industry is spending about £½ million on a biased questionnaire to all voters in these marginal constituencies, asking various questions about nationalisation in relation to steel, all intended to get them to say that they do not want any more nationalisation and so to get them to vote for Government at the next election. The sponsors of the questionnaire, indeed, make no bones about the purpose of their activities, but they seem to have put their foot wrong, as a good deal of resentment is being generally aroused by this rather too open attempt to use industry as a political factor.—*All Rights Reserved.*

SURVEY

(Continued from page 219)

per cent. multi-point tax, should be taxed at one per cent., like other foodgrains.

The Committee has also recommended that certain items from the first schedule of the Bill, which mentions the goods in respect of which single-point tax is leviable, should be omitted on the ground that a low multi-point levy would be convenient to the trade and that, in certain cases, a single-point levy might result in diversion of trade. Two new items, namely, sugarcane and potatoes, have been added to this schedule. Three new items, namely, sugar, including jaggery and *gur*, handspun yarn and handloom cloth have been added to schedule III which enumerates goods exempted from tax according to section 8.

Schedule I of the Bill included some finished goods as well as components and parts. According to the provisions of the Bill, such goods are subject to tax at 7 per cent. single point. If a 7 per cent. single-point levy is made on components and parts, then another 7 per cent. on the finished goods out of these materials has to be paid. If the manufacturers obtained the components and parts from other States, they have to pay only one per cent. Central sales tax. The Committee felt that this would affect the sale of local products, resulting in the diversion of business to other States. It has, therefore, suggested suitable changes in the provisions so as to avoid such a contingency. It has provided for one per cent. tax on the components and parts of goods mentioned in schedule I. It also feels that, though a particular item has been taxed under this Act, it should also be liable for inter-State sales tax. A new clause has been added to this effect.

In respect of goods which would be newly brought under single-point levy at a higher rate of tax at the point of first sale or first purchase on the date of commencement of the new Act, there is no provision in the Bill for levying the single-point tax on the stocks held by record on the date. The Committee feels that, if provision is not made for taxing the sales of such stocks from that date, the second and subsequent dealers will purchase and hoard large stocks before the date to get the benefit of lower rate of tax and the Government will lose revenue. It has decided to add a new clause providing for the levy of tax on the sale of these stocks also.

It would appear that considerations of revenue, which had prompted the Government to depart from the recommendations of Dr. Lokanathan, have influenced the Select Committee also in its decisions. This explains why even the rates the incidence of which on consumers is bound to be heavy have been retained. For instance, the general multi-point tax has been maintained at two per cent., although this is double the rate recommended by Dr. Lokanathan. The levy on rice and rice products, wheat and wheat products have been reduced to one per cent. which is the same as the levy on other foodgrains. Even so, the latter rate is double that proposed by Dr. Lokanathan, who had suggested that it should not exceed half per cent. The Select Committee, has, however, raised the exemption limit for dealers in perishable products from Rs. 25,000, as recommended by Dr. Lokanathan, to Rs. 30,000. The levy of five per cent. on cement and half per cent. on spices also need revision.

The plea for compounding the tax leviable on dealers having a turnover above Rs. 25,000 but below Rs. 50,000 has, obviously, not found favour with the Committee. It had been represented before the Committee that such compounding would simplify the procedure and facilitate easier collection of tax. The reason given was that the bulk of the sales tax was collected from less than 20 per cent. of dealers whose annual turnover exceeded Rs. 50,000 while hardly 15 per cent. of the collections came from those having a turnover below Rs. 50,000. There seems to be considerable force in this contention and the question may be reconsidered when the Bill again comes up before the Assembly

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The British European Airways proposes to cut drastically its international fares during the coming summer season starting on 1st April. The reduction will be subject to the ratification by the International Air Transport Association (I.A.T.A.) and the U.K. Government. It will take the form of cheap night tourist rates, which, in some cases, will be 30 per cent. below the standard day tourist return rates.

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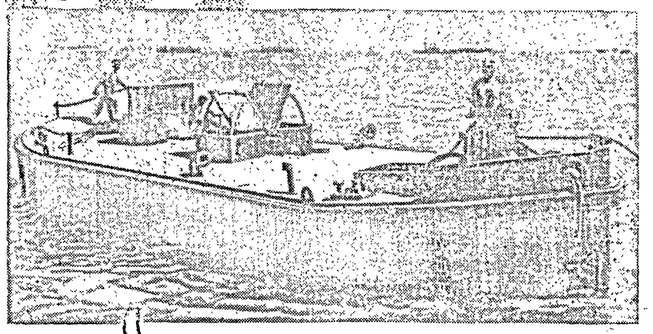

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RESOURCES OF WORLD BANK AND I.M.F.

DIRECTORS' PROPOSALS APPROVED

THE Governors of the International Bank for Reconstruction and Development and the International Monetary Fund have approved of the proposals submitted by the respective Executive Directors of the two institutions for increasing their resources through an enhancement in quotas of member-countries. It will be recalled that, at the annual meetings of the Bank and the Fund held in New Delhi in October last, the Governors themselves expressed a desire to raise the resources of the two institutions through this means and requested the Executive Directors to consider whether increases in the resources were necessary, and if so, to decide the extent of such increases and put forward suitable proposals. The Executive Directors' suggestions were accordingly submitted by the end of December 1958. These proposals have now been approved by the Governors of the Bank and the Fund by votes without calling a special meeting for the purpose. This means that India also has agreed to subscribe its full additional quota to the capital of the Bank and the I.M.F.

Payment of Gold Tranche

It may be noted here that the Fund's Directors recommended that 25 per cent. of the proposed increase in quotas to the Fund is payable in gold and the balance in member-countries' currencies by all members including those who in accordance with the Articles of Agreement, were not required to pay their original subscriptions. It was, however, felt that some of the members might not be in a position to make the payment of the full gold tranche immediately. In order, therefore, to facilitate such members, the Executive Directors had recommended that they could make the payment on a deferred term basis and, in any case, the full payment must be made within a period of four years. Since India has been having balance of payments difficulties, it, too, can avail itself of this facility, but it is not known what the Government of India is going to do in this matter. The question to be considered here is whether, without paying the gold part of the additional subscription in full, India will be able to hold its seat on the Executive Board of the Fund. It seems to us that it will be prudent to meet this liability in one stroke rather than in deferred instalments, in order to avoid possible complications and embarrassment.

It now rests with each member-country to ratify the increase in quotas offered to it by getting the approval of its Parliament. The increases will become effective only if countries having 75 per cent. of the present quotas do so. Members are required to notify the acceptance of the increases in their quotas by 15th September 1959. There should be no difficulty in going through these formalities within the prescribed time limit. In the U.S., President Eisenhower has already sought the consent of the Congress. The U.K. has just introduced a Bill for this purpose in the House of Commons. India, too, will be following suit shortly.

Exceptions

Under the proposals finalised by the Executive Directors and approved by the Governors, there will be a general increase of 100 per cent. in members' subscriptions to the capital of the World Bank and 50 per cent. in members' quotas in the I.M.F. In the case of Canada, West Germany and Japan, an exception has been made, in that they are required to pay more, as will be seen from the following table:

(In million U.S. dollars)

	Bank's capital		Fund's capital	
	Present quota	New quota	Present quota	New quota
Canada	325	750	300	550
W. Germany	330	1,050	330	787½
Japan	250	666	250	500

Thus, Canada's quota to the Bank's capital has been raised by 130.1/13 per cent. and to the Fund by 83⅓ per cent. In the case of Germany, the increases are 218.3/11 per cent. and 136.7/11 per cent., respectively, and for Japan they are 166.2/5 per cent. and 100 per cent., respectively. India's subscription to the World Bank's capital now amounts to $400 million, and an equal sum to the Fund. This will be raised to $800 million and $600 million respectively.

As has been pointed out in an earlier issue of this journal and unlike in the case of the Fund, the increase in the World Bank's capital does not involve any cash payment by the member countries. The object in raising its capital is to raise its contingency reserve in the form of uncalled capital, so that its capacity to raise funds through issue of bonds can be enhanced.

I.F.C. TO INVEST IN INDIA

A notable feature of several of the new private enterprises started in India in recent years is their collaboration with foreign *entrepreneurs* in the form of capital and technical know-how. Ventures like Ceat Tyres, South India Viscose, Hindustan Aluminium and Associated Cements-Vickers-Babcock and Willcox are only a few instances of such foreign private collaboration. Some Indian enterprises have met their requirements of capital from the Export-Import Banks of the U.S. and Japan. But these are all established companies. Hitherto, no private enterprise in this country has availed itself of the facilities provided by the International Finance Corporation, an affiliate of the World Bank. One of the main reasons for this was the impression among company managements that its terms were not attractive to them. Actually, Tata Chemicals, which had secured a line of credit from the Corporation, did not use it, preferring to go to the U.S. Export-Import Bank. It would, however, appear that the I.F.C's facilities are beginning to be appreciated better in this country.

When Mr. Robert L. Garner, President of the I.F.C., visited India in October last, negotiations were held with him by several industrialists of this country for the promotion of new ventures with the aid of I.F.C. Mr. Garner also had discussions with the representatives of the Government of India in order to straighten out the differences of opinion that existed between the Corporation and the Government. Following the discussions, this journal stated in October last that the prospects of the I.F.C. concluding a few deals in India during 1959 were bright.

Accordingly, we note with gratification that the I.F.C. has just completed arrangements for its first investment in India. According to a Press note issued in Washington on Monday, the I.F.C. is investing $1.5 million (equivalent to about Rs. 75 lakhs) in a new company called the Republic Forge Company Ltd., for the construction and operation of a steel forging plant. The Company is entirely owned by a group of Indian business men, with Nawab Zain Yar Jung, Trustee, Nizam of Hyderabad's Trust, as Chairman of the Board of Directors.

The forging plant, to be located near Hyderabad, is designed for two phases of growth starting at 5,000 tons of annual production increasing to 12,000 tons by 1964. Present forging capacity in India is far below the domestic need for quality steel forgings. Imports of forgings are heavy and a number of basic Indian industries are severely handicapped by an almost complete dependence on imports. Republic's productions will serve industries manufacturing trucks, internal combustion engines, automobiles, railway equipment and a variety of other engineering products. It will effect substantial foreign exchange savings.

Republic Forge has had the assistance of Bayles and Associates, management consultants of Pittsburgh, in planning the enterprise and has entered into a technical assistance agreement with the Steel Improvement and Forge Company of Cleveland, Ohio. This company will supervise the plant layout and equipment, train employees from Republic Forge, recruit supervisory personnel, as well as provide technical assistance and know-how after the plant goes into production.

The I.F.C.'s investment of $1,500,000, together with an investment of the Company, will be in dollar notes bearing interest at 7 per cent. The notes will mature between 1966 and 1971 and may be redeemed at any time. In addition, after four years, the I.F.C. will receive contingent interest payable in Indian rupees depending on the amount of earnings. The I.F.C. will also have an option to subscribe at par to ordinary shares of Republic Forge. The I.F.C. commitment is subject to completion of the necessary legal formalities.

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CURB ON BANK CREDIT AGAINST GROUNDNUTS

The Reserve Bank of India has issued a directive to all Scheduled banks asking them to maintain a minimum margin of 45 per cent. of the value of stocks, in respect of advances against groundnuts. This step has been taken, with a view to correcting the "unhealthy speculative activity" in groundnuts. According to the Bank, the forward and ready prices of groundnuts have, in recent weeks, shown sharp and contra-seasonal rise, despite estimates of higher production this year. It has also been found that bank advances against groundnuts rose steeply during January 1959 and were at the highest level for many years. It would appear that speculative sentiment in the domestic market, aided, to some extent, by bank finance, has been responsible for the spurt in prices.

In order, however, that the curb on bank advances may not affect exports of groundnuts or the legitimate requirements of *vanaspati* manufacturers, the Reserve Bank has exempted from its control order credits to *vanaspati* manufacturers of those holding licences for export of groundnuts.

The margin requirement is applicable not only to fresh credits granted after the date of the directive (9th February 1959) but also to the existing advances. This means that, on the old credits, banks will have to raise the existing margins to 45 per cent. Banks have also been directed to maintain each month, commencing from March 1959, an average aggregate level of credit against groundnuts not exceeding such level of credit maintained in the corresponding month of 1957 or 1958, whichever is higher.

In the case of composite advances, the Reserve Bank has asked banks to segregate the advances against groundnuts together with the relevant credit limits from other advances and apply the above restrictions to such segregated advances. The Reserve Bank has also drawn the attention of banks that, for the effective implementation of the provisions of the directive, the parties affected by it should not be allowed facilities, which would either directly or indirectly defeat its purpose, for example, by grant of clean advances, discounting of bills, etc.

U.K.'S OVERSEA CAPITAL ISSUES

The amounts raised during 1958 in the London capital market for oversea borrowers were, as in previous post-war years, almost entirely for Commonwealth and Empire countries, according to the *Midland Bank Review* for February 1959. Within this category, the Commonwealth Governments increased their borrowing sharply, with large issues by New Zealand (nearly £20 million), Australia (about £14.75 million), the Federation of Rhodesia and Nyasaland (just over £9.5 million), and Jamaica (nearly £4 million).

This trend may be continued, the *Review* suggests, as a result of the suggestion by the Chancellor of the Exchequer in September last that development boards and other authorities in the Commonwealth and Empire be allowed direct access to the London capital market.

The percentage of all capital issues (domestic and foreign) going to Commonwealth and Empire countries has shown a steady growth, being 7 per cent. in 1955, 10.6 per cent. in 1956, 15.9 per cent. in 1957, and 19 per cent. in 1958.

PUNJAB NATIONAL BANK LTD.

In consonance with the general trend of bank profits for 1958, the Punjab National Bank Ltd. has earned a lower profit of Rs. 106.64 lakhs, as compared with Rs. 111.07 lakhs in 1957, thus reversing the upward trend noted since 1952, when the profit stood at a low of Rs. 34.12 lakhs. The provision for taxation has been reduced from Rs. 50 lakhs to Rs. 33.50 lakhs. The addition to the reserve fund has been cut from Rs. 22.50 lakhs to Rs. 17 lakhs, while the provision for bonus to staff has been stepped up from Rs. 18 lakhs to Rs. 30.75 lakhs. The interim dividend at Rs. 2.50 per share (of Rs. 25 each), same as for the previous year, had absorbed a larger sum of Rs. 12.50 lakhs, as against Rs. 8.75 lakhs. This was due to the increase in capital by the capitalisation during 1957 of Rs. 37.50 lakhs, standing to the credit of the share premium account. The Directors have now recommended a final dividend of Re. 1 per share of Rs. 10 each. The shares of the Bank of Rs. 25 each were split up during the year under review into shares of Rs. 10 each. The final dividend for 1958 is, therefore, equal to that of Rs. 2.50 per share with the face value of Rs. 25 each paid for 1957. In other words, the total distribution for the year is unchanged at 20 per cent., albeit on a higher capital. After making the final distribution, the balance left to be carried forward will be Rs. 4.91 lakhs, as against Rs. 4.52 lakhs brought in from 1957.

INDIAN OVERSEAS BANK LTD.

The net profit of the Indian Overseas Bank Ltd. for 1958 has also suffered a setback, having dropped from Rs. 32.49 lakhs to Rs. 28.60 lakhs. It is even a fraction lower than that (Rs. 28.63 lakhs) earned in 1956. The Directors have reduced the provision for taxation from Rs. 16 lakhs to Rs. 12.50 lakhs and the transfer to the reserve fund from Rs. 7.32 lakhs to Rs. 6 lakhs. The provision for bonus is higher at Rs. 4.50 lakhs, as against Rs. 3.75 lakhs. The dividend is proposed to be maintained at 10 per cent., which will absorb Rs. 5.88 lakhs, leaving to be carried forward Rs. 2.03 lakhs; the corresponding figure for 1957 was Rs. 2.32 lakhs.

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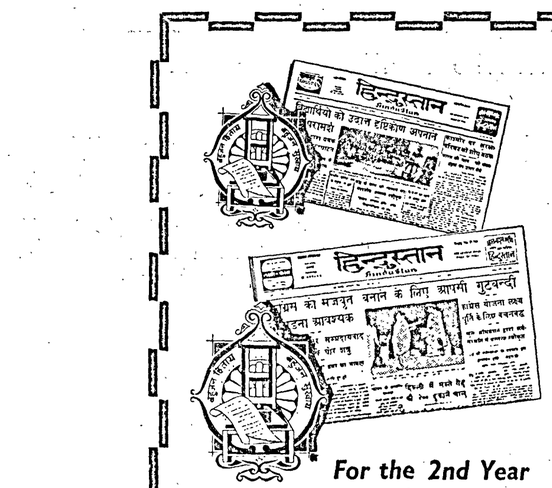

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AUGMENTING EXPORTS OF TEXTILES

COTTON MILLS' FEDERATION'S CALL TO THE INDUSTRY

THE Committee of the Indian Cotton Mills' Federation has called upon member-associations and, through them, individual mills, to make a supreme effort to increase exports of cotton textiles even if it involves sacrifices on their part. Some of the adverse factors affecting exports, the Committee says, still persist, but they should be regarded as constituting a challenge to the industry to put forward its best effort. In its opinion, as the second largest producer of textiles in the world, it is not beyond the capacity of the industry to meet the challenge. The Committee of the Federation has particularly appealed to the producers of fine and superfine fabrics to make every endeavour to popularise their goods in foreign countries and export them in ever-increasing quantities.

The call for a determined effort on the part of every cotton mill to maximise exports of piecegoods even at a sacrifice is not only quite timely but also pertinent. The export trade in cotton textiles has suffered a distinct setback in the past year or so. The aggregate quantity of cloth actually shipped during 1958 was no more than 600 million yards, which represents a drop of as much as 24 per cent. as compared with the shipment of 788.28 million yards in 1957. The disquieting trend is expected to persist in the current and coming years unless energetic steps designed to enhance the competitive capacity of the mills are taken in right earnest. The volume of world textile trade continues to shrink, thanks to development of indigenous industry in countries which were formerly importing cloth from outside. The competition for world markets is also becoming keener; communist countries, particularly China, have emerged as suppliers of piecegoods to countries which were normally drawing supplies from the free world. China, it is said, is underselling by 10 to 15 per cent., besides offering the inducement of deferred payment terms to importing countries. With a view to capturing the cloth markets of South East Asia, "China is reported to have offered to supply whatever qualities of piecegoods the importing countries desire at prices 10 per cent. cheaper than those quoted by other suppliers, provided orders are placed for half a million yards to be shipped in a period of six months. There is also the competition from cheap rayon goods manufactured in Japan and other countries.

Apart from these factors, some of the traditional customers of Indian textiles have taken measures to restrict imports, necessitated by balance of payments considerations. Mention may be made of the trebling of import duty on textiles by East Africa and withdrawal of cloth from open general licence by Sudan.

In view of the aforesaid developments, the question naturally arises as to how India can retain the markets already held by it and acquire new ones. This aspect has been stressed by Mr. Krishnaraj M. D. Thackersey, Vice-Chairman of the Federation, in the course of an interesting article contributed to the *Hindustan Times*. Mr. Krishnaraj points out that, in all probability, India will be able to realise the desired goal, provided the competitive power of the industry is strengthened; it is well known that production of cloth on worn-out equipment is neither efficient nor economical. He has warned that, unless India acquires the same competitive ability as its rivals and is, in fact, a leap ahead of them, it must be prepared to face the grim prospect of declining exports and diminishing external earnings.

In this connection, he observes: "The cause of export promotion will be served best by improving the competitive power of the industry. That aim can be realised only by a judicious scaling down of the cost of production. Today, the bulk of our exports consists of coarse and medium varieties of piecegoods largely because the home-grown cotton is available to the industry at relatively cheaper prices." According to Mr. Krishnaraj, it is for serious consideration whether this advantage should be frittered away by exporting cotton to textile-producing countries and thus give them an opportunity to compete with our piecegoods in the world market. "It is high time," to quote him, "a decision was taken on the question whether the national interests would not be better served by exporting the articles manufactured from cotton instead of sending out the raw material itself. Cotton accounts for about 50 to 55 per cent. of the total cost of cloth. Its prices have remained more or less steady and there is no possibility of effecting any major economies on this account. Reduction should, therefore, be attempted in the other elements of costs. Owing to restrictions on foreign exchange, the cost of stores has increased considerably."

Mr. Krishnaraj has drawn attention to the fact that, owing to the sharp increase in the cost of living, the industry is called upon to pay a heavy wage bill in the shape of an ever-increasing dearness allowance. Besides, the non-wage element consisting, among others, of provident fund, the Employees' State Insurance Scheme, leave with wages and gratuity, amounts to well over Rs. 25 per month per worker. Thus, the wage bill constitutes as much as 30 to 32 per cent. of the manufacturing charges. While on this, he says:

"It is nobody's intention that labour should be mulcted of its gains, but the incidence of the wage cost should be reduced by relating wages to productivity and by encouraging mills to go all out to equip themselves with up-to-date machinery. Rationalisation and modernisation thus offer an effective solution to the problem of costs as well as of exports. I have no doubt with the aid of modern machinery the industry will be able to hold its own in the world market and, in the years to come, achieve the export target prescribed for it by the Planning Commission."

This is certainly a very correct assessment of the whole position concerning the cotton textile industry. While the benefits accruing from modernisation are of long-term nature, the immediate task is how to augment exports to certain "conventional" buying countries such as Sudan which cannot purchase the same due to the import policies of the respective countries and not due to price and quality considerations. In such circumstances naturally, whatever incentives are granted to exporters are of no avail. Exports to these destinations could be augmented, as is rightly stressed by some traders, if the Government of India enters into agreements with such countries and makes arrangements for the exchange facility beneficial to both the countries. It may be noted here that a few communist countries have signed barter agreements with Sudan under which they export textiles in exchange for cotton. The U.K. and France are also taking initiative in a similar way.

NOVEL TEXTILE SPINNING FRAME

The Whitin Machine Works of Massachusetts, U.S.A., have developed what is claimed to be a revolutionary new type of spinning frame. Called the Piedmont spinning frame, the new streamlined machine incorporates the first basic change in spinning frame drive mechanisms in 100 years. For the past 100 years, spinning frames have been driven by long tapes or ropes actuated by 6-inch to 10-inch diameter drums running the length of the machines. The Piedmont spinning frame has neither tapes nor drums. Hidden shafts run along either side of the machine, and power is transmitted by individual driving belts. It is said that the new drive will drastically reduce costly shut-down time for tape repairs. The frame is expected to set the pace for spinning for many years. The frame, the inventors claim, "offers higher product of better quality yarn, either cotton or synthetic fibres, at lower cost with important mill space savings." It is almost 50 feet long but only 27 inches wide. Its slim silhouette results in a saving of 25 to 35 per cent. in floor space over conventional spinning frames. The Piedmont is available up to 312 individual spinning spindles. With all spindles filled, the machine holds as much as 3,400 miles of yarn ready for weaving or knitting.

China is now probably the world's largest importer of wool tops with an increase of 12,178,000 lbs. within the last two years, according to the latest figures in *Wool Intelligence*. China's receipts of raw wool also rose very sharply from 2,668,000 lbs. in 1956 to 32,750,000 lbs. in 1958. Until 1957, China's imports consisted almost entirely of scoured wool, chiefly from Australia, but, in 1958, apparent receipts of greasy wool, mainly from New Zealand, almost equalled those of scoured wool. Imports of wool cloth are extremely small, but much larger quantities are exported from China to the Soviet Union. China's production of wool cloth rose sharply in the past six years, from 4.63 million linear yards in 1952 to 25.80 million linear yards (provisional) in 1958.

The importance of sending study teams to foreign countries to investigate markets for Indian wool products was stressed by the Export Sub-Committee of the Wool Development Council when it met at Jaipur on the 3rd inst. The Committee urged that the representatives of the hosiery and organised mill sector should visit Poland and other East European countries, as well as W. Germany and the Middle East, and that the carpet makers should investigate markets in Europe, Russia, Canada and the U.S. It recommended four steps to encourage exports. These cover supply of raw materials such as dyes and chemicals; study of foreign markets; publicity work; and appointment of publicity agents outside India.

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"FREE" TRADING IN COTTON YARNS

SPINNERS CUT SELLING RATES

From A Special Correspondent

MANCHESTER, *3rd February*

MANCHESTER LETTER

AFTER months of speculation concerning the outcome of the enquiry into the system of establishing minimum prices for cotton yarn in Lancashire, the scheme officially came to an end this week after operating for nearly ten years. The decision followed the formal declaration of its dissolution by the Restrictive Practices Court, which had already described it as "contrary to the public interest." Few millowners awaited this formal verdict before taking action to adjust their price levels in line with the first "free" trading day in cotton yarns for more than 20 years. Prior to the now abandoned scheme, wartime control had been in operation and, before that, "gentlemen's agreements" had been the first methods adopted to curb internal price competition in the mid-1930's.

Developments which succeeded the freeing of cotton yarn prices were largely as had been expected within the industry. The first repercussions were reductions in selling rates ranging from a minimum of about 2d. per lb. to larger concessions in the finer qualities, with some exceptionally cut rates when individual spinners felt the need for securing orders at all costs.

Signs of weakness were not lacking in certain directions and, after the years in which solidarity in the spinning section had for so long been a watchword, it was disappointing to note that a few mills were so keen to regain an order list that they almost went begging to their customers for business. In some cases also, it was reported that firms were ready to accept the lower level of values for their current contracts, thus further undercutting the market.

Discussions on Prices

Discussions took place at the end of last week between leading groups in the industry to establish at least a preliminary basis on which to assess prices. There were, however, instances when some of the smaller firms took the law into their own hands and made sharp cuts in quotations in order to secure business. One Oldham company, which has for several months been running on short-time with a very depleted order book, immediately notified customers that prices of coarse and medium yarns were being cut by from 2d. to 4½d. per lb. The same firm indicated its ability to supply yarn from stock and offered a reduced number of qualities.

Over the industry as a whole, price levels tended to be chaotic, as salesmen endeavoured to discover the range of quotations being offered by their competitors. Buyers in the meantime tested prices on a free scale, the urgency of the situation being emphasised by the fact that many distributors in the home trade are now distinctly short of stocks, having avoided commitments for many months past awaiting this day. They are now anxious to replenish their shelves but equally determined to secure goods at the best possible price.

Spinners and manufacturers meanwhile with stocks of processed goods at hand and short order lists are in no position to do much bargaining. The possibility that prices may ease further as rivalry for orders increases cannot be ruled out.

1958 Prices

At the present moment when the attention of virtually all traders in the market is centred on price trends, it is worth considering the movement of values during the past twelve months when falling prices had their usual adverse effect on the turnover, in 1957, trading in cotton goods was aided by a general stability in the level of selling rates which was lacking last year. Declining values, ever a discouraging factor when buyers want to look ahead, were chiefly responsible for the slow rate of demand, irrespective of the uncertainty arising from foreign imports and the future of yarn pricing arrangements.

The official Board of Trade index, on which comparative price levels can be gauged, is now based on 1954 averages. The following table shows the movement in values last year, calculated on 100 being the 1954 level:

	Cotton yarn			Spun rayon yarn	Cotton cloth	Rayon fabric
	All types	American type	Egyptian type			
1958						
January ..	98.0	98.5	97.1	101.2	98.3	100.6
February ..	97.2	97.2	97.1	101.2	97.5	100.6
March ..	95.9	95.7	96.8	100.7	96.5	100.6
April ..	94.2	94.9	92.9	100.7	96.0	100.6
May ..	94.3	95.1	92.8	100.7	95.6	100.6
June ..	94.2	95.2	92.4	100.7	95.5	100.6
July ..	94.4	95.6	92.3	100.7	95.1	100.6
August ..	93.4	94.8	90.8	96.5	94.7	100.6
September ..	92.2	93.8	89.2	94.4	93.8	100.6
October ..	91.8	93.1	89.3	94.4	93.5	100.6
November ..	90.9	92.7	87.7	94.4	93.0	100.6
December ..	89.3	91.9	84.7	94.4	92.5	100.6

Weakness in cotton yarn prices persisted, especially in the finer qualities, and a further drop has occurred since the turn of the year. Internal competition between rayon spinners was intensified after the abandonment of the recommended price scheme last July and is portrayed in the lowering of the index after a long period of stability. Rayon fabric prices are based on filament yarn so that the absence of movement in this section is a notable feature.

Financial Affairs

Twelve months ago, it was noted that the number of bankruptcies, deeds of arrangement, liquidations and receiverships affecting cotton textile firms had declined perceptibly to 57 during 1957, as compared with around 100 cases which had been reported in the three previous years. Despite the adverse circumstances which affected the industry last year, the number of such difficulties was only 54. As compared with 1957, however, there were three bankruptcies last year and three deeds of arrangement, whereas, in the previous twelve months, no cases of this kind were recorded. Firms of merchants and agents were involved in all instances in 1958. One receiver was appointed, affecting a manufacturing firm, as compared with two receiverships concerning merchants and agents in 1957 and five in 1956. Compulsory liquidations last year numbered two, affecting one merchant and agent firm and one miscellaneous trader; nine instances were reported of creditors' voluntary liquidations, involving one manufacturing firm, one finisher, five merchants and agents and two miscellaneous traders.

The number of members' voluntary liquidations declined to 36, as against 50 in 1957 and 69 in 1956. This decision, which is usually taken after declarations of solvency and foreshadows reconstruction, amalgamation or the intention to give up business, all creditors being paid in full, was taken on behalf of four spinning firms, seven manufacturers, two spinners and weavers, two finishers, 15 merchants and agents and six miscellaneous traders.

The number of new companies registered in cotton textiles showed a sharp increase at 124, as compared with 80 in 1957 and 85 in 1956. The nominal capital involved was £1,083,602, as against £870,800 in the previous year and £498,900 in 1956. Again merchants and agents accounted for most of the registrations, numbering 87. The rest included two spinning firms, 11 manufacturers, two spinners and manufacturers, one doubler, six finishers and 15 miscellaneous traders.

Plant Exports Drop

Although the decline in shipments of textile machinery from the United Kingdom last year was not as substantial as that which occurred in exports of cotton goods, the quantity sent abroad dwindled to a volume lower than in most peace-time years over the past half-century. The shipments of 56,239 tons valued at £39,604,666 compared with 69,808 tons worth £43,146,921 in the previous year.

Mainly responsible for the drop in exports were the much smaller takings from India which, during the past three years, have declined from 403,974 cwt. in 1956 to 266,652 cwt. in 1957 and to 123,221 cwt. last year. Among those countries which took larger supplies were Poland with 41,432 cwt. and Egypt with 46,471 cwt. A revival in business with the South American Republics was also recorded, Chile taking 21,217 cwt., Brazil 30,631 cwt. and the Argentine 16,632 cwt. Other large consumers included Australia 93,552 cwt., Western Germany 50,636 cwt. and France 44,597 cwt.

Shipments of all varieties of textile plant were reduced as compared with 1957, the quantity used for making synthetic fibres being halved at 10,490 cwt. Machines for preparatory processes accounted for 117,573 cwt., as against 184,427 cwt. and those for spinning 92,350 cwt., as against 121,644 cwt. Shipments of looms and other weaving machinery aggregated 170,769 cwt., as against 218,994 cwt.

New Plan for Cotton

The attitude of the cotton trade unions towards a document on the possible future development of the Lancashire cotton industry, drawn up by the Development Committee of the Cotton Board, has been examined in Manchester by a special meeting of the Legislative Council of the United Textile Factory Workers' Association. Other organisations in the industry will also be discussing it shortly.

The Legislative Council, representing 210,000 Lancashire mill workers, spent two hours examining the document. Afterwards, they announced that "certain decisions" defining their attitude towards the document had been reached and these would be communicated to the Cotton Board. Details of the decisions, like the document itself, will not be disclosed for the present.

The document is said to be mainly statistical. Discussions on it were arranged before the Restrictive Practices Court's ruling on the Yarn Spinners' price agreement became known.

Compensation Plea

Owners of Lancashire's 400 cotton spinning and weaving mills and leaders of the industry's 210,000 operatives will appear this week before the Industrial Disputes Tribunal, in London, presenting their arguments for and against compensation payments. The employers have twice rejected applications by the trade unions for the setting up of a compensation scheme in the industry. Unions have suggested that millowners should pay a sum equal to one quarter of one per cent. of the industry's wages bill—equivalent to about £250,000 a year—into a central pool from which compensation could be paid to workers who lose their jobs when mills close. Payment would be according to length of service.

Sudan Cotton Talks

A two-man Lancashire textile delegation which will fly to the Sudan later this month for talks on raw cotton marketing methods and the possibility of bringing prices of Sudan raw cotton more into line with comparable types, met industry leaders at Cotton Board headquarters in Manchester last week. Together they examined the industry's attitude towards Sudanese raw cotton values and the recent move by the Sudan Gezira Board to scrap present reserve prices and introduce new arrangements.

The Lancashire delegation will consist of Mr. H. Tonge, a Director of the Lancashire Cotton Corporation, and Mr. E. R. Orme, President of the Liverpool Cotton Association. They expect to arrive in the Sudan around 20th February.

The visit is being made at the invitation of the Sudan Government and follows recent talks in Manchester and Liverpool with representatives of the Sudan Gezira Board when the Sudan's attitude towards barter deals was among the subjects discussed.—*All Rights Reserved.*

A "wool bank" to provide samples for research work is to be established by the South African Wool Textile Research Institute at Grahamstown. Several projects now being undertaken at the Institute emphasise an old problem for wool scientists—that of obtaining wool samples of known type and characteristics—and it has been decided to build up supplies of whole fleeces weighing at least four pounds. The wool, it is said, will be kept in nitrogen-rich air in sealed tins in order to avoid changes. In addition to a full range of normal wools, special efforts will be made to obtain deviating wools which are frequently of even greater value in research work. For each sample, it is hoped to have general details on such aspects as age and sex of the animal, environment during the growing period, fibre, length and diameter, crimps per inch, and the quantity and properties of the grease. Analytical results obtained during the course of a study in which such wools are used will be added gradually, so that complete "case history" will exist for each sample.

LIBERALISING COTTON IMPORTS

CONSULTATIVE BOARD'S RECOMMENDATIONS

SOME of the more pressing problems of the cotton trade and industry were reviewed and remedies suggested by the Cotton Textiles Consultative Board at its meeting held in Bombay on the 5th inst. A question that received special attention at the meeting was that of liberalising imports.

Due to the restricted import policy, mills in this country have of late been finding it difficult to procure adequate supplies of long-staple cotton. So far in the season, import allocation for only 320,000 bales (of 392 lbs. each) comprising 75,000 bales of stapling 1.3/16" and above and 245,000 bales of staple length 1.1/16" and above, have been issued. Actual arrivals, as the following table indicates, which include quantity licensed in the previous season, were lower at 104,828 bales, as against 143,731 bales in the same period last season.

Imports of cotton into India

(In bales of 392 lbs.)

(From 1st September to 24th January)

	1958–59	1957–58
U.S.A.	5,345	43,185
Sudan	23,363	28,369
Egyptians	27,664	35,558
East-African	47,385	36,619
Pakistan	6	..
Others	1,065	..
Total ..	104,828	143,731

Stocks of foreign cotton with mills at the end of November 1958 were as low as 97,953 bales, as compared with 190,170 bales at the end of November 1957.

This tight supply position of foreign cotton seems to have influenced the Board in its decisions. It has recommended liberalisation of imports, with a view to making available larger supplies and bringing down the price of staple varieties of Indian cotton. Since imports of 320,000 bales, as noted above, have already been permitted, this means that the Board favours imports of a larger quantity.

Exports

While such is the position in regard to imports, the export front continues to present a discouraging picture. Progress of cotton exports has been very slow. Despite the release of a large quota of as much as 500,000 bales, exports from 1st September 1958 to 24th January 1959 were no higher than 159,442 bales. Japan topped the list of buyers, accounting for 101,281 bales, followed by Hong Kong, the Continent of Europe and the U.K., accounting for 28,909 bales, 13,751 bales and 5,557 bales, respectively. The following table gives the destination-wise breakdown of exports:

Exports of cotton from India

(In bales of 392 lbs.)

(From 1st September to 24th January)

	1958–59	1957–58
U.K.	5,557	2,354
Western Europe	13,791	1,963
Hong Kong	28,909	2,185
China	6,886	..
Japan	101,281	24,915
U.S.A.	1,366	1,875
Others	1,652	871
Total ..	159,442	34,163

It is common knowledge that, the world textile recession, the currency difficulties of importing countries, keen competition from countries such as Pakistan, are the main factors impeding exports.

It is difficult to see how the conclusion of barter deals, as is suggested by some, can help promote exports. That will, at best, help countries having foreign exchange difficulties to make more purchases of Indian cotton. But India itself badly needs foreign exchange and cannot afford to export its production on credit or for goods which it can do without. Nor is the surplus of cotton in India is so burdensome as to make such desperate efforts to reduce it. If India has decided to export 500,000 bales, it is mainly because of its urgent need of foreign exchange. Any suggestion which does not serve this need is, therefore, not worth consideration.

Apart from the hard times through which cotton textile industry has been passing throughout the world for nearly two years now, price-wise, Indian cotton is not competitive at present. The ruling price of exportable varieties of our cotton are well above those for comparable Pakistan styles. Till this price disparity disappears, no amount of sales campaign or sending of delegations abroad to sell Indian cotton will be of much help.

The cancellation of the unutilised balances of cotton export licence to the U.K. by China is expected to make British buyers turn to alternative markets for covering their requirements. But relative cheapness of prices will be an important consideration which will influence in the choice of the market.

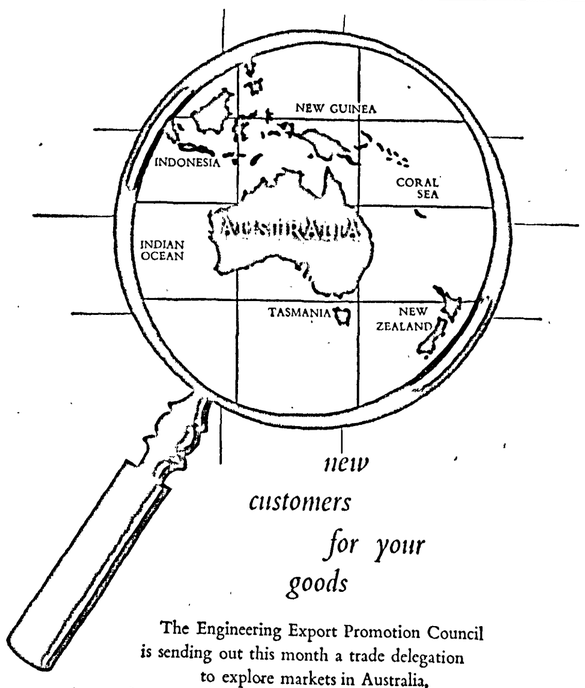
COTTON ANNUAL

The problems of the cotton trade and industry are discussed by leading experts in the field in the well got-up publication entitled *Cotton and Textile Annual* 1958 (Editor: R. V. Murthy, published by Cotton and Textile Publications, Kermani Building, Sir P. M. Road, Bombay 1. Pages 109. Price: Rs. 8). The annual comprises two sections, one dealing with cotton and the other with textiles. In the former, there are some interesting articles covering the various aspects of raw cotton trade. Particular mention may be made of an article entitled "Are Futures Markets Necessary" by Mr. William K. Love, Jr., President of the New York Cotton Exchange. Mr. Madanmohan Ruia, President of the East India Cotton Association, points out the benefits of futures market and makes out a convincing case for its continuance. Some constructive suggestions for improving the hedge contract have been made by Mr. R. S. Mani. The progress made in cotton production is highlighted by Dr. M. S. Randhawa, President, Indian Central Cotton Committee. Mr. Suresh Kilachand underlines the need for a dynamic cotton export policy and Mr. Manilal Patel urges measures to ensure adequate supplies of foreign cotton to mills. An interesting article on international sales promotion for cotton by Mr. Ed Lipscomb, Director, Sales Promotion Division, National Cotton Council of America, details, the working of sales promotion programmes adopted in the U.S. and elsewhere.

The textile section contains contributions from such prominent industrialists as Ramnath Podar, G. D. Somani, and Radhakrishna Ruia. The textile situation in the U.S.A. is reviewed by Mr. Halbert Jones, President of the American Cotton Manufacturers' Institute. The textile industry in China is the subject of an interesting article by Mr. Chen Wei-Chi. There are also a few articles of general commercial interest such as the one on Indo-American economic relations and another on Indo-Egyptian trade relations. The annual has a statistical section which gives cotton and textile statistics separately. A unique feature of the publication is that it contains a number of humorous cartoons, which, while caricaturing the plight of the cotton trade and industry, throw some interesting sidelights on several aspects of trade in cotton and textiles.

NEW TYPE OF COTTON GIN

A new "flight-bar" roller gin stand that separates cotton seed from lint faster than conventional roller or saw gins, and does not damage the fibre, has been developed by the engineers of the U.S. Department of Agriculture. In tests, which have been carried out, the new gin has turned out, it is claimed, *nearly 20 pounds of lint cotton per inch of* roller per hour with extra long-staple cotton. This compares with present commercial roller gin production which average about 2½ pounds. The capacity of the new gin on the relatively shorter-staple upland cotton approximated 13 pounds per inch of roller per hour. This compares with barely more than 2 pounds capacity for this cotton in a commercial roller gin and about 9 to 10 pounds capacity in a modern saw gin. The new principle used in the machine—on which a public patent has been applied for—is a flight-bar attachment which replaces the vibrating knife used in conventional roller gins. Two endless chains to which square steel bars as long as the ginning roller are fastened, slat-like at 2-inch intervals, comprise the flight-bar attachment. As seed cotton is fed on to the gin from above, the lint, or fibre, adheres to the ginning roller, which is of conventional design. A stationary knife set close and parallel to the roller holds back the seeds as the lint is pulled by the roller. The chains, operated by sprockets, pull the flight bars across the stationary knife, thereby removing the seed as the fibre is pulled between the knife and the roller. This action serves, as does the conventional but less efficient vibrating knife, as a means of removing seeds from the lint. Doffing the lint from the roller, by rotary brush, or by a blast of air or steam, completes the ginning operation.



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INTERNATIONAL SUGAR SITUATION

EMERGENCE OF A MORE BURDENSOME SURPLUS LIKELY

THE International Sugar Council has fixed, as was stated briefly in these columns last week, the minimum net requirements of free sugar market for 1959 at 5,405,000 metric tons (raw value). The basis on which the estimate is made is not revealed in the *communique* issued by the Council in London at the end of its two-day meeting on 29th January. Whether or not the estimate is reasonable is difficult to say, for the world sugar supply position as it stands at present is uncertain; the Council itself admits this point. At any rate, the estimate of 5,405,000 tons is markedly lower as compared with not only the Council's revised (on 22nd April 1958) estimate of 5,610,000 tons for 1958 but also the estimate of 5,760,000 tons for that year prepared by the Statistical and Technical Committee of the United Nations Sugar Conference held in Geneva on 22nd September 1958.

The adoption of the above estimate and the Council's decision to fix the provisional export quotas to the free market at the level of the basic export tonnages established under the 1958 Agreement would appear to have imparted further weakness to the world sugar markets. Spot Cuban raw sugar at New York has come down from 3.21 cents per lb. before the decisions were announced to 3.12 cents at the time of writing; the rate prevailing a month ago was 3.67 cents. Similarly, the price of sugar in London has receded from £29¾ per ton to £28½; the quotation a month ago was £32⅞. Now that the New York market price stands at such a level, it would be worthwhile watching the action of the Sugar Council. Under the new Sugar Agreement, the Council is required immediately to reduce the basic export tonnages of member-countries by 2½ per cent. if the price averages less than 3.25 cents for 17 consecutive market days and is actually below it on 12 of these days. Thereafter, the Council must meet within seven days. Any failure on the part of the Council to agree on the action to be taken will lead to a cut in quotas by a total of 5 per cent., provided they are not less than 90 per cent. of this basic figure, unless the prevailing price is below 3.15 cents, in which case a further reduction in quotas may be made within the limits prescribed by Article 23.

Viewed thus, the trend of world sugar prices in future will be influenced, to a great extent, by the size of quota releases made by the Council and the degree of balance the market believes will result. It is needless to mention here that the health of the world sugar markets depends largely on the measure of realism which is brought to the estimates of outlets. This aspect has been well stressed by Messrs. C. Czarnikow Ltd., London, a reputed international firm in sugar trade, in the course of a review giving the trends in the world sugar trade during 1958 and prospects for 1959.

According to the review in past years, the available export surplus of a number of countries not party to the Sugar Agreement formed quite a substantial part of the world open market supply. While the trade made its own estimates of this tonnage, it was not the invariable practice of the Council to include such an estimate in its published findings. Export quotas were fixed and the gap between Agreement supplies and estimated outlets *plus*, of course, a reasonable margin of slack was assumed to be the measure of non-member sugar available and capable of being placed to final destinations. Now that Peru has ratified the Agreement and Brazil and Denmark have notified their intention of joining the estimate of overall supplies should be a much more simple matter. Last year, the three new members together accounted for something in the nature of 1.3 million tons of free market supply.

There are three countries outside the Sugar Agreement which are exporters—India, East Germany and Argentina. The Government of India has permitted 100,000 tons of sugar for export. It is highly doubtful whether this quota will, in fact, be utilised, what with the wide disparity between Indian and world prices. Argentina is expected to export about 100,000 tons during 1959.

Although, in the appraisal of the sugar position, the political situation in Cuba no longer seems to be an imponderable factor, there still appears to be a division of opinion as to what sugar tonnage will be produced this year. Alluding to this, Messrs. C. Czarnikow Ltd. observe:

"Prior to the overthrow of the old regime, the decreed crop was 5.9 million Spanish tons, with the period within which crop operations must start set at 2nd January-15th February. There are some people with close Cuban connections who believe that the output will be one million tons short of that total; others are equally confident that the full quantity will be made. At the moment, the market is showing no concern about Cuba's ability to make an adequate crop and, in any case, it is thought too early to form any close ideas."

The world sugar production in the current year is expected to be higher than in 1958. The preliminary estimate places the total output at 50.6 million tons (raw value), representing a rise of over 3.0 million tons as compared with 1958. The addition is likely to be mainly centred in the European Continent and Brazil. The following table gives the estimates of the 1958-59 sugar crop in some of the most important producing countries as compared with the partially revised estimate for 1957-58 and the actual for 1956-57 and 1955-56:

(In thousand metric tons—raw value)

Countries	1958-59 (estimated)	1957-58 (partly estimated)	1956-57	1955-56
Cane sugar—				
India	6,050*	6,471	6,861	6,079
Brazil	2,853	2,621	2,213	2,079
Australia	1,345	1,253	1,187	1,135
Mexico	1,250	1,232	1,138	803
Philippines ..	1,151	1,207	1,020	1,088
Puerto Rico ..	1,027	834	884	1,028
South Africa ..	992	857	758	838
Taiwan (Formosa) ..	855	951	889	805
Indonesia	800	852	920	832
Mauritius	530	550	562	525
Hawaii	504	477	501	512
Beet sugar—				
U.S.S.R.	5,400	4,820	4,700	3,720
U.S.	1,964	1,955	1,757	1,544
West Germany ..	1,658	1,581	1,139	1,277
France	1,520	1,670	1,380	1,506
Poland	1,100	1,159	848	1,072
Italy	995	853	990	1,183
East Germany ..	785	850	553	702
Czechoslovakia ..	785	866	649	718
United Kingdom ..	700	606	750	674

* Based on the all-India first estimate of sugarcane.

The current year's *anticipated* world sugar production as already stated, is higher by 3.0 million tons at 50.6 million tons. The percentage increase comes to nearly 6. It is probable that a continued elevation of living standards may be witnessed in the so-called "under-consumption" countries but it may as Messrs. Czarnikow Ltd. say, be open to question whether the recent rate of increase in *per capita* sugar consumption in the more developed areas will be maintained. Assuming that the advance in world consumption continues to be at the average annual rate maintained in the past few years, namely, 5 per cent., it looks as though the world will be faced with the problem of disposing of a more burdensome sugar surplus than in previous years.

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EUROPEAN COAL CRISIS

WEST GERMANY TO IMPOSE TARIFF RESTRICTIONS

THE coal industry in Western Europe is passing through a difficult time. The Council of Ministers of the European Coal and Steel Community (E.C.S.C.) met in Luxemburg on the 5th inst. to consider the growing pressure on the High Authority to declare a "State of manifest crisis" in the industry, but its decision on the subject is not known up to the time of writing. There is, however, a widespread feeling that the crisis-issue should no longer be side-tracked. An indication of the extent of crisis is provided by West Germany's decision to levy an import duty at the rate of DM. 20 (about £1.14s.) per ton on coal imported from outside the E.C.S.C., with a view to discouraging its imports of coal, particularly from the U.S., the largest supplier of coal to West Germany. This duty is, however, not applicable to certain quantities of coal to be imported this year to the details of which we shall refer presently. Belgium has gone a step further to propose a closure of its frontier to a fellow member-country of the E.C.S.C., namely, West Germany, which has been underselling local coal in Belgian markets.

The present state of affairs in the West European coal industry is due to a fall in demand, consequent on the slackening in industrial activity, the increased use of other forms of energy including oil and large stocks with consumers, large imports contracted for on a long-term basis from the U.S.—these imports are estimated at 31 million tons during 1958—and a stabilisation of coal output. The combination of these factors has led to a rapid rise in pithead stocks; these were estimated at 42 million tons at the end of October last—Belgium: 6.6 million tons; France: 7.6 million tons; Federal Republic of Germany: 8.3 million tons; Netherlands: 850,000 tons; Saar: 900,000 tons and the U.K. 17.7 million tons. They are said to have risen in the subsequent months of 1958 and are expected to rise further in the first quarter of 1959. About 80 to 90 per cent. of the stocks consist of steam raising qualities. About half of the coal imported from the U.S. are of special qualities used for coke-faction.

The imposition of an import duty of DM. 20 per ton on coal coming from outside the E.C.S.C., by West German Government, as mentioned at the outset, will be applicable for 1959 in the first instance. It was, however, first decided to exempt 4.25 million tons of imported coal from this levy. This quantity represents half the average annual coal imports of West Germany from each country concerned during the period 1950-58. This would mean a duty-free import of 411,000 tons from Britain during the current year—twice as much as was imported in 1958. The U.S., from which more than 11 million tons were imported last year and 16 million tons in 1957, would get a duty-free allowance of 3.5 million tons. Britain no doubt gets a larger import quota, in view of the heavy imports from that country during 1953 to 1956. The question is, however, being discussed, whether Britain's treaty of association with the E.C.S.C. permits Germany to place a tariff on U.K. coal, because this treaty exempted Britain from the ban on the issue of further licences imposed in last.

The U.S., however, lodged a protest against the West German proposal, as it would be the most affected by the step. However, as Bonn had chosen to levy a tariff rather than an embargo on imports of U.S. coal, the Americans cannot take any legal action against Germany under the G.A.T.T. rules. Following the American protest and on the advice of the coal and Steel High Authority, the duty-free import quota was subsequently raised from 4.25 million tons to 5 million tons. The basis of calculation of duty-free quotas was also revised from 50 per cent. to 36 per cent. of the average annual imports during 1956-58. This will mean a duty-free quota for the U.S. of 4.6 million tons and for Britain of a little over 200,000 tons, that is, more than half of that fixed under the original proposal. The High Authority of the E.C.S.C. would appear to have approved of West German proposal to include Britain also in the list of countries which have to pay the specified import duty. The President of the High Authority for Coal and Steel is said to have cautioned about making any discrimination against the U.S., as the latter is an important market for European steel and reprisals would be a severe blow to the export trade in steel and steel products from the E.C.S.C.

(*Continued on page* 252)

NEW MEASURES TO STABILISE GUNNY MARKET

PART OF LOOMS SEALED—FLOOR PRICES REMOVED

ALL speculation about the possible measures to restore stability to the gunny market and to give further support to raw jute has been set at rest with the announcement on the 6th inst. by the Indian Jute Mills' Association of its decision to reduce production by sealing a part of the member-mills' looms and to ask mills to increase further their purchases of the fibre. The I.J.M.A. has also withdrawn the minimum prices for jute goods fixed by it a year ago. These decisions were taken after a series of meetings of the Association and also between the representatives of the I.J.M.A. and the Government of India.

The I.J.M.A.'s decision to withdraw the minimum prices on jute goods took immediate effect. These prices were fixed on 26th February 1958 at Rs. 100 per 100 bags for B. twills, Rs. 39.50 per 100 yards for 40 in. x 10 oz. hessian and Rs. 29.75 per 100 yards for 40 in. x 7½ oz. The impelling reason which had led to the fixation of the "floor" prices were that, for several weeks preceding this step, gunny prices had been falling heavily, that, in the week immediately preceding, the fall had been greatly accelerated and that the decline was quite unwarranted by either the prevailing conditions or the statistical position of jute goods. The slump in prices had been attributed to speculative activity in the *fatka* market. How far this step was effective in stabilising the gunny market, let alone in bringing about a recovery in prices, is so obvious now that it does not need any recounting; suffice it to say that the I.J.M.A. decision was honoured more in breach than in observance. Mills had been selling gunnies at below these prices and the Government of India, which gave its approval to the decision to fix "floor" prices, itself had been buying at prices below the minimum. Notwithstanding this, the I.J.M.A. has been reiterating its decision to maintain the minimum prices. Its latest decision to remove the "floors" and allow prices to take their natural course influenced by the demand and supply position shows that, at long last, it must have realised that it was futile to stick to an untenable position.

The second decision of the I.J.M.A. to seal a further 1½ per cent. of the looms of its member-mills, thus increasing the proportion of the sealed looms to 14 per cent. of the total complement, will come into force on 2nd March 1959. It is stated that a further proportion of 1 per cent. of the looms would be sealed later, should the situation warrant it. This limited regulation of production is designed to restore stability to the gunny market by reducing the excessive stocks of heavy goods. Accordingly, the cut in production implicit in the closure of a part of the looms will be confined to sacking. It may be noted that the statistical position of hessian is healthier and that hessian has been fetching good prices, above the erstwhile minimum prices.

The closure of 1½ per cent. of the looms amounts to a cut of 1,500 tons in the monthly output of mills (on the basis of the monthly average production during 1958). In view of the fact that stocks of heavy goods at the end of December last aggregated 80,400 tons, as against 38,400 tons a year before, the proposed restriction on output will not make any significant contribution to relieving the industry of this burdensome surplus, unless there is simultaneously an expansion in demand on a sizable scale. The I.J.M.A. is also said to have decided to "freeze" the balance of accumulated loom hours of jute mills under the working time agreement, with effect from the 14th inst., as an additional measure to correct the present depressed conditions in the trade and industry. It is, however, not known to what extent this helps improve the position. In any case, it is only a negative factor.

The last occasion, when the experiment of unsealing and sealing the jute industry's loomage to correct the production trends was tried, was in 1956. In January of that year, the I.J.M.A. unsealed 2½ per cent. of the loomage. This was followed by a further release of 5 per cent. in February 1956, thus reducing the sealed complement to 5 per cent. In the months that followed, the Industry's stocks of finished goods showed a substantial and progressive increase and it became evident that the prevailing level of production was in excess of the immediate world demand. In the circumstances, the I.J.M.A. was obliged to reverse its earlier step and in July 1956 2½ per cent. of the looms was resealed. This did not prove effective to arrest the upward trend in mills' stocks of gunnies. The situation was also aggregated by a shortage of raw jute supplies, due to transport difficulties. It was, therefore, thought prudent to reseal another 5 per cent. of the looms, thus restoring the complement of the sealed looms back to 12½ per cent. which had earlier been considered as norm. This was done in September 1956.

The third measure taken by the I.J.M.A. is to recommend to its members to increase further their purchases of raw jute to five months' consumption. At present, mills have stocks equivalent to four months' requirements. Till a few months ago, mills used to keep a stock of 6 weeks' or at the most two months' requirements of raw jute. In September last, however, they were advised to raise this quantity to three months' consumption, with a view to arresting the rapid decline in raw jute prices. Four months later, that is, in January 1959, the I.J.M.A. asked the member-mills to step up their purchases to four months' requirements. A further increase to five months' stocks, as has been suggested now, would mean a strain on the mills' finances, which are already locked up to a large extent in stocks of gunnies. It is stated that the necessary funds will be made available by the Government of India for this purpose, but the terms on which the Government will provide funds are not known. It is also reported that mills have agreed to comply with this request on the understanding that there will be no obligation on their part to keep these stocks when the price of Assam Bottoms, delivered at mills exceeded Rs. 23.50 per maund and that the position in respect of raw jute will be reviewed again at the end of April next. The latest price of Assam Bottom is Rs. 20.75 per maund and the chances of this rate rising to Rs. 23.50 per maund appear to be remote.

The removal of "floor" prices for jute goods by the I.J.M.A. was followed by the withdrawal of the margin system imposed on futures contract in jute goods and raw jute by the East India Jute and Hessian Exchange, under the auspices of which futures trading is being conducted. This, however, took effect from the 13th inst. only, that is, only a week after the abolition of minimum prices on jute goods. The margin system was first imposed by the Exchange on 29th September 1958 and the margins were subsequently enhanced on 20th December and again on 30th December. The Board of the E.I.J.H. Exchange is of the view that the situation which necessitated the imposition of margins no longer exists.

The immediate reaction of the gunny and raw jute markets to the aforesaid measures was a further slump in prices of jute goods, as will be seen from the following table:

	Latest 9-2-1959	*As on* 4-2-1959
	Rs.	Rs.
B. Twills (per 100 bags) ...	88.90	91.40
Hessian 40" x 10 oz. (per 100 yards)	39.35	40.30
Assam Bottoms	20.75	20.75

Expressing concern over the present situation in raw jute trade the Jute Balers' Association, Calcutta, says, in the course of a statement that the State Trading Corporation, through which the Government intends to export raw jute, has restricted itself to allowing export sales of £88 for export firsts, £77 for export lightnings and £63 for export hearts, all per ton c.i.f., for Continental ports, but business is not possible at these prices. It considers that the I.J.M.A.'s decision to close 1½ per cent. of the looms and to withdraw the minimum prices for jute goods, which has resulted in a deterioration in raw jute prices will jeopardise the interests of jute growers. It adds that mills have been making only limited purchases of raw jute and these may decrease further. In the circumstances, the only remedy, in the opinion of the Jute Balers' Association, lies in allowing free export of raw jute immediately through normal trade channels. Meanwhile, the Union Commerce and Industry Minister, Mr. Lal Bahadur Shastri, has assured the Bihar jute growers that the Government of India will announce its jute policy next week.

SPICES IN S.-E. ASIA

E.C.A.F.E. URGES INCREASE IN PRODUCTION

THE South-east Asian countries and India have long had a virtual monopoly in spices. Cambodia, Ceylon, Federation of Malaya, Hongkong, India, Indonesia, Sarawak, Singapore and Thailand are some of the countries, in the foreign trade of which the major items of spices occupy an important position. This monopolistic position, however, has come to be assailed by synthetics and, with continued research on this subject, the threat from synthetics and substitutes may increase. Viewed against this background, it is unfortunate that production and marketing methods of spices still remain backward. It is not surprising, therefore, that the trade in spices and spice products of these countries came in for discussion, for the first time, at a meeting of the Committee on Trade of the U.N. Economic Commission for Asia and the Far East (E.C.A.F.E.) held at Bangkok from 23rd January to 2nd February 1959.

For this discussion, the secretariat of the E.C.A.F.E. had prepared a report on marketing and trade in spices in countries of the E.C.A.F.E. region. This report was prepared on the recommendation of the Committee at its first session held at Hongkong in January 1955. The authors of the study have recommended certain steps for solving the problems of the Asian spice industry, in order to enable it to realise its true potential. The E.C.A.F.E. report, according to a summary of it recently released, says that, except for pepper, it is difficult to estimate world production of spices. According to a Japanese estimate, the world production of spices in 1953 amounted to over 250,000 tons, valued at about $116.7 million. The spices referred to in the report and which are considered to be the main commercial spices of the region are: pepper, cardamom, cinnamon, turmeric, ginger, nutmeg and mace.

Dealing with the general aspects of the spice industry, the report discloses that the world consumes more pepper than any other spice. Pepper consumption, in fact, accounts for about 55 per cent. of the total of all "true" spices. India, Indonesia and Sarawak, together account for about 98 per cent. of the world pepper production. India today is the largest single producer in the world. In the season 1957-58, it may be noted, the Indian black pepper production amounted to 26,000 tons, as against 27,000 tons in the previous season. The main producing countries of cardamom are Cambodia, Ceylon and India. India is also the largest producer of ginger and turmeric; most of the cinnamon comes from Ceylon. The principal source of nutmeg and mace is Indonesia. The report adds that most of the "true" spices form a valuable source of foreign exchange for several countries of the E.C.A.F.E. region. So far as India is concerned, the value of spices exported during 1957 was Rs. 8.42 crores, out of a total export trade of Rs. 637.74 crores. In the first ten months of 1958, the foreign exchange earning from this source was Rs. 7.37 crores, as against Rs. 7.22 crores in the corresponding period of 1957; of this, pepper accounted for Rs. 3.15 crores (same as in the first ten months of 1957), cardamom for Rs. 2.87 crores (Rs. 2.01 crores) and ginger for Rs. 47.79 lakhs (Rs. 1.12 crores).

Despite the fact that spices are in good demand throughout the world, the report finds that the acreage under cultivation has not increased substantially in recent years. The report goes on to suggest that there are many ways in which production can be increased. Its suggestions are:

"Regional research stations could be set up in the main producing areas. In order to minimise their expenditure, they could be used for research relating to other allied crops. Mobile training courses could be organised for planters and smallholders on the spot, to provide information on new and better methods of cultivation. Poor and uneconomic trees and vines must be replaced by improved strains within the next few years. There is need too, for a more extensive use of fertilisers and modern agricultural implements. As most growers are smallholders, the organisation of producers' co-operatives would be desirable to encourage them to grow more spices and to use improved agricultural methods."

On the question of marketing, the report urges the need for the principal spice-growing countries to develop their own well-organised processing and packing industries to meet competition in the world markets. At present, all spices, with few exceptions, are exported in their whole state and ground or powdered by manufacturers in the principal importing

(*Continued on page 252*)

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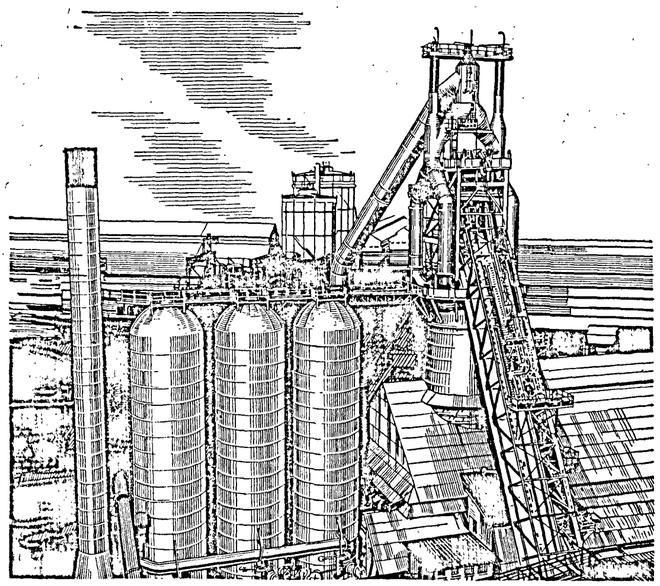

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SPENCER AND COMPANY LIMITED

OUTLOOK FOR CURRENT FINANCIAL YEAR SATISFACTORY

CHAIRMAN, MR. Z. R. IRANI'S REVIEW

ADDRESSING the shareholders of Messrs. Spencer and Company Ltd. at their Sixty-first Annual General Meeting held at Madras on 5th February 1959, Mr. Z. R. Irani, Chairman of the Company, struck an optimistic note in respect of the current year's trading results and hoped to be able to present a satisfactory report on the new business ventures the Company had entered into and the new investments it had made this year.

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

"GENTLEMEN,

"I welcome you to the Sixty-first annual general meeting of the Company and it is a pleasure to see familiar faces once again and obtain the benefit of your suggestions and comments.

"The accounts for the year ended 30th June 1958 have been with you for some time. They represent the results of a critical year. There have been previous financial years with results that do not show up so well, but none of those have had to bear the incidence of a severely changed economic pattern requiring considerable endeavour on the part of your Board to meet the challenge to maintain income and ensure the future.

"Our financial year 1957-58 has been a critical one, because it bore the first impact of curtailed imports of consumer goods with little supplementation by new earnings. To enable a smooth flow of goods to our customers we have scoured the markets and at times have bought at prices higher than known landed costs. This has given rise to some inflation of selling prices, but the cause has been our costs and not our margins of profits. We have a reputation for maintaining fair prices calculated on a business-like basis and we shall not deviate from this traditional policy.

Trading Pattern

"The pattern of our trading at the present time is indicated by the following figures showing what contribution each of our various activities has made to the whole: wholesale and retail trade 32 per cent., drugs and pharmaceuticals 25 per cent., hotels and catering 16 per cent., house furnishing 6 per cent., aerated waters 4 per cent., cigars 1 per cent., tea 5 per cent., refrigeration and air-conditioning 6 per cent. and sundries 5 per cent. I do not anticipate much change next year save a larger contribution from air-conditioning.

"You will observe the decrease in turnover compared with that of the previous financial year, which, in turn, is reflected by the lower net profit. Economies in various directions have assisted, but we have had to contend with the rising cost of labour. You will be interested to know that, for a salary and wage bill of Rs. 43 lakhs in the year ended 30th June 1957, the Company's net profit subject to taxation was Rs. 25½ lakhs, whereas in the year under review the corresponding figures are Rs. 48 lakhs and Rs. 20¼ lakhs, respectively. The increase in the salary and wage bill is obviously out of all proportion and the only way to meet it is by increasing selling prices or increasing turnover or retrenchment or a combination of the three. There is a limit to the extent to which prices can be increased, because, apart from the danger of being priced out of the market, one does not, in the consumer's interest, want to add to a spiral of inflation and so endanger our whole economy.

"The second method, namely, retrenchment, is naturally not looked on with favour by our unions. When a department is shut down, such as was railway catering a few years ago, no objection can possibly be raised, but when dwindling trade demands a review of our staff position, some of our unions take up a very strange attitude and a labour dispute automatically comes into being. It has even been suggested that the drop in earnings and profits should first manifest themselves to justify retrenchment or, in other words, that the conduct of business should be inconsistent with the very principles of business prudence. I liken it to coming across a well on a walk through the country and, instead of avoiding it, to fall purposefully right in and then try to extricate oneself without assistance from any side! In the private sector, there is no one to fall back on. When you are up you are socked and when you are down you are out.

Conflicting Ideas

"On the one hand, our Prime Minister has exhorted us, and quite rightly so, to emulate the industrial feats of W. Germany, Japan and China and it follows that there must be the will to work; on the other hand, I see there has been a labour award whereby, in addition to the many holidays and other forms of leave made compulsory by law, there has been granted an annual one month's leave without pay. Comment is superfluous and I ask how the one can be reconciled with the other.

"When I last addressed you, there were only some four months to go for the closure of our then current financial year. I have made it a point to confine myself strictly to matters pertaining to the financial year being reviewed at each of our meetings. The road to development and new business has been arduous and quite a bit of progress has been achieved since 30th June last. I am glad to be able to strike an optimistic note, therefore, as regards our trading results for the current year and hope to be able to present, when we next meet, a satisfactory report on the new business ventures we have entered into and the new investments we have made this year. I should, however, like to make one observation: when a project has to receive Government sanction and approval, the whole matter receives profound scrutiny before Government gives it sanction. That is as it should be, but there are always secondary sanctions required which are attendant to, but already within the framework of the approved project. Much delay is experienced in securing these minor sanctions and I submit that they can be avoided and should be, in the country's interests, of achieving speedy industrialisation.

"The foreign financing of the second Five-year Plan is almost entirely for the public sector. All the activities of this sector, but for one or two instances, at least so far, which are the exceptions which prove the rule, do not produce the financial return, accumulations of which will go towards repayment of the foreign assistance. Money for this can only be secured by taxation, the greater part of which will necessarily be borne by the private sector. I maintain that such activities which are expected to produce a return should be left to be started and managed by the private sector with the direct aid of foreign investment and with such Governmental controls as may be deemed fit to prevent the operations of undesirable speculators. In this way, Government will be absolved of the foreign commitment whilst maintaining control of the activity, yet leaving management in the hands best fitted to produce profits. Such a pattern may afford argument from many angles, but whatever they be, the fact remains!

Foreign Assistance

"Foreign assistance can be in two forms, the one from political motives and the other on purely commercial grounds. I will not touch on the former as being outside our sphere as a commercial organisation; the latter, however, is a fit subject on which to enlarge. Foreign capital should be permitted freely into the country and, likewise, there should be no restriction on its repatriation, for repatriation is only the taking out of money that otherwise would never have come in, and, if repatriation is the result of a take-over by Indian interests, then the objective of having a national industry is achieved. When restrictions are placed on the movement of foreign capital, it will be found that the foreign investor will withdraw income to the hilt, but, when there are no such restrictions, the foreign investor is only too ready to plough back his income and by doing so support an expanding economy. Such a state of affairs cannot but promote the export motive which the foreign investor confident of his foothold and security, will support to the fullest extent, particularly to surrounding countries which can be considered the economic area. One has only to look at the effect of the foregoing principles established in two countries so apart in economic thought as the U.K. and Italy to appreciate that their application to India would be worthwhile. Governmental policy is veering in this direction, but foreign assistance will continue to be shy until the principles are put into full play.

"There is no one who doubts the necessity and value of planning, but there are many who are not in agreement with the conceptions that have been applied and the theories behind them. This is purely a matter of opinion. Theory is the evaluation of a fund of experiences; so it must be remembered that experience comes first and theory afterwards. It stands to reason then that theories cannot be applied to fast-changing patterns of experience and the solution is to move with such patterns and not attempt to persist in the application of old theories to new experiences.

Depreciation in Value of Money

"Unbalanced planning must necessarily bring about an imbalance in the country's economy. To stifle the production of consumer goods—and I maintain that consumer goods not only cover essentials for life but also the necessities for civilised living—undoubtedly brings about inflationary trends. Inflation can only be combated by permitting a greater flow of consumer goods and by checking mounting labour costs. The former is dependent on the quantum of imports of raw material or finished goods and is, because of the emphasis on other forms of development, subordinated to those needs. The latter is a highly controversial subject which can only be solved by determination and courage since it is fraught with political implications. In short, it is a fallacy to consider that there is economic betterment, if that, as happens to be the case at the present stage, is coupled with inflation on the upward trend. By this means, the stable value of money is destroyed and with it the liberty of the individual in planning his own life. Depreciation in monetary values impairs incentives to save and the danger to insurances, provident funds and other provisions for the future becomes all too apparent. I have no doubt that our planners have realised this danger already and, I am sure, are taking steps to avert what can turn into a crisis.

"Before I close, I should like, on behalf of us, to thank all loyal and hard-working personnel for their continued devotion towards the Company's well-being and progress."

The balance-sheet as at 30th June 1958 was unanimously approved and adopted. A further and final dividend of 10 per cent., free of income-tax, on the ordinary shares as recommended by the Directors was declared, making in all a total dividend of 15 per cent., free of income-tax for the year.

Note.—This does not purport to be a record of the proceedings of the Annual General Meeting which will be sent separately to shareholders.

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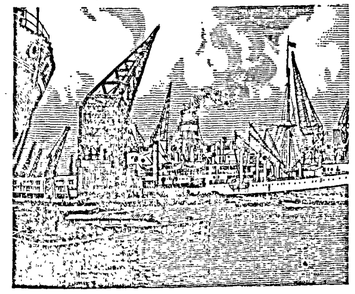

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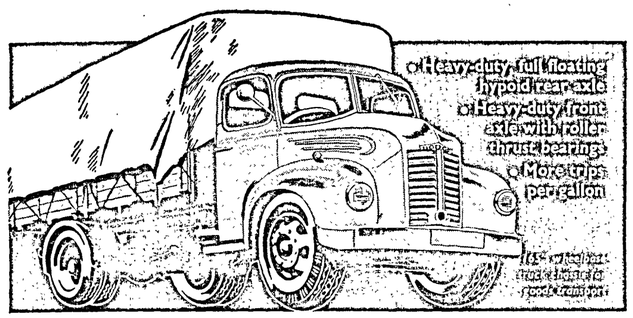

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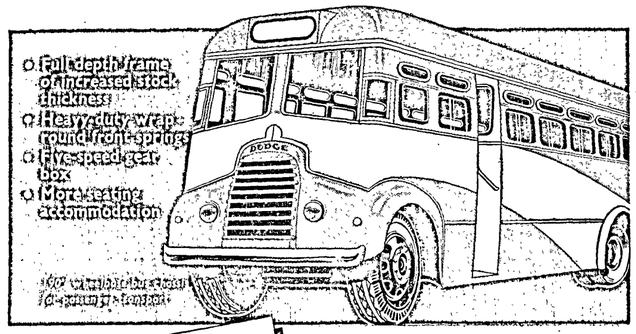

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COMPANY TAXATION IN INDIA—I

STRUCTURE, RATIONALE AND IMPLICATIONS

By Professor Russi Jal Taraporevala

[Company taxation in India has undergone vast and sweeping changes in the past five years. A number of different direct taxes has been levied on companies. These taxes are calculated on various bases. The burden of direct taxes levied on companies has been increased so sharply that, today, it is the heaviest prevailing in the free world. There is conflict and even confusion in the aims of, and the principles underlying, the direct taxes imposed on companies. This article presents a comprehensive view of the entire structure of direct taxes levied on companies in India. The legal provisions relating to the various direct taxes are explained and analysed. The rationale and justification, if any, of the taxes are discussed. The economic implications of the taxes are outlined. Proposals for the rationalisation and reform of he structure of company taxation are made. A second article will deal with the general economic effects of company taxation in our country.—ED.]

THE Indian Income Tax Act provides for the taxation of the income or profits made by joint stock companies in the country. Under this Act, income-tax and super-tax are levied annually on the assessed profits of companies. The profits which are subjected to the tax are not the same as the profits shown in the accounts of the companies, because the Act provides for disallowing a number of expenses charged against the income of companies in their accounts and also for granting certain deductions in an arbitrary manner prescribed by it which will be discussed later.

Income-tax

The assessed profits of companies in India are first subject annually to income-tax at the rate of 30 per cent. and to a surcharge at the rate of 1.5 per cent. Thus, the income-tax takes away 31.5 per cent. of the assessed profits of companies. The income-tax paid by companies is, however, refundable to the shareholders. When companies declare dividends out of their taxed profits, their shareholders receive credit in their personal income-tax assessments for the income-tax paid by the companies. Unfortunately, these tax credits are calculated in such a way that the shareholders do not get a refund or tax credit in their personal assessments equal to the full amount of income-tax paid by the companies. Under the formula used for grossing up tax-free dividends received by shareholders, for every Rs. 100 of income or profits Rs. 31.50 is paid by companies as income-tax. but the maximum refund or tax credit which a shareholder can get on the dividends declared by the companies is only Rs. 22.30, assuming that the full amount of profits left after paying only income-tax and super-tax is distributed as dividends to shareholders. Hence, it is incorrect to state, as is done by many writers in the field of taxation in India, that the income-tax paid by companies is a type of tax payment made on behalf of the shareholders who will get full credit for the amount of tax paid. Moreover, the income-tax paid by companies on profits which are not distributed as dividends is not refundable either to the companies or to their shareholders. The income-tax must, therefore, be considered as a direct tax on the profits of companies.

Super-tax

Next, the profits of companies are annually subject to super-tax under the provisions of the Indian Income Tax Act. Super-tax is not refundable to the companies or to their shareholders. Its burden, therefore, falls directly and fully on the companies. The law regarding the levy of super-tax on companies is extraordinarily complicated and, indeed, most puzzling to the layman. The net or total rate of super-tax payable is linked to different criteria. In order to simplify the analysis, the various components of the law regarding super-tax will be classified according to the criteria to which the tax is linked. Hence, the Corporation Tax, the Excess Dividends Tax, the Bonus Tax and the Penal Super-tax for non-distribution of profits will be discussed in that order. These form distinct sets of provisions under the law, the sum total of which determines the net super-tax payable by companies.

Corporation Tax

The minimum rate of super-tax payable by companies with annual profits in excess of Rs. 25,000 is 20 per cent. of their profits. This basic rate of super-tax is called the Corporation Tax. The Corporation Tax imposes a direct burden on the companies, as it is not refundable to individual shareholders or to the companies under ordinary circumstances. Partial rebates and even full exemption from the Corporation Tax are, however, given to companies on dividends received by them on shares held as investments in other companies. Thus, a rebate of half the basic rate of Corporation Tax is given on dividends received by companies from their Indian subsidiary companies. This rebate is given, in order to prevent excessive double taxation of inter-corporate dividends. Under the provisions of Section 56A of the Indian Income Tax Act, dividends received by companies from other companies are totally exempt from the Corporation Tax, if the paying companies are engaged in certain specified industries covered by the Industries Development and Regulation Act. This exemption aims at encouraging corporate investment in certain important industries and also prevents double taxation of inter-corporate dividends.

Excess Dividends Tax

Companies have to pay super-tax at various penalty rates on their dividends which exceed 6 per cent. of their paid-up capital. This tax is known as the Excess Dividends Tax. The rates of this additional super-tax are 10 per cent. on dividends amounting to between 6 per cent. and 10 per cent. of the paid-up capital of the companies, 20 per cent. on dividends between 10 per cent. and 18 per cent. of the paid-up capital and 30 per cent. on dividends in excess of 18 per cent. of the paid-up capital. The Excess Dividends Tax was introduced in 1956 by Mr. C. D. Deshmukh, who was the Finance Minister of the Government of India at that time. Mr. Deshmukh failed to give any detailed arguments in justification of this tax when introducing it. A tax on dividend distributions was not recommended either by the Taxation Enquiry Commission of our country or by the Royal Commission on the Taxation of Profits and Income of Great Britain. Apart from the fact that the tax yields some revenue to the Government, there is absolutely no justification for this tax. It has been claimed that the object of the Excess Dividends Tax is to encourage companies to plough back their profits into the business. It is thus hoped to limit capital gains which can be made by shareholders on the value of their shares which is largely determined by the amount of dividends distributed by the companies. This crude way of limiting capital gains may have had some feeble justification in 1956, when the law did not provide for the taxation of capital gains. But it cannot be justified now that a capital gains tax has been introduced in the country.

Premium on Inefficiency

The provisions for levying the Excess Dividends Tax constitute a most haphazard and crude piece of tax legislation which gives rise to some extremely undesirable and inequitable effects. The tax penalises the more efficient and, therefore, the more prosperous and successful companies which earn a high rate of profit and, consequently, distribute a high rate of dividend. It is ironical that, at a time when our political leaders are continuously exhorting industry to produce more and to improve its efficiency, they continue to keep on the statute book a law which directly discriminates against corporate efficiency and high dividend distributions. Thus, a famous member of Parliament, Mr. Tulsidas Kilachand, criticising this tax, said: "This sort of taxation on dividends will be a premium on inefficiency, because inefficient people will not have to pay this tax."

The Excess Dividends Tax is levied on dividends calculated as a percentage of the paid-up capital and not as a percentage of the total capital employed in the business. Hence the tax discriminates against companies which followed prudent and conservative financial policies in the past, ploughed back a substantial portion of their profits into the business and did not capitalise their reserves or accumulated profits. Such large reserves invested in the business increase the earning power of the companies and their dividend distributions, bringing the companies into the ambit of the Excess Dividends Tax. A recent report, prepared by the National Council of Applied Economic Research, has adversely criticised the Excess Dividends Tax and pointed out that, as a result of it, "old companies may well feel deterred from reinvesting further profits, and newer companies may also consider the rewards unduly small, when viewing the total tax burden involved." The tax, therefore, actually "deters reinvestment of profits specifically. Having regard to the fact that reinvestment of profit is the most important single source of finance for industrial expansion, in all parts of the world and for both domestic and foreign investment, this factor assumes considerable significance." On the other hand, the Excess Dividends Tax actually favours companies, which, in the past, followed imprudent financial policies, did not reinvest much of their profits in the business and capitalised all their reserves. Strangely enough such companies do not pay the tax!

Glaring Inequity

The glaring inequity of the tax, its discrimination in favour of recklessly financed companies and its penal effects on well-run and prudently financed companies can be brought home best by a simple example. Let us assume that two companies, A Ltd. and B Ltd., were started in 1946, each with a capital of Rs. 1,00,00,000. Between the years 1946 and 1956, each of these companies earned Rs. 1,00,00,000 altogether as net profits. A Ltd. followed a prudent financial policy. It distributed only Rs. 20,00,000 or 2 per cent. per annum as dividends to its shareholders during the ten years and put by Rs. 80,00,000 to its reserves. Thus, in 1956, A Ltd. had a capital of Rs. 1,00,00,000 and reserves of Rs. 80,00,000, making the total capital invested in the business Rs. 1,80,00,000. Assuming a 6 per cent. rate of earnings on invested capital (after paying income-tax and corporation tax) for the year 1956, A Ltd. would have earned, in that year, net profits amounting to Rs. 10,80,000. If it had distributed this profit to its shareholders as dividends, it would have had to pay the Excess Dividends Tax, because the dividends would have exceeded 6 per cent. of its paid-up capital. On the other hand, the second company, B Ltd., followed a rather imprudent financial policy during the ten years 1946-56. It distributed Rs. 80,00,000 or 8 per cent. per annum as dividends to its shareholders in these years and put by only Rs. 20,00,000 to its reserves. Moreover, it capitalised its entire reserves by issuing bonus shares to its shareholders. Thus, in 1956, B Ltd. had a paid-up capital of Rs. 1,20,00,000 and absolutely no reserves. Assuming a 6 per cent. rate of earnings on invested capital for the year 1956, B Ltd. would have earned, in that year, a net profit of Rs. 7,20,000. If it had distributed this profit to its shareholders as dividends it would not have had to pay the Excess Dividends Tax, because the dividends would not have exceeded 6 per cent. of its paid-up capital.

Must Be on Total Capital Employed

The present levy of the Excess Dividends Tax on the basis of the paid-up capital imposes the tax burden in an entirely arbitrary fashion as between companies having the same total capital invested in the business but different ratios of paid-up capital to reserves. If the tax must be levied, it should be on the basis of the total capital employed in the business, that is the paid-up capital plus reserves. Government should introduce this change in the next budget, if it wishes to retain this tax. But the Finance Minister would do well to consider the idea of abolishing this tax altogether, in view of its inequitable and adverse effects on the growth of joint-stock companies in the country.

Bonus Tax

Companies have to pay a penal super-tax of 30 per cent. of the face value of bonus shares issued by them. This is known as the Bonus Tax. Bonus shares are issued by companies, in order to capitalise their reserves or accumulated profits. They result in the balance-sheet reflecting more accurately the total capital invested in the business. The issue of bonus shares involves a mere accounting entry and a purely paper transaction. It does not change the total capital invested in the business. Nor does it increase the earning power of the business. The issue of bonus shares merely increases the paid-up capital of a company and to that extent reduces its reserves. Moreover, shareholders do not derive any benefit from the issue of bonus shares because the total assets and the earning power of the companies are not affected by bonus shares. In view of these factors, our Taxation Enquiry Commission and the Royal Commission on the Taxation of Profits and Income of Great Britain recommended that a tax on bonus shares should not be levied.

Nevertheless, the Bonus Tax was introduced by Mr. C. D. Deshmukh in his budget in 1956. It was justified as being necessary, in order to prevent companies from evading the Excess Dividends Tax by increasing their paid-up capital through the capitalisation of their reserves by issuing bonus shares. In criticising the Bonus Tax and this justification for its imposition, the National Council of Applied Economic Research has pointed out that:

"This defence of the tax can stand so long as dividend distributions are calculated for the purpose of taxation on the basis of paid-up capital. Actually, as we have argued at length... this basis is inequitable and without any justification. In the productive employment of capital, there is no distinction between paid-up capital, or reserves, or capital obtained through loans. It is employment of total capital which yields a return and not just the paid-up capital. It is also idle to argue that returns on capital should be calculated on the basis of the original investment by the shareholders. Shares change hands continuously and many holders are likely to have paid prices far above the original prices of the shares.... The dividend rate should be calculated on the basis of the total capital employed rather than the paid-up capital. If this recommended change is adopted, very little remains to be said in favour of the retention of the tax on bonus shares."

Moreover, it is interesting to note the basic conflict in the principles underlying the Excess Dividends Tax and the Bonus Tax. The Excess Dividends Tax was expected to penalise the distribution of high dividends and aim at encouraging the reinvestment of profits in the business. But the Bonus Tax discourages the ploughing back of profits into the business and the building up of large reserves. It tends thus to encourage higher dividend distributions by the companies. Commenting on this, the National Council of Applied Economic Research has aptly pointed out that "a tax which hinders the process of ploughing back of earnings is a hindrance to economic growth." The Finance Minister should, therefore, abolish the Bonus Tax, because the tax is inequitable and unjustified and it hampers the growth of companies and hence the economic progress of the nation.

Penal Super-tax

Under the provisions of Section 23A of the Indian Income Tax Act, a penal super-tax is imposed on certain types of companies for non-distribution of the minimum statutory percentages of profits. This section applies to all private limited companies and to many public companies which are closely controlled. Such companies are required to distribute at least 45 per cent. of their annual profits, if they are industrial companies, and 100 per cent. of their profits, if they are investment companies. Moreover, closely controlled companies, in which the accumulated profits or reserves (including capitalised reserves) exceed the subscribed capital or the cost of the fixed assets whichever is greater, are required to distribute at least 90 per cent. of their annual profits. Failure to distribute these statutory percentages of profits attracts a severe penalty super-tax at the rate of 50 per cent. in the case of investment companies and at the rate of 37 per cent. in the case of industrial or manufacturing companies which are covered by the provisions of this section. Moreover, the tax is imposed harshly on the entire undistributed profits for the year. Hence, the provisions of Section 23A aim at virtually compelling companies to distribute the statutory percentages of their annual profits, because failure to do so incurs a most drastic tax penalty.

The original aim of the provisions of Section 23A was to prevent avoidance of personal super-tax by individuals. Since the rate of super-tax applicable to companies was lower than the higher rates of super-tax payable by individuals, it was possible to avoid paying the personal super-tax by transferring personal assets to companies which did not declare dividends and thus accumulated the income as reserves. The section was introduced, in order to foil such attempts to avoid personal super-tax. Unfortunately, today, to quote a report of the National Council of Applied Economic Research, "a very wide range of companies engaged in production and manufacture which fall under the present provisions of Section 23A certainly cannot be deemed to fall within the category of companies intent upon aiding or abetting tax evasion for the personal benefit of their shareholders or any such purpose." The section has become applicable to many companies which are indiscriminately brought within its provisions and which should not be covered by it for achieving its objects.

The technique of avoidance of personal super-tax by transferring one's assets to a company which accumulates the income as reserves is known in most countries of the world. Many countries have adopted measures in their tax laws to prevent this type of tax avoidance. But their laws are more reasonable than the provisions of Section 23A of the Indian Income Tax Act and they do not apply indiscriminately to companies which do not attempt tax avoidance for their shareholders.

Before 1957, the Indian Income Tax Act gave discretion to the Commissioner of Income-tax to reduce the minimum statutory distribution under Section 23A in the case of companies which needed to plough back a greater proportion of their profits, having regard to the current requirements of the companies' business or such other requirements as may have been necessary or advisable for the maintenance or development of the business. But this power was withdrawn by an amendment contained in the Finance Act of 1957. Today, companies covered by Section 23A can be exempted from the penalty super-tax prescribed by it only on the grounds of past losses or inadequacy of profits. All reasonable current and future needs of the business are totally ignored for the applicability of Section 23A, making it thus a most harsh, inequitable, unreasonable and crude tax provision.

Many Adverse Effects

The adverse economic effects of the provisions of Section 23A on the growth of companies are many. These provisions limit the amount of profits which private and closely controlled companies can plough back into their business. They thus retard the growth of such companies. Moreover, they even place a virtual ceiling on the growth of such companies, since the companies are compelled to distribute almost their entire annual profits, after their accumulated profits or reserves exceed their subscribed capital or the cost of their fixed assets, whichever is greater. In India, where capital is scarce and shy, it is almost impossible for small and medium-sized companies to raise capital through public subscription. Their borrowing power is limited at best to a proportion of the capital invested in the business. The ploughing back of profits into the business is essential for the steady growth of most enterprises in India, as in most parts of the world. The provisions of Section 23A heavily discriminate against small and medium-sized companies, which are usually private companies or closely controlled public companies. Indeed, these provisions of our tax law confer a most unjustified advantage on giant public companies, which fall outside their scope, and so are free to plough back most of their profits into the business. The provisions of Section 23A are likely to promote greater concentration of business and industry in large public companies at the cost and expense of their smaller rivals, which have to pay the penal super-tax prescribed by Section 23A.

No Consistency

The lack of consistency in the aims and principles underlying the various provisions of company taxation is shown by the fact that the provisions of Section 23A are in conflict with the provisions of the Excess Dividends Tax. Thus, companies covered by Section 23A have a most peculiar and unpleasant choice. If they fail to distribute the minimum statutory percentages of their annual profits, as required by Section 23A, they incur the drastic penalty super-tax for non-distribution of their profits. If, on the other hand, they distribute their profits in accordance with the provisions of Section 23A, they have to distribute, in most cases, dividends in excess of 6 per cent. of their paid-up capital and thus have to pay the Excess Dividends Tax.

A recent report prepared by the National Council of Applied Economic Research has severely criticised the provisions of Section 23A as hampering the growth of corporate enterprise in the country. It is really strange at the present time that our political leaders keep on the statute book a law which handicaps the growth of small businesses in the country, whilst they continue to applaud the virtues of small enterprise in their speeches. If the Government wants to encourage small and enterprising businessmen to promote and develop industries and if it wants to prevent the industrial sector of the country from being dominated by large monopoly capitalists, it should immediately reconsider and amend the provisions of Section 23A, in order to make them reasonable and equitable.

Exemptions and Deductions

In order to assess the real burden of income-tax and super-tax, it is necessary to take into account the exemptions and deductions allowed under the Indian Income Tax Act. The exemptions and deductions can reduce the burden of tax by either exempting companies from paying tax on their profits or by reducing the profits assessable for tax purposes.

New Industrial Undertakings

Under Section 15C of the Indian Income Tax Act, profits or gains derived from new industrial undertakings are exempt from income-tax and corporation tax upto 6 per cent. of the total capital employed in the business. This exemption is available for five years, after the undertakings commence their manufacturing activities. Shareholders receiving dividends from companies covered by the provisions of this section do not pay income-tax or super-tax in their personal assessments on such dividends. This appears to be a very substantial exemption. Unfortunately, in actual practice, the relief in taxation given by this exemption has been insignificant, because, in the vast majority of cases, there are hardly any assessable profits made by industrial undertakings during the first five years of their working. Most companies make losses or insufficient profits in the first five years. Moreover, even if profits are made, the deductions from them by way of accelerated depreciation allowances and the development rebate, which will be discussed later, reduce the assessable profits subject to taxation to *nil* or at best a very nominal figure. Hence, the provisions of Section 15C have been largely ineffective so far.

The idea underlying the provisions of this section is, however, a good one. With proper modifications, these provisions could afford real relief from tax and, therefore, act as an important incentive to the promotion and growth of new industrial companies in India. In order to make the section effective, it should be provided that it would apply either for five years after the undertaking begins to make assessable profits or, alternatively, during a period extending, say, from the seventh to the twelfth years of its working. Or no time limit may be prescribed but it could be provided that income tax and corporation tax would not be payable on the initial assessable profits of a new industrial undertaking equal to a total of 30 per cent. of its invested capital.

Depreciation Allowances

Companies are allowed to deduct depreciation on their plant and machinery, and buildings and furniture from their assessable profits for tax purposes. Depreciation measures the wear and tear or the diminution in value due to use of the assets by a business. The full real cost of depreciation must be deducted from the income of a business, in order to ascertain its real net profits. Depreciation allowances should provide the business with sufficient funds to enable it to replace its assets at the end of their useful life.

The depreciation allowed as a deduction from gross profits under the Indian Income Tax Act is based on the historical or original cost of the assets. It is calculated as a fixed percentage of their annual written down value. The last twenty years have witnessed a continuous rise in the prices of various assets used by companies. The prices of most assets have risen to more than three times their pre-war value. In these conditions, depreciation allowances, calculated on original costs, do not measure the real loss in the value of the assets, due to their use in an inflationary period, when the value of money has fallen. The total amount allowed by way of depreciation for tax purposes is insufficient to replace the assets at the end of their working life, because inflation increases their replacement cost to many times their original cost. The allowance of depreciation on original costs artificially increases the assessable profits of companies in an inflationary period and thus enhances their tax liability in a most inequitable fashion.

A simple example can be given to explain the implications of the faulty practice of calculating depreciation on original costs for tax purposes in an inflationary period. Let us assume that a textile company installed in 1938 machinery costing Rs. 10,00,000. It was allowed to provide for depreciation, amounting to Rs. 7,71,000, for tax purposes upto the year 1953-54. In 1954, it sold the machinery and realised its book value, that is, Rs. 2,29,000 for it. Thus, depreciation and the final realised price provided Rs. 10,00,000. But it cost the company Rs. 30,00,000 to replace the same machinery in 1954. Thus, it had to find no less than Rs. 20,00,000 from its free reserves, in order to merely maintain its real capital invested in machinery. In

order to set aside free reserves amounting to Rs. 20,00,000 in sixteen years, the company would have had to earn Rs. 53,50,000, out of which Rs. 33,50,000 would have been paid by way of income-tax and super-tax. Thus, altogether, the company would have had to earn Rs. 63,50,000 or about six times the original value of the assets, merely to keep its real capital without even paying any dividends or providing for funds for its expansion. During the sixteen years 1938—1954, its assessable profits have been artificially increased to the extent of Rs. 20,00,000, which ought to have been allowed as a deduction in order to enable it to replace its assets but which was disallowed under the present faulty practice of calculating depreciation on the basis of original costs.

Erosion of Capital

The present system of deduction of depreciation, on the basis of historical costs for tax purposes, implies that a company has to earn six times the value of its pre-war assets, in order merely to replace them at the current prices which are more than three times the pre-war levels. Most industries have been unable to earn such a high rate of profit and so most industrial companies have been faced with the embarrassing problem of being unable to replace their assets in the post-war years. It has been proved that, in a number of important industries, the faulty practice of allowing depreciation to be calculated only on the original costs of the assets has resulted in an erosion, of the real capital of these industries. The magnitude of the problem can be gauged from the fact that it has been estimated that, between 1937 and 1954, only the steel, paper, cement and sugar industries suffered capital erosion amounting to no less than Rs. 50 crores approximately. This is a truly staggering loss, of which most shareholders of companies in the country are probably unaware.

Two Palliatives

The Government of India has been unwilling to allow industries to deduct the replacement costs of their assets for depreciation for tax purposes, because that would involve a loss in the tax revenue. But it could not ignore the problem altogether. It, therefore, introduced two palliative measures, namely, accelerated depreciation allowances and the development rebate which we will discuss later. These measures were at best poor concessions which did little to solve the problem of helping industry to replace its assets. Thus, many important industries found it absolutely impossible to replace even partially their assets after the war. The Government could not allow these industries to collapse and so it gave them subsidies and help in the form of loans, etc., to replace their assets. In effect, then, the Government first depleted the real capital, as measured by pre-war values of these industries, by levying tax on profits computed in a fashion which did not provide for the replacement of the assets. It then gave these industries loans to carry on their operations in the post-war era. Here was a most subtle technique for confiscating real capital through the taxation of profits and then in effect partially nationalising the industries by giving them loans carrying many onerous conditions, including, in many cases, active interference in their management—a technique of backdoor nationalisation which the Government has used with great success in the past few years and which appears to have gone almost unnoticed by the shareholders of most companies in the country.

The palliative measures adopted by the Government to help industry to finance the replacement of assets in the post-war era can now be dealt with. The first measure was the allowance of accelerated depreciation for tax purposes. Companies are allowed to write off from the original costs of their assets the normal depreciation *plus* additional depreciation which is equal to the normal depreciation allowed for tax purposes during the first five years of the life of the assets. But these allowances have failed to solve the problem of replacement of assets, because they are still calculated on the original costs of the assets and so the total depreciation allowed can never exceed the original cost of the assets. At best, the accelerated depreciation allowances can be looked upon as interest-free loans given by the Government to the companies, especially because the accelerated depreciation allowances merely decrease the assessable profits in the first five years of the life of the assets, but, to that extent, increase the profits liable to tax in the later years. The grant of accelerated depreciation allowances has been usually welcomed by industry as affording short-run financial relief from the burden of taxation. It is not widely appreciated that such depreciation allowances may actually be disadvantageous. If the rates of company taxation rise over the years as has happened in the last few years in India, the advantages of accelerated depreciation may actually be nullified. Indeed, under such conditions, accelerated depreciation allowances may actually increase the tax burden over a period of years. This would happen, because the relief from taxation, due to depreciation allowances, would occur, in earlier years, when taxes were low, and a corresponding increase in the assessable profits would result in later years, when taxes would have risen!

Development Rebate

Another palliative measure to help industry finance the replacement of its assets is the development rebate introduced in 1956. Companies are allowed to deduct from their assessable profits an amount equal to 25 per cent. of the actual cost of new plant and machinery installed by them for computing profits for tax purposes. This concession is called the development rebate and is available only for the first or initial year in which the plant and machinery is installed. The development rebate is not a part of the depreciation allowances. It is allowed over and above the full recoupment of the original costs by way of depreciation allowances.

In the last budget of the Government of India, a number of onerous conditions were introduced which have to be fulfilled by companies, in order to get the benefit of the development rebate. Some of these conditions are unreasonable and inequitable. They have reduced the advantages and the attractiveness of the development rebate for giving relief from the burden of taxation. Moreover, the development rebate is given only in the initial year, so that it is at best a measure providing very little and short-run relief from taxation. In the long run it is not applicable and has no significance.

It can, therefore, be concluded that the exemptions and deductions allowed under the Indian Income Tax Act are not only minor but also totally inadequate for giving any real relief from taxation.

Total Burden of Income-tax and Super-tax

It has been shown that companies pay tax on their profits at various rates, depending upon various criteria which we have discussed. The minimum rate of tax is 51.5 per cent. of the assessed profits—31.5 per cent. on account of income-tax and 20 per cent. on account of corporation tax. The maximum amount which can be charged on account of the corporation tax, the excess dividends tax and the bonus tax is limited to 50 per cent. of the assessable profits of the year. Thus, the maximum burden of tax may be equal to 81.5 per cent. of the profits in any one year. This, of course, does not take into account the provisions of Section 23A. If this section is violated in respect of dividend distributions, the companies have to pay a further penal tax. This is surely an excessive burden of tax, especially because the exemption and deductions allowed are inadequate and do nothing to provide any substantial relief from taxation.

Capital Gains Tax

Companies have to pay tax at the flat rate of 31.5 per cent. on all capital gains made by them. The tax applies to capital gains actually realised. It can be paid on two alternative bases at the option of the companies. The tax can be paid on the excess of the sale price of an asset over its original cost or on the excess of the sale price over its estimated value as on 1st January 1954.

The Capital Gains Tax imposes flagrant double taxation on the companies and their shareholders. Companies have to pay the tax when they make capital gains on the sale of their assets. Thereafter, the shareholders have to, again pay the Capital Gains Tax when they realise a gain on the sale of their shares the value of which is increased by the capital gains

(Continued on page 252)

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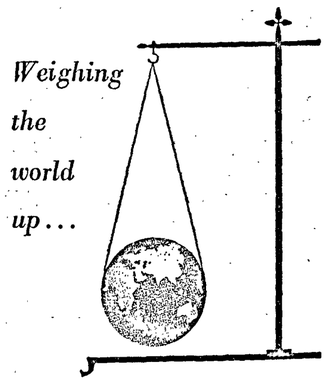

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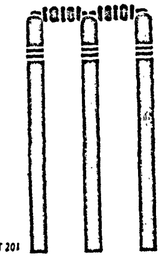

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RISING DEMAND FOR ALUMINIUM

NEW SMELTER SET UP AT HIRAKUD

A SIGNIFICANT development in the sphere of non-ferrous metals is the increase in the demand for aluminium. It was originally believed that the demand for aluminium in India would go up to 30,000 tons by 1960-61. Actually, the demand in 1958 alone is said to have been 35,000 tons. The Tariff Commission in its latest report (*vide Commerce*, dated 29th November 1958 page 866) has estimated that the demand would go up to 44,000 tons by 1961. The Commission, in arriving at this estimate, has taken into account the decline in the demand for aluminium utensils. Only, it feels that this decline will be more than offset by the increased requirements of aluminium for industrial uses in the coming years. There is, according to the Tariff Commission, a large potential for increased offtake in several industries, particularly, in the manufacture of A.C.S.R. and A.A.C. for use in electrical industries, aluminium sheets for transport industries, aluminium structurals for engineering and building industries and aluminium foils for use in packings. Against this encouraging background of the demand prospects for aluminium, it will be readily appreciated that the total production in the country needs to be raised, particularly because the total current capacity is no more than 7,700 tons, made up of 2,200 tons of the Aluminium Corporation of India and 5,500 tons of the Indian Aluminium Co., Ltd. It is, therefore, gratifying to note that the Indian Aluminium Co., Ltd. has set up a new smelter at Hirakud which, with its annual capacity of 10,000 tons, has served to increase existing capacity in the country by more than 100 per cent. It is further gratifying to note that the Company is actively pursuing plans to expand the Hirakud smelter to 20,000 tons.

First Producer

At the time of the inauguration of the new smelter, which took place this week, Mr. K. C. Mahindra, Chairman of the Indian Aluminium Co., Ltd. made a brief review of the progress of the Company. He recalled how the Company established a rolling mill at Belur (near Calcutta) in 1941 and set up a smelter at Alupuram (Kerala) in 1943, thereby producing aluminium for the first time in India. In 1948, the Company commenced mining operations near Lahardaga and alumina production at Muri in Bihar. Fabrication activities were extended by the aluminium powder and paste production at Kalwa near Bombay in 1951 and establishment of an extrusion plant at Alupuram in 1955. By far the largest project in the Company's manufacturing operations is the Hirakud smelter, inaugurated this week. Explaining the significance of aluminium to India's metal economy, Mr. Mahindra said:

"The resources in India for the production of copper, lead and zinc are limited, whereas there are, in several parts of the country, extensive deposits of bauxite, the mineral ore from which aluminium is produced. This circumstance, together with the versatility of aluminium as a metal which can replace to advantage both ferrous and non-ferrous metals in many applications, creates for this industry a place of fundamental importance in the economic life of the country. Hitherto, the development of the aluminium industry had been hampered by the lack of electric power in quantities and at a cost favourable for smelting operations. Aluminium has aptly been defined as "packaged power" because of the high rate of consumption of electricity to produce a pound of this metal. The promise of an adequate supply of power at an economic price from the Hirakud development project on the Mahanadi river, which would be able to meet the requirements of an aluminium smelter, with an initial capacity of 10,000 tons ingot per annum as well as its subsequent expansion to 20,000 tons capacity, permitted the expansion of the industry and led to the decision of the Company to establish the smelter at Hirakud."

A notable feature of the project is the assistance the Company has received from its Canadian associates and shareholder, the Aluminium Ltd. In the course of his well-deserved tribute to the Canadian company, Mr. Mahindra said: "To them our corporate thanks are due for the ability and proficiency with which they have carried out their assignments. The assistance we have received from these persons and from their colleagues in Aluminium Laboratories Ltd., Canada, in the engineering and start-up of our smelter has emphasised the advantages we derive in many ways from the participation of our Canadian shareholder, Aluminium Ltd., in our Company." It would appear that, as a source of foreign exchange, the Aluminium Ltd.'s contribution in the early months of 1957, when the foreign exchange position was very difficult, was of crucial importance. Its technical assistance was no less important in that it provided training facilities for the Indian Aluminium Company's staff and also sent its own engineers to this country. Indeed, it is a tribute to the efficiency with which such technical assistance has been rendered that, in the course of the next few weeks, the Hirakud smelter will be "managed and operated entirely by Indian personnel."

Further, the Canadian shareholder, Aluminium Ltd. has signified its willingness to provide foreign exchange resources to the tune of six million dollars required to expand the capacity of the Hirakud smelter to 20,000 tons. Mr. Mahindra pointed out that the urgency of such expansion in the national interest was obvious; it would reduce imports and thereby save Rs. 2½ crores in foreign exchange. He added: "We on our part set our sights beyond the immediate possibility of 20,000 tons annual production from the Hirakud smelter to the time when the vast power potential from the Mahanadi and its tributaries will have been harnessed to enable us to produce 50,000 tons per annum or more, of aluminium." Such expansion will depend upon large availability of power at low rates, for the aluminium industry, as is well known, is a large consumer of electricity. It is to be hoped that the power facilities in the region will be steadily augmented and that the necessary power will be made available to the Company at economic rates.

INDIA'S STEEL REQUIREMENTS

The continuing shortage of steel is among the most difficult problems which Indian planners have had to face. Industrial production, particularly production in engineering industries, has been adversely affected by the inadequate supplies of steel. The setting up of the State-owned steel plants and expansion of production by the two steel plants in the private sector will no doubt go a long way towards easing the difficulties caused by the absence of adequate and regular flow of iron and steel to the consuming industries. Even so, it is necessary to assess future requirements of steel, in order to avoid the repetition of the conditions of steel shortage, now being witnessed, on the one hand, and to see that there is no exaggerated emphasis on steel which is a capital-intensive industry, on the other.

There is no point in running from scarcity to plenty and thereby create a whole set of new problems in disposal of the excess supplies of steel. From this point of view, it is gratifying to note that the Council of Scientific and Industrial Research has set up a "study and survey" team to assess the country's iron and steel requirements in the next 10 or 15 years and gear up the industry to meet the demand for steel. This was revealed by Prof. M. S. Thacker, Director-General of Scientific and Industrial Research, who inaugurated the symposium on iron and steel industry, organised by the National Metallurgical Laboratory, at Jamshedpur. He called attention to the problem of organising iron and steel industry on a small-scale basis, as it was being done in China. He added that Dr. Nijhawan, Director of National Metallurgical Laboratory, who would be going to China next month, would study this problem. It remains to be seen whether the Chinese experiment, for which many claims have been made, has been really successful, and, if so, whether it can be repeated in Indian conditions.

Welcoming the delegates, Dr. Nijhawan said that the National Metallurgical Laboratory, recognising the urgency of tackling problems of iron and steel technology had done systematic work on the subject, such as beneficiation and sintering of iron ores and production of L. D. steel. He recalled that the Russian Central Scientific Research Institute for ferrous metals was spending Rs. 7 crores per year. He emphasised the need for multiplying India's research efforts so as to put the country on the iron and steel map of the world.

In the course of his address, Mr. Jehangir Ghandy said that the growing demand for iron and steel had led metallurgists and engineers to the question of increasing and improving the design features of iron blast furnaces and ancillaries such as hot blast stoves and turbo-blowers. The trend was towards charging "prepared" raw materials and use of self-fluxing high sinter burden in blast furnaces. Good progress had been made in several other fields of iron and steel metallurgy such as the oxygen convertor process for steel making, continuous casting and general automation of plant equipment. Finally, he paid a tribute to the valuable work done by the National Metallurgical Laboratory in different branches of iron and steel technology.

ENGINEERING EDUCATION

A well-deserved tribute to the work of Indian engineers was paid by Mr. S. K. Patil, in the course of his address at the annual meeting of the Institution of Engineers, held at Madras, last week. Mr. Patil said that the engineers had discharged their tasks allotted to them under the first and the second Five-year Plan, with a "skill and tact of which any nation could be proud." He, however, urged engineers and scientists to face the problem of the new age which had commenced with the discovery of the nuclear science. He rightly emphasised that just as the last 150 or 200 years, following the Industrial Revolution, witnessed greater advancement than had been possible in the earlier centuries, the progress in the next 25 years or so would perhaps be much more rapid than in the past. Clearly, the new age calls for a wider outlook and more theoretical and practical knowledge on the part of engineers.

In his presidential address, Dr. K. L. Rao stressed the importance of technological education and research. He urged the need for well-equipped colleges. He said that future development in India called for the development of the system of consulting engineers as a guarantee against continued dependence on foreign technical talent. In the beginning till a proper cadre of consulting engineers came into being, the Government should encourage consultation work by establishing a convention of seeking advice from Indian consulting engineers in all cases, whether a foreign consultant was employed or not. Dr. Rao suggested that, in a few special branches, like design of river valley structures, which might not attract consulting engineers freely, semi-autonomous bodies might be set up; such bodies should be developed into national design organisations. He called attention to such recent advances in engineering as prestressed concrete and framed structures and said they had been the result of intensive thinking and research work on the part of thousands of far-sighted engineers and technicians in a competitive international effort. Finally, he urged the Institution of Engineers to become the "spearhead for achieving economic and technological independence of the country."

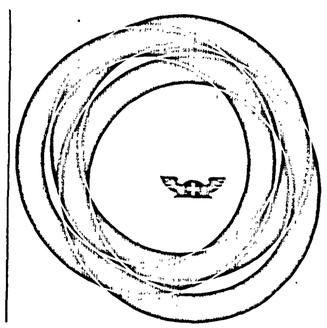
TIN PLATES AND STEEL SHEETS

A revised scheme for the supply of tin plates and steel sheets to exporters of certain commodities exported in containers of steel and tin has been brought into force. The scheme, which is devised as an Export Promotion measure, envisages the supply of tin plates and steel sheets both against future and past exports. It will apply to the exports of the following products for the purpose of supply of tin plates:

Vanaspati, fruit products, biscuits, confectionery, tinned fish, paints, varnish and enamels, essential oils, drugs and pharmaceuticals including medicinal castor oil and fish oil, toilet articles like face powder, tooth paste, hair oil, etc., cardamom seeds, curry powder, sweetmeats, roasted and ground coffee and fresh coffee, instant coffee, tinned tea, dyestuffs and allied products, chemicals and chemical products (including boot polish), pearl barley, rolled oats barley and oat products and cashew kernels.

For supply of steel sheets, the exports of the following commodities will qualify under the scheme:

Paints, varnishes and enamels, chemicals and chemical products, vegetable edible oils, dyestuffs and allied products and medicinal castor oil in drums.



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NEW PRODUCTS AND PROCESSES

New Process for Precasting Doubly Curved Shell

DOUBLY curved shells are known to be eminently suitable as roofing materials, but these have not been extensively used because of problems connected with their casting. The process in current use for casting doubly curved shells involves the use of extensive moulds, if precast, and complicated shuttering if cast in situ. Moreover, shifting the shuttering from place to place is also cumbersome and difficult. With a view to facilitating the precasting of doubly curved shell elements, a method for precasting such shells has been devised at the Central Building Research Institute, Roorkee. The process enables the use of hessian as a flexible mould for casting doubly curved shell unit. The body of the shell does not contain any reinforcement and its shape is such that the stresses under loads are purely compressive and do not require any reinforcements; only the four edge beams being of reinforced concrete. In this process it is also possible to substitute lime-surkhi-concrete in place of cement concrete resulting in economising cement. The size of the unit has been restricted to 4' x 4' to permit easy manual handling. The unit, one inch thick and weighing about 275 lbs. can be easily handled by four men. Bigger units upto 10' x 10' can also be conveniently made. The units are mainly meant for use for roofs but with little modifications could be used for floors and panel-walls also. Individual units tested for static and shock loads are stated to have withstood on an average a static load of 350 lbs. per square foot and impact load of 90 lbs. upto a height of 6 feet. Similar results were achieved on full scale roofs. The shell elements give ample factors of safety against static, sustained and shock loads. The roofs made from these shell elements are economical. Compared with traditional R.C.C. slabs, a saving in cement upto 49 per cent. and in steel upto 46 per cent. is stated to be possible. The turnover is quick and no skilled labour is necessary for their casting. The elements are suitable for roofs for low-cost housing projects.

New Technique for Pipe-welding

New techniques have been developed in the U.K. to speed up "double-ending" welding of pipelines and make this technique on site a more practical proposition. The development has been carried out by Quasi Arc, of Bilston, Staffordshire, to meet the need for increased speeds of pipeline welding by the oil and chemical industries. In "double-ending" welding the pipe lengths are first automatically welded in pairs before being laid. This reduces the amount of manual welding on site by almost half. A new manipulator has now been designed for improved handling of the pipe lengths. Driving rolls are used along the complete length of pipe, whereas the previous "double-ending" machine used only main driving rolls, with idler rolls along the rest of its length. The new machine will handle, it is claimed, pipes up to 40 feet long in pairs, and accommodate different diameters. At the same time, the welding head is fully adjustable on the vertical column. When the machine is in operation the manipulators accept pairs of pipes on a cradle fitted with rollers, which, in much the same way as the roller beds used for large vessels, rotate the component while the welding equipment remains stationary. The handling of pipe lengths on and off the roller bed is carried out by hydraulic means.

New Birth Control Methods

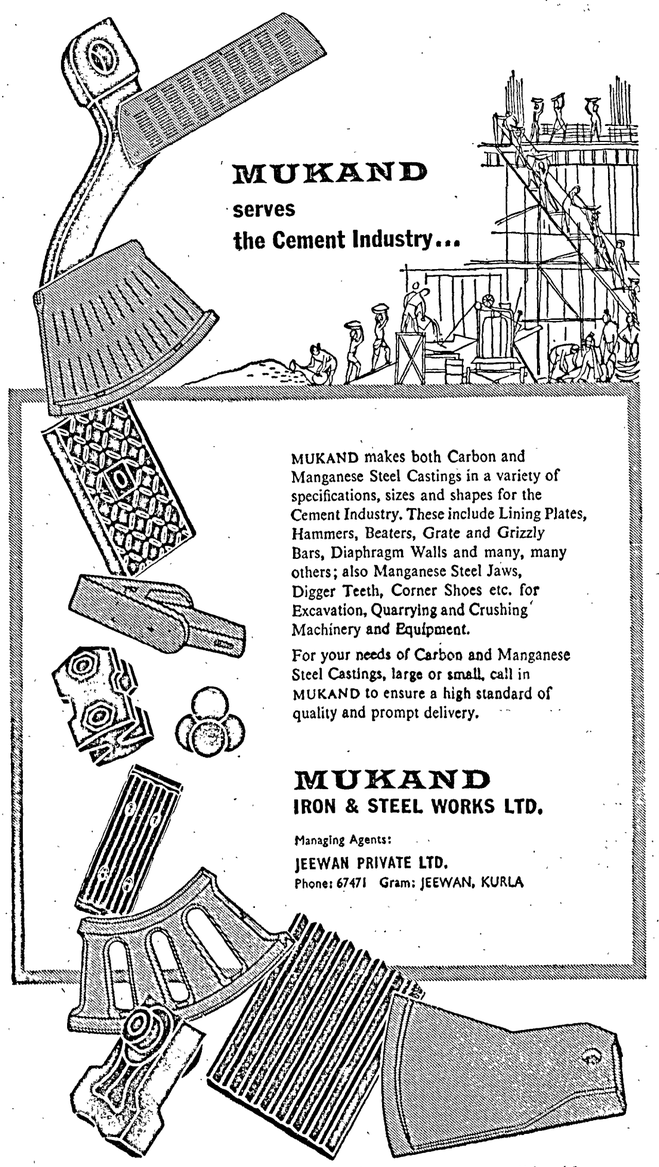
Sperm-killing methods, which have been a subject of long experimentation at the Zoophysiological Institute, at Upsala, Sweden, will be presented to researchers from the entire world taking part in the meeting of the International Planned Parenthood Federation at New Delhi from 14th to 21st inst. Professor Eric Lindahl, who has been in charge of the experiments, will deliver lectures on his findings including the expected possibilities of administering fertility-controlling preparations orally. The international organisation is composed of members from 22 countries, representing voluntary associations for planned parenthood. It was largely formed on Swedish initiative just after the war, when it became clear that the work could not be undertaken by the U.N. on account of strong resistance from Catholic bodies. Professor Lindahl started his studies on animals but believes that a solution of the birth control problem in humans is close at hand.

New Portable Hand Pump

A new portable hand pump, called the Bihar Hand Pump, has been devised by the Department of Agriculture, Bihar, for lifting water for irrigation. The pump can directly be used in three-inch tube-wells and for lifting water from such sources of water as roadside ditches, reservoirs, ponds, rivulets and wells, where the suction lift does not exceed 20 feet. It works best when the lift is not above 12 feet. With the pump, an average discharge of 1,500 gallons per hour can be had at a suction of 10 to 12 feet. Where the lift is only about four feet, about 3,000 gallons is the discharge per hour.

Acid-resistant Cement

A cement, now being marketed, is claimed to withstand the chemical action of both acids and alkalis. Called Alcuma and manufactured by J. H. Sankey and Son, Refractories Works, Ilford Essex, it is said to be composed of polyester resins, combined with high-quality inert fillers. It is supplied to the user in the form of a separate powder and solution and it is stated to be suitable for jointing or pointing tiles and bricks and for the construction of acid- and alkali-resisting floors and tanks. It can also be used for jointing and sealing pipes carrying acids and alkalis.



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NEW PUBLICATIONS

Co-operation in Foreign Lands. By C. B. Mamoria and R. D. Saxena. Published by Messrs. Kitab Mahal, Publishers, Allahabad. Pages: 293. Price: Rs. 5.

IN the context of the growing interest in co-operation, the book under review is bound to have a wide appeal. It is a comprehensive book in that it gives a rapid survey of the development of co-operation in many countries including England, Denmark, Germany, Italy, France, Russia and China; there is a good account of the theory of co-operation in the first chapter in the book. Since co-operation in China is generally held up as a model for this country to follow, it is interesting to note what authors have to say on the success of co-operation in that country. They observe:

"Self-sacrificing and disciplined leadership is another contributory factor towards their success. They have succeeded in persuading the people to accept a new way of life in organised agriculture which not only has paid immediate dividends but appears to be the only solution for small uneconomic farmers. The peasantry class of China has tremendous confidence in the leadership of the Government and the Communist Party and this is one of the most significant factors which is largely responsible for this development.... Thus, the Party has indeed played a dominant part in the whole socialist transformation in the agrarian sector, and this is a fact of great significance in determining how far Chinese experience can be useful elsewhere. It is the backbone on which the whole structure of the Chinese Government and the whole development of the Chinese people rests."

It will thus be clear that co-operation in China is the fruit of the efforts of a party which is imbued with a great sense of discipline. It remains to be seen whether similar conditions can be created in a democratic country like India.

A History of Technology: Vol. IV: The Industrial Revolution. Edited by Messrs. Charles Singer, E. J. Holmyard, A. R. Hall and Trevor Williams. Published by the Oxford University Press, London. Pages: 728. Price: £8. 8s.

The book under notice, which is the last but one in the five-volume *History of Technology* conceived by the authors, maintains the high standards of the earlier publications. The first three volumes covered the period beginning from the Old Stone Age up to the industrial revolution. The present one covers the period of the industrial revolution, that is, from A.D. 1750 to A.D. 1850, a century of exceptional importance in the history of technology. The hundred years from 1750 to 1850 saw technological developments which profoundly affected the whole pattern of civilisation, first in Britain, then in Continental Europe and in North America and, finally, in the rest of the world. During this period, man's relationship to nature underwent a profound change. The application of science to technology played an effective part. Science did not, however, become a major force in industry as a whole until after the middle of the 19th century, although it had become significant even in the seventeenth century. Nevertheless, the transition from craft-mystery to science, as a basis of technology, was becoming increasingly evident. While many branches of technology were virtually unaffected by the ferment of new scientific ideas, some were particularly receptive to them.

The story of these remarkable changes and of the complex factors that made them possible is unfolded in these seven hundred and odd pages. To compress the spectacular technological developments of the century into the short compass of a book of 728 pages is certainly an up-hill task The difficulties are not merely those of selection but of presentation as well. In the authors' own words: "The tremendous increase in the pace of discovery and application has presented great problems of selection. The first volume covered the whole of technological history before 500 B.C., the second, the following two millennia. In the third volume, the principal technological events of no more than two and a half centuries could be recounted and, for the present one, the span is virtually but a hundred years. Even so, the limitation of space has obliged us to omit altogether or to discuss but briefly many interesting topics.... A further difficulty lies in the rapidly increasing complexity of the subject. As long as ideas and machines remain relatively simple—springing from common experience and fertile imagination rather than from specialised knowledge—the nature of new inventions is relatively easily expounded. We have, however, entered a period in which there is an acceleration of the complexity of the machines and in the use of processes depending upon less familiar principles and concepts. Detailed explanation is not often feasible without interrupting the discourse and occupying space essential for discussion of other topics."

The course followed by the editors is the only sensible one in the circumstances. They have endeavoured to follow the main lines of evolution and to avoid the by-ways and blind alleys, however tempting their exploration may be.

The editors have taken care to ensure simplicity in language, with few specialist terms, so that even laymen, with a minimum of technical or scientific training, could benefit from reading the book. They have also utilised every opportunity to convey information graphically, by maps, charts and tables. This invaluable publication is indeed a "must" for every reference library.

Fundamentals of Business Organisation and Management. By Dr. B. V. Narayanaswamy Naidu and Prof. H. K. Datta. Published by M. Seshachalam & Co., 7, Sunkurama Chetty Street, Madras-1. 4th Edition. Pages: 620. Price: Rs. 12.

With the growth of large-scale production under the modern factory system, the individual size of the productive and the commercial units has increased. Large-scale, mass production needs good organisation and management. The aim of the publication under review is to explain, as the title of the book itself implies, the fundamentals of the business organisation and management, and also to give some ideas of the modern business methods. This book is in its fourth edition. All the chapters have been carefully revised, thus making the book more up-to-date and informative as compared with the third edition. The latest legislative enactments, including the Companies Act, 1956, and Industrial (Development and Regulations) Act, 1951 (as modified upto 1956). and comments thereon have been added as appendices to the book which will thus serve as a useful reference book and guide. The topics dealt with in the book include joint stock companies, industrial location, co-operative institutions, public utilities, industrial finance, scientific management, industrial efficiency and exporting and importing. The chapter on "Exporting and Importing" which discusses the implications and methods of the export/import trade in some detail, will be found particularly useful.

Modern Theory of Money. By V. Y. Kolhatkar. Published by Good Companions, Baroda. Pages: 242. Price: Rs. 9.

In its second edition, this book emerges as an entirely new one except in name. It reflects the ideas and conceptions of its author concerning the theory of money which, as he points out in the preface, have undergone a radical change. The kernel of the book is a critical examination of the current theory of output. He differs from the basic tenets of Keynes' *General Theory*, pointing out that his theory of wages is illogical, his theory of employment multiplier erroneous and that his savings investment parity is based on insufficient appreciation of the classical position. In fact, the author attempts to work in the direction of an "ideological restoration" of the classical position, though, as he himself concedes, only in respect of its contents and not methodology. He finds himself in agreement with Mr. Kaleck's theory of profit *in toto*, some of the consequences of which he tries to figure out.

This is a book meant not for the layman but addressed to serious students of economics. While many will find it hard to agree with the author's views or accept his arguments, they will find the pages of this book highly stimulating.

The Reserve Bank of India—Functions and Working. Published by the Reserve Bank of India, Bombay. Pages: 170. Price: Inland Re. 1.25 (postage extra).

This small book, within its 170 pages, tells us the story of the growth and functions of the Reserve Bank of India as the central banking organisation in the country. During the eventful period of about quarter of a century of its existence, it has given a good account of itself. Apart from its traditional functions as the bankers' bank, as banker to the Government and as the exchange control authority in the country, the Reserve Bank has, of late, been called upon to play an increasingly positive role in the sphere of industrial and rural credit. This has roused in the general public a growing desire to get adequately acquainted with the nature and scope of this institution. The book under review caters to this need—and pretty well. Written in a language which is simple and non-technical, the book will be read with interest both by students of economics and laymen.

All-India Rural Credit Survey District Monograph —Burdwan. Published by the Reserve Bank of India, Bombay. Pages: 130. Price: Rs. 6.50.

In connection with the preparation of the All-India Rural Credit Survey Report (1951-52), the Committee of Direction, appointed by the Reserve Bank of India, made a detailed study of 75 districts all over the country and prepared preliminary monographs on each of the selected districts. The book under review on the district, Burdwan, in W. Bengal, is one of these studies, conducted on the basis of stratified random sample survey, which threw a flood of light into the structure and pattern of the rural economy of India. Although the treatment of subject-matter in the All-India Report and the monographs is fundamentally the same, the latter serves to bring into sharp relief the specific problems in the district concerned, besides furnishing details regarding the supply of, and demand for, credit.

Gift Tax. By V. Ramachandra. Published by C. Sitaram & Co., 33, Royapettah High Road, Madras-14. Pages: 195. Price: Rs. 7.

This book is a concise commentary on the Gift Tax Act, 1958. The author, who is an advocate of the Madras High Court, has succeeded in lucidly elucidating the principles and working of the enactment. Several of the problems that are likely to arise in the taxation of gifts are dealt with and several court decisions from different countries cited. The Death Duties Act 1921 (Gift Duty) of New Zealand and Chapter IV of the Internal Revenue Code of U.S. (Gift Tax), both similar to the Indian enactment, are appended to the text. This publication is a practical guide not only to practitioners and assessees but to tax collectors too.

E.C.A.F.E. COUNTRIES' FOREIGN TRADE

SIGNS OF IMPROVEMENT SEEN

THE deliberations of the Trade Committee of the United Natjons' Economic Commission for Asia and the Far East which met at Bangkok from 23rd January to 2nd February merit some attention. No doubt, the meeting, as was only to be expected, did not suggest any new solutions to the problems of trade confronting the countries of the region. Nevertheless, the meeting was not without any significance, in that it reflected a growing realisation on the part of these countries of the need for collective endeavour for solving their trade problems. Indeed, the intra-regional trade talks and the meeting on customs administration, which were held earlier under the auspices of the E.C.A.F.E. at Bangkok, were also suggestive of this spirit for joint effort. It is worth noting that this meeting was held in an improved world economic atmosphere, following the recovery of the U.S. from its recession.

The discussions of the Committee on current trade and trade policies revealed that the countries of the region, mostly exporters of primary products, have recovered partially from the adverse effects of the 1957-58 recession. The verdict on the experience of the region in 1958 was that it was a year of mixed performance. In the first half of 1958, Mr. U. Nyun, the E.C.A.F.E.'s Acting Executive Secretary, pointed out, export earnings of the region tended to accrue at a somewhat lower rate, as compared with the corresponding half of the previous year. This is understandable, because, it was during that period the U.S. recession touched the nadir, whereas in the first half of 1957 the world economy was still passing through inflationary phase that had gained momentum after the Suez incident. The impact of recession on commodity prices was aggravated by the higher levels of exports of some of these commodities from the countries of the communist bloc.

Financial Assistance

The condition of these countries would have become much worse but for the financial assistance rendered by foreign countries, particularly by the U.S. It is gratifying to find that the representatives of developed countries, including those of the U.S., the U.K. and the U.S.S.R., who also participated in the trade meeting, expressed their readiness to extend their co-operation in solving the trade problems of the region. Mr. Henry Kearns, the U.S. Assistant Secretary of Commerce, went so far as to invite the countries of the E.C.A.F.E. region to enter the "large, profitable and expanding markets" in the U.S. He also called upon the Asian countries to pay most attention to attract tourists from his country. These earnings, he said, would significantly supplement their foreign exchange earnings. Again, though he recognised the element of protectionist feeling prevailing in the U.S., he said that the Government imposed restrictions only where irretrievable harm was being done to the domestic industry.

The Russian representative, Mr. N. P. Shiriajev, made some interesting points. He took exception to the view held by the E.C.A.F.E. Secretariat that the Soviet tin exports were one of the factors that contributed to the steep fall in tin prices last year. The "true reason" for this, he declared, was the recession in the U.S. and other countries. He added that these countries, while paying lower prices for the goods bought by them from the underdeveloped countries, took care to maintain higher prices for the goods exported by them. He claimed that the Soviet purchase of raw materials from the E.C.A.F.E. region had, in fact, braked the adverse impact of the recession in Western countries. There is, it must be conceded, some truth in these points.

E.C.A.F.E. Studies

Some of the studies prepared by the E.C.A.F.E. Secretariat on the various aspects of the region's foreign trade provided the background for the discussions at the aforesaid meeting. Although they generally relate to the trends in 1957, it is worthwhile giving here a synopsis of these studies, for purposes of record.

In 1957, the total value of export earnings of the countries of the E.C.A.F.E. region were roughly $9,400 million which compared favourably with $8,900 million, representing a rate of increase of 6 per cent. a year. It should be noted, however, that the whole increase from 1955 to 1956, and almost two-thirds of the increase from 1956 to 1957, was accounted for by Japan. In the other countries of the region, export earnings increased slightly with some improvements in those of Cambodia, China (Taiwan), India, Indonesia, Thailand and South Viet-Nam, those in others remaining more or less the same or declining slightly.

There was a substantial increase in the total value of imports. They touched $12,800 million in 1957, as against $10,900 million in the previous year, an increase of 12 per cent. a year. It is estimated that Japan accounted for 60 per cent. of this increase, and India for 18 per cent., and, in each case, it reflected import needs arising from their investment and development activities. Another feature of the trade in this region was the phenomenal increase in the imports of capital goods. Such imports went up by 100 per cent. between 1953 and 1957. This increase was shared by almost all countries, though in varying degrees. In India, 46 per cent. of its total imports constituted capital goods, as against 23 per cent. for the region as a whole.

The adverse balance of trade, in these circumstances, was higher at $3,400 million in 1957, as compared with $2,000 million in 1956. The total gold and foreign exchange assets of eleven E.C.A.F.E. countries declined by 23 per cent. to $3,800 million by the end of 1957. According to the E.C.A.F.E. study, there were sharp decreases in the case of India, Indonesia and the Philippines. Taiwan, however, steadily increased its gold and foreign exchange assets over the three years ended 1957 and there was some recovery in the reserve position of Burma and South Viet-Nam. Over three-quarters of the total external aid to Asian countries and about four-fifths of the bilateral aid came from the United States which also contributed a large share of the multilateral aid made available by various international agencies.

Commercial Policies

Discussing the commercial policies pursued by the respective Governments, the E.C.A.F.E. study notes an intensified and restrictive application of import and exchange controls. In Japan's case, the resolute anti-inflationary measures taken to restrain the level of economic activity largely served to bring about a severe contraction of imports during the first half of 1958. The E.C.A.F.E. paper goes on to take note of certain export controls "exercised or contemplated by some countries" on some of their exports "in order to forestall protective action" against such exports in the purchasing countries. A case in point are Japanese textiles exported to the United States. The study also mentions the arrangements between the British, Hong Kong, Indian and Pakistani cotton interests to impose ceilings on imports of duty-free cotton cloth into the United Kingdom.

The report also draws attention to the recent trend towards increased imports into the countries of the region from Mainland China. A wide range of consumer goods make up the bulk of these imports, cotton manufactures being the predominant item. Exports of cotton manufactures from India and Japan to the importing countries of the region, the study says, encountered increasing competition, as a result of the increasing volume of (Mainland) Chinese exports. Mainland China's exports in the region have been helped by various incentives including bilateral agreements, price discounts and credit facilities.

Commenting on the complaints received in the past regarding discrimination in the matter of shipping rates against cargo coming from or bound for Asian ports, the E.C.A.F.E., in a separate study on this subject, notes with satisfaction the decline in ocean freight rates that took place in 1957 and 1958. The report has stressed the fact that, since most of the countries of the region will continue to depend on external shipping, fair and equitable freight rates are of vital and continuing importance to the trade of the region.

Another E.C.A.F.A. study on trade in minerals points out that iron reserves in the region are enormous and are concentrated mainly in India and Mainland China. It says that India has 21,000 million tons of high quality iron ores, that is a quarter of the world's total of known reserves. Mainland China is said to have 4,600 million tons of proved reserves and over 10,000 million tons of possible reserves as known at the end of 1957. Mainland China became the largest coal producer in Asia in 1958 and the fifth largest producer in the world. Referring to ocean transport difficulties in the trade in iron ores, the report notes that Japan is beginning the construction of a fleet of ore-carrying vessels. It also discloses that Japanese shipping interests are planning to construct a so-called "mammoth ore carrier" propelled by atomic energy.

COMMON MARKET COUNTRIES

Reports from Western Europe suggest that the Common Market (C.M.) countries are at present considering a new proposal designed to reconcile the trade interests of third countries with their own. M. Jean Ray, the member of the Common Market Commission specially responsible for external relations, has concluded a series of consultations with the Governments of the "Six." He is expected to submit a general document covering the new proposals put forward by these various Governments by the end of this month. Its contents are not yet known. At any rate, it is only reasonable to assume, on the basis of a series of internal documents prepared by the Common Market countries, assessing the impact of their policies on other countries, that a fresh approach towards the Free Trade Area problem is in the offing. These documents have sought to emphasise that the problems for Great Britain, for example, are less crucial than those for Austria, where there are political complications and that those of the Organisation for European Economic Co-operation (O.E.E.C.) countries as a group to be no more severe than those of Latin America or some of the countries in North Africa. It would, thus, appear that C.M. countries favour a country-wise world-wide solution rather than restricting its scope to the members of the O.E.E.C. in particular.

It may be recalled, in this connection, that the C.M. countries have already reduced their tariffs on goods from all the G.A.T.T. countries. They have also granted quota concessions to O.E.E.C. countries on bilateral terms which call for acceptance and negotiation. These measures are interpreted to have foreshadowed the pattern of the impending proposal for a European Economic Association, as distinct from a full Free Trade Area. The proposed association will necessitate reduction of tariffs and enhancement of quotas. The tariff cuts would imply reduction in the eventual Common Market external tariffs also. Some of the details will, however, be left to be negotiated through the existing machinery. Thus, it is stated that the O.E.E.C. will be concerned with quotas and G.A.T.T. with tariffs. Provision is also made for the creation of institutions for the proposed association. The association, however, will avoid committing the signatories to complete free trade, unless machinery has been created for the harmonisation of commercial and labour policies.

In the meantime, talks have been held at Paris between the U.K. and France regarding "discrimination" against the 11 O.E.E.C. countries resulting from the Common Market quota and tariff cuts. No agreement has, however, been worked out yet. A suggestion has been made by the Dutch Government urging the U.K. to apply for membership of the European Common Market. France is unwilling to accept unlimited competition in a wider partnership—as was envisaged in the proposal for a Free Trade Area—unless this leads to the creation of new partnership of a near political type. This is opposed to the British stand.

It would appear that the Common Market countries are now beginning to be more "outward looking" than they were inclined to be earlier. "They are," we are told, "determined to be liberal in their commercial policies towards the outside world" and to do what they can to mitigate the adverse repercussions of their community on the outside world. At the recent meeting of the E.C.A.F.E. Trade Committee, the representatives of the Common Market countries gave an assurance that the interests of the third countries would be adequately safeguarded. The Trade Committee has expressed the hope that the products of Asian countries would be given "fair and reasonable access" to the countries of the Common Market.

SWISS INDUSTRIES FAIR

The forty-third Swiss Industries Annual Fair will be held in Basle from 11th to 21st April 1959. One of the oldest industrial fairs in Europe, the Swiss Fair has earned a great reputation for tasteful presentation of a wide range of exhibits. Displaying in the Fair are 17 trade groups in 21 halls. Among the consumer goods groups at the Fair, mention may be made of a special feature on textile and clothing industry with emphasis on their export activities. A special exhibit, "Creation," will illustrate the development of the piecegoods industry. Another exhibit "Madame-Monsieur" seeks to throw into sharp relief the high creative level of Switzerland's fashion goods industry.

Prominence will be given to electrical industry and heavy machinery. Experts in the electrical line will be able to get a comprehensive impression of the most important manufacturers of plant for the production of thermal and hydraulic power. Some of the other industries that will be represented in the exhibition are: watch fair; furniture; sports goods; camping equipment; toys and musical instruments; chemical and cosmetic products; domestic appliances; general engineering; boilers; wood-working machinery, machinery for the foodstuffs industries; hotels and institutes; industrial requisites with the subsidiary groups welding equipment air-conditioning, foundry products, aluminium and non-ferrous metals, plastics, medicinal and dental equipment, transport, with a special exhibit showing equipment for rational mechanical handling.

SHARP FALL IN NEW CENTRAL JUTE'S PROFIT

DIVIDEND PRUNED—INSTALLATION OF CHEMICAL PLANT DELAYED

THE fifteen months ended 31st March 1958 proved to be a disappointing period for the New Central Jute Mills Company Ltd. (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta). Although the Company's accounts cover an additional period of three months and in spite of the fact that sales of gunnies have more than doubled, the profit for the period under review has suffered a sharp decline as compared with that for either of the years ended 31st December 1956 and 1955, thanks to the higher outgo on interest on money invested in the Sahu Chemicals project under erection.

The gross profit at Rs. 31.37 lakhs has fallen by Rs. 10.08 lakhs, or 24.3 per cent., from Rs. 41.45 lakhs earned in 1956. It is again Rs. 23.43 lakhs lower than that (Rs. 54.80 lakhs) for 1955. Managing Agents' remuneration takes up only Rs. 1.35 lakh, as against Rs. 3.17 lakhs in 1956. A sum of Rs. 4.25 lakhs (as against Rs. 3.25 lakhs) has been set aside as provision for taxation (including wealth tax and arrears). It must, however, be noted that the Company's profit for the period under review is not liable to income-tax. The provision for depreciation has been raised from Rs. 10.25 lakhs to Rs. 13.39 lakhs. The net profit after the above provisions works out to Rs. 12.38 lakhs, at which level it is less than half of Rs. 24.78 lakhs for 1956. It is also appreciably lower than that of Rs. 33.54 lakhs for 1955.

The Directors have written back Rs. 15.71 lakhs from general reserve No. 1, to which a sum of Rs. 15 lakhs was added from the profit for 1956, and Rs. 99,686 from provision for contingent liability and have created a general reserve No. 2 with a sum of Rs. 15.51 lakhs being the estimated deferred tax liability in respect of the period under review. They have also created a development rebate reserve with a sum of Rs. 1.20 lakh. A dividend of 15 per cent. has been declared on the ordinary shares for the period under review. This works out to 12 per cent. per annum, as against 15 per cent. paid for each of the previous two years. The Directors propose to pay the dividends for the period under review out of general reserve No. 1. This would enable the shareholders to get the benefit of the income-tax paid by the Company on such profits.

The comparative table given hereunder brings out the progress of the Company during the past three years:

(In lakhs of rupees)

	For 15 months ended 31st March, 1958	For the year ended 31st December 1956	1955
Gunny sales	15,95.83	7,22.36	4,54.17
Closing stock of finished products	51.27	46.70	29.48
Gunny purchases	9,87.01	3,05.47	62.24
Cost of raw materials consumed	3,75.29	2,58.60	2,11.43
Manufacturing and other expenses	2,11.58	1,45.06	1,30.91
Gross profit	31.37	41.45	54.80
Managing Agents' remuneration	1.35	3.17	5.76
Depreciation	13.39	10.25	2.50
Taxation	4.25	3.25	13.00
Net profit	12.38	24.78	33.54
Transfer from reserves	16.71	..	..
Compensation to ex-Managing Agents	..	..	2.90
Transfer to reserves	16.71	15.00	11.18
Dividends—			
7% cum. preference	2.89	2.31	1.27
Ordinary	12.82	12.82	12.82
	(12% p.a.)	(15% p.a.)	(15% p.a.)
Carry forward	0.03	3.36	8.71

It will be seen from the above that the Company's earnings from sale of gunnies have more than doubled from Rs. 7.22 crores in 1956 to as much as Rs. 15.96 crores. At the same time, purchases of gunnies have shot up from Rs. 3.05 crores to Rs. 9.87 crores and the cost of raw materials consumed from Rs. 2.59 crores to Rs. 3.75 crores. Manufacturing and other expenses have also risen by Rs. 66.52 lakhs to Rs. 2.12 crores. Of this, salaries, wages and other staff welfare expenses alone have increased from Rs 84.09 lakhs to Rs. 114.07 lakhs. The cost of interest on fixed and other loans, to which a reference was made earlier, has more than doubled itself from Rs. 8.60 lakhs to Rs. 17.61 lakhs.

The Directors report that the installation of the Sahu Chemicals plant has not been completed due to delay in the receipt of machinery. Trials are expected to commence in about three months' time. Towards the close of the period under report, the Company's jute mill at Ghusuri was closed down. The loom hours are being utilised at the Company's other two mills at Budge Budge. This is expected to effect economies in production costs. Since the close of the period under report, production and offtake of carpet backing cloth have shown steady progress.

During the current year, 427,500 ordinary shares of Rs. 10 each were issued at par against cash to the existing shareholders and fully subscribed. These carry the right to dividend from the current financial year onwards.

The Company's balance-sheet as at 31st March 1958 shows that its paid-up capital of Rs. 118.50 lakhs, made up of 855,000 ordinary shares of Rs. 10 each and 33,000 seven per cent. cumulative preference shares of Rs. 100 each, is supplemented by reserves and surplus aggregating Rs. 212.86 lakhs, of which the capital reserve accounts for Rs. 95.60 lakhs and general reserve No. 1 (after transferring Rs. 15.71 lakhs to the profit and loss account) for Rs. 99.29 lakhs. Secured loans from banks against hypothecation of jute including process and finished goods and stocks of machinery and materials amount to Rs. 149.69 lakhs. The loan from the Government of Uttar Pradesh stands at Rs. 145 lakhs. The other current liabilities amount to Rs. 185.05 lakhs, inclusive of Rs. 20.21 lakhs as provision for taxation. The gross block to which additions to the tune of Rs. 248.81 lakhs were made during the period under review, stands at Rs. 633.25 lakhs. Of this, the assets at Calcutta amount to Rs. 409.13 lakhs and those of Sahu Chemicals at Sahupuri Rs. 224.12 lakhs. The depreciation provided so far aggregates Rs. 119.62 lakhs, so that the net value of the fixed assets is Rs. 513.63 lakhs. The current assets aggregate Rs 297.47 lakhs, of which stores and spare parts, raw materials and stock-in-trade alone account for Rs. 181.74 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 13.37 *cum-div.* and on *ex-div.* basis, the yield is 10.1 per cent. per annum, free of income-tax.

WORKING OF THE COMPANIES ACT, 1956

During the quarter ended 31st December 1958, 55 companies with an authorised capital of Rs. 158.29 lakhs have been registered in the Southern Region, comprising the four States of Andhra Pradesh, Kerala, Madras and Mysore. Out of these, 3 are public limited companies with an authorised capital of Rs. 27.50 lakhs. The transport services, which form the largest group, account for 12 companies, while chit business and motion picture production and distribution account for 6 and 4 companies, respectively. The total investment by way of increase of paid-up capital of companies during the period comes to Rs. 563.98 lakhs of which Rs. 377 lakhs is accounted for by the Neyveli Lignite Corporation Private Limited, a Government of India undertaking.

During the period under review, 44 companies went into liquidation and the total paid-up capital of the companies concerned was Rs. 28.93 lakhs. 79 companies, including 2 Associations not for profit and one banking company, were struck off the Register of Companies as defunct, the paid-up capital involved being Rs. 15.54 lakhs.

(Concluded from next column)

The balance-sheet as at 30th June 1958 shows that the Company's paid-up capital is unchanged at Rs. 20 lakhs, of which Rs. 15 lakhs are in ordinary shares of Rs. 10 each and the balance in 5 per cent. taxable cumulative preference shares of Rs. 100 each. Against this, there are reserves and surplus aggregating Rs. 13.13 lakhs. The gross block of Rs. 22.66 lakhs stands well written down at Rs. 8.77 lakhs. The current liabilities amount to Rs. 25.24 lakhs, against which there are current assets aggregating Rs. 49.60 lakhs. Of the current assets, the stock-in-trade alone, valued at Rs. 24.11 lakhs, provides a good cover to the current liabilities, including the provision for taxation.

The Rs. 10 fully paid-up ordinary shares are nominally quoted at Rs. 13.50 *cum-div.* and on *ex-div.* basis, the yield is 8 per cent. per annum.

BHARAT SUGAR'S PROFIT DECLINES

DIVIDEND ALSO LOWER

DISAPPOINTING results are disclosed by the Bharat Sugar Mills Ltd. (Managing Agents: The Cotton Agents Private Ltd., Bombay) for the year ended 30th June 1958, in sharp contrast to the encouraging performance noted in the previous year. Both sale proceeds and profit have suffered a setback. Indeed, the profit is so low that the dividend to shareholders has had to be cut to 10 per cent. from 15 per cent. at which level it had been maintained for a long period. Further, even for paying this attenuated dividend, the Directors have had to rely on the dividend equalisation reserve to some extent. It is true the Company had to draw from the dividend equalisation reserve in 1955-56 also, but then it was for maintaining the dividend at the enhanced rate of 15 per cent. The Directors attribute the setback in the Company's results to non-availability of adequate supplies of sugarcane, the crop having been severely affected by drought and red rot disease, and to the low selling price for sugar fixed by the Central Government under the Control Order, irrespective of the cost of production which adversely affected the profits.

The gross profit at Rs. 4.16 lakhs shows a fall of Rs. 1.34 lakh from Rs 5.50 lakhs for 1956-57, to which level it had risen from Rs. 3.02 lakhs for 1955-56 The provision for taxation has, however, been raised from Rs. 1.60 lakh to Rs. 2.10 lakhs, but that for depreciation has been reduced from Rs. 94,400 to Rs. 48,600. The net profit too is lower at Rs. 1.20 lakh, as compared with Rs. 2.47 lakhs for the previous year. It is also less than Rs. 1.83 lakh earned two years ago. No wonder, therefore, that even to pay a dividend of 10 per cent. for the year under review, as against 15 per cent. for the past few years, the Directors have had to draw a sum of Rs. 50,000 from the dividend equalisation reserve. A sum of Rs. 7,400 has been transferred to development rebate, as against *nil* in the previous year.

The following comparative table shows at a glance the Company's progress in the last four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Sale proceeds	64.07	73.32	60.29	25.86
Other income	0.91	2.30	1.09	1.36
Closing stock	24.11	32.33	29.27	30.05
Manufacturing and other expenses	89.00*	52.12*	59.05*	42.66
Excise duty	13.60	11.06	8.53	3.15
Gross profit	4.16	5.50	3.02	5.06
Managing Agents' remuneration	0.37	0.49	0.37	0.61
Depreciation	0.49	0.94	0.70	0.40
Taxation	2.10	1.60	0.12	1.74
Net profit	1.20	2.47	1.83	2.31
Transfer from reserves	0.50	..	0.50	..
To reserves	0.07	..	..	..
Dividends—				
5% cum. red. preference	0.17	0.17	0.18	0.18
Ordinary	1.50	2.25	2.25	2.25
	(10%)	(15%)	(15%)	(15%)
Carry forward	0.04	0.08	0.02	0.15

* Approximate.

During the year under review, the Company's factory worked for 110 days, as against 158 days in the preceding year. The quantity of sugarcane crushed at 1,596,830 maunds was also lower, as compared with 2,256,545 maunds in the previous year. A welcome feature, however, was that the recovery was better at 10.29 per cent., as against 9.63 per cent. a year ago. The yield from the Company's farms dropped to 40,500 maunds of sugarcane from 48,000 maunds in the previous year. This was due to severe drought conditions and prevalence of red rot disease. The crushing during the current year is expected to be about 1.7 million maunds of sugarcane.

Referring to the Government of India's sugar export promotion policy, the Directors state thus:

"With a view to earning foreign exchange to meet the serious shortage of foreign exchange faced by the country, the Government of India promulgated an ordinance, namely, Sugar Export Promotion Ordinance 1958 on 27th June 1958. Subsequently, the Sugar Export Promotion Act, 1958 was passed by the Parliament, thereby placing the law permanently on the statute book. Pursuant to the provisions of the said law, the Government of India allotted to the factory an export quota of 1,514 bags of sugar against production of the season 1957-58, which is expected to fetch a price of about Rs. 12 only per maund considering the very low price of sugar in the international markets."

(Continued in previous column)

COMPANY MEETINGS AND DIVIDENDS

KHARDAH CO., LTD. Annual General Meeting, Calcutta, 19th February 1959. Dividend: Rs. 8.00 per share. Transfer books remain closed from 3rd to 19th February 1959, both days inclusive.

BRITISH BURMAH PETROLEUM CO., LTD. Annual General Meeting, Bombay, 23rd February 1959.

BHARAT SUGAR MILLS LTD. Annual General Meeting, Calcutta, 27th February 1959. Dividends payable on and after 10th March 1959. Transfer books will remain closed from 16th February to 27th February 1959, both days inclusive.

NEW INDIA SUGAR MILLS LTD. Annual General Meeting, Calcutta, 27th February 1959. Dividends payable on or after 10th March 1959. Transfer books will remain closed from 16th February to 27th February 1959, both days inclusive.

WAVERLEY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 27th February 1959. Transfer books will remain closed from 14th February to 27th February 1959, both days inclusive.

KELVIN JUTE CO., LTD. Annual General Meeting, Calcutta, 27th February 1959. Dividends are payable on or after 12th March 1959. Transfer books will remain closed from 14th February to 27th February 1959, both days inclusive.

JAIPUR UDYOG LTD. Annual General Meeting, Sawai Madhopur, 28th February 1959. Transfer books will remain closed from 23rd February to 28th February 1959, both days inclusive.

AUCKLAND JUTE CO., LTD. Interim dividend of Rs. 5 per share on ordinary shares for the year ended 31st March 1959. Dividends are payable on or after 5th March 1959. Transfer books will remain closed from 17th February to 27th February 1959, both days inclusive.

UPPER GANGES SUGAR MILLS LTD. Annual General Meeting, Calcutta, 2nd March 1959. Dividends on shares payable on or after the 10th March 1959. Transfer books will remain closed from 23rd February to 2nd March 1959, both days inclusive.

KINNISON JUTE MILLS CO., LTD. Interim dividend of Rs. 5 per share on ordinary shares for the year ended 31st March 1959. The share transfer registers will remain closed from 17th February to 27th February 1959, both days inclusive.

STANDARD JUTE CO., LTD. Interim dividend of Rs. 2.50 per share on ordinary shares for the year ended 31st March 1959. Transfer books of the Company will remain closed from 17th February to 27th February 1959, both days inclusive.

UNION JUTE CO., LTD. Interim dividend of Rs. 5 per share on ordinary shares for the year ended 31st March 1959. Transfer books will remain closed from 17th February to 27th February 1959, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Interim dividend of 4 per cent. on ordinary shares, for the year ending 31st March 1959. Transfer books remain closed from 4th to 11th February 1959, both days inclusive.

Notice

THE BARNAGORE JUTE FACTORY COMPANY, LIMITED

(Incorporated in England)

Liability of Members Limited

DIVIDEND

THE FOLLOWING INTERIM DIVIDEND HAS been declared payable on the 18th March, 1959:—

On the Preference Shares at 5 per cent. for each of the years ended 31st March, 1957 and 31st March, 1958 (Ten Shillings per share) less U.K. Income Tax of eight shillings and six pence in the £ Sterling.

Payment of the Dividend declared will be made only to those Members whose names are registered in the Books of the Company on the 4th March, 1959 or to their Mandatees.

Dividend Warrants to Members on the Calcutta Register will be made payable in Calcutta.

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

The Preference Share Transfer Books will be closed from the 19th February, 1959, to 4th March, 1959, both days inclusive.

By Order of the Board,

JARDINE HENDERSON, LIMITED,

D. FORDWOOD,
Secretary.
Agents.

4, CLIVE ROW,
CALCUTTA, *5th February*, 1959.

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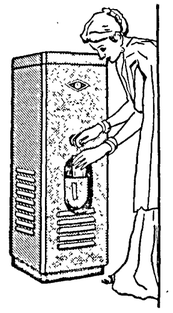

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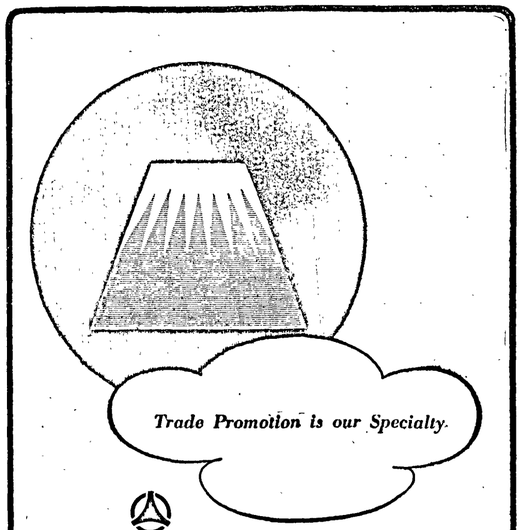

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RANEEGUNGE COAL'S PROFIT HIGHER

SHEVEROY ESTATES MAINTAIN DIVIDEND

Raneegunge Coal Association, Ltd.

THE directors of the above Company (Managing Agents: Messrs. B. N. Elias & Co. Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The Company's profit for the year ended 31st March 1958 after inclusion of Rs. 29,060 (Rs. 23,188) brought forward is Rs. 11,06,950 (Rs. 9,33,634). After making provision for taxation of Rs. 5,50,000 (Rs. 1,60,000) there remains a balance of Rs. 5,56,950 (Rs. 7,59,022). From this balance the directors have placed to machinery replacement and development reserve Rs. 1,70,000 (Rs. 5,50,000), development rebate reserve Rs. 1,43,197 (*nil*) and recommend the payment of a dividend at Re. 1 (Re. 0.75) per share absorbing Rs. 2,39,950 (Rs. 1,79,963) leaving a balance to be carried forward of Rs. 3,803 (Rs. 29,060 after adjustment of Rs. 14,612 relating to the previous year).

Coal raisings, despatches and stocks:

	Year ended 31st March		
	1956	1957	1958
	Tons	Tons	Tons
Raisings ...	3,49,758	4,31,402	4,53,767
Despatches ...	3,81,924	4,09,316	4,10,888
Stocks ...	21,041	43,127	86,006

Raisings increased by 22,365 tons. Despatches were not according to the Company's expectation due to pilot capacity not having been increased and kept in line with the increased production. The Company manufactured during the year under review 6,774 tons of hard coke. 6,181 tons were despatched and 1,155 tons remained in stock.

Development in all sections of the collieries is progressing favourably. Relationship between the management and labour has been very satisfactory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,99,500	Block ...	46,82,156
Reserves ...	28,79,558	Coal stock ...	13,86,741
Provision for taxation ...	4,21,164	Stores ...	6,97,820
Liabilities ...	41,68,467	Debts, deposits and advances ...	29,91,190
Profit and loss account ...	3,803	Investments	17,642
		Cash ...	96,942
Rs.	98,72,492	Rs.	98,72,492

Sheveroy Estates, Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co. (India), Ltd., Madras) submitted the annual report, together with the audited accounts of the Company for the year ended 30th June 1958.

After providing for depreciation and all expenses, except the taxation liability, the accounts show a profit of Rs. 2,83,686 (Rs. 1,96,169). This together with the balance brought forward from last year of Rs. 2.849 (Rs. 4,805) makes a total of Rs. 2.86,535 (Rs. 2,00,974). Out of this the directors have appropriated for provision for taxation Rs. 1,30,000 (Rs. 95,000) and for donation paid Rs. 1,500 (Rs. 1,875), leaving a balance of Rs. 1,55.035 (Rs. 1,04,099) available for distribution, which they recommend to dispose of as under:—

In payment of 7½ (7¼) per cent. dividend for 1957-58 absorbing Rs. 1.01,250 (Rs. 1,01,250) and to carry forward Rs. 53,785 (Rs. 2,849).

Particulars of acreage are as under:—

	Vanguard Estate	*Hawthorne Estate*	*Total*
Coffee—	Rs.	Rs.	Rs.
Bearing	447.00	373.50	820 50
Immature	42.00	2.50	44.50
Reserve	132.60	59.86	192.46
Total ..	621.60	435.86	1,057.46

Coffee crop:—Crop secured during the season amounted to cwts. 4.372-2-23 at a cost of Rs. 113.78 per cwt., against the estimate of cwts. 4,200. The entire crop has been delivered to the Coffee Pool, as usual, and the stock has been valued at Rs. 171.00 per cwt. for accounting purposes.

Taxation:—All appeals relating to coffee assessment by the Central Income-tax Authorities have now been disposed of, holding that no part of coffee income is taxable to Central Income-tax and necessary refunds for tax payments partly made in the earlier assessment years are awaited.

Estimates for 1958-59:—Coffee crop estimated on the blossom was 2,800 cwts. to cost Rs. 152.45 per cwt. The weather has been extremely dry during the months of June and July, as a result of which the development of berries has been very much retarded. This has been generally the case throughout the Sheveroys and reports indicate that most of the planters are heavily dropping on their blossom estimates. The Company also anticipates a short-fall of about 600 cwts. over the original estimate.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,50,000	Block ...	9,85,460
Reserves ...	3,54,500	Stock-in-trade	3,43,617
Provision for taxation ...	3,96,822	Stores and spares ...	58,541
Liabilities ...	1,84,180	Nurseries ...	9,851
Profit and loss account ...	53,785	Debts, deposits and advances ...	3.46.677
		Investments	3,28,533
		Remittance in transit ...	500
		Cash ...	2,66,108
Rs.	23,39.287	Rs.	23,39,287

Angelo Bros., Ltd.

The directors of the above Company (Managing Agents: Messrs. Turner Morrison & Co. Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st August 1958.

The profit for the year, after providing for depreciation, directors' fees and taxation amounts to Rs. 3,36,567 (Rs. 5.65,415) to which is added the balance brought forward from last year of Rs. 3,61,289 (Rs. 3,35,874) making a total of Rs. 6,97,856 (Rs. 9,01,289). From this amount, after transferring to development rebate reserve Rs. 8,484 (*Nil*) the directors recommend payment of a dividend of 12½ (12½) per cent. and a bonus of 2½ (5½) per cent. absorbing Rs. 4,50,000 (Rs. 5,40,000) leaving a balance to be carried forward of Rs. 2.39,372 (Rs. 3,61,289).

Throughout the season the shellac market was essentially a buyers' market. Consequently, trading conditions were more difficult than those experienced for many years.

In common with many other similarly placed, the Company's business suffered by reason of the trade recession in U.S.A. and the tightness of money in the U.K. The rapidly increasing popularity of long- and extended-playing gramophone records at the expense of shellac-based ones, which represented a substantial usage of the Company's products, resulted in diminished demand for the grades concerned, but strong efforts on the part of all involved in finding and meeting other demands met with considerable success, so that a satisfactory volume of production resulted.

TN was quoted at Rs. 88 at the season's opening and at Rs. 65 by its close, having been so low as Rs. 57 in April 1958. The prevalence of unfavourable conditions on the Calcutta market led to the formation in June of The Indian Lac Exporters Association which, with Central Government's backing, thereafter enforced the imposition of minimum export selling prices, basis Rs. 70 for TN.

At all times there were ample supplies of Indian Lac to counter-balance in the international trade the very poor crop garnered in Thailand, but the eventual return of competition from that quarter is to be anticipated. Even stiffer competition from synthetic resins seems inevitable, but the directors have every reason to feel confident that the Company is fitter to survive profitably than any other unit in the industry and trade.

The factory plant was maintained to a high level of efficiency and economy and the policy of smoothing production lines was successfully continued.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30.00.000	Block ...	11,27,718
Reserves ...	36,31,857	Stock-in-trade	12,71.113
Provision for taxation ...	15,24,238	Raw materials	15,72,261
Liabilities ...	14,56,195	Stores and spare parts	4,04,283
Profit and loss account ...	2,39,372	Goods-in-process ...	94,310
		Debts, deposits and advances ...	39,64,730
		Investments	5.13,742
		Cash ...	9,03,505
Rs.	98,51,662	Rs.	98,51,662

Eastern Investments, Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co. Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The profit and loss account, after providing for all charges and making provision of Rs. 7,34,214 (Rs. 6,53,393) for taxation and after paying an interim dividend on the cumulative preference shares at 2½ (2½) per cent. per annum, less tax, amounting to Rs. 42.813 (Rs. 42.812) shows a profit of Rs. 5.87,351 (Rs. 4,18,509). To this is added the balance brought forward from the previous year of Rs. 2,42,272 (Rs. 3.27,916), leaving a total available balance of Rs. 8.29,623 (Rs. 7,46.425) which the directors propose to dispose of as under:—

In payment of a final dividend of 2½ (2½) per cent. per annum, making the total dividend at 5 per cent. for the year, on the 25.000 issued preference shares less income-tax at 30 per cent. plus 5 per cent. surcharge on income-tax of Rs. 42,812 (Rs. 42,813) and a dividend at the rate of 9 (9) per cent. per annum on the 51,260 issued ordinary shares without any deduction for income-tax paid by the Company of Rs. 4,61,340 (Rs. 4,61,340) and to carry forward Rs. 3,25,471 (Rs. 2,42.272).

Investments.—The Company's portfolio is representative of investments which are quoted on the Calcutta Stock Exchange with the exception of certain shares costing Rs. 78.168 for which no quotations are available. The total of the market value of the investments for which quotations are available together with unquoted investments as valued by the directors, exceeds the book value at 31st December 1958, by Rs. 58,72,215.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	76.26.000	Investments	1,62,31,196
Reserves ...	56,67,666	Debts, deposits and advances ...	74,591
Provision for taxation ...	1,74.916		
Liabilities ...	25,11,734		
Profit and loss account ...	3.25.471		
Rs.	1,63,05,787	Rs.	1,63,05,787

Loyal Textile Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Thiagaraja Chetty & Sons Private Ltd., Kovilpatti) submit the audited accounts of the Company for the year ended 30th June 1958.

The year's working has resulted in a loss of Rs. 4,00,558 (profit of Rs. 8,57,168), after providing Rs. 4,25,434 (Rs. 2,37,710) for normal and shift depreciation. For the year ended 30th June 1957 the total dividend paid was 5 per cent. on the preference shares and 5 per cent. on the equity shares.

The heavy excise duty amounting to Rs. 8,93,463 has been the last straw breaking the camel's back, while adverse trade conditions have forced the Company to work in loss.

The directors regret, therefore, that they are unable to declare any dividend, except interim dividend of 2½ (2½) per cent. on cumulative preference shares already paid in the month of February 1958 in anticipation of profits. But as the year's working has resulted in a loss, the dividend already declared is met out of previous year's profits and out of development reserve account.

The B mills is now working with 6,300 spindles; and the full complement of 12,000 spindles is expected to work by March 1959. The delay is due to the indigenous maker's inability to keep up deliveries to schedule. An application dated 27th November 1957 to Industrial Finance Corporation of India for an additional loan of Rs. 10 lakhs (over Rs. 18 lakhs already received) is now awaiting Government sanction.

All the machinery in the A mill are old dating back to 1891-92-93 and obsolete requiring replacement. Therefore the Company applied to the National Industrial Development Corporation Private Ltd., for a loan of Rs. 65 lakhs on 16th August 1957. This figure was first reduced to Rs. 53.8 lakhs, again reduced to Rs. 32.18 lakhs, with conditions that the Company should find one-third of the amount; and finally when the loan was sanctioned after repeated considerations and discussions, the actual amount available was Rs. 8.73 lakhs only, provided again that one-third of this amount was found by the Company. Thus the problem of rehabilitation has become more arduous. However, the directors look forward to further aid from N.I.D.C.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,51,250	Gross block	86,56,208
Reserves ...	2,55,104	*Less*—Depreciation ...	31,33,541
Provision for taxation ...	4,54,075	Net block	55,22,667
Liabilities ...	40,93,173	Stock-in-trade	23,84,345
		Stores and spares, etc.	7,34,437
		Cotton in transit ...	8,643
		Debts, deposits and advances ...	5,43,798
		Investments	24.015
		Cash ...	35,139
		Profit and loss account ...	4,00,558
Rs.	96,53,602	Rs.	96.53.602

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

Notice

EASTERN INVESTMENTS, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of EASTERN INVESTMENTS, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 12 noon, on Friday, the 27th day of February, 1959, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December 1958, and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 20th February, 1959 to 27th February, 1959, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *28th January*, 1959.

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

(*b*) The Dividends, if declared, will be paid on or after 7th March, 1959, to those Shareholders so entitled whose names appear in the Company's books on the 27th February, 1959, or to their mandatees. No application for Dividend Warrants will be necessary.

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Notices

THE EMPIRE DYEING AND MANUFACTURING COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-ninth Annual General Meeting of the Shareholders of The Empire Dyeing and Manufacturing Company Limited will be held at the Registered Office of the Company, Brady House, 12-14, Veer Nariman Road, Fort, Bombay, on Monday the 16th March, 1959, at 11-30 a.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December, 1958.
2. To sanction payment of Dividend.
3. To appoint a Director in place of Mr. Kantilal Nahalchand who retires by rotation in accordance with the Articles of Association of the Company and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Nanabhoy B. Jeejeebhoy who retires by rotation and, being eligible, offers himself for re-election and to consider and if thought fit to pass the following Resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act 1956 has been received by the Company:

   "RESOLVED that pursuant to Section 261 of the Companies Act, 1956, Mr. Nanabhoy B. Jeejeebhoy, an Associate of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company (who by the Articles of Association of the Company and the Managing Agency Agreement are entitled to appoint two Directors), be and he is hereby re-appointed a Director of the Company liable to retire by rotation."

5. To appoint Auditors for the current year and to fix their remuneration.
6. To consider and if thought fit to pass the following Resolution as a Special Resolution:

   "RESOLVED that this Company is hereby authorised to enter into contracts with Messrs. Morris & Brady Private Ltd., an associate of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company, for the purchase and the erection of lifting and carrying machinery, etc., on terms of ready or forward delivery either for cash or on credit provided that (1) the prices or amounts charged are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and (2) the payments of the prices or amounts are made within one month after the Company has received delivery of machinery, etc."

7. To consider and if thought fit to pass the following Resolution as a Special Resolution:

   "RESOLVED (*a*) that as from the 1st April, 1959, Messrs. W. H. Brady & Co. Ltd., be appointed as Buying Agents for this Company for a further period of three years in respect of Machinery and Stores to be purchased by the Company outside India. It being known that the Manchester Branch of Messrs. W. H. Brady & Co. Ltd. is not maintained for the purpose of transacting business on behalf of this Company only, but also its own business not connected with the business of the Company, and (*b*) that Messrs. W. H. Brady & Co. Ltd. be reimbursed in respect of buying expenses incurred by them on all such purchases made on behalf of this Company. The buying expenses to be calculated at a rate not exceeding 2½ per cent. of the total cost of purchases made, by reference to the ratio which the actual overall expenses bear to actual overall purchases made by Messrs. W. H. Brady & Co. Ltd. (Manchester Branch), in the year in which the purchases were made."

8. To consider and if thought fit to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED that the Managing Agents, Messrs. W. H. Brady & Co. Ltd., and their associates, Messrs. Morris & Brady Private Ltd., be authorised to retain all commissions or other remuneration earned or to be earned by them in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts are hereinafter to be entered into between this Company and the said Morris & Brady Private Ltd., provided the prices or amounts charged to or received by the Company are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable."

9. To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

   "RESOLVED that pursuant to Section 360 and other applicable sections (if any), of the Companies Act, 1956, this Company hereby approves of, confirms and consents to the arrangement for letting on a monthly tenancy at a rent of Rs. 1,200 per month inclusive of the present rates and taxes a godown situate at Tulsi Pipe Line Road, Lower Parel, Bombay, belonging to the Company to The Brady Engineering Company, Limited, an associate of the Managing Agents."

By Order of the Board,

Per pro W. H. BRADY & CO. LTD.,
J. SYMON,
Technical Adviser,
Managing Agents.

BRADY HOUSE,
12-14, VEER NARIMAN ROAD,
BOMBAY 1, *5th February* 1959.

Note.—1. A member entitled to attend and vote is entitled to appoint a proxy and, where that is allowed, one or more proxies to attend and vote instead of himself. A proxy need not be a member.

2. The notice under Section 190 referred to in Resolution No. 4 mentioned in the notice is available for inspection of the members at the Registered Office of the Company between the hours of 11 a.m. and 1-30 p.m. on any working day except Saturday and between the hours of 11 a.m. and 1 p.m. on Saturdays except Sundays and Holidays when the books and registers are closed under provisions of the Companies Act, 1956 or the Articles of Association of the Company.

3. The Transfer Books of the Company will be closed from Friday the 27th February, to Friday the 20th March, 1959, both days inclusive.

4. The Dividend when declared will be made payable at the Registered Office of the Company on and after Monday the 30th March, 1959. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 20th March 1959.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

Item No. 4.—Mr. Nanabhoy B. Jeejeebhoy who is a Director of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company, who are authorised by the Articles of Association and the Managing Agency Agreement to appoint two Directors to the Board, retires by rotation, in accordance with Section 261 of the Companies Act. Mr. Nanabhoy B. Jeejeebhoy cannot be appointed a Director of the Company liable to retire by rotation except by a Special Resolution and in respect of whom a Special Notice under Section 190 of the said Act shall have been received by the Company. Such a notice has been received by the Company.

Item No. 6.—Since Messrs. Morris & Brady Private Ltd. are an Associate of your Managing Agents a Special Resolution set out under this item is necessary under Section 360 of the Companies Act, 1956.

Your Directors, Messrs. J. Symon and F. Edwards, are interested as Directors and Mr. Kantilal Nahalchand as a member.

Item No. 7.—Your Managing Agents have been the Buying Agents of your Company in respect of Machinery and Stores purchased outside India through their Manchester Branch. In the interest of your Company, it is advisable to continue this practice. The section requires that at the option of the Company the Managing Agents may be paid in respect of such purchases either such part of the expenses of such foreign office as may be reasonably attributable to the purchases made on behalf of your Company or remuneration by way of commission. This Special Resolution provides for appointing the Managing Agents the Buying Agents of your Company for a further period of three years in respect of Machinery and Stores to be purchased outside India through their Manchester Branch and for the expenses to be reimbursed to them. The Manchester Branch of the Managing Agents is not maintained for the purposes of transacting business on behalf of your Company only. The Special Resolution set out under this item provides for such expenses to be calculated by reference to the ratio which the actual overall expenses of the Manchester Branch of your Managing Agents bear to actual overall purchases made by that Branch (including purchases for your Company) in the year in which the purchases were made. The Special Resolution passed by the Company in 1956, pursuant to Section 358 of the Companies Act, 1956, expires at the end of March, 1959 and hence this authority is being renewed.

Your Directors, Messrs. Kishore M. Premchand and Nanabhoy B. Jeejeebhoy, are interested as Directors, and Mr. F. Edwards and Mr. J. Symon as members of Messrs. W. H. Brady & Co. Ltd.

Item No. 8.—This Resolution authorises your Managing Agents and their associate, Messrs. Morris & Brady Private Ltd., to retain the commissions and other remuneration which they may earn in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts are to be entered into between the Company and the associate of your Managing Agents, Messrs. Morris & Brady Private Ltd. This resolution is necessary so as to comply with Section 359 of the Companies Act, 1956.

Your Directors, Messrs. Kishore M. Premchand and Nanabhoy B. Jeejeebhoy, are interested as Directors of Messrs. W. H. Brady & Co. Ltd., and Mr. F. Edwards and Mr. J. Symon as members of W. H. Brady & Co. Ltd.

Item No. 9.—The Brady Engineering Company Limited requires additional godown space and the Company, namely The Empire Dyeing and Manufacturing Company Ltd. is able to rent a godown in its Mill Premises at Tulsi Pipe Line Road, Lower Parel, Bombay, on a monthly tenancy at a monthly rent of Rs. 1,200 inclusive of the present rates and taxes. The basis of such rent has been calculated by reference to godowns of similar dimensions in the locality. The Company has given the said godown on rent from 1st February, 1959. A Special Resolution is required as the Brady Engineering Company Ltd. is an associate of your Managing Agents.

Your Directors, Messrs. Kantilal Nahalchand, Kishore M. Premchand, Nanabhoy B. Jeejeebhoy and Mr J. Symon are also Directors of the Brady Engineering Company Ltd., and as such are interested in the rents to be received by the Company from the said Brady Engineering Company Limited.

By Order of the Board,

Per pro W. H. BRADY & CO. LTD.,
J. SYMON,
Technical Adviser,
Managing Agents.

BOMBAY, *5th February* 1959.

G. CLARIDGE AND COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-NINTH Annual General Meeting of the Shareholders of G. Claridge & Company Limited, will be held at the Company's Registered Office, "Brady House," 12/14 Veer Nariman Road, Fort, Bombay, on Monday the 16th March, 1959, at 12.00 Noon, to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December, 1958.
2. To sanction payment of Dividend.
3. To appoint a Director in place of Mr. Jehangir P. Patel who retires by rotation and being eligible offers himself for re-

election and if thought fit to pass the following resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act, 1956 has been received by the Company:—

"RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956, Mr. Jehangir P. Patel who retires by rotation and who is a Director of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board), be and he is hereby re-appointed a Director of the Company."

4. To appoint a Director in place of Mr. Kishore M. Premchand who retires by rotation and being eligible offers himself for re-election and if thought fit to pass the following resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act 1956 has been received by the Company:—

"RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956, Mr. Kishore M. Premchand who retires by rotation and who is a Director of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board), be and he is hereby re-appointed a Director of the Company."

5. To appoint Auditors for the current year and to fix their remuneration.

6. To consider and if thought fit to pass the following Resolution as a Special Resolution under Section 360 of the Companies Act 1956:—

"RESOLVED that this Company is hereby authorised to enter into contracts with Messrs. Morris & Brady Private Ltd., an associate of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company, for the purchase and the erection of lifting and carrying machinery, etc., and for the sale of printing, stationery, etc., on terms of ready or forward delivery either for cash or on credit provided that (1) the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and (2) the payments of the prices or amounts are made or received within one month from the date of the purchase or sale as the case may be."

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

"RESOLVED that the Managing Agents, Messrs. W. H. Brady & Co. Ltd., and their associates, Messrs. Morris & Brady Private Ltd., be authorised to retain all commissions or other remuneration earned or to be earned by them in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which Contracts are hereinafter to be entered into between this Company and the said Morris & Brady Private Ltd., provided the prices or amounts charged to or received by the Company are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable."

8. To consider and if thought fit to pass the following Resolution as a Special Resolution under Section 358 of the Companies Act 1956:—

"RESOLVED (a) that as from 1st April 1959, Messrs. W. H. Brady & Co. Ltd., be appointed as Buying Agents for this Company for a further period of three years in respect of Machinery and Stores to be purchased by the Company outside India, it being known that the Manchester Branch of Messrs. W. H. Brady & Co. Ltd., is not maintained for the purpose of transacting business on behalf of this Company only, but also its own business not connected with the business of the Company.

(b) That Messrs. W. H. Brady & Co. Ltd. be reimbursed in respect of buying expenses incurred by them on all such purchases made on behalf of this Company. The buying expenses to be calculated at a rate not exceeding 2½ per cent. of the total cost of purchase made, by reference to the ratio which the actual overall expenses bear to actual overall purchases made by Messrs. W. H. Brady & Co. Ltd. (Manchester Branch), in the year in which the purchases were made."

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

By Order of the Board,
Per pro W. H. BRADY & COMPANY, LIMITED,
F. EDWARDS,
Technical Adviser,
Managing Agents.

BRADY HOUSE,
12-14 VEER NARIMAN ROAD,
BOMBAY, 1.
BOMBAY, *6th February*, 1959.

Note:—The notices under Section 190 and referred to in Resolutions Nos. 3 and 4 mentioned in the notice are also available for inspection of the members at the Registered Office of the Company between the hours of 11 a.m. to 1.30 p.m. on any working day except Saturdays and between the hours of 11 a.m. to 1 p.m. on Saturdays except Sundays and holidays and when the books and registers are closed under the provisions of the Companies Act 1956 or the Articles of Association of the Company.

2. The Transfer Books of the Company will be closed from Friday the 27th February to Friday the 20th March, 1959, both days inclusive.

3. The Dividend when declared will be made payable at the Registered Office of the Company on and after Monday the 30th day of March, 1959. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 20th day of March, 1959.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

Item No. 3.—Mr. Jehangir P. Patel who is a Director of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company (who are authorised by the Articles of Association and the Managing Agency Agreement to appoint two persons as Directors to the Board), retires by rotation. In accordance with Section 261 of the Companies Act, he cannot be appointed a Director of the Company except by Special Resolution and in respect of which appointment a Special Notice shall have been received by the Company from members intimating their intention to propose Mr. Jehangir P. Patel as a Director in terms of the Resolution mentioned in the said item. Such a Special Notice has been received by the Company.

Item No. 4.—Mr. Kishore M. Premchand who is a Director of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company (who are authorised by the Articles of Association and the Managing Agency Agreement to appoint two persons as Directors to the Board), retires by rotation. In accordance with Section 261 of the Companies Act, he cannot be appointed as a Director of the Company except by Special Resolution and in respect of which appointment a Special Notice shall have been received by the Company from members intimating their intention to propose Mr. Kishore M. Premchand as a Director in terms of the Resolution mentioned in the said item. Such a Special Notice has been received by the Company.

Item No. 6.—Since Messrs. Morris & Brady Private Ltd. are an Associate of your Managing Agents a Special Resolution set out under this item is necessary under the Companies Act, 1956.

Your Director Mr. F. Edwards is interested in the said Morris & Brady Private Ltd., as a Director and your Director Mr. Kantilal Nahalchand as a Shareholder.

Item No. 7.—This Resolution authorises your Managing Agents and their associate, Messrs. Morris & Brady Private Ltd., to retain the commissions and other remuneration which they may earn in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts are to be entered into between the Company and the associate of your Managing Agents, Messrs. Morris & Brady Private Ltd. This resolution is necessary so as to comply with Section 359 of the Companies Act 1956.

Your Directors Mr. Jehangir P. Patel and Mr. Kishore M. Premchand are interested as Directors of Messrs. W. H. Brady & Co. Ltd., and also as Shareholders and your Director Mr. F. Edwards as a Shareholder. Your Director Mr. F. Edwards is interested in Messrs. Morris & Brady Private Ltd., as a Director and your Director Mr. Kantilal Nahalchand as a Shareholder.

Item No. 8.—Your Managing Agents have been Buying Agents of your Company in respect of Machinery and Stores purchased outside India through their Manchester Branch. In the interest of your Company, it is advisable to continue this practice. The section requires that at the option of the Company the Managing Agents may be paid in respect of such purchases either such part of the expenses of such foreign office as may be reasonably attributable to the purchases made on behalf of your Company or remuneration by way of commission. This special resolution provides for appointing the Managing Agents the Buying Agents of your Company for a further period of three years in respect of Machinery and Stores to be purchased outside India through their Manchester Branch and for the expenses to be reimbursed to them. The Manchester Branch of the Managing Agents is not maintained for the purpose of transacting business on behalf of your Company. The Special Resolution set out under this item provides for such expenses to be calculated by reference to the ratio which the actual overall expenses of the Manchester Branch of your Managing Agents bear to actual overall purchases made by that Branch (including purchases for your Company) in the year in which the purchases were made. The Special Resolution passed by the Company in April 1956 expires at the end of March, 1959 and hence this authority is being renewed.

By Order of the Board,
Per pro W. H. BRADY & COMPANY, LIMITED,
F. EDWARDS,
Technical Adviser,
Managing Agents.

BOMBAY, *6th February*, 1959.

THE BRADY ENGINEERING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirteenth Annual General Meeting of the Shareholders of The Brady Engineering Company, Limited, will be held at the Company's Registered Office, "Brady House," 12-14 Veer Nariman Road, Fort, Bombay, on Monday the 16th day of March 1959, at 2-30 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1958.

(2) To sanction the payment of Dividend.

(3) To appoint a Director in place of Mr. Kishore M. Premchand who retires by rotation in accordance with Article 156 of the Articles of Association of the Company and being eligible, offers himself for re-election and to consider, and if thought fit, to pass the following Resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act, 1956, has been received by the Company:

"RESOLVED that pursuant to Section 261 of the Companies Act, 1956, Mr. Kishore M. Premchand, an associate of Messrs. W. H. Brady & Company Limited, the Managing Agents of the Company (who by the Articles of Association of the Company and the Managing Agency Agreement are entitled to appoint two Directors), be and he is hereby re-appointed a Director of the Company liable to retire by rotation."

(4) To appoint a Director in place of Mr. Bhagvandas C. Mehta who retires by rotation in accordance with Article 156 of the Articles of Association of the Company and being eligible, offers himself for re-election.

(5) To appoint Auditors for the current year and to fix their remuneration.

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

"RESOLVED that pursuant to Section 360 and other applicable sections (if any), of the Companies Act, 1956, this Company hereby approves of, confirms and consents to the arrangement for taking on a monthly tenancy at a rent of Rs. 1,200 per month inclusive of the present rates and taxes a godown situate at Tulsi Pipe Line Road, Lower Parel, Bombay, belonging to the Empire Dyeing and Manufacturing Company Limited, an associate of the Managing Agents."

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

(a) "RESOLVED that pursuant to Section 360 and all other relevant sections of the Companies Act, 1956, the Company hereby approves the Agreement dated 21st day of January 1959, made between Messrs. Morris & Brady Private Limited and this Company (a duplicate whereof is for the purpose of identification endorsed by the signature of the Chairman) for the manufacture, sale and servicing of lifting and carrying machinery and devices and components thereof and the current articles therein mentioned on the terms, conditions and stipulations therein contained.

(b) RESOLVED FURTHER that the Directors be and they are hereby empowered to alter any of the terms and conditions contained in the said Agreement dated 21st January, 1959, as may from time to time be deemed necessary or proper.

(c) RESOLVED FURTHER that the Company be empowered to receive payment, in advance, 50 per cent. of the Invoice prices along with each order that may be placed with the Company from time to time under the said Agreement dated 21st January, 1959.

(d) RESOLVED FURTHER that this Company is hereby authorised to enter into contracts with Messrs. Morris & Brady Private Limited, an associate of Messrs. W. H. Brady & Company Limited, the Managing Agents of the Company, for the purchase and the erection of lifting and carrying machinery, etc., on terms of ready or forward delivery either for cash or on credit provided that (1) the prices or amounts charged are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and (2) the payments of the prices or amounts are made within one month after the Company has received delivery of machinery, etc."

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

(a) "RESOLVED that as from the 1st April, 1959, Messrs. W. H. Brady & Company Limited, be appointed as Buying Agents for this Company for a further period of three years in respect of Machinery and Stores to be purchased by the Company outside India, it being known that the Manchester Branch of Messrs. W. H. Brady & Company Limited is not maintained for the purpose of transacting business on behalf of this Company only, but also its own business not connected with the business of the Company.

(b) RESOLVED FURTHER that Messrs. W. H. Brady & Company Limited be reimbursed in respect of buying expenses incurred by them on all such purchases made on behalf of this Company. The buying expenses to be calculated at a rate not exceeding 2½ per cent. of the total cost of purchases made, by reference to the ratio which the actual overall expenses bear to actual overall purchases made by Messrs. W. H. Brady & Company Limited (Manchester Branch), in the year in which the purchases were made."

(9) To consider and if thought fit to pass the following Resolution as an Ordinary Resolution:

"RESOLVED that the Managing Agents, Messrs. W. H. Brady & Company Limited, and their associates, Messrs. Morris & Brady Private Limited, be authorised to retain all commissions or other remuneration earned or to be earned by them in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts are hereinafter to be entered into between this Company and the said Messrs. Morris & Brady Private Limited, provided the prices or amounts charged to or received by the Company are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable."

(10) To consider and if thought fit to pass the following Resolution as an Ordinary Resolution.

"RESOLVED that subject to the approval of the Central Government Messrs. W. H. Brady & Company Limited be and they are hereby appointed the Managing Agents of the Company for a further period of ten years from the 15th day of August 1960 at the remuneration and upon the terms provisions and conditions contained in the draft agreement proposed to be entered into between the Company of the one part and Messrs. W. H. Brady & Company Limited of the other part, with such modification thereto as may be directed by the Central Government and which draft agreement is for the purpose of identification signed by the Chairman of the Meeting and that the Directors be and they are hereby authorised to cause the said Agreement now approved and so modified to be executed on behalf of the Company upon the approval of of the Central Government being granted."

By Order of the Board of Directors,
Per pro W. H. BRADY & COMPANY LTD.,
J. SYMON,
Technical Adviser,
Managing Agents.

BOMBAY, *5th February*, 1959.

Notes: (1) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item No. (3) for which Special Notice has been received by the Company and of the special business under items (6), (7), (8), (9) and (10) set out above are annexed to the Notice posted to the individual Shareholders.

(2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, AND WHERE THAT IS ALLOWED, ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

(3) The Transfer Books of the Company will be closed from Friday, the 27th February, 1959, to Friday, the 20th March, 1959, both days inclusive.

(4) The Dividend when declared will be made payable through the Bank of India Limited, Bombay, on and after the 30th day of March, 1959. The Dividend Warrants will be posted to those shareholders whose names stand on the Company's Register on the 20th day of March, 1959.

(5) The inspection of the Agreement dated 21st January, 1959 between the Company and Messrs. Morris & Brady Private Ltd., referred to in item (7); the draft Managing Agency Agreement referred to in item (10) and the existing Managing Agency Agreement dated 10th day of January, 1946, may be had at the Registered Office of the Company between the hours of 2-30 p.m. and 4-30 p.m. on any working day except Public and Bank Holidays and on Saturdays between the hours of 11-00 a.m. and 1 p.m. prior to the date of the meeting.

THE NEW CITY OF BOMBAY MANUFACTURING COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 54th Annual General Meeting of the Shareholders of The New City of Bombay Manufacturing Company Limited, will be held at the Company's Registered Office, "Brady House" 12-14, Veer Nariman Road, Fort, Bombay, on Monday, 16th March 1959, at 3-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1958.

2. To appoint a Director in place of Mr. Shantilal Choonilal, who retires by rotation, in accordance with the Articles of Association of the Company, and, being eligible, offers himself for re-election.

3. To appoint a Director in place of Mr. Kishore M. Premchand, who retires by rotation and, being eligible, offers himself for re-election, and to consider and if thought fit to pass the following Resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act 1956, has been received by the Company:

"RESOLVED that pursuant to Section 261 of the Companies Act 1956, Mr. Kishore M. Premchand, an associate of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company (who by the Articles of Association of the Company and the Managing Agency Agreement are entitled to appoint two Directors), be and is hereby re-appointed a Director of the Company liable to retire by rotation."

4. To appoint Auditors for the current year and fix their remuneration.

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

"RESOLVED that this Company is hereby authorised to enter into contracts with Messrs. Morris & Brady Private Ltd., an associate of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company, for the purchase and the erection of lifting and carrying machinery, etc., on terms of ready or forward delivery either for cash or on credit provided that (1) the prices or amounts charged are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and (2) the payments of the prices or amounts are made within one month after the Company has received delivery of machinery, etc."

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

"RESOLVED that (a) as from the 1st April 1959, Messrs. W. H. Brady & Co. Ltd., be appointed as Buying Agents for this Company for a further period of three years in respect of Machinery and Stores to be purchased by the Company outside India, it being known that the Manchester Branch of Messrs. W. H. Brady & Co. Ltd. is not maintained for the purpose of transacting business on behalf of this Company only, but also its own business not connected with the business of the Company, and (b) that Messrs. W. H. Brady & Co. Ltd. be reimbursed in respect of buying expenses incurred by them on all such purchases made on behalf of this Company. The buying expenses to be calculated at a rate not exceeding 2½ per cent. of the total cost of purchases made, by reference to the ratio which the actual overall expenses bear to actual overall purchases made by Messrs. W. H. Brady & Co. Ltd. (Manchester Branch), in the year in which the purchases were made."

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

"RESOLVED that the Managing Agents, Messrs. W. H. Brady & Co. Ltd., and their associates, Messrs. Morris & Brady Private Ltd., be authorised to retain all commissions or other remuneration earned or to be earned by them in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which Contracts are hereinafter to be entered into between this Company and the said Morris & Brady Private Ltd., provided the prices or amounts

charged to or received by the Company are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable."

By Order of the Board,
Per pro W. H. BRADY & Co., LTD.,
F. EDWARDS,
Technical Adviser,
Managing Agents.

BOMBAY, 6*th February* 1959.

Notes:—1. A member entitled to attend and vote is entitled to appoint a proxy and, where that is allowed, one or more proxies to attend and vote instead of himself. A proxy need not be a member.

2. The Notice under Section 190 and referred to in Resolution No. 3 mentioned in the Notice is also available for inspection of the members at the Registered Office of the Company on any working day between 11 a.m. and 1 p.m.

3. The Transfer Books of the Company will be closed from Friday, the 27th February 1959, to Friday, the 20th March 1959, both days inclusive.

EXPLANATORY STATEMENTS ANNEXED TO THE NOTICE

Item No. 3.—Mr. Kishore M. Premchand who is a Director of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company, who are authorised by the Articles of Association and the Managing Agency Agreement to appoint two Directors to the Board, retires by rotation. In accordance with Section 261 of the Companies Act, Mr. Kishore M. Premchand cannot be appointed a Director of the Company liable to retire by rotation except by a Special Resolution and in respect of whom a Special Notice under Section 190 of the said Act shall have been received by the Company. Such Notice hase been received.

Item No. 5.—Since Messrs. Morris & Brady Private Ltd., are an Associate of your Managing Agents, a Special Resolution set out under this item is necessary under Section 360 of the Companies Act 1956.

Item No. 6.—Your Managing Agents have been Buying Agents of your Company in respect of Machinery and Stores purchased outside India through their Manchester Branch. In the interest of your Company, it is advisable to continue this practice. The section requires that at the option of the Company the Managing Agents may be paid in respect of such purchases either such part of the expenses of such foreign office as may be reasonably attributable to the purchases made on behalf of your Company or remuneration by way of commission. This special resolution provides for appointing the Managing Agents the Buying Agents of your Company for a further period of three years in respect of Machinery and Stores to be purchased outside India through their Manchester Branch and for the expenses to be reimbursed to them. The Manchester Branch of the Managing Agents is not maintained for the purpose of transacting business on behalf of your Company only. The Special Resolution set out under this item provides for such expenses to be calculated by reference to the ratio which the actual overall expenses of the Manchester Branch of your Managing Agents bear to actual overall purchases made by that Branch (including purchases for your Company) in the year in which the purchases were made. The Special Resolution passed by the Company in 1956, pursuant to Section 358 of the Companies Act 1956, expires at the end of March 1959, and hence this authority is being renewed.

Your Directors, Messrs. Kishore M. Premchand and Nanabhoy B. Jeejeebhoy, are interested as Directors, and Mr. F. Edwards as a member of Messrs. W. H. Brady & Co. Ltd.

Item No. 7.—This Resolution authorises your Managing Agents and their associate, Messrs. Morris & Brady Private Ltd., to retain the commmissions and other remuneration which they may earn in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts are to be entered into between the Company and the associate of your Managing Agents, Messrs. Morris & Brady Private Ltd. This resolution is necessary so as to comply with Section 359 of the Companies Act 1956.

Your Directors, Messrs. Kishore M. Premchand and Nanabhoy B. Jeejeebhoy, are interested as Directors of Messrs. W. H. Brady & Co. Ltd., and Mr. F. Edwards as a member of W. H. Brady & Co. Ltd.

By Order of the Board,
Per pro W. H. BRADY & Co., LTD.,
F. EDWARDS,
Technical Adviser,
Managing Agents.

BOMBAY, 6*th February* 1959.

THE NEW GREAT EASTERN SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 85th Annual General Meeting of the Shareholders of The New Great Eastern Spinning and Weaving Company Ltd. will be held at the Company's Registered Office, "Brady House," 12-14 Veer Nariman Road, Fort, Bombay, on Tuesday, the 17th March 1959, at 3 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1958.
2. To sanction the payment of Dividend on Preference Shares of the Company.
3. To appoint a Director in place of Mr. Tulsidas Kilachand, who retires by rotation, in accordance with the Articles of Association of the Company, and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Sir Jamsetjee Jejeebhoy, Bart., who retires by rotation, in accordance with the Articles of Association of the Company, and, being eligible, offers himself for re-election.
5. To appoint Auditors for the current year and fix their remuneration.
6. To consider and if thought fit to pass the following Resolution as a Special Resolution:

   "RESOLVED that this Company is hereby authorised to enter into contracts with Messrs. Morris & Brady Private Ltd., an associate of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company, for the purchase and the erection of lifting and carrying machinery, etc., on terms of ready or forward delivery either for cash or on credit provided that (1) the prices or amounts charged are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and (2) the payments of the prices or amounts are made within one month after the Company has received delivery of machinery, etc."

7. To consider and if thought fit to pass the following Resolution as a Special Resolution:

   "RESOLVED (*a*) that as from the 1st April 1959, Messrs. W. H. Brady & Co. Ltd., be appointed as Buying Agents for this Company for a further period of three years in respect of Machinery and Stores to be purchased by the Company outside India, it being known that the Manchester Branch of Messrs. W. H. Brady & Co. Ltd., is not maintained for the purpose of transacting business on behalf of this Company only, but also its own business not connected with the business of the Company; and (*b*) that Messrs. W. H. Brady & Co. Ltd., be reimbursed in respect of buying expenses incurred by them on all such purchases made on behalf of this Company. The buying expenses to be calculated at a rate not exceeding 2½ per cent. of the total cost of purchases made, by reference to the ratio which the actual overall expenses bear to actual overall purchases made by Messrs. W. H. Brady & Co. Ltd. (Manchester Branch), in the year in which the purchases were made."

8. To consider and if thought fit to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED that the Managing Agents, Messrs. W. H. Brady & Co. Ltd., and their associates, Messrs. Morris & Brady Private Ltd., be authorised to retain all commissions or other remuneration earned or to be earned by them in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts are hereinafter to be entered into between this Company and the said Morris & Brady Private Ltd., provided the prices or amounts charged to or received by the Company are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable."

By Order of the Board,
Per pro W. H. BRADY & Co., LTD.,
F. EDWARDS,
Technical Adviser,
Managing Agents.

BOMBAY, 6*th February* 1959.

Note:—1. A member entitled to attend and vote is entitled to appoint a proxy and, where that is allowed, one or more proxies to attend and vote instead of himself. A proxy need not be a member.

2. The Transfer Books of the Company will be closed from Friday, the 27th February 1959, to Friday, the 20th March 1959, both days inclusive.

3. The dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after 30th March 1959. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 20th day of March 1959.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

Item No. 6.—Since Messrs. Morris & Brady Private Ltd. are an Associate of your Managing Agents, a Special Resolution set out under this item is necessary under Section 360 of the Companies Act 1956.

Item No. 7.—Your Managing Agents have been Buying Agents of your Company in respect of Machinery and Stores purchased outside India through their Manchester Branch. In the interest of your Company, it is advisable to continue this practice. The section requires that at the option of the Company the Managing Agents may be paid in respect of such purchases either such part of the expenses of such foreign office as may be reasonably attributable to the purchases made on behalf of your Company or remuneration by way of commission. This Special Resolution provides for appointing the Managing Agents the Buying Agents of your Company for a further period of three years in respect of Machinery and Stores to be purchased outside India through their Manchester Branch and for the expenses to be reimbursed to them. The Manchester Branch of the Managing Agents is not maintained for the purpose of transacting business on behalf of your Company only. The Special Resolution set out under this item provides for such expenses to be calculated by reference to the ratio which the actual overall expenses of the Manchester Branch of your Managing Agents bear to actual overall purchases made by that Branch (including purchases for your Company) in the year in which the purchases were made. The Special Resolution passed by the Company in 1956, pursuant to Section 358 of the Companies Act 1956, expires at the end of March 1959, and hence this authority is being renewed.

Your Directors, Messrs. Kishore M. Premchand and Nanabhoy B. Jeejeebhoy, are interested as Directors, and Mr. F. Edwards as a member of Messrs. W. H. Brady & Co. Ltd.

Item No. 8.—This Resolution authorises your Managing Agents and their associate, Messrs. Morris & Brady Private Ltd., to retain the commissions and other remuneration which they may earn in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts are to be entered into between the Company and the associate of your Managing Agents, Messrs. Morris & Brady Private Ltd. This resolution is necessary so as to comply with Section 359 of the Companies Act 1956.

Your Directors, Messrs. Kishore M. Premchand and Nanabhoy B. Jeejeebhoy, are interested as Directors of Messrs. W. H. Brady & Co. Ltd., and Mr. F. Edwards as a member of W. H. Brady & Co. Ltd.

By Order of the Board,
Per pro W. H. BRADY & Co. LTD.,
F. EDWARDS,
Technical Adviser,
Managing Agents.

BOMBAY, 5*th February* 1959.

TREASURY BILL RATE DECLINES

(From Our Own Correspondent)

BOMBAY, 11*th February*

There has been no notable change in the state of the short-term money market reported in these columns last week. If anything, the position is somewhat more stringent, thanks to a further expansion in demand for bank credit. Banks' requirements are, therefore, not adequately met, except through borrowing from the Reserve Bank and by drawing down their balances with it. Very little business is passing in inter-bank call money, the interest rate on which is unchanged at 3½ per cent. among the Exchange banks and big Indian banks and at 3½ to 3¾ per cent. among the smaller banks. House money at seven days' notice continues to be quoted at 3½ to 3¾ per cent. and short-term deposits at 3¾ to 4 per cent. for one to six months.

Notwithstanding the continued stringency, this week's sale of 91-day Treasury Bills had a better response, the amount tendered, at Rs. 4.19 crores, being more than double that invited and very nearly double the amount offered, namely, Rs. 2.10 crores, last week. In consonance with such large offerings, the average discount rate dropped from 2.559 per cent. to 2.530 per cent. per annum. Tenders for next week are, however, kept unchanged at Rs. 2 crores. Besides such response, the market absorbed (during the week ended 7th February) Intermediate Treasury Bills amounting to Rs. 50 lakhs at Rs. 99.376 per cent. This works out to a discount rate of 2.496 per cent. per annum. This is the first time after six weeks that the authorities have been successful in effecting sales of these bills. Further sales of these bills are being held this week at Rs. 99.381 per cent.

A substantial expansion of Rs. 33.66 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 6th February 1959. Notes held in the Banking Department are lower by Rs. 1.50 crore, so that the rise in total notes issued is of the order of Rs. 32.26 crores. This is covered by an increase of Rs. 34.99 crores in rupee securities and a contraction of Rs. 2.73 crores in rupee coin. There is no change in foreign securities, but balances held abroad are again lower, albeit by a small sum of Rs. 74 lakhs. Central Government's deposits have declined by Rs. 7.38 crores and those of other Governments by Rs. 6.76 crores. Deposits of banks, too, have fallen by Rs. 7.80 crores. A small rise of Rs. 96 lakhs is seen in loans and advances to Governments and a decline of Rs. 3.55 crores in other loans and advances. There has been a decrease of Rs. 15.14 crores in investments.

The Scheduled banks' statement for the week ended 30th January 1959 shows a fall of Rs. 5.06 crores in demand deposits, but this is more than made good by the rise of Rs. 10.59 crores in time deposits, so that the total net deposits are Rs. 5.53 crores higher over the week. Inter-bank borrowings are lower by Rs. 3.56 crores, while borrowings from the Reserve Bank show an increase of Rs. 9.59 crores. There has been a rise of Rs. 8.77 crores in bank advances and of Rs. 2.53 crores in bills purchased and discounted. Investments have gone up by Rs. 1.04 crore and cash balances by Rs. 4.01 crores.

A spurt in prices of 4 per cent. and 4½ per cent. State loans has been the main feature of the Gilt-edged market. The extent of rise in these loans varies from 5 nP to 20 nP. The Central Government securities are devoid of any interest, except in long-dated. National Plan loans are all on offer and Conversion Loan rules weak dropping over the week 20 nP to Rs. 73.85. 3 per cent. 1970-75 has shed 5 nP to Rs. 90.85 and 3 per cent. 1966-68 a like amount to Rs. 93.85. 3 per cent. 1963-65 is marked down by 5 nP to Rs. 96.80. 3½ per cent. 1964 is lower by 5 nP at Rs. 99.75. Other National Plan issues are, however, unchanged. 3½ per cent. 1974 has picked up 10 nP to Rs. 98.65 and 4 per cent. 1973 5 nP to Rs. 101.30. In the State loans section, Bombay 4 per cent. 1970 has gathered 10 nP to Rs. 100.10, 4½ per cent. 1969 a like amount to Rs. 101.90. 4½ per cent. 1970 has put on 5 nP to Rs. 101.85 and 1971 10 nP to Rs. 102. West Bengal 4 per cent. 1967 and 1968 have gained 10 nP each to 100.10 and 4½ per cent. 1970 is 20 nP higher at Rs. 101.20. Madras 4 per cent. 1967 and 1968 are up by 5 nP each to Rs. 100.10 and 4½ per cent. 1970 by 20 nP to Rs. 101.20. U.P. 4 per cent. 1967 and 1968 have also looked up by 5 nP each to Rs. 100.10 and 4½ per cent. 1970 by 15 nP to Rs. 101.10.

There has been a slight weakening of the rupee in terms of the U.S. dollar, but this is reflected as in the banks' selling rate for ready dollars which has gone up from Rs. 476.25 to Rs. 476.50 per $100. Their buying rate is unchanged at Rs. 473 per $100. In New York, spot sterling has been somewhat erratic, but, over the week, it has suffered a fall of 7/32c to $2.80.25/32-2.80.27/32. Three months' forward has declined from $2.80.11/16-2.80⅜ to $2.80⅜-2.80.21/32.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 9*th February*

Quiet conditions were witnessed in the foodgrains market during the week under review with expectations of bumper *rabi* crop following timely winter rains, stockists were reported to be anxious to sell their stocks before the advent of new crop by the end of March. Although the Central Government is anxious to go ahead with its scheme of State trading in foodgrains, it is understood that the U.P. Government wants some changes to be incorporated so as to make the scheme more effective and less radical. The State Government wants to build up sizable stocks while allowing the normal trade to function.

BULLION RECOVERS AFTER RULING EASY

(From Our Own Correspondent)

BOMBAY, 11*th February*

The bullion market opened the week on a steady note and, after presenting a distinctly easy trend in the subsequent three sessions, staged yesterday a recovery which gathered further momentum today. The initial steadiness was due to support lent by some Delhi operators. Subsequently, the tone of the market was adversely affected by weakness of commodity markets following the Forward Markets Commission's stern warning against speculative rigging up of price. Gold encountered some selling, thanks to reports of large arrivals of contraband metal. Silver reacted to news regarding payment of heavy import duty on Tibetan coins. A recovery, however, was in evidence yesterday and today, owing to short-covering and scattered replacement buying. But it was not marked enough to make up for the earlier losses, so that today's closing rates were lower than those at the end of last week.

February settlement in silver was well supported on the opening day at Rs. 196-12, as against Rs. 196-4. It was subjected to selling pressure and gradually receded to touch a low of Rs. 193-4 on Monday. Thereafter, it recovered to Rs. 195-1 today. The net loss over the week was Re. 1-3-0. March settlement declined from Rs. 197-2 on the opening day to Rs. 193-15 on Monday, but improved subsequently to Rs. 195-12 today. The carry forward charge was against the bulls at As. 11 throughout the week, as against As. 9 last week-end.

Ready silver opened the week at Rs. 196-4, as against Rs. 195-12, and, after moving down to Rs. 192-14, recovered to Rs. 194-11. The daily average arrivals and offtake were 15 bars and 13 bars, respectively. The floating stocks of silver are estimated at 1,400 bars.

In the gold section, February settlement came in for selling and fell from Rs. 117-6 to Rs. 115-4 on the 9th inst. It, however, recovered to Rs. 117-1 today. March settlement, after fluctuating between Rs. 117-11 and Rs. 115-7, wound up the week at Rs. 117-0. The carry forward charge, which was As. 2 against the bulls on Wednesday last, turned in their favour to the extent of an anna.

Ready gold eased from Rs. 117-6 to Rs. 115-3 on Monday. In the subsequent sessions, it recovered, today's closing rate being Rs. 117-3. The daily average arrivals of gold were 4,800 tolas, while the offtake was 4,000 tolas per day. The floating stocks of gold are reported to be around 25,000 tolas.

Ready and forward silver in London registered a slight improvement, the former from 76⅝d. to 76⅞d. and the latter from 76⅞d. to 76¾d. Gold in London also registered a rise from 249s. 5½d. to 249s. 7½d. Silver in New York was unchanged at 90.375 cents.

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

	11-2-59	Highest	Lowest	4-2-59
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	117 3	117 7½	115 3	117 6
Forward*	117 1	117 10	115 4	117 6
Sovereign	73 12	74 4	73 12	74 8
SILVER				
Ready (.996 fine Mint) ..	194 11	196 4	192 14	195 12
Forward†	195 1	196 14	193 4	196 4
London Silver Ready ..	76⅞d.	76⅞d.	76⅝d.	76⅞d.
London Forward	76¾d.	76¾d.	76⅝d.	76¾d.
London Gold	249s. 7½d.	249s. 7½d.	249s. 5½d.	249s. 5½d.
New York Silver	90.375 c.	—	—	90.375 c.

* 23rd February settlement. † 24th February settlement.

Wheat at Hapur was almost unchanged during the week to be quoted at Rs. 26.25 per maund for average quality and Rs. 27.25 to Rs. 28 for farm quality. The retail price was Rs. 28.25. Demand at the prevailing high prices was slack. Daily arrivals from producing areas were small and, occasionally, wheat reached here from outside by road and rail. Sales through fair-price shops has been increased and more shops are being opened.

Rice ruled quietly steady with restricted supplies in the local market, due to imposition of a ban on exports from surplus districts where the Government is procuring rice. Prevailing prices were:—*basmati sela* Rs. 32.50; *mainpuri* Rs. 22; *gainda* Rs. 23; raimunia Rs. 27 per maund.

Gram continued to rule steady to firm, as local stocks left were small. It is not possible to bring gram from Punjab, the main source of supply, as prices there have spurted to new heights. Barley and *bejhar*, however, eased fractionally during the week, as the condition of the standing *rabi* crop was excellent following timely rains. Maize was attracting main consumer demand, but prices were lower than last week, due to comfortable stocks and fresh arrivals from outside. Bajra was quiet and *guwar* and *juar* drifted lower. The week-end prices (in rupees per maund) were:— gram Punjabi 23.50; barley 17; *bejhar* 17.12; maize 15.75 to 16; *bajra* 16.25; *guwar* 15.50; *juar* 15.25.

Pulses continued to record a firm trend, due to poor local stocks in the face of good demand. *Arhar dal* touched new heights, while *urd* and *moong* recorded an advance of Re. 1 to Rs. 2 per maund. Peas stocks were almost nil and standing peas and arhar crops were reported fairly good. Week-end prices were:—Peas Rs. 22 to Rs. 23; peas *dal* Rs. 25; *arhar* Rs. 25; *arhar dal* Rs. 29 to Rs. 31; *urd* Rs. 19.75; *moong* Rs. 23 to Rs. 25; *massoor* Rs. 20 per maund.

COTTON FUTURES STEADY AT CLOSE

(From Our Own Correspondent)

BOMBAY, 11*th February*

The cotton futures market, which ruled distinctly firm during the first two sessions of the week on extensive short-covering and fresh buying inspired by reports of damage to the crop and quality deterioration, turned easy on Saturday. The easiness developed into a virtual reaction in prices on Monday following the stern warning issued by the Forward Markets Commission against any excessive rise in price. The F.M.C. reminded traders that it had extensive powers over the market such as the power to alter margin rate with retrospective effect, and even to close current contracts at such rates as it might consider appropriate. The fear that the F.M.C. would not hesitate to take drastic steps, should it deem them necessary, prompted heavy liquidation. Prices came down precipitously. Yesterday, however, a recovery set in, thanks to renewed buying attracted by the low levels. Smaller arrival of new crop, downward revision of crop estimate, and news of record mill consumption of cotton in December 1958, aided sentiment. The trend gathered further momentum today and the market closed on a steady note.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 683.25 and, after advancing to Rs. 688 the next day, slumped to Rs. 673 on Monday. The contract, however, improved to Rs. 674.75 yesterday. Commencing today's session at Rs. 676.50, it gained Rs. 2.75 before closing lower at Rs. 678.50.

Trading in I.C.C. Moglai Jarilla May 1959 commenced on the 5th inst. The opening quotation for the contract was Rs. 676.50. It improved to Rs. 680.50 the next day but receded to Rs. 668.50 on Monday. The contract moved up to Rs. 670.50 yesterday. Opening at Rs. 672.50 today, it improved, on good support, to Rs. 677 and finished the session at that rate.

The trend of price of the contracts during the week is indicated below:

(In rupees per candy of 784 lbs.)

	11-2-59	*High*	*Low*	4-2-59
I.C.C. Moglai Jarilla March 1959 ...	678.50	688	673	680.25
I.C.C. Moglai Jarilla May 1959 ...	677	688.50	665	*676.50

*On 5-2-1959.

In the spot section, there was moderate activity. Prices tended to look down. Since most mills had covered their requirements, they were not eager to make purchases at the prevailing high prices. There was also fear of deterioration in quality of crop. Prices of long-staple varieties tended to ease in anticipation of a large import quota for 1.1/16" and longer-staple cotton, following the recommendation of the Cotton Textile Consultative Board for the liberalisation of import.

In the export section, there was good demand for Bengal *Deshi* from shippers. Scarcity of superfine Bengals was increasingly felt. Enquiries were also noted for Berar, C.P. *Deshi* and ¾" cotton, and yellow pickings. Exporters feared that the revised export programme and the enhancement of cotton export subsidy in the U.S. might adversely affect export of ¾" cotton from India.

The foreign section was devoid of much activity. Importers welcomed the Cotton Textile Consultative Board's recommendation for liberalising imports. An import quota was eagerly awaited.

The latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri are as follows:

Bengal *Deshi* 710; Berar Jarilla 745; Khandesh 820; Vijay 950.

The Karachi cotton futures market ruled easy during the week under review. The announcement by the U.S. Department of Agriculture of a revised export programme which will reduce the price of U.S. cotton sold abroad after 1st August next and the raising of the subsidy rate under the payment-in-kind export programme from the present rate of 6.5 cents per lb. to 8 cents per lb., adversely affected the sentiment of operators in Karachi. It was feared that exports from Pakistan would be affected by the enlarged U.S. subsidy since it would make U.S. cotton available at much cheaper price. This consideration induced heavy selling. N.T.R.G. March receded from Rs. 61-9-6 last week-end to Rs. 60-10. The May contract dropped 13 annas to Rs. 59-14. In the spot section, barring the *Deshi* styles which met with good buying, most other varieties declined. Sind *Deshi* was quoted at Rs. 72 and Punjab *Deshi* at Rs. 64-8, as compared with Rs. 63-8 and Rs. 62-8 last week-end. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few other popular varieties of Pakistan cotton prevailing at Karachi, the figures in brackets being last week's closing rates:

4F Punjab Roller 62-10 (63-4); S.G. 67-10 (68-4); L.S.S. Punjab Roller 64-2 (65-4); S.G. 68-10 (69-4); 289F Punjab Roller 73-2 (73-8); S.G. 82-2 (82-12).

The Alexandria cotton futures market depicted a mixed trend during the week. While the long-staple Karnak contracts were fully steady on short-covering and some trade buying, the medium-staple Ashmouni contracts tended to ease due to hedge pressure. Shipments of Egyptian cotton from 1st September 1958 till 21st January 1959 aggregated 359,097 bales (of 720 lbs.), as compared with 277,330 bales shipped during the corresponding period of the previous season. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: March 73.35; May 73.75. *Ashmouni*: February 64.35; April 63.70.

Cotton futures values in Liverpool ruled barely steady during the week. The revised U.S. export programme gave rise to the hope that U.S. cotton will be available in future at cheaper prices. This

prompted speculative selling which was absorbed by mill covering and hedging operations. Values, consequently, ruled almost unchanged. The latest quotations—in pence per lb.—from Liverpool are as follows:—

American cotton one inch staple contract: March-April 23.10; May-June 22.60; July-August 21.00; October-November 20.00. *American cotton mixed growth contract*: March-April 23.00; May-June 22.45; July-August 20.90; October-November 19.90. *Sudan*: May-June, July-August, September-October 22.25.

The selling witnessed last week in the New York cotton futures market, which was a sequel to the announcement of lower mid-January parity price, abated during the week under review. Values moved up on good support prompted by the announcement of the revised export programme and the raising of the subsidy rate. Better mill demand and spot house support was also forthcoming. The nearby March contract met with selling.

The Department of Agriculture has announced that the support price of upland cotton, based on the mid-January parity of 38.93 cents, would be 30.40 cents per lb. for Middling ⅞" cotton at average location for growers (A) who are not planting in excess of the official acreage allotted to them. For those (B) who opt for an increased acreage of 40 per cent. the support price would be 24.70 cents per pound. A support rate of 30.40 cents per lb. for Middling ⅞", indicates a rate of 34.15 cents per lb. for Middling one inch cotton at average location. This would be the Government purchase price for 'A' producers; the relative support rate for 'B' producers would be 28.45 cents per lb.

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

(In cents per lb.)

	10-2-59	3-2-59	27-1-59
Spot	35.70	35.70	35.75
March	35.29	35.33	35.30
May	35.43	35.39	35.41
July	34.27	33.93	34.67

LOW TURNOVER IN YARNS

(From Our Own Correspondent)

BOMBAY, 11*th February*

The yarn market is thick with rumours regarding budget proposals. Some expect imposition of excise duty on staple fibre yarn, art silk yarn and other synthetic yarns, while others anticipate an upward revision in import duty, particularly on art silk yarn. There are some others who feel that the excise duties on art silk cloth may be raised. In view of these rumours, it is not surprising that the yarn market should continue to rule dull with low turnover and narrow fluctuations in prices, the general tendency being slightly upward. The traders are watching the trend of offtake in art silk yarn from consuming centres in the Punjab and West Bengal. The latest reports indicate signs of revival of enquiries. Nylon yarns have shown a hardening tendency in prices.

Spot 120 Italy met with good buying support and rose by 6 nP to Rs. 5.25. 120 Japan and 150 Japan gained 3 nP each to Rs. 4.84 and Rs. 4.87, respectively. 150 Italy was fully maintained at Rs. 5.25. Among indigenous yarns, National Rayons 120 bright cones first grade strengthened by 6 nP to Rs. 4.50. 150 bright cones first grade gathered 3 nP to Rs. 4.31. The Cupressa Bamberg art silk yarn (60/1) moved up from Rs. 7.90 to Rs. 7.94. February delivery, however, was subjected to sell and came down by Rs. 3 to Rs. 1,532. April delivery was quoted at Rs. 1,500 today.

In the staple fibre yarn section, 40×2 Citys advanced by 6 nP to Rs. 3.16. Kohinoors were firm at Rs. 3.40, as also Centurys at Rs. 3.22. Forward deliveries, however, encountered selling. February delivery declined by Rs. 2 to Rs. 609. April delivery dropped Rs. 3 to Rs. 619.

Among cotton yarns, ten counts Moderns met with buying enquiries and registered a rise of 12 nP to Rs. 13.37. Podars were fully steady at Rs. 12.19. Twenty counts Moderns were done at Rs. 16.25, same as last week. Thirty counts Hinds were quoted at Rs. 15.87 and Sexarias at Rs. 15.50. Forty counts elicited enlarged buying support. Minaxis and Moderns rising by 25 nP each to Rs. 25.25 and Rs. 25.50, respectively. Sixty counts were steady; Raghuvamshis were quoted at Rs. 53 and Finlays at Rs. 65. Eighty counts Citys were done at Rs. 66, same as last week.

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

	11-2-59	4-2-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg February (per case of 200 lbs.)	1,532	1,535
60/1 Cupressa Bamberg spot (per lb.)	7.94	7.90
120 Japan (per lb.)	4.84	4.81
150 Japan (per lb.)	4.87	4.84
120 Italy (per lb.)	5.25	5.19
150 Italy (per lb.)	5.25	5.25
Staple fibre yarn—		
40×2 February (per case of 200 lbs.)	609.00	611.00
40×2 April .. (— Do —)	619.00	622.00
40×2 Kohinoor (per lb.)	3.40	3.40
40×2 Century (per lb.)	3.22	3.22
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern	16.25	16.25
40s Minaxi	25.25	25.00
60s Finlay	65.00	65.00
80s City	66.00	66.00

CREDIT FOR GROUNDNUT RESTRICTED

(From Our Own Correspondent)

BOMBAY, 11*th February*

The week under review has been an eventful one for the oilseeds market. On top of a series of steps taken by the Forward Markets Commission to curb the speculative rise in prices, came the directive issued by the Reserve Bank of India restricting advances of bank credit against groundnuts. On Monday, the Reserve Bank directed all scheduled banks to maintain a margin of not less than 45 per cent. of the value of stocks in respect of advances against the security of groundnuts. The new margin requirement is made applicable also to existing advances against groundnuts, but does not apply to credit limits in favour of *vanaspati* manufacturers and those holding licences for export of groundnuts. The directive also requires that the banks shall maintain each month commencing from March 1959 an average aggregate level of credit against the security of groundnuts, which shall not exceed such level of credit maintained in the corresponding month of 1957 or 1958, whichever is higher. Banks are also urged that the parties affected should not be allowed other facilities, which would either directly or indirectly defeat its purpose, for example, by grant of clean advances, discounting of bills, etc.

The directive has obviously been a sequel to rapid increase in the advances made by scheduled banks against security of groundnuts, which stood around Rs. 16 crores at the end of last month as against Rs. 6.03 crores about the middle of December last and Rs. 3.23 crores at the end of November. Although it is difficult to assess how far these advances contributed to the recent buoyancy in the groundnut section, the measure is believed to have made some impression in the market in checking unscrupulous manœuvres.

The week began with another significant development. The F.M.C. imposed a special margin on outstanding 'long' positions in transferable specific delivery contracts in groundnuts. The rate of margin which is applicable for February-March 1959 and April-May 1959 deliveries will be at the rate of Rs. 3 per cwt. when the price rises above Rs. 33 per cwt. When the price is above Rs. 35 the margin will be at the rate of Rs. 5 and when it is above Rs. 37.10 the rate will be Rs. 9. The directive further stated that if the price remained above Rs. 37.10 during the delivery period, the special margin would be at the rate of Rs. 18.50. The Commission said that the step was being taken to "check the growing diversion of speculative trading from hedge contracts to transferable specific delivery contracts."

Apparently not satisfied with the reaction of the market, the F.M.C. went so far as to issue a warning, reminding the traders that the Commission has wide powers to deal with any situation that might arise, including powers to alter the margin deposits on current contracts with retrospective effect and to close existing contracts at such rates as it might consider appropriate irrespective of the actual rates ruling in the market. The Commission appealed to the associations concerned to regulate forward trading to extend their co-operation by immediately adopting all necessary measures to restrain unhealthy speculative activity and manipulation of prices and taking disciplinary action against unscrupulous operators.

These factors, no doubt, unnerved the bulls in the groundnut section. Their impact, however, would have been more pronounced, but for the continued tight supply position in the spot market coupled with good support from *vanaspati* manufacturers and crushers. Groundnut February contract, which stood at Rs. 178.50 last Wednesday, improved by Rs. 2 on Friday, but later gave way and closed today at Rs. 174.75. May contract lost Rs. 4.13 over the week to finish at Rs. 178.37. Bold ready slightly eased from Rs. 35.75 to Rs. 35.50, but advanced to Rs. 36.87 on Friday. Oil ex-mill hardened from Rs. 18.75 to Rs. 19.00 only to sag subsequently to close today at Rs. 18.62.

The castorseed section experienced wide fluctuations. Speculators from other sections, subjected to heavy margin, seem to have turned their attention to castor. Increasing arrivals from Hyderabad, the main producing centre, however, have pushed down the values. Traders continue to entertain hopes of good export demand in the months to come. Castorseed May 1959 contract, which closed last week at Rs. 156.00 on a firm note, after fluctuating between Rs. 160.00 and Rs. 154.50, recovered to wind up the week today at Rs. 155.37. Ready Madras gained 13 nP over the week when it closed today at Rs. 30.50. Oil B.S.S. moved both ways between Rs. 16.37 and Rs. 16.94 and gained about 25 nP over the week and finished today at Rs. 16.62.

The week began with good prospects for the linseed section. On Saturday, the Government of India released for export 5,000 tons of linseed oil cake from Bombay to all permissible destinations excluding the Portuguese possessions in India, upto the end of March or till the ceiling is reached. This aided the sentiment in the linseed section to some extent. Besides, there was good buying support. Linseed May 1959 contract, which stood at Rs. 32.50 last week-end, after fluctuating between Rs. 32.37 and Rs. 33.31, closed today on a steady note at Rs. 32.69. Bold ready, after moving within a narrow groove, closed today at Rs. 33.00, the same level at which it wound up last week. Oil prices, however, fell by 12 nP over the week to close today at Rs. 17.25. Cottonseed moved more or less in sympathy with the other markets. It, however, seems to have responded to the F.M.C.'s warnings. Cottonseed February and May contracts, which closed last week at Rs. 133.00 and Rs. 123.25, after experiencing minor fluctuations, wound up the week at Rs. 132.25 and Rs. 126.25, respectively.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	11-2-1959	4-2-1959	28-1-1959
	Rs.	Rs.	Rs.
Groundnut			
February 1959	174.75	178.50	179 62
May 1959 ..	178.37	182 50	184 37
Bold ready	35.50	35.75	36 12
Coromandel ready	36 00	36.25	36 37
Khandesh quality	36 00	36.25	36 50
Oil ex-mill ready*	18 62	18.75	19.12
Railway receipts*	18.44	18.62	18.94
Castorseed			
May 1959 ..	155.37	156.00	154.75
Ready Madras	30 50	30.37	30 50
Ready Kanpur	29.50	29.25	29.50
Oil B.S.S.†	16.62	16 37	16.75
Oil commercial†	15.62	15.50	15.50
Linseed			
May 1959 ..	32.69	32.50	33.25
Bold ready ..	33 00	33.00	33.50
Oil ready† ..	17.25	17.37	18.00
Cottonseed			
February 1959	132 25	133.00	131.50
May 1959 ..	126.25	128.25	127.25
Niger seed ..	29.00	29.00	29.00
Kardi seed ..	21.50	21.75	21.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR FIRM AGAIN

(From Our Own Correspondents)

BOMBAY, 11*th February*

The firm trend noted in the sugar market last week continued unabated during the week under review also, with prices moving up further. This was due to fears of a fall in sugar production on reports of closure of a few mills in Uttar Pradesh consequent on cane growers' strike. There were, besides, renewed rumours of an upward revision in excise duty on sugar. The substantial rise in arrivals of sugar by rail into the city has, therefore, had no effect; the arrivals aggregated 28,235 bags, as against 12,710 bags in the previous week.

It is reported that the Bombay-Deccan mills which have railway siding facilities have already sold out, and largely delivered, all sugar released to them. The only free market sugar available at the currently ruling high prices is that of the co-operatives. Although these too have sold out the released quantities, the first buyers are said to be sitting tight on their stocks. In view of these circumstances, the newly amalgamated trade body of the Bombay Sugar Merchants' Association has requested the Union Food Ministry to issue a sufficiently large supplementary quota of sugar to the Bombay mills.

Small grain sugar has gone up by a rupee to Rs. 110-Rs. 112 per bag. Medium grain has risen by 50 nP to Rs. 112-Rs. 114. Large grain is fully maintained at Rs. 114-Rs. 116.

* * * *

HAPUR, 9*th February*

Sugar prices ruled steady to firm during the week, as saleable stocks with factories were small, while there was renewed buying enquiry from consuming areas. Production in West U.P. was reported to be going on satisfactorily. The P.S.P.-sponsored cane supply strike would appear to have had no effect on cane supply position in this area. Prices for some quality were quoted higher than the control fixed by the Government.

Sugar prices also registered a hardening trend in the Muzaffarnagar market where the latest prevailing prices on Monday were:—crystal spot delivery New Shamli D29 Rs. 36.75; E29 Rs. 36.56; wholesale mill delivery controlled A29 Rs. 37.75; C29 Rs. 36.37; D29 Rs. 36. The market quotations for F.O.R. mill stations were:—Mansurpur C29 Rs. 38; Deoband C29 Rs. 38; Bijnore D29 Rs. 37; Amroha D29 Rs. 37.75; Seohara D29 Rs. 37.25; Meerut D29 Rs. 37.44; Saharanpur D29 Rs. 37.25.

Sugar prices ruled firm at Kanpur on renewed buying from consuming areas. The latest prevailing prices were:—Ex-mill controlled Rs. 36 per maund; spot per bag C29 Basti Rs. 105; Gola Rs. 103-8; D29 Gola and Burhwal Rs. 103-4; Waltergunj Rs. 103; Tulsipur, Balrampur and Hargaon Rs. 102-8; Lakhimpur Rs. 102-4.

Khandsari registered a sharp gain of about Rs. 2 per maund during the week due to good demand and firmness of ready *gur*. The stockists were reported to be buying *khandsari* along with *gur*. The prevailing prices were:—superior dry Rs. 32 to Rs. 36; inferior Rs. 29 to Rs. 31 per maund.

Ready *gur* touched new heights during the week, following brisk demand from stockists and poor arrivals following continued cloudy weather and rains during the major part of the week. As weather cleared up, ready *gur* arrivals were gradually mounting. The latest prevailing prices were:—*pansera* Rs. 17.75 to Rs. 18.25; *balti* Rs. 18.25 to Rs. 18.50; *shakker* Rs. 18.50 per maund.

Gur prices also improved in the Muzaffarnagar market as arrivals there were small and demand by stockists was brisk. The prevailing prices there were:—*Chaku* Rs. 19 to Rs. 20.25; *pansera* Rs. 18.75 to Rs. 19; *ladu* Rs. 19; *khandsari* Rs. 33 to Rs. 35.50; inferior Rs. 30 to Rs. 32.50.

Gur futures ruled bullish during the week on continued bull support from Agra. Fagun opened at Rs. 15.96 last Monday, touched the highest of the session at Rs. 16.46 on Wednesday and was quoted today at Rs. 16.30.

JUTE GOODS DEPRESSED

(From Our Own Correspondent)

CALCUTTA, 10*th February*

Three outstanding steps, namely, the decision of the I.J.M.A. to withdraw the minimum prices and to reduce output by sealing 1½ per cent. of the looms, and the cancellation of the additional margin deposits in futures, high-lighted the jute markets during the week under review. Prices of jute goods, both hessian and sacking, but more sharply in the case of the latter, moved down, following the withdrawal by the Indian Jute Mills Association of its year-old recommendation to member-mills not to sell jute goods below the minimum prices which the Association had specified. This withdrawal was only a recognition of existing market conditions, as, in view of the heavy fall in fibre prices and the high stock position of goods with mills, it was long before the minimum prices had ceased to operate.

Jute goods opened the week on an extremely quiet note, and there was an expectancy resulting from the rumours relating to sealing of looms and the removal of minimum prices. On Tuesday last, ready B. twills were priced at Rs. 91 and hessian 40" 10 oz. at Rs. 40.40. On the following day, B. twills recovered to quote Rs. 91.40, while hessian 40" 10 oz., despite some covering demand, sagged to Rs. 40.30. The I.J.M.A. decisions above referred to soon followed and B. twills fell on Thursday to Rs. 89.35, while hessian 40" 10 oz. was steady at Rs. 40.20, in view of the difficulty to obtain goods for immediate delivery. The raw jute market did not follow the goods, and fibre prices were steady. This caused a recovery in B. twills by the week-end when they stood at Rs. 89.55. On the other hand, hessian 40" 10 oz. was lower at Rs. 39.85. Yesterday, a completely depressed trend prevailed, following the announcement of increased stocks of goods with mills. At the end of January mills possessed 113,700 tons, as against 109,700 tons at the end of December. Hessian rose by 1,000 tons, sacking by 2,800 tons and others by 200 tons. The rise in sacking stock should be attributed to lower domestic purchases, as shipping instructions were satisfactory. The price of B. twills fell to Rs. 88.75 and that of hessian 40" 10 oz. to Rs. 39.40 yesterday. In the futures market, B. twills fell to Rs. 88.80 from Rs. 91.20, hessian 40" 10 oz. to Rs. 39 from Rs. 39.50, both February contract, and Assam Bottoms to Rs. 21.38 from Rs. 21.72 (March contract). Reflecting the steadiness in the fibre market, Assam Bottoms (March) recovered to Rs. 21.42.

Raw jute prices were firm. Mills, as well as the S.T.C. showed some interest. Another reason was the recommendation of the I.J.M.A. to mills to increase the fibre purchases. Mills would purchase an extra months' requirements from funds to be made available by the Government. Expectation followed the indication given by Mr. Lal Bahadur Shastri to a deputation of Bihar Jute Growers in Muzaffarpur that the Government of India would announce its jute policy within two weeks. In what way the Government would further re-orientate its jute policy remains to be seen; but it will not be a surprise if the S.T.C. increased its purchases, especially in Bihar. The fears that Pakistan might as well ban raw jute exports to India, in view of India having entered in the export field, also contributed to the steadiness. Pakistan has announced revised export prices for cuttings. The latest quotations for February-March delivery are:

	Middles	*Bottoms*
	Rs.	Rs.
Pakistan:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	23.25	20.75
Assam	23.75	20.75
Orissa	25.50	22.50
Desal	22.25	19.25
Murshidabad	20.75	18.25
Jungli	20.25	17.75
Daissee	24.50	22.00
Uttar Pradesh	20.25	17.75
Daissee mesta	19.75	17.25
Bimli f.a.q.		Rs. 17.50

Pucca bales 1st marks ... Rs. 155.00 ready per bale.

TEAS DEARER

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

COCHIN, 5*th February*

Sale No. 5 which was held on Tuesday, 3rd February comprised of 874,880 lbs. Quality again showed an all-round improvement, with a number of very useful teas on offer. Exporters showed renewed interest in the improved offerings, but internal buyers were again very quiet. The sale opened to a good demand, particularly for the improved low medium and best liquoring teas which were dearer. Medium and good mediums advanced by 10 nP per pound, and best liquoring high growns showed advances of up to 50 nP, but plainer types were barely steady. Whole leaf teas met with some competition and these were firm to dearer. The few tippy teas on offer generally sold at dearer rates. The quotations were: Low medium Re. 1.55 to Re. 1.70; medium Re. 1.80 to Rs. 2.10; good medium Rs. 2.30 to Rs. 2.60 and quality Rs. 2.65 to Rs. 4.27.

The average price realised in Sale No. 5 was Rs. 2.21 per lb., as against Rs. 2.17 in the previous sale and Rs. 2.30 per lb., in the corresponding sale of 1958.

London Market: *Sale of 2nd February 1959.*—Very strong and active demand with prices tending dearer for all descriptions, except isolated cases of light liquoring teas.

Sale of 3rd February 1959.—Except for light liquoring brokens, which were irregular, market strong to dearer all descriptions.

Colombo Market.—Active demand. Improved quality Dimbula Dickoya B.O.Ps advanced 40 to 80c. Other highgrown B.O.Ps, including Uvas, up 20c. corresponding B.O.P.Fs 20 to 30c. dearer, medium B.O.Ps 10c. dearer. Plainer medium B.O.P.Fs easier. Lowgrowns steady. Offgrades strong demand. Good liquoring fannings and dusts dearer. Other sorts firm.

Calcutta Market: *Export.*—67,000 chests export. Good, but less general, demand. Plain B.P., plain fannings, and medium fannings about last rates. Smaller fannings strongest. Medium B.P. generally easier. Better enquiry medium fannings which were sometimes dearer. C.T.C. fair support. Poorer types 4 to 6 nP easier. Better types 10 nP easier. Best C.T.C. well supported. Tippy teas only fair demand at easier rates. Darjeelings irregular.

Internal.—21,000 dusts. Good demand. Orthodox from 2 to 4 nP easier. Smallest steady. Fair demand C.T.C. poorer sorts 5 to 10 nP easier sometimes more. Best irregular.

Export Quota.—On 1st February, the Government announced a final release of quota for 1958-59 of 2 per cent. of the best crop basis, making a total release of 67 per cent. or a total of 494.5 million lbs., as compared with 63.4 per cent. (460.1 million lbs.) the previous year. There was no reaction in the market and the quotation has remained firm at 2½ nP, at which rate business has been transacted. However, during the last two days there has been an easier tendency and business has been done at 2 nP, at which there are buyers but sellers are scarce.

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

"*Sale Six*:—900,000 lbs. Useful demand, particularly for improved highgrowns, which are dearer. Low medium and medium firm, except fannings which are weak. Leaf easier."

GOOD DEMAND FOR EXPORT TEAS

(From Our Own Correspondent)

CALCUTTA, 10*th February*

In the export auctions held yesterday there was good demand, while in the internal sales prices eased.

With the estimated output in South India for December being 8 million lbs. against an actual of 10.7 million lbs. in December 1957, the total protion in South India during 1958 comes to 156 million lbs. representing an increase of 6.3 million lbs. over 1957. The North-east Indian output for 1958, at 551.1 million lbs., shows an increase of 22.7 million lbs. The rise in total Indian output is, therefore, by 29 million lbs.

Reports of continued buoyancy in Mincing Lane sales were received. This was so, despite an increase in offerings. Warehouse and about-to-be-landed stocks in the United Kingdom fell by 1 million to 198 million lbs. in the week ended 30th January. The keen bids were attributed to fears of "a possible interruption in supplies" and also to relaxation in credit restrictions. The easier tendency in yesterday's sales in London was attributed to heavy bids in earlier weeks.

Mr. Lal Bahadur Shastri's recent discussions with the Assam Chief Minister have raised expectations in regard to Government aid for uneconomic gardens. Measures under consideration in New Delhi would appear to centre round the advance of funds to these gardens by banks and other financial institutions with guarantee by the Tea Board, in the absence of crop hypothecation, and the grant of a subsidy towards the cost of tea transport from Assam.

Yesterday's export offerings amounting to 64,871 chests met with strong demand, and prices improved. The best liquorings in C.T.C. teas met with good demand at improved rates. The plain liquoring mediums of this manufacture eased in an irregular trend, while the poorest fibrous lots were supported at dearer rates. Selective buying was done in orthodox B.O.Ps and O.Fs, while the plainer sorts met with a weak market resulting in withdrawals. Keen competition was offered to the poorer orthodox B.Ps and P.Fs, the prices of which added by 8 nP. Plain and medium B.Ps rose by 2 to 6 nP and plain fannings by 2 to 4 nP. The better medium fannings were firm. Legg-cut teas, however, eased by 4 nP. Whole leaf grades possessing a well-twisted style hardened on keener inquiry. Darjeelings were firm. The quotations exclusive of the new zonal excise duty were: best Assam C.T.C. fannings Rs. 2.30 to Rs. 2.40 (nominal), best Assam C.T.C. B.P. Rs. 2.20 to Rs. 2.30, clean black pekoe Rs. 2 to Rs. 2.08, plain fannings Re. 1.74 to Re. 1.82, medium fannings Re. 1.74 to Re. 1.78, and medium B.P. Re. 1.64 to Re. 1.68.

Export quota changed hands at 2 and 1½ nP; subsequently buyers offered 1½ nP with sellers demanding 2 nP.

Dusts on offer in the internal auctions held here last week amounted to 20,065 chests. There was good demand at falling rates. In C.T.Cs, the best sorts eased, while the smaller types hardened. The poorer and medium types of this manufacture lost by 5 to 10 nP. Grainy orthodox teas eased by 2 to 4 nP, but the powdery types were firm. Legg-cut teas met with good demand at lower rates. Darjeelings were, however, better. The quotations, exclusive of excise duty, were: best Assam C.T.C. Rs. 2.40 to Rs. 2.85 (nominal), medium Assam C.T.C. Re. 1.90 to Rs. 2.05, medium Doars Re. 1.72 to Re. 1.76, and medium Assam grainy Re. 1.72 to Re. 1.74.

Leaf offerings amounting to 3,004 chests met with good demand at firm to dearer rates.

A strong feature in Chittagong's tea sales held on 4th February, when offerings aggregated 9,062 chests leaf and 2,208 chests dust, in addition to a supplement of 195 chests, was the rise in the better liquoring brokens by As. 2 to As. 4. The legg-cut teas met with support at invoiced rates. All other kinds eased, and a quantity of green teas had to be taken back. The quotations were: B.O.P. Rs. 2-12-0. O.F. Rs. Rs. 2-11-6. B.P.S. Rs. 2-10-6, B.P. Rs. 2-9-6, O.P. Rs. 2-9-6 (nominal), P.F. Rs. 2-9, and Pekoe Rs. 2-6-6 (nominal).

Dusts were fully steady in good demand with the Sylhets being quoted at Rs. 2-9-6 to Rs. 2-10-0.

Leaf amounting to 13,000 chests and dusts to 4,000 chests will be offered in the next sales that will take place in Chittagong on 25th February.

BLACK PEPPER SPURTS

(Messrs. Parekh and Co.)

BOMBAY, 11*th February*

After the closing of business in specific deliveries and A.S.T.A. at Bombay, commission houses and bull speculators diverted their attention to ready pepper. They bought almost daily sizable quantity of spot and afloat at advancing limit, the highest price paid being Rs. 115 per Bengal maund ex-godown. Ungarbled at Calicut advanced to Rs. 900. Alleppey and Cochin rallied to Rs. 775 with few sellers. In the meantime, stern warning by the Forward Markets Commission against unbridled speculation and boosting of prices in commodities had a chastening effect on run-away prices. Pepper also came down, in sympathy with other commodities following liquidation by bulls. Ready garbled climbed down from Rs. 130 to Rs. 120, February delivery in the Forward Ring at Cochin from Rs. 130 to Rs. 121 and March from Rs. 132 to Rs. 123. There was a move on the part of some merchants at Cochin to enforce margin for forward contracts for checkmating unhealthy speculation, but nothing came out, as majority of members were against the margin system. The present improvement in pepper was considered to have been brought about, in view of smaller estimate of production. Pepper being an unedible commodity, no immediate action was feared from the Government. However, big operators at Cochin seemed to be in a chastened mood. Hence, the movement of the forward ring at the moment was narrow.

Singapore improved from Str.$74 to Str.$75 for Sarawak black and from Str.$139 to Str.$142 for white. Lampong at Singapore also rallied to Str.$85. Exporters of Lampong are now said to be presenting a firmer front and are quoting higher, as stock of Lampong at Singapore and at Indonesia are reported to be in the vicinity of 4,000 tons and 2,000 tons, respectively. Improvement in white is more pronounced, as enquiries from Europe is slowly but steadily developing.

At the time of writing, Ready in Bombay is quoted at Rs. 112 and white ready ungarbled at Alleppey at Rs. 762½. Growers are reported to be not anxious to sell unless at an advanced price.

Spot in New York improved from $0.24 to $0.26, with some enquiries from grinders. Grinders in the U.S.A. as a rule never buy in a declining market. They only come out to buy after the market has stabilised at some higher level. If grinders decide to come out to buy in the present mood of the supplying markets, the world pepper prices are likely to advance in the near future. A.S.T.A. parity for Malabar pepper being at $0.27½, business with New York is far from practicable.

Today's nominal quotation for ready delivery is Rs. 112 per Bengal maund.

LOWER KIP STOCKS FEARED

(From Our Own Correspondent)

MADRAS, 9*th February*

There was no significant change in the kip market during the week. U.K. buying was selective and local demand for lower grades prevented export trading. Importers were not able to buy at reduced prices appreciably, because sellers were outstanding orders to ship and did not come forward to take lower prices, as it was feared that the availability of stocks during March-May might be poorer than at present.

Demand for medium tannage sheep skins was small, while prime classes maintained full prices. Tanned goat skins ruled steady, but the tone was weak.

Shipments during January 1959 were: to the U.K.; 2,474 bales tanned cow hides, 235 tanned cow calf, 20 tanned buff hides, 486 tanned buff calf, 577 tanned goat and 682 bales tanned sheep skins; to the Continent: 6 bales tanned cow calf, 10 tanned buff calf, 438 tanned goat and 232 bales tanned sheep skins; to the U.S.A. ports: 21 bales tanned cow calf, 162 tanned buff hides, 173 tanned buff calf and 128 bales tanned goat skins; to Japan: 3 bales tanned goat and 72 bales tanned sheep skins.

METALS LOWER

(From Our Own Correspondent)

CALCUTTA, 10*th February*

Fair business was done in the metal market during the week under review, although prices moved downwards, in view of the comfortable stock position and expectations of relaxation in import policy. Some recovery, however, emerged when prices touched the lowest levels. Nevertheless, the week's closing quotations were lower on balance.

Tin opened at Rs. 598, after having closed at Rs. 588 in the previous week. In transactions, the improvement took the rate up to Rs. 601. At this stage, there was profit-taking, which brought in its wake selling pressure. Further, fresh arrivals were reported, while consumer demand was insignificant. These factors forced down the quotation

(*Continued in next page*)

Notice

THE BANK OF INDIA LIMITED

NOTICE

THE FIFTY-THIRD ANNUAL GENERAL Meeting of the Shareholders of The Bank of India Limited will be held at the Registered Office of the Company at Mahatma Gandhi Road, Fort, Bombay, on Thursday, the 12th day of March, 1959, at 4 o'clock in the afternoon, to transact the following business:—

1. To receive the Report of the Directors and the audited Balance-sheet and Profit and Loss Account for the year ended 31st December, 1958.
2. To declare a Dividend.
3. To elect a Director in the place of Mr. Ambalal Sarabhai, who retires by rotation, is eligible and offers himself for re-election and for that purpose to consider and if thought fit to pass the following resolution as an ordinary resolution of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company:—

   RESOLVED that Mr. Ambalal Sarabhai, who has attained the age of 69 years and who retires by rotation, be and he is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act, 1956, shall not apply to him.
4. To elect a Director in the place of Mr. Bhagvandas C. Mehta, who retires by rotation, is eligible and offers himself for re-election.
5. To elect a Director in the place of Mr. A. D. Shroff, who retires by rotation, is eligible and offers himself for re-election.
6. To appoint Auditors for the current year and to fix their remuneration.
7. To consider and if thought fit to pass, with or without amendment, the following resolutions as ordinary or special resolutions as specified below:—

Ordinary Resolutions

I. RESOLVED that pursuant to the relevant provisions of the Companies Act, 1956, including Sections 257 and 258, Mr. Jugmohan Prasad Goenka be and he is hereby elected and appointed a Director of the Company.

II. RESOLVED that:

(a) The Auditors of the Company be and they are hereby authorised to restrict their audit to the accounts of the Company at its Head Office and not to audit the accounts at the Branches either within or outside India;

(b) Notwithstanding the authority aforesaid, the Auditors shall be entitled at such times as may be agreed upon between themselves to visit for any one of them, at least once in every financial year, every Branch in India for test inspection and that a report on such test inspection shall be submitted to the General Manager of the Company and that for such work the Auditors shall be paid all out-of-pocket expenses that they may incur for travelling, board and lodging and otherwise and that such payment shall be in addition to the remuneration fixed for the said Auditors.

Special Resolution

RESOLVED that Articles 65 and 101 of the Company's Articles of Association be and they are hereby deleted and in their place and stead the following Articles be and they are hereby substituted as Articles 65 and 101 respectively:—

"65. The Chairman and, in his absence, the Vice-Chairman of the Directors shall preside as Chairman at every general meeting of the Company or if there is no such Chairman or Vice-Chairman or if either shall not be present within fifteen minutes after the time appointed for the holding of the meeting or if both of them are unwilling to act the Directors present shall elect one of their number to be Chairman of the meeting."

"101. The Directors may elect a Chairman and a Vice-Chairman of their meetings and determine the period for which they are respectively to hold office; but if no such Chairman or Vice-Chairman is elected or if at any meeting the Chairman and the Vice-Chairman are not present within five minutes after the time appointed for holding the same the Directors present may choose one of their number to be Chairman of the meeting."

By Order of the Board of Directors,

T. R. LALWANI,
General Manager,
The Bank of India Limited.

BOMBAY, 5*th February*, 1959.

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing a proxy and the Power of Attorney, if any, under which it is signed, should be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the aforesaid Meeting, as provided by Article 79 of the Company's Articles of Association.

Note:—(a) The Transfer Books of the Company will be closed from Monday, the 23rd February, 1959, to Saturday, the 14th March, 1959, both days inclusive.

(b) The Dividend, when sanctioned, will be payable on and from Thursday, the 19th March, 1959, to those Shareholders whose names are on the Register of Members on 14th March, 1959.

(c) Dividend Warrants will be posted to Shareholders at their registered addresses. Early intimation should be given to the Company of any change of address.

ANNEXURE TO THE NOTICE

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

In conformity with the Companies Act, 1956, the following Explanatory Statement, as required by Section 173 of the said Act, sets out material facts relating to items Nos. 3 and 7 mentioned in the accompanying Notice dated 5th February, 1959.

Item No. 3.—Mr. Ambalal Sarabhai, who retires by rotation and is otherwise eligible for re-election, was born on 25th February, 1890, and will have attained the age of 69 years prior to the date of this Annual General Meeting and hence he cannot be appointed a Director except by a resolution of which a special notice has been given in accordance with the requirements of Section 281 of the Companies Act, 1956. The Company has received such special notice from some Members of the Company.

Mr. Ambalal Sarabhai has been a Director of the Company since the year 1919. As a businessman of wide and varied experience closely associated for a long period with the Company, he has rendered very valuable services to the Company and it is in the interest of the Company that it should continue to receive the benefit of his services. Notice is given to the Members of the said resolution which is commended for acceptance.

Item No. 7.—This item is in respect of two ordinary resolutions and one special resolution.

Ordinary Resolution No. I.—Mr. Jugmohan Prasad Goenka was appointed an additional Director by the Board in September, 1958. Under the provisions of Section 260 of the Companies Act, 1956, and of Article 85 of the Company's Articles of Association, he will hold office only up to the date of the next Annual General Meeting, namely, 12th March, 1959. The Board consider it desirable that the Company should continue to avail itself of his services. The ordinary resolution No. I is commended for acceptance.

Notices regarding the above ordinary resolution proposing Mr. Jugmohan Prasad Goenka for appointment to the office of Director at the ensuing Annual General Meeting have been given to the Company as provided by Section 257 of the Companies Act, 1956.

Ordinary Resolution No. II.—This resolution is on the same lines as the ordinary resolution passed at the Fifty-second Annual General Meeting of the Company held on 12th March, 1958. This resolution is proposed in order to meet the requirements of the Companies Act, 1956. The Board consider it desirable to place this matter again before the shareholders.

Special Resolution.—The special resolution in item No. 7 is proposed to enable the Board formally to appoint a Vice-Chairman and to vest in such Vice-Chairman the powers of the Chairman during the absence of the latter at General Meetings and Board Meetings. It is desirable to have express provisions in the Articles of Association for making the appointment of a Vice-Chairman.

By Order of the Board of Directors,

T. R. LALWANI,
General Manager,
The Bank of India Limited.

BOMBAY, 5*th February*, 1959.

MARKET REPORTS

(*Concluded from previous page*)

to Rs. 595 progressively, although, towards the close, it was higher at Rs. 596. The Bombay rate continued to be far higher than the Calcutta quotation. In contrast to the local trend, prices in both Singapore and on the London Metal Exchange were rising and, in New York, also a similar trend was reported. There was good demand on London on behalf of Continental and North American buyers. Following the recent understanding between the U.S.S.R. and the International Tin Council, by which the former has agreed to limit tin exports this year to 13,500 tons, the restrictions on tin imports from the U.S.S.R. have been withdrawn by the British Government. This has been followed by similar action by other European Powers.

From Rs. 94, electrolytic zinc recovered to Rs. 99 at one time, but soon fell to Rs. 96, as fresh supplies on account of both consumers and the Government were on the high seas. There was good demand from the Government. When the week came to a close, the price recovered to Rs. 97, which was Rs. 2 lower than the week's highest level but Rs. 3 higher than the week's lowest.

Virgin lead fell to Rs. 72.50 from Rs. 76 before closing lower at Rs. 73. Commercial demand was little, but there was a Government tender for pig lead.

In copper, scrap was keenly chased, while the price on the L.M.E. receded to £230, after reaching £237 earlier. Market circles were worried about the rumours which anticipated the imposition of a duty on imports of virgin metals.

LINSEED FIRM

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 9*th February*

Although the general undertone of the linseed market has remained firm, prices have shown little change for near positions. With good reports of new crop, April-May positions have been traded at lower prices, with sellers slightly more in evidence than buyers. Mills are still working on a limited scale and ready oilcakes in short supply are quoted at around Rs. 16 per maund, whilst April-May delivery has been traded at Rs. 13 with sellers over. There has been some local trading in the oil market, owing to the prevailing firmness in groundnut and mustard oils; ready business is done at Rs. 56.50, whilst buyers for May delivery indicate Rs. 52.50.

The latest quotations are: Ready Rs. 27.25; Feb-March Rs. 25.25; and April-May Rs. 23.00 per maund.

HIDES FIRM

(*From Our Own Correspondent*)

KANPUR, 9*th February*

Firm conditions prevailed in the hides and skins market during the week under review, despite considerable arrivals. The tendency of prices in the cow sector was upward. There was heavy demand for upper grade goat from Madras dealers. The main purchasers were the local tanners.

The latest quotations are: wet salted cow 1st grade Rs. 425, 2nd grade Rs. 395 and 3rd grade Rs. 350 per score; wet salted buff 1st grade 2 lb. 1 oz. and 2nd grade 2 lb. 3 ozs. per rupee; goat 1st grade Rs. 400 and 2nd grade Rs. 375 per 100 pieces; sheep Rs. 360 per 100 pieces.

Exports from the sterling area countries as a whole fell by £380 million or 8 per cent. in the first nine months of 1958, as compared with the corresponding period of last year. There were, however, signs of an improvement in the final quarter. During the first three quarters of 1958, exports from the U.K. fell by 3 per cent. and those of other countries by 12 per cent. While the decline in the U.K. exports was due to lower volume rather than lower prices, the bulk of the fall in the latter case is attributed to lower prices. Out of the total decrease of £380 million in exports from the overseas sterling area, wool accounted for £163 million, rubber for £26 million and tin, copper, wheat, rice, sugar and cotton piecegoods for amounts varying from £12 to £17 million each.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 6th Feb., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	50,44,09,000
(2) Other Governments	21,79,27,000
(b) Banks	67,94,67,000
(c) Others	115,69,72,000
Bills Payable	22,77,14,000
Other Liabilities	35,39,46,000
Rupees	427,04,35,000

ASSETS	Rs.
Notes	11,29,81,000
Rupee Coin	2,18,000
Subsidiary Coin	3,81,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	
(c) Government Treasury Bills	6,36,78,000
Balances held abroad*	26,01,18,000
Loans and Advances to Governments†	27,90,28,000
Other Loans and Advances	90,30,53,000
Investments	253,56,21,000
Other Assets	11,53,57,000
Rupee	427,04,35,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 4,59,51,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,29,81,000	
Notes in circulation	1658,09,45,000	
Total Notes issued		1669,39,26,000
Total Liabilities		1669,39,26,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		132,17,20,000
Government of India Rupee Securities		1254,78,47,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1669,39,26,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	30th Jan., 1959	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1624.43	1623.87	1602.00	1523.06
Notes held in Banking Department	35.05	12.70	12.99	11.08	9.13
Foreign Securities	59.50	164.68	164.68	164.68	275.23
Rupee Securities	87.39	1219.79	1219.81	1194.79	1007.20
Banking Department					
Deposits of:					
Government of India	14.39	57.82	55.23	52.99	52.50
Other Governments	..	28.56	42.00	18.52	8.10
Balances held abroad	10.06	26.75	33.36	24.52	17.96
SCHEDULED BANKS					
Demand Liabilities	134.36	719.90 (21.35)†	728.82 (25.21)†	725.29 (19.57)†	736.83 (17.95)†
Time Liabilities	102.24	910.06 (23.67)†	899.18 (23.37)†	909.76 (27.62)†	701.43 (16.38)†
Borrowings from Reserve Bank	..	39.56 (5.11)‡	29.96 (4.83)‡	22.82 (3.04)‡	27.12 (24.21)‡
Borrowings from State Bank	..	10.69	10.03	7.94	9.20
Cash in India	6.70	40.43	40.09	45.47	37.70
Balances with Reserve Bank	25.17	71.50	67.83	71.40	73.48
Excess over statutory limits	15.52	15.31	13.41	17.08	22.61
Balances with other banks in current account in India	..	12.95	13.51	14.29	11.44
Money at call and short notice in India	..	37.01	39.01	37.31	45.92
Investments (at book value)	..	635.27	634.24	634.02	432.59
Advances and bills	105.9	920.34	909.04	883.16	908.14
STATE BANK					
Deposits	87.76	473.26	473.88	476.84	366.47
Investments	51.99	287.74	285.07	283.40	173.72
Advances	30.35	180.76	178.93	174.23	174.93
Cash	14.69	31.15	25.94	33.83	24 12

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.50	3.61
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	5th Feb., 1959	4½	4¼
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3.50
Japan	Sept., 1958	7.67	7.30
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2¾
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan., 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	23rd Oct., 1958	2	2½
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 6th Feb., 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		476,65,30,000
Borrowings from Other Banking Companies, Agents, etc.		6,09,00,000
Bills Payable		6,97,55,000
Bills for Collection being Bills Receivable as per contra		2,37,43,000
Acceptances, Endorsements and Other Obligations per contra		1,06,74,000
Other Liabilities (including Inter-Office Adjustments)		1,39,50,000
Total .. Rs.		507,18,02,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		23,28,41,000
Balances with other Banks		2,94,90,000
Money at Call and Short Notice		2,20,00,000
INVESTMENTS:		
Government and other Trustee Securities	265,99,56,000	
Other Authorised Investments	11,25,87,000	
		277,25,43,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	177,33,42,000	
Bills Discounted and Purchased	13,52,27,000	
		190,85,69,000
Bills Receivable being Bills for Collection as per contra		2,37,43,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,06,74,000
Premises less Depreciation		1,22,37,000
Furniture and Fixtures less Depreciation		96,44,000
Other Assets (including Inter-Office Adjustments)		5,00,61,000
Total .. Rs.		507,18,02,000

Scheduled Banks*

Statement of Affairs for the week ended 30th Jan., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	21,34,63,000
(ii) Other demand liabilities	698,55,53,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	23,66,71,000
(ii) Other time liabilities	886,39,32,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	10,28,73,000
(ii) Time liabilities	40,00,000
Borrowings in India from the Reserve Bank of India‡	39,55,74,000 (5,10,51,000)
Cash in India	40,43,21,000
Balances with the Reserve Bank in India	71,50,13,000
Balances with other banks in current account in India	12,95,35,000
Money at call and short notice in India	37,00,69,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	635,27,31,000
Advances in India	784,02,73,000
Inland Bills purchased and discounted in India	97,42,66,000
Foreign Bills, purchased and discounted in India	38,89,09,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in braket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
				Per cent.	Rs.
1958					
10th November	4.00	7.20	4.00	2.430	99.390
18th November	4.00	5.03	4.00	2.458	99.385
19th to 22nd Nov.*	0.64	—	0.64	2.396	99.401
25th November	3.00	5.50	3.00	2.442	99.385
6th to 29th Nov.*	0.50	—	0.50	2.376	99.406
2nd December	3.00	4.55	3.00	2.423	99.390
3rd to 6th Dec.*	0.65	—	0.65	2.356	99.411
9th December	3.00	3.95	3.00	2.420	99.390
16th December	3.00	3.60	3.00	2.445	99.385
1959					
6th January	3.00	3.05	3.00	2.460	99.385
13th January	2.00	2.05	2.00	2.470	99.380
20th January	2.00	2.05	2.00	2.490	99.375
27th January	2.00	2.05	2.00	2.500	99.375
3rd February	2.00	2.10	2.00	2.559	99.360
10th February	2.00	4.19	2.00	2.530	99.365
Total amount outstanding	34.79	..	34.79	..	..

* Intermediate Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 30th Jan., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	87,49,18,000
(b) Provincial Governments	50,26,000
(c) Banks	15,94,76,000
(d) Others	6,02,39,000
Bills Payable	29,26,000
Other Liabilities	11,68,75,000
Rupees	127,94,60,000

ASSETS	Rs.
Notes	13,89,62,000
Rupee Coin	52,000
Subsidiary Coin	36,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,24,000
Balances held outside Pakistan*	16,37,90,000
Loans and Advances to Governments	3,10,00,000
Provincial Governments' Debtor Balances	6,91,38,000
Other Loans and Advances	16,47,75,000
Investments	62,26,68,000
Other Assets	8,88,15,000
Rupees	127,94,60,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,89,62,000	
Notes in circulation	343,26,74,000	
Total Notes issued	....	357,16,36,000
Total Liabilities	....	357,16,36,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
		117,53,32,000
B. Rupee Coin	4,63,17,000	
Government of Pakistan Securities	229,09,81,000	
Internal bills of exchange and other commercial paper	....	
		233,72,98,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	357,16,36,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.48 per cent.

EXCHANGE RATES

		10th February 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 15/16	1-5 15/16
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476.25	476.75
Buyers T.T.	Rs.	473.00	473.50
London on New York	$	2.81–2.81 47/50	2.81–2.81 1/16
London on Paris	Fcs.	13.76¼	13.75
London on Berne	Sw. Fcs.	12.10¼–12.10¾	12.11½–12.11¾
New York on London	$	2.80 31/32–2.80 63/64	2.81–2.81 1/16

CLEARING HOUSE RETURNS

Centre	Week ended 6th February 1959: Number of Cheques	Amount Rs.	Week ended 30th January, 1959: Number of Cheques	Amount Rs.
Bombay	341,326	80,13,45,000	290,525	78,97,64,000
Calcutta	195,000	70,21,00,000	169,000	59,67,00,000
Madras	97,272	11,77,34,444	82,199	10,12,85,366
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,60,00,000
Sept., "	..	..	3,587,000	8,03,69,00,000
Oct., "	..	..	3,922,000	7,96,89,00,000
Nov., "	..	..	3,528,600	7,73,01,00,000
Dec., "	..	..	4,035,000	8,87,84,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	24th Jan., 1959	17th Jan., 1959	25th Jan., 1958	December 1958	December 1957	Percentage of Increase (+) or Decrease (—) in Dec., 1958 as compared with Dec., 1957	Annual Average 1958	1957
Food Articles	504	115.1	114.1 R	102.2	113.3	104.0	+ 8.9	112.0	106.8
Cereals	192	105.8	104.7 R	95.7	105.0	98.3	+ 0.8	104.7	101.7
Pulses	43	121.8	117.5 R	79.1	111.1 R	80.0	+38.9	94.0	84.5
Fruits and Vegetables	23	110.2	111.0 R	94.8	115.6	101.3	+14.1	111.9	116.8
Milk and Ghee	84	102.1	104.2	101.5	103.6	99.0	+ 4.6	106.2	103.8
Edible Oils	47	121.4	119.5	115.7	118.1 R	125.3	— 5.7	123.2	128.3
Fish, Eggs and Meat	17	110.0	108.7 R	100.0	108.1 R	98.6	+ 9.6	106.9	96.6
Sugar and *Gur*	48	128.8	125.8	109.1*	120.6	109.1	+10.5	122.8	104.6
Others	50	151.6	151.1	132.8	152.7	133.0	+14.8	145.7	132.0
Liquor and Tobacco	21	105.5	105.5	96.0	98.4	97.7	— 1.3	93.7	91.3
Tobacco	—	104.5	104.5	94.4	94.9	96.2	— 1.4	92.0	90.1
Fuel, Power, Light and Lubricants	30	114.8	114.8	113.4	115.1	114.9	+ 0.2	115.2	111.5
Industrial Raw Materials	155	115.7	114.5 R	112.9	112.5	115.4	— 2.5	114.3	118.[illegible]
Fibres	61	106.8	106.7 R	115.3	105.2	115.4	— 8.8	109.4	119.8
Oilseeds	60	127.9	124.8 R	111.9	122.1	119.1	+ 2.5	123.6	122.4
Minerals	2	107.3*	107.3*	107.1*	107.3*	107.1*	+ 0.2	106.9	108.5
Others	32	110.4	110.2	110.9	109.0	109.0	—	108.9	107.3
Manufacture	290	108.5	108.5	107.5	108.3	107.9	+ 0.4	108.2	108.9 R
Intermediate Products	41	110.6	110.6 R	106.6	110.3	105.7	+ 4.4	109.4	108.5 R
Finished Products	249	108.1	108.1	107.7	108.0	108.2 R	— 0.2	108.0	107.9 R
Textiles	147	101.8	102.1	105.8	101.9	106.3	— 4.1	104.3	107.9
Cotton	—	110.6*	110.6*	115.2	110.6*	116.2	— 4.8	113.0	116.3
Jute	—	84.3	85.5	89.6	85.3	92.8	— 8.1	87.7	97.7
Woollen	—	105.9	105.9	103.0	105.9	102.3	+ 3.5	104.9	102.1
Silk and Rayon	—	91.1*	91.1*	88.9*	92.2*	91.8*	+10.3	92.5	85.0
Metal Products	12	143.1	143.1	143.4	143.1	143.4 R	— 0.2	143.1	138.2 R
Chemicals	20	111.4	111.3	99.2	110.5	98.8	+11.8	104.0	97.6
Oil Cakes	10	147.8	143.7	115.8	143.0	122.2	+17.0	128.6	114.7
Machinery and Transport Equipment	31	104.5	104.5 R	102.4	104.3	102.3	+ 2.0	103.2	101.2
Others	30	114.1	114.1 R	111.5	114.1	116.6	+ 2.2	113.2	107.7
All Commodities	1,000	113.1	112.4 R	105.6	111.4	107.1	+ 4.0	111.6	108.7

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

COAL

(*Concluded from page 227*)

When the proposal was first discussed between the representatives of West German coal industry and the Government, the former undertook to meet the cost of cancelling import contracts in excess of the duty-free quotas. This meant that the imports would not exceed the duty-free quotas. About 15 to 16 million tons of U.S. coal are said to have been firmly contracted for over the next three or four years. The cost of cancelling these contracts is estimated at £1 14s. per ton.

Some provinces of West Germany, especially the coastal provinces, have a grievance against their Government's decision. They are said to be of the view that the quantity of duty-free coal should be higher, because they rely largely on the U.S. coal. The shipowners, too, have complained bitterly that the cut in imports of coal from the U.S. will cost them much business, the original estimated loss on which was £8 million. This loss will now be less, in view of the larger quota allotted to the U.S. The increase in the duty-free quota is, however, a blow to the coal industry, as it is estimated that, for every 400,000 tons imported, every miner in the Ruhr will have to be asked to stay away from work for one day. It may be noted, in passing, that coal mining occupies a crucial place in the economy of West Germany. Coal production in 1957, for instance, was 133.1 million tons or 53 per cent. of the entire hard coal output in the E.C.S.C., and the industry has plans to raise its production to 180 million tons during the next 20 years. In West Germany, coal still supplies 86 per cent. of its energy needs.

The pressure on the High Authority to declare a crisis is mainly from Belgium, as it is the worst affected by the present difficulties. The High Authority has not so far yielded to the pressure on two grounds: (1) Belgium has to blame itself for the present state of affairs, as it has not taken any steps to close down uneconomic units; and (2) stock accumulations form a valuable reserve against future shortages and avoid displacement of labour. The situation can be corrected by co-ordinating the import policies of member-countries and financing pithead stocks. The High Authority has not so far been able to persuade the Council of Ministers to take the first step. The aid authorised for financing stocks is not enough to keep the collieries on an even keel. The High Authority is, no doubt, authorised under Article 74 of the Schuman treaty to take all measures, compatible with the treaty, if any product imported from outside the Community implies a threat to production in the six countries of the Community. It must, however, in the first instance, declare a state of crisis under Article 58. If it does not do so, the Council of Ministers by a unanimous vote can force the High Authority into that action. The High Authority has not so far declared a crisis and the decision of the Council of Ministers which met on the 5th inst. is, therefore, awaited with keen interest.

PLANTING

(*Concluded from page 228*)

countries. "If processing, packing and labelling are done on the spot, the final price and the producers' share in it would be much greater." Another handicap to which the report draws attention is the failure to protect spices at storage places, thus leading to contamination by various animal, bird and insect pests, as well as mould formation and loss in weight through evaporation of moisture.

The absence of any official standards of quality, apart from the usual grades recognised in markets, is said to have caused great inconvenience to traders in world spice trade. This increases the risks for buyers and sellers and causes disputes and generally weakens the marketing system. The report, therefore, urges the need for widely accepted standards of quality, subject to periodical revision, to be established for the main commercial spices. These can then be included in the trade contract terms. Along with the standardisation of the quality of products, it is also necessary to standardise the packing methods in the export trade, as also of weights and measures which vary greatly in Asian markets.

The report recommends, among others, that the Governments of producing countries should consider the possibility of establishing export promotion machinery for spices and it notes with satisfaction that the Government of India has already set an example with its Export Promotion Council for pepper and cashewnuts.

COMPANY TAXATION IN INDIA—I

(*Concluded from page 234*)

made by the companies and on which tax has already been paid. This is surely most inequitable.

The Capital Gains Tax imposes a heavy burden on the finances of companies. It takes away funds which are required by the companies for the replacement of their assets—especially in an inflationary period when the capital gains calculated in money terms often do not represent any real appreciation in the value of the capital. Government imposed this tax, in spite of the fact that its levy was not recommended by our Taxation Enquiry Commission. It should, therefore, abolish the tax or at least make it refundable to the shareholders, in respect of the capital gains realised by them, on the value of their shares in various companies which have already paid the tax.

Wealth Tax

A Wealth Tax is levied annually on companies at the flat rate of ½ per cent. of their net wealth in excess of Rs. 5,00,000. New industrial companies are exempt from this tax. Inter-corporate investments are also exempt from the tax to avoid double or triple taxation of inter-corporate wealth. Banking, insurance, shipping and certain other types of companies are exempted from the tax. Companies making losses or very small profits and not declaring dividends are given full and partial exemption respectively from the tax.

The Wealth Tax was introduced in 1957 by Mr. T. T. Krishnamachari, the then Finance Minister of the Government of India. Mr. Krishnamachari was unable to give a single proper justification for the introduction of this tax on companies. He merely said, when introducing the tax, that "in the peculiar economic structure of India, I consider it advisable not to exclude companies from the purview of this tax." Later, he tried to justify the tax merely on revenue considerations. The Wealth Tax on companies was not recommended by our Taxation Enquiry Commission or even by Mr. Nicholas Kaldor. It has been universally condemned as an inequitable and undesirable tax.

The Wealth Tax imposes double taxation on the assets of the companies, because the tax is not refundable to shareholders. Thus, the assets of companies are taxed or confiscated twice in the same year—first by the Wealth Tax on the companies and again by the Wealth Tax payable by shareholders on the value of their shares which merely represent ownership rights in the assets of the companies. Moreover, in the case of poor shareholders, who do not pay Wealth Tax on their personal wealth, the Wealth Tax on companies implies the confiscation of their savings invested in companies, for which there can be no justification whatever. Thus, criticising the Wealth Tax on companies, the famous industrialist Mr. J. R. D. Tata said that "the subjection of companies to Wealth Tax will ... hit a large section of the middle class, will result in the shareholders being taxed twice on the same assets and will act as a powerful disincentive to save and invest."

The Wealth Tax imposes a heavy financial burden on companies in the country. The rate of this tax is 'only' ½ per cent. of the net wealth. But, if companies pay the tax out of their profits, as most of them have been doing in the past year, the Wealth Tax can absorb from 4 per cent. upto even 100 per cent. of the annual net profits left after paying income-tax and super-tax. Moreover, the Wealth Tax confiscates a larger proportion of the profits of companies earning a low rate of profit on their invested capital as compared with the proportion of profits which it absorbs of their more prosperous rivals. The tax is, therefore, likely to aggravate the financial difficulties of companies making low profits. This is most inequitable and unfair.

The Government should abolish the Wealth Tax on companies or make it refundable to shareholders in their personal wealth tax assessments.

Gift Tax

Under the Gift Tax Act passed this year, private companies and closely controlled companies will have to pay a tax on the value of gifts made by them. The definition of gifts under the Act is so wide and the discretionary powers granted to the tax officials are so sweeping that many normal business transactions which do not constitute gifts in the ordinary sense of the term may be considered as being within the scope of the Act. They may, therefore, be taxed as gifts at rates ranging from 4 per cent. to 40 per cent. of their estimated value. Many companies may thus have to pay this tax and its burden may be rather heavy.

(*To be continued*)

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 12th February, 1959.

	Closing quotations 5-2-1959	High	Low	Closing quotations 12-2-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	130.00	131.75	130.00	130.50
Apollo (2)	1.24	1.24	1.22	1.24
Bombay Dyeing (25)	57.20	57.30	56.80	56.90
Bradbury (50)	133.75	—	—	133.75
Central India (100)	90.50	90.50	89.00	89.50
Century Mills (100)	438.50	439.50	434.00	438.00
Edward Textile (200)	215.50	—	—	215.50
Elphinstone (50)	30.50	—	—	30.50
Finlay (100)	261.00	261.00	259.00	259.00
Gokak (100)	132.50	—	—	134.00
Ind. Untd. Defd. (1)	1.12	1.10	1.08	1.10
Ind. Untd. Ord. (10)	8.84	8.84	8.80	8.84
Indore Malwa (100)	97.50	97.00	95.50	97.00
Khatau (100)	153.75	154.00	153.75	154.00
Kohinoor (100)	237.75	238.50	236.00	237.50
Lakshmi (250)	400.50	400.50	400.00	400.00
Minerva Mills (100)	64.00	—	—	64.00
Model Nagpur (250)	172.50	171.25	162.50	162.50
Morarji (100)	227.50	233.50	228.00	233.50
Mysore (50)	83.00	83.00	79.00	79.00
National Rayons (100)	244.00	245.25	242.00	243.25
New City (100)	93.00	—	—	93.00
New Great (100)	218.50	216.50	212.50	213.50
Phoenix (100)	124.50	125.00	124.00	124.00
Podar Mills (100)	130.00	—	—	130.00
Sassoon Silk (10)	9.76	—	—	9.76
Sassoon Spg. (10)	41.25	43.10	42.00	43.10
Sholapur (1,000)	425.00	—	—	425.00
Shrinivas (100)	140.00	140.00	139.00	139.00
Simplex (50)	167.50	168.00	167.00	168.00
Standard (100)	418.00	420.00	415.00	416.00
Svadeshi (100)	209.00	209.00	206.50	208.00
Swan (100)	350.50	350.50	350.00	350.00
Tata Mill (25)	34.50	34.75	34.00	34.00
Vishnu (100)	95.00	95.50	93.00	93.50
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	140.25	140.50	140.00	140.50
Do. (New) (50)	141.25	141.50	141.25	141.50
Bank of Baroda (50)	121.50	123.00	121.00	122.00
Central (25)	58.70	59.00	58.50	59.00
Central 'A' (25)	60.50	61.00	60.50	61.00
Dena Bank (50)	51.00	—	—	51.00
Punjab National (10)	59.00	—	—	24.00†
Union Bank (5)	7.68	7.72	7.64	7.72
United Com. (50)	68.00	68.50	67.70	68.50
ELECTRIC COS.				
Ahmedabad (100)	95.00	95.50	95.00	95.40
Amalgamated (10)	10.90	—	—	10.90
Andhra Valley (1,000)	1,170.00	1,173.75	1,170.00	1,172.50
Hom. Subsi. (100)	109.75	110.50	110.00	110.00
Surat (100)	113.00	114.00	113.00	113.75
Tata Hydro (100)	119.50	120.00	119.50	119.50
Tata Power (1,000)	1,195.00	1,198.75	1,195.00	1,197.50
INSURANCE COS.				
British India (10)	13.76	13.76	13.64	13.76
Empire of India (100)	212.50	—	—	212.50
Ind. Mercantile (20)	46.00	—	—	46.00
Jupiter (15)	6.12	7.12	6.00	6.08
New India (15)	52.00	52.90	52.00	52.00
Oriental (200)	4,010.00	4,200.00	4,010.00	4,200.00
Vulcan (10)	19.76	—	—	19.76
STEEL COS.				
Ind. Iron (10)	26.15	26.30	26.05	26.10
Tata Steel Ord. (75)	175.50	175.75	173.75	174.25
SUGAR COS.				
Belapur (50)	267.00	268.00	264.75	265.00
Bhopal (10)	25.55	—	—	25.55
Chanadeo (12.50)	29.50	—	—	29.50
Dhaliau (50)	141.00	141.00	139.50	140.00
Walchand Ind. (100)	266.25	266.25	264.50	266.00
CEMENT COS.				
Associated Cts. (100)	154.50	156.25	154.50	155.00
Digvijay (100)	131.00	131.00	130.25	130.50
MISCELLANEOUS				
Alcock Ashdown (100)	266.50	267.00	261.00	262.00
Bom. Burmah (125)	472.00	472.50	466.50	467.00
Do. (New) (50)	170.00	170.00	168.75	170.00
Fr. B. Petrol (4 sh.)	1.82	1.84	1.74	1.76
Fr. I. Corpn. (5)	4.24	4.26	4.08	4.12
Hindusthan Motors (10)	7.52	7.64	7.52	7.52
Indian Copper (2 sh.)	3.60	3.62	3.54	3.56
Ind. Inv. Tr. (100)	85.00	—	—	85.00
Killick (100)	154.00	160.50	154.50	160.00
Larsen & Toubro (10)	17.16	17.24	17.12	17.24
Polson (100)	152.50	153.00	152.00	152.00
Pre. Automobiles (100)	86.00	86.70	85.50	86.50
Premier Con. (80)	235.75	235.75	230.25	230.25
Scindia (20)	21.40	21.44	21.28	21.32
G. E. Shipping (10)	24.12	24.12	23.96	23.96
Shivrajpur (10)	88.00	90.00	88.50	89.00
Sirpur Paper (10)	13.72	13.80	13.68	13.76
Tata Chemicals (10)	15.40	15.56	15.24	15.52
Tata Locomotive (100)	162.75	163.00	160.25	161.25
Tata Oil (25)	46.00	46.25	45.25	45.25
Voltas (100)	142.25	142.50	140.50	140.50
W. I. Match (100)	187.50	188.00	186.50	187.50

GOVERNMENT SECURITIES	5-2-1959	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	12-2-1959
	Rs.			Rs.
2½% 1961	97.25	—	3.65	97.25
2½% 1960	99.00	—	3.81	99.00
2½% 1962	96.95	—	3.63	96.95
2½% 1976	83.20	—	4.08	83.20
3% 1959-61 2nd V ch.	99.70	3.84	3.10	99.70
3% 1954	97.00	—	3.56	97.00
3% 1963-65	96.85	3.70	3.47	96.85
3% 1966-68	93.95	3.91	3.74	93.95
3% 1970-75 1st Dev.	90.90	4.00	3.75	90.85
3% 1986 Con. Loan.	74.05	—	4.07*	73.80
4% 1960-70	100.80	3.47	3.91	100.80
3½% 1961 N.P. Bonds	100.10	—	3.47	100.10
3½% 1964 N.P. Loan.	99.80	—	3.54	99.80
3½% 1965 N.P. Bonds	99.65	—	3.56	99.65
3½% 1962	99.20	—	3.50	99.15
3½% 1967 N.P. Bonds	99.25	—	3.60	99.25
3½% 1974	98.55	—	3.87	98.55
3½% 1967 N.P. Bonds	100.80	—	3.65	100.80
4% 1972 Loan	101.35	—	3.86	101.40
3½% 1968	98.05	—	3.64	98.05
3½% 1963 N.P. Bonds	100.05	—	3.49	100.05
3½% 1968 N.P. Bonds	100.60	—	3.68	100.60
4% 1973 Loan	101.25	—	3.88	101.30

† Paid-up value Rs. 10.

BRITISH GOVERNMENT SECURITIES

	Closing quotations 2-2-1959			Closing quotations 9-2-1959
	£			£
2½% Brit. Consols	52½	—	—	53½ xd
3% Savings Bonds 1965-75	76⅛	—	—	76⅛
3% War Loan 1955-59	100⅛	—	—	100⅛
3½% War Loan	67⅛	—	—	67⅛
4% Victory Bonds 1976	—	—	—	—
4% Funding 1960-90	90⅛	—	—	90⅛
	92¼	—	—	92¼

* Current Income. xd.—Ex-dividend. xr.—Ex-Right.

COMMERCE

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

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RAILWAY BUDGET

RAILWAY finance continues to be in good shape. The budget, presented this week by the Union Railway Minister, Mr. Jagjivan Ram, reveals, of course, a few grey spots. Thus, neither the passenger nor the goods earnings for the current year (1958-59) are likely to come up to earlier expectations. But this does not warrant any pessimistic conclusions. Against the general background of a certain slowing down in the economy, witnessed in 1958-59, the anticipated fall in earnings should not cause any alarm. It is only a passing phase. In any case, the fall is notional. The revised estimates for 1958-59 are lower than the earlier budget estimates. But—and this is perhaps more to the point—the revised estimates of earnings in 1958-59, as the table accompanying this article will bear out, are considerably higher than the actuals for 1957-58. It is likely that the budget estimate erred on the high side which makes the revised version appear somewhat disappointing. However, we are told by the Minister himself that the falling trend in earnings, which became evident in 1958, has now been reversed.

The budget for 1959-60 has obviously been prepared in the light of this evidence of an up-trend in passenger and goods earnings. Gross traffic receipts for 1959-60 are placed at Rs. 422.03 crores, as against Rs. 394.38 crores, the revised estimate for 1958-59. Passenger earnings are placed at Rs. 118.30 crores for 1959-60, as against Rs. 116.30 crores for 1958-59 and goods earnings at Rs. 272.58 crores, as against Rs. 245.83 crores. The increase in the estimate of goods earnings for 1959-60 reflects the expectations of larger traffic which must flow from the commencement of production by the State-owned steel projects, increase in coal raisings, and the opening of the Mokameh bridge over the Ganga which links Assam, North Bihar and East U.P. with the rest of India. Coming to the expenditure side for 1959-60, the ordinary working expenses are placed at Rs. 283.71 crores, as against the revised estimate of Rs. 274.22 crores for the current year; the increase reflects the normal provision for annual increments as well as cost of additional staff required to move increased traffic. After providing for appropriation to the Depreciation Reserve Fund and making other adjustments, a sizable surplus of Rs. 21.19 crores is forecast for 1959-60, as against Rs. 13.0 crores for 1958-59, an increase of about 70 per cent.

In the light of the admitted improvement in passenger and goods traffic, which has taken place in recent months, thereby reversing the falling trends witnessed during the major part of 1958, and the confident expectations of a rise in goods traffic which must follow from the fruition of the development programmes under the second Five-year Plan, it is difficult to appreciate the concern which the authorities have expressed over the diversion of traffic to road transport. Mr. Jagjivan Ram said that the issues arising from the diversion of "high-rated traffic to road transport on routes parallel to the Railways, where Railways have enough capacity to move additional traffic," were engaging the attention of the Government. It is to be hoped that such a review of the problem will not lead to any fresh curbs on road transport which will be a deplorable reversal of the recent changes in Government's transport policy, based on modest recognition of the importance of motor vehicle transport. In any case, some healthy competition between the Railways and road transport is to be welcomed in that it will lead to improved efficiency and better service to consumers. So far as the Railways are concerned, there has in general been a continuous increase in goods traffic. From 114 million tons at the end of the first Five-year Plan period, goods traffic improved to 124 million tons in 1956-57, to 132 million tons in 1957-58 and to 137 million tons in 1958-59; it is expected to go up to 151 million tons in 1959-60. Thus, the Railways have not done badly. Indeed, it is now believed that the estimate of 162 million tons at the end of the second Five-year Plan (1960-61) will be reached. The Railways will do well to prepare themselves to lift this traffic. Their concern over competition from road transport is bound to prove baseless, as the overall traffic grows with the expansion of the country's economy.

It is encouraging to hear that the programmes under the Rs. 1,121-crore second Five-year Plan for the Railways are being implemented expeditiously. The third year of the Plan, according to Mr. Jagjivan Ram, witnessed the "peak of constructional activity on the railways." Out of the total of 1,848 miles of new lines and doublings under execution, 423 miles (173 miles of new lines and 250 miles of doublings) have been opened to traffic; construction of 525 miles of new lines and 900 miles of doublings is in progress. The improved supply position of rails and sleepers has made speedier implementation of track renewal programme possible. The development plans have received generous assistance from abroad—two loans of $90 million and $85 million from the World Bank and two loans of $40 million and $35 million from the U.S. Development Loan Fund and a loan of $20 million from the U.S. and $8 million from Japan (for Orissa iron ore project). These loans have been of considerable assistance in carrying out the Railways' modernisation and expansion programme.

Railway transport, as is well known, has lent a massive impetus to India's industrial expansion. It has assisted the growth of industries manufacturing railway equipment like locomotives and wagons and signalling equipment. There is a host of industries which supply many vitally needed components for Railways. It is heartening to note that "steady" progress has been made towards the objective of self-sufficiency in the manufacture of steam locomotives, carriages, underframes and wagons. Proposals for the progressive manufacture of mechanical components of electric locomotives have been taken up; the electric components for the indigenously manufactured electric locomotives may have to be imported in the initial stages, until these can be supplied by the Heavy Electricals Plant, Bhopal. The development of indigenous capacity for the manufacture of diesel locomotives has also been taken up. There has been, according to Mr. Jagjivan Ram, "significant" increase in the domestic production of items like thermic syphons, pressure castings, signal glasses, vacuum and steam pressure gauges. In most cases, it is stated, imports have been "completely eliminated." The Railway Testing and Research Centre has carried out research in profitable utilisation of coal ash (of which steam locomotives produce annually one million tons), the development of concrete sleepers, softening components, and preparation of paints and bituminous emulsions. Thus, the Railways, both on their own and by the fillip they give to private manufacturers, are making a commendable contribution to India's industrial progress.

No less important are the welfare functions of the Railways. Being the single largest public enterprise, with a country-wide organisation, the Railways have found themselves in an important role as a welfare and educational agency. During the first three years of the second Plan, they will have built some 36,000 quarters for railway staff; another 9,000 are to be added next year. Perhaps, the Railways will do well to bear in mind the importance of providing the necessary water and light facilities to quarters, whether old or newly built, for there is a valid complaint that, except in large towns, the Railway quarters are woefully deficient in the facilities which go to make a comfortable home for tenants. A notable feature of the Railways' welfare measures is the schools and hostels they run for the children of their staff. This activity, together with the technical training which they impart to apprentices, form a valuable service in the cause of Indian education. The staff, as the direct beneficiaries of the Railways' welfare and educational programme, owe a special responsibility to their employers as well as the general public to step up productivity and thereby demonstrate that they give adequate value for the wages and several indirect benefits they receive.

RAILWAY BUDGET
(In Rs. crores)

	1957-58 *Actuals*	1958-59 *Revised*	1959-60 *Budget*
Gross traffic receipts	379.78	394.38	422.03
Ordinary working expenses	264.18	274.22	283.71
Net miscellaneous expenditure	12.56	12.03	17.61
Appropriation to Depreciation Reserve Fund	45.00	45.00	45.00
Payments to worked lines	0.26	0.10	0.11
Total:	322.00	331.35	346.43
Net railway revenues	57.78	63.03	75.60
Dividend to General Revenues	44.40	50.03	54.41
Net surplus	13.38	13.00	21.19

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SOME THOUGHTS ON THIRD PLAN—II

IF there is one subject on which there is a large measure of agreement among all the interests in India, it is agriculture. Every one is agreed that, in the third Plan, agriculture should be given greater importance than it has received so far, as industrialisation of the country can succeed only if its agricultural base is strong and sound. The foreign friends of India who have paid some thought to its economic problems are also of the same view. Unlike some of the countries in Europe, India

is ideally suited for development of agriculture. Nearly three-fourths of its population is dependent upon agriculture for its living and a little over half of its national income is derived from this occupation. While it is necessary to reduce the predominant dependence on agriculture, this is not to be done by lowering the investment on it. Since it will take several years for industrialisation to draw off the surplus labour from land and since population is rapidly increasing, it is necessary to keep agriculture in a buoyant state, so that employment opportunities in rural areas may be maintained at the maximum level. What is suggested here is not high level of prices, but more production through both intensive and extensive cultivation. Agriculturists should, of course, get a good return on their produce, but, at the same time, the price levels should be such as to enable the vast mass of landless workers to get the necessities of life at prices they can afford. Prosperity does not mean high level of prices, but contentment, the first requisite for which is a full stomach. Consequently, those who talk of creating enthusiasm among the masses for the Plan should think not in terms of a massive outlay of Rs. 10,000 crores in five years or in terms of propaganda and publicity, but in terms of food, clothing and housing. The first objective of our planners should be to provide for the living of the present generation and not of the next generation. In a poor country, appeals to the effect that the present generation should tighten its belt so that one's children, grandchildren and great-grandchildren may have a comfortable life cannot but have a limited response.

Since all are agreed that agriculture should come first, it is obvious that, in any plan for industrialisation, a high priority must be given to those industries which are essential for aiding agriculture. The primary needs of agriculture are implements, irrigation, fertilisers, power, transport and finance. After deciding the targets of agricultural production, the planners should think of the requisites for reaching the targets expeditiously and economically and provide for them in full. As the country is assured of adequate supply of steel for plough-shares, thanks to the high priority given to it in the second Plan, it can afford to be a little less ambitious about steel and give more prominence to fertilisers and other needs of agriculture. In stressing this point, our object is not to minimise the importance of either steel or heavy industry, but only to make sure that what appears obvious is not ignored, as it was in the second Plan. It will be remembered that a considerable proportion of irrigation facilities already established is not being utilised, resulting in wastages which the country cannot afford. This is due partly to defective planning, partly to administrative delays and partly to lack of incentives and resources for farmers. Care must be taken to see that such lapses do not occur in the third Plan.

The second consideration in the Plan for industrialisation should be for capital formation. Priority should be offered to those industries and services where profits could be obtained fairly quickly and the rate of savings can be sizable. Among them, prominence could be given to those industries for which the bulk of the resources is available within the country and which can go a long way towards meeting the basic requirements of the people. This will serve the twin objective of providing employment and a visible improvement in living standards within a shorter time than through heavy industries requiring enormous sums of capital. Most of these industries are better suited to the private sector than to the public sector. Accordingly, the private sector should be allotted a bigger role than the one contemplated by the planners.

The aforesaid consideration is strengthened further by the foreign exchange situation, present and prospective alike. It is common knowledge that the third Plan will not have the same quantum of foreign exchange reserves which the second Plan had. On the contrary, during the third Plan period, substantial foreign exchange liability falls due for payment. The industrial projects chosen for this period should, therefore, be such as would not require much foreign exchange or be able to attract foreign capital easily and on terms that will not aggravate the balance of payments situation. Private capital answers this test better than Government-sponsored loans. Governments in the free world have themselves begun to emphasise this point and the indications are that they are less inclined than before to provide massive loans. The deciding factor here is, of course, political. One cannot, therefore, be quite dogmatic about it. Nevertheless, there is no doubt about the order of their preference and their readiness to encourage the flow of private capital for investment in underdeveloped countries. It would be wise on the part of the authorities of this country to seize this opportunity by drawing their plans for development suitably and by readjusting their economic policies and thinking. An early move in this direction is desirable, so that the private sector may have the necessary time and incentive to draw up its plans for being incorporated in the third Plan and for initiating negotiations with its foreign counterparts. It is true that, in the past one year, the Government has been pragmatic in interpreting its industrial policy, in that it has allowed the private sector to enter spheres which, one thought, it had reserved for itself. It has, for instance, given permission to the private sector to put up more aluminium plants and to manufacture pulp for rayon and staple fibre, synthetic rubber, and fertilisers. But it would be even more helpful and conducive to rapid development, if the declared policy of the Government is modified suitably. The instances just mentioned lose much of their significance in the light of the Nagpur resolution of the Congress Party and the repeated statements of its top leaders that the public sector has to grow not only in extent but also in importance. The atmosphere for the private sector has been vitiated by these statements and requires to be greatly improved. It will, of course, be necessary for the public sector to establish some heavy industries. Even here, it should explore the possibility of working in partnership with the private sector, both domestic and foreign, as this would be conducive to better and speedier results. There are already a few instances of this nature, but there could be many more of them.

The third Plan should undoubtedly be bigger than the second Plan. A larger outlay is justified by the increasing pressure of population and the urgency of providing more employment opportunities. But the projects chosen for implementation should conform to the broad considerations outlined in this, as well as in our last, article. If the Plan is drawn up on realistic lines, there is every prospect of getting the required foreign assistance. The leaders of the free world seem to be aware of the necessity for helping India to go forward economically in the interests of democracy. We are laying stress on the free world, because, among the Communist countries, it is only Russia that is in a position to render assistance and what it can do for this country is not, and cannot in any case be, large, what with its commitments to China, Eastern Europe and to the cause of international communism. It is only the developed countries of the free world that can assist India to a significant extent in its fight against poverty. Accordingly, it is only but fair that, before finalising the third Plan, it should consult them and ascertain the extent of help that can be had from them. Although India's foreign exchange reserves today are but a fraction of what they were when it launched its second Plan, the goodwill and understanding it has today in the free world are many times greater than they were three years ago. If only the leaders in power are tactful, this goodwill can be harnessed to serve a bigger plan than the second Plan. While, therefore, every effort must be made to get foreign assistance, the country should not make the mistake of committing itself to a bigger plan without ensuring the necessary resources. It is easier to expand the Plan later, but terribly expensive to cut it.

BUILDING COSTS

THE resources available for construction in India are dwarfed by the magnitude of the housing problem. For, as long as one can foresee, this country can never have too many houses. In the urban sphere, the population is expected to increase by 33 per cent. or 20.6 million in the decade ending 1961, resulting in a need for 8.9 million houses, inclusive of a shortage of 2.5 million houses at the beginning of the decade. During this ten-year period, it is expected that only 3 million units will be built. This means that the housing shortage in 1961 will be twice as acute as in 1951. In the rural sphere, the number of houses in 1951 was placed at 54 million. About 50 million units in this sphere will have to be improved substantially or completely rebuilt. This would cost, on a rough estimate, some Rs. 2,500 crores. These data should be sufficient to show that available resources will enable the country only to touch the fringe of the rural housing problem.

It will be readily appreciated that the pace of progress in construction, tardy as it is, can be quickened through continuous attention to building costs, that is, if the country cannot afford to spend more on housing than it does now, it is at least reasonable to demand that the available resources are made to go further than they do now. "More houses for the same or less money" may well be the motto for the country on the subject of housing. It has been estimated that, in the second Five-year Plan, the construction programmes will absorb Rs. 1,000 crores, of which the Centre will account for Rs. 700 crores and the States for Rs. 300 crores. The Union Minister for Planning, Mr. Gulzarilal Nanda, stated last year that his own assessment was that about 20 per cent. of this expenditure could be saved through the pursuit of suitable economies. But it is not clear whether this estimate includes the savings that would arise through outright abandonment of unnecessary construction. Presumably, it does. Maybe, a further probe will reveal new possibilities in savings on construction. In any case, a far more important long-term problem is the pursuit of economy in actual construction costs. The Union Minister for Works, Housing and Supply, Mr. K. C. Reddy, in the course of his address to the National Building Council, which met last week at New Delhi, rightly stressed that every Government department had a "great responsibility to see that building costs are kept as low as possible in their specialities by the adoption and evaluation of means and methods advocated and tested by expert research and experiment."

The need for bringing down building costs also arises from the fact that housing is not among the most productive investments today. Houses are costly to build and to maintain. If construction and repair costs were brought down, it would be possible to attract more capital to housing. Further, it would be a great relief to tenants, for a reduction in construction costs would be reflected in reduced rents. It must be remembered that, whereas 50 per cent. of the urban residents in India are estimated to have a monthly income of less than Rs. 100, the economic rent even for a single-room tenement works out to Rs. 30 per month. The search for a solution to the problem of high building costs deserves to be given top priority.

A notable effort in the cause of research in construction is the setting up of the National Buildings Organisation (N.B.O). Established in 1954, the Organisation is charged with the responsibility for developing new building techniques, designs, practices and materials and of serving as a clearing house of research information. It has concentrated its study and activities on such critical building materials as cement and steel. It has undertaken a survey of the production of building materials like brick, lime and timber. It has also developed plans for the manufacture of perforated bricks, gypsum boards and hollow-tiles and the treatment and preservation of secondary species of timber. At the symposium organised by the N.B.O., it was revealed that the design and construction of shell structure would result in considerable saving of steel and other expenses.

There is a great deal to be said in favour of research in economical and utility construction. Mr. Reddy indicated how the use of prefabricated concrete could lead to saving in costs of construction. The Selected Buildings Projects Team, which submitted its report recently, has made many constructive suggestions. After examining the construction of several building projects in the public sector, the Team observed that "there was very little evidence of a rational programming of work." It also found that "obvious economies had been neglected." In some cases, the cost of foundations was comparatively "too high." The Team urged the need for consulting foundation experts before undertaking large construction works. It found that sufficient attention was not being paid to site organisation. Other concrete suggestions it made for bringing down construction costs, included: (1) elimination of steel structures as far as possible, (2) judicious choice of spans and spacing of frames and filler materials in R.C.C. structures, and (3) adoption of prestressed concrete. Study and research should reveal further scope for economy in construction costs. The N.B.O.'s efforts in initiating and conducting constructional research and in stimulating the wider adoption of the results of its research will certainly be rewarding, if they are efficient and expeditious.

U.S. EXPORT-IMPORT BANK COMPLETES TWENTY-FIVE YEARS

AIR FARES—OIL PRICES—COMMON MARKET

THURSDAY, 5 P.M.

THERE have been no new developments in share markets. On Friday last, there was a sizable fall in equities. This was due chiefly to liquidation by some brokers who had bought on account of the speculator who had boosted the commodity futures and was believed to have been caught badly on account of the drastic steps taken by the Government to curb speculation in *gur* and the somewhat less drastic measures in oilseeds. Apparently, the brokers wanted to safeguard their position against the possibility of default by this operator. But soon the market recovered its poise and has been irregularly steady to firm since Monday. Although the net changes in values over the week are small and vary widely from scrip to scrip, the closing rates today are well above the lowest levels seen earlier in the week. There are as yet no rumours about the Central budget, but some seem to believe that there will be a few refinements in favour of investors in the taxes on dividend and bonus shares. There have been so many representations from both foreign and Indian investors against these taxes that it would be a great disappointment to them if the Government were to pay no attention to them.

MARKET GOSSIP

The general mood of the market at the time of writing is one of confidence that the Central budget would contain no serious additions to the already heavy tax burden. It is true that Prof. Kaldor, who was in New Delhi recently on an advisory mission, has put forward a number of suggestions for improving the effectiveness of the integrated system of taxation now in vogue in this country. The implementation of these suggestions would constitute a major reform. It is doubtful whether the Government is ready for such a reform, but it would not be a bad thing for genuine investors and honest taxpayers if Kaldor's integrated scheme were taken as a whole and the existing system scrapped.

The Railway budget presented to Parliament yesterday leaves the freights and fares unchanged. The Bombay State budget published today also contains no fresh imposts. The widely held fear that the Bombay Government would introduce agricultural income-tax has not materialised, with the result that scrips of Deccan Sugar companies, which had remained depressed on that score, have staged a smart recovery. With Bombay, four major States have now presented their budgets and none of them has imposed any new taxation. This fact, together with the *status quo* in railway freights and fares, has strengthened the hope that the Centre, too, will spare the people from additional taxation. There are, however, some who are inclined to feel that these are precisely the reasons why the Centre will not do so. The end of this month, now only 10 days ahead, will show which of these two surmises turns out to be correct.

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Bankers in this country will be interested to know that the virtual end of the control on capital issues in Britain has opened the way for the banks in that country to go ahead with their programmes for raising fresh capital. The Midland Bank, the application of which to make a rights issue of £4 million—2,019,464 shares of £1 each at 40s. per share—had been rejected by the Capital Issues Committee last year, has now decided to proceed with the issue. The Directors of Lloyds Bank are also considering a proposal to make further issue of capital. The proposal will be finalised in the course of the next two or three months. If it were decided to raise more capital, it would be in the form of a rights issue and the price will be related to the market price of the shares. The amount to be raised will be "reasonable and appropriate," having regard to the existing capital.

The Midland Bank's new issue will be made in the ratio of one share for every eight held as on 5th January last. The new scrip offer will be made along with the proposed one-for-three free scrip issue which has already been announced, but the entitlement will be on the number of shares held before the bonus issue. After the issue of bonus and rights shares, the Bank's paid-up capital will stand raised from £16.16 million to £23.56 million. The published reserves, from which the bonus issue will be made, will be replenished by a corresponding transfer from inner reserve.

In addition to the issue of new shares to the shareholders, the Directors of the Midland Bank have also decided to issue 600,000 shares of £1 each, at a price to be determined by the Board, to the members of the staff who have put in five years of service and more. The minimum number of shares to be offered per member is 10 and the maximum 75. This offer to the staff will apparently be at a concessional rate and is in keeping with the policy of British company managements to induce their workers, too, to be shareholders.

The Midland Bank's object in raising its capital is to strengthen the ratio of its paid-up capital and reserves to deposits. There has generally been a decline in this ratio of all banks from 5—6 per cent. before the war to 2—3½ per cent. and the Midland Bank's ratio has been the lowest among the "Big Five." The Bank's Directors have already indicated their intention to recommend a dividend of 15 per cent. for the current year. The market value of the Bank's shares at the time of the announcement stood at 91s. 6d. which was equivalent to 66s. 3d. *ex*-rights, at which rate and on the basis of the proposed dividend of 15 per cent., the yield works out to 4.5 per cent., which is slightly higher than the yields on the shares of the rest of the "Big Five." This is not surprising, as the other banks also are expected to raise their capital sooner or later.

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The distinction of being the first public agency, either national or international, to arrange credit for large-scale economic development throughout the world goes to the Export-Import Bank of Washington. It is, therefore, the oldest institution of its kind and has just completed (on this day last week) 25 years of its useful operations. In general, the Bank extends credits and guarantees credits extended by private banking organisations for overseas purchases of U.S. produced goods. Founded in 1934 with a capital of $11 million, the Bank is now authorised to have outstanding, at any one time, loans and guarantees to the tune of $7,000 million. It was established with the object of (1) providing finance and facilitating exports and imports and exchange of commodities between the U.S. and other countries; (2) supplementing and encouraging and not competing with private capital; and (3) making loans that will, in the judgment of the Directors, offer reasonable assurance of repayment.

True to these basic concepts, the U.S. Export-Import Bank has, throughout the 25 years of its operation, maintained a flexible lending policy designed to meet changing conditions in the world trade and has extended credits to nations in every region of the free world. It made its first credit for economic development abroad in the late 1930's. Since then, its field of activity has extended to countries in Africa, Asia, Europe, latin America and Oceania, where it has assisted the development of such wide variety of industries and public works as steel mills, iron, copper, nitrate, manganese and uranium mining, electric power installations, cement mills, fertiliser plants, large-scale irrigation projects, highways, ports and other public works. The fact that most of the various programmes of development have followed, in general, the path pioneered originally by the Export-Import Bank bears testimony to the creditors' faith in the soundness of the Bank's advice.

Besides providing credit for overseas buyers of U.S. goods or guaranteeing such credits granted by private banks, the U.S. Export-Import Bank has also been actively encouraging new private investments abroad. Since 1952, the earliest year for which complete statistics are available, credits by the Bank have resulted in concurrent loans and participations and equity investments by U.S. private interests aggregating over $880 million without guarantee from the Bank. An idea of the magnitude of the Bank's operations since 1934 is provided by the following data:

1. Its total authorisations exceed $10,000 million covering about 1,600 individual credits.

2. It has disbursed over $6,600 million and an additional $1,600 million is committed for disbursement.

3. Repayments of credits aggregate $3,300 million.

4. It has written off losses amounting to $2.9 million.

5. It has encouraged more than $1,000 million in private investment abroad.

The success of the U.S. Export-Import Bank has prompted many other countries to enter the field of financing exports and imports by establishing a similar institution. Japan, for instance, has an export-import bank on the U.S. model. In the U.K., though there is no separate institution, the Export Credit Guarantee Department of the Board of Trade serves a similar purpose. The E.C.G.D. is now becoming more than an organisation intended to provide only an insurance cover to British exporters against default by importers in foreign countries. The £28.5 million credit granted by Britain to this country, for instance, is under Section 3 of the Export Guarantee Act, 1949. There is also a growing tendency in the U.K. for earmarking parts of its credits to other countries to cover purchases of British goods. A portion of the aforesaid loan to India, for instance, is to be utilised for buying textile machinery. In West Germany, too, there is no export-import bank, but there are two other institutions, namely, Export Credit A.G. and the Credit Association for Reconstruction, through which medium and long-term credits are being granted to finance the country's exports.

There is a move in Canada to establish an export credit institution. A petition has been made to the Canadian Parliament by a group of manufacturers and exporters for the incorporation of a publicly financed company. The company, which will be known as the Export Finance Corporation of Canada, will have an authorised capital of $50 million and will enter all aspects of export-import financing, including financing of long-term export credits. It is envisaged that the Corporation could lend up to ten times its outstanding capital stocks, with funds required to be obtained from temporary bank borrowings and sale of secured notes, debentures or shares of the Corporation to an investing institution and the public.

Among the Communist countries, Russia and China are offering direct long-term credits at attractively low rates of interest. Indeed, China is said to have offered last year seven-year deferred payment facilities to importers of even consumer goods such as cotton textiles.

What about India? The question is not irrelevant, for this country is finding it necessary to develop its exports. Increasing stress is being laid on exports of manufactured goods, especially those of engineering industry. We have only an insurance corporation to cover the risks of exporters. But this by itself is not sufficient. Exporters of engineering goods, in particular, have been pleading for special arrangements for providing credit facilities. In view of its urgent need for foreign exchange, India, of course, cannot now afford to offer any sizable credits to finance its exports. Nevertheless, a beginning has to be made in this direction. How else could our manufacturers compete for markets in the world? This reminds us of the suggestion made by Mr. K. K. Birla in his speech at the last annual meeting of the Textile Machinery Corporation Ltd. Mr. Birla suggested that the Reserve Bank Act should be amended, so that it could rediscount through member-banks export bills of longer usance than three months. It would be interesting to know as to what the authorities have done about this suggestion.

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As the current agreement on air fares expires on 31st March 1959, world airlines are faced with the task of drawing up a new schedule of air fares for the year beginning 1st April next. This problem, which in normal course should not present any special difficulties, has been rendered intractable by the advent of the jet age. Since both jet aircraft and the older and slower piston and turbo-prop-engined planes will be operated side by side in 1959, the question of devising a differential fare scheme has become a live issue. Airlines which are not operating jets insist on differential fares or a surcharge on every jet ticket sold, while those having big jet airliners are strongly opposed to what they call a penalty for being ahead of others.

The rate-fixing machinery of the International Air Transport Association (I.A.T.A.) failed twice during the last six months to evolve a compromise solution. The adamant attitude of the contending parties was responsible for the breakdown of the fare talks in Cannes last autumn. At the Conference of the I.A.T.A. held at New Delhi last October, no solution could be found, as the representatives of the various airlines were evenly divided on the issue. Fare talks scheduled to be held in January this year were postponed.

Representatives of world airlines are again meeting in Paris this week to resume their discussions under the chairmanship of Mr. Philip Lawton, Commercial Director of British European Airways. Over 80 airlines, all members of I.A.T.A., are participating in this conference. There is reason to believe that the issue will be settled this time, especially as there is not much time for deferring it further. It is true that neither of the opposing groups has substantially modified its stand to make a solution easy, but the very fear that, if they fail again, an open rate war could emerge from 1st April may prompt them to arrive at some compromise.

The fear of airlines not operating jet aircraft is that these bigger, faster and more comfortable aircrafts will attract traffic away from the conventional planes. They, therefore, plead for a differential fare scheme which will make jet travel a little more costly. Three methods are suggested for this purpose. They are: (1) to raise jet fares and leave others unchanged; (2) to leave jet fares unchanged but lower the others; (3) to levy a direct surcharge on every jet ticket sold.

The proponents of differential rates, which include the British European Airways, Trans World Airlines of the U.S. and Alitalia of Italy, recognise that any such scheme should only be temporary, as they too are going to switch over to jets in due course. But they insist that, for the interim period, there should be differential rates. The B.O.A.C. and Pan American Airways, which have been the first to introduce jets in their fleet, are strongly opposed to this suggestion. They argue that it will amount to penalising the airlines that are ahead of others in giving quicker and more efficient service. Jet service, they point out, is only a logical step in improving world air transport.

Fixation of cargo rates, too, is said to present another difficult problem. Seaboard and Western Airlines, the only North Atlantic scheduled all-cargo airline, will, it is learned, urge for a 10 per cent. cut in cargo rates.

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The cut of upto 10 per cent. in crude oil prices, announced by British Petroleum on the 12th inst., reflects the downward trend of the world crude oil market which had of late been under pressure of plentiful supplies. The reduction is said to have been effected to make B.P.'s crude oil competitive with that of the U.S. and Venezuela. Early this year, almost all the main oil companies operating in Western Texas, whose crude oil is comparable to the Middle East oil, reduced their crude oil prices, the reduction ranging from 7 cents a barrel for 40° gravity to 27 cents for 20° gravity. It was only a few days ago, on the 6th inst. to be precise, that almost the whole range of Venezuelan light to medium heavy crude oil prices were cut to the tune of 15 cents a barrel for light crudes, 10 cents for medium and 5 cents for the medium heavy. Naturally some reduction in Middle East prices was, therefore, anticipated. But the cut, which ranges from just over seven per cent. in the East Mediterranean to 10 per cent. in the Persian Gulf, is more than the optimistic expectations. B.P. crude oil prices are now as low as

(*Continued on page* 299)

EQUITIES RECOVER AFTER SHAKE OUT

SUGAR SHARES SPURT

(From Our Own Correspondents)

BOMBAY, *19th February*

THE share market staged a recovery in the new account which opened on Monday last, after a heavy shake out on the last day of the previous settlement. The pronounced weakness on Friday last was attributed to heavy liquidation on end-of-account considerations, and also reflected the operators' anxiety to keep their commitments as light as possible. This sudden change in their attitude was somewhat unexpected, for till then they were inclined to take the view that there might not be any new jitters in the Central Budget. The setback in the commodity markets, following the series of official measures to arrest the boom in prices, also affected sentiment.

The new account, however, opened on a somewhat bright note and there was a recovery in prices on replacement buying attracted by the low levels. The improvement was sustained during the rest of the week. The absence of any fresh taxation in the State Budgets presented so far and of any increase in the rail fares and freight rates in the Railway Budget presented yesterday would appear to have encouraged the operators to expect that the General Budget would be equally helpful. As a result of the recovery in prices which followed, the earlier losses were nearly made good in some cases; in others there were small gains over the week.

In the steel section, Tata Ordinaries fell on Friday last from Rs. 174.25 to Rs. 170.50. After a recovery on Monday this week to Rs. 172.25 the shares shaded off to Rs. 171.25 for a short while, but gained fresh ground to touch Rs. 174 today. The closing was done at Rs. 173.75. The new shares shed on balance 50 nP. to Rs. 170.75. After an earlier dip from Rs. 26.10 to Rs. 25.60, Indian Irons crept up to Rs. 26.15 and closed at Rs. 26.10.

In the textile section, Bombay Dyeings came down from Rs. 56.90 to Rs. 56.10 early in the week, but staged a rally to Rs. 57.10 at the close today. Centurys moved a bit erratically between Rs. 429.50 and Rs. 437.50 before closing at the latter level. Kohinoors lost over the week Rs. 2.50 to Rs. 235. Central Indias were lower by Re. 1.50 at Rs. 83, while Finlays gained Rs. 3 to Rs. 262. Gokaks lost Rs. 3 to Rs. 131 and Indu Ordinaries 4 nP to Rs. 8.80. Models were done Rs. 8.75 lower at Rs. 153.75 and Morarjees Rs. 2 down at Rs. 231.50. Mysore Spinnings were unchanged at Rs. 79, while New Greats gave way from Rs. 213.50 to Rs. 209. Simplex were unchanged on balance at Rs. 168 and Shree Niwas were a shade better at Rs. 139.50. Standards advanced by Rs. 4 to Rs. 420, while Svadeshis were marked down by Rs. 3.25 to Rs. 204.75. Tatas were unchanged at Rs. 34.

Bank shares were generally steady, but Barodas provided one of the exceptions with a decline of Rs. 2.50 to Rs. 119.50. Central Banks gained 30 nP to Rs. 59.30 and Bank of Indias 50 nP to Rs. 141. Bank of Bikaners were done Re. 1 higher at Rs. 26, as also Dena Banks at Rs. 52. Jaipur Banks, too, were picked Re. 1 higher at Rs. 45. State Banks were quiet at Rs. 381.25. Union Banks were maintained at Rs. 7.72.

In the insurance group, business was very much restricted. New Indias were put through Rs. 2.40 lower at Rs. 50.50 and their new shares Re. 1.30 down at Rs. 51.70.

Among electricity shares, Ahmedabad Electrics changed hands at Rs. 96.50, as against Rs. 95.40 a week ago. Bombay Suburbans were done at Rs. 108 *ex-div.*, as against Rs. 110 *cum-div.* Surat Electrics gained 75 nP to Rs. 114.50 and Tata Hydros Re. 1 to Rs. 120.50. Tata Powers moved up by Rs. 5 to Rs. 1,202.50 and Andhra Valleys by a like amount to Rs. 1,177.50.

Sugar shares of the Deccan group provided a feature today with a sudden spurt, on news that there was no imposition of agricultural income-tax in the Bombay Budget. Belapurs dipped earlier in the week from Rs. 265 to Rs. 260 before improving to Rs. 265.50 yesterday. Today, there was a further sudden rise to Rs. 272 at the close. Phaltans too staged a sharp rise of Rs. 8 to Rs. 148 and Walchandnagars moved up by Rs. 9 to Rs. 275. Hindustan Sugars were placed at Rs. 230 *ex-div.*, which on a *cum-div.* basis showed a rise of Rs. 7.50. Maharashtra Sugars picked up Rs. 3.25 to Rs. 178.25. In the cement group, Associated Cements were dull at Rs. 147 *ex-div.*, as against Rs. 155 *cum-div.* (div. Rs. 8.50). Digvijays shed a rupee to Rs. 129.50 Orissas were a shade quiet at Rs. 13, while Ashoka Cements looked up by 20 nP to Rs. 8.24.

Among engineerings and minings, Alcocks maintained their downward trend with a further fall of Rs. 5 to Rs. 257. Tata Locomotives hardened by Rs. 3.25 to Rs. 164.50, while Premier Constructions were marked down by Rs. 4.25 to Rs. 226.25. Larsen and Toubros were unchanged at Rs. 17.24 while Mahindras shed 16 nP to Rs. 18.08. Texmacos were steady at Rs. 21.03. Shivrajpurs were dull at Rs. 88.50 and Indian Coppers at Rs. 3.56.

Scindias were marked down from Rs. 21.32 to Rs. 20.76 on selling pressure induced by the none too encouraging picture of the outlook for the current year drawn by the Chairman at the annual general meeting held yesterday. Great Eastern were quiet at Rs. 23.72. Bharat Lines declined by 52 nP to Rs. 11.60. Premier Automobiles improved by Re. 1.50 to Rs. 88, while Hindustan Motors were quiet at Rs. 7.44.

In the miscellaneous industrial group, Bombay Burmahs (old) moved erratically between Rs. 467 and Rs. 462 before closing at Rs. 466. National Rayons declined from Rs. 243.25 to Rs. 238 before gaining ground to Rs. 242. Tata Chemicals were steady at Rs. 15.40, while Dhrangadhra Chemicals lost Re. 1.80 to Rs. 87.20. Hindustan Levers gained 25 nP to Rs. 28, following the increase of 10 nP to Re. 1.50 in the dividend for the year 1958. Tata Oils were lower by 50 nP at Rs. 44.75. Indian Dyestuffs hardened further by Rs. 6 to Rs. 193. Ceats were done at Rs. 85.50. Killick Industries shed Rs. 3.50 to Rs. 156.50 and Wimcos Re. 1.50 to Rs. 186.

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Calcutta Stock Exchange

CALCUTTA, *18th February*

The Calcutta Stock Exchange developed the traditional pre-budget caution during the week under review, and, with a fall in the number of transactions in all sections, trading was lethargic. There was a wave of nervous selling by the weak holders, but at the same time, since the present levels were considered attractive, buyers were readily located for the more popular scrips on offer. The absence of any new taxation measure in the West Bengal Budget pleased operators, who were looking forward to a similar pleasant surprise in the Central Budget on 28th inst. This anticipation followed reports that Prof. Kaldor, the taxation adviser, had recommended a limit, lower than the present, on the combined rate of income and super tax on personal incomes. The extreme among the optimists were prepared to bank their hopes on abolition of the taxes on bonus shares and dividend and some sort of intelligent reorientation of the wealth tax on companies. These were all anticipations, and few in the market were prepared to enter into long-term commitments hoping that these expectations, at least some of them, would materialise. That explained the week's dullness, and conditions can not ordinarily be expected to improve until the Budget is presented. Sectionwise, jutes jerked and shaded, as it was feared that the large stocks of heavy goods would continue to be a strain to mills for some time to come. Coals cooled down to lower levels on profit-taking, and Government's decision on the recommendations of the Price Revision Committee was awaited. Engineerings encountered limited support, in view of the general dullness, while teas toned up to steadiness on selective support. Miscellaneous industrials moved around firm levels on good corporate news, such as the inauguration of Dunlop's second factory and Indian Aluminium's new smelter.

In jutes, Kamarhattis were pulled down to Rs. 155 from Rs. 163, while New Centrals were unchanged at Rs. 13.37. At Rs. 26, Nationals suffered a fractional decline and Unions changed hands at Rs. 214, as against Rs. 217.50 previously. Megnas, on continued offers, gave way to Rs. 13.94 from Rs. 14.50.

Burrakurs, among coals, were a feature with a rise to Rs. 17.87 from Rs. 17.50, but fell to close at Rs. 17.44. Amalgamateds sagged to Rs. 21.69 from Rs. 22.75. East Indias recovered to Rs. 24.06 from Rs. 23.69, while Bengals, after being higher at Rs. 284 from Rs. 282, closed at Rs. 283. Pench Valleys after being lower at Rs. 23.94 against Rs. 24.25 previously, recorded a partial recovery to close at Rs. 24. Dhemo Mains were unchanged but quiet at Rs. 9.25.

In the mining group, Indian Coppers at Rs. 3.51 were lower by 5 nP before recovering to Rs. 3.54. From Re. 1.71, Burma Mines moved down to Re. 1.65.

Engineerings were lower on fewer buyers. Indian Irons opened at Rs. 26.10 to recede to Rs. 25.80. Texmacos were at one time as low as Rs. 20.65, but recovered to close 10 nP lower on balance for the week. Burn & Cos. were about steady at Rs. 365 as were Guest Keens at Rs. 37.50, while Kumardhubis at Rs. 8.75 were fractionally lower.

Among miscellaneous industrials, Orient Papers met with support at Rs. 31.65, but closed at Rs. 31.25. India Steamships were steadier at Rs. 14.19. At Rs. 31, Metal Boxes, though unchanged, were fully firm. At Rs. 24.31, Indian Oxygens touched a new high, but closed lower at Rs. 23.81. National Cables sagged to Rs. 30.06 from Rs. 30.25. Indian Aluminiums at Rs. 17 were fractionally higher. At Rs. 18.37, Alkali and Chemicals added 12 nP.

But for the general dullness, teas would have accounted for a greater number of features. Brooke Bonds were unchanged, but firm at Rs. 16.75, while Hasimaras improved to Rs. 21.75 from Rs. 21.31. At Rs. 104, New Cinnatoolians hardened by Rs. 4 and Jayshrees were better at Rs. 12.25. Dibrugarhs advanced to Rs. 27.62 from Rs. 27.

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Madras Stock Exchange

MADRAS, *17th February*

Steady conditions prevailed on the Madras Stock Exchange during the week under review also. Rubber shares attracted good attention of operators, thanks to renewed rumours of an upward revision in raw rubber prices. Tea shares met with enlarged buying inquiries induced by persistent firmness of tea prices. Coffee shares ruled dull, thanks to uncertain outlook for the industry. Activity in the textile section was restricted, buyers' attention being focussed on a few selected counters. Operators were not inclined to enter into fresh commitments either way in the absence of a clear picture regarding trend of domestic consumption and export business. Electrics, banks, and miscellaneous industrials were generally well maintained.

Under the impetus of expectations regarding rise in rubber prices, Anandams registered a handsome rise of 73 nP to Rs. 15.50. Vaikundams were bid 50 nP higher at Rs. 23.50. Midlands climbed up by 35 nP to Rs. 11.75 and Mercaras by 30 nP to Rs. 8. Teekoys strengthened by 25 nP to Rs. 7.10. Kalpettas were done at Rs. 12, as against Rs. 11.70 last week. Kailas gathered 10 nP to Rs. 4.85.

Among tea shares, Halleyburias hardened by 40 nP to Rs. 17. Kalasas picked up 20 nP to Rs. 3.55. Parksides put on 30 nP to Rs. 19.50. Twyfords met with excellent buying support and forged ahead by 62 nP to Rs. 16.12. United Nilgiris firmed up by 45 nP to Rs. 17.25 *cum-div.*

Among coffee shares Coffee Lands encountered selling and receded by 12 nP to Rs. 21.50. Consolidated Coffees declined by 10 nP to Rs. 19.70. Kadurs were dull at Rs. 2.95, as also Mysore Coffees at Rs. 3.65 and Rajendras at Rs. 12.40. Kumergodes, however, evoked special inquiries and moved up by 15 nP to Rs. 5.65 cum-div.

In the textile section, Coimbatore Pioneers picked up Rs. 3 to Rs. 266. Rajalakshmis improved by Rs. 2 to Rs. 64. Bangalore Woollens advanced by a rupee to Rs. 161. Cambodias increased by 85 nP to Rs. 8.50, Balasubramaniams by 50 nP to Rs. 51, Adonis by 40 nP to Rs. 7.70, and Venkateses by 25 nP to Rs. 116.25. Dhanalakshmis were bid at Rs. 172 *cum-div.*, as against Rs. 170 last week. Ranga Vilas, however, were subjected to selling and dropped Re. 1 to Rs. 48. Kotharis eased by 38 nP to Rs. 9.12, Loyals by 30 nP to Rs. 24.50. Maduras lost 25 nP to Rs. 25, reflecting the disappointment of operators over the Directors' decision to pass over dividend for the year ended December 1958. It may be recalled here that, for the previous year, the dividend of 15 per cent. had been given.

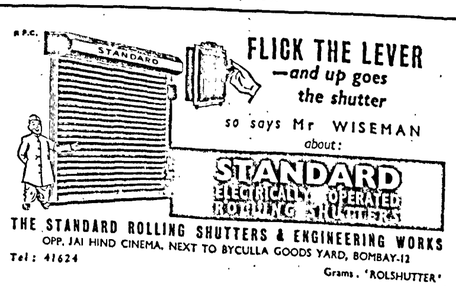
A rise of Rs. 5 to Rs. 285 in the quotation for United Breweries characterised the trading in the sugar section this week. Andhra Sugars came in for business Re. 1.50 higher at Rs. 20. Deccans were fully maintained at Rs. 9.70, Indias at Rs. 12.15, Jeypores at Rs. 15, K.C.Ps at Rs. 120 and Mysores at Rs. 43.25. Kirlampudis, on the other hand, moved down owing to lack of support from Rs. 45 to Rs. 42.50.

Among miscellaneous industrials, Textools provided a bright spot; today's quotation stood at Rs. 164.50, as against Rs. 162 last week-end. Standard Motors rallied 15 nP to Rs. 11.25. Vanguard Fires spurted by 50 nP to Rs. 6.75 and United India Fires by 10 nP to Rs. 7.85. Ashok Leylands gathered 8 nP to Rs. 6.18. Bruntons, Dalmia Cements and India Cements gained 5 nP each to Rs. 4.70, Rs. 9.75 and Rs. 5.30, respectively.

HINDUSTAN LEVER DOES WELL

The Directors of Hindustan Lever Limited have recommended a dividend of Re. 1.50 per share, free of income-tax, for the year ended 31st December 1958, as against Re. 1.40 per share.

The Company has done exceedingly well during the year. The net profit for the year is Rs. 1.29 crore after providing Rs. 1.78 crore for taxation at current rates, as against Rs. 1.00 crore, after providing Rs. 1.23 crore for taxation, earned in 1957.



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NEWS IN BRIEF

THE first co-operative sugar factory in U.P. was inaugurated by the Prime Minister, Mr. Jawaharlal Nehru, at Bazpur, in Nainital district on the 16th inst.

The final round of negotiations between India and the U.S. on the question of relief from double taxation is expected to be commenced next month.

The annual general meeting of members of the Indian Jute Mills Association will be held at the Royal Exchange, Calcutta, on Friday, 20th March 1959.

The next meetings of the Import Advisory Council and the Export Promotion Advisory Council will be held at New Delhi on 1st and 2nd March 1959, respectively.

The Madras Legislative Assembly has passed the 61-clause Bill, with three schedules, embodying a new sales tax structure for the State. The Bill is expected to come into force from 1st April 1959.

The Chief Industrial Adviser to the Government of India, Dr. Nagaraja Rao, is now on his way to Bonn to discuss plans for the establishment of a chemical plant with W. German aid. The final contract for the new plant is expected to be signed shortly either in New Delhi or in Bonn.

The first oil refinery in the public sector will be located in the Gauhati-Amingaon area in Assam. The location has been decided in accordance with the recommendations made by a special committee assisted by the Rumanian experts. The refinery is expected to go on stream by 1961.

The second oil refinery in the public sector to be located at Barauni in North Bihar with Soviet technical and financial assistance is estimated to cost Rs. 40 crores. The refinery will have a capacity of about 1.75 million to 2.00 million tons.

For the guidance of industrialists in India, the Railway Equipment Committee has published a pamphlet containing rough estimates of the future requirements of imported railway equipment and important indigenous railway stores in short supply. The pamphlet, priced at Rs. 2, is the revised edition of a similar pamphlet published in 1955.

The Union Government has appointed a special officer, Mr. S. D. Khungar, a retired General Manager, Bhakra-Nangal Project, to assess the extent of the surplus capital machinery and spare parts available with the irrigation and power projects as well as to suggest how best the surplus machinery could be transferred to other Plan projects.

The Forward Markets Commission has decided to publish a monthly journal, entitled the *Forward Markets Bulletin*, from next month onwards. The bulletin will be concerned with the regulation and working of the forward markets set up under the Forward Contracts (Regulation) Act, 1952, and contain valuable data on the trend of markets coming within its sphere.

A group of coal experts, consisting of officials and non-officials, is proceeding shortly to the U.S.S.R., in order to ascertain the possibility of manufacturing coal-mining machinery in India with the help of Russian experts. The equipments proposed to be produced indigenously include coal-cutters, electric drills, loading machinery, scraper chain conveyors, shuttle cars and pumps, all of which are being imported at present.

The managements of 17 textile mills in central Gujerat have given notice of prospective cuts in the dearness allowances of their workers. It is understood that accumulation of stocks is the principal reason for the cut. The I.N.T.U.C. representatives, while condeming that the glut of stocks posed an acute problem, said that they were negotiating with the managements to revoke the notices, failing which they would take the issue to an industrial court.

The Government of India has under consideration twelve proposals for the manufacture of watches in India. The proposals have been put forward by manufacturers not only in Switzerland but also in Germany, Japan and the U.K. The Swiss manufacturers have offered to grant 20 scholarships to Indian students for training in the manufacture of watches and to assist in the setting up of an institute in India to train 250 students every year.

Several animal husbandry and horticulture schemes are proposed to be implemented in the 30,000-acre mechanised farm of the Central Government at Suratgarh, Rajasthan. These schemes have already been approved by the Planning Commission, and will be taken up on a pilot level initially which will be developed into large-scale programmes during the third Plan. It is also proposed to set up a model agronomic centre and a meteorological observatory in the farm.

The International Training Centre in Fisheries Statistics was inaugurated on the 13th inst. at Bombay by Mr. S. G. Kazi, the State's Minister for Civil Supplies and Fisheries. It is organised jointly by the U.N. Food and Agriculture Organisation and the Government of India in co-operation with the Indo-Pacific Fisheries Council and the Governments of this region. The centre will impart training to about 25 participants from various countries of the Indo-Pacific region on the latest developments in the application of modern fisheries statistical techniques in advanced countries. The programme will last for eleven weeks.

The value of chemical and pharmaceutical machinery produced in India during 1958 was of the order of Rs. 54 lakhs. The items manufactured include crystallisers, pressure vessels, heat exchangers, water treatment plants, deodorisers and evaporators. During 1957, machinery of this type worth Rs. 2.82 crores was imported. There are schemes at present to enhance substantially the capacity of production of some of the machinery, especially pressure vessels and distillation equipment. When these schemes are put into action, the total production capacity of the industry in terms of value is expected to rise to Rs. 3.5 crores per annum.

The Integral Coach Factory at Perambur, Madras, which has so far been producing third class coaches only, has begun the production of third class-*cum*-luggage vans. The Factory will also produce postal vans and first class coaches. The first third class-*cum*-luggage van has already been produced. The design of first class coaches is in hand, and it is expected that the Factory will embark on construction of this type also during the current Plan period. It is proposed that the Factory should also undertake the construction of prototype all-welded bogie wagons. The Factory has so far turned out over 700 coaches, and the present production averages more than one coach every six working hours.

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From Abroad

U.S. exports, including military shipments, in 1958 aggregated $17,857.9 million, 14 per cent. lower than the all-time record of $20,850.3 million in 1957.

*The Argentine Railways have given a $60-mil*lion contract for the supply of 280 diesel electric locomotives to an Italian Consortium established for the purpose.

The number of unemployed in the U.K. rose between mid-December and mid-January by 88,000 to 620,000, which represents about 2.8 per cent. of the total working population.

The British Petroleum Company has reduced by 10 per cent. its crude oil prices in the Middle East. The cut affects Persian Gulf exports from Kuwait, Iraq, Iran and Qatar and East Mediterranean exports from Iraq.

The total British exports to W. Germany amounted to £116 million in 1958, or 20 per cent. more than in 1957—a new post-war record. The increase was achieved, despite the fall of 2 per cent. in the value of W. Germany's total imports.

Two big Japanese firms, offshoots of the pre-war *Mitsui Zaibatsu*, have merged into a new unit, called the *Mitsui Bushan Kaisha*, which is claimed to be the largest trading concern in the world. The annual business turnover of the combined unit is expected to be of the order of £500 million.

The United States Development Loan Fund proposes to grant a six-million dollar credit for harbour rehabilitation in Indonesia. The loan would be used for ports engaged in both inter-island and international trade. The interest rate and repayment terms are not likely to be announced until the loan agreement is signed.

Three shipping conferences have announced cuts in freight rates for pepper exports from Singapore to the U.S. to sixty dollars a ton. The reduction follows complaints from Singapore exporters that the exporter in India was in an advantageous position, as the rate from India had been fixed at 50 dollars a ton in two stages from 80 dollars a ton. The three shipping conferences which have announced the cuts are: Straits/New York, Straits/Pacific and British Malaya/East Canada.

Australia expects to have an exportable wheat surplus of 130 million bushels in the current year. Disclosing this, the Australian Minister for Primary Industry told the Agricultural Council recently that, with a glutted world market and strong competition from other countries, the Wheat Board would face much difficulty in disposing of its stocks in a reasonable time.

Increased highway safety is expected to result from the use of a new truck brake which reportedly enables heavy tractor-trailer trucks to stop nearly as fast as passenger cars. Designed by General Motors Corporation, the modulated brake adjusts braking at the rear wheels of the tractor proportionally to the load. The stability thus added is expected to give the driver better control of the vehicle.

PERSONAL

SIR Owain T. Jenkins, Managing Director of Messrs. Balmer Lawrie and Co., Ltd., Calcutta, has retired from India and gone to his home in the U.K.

Mr. Finn Gundelach, Head of Danish Permanent Mission to the European Office of the United Nations, has been appointed Director of the Trade Policy Division of the G.A.T.T.

Mr. H. N. Trivedi has been nominated by the Government of India as a member representing workers on the Central Wage Board for Cement Industry, *vice* the late Mr. S. P. Dave, M.P.

Mr. V. V. Dev, of the Union Ministry of Commerce and Industry, has been appointed India's Trade Commissioner for East Africa with headquarters at Mombasa.

Mr. B. K. Kaul, a former Indian Ambassador to Belgium and now working in the External Affairs Ministry, has been appointed Resident Representative of the U.N. Technical Assistance Board in Jordan.

Mr. B. B. Ghosh, Food Secretary, Government of India, left for Geneva on Monday last to attend the International Wheat Conference, currently holding its session there, as the leader of the Government delegation.

Mr. C. H. Campbell, a Director of the Finlay group of mill companies, has been elected Vice-President of the Bombay Chamber of Commerce and Industry for the year 1959-60. He will assume office after the annual general meeting scheduled to be held on 16th March 1959.

Mr. J. T. Hughes, O.B.E., who has been Counsellor (Information) in the United Kingdom High Commission and Director, British Information Services since October 1953, will leave India in April on completion of his tour of duty. He is to take charge of the Information Services Section in the Information Division of the Commonwealth Relations Office in London. Mr. Hughes' successor is Mr. D. F. Kerr, at present Director of the United Kingdom Information Office in Canada, who will arrive in India in July. Between Mr. Hughes' departure from India and Mr. Kerr's arrival, Mr. A. C. Hall, Deputy Director, will be in charge of the British Information Services.

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Authorised Capital	Rs.	6,30,00,000
Subscribed Capital	Rs.	5,76,66,125
Paid-up Capital	Rs.	3,14,54,250
Reserve Fund and other Reserves	Rs.	4,04,68,516
Deposits as at 31-12-1958	Rs.	1,62,32,43,651

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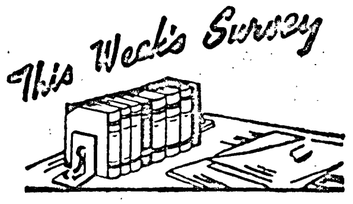


ECONOMIC POLICY

IN his presidential address to the Indian Merchants Chamber this week, Mr. G. P. Kapadia raised quite a few issues of major public interest. Addressing the Chamber's annual meeting, Mr. Kapadia covered wide ground, referring, in the course of his speech, to planning, trade and industrial problems and the role of the public and private sectors. He averred that the time had come for each sector of the community to make a "balanced and rational" approach to the country's problems. He insisted that "it will be necessary to give the fullest scope to private enterprise, which can produce the maximum at the lowest cost under the most trying and competitive conditions." There is no doubt that, given the encouragement which it fully deserves by reason of its past performance and future possibilities, private enterprise can make a most effective contribution to the country's economic development.

A point to which Mr. Kapadia rightly drew pointed attention is the progress the country made in the early years of the post-war period and the slackness in the pace of progress in more recent years. It is true that considerable progress has been made in the establishment of new industries. But one cannot fail to notice the lack of the same enthusiasm that one saw among many of those who are engaged in the country's economic activities, from 1945 to 1948, and, again, from 1953 to 1956. Much of what has been accomplished in the past decade is the result of plans and projects drawn up by the private sector during these periods. The relatively low degree of enthusiasm prevailing at present may be traced partly to the stresses and strains of a developing economy which create alternate moods of elation and depression. But, essentially it is due to the imposition of heavy burdens on the private sector and the distrust with which it is often treated.

The vague, undefined phrase, "socialistic pattern of society," guides the economic policy in the country. It sets a limit to what could and should be done and diverts the energy of the authorities and the resources of the nation to several channels for handling which the Government is unfit. As Mr. Kapadia pointed out, "if rigidity inspired by a doctrinaire approach were to obtain in our country, the wheels of progress would be completely tied up and a predetermined fixed pattern would result in fundamentally affecting the very idea of a democratic process." Although Mr. Kapadia was not averse to attempts being made to reduce inequalities in income and wealth, he rightly insisted that they should be made without impairing productive resources. The Government's present economic and taxation policy, however, is not calculated to conserve and develop such resources. Actually, it inhibits their growth. In this connection, it is difficult not to agree with Mr. Kapadia's assessment of the effect of the tax system on the economy. He said that the "cumulative impact of the tax structure in the country on savings and capital formation with reference to its efforts on industry and commerce indicate that the recent increases in the rates of taxes on income, personal and corporate, and additional levies such as taxes on bonus issues, capital gains, taxes on registered firms and increase in the penal taxation of Section 23A companies have acted, beyond doubt, as deterrent to savings in the private sector and, therefore, of capital formation." It is necessary, as Mr. Kapadia himself pointed out, to see that the capacity of private enterprise is not crippled by draining away the resources available for expansion and development through heavy taxation.

Making a strong plea for a revision of the Government's attitude to trade and industry, Mr. Kapadia stated that the recent unsatisfactory trends in the industrial sector emphasised the need for more realistic re-appraisal of the entire approach to economic policy. In particular, he urged the need for an objective evaluation of the Industries (Development and Regulation) Act. He said it was necessary to examine whether the actual working of the Act had helped or hindered the larger objectives of industrial policy. As regards resources for development, he averred that, irrespective of "whether it is a capitalist or socialist economy, the principle of accumulation must operate in the same manner, so that the surplus of receipts over costs results in maximisation of returns so as to assist the principle of capital formation." And yet, as is well known, whereas there is no compelling urgency for public enterprises to keep down their production costs, the private undertakings, if they must exist under competitive conditions, have to maintain a continuous watch over production costs and selling prices and also make sufficient profit for purposes of capital formation. High taxation weakens the ability of these enterprises to generate or attract capital. Mr. Kapadia deplored that while profits are justified in the case of the public sector, the same in the private sector are sought to be controlled. The logic of the situation demands, as Mr. Kapadia pointed out, that conditions should be created for the "maximum development and for the fullest productivity." Clearly, this involves the abandonment by the Government of its doctrinaire economic policies.

The fact is the Government seldom likes to be told that its policies are not calculated to advance the country's economic interests. While it is no doubt appreciative of some constructive criticism, it is unwilling to budge on major policy issues. Nor does it favour the emergence of an opposition with predominantly rightist sympathies. Addressing the Chamber's annual meeting, the Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, averred that "any kind of centrist or conservative party or group will not cut much ice, as they will never get the requisite public following." Perhaps, he is right, considering how long leftist parties, in which the Congress must be included, have held the field and acquired considerable political prestige. But it is nothing short of intellectual cowardice on the part of rightist elements to go down without making a sincere attempt at convincing the public that they too have a role to play in the country's development. Mr. Shastri's assurance that the Government is "eager" to do all it can to help the private sector to play its "rightful role in the future" will no doubt be widely appreciated. But it is time the authorities matched their words with deeds.

Again, a somewhat strange attitude on the part of the ruling party is that, whereas it is intolerant of even the mildest expression of well-reasoned rightist criticism, it is all solicitude for political parties which not only oppose it tooth and nail but, unlike rightist elements, are pledged to the eventual overthrow of political, social and economic order. Sanity and reason are frowned upon, but the creed of violence and strife is silently endured, if not directly encouraged. Is this not a serious misconception of what constitutes public interest? Have not rightist elements reason for entertaining feelings of righteous indignation at the ruling party's attitude towards them? In any case, the provision of facilities for public expression of divergent views and the recognition of the right to cause political conversion through peaceful, persuasive methods are the essence of democratic life.

FAMILY PLANNING

The population problem in India has become so formidable that the need for checking the surging tide of population growth is no longer a matter for debate. Sir Julian Huxley, the noted British scientist, was certainly not indulging in rhetoric when he warned, in the course of his address to the Sixth International Conference on Planned Parenthood at New Delhi, that failure to solve the problem would mean a political and social disaster to the country. India's population at its present rate of increase will double itself in 45 years, that is, during the lifetime of the present generation. This explosive increase, if not checked, will certainly thwart all attempts to improve the standard of living and may even render the maintenance of the present deplorably low standard extremely difficult.

The urgency of family planning as a method of controlling population growth is not in doubt and it should be given top priority in any scheme of planning for the economic well-being of the country. For, as Sir Julian rightly pointed out, even from a purely economic point of view, expenditure on population control measures would be one of the most profitable forms of investment for India.

It is heartening to note that the Government is fully aware of the urgency of the problem. In fact, the credit for being the only Government in the world having a well defined policy for population control through family planning, goes to the Government of India. The work in the field has been of a twofold character: (1) a well directed educative effort to make every man and woman in the country intensely conscious of the urgent and immediate need of measures for planned parenthood, (2) creation of facilities for advice and help in the actual practice of methods of family limitation.

It is true that a measure of success has been achieved in creating family planning consciousness among a section of the people, especially the educated sections in the urban areas, but the illiterate section in urban areas still remain ignorant of the need and the facilities available for practising family limitation. In villages, which present the crux of the problem of overpopulation, family planning consciousness has yet to take root.

Apart from Government and social service organisations, there is a lot that private employers can do in popularising the idea of family planning among their workers. Hitherto, barring a few, they have not shown much interest in the programme. Private employers would be doing a real service not only to their workers but also to the country, if they take more interest in the subject. The trade unions, too, can do a lot in this direction.

Progress in setting up family planning clinics has not been satisfactory. Speaking at the Conference, Mr. D. P. Karmarkar, Union Minister for Health, admitted that, as against a target of 2,300 clinics in the second Five-year Plan period, only 675 clinics, that is only slightly more than 25 per cent., have been set up during the first three years. To make good this deficiency, it would be desirable if, in addition to clinics devoted exclusively for providing advice and facilities for birth control, measures are taken to equip every hospital and health unit in the country with the necessary medical and surgical facilities.

The provision made in both the first and second Plans for implementing family limitation programmes is far too inadequate, considering the magnitude of the problem. It is a pity that even this meagre provision has not been utilised fully. For instance, out of the second Plan provision of Rs. 4 crores for the Centre, the anticipated Central expenditure upto March 1959 is only Rs. 79.60 lakhs; Rs. 320.40 lakhs is still available. This indicates that, although there is much talk about the need for family planning, it is not matched by vigorous efforts.

In making provision for family planning in the third Plan, the planners should bear in mind the need for what Huxley called "balancing death control by birth control." In the first and second Plans, the provision for health services, which help to reduce the death rate, is many times more than that provided for family planning. If a proportionate amount is not set apart for controlling birth rate, the net effect would be a further fillip to pace of increase in population.

PAPER TRADERS GET TOGETHER

Of late, middlemen and merchants engaged in the various branches of distributive trade have shown a tendency to form separate associations of their own, though there is no dearth of chambers of commerce. With the State Trading Corporation steadily spreading its tentacles, with imports of many essential goods restricted owing to paucity of foreign exchange and with domestic production of a large variety of goods falling short of demand, the hardships of traders and their grievances against the Government have begun to multiply. The complicated rules and regulations pertaining to Sales Tax have only served to aggravate their difficulties. It is presumably this atmosphere of uncertainty and strain that has led the different sections of distributors to get together, in order to secure a platform for voicing their special difficulties. Apparently, the existing chambers of commerce have not been found sufficient for this purpose. Indeed, even where there are regional associations representing a specific trade, the trend is to form an apex body for these associations, so that they may more effectively draw the attention of the authorities to their problems. The latest instance of this trend is the formation of the Federation of Paper Traders' Associations of India, representing the dealers in all types of paper all over the country. The first conference of this body was inaugurated on Monday this week by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry. It is said that about 20 major paper traders' associations from all parts of India, representing the interests of approximately 125,000 people dependent on the distribution trade, are represented by the Federation. It is to be hoped that the Federation, while striving to safeguard the collective interests of its members, will also pay adequate attention to the question of ensuring a fair deal to consumers. It is gratifying to find this is also one of the primary objectives of the Federation. As Mr. Shastri pointed out, in view of the present shortage and difficulties in getting paper at reasonable prices, there is ample opportunity for the Federation to serve the consumer.

Naturally, on an occasion of the aforesaid nature, the position and problems of the paper industry and trade were highlighted in the addresses of the principal speakers, Mr. Chimanlal P. Shah, Chairman of the Reception Committee, Mr. J. T. Lalvani, President of the Federation, and Mr. Lal Bahadur Shastri. The Federation also brought out an attractive souvenir containing authoritative articles on the subject, including one by Mr. Manubhai Shah, Union Minister of Industry. The present production of paper and paperboards (excluding newsprint) is estimated at 270,000 tons. This falls short of demand by no less than 60,000 tons. It is computed that demand is going up by 14 per cent. per annum. The rate of growth of demand is bound to increase in the years to come, in the face of rapid industrial development, gradual improvement in literacy and rise in population. Even the second Plan targets of 350,000 tons of production and 450,000 tons of installed capacity, therefore, seem to be very modest. According to Mr. Manubhai Shah, production is proposed to be raised by 100 per cent. during the third Plan period, that is, to 700,000 tons. Even if this ambition were realised, India's *per capita* consumption would go up from 2 lbs. at present to no more than 5 lbs., which is negligible as compared with 418 lbs. in the U.S., 200 lbs. in Sweden and 187 lbs. in the U.K. The position in regard to newsprint is this: present requirements are 80,000 tons and are expected to be 120,000 tons by 1960-61. There is only one newsprint factory, namely, the "Nepa," the production of which is 20,000 tons and prospects of any substantial increase in the near future are not bright.

The shortage of paper has led to a sharp rise in prices paid by consumers. The Government is of the view that much of the increase is due to profiteering by merchants. The paper manufacturers have indeed been complaining that the ex-mill fair prices agreed to under a "gentleman's agreement" are unremunerative and have been pressing for an increase in these prices. The Government has referred this matter to the Tariff Commission. Mr. Shastri told the paper traders that the Commission's verdict will be known in about three months.

Even if it is possible to regulate wholesale prices, it is doubtful whether the prices charged by the large network of wholesalers and retailers, spread throughout the length and breadth of the country, can be controlled effectively. In our opinion, such price control will be extremely difficult to be enforced, as paper is an article of necessity and the consumer in most places is at the mercy of retailers. This, however, does not mean that efforts should not be made to keep consumers informed of fair prices. If the industry and trade, as also printers of textbooks, note-books and stationery, make a sincere endeavour in this direction and in a manner intelligible to the public, the consumers' difficulty could be mitigated to a considerable extent. A permanent solution of the problem, of course, lies in ensuring adequate supply of paper. Supply can be raised through more domestic production and larger imports. A few new units will shortly go into production and most of the existing mills are expanding their capacity. Mr. Shastri gave a brief picture of the prospects of increase in production. According to him, a mill has been set up for manufacture of grease-proof and butter paper and it is anticipated that, very shortly, when it attains full production, it will be able to cope with the country's full requirements of this paper. Regarding tissue paper, Messrs. Tribeni Tissues, in addition to cigarette paper, will manufacture tissue paper. Another mill for the manufacture of tissue paper will come into production this year. The Government has given permission to the plans of two units for the manufacture of coloured tissue paper. Mr. Shastri further disclosed that a committee had already been set up to examine schemes for the manufacture of paper which had been held up on account of foreign exchange difficulties.

While these efforts will eventually raise the domestic production of paper, the shortage is bound to continue for some years to come. Imports of paper are restricted at present, in view of the necessity to conserve foreign exchange. The Government, however, is presently watching the situation and will probably reconsider its import policy on the basis of this observation. Nevertheless, it is unwise to depend too much on imports of paper. For, as Mr. Shastri rightly opined, even if the foreign exchange position improved, it might be desirable to import more machinery for setting up new plants, rather than import paper for direct consumption.

THREE STATE BUDGETS

The Finance Ministers of the three largest States of North and East India, namely, Uttar Pradesh, Bihar and West Bengal, have presented their budgets for the coming year, that is, 1959-60. Of the three, the Bihar budget discloses a sizable revenue surplus of Rs. 5.54 crores, while that of U.P. and W. Bengal show revenue deficits, amounting to Rs. 1.86 crore and Rs. 3.63 crores, respectively. There is one striking common feature in these budgets—absence of any new tax proposals. The U.P. Finance Minister has, in fact, announced exemption of industrial consumers from payment of electricity duty. U.P. and West Bengal propose to borrow heavily from the open market, the provisions made being Rs. 8 crores by the former and Rs. 7 crores by the latter. The daily Press version of the Bihar budget contains no indication of that State's borrowing programme.

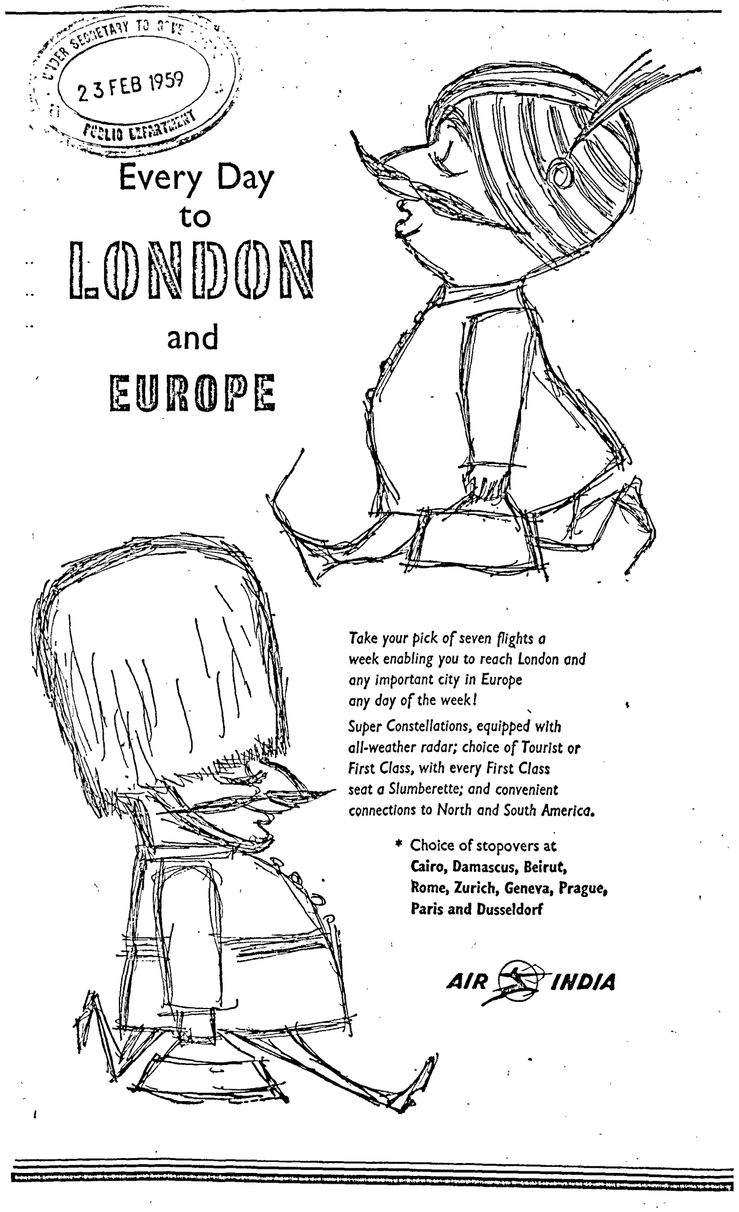
The revenue and expenditure estimates of the aforesaid Governments for 1959-60 are as follows:

(In crores of rupees)

	Uttar Pradesh	*Bihar*	*W. Bengal*
Revenue ..	119.61	71.87	79.04
Expenditure ..	121.47	66.33	82.67
Net position ..	—1.86	+5.54	—3.63

The revenue surplus of Rs. 5.54 crores in the Bihar budget is proposed to be utilised to meet a substantial part of the deficit of Rs. 7.58 crores on capital account, the estimate of receipts being Rs. 50.78 crores and of expenditure Rs. 58.36 crores. The overall position is thus a deficit of Rs. 2.04 crores. The deficit will be wiped out, according to Dr. S. K. Sinha, the State's Chief Minister, by intensifying the small savings campaign, continuing the special loan collection drive and adopting "other measures." Efforts will be made, it is said, to augment the revenue receipts of the Government in the coming year through (1) imposition of education

(*Continued on page 299*)



PROF. KALDOR'S PLEA FOR CLOSING LOOPHOLES IN TAXATION

FINANCE MINISTRY ON BONUS TAX

From Our Special Correspondent

NEW DELHI, *17th February*

DELHI LETTER

PARLIAMENT'S Informal Consultative Committee on Finance has just been told by the Ministry concerned that, if the maximum rate of income-tax is pitched at 45 per cent. (as recommended by Prof. Kaldor) at the level of income of Rs. 40,000 at which it is reached at present, the loss of revenue from taxpayers having incomes higher than Rs. 40,000 will be approximately Rs. 17 crores. It may be mentioned, says the Finance Ministry's note, that what Prof. Kaldor had said was that the closing of the existing loopholes in the various taxes and effective prevention of tax evasion would involve the taxpayers in additional taxation amounting to several times the present sum, and that, if this is done, the maximum rate of income-tax could be brought down to 45 per cent. He has recently stated:

"I fully maintain the view that, with a system of direct taxation of the kind I suggested, the maximum rate of income-tax should not exceed 45 per cent. It should be evident, however, that this system has by no means been fully adopted; nothing has been done to tighten up business taxation, while the new taxes, owing to the truncated form in which they have been adopted, will only produce a fraction of yield which they would have produced otherwise. In their present form, and with the present administrative techniques, the new taxes will hardly yield Rs. 20 crores.

"In the absence of these gaps in legislation and with an efficient system of administration, they should produce at least Rs. 50 crores more, quite apart from the gain in income-tax revenue resulting from lower tax evasion, and the disallowance of certain classes of business expenses. As against that, the loss of revenue resulting from the reduction of income-tax to the ceiling rate of 45 per cent. would only amount to Rs. 18 crores. I doubt whether the interests which agitate for the latter would willingly exchange the present high rates of surtax for these further legislative and administrative changes which would involve them in additional taxation amounting to several times this sum."

The Net Gain

According to Prof. Kaldor's figures, the net gain from the plugging of loopholes in the new taxes (apparently he is referring to the Wealth, Expenditure and Gift taxes) will be Rs. 30 crores, as against a loss of Rs. 18 crores resulting from the lowering of *personal* tax rates to a ceiling of 45 per cent. In the absence of any reliable data, it is not possible to verify the estimate of Prof. Kaldor or to give a counter-estimate for additional revenues from the new taxes. As regards the lowering of personal tax rate, an attempt has been made to find out the approximate loss to revenue on this account on the basis of the latest statistics (for 1957-58).

The Ministry of Finance has also provided the Consultative Committee with figures of demand and collection in respect of Estate Duty, Wealth Tax and Expenditure Tax for the calendar years 1957 and 1958. The figures are given below.

	1957 Rs.	1958 Rs.
Estate Duty—		
Assessed	2,47,17,000	5,09,27,000
Collected	1,99,82,000	2,85,11,000
Wealth Tax—		
Assessed	56,98,000	11,02,89,000
Collected	5,27,000	10,46,67,000
Expenditure Tax—		
Assessed	..Not applicable*	37,95,000
Collected	Do.	5,56,000

* Act came into force only from 1st April, 1958.

Since the Departmental records concerning these taxes are maintained and verified according to the financial year, the figures according to the calendar year are only approximate. The Wealth Tax Act received the assent of the President in September 1957 and the actual assessment work commenced only in December 1957. As the Expenditure Tax Act came into force only on 1st April 1958, there was no assessments during 1957.

In another note to the Consultative Committee, the Finance Ministry has dealt with the effects of taxation policy on bonus shares. It may be recalled that the levy of a special supertax on bonus shares issued by companies was introduced through the 1956 Finance Act, as part of an integrated scheme of corporate taxation. The taxation of bonus shares in the form it is provided under the Income-tax Act does not result in bonus shares being taxed as dividends in the hands of the shareholders, but it constitutes a tax on the company itself. The advantages to the company, according to the Finance Ministry, consist in the expansion of capital, apparent reduction in the profits percentage, greater marketability of the shares, and also warding off of demands for lower prices from the general public or better conditions of employment from the workers. With the levy of a tax on excess dividends measured with reference to the paid-up capital, the tax on bonus issues became necessary as a corollary to that tax. The rate of the extra super-tax on bonus shares for the financial year 1956-57 when it was introduced was 12½ per cent. This was raised to 30 per cent. from the financial year 1957-58 correspondingly with the increase in the rates of excess dividends tax. The Ministry has argued that, in spite of this increase (which was consequential to the increase in the rates of excess dividend tax from 1957-58), the tax has not created any real difficulty for industry. It has quoted the following figures of consents given by the Controller of Capital Issues for issue of bonus shares in support of its contention:

(In lakhs of rupees)

	1955-56	1956-57	1957-58
Amount of consents granted (out of free reserves)	759	648	947
Bonus shares actually issued during 1955-56 and taxable in the assessment year 1956-57	257	..	..
Bonus shares actually issued during 1956-57 and taxable in the assessment year 1957-58	673	..	..
Bonus shares actually issued during 1957-58 and taxable in the assessment year 1958-59	150	..	..

There is also no indication, continues the Ministry's note, that the taxation of bonus shares issued by companies has, in any way, inhibited (i) the borrowings of companies generally from banks and others, or (ii) the dividend policy of companies in general, or (iii) the quantum of retained profits and the growth of capital formation.

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INDUSTRY ASKS ITSELF

LATEST F.B.I. SURVEY

From Our Own Correspondent

LONDON, *14th February*

LONDON LETTER

WITH the unemployment figure up to two-thirds of a million and the Government's popularity poll indicating the electorates fear of a massive work drop, the current survey of industry by the Federation of British Industries is of more than usual interest. Nearly 80 per cent. of the six hundred and seventy-five firms, whose opinions have been obtained, reported that their present level of output was below capacity. Only one-fifth of industrial firms appear to be working at capacity. Such then is the background.

Business men tend to be optimistic, unless conditions become extreme. But half of the firms asked said they felt neither more or less optimistic than they did four months ago. On the other hand, one-third felt *more* optimistic than before which is an improvement on the autumn survey and indicates that, somewhere (though not in the order books), industry feels that a change for the better is coming.

Of course, industry finds it easier to get labour than formerly, and only 3 per cent. of firms find labour more difficult. One wonders what these 3 per cent. are doing—the survey does not say! Anyway, while one-quarter of all firms have been employing *less* labour over the past four months, as many as 18 per cent. are employing *more* men and women; perhaps another straw in the wind of optimism to which can be added the fact that *new* orders are coming in slightly faster than formerly. This at least is true of domestic orders, but it is a very significant fact that the flow of export orders is still diminishing and, indeed, the length of all order books is shortening.

Thus, the work ahead of industry continues to diminish, even though there is that little trickle of hope in the stepped up flow of domestic orders. It is rather like as if a bath has been running away for some time, but, at last, the tap, labelled "home trade," has begun to run a little faster. This is, of course, the result of relaxation of hire-purchase restrictions and the tap will have to run much faster if it is to catch up on the bath outflow. Moreover, unless the tap labelled "export trade" also begins to run faster, the balance of payments (which is not expected to show as good a result as last year) will be adversely affected.

Over one-third of the firms report their costs per unit are up and over half that their profit margins are *down*. Nearly one-third have been obliged to reduce selling prices.

In the light of the order books and the profit and loss accounts, it is not surprising that there is no pressure to spend more on capital. Indeed, 42 per cent. of firms expect to authorise *less* building than they did four months ago and 36 per cent. to buy *less* plant and machinery. It is surprising that, as many as one-fifth of firms expect to build *more* than they did in the autumn and that over one-quarter expect to buy *more* plant and machinery than they previously did.

This then is the outlook as industry sees it, with a few more hopeful signs than there were four months ago. These signs must be multiplied before the present recession is reversed, but at least a beginning may have been made.

Meanwhile, the City still looks for a further cheapening of money and does *not* expect much use to be made of the easier conditions for raising fresh capital.—*All Rights Reserved.*

The U.K. had an adverse balance of trade to the extent of £49 million in January. This was £28 million less than in December but £4 million more than the monthly average in the fourth quarter of 1958. The value of exports from the U.K. in January amounted to £270 million, £4.5 million more than in December last and almost the same as the monthly rate in the fourth quarter of 1958. Re-exports were unchanged at £9.3 million. Imports aggregated £328.7 million over £23 million less than in December but unchanged from the monthly rate in the fourth quarter of 1958.

Under a new agreement signed between British European Airways and Air France, the two services will be integrated with effect from 1st April next so that passengers with tickets for either airline can travel by any aircraft of either company. The companies are contemplating to reduce air fares between the two countries by 15 to 20 per cent. next year.

AMERICAN LETTER

NEW DEVELOPMENTS IN TEXTILES

WILL INFLATION BE KEPT UNDER CONTROL?

From Our Special Correspondent

NEW YORK, *14th February*

THE upturn in business is now a well-established fact. But it is quite selective. Business leaders addressing a meeting of the National Industrial Conference Board in New York mostly forecast further economic recovery.

Executives representing widely varied lines, such as home construction, textiles, metals, autos, consumer credit and retail trade, said they expected substantial growth in terms of production and sales this year.

However, little or no change was foreseen for some segments of industry, notably those depending on sales of military aircraft to the Government.

How many of these forecasts will turn out to be accurate is hard to say. In textiles, for example, an upturn has been predicted for years. So far it has not materialised. The last season of New York's garment industry when buyers from all over the country were shown spring styles, was not very successful.

One reason is, perhaps, that Easter this year is quite early at the end of March. Another may be the unusually cold and severe winter which has driven many people to the South where they use resort wear rather than spring clothing.

Shuttleless Loom

Another development in the textile industry is the development of a new shuttleless loom which will be unveiled to the public and the press probably this month. Several other new textile machines have been developed which will make existing machinery obsolete—a process which has been going on rapidly in this technological age not only in textiles but in many other lines.

Wool has been hit hardest, of course, by the impact of synthetic fibres and their continual improvements. Cotton has not fared quite as badly. Recently, Deering Milliken & Co., one of this country's leading textile firms, announced a "revolutionary" new process for finishing cotton.

It is called the most important technological "breakthrough" in the industry in many a year. Chemical and mechanical techniques developed by laboratories actually change the molecular structure of the fibre. It makes a resistant to creasing even when wet.

This achievement will enable the housewife to wash such items as cotton dresses, draperies and sheets and use them without ironing. It will also make it possible for cotton to compete more effectively with the synthetics. Thus, there is some hope for improvement in some segments of the textile business.

New Type of Cloth

More than a thousand U.S. mills are engaged in processing cotton. The leading firms combine three major functions. They are: grey goods processors who spin the fibre into the basic cloth, the finishers who dye and bleach the grey cloth, and the converters, who cut, style and merchandise it for specific markets.

In 1958, the whole industry turned out some 9,000 million linear yards of cotton fibres worth about $3,500 million, off 7 per cent. from 1957 and down 13 per cent. from 1956, the peak peacetime year. The apparel field took more than half. Household goods, such as sheets, towels and draperies took about 30 per cent., while the remainder went into industrial uses, ranging from automobile upholstery to commercial filters. Expectations are that 1959 production will better 1958 by 5 to 7 per cent.

On the wider national scene, administration thinking is reflected in the establishment of an anti-inflation agency. In effect, it will be an inter-agency Government committee. Its aim would be to see that Washington's own activities do not add to inflationary pressures.

Blueprint for Inflation

While the executive branch of the Government is against the "inflation-sin" with a somewhat pious obsession, Congress is drafting a blue-print for inflation. The annual profusion of housing bills which makes its appearance regularly is more copious than ever this year. A vast omnibus bill would speed up construction on a broad front.

It would authorise additional $8,000 million of mortgage insurance; also, $300 million of public funds for direct Government loans to veterans as well as a six-year $2,200 million programme of U.S. grants for slum clearance and urban renewal.

Other legislators have added embellishments of their own. There are bills for subsidised mortgage credit and a vastly expanded programme of public housing. Other legislators are pushing a provision which, in effect, would bar the Federal Housing Administration from foreclosing on delinquent borrowers.

The expectation is that, if such bills should be voted out by Congress, the President would make use of his veto powers. Whether they could be repassed over his veto remains to be seen.

Most of the bills which are introduced are filed with the one intent to satisfy constituents back home. Once they are printed, they are being distributed to show those who elected the lawmaker that he has done as he said he would. Pushing the issue or issues beyond that is quite rare. This procedure is reserved for true statesmen of whom there are few, as against the average run of the mill politician who has nothing else in mind but to get re-elected.

Savings Rise

Cash savings continue to rise. The latest compilation comes from the Federal Home Loan Board. It covers deposits in savings banks, commercial banks, savings and loan shares, Government savings bonds and life insurance.

Such savings for the first nine months of 1958 were larger than those for any full year since the end of the last war. The figure for the third quarter alone was $3,900 million, up sharply from the $2,500 million for the same 1957 period.

But not all is rosy. Some of the country's major production centres do not expect that unemployment will decrease materially. The figure is 4.1 million now, as against 3.4 million a year ago. Indeed, they are haunted by the prospects of permanent pools of jobless workers as a carry-over from the recession.

That is, of course, a strain on State unemployment insurance treasuries and there are demands in Congress that unemployment benefits be widened to strengthen the "built-in stabilisers" against a depression.

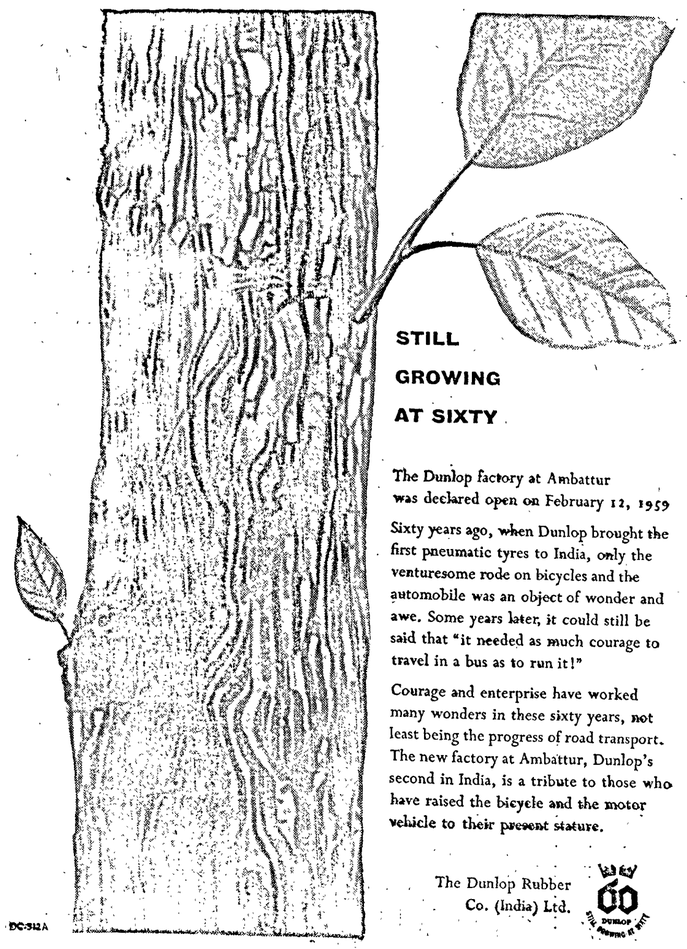
A survey of 16 big industrial cities last week showed widespread doubt that any foreseeable improvement in business this year would reduce unemployment to pre-recession levels. Detroit has one-eighth of its work force idle at a time when the output of 1959 cars is climbing.

Pittsburgh (steel) has twice as many jobless as it had in the recession month of January a year ago. In New York City, one worker in every 13 is still unemployed. The national average is one in 16. Technological advances is one reason. Savings rather than spending constitute another.—*All Rights Reserved.*

U.S. PRESIDENT ON UNEMPLOYMENT

Commenting on statistics for January showing 62.7 million Americans were at work while unemployment rose to 4.7 million, President Eisenhower said he looked for economic gains as the year progressed. Employment in December, 1958 totalled 64 million, and unemployment was 4.1 million. The President told his press conference that he was not pleased by the unemployment ratio, and noted that the nation's business recovery still was not solid in some areas. He described as "sort of characteristic of recoveries."

The joint Labour-Commerce Departments report for January shows a slight drop in the average factory work-week, to 39.9 hours. Average weekly earnings for a factory worker during the month was $87.38, an 88-cent decrease from the previous month, because of the reduction in working hours.



STILL GROWING AT SIXTY

The Dunlop factory at Ambattur was declared open on February 12, 1959

Sixty years ago, when Dunlop brought the first pneumatic tyres to India, only the venturesome rode on bicycles and the automobile was an object of wonder and awe. Some years later, it could still be said that "it needed as much courage to travel in a bus as to run it!"

Courage and enterprise have worked many wonders in these sixty years, not least being the progress of road transport. The new factory at Ambattur, Dunlop's second in India, is a tribute to those who have raised the bicycle and the motor vehicle to their present stature.

The Dunlop Rubber Co. (India) Ltd.

DC-512A

BUSINESS OF FOREIGN BANKS

YEAR-END DATA INDICATE A DECLINE

THE statistics relating to the business of foreign banks in India during 1958, as compared with those for the previous year, indicate a setback in the volume of their business and, in many respects, they show a divergence from the general trend of business of Indian Scheduled banks in India. Thus, whereas deposits of Indian banks recorded a substantial rise over the year, those of foreign banks suffered a drop. There was an increase in general bank credit, albeit at a much smaller pace than that in deposits, but, in the case of foreign banks, there was a sizable drop in advances. What is more, the decline in advances was greater than that in deposits. The main reasons for the setback would appear to be: the contraction in India's foreign trade, a good part of which is financed by the Exchange banks—as compared with 1957, India's imports during the first eleven months of 1958 fell to Rs. 697.05 crores from Rs. 912.64 crores in the corresponding period of 1957 and exports to Rs. 530.91 crores from Rs. 601.22 crores; the recession in the fortunes of India's export industries such as tea, jute and cotton textiles; the declining share of foreign firms in India's foreign trade; the entry of the State Trading Corporation into foreign trade; and the increasing competition from Indian banks for the available foreign exchange business.

Another important reason is the fact that foreign banks are not participating, to any significant extent, in the expanding domestic banking business. Whereas the Indian banks have been opening more and more branches in the interior, the share of foreign banks in branch banking is stationary. As at the end of March, 1952, the total number of offices of foreign banks in India was 65. It was only 67 by the end of November 1958. During this period, the State Bank's offices rose from 398 to 644 and those of other Indian Scheduled banks from 2,226 to 2,680.

The total (net) deposits of Indian Scheduled banks rose during 1958 by nearly Rs. 216 crores to about Rs. 1,376 crores, in contrast to which the deposits (net) of foreign banks shrunk by Rs. 9.80 crores to Rs. 197.16 crores. There was a decline in the number of reporting banks from 17 to 16. It is common knowledge that a great bulk of the expansion in deposits of Indian Scheduled banks is accounted for by the counterpart funds from the sale of U.S. foodgrains under P.L.480 deposited with the State Bank of India. The foreign banks, however, have no such fortuitous advantage.

A month-wise analysis of the deposits of foreign banks shows that they rose from Rs. 206.96 crores at the end of December 1957 to a high of Rs. 214.26 crores at the end of April 1958. Subsequently, there was an almost continuous decline to Rs. 197.16 crores at the close of the year.

Unlike in the case of Indian Scheduled banks, where time deposits exceeded demand deposits, the foreign banks' demand deposits continued to form the bulk of their total deposits, though their proportion to the total shrank, because of a decline in demand deposits and an expansion in time deposits. As will be seen from the table published at the foot of this column, demand deposits dropped by Rs. 18.17 crores to Rs. 110.09 crores, the lowest year-end figure for some years past. Time deposits, which had gone up by Rs. 14.14 crores in 1957, rose further by Rs. 8.37 crores in the following year to a high of Rs. 87.07 crores. It will be noted with interest that the demand deposits, which formed 65.6 per cent. at the end of 1955, constituted only 55.8 per cent. at the close of 1958. The ratio of time deposits to the total, however, rose from 34.4 per cent. to 44.2 per cent. during this period. In the case of Indian Scheduled banks the share of demand deposits fell from 58 per cent. to 42.4 per cent., while that of time deposits advanced from 42 per cent. to 57.6 per cent.

Progress of Foreign Banks

(In crores of rupees)

	As on last Friday of December			
	1958	1957	1956	1955
Demand deposits (net)	110 09	128.26	122 61	128.36
Time deposits (net)	87 07	78.70	64.56	67.27
Total net deposits	197.16	206 96	187.17	195.63
Inter-bank borrowings	29.15	36.67	11.12	8.83
Borrowings from the Reserve Bank	2.46	21.07	35.24	9.78
Of which borrowings against Usance bills	1.72	21.07	33.01	9.35
Other securities	0 74	-	2.23	0.43
Borrowings from State Bank	0.88	0.72	0.62	0.30
Advances	137.81	149 50	163 51	135.67
Bills purchased and discounted	26.25	48 24	40.22	30.86
Total advances	164.06	197.74	203.73	166 53
Investments	45.77	40.22	40.24	47.05
Cash balances (including money at call and short notice)	28.68	33.16	20 08	23.18
Ratio to deposits of—	%	%	%	%
Advances	83.2	95.5	108.8	85.1
Investments	23.2	19.4	21.5	24.1
Cash	14.5	16.0	10.7	11.8

It may be interesting to note here that the foreign banks have been availing themselves of the facilities under the usance bill market scheme to a greater extent than the Indian banks, as will be seen from the following data showing the monthly average outstanding borrowings from the Reserve Bank against usance bills during the past two years:

(In crores of rupees)

	Foreign Banks		Indian Banks	
	1958	1957	1958	1957
January	23 35	33.16	2.93	25.26
February	23.91	34.01	0.70	27.13
March	23.40	37.22	1.19	26.32
April	19.49	36.55	0.09	20 45
May	17.22	34.08	2.09	26 59
June	13.15	32.35	1.09	21.52
July	10 73	28.90	0.16	10.78
August	3.87	30.81	0 05	9.99
September	2.61	27.33	0 08	2 54
October	0.96	25.41	0.03	3.48
November	0.83	18.13	..	0.40
December	0 94	16.71	0.06	0.20
Average for the year	11.63	29.56	0.70	14.56

N.B.:—The average for 1956 was Rs. 18.10 crores in the case of foreign banks, as against Rs. 16.14 crores in regard to Indian banks.

The financing of imports from and exports to foreign countries constitutes the bulk of the foreign banks' business. The drastic cut in imports and slackness in exports naturally reduced the demand for credit from these banks. This, coupled with the credit restrictions imposed during the year, brought down the total advances of foreign banks by Rs. 33.68 crores to Rs. 164.06 crores. This is on top of a fall of Rs. 6 crores in 1957. Of these, loans, cash credits and overdrafts, which had declined from Rs. 163.51 crores (in 1956) to Rs. 149.50 crores in 1957, moved down further to Rs. 137.81 crores, bringing the aggregate fall in two years to Rs. 25.70 crores. Bills purchased and discounted, too, have fallen by Rs. 22 crores, in contrast to the rise of Rs. 8.02 crores in 1957 and of Rs. 9.36 crores in 1956. The level of total advances moved up from Rs. 197.74 crores (at the end of 1957) to no more than Rs. 199.42 crores in March 1958—the corresponding peak in 1957 was Rs. 214.52 crores—but declined subsequently to Rs. 164.06 crores at the end of the year. The corresponding low level touched in 1957 was Rs. 196.13 crores. The fall in advances (much more than that in deposits) has brought down the credit ratio to 83.2 per cent. from 95.5 per cent. at the end of 1957 and 108.8 per cent. at the close of 1956. The credit ratio for Indian Scheduled banks at the end of 1958 was only 51 per cent., as against 56.8 per cent. a year before and 64 per cent. at the end of 1956.

The pattern of secured advances of banks, for which figures are available only up to the week ended 12th December 1958, show that the total secured advances of foreign banks amounted to Rs. 121.25 crores, having declined from Rs. 145.91 crores as on 13th December 1957, the corresponding figures relating to Indian Scheduled banks being Rs. 563.17 crores and Rs. 535.66 crores, respectively. The main groups of securities (collateral) and the amount of advances against them by foreign banks were as follows:

(In crores of rupees)

Securities	*As on*	
	13-12-58	13-12-57
Food articles	0 08	0.20
Industrial raw materials	12.00	19.79
Plantation products	20.28	19.16
Manufactures and minerals	55.33	66.00
Other securities	33.58	40.76
	121.25	145.91

In the industrial raw materials group, advances against ginned cotton and *kapas* (seed cotton) amounted to Rs. 7.41 crores, against Rs. 14.00 crores a year before and against raw jute Rs. 1.92 crore, as compared with Rs. 3.07 crores. Among the plantation products advances against tea accounted for Rs. 19.77 crores, having risen from Rs. 18.13 crores. Cotton textiles —Rs. 10.56 crores (as against Rs. 12.26 crores a year before), jute goods—Rs. 6.73 crores (Rs. 6.52 crores), iron, steel and engineering products—Rs. 18.22 crores (Rs. 23.13 crores), chemicals, dyes, paints and pharmaceuticals—Rs. 7.05 crores (Rs. 8.72 crores), coal, manganese, mica and other minerals—Rs. 3.54 crores (Rs. 4.11 crores) and non-ferrous metals and metal products—Rs. 3.79 crores (Rs. 3.81 crores) constitute the main items. In the last mentioned group advances against shares and debentures show a decline from Rs. 12.48 crores to Rs. 9.88 crores and those against assets of industrial concerns from Rs. 6.13 crores to Rs. 4.11 crores. Other secured advances (not included under any particular category) dropped from Rs. 12.89 crores to Rs. 11.07 crores and composite advances from Rs. 5.48 crores to Rs. 5.12 crores.

Notwithstanding the substantial decline in advances, the investments of the foreign banks were higher by only Rs. 5.55 crores at Rs. 45.77 crores, while cash balances (including money at call and short notice) were lower by Rs. 4.48 crores, at Rs. 28.68 crores. The explanation for this lies in the fact that their resources were markedly less. While the ratio of investments to deposits was substantially lower (at 23.2 per cent.) than the average (43 per cent.) for Indian Scheduled banks, the cash coverage to deposits, at 14.5 per cent., compares favourably with that (10.7 per cent.) relating to Indian banks.

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BANCO ITALO-EGIZIANO

CORRESPONDENTS ALL OVER THE WORLD

WORLD BANK LOAN TO COSTA RICA

The International Bank for Reconstruction and Development granted last week (11th inst.) a loan of $3.5 million to the Central Bank of Costa Rica to assist a programme which has been operating for several years to promote the development of agriculture and light industry. Eight private American banks are participating in the loan, without the World Bank's guarantee, for an aggregate sum of $1.51 million, representing the first four maturities and parts of the next three maturities, which fall due between October 1960 and October 1963. The loan is for a term of six years and bears interest at 5¼ per cent., including the usual commission of 1 per cent. It is guaranteed by the Government of Costa Rica.

Loans will be given to individuals and private enterprises by Costa Rica's commercial banks, which in turn will receive credits from the Central Bank. Costa Rica's programme for development of agriculture and light industry began in 1952 and there has been a significant increase in agricultural output both for export and for domestic markets, as also in the development of light industries. In September 1956, the World Bank gave a loan of $3 million to the Central Bank to cover the foreign exchange requirements of the programme over a period of two years. The latest loan will assist in the continuation of the programme until about September 1960. The first loan, which matures between 1958 and 1963, carries interest at 4¾ per cent. per annum (including the commission of 1 per cent.).

ECONOMIC RELATIONS BETWEEN INDIA AND UNITED STATES

MUTUAL UNDERSTANDING STEADILY GROWING

By George Curran

VICE-PRESIDENT, BANK OF AMERICA N.T. AND S.A., SAN FRANCISCO

THIS year, India enters the tenth year of her existence as a Republic and the thirteenth year of her independence. The people of the United States have a feeling of affinity for the people of India. Both nations are sovereign republics, practising democratic principles. Both nations are unions of States, and the Constitutions of both countries are buttressed by solemn Bills of Rights.

During the years since independence, citizens of India and the United States have increased their knowledge of and acquaintance with each other through travel in each other's country, through the exchange of students and skills, and through mutually beneficial trade. It is important to each nation and to the maintenance of democracy in the world that this warm relationship and mutual understanding continue to grow.

From time to time, it is fitting and useful that the development of our relations be reviewed, and the writer welcomes the opportunity accorded by the editors to comment briefly on one aspect, namely, the economic relations of India with the United States.

In the area of trade, the United States has advanced as a market for the products of India. Imports which were $33 million in 1932 increased to over $276 million in 1957. But available evidence indicates this should be only a beginning.

It is gratifying to see our partnership in trade becoming stronger. While, in 1954, the United States and Canada absorbed 18 per cent. of India's total exports, in 1957, they furnished a market for 23 per cent. of India's products sold overseas. The United Kingdom remains India's most important market and supplier and, while the United Kingdom's share was reduced from 32 per cent. to 25 per cent. in this period, the decrease is in part attributable to augmented trade with other trading partners and therefore relative rather than absolute. The Latin American market remained constant, taking 3 per cent. to 4 per cent. of India's exports while Continental Western Europe took around 10 per cent. of the total.

Imports From India

The United States depends upon India for a great variety of important products. Purchases of jute and jute products approach $75 million a year. Ferro-alloys and ores account for some $25 million. Nuts, tea, spices, and other products enriching the American dinner table total in the neighbourhood of $45 million a year. Other chief commodities exported to the United States include great quantities of hides, skins, and other animal products; vegetable oils and waxes; wool and wool products; non-metallic minerals and stones; and naval stores, gums and resins.

The market for India's products in the United States should be capable of considerable expansion in volume and variety. There is a field for enlightening the American buyer with regard to the products of India. This will come about, as Indian trade exhibits and sales promotion activities in the United States increase.

More extensive research studies of the American market would be valuable. These would probably call for area analysis and examination of buying habits. The United States is not just one big market, but a complex of many markets, which often vary from one part of the country to another, from one city to another, and from one economic group to another. American retail buyers are very susceptible to the manner in which a product is presented through advertising and packaging.

India is itself a gigantic potential market. The vastness of this market is attracting increasing attention throughout the world. The share enjoyed of India's total imports has expanded in the case of the United States and Canada from 13 per cent. in 1954 to 18 per cent. in 1957. The continental E.P.U. countries of Western Europe increased their share of sales to India from 19 per cent. to 26 per cent. of India's total imports in this period. The share of the sterling area and the United Kingdom in this period declined, percentage-wise, from 52 per cent. and 25 per cent., respectively, to 36 per cent. and 23 per cent. The Latin American area is yet to emerge as a major supplier to India. But the countries of the rest of the world increased their share of India's imports from 14 per cent. to 20 per cent. of the total.

As India's strong efforts to increase the standard of living of the people bear fruit, the home market for India's own products will increase vastly and competition among foreign countries to export to India will become ever more lively.

Grain, grain products, and raw cotton are among the chief U.S. exports to India. Large and important are the U.S. exports related to India's industrialisation: for example, electrical, industrial, construction, and textile machinery, railway equipment, automotive equipment and tractors, chemical specialities and petroleum products, and tobacco. As India's industrialisation progresses, she may become less dependent on overseas suppliers for these imports, and may become instead a supplier of some of these goods to foreign markets. However, technological progress being very rapid nowadays, and a wide variety of imported materials being required in all modern industrialised societies, it would seem that India will continue to be a large market for a variety of materials, even though she will in many respects become increasingly self-sufficient.

Trade Exhibition

Much interest in the United States has been generated by the first solo overseas trade fair of the United States which opened last December in New Delhi. Articles have appeared describing the four pavilions and the 20 small-scale industries in operation on the Ferogshas Kotla grounds. Interest has been evidenced in India in producing such equipment in India under licensing arrangements.

The related Trade Mission visited with over 2,000 businessmen and officials of 15 cities and towns in northern India. Their tour ranged from manufacturing plants, industrial power sites and business offices to handicraft workshops.

This U.S. exhibit is keyed to India's second Five-year Plan for more industrialisation. It emphasises the importance of small industry in the development of an industrial economy. Over 100 American companies placed machinery, products and technicians at the disposal of this Government-sponsored effort.

Among the sections making up the exhibit is an industrial area showing an automotive repair section of six shops, a welding shop, a sheet metal shop, an ultrasonic sound grinder shop, a machine shop, a woodworking shop for furniture, a shopsmith for toy making; and shops for gold plating, metal spinning, and heat treating.

An extensive agricultural section shows a complete milk recombining unit in production of milk and ice cream from dried milk and butterfat, a wheat exhibit showing uses of wheat products, and an exhibit of soybean and soybean oils.

Another section shows a dry-cleaning shop displaying the washer-extractor unit, and a shirt-making shop equipped with sewing machines for home or mass production.

One section houses the Trade Information Centre and a business library with some 1,000 books and publications for businessmen's reference, and a special display of children's clothes, toys, and play equipment.

The exhibit will be shown in other principal cities of India for a two-year period.

In the contact work of the Trade Mission and the Trade Information Centre inquiries from 130 U.S. businesses seeking connections with Indian firms are discussed. These inquiries cover a wide range from farm machinery to clothing, as well as such commodities as saws, electrical equipment, gasoline engines, and many other products.

On another economic front, the working of India's Community Development Programme has developed much interest and discussion in the United States. The policy of the Union Ministry of Community Development in inviting foreign experts to visit the projects and study the Programme has produced reports that have brought considerable attention to the movement. This interest will be heightened by the anticipated report of the United Nations Mission in March.

As our two nations become better acquainted, we acquire more understanding of each other. We hear less talk in India today about American "capitalism." We hear less comment in the United States today about Indian "socialism."

The increasingly greater receptivity toward foreign investments in India is welcomed by Americans who look upon private investments as partnerships in enterprise and progress. The $357 million growth in total foreign investments in the last three years is a striking advance, but there is room for even greater strides in expediting India's development.

Helpful Attitude

Particular interest in America has been stimulated by the functioning of the Industrial Credit and Investment Corporation of India Limited and the Re-finance Corporation for Industry Private Limited. The former has extended financing to various industrial undertakings in India, and accelerated development of its industrial financing activities is expected. The latter organisation, organised in June of 1958, is expected to provide valuable assistance in financing industry through its rediscounting of industrial loans by Indian banks.

Measures that will assure private investors of the opportunities open to them within the framework of India's general development programme should encourage the increasing flow of private foreign funds. One example is to be found in the Indian Government giving encouragement to foreign capital participation in collaboration with Indian capital in all cases where development is desirable.

Helpful, too, is the convertibility agreement with the United States Government providing that the U.S. is enabled to guarantee to the American investor in India the reconvertibility into dollars of his investment in qualified projects and to draw his income from such projects.

It is to be noted, too, that Indian companies are encouraged to obtain the services of experts or consultants whenever desirable.

Double Taxation

A boon, of course, to stimulating foreign investments further would be a treaty between the two countries for the avoidance of double taxation. Progress in this direction has been made. Double taxation agreements, it is noted, have been signed with West Germany and Sweden, and are being discussed with a number of other countries. The United States and India have agreed to commence negotiations at the earliest practicable date.

We watch with interest the progress India is making in its development. As President Eisenhower stated in his welcoming remarks to Ambassador Chagla, "We in America admire the courageous manner in which independent India is solving the problems it faces in its economic and political development."

We look to ever closer relationships between the businessmen of our two countries, and to an increased sharing of each other's goods in trade. The report on exports made recently to the Lok Sabha by the Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, is encouraging and it is hoped that the favourable trend will continue.

The success of India in its great undertaking is important to the United States and to all the Free World. In Ambassador Chagla's words, it is a "gigantic task of harnessing the human and material resources of our country in a fight against the poverty, hunger and disease that have afflicted the great mass of our people for generations." America and the Free World are proud that India is "doing this, without surrendering any of its cherished democratic freedoms."—*All Rights Reserved.*

PLIGHT OF COTTON MILL INDUSTRY

MEASURES FOR REDUCING PRODUCTION COSTS SUGGESTED

THE Sub-committee of the Indian Cotton Mills' Federation (Chairman: Mr. Ramnath A. Podar) has assessed, in a realistic way, the present situation in the industry with special reference to the cost of production. This Committee, it will be recalled, was constituted by the Federation at the latter's meeting on 29th October 1958 to consider the various factors responsible for the disquieting problems confronting the textile industry and to suggest remedies whereby the manufacturing costs could be effectively reduced. The Committee submitted its report on 15th December 1958. It was considered by the Federation on 15th January 1959 and was adopted with a few amendments. The report reviewed here is the one as finally adopted by the Committee of the Federation.

At the very outset, the Committee has drawn attention to the growing competition offered by the handloom sector in the internal market, on account of the great advantage in the price that is being enjoyed by handloom cloth over mill cloth, following the increases in excise duty and the conversion of sales tax into additional excise duty. As a result of this conversion, handloom cloth was entirely freed from sales tax. The price differential is of the following magnitude:

(In nP per square yard)

Category of cloth	Excise duty	Handloom cess	Additional excise duty	Total
Coarse	4	1.56	3	8.56
Lower medium ..	5	1.56	4	10.56
Higher medium ..	6	1.56	4	11.56
Fine	18.5	1.56	8	28.06
Superfine	24.5	1.56	13	39.06

Note.—The disparity between mill cloth and handloom cloth is further widened by ½ nP in respect of bleached cloth and 1½ nP for dyed and printed cloth. Over and above this, certain varieties of handloom cloth enjoy a rebate of 6 to 12 nP per rupee.

The extent of protection enjoyed by the handloom cloth through excise duties alone may be gauged from the following instances:

On a coarse grey drill, the mill price of which is 58 nP per sq. yard, the duties at 8.56 nP per sq. yard amount to 15 per cent. On a lower medium grey longcloth costing 40 nP per sq. yard, the duties come to 26 per cent. A higher medium grey *sari* selling at 45 nP per sq. yard has to bear a duty of about 26 per cent. The protection to handloom cloth becomes even wider in the case of fine and superfine varieties. A fine grey *dhoti* with a mill price of 55 nP per sq. yard bears a duty of 51 per cent., whereas a superfine grey *dhoti* selling at 63 nP per sq. yard has to pay a duty of 63 per cent. A bleached higher medium *dhoti* with a mill price of 45 nP per sq. yard has to pay a duty of 12.06 nP per sq. yard which works out to 27 per cent. A dyed superfine voile sold by the mills at 70 nP per sq. yard bears a duty of 40.56 nP which is over 58 per cent.

Diversion of Demand

The high differential price, coupled with reservation of qualities in better demand for the non-mill sector, has placed the mill cloth in an uneviable position and resulted in the diversion of demand from mill cloth to handloom and powerloom cloth. It is not, therefore, surprising that the production of handloom and powerloom cloth has gone up substantially—from 1,509 million yards and 278 million yards in 1956 to 1,765 million yards and 325 million yards, respectively, in 1958—while that of mill cloth has dropped from 5,306 million yards to 4,900 million yards. The drop in mill output would have been steeper but for the provision for payment of heavy compensation to labour which compelled many units to continue operations despite losses.

The Podar Committee has emphasised, and rightly so, that, having regard to the increase in wages that has occurred in recent years, the disparity in prices of mill and handloom cloth considerably exceeds the advantages of lower production cost and better facilities of marketing supposed to be available to mill cloth. Furthermore, the reservation of certain popular sorts for the non-mill sector has resulted in restricting the mobility of mills to adopt their production programmes to changes in consumer demand and has forced them to produce qualities not so much in demand. The handloom sector, on the other hand, has made heavy encroachment in the field traditionally dominated by the mill sector.

The solution suggested by the Podar Committee (and approved by the Federation) for rectifying the undue advantage enjoyed by handlooms over the mills is as follows:

"We think that, having regard to the considerable widening of differentials that has occurred between the prices of mill cloth and handloom cloth, there is an urgent necessity for (*a*) abolishing the handloom cess imposed on mill cloth and (*b*) cancelling most, if not all, of the reservations of varieties of cloth for the handloom sector. The protection in the shape of exemption from excise duty and additional excise duty would provide more than adequate safeguard for cloth produced in the handloom sector."

The demand for the abolition of handloom cess is a modest one, but it is doubtful whether that will help the mill industry to any appreciable extent. A straight substantial reduction in excise duties would seem to be a better solution, assuming that the Government would accept the thesis of the industry that consumption of mill cloth should be stimulated. The plea for the abolition of reservations of market for certain varieties of cloth in favour of handlooms has economic justification, but is politically impossible. It is inconceivable that the present Government will have the political courage to concede this plea.

Raw Cotton

The Podar Committee has indicated the ways and means by which cost of production can be lowered. Although raw cotton accounts for the major portion of the cost of manufacturing textiles, the Committee has not complained that cotton prices are high or that they should be brought down. What the Committee has stressed is that, as the cloth produced out of cotton bears heavy taxation, cotton should be exempted from payment of sales tax. It has also urged every mill to see that its cotton department is staffed by experts who would be capable of making not only judicious choice of qualities but also deciding upon the proper time at which to make purchases. It further urges use of cotton in the most economical manner by spinning it to the highest count, consistent with maintenance of quality; this would be possible by the replacement of old and obsolete machines by modern machines.

Turning to labour, the Committee has shown how the cost has been inflated in a twofold manner: (1) increase in wage rates by tribunals in relation to the industry's capacity to pay as judged by them at the time when the awards were made, and (2) abnormal rise in cost of living and the consequent advance in dearness allowance. In the considered opinion of the Committee, it is high time that the wage policy was reoriented in the following directions:

(*a*) A much greater weight must be attached to the factor of productivity than has been done hithertofore. Where the workloads are subnormal, they must be allowed to rise to a normal level without any change in wages. The industry should not, however, deny payment of higher wages where the workloads justify them.

(*b*) The wage cost in the Indian textile industry should be made comparable to the wage cost in those countries which compete with us in foreign markets.

(*c*) The textile wages should be in harmony with the wages of other industries in the same region.

(*d*) The factor of the capacity to pay must be considered *de novo* in relation to the trends that have now become apparent. Furthermore, the prior charges must include, apart from full depreciation, development rebate, return on paid-up capital and on reserves, and taxation, adequate amount by way of reserves, having regard to the industry's financial needs for rehabilitation and modernisation.

The last-mentioned point is of special significance in the present context when the world trade in cotton textiles is becoming more and more competitive. The competitive capacity of Indian textiles cannot be enhanced, unless production cost is lowered and quality improved. Hence it is urgent that the mills should be permitted to modernise their equipment without any hindrance. Emphasising this aspect, the Podar Committee says: "Installation of automatic looms, Barber Colman type of winding and warping machines, etc., are a must, if we are to increase our exports." The Committee regards the proposal to replace ordinary looms by automatic looms at the rate of 2,500 per year as being far too slow. It feels that the mills must be given complete freedom to effect modernisation. According to the Committee, neither the Government nor the labour needs have any fear of large-scale unemployment resulting from such freedom, inasmuch as the replacement of ordinary looms by automatic looms will be limited by the availability of finance and the necessity to follow the principles laid down at the fifteenth Indian Labour Conference. In fact, the unemployment that is likely to be caused by closures of shifts and mills in the absence of modernisation will far exceed the unemployment likely to result from complete freedom to modernise, subject to the stipulations of the aforesaid Conference.

Rationalisation

In this connection, the Podar Committee alludes to the decisions in regard to rationalisation taken at the Conference. It is quite right when it states that the principles laid down at the Conference do not leave any incentive to the cotton industry to undertake a programme of large-scale capital expenditure for rehabilitation for the reason that the mills, after being committed to heavy payment of interest and depreciation charges on new machinery, will no longer be able to carry on their musters surplus labour until it withers away by the process of natural separation. It is precisely this inability to reduce surplus labour immediately on a changeover to modern machinery that has been greatly responsible for retarding the pace of rehabilitation. Elucidating the point, the Committee observes:

"Modernisation will bring no relief, unless labour wholeheartedly co-operates in a smooth transition to lower labour complements required with the new machines. If, in spite of modernisation, mills are forced to continue emphasising surplus labour (as has actually happened in some cases), modernisation with its high capital cost will actually be a liability rather than relief!"

There is no exaggeration whatever in these remarks of the Committee. Rationalisation is the only effective short-term solution for bringing down cost of production, while, at the same time, increasing the labour's *per capita* earning. In its report submitted to the Government in July 1958, the Cotton Textile Enquiry Committee (Chairman: Mr. D. S. Joshi, I.C.S.) specially recommended the setting up of Rationalisation Sub-committees at the Central and regional levels. Although many months have elapsed since then, the Government has still not taken steps to implement it.

The Podar Committee has also indicated a few other ways in which the cost of textile production can be reduced. These include the following:

Power: Economics in electricity cost so as to lower the rate for the consumer to 6 nP per unit; Government's permission to mills to install a power plant of their own if they find it advantageous; abolition of electricity duty; drastic cut in coal freight charges; abolition of excise duty on furnace oil and downward revision in prices by companies.

Stores: Economics in consumption of stores; the mills must ascertain whether, in relation to the twin factors of price and durability, their purchasing policies are the most economical.

Other expenses: Close scrutiny of expenses like those on staff, selling and commission with a view to effecting economies.

Research: Intensification of the drive for enrolment of mills as members of research bodies by adequate publicity to the aims and objects of these bodies.

Finance: Permission to mills to defer at the time of clearing stocks payment of excise duties up to a period of 30 days on their giving to Government bank guarantees for the amount due.

Here are a few pertinent suggestions put forward by the Podar Committee which must be carefully examined by the interests concerned—the millowners, the workers and the Governments, Central and State. Unless energetic steps are taken on the lines mentioned above, there is no hope of the cotton industry meeting satisfactorily the expanding domestic requirements of cloth and competing effectively in world markets.

IMPORTS OF U.K. TEXTILE MACHINERY

A part of the £28¾ million loan to India has been earmarked for covering imports of British textile machinery. Following this development, there has been a relaxation in the terms of payment for imports of these machinery. The Textile Commissioner has just issued a notification inviting parties that want to avail themselves of the new facilities to submit their applications on or before 14th March next. Applications must contain details of deferred payment terms, if any, and indicate the justification and urgency for the item applied for. Those who have already applied for imports of machinery from the U.K. during the current licensing period and who wish to have it considered under their scheme should re-apply or address a letter to the Textile Commissioner, giving particulars of deferred payment terms, if any, and requesting consideration of their pending applications under the scheme. It is specifically stated that the applications should invariably mention whether any application for the import of the same item of machinery from any other country under either deferred payment terms or cash licensing has been made by them during the current period.

Meanwhile, the last date for submitting applications for textile machinery import entitlement under the Cotton Textiles Export Promotion Incentive Scheme has been extended from the 15th to the 28th inst.

REORGANISING TEXTILE INDUSTRY

COTTON BOARD SETS UP DEVELOPMENT COMMITTEE

From A Special Correspondent

MANCHESTER, 10*th February*

NOT for long, it seems, can Lancashire's cotton industry stay out of the headlines. After providing a test case before the Restrictive Practices Court, with results which have shaken its foundations, traders woke up one morning last week to find on the front pages: "Government Help For Cotton?" A reorganisation plan has been promised, with the full support and apparent approval of the Government, but, to many, the moves which are now taking place seem mysterious. Even some of those who should be "in the know" profess ignorance of any definite scheme.

MANCHESTER LETTER

One thing at least is clear—a Development Committee has been set up by the Cotton Board, charged with the fearsome tasks of launching a programme to reconstruct the trade in the light of present-day conditions. Statistics have been worked out showing the current situation as regards plant, manpower and prospective demand. These figures are now being considered by individual trade organisations among employers and trade unions. Before the month is out, a conference of all sections is likely, from which point draft proposals may be considered.

On all sides, it is assumed that the major objective will be to formulate some kind of redundancy scheme to dispose of large quantities of obsolete and inefficient plant. The strictures of the Restrictive Practices Court, however ill-timed, were no stronger than the comments which have frequently been made by traders within the industry. Some opposition to an organised system of consolidation is known to exist, but should be outweighed by the strong body of opinion which favours an orderly contraction.

No less a personage than the Prime Minister himself has already pledged that he is anxious to discuss the industry's proposals as soon as they are available and to hear whether direct Government help is asked for. After years of procrastination, it now seems that the Government has suddenly become alive to the problems involved, which have certainly not been eased by the hearing before the Restrictive Practices Court and the subsequent verdict on the Yarn Spinners' Agreement.

Post-Y.S.A. Trading

Conditions since the abandonment of the price maintenance schemes organised by the Yarn Spinners' and Cotton Yarn Doublers' Associations have inevitably been irregular. The early description of them as "chaotic" is perhaps an exaggeration, but the disparity in quotations given out by spinners and manufacturers has created uneasiness among customers and in total has not brought the quantity of business which had been anticipated when the revisions first took place. Quite a number of orders have been put on the books, but no substantial weight of turnover has ensued.

Some people believe that buyers have grown so accustomed to purchasing from hand to mouth that even the sharp decline in values which has occurred is insufficient to spur them to further action. As invariably happens in a falling market, however, there is a tendency to react cautiously, operating when suitable opportunities arise and hoping for a further drop in prices.

For the most part, producers have held out for the rates originally quoted, with a minimum decline of 2*d*. in the price of the lower qualities of yarn. Occasional reports have been received of sellers gaining business by making further concessions, but this attitude has not been adopted on a broad scale. It is significant that, in spite of the rather disappointing response from customers, the spinning trade has not panicked.

One interesting outcome of the new selling arrangements has been the more competitive position of the independent spinner and weaver as compared with the integrated spinner-weaver set-up. During the operation of the Yarn Spinners' Agreement, buyers often found that those firms combining the two processes were able to offer more attractive terms for cloth, but, since the abandonment of the scheme, prices for goods woven by independent manufacturers are now roughly in line with their former rivals.

Redundancy Plans

All sections of the Lancashire textile industry have been invited to prepare schemes to deal with their own redundancy problems. This further light on the developments now taking place within the industry was provided by the Cotton and Rayon Merchants' Association in a report this week. The Association said that the work of the Development Committee, which has been set up by the Cotton Board, was to examine matters affecting the structure and organisation of the industry and their relation to Government fiscal and financial policy. Several meetings had been held and much statistical and factual information had been examined.

The Development Committee is expected to hold a meeting later this month to discuss the proposals of the various sections of the industry. A report will be made to Mr. Macmillan, the Prime Minister, who announced in Parliament that he would shortly announce a plan for reorganising the cotton industry.

No Retail Fall?

Meanwhile, shoppers have been warned by a Lancashire millowner not to expect cheaper shirts and dresses—despite the reductions in the price of cotton yarn. Mr. Philip Lees, Chairman of A. and A. Crompton Ltd., spinners, of Shaw, Oldham, and a Vice-President of the Master Spinners' Federation, said in his annual statement: "Yarn passes through so many processes and hands between the spinner and the ultimate user that a reduction of pence a pound in the price of yarn would make no difference, or at most a minute percentage, to the price of the finished article."

Following the abandonment of the spinners' minimum price scheme last Monday, after being declared void by the Restrictive Practices Court, yarn selling rates dropped by more than 5 per cent. in the first "free" market for more than 20 years.

In a wide survey of cotton trade affairs and a statement on the national economy, Mr. Cyril E. Harrison, President of the Manchester Chamber of Commerce, referred at the annual meeting to the duties of the Government and also gave his views on what the industry must do to save itself. He said:

"The Government must face up to the overall problem of imports from low-cost countries. Any thinking person agrees that the under-privileged countries must be given substantial help to raise their living standards, and part of this help must taken the form of the acceptance of some portion of their production by the wealthier countries.

"At the same time, if the declarations at Montreal are to be given real meaning and are to be more than political utterances, serious thought will have to be applied to deciding how this obligation can be spread among the western nations and the various industries that are likely to be affected. One cannot view with complacency the damage to particular industries in the United Kingdom, if the policy of unlimited imports is to be confined to this country and to a limited range of products. A way must be found of reconciling the desire and the need to accept the products of these communities with the equally-important and, to us, more immediate problem of preventing these imports from having two damaging an impact on home industries and on the morale of the people engaged in them.

"In the case of Hong Kong, one cannot help but feel that past and present Governments were illogical and unwise in permitting vast numbers of so-called refugees to enter a U.K.-administered Colony, whilst, at the same time, imposing strict limits to the influx of refugees into the United Kingdom itself."

"For the industry," he continued, "there must be a sense of urgency in bringing about a more compact and efficient structure. Current talk of redundancy and re-equipment concerned two relatively minor aspects of the problems to be solved." Proceeding, he observed:

"We want new outlooks as well as new machines. We must review and, if necessary, amend the structure of the industry. We have to try new methods of sale and distribution as well as of production. We are saddled with trade organisations, both for employees and employers, which were built up when the trade was four times its present size. The duty of these organisations is to protect sectional interests and this duty may, at times, conflict with the true interests of the industry as a whole. Anyone who has had to reduce the size of an industrial operation knows that the reduction of existing management and service structures is one of the most difficult tasks of all, but it is necessary if one is to survive and progress in a competitive world."

"Redundancy," continued Mr. Harrison, "was mostly in machines and organisations. Under present methods, there was no serious redundancy of personnel. Long-term we must, and can, make do with a smaller labour force than at present, but it will take some years to achieve throughout the industry the efficiency of the best mills. With the high average age and the wastage experienced in textile industry, there is no likelihood of any serious long-term under-employment of competent workers. I will go so far as to say that, in the short-term, indeed possibly in 1959, production will be limited not by orders available, but by a shortage of suitable personnel."—*All Rights Reserved.*

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INTERNATIONAL TRADE IN COTTON

APPRECIABLE SHRINKAGE LIKELY

THE recent enhancement of the cotton export subsidy rate by the United States and the changes brought about in the method of exports of cotton, as was indicated in our last issue (*vide* page 215), are designed to achieve the Agricultural Department's objective of regaining to the U.S. its former share in the world trade in raw cotton. This programme, which will come into effect from the next marketing year, is expected to lead to a substantial improvement in exports during the 1959-60 season. The prospects for exports of U.S. cotton during the current season ending 31st July 1959 are, however, not promising.

World trade in cotton is expected to contract substantially this season. Aggregate free world exports last season, including exports of 1.5 million bales to the communist countries, were 12.6 million bales of 478 lbs. each. During the current season, taking into account trends in cotton consumption and stock utilisation in the net importing countries and assuming no change in exports to the communist countries, aggregate free world exports are to range between 11 and 11.5 million bales. The U.S. is likely to bear the brunt of the contraction in cotton trade. At a recent conference on the outlook for cotton, U.S. exports during the current season were estimated to reach 4 million bales. This compares with 5.7 million bales exported last season and 7.6 million bales shipped in 1956-57.

The fall in exports is attributed to the general easing of demand, and increased competition in foreign markets. But trade quarters doubt whether exports will be as high as 4 million bales. They point out that exports so far during the season have been only half the volume exported during the same period last season, and that unless action is taken to alter the present price discrepancy between U.S. cotton and foreign growths, the U.S. will emerge as a residual exporter and exports could fall to round 3 million bales. According to the International Cotton Advisory Committee (I.C.A.C.), Washington, quality factors and particularly the fact that much of the increase in aggregate production outside the U.S. is in the extra-long staples might mean that exports will be higher than 3 million bales. A reasonable estimate, according to it, would be between 3 and 3.5 million bales.

The U.S. Department of Agriculture estimates that U.S. exports during the season would drop by 2.2 million bales. Despite substantial fall in prices of foreign growths, world trade in cotton this season, according to it, will decline by about one million bales. Leading the decline will be the U.S. exports which will be 3.5 million bales, as compared with last season's of 5.7 million bales. The Department, in a recent pamphlet entitled *Prospects for Foreign Trade in Cotton*, noted that favourable factors influencing American exports had been reversed. But there were indications, according to it, that export demand may improve later in the season.

Supply outside the U.S. this season is expected to set a new record and, consequently, there will be a marked increase in the volume of cotton available for export. It is estimated by the I.C.A.C. that export availabilities this season will be over 9 million bales or about 1.5 million bales higher than in 1957-58. As long as prices in these countries remain under comparable U.S. quotations, aggregate exports outside the United States will probably increase this season despite the reduction in the free world total. These countries are obviously determined to maintain and even expand cotton exports. Cotton is a major component in foreign exchange earnings and most countries do not have the resources to finance a heavy carryover. Under these circumstances, price concessions have been made and trade agreements involving cotton have become major instruments of cotton trade policy.

The U.S. Department of Agriculture forecasts that during the 1958-59 season some reversal will take place in world cotton supply and demand relationship. World production, after moderate decreases during the past two years, is resuming the strong post-war upward trend. Because of this upturn in output and frequent declines in world consumption, production this season will exceed requirements for the first time in the last three years. The Department predicts that prices will, therefore, weaken, trade will be smaller, and carryover stocks will increase.

For another year or so at least cotton production in foreign countries is expected to increase, but probably at more moderate rates. The production of cotton has assumed increasing importance in many foreign countries as a cash crop and as an important earner of foreign exchange. Supplies in exporting countries are, therefore, expected to be at fairly high levels in the years immediately ahead.

While the short-term outlook is thus discouraging, the long-term outlook is more promising. Over a longer period, according to the Department, the increases in population, improved economic conditions, lower and more stable cotton prices and plentiful cotton supplies foreshadow increased trade and consumption. To achieve a closer balance between supply and disappearance, according to the Department, some cutback in plans for increasing production may be found to be necessary in countries that cannot maintain production incentives and large stocks of cotton. Improvement in cotton fabric finishes, development of new products and promotional programmes will help maintain cotton's dominant position in world markets for apparel, household and industrial fibre products. The total demand for cotton and cotton's competitive position with man-made fibres will be improved by increased research, more effective market development, promotional programmes, technical assistance and programmes and improvements in cotton quality and merchandising. As a leader in all these activities, and as the world's largest producer, consumer and exporter of cotton, the U.S., the Department adds, will participate to a major extent in world trade in cotton.

EGYPTIAN COTTON

Egypt is reported to have raised the discount rate for cotton sales to India to a total of 27½ per cent. from the present rate of 15 per cent. The enhancement is said to be the result of the negotiations between the representatives of the cotton textile industry in this country and the Egyptian Trade Mission which recently visited India.

Exports of cotton from Egypt to foreign countries so far in the current season have been running at a higher rate, as compared with the corresponding period of the previous season. Preliminary estimates place shipments from 1st September 1958 till 4th February 1959 at 411,338 bales (of 720 lbs. each), as compared with 286,373 bales in the same period last season. The following table gives the destination-wise breakdown of exports:

(In bales of 720 lbs.)

Countries	1st Sept.-4th February	
	1958-59	1957-58
Russia	113,446	67,663
Czechoslovakia	60,441	40,030
England	47,648	..
China	38,175	19,703
Poland	22,028	18,811
Spain	19,800	5,600
Italy	17,824	10,809
India	16,455	5,393
Japan	14,676	21,093
Yugoslavia	11,150	9,840
East Germany	10,980	13,279
Hungary	8,539	3,972
France	8,511	5,283
Austria	8,004	9,110
Switzerland	3,685	13,617
Mexico	2,545	160
West Germany	2,539	1,857
Bulgaria	1,850	3,850
Pakistan	1,050	..
U.S.A.	595	26,638
Other countries	2,407	6,039
Total ..	411,338	286,373

As will be seen from the above table, Russia and other Communist countries accounted for the major share of exports. India's share increased almost three times. Another notable feature is the resumption of purchases by the United Kingdom.

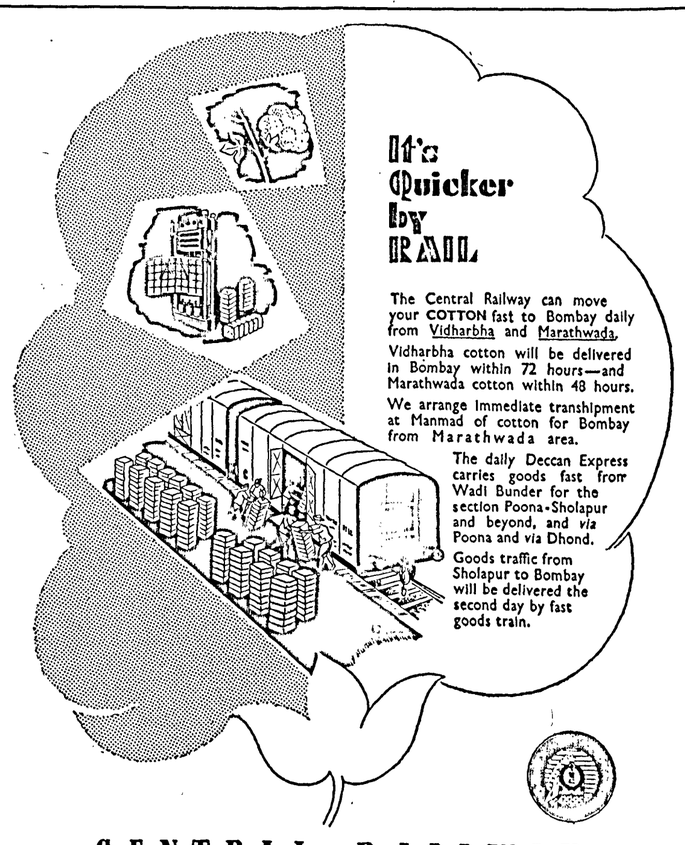
Meanwhile the Egyptian Ministry of Agriculture, in its third cotton estimate for the current season, has placed the crop at 9,837,640 cantars, including Scarto. This compares with the second estimate of 9,879,000 cantars and the first estimate of 9,021,000 cantars. The fourth and final estimate is expected to be published in April.

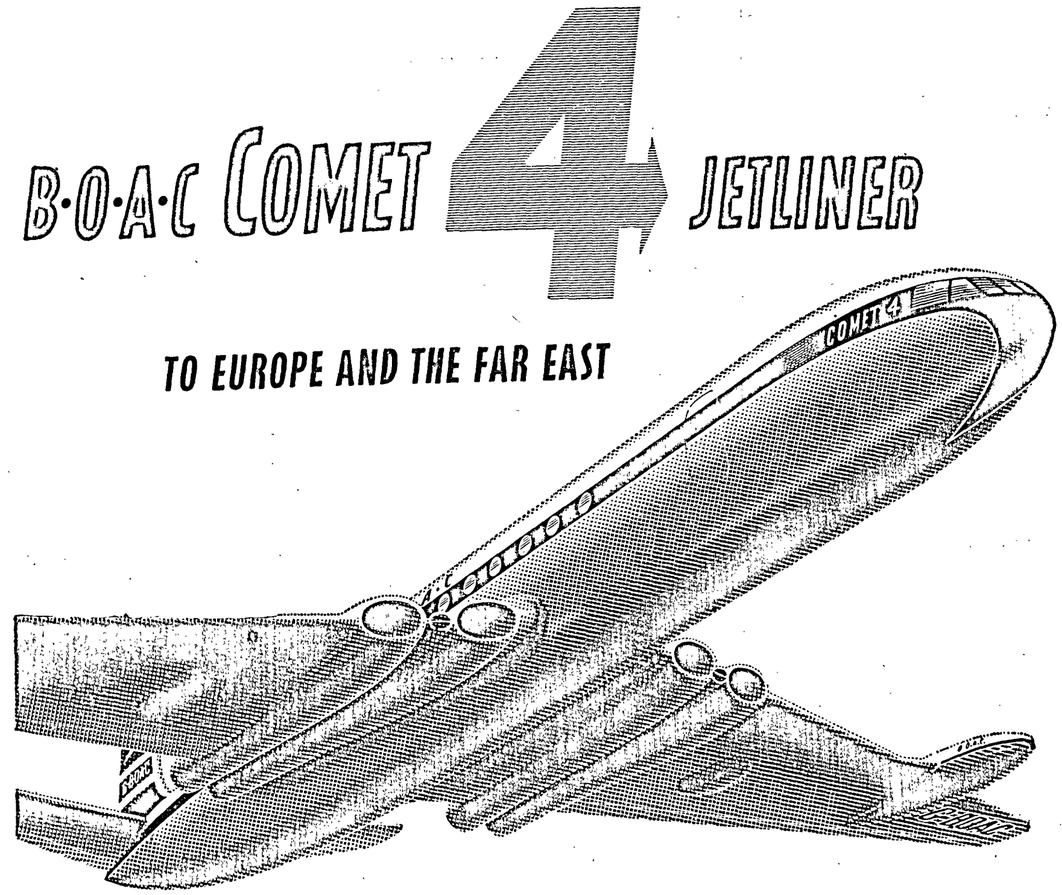
It is reported that a Government decree limiting the acreage for the next season (1959-60) and the areas where long-staple cotton can be cultivated has been issued.

MILL CONSUMPTION OF COTTON

Figures relating to raw cotton consumption compiled by the office of the Textile Commissioner indicate that mill consumption of Indian raw cotton during December 1958 aggregated 419,814 bales (of 392 lbs.), as against 363,650 bales in the previous month and 391,490 bales in the corresponding month of last season. The December consumption is the highest for the current season.

Consumption of foreign cotton during the month was 39,301 bales. This, although higher than the previous month's, is well below the consumption during the same month last season. Total consumption of cotton, Indian and foreign, aggregated 459,115 bales, as compared with 399,294 bales in the previous month and 443,348 in December 1957.





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DEVELOPMENT COUNCIL FOR SUGAR INDUSTRY MEETS

PROGRESS OF EXPANSION SCHEMES REVIEWED

THE speech of Mr. M. Lal, I.C.S., Chairman of the Development Council for Sugar Industry, delivered at the Council's ninth meeting held at New Delhi last week-end, was colourless, in that it did not contain any reference to such important current issues as upward revision in cane and sugar prices, outlook for exports, taxation, and progress of cane cultivation. This is not surprising considering that Mr. Lal took over charge as Chairman only two months ago from his predecessor, Mr. T. C. Puri, I.C.S., who guided the deliberations of the Council in the past three years. Evidently, Mr. Lal has not had sufficient time to master the details of the matters that required the Council's immediate attention. Or it is possible that, since most of these subjects are controversial and involve policy decisions, he preferred not to tread on issues which are, properly speaking, the prerogatives of his Minister. In any case, the Minister concerned will have an opportunity to expatiate on them in the near future, namely, at the forthcoming annual meeting of the Indian Sugar Mills Association. Mr. Lal, therefore, confined himself to a general review of the productive performance of the sugar industry in the past season (1957-58) and an outline of the progress made in the implementation of expansion schemes. Mr. Lal no doubt touched on the issue relating to the diversion of cane from sugar mills to *khandsari* manufacture. But all that he said was non-committal. He observed that the Central Government was actively considering the recommendations of the Fact Finding Committee, that it had an open mind in the matter and that it was trying to find an equitable solution which would be in the interest of both the sugar and *khandsari* industries. It may be that the Centre will do something about this question in the Budget for 1959-60 due to be presented at the end of this month. But, by that time, the greater part of the current crushing season will have been over.

Mr. Lal's review of the progress made in establishing new capacity in the sugar industry reveals that 23 new mills, with a total annual production capacity of about 261,000 tons, went into production by January 1959. Six more units, with a capacity of 72,000 tons, are expected to commence operation later in the current season, seven other units with equal capacity in 1959-60 and the rest in subsequent years. As regards progress in expansion, 23 existing units, with an additional annual production of 104,000 tons, completed their programmes by 1957-58. About eight more units, accounting for an additional capacity of 60,000 tons are expected to complete the schemes in 1958-59 and an equal number involving equal capacity in 1959-60. Some of the factories have also made partial expansion of their plants covering an additional production of 50,000 tons. The remaining factories will complete the expansion in subsequent years.

Grant of Licences

A brief reference to the position regarding grant of licences in the sugar industry may be made here. Up to the end of 1958, licences had been granted for the setting up of 55 new mills, with an aggregate daily cane-crushing capacity of 53,600 tons and expansion of 68 existing units involving an additional cane-crushing capacity of 35,356 tons per day. The State-wise distribution of capacity so far licensed is indicated below:

	Expansion of existing units		Setting up of new units			
			No. of units			
	No. of mills	Additional capacity licensed (tons of cane per day)	Private or Joint-stock	Co-operatives	Total	Total capacity (tons of cane per day)
Bombay ..	7	3,525	2	16	18	17,600
Andhra Pradesh ..	7	4,400	4	5	9	7,750
Bihar	7	2,255	..	1	1	800
U.P. ..	35	18,746	3	3	6	7,200
Madhya Pradesh ..	2	800	..	..	..	..
Madras	1	200	4	3	7	6,500
Mysore	3	1,180	1	3	4	3,850
Orissa	1	350	..	1	1	1,200
Punjab	2	2,600	2	5	7	7,300
Rajasthan ..	2	900	..	..	..	..
W. Bengal ..	1	400	1	..	1	600
Assam	..	..	..	1	1	800
Total ..	68	35,356	17	38	55	53,600

During the discussions on the review of the progress of sugar industry at the Development Council meeting, it was felt that the statistical account of the progress as was available was inadequate and incomplete. It was decided that the Government should furnish State-wise and unit-wise performance and particulars of the way in which the development programme was being implemented.

The pace of expansion of new capacity in the sugar industry has suffered a setback on account of deterioration in foreign exchange position. Alluding to this development, Mr. Lal revealed that the Central Government had decided not to grant licences for import of sugar machinery for any more new factories against free resources or even against rupee payment. The implication of this decision is that the new sugar mills should be established by fabricating, as far as practicable, the required machinery in India by using such minimum essential imported component parts as are necessary for fabrication of complete plant and machinery. It will be recalled that six firms have been licensed to fabricate complete sugar plants in collaboration with foreign manufacturers of repute. It is gratifying that the Government has agreed to release foreign exchange for (a) equipping the workshops of these firms and (b) imports of component parts required for fabricating machinery to be supplied to 12 undertakings for which machinery has still to be arranged.

Speedy Implementation

As a result of the above policy, the foreign exchange requirements per factory are said to have been reduced from Rs. 75-80 lakhs to just Rs. 20 lakhs. The existing factories which have still to implement the expansion programmes have been advised to contract the said firms for getting the required machinery fabricated indigenously. The total production (in terms of value) of sugar machinery during 1959 is estimated at Rs. 320 lakhs, which compares favourably with Rs. 200 lakhs in 1958, Rs. 162 lakhs in 1957, Rs. 32 lakhs in 1956 and Rs. 19 lakhs in 1955. Surely, this development will, as Mr. Lal said, go a long way towards the steady implementation of the sugar industry's expansion programmes under the third Five-year Plan.

After Mr. Lal's address, the Development Council for Sugar Industry considered the recommendations made by the Standing Advisory Committee on Sugar Standards. Mainly, the recommendations are:

There is no necessity for the present to introduce "30" colour grade and "AA" grain size series of standards, since the production of sugar conforming to these standards is still low.

The price differentials for different grades of sugar for use during 1958-59 must be on the basis of the following table:

(In nP per maund)

Grain size	Colour 29	Colour 28	Colour 27
A	+175	+137	+100
B	+112	+ 75	+ 37
C	+ 37	..	— 25
D	..	— 31	— 56
E (Basic grade)	— 19	— 50	— 75

The sugar produced in a particular season should always be graded in terms of Indian sugar standards for that particular year.

The aforesaid chart of price differentials has been accepted and adopted by the Government of India. This decision, we understand, was criticised by the representatives of sugar industry. They urged that the Government should adopt the following price differentials, which are the same as those recommended by the old Development Council in July 1957:

(In nP per maund)

Grain size	Colour 29	Colour 28	Colour 27
A	+250	+225	+187
B	+187	+162	+112
C	+112	+ 75	+ 50
D	+ 75	+ 50	+ 19
E	+ 56	+ 31	..

The plea of sugar millowners was, however, stoutly opposed by some members who felt that the acceptance of the plea would mean an upward revision in the price of sugar of same quality. They contended that the consumer of sugar should not be made to pay enhanced prices and that the sugar industry must endeavour to improve the quality of sugar produced by it. Since there was a wide divergence of opinion, the Council constituted a subcommittee to examine and submit before the end of this month its report on the question. The Committee consists of Messrs. S. N. Gundu Rao (Director, National Sugar Institute), Hansraj Hariram, Ganga Shanker Pandey, Gulabchand Hirachand and D. D. Puri.

Other Decisions

The Council then considered the report of the Committee on Standardisation of Costing Methods used in factories. The new forms suggested by the Committee were accepted. The Council also considered the progress of the Joint Committee set up to examine the question of levy of cess on sugarcane and its utilisation. It was decided that the Indian Sugar Mills Association should submit to the Central Government a consolidated picture of the conditions obtaining in the factory areas in Uttar Pradesh and Bihar and indicate measures for improving such facilities as construction of tube-wells, irrigation and roads.

Six other important decisions were taken by the Council. First, fair trial should be given to the sugarcane quality payment scheme. The Director of the National Sugar Institute was asked to submit an interim report, giving his views on the results obtained and the feasibility of operating the scheme in various parts of the country. Secondly, a sub-committee should be appointed to formulate a development programme for the sugar industry under the third Plan. Thirdly, due attention must be paid to the aspect relating to the uses of sugarcane wax. Fourthly, the Sugar Technologists Association of India, Kanpur, should be given a grant up to Rs. 5,000 for meeting the cost of its publications. Fifthly, the Indian Sugar Mills Association must prepare a report on the possibilities of increasing productivity in the sugar industry through the programme sponsored by the National Productivity Council and the report should be considered in detail by a special subcommittee of the Development Council. Sixthly, as regards standardisation of markings on sugar bags, the existing trade marks rights should not be infringed by the statutory markings and, consistent with the lay-out and principles of statutory markings, any suggestion for modifications made by the Indian Sugar Mills Association would be considered by the Government.

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EUROPEAN COAL CRISIS CONTINUES

BELGIUM THREATENS TO BREAK AWAY FROM E.C.S.C.

THE West European coal "crisis," to which a reference was made in these columns last week, has taken a serious turn, in that the German proposal to cut imports of coal from outside the E.C.S.C. and to levy a duty of DM 20 per ton on them has brought forth protests from Britain, the Netherlands and from a section of the coal consumers in West Germany itself. The two Houses of W. German Parliament themselves are not unanimous in their approval of the proposal. For, while the Lower House has approved of the tariff on coal, the Upper House has voted against it, though it has no power to veto the Lower House's decision. What is more, as Belgium's proposal for a ban on imports from member countries of the E.C.S.C. themselves, in order to help its own coal industry, has not been approved by the High Authority, it has threatened to withdraw from the membership of the Community and take its own measures. The U.S., as was pointed out last week, had already lodged its protest to W. Germany against the import duty.

The Economic Minister at the British Embassy in Bonn has conveyed to the W. German Foreign Minister, Britain's view that the latter's treaty of association with the E.C.S.C. rules out a German tariff on import of coal from Britain and also requires previous notification of any new restriction. Britain's protest has also been conveyed to the High Authority. The change in the basis of fixing import quota has also evoked Britain's protest. It will be recalled that, originally, the duty-free import quota was fixed at 50 per cent. of the average annual imports during the period 1950-53. On this basis the U.S.'s quota worked out to 4.25 million tons and Britain's to 411,000 tons. Subsequently, the quota was revised to 36 per cent. of the average annual imports during 1956-58, as a result of which the U.S.'s quota rose to 5 million tons, while that of the U.K. dropped to 200,000 tons. The British view is that the change in the basic period from 1950-58 to 1956-58 amounts to a discrimination. It is argued that, whereas German imports of U.S. coal is of a recent origin, dating back to only 1956, Britain's trade with Hamburg and Bremen is a traditional one, the imports of coal amounting to about 4 million tons per annum between the wars. Since the war, supplies of coal from Britain are said to have been kept up at the request of Germany, albeit on a smaller scale. Even in 1956, when Britain was faced with a shortage of coal, exports to Germany amounted to 1 million tons. In that year, there was a sharp rise in German imports from countries outside the E.C.S.C., supplies from the U.S. alone amounting to 11.5 million tons, as against 7 million tons in 1955 and less than 2 million tons in 1954.

The British protest is said to have not been considered by the Council of Ministers of the E.C.S.C., when it met at Luxemburg on the 5th inst. At this meeting, the Netherlands Government was strongly critical of the German tariff levy, on the ground that large quantities of coal imported by Germany pass through Holland and the Dutch transport firms have made large investments to avoid transport and transit bottlenecks at points of entry. The Council's verdict on the German measures as such are not known, nor on the Belgian demand for declaring a state of crisis, but it decided, following the Dutch protest, that the High Authority should supervise the application of the import duties and the duty-free quota to see that surplus tonnage were not left in the Dutch market.

Following the meeting of the Council of Ministers of the E.C.S.C. on the 5th inst., the Belgian Minister for Economic Affairs announced that, if Belgium were not helped by the Community, it would have to take steps to help itself. According to him, the pithead stocks in Belgium have gone up during January by an equivalent of 1.3 days' production. Had it not been for the winding stoppages, the surplus would have been equal to six days' production. If no positive measures were taken on a Community basis, the Minister said, he was free to isolate the Belgian coal market from the other member countries. Such a step implies a ban on Belgian imports of German, Dutch and French coal. The Belgian threat suggests that the Council of Ministers has not been able to find a solution yet to the European coal problem.

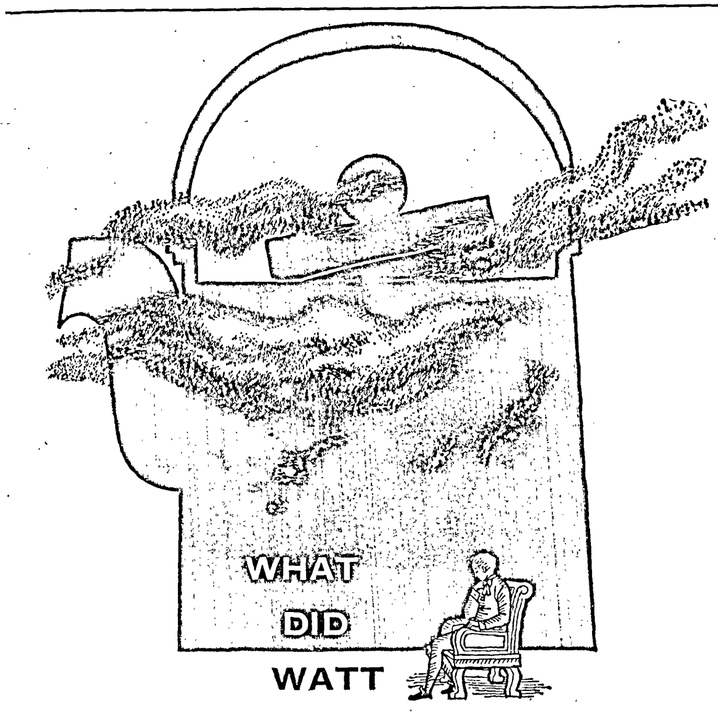
In the circumstances, the High Authority has two courses of action open to it after declaring a state of crisis: (1) to restrict output of member-countries on a quota basis; and (2) to recommend to each country to restrict its imports from outside sources. In fact, Belgium has been asking for the first course, as it would be a way of spreading the output cut among the other four producing countries. The other course will be resisted by Italy which relies mainly on imported coal and is at present buying little, other than American coal, because its price and freight structure make it very cheap. The High Authority can, however, avoid using its Treaty powers and negotiate an alternative solution, but the present members have no mandate for doing so.

USES OF COAL

It is generally believed that, with the increasing competition from fuel oil and with the growth of atomic power, coal will lose its importance as the main source of energy in course of time. This may be true in places which are not well supplied with coal but in areas such as the Damodar Valley where coal supply is plentiful, coal, it is believed, will be a cheap source of power for a long time to come. Even in areas where other sources of energy will replace coal, one cannot bypass the latter, because of its various other uses in the progress of mankind. This was the view expressed by Prof. B. C. Guha, Head of the Department of Applied Chemistry, University College of Science and Technology, Calcutta, in his inaugural address at the three-day symposium on the "Nature of Coal" held last week at Dhanbad under the auspices of the Central Fuel Research Institute.

Coal was the mother of all carbon compounds and as such it would, said Prof. Guha, always be a valuable mineral. It provided the base for various dyes. Various drugs, plastics and explosives for peaceful purposes were derived from it. Speaking on the mystery of coal, Prof. Guha said that, if one knew more about the constitution of coal and its nature, one could predict, in a more precise manner, the applications to which these different varieties of coal would be susceptible.

In his address at the symposium, Dr. A. Lahiri, Director of the Central Fuel Research Institute, pointed out that, as a result of hundred years of research on the structure of coal, it had been found that there were other things in coal than the "benzene ring." It was on the disordered carbon in coal that most of the properties of coal depended. Today, it was possible to convert coal into a cation and an anion exchange material, to fix nitrogen in coal, to modify the structure of coal at least in the laboratory, to convert a non-coking coal into a coking coal. The technological steps would come later. Dr. Lahiri went on to add that a multitude of reactions in inorganic chemistry that were known to take place with other polynuclear molecules could also be brought about. It was possible to make directly a synthesis of dyes from coal, but it would be a long battle before these could be put into practice and used technologically for industrial development.



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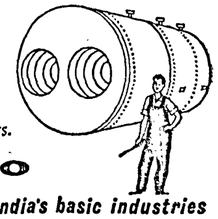

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JUTE GOODS PRODUCTION SHRINKS

STOCKS, HOWEVER, RECORD FURTHER RISE

JUDGED from the statistical point of view, the decision of the I.J.M.A. to seal 1½ per cent. of the looms of its member-mills, with effect from the 2nd ult., seems to be justified, though its corrective effect is expected to be no more than marginal. The statistics of jute goods relating to the month of January 1959 show that, despite a fall in production during the month, the stocks of gunnies at the close of the month have gone up further. This is due to a slight decline in shipments during the month under review. Thus, while the total output has declined by 4,400 tons to 92,100 tons, stocks have risen by 4,000 tons to 113,700 tons.

The decline in production of jute goods during January reverses the upward trend noted in the previous two months when the output rose from 81,800 tons in October 1958 to 96,500 tons in December 1958. As compared with January 1958, the production during the month under review represents a decrease of 6,200 tons. Of the fall of 4,400 tons last month, sacking accounts for the bulk, having declined from 49,200 tons (in December 1958) to 45,200 tons. The output of hessian, too, has dropped, albeit by a fraction to 40,000 tons, in contrast to the rise of 4,300 tons in December and of 2,000 tons in November. Over the year, it shows an increase of 5,600 tons. The production of "other varieties" has shrunk from the peak level of 7,200 tons to 6,900 tons, but this decline is not sufficient enough to offset the increase of 900 tons in December and 800 tons in November last. As compared with January 1958, however, it shows a rise of 300 tons, as will be seen from the following comparative table:

Production of Jute Goods

(In tons)

	January, 1959	December, 1958	November, 1958	January, 1958
Hessian	40,000	40,100	35,800	34,400
Sacking	45,200	49,200	44,900	57,300
Others	6,900	7,200	6,300	6,600
Total ..	92,100	96,500	87,000	98,300

The decline in output during January this year is due to the fall in the number of hours worked from 217.5 to 206.0. It may be noted that, while the proportion of hessian to total production has risen over the year from 35 to 43.4 per cent., that of sacking has declined from 58.3 per cent. to 49.1 per cent.

The stocks of jute goods as on 31st January 1959, at 113,700 tons, show a rise of 4,000 tons as compared with the previous month, thus maintaining the upward trend for the second month in succession. With the aggregate increase of 8,300 tons in the last two months, the stocks have gone up to the highest level since August last. It will be recalled that the stocks of gunnies with mills were reduced successively from the peak of 134,000 tons, as at the end of June last to 105,400 tons at the close of November, but they have since then been showing an upward trend. They now amount to a little less than five weeks' production, whereas at the end of June last they represented 6½ weeks' output and a year ago less than a month's production. A break-up of the stocks of gunnies variety-wise is shown in the following table:

Stocks of Jute Goods

(In tons)

	As on 31st Jan., 1959	As on 31st Dec., 1958	As on 30th Nov., 1958	As on 31st Jan., 1958
Hessian	16,800	15,800	17,300	29,700
Sacking	83,000	89,200	78,500	53,700
Others	13,900	13,700	12,600	13,200
Total ..	113,700	109,700	105,400	96,600

All the three main groups of jute goods have shared the rise in stocks at the end of last month, hessian accounting for 1,000 tons, sacking for 2,800 tons and "other manufactures" for 200 tons. Barring end-of-December position, hessian stocks are at the lowest level since November 1950. As compared with January 1958, the stocks of hessian are lower by 12,900 tons. At 16,800 tons, hessian stocks represent 14.8 per cent. of the total, as against 30.7 per cent. a year ago. The stocks of sacking stand at the highest level since August last and represent an increase of 29,300 tons over the year. They form 73 per cent. of the total stocks, while a year ago they constituted only 55.6 per cent. The stocks of "other manufactures" have maintained their upward trend for the fourth month in succession.

The total shipments of jute goods during the month under review aggregated about 64,600 tons, as compared with 63,800 tons in December 1958 and 47,400 tons in January 1958. (These are gross figures based on shipping bills and include coastal shipments also). The details are as follows:

(In tons)

	Bags	Cloth	Total
Hessian:			
January 1959	2,910	23,780	36,690
December 1958	2,370	39,180	41,550
January 1958	1,540	22,100	23,640
Sacking:			
January 1959	26,740	1,160	27,900
December 1958	21,930	270	22,200
January 1958	23,340	440	23,780

Shipments of hessian have fallen by about 4,900 tons to 36,700 tons, while those of sacking have gone up by 5,500 tons to 27,900 tons.

EXPORT OF RAW JUTE

The State Trading Corporation of India has made the necessary arrangements to export raw jute. This follows the recent decision of the Government of India to promote export of the golden fibre in limited quantities through the State Trading Corporation, as a measure to arrest the slump in raw jute prices. Explaining the Government policy in this regard, a Press note issued by the Corporation says:

"Only those grades and markings of raw jute which are well known to the London and Continental markets will be exported through established balers who enter into an agreement with the S.T.C. to export jute on its behalf. The size of the exports will be determined from time to time, having regard to the requirements of the Indian jute mills for manufactures of hessian and sackings for overseas markets as well as internal consumption.

"No official floor prices for export of raw jute have been fixed by the Government of India. Prices at which export will be permitted will be reviewed from time to time by a committee set up by the S.T.C. in Calcutta. Export offers will be accepted subject to these prices."

It remains to be seen how far Indian raw jute will attract foreign buyers, even though price-wise it compares favourably with the corresponding variety of Pakistani jute, even after making allowance for the latest reduction in the minimum prices of jute cuttings for export to India, the U.K. and the Continent. The main difficulty in exporting Indian raw jute arises from the fact that it is making its appearance after an interval of several years and foreign manufacturers are not able to switch over to it easily.

PAKISTAN REVISES EXPORT PRICES

The Pakistan Government has revised the minimum prices of jute cuttings for export to the U.K. and the Continent, with effect from the 8th inst., following the reduction of freight rate by £2 per ton on jute cuttings from Pakistan by Conference Lines. With a view to avoiding complications, the Government has taken the opportunity to fix a uniform price for N.C., M.C. and T.C. varieties. The minimum export prices per ton for jute cuttings c.i.f. U.K.-Continent are: C £50; S.N.C. £39; N.C. £29; M.C. £29; cut ropes £42; T.C. £29; D.T.C. £39.

The minimum export prices of N.C., M.C., and T.C. for India has also been revised to Rs. 60 per bale c.i.f. Calcutta.

The revised prices have made Pakistani cuttings cheaper in overseas markets, but, in view of the fact that there are ample supplies of fibre in the U.K. at present, Dundee manufacturers may not be interested in adding to their stocks. So far as India is concerned, the reduction in prices is of little interest, as imports from Pakistan are banned except those of superior grades which are not available in India.

EXPORT OF JUTE

The export raw jute was the subject matter of an interpellation in the Lok Sabha on the 13th inst. Referring to the accumulation of raw jute in Calcutta port, Mr. Rameshar Tantia observed: "Certain export sales of jute were made on a clear assurance by the Jute Commissioner that no export duty would be charged. But no instructions to this effect had yet reached the Customs authorities in Calcutta with the result that the jute sold was lying in Calcutta unexported. Further sales of jute are also likely to be affected. Therefore, may I know what steps the Commerce and Industry Ministry is taking to expedite this important step without which the whole scheme of exports will fail."

In his reply, Mr. Nityanand Kanungo said: "At no time the Government gave any assurance about abolition of duties. If, as the member has stated, certain exporters are not able to market their jute, the Government knows how to take care of it."

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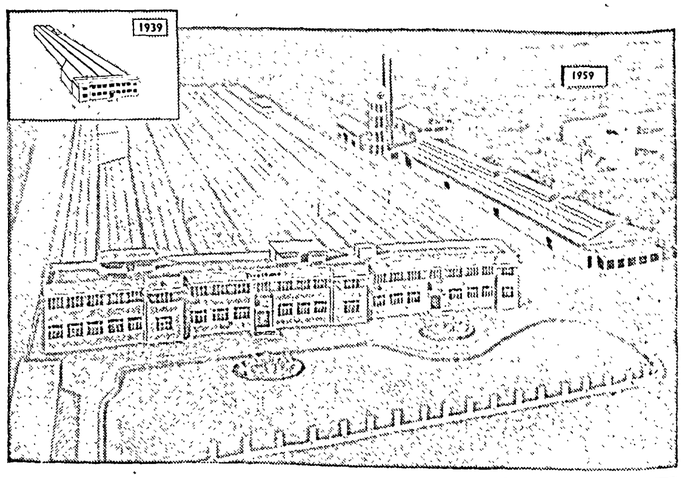

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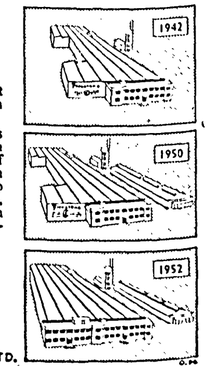

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WORKING OF RAILWAYS IN 1957-58

NEW RECORDS SET IN EARNINGS AND OPERATIONS

IMPRESSIVE records in all aspects of working are revealed by the Report on Indian Railways for 1957-58, issued by the Indian Railway Board. The Report, which is more comprehensive, analytical and interesting than its predecessors, shows that there has been sizable improvement in the number of passengers carried, the passenger-miles, freight-tons and ton-miles, all of which touched new records. Reflecting these increases, the total earnings have also gone up. The improvement in earnings is particularly noteworthy, in view of the fact that the "stresses and strains" in the economic activity in the country adversely affected the operation of the Railways, more especially in the last quarter of the year under review.

Gross earnings of Indian Railways (including non-Government railways) increased from Rs. 350.55 crores in 1956-57 to Rs. 382.99 crores and total working expenses from Rs. 280.13 crores to Rs. 311.16 crores. The number of passenger-miles rose from 42,194 million to 43,332 million and freight-ton miles from 40,224 million to 44,897 million. The following table gives the results of the working of the Indian Government Railways only during the years 1956-57 and 1957-58.

Items	1957-58	1956-57
Capital at charge (Rs. in crores)	1,160.13	1,033.02
Route mileage (as on 31st March)	34,461.88	34,290.81
Gross earnings (Rs. in crores)	381.42	348.89
Total working expenses (Rs. in crores) ..	309.76	278.76
Operating ratio (per cent.)	81.21	79.90
Number of passengers originating (in millions)	1,410.18	1,359.68
Passenger miles (in millions)	43,042.93	41,878.33
Earnings from carriage of passengers (Rs. in crores)	119.10	116.33
Average earnings per passenger mile (in pies).	5.31	5.33
Freight tons originating (in millions).. ..	132.08	124.07
Freight ton miles (millions)	44,861.39	40,185.78
Earnings from carriage of goods (Rs. in crores).	225.29	200.58
Average earnings per freight ton mile (in pies).	11.40	11.30
Total train miles (in millions)	224.76	215.52
Gross earnings per train mile (in Rs.) ..	18.10	17.10
Working expenses per train mile (in Rs.) ..	14.90	13.80
Net earnings per train mile (in Rs.)	3.21	3.26
Net earnings per mean mile worked (in Rs.)..	20,848.00	20,414.00

Gross Receipts

The gross receipts of the Government Railways including the worked lines for the year 1957-58 amounted to Rs. 379.78 crores as compared with Rs. 347.57 crores in 1956-57. Gross receipts in 1957-58 with figures in brackets indicating the position in 1956-57 included: passenger earnings Rs. 119.10 crores (Rs. 116.33 crores) and goods earnings Rs. 229.68 crores (Rs. 203.96 crores). The ordinary working expenses aggregated Rs. 264.18 crores, as against Rs. 233.94 crores. The operating ratio (that is, the ratio of working expenses, including transfer to Depreciation Reserve Fund, to gross earnings) was 81.21 per cent., as compared with 79.90 per cent. in 1956-57. The payment of dividend to General Reserves absorbed Rs. 44.40 crores, as against Rs. 38.16 crores in 1956-57, leaving a surplus of Rs. 13.38 crores, as against Rs. 20.22 crores.

Generally speaking, there was a rise in the earnings from the principal commodities carried by the Railways, the only important exception being rice. Traffic receipts from different commodities in 1957-58 with figures in brackets giving the receipts in the previous year are:

(Rs. in lakhs)

Coal 30,10 (26,05); rice and paddy 5,68 (5,86); grain and pulses 7,19 (5,65); wheat and wheat flour 6.61 (4,65); oilseeds 4,62 (3,98); raw cotton 4,00 (3,78); salt 4,6 (3.59); mineral ores 9,71 (7,01); fuel oils including kerosene and petrol 13,85 (12,89); sugar 6,21 (4.83); *cotton manufactures* 3,74 (3,45); vegetable oils 3,35 (2,72); cement 7,99 (6,30); iron and steel 19,19 (15,13); tea 2,12 (1,51); raw jute 2,06 (1,73) and jute manufactures 1,57 (1,28).

Among some of the most difficult problems of the Railways are loss arising from ticketless travel and loss from claims arising from loss or damage to parcels and goods. It was revealed from checks that the extent of ticketless travel over the Railways was about 4 per cent. and the consequent loss in revenue was of the order of Rs. 4.5 crores. During the year under review, 489,115 claims were settled by the Railways as against 492,962 in the previous year. The number of claims outstanding at the close of the year was 44,837. The net amount paid by the Railways on account of goods or parcels lost or damaged was Rs. 3.27 crores as against Rs. 3.33 crores in 1956-57. Apart from maintaining vigilance over various aspects of claims prevention, the special measures adopted by the authorities include: (1) provision of dunnage for wagon load consignment of grains and pulses to prevent pilferage through door crevices of wagons; (2) use of private locks by public in respect of consignments in wagon loads as a measure of additional safety, (3) provision of armed escorts for goods trains carrying valuable goods through unsafe areas and (4) publication of a pamphlet containing rules and procedures for the preferment and disposal of claims for compensation and refund.

Rolling Stock

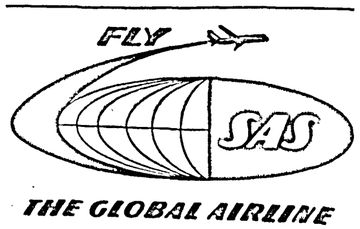
Renewals and additions to rolling stock during the year under review included 603 locomotives, made up of 225 B.G. locomotives and 378 M.G. locomotives. Further, 915 B.G., 424 M.G. and 69 N.G. coaching vehicles were placed on line, the respective figures of goods wagons being 19,894, 9,674 and 66. The Chittaranjan Locomotive Works maintained a monthly rate of 14 locomotives. The Tata Locomotive turned out 85 M.G. locomotives in 1957-58, as against 67 in the previous year. The Railway Workshops overhauled 2,470 locomotives during the year, as against 2,312 in the previous year. The percentage of overage stock to total stock was, in respect of locomotives, 29.18 B.G., 19.39 M.G. and 25.73 N.G., in respect of coaching stock 36.46 B.G., 29.62 M.G. and 56.68 N.G. and in respect of wagons, 13.03 B.G., 13.78 M.G. and 52.06 N.G.

A new level in total purchases made by the Railways was touched in 1957-58 when they aggregated Rs. 221 crores, or 29 per cent. more than in 1956-57. Of this, the total payment made for equipment of Indian manufacture was Rs. 158.48 crores in 1957-58, as compared with Rs. 125.82 crores in the previous year. The value of products of cottage and small-scale industries, purchased in 1957-58, was Rs. 3.58 crores, as against Rs. 3.77 crores in 1956-57; the corresponding figures for *khadi* were Rs. 61.67 lakhs and Rs. 53.98 lakhs.

Staff

The Railways, as is well known, are the single largest employer in the country. The total number of employees on all the Railways (including the Raiway Board and other offices) was 1,103,529 at the end of 1957-58, as compared with 1,056,779 at the end of 1956-57. On Government Railways, the number of staff at the end of 1957-58 was 1,102,673 (3,766 class I and II employees and 1,098,907 class III and IV employees), as compared with 1,050,471 at the end of the previous year (3,441 class I and II employees and 1,047,030 class III and IV employees). The cost of staff during the year 1957-58 was Rs. 172.93 crores (Rs. 4.34 crores for class I and II employees and Rs. 168.59 crores for class III and IV employees), as compared with Rs. 156.31 crores in 1956-57 (Rs. 3.83 crores for class I and II employees and Rs. 152.48 crores for class III and IV employees.

Being a large employer, the Railways have necessarily to devote their attention to welfare and educational activities. It is gratifying to note that this aspect continues to receive adequate priority. During the year under review, the capacity of the Railway Staff College, Baroda, was increased from 30 to 110. There are now 50 specialised training institutions. Some are Traffic Training Schools, which train station masters, signallers, guards and parcel and booking clerks. There are schools for training loco running staff and permanentway staff and the staff of the Railway Protection Force. Further, the Railways have continued to maintain training schools for imparting theoretical training to their apprentices in the mechanical, electrical and signal and telecommunication departments. A scheme is in operation for training apprentices in such trades as fitting, carpentry, millwright, boilermaking, tin and coppersmithy, welding, pattern making, painting, polishing, trimming and electrical wiring. These institutions, together with the schools and hostels run by the Railways, constitute a distinct contribution to India's educational and industrial progress.



HIGH LEVEL COMMITTEE ON FLOODS

In a written reply to a question in the Lok Sabha, the Union Deputy Minister for Irrigation and Power, Mr. Jaisukhlal Hathi placed on the table a summary of the recommendations contained in volume II of the report of the High Level Committee on Floods. The Committee was appointed by the Government of India in April 1957 and in the first volume of its report, submitted in December 1957, the Committee presented a general assessment of the flood problems in the country and dealt with the principles and policies to be followed in tackling them. In the present volume, the Committee has laid emphasis on the necessity for preparation of outline-master plans for the various river basins and has suggested the important points to be included in such plans. The flood problems, the measures adopted in the past, and the general lines on which flood control work should be done in future have been indicated in the case of each major river basin. The data so far collected with regard to rain gauge, river gauge, discharge, silt observation, and surveys have also been reviewed, and the lines for future investigations indicated. In developed countries, the trend is to have "one plan for one river" in order to exploit the available water resources to the maximum extent. Such co-ordinated and balanced plan of basin development, it is pointed out, has not yet been prepared for any river in this country, except to some extent by the Damodar Valley Corporation.

Analysing the main features and flood problems of the Brahmaputra basin and the measures undertaken so far by the Government of Assam in the Brahmaputra Valley, the report suggests the lines on which action should be taken to prevent bank erosion and to improve land drainage. In the opinion of the Committee, immediate steps should be taken to ensure that the catchment areas of the various rivers do not deteriorate further through faulty land use and indiscriminate destruction of forests. The catchment areas should be improved by undertaking soil conservation measures. The various tributaries should be watched for any tendency to change their courses and timely action taken to discourage such tendency wherever noticed. The low-lying areas may be reclaimed by regulated siltation. For the Ganga basin, the lines suggested for future planning generally relate to improvement of drainage conditions by removing obstructions, desilting and increasing the waterways under bridges and culverts, wherever found inadequate.

The flood problem of Delhi area, it is stated, would be considerably solved if and when the dams proposed on the river Yamuna and/or its tributaries upstream of Tajewala are constructed. The report observes that the schemes carried out by Uttar Pradesh in the basins of Yamuna, Ghagra, Ganga and other rivers should prove quite beneficial. The measure of shifting villages outside the flood courses of rivers is also recommended.

As regards improvement of the Bhagirathi-Hooghly system, the measures suggested by the West Bengal Government, namely, training of the river and dredging of bars in the lower Hooghly, controlling the silt of the principal tributaries of the river and introducing sufficient quantity of controlled upland waters from the Ganga into the Bhagirathi by the construction of a barrage across the Ganga above its offtake, have been generally considered suitable by the Committee.

The suggestions for drawing up the flood control programme for the north-western river basins include improvement and resuscitation of waterways of minor rivers like the Ghaggar and its tributaries. In the case of river basins of Central India, construction of embankments for preventing floods by river spills is considered a suitable remedy. The report also observes that there are no serious flood problems in States like Madhya Pradesh, Madras, Mysore and Kerala.

As regards surveys and investigations for flood control the report states that the present number of reporting, self-recording and non-reporting rain gauge stations—numbering 3,580; 84 and about 1,580, respectively—are inadequate for the size of the country, and has suggested that there should be an increase in the number of such stations.

The *Indian Journal of Power and River Valley Development* (Editor: K. K. Sinha, 6/2, Madan Street, Calcutta 13), which has maintained high standards in technical journalism, has published a special number (Price Rs. 7.50), giving 16 original contributions prepared for the symposium on power development, held recently in Delhi, under the auspices of the Indian Science Congress. The number carries many interesting and informative articles on power development. Mention may be made of power development in India by Mr. M. Hayath and Mr. S. Swayambu, power requirements and resources by Mr. S. S. Kunwar and Mr. A. Shankaran and prospects of power development by Mr. J. L. D'Sa. Other notable articles deal with super-grid system in India, power system design, 220 k.v. transmission line and design of axial flow units and high pressure thermal station. The special number, which also carries articles on power development in several States, is bound to be read with interest by those who could not attend the symposium and, therefore, had no access to the papers read there.

NEW PRODUCTS AND PROCESSES

New Finish for Stainless Steel

STAINLESS steel can be given a frosted appearance by a new U.S. process employing what is described as a "semi-blasting" technique. The finish, which does not penetrate the metal, is achieved by forming tiny mounds on the surface which diffuse light rays. It is applied after the stainless steel part is formed and all kinds of patterns, lettering, bossed, deposed, flat or contoured surfaces can be handled by the new process, it is claimed. Currently, the process is being used on automobile trim sections. It is expected by the developers to find applications in the home appliance, architectural, furniture, toy and other fields. Neither heat nor cold is said to have any effect on the surface, treatment and accelerated field tests indicate that weathering may have no effect. The developers report that they also are working on colouring with the new process.

New Cash Register

A relatively low-cost electromechanical computer system, developed in the U.S. for use in conjunction with cash registers, can, it is claimed, simplify retailing and eliminate a bottleneck. The system is designed to permit customers to pay for all purchases made throughout a self-service store at one checkout point instead of having to make payments at several cash registers set up by departments or groups of departments.

The unit can keep separate tallies on sales from up to 500 departments. As a sale is rung up on the cash register, an electric impulse automatically activates switches that store information in the unit. At the end of the day, a mobile read-out device is attached to each unit and the day's sales information is transferred. Without further processing, the read-out unit delivers the data on printed tape, broken down by department or classification, providing a check for inventory.

A register unit, capable of handling 50 departments or classifications, will cost $2,100. Other units, with up to 500 classifications, will range in price up to $15,000. The read-out units, depending upon capacity, will cost from $2,500 to $7,800.

New Weft Bobbin

A spinning bobbin factory of Holland has developed a weft bobbin which has many advantages over wooden weft bobbins. The new bobbin consists of two parts, namely, the shank of the bobbin which is wound of 100 per cent. cellulose paper and then impregnated on a synthetic resin basis and the foot of the bobbin on which the metal rings are mounted which is made of wear-resistant plastic. The great advantage of this design is that the shank is exchangeable and the plastic foot can be used again. This exchange ability is possible because the conic shape of the paper body of the shank can be pressed to fit into the conic hole of the plastic foot. Another important point is the stability of this bobbin. It does not splinter or crack and does not warp when subjected to intensive moistening and drying. The bobbin has a permanent perfect fit and a true vibration-free rotation.

Safe New Tyre

The United States Rubber Company has developed a new automobile tyre, which is claimed to be the safest tyre on the road that has been manufactured to date. The tyre is oval in cross-section, rather than round. This means that it will flex less as it rolls than conventional tyres and will be cooler at high speeds. The oval shape also provides more resistance to sideways push. The tread of the tyre is completely different from those of most present-day tyres. Instead of having a series of ribs separated by grooves, it is made up of cylindrical pads. These so-called "traction toes" provide "surface-biting edges" in all directions. To provide added strength, the new tyre is made of improved rubber compounds. According to the manufacturers, the tyre will give 60 per cent. more mileage than present original tyre equipment on new cars. It will cost 80 per cent. more, but will provide "a far safer ride, greater stability on curves, and more resistance to punctures and blow-outs than any other passenger car tyre now available." While the new tyre is high in cost, it is said that its basic principles can be adapted to lower-priced tyres.

New Heat-to-Electricity Converters

A new and promising method of converting heat directly into electricity by the use of ceramic-type materials is being developed by the Westinghouse Research Laboratories in the United States. According to Dr. Clarence Zener, director of the laboratories, when these special materials are heated by a flame or some other source of high temperature, they create an electrical current that can be harnessed for useful work. The materials could be used, Dr. Zener says, in small electrical power generators that do not have any moving parts or require bulky storage batteries. The ceramic-like materials are said to overcome disadvantages of some earlier methods of converting heat directly into electricity. They are, for example, made of compounds of common materials such as nickel and manganese. In addition, they do not require ultra-high-purity refining, operations that must be carried out in a vacuum, or complex electronic apparatus.

MYSORE KIRLOSKAR LIMITED

CHAIRMAN'S SPEECH AT ANNUAL MEETING

THE Seventeenth Annual General Meeting of the Mysore Kirloskar Ltd. was held at Harihar on 31st January 1959. Addressing the shareholders on the occasion, Mr. M. D. Shivananjappa, I.A.S., Chairman of the Company, disclosed that the development of new lines, namely, the capstans and turrets, in collaboration with Messrs. Alfred Herberts of Coventry, England, would be taken up in all earnestness.

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

"It is my proud privilege and pleasure today to extend to you all a most hearty and cordial welcome to the seventeenth annual general meeting of your Company.

"The balance-sheet as at 30th June 1958 and the profit and loss account for the year ended 30th June 1958, together with your Directors' report and the auditors' report, have been already sent to you separately. With your permission, I take them as read.

"The statements of accounts show the financial position of your Company and the business done by your Company during the last two years and with the help of these figures, you will have a comparative idea of the business done by your Company during the last two years. In the previous year, that is, the year ended 30th June 1957, the factory worked for only ten months, while during the year under report, the factory worked throughout the year. So while comparing the work done in the last two years, the total working periods for the respective years will have to be taken into account.

"The turnover during the year under report as represented by sales amounted to Rs. 86.62 lakhs, as against Rs. 54.43 lakhs in the previous year.

"It will be of some interest to you to know the percentage allocation of revenue receipts during the year under report; raw materials and stores accounted for 42 per cent.; wages accounted for 27 per cent.; indirect working expenses accounted for 10 per cent.; fuel and power for 3 per cent., statutory depreciation for 11 per cent.; taxes to Government, including income-tax and wealth tax, 4 per cent., as against the surplus of 3 per cent.

Capital Expenditure

"During the year under report, we have made additions by way of capital expenditure to the various assets of your Company to the extent of Rs. 20.22 lakhs, as against Rs. 6.92 lakhs in the previous year.

"The business of the Company was generally quite satisfactory to enable the Company to provide for development rebate to the full extent to which it was permissible under the Income-tax Act.

"You may be aware that your Company has embarked on a plan for expansion of its existing activities. This objective is already achieved by the Company and the development of new lines, namely, the capstans and turrets under the Herbert-Kirloskar collaboration agreement will now be taken up in all earnestness. I am glad to tell you that the negotiations for technical collaboration with Messrs. Alfred Herberts of Coventry, England, were successfully concluded during the year under report and the agreement was formally signed on 1st August 1958.

"For purposes of concentrated efforts and efficient production, it is proposed to open a separate establishment for the manufacture of capstans and turrets under the Herbert-Kirloskar collaboration agreement.

"You must have read from the Directors' report to you that your Company has so far availed of Rs. 21 lakhs out of the sanctioned loan of Rs. 25 lakhs from the Industrial Finance Corporation of India, New Delhi. The balance of Rs. 4 lakhs will be received in due course.

"You are already aware that your Company has decided to raise further equity share capital of Rs. 15 lakhs divided into 15,000 shares of Rs. 100 each to be issued for cash at par. As shareholders of the Company, you must have also received circular notices offering the shares to you in the first instance. The shares remaining unsubscribed by the existing shareholders are also offered to the public by issuing a prospectus and the whole of the issue is underwritten by Messrs. R. R. Nabar & Co., share and stock brokers of Bombay. The response received so far in regard to this new issue is quite encouraging.

"You will thus see that your Company has fortified its financial position in several ways and has equipped itself well to meet the growing demands for its products in our country.

"I am glad to tell you that the labour relations in the factory during the year under report were generally happy and the workmen by and large have shown a tendency to co-operate fully with the management in better work and increased rate of production. I take this opportunity to congratulate them, one and all, for this co-operation. I would like to add, however, that there is still great scope for further improvement in the rate of production. I am sure, the workmen will take to this in all sincerity and do their very best in the years to come and it is only by raising the productivity that they can ensure better conditions for themselves.

"Though the working results of your Company have been generally satisfactory during the year under report, its working was by no means very smooth. It had to face several difficulties, some of them very serious also. My predecessor in office has already referred to some of these difficulties in his speech at the time of the last general meeting of your Company. These were in regard to the difficult position of raw materials, transport and tax burden. Though the position of transport was comparatively better during the year under report, still there is great scope for improvement. The position of raw materials like special steel and hard coke continues to create very anxious situations and still continues to defy a satisfactory solution. Some of the tax burdens continue to be very high and unrelated to the earnings of the Company.

"The wealth tax continues to apply to companies in this country, though even in the industrially advanced countries of the West such a tax does not apply to the companies. The welfare activities of the Company include buildings like the club building, the canteen and the housing of its employees. These are shown as assets and are consequently regarded as wealth and wealth tax is calculated on such assets. The wealth tax is thus required to be paid even on such welfare activities.

Small Workshops

"Your Company has been encouraging the establishment of several small workshops to act as feeder workshops for the main factory. The small workshops will in due course be developed into sizable units all working independently. We have been doing our very best in helping them, giving them work and technical advice and in helping them in various other ways. These small workshops are now suffering due to inadequate power supply and improper working place. It was very kind of the Government of Mysore to select Harihar as one of the places for development of industrial estate. A time has now come when these small workshops are finding it very difficult to expand their activities for want of adequate and proper place of working. The need for an industrial estate is, therefore, all the more urgent and I, therefore, take this opportunity to request the authorities concerned to give their immediate and earnest consideration to the speedy establishment of the industrial estate at Harihar.

"Recently, the Mysore Housing Board has built about 112 quarters for employees in industrial establishments at Harihar. Your Company has fully co-operated with the Housing Board in managing its portion of the colony. The Housing Board has also assured us of 100 more tenements for the employees of your Company and I take this opportunity of expressing our sincere gratitude for all the help that is given and assured by the Housing Board.

"Ladies and gentlemen, during the year under report, the management and the members of the organisation, including workmen and the staff, had to exert their very best in raising the production and I take this opportunity of sincerely thanking them and congratulating them on your behalf for their efforts.

"Ladies and gentlemen, I now thank you for the very patient hearing that you have given me.

"I now propose that the balance-sheet and the profit and loss account and the Directors' report be adopted."

N.B.—This does not purport to be a report of the proceedings of the general meeting.

EXPORT INCENTIVES FOR MILL-MADE CLOTH

SOME SUGGESTIONS FOR IMPROVING THEIR VALUE

By K. P. Singhania

INDIA has been exporting her cloth on a large scale to her traditional markets of the countries of the Indian Ocean as also to Australia, the U.K., and Canada. The framers of the first Five-year Plan had laid down 1,000 million yards as the target for export of Indian cloth every year. This figure was exceeded in 1950 when the export amounted to 1,072 million yards. In 1954, the export was to the tune of 804 million yards. Thereafter, however, there has been a gradual fall in the export of cloth from India as will be seen from the following figures:—

	(In millions of yards)
1955	692
1956	683
1957	839
1958 (Jan. to Oct.)	492

The reasons for this shrinkage in our export trade have been the competition from Japan and Hong Kong and emergence of new exporters like China and Pakistan. What with rising costs of manufacture, owing to higher incidence of Jabour cost, higher prices of raw materials and stores and several restrictive measures adopted by many countries who have been normally importing cloth from India, the Indian textile mills have been finding it difficult to sell their products at remunerative prices in the overseas markets. The result has been the gradual fall in the export of cloth, month by month, the year 1958 showing the lowest figure of export in the last nine years.

Success Eluding

The reduction in exports of cloth resulted in accumulation of cloth in the internal markets and with the mills, and, in order to remedy this situation, the Government of India thought of devising ways and means, so that the export of cotton cloth can be stepped up. However, in spite of all the measures taken by Government such as the establishment of the Cotton Textiles Export Promotion Council with branches at all important trade centres in the overseas markets, sending of trade delegations, holding of exhibitions showing the variety and types of Indian cloth available for export, standardisation of contract forms, pre-inspection of goods, survey and arbitration machinery, the cotton cloth exports have been dwindling. Not only is this having a deleterious effect on the internal markets for cloth, but also on our foreign exchange earnings, as export of cotton cloth has been one of our major foreign exchange earners. It is out of the foreign exchange earned by the export of cloth that several important items of daily consumption like long-staple raw cotton, dyes and chemicals, machinery and spares required by the 400 and odd textile mills in India are being imported. Since the price factor in the overseas markets has been against the Indian Mills, they are finding it difficult to compete with Japan, Hong Kong, China and Pakistan. Obviously, it is a case, where the textile mills who are exporting cloth and earning vital foreign exchange should be given sufficient incentive, so that they will be in a position to export larger quantities of cloth and maintain the foreign exchange earnings for meeting the outlay on raw cotton, dyes and chemicals and machinery.

The Textile Enquiry Committee appointed by the Government of India deliberated, among other things, on this important aspect of cotton cloth export promotion and recommended incentives to the exporting mills in the form of grant of import licences for dyes and chemicals, as also for raw cotton, and plant and machinery and spare parts.

It was originally laid down that the import of coal-tar dyes and chemicals will be granted to the exporting mills on the basis of 4 per cent. and 6 per cent. of their exports of grey and processed cloths, respectively. It has, however, been announced that this basis has now been modified by Government to a flat 3 per cent. on all exports of cloth to destinations other than America and Europe. In the case of exports to America and Europe, the value of import licence would be based on 5 per cent. of the amount of cloth exported.

It is understood that this overall reduction in the quantum of value of import licences has been made to accommodate the Exporting Houses who are now to be given import licences for coal-tar dyes and dyes and chemicals to the extent of 1 per cent. of the exports effected by them. The original idea behind the incentive for the export promotion of cotton textiles was to make it worthwhile for the exporting mills to sell their cloth in overseas markets in competition with other nations whose cost of production is lower. The import of dyes and chemicals, cotton, plant, and machinery, was to be allowed to mills actually exporting cloth, so that, out of the foreign exchange earned, they may be able to get their requirements of these essential articles at reasonable prices. The grant of 1 per cent. import licences to the Exporting Houses is at best a windfall, because no incentive was needed, as they are doing business on a certain percentage of margin. Not only the incentive given to mills has been reduced, but an unnecessary advantage is being allowed to Export Houses, which do not require any incentive for exporting mill cloth to overseas markets.

Fine and Superfine Mills Benefit

It has been laid down that the exporting mills will be issued import entitlements for raw cotton based on their average export performances in the basic years 1954, 1955 and 1956 to the extent of 66.2/3 per cent. of the excess over 50 per cent. of the average exports. Unfortunately, the exporting mills will be allowed to keep for themselves only 15 per cent. of their import entitlement of cotton, the remaining 85 per cent. being surrendered to the Textile Commissioner for distribution to other mills needing this cotton on such terms and conditions as he may prescribe. It is understood that the Textile Commissioner has laid down a condition for the disposal of this 85 per cent. to other needy mills, on the basis of a 10 per cent. profit margin. How this 10 per cent. profit margin has been arrived at is not known. However, one thing is certain that, by having to surrender the 85 per cent. of their entitlement at a meagre 10 per cent. margin of profit to other mills, the exporting mills will be put to a great disadvantage. The latter, which are mostly coarse and medium units, will have to buy Indian cotton at the very high prices ruling in India and utilise this for making cloth for export. But whatever they earn by way of import entitlement has to be given to other mills which are fine and superfine units at a mere 10 per cent. margin of profit. The equivalent varieties of Indian cotton are priced anywhere from 50 per cent. to 60 per cent. higher than the imported cotton. As a result of this, the fine and superfine mills will have a further advantage, in that they will be assured of foreign cotton at considerably lower prices, namely, today's import level of prices *plus* 10 per cent. They will not be required to make any exports of their cloth and will not, therefore, be required to purchase Indian cotton and pay today's high prices.

Whereas the prices of East African cottons like Jinja, Busoga and BP-52 range between Rs. 1,000 and Rs. 1,100 per candy, the prices of top quality Indian CO2, the staple length of which is less than the East African varieties, are as high as Rs. 1,600 to Rs. 1,675 per candy. It is a well-known fact that our medium and coarse mills are passing through a crisis today, owing to uneconomic working. Their costs of raw material, stores, dyes and chemicals are very high. They have also to pay a high wage bill, whereas the realisation of their cloth is so low that they cannot make both ends meet. The average cost of Indian cotton used in mixing, out of which 24s warp can be spun, is Rs. 975 per candy. The realisation of cloth made out of this mixing is about Rs. 2-12-0 per lb. As against this, the imported varieties of East African cotton, the average price of which is Rs. 1,050 per candy, can spin 40s warp and the realisation of cloth made out of this cotton is about Rs. 4-4-0 per lb. It will be seen that the consumers of Indian cotton are at a distinct disadvantage, as compared with the consumers of foreign cotton. The consumers of Indian cotton which happen to be the medium and coarse mills are also the main exporters of cloth and earners of valuable foreign exchange. On the other hand, the consumers of foreign cotton which are the fine and superfine mills, get their raw materials at comparatively much lower prices and their realisation for cloth is much higher. It is for this reason and for the marked shift in the consumption patterns of the Indian consumer that the fine and superfine units in the industry are doing well. They had, however, not been exporting their cloth and, therefore, had not been earning any foreign exchange. All the same, they are to be supplied with imported cotton which is purchased out of the earnings of the coarse and medium mills!

In regard to the import of plant, machinery and spare parts, the licences will be granted to the exporting mills on the basis of the value of their exports in excess of 75 per cent. of the average of their past performance in the three basic years. Import will be allowed only of specified textile machinery for modernisation and/or rehabilitation.

Inadequate

Thus, the incentive given under the mill-made Cotton Cloth Export Promotion Scheme is not at all adequate for the exporting mills. Having paid high prices for Indian cotton and realising low prices for the cloth made therefrom, both in the local market as also in export, their position has become precarious. This is amply proved by the fact that there is a tendency towards curtailment of production. Many mills have closed their third shift and several others have curtailed their production even in the first and second shifts. Whereas in 1956 and 1957, the production of Indian mill-made cloth was of the order of 5,306 million yards and 5,317 million yards, respectively, the production in the year 1958 will hardly be 4,920 million yards, showing a drop of over 400 million yards. In spite of this, the stock position with the mills is at a high figure of 580,000 bales. January to April are the best months for the offtake of cotton cloth from the mills; but this year the demand from up-country centres is not encouraging at all. This shows that the Indian consumer is not in a position to purchase his requirements of cloth due to the existing prices of foodgrains which are going up every day in spite of a bumper crop we had this season. Whatever purchasing power he has, is utilised in the purchase of foodgrains, leaving very little with which he could buy his requirements of cloth.

It is, therefore, imperative that the Indian cloth should be exported on a larger-scale. In other words, the export of Indian cloth must be stepped up by giving adequate incentives to the mills. There are only a few mills, which may be able to export a substantial portion of their production, but the majority of them with

(Continued on page 286)

THE
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PAID-UP CAPITAL ... Rs. 2,00,00,000
RESERVE FUND ... Rs. 1,48,00,000

Chairman
G. D. BIRLA

BUSINESS AND SERVICE

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UCO—259

Men and Oil ... 5

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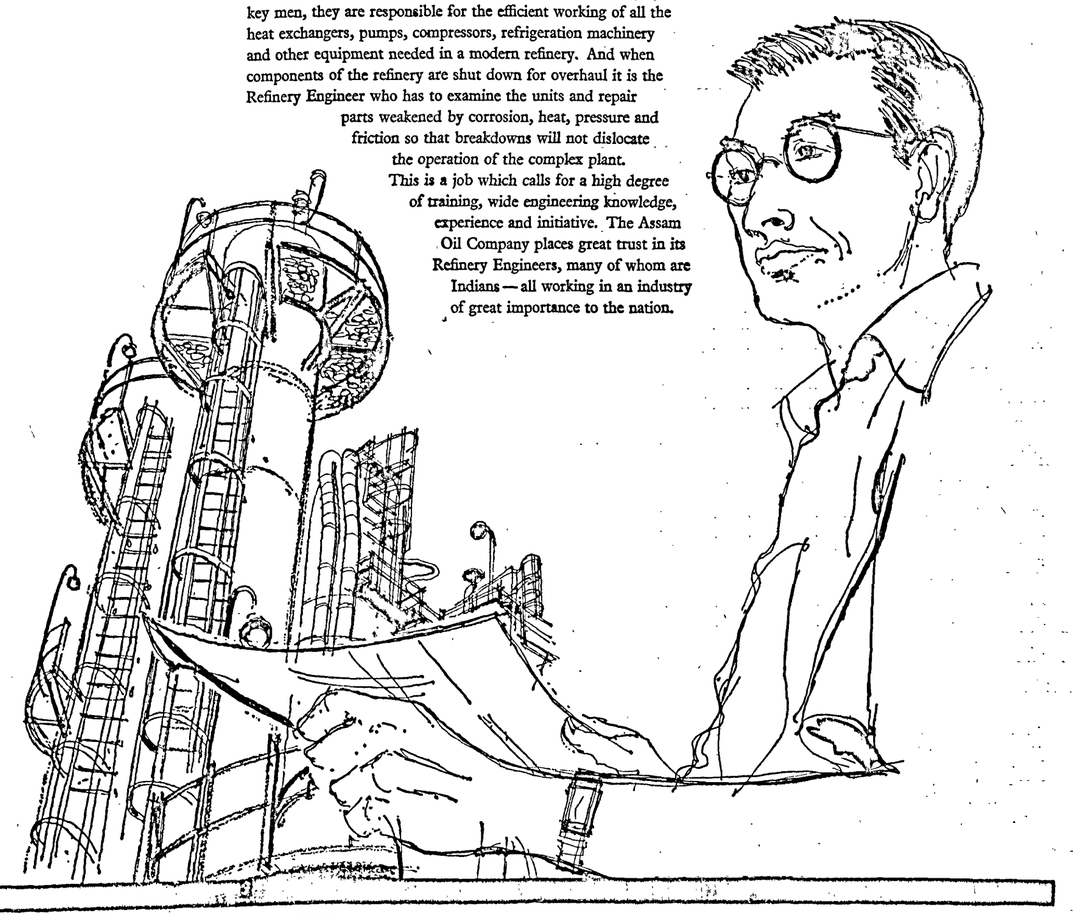

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Habib Bank Limited

Head Office: KARACHI (Pakistan)

ABBREVIATED BALANCE SHEET AS AT 31st DECEMBER 1958.

LIABILITIES	Pak. Rupees	ASSETS	Pak. Rupees
Paid-up Capital	20,000,000	Cash and Bank Balances	203,124,446
Reserve Funds	20,000,000	Government Securities and Bullion	383,397,953
Deposits	704,816,331	Loans and Advances	174,516,399
Amounts in Transit	30,687,500	Bills Lodged for Collection	25,660,818
Bills for Collection	25,660,818	Customers' Liabilities for Acceptances and Guarantees	145,728,886
Bankers' Liabilities for Acceptances and Guarantees	145,728,886	Other Assets	14,465,933
Total	946,893,535	Total	946,893,535

82 BRANCHES THROUGHOUT EAST AND WEST PAKISTAN.

Bombay Branch: Mahomedali Road, Bombay.

Habib Bank (Overseas) Limited

HEAD OFFICE: KARACHI (Pakistan)

Branches: 1. ADEN. 2. COLOMBO. 3. MOMBASA. 4. RANGOON.

Habib Bank Limited

(Incorporated in Pakistan—Members Liabilities Limited)

BOMBAY BRANCH

BALANCE SHEET AS ON 31st DECEMBER 1958.

Previous Year Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. *Capital*—		
20,30,800	Amount deposited with Reserve Bank of India in Government Securities	20,30,800 00	
Nil	2. Reserve Fund and Other Reserves		Nil
	3. Deposits and Other Accounts—		
11,48,691	Fixed Deposits	11,33,779.55	
2,39,482	Savings Bank Deposits	3,68,481.04	
81,13,397	Current Accounts, Contingency Accounts, etc.	1,02,61,861.34	
95,01,570			1,17,64,121.93
	4. Borrowings from Other Banking Companies, Agents, etc.—		
Nil	(i) In India	Nil	
Nil	(ii) Outside India	Nil	
Nil			Nil
	PARTICULARS—		
Nil	(i) Secured	Nil	
Nil	(ii) Unsecured	Nil	
Nil			Nil
2,94,194	5. Bills Payable		2,95,715.72
	6. Bills for Collection Being Bills Receivable as per contra—		
75,181	(i) Payable in India	1,11,674.37	
14,75,350	(ii) Payable outside India	12,55,197.95	
15,50,531			13,66,872.32
	7. *Other Liabilities*—		
6,771	(i) Unexpired Discounts	13,472.73	
8,61,097	(ii) Branch Adjustments	7,34,755.23	
8,67,868			7,48,227.96
29,08,131	8. Acceptances, Endorsements and Other Obligations per contra		23,07,064.35
	9. Profit and Loss Account —		
2,43,181	Profit for the year		1,76,692.08
	10. *Contingent Liabilities*—		
Nil	(i) Claims against the Banking Company not acknowledged as debts	Nil	
Nil	(ii) Money for which the banking company is contingently liable	Nil	
Nil	(iii) Liability on Bills of Exchange re-discounted	Nil	
1,60,484	(iv) Liability on account of outstanding Forward Exchange Contracts	82,43,110.47	
1,53,65,475	Total Rs.		1,66,58,694.36

Previous Year Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
8,10,195	1. Cash— In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		10,52,003.79
	2. Balances with Other Banks on Current Account—		
16,009	(i) In India	41,252.25	
81,560	(ii) Outside India	3,09,523.06	
97,569			3,50,775.31
19,00,000	3. Money at Call and Short Notice		14,00,000.00
	4. Investments at below Market Value—		
29,67,019	(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments	29,67,519.40	
Nil	(ii) Shares—		
Nil	(a) Fully Paid Ordinary Shares	Nil	
Nil	(b) Fully Paid Preference Shares	Nil	
Nil	(iii) Debentures or Bonds	Nil	
Nil	(iv) Other Investments	Nil	
29,67,019	(v) Gold	Nil	29,67,519.40
	5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
29,69,878	(a) In India	32,46,534.80	
Nil	(b) Outside India	Nil	
		32,46,534.80	
13,11,314	(ii) Bills Discounted and Purchased—		
6,30,007	(a) Payable in India	28,07,278.54	
	(b) Payable outside India	8,51,627.15	
49,12,159		37,48,905.69	69,95,440.49
	PARTICULARS OF ADVANCES—		
17,44,110	(i) Debts considered good in respect of which the banking company is fully secured	25,64,454.66	
5,10,968	(ii) Debts considered good for which the banking company holds no other security than the debtor's personal security	3,40,735.46	
26,57,090	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	40,90,250.37	
Nil	(iv) Debts considered doubtful or bad not provided for	Nil	
49,12,158		69,95,440.49	
Nil	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
2,35,352	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	3,43,409.79	
Nil	(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
3,19,353	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	3,53,614.30	
18,447	(ix) Due from Banking Companies	1,273.09	
75,181	6. Bills Receivable Being Bills for Collection as per contra—		
14,75,350	(i) Payable in India	1,11,674.37	
15,50,531	(ii) Payable outside India	12,55,197.95	13,66,872.32
29,08,131	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		23,07,064.35
Nil	8. Premises, less Depreciation		Nil
2,81,215	9. Furniture and Fixtures less Depreciation—		
4,422	At cost as at 31st December 1957	2,82,456.69	
2,85,637	Addition during the year 1958	3,732.25	
3,180		2,86,188.85	
2,82,457	Less—Disposal during the year 1958	696.44	
		2,85,492.41	
	Less—Depreciation— Rs. nP		
2,38,359	Upto 31st December 1957 2,38,359.08		
	For the year 1958 4,206.25		
		2,42,565.33	
44,098			42,927.08
	10. Other Assets—		
92,799	(i) Advance Payments of Tax	1,06,745.65	
23,837	(ii) Interest accrued on Investments	23,836.65	
Nil	(iii) Silver	Nil	
712	(iv) Stamps	698.71	
16,672	(v) Stationery on hand	20,947.79	
41,753	(vi) Suspense Account and other sum receivable	23,962.92	
1,75,773			1,76,091.52
....	11. Non-Banking Assets Acquired in Satisfaction of Claims		....
....	12. Profit and Loss Account		....
1,53,65,475	Total Rs.		1,66,58,694.36

Continued on next page

COMPANY TAXATION IN INDIA—II

NEED FOR RATIONALISING STRUCTURE AND REDUCING THE BURDEN

By Professor Russi Jal Taraporevala

IN order to discuss the economic effects and implications of company taxation in India, it is necessary first to evaluate the total burden of all the direct taxes imposed on companies. It has been pointed out that the minimum burden of income-tax and super-tax on companies amounts to 51.5 per cent. of their annual assessed profits. The minimum burden of the wealth tax on companies absorbs about 4 per cent. of their annual profits. Thus, at the lower extreme, direct taxation takes away around 55 per cent. of the profits made by companies every year. At the other extreme, the total of all direct taxes may amount to 100 per cent. and, in a few cases, even exceed 100 per cent. of the annual profits made by companies. Thus, it is interesting to note that, when the Wealth Tax Bill was introduced in 1957, it was realised by Parliament that the total of all direct taxes on companies may exceed 100 per cent. of their profits. The Bill was, therefore, amended to provide that, for the purposes of the Wealth Tax, where the profits made by a company in any year are less than the Wealth Tax due for that assessment year and the company has not declared dividends, the Wealth Tax payable is limited to the amount of the profits. This means that, in such cases, the total of direct taxes takes away 100 per cent. of the profits made by companies!

In practice, most companies pay tax at a rate which falls between the two extremes of 55 per cent. and 100 per cent. of their annual profits, depending upon the various criteria which have been discussed. Today, companies in India are burdened with a rate of direct taxation, which is higher than the rate of corporate taxation prevailing in any other country of the free world.

The adverse effects of the present structure of taxation on the growth, working and financial policies of companies in India are many. The various direct taxes take away most of the annual profits made by companies in the country. Taxation makes it difficult, if not impossible, for most companies to expand by ploughing back their profits into the business. In the past, the growth of companies in India, as in all other parts of the world, was financed mainly by profits reinvested in the business. The result of the steep rise in the rates of corporate taxation in the last three years has been that most companies, after paying all their taxes and modest dividends to their shareholders, have hardly any funds left to save and reinvest in the business. Company taxation in India today severely hampers and retards the growth of corporate savings and investment.

In the past, I had repeatedly warned the Government of India, its Finance Ministers and the public of India of the grim adverse economic repercussions which taxation was likely to have on the growth of savings and investment in the country. Now at last authoritative statistics are becoming available to show that the role of corporate savings for financing the expansion or growth of companies has been drastically reduced. The Reserve Bank of India has made two surveys of the finances of joint-stock companies which reveal interesting trends. In 1957, the bank published a statistical survey of the finances of 750 companies during the period 1950 to 1955. Recently, it has published an enlarged study of 1,001 large public limited companies in the country which covers about 52 per cent. of the entire corporate business in the private sector, excluding financial institutions. These two studies reveal interesting data which should provide the Government with a stern warning of the adverse effects of its wrong taxation policies on the growth of companies.

The first study of the Reserve Bank of India showed that, for the period 1950 to 1955, internal sources or savings made by companies accounted for nearly 60 per cent., whilst external sources accounted for only 40 per cent. of the funds required by the 750 companies studied by the Bank for their growth or expansion during the five years. The new survey of the Bank shows how radically the role of savings for financing the growth of companies has undergone a change within the years 1955 and 1956. In 1955, internal sources of funds or savings made by companies accounted for 56 per cent. of the funds required for their expansion—by 1956 this percentage had slumped to only 37. On the other hand, external sources of funds had provided only 44 per cent. of the funds used for the growth of companies in 1955, but, by 1956, they accounted for 63 per cent. of the finance used for corporate growth. Under external sources, bank credit was by far the most important source in 1956 accounting for as much as 28 per cent. of the total funds as compared with only 6 per cent. for the year 1955. Trade and other current liabilities came next in importance, accounting for 17 per cent. of the total funds in 1956. The capital market played a relatively limited role in providing finance to the companies. New capital issues contributed 9 per cent. of the total funds in 1956, as compared with 8 per cent. in 1955.

Thus, the Reserve Bank of India aptly notes that "the outstanding feature in 1956 was the significant shift from internal sources to external sources" for providing the finance required by the companies. Whilst a number of causes may have contributed to this result, it can be claimed, with great justification, that the most important single cause for the drastic decline in the relative role of corporate savings for financing industrial growth of the companies has been the steep rise in the level of taxation in the last three years. Thus, the Reserve Bank of India's surveys show that, whereas, for the period 1950-55, direct taxation absorbed about 40 per cent. of the gross profits of companies, in 1956, it took away 46 per cent. of their gross profits. Since then, the rates of company taxation have been further increased, by the budget of May 1957, to a level of more than 55 per cent. of the gross profits. This is likely to further accentuate the adverse effects of taxation on the growth of company savings and investment.

The new rates of taxation almost prohibit most companies from raising fresh capital for their expansion and growth. At the present levels of taxation, a company has to earn about 14 per cent. gross profits before tax on its invested capital, if it is to pay a 6 per cent. dividend to its shareholders, without ploughing back any of the profits into the business. Very few companies can earn a rate of profit equal to or in excess of 14 per cent. on the total capital invested. The latest survey of the Reserve Bank of India shows that for even the largest companies in the country the rate of profits was around 9 per cent. of the total capital invested in the business. The profitability of most small and medium sized companies is less than this percentage and probably around 7 per cent. or 8 per cent. In these circumstances, most companies cannot possibly raise fresh capital, as they are not in a position to pay even 6 per

Habib Bank Limited—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1958.

Previous Year Rs.	EXPENDITURE	Rs. nP	Previous Year Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP
45,513	1. Interest paid on Deposits, Borrowings, etc.	60,635.54	3,22,961	1. Interest and Discount	3,73,543.01
1,85,365	2. Salaries and Allowances and Provident Fund, etc. (including Salary and Allowances of the Principal Officer Rs. 33,375.04, previous year Rs. 32,249)	1,98,014.32	2,49,484	2. Commission, Exchange and Brokerage	1,88,178.49
Nil	3. Directors' and Local Committee Members' Fees and Allowances	Nil	Nil	3. Rents	Nil
14,093	4. Rent, Taxes, Insurance, Lighting, etc.	13,596.96		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other assets (not credited to Reserves or any particular Fund or Account)	2,620.00
7,205	5. Law Charges	2,176.87	819		
7,165	6. Postages, Telegrams and Stamps	1,282.78		5. Net Profit on Revaluation of Investments, Gold and Silver, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
2,000	7. Auditors' Fees	2,000.00	Nil		
	8. Depreciation on and Repairs to the Banking Company's Property	4,206.25		6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
4,608			Nil		
18,430	9. Stationery, Printing, Advertisement, etc.	17,718.39	11,465	7. Other Receipts	15,025.53
Nil	10. Loss from Sale of or Dealing with Banking Assets	592.44			
	11. Depreciation on Investments of Government Securities and Shares of Limited Companies	Nil			
7,419		77,451.40			
24,749	12. Other Expenditure	25,000.00			
25,000	13. Provision for Taxation	1,76,692.08			
2,43,182	14. Balance of Profit				
5,84,729	Total Rs.	5,79,367.03	5,84,729	Total Rs.	5,79,367.03

REPORT OF THE AUDITORS

We have audited the foregoing Balance Sheet of the Habib Bank, Limited, Indian Union Branch, as at 31st December 1958 and also the above Profit and Loss Account of the Bank for the year ended upon that date.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provises to Sub-sections (1) and (2) of Section 211 and Sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956, they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice, have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for Banking Companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December 1958 and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

(Sd.) R. S. BHARUCHA & CO.
(Sd.) SHAH & CO. } *Chartered Accountants.*

BOMBAY, *14th January*, 1959.

For Habib Bank Limited

S. G. CURRIM, *Agent.*

H. S. JAMANI, *Principal Officer.*

cent. dividends on such capital after paying all the direct taxes. Hence companies find that the only way to finance their growth or expansion is through borrowing from banks and incurring other debts on which they have to pay interest at around 6 per cent., but which interest is deductible from profits for tax purposes. The present structure of taxation literally forces companies to rely excessively on borrowed finance for financing their growth. The dangers of such financing are well known. It makes companies more vulnerable to financial collapse, bankruptcy and liquidation in times of depression or bad trading conditions. Moreover, many companies, especially the smaller and medium-sized companies, cannot borrow funds in India easily, so that the present structure severely retards and, in many cases, prohibits their growth.

The administration of taxation is not satisfactory. The tax officers have been given the most sweeping and dangerous discretionary powers. There is an unfortunate tendency on the part of some officers to soak the financially large or prosperous companies by arbitrarily increasing their tax assessments. Thus, many companies, including some of the best managed and honestly run companies, are involved in lengthy tax litigation. In a number of cases, tax assessments and tax appeals are kept pending and not completed for years after the accounts of the companies have been closed and tax returns filed. This causes uncertainty about the tax liability, which is often a source of considerable embarrassment to company managements, especially when facing their shareholders at annual meetings and when planning the future financial requirements of the business. Today, a disproportionate amount of the time and effort of company managements are being wastefully consumed in attending to tax matters. The Government of India is aware of the unsatisfactory state of tax administration and has recently appointed a committee to investigate it.

Recent changes in the structure of company taxation and its excessive rates have had many adverse effects on the interests of shareholders of various companies in the country. The interests of shareholders are intimately connected with the growth and prosperity of their companies. The ultimate burden of company taxation falls on the shareholders who are the owners of companies. In recent years, shareholders of companies have suffered severely, as a result of the introduction of new and undesirable tax legislation. The market values of their shares have crashed. Thus, in September 1956, the all-India index number of variable dividend industrial securities, having as its basis 1949-50 price equal to 100, stood at 126.9. At the end of December 1957, this index had slumped to 98. In a little over a year, investors suffered a most catastrophic decline in the value of their investments in shares of industrial companies. It has been estimated that investors lost no less than Rs. 200,00,00,000 in the value of their investments, as a result of this great decline in share prices. There can be no doubt about the fact that this severe decline in the values of shares was caused by the successive adverse budgets introduced by Mr. T. T. Krishnamachari.

Such severe losses are surely a poor and unfair reward to investors for trying to promote the industrial progress of the country by investing their hard-earned savings in the equity capital of companies. The dividends received by shareholders have been extremely modest and they have averaged around 8 per cent. of the paid-up capital in the past few years. Today, the Government of India is taking away a far greater proportion of the earnings of companies by way of excise duties and taxes than can be justified. The recent study of 1,001 companies by the Reserve Bank of India shows dramatically the excessive amounts taken by the Government of India out of their profits. In 1955, these companies earned gross profits, before paying excise duties and taxes, amounting to Rs. 166 crores. Out of this, they had to pay Rs. 49 crores as excise duties and Rs. 50 crores as taxes, thus giving the Government altogether Rs. 99 crores. The shareholders got only Rs. 39 crores as their dividends. In 1956, the gross profits of these companies, before paying excise duties and taxes, amounted to Rs. 186 crores. Government took away Rs. 58 crores as excise duties and Rs. 58 crores as taxes, making its share altogether Rs. 116 crores. The shareholders of these companies only received Rs. 42 crores as dividends.

The excessive burden of company taxation adversely affects the shareholders of companies most of whom, contrary to the popularly-held beliefs, come from the middle and poorer classes of the community. Thus, a survey of the ownership of shares and securities in Bombay City carried out by the Department of Research and Statistics of the Reserve Bank of India in 1955 showed that 60 per cent. of the shareholders were persons having a monthly income of less than Rs. 666. Company taxation adversely affects the interests of the middle and poorer classes who are least equipped to bear its burden.

It is hardly necessary to stress the importance of companies in the national economy. Companies account for most of the industrial and commercial sector of the economy. The industrial progress of the nation is largely dependent on the growth and prosperity of companies.

In conclusion, it can be claimed that companies and their shareholders have been poorly treated by the Government of India during the past three years, especially in respect of taxation. If, in spite of this, they have persevered and continued to strive for the progress of the country, it is surely a definite proof of the great nationalism and the patriotic zeal of companies which form the backbone of free enterprise in India and of their shareholders who come from the ranks of the common man. If the Government of India wants the nation to progress and to industrialise rapidly, it must give a fair deal to the companies and to their shareholders. The time has surely come to rationalise the structure of company taxation and to reduce its burden.

(Concluded)

PLACE OF BIG BUSINESS IN NATIONAL ECONOMIES

NEED FOR FRESH THINKING BY CRITICS

By Dr. Hermann Winkhaus

[The author of this article, Dr. Ing. Hermann Winkhaus is a Mannesmann executive since 1935, when he entered the Company's Board of Management, after taking a mining engineer degree in Berlin and after several years of management activities in collieries. In 1957, he was appointed Chairman of the Board of Management of the refounded Mannesmann A. G. He also belongs to the German Atomic Energy Commission and the Association of the Iron and Steel Industry; he is a member of the World Power Conference and Managing Director of the affiliated Mannesmann plants in Canada and Brazil. His Company was the first to live up to his proposal that all stock companies in industry should grant 1 per cent. of annual dividends for the promotion of science and research in Germany.]

PRESENTLY, big business and concentration in industry are the targets of much adverse propaganda in many countries. Critics allege that big business is getting bigger every day, thus progressively eliminating competition, that basic industries penetrate into the processing and manufacturing field, taking over middle-size enterprises and replacing independent small business; that capital wealth is being concentrated in the hands of a few big shareholders. In my capacity as Chairman of the Managing Board of a steel- and tube-making company, I feel that these critics seem to overlook some essential factors.

Along with the progressing integration of the world's economy, international competition is constantly getting stronger. We, therefore, have to reach the optimum size for the enterprises of any industry. This optimum has to be measured by international, not by national standards. Once, an output of one million tons a year was thought to be the optimum capacity for a steel company. Today, however, leading European experts think the optimum is two or three million tons a year, while both in the U.S. and Russia companies producing some five to seven million tons are already considered to be the optimum production unit from an economical as well as technical point of view.

Moreover, the size of an enterprise should be measured only by the share it holds in the international market. While Mannesmann, for instance, is the Federal Republic's (West Germany) fifth largest steel company, producing 8.1 per cent. of the national steel output, its share in the European Coal and Steel Community (E.C.S.C.) and world steel output is but 3.3 and 0.7 per cent. respectively. Critics of big business should, therefore, realise that the growth of big business is paralleled and/or countervailed by stronger world-wide competition which does not tolerate monopolies.

Free enterprise does not permit a rigid demarcation line to be drawn between big business, on the one hand, and small and middle business, on the other. Middle-size establishments are superior to big business wherever and whenever evolutionary trends are not yet consolidated, production has to be adjusted to a rapidly changing demand, large-scale production is unprofitable for other reasons, and specialised supplies for large enterprises have to be produced. Products of middle-size companies very often are developed to the point where large-scale production could start. Such projects have then to be financed and operated by big business. Thus, the demarcation line just mentioned is continuously crossed and this transition from small to big business decisively increases national productivity. Moreover, the building up of basic industries in overseas development countries forces our own basic industries to enter the processing and manufacturing field, because stiffening competition and increasing export difficulties make an expansion of our basic industries unprofitable.

There is no reason to fear the concentration of capital in the hands of a few shareholders. Progressive income and inheritance taxes increasingly prevent big shareholders and traditional investors from meeting the enormous capital needs of industry. Therefore, new groups of investors have to be mobilised. Mannesmann has attempted to do this for quite some time. It has no single big shareholder, but about 80,000 to 85,000 small share owners holding some 7,000 DM. on the average. No private person holds more than 1 per cent. of the Company's capital, and no other company more than 2 per cent.

To sum up. Big business does not jeopardise free enterprise, but increases its efficiency. We have constantly to regroup and revise our industrial pattern in order to achieve maximum productivity. The Federal Republic (West Germany) heavily depends on exports, since 23 per cent. of its G.N.P. come from exports, as against 5.6 per cent. in the U.S. For us, it is of vital importance whether—by international standards—we will be able to catch up with international technical and organisational developments.

U.S. SCIENTISTS ON OCEAN SECRETS

The United States scientists have recommended that the Government should immediately launch a 10-year research and survey programme of the earth's oceans, so that the knowledge can be used to help safeguard the peace, yield new sources of food for the world's rapidly expanding populations and solve mysteries about the planet and the origin of life on it. The Committee on Oceanography of the National Academy of Sciences-National Research Council, in recommending the long-range programme costing a minimum of $651.4 million, warned that, if the present rate of basic research in the marine sciences is not doubled, the United States will face "serious" economic, political and military hazards.

Besides its plea for greater "ocean-wide, ocean-deep" surveys, the Committee urged:

1. Strengthening of international co-operation in the marine sciences; 2. expansion of education in oceanography to produce more experts in this field; 3. expansion of the nation's ocean-going fleet of ships for research, surveying and development from its present size of 45 to 85 vessels; 4. construction of more land-based facilities to aid in oceanographic studies; 5. development and construction of surface research platforms as well as manned submersibles that can operate down to and on the bottom of most of the ocean seven miles below sea level; 6. studies to determine the effects of radioactive contamination caused by bumping of nuclear wastes upon the oceans and marine organisms; and 7. studies to learn how the oceans can be economically harvested to yield food, particularly animal protein for the growing numbers of the world's underfed people.

In emphasising the need for increasing studies of oceans and the "myriad of wonders" concealed beneath their surface, the Committee said:

"We know less about many regions of the oceans today than we know about the lunar surface. From a purely scientific point of view, the study of the oceans' depths can be fully as rewarding as the study of the moon.... The problems to be solved concerning the oceans are clearly more urgent than those of space."

The Committee said scientists already know that ocean depths, shrouded in darkness, have trenches as deep as seven miles below sea-level; mountains as high as Mt. Everest; sediments that contain detailed records of the ancient history of earth and its human habitation.

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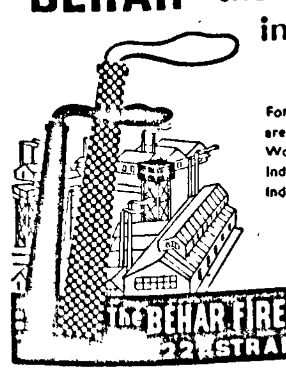

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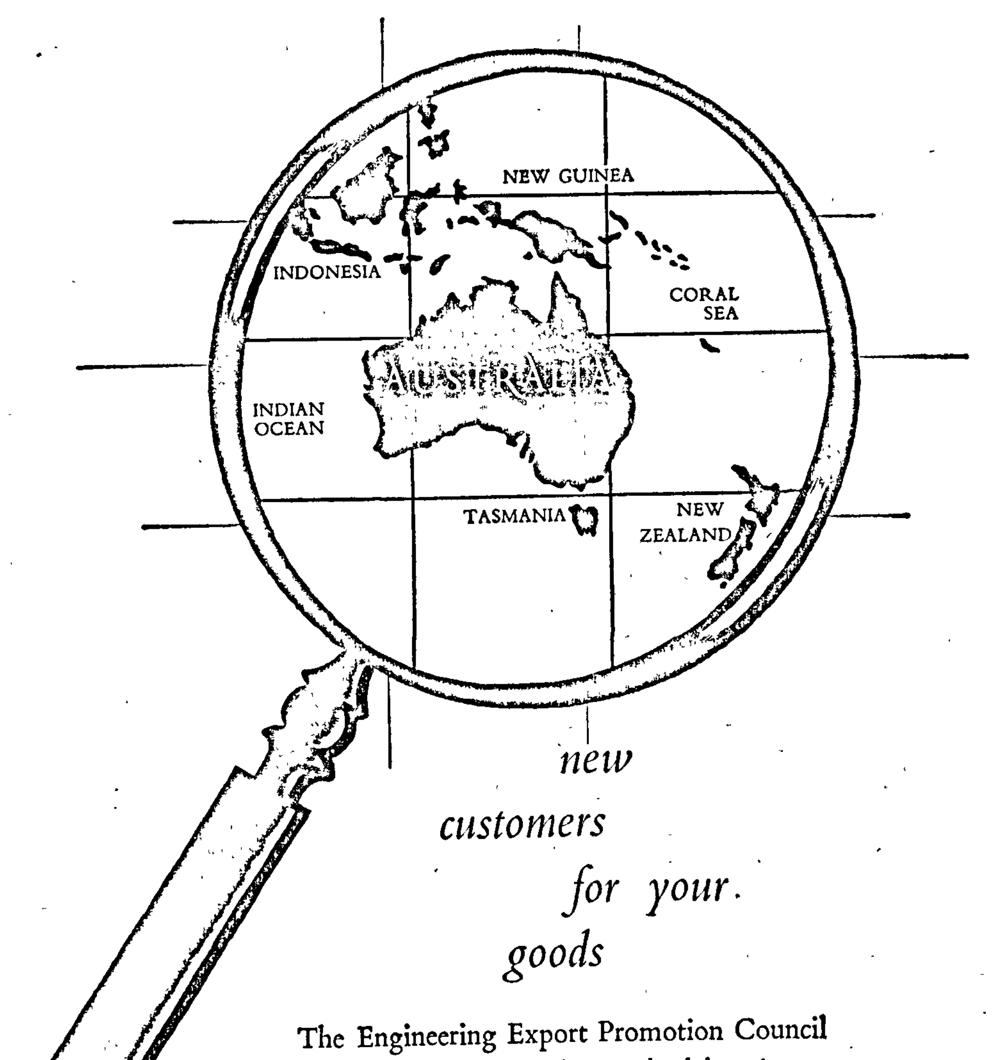

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Engineering Export Promotion Council

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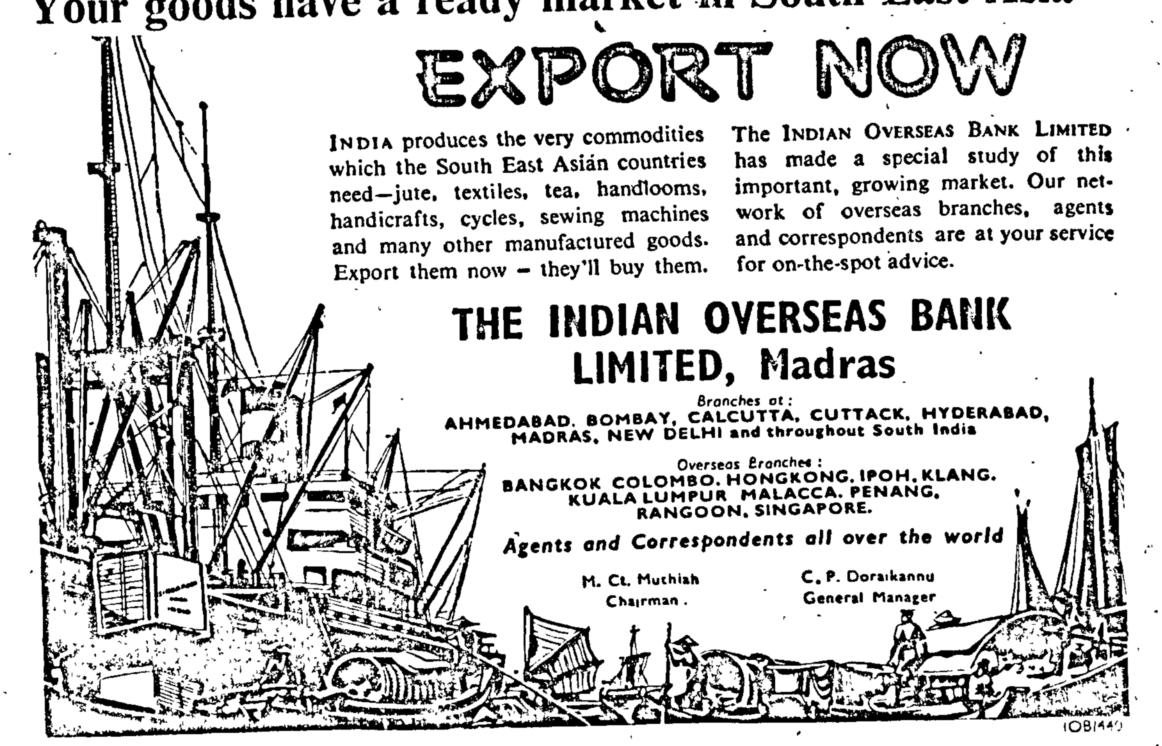

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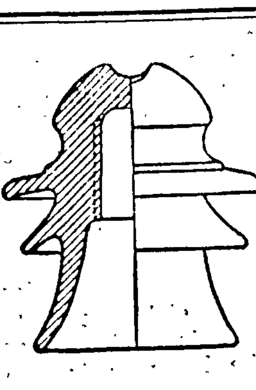

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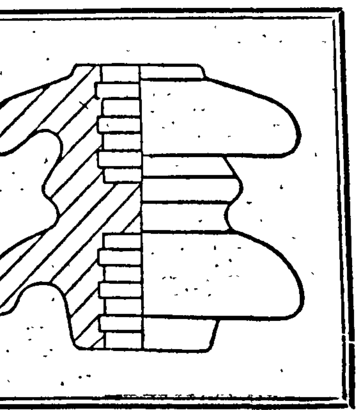


EXPORTS OF ENGINEERING GOODS

MACHINERY INDUSTRY TO BE DEVELOPED

INDIA'S exports of engineering goods, though they are not significant at present in relation to the country's traditional export lines, are bound to go up in the years to come. The progress of engineering industries in the country is greatly hampered by the continued dependence on foreign countries for their basic raw materials, namely, iron and steel. Now that considerable progress is being made in the development of iron and steel industry in the country, there is no doubt that the engineering industries will receive a new impetus. This will enable India eventually to emerge as an exporter of engineering goods. Indeed, India has already made a modest beginning in the matter of exports of such miscellaneous hardwares as bolts and nuts, trunks and buckets and such light engineering goods as sewing machines, electric fans and durable goods like diesel engines and lathes.

The basis of the light engineering industry is heavy machinery and capital goods industry, without which the former can make no enduring progress. In this context, it is encouraging to learn from Mr. Manubhai Shah, the Union Minister for Industry, that the Government of India has planned to make the country more or less self-sufficient in all the machinery, capital goods and equipment by 1966, that is, by the end of the Third Plan. He also hopes to set apart a small margin for exports as well. Mr. Shah, in the course of his speech inaugurating the annual general meeting of the Engineering Export Promotion Council held recently at New Delhi, stressed that India could not afford to continue to depend on imports for its basic requirements of plant and machinery. He revealed that India, during the remaining two years of the second Plan, would start concentrating on the manufacture of machinery for engineering industry as well as for other industries.

Rise in Production

A notable feature of engineering industry is that production has been steadily increasing. Its production was worth about Rs. 270 crores (less than 10 per cent. being foreign components), as against Rs. 31 crores (50 per cent. of foreign components) in 1948. The index of their production (Base 1951=100) rose to 260 in 1958, which compares favourably with the index of general industrial production at 155. By the end of the third Plan, the industry is expected to meet fully the domestic requirements estimated at about Rs. 350-400 crores.

Again, plans relating to the manufacture of machines have reached a fairly advanced stage in many instances. Mr. Shah disclosed that the six sugar machinery firms, which had formed themselves into a consortium, would produce, within the next two years, twelve sugar plants every year. The existing cement manufacturing plants, according to him, would be able to deliver within two or three years two cement plants annually. Besides, there were some schemes for the expansion of textile machineries designed to secure self-sufficiency in this sphere during the next three years. The Heavy Engineering Corporation in the public sector, he added, would be able to manufacture a steel plant every two years within about the next six years. The proposed plant for manufacturing mining equipment would meet the country's requirements fully. The Corporation would undertake manufacture of drills and rigs also.

Alluding to exports, Mr. Shah called for export drive at individual level also, apart from organised efforts. He did well to emphasise the need for maintenance of quality and after-sale service. He assured the industry that the Government would consider further incentives to it, if it produced an integrated plan for export promotion, as against the piecemeal attention given to it hitherto.

Mr. S. L. Kirloskar, Chairman of the Council, urged the Government to adopt a bold export promotion policy of which the main elements should be a bonus scheme in the form of retention of 40 per cent. of the foreign exchange earned; income tax relief proportionate to the export sale proceeds to be given to exporters showing export performance of Rs. 10,000 or more, lowering of the Reserve Bank rate for rediscounting export bills so that the cost of extended credit and insurance in no case exceeded five per cent. and grant of sufficient accommodation to commercial banks to finance fabrication and export credit; and provision of Rs. 5 crores in the Central Budget to finance prospecting of markets, travels and publicity on a 50-50 basis.

Referring to the decline in exports of certain engineering goods, Mr. Kirloskar said that items showing appreciable fall were those in which the raw material content was the predominating factor in the cost of production. These items were steel trunks, builders' hardware including locks and padlocks; G.I. buckets and bath tubs; oil mill machinery, hurricane lanterns, bolts, nuts, rivets and washers, and agricultural implements. On the other hand, the export of iron and steel furniture, water fittings, diesel engines, pumping sets and pumps, electric fans and parts, electric dry batteries, sewing machines and parts, and sugar mill machinery had risen. He also pointed out that it was not possible to derive full benefit from the existing concessions because of procedural and other difficulties.

The Engineering Export Promotion Council deserves to be complimented on the concerted efforts it is making to raise the export of engineering goods. The Council, it may be recalled, sent a trade delegation in August-September 1957 to certain West Asian countries covering Afghanistan, Iran, Kuwait, Bahrain, Iraq, Lebanon, Jordan and Egypt. Besides, market surveys were conducted for engineering goods in respect of many countries, including Iran, Ethiopia, Thailand, Syria, Egypt, Lebanon, Kuwait and Bahrain.

Report on W. Europe

A three-member delegation of the Council which toured Western Europe and the U.K. in September last, has now submitted its report. Its findings are particularly significant, in view of the growing anxiety among the Asian countries over the establishment of the Common Market. This development in Europe, according to the delegation, is likely to create problems for India. It has stressed that it is necessary that further developments should be watched with care and caution. The impact of the Common Market on India, we are told, is likely to be far-reaching in the years to come. A sizable portion of the exports and imports of eastern countries of Asia and Africa is to and from the countries of the Common Market. The tariffs fixed for the countries outside this area are, according to the delegation, bound to be such as to put countries like India at a disadvantage. India's exports to any of these Six countries are likely to be adversely affected, because of increased competition from the products of the five other Common Market countries. The linking of the overseas territories of the member-countries like Belgium and France to the Common Market will lead to further difficulties in the way of India's exports of raw materials to the Common Market and of manufactured goods to the African territories of the Common Market. The preferential treatment enjoyed by these territories is limited to the Metropolitan countries at present, but this will be extended to the other countries of the Area as well. This, the delegation has stressed, will lead to increasing competition for India's exports to these territories and even in some of the other African countries. It is further pointed out that India's trade would suffer seriously, if a common price agreement were to come about among the C.M. countries.

The delegation has drawn attention to the excellent trade promotion efforts of West European countries. The foreign trade departments of these countries are very well organised, have adequate resources and help exporters in an expeditious and useful manner, all of which greatly contribute to the development of foreign trade.

The formation of the Common Market has, of course, only an indirect significance for India's engineering industry. Generally speaking, the industry cannot hope to see an expanding market for its goods in the Common Market countries, considering that they all have highly organised engineering industries. But the gain in competitive ability, which may accrue to them through the Common Market arrangements, will enable them to compete more effectively for export markets abroad. This should make India's export promotion a particularly difficult task. In the absence of a high degree of cost-consciousness and special export promotion measures, the engineering industry would find it difficult to make headway in foreign markets.

SHIPPING FREIGHTS

COMPLAINTS OF ASIAN COUNTRIES

THE E.C.A.F.E. Committee on Trade which met at Bangkok recently provided a forum for a detailed discussion of the problem of "high and discriminatory" shipping freights charged from the Asian countries—a brief reference to which was made in these columns last week. Most of these countries, except perhaps Japan, do not have a well-developed national merchant marine. Therefore, they depend upon foreign vessels, which are said to have been following arbitrary freight rates, for the transportation of their exports and imports. The problem is more important than ever before, in view of the determined drive launched by the Asian countries to promote their exports and the growing volume of their imports consequent upon their plans for development. It is only natural that they should express considerable concern over the existing "excessive" freight rates. Such high rates, they maintained, would have a detrimental effect on their trade and put them at a severe disadvantage in the markets of the world. The representatives of the U.K., the U.S. and Japan, the principal maritime countries in the free world, held that the rates charged by the shipping companies reflect costs, particularly those arising from the inadequacy of port facilities and installation in the countries of this region. They also strongly opposed Government intervention in the matter.

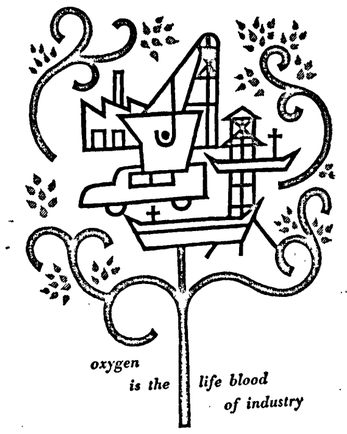
These explanations, however, seemed to have failed to carry conviction to the countries of the region. The representatives of Thailand, Pakistan, India, China, Viet Nam, Ceylon, Korea, the Federation of Malaya and Indonesia, unanimously pleaded for national and international action to rationalise freight rates charged on goods shipped to and from the countries of the region. They were dissatisfied with the present situation by which the shipping conferences determine freight rates. They alleged that these rates tended to be arbitrary and were fixed without consulting their views. Freight rates, they added, did not always reflect costs and that higher rates were charged on some commodities than on others. Cases were cited where Asian exports could not meet competition in world markets allegedly because of the high and discriminatory freight charges levied on them. There was also unfair discrimination, they said, in the rate charged to certain ports in the region.

They, however, recognised the fact that, of late, freight rates had tended to decline. Nevertheless, they were of the opinion that the present levels continued to be unduly high and gave instances of countries and commodities in the region which had not shared in their decline. While these countries realised the importance of improving their port facilities—and measures taken in the various countries in this direction were enumerated—they felt that it would be in the interests of each country to develop its own national shipping. This was a long term remedy. For the time being, they hoped that the maritime nations would do their best to fix shipping rates at levels which were fair and non-discriminatory.

The representatives of maritime nations did not fully share these feelings. The Japanese representative, for instance, did not want to disturb the present system of fixing rates at the freight conferences. He contended that port facilities in most parts of South-east Asia were inadequate and that shipping operators had to levy surcharges where necessary, especially during the rainy season when the conditions in ports were worse. The U.K. and the U.S. were the other maritime countries that participated in the debate. The U.K. held that freight rates charged from the region reflect higher costs, and it emphasised the factor of delays and slow turn-round of vessels because of inadequate installations or labour unrest at some of the Asian ports. The U.K. and Japan both pointed out that, while regular shipping lines fixed their rates at the freight conference, tramps levied rates based on the factors of demand and supply. The U.K. added that the shipping lines were, however, becoming more conscious of the needs of the region, though they have their difficulties. The U.S. was opposed to government control of ocean freight rates; such control, it held, would be "inimical to the best interests of international commerce."

The Russian delegate, it would appear, took a diplomatic attitude. He did not, on this occasion, oppose the points of view of the maritime powers of the free world. This is not surprising, for Russia, too, is emerging as a

(Continued on page 283)



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UPPER GANGES' PROFIT DECLINES

DIVIDEND, HOWEVER, MAINTAINED

A FALL in the quantity of cane crushed, lower recovery and consequently lower output of sugar, coupled with 100 per cent. increase in excise duty and the loss on sugar exports, have depressed the profit of the Upper Ganges Sugar Mills Ltd. (Managing Agents: The Cotton Agents Private Ltd., Bombay) for the year ended 30th June 1958. The Company's sale proceeds showed a further smart rise over those in the preceding years, but this was of no avail, as the rise in the value of turnover was more than nullified by the steep increase in excise duty paid from Rs. 46.28 lakhs in 1956-57 to as much as Rs. 95.90 lakhs. The gross profit for the year at Rs. 40.30 lakhs represents a drop of Rs. 4.96 lakhs or 10.9 per cent. from Rs. 45.26 lakhs for the previous year, at which level it was more than twice that (Rs. 22.18 lakhs) for 1954-55. It is also lower as compared with Rs. 41.56 lakhs for 1953-54.

The Company's progress during the past four years is indicated in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Sale proceeds	3,75.17	3,59.09	2,73.14	1,85.41
Closing stocks	1,13.06	1,31.90	1,55.43	1,12.24
Other income	2.99	2.76	3.43	6.24
Manufacturing and other expenses	2,23.12	2,46.73	2,46 84	2,08.25
Excise duty	95.90	46.28	42.72	20 60
Gross profit	40.30	45 26	29 83	22.18
Managing Agents' remuneration	3.40	3.84	6.26	5.44
Provision for—				
Depreciation	8.90	12.54	10.54	6.50
Taxation	19.50	18.50	7.90	5.75
Net profit	8.50	10.38	5.13	4.49
To reserves	3.24	5.50	2.08	1.00
Dividends—				
5 per cent. cum. preference	1.11	1.11	1.15	1.15
Ordinary	4 00 (50%)	4.00 (50%)	2.40 (30%)	2 00 (25%)
Carry forward	0.25	0.10	0.33	0.83

The spiralling rise in the excise duty can be easily seen from the above table. It will be seen that, from Rs. 20.60 lakhs in 1954-55, the excise duty has shot up by Rs. 75.30 lakhs or as much as 365.5 per cent. to Rs. 95.90 lakhs in 1957-58. Besides, the provision for taxation has also gone up from Rs. 18.50 lakhs to Rs. 19.50 lakhs. Although this represents a rise of only Rs. 1 lakh, what is to be noted is that the tax provision claims almost about half of the gross profit. The amount set apart for depreciation at Rs. 8.90 lakhs is, however, lower as against Rs. 12.54 lakhs. After these essential provisions, the net profit has declined from Rs. 10.38 lakhs to Rs. 8.50 lakhs. Consequently, the amount allocated to reserves is also lower at Rs. 3.24 lakhs, as against Rs. 5.50 lakhs. A breakdown of this allocation reveals that Rs. 2.75 lakhs has been taken up by development rebate, Rs. 24,530 by provision for bad and doubtful debts and Rs. 25,000 by *reserve for contingencies*.

The shareholders may feel gratified that, despite the setback in the results as narrated above, the dividend is proposed to be maintained at 50 per cent. per annum for the second year in succession and compares with 30 per cent. for 1955-56 and 25 per cent. for 1954-55.

A dividend of 50 per cent. may seem spectacular, but it takes up only Rs. 4 lakhs, out of a turnover of about Rs. 3.80 crores. The preference dividend (at 5 per cent.) requires Rs. 1.11 lakh. Out of a share capital of Rs. 35 lahks, the ordinary capital is only Rs. 8 lakhs, the balance being in preference shares. Further, the Company has not capitalised any of its reserves. If the Company had kept the major part of its share capital in ordinary shares and also capitalised its reserves from time to time, the rate of dividend would not be as high as it is at present.

During the year under review, the Company's sugar mills worked for 156 days, as against 209 days in the previous year. The quantity of cane crushed fell from 10,832,726 maunds in the previous season to 9,547,293 maunds. The recovery at 10.14 per cent. was also lower, as compared with 10.38 per cent. in the previous year, which was a new record in the Company's history. It is, however, encouraging to know that the year's recovery is the second best and better than an earlier record of 10.01 per cent. in the 1946-47 season. The lower recovery during the year under review is attributed to sugarcane having been affected by red rot disease. In the current year, the mills are expected to crush only about 8,000,000 maunds of sugarcane due to poor crop resulting from drought in the area. This means that in the current year sugar output will be less than in 1957-58.

The Government of India allotted to the mills an export quota of 8,916 bags of sugar in the past season. This is expected to fetch a price of about only Rs. 12 per maund.

The results of the Company's chemical department were adversely affected during the year under review. The Directors state that, while the cost of production continued to rise owing to increases in the price of chemicals, raw materials and other working expenses, the selling prices could not be correspondingly increased by reason of keen competition. The erection of the plant and machinery for the distillery is progressing satisfactorily and the distillery is expected to start working during the current year. A subsidiary company, namely, Alco-Chem Ltd., was registered during the year. It is proposed to run the distillery by the said subsidiary company and the buildings, plant and machinery for the distillery will be leased out to the subsidiary company.

The Company's reserves and surplus aggregate Rs. 37.93 lakhs, as against a paid-up capital of Rs. 35 lakhs. The current liabilities stand at Rs. 170.96 lakhs, of which secured loans from a bank account for Rs. 108.73 lakhs (having been reduced from Rs. 119.14 lakhs at the end of 1956-57) and unsecured loans for Rs. 6.77 lakhs. The gross block of the value of Rs. 165.08 lakhs stands written down at Rs. 75.21 lakhs. Additions during the year were of the order of Rs. 39.61 lakhs. The current assets aggregate Rs. 168.72 lakhs and fall short of the current liabilities and the provision for taxation by Rs. 2.24 lakhs.

RESULTS OF KELVIN JUTE ENCOURAGING

It is ratifying to find that the Kelvin Jute Company Ltd. (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) has fared better during the year ended 31st May 1958. Sales of gunnies have improved and profits have gone up substantially, even after making allowance for the fact that the previous accounting period related only to eleven months ended 31st May 1957. Improvement in profits has enabled the Company to strengthen the reserves and raise the dividend to ordinary shareholders.

Sales of gunnies during the year under review fetched Rs. 180.95 lakhs, as against Rs. 157.76 lakhs in the previous eleven-month period. The gross profit has more than doubled from Rs. 9.01 lakhs to Rs. 18.33 lakhs. So has the net profit, from Rs. 2.49 lakhs to Rs. 5.09 lakhs. It is significant that the rise in the net profit is after substantially increasing the provisions for both depreciation and taxation. Thus, the former, that is, depreciation, has received Rs. 5.10 lakhs, as against Rs. 3.58 lakhs. The provision for taxation has been stepped up from Rs. 2.40 lakhs (including Rs. 80,000 as provision for wealth tax), to Rs. 6.67 lakhs, of which Rs. 42,000 are for wealth tax.

The net profit has been strengthened by Rs. 15,767, representing dividends forfeited and Rs. 40,482 by West Bengal sales tax receivable from Government in respect of previous years. After utilising Rs. 1,300 for paying off dividends previously forfeited, the Directors have transferred Rs. 1 lakh to general reserve and Rs. 1 lakh to development rebate reserve, as against nothing in the previous period. The dividend on ordinary shares has been raised to 12½ per cent. per annum from 9 per cent. paid for the eleven months ended 31st May 1957. The increase, it is needless to add, is more than proportionate; at 9 per cent. for 11 months, the annual rate is only 9.9/11 per cent. The dividend for 1957-58 consists of an interim payment of Rs. 5 already paid and the proposed final of Rs. 7.50 per share of Rs. 100 each. It absorbs Rs. 2.62 lakhs. The 7 per cent. cumulative preference shares take up Rs. 70 000, leaving a balance of Rs. 1.19 lakh to be carried forward, as against Rs. 86,701 brought in.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills continued to work 48 hours per week throughout the year, with 12½ per cent. of the looms sealed. The Directors state that, during the year under review, trading conditions were fair, though raw material prices tended to be on the high side in comparison with prices of manufactured goods.

The financial position of the Company, as disclosed by its balance-sheet as at 31st May 1958, is quite strong. The paid-up capital of Rs. 31 lakhs is supplemented by reserves and surplus aggregating Rs. 56.19 lakhs, of which the general reserve alone accounts for Rs. 44.50 lakhs. The gross block of the value of Rs. 141.36 lakhs (including Rs. 5.91 lakhs of new additions) stands well written down at Rs. 47.48 lakhs. Machinery in transit is shown at Rs. 32,500. The current assets aggregate Rs. 74.05 lakhs, of which cash and bank balances alone account for Rs. 6.45 lakhs, and cover the current liabilities and the provision for taxation amounting to Rs. 34.67 lakhs by a very wide margin.

The Rs. 100 fully paid-up ordinary shares are currently quoted at Rs. 240 *ex-div.* at which rate, and on the basis of the dividend for the year, the yield is 5.2 per cent. per annum.

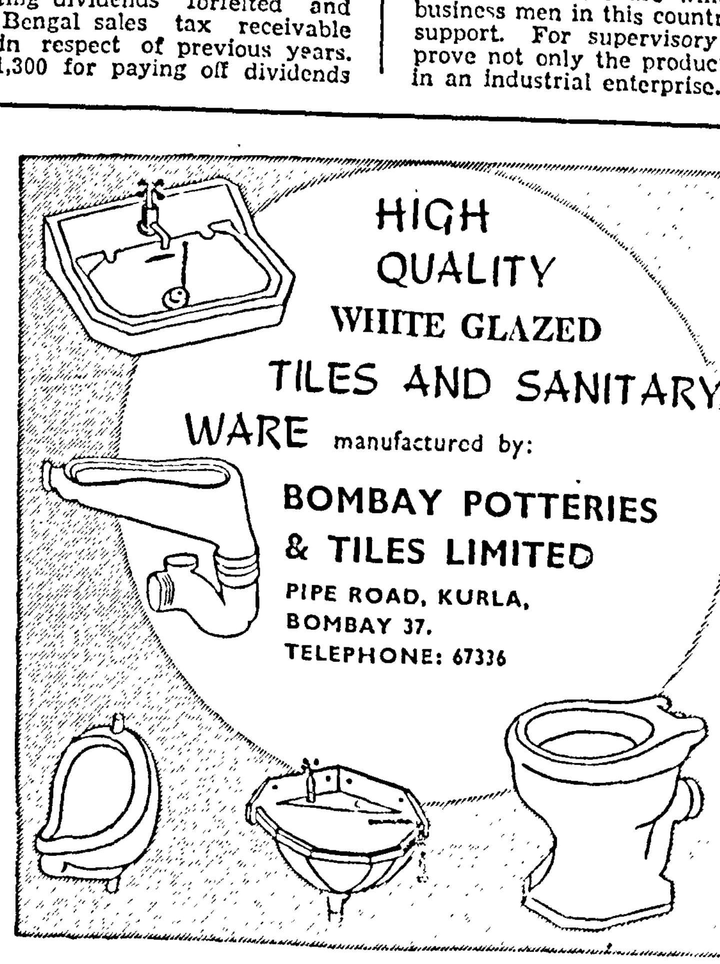
SUPERVISORY TRAINING

Supervisory training is now established and accepted as an important function of management in all progressive concerns. Such training helps to bridge the gulf between the qualifications which a supervisor possesses and the actual requirement of the work he is engaged in. It is an effective aid to the management of industry, business and other institutions and organisations in improving production, productivity and labour relations. The Institute of Supervisory Training was founded in 1956, with a view to promoting the cause of supervisory training in this country. Its object is to bring together all those who are interested in supervisory training and to provide a forum to discuss and help solve the problems faced by members in the application of various training techniques and methods, to help the members in handling problems connected with the conduct of training groups and general use of T.W. 1 and other forms of training and to promote and popularise visual aids and the publication of books, pamphlets and periodicals.

The need to provide adequate supervisory training for executives and operatives of industrial and commercial concerns was underlined by Mr. N. Dandekar, President of the Bombay Management Association in the course of his address to the Supervisory Training Conference held under the auspices of the Indian Institute of Supervisory Training in Bombay on the 14th inst. He appealed to industrial management in the country to devote more attention to supervisory training.

Stressing the importance of training as an integral function of management, Mr. Kali Mody, President of the Institute, pointed out that the success of supervisory training in any organisation could be achieved only if senior and top management co-operated with it.

Here is a cause which all industrialists and business men in this country should wholeheartedly support. For supervisory training will help improve not only the production but also the morale in an industrial enterprise.



23 FEB 1959

NEW INDIA SUGAR

GROSS PROFIT SHRINKS

A SHRINKAGE in gross profit from Rs. 16.22 lakhs in 1956-57 to Rs. 15.26 lakhs is the feature of working of the New India Sugar Mills Ltd. (Managing Agents: The Cotton Agents Private Ltd., Bombay) during the year ended 30th June 1958. This has happened despite the modest rise in sale proceeds from Rs. 147.49 lakhs a year before to Rs. 148.27 lakhs. It is, however, gratifying to know that the gross profit for 1957-58 is still substantially higher than that (Rs. 9.68 lakhs) for 1955-56. As against the gross profit, the net profit at Rs. 4.65 lakhs stands higher, as compared with Rs. 3.15 lakhs for 1956-57. This is due to the cut in the provision for depreciation from Rs. 4.59 lakhs in the previous year to Rs. 1.98 lakh. The provision for taxation at Rs. 7.30 lakhs is, however, higher by Rs. 20,000 as compared with that for the preceding year.

Out of the net profit, the Directors have transferred Rs. 2.87 lakhs, that is, more than 50 per cent. to the various reserves, as against nothing at all in the previous year. Of this appropriation, Rs. 2.50 lakhs go to general reserve, Rs. 25,000 to reserve for contingencies and Rs. 11,789 to development rebate. An ordinary dividend of 25 per cent. has been proposed, a rate which the Company has consistently maintained since 1950-51.

The following comparative table, presenting the salient features of the Company's working during the past three years, will provide an idea of progress:

(In lakhs of rupees)

	For the year ended 30th June		
	1958	1957	1956
Sale proceeds	148.27	147.49	104.08
Closing stock	41.70	58 83	61.09
Excise duty	34.45	23.19	15.00
Manufacturing and other expenses	82.77	109.57	97.22
Gross profit	15.26	16.22	9.68
Managing Agents' remuneration	1.33	1.88	1.72
Depreciation	1.98	4.59	2.95
Taxation	7.30	7.10	2.56
Net profit	4.65	3.15	2.45
Gain on sale of investment	..	..	0.29
Transfer to reserves	2.87	..	0.29
Dividends—			
7½% cum. preference	0.04	0.04	0.04
5½% cum. red. preference	0.38	0.38	0.41
Ordinary	1.97 (25%)	1.97 (25%)	1.97 (25%)
Carry forward	0.18	0.79	0.04

During the year under review, the Company's factory, which is in North Bihar, worked for 135 days, as against 190 days in the previous year. The sugarcane crushed at 3,698,341 maunds was also lower, as compared with 5,153,581 maunds in the previous season. The recovery, however, was much better at 10.09 per cent., as against 9.17 per cent. in the preceding year. In the current year, a crushing of only about 3,000,000 maunds of sugarcane is expected, as the standing cane crop has been damaged by drought in the area.

The Government of India allotted to the Company an export quota of 3,438 bags of sugar against production of the season 1957-58, which is said to have fetched a price of about only Rs. 12 per maund, due to the very low price of sugar in the international markets.

The outstanding feature of the Company's finances is its strong reserve position. Its reserves and surplus aggregate Rs. 25.55 lakhs, of which the general reserve alone accounts for Rs. 19 lakhs. As against this, its paid-up capital stands at Rs. 18.55 lakhs. This consists of 78,910 ordinary shares of Rs. 10 each, 10,000 5½ per cent. taxable redeemable cumulative preference share of Rs. 100 each and 486 7½ per cent. cumulative preference shares of Rs. 100 each. Secured loans from a bank is shown at Rs. 31.16 lakhs and unsecured loans at Rs. 2.61 lakhs. The other current liabilities and provisions amount to Rs. 25.23 lakhs, inclusive of Rs. 13.56 lakhs as provision for taxation. The total of current liabilities thus comes to Rs. 59 lakhs. It is matched by current assets aggregating Rs. 81.66 lakhs. The gross block of Rs 50.24 lakhs stands written down to Rs. 21.43 lakhs. Of the current assets, investments amount to Rs. 16.84 lakhs; of these quoted investments are only Rs. 11,234, their market value being Rs. 7,821. Of the balance, represented by unquoted investments, the major items consist of National Engineering Industries Ltd. (Rs. 10.05 lakhs) and the Behar Journals Ltd. (Rs. 5.50 lakhs).

The Rs. 10 fully paid up ordinary shares are quoted at Rs. 28 *cum-div.* On the basis of *ex-div.*, the yield works out to 9.8 per cent.

COMPANY MEETINGS AND DIVIDENDS

BHARAT SUGAR MILLS LTD. Annual General Meeting, Calcutta, 27th February 1959. Dividends payable on and after 10th March 1959. Transfer books will remain closed from 16th February to 27th February 1959, both days inclusive.

NEW INDIA SUGAR MILLS LTD. Annual General Meeting, Calcutta, 27th February 1959. Dividends payable on or after 10th March 1959. Transfer books will remain closed from 16th February to 27th February 1959, both days inclusive.

WAVERLEY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 27th February 1959. Transfer books will remain closed from 14th February to 27th February 1959, both days inclusive.

KELVIN JUTE CO., LTD. Annual General Meeting, Calcutta, 27th February 1959. Dividends are payable on or after 12th March 1959. Transfer books will remain closed from 14th February to 27th February 1959, both days inclusive.

JAIPUR UDYOG LTD. Annual General Meeting, Sawai Madhopur, 28th February 1959. Transfer books will remain closed from 23rd February to 28th February 1959, both days inclusive.

UPPER GANGES SUGAR MILLS LTD. Annual General Meeting, Calcutta, 2nd March 1959. Dividends on shares payable on or after the 10th March 1959. Transfer books will remain closed from 23rd February to 2nd March 1959, both days inclusive.

STANDARD BATTERIES LTD. Annual General Meeting, Bombay, 16th March 1959. Dividend payable after 26th March 1959. Transfer books will remain closed from 9th March to 23rd March 1959, both days inclusive.

ALKALI AND CHEMICAL CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 16th March 1959. Transfer books will remain closed from 27th February to 16th March 1959, both days inclusive.

EMPIRE DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 16th March 1959. Dividends payable on and after 30th March 1959. Transfer books will remain closed from 27th February to 20th March 1959, both days inclusive.

G. CLARIDGE AND CO., LTD. Annual General Meeting, Bombay, 16th March, 1959. Dividends payable on and after 30th March 1959. Transfer books will remain closed from 27th February to 20th March 1959, both days inclusive.

BRADY ENGINEERING CO., LTD. Annual General Meeting, Bombay, 16th March 1959. Dividends payable on and after 30th March 1959. Transfer books will remain closed from 27th February to 20th March 1959, both days inclusive.

NEW CITY OF BOMBAY MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 16th March 1959. Transfer books will remain closed from 27th February to 20th March 1959, both days inclusive.

NEW GREAT EASTERN SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 17th March 1959. Dividends payable on and after 30th March 1959. Transfer books will remain closed from 27th February to 20th March 1959, both days inclusive.

RALLIS INDIA LTD. Annual General Meeting, Calcutta, 19th March 1959. Transfer books will remain closed from 9th March to 19th March 1959, both days inclusive.

T. STANES AND CO., LTD. Annual General Meeting, Coimbatore, 25th March 1959. Transfer books will remain closed from 11th March to 25th March 1959, both days inclusive.

DHANALAKSHMI MILLS LTD. Annual General Meeting, Tirupur, 28th March 1959. Transfer books will remain closed from 15th March to 28th March 1959, both days inclusive.

AUCKLAND JUTE CO., LTD. Interim dividend of Rs. 5 per share on ordinary shares for the year ended 31st March 1959. Dividends are payable on or after 5th March 1959. Transfer books will remain closed from 17th February to 27th February 1959, both days inclusive.

KINNISON JUTE MILLS CO., LTD. Interim dividend of Rs. 5 per share on ordinary shares for the year ended 31st March 1959. The share transfer registers will remain closed from 17th February to 27th February 1959, both days inclusive.

STANDARD JUTE CO., LTD. Interim dividend of Rs. 2.50 per share on ordinary shares for the year ended 31st March 1959. Transfer books of the Company will remain closed from 17th February to 27th February 1959, both days inclusive.

UNION JUTE CO., LTD. Interim dividend of Rs. 5 per share on ordinary shares for the year ended 31st March 1959. Transfer books will remain closed from 17th February to 27th February 1959, both days inclusive.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Interim dividend of £3½ per cent. nett on ordinary stocks, for the year ended 31st March 1959.

CENTRAL HYDRAULIC PRESS CO., LTD., CALCUTTA. Dividend of Rs. 6 per share for the year ended 30th June 1958.

KILLICK INDUSTRIES LTD. Final dividend of Rs. 5 per share (making Rs. 13 for the period) on the shares of the Company, free of income-tax and proportionate on the shares of the new issue, for the 17 months ended 30th November 1958. Transfer books will remain closed from 3rd March to 20th March 1959, both days inclusive.

COMMERCE AND INDUSTRY

(Concluded from page 280)

maritime power, participating to a very considerable extent in the trade between South-east Asia and itself. Obviously, the way in which the British, American and Japanese shipping lines fix freight rates suits Russia and enables it to make good profits. All that the Russian delegate did was to endorse the passionate desire of Asian countries to develop their own mercantile marine. Expression of such sentiments does not cost Russia anything. Nor is it Russia's monopoly. The developed countries of the free world have not opposed the plans of Asian countries to develop their merchant navy. In fact, they have helped these countries in augmenting their fleet, even though their shipowners have tried to discourage them from doing so.

The discussion of this problem was finally summed up by Mr. U. Nyun, Acting Secretary of the E.C.A.F.E. He advised the Governments of Asian countries to contact the shipping lines directly and to consider making greater use of tramp shipping. While he promised that his Secretariat would keep the matter in review, he wanted the countries concerned to keep the Secretariat informed of their continuing experience in the matter.

INDUSTRIAL PRODUCTION IN FRANCE

The following is a brief review of the trend of industrial production in France during the year 1958:

Coal: Production came to 60.2 million tons, which is 1.8 per cent. more than in 1957. This is even more remarkable, in that consumption clearly decreased (74.2 million tons, as compared with 81.6 million tons in 1957) and considering that there was a general coal crisis in the European countries. Pithead stocks quadrupled in one year, and now aggregate 2 million tons.

Electricity: Production came to 63 milliard kilowatt-hours in 1958, which is 7.5 per cent. more than in 1957. Thermal energy made up 46.5 per cent. of this total, and hydraulic energy accounted for 53.5 per cent. Budget economies reduced the investment credits for this industry in 1958.

Gas: Production rose by 6.7 per cent. from 1957 to 1958. The building of the distribution network for the gas from Lacq, which will soon be finished, will greatly stimulate consumption of natural gas (at present 1 milliard cubic metres).

Oil: Production was 2,390,000 tons in 1958, a million tons of which came from overseas (400,000 tons were shipped from the Sahara). This is an increase of 42 per cent. as compared with 1957. However, the oil wells are far from nearing their *maximum capacity, the means* of transport still being inadequate. The laying of the pipeline should be completed in 1959. Refineries treated 30 million tons, which is an increase of 20 per cent. as compared with 1957 (the Suez crisis) and of 6.9 per cent. as compared with 1956. Domestic consumption was 19.5 million tons, as against 17.6 million tons in 1957.

Steel: France is the only Western country to have increased its steel production in 1958. Production aggregated 14,590,000 tons which is 3.5 per cent. more than in 1957. Despite the international recession, exports remained large.

Automobiles: Production was again excellent in 1958, despite a fall in the rate of orders. For the first time, more than a million vehicles were produced, and perhaps as many as 1,100,000 units, which would be a rise of 18 per cent. as compared with 1957. This increase was made possible by the export drive (345,000 vehicles, as compared with 251,920 in 1957, which is an increase of 36.8 per cent.).

Chemical industries: The rate of increase scarcely slackened in this industry, where it was already very high. This is particularly true of the development of plastics and fertilizers.

Engineering industries: Output in certain branches has definitely levelled off (electrical apparatus, machine tools, television), which is not true of other branches (heavy electrical equipment, railway material, hardware electric household appliances, farm machinery, motor cycles, general machinery, telegraph and telephone equipment and shipbuilding). The branches most affected were those which depend on Government orders, which were drastically reduced as a result of budget economies, and those of durable consumer goods, the purchasing of which is always postponed during periods when purchasing power is low.

Textile industries: The crisis in these industries is due to reasons which have been described before: a poor market coupled with a structural crisis (shrinking export markets and aging plant). The same situation applies to leather, shoes, and clothing in general.

Building and public works: The situation in 1958 was not very good in these industries, which depend very much on Government credit. It is estimated that 280.000 lodgings had been completed in 1958, which is about the same number as in 1957. The number of new lodgings begun (300,000) was less than last year.

BOMBAY POTTERIES' PROFIT HIGHER

CALCUTTA HYDRAULIC PRESS TO WIND UP

Bombay Potteries and Tiles Ltd.

THE directors of the above Company (Chairman: Mr. Motichand G. Shah) submit the audited accounts of the Company for the year ended 30th September 1958.

The year's working after meeting all expenses of operation and management and after providing for depreciation (normal and shift), development rebate, and taxation, shows a profit of Rs. 2,32,417 (Rs. 2,33,155). To this has been added the excess provision for doubtful debts, Rs. 1,744 (Rs. 8 890), refund of income-tax Rs. 875 (*nil*), bad debts written off realised Rs. 346 (*nil*) and the balance brought forward from last year's account of Rs. 2,341 (Rs. 4.820), making a total of Rs. 2,37,723 (Rs. 2.51,122 after adding reimburse from managing agents on bad debts and contingent liability of the previous years amounting to Rs. 4,257). Out of this, the directors have appropriated to plant rehabilitation reserves Rs. 20,000 (Rs. 75,000) and general reserve Rs. 25 000 (*nil*). This leaves a balance of Rs. 1,92,723 (Rs. 1 76,122), from which the directors recommend payment of dividend on 1st cumulative preference shares at 6½ (6½) per cent. (less income-tax) for the year 1957-58 of Rs. 7,358 (Rs. 7,358), dividend on 2nd cumulative preference shares at 4½ (4½) per cent. (free of income-tax) for the year 1957-58 Rs. 38,821 (Rs. 38,821) and dividend on ordinary shares at 9 (9) per cent. plus 1 per cent. as jubilee dividend (free of income-tax) for the year 1957-58 absorbing Rs 1,41,780 (Rs. 1,27,602), leaving a balance of Rs. 4,764 (Rs. 2 341) to be carried forward to next year's account.

The year under report marks the completion of 25 years of ceramic manufacture by the Company in Bombay. The Company has maintained steady progress. As there is a heavy demand for the goods manufactured, the directors are seriously considering expansion of the factory. With this end in view, Mr. C. P. Shah, the Company's technical adviser was asked to visit Europe and America to study the latest development in the manufacturing process and also to discuss with manufacturers of machinery and furnaces about deferred payment. Mr. Shah has recently returned to this country and has submitted his report which is receiving serious consideration by the board of directors.

During the year under report, there was complete peace and harmony between the Company and its labour. Due, however, to the increase in the *living index, the daily-rated* workmen have put up a demand for increased dearness allowance on the same rate as obtainable in the textile industry, which demand has since been placed before conciliation. The properties, stock-in-trade and other assets of the Company have been adequately insured for Rs. 29,96,500.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,53,650	Block ...	14,15,466
Reserves ...	4,29,295	Raw materials, stores, saggars, loose tools, etc. ...	4,28,918
Provision for taxation ...	4,02,442	Stock-in-trade	1,36,936
Liabilities ...	5,14,974	Debts, deposits and advances ...	2,14,500
Profit and loss account ...	4,764	Investments	10,441
		Cash ...	15,98,864
	Rs. 38,05,125		Rs. 38,05,125

Calcutta Hydraulic Press Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June 1958.

The accounts show a profit of Rs. 63,108 (Rs. 44 838) to which has to be added the profit on realisation of investments Rs. 837 (*nil*), making a total of Rs. 63.945 (Rs. 44 838). After deducting taxation amounting to Rs. 37,000 (Rs. 13,500), the balance is Rs. 26,945 (Rs. 31,338). The balance brought forward from last year was Rs. 23,272 (Rs. 20,934) and there has been transferred from unclaimed dividends Rs. 8.808 (*nil*), taxation reserve Rs. 5.000 (*nil*), reserve for depreciation of investments Rs. 94,207 (*nil*) and reserve Rs. 1,75,000 (*nil*) aggregating in all Rs. 3 38,252 (Rs. 52.272). From this is deducted under-provision for taxation in previous years Rs. 42.000 (*nil*) and amount written off investments Rs. 2,52.029 (*nil*) leaving a balance available for appropriation Rs. 44.203 (Rs. 52 272). The directors recommend that a dividend of Rs. 5 (Rs. 3) per share be paid, absorbing Rs. 40,000 (Rs. 24 000) leaving a balance to be carried forward of Rs. 4.203 (Rs. 28.272).

The provision for tax under-provided in previous years has become necessary because, in the assessments for these years which have now been completed, the Income-tax authorities have assessed to tax the surplus which arose from the sale of the Company's plant and machinery.

Having regard to the value of the Company's assets in relation to the amount of its income which is available for distribution after charging all expenses and providing for taxes, the Board considers that it is in the best interests of the members of the Company that the Company be wound up and its assets distributed to its members. Notices will, therefore, shortly be issued calling an extraordinary general meeting of the members of the Company for the purpose of considering a special resolution to wind up the Company by means of a members' voluntary liquidation. In view of this, the Company's balance-sheet as at 30th June 1958, has been framed to show its quoted investments at their market value on that date.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	1
Reserves ...	52,365	Debts, deposits and advances ...	1,288
Provision for taxation ...	37,879	Investments	8,94,514
Liabilities ...	40,663	Cash ...	39,307
Profit and loss account ...	4,203		
	Rs. 9,35,110		Rs. 9,35,110

Waverley Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: *Messrs. McLeod* & Co., Ltd., Calcutta) submit the audited statement of accounts for the year ended 31st May 1958.

The profit for the year after providing for depreciation Rs. 1,24,630 (Rs. 1,37.000) and taxation Rs. 21,000 (*nil*) amounts to Rs. 2.86,627 (loss of Rs. 4,25,950). To this is added the transfer from general reserve Rs. 1,15.000 (*nil*), dividends forfeited Rs. 1,670 (*nil*), doubtful debts written back Rs. 3 (*nil*), West Bengal Sales Tax receivable from Government in respect of previous period Rs. 40,595 (*nil*) and refund of managing agents' commission Rs. 17,500 (*nil*) making a total of Rs. 4.61,395 (loss of Rs. 4,26,612 after paying forfeited dividends amounting to Rs. 662). From this is to be deducted the debit balance brought forward from the previous period of Rs. 4,15.285 (credit balance of Rs. 11,327) leaving an available balance of Rs. 46,110 (loss of Rs. 4 15,285). This the directors recommend should be distributed as follows:—

In payment of dividend on 15,000 preference shares at 5 per cent. per annum for the eleven months ended 31st May 1957 amounting to Rs. 34,375 (*nil*) leaving a balance to be carried forward of Rs. 11,735 (debit of Rs. 4,15,285).

The mills closed down on 17th June 1957, but the working loom hours during the year have been sold to other mills within the McLeod Group which has enabled the Company to show a profit.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	12,02,089
Reserves ...	5,20,000	Stores and spare parts	4,21,450
Provision for taxation ...	21,000	Debts, deposits and advances ...	6,09,902
Liabilities ...	11,00,378	Investments	60.000
Profit and loss account ...	11,735	Cash ...	3,59.672
	Rs. 26,53,113		Rs. 26,53,113

Agarpara Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias & Co., Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

With the sum of Rs. 18,786 (Rs. 29,690) brought forward from last year and after providing Rs. 3.85.410 (Rs. 2,60,357) for depreciation, Rs. 1.06.650 (*nil*) for wealth tax for assessment years 1957-58 and 1958-59, there is a balance of Rs. 2.81.782 (Rs 2,38,786). After transferring Rs. 20,000 (*nil*) to development rebate reserve and Rs. 25 000 (*nil*) to general reserve, there remains a sum of Rs. 2,36,782 (Rs. 2.38.786) from which the directors recommend payments as follows:—

To payment of dividend on 10,000 preference shares at 7 per cent. per annum without deduction of income-tax Rs. 70,000 (Rs. 70,000), to payment of dividend on 6,00,000 ordinary shares at 2½ (2½) per cent. per annum without deduction of income-tax Rs. 1.50,000 (Rs. 1.50,000) and to carry forward to the next year Rs. 16,782 (Rs. 18,786).

Trading conditions continued to be difficult throughout the year. During the earlier part of 1958, prices of finished goods touched very low levels and resulted in the fixation of minimum prices by the members of the Indian Jute Mills Association below which sales are not transacted.

In view of growing competition at home and abroad, the directors have decided to strengthen the competitive position of the Company by fully modernising the mills upto the spinning stage with the latest equipment. The Government of India are assisting the jute industry for modernisation by granting loans through the National Industrial Development Corporation Private Ltd. The Company has applied to the N.I.D.C. for the necessary loan to the extent of Rs. 20.5 lakhs, and orders for the new machinery have already been placed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Block ...	72,00,286
Reserves ...	44,70,000	Capital work in progress	22,135
Provision for taxation ...	5.75.451	Stores and spares ...	9,50 425
Liabilities ...	66,01,432	Stock-in-trade	62,55,040
Profit and loss account ...	16,782	Debts, deposits and advances ...	37,06 942
		Investments	4 08.759
		Cash ...	1,20.078
	Rs. 1,86 63.665		Rs. 1,86.63.665

Sri Palamalai Ranganathar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. S. K. Rangaswamy Naidu & Co., Periaiaickenpalayam) submitted the audited statement of accounts for the year ended 31st March 1958 and make the following report on the working of the Company during the said year.

The directors state that the year's working after deducting all working expenses and interest and before providing depreciation has resulted in a net loss of Rs. 2.01,879 (profit of Rs. 1,48,216). Deducting from this, Rs. 1,339 (*nil*) the balance of profits of last year and refund of income-tax amounting to Rs. 2,471 (*nil*), the total amount to the debit of profit and loss account on 31st March 1958 was Rs. 1,98,069 (credit of profit and loss account was Rs. 1.68,673, after transferring Rs. 45,153 from general reserve Rs. 35,000 from machinery replacement reserve and Rs. 6.008 from provision for taxes). The directors have paid Rs. 468 (Rs. 591) by way of charity and donation. After adding this amount, the balance of loss on 31st March 1958 is Rs. 1,98,537 (balance of profit was Rs. 22,082, after writing off Rs. 1.46,000 as short provision for depreciation in previous years). The directors recommend that this may be carried forward to next year's account to be set off against future profits.

In view of the heavy loss sustained by the Company this year, the Managing Agents have forgone the minimum remuneration of Rs. 10,000 due to them. During the year of account, the directors have installed 360 spindles and the total installed capacity of the mills at the end of the year was 11,096 spindles. The result of the year is very disappointing. This is due to high price of raw materials, increase in wage structure and steep fall in yarn prices. The textile industry in India has been passing through a crisis. This Company is one of the many which had been severely hit by the crisis.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,49.050	Block ...	10,26,502
Liabilities ...	16,30,212	Stock-in-trade	5,57.960
		Stock of stores, spares and canteen provisions ...	53.598
		Debts, deposits and advances ...	1,26,178
		Investments	10.150
		Cash ...	6,337
		Profit and loss account ...	1.98.537
	Rs. 19,79.262		Rs. 19,79.262

Hukumchand Jute Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Ramdutt Ramkissendas, Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1958.

After providing Rs. 2.00.109 (Rs. 1.00.347) for depreciation, Rs. 10,25,000 (Rs. 8.00.000) for taxation, Rs. 1,45,000 (*nil*) for development rebate reserve and Rs. 50,000 (Rs. 1,50.000) for investment reserve the revenue account shows a profit of Rs. 13,25,066 (Rs. 13,25,461) to which is to be added the credit balance of Rs. 1,14,396 (Rs. 1,18.935) brought forward from last year, making a total of Rs. 14.39,462 (Rs. 14,44.396). Out of this amount an interim dividend of Rs. 1.40,000 (Rs. 1,40,000) on preference shares at Rs. 3.50 free of income-tax was declared on 27th February 1958, leaving a balance of Rs. 12,99,462 (Rs. 13,04,396) which the directors recommend should be dealt with as follows:—

To pay a final dividend on preference shares at Rs. 3.50 per share [making a total payment of 7 per cent. per annum] for the year ended 31st March 1958 absorbing Rs. 1,40,000 (Rs. 1,40,000), to pay a dividend on equity shares at Re. 1.50 (Re. 1.50) per share for the year ended 31st March 1958 absorbing Rs. 10,50,000 (Rs. 10,50,000) and leaving a net balance of Rs. 1,09,462 (Rs. 1,14,396) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the Mills worked on the basis of 48 hours a week with 12½ per cent. looms sealed throughout the year under review.

Trading conditions continued to remain difficult and prices of finished goods dropped to very low levels during the earlier part of 1958. This has led the members of The Indian Jute Mills Association to fix the minimum prices of finished goods below which sales are not transacted. Prospects for the current jute crop in India are very bright and the directors are of the opinion that there should be an ample supply of raw jute to meet the Industry's requirements.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	92.50.000	Gross block	2,98,52,016
Reserves ...	30,53,764	Less—Depreciation ...	1,59,52.016
Provision for taxation ...	10,33,775	Net block ...	1,39,00.000
Liabilities ...	1,35,26,035	Stock ...	63,38 204
Profit and loss account ...	1,09,462	Stores ...	6,32,911
		Debts, deposits and advances ...	40,39.600
		Investments	13,89.818
		Cash ...	6.74.503
	Rs. 2,69.73.036		Rs. 2,69.73.036

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

SCINDIA STEAM NAVIGATION CO. LTD.

MR. DHARAMSEY M. KHATAU'S REVIEW

SUGGESTIONS FOR EXPANSION OF INDIAN SHIPPING

THE Thirty-ninth Annual General Meeting of the shareholders of the Scindia Steam Navigation Company, Ltd., was held at Scindia House, Ballard Estate, Bombay, on Wednesday, 18th February 1959, at 4 p.m. As Mr. Dharamsey M. Khatau, Chairman of the Company, could not be present at the meeting, owing to a sudden bereavement in his family, Shrimati Sumati Morarjee, a director of the Company, presided over the meeting and read out the Chairman's address. The following is the official summary of Mr. Khatau's address:

After welcoming the shareholders to the annual general meeting, the Chairman explained how the net profit for the year ended 30th June 1958 was lower by Rs. 14 lakhs, even though the gross earnings were higher. The 'reserves and surplus' account was increased by Rs. 1.92 crore during the year, making a total in this account of Rs. 10.95 crores. Rs. 21.51 lakhs were credited to fleet reserve, Rs. 13.05 lakhs to *sinking fund* and Rs. 20 lakhs to the dividend equalisation reserve.

The coastal and adjacent trades showed lower freight earning, due to the rate of freight being lower by Rs. 17 than the previous year on the carriage of rice from Burma. Even though the Rail-Sea Co-ordination Committee had recommended that bulk cargoes like coal, salt, foodgrains and fertilisers should move by the sea route, so that sufficient employment was available to keep the coastal tonnage fully utilised, the railway authorities were placing more and more wagons for such cargoes with the result that ships on the coast were feeling the dearth of cargo availabilities.

The Chairman explained that the Company's overseas services had done well during the year, but even here the effects of reduced and uneconomic freight rates had begun to be felt and the prospects for the year ending 30th June 1959 appeared to be discouraging and poor.

Company's Fleet

The Company's total fleet stood at 48 ships aggregating 255,572 g.r.t. and further two ships on order in Germany would be delivered in 1959 and in 1960. The Government had allotted to the Company a portion of the three million yen credit loan and a provisional contract had been signed with a Japanese yard for building a fast vessel to be delivered in 1960.

After referring to the Merchant Shipping Act and the constitution of the National Shipping Board and the Shipping Development Fund thereunder which is likely to benefit Indian shipowners, Mr. Dharamsey Khatau referred to the heavy drain on the available financial resources of shipowners by the application of the Capital Gains Tax and Section 10(2) (vii) of the Indian Income-tax Act and suggested that shipping should be exempted from the imposition of these two taxes.

Speaking of world-wide depression and the laid-up tonnage abroad, Mr. Dharamsey said:

"Since the last twelve months or more, there has been a gradual, but serious, depression in shipping all over the world. More and more tonnage has been laid up abroad and is a matter of great concern to shipowners. Freight rates have had to be cut down drastically in many cases to uneconomic levels, in order to meet the competition from tramp shipowners. Several foreign shipping lines are seeking pastures anew, with a view to finding a footing in Indian trades in order to cut their losses. This is likely to result in further keen competition in the existing trade routes of Indian shipping companies which have not yet found the opportunity to stabilise and strengthen their own resources to withstand depressions or severe competitions.

"Our ships are sailing today with empty space in the overseas trades and even on the coast our vessels are feeling the pinch, due to increased carryings by road transport and the railways. Under the present circumstances, it has become a vital necessity both for the Government and for the shipping companies to work in closer co-operation to mutual advantage. With this in mind, I feel that the following suggestions will have to be carefully considered by the Government to support and expand Indian shipping in various directions:

(1) The Government should allot as much as possible of the cargo imported and exported on its own account and on account of various projects to Indian ships.

(2) The rates of freight which the Government should sanction for the carriage of such cargoes should be reasonable and economic and should not be compared with the prevailing tramp rates.

(3) There should be cautious planned expansion based on the availabilities of cargo after a careful study of the prospective employment of such newly acquired ships in the routes in which they would operate.

(4) Improvement in the port conditions and port equipments, so that ships based on India get quicker turnround at least in their home ports.

"In regard to the first two points mentioned above, which I shall deal together, I may say that the State Trading Corporation of the Government could assist Indian shipping considerably by contracting for exports on a c.i.f. basis and imports on a f.o.b. basis and thus utilise Indian tonnage to the fullest extent possible. The present policy of the State Trading Corporation, however, appears to be to choose the cheapest carrier available and thus encourage foreign tramp ships at the expense of Indian liner tonnage which is ready to offer regular service at steady rates of freight throughout the year. If Indian shipping is to expand and stabilise itself, the Government should ask the State Trading Corporation to follow a broad-based and a long-term policy and assign its cargoes to Indian ships at economic rates, so that out of such earnings there is sufficient scope to create resources for the purchase of newly constructed or near-new secondhand ships.

"The Shipping Co-ordination Committee established by the Government to co-ordinate and co-relate Governments' shipping space requirements also does not seem to have achieved much to support the cause of Indian shipping as such. The United States of America, the foremost maritime nation in the world today, has decreed that at least 50 per cent. of its aided cargoes would be reserved for American ships. This is an example for the Government of India to emulate, with a view to supporting Indian shipping. Unfortunately, the powers-that-be are in no mood to support Indian shipping, unless freight space is available at rates suitable to them and which may be even a little lower than the world market rates under one pretext or another.

Financing Long-term Schemes

"As regards the third point mentioned by me above, I would say that, with a view to financing several long-term schemes under our five-year plans, the Government is very keen on promoting the export drive of indigenous products either in the raw state or in the semi-manufactured or manufactured state and thereby earn foreign exchange. The Government is also very keen that the shipowners should take a prominent part in supporting such export promotion schemes by placing ships in the various routes, so that our exports could find adequate shipping space as and when required. In this we need not assure the Government of our wholehearted co-operation, but we certainly expect that the Government, whilst sanctioning entry of newcomers into the overseas trade, would see that there is a sufficient and suitable spread of ships in all the overseas trades of the country. This should be done without encouraging concentration of ships in one particular trade and thereby creating unnecessary and wasteful competition amongst the Indian shipowners. It will, therefore, be necessary for the Government to study the expansion programme of each shipping company, so that there is no idle tonnage or no tonnage not fully utilised remaining with the shipping companies, which they would be tempted to place in trades which presently appear to be fully catered for by the Indian ships. Before the proposal for purchase of any new tonnage is sanctioned by Government, the route on which such a vessel would operate should be specified. Such sanction should only be given after the Government has satisfied itself that such addition is necessary in the route concerned, thereby avoiding wastage and utilising to the best advantage our limited available resources. Acquisition of additional tonnage may be warranted by India's maritime trade which is large enough to support expansion to enable Indian ships to carry their legitimate share. From experience, however, we have found that under the present state of affairs, our trade is still largely carried by other lines. The availability of cargo for Indian lines is limited. The real issue, therefore, is not so much the question of acquisition of additional tonnage, but that of availability of our own cargo for our own ships.

Development of Ports

"Lastly, the Government should also pay serious attention to the development not only of the major ports but also quite a few of the minor ports, so that ships would get a quicker turnround. The port of Calcutta, which handles a heavy volume of traffic both inwards and outwards, has deteriorated due to falling drafts, and the resultant inefficiency of that port is a source of constant worry to shipowners. Apart from affecting navigation depths, the reduction in head water supplied has led to accumulation of silt and a gradual deterioration of the river conditions, not to mention the increase in the intensity of the tidal bores so frequently experienced, of late. This situation will have to be remedied and it may be necessary to locate an ancillary port down the river to be used as an anchorage port for discharge of bulk cargoes like foodgrains and fertilisers thereby reducing the heavy strain on the Calcutta Port.

"Even in Bombay there is considerable siltation in the harbour, particularly in the approach channel. Two out of three docks in Bombay, namely, the Prince's and Victoria Docks, appear to be outmoded and not suitable even to accommodate some of the ships operating in the coastal trades. There has been considerable delay in taking a decision regarding the implementation of the 'minimum' scheme which appears to be essential in itself for rehabilitation of the two most important assets of the Bombay dock system.

"The cargo handling and stacking equipment at many Indian ports are both outmoded and insufficient and are not commensurate with the requirements of the ships calling at such ports. Unless such modern handling equipment is purchased and pressed into service early, I am afraid, in a moment of crisis our ports are again likely to be the insurmountable bottlenecks, resulting in delay not only to ships and shipping but also to the development programmes under our economic plans."

Referring to the results of the subsidiaries, Scindia Workshop Private Ltd., Jalanath Insurance Ltd., and the Kamal Shipping Company Private Ltd., which were satisfactory, Mr. Dharamsey Khatau explained the unsatisfactory state of affairs in the B.S.N. Company (1953) Private Ltd., and said:

"As will have been observed from a study of the statement of accounts with you, this Company has again made a loss of Rs. 7.43 lakhs, in spite of the best efforts to exercise as much effective control on expenditure as possible. These continuous losses which have accumulated to Rs. 16.52 lakhs are constantly before us and we are exploring all possible avenues to reduce the losses. This, however, is not likely to bring about satisfactory results, in view of the heavy repair and survey expenses that the Company has to incur on four of its very old vessels, apart from the fact that about 85 per cent. of the Company's annual expenditure is of such a nature as to provide little or no effective scope for economy. This unsatisfactory state of affairs has been brought to the notice of the Government on several occasions and even if the Company is not allowed to make profits, it should certainly be allowed to make both ends meet and be left with sufficient margin to wipe off its previous losses. For this purpose, it is very necessary that a high power committee should immediately be instituted by the Government to go into the question without much delay, so that some satisfactory solution is found in the interest of about 8/10 lakhs of passengers working in industrial undertakings in the State and utilising these transport services."

Notices

W. H. BRADY AND CO., LTD.

NOTICE

To

The Shareholders of
W. H. BRADY & CO., LTD.

NOTICE IS HEREBY GIVEN THAT THE Forty-sixth Annual General Meeting of the Company will be held on Monday the 23rd day of March 1959 at 11-00 a.m. at the Registered Office of the Company, "Brady House," 12/14, Veer Nariman Road, Bombay, to transact the following business:

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1958.
2. To sanction the payment of Dividend.
3. To appoint a Director in place of Mr. Kishore M. Premchand who retires by rotation in accordance with Article 156 and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Vasant S. Velinker who retires by rotation in accordance with Article 156 and, being eligible, offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,

V. MATHALONE,
Secretary.

BOMBAY, 11*th February*, 1959.

Note: (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.

(2) The Transfer Books of the Company will be closed from Friday the 6th day of March to Friday the 27th day of March 1959, both days inclusive.

(3) The dividend when declared will be made payable on and after the 30th March 1959. The Dividend Warrants will be posted to those shareholders whose names stand on the Register of Members on the 27th March 1959.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA LTD.

NOTICE TO MEMBERS

THE TWENTY-SECOND ORDINARY GENERAL Meeting of the Members will be held on the 16th March 1959 at 2-30 p.m., at the registered office, 34 Chowringhee, Calcutta, 16.

Notice of the Meeting has already been posted to the shareholders direct.

The Ordinary Share Registers of the Company will remain closed from the 27th February to the 16th March 1959, both the days inclusive.

By Order of the Board,

IMPERIAL CHEMICAL INDUSTRIES
(INDIA) PRIVATE LTD.,
Secretaries.

CALCUTTA, 14*th February* 1959.

RALLIS INDIA LIMITED

CLOSURE OF TRANSFER BOOKS

NOTICE IS HEREBY GIVEN THAT THE transfer books of the Company will be closed from 9th March 1959 to 19th March 1959, both days inclusive.

By Order of the Board,

KENNETH SHEPPARD,
Secretary.

16, HARE STREET, CALCUTTA,
14*th February* 1959.

RESERVE BANK OF INDIA

APPLICATIONS ARE INVITED FOR THE posts of Research Officers in the Bank's Department of Research and Statistics at Bombay.

Scale of Pay: Rs. 375-55-815 E.B. 55-925-60-1,045. In addition to pay, the selected candidates will be eligible to draw Local Pay, House Allowance and Dearness Allowance at the rates prescribed by the Bank from time to time.

Candidates possessing exceptionally good qualifications and experience of value to the Bank may be given a higher starting pay in the prescribed scale.

Appointments to the above posts will be made on a temporary basis in the first instance but are likely to be made permanent.

Candidates should not ordinarily be over 30 years of age as on 1st March 1959. The age limit may be extended upto 35 years in the case of candidates with exceptionally good qualifications and/or research experience of value to the Bank.

Qualifications: (i) First or high second class M.A./M.Sc. in Statistics/Mathematics of an Indian or foreign university or an equivalent qualification. (ii) Experience in the application of statistical methods to economic problems. (iii) Research experience in one or more branches of applied statistics like sampling, econometrics, etc. A doctorate in statistics, experience in handling of official statistics, etc., will be considered as additional qualifications.

Applications should be in a special form obtainable from any office of the Reserve Bank of India. All the applications should be accompanied by copies of certificates regarding age and educational qualifications and two testimonials (originals should not be sent, the Bank does *NOT* accept responsibility for returning the originals if sent through oversight) and should be forwarded to the Secretary, Central Recruitment Board, Reserve Bank of India, Central Office, Post Box 406, Bombay, so as to reach him on or before Saturday the 14th March 1959. *Candidates already in service must submit their applications through their employers.* Candidates belonging to the Scheduled Castes/Scheduled Tribes should mention this fact prominently on their applications and also enclose a copy of certificate to that effect from a competent authority.

Applicants must remit along with their applications an application fee of Rs. 7.50 (Rs. 1.75 in the case of Scheduled Castes/Scheduled Tribes candidates) by Postal Order, *Cheque or Bank Draft on a Scheduled Bank payable at Bombay.* The application fee is in no case refundable. Bonafide *unemployed* Refugee candidates applying through any of the Government Employment Exchanges are exempted from payment of the application fee.

Appointments will be subject to candidates being found medically fit for service in the Bank by the Bank's Medical Officer.

Apart from those who may be specially called, interviews will not be granted to candidates nor will the Bank enter into correspondence with them.

Canvassing in any form will be regarded as a disqualification.

THE UNITED COMMERCIAL BANK LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Transfer Books of The United Commercial Bank Limited will be closed from Monday, the 16th day of March to Thursday the 2nd day of April 1959, both days inclusive.

By Order of the Board,

S. T. SADASIVAN,
General Manager.

CALCUTTA, 6*th February* 1959.

EXPORT INCENTIVES FOR MILL-MADE CLOTH

(*Concluded from page 274*)

average capacity and equipment will not be able to export goods worth more than Rs. 3 to Rs. 4 lakhs per month. Thus, at best, a unit of 1,000 to 1,200 looms can hope to export cloth worth Rs. 50 lakhs only a year. On this basis, the export incentives of 3 per cent. of import licences for dyes and chemicals, as also the half-hearted import entitlements for foreign cotton, will not at all be sufficient. After having paid higher prices for Indian cotton, the exporting mills will be out of pocket even after taking into account the incentives given.

It is reported that the incentives in the form of foreign cotton entitlement is likely to be taken away and the imported cotton distributed on the basis of past consumption only. If this is true, it clearly means that the fine and superfine mills, which have been consuming imported cotton in the past, will continue to get this cotton at a very cheap price and will secure all the advantages, without having to export any cloth.

Thus, these mills will benefit out of the foreign exchange earnings of the medium and coarse mills which are at a double disadvantage, in that they have to buy Indian cotton at high prices and export cloth at low prices, the gap between their cost of production and the actual export prices realised not being met by the so-called incentives given to them.

The general criticism that is levelled against coarse and medium mills is that they have not changed their patterns of production and it is for this reason that they are suffering now, as there is a marked preference by the Indian consumer for fine fancy processed goods. At the same time, these mills are being denied the essential raw material in the form of imported cotton without which fine fancy goods cannot be produced.

In fairness to the exporting mills, their total import entitlement of foreign cotton should be allowed to be retained by them for their own use. If they do not have the equipment to use this cotton, then they should be allowed to sell it at the open market rate. This will be a real incentive, in that the exporting mills will be able to reduce their prices to the overseas buyer and make larger efforts in stepping up exports. The scheme of linking up import entitlement with export performance in the basic years has no valid basis. This means putting premium on new-comers. Those mills which exported without any expectation of a future reward are being put to a disadvantage, in that their import entitlement will be lower if they had exported larger quantities in the basic years. Import entitlement should be based on current performance only without taking the past exports into account. It is only when the exporting mill has no equipment to process the foreign cotton that such a mill may be allowed to sell the same in the open market at current prices.

It is understood that from the current quarter there is likely to be a change in the method of grant of import entitlement to exporting mills. Instead of linking the value of import licences with the exports in the basic years, this will be fixed at 70 per cent. of the current exports, as in the case of dyes and chemicals. Out of the import entitlement thus granted, only 10 per cent. will be allowed to be utilised by the exporting mills. The remaining 90 per cent. will have to be surrendered for disposal to fine and superfine mills at a margin of 10 per cent. It is feared that this modification is not going to work in the interest of the coarse and medium mills which are the traditional exporters of Indian cloth.

It is reiterated that, unless the exporting mills are allowed to retain for themselves the entire import entitlement for their own use if they have the necessary equipment, or are allowed to dispose of their surplus in the open market, the purpose of giving incentive will be defeated. It is sincerely hoped that Government will give their earnest consideration to the issues involved, so that the decline in cloth exports is arrested and once again India recaptures her place in the international markets.

MARKED RISE IN FOREIGN RESERVES

(*From Our Own Correspondent*)

BOMBAY, 18*th February*

Conditions in the short-term money market continue to be stringent. While the pressure of demand for bank credit shows no signs of relaxation, the floating funds in the market have been depleted further, with the result that the banks' dependence on short-term accommodation from the Reserve Bank and the State Bank has increased. Inter-bank business has, therefore, thinned down. There is no change in interest rates. Inter-bank call money is being quoted at 3½ per cent. among the Exchange banks and big Indian banks and at 3¾ to 3¾ per cent. among the smaller Indian banks. House money at seven days' notice stays put at 3¼ to 3½ per cent. and so also short-term deposits at 3¾ to 4 per cent. for one to six months.

The stringency in the money market is fully reflected in the results of this week's Treasury Bill sales. The invitation for Rs. 2 crores (same as last week) brought an offer of no more than Rs. 2.30 crores, as against Rs. 4.19 crores in the previous week. The average rate of accepted tenders, which had declined from 2.559 per cent. to 2.530 per cent. per annum, rose again this week to 2.559 per cent. Tenders for next week are unchanged at Rs. 2 crores. There were no sales of Intermediate Treasury Bills in the week ended 14th February, but they are being continued this week at Rs. 99.376 per cent.

A further rise of Rs. 10.05 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 13th February 1959, thus bringing the aggregate expansion in the last two weeks to Rs. 43.71 crores. Notes held in the Banking Department are lower by Rs. 46 lakhs, so that the total notes issued show an increase of Rs. 9.59 crores. The most significant feature of the assets side of the Issue Department is the rise of Rs. 13.33 crores in foreign securities. There has been a fall of Rs. 3.33 crores in rupee securities and of Rs. 41 lakhs in rupee coin. The increase of Rs. 13.33 crores in foreign securities is accompanied by a rise of Rs. 2.11 crores in balances held abroad (in the Banking Department), so that the aggregate increase in foreign assets is of the order of Rs. 15.44 crores, bringing them up to Rs. 206.13 crores. This accretion must have been due to materialisation of some of the credit negotiated with foreign countries in the free world. Central Government's deposits have gone up by Rs. 5.38 crores and those of other Governments by Rs. 19 lakhs. Deposits of banks too have moved up by Rs. 4.49 crores. Loans and advances other than to Governments are higher by Rs. 6.51 crores and investments by Rs. 6.22 crores.

The most notable feature of the Scheduled banks' statement for the week ended 6th February 1959 is the rise of Rs. 9.07 crores in time deposits of banks, raising them to Rs. 895.47 crores, which is less than Rs. 5 crores short of the Rs. 900-crore level. Demand deposits have, however, declined by Rs. 6.52 crores to Rs. 692.03 crores. Inter-bank borrowings are also lower by Rs. 2.59 crores and borrowings from the Reserve Bank by Rs. 4.34 crores, while those from the State Bank have risen by Rs. 2.68 crores. A sharp rise of Rs. 16.07 crores is noted in advances and of Rs. 1.69 crore in bills purchased and discounted, bringing the total advances to Rs. 938.77 crores. Investments have declined by Rs. 1.99 crore and cash balances by Rs. 4.70 crores.

State loans, particularly the 4½ per cent. issues, continue to attract attention in the Gilt-edged market, which is, otherwise, dull and featureless. The long-dated issues of the Central Government are ruling steady, while medium-dateds are all on offer. 3 per cent. 1986 *Conversion Loan* has fallen further by 20 nP to Rs. 73.65. 3 per cent. 1970-75 is unchanged at Rs. 90.85 and 3 per cent. 1966-68 at Rs. 93.85. 3 per cent. 1963-65 has shed 5 nP to Rs. 96.75. 3½ per cent. 1964 has put on 5 nP to Rs. 99.80, while 3½ per cent. 1965 is stagnant at Rs. 99.60. 3½ per cent. 1967 and 1968 are steady at Rs. 99.10 and Rs. 98.95, respectively. 3½ per cent. 1967 shows no change at Rs. 100.80, as also 3½ per cent. 1968 at Rs. 100.60. As regards 3½ per cent. 1974, the Reserve Bank's selling price, which was raised by 10 nP to Rs. 98.65 last week, is being maintained at that level. Following this increase, 4 per cent. 1972 has gained 10 nP to Rs. 101.45 and 4 per cent. 1973 a like amount to Rs. 101.40. Among State loans, Bombay 4½ per cent. 1971 has gone up by 10 nP to Rs. 102.10, 4½ per cent. 1970 by 25 nP to Rs. 102.10 and 4½ per cent. 1969 by 20 nP to Rs. 102.10. West Bengal 4½ per cent. 1970 has hardened by 15 nP to Rs. 102.35, Madras 4½ per cent. 1970 by 5 nP to Rs. 101.25 and U.P. 4½ per cent. 1970 10 nP to Rs. 101.20.

In the foreign exchange section, the rupee rules steady in terms of the U.S. dollar, though there has been a slight rise in banks' buying rate for ready dollars from Rs. 473 to Rs. 473.25 per $100. Their selling rate, too, rose during the week from Rs. 476.50 to Rs. 476.75, but has again declined to Rs. 476.50 per $100. In New York, spot sterling displays some strength having risen from $2.80.25/32-2.80.27/32 to $2.80.27/32-2.80.29/32. Three months' forward has changed a little from $2.80⅜-2.80.21/32 to $2.80⅜-2.80.11/16.

BASE METALS EASY

(*From Our Own Correspondent*)

CALCUTTA, 17*th February*

The feature in the metal market during the week under review was the good demand from Bombay for copper wire, and the price improved to Rs. 2.31 per pound from Rs. 2.28 or nearabouts a week ago. The difficulty to locate ready wire added to the buoyancy of demand. Other base metals, however, ruled easy, as demand was only of a routine character.

On the London Metal Exchange, the recession earlier in the week in copper to £230 from £233 was attributed to a fall in demand from Europe. However, the rate picked up to £234¾ soon, as conditions in the U.S. picked up to full steadiness.

Locally, tin opened at Rs. 596 and, after declining to Rs. 590, recovered to the opening rate. Demand was little, but Government was in the market for a good quantity. Electrolytic zinc opened at Rs. 96.25 and gave way to close at Rs. 95. There were more arrivals, and very soon the State Trading Corporation would be getting substantial quantities from abroad. With all these supplies in the market, the supply position would further get eased. Lead closed at Rs. 72, after opening at Rs. 72.50.

BULLION STEADY

(*From Our Own Correspondent*)

BOMBAY, 18*th February*

A fully steady trend was displayed by the bullion market during the week under review, except for a sharp fall in values on Friday, owing to unloading by some North Indian bull operators. Gold met with good support on reports of dwindling smuggling activity. There was sizable replacement buying by spot houses yesterday. The statistical position was in favour of bulls, with ready gold commanding a premium of As. 7 over the first settlement yesterday, as against As. 2 a week ago. Today, however, the premium declined to As. 4. The white metal, which was subdued on the 13th inst., recovered sizably in subsequent sessions, thanks to speculative buying and bear covering. Ready silver, too, was quoted at a premium of one anna over the first settlement today, in marked contrast to a discount of As. 6 on Wednesday last week.

In the silver section, February settlement came in for selling in the first two sessions and receded from Rs. 195-1 to Rs. 193-11. Thereafter, it improved to touch Rs. 194-13 today before finishing As. 2 lower. March settlement, after declining from Rs. 195-12 to Rs. 194-5, recovered to Rs. 195-6, although, towards the close, it was a shade lower at Rs. 195-4. The carry forward charge against bulls, which had gone up from As. 9 to As. 11 last week, returned to the previous level today.

Ready silver eased from Rs. 194-11 to Rs. 193-8-6 on Friday, but recovered gradually later to touch Rs. 194-13 yesterday. It was maintained at Rs. 194-12 throughout today. The daily average arrivals of silver were 23 bars, while offtake was 15 bars per day. The floating stocks of silver are reported to be around 1,200 bars.

February settlement in gold, after moving down from Rs. 117-1 to Rs. 116-3 on Friday, advanced to Rs. 117-10-6 on Monday. It receded to Rs. 116-13-6 today, but firmed up to Rs. 117-1 towards the close. March settlement opened the week at Rs. 117-2, as against Rs. 117. After declining to Rs. 116-0-6, it recovered to Rs. 117-4 on the 16th inst. The settlement opened at Rs. 116-11 today and finished at Rs. 116-14. The carry forward charge in favour of bulls widened from one anna last week-end to As. 6 on the 14th inst., but narrowed down to As. 5 yesterday and As. 3 today.

Ready gold was subjected to selling on Friday, the rate dropping from Rs. 117-6 to Rs. 116-6-6. Subsequently, it recovered to Rs. 118 before finishing today at Rs. 117-5. The daily arrivals and offtake were 3,500 tolas and 3,000 tolas, respectively. The floating stocks of gold are estimated at 30,000 tolas.

The upward trend in ready and forward silver in London noted last week continued during the week under review also, yesterday's quotations being 77¼d. and 77d., as against 76¾d. and 76½d. respectively. Gold in London also rose further, from 249s. 7½d. to 249s. 8¼d. Silver in New York was unchanged at 90.375 cents.

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

	18-2-59	Highest	Lowest	11-2-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	117 5	118 0	116 6½	117 3
Forward*	117 1	117 10½	116 3	117 1
Sovereign	74 2	74 2	73 12	73 12
SILVER				
Ready (.996 fine Mint) ..	194 12	195 0	193 8½	194 11
Forward†	194 11	195 7	193 11	195 1
London Silver Ready ..	77¼d.	77¼d.	76¾d.	76¾d.
London Forward	77d.	77d.	76½d.	76½d.
London Gold	249s. 8½d.	249s. 8½d.	249s. 7½d.	249s. 7½d.
New York Silver	90.375 c.	—	—	90.375 c.

* 23rd February settlement. † 24th February settlement.

HIDES OFFTAKE RESTRICTED

(*From Our Own Correspondent*)

MADRAS, 16*th February*

Arrivals of E.I. tanned cow hides were on the usual scale during the week. Offtake by shippers was restricted, because Madras prices were unworkable for exporters. Shipment business with the U.K. was selective. The importers' requirements were mostly for lower ends for which inland demand was brisk at higher prices.

Arrivals of cow calf and buff hides met with ready clearance. Buff calf was weak, due to larger arrivals and lack of demand for shipment.

In the tanned skins section, arrivals were moderate. Prime goat skins were a shade easier, as also medium class sheep skins.

Raw skins were firm, due to shortage in their availability to E.I. tanners in centres other than South India.

COTTON FUTURES LOOK UP

(*From Our Own Correspondent*)

BOMBAY, 18*th February*

Barring a brief spell of firmness on Saturday, the cotton futures market ruled distinctly easy during most part of the week under review. Government's stern measures to check the rise in prices of *gur* and oilseeds led to fears of intervention in the cotton futures market too. The announcement permitting import of 133,000 bales of cotton out of the 145,000 bales earmarked for import under the textile export incentive scheme on Saturday and easier advices from the spot market, following large arrival of new crop from Saurashtra region, imparted further weakness to the market. Saturday's firmness was due to the emergence of fresh support following the subsidence of the fear of Government intervention. Share market operators turned their attention to cotton and spot houses also extended support. Cotton futures firmed up as a consequence. But the strength was short-lived and the market succumbed to heavy selling on Monday. The downward trend gathered momentum yesterday. Today, however, a recovery was witnessed and the market closed fully steady.

A notable feature of trading during the week was the increased switchover of purchases to the new settlement, namely, I.C.C. Jarilla may which consequently was quoted at a premium over the current contract, I.C.C. Jarilla March, although towards the close of the week it moved to parity with the latter.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 677, as against the previous close of Rs. 678.50, and after moving down further to Rs. 666, improved to Rs. 671.50 on Saturday. It again eased to Rs. 661.75 yesterday. Commencing today's session at Rs. 664, the contract gathered Rs. 5.50 and finished at that rate.

I.C.C. Moglai Jarilla May showed a similar trend. Commencing the week at Rs. 675.75, the contract declined to Rs. 665.50 on the 13th inst. After improving to Rs. 671.50 the next day, it dropped to Rs. 665 on Monday and further to Rs. 663.50 yesterday. Opening at Rs. 667.50 today, the contract improved to Rs. 699.50 at which rate it finished the session. The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	18-2-59	*High*	*Low*	11-2-59
I.C.C. Moglai Jarilla March 1959 ...	669.50	672.50	661.75	678.50
I.C.C. Moglai Jarilla May 1959 ...	669.50	673.50	663.50	677.00

In the spot section, mill activity was restricted. Prices generally declined. Mills were reluctant to augment their supplies of raw cotton, thanks to the announcement of the import allocation. Reports of large arrivals of new crop from Western India also induced mills to keep off the market in anticipation of a fall in prices. Interest was mostly confined to staple varieties. But towards the close of the week, spot values tended to look up. Some of the principal varieties which attracted attention were Vijay, Digvijay, CO2, Khandesh, Rajapalayam, Punjab 320F and 216F. Sustained demand was noted for Bengals. Zoda and yellow pickings also evoked attention.

In the foreign section, inquiries were noted for U.S. and East African cotton. Californian good Middling 1-5/32" staple was done at Rs. 1,310, subject to availability of import licence while B.P. 52 came in for business at Rs. 1,040. Sudans were neglected in anticipation of a further fall in prices.

The announcement permitting import of 133,000 bales of cotton (48,000 bales American, 60,000 bales of cotton stapling 1-1/16" and above but below 1-3/16" and 25,000 bales of cotton stapling 1-3/16" and above) has been welcomed by both the trade and the industry. The 60,000 bales of cotton stapling 1-1/16" and above but below 1-3/16" and 25,000 bales of cotton stapling 1-3/16" and above will be distributed under the textile export incentive scheme. The allotment covering 60,000 bales of cotton stapling 1-1/16" and above but below 1-3/16" and 25,000 bales of cotton stapling 1-3/16", it is learnt, will be issued to mills shortly. Allotment letters covering 48,000 bales of American cotton are to be issued on quota basis as in the past.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 700; Berar Jarilla 760; Khandesh 825; Vijay 940. *Delivery contracts*: Bengal 660; Wagad 680; Vijay 246 ON.

The easy trend noted last week in the Karachi cotton futures market gathered momentum during the week under review. Support from mills was lacking while speculators sold heavily. Export demand was weak. N.T.R.G. March declined from Rs. 60-10 last week-end to Rs. 56-10 and the March contract shed Rs. Rs. 3-11 to Rs. 56-3. Spot values also were easy.

Cotton futures values in Alexandria suffered losses during the week. Despite inquiries from Russia and China for Karnak, the market attracted little support. Increasing competition from Sudan and slow demand from the traditional customers discouraged buying. Profit-taking and hedge selling led to a fall in prices.

The Ministry of Agriculture, in its third estimate of cotton production for the current season, has placed the crop at 9,837,640 kantars, including Scarto as against the second estimate of 9,879 000 cantars, and the first estimate of 9,021,000 kantars. The fourth and final estimate is expected to be published in April.

The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: March 72.75; May 73.05. *Ashmouni*: February 62.45; April 63.19.

Dull conditions prevailed in Liverpool during the week. Prices tended to weaken under hedge pressure and Commission House liquidation. Operators were concerned at the prospect of continual changes in the U.S. export subsidy. They were, therefore, reluctant to enter into larger commitments. Caution was the keynote of trading. Sudan contracts sagged due to hedge pressure and weaker advices from Khartoum. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week-end quotations:

American cotton one inch staple contract: March-April 22.00 (23.10); May-June 21.60 (22.60); July-August 20.05 (21.00); October-November 19.10 (20.00). *American cotton mixed growth contract*: March-April 22.90 (23.00); May-June 21.65 (22.45); July-August 20.00 (20.90); October-November 19.05 (19.90). *Sudan*: May-June, July-August, September-October 22.00 (22.25).

Cotton futures values in New York registered handsome gains during the week. There was a fair volume of trade and Commission House buying which was based mainly on loan considerations. Mill buying against sale of textiles and yarns was also noticed. Speculative support influenced by the possibility of a tight supply position developing later in the season and the expectation of increased exports next season imparted firmness to the market.

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

(In cents per lb.)

	17-2-59	10-2-59	3-2-59
Spot	35.65	35.70	35.70
March	35.49	35.29	35.33
May	35.63	35.43	35.39
July	34.52	34.27	33.93

MARGIN IN BLACK PEPPER

(Messrs. Parekh and Co.)

BOMBAY, 18*th February*

Malabar black pepper ruled soft during the week under pressure of liquidation by bulls prompted through fear of an early enforcement of margin system for the forward trading. Weakness in other markets proved a disheartening factor. It was decided to levy a margin of Rs. 10 from buyers when at any time in future, the market rose above Rs. 125. The margin of Rs. 15 was decided upon if the market crossed over Rs. 135. An extra margin of Rs. 15 was to be enforced at an every advance of Rs. 10 in the prices thereafter. The liquidation of bulls having been finished, the market steadied up with sellers resisting any downward curve. March delivery at Cochin, after touching Rs. 123, improved to Rs. 132. Ungarbled at Alleppey and Cochin rallied from Rs. 725 to Rs. 775. Calicut quoted for Tellicherry pepper at Rs. 875, with sellers reserved. Spot in Bombay, after climbing down to Rs. 105, was now quoted at Rs. 110. Commission houses were watching the market and were likely to start buying for investment as soon as the prices are stabilised.

The present crop of Malabar black being less, the growers do not show any anxiety to press sales. The report of reduction in freight from $70 to $60 from Singapore to New York had an adverse effect on the spot in the U.S.A. which was now being quoted at $0.25½, the highest being $0.26.

Sarawak black in Singapore rose to Str.$78, in view of paucity of stock. Lampong was moving round about Str.$84. New York is said to be haggling for lower offers for Lampong, in view of the recent reduction in the freight, but, if Singapore exporters remain firm, New York may soon be forced to pay full price demanded by the sellers, as India is unwilling sellers at the present prices.

Russia and the East European Countries are reported to be inquiring, but nothing is known as to the extent of their fresh purchases.

The future of the market appears constructive, in view of the good inland demand, coupled with the prospect of fair-sized buying by Russia and the Continent, despite poor New York buying.

Today's nominal quotation for ready delivery is Rs. 110 per Bengal maund.

S.T.C. TO IMPORT ART SILK YARN

(From Our Own Correspondent)

BOMBAY, 18*th February*

Both the art silk manufacturers and the yarn traders are greatly intrigued at the reported move of the Central Government to import yarn on State Trading Corporation's account. The exact details of the decision are still not available. It is, however, gathered that the art silk mills have been instructed by the Government to utilise at least 24 per cent. of the value of their import licences for the current period for obtaining supplies from rupee payment countries through the S.T.C. The traders are very doubtful about the success of the new move. Some say that the S.T.C. will not be able to secure adequate supplies of the required types of yarn at a reasonable price.

The above decision imparted considerable strength to the art silk yarn section and several deniers registered handsome improvement in values. There was a buying spree in Cupressa Bamberg art silk yarn (60/1) February delivery which forged ahead from Rs. 1,532 to Rs. 1,582. April position climbed up by Rs. 32 to Rs. 1,532. Spot yarn (60 x 1) spurted by 21 nP to Rs. 8.15. Spot 120 Italy and 150 Italy both advanced by 6 nP to Rs. 5.31. 120 Japan gained 3 nP to Rs. 4.87. 150 Japan was firm at Rs. 4.87. Among indigenous yarns, National Rayons 120 bright cones first grade gathered 3 nP to Rs. 4.53. 150 bright cones first grade rose by a like amount to Rs. 4.34.

Despite firmness of art silk yarn, the staple fibre yarn section ruled dull. This was due to uncertainties regarding the forthcoming Central Government budget and reports of shortage of some well-known qualities. Consequently, turnover was restricted and values moved narrowly. 40 x 2 February delivery was quiet at Rs. 621, while April contract gained Rs. 2 to Rs. 621. Spot 40 x 2 Kohinoors encountered selling and declined by 5 nP to Rs. 3.35. Citys lost a naya paisa to Rs. 3.15. Centurys were quiet at Rs. 3.22. Among foreign yarns (80 x 2), Paramounts were done at Rs. 7.87 and Fujis at Rs. 8.37.

Cotton yarns presented a distinctly firm trend. Advices from upcountry centres were quite encouraging. It was reported that some mills had already raised prices for a few counts. Ten counts Moderns and Podars were fully maintained at Rs. 13.37 and Rs. 12.19, respectively. Twenty counts Hinds met with good buying enquiries and put on 13 nP to Rs. 16. Moderns were fully steady at Rs. 16.25, as also Seksarias at Rs. 15.50. Thirty counts Hinds were done at Rs. 19.75. Among forty counts, Moderns advanced by 50 nP to Rs. 26. Minaxis were unchanged at Rs. 25.25. Sixty counts Raghuvamshis firmed up from Rs. 53 to Rs. 53.50. Eighty counts Citys spurted by a rupee to Rs. 67.

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

	18-2-59	11-2-59
Art silk yarn—	Rs.	Rs.
60/1 Cupressa Bamberg February	1,582	1,532
" " April (per case of 200 lbs.)	1,532	1,500
60/1 Cupressa Bamberg spot (per lb.)	8.15	7.94
120 Japan (per lb.)	4.87	4.84
150 Japan (per lb.)	4.87	4.87
120 Italy (per lb.)	5.31	5.25
150 Italy (per lb.)	5.31	5.25
Staple fibre yarn—		
40 x 2 February (per case of 200 lbs.)	600.00	600.00
40 x 2 April " (— Do —)	621.00	619.00
40 x 2 Kohinoor (per lb.)	3.35	3.40
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern	16.25	16.25
40s Minaxi	25.25	25.25
60s Finlay	65.00	65.00
80s City	67.00	66.00

PLEA FOR CEILING PRICES IN SEEDS

(From Our Own Correspondent)

BOMBAY, 18*th February*

The Bombay Oilseeds and Oils Exchange, at its meeting held on the 12th inst., decided to urge the Forward Markets Commission to fix ceiling prices for four oilseeds, namely, groundnuts, castorseed, linseed, and cottonseed on an all-India basis. The Exchange has also requested that if it is found difficult to introduce ceilings for the country as a whole, they should be fixed for the local futures market. The question of fixing the suitable rate is left to the discretion of the F.M.C. It is held by the Exchange that the margin itself will not be a sufficient safeguard against unscrupulous speculation; for there are, it is said, certain sections of the trade, which will not hesitate to rig up prices even at the risk of paying the margin. The F.M.C., however, has not taken any final decision yet on this vital question.

In the meantime, there are reports that the F.M.C. has permitted the Calcutta Wheat and Seeds Association to commence, some time about the end of this month, futures trading in linseed. This is the second futures market in the country, the first being in Bombay. Both these centres, it may be noted, represent the premier terminal markets for linseed. While Bombay deals in bold linseed, Calcutta will trade in the small variety.

According to a trade notice issued by the Joint Chief Controller of Exports on the 13th inst., established shippers of groundnut oil who exported it against quotas issued in terms of the announcement dated 21st July 1958 prior to 7th January 1959 will also be granted quotas of groundnut oilcake (expeller variety). This concession will be available up to the end of this month.

The various regulatory measures imposed by the F.M.C. and the restriction of credit advances against groundnuts by the Reserve Bank last week set off a selling pressure in the initial sessions during the week under review. The market, however, made a smart recovery by the close of the week, thanks to continued tight supply position and good buying support from bulls and shippers. Bear covering also pushed up the prices. Groundnut February contract which closed last Wednesday at Rs. 174.75 on a steady note, lost ground subsequently to touch Rs. 171.50 on Friday. It again improved to close today on a firm note at Rs. 175.00. May contract fell from Rs. 178.37 to Rs. 175.37 on Friday but recouped later and closed today at Rs. 175.00. Bold ready which stood at Rs. 35.50, after declining to Rs. 35.25, advanced to Rs. 35.62 yesterday. It, however, sagged to Rs. 35.50. Oil ex-mill lost about 25 nP over the week to close at Rs. 18.37.

The castorseed section, despite the fears that a margin might be imposed by the F.M.C., ruled distinctly firm on encouraging advices from abroad. The U.K. and the U.S.S.R., it is stated, have made enquiries for castor oil. Castorseed May 1959 contract, which stood at Rs. 153.37 last week-end, fell to Rs. 152.50 on Friday but later recovered to finish today at Rs. 156.50. Ready Madras, however, lost about 38 nP over the week and closed today at Rs. 30.12. Oil B.S.S. also sagged a setback, it having fallen from Rs. 16.52 to Rs. 16.25 today.

Irregular trends were evident in the linseed section, with the undertone remaining subdued for the most part of the week. There were fears that a margin might be introduced in linseed also. It, however, toed the line of other sections of the market. Linseed May 1959 contract which closed last week at Rs. 32.69, after fluctuating both ways in a narrow groove, recovered to this level again when it closed today. Bold ready, in contrast, gained by about 50 nP over the week to close at Rs. 33.50. Linseed oil, however, fell from Rs. 17.25 to Rs. 16.62. Cottonseed encountered selling pressure in the initial sessions, on lack of fresh support and some upcountry selling. The reaction in the cotton market also unnerved the bulls. Cottonseed February and May contracts which were quoted last week at Rs. 132.25 and Rs. 126.25, respectively, lost considerable ground and wound-up the week today at Rs. 129.50 and Rs. 123.00.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	18-2-1959	11-2-1959	4-2-1959
Groundnut	Rs.	Rs.	Rs.
February 1959	175.00	174.75	178.50
May 1959	178.75	178.37	182.50
Bold ready	35.50	35.50	35.75
Coromandel ready	36.00	36.00	36.25
Khandesh quality	36.00	36.00	36.25
Oil ex-mill ready*	18.37	18.62	18.75
Railway receipts*	18.31	18.44	18.62
Castorseed			
May 1959	156.50	155.37	156.00
Ready Madras	30.12	30.50	30.37
Ready Kanpur	29.00	29.50	29.25
Oil B.S.S.†	16.25	16.62	16.37
Oil commercial†	15.31	15.62	15.50
Linseed			
May 1959	32.69	32.69	32.50
Bold ready	33.50	33.00	33.00
Oil ready†	16.62	17.25	17.37
Cottonseed			
February 1959	129.50	132.25	133.00
May 1959	123.00	126.25	128.25
Niger seed	28.50	29.00	29.00
Kardi seed	21.50	21.50	21.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 500 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR FIRM

(From Our Own Correspondents)

BOMBAY, 18*th February*

The sugar market continued to rule firm during the week under review too, thanks to bullish advices from North Indian markets, expectations of lower sugar output in the current season and renewed pre-budget rumours about excise duty on sugar. The persistent firmness of *gur* and *khandsari* also imparted strength to the market. Further, arrivals of sugar by rail were small, being just 10,820 bags, as against as much as 28,235 bags in the previous week.

Large grain sugar advanced by a rupee to Rs. 115-Rs. 118 per bag. Medium grain was fully maintained at Rs. 112-Rs. 114 and small grain at Rs. 110-Rs. 111.50.

With effect from the 12th inst., the Government of India has brought the forward contracts for sale or purchase of *gur* within the purview of the regulatory provisions of the Forward Contracts (Regulation) Act, 1952. A notification applying Section 15 of the Forward Contracts (Regulation) Act to *gur* throughout the country has been issued in the *Gazette of India Extraordinary* dated 11th February 1959. The outstanding contracts entered into on or before the 11th inst. and remaining to be performed after that date have been closed out at the average of the rates prevailing in the forward markets during the period of three months immediately preceding the date of the notification. The Government has decided to establish, in due course, regulated futures markets at Hapur, Meerut, Agra, Muzaffarnagar and Delhi. Suitable associations at these centres will be granted recognition by Government on the recommendation of the Forward Markets Commission.

The aforesaid decision of the Government was a sequel to representations that speculation in the forward markets had been pushing up *gur* prices.

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HAPUR, 16*th February*

Sugar prices continued to rule steady to firm during the week, as demand was much higher than what the quota released by the Government could meet. This enlarged demand is due to marriage season and pre-budget purchases. Most of the factories have already sold out their released quota and the rates of other factories which still have some stocks left are daily increasing. Production of sugar in West U.P. is in full swing, as cane supplies to factories are reported to be satisfactory and the strike has fizzled out.

Sugar prices in the Muzaffarnagar market firmed up during the week, due to paucity of stocks. Some mills were quoting prices at a premium of Re. 1.50 to Rs. 2 per maund over D29 quality as compared with the control price of Rs. 36 per maund fixed by the Government. The last release of 165,000 tons by the Government failed to meet the demand and the sugar market was bullish. The latest prevailing prices in the Muzaffarnagar market were: Sugar crystal spot delivery old Sakoti B29 Rs. 37.25; New Deoband D29 Rs. 38.25; wholesale mill delivery controlled A29 Rs. 37.75; B29 Rs. 37.12; C29 Rs. 36.37; D29 Rs. 36. Mill station rates: Lhaksar B29 Rs. 39.19; C29 Rs. 38.44; Dhampur C29 Rs. 38.12; Amroha D29 Rs. 37.44; Bijnore D29 Rs. 37.37; Meerut D29 Rs. 38.

Sugar prices also registered good gains in the Kanpur market, due to renewed buying enquiry in the face of poor stocks.

Khandsari registered sharp gains in sympathy with crystal sugar. The *khandsari* producers are also manufacturing crystal *khandsari*. In some areas, cane supplied to crushers is fetching prices higher than those fixed by the Government for mills. The prevailing prices were: Dry superior Rs. 34 to Rs. 37, moist Rs. 30 to Rs. 33 per maund.

Following the Union Government's decision to curb forward trading in *gur*, which has been brought under the purview of the Forward Markets Commission, ready *gur* pansera quality went down from the highest level of Rs. 18.37 per maund to Rs. 16.75. Arrivals during the week improved to an average of 4,000 maunds daily, following clear weather, and local stocks swelled to 52,000 maunds. The total arrivals during the current season were put at 4.65 lakh maunds, as against the corresponding figure of 3.25 lakh maunds last year.

Ready *gur* eased by about Re. 1.75 to Rs. 2 per maund in the Muzaffarnagar market, following Government restrictions on future and, with increased arrivals, demand from consuming areas declined. Arrivals during the week aggregated about 65,000 maunds.

Forward trading in all centres has been suspended with effect from the 12th inst. The order asking all outstanding transactions to be squared up at the average rates during the past three months has created confusion in trade circles. Closing rates for *gur fagun* on the 11th inst. were Rs. 16.27, while the average for the last three months comes to Rs. 14.73. Both bulls and bears are pressing their views and the local Chamber has not yet decided on the squaring up of rates.

QUALITY TEAS IN DEMAND

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

COCHIN, 12*th February*

The catalogues comprised 835,190 lbs. in Sale No. 6 which was held on Tuesday 10th February. Quality again showed an all-round improvement with a number of flavoury invoices on offer particularly from the Nilgiris. Exporters continued to show interest in the improved quality teas. The sale opened to an useful demand, particularly for the improved high growns, which showed advances of up to 50 nP. Low medium and medium brokens were firm, but equivalent fannings were the weakest feature of the sale. Whole leaf teas met with less competition and were generally 5 to 10 nP easier. The quotations were: Low medium Re. 1.55 to Re. 1.70; medium Re. 1.85 to Rs. 2.15; good medium Rs. 2.35 to Rs. 2.70 and quality Rs. 3.00 to Rs. 4.85.

The average price realised in Sale No. 10 was Rs. 2.41 per lb., as against Rs. 2.21 per lb. in the previous sale and Rs. 2.30 in the corresponding sale of 1958.

Offerings totalled 584,267 lbs. in Dust Sale 'C' which was held on Thursday, 12th February. All teas showed an improvement both in leaf appearance and also in liquor. The sale opened to a good general demand which was maintained throughout the sale. Prices for the better types were about steady, but milled dusts were occasionally easier. High grown dusts were irregular and medium types sometimes declined by 5 nP per lb.

London Market: Sale of 9th February 1959.—Assams coloury Dooars and sweet plain teas fully firm; others irregular and sometimes easier.

Sale of 10th February 1959.—Better liquoring and tea for price tended dearer; others irregular and sometimes easier.

Colombo Market: Sale of 9th February 1959.—One-third sale consists offgrades. Active demand. Smaller selection. Highgrown brokens, particularly improved quality Dimulas, advanced 30c. Uva advanced 30 to 60c., better mediums up 10 to 15c., plain sorts 5c. lower. Good demand lowgrown barely steady, except showy Persian Gulf types slightly dearer.

Sale of 10th February 1959.—Useful liquoring dusts appreciably dearer. Other offgrades good demand about 5 to 10c. lower.

Calcutta Market: Export.—65,000 packages. Export strong general demand. Poorer orthodox B.P. and P.F. keen enquiry up to 6 nP dearer. Plain and medium B.P. 2 to 6 nP dearer. Plain fannings 2 to 4 nP dearer. Better medium brokens only steady. Medium Assam B.O.P. and O.F. irregular with some withdrawals. Best C.T.Cs improved enquiry. Mediums irregular.

Internal.—21,000 dust. Strong and general demand. Black orthodox 4 to 8 nP dearer and sometimes more. Darjeeling firm to dearer. Poorer C.T.C. irregularly 10 nP dearer. Best C.T.C. about firm, except small powdery which were appreciably dearer.

Export Quota.—During the week the market has shown a slightly easier tendency, with a fair quantity of business being transacted at 1¾ nP. The latest quotation is sellers 2 nP, buyers 1¾ nP.

Forthcoming Auctions.—Sale No. 7 will be held on Tuesday 17th February.

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

"Sale 7:—700,000 lbs. Good demand, particularly for improved best liquoring, which are dearer. Good medium brokens 5 to 10 nP dearer, but similar fannings difficult to sell. Low medium and medium about steady."

GOOD DEMAND FOR QUALITY TEAS

(From Our Own Correspondent)

CALCUTTA, 17*th February*

There was strong demand for quality teas during yesterday's export sales, while prices of inferior quality teas declined on poorer demand. However, in the internal sales of last week prices for all teas recorded gains.

In the U.K., warehouse stocks declined to 160 million lbs. in the week ended 6th February from 165.73 million lbs. This aided sentiment here. It was also noted that in the auctions in Colombo on 9th February demand was active with Australia being a keen buyer.

Another factor which was noted with satisfaction was the increased exports last year. At 156 million lbs., the South Indian output in 1958 was higher by 6.3 million lbs. South India not only exported the entire increase in output over last year but went beyond by 2.7 million lbs. For, exports at 96 million lbs. were higher by 9 million lbs. compared to 1957. Of the increase of 9 million lbs., the U.K. alone accounted for 6 million lbs., since exports to that country were 53 million lbs., as against 47 million lbs. At 7.9 million lbs., shipments to the United States carried a nominal improvement of 900,000 lbs.

However, these encouraging figures from S. India, when added to the figures relating to N. Indian tea, the impressiveness of the picture is diminished. The all-India total output in 1958 comes to 707.1 million lbs., representing an increase of 29 million lbs. over 1957. Against the increase of 29 million lbs., all-India shipments for 11 months to November 1958 increased only by 10.6 million lbs. to 454 million lbs., as against 443.4 million lbs. in the corresponding period of 1957. No doubt, it is believed here that internal consumption has also increased, and that of the remainder of 18 million lbs. a good portion may be taken up internally. Figures relating to December are awaited. The following table gives the country-wise exports during the first 11 months of 1958 and 1957:

(In million lbs.)

	1958	1957	*Plus or minus*
U.K.	292.90	275.80	+17.10
U.S.A.	22.70	20.99	+ 1.71
U.S.S.R.	21.20	15.95	+ 5.25
Other Countries ...	117.20	130.66	−13.46
Total ...	454.00	443.40	+10.60

On export offerings held yesterday, there were 65,670 packages. The good demand having been met in the opening hours, idle conditions were in evidence towards the close. In keen competition, best C.T.Cs, particularly fannings, advanced. The lower-priced varieties were also in good demand, although irregularly higher. Orthodox O.Fs were about steady with the poorer varieties recording some addition, but the B.O.Ps in the orthodox group hardly interested buyers. The interesting section of the sales was "Teas for price," the prices of which rose by 4 to 6 nP. Plain and medium brokens advanced by 2 to 4 nP. The cleaner fannings met with competition to improve by 4 to 10 nP. Other varieties in this group were also steady and rose by 2 to 6 nP. Legg-cut teas eased by 2 to 4 nP, while Darjeelings met with good support at declining rates. The quotations per lb. were: best Assam C.T.C. fannings Rs. 2.40 to 2.60 (nom.), best Assam C.T.C. B.P. Rs. 2.20 to 2.30 (nom.), clean black pekoe Rs. 2 to 2.08, medium fannings Re. 1.80 to 1.84, plain B.P. Re. 1.72 to 1.76, plain fannings Re. 1.80 to 1.88, and medium B.P. Re. 1.68 to 1.72.

Export quota was bought at 1¾ nP. Soon, buyers pushed down their offers to 1½ nP, sellers insisting on 2 nP.

In the internal sales held here on 11th February, dusts on offer amounted to 21,117 packages. The strong and active demand in evidence at the opening enlarged as the sales progressed. The prices of the poorer and medium C.T.C. teas rose by 5 to 10 nP. The best sorts of this category were firm, but the lots of powdery kinds were much sought. Black leaf orthodox teas added 5 nP and legg-cut teas 8 to 10 nP. Darjeelings were fully steady. The quotations per lb. exclusive of excise duty, were: best Assam C.T.C. Rs. 2.40 to 2.90 (nom.), medium Assam C.T.C. Rs. 2 to 2.15, medium Dooars Re. 1.82 to 1.84, and medium Assam grainy Re. 1.78 to 1.80.

Leaf on offer totalling 2,031 chests rose by 10 nP.

RAW JUTE STEADY

(From Our Own Correspondent)

CALCUTTA, 17*th February*

A feature of the trading in the jute market during the week under review was that, while raw jute prices, following support by mills and the State Trading Corporation, improved by about 25 nP per maund, prices of jute goods, owing to selling pressure in the futures market, receded further. There was, however, a recovery yesterday in hessian on short covering, in anticipation of good Russian demand and higher burlap consumption figure in the United States in January. It has since been announced by the S.T.C. that established balers would be permitted to export, on the Corporation's behalf, raw jute in grades and markings well known in London and the Continental markets. No export quota or floor prices for export have been fixed, but it is believed here such quantities as will not "hurt" mills in India will be permitted to be exported. The S.T.C. has a committee here to review, from time to time, the price-pattern for export. India's entry into the raw jute export field has naturally caused anxiety in Pakistan. For, if Pakistan desires to increase exports, it will have sooner than later to revise the minimum export prices. It would be remembered that in recent months the manufacturing industry in Dundee had been so disappointed by the Pakistani price policy that it urged New Delhi to enter into the export field, even if it meant that India could afford to export in token quantities only. Of course the Government of India's decision to export raw jute was not aimed at obliging the manufacturers in Dundee and the Continent, but was a natural outcome of the bumper crop. It had only been due to the shortsighted jute policy pursued by Pakistan that, India was forced to grow more jute and shake off altogether its dependence on Pakistan. No wonder, Pakistan output of jute has, in view of declining demand, gone down to about 50 lakh bales from 85 lakh bales a decade ago.

In the meantime, reports from Pakistan markets continue to be dull and featureless, and the recent reduction in the export price to India of Pakistan cuttings to Rs. 60 per bale c.i.f. for N.C., M.C. and T.C. qualities, trade circles asserted here, was due to the poor market for these cuttings. India was the chief buyer of cuttings from Pakistan, but it is about a year since India is managing with very little imports from Pakistan. When compared to Pakistan internal price, even the present revised price of Rs. 60 per bale is about 200 per cent. higher. Foreign buyers are reported to be withholding attention from Pakistan offers, although the Pakistan Jute Board was opposed to any marked revision in prices. In the seven months to January, exports of Pakistan jute amounted to 3.2 million bales which was about the same in the corresponding previous jute season. However, with India now in export markets, Pakistan shipments would be affected unless the price policy was changed. Trade circles here noted the statement of Mr. Sakhawant Hussain, President of the Dacca Chamber of Commerce, that the present search for substitutes and the increase in Indian cultivation received a great impetus from Pakistan's ill-advised policy of maintaining high prices for raw jute by gradual reduction in production. Meanwhile, trade circles here looked for an early decision in New Delhi in regard to advance of funds by Government to mills to enable the latter to purchase an extra month's fibre requirements. The Union Commerce Minister, Mr. N. Kanungo, said in Parliament that a decision would soon be taken.

On Tuesday last, there was a fractional improvement in the price of hessian 40" 10 oz. at Rs. 39.45 following steady fibre prices, while B. twills were marked lower to Rs. 88.75, as offers were not meeting with response. At this stage, a rumour that the Government of India would shortly invite tenders for heavy goods developed, and ready B. twills put on 60 nP to Rs. 89.35 on Wednesday. Hessian 40" 10 oz. improved further to Rs. 39.60. Another reason for the gain was the publication of shipment figures for January, according to which sacking shipped, at 27,000 tons, was higher by 5,000 tons, while hessian fell to 36,600 tons from 41,500 tons. Despite higher shipments, stocks of heavy goods with mills as at the end of January increased by 2,800 tons to 83,000 tons. Hence, trade circles concluded that purchases for internal consumption must have dropped in January. Naturally, there was the anticipation that in this month when prices are lower, there would be more purchases of heavy goods against domestic needs, and the rumour of an anticipated Government tender made the market athinking. With the result, on Friday (the market was closed on Thursday on account of *Saraswati Pooja*) B. twills improved to Rs. 89.40 and hessian 40" 10 oz. to Rs. 39.85. Over the week-end, there was selling pressure in futures, and this caused a sharp reaction in the ready market. B. twills declined to Rs. 88.60 and hessian 40" 10 oz. to Rs. 39.65. The recovery in the latter to Rs. 40.05 yesterday was aided by anticipated Russian interest. In sympathy, B. twills looked up at Rs. 89. In futures, February 40" 10 oz. hessian opened at Rs. 39 and declined to Rs. 38.92 to recover to Rs. 39.58. February B. twills rose to Rs. 88.55 from Rs. 88.25, while March Assam bottoms declined to Rs. 21.22 from Rs. 21.46.

Fair support was accorded to raw jute. Mesta prices rose by 25 nP to one rupee, Behar mesta quoting at Rs. 18.50 and Desal at Rs. 19.75. Most other qualities added 25 nP per maund while the superior qualities were unchanged. Mills were keen to purchase the mesta variety, and they had, in fact, lifted such quantities as there were no offers pending. The latest quotations of the different varieties for February-March delivery in rupees per maund are:—

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	23.50	20.50
Assam	23.75	20.75
Orissa	25.50	22.50
Desal	22.75	19.75
Murshidabad	21.00	18.50
Jungli	20.50	18.00
Daisee	24.50	22.00
Uttar Pradesh	20.50	18.00
Daisee mesta	20.75	18.25
Bimli f.a.q.	Rs. 18.25.	
Pucca bales 1st marks	Rs. 155.00 per bale ready.	

FOODGRAINS QUIETLY EASY

(From Our Own Correspondent)

HAPUR, 16*th February*

Quietly easy conditions were witnessed in the foodgrains markets during the week, thanks to very good *rabi* crop prospects. The Union Food and Agriculture Minister, Mr. Jain, told the Lok Sabha that reports from the States indicated prospects of good *rabi* crops and there should be a substantial improvement in the food situation after the next harvest. He said that there has been a very good rice crop this year and the price of rice had recorded a substantial fall. The harvesting *rabi* crop has already started in Bombay and other *rabi jowar* producing areas. As regards wheat, after the failure of *rabi* crops in April last, the prices started rising. The Government has been trying to avoid distress to the people by judiciously utilising the available resources and taking necessary regulatory measures. Over 3,600,000 tons of goodgrains were distributed from Central stocks during 1958 through a net work of fair-price shops and, even today over 48,000 fair-price shops are functioning in the country.

Wheat at Hapur eased fractionally during the week. Although supply position is still tight, good crop expectations were the main influencing factor,

(*Continued on page* 299)

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 13th Feb., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	65,81,86,000
(2) Other Governments	21,98,76,000
(b) Banks	72,43,31,000
(c) Others	114,92,72,000
Bills Payable	19,30,20,000
Other Liabilities	34,73,84,000
Rupees	442,20,69,000

ASSETS	Rs.
Notes	10,84,16,000
Rupee Coin	1,99,000
Subsidiary Coin	3,28,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	7,19,53,000
Balances held abroad*	28,12,46,000
Loans and Advances to Governments†	27,79,27,000
Other Loans and Advances	96,81,90,000
Investments	259,78,12,000
Other Assets	11,59,98,000
Rupees	442,20,69,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 5,52,51,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,84,16,000	
Notes in circulation	1668,14,26,000	
Total Notes issued		1678,98,42,000
Total Liabilities		1678,98,42,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		131,76,49,000
Government of India Rupee Securities		1251,45,01,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1678,98,42,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	6th Feb., 1959	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1658.09	1624.43	1627.36	1558.63
Notes held in Banking Department	35.05	11.30	12.70	8.97	11.01
Foreign Securities	59.50	164.68	164.68	164.68	245.54
Rupee Securities	37.89	1254.78	1219.79	1219.79	1076.82
Banking Department					
Deposits of:					
Government of India	14.39	50.44	57.82	66.15	57.52
Other Governments	..	21.79	28.56	10.88	13.12
Balances held abroad	10.06	26.01	26.75	27.04	35.42
SCHEDULED BANKS					
Demand Liabilities	134.36	711.53 (19.50)†	719.90 (21.35)†	713.75 (21.64)†	709.52 (13.23)†
Time Liabilities	102.24	918.39 (22.92)†	910 06 (23.67)†	904 49 (26.21)†	791.81 (16.08)†
Borrowings from Reserve Bank	..	35.22 (4.60)‡	39.56 (5.11)‡	35.29 (2.24)‡	34.00 (26.05)‡
Borrowings from State Bank	..	13.36	10.69	8.94	9.96
Cash in India	6.70	40.58	40.43	40.67	38.20
Balances with Reserve Bank	25.17	66.66	71.50	67.40	71.12
Excess over statutory limits	15.52	12.71	15.31	13.63	21.25
Balances with other banks in current account in India	..	12.91	12.95	13.72	11.39
Money at call and short notice in India	..	36.80	37.01	36.76	39.78
Investments (at book value)	..	623.29	635.27	633.65	431.95
Advances and bills	105.9	938.11	920.34	901.52	918.65
STATE BANK					
Deposits	87.76	476.65	473.26	464 87	393.44
Investments	51.99	277.25	287 74	284 93	183.46
Advances	30.35	190.86	180 76	179.91	195 77
Cash	14.69	26.23	31.15	27.32	29 15

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.50	3.61
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	5th Feb., 1959	4½	4¼
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4¼
Italy	7th June, 1958	4	3.50
Japan	Sept., 1958	7.67	7.30
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	23rd Oct., 1958	2	2½
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 13th Feb., 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		430,80,06,000
Borrowings from Other Banking Companies, Agents, etc.		12,00,00,000
Bills Payable		6,83,93,000
Bills for Collection being Bills Receivable as per contra		2,38,68,000
Acceptances, Endorsements and Other Obligations per contra		1,08,55,000
Other Liabilities (including Inter-Office Adjustments)		1,45,20,000
Total .. Rs.		517,18,92,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		29,22,09,000
Balances with other Banks		2,43,48,000
Money at Call and Short Notice		2,20,00,000
INVESTMENTS:		
Government and other Trustee Securities	265,00,87,000	
Other Authorised Investments	11,25,87,000	276,26,74,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	180,23,38,000	
Bills Discounted and Purchased	13,13,32,000	193,36,70,000
Bills Receivable being Bills for Collection as per contra		2,38,68,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,08,55,000
Premises less Depreciation		1,22,38,000
Furniture and Fixtures less Depreciation		98,60,000
Other Assets (including Inter-Office Adjustments)		7,96,70,000
Total .. Rs.		517,18,92,000

Scheduled Banks*

Statement of Affairs for the week ended 6th Feb., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	19,49,88,000
(ii) Other demand liabilities	692,03,47,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	22,92,22,000
(ii) Other time liabilities	895,46,80,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	13,01,35,000
(ii) Time liabilities	35,00,000
Borrowings in India from the Reserve Bank of India‡	35,21,71,000 (4,59,51,000)
Cash in India	40,57,64,000
Balances with the Reserve Bank in India	66,65,59,000
Balances with other banks in current account in India	12,90,87,000
Money at call and short notice in India	36,80,45,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	623,28,69,000
Advances in India	800,09,97,000
Inland Bills purchased and discounted in India	99,78,52,000
Foreign Bills, purchased and discounted in India	38,22,60,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Per cent.	Rs.
19th to 22nd Nov.*	0.64	—	0.64	2.396	99.401
25th November	3.00	5.50	3.00	2.442	99.385
6th to 29th Nov.*	0.50	—	0.50	2.376	99.406
2nd December	3.00	4.55	3.00	2.423	99.390
3rd to 6th Dec.*	0.65	—	0.65	2.356	99.411
9th December	3.00	3.95	3.00	2.420	99.390
16th December	3.00	3.60	3.00	2.445	99.385
1959					
6th January	3.00	3.05	3.00	2.460	99.385
13th January	2.00	2.05	2.00	2.470	99.380
20th January	2.00	2.05	2.00	2.490	99.375
27th January	2.00	2.05	2.00	2.500	99.375
3rd February	2.00	2.10	2.00	2.559	99.360
4th to 7th Feb.*	0.50	—	0.50	2.496	99.376
10th February	2.00	4.19	2.00	2.530	99.365
17th February	2.00	2.30	20.0	2.559	99.360
Total amount outstanding	29.29	..	29.29	..	..

* Intermediate Bills sold.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	31st Jan., 1959	24th Jan., 1959	1st Feb., 1958	January 1959	January 1958	Percentage of Increase (+) or Decrease (—) in Jan., 1959 as compared with Jan., 1958	Annual Average 1958	Annual Average 1957
Food Articles	504	118.2	115.1	100.6	114.3	102.5	+11.5	112.0	106.8
Cereals	192	106.8	105.7 R	94.6	105.2	96.9	+ 8.5	104.7	101.7
Pulses	43	122.7	121.3 R	76.4	117.2	80.1	+46.2	94.0	84.5
Fruits and Vegetables	23	115.9	113.1 R	92.7	113.6	93.7	+21.1	111.9	116.8
Milk and Ghee	84	103.3	102.1	101.6	103.5	98.8	+ 4.7	106.2	103.8
Edible Oils	47	120.1	121.0 R	110.7	118.6	118.9	— 0.3	123.2	128.3
Fish, Eggs and Meat	17	108.7	109.0 R	99.9	109.2	99.3	+ 9.9	106.9	96.6
Sugar and *Gur*	48	129.6	128.8	107.0*	126.6	109.4	+15.7	122.8	104.6
Others	50	154.2	151.7 R	130.5	151.0	132.6	+13.8	145.7	132.0
Liquor and Tobacco	21	105.5	105.5	96.7	103.5	96.4	+ 7.3	93.7	91.8
Tobacco	—	104.5	104.5	95.2	102.4	94.9	+ 7.9	92.0	90.1
Fuel, Power, Light and Lubricants	30	114.9	114.8	114.4	114.8	113.6	+ 1.1	115.2	111.5
Industrial Raw Materials	155	116.1	115.7	111.2	114.1	113.6	+ 0.4	114.8	118.1
Fibres	61	108.5	107.2 R	114.5	106.8	115.1	— 7.2	109.4	119.8
Oilseeds	60	127.5	127.5 R	108.5	123.8	114.1	+ 8.5	123.6	122.4
Minerals	2	103.6	107.3*	107.1	106.6	107.1	— 0.5	106.9	108.5
Others	32	110.2*	110.4	110.0	110 3	110.2	+ 0.1	108.9	107.3
Manufactures	290	108.7	108 5	107.5	108.4	107.7	+ 0.6	108 2	108.0 R
Intermediate Products	41	110.4	110 6	105.9	110.5	106.7	+ 3 6	109.4	108.5 R
Finished Products	249	108.4	108.1	107.8	108.0	107.9	+ 0.1	108 0	107 9 R
Textiles	147	102.2	101.8	106.0	101.9	106.0	— 3.9	104.3	107.9
Cotton	—	110.6*	110.6*	115.4	110.4*	115.8	— 4.7	113.0	116 3
Jute	—	85.9	84.3	90.0	85.4	90.1	— 5.2	87.7	97.7
Woollen	—	105.9	105.9	103.0	105.9	103.0	+ 2.8	104.9	102.1
Silk and Rayon	—	90.1*	91.1*	90.1*	91.1*	86.7	+ 5.0	92.5	85.0
Metal Products	12	143.1	143.1	143.4	143.1	143.4	— 0.2	143.1	138.2 R
Chemicals	20	111.3	111.4	99.5	111.3	99.1	+12.3	104.0	97.6
Oil Cakes	10	150.0	147.8	113.3	144.1	118.0	+22.1	128.6	114.7
Machinery and Transport Equipment	31	104.5	104.5	102.4	104.4	102.4	+ 1.9	103.2	101.2
Others	30	114.1	114.1	111.8	114.1	111.6	+ 2.2	113.2	107.7
All Commodities	1,000	113.7	113.1	104.6	112.3	106.0	+ 5.9	111.0	108.7

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

State Bank of Pakistan

Statement of Affairs for the week ended 6th Feb., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	85,65,59,000
(b) Provincial Governments	50,70,000
(c) Banks	14,99,50,000
(d) Others	6,01,95,000
Bills Payable	18,53,000
Other Liabilities	12,56,35,000
Rupees	125,92,62,000

ASSETS	Rs.
Notes	8,13,41,000
Rupee Coin	58,000
Subsidiary Coin	35,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	3,36,000
Balances held outside Pakistan*	17,97,43,000
Loans and Advances to Governments	3,19,00,000
Provincial Governments' Debtor Balances	8,48,75 000
Other Loans and Advances	16,90,00,000
Investments	62,26,68,000
Other Assets	8,93,01,000
Rupees	125,92,62,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,13,41,000	
Notes in circulation	848,62,08,000	
Total Notes issued	....	856,75,49,000
Total Liabilities	....	856,75,49,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	117,53,32,000
B. Rupee Coin	4,22,30,000	
Government of Pakistan Securities	229,09,81,000	
Internal bills of exchange and other commercial paper	....	233,32,11,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	856,75,49,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.52 per cent.

EXCHANGE RATES

		17th February 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5[illegible]	1-5[illegible]
Sellers T.T. D.D. upto six months	s.	1-5[illegible]	1-5[illegible]
Buyers T.T. spot to nine months	s.	1-6[illegible]	1-6[illegible]
Buyers T.T. 10 to 12 months	s.	1-6[illegible]	1-6[illegible]
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476.25	476.25
Buyers T.T.	Rs.	473.25	473.00
London on New York	$	2.81-2.80 87/100	2.81-2.81 47/50
London on Paris	Fcs.	13.76[illegible]	13.76[illegible]
London on Berne	Sw. Fcs.	12.11[illegible]-12.11[illegible]	12.10[illegible]-12.10[illegible]
New York on London	$	2.80[illegible]-2.80[illegible]	2.80[illegible]-2.80[illegible]

CLEARING HOUSE RETURNS

Centre	Week ended 13th February 1959 Number of Cheques	Amount Rs.	Week ended 6th February 1959 Number of Cheques	Amount Rs.
Bombay	349,000	83,55,04,000	341,326	80,13,45,000
Calcutta	157,000	52,55,00,000	195,000	70,21,00,000
Madras	96,693	11,53,33,712	97,272	11,77,34,444
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,60,00,000
Sept., „	..	..	3,537,000	8,03,69,00,000
Oct., „	..	..	3,922,000	7,96,89,00,000
Nov., „	..	..	3,528,600	7,73,01,00,000
Dec., „	..	..	4,035,000	8,87,34,00,000

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	final	79,027	79,320	24,821	28,282
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41 411	40,367	8,056	7,249
Bajra	final	27,453	27,884	3,565	2,885
Barley	final	7,531	8,726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5 831	1,716	1,715
Small millets	final	11,979	12,230	1,759	1,964
Total cereals	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24 265	4,754	6 264
Tur	final	5,598	5,686	1,396	1,954
Other Kharif pulses§	final	15,832	16,484	1,401	1,515
Rabi pulses‡	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,457	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3 318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,893	4 753	4,735
Jute A.	final	1,827†	1,742††	5,178†	4,052††
Mesta A.	final	726	733	1,211	1,478
Other crops—					
Potato	final	785	707	1,981	1,698
Sugarcane	final	5,021	5,057	46,142R	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	220	221	26	27
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	926	1,029	252	294

Source: Ministry of Food and Agriculture. § Excluding Tur. * In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur. A. In thousand bales of 400 lbs. each. † Refers to 1958-59. †† Refers to 1957-58. R.= Revised.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to October 1958	Jan. to October 1957
Exports	637,74	612,96	474,53	537,74
Re-exports	5,11	6,21	6,81	4,46
Total Exports	642,85	619,17	481,34	542,20
Imports	1025,82	821,46	628,36	833,98
Overall Balance of Trade	—382,97	—202,29	—147,02	—291,78
Exports—				
Tea	123,40	142,43	106,43	97,93
Jute yarns and manufactures	114.83	112,52	100,36	95,83
Cotton yarns and manufactures	68,58	62,23	43,11	59,75
Metallic ores and metal scrap	49,80	23,36	26,85	42,19
Cotton, raw and waste	18,66	25,09	18,76	17,39
Oils—vegetable, mineral and animal	19,31	24,51	11,39	17,52
Fruits and vegetables	18,60	18,03	17,65	15,50
Tobacco	12 83	13,30	15,20	12,08
Mica	8,67	8,75	7,65	7,30
Wool—Raw	11,73	10,64	8,17	11,25
Gums, resins and lac	8,59	11,19	6,27	7,36
Spices	8,43	9,56	7,37	7,22
Hides and skins, raw	6,99	6,97	5,65	6,28
Imports—				
Machinery of all kinds	232,97	150,12	151,69	187,93
Iron and Steel	146,98	122,49	75,17	129,64
Oils—vegetable, mineral and animal	113,38	74,69	61,99	96,09
Cotton, raw and waste	48,62	53,61	20,65	45,54
Chemicals, drugs and medicines	76,77	43,14	54,05	65,90
Electrical goods and apparatus	61,14	20,15	41,17	49,08
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	39,39	57,79
Fruits and vegetables	21,27	12,66	13,25	17,08
Paper, pasteboard, etc.	13,11	15,99	6,62	11,35
Dyes and colours	13,87	16,37	7,48	12,16
Spices	2,93	8,10	2,54	2,47
Woollen and worsted fabrics	1,31	2,18	25	1,14
Cotton fabrics	2,37	2,39	86	2,14

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January, 1959	92.1
	Corresponding month, 1958	98.3
	Seven months ended Jan., 1959	619.7
	Corresponding period, 1958	620.3
Stocks	At the end of January, 1959	113.7
	Corresponding month, 1958	96.6
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852.9
	1957-58	832.6
	December, 1957	69.0
	December, 1958	69 8
For Internal Consumption	1956-57	179.0
	1957-58	198.0
	December, 1957	19.1
	December, 1958	22.3
	RAW JUTE	(In 000 bales)
Consumption by Mills	December, 1958	560
	Corresponding month, 1957	538
	Six months ended Dec., 1958	3,037
	Corresponding period, 1957	3,000
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated ‡	Total Units Sold
1955-56	715	8,905.3	7,185.8
1956-57	769	9,877.3	8,103.1
1957-58	834	11,176.9	9,011.1
Aug., 1957	811	916.0	731.0
Sept., „	814	924.7	739.3
Oct., „	822	917.5	731.3
Aug., 1958	791	1,040.7	831.9
Sept., „	793	1,053.5	843.1
Oct., „	810	1,070 2	869 8

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source*:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	103	58	207	24	196	427	36	389	52	180
1957-58	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
November 1957	9,240	1,566	844	129	53	37	137	16	149	309	24	302	37	134
December „	10,506	1,766	941	152	64	40	162	18	163	360	28	350	42	146
January 1958	11,814	1,979	1,038	174	80	44	186	21	177	413	32	394	45	161
February „	13,011	2,172	1,123	191	93	49	202	23	194	456	36	435	46	176
March „	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April „	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May „	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June „	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July „	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August „	5 823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September „	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
October „	8,040	1,542	771	107	46	21	98	12	110	274	19	283	29	72
November „	9,169	1,763	868	121	50	24	125	14	125	311	24	326	35	72

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

INDUSTRIAL PRODUCTION

Industries.		1957	Jan. to Oct. 1958*	Jan. to Oct. 1957	September 1958	October 1958*	October 1957
Major Industries—							
Coal	million tons	43.50	37.43	35.52	3.85	3.75	3.56
Steel (Ingots and Metal for castings)	thousand tons	1,715	1,337†	1,264†	149	—	150
Yarn	million lbs.	1,780	1,250†	1,336†	144	—	142
Cloth	million yds.	5,317	3,690†	4,032†	411	—	415
Cement	million tons	5.60	5.09	4.50	0.48	0.41	0.51
Jute	thousand tons	1,030	878	845	87	82	84
Paper and paper boards	tons	210,132	185,511†	171,111†	21,979	—	18,297
Matches	cases	578,400	466,400†	433,000†	53,500	—	43,800
Sugar	thousand tons	2,068	1,512	1,574	11	18	3
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	250.85	279.50†	175.52†	29.85	—	21.29
Electric lamps	millions	33.15	25.16	27.71	2.51	2.46	2.42
Dry cells	millions	166 56	135.88	141.05	14.65	13.51	9.72
Power transformers	k.v.a.	1,219,200	864,000†	896,500†	95,700	—	102,200
Electric Motors	h.p.	469,200	464,900†	338,900†	56,900	—	37,700
Electric fans	Nos.	524,400	469,900†	384,500†	50,700	—	37,400
Radio receivers	Nos.	190,692	147,253†	138,791†	16,124	—	12,047
Storage batteries	Nos.	324,000	285,900	266,300	32,100	28,000	24,200
Copper conductors	tons	8,556	5,915†	6,336†	615	—	789
Winding wires	tons	1,020	1,204†	730†	173	—	100
Rubber and plastic Ins. cables and flexibles	million yds.	103.80	89.44†	80.29†	12.43	—	0.24
Insulators—H.T.	Nos.	193,200	520,200†	100,400†	84,900	—	29,600
Insulators—L.T.	million Nos.	4.69	3.85†	3.60†	0.30	—	0.26
Diesel engines—Vehicular	Nos.	3,336	3,504	2,632	333	344	280
Do —Stationary	Nos.	16,644	20,644	13,256	2,421	2,348	1,736
Chemical Industries—							
Salt	million mds.	98.70	107.66	95.56	3.21	3.46	2.31
Caustic soda	tons	42,648	46,720	35,067	5,064	5,241	3,640
Soda ash	tons	91,920	73,680	75,794	8,919	9,078	7,747
Chlorine liquid	tons	15,696	15,929	13,082	1,739	2,704	1,322
Bleaching powder	tons	5,340	5,287	4,477	569	695	494
Bichromates	tons	3,672	2,651†	2,717†	320	—	323
Sulphuric acid	tons	196,068	167,463†	145,206†	20,404	—	15,895
Superphosphate	tons	141,684	127,749†	107,376†	15,335	—	11,612
Non-ferrous Metals—							
Aluminium	tons	7,784	6,140†	5,798†	690	—	687
Antimony	tons	502	409†	363†	40	—	45
Copper (virgin metal)	tons	7,848	6,476	6,478	685	700	672
Lead (virgin metal)	tons	3,174	2,584	2,589	362	142	317
Gold	thousand ozs.	179	141	149	15	15	14
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	167,484	157,122†	124,118†	17,410	—	8,558
Bicycles	Nos.	790,424	684,510†	580,477†	72,094	—	56,032
Automobiles	Nos.	31,932	23,055	26,944	2,471	2,704	2,450
Cycle tyres and tubes	million Nos.	14 18	13.42	11.70	1.42	0.94	0.72
Motor tyres and tubes	million Nos.	1.92	1.62	1.60	0.18	0.14	0.10
Cigarettes	million Nos.	28,892	22,390†	21,765†	2,318	—	2,281
Plywood—Tea chests	million sq. ft.	95.02	65.72†	73.95†	7.47	—	5.72
Plywood—Commercial	million sq. ft.	31.64	28.64†	23.84†	4.07	—	2.58
Sheet glass	million sq. ft.	54.23	53.77†	34.29†	6.56	—	6.23
§Woollen manufactures: Worsted Fabrics	million yds.	15.79	16.80	12.61	2.51	1.47	1.52
§Woollen manufactures: Worsted Yarn	million lbs.	27.80	24.63	22.49	2.60	2.83	2.58
Footwear—Western type (Leather)	million pairs	4.37	3.64	3.55	0.39	0.29	0.27
Footwear—Indigenous type (Leather)	million pairs	3.04	2.71	2.47	0.32	0.17	0.16
Alcohol—Industrial	million Bulk galls.	8.56	6.91†	6.30†	0.63	—	0.69
Alcohol—Power Absolute	million Bulk galls.	10.14	6.75†	7.72†	0.54	—	0.64
General Index—(Base 1951=100 Revised)		137.3	142 8‡	149 1‡	153.1	—	122.8

* Figures are subject to revision month to month. —Not Available. † Upto September only.
§ Includes figures for Jammu and Kashmir. ‡ Average of first nine months. The general index for September 1957 was 135.6.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base: 1952-53=100,

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	99	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	104	95	100	89	111	126	111	97	116	95	116	121
1957-58*	105	88	114	126	68	164	109	110	107	92	106	133	108	96	128	95	116	142
Nov. 1957	107	87	115	121	67	167	105	109	111	95†	101	132	104	102	130	97	115	148
Dec. „	102	86	109	117	65	157	99	109	110	98	105	129	102	104	130	93	115	147
Jan., 1958	101	86	103	114	64	162	101	117	106	95†	105†	130†	101	101	130	90	116	148
Feb.,	99*	84	92	109	61	156	105	117	104	95	104	123	102	96	130	88	116	148
March „	100	84	94	110	62	152	107	118	108	93†	103†	120†	103	93	130	86	116	145
April „	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	114	145
May „	106	86	92	111	64	158	115	120	115	89	100	125	110	102	132	88	114	145
June	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July „	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	145
Aug., „	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept., „	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct., „	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., „	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	145
Dec., „	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145

* Provisional. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 12th Feb., 1959	26,425(J)
	Corresponding week, 1958	44,264(J)
	1st Sept. 1958 to 12th Feb., 1959	627,577*
	Corresponding period, 1957-58	696,974*
Cotton Exports	Week ended 28th Jan., 1959	11,372‡
	Corresponding week, 1958	5,318‡
	1st Sept. to 28th Jan., 1959	172,685
	Corresponding period, 1958	76,249
Mill Consumption (Estimated)	1st Sept. 1958 to 12th Feb., 1959	559,977
	Corresponding period, 1957-58	614,532
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 12th Feb., 1959	423,590
	Corresponding date, 1958	557,789
Consumption of Cotton—		
Indian	December, 1958	419,814
Foreign	December, 1958	39,301
Indian	Three months ended Dec. 1958	1,178,022
Foreign	Three months ended Dec. 1958	116,248
Indian	Same Period 1957	1,155,055
Foreign	Same Period 1957	151,304
Stocks (Mills and Elsewhere)—		
Indian	As on 31st December, 1958	772,114
Foreign	As on 31st December, 1958	87,830
Indian	As on 31st December, 1957	852,350
Foreign	As on 31st December, 1957	171,263

Particulars	From 1st Sept., to Jan., 13th 1958-59 Bales	From 1st Sept., to 13th Jan., 1957-58 Bales
From Bombay Cotton Shipments to—		
United Kingdom	5,450	1,530
Continent	12,183	1,701
Hongkong	29,101	2,185
China	6,886	—
Japan	93,428	23,665
U.S.A.	1,522	1,928
Other Countries	1,652	691
Total to all foreign countries	150,222	31,700
Coastal Ports	22,463(a)	44,549(b)
Total	172,685	76,249

Particulars	Period	Bales of 392 lbs.
Cotton Exports from Bombay (by sea)	During November, 1958	15,252
	During November, 1957	5,396
	1st Sept., to 30th Nov., 1958	84,736
	1st Sept., to 30th Nov., 1957	9,263
Cotton Pressed in India† (In running bales)	Week ended 30th Jan., 1959	—
	Corresponding week, 1958	154,058
	1st Sept., to 30th Jan., 1958-59	573,188
	Corresponding period, 1957-58	1,887,174
Karachi (Pakistan)—		Bales
Receipts	1st Sept., to 29th Jan., 1958-59	705,544
	Corresponding period, 1957-58	758,810
Exports	1st Sept., to 29th Jan., 1958-59	339,837
	Corresponding period, 1957-58	228,451

(J) By Rail and Sea. † Incomplete. * By Rail Sea and Road. (a) Upto 31st Dec., 1958. § Includes Zoda and Pickings, etc.
— Not Received. ‡ From 21st to 28th January. A—Adjusted. (b) Upto 31st Jan., 1958.

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

INDEX NUMBERS OF SECURITY PRICES—Revised Series.

[1952-53=100]

Group and Sub-Group	Week ended 7th Feb., 1959	31st Jan., 1959	10th Jan., 1959	8th Feb., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.7	100.6	98.4
2. Government of India	100.5	100.5	100.4	98.2
3. State Government	102.2	102.2	102.1	100.1
4. Municipal, Port Trust, etc.	99.4	99.4	99.2	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101.4	101.4	101.2	98.9
6. Plantations	99.9	99.9	100.1	100.0
7. Coal	99.6	99.6	99.6	99.6
8. Sugar	99.0	99 0	99.0	98.4
9. Cotton Textiles	99.0	99.0	98.3	97.3
10. Jute Textiles	91.6	91.6	91.5	94.0
11. General Engineering	101.7	101.7	101.4	97.0
12. Electricity Generation and Supply	97.2	97.2	97.2	96.5
13. Others	104.5	104.5	104.2	100.7
PREFERENCE SHARES—ALL INDIA.				
14. Total	87.9	87.9	87.5	85.9
15. Plantations	97.3	97.2	96.9	100 1
16. *Mining & Quarrying: Total*@	85.9	88.1	88.1	84.7
17. Coal	79.9	79.9	80.0	74.8
18. *Processing and Mfg.: Total**	88.1	88.0	87.6	85.9
19. Sugar	89.0	88.8	88.5	91.1
20. Cotton Textiles	78.1	78.2	78.3	83.9
21. Jute Textiles	81.0	81.4	81.1	72.0
22. Iron and Steel	91.5	91.3	90.7	87.6
23. General Engineering	100.2	100.3	100.1	101.2
24. Basic Industrial Chemicals	86.8	85.4	85.3	82.8
25. Cement	98.4	98.6	98.5	97.6
26. Paper	85.8	84.9	83.1	84.0
27. *Other Industries: Total**	84.1	83.7	84.3	81.7
28. Electricity Generation and Supply	83.9	83.8	85.2	84 8
29. Trading	82.3	82.4	81.3	72.4
30. Shipping and Other Transport	88.7	84.8	84.7	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	138.4	138.2	136.8	123.3
32. *Agriculture and Allied Activities: Total**	146.1	145.3	144.7	137.7
33. Tea Plantations	141.6	140.9	139.3	135.6
34. Coffee Plantations	183.1	184.3	192.2	175.4
35. Rubber Plantations	150.3	148.4	148.0	125.4
36. *Mining and Quarrying: Total*	136.9	136.3	136.2	118.7
37. Coal	110.2	109.5	107.4	91.6
38. Other Mining	155.2	154.7	156.0	137.2
39. *Processing and Manufacturing: Total*	137.0	136.8	135.3	121.8
40. *Processing and Mfg. (Food† stuffs, Textiles, etc.): Total**	124.3	124.4	123.7	115.9
41. Sugar	157.2	157.4	161.1	153.6
42. Cotton Textiles	108.9	109.3	108.9	114.2
43. Jute Textiles	90.1	91.3	88.8	60.4
44. Silk and Woollen	427.1	428.0	419.8	335.4
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	157.1	156.6	154.5	129.2
46. Iron and Steel	151.9	151.6	149.1	117.8
47. Transport Equipment	193.5	193.6	187.3	168.8
48. Electrical Machinery	136.3	138.2	138.6	153.3
49. Machinery other than Transport and Electrical	172.0	171.7	170.0	143.8
50. Basic Industrial Chemicals	125.9	125.1	126.4	107.0
51. *Processing and Mfg. (Others): Total**	138.3	137.9	134.9	125.9
52. Cement	123.0	122.9	119.7	124.8
53. Paper	183.1	181.9	180.2	152.3
54. *Other Industries: Total**	115.8	115.6	115.0	102.8
55. Electricity Generation and Supply	93.0	93.0	93.4	87.7
56. Trading	89.8	88.7	86.3	76.2
57. Shipping and Other Transport	137.4	136.7	135.7	122.4
58. Construction	251.6	252.0	248.1	191.7
59. *Financial: Total*	183.0	183.3	179.8	160.6
60. Banks	206.7	206.7	202.4	182.4
61. Insurance	126.5	127.9	127.1	111.7
62. Investment Trusts	105.0	105.1	102.9	82.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	140.4	140.1	139.2	123.4
64. Calcutta	137.0	136.8	134.2	119 9
65. Madras	149.2	149.6	149.8	145.0
66. Delhi	160.2	158.4	156.2	142.8

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,72,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,86,900
Nov., 1957	94,900	95,100	66,000
Dec., "	95,100	1,00,500	74,200
Oct., 1958	94,200	96,400	76,900
Nov., "	84,200	85,100	83,600
Dec., "	98,900	91,500	90,100
Jan., 1959	97,700	96,200	89,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	8,95,156	5,32,315	4,41,483
Do. 31st March, 1958	7,83,945	5,07,580	4,10,558
October, 1958	79,428	44,629	39,449
November, "	90,205	60,257	43,847
December, "	92,690	61,372	50,697
January, 1959	73,728	..	45,698

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Nmuber of man-days lost
1956	1,203	715,130	6,992,040
1957	1,248	640,871	4,982,229
March 1958	166	89,909	847,911
April "	172	61,024	537,841
May "	183	116,202(1)	720,588(1)
June "	164	162,244(2)	1,539,000(2)
July "	169	101,137(1)	469,303(1)
August "	147	72,432(4)	657,836(4)
September "	151	68,599(7)	499,362(7)
October "	121	34,445(3)	262,600(3)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	83.50	..	2,079	249
Burma	1957	20.00	Kyats 4,450	446	223
Ceylon	1955	8.88	..	475	567
Japan	1957	90.90	Y. 8,252,000	10,915	10,020
Philippines	1957	22.60	Ps. 8,799	2,095	927
New Zealand	1957	2.22	£ (N.Z.) 928	1,237	5,570
Australia	1957	9.60	£ (A.) 4,678	4,970	5,177
U.K.	1957	51.40	£ 17,418	23,220	4,520
U.S.A.	1958	174.00	$ 352,400	168,447	9,680
Canada	1957	16.60	$ 23,830	11,680	7,035
France	1957	44.00	F.Fr.15,680,000	17,880	4,063
W. Germany	1957	51.40	Dm. 158,000	18,057	3,513
Italy	1957	48.30	Lr. 12,231,000	9,412	1,949
Norway	1957	3.49	Kr. 23,290	1,560	4,470
Sweden	1957	7.30	Kr. 48,290	4,490	6,150
Netherlands	1957	11.00	Grs. 28,240	3,574	3,250
Denmark	1957	4.50	Kr. 25,480	1,760	3,910
Switzerland	1957	5.10	Sw. Fr. 26,900	2,956	5,796

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

Source: *International Financial Statistics*, October 1958.

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

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

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	250	339	94	112	364	116	114	99	103	115	107	126
July 1957	112	356	256	333	89	112	371	116	115	98	106	119	109	129
August "	113	377	265	347	98	113	375	115	118	99	105	120	108	128
September "	114	375	262	338	97	113	378	115	113	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November "	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December "	113	383	275	328	93	115	375	121	110	100	105	120	109	129
July 1958	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August "	120	404	288	322	103	118	403	126	117	108	106	125	111	132
September "	121	404	289	327	104	120	406	127	117	111	109	131	108	132
October "	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November "	..	402	292	330	..	..	399	..	120	..	..	..	..	..
December "	..	398	290	322	..	..	..	..	..	..	..	..	..	..

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Out standings	10-Year National Plan Certificates D Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	Outstandings	15-Year Annuity Certificates G Receipts	Out standings	Total Receipts	Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,98
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252,96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,39
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213 91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958																
February	2,31	4,83	146,14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	4,81	9	1,75	25,29	487,52
March	2,22	4,73	143,45	14,03	71,43	27,35	213,91	23,11	—39,73	43,58	70	5,47	12	1,87	42,20	509,77
April	2,15	4,65	141,31	6,56	77,99	15,27	214,24	22,85	—39,82	43,47	77	6,15	11	1,97	22,71	514,76
May	2,07	4,55	139,23	5,84	83,82	15,22	212,66	22,58	—39,90	43,87	57	6,72	5	2,01	21,68	517,01
June	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	88	7,12	3	2,03	19,95	520,60
July	1,96	4,38	135,18	5,49	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug.	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532,75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537,82
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November	187	4,10	127,15	6,36	119,33	12,52	218,72	21,56	—40,37	42,81	47	9,58	7	2,23	19,42	547,35
December	..	..	..	..	..	..	..	..	..	42,76	51	10,01	6	2,28	..	..

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

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.80
3 % Loan	1938-39	116,17,46,000	1963-65	96.75
3 % Loan	1950	30,32,10,000	1964	97.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93.85
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90.85
3 % 2nd V. Loan	1945	1,13,65,64,000	1959-61	99.70
2¾% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97.25
2½% Loan	1946	14,77,48,000	1976	83.30
2¾% Loan	1947	75,86,72,000	1962	96.95
3½% N. P. Bonds	1953	75,29,00,000	1961	100.10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.80
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99 60
3½% Loan	1956	87,27,36,000	1962	99.15
3½% N. P. Bonds	1956	63,81,83,000	1967	99.10
3½% Loan	1956	66,63,53,000	1974	98.65
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.80
4 % Loan	1957	49,17,27,000	1972	101.45
3¾% Loan	1958	58,06,00,000	1963	100.00
3½% Loan	1958	30,00,00,000	1968	98 95
3¾% Loan N.P.B.	1958	34,16,76,500	1968	100.60
4 % Loan	1958	49,47,00,000	1973	101.40
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34,000	M.	72.50
3% Loan	1946	2,48,91,37,000	K.	73.65
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100.05
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100.05
4½% Andhra	1958	5,00,00,000	15th July 1970	101.10
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96.50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98.30
4 % Bombay	1953	5,19,35,000	15th July 1963	100.60
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100.50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.55
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100.10
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102.10
4½% Bombay	1958	5,00,00,000	15th July 1970	102.10
4½% Bombay	1958	5,00,00,000	15th July 1971	102.10
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50,00,000	13th Oct. 1970	101.00
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99.00
3½% Cochin	1936	80,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100.10
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100.10
3 % Madras	1939	1,23,96,000	21st June 1959	99.35
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98.85
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	99.00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98.75
4 % Madras	1953	10,83,71,000	15th July 1963	100.30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.10
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100.10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100.10
4½% Madras	1958	5,00,00,000	15th July 1970	101.25
4 % Mysore(ƒ)	1933	2,95,85,200	1st Dec. 1953-63	101.50
3 % Mysore(ƒ)	1936	5,99,73,000	30th Apr. 1956-61	99.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100.10
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.10
4½% Mysore	1957	3,83,78,000	16th Sept. 1969	101.30
4½% Mysore	1958	5,00,00,000	15th July 1970	101.25
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93.65
3 % M.P.	1950	1,01,45,000	31st July 1960	98.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	100.10
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100.00
4½% M.P.	1958	2,00,00,000	15th July 1970	101.00
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100.10
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100.10
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.75
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99 50
2¾% U.P.Z.A	1952	41,44,79,000Z	..	48.90
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91.00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98.25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.10
4 % U.P.	1953	5,58,25,000	15th July 1963	100 30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100.10
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100.10
4½% U.P.	1958	7,00,00,000	15th July 1970	101 20
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100 00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101.10
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100.00
4½% Orissa	1958	3,00,00,000	15th July 1970	101.10

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	90.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99.25
88,25,000	4	1914	1975	99.25
10,00,000	4	1915*	1960	
55,00,000	4	1916*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97.75
76,90,100	4	1915	1975	97.75
1,50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	95.00
60,00,000	3½	1935	1965	98.50
25,00,000	3	1938	1963-68	92.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99.12
1,00,00,000	3	1949	1959	99.12
50,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	98.00
1,00,00,000	3	1950	1960	98.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.00
50,00,000	4	1953	1962	100.00
50,00,000	4	1953	1988	97.50
90,00,000	4	1955	1965	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,800	5	1923	1953-88	£80 00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000†	3	1947	1977	A
3,00,000†	3	1949	1979	
45,00,000†	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1968	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	101.00
50,00,000	4	1934	1964	99.00
35,00,000	3½	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	98.50
20,00,000	3	1938	1963-68	90.00
80,00,000	4	1952	1962	99.25
1,02,00,000	4	1956	1968	99.00
75,00,000	4½	1958	1968	100.00

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	98.00
10,00,000	5	1920	1980	113.00N
26,21,500	5	1929	1959	101.00
8,25,00,000	3½	1947	1977	86.00
2,50,00,000	3½	1949	1979	86.00
4,00,00,000	3½	1950	1965	93.50
5,00,00,000	4	1952	1964	100.00
2,00,00,000	3½	1951	1966	97.40
1,30,00,000	4	1953	1963	100.00
1,00,00,000†	4	1952	1964	100.00
1,00,00,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.90
1,50,00,000	4	1956	1968	99.90
2,00,00,000	4½	1957	1969	100.90
400,00,000	4½	1958	1970	101.00
CALCUTTA				
Rs				Rs.
10,00,000	5½	1932	1962	108.00
88,91,000	3½	1925	1965	94.60
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
17,64,400	3½	1942	1959	98.50
21,10,000	3½	1942	1972	92.60
16,88,000	3½	1951	1961	97.50
66,88,000	3½	1951	1966	97.50
87,36,000	4	1952	1962	99.25
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	—
73,86,000	4½	1956	1968	100.00
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—Contd.

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.15
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.30
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100.10
4 % W. Bengal	1956	7,11,46,000	3rd Sept 1968	100.10
4½% W. Bengal	1958	5,00,00,000	15th July 1970	101 35
4½% Kerala	1958	3,00,00,000	15th July 1970	100.00

ABBREVIATIONS.
N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(ƒ) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.
‡—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months notice. K—On September, 1966, or later at option of Government after three months notice.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6	Mar.	Sep.	114.00	100
BREWERIES AND SUGAR							
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5	April]	..	85.00	100
Carew & Co. T.F.R.C.	8,00,000	1875	6¼	Mar.	Sep.	90.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8	Feb.	Aug.	107.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7	July	Apr.	5.92xd	5
¶East India Distilleries T.F.C.	£200,000	1897	7	Jan.	July	16.50cd	£1
Gwalior Sugar T.R.C.	6,75,000	1940	7	Dec.	..	60.00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec.	..	60.00	100
Purtabpore Co. T.C.	6,00,000	1922	10	Oct.	..	13.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6	Aug.	..	90.00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	68.00	100
South Behar Sugar T.	5,00,000	1936	7	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5	Dec.	..	7.10	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec.	..	90.00N	100
Do. T.C.R.O.	15,00,000	1946	5	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	7	Apri	May	118.75	100
COAL							
Borrea T.F.C.	4,00,000	1896-97	6½	Oct.	Apr.	86.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-19	7	Apr.	Oct.	104.00	100
Do. (2nd) T.C.	4,50,000	1946	6	..	..	6.25	10
Equitable T.F.	4,00,000	1895	6	Mar.	Sept.	96.00	100½
Karanpura Collieries T.C.	9,89,500	1946	5½	..	..	56.00	75p.
††Khas Kajora C.	1,93,000	1931	5	Mar.	Sept.	9.50N	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan.	July	10.75	10
Ondal T.F.C.	2,00,000	1898-99	6	Apr.	Oct.	89.00	100
COTTON							
Ahmedabad Advance T.F.	10,00,000	1939		Apr.	Oct.	83.00xd	100
Bangalore C.T.F.	6,00,000	1884	6	Jan.	July	110.00xd	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	8.50	10
Bowreah 'A'	6,00,000	1900	8	Feb.	Aug.	145.00	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	62.00	100
Bradbury T.F.	14,75,000	1919	7	June	Dec.	55.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7½	Jan.	July	118.75xd	100
Cambodias C.T.F.	1,00,000	1928	7	Apr.	..	110.00	100
Central India T.F.	50,00,000	1912	5	Apr.	Oct.	340.50	495
Coimbatore Pioneer C.T.F.	1,00,000	1935	6½	June	..	91.75	100
Elgin	11,00,000	1912	8	May	Nov.	105.00	100
Do. 'B' Pref.	4,20,000	1943	5	July	Jan.	7.50	10
Elphinstone T.	25,00,000	1919	7	May	Nov.	64.50	100
Kesoram	20,00,000	1919	7	June	Dec.	99.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4	Nov.	..	73.50	100
Kothari C.T.F.	18,00,000	1937	6	Dec.	..	8.65	10
Kothari 'B' (Pref.)	6,00,000	..	6	..	..	10.00N	5
Lakshmi Cotton (Bombay) T.	16,00,000	1896	5	..	..	158.75	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	Jan.	..	85.00	100
Mysore Spg.	7,45,050	1944	4½	..	..	28.00	50
National Rayon T.	1,74,64,700	1947	5	..	..	76.00	100
New Great T.	8,00,000	1918	5½	Mar.	..	130.00	200
Podar Mills	10,00,000	1943	4	Feb.	..	72.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr.	..	51.00	50
Shree Niwas Cotton	4,80,000	1944	4	..	..	67.00	100
Sholapoor R.	32,00,000	1943	3	..	..	78.25	100
Svadeshi T.F.	15,00,000	1935	5	Apr.	Oct.	85.00	100
Swadeshi (Kanpur)	35,00,000	1927	6	June	..	74.00	100
Travancore Rayon C.T.F.	50,00,000	....	5	May	..	7.90	10
Vasanta (1st) C.T.F.	3 00,000	1931	6½	Apr.	Oct.	101.00	100
Do. (2nd) C.T.F	1,50,000	1938	6	..	..	90 00	100
Vishnu T.	15,66,500	1908	7	Apr.	..	430.00	500
ELECTRICS							
Andhra Valley Power Supply T.	49,34,000	1917	7	Ma-	Nov.	1,076.25xd	1,000
Amalgamated Electric T.F.	24,15,000	..	5½	.	..	86.21	100
Calcutta Electric	19,00,000	1909-11	5(t)	June	Dec.	10 31	£1
Poona Electric T.	4,00,000	1935	7	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5½	Sept.	ee.	9.04	100
Do. (2nd) C.T.F.	8,00,000	1940	5½			8.89	10
Surat Electric Co. T.F.	5,00,000	1939	6½	Apr.	..	111.00	100
Tata Hydro Electric Power T.	89,28,000	1907	7	May	Nov.	110.75	100
Tata Power T.	86,97,000	1918	7½	May	Nov.	1,108.75	1,000
Vellore C.T.	1,25 000	1928	6	Dec.	..	7.04xd	10
ENGINEERING							
Arthur Butler (Muzaffarpore)	1,30,000	1919	7	Mar.	..	9.50	10
Burn & Co. Ltd. (1st)	13,00,000	1895-98	7	Feb.	Aug.	121.00	100
Do. (2nd)	15,00,000	1902	6	Feb.	Aug.	112.00	101
Indian Iron and Steel Co., Ltd. T.F.	2,69,95,400	1950	5	Dec.	..	101.00	100
Indian Standard Wagon	19,66,500	1918	7	June	..	122.00	100
Jessop	20,00,000	1941	5	May	Nov.	79.00	100
Kamani Engineering C.	15,00,000	..	5	July	..	49.00	100
†††Kumardhubi Engineering	12,00,000	1915	4	June	Dec.	91.00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5	..	..	86.30	100
Mahindra & Mahindra R.C.	25,00,000	1945	6	May	..	100.50	100
McKenzies (1st)	5,50,000	1907	..	..	..	80.00	100
Premier-Construction (1st) T.	10,00,000	..	6½	..	..	88.00	100
Do. do. (2nd) T.	15,00,000	1936	6½	..	..	85.00	100
Do. do (3rd) T.	56,25,000	1947	4½	..	..	5.48	10
Tata Iron and Steel (1st) T.	75,00,000	1908	6	Nov.	..	154.50	150
Do. do. (2nd) T.	6,93,81,900	1908	7½	May	..	114.25	100
JUTE							
Agarpara	10,00,000	1927	7	Jan.	July	101.00	100
Alexandra	9,00,000	1905	7	Feb.	Aug.	96.50	100
Alliance	15,00,000	1895	6	Mar.	Sept.	80.00	100
Anglo-India	40,00,000	1917	7	May	Nov.	103.00	100
Auckland	10,00,000	1909	5½	May	Nov.	76.00	100
Do. (2nd)(j)	15,00,000	1945	4½	June	Dec.	65.00	100
Bally	20,00,000	1918	7	Apr.	Oct.	101.00	100
Barnagore	£200,000	1896	5	May	Nov.	40.00	5
Belvedere	7,00,000	1906	7	Jan.	July	100.00	100
Birla	23,64,200	1919	7½	June	Dec.	88.50	100
Budge-Budge	30,00,000	1894	7	May	Nov.	102.00	100
Calcutta	6,00,000	1934	6½	Jan.	July	69.00	100
Caledonian	10,00,000	1915	7	June	Dec.	100.00	100
Cheviot	10,00,000	1919	7	June	Dec.	100.00	100
Chitavalsah	5,00,000	1928	7	Mar.	Sept.	100.00	100
Clive (1st Pref.)	8,00,000	1900	6	May	Nov.	67.50	100
Do. (A) (2nd Pref.)	8,00,000	1905	7	May	Nov.	74.00	100
Dalhousie	15,00,000	1903-13	7	May	Nov.	90.00	100
Delta	95,00,000	1897	5	June	Dec.	74.00	100
Empire	10,00,000	1912	7	Feb.	Aug.	100.00	100
Fort Gloster	14,00,000	1890-98	7	May	Nov.	104.00	100
Do. (2nd Pref.)	7,00,000	..	5	..	..	70.00	100
Fort William	10,00,000	1911	7	May	Nov.	104.00	100
Ganges	16,00,000	1916	8	June	Dec.	100.00	100
Gourepore	26,50,000	1895-04	6	May	Nov.	87.00	100
Hastings	25,00,000	1935	6	Mar.	Sept.	83.00	100
Hooghly	11,76,000	1913	10	May	Nov.	11.75	10
Howrah	8,75,000	1890	7	May	Nov.	102.00	100
Do. (A)	17,50,000	1903-6	7	May	Nov.	102.00	100
Hukumchand	40,00,000	1919	7	June	Dec.	100.00	100
Kamarhatty	16,00,000	1898-04	6	Feb.	Aug.	100.00	100
Kanknarrah	10,00,000	1900	6	Feb.	Aug.	75.00	100
JUTE—Continued.							
Kelvin	10,00,000	1907	7	Mar.	Sept.	102.00	100
Khardah	9,00,000	1895-09	6	May	Nov.	86.00	100
Kinnison	15,00,000	1900-13	7	May	Nov.	102.00	100
Lansdowne	15,00,000	1905	7	May	Nov.	100.00	100
Lawrence (A)	5,00,000	1907	7	May	Nov.	98.00	100
Do. (B)	10,00,000	..	5½	Dec.	..	76.00	100
Naihati	7,50,000	1905	7	May	Nov.	95.00	100
Do. (2nd)(j)	10,00,000	..	4½	June	Dec.	65.00	100
National	5,00,000	1917	7	May	Nov.	101.00	100
Nellimarla	5,00,000	1939	6	Apr.	Oct.	87.00	100
New Central	83,00,000	1915	7	Jan.	July	99.00	100
Northbrook	15,00,000	1900	[illegible]	May	Nov.	73.00	100
Reliance	20,00,000	1906-12	7	May	Nov.	70.00	100
Samnuggur	£150,000	1901	6	Feb.	Aug.	Sh. 21.50N	£1
Soorah	10,00,000	1920	7	Feb.	Aug.	100.00	100
Standard	9,00,000	1895-01	6	May	Nov.	100.00	100
Shree Ambica	11,70,000	..	7½	Mar.	Sept.	90.00	100
Titaghur	£150,000	1897	6	Feb.	Aug.	Sh. 21.50	£1
Union	6,00,000	1901-02	7	May	Nov.	103.00	100
Victoria	£150,000	1898	6	Feb.	Aug.	Sh.21.50	£1
Waverly	7,50,000	1918	7	Mar.	Sept	43.00	5
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship	3,00,000	1895	7	Nov.	..	58.00	60
Calcutta Tramways T.	£250,000	1906	5	Apr	Oct.	7.75xd	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5½	Dec.	..	95.20	100
Indian General Nav. & Rly. T.	£244,000	1899	6	Mar.	Nov.	58.00	£10
India Steamship (w)	25,00,000	1928	5	.	..	86.00	100
TEA							
Amluckie Tea	75,000	1902-08	7	May	Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900-02	6½	Jan.	July	109.00	100
Birpara	1,00,000	1900-08	8	Jan.	..	108.00	100
Choonabhutti	2,00,000	1914	8	Jan.	July	109.00	100
Gielle	2,00,000	1894	6	Sept.	..	67.00	100
Hantapara	50,000	1901	8	Jan.	..	109.00	100
Hasimara	3,00,000	1904	7	Mar.	..	109.00	100
Kingsley Golaghat	2,40,000	1897	6	Dec.	..	95.00	100
Moheema	3,20,000	1929	6	May	Nov.	8.00	10
†††New Dooars	2,00,000	1907	6	Jan.	July	109.00	100
New Samanbagh	1,00,000	1908	8	Nov.	..	100.00	100
†††Okayti	50,000	1888	7	Dec.	..	90.00	100
Pussimbing	2,05,000	1916	7	Jan.	..	83.00	100
Sonai River	1,00,000	1909	8	May	..	100.00	100
***Tezpore	2,05,000	1932	8	Jan.	..	10.25	100
Tirribannah	1,00,000	1922	10	May	Nov.	14.90	100
PLANTING							
Be Be Rubber N.R.C.T.	1,43,005	1944	6½	..	..	8.13cd	5
Do. R.C.T.	2,86,450	1944	6½	..	..	6.64cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June	..	46.70	50
Coffee Lands C.T.F.	10,40,600	..	5	..	..	79.00	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr.	..	98.00	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov.	..	10.75	10
Devon Tea C.T.F.	2,00,000	1935	7½	July	..	104.00	100
Highland Produce C.T.F.	3,00,000	..	6	July	Jan.	9.00	10
Neelamalai C.T.F.	18,00,000	1943	5	Jan.	July	7.05	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July	..	4.25	5
Pullangode C.T.F.	1,50,000	1943	6	Mar.	..	8.65	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar.	Sept.	7.85	10
T. R. & T. Co. C.T.F.	16,00,000	..	6	June	Dec.	7.75xd	10
Waterfalls R.C.T.F	5,00,000	1943	6	Nov.	..	8.00	10
MISCELLANEOUS							
Alembic Chemicals (1st) T.	5,00,000	..	6½	June	..	85.80	100
Do. do. (2nd)	5,00,000	..	5	June	..	85.00N	100
Alkali & Chemicals	31,00,000	1937	5	Apr.	..	101.00	100
Aluminium Corpn. (1st)	20,00,000	1938	6(f)	..	..	83.00	100
Andhra Cement C.T.F.	2,48,800	1937	6	Feb.	June	100.00	100
Associated Hotels of India T.	21,67,000	1916	7	Mar.	Sept.	54.00	100
Bengal Chemicals	9,00,000	1925	7½	Aug.	..	11.00	10
Bengal Paper Mill	2,00,000	1903	7	Mar.	Sept.	53.00xd	50
Do. "A"	4,00,000	1928	7	Mar.	Sept.	105.00xd	100
Do. "B" T.	20,00,000	..	6	..	..	64.00xd	100
Bengal Timber Trading	3,00,000	1896	8	Aug.	..	17.00N	100
Britannia Biscuit	15,450	1921	8	Feb.	Aug.	18.75	10
British Ceylon Corporation	17,50,000	1918	6	Feb.	Aug.	8.00N	5
British India Corporation	81,00,000	1920	8	Feb.	..	96.50	100
Dalmia Cement (Bharat)	35,00,000	1937	6(k)	Sept.	..	85.00	100
Do.	23,75,000	1945	6(k)	Sept.	..	82.50	40
Dhrangadhra Chemical Works Ltd.	31,91,900	1956	6	..	..	83.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5	Dec.	..	84.30	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6½	Apr.	..	118.00	100
Do. do. do. T.C.P. (2nd)	40,00,000	1936	6	Jan.	July	82.00	100
General Investment Trust (1st)	1,00,000	1946	5	Feb.	Aug.	63.00	100
Do. do. (2nd) T.	1,00,000	..	6	Feb.	Aug.	54.00	100
Gillanders Arbuthnot(f) T.	25,00,000	..	5	Apr.	Oct.	55.00	100
Hindustan Motors T.F.R.C.	1,00,67,250	1956	6	Mar.	..	37.50	50
Humayan Properties	12,00,000	1933	6	..	..	7.62	10
India Cement T.	29,85,000	1946	7½	Oct.	..	92.43xd	100
Indian Aluminium (g) T.	40,00,000	1945	5	June	..	72.00	100
Indo-Burma Petroleum T.C.	50,00,000	1921	7	Jan.	July	88.00	32
Indian Cable (m)	12,87,750	1923	6	June	Dec.	25.50xd	10
India Rubber Mfrs. (n)	8,28,000	..	5	Apr.	..	76.00	100
Jardine Henderson T.	50,00,000	1946	5½	Dec.	..	56.00	100
Kettlewell and Bullen (1st) T.	20,00,000	..	5½	May	..	59.00	100
Do. do. (2nd)	10,00,000	..	4	May	..	56.00	100
Kumardhubi Fireclay & Silica	2,00,000	1915	7	June	Dec.	63.00xdN	100
Martin Burn (k)	30,00,000	1946	5	Apr.	Oct.	98.50	100
McLeod and Co. (1st) T.	10,00,000	1930	5	July	Jan.	53.00	100
Do. (2nd)	40,00,000	1936	5	July	Jan.	70.00	100
Metal Box Co.	30,00,000	..	6	..	..	84.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6	Feb.	Sept.	93.50	100
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6	June	..	9.00	10
Mysore Lamps R.C.T.F.	2,50,000	..	4	Aug.	..	6.50	10
National Tobacco (Old) (p)	25,00,000	..	5	Mar.	Sept.	69.00	100
Do. do. (New) (q)	19,93,000	..	4½	Mar.	Sept.	58 00	100
Orient Paper	69,88,000	1936	5½	Jan.	..	89.50	100
Do. (2nd) (r) T.	60,00,000	..	5½	Apr.	Oct.	61.00	100
Rohtas Industries (Old) T.	20,00,000	1936	7	Apr.	..	124.00	100
Do. do. (New)	85,04,700	..	4½	Apr.	..	64.00	100
‡Smith Stanistreet & Co.	5,00,000	1920	10	Feb.	Aug.	65.00	50
Spencer & Co. "A" C.T.	23,20,000	1898	6½	Jan.	July	8.00cd	10
Do. "B" C.T.	36,80,000	1922	8½	Jan.	July	11.00cd	10
Standard-Vacuum C.	75,00,000	1955	6	June	Dec.	100.00	100
Star Paper	10,00,000	..	5	Mar.	Sept.	70.00	100
Tata Chemicals T.F.	59,97,000	..	5	June	..	92.50	100
Tata Oil Mills C.	29,88,800	1946	4½	July	..	58.70	100
Titagur Paper Mills	11,50,000	1899	8	Jan.	June	136.00	100
Do. do. (2nd)	15,00,000	1934	4½	Jan.	July	78.00	100

** These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive in non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus profits available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free
R.O.—Redeemable at option. N.R.—Non-Redeemable. P.—Participating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50,00,000	5,37,500	1,01,25,505	44,03,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.22	2	0.19	0.19			12	Y.
48,00,000	24,00,000	1,40 93,494	78,99,035	17,302	M.	50,596	1,031	B. R. Cotton Mills	18.00	100	Nil	Nil	Nil		8	Y.P.T
2,56,98,800	3,42,88,483	7,95,30 951	3,93,39,819	85,708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,480	3,646	Bombay Dyeing & Mfg. Z	56.40	25	2.50*	2.50	2.56	0.75‡	12	Y.
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	133.75	50	12.50	20.00	15.00	7.50	8	Y.P
1,13,85,650	2,79,59,276	7,45,32,167	2 69,98,824	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	432.75	100	22.00	22.00	22.00	8.00‡	12	Y.
49,00,000	25,42,826	1,19,99,766	65,07,035	—33,08,097	V. J. Pilani (Chairman and Managing Director)	50,596	698	Colaba Land & Mill	46.00	100	Nil	..			12	Y.
26,00,000	28,31,920	1,13,36,792	67,79,552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	80,984	680	Coorla Spg. & Wvg.	125.00	100	7.50	12.50*	12.50*	12.50*	8	Y.
28,00,000	26,37,709	90,59,554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	78.00	50	15.00	—	7.50F	5.00	8	Y.
84 00,000	26,36,889	1 12 98,983	69,27,928	—11,15,096	Puranmal Bubna Sons	46,668	928	Edward Textiles	215.00	200	18.00	15.00	15.00		12	Y.
29,98,050	15,72,144	1,31,76,951	81,20,935	....	M.	45,996	886	Elphinstone Spg. & Wvg.	30.50	50	5.00	15.00	Nil		12	Y.P
50,00,000	65,54,875	1,67,84,054	89.06,207	37,155	James Finlay & Co., Ltd.	52,528	784	Finlay Mills	261.50	100	20.00	20.00	20.00		12	Y
50,00,000	48,98,022	94,91,910	61,37,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	178 50	100	15.00	15.00	15.00		12	Y.
11,84,000 16,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills	4,725.00xd 992.50	1,000 250	300.00 75.00	325.00 81.25	850.00* 87.50*	850.00 87.50	8	Y.P.
2,50,00,000	56,39,672	4,90,61,319	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	8.64 1.14	0 100. 0 1D.	0.94 0.19	0.92 0.18			12	Y.
8,65,000 85,000	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	3,860.00xd —	1,000 500	300.00 150.00	300.00 150.00	825.00* 162.50*	825.00 162.50	8	Y.P.
59,85,000	47,84,646	3,32,60,641	2,39,44,370	30,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	154.50	100	12.00	10.00	10.00(c)	10.00	6	Y.P.
1,00,60,000	1,18,27,791	3,67,76,376	2,84,94,794	52,791	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	235.50	100	18.00	18.00	18.00	4.00‡	12	Y.
33,18,800	46 27,870	1,28,83,753	67,99,178	43,271	N. Sirur & Co. Private Ltd.	49,000	644	Modern Mills	46 00	50	8.00*	8.00*	5.00'C'		10	Y.T.
51,75,000	42,39,896	2 75,32,726	2,00,41,588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg. & Wvg.	230.00	100	14.00	15.00	14.00(c)	15.00	6	Y.P.
1,60,63,400	1,42,58,205	10,55,96,105	3,40,00,000	1,23,937	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	238.00	100	12.00	14.00*	14.00		12	Y.P.
24 00,000	25,62,456	82,11,723	48,70,075	1,495	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	92.00	100	10.00	10.00	5.00		12	Y.
30,00,000	11,72,134	101,83,002	63,37,034	....	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	207.00	100	10.00	10.00	Nil		12	Y.P.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	3,59,718	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	125.00	100	10.00	..	12.50F	10.00	8	Y.
40,00,000	45,64,554	53,92,841	25.34,581	1,63,546	Podar Sons Private Ltd.	82,600	930	Podar Mills	130.00	100	12.00*	12.00*	10.00		12	Y.P.
18,00,000	....	23,94,122	18,44,733	—1,10,689	M.			Sassoon & Alliance Silk Mill	9.76	10	0.50	0.25(c)	Nil		12	Y.
37,76,100	1,19,98,715	2,11,34,514	1,36,87,248	12,182	M. G. Investment Corp. Private Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	43.50	10	2.00	2.00	2.00		12	Y.
80,00,000	44,70,061	1,27,66,700	67,73,552	58,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	138.00	100	12.00	12.00	8.00		12	Y.P.
42.00,000	80,80,473	1,95,86,294	79,84,101	8,089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	168.00	50	10.00	12.00	8.50	8.50	8	Y.
87,80,000	2 50,26,472	2,96 16,751	1,87,99,317	1,55,642	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	420 00	100	20.00	22.50*	22.50*		12	Y.P.
1,00,00,000	95,03,854	2,76,30,400	1,44,86,214	29,124	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	204.50	100	12.00	14.00*	9.00		12	Y.P.
36,00,000	65,13,465	1,52,27,488	96,52,715	26,062	James Finlay & Co., Ltd.	40,328	549	Swan Mills	348.00	100	25.00	25.00	25.00		12	Y.
65,57,875	53,20,412	2,18,16,540	90,53,601	17,925	Tata Industries Private Ltd.	70,832	1,800	Tata Mills	84.00	25	4.00	8.50*	2.00		12	Y.T.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,136	1,212	Western India Spg. & Mfg.	4,475.00xd	1,000	800.00	800.00	825.00*	825.00	8	Y.P

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	130.00xd	100	7 00	12.00	5.00	5.00	6	Y.P.T
15,00,000	98 23,183	1,29,00,836	73,32,228	....	P. M. Hutheesing & Co., Ltd.	44,220	912	Aruna Mills	607 50	100	80.00	25.00	25.00		12	Y.P.
40,00,000	3,03,12,127	2,17,78,010	1,10,66,897	28,706	M.	66,412	1,216	Arvind Mills	998.00	100	85.00*	85.00*	85.00*		12	Y.P.
22,00,000	47,41,123	1,22,40,943	77,79,729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	85,908	892	Aryodaya Ginning & Mfg.	417.50xr	200	25.00*	30.00*	Nil		12	Y.P.
12,00,000	1,40,46,694	99,92,464	67,28,819	728	Lalbhai Dalpatbhai & Co.	87,368	914	Asoka Mills	633.75	100	80.00	80.00	80.00		12	Y.P.
2,06,25 000	2,60,65,170	6,22,25,491	2,74,71,141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,39,120	2,400	Calico	517.00	125	..	80.00	80.00	25.00	8	Y.P
63,00,000	28,51,630	1,44.37,907	1,02,61,820	20,815	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	432.50	250	80.00	100.00*	25.00*		12	Y.
52,00,000	91,54,187	1,55,49,668	1,07,88,296	92,673	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	817.00	125	85.00	40.00*	80.00		12	
15,00,000	64,29,775	69,45,065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	897.50	100	20.00	20.00	20.00		12	Y.P.
20,00,000	1,08,87,132	1,07,38,484	66,60,480	105	Lalbhai Dalpatbhai & Co.	32,828	636	Raipur Mfg.	698.75	100	85.00*	85.00*	85.00*		12	Y.P.
48,75,000	28,46,580	1,33,74,914	73,60,111	9,983	M.	35 196	648	Rohit Mills	130.00	100	Nil	8.00*	8.00*		12	Y.P.
57 96,300	2,88,74,105	2,17,82,370	1,17,57,907	1,76,451	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	631.00	50	27.00*	80.00*	25.00		12	
29,25,000	69,60,633	1,00,70,063	73,48,312	18,346	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	86,648	726	Shorrock Spg. & Mfg.	455.00	100	25.00	80.00*	20.00		12	Y.
35,00,000	38,00,929	1,28,90,368	90,20,784	23,300	Haridas Achratlal & Co., Ltd.	41,056	780	Vijaya Mills	570.00	500	85.00*	50.50*	40.00*		12	Y.P

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
15,00,000	3,05,456	38,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd.	13,044	856	Basanti Cotton Mills	6.25	10	0.50	0.60	0.60		12	Y.P.T.
7,11,280 3,00,620	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee, Esq. (Mg. Director)	33,336	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	4.00	Nil	8	Y.P.
24,00,000	1,50,000	1,20,71,237	49,68,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	105.00	100	Nil	Nil	Nil		12	Y.P.
19,00,000	24,30,708	1,39,78,961	73,14,165	—1,86,242	Kettlewell Bullen & Co., Ltd.	42,944	523	Dunbar Mills	140.00	100	2.50	6.00	Nil		12	Y.T.
50,08,000	85,968	76,97,825	21,97,325	82,836	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	8.25	10	Nil	0.87	0.50		12	Y.T.
1,60,00,000	2,29,91,250	09,62,835	1,40,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	12.00	10	0.87	1.00	0.75		8	Y.P
19,47,750O 5,00,000D	9,50,000	43,59,254	28,75,466	9,388	Hazareemull Heeralal	23,036	795	Rampooria Cotton Mills	15.00N 4.00N	10 1D	1.00 0.34	1.00 0.26	1.00 0.15		6	Y.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
11,98,600	5,57,619	30,87,104	19,12,220	16,013	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,000	17,82,554	1,87,65,112	68,45,582	6,710	C. S. Tyabjee, Esq.	86,136	716	Azam Jahi Mills	59.50	100	8.50(c)	5.00	8.50		9	Y.
1,21,50,000	1,47,74,679	3,67,98,866	2,76,43,043	2,90,471	Binny & Co. (Madras) Ltd.	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills	161.00	100	80.00	80.00	10.00'C'	4.00‡	12	Y.P.
35,00,000	74,79,507	1,41,25,225	1,10,21,274	1,04,207	Birla Brothers Private Ltd.	89,896	1,088	Birla Cotton Spg. & Wvg., Delhi	26.25N	10	8.00	1.50	1.50	0.75	8	Y.P.T
1,78,47,800	2,99,20,000	6,93,67,943	4,19,97,472	1,92,471	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic	173.50	100	10.00	10.00	10.00	4.00‡	12	Y.P.
20,00,000	15,87,935	50,23,440	26,18,048	....	Peirce, Leslie & Co., Ltd.	87,536	4	Cambodia Mills	8.50	10	0.50	0.50	0 50(c)		12	Y.
15,00,000	5,11,500	53,88,579	29,91,389	1,08,342	Damodaran & Co.	20,600	..	Cannanore Spg. & Wvg.	136.50	100	12.00	15.00	20.00	12.50	12	Y.
30,00,000	33,43,336	76,05,050	59,57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Text'les	4.31	5	Nil	0.25	0.25	Nil‡	12	Y.P.T.
9,36,560	5,81,645	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	10.80	10	0.62	0.75	0.90	0.90	8	Y.
35,21,862	22,09,767	69,79 002	31,91,699	698	R. Bheema Naidu & Co.	30,864	..	Coimbatore Cotton Mills	128.00cd	100	25.00	25.00	9.00'C'		12	Y.P.
18,15,000	7,25,195	39,16,552	24,29,633	....	T. A. R. Chettiar Sons & Co.	25,840	180	Coimbatore Murugan Mills	91.00	100	20.00	12.00			12	Y.P.
20,00,000	18,28,450	30,21,737	44,09,621	599	T. R. N. Naidu & Co.	38,226	..	Coimbatore Pioneer Mills	260.00	100	20.00	20.60	20.00		12	Y.
20,76,900	5,076	1,37,90,104	38,52,968	—7,29,806	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	45.00	50	8.00	10.00	Nil		12	Y.P.
46,87,500	27,24,735	2,42,10,703	1,54,86,354	....	Tata Industries Private Ltd.	67,452	1,620	Central India	89.50	100	8.00	Nil	Nil		6	Y.
26,90,661	19,55,000	1,04,60,142	44,85,815	21,830	R. Hanumanthappa & Son	28,816	800	Davangere Cotton Mills	113.50	100	9.00	9.00	9.00	9.00	8	
3,38,36,225 1,00,563	3,59,53,968	12,81,26,690	7,47,89,631	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,41,180	2,352	Delhi Cloth & General Mills	29.06	25 2½	2.25 0.22	2.50 0.25	2.00 0.16	2.00 0.16	6	Y.P.T.
47,98,296	26,25,000	84,28,224	49,84,057	1,965	M. N. Chettiar & Sons	42,212	201	Dhanalakshmi Mills	172.00cd	100	80.00	25.00	10.00'C'		12	Y.
63,00,000	1 05,56,192	1,69,12,424	1,41,93,839	75,521	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	12.19	10	1.00	1.25	1.00		9	Y.P.
48,81,000	43,55,161	1,36,06,042	77 13,982	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	132.00	100	15.00	13.00	8.00		12	Y.
2,50,00,000	8,75,000	5,73,71,041	1,64,46 856	1,00,48,693	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	13.92	10	Nil	Nil	Nil	Nil	8	Y.P
50,00,000	6,94,589	1,59,76,049	1,21,32,273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	51,180	1,356	Indore Malwa United	97.00	100	9.00	11.00	6.00		12	Y.
8,90,000	10,66,553	35,60,221	20,68,005	....	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	68.50	50	10.00	10.00	8.00		12	Y.
15,54,000	15,02,599	57,13,937	33,88,095	7,012	Mr. Bhairuratan Damani (Managing Director)	20,212	512	Jam Shri Ranjitsinghji	1,450.00	1,000	50.00	60.00	40 00		6	Y.
4,63,65,300	3,05,67,516	4,59,43,795	3,29,32,899	3,47,483	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	9.76	10	4.00§	0.55	0.85	0.25	12	Y.P
42,00,000	19,25,000	1,05,81,567	38,28,676	91,772	Kothari & Sons	41,040	800	Kothari Textiles	9.12	10	1.00	1.00	1.00		6	Y.P
32,00,000	63,39,487	1,84,50,574	1,25,78,615	2,294	M.	51,008	1,243	Lakhshmi Cotton Mfg.	400.00	250	42.50	42.50	15.00		12	Y.P.
71,00,000	66,85,960	2,25,46,381	1,29,69,687	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	98.50 48.00	50 25	12.50 6.25	12.50 6.25	10.00 5.00	6.00 3.00	8	Y.
1,75,02,480	4,24,40,278	5,90,89,121	3,96,10,817	6,92,368	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	25.00	15	3.00	2.62	2.25		12	Y.
12,00,000	3,67,363	29,03,352	18,76,700	218	V. K. Eradi (Chairman)	22,592	100	Malabar Spg. & Wvg.	80.00N	200	Nil	8.00			12	Y.
60,00,000	69,00,000	66,60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	329.00	100	35.00	42.50	20.00	20.00	8	Y.
29,80,884	12,88,081	93,11,180	51,89,457	19,733	N. Sirur & Co. Private Ltd.	89,896	704	Minerva Mills	60.00	100	6.00	6.00	Nil		12	Y.
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	172.50	250	7.50(c)	7.50			6	Y.P.
24,83,500	39,98,562	1 13,65,249	72,49,736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	83.00	50	6.00(c)	9.00*	9.00*	5 00	2	Y.
18,61,780	....	29,12,641	17,83,814	8,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6.25N	10	Nil	Nil	Nil		8	Y.
37,23,200	39,29,981	1,73,83,244	67,86,683	....	M.	87,788	902	Osmanshahi Mills	44.00	100	2.50(c)	3.00(c)	Nil		9	Y.
4,00,000A 6,00 000B	13,00,000	71,79,976	28,66,277	8,909	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	126.00 180.00	50A 75B	12.00 18.00	15.00 22.50	9.00 13.50		12	Y.P.
15,00,000	....	35,52,644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	38.50	100	4.00(c)	Nil	Nil		12	Y.
16,81,200A 8,40,600B	31,21,189	1,06,11,851	58,39,265	8,877	A. G. Gurusamy Naidu & Co.	59,264	800	Radhakrishna Mills	135.00 62.00	100A 50B	20.00 10.00	20.00 10.00	12.00 6.00		12	Y.
19,53,275	30,55,750	76,37,378	32,62,433	....	B. R. Naidu & Sons	37,096	..	Rajalakshmi Mills	64.00	50	10.00	7.50	4.50		12	Y.P
16,14,300	14,00,000	58,40,286	20,95,405	....	Ramco Agencies Private Ltd.	24,996	..	Rajapalayam Mills	117.00	100	10.00	10.00	12.00	8.00	8	Y.
22,32,650	11,50,000	53,72,976	23,15,892	5,286	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	100.00	100	10.00	10.00	10.00		12	Y.
15,90,000 10 000	2,69,010	3,15,04,564	2,05,50,756	—34,29,635	M.	95,232	2,282	Sholapoor Spg. & Wvg.	425.00 —	1,000 500	Nil	Nil	Nil		8	Y.P
36,69,700	21,91,449	1,05,51,059	61,65,564	87 576	H. N. Pallegar, Esq.	80,744	292	Sri Krishnarajendra Mills	60.00	50	5.00	7.00	7.00	4.50	8	Y.
15,00,000	3,63,33,415	1,06,79,186	80,23,012	30,16,282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	81.00N	10	6.00	6.00	6.00	6.00	8	Y.
17,50 000 O 1,57,50,000 PO	2,36,28,071	5,28,86,193	1.97,31,347	2.64,970	M.	1,12,216	2,098	Swadeshi Cotton (Kanpur)	10.25 10.25	10O. 10P.O.	0.75 1.15	0.75 1.15	0.75 1.15		12	Y.P.
1,00,00,000	60,00,000	3,88,81,393	1,95,13,492	1,78,216	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	16.60	10	0.75	1.00	1.00		12	Y.P.T
13,98,730	9,45,940	19,58,289	13,60,120	794	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.62	10	0.90	1.12	0 90		12	Y.
21,00,000	39,86,738	86,80,895	51,76,507	12,000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	201.00	100	20.00	20.00	12.00		12	Y.P.
32,00,000	18,73,770	1,85,96,083	1,17,44,692	—9,85,569	The Bombay Co. (Private) Ltd.	49,660	1,875	Vishnu Cotton	92.00	100	8.00	8.00	Nil		12	Y.P.

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

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
71,39,780	6,27,794	1,53,40,852	52,19,911	49,516	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	9.85	B. 10	1.00*	1.00	1.00		12	Y.P.
59,89,343	36,548	1,57,05,664	21,936	6,415	M.	Ashoka Cement Ltd.	8.12	10	..	..	Nil	Nil	3	Y.T.
12,71,80,070 6,84,26,150	10,06,76,940	36,32,76,342	12,89,15,052	1,98,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	146.50xd	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
83,92,587	....	1,23,58,448	16,77,717	779	Tandulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.52	10	0.30	0.60	0.60		12	Y
1,44,10 795 5,00,000	58,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	9.69 2.63	O. 10 D. 1	1.25 0.12	1.25 0.12	1.20 0.12		12	Y.P.
1,09,79,135	30,37,736	2,18,27,299	73,38,865	71,092	Essen Private Ltd.	India Cements Ltd.	— 5.30	O. 25 D. 5	1.87 0.37	2.06 0.41	2.06 0.41	2.25 0.45	3	Y.P.
1,50,00,000	4,00,000	4,72,60,138	89,99,750	21,36,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10.06	10	0.75	1.25	Nil		3	Y.P.
1,00,00,000	81,43,497	3,25,68,768	1,17,79,528	87,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13.00	10	1.25	1.25	1.50		12	Y.P.
1,34,20,280	48,94,785	3,55,77,865	1,29,16 661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	131.00	100	8.50	9.00	9.00		12	Y.P.
75,00,000	17,70,000	2,18,91 926	1,54,88,889	18,727	M.	Sone Valley Portland Cement	5.25	5	0.30	0.15	0.30		12	Y.
50,00,000	6,00,000	1,04,84,565	48,83,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	8.90	10	0.62	0.60	0.60		12	Y.

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
13,50,000	8,88,041	10,99,022	6,14,954	12,83,240	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	15.43	100.	1.00	3.00	1.50	..	9	Y.P.
50,50,275	8,45,000	1,20,18,973	35,41,847	20,913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.19	2½	0.25	0.25	0.25		11	Y.
10,00,000	34,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	30.25xd	10	1.75	0.87	1.75	1.75	3	Y.
£1,871,300	£1,348,400	£2,621,717	£1,593,562	11,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3.54	Sh. 2	10.8d.*	4.8d.	4.82d		12	Y.
O.15,00,000 F.5,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	10.62	10	1.00 3.00	Nil Nil	Nil Nil		6, 12	H.
6,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.10	10	0.75	1.00			3	Y.
20 00,000	36,50,291	49,10,494	27,87,433	1,15,708	Bird & Co. Private Ltd.	Orissa Minerals	26.37	10	2.00*	1.00‡	2.00		6	Y.
7 00,000	71,05,000	74,84,368	29,53,314	62,523	Killick Industries Ltd.	Shivrajpur Syndicate	87.50	10	3.00*	3.00*	3.00*		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
41,27,700	37,60,000	1,10,24,566	49,60,560	31,069	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	161.50	100	8.00	10.00	12.00		12	Y.P.
62,00,000 1,86,42,455A	1,02,92,519	2,75,52,962	60,65,069	1,20,250	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	18.37 —	10 10New	0.80 ..	0.80 ..	0.80 ..		9	Y.P.
60,00,000	....	67,15,919	....	1,15,111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	108.50	100	Nil	Nil	Nil		12	Y.P.
89,27,800	11,05,700	2,96,61,485	67,85,495	53,686	Lalbhai Sons & Co.	Atul Products Ltd.	223.75	100	5.25	6.00	8.00		12	Y.
48,17,200	48,38,400	1,45,22,658	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	95.50	100	6.00	6.00	6.00	6.00	3	Y.P.T.
21,50,000 42,74,800	63,31,297	1,48,64,534	57,89,669	9,989	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	89.00xd —	100 100New	12.00 ..	9.00 4.50	7.50 3.75	6.00 6.00	3	Y.P.
3,46,06,075		4,29,69,769	2,38,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	7.50	10	Nil	Nil	Nil		12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jal H. Mehta	Kemp & Co.	206.00	200	12.00	15.00	15.00	15.00	3	Y.
40,50,000	16,32,446	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	11.90	10	0.70	0.75	0.75	0.87½	3	Y.P.T.
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	7.80	10	0.50	0.50	0.50		3	Y.
6,00,000	4,00,000	7,87,855	4,44,350	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	21.90	10	2.00	2.00	2.00		3	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	10.00	5	0.50	1.00	1.00	0.80'C'	6	Y.P.
10,00,000	12,00,954	19,34,602	14,27,276	87,365	M.	Polychem. Ltd.	67.00	50	..	..	..	Nil	3	Y.P.
1,39,95,990 56,00,000	17,19,952	4,57,35,637	1,71,48,316	3,736	Tata Industries Private Ltd.	Tata Chemicals	15.32	10	Nil	0.75	0.80	0.75	6	Y.P.T.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
8,74,78,305	78,99,565	13,80,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95.00	100	5.00	6.50	3.25	6.50	3	Y.T.
72,50,000	14,07,106	1,98,94,397	45,21,447	15,26,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.96	10	0.75	0.75	0.42½	0.85	3	Y.P.
8,02,76,250	76,70,609	9,08 96,522	2,41,70,836	32,105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,170.00	1,000	75.00	75.00	56.25	80.00*	3	Y.P.T.
1,75,00 000	54,34 572	3 30,22,445	77,23 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	109.75	100	7.00	7.00	7.00	7.00	3	Y.
7,07,020	99,267	16,08,942	7,53,744	199	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.60	10	0.75	0.62	Nil	0.50	3	Y.T.
1,18,89,000	9,35,596	1,40,77,220	53,14,908	7,836	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	111.00	100	10.00	10.00	2.50	7.50	3	Y.P.T.
60,62,500	25,74 514	1,34 27,302	42,37,719	3,823	Killick Industries Ltd.	Surat Electricity	113.00	100	7.00	..	8.75	7 00	3	Y.P.
2,39,99 575	74,19,097	6 63,96,657	1,61,14,106	23,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	119.50	100	7.50	7.50	5.52	8.00*	3	Y.P.
5,15,85,750	2,13,05,278	16,15,83,754	3,15,30,93	29,701	Ta a Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,193.75	1,000	75.00	75.00	56.25	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
19,99,600	44,26,245	1,12,31,458	33,25,323	49,395	MartinBurn Ltd.	Agra Electric Supply Co., Ltd.	145.00	100	10.00	10.00	10.00	10.00	3	Y.T.
3,00,000	14,59,897	50,97,022	18,71,544	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14.87	10	1.00	..	1.25	1.00	3	Y.T.
7,00,000	35,12 989	1,29,85,469	37,39,559	38,395	Martin Burn Ltd.	Benares Electric Light & Power Co.	14.12	10	1.25	..	1.25Z		3	Y.T.
5,91,860	5,95,855	21,28,477	9,59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	7.37	8	0.50	..	0.62Z		3	Y.
£4,262,646	£8,460,286	£30,407,122	£10,881,162	130,008	Harry Burn Esq. (Chairman)	Calcutta Electric Supply	14.56	£1	6%	6%	8½%Z		3	Y.P.T.
6,60,000	5,11,491	28,13,024	8,33,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.00xd	10	0.62	..	1.00Z	0.65	3	Y.
43 20,000	16,40,106	98,00 595	33 79,613	8 16,830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	100.00	100	6.00	6.00	6.50	7.00	3	Y.P.
5,34,640	96,514	29,51,444	12,22,358	3,590	Moonna Lall & Sons	Jhansi Electric Supply	6.62	10	0.69	..	0.86Z	0.62½	3	Y.T.
2,49,700	25,37,546	98,31,343	35,83,665	29,425	Martin Burn Ltd.	Jubbulpore Electric Supply	13.50	10	0.91	0.40	0.92	0.92	3	Y.
4,95,000	2,21,374	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.25xdN	9	0.50	..	1.22Z	0.72	3	Y.
5,82,390	3,35,296	32,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8.00	10	Nil	..	1.25Z	1.00	3	Y.
6,99,850	1,67,563	15,28,892	7,17,358	18,925	G. D. Bhagat, Esq.	Muttra Electric Supply	11.50	10	0.60	0.80			3, 9	H.
85,10,478	87,51,068	1,32,14,704	51,65 504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.50xd	10	0.75	..	1.25Z	0.75	3	Y.T.
9,10,000	1,93,940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25xd	10	0.50	Nil	Nil	0.50	3	Y.
16,80,000	11,63,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	11.00	10	0.75	..	0.94Z	0.63	3	Y.T.
56,00,000	9,42,407	1,85,49,991	54,65 888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	11.90	10	0.91	0.91	1.28	0.87	3	Y.P.T.
5,99,250	4,67,280	21,09,262	9,36,176	9,038	Martin Burn Ltd.	Upper Ganges Valley Electric Supply	13.00	10	0.94	..	1.25	1.00	3	Y.
5,00,000	6,65,006	25,81,076	8,92,154	32,516	Martin Burn Ltd.	Upper Jamna Valley Elec. Supply	18.00	10	1.25	1.25	1.25		3	Y.
56,01,185	65,36,540	3,01,72,909	84,072	83,837	Martin Burn Ltd.	U. P. Electric Supply Co.	136.00	100	10.00	10.00	10.00		3	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.00	1.00	1.00	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
33,43,206	52,81,831	74,21,408	62,82,616	25,010	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	254.00	100	12.50	15.00	12.50		12	Y.
14,99,960	3,25,000	15,31,033	5,71,244	4,132	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	65.00	60	3.00	3.00	3.00		12	Y.
6,40,000	3,75,000	1,57,259	1,17,027	1,448	M. R. Rao Esq. (General Manager)	Jost's Engineering	70 00	50	4.00	4.00	5.00	5.00	3	Y.
44,96,250	2,57,957	55,59,741	16,71,411	56,266	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	6.12	10	Nil	Nil	Nil		9	Y.P.
50,00,000	15,01,511	44,29,526	20,09,704	25,546	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	17.24	10	1.00	1.00	1.00	1.25	3	Y.P.
55,00,000	26,00 000	1,05,24,440	12,56,894	1,16,134	M.	Mahindra & Mahindra Ltd.	18.24	10	1.00	1.25	1.75		10	Y.P.
11,00,000	49,774	81,43,786	18,71,575	31,416	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	80.00	100	Nil	Nil			7	Y.P.
39,69,895	24,80,000	83,15,927	81,99,497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	14.08	10	Nil	Nil	1.00	1.20	3	Y.P
22,50 000O. 1,31,250Pr.	1,28,56,576	7,51,153	73,248	1 43,527	Walchand & Co. Private Ltd.	Premier Construction	221.00	30	3.50	3.50	10.00		12	Y.P.
9,63,75,000 9,51 47,175	28,26,43,033	147,05,45,438	42,01,71,546	4,49,862	Tata Industries Private Ltd.	Tata Iron and Steel	172.25 171.50	75old 75new	10.50 ..	10.50 ..	9.50 2.54	8.25 7.56	3	Y.P.
5,04,00,000	65,53,390	16,75,33,296	6,63,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	163.25	100	Nil	6.00	8.00	9.00	3	Y.P.T.
1,50,00,000 1,05,00,000	28,75,537	66,54,806	10,96,031	4,38,920	B. H. Schuepp, Esq. (Mg. Director)	Voltas Ltd.	140.50	Old 100 New 100	5.00 ..	9.00 ..	9.00 6.00		3	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	9.12	10	..	..	Nil		10	Y.P.T.
50,00,000	19,00,000	1,22,29,219	79,69,445	97,400	Bhartia Co., Ltd.	Bhartia Electric Steel	15.00	10	1.25	1.25	1.25		12	Y.
56,59,790	61,42,015	59,77,844	7,01,161	1,82,269	Y. S. Tayal, Esq. (Secretary)	Braithwaites & Co. (India) Ltd.	31.37	7	1.75	2.00	2.00		12	Y.
12,00,000	25,05,000	49,19,444	27,99,444	1,73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34.00	10	1.50	2.00	2.00		12	Y.T.
19,78 570	5,14,361	46,62,428	14,72,196	51,637	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6 00	10	1.00	0.50			3	Y.P.T.
40,00,000	39,42,365	83,13,780	37,68,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	11.19	10	1.50	0.60	0.60		12	Y.T.
5,00,000	3,96,358	19,15,871	12,28,274	77,782	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	21 25N	10	Nil	Nil	2.00		12	Y.
84,00,900	1,99,04,936	4,42,87 297	2 71,68,251	1,30,345	Martin Burn Ltd.	Burn & Co.	365.00	100	15.00	20.00	20.00	20.00	4	Y.T.
1,00,00,000	2,02,39,092	3,89,31,446	1,68,28,306	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	37.50	10	..	2.30	2.00		12	Y.
12,50,000	23,50 000	60,07 710	38,80,350	5,810	Martin Burn Ltd.	Hooghly Docking	118.00	50	6.25	6.25	5.00		12	Y.P.
36,94,590	4,35,000	48,03,664	23,13 944	4,22,513	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	16.75	10	1.00	Nil	Nil		12	Y.P.
3,36,74,100	18,72,11,475	43,94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	25 80	10	1.00	1.00	1.00	1.00'C'	3	Y.P.
38,98,500	54,64,443	1,09,97,195	64,95,575	42,976	Martin Burn Ltd.	Indian Standard Wagon	86.00	25	6.25	7.50*	7.50*	5.00	3	Y.P.
32,00,000 26,580	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	80.00xd 14.50xd	0.10 0.1	3.00 0.30	3.00 0.30	4.00* 0.40*	4.00* 0.40*	3	Y.
68,62,575	52,15,306	2,84,90,851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	193.00	100	12.00	10.00	15.00	12.00	3	Y.P.T.
1,01,89,000	51,82 537	1,72 18,507	62,69,132	51,642	M.	Jessop & Co.	25.19	10	3.00	Nil	Nil		10	Y.P.
24,23,187	10,05,500	43,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	13 48	10	0.50	0.60	0.90	1.00	3	Y.
18,43,200	54,56,724	72,53,319	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	8.75	3	0.50	0.62	0.45		11	Y.P.T.
10,50,000	23,78,264	17,13,875	13,52,941	1,35,774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	5.50	2	0.30	0.40	0.40		6	Y.
49,96,000	6,07,922	1,08,46,46,750	63,10 209	8,28,210	M.	National Iron and Steel Co., Ltd.	9.06	10	0.25	0.62	0.62		3	Y.P.
40,00,000	30,56,944	50,33,480	13,59,471	9,633	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.12N	10	1.50				6	Y.P.
6,00,000	8 16,855	29,83,251	18,00,849	21,633	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	6.25	4	0.25	0.25	0.40	0.40	3	Y.
1,50,00,000	40,87,211	3,55,99,392	1,47,60,898	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	20.75	10	1.00	1.25	1.50		12	Y.P.T

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
13,50,000	46,99,060	1,33,51,354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	11.69	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	35.30	50	3.00	3.00	3.00		12	Y.
5,15,000	1,84,95,246	12,38,65,607	....	....	R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	212 50	100	25.00				12	Y.
24,00,000	62,91 344	1,26 11,707	....	3,40,686	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	26.25	10	2.00	2.00	2.00		12	Y.
18,74,940	3,16,61,024	4,00,62,157	....	5,97,428	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	7.12	15	Nil	Nil			12	Y.P.
20,00,000	53,99 401	1,56,15 926	....	10,976	M. G. Mody, Esq.	New Great Insurance	21.43	20	1.50	1.50	2.00		12	Y.
1,06 81,390	7,19,81,437	13,20,95,176	....	1,41,481	B. K. Shah, Esq.	New India Assurance	52.25	15	2.50	3.00	3.00		12	Y.
6,00,000	78,22 32,610	82,01,80,624	....	....	L. S. Vaidyanathan, Esq.	Oriental Life Assurance	4,010.00	200	200.00				12	Y.
32,00,000	65,90,0?4	1,60,63,502	....	29,354	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	6.28	8	0.50	0.62			12	Y.
5,75,000	67,91,968	42,97,523	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	149.00	25	11.25	11.25	11.25		12	Y.
15,99,270	33 72,513	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	19.76	10	1.25	1.50	1.50		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
35,00,000	36,85,342	36,73,792	36,11,118	1,55,753	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	6.50N	7	1.50	1.50			12	Y.P.
1,00 00,000	1,44,75,961	94,16,791	49 77,641	1,06,640	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co. Ltd., A.	24.75	10	4.00*	2.00	2.00		12	Y.P.
76,07,475	35 83,424	2,22 53,663	1,37,40,856	5,511	Tata Industries Private Ltd.	Tata Oil Mills	44.25	25	2.00	3.00	2.50	2.50	3	Y.P.
6,00,000	9,41,500	2,24,955	1,61,723	63,892	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India), Ltd.	13.69	10	1.09	1.25	1.25		10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—Dividend is for fifteen months ended 31st March 1957.

MISCELLANEOUS COMPANIES—Continued.

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
						PAPER								
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	87.50xd	25	4.69	2.50	3.12	2.001	12	Y.P.T.
63,00,000	61,52,258	1,94,26,902	88,79,418	29,471	Andrew Yule & Co., Ltd.	India Paper Pulp	20.50	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,965	87,33,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17.40	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	31.25	10	1.12	0.62	1.50	1.50	3	Y.P.T.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	15.37	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000 / 'A'10,60,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12.37 / 12.37	O. 10 / A. 10	1.25 / 1.25	1.05 / 1.05	0.60 / 0.60		9	Y.P.
2,18,55,240	48,43,060	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.75	10	5.00‡	0.50	0.50		6	Y.P.
64,00,000A. / 54,04,800B. / 4,37,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	42.75 / 41.50 / 3.94xd	A. 10 / B. 10 / P.O. 2½	2.00* / 2.00* / 0.25	1.12* / 1.12* / 0.12	2.38* / 2.38* / 0.24	2.38* / 2.38 / 0.24	3	Y.P.
						SAW MILLS AND TIMBER								
13,99,998	22,83,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	3.94	3	Nil	Nil	Nil		9	Y.
1,34,58,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corpn.	463.00 / 170.00	Old125 / New50	37.50 / 15.00	40.00 / 13.75	40.00 / 16.00	05.22	5	Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	44.00	10	3.00	3.00	2.75	1.001	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	15,30,406	42,92,220	31,12,074	57,702	M.	Balrampur Sugar	8.00		0.06	Nil	0.25			Y.
12,00,000A. / 3,00,000B.	29,80,260	55,40,831	36,82,435	12,12,000	Narang Bros & Co Private Ltd.	Basti Sugar	185.00N / 11.50N	A. 100 / B. 10	10.00 / 1.00	10.00 / 1.00			4	Y.T.
19,49,050	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	11.94	7½	0.75	1.00	1.00		9	Y.
15,00,000	13,51,518	19,28,777	18,40,840	7,658	Cotton Agents Private Ltd.	Bharat Sugar	13.50N	10	1.50	1.50	1.50		6	Y.P.
32,00,000	25,22,515	1,45,76,657	98,94,838	—2,23,014	Gladstone Lyall & Co., Ltd.	Carew & Co.	8.62	10	0.25	Nil	Nil		6	Y.P.T.
80,00,000	54,39,509	1,65,39,057	93,52,334	—8,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	10.06	10	0.75	0.75	Nil		10	Y.P.
18,0 0,000	38,41,544	85,45,310	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	17.50	10	1.50	1.00	Nil	1.00	6	Y.
9,58,252	2,59,762	25,14,158	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	10.00N	10	0.50	0.50			8	Y.T.
18,00,000	12,51,626	79,38,781	49,86,047	1,05,664	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	55.00	40	2.25	4.00	7.00		7	Y.P.
7,89,100	22,50,288	48,69,619	26,90,926	79,525	Cotton Agents Private Ltd.	New India Sugar Mills	28.00	10	2.50	2.50	2.50		6	Y.P
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5.00	10	0.25	0.37	0.37		5	Y.
13,21,100 / 33,275	49,91,797	73,75,775	27,02,863	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	237.50 / 50.00N	100 / 25	20.00 / 5.00	20.00 / 5.00	20.00 / 5.00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	142.50	100	11.00	11.00	12.50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	13.50	10	0.75	0.75	Nil		10	Y.P.
63,59,400	48,34,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	12.75	10	1.50	1.50	1.50		10	Y.
8,00,000	6,21,932	28,74,398	23,31,931	2,175	M.	Ryam Sugar	17.25	10	Nil	1.75	1.50		6	Y.P.
11,99,000	16,33,214	47,23,583	25,18,422	—2,20,852	M.	Samastipur Central Sugar	12.00	10	Nil	1.75	Nil		6	Y.
39,88,800	22,68,560	1,47,99,287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.52	10	1.75	1.00	1.00		7	Y.P.T
10,02,115	24,660	29,48,608	14,35,401	—3,16,557	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2.37	10	Nil	Nil	Nil		6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
8,00,000	34,74,348	1,27,30,247	80,57,754	9,663	Cotton Agents Private Ltd.	Upper Ganges Sugar	85.00N	10	2.50	3.00	5.00		6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.	United Provinces Sugar	14.50	10	1.50	0.60	0.75		9	Y.
						Other Centres								
30,00,000	19,50,000	76,27,625	18,97,501	15,070	Rangarao & Co.	Andhra Sugars Ltd.	20.00	10	0.60	1.00	1.25		9	Y.
70,49,650	1,33,26,508	1,53,99,065	1,08,78,700	2,88,214	W. H. Brady & Co., Ltd.	Belapur Company	264.50xd	50	16.00	16 00	18.00	20.00*	9	Y.
17,50,000	13,19,902	42,58,150	25,46,204	1,21,343	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	25.55	10	1.00	1.50	2.00	2.00	9	Y.P.
37,50,000	16,15,171	76,19,408	50,40,255	31,529		Shree Changdeo Sugar	30.25	12.50	2.00	5.00	2.25		9	Y.
39,84,000	50,19,492	1,19,44,328	66,95,463	1,49,743	Parry & Co. Ltd.	Deccan Sugar & Abkhari	9.70xd	5	0.50	0.75	0.72½'C'	0.90	5	Y.P.
£549,950	£1,197,467	£1,887,940	£701,435	£52,719	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	80.30	£1	Sh. 4	Sh. 3	Sh. 3	Sh.11	9	Y.P.
15,93,900	15,86,419	43,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	Nil	6.00	10.00		6	Y.P.
63,98,200	11,02,669	78,71,515	18,86,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.15	10	1.40	1.12	1.00		9	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.00	10	1.00	0.60	0.60		6	Y.P.
10,52,000O. / 2,87,190D.	88,00,000	2,48,45,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd.	K. C. P Ltd.	120.00 / 134.00	O.100 / D. 10	7.50 / 10.00	7.50 / 10.00	7.50 / 10.00		6	Y.P
67,50,000	38,21,978	1,22,47,683	57,37,087	36,423	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	175.00	50	..	100.00*	100.00*		9	Y.P.
21,79,280	36,24,043	1,54,89,192	39,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	48.25	10	2.00	2.00	2.00		6	Y.
50,00,000	53,21,430	1,16,88,154	67,30,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	140.00xd	50	3.00	9.00	12.00*		9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	18.00	10	2.00	2.00	1.50		8	Y.P.T.
20,00,000O. / 4,00,000D.	42,07,214	1,04,79,940	59,30,787	70,575	Walchand & Co. Private Ltd	Ravalgaon Sugar Farm	135.00 / 30.00N	O. 50 / D. 10	9.00 / 0.07	12.00 / 0.70	12.00 / 3.75		9	Y.P.T.
30,00,000	23,85,000	65,43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	10.12	10	0.75	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,16,87,173	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries	265.50	100	18.00	21.00	21.00		9	Y.P.T
						TRANSPORT								
20,00,000	99,30,970	1,22,58,916	19,44,277	36,887	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	7.50	7.50	5.00		10	Y.P.
1,00,00,000	,27,23,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	13.08	10	5.00	6.00	12.00*		12	Y.
60,00,000 / 30,00,000	1,98,50,067	5,87,36,543	1,23,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	23.72 / 20.52	10 / 5	Nil	1.00	1.50	1.80 / 0.90	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	60.00	£10	Sh. 10	Nil	Nil		12	Y.P.
2,47,50,000	2,83,86,232	15,10,10,777	8,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	14.09	10	Nil	1.00	1.00	1.00	3	Y.P.
11,28,19,293	10,91,45,114	30,05,36,672	6,94,73,743	6,65,069	M.	Scindia Steam Navigation Co.	20.68	20	0.50	1.00	1.25	1.25	6	Y.T.
8,46,800O. / 2,10,200P.O.	21,67,472	12,59,968	8,41,760	1,85,400	R. R. Aiyer Esq (Manager)	Walford Transport Ltd.	2.03 / 1.94	O. 1 / P.O. 1	0.14 / 0.12	0.14 / 0.12	0.14 / 0.12		12	Y.
						UNCLASSIFIED (Bombay)								
57,00,000	2,01,70,510	4,79,59,818	1,35,62,169	89,94,000	S. H Turner (Chairman)	Hindustan Lever	127.75	10	..	1.25	1.40		12	Y.
31,07,000	16,29,510	1,09,45,989	67,14,407	14,986	Birla Brothers Private Ltd.	Hind Cycles	105.00	100	10.00	..	12.50F		3	Y.P.T
14,98,840	4,61,996	33,87,568	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	86.50	50	2.00	3.00	3.50*	3.00	3	Y.P.
99,99,250	20,18,147	1,25,61,398§§	....	1,74,683	Premchand Roychand & Sons	Industrial Investment Trust	85.80	100	4.50	5.00	5.50		12	Y.
1,00,00,000	28,08,446	38,85,170	11,25,734	2,758	K. G. Milne, Esq. (Mg. Director)	Killick Industries	156.25	100	11.00	11.00	11.00	4.001	6	Y.T.
20,25,325A.O.	63,14,265	3,42,78,324	1,69,93,078	6,31,752	Aero-Auto Private Ltd.	Premier Automobiles	86.00	100	Nil	6.00	6.00		6	Y.P.
21,60,000	29,18,738	64,65,614	14,63,874	64,880	Polson Agencies Private Ltd.	Polson Ltd.	152.50	10	10.00	12.50	10.00		12	Y.
2,75,00,000	1,44,18,441	3,87,52,891	1,65,58,348	89,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	186.75	100	11.00*	11.00*	11.00*		12	Y.
45,00,000	60,62,890	8,64,935	5,24,956	75,054	..	W. H. Brady & Co., Ltd.	297.50	150	20.00	22.50	25.00		12	
						Other Centres								
57,50 000 / 2,50,000	1,99,56,713	3,81,21,462	36,96,361	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	10.75 / —	O. 10 / D. 2½	Nil / Nil	0.50 / Nil	0.90 / Nil		3	Y.P.T
79,95,653	34,25,000	1 05,40,087	34,37,767	49,715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd.	18.45	10	1.25*	1.25	1.25	1.25	3	Y.
30,00,000	36,31,857	35,74,849	24,59,437	2,39,372	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	19.37	10	2.00*	2.00*	1.80*	1.50	3	Y.
30,00,000	17,14,736	33,54,872	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17.81	10	1.25*	1.25*	1.25*		12	Y.
20,00,000	35,94,600	1,05,12,033	39,58,423	3,29,936	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	7.75N	10	0.40	1.20	0.60		3	Y.P.T
30,01,400	34,59,405	74,46,133	40,46,133	5,00,886	M.	Balmer Lawrie & Co., Ltd.	144.00	100	12.50	15.00	12.50	5.001	12	Y.
12,00,000	17,56,000	34,55,743	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	30.00	10	2.25	2.50	2.50	1.251	12	Y.
20,00,000	8,48,877	....	....	14,920	Lovelock & Lewis	Birds Investment Ltd.	15.00	10	1.25	1.00	0.50	0.70	9	Y.P
45,97,020	38,11,814	1,15,02,202	42,92,212	2,18,164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	20.12	10	1.00	1.00	1.00	1.20	3	Y.P.T
3,25,00,000	1,27,72,883	3,51,40,132	2,47,20,776	—11,85,910	M.	British India Corporation Ltd.	4.12	5	Nil	0.10	Nil		12	Y.P.
5,00,000	2,47,132	8,43,622	6,98,409	85,418	Andrew Yule & Co. Ltd.	Central Hydraulic	82.00N	100	5.00	6.00	10.00*		6	Y.
1,38,80,000	17,84,264	2,05,94,990§§	....	3,10,588	Andrew Yule & Co. Ltd.	Clive Row Investment	11.25	10	0.56	1.38	0.75	0.75	3	Y.
3,00,00,000	4,40,29,606	6,50,49,175	2,63,24,548	22,32,643	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	29.50	10	1.50	1.50	1.62		12	Y.P.T
16,20,630	26,75,014	29,88,961	16,23,422	38,786	Mr. K. G. Khanna	Dyer Meakin Breweries	14.00	5	0.56	0.56	..	..	8	Y.
51,26,000	54,81,635	1,64,12,908§§	....	2,42,272	Bird & Co. Private Ltd.	Eastern Investments Ltd.	152.00	100	9.00	9.00	9.00		12	Y.P
14,94,675	....	22,64,862	91,811	5,110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10.00	10	..	..	..		12	Y.P
14,00,000	10,35,000	36,71,778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	164.00	100	15.00	4.00	12.50	15.00	3	Y.
40,00,000	4,00,000	63,89,740	32,43,367	10,90,318	M.	Godfrey Phillips India Ltd.	19.75N	10	2.00	2.00	1.50		12	Y.P
65,00,000	36,00,000	29,50,904	12,41,168	1,46,370	P. B. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	11.25	10	1.40	1.60	1.00	1.00	3	Y.P
30,00,000	15,17,354	33,08,821	36,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	250.00	250	6.25	15.00	15.00		3	Y.
4,96,13,250	18,37,499	5,26,95,200	2,25,48,541	9,38,841	Birla Brothers Private Ltd.	Hindustan Motors	7.31	10	Nil	Nil	Nil	Nil	3	Y.P
3,84,58,900	1,17,58,800	7,37,43,612	2,21,77,728	7,20,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	17.00	10	0.90	1.00	0.60		12	Y.P
1,52,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	29.00	10	1.25*	1.50*	1.50*	1.50*	3	Y.P.
8,27,970	6,03,000	16,74,908	9,50,806	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	17.00N	10	0.50	0.62			3	Y.P
2,00,00,000	....	....	....	....	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	23.81	10	..	..	1.00		9	Y.
15,16,00,000	9,06,59,979	10,61,81,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	11.87	10	0.30	0.30	0.70	0.70	3	Y.
2,50,00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	78.00	100	7.50	7.50	2.50	2.50	3	Y.P
40,00,000O. / 5,00,000D.	82,86,900	48,53,407	10,43,712	2,57,153	M.	McLeod & Co.	200.00N / —	O. 100 / D.O.10	22.50 / 1.75	3.60 / 0.30			12	Y.P
1,45,23,500	90,58,531	25,54,434	14,97,331	2,35,812	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28.00	10	1.81*	2.12*	2.12*		9	Y.P
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	81.00	10	1.25	1.62	1.75	1.75	3	Y.P
6,56,250	6,92,500	11,29,680	5,97,362	3,349	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	17.25	10	0.75	0.90	1.25		3	Y.P
10,00,000	8,70,000	18,04,172	10,70,792	4,088	M. Malleshayya, Esq. (Chairman)	Mysore Tobacco	12.10	10	1.00	1.50	1.50	1.25	3	Y.
2,00,00,000	83,55,505	2,14,82,470	61,83,962	23,42,424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	27.44	10	0.32	1.50	1.40		12	Y.
59,96,000	98 71,172	77,84,523	42,87,426	2,67,636	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	30 25	10	1.50*	2.00*	2.00		3	Y.T
40,00,000	20 00,000	86,22,809	17,66,013	24,266	Do.	National Rolling & Steel Ropes	13.06	10	0.60	0.60	0.60		6	Y.P
8,00,000	6,00,000	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	14.75 / —	10 / 5	..	..	1.00 / 0.50		12	Y.
79,97,000	68,89,261	1,25,70,061	65,79,851	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.87	10	0.80	0.70	0.90		12	Y.P.
2,20,00,000	42,21,781	89,43,238	33,40,874	63 842	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	16.62	10	..	..	0.34		12	Y.
2,25,00,000	4,83,498	1,22,26,543	60,08,534	—44,12,938	M. P. A. Paspatti, Esq.	Rallis India Ltd.	48.50	100	Nil	Nil	Nil		3	Y.P
2,50,80,000	1,57,90,209	13,84,94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	13.81	10	1.50	1.50		2.00††	3	Y.P.
4,73,200 / 5,13,400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100.00N / 50.00N	100 / 50	..	5.00 / 2.50	6.00 / 3.00	6.00 / 3.00	3	Y.P
70,00,000	17,66,818	1,67,21,608	34,47,040	66,321	M.	Sen-Raleigh Industries	15.68	10	0.60	0.60	0.60		9	Y.P
40,00,000	89,05,314	1,28,83,302	73,61,372	9,13,245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	18.50xd	10	1.50	1.50	1.50	1.50	6	Y.P
75,00,000	21,22,783	71,93,265	11,63,597	3,65,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	15.25	10	1.00	1.00	1.00		12	Y.
15,00,000	95,15,571	1,13,44,098	16,55,796	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	10.00N	10	1.00	1.25	1.25		12	Y.
9,98,330	19,925	14,83,995	5,18,593	—7,432	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	4.32	10	Nil	Nil	Nil		12	Y.
6,00,000	9,80,100	30,85,103	26,85,097	9,488	Vital Mallya, Esq. (Chairman)	United Breweries	285.00	75	15.00	15.00	15.00	45.00R	3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958.
R.—United Breweries—The final dividend of Rs. 37.50 for the year 1958 consists of Rs. 12.50 to be paid in cash, Rs. 25 per share by the allotment of one newly created share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	27.00N	10	4.75	5.00	1.00		12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea	18.50	10	1.00	2.00			12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	18.50	10	1.00	1.25	0.50		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	19.50	10	1.00	2.50	1.50		12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co., Ltd.	377	Basmatia	26.00	10	1.50	2.00	1.75		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	17.50	5	2.50	3.00	1.50		12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co., Ltd.	581	Betjan	22.00	10	2.00	2.50	1.50		12	Y.
33,00,000	15,39,600	73,93,588	30,33,388	3,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	19.12	10	2.00	2.00	1.00		12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	14.87	10	Nil	0.50	Nil		12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co., Ltd.	450	Bormah Jan Tea	17.50	10	2.00	1.50	Nil		12	Y.P.
35,00,000	15,33,395	81,87,373	29,08,331	5,44,800	M.	2,884	Brooke Bond	16.62	10	4.75	1.25	1.75		6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	67.00	10	3.00	3.00	2.00		12	Y.
8,40,000	7,77,250	31,03,643	18,55,911	—1,18,361	Jardine Henderson Ltd.	1,156	Dessal & Parbuttia	149.00	100	10.00	10.00	Nil		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	23.75	10	2.50	0.501			12	Y.P.
4,68,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	15.50	10	1.00	1.25	2.00		12	Y.
4,50,000	9,75,000	11,35,651	3,08,765	36,146	McLeod & Co., Ltd.	458	Dibrugarh	27.00	10	2.00	3.00	2.50		12	Y.P.
4,73,400	6,15,000	15,05,630	6,48,530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	26.27	10	2.00	3.00	3.00		12	Y.P.
7,00,620	10,33,300	23,48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Duffiaghur	34.00	10	4.00	4.00	3.00		12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co., Ltd.	1,166	East India Tea	18.50xd	10	1.00	1.00	0.50		12	Y.
5,03,760	6,36,175	13,30,198	5,28,090	16,110	M.	407	Gillapukri	28.00	10	3.50	3.00	2.50		12	Y.
6,76,000	4,38,700	19,45,409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	22.37	10	3.00	2.50	2.00		12	Y.
A. 7,41,540 / B. 3,61,185	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	27.50 / 14.62	A 10 / B 5	2.50 / 1.25	3.25 / 1.62	2.50 / 1.25		12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,598	Andrew Yule & Co., Ltd.	476	Hoograjuli	28.00	10	0.50	1.50	1.00		12	Y.
8,70,000	13,02,909	25,53,023	18,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	158.00	100	7.50	15.00	12.50		12	Y.
58,56,900	50,04,519	1,55,03,124	45,03,124	92,757	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	12.25	10	1.00	1.00	1.00		12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutlibari	18.81	10	Nil	1.00	1.75		12	Y.
2,40,000	11,30,500	12,75,848	6,72,848	65,988	M.	1,699	Kingsley-Golaghat (Assam)	185.00	100	25.00	25.00			12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	11.50	5	Nil	Nil	Nil		12	Y.P.
6,50,000	10,94,454	12,07,806	3,53,788	392	Duncan Bros. & Co., Ltd.	636	Ledo	17.75	10	1.00	0.75	Nil		12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	20.12	10	1.75	2.00	1.50		12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13.00N	10	Nil	Nil			12	Y.P.
O. 1,50,000	8,20,000	9,69,706	5,17,244	67,133	Kettlewell Bullen & Co., Ltd.	410	Mothola	415.00	100	50.00	60.00	40.00		12	Y.
P. 1,75,000 / O. 2,00,000	6,98,309	10,96,678	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	28.00 / 28.50	O. 10 / P.O. 10	1.25 / 1.75	2.00 / 2.50	1.75 / 2.25		12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	14.00	10	1.00	1.50			12	Y.
5,00,000	....	7,72,341	2,90,502	—38,569	Duncan Bros. & Co., Ltd.	801	New Cinnatolliah	98.00	100	Nil	Nil	Nil		12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co., Ltd.	370	Rajgarh	47.25	10	0.25	4.00	2.50		12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	22.31	10	2.50	2.50	1.50		12	Y.
2,49,000	3,86,000	11,48,864	6,60,764	87,974	Williamson Magor & Co. Ltd.	482	Seajuli	25.75	10	1.50	1.50	2.25		12	Y.
5,98,000	12,48,874	15,39,500	4,94,783	78,434	McLeod & Co., Ltd.	495	Teloijan	29.00	10	2.50	3.50	3.00		12	Y.P.
8,00,000	5,35,127	12,11,400	3,86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45.00N	10	0.75	1.00	1.50		12	Y.
19,82,880	12,75,000	46,07,883	19,46,383	36,041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	15.00	10	1.50	1.25	Nil		12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,644	McLeod & Co., Ltd.	1,050	Tyreon	40.50	10	3.00	4.50	3.00		12	Y.P.T.
							CACHAR								
3,00,000	....	5,16,444	1,84,445	—1,94,480	M.	862	Arcuttipore	7.00	10	Nil	Nil			12	Y.
7,00,000	....	7,66,139	1,03,460	—3,49,181	Octavius Steel & Co., Ltd.	649	Eastern Cachar	3.81	10	Nil	Nil	Nil		12	Y.
12,60,000	10,43,149	30,19,522	12,69,051	—1,06,851	Octavius Steel & Co., Ltd.	2,154	Hattikhira	11.75	10	0.75	0.50	Nil		12	Y.
3,00,000	1,70,000	6,34,207	2,50 949	1,081	Duncan Bros. & Co., Ltd.	525	Kunchunpore	7.37	10	Nil	Nil	Nil		12	Y.
7,00,000	6,50,000	11,33,080	3,08,080	38,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	100.00	100	15.00	15.00	15.00		12	Y.
12,60,000	3,09,004	9,34,349	2,76,278	—37,588	McLeod & Co., Ltd.	638	Roopacherra	9.50	10	1.50	0.50	Nil		12	Y.
5,00,000	10,53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	700	Rungamattee	55.25	50	10.00	10.00	3.75		12	Y.
4,00,000	3,36,980	10,63,234	3,08,708	—31,199	M.	662	Sonai River	19.50	10	Nil	Nil			12	Y.P.T.
							DARJEELING								
2,79,900	1,05,000	3,93,716	174,916	22,108	Williamson Magor & Co., Ltd.	408	Chamong	9.75	10	Nil	0.75	Nil		12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	488	Dilaram	95.00	100	Nil	5.00	Nil		12	Y.
2,00,000	2,42,096	7,99 665	2,97,665	—57,639	Davenport & Co., Ltd.	507	Gielle	9.00	10	Nil	Nil	Nil		12	Y.P.
1,50,000	3,23,091	4,56,947	2,07,386	—27,148	Andrew Yule & Co., Ltd.	463	Mim	225.00	100	15.00	10.00	Nil		12	Y.
2,99,900	3,39,000	6,22,886	1,89,586	1,61,563	Williamson Magor & Co., Ltd.	690	Nagari Farm	24.50	10	1.50	3.50	2.50		12	Y.
1,00,000	1,07,647	4,60,379	2,40,749	1,973	Duncan Bros. & Co., Ltd.	505	Okayti	450.00N	100	Nil	Nil	Nil		12	Y.P.
3,00,000	95,000	6,40,072	2,48,808	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	6.75	10	Nil	Nil	Nil		12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10.12	10	Nil	Nil			12	Y.P.
1,40,000	5,01,653	4,38,361	1,95,341	10,362	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	385.00	100	20.00	35.00	25.00		12	Y.
3,00,000	3,06,462	5,55,461	1,82,549	4,401	M.	389	Seeyok	11.00	10	Nil	Nil	1.00		12	Y.
9,00,000	65,000	11,65,737	2,38,715	7,369	Goenka & Co.	583	Singtom	6.56	10	0.12	0.50			12	Y.P.
3,00,000	3,87,500	7,34,116	3,71,916	1,69,219	Williamson Magor & Co., Ltd.	554	Soom	33.50	10	3.00	4.00	3.50		12	Y.
6,25,000	7,73,767	16,47,148	4,38,733	26,923	McLeod & Co., Ltd.	745	Sungma	17.12	10	Nil	1.50	0.75		12	Y.
3,20,000	3,69,909	7,53,534	2,55,534	54,633	Davenport & Co., Ltd.	718	Testa Valley	19.00	10	1.50	2.50	1.00		12	Y.
6,01,850	2,61,083	16.07,033	3,76,033	—2,94,248	Williamson Magor & Co., Ltd.	1,666	Tukva	18.44	10	Nil	Nil			12	Y.
							DOOARS								
27,00,000	28,56,560	51,80,345	23,19,586	1,37,198	Andrew Yule & Co., Ltd.	2,540	Banarhat	271.00	100	25.00	40.00	20.00		12	Y.P.
12,00,000	16,25,000	42,61,095	23,93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	18.25	10	3.00	2.00	1 50		12	Y.
9,00,000	17,75,000	21,72,529	11,20,841	13,385	McLeod & Co., Ltd.	1,112	Bhatkawa	19.87	10	2.50	3.00	1.50		12	Y.
9,00,000	14,81,356	25,85,244	8,19,732	47,850	Duncan Bros. & Co., Ltd.	1,381	Birpara	161.00	100	5.00	25.00	7.50		12	Y.P.
6,00,000	8,31,552	13,82,183	4,29,045	18,641	Duncan Bros. & Co., Ltd.	602	Carron	126.50	100	7.50	10.00	5.00		12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co., Ltd.	903	Choonabhutti	260.00	100	20.00	35.00	20.00		12	Y.P.
3,00,000	13,76,102	9,53,074	4,15,527	13,348	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	155.00	100	Nil	5.00	Nil		12	Y.
1,20,000	2 00,531	4,58,517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	430.00N	100	Nil	Nil	Nil		12	Y.
4,90,000	60,538	9,51,864	2,69,498	8,627	M.	447	Ethelbarrie	10.75	10	1.25	1.00	0.75		12	Y.
7,50,000	5,76,833	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,133	Gairkhata	125.00	100	Nil	10.00	Nil		12	Y.
16,00,000	24,58,954	64,82,327	20,30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	118.00	100	6.00	7.50	Nil		12	Y.P.
32,00,000	55,67,967	05,55,381	50,96,452	3,65,371	Davenport & Co., Ltd.	4,235	Hasimara	21.81	10	1.00	2.25	0.75		12	Y.P.
8,25,000	18,53,650	22,13,183	9,84,183	1,10,677	Davenport & Co., Ltd.	1,452	Huldibari	21.25	10	1.25	2.50	1.25		12	Y.
7,00,000	4,49,831	10,38,684	4,89,134	—52,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	15.75	10	Nil	0.60	Nil		12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	17.75	10	1.00	2.00	1.50		12	Y.
2,00,000	5,76,240	8,23,163	3,08,827	15,812	M.	578	Manabarrie	70.00N	10	1.00	2.00	1.50		12	Y.
9,60,000	18,69,809	35,11,708	8,55,607	37,054	Duncan Bros. & Co., Ltd.	1,130	Nagaisuree	126.00	100	7.50	15.00	7.50		12	Y.
14,00,000	20,39,893	24,35,562	10,48,172	73,709	Andrew Yule & Co., Ltd.	1,163	New Dooars	261.00	100	25.00	35.00	20.00		12	Y.P.
2,50,000	3,74,080	5,53 613	1,83,281	1,220	Duncan Bros. & Co., Ltd.	348	Phaskowa	115.00	100	Nil	7.50	Nil		12	Y.
6,00,000	8,00,496	13,67,535	5,98,723	—3,00,938	McLeod & Co., Ltd.	764	Rajabhat	15.75	10	1.25	1.25	Nil		12	Y.
7,65,000	13,43,550	25 92,133	13,67,489	23,093	McLeod & Co., Ltd.	1,035	Ranicherra	14.12	10	1.50	2.00	0.50		12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,623	Rydak	27.50	10	5.00	3.00	2.00		12	Y.
							SYLHET								
3,00,000	7,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	24.00	10	3.00	Nil			12	Y.
6,00,000	9,44,551	9,54,785	2,32,849	83,625	Duncan Bros. & Co., Ltd.	584	Dauracherra	7.12	10	2.00	1.50	0.75		12	Y.
4,00,000	7,56,165	10,78,529	3,50,481	1,94,619	M.	1,190	Lackatoorah	18.00	10	3.00				12	Y.
4,00,000	9,00,000	11,60,065	4,82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	20.00	10	6.25	2.00			12	Y.P.
36,00,000	56,34,901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	125.00	100	35.00	10.00§	10.00		12	Y.P.
3,20,000	1,40,000	7,82,985	4,24,185	1,18,279	Shaw Wallace & Co., Ltd.	648	Rajnagar	10.00	10	Nil	1.00	1.10		12	Y.
9,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,72	Tellapara	115.00	100	25.00	15.00	6.00		12	Y.
							TERAI								
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	5.25N	10	0.25	6.50			12	Y.P.T.
12,50,000	6,15,000	4 13 655	2,24,210	35,493	National Tea Corporation	522	Belgachi	46.00	10	10.00	4.00	2.00		12	Y.
13 44,000	4,50,650	26,81,849	9,42,013	31,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	138.00	100	7.50	10.00	7.50		12	Y.
5,00,000	10,53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	530	Hansqua	16.50	10	1.00	1.00	1.00		12	Y.
3,00,000	7,64,500	7,61,676	3,29,500	77,693	Davenport & Co., Ltd.	514	New Chumta	33.50	10	1.50	2.50	1.25		12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	33,691	McLeod & Co., Ltd.	549	Tirrihannah	34.00	10	3.00	2.50	3.00		12	Y.P.
							SOUTH INDIAN ESTATES								
10,08,990	3,36,010	15,84,554	2,79,543	7,689	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	17.62	10	2.50*	2.50*	1.75*		3	Y.P.
52 50 000	21,47,000	73,46,387	10,86,204	2,77,391	Kothari & Sons (Ags.) Pvt. Ltd.	1 318	Blue Mountain	3.25	2	0.40	0.30	0.25		6	Y.
9,33,400	13,09,262	13,56 197	7,13,191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3.55	2	0.40	0.20	0.40		3	Y.
3,77 820	12,25,145	20,87,246	1,13,916	27 021	Matheson Bosanquet & Co., Ltd.	381	Coonoor Tea	25.75	10	2.50	1.75	2.00		9	Y.P.
4,00,000	5 50 000	8 21,540	1,78,200	1 205	Parkins Private Ltd.	432	Coorg Tea	4.95	2	1.25	1.50	1.50		3	Y.P.
4,49,630	3 55,370	9,62,073	1,64 495	45 037	Young India Agencies Private Ltd.	450	Devon Tea	16.62	10	2.50*	2.50*	1.75		3	Y.P.
3,50,000	1,22,986	32,52 158	56 453	....	Parkins Private Ltd.	198	Emerald Valley Estates	6.75	5	1.25	0.50	0.30		12	Y.
18,75,000	21,25 000	43 05,347	6 81,655	28,840	Parkins Private Ltd.	1,466	Halleyburia	17.00	10	2.50	2.50	1.50'C'		12	Y.P.T.
6,00 000	7 27,746	13,70,71[illegible]	2,26,620	76,650	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	3.55	2	1.35	[illegible]	1.35		3	Y.T.
8,58,533	13,75,462	28 33,493	3,63,699	31,190	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	6.85	2	0.40	0.40	0.30		10	Y.P.
3 00 000	1 43,500	6,76 822	2,05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mlamallay	36.25	25	13.75	6.25	4.50		3	Y.P.
36,00,000	19,31,384	80,13,744	12,04,051	73,274	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	4.55	5	0.87	0.37	0.37	0.37	6	[illegible]
12,00,000	4,90,000	27,04,883	5,01,002	33,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	2.76	2	0.50	0.20	0.40		3	Y.P.
14 06,250	6,95,346	35,09,977	5,17,286	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	7.30	10	1.50	0.62	0.60		3	Y.P.T.
17,00,000	8,81,944	36 18,723	11,78 754	1,02,542	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	18.00	10	3.50	3.75	2.60		12	Y.P.
57,94,880	45,46,152	91,59,457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3,459	Periakaramalai	3.90	2	0.90	0.90	0.70		3	Y.P.
12,50,000	18 10 000	30,23 670	2 65,053	744	Parkins Private Ltd.	1,070	Talayar Tea	1.58	2	1.62	1.25	1.00		3	Y.P.
11,25,000	16,53,668	25,52,610	2,35,551	31,923	Parkins Private Ltd.	1,341	Twyford	16.12	10	2.00	2.00	1.50'C'		12	Y.
21 93 280	10,82 217	41 37 874	13,69 874	1,20,125	T. Stanes & Co., Ltd.	1 773	United Nilgiri‡	17.25cd	10	35.00	2.00	1.77		3	Y.
31,50,000	28,54,311	57,57,727	6,63,633	1,34,481	Kothari Mehta & Co. Pvt. Ltd.	999	Waterfall	3.88	2	0.40	0.30	0.25		6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividends for 1954 and 1955 are on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
§ Patrakola Tea declared 25 per cent. dividend but paid only 10 per cent. so far. 'C'—On increased Capital. A—Amluckie Tea Co.—Dividend on Rs. 100 paid-up.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
					PLANTING ; PRODUCE AND RUBBER									
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.15	2	0.30	0.21	0.45		5	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd.	Cochin Malabar	5.80	3	0.45	0.75	0.52	0.30'C'	2	Y.P.
22,50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	21.50	10	1.80	2.50	4.00	2.00	6	Y.P.
71,55,000	57,69,923	1,42,78,181	30,95,427	75,345	R. C. Paterson, Esq.	Consolidated Coffee	19.70	10	2.25	2.00	4.00	2.00	6	Y.P.
4,00,000	5,87,423	10,43,962	53,995	8,519	Associated Planters Private Ltd.	Cottanad Plantations	15.25	10	1.75*	1.50	1.75		3	Y.P.T.
18,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd.	Highland Produce	11.25	10	2.00	2.00	0.75		12	Y.P.
8,00,000	6,92,899	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	12.00	10	2.75	2.00	2.00	1.00'C'	4	Y.P.
13,50,000	4,55,880	20,40,926	3,38,888	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber	18.25	10	2.25	3.25	2.25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co., Ltd.	Midland Rubber	11.75	10	2.50	2.00	2.00	1.00'C'	3	Y.
3,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd.	Nenmeny Rubber	15.65	10	1.50	1.50	0.75		12	Y.P.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	15.25	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	23,79,615	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5.03	2	0.40	0.20	0.60		10	Y.P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	17.10	10	2.00	2.50	2.00	2.00	6	Y.P.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd.,	Savamalai Estates Ltd.	3.35	2	1.00	1.50	0.30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2.50	2	..	..	..	0.18	3	Y.P.T.
10,00,000	2,74,418	22,50,914	1,70,646	16,692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	7.10	10	0.90	0.90	0.60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd.	Thamarapally Rubber	27.00	10	3.00	3.00	3.00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	1.82cd	1	0.12½	0.12½	0.05		9	Y.T.
6,00,000	33,742	7,80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	17.35	10	3.00	2 00	1.50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7.60	10	1.25	0.75	0.40		12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	21.75	25	4.00	3.00	1.00		12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd.	Udayagiri Rubber Co., Ltd.	11.15	10	0.60	0.75	0 60		12	Y.P.
8,80,100	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber	23.50	10	2.50	3.50	3.50J	1.25‡	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.00	10	2.00	1.25	1.00	0.50	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	18,786	B. N. Elias & Co. Private Ltd.	879	Agarpara	9.87	10	0.62	0.25	0.25		3	Y.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	185.00	100	10.00	10 00	10.00		12	Y.P.T.
30,00 000	5,25,000	1,25,28,740	95,78,601	—5,74,381	McLeod & Co., Ltd.	1,264	Alliance	118.00	100	6.00	*Nil*	*Nil*		6	Y.P.
49,20,700	72,21,000	3,09,93,668	2,15,04,087	2,36,742	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	216 00	100	3.50	3.50	7.00	10.00	3	Y.P.
40,00,000	32,60,924	1,49,82,554	63,17,403	3,215	Bird & Co. Private Ltd.	810	Auckland	173.00	100	10.00	1.00	*Nil*	5.00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd.	959	Bally	205 00	100	3.50	*Nil*	2 00	6.00	3	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman)	1,889	Barnagore	131.00	£5	sh. 15	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	26,27,123	97,66,495	53,10,415	6,111	Andrew Yule & Co., Ltd.	820	Belvedere	166.00	100	7.50	*Nil*	2.50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	11.62	10	1.12	1.00	*Nil*		6	Y.P.T.
91,26,000	2,26,05,284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd.	1,373	Birla	19.44	10	1.00	1.00	1.00	1.00	3	Y.P.
36,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd.	901	Budge-Budge	150 00	100	7.50	*Nil*	*Nil*		10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg.	7.00	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	25,21,234	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd.	616	Caledonian	195.00	100	6.50	*Nil*	*Nil*		11	Y.P.
59,16,400	75,85 462	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd.	600	Champdany	117.00	100	10.00	2 00	*Nil*	*Nil*	3	Y.
15,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd.	530	Cheviot	212.00	100	10.00	2.00	*Nil*		11	Y.P.
30,15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd.	500	Chitavalsah	15.31	10	1.37	0.62‡	1.10		7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	12.50	10	1.25z	0.50	*Nil*	*Nil*	3	Y.P.
31,49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd.	766	Dalhousie	136.00	100	4.00	*Nil*	*Nil*	*Nil*	3	Y.P.T.
28,00,000	37,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd.	779	Delta	170 00	100	10.00	5.00	*Nil*		11	Y.P.
15,00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd.	500	Empire	19.94	10	1.25	0.50‡	0.75		7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	258.00	100	15.00	10 00	10.00	20.00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	63,50,852	1,96,479	Bangur Bros., Ltd.	1,014	Fort William	23.75	10	20 00	0.75K	1.50	1.50	3	Y.P.T.
84,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	77.00	100	2.50	*Nil*			8, 9	H.P.
10,80,000	28,00,000	76,64,785	65,99,505	39,411	M.	607	General Ind. Society Ltd.	23.50	10	*Nil*	50.00	60.00§		12	Y.T.
24,00,000	32,06,464	2,35,37,322	1,60,44,632	47,269	Macneill & Barry Ltd.	1,394	Gourepore	287.00	100	15 00	2.50	2.50	20.00	3	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	99.00	100	11.50	5 00	5.00	5.00	3	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	13.50	10	1.25	*Nil*			3	Y.P.
65,62,500	28,09,105	2,34,85,488	1,24,24,441	82,775	Jardine Henderson Ltd.	1,940	Howrah	18.94	10	0.37	0.25	*Nil*	*Nil*	3	Y.P.T.
52,50,000	30,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand	21 00	7.50	2.00	2.00	1.50	1.50	3	Y.P.
87,30,000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	15.00	12.50	4.69	4.69	9.37	15.62§	3	Y.
24,00,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	163.00	100	2.50	*Nil*	*Nil*		12	Y.P.T.
'B'19,20,000								177.00	'B' 100	2.50	*Nil*	*Nil*			
30,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	99 00	100	1.00	*Nil*	*Nil*		12	Y.P.T.
'B'24,00,000								81.00	'B' 100	1.00	*Nil*	*Nil*			
21,00.000	53,00,000	1,35,45,052	88,77,736	86,701	McLeod & Co., Ltd.	703	Kelvin	251.00	100	17.50	5.00‡	9.00		5	Y.P.
54,00,000	23,39,741	2,00,52,835	1,26,97,897	45,833	Anderson Wright Ltd.	1,530	Khardah	162.00	100	11.00	5.00	3.00	8.00	3	Y.P.
48,00 000	77,32 121	2,38,47,961	1,08,51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	186.50	100	18 00	6 00	*Nil*	5.00	3	Y.P.T.
24,48,000	27,76,883	1,28,67,077	58,39,647	—9,32,635	Bird & Co. Private Ltd.	931	Lansdowne	132.00	100	7.00	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	40,49,600	1,48,98,886	66,75,920	—3,16,201	Bird & Co. Private Ltd.	840	Lawrence	110.00	100	6 00	*Nil*	*Nil*	*Nil*	3	Y.P.T.
81,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	14.19	10	3.75	3.75	5.00	17.50§	3	Y.
29,98,900	34,62,195	1,65,70,565	36,70,690	—13,08,719	M.	815	Naihati	80.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	15,55,000	36,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd.	425	Naskarpara	12.00	10	1.25	*Nil*			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	26.00	10	1.75	0.75	0.75		10	Y.P.
26,25,000	27,55,572	31,27,861	21,92,842	43,512	McLeod & Co., Ltd.	316	Nellimarla Jute	12.31	10	1.00	..	0.90		7	Y.P.T.
35,50,000	2,12,83,190	6,33,25,272	1,19,61,749	3,274	Sahu Jain Ltd.	1,765	New Central†	13.37	10	1.50	1.50		1.50	3	Y.P.
16,79,880	43,38,845	1,35,66,574	61,41,213	—2,43,817	Bird & Co. Private Ltd.	567	Northbrook	19 75	10	1.50	1.50	*Nil*	*Nil*	3	Y.P.T.
66,79,500	17,81,396	2,26,00,780	1,19,72,061	79,151	Macneill & Barry Ltd.	1,092	Nuddea	57.00	50	1.00	*Nil*	*Nil*	2.50	3	Y.P.
24,91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd.	601	Orient	179.00	100	9.00	2.00	*Nil*		11	Y.
25,00,000	7,83,173	86,18,353	67,97,872	7,049	McLeod & Co., Ltd.	400	Presidency	6.06	5	0.31	0.20	0.30		7	Y.T.
20,00,000	10,324	29,80,939	9 24,705	—7 07,557	Birla Brothers Private Ltd.	305	Rameshwara	5.87	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	2,00,000	1,24,61,131	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	7.87	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£420,518	£1,474 082	£790,162	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	11.00	£1	8%‡1	8%‡1	*Nil*		12	Y.P.
30,00,000	13,14,910	1,21,72,882	85,21,532	48,032	Bagaria More & Co., Ltd.	911	Shree Ambica	11.50N	10	0.50	0.25	0.50		3	Y.P.
14,00,000	11,14,980	68,87,540	47,50,476	40,154	Hindustan Investment Corpn. Ltd	401	Soorah	19.50	10	1.50	1.50	1.50		12	Y.P.
25,19,600	8,04,087	9,29,724	3,23,203	61,862	Bird & Co. Private Ltd.	650	Standard	115.00	100	1.00	*Nil*	*Nil*	5.00	3	Y.P.
£600,000	£334,805	£1,259,274	£693,019	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	10.75	£1	8%‡1	*Nil*	*Nil*		12	Y.P.
35,98,600	48,33,581	1,05 53,316	42,51,394	56,837	Bird & Co. Private Ltd.	1,326	Union	214.00	100	10 00	1.00	*Nil*	15.00	3	Y.P.T.
£400,000	£247,635	£1,271,988	£541,723	£13,328	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	11.85	£1	8%‡1	8%‡1	8%‡	*Nil*	12	Y.P.
2,50,000	6,35,000	41,78,264	27,76,059	—4,15,285	McLeod & Co., Ltd.	447	Waverley	4.00	1	0.37	*Nil*	*Nil*		5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22.25	10	1.87	0.50	1.25	1.25	3	Y.
12,00,000	4,49,890	35,13,891	83,46,842	57,344	Jardine Henderson Ltd.	Bararee Coke	11.75	10	1.46	1.10	0.37	0.50	3	Y.
4,49,350	88,000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	4.25N	10	0.62	0.75			12	Y.
1,00,00,000	1,62,13,157	6,38,12,765	4,41,60,343	11,48,060	Andrew Yule & Co., Ltd.	Bengal Coal	283.00	100	35 00*P	17.50	17.50		10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	10 00	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	6.47	10	0.62	0.62	0.60		6	Y.P.T.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbararee	8.00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	18.37	10	2.00	1.50	0.75		12	Y.P.
90,92,480	1,70,33,767	4,37,67,223	1,99,68,073	95,339	Bird & Co. Private Ltd.	Burrakur	17.44	10	0.62	0.68	0.37		6, 12	H.P.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	7.37	10	0.25	0.50	0.50	0.50	3	Y.
8,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	9.75N	10	0.50	0.50			12	Y.
6,00,000	1,49,122	7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churlia	8.44	4	0 06	0 06	0.20		12	Y.
16,00,000	....	54,47,612	31,85,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	9.25	10	*Nil*	*Nil*	*Nil*		12	Y.
£240,000	£273,125	£1,070,637	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	24.06	£1	3.00	2.50	1.50	1.00	4	Y.
29,63,760	93,25,027	4,34,54,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Equitable	29.75	10	1.50	1.50	1.50		12	Y.P.T.
10,00,000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	15.06N	10	0.25	0.25			3	Y.
12,00,000	65,000	43,00,791	26,55,350	—6,84,206	Killick Industries Ltd.	Hingir-Rampur	19.00	50	2.25	2.25	*Nil*	*Nil*	6	Y.P.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Harriladih	15.00	10	2 50	1.50	*Nil*		12	Y.
8,50,000	8,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	21.00	10	*Nil*	*Nil*	*Nil*	*Nil*	2	Y.
20,00,000	2,87,375	35,11,943	7,18,220	11,229	Bird & Co. Private Ltd.	Karanpura Collieries	115 00	100	2.50	5.00	*Nil*	5.00	2	Y.P.
5,00,000	19,66,031	49,73,401	39,04,335	1,68 572	Andrew Yule & Co., Ltd.	Katras Jherriah	66.25	10	4.50	6.50	6.50	6.50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	13 871	H. V. Low & Co. (Private) Ltd.	Kuardi	2.75N	10	0.12	0.19			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15 50N	10	0.12	0.12	0.12		4	Y.
7,48 240	2,25,000	13,43,892	9,89,769	55,358	Tantia Brothers Private Ltd.	Nazira	7.31	10	0 50	0.50	0.75		12	Y.
17,76,230	19,58,049	1,30,10,149	94,97,263	83,316	Andrew Yule & Co., Ltd.	New Beerbhoom	20.19	10	1.00	0.75	0.75		10	Y.P.
6,00 000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	11.47	10	*Nil*	*Nil*	0.50	0.50	3	Y.
1,15 000	3,85,824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd.	North West	24 00N	10	1.37	1.50	1.50	1.50	3	Y.
1,57,500							19 25N	7.50	1.03	1.12	1.12	1.12		
7,50,000	15,69,648	3,97,666	2 77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	12 00	10	1.00	0.75	0.50		12	Y.P.
8,84,000	20,000	23,49,367	9,36,591	3,080	Deepchand Kishenlal	Parasea	15.00	10	1.00	0.50			12	Y.P.T.
15,75 000	17,04,800	59,95,210	42 69,210	36,465	Shaw Wallace & Co., Ltd.	Pench Valley	24 00	10	1.50	0.70	2.00	2.00	3	Y.
23,99 500	25 66 861	1,37,28,021	91,88 862	29,060	B. N. Elias & Co. Private Ltd.	Raneegunge	14.81	10	0.62	0.37	0.75		3	Y.
13,50 000	6,38,385	42 17 417	32,31 916	24,549	Shaw Wallace & Co., Ltd.	Rewa	18.75	10	2.07	1.50	1 00		12	Y.
37,50 000	37,12,000	95 06,524	26 37 721	21,162	M.	Samla Collieries	10.50	10	1.00	1.25	0.90		12	Y.
2,50,000	1,95 802	13,78,480	12,21,237	21,070	M.	Searsole	4 87N	2.50	0.75				1	Y.
2,80,000	9,25 098	29 24,442	19,99,221	48,188	Andrew Yule & Co., Ltd.	Seebpore	26.25	7	2 50	2.25	1.75		12	Y.P.
8 00 000	4,91,081	52,491	28,867	628	F. W. Heilgers & Co. Private Ltd.	Sendra	11.31	10	0.25	0.25	0.25		12	Y.T.
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	15.75xd	10	0.75	1.00	1 50		12	Y.T.
17,50 000	10,37 541	39 01,896	17,00,094	8,739	Bird & Co. Private Ltd.	South Karanpara	12 31	10	0.12	0 35	0.75		8	Y.
8,00 000	13,76,745	1,69,570	28,510	9,790	F. W. Heilgers & Co. Private Ltd.	Standard	13 50	10	1 00	1 00	1.00		12	Y.
10,00,000	....	81,02,694	15 43,502	—5,62,907	M.	Talcher	1.75	2.50	*Nil*	*Nil*			9	Y.T.
3,50,000	2,80 000	19,15 700	14 79,400	1,77,952	Williamson Magor & Co., Ltd.	Union	14.25	10	*Nil*	*Nil*	0 37		12	Y.
49,98 000	89,284	70,81,423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal	5 95	10	0 50	0 50	0 50	0.40	3	Y.
7,00,000	....	58,61,405	27,57,669	—3,49,103	Macneill & Barry Ltd.	West Jamuria	6.72	10	*Nil*	*Nil*	*Nil*		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co., Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

MARKET GOSSIP

(*Concluded from page* 255)

they were early in 1953. The immediate effect of the cut is to widen the margin between the prices of crude oil and the refined products. The latter have of late been firm, thanks to seasonal demand. The pressure on the profits of refining companies will thus be lessened.

Although the immediate reason for British Petroleum reducing its rates is the need to maintain its prices at competitive levels, a fuller explanation is provided by the present over-supply of oil in all the producing areas. In the Middle East, output of crude oil reached a record total of 215,000 tons last year and it is expected to continue rising in the next few years. As. B. P. has cut its prices, other companies operating in the region are expected to follow suit. They seem to regard the changes in price effected by British Petroleum as more than necessary in the present market conditions. Nevertheless, they are studying the changes and, if they also cut their prices, a new level of crude oil prices will be established throughout the region. As this region is the main source of oil supply for India, the latest price trends there will naturally induce expectations of a reduction in oil prices in this country too.

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Ten days from now—by 1st March, to be precise—the European Common Market Commission will be submitting its plan for associating the rest of Western Europe with the Market, as required by the C. M. Council of Ministers early in December. The Commission, it is reported, has already completed discussions with the member-Governments, as well as with officials in Britain, and is currently busy finalising its draft plan. On Monday this week, Prof. Hallstein, President of the Commission, accompanied by three other members, held talks in London with the British Government representatives on the future trading relationship between the six C.M. countries and the eleven other W. European nations. Details of the talks are not available. All that is known is that the talks were conducted in very general terms, with neither side willing to commit itself in any way. A London despatch avers that, at two meetings with Mr. Reginald Maudling and Sir David Eccles, President of the Board of Trade, the C.M. Commission members sought to ascertain the views of Britain on the following two basic lines of approach which have recently received detailed consideration in the Commission's headquarters at Brussels:

The first is a suggestion that any tariff reductions by the six C.M. countries must be on a world-wide scale and be negotiated in the General Agreement on Tariffs and Trade (G.A.T.T.).

The alternative is the creation of some sort of preferential area in Western Europe, comprising all the O.E.E.C. countries. This, too, would call for negotiations in the G.A.T.T., since the exchange of new preferences is prohibited by Article 29 of the G.A.T.T., the only thing recognised as an exception being the establishment of either a customs union or a free trade area.

Whatever may be the nature of the plan which the C.M. Commission will formulate in the light of the latest discussions with the official spokesmen in Britain, there are no possibilities of a marked deviation from the U.K.'s stand on the European free trade area. A clear indication of this is provided by Mr. Maudling's categorical declaration in the House of Commons last week that the U.K. Government would stand by the principles it had all along pursued against trade discrimination and that Britain's way would ultimately be recognised "as the only way worth taking to a wider trade system accompanying the Rome Treaty." In this connection, he emphasised, once again, that Commonwealth preference was no more a barrier to the development of a free trade area than it had been a barrier to the development of the liberalisation policies of the O.E.E.C. Reiterating that the U.K. could not contemplate any system of work with Europe which was at the expense of its ties with the Commonwealth, Mr. Maudling declared: "It would be bad for us—it would be bad for the Commonwealth, I think it would be a bad thing for the whole free world, if Britain were ever forced to choose between the Commonwealth and Europe."

The continued earnestness with which the British Government is seeking to preserve the Commonwealth preference is certainly commendable. It is to be hoped that Britain's viewpoint would receive due recognition at the hands of the C.M. Commission while preparing its plan for the future of Europe. Given such a recognition, the seventeen West European nations will, there is no doubt, succeed in arriving at a *modus vivendi*, resulting in an agreement acceptable to all parties.

Meanwhile, the report of the G.A.T.T. Working Party on the problems which the association of overseas territories with the European Economic Community raised for the trade of G.A.T.T. members outside the Common Market has been released. Although the report is a bulky one, running into some 281 pages, it does not offer any solution to the issues involved such as the effects of new tariff regime on production, matters of trade, and world markets. The report contains merely a summary of the opinions expressed by most members of the Working Party, on the one hand, and by the C.M. representatives, on the other, without reaching any definite conclusions or making any recommendations. The report is, however, useful, particularly to India, in that it includes a detailed review of the trade in twelve commodities regarded as being of particular concern to G.A.T.T. members, namely, tea, coffee, cocoa, sugar, tobacco, oilseeds, cotton, hard fibres, bananas, wood, aluminium and lead.

The G.A.T.T. Working Party's report is useful for another reason also and that is that it focusses attention on the overall effect of the association of overseas territories with the C.M. as brought out by ten of the Party's twelve non-C.M. representatives. In brief, the effect is three-fold: One, some of the trade of third countries within the C.M. in the aforesaid commodities is likely to be lost in the transitional period, while, over the long-term, a substantial part of it would be jeopardised by actions of the C.M. countries permitted under the Rome Treaty. Two, several countries in Asia, Central and South America, and the Caribbean fear substantial damage to their export trade. Three, the creation of a new preferential area, resulting from the association of overseas territories with the C.M., may cause substantial damage to the economic, social and cultural development of other territories with living standards similar to those of the associated overseas territories and producing similar primary products; in fact, it would produce a diversion of trade.

There is no exaggeration whatever in the fears expressed above. It cannot be too strongly emphasised that the world markets for primary products on which the underdeveloped countries solely depend should not only be maintained but also continue to grow and that international trade must be progressively freed from restrictions. The majority of the G.A.T.T. Working Party members have, therefore, done well to lay special stress on this aspect.

SURVEY

(*Concluded from page* 259)

cess, multi-point sales tax and betterment levy, all of which were decided upon earlier in the current year, and (2) speedy recovery of large amounts outstanding on account of the cost of public and private irrigation works, as well as arrears in water rates payment. The Bihar Government's expenditure programme for 1959-60 stands as follows:

(In crores of rupees)

	Non-plan	*Plan*	*Total*
Revenue	46.88	19.46	66.34
Capital	11.76	19.06	30.82
Loans and advances	1.52	7.02	8.54
Loan repayments	18.99	..	18.99
Total	79.15	45.54	124.69

The major heads of expenditure—in crores of rupees—are: Education 11.51; medical and public health 7.35; irrigation 7.81; agriculture 4.90; police 4.72; co-operation 3.48; industries and supplies 2.64. The gross second Plan budget for the coming year is put at Rs. 45.54 crores.

The U.P. Finance Minister, Mr. Syed Ali Zaheer, has not indicated how he proposes to cover the revenue deficit of Rs. 1.86 crore. Perhaps, he expects that the deficit may actually be wiped out as a result of the revenue receipts exceeding the budgeted figure and the expenditure being lower than what is now estimated. It is pointed out, in this connection, that the 1957-58 budget, which had revealed a revenue deficit of Rs. 11.67 crores, eventually turned into a surplus of Rs. 5.52 crores and the revised estimates for 1958-59 show a much smaller deficit of Rs. 37 lakhs, as against Rs. 4.54 crores originally anticipated. The net capital expenditure for 1959-60 is estimated at Rs. 32.14 crores, as against the original budget estimate of Rs. 32.85 crores for 1958-59.

The U.P. budget, as stated earlier, does not contain any fresh taxation measures. Account is, of course, taken for minor increases in stamp duty, court fees and motor vehicles tax, but these have already come into force through the recent amendments to the relevant Acts. Apart from exempting industrial consumers from payment of electricity duty—the loss of revenue involved is put at Rs. 50 lakhs annually—the U.P. Finance Minister has announced relief to the hard-hit low-paid Government employees, as well as to school and college teachers of aided institutions, partly in the form of enhanced dearness allowances. He has also announced direct tax relief to foodgrain dealers.

The revenue deficit of Rs. 3.63 crores revealed in the West Bengal budget for 1959-60 is in contrast to the surplus, albeit small, of Rs. 81 lakhs for 1958-59 (revised). This is due to the contraction of Rs. 2.54 crores—from Rs. 81.58 crores to Rs. 79.04 crores—in revenue receipts, on the one hand, and a rise of Rs. 1.90 crore—from Rs. 80.77 crores to Rs. 82.67 crores—in expenditure, on the other. Despite the huge revenue deficit, the overall position is shown as a surplus of Rs. 48 lakhs, after taking into consideration the surplus of Rs. 4.11 crores outside the revenue account. The latter surplus has been arrived at as follows:

(In crores of rupees)

Receipts from debt heads:	
Loans	53.14
Contingency fund and public accounts	94.30
Total	147.44
Expenditure:	
Capital expenditure	26.77
Loans	23.26
Contingency fund and public accounts	93.30
Total	143.33
Net position	+4.11

Presenting the budget of the W. Bengal Government, Dr. B. C. Roy, the State's Chief Minister, pointed out that improvement in revenue during the current year (1958-59) had enabled the Government to contribute from the revenue account a much larger amount than was originally expected towards the second Plan, the sum actually utilised being Rs. 17.6 crores, as against Rs. 8.1 crores. This, he said, was possible notwithstanding increases in non-Plan and normal expenditure, because resources from additional taxation had developed remarkably; the revised estimate of such taxation is placed at Rs. 53 crores for the five-year period, as against the Planning Commission's original estimate of Rs. 14 crores.

The provision for loans from the Union Government for 1959-60 is Rs. 32.29 crores, as against Rs. 33.23 crores for 1958-59 (revised). The loans include Rs. 6.00 crores as the State's share of small savings, Rs. 5.54 crores for refugee relief and rehabilitation, and Rs. 4.10 crores for the Damodar Valley Corporation. The money to be available from the Centre also includes Rs. 11.50 crores to be given as assistance for Plan schemes.

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MARKET REPORTS

(*Concluded from page* 289)

as stockists were reported to be anxious to sell before the advent of new crop in the market which would begin arriving by the end of March.

Rice continued to rule quietly steady, as supplies in the local market were restricted, due to ban on exports from surplus districts. The latest prevailing prices were: wheat average quality Rs. 26; farm Rs. 27; retail Rs. 27.50; rice *basmati sela* Rs. 33; mainpuri Rs. 21.87; *raimunia* Rs. 27 per maund.

Gram eased by about 50 nP per maund during the week on expectations of good crop following timely winter rains. Barley and *bejhar* also drifted lower, as demand was slack and bumper crop was expected. Maize stockists were now reported to be anxious to liquidate their stocks and, despite good consumers demand, prices eased fractionally during the week. *Bajra* was losing the seasonal demand and price trend was easy. *Jowar* also eased by about 50 nP per maund and week-end prices (in rupees per maund) were: gram punjabi 23.25; barley 16; *bejhar* 16.62; maize 15.25 to 15.50; *bajra* 15.62; *jowar* 14.75 and *guwar* 15.62.

Pulses, however, continued steady, due to poor stocks with the trade, while new peas arrivals would begin by the end of March and *arhar* new would not be available in the markets before May.

LINSEED QUIET

(*Messrs. A. Bradley & Co.*)

CALCUTTA, 16*th February*

The general tone of the linseed market is quiet and prices have receded slightly, with buyers in rather a hesitant mood. Offers of new crop seeds are on a larger scale than hitherto, but only small quantities have been traded for March and April delivery at prices about 50 nP below the last week's levels.

Activity in the linseed oil section has been negligible. Local demand has declined in sympathy with the recession in groundnut and mustard oils. Sellers' indications for April-May delivery are around Rs. 52.50, while buyers' ideas are lower.

The latest available quotations per maund are Ready Rs. 27.12; Feb/March Rs. 24.75; and April/May Rs. 23.00.

STRONG DEMAND FOR HIDES

(*From Our Own Correspondent*)

KANPUR, 16*th February*

During the week under review, the hides and skins market ruled firm, despite plentiful supply of goods prepared from hides of dead cattle and heavy offers of fresh goods from local butcheries. The demand for all categories, were strong. Madras dealers were very prominent in the goat and sheep sector.

The latest available quotations are: Wet salted cow, 1st grade Rs. 410, 2nd grade Rs. 395 and 3rd grade Rs. 360 per score; wet salted buff. 1st grade 2 lb. 1 oz. and 2nd grade 2 lb. 3 ozs. per rupee; goat, 1st grade Rs. 400 and 2nd grade Rs. 375 per 100 pieces; and sheep, Rs. 360 per 100 pieces.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000 14,50,000	1,03,00,000	10,41,547	Allahabad Bank	362.00 181.00	100 50	18.00 9.00	18.00 9.00	18.00‡ 9.00‡		12	Y.P.
1,01,000 40,78,300	17,84,000	3,83,732	Andhra Bank	106.50 88.75	100 85	6.50 4.54	8.00 5.59	6.00 5.10	2.50I 1.12I	6,12	H.
1,00,00,000	1,28,00,000	4,10,731	Bank of Baroda	119.50	50	6.00‡	7.00	7.00	3.00I	12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	25.50	25	0.87	1.12	1.25		12	Y.
2,50,00,000 50,00,000'A'	3,10,00,000	12,79,476	Bank of India	141.00 142.00	50 50'A'	8.00 ..	8.00 ..	8.00 8.00	8.00 8.00	6,12	R.L.Y.
15,30,375	29,00,000	52,270	Bank of Indore	63.00N	25	3.50	4.00	4.25		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	45.75	50	2.00	2.50	3.00		12	Y.
50,00,000	91,95,618	1,87,085	Bank of Mysore	302.00	100	16.00‡	16.00‡	16.00	8.00I	12	Y.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	82.00	50	5.00	5.00	5.00		12	Y.P.
7,50,000	18,55,000	5,670	Canara Banking Corporation Ltd.	77.00	50	5.50‡	5.00‡	5.00‡		12	Y.P.
5,82,930 'A' 23,787 'C'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	182.00 1.71	100'A' 1'C'	12.50 12½%	15.00 15%	15.00 15%		12	Y.
2,62,11,375 52,42,875	4,03,60,821	18,44,046	Central Bank of India Ltd.	59.30 61.50	25 25	3.00 3.00	3.50 3.50	3.50 3.50	1.50I 1.50I	12	R.L.H.
50,00,000	40,00,000	2,80,820	Devkaran Nanjee Banking Co.	52.00	50	2.50	3.00	3.00	1.25I	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29.12	5	0.87	1.37	1.06		12	Y.
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank	9.00	50	Nil	Nil			12	Y.
50,00,000	1,80,000	4,233	Hindustan Mercantile Bank	12.50	50	Nil	Nil	Nil		12	Y.
44,00,000 22,40,000	1,00,00,360	2,04,376	Indian Bank	225.00 181.00	100 80	12.00‡ 7.75	18.00 9.75	15.00‡ 12.00‡	6.50I 5.20I	6,12	R.L.H.
56,23,850	46,86,800	2,32,067	Indian Overseas Bank	166.00	100	7.50	10.00	10.00		12	Y.
10,00,000	10,25,000	33,502	Pandyan Bank Ltd.	35.00	25	1.87	1.87	1.87		12	Y.
1,25,00,000	1,10,00,000	4,51,904	Punjab National Bank	24.00	10	3.50	4.00	5.00	2.50I	12	Y.
1,00,00,000	29,17,000	5,628	Travancore Bank	26.00	25	1.00	1.00	1.25		12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	7.72	5	0.37	0.44	0.44		12	Y.
2,00,00,000	1,34,00,000	49,432	United Commercial Bank	63.20	50	2.75	3.50	3.75		12	H.
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East§	£2-12-3	£1	10	10	10	10	3	Y.
£5,000,000	£5,500,000	£412,542	Chartered Bank	£2-5-0	£1	15†	15†	15†		12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,062,463	Hongkong and Shanghai Banking Corporation	£46¼	H.K.$125	5*	5*	12½*Z	1½*	12	Y.
£27,847,605	£18,000,000	£703,010	Lloyds Bank	£2-11-9	£1	12†	13†	13†		12	Y.
£2,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£2-4-6	£1	14†	14†	18¾†		12	Y.
£2,851,563	£3,104,637	£355,589	National Overseas and Grindlays Bank Ltd.	£1-10-6	sh. 12½	15†	15†	15†		12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. x.r—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim dividend for 1959 declared.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June	Carew & Co.	1933	94.00	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.25	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1969 (a)‡
			COTTON			
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	89.00	15th November .. 1966 (b)
70,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	98.00	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100.50	1st April .. 1967-72
13,71,000	5½	30th June and 31st December	Jayshree Textiles	1949	90.00N	1st January .. 1956-59
39,90,000	5½	1st June	Tata Mills	1951	93.25	15th November .. 1960
			ELECTRIC			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	90.00	31st March‡ .. 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	..	100.00N	14th June .. 1960
93,23,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100.25	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£4,048,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.50	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84.00	31st December .. 1970
13,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September‡ .. 1953-63
47,73,000	5	1st April and 1st October	Tata Power	1940	100.10	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power	..	86.25	15th September .. 1965-70
			ENGINEERING			
75,00,000	6	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	105.00	1st January .. 1971
30,00,000	5	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	82.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	99.75	1st October .. 1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	98.00	31st December .. 1960 (a)
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	90.50	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90.00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	86.00	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)‡
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	85.00	5th September‡ .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.00	31st March .. 1967
10,00,000	3½	31st January and 31st July	Waverley	1925	80.00	31st July .. 1966
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
189,863	5	1st April and 1st October	Calcutta Tramways	1933	£74.10N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 195? (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	96.25	1st September .. 1963
			PLANTING			
11,25,000	6	31st March and 30th September	Nilgiri Tea	—	99.50	1st April .. 1958-68‡‡
1,27,600	5½	31st March and 30th September	Teekoy	1944	100.00	31st March .. 1949-59
			MISCELLANEOUS			
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
23,60,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	101.25	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	101.00	1st October .. 1970
21,00,000	5	1st February and 1st August	Chowringhee Properties	1915	85.00	1st February .. 1964
19,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1926	82.00	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78.00	15th September .. 1960
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	80.00	 1966
1,05,21,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	105.00	1st January .. 1971 (a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50N	30th June .. 1969 (a)‡
15,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	83.00	30th September .. 1964
9,53,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	600.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.50N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	101.06	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92.25	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	92.25	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	101.50	1st May .. 1968 (a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 19th February, 1959.

	Closing quotations 12-2-1959	High	Low	Closing quotations 19-2-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	130.50	130.50	129.00	129.00
Apollo (2)	1.24	1.24	1.20	1.20
Bombay Dyeing (25)	56.90	57.20	55.90	57.10
Bradbury (50)	133 75	133.75	131.50	131.50
Central India (100)	89 50	89.50	87.00	88.00
Century Mills (100)	438.00	437.50	429.50	437.50
Edward Textile (200)	215.50	—	—	215.50
Elphinstone (50)	30 50	—	—	30.50
Finlay (100)	259.00	262.00	259.50	262 00
Gokak (100)	134.00	132.50	129.50	131 00
Ind. Untd. Defd. (1)	1.10	1 08	1.04	1.08
Ind. Untd. Ord. (10)	8.84	8.84	8.64	8.80
Indore Malwa (100)	97.00	98.50	96.00	96 50
Khatau (100)	154 00	154.50	152.00	154.50
Kohinoor (100)	237.50	237.25	233.50	236.00
Lakshmi (250)	400.00	401 00	400.00	401.00
Minerva Mills (100)	64.00	—	—	64 00
Model Nagpur (250)	162.50	163.75	161.25	163 75
Morarji (100)	233.50	233.50	230.00	231.50
Mysore (50)	79.00	82.00	79.00	79.00
National Rayons (100)	243.25	243.25	237.75	242 00
New City (100)	92.00	—	—	92.00
New Great (100)	213.50	211.00	207.00	209 00
Phœnix (100)	124.00	125.00	124.00	125.00
Podar Mills (100)	130.00	—	—	130 00
Sassoon Silk (10)	9.76	—	—	9.76
Sassoon Spg. (10)	43.10	43.50	43.10	43 50
Sholapur (1,000)	425.00	—	—	425 00
Shrinivas (100)	139.00	140.00	138.00	139.50
Simplex (50)	168.00	168.50	166.00	168 00
Standard (100)	416.00	422.00	412 00	420 00
Svadeshi (100)	208.00	207.50	203.50	204.75
Swan (100)	850.00	—	—	848 00
Tata Mill (25)	34.00	34.25	33.50	34 00
Vishnu (100)	93.50	—	—	93 50
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	140.50	141 00	140.00	141.00
Do. (New) (50)	141.50	142 00	141.50	142 00
Bank of Baroda (50)	122.00	121.50	119.50	119 50
Central (25)	59 00	59.30	59.00	59 30
Central 'A' (25)	61.00	61.50	61.00	61 50
Dena Bank (50)	51.00	52.00	51.00	52 00
Punjab National (10)	24.00†	—	—	24 00
Union Bank (5)	7.72	7.72	7.68	7 72
United Com. (50)	68.50	68.50	68.00	68.20
ELECTRIC COS.				
Ahmedabad (100)	95.40	96.70	95.20	96 50
Amalgamated (10)	10.96	—	—	10 96
Andhra Valley (1,000)	1,172.50	1,177.50	1,172.50	1,177.50
Bom. Sub-El. (100)	110.00	110.00	107.50	108 00xd
Surat (100)	113.75	114.50	113.50	114 50
Tata Hydro (100)	119.50	120 50	119 25	120 50
Tata Power (1,000)	1,197.50	1,202.50	1,195.00	1,202.50
INSURANCE COS.				
British India (10)	13.76	—	—	13 7[illegible]
Empire of India (100)	212.50	218.75	212.50	218 75
Ind. Mercantile (20)	46 00	—	—	46 00
Jupiter (15)	6.08	—	—	6 08
New India (15)	52.90	52.80	50.50	50.50
Oriental (200)	4,200.00	—	—	4,200 00
Vulcan (10)	19.76	—	—	19.76
STEEL COS.				
Ind. Iron (10)	26.10	26.15	25.60	26 10
Tata Steel Ord. (75)	174.25	174.25	170 00	173 75
SUGAR COS.				
Belapur (50)	265.00	273.00	260 00	272 00
Bhopal (10)	25.55	25 55	25.30	25 45
Changdeo (12.50)	29.50	30 00	29 25	30 00
Phaltan (50)	140.00	148.00	139 00	140 00
Walchand Ind. (100)	266.00	275.00	265.00	275 00
CEMENT COS.				
Associated Cts. (100)	155.00	155.25	146.00	147.00xd
Digvijay (100)	130.50	130.25	129.00	129 50
MISCELLANEOUS				
Alcock Ashdown (100)	262.00	260 00	252.00	257 00
Bom. Burmah (125)	467.00	467.00	462.00	466 00
Do. (New) (50)	170 00	—	—	170 00
Br. B. Petrol (4 sh.)	1.76	1.76	1.72	1 74
Br. I. Corpn. (5)	4.12	4.32	4.12	4.2[illegible]
Hindusthan Motors (10)	7 52	7.48	7.36	7 4[illegible]
Indian Copper (2 sh.)	3.56	3.56	3.50	3 5[illegible]
Ind. Inv. Tr. (100)	85.00	—	—	85 00
Killicks (100)	160.00	160.50	156.25	156 50
Larsen & Toubro (10)	17.24	17.24	17.16	17 24
Polson (100)	152.00	—	—	152 00
Pre. Automobiles (100)	86.50	88.00	85.00	86 00
Premier Con. (80)	230.25	230.00	222.50	229 25
Scindia (20)	21.32	21.28	20 00	20 75
G. E. Shipping (10)	23.96	23.96	23.72	23 72
Shivrajpur (10)	89 00	89.00	87.00	88 50
Sirpur Paper (10)	13.76	14.04	13.72	13 84
Tata Chemicals (10)	15.32	15.48	15.20	15.40
Tata Locomotive (100)	161.25	164.75	160.00	164.50
Tata Oil (25)	45.25	45.50	44.25	44 75
Voltas (100)	140.50	142 50	139.00	142 50
W. I. Match (100)	187.50	187.50	186.00	186 00

GOVERNMENT SECURITIES	12-2-1959 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	19-2-1959 Rs.
2½% 1961	97.25	—	3.65	97.25
2½% 1960	99.00	—	3.81	99 00
2½% 1962	96.95	—	3.63	96 95
2½% 1976	83.20	—	4.08	83 20
3% 1959-61 2nd V ct	99.70	3.34	3.10	99 70
3% 1964	97.00	—	3.56	97 00
3% 1963-65	96.85	3.70	3.47	96 80
3% 1966-68	93.05	3.91	3.74	93 90
3% 1970-75 1st Dev.	90 85	4.00	3.75	90 85
3% 1986 Con. Loan.	73 80	—	4.07*	75 00
4% 1960-70	100.80	3.47	3.91	100.80
3½% 1961 N.P. Bonds	100.10	—	3.47	100 10
3½% 1964 N.P. Loan.	99.80	—	3.54	99.80
3½% 1965 N.P. Bonds.	99.65	—	3.56	99.65
3½% 1962	99.15	—	3.50	99 15
3½% 1967 N.P. Bonds	99.25	—	3.60	99.25
3½% 1974	98.65	—	3.87	98.65
3¾% 1967 N.P. Bonds	100 80	—	3.65	100.80
4% 1972 Loan	101.40	—	3.86	101.45
3½% 1968	98.95	—	3.64	98 95
3½% 1963 N.P. Bonds	100.05	—	3.49	100.05
3½% 1968 N.P. Bonds	100.60	—	3.68	100.60
4% 1973 Loan	101.30	—	3.88	101.40

† Paid-up value Rs. 10.

BRITISH GOVERNMENT SECURITIES

	Closing quotations 9-2-1959 £			Closing quotations 16-2-1959 £
2½% Brit. Consols.	53½	—	—	52½
3% Savings Bonds 1965-75	76⅛	—	—	76¼
3% War Loan 1955-59	100⅛	—	—	100
3½% War Loan	67¾	—	—	67⅞
4% Victory Bonds 1976	96½	—	—	96½
4% Funding 1960-90	92¾	—	—	92¾

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right

COMMERCE

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

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FAIR WIND FROM ABROAD

FOREIGN opinion about India is becoming more and more understanding and sympathetic. All available indications are that India's third Plan could be bigger than the second one. This must undoubtedly be a cheerful development for our planners. It is only to be hoped that it will not act as heady-wine but encourage them to prepare their plans in a manner which will facilitate quick economic progress and visible improvement in the living standards of the people without impairing their democratic way of life. While all foreigners—we are having in mind only the developed countries of the free world—want India to go forward, there are two schools of thought on the pace which India should choose for its progress. There is one school, represented by hard-headed business men, financiers and bankers, which feels that India should not try to go too fast, lest it should hurt itself in the process. It would like to see a sustained growth, each stage to be followed by another after proper consolidation of the efforts made in that stage. Obviously, it believes in the old adage that "slow and steady wins the race." It appreciates the necessity for speed, but it does not believe in hurry-scurry efforts which result in waste and lower efficiency. There is another school, consisting mostly of politicians and academicians, which wants India to move as fast as it can, on the ground that a slower rate of economic growth is likely to result in political upheavals which will undermine democratic forces not only in India but also elsewhere in Asia. This school of thought is worried by the implications to the free world of the rapid progress that is being made by totalitarian China and is anxious that India should be helped by the developed countries of the free world to show to the uncommitted underdeveloped countries that rapid economic progress could be achieved through democratic methods at a smaller cost than through communist methods. The last few days have thrown up some signs to show that the latter school of thought is in the ascendancy in the U.S. and, to some extent, in the U.K. too.

For the second time in less than a year, Senators John Kennedy and John Sherman Cooper, whose continued interest in India's plans for economic development are well known, are endeavouring to rouse the U.S. Congress in favour of larger economic aid to India. They have introduced a resolution in the Senate urging that, as "the continued vitality and success of the Republic of India is a matter of common interest to the free world, the U.S. Government should invite other friendly and democratic nations to join in a mission to consult with India regarding detailed possibilities for joint action to assure the fulfilment of India's second Plan and the effective design of its third Plan." The attempts made by these two Senators last year to get from the Congress a large lumpsum appropriation for India's second Plan did not fructify. They only resulted in an expression by the Congress of a vague, non-committal sort of support to India, though it did strengthen the hands of the Administration to give a loan of $225 million and a fresh allocation of wheat and raw materials under P.L.480. But last year was a year of Congressional elections and one of economic recession which kept the U.S. Congress very much preoccupied with domestic economic affairs. The position now is different. The Democrats now command a clear majority in both the Houses of Congress. A full term of four years lies ahead for the present Congress. The economic recession is over and a steady and sustained recovery has been in progress during the last five or six months. The Administration, too, appears to be more appreciative of India's economic needs than before. Public opinion also is better disposed towards India than a year ago. If, therefore, Senators Kennedy and Cooper try hard, as we believe they will, they may succeed this time.

The aforesaid resolution, it must be noted, does not call for any specific financial commitment by the U.S. It is only asking the U.S. Government to collaborate with other friendly democratic countries to discover ways and means of helping India in its economic efforts on a long-term basis. In other words, the resolution, as it stands, favours concerted attempts by the developed countries in the West as distinct from help by the U.S. alone. This may not mean very much. But the speech of Senator Kennedy clearly brings out the authors' intentions and their keenness to see India helped in a big way. He stated that aid to India should be on a long-term basis and not on an annual basis, dependent upon domestic budgetary and political needs. Pleading for more resources and more continuity for the U.S. Government's Development Loan Fund, under which soft loans repayable in local currency are made available to underdeveloped countries, he observed:

"One nation, in particular, stands out as the primary example of which I am urging—one nation of particular importance to the free world, and in particular need of long-term development capital. That nation is India—the hinge of fate in Asia. This is the critical year for India. This is the year when the second Five-year Plan will prove to be either fruitful or futile. This is the year, in short, when India must appraise her future and her relations with the rest of the world.

"I do not say that India could not tread water for a few more years before going under. But this is the year when Indians need confidence that they can plan major efforts for long-range progress with some assurance of substantial long-term assistance from the Western world. More short-term credit cannot do the job. As long as our efforts are aimed only at assuring short-term solvency, they only leave plans for an effective Indian development programme suspended in mid-air."

From the point of view of both eloquence and reasoning, it is difficult to excel Senator Kennedy. He has highlighted the importance of India to the free world and also ably argued why it is necessary to help this country on a long-term basis. Earlier portions of his speech show that he is very much in agreement with Mr. Jawaharlal Nehru, India's Prime Minister. For instance, he drew the pointed attention of U.S. Congress men to the ever-widening gap in living standards, income and hope for the future between the developed and underdeveloped worlds and remarked that it was this gap which was "altering the face of the globe, our strategy, our security and our alliances, more than any military challenge."

He was sorry that the U.S. had responded to the economic challenge "most sporadically, most timidly and most inadequately" and that, "as the richest nation on earth, it has not given the poorer nations new hope." He admitted it "as an unfortunate fact that the Soviet Union and particularly China have attracted the attention of the underdeveloped world to another, and seemingly quicker, route to closing the gap." He, therefore, wanted the U.S. Congress "to enact a programme that will do the job." This is forceful plea, indeed, and if it goes home to the U.S. Congress and Administration, it will undoubtedly give new hope to the 380 million people of this country and strengthen their conviction in democracy.

While the U.S. Government's vision is still not as large as that of Senator Kennedy, there is no doubt that it is following a helpful policy towards India. Shortly after Senator Kennedy's speech, Mr. C. Douglas Dillon, the U.S. Under-Secretary of State for Economic Affairs, told the House of Representatives that, in his opinion, "the pushing of economic development in India is probably the most important economic project we have anywhere in the world." He was also of the view that, in this field, India was doing better than Pakistan. He conceded that "India is further advanced on the path. They have individuals able to organise, plan and operate. They need capital and they have a tremendous country with 400 million people. As they go, all of Asia and Africa will go." These remarks, in effect, endorse the observations of Senator Kennedy and encourage us to hope that, very soon, the U.S. Government's approach will be identical to that of the Senator and his Republican colleague Sherman Cooper.

It would appear that even some non-Communists in this country do not like the anti-communist grounds on which India's friends in the U.S. and elsewhere in the free world are seeking assistance for its Five-year Plans. Surely, there is no point in this resentment. India has, after all, chosen democracy as its way of life. And it is common knowledge that democracy in this country will be in serious danger, if the standard of living of its people is not raised as quickly as possible, for, with adult franchise, with literacy not more than 16 per cent., and with population increasing at the rate of six million a year, the Indian Communists can easily exploit the masses to their advantage by holding up the achievements of Russia and China and promising heaven on earth. Indeed, they are already doing so, as witness the recent statements of the Communist leaders who have just returned from Moscow after attending the much advertised twenty-first Soviet Communist Party Congress. Those foreign friends of India who are trying to secure more help for it on the ground of keeping communism away from it are, therefore, only speaking the truth.

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BOMBAY BUDGET

THE Bombay budget, presented to the State Legislature last week by the Finance Minister, Dr. Jivraj Mehta, reflects the generally satisfactory conditions in the Bombay State's economy. It is true that some sections of the economy are in a bad shape. Thus, the State's textile industry, which holds a unique position in India's national economy, has been adversely affected by recent unfavourable trends in domestic and foreign offtake and, even more, by heavy taxation. Notwithstanding the setback in this and in a few other sectors, the overall economic conditions in the State have been sufficiently comfortable to permit a healthy expansion in the State's revenues. It is also noteworthy that the current expenditure in terms of the second Five-year Plan has been steadily stepped up year after year.

The buoyancy in the State's revenues is reflected in the successive improvement in estimates of revenue receipts. For 1957-58, the actuals of revenue are placed at Rs. 128.35 crores, as against the revised estimate of Rs. 117.34 crores. The budget estimate of revenue for 1958-59 was Rs. 123.0 crores and it has now been revised upwards to Rs. 132.02 crores, the estimate for 1959-60 being higher at Rs. 136.74 crores. It will thus be seen that, between 1957-58 (revised estimate) and 1959-60 (budget estimate), the improvement in revenue has been of the order of Rs. 19 crores. But it is somewhat disconcerting to note that revenue expenditure has also grown steeply. Actual expenditure in 1957-58 amounted to Rs. 116.27 crores, as against the revised estimate of Rs. 111.77 crores. Again, the budget estimate for 1958-59 placed the expenditure at Rs. 122.76 crores, whereas the recent trends suggest that it will be of the order of Rs. 131.58 crores. The budget estimate for 1959-60 envisages expenditure at a higher level of Rs. 137.7 crores. In other words, whereas the year 1957-58 revealed a surplus of Rs. 12.08 crores, the revised estimate for 1958-59 shows only a nominal surplus of Rs. 44 lakhs and the budget estimate for 1959-60 an actual deficit of Rs. 98 lakhs.

A review of these figures would seem to suggest that the authorities could never be too careful in the pursuit of economy in expenditure for which the scope, despite the understandable reasons for its increase given by the Finance Minister, is not inconsiderable. It is not without significance that the Planning Commission, in its reappraisal of the second Plan, has placed considerable emphasis on economy in expenditure at the States' level in the last two years of the Plan from which the Commission feels that about Rs. 30 crores could be gained for development purposes.

Now that the State Government has overcome many of the difficulties arising from the reorganisation of the States, it has been found possible to step up the outlay on the Plan. From Rs. 47 crores in 1956-57, the outlay in the second Five-year Plan moved up to Rs. 51.5 crores in 1957-58 and still further to Rs. 78 crores in the current year; in 1959-60, it is proposed to spend Rs. 90 crores. During the four years ending 1959-60, the State will have spent Rs. 266.5 crores or nearly 76 per cent. of the total outlay of Rs. 350.3 crores. In this connection, we wish to reiterate the point we have often made, namely, that it would be a healthy practice for the States to furnish information about the physical achievements under the Plan instead of merely giving the financial expenditure incurred under it. After all, what really matters is the new wealth that has been created, financial outlay being only a means to that end. The speech of Bombay's Finance Minister, excellent as an overall review of the State's finances as it was, lacked the details of actual accomplishment under the State's Plan which would have encouraged the Government's supporters and satisfied, if not silenced, its critics.

To revert to expenditure under the Plan. Agriculture, irrigation and power claim the major portion of the total outlay on the Plan; the share of these sectors works out to 63.7 per cent. In the agricultural sphere, the programme for the construction of 35,000 new wells and repairs to 28,000 old wells has been pursued with vigour. Under the soil conservation programme, some 1.1 million acres of land have been contour-bunded. Further, 240 seed farms have started functioning, the target being 323 seed farms.

Since India continues to depend largely on monsoon for irrigation purposes, a permanent solution to the country's food problem, as Dr. Jivraj Mehta pointed out, can be found only through the development of major, medium and minor irrigation works. Several hydro-electric projects, taken over from the first Plan period, have been completed. The major and medium irrigation works have together added 138,000 acres to the irrigated area. In this connection, a commendable measure has been the stimulus given to the utilisation of the water potential created by irrigation works. Water is made available at concessional rate in the first three years. The administrative procedure for the supply of water has also been simplified. The major difficulty in the utilisation of irrigation water, as is well known, is the farmer's inability to construct field channels. In order to eliminate this difficulty, the "Government has recently fixed criteria according to which no field will be more than one mile away from a Government outlet and cultivators will have to dig channels only below 1 cusec level." The Government has done well to set up a separate body—the Bombay State Irrigation Board—to consider and recommend measures for extending irrigation facilities. The largest of the power projects in the State is the Koyna project, the first stage of which envisages the installation of four units, each generating 60,000 kw. power. The first generating set is expected to be commissioned by April 1961, the remaining three sets at intervals of six months each thereafter.

Being a premier industrial State, Bombay has necessarily to give considerable attention to maintain and improve its industries. It is gratifying to be told that a Master Plan for industrialisation of the State is expected to be ready soon. The Finance Minister did not throw much light on this blue-print for the State's industrialisation. It is to be hoped that the Plan will include a realistic appraisal of the State's resources and its implementation will be speeded up. In view of the growing unemployment in the State, the authorities cannot afford to go slow with industrial schemes. Nor can they rest on their oars. They should continually encourage the establishment of new enterprises. It is not uncommon in other countries with a federal constitution for the States to advertise their resources and facilities for industrial progress and invite capital and technical know-how. Fortunately, Bombay has sufficient capital and technical and managerial personnel. Through the provision of suitable incentives, they can be supplemented by resources from foreign countries. In any case, the Government should not relax its efforts to accelerate the pace of the State's industrial progress.

The Government is presumably engaged in the study of the programmes to be included in the third Five-year Plan. Clearly, this Plan will have to be significantly larger than the second, considering that the State is much larger than when the second Plan was in the blueprint stage. Assuming that the State's administrative frontiers will remain intact, the authorities have necessarily to think in terms of a plan which will reconcile the just regional claims with what is economically feasible and correct. The Plan will need larger resources than what the State has had to find in the past. Generally speaking, it should not be difficult for the State to gather the resources it will need. But the Government will do well to tighten up the tax-collecting machinery, so that it will not have to divert its energy to new sources of income without tapping in full the existing sources of revenue. A plentiful source of revenue has been the sales tax. It is expected to yield some Rs. 30.1 crores in each of the two years, 1958-59 and 1959-60, as against the budget estimate of Rs. 24.4 crores for 1958-59.

The Finance Minister estimated that the implementation of the Sales Tax Committee's recommendations, which were designed to ensure simplification of the sales tax collection and uniformity in rates and systems of sales tax in different regions of the State, would yield an additional Rs. 1 crore in revenue. There is no doubt that the revenue from this source is bound to expand in the coming years with the anticipated increase in agricultural and industrial production. Even so, it should be possible for the State to ensure that leakages in revenue, which are known to occur in this sphere, are effectively closed. Fiscal administration need not necessarily be costly in order to be efficient. Much depends upon the choice and training of personnel and efficient supervision of the work of subordinate officers.

A promising source is small savings scheme which, from all accounts, is being ably implemented in the State. With an annual net target of Rs. 26 crores, the scheme is already an important item in the capital budget. Through several incentives, not the least important of which is the facility for adjusting interest on small savings certificates towards land revenue, the scheme is sought to be popularised. In its present form, the scheme, as the Finance Minister himself pointed out, will serve the twin objectives of wider coverage—it will bring agricultural population within its purview—and inculcation of the thrift habit among the people.

AUTOMATION

MR. Krishna Menon's bold advocacy of a policy of progressive modernisation of all existing industries for raising the production potential of the country should dispel the mist of confused thinking which has grown round this issue of late. There is a tendency to look at the question of modernisation in the light of a supposed conflict of interest between workers and management and to argue that those advocating it ignore the human problems it gives rise to. Trade unions' opposition to modernisation more often than not springs not so much from ignorance of its advantages in the long run as from a refusal to face the immediate discomfiture. Mr. Menon did well to emphasise, in the course of his address at the centenary meeting of the workers of the Government Harness and Saddlery Factory at Kanpur, that only modernisation and automation could open the way for larger consumption and the establishment of new industries. "If we want to build a socialist society," he pleaded, "let it be a society sharing plenty and not poverty." It was taking a narrow view of automation, he pointed out, to oppose it merely because of the fear of unemployment. Automation should not be resisted on the ground that it was anti-labour or anti-progress. On the other hand, he asserted, automation alone could provide workers higher reward for their labour.

Automation, as the next stage in industrial progress, is bound to come into vogue throughout the world, whether one wills it or not. It may not be an issue of immediate importance to this country, since India has to go a long way before it can introduce automation. But, for its very survival as an industrial nation, modernisation of equipment and machinery is of urgent importance. It is not merely short-sighted but suicidal to allow industries to continue operating with obsolete machinery when China and all other Asian countries are making an all-out bid to catch up with the industrial West.

It is true that introduction of modern machinery will result in some measure of unemployment. But this will only be a temporary phenomenon. It should be possible to absorb the displaced persons when wider markets and larger consumption make expansion in production possible. It should not also be difficult to find, to put impossible conditions but to ensure that it causes a minimum of hardship to workers. The correct approach to the question of modernisation is, therefore, not to oppose it outright, nor to put impossible conditions, but to ensure that it causes a minimum of hardship to workers. The transition can be made as smooth as possible, provided there is sufficient co-operation among workers, employers and the Government.

The attitude of British trade unions to automation and technological changes should serve as an example to others. They realise that Britain's capacity to make both ends meet as a nation depends on its industrial efficiency. They understand that, if their industries were to be lacking in up-to-date techniques, they would fail in a sternly competitive world. In fact, at a special conference called by the British Trade Union Congress in 1957 to review automation developments at home and overseas, Mr. William Carron, leader of 900,000 engineering workers, averred that "there seemed to be more to fear from too little automation than from too much." British trade unions, however, maintain that technological changes should be introduced in the right way, after thorough consultation with workers and that labour should get a fair share of the benefits. The U.S. trade unions, too, according to Mr. David Lasser, Research Director of U.S. International Union of Electrical Radio and Machine Workers, take a similar view of automation. But, as is natural, trade unions in both the countries insist, and justly so on retraining of workers displaced by automation, raising of unemployment benefits and compensation or severance pay. Surely, it is time the trade unions in this country learned to look beyond their nose.

PRIVATE SECTOR LIFE-BLOOD OF DEMOCRACY, SAYS TYAGI

LIFE INSURANCE A RECORD—CALCUTTA GAS TO BE NATIONALISED

THURSDAY, 5 P.M.

MARKET GOSSIP

ABOUT the middle of March 1959, the six good friends of India in the free world—the U.S., the U.K., West Germany, Canada, Japan, and the World Bank—will meet in Washington to decide the details of help they have promised to give for seeing India's second Plan through. The latest estimate of India's requirements of foreign exchange is $700 million, that is, $100 million more than the estimates current at the time of the Fund-Bank meetings at New Delhi. Advices from abroad suggest that there would be no difficulty in getting this amount and that the climate of opinion is quite favourable to India. The climate can certainly be improved further, if Mr. Morarji Desai presents a realistic budget. With only 48 hours more for the budget to be out, it is useless to say as to what the budget should be like, except to add that the whole free world is waiting to see whether India will give more scope and freedom to private enterprise or take further steps towards State capitalism.

Although the mere fact that India is striving hard to establish a democratic, as opposed to communist, society seems to be the main inducement for the Western world coming to the help of this country, it remains to be seen whether Mr. Morarji Desai and his Cabinet colleagues have been wise enough to realise that it is in the interest of this country itself that a vigorous private sector is an essential prerequisite for a steady and sustained growth of democracy. Although Mr. Nehru had stated, apparently in a mood of anger, that the private sector was not necessary for a democratic society and that it actually came in the way of the functioning of the democratic apparatus, even he would, on calm reflection, grant that that view is not correct. In this connection, we would like to bring to the notice of the Government the views of Mr. Mahavir Tyagi, a veteran Congress Member of Parliament and a former Cabinet colleague of Mr. Nehru. Addressing a gathering of business men at Patna last Sunday, Mr. Tyagi described the private sector as the "life-blood of democracy" and urged the Government to give a lead in creating a congenial climate for mutual confidence and understanding. He felt that only under such a climate would the collection of taxes be easier and averred that acrimonious slogans and vilifications would not make business men to disclose their wealth or induce them to give up tax evasion. He emphasised that the private sector must be allowed to prosper in the interest of democracy and warned that, if democracy failed in India, the unity of the country would be gone. He was kind enough to recall the patriotism and sacrifice of the business community during the struggle for independence and to exclaim: "How can the same business men, who financed our freedom fight during the British regime, turn traitors, tax-dodgers and thieves after independence!" Not many Congress men speak in this vein nowadays. Accordingly, Mr. Tyagi's words make refreshing reading. Let us wait and see to what extent the budget will signify a welcome change in the Government's attitude towards the private sector.

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In our first leading article this week, we have drawn attention to the observations of the U.S. Senator John Kennedy on the need for helping India economically and to the resolution which he has moved in the American Senate in co-operation with Senator Sherman Cooper. It will be useful to record here the reactions of others to their move. Before doing so, it must be added that Senator Kennedy has suggested that a mission representing the U.S., Canada, Great Britain, West Germany and Japan should undertake a frank and realistic exchange and survey of India's future needs. He is of the view that such a mission would be uniquely effective in providing a fresh approach. This suggestion has had a good reception in both the U.S. and the U.K. It has been endorsed by Mr. Averell Harriman and Mr. John D. Rockefeller, both of whom are prominent leaders in the U.S. and have just paid a visit to India. The *New York Herald-Tribune* in the U.S. and the independent Sunday paper, the *Observer* in Britain, have also welcomed the Kennedy-Cooper proposal. The *Observer* has, in fact, come to the conclusion that Indians may not plan on ambitious lines, unless they are positively encouraged to do so by the West. "The trouble," according to it, "is that the chastening experience of carrying a begging bowl round among their friends is making the Indians themselves excessively cautious about the further stages in their development programme." This view may appear to be somewhat exaggerated, but there is a lot of truth in it. While, of course, some are talking in terms of an investment of Rs. 10,000 crores under the third Plan, what is likely to happen, if India is not assured of sufficient foreign exchange resources, is that the stress on internal resources would be pitched at a higher level. This would mean an unbearable strain on the people of this country. Already, the tendency amongst a section of advisers to the Congress Party is that the next Plan, while being bigger than the second Plan, should not depend too much on external resources. Such an attitude is, of course, unrealistic, especially if the stress is going to be on heavy industries. But this only goes to prove the point the *Observer* has made. Be that as it may, the circumstances are now favourable to India for drawing up a third Plan bolder than the second one and for trying to obtain sufficient help from the developed countries in the West. The final shape of the Plan should, however, be realistically adjusted on the basis of a realistic appraisal of resources available within the country and promises abroad.

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The record new business of Rs. 344.68 crores under about a million policies written by the Life Insurance Corporation of India in 1958 is an indication that the initial teething troubles and the organisational and administrative problems have almost been solved and that the Corporation is now well set on the road to expansion of business. The 1958 business figure is the highest ever attained in this country and represents an increase of about Rs. 62 crores (22 per cent.) over the previous year's figure of Rs. 283.07 crores. It comprised Rs. 5.62 crores written outside India and Rs. 339.06 crores within the country, including Rs. 1.60 crore under the *Janata* Insurance Scheme. This compares favourably with the previous year's overseas business of Rs. 5.40 crores and business within the country of Rs. 277.67 crores (including Rs. 1.17 crore under the *Janata* Scheme). It will be noted that the increase in business was mostly confined to business done within the country. Foreign business, which constitutes only a small percentage of the total, showed only a very small rise, while *Janata* Insurance, a new innovation, recorded fairly good progress. In terms of percentage to the total business, the share of *Janata* is still negligible. The total number of all policies issued during the year aggregated over 960,000, as against 800,000 in 1957.

An analysis of the zonal-wise distribution of business indicates some interesting trends. The largest percentage increase in new business was in the Western and Northern zones, the rise having been as much as 27 per cent. in both these zones. The Central zone recorded an increase of 23 per cent., Southern zone 22 per cent. and Eastern zone 16 per cent., being the lowest. Breakdown figures of new business are: Northern zone: Rs. 43 crores, Central zone: Rs. 44 crores, Eastern zone: Rs. 79 crores, Southern zone: Rs. 90 crores and Western zone: Rs. 83 crores. It will be seen that the Southern zone is head and shoulders above the other zones. This indicates that, though the Southern zone is by no means as rich as the rest of India, people in this area appreciate the value of insurance better than those in others and are generally keen on saving for the future. Considerable disparity was also noticed in the value of the average policy sold in the different zones. Thus, in the Northern zone, the average policy was for over Rs. 4,600. In the Central and Western zones, it was a little over Rs. 4,000, in the Eastern zone Rs. 3,600 and in the Southern zone Rs. 2,700. The last mentioned figure confirms the point just made about the Southern zone. The average policy sold outside India was over Rs. 10,000.

The investments of the Corporation as on 31st December 1958 stood at Rs. 414.02 crores, as against Rs. 381.46 crores on 31st December 1957. Of this, Rs. 201 crores were in Government of India securities, over Rs. 55 crores in State Government securities, Rs. 39 crores in other approved securities, Rs. 75 crores in debentures, preference shares and ordinary shares of companies, Rs. 13 crores in loans on mortgage of property, and over Rs. 21 crores in land and house properties owned by the Corporation.

The increase of 22 per cent. in new business in 1958 is no doubt encouraging. But turnover figures alone cannot give an exact indication of the improvement in real business. Much more than quantity, it is the quality of business, indicated by the percentage of lapses, that counts in the long run. It is heartening to hear that the lapse ratio, after having risen to a peak of 11.1 per cent. in 1956, has since shown a downward trend and was only 8.4 per cent. in 1957. Comparative figures for some of the previous years are: 9.1 per cent. for 1955, 8.5 per cent. for 1954 and 8.9 per cent. for 1953.

It is needless to add that initial successes should induce no complacency. The scope and need for expansion of life insurance in India, both as a method of mobilising the savings of the people and as cover against risks, are vast. The ratio of life insurance in force in India to the national income is indeed one of the lowest in the world. Thus, as against only 11 per cent. in India in 1956, the percentage ratio is as high as 132 in Canada, 112 in the U.S., 83 in New Zealand, 58 in the U.K., 55 in Austria, 53 in Sweden and 50 in Switzerland. Further, for resources for implementing the second and third Plans, the Government is banking on life insurance to a considerable extent. It will be recalled that a specific reference to this effect is made in the Nagpur resolution of the Congress Party.

The Corporation is aware of this great task ahead. Its Chairman, Mr. P. A. Gopalakrishnan, disclosed yesterday at a Press Conference in Bombay that the Corporation has drawn up a tentative five-year plan for raising the level of national savings through life insurance. Under this plan, which has yet to be considered and finalised, a new business of Rs. 1,000 crores has been fixed as the target in the fifth year of the plan.

The Corporation is intensifying its efforts to spread the message of insurance. In 1958, it took four steps to achieve this objective. (1) As many as 74 new offices were opened in places where there were no offices of any insurers before. (2) Organised attempts were made for the first time in the history of life insurance to secure business from rural areas. (3) Permanent training centres were opened at the headquarters of all the five zones to train development personnel on the professional aspects of sales and servicing. (4) Intensified work was done to promote special schemes of insurance such as salary saving scheme, group insurance and superannuation scheme.

A contented staff, the Corporation realises, is one of the prerequisites for efficiency and expansion. It has, therefore, decided to give its employees the benefit of a free term insurance, in addition to one month's basic salary as bonus for the year 1957. As readers are already aware, about Rs. 12 crores have also been set apart for housing schemes for the staff which will be spread over a period of five years.

It will not be surprising if the existing old policyholders are impatient about the bonus due to them. Information elicited at the Press Conference shows that actuarial valuation of assets for the purpose of declaring a bonus to policyholders, is progressing. If the work proceeds according to schedule, the bonus will be declared in three to four months' time. It is necessary to add that early declaration of bonus will be a good selling point for new business. It will be more so, if the bonus is declared on a liberal scale, for it will strengthen the confidence of those investors who had been shocked by the sudden and unprovoked act of nationalisation.

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The State Bank of India's offer to take over, as subsidiaries, the banks which were either sponsored by the former princely States or associated with them in some capacity or other, does not seem to have received unanimous response from these banks. The Bank of Baroda had already decided not to opt to become a subsidiary and had been allowed to maintain its *status quo*. The latest bank to follow suit is the Bank of Rajasthan Ltd. This Bank has not agreed to the proposal on the ground that it was not established as a State-sponsored bank for handling the State Government's business, like the other State-associated banks. Neither the Mewar State, wherein it was established, nor the United States of Rajasthan, which came into being later, has a share in the capital of the Bank. The Bank is also not enjoying any facility or concession of financial importance from the State Government. It is thus a purely private commercial bank. No doubt, the Government of the United States of Rajasthan appointed the Bank as its banker and treasurer in 1949, but the State's business has, in fact, proved to be unremunerative to the Rajasthan Bank. It has already made a representation to the State Government for fixation of a remuneration.

The management of the Bank seems to feel that the Bank can serve the trade and industry of the area, to which its activities are confined at present, better as an independent private institution than as a nationalised subsidiary. It is also opposed to the principle of the State Bank of India taking over other banks as subsidiaries, when the Banking Companies Act prohibits commercial banks from having subsidiaries. If the State Bank of India Act can be amended to take over subsidiaries, it is contended, there is no reason why other Scheduled banks should not be allowed to do so by an amendment to the Banking Companies Act.

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It is not known how the investors in the Calcutta Gas Company (Proprietory) Ltd. have received the news that the West Bengal Government has prepared a Bill to take over the Oriental Gas Company, Calcutta, a wholly-owned subsidiary of their Company, under Article 31(A) of the Constitution. Since the shares are quoted at a substantial discount, they would probably be delighted at the news. Much, however, will depend upon the quantum of compensation that will be paid by the Government.

It may be noted here that the West Bengal Government had appointed last year a committee to inquire into the working of the Oriental Gas. The Committee's recommendations are not known, nor is it known whether the present move to take over the Company is a sequel to any recommendation by the Committee.

The decision will doubtless come as a disappointment to the Company's management, because it was only recently that it had decided to go ahead with its expansion programme and secured the import licence for the necessary plant and machinery. The Company had planned its expansion programme a few years ago, but this was met with various inhibitions and delay. From 1952 onwards, there were reports that the State Government had under consideration a scheme to set up a second coke oven plant at Durgapur to meet the gas requirements of Calcutta. In 1954, it was reported that the Government had invited global tenders for laying a pipeline to bring gas from Durgapur to Calcutta. In view of this situation, where even the survival of the Company was in doubt, there was no incentive for it to go ahead with its expansion programme involving heavy capital outlay.

It was not, however, until March 1957 that the Company had definite information that, on account of foreign exchange shortage, the Durgapur gas project would be subject to very great delay. The Company, therefore, immediately drew up a Rs. 35-lakh expansion programme. With great

(*Continued on page 340*)

SHARE MARKET DULL

TATA LOCOMOTIVES SPURT

(From Our Own Correspondents)

BOMBAY, 26*th February*

SWAYED by hopes and fears about Mr. Morarji Desai's maiden Budget to be presented on the 28th inst., the share market presented listless conditions during the week under review. The trend of prices was somewhat irregular within a narrow range, but the undertone remained fairly steady practically throughout the week. Though the consensus of opinion was that there might not be any new burdens in the budget, some anxiety was evident towards the close of the week, which led to some liquidation. On balance, however, equities disclosed only minor changes.

In the steel section, Tata Ordinaries improved earlier in the week from Rs. 173.75 to Rs. 174.50, before retreating to Rs. 172.50 on Tuesday this week. Thereafter, there was again a recovery to Rs. 174 this morning, but at the close they dipped to Rs. 172.50. The new shares were steady with a fractional gain to Rs. 171. Indian Irons gave way from Rs. 26.10 to Rs. 25.95, before regaining to Rs. 26.35. The closing was, however, lower at Rs. 26.20. Mukund Irons recorded a rise of 68 nP over the week to Rs. 14.76.

Textile shares were generally quiet and the volume of business also dwindled considerably. Centurys provided a feature with a drop of Rs. 4.25, that is, from Rs. 437.50 to Rs. 433.25. Bombay Dyeings moved between Rs. 57.40 and Rs. 56.90, before closing at the latter level with a loss of 20 nP over the week. Kohinoors jumped earlier in the week from Rs. 235 to Rs. 239.50, but later slided down to Rs. 234.50. After an advance to Rs. 238.25, the shares declined again to Rs. 235.50 at the close. Central Indias were marked down by a rupee to Rs. 87, while Khataus gathered Rs. 2 to Rs. 156.25 and New Greats Re. 1 to Rs. 210. Minervas declined by Rs. 5 to Rs. 59, Simplex by Re. 1.50 to Rs. 166.50 and Standards by Rs. 4 to Rs. 416. Svadeshis shed Rs. 2.25 to Rs. 202.50 and Tata Mills 25 nP to Rs. 33.75.

Sugar shares were dull, though the rise in prices recorded last week was fairly well maintained. Belapurs advanced early in the week from Rs. 272 to Rs. 275.50, before receding to Rs. 270. After a rise again to Rs. 274.50, the shares closed at Rs. 272. Bhopals were steady at Rs. 25.50 and Walchandnagars at Rs. 275.50. Phaltans, however, declined by Re. 1.25 to Rs. 146.75 and Maharashtras by Rs. 3.25 to Rs. 175. Ravalgaons were a feature with a rise of Rs. 7 to Rs. 140. Cement shares were unimpressive. Associated Cements were done a fraction lower at Rs. 146.50, while Digvijays were unchanged at Rs. 129.50. Orissa Cements, however, improved by 76 nP to Rs. 13.76. In the engineering group, Tata Locomotives provided an exception and, on keen buying, advanced from Rs. 164.50 to Rs. 169, before closing at Rs. 167.75. Alcocks were done Re. 1 lower at Rs. 256. Premier Constructions were steady at Rs. 226. Larsen & Toubros displayed some strength with a rise of 36 nP to Rs. 17.60, as also Mahindras with a gain of 20 nP to Rs. 18.28. Among mining shares, Shivrajpurs gathered 30 nP to Rs. 88.80, while Indian Coppers were steady at Rs. 3.58.

Scindias were on balance 20 nP lower at Rs. 20.56, while Great Eastern Shippings gained 24 nP to Rs. 22.96. Premier Automobiles met with interested support and rose by Rs. 5 to Rs. 93. Hindustan Motors were steady at Rs. 7.84. Bombay Burmahs (old) fluctuated between Rs. 468 and Rs. 464.50 before closing at Rs. 465. National Rayons closed at Rs. 239.50, after gaining from Rs. 242.50 to Rs. 243.25. Tata Chemicals were steady at Rs. 15.48, as were Tata Oils at Rs. 44.75. Killick Industries were marked down by Rs. 5 to Rs. 151.50 and Wimcos by Rs. 2.50 to Rs. 188.50.

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Calcutta Stock Exchange

CALCUTTA, 25*th February*

The absence of any increase in railway fares and freights was the sole cause for the slightly improved trend on the Calcutta Stock Exchange during the week under review. This is not to say that there was an impressive expansion in the volume of business. There was, however, an abatement of nervous selling, a feature of last week's trading, as the view that the Central Budget, which would be presented on Saturday next, would not contain any increase in direct taxation was gaining ground among operators and investors. In the event of the Union Budget proving to be a routine affair, a boom in equities can be expected, and the more prudent among operators believed that holding would prove profitable. However, if the rumour that Government would no longer permit the blank transfer system in order to check tax evasion, materialised, and if every transaction should be registered with the office of the Company concerned, business in the market is bound to fall. For those who purchased shares for a quick and timely turnover would find the incentive lacking. Sentiment was also assisted by good corporate news, such as the announcement of a 15 per cent. dividend by Hindustan Levers, the maintenance of dividend of 8 per cent. by Alkali and Chemicals, and a series of satisfactory dividend announcements by tea companies. Factors that restricted activity included the Reserve Bank's direction to Scheduled banks to exercise restraint on credit expansion and the action by the Forward Markets Commission to check rise in commodity prices.

Sectionwise, coals came up for more attention, following reports of good raisings from collieries, although business did not expand. Pench Valleys at Rs. 24.37 added 37 nP, and Equitables advanced to Rs. 30.37 from Rs. 30.19. Burrakurs after being higher at Rs. 17.56 sagged to Rs. 17.25, while Khatras Jherriahs were steady at Rs. 66.75. Western Bengals recovered to Rs. 5.97 from Rs. 5.87, while Bengals were lower at Rs. 281. Central Indias were in demand at Rs. 7.44, against 7.37 earlier.

Interest in jute shares was limited and barring some features on selective buying most counters were lower on balance. Aucklands were a strong feature with a rise to Rs. 175 from Rs. 173. At Rs. 13.69, New Centrals added a small advance, while Budge Budges gave way to Rs. 130 from Rs. 136. Howrahs hardened to Rs. 19.19 from Rs. 18.94, but subsequently lost the gain. At Rs. 72.50, Ganges eased by one point, but Champdanies were unchanged at Rs. 117.

Indian Irons, in engineerings, were earlier as low as Rs. 25.77 on renewed offerings by holders who needed cash to meet losses in commodities, but recovered to Rs. 26.02. Texmacos at Rs. 20.88 were fractionally better, as were Guest Keen Williams at Rs. 37.56. Braithwaites were supported at Rs. 32.37, as against Rs. 31.94 earlier, while Jessop & Cos. were quiet at Rs. 25.31.

Paper shares received some support on expectations of a favourable report by the Tariff Commission on prices. Orients at Rs. 31.40 added a few nP, while Bengals were unchanged at Rs. 87.50. Sirpurs, after being higher at Rs. 13.81, sagged to Rs. 12.50.

Interest in teas broadened with Sungmas, following the announcement of 10 per cent. interim dividend, forging ahead to Rs. 17.75 from Rs. 17.12. At Rs. 23.87, Betjans gained Re. 1.87 and Anandabags spurted to Rs. 21.44 from Rs. 18 previously. Methonis moved upto Rs. 21.50 from Rs. 20. Interested buying pushed up Dufflaghurs to Rs. 34.50 from Rs. 33.25, and Tezpores hardened to Rs. 15.94 from Rs. 15. Brooke Bonds had buyers at Rs. 16.87, as against Rs. 16.62 earlier, and Dhelakhats at Rs. 23.62, as against Rs. 23.37. Dibrugarhs rose to Rs. 29 from Rs. 27.75 encouraged by the announcement of an interim dividend of Re. 1.

Among miscellaneous industrials, Martin Burns were brought to business at Rs. 30.12, as against Rs. 29 earlier. National Pipes were fully steady at Rs. 17.25, on dividend hopes. Rallis India recovered to Rs. 49 from Rs. 47. Angelo Bros. were slightly better at Rs. 19.20. On good interest, B.I. Corporations were fully steady at the improved rate of Rs. 4.69. Rohtas Industries sagged to Rs. 18.75 from Rs. 18.81.

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Madras Stock Exchange

MADRAS, 24*th February*

Steady conditions prevailed on the Madras Stock Exchange during the week under review. The steadiness was induced by absence of any increase in passenger fares and freight rates in the Railway Budget and of any fresh tax imposts in the few State Budgets presented so far. Operators were somewhat inclined to feel that the Central Government Budget to be presented by Mr. Morarji Desai in Parliament on Saturday next, might not contain any fresh tax proposals, barring minor adjustments here and there. Tea shares received good investment support, thanks to favourable prices fetched by low-medium and medium varieties at the recent Cochin auctions. Coffee shares were also active. Operators noted the statement of the Union Minister for Commerce and Industry at Bangalore that the Minister for Finance would consider the proposals to replace the various sales taxes now in force by an additional excise duty. In particular, his reference to the satisfactory exports during 1957-58 was well received. Rubber shares, too, attracted attention. Buying enquiry in the textile section was selective. Banks and miscellaneous industrials followed the general trend.

Among tea shares, United Nilgiris were in the limelight, the quotation forging ahead by 75 nP to Rs. 18 *cum-div.* Devasholas firmed up by 38 nP to Rs. 24.25 and Kil Kotagiris by 35 nP to Rs. 7.20. Nonsuch Teas recorded a gain of 25 nP to Rs. 25.25. In the coffee group, Bababudins hardened by 25 nP to Rs. 14 *cum-div.* Consolidated Coffees strengthened by 15 nP to Rs. 19.85 and Coffee Lands by 12 nP to Rs. 21.62. Among rubber shares, Vaikundams and Kalpettas moved up by 25 nP each to Rs. 23.75 and Rs. 12.25, respectively. Pullangodes rallied 15 nP to Re. 1.90. Tropicals rose by 10 nP to Rs. 21.85, Kailas gathered a like amount to Rs. 4.95. In the textile section, Dhanalakshmis went up by Rs. 3 to Rs. 175 *cum-div.* Virudhunagars increased by Re. 1.25 to Rs. 32. Venkatesas put on 75 nP to Rs. 117. A rise of 42 nP to Rs. 6.60 in Ashok Leylands, of 32 nP to Rs. 16 in Sen-Raleighs and of 31 nP to Rs. 13.24 in Orissa Cements characterised trading in the miscellaneous section. Textools, however, dropped Re. 1.75 to Rs. 162.75. Among sugar shares, E.I.Ds gained 20 nP to Rs. 30.50, while Cauverys were subjected to selling pressure and slumped by Rs. 3 to Rs. 102.

BRUSSELS VIEWPOINT

From Our Own Correspondent

LONDON, 20*th February*

YOUR correspondent has just examined for himself how the Common Market appears to be working in practice and the study was salutary. This study was made in both France and Belgium, concluding with the latter since there is the capital of the new Europe. And a new capital it indeed is, with its modern building in glass and steel, housing the European Commission for the Administration of the Common Market, its "six countries" civil servants and its exciting and excited examination of trade problems, relevant and irrelevant to the immediate present.

LONDON LETTER

The first relief to the traveller is the absence of passport control—the barriers are still there but they are no longer concerned with people or money, but with goods. Presumably, the police are the only sufferers from this new liberty, although, of course, a control can be put in *ad hoc* anywhere if a wanted person is around. Goods, however, are a different matter. Your correspondent travelled with a wine merchant from Burgundy to Brussels in a private car followed by a lorry containing barrels of wine. It was customary for this merchant to leave his lorry parked by the side of the road overnight on the French side of the frontier and then have it collected in the morning by a clerk who would complete the necessary declarations and take the lorry across the frontier. The lorry being parked and the Customs officials showing a complete lack of interest in raising the road barrier, the merchant decided to implement the Common Market himself by raising the road barrier. But he had reckoned without the power of officialdom! The Customs officers poured into the road in a body and told the merchant what they thought about him. When he invoked the Common Market in protest and said he was doing no more than he had always done as far as the goods were concerned, he was told that everything was now different. All the forms were different (all the six frontiers have to have the same which will be excellent in the long run but is apt to be confusing at first) and they all had to be completed as soon as the goods arrived at the frontier—*not* the next day! So the merchant had to complete the declaration himself then and there in the cold dank fog that has hung over those parts more than a week, and, after that, just to teach him a lesson about how far it is wise to go in assuming that the Common Market and freedom to raise barriers are the same thing, the officers searched all his personal goods to make sure he was not smuggling any bottles of wine in his car!

Growing Pains

These are no doubt examples of growing pains; the fact the rest of the world must accept is that, slowly, the Six are knitting themselves together and trade discrimination against the rest of the world is a fact and will become more and more obvious as such. Although the British Government still publicly believes there is no practicable alternative to a "free trade area," so far as Brussels is concerned the idea is stone cold dead. It is being replaced by a new idea, as a result of the Parliamentary debate earlier this month: that the practicability of the U.K. *joining* the Common Market is worthy of exploration. In Brussels, the special problems of the Commonwealth are recognised—but the question being asked is: "Are these problems insurmountable?" And the belief is growing that arrangements could be made, given British goodwill, to provide for the relations of the U.K. with her special external markets. It is rather foolish for a British Minister to affirm that the public here are not yet ready for the idea of joining the Six: the public in France and Belgium and no doubt in the other countries, were not and are not yet ready for the Common Market, but they are getting it all the same.

The great coalminers' strike in Belgium and the sabotage which is accompanying it show that, productionwise, the Common Market cannot eliminate hard economic facts. Not only is the whole European Coal and Steel Community suffering from overproduction of coal, but Belgium is a high cost producer and the decision, which precipitated the strikes, has been to cut out one-sixth of uneconomic output. The Market cannot be blamed for the resulting unemployment, but neither can it do anything to avoid it.—*All Rights Reserved.*

NEWS IN BRIEF

THE cost of the second general election in India is estimated at Rs. 2.25 per voter, as against Rs. 4.50 in the first election.

The World Bank has agreed to consider the grant of a loan to India for the completion of the Koyna Project. Negotiations for the loan are expected to take place shortly.

The various Ministries and Departments of the Government of India have effected a saving of Rs. 2,60,60,368 during 1958-59 by undertaking economy measures, according to Prime Minister Nehru.

The U.S. private capital investments in India as on 31st December 1956 aggregated Rs. 46.84 crores, as against Rs. 39.76 crores a year before, Rs. 30.00 crores at the end of 1953 and Rs. 11.17 crores on 30th June 1948.

A new air service to and from India will be operated in the first week of March by Alitalia, Italian Airlines. Alitalia will be the eighteenth foreign airline to operate with traffic rights in India.

The Central Government has finally decided to procure the entire rice surplus from Orissa, reversing its earlier decision to allow the W. Bengal Government also to purchase directly from this State 250,000 tons of rice.

The *Khadi* and Village Industries Commission has finalised programmes involving an aggregate expenditure in the current year of nearly Rs. 6 crores. Madras leads in the State-wise allocation with Rs. 1,70,26,659, while Bombay comes second with Rs. 85,33,960.

The proposal for exempting certain goods from sales tax with a view to promoting their exports has been dropped by the Central Government, because some of the State Governments concerned have insisted on payment of compensation for loss of revenue.

A simplified framework for the presentation of company accounts so as to make them intelligible and more meaningful to the shareholders as well as the general public, is outlined in a pamphlet brought out by the Department of Company Law Administration.

With a view to providing relief to the hosiery industry in U.P., the State Government has decided to reduce, with effect from 1st April next, the sales tax on hosiery goods from 6 nP per rupee (single point) to 2 nP per rupee (multiple point). It has also decided to abolish sales tax on country spirit and to raise, instead, the existing excise duty on it by 10 per cent.

The Central Government proposes to set up, probably at Rourkela, a pipe fabrication mill to manufacture oil pipelines. The Government is currently negotiating with a number of foreign firms for this purpose. The mill is estimated to cost about Rs. 2-3 crores. A part of the pipelines will be utilised for the two refineries at Gauhati and Barauni. The total length of the pipeline from the oilfields in upper Assam to Barauni is 750 miles and that to Gauhati 280 miles.

About 55 per cent. of the cases of non-implementation of labour enactments, awards and agreements in the coal industry which have been referred to the Evaluation and Implementation Division of the Union Labour Ministry have been settled. Other cases are at different stages of investigation. The Division has also examined about 27 cases of infringement of the code of discipline in the coal industry. Through its intervention, in about 40 per cent. of these cases, infringement has already been rectified.

The Rihand Dam project in South-eastern U.P. will be completed in 1961. Disclosing this, Mr. Hathi, Deputy Minister for Irrigation, stated in the Lok Sabha the other day that there was no delay in the work on the project on account of foreign exchange difficulties. He added that the increase of a little over Rs. 10 crores in the revised cost of the project was due to the adoption of higher unit rates based on actual cost, rise in the cost of cement and steel and cost of compensation for the lands acquired.

The production of lead and zinc ores in India in 1958 was 119,556 tons, as against 95,462 tons in 1957, representing an increase of about 25 per cent. The entire production was reported from the Zawar mines of Udaipur district, Rajasthan. The recovery of lead and zinc concentrates during 1958 amounted to 5,257 tons and 7,245 tons, as compared with 4,850 tons and 7,469 tons, respectively, during 1957. The lead concentrates are sent to the smelting plant at Tundoo in Bihar. In the absence of a zinc smelter in India, zinc concentrates are sent to Japan for smelting.

The wheat harvest in the 1958-59 crop year is expected to be at the record level of 10 million tons. The first estimate of area shows an increase of 1.2 million acres during the current year, as compared with that in the previous year. The increase in the area of cultivation has taken place mainly in the Punjab, Rajasthan, Madhya Pradesh and Bihar. In the Punjab, wheat acreage is expected to be of the order of 5.2 million, as compared with 4.9 million last year. The figures for Madhya Pradesh are 6.9 million this year, as against 6.7 million last year. For the whole of India, the acreage is estimated at 29.8 million, according to the first estimate, as against 29.1 million last year.

The Government of India has informed the Estimates Committee of the Lok Sabha that it will not be possible to consider the question of merging the Indian Airlines Corporation and Air-India International, as suggested by the Committee, till 1965, in view of certain assurances given by Air-India International to the U.S. commercial banks from whom it had negotiated a substantial loan. The Government has explained to the Committee that it had approved the Boeing project of the Corporation, subject to the condition that the Corporation raised a loan to cover not less than 67 per cent. of the total cost of the project. The Corporation, therefore, negotiated a loan of $16.8 million from the World Bank and five U.S. commercial banks with an assurance that it would not consolidate or merge with any other corporation, a condition which formed part of all loan agreements between various U.S. airlines and lending banks in that country.

* * * *

From Abroad

The number of persons unemployed in the U.S. in January was 4,724,000—the highest for this month since 1942.

Production of tea in Ceylon touched an all-time record of 413.15 million lbs. in 1958, as compared with 397.77 million lbs. in 1957.

West Germany had a favourable balance of trade to the tune of £18 million in January 1959, with exports aggregating £234 million and imports £216 million.

The Malaya Government has decided to extend tax relief to 10 more industries and 57 more products, including beer, vitamins, cattle fodder, lipstick, tooth paste and bicycles.

A Ford Foundation grant of $249,000 has been announced for the University of Chicago to be used for the stepping up of its South Asian study programme. The grant will enable the University of Chicago's Committee on South Asian Studies to broaden the scope of its training and research.

Exports of plastic raw materials from the U.K. touched new records in both volume and value during 1958. The quantity actually shipped was over 122,600 tons, valued at more than £32 million, as against 112,600 tons valued at £29.75 million in 1957. The main items exported were moulding powder, resins, sheet, rod, tube, film and foil.

A new synthetic lubricating oil for jet engines, capable of withstanding higher degrees of heat than oils now in use, has been developed by the U.S. Air Force, in association with the Celanese Corporation of America. The new oil, it is claimed, removes one of the major obstacles in the development of supersonic high performance aircraft.

The International Tin Research Council has discovered some new applications for tin. They relate to manufacture of agricultural fungicides from chemical compounds of tin, a new motor-car bearing made of aluminium and tin, and application of tin alloy coatings to steel and other base metals for resistance to rust and for ornamental purpose.

The Swedish Cellulose Company has decided to implement a large investment programme at an estimated cost of Kr. 115 million (£7.93 million). The expansion scheme includes, the building of a mill for manufacturing kraft linen with a productive capacity of 100,000 tons per annum entailing an outlay of about Kr. 75 million.

The U.S. Government is expected to ask the Congress to raise the 4¼ per cent. interest rate ceiling on Government bonds if interest rates continue to increase. President Eisenhower is of the view that, in a free economy, Government bonds should be marketable, according to demand, as, otherwise, the country will run into difficulties.

A large Swedish steel and forest products group, Stora Kopparberg, has started manufacturing a new quality pulp called "Stora 59" for paper-making. This is a bleached sulphite pulp made from pine wood. It is claimed that the pulp is suitable for the production of different kinds of paper including printings, writings, wrappings, tissues, grease-proof, etc.

Holland has relaxed hire-purchase regulations in the country. The maximum payment period fixed at two years has been abolished and deposits on motor cycles and scooters reduced from 25 per cent. to 15 per cent. Deposits for others, however, remain unchanged. These are 25 per cent. for cars and 15 per cent. for motorised cycles, radios and television sets and washing machines.

The U.S. company, E. I. du Pont de Nemours proposes to shift its European office from London to Geneva. A new Swiss Corporation has been established, which will help plan and implement European sales programmes for products such as textile fibres and elastomers, to be produced by du Pont's subsidiaries in Europe and for many items manufactured in the U.S.

With a view to attracting foreign capital for the setting up of heavy industries, the Pakistan Government has removed restrictions on remittance of profits and participation of domesic capital in foreign investments. The other concessions announced include capital repatriation facilities and relief from double taxation to both industries and foreign technicians employed by them.

A $100-million, 55-storey building, described by its architects as the largest commercial office building in the world, will be built adjoining Grand Central Railroad Terminal at New York. The building, to be completed in 1962, will contain 2,400,000 square feet of space. The R.C.A. building at New York with 2,300,000 square feet of space, is now the largest commercial office building.

The Brussels cartel, Belgium, has agreed to reduce its prices for rolled steel products exported to the U.S. and other countries outside the European Coal and Steel Community. Revised prices per ton for the U.S., the figures in brackets giving prices for other countries, are: reinforced concrete rounds $88.50 ($80); rods $90.50 ($86); sections $91.50 ($83); wire rod $91 ($89); thick and medium plate and universals $90 ($86).

A five-member delegation representing the U.K. Cotton Board and the Lancashire-Pakistan Cotton Committee, headed by Col. Whitehead, arrived in Karachi on the 21st inst. It is currently holding discussions with the Karachi Cotton Association on the possibilities of stepping up exports of Pakistan cotton to the U.K. The exports have suffered a distinct setback of late, the quantity actually shipped in 1958 being no more than 24,000 bales, as against 145,000 bales in 1953.

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PERSONAL

DR. Rajendra Prasad, President of India, will be visiting Cambodia from 15th to 18th March, 1959.

Mr. G. D. Birla, a leading industrialist of India, has been appointed Chairman of the Rehabilitation Industries Corporation.

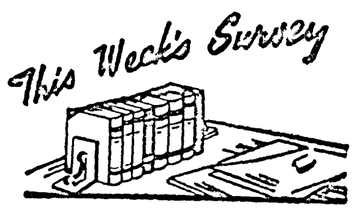
Prime Minister Nehru will inaugurate the nineteenth annual conference of the All-India Manufacturers' Organisation in Bombay on 11th March, 1959.

Mr. Ernest Krogh Hansen, till recently Norwegian Ambassador in Peking, has assumed charge of the Indo-Norwegian fishery project at Neendakara, Kerala State.

Mr. Mangaldas M. Pakvasa, a former Governor of Madhya Pradesh, has been appointed Vice-Chairman of the Central Board of Directors, State Bank of India, for two years, with effect from the date on which he takes charge of his office.

Mr. V. Lakshmi Pathy, until recently Assistant Divisional Manager, State Trading Corporation, left for Mombasa to take over charge as the Foreign Officer of the Engineering Export Promotion Council.

Mr. R. H. Schuepp, Managing Director and General Manager of Voltas Ltd., has relinquished his office with effect from 28th February, 1959. He is succeeded by Mr. S. K. Handoo, Joint Managing Director and Joint General Manager hitherto.



INDUSTRIAL PROGRESS

ADDRESSING the Standing Committee of the Central Advisory Council of Industries, which met last week at New Delhi, the Union Minister for Industry, Mr. Manubhai Shah, reviewed recent industrial trends in India and showed how several industries had achieved higher rates of production and also attained considerable independence from foreign materials and equipment. He pointed out that there was an "encouraging" increase in industrial production in the last eight years. The index of industrial production (1951=100) rose to 132.6 in 1956 and still further to 137.1 in 1957; in the first nine months of 1958, it was as high as 142.8. If cotton textiles and sugar industry, which did not fare so well, were excluded, the index would work out to 156 in the first nine months of 1958, as compared with 147 in the corresponding period of 1957. It must be remembered that these indices, which have been constructed on 1951 as base year, do not take into account some of the recently established industries like antibiotics, dyestuffs, drugs and chemicals and industrial machinery. Among the industries included in the indices, those which have recorded an increase in production include coal, cement, and several engineering and electrical units.

Among the administrative measures adopted by the Government to help industrial progress, mention must be made of the establishment of Development Councils, of which there are now 15, and the simplification of the procedure relating to the disposal of applications under the Industries (Development and Regulation) Act. By far the most difficult administrative problem has been the allocation of scarce raw materials and semi-manufactures among industrial consumers. In this connection, Mr. Manubhai Shah said: "Government attach the greatest importance to providing an adequate supply of raw materials and semi-finished goods for industry." He admitted that it had not been possible to meet the industry's requirements of raw material in full. But it was gratifying to note that, on the whole, industrial production had not suffered a setback. He rightly insisted that, although Government would endeavour to release as large an amount of foreign exchange as possible for importing raw materials, there was "no alternative to greater use of indigenous substitutes." He expressed the hope that increased exports to countries with which special payment arrangements had been concluded would make possible additional imports of raw materials for the use of industry.

The Government's general import policy and bilateral trade agreements are no doubt helpful in overcoming the difficulties in procuring raw materials. But the real solution must lie partly in finding adequate substitutes, for which all research and development effort should be devoted, and partly in improving efforts to a level which will permit larger imports of equipment and raw materials. It is encouraging to hear from Mr. Shah that the proportion of indigenous content in many lines of manufacture is increasing year after year. It has already reached 100 per cent. in certain manufactured goods, such as steel tubes and pipes, railway and signalling equipment, electric transmission towers, several items of tea machinery, electrical equipment like motors, fans and cables and sewing machines. Further progress in this direction is expected to be made by the end of the second Five-year Plan. For instance, between 1958 and 1960, the proportion of indigenous equipment in water tube boilers will increase from 40 per cent. to 80 per cent., in some items of tea machinery from 40 per cent. to 98 per cent. and in passenger cars from 40 per cent. to 80 per cent. Some of the items, in which indigenous content will form 90 to 100 per cent. of the product by 1960, include petrol pumps, water meters, typewriters, malleable hardware, radial drills and plastic extrusion presses.

An important problem which has engaged the attention of the Government is the creation of machinery-manufacturing capacity. So long as India is dependent upon foreign countries for all its plant and machinery, it cannot really be industrially self-reliant. The value of capital goods and equipment produced in India at present is placed at Rs. 80 crores a year, but the current annual rate of imports is Rs. 110-120 crores. By the end of the second Five-year Plan, the demand for industrial machinery is expected to go up to Rs. 200 crores and by the end of the third Plan to Rs. 350-380 crores. Mr. Shah said that the country must eventually become self-sufficient in the sphere of plant and machinery and the "immediate" objective should be the production of at least 80 per cent. of machinery requirements. With this end in view, the Government has decided to set up six standing committees for the manufacture of machinery for (1) engineering industries, (2) non-ferrous metals and metallurgical industries, (3) chemicals, fertilisers, pharmaceuticals and plastic industries, (4) machine tool, transport and communication industries, (5) textile and synthetic fibre industries (including cotton, wool, silk and jute), and (6) other consumer goods industries. It is to be hoped that these committees, on which a heavy responsibility rests, will bring to their task courage and imagination.

A point which they will do well to remember is that since, in the initial stages, the demand for machinery may not always be sufficiently large to permit economic production, they must ensure that there is at least no duplication of effort and creation of surplus capacity. Existing manufacturing facilities in the private and public sectors must be carefully surveyed and a programme of phased manufacture undertaken which will take the country steadily towards the goal of self-reliance in plant and machinery. At the same time, they have to make sure that absence of competition does not lead to complacency among the manufacturers, high cost of production and poor quality. Machinery manufacture is a highly skilled job. The quality of machines must be of a high order. There must be proper arrangements for getting the benefits of technological advances in the rest of the world and for changing the design and pattern of machines in keeping with these advances. It is needless to add that, unless plant and machinery are of up-to-date nature and compare favourably with foreign countries in regard to price and productivity, the goods manufactured on them will not be able to compete effectively in the world markets. It will also be necessary for India to develop technical research in designing and manufacturing machines. All these aspects will have to be borne in mind by the Standing Committees and the Minister for Industry. The attainment of self-sufficiency in plant and machinery is not an easy job. It is only a means to an end, the end being production of goods required for raising the living standards of the people at reasonable prices.

ROAD-RAIL COMPETITION

The bogey of road-rail competition, which one thought was dead, has now been revived. The Railway Board officials maintained, at a Press conference in New Delhi last week, that much concern had been caused by the diversion to road transport of goods traffic on trunk routes and emphasised the need for a proper co-ordination between road and rail transport. The Union Minister for Railways, Mr. Jagjivan Ram, in the course of a brief reference to this subject in his Railway Budget speech, disclosed that the Government was considering the problem arising out of the diversion of "high-rated traffic to road transport on routes parallel to the railways." Referring to this aspect of the Minister's speech, we stated last week that it was to be hoped that the Government's review of the position would not lead to any fresh curbs on road transport which would be a deplorable reversal of the recent changes in transport policy, based on a modest recognition of the importance of motor vehicle transport.

In the course of the debate on the Railway Budget in the Rajya Sabha this week, many members expressed the view that road-rail competition should not be made an excuse for placing obstacles in the way of development of road transport. Rajkumari Amrit Kaur urged that, since road transport, which helped the country's development, was already facing a number of difficulties, its problems required sympathetic consideration. She pointed out that the railways were represented on all transport bodies, such as the Inter-State Transport Commission, and the Road Transport Advisory Committee; so they seemed to be amply protected. She rightly felt that inasmuch as both road and rail transport would benefit through the anticipated growth in traffic, fear of a possible conflict between the two modes of transport was not well founded.

Appropriately enough, the President of the Indian Roads and Transport Development Association, Mr. Chinubhai Kilachand, has issued a closely-reasoned statement to the Press, explaining how the fears of the Railway authorities are baseless. He points out that the provisions of the Motor Vehicles Act were liberalised with effect only from February 1957 and their actual implementation could not have taken place till about September or October 1957. Since this was followed by a slowing down in the rate of increase in domestic production of trucks—the increase was only 979 in 1957, as against 4,463 in 1956—it cannot be held that road transport has turned out to be a serious competitor to the railways. Accordingly, Mr. Kilachand argues that the "allegation of diversion of traffic to roads in any appreciable quantities is obviously exaggerated."

A more fundamental question is whether there is any economic justice in preventing healthy competition between road and rail transport. Is it right that the consignor should be prevented from choosing an appropriate means of transport for his goods? The question should be settled in the light of the two principles enunciated by the International Chamber of Commerce and supported by the International Union of Railways and the International Road Transport Union, namely, (1) freedom of choice to the user and (2) freedom to use his own transport. If these principles are accepted, it will ensure the development of economical modes of transport on which depend the entire industrial progress of a country. Road transport, as Mr. Kilachand points out, is preferred by the public, because it is speedier than railway transport, can make door-to-door deliveries and there is virtually no pilferage as in railways. The average distance covered per day by a truck is 150 miles, as against 48 miles by a wagon. These advantages determine the average consignor's preference for road transport. To deny him these advantages through a policy of discrimination against goods trucks is to invite the criticism that the Railways do not want even a fair measure of competition in the matter of transporting goods. But this is not to suggest that there should be no regulation of road transport whatever. Co-ordination between road and rail transport is necessary and desirable. Only, it should be possible to achieve such co-ordination without sacrificing the principles of economical and speedy transport of goods.

HIGHER WAGES FOR T.I.S. CO. WORKERS

The management of the Tata Iron and Steel Company, true to its long tradition of giving the workers a fair deal, has entered into an agreement with the Tata Workers Union (on the 19th inst.), establishing a new wage structure for its employees. The agreement, which provides for a substantial increase in the wages and other emoluments effective from 1st April 1959, marked the culmination of intricate and detailed negotiations between the management of the T.I.S.Co. and the Union which were in progress since October last. It was finalised at the conciliation proceedings initiated by the Government of Bihar at the request of the two parties to find a formula satisfactory to both.

According to the agreement, T.I.S.Co. workers will receive increases in emoluments amounting to Rs. 1.80 crore in the first year commencing 1st April 1959, rising to Rs. 2.26 crores in the fifth year. The increase of Rs. 1.80 crore in the first year is in addition to the *ad-interim* increase of nearly Rs. 50 lakhs granted during the past 15 months, pending the finalisation of the new wage structure, thus making a total increase of about Rs. 2.30 crores over the level of wages obtaining before November 1957. This represents a rise of nearly 23 per cent. over the total wages and emoluments received last year by the employees covered by the agreement. The rise is in fulfilment of the assurance contained in the previous agreement signed in 1956 offering an appreciable upward revision of wages on completion of the Company's two-million-ton expansion programme.

The main features of the new agreement are:

(a) An increase ranging from 33 per cent. of the current basic wages for the lowest paid to 8 per cent for the highest paid employees covered by the agreement; (b) merger of production, maintenance or service bonuses at 63.1 per cent., 53.1 per cent. and 17.7 per cent., respectively, with the basic wages of the corresponding categories of employees which represents a significant increase over current bonus earnings; (c) raising of the minimum consolidated dearness allowance from Rs. 37 to Rs. 45 with consequential adjustments for higher income slabs; and (d) introduction of graded scales of pay for the weekly-paid employees and others at the lowest level who are at present on fixed rates of pay.

The agreement also provides for the merger of good attendance bonus paid at the rate of 10 per cent., or 20 per cent. to some categories of workers, with their basic wages, and an *ad hoc* payment of Rs. 8 per month from 1st November 1958 to 31st March 1959, in order to provide immediate relief to employees. Provision is also made for more housing and hospital facilities.

It is noteworthy that the Company has agreed to this heavy commitment, despite its difficult financial position. It is at present carrying a heavy burden of debts amounting to Rs. 80 crores on which interest charges alone amount to Rs. 4 crores. In addition, the Company has to meet heavy depreciation charges on its investment of Rs. 138 crores on modernisation and expansion. It has also to commence repayment of the World Bank loans of over Rs. 51 crores from December 1959.

The management and the Union were both agreed that the gap between the highest and the lowest paid workers should be narrowed. Accordingly, the quantum of increase at the lowest level was fixed at as much as 33 per cent. in basic wages, as against 8 per cent. at the highest level. In actual terms, the lowest paid worker in T.I.S.Co. would now receive Rs. 1.81 per day as basic wage in the first year, rising to Rs. 2.09 in the fifth year, while the corresponding total monthly emoluments, including dearness allowance, would be Rs. 92 and Rs. 99.3 respectively, as against the previous total of Rs. 74. These figures are exclusive of the deferred benefits like provident fund and gratuity.

A notable feature of the agreement is the acceptance of the Union's demand to merge the plant-wide production bonus with the basic wage at the level of 63.1 per cent. and the related maintenance and service bonus to other categories of workers at 53.1 per cent. and 17.7 per cent., respectively. The cost of the merger alone is placed at Rs. 46.80 lakhs in a full year. This merger has also meant that deferred earnings like provident fund, gratuity, etc., which are proportionate to the basic wage, will substantially increase.

The workers had demanded an increase in dearness allowance to compensate for the rise in cost of living. The Company maintained that there was no case for an increase. During the conciliation proceedings, however, both the parties agreed that the different elements constituting the dearness allowance should be consolidated into a single allowance and paid as a fixed sum corresponding to different income slabs.

Since the Company has agreed to these generous terms, it is now upto the workers to cooperate with the management to see that the optimistic anticipations of production and earnings, which the management has presumed in these negotiations, are fulfilled. No effort should be spared to ensure that the plant reaches, in the least possible time, the production rate of 120,000 tons of finished steel per month which is equivalent to the annual target of 2 million ingot tons.

Here is an instance of difficult and complicated issues settled across the table by mutual negotiation and sympathetic understanding of each other's point of view. It should serve as an inspiring example to the diehards among employers and trade unionists who still consider militancy the surest means of settling disputes.

SUGAR INDUSTRY

It was, indeed, a very pertinent point which Mr. M. H. Hasham Premji, Chairman of the Bhopal Sugar Industries Ltd., made while addressing the Company's recent annual meeting, that, so long as the present system of paying cane growers at a flat rate continued, the cultivator simply would not care, nor would he have any incentive, to make improvements in the quality of cane. This point has unfortunately been overlooked by the politicians, not excluding those representing Congress, in their anxiety to better the lot of cane growers with the sole intention of securing votes for getting elected to Parliament or State legislatures. How else can one explain the move of these politicians to organise time and again cane growers' strikes, *hartals* and demonstrations? As it is, the prices of sugar are sufficiently high and any upward revision in cane cost will push up sugar prices still further. Surely, the politicians, as Mr. Premji rightly said, would do better to devote their thoughts and actions to the more important task ahead of them, namely, of improving the yield of sugar per acre.

Alluding, in particular, to the persistently high level of sugar prices, Mr. Premji declared that the Government must take its full share of responsibility for this problem. There is truth in this statement. Despite the possibility of a setback to sugar production in the current season and ignoring the rising trend of domestic demand for sugar, the Government has announced an export quota of 100,000 tons. No one will underrate the importance of earning foreign exchange, but what one fails to understand is as to why the sugar mills should be made to bear the loss on exports which is quite heavy. The estimated loss to Bhopal Sugar for the year ended September 1958 on account of the compulsory scheme of exports, we are told, was as much as Rs. 1.10 lakh.

In the course of his speech, Mr. Hasham Premji regretted that the Government had so far turned a deaf year to the sugar industry's plea that, in due fairness and equity, an excise duty on *khandsari* production equivalent to that on white sugar should be levied. Referring to the Tariff Commission's inquiry into the cost structure of sugar industry and the fair price payable to it, he hoped that the Commission would examine all aspects of the matter before making its final recommendations to the Government. In this connection, he recalled the sugar industry's plea for a higher allowance for rehabilitation of plant and machinery, as well as for full compensation for the losses sustained under the export scheme.

It is somewhat surprising to be told by Mr. Hasham Premji that his factory is the only one in the State of Madhya Pradesh which has been made to pay an agricultural income-tax. Although the reasons behind the Government's decision are not known, to single out one factory alone for paying a certain tax is, to say the least, unfair in the extreme, in that it places that factory at a serious disadvantage *vis-a-vis* other sugar factories in the State. The Government will do well to remove forthwith this inequitable discrimination and see to it that the conditions under which all units functioning in the State are as far as possible uniform.

INDIAN LAC INDUSTRY

It is somewhat disappointing to note that the Indian Lac Cess Committee, which met at Ranchi last week, should have failed to offer any constructive proposal to help solve the current problems of lac industry and trade. The Committee has, however, decided to fix a tentative production target of 1.7 million maunds of lac to be achieved by the end of the third Plan. It is estimated that production of the four lac crops in 1958 was lower at 900,000 maunds, as against the average of 1,070,000 maunds for the ten years preceding 1957. Lac exports also suffered a perceptible setback, having fallen to about 498,600 maunds valued at Rs. 4 crores during the nine months from April to the end of December 1958, as against an average of 570,359 maunds valued at about Rs. 7 crores in the preceding five years. The causes for this setback in exports cannot, however, be attributed solely to the decline in production. It is, therefore, doubtful whether an increase in production will be the panacea for the problems currently confronting the lac industry.

The lac industry and trade have been passing through a difficult period. Lac prices, although they have slightly recovered of late, are ruling at a considerably low level, as compared with those in the past few years. Till recently, India had a virtual monopoly of lac in world markets. But Thailand has recently emerged as a powerful competitor in this field. At the same time, world demand for lac is lagging behind, presumably because of fast growing substitutes. For instance, the introduction by the gramophone companies of long-playing records (with no shellac in them) has restricted the scope for India's exports of shellac. On top of this came the recession last year in some of the developed countries which hit hard the domestic industry.

The most important problem facing the industry is the instability in prices. In order to solve this problem, the Government of India set up the Indian Lac Exporters Association in June last. It has imposed a minimum price of Rs. 70 per maund for shellac TN. As the present trends show, this measure has failed to achieve its objective. It may be noted, in this connection, that the Shellac Utilisation Officer of the Indian Lac Research Institute has submitted a report regarding the difficulties of manufacturers and consumers of lac in India. He has suggested that shellac prices should be stabilised at Rs. 85-100 at Calcutta. This suggestion is designed to ensure fair prices to producers and also avert wide fluctuations in the market. Dr. Uppal, Chairman of the Committee, urged the promotion of co-operative marketing, credit and warehousing facilities, which, he believed, would go a long way towards ensuring fair prices for lac.

The Committee has stressed the need for research work, in order to develop the industry and location of new markets for lac. A seven-man sub-committee has been set up to prepare a blue print of research and development projects for lac for inclusion in the third Plan. Again, the Committee has approved of a production unit for the manufacture of bleached shellac, photo mounting tissue paper and autoclave shellac. It has also been decided to set up three publicity units in the country with a view to stepping up internal consumption of lac, besides establishing a museum of lac and lac products at the Indian Lac Research Institute. While this is a move in the right direction, it is essential to ensure an expanding market in foreign countries, in view of India's need for foreign exchange. This is a difficult task no doubt, because of the substantial increase in production of lac in Thailand and the extended use of substitutes. But that is precisely the reason why determined efforts must be made in this direction.

TOURISM

Even before the dawn of history, the palm-fringed shores of India had lured travellers from all lands. Its fabulous treasures, silks and spices, its religion and philosophies and colourful costumes and varied cultures have been a great attraction for the world traveller. Today, the fact that it has risen to the position of one of the world's largest democracies has added to its attractions. The scope for developing tourism is, indeed, vast. The Government of India and the entire travel trade of the country seem to be aware of this. The formation of the Indian Travel and Tourist Industry's Council, in which the entire travel trade in India, namely, the leading international and domestic carriers, hoteliers and travel agents, automobile associations, and the Tourist Department of the Government of India are represented, has been a major step in the promotion of tourism in the country. The functions of the Council are to organise cultural festivals and exhibitions, coordinate efforts of the travel trade, advise the Government on problems of the travel trade, collect statistical data relating to tourism and initiate studies on facilitations like customs, police visa, etc., assist in the establishment of transport facilities and manage rest houses on international standards.

The Council has been doing much useful work in promoting tourism. It has now introduced a new concept into its programme of work, namely, festival planning. Under this, the Council will sponsor cultural programmes at the time of festivals like *Holi*, *Dassera* and *Diwali* in the major cities of India. This will enable the foreign tourist to have a glimpse of the cultural heritage of India. A unique feature of this programme is that a foreign tourist can reserve seats for these programmes months in advance through his travel agent in his own country. An attractive calendar of festival events has been distributed all over the world which gives the date and time of the programmes and significance of the festival. Already, such a programme was arranged to coincide with Republic Day and *Diwali* in Delhi. In Bombay, the Festival Week is from 26th February to 5th March, 1959. It is so timed as to coincide with the arrival of two luxury liners with tourists. A similar programme is to be held in Calcutta in December next.

The Council also plans to observe 1961 as a "Visit India Year." A grand programme of exhibitions, fairs and entertainments will be arranged. Plans are being drawn up to give advance publicity all over the world and every attempt will be made to attract foreign tourists on a large scale.

MACHINERY MANUFACTURING INDUSTRY

RECENT PROGRESS AND LATEST PLANS

From Our Special Correspondent

NEW DELHI, *25th February*

AMONG the informative papers prepared by the Commerce and Industry Ministry for the third meeting, held here last week, of the Standing Committee of the Central Advisory Council of Industries, there is a statement of indigenous content in 65 industries. This statement gives, in percentage terms, figures of indigenous content achieved by the end of 1958 and to be achieved by the end of 1960. It shows that hundred per cent. indigenous content has already been achieved in respect of steel tubes and pipes, railway equipment and signalling equipment, electric transmission towers, some items of tea machinery (tea rollers, tea breakers, stalk extractors, tea sorters, tea cutters, tea sifters, tea packers and tea dust machines), electric motors, electric fans, electric lamps, P.V.C. and V.I.R. cables, batteries, switches, conductors A.C.S.R. and others, heavy cables, sewing machines (for 90 per cent. of production), clocks, hardware, and razor blades. It will be further seen that 100 per cent. indigenous content will be achieved by the end of 1960 in respect of cycles and cycle parts, zip fasteners, snap fasteners, malleable hardware, and carding engines for the cotton textile industry. But it is worthy of note that the indigenous content expected to be achieved by 1960 will be 90 per cent. and more in respect of most other industries. The Commerce and Industry Ministry's up-to-date account is, thus, an eloquent index of the rapidly decreasing dependence, by a variety of new industries developed in the country, on imported parts and components.

DELHI LETTER

In another paper, prepared by the Commerce and Industry Ministry for the Standing Committee, there is a comprehensive review of the machinery manufacturing industry including machine tools. Taking the last item, namely, machine tools, first, it may be noted that the Hindustan Machine Tools in the public sector now accounts for 50 per cent. of the total production of machine tools in the country. As of 1958, production of machine tools including accessories in the country is valued at Rs. 3.9 crores, as against Rs. 44 lakhs in 1953. So far, capacity for the manufacture of lathes, milling machines, shaping machines, drilling machines, radial drilling machines, surface grinders and sheet metal working machines has been established. However, the varieties of different categories so far produced do not cater in full to the indigenous demand, and special types have still to be imported.

During the last three years, more and more foreign firms have offered to collaborate in the manufacture of machine tools in India. For such manufacture in collaboration, most of the firms reach about 90 per cent. indigenous content after about three to five years. Import of 5 to 10 per cent. is inevitable, as certain proprietory items are not manufactured in India at the moment. The Hindustan Machine Tools, Mysore Kirloskar, Investa Machine Tools and Machine Tool Prototype Factory have all achieved 95 per cent. indigenous content in respect of their manufacture of lathes; Cooper Engineering Ltd. has achieved 92 per cent. indigenous content in respect of shapers; and Atlas Works Ltd. has achieved 95 per cent. indigenous content in respect of sheet metal machines. As for other types of machine tools, Hindustan Machine Tools has so far achieved 40 per cent. indigenous content in respect of milling machines; Ralliwolf 40 per cent. indigenous content in respect of portable electric tools; and Indian Oxygen 20 per cent. indigenous content in respect of gas welding equipment. No indigenous content has, however, been achieved, as of 1958, by the Hindustan Machine Tools in respect of radial drills, by Mysore Kirloskar in respect of capstans and turrets and by Consolidated Pneumatic Tool Company in respect of pneumatic tools.

The licensed capacity of all the existing firms manufacturing machine tools is Rs. 5.7 crores per annum; in addition, 27 firms have also been approved with a capacity of the order of Rs. 5 crores. Besides these firms in the large-scale organised sector, there are many small units which, in Northern India, produce simple types of machine tools valued at Rs. 1.3 crore as of 1957. As the majority of firms in the large-scale sector are engaged in other activities as well, it is not possible to give separate figures for capital investment and employment in the manufacture of machine tools only.

In a review, running to 23 pages, the Commerce and Industry Ministry has given an up-to-date account of progress registered in a variety of machinery manufacturing industries other than machine tools. In the following table are brought together such figures of production as are given in the review:

Industries	Production in 1958		Second Plan target (Numbers)
	Numbers	Value in Rs. lakhs	
Diesel engines for agriculture ..	27,165	543	20,500
Ancillaries to diesel engines ..	..	480	..
Power-driven pumps	75,000	..	86,000
Sugar machinery	..	172	..
Jute machinery (capacity) ..	1,272	..	..
Cement machinery	..	65	..
Tea machinery	..	67	..
Chemical and pharmaceutical machinery	..	54	..
Oil mill machinery	..	30	..
Rice, dal and flour mill machinery	..	23	..
Weighing machines	..	37	..
Agricultural machinery ..	..	81	..
Constructional machinery	..	35	..

Some notable recent developments in respect of the machinery manufacturing industries are briefly narrated below:

Diesel engines for automobiles are now manufactured in the country by four units; the number of such diesel power units expected to be manufactured by 1960-61 is 30,000. Capacity for the manufacture of 400 diesel road rollers per annum by 1960-61 is now established. The Government has licensed a capacity of 5,000 diesel-powered agricultural tractors per annum. Capacities for diesel-powered concrete mixers, stone crushers, air compressors, etc., are also being established. Plans are already afoot for mechanising fishing industry calling for marine versions of diesel engines. Proposals for the manufacture of earthmoving machinery like crawler tractors, scrapers, dumpers, shovels, etc., have been approved and these call for additional capacity for diesel engines. Proposals for the manufacture of diesel engines for railways and shipping industry are already under consideration.

Besides the manufacture of ordinary centrifugal pumps for handling water only, the manufacture of self-priming pumps for contractors' work, submersible pumps, pumps for handling petroleum products, pumps required in sugar factories, pumps required in paper mills, kerb-side petrol pumps and pumps for fire-fighting purposes has also been taken up by several firms. One or two firms are also taking up the manufacture of pumps for special chemical duties.

Six firms, namely, Walchandnagar Industries, Texmaco, Indian Sugar and General Engineering Corporation, Binny Engineering Company, New India Development Corporation and K.C.P. Ltd., are now manufacturing complete sugar plants in collaboration with six foreign firms, two of the U.K., one of Holland, one of Germany, one of France and one of Czechoslovakia. The six Indian firms have now constituted themselves into two consortiums to supply complete sugar plants for 11 co-operative sugar factories licensed during the second Plan and for an additional 2,000-ton capacity unit.

Three units—Britannia Engineering Company, Titaghur, in collaboration with an Italian firm, Lagan Jute Machinery Company, Ltd., Calcutta (floated by James Mackie and Sons, Ltd., Belfast) and Texmaco, Calcutta, in collaboration with a British firm—have recently started or are starting the manufacture of modern types of jute machinery. It is stated that the bulk of jute mill machinery required for the modernisation of jute industry that has to be completed within the second Plan period will be made by the indigenous manufacturers.

There is now need for about Rs. 20 crores worth of machinery for the setting up of large-scale paper-making units already licensed and for Rs. 1 crore worth for the small-scale units; there will also be need for Rs. 3 crores worth of spare parts for paper machinery alone per annum when the full production capacity for paper is established. One Indian firm is likely to start production, shortly, of small-scale plants of 4-7 tons capacity per day in collaboration with a British firm. The proposal of another Indian firm for the manufacture of large-scale paper mill machinery in collaboration with a Swedish firm is now under Government's consideration. Two other Indian firms are now negotiating with foreign firms for setting up capacity for the manufacture of large-scale paper units in the country.

In the printing machinery industry, there are now two firms—Maya Engineering Works, Calcutta, and India Machinery Company, Howrah—producing mainly platen press against orders. Ramakrishna Industrials, Coimbatore, have completed manufacture of a stereo rotary press for experimental purposes. A Calcutta engineering firm is now collaborating with a British printing machinery manufacturer in the manufacture of flat bed machines; in the phased manufacturing programme of this firm, 50 per cent. indigenous content is expected to be achieved in the first year and 90 per cent. in the fourth year. A new undertaking in Madras is shortly going to manufacture platen presses, flat bed machines, rotary presses and other ancillary equipment. It is stated that, in view of the present demand for Rs. 3 crores worth of printing machinery per year, there is room for another unit or units for manufacturing platen presses.

In the cement machinery industry, Messrs. K.C.P. Ltd., which has been licensed for the manufacture of complete plants in collaboration with a German firm, has just started production of a few items. The A.C.C's big scheme in collaboration with Vickers, Armstrong and Babcocks is expected to get under way with the manufacture of cement machinery on a large scale from 1961 onwards.

In the tea machinery industry, there are already four firms—Britannia Engineering Company, Ltd., Titaghur; British India Electric Construction Co., Calcutta; Steelworths Ltd., Assam; and Port Engineering, Calcutta—manufacturing a number of items. Government have recently approved the manufacture of practically the entire range of tea processing machinery of the "Sirrocco" brand by Davidson Ltd., Calcutta; this unit is expected to go into production in the next two or three months. The aggregate capacity, present and projected, would be sufficient to meet the entire needs of the country in respect of tea machinery and provide a small surplus for export.

As for mining machinery, the public sector unit that is being set up at Durgapur will produce 30,000 tons of coal mining machinery items per year during the third Plan period. Under the A.C.C.'s scheme for the manufacture of cement machinery, a fair amount of coal mining machinery is also proposed to be manufactured.

Although industrial boilers to the value of about Rs. 8 crores per year are being imported, only one firm—Texmaco—has been engaged in their manufacture. Now, Larsen and Toubro, Bombay, and A.C.C., Vickers and Babcock have also been licensed for the manufacture of vertical boilers and water tube boilers, respectively. With the implementation of these two new projects, an aggregate capacity for production of industrial boilers to the tune of Rs. 5 crores per year will have been created.

As regards chemical and pharmaceutical machinery, three schemes are expected to materialise in the very near future. They are the scheme of manufacture of pressure vessels to the extent of 12,000 tons per year by Telco, Jamshedpur, the scheme of Vasant Engineering Company, for manufacture of complete distillation equipment in collaboration with a French firm, and the scheme of Sakti Engineering Company, for the manufacture of pharmaceutical machinery. Although the present and prospective capacity would be to the extent of Rs. 3½ crores worth of machinery per year, it is stated there is further scope for more capacity for this machinery industry, in view of the rapid growth of the chemical industry.

The oil mill machinery industry at present not only caters to the needs of the country but also exports some products. There is, however, no capacity now for the manufacture of machinery in an allied field, namely, continuous type of solvent extraction. This is a virgin field in which it may be worthwhile for Indian *entrepreneurs* to tie up with some foreign manufacturers for the design and drawing.

The rice, *dal* and flour mill machinery industry also caters fully to the needs of the rice mills and for domestic type of flour mills. There is, however, no capacity so far in respect of industrial type of flour mill machinery or roller flour mills. A factory in Bombay has, therefore, been recently licensed to manufacture the complete range of industrial flour mill machinery in collaboration with an Italian firm.

As for weighing machines, there are now five firms manufacturing five types. It is, however, necessary to create more capacity, in view of the fact that imports of weighing machines have been valued at Rs. 0.5 crore per annum in recent years.

In the constructional machinery industry, new capacity recently licensed for the manufacture of tar boilers, concrete vibrators, concrete mixers, etc., would come to about Rs. 1½ crores per year. It is stated that there is good scope for creating further capacity in this field, because the country has still to import about Rs. 1 crore worth of such machinery.

As regards dairy machinery, the A.P.V. Engineering Company, Calcutta, has now undertaken to produce dairy equipment of a fairly large range. In addition, Larsen and Toubro have also been licensed to produce practically the complete range of dairy machinery. The latter firm has already taken up the manufacture in hand. These two firms together are expected to produce Rs. 30 lakhs worth of machinery per year. There is, however, still scope for additional capacity for manufacturing automatic type of washing and filling equipment, milk drying equipment and milk cans of special aluminium alloy.

As for gas cylinders, capacity is just being created. Messrs. Gannon Dunkerley have started producing, since last month, low pressure gas cylinders. There are also proposals from other *entrepreneurs* for the manufacture of low as well as high pressure gas cylinders. When these proposals are also approved, the country will have an installed capacity of 100,000 low pressure cylinders and 60,000 high pressure cylinders per year on a single-shift basis, to an aggregate value of Rs. 1.25 crore.

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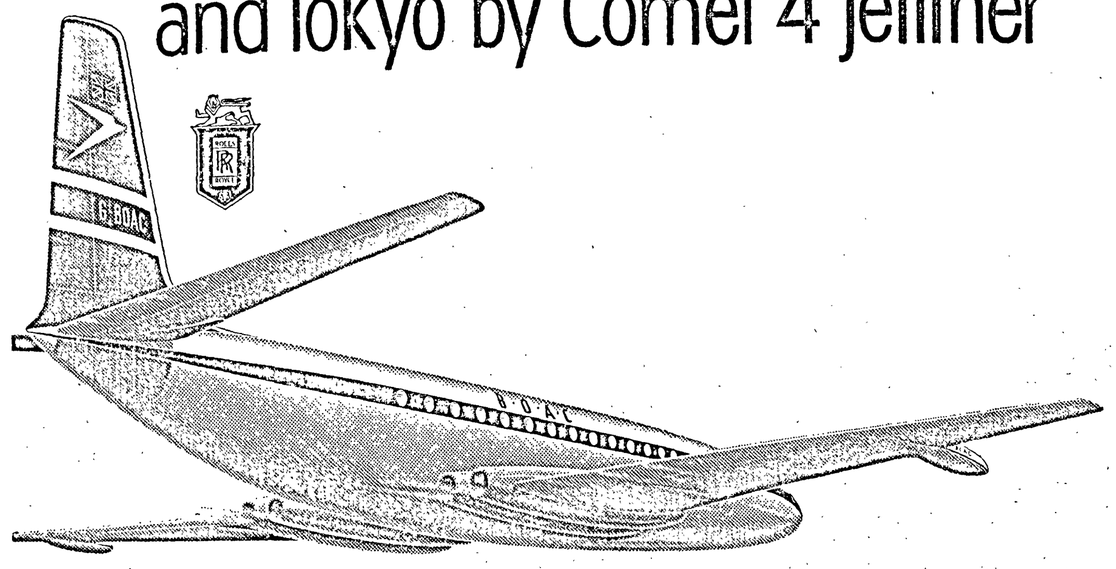

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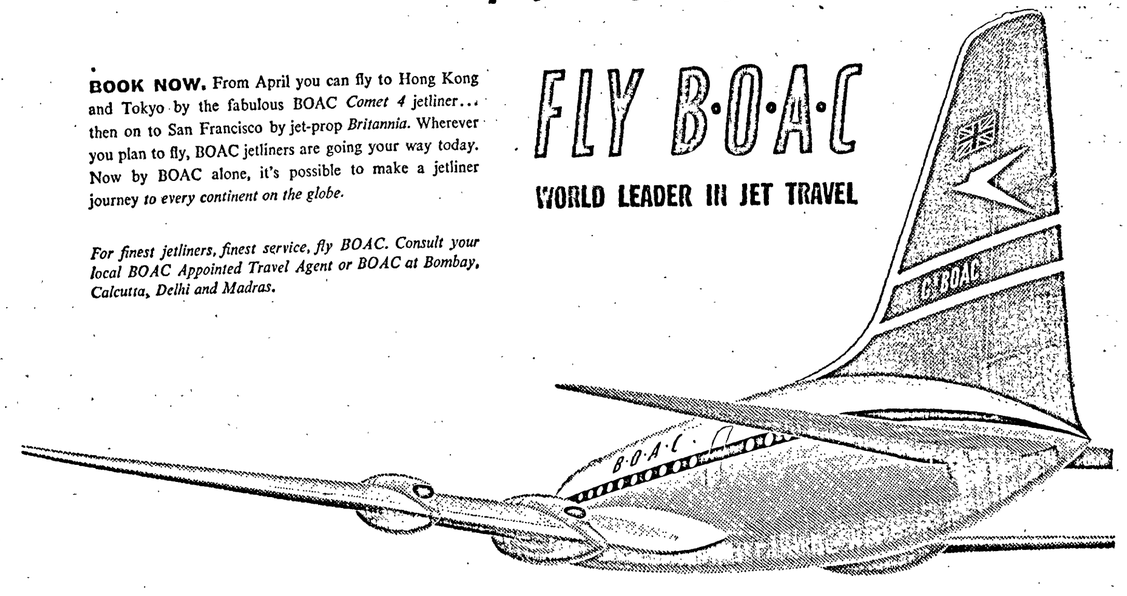


BRITISH OVERSEAS AIRWAYS CORPORATION

DEVELOPMENTAL ACTIVITIES OF STATE BANK

MORE CREDIT FACILITIES TO CO-OPERATIVES AND SMALL-SCALE INDUSTRIES

THE latest annual report of the State Bank of India (for the year ended 31st December 1958) discloses that the Bank has made good progress in its developmental activities, the purpose for which it was constituted by taking over the Imperial Bank of India. Thus, the Bank expanded its branch banking sizably by opening more than 100 branches during 1958, the special facilities to co-operative institutions were extended further, the schemes relating to the financing of co-operative marketing and processing and granting of advances against warehouse receipts finalised towards the close of 1957 were implemented during the year and the 'pilot' scheme for financing small-scale industries was enlarged to cover more centres and a large number of industries.

The Bank's statute has laid down a programme of branch expansion, with a view to stimulating the development of banking, particularly in the rural and semi-urban areas and providing remittance facilities on a large scale to co-operative and other banks. A target of 400 branches was accordingly fixed to be opened during the five years commencing from 1st July 1955, the date on which the State Bank came into existence. In the first six months of its existence, that is, July to December 1955, the Bank opened 20 branches. An addition of 46 branches was made in the following year and 91 in 1957. The pace of expansion gathered momentum in 1958, when 105 branches were added. The Directors report that "most of the difficulties experienced initially in the implementation of the programme have now been overcome, but the shortage of suitable accommodation continues to be a serious problem." With the opening of 105 branches during the past year, the total number of branches opened since 1st July 1955 (up to 31st December 1958) comes to 262, disbursed among the four circles as follows:

Circle	No. of centres in the programme	No. of branches opened in 1958	No. of branches opened since 1st July 1955	Balance on 31-12-1958
Bengal	131	32	76	55
Bombay	127	30	85	42
Madras	91	25	66	25
Delhi	64	18	35	29
Total ..	413	105	262	151

This leaves 138 branches to be opened by the Bank during the next one and a half years to discharge its statutory obligation. If the rate of expansion recorded in 1958 were to be maintained it would not be a difficult task to reach the target.

Facilities to Co-operatives

In implementation of the Rural Credit Survey Committee's recommendation, the State Bank has been extending from 1956 onwards special facilities to co-operative institutions in the matter of remittances, advances against Government securities, advances against the pledge of goods and the purchase and collection of cheques and bills. These facilities were continued during 1958 also. The remittance facilities granted by the Bank, under the Remittance Facilities Scheme of the Reserve Bank of India, amounted to Rs. 54.4 crores during the year ended 30th June 1958 and those (in the reverse direction) extended by the Bank, on its own, aggregated Rs. 29.9 crores during the same period. The Bank's advances to co-operative banks against various types of securities increased further during 1958 and limits in this behalf stood at Rs. 14 crores on 30th November 1958, as against Rs. 10 crores on 31st December 1957. In pursuance of its policy of lending support to the debentures issued by co-operative central land mortgage banks and of improving their marketability by subscribing to them and by granting advances against them, the Bank increased its holdings of debentures of co-operative central land mortgage banks by Rs. 21.3 lakhs to Rs. 62.3 lakhs during 1958 and the total credit granted to co-operative banks against them stood at Rs. 32 lakhs as on 30th November last.

Under the scheme of granting advances to co-operative marketing and processing societies, implemented for the first time during the year, the Bank sanctioned credit limits up to Rs. 37.3 lakhs to 43 marketing co-operatives as on 20th December 1958. Among the processing societies, sugar factories continued to account for the bulk of the Bank's assistance. Thus, as on 30th September last, seven co-operative sugar factories availed themselves of the credit facilities from the Bank to an aggregate sum of Rs. 2.5 crores. In addition, the Bank established letters of credit for Rs. 3.2 crores on behalf of 15 co-operative sugar factories covering import of machinery and gave the requisite deferred payments guarantees for Rs. 4 crores on behalf of 13 factories in respect of such imports.

Realising the importance of the support of the banking system for the success of the warehousing scheme, the Bank took a lead in evolving an appropriate procedure for granting advances against warehouse receipts and up to 20th December 1958 had granted 140 such advances for an aggregate sum of Rs. 14.9 lakhs at seven centres having warehouses of the Central Warehousing Corporation.

Credit to Small-scale Industries

The next important aspect of the State Bank's activities is the provision of credit facilities to small-scale industries, for which purpose a pilot scheme was initiated in April 1956. To begin with, it was put into operation in nine selected centres. In 1957, it was extended to 27 more centres and in the following year to another 17 centres, bringing the total number of centres to 53. Under the scheme, credit facilities are extended to small units with a capital of less than Rs. 5 lakhs and employing less than 50 workers, if power is used, or less than 100 workers, if power is not used. Advances are made for working capital against pledge of raw materials and/or finished or semi-finished goods. The total credit limits sanctioned by the Bank to these small industries increased during the year from Rs. 80.27 lakhs to Rs. 2.37 crores. The number of industrial units which have taken advantage of the credit facilities rose from 189 to 696. These units are engaged in more than 50 different lines of manufacture. The credit limits sanctioned to small-scale industries up to the end of 1958 represent only 1.4 per cent. of the total advances outstanding as at the close of the year. They work out to an average of a little over Rs. 3,400 per unit. Industry-wise, they amount to Rs. 4.75 lakhs per industry.

Wide Range of Industries

The Directors' report does not give the circle-wise or industry-wise details of the loans granted to small-scale industries. A Press note issued by the Government of India subsequently, however, provides some details. It says:

"The range of industries to which the loan facilities have been extended is very wide and covers practically all items of everyday use as well as machinery and machine parts. From units manufacturing aluminium utensils and umbrella ribs to those making chemical plants and electrical furnaces are covered by the scheme. There are also manufacturers of cardboard boxes, bread and biscuits, preserved foods, soap, matches, boot polish, textile articles and carpets.

"Circle-wise, 252 units engaged in 36 different types of industries were advanced Rs. 83.1 lakhs in the Delhi circle. In the Madras circle, 238 units covering 25 different industries received nearly Rs. 68 lakhs. In the Bombay circle, 105 units spread over 17 different industries or group of industries were advanced Rs. 55,85,400. In the Bengal circle, 101 units received Rs. 30.44 lakhs and the industries covered were 33.

"The largest single group of industries which have taken advantage of this scheme are machinery and engineering units. In the Madras circle of the State Bank of India, 82 minor engineering units have availed themselves of this facility. In the Bombay circle, 36 engineering, cutlery and automobile units were benefited by this scheme, while 26 units making hand-tools and machines and machinery parts took advantage of the scheme in the Bengal circle. As many as 60 foundry and engineering works in the Delhi circle have benefited."

An important step taken during the year under review was the undertaking of an evaluation of the 'pilot' scheme. With a view to making the scheme more effective, certain recommendations based on the Evaluation Report were made by the Central Co-ordination Committee and these have been accepted by the Bank. The following are some of the important features of the decisions and actions taken thereon:

(i) The scheme has been extended to all the branches of the Bank. At certain important centres, the scheme will be worked on an "intensive basis" so as to ensure the maximum co-ordination with the activities of Governmental and other agencies in this field;

(ii) the rate of interest on advances granted to small-scale industries has been fixed as an all-inclusive rate, not exceeding 6 per cent. The actual rate of interest chargeable in each case is dependent upon the type of advance sanctioned;

(iii) in appropriate cases, medium-term advances for periods not exceeding seven years will be granted to the Bank's constituents, for purposes of modernisation, expansion, replacement, etc.;

(iv) arrangements have been made to enlarge the list of commodities against which advances may be granted by the Bank;

(v) the Bank is taking appropriate steps to impart the requisite training to the staff and to encourage all initiative in them so as to promote the growth of institutional finance to small-scale industries; and

(vi) arrangements are being made to give greater publicity to the Bank's scheme of advances to small-scale industries.

During the year under review, the National Small Industries Corporation entered into an agreement with the Bank in respect of its guarantee applicable to that portion of the Bank's advances against raw materials, which is in excess of the advances normally granted by the Bank. This has been done with a view to facilitating execution of orders from Governments and others secured through the Corporation and placed with the small-scale industries. The Bank also signed an agreement with the West Bengal State Financial Corporation on the lines of that entered into with the Bombay State Financial Corporation. Under these agreements, the Bank acts, chiefly at 'pilot' centres, as the Corporation's agent in their dealings with small industrialists.

U.S. FOREIGN ECONOMIC POLICY

The objectives of U.S. foreign economic policy were broadly outlined by Mr. C. Douglas Dillon, Under-Secretary of State for Economic Affairs, speaking before a group of retired U.S. diplomatic and consular officers at Washington. As there is inadequate appreciation of these objectives, Mr. Dillon's analysis deserves to be quoted here. He described them thus:

1. *Promotion of U.S. economic strength.*—The United States seeks to "take reasonable advantage of the economies which flow from specialisation in production throughout the world." Also, the U.S. Government "encourages improvement of conditions for its citizens to invest and do business abroad."

2. *Promotion of the economic strength of the free world.*—"This objective has become one of major importance since World War II. We recognise, of course, that a prosperous world brings economic advantage to our own country. But even more important, foreign economic growth is necessary for the establishment and maintenance of stable, peaceful and friendly societies abroad."

3. *The Building and maintenance of cohesion in the free world.*—"For most countries, it is vital to have easy access to foreign markets and foreign sources of basic materials and capital. The jobs and well-being of their people are at stake. This is especially important for the development of countries of Asia, Africa and Latin America, which are heavily dependent upon the sale of a few basic commodities. By working together with other free world countries for their economic advancement and for the building of a durable and just international economic order, we can do much to achieve our broad aspirations as a nation."

In order to achieve the aforesaid objectives, the following basic economic policies are being followed by the U.S. Government:

1. The expansion of trade, through the gradual and reciprocal reduction of Governmental barriers.

2. The promotion of private American investment abroad.

3. The extension, jointly with other industrialised nations, of financial support to newly developing areas.

4. The provision of economic and technical assistance through the mutual security programme.

Surely, no country in the world has been so liberal as the U.S. in discharging its responsibilities as the leader of the free world, a position which it came to occupy by a historical accident, namely, the Second World War. It is no exaggeration to say that but for the immense contributions of the U.S. for sustaining the democratic forces in Europe and Asia, the Communists would have had an easy walk over.

West German industry's new investments abroad aggregated DM. 564.6 million (£48 million) in 1958, as against DM. 482.8 million (£41.2 million) in 1957 and DM. 356.3 million (£30.4 million) in 1955. The total of investments as at the end of 1958 was DM. 2,227 million (£190 million).

STERLING USANCE CREDITS TO FINANCE WORLD TRADE

BRITAIN RESTORES FREEDOM

YET another step in the restoration of economic freedom in Britain was taken on Thursday last week, when the Bank of England removed one of the restrictions imposed in September 1957 on sterling financing of international trade. The commercial banks in the U.K. were informed by the Bank of England that usance credits to finance trade between third countries were again permitted.

The financing of trade between third countries, it may be noted, had been a traditional function of British banks. These "third party credits," in fact, used to be the very bread and butter of the City of London bankers. They created the "Bill on London," which was the standard means of financing international trade. The length of the usance credits drawn on London for this purpose used to be governed by Exchange Control regulations and, until the autumn of 1957, credits up to 120 days were permitted. But in September 1957, when the pound sterling faced a serious crisis, a severe restriction was imposed on this form of credit.

It was feared at that time that the continuance of usance credits to finance international trade might be taken advantage of by foreigners to build up speculative positions against sterling. It was, therefore, decided on 7th September 1957, when the Bank rate was stepped up to the peak level of 7 per cent., that the usance credits to finance trade between third countries would be permitted only if they were payable at sight. Apart from the fear just mentioned, this decision was a logical sequel to the high level of Bank rate, because with short-term credit in London costing 8 per cent. not many countries could have afforded to use the London money market for financing their foreign trade.

The latest step follows a series of measures taken in the last few months to restore economic freedom in Britain, the first of them being the relaxation of credit restrictions on banks in July last, when the ceiling on total bank advances was lifted. The second change in the British Government's credit policy was the modification of the capital issues control through an amendment of the Control on Borrowing Order. Towards the close of September, a wide range of restrictions on dollar imports was removed. Three months later, this was followed by the establishment of external convertibility of non-resident sterling. This meant a return of full freedom to all international commodity markets in London. In other words, all commodities could be bought for external sterling or specified currencies—broadly, all currencies in which international trade is financed.

Early this month, the Treasury control on domestic borrowing through capital issues, except through redeemable bonus issues, was suspended, on the ground that it was no longer necessary to keep in force this restriction, as refusals by the Capital Issues Committee had become increasingly infrequent for some time past and the great majority of borrowers had been able to satisfy their needs or the greater part of them, without much difficulty. It may, however, be noted in parenthesis that one of the last acts of the C.I.C. was to reject the Midland Bank's application to make a "rights" issue.

Close on the heels of suspension of control on capital issues, the British Government removed from the embargo list of exports a wide range of dollar-costing goods, as a result of which many strategic commodities can now be exported without a licence. The reason given for this step is that the greater convertibility of European currencies makes the control unnecessary. European countries would no longer be tempted to solve their problem of dollar shortage by purchasing commodities of U.S. and Canadian origin from the U.K.

As a logical sequence to the restoration of convertibility of non-resident sterling, the British Government granted last week two concessions in exchange control to non-residents. The first one is the removal of all restrictions on the transfer of legacies from the U.K. to beneficiaries in Canada and the former American account area. This freedom applies to any legacies remaining in block accounts since 1951 and still in the hands of their original owners. Since 1949, such remittances to dollar countries have been restricted to £500 of each legacy. The second concession is the increase in the "settling in" allowance for emigrants to the U.S. and Canada from £2,000 per family to £5,000, a limit which has been applied to all other non-sterling countries. These two concessions would not involve any significant strain on the exchange, for the emigrants or legatees, whose assets were in excess of the limits previously prescribed, were able to export their capital from the U.K. by selling it at the rate for security sterling in the open market. The rate for security sterling in the free markets is now almost on par with the official rate and transfer of the blocked sterling at this rate does not, therefore, involve any great loss.

There are, however, a few other controls which remain to be unclamped. The most important of these is the exchange control as it applies to the people of Britain. They are not allowed to remit money abroad without a permit or to spend more than £100 per annum on holidays abroad. Britons are also not allowed to hold good. When a British merchant earns foreign currency, he is still compelled to remit home the dollars or whatever currency he earns. There appears to be little prospect of any substantial easing of these controls at present, though financial circles expect an increase in the travel allowance, as a result of the convertibility of European currencies. Then there are still some restrictions on certain imports, particularly those of consumer goods from the dollar countries. Some of these can, it is stated, be removed without any loss at all to the U.K.

ADVANCES BY SCHEDULED BANKS

The Reserve Bank of India views with some concern the tendency of bank credit being utilised for building up highly speculative positions, more particularly in certain commodities. This anxiety is expressed by the Governor of the Bank, Mr. H. V. R. Iengar, in the course of a circular to Scheduled banks, in which he has requested them to exercise restraint on further expansion of credit during the current busy season.

The Governor's circular points out that, during the current busy season, bank credit has been expanding at a faster rate than in the corresponding period of the last three years. This has happened, it says, in spite of factors which should normally have slowed down the pace of expansion. It will be noted, in this connection, that between the end of October (which usually marks the beginning of the busy season) 1958 and the week ended 13th February 1959, Scheduled banks' total advances have gone up by Rs. 107.59 crores to stand at Rs. 946.44 crores, as against a rise of Rs. 68.72 crores (to Rs. 923.73 crores) in the corresponding period of 1957-58 and of Rs. 92.53 crores (to Rs. 861.47 crores) in 1956-57.

The factors which should have normally slowed down expansion of credit and to which the Governor has drawn attention of banks are: (1) private imports, which were at an unusually high level, have slowed down considerably; (2) the rate of industrial expansion has also slowed down; and (3) in spite of larger production of rice this year and anticipation of a larger production of wheat, strict control over advances against foodgrains has been imposed by directives issued by the Reserve Bank.

(*Concluded from next column*)

lower level of advances, the Bank's borrowings, as at the end of the year, show an increase of Rs. 4.35 crores at Rs. 20.85 crores.

The small decline in advances is accounted for by bills purchased and discounted, which have fallen from Rs. 18.87 crores to Rs. 13.50 crores. Loans, cash credits and overdrafts have, however, risen from Rs. 154.61 crores to Rs. 158.56 crores. The decline in advances—albeit small—coupled with the substantial expansion in deposits, has brought down the credit ratio as at the end of the year to a low of 36 per cent., as against the general average of 55 per cent. for all Scheduled banks. The peak level of credit ratio touched by the State Bank during the year was 49.8 per cent., which is much lower than the corresponding level of 63.6 per cent. in 1957. The peak level of this ratio for Scheduled banks as a whole in 1958 was 66.4 per cent., as against 76.8 per cent. in 1957.

In view of the restricted demand for commercial loans and advances, the Bank had no alternative but to invest in Government securities. Over the year, its portfolio of Gilt-edged investments has shot up from Rs. 181.38 crores to Rs. 280.79 crores. Other investments, too, have been enlarged from Rs. 2.05 crores to Rs. 3.76 crores, thus raising the total investment ratio from 50 per cent. to 59.5 per cent. Cash reserves have also been strengthened by Rs. 16.06 crores to Rs. 57.58 crores, at which level, the cash coverage to deposits works out to 12.1 per cent., as against 11.3 per cent. at the end of 1957.

PROFIT OF STATE BANK A SHADE HIGHER

SHARP FALL IN CREDIT RATIO

THE effects of slackening in the tempo of economic activity and the selective credit controls imposed by the Reserve Bank of India during 1958 are fully reflected in the accounts of the State Bank of India for the year ended 31st December 1958. Thus, whereas the deposits of the Bank have grown by over Rs. 111 crores, as against Rs. 124 crores in the previous year, its advances are lower by Rs. 1.41 crore, in contrast to the increase of Rs. 33.31 crores in 1957. While these trends have helped the Bank to strengthen its liquidity, they have not contributed to any significant extent to an improvement in the earnings. On the contrary, the expansion in deposit resources has, as in the case of other private Scheduled banks, proved to be a burden on the Bank, in that the profit margin has shrunk considerably. The profit for the year, at Rs. 190.14 lakhs, is, no doubt, Rs. 2.69 lakhs more than that earned in the previous year and a record, but this rise is insignificant as compared with that (Rs. 31.27 lakhs) recorded in the previous year. At Rs. 190.14 lakhs, the profit for 1958 represents just 12 per cent. of the gross income, the corresponding ratio for 1957 and 1956 being 16 per cent. and 18 per cent., respectively.

As was pointed out in our issue dated 31st January 1959 and as will be seen from the following comparative table, the Directors have transferred larger sums to the various funds, except staff welfare fund, and have maintained the dividend at 16 per cent. per annum.

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Gross income ..	15,77.97	11,62.40	8,66.53	
Interest and discount earned ..	12,21.11	8,24.88	6,19.35	
Commission and exchange ..	3,53.50	3,54.21	2,43.83	N.A.
Interest paid	6,24.60	3,39.60	1,58.87	
Expenses	7,46.09	6,38.86	5,37.12	
Depreciation and repair ..	17.14	16.41	14.36	
Profit	1,90.14	1,87.45	1,56.18	1,35.93
To reserve fund	37.50	25.00	2.50	
„ pension fund	6.90	6.37	6.14	5.75
„ staff welfare fund	5.00	10.00	10.00	
„ bonus to staff	36.00	32.00	40.00	40.00
„ staff housing fund	15.00	10.00	..	
„ dividend	90.00 (16%)	90.00 (16%)	90.00 (16%)	90.00 (16%)
Carry forward	65.73	55.93	41.91	34.37

	As on 31st December			
	1958	1957	1956	1955
Capital	5,62.50	5,62.50	5,62.50	5,62.50
Reserves	7,00.00	6,62.50	6,37.50	6,25.00
Deposits	477,55.84	366,51.80	242,12.31	225,99.28
Borrowings from other banks ..	20,85.20	16,50.85	17,27.00	5,00.00
Advances	172,06.19	173,47.74	140,16.00	105,81.25
Investments	284,55.39	183,43.34	106,87.78	116,97.89
Cash balances (including money at call and short notice)	57,57.77	41,51.93	28,84.54	30,91.40
Balance-sheet total	523,82.30	405,12.01	280,28.34	257,80.85
Ratio to deposits of—	%	%	%	%
Advances	36.0	47.3	57.9	46.8
Investments	59.5	50.0	44.1	51.7
Cash	12.1	11.3	11.9	13.7

N.A.—Not available.

It will be noted that the Bank's income from interest and discount has gone up by Rs. 3.96 crores to Rs. 12.21 crores, while that from commission and discount has nearly been maintained at the previous year's level. The general assumption in market circles is that the Bank enjoyed the use of P.L.480 rupee counterpart funds at a more favourable rate of interest than that commonly paid by Scheduled banks on short-term deposits. The Directors' report neither confirms nor denies this assumption. The profit and loss account, however, shows that the outgo by way of interest paid has risen by Rs. 2.85 crores to Rs. 6.25 crores. Other expenses, too, are higher by Rs. 1.07 crore at Rs. 7.46 crores.

As stated earlier, the Bank's deposits have grown during the year under review by Rs. 111.34 crores to Rs. 477.86 crores, on top of an expansion of Rs. 124.39 crores in the previous year. The Directors observe in their latest report that "the receipt of rupee counterpart funds in respect of imports of commodities from the U.S. under P.L.480 continued to contribute to this growth in deposits." They have not, however, disclosed the share of the P.L.480 funds in the Bank's deposits. This is not understandable, particularly when it is well known that the P.L.480 funds are deposited with the State Bank of India and that the total amount of these deposits are given in an official publication up to 31st March 1958. According to it, these deposits were Rs. 140 crores.

As in the previous year, fixed deposits account for the bulk of the expansion in total deposits and even exceed the current deposits. Thus, fixed deposits, which had risen from Rs. 37.16 crores to Rs. 139.36 crores in 1957, have increased further to Rs. 223.88 crores in the year under review. Current deposits have gone up to Rs. 219.47 crores from Rs. 194.20 crores, to which level they had advanced from Rs. 173.92 crores as at the end of 1956. Savings deposits show a meagre increase of Rs. 1.54 crore, at Rs. 34.50 crores, as against Rs. 1.91 crore in 1957. Notwithstanding the substantial expansion in deposit resources and the

(*Continued in previous column*)

POSITION OF WOOL AS TEXTILE FIBRE

RESEARCH, PRICE STABILITY AND SALES PROMOTION URGENT

WOOL growers and woollen manufacturers throughout the world are greatly apprehensive about the outlook for wool, the golden fleece that has enjoyed for centuries together an unrivalled reputation as a clothing fibre of warmth, comfort and elegance for colder climates. The wool growers are worried mainly because of the continuing low level of prices for their produce, while the worry of manufacturers of woollen goods springs from the growing challenge from synthetic fibres. The latter factor should be a source of concern to the wool grower also, for, to the extent it replaces natural wool, it is bound to affect his prospects adversely. Since August 1953, the price of wool (fine graded territory wool, scoured basis at Boston—64's *quality*) has come down from about 172 cents per lb. to a little over 110 cents. Similarly, nylon (3 and 6 deniers) has declined from 170 cents to 128 cents, orlon (3 deniers) from 180 cents to 127 cents and dacron (13, 4½ and 6 deniers) from 180 cents to 141 cents. The chairmen of several leading textile manufacturing organisations have recently pointed out that wool is at a serious disadvantage in its competition with synthetics resulting in heavy financial loss to the wool processor.

An idea of the trend of consumption of wool *vis-a-vis* that of other main textile fibres in the world and the U.S. in recent years as compared with 1938 can be had from the following table:

Per Capita *Consumption of main Textile Fibres*

(In lbs.)

	1958*	1957	1955†	1950†	1938†
World †					
Cotton	N.A.	6.7*	6.6	6.0	6.3
Wool	N.A.	1.1*	0.9	1.0	1.9
Rayon	N.A.	2.1*	1.8	1.4	0.9
Other synthetic fibres	N.A.	0.3*	0.2	..	..
United States ..					
Cotton	20.1	20.4	23.2	26.8	19.5
Wool	2.2	2.6	2.9	4.4	2.2
Rayon	5.1	6.3	8.0	8.3	2.5
Other synthetic fibres	3.0	3.1	2.3	0.9	..

* Estimates. † Figures for 1938, 1950 and 1955 have been calculated using a three-year moving average centred on the years shown.

It will be evident from the above figures that, recently, man-made fibres have been growing rapidly in importance. Certainly, their progress, as the latest Australia and New Zealand Bank's *Quarterly Survey* (January 1959 issue) observes, constitutes a warning that a more virile policy is needed for wool. "It is *imperative*," it says, "that the dangers be recognised before the position deteriorates too far and that *immediate* action be taken to arrest any threatening deterioration in the strong position of wool as a textile fibre." In the opinion of the *Survey*, the problem of restoring wool to its pre-eminent position and maintaining it there can be attacked on three fronts—research, maintenance of price stability, and sales production.

There has been a great deal of research into the production of wool, particularly in Australia. The scope of research covers a wide range, from improvement of sheep breeds and the cut of wool per head to the increase of carrying capacity by vastly improved pastures. This work should be continued, so that the rise in available wool supplies will keep pace with the expanding world population. There is, of course, the need for a change in emphasis in research, more special attention being devoted to the processing of the fibre from the sheep's back to the consumer, without slackening efforts to enlarge sheep population and improve wool yields. Much valuable research is proceeding in the wool textiles institutes in Australia, New Zealand, South Africa, the U.K., and the U.S. But the scale of this research, it is said, does not match that carried out by the large industrial enterprises producing the major synthetic fibres.

The *Survey* alludes to the great deal of outstanding important work already done, and being done, in the wool textile research laboratories of the world, particularly by the Commonwealth Industrial and Scientific Research Organisation in Australia. Some of the most successful developments of recent nature in the field of research cover moth-proofing, shrink-proofing, permanent creasing and drip drying which have made outstanding progress in pure wool fabrics. In addition, solvent degreasing and the solution of the problem of branding fluids persisting through the various scouring and dyeing processes have been great contributions on the processing side of the industry. Notwithstanding all these, the *Survey* feels that the speed and magnitude of research should be increased and that the fruits of research carried rapidly right into industrial processes. Elucidating this view, it observes:

"The recent announcement by the Australian Wool Bureau that more personnel are to be appointed for this purpose is most important. It is necessary, however, to extend the service not only in Australia but also in all other wool manufacturing countries. More funds will undoubtedly be needed to achieve the desired objectives. These funds should be made available unsparingly, all available resources and to the full, and new resources added whenever necessary. By this means, it should be possible to ensure that the vital work of research will be accelerated and driven home with the utmost rapidity throughout the wool industry in all major textile producing countries."

As regards the price factor, the *Survey* alludes to the major advantage enjoyed by synthetics over wool, namely, that the prices of these synthetics are quoted firm by the manufacturers for delivery at a stipulated date. In its opinion, the stable prices of synthetic fibres would appear to constitute their greatest threat to wool. It, therefore, emphasises that the wool interests should make every endeavour to reduce, to the smallest extent possible, the disability imposed by price fluctuations. In this connection, it makes the following interesting suggestions:

The auction system is a highly efficient method of marketing. The auctions should be improved, in order to make them more attractive to the manufacturer and to reduce costs in the industry.

Bulk classing of the clip in brokers' stores, if it were extended within practical limits to provide large lines of uniform types of wool, can go some way towards matching the advantage of uniformity possessed by synthetic fibres; it would provide lines more acceptable to buyers and remove some of their problems caused by a variety of types in smaller lots.

Forward covering by manufacturers can do much to offset the risk of financial loss arising from price fluctuations in raw wool; the universal adoption of futures trading by manufacturers can be encouraged for this purpose.

Of greater importance than research and maintenance of price stability is the need for "virile, hard-hitting, widespread promotion on a large-scale." The objective of such promotion should be twofold: (1) to drive home wool's many undoubted qualities to the buying public and to retailers throughout the world; and (2) to aid manufacturers in adopting the harvest processing techniques and in using wool for some purposes in combination with synthetic fibres, where the latter can bring advantages to wool and carry it into new fields. Pointing to these objectives, the *Survey* says:

"It is important for wool promotion to embrace retail outlets and be associated with identifiable woollen goods for sale to the public.

"There is urgent need for the wise expenditure of large sums on effective promotion of wool. The appropriate bodies to organise such promotion are, undoubtedly, the Wool Bureaux in Australia, New Zealand and other wool producing countries and the International Wool Secretariat. In view of the wide field to be covered and the important promotion work to be done by the Wool Bureau, consideration might with advantage be given to broadening its membership to include representatives of buyers, brokers, manufacturers, retailers and research interests, as well as growers.

"The present problem appears fundamentally to be one of promotion. Wool is still by far the best of all textiles fibres. Its many advantages, and the rapid strides being made in the wool textile laboratories of the world in overcoming its disabilities and improving its competitive position against the synthetic fibres, need to be emphasised to the buying public and retailers in textile consuming countries and in those Eastern countries which constitute large potential markets."

The programme of work relating to research, price stability and promotion indicated above is, indeed, a vast one and its implementation on a systematic and well-organised basis entails large expenditure. The *Survey* urges that the burden of meeting the expenditure must fall mainly on Australia and New Zealand. These two countries, it may be noted here, are the world's biggest producers of wool, as will be seen from the following table showing wool production in 1957-58:

In million lbs. (greasy state)

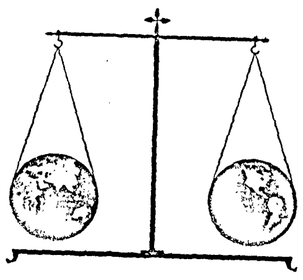
Australia	1,426
New Zealand	406
Argentina	409
South Africa	320
U.S.A.	292
Uruguay	200
U.K.	112
Turkey	88
Spain	81
India	72
Brazil	66
France	55
Other countries	547
Other countries	547
Total free world	4,163
Soviet Union, China and Eastern Europe	857
World total	5,020

Wool plays a vital part in the national economies of both Australia and New Zealand. The average annual earnings of foreign exchange in the past ten years come to as much as £A360 million for Australia and £NZ84 million for New Zealand. These figures are exclusive of the value of local sales of wool and receipts from ancillary products.

TEXTILE ADVISORY COMMITTEE

The first meeting of the Textile Advisory Committee, recently constituted by the Central Government to advise the Textile Commissioner on problems relating to the industry, was held in Bombay on Saturday last. It was inaugurated by Mr. S. Ranganathan, I.C.S., Secretary to the Union Ministry of Commerce and Industry. At this meeting, the Committee decided to set up a working group to go into the procedural details for the import of capital goods required by the industry. This decision followed a review of the present position in respect of textile machinery and stores imports. The review revealed that about 70 per cent. of the total machinery requirements of the industry was being met by indigenous manufacturers. It was felt that domestic production could be augmented substantially, if adequate supplies of imported steel and spare parts were assured. Agreement was reached on the provision of special facilities for research in machinery manufacture with a view to keeping abreast with developments abroad.

Another decision taken by the Committee relates to arrangements for the distribution of textile dyes and chemicals. Although the existing arrangements were considered to be reasonably satisfactory, the Committee urged the Chairman to approach the Government for allowing more imports of dyes and chemicals. On the question of relaxation of restrictions imposed on printing by mills, the Committee asked the mills to make specific suggestions which would help them, without affecting the interests of the handprinters. The other matters discussed by the Committee included financing of textile trade, continuance of the existing system of issuing transport permits by the Textile Commissioner for movement of cloth and yarn from Bombay and Ahmedabad, and its extension to other textile producing centres. The conclusions arrived at on these issues are, however, not known.



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PLAN FOR COTTON INDUSTRY

SWIFT DECISION ON REDUNDANCY URGED

From A Special Correspondent

MANCHESTER, *17th February*

MANCHESTER LETTER

OPTIMISTIC estimates are already being made as to the length of time likely to elapse before the Cotton Board's Development Committee will come forward with its plan for the industry. The House of Commons has been told that proposals will be ready "within the next few weeks." Speed in preparing such an important project is rare indeed, but it is clear that Government sources are instrumental in urging quick decisions.

Few traders intimately connected with the local industry would quibble for one moment at the comments made on the present position by Mr. Roger Lee, Chairman of the Lancashire Cotton Corporation, at the annual meeting. His supplementary remarks brought his earlier statement up to date, covering a period of intense activity and considerable transition.

Sharp and to the point were his criticisms of Government policy and his appeal for a swift decision on the redundancy problem. Mr. Lee spoke for the industry in general when he urged that a policy statement indicating whether an organised plan was to be put forward should be made within a matter of weeks. Delay can only mean further dislocation in the market and cause the waverers to stay in business longer than necessary. "The decision as to whether there is to be a redundancy scheme or not is a matter of the greatest urgency to the industry," he told the annual meeting. "It may help to expedite the contraction, if it could be achieved by a very smooth and speedy procedure, but any cumbersome scheme in my opinion would be a disaster."

Clear Pronouncement

If no scheme was to be put forward there must be a clear pronouncement to this effect in terms which could not be misunderstood, Mr. Lee continued. On the other hand, if there was to be one, it must be put into effect without delay and without bureaucratic procrastination or formalities. In the meantime, Mr. Lee added, there was no doubt that wholly uneconomic prices for yarn would prevail. As order books filled up and mills which did not want to spend money on re-equipment decided to go out, he hoped that prices might once again be re-established on a realistic basis. Although excess capacity in the spinning industry was admitted, Mr. Lee declared: "It seems to have been entirely ignored that there has been a very marked contraction in the industry and, since the end of 1953, the number of spindles in running mills has fallen by over 20 per cent. I do not consider that a contraction of 20 per cent. in five years has been insignificant."

The closing down of mills involved owners in the sacrifice of capital assets. Throughout the period, the whole industry had been reluctant to believe that the Government would stand aside with indifference and watch the invasion of Britain's home market by people who maintained heavy tariffs against our textile exporters and were also able to launch attacks on our export trade based on secure and protected home markets aided by low Asian wage standards.

Dealing with the voluntary undertaking by Hong Kong millowners to impose a ceiling on exports of cotton goods to the United Kingdom for the next three years, Mr. Lee said: "I am sure that the whole of the cotton industry in this country would agree with me when I say that the figures which have been announced are so high that we cannot but be disappointed at the outcome of all the negotiations."

Similar Views

Similar views were also expressed in the annual statement issued by Mr. C. H. Fish, Chairman of J. F. and H. Roberts Ltd., the Manchester textile manufacturing and merchant firm. He described the agreement as "the most one-sided document I have ever read." It in no way altered the very real threat to the profitable operation of a large section of the cloth and garment manufacturing firms in this country.

Mr. Fish warned that many other old-established industries in Britain would eventually be seriously affected by Commonwealth-manufactured articles. The Government had assured Hong Kong that approaches by other industries to limit exports from the Colony would be vigorously opposed. "What a state of affairs that Britain should be unwilling to look after its own industries and yet be prepared to tell other countries how they should conduct their affairs," he commented.

Supplementing this view, Mr. Lee said: "This type of problem is likely to arise again and again. It will not be confined to the cotton industry and some other way of reaching a speedy solution will have to be devised."

Mills Take Less

Not surprisingly, in view of the limited off-take in finished goods during recent months, the quantity of raw cotton imported during the first half of the current season was the lowest for some years past. Barely 500,000 bales arrived, emphasising the reluctance of spinners to assess their future needs and the slow movement of supplies to the mills.

During the past two seasons the tendency has been for consumers to build up stocks, in view of the advantageous terms offered by the American Government in an effort to shift the accumulation of supplies. As a result, shipments of United States staple have been extensive until the current season, as is indicated in the table in the next column.

The difference between the quantity of raw cotton imported in the first half of the current season and the same period last year is almost entirely made up by the reduction in arrivals from the United States. Other sources have continued to offer fair quantities of cotton, but there have been no major changes. Supplies procured from Nigeria have shown a marked increase and some improvement has occurred in shipments from India and Pakistan, but purchases from the Sudan have continued their declining trend.

Raw Cotton Imports

(In bales)

	1st half 1958-59	1st half 1957-58	1st half 1956-57	Total 1957-58
American	134,129	400,567	487,763	783,569
Mexican	87,854	92,668	71,021	140,795
Nicaraguan	13,499	7,587	2,712	17,846
Brazilian	10,672	9,942	32,500	17,414
Argentinian	1,034	1,922	..	3,623
Peruvian	32,851	22,185	37,256	45,156
Egyptian	..	7	979	7
Sudan	52,908	68,376	113,803	151,298
East African	16,736	13,485	13,094	40,533
Nigerian	57,089	27,100	28,556	69,884
Congo	2,689	685	2,404	699
Turkish	24,888	27,110	16,302	32,572
Syrian	4,103	9,291	5,178	18,759
Pakistan	7,294	2,050	2,575	12,794
Indian	7,000	969	4,536	11,388
Russian	4,076	13,315	18,534	25,762
Others	42,494	60,542	30,617	109,727
Total ..	500,166	757,770	872,917	1,461,276

Sudan Cotton Supplies

After the first impact has been overcome, Lancashire cotton leaders are hoping that the recent decision of the Gezira Board to remove the reserve price from all their cottons should do much to create more stable values—not only for Sudan cotton but also for other growths. Mr. H. C. Owtram, Chairman of the Bolton Master Cotton Spinners' Association, expressed this hope in his annual report to members. He added: "It is imperative that cotton prices of all producing countries should be stabilised at the lowest possible level, if the severe competition of man-made fibres is to be met."

Mr. Owtram said that, although spinners had little difficulty in securing cotton suitable for their requirements, if was likely that the draft financial settlement reached with Egypt would make available acceptable cottons at competitive prices. "The price of Sudan cotton has, until now, been maintained at an artificially high level, which, coupled with the manipulated price of the American crop, has had an unsettling influence on the yarn and cloth market. The lack of any adequate futures market in which to cover purchases creates a further problem for spinners particularly."

On the import cloth question, Mr. Owtram warned that it was only a matter of time before it was the turn of other industries—unless the Government took action. "Lancashire has had the misfortune to be one of the first major industries to be seriously affected," he said. "In my view, others will be involved as time goes on unless steps are taken to regularise the position. Even now, the leather and cutlery industries are suffering severely from imports of cheap Oriental products."

Meanwhile, said Mr. Owtram, multiple stores and shops—"with a few notable exceptions to whom we take off our hats"—were filled with Hong Kong produced textile goods. The question was being asked—how far would this sort of thing spread as other Commonwealth countries developed their industries? "It seems to me the Government should do some rethinking and take steps to safeguard the livelihood of our people and the products of home industry used in the home market."—*All Rights Reserved.*

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LINKING SUGARCANE PRICE TO QUALITY

WORK DONE UNDER THE SCHEME SO FAR

A NOTABLE recommendation made by the Development Council for Sugar Industry at its last meeting held at New Delhi recently—the deliberations of the meeting were referred to in some detail in these columns last week—is that the experimental scheme pertaining to the linking of the price for sugarcane to its sugar content be continued. The Council's Standing Advisory Committee—and not the Director of the National Sugar Institute, as was mentioned by us last week through inadvertence—has been asked to give further consideration to the scheme and make a report on the feasibility of introducing it on a uniform basis throughout the country. Surely, this decision of the Council indicates the sense of importance attached to the scheme. Although the scheme was accepted in principle by the Government quite a long time ago, when the late Mr. Rafi Ahmed Kidwai was the Union Food and Agriculture Minister, it is unfortunate that no concrete steps, barring the experiments in a few factories, have been taken to give full effect to the scheme. Even at the risk of repetition, we wish to emphasise that, unless the present defective system of paying for cane on the basis of weight alone is replaced by that based on both weight and quality, there is absolutely no hope of improving the productivity of sugar per acre.

Now that the Development Council for Sugar Industry has again urged the necessity for a nation-wide adoption of the scheme for payment of cane on quality basis, it would be worthwhile reviewing here the results of the scheme's working as an experimental measure so far. Work under the scheme, it will be recalled, was started from the 1956-57 sugar season under the guidance and control of the Director, National Sugar Institute. The report on the work done in that season was analysed in *Commerce* dated 31st August 1957 (*vide* page 392) and 7th September 1957 (*vide* page 436). It is proposed to review now the work done during the 1957-58 season and the future programme.

During the 1957-58 season, the scheme worked in five factories, namely, the Deccan Sugar and Abhkari Co., Ltd., Pugalur; the Kirlampudi Sugar Mills Ltd., Pithapuram; the North Bihar Sugar Mills Ltd., Bagaha; the Raza Sugar Factory, Rampur and the Daurala Sugar Works, Daurala (Meerut). The work was carried out more or less on the same lines as in the first season but with better experience and insight, with the result that the difficulties faced were less and it was found that more systematic work could be done with better results. Almost 100 per cent. cane supply, it is said, could be tested under the individual grower category in the Pugalur factory. Next came Pithapuram, the percentage under individual category being 89.52 and that under two or three growers group 8.43.

Pre-harvest Survey

As the staff appointed under the scheme had been disbanded after the close of the 1956-57 season, difficulty was experienced in the recruitment of staff in 1957-58, causing considerable delay and dislocation. The services of the staff were, therefore, continued even after the close of the 1957-58 season and, during this period, the staff carried out pre-harvest maturity survey of the standing cane crop.

Apart from the testing work done in factories by the scheme staff, the Instrument Section of the Institute designed and constructed an electronic-cum-mechanical device for continuous classification of cane lots and automatic collection of corresponding juice samples. A trial of this device was taken in one of the factories where the cane price scheme worked, and it was found that the instrument worked quite satisfactorily, but needed some modifications which have now been made. The instrument is being tried again in the current season.

The work of the scheme is now being continued for the third season in the Pugalur and Pithapuram factories and for the second season in the Rampur, Daurala and Bagaha factories. One more factory—the Burhwal Sugar Factory—has been taken this year for running the scheme, though at a later stage. The programme of work carried out under the scheme during the current season covers continuance of work in the aforesaid six factories; study of the reorganisation of cane supply zones of U.P. and Bihar factories, with a view to maximising the percentage of gate supply; conducting trial of modified automatic sampling device evolved at the Institute; and pre-harvest maturity survey of the standing cane crop for the next season.

If the quantity of sugarcane crushed in a season amounts to 150,000 tons, the incidence of cost for arranging cane supplies and testing it for the purpose of paying on quality basis according to the system evolved works out to about 25 nP per ton or slightly less than a naya paisa per maund of cane.

Many Difficulties

Many difficulties, it is said, were experienced in working the scheme during the 1957-58 season. These are indicated below:

1. The scheme was started in the factories very late. Cane supply calendars of cane unions had been prepared long before and the secretaries of the unions did not agree to change the calendars.

2. There were no proper marshalling yards in some factories or the yards were too small.

3. Cane carrier *coolies* sometimes did not unload the cane of the carts or trucks in the manner desired for testing of cane under the cane price scheme.

4. Cart cane was required to supplement the feed of the cane from wagons, particularly when the latter reached the bottom layers. This disturbed not only groupwise testing of carts but also testing of cane samples of wagon cane.

5. Weighment of gate cane during restricted hours necessitated stacking of cane in the yard. This disturbed the regular testing of cane of other scheduled supplies.

6. Towards the end of the season, cane supplies became irregular and testing of cane could not be carried out below village or centre level.

7. Frequent breakdowns in machinery caused congestion of cane growers in the yard outside the factory gate. When this happened, it was difficult to stick to scheduled testing.

8. Emergency indents, which became necessary due to unexpected breakdowns, were issued without information to the unit officers. This disturbed the groupwise indenting of cane supply for 3-4 days.

9. Cultivators often complained of late supply of *purzies* due to which they could not harvest and bring their cane to the factory at the specified time.

10. The units could not be supplied with polariscopes, calculating machines and typewriters. Due to this, the work of the scheme was greatly handicapped.

The working of the scheme so far has brought out the following facts:

Payment of cane price on quality basis can be made in those factories where the entire supply is at the gate and cane feeding is done by mechanical means. All the details required for the practical implementation of the system have been worked out and can be put into effect. No solution has so far been found for testing outstation cane, particularly that received by wagons. Conversion of out centres into road centres wherever possible and intensive cultivation in gate areas so as to make the factory self-sufficient in gate supplies appears to be the only solution. Maturity harvesting side by side with the cane price scheme work has yielded immediate results by way of increased recovery. The cane growers have greatly appreciated the considerable reduction in the detention time of their carts at the factory gate, which has come down from 24 hours or more to barely 3-4 hours. Contrary to expectations, the growers bring their cane to the factory gate punctually to the specified time schedule. Grouping of growers can be done to a large extent, provided the system of equitable distribution of *purzies* is modified to suit the requirements of the scheme. Necessary modifications can be effected without any dislocation provided the *purzies* are issued systematically and impartially. The question of enabling the grower to share the benefits accruing out of the scheme has to be solved immediately, if the scheme work has to make further headway. Being a fundamental problem necessitating changes in an age-old system, continued efforts will have to be made over a long period before the scheme can meet with complete success in its objectives.

It is gratifying to hear that the Cane Departments of both the States have fully appreciated the need for implementing the scheme and are affording full co-operation. The Departments, however, are not justified in asking the Central Government to do something by which the cane growers can also share the profits accruing from increased recovery due to the working of the scheme. For stress should be laid not on the sharing of profits but on the growers getting a higher price corresponding to the improvement in the quality of cane supplied. This view holds good in the case of cane growers also who, it is said, while appreciating the need for improving the quality of cane, are willing to co-operate wholeheartedly only if a share of profits is given to them.

OUTPUT OF COAL

PACE OF EXPANSION SLOWS DOWN

THE statistics relating to the coal industry's performance during 1958 show that the upward trend in production and despatches noted in previous years has been maintained during the year under review as well. The output, for instance, has gone up by 1.81 million tons to 45.32 million tons. With this rise, coal production has risen by 13.02 million tons since 1950, that is, since the beginning of the first Five-year Plan and by 7.09 million tons since the commencement of the second Five-year Plan.

Of the total production in 1958, the Singareni Collieries (which form part of the public sector of the industry) accounted for 2.12 million tons, having gone up from 1.92 million tons in 1957. The balance of 43.20 million tons is accounted for by the private collieries and the collieries of the National Coal Development Corporation in the pubic sector. The separate figures for the two sectors are not yet available. In 1957, however, private collieries accounted for nearly 88 per cent. of the total production, N.C.D.C. for about 8 per cent. and Singareni Collieries for a little over 4 per cent. Assuming that these proportions were maintained in 1958 also, the production by private collieries would have amounted to 39.5 million tons and that of the collieries of the N.C.D.C. to 3.7 million tons.

While the upward trend in production has been maintained in 1958, the pace of increase over the year has considerably slowed down. Thus, the rise in output during 1958 at 1.81 million tons does not compare well with that of 4.07 million tons recorded in 1957. This shows that the effect of the restriction on private collieries in the matter of opening of new mines, inadequacy of transport, siding and loading accommodation, shortage of machinery and equipment and short supply of iron and steel, etc., must have told on the expansion of production by collieries in the private sector. If these handicaps were to continue, it is doubtful whether the private collieries would be able to achieve their target of 45 million tons per annum within the remaining two years of the second Plan period.

The despatches of coal during 1958 amounted to 39.98 million tons, as against 37.68 million tons. The increase of 2.30 million tons in despatches does not also compare favourably with that of 2.73 million tons in 1957, despite the fact that wagon loadings were better than in the previous year. The daily average loadings from West Bengal and Bihar coalfields, for instance, were at a record high of 3,910 wagons, as compared with 3,667 wagons in 1957.

The following comparative table shows the monthly trend of raisings and despatches during 1958 and 1957:

(In tons)

	Raisings		Despatches	
	1958	1957	1958	1957
January	3,047,427	3,627,151	3,325,642	3,136,528
February	3,712,113	3,518,681	3,062,660	2,850,781
March	3,700,000	3,652,777	3,353,038	3,218,809
April	3,801,057	3,729,106	3,229,887	3,194,079
May	3,883,822	3,704,092	3,373,611	3,187,466
June	3,554,419	3,330,400	3,106,367	2,915,343
July	3,749,030	3,296,150	3,367,971	3,044,875
August	3,538,072	3,376,701	3,477,605	3,230,380
September	3,703,000	3,347,255	3,347,000	3,227,150
October	3,746,001	3,555,099	3,473,875	3,323,019
November	3,797,407	3,929,735	3,375,326	3,154,723
December	4,092,605	4,050,924	3,480,331	3,163,747
Total ..	45,318,043	43,504,071	39,982,913	37,685,995

The total shipments of coal (coastal and foreign) during the year under review were somewhat disappointing, having declined from 1.97 million tons to 1.83 million tons. Of these, coastal shipments accounted for 1.04 million tons and foreign for 0.79 million tons during 1958, as against 1.03 million tons and 0.94 million tons, respectively, in 1957. Exports of coal to Pakistan show a rise of 232,263 tons, that is, from 988,991 tons in 1957 to 1,221,264 tons, thus more than making good the decline of 186,700 tons in exports to that country in 1957. It will be of interest to note that exports of coal to this neighbouring country during the last eight years have been fluctuating widely, as will be seen from the following table:

Year	*Quantity* (Tons)	*Year*	*Quantity* (Tons)
1951	946,916	1955	977,393
1952	1,143,378	1956	1,175,691
1953	762,218	1957	988,991
1954	834,870	1958	1,221,264

The bulk of the despatches to Pakistan is by rail, the quantity sent through this route during 1958 being 1,186,637 tons, as against 977,637 tons in the previous year.

NEW PUBLICATIONS

Japan's Economic Recovery. By G. C. Allen. Published by Oxford University Press, London. Pages: 215. Price: 25s.

THE book under review is a remarkable survey of Japan's post-war resurgence in industry, trade, agriculture and finance. Japan's economy which the war left in ruins has now been restored and after a long period of hesitancy, progress has been resumed. Japan has been and still continues to be a model for underdeveloped countries, indicating how a will to be an industrialised country without disturbing the balance between various sectors could be achieved. In twelve chapters, supplemented by useful statistical appendices, Mr. Allen describes and explains the course of recovery in industrial production, foreign trade, agriculture and finance and compares and contrasts Japan's present, and its pre-war, economy. The treatment is particularly authoritative since the author has been a student of the Japanese economy for over 30 years and the conclusions are based on his own investigations.

The three conditions that made possible the emergence of Japan as a modern State in Meiji times and its subsequent achievements are: (1) a political and social system that presented opportunities for the exercise of leadership to persons whose interest lay in promoting economic change, (2) inheritance of organising capacity and skill, and (3) institutional arrangements conducive to the rapid accumulation of capital. The war ruined its economy. But, by 1955-56, it had made good its post-war collapse, had restored financial stability, rebuilt a large part of its industrial and commercial organisation, increased manufacturing production to more than twice that of the middle 1930s and increased *per capita* income. The resilience of the economy has been particularly displayed in the extension of the range of commodities and products. Its industrial activities are now centred upon metal, engineering and chemical industries. It has joined the company of the few great countries that are responsible for the bulk of the output of these industries. In the course of its recovery, Japan was certainly assisted by certain fortuitous circumstances, such as the Korean War accompanied by the special procurement demand, the world investment borne in the middle of 1950s and the Suez crisis which conferred considerable advantages on Japan in its competition with Western producers in Asian markets.

Against the picture of the rapid advance towards industrialisation is peasant agriculture, though far more efficient than elsewhere in Asia, still overstocked with labour. There has been a revolution in agricultural life and the main differences with the pre-war situation are: (1) a 20 per cent. increase in the size of the agricultural population; (2) a conversion of tenants to peasant proprietors, without their incurring any substantial financial liability for this change in tenure; (3) the improvement in the economic position of the working farmer, in spite of the increase in the agricultural population, through land reform, higher agricultural prices and new opportunities for non-agricultural employment; (4) diversification of agriculture through the development of livestock, fruit and vegetable farming; (5) an increased application of chemical fertilisers and of materials for the control of pests and diseases; (6) a greater use of machinery, although the structure of Japanese agriculture still prevents the efficient use of many types of agricultural machines and (7) the destruction of the landlord class and the reduction of many of its members to the status of working farmers.

As regards Japan's small-scale sector, the author points out that it is commonly asserted that it is characterised by disguised unemployment or under-employment. He feels that these terms may be misleading, for they imply that the conditions can best be relieved by an increase in effective demand brought about by an appropriate monetary policy. He adds:

"In fact, short-run measures of that kind can hardly provide a complete and satisfactory remedy, for the dichotomy in the Japanese economy is derived from an insufficiency and a biased distribution of capital in a society in which the labour supply is rapidly increasing. Throughout the modern era a high proportion of new fixed investment has been directed into a relatively narrow range of industries, notably certain industries turning out capital and intermediate goods where for technical reasons factor proportions are rigid. The result is that agriculture and most of the consumption-goods industries and service trades, where the factor proportions are elastic, have attracted comparatively little investment and have been left to absorb in low-productivity occupations a large share of the increasing labour supply. Such a distribution of capital is probably justified in a period when rapid development depends on the establishment of basic industries, especially those concerned with power and transport."

In conclusion, the author comes to the fundamental question whether future progress can be regarded as reasonably well assured. This is a difficult question to answer for Japan cannot be easily summed up; in fact, no nation can be. The author discusses the strains in present development. He notes that the war destroyed the powerful sections of the oligarchy, chiefly the military clique and the rural landlords. It would, however, appear that the leadership of the official and business oligarchies has not been seriously disturbed. The author says:

"Labour organisations have arisen, but since their economic foundations are weak, it may be doubted whether they will be capable for many years of wresting power from the established groups of leaders. On the other hand, the mood of the people has changed.... Yet the extent of the change must not be exaggerated. Japan is still far from possessing a society of the Western type, and in the most recent period she has even retraced some of the steps taken in the hey-day of reform. The fiscal system still permits a high rate of private capital accumulation; the labour market remains highly competitive; and welfare and labour legislation covers effectively only a part of the industrial community. Japan is moving along the path that Western industrial societies have travelled, but she is still some distance from the goal they have reached."

Being a foreigner, the author hesitates to hazard an opinion on the question whether and how far the deeper springs of Japan's national life have been affected by recent events. Perhaps Japan today lacks the patriotic urge which made it great in the years following the Meiji era. Broadly speaking, few will disagree with the author's verdict that, without a unifying purpose, an emotional people such as the Japanese may find it difficult to resist corrosive influences from without and to maintain social unity unimpaired.

The Economics of Underdevelopment. Edited by Messrs. A. N. Agarwala and S. P. Singh. Published by Oxford University Press, Apollo Bunder, Bombay-1. Pages: 510. Price: Rs. 17.50.

During the last two decades, there has been an amazingly rapid increase in the output of literature on the economics of underdeveloped countries. Not all of it can be said to represent a real advancement of knowledge. But quite a few of the works on the subject are of basic significance and have certainly pushed back the horizon of knowledge in the field.

Most of the contributions of basic and far-reaching significance are to be found only in technical journals and periodicals which are not easily available. Students of the subject in India, therefore, remain unaware of the more important contributions and their worth and significance.

Messrs. A. N. Agarwala and S. P. Singh, therefore, deserve to be congratulated on bringing together in a handy, reasonably priced volume, some of the important recent contributions on the subject.

The volume contains 21 articles, classified into six sections. The first section, approaches to the problem of underdevelopment, carries five contributions. It is designed to acquaint the reader with the criteria that can be adopted in defining underdevelopment, the causes and factors contributing to the phenomenon of underdevelopment and the different methods of analysing and finding solutions to the problem of underdevelopment. The second section, which contains two papers, examines the problem of underdevelopment in a historical context. The third section includes three papers which analyse the problem of underdevelopment in the light of the theories of Schumpeter, Keynes and of some present-day economists like Harrod and Joan Robinson. The fourth section deals with the problems of external economies and balanced growth. The fifth section contains two papers, one each on the problem of underemployment and factor proportions in underdeveloped areas. The last section presents four models of economic development of underdeveloped countries. The list of contributors includes such well-known economists as Colin Clark, Arthur Lewis, W. W. Rostow, Ragnar Nurkse, Rosenstein-Rodan, Simon Kuznets, Jacob Viner, to mention only a few.

COMMODITY TAXATION AND ECONOMIC DEVELOPMENT

NEED FOR LOWERING BURDEN OF DIRECT TAXES

By Khetra Mohan Patnaik, M.A., A.M. (Stanford)
LECTURER IN ECONOMICS, RAVENSHAW COLLEGE, CUTTACK

IN his presidential address at the Lucknow session of the Indian Economic Conference in December 1958, Dr. M. H. Gopal remarked that, in India, in the context of economic development, "no increase in direct taxes was advisable now and revenues must hereafter come from consumption taxes only .... the Central Excises are the real inspiration for further revenues." This suggestion, though significant, may, perhaps, have an unfavourable reception in many quarters. This is evident from his confession that it is "against the current trend of opinion typified by the Planning Commission's affirmation that no further tax increase was possible, by the assertion of the Union Government of its socialistic pattern objective, and by protestations from the Press and the people that taxation is already too heavy to bear and is inequitable." Even the U.N. Experts point out that "in general, indirect taxes tend to have an adverse effect on industrial development, at least in so far as they are levied on locally produced goods and services, for not only are they likely to raise the price of domestic manufactures, but they are usually regressive, bearing relatively more heavily on the lower income groups and thereby tending to restrict the local market."[1] Again, it may apparently look paradoxical that commodity taxes should be emphasised in the context of planning through the market mechanism which involves the danger of inflation. This leads us to a consideration of the role of commodity taxation in the context of economic development of underdeveloped countries, with special reference to our country.

Objectives of Tax Policy

The achievement of increased investment on public and private account is accepted as the crux of the problem of economic development. Investment depends on saving and the actual diversion of this economic surplus in the direction of expansion of productive facilities. Hence the tax system must promote not only the growth of savings, but also give incentives for the utilisation of this saving to bring about an increase in investment. Certain additional considerations should be kept in mind while tailoring a tax structure suited for development in an underdeveloped country. In such countries, it is imperative on the part of the State to undertake more development responsibilities than is usual in an advanced country, where the private sector is highly developed. This considerably increases the need of Governments in these countries for tax revenues. But the problem becomes complicated and the position of the Government becomes precarious as such countries encounter considerable difficulty in borrowing, either at home or abroad, and inflexible internal conditions arising out of factors like low educational standards, the existence of a large non-monetary subsistence sector, and the political influence of large agricultural interests. These factors more often limit the range and aggravate the complexity of the tax structure.

Again, avoidance of inflation becomes an immediate objective of taxation in a developing country, since inflationary pressure is likely to be very high where the development programme is large relatively to the size of the economy, and voluntary saving negligible. Hence the prime necessity in such an economy, as Mr. W. A. Lewis points out, is that the tax structure should be so geared that marginal rates of tax are always higher than average. If this condition is realised, then the Government would be in a position to check the inflationary pressure generated by the process of development. This leads Ursula K. Hicks[2] to suggest:

"In principle, the simplest type of tax which statisfies this condition is a general progressive income-tax, but, in primitive conditions, this is not easy to achieve, and recourse must be had to outlay taxes which has some of the same effects. Thus, expenditure taxes have an important part to play in curbing inflation in primitive conditions, but, to be effective, they must be assessed on things of which people buy more as they get richer, and must cover the purchases of as large a section of the population as possible."

All these considerations point out that the best tax structure suited to the exigencies of economic development appears to be one which, having regard to the development programme and the resources required for it, would increase the resources for investment available to the public sector with as small a diminution as practicable of investment in the private sector, and which, therefore, is accompanied by the largest practicable restraint on consumption by all classes.

Planning Implies More Taxes

The foregoing discussion leads to the conclusion that the prime objectives of taxation in the context of development ought to be promotion of savings, incentives to investments in the private sector, availability of resources for the growing public sector, and avoidance of inflation. There is no question here of decreasing taxes as long as we stick to the policy of raising *per capita* real income through planned economic development. Planning presupposes austerity and the main instrument for enforcing it is the taxation policy of the State. A planned economy necessitates an increasing flow of resources. It is thus almost axiomatic that the level of taxation should be very high in a planned economy like that of ours, which aims at raising living standards. High taxation seems to be the price which people have to pay to realise what the poet says:

"Ah Love! Could thou and I with Fate conspire
To grasp this sorry scheme of things entire,
Would not we shatter it to bits—and then
Remould it nearer to the Heart's desire."

It cannot be argued that we have already reached the limits of our taxable capacity, since the Indian tax revenues amount only to a little more than 7 per cent. of the national income, and this proportion is lower than in many other countries, including some in South-East Asia. We have also in this connection the authoritative opinion of the Taxation Enquiry Commission that "there is a presumptive case for holding that, in India, taxation on the basis of its existing structure and rates has not fully tapped the taxable resources of the country."[3]

Prof. Kaldor also points out that, in our country, "the tax revenue does not exhibit that natural buoyancy—i.e., the automatic rise in yields with the increase in national production and income—which is a common feature of the tax systems of Western countries."[4] Hence, instead of hoping for a lowering of the tax level in the near future, we must be prepared for further tax burdens. This does not imply that there is no scope for readjustment in the existing tax structure. But the question is: Is it desirable, in the interest of planning in our country to raise living standards, to reshape our existing tax system in such a way as to add to the burdens of the small group of direct taxpayers? Should we place greater reliance in the near future on direct taxes so as to conform to the outlines of tax structure described above?

Relief to High-Income Groups

The answer to our above queries has been provided by economists like Dr. M. H. Gopal and Prof. Kaldor. Dr. Gopal is of the opinion that a new realistic tax policy for India during the next seven years should be based on a reduction of the burden of direct taxes, lowering of the incidence of taxation on companies from the present 56 per cent. to 50 per cent., and an overall increase of 10 per cent. in the basic rate of indirect taxation. He joins hands with Prof. Kaldor who points out that "the present system of direct taxation in India is both inefficient and inequitable." Hence Prof. Kaldor suggests that the maximum rate of tax on income should not exceed 45 per cent. (as against the present 92 per cent.) and steps should be taken to prevent large-scale evasion through concealment or under-statement of profits and property income. Thus Dr. Gopal's suggestions are in line with the Kaldor plan so far as lowering the burden on the broadest shoulders is concerned.

This recommendation is put forward with a view to leaving incentives for investment unaffected and hence is in keeping with one of the objectives of taxation mentioned above. High income and profit taxes, whose revenue is so necessary to finance public works, will deter the industrial development which is so urgently desired. Direct taxes like income-tax not only take away a considerable portion of the funds that might be used for purposes of investment but lessen the net return from investments and thus may weaken the incentives of persons to undertake them. Since such taxes fall upon the higher income groups, these would probably be paid almost entirely from income that would have been saved. Thus, direct taxes have a tendency to reduce capital supply to the private sector, not only by encouraging spending from accumulated saving but also by reducing the further accumulation of savings. Hence, concluding his discussion on the effect of income taxation on capital supply, Prof. John F. Due points out:[5] "Thus, the substitution effect will tend to reduce the supply of money capital available on an equity basis and will interfere with economic development and the maintenance of full employment."

Empirical study of the problem made under the auspices of the Harvard University Graduate School of Business has substantially supported the conclusions arrived at on the basis of analytical study. The results of this empirical study were published in 1953.

Even as an anti-inflationary weapon, income-tax does not show any superiority over commodity taxes in an underdeveloped country like ours where the income-tax payers constitute such a microscopic minority, as less than 1 per cent. of the total population. Since current income is the principal source of spendable funds, the effectiveness of a tax as an anti-inflationary measure lies in the extent to which it is able to reach income. Hence, there may be some ground for preferring income-tax on this score in a highly developed country like the United States, where "persons subject to the income-tax account for roughly three-fourths of the total expenditures."[6] That is why in such countries greater reliance on income-tax was advocated during the war-time. "In view of the fact that the exempt part of income does not, in most cases, materially exceed a necessary minimum, the persons reached by the income-tax must be considered the source of virtually all the 'excess' expenditure, over and above necessities, which can safely be cut when inflation danger compels a contraction."[7] Conditions in underdeveloped countries are just the opposite and hence considerations of inflation control would necessitate greater use of such taxes as will reach all income, thereby mopping up excess expenditures.

Role of Commodity Taxation

If the desirability of giving tax relief to the higher income groups to realise our objectives is accepted, then it might apparently look that our reliance on indirect taxation is a matter of Hobson's choice, in order to guarantee an increasing flow of resources to the growing public sector. But, as a matter of fact, it is not so. As will be pointed out presently, the choice of commodity taxation in the context of development rests on other solid grounds also.

In the Indian context, Dr. M. H. Gopal expressed the view that the Central Excises "are the real inspiration for further revenues." Customs duties showed little promise, because reduction of duties on imports of capital goods might be necessary to help development and on consumer goods to reduce inflationary pressures, while the drive for larger exports required reduction and even abolition of some of the export duties. An overall increase of 10 per cent. in the basic rate in indirect taxation, according to him, would yield about Rs. 60 crores a year. Again, he pleaded for a thorough overhaul of the general sales tax through its "centralisation," in order to bring about uniformity in tax law and to reduce collection costs. "It should be emphasised that the suggested increases, numerous and enormous as they appear, are really not very burdensome, as they would reduce the *per capita* income by a little more than one half of one per cent. For they are essentially in the nature of a surcharge, being on the basis of the current duties. *They would, however, serve the revenue purpose.*" (Italics mine.)

A perusal of the above statements gives one an impression that commodity taxation has been advocated on the ground that it appears to be the only silver lining amidst the dark clouds

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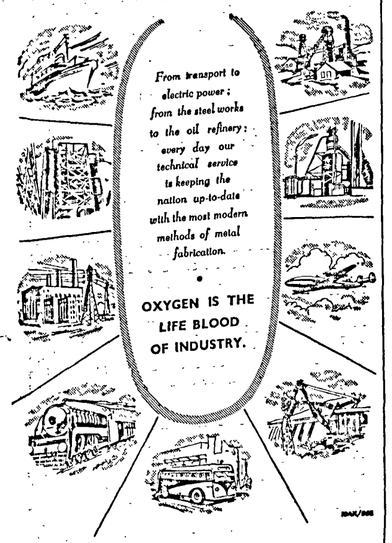

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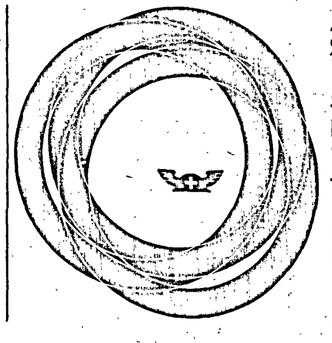
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gathering around the tax horizon in India. Not that the importance of suggestions which would enable a harassed Finance Minister to heave a sigh of relief is belittled. But the more important aspects of commodity taxation in a developing economy have to be emphasised. Perhaps, the greatest merit of such taxation in the context of development lies not in providing a harmless alternative method of tapping an increasing flow of resources to the public sector but in its positive role for controlling inflation and promoting saving. Let us consider these aspects one by one.

Anti-inflationary Potentialities

Planning for growth entails inflation even if a deliberate policy of inflation is discarded to accelerate the pace of development. For our purpose here, inflation is defined as a steady rise in the general level of prices, resulting from an expansion of money income relative to the available supply of goods and services. Assume for a moment a closed economy and an increase of investment for the creation of new capital goods. Incomes are generated in the capital goods sector and the price level will shoot up if the elasticity of supply of different goods does not match with the income elasticity of demand. Here, we can note the difference between the Keynesian situation and that of the underdeveloped countries. In the industrially advanced countries of the West, at the bottom of a slump, there are factories running below capacity and labour idle. When investment is increased, unemployed labour is absorbed; the people thus employed spend part of their incomes on buying consumption goods. This stimulates the producers of consumer goods to expand their output by giving more employment. Thus, in the advanced countries, so long as there is unemployment and perfectly elastic supply of all factors of production, an increase of effective demand will be followed by a proportionate increase in output, so that prices would tend to remain constant. The picture is different in the less developed countries. The latter have no factories full of useful capital equipment standing idle and the supply of agricultural goods by nature is relatively inelastic. Under these conditions, if extra money were put into circulation via increased investment, it would expand a little the output of agriculture and of handicraft industries; but, very soon, these would be working to the limits of their capacity, and further increases of money income would serve only to raise prices rather than to increase the output of consumer goods.

In order to correct this pro-inflationary bias of development in the newly developing countries, what is needed is consumption taxes (like sales tax, excise duties and the like) which have a greater effect in reducing consumption expenditure per rupee of tax revenue than that produced by income-tax. Since the need to encourage saving and discourage spending is particularly strong during inflation, some form of tax which penalises spending is, therefore, particularly justifiable. Such taxes are not only likely to induce personal savings through postponement of consumption but also, in the case of commodities with inelastic demand, mop up the excess purchasing power by driving a wedge between prices paid by consumers and the receipts of producers. That is why commodity taxation is generally considered to be one of the most deflationary forms of taxation. As Allen and Brownlee point out:

"Other things—the level of Government expenditure, the volume of bank credit and liquidity preference schedules, for example—being unchanged, *a given amount* of tax revenue collected from the taxation of commodities is likely to reduce people's expenditures for goods and services by more than would the *same amount* of taxes collected by a personal-income-tax. This would be the case if the personal-income-tax were a flat percentage tax upon income. The differences would be even greater if the personal-income-tax had personal exemptions and if the rate structure were progressive. ... This relatively greater deflationary impact of commodity taxation follows from (1) the encouragement to hold cash balances or securities that are not taxed, and (2) the heavier proportionate taxation of low-income receivers. People in the lower-income groups spend a larger proportion of their incomes upon goods and services that would be taxed than do people in the higher-income groups. Low-income consumers have less opportunity to maintain their purchases of commodities for they have little savings. ... The anti-inflationary impact of *a given amount* of taxes collected from personal income taxation can also be accomplished by *a smaller amount* of taxes collected from commodity taxation."[8]

Now the question is—what will happen if the higher price of the commodity taxed leads to a diversion of demand through the substitution effect. If the demand for the taxed commodity is elastic, a tax on it will shift the demand to untaxed articles. Since such demand-shifting type of commodity taxes cannot mop up excess purchasing power, their anti-inflationary potential can be questioned. However, even this type of commodity tax will help fight inflation if the article on which the tax is imposed is in short supply, whose production cannot be immediately stepped up and the substitutes are relatively abundant or are in elastic supply. It was this consideration that prompted the levy of differential excises on some mill-made products during the second Five-year Plan period in India. This is evident from the report of the Karve Committee. It points out that the excise duty may be said to have three objectives: first, the raising of funds from the consumers of a product for rehabilitating a section of the producers of that product; the second is that of draining away from *entrepreneurs* in the advanced section the extra profit that will accrue to them from national policy; the third objective or rather result of the levy of excise would be the creation of price differentials in favour of small-scale and village industry.

On the whole, the direct anti-inflationary effect of a commodity tax is probably greater than that of an income-tax increase.

Effects Upon Resource Allocation

Suppose that an excise tax is levied upon shoes. The price which the consumer will have to pay for shoes is likely to increase and this will lead to a decline in demand for this commodity. The total receipts from sales of this commodity will decrease, assuming the demand to be elastic. Consequently, the amounts which shoe producers can afford to pay for resources are likely to fall. Some resources will be displaced out of shoe production and absorbed in alternative lines. Specific excise taxes may thus tend to alter the production pattern. The resulting production pattern may thus be brought into line with the targets and scheme chalked out by the planners. In so far as this is the case, such commodity taxes become the chief instruments in the hands of the Planning Authority to shape the existing production pattern into a more desirable one and thus bring about an allocation of resources promoting the maximum social good. The importance of this device cannot be over-emphasised in democratic planning, which is essentially planning through the market mechanism.

The above result can be brought about only on the assumption that the free market mechanism does not bring about an optimum allocation of resources—an assumption which is the very genesis of a planned economy. Marshall and Pigou have shown how, even under perfect competition, the interaction of the free forces of demand and supply does not always lead to an allocation of resources maximising the sum-total of economic welfare.[9] Marshall, through his technique of consumers' surplus, and Pigou, with the help of the concepts of marginal private net product and marginal social net product, have shattered the complacent assumption of the classical model that each individual knows what is best for himself and hence, if each individual tries to promote his self-interest, the maximum good of the society would be attained. They have shown that State intervention in the shape of positive and negative taxes, assuming conditions of perfect competition, is imperative, in order to assure an allocation of resources consistent with maximum economic welfare. Later writers like Mrs. Joan Robinson and Prof. Chamberlain have disproved the existence of perfect competition and have shown how competition brings about a misallocation of resources. Hence, assuming a world where maladjustment of resources is the rule rather than the exception, it becomes incumbent upon the modern Welfare State to correct this state of affairs. And this can be done only through specific commodity taxes under a democratic set-up, since direct taxes like income-tax are not discriminatory as between occupations.

Our arguments so far have shown that commodity taxation is an effective instrument in the hands of a Planning Authority to realise its ends. Hence, in the context of development, its importance lies not as a revenue-raiser but in other spheres mentioned above. This has been the role of indirect taxation historically in countries which have passed through a process of planned economic development. The striking examples of such countries are the U.S.S.R. and Japan. Let us take up the case of the former first.

Case of Russia

It is well known that the most important tax in Soviet Russia is the turnover tax, the equivalent of a retail excise tax. Since 1930, commodity taxes in Russia have provided the bulk of the national revenues. In 1943, taxes on income brought in roughly three-tenths of the receipts from commodity taxation in comparison with the pre-war ratio of less than one-tenth.[10] This tax provides nearly 50 per cent. of the total national budget and 90 per cent. of the revenue from turnover taxes is derived from food and other consumption goods. Turnover tax rates vary substantially from product to product; on most consumers' goods they are extremely high. For example, before the war, the rate of tax on the retail price of shoes was 26 to 40 per cent; on vodka it was 84 per cent; butter bore a tax of between 60 and 66 per cent.[11]

It may be argued that, in a country where private ownership in means of production is abolished, it is natural that direct taxes would contribute but little to the national revenues. Hence, in the U.S.S.R., revenue considerations in the context of wholesale abolition of private property would dictate emphasis on commodity taxes. But the principal reliance on the turnover tax arises, not out of revenue considerations but out of a realisation that such a tax will "prevent inflation by absorbing excess consumer purchasing power."[12] It is interesting as well as instructive to see how the turnover tax is used in the U.S.S.R. as an anti-inflationary measure.[13]

The high rates of turnover tax in the U.S.S.R. point up the essential framework of the economy. They reflect, primarily, the fact that the people want to spend a far larger proportion of income on consumers' goods than the proportion of resources that the Government want to devote to the production of such goods. Consequently, there is a conflict between the objectives of the top officials who decide what proportion of all economic resources should be devoted to the production of consumers' goods and what the population desires when making individual decisions about how to spend personal incomes. This conflict is reconciled by the turnover taxes.

The use of income-tax as the fiscal instrument to zip the gap between demand and supply has no doubt the merit that it interferes least with consumer choice as distinguished from consumer sovereignty. But the planners would probably fail to equate the preference pattern of consumers with their own preference system on the basis of which goods are offered and their prices set. This would give rise to misallocation of resources, since there would be overproduction of some goods and underproduction in other cases. Consequently, the entire adjustment has to be made physically—by shifts in the allocation of factors of production—which amounts to a surrender of the superior wisdom of the planners to consumer sovereignty. If the adjustment were

(*Continued on page 340*)

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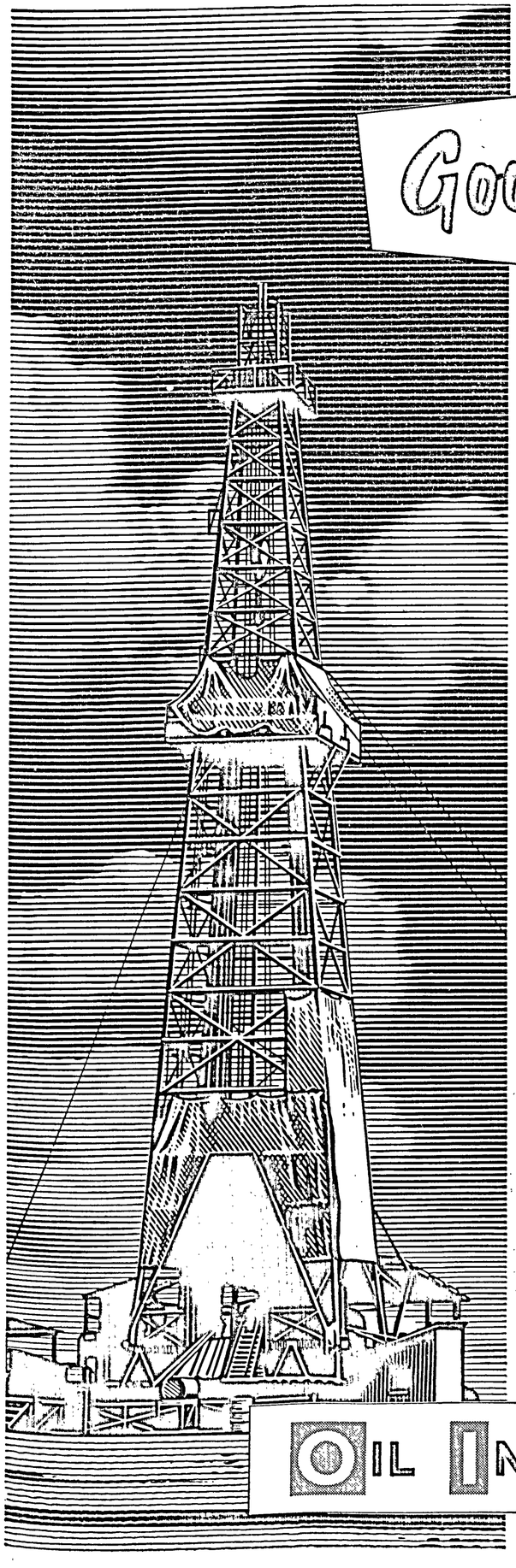

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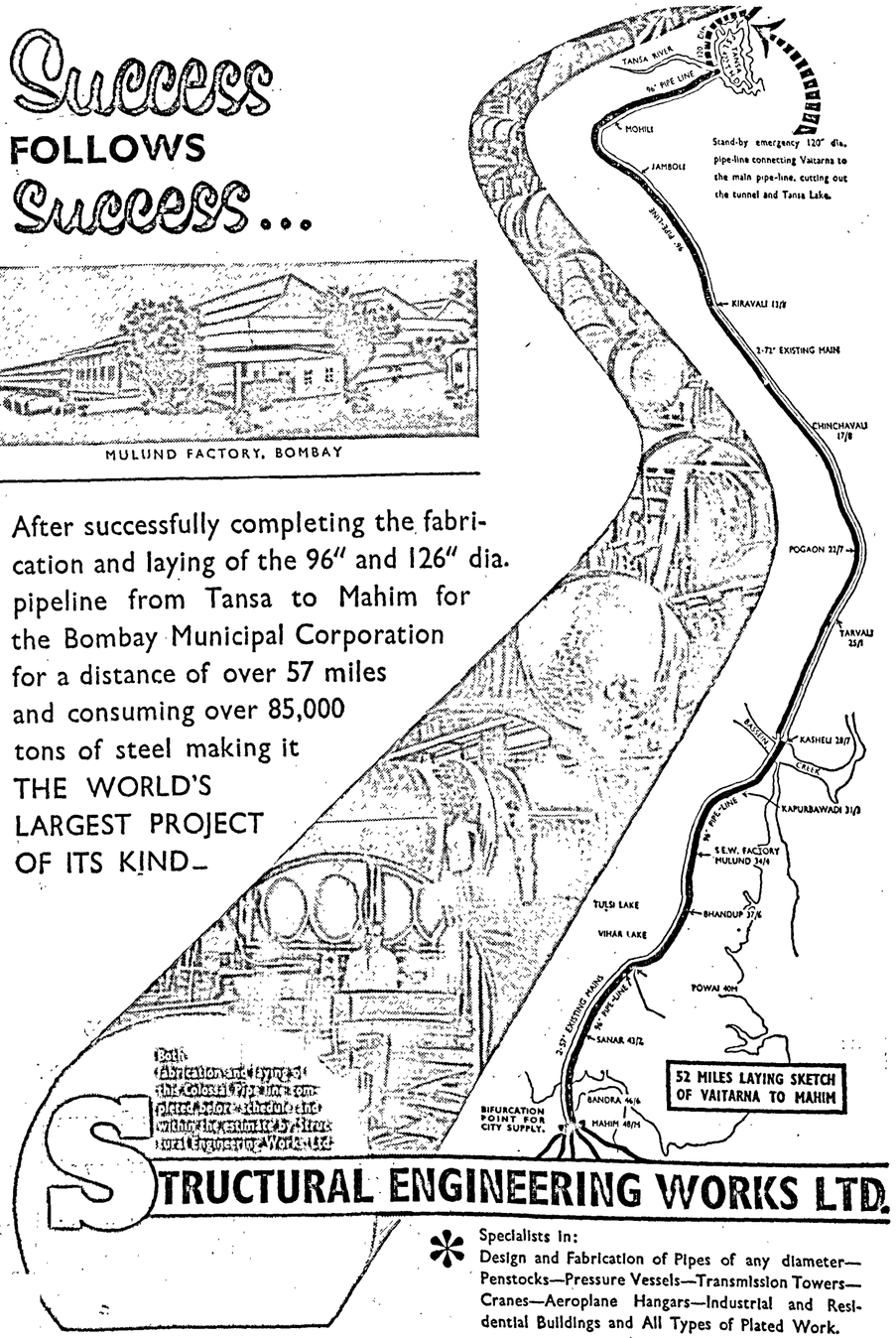

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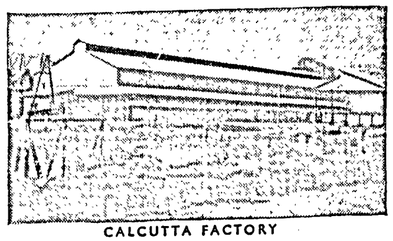

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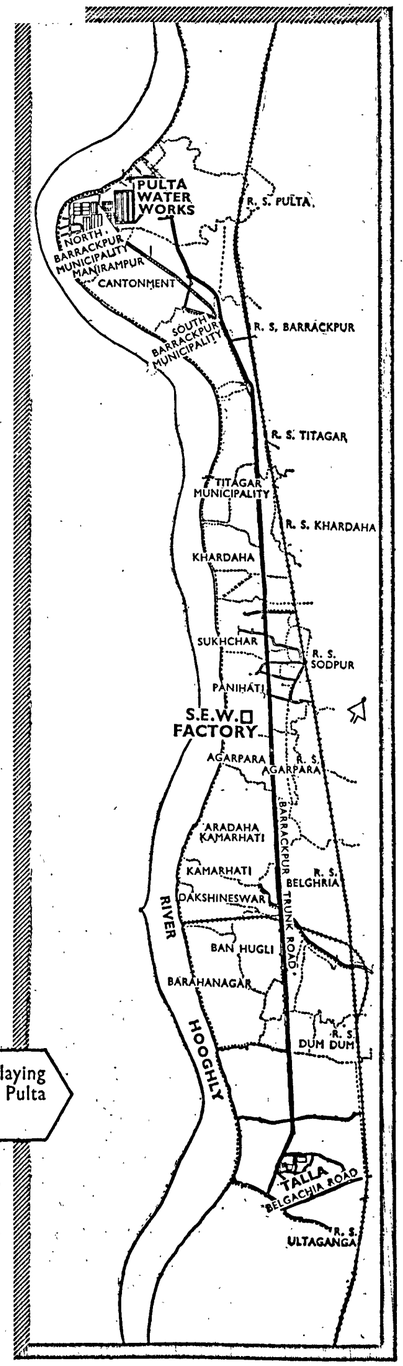

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EXPLOITATION OF OIL RESERVES IN ASSAM

RUPEE COMPANY FORMED

THE incorporation of Oil India Private Ltd., a partnership between the Government of India and the Burmah Oil Company, which took place last week, marks one more stage in the exploitation of oil reserves in Assam. Now that new oil resources have been located in Assam, the formation of the Company paves the way for the development of the State's mineral wealth. In the new company, the Government of India owns one-third of the total share capital and the balance is held by the Burmah Oil Company-Assam Oil Company. Mr. W. P. G. Maclachlan of the Assam Oil Company will be the Chairman of the Board of Directors. The other members are: Mr. K. K. Sahni, Joint Secretary, Ministry of Steel, Mines and Fuel; Rana K. D. N. Singh, Mr. K. B. Kanuga, Mr. R. W. Wachter and Mr. G. N. S. Robertson.

Under the agreement reached between the Government of India and the Burmah Oil Company, the new company will produce oil and deliver it to the refinery terminals. It is proposed to build two refineries which will process the crude oil produced by the new company. Of the two refineries, both of which will be Government-owned, one will be located in Assam and the other at Barauni, Bihar. The new company will operate at Nahorkatiya, Hugrijan and Moran in Upper Assam where the Assam Oil Company has drilled 48 wells. The proved and probable reserves of Nahorkatiya and Moran, it is stated, are sufficient to produce 2.5 million tons of oil per year after the completion of the pipeline and the refinery facilities.

It is not as if Nahorkatiya proved a lucky strike all at once. Indeed, the early steps which led to the discovery of oil in this region date back to 1925 when the first gravity survey for sub-alluvial oil prospects in India was carried out by the Assam Oil Company—that is, long before oilfields had been discovered by such methods anywhere in the world. It was found, as a result of the survey, that wells deeper than 10,000 feet would have to be drilled. But drilling technique was not sufficiently advanced in those days. The seismic surveys, undertaken in 1938-39, in order to locate the site for drilling the first well, were interrupted by the outbreak of the Second World War. The search for oil took the Assam Oil Company's explorers to different parts of the State like Balijan, Namchik, Boragolai, Dhekiajuli and Tiru hills, but, in each case, the party had to return to headquarters after drilling several unsuccessful test wells. Outside Digboi, more than 200 wells, all unproductive, were drilled before the discovery of oil at Nahorkatiya. The oilfield at Badarpur lasted only 18 years and the field at Masimpur proved so difficult to operate that it had to be abandoned.

It was in 1951 that preparations for the first Nahorkatiya well commenced, with the movement to the location of equipment and oilfield stores from depots at Digboi, Calcutta and Masimpur. A sizable camp soon grew up around the location, and, in early 1952, the construction engineers were joined by skilled drilling crews, many of them experienced in other "outside tests" in Assam such as Tiru Hills (1949), Barsilla (1950) and Nichuguard (1951). Drilling began on 26th May 1952. In February 1953, the well was 9,740 feet deep—600 feet deeper than any well previously drilled in India. Drilling continued, and the first major event of interest occurred when a test of sandstone rocks encountered at 9,700 feet yielded slight signs of oil. Still going ahead with drilling, the well was continued to a final depth of 11,715 feet. Soon afterwards, the well gave promise of being a satisfactory producer from around 10,000 feet. The well is at present shut in for observation of pressure behaviour.

Nahorkatiya's proof of oil was the key which opened the way for a new and intensive programme of geophysical surveys over the entire alluvial area of Upper Assam. The test well at Moran, drilled to 13,739 feet, after much additional geophysical survey, struck oil in September 1956. Of the 37 wells drilled so far at Nahorkatiya, five produced no oil and two are mainly gas producers. Although the average depth of the wells is about 10 614 feet, the deepest in the area (well No. 12) reached a depth of 12,060 feet. Another feature of the drilling operations was the speed with which they were carried out. Thus, well No. 38, which has a depth of 10,337 feet, was completed in 18 days. Wells in Moran area are deeper than those at Nahorkatiya; the deepest (well No. 1) is 13,739 feet, that is, more than 2½ miles.

NEW RADAR SYSTEM

Preliminary research conducted at Ohio State University is paving the way for a new type radar system which can "see" in all directions at once and may help reduce the number of airplane accidents. Called "radarvision," it was developed at the University's College of Engineering Antenna Laboratory by Mr. William C. Davis, Associate Professor of Electrical Engineering, and Mr. R. W. Masters, now with the Boeing Airplane Company at Seattle, Washington. Research on the 12-month project was carried out for the U.S. Air Force Air Research and Development Command. Mr. Davis said radarvision could help cut down on air-to-air accidents because it would give a pilot a continuous picture of all aircraft, not only immediately ahead, but also in the vicinity of the plane. He said the new type radar also could increase safety in airport traffic control, give anti-aircraft units greater surveillance, and prove highly effective in fast-moving military planes.

The elementary radarvision system developed at the Antenna Laboratory, however, demonstrated the feasibility of instantaneously-scanning radar. Signals from all objects within range of the system are gathered and displayed simultaneously on an oscilloscope screen. Radarvision sends out pulses from a wide-beam horn. They bounce back from objects within range, are picked up by detectors, passed through a synthetic plastic globe known as a Luneberg Lens, and then are channelled into an oscilloscope to form a "chart" of the area under observation. Although the system is capable of "seeing" in all directions at once, the area under observation can be limited by the number of detectors used. Each detector has a horizontal and vertical range of about four and a half degrees.

The principal advantages of radarvision over conventional radar systems are the increased amount of information that can be gathered simultaneously, no moving parts and a weight probably less than the mechanical sweep radar. Radarvision would be more dependable than currently-used radar systems because if one of the detectors fails, the remainder of the channels still would continue to function.

S.A.S. "HUSH-HUSH" HANGAR

A novel type of jet airliner anti-noise hangar is at present being erected by Scandinavian Airlines System at the Stockholm-Bromma airport. It is being built by Rostfria Andersson, large Stockholm manufacturers of stainless steel products, on the principles laid down by the Gothenburg engineer and acoustics expert Stig Ingemansson. Popularly known as the "hush-hush house," the hangar is primarily intended for the Caravelle jet liner. It is claimed that the new device will make it possible to bring down the noise level in test-running the aircraft's engines from 140-160 decibels to some 30 decibels.

The hangar, a steel and concrete structure, is equipped with two intake silencers, two exhaust silencers and two secondary air inlets. When the engines are to be test-run, the aircraft is winched into the hangar, tail first. Two electrically operated 20-ton sliding gates with pneumatic rubber lining—each gate with a semi-circular recess to fit the shape of the fuselage—are then closed, leaving the wings and the front part of the fuselage outside the hangar.

The silencers are of the screw type. Inside the silencer cylinders there are two helicoids, which have a "meat-mincing" effect on the air flow passing through the cylinder. The secondary air is used to cool down the exhaust gases, which have an outlet temperature of 600 deg. C., before they enter the two-stage exhaust silencers. The first stage is a double-walled tube for low-frequency dampening, while the second is of the same screw type as that of the intake and secondary air silencers.

The "hush-hush house" has been designed in close collaboration with Sud-Aviation, the French makers of the Caravelle jet liner, and with Rolls-Royce. Though specially intended for this type of aircraft, the hangar is in principle suitable for all aircraft with the jet engines mounted on the fuselage. The hangar is reported to cost about Kr. 1,000.000 (£69 000) and is scheduled for completion early in March.

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MACHINE TOOL INDUSTRY

PROGRESS MADE IMPRESSIVE

THE rapid progress made by the Indian machine tool industry in recent years is a tribute to the efficiency of the various units in the industry and also an evidence of the general growth of India's industrial economy. The value of Indian production of machine tools moved up from a mere Rs. 47 lakhs in 1951 to Rs. 2.35 crores in 1957, and, last year, it was estimated at as high as Rs. 4 crores. The Indian Machine Tool Manufacturers' Association is rightly convinced that the industry has a bright future. Thus, the Executive Committee of the Association, in its annual report for 1957-58, observes: "Although our industry remains among the few major basic industries which have yet to achieve optimum use of available production capacity, there is every reason to believe that, with the growing acceptance of machine tools as the very basis of modern industrialisation, the industry will continue its progressive march forward in the years to come."

The increase in machine tool production is particularly noteworthy, because it has been achieved in the face of difficulties in obtaining supplies of essential raw materials like steel and foundry coke. In this connection, the Report points out that "although Government are taking steps to improve the supply position and assist manufacturers by trying their best to meet these requirements, there is considerable delay in the scrutiny of applications and issue of import licences, with the result that machine tool manufacturers find it difficult to obtain their raw material requirements regularly and in time." The Association admits that it has received considerable benefit through the Government's policy of restricting imports. This restriction, coupled with the increase in the demand for machine tools in the country, has created a favourable climate for the industry. "It is encouraging," the Association observes, "to note that indigenous manufacturers responded courageously by gearing up their production programmes to meet the rapidly growing demand for machine tools created by the rapid industrialisation of the country under the second Plan." Several new lines of advanced manufacture of machine tools, it is stated, have been undertaken by the members of the Association.

Despite these improvements, the fact remains that the imports of machine tools have moved up year after year. From Rs. 8.4 crores in 1956, the value of imports had gone up to Rs. 14.6 crores in 1957 and was Rs. 10.35 crores in the eleven months ended November 1958. This suggests that the machine tool manufacturers have continually to expand and improve their output. In his speech at the annual meeting of the Indian Machine Tool Manufacturers Association, held last week in Bombay, the President, Mr. S. L. Kirloskar, rightly emphasised that the producers could not rest on their oars, inasmuch as "the country has not yet achieved self-sufficiency in regard to its needs for machine tools, as will be seen from the mounting figures of imports." He estimated that, by the end of the second Five-year Plan, India would need machine tools valued at Rs. 20 crores.

As regards the vexed question of the competition between the Government-owned Hindustan Machine Tools (H.M.T) factory and private producers of machine tools, Mr. Kirloskar said that they were "perturbed" because the H.M.T.'s manufacture of cheaper tools, in technical collaboration with the French manufacturers, would "unfairly compete with the small-scale industries in particular." He recalled the Government's assurance to the effect that the H.M.T. was being established to supplement, not to compete with, the private manufacturers. His point was that the Government after wasting foreign exchange in a fruitless effort at producing superior quality lathes for which there was no great demand in the country, was now turning to the production of cheaper lathes and "jeopardising" the interests of small-scale producers. He felt that the State factory, with its specialised equipment, could certainly produce new and complicated types of machine tools which the country so badly required today. In conclusion, he said, "I implore the Government that it is not yet too late to revise their programme and drop manufacture of cheaper lathes, as that will give considerable relief to private industry."

NEW PRODUCTS AND PROCESSES

New Diesel Engines

DAVY Paxman & Co., of Colchester, U.K., has announced that it is to put two new classes of diesel engine on the market. The first engine is the Vega, which will be available in the power range 200-466 b.h.p. at speeds up to 2,100 r.p.m. A feature of the engines in this range is that they are air-cooled and they are believed to be the biggest of their type for industrial applications. The range consists of eight-cylinder and 12-cylinder "vee-form" engines and an "in line" six-cylinder engine. Wide use has been made of interchangeable components and cylinder heads, barrels, pistons, connecting rods and bearings are common to the whole range. Prototypes and pilot production engines are now being "proved" in the field and the first models are expected to come off the production line shortly. The Ventura range consists of 12- and 16-cylinder water-cooled engines with powers ranging from 1,100 to 1,735 h.p., which, the manufacturer says, is its answer to the number of engines now being produced for British Railways by non-U.K. firms. These engines are also designed as power units for the oil industry and as propulsion units for marine craft.

New Portable Pumping System

A new packaged portable vacuum pumping system for use in laboratories and pilot plants has been produced by the Consolidated Electrodynamics Corporation, California, U.S.A. It is designed for investigation and development of new applications of high vacuum techniques in the processing of metals, and the processing and production of electronic components. The complete pumping system measures 40 inches by 36 inches by 33 inches and weighs about 530 lbs. It consists basically of a diffusion pump, a mechanical pump and three valves for continuous cycling. The metal cabinet which encloses the unit has removable panels in order to facilitate ready access to the pumps. The unit is being made in two models, one of which will reach a pressure of 3.2×10^{-6} mm. of mercury in 12 minutes and the other a pressure of 3.0×10^{-5} mm. in six minutes.

Cloth Marking Ink

In textile mills, each length of cloth, before it is sent for finishing, is marked with its length, quality, loom number and instructions for bleaching, dyeing, mercerising and other treatments for its finishing. These markings serve as guides to distinguish each length of cloth after finishing. Such markings are all the more essential because each textile mill produces a large number of cloth qualities. The common practice at present is to use metal stamps and tar compounds for marking. These metal stampings are, however, inadequate for a complete record on the cloth and have to be very often replaced after every change in quality of cloth and processing instructions.

A recent development in this direction is the use of ball point pens using quick drying inks. This offers a quick, convenient and efficient method of marking the cloth after weaving in the mills. Because of its advantages, this method of marking is rapidly replacing the stamping method.

It is estimated that on an average each textile mill consumes about 100-150 lbs. of cloth marking ink every year. On this basis, the 521 textile mills alone can use about 60,000 lbs. every year. Besides, the ink may also be useful for the rayon and woollen textile industry. Such inks are not so far produced in India and the requirements are met from imports.

A suitable cloth marking ink for use in ball point pens has been developed at the Shri Ram Institute for Industrial Research, Delhi. This ink is said to have been found satisfactory in all respects and compares well with the imported inks. A leading textile mill, where the ink has been tested, has reported that the performance was satisfactory. The ink also conforms to the Indian Standard Specification for black cloth marking ink. It flows freely from the ball point pen and gives permanent black impressions on the cloth which are quite stable to dyeing, bleaching and laundering operations. The ink does not have any adverse effects on the fibres of the fabric. The process of manufacture is simple. The usual mixing and homogenising equipments are used for complete processing. Apart from its main use in the textile mills the ink can also be used by launderers for marking the cloth.

New Refueller for Aircraft

A new type of aircraft refueller, specially designed and fabricated for underwing refuelling of Viscount aircraft, has been built for the first time in India. A special feature of the new refueller is its "stepdown" design which enables the placing of the tank parallel to the ground, thereby lowering the centre of gravity and ensuring easier and safer driving. The piping system has been so designed as to enable the fuel to be pumped from an underground tank to the refueller tank through the truck pump. In so doing, the product is filtered, dehydrated and metered at the same time. Control of pressure and rate of flow during refuelling are achieved by an automatic valve which combines pressure reducing and surge shut-off features, maintaining a relatively constant pre-set downstream pressure regardless of changes in the flow rate. The total cost of the unit is Rs. 90,000, roughly 35 per cent. of the cost of a similar imported unit.

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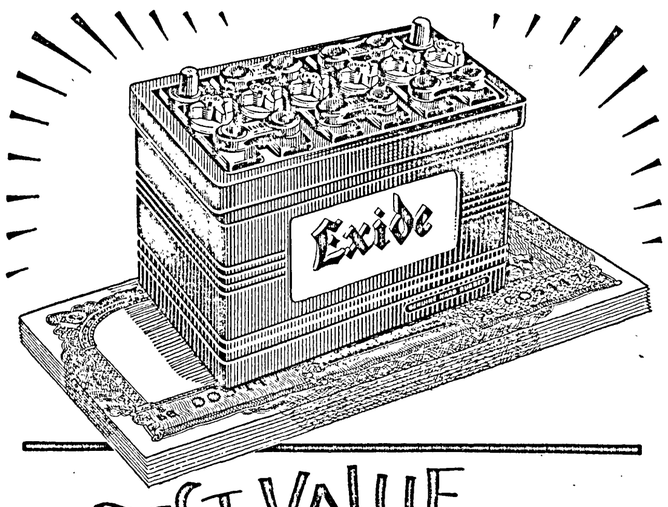

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PARTICIPATION OF LIFE INSURANCE COMPANIES IN CAPITAL MARKETS

POST-WAR TRENDS IN THE U.S.

LIFE insurance companies in the U.S. are playing an increasingly important role in stimulating savings and diverting them to productive investment. In fact, during the period of over a decade since 1945, they have played a strategic role in the capital markets, mobilising nearly one half of the savings channelled through savings institutions. During the twelve-year-period, 1945-57, life insurance companies supplied $70 billion of long-term funds to consumers, private businesses and State and local Governments. About four-fifths of this represented new savings, as reflected in the net increase in total assets of these institutions, and the remainder was obtained primarily by selling U.S. Government securities which, during the war, had risen to almost half of the total assets of insurance companies.

According to a review of the pattern of life insurance companies' participation in the capital markets in the U.S. in the post-war period, contained in the *Monthly Review* for September 1958 of the Federal Reserve Bank of New York, apart from the substantial increase in total assets, the most striking feature of life insurance companies' investment activities in the post-war period is the shift from Government securities to private and, especially corporate, securities. Between 1945 and 1957, these institutions absorbed more than two-thirds of the increase in long-term corporate debt. Among corporate bond issues, which accounted in 1957 for about two-fifths of their total assets, as compared with less than one quarter in 1945, bonds of industrial and commercial enterprises, excluding railroads and public utilities, have become the most important single type of investment held by life companies. This growth, according to the *Review*, reflects in part the vast expansion of long-term corporate debt and a large share of it has been accomplished through direct negotiation between life insurance companies and corporations, thus bypassing the machinery of the public capital market. By the end of 1957, more than four-fifths of life companies' industrial and miscellaneous portfolios had been acquired through direct negotiation.

Non-farm real estate mortgages, the main type of assets owned in the 1920s, have recovered some of the ground lost during the depression of the 1930s and, between 1945 and 1957, life insurance companies acquired one quarter of the rise in non-farm mortgages outstanding. These assets currently constitute one-third of life companies' total investments. However, reflecting the changed structure of the mortgage market, a substantial part of their mortgage holdings consist of Federally underwritten real estate loans in contrast to those of the conventional type.

In the post-war period, the ebb and flow of investment opportunities in the corporate bond market, as reflected in the rise and decline of corporate bond prices, have mainly determined the availability of life insurance funds to other borrowers. Because corporate borrowers, to a greater extent than mortgage borrowers, can adjust quickly to rising interest rates and are willing to tailor their new issues to the needs of lenders, many life insurance companies have generally concentrated on corporate securities when they are available at attractive rates, although they have, of course, simultaneously purchased other assets too.

Portfolio Practices

Considerable variation exists in the portfolio practices of individual life insurance companies but, in the aggregate, they have usually acquired mortgages on a large scale when new corporate bonds were scarce and rates relatively low. Fluctuations in the total volume of life insurance funds channelled into the private capital market as a whole have thus reflected changes in the supply and composition of new long-term debt rather than variation in the flow of savings to these institutions. In fact, when the flow of savings to life insurance companies was insufficient to meet the acceptable requests for funds, life insurance companies sold Government securities and reinvested the proceeds in private obligations, though the pace of selling was, as a rule, dampened during periods of declining bond prices. The following table indicates the pattern of investment of life insurance funds in the U.S.:

Assets of Life Insurance Companies in U.S. End of 1945 and 1957

(In millions of dollars)

Type of asset	1945		1957	
	Amount	Percentage of total	Amount	Percentage of total
Cash	780	1.7	1,292	1.3
U.S. Government securities	20,583	45.9	7,029	6.9
State and Local Government securities	1,047	2.3	3,163	3.1
Corporate bonds:				
Total	10,060	22.5	40,832	40.3
Railroad	2,948	6.6	3,863	3.8
Public utility	5,212	11.6	15,252	15.1
Industrial and miscellaneous	1,900	4.3	21,717	21.4
Non-farm mortgages:				
Total	5,860	13.1	32,652	32.2
Federal Housing Administration	1,394	3.1	6,964	6.9
Veterans Administration	...	...	7,721	7.6
Conventional	4,466	10.0	17,967	17.7
Preferred and common stocks:				
Total	999	2.2	3,391	3.3
Preferred	819	1.8	1,524	1.5
Common	180	0.4	1,867	1.8
Other assets	5,468	12.3	12,950	12.8
Total assets	44,797	100.0	101,309	100.0

The participation of life insurance companies in the capital markets since World War II has passed through three broad phases: the early post-war years, 1946-49; the Korean War period, 1950-53, which ended with the 1954 recession; and the subsequent years of record peacetime financing.

Swing To Private Securities

At the end of 1945, the $20.6 billion of Federal Government securities owned by life insurance companies constituted nearly one-half of their total assets. The bulk of their holdings was a legacy of the war years, but a part had also been accumulated in the preceding depression decade. The concentration on Government securities, as well as the general decline in interest rates, had led to a progressive fall in the return on invested reserves, which meant an increase in the net cost of insurance—either through reduced dividends on existing policies or higher premium on new policies. By 1945, the earnings rate had fallen to 3.11 per cent., as compared with the record 5.18 per cent. earned in 1923 and 3.45 per cent. in 1940. Thus, one of the main post-war objectives of life insurance companies was to diversify their investment portfolios by replacing Government securities with higher-yielding private securities.

The swing of life companies from Government to private securities did not begin on a large-scale until 1947, when the flow of life insurance funds into the private capital market rose sharply; in 1948, the flow increased further and exceeded $7 billion, a record which still stands. Approximately one-third of the 1947 flow was obtained through net sales of Government issues and the proportion jumped to nearly one-half in 1948.

Real Estate Mortgages

Real estate mortgages absorbed about one-quarter of life insurance companies' funds in the early post-war years. Their acquisitions centred in Veterans' Administration-guaranteed real estate loans which accounted for more than one-quarter of the rise in their non-farm mortgage holdings between 1945 and 1948. Federally underwritten mortgages had attracted few life companies when the Federal Housing Administration initiated its insurance programme in the mid-1930s.

During the recession of 1948-49, the volume of funds supplied to the private capital market by life insurance companies decreased, the reduction being centred in corporate bonds. Although life companies' net mortgage acquisitions also declined slightly during the recession, they greatly increased their forward commitments to buy mortgages as the 1949-50 housing boom enormously expanded the demand for real estate loans.

On balance, however, the lessened demand for long-term funds in 1949 reduced the opportunities of life companies to switch from Government securities into private obligations, and net liquidation was less than one-half as large as in the year earlier. New savings continued to grow during the recession and provided almost three-quarters of the total funds life companies supplied to the capital market, as compared with just over one half in 1948.

The first effect of the Korean War on life insurance companies was to accelerate the accumulation of forward commitments to acquire real estate mortgages which had been rising rapidly since mid-1949. Commitments were further built up when the advent of hostilities gave rise to expectations that Federal controls over the terms of mortgage lending would restrict real estate financing. The enormous backlog of commitments had to be met after controls were introduced in July and October 1950. Because life insurance companies' assets increased more slowly as consumers rushed to buy durable goods, Government securities were liquidated on a massive scale in 1950 and 1951. In each of these two years, their non-farm mortgage holdings rose by $3 billion. Veterans' Administration-guaranteed mortgages accounted for over one-quarter of the rise in 1950 and for nearly two-fifths in the next year.

During 1952-53, however, life insurance companies sharply reduced their participation in the Federally underwritten sector of the mortgage market. The reduction in mortgage lending was partly the result of Federal controls over mortgage terms which reduced the demand for Federally underwritten credit. It was also in keeping with life insurance companies' participation in the voluntary credit restraint programme which sought to divert funds to the most essential uses. Life insurance companies thus financed a substantial part of the defence plants and defence supporting facilities built by corporations during the Korean War.

Corporate Lending

The onset of recession in mid-1953 reduced the corporate demand for funds and, in conjunction with increased availability of credit, led to a rapid decline in corporate yields. Just before the recession began the maximum interest rates on Federally underwritten mortgages had been raised, thus providing a sizable yield differential which made the extension of real estate loans more attractive. Life insurance companies, therefore, curtailed their corporate lending and returned to the mortgage market on a large-scale in 1954. Simultaneously, they made substantial forward commitments to buy non-farm mortgages and subsequently added $3.3 billion of these assets to their portfolios both in 1955 and 1956. Veteran Administration (V.A.) mortgages accounted for between one-third and one-half of the increase in life companies' farm mortgage holding in 1954, 1955 and 1956. With the sharp rise in bond yields and the strong corporate demands for funds in 1957, however, life companies again reduced their participation in the mortgage market with most of the decline centreing in V.A. mortgages.

In 1954, life insurance companies stepped up the sale of Government securities, prices of which had recovered strongly from the 1952-53 declines. Although their net sales of Government securities declined in 1955, in the following year, they rose sharply to over $1 billion. Life companies' new resources did not show a year-to-year increase in 1956 for the first time since 1951 so that sales were induced by the increased corporate demands for funds and rising corporate bond yields. Further, some companies probably sold Government securities, because of the need to meet a large backlog of commitments. Although the slackening in the growth of new savings persisted throughout 1957, life insurance companies sold Government bonds at a much slower rate in that year, partly because their mortgage commitments had been considerably reduced and partly because prices of Government bonds were severely depressed until the closing months of the year.

Trend in 1958

During the first half of 1958, life insurance companies' assets increased somewhat faster than in the comparable period of the previous year and thus reversed the year-to-year decline in the rate of growth evident since 1956. Indeed, in the most recent period, the inflow of new savings has been the main source of life companies. However, they have sold Government securities at a much slower pace than in the January-June months of 1957. Thus, on balance, the volume of funds supplied to the capital market in the six months ended June 1958 was slightly less, at $2.6 billion, than a year earlier.

Participation of life insurance companies in the mortgage market in the first half of 1958 has been the smallest for any comparable period since 1953. In contrast, life companies' net acquisition of corporate bonds increased during the first half of 1958, with virtually all the rise concentrated in industrial and commercial bonds. This, of course, reflected the fulfilment of forward commitments made in 1957 as well as the strong corporate demand for funds in 1958.

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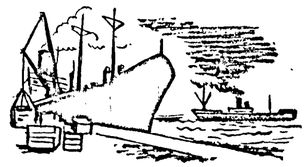

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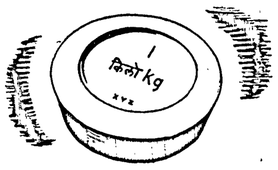

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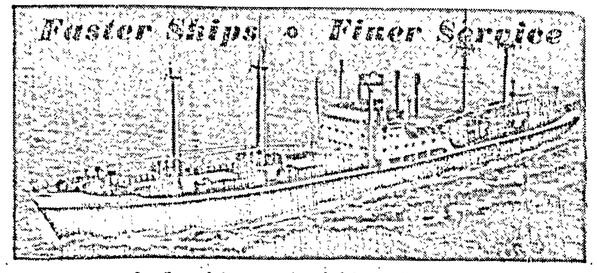

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INDIA'S EXPORT DRIVE

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NOTWITHSTANDING the much-publicised export promotion drive launched by the Government of India and the many efforts made by the business community, India's performance on the export front continues to be none too satisfactory. Its exports actually suffered a sizable setback last year. For the 11 months ended November 1958—figures for December are not yet available—the total earnings from exports aggregated Rs. 527.42 crores, a decline of about Rs. 69.10 crores, or 11.6 per cent., as compared with the corresponding period in 1957. There was, however, a distinct improvement in the balance of trade position, in that the adverse balance for the eleven-month period declined from Rs. 310.85 crores to Rs. 177.09 crores. This surely is not a matter for congratulation as this was due to a sharp reduction in imports from Rs. 912.11 crores (for January-November 1957 period) to Rs. 711.87 crores. The compelling need of the hour, therefore, continues to be that of boosting exports to sustain the large volume of imports essential to ensure the rapid economic growth the country wishes to have. This point was effectively brought out by Mr. H. V. R. Iengar, Governor of the Reserve Bank of India, in his well-reasoned address to the third quarterly meeting of the Indian Council of Foreign Trade, Bombay, on the 19th inst. He emphasised the irrefutable fact that "what counts in the final analysis in foreign trade is a reputation for quality and competitiveness." It is gratifying to find that Mr. Iengar applied this test for judging the merits of some of the export promotion measures adopted during the past year and did not mince matters, as we shall presently show.

There is no doubt that the trend of India's exports is conditioned to a great extent by the economic vicissitudes of other countries. This is borne out by the experience of last year, which witnessed a slackening of economic activity in the U.S. and Western Europe. Giving an account of these adverse influences, Mr. Iengar said:

"The fall (in exports) was largely accounted for by the decline in the exports of jute manufactures, cotton manufactures and manganese ore; the largest decline occurred in the export of cotton manufactures, while the fall in the export of manganese ore was also substantial. One explanation of the decline is the recent slowing down of economic activity in Europe and the earlier recession in the United States. For example, about 20 per cent. of our exports of jute manufactures to the United States are for industrial uses and thus depend on the level of industrial activity in that country. Our exports of manganese ore also fluctuate with the state of economic activity, and particularly of the steel industry, in the U.S.A., Japan and Western Europe. The slowing down of economic activity in Europe and the United States also reduced their demand for primary commodities and thus affected the export incomes of countries like Malaya Indonesia, Cuba, Brazil and Australia which depend in their export trade on a few commodities, mostly industrial raw materials; they were very much more severely affected than we. The fall in the export incomes of some of the South-East Asian and African countries reduced their capacity to buy from us; and these are the countries which normally provide a good market for our cotton textiles."

While recessionary trends abroad did affect our exports adversely, this alone does not offer a sufficient explanation for the setback in India's export trade, for there are some structural weaknesses in Indian economy. Recognising this point, Mr. Iengar remarked:

"Responsibility also lies nearer home—in our efficiency of production including, in that expression, both quality as well as economy of unit cost, and also in our standards of salesmanship and service. Let us take, for instance, the case of cotton textiles. Here was a field in which after the war, because of the collapse of Japan, we had a dominant foothold in various markets. We have been gradually losing this foothold. A principal reason for this has been the strong competition from Japan, which has staged a remarkable economic recovery after the war. More recently, there has also been competition from China in the South-East Asian markets but leaving this aside, the fundamental factor limiting the ability to export has been our increasing lack of competitiveness. If Japan has been able to outbid us, that is basically due to the fact that in terms of quality, price and salesmanship, her performance has been better than ours. This simple fact has tended to get obscured in our country by a whole complex of somewhat conflicting interests, the urgent need, on the one hand, for modernisation of plant and equipment and, on the other, the effect of modernisation on employment potential and the attitude of labour, the plight of handloom weavers, on the one hand, and the effect of protective measures taken on their behalf on organised industry, on the other."

While Mr. Iengar has correctly stated the causes for the inability of cotton textiles to make headway in overseas markets, he has refrained from pointing out as to who has been responsible for these weaknesses and to what extent. That, of course, is a very controversial issue and Mr. Iengar's desire not to get involved in them is understandable. He was satisfied that the real nature of the problem was being realised and that the interests concerned were getting together in an attempt to deal with it. This conclusion is somewhat premature. It is, however, to be hoped that events in the coming months would not belie his optimism.

Quoting sugar as another instance of the defect inherent in our economy, Mr. Iengar observed:

"We cannot blame the recession in other countries for our incapacity to sell sugar abroad; we cannot sell because our price structure is too high. Here again there are complex domestic factors, such as the productivity of the sugarcane crop in terms of yield and sugar content, the cost price of sugarcane and the efficiency of our factories, managerial and mechanical, including labour. Sugar is an instance of a commodity where the possibility of some surplus for exports has only arisen recently, and illustrates the character of the problems that are brought into focus when an industry makes its debut in the world markets, emerging from the warmth of domestic protection to face the chill breezes of international competition. This point of transition invests industry in our country with a new importance and responsibility which has implications for the role of all parties, of management and labour and Government, directed toward this new responsibility."

Another point that was highlighted by Mr. Iengar was the need for diversifying India's exports. Driving home this point, he stated:

"Our exports are dominated by three principal traditional commodities; tea, jute manufactures and cotton manufactures between them account for 50 per cent. of our exports. Another nine or ten commodities account for 20 per cent. more of the exports; these are iron and manganese ore, mica, cashew kernels, raw cotton, tobacco, vegetable oils, spices and leather and leather goods. In the case of some of these, the pattern of developments in

(Continued on page 340)

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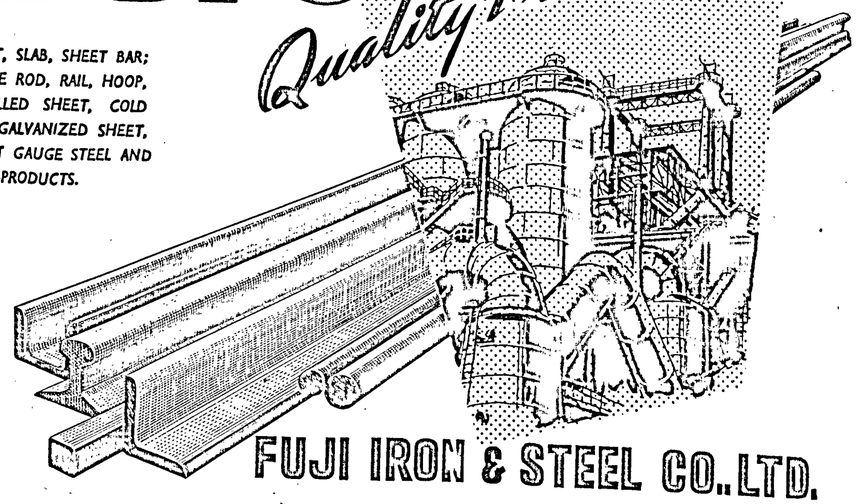

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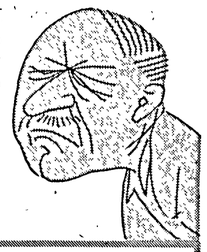

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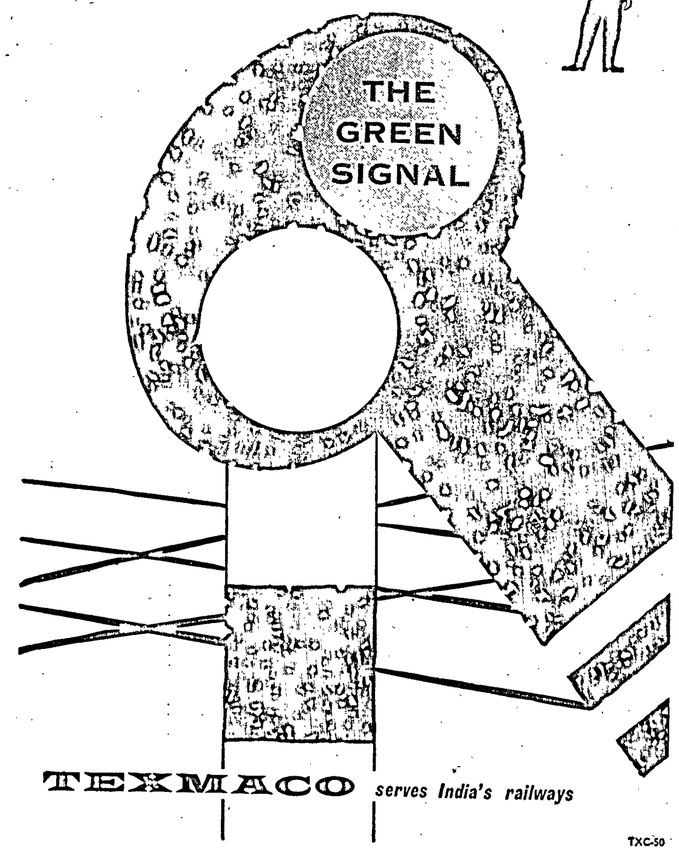

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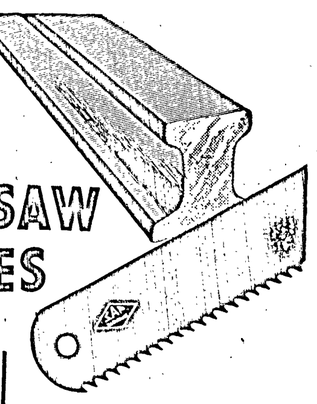

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ALKALI AND CHEMICAL'S OUTPUT AND SALES HIGHER

PROFIT, HOWEVER, SUBSTANTIALLY LOWER

HIGHER cost of raw materials, a new duty on electricity and an increase in wage rates without a corresponding increase in the selling price, all these have caused a slight reduction in the profit of the Alkali and Chemical Corporation of India Ltd. (Secretaries: Imperial Chemical Industries (India) Private Ltd., Calcutta) for the year ended 30th September 1958. This has happened, despite the rise of Rs. 37.64 lakhs or 17 per cent. in sale proceeds, that is, from Rs. 225.46 lakhs in 1956-57 to Rs. 263.10 lakhs. The Directors state that, in keeping with the Government's policy and notwithstanding the additional burdens mentioned above, the Company had to maintain its selling prices at their former levels. Minor price increases were, of course, made in some cases towards the end of the year, but this was not of much help in arresting the fall in profit.

The gross profit at Rs. 47.62 lakhs has shrunk by about Rs. 84,000 only from Rs. 48.46 lakhs for 1956-57 which was a record in the history of the Company. But this is misleading, for the gross profit as worked out by us is before providing for depreciation and taxation. The net profit, which is after these essential provisions, has sizably declined from Rs. 17.98 lakhs to Rs. 13.28 lakhs. The provision for taxation which took up only Rs. 18.30 lakhs for the previous year, has taken up as much as Rs. 22.35 lakhs for the year under review. Of the latter amount, Rs. 1.35 lakh is on account of wealth tax (including Rs. 10,000 in respect of the previous year). Although wealth tax on companies is only at the innocuous-looking rate of ½ per cent., it actually works out, in the case of this Company, to about 4 per cent. of the profit before providing for taxation. The provision for depreciation has been reduced slightly from Rs. 12.18 lakhs to Rs. 11.99 lakhs.

Despite the fall in the net profit, the dividend to shareholders is proposed to be maintained at 8 per cent. per annum paid for the fourth year in succession. There is, however, one difference. This is the first time a dividend of 8 per cent. per annum is being paid on a capital enhanced by as many as four times that for the preceding dividend. Consequently, the amount required for maintaining the dividend is higher at Rs. 24.80 lakhs, as against Rs. 4.96 lakhs a year ago. It may be remembered that, in order to finance the erection of the new polythene plant, the Company had issued 2,480,000 'A' ordinary shares of Rs. 10 each at par to the ordinary shareholders of the Company in the proportion of four shares for every one share held. Although this plant has not so far contributed to profits, the shares have qualified for the dividend requiring an additional Rs. 19.84 lakhs. To meet this liability, the Directors have transferred Rs. 11 lakhs from the dividend equalisation reserve which had been built up specifically for this purpose. They have also withdrawn Rs. 2.70 lakhs from reserve for deferred income-tax liability due to initial allowance. Consequently, the amount ploughed back now is a mere Rs. 75,000 (in the form of development rebate), as against Rs. 13.84 lakhs and Rs. 18.89 lakhs conserved in 1956-57 and 1955-56 respectively.

The important point to be noted in the appropriation policy of the Company is the foresight displayed by the Board for maintaining a steady rate of dividend. In the previous years, the Board could have declared a bigger dividend, but it did not do so, for it had planned for further capital expansion and preferred to provide for remunerating the increased capital even before it started earning at the same rate at which the old shares were getting a return. That this policy has won the confidence of investors is evident from the sizable appreciation in the market value of the Company's ordinary shares from about Rs. 12.75 a year ago to Rs. 19 at the time of writing.

The Company's manufacturing activities made further progress during the year under review. This is reflected partly in the smart rise in sale proceeds. The rise of Rs. 18.34 lakhs in stocks of finished products and those in process, Rs. 48.34 lakhs in manufacturing expenses and Rs. 1.99 lakh in other expenses are also evidence of the Company's growth.

There were again record outputs of chlorine and caustic soda production and sales of hydrochloric acid were higher than in the previous year. A very substantial increase in the production of "Gammexane" Technical BHC was achieved. Output and sales of all types of "Gammexane" formulations, dusts, dispersible powders and liquid formulations also exceeded those for the previous year. There was a marked rise in the output of the Company's well-known paints "Duco," "Dulux," as well as of ancillaries, in spite of considerable difficulties in obtaining sufficient supplies of imported raw materials. The Company's technical staff are developing the use of indigenous raw materials to take the place of those no longer available from abroad. The demand for metal pretreatment products also continued to increase and output was substantially higher than that a year ago.

As regards the polythene project, the Directors state that construction has proceeded according to schedule and the plant is expected to go into production early in the second quarter of 1959.

An agreement has been entered into with Imperial Chemical Industries Ltd. for the manufacture in India of "Alfloc" powders and briquettes, which are used for water treatment purposes. Construction of the plant is in progress at Rishra and manufacture is expected to start this year. Approval to extend the capacity of the chlorine and caustic soda plant has been received from the Government and construction work has started.

The table below brings out the salient features of the Company's working during the year under review, against the background of those for the preceding three years:

(In lakhs of rupees)

	For the year ended 30th September			
	1958	1957	1956	1955
Sale proceeds	2,63.10	2,25.46	1,88.31	1,55.10
Stocks	66.30	47.96	38.77	33.29
Manufacturing expenses	1,72.77	1,24.43	99.34	81.62
Other expenses	66.60	64.61	54.61	44.30
Loss on exchange				3.20
Gross profit	47.62	48.46	40.21	28.89
Provision for—				
Depreciation	11.99	12.18	10.41	9.49
Taxation	22.35	18.30	4.67	..
Net profit	13.28	17.98	25.13	19.40
Transfer from reserves	13.70	2.65*	..	2.40
To reserves	0.75	13.84	18.89	15.23
Dividends—				
5 per cent. preference	1.55	1.55	1.55	1.55
Ordinary	24.80	4.96	4.96	4.90
	(8%)†	(8%)	(8%)	(8%)
Carry forward	1.09	1.20	0.92	1.19

* Tax refund and provision no longer required.
† On the increased capital of Rs. 3,09.97 lakhs.

The total assets of the Company, as disclosed by its balance-sheet as at 30th September 1958, aggregate Rs. 639 lakhs, of which the net block (that is, after depreciation) accounts for Rs. 423.95 lakhs (inclusive of Rs. 259.87 lakhs, representing assets and capital work in progress in connection with the polythene project). The depreciation provided up to the end of the year of review on the block account amounts to Rs. 72.78 lakhs. The current assets amount to Rs. 215.05 lakhs, against which the current liabilities and provision for taxation stand at Rs. 206.60 lakhs. The excess of assets over current liabilities and provision for taxation, that is, the net assets, amounts to Rs. 432.40 lakhs. This is represented by paid-up capital amounting to Rs. 340.97 lakhs and reserves and surplus Rs. 91.43 lakhs.

The Rs. 10 fully paid-up ordinary shares are being currently quoted at Rs. 19 *cum-div.* On *ex-div.* basis, the yield is 4.4 per cent. per annum. This relatively low yield reflects the investors' confidence in the outlook for the Company and expectations of better dividends in the coming years. It may also be noted that, since the publication of the Directors' report, the market value of the Company's shares has appreciated by nearly a rupee. This suggests that the investors have received the report with great satisfaction.

(*Concluded from next column*)

cover the current liabilities and the provision for taxation by a comfortable margin.

The Rs. 2 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 5.65 *cum-div.* On an *ex-div.* basis, and on the basis of the dividend for the year, the yield works out to 7.6 per cent. per annum.

KUMARGODE'S PROFIT SMALLER

COFFEE OUTPUT A RECORD

A SLIGHT recession in profit, despite a record coffee crop and consequent higher sale proceeds, is the feature of working of the Kumargode Estates Ltd. (Managing Agents: Messrs. Peirce Leslie & Co., Ltd., Mangalore) during the year ended 31st October 1958. The setback in financial results, albeit small, is obviously due partly to the lower price fetched by coffee, as compared with the preceding two years, and partly to the rise in estate and other expenditure.

The coffee crop for the year at 3,753 cwts. is higher than the previous best of 3,163 cwts. harvested in 1956-57 and compares well with 3,021 cwts. secured in 1954-55. The value realised was, however, lower at Rs. 2.25 per point, as against Rs. 2.50 per point for 1956-57 and 1955-56. Consequently, even a sharp rise in sale proceeds from Rs. 5.50 lakhs to Rs. 7.42 lakhs could not neutralise the higher cost of production.

The gross profit at Rs. 2.71 lakhs is a shade lower than the previous year's peak of Rs. 2.99 lakhs. It is, however, better than Rs. 2.29 lakhs for 1954-55 and is about thrice that (Rs. 95,347) for 1955-56. The net profit has declined from Rs. 1.88 lakh to Rs. 1.59 lakh. The fall in profits has had its adverse effect on the allocation to reserves and on the rate of dividend to shareholders. Thus, the amount transferred to general reserve has been pruned from Rs. 1 lakh to Rs. 80,000 and the debenture redemption reserve, which had been credited with Rs. 30,000 a year ago, has received nothing now. The dividend has been reduced to 20 per cent. from 25 per cent. last year. But it is the same as that for 1955-56 and 1954-55. It must, however, be added that the year's dividend is on a higher capital of Rs. 4 lakhs, doubled by the capitalisation of Rs. 2 lakhs from the amounts standing to the credit of the general reserve during the year under review. Consequently, the proposed dividend of 20 per cent. takes up Rs. 80,000, as against only Rs. 50,000 that was required to pay the 25 per cent. dividend last year.

The following comparative table shows at a glance the Company's progress during the last four years:

(Value in rupees)

	For the year ended 31st October			
	1958	1957	1956	1955
Proceeds of coffee crop	7,42,302	5,50,558	4,88,387	5,70,218
Proceeds of other crop	5,053	3,865	2,749	2,523
Expenses	4,35,270	3,75,288	3,13,928	3,45,406
Gross profit	2,70,808	2,99,126	95,347	2,29,305
Managing Agents' remuneration	19,045	21,790	7,109	13,817
Depreciation	29,587	21,176	22,412	20,862
Taxation	63,500	67,873	19,809	33,705
Net profit	1,58,676	1,88,287	45,796	1,62,011
To reserves	80,000	1,30,000	30,000	1,30,000
Dividend	80,000	50,000	40,000	40,000
	(20%)*	(25%)	(20%)	(20%)
Carry forward	44,346	45,670	37,383	61,687
Coffee crop (in cwts.)	3,753	3,163	1,943	3,021
Value of coffee per point (Rs.)	2.25	2.50	2.50	2.25

* On a higher capital of Rs. 4 lakhs.

The Company's estate, which is situated in Mysore State, has a total area of 782.62 acres. Of this, 608 acres are under mature coffee (arabica 498 acres and robusta 110 acres). The area in reserve is 81.60 acres. The balance is taken up by cardamoms (2.06 acres), oranges (4.94 acres), paddy (59.02 acres) and sites, roads, tank, etc. (27 acres). The Directors state that the immature coffee area of 38.26 acres as at the end of the previous year was brought into the mature area during the year under report.

The current (1958-59) season's crop is estimated at 3,400 cwts. to be harvested at a cost of Rs. 106.58 per cwt. The visiting agent's report indicates that the estate is being maintained in good order.

The paid-up capital of the Company as at 31st October 1958 is Rs. 4 lakhs. Even after the capitalisation and issue of bonus shares during the year under review, the reserves, including the surplus, stand at as much as Rs. 2.64 lakhs, including the debenture redemption reserve of Rs. 90,000 now transferred to general reserve. The 7½ per cent. 1955-64 debenture liability has been reduced by Rs. 83,000 to Rs. 1.27 lakh. The current liabilities stand at Rs. 2.89 lakhs, inclusive of Rs. 1.47 lakh by way of provision for taxation. The gross block of Rs. 8.64 lakhs, including additions during the year of Rs. 1.07 lakh, stands written down at Rs. 7.53 lakhs. The current assets at Rs. 3.28 lakhs, of which cash balances alone account for Rs. 1.58 lakh.

(*Continued in previous column*)

COMPANY MEETINGS AND DIVIDENDS

KUMERGODE ESTATES LTD. Annual General Meeting, Mangalore, 11th March 1959. Dividend of 20 per cent. on ordinary shares of the Company, for the period ended 31st October 1958. Transfer books will remain closed from 4th to 11th March 1959, both days inclusive.

CHEMICAL AND ALKALI DISTRIBUTORS LTD. Annual General Meeting, Bombay, 14th March 1959. Dividends payable on and after 15th April 1959. Transfer books remain closed from 21st February to 14th March, both days inclusive.

KILLICK INDUSTRIES LTD. Annual General Meeting, Bombay, 16th March 1959. Dividend: Final dividend of Rs 5 per share (making Rs. 13 for the seventeen months ended 30th November 1959,) free of income-tax, and proportionate on the shares of the new issue, for the 17th months ended 30th November 1958. Transfer books will remain closed from 3rd to 20th March 1959, both days inclusive.

VOLTAS LTD. Annual General Meeting, Bombay, 17th March 1959. Dividend: 9 per cent. on ordinary shares for the year ended 31st August 1958. Transfer books remain closed from 7th to 28th February, 1959, both days inclusive.

CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 19th March 1959. Transfer books will remain closed from 6th to 18th March 1959, both days inclusive.

JUBILEE MILLS LTD. Annual General Meeting, Bombay, 19th March 1959. Transfer books will remain closed from 6th to 19th March 1959, both days inclusive.

BURRAKUR COAL CO., LTD. Annual General Meeting, Calcutta, 20th March 1959. Dividend of 5 per cent., making a total of 8½ per cent., without any deduction for Income-tax, on ordinary shares, for the year ended 30th June 1958, which are payable on or after 27th March 1959. Transfer books will remain closed from 8th to 20th March 1959, both days inclusive.

INDIAN OXYGEN LTD. Annual General Meeting, Calcutta, 20th March 1959. Dividends payable on 20th March 1959. Transfer books will remain closed from 1st to 20th March 1959, both days inclusive.

W. H. BRADY & CO., LTD. Annual General Meeting, Bombay, 23rd March 1959. Dividends payable on and after 30th March 1959. Transfer books will remain closed from 6th to 27th March 1959, both days inclusive.

T. STANES & CO., LTD. Annual General Meeting, Coimbatore, 25th March 1959. Final dividend of 13 per cent. on ordinary shares for the period ended 30th September 1958. Transfer books will remain closed from 11th to 25th March 1959, both days inclusive.

MARTIN BURN LTD. Annual General Meeting, Calcutta, 26th March 1959. Dividend: Re. 1.75 and a cash bonus of 37 nP per share, both without deduction of income-tax, on ordinary shares for the year ended 30th September 1958. Transfer books will remain closed from 19th to 26th March, 1959, both days inclusive.

DHANALAKSHMI MILLS LTD. Annual General Meeting, Tirupur, 28th March 1959. Dividend of 10 per cent. on ordinary shares, for the year ended 31st December 1958. Transfer books will remain closed from 15th to 28th March 1959, both days inclusive.

HINDUSTAN LEVER LTD. Annual General Meeting, Bombay, 6th April 1959. Dividends payable on and after 7th April 1959. Transfer books will remain closed from 9th to 13th March 1959 and again from 31st March to 6th April 1959, both days inclusive.

UNITED NILGIRI TEA ESTATES LTD. Interim dividend of 7½ per cent. on ordinary shares for the year ended 31st March 1959. Transfer books remain closed from 16th to 28th February, 1959, both days inclusive.

ALUMINIUM INDUSTRIES LTD. Interim dividend of 62 nP per share, on ordinary shares for the year ended 31st March 1959. Transfer books will remain closed from 13th to 26th March 1959, both days inclusive.

COMPANY REGISTRATIONS

QUALITY LABORATORIES PRIVATE LTD. (First Director: Mr. Achyut Gangadhar Desai.) Business: Proprietors and managers of studios, theatres, cinematograph, etc. Authorised capital: Rs. 5,00,000. Address: 119, Main Road, Dadar, Bombay-14.

SWATI INDUSTRIES PRIVATE LTD. (First Director: Mr. Shah Chhanalal Vadilal.) Business: Financiers, promoters, agents, etc. Authorised capital: Rs. 5,00,000. A new company. Address: 60-5, Morbag Cross Road, Dadar, Bombay-14.

ENGINEER ESTATES PRIVATE LTD. (First Director: Mr. Edulji K. Vaid.) Business: Construction and dealers in land, buildings and other immovable properties. Authorised capital: Rs. 5,00,000. A new company. Address: Fair View, Ridge Road, Bombay-6.

MEHTA SILK MILLS PRIVATE LTD. (First Director: Mr. Shantilal Maneklal Mehta.) Business: Silk mills. Authorised capital: Rs. 5,00,000. Address: Bangla Falia, Billimora, Surat District (W. Rly.).

RALLI FAN PRIVATE LTD. (First Director: Mr. Michael Philip Augustus Paspathi.) Business: Electrical and mechanical engineers. Authorised capital: Rs. 50,00,000. Address: Ralli House, 21, Ravelin Street, Fort, Bombay-1.

JAIPUR UDYOG'S PROFIT ENCOURAGING

BABABUDIN COFFEE MAINTAINS DIVIDEND

Jaipur Udyog Ltd.

THE directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) submit the audited accounts for the year ended 31st March 1958.

The year's working subject to outgoing of interest, etc. shows a surplus of Rs. 78,76,772 (Rs. 48,90,107) from which are deducted interest Rs. 19,20,381 (Rs. 7,53,936), debenture issue expenses Rs. 1,20,098 (*nil*), sundry write offs, etc. Rs. 17,253 (Rs. 7,722), managing agents' commission Rs. 1 22,174 (Rs. 47,647), provision for depreciation Rs. 35,00,000 (Rs. 20,00,000) and development rebate reserve Rs. 40,000 (*nil*) leaving a balance of Rs. 21,56,866 (Rs. 20,80,802). To this is added the balance brought forward from last year of Rs. 21,36,410 (Rs. 55,609) making available for appropriation a total of Rs. 42,93,276 (Rs. 21,36,411). Out of this, the directors have already paid an interim dividend on ordinary shares at Rs. 2 per share (representing 12½ per cent. for the year ended March 1957 and 7½ per cent. for the year ended March 1958) absorbing Rs. 30,00,000 and on preference shares at 3 per cent. (representing for the year ended 31st March 1957) equal to Rs. 2,25,000, leaving a balance of Rs. 10,68,276. By the time requisite consent of the Controller of Capital Issues was received for capitalisation of Rs. 30 lakhs as referred to in the last directors' report, the directors decided to pay the aforesaid interim dividends in cash. They now recommend payment of the following final dividends for the year ended March 1958 on 75,000 cum. preference shares at Rs. 3 per share equal to Rs. 2,25,000 and on 15,00,000 ordinary shares (as on 31st March 1958) at 50 nP per share amounting to Rs. 7,50,000, leaving a balance of Rs. 93,276 (Rs. 21,36,411) to be carried forward.

Provision of Rs. 2,55,000 for wealth tax for the year under report and the preceding year has been made from general reserve.

During the current year 5,00,000 ordinary shares of Rs. 10 each were issued at par against cash to the existing shareholders and were fully subscribed. The same carry the right to dividend from the results of the current financial year.

Production during the year increased on full utilisation of the capacity of the second cement kiln with the availability of additional supply of power from August 1957 and commissioning to operation of the third cement kiln in November 1957. Installation of the fourth cement plant of 750 tons per day capacity has since been completed. This raises the annual installed capacity of the cement works to 8 lakh tons of cement. Sawai-Madhopur is now the largest cement producing centre in the country.

During the current year, however, there has been slackening of demand for cement in the country owing to which the Company also had to curtail production. The position, however, is likely to improve in the months to come. Reduction in the tax burden on the commodity (which is more than 40 per cent. of the ex-works price of naked cement) might help the manufacturers' effort to improve the offtake.

As a result of the recommendation of the Tariff Commission on cement industry, the Central Government has allowed an increase of Rs. 3.50 per ton in the retention price of the Company's cement with effect from 1st July 1958.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	2,25,00,000	Block	5,48,22,284
Reserves	1,85,000	Stock-in-trade	47,63,035
Liabilities	5,10,36,191	Coal, packing, consumable materials etc.	56,69,661
Profit and loss account	93,276	Stores, spares and loose tools	9,73,605
		Debts, deposits and advances	72,97,066
		Investments	59,016
		Cash	2,29,800
Rs.	7,38,14,467	Rs.	7,38,14,467

Bababudin Coffee and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., (Mysore) Private Ltd., Bangalore) submit the fourteenth annual report of the Company for the year ended 30th June 1958.

The net profit for the season under review, after providing for depreciation, remuneration to managing agents and taxation is Rs. 84,083 (Rs. 1,67,152). This, together with the balance brought forward of Rs. 6,735 (Rs. 2,583) will amount to Rs. 90,818 (Rs. 1 69,735). After deducting the dividend of Rs. 18 000 (Rs. 18,000) paid on preference shares, the balance available for distribution is Rs. 72,818 (Rs. 1,51,735) which the directors propose to apportion as follows:—

In payment of a dividend of 25 (25) per cent. on equity shares absorbing Rs. 50,000 (Rs. 50,000) and to transfer to general reserve Rs. 20,000 (Rs 75,000) leaving a surplus to be carried over to next season of Rs. 2,818 (Rs. 6,735, after setting aside Rs. 10,000 each to dividend equalisation reserve and staff gratuity and pension reserve).

Acreage:—The acreage of the estate is as follows:—

	Acres
Coffee in bearing	538.75
Cardamom in bearing	11.25
	550.00
Uncultivated lands	766.00
Total	1,316.00

The crop was delivered to the Coffee Pool and dividends were regularly received. For the purpose of accounting, the crop was valued at Rs. 2.37 per point.

Taxation:—The appeal preferred by the Central Income-tax Department with a view to assess a portion of the income on coffee to income-tax, was finally disposed of in favour of the coffee planters, as it has been held by the Mysore High Court that coffee income was purely agricultural and therefore not liable to Central Income-tax. Consequently, the Central Income-tax Department have withdrawn their earlier demands.

Estimates for season 1958-59 *are*: Coffee: 2,800 cwts. at Rs. 125.45 per cwt. The estate is well maintained.

Bonus Shares:—The directors have, at a recent Board Meeting, decided to make an application to the Central Government seeking their sanction for the issue of bonus shares in the proportion of one bonus share for every equity share now held by the shareholders and necessary action will be taken in this connection.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	5,00,000	Block	6,11,192
Reserves	4,55,748	Stores and spare parts	1,08,008
Provision for taxation	1,29,267	Nurseries	2,613
Liabilities	1,29,204	Stock-in-trade	2,61,816
Profit and loss account	2,818	Debts, deposits and advances	10,374
		Cash	2,23,034
Rs.	12,17,037	Rs.	12,17,037

Gobind Sugar Mills Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th June 1958.

The profit and loss account shows a profit of Rs. 5,58,413 (Rs. 10,75,563). Out of this provision has been made for depreciation Rs. 1,58 000 (Rs. 2,67,000), development rebate reserve Rs. 32,000 (Rs. 1,13,000) and taxation Rs. 3,37,454 (Rs. 88,500) leaving a sum of Rs. 30,959 (Rs. 6,07,063). To this is added the balance brought forward from the previous year of Rs. 8,578 (*nil*), making a total balance available for disposal of Rs. 39,537 (Rs. 6,07,063). The directors now recommend payment of dividend on 100,000 c.r. preference shares of Rs. 10 each at 5 per cent. less tax absorbing Rs. 34,250 (Rs. 34,250) leaving a balance to be carried forward of Rs. 5,287 (Rs. 8,578, after writing off the previous year's debit balance of Rs. 5,39,235 and transferring Rs. 25,000 to renovation and renewals reserve).

During the year under review, the factory worked for 98 days, having crushed 1,880,420 maunds of sugarcane against 180 days with a crush of 3,350,981 maunds in the previous year. The lower crush was due to failure of sugarcane crop consequent to severe drought conditions during the year. The average recovery was, however, better at 10.50 per cent. as against 10.05 per cent. in the previous year. It is expected that in the current year about about 25 lakh maunds of sugarcane will be crushed.

With a view to earn foreign exchange to meet the serious shortage of foreign exchange faced by the country, the Government of India promulgated an Ordinance, namely, the Sugar Export Promotion Ordinance, 1958 on 27th June 1958. Subsequently, Sugar Export Promotion Act, 1958 was passed by the Parliament, thereby placing the said law permanently on the statute book. Pursuant to the provisions of the said law, the Government of India allotted to the factory an export quota of 1,819 bags of sugar against production of the season 1957-58 which is expected to fetch a price of about Rs. 12 only per maund considering the very low price of sugar in the international markets.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	15,00,000	Block	16,70,993
Reserves	2,17,000	Stores, chemicals and spare parts	5 39,539
Provision for taxation	4 22,545	Stock-in-trade	21,25,367
Liabilities	23,69,688	Debts, deposits and advances	1,22,232
Profit and loss account	5,287	Investments	25,329
		Cash	31,060
Rs.	45,14,520	Rs.	45,14,520

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

THE BHOPAL SUGAR INDUSTRIES LIMITED

SPEECH OF MR. HASHAM PREMJI AT THE ANNUAL MEETING

OUTLOOK FOR SUGAR INDUSTRY THIS YEAR NOT VERY ENCOURAGING

THE view that the outlook for sugar industry during the current year "is, to say the least, not very encouraging" was expressed by Mr. M. H. Hasham Premji, Chairman of the Bhopal Sugar Industries Limited, in his speech at the Fifteenth Annual General Meeting of the Company held at Sehore on Saturday, 21st February 1959. In support of this view, Mr. Hasham Premji pointed to the possibility of an overall setback to production, loss to sugar mills on account of compulsory export scheme, cane growers' agitation for higher prices and unhelpful attitude of labour. Criticising, in particular, the export quota of 100,000 tons of sugar, he declared that the Government acted hastily and perhaps unwisely in announcing the quota before feeling the pulse of the industry and ascertaining as to how it was likely to fare during the current season.

The following is the full text of Mr. Hasham Premji's speech at the Annual Meeting:

"LADIES AND GENTLEMEN,

"I have much pleasure in welcoming you all on behalf of my Fellow-Directors to this fifteenth annual general meeting of the Company. Before I start my speech, I would ask you to join me in paying our humble and respectful tributes to the memory of the late Shri M. M. Amersey who was a Director of your Company since 1947 and Chairman from the year 1953. This sad event in the history of the Company has been referred to by the Directors in their report to you, and I am sure you will join me in praying to the Almighty that his soul may rest in peace.

"The Directors' report and the audited profit and loss account and balance-sheet for the year ended 30th September 1958 have been in your hands for some time and, with your permission, I shall take them as read. However, before I deal with the results achieved by your Company during the year, I would like to take this opportunity of briefly surveying some of the important aspects of the sugar industry.

Production and Export of Sugar

"The circumstances under which the industry had to operate during the 1957-58 season were not as favourable as those of the previous year. The total production of white sugar in the country was lower at 1,976,000 tons, as against 2,026,000 tons of the year before, particularly as the supply of sugarcane to factories suffered a setback due to diversion of cane to the manufacture of *gur* and *khandsari*. One important reason for this was that prices of *gur* remained high throughout the season by about 30 per cent. and the units manufacturing *khandsari* enjoyed considerable tax advantage, being exempt from payment of cane cess and excise duty of approximately Rs. 13 per maund. Sugar mills had, therefore, perforce to crush less, the results of which have ultimately been reflected in the overall production figures. The Government has so far turned a deaf ear to the pleas of the industry that, in due fairness and equity, an excise duty on *khandsari* production equivalent to that on sugar should be levied.

"The outstanding event, however, during the year was the announcement by the Government of India of their decision to export 50,000 tons of sugar through the agency of the Indian Sugar Mills' Association. The share of your Company for export was fixed at 2,439 bags; in actual fact, our allotment was not exported but was sold in the open market on behalf of the Export Agency Division of the Association. The difference between what was realised by the Association and the market rate at which it was sold was utilised by the Association to purchase and subsidise sugar from those factories from which it was advantageous to export taking into consideration freight advantage and other matters from the point of view of export of sugar.

"Export is effected by this country at a loss which works out on an average to Rs. 350 per ton under compulsion by the Government. This loss of Rs. 350 per ton of sugar exported has perforce been passed on the consumer by way of loading on the prices of sugar sold in the country. I am sure you must have observed from the Directors' report that the estimated loss of your Company on account of this compulsory scheme of exports is approximately Rs. 1,09,957 and this loss has been adjusted in the accounts under review. Though it is a moot point whether the Government is doing the right thing in asking the industry to continue to effect exports at a loss, it does appear that the Government acted hastily and perhaps unwisely, if I am justified in using that expression, in announcing an export quota of 100,000 tons for the current season before feeling the pulse of the industry and ascertaining as to how it is likely to fare during the current season.

"The reasons which have prompted the Government to take this premature decision are difficult to appreciate and understand, as the outlook for the industry during the current year is, to say the least, not very encouraging. According to available indications, production this year may suffer an overall setback. Statistics go to show that there is a great demand in the country for sugar than ever before, thanks to the ever continuous growth of population and change in the dietary habits of the public. This, coupled with the fact that the Government, has announced their intention to export prematurely, has given a firm trend to the market and the price of this essential commodity is soaring upwards. To aggravate the situation, cane cultivators in Uttar Pradesh and Bihar are constantly and persistently demanding a higher price for sugarcane. Recently, these cultivators went on a strike for a few days and refused to supply cane to the factories. To my mind, the strike has done neither good to them nor to anyone else in the country; on the contrary, production has been retarded and it remains to be seen where this agitation for higher prices will lead the industry to. It is a matter of gratification that the Prime Minister and the Food Minister have very wisely turned down these attempts on the part of interested political parties to make capital out of the situation and exploit the uneducated masses. The Prime Minister himself has very strong views on the subject and it is gratifying to learn that Government realises that, unless the production cost of sugar is lowered, there will be no prospect of India ever competing in world sugar trade.

Cane Prices

"The tendency on the part of the agriculturist to switch over more and more to cash crops like sugarcane is to be deplored and Government should at least refrain from taking any steps whereby land is diverted from cultivation of foodgrains to that of sugarcane. However, taking an overall assessment of the present situation, it appears that the consumer will have to pay more and more for his requirement of sugar in the coming months for no fault of the industry. The Government must take its full share of responsibility for this policy which is creating this situation of high prices of sugar. I only hope that, in the end, wiser counsels will prevail amongst all sections concerned with this vital industry to see that, in the ultimate solution of the problem, the industry and the country should on no account suffer. Politicians would do better to channelise thoughts and action of the cane growers on the more important task ahead of them, namely, of improving the yield per acre rather than cultivating a larger acreage and obtaining lower yields and agitating for higher prices of cane. So long as the present system of paying cane growers at a flat rate continues, the cultivator simply does not care nor does he have any incentive to make improvements in the quality of the sugarcane.

"Consequent on the industry's protests against the unilateral and arbitrary decision of the Government to impose controls in Uttar Pradesh, North Bihar and Punjab, a reference has been made by the Central Government to the Tariff Commission for a fresh examination of the cost of sugar and the fair price payable to the industry. In the meantime, however, the Supreme Court has dismissed the appeal filed by some of the sugar factories in Uttar Pradesh challenging the validity of the order served by the Government.

"In its memorandum to the Tariff Commission, the industry has asked for a higher allowance on account of rehabilitation of plant and machinery, as the current rehabilitation allowance is not adequate, and have also pleaded for full compensation for the losses sustained under the export scheme of Government. The recommendations and findings of the Tariff Commission are awaited with interest and anxiety, and I am sure the Commission will examine all aspects of the matter before making their final recommendations to the Government.

Wage Board for Sugar Industry

"A very important announcement made by the Government during the year was of the setting up of a Central Wage Board for the sugar industry with a personnel which inspires confidence. The problems for their consideration, however, are very great, particularly as the economics of the industry differs from region to region. I trust the Board would tackle the problem before them with fairness and courage and lay down a wage structure giving due consideration to the finances of the industry to ensure that they are not stretched to breaking point. I understand that the Board has also suggested to the industry that, pending their final recommendations, some sort of interim relief be given to the workmen.

"The Wage Board has also been entrusted with the onerous task of formulating a formula of distributing bonus to the workers. This would be for the first time that such a Wage Board will be evolving a bonus formula for any industry. I may say, however, that it is a step in the right direction, as the present bonus formula is a rigid one and does not take into account the needs of a seasonal industry like sugar. I trust the Wage Board will not overlook this important question which is peculiar to the sugar industry.

Problems in Madhya Pradesh

"Time and again, we have placed before the Madhya Pradesh Government the difficulties which face the sugar industry in that State. Though we have not been always successful in focussing the attention of the authorities to our various grievances, I am glad to say that the Government has given the industry an assurance that the Act recently passed by the Legislature, which provides, amongst other things, for a levy or cess on sugarcane, will not be acted upon. I, however, regret that our repeated requests to the Madhya Pradesh Government to remove from the statute book the agricultural income-tax which is only being paid by our factory, have so far not received the sympathy of Government. To single out this factory alone for paying this tax is unfair in the extreme and I would respectfully submit to the Madhya Pradesh Government that it is the duty of the Government to see that your unit is not placed at this serious disadvantage *vis-a-vis* other sugar factories in the State. Similarly, the *octroi* duty, which the Municipality of Sehore levies on sugarcane at the rate of 3 pies per maund, is twice as high as that levied by any other municipality in the State. If all this was not enough, the Municipal authorities recently have proposed to increase the *octroi* rate to 5 nP, instead of bringing us in line with the other sugar factories. I would most particularly urge and submit to Government that such an inequitable step should not be sanctioned. May I implore the Madhya Pradesh Government, even at the risk of being accused of repetition, that they should be fair to this factory and see to it that the conditions under which all units function in their State are as far as possible uniform? This discrimination against our factory is highly inequitable.

"Another important point to which I would like to refer is that, under the Industrial Disputes Act, the sugar industry as such is not a public utility service. A lightning strike, therefore, though unjustified, cannot be termed as an illegal strike. In all other factories situated in the present Madhya Pradesh State, the Madhya Bharat Industrial Relations Act still applies under the provisions of which a strike without conciliation proceedings is always illegal. This aspect of the matter was repeatedly brought to the attention of the authorities concerned with a plea that your factory should be declared a public utility service, but the Government did not pay any heed to our representations. The workers recently went on a lightning strike during this season for 24 hours, as their excessive demand for bonus was not met by the management. It was only after the strike did the Government realise the force behind our request and though belated, declared the sugar industry to be a public utility service throughout the State for a period of six months. May I request Government to take steps to do so each year before the beginning of the season, particularly as, this being a seasonal industry, losses on account of such abrupt stoppages prove very costly and wasteful to the nation's economy?

Company's Results During the Year

"Before I propose the resolution for the adoption of the accounts of the Company for the year under review, I would like to make a few points in connection with the expansion plans of your Company.

"The present crushing capacity of your factory is 750 tons of sugarcane per day and, if our plans go through as contemplated, we would very much like to see our factory crushing 1,250 tons of sugarcane per day.

"As there is no other sugar factory within a radius of 150 miles of yours, we are very well placed as regards availability of sugarcane. Our thanks are due to the Madhya Pradesh Government for taking concrete measures to develop the sugarcane area of your factory zone by providing improved variety of cane seeds and giving financial assistance to the cultivators. They realise that Madhya Pradesh is a deficit State in sugar with the production varying between 30,000 and 40,000 tons, as against the estimated consumption of about 250,000 tons.

"It is obvious to us that, to meet and crush the increased cane supplies anticipated in future, we must expand soon. It is equally obvious that the speed with which we can do so depends solely on the Government of India, to whom we have applied for their necessary licences. We have assured the Government that we would arrange ourselves for a foreign exchange loan to meet our requirements of foreign exchange and, in fact, have successfully concluded negotiations for the same, but, as repayment would have to be made at one time or the other, the sanction of the Government to the arrangement made is essential. I would request the Government of India to consider our scheme and grant us a licence to expand our activities. I am glad to say that the Madhya Pradesh Government is fully behind us in our plans.

Output and Sales

"The working of the factory was better during the year under review than in the last year from the angle of production and sales. The total quantity of sugarcane crushed, sugar produced and recovery were the highest in the annals of the Company. Despite this, the results of the year show a lower net profit of Rs. 11,53,015.26, as compared to Rs. 14,58,567.67 in the previous year, due to several factors. A loss of approximately Rs. 1,10,000 was suffered by the Company on account of the scheme of compulsory exports to which I have already referred in my speech. The costs of cultivating and manufacturing have arisen quite sharply during the year. Fertilisers themselves account largely for the increase in production costs and their prices were very much higher than at any time during the last 3 or 4 years. Costs of stores have also risen sharply. There has been the usual increase in wages and dearness and other allowances and depreciation and development rate is also higher at Rs. 2,98,369.93, as against Rs. 2,27,808.68 provided last year.

"After providing Managing Agents' commission at Rs. 1,23,759.97 and adding an amount of Rs. 30,827 brought from the previous year and an amount of Rs. 20,218.09 transferred from unclaimed dividend account, the amount available for appropriation amounts to Rs. 12,04,060.75 nP. Your Directors, after careful consideration of the profit figures, decided to maintain the dividend at Rs. 2 per equity share and they are of the opinion that, as far as it is possible and feasible, dividends may be maintained. Provision for taxation is at Rs. 6,50,000 and dividends absorb Rs. 4,12,500. An amount of Rs. 20,218.09 has been transferred to the unclaimed dividend reserve and Rs. 1,21,342.66 have been carried over to next year's account. Your attention is particularly drawn to the very sharp rise in the excise duty which has been paid by your Company, namely, Rs. 28.18 lakhs, as compared to Rs. 18.94 lakhs of the previous year.

"Labour relations on the whole continued to be cordial and satisfactory during the year 1957-58. Though differences in outlook towards a particular problem may be inevitable between labour and management, a strike in a seasonal industry like ours with continuous production and large stocks in the process of manufacture is always to be deplored. Questions where there are disagreements can always be settled across the table and labour should realise that, by going on strikes, negotiations are only complicated and relations strained. Our workmen went on a strike for 24 hours during the current season demanding that four months bonus be paid to them. A meeting between the Labour Commissioner, the management and the workers was scheduled to be held only a few days before the strike and, surely, there would have been nothing lost, if the workers had waited for a week or so before taking any precipitate action. Such tendencies on the part of labour will be deplored by all sober elements.

"As a result of mutual negotiations, however, this year, we shall be paying bonus equivalent to 52 days basic wages to the workers for the year 1957-58. The total amount to be disbursed would be in the neighbourhood of Rs. 95,000. In our factory, both the seasonal workers and permanent workers are paid bonus on the same basis, as a result of which the seasonal worker is always at an advantage. Our efforts to bring about some sort of uniformity and a more equitable method of distribution have so far been unsuccessful.

A Suggestion

"Our suggestion is that, as both the categories of workers contribute equally towards earning profits, the basis of payment should be the annual earnings of the worker divided by twelve. According to the present system of payment, the seasonal worker is paid bonus on his seasonal earnings. In other words, though he works only for a very short period as compared to his counterpart, the permanent worker, he gets bonus on the same basis. The available surplus, if any, for distribution as bonus to workers in any year is always more or less a fixed amount and the permanent worker therefore is always at a disadvantage.

"It is correct to say that the present mode of payment is based on the practice prevailing in Uttar Pradesh. The workers, however, conveniently forget that, there, bonus is paid on production and, if that system is also to be followed here, they would be only entitled in all to about Rs. 40,000, as against Rs. 95,000 which we would be distributing for the 1957-58 season. If the permanent and seasonal workers are paid on the equitable basis suggested by us, 52 days' basic wages would amount to Rs. 60,000. It is unfair that the workers should insist on having the best of all the methods and, if they do not agree to our suggestions, we would seriously have to consider referring the dispute to adjudication by the Tribunal, after giving due notice of change to the workers.

Current Season

"The cane crop in our area was quite satisfactory this year, due to a favourable monsoon. However, as *gur* prices continued to rise as soon as we started our crushing operations, an appreciable quantity of cultivators' cane is being converted to the production of *gur*. We, therefore, expect to have a shorter crushing season this year as compared to the last two years.

"Before I conclude, I would like to express my sincere appreciation for the co-operation of our staff, both at the factory and our office in Bombay and also to the Government of Madhya Pradesh for their helpful attitude during the year.

"May I now request you to adopt the Directors' report and audited accounts of the Company for the year ended 30th September 1958."

Notices

THE RAVALGAON SUGAR FARM LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-sixth Annual General Meeting of the Company will be held at Construction House, Ballard Estate, Fort, Bombay, on Thursday the 19th March, 1959, at 4-30 p.m. (S.T.), for the purposes of transacting the following business:—

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 30th September, 1958.
2. To declare Dividends on Preference, Ordinary and Deferred Shares.
3. To appoint a Director in place of Shri Ratanchand Hirachand who retires by rotation and is eligible for re-appointment and to consider and, if thought fit, to pass the following resolution as a Special Resolution in respect of which a Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company :—

   "RESOLVED that pursuant to the provisions of Section 261 and other relevant provisions (if any) of the Companies Act, 1956, Shri Ratanchand Hirachand who retires by rotation and who is an Officer and Member of Messrs. Walchand & Co. Private Ltd., the Managing Agents of the Company, be and is hereby re-appointed a Director of the Company."
4. To appoint a Director in place of Shri Valchand Deochand who retires by rotation and who is eligible for re-appointment and to consider and, if thought fit, to pass the following resolution in respect of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company.

   "RESOLVED that pursuant to the provisions of Section 281 and other relevant provisions (if any) of the Companies Act, 1956, Shri Valchand Deochand, who has attained the age of 65 years and who retires by rotation, be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed by Section 280 of the said Act shall not apply to him."
5. To appoint Auditors for the current year and to fix their remuneration.
6. To consider and, if thought fit, to pass the following resolution as an ordinary resolution :—

   "RESOLVED that subject to the consent of the Central Government Messrs. Walchand & Co. Private Ltd., be and are hereby re-appointed the Managing Agents of the Company for a period of 10 years from 15th August 1960 upon the terms and conditions contained in the draft Managing Agency Agreement submitted to this Meeting and for the purpose of identification signed by the Chairman thereof and that accordingly the Directors be and are hereby authorised to enter into an Agreement with Messrs Walchand & Co. Private Ltd., in terms of the said draft subject to any modifications thereof that may be agreed upon between the Company and the said Managing Agents for the purpose of complying with any conditions imposed by the Central Government in giving its approval as aforesaid."
7. To consider and, if thought fit, to pass the following resolution as a Special Resolution :—

   "That the Article No. 122 of the Articles of Association of the Company be altered in the manner following :—

   "Substitute the figure '200/-' in place of the figure '75/-.'"

The Transfer Books of the Company will remain closed as from Monday the 23rd February, 1959, to Thursday the 19th March, 1959 (both days inclusive).

By Order of the Board,
R. K. JOSHI,
Acting Secretary.

CONSTRUCTION HOUSE,
BALLARD ESTATE, FORT,
BOMBAY, 10*th February*, 1959.

Note:—(1) A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a Member.

(2) The Dividends, if sanctioned, will be paid at Devkaran Nanjee Banking Co. Ltd., Fort, Bombay, on and from Tuesday the 24th March, 1959, to those Members whose names stand on the Company's Register as on Thursday the 19th March 1959.

The Explanatory Statement as required under Section 173 has been posted to the shareholders separately.

THE BURRAKUR COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE BURRAKUR COAL COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday, the 20th March, 1959, at 10.30 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 30th June, 1958, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint Directors in place of the retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 8th March, 1959, to the 20th March, 1959, both days inclusive.

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

CALCUTTA, 16*th February*, 1959.

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

(*b*) The Dividends, if declared, will be paid on or after 27th March, 1959, to those members so entitled, whose names appear in the Company's books on the 20th March, 1959, or to their mandatees. No application for Dividend Warrants will be necessary.

THE BURRAKUR COAL COMPANY LIMITED

THE BOARD OF DIRECTORS HAVE recommended payment of the following final dividends for the year ended 30th June 1958:—

1st Preference Shares—At 3½ per cent. making a total of 7 per cent. per annum without any deduction for Income-tax payable by the Company.

2nd Preference Shares—At 3 per cent. making a total of 6 per cent. per annum after deduction of Income-tax payable by the Company.

Ordinary Shares—At 5 per cent. making a total of 8½ per cent. per annum without any deduction for Income-tax payable by the Company.

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

CALCUTTA, 16*th February*, 1959.

THE UNITED COMMERCIAL BANK LIMITED

Registered Office:
2, India Exchange Place, CALCUTTA—1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Annual General Meeting of the Members of THE UNITED COMMERCIAL BANK, LIMITED, will be held at the Registered Office of the Bank at 2, India Exchange Place, Calcutta, on Thursday, the 2nd day of April, 1959, at 4 p.m., to transact the following business:—

1. To receive and adopt the Report of the Directors and the Audited Balance Sheet as on 31st December, 1958, and Profit and Loss Account for the year ended 31st December, 1958;
2. To declare a Dividend;
3. To appoint two Directors in place of Mr. T. S. Rajam and Mr. G. L. Bangur who retire under Article 92 of the Articles of Association of the Bank and, being eligible, offer themselves for re-appointment;
4. To appoint a Director in place of Mr. M. L. Dahanukar who retires under Article 92 of the Articles of Association of the Bank, and to consider and, if thought fit, to pass the following resolution, of which special notice, as required by Section 281 of the Companies Act, 1956, and in accordance with Section 190 thereof, has been received by the Bank:

   "RESOLVED that Mr. M. L. Dahanukar, who has attained the age of 69 years, be and is hereby re-appointed a Director of the Bank and that the age limit, prescribed under Section 280 of the Companies Act, 1956, shall not apply to him";
5. To appoint a Director in place of Mr. P. D. Himatsingka who retires under Article 92 of the Articles of Association of the Bank, and to consider and, if thought fit, to pass the following resolution, of which special notice, as required by Section 281 of the Companies Act, 1956, and in accordance with Section 190 thereof, has been received by the Bank:

   "RESOLVED that Mr. P. D. Himatsingka, who has attained the age of 69 years, be and is hereby re-appointed a Director of the Bank and that the age limit, prescribed under Section 280 of the Companies Act, 1956, shall not apply to him"; and
6. To appoint Auditors for the current year and to fix their remuneration.

Note:—1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member.

2. (*a*) The transfer books of the Bank will be closed from Monday, the 16th day of March, 1959 to Thursday, the 2nd day of April, 1959, both days inclusive.

(*b*) The dividend, if sanctioned, will be payable on and after the 3rd April, 1959, to those shareholders whose names appear in the Register of Members on Thursday, the 2nd day of April, 1959.

(*c*) Dividend Warrants will be posted to Members at their registered addresses or in accordance with their mandates. Members are requested to advise change in their addresses, if any.

By Order of the Board,
S. T. SADASIVAN,
General Manager.

CALCUTTA, 6*th February*, 1959.

THE CENTRAL INDIA SPINNING, WEAVING & MANUFACTURING CO. LD.

NOTICE

THE EIGHTY-FOURTH ANNUAL GENERAL MEETING of THE CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Thursday, the 19th March, 1959, at 4-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 30th June, 1958, and the audited Balance Sheet as at 30th June, 1958.
2. To appoint a Director in the place of Mr. N. H. Tata, who retires by rotation, and is eligible for re-appointment, and to consider, and, if thought fit, to pass the following resolution as a Special Resolution in respect of which a Special Notice, as required by Sections 190 and 261 of the Companies Act, 1956, has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, Mr. N. H. Tata who retires by rotation and is eligible for re-appointment, and who is a director, officer, member and an associate of Tata Industries Private Limited, the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint ex-officio and special directors to the Board), be and is hereby re-appointed a Director of the Company."

   The reasons which make this resolution necessary, are more fully set out in paragraph 2 of the Explanatory Statements referred to in Note (*a*) below and which paragraph 2 for the purposes of Section 261 shall be deemed to be incorporated in this Notice.

   To appoint a Director in the place of Mr. D. R. D. Tata, who retires by rotation, and is eligible for re-appointment, and to consider and, if thought fit, to pass the following resolution as a Special Resolution in respect of which a Special Notice, as required by Sections 190 and 261 of the Companies Act, 1956, has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, Mr. D. R. D. Tata who retires by rotation and is eligible for re-appointment, and who is a director, officer, member and an associate of Tata Industries Private Limited, the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint ex-officio and special directors to the Board), be and is hereby re-appointed a Director of the Company."

   The reasons which make this resolution necessary, are more fully set out in paragraph 3 of the Explanatory Statements referred to in Note (*a*) below and which paragraph 3 for the purposes of Section 261 shall be deemed to be incorporated in this Notice.

   To approve, pursuant to Section 281 of the Companies Act, 1956, the appointment of Mr. T. V. Baddeley, C.B.E., as Special Director made by Tata Industries Private Limited, the Managing Agents of the Company, as authorised by the Company's Articles of Association and the Managing Agency Agreement, and, if thought fit, to pass the following resolution in respect of which a Special Notice as required by Section 281 of the said Act has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, the appointment of Mr. T. V. Baddeley, C.B.E., who has attained the age of 69 years, as a Special Director by Tata Industries Private Limited, the Managing Agents of the Company, as authorised by the Company's Articles of Association and the Managing Agency Agreement, be and is hereby approved and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."
5. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "RESOLVED that pursuant to Section 360 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby approves of, confirms and consents to the arrangement between the Company and The Associated Building Company Private Limited (associates of the Managing Agents, Tata Industries Private Limited) for letting to the Company, on a monthly tenancy, office space and storage space in Bombay House, 24, Bruce Street, Fort, Bombay, owned by the Associated Building Company Private Limited, and for facilities of air-conditioning, Board and Conference rooms and general facilities and services appertaining to the said building or for the benefit of the Company at an inclusive rent and charges of about Rs. 430 per month, plus a varying charge for air-conditioning facilities not exceeding Rs. 8,000 per annum, with liberty to the Directors of the Company to agree to any additions, reductions and alterations in office or storage space or in regard to such facilities and services as may be deemed necessary or desirable, subject to such increases and reductions in rent and service charges as may be agreed to between the Directors and the landlords."
6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "RESOLVED that subject to approval of the Central Government under the provisions of the Companies Act, 1956, the Company hereby re-appoints Tata Industries Private Limited as the Managing Agents of the Company as from the 16th day of August, 1960, for the period, at the remuneration and upon the terms, provisions and conditions set out in the draft Agreement (with such modifications, if any, as may be agreed to at this meeting) proposed to be entered into between the Company of the first part, Tata Industries Private Limited of the second part and Tata Sons Private Limited (as guarantors for the observance and performance of the terms and conditions of the said Agreement by Tata Industries Private Limited as Managing Agents) of the third part and which draft Agreement is placed before this meeting and for the purpose of indentification subscribed by the Chairman thereof with power to the Directors of the Company to vary or alter such of the terms provisions and conditions of the said draft Agreement before execution as shall not have the effect of increasing the remuneration of the Managing Agents and as may be agreed to between the Central Government and the Directors of the Company acting on its behalf."
7. To consider and, if thought fit, to pass the following Resolution:—

   "RESOLVED that pursuant to the provisions of Section 294 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby approves and consents to the appointment of Messrs. Patel Ghanshyamdas & Co. and Messrs. Nathuram Ramnarayan Private Ltd. as the Company's Sole Selling Agents for the Company's products for a period of 3 years from the 1st day of January 1959 for the whole of India except (i) the State of Mysore, (ii) Bezwada, Tadpatri, Belary, Hindupur, Ranebennur, Hubli, Belgaum, Salem, Coimbatore, Trichinopoly, and Madura, and (iii) places covered by the lines Miraj to Harihar, Hubli to Guntakal, Jalarpet to Ooty, and Erode to Madura, at a remuneration of ¾ per cent. on all sales (inland as well as export) made by the Selling Agents and ¾ per cent. on all other sales made direct by the Company in India.

   RESOLVED further that the Company hereby ratifies and confirms the action of the Directors and Managing Agents in entrusting Messrs. Patel Ghanshyamdas & Co. and Messrs. Nathuram Ramnarayan Private Ltd. with the selling of the Company's cloth during the trial period, from 1st January 1958 to 31st December 1958, and in paying them commission on such sales."
8. To appoint Auditors for the current year and to fix their remuneration.

Notes:—(*a*) The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 2 to 7 set out above, are being posted to all Shareholders.

(*b*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*c*) The transfer books of the Company will remain closed from Friday, the 6th March, 1959 to Wednesday, the 18th March, 1959, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
T. V. BADDELEY,
Director.
BOMBAY, 18*th February*, 1959.

MARTIN BURN LIMITED

NOTICE

AT A MEETING OF THE BOARD OF Directors of Martin Burn Ltd., held on the 20th February, 1959, the Directors have recommended the payment of a dividend at the rate of Rs. 1.75 nP and a cash bonus of 37 nP per share both without deduction of Income Tax payable by the Company, on the Ordinary Shares of the Company ranking for dividend for the year ended 30th September, 1958. These recommendations await sanction by the shareholders at the Annual General Meeting of the Company to be held on Thursday, the 26th March, 1959.

The Ordinary Share Register of the Company will be closed from the 19th to 26th March, 1959, both days inclusive, and the dividend and cash bonus, if sanctioned, will be paid on or after the 20th April, 1959.

By Order of the Board,
MARTIN BURN LIMITED,
A. G. GIDLEY,
Secretary.
12, MISSION ROW,
CALCUTTA, 20*th February*, 1959.

CALTEX OIL REFINING (INDIA) LTD.

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debenture Stocks 1966-70 will be closed for transfers from 18th March 1959 to 31st March 1959, both days inclusive.

N. A. KRISHNAN,
Offg. Secretary and Treasurer,
State Bank of India,
Agents for Caltex Oil Refining (India) Ltd.,
for the management of the Debenture Stocks.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 23*th February* 1959.

KILLICK INDUSTRIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting within the meaning of the Companies Act, 1956, (being the Eleventh Ordinary General Meeting) of KILLICK INDUSTRIES LIMITED, will be held on Monday, the 16th March, 1959, at 4-15 p.m., at Lalji Naranji Memorial, Indian Merchants' Chamber Building, 76, Veer Nariman Road, Churchgate, Fort, Bombay, to transact the following business:

1. To adopt the Directors' Report and Audited Statement of Accounts made up to 30th November, 1958.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Jaisinh Vithaldas who retires by rotation but who offers himself for re-appointment.
4. To appoint a Director in place of Mr. K. G. Milne who retires by rotation but who offers himself for re-appointment.
5. To appoint Auditors until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
6. *Special Business*: To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution, of which notice has been received by the Company:—

   "THAT Shri Muncherji Nusserwanji Cama whose address is Cosy Corner, Dongersy Road, Malabar Hill, Bombay 6, be appointed a Director of this Company in place of Dinsha K. Daji—deceased."

7. *Special Business*: To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution of which notice has been received by the Company:—

   "THAT this meeting views with deep regret the hasty and derogatory remarks made against Messrs. E. D. Sheppard and K. G. Milne, the Managing Directors of this Company, by some shareholders of the Ahmedabad Electricity Co., Ltd., at its last Annual General Meeting and declares its full confidence in the said two gentlemen."

Explanatory Statement under Section 173(2) of the Companies Act, 1956

The following Explanatory Statement as required by Section 173(2) of the Companies Act, 1956, sets out all material facts concerning the two items of special business:—

The special business mentioned in items Nos. 6 and 7 has been included in pursuance of a requisition in writing under Section 188 of the Companies Act, 1956 received by the Company from certain shareholders. The statements received from the said shareholders are given below as required by law.

The Board of Directors have considered the said Resolutions. They have also seen a statement prepared by three of the Directors, namely, Sir Purshotamdas Thakurdas, Sir Chunilal V. Mehta and Shri Jaisinh Vithaldas, setting out the factual position leading up to the aforesaid Resolutions so that the shareholders may know both sides of the issue. The Board of Directors have (with the dissent of Mr. Sheppard) approved of the last mentioned statement as containing a correct factual account of the events that have happened. The said three Directors have themselves sent their statement to all the shareholders of this Company.

As regards the Resolution set out in item 6, the statement of the said three Directors of the Company refers to the fact that it ignores Section 346 of the Companies Act, 1956.

As regards the Resolution set out in item 7, neither that Resolution nor the statement of certain shareholders wishing to propose that Resolution which has been sent to the Company sets out the relevant facts. It is not stated what are "the hasty and derogatory remarks" which are said to have been made by some of the shareholders of the Ahmedabad Electricity Co., Ltd., at the last Annual General Meeting of that Company. The said meeting of the shareholders of that Company was dealing with the Report of its Directors which it was entitled to do. Further, the assumption that Mr. Sheppard and Mr. Milne might be inclined to refuse to hold office as Managing Directors of this Company is incorrect as they have already applied for renewal of their respective terms of office which application has been declined by the Board.

After considering all the facts the Board (Mr. Sheppard dissenting) have come to the conclusion that they cannot recommend to the members the passing of the aforesaid two Resolutions as being proper or in the interests of the Company.

The statements received from Shareholders under Section 188 of the Companies Act, 1956, and referred to above, pertaining to items 6 and 7 of the Notice covening the meeting, are given hereunder:

(a) "The Directors of the Company have not thought fit to fill in the vacancy in the Board of Directors caused by the death of Dinsha K. Daji in July 1957 although a year and a half have elapsed since then. It is felt by the requisitionists that the interests of the shareholders would be served better, if an independent person is appointed as a Director in the place of late Dinsha K. Daji. The requisitionists believe Shri Muncherji Nusserwanji Cama to be a fit and proper person to hold the office of a Director of this Company and, therefore, suggest that the shareholders would be pleased to pass the Resolution proposed to be moved by the requisitionists."

(b) "It is believed by the requisitionists that, due to certain hasty and derogatory remarks made against Messrs. E. D. Sheppard and K. G. Milne by about six shareholders of the Ahmedabad Electricity Co., Ltd., under the managing agency of this Company at the recent Annual General Meeting of the said Company, the said two gentlemen might be inclined to refuse to hold the offices as Managing Directors of this Company which, in the opinion of the requisitionists, would be most detrimental to the interests of the Company. It is, therefore, proposed by means of the aforementioned Resolution to reassure Messrs. E. D. Sheppard and K. G. Milne of the implicit and full confidence the shareholders have in their management and high respect in which they are held by the general body of shareholders of this Company so that they may continue in the offices held by them at present."

By Order of the Board,

KILLICK INDUSTRIES LIMITED,

H. J. MACQUEEN,
Secretary.

BOMBAY, *17th February*, 1959.

N.B.—(a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member. Under Article 96 of the Company's Articles of Association, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not later than forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

(b) The Transfer Books of the Company will be closed from Tuesday, 3rd March, 1959 to Friday, 20th March, 1959, both days inclusive.

(c) The Dividend when declared, will be made payable at the Chartered Bank, Bombay, on and after the 24th March, 1959, to those shareholders whose names stand on the Register on Friday, 20th March, 1959, to whom Dividend Warrants will be posted.

VOLTAS LIMITED

NOTICE

THE FOURTH ANNUAL GENERAL MEETING of VOLTAS LIMITED will be held at the Taj Mahal Hotel, Apollo Bunder, Bombay, on Tuesday, the 17th March, 1959, at 4.30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st August 1958.
2. To sanction the declaration of a Dividend.
3. To appoint a Director in place of Mr. R. F. S. Talyarkhan who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. J. D. Choksi who retires by rotation and is eligible for re-appointment.
5. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED that subject to the approval of the Central Government, Mr. R. F. S. Talyarkhan, who is at present the Joint General Manager of the Company, be and is hereby appointed with effect from 1st April 1959, as Joint Managing Director and Joint General Manager for the period and at the remuneration and with the benefits and upon the terms contained in the draft Agreement submitted to this Meeting and for identification signed by the Chairman thereof, which Agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/or Agreement without increasing the remuneration mentioned therein in such manner as may be agreed to between the Central Government and the Directors."

6. To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

   "RESOLVED that the Articles of Association of the Company be altered in the manner following:—

   (a) The existing Article 132 be deleted.

   (b) In Article 130 the words and figures 'Article 132 and' and the figure '261' be deleted.

   (c) In Article 131 the words and figures 'Article 132 and' and the figure '261' be deleted.

   (d) In Article 151 the words and figures 'provisions of Section 261 and other' be deleted."

7. To appoint auditors for the current year and to fix their remuneration.

Notes: (a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 5 and 6 set out above is annexed to the Notice of the Annual General Meeting posted to the shareholders individually.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

(c) The Transfer Books of the Company will be closed from 7th February, 1959 to 28th February, 1959, both days inclusive.

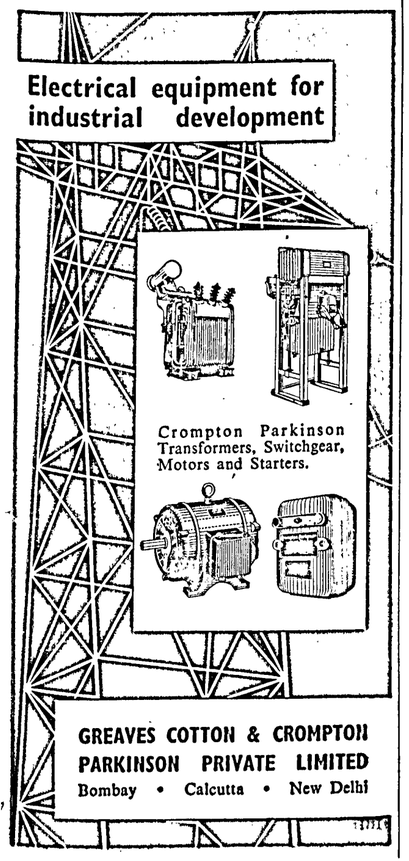
(d) If dividends on shares as recommended by the Directors are passed at the Meeting, the payments will be made to those shareholders whose names are on the Company's Register on the 28th February 1959. The payments will be made on and after the 20th March, 1959.

By Order of the Board of Directors,

R. H. SCHUEPP,
Managing Director.

BOMBAY, *6th February*, 1959.

19, GRAHAM ROAD,
BALLARD ESTATE,
BOMBAY 1.



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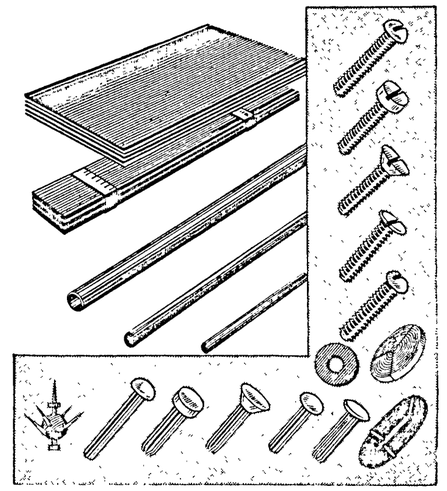

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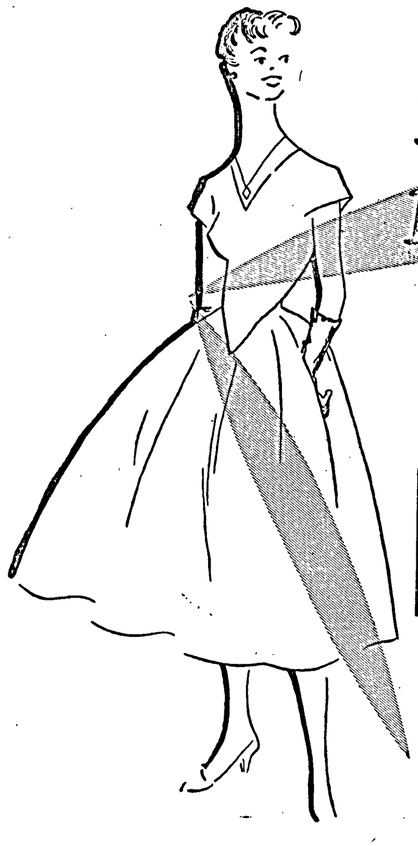

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FURTHER RISE IN TREASURY BILL RATE

(From Our Own Correspondent)

BOMBAY, *25th February*

Thanks to the increasing pace of demand for bank credit to finance crop movement and the shortage of floating funds, conditions in the short-term money market continue to be stringent. Though it is generally expected that, in view of the larger crops, the pressure of demand for credit will continue for some time to come, it remains to be seen how far the latest circular of the Reserve Bank Governor calling on banks to exercise credit restraint will have the effect of curbing the demand. Meanwhile, interest rates remain unchanged, inter-bank call money being done at the self-same rate of 3½ per cent. among the Exchange banks and big Indian banks and at 3½-3¾ per cent. among the smaller Indian banks. House money at seven days' notice is fetching 3¾ per cent. and short-term deposits 3¾ to 4 per cent. for one to six months.

The persistent stringency in the short-term money market is again reflected in this week's Treasury Bill borrowings for which the Government of India has had to pay a still higher rate of 2.592 per cent. per annum, as against 2.559 per cent. last week and 2.530 per cent. two weeks ago. Total borrowings amounted to Rs. 2 crores. The amount tendered aggregated Rs. 2.40 crores, as against Rs. 2.30 crores in the previous week. Tenders for next week are unchanged at Rs. 2 crores.

After a lapse of three weeks, notes in circulation have once again declined (during the week ended 20th February 1959) by Rs. 8.65 crores. The Reserve Bank of India statement for that week shows that the notes held in the Banking Department are higher by Rs. 9.17 crores. There have been no variations in rupee securities and foreign securities, but there has been a further increase of Rs. 5.34 crores in balances held abroad, thus raising the total foreign reserves to Rs. 211.47 crores. The Central Government's deposits have declined by Rs. 4.37 crores, other Government deposits by Rs. 2.67 crores and those of banks by Rs. 1.01 crore. Loans and advances to Governments are lower by Rs. 5.89 crores and other loans and advances by Rs. 12.44 crores.

The Scheduled banks' statement for the week ended 13th February 1959 shows that the upward trend in bank deposits is being maintained. There was a further rise of Rs. 3.11 crores in demand deposits and of Rs. 1.53 crore in time deposits during the week under review. Inter-bank borrowings were lower by Rs. 2.04 crores, while those from the Reserve Bank rose by Rs. 7.05 crores. Advances were up by no less than Rs. 11.47 crores, while bills purchased and discounted declined by Rs. 3.14 crores. Investments were lower by Rs. 5.97 crores, but cash balances were larger by Rs. 5.21 crores. Money at call and short notice declined by Rs. 2.47 crores.

A quietly steady tone prevails in the Gilt-edged market. In the Central Government securities, enquiries are confined to select long-dated issues, while most of the other loans are on offer. In the State loans section, 4½ per cent. issues are the favourites and have moved up further by 5 to 25 nP.

On revival of demand, 3 per cent. 1986 Conversion loan has gained by 45 nP to Rs. 74.10. 3 per cent. 1970-75 has also risen by 10 nP to Rs. 90.95. Both 4 per cent. 1972 and 1973 have appreciated by 10 nP to Rs. 101.55 and Rs. 101.50, respectively. 3½ per cent. 1974 is unchanged at Rs. 98.65, while 2½ per cent. 1976 has shed 5 nP to Rs. 83.25. 3½ per cent. 1967 is marked down by 5 nP to Rs. 99.05, as also 3½ per cent. 1963 to Rs. 99.95. 2½ per cent. 1962 is 5 nP lower at Rs. 96.90 and 2½ per cent. 1961 by a similar extent at Rs. 97.20.

Among the State loans, Bombay 4½ per cent. 1971, 1970 and 1969 have all put on 25 nP each to Rs. 102.35 and 4 per cent. 1970 has gained 5 nP to Rs. 100.15. West Bengal 4½ per cent. 1970 is better by 5 nP at Rs. 101.40. 4 per cent. 1967 and 1968 have each put on 5 nP to Rs. 100.15. Madras 4½ per cent. 1970 has hardened by 15 nP to Rs. 101.40. Andhra 4½ per cent. 1970 by 15 nP to Rs. 101.25 and U.P. 4½ per cent. 1970 by 5 nP to Rs. 101.25.

In tune with the further improvement in sterling abroad, the rupee also has gained some strength, banks' selling rate for ready dollars being Rs. 476.25 per $100, as against Rs. 476.50 a week ago, and their buying rate Rs. 473, as against Rs. 473.25 per $100. In New York, spot sterling has gained ground from $2.80.27/32-2.80.29/32 to $2.81-2.81.1/13, while three months' forward has declined from $2.80½-2.80.15/16 to $2.80.11/16-2.80½.

BASE METALS ADVANCE

(From Our Own Correspondent)

CALCUTTA, *24th February*

"Free" base metals firmed up during the week under review, following increased demand. Electrolytic zinc improved from Rs. 95 to Rs. 96. Demand was sharp, and this was mostly from the galvanizing industry which desired to procure some supplies on fears of delay in the distribution of supplies by the State Trading Corporation. The Government was also in the market for a small quantity. Prices in both New York and London advanced fractionally, and this was also a factor for improved sentiment here. Copper scrap was in good demand, and the utensiles scrap advanced by Rs. 2 to Rs. 214. The price in Bombay earlier was Rs. 208 but picked up to the Calcutta level. New copper wire continued to be in keen

BULLION RECEDES

(From Our Own Correspondent)

BOMBAY, *25th February*

After ruling distinctly firm in the first two sessions of the week under review, the bullion market developed on Saturday a sagging tendency which persisted practically till the close today. The initial firmness was due to keen buying in both gold and silver by local as well as upcountry interests. Offtake in silver at Delhi was reported to be quite good. Consequently, prices registered a handsome improvement. The market, however, turned easy on Saturday, thanks to heavy offerings from Calcutta operators and the reactionary trend in commodity prices. Although there was no selling pressure yesterday and today, recovery in prices was not marked, since fresh buying was limited. The closing rates today were, therefore, lower than the high levels touched early in the week, though a shade higher than the lowest levels.

February settlement in silver met with good buying support early in the week and spurted from Rs. 194-11 to Rs. 196-3 on Friday. Thereafter, it slided down to Rs. 194-0-6 on Monday. After recovering to Rs. 194-13 subsequently, the settlement ran out lower at Rs. 194-6 yesterday. March settlement began the week on a firm note at Rs. 195-10, as against Rs. 195-4 last week-end and, after advancing to Rs. 196-11, declined gradually to Rs. 194-15 today; towards the close, it was a shade better at Rs. 195-1. The carry-forward charge against bulls widened from As. 7 on the opening day (as against As. 9 on Wednesday last) to Rs. 14 yesterday. Business in April settlement commenced today at Rs. 195-5. It fluctuated between Rs. 195-2 and Rs. 195-9 before finishing at Rs. 195-4.

Ready silver moved up from Rs. 194-12 to Rs. 196-3 on the 20th inst. In the following sessions, it declined, the rate at one time today being Rs. 194-2. At the close, it was better by As. 2. The daily average arrivals and offtake of silver were 11 bars and 12 bars, respectively. The floating stocks of silver are estimated at 1,200 bars.

In the gold section, February settlement improved from Rs. 117-1 to Rs. 117-12 on Friday, but eased subsequently to Rs. 117 at one time on the 23rd inst. It, however, ran out As. 2 higher on the same day. March settlement, which stood at Rs. 116-14 on Wednesday last, evoked good support and hardened to Rs. 117-9 on Friday. After receding to Rs. 116-12, it recovered to Rs. 117-5 today before closing at Rs. 117-3-6.

Ready gold opened the week at Rs. 117-10-6, as against Rs. 117-5, and strengthened on bull support to Rs. 118-1 on the following day. It, however, declined in subsequent sessions to Rs. 117-3 on Monday. At lower levels, there was some support and the metal was taken up to Rs. 118-2 today before finishing at Rs. 118-0-6. The daily average arrivals of gold were 4,000 tolas, while offtake was 3,000 tolas per day. The floating stocks of gold are reported to be around 30,000 tolas.

Ready and forward silver in London registered a handsome gain during the week. Both were quoted on par at 78*d.* whereas, last week forward was quoted at a discount of ¼*d.* under ready which stood at 77¼*d.* Gold in London, however, eased from 249s. 8½*d.* to 249s. 6*d.* on Monday, but recovered to 249s. 6¾*d.* yesterday. Silver in New York was unchanged at 90.375 cents this week too.

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

	25-2-59	Highest	Lowest	18-2-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	118 0½	118 2	117 8	117 5
Forward*	117 3½	117 9	116 12	116 14
Sovereign	74 4	74 4	74 2	74 2
SILVER				
Ready (.996 fine Mint) ..	194 4	196 3	194 2	194 12
Forward†	195 1	196 11	194 12	195 4
London Silver Ready ..	78*d.*	78*d.*	77½*d.*	77½*d.*
London Forward	78*d.*	78*d.*	77*d.*	77*d.*
London Gold	249s. 6¾*d*	249s. 8*d.*	249s. 6*d.*	249s. 8½*d.*
New York Silver	90.375 c	—	—	90.375 c.

* 23rd March settlement. † 24th March settlement.

HIDES SUPPLIES SATISFACTORY

(From Our Own Correspondent)

KANPUR, *23rd February*

During the week under review, the hides and skins market ruled quiet. The supply position was satisfactory. Bulk of the supplies came from Bihar, Western U.P. and Punjab. The main purchasers were the local tanners and Madras dealers.

The latest available quotations are: Wet salted cow 1st grade Rs. 400, 2nd grade Rs. 395 and 3rd grade Rs. 350 per score; wet salted buff 1st grade 2 lb. 1 oz. and 2nd grade 2 lb. 3 ozs. per rupee; goat 1st grade Rs. 400 and 2nd grade Rs. 375 per 100 pieces; sheep 1st grade Rs. 360 per 100 pieces.

demand and at Rs. 2.34 added 3 nP. At the higher level, Bombay parties declined to take any interest.

The price in New York and on the London Metal Exchange was unchanged but firm at 30.50 cents per lb. and £237 per ton, respectively. Trade circles thought that the ban on export of copper to the U.S.S.R. and its East European satellites imposed by the United States was of no consequence to the countries affected, as these countries could procure any amount of supplies from Great Britain.

There was the report that the S.T.C. would distribute virgin metals to sheet-rollers, based on 1956 consumption. From Rs. 596, tin lost to Rs. 588, at which level demand was good. The price, as a result, soon recovered to close firm at Rs. 599. Virgin lead was firm at Rs. 72.50.

COTTON FUTURES EASY

(From Our Own Correspondent)

BOMBAY, *25th February*

The cotton futures market ruled distinctly easy during the week under review. Support was generally lacking, as the majority of operators were inclined to await the tendering differences on Jarilla March contract which was fixed yesterday. At the same time, there was fairly heavy selling from some quarters. This was prompted by weaker advices from the spot market, where, following heavy arrival of crop from Saurashtra and North Gujerat regions, prices suffered a sharp break. Credit stringency and the improved prospect of the import of large volume of foreign cotton following the recent import allocation, adversely affected sentiment. The tendering differences fixed yesterday by a special committee constituted under By-law 55 of the E.I.C.A., were considered normal. The reaction of the market to the rates was a rise in prices early in the session today. Values, however, declined towards the close on renewed selling pressure.

I.C.C. Moglai Jarilla March 1959 contract opened the week at Rs. 668.50 and, after a slight improvement, which proved short-lived, declined to Rs. 658.50 yesterday. Commencing today's session higher at Rs. 662, the contract reacted to Rs. 653.50 before finishing at Rs. 654.75.

I.C.C. Moglai Jarilla May 1959 contract commenced the week at Rs. 669 and succumbed to selling with the quotation dropping to Rs. 656 yesterday. Opening at Rs. 659 today, the contract improved fractionally before winding up at Rs. 653.25.

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

(In rupees per candy of 784 lbs.)

	25-2-59	*High*	*Low*	18-2-59
I.C.C. Moglai Jarilla March 1959 ...	654.75	673.50	653.50	669.50
I.C.C. Moglai Jarilla May 1959 ...	653.25	671.50	652	669.50

Spot prices declined sharply. The reluctance of mills to augment purchases in the wake of heavy new crop arrivals from Gujerat and Saurashtra regions, resulted in a reaction. The volume of business declined considerably. Budget uncertainties also acted as a damper. The varieties which attracted attention were Khandesh, Vijay, Berar, etc.

In the export section, inquiries were noted for Bengals and almost all varieties of *Deshi* cotton. But business put through was not very considerable as the foreign buyers' price ideas were lower than Indian offers. The scarcity of superfine Bengals was increasingly felt. Stray inquiries were noted for zoda and yellow pickings.

Following last week's import allocation, inquiries for foreign cotton, especially U.S. styles, widened. A sizable quantity of U.S. cotton 1.5/32" stapling was booked at prices ranging from Rs. 1,290 to Rs. 1,380. East African cotton also met with demand and some business was put through. There was not much interest in Sudan and Egyptian cotton since mills were expecting further fall in prices of these varieties.

The latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri are as follows, the figures in brackets being last week-end closings:

Bengal *Deshi* 675 (700); Berar Jarilla 740 (760); Khandesh 800 (825); Vijay 915 (940). *Delivery contracts*: Bengal 655 (660); Wagad 680 (650); Viay 233 (246) ON.

Cotton futures at Karachi made modest gains during the week. The prevailing low level of prices attracted buying. Slackness of export demand and pressure of new crop arrivals, however, discouraged follow-up support. N.T.R.G. March improved from Rs. 56-10 last week-end to Rs. 57-4. The May contract gained As. 3 to Rs. 56-6.

A mixed trend was witnessed in the Alexandria cotton futures market. The long-staple Karnak contracts encountered selling, while medium-staple Ashmouni received some support. There were rumours in the market that the present export duty of 3.45 *d.* per lb. on Karnak and Menoufi and 2.05*d.* per lb. on other growths might be reduced or even abolished, so as to meet competition from Sudan cotton. The latest available quotations—in tallaris per lb.—from Alexandria are:

Karnak: March 72.63; May 73.17. *Ashmouni*: February 63.71; April 63.40.

Easy conditions prevailed in the Liverpool cotton market during the week, thanks to heavy hedge pressure and liquidation induced by bearish outlook for raw cotton and lower prices quoted by U.S. shippers. Both the American and American type contracts declined. Sudan contracts were neglected and values remained unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: March-April 21.60; May-June 21.50; July-August 20.05; October-November 19.05. *American cotton mixed growth contract*: March-April 22.20; May-June 21.80; July-August 20.00; October-November 19.00. *Sudan*: May-June, July-August, September-October 22.00.

The New York cotton futures market ruled fully steady during the week. Trade and Commission House buying was good. Spot House also lent support. The main influencing factors were expectations of larger exports in the next season and prospects of a tightening of free supplies later in the current season. Spot cotton, however, was a shade easy.

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

(In cents per lb.)

	25-2-59	17-2-59	10-2-59
Spot	35.60	35.65	35.70
March	35.68	35.49	35.29
May	35.71	35.63	35.43
July	34.69	34.52	34.27

YARNS EASY

(From Our Own Correspondent)

BOMBAY, *25th February*

The yarn market ruled easy during the week under review, barring the cotton yarn section which presented a steady trend. Art silk yarns encountered selling, despite encouraging advices from Punjab and other important consuming centres. It was feared that offtake of yarn by weaving mills would decline in the coming weeks. The fears were based partly on rumours of increase in excise and import duties on yarn and partly on grant of enhanced rebate of import duty on nylon yarn against exports of nylon cloth. The revised rebate is Rs. 8.75 per lb. on nylon yarn or less than 20 deniers and Rs. 5.30 in the case of above 20 deniers but below 75 deniers, as against the flat rate of Rs. 2 per lb. hitherto in force. Art silk yarns would indeed have suffered a sharp setback but for reports regarding efforts of foreign suppliers to raise their quotations by 6 to 7 per cent. Staple fibre yarns also came in for selling, thanks to decline in offtake of staple fibre fabrics. Even rumours regarding imposition of an excise duty on staple fibre yarns in the forthcoming Central Government budget failed to have any effect. There were reports that some mills had sold staple fibre yarns, particularly 2/40s and single counts, at current market prices. The dealers who made purchases were hoping to make a profit if excise duty was imposed. Cotton yarns, however, were steady, in view of seasonal demand all over the country. It was stated that a few upcountry mills had raised prices of coarse counts.

The art silk weaving interests and traders are still awaiting clear details about the latest move of the Central Government to import yarn on State Trading Corporation's account to the extent of 24 per cent. of licences granted to mills during the current half-year. It is said that the Silk and Art Silk Mills Association has requested the Government to clarify the whole position. Pending the clarification, it has allowed the member-mills to indent goods against 76 per cent. of their licences only.

Cupressa Bamberg art silk yarn (60 x 1) February delivery dropped Rs. 2 to Rs. 1,580. April delivery fell by Rs. 5 to Rs. 1,527. Spot yarn (60 x 1) eased by 9 nP to Rs. 8.06. Spot 120 Italy was marked down by 31 nP to Rs. 5. 120 Japan receded by 6 nP to Rs. 4.81. 150 Italy lost a like amount to Rs. 5.25. 150 Japan, however, gained 3 nP to Rs. 4.90. Among indigenous yarns, National Rayons 150 bright cones first grade shed 3 nP to Rs. 4.31. 120 bright cones first grade were a naya paisa lower at Rs. 4.52.

Staple fibre yarn (40 x 2) February delivery encountered selling and climbed down by Rs. 5 to Rs. 604. April delivery was Rs. 4 lower at Rs. 617. Spot 40 x 2 Kohinoors eased 3 nP to Rs. 3.32 and Citys by 1 nP to Rs. 3.14. Centurys were neglected at Rs. 3.22. Among foreign yarns, Fujis eased by 9 nP to Rs. 8.28 and Paramounts by 5 nP to Rs. 7.82.

In the cotton yarn section, ten counts Podars were firm at Rs. 12.19, as also Moderns at Rs. 13.37. Twenty counts were unchanged at last week's level, Hind being quoted at Rs. 16, Moderns at Rs. 16.25 and Seksarias at Rs. 15.50. Among forty counts, Minaxis rallied 31 nP to Rs. 25.56. Moderns changed hands at Rs. 26, same as last week. Sixty counts Raghuvamshis spurted by Re. 1.50 to Rs. 55. Finlays were done at Rs. 65. Among eighty counts, Finlays were steady at Rs. 81 and Citys at Rs. 67.

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

	25-2-59	18-2-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg February	1,580	1,582
" April	1,527	1,532
(per case of 200 lbs.)		
60/1 Cupressa Bamberg spot .. .. (per lb.)	8.06	8.15
120 Japan (per lb.)	4.81	4.87
150 Japan (per lb.)	4.90	4.87
120 Italy (per lb.)	5.00	5.31
150 Italy (per lb.)	5.25	5.31
Staple fibre yarn—		
40 x 2 February (per case of 200 lbs.)	604.00	609.00
40 x 2 April .. (— Do —	617.00	621.00
40 x 2 Kohinoor (per lb.)	3.32	3.35
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern	16.25	16.25
40s Minaxi	25.56	25.25
60s Finlay	65.00	65.00
80s City	67.00	67.00

OILSEEDS DRIFT LOWER

(From Our Own Correspondent)

BOMBAY, *25th February*

The oilseeds market witnessed easier conditions during the week under review. An undercurrent of anxiety regarding the likely intervention of the Forward Markets Commission to check further rapid rise in prices and the technical conditions in the market combined to bring about a reaction in values. Perhaps the only bright spot during the week was the business concluded with Australia for about 1,000 tons of linseed oil. Australian orders took the traders by surprise, in view of the prevailing prices in India which are out of parity with world prices.

The groundnut section was featureless. The imposition of margin seems to have made marked impression on the market. Issuance of substantial tenders also pushed down the values. There was, however, good support from *vanaspati* manufacturers and crushers. This acted as sustaining factor. Groundnut February 1959, which stood at Rs. 175.00 last Wednesday, sagged to Rs. 173.00 on Monday, owing to some bull liquidation and larger arrivals from Saurashtra. It, however, recovered subsequently to close at Rs. 173.50 today. May contract, after experiencing minor fluctuations, closed today at Rs. 178.00, as against Rs. 178.75 last-week-end. Bold ready improved from Rs. 35.50 to Rs. 35.75 today, but not before sagging to Rs. 35.37 on Monday. Oil ex-mill, which wound up last week at Rs. 18.31, after moving within a narrow range, closed today at Rs. 18.44.

Castorseed too was bearish, despite encouraging advices from abroad. The fear that a margin is likely to be imposed on castorseed futures if it goes above Rs. 155 acted as a damper. This set off heavy offerings. In these circumstances, castorseed May 1959 lost Re. 1.25 over the week when it closed today at Rs. 155.25. Ready Madras, which closed last week at Rs. 30.12, after fluctuating within a narrow range, wound up the week at Rs. 155.25. Oil B.S.S., on account of good demand, improved from Rs. 16.25 to Rs. 16.44 on Saturday; but lost ground subsequently. It, however, recovered today to close at Rs. 16.44.

During the major portion of the week, linseed remained subdued. Arrivals were large and it lacked strength in the absence of fresh support. It, however, made a smart recovery yesterday, thanks to some support from crushers and operators. Linseed May 1959 fell from Rs. 32.69 to Rs. 32.37 on Monday; but recouped yesterday and closed at Rs. 32.44. It, once again, sagged today to Rs. 32.31. Bold ready lost by 88 nP to close the week today at Rs. 32.62. Linseed oil, however, was well supported and gained about 12 nP over the week and closed today at Rs. 16.75. There was a sharp reaction in the cottonseed section, presumably in sympathy with the easy trends in the cotton market. Cottonseed February and May contracts, which were quoted last week at Rs. 129.50 and Rs. 123.00, after moving both ways in a limited range, closed today at Rs. 126.75 and Rs. 119.75, respectively.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	25-2-1959	18-2-1959	11-2-1959
	Rs.	Rs.	Rs.
Groundnut			
February 1959	173.50	175.00	174.75
May 1959	178.00	178.75	178.37
Bold ready	35.75	35.50	35.50
Coromandel ready	36.12	36.00	36.00
Khandesh quality	36.12	36.00	36.00
Oil ex-mill ready*	18.62	18.37	18.62
Railway receipts*	18.44	18.31	18.44
Castorseed			
May 1959	155.25	156.50	155.37
Ready Madras	30.25	30.12	30.50
Ready Kanpur	29.25	29.00	29.50
Oil B.S.S.†	16.44	16.25	16.62
Oil commercial†	15.50	15.31	15.62
Linseed			
May 1959	32.31	32.69	32.69
Bold ready	32.62	33.50	33.00
Oil ready†	16.75	16.62	17.25
Cottonseed			
February 1959	126.75	129.50	132.25
May 1959	119.75	123.00	126.25
Niger seed	28.75	28.50	29.00
Kardi seed	21.75	21.50	21.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR GIVES WAY

(From Our Own Correspondents)

BOMBAY, *25th February*

The sugar market presented a distinctly easy trend during the week under review, with a perceptible fall in prices. On the 20th inst., the Union Food Ministry announced the release of 165,000 tons for sale in free market. The Ministry also stated that the sugar mills in Uttar Pradesh, North Bihar and the Punjab should effect sales at prices not higher than the controlled ex-factory prices. Immediately after the announcement, traders who were sitting tight on their ex-mill stocks came out to sell, with the result that the ex-mill quotations in Bombay-Deccan slided down by Re. 1.50 per bag. There would have been a more appreciable drop in prices but for the excellent demand from Malabar side. More than 15,000 bags were reported to have been purchased by commission houses for shipment to Malabar. A small parcel of 100 tons was bought by the Export Division of the Indian Sugar Mills' Association from the spot stocks in the city at open prices for shipment to the Middle East on 2nd March next.

Arrivals of sugar by rail into the city during the week were higher than those in the previous week. They aggregated 20,854 bags, as against 10,820 bags.

Small grain sugar fell from Rs. 110-Rs. 111.50 to Rs. 110. Medium grain dropped Re. 1.50 to Rs. 110.50-Rs. 112.50. Large grain lost Rs. 2 to Rs. 113-Rs. 118.

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HAPUR, *23rd February*

Ruling firm during the major part of the week, the sugar market turned quiet towards the week-end, following the release of a further quantity of 1.65 lakh tons for sale in the free market, although, in the case of the factories in U.P., North Bihar and Punjab, the sales are to be effected at prices not higher than those fixed by the Government. During the week, factories sold their stocks at far higher rates than the controlled prices and it is understood that the delay in the release of this quota was the consideration by the Government of the advisability of imposing full control on sugar prices. Five factories in east U.P. have stopped crushing for the season, owing to insufficient cane supplies and a few more in west U.P. will do likewise by the end of this month.

Sugar in the Muzaffarnagar market declined by 25 nP per maund towards the week-end. Nevertheless, the prices were still at a premium of Re. 1 to Re. 1.50 a maund over the controlled prices. The latest prevailing prices were: Crystal mill delivery controlled B29 Rs. 37.12; C Rs. 36.37; D29 Rs. 36; market quotations: Lhaskar B29 Rs. 38.50; Amroha D29 Rs. 37.12; Bijnore D29 Rs. 36.87; spot delivery Khatauli D29 Rs. 38.50.

Sugar ruled quiet in the Kanpur market, due to withdrawal of buying interest from consuming centres and acceptance by the Government of a large number of tenders. The bullish tendency seems to have been checked and prevailing prices were: Controlled Rs. 36 a maund; spot per bag C29 Basti Rs. 106; Gola Rs. 105; Hargaon and Waltergunj Rs. 103-8; Balrampur Rs. 103-4.

Ready *gur*, which had eased last week-end following Government's restrictions on futures trading, made up most of the losses during the week due to brisk outside demand. The week's arrivals aggregated 25,000 maunds, most of which went to outside destinations, and local stocks slightly improved to 55,000 maunds. Stoppage of crushing by some sugar factories in east U.P. due to shortage of cane also acted as a bullish factor. Prevailing prices were: *Gur pansera* Rs. 17.75; *balti* Rs. 17.75; *shakker* Rs. 18 per maund.

Ready *gur* also improved in the Muzaffarnagar market by about Re. 1 per maund on good demand from Gujerat, Madhya Pradesh and Rajasthan. Prevailing prices were: *Chaku* Rs. 18.50 to Rs.19.50; *pansera* Rs. 17.50 to Rs. 18; *ladu* Rs. 18 to Rs. 18.75; *shakker* Rs. 22 to Rs. 23.

The stalemate regarding the settlement of outstanding transactions following the ban on *gur* futures trading by the Government of India on the 12th inst. still continues at Hapur. Although the Chamber authorities have fixed Rs. 15.48 as the rate at which the transactions are to be settled, some merchants have not yet sent their daily reports. However, the matter is likely to be decided soon.

GOOD DEMAND FOR QUALITY TEAS

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

COCHIN, *19th February*

Approximately 700,000 lbs. were on offer in export auction No. 7, which was held on Tuesday, 17th February. Quality again showed an improvement, particularly from the Nilgiris district and some useful flavoury teas were on offer. Internal buyers were again quiet, but exporters continued to compete strongly for the improved teas. The sale opened to a good demand, particularly for improved best liquoring which are dearer. Good medium brokens were 5 to 10 nP dearer, but similar fannings were again the weakest feature of the sale, and were difficult to sell. Low mediums were about steady, but bright liquoring medium teas were slightly dearer on last week's rates. Whole leaf teas were rather irregular, but improved types sold well. The quotations are: Low medium Re. 1.55 to Re. 1.70; medium Re. 1.80 to Rs. 2.18; good medium Rs. 2.35 to Rs. 2.75; and quality Rs. 3.10 to Rs. 4.70.

The average price realised in sale No. 7 was Rs. 2.48 per lb., as against Rs. 2.41 in the previous sale and Rs. 2.35 in the corresponding sale of 1958.

London Market: Sale of 16th February 1959.—Market strengthened, as sale progressed and finished generally dearer. Black leafed Assams 1*d.* to 3*d.* higher.

Sale of 17th February 1959.—Firm to dearer.

Colombo Market: Sale of 16th February 1959.—Larger selection. Improved quality. Highgrown brokens strong demand. Dearer following quality, especially Dimbula Dickoyas. Medium brokens 5 to 10c. dearer. Lowgrowns firm to dearer.

Sale of 17 February 1959.—Strong demand liquoring fannings and dusts dearer. Other offgrades fully firm.

Export Quota.—The export quota market has remained firm throughout the week, and business has been transacted at 1⅞ nP.

Forthcoming Auctions.—Sale No. 8 will be held on Tuesday, 24th February and Dust Sale 'C' on Thursday, 26th February.

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

"*Sale* 8:—650.000 lbs. Strong general demand, particularly for best liquoring. Highgrown which have advanced, following quality. Others fully firm to dearer. Whole leaf weakest feature."

EXPORT TEAS DECLINE

(From Our Own Correspondent)

CALCUTTA, *24th February*

With less demand from overseas buyers, easy conditions were in evidence during the export sales held here yesterday. There was fair demand in the internal sales of last week, although as regards prices a mixed trend developed.

During yesterday's auctions in Mincing Lane, offerings, amounting to 28.545 packages, most of which was from North India, were readily absorbed at unchanged prices for most varieties, but

at improved rates for all good liquorings. At last week's sales in London also, keener demand prevailed, despite the higher quantity on offer totalling 79,000 packages, with better liquorings and black leaf teas advancing impressively. Now that the higher trend in sales here has abated at least as far as this week is concerned and a break in prices developed yesterday, it remains to be seen if, despite weakness here, prices in Mincing Lane would go on firming up. Naturally, the next sales in London are looked forward to with interest.

With prices declining during yesterday's sales, especially towards the close, medium teas gave way by 4 to 6 nP and plain brokens and fannings by 2 to 4 nP. Offerings amounted to 62,426 chests. Teas for price were about steady. Legg-cut teas fell by 4 nP, although demand was good. The poorer C.T.Cs were about firm, though often irregular, while the useful liquorings in this category advanced. O.Fs also were readily absorbed. While orthodox B.O.Ps with bright liquors were steady, other kinds of this manufacture eased by 10 nP with consequent withdrawals. In line with the general trend, whole leaf grades declined, and in Darjeelings the lots possessing autumnal flavour met with keener demand with other lots easing. The quotations per lb. were: best Assam C.T.C. fannings Rs. 2.50 to Rs. 2.70 (nom.), best Assam C.T.C. B.P. Rs. 2.30 (nom.), medium fannings Re. 1.74 to Re. 1.80, clean black pekoe Re. 1.96 to Rs. 2.04, medium B.P. Re. 1.64 to Re. 1.84, plain B.P. Re 1.68 to Re. 1.72 and plain fannings Re. 1.78 to Re. 1.84.

There was business in export quota at 1¾ nP before the price sagged to 1½ nP.

The feature of last week's internal sales, when dusts on offer amounted to 21,035 packages, was the firmness in orthodox teas, although prices for other varieties were irregular. Medium and poorer C.T.C. teas eased up to 10 nP, although when the sales began these kinds were about steady. The best C.T.Cs also eased, and there were withdrawals. Legg-cut teas were quiet, while Darjeelings realised higher prices. The quotations per lb. exclusive of excise duty were: best Assam C.T.C. Rs. 2.30 to Rs. 2.90, medium Assam C.T.C. Re. 1.95 to Rs. 2.10, medium Dooars Re. 1.82 to Re. 1.84, and medium Assam grainy Re. 1.78 to Re. 1.82.

Leaf on offer totalled 2,270 chests. The C.T.Cs eased, while the orthodox teas were firm.

JUTE GOODS DEPRESSED

(From Our Own Correspondent)

CALCUTTA, *24th February*

A feature of the trading in the jute markets during the week under review was the placing of a tender for 42,000 bales of B. twills for delivery in the three months to April by the Government of India; however, this did not give life to the market as the tender had been anticipated for several weeks now and discounted already. In fact, prices of heavy goods declined, as the tender was for a small quantity compared to the huge stocks with mills. In recent weeks, in anticipation of this tender, speculators had been active, but since this quantity could be easily met without recourse to the stock built up in the bazar, the tender failed to create a bullish sentiment. It was this line of thought in the market that prompted weak holders in the bazar to attempt selling. Absorption was slow, and the price gave way. Earlier in the week, hessian was fully steady, encouraged by steadier reports from the New York market, and higher burlap consumption in the United States in the month of January. Further, the total consumption of burlap in the U.S. during 1958 was 835 million yards or 4 million yards more than in 1957. Despite these favourable reports, hessian sagged towards the later part of the week in view of weakness in heavy goods. Opinion in market circles is that, with such a huge stock of sacking as 83,000 tons, the sacking section would continue to be a drag on the market as a whole.

Ready B. twills declined to Rs. 88 60 on Tuesday from Rs. 89, as it was felt that the Government tender for 42,000 bales of B. twills on that day was too small to help the market. Earlier, speculative purchases had followed on rumours of the tender. Ready hessian 40" 10 oz. was, however, unchanged at Rs. 40.05, but on the following day fell to Rs. 39.60 on selling pressure in the futures market. Overseas interest was for nibbling quantities, which were no relief for earlier heavy purchases of sacking by bazar dealers. As a result, B. twills gave way to Rs. 88.20. At the lower level, there was an increase in buying interest, and soon the undertone of the market improved. B. twills, on Thursday, gathered strength to improve to Rs. 88.45, while hessian 40" 10 oz. was lower at Rs. 39.20 on selling pressure in futures. There was bear-covering in B. twills in futures trading, and Government purchased some quantity of the tender for ready and forward deliveries. These were, however, passing features only and on Friday B twills were pulled down to Rs 88.25 and hessian 40" 10 oz. to Rs. 38.80. Over the week-end, listless conditions prevailed, and B. twills were lower at Rs 88, but hessian 40" 10 oz. was unchanged at Rs. 38.80. With overseas buyers showing only limited interest, hessian 40" 10 oz. sagged further to Rs. 37.75 yesterday. However, there was some covering demand in B. twills and the price was fractionally better at Rs. 88.15. In the futures market, February B. twills opened at Rs. 88.65 and at one time declined to Rs 87.65 to close better at Rs. 88. February 40" 10 oz. hessian closed at Rs. 38.64, while earlier the quotation was higher at Rs. 39.58. March Assam bottoms opened at Rs. 21.22 to close lower at Rs. 20.20.

Following a decline in interest shown by mills, raw jute prices eased. Recently, mills had purchased substantial quantities and, therefore, wanted time to take stock of the situation before entering into further commitments. Also, the continued weakness in the jute goods market was a factor against any hasty commitments. The latest quotations for the different varieties against February-March delivery are:

	Middles	Bottoms
Pakistan:	Rs.	Rs.
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	29.50	26.50
Assam	23.00	20.00
Orissa	24.50	21.50
Desal	21.50	19.00
Murshidabad ...	20.25	17.75
Jungli	20.00	17.50
Daissee	24.25	21.75
Uttar Pradesh ...	20.00	17.50
Daissee mesta ...	19.75	17.25
Bimli f.a.q.		Rs. 17.75

Pucca bales 1st marks ... Rs. 155.00 per bale ready.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, *23rd February*

All-round easy conditions continued in the foodgrains market during the week, due to selling pressure by stockists, in view of good crop prospects. Wheat lost about Rs. 2 per maund to be quoted on Monday at Rs. 23 for average quality and Rs. 25 to Rs. 26 for farm produce. Supply position was slightly better, following some arrivals by road, but the main influencing factor was bumper crop expectations. It is understood that, in the light of experience gained in the procurement of rice, the U.P. State Government will also purchase wheat with the beginning of arrivals of new crop in the market through traders.

Rice, however, ruled quietly steady with restricted supply position following export ban from surplus districts of the State. The week-end prevailing prices were: *sela basmati* Rs. 33; *mainpuri* Rs. 22.62; *raimunia* Rs. 27, *gadda* Rs. 23 per maund.

Gram eased appreciably by about Rs. 2 per maund during the week under review in line with the fall in prices in Delhi and Punjab on bumper crop ideas. Demand, too, dwindled, as new crop arrivals in the South abated inquiries from Madras and some quantity also reached here from Madhya Pradesh. Barley and *bejhar* suffered a setback, due to slack demand and reported good standing crop conditions. Maize drifted lower, as, despite good consumer demand, stockists were anxious to liquidate their holdings before the new coarse grains begin to flow in the market in a month's time. *Bajra* sagged, due to fall in seasonal demand, while *jowar* eased on lower advices from the South. The week-end prevailing prices were: gram punjabi Rs. 20.50; barley Rs. 15.50; *bejhar* Rs. 15.50; maize Rs. 14.50 to Rs. 15; *bajra* Rs. 15.50; *jowar* Rs. 13.25 to Rs. 14.50; *guwar* Rs. 14.75 per maund.

Pulses also recorded an easy trend like other cereals, although stocks left were very poor. The condition of the standing peas and *arhar* crop was reported to be satisfactory and new peas arrivals were expected in some centres after a fortnight. *Arhar* arrivals would begin in May. New *urd* and *moong* stayed steady with good demand and prevailing prices were: Peas Rs. 21 to Rs. 22; peas *dal* Rs. 24; *arhar* Rs. 23; *arhar dal* Rs. 26 to Rs. 28; *urd* Rs. 19.50; *moong* Rs. 21.75 to Rs. 24.50; *massor* Rs. 20 per maund.

READY LINSEED QUIET

(Messrs. A. Bradley and Co.)

CALCUTTA, *23rd February*

The linseed market showed little change during the week. Whilst ready prices remained firm, forward delivery prices eased slightly. Crushers did not show much interest, owing to poor demand for oil. Oilcake was maintained mainly because of shortage with very little milling taking place at present. This position is likely to alter appreciably next month when local crushers resume on a larger scale.

The linseed oil market was inactive. Prices remained unchanged, business being confined to small local sales.

The latest available quotations are: Ready/Feb. Rs. 27.12; March Rs. 24.75; April Rs. 23.25 and May Rs. 22.87 per maund.

TANNED GOAT DECLINES

(From Our Own Correspondent)

MADRAS, *23rd February*

There has been no change in the kip market. Importers are adamant at their prices and business has been done where sellers follow buyers' levels. Top marks light weight cow is in good demand, as also lower ends in all weights. Cow calf and buff hides ruled steady, while buff calf was easy but seems scraping **bottom.**

Locally, tanned skins market is unchanged, but shipment business is small. Semi prime sheep skins is in good demand, but other tannages are easy. The tanned goat market is likely to ease to some extent, as importers' demand is poor.

The National Steel Corporation, the fifth biggest steel producer in the U.S., will set up a large new steel plant on Lake Michigan, east of Chicago. This project is a part of a $300-million programme that envisages the establishment of a new steel strip mill and expansion of 500,000 tons in the annual steel making capacity at National's Detroit Subsidiary—Great Lakes Steel Corporation. This new venture is claimed to be the largest ever undertaken by the steel industry in the U.S., since the $500-million plant was erected in Pennsylvania seven years ago.

Mr. Dave Beck, the former head of the International Brotherhood of Teamsters—the largest U.S. trade union—has been convicted by the U.S. Federal Court for evading income-tax of $240,000 (about Rs. 11,42,800). Mr. Beck, who retired last year with a union pension of $50,000 (about Rs. 2,38,000) a year after appearing before a U.S. Senate investigating committee inquiring into alleged trade union racketeering, faces a maximum penalty of 30 years in prison and a fine of $60,000 (about Rs. 2,85,700).

A new automatic electric domestic ironer has been put on the market in the U.S., which, it is claimed, will enable an American housewife to do a week's ironing in half the usual time. Clothes of any size can be ironed without folding or reversing them. Since the ironer has knee-operated controls, the hands are free to feed and guide the clothing and other items. The 25"-cotton-padded roll rotates seven times a minute and can iron five double-bed size sheets in less than 12 minutes.

Sweden's total output of chemical pulp in 1958 amounted to about 3,200,000 tons, as compared with 3,280,000 tons in 1957 and 3,180,000 tons in 1956. The production of market pulp was 2,280,000 tons, as against 2,360,000 tons in 1957 and 2,330,000 tons in 1956. The overall output of sulphite pulp is estimated at 1,680,000 tons, or 50,000 tons less than in 1957, while production of sulphate pulp dropped by 30,000 tons to 1,520,000 tons.

The Australian Government proposes to intensify its oil exploration drive. Geological surveys have shown that oil can be found in commercial quantities.

Notices

MARTIN BURN LIMITED

NOTICE

THE ANNUAL GENERAL MEETING (BEING the Thirteenth Ordinary General Meeting) of the Shareholders of Martin Burn Limited, will be held on Thursday, 26th March, 1959, at 12 noon at the Registered Office of the Company, 12, Mission Row, Calcutta, to transact the following business:

1. To receive and adopt the Audited Accounts for the year ended 30th September, 1958, and the Directors' and Auditors' Reports thereon.
2. To declare a Dividend and Cash Bonus.
3. To appoint a Director in place of the retiring Director.
4. To appoint Auditors and to fix their remuneration.

The Ordinary Share Registers of the Company will be closed from 19th to 26th March, 1959, both days inclusive.

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

By Order of the Board,

A. G. GIDLEY,
Secretary.

CALCUTTA, *28th February*, 1959.

Note:—The Dividend and Cash Bonus, if sanctioned, will be paid on or after 26th April, 1959, to those shareholders so entitled whose names appear in the Company's books on the 26th March, 1959, or to their mandatees. No application for dividend warrants will be necessary.

TATA LOCOMOTIVE AND ENGINEERING COMPANY, LIMITED

APPROXIMATELY THREE THOUSAND tons of High Carbon Steel Rejected Ingots (fluted) 18", 15" and 12" diameter in lengths of 6/8 feet are available for sale ex Telco Works, Jamshedpur.

Copies of Tenders together with terms and conditions of Tender may be had from Stores Controller, Tata Locomotive and Engineering Company Ltd., Telco Works, Jamshedpur. Ingots open to inspection on any working day. Closing date of Tender—11th March, 2.30 p.m.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 20th Feb., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	61,44,49,000
(2) Other Governments	19,31,30,000
(b) Banks	71,42,15,000
(c) Others	114,77,38,000
Bills Payable	19,86,46,000
Other Liabilities	37,62,65,000
Rupees	437,44,43,000

ASSETS	Rs.
Notes	20,01,19,000
Rupee Coin	2,19,000
Subsidiary Coin	3,74,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,93,55,000
Balances held abroad*	33,46,52,000
Loans and Advances to Governments†	21,90,17,000
Other Loans and Advances	84,37,68,000
Investments	260,04,37,000
Other Assets	11,65,02,000
Rupee	437,44,43,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 5,61,81,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	20,01,19,000	
Notes in circulation	1659,49,01,000	
Total Notes issued		1679,50,20,000
Total Liabilities		1679,50,20,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		132,28,39,000
Government of India Rupee Securities		1251,44,89,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1679,50,20,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	13th Feb., 1959	A week ago	A month ago	A year ago
RESERVE BANK *Issue Department*					
Notes in circulation	172.87	1668.14	1658 09	1629.70	1557.65
Notes held in Banking Department	85.05	10.84	11 30	6 54	11.86
Foreign Securities	59 50	178.01	164.68	164 68	245.54
Rupee Securities	87.89	1251.45	1254.78	1219.80	1076.82
Banking Department Deposits of:					
Government of India	14.89	65.82	50 44	52 23	51 82
Other Governments	..	21.99	21 79	47 14	24.83
Balances held abroad	10.06	28.12	26 01	32.60	33.61
SCHEDULED BANKS					
Demand Liabilities	134.36	712.60 (17.45)†	711.53 (19 50)†	716 26 (20 90)†	717.25 (12.78)†
Time Liabilities	102.24	919.93 (22.93)†	918 39 (22 92)†	897.57 (25.51)†	721.37 (15.25)†
Borrowings from Reserve Bank	..	42.27 (5.53)‡	35.22 (4.60)‡	41.26 (3.21)‡	31.51 (26.12)‡
Borrowings from State Bank	..	12.74	13 36	8.98	9 32
Cash in India	6.70	42.33	40 58	41.48	38.93
Balances with Reserve Bank	25.17	70.11	66 66	69.19	66.66
Excess over statutory limits	15.52	16.08	12.71	15.43	16.38
Balances with other banks in current account in India	..	13.14	12.91	13.86	11.82
Money at call and short notice in India	..	34.33	36.80	35.62	37.87
Investments (at book value)	..	617.82	623 29	633.46	432.81
Advances and bills	105.9	946.44	938 11	905.03	923.22
STATE BANK					
Deposits	87.76	480.80	476.65	464.82	400 67
Investments	51.99	276 27	277 25	285.48	183.47
Advances	80.35	193.37	190 86	178.52	199.71
Cash	14 69	31.71	26 23	30.14	26.76

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3 50	6
Austria	17th Nov., 1955	4 50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	.. ..	3.50	3.61
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	5th Feb., 1959	4½	4¼
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4¼
Italy	7th June, 1958	4	3 50
Japan	Sept., 1958	7.67	7 30
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2¾
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	23rd Oct., 1958	2	2½
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 20th Feb., 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		487,84,66,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		6,71,33,000
Bills for Collection being Bills Receivable as per contra		2,38,55,000
Acceptances, Endorsements and Other Obligations per contra		1,11,89,000
Other Liabilities (including Inter-Office Adjustments)		1,52,20,000
Total .. Rs.		512,21,13,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		26,76,68,000
Balances with other Banks		2,39,47,000
Money at Call and Short Notice		2,13,33,000
INVESTMENTS:		
Government and other Trustee Securities	263,40,41,000	
Other Authorised Investments	11,50,88,000	274,91,29,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	180,03,48,000	
Bills Discounted and Purchased	13,40,83,000	193,44,31,000
Bills Receivable being Bills for Collection as per contra		2,38,55,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,11,89,000
Premises less Depreciation		1,22,41,000
Furniture and Fixtures less Depreciation		99,15,000
Other Assets (including Inter-Office Adjustments)		6,84,05,000
Total .. Rs.		512,21,13,000

Scheduled Banks*

Statement of Affairs for the week ended 13th Feb., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	17,44,65,000
(ii) Other demand liabilities	695,14,86,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	22,92,88,000
(ii) Other time liabilities	897,00,13,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	12,43,86,000
(ii) Time liabilities	30,00,000
Borrowings in India from the Reserve Bank of India‡	42,26,78,000 (5,52,51,000)
Cash in India	42,32,82,000
Balances with the Reserve Bank in India	70,11,38,000
Balances with other banks in current account in India	13,13,86,000
Money at call and short notice in India	34,33,46,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	617,31,95,000
Advances in India	811,56,85,000
Inland Bills purchased and discounted in India	98,65,35,000
Foreign Bills, purchased and discounted in India	36,22,10,000

* Provisional
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Per cent.	Rs.
25th November	3.00	5.50	3.00	2.442	99.385
6th to 29th Nov.*	0 50	—	0 50	2 376	99 406
2nd December	3 00	4.55	3 00	2 423	99 390
3rd to 6th Dec.*	0 65	—	0 65	2 356	99 411
9th December	3 00	3 95	3 00	2 420	99 390
16th December	3.00	3.60	3 00	2.445	99 385
1959					
6th January	3 00	3 05	3 00	2 460	99 385
13th January	2 00	2.05	2 00	2.470	99.380
20th January	2 00	2.05	2 00	2 490	99 375
27th January	2 00	2.05	2 00	2 500	99 375
3rd February	2.00	2.10	2 00	2 559	99 360
4th to 7th Feb.*	0 50	—	0 50	2 496	99 376
10th February	2 00	4.19	2 00	2 530	99 365
17th February	2 00	2.30	2.00	2 559	99 360
24th February	2.00	2.40	2.00	2.592	99.350
Total amount outstanding	30.65	..	30.65	..	..

* Intermediate Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 6th Feb., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	85,65 59,000
(b) Provincial Governments	50,70,000
(c) Banks	14,99,50,000
(d) Others	6,01,95,000
Bills Payable	18 53,000
Other Liabilities	12,56,35,000
Rupees	125,92,62,000

ASSETS	Rs.
Notes	8,13,41,000
Rupee Coin	58,000
Subsidiary Coin	35,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	3,36,000
Balances held outside Pakistan*	17,97,48,000
Loans and Advances to Governments	3,19,00,000
Provincial Governments' Debtor Balances	8,48,75 000
Other Loans and Advances	16,90,00,000
Investments	62,26,68,000
Other Assets	8,93,01,000
Rupees	125,92,62,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,13,41,000	
Notes in circulation	848,62,08,000	
Total Notes issued	....	856,75,49,000
Total Liabilities	....	856,75,49,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	117,53,32,000
B. Rupee Coin	4,22,30,000	
Government of Pakistan Securities	229,09,81,000	
Internal bills of exchange and other commercial paper	....	233,32,11,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	856,75,49,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.52 per cent.

EXCHANGE RATES

		24th February 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476.50	476 25
Buyers T.T.	Rs.	473.00	473 25
London on New York	$	2.81-2.81 3/50	2.81-2 80 87/100
London on Paris	Fcs.	13 7¾	13 76⅞
London on Berne	Sw. Fcs.	12.12¼-12 12½	12.11⅝-12 11⅞
New York on London	$	2.81-2.81 1/16	2.80 15/16-2.80 31/32

CLEARING HOUSE RETURNS

Centre	Week ended 13th February 1959: Number of Cheques	Amount Rs.	Week ended 6th February 1959: Number of Cheques	Amount Rs.
Bombay	349,609	83,55,04,000	341,326	80,13,45,000
Calcutta	157,000	52,55,00,000	195,000	70,21,00,000
Madras	96,693	11,53,33,712	97,272	11,77,34,444
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,60,00,000
Sept., "	..	..	3,537,000	8,03,69,00,000
Oct., "	..	..	3,922,000	7,96,89,00,000
Nov., "	..	..	3,528,600	7,73,01,00,000
Dec., "	..	..	4,035,000	8,87,34,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952 53 = 100)

Particulars	Weight	7th Feb., 1959	31st Jan., 1959	8th Feb., 1958	January 1959	January 1958	Percentage of Increase (+) or Decrease (—) in Jan., 1959 as compared with Jan., 1958	Annual Average 1958	Annual Average 1957
Food Articles	504	117 4	118 2	100 1	114 3	102 5	+11.5	112 0	106 8
Cereals	192	107.4	106 8	94 8	105 2	96 9	+ 8.5	104 7	101 7
Pulses	43	127 4	122 5 R	74 1	117 2	80 1	+46.2	94 0	84 5
Fruits and Vegetables	23	114.5	115 6 R	93 8	113 6	93 7	+21.1	111 9	116 8
Milk and Ghee	84	103 8	103 3	100 6	103 5	98 8	+ 4.7	106 2	103 8
Edible Oils	47	123.1	120 5 R	109.8	118 6	118 9	— 0 3	123 2	128 3
Fish, Eggs and Meat	17	108.4	108 6 R	98.3	109 2	99 3	+ 9.9	106 9	96 6
Sugar and *Gur*	48	131.2	129 6	108 0*	126 6	109 4	+15 7	122 8	104 6
Others	50	155 8	154 4 R	128 0	151 0	132 6	+13 8	145 7	132 0
Liquor and Tobacco	21	105 9	105 1 R	96 7	103 5	96 4	+ 7 3	93 7	91 8
Tobacco	—	104 9	105 2 R	95 2	102 4	94 9	+ 7 9	92 0	90 1
Fuel, Power, Light and Lubricants	30	115 2	114 9	114 3	114 8	113 6	+ 1 1	115 2	111 5
Industrial Raw Materials	155	116 9	116 2 R	110.4	114 1	113 6	+ 0 4	114 8	118 1
Fibres	61	108.7	108 5	112 2	106 8	115 1	— 7 2	109 4	119 8
Oilseeds	60	129 2	127 5	108.6	123 8	114 1	+ 8 5	123 6	122 4
Minerals	2	103.6	103 6	107.1*	106 6	107.1	— 0 5	106 9	108 6
Others	32	110 4*	110 2	110 7	110 3	110 2	+ 0 1	[illegible]	107 3
Manufacture	290	108 6	108 6 R	107 2	108 4	107 7	+ 0 6	108 2	108 0 R
Intermediate Products	41	110 5	110 4	105 5	110 5	106 7	+ 3 6	108 4	108 5 R
Finished Products	249	108 3	108 4	107 5	108 0	107 9	+ 0 1	108 0	107 8 R
Textiles	147	102 0	102 2	105.7	101 9	106 0	— 3.9	104.3	107 9
Cotton	—	110.8*	110 6*	115.4	110 4*	115 8	— 4.7	113 0	116 3
Jute	—	84.4	85 9	88.8	85 4	90 1	— 5.2	87 7	97 7
Woollen	—	105.9	105 9	103 0	105 9	103 0	+ 2 8	104 9	102 1
Silk and Rayon	—	91.5*	90 1*	90 1*	91 1*	86.7	+ 5 0	92.5	85 0
Metal Products	12	143.3	143 1	143 4	143 1	143 4	— 0 2	143.1	138 2 R
Chemicals	20	111.3	111 3	99 0	111 3	99.1	+12 3	104.0	97 6
Oil Cakes	10	149.7*	147 6 R	130.8	144 1	118 0	+22 1	128 6	114.7
Machinery and Transport Equipment	31	104.8	104 5	102.4	104 4	102 4	+ 1 9	103 2	101 2
Others	30	113.7	114 1	111.6	114 1	111 6	+ 2 2	113.2	107.7
All Commodities	1,000	114 5	113.7	104 1	112 3	106 0	+ 5.9	111 9	108.7

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

MARKET GOSSIP

(*Concluded from page* 303)

difficulty, a deal was concluded in July 1957 in England for the supply of a water gas plant of 1 million cubic feet capacity. In March 1958, the necessary import licence was procured. In June last, the plant was shipped from Britain. With the installation of the plant, the Company's capacity would increase by 20 per cent. to 6.7 million c.ft. per day.

Another interesting development is the West Bengal Government's decision to go ahead with the Durgapur coke oven plant, subject to the Union Government's sanction. Speaking on this subject in the West Bengal Assembly last week, Dr. B. C. Roy, Chief Minister, said that preliminary arrangements had been made with the Yugoslav Government to lay a pipeline under a rupee-contract system. Arrangements had also been finalised for the sale of almost all the by-products of the existing plant on a three-year contract basis.

The Oriental Gas Company Ltd. is a sterling company with an issued capital of £300,000 in fully paid stocks of £1 each, of which stocks of the face value of £293,829 are being held by the Calcutta Gas Company Ltd. which is controlled and managed by Messrs. Soorajmull Nagarmull (otherwise known as the House of Jalans). The same House controls the Bombay Gas Company also. It may be mentioned, in passing, that the Government of Bombay was not agreeable to the Bombay Municipal Corporation's desire to take this company and run it as a municipal undertaking.

The reserves and surplus of the Oriental Gas Company as on 30th June 1957 (the latest date for which figures are available) aggregated £320,022. Its total assets as on that date amounted to £1,037,073, of which the net fixed assets alone accounted for £427,383 (the gross value being £569,186). The net profit for the year ended 30th June 1957 was £28,588 (Rs. 3.81 lakhs), having declined from £59.009 (Rs. 7.87 lakhs) for the previous year. It paid a dividend of 15 per cent. (Rs. 2 per stock of £1 each) free of tax, same as for 1955-56. The Calcutta Gas Company's earnings are mainly from the dividend on its investment in the Oriental Gas and from the remuneration as managers of the subsidiary company. Its paid-up capital of Rs. 95 lakhs is made up of 30,000 5½ per cent. (taxable) cumulative preference shares of Rs. 100 each and 650,000 ordinary shares of Rs. 10 each. Besides, it has a 4 per cent. debenture loan of Rs. 30 lakhs secured by a specific charge on the Company's holding in the ordinary stock of the Oriental Gas Company. These holdings (unquoted), at cost, amount to Rs. 1.13 crore. The Company paid a dividend of 5 per cent. on the ordinary shares for the year ended 30th September 1957, as against 6 per cent. for the previous year. The Rs. 10 fully paid-up shares are now being nominally quoted at Rs. 6.50.

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A new factory to produce surgical requisites and other products, now nearing completion on a 24-acre site in Mulund, a distant suburb of Bombay, will be inaugurated on 28th March 1959. Set up by the famous American firm of Messrs. Johnson and Johnson in collaboration with Mr. K. M. Premchand, a leading business man and industrialist of India, the factory will manufacture a wide range of products covering sutures and surgical requisites, gynecic therapeutic products, baby and adult powders, baby creams and oils, prickly-heat powders, tooth brushes, orthopedic plaster of Paris bandages and pressure-sensitive tapes. The factory, it is claimed, ranks as one of the world's most modern, well-planned and completely hygienic factories.

The House of Johnson and Johnson needs no introduction, as their products are well known in India. They are the largest manufacturers of surgical dressings in the world, with associate companies operating 35 manufacturing plants all over the world. With the help of many years of research and the rich experience of Messrs. Johnson and Johnson, it can be confidently expected that the products manufactured by the new factory in Bombay will be of the highest quality.

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Sugar traders the world over are eagerly awaiting the measures that the International Sugar Council will take to impart stability to the sugar market which continues to rule depressed. A meeting of the Council commenced at London yesterday, that is, four days after the automatic reduction of 2½ per cent. (159,750 tons) in the aggregate basic export tonnages (6,400,000 tons) under the World Sugar Agreement came into effect. The automatic reduction followed, because the average market price of Cuban raw sugar at New York (f.o.b. Cuba) was less than 3.25 cents per lb., the minimum stipulated in the Agreement, for 17 consecutive market days and was actually below it on 12 of these days. As required by the Agreement, the Council has met within seven days after the enforcement of the 2½ per cent. cut.

Will the Sugar Council succeed in arriving at an agreement on a course of action or fail? This is certainly an interesting question. Any failure on the part of the Council to agree on the action to be taken, it may be noted here, will lead to a further automatic cut of 2½ per cent. in export quotas. Such a possibility is, however, ruled out by some sugar traders in London who feel that the Council may effect a drastic cut of 7½ per cent. in quotas now and a further cut later. A specific provision in the Agreement empowers the Council to lower the quotas to a minimum of 80 per cent. of their original size, if the price is below 3.15 cents for 17 consecutive market days or is actually below 3.15 cents for 12 days and averages below this level for 17 days. It is, of course, generally doubted whether the Council will, indeed, reduce the quotas that far. This view is based on the following grounds:

Even if the Council were to cut quotas to the minimum of 80 per cent., it would not succeed in raising prices very much, although it might stop them from falling still lower. This is because the Agreement provides for the quotas to be increased again, as the price passes the minima of 3.15 cents and 3.25 cents. Thus, the Agreement, in effect, establishes a price ceiling at one, or both, of these levels.

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Two notable decisions were announced by the International Tin Council at the end of its three-day meeting in London on Friday last. One, the total permissible export limit of the producing members for the three-month control period beginning on 1st April next was fixed higher at 23,000 tons, as against 20,000 tons for the current period, representing a rise of 15 per cent. Two, the authority previously granted to the Buffer Stock Manager to operate within the middle price range of the Tin Agreement, namely, £780 to £830 per ton, was extended until the end of June 1959. The Council's decision to fix enhanced quota for the ensuing quarter was a sequel to the need for arresting the sharp increase in tin prices lately. Cash tin (spot) on the London Metal Exchange had gone up to as high as £775 per ton before the Council's meeting, a rise of £27 as compared with the price prevailing at the end of last year and £45 over the support level of £730.

Despite the increase in tin export quotas, prices continue to rule firm. In fact, there has been a further rise. Spot tin has gone up by £5½ to £780½. Three months metal is now quoted at £763, as against £772 prevailing in late curb dealings immediately after the aforesaid decision was known. In India, too, tin has staged a rise, today's rate being Rs. 152 per quarter, as against Rs. 150 a week ago.

COMMODITY TAXATION AND ECONOMIC DEVELOPMENT

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made, the real income of the nation would be reduced by the cost of making the adjustment; if the adjustment were not made, resources would continue to be wasted in the production of undesired commodities. But, by the use of discriminatory commodity taxation, this problem could be easily tackled, without giving rise to the attendant evils of an income-tax, yielding the same revenue. This, incidentally, shows that the much discussed thesis of the "excess burden" of indirect taxation does not hold good in a developing economy.

All this perhaps brings into clear light the role of commodity taxes in the Soviet economy as an instrument of price policy. To quote Oxenfeldt: "For the most part, the Soviet Union relies on excise taxes, probably because they are highly selective as well as 'indirect' and 'hidden.' If they were to rely primarily upon income-taxes, Soviet planners probably would find that consumer preferences did not conform at all closely with production capabilities, so that big disparities between the supply and demand for individual products would continue to arise."[14]

The year 1868 in Japan not only marks the restoration of the Emperor's power, known as the Meiji restoration, but also an era of economic development. In 1873, a new land tax law was passed which replaced the feudal dues previously borne by the peasant with a money tax based on the assessed value of land. For 25 years, this tax provided the national Government with its chief source of revenue.[15] Until 1882, indeed, it furnished over 80 per cent. And, as is well known, land tax, being a tax *in rem* but not *in persona*, becomes highly regressive. "It was indirect taxes on consumer goods which largely financed the growing requirements of the national budget from 1880 to 1913."[16] They took two forms: (*a*) excise taxes on liquor, sugar, soy, textiles and a few other items, and (*b*) lucrative fiscal monopolies applied in 1898 and 1904 on the sale of two widely used products—tobacco and salt. In 1893, their share was 79 per cent; in 1903, 69 per cent; and in 1913, 63 per cent. All this shows that the common man had to pay through his nose to raise living standards in Japan. Hence Lockwood remarks: "Japan's pre-war fiscal system, like her distribution of wealth and income, was highly undemocratic, judged by the liberal standard of modern times. Yet, just as the well-to-do class contributed aggressively to capital formation, so it was led by a mixture of coercion and consent to provide increasingly for the revenue requirements of the State."[17]

To sum up, commodity taxes are useful, in the context of development, not merely as alternative sources of revenue consistent with maintenance of investment incentives, but also desirable as positive means for fighting inflation and to bring about an "optimum" allocation of resources. There might be one likely objection to such taxes on grounds of equity. But, it must be admitted, inflation and economic backwardness are no less inequitable. In a country like ours, where the income-tax payers constitute only a handful as compared with the total population, the common man has to take the bitter pill of heavier burdens, in order to attain a healthier economy. Progress and justice are costly luxuries, above all in terms of each other. That is why Dr. Gopal remarked: "Equity is of secondary importance in a developing economy, particularly when the major problem is economic growth. The trend of taxation towards equity would definitely retard the rate of growth in a mixed economy and sacrifice long-term benefits for short-term gains." The truth of this statement is amply illustrated by the fiscal history of the U.S.S.R. and Japan and it would not be surprising if history repeats itself in our country.—*All Rights Reserved.*

COMMERCE AND INDUSTRY

(*Concluded from page* 326)

international trade is such that we can hope just to hold the line; in the case of others we can expect an increase, but only of moderate amounts. The great structural weakness of our foreign trade is the large measure of dependence on a few traditional commodities for which demand is relatively inelastic. The urgent need is to diversify our exports. The rapid broadening of the industrial base is leading to an expansion of output of a whole range of manufactured products, including light engineering goods as well as consumer articles. It is in this context that the emphasis I have placed on cost and quality is of particular account, but dynamism in salesmanship, assisted by a vigilant and energetic commercial counsellor corps is no less important."

The stress laid by Mr. Iengar on the ethical standards of exporters was quite pertinent and very necessary, especially in view of the need for diversifying exports through manufactured goods. If the importer in foreign countries can be impressed that he can absolutely rely upon the word of Indian exporters regarding quality, price and delivery, half the battle on the export front will have been won.

Mr. Iengar was candid in his comments on some of the incentives offered by the Government to stimulate exports. He was particularly critical, as this journal has been, of the scheme under which exporters are given special quotas for import of scarce commodities. His views on this subject deserve to be recorded and as such we make no apology for quoting him *in extenso:*

"There is a tendency sometimes to advocate excessive recourse to expedients which may bring quick results from the short-term point of view but are likely in the long run to damage our prospects for exports. A feature of one of these short cuts which has been recently used in some countries is to enlarge artificially the profits of exporters in certain export lines by permitting them to import scarce commodities from abroad which can be sold on the domestic market at abnormal profits. In such schemes, the attention of the exporter is diverted from the need for improving his production technique and sales efficiency to profiteering in terms of permitted imports. From the long-term point of view, any country adopting these methods would not be able to build sound commercial relations or establish a stable trade pattern as they do not rely on increasing productive efficiency and innate competitive strength. They are liable on the contrary, to create a vicious spiral of rising costs and increasing recourse to special incentives.

"Where export capacity is, however, inhibited by shortages of imported raw material and equipment for modernisation and expansion, a link-up of export performance with authorisation to import for the special needs of the industry concerned furnishes a more justifiable basis for the Retention Quota System. Even under a limited system of that type, however, there is scope for malpractice and a distortion of the price structure. However, under suitable safeguards, the system may help in the short run in export promotion but it is essential to recognise that the expedient is a purely temporary measure and that emphasis must continuously remain on promoting healthy and durable growth in the framework of an efficient and competitive cost structure."

As expedients of the type mentioned above are ultimately bound to affect the exchange value of the rupee abroad, Mr. Iengar was perfectly right in frowning on them, in cautioning the Government against the dangers involved and in reminding the beneficiaries of these short-cut techniques of their responsibility to the country. In fact, we would go a step further and suggest that the Government should straightaway withdraw this scheme of dubious value. It must be remembered that the bulk of the foreign exchange which exporters are allowed to retain is being utilised for importing stores and raw materials and not for plant and machinery. Accordingly, it does not have even the saving grace to which Mr. Iengar referred, namely, that it might help the industry to improve its competitive efficiency. What is even more disturbing about this scheme is that it tends to hide the basic defects in the export industries and also in the Government's policy towards them.

COMMERCE

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

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BUDGET WITH ONE REDEEMING FEATURE

IN the budget of a Government, be it State or Central, the revenue proposals, more especially taxation proposals, receive greater attention than all other aspects. It is to the taxation aspect of the Union budget for 1959-60, therefore, that we propose to confine ourselves in this article. Viewed from this angle, the budget evokes mixed reactions. It deserves neither wholesale condemnation nor unqualified compliments. It is in consonance with the socialist pattern of society one hundred per cent.; indeed, it marks the first step towards the establishment of Mr. Nehru's concept of "full socialism" envisaged in the Nagpur resolution. It has given away nothing; on the contrary, it fully reflects the Government's recent policy of taking back more than what is given. But, at the same time, it contains, as we shall presently show, a major concession, albeit in principle. Mr. Morarji Desai has been clever and original, though not necessarily wise. He has done the "camel trick," for it is apparent that the private sector has heaved a sigh of relief. The budget, after all, is not as bad as was feared in recent months.

In his concluding remarks after announcing the tax proposals, Mr. Desai made this striking observation: "The annual budget is now something more than a simple account of Government's house-keeping. Each budget marks a stage in the country's continuous development and has to be judged by the contribution it makes to this development. In a sense, therefore, the stage that has been reached in the implementation of the Plan conditions this budget. ... We have to go forward with the Plan. ... This has been the major factor round which the budget has to be built. In doing so, I have kept continuously in mind the main considerations necessary for the successful implementation of the Plan." These, according to him, are "the maximum mobilisation of resources by taxation and borrowing, firm control over the growth of non-development expenditure and minimum recourse to borrowing from the Central bank for the finance required for development." Taken by themselves, these considerations are unobjectionable, but they must be viewed against the background of what has already been done in this direction, in order to judge to what extent and in what proportion they should be observed in the successive years of the Plan.

It is common knowledge that the resources raised through additional taxation is already twice as much as the target in the original second Plan which was bigger than its revised edition. It is, therefore, difficult to appreciate the Finance Minister's contention that something more has to be found through taxation. His Ministry has enough data to convince him, if he keeps an open mind, that the pace of economic growth has slowed down and that this is due not a little to excessive taxation on initiative, enterprise, efficiency and savings. There is no trace of recognition of this fundamental point in the budget, except in a small way. That the size of even the revised second Plan is far beyond the resources that can be raised without detriment to the economic stability of the country is evident from the fact that, notwithstanding a welcome reduction in defence expenditure, the overall deficit at the existing levels of taxation is as large as Rs. 245 crores, as against the budget estimate of Rs. 200 crores and revised estimate of Rs. 255 crores for the current year. Unfortunately, the Government has found it less easy to levy taxes after taxes than to keep down the non-Plan expenditure. The determination to economise and avoid waste is seen more on paper than in action.

Despite the heavy taxation that has been imposed year after year ever since the first Plan began, the Finance Minister could not resist the temptation to impose further burdens in the name of the Plan. For the coming year, he has chosen to raise additional taxation by Rs. 23.35 crores, a sum which is equivalent to 28.5 per cent. of the estimated revenue deficit and which will increase the resources raised through additional taxation during the second Plan period to Rs. 950 crores, that is, Rs. 500 crores more than the target. And, yet, there are still critics in this country who say that enough has not been done in the sphere of taxation. It gives at least some satisfaction, negative though, to hear from Mr. Morarji Desai that he regards the quantum of additional taxation imposed by him as "substantial." It is to be fervently hoped that he does not have in mind still further taxation when he says that it is his "intention to see how far the deficit could be reduced by appropriate measures during the course of the year."

For our comment on new taxation measures, we would like to take first direct taxation. The object of Mr. Morarji Desai's predecessor, Mr. T. T. Krishnamachari, was to introduce an integrated system of taxation. Mr. Desai has taken simplification of the tax system as his objective, without surrendering any revenue. This objective has undoubtedly more merits than many are prepared to concede on first thoughts. His proposal to abolish the wealth tax on companies and the excess dividends tax is a courageous step for a Minister of a Socialist Government to take. These are pernicious taxes. Even Prof. Kaldor, who gave the idea of an integrated tax system to this country, was against them, though, of late, he seems to have developed some fondness for wealth tax on companies. T. T. K. himself could give no convincing justification for wealth tax on companies, apart from saying that it was warranted because of the peculiar conditions prevailing in this country. Almost everyone who had studied the Indian tax system dispassionately was of the view that wealth tax on companies was a retrograde step and amounted to an annual expropriatory levy on savings put to productive use. It is a bad tax, both in principle and practice, and so is the excess dividends tax.

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Mr. Morarji Desai deserves to be congratulated on his decision to give them up.

It is true that, for this concession in principle, Mr. Desai has taken a heavy price from the corporate sector by abolishing the system of "grossing" dividends, details of which are recorded elsewhere in this issue. Some companies and their shareholders may gain a little by his move to simplify the corporate tax system, while many may actually suffer a slight disadvantage. But the price is worth paying and is not too much having regard to the endless mischief the two taxes are capable of. Their continuation would do more harm to joint-stock companies, especially to those which are of a growing nature, than the abolition of the system of "grossing" dividends, a system which has become more and more complicated, very expensive and time-consuming. The whole arrangement boils down to surrendering a privilege which shareholders of companies have been enjoying all these years in order to get rid of two of the reprehensible taxes. It is, therefore, not a bad bargain, assuming, of course, that the Government does not raise the combined rate of income-tax and corporation tax from the proposed readjusted level of 45 per cent., even at which level several companies seem to stand to lose a little.

There are three other proposals in the budget pertaining to corporate taxation. First, the system of compulsory deposit of reserves which was suspended last year is to be removed from the Statute Book. This is a step in the right direction, as there is no need for this control, what with the continuance of the compulsion on companies to earmark specifically to a special reserve the benefit of development rebate. Secondly, the abolition of the concession in the form of double depreciation from the next financial year is premature, because of the continued high cost of plant and machinery and the need for renewals, replacements and extension of capital equipment. The Exchequer does not lose much as a result of this concession, as it is only in the form of a loan to industry, but it is of considerable value to companies, because of shortage of capital in the money market. And, thirdly, the decision to subject to bonus tax capitalisation of share premium accounts in the same way as is done in the case of capitalisation of reserves is unjustifiable and contrary to the Government's view on this subject all along. Hitherto, the Government has recognised the fact that share premium represented capital, pure and simple. Now, what has made the Government to change its view? The Finance Minister has given no reasons, apart from the bare statement of his intention. To tax capitalisation of reserves is to indulge in double taxation, because the reserves are out of taxed profits. It becomes downright expropriation when the tax on it is as high as 30 per cent. Whereas the need of the hour is abolition of this nefarious tax, the Finance Minister actually gives a slap in the face by saying that he would take 30 per cent. of the share premium also, if that premium were to be transferred to the capital account. Apparently, he wants to deny the companies the full benefit of the abolition of excess dividends tax. Whatever may be his intentions, he has killed all chances of well-established companies issuing new shares at a premium, a practice which was not without any meaning. It must, however, be said to the credit of Mr. Morarji Desai that, unlike Mr. T. T. Krishnamachari who raised the tax on bonus shares from 12½ per cent. to 30 per cent. in the middle of an accounting year and thereby gave it retrospective effect, he has been fair enough to announce his decision in advance and say that it would be effective from the assessment year 1960-61. This has saved companies which capitalised

their share premium account in the current accounting year. These include such large companies as the Tata Iron and Steel and the Indian Iron and Steel Companies.

It is when one comes to the changes made in personal taxation that one sees the march towards full socialism gathering momentum. It is true that the Finance Minister has made no change in income-tax and super-tax payable by individuals, but he has stepped up the tax on wealth and drastically reduced the concessions given under the Expenditure Tax Act. The combined effect of these measures is a further attack on wealth, a relentless drive towards the elimination of rich people and a device to win the goodwill of the have-nots. In raising the wealth tax by a straight half per cent. in each slab, Mr. Morarji Desai has been unduly harsh on smaller rich people, the cream of the intelligentsia which makes an immense contribution to the economic, social and political progress of the country. Whereas the increase in the top slab for wealth tax is only 33 1/3 per cent., it is as much as 100 per cent. in the bottom slab and 50 per cent. in the middle slab. Such a steep progression in the first two slabs is not in keeping even with the socialism of the Government. Equity demands a downward revision of the increase in the first two slabs. The right thing to do would, of course, be to abolish both the wealth and expenditure taxes.

While the Finance Minister is right in relying on excises and customs for the major portion of the additional taxation he wished to collect, he has not been judicious in choosing the commodities. As a member of the Rajya Sabha aptly remarked, he has hit road transport below the belt by raising the taxes on diesel oil and motor car tyres. Road transport in India is the most heavily taxed service in the whole world. To make this service costlier still is to add to the handicaps of Indian goods and services and make the cost structure even more rigid. This will also be the effect of increases in the excises on vegetable oils. The Finance Minister ought to have searched for new sources for excises which would not add to the cost of living to any significant extent. Salt is one of them. There is no sense in leaving out salt and taxing to the hilt cloth, sugar, vegetable oils, transport, etc., which are also essentials of life. A duty on salt will bring not less than Rs. 20 crores per annum and yet the incidence of it on the masses will be negligible. The only new commodity to be brought under excise is *khandsari* sugar and there is ample justification for doing so.

ECONOMIC PLANNING

ALTHOUGH the Government is not yet committed to any particular size for the third Five-year Plan, it is known that the authorities are beginning to have their first thoughts on the subject. President Dr. Rajendra Prasad has himself invited all shades of opinion, inside and outside Parliament, to make a "constructive, even if critical" contribution in ideas and approach to the third Plan. From this point of view, the suggestions made by Mr. J. D. K. Brown, President of the Bengal Chamber of Commerce and Industry, at the annual meeting of the Chamber held at Calcutta last week, deserve notice. Mr. Brown rightly pointed out that the lesson to be gained from the working of the second Plan—he recognised that its achievements were "tremendous," and should not be overlooked simply because they did not yet match the needs of the nation—was that the third Plan must be flexible.

Since the difficulties in implementing the second Plan have arisen mainly from the paucity of resources, Mr. Brown rightly insisted that the problem of resources should receive adequate consideration in framing the third Plan. He went on to point out how the physical resources for the third Plan would "depend at least to a marginal extent on the price level and governing all will be the level of agricultural production." He felt it was a "counsel of perfection to suggest that the Plan should contain some built-in adjustment processes which will ensure that necessary modifications are made in good time." But a continuous awareness of the resources position, as Mr. Brown said, would guarantee that the "necessity for periodical modification was fully realised and that adjustments, when they came to be made, would not give rise to such painful reappraisals as have faced the planning authorities during the past year." In other words, the acceptance of the necessity of flexibility in the Plan will enable the authorities to make precisely such adjustments in the Plan as will ensure its successful completion without the confusion of methods and aims, not to mention waste of resources.

It must, however, be clear that no economic plan which does not take fully into account its foreign exchange requirements can be implemented in its entirety. This is yet another important lesson which the second Plan has taught the country. To leap forward in the economic sphere without a steady look at the foreign exchange gap is to court innumerable hardships in the shape of costly revisions of the Plan, abrupt termination of projects and uncertain pace of their implementation. Foreign exchange is unfortunately not so neatly amenable to planning, what with the swift and unpredictable changes in the world economic climate which determines what, and how much, a particular country can sell. If the third Plan is not to flounder on foreign exchange rocks, there is a great deal of hard thinking to be done, preferably in collaboration with friends abroad, for this country cannot expect other nations to respond once again to its call for rescue from any difficult situation, similar to the one it has passed through.

Be that as it may, Mr. Brown's suggestion for funding India's foreign debt deserves the attention of the authorities. He said: "Looking ahead, we see on the one hand that foreign exchange commitments over the next ten years, considered in relation to the likely balance of payments, are distressingly high. On the other hand, the total external debt of the country is, in terms of today's values and having regard to the natural resources we command, a very moderate figure indeed." All this, according to Mr. Brown, points to the "necessity of making arrangements with our creditors abroad for the funding of our foreign debt on a longer-term basis." This, he recognised, was no simple matter, inasmuch as India's foreign exchange liabilities consisted of a variety of obligations. He added: "I believe, however, that we have shown in India what can be done and to that extent have justified in a large measure the assistance—'support' may be a better word—we have received. It is in these circumstances that I consider that India is justified in seeking foreign resources on a longer-term basis than has proved possible till now." Since India's critical foreign exchange position can be traced to imports of capital goods, not all of which can be financed by any country out of its current exchange earnings, a negotiated settlement on the lines suggested by Mr. Brown would certainly ease the difficult situation arising out of the need to compress into a few years the progress which the industrially advanced countries have taken several decades to achieve.

ECONOMIC SURVEY

GOVERNMENT publications have their value and their limitations. They are nearly always bound to be informative, considering that the Government has access to records and data not always available to the public. At the same time, they may often fail to conform to strictest standards of objectivity, because of a certain unconscious desire to vindicate Governmental policies. *The Economic Survey*, published this week by the Government of India along with other Budget papers, however, maintains a high level of objective evaluation of current economic trends. Despite its official origin, the *Survey* is commendably free from any tendency to gloss over difficult and inconvenient facts. Further, when it comes to providing a corrective to economic maladjustments, its emphasis has fallen on the right objectives.

The *Survey* notes that the sharp decline in agricultural production and a slowing down of the pace of industrial production accentuated the pressure on prices during 1958-59. The index number of wholesale prices (Base: 1952-53=100) has risen from 106.6 in the first week of April 1958 to 114.0 in the second week of February 1959. The rise in food prices has been particularly marked. The index of food articles, which stood at 103.9 in April last, has risen to 116.8. Reflecting this increase, the cost of living index has moved up from 110 in March 1958 to 119 in December 1958. Over the three years since the second Plan commenced, the rise in prices has been of the order of 15 per cent. and that in cost of living nearly 11 per cent. The *Survey* points out that, while the "economic trends in the first two years of the Plan were indicative of a growing imbalance in the economy arising mainly out of the step-up in investment activity in pursuance of the Plan, the signs now are of a lessening in this imbalance."

Nevertheless, the *Survey* rightly emphasises the importance of price stability. Thus, it says: "Although it must be recognised that some rise in prices is inevitable in a developing country and the rise that has occurred is in part due to special factors such as the shortfall in agricultural production in 1957-58, relative price stability is vital for orderly development." Appropriately enough, it observes that the answer to the problem of maintenance of prices lies in a "substantial increase in production, especially food production." Both the diagnosis and the prescription are unimpeachable. It must be remembered that production of foodgrains in 1957-58 fell to 62 million tons from 68.7 million tons in 1956-57. This, together with the increase in Governmental expenditure, has served to exercise a great upward pressure on food prices. Nor can it be overlooked that the present rate of growth of population itself adds one million tons per year to the demand for foodgrains in the country. This factor alone is sufficient to show how a steady increase in agricultural production is vital to the maintenance of price level. If allowance is made for this factor, it will be seen that even a production of 70 million tons in 1958-59, as is now estimated, does not leave a sufficient margin between demand and supply to exercise a downward pressure on prices. On the contrary, prices will continue to seek higher levels, if the Government effectively implements its programme for building up a reserve stock of 3 million tons out of current production, for that will seriously affect the marketable surplus.

Analysing the trend of industrial production, the *Survey* records that it has slowed down since 1957. Whereas the index (1951=100) rose from 122.4 in 1955 to 132.6 in 1956 or by 8 per cent., it went up to 137.3 in 1957 or a rise of only 3.5 per cent. In October 1958, it was only 141.2, at which level industrial production reflected a rise of only about 4 per cent. over the 1957 level. The slow rate of increase in industrial production, indicated by the movement of the index number, is attributed to the fall in the output of cloth and yarn. Many industries, however, made notable headway in 1958. They included coal, electricity, diesel engines, electric motors, machine tools, sulphuric acid, bicycles and sewing machines. In the case of some other industries such as automobiles, power transformers, electric lamps, cloth, *vanaspati* and sugar, production fell in 1958. This decline is largely due either to the restrictions on imports of equipment and stores which were imposed or to a "slackening of consumer demand for these commodities." Perhaps, the *Survey* would have done well to examine how the demand for even essential consumer goods came to suffer a setback in a developing economy which should normally indicate a pressure on such goods. An impartial survey of this aspect of India's industrial economy will reveal the deleterious impact of the fiscal burden on industries which, together with a sharp rise in the cost of food, high wages and relatively low productivity, has made Indian industry a high cost one, thereby inhibiting the demand for its products. In other words, this situation is the result of excessive taxation accelerating the vicious circle generated by inflation and fall in food production.

The impact of economic development on imports is illustrated by the increase in imports of capital goods which accounted for Rs. 366.0 crores in 1957-58 and for Rs. 197.8 crores in the first half of 1958-59, as against Rs. 329.2 crores and Rs. 219 crores in 1956-57 and 1955-56, respectively. A notable trend in India's imports is the declining importance of private imports of capital goods. During the years 1955-56, 1956-57, 1957-58 and the first half of 1958-59, private imports of capital goods were Rs. 153.4 crores, Rs. 211.0 crores, Rs. 204.9 crores and Rs. 74.1 crores, respectively, and imports of capital goods on Government account were Rs. 66.4 crores, Rs. 118.2 crores, Rs. 161.1 crores and Rs. 123.7 crores, respectively. This trend reflects the emphasis on State participation in industrial production. The *Survey* draws attention to the fact that "the rise in aggregate investment in the year that is about to close will have been relatively small; while public investment is expected to be more than in the previous year, private investment will probably have been lower." This is, perhaps, the beginning of the trend towards socialist economy in which the public sector, according to the Party in power, has to outgrow the private sector. The same trend is indicated by data relating to the profits of several industries, consents for capital issues and the licences granted for new units and for substantial expansions. All of them show a slackening of investment in the private sector.

OUTLOOK FOR EQUITIES

COMMODITY MARKETS FIRM AGAIN

THURSDAY, 5 P.M.

AFTER moving in an erratic fashion, equities in the share market have regained their poise and the majority of them have recorded modest gains over the levels prevailing before the budget. In fact, some of the scrips, such as Belapurs, Bombay Burmahs, Telcos, Premier Constructions, National Rayons, and Centurys, to mention a few, have registered substantial gains. Late on the budget night and on Monday, the markets displayed a sense of disappointment, with prices dropping appreciably from the high levels seen in the first two hours after the taxation proposals were announced in Parliament. But this was due to a misunderstanding about the implications of the proposed new method of corporate taxation.

MARKET GOSSIP

The initial post-budget rise, which was of a sizable nature, was the result of clumsy dissemination of the new tax proposals from New Delhi by the leading news agency which is the main source of information to the market. It is true that almost every broker's office had a radio set on the budget day, but the A.I.R.'s broadcast was hardly audible, as it was drowned by the din in the trading ring and the excited voices of operators in the brokers' offices.

The first few flashes of the news agency were about the changes in excise and customs duties. Then came a flash which said that the wealth tax on all slabs had been raised by ¼ per cent. It did not specify that this applied only to individuals. The abolition of wealth tax on companies and excess dividends tax came after some time. Another flash referred to the reduction in income-tax and super-tax on companies. The very same flash, of course, did mention that the Finance Minister expected no fall in the tax revenue from corporate taxation. But it contained no reference to the proposed abolition of "grossing" of dividends. Although some wondered as to how the tax revenue from the corporate sector would be the same even after the aforesaid concessions, many took it for granted that the Finance Minister was probably expecting an increase in economic activity. That there were no changes in the rates and structure of personal taxation was contained in another flash that soon followed.

The net effect of all these flashes was bullish. The bears rushed to cover and the bulls were on the offensive. And the post-budget trading session finished with prices of most of the scrips remaining at about the highest levels touched at that session. The message about the abolition of "grossing" of dividends, the main cause of disappointment to the market, reached the brokers' offices only long after the market had closed. It would appear that a few operators had come to know of this a little earlier and that they exploited the situation to their advantage.

If only the news about the abolition of "grossing" of dividends had reached the market in time along with other tax proposals, the reaction of the market during the post-budget session would not have been strongly bullish; nor would there have been the heavy fall that was witnessed subsequently. These erratic fluctuations did not help create the calm atmosphere necessary for a proper understanding of a somewhat complicated tax proposal. Quite a lot of people jumped to the conclusion that, because equities had slumped after staging a handsome rise, the abolition of the "grossing" scheme was a distinctly adverse development to investors.

The new scheme of company taxation, the central point of which is the "grossing" of dividends, is somewhat technical and requires the help of tax specialists for its understanding. It would have been an excellent arrangement, if the Central Board of Revenue had circulated, along with the explanatory memorandum elucidating the provisions in the Finance Bill, a note describing how the new scheme would work in actual practice and giving a few illustrations. Such a note would have received wide publicity in the daily Press and thereby gone a long way towards a better appreciation of the Finance Minister's proposal. It must, however, be acknowledged that, yesterday, the C.B.R. acted quickly, though in an unofficial manner, in countering what it considered were not correct interpretations of the effects of the new scheme. Thanks to this unofficial clarification, second thoughts on the scheme are somewhat cheerful, as is evident from the smart recovery in prices.

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The contention of official spokesmen that shareholders of companies will not be adversely affected as a result of the proposed new scheme of company taxation has not carried conviction to some in the share market. This is not surprising, because, in order to ensure that a shareholder gets the same net dividend as under the existing system, companies will have to step up the rate of dividend by 40 to 46 per cent. On the face of it, this sounds fantastic and creates a disbelief among certain investors. They are inclined to think that not many companies will raise the dividend rate by such a high percentage.

It is hard to say whether the reliefs given to companies through a reduction in income-tax, super-tax, and abandonment of wealth tax and excess dividends tax will fully offset the disadvantage of giving up "grossing." Elsewhere in this issue, there is an article in which a Chartered Accountant has examined the position. He comes to the conclusion that, generally speaking, most companies will not be able to maintain the net dividend, unless they reduce the allocations to reserves. He feels that the companies will be out of pocket to some extent and, therefore, recommends that the rate of income-tax on companies should be brought down further, from 20 to 18 per cent. This conclusion is based on the average of figures for over 1,000 companies worked out by the Reserve Bank. It may be defective to the extent that average figures do not indicate the exact position of each company. So, it is possible that, while the new system may be a little advantageous to some companies, it may be disadvantageous to others. The position of each company has to be studied individually before one can say how the new system will affect its dividend distribution.

It must, however, be borne in mind that the position of well-managed companies will not be static. Most of them will keep on growing, especially in a developing economy like that of India. They will, therefore, be able to overcome whatever disadvantage there is in the new scheme in a few years. There is no doubt that, in the long run, the shareholders will lose more if the existing system of taxation is continued, for the incidence of wealth tax and excess dividends tax on companies will go on increasing as the companies grow.

It is true that dividends depend, to a considerable extent, on the managements of companies. Some are ultra-conservative, many are moderately conservative, while only a few are liberal. There is a fear that some managements may not pay higher dividends, as a deliberate move to minimise their individual wealth tax liability, the argument here being that bigger dividends enhance the market value of their shareholdings and attract more wealth tax. While thus shareholders think that they will be placed at the mercy of managements to a greater extent than hitherto, there is also the other side of the coin. The managements are afraid that, as a result of the new scheme, they will be under increasing pressure from shareholders to declare higher and higher dividends and that, if they yield to it, the workers, who will look at only the level of gross, and not the net, dividend, will also demand more.

Generally speaking, however, the managements are more powerful than shareholders. The latter will have to agitate hard, if they are to succeed in getting a higher dividend. It may be noted that, under the Company Law, the shareholders have no right to move a resolution seeking to raise the dividend proposed by the directors; they can do so only to reduce the dividend. But the shareholders *versus* managements is not a new issue.

By and large, investors are not worse off than what they were before the budget. It is true that the increase in wealth tax on individuals may lead to some disinvestment, but, as against this, there are several other factors that will tend to keep up the buoyancy of equities. There is the continuous inflationary pressure and the budget for 1959-60 promises another large dose of deficit financing. The proposed abolition of wealth tax and excess dividends tax has increased the value of equities as a hedge against inflation. Secondly, interest rates are gradually going down. Thirdly, the L.I.C. is a steady buyer of equities along with other investments. And, fourthly, the supply of good equities—blue chips as they are called—is not keeping pace with the demand for them, in view of the restricted scope for the private sector in trade and industry and the capital gains tax. All this, however, does not mean that there are no uncertainties at all to contend with. One can list any number of them. One has only to recall the Nagpur resolution of the Congress Party to get frightened of the future. There will be, in the not distant future, General Election jitters.

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The principal commodity markets, after their recent fall, are currently witnessing a recovery. This is most marked in cotton and oilseeds which have risen to their end-January levels, while, in foodgrains, it is less pronounced. Cotton, which suffered a sharp setback towards the close of last month, has firmed up after the turn of the month and has been ruling fairly firm since then. Budget uncertainties having been cleared, the market attracted fresh mill buying and investment support. Although the expectation that the export duty on cotton would be abolished has failed to materialise, the trade could console itself that no duty on imports of cotton is proposed, as was feared in some quarters. A slackening of new crop arrivals in the ready and upcountry markets and the consequent hardening of spot prices strengthened the hands of the bulls. The progressively declining crop estimate, higher mill consumption in January, as compared with that in the same month last season, and the prospect of higher consumption in the coming months were other helpful factors. Sentiment was also favourably affected by the small volume of tenders issued against the March contract on the first and second notice days, only 500 bales and 50 bales, respectively. I.C.C. Moglai Jarilla March, after having declined from Rs. 668.50 on 31st January to Rs. 653 on the 26th inst., has been slowly moving up to quote at Rs. 665 today.

Oilseeds have recovered from the impact of the stringent measures clamped down by the Forward Markets Commission to curb the rise in prices. The strength of the market seems to be a reflection of normal market forces exerting their influence on the price trend. Paucity of stocks and good demand from crushers and manufacturers, coupled with export inquiries, have induced an upward trend in prices. The market has apparently overlooked the enhancement of excise duty on vegetable products and the abolition of the exemption limit for power-driven units from the payment of excise duty on non-essential oils. *Vanaspati* manufacturers seem to feel that they can shift a part of the incidence of the increased duty on to consumers. The withdrawal of exemption from all power-driven units will have the effect of improving the competitive position of big crushers who have not been enjoying the benefit of exemption. These factors account for the rise in oilseeds prices. Groundnut (May) contract is currently quoted at Rs. 181.37, Castorseed (May) at Rs. 156.25, Linseed (May) at Rs. 32.50 and Cottonseed (May) at Rs. 125.25, as compared with Rs. 178.00, Rs. 155.00, Rs. 32.25 and Rs. 121.25 a week ago, and Rs. 180.37, Rs. 154.25, Rs. 32.75 and Rs. 127.00, respectively, on 31st January last.

The upward trend in foodgrains prices, as noted above, though less marked, is nevertheless perceptible. Slackening of arrivals and seasonal demand would appear to be responsible for pushing up the prices. The prospect of a good crop looms large over the market and is restraining a sharp rise in prices. Wheat at Hapur showed some improvement this week, thanks to shortage of stocks. From Rs. 23.50 last week-end, it has edged higher to Rs. 24.50. This compares with the quotation of Rs. 27 on 31st January. Gram also has made modest gains over the week, though it is still below the level ruling at the end of January. From Rs. 20 last week-end, it improved to Rs. 21.25 yesterday. Rice has followed a steady trend. The latest quotation for rice (*basmati*) is Rs. 33, the same as it was last week-end and a month ago. Barley, in contrast, has shown a steadily declining trend and is currently quoted at Rs. 14.50, as compared with Rs. 15.25 last week-end and Rs. 17.50 a month ago.

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The reasons for Mr. J. D. K. Brown, President of the Bengal Chamber of Commerce and Industry, choosing for special comments tea, jute and coal industries in his address to the annual meeting of the Chamber held at Calcutta last Friday, are quite obvious. The tea and jute industries are two vital earners of foreign exchange, while the coal industry is the main source of power "on which increased industrialisation under the second and subsequent Five-year Plans must rest." Despite such important role played by these industries in India's economy, the conditions actually obtaining in them continue to be not very encouraging. The problems confronting the three industries and the solutions for their ills were impressively stated by Mr. Brown and deserve to be recorded in these columns for the benefit of the investing public.

Alluding to the coal industry, Mr. Brown referred to the issue of prices and pointed out that, since 1947, all increases in coal prices, with one minor exception, had been to help meet the rise in labour costs only and no account had been taken of the steadily increasing costs in respect of plant and equipment, stores, overheads and the additional equipment required under the new Coal Mines Regulations. Anyone who cares to analyse the balance-sheets of coal companies will fully appreciate the force of this contention. It is common knowledge that the exploitation of coal mines scientifically and economically entail a sizable outlay which cannot be raised without the coal industry being allowed to plough back profits. There is no exaggeration whatever in the statement of Mr. Brown that, unless an adequate margin of profit is allowed by the Government in the selling prices of coal, "there can be little expansion and production must eventually fall." In this connection, the following quotation from Mr. Brown's speech is pertinent:

"I am afraid that, at this stage, an approach based on expediency and recognising only immediate requirements will result in such dearer coal in the future, if the industry is not provided with the necessary finances to enable it to increase production, mechanise and follow sound mining practices. It is because this policy was not followed in the past that the National Coal Board in the United Kingdom has today to spend vast sums of money to modernise its pits to maintain an output little different from that of thirty years ago. Such a position can be avoided in India, if coal prices are now fixed at levels which permit of a reasonable return on the capital invested with a margin for development."

It is to be hoped that, in its report just submitted to the Government of India, the Coal Prices Revision Committee (set up in 1957) has recommended the adoption of a price structure which would not only allow present production to be maintained but also permit a progressive expansion in the future in order to meet the growing needs of industry.

As regards the tea industry, Mr. Brown expressed the hope that the Union Finance Minister had a pleasant surprise up his sleeve for the industry, namely, relief in taxation. Happily, this hope has proved correct. The Finance Minister has reduced the export duty on tea from 26 nP per lb. to 24 nP and readjusted the rates of excise duty so as to benefit growers of tea in certain high altitude areas of Darjeeling and Nilgiris. The changes are expected to result in a reduction of Rs. 93 lakhs in the yield from export duty and an additional revenue of Rs. 58 lakhs under Union excise, so that the net benefit to the industry is put at Rs. 35 lakhs. The cut in export duty on tea, though welcome, is, however, not adequate enough to bring about a perceptible improvement in sales of Indian tea abroad. This is so for two reasons One, competition in the world tea trade is becoming keener and keener, especially from East Africa. Two, many importing countries have imposed duties on Indian tea. If our exports are to be expanded

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EQUITIES BULLISH

MIXED REACTIONS TO BUDGET

(From Our Own Correspondents)

BOMBAY, *5th March*

AFTER remaining steady in the pre-Budget session on Saturday last on expectations of a favourable budget, equities flared up in the special Budget session held on that day, reflecting the market's initial enthusiasm to Mr. Morarji Desai's budget proposals as they were being flashed. There was some nervousness at the commencement of the session, on reports of a large revenue deficit, but this proved short-lived, as there was no fresh direct taxation to cover up the deficit and equities, therefore, reacted bullishly with an all-round jump in prices. The abolition of the wealth tax on companies and excess dividend tax (albeit with effect from 1960-61) was also welcomed. The implications of the simplification of company taxation, under which companies would have to pay a flat rate of 45 per cent. and deduct tax at source on the amount of dividend to be distributed at the prescribed rate of 30 per cent., and the abolition of the system of grossing up dividends were not at first understood by the market. There was, therefore, no bearish reaction in the Budget session to this part of the proposals.

On second thoughts, the new scheme of company taxation induced heavy selling on Monday, as it was feared that the return to the shareholders would be seriously affected and as such it would impede capital formation. There was a sizable setback in equity values on Monday and early on Tuesday and, in many leading counters, the entire gain scored during the Budget session was wiped out. Subsequently, however, a recovery set in and equities gained strength on a fresh interpretation of the new scheme. It was thought that the substantial saving in wealth tax and excess dividend tax could be passed on by companies to shareholders in the form of higher dividends to make good the loss in the return to the shareholders and that many companies, particularly those which have good growth prospects, would be in a position to do so. It is, however, argued by some that the growth prospects and possibility of higher dividends were always there and but for the new scheme the return to the shareholders would have been much higher even at the existing level of corporate taxes. The market, on the whole, did not seem to view the new proposal in this light. The explanation given by a spokesman of the Finance Ministry that the shareholder would benefit from the procedural simplifications introduced in the system of company taxation would also appear to have helped sentiment. There were also hopes that the new tax proposal would be modified before the Finance Bill was passed. The firm trend, which began on Tuesday, was, therefore, well maintained during the rest of the week, though the peak levels touched in the Budget session were not fully regained as opinion was still divided on the effect of the scheme.

Tata Ordinaries touched a peak of Rs. 183 in the Budget session as against the closing of Rs. 172.50 on Thursday last week. After reacting to Rs. 172.50 on Tuesday, the shares picked up to Rs. 178.50 today. On profit-taking at this level, the shares softened to Rs. 176.75 at the close. The new shares gained on balance Rs. 4 to Rs. 175. Indian Irons advanced from Rs. 26.20 to Rs. 28.20 in the Budget session before declining to Rs. 26.40 on Monday. On Tuesday, they were listed *ex*-right at Rs. 22.36, from which level they rose to close today at Rs. 22.56 *ex*-right.

The absence of any further reduction in excise duty on cloth did not affect textile shares, though the increase in duty on rayon yarn and staple fibre by 60 per cent. might affect mills which are consuming these goods. Bombay Dyeings, which touched a high of Rs. 60.20, closed with a gain of 80 nP over the week at Rs. 57.70. Centurys provided a firm feature with a rise of Rs. 11.75 to Rs. 445—the highest level touched in the Budget session was Rs. 459. Kohinoors provided an exception to the general trend with a drop of Rs. 2 to Rs. 233.50. The mill is a large consumer of staple fibre. Central Indias gathered Rs. 2 to Rs. 89, Finlays Rs. 5 to Rs. 268, Standards Rs. 15 to Rs. 431 and Svadeshis Rs. 2.50 to Rs. 205.

The levy of a basic duty of Rs. 5.60 per cwt. and an additional duty of 70 nP in replacement of sales tax on *khandsari* sugar helped sugar shares to strike a bullish note, as the competitive strength of the former *vis-a-vis* the white sugar would be lessened. As a result, Belapurs advanced to a peak of Rs. 294.50 today, which was even higher than the Budget session level of Rs. 287, before closing at Rs. 289 with a gain of Rs. 16.50 over the week. Phaltans rose by Rs. 3.25 to Rs. 150 and Walchandnagars by Rs. 5.50 to Rs. 281.

In the cement group, Associated Cements jumped from Rs. 146 50 to Rs. 150.50, but following the Finance Minister's proposal to subject the bonus issues made out of share premium account also to a tax at 30 per cent., the shares dipped to Rs. 142.50. A.C.C. has a proposal to capitalise its share premium amounting to Rs. 1.27 crore and issue bonus shares in the ratio of one share for 15 shares. Subsequently, however, the shares recovered to close at Rs. 146.25. Digvijays gained over the week Rs. 2.50 to Rs. 132 and Jaipur Udyogs Rs. 1.36 to Rs. 11.56.

Shipping shares were featureless. Scindias were marked up from Rs. 20.56 to Rs. 21.20 before reacting to Rs. 18.76 *ex-div.* (equivalent to a *cum-div.* rate of Rs. 20.01). Great Easterns were dull at Rs. 22.80.

Engineering shares were in the limelight. Alcock Ashdowns spurted from Rs. 256 to Rs. 262 and Premier Constructions from Rs. 226 to Rs. 243. Tata Locomotives staged a sharp rise of Rs. 13.25 to Rs. 181. The Company is reported to have decided not to allot any additional shares out of the new issue. Larsen and Toubros rose by Re. 1.32 to Rs. 18.92. Among minings, Shivrajpurs were conspicuous with a rise of Rs. 8.70 to Rs. 97.50. The Commerce and Industry Minister's assurance to permit import of spare parts to automobile manufacturers gave a push to Premier Automobiles from Rs. 93 to Rs. 98.50. Bombay Burmahs (old) advanced from Rs. 465 to Rs. 488.50 *ex-div.* (final dividend Rs. 15) before closing at Rs. 483.50 *ex-div.*, following the reduction in export and excise duties on tea. Notwithstanding the increase in excise duty on rayon yarn, National Rayons scored a gain of Rs. 17.25 to Rs. 256.75. Tata Chemicals improved by Re. 1.04 to Rs. 16.52 and Tata Oils gained Re. 1.50 to Rs. 46.25. West Coast Papers were active and improved by Rs. 3 to Rs. 116.

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Calcutta Stock Exchange

CALCUTTA, *4th March*

The Calcutta Stock Exchange reacted enthusiastically to the 1959-60 Budget proposals, but the buoyancy in Saturday's special Budget session was due to the non-realisation of the implications of the changes proposed on company taxation. On Monday, by which time the correct implications of the proposals had been analysed and interpreted in their varied application to the more popular concerns, and when it was realised that for 1959-60 the wealth tax on companies and the excess dividend tax would stay, a sharp reaction followed. However, soon steadier conditions returned and gains spread to all the sections in the last two sessions. For, as anticipated by market men, the Budget did not disclose any unpleasant surprises and the fact that, at a time when Government required more revenues, burdens on industry were not increased was sufficient incentive for long-term buyers to be active. Tax relief was not indeed anticipated, and the absence of any reduction in the burden on industrial concerns was ignored, as it was felt that several manufacturing, mining and engineering units were already doing well. Their profitability had, of course, increased, thanks to the expansion and modernisation, and the gathering of industrial momentum, on the eve of a mighty third Plan, it was thought, would enable the shareholder to get a fairer return and Government larger revenues even at the existing levels of taxation.

A point in the Budget which was noted with particular satisfaction was the attempt at simplification of the tax structure on companies. Shareholders felt they could look for better dividends from 1960-61, in view of the total tax on profits not exceeding 45 per cent., as against 51.5 per cent. at present, and this possibility was thought here to be more than a fair compensation for the termination of the existing system according to which shareholders received tax credit for tax paid on company profits. Buyers of tea shares had an extra ground for enthusiasm in the revision of the export duty, which, although meagre, was thought here would enable the industry to sell more tea overseas. In the special session on Saturday night, Indian Irons (old) were active and rose to Rs. 23.25 from Rs. 22.20—the new ones were lower by Re. 1, as they would not participate in dividend for the current year ending this month, and market men thought the dividend would be maintained at 10 per cent.—but since then the reaction erased the loss partially to Rs. 22.47. Several counters in miscellaneous industrials spurted and steadied around higher levels on expectation of better working results resulting from more production, for which the Budget provided the incentives. Jutes were affected by the poor reports from the goods market, while coals and minings were better.

Teas attracted fair buying interest, and the details of the more important gains are:

	Opening Rs.nP	*Closing* Rs.nP	*Gain* Rs.nP
Bishnath	19.87	20.19	0.32
Dhelakhat ...	23.62	24.00	0.38
Dufflaghur ...	34.50	35.00	0.50
Gohpur	23.50	24.25	0.75
Hantapara ...	124.00	126.00	2.00
Hasimara ...	23.12	23.31	0.19
Methoni	21.00	21.56	0.56
Namburdani ...	14.00	14.25	0.25
Nagaisuree ...	128.00	138.00	10.00
Rajabhat	17.06	18.50	1.44
Ranicherra ...	16.50	17.50	1.00
Sungma	17.75	18.25	0.50

Papers received keen attention. From Rs. 31.25, Orients shot up to Rs. 34.10 at the special session, but since then lost to Rs. 31.80. Subsequently, however, there was again a recovery pushing the rate up to Rs. 32.40. Sirpurs were fully steady at the higher rate of Rs. 14, on rumours that the firm would shortly merge with a silk manufacturing unit. Profit-taking soon followed to push down the rate to Rs. 13.12 at the close, as against the week's opening at Rs. 12.50. Sree Gopals touched Rs. 16.62 at the special session against the week's opening of Rs. 15.56.

Selected counters in miscellaneous industrials recorded handsome gains. Rallis rallied and reached a high of Rs. 60, as against the week's opening of Rs. 52, in view of the Directors' expectation of improved prospects by the end of the year

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DEPOSITS OF DENA BANK SWELLS

PROFIT MOVES DOWN

AFTER maintaining an upward trend consistently since 1952, the profit of the Devkaran Nanjee Banking Company, Ltd., has suffered a setback during the year ended 31st December 1958. From Rs. 5.34 lakhs earned in 1952, the Bank's profit grew steadily to touch a peak of Rs. 17.17 lakhs in 1957 before dropping to Rs. 14.22 lakhs in the year under review. The reversal of the trend of profit is not surprising, in the context of the general rise in interest rates on deposits and the substantial expansion in term deposits of banks, coupled with the mounting level of administrative expenses. There was, no doubt, a sizable increase in the Bank's advances portfolio, but this was not on a scale which could yield sufficient return to cover the higher outgo.

Following the fall in profit, the provision for taxation has been reduced from Rs. 8 lakhs to Rs. 5 lakhs. No allocation has been made to investment reserve, which had received Rs. 50,000 last year, while the transfer to the reserve fund has been raised from Rs. 5 lakhs to Rs. 6 lakhs. The dividend has been maintained at 6 per cent. for the third year in succession, to which level it had been stepped up in 1956 from 5 per cent. paid for 1955.

An idea of the Bank's progress in recent years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Gross Income	1,32.51	1,00.23	81.50	64.30
Interest and discount earned ..	1,07.60	75.53	62.34	49.09
Commission and exchange ..	17.71	18.83	13.23	9.85
Interest paid	68.85	39.10	27.32	20.15
Expenses	49.74	42.42	33.24	31.89
Depreciation	1.70	1.54	1.06	1.15
Profit	14.22	17.17	14.87	11.11
Provision for taxation	5.00	8.00	8.00	6.00
To reserves	6.00	5.50	3.50	2.90
Dividend	3.00	3.00	3.00	2.50
	(6%)	(6%)	(6%)	(5%)
Carry forward	3.02	2.80	2.13	1.79
	As at 31st December,			
	1958	1957	1956	1955
Capital	50.00	50.00	50.00	50.00
Reserves	40.00	40.00	34.50	31.00
Deposits	30,10.16	23,32.12	19,49.73	16,12.36
Borrowings from other banks ..	..	..	50.00	..
Advances	14,04.87	10,52.61	9,15.38	5,59.17
Investments	13,94.82	9,11.15	8,52.35	8,20.61
Cash (including money at call and short notice)	3,52.66	4,85.86	3,39.08	3,44.97
Balance-sheet total	37,38.81	27,08.80	25,07.10	20,10.01
Ratio to deposits of—	%	%	%	%
Advances	46.7	45.1	47.0	34.7
Investments	46.3	39.1	41.2*	50.9
Cash	11.7	20.8	17.4	21.4

* Ratio arrived at after taking into account investments earmarked against borrowings from other banks.

It will be observed that the gross income of the Bank for 1958 has gone up by over Rs. 32 lakhs, the whole of which is accounted for by interest and discount earned. The decline of Rs. 1 lakh in commission and exchange is made good by the large receipts in other income. The rise in gross income is more than offset by the increase of Rs. 28 lakhs in interest paid and of Rs. 7 lakhs in expenses. Of the latter, salaries and allowances alone account for more than Rs. 5 lakhs.

With the addition of Rs. 6 lakhs from the profit for 1958, the Bank's reserves stand considerably strengthened to Rs. 46 lakhs, at which level they fall short of the paid-up capital by only Rs. 4 lakhs. The composition of the Bank's deposits as on 31st December 1958 shows that fixed deposits have grown from Rs. 6.59 crores to Rs. 14.91 crores (that is, a rise of Rs. 8.32 crores) and savings bank deposits from Rs. 5.19 crores to Rs. 6.47 crores, while current deposits have declined from Rs. 11.53 crores to Rs. 8.72 crores. On the assets side, loans, cash credits and overdrafts show a rise of Rs. 3.25 crores at Rs. 11.38 crores and bills purchased and discounted of Rs. 27 lakhs at Rs. 2.66 crores. While the rise in total advances is of the order of only Rs. 3.52 crores (as against an increase of Rs. 6.78 crores in deposits), investments have been raised by Rs. 4.84 crores. Cash balances have, however, shrunk by Rs. 1.33 crore, bringing down the cash coverage to deposits from 20.8 per cent. to 11.7 per cent. Notwithstanding the rise in advances, the Bank's credit ratio is well below the general average.

NEWS IN BRIEF

THE Rajkot Spinning and Weaving Mills has put up notice of closure with effect from 1st April 1959.

India exported 1,680 tons of mica valued at Rs. 93.19 lakhs in January 1959, as against 1,120 tons (Rs. 61.82 lakhs) in the corresponding month last year.

The Government of India is considering a proposal to set up an alloy and special steel plant of about 40,000 tons ingot capacity in the public sector.

With effect from the 2nd inst., forward contracts as well as non-transferable delivery contracts for the sale and purchase of rice and paddy have been banned.

India will supply about one million jute bags and substantial quantity of shellac to North Korea for the first time under a new trade agreement concluded by the State Trading Corporation of India. In return, North Korea will supply about 9,000 tons of ammonium sulphate fertiliser.

A three-member delegation of French textile machinery manufacturers, headed by M. Paul Blondel, Technical Director of a well-known French firm of Ameliorair, is now in India discussing with industrialists questions regarding supply of French textile machinery on acceptable deferred terms of payment.

The Study Group appointed by the Government of Bombay in March last to study problems relating to congestion of traffic, deficiency of open spaces and playing fields, shortage of housing and over-concentration of industry, has completed its work. The report of the Group was signed last week.

The Government of India has set up a National Shipping Board, with Mr. G. L. Mehta, Chairman of the Hindustan Shipyard, as the President. The Board consists of 20 members, including representatives of Parliament, the Government, shipowners, seamen and merchant navy officers and other interests.

The Japanese Overseas Iron Manufacturing Materials Committee, representing the eight leading steel mills, proposes to purchase about eight million tons of iron ore from Bailadila in Madhya Pradesh. A trade mission is expected to visit India shortly to discuss details of the purchase with the Union Government.

The ammonia plant for a fertiliser factory planned in connection with the steel works at Rourkela will be built by the W. German concern Friedrich Udhe, Dortmund, an affiliate of Farbwerke Hoesch. The contract, amounting to £4.25 million, will be signed shortly. The plant will have a productive capacity of about 460 tons of ammonia per day and is expected to commence operation in March 1962.

The number of automobiles manufactured in India in 1958 was lower at 8,113, as against 12,211 in 1957 and 13,666 in 1956. The setback is attributed to shortage of foreign exchange, four months' strike in the Premier Automobile Factory and increased cost of raw materials. Production in 1959, however, is expected to touch the 1956 high level, as a result of the liberal allocation of foreign exchange for imports of car components and raw materials.

With a view to overcoming the scarcity of kerosene, a special additional allotment of Rs. 1.5 crore of foreign exchange was made available to oil companies in the first week of last month for imports from soft currency areas. The oil companies have already stepped up despatches of kerosene oil from the various main port installations by 10 to 30 per cent. over the level when restrictions were in force to restore normalcy to the supply position.

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From Abroad

The number of persons unemployed in the U.K. as on 8th December 1958 was 531,727, a rise of 196,000 over the year.

With effect from 26th February, the Swiss National Bank's official discount rate has been cut from 2½ per cent. to 2 per cent.

The French Renault Company proposes to set up a subsidiary in Melbourne, Australia, to assemble Renault cars, at a cost of £100,000.

The U.K. Government has given a credit of £10 million to Pakistan under the Export Guarantees Act, to be paid for British goods and services.

The U.K. is expected to buy from Pakistan an additional 50,000 bales of cotton during the remaining months of the current season and one million bales in the next season.

Shell Petroleum has now joined all the other major oil companies operating in the Middle East in lowering its crude prices by 18 cents a barrel, with retrospective effect from 13th February 1959.

B.P. Trading has reduced its marine fuel bunker prices by 7*s.* 6*d.* a ton in India, Pakistan, Burma, Ceylon, East Africa, South Africa, Australia, New Zealand, Persian Gulf, Aden and other Red Sea ports.

The U.S.S.R. is negotiating with a U.K. firm, Elliot Brothers, the purchase of complete automation equipment for the concentration and separation of copper and fine ores. The Russian contract is expected to be worth about £1 million.

A W. German firm, Kloeckner-Humbold-Deutz, has secured an order worth £816,000 for machinery, including furnaces and filter equipments to remove dust from waste gases, for a new cement factory at Lochkov, near Prague, Czechoslovakia.

A new oil well has been struck at El Gassi in the Eastern Sahara, about 500 miles from the Mediterranean coast, by the Societe Nationale des Petroles d'Aquitaine, the French prospecting group. The well is claimed to have a potential output of 300 tons a day.

A new Bill seeking to make it obligatory on the part of the domestic airlines to insure passengers for £A7,500 has been introduced in the Australian Senate. As a result, the liability for Australian airlines operating overseas will be increased from £A3,700 to about £A7,400 per passenger.

Total overseas sterling holdings held by the U.K. in the last quarter of 1958 was higher at £3,969 million, as compared with £3,902 million in the previous quarter and the low level of £3,892 million reached in March 1958. Gold reserves were also higher by £52 million and short-term indebtedness by £67 million.

World rubber consumption went up by 107,500 tons to 1,995,000 long tons in 1958, according to the preliminary estimate of the International Rubber Study Group. The rise was mainly the result of increased imports into the U.S.S.R. and China. Production, however, was lower at 1,855,000 tons, as against 1,902,500 tons in 1957.

The U.K. Government has extended the quota restriction on imports of Chinese cotton and rayon yarns for a further period of one year ending 29th February 1960. There are now in force a home market quota of an annual value of £150,000 and another of £1.5 million for grey cloth for re-export after processing in the U.K.

The U.K. Board of Trade has decided not to extend, beyond the 7th inst. the open general licence for exporting most kinds of iron and steel scrap. The licence of two poor quality scrap, namely, compressed baled iron and steel scrap and iron and steel scrap turnings and borings not exceeding an f.o.b. value of £25 a ton, will, however, be extended up to 6th June next.

West Germany has decided to supply Israel iron, steel and non-ferrous metals valued at £3.7 million during 1959-60, following discussions between the two Governments on the question of reparations agreement last month. Besides, W. Germany will pay £6.4 million towards Israeli purchases of British oil. Israel will receive W. German chemicals worth £3 million.

According to the *Commodity Survey* 1958 released by the United Nations, there was a 10 per cent. decline in the average world export prices of raw materials and crude foodstuffs between mid-1957 and mid-1958, while the average price of manufactures was about 1 per cent. higher. The *Commodity Survey* will serve as a background document for the seventh session of the Commission on International Commodity Trade scheduled to be held at the U.N. headquarters from the 9th to 20th inst.

The United Arab Republic and the U.K. Governments signed on 28th February an agreement settling the financial problems created by the 1956 Suez crisis, following the mediation of Mr. Eugene Black, President of the World Bank. Under the agreement, the net sum of £51.47 million will be released to the U.A.R. from its blocked sterling balances in London. The sum allowed for deduction as compensation for British property nationalised in Egypt is £27.5 million.

PERSONAL

MR. K. M. Wilcox has been elected Vice-President of the Upper India Chamber of Commerce, Kanpur.

Mr. Martin Bolstad, Norwegian Consul-General in Shanghai, has been appointed Consul-General for Norway in Bombay.

Mr. N. Raghavan, India's Ambassador in Argentine, has been appointed Ambassador to France *vice* Mr. K. M. Panikkar.

Mr. J. D. K. Brown and Mr. H. M. L. Williams have been elected President and Vice-President, respectively, of the Bengal Chamber of Commerce and Industry, Calcutta, for the year 1959-60.

Mr. Sankar Nath Maitra, till recently Deputy High Commissioner for India in Dacca and Acting High Commissioner for India in Karachi, has been appointed Ambassador of India to the Philippines.

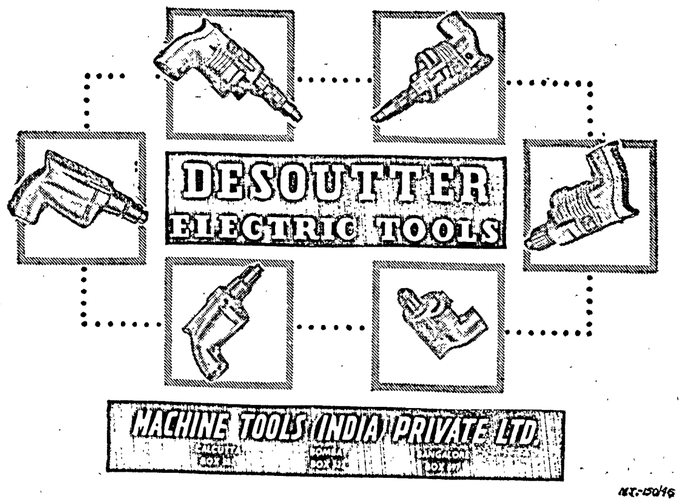
Dr. P. B. Patnaik, Director, Bureau of Economics and Statistics, Andhra Pradesh Government, has been appointed Senior Statistical Officer in the United Nations Technical Mission in the Philippines for a period of one year.

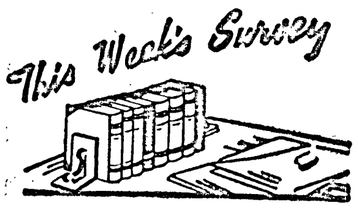
Prof. Henry Phelps Brown, Professor of Labour Economics, London University, has been appointed to the Cohen Council on Prices, Productivity and Incomes, *vice* Sir Dennis Robertson who resigned last year.

Mr. Vallabhdas Vasanji Marivala, Mr. Manekchand Madhavji Gandhi and Mr. Anandji Bhimsi Nagda, have been elected President, Vice-President and Honorary Secretary, respectively, of the Pepper and Ginger Merchants' Association Ltd., Bombay, for the current year.

West German shipbuilders are reported to have decided to ease payment conditions in future to attract orders in the face of stiffer competition in the world market. The Federal Government and the authorities of coastal States have agreed that more favourable terms will have to be offered to shipowners, as German yards are particularly feeling the pinch of competition from Japan. The terms proposed are: 20 per cent. of building costs to be paid on delivery of the ship and the remainder spread over the following three to five years. This new formula, as against the present arrangement which insists on payment of the entire cost of the vessel in instalments before the delivery of the vessel, seems to have been necessitated by the keen competition from Japan.

The General Electric Company, Ltd., of England, has been selected to negotiate a contract for the building of Japan's first nuclear power station at Tokai Mura, 65 miles north-east of Tokyo. The design submitted by G.E.C., in collaboration with Simon-Carves Ltd., has been approved by the Japan Atomic Power Company and will form the basis for the negotiations. The firm expressed the hope that details of the contract, the total value of which would be about £30,000,000, would be finalised later this year. In that event, G.E.C., as the main contractor, will be responsible for the design of the entire project. Certain items, however, would be manufactured by Japanese firms. In this connection, G.E.C. has recently concluded—subject to Japanese Government approval—a long-term licensing agreement with a consortium of 14 leading Japanese companies, known as the First Atomic Power Industrial Group (F.A.P.I.G.). Apart from manufacturing responsibilities, the members of this group would also undertake the site construction work. The power station, designed to have a net electrical output of 150,000 kw., will be powered by a single gas cooled, graphite-moderated reactor of the same basic type as the two reactors at present being built by the group at Hunterston, Scotland. The station will take about four years to build, and is expected to be in operation by mid-1963.





CODE OF INDUSTRIAL EFFICIENCY

As a complement to the code of industrial discipline, already in force, the Union Ministry of Labour has now drawn up a draft code for industrial efficiency which aims at improving production and productivity. The code has been circulated to central organisations of employers and workers for suggestions and comment. Mr. G. L. Nanda, Union Minister for Labour, in a letter addressed to the presidents of these organisations has underlined the need for a suitable wage system which will link payment with production and incentive schemes which, while protecting the health and interest of workers, will help maximise production. He has urged employers to give an assurance to workers that they will have a fair share in the benefits of increased production and productivity.

The draft code lays down that management and trade unions should agree to withdraw cases of labour disputes pending before courts with a view to reaching settlement by mutual negotiation, work out incentive payment and suggestion schemes and set up joint production committees. The code enjoins that proposals made by workers to save wastage and improve output should be carefully considered and suitably rewarded. It requires that joint production committees, wherever possible, should be set up either independently or as sub-committees of joint councils of management. The code calls upon managements to agree to the following points:

(1) Employees should be offered reasonable wages and provision for economic security after retirement; (2) staff policies should be rationalised to afford reasonable prospects of promotion to workers; (3) efforts should be made to provide safe and healthy working conditions, reasonable amenities in the place of work and suitable housing and transport facilities wherever possible; (4) machinery and equipment should be maintained in sound working conditions; (5) adequate provision should be made for the training of workers, supervisors and management personnel; (6) management should be rationalised to avoid wastage and inefficiency.

Trade unions are required to agree to the following points:

(1) they should not resort to methods of protest that might affect production; (2) inter-union rivalry should not be allowed to interfere with efficiency and production; (3) every effort should be made to reduce absenteeism and labour turnover; (4) suitable steps should be taken for educating workers in their rights and responsibilities and on their relation to production; (5) trade unions would make only reasonable demands on industry, keeping in view the need to maintain competitive cost of production and the larger interest of the economy; (6) they will actively support schemes of rationalisation subject to the conditions agreed to at the 15th session of the Indian Labour Conference.

There is no reason to think that either the employers' organisations or trade unions will find any of these provisions unacceptable. But what is required of them is not only a formal acceptance of the code but a genuine desire to see the objectives of the code realised and a reflection of this desire in their day-to-day conduct. While management and trade unions should make every effort to see that the provisions of the code are strictly observed, the Government should ensure that every violation of the code is properly investigated and the conduct of the guilty party brought to the notice of the public.

IMPORT POLICY

Both the industry and the trade have reason to feel gratified at the speech of Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, at the meeting of the Import Advisory Council held at New Delhi on Sunday this week. For the speech reflects, in a considerable measure, Mr. Shastri's sense of realistic appreciation of the need for framing an import policy in such a way as would fulfil the triple objectives—to step up industrial development, to promote private trade channels and to safeguard the interests of consumers. Special mention must be made of his statement that he would not like the uncertainty in regard to availability of raw materials and finished components continuing to have a cramping effect on industrial production. Certain new welcome features, it is said, are to be introduced in the licensing of raw materials and components to some important scheduled, as well as small-scale industries, with effect from the ensuing half-year (April-September 1959), so as to help these industries plan their production better and make advance arrangements for the purchase of a portion of their requirements for the succeeding six months.

It is, however, somewhat disconcerting to be told by Mr. Shastri that there is no question of any relaxation in restrictions on imports of capital goods at all at this stage. Because of these restrictions, many industries have not been able to expand their scale of operations and are compelled to subject their machinery and equipment to excessive use. Such intensive working is bound to cause much wear and tear to the equipment. The import policy governing capital goods must be so devised as to enable the industries to undertake schemes of modernisation and expansion expeditiously, taking into account, of course, the availability of equipment within the country.

In the course of his speech, Mr. Shastri said that the possibilities of securing further economies in imports were strictly limited. This in itself is good news. Already, imports have been curtailed to the maximum extent. The total value of imports during 1958 was no more than Rs. 783 crores, as against Rs. 1,026 crores in 1957, or a drop of Rs. 243 crores. A part of the imports last year included orders placed in earlier years, so that, in the current year, imports may be still smaller. While a drastic cut in imports over a wide field has resulted in effective foreign exchange savings, it must be stressed that the sacrifice on the part of industrial consumers, not to speak of ordinary consumers, has been quite heavy.

An interesting suggestion made by Mr. Shastri was that the small-scale industries should group themselves into regional or functional associations to look after the individual *entrepreneurs'* requirements of raw materials. He observed:

"These associations could hold themselves responsible for collecting the necessary data regarding import requirements and for ensuring equitable distribution of what is available. The associations could also assist in purchasing their requirements in bulk at economical prices and marketing the products to the best advantage of the producers. Such associations, if properly organised and managed, can help individual *entrepreneurs* and administrative authorities to overcome the difficulties which are holding up further progress in this sector. I would like these associations to make their own rules and regulations so that they can work efficiently and effectively. Some of the associations which did not do so have created many doubts in the minds of the people as well as of Government. I hope and trust that these new associations will set the ball rolling in the right direction."

During the discussions at the meeting of the Import Advisory Council, much concern was expressed by some members at the way in which the State Trading Corporation (S.T.C.) was expanding its sphere of activities, thereby ousting normal trade channels. Mr. B. P. Singh Roy, President of the Federation of Indian Chambers of Commerce and Industry, declared that the expansion of the S.T.C.'s activities was not good either for industrial expansion or for business expansion, "nor will it encourage people to take to trade or business as their vocations of life." There is no exaggeration whatever in these remarks. It will be recalled that, when the Government established the S.T.C., it was stated that it would confine its trading activities only to the communist countries. But, subsequently, the S.T.C. made considerable encroachment into the trading sphere of the private sector, so that, today, its operations cover a very wide field—direct export and import of several commodities, distribution of goods imported directly by it as well as those imported by private parties, and distribution of cement produced within the country.

While the S.T.C. has come to stay and there can be no quarrel about it, the hardship already caused to established importers, would, as Mr. B. M. Chinai rightly pointed out, be worsened, if the S.T.C. were to take over more items. It is comforting to be told by Mr. Shastri that "there is absolutely no idea to supplant the trade; what we want is to supplement their activities." Reassuring, indeed, is his statement that the S.T.C. would come into the picture only when there is a special situation or a special difficulty in order to help the actual consumer—industrial or common—and that, so far as imports are concerned, the S.T.C. would intervene only when the Government considers it absolutely essential. It is to be hoped that the spirit of this assurance, vague though it is in wording, will govern the future working of the S.T.C.

EXPORT DRIVE

He would, indeed, be a prophet who could correctly forecast at this stage as to what would be the shape of things on the international trade front in the coming years. So fast and swift have been the changes affecting trade—scientific and technological developments, emergence of Communist countries as keen competitors, and persistent attempts at forming regional commercial blocs. All these factors point to the supreme urgency of taking from now alone concrete steps designed to enhance the competitive capacity of Indian goods, and not mere short-term palliatives in the form of such incentive as currency retention scheme. This is the basic issue involved in export promotion task. The Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, certainly struck a note of realism when he declared, while addressing the meeting of the Export Promotion Advisory Council at New Delhi on Monday last, that "the country expects all of us to do our duty in this vital sector (export) and to exert to the limit of our capacity to create the conditions necessary for our success.' Speaking earlier, he observed:

"I need hardly stress the vital role which export earnings will play in determining the tempo of our industrial development. May I then set before you the objective that all industries newly entering the export field should strive to export at best 10 per cent. of their products, while those that are already established in the field should intensify their efforts and bring about a 10 per cent. increase in their existing level of exports. If our industries can make this supreme effort and bring about these increases, they will have gone a long way towards helping to provide the country with the wherewithal for resolving its problems of development."

The way in which Mr. Shastri presented the case for export drive as above was quite impressive. But we wonder whether Mr. Shastri was right in his emphasis on compulsory exports. In the course of his "winding-up" speech after the discussions, he said that an element of compulsion might have to be introduced, if industry and trade did not play the game in stepping up exports, although he qualified his statement by saying that "we may start with a scheme of compulsion for one or two commodities purely as a trial." The introduction of compulsion in any scheme of export promotion, apart from offending the principles of democracy to which this country is wedded, will utterly fail to bring about the desired result. What is worse, such a scheme will only postpone the adoption at the right time of right remedies for the ills of the industries, especially such export industries as cotton textiles, jute manufactures and tea. Most of these export industries are in the grip of a severe cost inflation due partly to the all-round rise in wages and cost of raw materials, etc., and partly to the old and out-of-date machinery and equipment. What is wanted is formulation of energetic measures to ensure speedy modernisation of equipment and rationalisation of production methods. It is the duty of the Government to create conditions favourable to the industries to undertake such schemes. In this respect, the Government has been acting in a half-hearted manner.

To revert to Mr. Lal Bahadur Shastri's speech. He made a fairly exhaustive review of the trends in India's export trade, with particular reference to the staple earners of foreign exchange. The review reveals that the general outlook has tended to improve more recently. During the second half of 1958, India sold abroad goods and commodities worth Rs. 320 crores, as against Rs. 260 crores in the preceding half-year. This improvement should not, however, lead to a sense of complacency. The level of exports should not only not be allowed to fall but be improved. Mr. Shastri did well to emphasise that "we have to give thought for the future" and that "it will be necessary for us to work hard to increase output, improve quality, reduce prices and organise marketing before we can hope to reach the objective we have set for ourselves."

The aforesaid aspect must be specially stressed, in view of the new problems India's exports have to face from the establishment of the European Common Market. The C.M. countries have already lowered duties and eased quota restrictions on their imports from one another, as well as from their dependent overseas territories. As Mr. Shastri said, not only does India not get the advantage of these reductions, but some of these countries apply quota restrictions on our goods though not on similar goods from other countries outside the Community; if these trends continue and if the Community does not adopt liberal policies towards trade with third countries, Indian exports of tea, coffee, cotton fabrics, jute goods and coir products are likely to encounter greater difficulties.

Despite all this, one may still hope that it may be possible to secure, through consultations and as a result of discussions in the G.A.T.T., facilities for larger exports from India. If, however, this hope is belied by events, what will happen? Here is the answer provided by Mr. Shastri: The Government of India may be compelled to consider suitable adjustments in the pattern and structure of foreign trade aimed at achieving a better balance between what is bought from these countries and what can be sold to them.

Winding up the discussion, Mr. Shastri briefly indicated the lines on which the Government would proceed in the matter of promoting exports of three important commodities—cotton textiles, tea and manganese ore. These are given below:

Cotton textiles: The Government will give earnest consideration to any proposal that the textile interests make, but the industry should appreciate that, if modifications and concessions are made every fortnight or a month, it will benefit neither the industry nor the exporter, and there will be constant doubt in the minds of the buyers.

Tea: A proposal for setting up a tea guarantee fund is engaging the serious attention of the Government and the Tea Board, in collaboration with the Reserve Bank. Besides financial assistance, the Government is also considering the question of giving relief in railway freight for transport of fertilisers to the tea gardens.

Manganese ore: The question of freight concession has been referred to the Railway Minister. The Labour Ministry has deferred, at the instance of the Commerce and Industry Ministry, the levy of a welfare cess on manganese ore.

Addressing the meeting, Mr. K. B. Lall, I.C.S., Director-General of Foreign Trade, stated that there was no reason for taking a pessimistic view of India's export performance in 1958. He felt that significant increases in export earnings could be secured by effecting organisational and institutional changes. While it is not known what exactly Mr. Lall meant by these changes, there will be wide agreement on the point he made, namely, that the industries and trades should organise themselves in such a manner as would be able to adjust their production and export programmes and marketing techniques to the shifting situation in the world. On their part, the authorities, too, must follow realistic fiscal and other policies free of ideological considerations.

FOREIGN AID

While none will seriously dispute the need for foreign capital assistance to help backward countries develop themselves, such aspects as the quantum, the duration and the method of administering assistance are matters of controversy. The new approach proposed by Mr. B. K. Nehru, India's Commissioner General for Economic Affairs, for dispensing economic aid to underdeveloped countries, will certainly find both supporters as well as opponents. In his address to the Society for International Development at Washington on 28th February, Mr. Nehru suggested a more pin-pointed programme for foreign aid. At present, he pointed out, both capital assistance and technical help were spread thinly over a wide area, so that their effects tended to get lost in the vast desert of need. He, therefore, suggested that, instead of distributing help on an arbitrary basis, the whole of the foreign assistance programme should be so arranged as to enable economy after economy to be brought to the point of take off into sustained self-growth. This will mean a change in the system of allocation of foreign aid funds, for it involves massive capital assistance to some selected countries which are willing and able to absorb them, within a comparatively short time. Since each underdeveloped country had problems of its own which were not wholly duplicated anywhere else, foreign aid programmes, according to Mr. Nehru, should be "tailor-made, not mass-produced." He stressed that this proposal should not be construed as hampering the growth of any particular group of countries. It was intended only to avoid the misdirection and even wastage of resources that result from failure to distinguish between the different needs of countries at different stages of development.

One advantage of such a changed approach would be that the recipient countries would themselves be in a position to help others, thus adding to the number of countries capable of providing aid. But it is doubtful whether the suggestion will meet with the approval of the less developed among the underdeveloped countries. Those countries, which do not satisfy the conditions required for qualifying themselves for large-scale assistance, but which, nevertheless, receive substantial aid at present, are sure to oppose it. It is true that the channelling of aid to countries ready and able to absorb it immediately will yield the maximum possible benefits out of a given amount of aid. But economics is not always the only consideration which determines the flow and direction of foreign assistance.

A point stressed by Mr. Nehru was that private capital alone could never meet the needs of underdeveloped countries. He pointed out that the conditions in which private capital was willing to work, namely, "absolute security and large profits," were not available in underdeveloped countries. Here, Mr. Nehru was treading on even more controversial ground.

It cannot be denied that private capital by itself cannot meet all the needs of underdeveloped countries. But neither can aid on Government-to-Government level. In the past, private capital investments have played a far more important role in fostering economic developments abroad than Governmental aid. For instance, in 1956, capital expenditure abroad by U.S. investors is said to have been actually of the order of $5 billion. About 35 to 40 per cent. of this was in underdeveloped countries. Private capital expenditures abroad have been expanding rapidly of late and in 1956 were about two and a half times the amount of U.S. economic assistance.

The private investor cannot be said to be exacting in respect of the conditions he demands for making investments in foreign countries. What he expects is not absolute security and large profits, but security and fair return. What he considers fair may sometimes be considered high in recipient countries. But it must be borne in mind that an investor who puts his money in a venture in a foreign country is certainly justified in expecting a return higher than what he is prepared to accept in his own country.

Although the need for foreign assistance to India is fully realised, that realisation has not been matched with concrete action. Mr. Averell Harriman, currently on a visit to India, has expressed the view that in India not enough attention is being given to the creation of the right climate for the flow of private foreign investment, although everybody he met in this country asked why more and more American business men were not investing in India. Surely, for countries like India, which are desperately short of capital, the best way of attracting foreign capital is to ensure that the climate suitable for foreign investments exists.

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REVENUE AND EXPENDITURE OF CENTRAL GOVERNMENT

DEFICIT WIDENS, DESPITE LOWER DEFENCE CHARGES

THE first budget of Mr. Morarji Desai, Union Finance Minister, for 1959-60 presented to Parliament on Saturday 28th February 1959, happens to be the 100th budget of the Government of India and, therefore, marks the centenary of budget-making in this country. The first budget covered the year 1860-61 and was presented in February 1860 by Mr. James Wilson, the first Finance Member of the Governor-General's Council. The factual side of the budget for 1959-60 is covered in this issue in three articles. In this article, the revenue budget is briefly recounted. The new tax proposals are covered on the next page. They are followed by an analysis of the capital budget on page 350.

Before referring to the revenue budget, we would like to invite the reader's attention to the two tables on this page containing the statistical picture of the revenue budget.

In Part A of the budget speech, the Finance Minister has made no mention of the year 1957-58 for which actual figures (though still provisional) are available. These, as compared with the revised estimates and budget estimates, make interesting reading. The budgeted total *net* revenue for the past year was Rs. 654.79 crores. This was revised last year to Rs. 653.82 crores. But actuals as shown in the latest budget papers are Rs. 655.96 crores, an increase of a little over Rs. 2 crores over the revised estimate. Total *net* revenue expenditure for that year was budgeted at Rs. 619.05 crores. The revised figure a year ago was much higher at Rs. 648.77 crores, so that the revenue surplus shrank from Rs. 35.74 crores to Rs. 5.05 crores. The latest figure of net revenue expenditure is however lower than even the budget estimate, so that the past year has ended with an actual surplus of as much as Rs. 42.05 crores. The age-old complaint that Finance Ministers invariably overestimate the expenditure and underestimate the revenue to justify imposition of heavier burden of taxes has a ring of truth even today. The year 1957-58, it may be noted, was the tenth successive year after independence to close with a revenue surplus.

1958-59 Revised

The revised estimates for 1958-59 show a sharp fall in the total *net* revenue as compared with the budget estimate, from Rs. 664.99 crores to Rs. 619.81 crores. There has been a fall in the total *net* revenue expenditure also but of a smaller order, from Rs. 693.01 crores to Rs. 679.76 crores. The result is that the deficit has widened from the budgeted figure of Rs. 28.02 crores to Rs. 59.95 crores. The *gross* revenue estimates are Rs. 767.99 crores (budget) and Rs. 728.20 crores (revised), the corresponding figures for revenue expenditure being Rs. 796.01 crores and Rs. 788.15 crores, respectively.

The decline in the revised estimate of revenue as compared with budget estimate is due chiefly to a drop of Rs. 34 crores in customs revenue, reflecting the effect of restrictions on imports and relaxations in export duties. The revenue from Union excises also is now placed at Rs. 3.61 crores less. Similarly, the yield from the Wealth Tax, the Expenditure Tax and the Gift Tax will, together, be Rs. 5.3 crores less than anticipated. A drop of Rs. 13 crores is anticipated in the grants from the U.S. Government under the P.L. 480 programme and of Rs. 1.86 crore in the receipts from Currency and Mint, but these will be more than offset by larger receipts of interest, sale proceeds of evacuee property and an increase of Rs. 3.04 crores in the contribution from the Posts and Telegraphs Department.

The reduction in revenue expenditure has occurred in the defence account where the decrease is as much as Rs. 11.27 crores. Civil expenditure, however, has actually gone up by about Rs. 4 crores.

SUMMARY OF FINAL ESTIMATES

(In lakhs of rupees)

	Budget 1958-59	Revised 1958-59	Budget 1959-60	
REVENUE				
Customs	170,00	136,00	130,00	+2,77
Union Excise Duties	304,76	301,15	307,00	+18,08
Corporation Tax	55,50	56,00	58,75	
Taxes on Income other than Corporation Tax	84,53	86,70	87,63	
Estate Duty	12	12	14	
Tax on Wealth	12,50	10,00	10,50	+2,50
Tax on Railway Fares	7	11	11	
Tax on Expenditure	3,00	1,00	1,00	
Tax on Gift	2,00	1,20	1,20	
Opium	2,87	3,31	3,92	
Interest	6,60	8,36	10,75	
Civil Administration	44,24	45,63	35,80	
Currency and Mint	36,62	34,76	55,60	
Civil Works	2,87	2,87	3,00	
Other Sources of Revenue	32,93	29,21	41,93	
Posts and Telegraphs—Net contribution to general revenues	2,34	5,33	4,20	
Railways—Net contribution to general revenues	7,04	6,40	5,98	
Total Revenue	767,99	728,20	757,51	+23,35
EXPENDITURE				
Direct Demands on Revenue	94,45	99,63	101,65	
Irrigation	13	16	16	
Debt Services	40,00	42,06	57,88	
Civil Administration	200,44	197,72	222,73	
Currency and Mint	8,50	9,14	9,83	
Civil Works and Miscellaneous Public Improvements	18,71	18,32	19,35	
Pensions	9,40	9,53	9,63	
Miscellaneous:				
Expenditure on Displaced Persons	20,48	24,75	19,69	
Other Expenditure	59,33	57,81	71,30	
Grants to States, etc.	47,03	46,95	49,02	
Extraordinary Items	23,40	15,21	35,26	
Defence Services (Net)	278,14	266,87	242,68	
Total Expenditure	796,01	788,15	839,18	
Deficit (—)	—28,02	—59,95	—58,32	

* Effect of budget proposals.

The main features of the revenue and expenditure estimates for the coming year are as follows:

Revenue: With the continuing restriction on imports, the downward trend in the revenue from customs is likely to continue and, for next year, credit is taken for a sum of Rs. 130 crores against the current year's revised estimate of Rs. 136 crores. The revenue from Union excise duties next year is likely to show an improvement of Rs. 5.85 crores and the receipts from corporation tax and income-tax an improvement of Rs. 6.50 crores. Under the other principal heads of revenue, the receipts next year will be more or less the same as in the current year. The principal heads as a whole will thus show an improvement of Rs. 7.2 crores. Receipts under other heads next year will in all be Rs. 25.26 crores more than in the current year. This is the result of three major changes. First, the grants under the P.L. 480 Programme are expected to amount to Rs. 15 crores, as against Rs. 1 crore this year. Secondly, the profits from the Reserve Bank next year have been placed at Rs. 40 crores, as against Rs. 30 crores this year. This is a purely temporary arrangement; the stabilised amount that should be paid by the Reserve Bank in subsequent years will be discussed during the course of next year. Thirdly, the profits from the circulation of coin for which credit has been taken next year amount to Rs. 13.15 crores, as against Rs. 2.75 crores this year. The increase is mainly due to the transfer of Rs. 10 crores from out of the accumulated surpluses in the past on the circulation of rupee and small coins which had been kept under suspense.

These increases will be partly balanced by a drop of Rs. 4.41 crores in the receipts from the surplus cement account of the State Trading Corporation and Rs. 3.31 crores in the receipts on account of Steel Equalisation Fund. The contribution from the P. & T. Department will be Rs. 1.18 crore less. The contribution from the Railways creditable to revenue will also be Rs. 42 lakhs less. Next year's dividend from Railways will amount to Rs. 54.41 crores, as against Rs. 50.03 crores this year. Of this, Rs. 48.43 crores will be taken in reduction of expenditure under interest and the balance of Rs. 5.98 crores taken as revenue.

Payments to State Governments on account of their share of income-tax, estate duty and tax on railway passenger fares next year, on the estimates of revenue taken for these taxes, will amount to Rs. 92.22 crores, as against Rs. 89.07 crores in the current year. Provision for the States' share of divisible excises is made in the expenditure estimates.

Expenditure: Civil expenditure next year will amount to Rs. 596 5 crores and expenditure on Defence Services to Rs. 242.68 crores. The main reasons for the increase of Rs. 75.22 crores in civil expenditure may be briefly mentioned. The grants received under the P.L. 480 programme and initially credited to revenue have to be transferred to the Special Development Fund and used through it for subsequent expenditure. The provision for this transfer next year, following the estimates adopted on the revenue side, is Rs. 15 crores, as against Rs. 1 crore in the revised estimates this year. Expenditure on debt services, which rise with the growing public debt, will absorb Rs. 15 82 crores more than in the current year. Expenditure on administrative services, such as on General Administration, Audit Administration of Justice, Jails, Police, External Affairs and so on, is likely to amount to about Rs. 2.50 crores more in all. Under heads covering Development and Social Services, which include substantial provision on Plan outlay, the total expenditure next year is estimated at Rs. 168 crores roundly, against Rs. 145.75 crores this year. The provision for Community Development will also be Rs. 6.17 crores more than in this year. Increased provision has also been included in the budget for grants to States for the welfare of scheduled tribes and areas and backward classes amounting in all to about Rs. 5.50 crores. These increased provisions mainly account for the rise in Civil Expenditure.

The net expenditure on Defence Services in the coming year will be Rs. 24.19 crores less than in the current year. This improvement is the result of a reduction of Rs. 19.55 crores in gross expenditure and an increase of Rs. 4.64 crores in receipts and recoveries.

Budget Year: 1959-60

The *gross* revenue for the next year (1959-60) at the existing level of taxation is Rs. 757.51 crores, while the *gross* revenue expenditure is budgeted at Rs. 839.18 crores, leaving a deficit of Rs. 81.67 crores. The total *net* revenue of the Union Government at existing rates of taxation for 1959-60 is shown at Rs. 647.00 crores and the total *net* expenditure at Rs. 728.67 crores, the deficit being the same, namely Rs. 81.67 crores.

DISTRIBUTION OF REVENUE AND EXPENDITURE

(In lakhs of rupees)

Year	Tax Revenue	Cost of Collection	Net Tax Revenue	Net Revenue from Commercial Departments	Opium (Receipts *less* Expenditure)	Currency and Mint (Receipts *less* Expenditure)	Interest Receipts	Extraordinary Receipts	Other Revenue	Total *Net* Revenue	Interest on Debt	Reduction or avoidance of Debt	Extraordinary Items	Defence Expenditure (Net)	Other Expenditure	Net Capital Outlay of Commercial Department from Revenue	Total *Net* Expenditure	+ Surplus / − Deficit
1948-49	3,17,28	7,37	3,09,91	9,66	35	10,50	1,61	14,37	12,52	3,58,92	37,53	5,00	19,45	1,46,06	1,00,03	1	3,08,08	+ 50,84
1949-50	3,09,33	11,71	2,97,62	9,32	—4	9,14	1,36	1,33	14,30	3,33,03	34,43	5,00	11,54	1,48,86	99,96	..	2,99,79	+ 33,24
1950-51	3,53,61	10,25	3,43,36	10,40	1,96	9,71	2,13	70	25,20	3,93,46	32,36	5,00	7,03	1,64,13	1,25,60	12	3,34,24	+ 59,22
1951-52	4,56,59	12,88	4,43,71	10,29	70	8,79	1,77	5,59	23,65	4,94,50	34,00	5,00	10,91	1,70,96	1,45,45	9	3,66,41	+ 1,28,09
1952-53	3,65,02	11,03	3,54,00	8,96	55	7,22	2,91	3,91	19,90	3,97,45	31,50	5,00	10,15	1,79,52	1,32,20	15	3,58,52	+ 38,93
1953-54	3,43,13	10,69	3,32,44	9,33	—62	13,14	2,91	2,51	20,22	3,79,93	35,82	5,00	11,78	1,86,30	1,32,46	7	3,71,43	+ 8,50
1954-55	3,79,75	11,33	3,68,42	9,25	58	17,42	3,86	46	20,21	4,20,20	34,72	5,00	15,25	1,86,66	1,45,02	4	3,86,69	+ 33,51
1955-56	4,08,97	12,50	3,96,47	9,24	54	19,75	2,84	11	33,89	4,63,84	33,14	5,00	10,40	1,72,23	1,99,49	4	4,25,39	+ 40,45
1956-57	4,89,75	14,45	4,75,30	12,15	68	19,44	5,03	1,03	32,59	5,46,39	34,06	5,00	10,40	1,92,15	2,15,88	4	4,57,49	+ 89,40
1957-58	5,71,56	16,55	5,55,01	9,89	89	26,04	6,18	2	57,93	6,55,96	37,03	5,00	11,51	2,56,72	3,03,60	..	6,13,91	+ 42,05
1958-59 (Budget)	5,67,34	18,98	5,48,36	9,26	45	28,13	6,60	14,00	58,19	6,64,99	35,00	5,00	28,40	2,78,14	3,46,47	..	6,93,01	— 28,02
1958-59 (Revised)	5,26,84	20,09	5,06,75	11,62	61	25,62	8,36	1,00	65,83	6,19,31	37,06	5,00	15,21	2,66,87	3,55,62	..	6,79,76	— 59,95
1959-60 (Budget)	5,31,45	21,43	5,10,02	10,02	82	45,77	10,75	15,14	64,48	6,47,00	52,88	5,00	35,26	2,42,68	3,92,85	..	7,28,67	— 81,67

Notes.—Accounts from 1948-49 to 197-58 have not been finally closed and the figures given here are only provisional.

NEW TAXATION PROPOSALS

PROVISIONS OF THE FINANCE BILL EXPLAINED

IT will be seen from the preceding page that, on the basis of existing taxation, the Finance Minister has estimated a revenue deficit of Rs. 81.67 crores. He has proposed to cover about one-fourth of this deficit by raising additional taxation through both direct and indirect taxes. The estimate of additional taxation is Rs. 23.35 crores, made up of Rs. 18.08 crores in Union excise duties, Rs. 2.77 crores in customs duties, and Rs. 2.5 crores in wealth tax. In this article, we propose to outline the changes made in taxation.

Wealth Tax

To take the taxes payable by individuals first. There is no change in the present rates and structure of personal taxation. The wealth tax on individuals and Hindu undivided families, however, has been raised by ½ per cent. at each slab, with effect from 1959-60. The existing rates and the new rates proposed are as follows:

Individuals and Hindu Undivided Families	*Existing rates*	*Proposed rates*
	%	%
On the slab— Upto Rs. 2 lakhs for Individuals / Rs. 4 lakhs for H.U.Fs.	Nil	Nil
Above Rs. 2 lakhs and upto Rs. 12 lakhs for Individuals / Rs. 4 lakhs and upto Rs. 13 lakhs for H.U.Fs.	½	1
Above Rs. 12 lakhs and upto Rs. 22 lakhs for Individuals / Rs. 13 lakhs and upto Rs. 23 lakhs for H.U.Fs.	1	1½
Above Rs. 22 lakhs for Individuals / Rs. 23 lakhs for H.U.Fs.	1½	2

Section 2(m) of the Wealth Tax Act, pertaining to denial of deduction of tax arrears as debts, is also being amended. Ordinarily, debts owing by the assessee have to be deducted in computing his net wealth for purposes of wealth tax. To remove any doubt in regard to the treatment of tax arrears as deductible or otherwise, for this purpose, it is proposed to clarify with retrospective effect that taxes

(i) which are outstanding and are disputed by the assessee in appeals; and

(ii) which are otherwise outstanding for more than one year on the valuation date

will not be regarded as debts owing by the assessee for the purpose of deduction in computing his net wealth. This is only desirable, as otherwise taxpayers will be getting an unjustifiable relief under wealth tax resulting from their own defaults.

Expenditure Tax

The provisions relating to expenditure tax are to be tightened up as follows:

Amendment of definition of 'dependant': At present, the wife and children of an individual are regarded as dependants only if they are wholly or mainly dependent on him for support and maintenance. It is now proposed to dispense with this requirement in their cases. Any other person, who is actually dependent on the assessee for support and maintenance, will also be regarded as a dependant.

Clarification of the scope of charge: Proceedings under the Expenditure Tax Act lie only against a person whose net income after payment of taxes exceeds rupees thirty-six thousand. It is proposed to make it clear that for this purpose all income to which he or his dependants will be beneficially entitled should be taken into account, but the tax liability itself will continue to be determined solely with reference to taxable expenditure.

Expenditure incurred by dependants to be included in assessee's expenditure: Even at present, expenditure incurred by a dependant is included in the assessee's expenditure, if it has been met out of any gift, donation or settlement on trust made or created by the assessee, whether directly or indirectly. Since the basic allowance of rupees thirty thousand is meant for the assessee's family as a whole consisting of himself and his wife and minor children, it is only proper to take into account their aggregate expenditure, without looking into the source from where it has been met. In the case of a Hindu undivided family, expenditure incurred by a member will be treated as the family's expenditure, only if it has been met from the resources of the joint family.

Modification of certain exemptions and deductions: Clause 25 of the Finance Bill curtails some of the exemptions at present admissible under section 5 of the Expenditure Tax Act. The principal change is in respect of expenditure on repairs and maintenance of buildings. Under the Expenditure Tax Act, rent paid by the assessee for a residential house in his personal expenditure as also any monies spent by him on its maintenance or repairs. On the other hand, in the case of an assessee, who resides in his own house, not only is no adjustment made for the saving of rent in the computation of expenditure, but he is also entitled to claim exemption for personal expenditure against repairs and maintenance of the house under the existing Act. To remove this anomaly as between persons who reside in rented premises and others who reside in their own properties, it is proposed to treat expenditure by way of repairs, maintenance, etc., in respect of the owner-occupied property, as personal expenditure.

Expenditure on bullion, precious stones or jewellery is at present completely exempt from expenditure tax, while expenditure on household goods and other articles for personal use is charged to tax with the concession of its being distributed over a period of five years. Since the difference in treatment of the two cases is not justifiable, it is proposed to treat bullion, precious stones and jewellery in the same way as the other articles for personal use.

There is no change in Gifts Tax. Only the definition of "previous year" is being amended in order to clarify the position.

Company Taxation

In the sphere of company taxation, several major changes have been proposed. At present, companies are paying income-tax at the rate of 30 per cent. *plus* a surcharge of 1.5 per cent. and super-tax 20 per cent. on the whole of taxed profits. It is now proposed that the income-tax on Indian companies shall be 20 per cent., there is to be no surcharge; the super-tax (commonly known as Corporation tax) is fixed at 25 per cent., that is, a total of 45 per cent.

The scheme for foreign companies is: 20 per cent. income-tax and 43 per cent. super-tax.

The aforesaid scheme is to prevail from the assessment year 1960-61, in order to synchronise with the bringing into force the abolition of the system of "grossing" dividends now in force. The particulars of this change will be given presently. But the aforesaid rates will be applied for advance payment of tax by companies during the assessment year 1959-60.

It would appear from the Finance Minister's speech on new taxation proposals that the abolition of the wealth tax and excess dividend tax, as well as the readjustments of the income-tax and super-tax, is the result of the decision to give up the existing system of "grossing" dividends. A detailed explanation of this system and how it is sought to be replaced by a new one is given in the following paragraphs:

"Grossing" Dividends

In the memorandum explaining the provisions in the Finance Bill, 1959, the Department of Revenue of the Ministry of Finance has dealt in detail with the reform of the scheme of taxation of company profits and the dividends declared therefrom. Before outlining the features of the new scheme, the Finance Ministry has outlined the existing scheme. Under the latter, in general, an Indian company is required to pay income-tax at 30 per cent. (plus surcharge at 1.5 per cent.) and super-tax at 20 per cent. on the whole of its taxable profits. When the company declares dividends out of the taxed profits, each shareholder is deemed to have himself paid on the dividend he receives a proprotionate amount of income-tax (but not super-tax) through the agency of the Company. In other words, the shareholder is deemed to have received not only the net amount mentioned in the dividend warrant but also a portion of the income-tax paid by the Company. He is credited with the amount of income-tax attributable to the dividend received by him at the time of his assessment. As the tax credit is given at the Company rate of income-tax, which is higher than the personal rates of income-tax applicable to the shareholder, the tax credit always exceeds the income-tax payable on the dividend by the shareholder, and the excess is set off against the other tax liabilities of the shareholder or is refunded to him. The process of increasing the dividend by a notional amount, which is known as "grossing," and giving tax credit to the shareholder involves, according to the memorandum, several complications in actual practice.

These complications arise out of the need to make a determination of two factors which affect the rate at which "grossing" is done. The two factors are: (1) The composition of the profits of the company which have been availed of by it for declaring the dividends, that is, how much of the dividends have come out of the profits subjected to tax and how much out of exempted profits; and (2) the composition of the profits taken to reserves in earlier years, in cases where the company draws upon those past reserves for declaring dividends. Further, as the determination of these factors will be possible only after the completion of the assessment of the company, the shareholder's assessment gets inevitably delayed. *It is therefore proposed to revise the pattern of taxation of companies suitably in a manner which, while obviating the aforesaid complications, will maintain the* status quo *in all material respects with regard to revenue and the liability of the shareholders and the companies taken as a whole.*

New Scheme

The main features of the new scheme and the two stages in which it is proposed to be implemented are then described in the Finance Ministry's memorandum. The following are the main features of the proposed scheme:

(1) The present legal fiction of deeming a portion of the income-tax paid by the company on its profits as having been paid by the shareholder on the dividend he receives, and allowing the amount as tax credit against the shareholder's tax liability will be abolished.

(2) Consequently, the process of grossing the value of the dividends received by the shareholder will become unnecessary and will, therefore, be given up.

(3) As a corollary to these, the tax rates for the companies themselves will be so modified as to produce the same amount of annual net revenue, i.e., the annual gross revenue now obtained from the companies less the annual credit given to the shareholders.

(4) Companies will deduct tax at prescribed flat rates from the dividend payable to the shareholders, by way of advance recovery, and pay it to the Government. When the shareholders' assessments are made, the tax deducted at source from the dividends received by them will be made good to them either by way of a set-off against their tax liability or by way of refund.

The new scheme is proposed to be applied to the profits of companies which will be assessable to tax in 1960-61 and to all dividends declared out of such profits. The profits of companies for the accounting years ending on 31st March 1959 or earlier which will be assessable in 1959-60, and the dividends declared by the companies in respect of such accounting years, will continue to be dealt with under the existing scheme.

Two Stages

In order to ensure its smooth and effective working from the beginning, it is necessary to implement the new scheme in two stages. In the first stage, i.e., during the financial year 1959-60, the provisions relating to deduction of tax at source on dividends will be put into operation. This will, however, relate, as already stated, only to those dividends which are distributed by the companies out of their profits chargeable to tax in the assessment year 1960-61. Thus, in the case of a company closing its accounts on the 30th of June, dividends declared by it for the year ending on 30th June 1959, will be subjected to deduction of tax. In the case of a company closing its accounts for the calendar year, dividends declared by it for the year ended 31st December 1958 will not be subjected to deduction of tax and will continue to be dealt with under the existing scheme. However, if, in such a case, interim or preference dividends are declared after 1st April 1959, for the accounting year ending on 31st December 1959, the new scheme for deduction of tax will apply to those dividends.

In the second stage, i.e., during the financial year 1960-61, all the parts of the scheme will come into operation. In particular, companies will be subjected to the revised rates of income-tax and super-tax, and the process of grossing of dividends in the assessment of the shareholders will be abolished, except in regard to dividends declared by a company for a year the profits of which are assessed in its hands in the assessment year 1959-60. Further, all the dividends declared after 1st April 1960 (which will generally be only in respect of profits for account years relevant to assessment year 1960-61) will bear tax deduction at source.

Foreign Companies

The proposed scheme will not, however, apply to foreign companies as they declare dividends outside India and the question of grossing those dividends does not arise. As mentioned by the Finance Minister in his Budget Speech, as a part of the programme for simplification of company taxation, this occasion is proposed to be availed of for replacing from 1960-61 the existing taxes on excess dividend

(*Continued on page* 379)

CAPITAL OUTLAY IN THE BUDGET

PROVISION MADE FOR SEVERAL SCHEMES OF INDUSTRIAL DEVELOPMENT

WITH the growing emphasis on State participation in India's industrialisation, the capital budget continues to acquire a larger and larger significance year by year. Nothing brings out the increasing importance of the use of budgetary resources for capital formation than the table appended to the *Economic Survey*, published along with the budget papers this year, which gives the net capital assets created out of the Central Government's resources. This table shows that, between 1950-51 and 1955-56, total net capital formation—this includes fixed and other assets directly created by the Government as well as assets created by the financial assistance provided in the shape of loans and grants—increased from Rs. 98.5 crores to Rs. 431.2 crores and still further to Rs. 723.2 crores in 1957-58 (revised estimate) and to Rs. 790.6 crores in 1958-59 (budget estimate). In other words, over a period of nine years—*vide* the table at the bottom of the page—there has been an eightfold increase in annual capital formation which, by any reckoning, is a significantly large index of the Government's role in creation, sustenance and development of capital assets. Whether the same result or even a better result could not have been achieved without the present direct participation of the Government in the country's economic activity is a different question. What is strictly relevant to the point is that the Government, true to its declared aims, is assuming a position of dominating importance in the country's development.

Capital Expenditure

The total capital expenditure, as provided in the budget for 1958-59 (revised) aggregates Rs. 897 crores, made up of capital outlay of Rs. 395 crores, loans to State Governments Rs. 450 crores and debt repayment Rs. 42 crores. This is sought to be met by repayment of loans by State Governments Rs. 95 crores, public borrowings Rs. 227 crores, small savings Rs. 75 crores, foreign assistance Rs. 238 crores and miscellaneous receipts Rs. 57 crores, making in all Rs. 692 crores. Thus, the deficit in the capital budget in 1958-59 is of the order of Rs. 195 crores which together with the revenue deficit of Rs. 60 crores for the year (the excess of Rs. 788 crores in expenditure over the revenue of Rs. 728 crores) makes a total of Rs. 255 crores.

For the coming year, that is, 1959-60, the total capital expenditure is placed at Rs. 1,075 crores (exclusive of interest on loans on river valley projects and short-term loans), made up of capital outlay of Rs. 420 crores, loans to State Governments Rs. 525 crores and debt repayments Rs. 130 crores. This is sought to be covered by repayment of loans by State Governments Rs. 111 crores, public borrowing Rs. 240 crores, small savings Rs. 85 crores, foreign assistance Rs. 337 crores, issue of special securities to meet payment of additional subscription to International Monetary Fund Rs. 95 crores and miscellaneous receipts Rs. 44 crores, thus making in all Rs. 912 crores. Thus, the deficit in capital account works out to Rs. 163 crores. The revenue deficit of Rs. 82 crores (excess of expenditure Rs. 839 crores over revenue Rs. 757 crores) is reduced to Rs. 59 crores through the revenue anticipated by the new tax proposals. Thus, the total deficit for the year will work out to Rs. 222 crores, as against Rs. 255 crores in 1958-59.

Second Plan

Capital expenditure is, of course, mainly undertaken in furtherance of the second Plan's objectives. The Plan outlays in the first three years of the Plan, 1956-57, 1957-58 and 1958-59 according to the *Economic Survey*, are Rs. 639 crores (Centre Rs. 342 crores, and States Rs. 297 crores), Rs. 846 crores (Centre Rs. 500 crores and States Rs. 346 crores), and Rs. 981 crores (Centre Rs. 582 crores and States Rs. 399 crores), respectively, making in all Rs. 2,466 crores. This leaves a balance of Rs. 2,034 crores to make up the total outlay of Rs. 4,500 crores on the second Plan. So far as the year 1959-60 is concerned, the total Plan outlay, by the Centre and States, is placed at Rs. 1,121 crores (inclusive of interest on loans on river valley projects which are added to capital during period of construction and short-term loans). The Central Government's budget for 1959-60 includes a total provision of Rs. 843 crores for implementing the Plan, Rs. 150 crores in the revenue budget and Rs. 693 crores in the capital budget. Out of this amount, Rs. 63 crores from the revenue budget and Rs. 195 crores from the capital budget will be given as assistance to the States. In addition, the Railways will be spending Rs. 39 crores from their own resources and the States Rs. 239 crores. All this makes up a total of Rs. 1,121 crores. This means that the final year of the Plan, namely, 1960-61, will witness a Plan outlay of only Rs. 913 crores.

During the period of the first Plan, the investment in the economy was stepped up from 5 per cent, to 7 per cent. of the national income. Since then, there has been a progressive increase in investment to a level between 10 and 11 per cent. Examining the role of investment and tax effort in relation to the Plan, the *Economic Survey* observes:

"A substantial tax effort has been made over the last three years. The yield of additional taxation undertaken over the three years at the Centre and in the States is expected to aggregate to about Rs. 900 crores over the five-year period. Market borrowings which suffered a setback in 1957-58 registered a striking improvement in 1958-59 as stated earlier. Small savings have also been doing better. The net collections up to January 1959 were Rs. 47.1 crores, i.e., Rs. 9.3 crores more than for the same period in 1957-58. The amount of external assistance coming into the budget has also gone up year by year. Nevertheless, the budgetary deficit over the three years is estimated at about Rs. 950 crores. The deficit in 1957-58 was exceptionally heavy, and although 1958-59 is expected to show a relative improvement, it is evident that the resources position *vis-a-vis* the requirements of the Plan is difficult. It is true, of course, that the size of the budgetary deficit in any particular year is not necessarily a measure of the inflationary impact of all governmental operations on the economy in that year, especially as there is a time lag between the contractionist effect on the economy of the sales of the commodities thus obtained and the budgetary accounting of the receipts. Nevertheless, it is clear that creation of money incomes ahead of increases in production has to be kept down to the unavoidable minimum especially as the foreign exchange reserves have fallen to a low level. Public revenues have increased significantly over the last three years, partly as a result of the tax measures adopted and partly in consequence of the rise in money incomes. The proportion of public revenues to national income has gone up from 9.1 per cent. in 1956-57 to about 10.1 per cent. but this rise has been absorbed, more or less by the increase in non-development expenditures. In consequence, the reliance on borrowing from the public, from the banking system and from abroad for financing the Plan has tended to increase."

Industrial Programmes

To revert to capital expenditure in 1959-60. A sizable portion of it will be spent on expansion of the Government's industrial programmes. The Atomic Energy Establishment will receive Rs. 4.22 crores, as against Rs. 2.54 crores in 1958-59. Other large investments, with figures in brackets indicating the estimate for 1958-59, include:

Purchase of shares in Nangal Fertilisers and Chemicals Ltd. Rs. 6 crores (Rs. 4.75 crores), purchase of shares in Heavy Electricals (Private) Ltd. Rs. 7 crores (Rs. 5 crores): purchase of shares in Hindustan Heavy Engineering Corporation Rs. 1.35 crore (Rs. 0.6 crore); purchase of shares in Hindustan Steel (Private) Ltd. *nil* (Rs. 144.2 crores); oil exploration scheme Rs. 3.26 crores (Rs. 1.96 crore); investment in Oil India Private Ltd. Rs. 2 crores (Rs. 4 crores); purchase of shares in Neyveli Lignite Corporation Rs. 13.0 crores (Rs. 6.48 crores); Eastern Shipping Corporation Rs. 1.95 crore (Rs. 0.90 crore); Western Shipping Corporation Rs. 1.60 crore (Rs. 2.15 crores); investment in Air India International Rs. 2.88 crores (Rs. 2.83 crores); investment in Indian Airlines Corporation Rs. 0.80 crore (Rs. 3.67 crores).

Besides the provisions noted above, the Government has allocated large sums to be given as loans. Thus, the absence of further investment in Hindustan Steel (Private) Ltd. does not mean that the enterprise will need no sums in 1959-60. Only, since the Company's authorised capital of Rs. 300 crores has been fully subscribed, further requirements of the Company will be provided as loans, of which it will receive Rs. 122 crores, as against Rs. 52.60 crores provided in 1958-59. Other prospective recipients of loans in 1959-60, with figures in brackets representing the loan provision in 1958-59, include:

Rehabilitation Industries Corporation Rs. 2 crores (*nil*); Khadi and Village Industries Commission Rs. 7.33 crores (Rs. 7.12 crores); private shipping companies Rs. 4.83 crores (Rs. 6.68 crores); shipping development fund Rs. 5.06 crores (Rs. 1 crore.; Tata Iron and Steel Co. and Indian Iron and Steel Company Rs. 2 crores (Rs. 10 lakhs); Industrial Finance Corporation Rs. 7.25 crores (Rs. 3.0 crores); National Small Industries Corporation Rs. 1.20 crore (Rs. 1.20 crore); and National Coal Development Corporation Rs. 10 crores (Rs. 5 crores) and National Industrial Development Corporation Rs. 2.90 crores (Rs. 2.0 crores).

Public Debt

The outstanding public debt of the Government of India is expected to amount to Rs. 4,067 at the end of 1958-59 and Rs. 4,821 crores at the end of 1959-60; it was no more than Rs. 950 crores at the end of 1938-39. Out of the total of Rs. 4,821 crores, at the end of 1959-60, the rupee loans will account for Rs. 4,139 crores and foreign loans for Rs. 682 crores; the corresponding figures for the outstanding public debt at the end of 1958-59 are Rs. 4,067 crores, Rs. 3,675 crores and Rs. 392 crores. Foreign loans at the end of 1959-60, with figures in brackets representing the position at the end of 1958-59, will include: Sterling loans Rs. 92.09 crores (Rs. 51.44 crores); U.S. dollar loans Rs. 415.16 crores (Rs. 246 crores); Canadian dollar loans Rs. 15.71 crores (Rs. 15.71 crores); loans from U.S.S.R. Rs. 61.34 crores (Rs. 40.89 crores); loans from W. Germany Rs. 64.66 crores (Rs. 35.71 crores); loans from Japan Rs. 12.79 crores (Rs. 1 crore). The rupee loans at the end of 1959-60 with figures for the loans at the end of 1958-59 in brackets are: current loans Rs. 2,292.2 crores (Rs. 2,183.8 crores); Treasury Bills Rs. 1,535.1 crores (Rs. 1,275.1 crores); special floating loan Rs. 266.2 crores (Rs. 204.4 crores) and expired loans Rs. 15.8 crores (Rs. 12.1 crores). Besides this debt, the Government has, of course, to repay a large variety of balances and funds, such as provident funds, savings deposits, reserve funds of the Railways and certain other deposits such as those relating to income-tax. These balances are estimated to amount Rs. 1,134 crores at the end of 1958-59 and Rs. 1,223 crores at the end of 1959-60. The overall debt position of the Government of India will be:

(Rs. in crores)

	As on 31-3-1959	As on 31-3-1960
Regular loans ...	4,066.82	4,821.21
Other liabilities ...	1,133.97	1,222.61
British war loan ...	—20.62	—20.62
	5,180.17	6,023.20

In terms of the purpose for which the money has been utilised, the public debt can be analysed in the following way:

Capital Assets

(In round crores of rupees)

	As on 31st March, 1959	As on 31st March, 1960
Railways	1,343	1,465
Posts and Telegraphs and Other Commercial Departments (including Damodar Valley Corporation)	187	210
Investments in Commercial Concerns (Industrial Development)	465	519
Loans and advances	1,732	2,119
Amounts recoverable from the U.K. and the States on account of purchase of annuities for sterling pensions	21	20
Subscription to the International Monetary Fund ...	201	206
Purchase of shares of the I.B.R.D.	37	37
Debt due from Pakistan	300	300
Cash and other investments	58	56
Total ...	4,344	5,022

By comparing the total debt with the assets created out of it, it will be seen that the uncovered debt will amount to Rs. 1,001 crores at the end of 1959-60. This amount, it is stated, cannot be entirely regarded as unproductive

(*Continued on next page*)

Net Capital Formation

(Rs. crores)

	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58 (R.E.)	1958-59 (B.E.)
A. Net capital formation by the Central Government :									
1. Fixed assets	49.2	49.4	47.2	67.5	86.8	127.8	181.7	200.4	228.8
2. Works stores	9.9	5.0	—1.0	3.2	—2.5	5.1	23.0	25.7	12.3
3. Increase in policy stocks of foodgrains, etc. ..	—9.3	10.4	—15.7	—24.4	68.1	—29.8	4.7	54.2	13.3
Total ..	49.8	64.8	28.5*	46.3	152.4	103.1	211.4	280.3	254.4
B. Financial assistance for net capital formation in the rest of the economy through :									
1. Grants for capital formation	2.4	6.3	5.7	6.2	28.4	32.9	30.6	34.8	38.7
2. Investment in shares	4.8	4.2	2.3	4.6	6.2	3.4	23.4	141.5	179.9
3. Loans for capital formation	41.5	85.0	105.8	144.9	257.6	291.8	240.5	266.6	317.6
Total ..	48.7	95.5	113.8	155.7	292.2	328.1	299.5	442.9	536.2
C. Total net capital formation out of the budgetary resources of the Central Government (A+B)	98.5	160.3	140.3	202.0	444.6	431.2	510.9	723.2	790.6

Note: Worked out from the budgets of the Central Government.

AMERICAN LETTER

MOVE TO AID INDIA WELL RECEIVED

LABOUR DEMANDS IMPART CAUTION

From Our Special Correspondent

NEW YORK, 24*th February*

SENATORS Kennedy and Cooper have introduced a bi-partisan and widely supported Bill in Congress which would create an international mission to canvass India's needs and to chart a course for long-range economic aid. Their joint resolution calls upon the Senate to go on record as favouring such action.

The Bill is supported editorially by leading newspapers. It is being pointed out quite forcefully that India needs help in her struggle to improve the living standards of 400 million people. If the resolution is passed, it would foreshadow an important change in United States foreign aid programmes.

What has been suggested is to put the Development Loan Fund on a permanent basis, so that help extended to underdeveloped countries is not subject to the annual scrutiny of the Congress. Countries receiving aid are uneasily aware of this condition.

Moreover, none of such countries, including India, can think of financial undertakings except in terms of several years or more, so that the annual requirement is rather unrealistic to begin with. Yet, any and all foreign aid measures entail considerations of momentarily prevailing political moods.

The Senators emphasise India, because India would profit most from the kind of loans made by the Development Loan Fund. They go so far as to say that, in deciding the fate of the Fund this year, Congress will "in large measure be deciding the future of India."

It is recognised here that this is the crucial year in India's current five-year Plan. Even after severe cutbacks, the Indian Government is still short nearly $600 million which must be invested if the Plan is to succeed.

The Plan is felt to be a practical necessity, if India's growing population is to be kept alive at a growing scale of living standards. Unless India receives steady and long-term support from the West, of the kind the Soviet Union has given to Communist China, Senator Kennedy warns, India as a free and democratic state may not survive.

The latest legislative proposal calls for help of a new order, not just a dam in one spot and a railroad in another, or a model farm in the midst of wilderness.

Domestic Economy

The U.S. domestic economy is proceeding along the recovery path. Retailers rolled up their biggest January volume in terms of current dollars. Increases were widespread and, in some instances, quite substantial as consumers stepped up their buying. This applied to such establishments as department stores, automotive dealers to drug stores and supermarkets.

Only one important retail group suffered a setback—furniture and appliance stores. But even in that area, the decline was fractional, amounting to only nine-tenths of one per cent.

The Federal Reserve index of industrial production rose to 143 (1947-49=100) in January, 1959. This compares with a pre-recession peak of 145. Operations in the steel industry were scheduled at 86.1 per cent. of capacity this week, as compared with 83.7 per cent. a week ago. Some of the buying is, no doubt, hoarding for fear of a prolonged steel strike beginning 1st July 1959. But it is difficult to say just how much that accounts for.

Labour on War-path

As a matter of fact, all the three major unions are on the war-path again this year. They will be trying for a 35-hour work week, as compared with 40 hours at the present time. In addition to workers in steel, similar demands will be made by rubber industry and railroad workers also.

The American trade unions today have the same the-public-be-damned attitude that big business and high finance had in the era which ended with the great depression in the early 1930s. That attitude in both instances was and is sparked not by maliciousness, but by sheer stupidity and ignorance of basic facts and economic laws.

It is the old story of the pendulum swinging too far in one direction and then reversing its course in the other direction, going too far. It is just inviting reversal. Labour reform bills, now before Congress, may be one means in that direction. Meanwhile, David Beck, former boss of the teamsters union has been indicted for income-tax evasion and faces a long prison term.

Equities up Again

Stock prices again rose sharply in the second half of February. The Dow Jones averages broke through the 600-index barrier for the first time in history. The last time the market chalked up a new high was on 22nd January 1959.

There was a number of new readings on the economic barometer. Freight car loadings rose. Auto production was up and so were many other readings except unemployment which is still slightly below the 5-million mark. Increased dividends and an equally enticing, if somewhat less meaningful, spate of stock splits helped to bring back buying into the market which had been somewhat stagnant for some time. Once again, institutional buying by investment companies, trust and pension funds, etc., was an important factor.

Personal income rose to a new high annual rate of $362,300 million in January. It was $13.500 million higher than in January, 1958 in terms of current dollars.

Despite the unemployed, average take-home pay of factory workers last month reached a new record for any January, chiefly because of lengthening of the work week. It was the first month to show a new high since the recession began in mid-1957.

Yet, there is no question that caution is the primary motivating factor in business and Government. It is that caution which makes do with the present labour force without addition. It is that caution, coupled with fears of further inflation, because of labour demands, which makes Government, on all levels, seek higher taxes and balanced budgets, however illusory.

Foreign Affairs

Foreign affairs are receiving much public attention these days. The illness of John Foster Dulles, Secretary of State, has focussed attention to this field and so has the visit of the British Prime Minister to Moscow who is expected here in the middle of March.

Both the Berlin question and the Cuban revolution have intensified this preoccupation with foreign affairs. The outcome of the Berlin crisis remains to be seen. The pessimists believe that miscalculations by either side may spark a suicidal war.

After the first violent reactions against the mass-executions in Cuba, the most conservative reporters now say that the new regime of Fidel Castro is honest and intelligent and has prevented a rampage of revenge, murder and plundering which was generally expected after the departure of General Batista and his henchmen. The aid to India proposals now before Congress are part and parcel of these foreign policy considerations at present occupying American public opinion.—*All Rights Reserved.*

CAPITAL OUTLAY IN THE BUDGET

(*Concluded from previous page*)

debt since loans and grants made to State Governments go to increase productive capacity and the investments made in Central Government's property, the value of which is either not shown at all or treated as non-commercial item, are not without value.

Third Plan

Although it is known that massive capital investments are needed in the period of the third Five-year Plan, the Union Finance Minister did not commit himself to any specific figure. He felt that it was "premature to speculate on the size of the Plan." He admitted that "thinking has already started in the third Plan". He averred that the objective of the third Plan should be "to accelerate as much as possible the tempo of development the country would have reached by the end of the second Plan." A similar note has been struck by the *Economic Survey* which has stressed that the mobilisation of resources, both internal and external, will call for continuing effort in the third Plan period and will, in fact, have to be accelerated further if the third Plan is to be, as it should be, a "decisive" step forward towards the goals envisaged.

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TREND OF WORLD SILVER MARKETS

LARGER CONSUMPTION EXPECTED

THE world silver markets continued to be fairly stable throughout 1958, as in 1957, though the trend of prices was somewhat downward. As in the previous years, the degree of stability varied from country to country, but prices throughout the world were subject to the same basic conditions. The policies of the Bank of Mexico and of the U.S. Treasury have been the dominant influences during the current decade. For eight years, from 1948 to 1958, the price of silver in New York fluctuated within a range of less than 10 cents a troy ounce and, in the last three years, the spread between the high and the low was no more than 3 cents. On balance, the average prices of silver in New York and in London were lower than those in either 1957 or 1956. The Indian silver market, again, provided an exception to the general trend and the average price was somewhat higher than in the previous year.

The generally lower prices were due to an increase in world production of the white metal and a fall in consumption. According to the world-renowned Messrs. Handy and Harman's Forty-third *Annual Review of the Silver Market in* 1958, on which this article is based, the total output of silver in the non-Communist world amounted to about 204.7 million ounces, representing an increase of about 3 per cent. over 1957. The production in the U.S., however, dropped by 4.7 million ounces to 34 million ounces, but this was more than made good by the increase of 2.6 million ounces in Canada, 5.5 million ounces in Peru and 2.6 million ounces in countries outside the Western Hemisphere, as will be seen from the following table, giving the trend of world production from 1954 onwards:

World Silver Production

(In millions of ounces)

Countries	1958	1957	1956	1955	1954
Mexico	47.0	47.2	43.1	48.0	39.9
United States	34.0	38.7	38.7	36.5	35.6
Canada	31.0	28.4	28.4	28.0	31.1
Peru	30.8	25.3	23 0	22.9	20.4
Bolivia	5.4	5.4	7.5	5.9	5.0
Other South and Central American countries ..	6.5	6.6	7.0	6.4	7.8
Total Western Hemisphere.	154.7	151.6	147.7	147.7	139.8
Outside the W. Hemisphere (partial)	50.0	47.4	51.6	50.7	49.4
World Production (partial).	204.7	199.0	199.3	198.4	189.2

It will be observed from the data given above that, notwithstanding the slight setback in 1957, the basic trend of world production of silver has been upward and, in the course of the last four years, it has gone up by 15.5 million ounces or by over 8 per cent.

Messrs. Handy and Harman estimate the consumption of silver in the non-Communist world at 250.5 million ounces during 1958, which represents a decline of about 13 per cent. from the 1957 level. This reverses the upward trend noted since 1954, as the following table of world consumption shows:

World Silver Consumption (partial)

(In millions of ounces)

Countries	1958	1957	1956	1955	1954
Arts and Industries					
United States	85.0	95.0	100.0	100.0	85.0
Canada	3.9	5.2	3.8	4.6	3.9
Mexico	4.4	3.9	2.9	2.5	1.3
Great Britain	13.5	13.5	13.9	14.2	12.6
France	13.0	12.3	15.9	15.7	15.0
Western Germany	31.1	31.5	33.1	28.1	24.2
India	3.3	15.0	17.5	3.0	3.0
Japan	8.2	8.8	8.1	6.3	5.8
Other countries (partial) ..	25.0	25.0	15.0	18.4	10.0
Total (partial) ..	187.4	210.2	210.2	192.8	160.8
Coinage					
United States	36.2	51.4	31.2	8.2	53.1
Canada	4.7	4.7	3.2	2.6	0.9
Mexico	2.2	3.1	4.9	2.3	..
Saudi Arabia	..	..	..	17.2	..
Other countries (partial) ..	20.0	20.0	17.2	22.3	29.4
Total Coinage (partial) ..	63.1	79.2	56.5	52.6	83.4
Total Consumption (partial)	250.5	289.4	266.7	245.4	244.2

The statistics relating to world production and consumption, say Messrs. Handy and Harman, are incomplete for many countries and are particularly scarce for Communist-dominated areas. They are, therefore, limited to non-Communist countries.

The consumption for arts and industries, as well as that for coinage, has declined. Arts and industries took up 187.4 million ounces, the lowest quantity since 1954. In the U.S. alone, the decline in the use of silver by this source is said to have been 10 million ounces and is estimated to have been 11.7 million ounces in India. As for coinage, the bulk of the decline is accounted for by the U.S. which used 15.2 million ounces less for the purpose during 1958. The lower consumption in the U.S. is not surprising, in view of the fact that the past year was one of recession. Well over half of all silver used in that country continues to go into industrial applications, in contrast to the more traditional use in arts. Notwithstanding the large decline of 25.2 million ounces in its total consumption, the U.S. continued to be the largest consumer of the white metal in the world, accounting, as it did in 1958, for nearly 50 per cent. of the total world consumption.

Consumption in India during 1958 is estimated at 3.25 million ounces, which is considerably below that (15 million ounces) in 1957. It is also less than the quantity imported during the year, at about 6 million ounces. "It is believed," Messrs. Handy and Harman observe, "that consumption has been curtailed by the prevailing high prices."

While U.S. consumption declined by 25.2 million ounces, its imports fell by 45.2 million ounces to 160.9 million ounces. As in 1957, so also in 1958, the return of lend-lease silver continued to be the main source of imports into the U.S. Out of the total imports of 160.9 million ounces during 1958, lend-lease silver accounted for 92.4 million ounces, as against 138.3 million ounces in 1957. India alone returned 83 million ounces of lend-lease silver during the past year, Pakistan 4.8 million ounces, and Ethiopia 4.6 million ounces. With this, the total quantity of lend-lease silver returned to the U.S. upto the end of 1958 was 369.3 million ounces, as against the original obligation of 410.8 million ounces, leaving a balance of only 40.5 million ounces. The three countries which have yet to repay fully their obligations are: Pakistan, 18.4 million ounces; Saudi Arabia, 21.3 million ounces and Ethiopia, 0.8 million ounces.

Imports into the U.S., other than returns against lend-lease, amounted to 68.5 million ounces, of which 65.1 million ounces were imported from the Western Hemisphere countries and 3.4 million ounces from countries outside the Western Hemisphere.

During 1958, the U.S. exported 2.9 million ounces of silver, as against 10.3 million ounces in the previous year. The main importer from the U.S. was Mexico, with 1.7 million ounces, as against 1.3 million ounces. W. Germany's imports declined from 2.8 million ounces to 1 million ounces, U.K.'s from 3.9 million ounces to a mere 0.1 million ounces and other countries' from 2.3 million ounces to 0.1 million ounces.

There was no significant change in the sources of supply of silver to the London market. Imports into the U.K. during the first eleven months of 1958 aggregated 19.5 million ounces, as against 17.2 million ounces in the corresponding period of 1957. Australia was the main exporter to London with a shipment of 9 million ounces. During the same period, Britain exported 15.2 million ounces, as compared with 15.6 million ounces (exclusive of 22.5 million ounces of lend-lease silver) in the corresponding period of 1957. France was the largest buyer with 4.6 million ounces. Austria bought 3.1 million ounces and Italy 3.5 million ounces.

The sales of silver by the Bank of England were the major factor in the London market. According to Messrs. Handy and Harman, the Bank sold about 11 million ounces in 1958 to users in Britain, as against 7 million to 8 million ounces in the previous year. This silver was obtained through the withdrawal from circulation of demonetised coins. It is estimated that approximately 12 million ounces were acquired from this source in 1958 and that about 80 million to 90 million ounces of silver are still outstanding in the form of silver coins in the hands of the British public.

Referring to India, Messrs. Handy and Harman say that imports of silver coins from Tibet, on a barter basis, were lower, being about 6 million ounces, as compared with about 16 million to 17 million ounces in 1957. It is stated that towards the end of November last, the Chinese authorities banned further exportation of coins to India. It is, however, not known whether this is a permanent ban or whether exports will ultimately be resumed. They point out that since even the reduced imports during 1958 have been much more than consumption, it is a logical conclusion that deliveries of bullion to the market have been held up due to delays connected with refining.

To revert to the trend of prices. As stated earlier, the average prices in New York and London were below those in 1957. The following table shows the highest, lowest and average prices in the two markets during the last one decade:

Silver Prices

Year	New York (in cents)			London—Spot (in pence)		
	High	Low	Average	High	Low	Average
1958 ..	90.375	88.625	89.044	78.750	74.750	76.211
1957 ..	91.375	89.625	90.820	80.500	77.125	78.927
1956 ..	91.625	90.000	90.826	81.375	78.625	79.132
1955 ..	92.000	85.250	89.099	80.250	73.750	77.507
1954 ..	85.250	85.250	85.250	74.375	72.000	73.482
1953 ..	85.250	83.250	85.188	74.000	72.875	73.945
1952 ..	88.000	82.750	84.941	77.000	72.500	74.360
1951 ..	90.160	80.000	89.368	78.500	70.000	77.856
1950 ..	80.000	71.750	74.169	70.000	63.000	64.796
1949 ..	73.250	70.000	71.930	64.000	42.500	49.243

Messrs. Handy and Harman expect a higher price to prevail in the current year, on account of the increasing and varying use of the white metal in industries. Referring to the outlook, they observe:

"The year 1958 has ended on an optimistic note for business in general. Silver is used in a wide variety of industries and, therefore, its market is directly affected by business conditions. We predict that consumption of silver in the United States in 1959 will exceed the 1958 figure. It is probable that the needs of the market will require a larger portion of domestic silver than in the year just ended, and we expect that 1959 will see the price more frequently above the Treasury buying price for domestic silver than in the recent past. However, if we assume that there will be no change in the policies of the United States Government, then in all probability the story of the silver market in the coming months will be little more than a continuation of what we have seen for the past several years."

One important arena of use of silver, particularly in the U.S., is the consumer durable goods industry. According to Messrs. Handy and Harman, there are definite indications of improvement in this category. Furthermore, a growing number of applications of silver and its alloys in electrical and electronic developments has a long-range prospect for silver. The use of silver in sterling and plated ware has grown in the U.S. by the increasing number of weddings and the predicted increase in the marriage rate over the next few years is expected to enlarge further the consumption of silver.

P.L.480 FUNDS WITH STATE BANK

The appropriateness of depositing the rupee counterpart funds arising from imports of commodities from the U.S. under P.L.480 with the State Bank of India has been the subject of some public comment for some time. It is being alleged, not infrequently, that the deposit of these large funds has placed the State Bank in a more advantageous position *vis-a-vis* the other Scheduled banks, in that its competitive position has been strengthened. Repudiating this at a Press Conference held on Friday last week and at the annual general meeting of the Bank held later on the same day, Mr. P. C. Bhattacharyya, Chairman of the Bank, explained the policy behind the utilisation of these funds. In the first instance, he pointed out that the Bank's deposits had increased during 1958 by over Rs. 111 crores, the bulk of which was accounted for by the counterpart funds under P.L.480. At the same time, there was an increase of over Rs. 101 crores in the Bank's investment portfolio. The expansion in investments, Mr. Bhattacharyya explained, was consequential to the policy of depositing with the Bank the rupee counterpart funds from the U.S. under P.L.480, which in turn are invested in Government securities; these had gone up by over Rs. 98 crores during 1958.

There were two main reasons for this investment decision. First, it was felt that "it was our duty to deal with these funds in a manner consistent with the general economic policy and, in particular, the anti-inflationary policy of the Reserve Bank of India and the Government of India." Secondly, it was felt that "if these substantial amounts were put into the normal channels of commercial credits, there could be a major upset when these deposits would have to be repaid on short notice, as is required to be done."

The following are the main points of information on the P.L.480 funds and on other aspects of the Bank's working that emerged from the questions put at the Press Conference:

1. The total deposits of P.L.480 funds with the Bank aggregate Rs. 175 to 180 crores.

2. The rate of interest paid on these funds is 2½ to 3 per cent.

3. Even if these funds are excluded, the rise in the Bank's deposits would have been in keeping with the general trend of other Scheduled banks, but subject to one difference, namely, that, whereas in the case of other Scheduled banks the rise in time deposits was much more than that in demand deposits, the reverse was the case with the State Bank of India.

4. The rate of interest paid by the Bank on other short-term deposits is not more than 3 per cent. per annum.

5. There has only been a small withdrawal so far from the P.L.480 funds to meet the U.S. Government's expenditure.

6. As the State Bank is providing only the working capital of small-scale industries, there is no likelihood of overlapping, with the other agencies, of financing these industries.

7. The role of the State Bank in the proposed State trading in foodgrains is nothing more than the traditional one of financing ventures that the State undertakes.

BANK OF INDIA'S PROFIT LOWEST SINCE 1955

CREDIT RATIO ABOVE AVERAGE

A FURTHER expansion in deposit resources of banks, without a corresponding expansion in their main revenue-earning asset, namely, commercial advances, thanks to the continued credit restraint, has had the effect of reducing the profits of banks in general during 1958. True to this trend, the deposits of the Bank of India Ltd. also rose last year by Rs. 5.67 crores, but there was actually a slight drop of about Rs. 39 lakhs in their advances. The Bank's profit declined by Rs. 7.70 lakhs to Rs. 85.77 lakhs. This is the first year since 1953 for which the Bank's profit has recorded a setback. From Rs. 76.03 lakhs earned in 1953, the profit had gradually improved to a record level of Rs. 93 47 lakhs in 1957, before receding in the year under review.

After reducing the provision for taxation from Rs. 30 lakhs to Rs. 25 lakhs and enhancing the allocation to bonus to staff from Rs. 15 lakhs to Rs. 16 lakhs, the Directors have maintained the dividend at 16 per cent. per annum on the present capital of Rs. 3 crores for the second year in succession. The payment of this dividend, which requires Rs. 48 lakhs, is to be made by drawing on the previous year's surplus of Rs. 16.02 lakhs to the tune of Rs. 3.23 lakhs.

The Bank's earning from interest and discount has gone up by over Rs. 51 lakhs, but this is more than offset by the fall of Rs. 15 lakhs in commission and exchange earned—reflecting the setback in the Bank's bills business—a rise of Rs. 29 lakhs in interest paid, following the expansion in time deposits and the high rate of interest thereon, and of Rs. 13 lakhs in expenses. Of the rise in expenses, salaries and allowances and provident fund alone account for nearly Rs. 11 lakhs.

The following table shows the Bank's progress during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount	3,86 45	3,35.32	2,72 08	2,18.41
Commission, exchange, etc. ..	52 34	67 40	71 01	53 00
Gross income	4,46 30	4,10 95	3,51 04	2,80.51
Interest paid	1,04 81	1,65 51	1,10 02	72.49
Expenses	1,64 59	1,51 32	1,47 76	1,22.49
Depreciation	1 13	0 65	1 23	0 62
Profit	85 77	93 47	92 03	84.91
Provision for taxation ..	25 00	30 00	28 00	25 00
Bonus to staff	16 00	15.00	13.75	12.75
To reserve fund	..	..	8.00	3 00
„ Bank's landed property ..	..	..	..	3 00
Dividend	48 00	48 00	40 00	40 00
	(16%)	(16%)	(16%)	(16%)
Carry forward	12.79	16.02	15.55	13.27

	As on 31st December			
	1958	1957	1956	1955
Capital	3.00 00	3.00 00	2,50 00	2,50 00
Reserves	3,10 00	3,10 00	3,10 00	3,52 00
Deposits	83,27.73	82,60.32	69,55.02	67,55.37
Borrowings from other banks ..	..	1,50 00	7,85 00	2,00 00
Advances and bills purchased.	58,99.20	59,37.84	57,21.12	46,09.55
Investments	24,49.80	19,60.39	18,52.87	20,50.28
Cash	10,53.09	11,04.88	8,00 20	9,09.64
Acceptances, endorsements, etc.	5,07 52	4,99.13	9,60 59	10,31.80
Balance-sheet total	101,98.46	98,47.62	96,41.90	89,23.62
Ratio to deposits of—	%	%	%	%
Advances	66.8	71.9	62.3	68.2
Investments	27.7	23.8	25.9*	27.4*
Cash	11.9	14.5	11.5	14.3

* Ratio arrived at after taking into account the investments earmarked against borrowings from banks.

The rise in the Bank's deposits during 1958 is less conspicuous than that in 1957, as will be seen from the above table. A break-up of the deposits shows that fixed deposits have gone up by Rs. 8.64 crores to Rs. 39.58 crores and savings deposits by Rs. 1.68 crore to Rs. 11.86 crores, while current deposits have declined by Rs. 4.65 crores to Rs. 36.83 crores. On the assets side, there has been a decline of Rs. 39 lakhs to Rs. 58.99 crores in bank credit, mainly due to the fall of Rs. 2.87 crores (to Rs. 6.83 crores) in bills purchased and discounted. Loans, cash credits and overdrafts have, however, risen by Rs. 2.48 crores to Rs. 52.11 crores. The slight decline in bank credit in the face of an expansion in deposits has brought down the credit ratio to 66.8 per cent., which is the lowest year-end ratio for the Bank since 1954, but is well above the general average of 55 per cent. for all banks. In the absence of scope for increasing the advances portfolio, the bulk of the expansion in the Bank's deposits has been utilised to strengthen its investments in Government securities which has consequently raised the investment ratio to 27.7 per cent. The shrinkage of Rs. 1.41 crore in cash balances has brought down the cash ratio from 14.5 per cent. to 11.9 per cent., but the total liquid assets provide a slightly larger cover to the deposits as at the end of the year than at the close of 1957.

MYSORE BANK REPORTS LOWER PROFIT

DEPOSITS RISE BY RS. 4 CRORES

IN consonance with the general trend of bank earnings during 1958, the profit of the Bank of Mysore Ltd. also has suffered a setback from Rs. 24.08 lakhs to Rs. 22.58 lakhs for the year under review. The decline—Rs. 1.50 lakh—is, however, so small that the year's profit is still better than that for any of the years preceding 1957. Following this small setback, the provision for taxation has also been pruned from Rs. 4 lakhs to Rs. 3.50 lakhs. The transfer to the general reserve has been reduced from Rs. 7.95 lakhs to Rs. 4.75 lakhs, but it must be noted that, out of the allocation made last year, a sum of Rs. 3.55 lakhs was in respect of 1956. No allocation has been made for contingency reserves and reserve for depreciation on investments, for which purpose Rs. 2 lakhs and Rs. 3 lakhs, respectively, had been set aside last year. The dividend is unchanged at 16 per cent. per annum, a rate which is being maintained on the present capital from 1947 onwards. The only difference in the distribution pattern before 1957 and in the last two years is that the dividend and bonus parts of it were merged in 1957.

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

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Gross income	97.25	82.73	68.74	60.73
Interest and discount earned ..	84.84	69.84	57.60	50.90
Commission and exchange ..	10 58	11.50	10.22	9.64
Interest paid	42.45	29.20	22.06	19.19
Expenses	30.72	28.04	24.76	23.53
Depreciation	1.50	1.42	1.32	0.81
Profit	22.58	24.08	20.60	17.21
Provision for taxation ..	3.50	4.00	5.50	6.00
To reserves	4.75	12.96	..	1.00
„ bonus to staff ..	3.50	3.20	3.00	2.81
Dividend	8.00	8.00	8.00	8 00
	(D. 16%)	(D. 16%)	(D. 14% +B. 2%)	(D. 12% +B. 4%)
Carry forward	4.70	1.87	5.92	1.82

	As on 31st December			
	1958	1957	1956	1955
Capital	50.00	50.00	50.00	50.00
Reserves	96.71	91.96	84.00	84.00
Deposits	16,72.14	12,88.92	11,19.17	10,55.36
Borrowings from banks ..	..	80.00	99.00	..
Advances (including bills purchased and discounted) ..	10,04.57	9,79.44	9,12.39	7,01.83
Investments	6,35.00	4,22.33	4,02.75	3,83.83
Cash (including money at call and short notice)	2.37.50	1,10.57	90.13	1,42.24
Balance-sheet total ..	21,04.13	17,00.40	16,03.17	13,45.75
Ratio to deposits of—	%	%	%	%
Advances	60.1	76.0	76.6	66.4
Investments	30.8	30.4*	25.8*	36 7
Cash	14.1	8.6	7.6	13.5

* Ratio arrived at after taking into account investments earmarked against borrowings from banks.

The income and expenditure parts of the profit and loss account conform to the general pattern. Interest and discount earned have gone up by Rs. 15 lakhs, while commission and exchange are lower by Rs. 1 lakh. The outgo by way of interest paid shows a rise of more than Rs. 13 lakhs and other expenses an increase of about Rs. 3 lakhs.

The Bank's reserves stand considerably strengthened by Rs. 12.71 lakhs in the last two years to Rs. 96.71 lakhs. Of these reserves, the premium on shares accounts for Rs. 46.71 lakhs. The upward trend in deposits is being maintained, with a further rise of Rs. 3.83 crores to Rs. 16.72 crores in 1958. The composition of the deposits shows that the bulk of this rise—Rs. 3.05 crores to be precise—has occurred in fixed deposits at Rs. 7.67 crores. Thrift and savings bank deposits have risen by a little over Rs. 2 lakhs to Rs. 2.43 crores and current and other accounts by Rs. 76 lakhs to Rs. 6.62 crores.

The increase of Rs. 25 lakhs in total advances of the Bank as at the end of the year is mainly due to the rise of about Rs. 33 lakhs in bills purchased and discounted to Rs. 1.63 crore, while loans, cash credits and overdrafts are lower by a little over Rs. 7 lakhs at Rs. 8.42 crores. In the absence of any corresponding expansion in bank credit as that in deposits, the credit ratio has dropped from 76.0 per cent. to 60.1 per cent., but the additional resources have been utilised to strengthen the investments by Rs. 2.14 crores to Rs. 6.36 crores and cash balances by Rs. 1.27 crore to Rs. 2.37 crores, with the result that the aggregate liquidity ratio has gone up from 39 per cent. to 44.9 per cent.

(Concluded from next column)

stand strengthened by Rs. 1.94 crore, but this is more than offset by the shrinkage of Rs. 2.49 crores in cash balances which has reduced the cash ratio by more than half to 14.1 per cent.

BUSINESS OF UNION BANK GROWS

ADVANCES MOVE UP SHARPLY

A FRACTIONAL improvement in profit, in refreshing contrast to the general trend of bank earnings, is disclosed by the accounts of the Union Bank of India Ltd. for the year ended 31st December 1958. The Bank's profit has risen from Rs. 14.72 lakhs to Rs. 14.75 lakhs, thus not only maintaining the upward trend since 1954 but establishing a fresh record in the Bank's history. No doubt, interest payment and establishment expenses are substantially higher, but the Bank has been able to make good the larger outgo by an expansion in its business, as witness the rise of Rs. 5.38 crores in advances.

The provision for taxation is unchanged at Rs. 4 lakhs, while the transfer to the reserve fund has been raised from Rs. 2.50 lakhs to Rs. 3 lakhs. The allocation to the contingency account has been reduced from Rs. 1.50 lakh to Rs. 50,000 and that to the premises account from Rs. 1 lakh to Rs. 50,000. Bonus to staff absorbs Rs. 65,000 more at Rs. 3.15 lakhs. The dividend is being maintained at 8¾ per cent. per annum on the increased capital raised by the issue of 400,000 new shares of Rs. 5 each during the year under review. The new shares are, however, entitled to a *pro rata* dividend for only three months from 1st October to 31st December 1958.

The main features of the Bank's profit and loss accounts and balance-sheets relating to the last four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Gross income	1,32.40	97.82	62 55	40.53
Interest and discount	1,03.14	74.86	48 35	31.52
Commission and exchange ..	21.34	19.26	9.96	5 21
Interest paid	64.37	44.36	24 65	14.08
Expenses	51.72	37.87	26.20	16.57
Depreciation	1.56	0 88	0.55	0 43
Profit	14.75	14.72	11.14	9.45
Provision for taxation ..	4.00	4.00	2 25	1.75
To reserves and contingencies ..	3.50	4.00	2.50	2.50
„ premises account ..	0.50	1.00	..	0.75
„ bonus to staff ..	3.15	2.60	1.80	1.25
„ investment account ..	..	..	1.25	..
Dividend	3.96*	3.52	3 50	3.00
	(8¾%)	(8%)	(8%)	(7½%)
Carry forward	1.15	1.50	1.81	1.96

	As on 31st December			
	1958	1957	1956	1955
Capital	60.00	40.00	40 00	40 00
Reserves	43 00	40 00	37 50	35 00
Deposits	24,62.29	20,73.19	13,27.58	9,10.74
Borrowings from other banks ..	70 00	..	..	..
Advances	15,77.96	10,40.37	8,70 52	5,50.26
Investments	6,95.32	5,00.94	3,48.69	2,94.90
Cash (including money at call and short notice)	3,47.38	5,96.93	1,76.66	1,40.42
Balance-sheet total	33,73.66	26,81.56	20,72.36	13,05.01
Ratio to deposits of—	%	%	%	%
Advances	64.1	50.1	65.8	60.4
Investments	25.4†	24.2	26.3	32.4
Cash	14.1	28.8	13.3	15.4

* Includes a *pro rata* dividend of 11 nP per share on the new shares for three months ended 31st December, 1958.
† Ratio arrived at after taking into account the investments earmarked against borrowings.

The Bank's gross income shows an impressive rise of Rs. 34.62 lakhs or 35.3 per cent., thanks to an increase of Rs. 28.28 lakhs in income from interest and discount, of Rs. 2.08 lakhs in commission and exchange and of Rs. 3.21 lakhs in other income, including a profit of Rs. 2.10 lakhs in sale of investments, etc. Interest paid is up by Rs. 20 lakhs and administrative expenses have risen by Rs. 14 lakhs.

The expansion of Rs. 3.89 crores in deposits is shared by fixed and other short-terms deposits, as well as by savings bank deposits which have increased by Rs. 4.23 crores (to Rs. 9.82 crores) and Rs. 33 lakhs (Rs. 1.23 crore), respectively. Current and other accounts have declined by Rs. 67 lakhs to Rs. 13.56 crores. The rise in deposits is supplemented by borrowings from other banks to the tune of Rs. 70 lakhs as at the end of the year. These borrowings have been necessitated by the larger demand for credit, as indicated by the increase of Rs. 5.38 crores in the Bank's advances. Contrary to the general trend, the rise in the Bank's advances is much more than that in deposits. Of the total advances, loans, cash credits and overdrafts show an increase from Rs. 6.78 crores to Rs. 11.46 crores and bills purchased and discounted from Rs. 3.62 crores to Rs. 4.31 crores and these have pushed up the credit ratio from 50.1 per cent. to 64.1 per cent. It is noteworthy that, despite the substantial expansion in resources and the rise in credit in the last two years, the Bank's credit ratio at the end of 1958 is less than that at the close of 1956. Investments

(Continued in previous column)

MODERNISATION OF COTTON MILLS

MR. KANUNGO ON LATEST POSITION

SOME information about modernisation of cotton mills was given by Mr. Nityanand Kanungo, Union Minister for Commerce, in reply to a short-notice question in the Lok Sabha on 23rd February 1959. He claimed that modernisation of cotton mills "has been going apace" with the installation of automatic looms and various other machines like Barber-Coleman winding and warping machines and sizing machines. According to Mr. Kanungo, several mills have modernised their equipment from their own resources, as well as from loans received from the National Industrial Development Corporation. So far, permission has been given for the replacement of 2,306 plain looms by 1,776 automatic looms in eleven mills. This, it may be noted here, is part of the scheme formulated by the Central Government for the installation of 2,500 automatic looms in replacement of plain looms during each calendar year 1959, 1960 and 1961. The basis for allotment of automatic looms is as follows:

Past and potential performance in export trade.

Ability to install automatic looms without retrenchment of workers.

Financial capacity to undertake introduction of these looms.

Distribution on a zonal basis covering the entire country.

Allotments to individual mills normally range from 48 to 144 looms; in exceptional cases, the maximum allotment is 300 looms.

No specific decision has yet been taken by the Government to import all these looms. The imports would be governed, he said, by the import policy announced from time to time. If this is the position and if automatic looms are yet to arrive in this country, it is difficult to agree with the conclusion of Mr. Kanungo that modernisation "has been going apace."

Must Be Welcomed

The recognition by the authorities of the need for cotton mills to modernise their machinery and equipment, though belated, must nevertheless be welcomed. The capacity of the mill sector to produce adequate quantities of quality textiles at a reasonable cost has been reduced markedly in recent times, thanks to the rigid cost structure. The financial position of the industry was so strained last year that as many as 45 mills served notices of closure and 18 units actually went out of production. As a result of these closures, the approximate loss of man-days was 12,500 days, leading to a drop in output to the extent of 200,000 bales (of 1,500 yards each) of cloth and 48,700 bales of yarn (of 400 lbs. each). Reflecting the disquieting situation in cotton mills, the labour force employed has shrunk considerably, as the figures relating to the number of workers at work given below will show:

	First shift	Second shift	Third shift	Total
1958—				
January (1st working day) ..	110,801	76,284	21,898	208,983
February	109,926	73,822	21,558	205,306
1959— r				
January (1st working day) ..	105,703	73,235	18,882	197,820
February	105,153	72,560	18,388	196,101

The curtailment of production in cotton mills during the year 1958 was quite perceptible. The aggregate quantity of cloth actually produced was no more than 4,927 million yards, as against 5,317 million yards in 1957, representing a fall of over 7 per cent. Expressed in terms of money, the loss of production was of the order of Rs. 27 crores. The decline in cloth output followed a sharp decrease in yarn production which in 1958 amounted to 1,685 million lbs., as against 1,780 million lbs. in 1957. The following table gives the trend of yarn and cloth production—month by month—in the past two years:

	Cloth (million yards)		Yarn (million lbs.)	
	1958	1957	1958	1957
January	436.53	483.70	148.70	156.42
February	391.45	435.08	132.86	143.25
March	405.56	463.32	138.48	150.45
April	407.77	464.37	134.07	153.67
May	421.25	453.07	138.70	149.98
June	388.32	419.62	126.05	136.98
July	419.44	458.88	144.90	150.17
August	407.94	420.54	140.36	144.06
September	411.30	443.72	143.50	150.88
October	421.52	415.86	147.89	142.42
November	377.38	431.56	134.25	149.13
December	438.51	438.19	156.03	152.69
Total ..	4,926.97	5,317.42	1,685.33	1,780.10

The decline in cloth production was accounted for by all the varieties—coarse, medium, fine and superfine—as the table below shows:

(In million yards)

	1958	1957	1956
Coarse	969.96	1,163.71	718.64
Medium	3,395.81	3,502.91	3,796.61
Fine	302.96	383.07	444.04
Superfine	258.14	267.73	347.29
Total ..	4,926.87	5,317.42	5,306.58

Despite the appreciable fall in the production of cloth and yarn, the cotton mills were confronted throughout the year with the problem of heavy accumulations of stocks, because of dwindling offtake, domestic and foreign. The average quantities of yarn and cloth held in stock with mills during 1958 was 36.71 million lbs. and 846.69 million yards, as against 25.36 million lbs. and 831.15 million yards, respectively, in 1957.

Foreign Offtake

The foreign offtake of Indian cloth was at a low ebb last year. The quantity actually shipped from Bombay port, through which the bulk of shipments takes place, was just 539.20 million yards, which compares very unfavourably with 788.28 million yards in 1957. The export of yarn, however, was a shade higher at 8.77 million lbs. as against 8.25 million lbs. The month-by-month trend of yarn and cloth shipments from Bombay port during 1958, as compared with 1957, is indicated below:

	Cloth (million yards)	Yarn (bales of 400 lbs.)
January	53.37	1,895
February	51.52	2,456
March	52.45	169
April	42.32	1,743
May	52.79	738
June	18.89	932
July	48.62	1,570
August	34.49	1,572
September	45.42	2,209
October	47.74	2,592
November	39.76	2,317
December	51.83	3,730
Total 1958	539.20	21,923
Total 1957	788.28	20,623

The year-end figures of exports through all the ports in India are not yet available. But provisional estimates place the exports at 625 million yards, as against 828 million yards in the previous year.

The setback to cloth exports was accounted for by all the varieties. It was particularly marked in the case of medium cloth, the total shipments of which (through Bombay port alone) were lower at 336.78 million yards, as against 538.06 million yards. The exports of coarse cloth declined from 218.51 million yards in 1957 to 179.82 million yards in 1958, of fine cloth from 12.08 million yards to 6.06 million yards, and of superfine counts from 19.63 million yards to 16.54 million yards.

EXCISE ON ART SILK

One of the proposals in the field of indirect taxation announced by the Union Finance Minister in the budget statement for 1959-60 relates to excise duty on art silk. The duty on art silk fabrics is being raised from six pies per square yard to 6 nP. Simultaneously, the exemption in the present form in respect of products of the first nine looms will be reduced to four looms. The estimated additional yield is expected to be of the order of Rs. 1 crore per annum. The lowering of exemption limit is also expected to bring in Rs. 20 lakhs by way of additional duties which accrue to the States. Consequent on the increase in basic excise duty, the rates of basic compounded duty on art silk fabrics have been revised as follows:

(In Rs. per loom per month)

	Existing rate	Proposed rate
First shift	27	50
Second shift	18	35
Third shift	10	20

The rates of duty for warp knitting machines will be double the rates for powerlooms. There is, however, no change in the rates of additional excise compounded duty.

The excise duties on art silk yarn and staple fibre have also been raised as indicated below, the total estimated additional annual yield being Rs. 50 lakhs.

(In nP per lb.)

	Existing rate	Proposed rate
Rayon yarn—		
Below 75 deniers	50	80
75-100 deniers	37	60
Above 100 deniers ...	25	40
Staple fibre	12	20

The justification for the increase, it is said, is that the industry "is making excessive profits."

In line with the upward revision in excise duties, similar corresponding changes are being made in customs duties on imports of art silk fabrics, staple fibre and art silk yarn. The existing rate of import duty on staple fibre is 25 per cent. *ad valorem* plus an excise duty of 12 nP per lb. This will henceforth be 25 per cent. *ad valorem* plus an excise duty of 20 nP. The additional revenue expected from changes in customs duty is put at Rs. 40 lakhs per annum.

The above proposals have been criticised by the art silk industry and trade. In the course of a statement issued to the Press, Mr. D. N. Shroff, Chairman, Silk and Art Silk Mills Association, Ltd., Bombay, observes:

"The rayon weaving industry is at present passing through a crisis. At this stage, the heavy burden of increased duties that is proposed to be passed on to the industry by way of taxation both on fabrics as well as on yarn will deal a deathblow to the industry. The increase in revenue by way of these duties to the extent of 8 to 10 per cent. of the total increase in revenue proposed for this year is exorbitant for an industry which consists of small units comprising on an average from 25 to 50 looms."

The President of the Bombay Yarn Merchants' Association and Exchange Ltd., Mr. Sankalchand G. Shah, has also criticised the proposals. He fears that the sharp increase in excise is bound to affect seriously the silk weaving industry, the handlooms and the powerloom sector, all of which are passing through very difficult times at present, as well as the cotton mills using staple fibre.

Mr. Ramnivas Ruia, a leading industrialist of Bombay, has, however, welcomed the imposition of enhanced taxes on art silk yarn and fabrics on the ground that it would mop up a good deal of "illegitimate profiteering." The duties, he says, were not imposed so far in the ostensible interests of the people.

SIZE OF COTTON MILL INDUSTRY

Twelve new units were added to the list of cotton mills in existence during the cotton year ended August 1958, raising the total number to 511, as against 499 a year before and 465 two years before, according to the latest Mill Statement of the Millowners' Association, Bombay. The aggregate paid-up capital of the mills rose by Rs. 4.63 crores, from Rs. 121.95 crores to Rs. 126.58 crores. The extent of the rise in the previous year was much more, being Rs. 6.81 crores. The average number of workers employed (all shifts) was, however, lower at 775,865, as against 798,599. The quantitative progress made by the mill sector in the past three years is indicated by the following table:

	1958	1957	1956
Number of mills ..	511	499	465
Number of mills registered and/or in course of erection ..	23	34	33
Number of mills idle ..	24	20	16
Paid-up Capital (Rs. crores)	126.58	121.95	115.15
Spindles installed ..	13,271,890	12,906,622	12,375,805
Spindles working (first shifts only) ..	11,089,220	11,027,944	10,723,608
Looms installed	205,598	206,126	206,580
Looms working (first shifts only)	183,037	186,976	188,446
Cotton consumption (in bales of 392lbs.) ..	50,51,726	52,05,600	49,79,890
Average number of workers employed (all shifts) ..	775,865	798,599	789,024

The total number of looms installed as at 31st August 1958 is given as 205,598. This figure is somewhat different from the one, namely, 201,280 as on 1st January 1958, given in the monthly statistical bulletin issued by the Office of the Textile Commissioner. In view of the difference in the two sets of figures, the Millowners Association will do well to check up its figures and give a correct estimate of the looms installed in the mills.

Be that as it may, the foregoing table reveals that the expansion in the size of the mill sector during the year ended August 1958 was accounted for solely by the spinning side of the mills, the number of spindles installed rising from 12.91 million to more than 13.27 million. In contrast, the weaving capacity of mills suffered a setback, the number of looms declining from 206,126 to 205,598, or a fall of 528; the fall in the previous two years was 454 looms and 767 looms, respectively. The continued decline in loomage thus reflects the scrapping of looms worn out without being replaced by an equal number. The Government's policy of "no expansion in weaving capacity" may have contributed to this net fall in the number of looms.

The number of spindles actually working (first shift) has registered an improvement, from 11,027,944 to 11,089,220, while that of looms has gone down from 186,976 to 183,037. The extent of actual utilisation of capacity (first shift only) was less as compared with that in the previous year, being 83.5 per cent. for spindles and 89.0 per cent. for looms, as against 85.5 per cent. and 90.7 per cent., respectively.

The Annual Mill Statement of the Millowners Association also gives an idea of the position of the cotton mill industry in Pakistan as at 31st May 1958. The number of mills in existence was 90, with a total of 1,877,376 spindles and 27,829 looms. The number of spindles and looms actually working (first shift) was 1,759,251 and 26,196, respectively.

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BRITISH INDIA CORPORATION LTD.

KANPUR

Branches:—Cawnpore Woollen Mills Branch, Cawnpore Cotton Mills Branch, Cooper Allen Branch, North West Tannery Branch, New Egerton Woollen Mills Branch.

Subsidiary Company:—

BEGG, SUTHERLAND & CO. PRIVATE LIMITED

Managing Agents for:—Elgin Mills Co., Ltd., Brushware Ltd., The Cawnpore Sugar Works Ltd., Champarun Sugar Co., Ltd., Cawnpore Textiles Ltd., Saran Engineering Co., Ltd.

Secretaries of:—The Beta Picker Co. Private Ltd.

Agents for The Royal Exchange Assurance.

For Service & Security

PANDYAN BANK LTD.

Central Office: MADURAI

Madras Office: 121, Armenian Street

THE BANK THAT SERVICE BUILT

To Know

PANDYAN BANK

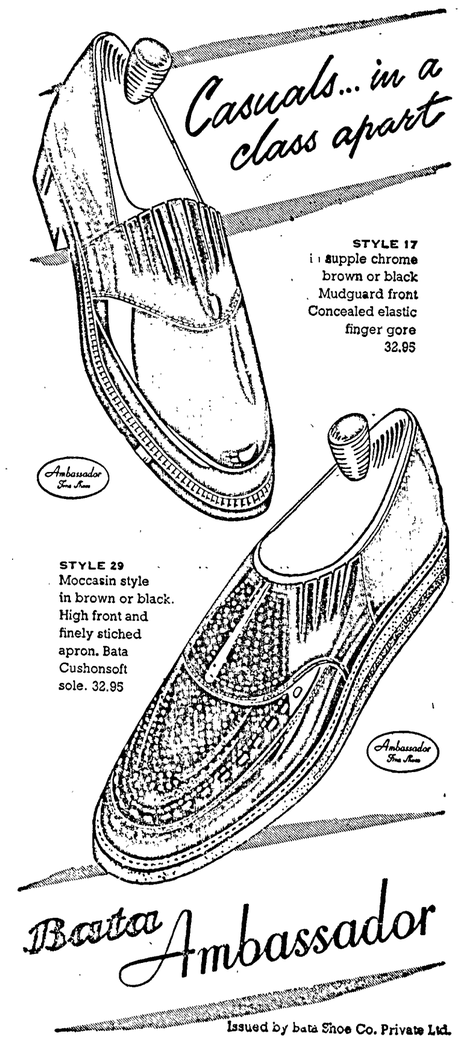
is to Know

SOUTH INDIA

64 Convenient Offices in Southern Districts

Banking Business of every description transacted.

S. N. K. SUNDARAM,
Managing Director.



Issued by Bata Shoe Co. Private Ltd.

DENA BANK

ANNOUNCES

opening of 3 new branches at

BANGALORE

FROM 2ND. MARCH

MANGALORE

FROM 13TH. MARCH

COCHIN

FROM 18TH. MARCH

Branches already operating

26 in Bombay, 21 in Gujarat, 13 in Saurashtra, 11 in Maharashtra, 2 in Calcutta; and one each in Madhya Pradesh, Delhi, New Delhi and Madras.

DEVKARAN NANJEE BANKING CO. LTD.

HEAD OFFICE: HORNIMAN CIRCLE, BOMBAY-1.

FOREIGN AND ALL BANKING BUSINESSES TRANSACTED

Pravinchandra V. Gandhi, MANAGING DIRECTOR.

DEVKARAN NANJEE BANKING CO., LTD.

HEAD OFFICE: Devkaran Nanjee Buildings, Horniman Circle, Fort, BOMBAY

AUTHORISED CAPITAL .. Rs. 1,00,00,000 SUBSCRIBED AND PAID-UP .. Rs. 50,00,000 RESERVE FUNDS .. Rs. 46,00,000

BRANCHES

BOMBAY

*Horniman Circle, Thakurdwar, Sandhurst Bridge, Kalbadevi, Mandvi, *Zaveri Bazar, Bhuleshwar, *Dadar, *Colaba, *Share Bazar, Gol Deval, *Matunga, Kurla, Chembur, *Ghatkopar, Khar, *Santa Cruz, *Vile Parle (West), Vile Parle (East), Andheri, Goregaon, *Malad, Kandivli, *Borivli, *Malabar Hill, and Tardeo.

GUJARAT

AHMEDABAD : *Gandhi Road, Maskati Market, Manek Chowk, Delhi Chakla, *Maninagar, Saraspur; Viramgam, Patan, Sidhpur, Surat, Bardoli, Navsari, Bulsar, Baroda, Broach, Borsad, Anand, Nadiad, Godhra, Lunawada, and Padra.

SAURASHTRA

*Rajkot, Amreli, Surendranagar, Dhrangadhra, *Bhavnagar, Porbandar, Jamnagar, Veraval, Morvi, Junagadh, Mahuva, Savar Kundla, and Damnagar.

MAHARASHTRA

NASIK: Nasik City, Nasik Road; Malegaon, Manmad, Ahmednagar, POONA: *Raviwar Peth, Budhwar Peth, Camp; Baramati, Walchandnagar, Sholapur, and Burhanpur (M.P.)

OTHER CENTRES

CALCUTTA: Brabourne Road, Burra Bazar; Madras, Delhi, New Delhi, and Bangalore.

* Has Safe Deposit Vault.

Agents in all the principal countries of the world

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 1958

To

THE MEMBERS OF

DEVKARAN NANJEE BANKING CO., LTD.

1. Your Directors beg to submit herewith the audited Balance Sheet as on 31st December 1958 and the Profit and Loss Account for the year ended 31st December 1958. The Auditors' Report is also annexed.

2. The Bank has, during the year, made good progress generally. The bank's deposits, at the end of the year, went over Rs. 30 Crores, the total working funds over Rs. 37 Crores, and the number of accounts over 1,50,000. Six branches at Gol Deval, Goregaon and Kurla in Greater Bombay, Burra Bazar in Calcutta, and Padra and Damnagar were opened, bringing the total number of bank's offices to 75 at the end of 1958. A Safe Deposit Vault was opened at Malad Branch, bringing the total number of Safe Deposit Vaults to 16. Attention was also concentrated on the existing units with a view to expand them.

3. The Bank has made a net profit of Rs. 16,01,695.23, which, together with the sum of Rs. 2,80,319.54 brought forward from last year's account, amounts to Rs. 18,82,014.77. Out of this, your Directors have made the following appropriations:

	Rs. nP
To An Ad-Interim Dividend for the half-year ended 30th June 1958 at the rate of 5 per cent. per annum, i.e. Rs. 1.25 per share (free of income-tax) on 1,00,000 shares	1,25,000.00
To Amount Provided for Bonus to Staff	1,80,000.00
To Reserve Fund under Section 17 of the Banking Companies Act	6,00,000.00
To Provision for Taxation	5,00,000.00
To Pay a Final Dividend for the half-year ended 31st December 1958 at the rate of 7 per cent. per annum, i.e. Rs. 1.75 per share (free of income-tax) on 1,00,000 shares (making in all 6 per cent. for the whole year)	1,75,000.00
To Carry Forward	3,02,014.77
TOTAL	18,82,014.77

4. Shri Dhirendra Nanjibhai Mehta was appointed an additional Director on the Board of Directors and, in accordance with Article 95 of the Articles of Association, he ceases to hold office as a director at the Annual General Meeting but being eligible offers himself for re-appointment. In accordance with Article 100 of the Articles of Association, Shri Lalitchandra C. D. Nanjee, Prince Udaybhan of Porbandar and Shri Natvarlal S. Choksey retire from the Board of Directors by rotation but being eligible offer themselves for re-appointment.

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

Yours faithfully,
For the Board of Directors,
LALITCHANDRA C. D. NANJEE,
Chairman.

BOMBAY, *29th January*, 1959.

Balance Sheet as at 31st December 1958

CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
1. Capital—		
AUTHORISED—		
2,00,000 Ordinary Shares of Rs. 50 each	1,00,00,000.00	
SUBSCRIBED—		
1,00,000 Ordinary Shares of Rs. 50 each fully paid		50,00,000.00
2. Reserve Fund and Other Reserves (Including Shares Premium a/c. Rs. 9,00,000)		46,00,000.00
3. Deposits and Other Accounts—		
Fixed Deposits	14,91,13,399.28	
Savings Bank Deposits	3,46,85,089.71	
Current Accounts, Contingency Accounts, etc.	8,72,16,374.02	
		30,10,15,763.01
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	Nil	
(ii) Outside India	Nil	
		Nil
PARTICULARS—		
(i) Secured	Nil	
(ii) Unsecured	Nil	
5. Bills Payable		28,73,398.64
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	1,44,81,280.85	
(ii) Payable outside India	2,64,492.60	
		1,47,45,773.45
7. Other Liabilities—		
(a) Branch Adjustments	66,83,450.50	
(b) Unclaimed Dividends	66,045.00	
(c) Proposed Dividend	1,75,000.00	
		69,24,495.50
8. Acceptances, Endorsements and Other Obligations as per contra		3,84,30,557.33
9. Profit and Loss—		
Profit as per last Balance Sheet	2,80,319.54	
ADD—Profit for the year as per the Profit and Loss Account	14,21,695.23	
	17,02,014.77	
LESS—Ad-Interim dividend paid	1,25,000.00	
	15,77,014.77	
LESS—Transferred—		
1. To Reserve Fund under Section 17	6,00,000.00	
2. To Investment Reserve	Nil	
3. To Provision for Taxation	5,00,000.00	
4. To Proposed Dividend	1,75,000.00	
	12,75,000.00	
		3,02,014.77
10. Contingent Liabilities—	Rs. nP	
(i) Claims against the Banking Company not acknowledged as debts	10,073.24	
(ii) On Investments in shares of Joint Stock Companies and Banks	9,25,000.00	
(iii) On Letters of Guarantee on behalf of Constituents	47,40,423.92	
(iv) On account of outstanding Forward Exchange Contracts	14,17,153.60	
(v) On Bills of Exchange Rediscounted	Nil	
Total .. Rs.		37,38,81,002.71

NOTE:—Provision to the full extent for future gratuities to staff has not been made, the liability for which has not been ascertained.

PROPERTY AND ASSETS	Rs. nP	Rs. nP
1. Cash—		
In hand and with Reserve Bank and State Bank of India		2,99,93,536.02
2. Balances with Other Banks—		
(i) In India on Current Accounts	13,40,155.02	
(ii) Outside India on Current Accounts	29,51,670.53	
(iii) Outside India on Deposit Account	1,055.88	
		42,72,880.93
3. Money at Call and Short Notice		10,00,000.00
4. Investments (at Cost)		
(I) (a) Securities of the Central and State Governments (Maturing within ten years) (Face Value Rs. 12,31,63,000) (Market value about Rs. 12,24,00,000)	12,17,11,474.51	
(b) Other Trustee Securities	1,30,83,906.68	
(A) Quoted Rs. 1,00,04,196.88 (Market value about Rs. 99,47,600)		
(B) Unquoted (Government-guaranteed) Rs. 30,79,710.00	18,47,95,881.89	
(II) Shares—		
(a) Fully paid Preference Shares	10,01,776.12	
(b) Fully paid Ordinary Shares	11,55,166.71	
(c) Partly paid Preference Shares	1,25,000.00	
(d) Partly paid Ordinary Shares (Market value about Rs. 21,51,500)	2,00,000.00	
	24,81,942.85	
(III) Debentures or Bonds—		
(a) Municipal Debentures	16,04,622.50	
(b) Other Debentures (Market value of Quoted Debentures costing Rs. 20,89,622.50 is about Rs. 20,93,600. Others taken at cost.)	6,00,000.00	
	22,04,622.50	
(IV) Other Investments	Nil	
(V) Gold	Nil	
5. Advances—		13,94,81,946.72
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
I. Loans, Cash Credits, Overdrafts, etc.—		
(i) In India	11,33,34,973.55	
(ii) Outside India	Nil	
	11,33,34,973.55	
II. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India	2,47,32,849.27	
(ii) Payable outside India	18,89,308.01	
	2,66,52,157.28	
		14,04,87,130.83
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the Banking Company is fully secured	12,50,20,374.75	
(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security (the above includes Rs 32,04,324.88 debts for which more than one person is liable on the pro-note)	95,56,483.65	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	59,10,272.43	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	14,04,87,130.83	
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	
(vi) Debts due by the Companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or in the case of private companies, as members	1,01,07,208.65	
(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors, or managers or officers of the Banking Company or any of them either severally or jointly with other persons	Nil	
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,09,40,858.00	
(ix) Due from Banking Companies	57,164.36	
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	1,44,81,280.85	
(ii) Payable outside India	2,64,492.60	
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		1,47,45,773.45
8. Bank Premises at Cost—		
As per last Balance Sheet	32,34,017.42	
Additions this year	15,643.80	
	32,50,661.22	
LESS—Depreciation to date	4,80,000.00	
		3,84,30,557.33
9. Furniture and Fixtures at Cost—		
As per last Balance Sheet	16,96,878.60	
Additions this year	3,99,135.25	
	20,96,013.85	
LESS—Sales and adjustments during the year	30,167.98	
	20,65,845.97	
LESS—Depreciation to date	7,92,166.50	
		12,73,679.47
10. Other Assets including Silver—		
(a) Interest Accrued on Investments	11,18,082.54	
(b) Small Silver Bars	30,587.45	
(c) Stationery and Stamps	1,52,640.18	
(d) Sundry Deposits	1,03,626.46	
		14,04,936.63
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		37,38,81,002.71

(Continued on next page)

MORE ON REORGANISATION PLANS

COTTON PRICES—PRODUCTION TRENDS PROMOTIONAL EFFORTS

From A Special Correspondent

MANCHESTER, *24th February*

MANCHESTER LETTER

BIT by bit, information about the likely moves to reorganise the Lancashire cotton industry on a more rational basis to suit existing demand is seeping through. From Parliamentary statements to the disclosure of letters between the Chairman of the Cotton Board and the President of the Board of Trade, it is possible to secure some idea of the measures which may be adopted.

Probably the most important feature of the project is that no comprehensive plan is contemplated. From the available statements, it seems that individual sections are preparing their own programmes for discussion and early action. Already substantial progress is reported in certain quarters, leading to the belief that, if approved, some schemes at least can be put into operation before the end of the year.

Such a development seems the only logical outcome of the need for speed. An overall reconstruction programme, however loosely linked between the different sections, would involve so much discussion, and very probably interference between one branch and another, that talks could drag on and on. There will undoubtedly be enough controversy within the particular sections before any schemes are put through, but they stand a better chance of early adoption if they relate only to the particular branches involved.

It so happens that previous experience of this kind has given the sectional leaders a pattern on which to work. It is by no means certain that similar systems will be suggested to those which have gone before, but in spinning, dyeing and printing at least, there have been efforts to deal with surplus plant which could well provide the nucleus of a programme for the 1960s.

In the manufacturing branch, the establishment of Weaving Reorganisation Ltd. last year offers a basis for a scheme of orderly contraction. The original conception of this idea was disturbed by the implications of last year's Finance Act, so that many firms which might have contemplated withdrawal from the trade under its sponsorship were deterred or found their own way out.

Pressure on Prices

At a time when the yarn market needed all the strength it possesses to bolster up weak sellers against the downward pressure exerted by customers anxious to secure business at the most remunerative levels, values for the raw material have shown a marked decline. To some extent the movement is related to the freeing of yarn prices, as increased hedging operations in the Liverpool futures market have played their part in depressing quotations for the distant positions.

Spot rates have been lowered substantially since the beginning of the month and the downward movement has gathered momentum on persistent fears over future legislative measures in the United States. The continued evidence of broadening production and dwindling consumption have raised much speculation over a revival of the burdensome surplus which so disturbed the market a few seasons ago.

The marked decline in prices of both futures and spot cotton in Liverpool in the past eight months is illustrated in the table below:

(In *d.* per lb.)

	Liverpool Futures		Liverpool Spot Rates		
	American Mar./Apr.	Mixed Mar./Apr.	American Omo-inch	Sudan Sakel C6	Sudan Lambert 6
1958					
June 2..	26.70	27.27	26.05	32.50	31.60
July 1..	26.25	26.75	26.20	32.50	31.60
Aug. 1..	25.23	26.45	25.85	32.50	31.60
Sept. 1..	23.92	24.47	25.50	31.50	30.60
Oct. 1..	23.98	24.48	25.25	31.50	30.35
,, 15..	24.00	24.40	25.25	30.50	30.25
Nov. 3..	23.85	23.50	25.00	30.50	30.00
,, 17..	23.10	23.40	24.95	30.50	29.25
Dec. 1..	22.80	23.00	24.60	28.00	27.90
,, 15..	22.80	22.45	24.25	28.00	27.25
1959					
Jan. 2..	22.10	21.80	23.65	27.50	27.00
,, 16..	22.25	22.75	23.80	27.50	27.00
Feb. 2..	23.05	22.95	23.70	25.75	25.00
,, 16..	22.10	22.25	23.20	24.75	23.00
,, 20..	21.50	21.95	22.70	24.75	23.00

Not only has the fall in values accelerated since the beginning of this year but various changes have taken place in the relationship between different growths. At one time, the cost of Sudan Lambert 6 variety was below the comparable prices of one-inch American cotton, whereas in the middle of last year it was at a premium of over 5*d.* per lb.

In the futures market, the forward positions are now at a discount of up to 3*d.* per lb. as compared with the current month, representing the weakness of new crop deliveries. As recently as December last, some forward contracts were at a premium. From the viewpoint of yarn and cloth business, the sagging prices for the raw material have reacted against any revival in demand. Customers are disinclined to operate, when they fear that values will move against them during the period of manufacture, recognising the limited hedging facilities now available.

Output and Exports

Production returns for 1958, now available, merely underline the reduced rate of machine activity in a disappointing year; overseas trade figures for the first month of 1959 are equally disturbing. Total yarn output last year at 783 million lb. was 110 million lb. lower than in 1957. The loss was entirely accounted for by the fall in cotton yarn production. In woven fabrics, there was a drop of 300 million yards as compared with the previous year, aggregate output being 2,030 million yards. Both cotton and man-made fibre cloth production suffered setbacks.

Overseas trade in January provided a new peak in the excess of imports over exports. Arrivals of 44,173,000 square yards compared with shipments of 28,143,000 yards. Exports in January, 1958, were 40,032,000 square yards. Main suppliers of grey cloth were India with 15,597,000 square yards, and Hong Kong with 12,781,000 square yards.

The number of operatives on employers' books in December fell by a further 3,000, bringing the labour force at the year-end to 207,990, as compared with 241,160 twelve months previously. During 1958, manpower in the weaving branch was reduced by nearly 16,000 and in single spinning by nearly 13,000. The doubling section sustained a loss of 4,300 operatives, a fall of over 20 per cent. on the year.

Selling Britain's Cottons

Firms throughout the Lancashire cotton trade have received a review of the promotional activities organised by the Cotton Board in the home market from April last until the end of 1958. A wide range of ventures is illustrated by numerous reprints of advertising by poster, Press and pamphlet.

During the period, large-scale promotion for cotton textiles was carried out in co-operation with leading London and provincial stores, including the Marks and Spencer group, which alone has 238 branches in all parts of the country. Purchasers of individual cotton garments from Marks and Spencer received leaflets, of which over 2 million were provided by the Board.

In the field of fashion, some of the distinguished journals carried special features, boosting the advantages of Britain's cottons, while the American "Maid of Cotton" visited Britain last year in a further publicity drive to encourage the use of the fibre.

Over 5,800 teaching aids on cotton have been distributed to schools during the period with wall charts, film strips and boxes of cotton samples. The Cotton Board has continued to show its cotton films to women's organisations, all over the country to total audiences of 62,000.—*All Rights Reserved.*

Applicants for imports of chemicals, dye, gum, etc., against exports of cotton textiles by mills and processors under the incentive scheme must furnish, along with their applications, a declaration to the effect that exports/export sales have been effected by them, in respect of which they are claiming licences for imports, according to the trade notice issued by the Joint Chief Controller of Imports. The export of cloth and yarn to Nepal will, however, not be taken into account for import licences entitlement.

DEVKARAN NANJEE BANKING CO., LTD.—*(Continued.)*

Profit and Loss Account for the year ended 31st December 1958

EXPENDITURE	Rs. nP	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP
1. To Interest paid on Deposits, Borrowings, etc.	66,85,143.39	1. By Interest and Discount	1,07,59,972.50
2. ,, Salaries, Allowances and Provident Fund (includes Salaries and Allowances of Managing Director Rs. 48,500)	33,72,360.08	2. ,, Commission, Exchange and Brokerage	17,70,579.72
3. ,, Directors' and Local Committee Members' Fees and Allowances	32,665.00	3. ,, Rents	1,21,481.80
4. ,, Rent, Taxes, Insurance, Lighting, etc.	4,26,710.10	4. ,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	43,921.70
5. ,, Law Charges	2,148.93	5. ,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. ,, Postage, Telegrams and Stamps	2,83,908.67	6. ,, Income from Non-banking Assets and Profit from sale of or dealing with such Assets	Nil
7. ,, Auditors' Fees and Expenses	10,428.00	7. ,, Other Receipts	5,55,502.97
8. ,, Depreciation and Repairs to Banking Company's Property	1,69,712.42		
9. ,, Stationery, Printing, Advertisement, etc.	5,45,124.46		
10. ,, Loss from Sale of or Dealing with Non-banking Assets	Nil		
11. ,, Other Expenditure	3,01,562.41		
12. ,, Balance of Profit (Subject to Taxation)	14,21,695.23		
Total .. Rs.	1,32,51,458.69	Total .. Rs.	1,32,51,458.69

Note.—Remuneration received by two Directors for their own use from other companies by virtue of nomination by the Bank on the Board of other companies amounted to Rs. 1,210 during the year.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of the DEVKARAN NANJEE BANKING CO., LTD., as at 31st December, 1958, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the unaudited returns from all the Branches in India not visited by us for the purposes of this Report.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions to sub-sections (1) and (2) of Section 211 and sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956, they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:—

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

K. S. AIYAR & CO., *Chartered Accountants.*
DALAL & SHAH, *Chartered Accountants.*

BOMBAY, *30th January* 1959.

LALITCHANDRA C. D. NANJEE, *Chairman.*

HARIDAS K. SWALI, *Chief Superintendent.*
C. V. SUBRAMANIAM, *Chief Accountant.*
RATILAL R. MERCHANT, *Superintendent of Advances.*
B. RAGHAVENDRA BALIGA, *Chief Inspector.*

UDAYBHAN
NATVARLAL S. CHOKSEY
JAYANTILAL R. TRIVEDI
LAXMIKANT S. DABHOLKAR
} *Directors.*
M. A. MASTER
HARSHADRAI B. PAREKH
DHIRENDRA NANJIBHAI MEHTA

PRAVINCHANDRA V. GANDHI, *Mg. Director.*

SUGAR INDUSTRY PLAYS VITAL ROLE

CENSUS OF MANUFACTURE ANALYSED

EVERY teaspoonful of white sugar one consumes contains 18 calories (calorie means unit of quantity of heat). No other food satisfies the appetite so fast with so few calories as sugar. The industry which produces such an essential article of food, besides providing the means of living to an army of workers in mills and cane growers and contributing crores of rupees as taxes and levies to the Governments as well as to local bodies, has naturally carved for itself a prominent place on the economic map of India. The vital role played by the white sugar industry is vividly brought out in the latest official census of the industry, that relating to the year 1956.

The table below gives the salient features of the census of sugar industry. It will be seen therefrom that the total value added by sugar manufacture during 1956 was Rs. 27.96 crores; this is arrived at after deducting the value at factory of materials, fuels, etc., consumed and amount paid to other concerns for work done for the factories which together aggregated Rs. 94.20 crores, as well as depreciation (Rs. 2.48 crores), from the ex-factory value (Rs. 124.64 crores) of products manufactured, by-products derived and work done for customers. The figure of Rs. 27.96 crores compares unfavourably with Rs. 29.64 crores for the year 1955, although the number of factories from which returns were received was higher at 158, as against 153, and so also the value of output at Rs. 125.67 crores, as against Rs. 118.73 crores. This is due to the rigid cost structure of the sugar industry, thanks largely to the continued high level of cane prices. Out of the Rs. 125.67 crores worth of sugar and other by-products produced, sugarcane alone accounted for as much as 61.6 per cent., the actual value of cane consumed by factories being Rs. 77.37 crores (the quantity involved was 18,476 674 tons), including the price of cane grown on farms owned by several mills.

Census of Sugar Industry—1956

Items	All-India	Bombay	Madras	Andhra	Uttar Pradesh	Bihar	Mysore	Rajasthan	Other States
No. of factories—									
Registered	169	14	4	9	96	32	4	4	6
Returns received	158	12	4	7	91	30	4	4	6
No. of days worked (average) ..	166	181	240	206	165	141	156	185	185
No. of persons employed	123,303	8,606	3,074	4,744	68,779	27,374	4,210	1,562	4,053
Productive capital employed ..	100.22	14.31	5.38	6.69	49.09	15.49	3.33	1.39	4.53
Of which:									
Fixed capital	32.89	5.57	3.02	2.60	14.27	3.60	1.40	0.75	1.67
Working capital	67.33	8.73	2.36	4.09	34.83	11.89	1.93	0.64	2.86
Salaries, wages and benefits ..	11.89	1.01	0.51	0.47	6.56	2.34	0.44	0.12	0.45
Materials, fuels, electricity, lubricants, etc., consumed	87.86	8.51	3.26	4.14	49.72	10.11	2.01	0.89	3.22
Of which sugarcane	77.37	7.19	2.75	3.69	44.11	14.34	1.68	0.74	2.86
Value of output	125.67	13.65	5.56	6.41	70.08	20.64	3.17	1.14	5.03
Of which:									
Sugar	123.02	13.39	4.63	6.25	69.20	20.49	3.03	1.10	4.92
Other products	2.65	0.26	0.93	0.16	0.88	0.15	0.14	0.04	0.11
Value added by manufacture* ..	27.96	4.06	2.04	1.80	13.99	3.74	0.84	0.19	1.30

Note :—Excepting number of factories, days worked and persons employed, the figures are in crores of rupees.
* Calculated on the basis described in the article.

Besides the payment of large sums of money for cane and the distribution of heavy salaries and wages to workers, the 158 sugar factories together paid in 1956 about Rs. 2.61 crores for packing; more than 1.81 million gunny bags were used. They also paid a large sum of money—Rs. 1.87 crore—for fuels comprising coal Rs. 31.53 lakhs (89,037 tons); electricity Rs. 21.83 lakhs (19,893,425 kw.h.); lubricating oils Rs. 38.31 lakhs (751 680 gallons); and "others" Rs. 95.58 lakhs. The value of other goods and commodities consumed by sugar mills was Rs. 5.55 crores. The cost of transport of material, fuel, etc., to factories, commission to purchasing agents, etc., where these are not included in the reported value was Rs. 6.28 crores.

Although the aforesaid statistical data relating to the sugar industry pertains to a year which is more than two years old, that is, 1956, they nevertheless give an impressive idea of the valuable contribution the sugar industry makes to national wealth. The data for subsequent years, when published, will make even more impressive reading, for, in 1957 as well as in 1958, the production and consumption of sugar was higher than in the year under review. Indeed, the white sugar industry could make much greater contribution, if only the Government removed the various restraints imposed on it.

Cane Prices Must Be Lowered

It is thus obvious that, if the cost of sugar production is to be reduced to a reasonable level, the heavy incidence of cane price must be reduced. There are two ways of bringing about such a reduction. One, the sucrose content of the cane should be improved. And, two, the burden of cess on cane crushed for producing sugar—amounting to 15 per cent. of the minimum price fixed for cane—must be lowered.

The need for reducing the incidence of cane cost is all the greater in the States of Bihar and Uttar Pradesh. The percentage proportion of cane in the total value of sugar mills' output in the two States is much higher than the all-India average of 61.6—nearly 69.5 for Bihar and 63 for Uttar Pradesh. And it is these two States which account for the bulk of sugar produced in India every year. The share of Uttar Pradesh and Bihar in the total sugar output of 1,805,715 tons during 1956 was 57.2 per cent. and 16.6 per cent., respectively, the quantity actually produced being 1,034,546 tons and 300,534 tons.

The value of sugar production in the 158 factories during the year 1956 amounted to Rs. 123.05 crores, while that of other products was Rs. 2.65 crores. Out of this, Uttar Pradesh alone accounted for Rs. 69.20 crores. The share of other important States was: Bihar Rs. 20.49 crores; Bombay Rs. 13.39 crores; Andhra Rs. 6.25 crores and Madras Rs. 4.63 crores.

The 158 sugar factories together employed a fairly large productive capital of Rs. 100.22 crores in 1956. The major portion of this—Rs. 67.33 crores—was accounted for by working capital, the balance of Rs. 32.89 crores representing the share of fixed capital. Of the working capital, stocks of finished products and by-products alone were valued at Rs. 52.17 crores, stocks of raw materials at Rs. 12.15 crores, semi-finished products in stock or in process at Rs. 34.73 lakhs, and cash (in hand and at the banks) at Rs. 2.66 crores. The fixed capital of Rs. 32.89 crores consisted of plant and machinery, Rs. 20.89 crores; buildings, Rs. 8.09 crores; land Rs. 58.04 lakhs; and other fixed assets, Rs. 3.33 crores.

Workers' Earnings

The total number of persons employed in the 158 sugar mills from returns for 1956 was 123,303, representing 4.23 per cent. of the entire labour force of 2,885,504 in factories (subject to the Factories Act) in 1956. The sugar industry is one of the biggest paymasters, the aggregate salaries and wages paid as well as other benefits conferred during 1956 having been Rs. 11.89 crores. The average annual income per employee in the sugar industry thus works out to Rs. 964; the *per capita* income (at 1948-49 prices) in India in 1956-57, it may be noted here, was Rs. 284. The sum of Rs. 11.89 crores included Rs. 8.07 crores paid to workers, Rs. 3.07 crores paid to persons other than workers and Rs. 74.63 lakhs representing the money value of benefits and privileges.

HIGHER WAGES FOR SUGAR WORKERS

All those workers in sugar industry who are drawing up to Rs. 500 per month as consolidated wages will get an increase in wages with effect from 1st January 1959. This is the result of interim recommendations made by the Wage Board for Sugar Industry, a statement of which was presented in the Lok Sabha on 28th February by Mr. Abid Ali, Deputy Minister for Labour. The actual increase varies according to the range of wages now being earned, as is indicated below:

Wage group	*Net rise per cent.*	*Subject to a minimum*
		Rs.
Up to Rs. 100	5	3
Rs. 101-200	4	5
Rs. 201-300	3	8
Rs. 301-500	2	9

The U.P. Government has decided to make it obligatory on the part of power crushers and *bels* to take out a licence. For this purpose, *bel* would mean a *rab* manufacturing unit capable of handling juice from 250 maunds of cane per day or to which seven or more bullock-driven crushers supply juice. The licensing fee for licence in form 'A' power crushers with a capacity of 250 maunds a day would be Rs. 300, with a daily capacity of 250 to 500 maunds Rs. 450, and with a capacity of over 501 maunds a day, Rs. 600. The fee for licence in form 'B' would be Rs. 300 per *bel*. The Sugar Commissioner would be the licensing authority for purposes of the proposed order which would be enforced from the current season.

No person shall use sugarcane for the manufacture of *gur* (*jaggery*) within the radius of ten miles of any sugar mill in the State of Punjab, in accordance with the Punjab Sugarcane (Prohibition of Use for Manufacture of Gur) Order 1959, issued by the Central Government. The restriction has been imposed, it is said, in order to check the large-scale diversion of cane for the manufacture of *gur*.

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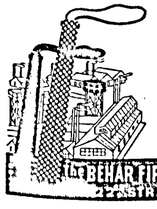
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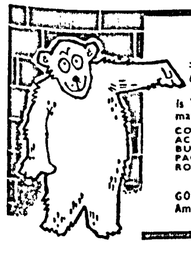
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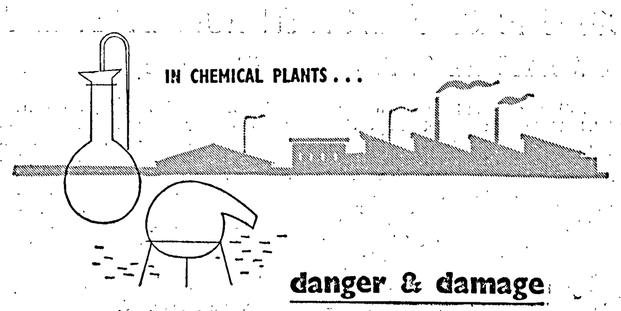
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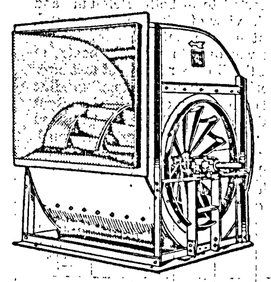
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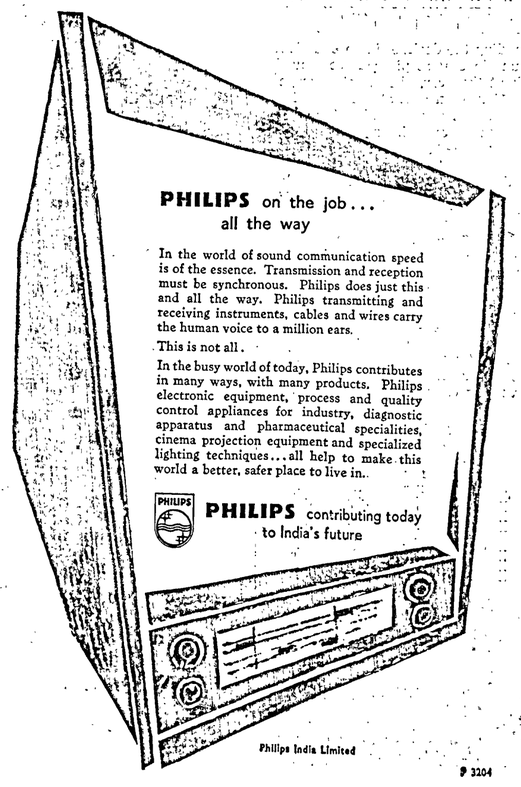
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COAL PRODUCTION IN EUROPE FALLS

HIGH AUTHORITY STILL UNDECIDED OVER "CRISIS"

PRODUCTION of hard coal in Europe (excluding U.S.S.R.) suffered a setback during 1958, in contrast to the successive increases in the previous two years. The provisional statistics of coal compiled by the Secretariat of the U.N. Economic Commission for Europe (E.C.E.) indicate that the total European output amounted to 616.3 million metric tons, as against 622.6 million tons in 1957, representing a fall of 6.3 million tons or 1 per cent. In 1955, production had aggregated 614.9 million tons, from which level it had risen to 622.6 million tons in 1957. In refreshing contrast to the trend of coal production in other European countries, Soviet Russia's production of hard coal and lignite in 1958 recorded an increase of 33 million tons to 496 million tons, or a rise of 7.1 per cent. Since 1955, when it was 391 million tons, the Russian output has gone up by 105 million tons or 26.8 per cent. In 1937, Russian output was no more than 128 million tons, that is, 22 per cent. of the production (579.5 million tons) in other European countries.

The fall in European production of coal is accounted for by Belgium (2.1 million tons), U.K. (7.8 million tons) and Saar and West Germany (0.7 million tons). Though short-term working was resorted to in both Belgium and West Germany, in view of slackening demand, the fall in output in the latter country was negligible. This was due to improvements in productivity. In the U.K., a number of measures were taken to bring production more in line with demand. There was an expansion in output in Czechoslovakia (by 1.4 million tons), Poland (1 million tons) and France (0.9 million tons). The largest increase, both absolutely and relatively, took place in Czechoslovakia, as will be seen from the following table:

(In million metric tons)

Country	1937	1956	1957	1958	Change in 1958 compared with 1957 — %
Belgium	29.9	29.6	29.2	27.1	—7.2
Czechoslovakia ..	16.8	23.4	24.2	25.6	+5.8
France	44.3	55.1	56.8	57.7	+1.6
Saar	13.4	17.1	16.5	16.4	—0.6
West Germany ..	137.6	134.4	133.2	132.6	—0.4
Netherlands	14.8	12.0	11.7	12.2	+4.3
Poland	66.0	95.6	94.1	95.1	+1.1
U.K.	244.3	225.6	227.0	219.2	—3.4
Other European countries (except U.S.S.R.).	12.9	28.6	29.9	30.4	+1.7
Total Europe (except U.S.S.R.)	579.5	621.4	622.6	616.3	—1.0
U.S.S.R.	128.0	429.2	463.0	496.0	+7.1

Notwithstanding the decline in production, the stocks of unsold coal at pitheads continued to rise throughout the year. In West Europe, they rose from 16 million tons at the beginning of 1958 to 45 million tons at the end of the year. The break-up figures are (in million tons): Belgium—6.9, France—7.6, Netherlands—0.8, West Germany—8.6, the Saar—0.9, and the U.K. —20. In Poland and the U.S.S.R., the stocks were at the normal level of 650,000 tons and 7.5 million tons, respectively.

The provisional figures of the E.C.E. show that there was a sharp decline in imports of hard coal by the West European countries (from within and outside West Europe) from 89 million tons in 1957 to 69 million tons. Imports from Poland and the U.S.S.R., however, were not affected. Imports from the U.S. alone show a fall from 45 million tons to 31 million tons. The following table shows the trend of imports from and by various countries during the last two years:

(In million metric tons)

	Imports from		*Imports by*	
	1958	1957	1958	1957
U.S.	31.0	45.0	..	..
Belgium	3.0	4.6	5.3	5.1
France	1.3	1.8	15.0	18.0
W. Germany	11.5	13.3	16.0	21.0
U.K.	3.9	6.8	0.7	2.9
Poland	7.0	5.9	..	..
U.S.S.R.	3.1	1.7	..	..
Italy	..	..	9.0	12.0
Netherlands	..	..	7.3	8.7
Austria	..	..	3.8	4.6

The largest importer of U.S. coal during 1958 was West Germany which took 11.6 million tons, as against 15.6 million tons in 1957. Italy absorbed 6.5 million tons (8.2 million tons), Netherlands 3.5 million tons (4.5 million tons), France 2.8 million tons (6.9 million tons), Belgium 1.8 million tons (2.1 million tons) and Austria 1.4 million tons (2.0 million tons).

As was pointed out in our issue dated 14th February 1959, the rise in pithead stocks, due to fall in demand and competition from other forms of energy, as also to large imports from the U.S. under long-term contracts, has led Belgium to ask the European Coal and Steel Authority to declare a State of "manifest crisis" and West Germany to restrict imports and impose a tariff levy. The Belgian proposal has met with so much opposition from many quarters that the E.C.S.C. High Authority has not so far been able to take a decision on it. It has, however, reserved a decision on Belgium's plea until the other member-Governments are consulted.

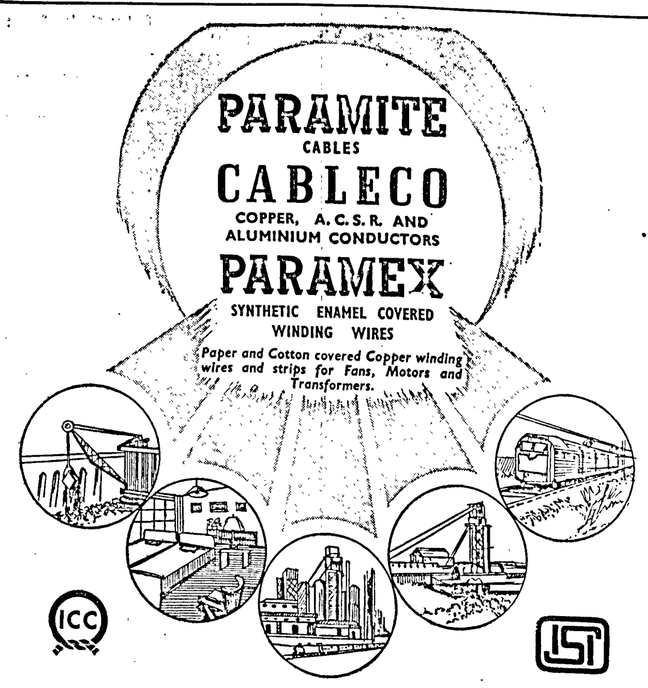
The High Authority has, however, made no secret of its view that Belgium's trouble was of its own making. It has taken firm measures to force the Government to face the problem of colliery reorganisation. Accordingly, it has reduced the authorisation to subsidise coal production in the Mons district to 2.1 million tons per annum. This will mean a cut of about a third in output, which has already been reduced by nearly a quarter under a scheme adopted in 1955. In view of the fact that the Belgian Government and the colliery owners have neglected the programme of reorganisation, the E.C.S.C. High Authority's power to aid in financing the cost of resettling and retraining displaced workers will end on 10th February 1960. Meanwhile, the Belgian Parliament has approved of the Government's proposal to cut coal production by at least 5 million tons under the colliery reorganisation plan. The cut will affect all the Belgian coalfields except the new Limbourg mines.

West Germany does not seem to be in favour of declaring a state of crisis in the E.C.S.C. coal industry. The Bonn Government has preferred a restriction on imports by a prohibitive tariff to production quotas as a means to overcome the "crisis." Under the E.C.S.C. rules, if either Germany or France, the two largest producers of coal within the community, opposes, the E.C.S.C. High Authority cannot declare a state of emergency. France, too, is not in favour of declaring a state of "crisis." It has little sympathy for the difficulties of the Belgian and German collieries. It is argued that, if the Governments of both these countries had not committed themselves to heavy imports on long-term basis and if the High Authority had acted earlier with greater firmness to restrict imports and control uneconomic Belgian production, the "crisis" would not have arisen. The declaration of a "manifest crisis" now would mean, the argument goes on, importing unemployment into France. It might provide a palliative to Belgium and Germany, but it would amount to "punishing the wise to help the foolish." The position of French coal industry is said to be satisfactory, thanks to the conservative import policy and to the re-adaptation and closure of uneconomic mines.

If the High Authority does not declare a state of crisis, Belgium can do so on its own accord. The only difference between the two is that, whereas the proposal by the former requires only a majority vote by the Council of Ministers, an individual member's proposal requires a unanimous vote by the Council. With Germany and France opposed to the Belgian proposal, it is doubtful if any "crisis" would be declared at all.

WASHERY AT KORBA IN THIRD PLAN

The Minister for Steel, Mines and Fuel, Sardar Swaran Singh, told the Lok Sabha a few days ago, during question hour, that the target of production of the Korba coalfields in the public sector (Madhya Pradesh) in the Second Plan period had been slightly altered. But its production would be stepped up during the Third Plan period, when it was proposed to be further developed with the help of the Soviet credit of 600 million roubles. The present plan was to reach a target of 1.6 million tons per annum by the end of the Second Plan period and to raise another 2.5 million tons per annum in the Third Plan with the help of the Soviet credit. Answering supplementaries, the Minister said that the Government proposed to utilise the Soviet credit for the setting up of a coal washery at Korba. The washery would not be ready by the end of the Second Plan period.



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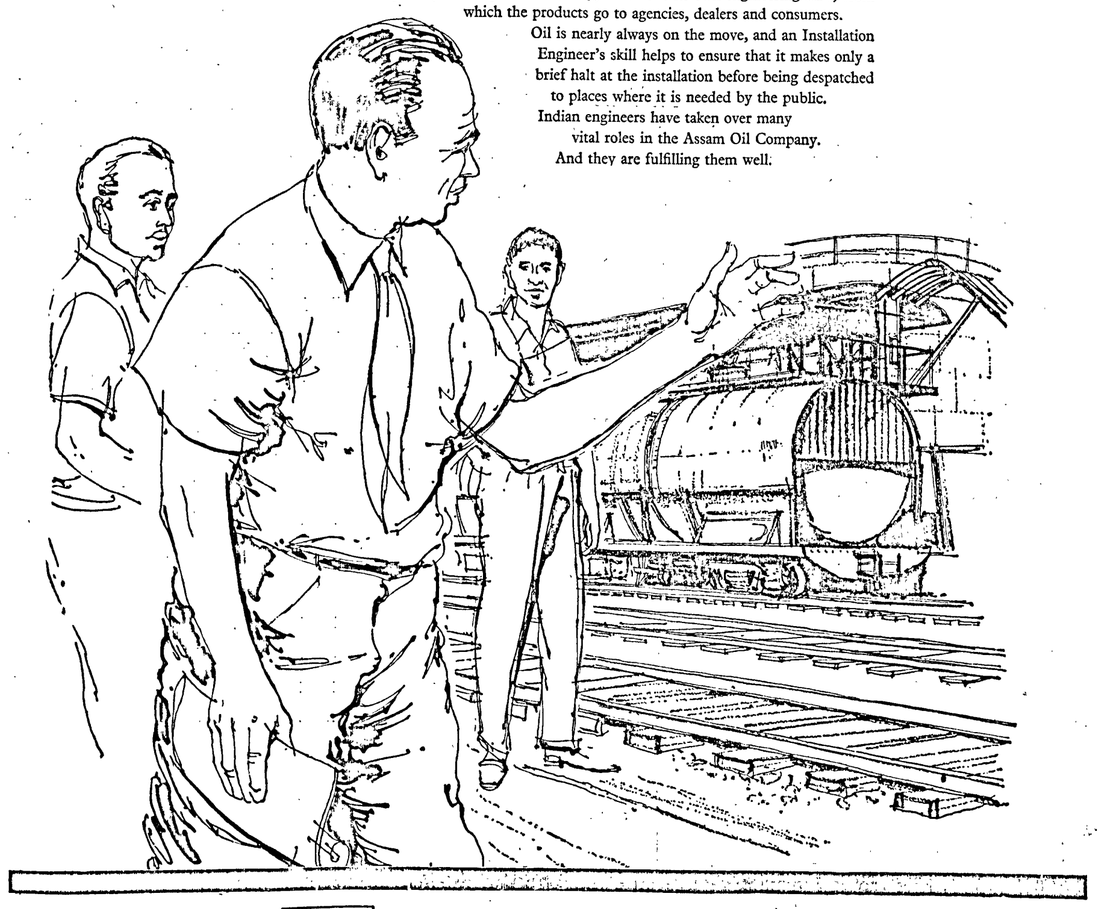

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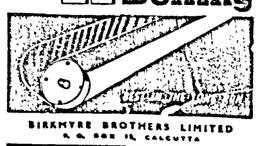

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THIRTY-NINTH REPORT

GENTLEMEN,

The Directors beg to submit to the Shareholders the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1958.

	Rs.	nP
The net profit for the year, including the sum of Rs. 1,50,331.79 brought forward from last year's account, amounts to	16,25,551	87
The following amounts have been appropriated for the under-mentioned purposes :—		
Amount transferred to Reserve Fund Account under Section 17 of the Banking Companies Act, 1949	3,00,000	00
Amount transferred to Contingency Account	50,000	00
Amount written off Premises Account	50,000	00
Amount set apart towards payment of Taxation	4,00,000	00
Amount provided for Bonus to Staff	3,15,000	00
	11,15,000	00
The balance of Rs. 5,10,551.87, the Directors propose to dispose of as follows :—		
To pay a dividend of 44 nP per share, or 8¾ per cent. per annum (free of Income-tax) on 8,00,000 old shares and at the same rate, i.e., 11 nP per share on 4,00,000 new shares for 3 months from 1st October 1958 to 31st December 1958	3,96,000	00
To carry forward to next year's account	1,14,551	87
Rs.	16,25,551	87

The business of the Bank during the year under review continued to show satisfactory progress. The Bank opened three local branches in Greater Bombay, two in Delhi, one each in Ahmedabad and Calcutta and other branches at Thana, Dhoraji, Kanpur and Madurai.

As stated in the Directors' Report submitted to the Shareholders last year, the Paid-up Capital of the Bank has been increased from Rs. 40,00,000 to Rs. 60,00,000 by the issue at par of 4,00,000 new shares of the face value of Rs. 5 each fully paid-up, which are now fully subscribed.

The Directors are glad to report that the deposits which stood at Rs. 20,73,00,000 as at the end of December 1957 rose to over Rs. 24,60,00,000 at the end of December 1958. Advances also increased from Rs. 10,40,00,000 as at the end of December 1957 to Rs. 15,78,00,000 at the end of December 1958.

The Directors report with deep regret the death of their esteemed Chairman and colleague, Mr. Lachhmandas H. Daga on 19th June 1958, after serving on the Board of the Bank for 39 years, since its very inception. He rendered great services to the Bank during the term of his office and by his death the Directors have lost a valuable colleague whose vast business experience was of great assistance to them in directing the affairs of the Bank.

Under the provisions of Section 256 of the Companies Act, 1956, two of the Directors of the Company, Mr. Devji Rattansey and Mr. Ratilal Nathalal, retire by rotation, but being eligible for re-election, offer themselves accordingly.

During the year Mr. Pallonji Shapoorji Mistry, at the invitation of the Directors, accepted a seat on the Board. Under the provisions of Section 260 of the Companies Act, 1956, he will hold office up to the date of the next Annual General Meeting, namely 24th March 1959. He stands for election in the manner provided by the Act.

You will be required to appoint Auditors for the ensuing year and fix their remuneration.

By Order of the Board,
K. R. P. SHROFF,
Chairman.

BOMBAY, 16th *February*, 1959.

BALANCE SHEET AS AT 31st DECEMBER, 1958.

CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
1. Capital—				
AUTHORISED— 20,00,000 Shares of Rs. 5 each	1,00,00,000	00		
ISSUED, SUBSCRIBED AND PAID-UP— 8,00,000 Shares of Rs. 5 each Fully Paid-up .. .. 4,00,000 New Shares of Rs. 5 each, Fully Paid-up, issued for payment in cash	40,00,000 20,00,000	00 00		
(1,624 Coupons not submitted to the Bank for conversion into 812 Shares)			60,00,000	00
2. Reserve Fund and Other Reserves			43,00,000	00
3. Deposits and Other Accounts—				
Short, Fixed, Cumulative Deposits and 3-Year Cash Certificates	9,82,57,191	90		
Savings Bank Deposits	1,23,49,858	88		
Current Accounts, Contingency Accounts, etc.	13,56,22,476	85		
			24,62,29,527	63
4. Borrowings from Other Banking Companies, Agents, etc.—				
(i) In India	70,00,000	00		
(ii) Outside India	Nil			
			70,00,000	00
PARTICULARS—				
(i) Secured by part of the Bank's Investments	70,00,000	00		
(ii) Unsecured	Nil			
	70,00,000	00		
5. Bills Payable			11,69,246	89
6. Bills for Collection Being Bills Receivable as per contra—				
(i) Payable in India	1,00,30,883	29		
(ii) Payable outside India	97,23,560	67		
			1,97,54,443	96
7. Other Liabilities			33,14,038	78
8. Acceptances, Endorsements and Other Obligations per contra ..			4,90,88,561	03
9. Profit and Loss Account—				
Balance as per Balance Sheet as at 31st December, 1957 ..	5,02,331	79		
LESS—Dividend at 44 nP per share for the year ended 31st December, 1957	3,52,000	00		
Balance brought forward	1,50,331	79		
Profit for the year ended 31st December, 1958, brought from the Profit and Loss Account	14,75,220	08		
	16,25,551	87		
LESS—	Rs.	nP		
Amount transferred to Reserve Fund..	3,00,000	00		
Amount transferred to Contingency Account	50,000	00		
Amount written off Premises Account.	50,000	00		
Amount set apart towards payment of Taxation	4,00,000	00		
Amount provided for Bonus to Staff..	3,15,000	00		
	11,15,000	00		
			5,10,551	87
10. Contingent Liabilities—	Rs.	nP		
(a) On Investments in Shares of Joint Stock Companies	2,62,500	00		
(b) Claim against the Banking Company not acknowledged as debts	Nil			
(c) Money for which the Banking Company is contingently liable	Nil			
(d) Liability on account of outstanding Forward Exchange Contracts ..	3,14,27,630	72		
(e) Liability on Bills of Exchange re-discounted	Nil			
Total .. Rs.			33,73,66,370	16

PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
1. Cash— In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)			3,10,08,091	97
2. Balances with Other Banks in Current Account—				
(i) In India	11,16,234	33		
(ii) Outside India	26,13,561	83		
3. Money at Call and Short Notice			37,29,796	16
			Nil	
4. Investments (at or under Market Value)—				
(i) Securities of the Central and State Governments and other Trustee Securities	6,54,90,915	37		
(ii) Shares— Rs. nP				
(a) Preference Shares Fully Paid .. 6,93,165 75				
Preference Shares Partly Paid.. 1,38,000 00				
(b) Ordinary Shares Fully Paid .. 8,09,824 06	8,31,165	75		
Ordinary Shares Partly Paid .. 1,50,000 00				
(c) Deferred Shares Fully Paid ..	10,49,824	06		
(iii) Debentures	16,871	31		
(iv) Other Investments	21,43,000	00		
(v) Gold	Nil			
	Nil			
(Part of Investments lodged with other Banks for borrowing and other arrangements)			6,95,51,776	49
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—				
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP				
(i) In India 11,46,47,630 82				
(ii) Outside India 1,211 48	11,46,48,842	30		
(II) Bills Discounted and Purchased—				
(i) Payable in India 3,13,86,926 69				
(ii) Payable outside India .. 1,17,60,381 57	4,31,47,308	26		
(Particulars of Advances as per separate Schedule attached)			15,77,96,150	56
6. Bills Receivable Being Bills for Collection as per contra—				
(i) Payable in India	1,00,30,883	29		
(ii) Payable outside India	97,23,560	67		
			1,97,54,443	96
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra			4,90,88,561	03
8. Premises Less Depreciation—				
At Cost	19,52,907	21		
Additions during the year	4,12,447	67		
	23,65,354	88		
Deductions during the year	Nil			
	23,65,354	88		
LESS—Total amount written off for depreciation	2,25,000	00		
			21,40,354	88
9. Safe Deposit Vaults, Furniture and Fixtures Less Depreciation—				
Rs. nP				
Safe Deposit Vaults 5,30,737 93				
Additions during the year 1,08,404 28				
	6,39,142	21		
Deductions during the year	Nil			
	6,39,142	21		
LESS—Total amount written off for depreciation	1,90,266	32		
Office Furniture and Fittings	12,00,510	79		
Additions during the year	7,86,228	03		
	19,86,738	82		
Deductions during the year	1,589	05		
	19,85,148	87		
LESS—Total amount written off for depreciation	4,16,313	00		
	15,68,835	87		
			4,48,875	89
10. Other Assets—				
(i) Property—Value of Land	1,18,761	03		
(ii) Interest accrued on Investments	8,40,191	21		
(iii) Tax deducted at source on Interest on Investments ..	8,99,664	31		
(iv) Stock of Printing	4,20,815	02		
(v) Stamps and Library	20,051	73		
(vi) Silver	Nil			
			20,17,711	76
11. Non-Banking Assets Acquired in Satisfaction of Claims			22,99,483	35
			Nil	
Total .. Rs.			33,73,66,370	16

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1958.

	Loans, Cash Credits, Overdrafts, etc.		Bills Discounted and Purchased		Total Advances	
	Rs.	nP	Rs.	nP	Rs.	nP
(i) Debts considered good in respect of which the Banking Company is fully secured ..	9,36,85,035	18	2,54,93,936	30	11,91,78,971	48
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security ..	1,25,46,939	90	41,19,813	14	1,66,66,753	04
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	84,16,867	22	1,35,33,558	82	2,19,50,426	04
(iv) Debts considered doubtful or bad, not provided for	Nil		Nil		Nil	
Total .. Rs.	11,46,48,842	30	4,31,47,308	26	15,77,96,150	56

	Loans, Cash Credits, Overdrafts, etc.		Bills Discounted and Purchased		Total Advances	
	Rs.	nP	Rs.	nP	Rs.	nP
(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons	1,46,853	16	Nil		1,46,853	16
(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,07,07,622	82	10,546	40	1,07,18,169	22
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons ..	1,53,559	36	Nil		1,53,559	36
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members ..	1,33,22,593	55	16,682	86	1,33,39,276	41
(ix) Due from Banking Companies	90,386	04	Nil		90,386	04

(Continued on next page)

FORTHCOMING ENGINEERING EXHIBITION IN U.K.

SEVERAL NEW INVENTIONS TO BE DISPLAYED

THE Engineering, Marine, Welding and Nuclear Energy Exhibition which is scheduled to be held in London between 16th and 30th April 1959, bids fair to be the best of its kind held in that country. Sponsored principally by the British Engineers' Association, the Exhibition will provide ample opportunities for visitors to see what Britain's advanced engineering knowledge and skill can offer by way of plant, machinery, equipment and tools. The Honorary President of this year's Exhibition is Sir Edward Thompson, Chairman and Joint-Managing Director of John Thompson Ltd. and President of the British Engineers' Association.

Among the well-known British engineering companies which will participate in the Exhibition, mention must be made of the Associated Electrical Industries Ltd. which is now trading through Divisions, the first two to be formed being the Heavy Plant and the Turbine Generator Divisions. The Heavy Plant Division handles all large electrical machines (except those of turbo type), gears, centrifugal blowers and compressors, turbo-electric and diesel electric marine propulsion units and power rectifiers of all types. The Turbine Generator Division is responsible for steam and gas turbines, turbo-type generators, turbo-type synchronous motors and condensers, axial-flow compressors, all types of heat exchange plant and geared marine propulsion machinery.

Dry Cooling Tower

Also participating in the Exhibition is the English Electric Company, Ltd., which is now building the first Heller Cooler in Britain for the Central Electricity Generating Board. This "dry cooling tower," it is stated, may revolutionise world economic planning by making it possible to site power stations in arid areas where large volumes of cooling water are not available. The Heller Cooler works by the injection of pure water into the turbine steam, the resultant mixture being cooled in large heat exchangers. Since this is a closed cycle system, the initial supply of water can be used again and again; it is also free of impurities, thus avoiding internal corrosion of the plant which is made entirely of aluminium.

The Pegasus electronic computor, which is exhibited by the United Steel Structural Company, is capable of completing design calculations for a power station floor in two hours. The same calculations done by conventional method would take a designer several weeks to complete. The computor gives not only the required dimensions for each beam but also the section modulus involved and the dimensions of an alternative choice should this be wanted. In addition, it scans neighbouring regions of the floor to determine how much of the distributed load must be allocated to the various beams and amends the results accordingly. Because of the high speed at which the computor works, more elaborate calculations than usual can be undertaken and several alternative schemes of construction considered before making the final choice. It thus releases skilled men for other work and also facilitates refinements and economies in construction. The Wembley Research Laboratories of the General Electric Company, Ltd., have developed a new radiation pyrometer for monitoring the surface temperature in an induction hardening process. The instrument consits of a thermopile, designed to give an electrical output substantially independent of ambient temperature over a wide range of source temperatures.

Port Equipment

Radar equipment will be exhibited by the Decca Radar Ltd. which will have fitted by the end of this year complete harbour radar system in the ports of Southampton, Hamburg and Liverpool, as well as London, where Decca Harbour Type 33 (a high definition X-band assembly, using 6-foot span aerial) will be installed. The Consolidated Pneumatic Tool Company, Ltd. which manufactures pneumatic tools, will participate in the Exhibition. Its tool, the 610 RP impact wrenches, supplied to the Italian shipyard, has reduced construction time. The Myford Engineering Company, Ltd., will be showing their new Myford Mini-Kop lathe which is the only one of its kind specially designed for handling work pieces. It will be of special interest to manufacturers of electrical and optical instruments. A new Ultrasonic flaw detector, which will be on show, is the Mark II flaw detector produced by the Ultrasonoscope Company (London) Ltd. Flaw detection by ultrasonic means is generally carried out by two basic methods. The contact probe technique, in which the scanning probe is used manually with a thin layer of oil between the probe and the surface to be examined, facilitates inspection of components in large assemblies. The immersion method in which scanning is done mechanically, may be used on small compact objects that can be conveniently immersed in a fluid. The Mark II flaw detector has the merit of being equally effective in the contact or the immersion method.

An interesting sidelight on the exhibition is the work of the Production Engineering Research Association (P.E.R.A.) of Great Britain. The P.E.R.A. is an independent, non-profit-making organisation, set up by industry and the Government in 1946 to help firms in Britain and the Commonwealth to cut production costs and increase output. At the end of 1946, it had a membership of just over 50 firms; today more than 700 firms use the Association's services, and a great many of the technical developments seen at Olympia in April will have originated in the P.E.R.A. laboratories at Melton Mowbray in Leicestershire. To evaluate precisely the benefits of research work is always difficult. It is known, however, that one company, after adopting an improved technique advised by the P.E.R.A., has already saved £40,000 on the production of a single part; another well-known firm is currently saving £30,000 annually by impact extruding an electrical component instead of machining it; a third is now producing, in one operation, parts which formerly required eleven separate processes.

Ceramics

Modern industrial ceramics, especially those prepared from aluminium oxide, have a remarkable range of applications. For example, Sintox, a ceramic material, produced by Lodge Plugs Ltd. of Rugby, combines exceptional hardness and toughness with high resistivity and conductivity. It is, therefore, unsurpassed as an insulator even at elevated temperatures, its resistivity at 300°C being about one million times that of porcelain. It also conducts heat twenty times better than porcelain and almost as well as steel. In addition, it is exceptionally strong, with a hardness equivalent to that of sapphire and good resistance to chemical corrosion. These qualities make Sintox, suitable for a wide variety of uses —from components for electronic valves to fair-leads and bushes in wire-rope making machinery. A special grade of Sintox, with a low neutron capture cross-section and compatibility with most materials used in a reactor, has been developed for the nuclear engineering industry. Sintox cutting tool tips are producing a minor revolution in machine tool operation, giving higher cutting speeds and better finishes with less wear, while also being cheaper than tools made of conventional materials.

Irradiation Service

A new irradiation laboratory has been opened at the Barton Works, Manchester, of the Metropolitan-Vickers Electrical Company, Ltd. Its purpose is to provide an irradiation service available to other firms and organisations interested in the possibilities of electron irradiation as an industrial process. The laboratory will undertake experiments in the disinfestation of grain, the preservation of foodstuffs, the sterilisation of medical and phamaceutical materials, the curing of rubber, the polymerisation of plastics and many other irradiation processes which would otherwise involve interested parties in the provision of costly equipment and trained personnel.

The main item of the new laboratory's equipment is a 4-MeV linear accelerator, fitted with a beam scanner which has an output window of pure aluminium foil, allowing the beam to scan an area of 12" x 3" at the window. Greater areas can be covered, either by adjusting the position of the scanner (with some loss of intensity) or by passing the material through the beam several times, presenting a fresh area to the beam at each pass.

NEW OIL ENGINE

For the first time at the forthcoming U.K.'s Engineering, Marine, Welding and Nuclear Energy Exhibition, Rolls-Royce Ltd. will be showing the renowned 8-cylinder marine engine in the turbo-charged version, which is now available for all types of craft. This new engine is capable of pro-

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THE UNION BANK OF INDIA LIMITED—*(Continued)*

Profit and Loss Account for the year ended 31st December, 1958.

EXPENDITURE	Rs.	nP	Rs.	nP
1. Interest paid on Deposits, Borrowings, etc.			64,36,924	01
2. Salaries and Allowances and Provident Fund :— Rs. nP				
(i) To the General Manager	40,800	00		
(ii) To the Staff	33,06,931	80		
	33,47,731	80		
3. Directors' and Local Committee Members' Fees and Allowances	12,425	00		
4. Rent, Taxes, Insurance, Lighting, etc.	5,34,896	89		
5. Law Charges	2,623	55		
6. Postage, Telegrams and Stamps	1,47,038	68		
7. Auditors' Fees	7,500	00		
8. Depreciation on and Repairs to the Banking Company's Property	1,55,789	65		
9. Stationery, Printing, Advertisement, etc.	5,30,440	60		
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil			
11. Other Expenditure	5,89,300	04		
12. Balance of Profit carried to Balance Sheet	14,75,220	08		
Total .. Rs.	1,32,39,890	30		

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP
1. Interest and Discount	1,03,14,856	03
2. Commission, Exchange and Brokerage	21,33,818	86
3. Rents on Building	2,76,351	28
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	2,09,977	24
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil	
7. Other Receipts	3,05,386	89
Total .. Rs.	1,32,39,890	30

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Union Bank of India, Ltd., as at 31st December, 1958, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the audited Returns of Kalbadevi, Abdul Rehman Street, Mandvi, Bhat Bazar, Princess Street, Zaveri Bazar and Opera House Branches and the unaudited Returns from 27 other Branches, not visited by us for the purposes of this Report.

In accordance with the Provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of section 211 and sub-sections (5) of sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be, and are not, drawn up in accordance with the Sixth Schedule of the Companies Act, 1956; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice, have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for Banking Companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY, 16th February, 1959.

F. K. F. NARIMAN,
General Manager.

D. A. BIJOOR,
S. D. PARDIWALA,
Deputy General Managers.

J. B. NANAVUTY,
Chief Accountant.

K. R. P. SHROFF,
DEVJI RATTANSEY,
BALKRISHNA HARIVALLABHDAS,
JAL HORMUSJI MEHTA,
RATILAL NATHALAL,
JAISINH VITHALDAS,
PALLONJI SHAPOORJI MISTRY,
} Directors.

REVISION OF CO-OPERATIVE LAW

SOME CONTENTIONS ON THE PROPOSED POWERS TO REGISTRAR EXAMINED

By B. V. Rao

THE Indian Co-operative Union, New Delhi, has found "giants" where only "windmills" exist. The amusing way it has tried to "tilt" at them neither does much credit to the Union nor advances the cause of Co-operation even by an inch. The various powers given to the Registrar of Co-operative Societies under the Model Co-operative Societies' Bill drafted by the Committee on Co-operative Law are not expected to be exercised in a vacuum; their importance and significance should be examined in the context of a combination of economic and political factors. This is where the Co-operative Union seems to have erred; otherwise, it is hard to see how the provisions incorporated in the Model Bill can undermine democratic institutions or kill individual initiative.

This is the impression that one gains on a close study of the provisions of the Model Bill, and of the criticism made by the Union, against the background of present circumstances and requirements. This background has three aspects: (i) The Co-operative Development Programme under the Plan, largely based on the recommendations of the Rural Credit Survey, which seeks to accomplish through co-operatives in five years, in physical and financial terms, what had not been attained during the past fifty years. (ii) The co-operative laws now in force in various States, some of the substantive provisions of which differed widely from State to State, but which were based mainly on the 1912 Act which was designed to govern the growth of a Movement the scope and aims of which were limited; and (iii) the need for evolving a uniform co-operative law that ensures, at the same time, a fairly rapid growth, but essentially on sound lines, of Co-operative Movement in various fields of economic activity, and efficient and purposeful functioning of the societies. It is necessary to underline the importance of this context here, because the mode of functioning of the societies, which constitute the basic agency through which the national policies are sought to be implemented, is primarily a matter of Government's concern and secondarily that of the financing agencies and the members, unlike in the case of an ordinary business concern registered under the Companies' Act.

Registration

One of the main characteristics of a co-operative society, which should be clearly distinguished from those of a company registered under the Companies Act, is that, under the Act of 1912 and other State Acts now in force, a co-operative society can be registered relatively easily. For the prospective members (the minimum number of whom in the first instance is ten) of a society might not be guided by a true spirit of Co-operation, the prospects of the society from the strict business point of view might not be bright, and it might not conform to the principles of social justice, but, still, it could be registered, if it complied with the Act and the Rules thereunder and satisfied the criterion that its object was to promote some economic interests of its members.

Even as far back as 1915, the Maclagan Committee had sounded a note of warning against hasty registration of societies, when it emphasised that a Registrar should only register a society after he was satisfied that its prospective members fully understood co-operative principles and duties and were prepared to act up to them and that there was reasonable probability that they would do so. It was found, however, that the application of these principles in practice was by no means easy, in the absence of definite provisions in the Act. This is hardly surprising, having regard to the fact that, in the first place, there was no definite way of knowing whether the first ten or more signatories to the application were inspired by a true spirit of Co-operation and had knowledge of co-operative principles, and whether such spirit would continue to exist even when the membership increased. Secondly, a society, though started with an economic object, could, nevertheless, be unsound from the business point of view; in other words, its ability to command the financial resources, membership, area of operations and managerial personnel appropriate to the type of business contemplated might be limited. (That a society should be basically a sound business unit is a fact that cannot be got away from, considering that it is an association of individuals of small means formed with a common economic object. It would, therefore, be idle to ask why a co-operative should only be a business unit.)

This crucial test of soundness was, however, not provided for in the 1912 Act. It would appear that this omission has not a little to do with the growth of a large number of uneconomic units in the past. Available figures go to show that, speaking of primary credit societies alone, of the 133,000 and odd small societies existing as at the end of 1956-57, as many as 30,000 were running at a loss, while no less than 40,000 did not make any loans to members. Moreover, the same inadequacy seems to account, in a great measure, for the large number of primary societies that have been taken under liquidation every year. In Bombay State, for example, the number of societies liquidated was 418 in 1955-56 and 295 in 1956-57. The total number of such societies as at the end of 1956-57 was 3,182. In Madras, again, the number of such societies was no less than 1,057 in 1952-53 and 709 during the year ended 30th June 1956.

Thirdly, a society might satisfy the tests in regard to its object and soundness but it might not satisfy those of "social justice" and "co-operative character." For example, according to the Report of the Himachal Pradesh Co-operative Enquiry Committee (1958), many co-operative societies which should have been registered under the Companies Act, have been registered under the Co-operative Societies' Act. These societies have been "created for an activity in which the members are interested only in the sense that they can earn some middlemen's profit by doing so" (p. 44). Moreover, many co-operatives have entered into agreements with traders to carry on their business on a commission basis. "In other words," the Report notes, "what the co-operatives really did was to barter to a trader for agreed payment its name, including the rights under any licences, permits, privileges, etc., granted by the Government to the institution as a co-operative" (p. 42). Besides, the co-operatives even advanced goods and money to the agents which in effect meant Government capital being used to finance private trade to compete with co-operatives and stifle them (p. 43). These activities of the societies, needless to add, conform to neither the requirements of "social justice" nor "co-operative character."

When the climate in the country is particularly favourable to the growth of spurious co-operatives, it is all the more necessary that adequate safeguards should be provided for in the law to prevent an unhealthy growth of the Movement. It is, therefore, the duty of the Registrar to decide whether a co-operative adequately satisfies the test of sound business and whether it meets the requirements of "social justice" considerations which are influenced by local factors to no small degree and, therefore, do not admit of any precise definition. A State which seeks to prepare co-operatives to play a vital role in the economy can ill afford to leave this vital issue to be decided by the members themselves. The suggestion of the Indian Co-operative Union, therefore, that an attempt is being made to "subvert" the "sovereignty" of the people has little force. It is more so, in view of the provision made in the Bill for appeal against the decision of the Registrar to refuse to register a society.

Supersession

The powers of supersession given to the Registrar under the Model Bill should be examined in a dispassionate manner, and not against abstract considerations. The majority of the members that compose a primary co-operative society are semi-educated or even uneducated; the possibility of political and other factions in the village creating deadlocks and paralysing the functioning of a society is indeed great; and the chances of a few educated office-bearers falling prey to temptations, which the handling of money involves, and of mismanaging the affairs of a society to the discredit of the Movement and to the detriment of the members, are very great.

This position may be contrasted with that of a company whose shareholders are vigilant, where profit motive exists, and where politics have little play. Even apart from the interest evinced by shareholders in the affairs of a company, the Indian Companies Act, 1956 has, it may be noted, given wide powers to the Government to interfere in the affairs of the company when it is mismanaged. Under Sections 397, 398 and Sections 537-544, the Central Government and the Court have been given wide powers to prevent oppression of the minority members and the mismanagement of the affairs of the company. Under Sections 408 and 409, the Government has power to appoint two nominees of its own on the Board of Directors of a company for three years, if it thinks that the company is being mismanaged.

It would thus appear that there is nothing extraordinary in the powers of supersession given to the Registrar, which can be resorted to only in extreme cases of mismanagement or deadlocks created by local factions and the like. Moreover, this provision is by no means new, for several State Acts—for example, the Madras Act—have provided for it. (In fact, the concerned clause in the Bill has been more or less copied from the Madras Act.) Its importance lies in that the very presence of this provision has been found to have considerable deterrent influence on the managing committees. From past experience, it can be said that these powers have been sparingly used with the main object of providing an opportunity to the society to improve its position. In Madras, for instance, the committees of 78 primary societies of all types were under supersession at the end of 1952-53, and the corresponding figure for 1955-56 was 27. Thus viewed, the fears expressed by the Indian Co-operative Union that the powers of supersession vested in the Registrar under the Model Bill would undermine the autonomy of co-operatives are clearly exaggerated.

Inspection of Affairs

In stating that "the very use of the word 'inspection' in relation to co-operative societies is highly questionable" the Indian Co-operative Union has attributed to societies qualities that would not be applicable to any business organisation run by human beings. It is, however, difficult to believe that the Union is oblivious of the existence of fifth in a large number of primary societies today. Even the Indian Companies Act, 1956,—*vide* Sections 235 and 237—provides for the investigation of companies' affairs. Under the latter section, the Central Government is bound to exercise the power of ordering investigation of a company's affairs through inspectors, if in its opinion there are circumstances to suggest that (*a*) the company's business is conducted with a view to defrauding creditors or (*b*) the management is guilty of fraud, misfeasance, etc., or other misconduct towards the company or any members. The inspectors are given wide powers, including investigation of the affairs of the holding or subsidiary companies, if any, of the main company, or any other corporate body having the same managers or secretaries, examination of witnesses on oath, calling for all the relevant information, etc.

A co-operative society, which has neither a vigilant general body, nor an efficient management of the type a joint-stock company has, cannot escape enquiry into its affairs, when there are valid grounds for suspicion that the affairs are mismanaged. For, as remarked by Calvert (*The Law and Principles of Co-operation*, p. 163), it is very important that there should be ensured to the members some method of ascertaining how their committee is carrying on business: "This right to an enquiry is important for the principle of equitable association. It gives a minority of the members the right to learn what is being done by the committee elected by the majority." This explains the reason for the provision of similar wide powers of enquiry in the Co-operative Acts of certain foreign countries, including Japan and England. Section 35 of the Act of 1912 itself provides for enquiry. But the powers given to the Enquiry Officer under the Madras Act are more in tune with the needs of the situation. All that, therefore, the Law Committee has done is to reproduce Section 38 of the Madras Act, with the modification that a meeting called by the Registrar or any authorised person under him in connection with the enquiry shall not be governed by quorum. The object of the modification is obviously to ensure that the managing committee will not thwart the pro-

(Continued on page 367)

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   Nationality .. .. Indian
   Address .. .. 4, Narasingha Bhuvan, Brahmanwada Road, Matunga, Bombay 19.

6. Names and addresses of shareholders holding more than one per cent. of the total capital:

Mr. S. B. Mehta and Mrs. M. S. Mehta, Mayfair Gardens, Block C, Flat No. 46, Little Gibbs Road, Malabar Hill, Bombay 6.

Messrs. W. H. Brady & Co., Ltd., Brady House, Veer Nariman Road, Fort, Bombay.

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Lady Jerbai Byramjee Jeejeebhoy, Mrs. Homi J. B. Jeejeebhoy, Mr. J. B. Jeejeebhoy, Mrs. Cursetbai J. R. B. Jeejeebhoy and Mr. J. R. B. Jeejeebhoy. The Cliff, Ridge Road, Malabar Hill, Bombay.

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Mr. Jal Dorabji Framji, Barry Villa, Owan Dunn Road, Gamdevi, Bombay.

Sir Joseph Kay, K.B.E., Messrs. W. H. Brady & Co., Ltd., Brady House, Veer Nariman Road, Fort, Bombay.

Mr. Douglas Moir, Kiroska, 3 Cunningham Crescent, Bangalore.

I, SORAB BOMANJI MEHTA, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Date: 7th March 1959

(Sd.) S. B. MEHTA
(Signature of Publisher)

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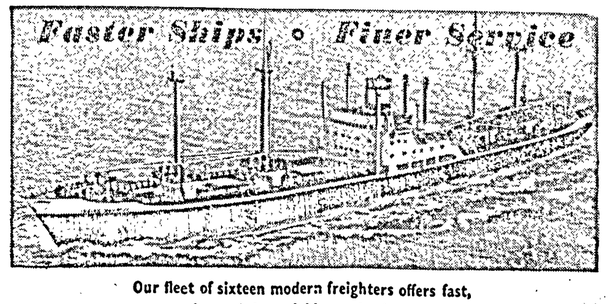

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Committee of Directors:
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MADRAS—
DEWAN BAHADUR SIR ARCOT LAKSHMANASWAMI MUDALIAR.
MR. S. LALCHAND DADHA
(Resigned from 1-1-1959).
MR. M. S. M. M. MEYYAPPA CHETTIAR.
MR. D. C. KOTHARI.

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MR. D. P. R. CARSAD.
MR. R. V. KALIKAR.

POONA—
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ANNUAL REPORT

To be submitted to the Shareholders at the Fifty-third Annual General Meeting to be held at the Registered Office of the Company at Mahatma Gandhi Road, Fort, Bombay, on Thursday, the 12th day of March, 1959, at 4 o'clock in the afternoon.

Directors' Report for the year ended 31st December, 1958

The Directors submit to the Shareholders the Balance-Sheet and Profit and Loss Account for the year ended 31st December, 1958. The Auditors' Report is also annexed.

	Rs.	nP
The transactions for the past year, including the balance brought forward from the previous year, Rs. 16,02,381·34, have resulted in a profit of	1,01,79,476	54
An interim dividend was paid for the half-year ended 30th June, 1958, at the rate of 6 per cent. free of Income-tax on the Paid-up Capital of Rs. 3,00,00,000, which absorbed	18,00,000	00
Provision made for Income-tax and Super-tax for the year	25,00,000	00
Bonus to Staff	16,00,000	00
The Directors now propose :—		
To pay a final dividend for the half-year ended 31st December, 1958, at the rate of 10 per cent. free of Income-tax, making 16 per cent. for the year, on the Paid-up Capital of Rs. 3,00,00,000, which will absorb	30,00,000	00
To carry forward to the next account	12,79,476	54
Total .. Rs.	1,01,79,476	54

The Company's business continued to function satisfactorily.

The Bank Rate remained stationary at 4 per cent.

Branches were opened during the year at Churchgate, Fort and Sion in Bombay, at Navrangpura in Ahmedabad and at Baroda, Kanpur and Visakhapatnam.

The Directors report with deep regret the death on 1st October, 1958, of their esteemed colleague, Sir Joseph Kay, K.B.E., who was a Director of the Company for over 37 years; they desire to place on record their high appreciation of the valuable services rendered by him to the Company.

Under the provisions of Section 256 of the Companies Act, 1956, the following Directors of the Company retire by rotation, but are eligible and offer themselves for re-election :—

Mr. Ambalal Sarabhai,
Mr. Bhagvandas C. Mehta,
Mr. A. D. Shroff.

During the year Mr. Jugmohan Prasad Goenka, at the invitation of the Board of Directors, accepted a seat on the Board. Under the provisions of Section 260 of the Companies Act, 1956, and of Article 85 of the Company's Articles of Association he will hold office up to the date of the Annual General Meeting, namely, up to 12th March, 1959. He stands for election in the manner provided by the Act and the Articles of Association.

The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

COWASJEE JEHANGIR, *Chairman.*
AMBALAL SARABHAI,
RAMNIWAS RAMNARAIN,
BHAGVANDAS C. MEHTA,
K. M. D. THACKERSEY,
Directors.
A. D. SHROFF,
MADANMOHAN MANGALDAS,
N. K. PETIGARA,
JUGMOHAN PRASAD GOENKA,

H. A. CURRIMBHOY, *Chief Accountant.*
T. R. LALWANI, *General Manager.*

BOMBAY, 5th *February*, 1959.

BALANCE-SHEET AS AT 31st DECEMBER, 1958.

CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
1. Capital—				
AUTHORISED CAPITAL—				
(a) 5,00,000 Shares of Rs. 100 each	5,00,00,000	00		
(b) 1,00,000 "A" Shares of Rs. 50 each	50,00,000	00		
	5,50,00,000	00		
ISSUED AND SUBSCRIBED CAPITAL—				
(a) 5,00,000 Shares of Rs. 100 each paid for in cash ..	5,00,00,000	00		
(b) 1,00,000 "A" Shares of Rs. 50 each credited as fully paid bonus shares	50,00,000	00		
	5,50,00,000	00		
AMOUNT CALLED UP on 5,00,000 Shares of Rs. 100 each at Rs. 50 per share	2,50,00,000	00		
AMOUNT FULLY PAID UP on 1,00,000 "A" Shares of Rs. 50 each	50,00,000	00		
	3,00,00,000	00		
LESS—Calls unpaid	Nil			
	3,00,00,000	00		
ADD—Forfeited Shares	Nil			
			3,00,00,000	00
2. Reserve Fund and Other Reserves—				
Reserve Fund			3,10,00,000	00
(Includes Rs. 1,50,00,000 received as Premiums on issues of Shares in past years)				
3. Deposits and Other Accounts—				
Fixed Deposits	39,58,12,675	67		
Savings Bank Deposits	11,86,44,458	64		
Current Accounts, Contingency Accounts, etc.	36,83,16,377	39		
			88,27,73,511	70
4. Borrowings from Other Banking Companies, Agents, etc.—				
(i) In India	Nil			
(ii) Outside India	Nil			
			Nil	
PARTICULARS—				
(i) Secured by Bills Discounted	Nil			
(ii) Unsecured	Nil			
5. Bills Payable			36,53,540	39
6. Bills for Collection Being Bills Receivable as per contra—				
(i) Payable in India	34,09,802	88		
(ii) Payable outside India	1,15,86,596	36		
			1,49,96,399	24
7. Other Liabilities—				
(i) Unexpired Discounts	1,66,494	66		
(ii) Branch Adjustments	19,49,790	01		
(iii) Unclaimed Dividends	3,54,360	94		
			23,90,645	61
8. Acceptances, Endorsements and Other Obligations per contra ..			5,07,52,461	34
9. Profit and Loss—				
Balance as per Balance-Sheet as at 31st December, 1957 ..			46,02,381	34
LESS—Final Dividend at 10 per cent., making 16 per cent. for the year 1957, free of Income-tax ..	Rs. 30,00,000	nP 00		
Placed to the Bank's Reserve Fund	Nil			
	30,00,000	00		
	16,02,381	34		
ADD—Profit for the year ended 31st December, 1958 ..	85,77,095	20		
	1,01,79,476	54		
LESS—Provision for Income-tax and Super-tax for the year ..	25,00,000	00		
Interim Dividend at 6 per cent. for the half-year ended 30th June, 1958	18,00,000	00		
Provision for Bonus to Staff for the year 1958	16,00,000	00		
	59,00,000	00	42,79,476	54
10. Contingent Liabilities—	Rs.	nP		
(i) On partly paid Shares	19,25,500	00		
(ii) Claims against the banking company not acknowledged as debts	69,436	00		
(iii) Guarantees given on behalf of customers	7,11,18,576	58		
(iv) Bills of Exchange Re-discounted :— U.S. Dollar Bills Re-discounted $21,941.52, of which $15,415.39 have run of as at 5th February, 1959.	Nil			
(v) Outstanding Forward Exchange Contracts	13,56,26,819	99		
NOTES :— Provision to the full extent for future gratuities to Staff has not been made, the liability for which has not been ascertained. The Profit and Loss Account includes expenses of The Bank of India (U.K.) Nominees Limited, a subsidiary Company of this Bank.				
Total .. Rs.			1,01,93,46,035	32

PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
1. Cash—				
In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)			8,66,06,309	47
2. Balances with Other Banks on Current Account—				
(i) In India	12,67,235	42		
(ii) Outside India	1,79,25,808	64		
3. Money at Call and Short Notice			1,87,92,544	06
4. Investments at Below Market Value—			Nil	
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	21,90,72,337	80		
(ii) Shares—				
(a) Fully paid Preference Shares	16,26,802	00		
(b) Fully paid Ordinary Shares	78,75,005	29		
(c) Partly paid Ordinary Shares	4,93,500	00		
(iii) Debentures or Bonds	1,45,94,161	24		
(iv) Other Investments— Pakistan Government and Trustee Securities	20,25,893	75		
(v) Gold	Nil			
5. Advances—			24,49,88,704	55
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
(I) Loans, Cash Credits, Overdrafts, etc.—	Rs.	nP		
(i) In India	49,42,06,768	34		
(ii) Outside India	2,68,62,958	51		
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—			52,10,71,726	85
(i) Payable in India	3,13,17,466	36		
(ii) Payable outside India	3,75,31,360	82		
			6,88,48,827	18
PARTICULARS OF ADVANCES—			58,99,20,554	03
(i) Debts considered good in respect of which the banking company is fully secured			47,80,58,812	41
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security			9,60,42,772	26
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors			3,03,18,969	36
(iv) Debts considered doubtful or bad, not provided for ..			Nil	
			58,99,20,554	03
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons			20,26,066	17
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members			14,98,53,676	23
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons			25,01,157	79
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members			16,93,49,780	46
(ix) Due from banking companies			10,29,669	92
6. Bills Receivable Being Bills for Collection as per contra—				
(i) Payable in India			34,09,802	88
(ii) Payable outside India			1,15,86,596	36
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra			1,49,96,399	24
			5,07,52,461	34
8. Premises, Less Depreciation—				
At cost as at 31st December, 1957	1,04,17,586	00		
Additions during this year	9,76,188	23		
	1,13,93,774	23		
LESS—Written off to 31st December, 1957	75,84,301	64		
9. Furniture and Fixtures, Less Depreciation			38,09,422	59
10. Other Assets—			Nil	
(i) Shares of The Bank of India (U.K.) Nominees Limited, at cost			1,325	65
(ii) Advance Payments of Tax			82,00,027	50
(iii) Stamps			20,343	29
(iv) Interest accrued on Investments to 31st December, 1958			17,57,033	57
(v) Silver			Nil	
11. Non-Banking Assets Acquired in Satisfaction of Claims			99,79,640	01
			Nil	
Total .. Rs.			1,01,93,46,035	32

(Continued on next page)

REVISION OF CO-OPERATIVE LAW

(*Continued from page 364*)

ceedings of the meeting by preventing the members from attending it.

When more and more societies begin to deal in increasing amounts of resources, it is necessary that adequate safeguards should be provided for to prevent people from falling a prey to temptations. The Union's objection to the provision obviously stems from its conception of the "autonomy" of a society. But it may be pointed out that many co-operators do not share this conception.

Audit

Audit is one of the important safeguards referred to above and plays a special role in promoting the soundness of co-operative institutions. Calvert wrote (in the book referred to earlier): "A joint-stock company cannot be described as unsuccessful if the shareholders lose no money by it. A co-operative society can be described as unsuccessful, if the members lose no money by it, yet fail to gain any advantage from it. It is hardly an exaggeration to say that proper audit is more important in a co-operative society than in a joint-stock company." It may also be recalled that the Maclagan Committee emphasised that "to ensure successful management, nothing is more important than constant and vigilant scrutiny of accounts and examinations of the general management through the agency of both the Registrars' staff and the co-operative institutions themselves."

It has been realised, however, that efficient audit could be done only by those who have practical experience of co-operative work and enthusiasm for its objects and who have means of ensuring that the defects noticed by them are rectified promptly by the societies. Besides, audit to be efficient, and not to cause inconvenience to the societies, should be carried out on the spot. These considerations can be satisfied only by the departmental auditors. Another reason advanced by the Maclagan Committee for keeping the audit under Government control is to assure the Government that co-operatives were developing on sound lines. The aforesaid Committee felt that it was primarily the duty of the Registrar.

All these reasons hold good today with, perhaps, added force. But the procedure that is at present in force in different States is not uniform. The need, therefore, for bringing audit under the purview of the Registrar has been emphasised by the All-India Rural Credit Survey, State Ministers' Conference (1955) and also the Standing Advisory Committee on Agricultural Credit. These Committees, it should be noted, have also recommended that supervision, which is a continual process, should be done by the financing agencies. In consequence, the present Model Bill does not provide for supervision being done by the Department. In these circumstances, the contention of the Indian Co-operative Union that it would lead to inefficiency if the functions of audit and supervision are merged in the Registrar is not clear. Again, it is misleading to suggest that the Department, in auditing the societies, audits its own affairs, for the Department does not manage the affairs of the societies; it only ensures that they manage their affairs on sound lines.

That the Registrar is not at present adequately armed with powers to ensure that the defects noted during audit are carried out promptly is revealed, to take one example, by the overdues position of the societies. At the end of 1956-57, as many as 35 per cent. of the primary credit societies had overdues exceeding 50 per cent. of their outstandings; and a similar number of them had overdues between 25 and 50 per cent. of their outstandings. Consequently, the power of issuing directives, whenever necessary, to the societies to ensure that the defects are rectified becomes inseparable from the responsibilities of the Registrar.

State Partnership

The chapter on State Aid to Co-operatives incorporated in the Model Bill is intended to give effect to the principle of State partnership advocated by the All-India Rural Credit Survey and accepted by the Government, Planning Commission and an overwhelming body of co-operative leadership. The main features of the clauses are that they provide for the States' contribution to the share capital of the apex, central, district and primary societies, either directly or indirectly. In the case of indirect partnership, the funds will pass from the State through the banks at the apex and the central or district level, or at apex level alone, depending on whether the recipient of the contribution is a primary society or a central or district bank. To facilitate this process, two kinds of Funds will be created, the "Principal State Partnership Fund" at the apex level, and the "Subsidiary State Partnership Fund" at the district or central level, which will handle the moneys received, thereby keeping such amounts separate from their "owned funds." A noteworthy feature is that the shares will be purchased not in the name of the Government, but in the name of the institution through the agency of which they will have come. Further, in order to ensure that the State is a partner in the true sense of the term, and not a creditor, in the institutions to which money is given, the Government will be entitled to only that amount of dividend which is declared by the society. The Government is also made responsible for the losses, if any, experienced by the society. Besides, the State is also allowed to guarantee the debentures issued by, or repayment of loans advanced to, a society.

The question whether or not State partnership in co-operatives constitutes violation of co-operative principles has been discussed at length before it was accepted. Although the Prime Minister has made certain remarks about the Co-operative Movement being pushed in the wrong direction because of State's financial assistance, it would appear that, basically, the principle has come to stay, though the extent of its application may undergo some change. Where the principle of the State becoming a full-fledged partner in any society, whether primary or other, is accepted, there is little logic in the view that the presence of no more than three, or one-third of the Board's members, whichever is less as the State's nominees, amounts to violation of co-operative principles or militates against the development of a sense of responsi-

(*Continued on page 385*)

THE BANK OF INDIA LIMITED—*(Continued)*

Profit and Loss Account for the Year Ended 31st December, 1958

EXPENDITURE	Rs.	nP
1. Interest paid on Deposits, Borrowings, etc.	1,94,80,907	05
2. Salaries and Allowances and Provident Fund .. .. .. (Salary and Allowances to General Manager Rs. 75,000 00)	1,21,12,204	82
3. Directors' and Local Committee Members' Fees and Allowances	1,26,075	00
4. Rent, Taxes, Insurance, Lighting, etc.	16,92,074	73
5. Law Charges	72,845	28
6. Postage, Telegrams and Stamps	1,89,471	35
7. Auditors' Fees	40,000	00
8. Depreciation on and Repairs to the Banking Company's Property	1,13,314	14
9. Stationery, Printing, Advertisement, etc.	8,82,247	24
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil	
11. Other Expenditure	13,44,255	18
12. Balance of Profit (subject to Taxation)	85,77,095	20
Total .. Rs.	4,46,30,489	99

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP.
1. Interest and Discount	3,86,44,733	04
2. Commission, Exchange and Brokerage	52,33,690	59
3. Rents	2,98,528	92
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..	Nil	
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil	
7. Other Receipts	4,53,537	44
Total .. Rs.	4,46,30,489	99

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the foregoing Balance-Sheet of The Bank of India Limited as at 31st December, 1958, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated unaudited returns from all the Branches in India not visited by us for the purposes of this Report and the audited returns of all Branches outside India audited by other Auditors.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the proviso to sub-sections (1) and (2) of Section 211 and sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance-Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :—

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) the Bank's Balance-Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance-Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

A. F. FERGUSON & CO., *Chartered Accountants.*
S. B. BILLIMORIA & CO., *Chartered Accountants.*

BOMBAY, 5th *February*, 1959.

Statement pursuant to Section 212 of the Companies Act, 1956.

The Profit and Loss Account of The Bank of India Limited for the year ended 31st December, 1958, does not include any profit or loss of its subsidiary, The Bank of India (U.K.) Nominees Limited (a nominee company incorporated and operating in the United Kingdom), as no profit was made and no loss was sustained by that subsidiary. All expenses incurred were borne and paid by The Bank of India Limited. The shares of the subsidiary are wholly owned by the Bank.

Having regard to the fact that no Profit and Loss Account of the said subsidiary is prepared in the circumstances aforesaid and that its Balance-Sheet and the Reports of its Board of Directors and Auditors are drawn up in accordance with the law in force in the United Kingdom, an application was made to the Central Government under sub-section (8) of Section 212 of the Companies Act, 1956, and, in exercise of the powers conferred by the said sub-section (8) of Section 212 of the Companies Act, 1956, the Central Government, being satisfied that it is necessary so to do, have directed that, in relation to The Bank of India (U.K.) Nominees Limited, a subsidiary of the Bank, the provisions of Section 212 of the said Act shall apply only to the extent that The Bank of India Limited shall be required to attach to its Balance-Sheets copies of the Balance-Sheets and of the Reports of the Board of Directors and of the Auditors of the said subsidiary made out in accordance with the provisions of the English Companies Act for the time being in force in the United Kingdom and that The Bank of India Limited is exempted from attaching to its Balance-Sheets a copy of the Profit and Loss Account of the said subsidiary.

THE BANK OF INDIA (U.K.) NOMINEES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 1958.

The Directors submit the Balance-Sheet for the year ended 31st December, 1958. The Auditors' Report is also annexed.

No Profit and Loss Account is submitted as none has been prepared. No profit was made and no loss was sustained. The expenses of the Company have been paid by The Bank of India Limited, of which the Company is a wholly-owned subsidiary.

J. DONALDSON,
S. H. BRADFORD, } *Directors.*

LONDON, 1st *January*, 1959.

THE BANK OF INDIA (U.K.) NOMINEES LIMITED

Balance-Sheet, 31st December, 1958.

Capital Authorised and Fully Paid-up : 100 Ordinary Shares of £1 each	£100	Cash at Bankers	£100
	£100		£100

Signed on behalf of the Board,
J. DONALDSON,
S. H. BRADFORD, } *Directors.*

REPORT OF THE AUDITORS

We have obtained all the information and explanations which we have required and which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion proper books of account have been kept by the Company. We have examined the above Balance-Sheet which is in agreement with the books of account. In our opinion such Balance-Sheet gives the information required by the Companies Act, 1948, in the manner so required and is properly drawn up so as to exhibit a true, correct and fair view of the state of the Company's affairs at 31st December, 1958, according to the best of our information and the explanations given to us and as shown by the books of the Company.

No Profit and Loss Account has been prepared as the Company has no income and the expenses are paid by the Holding Company.

27, Old Broad Street,
LONDON, E.C. 2.
1st *January*, 1959.

FERGUSON, ROWLAND & DAVIES,
Chartered Accountants, Auditors.

COWASJEE JEHANGIR, *Chairman.*
AMBALAL SARABHAI,
RAMNIWAS RAMNARAIN,
BHAGVANDAS C. MEHTA,
K. M. D. THACKERSEY,
Directors.
A. D. SHROFF,
MADANMOHAN MANGALDAS,
N. K. PETIGARA,
JUGMOHAN PRASAD GOENKA,

T. R. LALWANI, *General Manager.*
H. A. CURRIMBHOY, *Chief Accountant.*

BOMBAY, 5th *February*, 1959.

STATE BANK

(SUCCESSORS TO THE IMPERIAL

Incorporated in India under the State Bank of India Act, 1955.

BALANCE SHEET OF THE STATE BANK

As at 31st December 1957		CAPITAL AND LIABILITIES	As at 31st December 1958	
Rs. nP.	Rs. nP.		Rs. nP.	Rs. nP.
	20,00,00,000 00	**1. Capital—** AUTHORISED CAPITAL— 20,00,000 Shares of Rs. 100 each	20,00,00,000 00	
5,62,50,000 00		ISSUED, SUBSCRIBED AND PAID-UP CAPITAL— (Pursuant to Section 5 (1) of the State Bank of India Act, 1955)— 5,62,500 Shares of Rs. 100 each		5,62,50,000 00
6,62,50,000 00		**2. Reserve Fund and Other Reserves**		7,00,00,000 00
74,25,000 00		**2A. ‡Integration and Development Fund** (maintained under Section 36 of the State Bank of India Act, 1955)		1,43,50,000 00
		3. Deposits and Other Accounts—		
	139,36,49,041 18	Fixed Deposits	223,88,45,263 61	
	32,95,50,683 55	Savings Bank Deposits	34,49,32,270 90	
366,51,89,439 22	194,19,89,714 49	†Current Accounts, Contingency Accounts, etc.	214,47,56,821 89	477,85,84,356 40
		4. Borrowings from Other Banking Companies, Agents, etc.—		
	15,00,00,000 00	(i) In India	20,00,00,000 00	
16,50,50,000 00	1,50,50,000 00	(ii) Outside India	25,25,000 00	
		PARTICULARS—		
	16,50,50,000 00	(i) Secured by Government Securities and Bills Discounted per contra	20,85,25,000 00	20,85,25,000 00
	....	(ii) Unsecured	....	
	16,50,50,000 00		20,85,25,000 00	
5,11,49,642 23		**5. Bills Payable**		6,03,67,773 41
		6. Bills for Collection Being Bills Receivable as per contra:		
	71,19,489 34	(i) Payable in India	2,32,65,295 72	
1,00,16,654 23	28,97,164 89	(ii) Payable outside India	17,77,895 07	2,50,43,190 79
		7. Other Liabilities—		
	90,00,000 00	*Final Dividend for the year	45,00,000 00	
	6,112 13	Unclaimed Dividends	22,780 79	
2,22,29,764 57	1,32,23,652 44	Inter-Office Adjustments (including Rs. 2,79,084.57 due to Imperial Bank of India)	25,64,160 53	
20,41,114 95		**8. Acceptances, Endorsements and Other Obligations per contra**		71,86,941 32
				1,18,58,959 63
		9. Profit and Loss—		
	41,91,361 65	Balance brought forward from last year	55,99,170 54	
	1,87,45,308 89	Profit for the year	1,90,14,183 02	
	2,29,36,670 54		2,46,13,353 56	
	90,00,000 00	Amount set aside for payment of Dividend (made up of Interim Dividend Rs. 45,00,000 and Final Dividend Rs. 45,00,000)	90,00,000 00	
	23,00,000 00	Amount transferred to Reserve Fund	37,50,000 00	
	6,37,500 00	Amount transferred to Pension Funds	6,30,200 00	
	32,00,000 00	Bonus to Staff	36,00,000 00	
	10,00,000 00	Amount transferred to Staff Welfare Fund	5,00,000 00	
55,99,170 54	10,00,000 00	Amount transferred to Staff Co-operative Housing Fund	15,00,000 00	55,73,153 86
		10. Contingent Liabilities—	Rs. nP.	
Rs. 5,67,260 95		Claims against the Bank not acknowledged as debts	5,02,094 33	
Rs. 2,45,440 94		Bills of Exchange rediscounted		
Rs. 42,45,00,528 39		Outstanding Forward Exchange Contracts	23,70,28,188 16	
		On partly paid-up shares	2,64,00,000 00	
Rs. 14,16,506 61		Guarantees given on behalf of Directors, Local Board Members or Officers of the Bank	10,90,714 71	
Rs. 20,31,04,655 90		Guarantees given on behalf of others	54,37,57,332 47	
405,12,00,785 74		Total .. Rs.		523,82,39,380 31

‡ No adjustment has been made in respect of amounts recoverable from the Reserve Bank of India on account of losses attributable to new branches established under Section 16(5) of the State Bank of India Act, 1955.

† Includes Staff Welfare Fund and Staff Co-operative Housing Fund, ownership whereof vests in the Bank.

* Of which Rs. 24,75,000 is to be credited to the Integration and Development Fund (item 2A above) bringing the amount in the said Fund to Rs. 1,73,25,000.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

Year ended 31-12-1957	EXPENDITURE	Year ended 31-12-1958	Year ended 31-12-1957	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Year ended 31-12-1958
Rs. nP.		Rs. nP.	Rs. nP.		Rs. nP.
8,39,68,958 69	1. Interest paid on Deposits, Borrowings, etc.	6,24,53,623 23	8,24,88,049 53	1. Interest and Discount	12,21,11,007 32
5,15,04,813 46	2. Salaries and Allowances and Provident Fund (including Salaries and Allowances of Chairman Rs. 46,030.05 and Managing Directors Rs. 96,911 03 for the year) ..	6,06,25,866 43	3,54,21,066 94	2. Commission, Exchange and Brokerage	3,53,49,780 09
99,540 00	3. Directors' and Local Board Members' Fees and Allowances	1,02,210 00	3,31,433 81	3. Rents	3,36,645 07
27,86,528 57	4. Rent, Taxes, Insurance, Lighting, etc.	32,23,209 53	....	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets	....
98,229 14	5. Law Charges	1,32,041 07	....	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets	....
23,15,299 39	6. Postage, Telegrams and Stamps	25,94,513 96	....	6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	....
50,000 00	7. Auditors' Fees	75,000 00	....	7. Other Receipts	....
16,40,341 67	8. Depreciation on and Repairs to the Bank's Property ..	17,14,457 76	....	8. Loss	....
33,72,626 79	9. Stationery, Printing, Advertisement, etc.	35,20,805 46	....		....
....	10. Loss from Sale of or Dealing with Non-banking Assets ..	....			
36,58,403 68	11. Other Expenditure	43,35,521 97			
1,87,45,308 89	12. Balance of Profit	1,90,14,183 02			
11,82,49,550 28	Total .. Rs.	15,77,07,432 48	,550 28	Total .. Rs.	15,77,07,432 48

REPORT OF THE AUDITORS

TO THE PRESIDENT OF INDIA,

We, the undersigned Auditors of the State Bank of India, appointed under Section 41 (1) of the State Bank of India Act, 1955, do hereby report to the Central Government upon the Balance Sheet and Accounts of the Bank as at the 31st December, 1958.

We have examined the above Balance Sheet and the Profit and Loss Account and the Accounts relating thereto of the Central Office and the Local Head Offices at Bombay and Calcutta and the Returns submitted and certified by the Secretaries and Treasurers of the Local Head Offices at Madras and New Delhi by the Manager, Pakistan Branches and by Branch Agents which Returns have been incorporated in the above Balance Sheet and Accounts and report (i) that, in our opinion, the Balance Sheet is a full and fair one, containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the Books of the Bank; (ii) that where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory; (iii) that the transactions of the Bank which have come to our notice have been within the powers of the Bank; (iv) that the Returns received from the Local Head Offices at Madras and New Delhi, and from the Branches of the Bank have been found adequate for the purpose of our audit; (v) that the Profit and Loss Account shows a true balance of profit for the period covered by such account; (vi) that, in our opinion, the Balance Sheet and Profit and Loss Account are drawn up in conformity with the law; and (vii) that, in our opinion Books of Account have been kept by the Bank as required by law.

The audit of the Books and Accounts of the Central Office has been carried out jointly by Messrs. S. B. Billimoria & Co. and Messrs. Ray and Ray. The audit of the Books and Accounts of the Local Head Offices has been carried out at Bombay by Messrs. S. B. Billimoria & Co. and at Calcutta by Messrs Ray and Ray.

11th February, 1959.

S. B. BILLIMORIA & CO.,
RAY AND RAY, } *Auditors.*

OF INDIA

BANK OF INDIA)

The Liability of Members is Limited.

OF INDIA AS AT 31st DECEMBER, 1958

As at 31st December 1957		PROPERTY AND ASSETS	As at 31st December 1958	
Rs. nP.	Rs. nP.		Rs. nP.	Rs. nP.
86,52,51,726 02		**1. Cash—** In hand and with Reserve Bank (including Foreign Currency Notes)		52,73,57,495 82
		2. Balances with Other Banks—	On Current Account Rs. nP. / On Deposit Rs. nP.	
	....	(i) In India	....	
	2,99,41,288 00	(ii) Outside India	2,73,52,994 59	2,73,52,994 59
2,99,41,288 90				
2,00,00,000 00		**3. Money at Call and Short Notice**		2,10,66,666 67
	171,39,21,576 97	**4. ‡Investments** (Securities valued in accordance with Regulation 73; shares, debentures or bonds at or below cost)— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments		269,58,13,613 53
	60,24,993 43	(ii) Shares authorised under the State Bank of India Act, 1955.— Fully paid-up	69,24,993 43	
	1,35,60,525 00	Partly paid-up	66,00,000 00	1,35,24,993 43
	9,99,17,860 48	(iii) Debentures or Bonds		2,40,98,987 00
183,43,33,955 88		(iv) Other Investments—Pakistan and other Government Securities, etc.		11,21,01,693 34
		‡ Of which Investments of the face value of India Rs. 25,00,00,000 and Pakistan Rs. 2,67,80,600 are pledged against borrowings from other Banks, Agents, etc., per contra.		284,55,39,287 80
		5. Advances—	Rs. nP.	
		(I) Loans, Cash Credits, Overdrafts, etc.— (i) In India	156,59,82,872 70	
	154,60,78,510 65	(ii) Outside India	1,96,24,581 06	158,56,07,453 76
		¶(II) Bills Discounted and Purchased— (i) Payable in India	8,83,59,526 44	
	13,86,05,048 69	(ii) Payable outside India	4,66,52,539 20	13,50,12,065 64
173,47,74,459 34				172,06,19,519 40
		¶ Of which bills of the value of India Rs. 1,00,00,000 are held by the Reserve Bank of India and Pakistan Rs. 1,25,00,000 are held by the State Bank of Pakistan as security against borrowings as per contra.		
		PARTICULARS OF ADVANCES: See separate Statement appended.		
		6. Bills Receivable Being Bills for Collection as per contra—		
	71,19,489 34	(i) Payable in India	2,32,65,295 72	
1,00,16,654 23	28,97,164 89	(ii) Payable outside India	17,77,895 07	2,50,43,190 79
20,41,114 95		**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra**		1,18,58,959 63
		8. *Premises less Depreciation—		
	1,24,27,824 18	Total Cost upto the 31st December 1957	1,26,04,284 20	
	2,59,536 65	Additions (Rs. 5,74,670.52) less Deductions (Rs. 6,001.00) during the year	6 68 669 52	
	1,26,87,360 83		1,32,62,953 72	
	6,923 37	Amount transferred from the Imperial Bank of India during the year	....	
	1,26,94,284 20		1,32,62,953 72	
	7,37,060 00	Depreciation written off up to the 31st December 1958 less depreciation previously provided on property which has passed out of the Bank's possession	10,32,350 00	1,22,30,603 72
1,19,57,224 20				
		9. *Furniture and Fixtures less Depreciation—		
	68,98,645 49	Total Cost up to the 31st December 1957	90,82,383 21	
	21,45,872 21	Additions (Rs. 31,71,155 32) less Deductions (Rs. 12,432.80) during the year	31,58,702 52	
	90,44,517 70		1,22,41,085 73	
	37,865 51	Amount transferred from the Imperial Bank of India during the year	....	
	90,82,383 21		1,22,41,085 73	
	17,28,219 00	Depreciation written off up to the 31st December 1958 less depreciation previously provided on property which has passed out of the Bank's possession	26,75,256 00	
73,54,163 25				95,65,829 64
	....	**10. Other Assets, including Gold and Silver—**		
	1 90,84,053 23	Bullion	....	
	1,58,45,245 74	Adjusting Account of Interest, Commission, etc.	2,57,53,863 43	
3,55,30,198 97		Stationery, Stamps, Suspense, etc.	1,18,50,969 12	3,76,04,832 55
....		**11. Non-Banking Assets Acquired in Satisfaction of Claims**		....
....		**12. Profit and Loss**		....
		* NOTE.—Includes Rs. 1,30,705 53 (against which a sum of Rs. 40,231.00 is still to be received) being written down value of certain Pakistan assets sold, pending completion of formalities.		
405 12,00,785 74		Total .. Rs.		523,82,39,380 31

PARTICULARS OF ADVANCES

As at 31st Dec., 1957		As at 31st Dec., 1958	As at 31st Dec., 1957		As at 31st Dec., 1958
Rs. nP.		Rs. nP.	Rs. nP.		Rs. nP.
156,76,21,076 13	(i) Debts considered good in respect of which the Bank is fully secured	154,31,57,087 76	6,80,374 64	(v) Debts due by Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	9,37,494 63
1,72,76,592 66	(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	1,92,66,974 55			
14,93,76,790 55	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	15,81,94,557 09	39,44,23,809 91	(vi) Debts due by companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	51,02,52,674 25
....	(iv) Debts considered doubtful or bad, not provided for ..	....	6,96,231 01	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons.	9,72,698 45
			39,72,65,110 49	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members.	53,23,43,378 61
173,47,74,450 34		172,06,19,519 40	9,16,37,225 14	(ix) Due from banking companies	7,22,11,035 72

P. C. BHATTACHARYYA, Chairman.

B. P. PATEL,
S. P. PURI. } Managing Directors.

J. D. CHOKSI,
M. H. HASHAM PREMJI,
B. VENKATAPPIAH,
SATYA PAUL VIRMANI,
RAMNATH A. PODAR,
G. L. BANSAL,
SACHINDRA CHAUDHURI,
D. P. GOENKA,
TRIGUNA SEN, } Directors.

THE BANK OF MYSORE, LIMITED

(INCORPORATED IN MYSORE STATE IN 1913. LIABILITY OF MEMBERS IS LIMITED)

Head Office: AVENUE ROAD, BANGALORE, 9

BRANCHES

1. ARSIKERE
2. BANGARAPET
3. BAZAAR SUB-BRANCH, SHIMOGA
4. BELLARY
5. BHADRAVATHI
6. BOMBAY
7. CHALLAKERE
8. CHANNAPATNA
9. CHICKBALLAPUR
10. CHICKMAGALUR
11. CHICKPET BRANCH, BANGALORE CITY
12. CHINTAMANI
13. CHITALDROOG
14. CITY BRANCH, ARCOT SRINIVASA-CHAR STREET, BANGALORE CITY
15. COCHIN
16. COIMBATORE
17. DAVANGERE
18. FORT BRANCH, BANGALORE CITY
19. HASSAN
20. HINDUPUR
21. HOSPET
22. KOLAR
23. KRISHNARAJANAGAR
24. LADY CURZON ROAD, BANGALORE-1
25. MADANAPALLE
26. MADRAS
27. MANDYA
28. MANGALORE
29. MARKET BRANCH, MYSORE
30. MYSORE
31. NANJANGUD
32. OORGAUM
33. SAGAR
34. SARJAPUR
35. SHIMOGA
36. SOUTH PARADE BRANCH, BANGALORE-1
37. TIPTUR
38. TUMKUR

BOARD OF DIRECTORS

DHARMAPRAKASA SRI. L. S. VENKAJI RAO
SRI. D. M. SHANKARAPPA
SRI. S. M. RAMAKRISHNA RAO
SRI. S. RAMANATHAN
SRI. G. V. RUDRAPPA
DHARMAPRAKASA SRI. M. V. VEERAPPA
SRI. K. SUBBARAO RAMASWAMY
SRI. A. R. BADRINARAYAN
SRI. V. H. CHANNABASAVIAH
SRI. K. H. SRINIVASAN
SRI. R. K. SESHADRI, I.A.S., Central Government Nominee
SRI. G. MATHIAS, I.A.S., Secretary to Government of Mysore, Finance Department, Mysore Government Nominee
SRI. P. C. SOOD, Reserve Bank of India Nominee.

REPORT OF THE DIRECTORS TO BE PRESENTED TO THE SHAREHOLDERS AT THE FORTY-SIXTH ANNUAL GENERAL MEETING TO BE HELD AT THE REGISTERED OFFICE OF THE BANK IN BANGALORE CITY

The Directors have pleasure in submitting to the Shareholders the Balance Sheet and Profit and Loss Statement as at 31st December, 1958.

The result of the Bank's working for the year ended 31st December, 1958, is a surplus of Rs. 22,58,074.98 which sum, together with Rs. 1,87,156.62 brought forward from 31st December, 1957, aggregates to Rs. 24,45,231.60.

The following appropriations have been made:—

	Rs.	nP.
Transferred to General Reserve Fund for the half-year ended 30th June 1958	2,75,000.00	
An Interim Dividend at the rate of 15 per cent. per annum free of Income-tax, was paid for the half-year ended 30th June, 1958, which absorbed	4,00,000.00	
Transferred to Reserve for Income-Tax and Super-Tax	3,50,000.00	
The Directors now propose:		
To transfer to General Reserve Fund for the half-year ended 31st December 1958 ..	2,00,000.00	
To pay a final Dividend at the rate of 16 per cent. per annum for the year ended 31st December, 1958, free of Income-Tax, which will absorb	4,00,000.00	
To pay a Bonus to Staff of three months' salary about	3,50,000.00	
To carry forward to next account	4,70,231.60	
Total .. Rs.	24,45,231.60	

The Central and Head Office accounts, as at 30th June and 31st December, 1958, have been audited by Messrs. Fraser and Ross, Chartered Accountants, while the accounts of the Branches have been audited by Messrs. B. K. Ramadhyani and Co., Chartered Accountants, Brahmayya and Co., Chartered Accountants, Santhappa and Co., Chartered Accountants and Sri. S. R. Mandre, Chartered Accountant. Sri. S. P. Nanjundappa, Deputy Controller, has examined the accounts for the year on behalf of the Government of Mysore.

Under Section 256 of the Companies Act, Sri A. R. Badrinarayan, Sri D. M. Shankarappa and Sri S. M. Ramakrishna Rao are the Directors due to retire on this occasion. They are eligible for re-election and offer themselves accordingly.

The Auditors, Messrs. Fraser and Ross, B. K. Ramadhyani and Co., Brahmayya and Co., Santhappa and Co., and Sri. S. R. Mandre, also retire and are eligible for re-appointment.

The Dividend, when sanctioned, will be payable on and after 23rd March, 1959, to those Shareholders whose names stand in the share registers of the Bank as on 16th March, 1959.

THE BANK OF MYSORE, LIMITED,
AVENUE ROAD, BANGALORE CITY,
10th February, 1959.

By Order of the Board,
A. KRISHNA MURTHI,
General Manager.

BALANCE SHEET AS AT 31st DECEMBER, 1958.

CAPITAL AND LIABILITIES	Rs.	nP.	Rs.	nP.
1. Capital—				
AUTHORISED—				
1,00,000 shares of Rs. 100 each	1,00,00,000.00			
ISSUED, SUBSCRIBED AND PAID-UP IN CASH—				
50,000 shares of Rs. 100 each			50,00,000.00	
2. Reserve Fund and Other Reserves—				
Reserve Fund	48,00,000.00			
Share Premium	46,70,613.00			
			94,70,613.00	
3. Deposits and Other Accounts—				
Fixed Deposits	7,67,22,859.32			
Thrift and Savings Bank Deposits	2,42,66,016.94			
Current Accounts, Contingency Accounts, etc. (including provision for Depreciation on Investments Rs. 10,48,949.84)	6,62,25,269.67			
			16,72,14,145.93	
4. Borrowings from Other Banking Companies, Agents, etc.—				
(i) In India	Nil			
(ii) Outside India	Nil			
			Nil	
5. Bills Payable			16,21,362.89	
6. Bills for Collection being Bills Receivable as per contra—				
(i) Payable in India	1,03,22,371.42			
(ii) Payable outside India	2,02,890.06			
			1,05,25,261.48	
7. Other Liabilities—				
Provision for Income-tax and Super-tax	14,02,908.99			
Staff Gratuity Fund	8,31,356.65			
Unclaimed Dividends	1,50,381.84			
Sundries Payable	3,43,415.31			
Rebate on Bills Discounted	54,193.81			
Branch Adjustments	50,91,572.10			
			78,73,828.70	
			1,05,87,969.06	
8. Acceptances, Endorsements and Other Obligations per contra ..				
9. Profit and Loss—				
Balance as per Balance Sheet as at 31st December, 1957 ..			15,47,697.92	
LESS—Appropriated to—	Rs.	nP.		
Dividend Account	4,00,000.00			
Provision for Income-tax and Super-tax	2,00,000.00			
Bonus to Staff	3,19,928.80			
Reserve Fund	4,40,613.00			
		13,60,541.80		
			1,87,156.62	
ADD—Profit for the year brought from the Profit and Loss Account			22,58,074.98	
			24,45,231.60	
LESS—Appropriated during the year as follows—	Rs.	nP.		
General Reserve Fund for the half-year ended 30th June 1958	2,75,000.00			
Interim Dividend	4,00,000.00			
Reserve for Income-tax and Super-tax	3,50,000.00	10,25,000.00		
			14,20,231.60	
10. Contingent Liabilities—	Rs.	nP.		
(i) Claims against the Banking Company not acknowledged as debts ..	2,41,851.69			
(ii) Money for which the Banking Company is contingently liable showing separately the amount of any guarantee given by the Banking Company, on behalf of directors or officers—				
(a) Guarantee given on behalf of directors or officers	Nil			
(b) Guarantee given on behalf of others	19,000.00			
(iii) Arrears of cumulative preference dividends	Nil			
(iv) Liability on Bills of Exchange re-discounted	Nil			
(v) Liability on account of outstanding Forward Exchange Contracts ..	Nil			
Total .. Rs.			21,94,13,412.66	

PROPERTY AND ASSETS	Rs.	nP.	Rs.	nP.
1. Cash—				
In hand and with the Reserve Bank and State Bank (including Foreign Currency Notes)			1,23,06,328.36	
2. Balances in Current Accounts with Other Banks—				
(i) In India	17,75,895.25			
(ii) Outside India	6,78,227.03			
			24,54,122.28	
3. Money at Call and Short Notice			89,00,000.00	
4. Investments (at or below cost)—				
Rs. 6,37,61,000 of the Central and State Government Bonds and other Trustees Securities				
(Market Value Rs. 6,35,15,035.25)			6,35,90,286.83	
(Full provision for the difference between the market value and the cost of the Investments has been made as per contra.)				
(The above Investments include securities to the value of Rs. 8,31,400 held on behalf of the Staff Gratuity Fund)				
5. Advances (other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)—				
I. Loans, Cash Credits, Overdrafts, etc.—	Rs.	nP.		
(i) In India	8,41,56,780.37			
(ii) Outside India	Nil			
		8,41,56,780.37		
II. Bills Discounted and Purchased—				
(i) Payable in India	1,59,10,572.92			
(ii) Payable outside India ..	3,89,954.55			
		1,63,00,527.47		
			10,04,57,307.84	
PARTICULARS OF ADVANCES—				
(i) Debts considered good in respect of which the Banking Company is fully secured		7,52,12,161.13		
(ii) Debts considered good for which the Banking Company holds no other security than the Debtors' personal security (including Rs. 1,59,78,214.99 on joint and several signatures)		2,36,98,525.01		
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the Debtors		15,46,621.70		
(iv) Debts considered doubtful or bad, not provided for ..		Nil		
Total .. Rs.		10,04,57,307.84		
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons (Fully Secured Rs. 11,95,613.96; Unsecured due by Officers Rs. 69,652.72) ..		12,65,266.68		
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members		74,04,710.13		
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons				
(Fully Secured Rs. 16,11,114.61; Unsecured due by Officers Rs. 81,918.23)		16,93,032.84		
viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members				
(ix) Due from Banking Companies		74,97,692.69		
		8,95,760.46		
6. Bills Receivable being Bills for Collection as per contra—				
(i) Payable in India	1,03,22,371.42			
(ii) Payable outside India	2,02,890.06			
			1,05,25,261.48	
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra			1,03,87,969.06	
8. Premises Less Depreciation—				
At cost as at 31st December, 1957	33,67,799.97			
Additions during the year	76,726.71			
	34,44,526.68			
LESS—Transferred to Furniture and Fixtures	1,33,209.37			
	33,11,317.31			
LESS—Deductions during the year	4,775.71			
	33,06,541.60			
LESS—Depreciation to date	9,64,541.60			
			23,42,000.00	
9. Furniture and Fixtures—				
At cost as at 31st December, 1957	9,24,047.87			
Additions during the year	58,193.03			
Transferred from Premises	1,33,209.37			
	11,15,455.27			
LESS—Deductions during the year	6,919.37			
	11,08,535.90			
LESS—Depreciation to date	5,01,535.90			
			6,07,000.00	
10. Other Assets—				
Other Properties—	Rs.	nP.		
At cost as at 31st December, 1957 ..	64,494.38			
Additions during the year	26,171.00			
Balances with Mysore Government Treasuries		90,665.38		
		22,490.23		
Advance Payment of Income-tax and Super-tax		10,14,914.87		
Interest accrued on Investments and Commission		7,12,683.50		
Deposit with Government Departments		12,382.78		
			18,53,136.81	
11. Non-Banking Assets—				
Acquired in Satisfaction of Claims—			Nil	
Total .. Rs.			21,94,13,412.66	

(*Continued on next page*)

NATIONALISATION OF INDUSTRIES
NEW LIGHT ON THE BRITISH EXAMPLE

By R. P. Aiyer

THE problems posed by Indian economic development in recent years have, on the lines of the Toyanbean concept of "challenge and response," provoked thinking minds in the country to evaluate age-old beliefs, in an endeavour to adapt them to suit the changing needs of the time. The Industrial Policy Resolution of 1948 spoke of specific responsibilities of the State for development of certain industries and the later resolution of 1956 re-stated some of the earlier concepts. In the meantime, the scope of State activity in the industrial sphere had enlarged considerably.

The Indian Constitution vouchsafes, among other things, to the people of India "liberty of thought, expression, belief, faith and worship" and the trend of the State to play the role of godmother must be assessed in the context of the fundamental rights enshrined in the Constitution. There can be no two opinions that these fundamental rights, with their accent on liberty, by themselves should guarantee that the primary aim of all State regulation of the economic life of the community should be not to supplant enterprise on the part of the citizens, but to make it more potent.

Opinions Strongly Held

All doctrines tend to be based on opinions strongly held. So we have economists who swear by *laissez faire* individualism, whose stand is that one should be left free to create and to be left alone. Against this, there are many others who believe in the ability of Government to set things right. In communities where the latter concept has a momentum, as in India, nationalisation—meaning publicly owned industrial monopoly divorced from some of the disciplines of market control—as a concept has tended to assume the nature of a dogma.

The nationalisation policy of post-World War II Labour Governments in the United Kingdom is a classic example of such trend. How far such a policy has justified itself has recently been the subject of a study* which offers valuable findings, especially to such economies as India, now set on the road of rapid industrial development.

The fundamental Socialist case for nationalisation in the United Kingdom is that such process by itself redounds to the national good; that public ownership is a pre-destined form of organisation, and, once an industry comes under national ownership, the whole of the outlook of those engaged in the industry would be changed. This oversimplification presupposes that human nature can be changed by Parliamentary enactment.

The concept of State ownership of the means of production is based on the classical Labour theory of value, and it is to the Fabians of the 1880s one owes the development of the doctrine of public ownership. The earlier hope that the Trade Union movement would usher in an industrial democracy was belied before long and the "Gas and Water Socialism" propounded by the Webbs had its limitations. Webbs' *Socialism in England* in 1890 also forestalled Gaitskell's later idea of backdoor nationalisation by the replacement of the private by the public shareholder, and the two world wars gave great impetus to Socialist thought. Nevertheless, it was the Webbs' pamphlet in early 1918—*Labour and the new Social Order*—which formed the basis of the Policy Resolution adopted by the Labour Party Conference in June 1918. The policy which has sustained Labour thought these many years advocated:

"The progressive elimination from industry of the private capitalist, individual or the joint stock; and the setting free of all who work, whether by hand or brain for the service of the community, and of the community only; and Labour refused absolutely to believe that the British people will permanently tolerate any of the waste and insufficiency involved in the abandonment of British industry to a jostling crowd of separate employers with their minds bent, not on service to the community, but by the very law of their being only on the utmost possible profiteering.... What the Labour Party looks to is a general scientific reorganisation of the nation's industry on the basis of the common ownership of the means of production."

These thoughts and trends have been the propelling forces for the various U.K. Parliamentary enactments nationalising coal, electricity and gas industries and transport services. These measures to be successful postulated on the part of those engaged in the industries the need for a new discipline, a fully co-operative effort, the joint pursuit of agreed and clearly understood objectives—"objectives so clearly accepted, so fully understood that they attain the fervour of a crusade."

These qualities, more easily propounded than achieved, were watered down considerably in the face of the nationalised industries' galloping expansion in the wake of their being bestowed with much larger volume of capital investment in too easy a fashion. This accelerated pace of growth of the industries concerned had another offshot: to wit, dampening the development of *esprit de corps* which would be easier when growth is more orderly. Nevertheless, the protagonists for nationalisation have continued to rely on human nature being able to rise above friction, and this approach has been sustained by the hope that independent and disinterested experts will arise from somewhere to keep focussing the searchlight on the industries and by that process bring public opinion to bear.

One important aspect of U.K. nationalisation measures is the emergence of the public corporation, as a quasi-autonomous statutory body to manage the nationalised industries. This development has been the outcome of the endeavour to find a solution to the problem of how to combine the best points of private enterprise and efficient commercial management with the stricter degree of public control and accountability required in the case of large-scale public services of a monopolistic or quasi-monopolistic character. A review of the working of these statutory corporations is a study by itself and one need only indicate here that management of industries by such corporations has yet to stand the test of time before any reliable conclusions could be drawn. An interim view, however, is available, in that Professor Keeton, in his study *Passing of Parliament*, has indicated that the Board of a nationalised industry is "not a corporation at all, except that it has a legal personality, so that it can sue or be sued as a unit. It is, in fact, an emanation of the Ministry which, by a pleasant trick of nomenclature well known to Government Departments, has been called something else to make it more palatable to the public at large."

The idea of statutory corporation has been grafted into the Indian scene, and we have the giant Damodar Valley Corporation, the various State Electricity Boards and State Transport Corporations and the State-owned companies manning the industrial projects in the public sector. These manifestations in India is even more new and opinions as to the success or otherwise of these institutions must be suspended until these bodies have functioned for a few more years.

Reverting to the picture in the United Kingdom, indications are that, in the case of quasi-autonomous corporations, created to run the nationalised industries, the end result has been something different. To quote Prof. Keeton again—

"The Departments having to an important and increasing degree emancipated themselves from the control of Parliament and the Courts, now enjoy a stranglehold upon the economic life of the country, operating through dummy monopolies whose officials are appointed by them and are responsible to them, and whose objects are subject to control and supervision by the Departments on all questions of broad policy."

May be, the picture is somewhat overdrawn, but the tendencies inherent are dangers which the authorities in India might do well to ponder.

Pricing Policy

The pricing policies pursued by the Statutory Boards operating the nationalised industries in the U.K. offer interesting commentary which the respective authorities in India could usefully study. The process of nationalisation having gained momentum on the theory that public ownership connotes "cheapness," the authorities charged with the responsibility of running them have inherited a legacy which has proved embarrassing. Consequently, to quote Mr. Kelf-Cohen:

"The prices of their products have consistently been too low in the sense that they have not adequately paid for the resources required to make these products. Political pressure has consistently resisted increases in prices and the

(*Continued on page* 395)

**Nationalisation in Britain—The end of a Dogma.* By R. Delf-Cohen, Macmillan.

THE BANK OF MYSORE, LIMITED—*(Continued).*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

EXPENDITURE	Rs.	nP.
1. Interest paid on Deposits, Borrowings, etc.	42,45,003.62	
2. Salaries and Allowances, Provident and Gratuity Fund Contributions (including General Manager's Salary and Allowances Rs. 31,519.19)	24,57,184.40	
3. Directors' and Local Committee Members' Fees and Allowances	30,070.72	
4. Rent, Taxes, Insurance, Lighting, etc.	2,31,948.53	
5. Law Charges	12,528.28	
6. Postages, Telegrams and Stamps	78,620.88	
7. Auditors' Fees	14,000.00	
8. Depreciation on and Repairs to the Banking Company's Property	1,50,200.88	
9. Stationery, Printing, Advertisement, etc.	1,97,469.99	
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil	
11. Other Expenditure	50,212.45	
12. Balance of Profit before providing for Taxation carried to Balance Sheet ..	22,58,074.98	
Total .. Rs.	97,25,314.73	

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	nP.
1. Interest and Discount	84,85,910.85	
2. Commission, Exchange and Brokerage	10,67,977.70	
3. Rents	1,45,008.30	
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	29,803.54	
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil	
7. Other Receipts	614.31	
Total .. Rs.	97,25,314.73	

P. R. KRISHNA IYER, *Chief Accountant.*
A. KRISHNA MURTHI, *General Manager.*

M. V. VEERAPPA,
L. S. VENKAJI RAO,
K. SUBBA RAO RAMASWAMY,
V. H. CHANNABASAVIAH,
K. H. SRINIVASAN,
Directors.
G. V. RUDRAPPA,
A. R. BADRINARAYAN,
S. RAMANATHAN,
D. M. SHANKARAPPA,
S. M. RAMAKRISHNA RAO.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE BANK OF MYSORE, LIMITED.

We have audited the Balance Sheet of The Bank of Mysore, Limited, as at 31st December, 1958, and also the Profit and Loss Account of the Bank for the year ended on that date.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the proviso to Sub-sections (1) and (2) of Section 211 and Sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The Accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) The transactions of the Bank which have come to our notice, have been within the powers of the Bank;

(c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account and the returns;

(e) In our opinion, and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required for Banking Companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

BANGALORE, 10th *February*, 1959.

BRAHMAYYA & CO.,
S. R. MANDRE,
B. K. RAMADHYANI & CO.,
Chartered Accountants,
SANTHAPPA & CO.,
FRASER & ROSS.

ABOLITION OF "GROSSING" DIVIDENDS

ITS IMPLICATIONS TO SHAREHOLDERS

By S. Srinivasan, B.A. F.C.A.

*[Elsewhere in this issue, details of the new scheme of company taxation proposed by the Finance Minister in his budget speech and incorporated in the 1959 Finance Bill are published. In this article, the author examines how the new scheme affects companies and shareholders. It will be seen therefrom that both will be losers, the Government being the chief beneficiary.—*ED.]

COMPANIES will deduct from the dividend payable to shareholders income-tax and surcharge at prescribed flat rates while paying the dividend to shareholders and such deducted taxes are to be paid to the Government. Then the companies will give certificates in the prescribed form to shareholders, on the production of which the shareholders will get credit in their assessment for the tax deducted at source and paid on their behalf to the Government. In other words, the procedure will be the same as is prevalent today with regard to interest on Government securities.

The new scheme of taxation of dividends in the hands of shareholders will work as under:

(*a*) First, one has to find out whether the profits of the company, out of which the dividend is declared, are taxable in the assessment year 1960-61 or in earlier assessments, in the company's hands. If the profits are taxable in 1960-61 assessment year, any dividend declared out of these profits will not be subjected to the present process of grossing, but will be subjected to the modified scheme of deduction of tax at source. If, on the other hand, the profits are taxable in assessments earlier than 1960-61, then, any dividends declared out of these profits will get the present benefit of grossing and the consequent tax credit.

Clause 19(4) of the Finance Bill specifically keeps in force, the machinery of grossing in relation to dividends declared or payable by companies *in respect of* any accounting year relevant to the assessment year 1959-60 or earlier years. The crucial words are "*in respect of.*" The date of declaration or payment of dividend is immaterial. So long as the dividends declared are in respect of an accounting year relevant to the assessment year 1959-60 or earlier years of a company, the entire machinery of grossing and the grant of consequent tax credit will be available, as at present. Supposing a company declares in 1961 a dividend in respect of its accounting year relevant to the assessment year 1959-60; in that case, according to clause 19(4) of the Finance Bill, the machinery of grossing and the consequent tax credit will be available as at present. If the dividend declared is in respect of an accounting year relevant to the assessment year 1960-61 or subsequent years of the company, but out of the accumulated taxed profits of earlier accounting years (when the scheme of grossing was in force), then, notwithstanding the fact that the fund out of which the dividends are declared relate to the earlier accounting years when the scheme of grossing was in force, such dividends will not be grossed up, because those dividends are not declared *in respect of* an accounting year relevant to 1959-60 assessment or earlier years.

Legal Fiction

Under the present scheme, the legal fiction by which a portion of the income-tax paid by the company is given credit in the hands of the shareholder, involves a certain loss of revenue to the Exchequer. On the other hand, in the proposed modified scheme, there will be no such loss to the Exchequer. Therefore, the Finance Minister has proposed to modify the rates of income-tax and super-tax of companies to produce the same amount of annual net revenue as at present, that is, annual gross revenue now obtained from the companies *less* annual credit given to shareholders. While introducing this modification in rates, it has also been proposed to simplify the company taxation by abolishing the existing tax on excess dividend distribution and the wealth tax on companies and, consequently, making suitable increase in the rates of company super-tax.

The modified rates of income-tax and super-tax for companies will come into effect from the assessment year 1960-61 onwards.

It appears that for assessment year 1960-61, the rates of income-tax and super-tax on Indian companies will be 20 per cent. and 25 per cent. respectively, because the Finance Bill provides that Indian companies should pay advance tax during the year, 1st April 1959 to 31st March 1960 income-tax and super-tax at these rates. Further, Part III of the First Schedule, which prescribes the rates at which taxes should be deducted at source on dividends, states that, in the case of a person other than a company, income-tax should be deducted at 25 per cent. of the income and income-tax surcharge at 5 per cent. of the income, that is, 30 per cent. in the aggregate (no super-tax is deductible for non-company assessees), and, in the case of Indian companies, income-tax and super-tax at 20 per cent. and 25 per cent. respectively. Consequently, in income-tax, a reduction of 11.5 per cent., and in super-tax an increase of 5 per cent. will be made for Indian companies. One fails to understand, why for Indian companies super-tax is also required to be deducted. The super-tax rate is increased by 5 per cent. in order to compensate the loss that would result to the Exchequer due to the abolition of wealth-tax and excess dividend tax on companies.

Increase in Super-tax

The increase in super-tax for companies from 20 to 25 per cent. on the latter ground seems to be all right for public companies, because from the statistics given for about 1,001 public limited companies by the Reserve Bank in its *Bulletin* for October 1958 and for about 74 public limited companies in the *Bulletin* for January 1959, the wealth tax and excess dividend tax on public companies work out to about 5 per cent. of their income (before taxation). The figures are as under:

	October 1958 *Bulletin* 1,001 companies	January 1959 *Bulletin* 74 companies
Wealth tax as a percentage of income ..	3.18	3.38
Excess dividend tax as a percentage of income	1.06	0.95
Total ..	4.24	4.33

As regards private companies, the increase of 5 per cent. in super-tax is not sufficient to compensate the loss to the Treasury due to the abolition of wealth tax and excess dividend tax on them. This is because the excess dividend tax payable now by this category of companies is much more than 5 per cent. of their income. In the absence of data, the exact percentage cannot be stated, but, from the fact that their profits are generally much more than their paid-up capital, this inference can be safely drawn.

Coming next to the reduction of 11.5 per cent. in the rate of income-tax of Indian companies, it has to be seen whether the saving on this account by companies would be sufficient for them to declare higher dividends to shareholders, in order to compensate the loss to shareholders consequent on the abolition of the grossing system of dividends. From the Reserve Bank statistics mentioned above, it is seen that public companies distribute about 30 per cent. of their income (before taxation), as dividend on their equity capital and about 3.25 per cent. of their income (before taxation) as preference dividend. On this basis, if a company's income is Rs. 100, then the equity dividend is Rs. 30. On this dividend, the shareholder under the existing scheme will be taxed on Rs. 43.80 and tax credit of Rs. 13.80 will be given in his assessment. If the grossing scheme is abolished, the shareholder will be assessed on Rs. 30 only, but he loses the tax credit of Rs. 13.80. This is a substantial loss to him, even after making allowance for his saving in tax owing to the fall of Rs. 13.80 in his income.

The effect of the abolition of the system of grossing in the assessment of shareholders is considered below:

(*a*) If the shareholder is an Indian company, not liable to wealth tax, it saves a tax of Rs 9.06 but loses Rs. 13.80. The net loss to it will be Rs. 4.74. Since the parent company, of which it is a shareholder, will get a saving in income-tax of Rs. 11.5, that company can increase the dividend declaration from Rs. 30 to Rs. 33.61, so that the shareholder company can be compensated for the loss.

(*b*) If the shareholder is an Indian company liable to wealth tax also, then the saving is Rs. 9.06 in income-tax and super-tax, and Rs. 1.42 in wealth tax. The net loss of Rs. 3.32 will be compensated, only if the parent company increases the dividend from Rs. 30 to Rs. 36.04.

(*c*) If the shareholder is a person other than a company, then, whatever may be his total income, it is found that consequent to the abolition of the system of grossing dividends, the net loss that will be suffered by him can be compensated only if the dividend distribution is Rs. 43.80 instead of Rs. 30. But the dividend paying company has a saving of Rs. 11.50 only. It has, therefore, to draw a further sum of Rs. 2.30 from the profits which it would otherwise retain for ploughing back in the business.

Preference Dividends

The problem arises as to how the changes proposed will affect the preference sharholders who took the preference shares at the terms of issue that they would get a fixed rate of dividend, or a fixed rate of dividend free of income-tax. For this purpose the Finance Bill by clause 9(iv) has introduced a new section called 18(3E) in the Income-tax Act. According to this clause, where any share held by a shareholder carries as respects dividend, a preferential right to be paid a fixed amount or an amount calculated at a fixed rate free of tax, then, notwithstanding such preferential right, tax shall be deductible under section 18(3D) as would be done in the case of other dividends. The section further defines as to what is the amount to be taken as dividend payable to the shareholder for calculating the deduction. It states that the fixed rate should be grossed up first to such a figure as would, after deducting therefrom 30 per cent., be equal to the fixed rate of dividend.

From that notional figure of dividend, the tax should be deducted at the prescribed rate of 30 per cent., as would be done in the case of other dividends. Consequently, the shareholder will get the fixed rate of dividend and further the Company will pay on his behalf to the Treasury the tax which would be deducted on the basis of the above calculation. Supposing the preference share carries a fixed rate of dividend of Rs. 6, free of tax. Under this section, this amount would be grossed up to Rs. 8.57 as notional dividend for the purpose of deducting tax at source by the company. At the prescribed rate of 30 per cent., the tax to be deducted on Rs. 8.57 works out to Rs. 2.57. The company pays this sum of Rs. 2.57 to the Treasury on behalf of the shareholder and pays to the shareholder the fixed dividend of 6 per cent. According to the provisions of Section 18(4) of the Income-tax Act, all sums deducted in accordance with the provisions of Section 18, on behalf of the shareholder, shall for the purpose of computing his income, be deemed to be income received by him; so Rs. 2.57 will also be added to the shareholder's income for the purposes of assessment. In other words, the shareholder will be assessed on Rs. 8.57 and the tax credit of Rs. 2.57 will be available to him under Section 18(5).

Taxing Twice

It is, therefore, clear that, so far as the dividend in respect of preference shares are concerned, the Finance Minister has retained the system of grossing in an indirect form and, to the extent to which the Exchequer has to give credit on the preference dividend to the shareholder, the companies are asked to pay to the Government from their funds. This is tantamount to taxing the amount of preference dividend in the hands of the company itself twice, in order to give one portion of it as credit to the shareholder in his assessment. In other words, companies will have to withdraw 1.39 per cent. of their income, out of the amount which they will otherwise plough back in their business, for meeting this liability. The cumulative effect in such cases is that the rate of income-tax is not 20 per cent. but 21.39 per cent.

The foregoing discussion shows as to how the proposals in the Finance Bill will not bring out the desired effect of the Finance Minister without subjecting companies and shareholders to a loss. The minimum that the Finance Minister should be persuaded to do is to reduce the rate of income-tax for companies from 20 per cent. to 16.31 per cent., that is, 20—(2.3+1.39), or, say, 16.3 per cent. from the assessment year 1960-61 onwards. Further, companies should increase their present rate of distribution to equity shareholders by 46 per cent., so that shareholders will not suffer any loss pursuant to the abolition of the system of grossing in the Income-tax Act.

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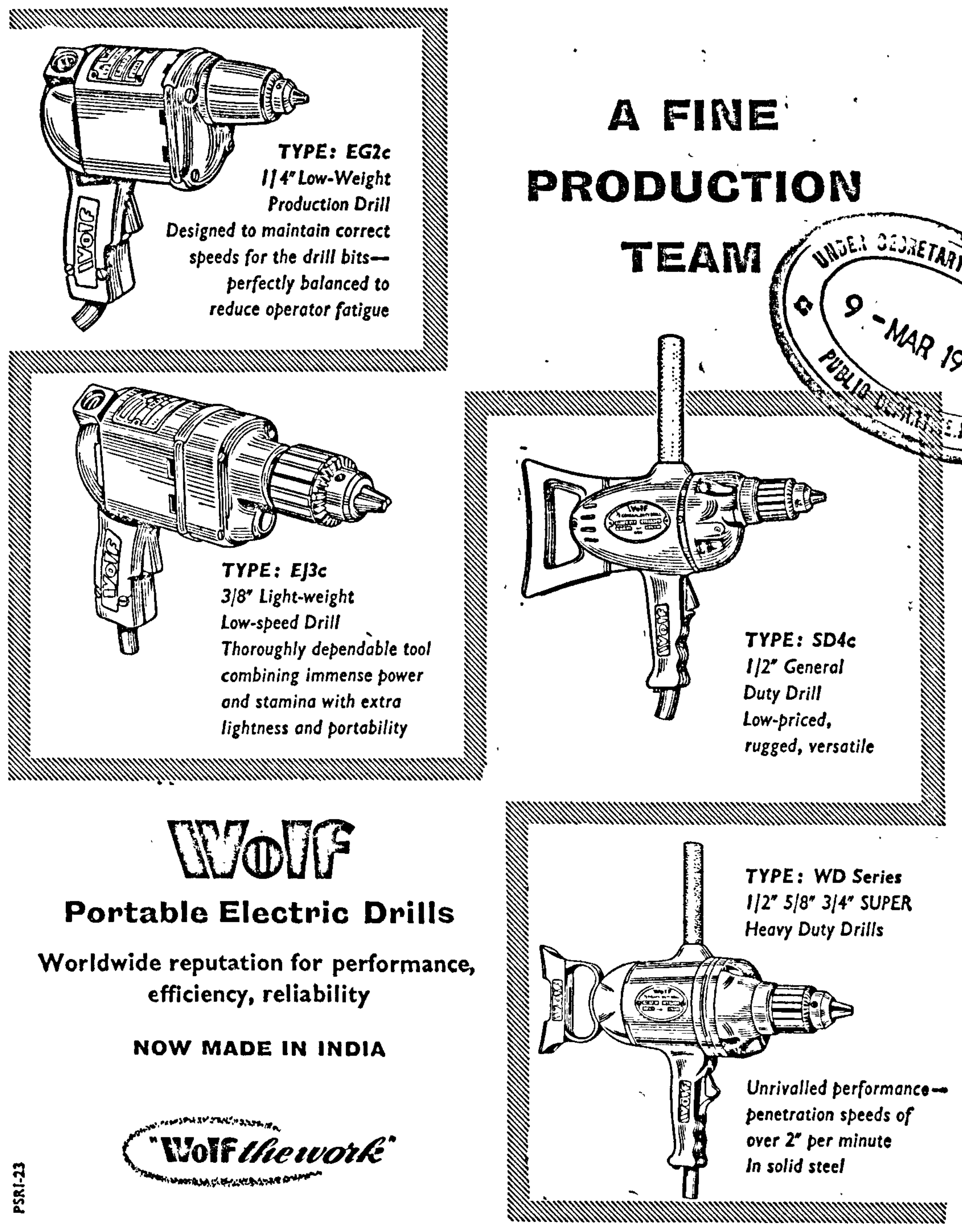

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VEGETABLE AND FRUIT PRESERVATION INDUSTRY

MR. M. SHAH'S PLEA TO STEP UP EXPORTS

THE vegetable and fruit preservation industry has an important part to play in the economic development of the country. Besides providing protective foods, the industry serves to bring about a diversified pattern of agriculture. What is more, it can be, in course of time, a valuable source of the much-needed foreign exchange. It is, therefore, gratifying to note that production of preserved fruits and vegetables has made rapid progress in recent years, having gone up from about 14,000 tons in 1953 (valued at Rs. 1.6 crore) to about 45,000 tons (Rs. 4.5 crores) in 1958. The target fixed in the second Plan at 50,000 tons is expected to be fulfilled, if not exceeded, within a couple of years. Exports of these products have, however, failed to keep pace with the rate of increase in production. Exports of different types of fruits and vegetables, including chutney and pickles, were to the tune of 2,500 tons (valued at about Rs. 47 lakhs) which, no doubt, compares favourably with 1,000 tons in 1956. Nevertheless, this improvement in exports can by no means be considered substantial, when viewed in relation to their targets for exports set in the second Plan at 11,000 tons.

Although exports have not made a good showing, as was expected, the vegetable and fruit preservation industry has no reason to be pessimistic on that account. For India has yet to make a determined drive to exploit the potential sources of fruits and vegetables and channelise them into world markets. As much as 15 to 20 per cent. of fresh fruits and vegetables produced in the country go to waste for one reason or another, and no more than 0.2 per cent. is utilised by the industry for canning and preservation. At any rate, as Mr. Manubhai Shah, Union Minister for Industry, pointed out in the course of his inaugural address at the fifteenth annual session of All-India Food Preservers' Association at Bombay, on 21st February, there is immense scope for the development of fruit preservation industry, particularly in the fruit-growing areas like Assam, Kerala, M.P. and Mysore. He said that some of the Indian fruits and vegetables, particularly mangoes, guavas, litchies, papayas, Nagpur type of oranges, etc., were not only known but greatly appreciated all over the world. He disclosed, in this connection, that the Government of India was considering a proposal to send a delegation to the Middle East and other countries. This body is expected to make a fact-finding survey of these markets. There are, it is believed, good prospects for the export of Indian vegetables and fruits abroad, particularly in the Middle East and Africa, the U.S.S.R. and East European countries. The delegation, when constituted, will do well to make a comprehensive study of these markets with particular reference to the nature of consumer preferences.

In this context, it may be noted that the Government has already taken a series of measures to encourage exports of fruits and vegetables. Of these, mention may be made of the rebate of excise duty on sugar contained in the exported food products, the drawback of Rs. 60 per ton of tinplate used in the exported products, besides a replenishment quota of 13⅓ per cent. on the quantity of tinplate consumed in the exports of preserved fruits and vegetables. The Government is considering the feasibility of the proposal to ensure the supply of sugar at export prices to the food preserves catering to exports. We are also told that the Government has decided to extend the scope of the subsidy on tinplate, now being granted to food and vegetable preservation industry, to fish, meat and certain other industries. Mr. Shah, on his part, gave the assurance that the Government of India would always be prepared to consider suggestions for fresh assistance in order to step up exports and also to develop internal production.

Needless to say that, in the ultimate analysis, the quality of the products is the prime determinant of the competitive capacity of any industry. The quality of indigenous preserved fruits and vegetables, according to Mr. Shah, has been steadily improving during the last few years. Nevertheless, he stressed that whatever was exported should conform to stipulated standards, with a view to building India's export trade on a proper footing.

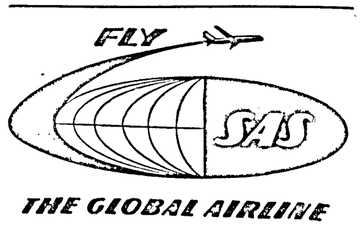
Alluding to the industry's problems regarding transport of its raw materials and finished products, Mr. Shah stated that the Government of India would always be prepared to take up specific cases of transport bottlenecks with the railway authorities. Referring to the difficulties of the industry regarding the supply of fruit and vegetable products to Defence Services, he suggested that representations might be made to the ministries concerned. He, however, made it clear that the Government was very keen to develop this industry and meet the entire requirements of Defence Services from indigenous sources. Mr. Shah also noted with satisfaction the development of research and technological investigations taking place in the country in respect of fruit and vegetable products. It may be noted here that an *ad hoc* committee, appointed by the Central Government for investigating the problems of the industry and examining the scope for its development in the country, has already submitted its report to the Government. It is to be hoped that this report will throw fresh light on the problems of the industry and suggest ways and means of ensuring steady expansion of exports of preserved fruits and vegetables. An early publication of this report will enable the public to understand the industry's drawbacks, of which there are many, and the value of various demands made by the food preservers for stimulating domestic demand and enlarging the exports.

GOVERNMENT'S ECONOMY DRIVE

The Government of India has taken a series of measures to promote efficiency and economy in administrative processes. These include abandonment or reduction in scope of projects and schemes, restrictions on creation and filling of posts, including a ban on the filling of certain class III and class IV posts, economy in contingent and other expenditure such as purchase of stores, travelling allowances, etc. These steps are estimated to have resulted in a saving of about Rs. 24 crores during the financial year 1957-58 and a further economy of Rs. 2.61 crores during the six months of the current financial year.

With a view to eliminating delays in administrative matters, the system of internal financial advisers was introduced on 20th August 1958. Subsequently, the Ministry of Finance has delegated large financial powers to other Ministries under the Delegation of Financial Powers Rules, 1958. The Ministries have in turn delegated additional powers to their attached and subordinate organisations. Similarly, action has been taken to delegate administrative authority to officers at all levels, while administrative procedures are kept constantly under review by the Organisation and Methods Division. Thus, it has been decided that, ordinarily, a case should not be dealt with by more than two officers above the level of Section Officer in a department. Again, a system of reorganised sections in which initial consideration of a paper is done at the level of an Under-Secretary is being tried in the Ministry of External Affairs.

"Factory Efficiency" will be the theme of this year's Factory Equipment Exhibition in London at Earls Court, from 7th to 17th April. The exhibition will comprise the largest display of factory equipment and plant ever assembled. It is designed to be of interest to factory executives from all over the world, and invitations have already been sent to many countries, including India. Last year they came from over 60 different countries in all parts of the five continents. Many completely new items of industrial equipment will be shown for the first time, and the range of products will cover plant and systems applicable in every type of industry. Greater efficiency in factory operation will be the keynote in a wide variety of materials-handling, storage, heating and steam-raising, ventilation and air-conditioning, product finishing, instrumentation, drawing office, packing, and workshop equipment. There will also be sections dealing with factory building materials and systems, production and stock control, cleaning and maintenance, and safety and welfare, and a complete exhibition on heat and sound insulation.



SAS. 39—2

INDO-BRITISH TRADE

MARKED DECLINE IN 1958

THE total value of mutual trade between India and the U.K. was lower at £298 million in 1958, as compared with £333 million in 1957 and £309 million in 1956. India's export trade to the U.K. suffered a severe setback from £157.48 million in 1957 to £139.45 million in 1958. Its imports from the U.K. also declined from £176.41 million to £159.37 million. They accounted for 4.9 per cent. of U.K.'s total exports, as against 5.2 per cent. in the previous year. The U.K.'s imports from India amounted to 3.6 per cent. of its total imports, as compared with 3.8 per cent.

India was the sixth largest supplier of the U.K.'s imports in 1958, whereas it had held the fifth position in 1957. Shipments of tea, valued at £74 million, though 12 per cent. below those of the previous year, still accounted for 53 per cent. of India's total exports to the U.K. The exports of tobacco and tobacco manufactures, however, went up by £2 million to £9 million. All other principal items registered decreases of varying degrees, as the following table shows:

(Value in thousands of £s)

	1957	1958
Total of All India's Exports to the U.K. ..	157,480	139,456
Of which :—		
Tea	84,344	74,120
Leather, leather manufactures and dressed furs	13,343	9,675
Tobacco and tobacco manufactures ..	7,141	9,296
Wool and other animal hair and tops ..	4,564	2,598
Cotton	2,261	1,462
Crude fertilisers and crude minerals, excluding fuels	2,237	1,016
Metalliferous ores and metal scrap ..	4,523	2,970
Miscellaneous animal and vegetable crude materials	4,368	3,097
Animal and vegetable oils, fats, greases and derivatives	3,733	2,480
Cotton yarns and woven fabrics	9,994	7,585
Miscellaneous textile manufactures ..	12,102	11,432

India stood fifth as a market for the U.K.'s exports in 1958, whereas in the preceding year it ranked fourth. The major item of India's imports from the U.K. was machinery (all types) valued at about £64 million, representing 40 per cent. of total British exports to this country. A substantial increase was recorded in road vehicles and aircraft, which rose from £21 million in 1957 to £27 million in 1958. All other principal items of India's imports from the U.K., however, shared the general decline. The following table provides the value of the principal imports of British goods into India in 1958, as against that in the previous year:

(Value in thousands of £s)

	1957	1958
Total of All India's Imports from the U.K. ..	176,414	159,372
Of which :—		
Machinery other than electric	45,429	45,042
Electric machinery, apparatus and appliances	21,055	18,709
Wood and other animal hair and tops ..	6,088	5,060
Petroleum and petroleum products ..	2,206	1,971
Chemicals	10,561	12,288
Paper, paperboard and manufactures thereof	1,660	1,367
Iron and steel	13,261	10,543
Non-ferrous base metals	3,060	2,419
Manufactures of metals	17,404	14,006
Railway vehicles	6,581	3,222
Road vehicles and aircraft	21,024	27,003
Scientific instruments; photographic and optical goods; watches and clocks ..	2,850	2,107

India continues to depend on the U.K. for a sizable proportion of its need for capital goods and equipments, necessitated by its growing investments under the second Plan. It was the second largest market for U.K. machinery (other than electric) and the third for its electric machinery. It accounted for about 8 per cent., of total U.K. exports of non-electric machinery, as against 9.6 per cent. in the previous year. The value of some of the major items of machinery imported from the U.K. in 1958 is given in the following table:

(Value in thousands of £s)

	1957	1958
Total Machinery imported by India from the U.K.	67,384	63,751
Of which :—		
Boilers and boiler-house plant	2,752	3,003
Internal combustion engines	2,386	1,324
Agricultural and track-laying tractors ..	1,354	622
Office machinery	892	343
Machine tools (excluding portable power tools)	3,353	4,026
Pumps	836	680
Industrial and works trucks and tractor and mechanical handling equipment ..	3,187	3,071
Excavating and earth-moving machinery and road rollers	1,866	1,350
Mining and well drilling machinery ..	649	893
Printing and bookbinding machinery and printing type	780	673
Textile machinery	6,945	3,548
Generating sets, generators and motors ..	3,801	3,821
Converting machinery, transformers, switch gear and switchboards	6,416	4,877
Electronic valves, and radio, television, radar and sound reproducing apparatus ..	1,647	1,464
Telegraph and telephone equipment and line apparatus	503	363
Electric cables, wires, strips and strands, insulated	5,413	3,055

It may be noted here that the general decline in India's imports was mainly the result of the restricted import policy pursued by the Government of India, with a view to conserving its foreign exchange reserves. The fall in India's exports is due largely to the sharp fall in commodity prices, occasioned by economic recession in the U.S. and Western Europe.

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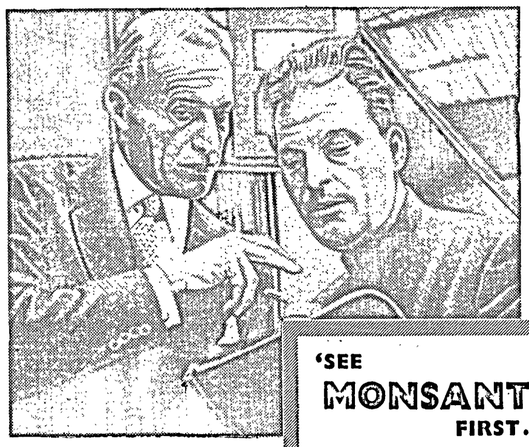

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VOLTAS EARN SLIGHTLY HIGHER PROFIT

MANUFACTURING VENTURES MAKING SATISFACTORY PROGRESS

IN spite of additional drastic cut in imports, which is reflected in a fall of almost about Rs. 1 crore in the proceeds of sales and services, the trading result of Voltas Ltd. (Managing Director and General Manager: Mr. S. K. Handoo, Bombay) for the year ended 31st August 1958 has turned out to be a shade better than that for the previous year. Thus, the gross profit for the year amounts to Rs. 83.27 lakhs, as against Rs. 82.65 lakhs earned in 1956-57. This was the result of a shift from large orders at low margins to more remunerative business. It is also heartening to note that the demand for all categories of goods imported and distributed by the Company was sustained throughout the year, although it could not be met in full due to shortage of stocks.

The rise in the net profit, however, is much more than that in the gross profit. Thus, at Rs. 31.12 lakhs, it is Rs. 3.17 lakhs more than that (Rs. 27.95 lakhs) earned a year ago. This is due to the small cut in the provision for taxation from Rs. 50 lakhs to Rs. 46.50 lakhs. The latter amount includes a sum of Rs. 2 lakhs for wealth tax, the corresponding provision for 1956-57 being Rs. 2.65 lakhs. The provision for depreciation, however, has been increased from Rs. 4.70 lakhs to Rs. 5.65 lakhs. The improvement in the net profit has enabled the Directors to maintain the dividend at the rate of 9 per cent. paid for 1956-57 and 1955-56, including the shares of the second issue which have now become entitled to full dividend. It may be remembered that, in order to meet its additional financial requirements, the Company had raised fresh capital by the issue of 105,000 shares of Rs. 100 each at par in December 1956. These shares which were fuly subscribed were entitled to a *pro rata* dividend of only Rs. 6 per share in respect of 1956-57, since the allotment became effective from 1st January 1957 only. The amount allocated to reserves and provisions at Rs. 13.41 lakhs is higher, as compared with Rs. 11.46 lakhs in the previous year. These consist of Rs. 3.75 lakhs (Rs. 3.25 lakhs) transferred to general reserve, *nil* (Rs. 17,000) to development reserve, Rs. 85,208 (*nil*) to development rebate reserve, Rs. 8.08 lakhs (Rs. 6.76 lakhs) to provision for retiring gratuity, Rs. 69.598 (Rs. 1.24 lakh) to provision for doubtful debts and Rs. 3.357 (Rs. 4,214) to capital reserve. The last item represents the surplus on sale of fixed assets. The figures in brackets are in respect of the previous year.

The progress of the Company's working during the past four years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st August			
	1958	1957	1956	1955
Proceeds of sales and services	19,66.40	20,60.40	14,52.86	9,01.20
Other income	3.45	5.32	2.51	1.03
Closing stocks	7,82.95	7,59.90	7,07.18	3,85.36
Cost of sales and services	16,22.32	17,31.65	12,01.85	8,15.03
Selling expenditure	45.92	54.48	40.94	23.13
Other expenses	2,15.43	1,97.54	1,64.73	1,26.27
Gross profit	83.27	82.65	47.85	28.71
Depreciation	5.65	4.70	3.57	2.83
Taxation	46.50	50.00	20.10	11.41
Net profit	31.12	27.95	24.18	14.47
Transfer from provisions	4.94	3.60	0.99	...
To reserves and provisions	13.41	11.46	10.75	14.29
Dividends	22.95	19.80*	13.50	8.25
	(9%)	(9%)	(9%)	(5.5%)
Carry forward	1.09	1.39	1.10	0.17

* Includes a *pro rata* dividend of Rs. 6 per share on the additional capital, raised by the issue of 105,000 shares of Rs. 100 each in December, 1956.

It will be seen from the above that the cost of sales and services and selling expenditure have both declined substantially, indicating the large savings effected as a result of the Company's shift in the nature of business referred to earlier. The saving on these two accounts has more than made good the loss in sales and services. There has, no doubt, been a rise of nearly Rs. 18 lakhs in other expenses, mainly accounted for by staff expenditure which has gone up by about Rs. 16 lakhs and general administrative expenditure by nearly Rs. 2.50 lakhs.

Referring to the Company's activities, the Directors state that satisfactory progress was made in its local manufacturing ventures. The Crystal air conditioners, as well as the Tushar water coolers, have been further improved and developed and continued to find an excellent market. In addition, the Company has, in collaboration with manufacturers of repute in India, made arrangements for production of diesel engines, air compressors, air-line couplings, earth rammers, pumps, bullock-drawn implements, electric motors, tools and the manufacture of chemicals, pharmaceuticals, etc.

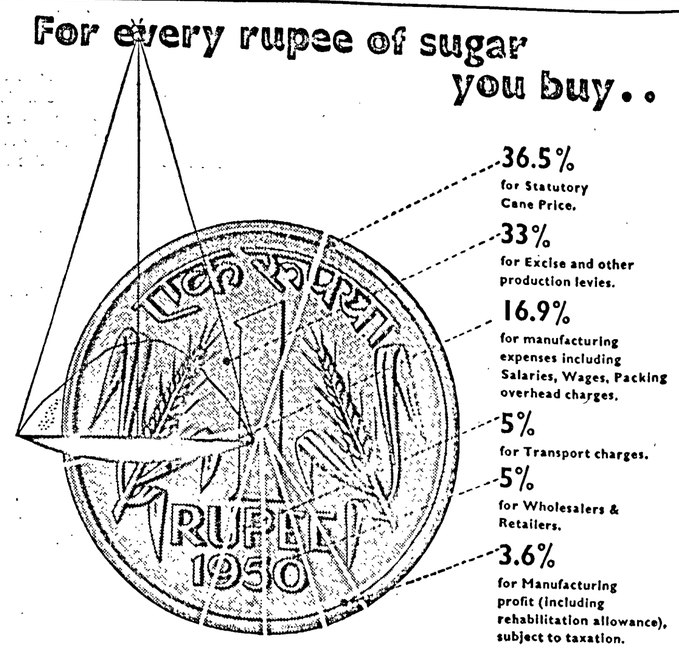
The pilot plant for the manufacture of Vitamin A being set up by Roche Products Private Ltd., in which this Company holds shares, is progressing satisfactorily. The Directors add that the value of indigenous products sold rose from 9 per cent. in the previous year to 16 per cent. of total billings during the year under review.

The Company has a paid-up capital of Rs. 255 lakhs, all in ordinary shares of Rs. 100 each. As against this, its reserves and surplus are very small and aggregate only Rs. 25.88 lakhs. The gross block of the value of Rs. 76.50 lakhs has been written down to Rs. 60.06 lakhs. Capital work-in-progress at cost amounts to Rs. 24,822. The current liabilities, including secured loans from a bank amounting to Rs. 294.55 lakhs, are of the order of Rs. 926.80 lakhs. Against this, there are current assets aggregating Rs. 11.47 crores. Of these, stocks account for Rs. 5.38 crores, sundry debtors for Rs. 2.70 crores, loans and advances for Rs. 3.09 crores and cash balances for Rs. 24.86 lakhs.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 148 50 *cum-div.* On an *ex-div.* basis, the yield works out to 6.45 per cent. per annum, free of income-tax.

INVESTMENT CORPORATION OF INDIA LTD.

The Directors of the Investment Corporation of India Ltd. have declared an interim dividend at the rate of 4½ per cent., less tax, on the preference shares and an interim dividend of Rs. 4.50 per share, free of tax, on the ordinary shares for the year ended 30th June 1958. This dividend will be paid to those shareholders of the Corporation whose names appear on the register of members as on 30th March 1959. In terms of the scheme of amalgamation of the Oriental Government Security Life Assurance Company, Ltd., with the Investment Corporation of India Ltd., those shareholders of the Oriental Company who will have exercised their option on or before 26th March 1959, in favour of the new ordinary shares of the Investment Corporation, will also be entitled to this interim dividend on the new ordinary shares to be issued to them.



Sugar is plentiful. The Indian Sugar Industry has made that possible, by doubling the production from 10.01 lakh tons in 1953-54 to 20.26 lakh tons in 1956-57. Yet when you buy sugar, you probably feel you are being overcharged for the producer's benefit. Actual facts, however, prove this impression to be groundless. From the cost structure given above, you will see that the profit margin allowed to the Industry is low indeed, and is shrinking further. However, nearly 33 per cent of what you pay is for taxes and levies on sugar, which form your contribution to the Second Five Year Plan—an investment in the country's future.

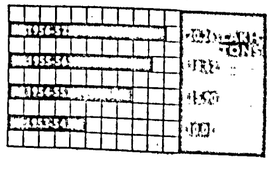
Today the Sugar Industry provides scope for Indian capital investment of more than 100 crores of rupees; it provides employment to over 1,40,000 skilled and unskilled workers and 3,600 university educated men, their total earning representing 5% of the national wages and salaries; it supports 20 million cultivators; it constitutes 12% of the total value of production of major Indian industries; it contributes over 65 crores of rupees (@ Rs. 13.16 per maund) in levies to the national exchequer.

It offers even brighter prospects for the country. With a lighter burden with some of its present-day handicaps removed—this industry can contribute to achieving a more stable national economy. Its upward trend of production can continue to meet the needs of a growing home market and yet leave a surplus for export in order to earn foreign exchange.

Indian sugar ...

vital to

India's national economy



THE INDIAN SUGAR MILLS ASSOCIATION

ISMA—1/59

BRADY ENGINEERING REPEATS DIVIDEND

PROFIT NEARLY MAINTAINED

FAIRLY satisfactory progress is indicated by the financial results of the Brady Engineering Company Ltd. (Managing Agents: Messrs. W. H. Brady & Co., Ltd., Bombay) for the year ended 31st December 1958. The proceeds from engineering work and the gross profit are no doubt a shade lower as compared with those for the previous year, but the decline is only fractional. In fact, this modest recession was only due to lack of sufficient raw materials over which the Company had obviously no control.

The gross profit for the year under review amounts to Rs. 3.20 lakhs, as compared with Rs. 3.34 lakhs for 1957 and Rs. 2.61 lakhs for 1956. Despite the slight recession, the profit for 1958 is about thrice that (Rs. 1.10 lakh) for 1954. Although the gross profit is lower, the net profit has increased from Rs. 77,065 earned in 1957 to Rs. 1.07 lakh. The provision for taxation has been reduced from Rs. 1.34 lakh to Rs. 1.20 lakh (including Rs. 7,300 for wealth tax). Likewise, the provision for depreciation has been pruned from Rs. 94,787 to Rs. 66,881. In view of the improvement in the net profit, the allocations to the reserves are higher. Thus, a sum of Rs. 22,708 has been transferred to development rebate reserve, as against *nil* in the previous year. The amount set aside to general reserve, however, has been halved from Rs. 20,000 to Rs. 10,000. A dividend of 5 per cent. has been declared, which is the same as that paid for the preceding three years, to which level it had been raised from 2½ per cent. paid for 1954.

The following comparative table brings out some of the salient features of the Company's working during the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Proceeds of engineering work	10.04	10.38	8.92	7.53
Closing work-in-process	0.71	0.52	0.40	0.29
Expenses	7.19	7.31	6.52	5.53
Gross profit	3.20	3.34	2.61	2.29
Managing Agents' commission	0.20	0.28	0.19	0.17
Depreciation	0.67	0.95	0.96	0.85
Taxation	1.20	1.84	0.33	0.05
Net profit	1.07	0.77	1.13	1.19
To reserves	0.33	0.20	0.25	0.40
Dividend	0.75	0.75	0.75	0.75
	(5%)	(5%)	(5%)	(5%)
Carry forward	0.03	0.04	0.22	0.09

The Directors say that the nature of work carried out by the Company has been undergoing a change during the last several months, from general engineering to work of a more specialised nature. They, however, add that progress was considerably retarded due to want of raw materials. In the manufacture of pulley blocks, for instance, there was difficulty in obtaining import licences for parts not obtainable within the country.

The Company has entered into an agreement with Messrs. Morris and Brady Private Ltd. for the manufacture of lifting equipment, in addition to pulley blocks. Another agreement has been entered into with Messrs. Baker Perkins (Export) Ltd. for the manufacture of bread-making plant and ancillary equipment. Some expansion of the works is now in progress and further expansion is under consideration to meet the anticipated increase in production.

The balance-sheet of the Company as at 31st December 1958 shows a satisfactory financial position. The paid-up capital is unchanged at Rs. 15 lakhs in 25,000 ordinary shares of Rs. 100 each, of which only Rs. 60 per share has been called up. Being a small company, still in a period of active growth, its reserves and surplus are very small and aggregate only Rs. 2.71 lakhs. The gross block of a value of Rs. 16.61 lakhs stands well written down to Rs. 10.23 lakhs. Reflecting the Company's expansion work now in progress is the addition of Rs. 1.19 lakh to plant and machinery during the year. The current liabilities and provisions amount to Rs. 2.82 lakhs. The current assets aggregate Rs. 10.30 lakhs, of which cash balances alone of the order of Rs. 4.16 lakhs more than adequately cover the current liabilities and the provision for taxation.

The Rs. 60 paid-up shares of the Company are currently quoted at Rs. 60.50 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 5.2 per cent. per annum, free of income-tax.

CROMPTON PARKINSON

NEW FACTORY OPENED AT KANJUR

WITH the inauguration of its new factory at Kanjur, near Bombay, by Mr. Y. B. Chavan, Chief Minister, on 28th February, the Crompton Parkinson (Works) Private Ltd., the well-known electrical engineering firm, is now in a better position to help the country's plans for electric power development. Crompton Parkinson, which has its main factory at Worli, Bombay, has been in the field in India for over 20 years. It was the first firm to manufacture motors and transformers in India and its contribution to date to the total indigenous output of these two items has been the highest among all the units in the country. Formerly, it is well known, it was a wholly owned subsidiary of Crompton Parkinson Ltd., England. In keeping with the Government of India's policy, the Company has encouraged greater participation of Indian capital in the undertaking and half of its capital is now held by Messrs. Greaves Cotton & Co., Ltd., a wholly Indian-owned public limited company.

The Worli factory has expanded considerably in recent years in all its departments of production and a good number of products such as industrial motors, transformers, motor control gear, F.H.P. motors, switchgear and exhaust fans have been added to the range of manufactures. The limit of expansion of the factory at Worli having been reached, an additional site, covering an area of 35 acres, has been developed at Kanjur to accommodate the expanded transformer, switchgear and motor control gear departments. Most of the plant and machinery needed for expansion have already been erected and commissioned. A notable feature of the expansion project is that import of the necessary plant and machinery, valued at more than Rs. 30 lakhs, has not occasioned any drain on the country's foreign exchange holdings. This was possible because of the willingness of the U.K. shareholders of the Company to undertake additional investment to cover the foreign exchange element. Already, considerable economies in foreign exchange spending are effected by the progressive utilisation of indigenous materials. Indigenous supplies on the existing manufacturing ranges generally account for over 90 per cent. of the total material cost. In the case of fans, motors and low tension switch and motor control gear, the percentage is even higher at 97 to 99. The firm obtains a large percentage of the components and assemblies required from small-scale industries, thereby contributing to their growth too. The space released at the Worli factory by the removal of the three departments is now being used for the expansion of the fan and motor departments, the capacities and manufacturing ranges of which have been considerably expanded lately. The Kanjur factory has 386 workmen and a staff of 85 strong and that at Worli 834 workmen and a staff of 97 strong.

The installed capacity of the Kanjur factory per annum, on a single-shift basis, is: transformers, 275,000 KVA, switchgear 1,000 units, and motor control gear 13,500 units, while that of the factory at Worli is: motors 27,000, F.H.P. motors 12,000, ceiling and exhaust fans 84,000. The present production plans of the Kanjur factory include a wide range of products such as transformers upto 5 MVA and 66 KV; instrument transformers, current and potential, upto 11 KV; switchgear low tension: up to 660 volts 1,200 amps. 30 MVA, high tension: up to 11 KVA 400 amps. 250 MVA; motor control gear; air break and oil immersed types, Star-Delta starters, Auto-Transformer starters, Stator and Rotor starters.

The Company is conscious of the need for training its staff and workmen. Already, it has several training schemes in operation. Under these, training both within the organisation as trade and engineering apprentice and outside in foremanship and business management are imparted. Technical and managerial personnel are also deputed from time to time for advanced training in the parent company's factories in the U.K.

Crompton Parkinson's experience in the field of industrial relations has always been encouraging. As part of its progressive labour policies, several bipartite committees, consisting of representatives of employers and employees, which provide ample opportunities for mutual consultation on a variety of problems, are being successfully operated. The Company has a number of well-run welfare activities which include a heavily subsidised canteen, a co-operative credit society, a literacy class scheme and a well equipped dispensary at both Worli and Kanjur. There is also a generous, non-contributory gratuity scheme and a provident fund scheme.

The Company has bright prospects. Since high priority is given in the second and subsequent Plans on electric power development, demand for the products of electrical equipment industries is bound to increase. Crompton Parkinson can look back with justifiable pride on its contribution to the industrial progress of the country and face the future with full confidence of being able to discharge its increasing responsibilities.

COMPANY MEETINGS AND DIVIDENDS

KESAR SUGAR WORKS LTD. Annual General Meeting, Bombay, 18th March 1959. Dividend: Rs. 4 per share without deduction of tax on ordinary shares, for the year ended 31st July 1958. Transfer books will remain closed from 4th to 18th March 1959, both days inclusive.

RAVALGAON SUGAR FARM LTD. Annual General Meeting, Bombay 19th March 1959. Dividends payable on and after 24th March 1959.

CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 19th March 1959. Transfer books remain closed from 6th to 18th March 1959, both days inclusive.

JUBILEE MILLS LTD. Annual General Meeting, Bombay, 19th March 1959. Transfer books remain closed from 6th to 19th March 1959, both days inclusive.

BURRAKUR COAL CO., LTD. Annual General Meeting, Calcutta, 20th March 1959. Dividend of 5 per cent., making a total of 8½ per cent., without any deduction for Income-tax, on ordinary shares, for the year ended 30th June 1958, which are payable on or after 27th March 1959. Transfer books will remain closed from 8th to 20th March 1959, both days inclusive.

INDIAN OXYGEN LTD. Annual General Meeting, Calcutta, 20th March 1959. Dividends payable on 20th March 1959. Transfer books remain closed from 1st to 20th March 1959, both days inclusive.

MCLEOD AND COMPANY, LTD. Annual General Meeting, Calcutta, 20th March, 1959. An interim dividend of Rs. 12.50 per share on ordinary shares for the year ended 31st December 1957.

MADURA MILLS CO., LTD. Annual General Meeting, Madural, 23rd March 1959. Transfer books will remain closed from 13th to 23rd March 1959, both days inclusive.

W. H. BRADY & CO., LTD. Annual General Meeting, Bombay, 23rd March 1959. Dividends payable on and after 30th March 1959. Transfer books remain closed from 6th to 27th March 1959, both days inclusive.

T. STANES & CO., LTD. Annual General Meeting, Coimbatore, 25th March 1959. Final dividend of 13 per cent. on ordinary shares for the period ended 30th September 1958. Transfer books will remain closed from 19th to 26th March, 1959, both days inclusive.

CHEMICAL, INDUSTRIAL AND PHARMACEUTICAL LABORATORIES LTD. Annual General Meeting, Bombay, 26th March 1959. Dividends payable on and after 26th March 1959. Transfer books will remain closed from 9th to 26th March 1959, both days inclusive.

MYSORE CHROME TANNING CO., LTD. Annual General Meeting, Bangalore, 28th March 1959. Share transfer books will remain closed from 16th to 30th March 1959, both days inclusive.

GOUREPORE CO., LTD. An interim dividend of 7½ per cent. on the ordinary shares, for the year ended 31st March, 1959. Dividends payable on and after 30th March 1959. Transfer books will remain closed from 16th to 30th March, both days inclusive.

NUDDEA MILLS CO., LTD. An interim dividend of 2 per cent. on the ordinary shares, for the year ended 31st March, 1959. Dividends payable on and after 30th March, 1959. Transfer books will remain closed from 16th to 30th March, 1959, both days inclusive.

JAY SHREE TEA GARDENS LTD. A dividend of Re. 1 per share, free of income-tax, on ordinary shares, for the year ended 31st December, 1958.

INDUSTRIAL INVESTMENT TRUST LTD. A dividend of Rs. 6 per share, free of income-tax, on ordinary shares, for the year ended 31st December, 1958.

BENGAL COAL CO., LTD. A dividend of Rs. 10 per share on the ordinary shares, without deduction of income-tax for the year ended 31st October, 1958.

INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LTD. Dividend of 4 per cent., free of tax, on the ordinary shares, for the year ended 31st December, 1958.

CENTRAL INDIA SUFFERS HEAVY LOSS

CLARIDGES REPORTS BETTER PROFIT

Central India Spinning, Weaving and Manufacturing Co., Ltd.

THE directors of the above Company (Managing Agents: Tata Industries Private Ltd., Bombay) present the annual audited statement of accounts for the year ended 30th June 1958.

The loss for the year amounted to Rs. 46,77,597 (Rs. 20,79,433) against which Rs. 4,16,626 (Rs. 20,66,218 transferred from general reserve and Rs. 13,215 surplus from the previous year's account) being surplus on sale of fixed assets for previous as well as current years, has been set of in the appropriation account and the balance of Rs. 42,60,971 (*nil*) carried forward.

The directors regret to report the very unsatisfactory working of the Company during the year under review. The principal reasons accounting for the very heavy loss are, the considerable dislocation of normal working caused by the large scale renovation programme, which is now in its final stage of completion, the continued disruption in the cloth trade and the rise in the cost of production, especially due to substantial increase in the prices of fuel, colours, chemicals and other items of stores and raw materials, without any compensating increase in the value of the manufactured goods, and a continued rise in the rate of dearness allowance paid to workers and clerical staff. The directors state that they have not been able to recommend any dividend on the ordinary or preference shares of the Company for the year ended 30th June 1958. In view of the loss, the managing agents have also forgone their minimum commission of Rs. 50,000, to which they were entitled.

Towards the close of the period under report, all the nine textile mills in the Vidarbha region, including the Company's mills, were passing through very critical times. Every mill was losing very heavily and it was certain that a small relief in the excise duty would not save the situation. The problem of the day was rationalisation and disposal of surplus labour. The directors met at a special meeting to decide on the steps to be taken in the prevailing circumstances. In conformity with the decision of the Textile Mills Association, Nagpur, the mills put up a notice of closure on 9th July. The notice was, however, withdrawn on 9th August on the advice of Government and their assurance that an arbitration would be arranged for considering the working difficulties of the mills. In July 1957, the directors considered whether the renovation scheme should be modified or delayed, in part, with a view to reducing the capital outlay by about Rs. 50 lakhs as a remedial measure to ease the acute financial stringency that was being faced by the Company. After considerable deliberations at Nagpur and in Bombay, it was decided that the original plan, without any curtailment, should be proceeded with.

The inauguration ceremony of the new unit was performed by the Chairman on 23rd April 1958, with 98 ring spinning frames, a Barber-Colman unit, a sizing machine and 350 looms. Implementation of the scheme for the renovation of the mills is now in its final stage of completion. The new unit on the site of old mill No. 1 has been completed with lighting and humidification, and houses 47,856 spindles and 416 looms. Three ring frames comprising of 1,416 spindles, and also 66 looms are in the course of erection in the new unit. Old mill No. 2 has now been demolished and construction is proceeding on that site in further extension of the new unit. Delivery programme of the remaining 222 new looms will be synchronised with the progress of the new construction on the site of old mill No. 2. All the three Barber-Colman units have been received and erected, the 3 Zell sizing machines and the size-cookers have also been received and erected. A major portion of humidification, lighting and sprinklering work has been completed. It is expected that the entire scheme will have been implemented before the middle of 1959.

It was mentioned in the directors' report for the year ended 30th June 1957 that although the Company had applied to the National Industrial Development Corporation Private Limited for a loan of Rs. 1,50,00,000 for financing the plan for the rehabilitation and renovation of the mills, the actual amount of the loan to be granted would be substantially reduced. The Cotton Textiles Loan Advisory Committee informed the Company that against its application made in August 1956, for a loan of Rs. 1,50,00,000 the Corporation would be prepared to consider the grant of a loan of Rs. 1,21,00,000 only and the difference of Rs. 29,00,000, representing the cost of building construction, under the scheme approved by the Corporation, should be financed by the Company out of its own resources. Suitable representations were made to the authorities to reconsider their decision, as new leak-proof vibration-less and well-floored building construction was as much essential as new plant and equipment for the successful implementation of the scheme. The Company's point of view was, however, not conceded. The loan to be sanctioned to the Company was further reduced, subsequently, to Rs. 75 lakhs, which sum was received by the Company on 14th June 1958, on executing a mortgage deed in favour of the Corporation, covering all the existing as well as future assets of the Company. Interest is charged at 5 per cent. per annum and the capital sum is repayable in 15 equal annual instalments. The loan is guaranteed by Messrs. Tata Industries Private Ltd. Other terms and conditions of the loan have been detailed in the Chairman's speech delivered at the annual general meeting of the shareholders of the Company held on 24th December 1956. One of the conditions of the loan was that the Company would raise a like sum of Rs. 75 lakhs by the issue of debentures, ranking for the purposes of security on the assets of the Company *pari passu* with the N.I.D.C. loan. A representative of the Corporation would have to be nominated as one of the debenture trustees. The necessary consent of the Controller of Capital Issues has been received for the proposed debenture issue and the draft debenture trust deed is now before the Corporation for their approval. The main terms of the proposed issue are: (i) the issue would be private —for the value of debentures taken up by brokers they would be entitled to a brokerage of ½ per cent., (ii) denomination—stock certificates of Rs. 1,000 each, (iii) interest at 6½ per cent. taxable per annum, payable half-yearly, and (iv) period of redemption 15 years or earlier, but not before 5 years.

The supplies of Indian cottons during the year were sufficient, but prices were comparatively higher and the quality poorer than in the previous year. The supplies of all foreign cottons were insufficient, because of restricted imports on a quota basis, owing to the acute shortage of foreign exchange. The value of new plant and equipment installed during the year under report amounted to Rs. 85,00,000 and new construction work completed has cost Rs. 32,00,000.

The present installed capacity of the mills is 1,15,084 spindles and 1,652 looms. It is the directors' intention to restore the installed capacity to the pre-implementation level of 1,15,188 spindles and 2,062 looms in the near future, as the renovation programme is now in its final stage of completion.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	96,87,500	Block ...	2,03,58,159
Reserves ...	10,87,622	Work under construction and machinery awaiting installation ...	64,93,998
Provision for taxation ...	10,658	Stores, spares, loose tools, etc. ...	30,05,581
Liabilities ...	3,79,79,844	Stock-in-trade	1,10,16,872
		Debts, deposits and advances ...	12,87,928
		Investments	33,08,840
		Cash ...	4,41,003
		Miscellaneous expenditure and losses	28,54,243
Rs.	4,87,65,624	Rs.	4,87,65,624

G. Claridge and Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. W. H. Brady & Co. Ltd., Bombay) submit the audited statement of accounts for the year ended 31st December 1958, which after charging Rs. 48,277 (Rs. 75,000) for depreciation, and providing Rs. 1,24,000 (*nil*) for taxation and after creating a development rebate reserve of Rs. 41,000 (*nil*) shows a net profit of Rs. 1,04,735 (Rs. 69,372) which, together with the balance of Rs. 18,751 (Rs. 29,379) brought forward from last year's profit and loss account makes a total of Rs. 1,23,486 (Rs. 1,88,751, after adding the surplus of Rs. 90,000 from provision for taxation). This amount the directors propose to dispose of as follows:

In payment of a dividend of Rs. 15 (Rs. 15) per share on 8,000 shares of the Company, free of income-tax, absorbing Rs. 1,20,000 (Rs. 1,20,000) leaving a balance to be carried forward to next year's account of Rs. 3,486 (Rs. 18,751, after transferring Rs. 50,000 to provision for gratuity and welfare).

The increased turnover shown by the accounts is partly due to rises in overhead expenses and manufacturing costs necessitating higher charges to customers and partly to the installation of further modern high speed machines. All departments of the press have worked fully during the year and the volume of work in hand indicates that this satisfactory state of affairs should continue.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	7,47,794
Reserves ...	10,78,840	Stores and spare parts	41,986
Provision for taxation ...	1,32,298	Raw materials and work-in-process ...	14,04,184
Liabilities ...	10,14,029	Debts, deposits and advances ...	7,79,674
Profit and loss account ...	3,486	Investments	500
		Cash ...	54,515
Rs.	30,28,653	Rs.	30,28,653

Empire Dyeing and Mgf. Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. W. H. Brady & Co. Ltd., Bombay) submit the audited statement of accounts for the year ended 31st December 1958, which after writing off depreciation of Rs. 42,135 (Rs. 37,433) on machinery and plant, etc., setting aside Rs. 2,50,000 (Rs. 1,06,000) for taxation and Rs. 16,132 (*nil*) for development rebate reserve and charging the Managing Agents' commission amounting to Rs. 37,274 (Rs. 30,419) shows a net profit of Rs. 76,900 (Rs. 1,73,734), which after crediting Rs. 664 (Rs. 6,930) brought forward from last year's account and transferring Rs. 1,10,000 (*nil*) from general reserve, shows a balance of Rs. 1,87,564 (Rs. 1,80,664) which the directors propose to dispose of as follows:—

In payment of a dividend of Rs. 3 (Rs. 3) per share on 60,000 shares of the Company, free of income-tax, absorbing Rs. 1,80,000 (Rs. 1,80,000) leaving a balance to be carried forward to next year's account of Rs. 7,564 (Rs. 664).

The total production from the works during the year was greater than in 1957 and most of the departments have continued to be fully occupied. Despite the rise in costs of dyes and chemicals, and a steep increase in dearness allowance paid to workers, the net profit has been more or less maintained. The present state of the works order book indicates that this satisfactory state of affairs should continue well into the current year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	5,57,476
Reserves ...	7,56,132	Stores and spare gear	1,35,739
Provision for taxation ...	2,01,637	Stock-in-trade	86,967
Liabilities ...	8,08,162	Debts, deposits and advances ...	5,42,496
Profit and loss account ...	7,564	Investments	2,20,429
		Cash ...	11,30,388
Rs.	26,73,495	Rs.	26,73,495

Birds Investments, Ltd.

The directors of the above Company (Secretaries: Messrs. Lovelock and Lewes, Calcutta) submit the audited accounts of the Company for the year ended 30th September 1958.

The profit for the year shows an increase of Rs. 67,348 as compared with the results of the previous year, which, in the opinion of the directors, is to be considered satisfactory. Dividends from all sections showed a considerable improvement with the exception of jute, tea, sugar, mining other than collieries and Ceylon companies. It is hoped, however, that the income from jute companies during the current year will be satisfactory. The profit and loss account shows a credit balance of Rs. 2,34,742 (Rs. 1,67,394) to which is added the balance brought forward from the previous year of Rs. 14,532 (Rs. 37,612) and the profit, less loss, on sale of investments and loss on shares held in a Company in liquidation Rs. 1,01,429 (Rs. 14,733) making a total of Rs. 3,50,703 (Rs. 2,92,739). From this amount is to be deducted further provision for income-tax and super-tax in respect of previous year Rs. 2,734 (Rs. 34,454) and provision for wealth tax Rs. 1,200 (Rs. 33,600) leaving an available balance of Rs. 3,46,769 (Rs. 2,19,685) which it is proposed to be dealt with as follows:—

In transferring to capital reserve Rs. 1,01,429 (Rs. 14,733), in paying a dividend of 5½ per cent. per annum, less income-tax, on the preference shares for the year to 30th September 1958 Rs. 90,420 (Rs. 90,420), in paying a dividend of 7 (5) per cent. on the ordinary shares for the year to 30th September 1958, without deduction of income-tax Rs. 1,40,000 (Rs. 1,00,000) and in carrying forward Rs. 14,920 (Rs. 14,532).

Investments.—The Company's portfolio is representative of investments which are quoted on the Calcutta and Colombo Stock Exchanges with the exception of certain shares costing Rs. 7,40,371 for which no quotations are available. The total of the market value of the investments for which quotations are available, together with the unquoted investments as valued by the directors, exceeds the book value at 30th September 1958, by Rs. 16,37,209.

The following statement shows the distribution of the Company's portfolio:—

	Per cent.
Jute mills	42.11
Electricity	0.73
Iron, steel and engineering	5.01
Collieries	16 33
Paper mills	6.09
Investment companies	7.94
Tea companies	2.10
Mining other than collieries	2.76
Miscellaneous	15 62
Ceylon tea companies	1.31
Total ...	100.00

Summary—	Per cent.
Debentures	1.93
Preference shares	13.11
Equity shares	84.94
Total ...	100.00

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	44.00.000	Investments	65,18,672
Reserves ...	8,48,877	Debts, deposits and advances ...	1,37,320
Provision for taxation ...	71,095	Cash ...	43,144
Provision for wealth tax	29.418		
Liabilities ...	13,34,826		
Profit and loss account ...	14,920		
Rs.	66,99,136	Rs.	66,99,136

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

NEW TAXATION PROPOSALS

(*Concluded from page 349*)

distributions and on the wealth of companies, by a suitable increase in the rates of company super-tax.

The following table will exemplify the position:

Account year of company (1)	Relevant assessment year for the company (2)	Date of declaration of dividend by the company for that accounting year in column (1) (3)	Whether the dividends will be "grossed" or not in shareholder's assessments (4)
Year ended			
30- 9-1958 ..	1959-60	1- 5-1959	Will be grossed.
31-12-1958 ..	1959-60	1- 6-1959	Do.
31- 3-1959 ..	1959-60	1- 9-1959	Do.
30- 6-1959 ..	1960-61	1-12-1959	Will not be grossed.
31-12-1959 ..	1960-61	(Interim or half-yearly Preference dividend) 1- 7-1959	Do.

The following procedure is to be followed for deduction of tax at source on dividends:

The provisions of Section 18 of the Income-tax Act at present provide for deduction of tax at source from all payments in respect of interest on securities and only from payments to non-residents in respect of dividends and other sums chargeable to tax. Consistently with the new scheme, it is now proposed to enlarge these provisions so as to provide for the following:

(i) deduction of tax at source by Indian companies on all dividends declared by them, and payment of the tax so deducted to Government, and

(ii) issue of tax deduction certificate by the company to the shareholder to enable him to claim refund or obtain the necessary adjustment against his tax liability at the time of his assessment. The tax deduction is to be made by the principal officer of the company, before the cheque or warrant for payment of dividend is issued to the shareholder. It is also proposed, for the sake of convenience of reference, to specify separately in the First Schedule to the Bill the rates for deduction of income-tax and super-tax under Section 18, on interest on securities, dividends, etc., during the financial year 1959-60.

The rate provided in the Schedule is 25 per cent. income-tax and 5 per cent. surcharge or a total 30 per cent. for individuals. For companies, the rates are somewhat different. [See the special article on this subject on page 372.—ED.]

At present, under Section 20 of the Income-tax Act, companies are required to furnish certificates of payment of tax by them, in order to enable the shareholders to get their dividends grossed and obtain tax credit. Under the proposed scheme, there will be no need for the issue of such certificates and so Section 20 is proposed to be deleted. Certificates for deduction of tax from dividends will now be covered by Section 18(9) of the Act.

Regarding the clauses in the Finance Bill relating to taxation of companies, the Finance Ministry's memorandum explains, *inter alia*, that, at present, capital gains of companies are liable to income-tax (at 31.5 per cent.) but not to super-tax and that, under the new scheme, the incidence of capital gains tax is proposed to be maintained at about the same level, namely, 30 per cent. (20 per cent. of income-tax and 10 per cent. of super-tax). The present total exemption of capital gains of companies from super-tax is accordingly to be substituted by a levy of a reduced rate of super-tax.

As for dividend distribution by Section 23A companies, it is explained that, at present, these companies in which the public are not substantially interested are required, in order to avoid the penal provisions of that section, to distribute at least 45 per cent. of industrial profits and 60 per cent. of the non-industrial profits remaining after payment of tax. It is now proposed to raise these percentages to 50 and 65, respectively, with a view to ensuring that the profits retained by these companies after the introduction of the new scheme, without being subjected to the penal tax, remain at the same level as before its introduction.

Other Changes

Several other interesting changes also have been made in the system of income taxation. The most important of these are:

(*a*) The much criticised compulsory deposit scheme on companies which was in operation during 1957-58 but was suspended during 1958-59 is to be abolished, by deleting the relevant section of the Income-tax Act.

(*b*) Under the existing law, income which accrues or arises outside India but is not remitted to India in the same year is exempt upto a maximum of Rs. 4,500. In the present context of the economic development of our country, this concession is unnecessary and is, therefore, proposed to be deleted.

(*c*) Under the existing law, a person who is not resident in India is not taxed on the income which arises outside India. So Government servants who are posted abroad and become technically non-residents after some time are not liable to tax on the salaries drawn by them abroad. It is proposed that such salaries paid out of the public revenues of India (exclusive of all allowances and perquisites granted to meet the cost of having to stay abroad) be subjected to tax, irrespective of the period of the Government employee's stay abroad.

(*d*) At present, the income-tax law specifically exempts from tax the remuneration received by Consuls, Vice-Consuls, Trade Commissioners and similar official representatives of foreign Governments in India, Ambassadors and accredited Ministers of foreign Governments enjoy similar exemption on account of their diplomatic privileges recognised by international convention. It is now proposed to rewrite the provisions of the income-tax law, so as to cover all such exemptions in one place and to clarify that the exemptions are intended only for full-time official representatives and the members of their staff who are citizens of the foreign State concerned and not for persons who are working only in an honorary capacity.

(*e*) The Government has entered into an agreement with an oil company for the purposes of prospecting for, extraction and production of mineral oil in India in association with it. This agreement provides for certain special allowances to be granted on account of exploration expenses, intangible capital expenses and depletion. It is now proposed to obtain the necessary legislative sanction in the Income-tax Act itself, enabling Government to give effect to the agreement and grant these special allowances.

(*f*) It is proposed to clarify the Government's intention underlying the five-year tax holiday for new industrial undertakings, that the exemption will not be available to undertakings which are formed by the transfer to such undertakings of assets previously used in any other business.

All the aforesaid six amendments to the Income-tax Act will come into force on 1st April 1959.

In the sphere of indirect taxation, excise duties on 14 items have been readjusted, the readjustment leading to a straight increase in the burden of taxation in the case of 13 items and practically no change in the case of one item, namely, tea. The import duties have been readjusted to match the changes made in excises. The details of readjustments in excise duties and the reasons for effecting them are given below, excepting those relating to art silk fabrics, rayon and staple fibre yarns which are referred to separately on page 354.

Khandsari Sugar

With the doubling of the excise duty on crystal sugar in May 1957 and imposition of additional excise duty in December 1957, the margin in favour of the *khandsari* industry went up by an additional Rs. 8.93 per cwt. It is now proposed to reduce this margin, by imposing a basic excise duty at Rs. 5.60 per cwt. and an additional excise duty at 70 nP per cwt. The former, which is expected to yield Rs. 1.82 crore, will go to the Centre and the latter, yielding (estimated) Rs. 25 lakhs, will go to the States as it is in lieu of sales tax.

Unmanufactured Tobacco and Cigarettes

The specifications in respect of granule (*rawa*) of tobacco have been tightened up. This has been necessitated by the persistent attempts which are being made by certain sections of the trade to use granule of tobacco assessable at the lower rate of 47 nP per lb. in increasing quantities, in the manufacture of *biris*, the tobacco for which is normally assessable at Re. 1 per lb. The other amendment provides for assessment, at the higher rate, of notified varieties of tobacco, otherwise assessable at the lower rate, when actually used for the manufacture of *biris*.

There has been a shift in production from the higher to the lower categories to the disadvantage of revenue. With a view to arresting such a tendency and to improving the revenue from this commodity, the rates of the last three categories are increased. Simultaneously, by notification, the effective rates of duty on the first six categories (i.e., costlier varieties) are also raised. The estimated total additional yield will be Rs. 1.50 crore.

(Per thousand)

	Existing	*Proposed*
Rate of duty	Rs. 2.75	Rs. 3.15
	Rs. 1.50	Rs. 2.00
	Rs. 1.00	Rs. 1.20

Estimated revenue: Rs. 10.50 crores, as against Rs. 9.00 crores at present.

Others

The duty on motor vehicles tyres is being raised from 30 per cent. *ad valorem* to 40 per cent. *ad valorem*. There will be no change in the rate of duty on cycle tyres. The additional revenue is estimated at Rs. 1.75 crore, raising the total to Rs. 7.75 crores.

An increase is also being made in the duty on "vegetable product" which will increase from Rs. 7 per cwt. to Rs. 8.75 per cwt., with a corresponding adjustment in the exemptions in favour of the small producers. The additional revenue will be Rs. 95 lakhs, raising the total to Rs. 4.91 crores.

Vegetable non-essential oils were first subjected to excise in 1956, but some preference to medium and small-scale producers was given by exempting production up to 125 tons per annum on a slab basis. In 1957, the free slab was brought down to 75 tons and a lower rate of duty levied on production between 75 tons and 125 tons. These concessions have been reviewed and it is now proposed to withdraw the exemption from all power-driven units and limit the concessional levy to only the first 75 tons of production. These changes, which will be made by notification and will not affect village *ghanis* in any way, are expected to yield Rs. 4.4 crores, raising the total revenue from this source to Rs. 13.20 crores.

The incidence of excise and export duties on tea has been under continuous review. It has been decided to readjust the rate of excise duties on the teas grown in certain areas of the country and to reduce, at the same time, the effective rate of export duties from 26 nP per lb. to 24 nP per lb. These changes will result in an additional revenue of Rs. 58 lakhs under Union excise and a reduction of Rs. 93 lakhs in the yield from the export duty. In the net, the industry will benefit to the extent of Rs. 35 lakhs.

The duty on refined diesel oils and vapourising oil is being raised from 40 nP per imperial gallon to 80 nP. There is at present a price advantage in favour of diesel oil of which India has to import substantial quantities. Both as a measure of increasing revenue and conserving foreign exchange, the proposed increase is sought to be justified. As a consequential adjustment, the rate of duty on low-speed diesel oil is also being increased from Rs. 40 per ton to Rs. 50 per ton. The additional revenue from these two measures will be Rs. 7.85 crores a year, raising the total revenue from these sources to Rs. 16.90 crores.

Summing up the results of the aforesaid readjustments, the Finance Minister observed as follows:

"The total additional revenue from the various measures I have just mentioned will amount to Rs. 20.35 crores from the basic duties and Rs. 45 lakhs from the additional duties in replacement of sales taxes which accrue to the States. The basic duties on tobacco, vegetable product, tea, sugar and vegetable non-essential oils are shared with the States in accordance with the award of the last Finance Commission. Twenty-five per cent. of the net additional revenue from these commodities will have to be distributed to the States, after deducting the cost of collection. This payment will be of the order of Rs. 2.27 crores. Allowing for this and for the additional duties to be paid to them, I am taking the net additional revenue from changes in Union excise duties at Rs. 18.08 crores.

"I propose to make no major change in regard to customs duties. But there will be a countervailing increase in the import duties on the commodities on which excise duties are being increased and this by itself will bring in an additional revenue of Rs. 3.65 crores...."

Notices

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

REQUIREMENT OF ROLLER BEARINGS WITH AXLEBOXES AND WHEELSETS.

THE RAILWAY BOARD, GOVERNMENT OF India (Ministry of Railways), propose to obtain from established and reliable manufacturers 8,800 Nos. of roller bearings complete with axleboxes, and 4,400 Nos. Wheelsets for Bogie Open Wagons type BOX Mark 'O'.

2. The relevant tender documents are obtainable from the Research Design and Standardization Organization, Baroda House Annexe, New Delhi, and the Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London W. 3, on payment of Rs. 2 each. Drawings and specifications will also be available from the two sources mentioned above on additional payment.

3. Quotations should reach the undersigned:

(i) not later than 11 *a.m. on 20th April* 1959 for Roller Bearing Axleboxes;

(ii) not later than 11 *a.m. on 21st April* 1959 for Wheelsets.

G. P. BHALLA,
Director, Railway Stores,
Railway Board,
State Entry Road,
New Delhi-2.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 31st March 1959 to the Registered holders as at that date, interest due on the Preference Shares for the year ended that date at the rate of 6 per cent. per annum.

Preference Share Transfer Register will be closed from 28th March 1959 to 31st March 1959, both days inclusive.

By Order of the Board,
ASPINWALL & CO., LTD.,
Managing Agents.

COCHIN, *5th March* 1959.

Notices

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED
TIRUCHIRAPALLI

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, Tennur, Tiruchirapalli, on Friday the 3rd April 1959, at 4.30 p.m., for the purpose of considering, and if thought fit, of passing the following resolution as an ordinary resolution, with or without amendments:

"RESOLVED that Messrs. Seshasayee Brothers Private Limited, Tiruchirapalli, be and are hereby re-appointed as Managing Agents and Chief Engineers of the Company for a further period of ten years commencing from 1st April, 1960, in terms of the draft Managing Agency agreement to be entered into with them and placed before this meeting and signed by the Chairman for identification, subject to the approval of the Central Government being obtained for their re-appointment as required under Section 326 of the Companies Act, 1956."

All shareholders are requested to be present in person or by proxy. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

The Register of Members and Share Transfer Books of the Company will be closed from 31st March 1959 to 3rd April 1959 (both days inclusive).

The draft typewritten Managing Agency Agreement referred to in the above resolution can be inspected at any time during the usual office hours at the Registered Office of the Company, *vide* Section 173(3) of the Companies Act, 1956.

By Order of the Board,
SESHASAYEE BROTHERS PRIVATE LIMITED,
Managing Agents and Chief Engineers.

TIRUCHIRAPALLI, 22*nd December*, 1958.

N.B.—Printed copies of the Notice and the Explanatory statement under Section 173 and Abstract and Memorandum required under Section 302 of the Companies Act, 1956, have been posted already to the shareholders separately.

BRAITHWAITE AND COMPANY (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE twenty-ninth Ordinary General Meeting of Braithwaite & Co. (India) Limited will be held at the Registered Office, 4, Clive Row, Calcutta 1, on Monday the thirtieth day of March, 1959, at 12.00 noon, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December 1958.
2. To declare a Dividend.
3. To elect Directors.
4. To re-appoint Auditors and fix their remuneration.

The Transfer Books of the Company will be closed from the 16th March, 1959, to the 30th March, 1959, both days inclusive.

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

Payment of Dividend as may be declared will be made to those members whose names are on the Company's Register on the 30th March, 1959.

By Order of the Board,
Y. S. TAYAL,
Secretary.

THE JAY SHREE TEA GARDENS LIMITED

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING of the Shareholders of this Company will be held at the Registered Office of the Company at India Exchange (2nd Floor), India Exchange Place, Calcutta, on Thursday the 9th April 1959, at 3.00 p.m.

1. To receive and consider the Directors' report and pass the audited accounts for the year ended 31st December 1958.
2. To declare dividend on Preference and Ordinary shares.
3. To elect Directors in place of those retiring by rotation.
4. To appoint Auditors for the current year and to fix their remunerations.
5. To elect Shri T. Bhaskara Rao, I.C.S. (Retd.), as a Director of the Company and to consider and if thought fit to pass the following resolution as a Special Resolution to approve the appointment of Shri T. Bhaskara Rao, I.C.S. (Retd.), as a Director of the Company under Section 261 of the Companies Act 1956 in respect of which a special Notice has already been received by the Company from a Shareholder.

   "RESOLVED that Shri T. Bhaskara Rao, I.C.S. (Retd.), who is an Officer of a body corporate under the Management of the Managing Agents of the Company, be and is hereby appointed a Director of the Company under Section 261 of the Companies Act, 1956."
6. To transact any other business that may be transacted at such meeting.

The Share Transfer Registers will remain closed from 9th March, 1959 to 9th April, 1959, both days inclusive.

By Order of the Board,
BIRLA BROTHERS PRIVATE LIMITED,
Managing Agents.

INDIA EXCHANGE,
CALCUTTA, 21*st February*, 1959.

Note:—1. A member entitled to attend and vote at the meeting may appoint a proxy in place of himself and that the proxy need not be a member.

The explanatory statement as required in pursuance of Sub-section 2 of Section 173 of the Companies Act 1956 in respect of Item No. 5 is given below.

Under Section 261 of the Companies Act 1956 it is necessary to obtain the approval of the shareholders by special resolution for appointment of any person as Director whose case falls within any of the clauses of sub-section (1) of Section 261. Shri T. Bhaskara Rao, I.C.S. (Retd.), for whose appointment the Company has received special notice from a member notifying his intention to move the resolution set out in the item, is an Officer of a Company under the management of Messrs. Birla Brothers Private Ltd., the Managing Agents of the Company, and his case therefore falls under clause (*g*) of Sub-section (1) of the aforesaid section. Shri T. Bhaskara Rao, a retired member of the Indian Civil Service, had been a member of the Board of Directors of the Company from 1947 to the middle of 1957. He has also vast experience in varied spheres and it is in the interest of the Company to appoint him as a Director of the Company to avail of his valuable guidance.

MADURA MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Pandyan Building, West Veli Street, Madurai, on Monday, the 23rd March 1959, at 3-30 p.m. The Share Transfer Books will be closed from 13th to 23rd March 1959, both days inclusive.

A. & F. HARVEY LTD.,
Managers.

MADURAI, 21*st February*, 1959.

CAREW AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company at 4, Fairlie Place, Calcutta, on Tuesday the 31st day of March, 1959, at 10.30 a.m., for the purpose of:—

1. Receiving the Directors' Report and passing the Accounts for the year ended 30th June 1958.
2. Declaring the Dividend on the 6½ per cent. Cumulative Redeemable Preference Shares for the years ended 30th June 1957 and 30th June 1958 and Dividend on Ordinary Shares.
3. Electing Auditors for the current year and fixing their remuneration.
4. Electing Directors.
5. Transacting such other business as may be brought before the Meeting.

The Transfer Books of the Company will be closed from the 16th March, 1959 to 31st March 1959, both days inclusive.

Preference Shareholders and/or Ordinary Shareholders and holders of Preference Shares and/or Ordinary Shares under blank transfer should note that upon the declaration of the Dividends the Dividend Warrants will be posted to Registered Preference Shareholders and/or Registered Ordinary Shareholders or their Mandatees on or after the 25th April, 1959. No application for payment will be necessary.

By Order of the Board,
GLADSTONE LYALL & CO. LTD.,
S. DATTA,
Secretary.
Managing Agents.

4, FAIRLIE PLACE,
CALCUTTA, 2*nd March*, 1959.

Note:—A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and a proxy need not be a member of the Company.

THE BANK OF INDORE, LIMITED
(Incorporated in Indore, 1920)

NOTICE IS HEREBY GIVEN THAT THE Thirty-ninth Annual Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Bank, Prince Yeshwant Road, Indore City, on Saturday the 28th March, 1959 at 2-30 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December, 1958.

(2) To declare a Dividend.

(3) Seth Murlidhar Mansingka and Seth Suganmal Bhandari retire by rotation but are eligible for re-election.

(4) To confirm the appointment of Shri Rajabahadursingh Rajkumarsingh, M.A., LL.B., as a Director in place of Shri Sardarmal Lalwani who has resigned for reasons of health.

(5) To elect Auditors for the ensuing year and to fix their remuneration.

By Order of the Board of Directors,
N. D. JOSHI,
Manager.

INDORE CITY, 13*th February*, 1959.

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

N.B.—(*a*) The Transfer Books of the Company will be closed from 14th March, 1959 to 28th March, 1959, both days inclusive.

(*b*) The Dividend when sanctioned will be payable on and from Monday the 30th March, 1959.

(*c*) Shareholders are requested to intimate the Bank their change of address, if any, immediately.

THE CENTRAL BANK OF INDIA LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-eighth Annual General Meeting of the Shareholders of The Central Bank of India, Limited, will be held at the Registered Office of the Company, in the Central Bank Building, Mahatma Gandhi Road, Fort, Bombay, on Monday, the 30th day of March, 1959, at 4 p.m. (S.T.), to transact the following business:—

1. To receive, consider and adopt the Report of the Directors and the Audited Accounts for the period ended 31st December, 1958.
2. To declare a Dividend.
3. To appoint a Director in place of Sir Homi Mody who retires by rotation under Article 92 of the Articles of Association read with Section 256 of the Companies Act, 1956, and is eligible and offers himself for re-appointment and for that purpose to consider, and if thought fit, to pass the following resolution of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which is annexed hereto as required by Section 173 of the said Act:—

   "RESOLVED that Sir Homi Mody who has attained the age of 77 years and who retires by rotation, be and he is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."
4. To appoint a Director in place of Mr. C. P. Wadia who retires by rotation under Article 92 of the Articles of Association read with Section 256 of the Companies Act, 1956, and is eligible and offers himself for re-appointment and for that purpose to consider, and if thought fit, to pass the following resolution of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which is annexed hereto as required by Section 173 of the said Act:—

   "RESOLVED that Mr. C. P. Wadia who has attained the age of 78 years and who retires by rotation, be and he is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."
5. To appoint a Director in place of Sir Jamsetjee Jejeebhoy, Bart., who retires by rotation under Article 92 of the Articles of Association read with Section 256 of the Companies Act, 1956, and who is eligible and offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.
7. To consider and, if thought fit, to pass the following resolutions as special business:—

   (*a*) "THAT the 338 Ordinary Shares represented by the 676 fractional certificates issued by the Company in 1923 to Shareholders of the Tata Industrial Bank, Ltd. (in liquidation) which have not yet been presented to the Company for conversion into shares be allotted by the Directors to such person or persons and on such terms as the Directors may think fit, and that the sum of Rs.25/- representing the paid-up capital on each of the said 338 Ordinary Shares having been received by the Company otherwise than in cash, by reason of transfer of assets of the Tata Industrial Bank in 1923, the sum to be received as consideration for allotment of each of the said 338 Ordinary Shares be treated as premium and be transferred in accordance with Section 78 of the Companies Act to an account to be called 'the Share Premium Account'."

   (*b*) "THAT it is hereby confirmed that the Directors have power to dispose of the 1,525 Ordinary Shares forming part of the capital issued by the Company in 1944 and which still remain unallotted, as the Directors may think fit, and that out of the sum to be received as consideration on such disposal of each of the said 1,525 Ordinary Shares the sum of Rs. 25/- be credited as partly paid thereon to the Company's Capital Account and the balance of the sum be treated as premium and be transferred to 'the Share Premium Account'."

   (*c*) "THAT it is hereby confirmed that the Board of Directors have power to dispose of the 29 Ordinary Shares represented by the 58 coupons issued in 1944 and which have not yet been presented to be converted into shares, as the Directors may think fit, and that the sum of Rs. 25/- having been paid on each of the said 58 coupons to the Company at the time of issue thereof, the whole amount to be received as consideration on such disposal be treated as premium and be credited to 'the Share Premium Account'."

   (*d*) "THAT the 774 Ordinary 'A' Bonus Shares of the face value of Rs. 25/- each that have remained unallotted out of the 2,10,000 Ordinary 'A' Shares issued as fully paid-up shares in 1947 be allotted by the Directors to such person or persons and on such terms as the Directors may think fit, and that the amount to be received as consideration on allotment of the said 774 Ordinary 'A' Shares be treated as premium and be transferred to 'the Share Premium Account'."

The Resolutions numbered 7 (*a*) to (*d*) above being special business, an Explanatory Statement with regard to them is annexed hereto.

By Order of the Board,
N. K. KARANJIA,
General Manager.

BOMBAY, 28*th February*, 1959.

Note:—A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*a*) The Transfer Books of the Bank will be closed from Monday, the 9th day of March, 1959, to Monday, the 30th day of March, 1959, (both days inclusive).

(*b*) Dividend Warrants for the half-year ended 31st December, 1958, will be posted to the Shareholders at their registered address on and after the 31st day of March, 1959. Shareholders are requested to intimate to the Bank their change of address, if any, immediately.

ANNEXURE TO THE NOTICE

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

To,
THE SHAREHOLDERS OF
THE CENTRAL BANK OF INDIA, LTD.

Dear Sir/Madam,

In conformity with the Companies Act, 1956, which came into force on 1st April, 1956, the following Explanatory Statement, as required by Section 173 of the aforesaid Act, sets out all material facts relating to Item Nos. 3, 4 and 7 mentioned in the accompanying Notice dated the 28th February, 1959.

2. In respect of Item No. 3, it is notified that Sir Homi Mody who retires by rotation and is eligible for re-appointment, has attained the age of 77 years and hence he cannot be re-appointed a Director of the Company except by a resolution in respect of which special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in the said Item No. 3. Sir Homi Mody joined the Board of Directors of the Company in 1927. He is a banker, industrialist and businessman of considerable experience and has played a notable part in public and civic life. During the long period of his association with the Company, he has rendered very valuable services to the Company. It is considered in the interest of the Company that he be re-appointed a Director.

3. In respect of Item No. 4, it is notified that Mr. C. P. Wadia who retires by rotation and is eligible for re-appointment, has attained the age of 78 years and hence he cannot be re-appointed a Director of the Company except by a resolution in respect of which special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in the said Item No. 4. Mr. Wadia has been a Director on the Board of this Company since 1949. As a businessman of wide experience, he has proved himself very useful on the Board and it is in the interest of the Company that the Board should continue to receive the benefit of his services.

Re: *Item No.* 7 (*a*) to (*d*).

(1) When the assets of the Tata Industrial Bank, Ltd. (in liquidation) were transferred to the Company in 1923, the Company agreed as part of the consideration for the transfer to allot to Shareholders of the Tata Bank one partly paid-up share of the Company for every two shares of the said Tata Bank held by them and to issue to each shareholder of the said Tata Bank who became entitled to a half share in the Company a fractional certificate, the presentation of two such certificates by any person to the Company entitling him to receive one share of the Company. Out of the certificates issued by the Company, 676 certificates, representing 338 shares, have not yet been presented to the Company for conversion into shares, and Counsel has advised the Company to allot the 338 Ordinary Shares to persons other than the holders of the said 676 certificates and that the holders having failed for over 35 years to present the certificates for conversion into shares, they would not now be entitled to claim allotment of the shares. Counsel has further advised that allotment of the said 338 Ordinary Shares to persons other than the holders of the 676 certificates will amount to an issue of new shares within the meaning of Section 81 of the Companies Act so that the 338 Ordinary Shares in question must be offered to the existing shareholders of the Company in proportion to the shares held by them, unless the Company in General Meeting gives directions to the contrary. As the Company's Subscribed Capital consists of more than 12,55,000 shares, it would be quite impracticable to offer such 338 Ordinary Shares to the existing shareholders in proportion to the shares held by them, and the Directors, therefore, seek a direction from the General Meeting that these 338 Ordinary Shares be allotted to such person or persons and on such terms as the Directors think fit. The paid-up capital of Rs. 25/- per share in respect of such 338 Ordinary Shares having been received by the Company in the shape of assets of the said Tata Bank, the consideration to be received on such allotment of the 338 Ordinary Shares will have to be treated as premium and transferred to the Share Premium Account, as required by Section 78 of the Companies Act.

2. Pursuant to the Resolutions passed at the Extraordinary General Meeting of the Company held on 29th March, 1944, 3,36,264 new shares of the Company were offered to the then existing shareholders in the proportion of one new share for every two existing shares and a coupon was issued to each shareholder who became entitled to one half of a share, the presentation of two coupons entitling the person presenting them to one new share. Persons entitled to receive 1,525 of the new shares have not yet applied for their allotment or paid the sum of Rs. 25/- per share which was payable on account of capital on each of these shares, or the further sum of Rs. 25/- which was payable as premium on each new share. Counsel has advised that under the resolutions passed on 29th March, 1944 the Directors have now the power to allot the said 1,525 Ordinary Shares

to any persons and the proposed Resolution number (b) confirms that the Directors have the power to dispose of such 1,525 Ordinary Shares as they may think fit, as had been provided in the aforesaid Resolutions of 29th March, 1944. Out of the amount to be received as consideration for allotment of the said 1,525 Ordinary Shares, Rs. 25/- per share will be received on account of the paid-up capital of the shares and the balance as premium, which will be credited to the Share Premium Account in accordance with Section 78.

3. Of the coupons issued in 1944, 58 representing 29 Ordinary Shares have not yet been presented to the Company for conversion into shares. One of the resolutions passed at the aforesaid Meeting of 29th March, 1944 provided that in case any sets of coupons required to be presented to the Company for the allotment of full shares were not presented by 15th October, 1944, the Directors should have the right to dispose of such shares representing such coupons in any manner they might think fit. The Directors in exercise of this power propose to dispose of the said 29 Ordinary Shares represented by the 58 coupons as they think fit and the proposed Resolution number (c) confirms that the Directors have such power. The sum of Rs. 25/- payable on account of the capital value of each of the said 29 Ordinary Shares was received by the Company at the time of issue of the said coupons, since each coupon was issued on payment of Rs. 12-8-0 on account of capital and Rs. 12-8-0 on account of premium. Hence the whole amount now to be received on such disposal of the 29 Ordinary Shares will be treated as premium and credited in the Share Premium Account.

4. By the Resolutions passed by the Company in General Meeting on 31st March, 1947, 2,10,000 Ordinary 'A' Shares of Rs. 25/- each were resolved to be allotted as fully paid-up shares free of cost to the Company's shareholders in the proportion of one new share to five existing shares and one coupon was directed to be issued to any member becoming entitled to one-fifth of a share on the footing that five coupons would be convertible into one Ordinary 'A' Share. The sum of Rs. 52,50,000 representing the capital amount of the 2,10,000 shares was directed to be transferred from the Reserve Fund to the Capital Account, which was done. The 2,10,000 Ordinary 'A' Shares were issued on the assumption that the persons entitled to the aforesaid 338 Ordinary Shares of the 1923 issue and the aforesaid 29 Ordinary Shares of the 1944 issue, the paid-up capital in respect of which had been received by the Company, would take them up and on doing so would be entitled to receive one coupon for each Ordinary Share and that the persons entitled to take up the aforesaid 1,525 Ordinary Shares of the 1944 issue, the paid-up capital and premium in respect of which have not yet been received by the Company, would also pay for these shares and then become entitled to 305 Ordinary 'A' Shares. Of the coupons issued in 1947 to shareholders who did not hold shares in multiples of five, 2,345 coupons representing 469 Ordinary 'A' Shares have not yet been submitted to the Company for conversion into shares and hence 469 Ordinary 'A' Shares remain unallotted in addition to the 305 Ordinary 'A' Shares mentioned above.

5. Counsel has advised that the said 305 and 469 Ordinary 'A' Shares amounting in all to 774 Ordinary 'A' Shares should now be allotted to persons other than those to whom they were originally intended to be allotted and that as their allotment will amount to an issue of new shares within the meaning of Section 81 and as it would not be practicable to offer them to the existing shareholders, in view of the smallness of the number of shares involved, the Directors should obtain the Shareholders' sanction for allotting the shares for a consideration. The Directors seek power to allot them to such person or persons and on such terms as they think fit. The whole consideration to be received on allotment of the said 774 Ordinary 'A' Shares will have to be treated as premium and be credited to the Share Premium Account.

By Order of the Board,

N. K. KARANJIA,
General Manager.

BOMBAY, *28th February*, 1959.

BHARAT COLLIERIES LIMITED

NOTICE

THE FOURTEENTH ANNUAL GENERAL Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Dalmianagar on Tuesday the 31st March 1959, at 12 noon, to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 30th June 1958.

(2) To declare dividends on Preference and Ordinary Shares.

(3) To elect a Director in place of the retiring Director, Shri B. P. Jain, who being eligible offers himself for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. K. N. Gutgutia & Co., being eligible, offer themselves for re-appointment.

As Special Business:

To consider and, if thought fit, pass with or without modification the following resolutions, which would be proposed as ordinary Resolutions and for which special notice has been received by the Company:

"Resolved and declared that the age limit shall not apply to Shri Balabux Poddar, a Director of the Company.

"Further resolved that the appointment of Shri Balabux Poddar as a Director of the Company be and is hereby approved."

Explanatory Note:

Shri Balabux Poddar, who has attained the age of 65 on 29th December 1958, and who has been associated with the Company as its Director for a number of years and prior to the commencement of the Companies Act 1956, and his continuous and valuable services and guidance to the Company is in the interest of the Shareholders. Requisite consent as required under Section 281 of the Companies Act 1956, is therefore solicited from the shareholders. Neither the Managing Agents nor any of the other Directors of the Company have any interest in the said resolutions.

The Share Transfer Books of the Company will be closed from 23rd March 1959 to 31st March 1959, both days inclusive.

By Order of the Board of Directors,

FOR SAHU JAIN LTD.,

A. K. JAIN,
Managing Director,
Managing Agents.

DALMIANAGAR, *28th February* 1959.

N.B.—A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself. Such a proxy, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.

JARDINE HENDERSON, LIMITED

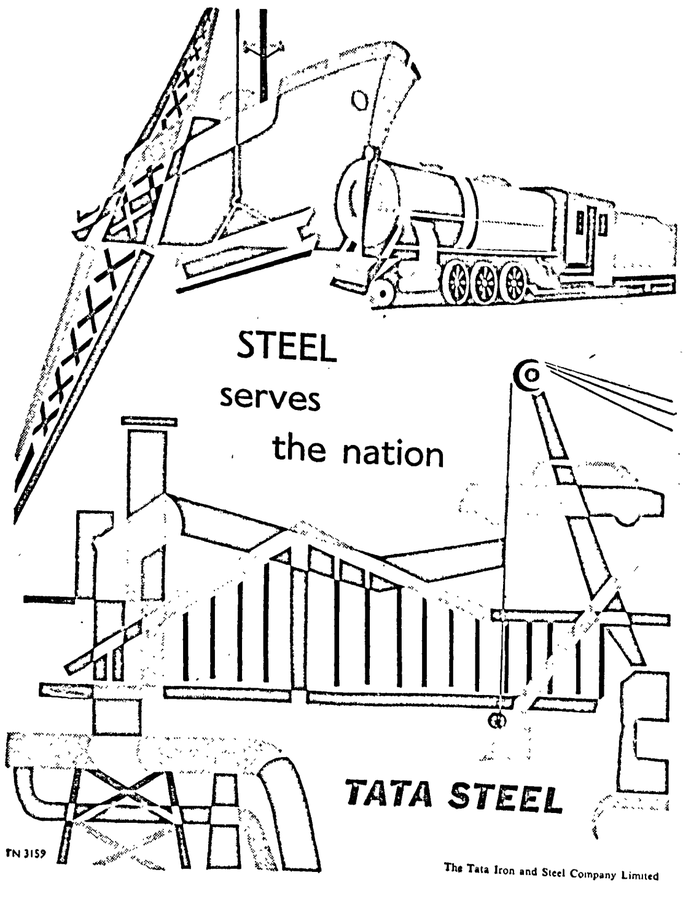
NOTICE IS HEREBY GIVEN THAT AN Interim Dividend at the rate of 2½ per cent. less Income-tax thereon, will be paid to the Registered holders as on the 6th April, 1959, of the 50,000 Cumulative Preference Shares of Rs. 100 each in the Company in respect of the year ending 31st March, 1959.

The Share Transfer Books of the Preference Shares will be closed from 30th March to 6th April, 1959, both days inclusive.

By Order of the Board,

D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA-1, *26th February*, 1959.



BANK DEPOSITS EXCEED RS. 1-600 CRORES

(From Our Own Correspondent)

BOMBAY, *4th March*

There has been no slackening of demand for funds in the short-term money market this week. Though the resources of banks appear to have increased, as witness the expansion of nearly Rs. 15 crores in their net deposits during the week ended 20th February, conditions have not eased to any extent. The expansion in deposits has been utilised to reduce the banks' borrowings from the Reserve Bank, as also to meet the additional demand for credit. Banks, however, continue to be borrowers in the market. Interest rates are unchanged, inter-bank call money being done at 3½ per cent. among the Exchange banks and big Indian banks and at 3¼ to 3½ per cent. among the smaller banks. House money at seven days' notice is fetching 3½ per cent. and short-term deposits 3¼ to 4 per cent. for one to six months.

There has been a further hardening of the Treasury Bill rate this week to 2.625 per cent. per annum from last week's rate of 2.592 per cent. The amount offered is lower at Rs. 2.10 crores, as compared with Rs. 2.40 crores last week, against an invitation for Rs. 2 crores. Tenders for next week are unchanged at Rs. 2 crores.

A shrinkage of Rs. 4.85 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 27th February 1959. Notes held in the Banking Department are higher by Rs. 5.22 crores. There is no change in either rupee securities or foreign securities, but balances held abroad are lower by Rs. 52 lakhs. The Central Government's deposits show a decline of Rs. 4.66 crores, while other Governments' deposits have increased by Rs. 5.11 crores and deposits of banks by Rs. 5.13 crores. A rise of Rs. 59 lakhs is noted in loans and advances to Governments and of Rs. 1.75 crore in other loans and advances.

A notable feature of the Scheduled banks' statement for the week ended 20th February 1959 is the increase of Rs. 10.63 crores in demand deposits and of Rs. 4.17 crores in time deposits. With this expansion, the total (net) deposits have crossed, for the first time, the Rs. 1,600-crore mark to stand at Rs. 1,606.94 crores, made up of Rs. 901.17 crores in time deposits and Rs. 705.77 crores in demand deposits. Inter-bank borrowings are higher by Rs. 2.17 crores, while borrowings from the Reserve Bank stand reduced by Rs. 13.70 crores. Advances are higher by Rs. 4.04 crores and bills purchased and discounted by Rs. 2.15 crores. Investments have declined by Rs. 2.55 crores and cash balances by Rs. 1.24 crore, while money at call and short notice is up by Rs. 1.13 crore.

The Gilt-edged market is ruling dull, but the undertone is fairly steady. The National Plan issues are on offer, but business is scanty and quotations are unchanged. Demand for long-dated issues and 4½ per cent. State loans continues unabated. The Investment Committee of the Life Insurance Corporation is said to have decided, at its meeting held yesterday, to purchase securities worth about Rs. 2 crores. The Union Finance Minister has announced that the open market borrowing in the ycar 1959-60 will be of the order of Rs. 225 crores, while repayment of 3 per cent. 1959-61 loan will amount to Rs. 110 crores.

To revert to the trend of prices. 3 per cent. 1986 Conversion Loan, after moving up further from Rs. 74.10 to Rs. 74.25, has reacted to Rs. 74.15, at which level, it is still on offer. 3 per cent. 1970-75 is unchanged at Rs. 90.95, and 3 per cent. 1966-68 at Rs. 93.85. 3 per cent. 1963-65 has sellers at Rs. 96.75. 3½ per cent. 1964, 3½ per cent. 1965, 3½ per cent. 1967 and 3½ per cent. 1968 are all on offer at the quoted rates. 3¾ per cent. 1967 and 1968 are unchanged at Rs. 100.80 and Rs. 100.60, respectively. Following the increase of 10 nP in the selling price of 3¾ per cent. 1974, by the Reserve Bank, 4 per cent. 1972 has been done 5 nP higher at Rs. 101.60, as also 4 per cent. 1973 at Rs. 101.55. Among State issues, 4 per cent. and 4¼ per cent. loans have well maintained their ground. In some cases, prices have hardened further. U.P. 4¼ per cent. 1970, for instance, has gained 15 nP to Rs. 101.40 and M.P. and Bihar 4¼ per cent. 1970 15 nP each to Rs. 101.25.

The rupee has been ruling steady, in consonance with the improvement in sterling abroad. Banks' selling rate of ready U.S. dollars is unchanged at Rs. 476.25 per $100, while their buying rate has come down from Rs. 473 to Rs. 472.75 per $100. In New York, spot sterling has gained ground from $2.81-2.81.1/16 to $2.81.3/32-2.81.5/32 and three months' forward from $2.80.11/16-2.80¾ to $2.80¾-2.80.15/16.

METALS HARDEN

(From Our Own Correspondent)

CALCUTTA, *3rd March*

Fears that the 1959-60 Budget proposals would include the imposition of a duty on metal imports were belied when the Finance Minister presented his maiden Budget on Saturday last. Earlier in the week under review, prices of base metals gained, following good consumer demand and covering. The Commerce and Industry Minister, Mr. Lal Bahadur Shastri's announcement at the meeting of the Import Advisory Council on Sunday last was noted with particular enthusiasm, inasmuch as it was believed that the raw materials, for the import of which the validity of the licences would be raised to one year from the present six months, would include base metals. No indication was, however, given by Mr. Shastri whether the present system of importing virgin metals would be liberalised to again permit established importers to import these or whether the costly experiment of control on copper would be ended. Grave anxiety has been entertained in the market at the existing shortage in copper, and it is a pity that this shortage is pushing up the price of copper scrap—clean wire scrap at Rs. 236 scored more than ten points during this week—especially when huge quantities are lying in warehouses awaiting allocation by the Government. Meanwhile, on the London Metal Exchange, the spot metal rose to £240 from £236, following the raising of the price by custom smelters to 31 cents a lb. in the United States. Tin opened here at Rs. 597 and, following consumer buying, gained to close at Rs. 610. There were tenders from Government Departments amounting to 135 tons for tin and 122 tons for lead. Commercial demand for lead was fair, the price improving to Rs. 73.50 from Rs. 72. Electrolytic zinc hardened to Rs. 96 from Rs. 95.50.

MARGIN IN GOLD

(From Our Own Correspondent)

BOMBAY, *4th March*

The bullion market firmed up, notwithstanding the announcement of the Union Finance Minister's proposal to extend the coverage of expenditure tax to include the amount spent on bullion, jewellery, and precious stones which were hitherto enjoying exemption. This was probably due to the fear that there would be more inflation in the coming year. Besides, there was a marked rise in demand from upcountry centres. In the gold section, spot houses were keen buyers in March settlement and there was also some short-covering. On Monday, bulls in this settlement were required to deposit margin at the rate of Rs. 10 per tola in accordance with by-law 33(D) (1), as backwardation charge exceeded As. 8 and stood at As. 9; today, it was half an anna lower at As. 8½. The settlement opened the week firm at Rs. 117-8, as against Rs. 117-4, and moved up gradually to touch Rs. 118-7 today. It, however, finished lower at Rs. 118-2-6. The net gain over the week was As. 14-6. Business in April settlement commenced at Rs. 116-15-6 on Monday. The settlement improved to Rs. 117-13-6 today before closing at Rs. 117-10.

Ready gold firmed up from Rs. 118-0-6 last week-end to Rs. 119-10 today. It was As. 4-6 lower towards the close. The daily average arrivals of gold were 3,500 tolas, while offtake was 4,000 tolas per day. The floating stocks of gold are reported to be around 25,000 tolas.

March settlement in silver strengthened from Rs. 195-1 on Wednesday last week to Rs. 195-10 before finishing at Rs. 195-9. April settlement recorded a gain of As. 4 over the week, today's rate being Rs. 195-8; at one time yesterday, it was quoted at Rs. 195-13. The carry-forward charge, which was As. 3 against bulls last week, turned in their favour to the extent of an anna today.

Ready silver advanced from Rs. 194-4 to Rs. 195-7 today before finishing lower at Rs. 195-6. The daily average arrivals and offtake of silver were 12 bars and 15 bars, respectively. The floating stocks of silver are estimated at 1,200 bars.

The upward trend in ready and forward silver in London continued during the week. Both were quoted yesterday at 78¾*d.*, as against 78*d.* last week. Gold in London, however, eased from 249*s.* 9¾*d.* to 249*s.* 5¾*d.* Silver in New York, which remained unchanged at 90.375 cents for several weeks, rallied to 91.125 cents yesterday.

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

	4-3-59	Highest	Lowest	25-2-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	119 5½	119 15½	118 0	118 0½
Forward*	118 4	118 7	116 13	117 8½
Sovereign	74 6	74 8	74 4	74 4
SILVER				
Ready (.999 fine Mint) ..	195 6	195 7	194 1	194 4
Forward†	195 9	195 10	194 4	195 1
London Silver Ready ..	78¾*d.*	78¾*d.*	78*d.*	78*d.*
London Forward	78¾*d.*	78¾*d.*	78*d.*	78*d.*
London Gold	249*s.* 5¾*d.*	249*s.* 6¼*d.*	249*s.* 5¼*d.*	249*s.* 6¼*d.*
New York Silver	91.125 c.	91.125c.	0.625c.	90.375 c.

* 23rd March settlement. † 24th March settlement.

TANNED HIDES FIRM

(From Our Own Correspondent)

MADRAS, *2nd March*

Arrivals of E.I. tanned hides and calves were of the usual volume. Clearance was good. Prices locally ruled firm, except for buff calf. Shipment business was selective, as the U.K. demand was mostly for lower grades. Importers, by keeping out of the market for other grades, have been able to buy kips at lower levels. Demand for buff hides, was good for shipment to U.K.-U.S.A.

Tanned goat skins market was steadier, due to good enquiries for all average weights. Tanned sheep skins market was unchanged and there was good clearance of middle class sheep skins from the market.

LINSEED DECLINES

(Messrs. A. Bradley & Co.)

CALCUTTA, *2nd March*

With improved offerings from the centres and new crop movements expected to commence during the next few weeks, ready prices of linseed have declined. Forward quotations have also eased and buyers have shown little interest. The oil market has been dull. There have been few enquiries and there has been a downward trend in prices, with losses recorded in both ready and forward positions. The latest quotations are as follows: Ready Rs. 26.00; March Rs. 24.50; April Rs. 23.00; and May Rs. 22.75 per maund.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, *4th March*

The cotton futures market depicted a firm trend during the major part of the week under review. After commencing the week on an easy note, the market attracted support and ruled fairly firm during the pre-budget session on the 28th inst. The support was based on the anticipation of some relief in excise duty on cloth, abolition of the export duty on raw cotton and imposition of import duty on cotton. The budget proposals belied these hopes. The disappointment of the trade was reflected in the setback to values in the budget session. In the budget session, the March contract declined by Rs. 4.50 and the May contract by Rs. 3.50 from the opening quotations although towards the end, there was a partial recovery. The session closed with a net loss of Re. 1.50 in March and 50 nP in May. The market ruled subdued on Monday also, but firmed up again yesterday on sustained all-round support induced by the firmness of the spot market. The small volume of tenders issued against the March contract on Monday, the first notice day, also favourably influenced sentiment. Reports from upcountry centres indicated that arrivals of Vijay and Digvijay cotton slackened and that prices consequently hardened. This imparted further strength to the market. Futures quotations registered an impressive rise. The gains were extended further today and the market closed near the best levels of the day.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 654.50 and, after having improved to Rs. 657 on Saturday, declined to Rs. 652 on Monday. It again rose to Rs. 661 yesterday. Commencing today's session at Rs. 662, the contract improved to Rs. 663.50 before finishing at Rs. 662.50. Tenders against the contract on the 2nd inst. were as small as 500 bales of Buri American.

I.C.C. Moglai Jarilla May 1959 commenced at Rs. 653. After improving to Rs. 657.50 on Saturday, the contract receded to Rs. 653 on Monday. It again firmed up to Rs. 664.75 yesterday. Opening at Rs. 665.50, the contract gathered Rs. 4.50 before finishing at Rs. 668.

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

(In rupees per candy of 784 lbs.)

	4-3-59	*High*	*Low*	25-2-59
I.C.C. Moglai Jarilla March 1959 ...	662.50	663.50	652	654.75
Budget session ...	657	657	652.50	655.50*
I.C.C. Moglai Jarilla May 1959 ...	668	669	653	653.25
Budget session ...	658	658.50	654.50	657.50*

* Budget session closing.

The spot market, after an initial slackness, turned active later. Mills made heavy purchases of staple varieties following reports of small arrivals of new crop and firm upcountry advices. Surti, Digvijay, Kalyan, Vijay and other staple styles met with sustained buying. Values consequently hardened.

In the export section, there was renewed interest in Bengals. Shippers also made purchases of old crop against previous commitments with foreign buyers. The failure of the expectation of export duty reduction to materialise disheartened shippers.

In the foreign section, demand was noted for East African and Sudan cotton. A sizable business in B.P. 52 was done at Rs. 1,050 per candy. Sudan and U.S. styles were neglected.

Sudan is reported to have rejected India's offer of a special rupee payments agreement for cotton. Sudan's refusal is believed to be mainly on account of the fact that its cotton is at present the cheapest in the world and should be normally purchased by overseas buyers including India without any special arrangement. Sudan has already abolished the reserve price system and a sharp fall in prices was witnessed in the recent auctions.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 690; Berar Jarilla 750; Khandesh 815; Vijay 935. *Delivery contracts*: Bengal 655; Wagad 675.

The Karachi cotton futures market ruled distinctly easy during the week under review. Large arrival of new crop and weakness of foreign demand exerted a downward pressure on prices. Even the news that the U.K. will buy 50,000 bales of cotton during the remaining six months of the current season and another 100,000 bales next year as a result of the recent visit of the U.K. cotton delegation to Pakistan failed to enthuse the market. N.T.R.G. March declined from Rs. 57-4 last week-end to Rs. 55. The May contract also eased but only slightly by As. 6-6 to Rs. 55-15-6. The spot section also ruled easy. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi.

Sind *Deshi* 75; Punjab *Deshi* 65-8; 4F Punjab Roller 58; S.G. 63; L.S.S. Punjab Roller 59; S.G. 63-12; N.T.R.G. 63-8; S.G. 70-4.

Cotton futures values in Alexandria declined, reflecting the slackness of export demand. Favourable weather news, competition from Sudan, increased pressure of new crop and weaker spot advices adversely affected the price trend. The latest available quotations—in tallaris per lb.—from Alexandria are as follows, the figures in bracket being last week's closing rates:

Karnak: March 71.00 (72.63); May 71.25 (73.17). *Ashmouni*: April 61.70 (63.71); June 61.75 (63.40).

Quiet conditions prevailed in Liverpool during the week. After the recent fall, prices generally

tended to rule steady. The distant position attracted some trade buying and mill fixation. Values moved up slightly. There was also some switching over from the near to distant positions. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: March-April 21.40; May-June 21.45; July-August 20.18; October-November 19.40. *American cotton mixed growth contract*: March-April 22.40; May-June 21.80; July-August 20.15; October-November 19.25. *Sudan*: May-June 22.00; July-August 22.00; September-October 22.00.

Cotton values in New York suffered a setback during the week. There was a fair volume of hedging and liquidation which were only partly absorbed by mill buying and short-covering. Lower levels, however, met with resistance and prevented a further decline in prices.

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

(In cents per lb.)

	3-3-59	24-2-59	17-2-59
Spot	35.75	35.60	35.65
March	35.59	35.68	35.49
May	35.59	35.71	35.63
July	34.72	34.69	34.52

ENHANCED TAX IMPOSTS ON ART SILK

(From Our Own Correspondent)

BOMBAY, *4th March*

The fears of yarn traders about enhanced tax imposts have proved correct. The Union Finance Minister has raised the excise duty on art silk yarn by 60 per cent., on staple fibre by 66⅔ per cent. and on art silk fabrics by 100 per cent., with countervailing changes in import duties on these items. The increases are considered to be very steep, affecting seriously the silk weaving sector, the handlooms and the powerlooms. Reflecting the disappointment of traders over the above increases, the yarn market is ruling distinctly easy. Today's quotations for art silk yarns which are inclusive of enhanced excise duties are lower than those prevailing last week when the old rates were applicable.

The Collector of Customs, Bombay, has notified that the excise duty on synthetic yarns like nylon which was being collected hitherto at 50 nP per lb. was not correct and as such, it will be collected at the rate of Re. 1.50 per lb. henceforth. Accordingly, in the case of transactions of c.i.f. shipment and of steamer's name, the buyer shall be bound to pay the increased excise duty, if the seller produces the bill of such additional excise duty.

Cupressa Bamberg art silk yarn (60×1) April delivery, after spurting from Rs. 1,527 last week to Rs. 1,540 on Monday, dropped to Rs. 1,524 today. Spot yarn (60×1) receded from Rs. 8.19 on Monday to Rs. 8 today. National Rayons 150 bright cones first grade declined by 3 nP to Rs. 4.28. 120 bright cones first grade eased by 7 nP to Rs. 4.45. Among foreign yarns, spot 120 Japan rose by 10 nP to Rs. 4.91 before closing at Rs. 4.87 today. In the earlier sessions, 150 Japan moved up from Rs. 4.90 to Rs. 4.97. Today, however, it receded to Rs. 4.94. 120 Italy, after rising from Rs. 5 to Rs. 5.06. eased to Rs. 5. 150 Italy shed 6 nP to Rs. 5.25.

Staple fibre yarns (40×2) April delivery was done at Rs. 626. Spot 40×2 Citys were quoted at Rs. 3.19 and Centurys at Rs. 3.22. Among foreign yarns, Fujis shed 3 nP to Rs. 8.25. Paramounts put on 5 nP to Rs. 7.87.

Cotton yarns were dull. Ten counts Moderns were quiet at Rs. 13.37 and Podars at Rs. 12.19. Among twenty counts, Hinds were unchanged at Rs. 16. as also Seksarias at Rs. 15.50. Forty counts Moderns changed hands at Rs. 26, same as last week, while Minaxis came down by 25 nP to Rs. 25.31. Among sixty counts, Raghuvamshis were stagnant at Rs. 55, as also Finlays at Rs. 65. Eighty counts Finlays were dull at Rs. 81. Citys were on offer at Rs. 67.

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

	4-3-59	25-2-59
Art silk yarn—		
60/1 Cupressa Bamberg February }	Rs.	Rs.
" April }	—	1,580
(per case of 200 lbs.)	1,524	1,527
60/1 Cupressa Bamberg spot (per lb.)	8 00	8.06
120 Japan (per lb.)	4.87	4.81
150 Japan (per lb.)	4.94	4 90
120 Italy (per lb.)	5 00	5 00
150 Italy (per lb.)	5.25	5.25
Staple fibre yarn—		
40×2 February (per case of 200 lbs.)		604 00
40×2 April.. (— Do —		617 00
40×2 Kohinoor (per lb.)	—	3.32
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12 19	12.19
20s Moderns	16 25	16 25
40s Minaxi	25 31	25 56
60s Finlay	65 00	65 00
80s City	67 00	67 00

N. B.—Today's closing rates for art silk and staple fibre yarns are on the basis of revised rates of excise duty.

OILSEEDS QUIETLY STEADY

(From Our Own Correspondent)

BOMBAY, *4th March*

Barring cottonseed futures, the oilseeds market witnessed quietly steady conditions, with price movements restricted to a narrow range. The spectacular rally in cottonseed was induced by the operations of Akola and Ahmedabad interests and the strength in the cotton market. All other seeds managed to hold the ground, primarily on account of the paucity of stocks and good domestic demand. Export advices too were by no means discouraging. Groundnut and Cotton February 1959 contracts, it may be noted, went off the board at the close of the month.

The Central budget and the meeting of the Export Promotion Advisory Council provided the two important developments during the week under review. The latter did not indicate any specific measures of promotion of exports of vegetable oils. The budget, however, caught the attention of the traders, and prices tended to react slightly; but this impact was short-lived. The budget proposals stipulated an increase in the excise duty levied on the vegetable product from Rs. 7 per cwt. to Rs. 8.75 (with corresponding adjustment in the exemptions in favour of small producers), and the withdrawal of the concession which had been granted on all power-driven units producing vegetable non-essential products. The increase in excise duty is expected to yield Rs. 95 lakhs. Vegetable non-essential oils were first subjected to excise in 1956, but some preference to medium and small-scale producers was given by exemption of production up to 125 tons per annum on a slab basis. In 1957, the free slab was brought down to 75 tons and lower rate of duty levied on production between 75 tons and 125 tons. These concessions have been reviewed and it is now proposed to withdraw the exemption from all power-driven units and limit the concessional levy to only the first 75 tons of production. These changes, which will be made by notification and will not affect village *ghanis* in any way, are expected to yield Rs. 4.4 crores. The budget proposals had virtually little effect on the market.

The groundnut section, though it was subdued slightly in the immediate post-budget session, made a gradual recovery, thanks to sustained support given by crushers and *vanaspathi* manufacturers. Their stocks, it is believed, are fast getting exhausted. They were reluctant to replenish their stocks for some time past when prices ruled unduly high. The paucity of stocks and the tight supply position in the ready section also acted as bullish factors. Groundnut May 1959 contract, which closed at Rs. 178.00 last week-end on a quietly steady note, moved irregularly with a bearish undertone till Monday when it touched Rs. 178.50 on lack of selling and some support. The contract improved further to close today at Rs. 179.87. Bold ready, which stood at Rs. 35.75 last Wednesday, moved down by 25 nP on the following day but gained strength subsequently to wind up the week at Rs. 36.12. Oil ex-mill improved from Rs. 18.62 to Rs. 18.69 over the week.

Trading in castorseed was also featureless. The pressure of arrivals in Hyderabad and crop movement in Gujerat during the early part of the week pushed down the values. But before long, it found itself well supported by speculators, thanks to reports of business deal in castor oil with the countries of the communist block. Castorseed May 1959 contract sagged from Rs. 155.25 to Rs. 154.12 on Saturday only to improve later and finished today's session at Rs. 155.37. Ready Madras, after fluctuating between Rs. 30.25 and Rs. 29.81, closed with a loss of 6 nP over the week at Rs. 30.19. Oil B.S.S. too lost 6 nP over the week when it wound up the week at Rs. 16.37.

The linseed section witnessed listless conditions. There were rumours of some business having been done with Australia. Excepting this, there was hardly any helpful development. Linseed May 1959 closed today at the same level as on last Wednesday at Rs. 32.31. Bold ready moved down by 12 nP over the week to Rs. 32.50. Oil too sagged from Rs. 16.75 to Rs. 16.19. The cotton market, in contrast, was characterised by distinctly buoyant conditions. The increase was mainly due to speculative support. Cottonseed May 1959 steadily improved from Rs. 119.75 to Rs. 126.50. It, however, drifted lower today to Rs. 126.00.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	4-3-1959	25-2-1959	18-2-1959
Groundnut	Rs.	Rs.	Rs.
May 1959	179.87	178 00	178.75
Bold ready	36.12	35.75	35 50
Coromandel ready	36 50	36.12	36 00
Khandesh quality	36 25	36 12	36 00
Oil ex-mill ready*	18 69	18 62	18 37
Railway receipts*	18 62	18.44	18.31
Castorseed			
May 1959	155.37	155.25	156 50
Ready Madras	30 19	30 25	30 12
Ready Kanpur	29 00	29 25	29 00
Oil B.S.S.†	16 37	16.44	16 25
Oil commercial†	15.37	15.50	15.31
Linseed			
May 1959	32 31	32 31	32 69
Bold ready	32 50	32 62	33 50
Oil ready†	16.19	16 75	16.62
May 1959	126.00	119.75	123.00
Cottonseed			
Niger seed	23.50	23.75	23.50
Kardi seed	21.75	21.75	21.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR RECOVERS

(From Our Own Correspondent)

BOMBAY, *4th March*

Welcome news to the sugar market this week was the absence of upward revision in excise duty on sugar in the Central Government budget for 1959-60. Since the market had risen earlier on rumours of such an upward revision, the immediate reaction to the budget on Monday the 2nd inst. was a drop of about a rupee per bag in both spot and *ex*-mill quotations. Subsequently, however, the market firmed up, following reports from Kanpur and Muzaffarnagar that the premium over the controlled *ex*-factory prices of E and D grade sugar had risen from 50 nP to Re. 1 per maund, as a result of better demand, owing to the imposition of excise duty on *khandsari*. The recovery, however, was not marked enough to make up for the earlier losses, so that today's rates are lower than those prevailing a week ago.

Arrivals of sugar by rail during the week were quite appreciable; they aggregated 33,120 bags, as against 10,820 bags in the previous week.

Large grain sugar dropped a rupee to Rs. 114-Rs. 117 per bag. Medium grain declined by 50 nP to Rs. 112-Rs. 113.5. Small grain was unchanged at Rs. 110-Rs. 111.50.

PEPPER RALLIES

(Messrs. Parekh and Co.)

BOMBAY, *4th March*

The initial shock as a result of the enforcement of the margin system on the forward ring at Cochin having been absorbed, Malabar black pepper showed reviving tendency. Ready ungarbled at Cochin improved from Rs. 712.50 to Rs. 737.50 and garbled spot rallied to Rs. 125. March and May delivery also rose to Rs. 126. Calicut, on the other hand, softened to Rs. 775 for want of demand. At lower level, however, some of the exporters came out to buy, as Tellicherry pepper commanded premium over Alleppey both in Italy and the U.S.A. Tellicherry spot in New York is being quoted at $0.28, as against Alleppey at $0.26.

Sarawak white at Singapore rose to a new high level of Str.$159, and black to Str.$84, despite the advance of freight rate from Singapore to New York from $60 to $70. Lampong at Djakarta was quoted at Rupias 1,250. News of a tough line adopted by the British Prime Minister on the question of the peace treaty with Germany on Berlin during his talks with Mr. Khrushchev proved a supporting factor to pepper markets the world over, pepper being a very sensitive commodity.

Spot Malabar in New York improved to $0.26½ as Singapore withdrew its lower offers for Lampong and became reserved seller.

Looking to the statistical position of Malabar pepper all over the world, the fixing of lower rates of Malabar by the Forward Markets Commission for the sake of enforcing margin at Cochin is said to be unwarranted and is detrimental to the growers, inasmuch as pepper for inland consumption is a luxury. Some of the analysts opine that pepper should be allowed free play according to the laws of supply and demand. The following is today's nominal quotation:—

Ready delivery Rs. 103 per Bengal maund.

DEMAND FOR TEA DUSTS IRREGULAR

(From Our Own Correspondent)

CALCUTTA, *3rd March*

Tea trade circles have welcomed the reduction in the excise duty by 4 nP per lb. for teas grown in certain parts of Darjeeling and the Nilgiris, but, after adjustment to the duties in Zones III-A and III-B the effect of the changes will be additional excise revenue to the tune of Rs. 58 lakhs. These changes would lower the export duty, and the net effect of the changes in the excise and export duties will be a revenue loss of Rs. 35 lakhs to Government. Spread over the entire industry, the benefit is so small to have any effect.

It was regretfully noted that the Finance Minister had not been sympathetic to the industry's plea, particularly from the Assam area, and that the budget proposals were silent on the question of further relief to common teas, especially in the background of increased production. However, it was hoped that the duties on tea would be reviewed by the Government of India.

The question of according further relief to tea would no doubt depend on the findings of the Committee, headed by Mr. Satish Chandra, the Deputy Minister of Commerce, recently formed to look into the industry's working *vis-a-vis* exports. This Committee would also examine the recent demand put forward here to reorganise the system of tea warehousing, with a view to reducing foreign influence on the same. The Assam Government is naturally worried about the threatened closure of some gardens for economic reasons. The Committee would study the Assam Government's desire to take over such gardens. When working of uneconomic gardens is a problem to commercial houses, it is not seen here as to how Government machinery would be able to work such commercially uneconomic gardens without loss to the nation, and without reduction of tax burdens on such gardens.

The demand in London sales has not abated, although this cannot be said as regards common teas. The average price fetched last week was 50.22d. per lb., as against 49.6d. in the previous week. Stocks in London during the week ended 20th February were higher at 171 million lbs., as against 170 million lbs. in the week previous. The weaker trend in last week's Colombo auctions was attributed here to the publication of the 1958 tea output figure, which at 413 million lbs. touched an all-time high, and compared with 398 million lbs. for 1957. In 1958 Ceylon exported to the U.K. 161 million lbs., said to be the highest in the last decade and a half.

The strong feature during last week's internal sales was Darjeelings, which advanced notably above valuations. Excepting for this feature, demand was irregular and rates eased. Dusts offered amounted to 20,784 chests. In the C.T.C. group, the good and best liquoring sorts were firm and occasionally realised higher rates, while the poorer and medium C.T.Cs eased by 10 nP. By the time sales ended, the balance of C.T.C. on offer had to be withdrawn, there being no demand. Orthodox teas in powdery form were subjected to competition, but the remainder of this manufacture fell by 4 nP. Legg-cut Dooars recorded a decline of 4 to 6 nP. The quotations, exclusive of excise duty, per lb. were: best Assam C.T.C. Rs. 2.20 to Rs. 2.90 (nom.), medium Assam C.T.C. Re. 1.85 to Rs. 2, medium Assam grainy Re. 1.74 to Re. 1.78, and medium Dooars Re. 1.80.

Leaf grades on offer amounting to 2,089 chests met with an easier tendency, though demand was fair.

Export quota changed hands at 1½ nP before rising to 1¾ nP.

Sales at Chittagong for the current season came to an end with the sale No. 18 held on 25th February, when offerings amounted to 16,138 chests leaf and 5.540 chests dusts besides a supplement of 551 chests. Prices of all teas were lower, but those of the inferior varieties fell more markedly than those of the quality teas. In the leaf market, prices of broken grades and fannings gave way to lower levels, although earlier during the sale, demand for both these varieties was strong. There were some withdrawals of the commonest and poorly-made whole leaf grades which were difficult to find bidders even after the price had lost by As. 5 to As. 6. Among green teas on offer amounting to 834 chests, the unpolished grades rose by ¼ anna to As. 3, but the polished lots eased by an anna to As. 2. The quotations in lb. were: B.P.S. Rs. 2-10-6. O.P. Rs. 2-10 to Rs. 2-10-6, B.P. Rs. 2-9. P.F. Rs. 2-8-6, O.P. Rs. 2-4-6, and Pekoe Rs. 2-3.

In dusts, plain Sylhets could be quoted at Rs. 2-9 per lb. With the progress of the sale, there was more demand, and a good portion of the earlier loss, amounting to As. 5 per lb., was erased.

TEA PRICES IMPROVE

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

COCHIN, *26th February*

The offerings in Sale No. 8, which was held on Tuesday, 24th February amounted to 636,954 lbs. High grown teas again showed a very useful seasonal improvement in quality, with a number of very flavoury teas on offer. The sale opened to a strong general demand particularly for the best liquoring high growns which advanced in price following quality. Others were fully firm and occasionally up to 5 nP dearer, although plain teas were fairly steady. Whole leaf teas were the weakest feature of the sale, and were difficult to sell. A few lines of tippy teas sold at easier rates. The quotations are: Low medium Re. 1.60 to Re. 1.70; medium Re. 1.85 to Rs. 2.25; good medium Rs. 2.40 to Rs. 2.80 and quality Rs. 3.20 to Rs. 5.45.

The average price realised in Sale No. 8 was Rs. 2.65 per lb., as against Rs. 2.48 in the previous sale and Rs. 2.35 in the corresponding sale of 1958.

Dust Sale 'D'.—The quantity on offer in this sale which was held on Thursday, 26th February was 608,491 lbs. The slightly larger sale opened to a good general demand. The quality and appearance generally showed an all-round improvement. In spite of this, all teas were sold irregularly 5 to 10 nP lower on last rates, the sole exception being the better liquoring teas which were steady.

London Market: Sale of 23rd February 1959.—Strong demand and generally dearer for everything, except some plainer fannings.

Sale of 24th February 1959.—Firm to dearer.

Colombo Market.—Quality irregular. Rather less demand. High grown brokens decline 30 to 50c., mediums down 10 to 20c. and low growns about 5c. lower.

Sale of 24th February 1959.—Active demand. Useful liquoring sorts with improved quality appreciably dearer. All others firm.

Calcutta Market: Export.—62,700 export. Good, but less general demand. Teas for price about steady. Plain brokens and fannings showed easier tendency and were generally 2 to 4 nP easier. Medium fannings were 4 to 6 nP easier. Orthodox B.O.Ps were easier, except brightest. Any good C.T.C. dearer, but poorer C.T.Cs up to 10 nP down. Whole leaf often easier.

Internal.—21,000 dust. Good general demand at easier rates. Orthodox about 4 nP easier, except small powdery types which were steady. Poor C.T.C. up to 10 nP easier. Good and best C.T.C. irregular and sometimes dearer. Darjeelings strongly supported.

Export Quota.—The market has remained steady throughout the week, but business has been transacted at 1¾-1¾ nP. There are buyers at 1¾ nP and sellers at 1¾ nP.

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

"*Sale* 9.—700,000 lbs. Quieter market, less demand, particularly for low medium and medium sorts, which are easier. Best Liquoring about steady."

JUTE GOODS PICK UP

(From Our Own Correspondent)

CALCUTTA, *3rd March*

The absence of any proposal in the budget for 1959-60 to reduce the export duty on raw jute or abolish it was a great disappointment to the market Earlier in the week, business in raw jute became livelier in anticipation of rumours in this regard, and, although there was no price variation, sellers refused to enter into commitments. The rumour did not, however, materialise, and since Saturday last the market ruled quiet. These were merely rumours, circulated by interested quarters. That these lacked foundation was clear to the more prudent in the market, because it was only a couple of weeks ago that the Minister for Commerce had stated in Parliament that the Government had no proposal to abolish the duty and, that, if the balers selected by the State Trading Corporation failed to export, the Government would as well take care of the matter. In the meantime, it was announced here that, with effect from 26th February up to 30th June, the rate of freight for jute cuttings and butts stands reduced to 122.6d. per 40 c.ft. net Calcutta/East Coast Canada, and to $(U.S.) 18.50 per 40 c.ft. net Calcutta/the United States. In view of the rumours on export duty, shippers showed no interest, and, although the uncertainty has now been removed, it is thought that the duty will prevent expansion of business. This is especially so because of stiff competition from Pakistan.

Earlier in the week, mills continued to show interest in mesta varieties, and traders thought that, in view of this year's keen demand for mesta, albeit at low prices, the cultivation of mesta would be extended. Also mesta plants need less care than the superior varieties. However, mills had earlier complained that retting of mesta in this season had been far from satisfactory and pointed out that a little more care at retting time would be insisted upon in order that the fibre would be cleaner in future.

In jute goods, during the week under review, there was good amount of covering for ready positions, and fair business was done in ready hessian by buyers on behalf of the United States and the United Kingdom. The earlier steadiness in hessian followed when the details of the U.S. burlap consumption in 1958 were received. In January, consumption was as high as 75 million yards, which was 1 million yards and 4 million yards higher, respectively, compared to December 1958 and January 1958. Subsequently, reports from New York indicated dullness, following consumer reluctance to enter into new commitments in the absence of price-stabilisation in the primary markets. There were forward deals done with foreign buyers, mainly Australian and Egyptian, in sacking goods. Meanwhile, the report of the State Trading Corporation having entered into a barter deal with North Korea for supplying it 1 million jute bags was cheerfully noted. Covering in ready goods soon followed.

The week commenced on a steady note, following good covering demand. Ready B. twills spurted to Rs. 88.70 on Tuesday last from Rs. 88.15 in the previous day. The gain in 40" 10 oz. hessian was more marked at Rs. 39, as against Rs. 37.75 the day previous. Subsequently, mills also put through deals in the forward position. However, there was a slowing-down of interest in the futures market, reflecting which ready B. twills gave way to Rs. 88.30 on Wednesday, while hessian 40" 10 oz. was unchanged, but steady, at Rs. 39. On the following day, prices were affected following reports from New York that buyers there were marking time. Hessian 40" 10 oz. sagged to Rs. 38.65 and B. twills to Rs. 88.10. The lower levels attracted short covering and B. twills made a partial recovery on Friday to Rs. 88.35. The recovery in hessian 40" 10 oz. at Rs. 38.80 was more impressive. At this stage, the budget was keenly awaited, in view of rumours about the abolition of the export duty on fibre. A hardening tendency in prices of goods followed and over the week-end hessian 40" 10 oz. was better at Rs. 38.90 and B. twills at Rs. 88.50. There was soon good amount of covering business in the forward positions, and yesterday there was an improvement in prices, with hessian 40" 10 oz. quoting at Rs. 39.20 and B. twills at Rs. 88.90.

The futures market was featureless. May hessian 40" 10 oz. closed lower on balance at Rs. 37.66, as against the week's opening at Rs. 37.68. At one time the quotation reached a low of Rs. 37.48. May B. twills opened at Rs. 89.15 and soon sagged to Rs. 89 to close higher at Rs. 89.70. March Assam bottoms were earlier quoted at Rs. 20.18. After slipping down to Rs. 19.94 they closed at Rs. 20.14.

Earlier, the fibre market was dull and uninteresting, but rumours regarding the duty imparted some steadiness. However, mills showed little interest, and there was no news from New Delhi regarding Government's decision in advancing funds to mills to enable the latter to increase their raw jute purchases. Over the week, Bimli f.a.q. scored to Rs. 18.25 from Rs. 17.75 and Daissee mesta to Rs. 18 from Rs. 17.25. Jungli was unchanged at Rs. 17.50, as was Daissee at Rs. 21.75, and Assam bottoms at Rs. 20. The latest quotations for the different varieties in March-April delivery positions are:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	29.50	26.50
Northern	29.50	26.50
Indian		
Northern	22.75	19.75
Assam	23.00	20.00
Orissa	24.50	21.50
Desal	21.50	19.00
Murshidabad	20.25	17.75
Jungli	20.00	17.50
Daissee	24.25	21.75
Uttar Pradesh	20.00	17.50
Daissee mesta	20.50	18.00
Bimli f.a.q.	.. ..	Rs.18.25
Pucca bales 1st marks ..	.. Rs. 152.50 per bale ready	

HIDES STEADY

(From Our Own Correspondent)

KANPUR, *2nd March*

During the week under review the condition of the local hides and skins market was steady. Fresh supplies were ample and the main purchasers were the local tanners and Madras dealers. With the end of the extreme cold weather the volume of goods from butcheries has started falling a bit. The Madras dealers, usually interested in very light cows, goat and sheep, were not as active during the week, as during the week previous. The latest quotations are as follows:—

Wet salted cow 1st grade at Rs. 415, 2nd grade at Rs. 390 and 3rd grade at Rs. 350 per score; wet salted buff 1st grade at 2 lbs. 1 oz. and 2nd grade at 2 lbs. 3 ozs. per rupee; goat 1st grade at Rs. 400 and 2nd grade at Rs. 375 per 100 pieces; sheep 1st grade at Rs. 350 and sheep 2nd grade at Rs. 300 per 100 pieces.

REVISION OF CO-OPERATIVE LAW

(Concluded from page 367)

bility and individual initiative in the co-operatives. It is suggested that the State Government should quietly sit back when the moneys invested by it with a definite purpose in view are spent by the co-operatives in the way they liked?

The powers given to the Registrar under the Model Bill to settle disputes pertaining to co-operatives constitute another important target of criticism by the Indian Co-operative Union. Co-operative societies being associations of poor farmers, artisans and the like, the view is widely accepted that any disputes arising as between the members or as between the members and the society should be disposed of in an inexpensive and expeditious manner. Any person who has knowledge of the inconvenience, expense and delay that litigation in Civil Courts involves would shudder to think of dragging the co-operatives to Civil Courts for purposes of settling their disputes.

It will be recalled that the Rules under the Act of 1912 themselves have provided for arbitration by the Registrar in any dispute touching the business of any society. The Madras Act, for example, has provided for compulsory arbitration in the substantial part of the Act, and has completely banned the jurisdiction of civil courts in disputes pertaining to the co-operatives. As Calvert has stated, this was very much like the English Law. The Friendly Societies Act, for example, "directs that disputes *shall* be decided in the manner directed by the rules of the society and the decision so given shall be binding on all parties without appeal and shall not be removable into any court of law or restrainable by injunction." Thus, what the Model Bill has provided by way of barring the jurisdiction of Civil Courts to disputes in the business of co-operatives is nothing new. The case for such powers is further strengthened by the number of disputes submitted for arbitration every year. In Bombay, for example, the total number of arbitration cases filed during the year 1955-56 was 22,727. The Annual Administration Report notes that, while the number of cases outstanding was on the decline, the amount involved thereunder showed an increase of Rs. 28 lakhs to Rs. 150 lakhs, as compared with the previous year. During the year 1956-57, again, the number of such cases filed was 11,207.

The Administration Report of Madras for the year ending 30th June 1953 noted that 61,103 arbitration references were entertained by the Deputy Registrars during the year. Further, disputes between the societies and their committees or office-bearers, past or present, numbered 1,291 during the same year. The number of arbitration cases entertained during 1955-56 was, again, 40,258, while those pending at the beginning of the year were 20,000. These figures themselves speak of the magnitude of the problem of disposing of disputes arising from the co-operatives, and emphasises the need for their quick but just disposal.

In fine, the powers that are sought to be vested in the Registrar by the Model Bill drawn up by the Committee on Co-operative Law are no more than what are necessary to enable him to carry out his responsibilities efficiently in the present context. To say that the proposed provisions would "subvert the sovereignty of the people" "bestowed" by the Constitution is to condemn several enactments now in force, including certain Articles of the Constitution, as being contrary to democratic principles. Furthermore, in advocating complete freedom to co-operatives, the Union seems to be unwittingly speaking for the managements of co-operatives and for the political and other factions that seek to make use of co-operatives, for their own benefit, and not for the millions of members. Members are among the last people to favour a free hand being given to the managements of co-operatives. The Union will do well to reconsider its position *vis-a-vis* the Model Bill prepared by the Committee on Co-operative Law, in the light of a more comprehensive appraisal of the present conditions and requirements.—*All Rights Reserved.*

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 27th Feb., 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	56,77,93,000
(2) Other Governments	24,41,90,000
(b) Banks	76,55,39,000
(c) Others	115,66 40,000
Bills Payable	20,05,17 000
Other Liabilities	38,92,12,000
Rupees	445,38,97,000

Assets	Rs.
Notes	25,23,72,000
Rupee Coin	1,45,000
Subsidiary Coin	3,94,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,21,74,000
Balances held abroad*	32,94,86,000
Loans and Advances to Governments†	22,49,43,000
Other Loans and Advances	86,12,62,000
Investments	261,36,79,000
Other Assets	11 94 42,000
Rupee	445,38,97,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 5,75,31,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	25,23,72,000	
Notes in circulation	1654,63,15,000	
Total Notes issued		1679,87,27,000
Total Liabilities		1679,87,27,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		132,65,46,000
Government of India Rupee Securities		1251,44,89,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1679,87,27,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	20th Feb., 1959	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1659.49	1668.14	1623.87	1546.01
Notes held in Banking Department	35.05	20 01	10.84	12.99	24.11
Foreign Securities	59.50	178 01	178.01	164.68	245.54
Rupee Securities	37.39	1251.45	1251.45	1219.81	1076.82
Banking Department					
Deposits of:					
Government of India	14.39	61.44	65.82	55.23	51.01
Other Governments	..	19.31	21.99	42.00	16.73
Balances held abroad	10.06	33.47	28.12	33.36	31.75
SCHEDULED BANKS					
Demand Liabilities	134.36	724.80 (19 02)†	712.60 (17.45)†	728 82 (25.21)†	729.62 (14 01)†
Time Liabilities	102.24	924 70 (23.53)†	919.93 (22.93)†	899 13 (23.37)†	724 97 (15.85)†
Borrowings from Reserve Bank	..	23.57 (5.62)‡	42.27 (5.53)‡	29.96 (4.83)‡	27.10 (24.10)‡
Borrowings from State Bank	..	11.80	12.74	10 03	8.59
Cash in India	6.70	40.71	42.33	40.09	37.49
Balances with Reserve Bank	25.17	70.50	70.11	67.83	69.28
Excess over statutory limits	15.52	15.77	16.08	13.41	18.30
Balances with other banks in current account in India	..	13.06	13.14	13.51	11.73
Money at call and short notice in India	..	35.47	34.33	39.01	39.89
Investments (at book value)	..	614.77	617.32	634 24	433.37
Advances and bills	105.9	952.33	946.44	909.04	927.01
STATE BANK					
Deposits	87.76	487 85	480.80	473.88	407 51
Investments	51.99	274 91	276.27	285.07	183.57
Advances	30 35	193 44	193.37	178.93	201 57
Cash	14 69	29 16	31.71	25.94	33.85

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3 50	6
Austria	17th Nov., 1955	4 50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	.. .. ..	4.03	4.32
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	5th Feb., 1959	4½	4¼
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4¼
Italy	7th June. 1958	4	3 50
Japan	Sept., 1958	7.67	7.30
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2¾
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan., 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	23rd Oct., 1958	2	2½
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 27th Feb., 1959

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		493,12,46,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		6,94,62,000
Bills for Collection being Bills Receivable as per contra		2,45,12,000
Acceptances, Endorsements and Other Obligations per contra		1,11,98,000
Other Liabilities (including Inter-Office Adjustments)		2,50,61,000
Total .. Rs.		518,77,29,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		33,25,05,000
Balances with other Banks		2,51,49,000
Money at Call and Short Notice		2,13,33,000
Investments:		
Government and other Trustee Securities	262,07,33,000	
Other Authorised Investments	11,50,88,000	
		274,48,21,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	182,65,14,000	
Bills Discounted and Purchased	13,80,63,000	
		196,45,77,000
Bills Receivable being Bills for Collection as per contra		2,45,12,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,11,98,000
Premises less Depreciation		1,22,40,000
Furniture and Fixtures less Depreciation		99,08,000
Other Assets (including Inter-Office Adjustments)		4,14,86,000
Total .. Rs.		518,77,29,000

Scheduled Banks*

Statement of Affairs for the week ended 20th Feb., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	19,02,08,000
(ii) Other demand liabilities	705,77,52,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	23,53,20,000
(ii) Other time liabilities	901,16,94,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	11,60,25,000
(ii) Time liabilities	20,00,000
Borrowings in India from the Reserve Bank of India‡	28,56,86,000 (5,61,81,000)
Cash in India	40,70,61,000
Balances with the Reserve Bank in India	70,49,81,000
Balances with other banks in current account in India	13,06,16,000
Money at call and short notice in India	35,46,70,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	614,76,63,000
Advances in India	815,60,61,000
Inland Bills purchased and discounted in India	99,12,16,000
Foreign Bills, purchased and discounted in India	87,90,36,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Per cent.	Rs.
6th to 29th Nov.*	0.50	—	0.50	2.376	99 406
2nd December	3.00	4.55	3.00	2.423	99 390
3rd to 6th Dec.*	0 65	—	0.65	2 356	99 411
9th December	3 00	3.95	3.00	2.420	99 390
16th December	3.00	3.60	3.00	2.445	99.385
1959					
6th January	3.00	3 05	3 00	2.460	99 385
13th January	2 00	2.05	2.00	2.470	99.380
20th January	2.00	2.05	2 00	2.490	99 375
27th January	2 00	2.05	2 00	2.500	99 375
3rd February	2.00	2.10	2.00	2 559	99 360
4th to 7th Feb.*	0 50	—	0 50	2.496	99 376
10th February	2 00	4.19	2 00	2.530	99 365
17th February	2 00	2.30	2.00	2 559	99 360
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2 00	2.10	2.00	2.625	99.340
Total amount outstanding	29.65	..	29.65	..	..

* Intermediate Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 20th Feb., 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3.00 00 000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	86,75 39,000
(b) Provincial Governments	50,82,000
(c) Banks	13,58,42,000
(d) Others	5,95 94,000
Bills Payable	19 77,000
Other Liabilities	13,79,10 000
Rupees	126,79,44,000

Assets	Rs.
Notes	10,86,86 000
Rupee Coin	65,000
Subsidiary Coin	84,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	3,90,000
Balances held outside Pakistan*	20 21 06,000
Loans and Advances to Governments	3 27,00,000
Provincial Governments' Debtor Balances	8 37,26 000
Other Loans and Advances	12,75,50,000
Investments	62 26 68,000
Other Assets	9,00,29,000
Rupees	126,79,44,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	10,86,86,000	
Notes in circulation	345,85,29,000	
Total Notes issued	....	356,72,15,000
Total Liabilities	....	356,72,15,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
		117,53,32,000
B. Rupee Coin	4,18,06,000	
Government of Pakistan Securities	229,09,81,000	
Internal bills of exchange and other commercial paper	....	
		233,28,77,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	356,72,15,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.52 per cent.

EXCHANGE RATES

		3rd March 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 63/64	1-5 63/64
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476 25	476 50
Buyers T.T.	Rs.	472 75	473 00
London on New York	$	2.81-2.81 13/100	2.81-2 81 3/50
London on Paris	Fcs.	13 78	13 76½
London on Berne	Sw. Fcs.	12 14¾-12 15	12 12¼-12.12½
New York on London	$	2.81 1/16 2.81 1/8	2.81-2 81 1/8

CLEARING HOUSE RETURNS

Centre	Week ended 27th February 1959 Number of Cheques	Amount Rs.	Week ended 20th February 1959 Number of Cheques	Amount Rs.
Bombay	331,123	80,33,76,000	331,708	77,63,52,000
Calcutta	182,000	68,88,00,000	187,000	72,97 00,000
Madras	92,746	11,07,68,882	93,608	10,89,68,600
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54 60,00,000
Sept.	..	..	3,537,000	8 03,69,00,000
Oct.	..	..	3,922,000	7,96,89,00,000
Nov.	..	..	3,528,600	7,73,01,00,000
Dec.	..	..	4,035,000	8,87,34,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952 53 = 100)

Particulars	Weight	14th Feb., 1959	7th Feb., 1959	15th Feb., 1958	January 1959	January 1958	Percentage of Increase (+) or Decrease (—) in Jan., 1959 as compared with Jan., 1958	Annual Average 1958	1957
Food Articles	504	116 8	117 3 R	100 8	114.3	102 5	+11.5	112 0	106 8
Cereals	192	105 9	107 2 R	94 4	105 2	96 9	+ 8.5	104.7	101.7
Pulses	43	126 0	127 3 R	75 5	117 2	80 1	+46.2	94.0	84 5
Fruits and Vegetables	23	116 1	114.3 R	94 5	113 6	93 7	+21.1	111 9	116 8
Milk and Ghee	84	107 0	103 8	99 9	103 5	98 8	+ 4.7	106 2	103 8
Edible Oils	47	121 5	122.9 R	116 9	118 6	118 9	— 0.3	123 2	128 3
Fish, Eggs and Meat	17	107 7*	108 6 R	98 7	109 2	99 3	+ 9.9	106 9	96 6
Sugar and *Gur*	48	125 7	131.2	110 1	126 6	109.4	+15 7	122.8	104 6
Others	50	157 7	155 8	128 3	151 0	132 6	+13 8	145 7	132 0
Liquor and Tobacco	21	105 0	105 9	96 7	103 5	96 4	+ 7 3	93 7	91 8
Tobacco	—	104 0	104 9	95.2	102 4	94 9	+ 7 9	92 0	90 1
Fuel, Power, Light and Lubricants	30	115 2	115 3 R	114 4	114 8	113 6	+ 1 1	115 2	111 5
Industrial Raw Materials	155	116 1	116 9	112 0	114 1	113 6	+ 0 4	114 8	118 1
Fibres	61	108 4	108 7	112 6	106 8	115 1	— 7.2	109 4	119 8
Oilseeds	60	127 0	129.2	112 2	123 8	114 1	+ 8 5	123 6	122 4
Minerals	2	103 6	103.6	109 3	106 6	107 1	— 0 5	106 9	108 5
Others	82	111 0*	110 4*	110 4	110 3	110 2	+ 0 1	108 9	107 3
Manufacture	290	108 4	108 6	107 6	108 4	107 7	+ 0 8	108 2	108 0 R
Intermediate Products	41	110 8	110 6 R	105 4	110 5	106 7	+ 3 6	109 4	108 5 R
Finished Products	249	108 0	108 3	107 9	108 0	107 9	+ 0.1	108 0	107 9 R
Textiles	147	101.6	102.0	106.4	101 9	106 0	— 3.9	104 3	107.9
Cotton	—	111.2*	110.8*	116 9	110 4*	115 8	— 4.7	113 0	116 3
Jute	—	81.7	84.4	87 8	85 4	90 1	— 5.2	87.7	97.7
Woollen	—	105.9	105.9	103 0	105 9	103 0	+ 2.8	104 9	102 1
Silk and Rayon	—	91 5*	91.5*	89 9	91 1*	86.7	+ 5 0	92.5	85.9
Metal Products	12	143 3	143.9	143 4	143 1	143 4	— 0.2	143 1	138 2 R
Chemicals	20	111 1	111 0 R	99 2	111.3	99.1	+12 3	104 0	97 6
Oil Cakes	10	148 0	149.7*	111 0	144 1	118 0	+22.1	128 6	114.7
Machinery and Transport Equipment	31	104 7	104.8	102 5	104.4	102 4	+ 1 9	103 2	101.2
Others	30	113 7	113.7	111 8	114 1	111 6	+ 2 2	113 2	107.7
All Commodities	1,000	114 0	114 4 R	104 8	112 3	106 0	+ 5.9	111 0	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series.

[1952-53 = 100]

Group and Sub-Group	Week ended 21st Feb., 1959	14th Feb., 1959	24th Jan., 1959	22nd Feb., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	100 6	100.7	100 7	98.4
2. Government of India	100.5	100 5	100.5	98 2
3. State Government	102.2	102 2	102.2	100 2
4. Municipal, Port Trust, etc.	99 6	99.5	99.4	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total**	101 5	101 5	101 3	98 9
6. Plantations	99 9	99.9	99.9	100 0
7. Coal	99 6	99 6	99 6	99 6
8. Sugar	99 0	99 0	99 0	98 4
9. Cotton Textiles	99.0	99 0	99 0	97 3
10. Jute Textiles	91.6	91 6	91 5	94 0
11. General Engineering	102 0	101 8	101.7	97.0
12. Electricity Generation and Supply	97 2	97 3	97 2	96 5
13. Others	104 6	104 5	104.2	100 8
PREFERENCE SHARES—ALL INDIA.				
14. **Total**	88 3	88 1	87.7	86.1
15. Plantations	97 2	97 4	97 2	100 0
16. *Mining & Quarrying: Total*@	86 4	86 4	88 1	84 9
17. Coal	80 9	80 9	80 1	75 1
18. *Processing and Mfg.: Total**	88 4	88 2	87 9	86 0
19. Sugar	90 8	89 0	88 8	90 9
20. Cotton Textiles	77 4	77 7	78 2	83 8
21. Jute Textiles	80 9	80 9	81 3	71 2
22. Iron and Steel	91 8	91 6	91 1	88 0
23. General Engineering	100 4	100 3	100 2	101 0
24. Basic Industrial Chemicals	87 0	86 6	85 1	83 1
25. Cement	98 6	98 4	99 4	97 7
26. Paper	86 0	85 8	83 8	84 1
27. *Other Industries: Total**	85 4	84.8	83 9	82 4
28. Electricity Generation and Supply	85 2	84 6	84 1	85 6
29. Trading	83 6	82 5	82 0	73 1
30. Shipping and Other Transport	91 1	91.1	85 0	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. **Total**	138 1	138.3	138 3	122 4
32. *Agriculture and Allied Activities: Total**	147 8	146 9	144 9	135 5
33. Tea Plantations	143 6	142 5	139 9	132 9
34. Coffee Plantations	182 5	182 4	190 1	175 8
35. Rubber Plantations	155 2	153 5	147 9	126 0
36. *Mining and Quarrying: Total*	136 6	136 5	139 0	117 1
37. Coal	111 1	110 6	109 2	91 8
38. Other Mining	154 1	154.3	159.4	134 5
39. *Processing and Manufacturing: Total*	136 5	136.7	136.7	120.8
40. *Processing and Mfg. (Food† stuffs, Textiles, etc.): Total**	124 2	124 2	124 3	114 9
41. Sugar	157 4	156 4	158 4	154 5
42. Cotton Textiles	107 9	108 1	109 0	112 2
43. Jute Textiles	88 5	89 2	91 8	59 4
44. Silk and Woollen	439 4	439.0	426.9	333 5
45. *Processing and Mfg. (Metals Chemicals, etc.): Total**	156 2	156 3	156 6	128 5
46. Iron and Steel	150 5	150 8	151 3	116 7
47. Transport Equipment	197 8	197 1	193 8	166 3
48. Electrical Machinery	135.2	135 8	138 2	152.0
49. Machinery other than Transport and Electrical	171 2	171 2	171 2	144 6
50. Basic Industrial Chemicals	126 8	126 2	126 4	103 5
51. *Processing and Mfg. (Others): Total**	137 3	136 7	137 8	124 6
52. Cement	122 3	123 2	122 6	122 5
53. Paper	182 7	183 5	182 5	152 3
54. *Other Industries: Total**	115 0	115 5	115 4	103 4
55. Electricity Generation and Supply	93 1	93 0	93 0	88 4
56. Trading	89 0	89 3	89 3	77 0
57. Shipping and Other Transport	135 2	136 7	135 6	122 2
58. Construction	246 0	248 6	251 3	191 6
59. *Financial: Total*	182 7	183 1	184 2	158 6
60. Banks	206 4	206 7	208 0	179 2
61. Insurance	126 5	127 2	127 7	113 6
62. Investment Trusts	103 9	104 6	104 6	82 5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	140 0	140 3	140 4	121 7
64. Calcutta	136 4	136 5	136 6	119 3
65. Madras	149 6	149 5	150 4	144 2
66. Delhi	159 3	159 6	158 9	142 1

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55 500	10,73 600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,86 900
Nov., 1957	94,900	95,100	66,000
Dec., "	95,100	1,00,500	74,200
Oct., 1958	94,200	96,400	76,900
Nov., "	84,200	85,100	83,600
Dec., "	98,900	91,500	90,100
Jan., 1959	97,700	96,200	89,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,96,156	5,32,315	4,41 483
Do. 31st March, 1958	7,33,945	5,07 580	4 10 558
October, 1958	79,428	44,629	39,449
November, "	90,205	60,257	43,847
December, "	92,690	61,372	50,697
January, 1959	73,728	..	45,698

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man days lost
1956	1,203	715,130	6,992,040
1957	1,248	640,871	4,982,229
April 1958	172	61,024	537 841
May "	183	116,202(1)	720,588(1)
June "	164	162,244(2)	1,539,000(2)
July "	169	101,137(1)	469,303(1)
August "	147	72,432(4)	657,836(4)
September "	151	68,509(7)	499,362(7)
October "	121	34,445(3)	262 600(3)
November "	123	33,783(2)	175,017(2)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'56-'57	387 68	..	11 010	284
Pakistan††	'56-'57	83 50	..	2,079	249
Burma	1957	20 00	Kyats 4,450	446	223
Ceylon	1955	8 38	..	475	567
Japan	1957	90 90	Y. 8,252,000	10,915	10,020
Philippines	1957	22 60	Ps. 8,799	2,095	927
New Zealand	1957	2 22	£ (N.Z.) 928	1,237	5,570
Australia	1957	9.60	£ (A.) 4,678	4,970	5,177
U.K.	1957	51 40	£ 17,418	23,220	4,520
U.S.A.	1958	174 00	$ 352,400	168,447	9,680
Canada	1957	16 60	$ 23,830	11,680	7,035
France	1957	44 00	F.Fr.15,680,000	17,880	4,063
W. Germany	1957	51 40	Dm. 158,000	18,057	3 513
Italy	1957	48 30	Lr. 12,231 000	9.412	1,949
Norway	1957	3 49	Kr. 23,290	1,560	4,470
Sweden	1957	7 30	Kr. 48,290	4,490	6,150
Netherlands	1957	11 00	Grs. 28,240	3,574	3,250
Denmark	1957	4 50	Kr. 25,480	1,760	3 910
Switzerland	1957	5 10	Sw. Fr. 26,900	2,956	5,796

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, October 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
	(1949 = 100)	Base June (1934 = 100)	Base July (1927 = 100)	Base January (1928 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base August (1939 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	250	339	94	112	364	116	114	99	103	115	107	126
August 1957	113	377	265	347	98	113	375	115	118	99	105	120	108	128
September "	114	375	262	338	97	113	378	115	113	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November "	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December "	113	383	275	328	93	115	375	121	110	100	105	120	109	129
August 1958	120	404	288	322	103	118	403	126	117	108	106	125	111	132
September "	121	404	289	327	104	120	406	127	117	111	109	131	108	132
October "	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November "	122†	402	292	330	106	124	399	132	120	114	103	128	113	133
December "	..	398	290	322	..	..	..	..	118	..	..	..	..	..
January 1959	..	396	301	323	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Out standings	10-Year National Plan Certificates D Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	Outstandings	15-Year Annuity Certificates G Receipts	Out standings	Total Receipts	Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,93
1953-54	5,91	4,26	104 38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252 96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440 17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213 91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958																
February	2,31	4,83	146 14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	4,81	9	1,75	25,29	487.52
March	2,22	4,73	143,45	14,03	71,43	27,35	213,91	23,11	—39,73	43,58	70	5 47	12	1,87	42,20	509,77
April	2,15	4,65	141,31	6,56	77,99	15.27	214.24	22 85	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May	2,07	4 55	139,23	5,84	83,82	15.22	212,66	22,58	—39,90	43.37	57	6,72	5	2,01	21,68	517,01
June	2,01	4,47	137,44	5.03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7 12	3	2,03	19,95	520,60
July	1,96	4,38	135,18	5,49	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug.	1,94	4 30	133,28	6,20	100,72	14,40	217,21	22.02	—40.13	43,07	45	8,11	5	2,10	21,10	532,75
September	1,92	4,23	131,32	5.92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537,82
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November	187	4,10	127,15	6,36	119,33	12,52	218,72	21,56	—40,37	42,81	47	9,58	7	2,23	19,42	547,35
December	..	..	..	..	..	..	..	..	..	42,76	51	10,01	6	2,28	..	..

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

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.80
3 % Loan	1938-39	116,17,46,000	1963-65	96.75
3 % Loan	1950	30,32,10,000	1964	97.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93 85
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90 95
3 % 2nd V. Loan	1945	1,13,65 64,000	1959-61	99.70
2¾% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97 20
2¾% Loan	1946	14,77,48,000	1976	83 25
2¾% Loan	1947	75,86,72 000	1962	96 90
3½% N. P. Bonds	1953	75,29,00,000	1961	100 10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.80
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.60
3½% Loan	1956	87,27,36,000	1962	99 15
3½% N. P. Bonds	1956	63,81,83,000	1967	99 05
3¾% Loan	1956	66,63,53,000	1974	98.75
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100 80
4 % Loan	1957	49,17,27,000	1972	101 60
3½% Loan	1958	58,06,00,000	1963	100 00
3½% Loan	1958	30,00,00,000	1968	99.95
3½% Loan N.P.B.	1958	34,16,76,500	1968	100 60
4 % Loan	1958	49,47,00,000	1973	101.55
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34 000	M.	72 50
3% Loan	1946	2,48,91,37,000	K.	74.15
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100 05
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100 05
4½% Andhra	1958	5,00,00,000	15th July 1970	101 25
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96 50
3 % Bombay	1950	2,83,50,000	31st July 1960	99 00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 60
4 % Bombay	1952	3,45 85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100 55
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100 15
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102 35
4½% Bombay	1958	5,00,00,000	15th July 1970	102 35
4½% Bombay	1958	5,00,00,000	15th July 1971	102 35
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100 10
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2 50 00,000	13th Oct. 1970	101 25
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99 00
3½% Cochin	1936	80,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94 12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 30
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 15
3 % Madras	1939	1,23,96,000	21st June 1959	99 35
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99 00
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97 75
3 % Madras	1950	4,38,25,400	31st July 1960	99 00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98 95
4 % Madras	1953	10,33,71,000	15th July 1963	100 30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 25
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 15
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100 15
4½% Madras	1958	5,00,00,000	15th July 1970	101 40
4 % Mysore(*f*)	1933	2,95 85,200	1st Dec. 1953-63	101 50
3 % Mysore(*f*)	1936	5,99,73 000	30th Apr. 1956-61	99.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100 30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 15
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100 10
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101 30
4½% Mysore	1958	5,00,00,000	15th July 1970	101 40
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 60
3 % M.P.	1950	1,01,45,000	31st July 1960	98 80
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
4 % M.P.	1953	1,10,18 000	15th July 1963	100 25
4 % M.P.	1955	1,63 12,000	1st Sept. 1967	100 10
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100 05
4½% M.P.	1958	2,00,00,000	15th July 1970	101 25
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100 20
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100 20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.75
4% Trav Cochin	1956	2,22,08,000	3rd Sept. 1968	99 50
2½% U.P.Z.A	1952	41,44,79,000Z	..	49.10
3 % U.P.	1936	1.55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98 80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97 75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89 14,000	1st Aug. 1964	100 20
4 % U.P.	1953	5,58,25 000	15th July 1963	100 30
4 % U.P.	1955	9 39,16,000	1st Sept. 1967	100 15
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100 10
4½% U.P.	1958	7,00,00,000	15th July 1970	101 40
4 % Rajasthan	1956	3.14.19.000	3rd Sept. 1968	100 00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101 25
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100 00
4½% Orissa	1958	3,00,00,000	15th July 1970	101 25

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99.75
40,00 000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	99.75
88 25,000	4	1914	1975	99.75
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24 58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48 04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97.75
76,90,100	4	1915	1975	97 75
1,50,00,000C	3††	1921	1981	82 00
68,02,300C	6½	1921	1981	144 00N
60,00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	98 50
25,00,000	3	1938	1963-68	92 00
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00 000	3	1946	1976	84 75
50,00,000	3	1946	2006	74.00
50,00,000	2¾	1947	1977	79 50
50,00,000	3	1948	1978	83 75
50,00,000	3	1949	1959	99 12
1,00,00,000	3	1949	1959	99 12
50,00,000C	3	1950	1980	82 00
1,00,00,000	3	1950	1960	98 00
1,00,00,000	3	1950	1960	98 00
50,00,000	3	1951	1981	81 75
1,50,00,000	3½	1953	1961	99 00
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97 25
77,00,000	4	1956	1986	97 25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99 50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901 000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000I†	3	1947	1977	A
3,00,000I†	3	1949	1979	
45,00,000I†	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00 000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	101 00
50,00,000	4	1934	1964	99 00
35,00,000	3½	1935	1965	94 00
30,00,000	3	1936	1966	90 00
50,00,000	3	1937	1962	93 50
20,00,000	3	1938	1963-68	90 00
80,00,000	4	1952	1962	99 25
1,02,00,000	4	1956	1968	99 00
75,00,000	4½	1958	1968	100.00

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
20,00,000	4	1913-18	1974	98 00
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	101 00
8,25,00,000	3½	1947	1977	86.50
2,50,00,000	3½	1949	1979	86 50
4 00,00,000	3½	1950	1965	93 50
5,00,00,000	4	1952	1964	100 00
2,00 00 000	3½	1951	1966	97.40
1,30,00,000	4	1953	1963	100 00
1,00,00 000†	4	1952	1964	99.50
1 00,00,000†	4	1954	1966	99.50
2,50,00,000	4	1955	1967	99 95
1,50,00,000	4	1956	1968	99.95
2,00,00,000	4½	1957	1969	100.90
400,00,000	4½	1958	1970	101.00
Rs.		**CALCUTTA**		Rs.
10,00,000	5½	1932	1962	108 00
33,91,000	3½	1925	1965	94 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1968	90 00
17,64,400	3½	1942	1959	96 50
21,10 000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	97 50
66,88,000	3½	1951	1966	97 50
87,36,000	4	1952	1962	99 25
72,50,000	4½	1954	1979	100 00
2,22,72,000	4	1955	1985	—
73,86 000	4½	1958	1968	100.00
1,67,32,000	4½	1958	1970	—
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107 00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100 25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100 00
3½% W. Bengal	1951	1,75,00 000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.15
4 % W. Bengal	1953	3,60,23 000	15th July 1963	100 30
4 % W. Bengal	1955	7 58,72 000	1st Sept. 1967	100.15
4 % W. Bengal	1956	7,11 46,000	3rd Sept 1968	100.15
4½% W Bengal	1958	5.00 00 000	15th July 1970	101.40
4½% Kerala	1958	3 00,00,000	15th July 1970	100.40

ABBREVIATIONS. N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.
I—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months notice. K—On September, 1966, or later at option of Government after three months notice.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	final	79,027	79,320	24,821	28,282
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41 411	40,367	8,056	7,249
Bajra	final	27,453	27,884	3,565	2,885
Barley	final	7.531	8,726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5 831	1,716	1,715
Small millets ..	final	11,979	12,230	1.759	1,964
Total cereals ..	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24 265	4,754	6 264
Tur	final	5,598	5,686	1,396	1,954
Other Kharif pulses§ ..	final	15,832	16,484	1,401	1,515
Rabi pulses‡ ..	final	10,820	11,780	1,665	1,770
Total pulses ..	final	54,655	58,215	9,216	11,503
Total foodgrains..		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut ..	final	14,457	13,450	4,271	4,200
Castorseed ..	final	1,325	1,415	97	124
Sesamum ..	final	5,268	5,446	363	442
Rape and Mustard ..	final	6,050	6,311	905	1,026
Linseed ..	final	3.318	4,156	271	384
Total oilseeds..	final	30,418	30.778	5,907	6,176
Fibres—					
Cotton* ..	final	20,158	19,893	4 753	4,735
Jute A. ..	final	1,827†	1,742††	5,178†	4,052††
Mesta A. ..	final	726	733	1,211	1,478
Other crops—					
Potato	final	785	707	1,981	1,698
Sugarcane ..	final	5,021	5.057	46,142R	66,998
Ginger (Dry) ..	final	39	39	14	15
Pepper (Black)..	final	229	221	26	27
Chillies (Dry) ..	final	1,534	1,476	355	342
Tobacco ..	final	926	1,029	252	294

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1958-59.
†† Refers to 1957-58. R.= Revised.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to Nov. 1958	Jan. to Nov. 1957
Exports	637,74	612,96	523,76	596,52
Re-exports	5,11	6,21	7,15	4,74
Total Exports ..	642,85	619,17	530,91	601,26
Imports	1025,82	821,46	697,00	912,11
Overall Balance of Trade ..	—382,97	—202,29	—166,09	—310,85
Exports—				
Tea	123,40	142,43	123,00	113,83
Jute yarns and manufactures ..	114.83	112,52	95,90	108,65
Cotton yarns and manufactures ..	68,58	62,23	47,48	65,42
Metallic ores and metal scrap. ..	49,80	23,86	28,89	46,78
Cotton, raw and waste ..	18,66	25,09	19,89	18,02
Oils—vegetable, mineral and animal ..	19,31	24,51	12,49	18,67
Fruits and vegetables ..	18,60	18,03	19,60	17,32
Tobacco	12 83	13,30	15,47	12,38
Mica	8,67	8,75	8,41	7,97
Wool—Raw	11,73	10,64	8,63	12,66
Gums, resins and lac ..	8,59	11,19	6,82	8,25
Spices	8,43	9,56	8,06	7,79
Hides and skins, raw ..	6,99	6,07	6,48	6,77
Imports—				
Machinery of all kinds ..	232,97	150,12	163,95	210,00
Iron and Steel	146,98	122,49	81,29	138,62
Oils—vegetable, mineral and animal ..	113,38	74,69	68,00	103,83
Cotton, raw and waste ..	48,62	53,61	28,29	46,40
Chemicals, drugs and medicines ..	76,77	43,14	58,23	71,32
Electrical goods and apparatus ..	61,14	20,15	43,94	54,60
Vehicles (excluding aircraft, ships and boats) ..	71,35	69,91	44,53	61,20
Fruits and vegetables ..	21,27	12,66	14,86	18,98
Paper, pasteboard, etc. ..	13,11	15,99	7,18	12,16
Dyes and colours	13,87	16,37	8,07	13,07
Spices	2,93	8,10	2,62	2,79
Woollen and worsted fabrics ..	1,31	2,18	23	1,24
Cotton fabrics	2,37	2,39	96	2,28

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During January, 1959 ..	92.1
	Corresponding month, 1958 ..	98.3
	Seven months ended Jan., 1959 ..	619.7
	Corresponding period, 1958 ..	620.3
Stocks	At the end of January, 1959 ..	113.7
	Corresponding month, 1958 ..	96.6
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose ..	1956-57	852.9
	1957-58	832.6
	December, 1957	69.0
	December, 1958	69.8
For Internal Consumption ..	1956-57	179.0
	1957-58	198.0
	December, 1957	19.1
	December, 1958	22.8
	RAW JUTE	(In 000 bales)
Consumption by Mills	December, 1958	560
	Corresponding month, 1957 ..	538
	Six months ended Dec., 1958 ..	3,037
	Corresponding period, 1957 ..	3,000
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	8,805.8	7,185.8
1956-57	769	9,877.8	8,163.1
1957-58	834	11,176.9	9,011.1
Aug., 1957	811	916.0	731.0
Sept., „	814	924.7	739.3
Oct., „	822	917.5	731.3
Aug., 1958	791	1,040.7	831.9
Sept., „	793	1,053.5	843.1
Oct., „	810	1,070.2	869.8

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source:*—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	38	389	52	180
1957-58	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
November 1957	9,240	1,566	844	129	53	37	137	16	149	309	24	302	37	134
December „	10,506	1,766	941	152	64	40	162	18	163	360	23	350	42	146
January 1958	11,814	1,979	1,038	174	80	44	186	21	177	413	32	394	45	161
February „	13,011	2,172	1,123	191	93	49	202	23	194	456	36	435	46	176
March „ .. .	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April „	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May „	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June „	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July „	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August „	5,823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September „	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
October „	8,040	1,542	771	107	46	21	98	12	110	274	19	283	29	72
November „	9,169	1,763	868	121	50	24	125	14	125	311	24	326	35	72

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

INDUSTRIAL PRODUCTION

Industries.	1957	Jan. to Oct. 1958*	Jan. to Oct. 1957	September 1958	October 1958*	October 1957
Major Industries—						
Coal .. .. million tons	43.50	37.48	35.52	3.85	3.75	3.56
Steel (Ingots and Metal for castings) ..thousand tons	1,715	1,337†	1,264†	149	—	150
Yarn .. .. million lbs.	1,780	1,250†	1,336†	144	—	142
Cloth .. .. million yds.	5,317	3,690†	4,032†	411	—	415
Cement .. .. million tons	5.60	5.09	4.50	0.48	0.41	0.51
Jute .. ..thousand tons	1,030	878	845	87	82	84
Paper and paper boards .. .. .. tons	210,132	185,511†	171,111†	21,979	—	18,297
Matches .. .. cases	578,400	466,400†	433,000†	53,500	—	43,800
Sugar .. ..thousand tons	2,068	1,512	1,574	11	18	3
Engineering and Electrical Industries—						
Machine tools .. .. ..Value in lakhs of Rs.	250.85	279.50†	175.52†	29.85	—	21.29
Electric lamps .. .. millions	33.15	25.16	27.71	2.51	2.46	2.42
Dry cells .. .. millions	166.56	135.88	141.05	14.65	13.51	9.72
Power transformers .. .. .. k.v.a.	1,219,200	864,000†	896,500†	95,700	—	102,200
Electric Motors .. .. h.p.	469,200	464,900†	338,900†	56,900	—	87,700
Electric fans.. .. .. Nos.	524,400	469,900†	884,500†	50,700	—	37,400
Radio receivers .. .. Nos.	190,692	147,253†	138,791†	16,124	—	12,047
Storage batteries .. .. Nos.	324,000	285,900	266,300	32,100	28,000	24,200
Copper conductors .. .. tons	8,556	5,915†	6,336†	615	—	789
Winding wires .. .. tons	1,020	1,204†	730†	173	—	100
Rubber and plastic Ins. cables and flexibles million yds.	103.80	89.44†	80.29†	12.43	—	0.24
Insulators—H.T. .. .. Nos.	193,200	520,200†	100,400†	84,900	—	29,600
Insulators—L.T. .. .. million Nos.	4.69	3.85†	3.60†	0.80	—	0.26
Diesel engines—Vehicular .. .. .. Nos.	3,336	3,504	2,632	333	344	280
Do —Stationary .. .. Nos.	16,644	20,644	13,256	2,421	2,348	1,736
Chemical Industries—						
Salt .. .. million mds.	98.70	107.66	95.56	3.21	3.46	2.31
Caustic soda .. .. tons	42,648	46,720	35,067	5,064	5,241	3,640
Soda ash .. .. tons	91,920	73,680	75,794	8,919	9,078	7,747
Chlorine liquid .. .. tons	15,696	15,929	13,082	1,739	2,704	1,322
Bleaching powder .. .. tons	5,340	5,287	4,477	569	695	494
Bichromates.. .. .. tons	3,672	2,651†	2,717†	320	—	323
Sulphuric acid .. .. tons	196,068	167,463†	145,206†	20,404	—	15,895
Superphosphate .. .. tons	141,684	127,749†	107,376†	15,335	—	11,612
Non-ferrous Metals—						
Aluminium .. .. tons	7,784	6,140†	5,798†	600	—	687
Antimony .. .. tons	502	409†	363†	40	—	45
Copper (virgin metal) .. .. .. tons	7,848	6,476	6,478	685	700	672
Lead (virgin metal).. .. .. .. tons	3,174	2,584	2,589	362	142	317
Gold .. ..thousand ozs.	179	141	149	15	15	14
Miscellaneous (Minor) Industries—						
Sewing machines .. .. Nos.	167,484	157,122†	124,118†	17,410	—	8,558
Bicycles .. .. Nos.	790,424	684,510†	580,477†	72,094	—	56,032
Automobiles.. .. .. Nos.	31,932	23,055	26,944	2,471	2,704	2,450
Cycle tyres and tubes .. .. .. million Nos.	14.18	13.42	11.70	1.42	0.94	0.72
Motor tyres and tubes .. .. .. million Nos.	1.92	1.62	1.60	0.18	0.14	0.10
Cigarettes .. .. million Nos.	28,892	22,390†	21,765†	2,318	—	2,281
Plywood—Tea chests .. .. .. million sq. ft.	95.02	65.72†	73.95†	7.47	—	5.72
Plywood—Commercial .. .. .. millon sq. ft.	31.64	28.64†	23.84†	4.07	—	2.58
Sheet glass .. .. million sq. ft.	54.23	53.77†	34.29†	6.56	—	6.23
§Woollen manufactures—Worsted Fabrics million yds.	15.79	16.80	12.61	2.51	1.47	1.52
§Woollen manufactures—Worsted Yarn million lbs.	27.80	24.63	22.49	2.60	2.83	2.58
Footwear—Western type (Leather) .. million pairs	4.37	3.64	3.55	0.39	0.29	0.27
Footwear—Indigenous type (Leather) .. million pairs	3.04	2.71	2.47	0.32	0.17	0.16
Alcohol—Industrial .. .. million Bulk galls.	8.56	6.91†	6.80†	0.63	—	0.69
Alcohol—Power Absolute .. million Bulk galls.	10.14	6.75†	7.72†	0.54	—	0.64
General Index—(Base 1951 = 100 Revised)	137.3	142 8‡	149.1‡	153.1	—	122 8

* Figures are subject to revision month to month. —Not Available. † Upto September only.
§ Includes figures for Jammu and Kashmir. ‡ Average of first nine months. The general index for September 1957 was 135.6.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base: 1952-53=100.

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	99	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	121
1957-58*	105	88	114	126	68	164	109	110	107	92	106	133	108	96	128	95	116	142
Nov. 1957	107	87	115	121	67	167	105	109	111	95†	101	132	104	102	130	97	115	143
Dec. „	102	86	109	117	65	157	99	109	110	96	105	129	102	104	130	93	115	147
Jan., 1958	101	86	103	114	64	162	101	117	106	95†	105†	130†	101	101	130	90	116	148
Feb., ...	99*	84	92	109	61	156	105	117	104	95	104	123	102	96	130	88	116	148
March „	100	84	94	119	68	152	107	118	106	93†	108†	120†	102	92	130	86	116	145
April „	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	114	145
May „	106	86	92	111	64	158	115	120	115	89	100	125	110	102	132	88	114	146
June	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July „	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	145
Aug., „	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept., „	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct., „	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., „	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	146
Dec., „	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145

* Provisions. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 26th Feb., 1959 ..	44,000(J)
	Corresponding week, 1958 ..	38,311(J)
	1st Sept. 1958 to 26th Feb., 1959 ..	759,840*
	Corresponding period, 1957-58 ..	815,384*
Cotton Exports ..	Week ended 9th Feb., 1959 ..	556‡
	Corresponding week, 1958 ..	4,882‡
	1st Sept. to 9th Feb., 1959 ..	183,331
	Corresponding period, 1958 ..	90,194
Mill Consumption (Estimated) ..	1st Sept. 1958 to 26th Feb., 1959.	624,469
	Corresponding period, 1957-58 ..	647,932
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 26th Feb., 1959	470,213
	Corresponding date, 1958 ..	638,807
Consumption of Cotton—		
Indian	December, 1958	419,814
Foreign	December, 1958	39,301
Indian	Four months ended Dec. 1958	1,560,521
Foreign	Four months ended Dec. 1958	158,802
Indian	Same Period 1957	1,554,180
Foreign	Same Period 1957	200,614
Stocks (Mills and Elsewhere)—		
Indian	As on 31st December, 1958 ..	772,114
Foreign	As on 31st December, 1958 ..	87,830
Indian	As on 31st December, 1957 ..	825,350
Foreign	As on 31st December, 1957 ..	171,663

Particulars	From 1st Sept., to 7th Feb., 1958-59 Bales	From 1st Sept., to 7th Feb., 1957-58 Bales
From Bombay Cotton Shipments to—		
United Kingdom ..	6,386	1,530
Continent	12,700	3,002
Hongkong	29,463	2,385
China	6,886	—
Japan	101,849	30,637
U.S.A.	1,622	2,578
Other Countries ..	1,752	691
Total to all foreign countries	160,658	40,823
Coastal Ports	22,463(a)	44,549(b)
Total	183,121	85,372

Particulars	Period	Quantity
Cotton Exports from Bombay (by sea)		Bales of 392 lbs.
	During December, 1958	30,947
	During December, 1957	8,229§
	1st Sept., to 30th Dec., 1958 ..	115,683
	1st Sept., to 30th Dec., 1957 ..	17,497
Cotton Pressed in India† (In running bales) ..	Week ended 13th Feb., 1959 ..	—
	Corresponding week, 1958 ..	180,302
	1st Sept., to 13th Feb., 1958-59 ..	805,640
	Corresponding period, 1957-58 ..	2,303,522
Karachi (Pakistan)—		Bales
Receipts	1st Sept., to 12th Feb., 1958-59 ..	764,991
	Corresponding period, 1957-58 ..	825,175
Exports	1st Sept., to 12th Feb., 1958-59 ..	373,540
	Corresponding period, 1957-58 ..	260,612

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (a) Upto 31st Dec., 1958. § Includes Zoda and yellow pickings, etc.
— Not Received. ‡ From 5th to 9th February A—Adjusted. (b) Upto 31st Jan., 1958.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6	Mar. Sep.	114.00	100
BREWERIES AND SUGAR						
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5	April] ..	85.00	100
Carew & Co. T.F.R.C.	8,00,000	1875	6½	Mar. Sep.	90.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905–24	8	Feb. Aug.	107.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7	July Apr.	5.92xd	5
¶East India Distilleries T.F.C. ..	£200,000	1897	7	Jan. July	16.50cd	£1
Gwalior Sugar T.R.O.	6,75,000	1940	7	Dec. ..	60.00	100
Do. (Non-redeem.) ..	5,00,000	1940	7	Dec. ..	60.00	100
Purtabpore Co. T.C.	6,00,000	1922	10	Oct. ..	13.50	10
Ramnugger Cane T.F.C.	4,00,000	1933–36	6	Aug. ..	90.00	100
Ravalgaon Sugar	20.00,000	1943	5½	Oct. Apr.	68.00	100
South Behar Sugar T.	5 00,000	1936	7	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5	Dec. ..	7.10	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec. ..	90.00N	100
Do. T.C.R.O.	15,00,000	1946	5	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	7	Apri May	118.75	100
COAL						
Borrea T.F.C.	4,00,000	1896–97	6½	Oct. Apr.	86.00	100
Burrakur (1st) T.F.C.	22,99,800	1901–19	7	Apr. Oct.	104.00	100
Do. (2nd) T.C.	4,50,000	1946	6	.. ..	6.25	10
Equitable T.F...	4,00,000	1895	6	Mar. Sept.	96.00	100½
Karanpura Collieries T.C.	9,89,500	1946	5½	.. ..	56.00	75p.
††Khas Kajora C.	1,93,000	1931	5	Mar. Sept.	9.50N	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan. July	10.75	10
Ondal T.F.C.	2,00,000	1898–99	6	Apr. Oct.	89.00	100
COTTON						
Ahmedabad Advance T.F.	10,00,000	1939		Apr. Oct.	83.00xd	100
Bangalore C.T.F.	6,00,000	1884	6	Jan. July	110.00xd	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8.50	10
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	145.00	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	62.00	100
Bradbury T.F.	14,75,000	1919	7	June Dec.	55.00	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7½	Jan. July	118.75xd	100
Cambodias C.T.F.	1,00,000	1928	7	Apr. ..	110 00	100
Central India T.F.	50,00,000	1912	5	Apr. Oct.	837.50	495
Coimbatore Pioneer C.T.F.	1,00,000	1935	6½	June ..	91.75	100
Elgin	11,00,000	1912	8	May Nov.	105.00	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	7.50	10
Elphinstone T...	25,00,000	1919	7	May Nov.	64.50	100
Kesoram	20,00,000	1919	7	June Dec.	99.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4	Nov. ..	73.50	100
Kothari C.T.F.	18,00,000	1937	6	Dec. ..	8.65	10
Kothari 'B' (Pref.)	6,00,000	..	6	.. ..	10.00N	5
Lakshmi Cotton (Bombay) T. ..	16,00,000	1896	5	.. ..	158.75	250
Morarjee Gocuidas Spg. & Wvg. ..	17,25,000	1947	4½	Jan. ..	85.00	100
Mysore Spg.	7,45,050	1944	4½	.. ..	28.00	50
National Rayon T.	1,74,64,700	1947	5	.. ..	77.00	100
New Great T.	8,00,000	1913	5½	Mar. ..	130.00	200
Podar Mills	10,00,000	1943	4	Feb. ..	72.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr. ..	51 00	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	67.00	100
Sholapoor R.	32,00,000	1943	3	.. ..	78.25	100
Svadeshi T.F.	15,00,000	1935	5	Apr. Oct.	85.00	100
Swadeshi (Kanpur)	85,00,000	1927	6	June ..	74 00	100
Travancore Rayon C.T.F.	50,00,000	..**	5	May ..	7 90	10
Vasanta (1st) C.T F.	3 00,000	1931	6½	Apr. Oct.	101.00	100
Do. (2nd) C.T.F	1,50 000	1938	6	.. ..	90 00	100
Vishnu T.	15,66,500	1908	7	Apr. ..	432.50	500
ELECTRICS						
Andhra Valley Power Supply T. ..	49 34,000	1917	7	May Nov.	1,080.00	1,000
Amalgamated Electric T.F.	24,15,000	..	5½	.. ..	86.20	100
Calcutta Electric	19,00,000	1909–11	5(t)	June Dec.	10 31	£1
Poona Electric T.	4,00,000	1935	7	June Dec.	101 00	100
South Madras (1st) C.T.F.	22,00,000	1940	5½	Sept. ..	9.04	100
Do. (2nd) C.T.F.	8 00,000	1940	5½	Sept. ..	8.89	10
Surat Electric Co. T.F.	5,00,000	1939	6½	Apr. ..	111 00	100
Tata Hydro Electric Power T. ..	89,28,000	1907	7	May Nov.	112.50	100
Tata Power T.	86,97,000	1918	7½	May Nov.	1,103.75	1,000
Vellore C.T.	1,25 000	1928	6	Dec. ..	7.04xd	10
ENGINEERING						
Arthur Butler (Muzafferpore) ..	1,30,000	1919	7	Mar. ..	9.50	10
Burn & Co. Ltd (1st)..	13,00,000	1895–98	7	Feb. Aug.	121 00	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.	112 00	101
Indian Iron and Steel Co., Ltd. T.F...	2,69,95,400	1950	5	Dec. ..	102.50	100
Indian Standard Wagon	19,66,500	1918	7	June ..	122.00	100
Jessop	20,00,000	1941	5	May Nov.	79 00	100
Kamani Engineering C.	15,00,000	..	5	July ..	49.00	100
†††Kumardhubi Engineering ..	12,00,000	1915	4	June Dec.	92.50	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946–47–51	5	.. ..	87.00	100
Mahindra & Mahindra R.C.	25,00,000	1945	6	May ..	100.50	100
McKenzies (1st)	5 50,000	1907		.. ..	80.00	100
Premier-Construction (1st) T. ..	10,00,000	..	6½	.. ..	88 00	100
Do. do. (2nd) T. ..	15,00,000	1936	6½	.. ..	85.00	100
Do. do (3rd) T. ..	56,25,000	1947	4½	.. ..	5 48	10
Tata Iron and Steel (1st) T. ..	75,00,000	1908	6	Nov. ..	155.00	150
Do. do. (2nd) T. ..	6,93,81,900	1908	7½	May ..	115.00	100
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	101.00	100
Alexandra	9,00,000	1905	7	Feb. Aug.	96.50	100
Alliance	15,00,000	1895	6	Mar. Sept.	80 00	100
Anglo-India	40,00,000	1917	7	May Nov.	103.00	100
Auckland	10 00,000	1909	5½	May Nov.	76 00	100
Do. (2nd)(j)	15,00,000	1945	4½	June Dec.	65.00	100
Bally	20,00,000	1918	7	Apr. Oct.	101.00	100
Barnagore	£200,000	1896	5	May Nov.	38.00	5
Belvedere	7,00,000	1906	7	Jan. July	100 00	100
Birla	23,64,200	1919	7½	June Dec.	88.50	100
Budge-Budge	9,00,000	1894	7	May Nov.	102.00	100
Calcutta	6,00,000	1934	6½	Jan. July	69 00	100
Caledonian	10,00,000	1915	7	June Dec.	100 00	100
Cheviot	10,00,000	1919	7	June Dec.	102.00	100
Chitavalsah	5,00,000	1928	7	Mar. Sept.	100.00	100
Clive (1st Pref)	8,00,000	1900	6	May Nov.	67.50	100
Do. (A) (2nd Pref.)	8,00,000	1905	7	May Nov.	74 00	100
Dalhousie	15,00 000	1903–13	7	May Nov.	90.00	100
Delta	5,00,000	1897	5	June Dec.	78 00	100
Empire	10,00,000	1912	7	Feb. Aug.	100 00	100
Fort Gloster¶	14,00,000	1890–98	7	May Nov.	104.00	100
Do. (2nd Pref.)	7,00 000	..	5	.. ..	70.00	100
Fort William	10,00,000	1911	7	May Nov.	104 00	100
Ganges	6,90,000	1916	8	June Dec.	100.00	100
Gourepore	26,50,000	1895–04	6	May Nov.	87.00	100
Hastings	25,00,000	1935	6	Mar. Sept.	88 00	100
Hooghly	11,76,000	1913	10	May Nov.	11.75	10
Howrah	8,75 000	1890	7	May Nov.	102.00	100
Do. (A)	17,50,000	1903–6	7	May Nov.	102 00	100
Hukumchand	40 00,000	1919	7	June Dec.	100.00	100
Kamarhatty	16,00,000	1898–04	6	Feb. Aug.	100.00	100
Kanknarrah	10,00,000	1900	6	Feb. Aug.	75.00	100
JUTE—*Continued.*						
Kelvin	10,00,000	1907	7	Mar. Sept.	102.00	100
Khardah	9,00,000	1895–09	6	May Nov.	86.00	100
Kinnison	15,00,000	1900–13	7	May Nov.	102.00	100
Lansdowne	15,00,000	1905	7	May Nov.	100.00	100
Lawrence (A)	5,00,000	1907	7	May Nov.	98.00	100
Do. (B)	10,00,000	..	5½	Dec. ..	76.00	100
Naihati	7,50,000	1905	7	May Nov.	95 00	100
Do. (2nd)(j)	10,00,000	..	4½	June Dec.	65.00	100
National	5,00,000	1917	7	May Nov.	101.00	100
Nellimarla	5,00,000	1939	6	Apr. Oct.	87.00	100
New Central	83,00,000	1915	7	Jan. July	99.00	100
Northbrook	15,00,000	1900	½	May Nov.	73.00	100
Reliance	20,00,000	1906–12	7	May Nov.	70.00	100
Samnuggur	£150,000	1901	6	Feb. Aug.	Sh. 21 50N	£1
Soorah	10,00,000	1920	7	Feb. Aug.	100.00	100
Standard	9,00,000	1895–01	6	May Nov.	100.00	100
Shree Ambica	11,70,000	..	7½	Mar. Sept.	90.00	100
Titaghur	£150,000	1897	6	Feb. Aug.	Sh. 21.50	£1
Union	6,00,000	1901–03	7	May Nov.	103.00	100
Victoria	£150,000	1898	6	Feb. Aug.	Sh.21.50	£1
Waverly	7,50,000	1918	7	Mar. Sept	43.00	5
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship	3,00,000	1895	7	Nov. ..	58.00	60
Calcutta Tramways	£250,000	1906	5	Apr Oct.	7.75xd	£1
Great Eastern Shipping T.F.R.C. ..	25,00,000	1948	5½	Dec. ..	95.20	100
Indian General Nav. & Rly. T. ..	£244,000	1899	6	Mar. Nov.	58.00	£10
India Steamship (w)	25,00,000	1928	5	.. ..	86.00	100
TEA						
Amluckie Tea	75,000	1902–08	7	May Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900–02	6½	Jan. July	109 00	100
Birpara	1,00,000	1900–08	8	Jan. ..	108.00	100
Choonabhutti	2,00,000	1914	8	Jan. July	109 00	100
Gielle	2,00,000	1894	6	Sept. ..	67.00	100
Hantapara	50,000	1901	8	Jan. ..	109 00	100
Hasimara	3,00,000	1904	7	Mar. ..	109 00	100
Kingsley Golaghat	2,40,000	1897	6	Dec. ..	95 00	100
Moheema	3,20,000	1929	6	May Nov.	8 00	10
†††New Dooars	2,00,000	1907	0	Jan. July	109 00	100
New Samanbagh	1,00,000	1903	8	Nov. ..	100.00	100
†††Okayti	50,000	1888	7	Dec. ..	90 00	100
Pussimbing	2,05,000	1916	7	Jan. ..	83 00	100
Sonai River	1,00,000	1909	8	May ..	100 00	100
***Tezpore	2,05,000	1932	8	Jan. ..	10 25	100
Tirribannah	1,00,000	1922	10	May Nov.	14.00	100
PLANTING						
Be Be Rubber N.R.C.T.	1,43,005	1944	6½	.. ..	3.13cd	5
Do. R.C.T.	2,86,450	1944	6½	.. ..	6 64cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June ..	46.70	50
Coffee Lands C.T.F.	10,40,600	..	5	.. ..	79.00	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr. ..	98 00	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov. ..	10 75	10
Devon Tea C.T.F.	2,00,000	1936	7½	July ..	104 00	100
Highland Produce C.T.F.	3,00,000	..	6	July Jan.	9 00	10
Neelamalai C.T.F.	18,00,000	1943	5	Jan. July	7.05	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July ..	4 25	5
Pullangode C.T.F.	1,50,000	1943	0	Mar. ..	8.65	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar. Sept.	7.35	10
T. R. & T. Co. C.T.F...	16,00,000	..	6	June Dec.	7.75xd	10
Waterfalls R.C.T.F	5,00,000	1943	6	Nov. ..	8.00	10
MISCELLANEOUS						
Alembic Chemicals (1st) T.	5,00,000	..	6½	June ..	85.80	100
Do. do. (2nd)	5,00,000	..	5	June ..	85 00N	100
Alkali & Chemicals	31,00 000	1937	5	Apr. ..	101 00	100
Aluminium Corpn. (1st)	20,00,000	1933	6(f)	.. ..	83.00	100
Andhra Cement C.T.F.	2,48,800	1937	0	Feb. June	100 00	100
Associated Hotels of India T. ..	21,67,000	1916	7	Mar. Sept.	50 00	100
Bengal Chemicals	9,00,000	1925	7½	Aug. ..	11 00	10
Bengal Paper Mill	2,00,000	1903	7	Mar. Sept.	53.00xd	50
Do. "A"	4,00,000	1928	7	Mar. Sept.	105.00xd	100
Do. "B" T.	20,00,000	..	6	.. ..	64.00xd	100
Bengal Timber Trading	8,00,000	1896	8	Aug. ..	17 00N	100
Britannia Biscuit	15,450	1921	8	Feb. Aug.	13 75	10
British Ceylon Corporation	17,50,000	1918	6	Feb. Aug.	8 00N	5
British India Corporation	81,00,000	1920	8	Feb. ..	101.50	100
Dalmia Cement (Bharat)	35 00,000	1937	6(k)	Sept. ..	8.60	10
Do.	23 75,000	1945	6(k)	Sept. ..	82.50	40
Dhrangadhra Chemical Works Ltd...	31,91,900	1956	6	.. ..	83 00	100
Shree Digvijay Cement T.F R.C. ..	79,93,875	1944	5	Dec. ..	85.00	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6§	Apr. ..	118 00	100
Do. do. do. T.C.P. (2nd)	40,00,000	1936	0	Jan. July	82 00	100
General Investment Trust (1st) ..	1,00,000	1946	5	Feb. Aug.	63.00	100
Do. do. (2nd) T...	1,00,000	..	6	Feb. Aug.	54.00	100
Gillanders Arbuthnot(f) T.	25,00,000	..	5	Apr. Oct.	55 00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6	Mar. ..	87.50	50
Humayan Properties	12,00,000	1933	6	.. ..	7 62	10
India Cement T.	29,85,000	1946	7½	Oct. ..	92.43xd	100
Indian Aluminium (g) T.	40,00,000	1945	5	June ..	72 00	100
Indo-Burma Petroleum T.C. ..	50 00,000	1921	7	Jan. July	88.00	88
Indian Cable (m)	12,87,750	1923	6	June Dec.	25.50xd	10
India Rubber Mfrs. (n)	8,28,000	..	5	Apr. ..	76.00	100
Jardine Henderson T.	50,00,000	1946	5½	Dec. ..	56.00	100
Kettlewell and Bullen (1st) T. ..	20,00,000	..	5½	May ..	59 00	100
Do. do. (2nd) ..	10,00,000	..	4	May ..	56 00	100
Kumardhubi Fireclay & Silica ..	2,00,000	1915	7	June Dec.	63.00xdN	100
Martin Burn (k)	30,00,000	1946	5	Apr. Oct.	100.00	100
McLeod and Co. (1st) T.	10,00,000	1930	5	July Jan.	53.00	100
Do. (2nd)	40,00,000	1936	5	July Jan.	70.00	100
Metal Box Co...	30,00,000	..	6	.. ..	84 00	100
Mettur Chemicals (Old) C.T.F. ..	20 00,000	1903–18	6	Feb. Sept.	93 50	100
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6	June ..	9 00	10
Mysore Lamps R.C.T.F	2,50,000	..	4	Aug. ..	6.50	10
National Tobacco (Old) (p)	25,00,000	..	5	Mar. Sept.	69.00	100
Do. do. (New) (q) ..	19,98,000	..	4½	Mar. Sept.	58 00	100
Orient Paper	69 88 900	1936	5½	Jan. ..	89 50	100
Do. (2nd) (r) T.	60,00,000	..	5½	Apr. Oct.	61.00	100
Rohtas Industries (Old) T.	20,00,000	1936	7	Apr. ..	124.00	100
Do. do. (New)	85,04,700	..	4½	Apr. ..	64.00	100
†Smith Stanistreet & Co.	5,00,000	1920	10	Feb. Aug.	65.00	50
Spencer & Co. "A" C.T.	23 20,000	1898	6½	Jan. July	8.00cd	10
Do. "B" C.T.	36,80,000	1922	8½	Jan. July	11.00cd	10
Standard-Vacuum O.	75,00,000	1955	6	June Dec.	100.00	100
Star Paper	10,00,000	..	5	Mar. Sept.	70.00	100
Tata Chemicals T.F.	59,97 000	..	5	June ..	93.50	100
Tata Oil Mills C.	29,88,800	1946	4½	July ..	58 70	100
Titagur Paper Mills	11,50,000	1899	8	Jan. June	136 00	100
Do. do. (2nd)	15,00,000	1934	4½	Jan. July	78.00	100

** These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus profits available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free
R.O.—Redeemable at option. N.B.—Non-Redeemable. P.—Participating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50,00,000	5,37,500	1,01,25,505	44,03,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.28	2	0.19	0.19			12	Y.
46,86,000	24 90,000	1,40 93,494	78,99,035	17,302	M.	50,596	1,031	B. R. Cotton Mills	17.52	100	Nil	Nil	Nil		3	Y.P.T
2,59 98 000	3,42,88,483	7 95.30 951	3,93 39 819	85,708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,480	3,646	Bombay Dyeing & Mfg. Z	58 10	25	2.50*	2.50	2.50	0.75I	12	Y.
10,00 000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	131 50	50	12.50	20 00	15.00	7.50	8	Y.P
1,13 85,650	2,79,59,276	7,45,32 167	2 69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	447.50	100	22.00	22.00	22.00	8.00I	12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,035	—33,08,097	V. J. Pilani (Chairman and Managing Director)	50,596	698	Colaba Land & Mill	42.25	100	Nil				12	Y.
26,00,000	28,31 920	1 13 36 792	67 79 552	58 223	Cowasjee Jehangir & Co., Pvt. Ltd.	80,984	680	Coorla Spg. & Wvg.	125.00	100	7.50	12.50*	12.50*	12.50*	3	Y.
28,00,000	26,37 709	90 59 554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	78.00	50	15 00	—	7 50F	5.00	3	Y.
34 00,000	26,36,389	1 12 98,983	69,27,928	—11,15,096	Puranmal Bubna Sons	46,668	928	Edward Textiles	215 00	200	18.00	15.00	15.00		12	Y.
29,98 050	15,72,144	1,31,76,951	81,20,938	....	M.	45,996	886	Elphinstone Spg. & Wvg.	30 00	50	5 00	15.00	Nil		12	Y.P
50,00 000	65 54 875	1,67 34,054	89 06,207	37 155	James Finlay & Co., Ltd.	52,528	784	Finlay Mills	267.00	100	20 00	20 00	20 00		12	Y
50,00,000	48,98,022	94,91,910	61,37,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	182 50	100	15 00	15 00	15.00		12	Y.
11,84,000 16,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills	4 800 00 992 50	1,000 250	300 00 75.00	325 00 81.25	350 00* 87.50*	350.00 87.50	3	Y.P.
2,50,00,000	56,39,672	4,90,61,319	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	8.72 1 10	0 100. 0 1D.	0 94 0.19	0.92 0 18			12	Y.
8,65,000 35,000	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	4,350.00 —	1,000 500	300 00 150 00	300 00 150 00	325.00* 162.50*	325.00 162.50	3	Y.P.
59,85,000	47,84 646	3,32,60 641	2 39 44 370	80,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	155.00	100	12 00	10 00	10.00(c)	10.00	6	Y.P
1,00,00,000	1,18,27,791	3,67 76,376	2,84 94,794	52 791	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	234.00	100	18.00	18.00	18 00	4.00I	12	Y.
33,18 800	46 27,870	1 28,83,753	67,99 178	43 271	N. Sirur & Co. Private Ltd.	49,000	644	Modern Mills	46 00	50	8.00*	8.00*	5.00'C'		10	Y.T.
51,75 000	42,39,896	2 75 32,726	2,00 41 588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg. & Wvg.	240.00	100	14.00	15.00	14.00(c)	15.00	6	Y.P.
1,60,63,400	1,42,58 205	10,55,96,105	3,40,00,000	1,23,937	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	254.50	100	12.00	14.00*	14.00		12	Y.P.
24 00,000	25,62,456	82,11,723	48 70,075	1,495	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	92.00	100	10 00	10.00	5.00		12	Y.
30 00,000	11 72,134	101,83,002	63,37,034	....	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	210.00	100	10.00	10.00	Nil		12	Y.P.
48,00 000	55 51,580	1,69 40,494	1,08,77,159	3,59 718	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	125 00	100	10 00	..	12.50F	10.00	8	Y.
40 00,000	45,64,554	53 92 841	25 34 581	1,63 546	Podar Sons Private Ltd.	32,600	930	Podar Mills	130 00	100	12.00*	12.00*	10 00		12	Y.P.
10,00,000	....	23,94,122	18,44 733	—1,10,689	M.			Sassoon & Alliance Silk Mill	9 76	10	0.50	0.25(c)	Nil		12	Y.
37,76,100	1,19,98,715	2,11,34 514	1,36 87,248	12,182	M. G. Investment Corp. Private Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	43.75	10	2.00	2.00	2.00		12	Y.
30,00,000	44 70,061	1 27,66,700	67,73 552	58,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	141.00	100	12.00	12.00	8.00		12	Y.P
42 00,000	39,80,473	1,95 86,294	79,84,101	8 089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	166 50	50	10 00	12.00	8.50	8.50	8	Y.
37 80,000	2 50 26 472	2.96 16.751	1,87,99,317	1,55,642	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	432 00	100	20 00	22.50*	22.50*		12	Y.P.
1,00,00,000	95 03,854	2,76,30,400	1,44,86,214	29,124	Tata Industries Private Ltd.	72,236	2,000	Swadeshi Mills	206 00	100	12.00	14.00*	9.00		12	Y.P.
36,00,000	65,18,465	1,52,27,488	96,52,715	26 062	James Finlay & Co., Ltd.	40,328	549	Swan Mills	348.00	100	25 00	25.00	25.00		12	Y.
65,57,875	53,20,412	2,18,16,540	90,53,601	17,925	Tata Industries Private Ltd.	70,832	1,800	Tata Mills	84.50	25	4.00	3.50*	2.00		12	Y.T.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,136	1,212	Western India Spg. & Mfg.	4,525.00	1,000	800.00	800.00	825.00*	825.00	8	Y.P

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	129.00xd	100	7.00	12.00	5.00	5.00	6	Y.P.T.
15 00,000	98 23,183	1,29,00,836	73,32,228	....	P. M. Hutheesing & Co., Ltd.	44,220	912	Aruna Mills	595 00	100	30.00	25.00	25.00		12	Y.P.
40,00,000	3,03 12,127	2,17,78,010	1,10,66,897	28,706	M.	66,412	1,216	Arvind Mills	1,050 00	100	35.00*	35.00*	35.00*		12	Y.P.
22,00 000	47 41.123	1,22 40,943	77,79 729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	85,908	892	Aryodaya Ginning & Mfg.	417.50xr	200	25 00*	30.00*	Nil		12	Y.P.
12,00,000	1,40 46 694	99.92 464	67,28,819	728	Lalbhai Dalpatbhai & Co.	87,368	914	Asoka Mills	633.75	100	30.00	30.00	30.00		12	Y.P.
3,06 25 000	2,60,65 170	6,22,25 491	2,74,71 141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,39,120	2,400	Calico	529.50	125	..	30.00	30 00	25.00	8	Y.P.
63,00,000	28,51,630	1,44 37,907	1,02 61,820	20,815	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	440 00	250	80.00	100.00*	25.00*		12	Y.P
52 00,000	91,54,187	1,55,49,668	1,07,88,296	92,673	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	855 00	125	35.00	40.00*	30.00		12	Y.
15 00 000	64 29.775	69,45 065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	397.50	100	20 00	20.00	20.00		12	Y.P.
20,00,000	1,08,87,132	1,07 33 484	66,60,480	105	Lalbhai Dalpatbhai & Co.	32,828	636	Raipur Mfg.	667 75	100	35.00*	35.00*	35.00*		12	Y.P.
48 75,000	23,46,580	1,33,74,914	73,60,111	8,983	M.	35 196	648	Rohit Mills	130 00	100	Nil	8.00*	8 00*		12	Y.P.
57 96,300	2,88,74,105	2,17,82,370	1,17,57 907	1,76,451	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	665.00	50	27.00*	30.00*	25 00		12	Y.P.
29,25,000	69,60,633	1,00,70,063	73,48,312	18,346	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	472 50	100	25.00	30.80*	20.00		12	Y.
35,00,000	38,00,929	,28,90,368	90,20,784	23,300	Haridas Achratlal & Co., Ltd.	41,056	789	Vijaya Mills†	570.00	500	85.00*	50.50*	40.00*		12	Y.P

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
15,00,000	8,05,455	88,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd.	13,044	856	Basanti Cotton Mills	6.50	10	0.50	0.60	0.60		12	Y.P.T.
7,11,280 3,00,620	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee, Esq. (Mg. Director)	33,336	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	4.00	Nil	8	Y.P.
24,00,000	1,50,000	1,20,71,237	49,68,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	96 00	100	Nil	Nil	Nil		12	Y.P.
19,00,000	24,30,708	1,39,78,961	73,14,165	—1,86,242	Kettlewell Bullen & Co., Ltd.	42,944	523	Dunbar Mills	142 00	100	2.50	6.00	Nil		12	Y.T.
50,08 000	85,968	76.97,825	21,97,825	82,636	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	8.75	10	Nil	0 37	0.50		12	Y.T.
1,60,00,000	2,29,91,250	,09,62,835	1,40,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	12.00	10	0.87	1.00	0.75		8	Y.P
19,47,750O 5,00,000D	9,50,000	43,59,254	28,75,466	9,388	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	15.00N 4.00N	10 1D	1.00 0.34	1.00 0.26	1.00 0.15		6	Y.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
11,98,600	5,57,619	89,87,104	19,12,220	16,013	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,006	17,82,554	1,87,65,112	68,45,582	6,710	C. S. Tyabjee, Esq.	86,136	716	Azam Jahi Mills	58.00	100	3.50(c)	5.00	3.50		9	Y.
1,21,50,000	1,47,74,679	3,67,98,866	2,76,43,043	2,96,471	Binny & Co. (Madras), Ltd.	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills	162 00	100	30.00	30.00	10.00'C'	4.00I	12	Y.P.
35 00,000	74 79,507	1,41,25,225	1,10 21,274	1,04,207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	30 00N	10	3.00	1.50	1.50	0.75	3	Y
1,78,47 800	2,99,20,000	6,93,67,943	4,19,97,472	1,92,471	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic	173.00	100	10.00	10.00	10.00	4.00I	12	Y.P.T
20,00 000	15,37,935	50 23,440	26 18 048	....	Peirce, Leslie & Co., Ltd.	87,536	4	Cambodia Mills	9 50	10	0.50	0.50	0 50(c)		12	Y.P.
15 00,000	5,11,500	53 88,579	29 91,389	1,08,342	Damodaran & Co.	20,600	..	Cannanore Spg. & Wvg.	136.00	100	12.00	15.00	20.00	12 50	3	Y.
30 00,000	33,43,336	76,05,050	59 57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Textiles	4.25	5	Nil	0.25	0.25	Nil‡	12	Y.
9,36,560	5,31,645	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	10 80	10	0.62	0.75	0.90	0.90	3	Y.P.T.
35 21,362	22,09,767	69 79 002	31,91,699	698	R. Bheema Naidu & Co.	30,864	..	Coimbatore Cotton Mills	127.00cd	100	25 00	25.00	9.00'C'		12	Y.
18,15 000	7,25,195	39,16,552	24,29 633	....	T. A. R. Chettiar Sons & Co.	25 840	180	Coimbatore Murugan Mills	91.00	100	20.00	12.00			12	Y.P.
20 00,000	18,28,450	80,21,737	44,09,621	509	T. R. N. Naidu & Co.	38,226	..	Coimbatore Pioneer Mills	263.00	100	20.00	20.00	20.00		12	Y.P.
20,76,900	5,076	1,37,90 104	88,52 968	—7,29,806	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	45 00	50	8.00	10.00	Nil		12	Y.
46 87,500	27,24,735	2,42,10,703	,54,86,354	....	Tata Industries Private Ltd.	67,452	1,620	Central India	83 50	100	8.00	Nil	Nil		6	Y.P
26 90 661	19,55,000	1,04,60,142	44.85,815	21,830	R. Hanumanthappa & Son	28,816	300	Davangere Cotton Mills	113.50	100	9.00	9.00	9.00	9.00	8	Y.
3,38,36 225 1,00,563	3,59,53,968	12,81,26,690	7,47,89,631	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,41,180	2,352	Delhi Cloth & General Mills	30.53	25 2½	2.25 0.22	2.50 0.25	2.00 0.16	2.00 0.16	6	Y.P.T.
47,98,296	26.25,000	84,28,224	49,84,057	1 965	M. N. Chettiar & Sons	42,212	201	Dhanalakshmi Mills	177.00cd	100	30.00	25.00	10.00'C'		12	Y.
63,00,000	1 05,56 192	1,69,12,424	1,41,93 839	75,531	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	12.62	10	1.00	1.25	1.00		9	Y.P.
48,81,000	43 55,161	1 36,06,042	77 13 982	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	131 00	100	15.00	13.00	8.00		12	Y.
2,50,00,000	8,75,000	5,73,71,041	1,64,46 856	1,00.48 693	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	14 92	10	Nil	Nil	Nil	Nil	8	Y.P
50,00 000	6,94,589	1,59,76,049	1,21 32 273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	51,180	1,356	Indore Malwa United	97 00	100	9.00	11.00	6.00		12	Y.
8,90 000	10.66,553	85 60 221	20,68,005	....	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	68.50	50	10.00	10.00	3.00		12	Y.
15,54,000	15,02,599	57,13,937	33 88,095	7,012	Mr. Bhairuratan Damani (Managing Director)	20,212	512	Jam Shri Ranjitsinghji	1,450 00	1,000	50.00	60.00	40 00		6	Y.
4,63,65,300	3,05,67 516	4,59 43 795	3 29.32 899	3,47 483	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	9.76	10	4.00‡	0.55	0.85	0.25	8	Y.P.
42,00,000	29 25 000	1,05,81,567	38,23 076	91,772	Kothari & Sons	41 040	800	Kothari Textiles	9.12	10	1.00	1.00	1.00		6	Y.P
82,00,000	63,39.487	1,84 50,574	1,25,78,615	2 294	M.	51,008	1,243	Lakshmi Cotton Mfg.	397 00	250	42.50	42 50	15.00		12	Y.P.
71,00,000	66,85,960	2,25,46,381	1,29,69,687	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	100.00 49 00	50 25	12.50 6 25	12 50 6.25	10.00 5.00	6.08 3.00	8	Y.
1,75,02 480	4,24,40,278	5,90,89,121	3,96,10,817	6,92,368	A. & F. Harvey Ltd.	4,53 000	..	Madura Mills	25.25	15	3.00	2.62	2.25	..	12	Y.
12,00,000	8,67,363	29.03,352	18,76,700	213	V. K. Eradi (Chairman)	22 592	100	Malabar Spg. & Wvg.	80 00	200	Nil	8.00			12	Y.
60,00 000	69,00 000	66,60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	329 00	100	35.00	42.50	20.00	20.00	8	Y.
29 80,884	12,88 081	93,11,180	51,89,457	19,738	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	59.00	100	6.00	6.00	Nil		12	Y.
94,91,850	21,56 146	1,71,94.769	78,81,528	1,85 008	M.	52 408	952	Model Mills (Nagpur)	160 00	250	7.50(c)	7.50			6	Y.
24,83,500	89,98,562	1 13.65 249	72 49 736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	79.00	50	6 00(c)	9.00*	9.00*	5 00	2	Y.P.
18 61,780	....	29,12,641	17,83,314	8,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6.25N	10	Nil	Nil	Nil		8	Y.
87 23 200	39,29,981	1,73,83,244	67,86,683	....	M.	87,788	902	Osmanshahi Mills	43.00	100	2.50(c)	8.00(c)	Nil		9	Y.
4.00 000A 6,00 000B	13,00,000	71,79,976	23,66,277	8,909	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	126.00 180.00	50A 75B	12.00 18.00	15.00 22.50	9.00 13 50		12	Y.P.
15 00 000	....	35,52,644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	37 75	100	4.00(c)	Nil	Nil		12	Y.
[illegible]A 8 40 600B	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	800	Radhakrishna Mills	134 00 62 00	100A 50B	20.00 10.00	20.00 10.00	12 00 6 00		12	Y.
19 53 275	30,55 750	76.37 378	82 62 433	....	B. R. Naidu & Sons	37,096	..	Rajalakshmi Mills	62.75	50	10.00	7.50	4.50		12	Y.P
16 14 300	14 00 000	58 40 286	20 95 405	....	Ramco Agencies Private Ltd.	24,096	..	Rajapalayam Mills	117 00	100	10 00	10.00	12.00	8.00	8	Y.
22 32,860	11,50,000	53 72,976	23.15 892	5,286	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	100.00	100	10.00	10.00	10.00		12	Y.
15,90,000 10 000	2,69,010	3,15,04 564	2,05 50 750	—34,29,635	M.	95,232	2,232	Sholapoor Spg. & Wvg.	423.75 —	1,000 500	Nil	Nil	Nil		8	Y.P
36 69 700	21 91,449	1,05,51,059	61 65,564	37 576	H. N. Pallegar, Esq.	80,744	292	Sri Krishnarajendra Mills	59.00	50	5.00	7.00	7.00	4.50	8	Y.
15,00,000	3,63,33,415	1,06,79,186	80,23,012	30,16,282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	81 00N	10	6.00	6.00	6.00	6.00	8	Y.
17.50 000 O 1,57,50,000 PO	2,36,28,071	5,28 86,193	1 97,31,347	2 64 970	M.	1,12,216	2,698	Swadeshi Cotton (Kanpur)	10 25 10.25	10O. 10P.O.	0.75 1 15	0.75 1.15	0.75 1.15		12	Y.P.
1,00,00 000	60,00,000	3,88,81,393	1,95 13.492	1,78,216	Emcote & Sons (Travancore) Ltd.	..	..	Travancore Rayons	17 00	10	0.75	1.00	1 00		12	Y.P.T.
13,98,730	9.45,940	19,58,289	13,60,120	794	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11 70	10	0.90	1.12	0 90		12	Y.
21,00 000	39 86 738	86 30 896	51,76,507	12,000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	201 00	100	20.00	20.00	12 00		12	Y.P.
32 00 000	18 73,770	1,85,96,083	1 17,44 692	—9,85,569	The Bombay Co. (Private) Ltd.	49,660	1,375	Vishnu Cotton	93 00	100	8.00	8.00	Nil		12	Y.P.

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

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
71,39,780	6,27,794	1,53,40,852	52,19,911	49,516	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.00	B. 10	1.00*	1.00	1.00		12	Y.P.
59,89,343	36,548	1,57,05,664	21,936	6,415	M.	Ashoka Cement Ltd.	8.64	10	..	..	Nil	Nil	3	Y.T.
12,71,80,070 6,34,26,150	10,06,76,940	36,82,76,342	12,89,15,052	1,98,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	146.50	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
83,92,587	....	1,23,58 448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8 52	10	0.30	0.60	0.60		12	Y
1,44,10 795 5,00,000	53,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	10.10 2 63	O. 10 D. 1	1.25 0.12	1.25 0.12	1.20 0.12		12	Y.P.
1,09,79,135	30,37,736	2,18,27,299	73,38 865	71,092	Essen Private Ltd.	India Cements Ltd.	— 5.40	O. 25 D. 5	1.87 0.37	2.06 0.41	2.06 0.41	2.25 0.45	3	Y.P.
1,50,00,000	4,00,000	4,72,60,133	89,99,750	21,36,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10 20	10	0.75	1.25	Nil		3	Y.P.
1,00,00,000	31 43,497	3,25,68,768	1,17,79,528	37,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.00	10	1 25	1.25	1.50		12	Y.P.
1,34 20,256	48,94,785	3,55,77,865	1,29,16'661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	131.50	100	8 50	9 00	9.90		12	Y.P.
75 00 000	17,70,000	2.18,91 926	1,54,88 889	18,727	M.	Sone Valley Portland Cement	5.44	5	0.30	0 15	0.30		12	Y.
60,00,000	6,00,000	1,04,84,565	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	9.25	10	0.62	0.60	0.60		12	Y.

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
13,50,000	3,38,041	10,99,022	6,14,954	12,83,240	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	16.00	10O.	1.00	3.00	1.50	..	9	Y.P.
50,50 275	8 45,000	1,20 18 973	35.41 847	20 913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.30	2½	0.25	0.25	0.25		12	Y.
10,00,000	34,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	30 25xd	10	1.75	0.87	1.75	1.75	3	Y.
£1,371,300	£1,348,400	£2,621,717	£1,593,562	11,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3.76	Sh. 2	10.8d.*	4.8d.	4.32d		12	Y.
O.15,00,000 P.5,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	12.44	10	1.00 3.00	Nil Nil	Nil Nil		6, 12	H.
6,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13 10	10	0.75	1.00			3	Y.
20 00,000	36,50,291	49.10,494	27,87,433	1,15,708	Bird & Co. Private Ltd.	Orissa Minerals	27.19	10	2.00*	1.00I	2.00		6	Y.
7 00,000	71,05,000	74,84,368	29,53,314	62,523	Killick Industries Ltd.	Shivrajpur Syndicate	98.00	10	3.00*	3.00*	3.00*		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
41,27,700	37,60,000	1,10,24,566	49,60,560	31,068	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	164.00	100	8.00	10.00	12.00		12	Y.P.
62,00,000 1,36,42,455A	1,02,92,519	2,75,52,962	60,65,069	1,20,250	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	19 00 —	10 10New	0.80 ..	0.80	0.80		9	Y.P.
50 00,000	....	67,15,919	....	1,15,111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	122 50	100	Nil	Nil	Nil		12	Y.P.
39,27 800	11,05,700	2,96,61,485	67,85,495	58,686	Lalbhai Sons & Co.	Atul Products Ltd.	226 00	100	5.25	6.00	8 90		12	Y.
48,17,200	48,38,400	1,45,22,658	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	96 00	100	6.00	6 00	6.00	6.00	3	Y.P.T.
21,50,000 42 74,800	63,31,297	1,48,64,534	57,89,669	9,980	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	88.50 —	100 100New	12.00 ..	9.00 4.50	7 50 3 75	6 00 6 00	3	Y.P.
3,46,06,075	....	4,29,69,769	2,38,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	7 48	10	Nil	Nil	Nil		12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jal H. Mehta	Kemp & Co.	210 00	200	12 00	15 00	15 00	15.00	3	Y.
40,50,000	16,32,446	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.10cd	10	0 70	0 75	0 75	0.87½	3	Y.P.Y
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	7.80	10	0 50	0 50	0 50		3	Y.
6 00,000	4,00,000	7,37 855	4,44,350	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	22 00	10	2 00	2 00	2.00		3	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	10.12	5	0.50	1.00	1.00	0.80'C'	6	Y.P.
10,00,000	12,00,954	19,34,602	14,27,276	87,365	M.	Polychem. Ltd.	73.00	50	..	..	..	Nil	3	Y.P.
1,39,95,990 56,00,000	17,19,952	4,57,35,637	1,71,48,316	3,736	Tata Industries Private Ltd.	Tata Chemicals	16.72	10	Nil	0.75	0.80	0.75	6	Y.P.T.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
6,74,78,395	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	93.00	100	5.00	6.50	3.25	6.50	3	Y.T.
72,50,000	14,67,106	1,98 94,397	45,21.447	15,26,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	11.04	10	0.75	0.75	0.42½	0 85	3	Y.P.
3,02,76,250	76 70,609	9 08 96 522	2,41,70,836	32,105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,185 00	1,000	75.00	75 00	56 25	80 00*	3	Y.P.T.
1,75,00 000	54,34 572	3 30,22,445	77 28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	107 50	100	7 00	7 00	7 00	7 00	3	Y.
7,07,020	99 267	16.08,942	7 53,744	199	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6.92	10	0.75	0 62	Nil	0 50	3	Y.T.
18,89,000	9.35 696	1 40 77 220	53.14.908	7,836	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	111.75	100	10 00	10.00	2 50	7 50	3	Y.P.T.
60.62 500	25 74 514	1 34 27 302	42.37 719	3,828	Killick Industries Ltd.	Surat Electricity	115 00	100	7.00	..	8 75	7 00	3	Y.P.
2,39,99 575	74,19.097	6 63,96,657	1,61 14.106	28,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	124 00	100	7.50	7.50	5 52	8 00*	3	Y.P.
5,15,35,750	2,13,05,273	16,15,83,754	3,15,30,93	29,701	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,216.25	1,000	75.00	75.00	56.25	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
19,99,600	44,20,245	1,12,31,458	35,25.328	49,395	MartinBurn Ltd.	Agra Electric Supply Co., Ltd.	145.00	100	10.00	10.00	10.00	10.00	3	Y.T.
3,00,000	14,59,897	50,97,022	18,71,344	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14 87	10	1.00	..	1 25	1.00	3	Y.T.
7,00,000	35,12 989	1 29,85,469	37,39,559	35,395	Martin Burn Ltd.	Benares Electric Light & Power Co.	14.12	10	1.25	..	1 25Z		3	Y.T.
5,91,360	5.95,855	21,28,477	9,59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	7 37	8	0.50	..	0 62Z		3	Y.
£4,262,646	£8,460,286	£30,407,122	£10,881,162	130,008	Harry Burn Esq (Chairman	Calcutta Electric Supply	14.69	£1	6%	6%	8½%Z		3	Y.P.T.
6,60,000	5,11,491	28,13,024	8,33,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8 00xd	10	0.62	..	1 00Z	0.65	3	Y.
43 20,000	16.40,106	98,00 595	33 79,613	8 16,830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	100 00	100	6 00	6.00	6 50	7.00	3	Y.P.
5,34,640	96,514	29,51,444	12,22,358	3,590	Moonna Lall & Sons	Jhansi Electric Supply	6 62	10	0 69	..	0 86Z	0 62½	3	Y.T.
2,49,700	25,37,546	98 31,343	35,83 665	29,425	Martin Burn Ltd.	Jubbulpore Electric Supply	13 50	10	0 91	0.40	0 92	0 92	3	Y.
4,95,000	2,21,374	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.25xdN	9	0.50	..	1 22Z	0.72	3	Y.
5,82,390	8,36,296	82,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8 00	10	Nil	..	1.25Z	1.00	3	Y.
16,99,850	1,67,563	15,28,892	7 17 358	18,925	G. D. Bhagat, Esq.	Muttra Electric Supply	11.50	10	0 60	0.80			3, 9	H.
35,10,478	37,51,068	1,32,14,704	51 65 504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.50xd	10	0 75	..	1.25Z	0.75	3	Y.T.
9,10,000	1,93 940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25xd	10	0 50	Nil	Nil	0.50	3	Y.
16,80,000	11,63,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuan (Jherriah) Elec Supply Co.	11.00	10	0 75	..	0.94Z	0 63	3	Y.T.
56 00,000	9,42,467	1,85 49 991	54,65 883	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	11 90	10	0 91	0.91	1 28	0.87	3	Y.P.T.
5,99,250	4,67 280	21,09 262	9,36,176	9,038	Martin Burn Ltd.	Upper Ganges Valley Electric Supply	13 00	10	0 94	..	1.25	1.00	3	Y.
5,00,000	6,65,006	25,81,076	8,92,154	32,516	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	18 00	10	1.25	1 25	1.25		3	Y.
56,01,185	65,36,540	3,01,72,909	84,072	83,837	Martin Burn Ltd.	U. P. Electric Supply Co.	136 00	100	10.00	10.00	10.00		3	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.00	1.00	1.00	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
33,42,200	52,31,831	74,21,408	62,82,616	25,010	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	259.00	100	12.50	15.00	12.50		12	Y.
14,99,960	3,35,000	15,31,033	5,71,344	4,132	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	60 50	60	3.00	3.00	3.00		12	Y.
6,40,000	3,75,000	1,57,259	1,17,027	1,443	M. R. Rao Esq. (General Manager)	Jost's Engineering	70 00	50	4 00	4.00	5.00	5.00	3	Y.
44,96,250	2,57,957	55,59,741	16,71,411	56,266	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	6 04	10	Nil	Nil	Nil		9	Y.P.
50,00,000	15,01,511	44,29,526	20,09,704	25,546	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	18 80	10	1 00	1 00	1.00	1.25	3	Y.P.
55,00,000	26 00 000	1,05,24,440	12,56,894	1,16,134	M.	Mahindra & Mahindra Ltd	18 24	10	1.00	1.25	1.75		10	Y.P.
11,00,000	49,774	31,43,786	18,71,575	31,416	P. Jhunjhunwala Esq. (Mg. Director)	McKenzies	78.00	100	Nil	Nil			7	Y.P.
39 69,895	24,80,000	83,15,927	31,99 497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	15.04	10	Nil	Nil	1.00	1.20	3	Y.P.
22,50,000 O. 1,31,250 Pr.	1,28,56,576	7,51,158	73,248	1 43,527	Walchand & Co. Private Ltd.	Premier Construction	242 00	30	3.50	3.50	10.00		12	Y.P.
9,63,75,000 9,51 47,175	28,26,43,033	147,05,45,438	42,01,71,546	4,49,862	Tata Industries Private Ltd.	Tata Iron and Steel	177 50 175 00	75old 75new	10.50 ..	10.50 ..	9 50 2 54	8.25 7.56	3	Y.P.
5,00,00,000	65,53,390	16,75,33,296	6,68,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	130.50	100	Nil	6 00	8 00	9.00	3	Y.P.T.
1,50,00,000 1,05,00,000	28,75,537	66,54,806	10,96,031	1,38,920	B. H. Schuepp, Esq. (Mg. Director)	Voltas Ltd.	148.50	Old 100 New 100	5.00 ..	9.00 ..	9.00 6.00		3	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	9.12	10	..	..	Nil		10	Y.P.T.
50,00,000	19,00,000	1,22,29,219	79,69,445	97,400	Bhartia Co., Ltd.	Bhartia Electric Steel	15 00	10	1.25	1.25	1.25		12	Y.
56,59,790	61,42,015	59,77,844	7,01,161	1,82,269	Y. S Tayal, Esq. (Secretary)	Braithwaites & Co. (India) Ltd.	30.25	7	1.75	2 00	2.00		12	Y.
12,00,000	25,05,000	49,19,444	27,09,444	1,73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34 00	10	1.50	2 00	2.00		12	Y.T.
19,78,570	5,14,361	46,62,428	14,72,196	51,637	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6 00	10	1.00	0 50			3	Y.P.T.
40,00,000	39,42,365	83,13,780	37,68,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	11.65	10	1.50	0.60	0.60		12	Y.T.
5 00,000	3,06,358	19,15,871	12,28,274	77,782	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	21 25N	10	Nil	Nil	2.00		12	Y.
34,00,000	1 99,04 936	4,42,87 297	2,71,68,251	1,30,345	Martin Burn Ltd.	Burn & Co.	365 00	100	15.00	20 00	20.00	20.00	4	Y.T.
2,00,00,000	2,02,39,092	3 89,31,446	1,68,28,346	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	37.12	10	..	2.30	2 00		12	Y.
12 50,000	23,50 000	60 07 710	38,80,350	5,810	Martin Burn Ltd.	Hooghly Docking	118 00	50	6.25	6.25	5.00		12	Y.P.
36,94,590	4,35 000	48 08 664	23.13 944	4,22,513	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	16 75	10	1.00	Nil	Nil		12	Y.P.
10,36,74,160	18,72,11,475	43,94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	22.50xr	10	1 00	1.00	1 00	1.00'C'	3	Y.P.
38,98,500	54,64,443	1,09,97,195	64.95,575	42 976	Martin Burn Ltd.	Indian Standard Wagon	86 00	25	6 25	7.50*	7 50*	5.00	3	Y.P.
32,00,000 26,580	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	80.00xd 14.50xd	0.10 0.1	3.00 0.30	3.00 0.30	4.00* 0.40*	4 00* 0.40*	3	Y.
68,62,575	52,15,306	2,84,90,851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	193 00	100	12 00	10.00	15.00	12.00	3	Y.P.T.
1,01,99,000	51,82 557	1,72 18,507	62,69 132	51 642	M.	Jessop & Co.	25.19	10	3 00	Nil	Nil		10	Y.P.
24,23,187	10,05,500	43,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	13 48	10	0 50	0.60	0.90	1.00	3	Y.
18,43 200	54,56,724	72,53,319	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	9 19	3	0.50	0.62	0.45		11	Y.P.T.
10,50,000	23,78,264	17,13,875	13 52,941	1,35.774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	6.00	2	0 30	0.40	0.40		6	Y.
49,96,000	6,07,922	1,08,46,46,750	63,10 209	3,28,210	M.	National Iron and Steel Co., Ltd.	9.06	10	0 25	0.62	0.62		3	Y.P.
40,00,000	30,56,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.12N	10	1.50				6	Y.P.
6,00,000	8 16,855	29,83,251	18,00,849	21,638	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	6.50	4	0.25	0.25	0.40	0.40	3	Y.
1,50,00,000	40,87,211	3,55,90,392	1,47,60,898	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	21.10	10	1.00	1.25	1.50		12	Y.P.T

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
13,50,000	46,99,060	1,33,51,354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	11.69	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	34.50	50	3.00	3.00	3.00		12	Y.
5,15,000	1,84,95,246	12,38,65,607	....	....	R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	218.75	100	25.00				12	Y.
24,00,000	62,91 344	1,26 11,707	....	3,40,686	R. K. Srinivasan, Esq. (Mg Director)	Hercules Insurance	26 25	10	2.00	2.00	2.00		12	Y.
18,74,940	3,16,61,024	4,00,62,157	....	5,97,428	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	6 08	15	Nil	Nil			12	Y.P.
20 00,000	53,99 401	1,56 15 926	....	10,976	M. G. Mody, Esq.	New Great Insurance	20 83	20	1.50	1.50	2.00		12	Y.
1,06 81,590	7,19,81,437	13,20,95,176	....	1,41,481	B. K. Shah, Esq.	New India Assurance	52 50	15	2 50	3.00	3 00		12	Y.
6,00,000	78,22 82,610	82,01,80,624	....	....	L. S. Vaidyanathan, Esq.	Oriental Life Assurance	4,010.00	200	200 00				12	Y.
32,00,000	65,90,044	1,60,63,502	....	29,354	B. K. Setalvad Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	6 23	3	0 50	0.62			12	Y.
5,75,000	67,91,963	42,97,523	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	149 00	25	11.25	11.25	11.25		12	Y.
15,99,270	33 72,513	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	19.76	10	1.25	1.50	1.50		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
35,00,000	36,85,342	86,78,792	36,11,118	1,55,753	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	6.50N	7	1.50	1.50			12	Y.P.
1,00,00,000	1,44 75,061	94,16,791	49 77,641	1,86,640	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co. Ltd., A.	24 75	10	4 00*	2.00	2.06		12	Y.P.
79,07,478	83 83,424	2,22 58,663	1,37,40,956	5,511	Tata Industries Private Ltd.	Tata Oil Mills	46.00	25	2.00	3.00	2.50	2.50	3	Y.P.
6,09 900	9 41,500	2,24 955	1 61,723	63,892	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India), Ltd.	14.31	10	1.00	1 25	1.25		10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—Dividend is for fifteen months ended 31st March 1957.

MISCELLANEOUS COMPANIES—*Continued.*

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	86.00	25	4.69	2.50	3.12	2.00†	12	Y.P.T.
63,00,000	61 52,258	1,94,26 902	88 79,418	29,471	Andrew Yule & Co., Ltd.	India Paper Pulp	21.12	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17.50	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	82.45	10	1.12	0.62	1.50	1.50	3	Y.P.T.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	16.00	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000 *A*10,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	11.37 11.37	O. 10 A. 10	1.25 1.25	1.05 1.05	0 60 0.60		9	Y.P.
2,1?,55,240	48,43,060	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.24	10	5.00‡	0.50	0.50		6	Y.P.
56,00,000A. 56,04,800B. 4,37,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	42.62 42.62 4.00	A. 10 B. 10 P.O. 2½	2.00* 2.00* 0.25	1.12* 1.12* 0.12	2.38* 2.38* 0.24	2.38* 2.38 0.24	3	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
13,99,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	8.37	3	Nil	Nil	Nil		9	Y.
89,25,000 42,00,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corpn.	484.00 168.75	Old125 New50	37.50 15.00	40.00 13.75	47.50K 19.00K	22.50 9.00	5	Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	44.00	10	3.00	3.00	2.75	1.00†	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
14,00,000	15,30,406	42,92,220	31,12,074	57,702	M.	Balrampur Sugar	7.37		0.06	Nil	0.25			Y.
12,00,000A. 8,00,000B.	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125.00cd 11.50N	A. 100 B. 10	10.00 1.00	10.00 1.00			4	Y.T.
19 49,050	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	12.00	7½	0.75	1.00	1.00		9	Y.
15,00,000	13,08,913	22,66,507	13,89,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	13 50N	10	1.50	1.50	1.50	1.00	6	Y.P.
32,00,000	25,22,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd.	Carew & Co.	8.12	10	0.25	Nil	Nil		6	Y.P.T.
30,00,000	54,39,509	1,65,39,057	93,52,334	—8,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	10.37	10	0.75	0.75	Nil		10	Y.P.
18,0 0,000	38,41,544	85,45,310	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	16.00xd	10	1.50	1.00	Nil	1.00	6	Y.
9,58,252	2,59,762	25,14,152	16 98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	10 00N	10	0.50	0.50			8	Y.T.
18,00,000	13,01,626	82,23,561	52,13,596	74,885	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	54.00	40	2.25	4.00	7.00	4.00	7	Y.P.
7,89,100	25,36,524	50,24,224	28,80,749	18,295	Cotton Agents Private Ltd.	New India Sugar Mills	28 00	10	2.50	2.50	2.50	2.50	6	Y.P
11,00,000	4,45,000	47,92,961	28.66,816	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	4.50	10	0.25	0.37	0.37		5	Y.
13,21,100 88,275	49,91,797	73,75,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	235.00 50 00N	100 25	20 00 5.00	20 00 5.00	20.00 5.00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	135.50	100	11.00	11.00	12.50		7	Y.P.
9 00 000	19.64.146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	13.00	10	0.75	0.75	Nil		10	Y.P.
63,59,400	48 34,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	12.75	10	1.50	1.50	1.50		10	Y.
8,00,000	6.21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	17.25	10	Nil	1.75	1.50		6	Y.P.
11,99,000	16,33,214	47.23,583	25.13,422	—2,20,853	M.	Samastipur Central Sugar	12 00	10	Nil	1.75	Nil		6	Y.
39,88,800	22,68,560	1,47,99 287	73 09,801	47 608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.87	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	29,48,608	14,35,401	—3,16,557	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2.37	10	Nil	Nil	Nil		6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
8,00,000	87,71,616	1,55,93,502	86,53,620	24,618	Cotton Agents Private Ltd.	Upper Ganges Sugar	85.00N	10	2.50	3.00	5.00	5.00	6	Y P.
16,00,000	9,16,589	‡83,80,335	27,24,251	29,751	M.	United Provinces Sugar	14.75	10	1.50	0.60	0.75		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
30,00,000	19.50,000	76.27,625	18,97,501	15,070	Rangarao & Co.	Andhra Sugars Ltd.	20.00	10	0.60	1.00	1.25		9	Y.
70,49 650	1,33,26,508	1,53,99,065	1,08,78,700	2,88,214	W. H. Brady & Co., Ltd.	Belapur Company	290.00	50	16.00	16 00	18.00	20.00*	9	Y.
17,50,000	13,19,902	42,58,150	25,46,204	1,21,343	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	26.10	10	1.00	1.50	2.00	2.00	9	Y.P.
37,50,000	16 15.171	76 19,408	50,40,255	31,529		Shree Changdeo Sugar	30.50	12.50	2.00	5.00	2 25		9	Y.
39,84,000	50,19,492	1,19,44,328	66,95,463	1,49,743	Parry & Co. Ltd.	Deccan Sugar & Abkhari	10.20	5	0.50	0.75	0.72½'C'	0.90	5	Y.P.
£549,950	£ 1,197,467	£ 1,387,940	£ 701,435	£ 52,710	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	34.00	£ 1	Sh. 4	Sh. 3	Sh. 3	Sh 11	9	Y.P.
15,93,900	15,86,419	43,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80 00	100	Nil	6.00	10.00		9	Y.P.
63,98,200	11.02,669	78,71,515	18,88 285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.20	10	1.40	1.12	1.00		6	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.10	10	1.00	0 60	0 60		9	Y.P.
10,52,200O. 2,87,190D.	88,00,000	2,48,45,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	120.00 134.00	O.100 D. 10	7.50 10.00	7.50 10 00	7.50 10.00		6	Y.P.
67,50,000	38,21,978	1,22,47,683	57,87,087	36,423	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	177.50	50	..	100 00*	100 00*		9	Y.P.
21,79,280	86,24,043	1,54,89,192	89,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	44.00	10	2.00	2 00	2 00		6	Y.
50,00,000	53.21,430	1,16,88,154	67,30 841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	148 00	50	8 00	9 00	12 00*		9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	19.00	10	2 00	2 00	1 50		8	Y.P.T.
20,00,000O. 4,00,000D.	42,07,214	1,04,79,940	59,30,737	70,575	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	141.00 80 00N	O. 50 D. 10	9 00 0.07	12 00 0.70	12 00 3.75		9	Y.P.T.
30 00,000	23 85,000	65 43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	10.40	10	0.75	1.00	1.00		7	Y.P.
1,01,00,000	1,16,37,173	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries	280.00	100	18.00	21.00	21.00	1.00	9	Y.P.T.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
20,00,000	99,30,970	1,22,58,916	19,44,277	36,387	Andrew Yule & Co., Ltd.§	Bengal-Assam Steamship Co.	102.00	100	7.50	7.50	5.00		10	Y.P.
1,00,00,000	,27.28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	11.60	10	5 00	6.00	12.00*		12	Y.
60,00,000 30,00,000	1,98,50,067	5,87,36,543	1,23,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	23.00 16.00	10 5	Nil	1.00	1.50	1.80 0.90	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	66.50	£10	Sh. 10	Nil	Nil		12	Y.P.
2,47,50,000	2,83,86 232	15,10,10,777	8,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	14.40	10	Nil	1.00	1 00	1 00	3	Y.P.
11,28,19,293	10,91,45,114	30,65,36,672	6,94,73,743	6,65,069	M.	Scindia Steam Navigation Co.	18.72xd	20	0 50	1.00	1.25	1.25	6	Y.T.
8,40,800O. 2,10,200P.O.	21,67,472	12,59,963	8,41,760	1,35,400	R. R. Aiyer Esq. (Manager)	Walford Transport Ltd.	2.06 1.62	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.14 0.12		12	Y.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
57 00,000	2,01,70,510	4,79,59,818	1,85,62,169	69,94,000	S. H. Turner (Chairman)	Hindustan Lever	28.25	10	..	1.25	1.40		12	Y.
31 07,000	16.29,510	1,09 45,989	67,14,407	14,986	Birla Brothers Private Ltd.	Hind Cycles	104.50	100	10.00	..	12.50F		3	Y.P.T.
14,98,840	4.61,996	33,87,568	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	38.50	50	2 00	3 00	3 50*	3.00	3	Y.P.
99 99 250	20,13,147	1,25,61,398§§	....	1,74,653	Premchand Roychand & Sons	Industrial Investment Trust	85.79	100	4.50	5.00	5.50		12	Y.
1,00,00,000 6,23,625	25,34,707	45,50,246	14,45,332	9,290	K. G. Milne, Esq. (Mg. Director)	Killick Industries	148.25	100	11.00	11.00	11.00	13.00	11	Y.
20,25,325A O.	63 14,265	3,42 78 324	1,69,93,078	6,31,752	Aero-Auto Private Ltd.	Premier Automobiles	98.00	100	Nil	6.00	6 00		6	Y.T.
21,60,000	29,18,738	64,65 614	14,68,374	64,830	Polson Agencies Private Ltd.	Polson Ltd.	151.00	10	10 00	12.50	10 00		12	Y.P.
2,75,00,000	1,44,13,441	3,87,52,891	1,68,58,348	89,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	191.00	100	11 00*	11.00*	11.00*		12	Y.
45,00,000	60,62,390	8,64,935	5,24,956	75,054	..	W. H. Brady & Co., Ltd.	825.00	150	20.00	22.50	25.00		12	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
57,50 000 2,50,000	1,99,56,713	3,81,21,462	86,96,361	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	11.44 —	O. 10 D. 2½	Nil Nil	0.50 Nil	0.90 Nil		3	Y.P.T.
79 95 653	34.25 000	1 05 40.087	34 37 767	49 715	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	18.75cd	10	1.25*	1.25	1.25	1.25	3	Y.
30,00,000	36,31,857	35,74,849	24,59 437	2,39,372	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	20 00	10	2 00*	2 00*	1.80*	1.50	8	Y.
30,00,000	17 14.736	38,54,872	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17.25	10	1.25*	1 25*	1 25*		12	Y.
20,00,000	35,94,600	1,05,12,033	39,58,423	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	7.50	10	0 40	1.20	0 60		3	Y.P.T.
30,01,400	34,59,405	74,46,138	40 46,138	5,00,886	M.	Balmer Lawrie & Co., Ltd.	152 00	100	12 50	15 00	12.50	5.00†	12	Y.
12,00,000	17,56,000	34,55,743	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	29 75	10	2.25	2 50	2 50	1.25†	12	Y.
20 00,000	8,48,877	....	....	14,920	Lovelock & Lewis	Birds Investment Ltd.	15 00	10	1.25	1 00	0.50	0.70	9	Y P.
45,97,020	38,11 814	1,15 02,202	42,92 212	2 18 164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	18 94	10	1.00	1.00	1 00	1.20	3	Y.P.T.
3,25 00 000	1,27 72,883	3 51 40 132	2,47.20 776	—11 35 913	M.	British India Corporation Ltd.	5.68	5	Nil	0 10	Nil		12	Y.P.
5.00,000	2,47,132	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	85 00N	100	5.00	6 00	10 00*		6	Y.
1,38 80,000	17,34,264	2,05,94,990§§	....	3,10,588	Andrew Yule & Co. Ltd.	Clive Row Investment	11.19	10	0.56	1 38	0 75	0.75	3	Y.
3,00,00,000	4,40,29,606	6,50,49,175	2,68,24,548	22,22,643	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	29 50	10	1 50	1 50	1.62		12	Y.P.T.
16 20 630	26.75.014	29 38,961	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	14.50	5	0 56	0.56	..		8	Y.
51,26 000	54,81,635	1,64,12,908§§	....	2,42,272	Bird & Co. Private Ltd.	Eastern Investments Ltd.	153.00	100	9.00	9.00	9.00	..	12	Y.P.
14,94,675	....	22.64,862	91,811	5,110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10.00	10	..	..	..		12	Y.P
14 00,000	10,85,000	36,71,778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	175 00	100	15.00	4.00	12.50	15.00	3	Y.
40,00,000	4.00,000	63,89,740	32,43,367	10,90 318	M.	Godfrey Phillips India Ltd.	19.81N	10	2 00	2 00	1.50		12	Y.P.
65,00,000	35,00,000	29,50,904	12,41,168	1,46,370	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	11.37	10	1.40	1.60	1.00	1.00	3	Y.P.
30,00 000	15,17,354	83 08,821	36,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	250.00	250	6 25	15 00	15 00		3	Y.
4,96,13,250	13 87,499	5 26,95 200	2,25,48,541	9.38,841	Birla Brothers Private Ltd.	Hindustan Motors	8.00	10	Nil	Nil	Nil	Nil	3	Y.P.
3,84,58,900	1.17 58,800	7.37,43,612	2,21,77,728	7,20,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	17.25	10	0.90	1 00	0.60		12	Y.P.
1,52,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	29.31	10	1.25*	1.50*	1.50*	1.50*	3	Y.P.T.
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	17.50N	10	0.50	0.62			3	Y.P.
2,00,00,000	....	....	....	....	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	24.62	10	..	..	1.00		9	Y.
15,16,00,000	9,06,59,970	10,61,31 642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	11 84	10	0.30	0.30	0.70	0 70	3	Y.
2,50 00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	82.00	100	7 50	7.50	2.50	2.50	3	Y.P.
40,00,000O. 5,00,000D.	82,86,900	48,58,407	10,43,712	2,57,153	M.	McLeod & Co.	188.00 —	O. 100 D.O.10	22.50 1.75	8 00 0 30			12	Y.P.
1,43,23 500	90,58,531	25,54,434	14,97,332	2,35,312	T Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29.62	10	1 81*	2 12*	2.12*		9	Y.P
1,15,00,000	1,29,00 151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	30 12	10	1 25	1 62	1.75	1.75	3	Y.P.
6,56,250	6,92,500	11.29,680	5,97,362	8,349	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	17.25	10	0 75	0 90	1 25		3	Y.P.
10,00,000	3 70,000	18,04,172	10,70,792	4,088	M. Malleshayya, Esq. (Chairman)	Mysore Tobacco	12 10	10	1 00	1 50	1 50	1.25	3	Y.
2,00,00,000	83,55 505	2,14 82,470	61,33,962	28,42 424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	29.00	10	0.32	1.50	1.40		12	Y.
59,96 000	98 71,172	77,84,528	42,87,426	2,67 636	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	30.19	10	1 50*	2 00*	2 00		3	Y.T.
40,00,000	20 00,600	86 22 809	17,66,013	24,266	Do.	National Rolling & Steel Ropes	13.56	10	0.60	0.60	0 60		6	Y.P.
8,00,000	6.00,000	50,21,760	28,60 528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	14.62 —	10 5	..	.. ..	1 90 0 50		12	Y.
79,97,000	68.89 261	1,25,70,061	65,79 351	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	14 00	10	0.80	0.70	0.90		12	Y.P.T.
2,20 00,000	42.21 731	80 43,288	83 40 874	63 842	P. C. Vink, Esq (Mg. Director)	Phillips India Ltd.	16 95	10		..	0.84		12	Y.
2 25,00,000	4.83,498	1,22,26,543	60 08,534	—44,12,938	M. P. A. Paspatti, Esq.	Rallis India Ltd.	60.00	100	Nil	Nil	Nil		8	Y.P.
2,50,80 000	1,57,90,209	13,84,94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	19.06	10	1.50	1.50		2.00††	3	Y.P.T.
4,73,200 6,13 400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100 00N 50 00N	100 50	.. ..	5 00 2 50	6 00 3.00	6 00 3.00	3	Y.P.
70,00,000	17 66,318	1,67,21 608	34,47 040	66,321	M	Sen-Raleigh Industries	16.00	10	0.60	0 60	0.60		9	Y.P.
40 00 000	39,05,314	1,28,83,302	73,61,372	9.13 245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	19.25	10	1.50	1 50	1.50	1.50	6	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3,65,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	16.37	10	1 00	1 00	1 00		12	Y.P.
15,00,000	95,15,571	1,13,44,098	16,85 796	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	10 00N	10	1.00	1.25	1.23		12	Y.
9,98,380	19 925	14,83,995	5,18,593	—7,432	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	5 05	10	Nil	Nil	Nil		12	Y.
6 00,000	9,80 100	30,85,103	26 85,097	9 488	Vital Maliya, Esq. (Chairman)	United Breweries	290 00	75	15 00	15 00	15 00	45.00R	3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. R—United Breweries—The final dividend of Rs. 37.50 for the year 1958 consists of Rs. 12.50 to be paid in cash, Rs. 25 per share by the allotment of one newly created share.
K—Includes an additional dividend Rs. 7.50 per old share and Rs. 3.00 per new share.

TEA AND OTHER PLANTING COMPANIES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	28.00N	10	4.75	5.00	1.00		12	Y.P.
2.76,500	5,71,500	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea	18.50	10	1.00	2.00			12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	23.00	10	1.00	1.25	0.50		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	21.75	10	1.00	2.50	1.50		12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co., Ltd.	377	Basmatia	26.25	10	1.50	2.00	1.75		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64 213	National Tea Corporation	579	Bateli	18.25	5	2.50	3.00	1.50		12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co., Ltd.	581	Betjan	23.50	10	2.00	2.50	1.50		12	Y.
33,00,000	15,39,600	73,93,588	30,33,388	3,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	20.19	10	2.00	2.00	1.00		12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	15.00	10	Nil	0.50	Nil		12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co., Ltd.	450	Bormah Jan Tea	18.37	10	2.00	1.50	Nil		12	Y.P.
35,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M.	2,884	Brooke Bond	17.25	10	4.75	1.25	1.75		6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	67.00	10	3.00	3.00	2.00		12	Y.
8,40,000	7,77,250	31,03,643	18,55,911	—1,18,361	Jardine Henderson Ltd.	1,156	Dessal & Parbuttia	155.00	100	10.00	10.00	Nil		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	24.00	10	2.50	0.50†			12	Y.P.
4,63,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	17 25	10	1.00	1.25	2.00		12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	36,146	McLeod & Co., Ltd.	458	Dibrugarh	29.00	10	2.00	3.00	2.50		12	Y.P.
4,73,400	6,15,000	15,05,630	6,48,530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	28 62	10	2.00	3.00	3.00		12	Y.P.
7,00,620	10,33,300	23,48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Dufflaghur	35.00	10	4.00	4.00	3.00		12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co., Ltd.	1,166	East India Tea	18 62	10	1.00	1.00	0.50		12	Y.
5,03,760	6,36,175	13,30,198	5,28,090	16,110	M.	407	Gillapukri	29 50	10	3.50	3.00	2.50		12	Y.
6,76,000	4,38,700	19,45,409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	23.50	10	3.00	2.50	2.00		12	Y.
A. 7,41,540 B. 3,61,185	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	27.75 14.75	A 10 B 5	2.50 1.25	3.25 1.62	2.50 1.25		12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,595	Andrew Yule & Co., Ltd.	476	Hoograjuli	29 50	10	0.50	1.50	1.00		12	Y.
8,70,000	13,02,909	25,53,023	13,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	180 00	100	7.50	15.00	12.50		12	Y.
58,56,900	50,04,519	1,55,03,124	45,03,124	92,757	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	12 50	10	1.00	1.00	1.00		12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutlibari	19.75	10	Nil	1.00	1.75		12	Y.
2,40,000	11,30,500	12,75,848	6,72,848	65,988	M.	1,699	Kingsley-Golaghat (Assam)	130.00	100	25.00	25.00			12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	12 50	5	Nil	Nil	Nil		12	Y.P.
6,50,000	10,94,454	12,07,806	3 53,788	392	Duncan Bros. & Co., Ltd.	636	Ledo	18.00	10	1.00	0.75	Nil		12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	21.44	10	1.75	2.00	1.50		12	Y.
4,80,000	80,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13.75	10	Nil	Nil			12	Y.P.
O. 1,50,000	8,20,000	9,69,706	5,17,244	67,133	Kettlewell Bullen & Co., Ltd.	410	Mothola	425.00	100	50.00	60.00	40.00		12	Y.
P. 1,75,000 O. 2,00,000	6,98,309	10,96,678	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	28.00 28.50	O. 10 P.O. 10	1.25 1.75	2.00 2.50	1.75 2.25		12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	14.25	10	1.00	1.50			12	Y.
5,00,000	....	7,72,341	2.90,502	—38,569	Duncan Bros. & Co., Ltd.	801	New Cinnatollah	108.00	100	Nil	Nil	Nil		12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co., Ltd.	370	Rajgarh	47.25	10	0.25	4.00	2.50		12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	22 25	10	2.50	2.50	1.50		12	Y.
2,49,000	3,86,000	11,48,864	6,60,764	87 974	Williamson Magor & Co. Ltd.	482	Seajuli	29 00	10	1.50	1.50	2.25		12	Y.
5,98,000	12,48,874	15,39,500	4,94,783	78,434	McLeod & Co., Ltd.	495	Teloijan	30.00	10	2.50	3.50	3.00		12	Y.P.
8,00,000	5,35,127	12,11,400	3,86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45.00N	10	0.75	1.00	1.50		12	Y.
19,82,880	12,75,000	46,07,888	19,46,388	36,041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	16.50	10	1.50	1.25	Nil		12	Y.
5,20,000	21,50,250	33,87,954	14,35,604	36,644	McLeod & Co., Ltd.	1,650	Tyroon	40.50	10	3.00	4.50	3.00		12	Y.P.T.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
3,00,000	....	5,16,444	1,84,445	—1,34,480	M.	862	Arcuttipore	7.60	10	Nil	Nil			12	Y.
7 00,000	....	7,66,139	1,03,460	—3,49,181	Octavius Steel & Co., Ltd.	649	Eastern Cachar	4.12	10	Nil	Nil	Nil		12	Y.
12,60,000	10,43,149	30,19,522	12,69,051	—1,06,851	Octavius Steel & Co., Ltd.	2,154	Hattikhira	12.25	10	0.75	0.50	Nil		12	Y.
3,00,000	1,70,000	6,34 207	2,50 949	1,081	Duncan Bros. & Co., Ltd.	625	Kunchunpore	6.94	10	Nil	Nil	Nil		12	Y.
7,00,000	6,50,000	11,33,080	3 08,080	88,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	101.00	100	15.00	15.00	15.00		12	Y.
2 60,000	3,09,004	9,34,349	2,76,278	—87,588	McLeod & Co., Ltd.	638	Roopacherra	12 00	10	1.50	0.50	Nil		12	Y.
5,00,000	10,53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	700	Rungamattee	67.00	50	10.00	10.00	3.75		12	Y.
4,00,000	3,36,980	10,68,284	3,68,708	—31,199	M.	662	Sonai River	10.50	10	Nil	Nil			12	Y.P.T.

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
2,79,900	1,05,000	3,93,716	74,916	22,108	Williamson Magor & Co., Ltd.	408	Chamong	11.00	10	Nil	0.75	Nil		12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—898	M.	488	Dilaram	95.00	100	Nil	5.00	Nil		12	Y.
2,00,000	2,42,096	7,99 665	2,97,665	—57,639	Davenport & Co., Ltd.	507	Gielle	9.00	10	Nil	Nil	Nil		12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,386	—27,148	Andrew Yule & Co., Ltd.	463	Mim	225.00	100	15.00	10.00	Nil		12	Y.
2,99,900	3,30,000	6,22,886	1,89,586	1,01,563	Williamson Magor & Co., Ltd.	690	Nagari Farm	26.75	10	1.50	3.50	2.50		12	Y.
1,00,000	1,07,647	4,60,379	2,40,749	1,978	Duncan Bros. & Co., Ltd.	505	Okayti	450.00N	100	Nil	Nil	Nil		12	Y.P.
3,00,000	95,000	6,40,072	2,48,808	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	6.75	10	Nil	Nil	Nil		12	Y.
2,05,000	2,07,208	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10.00	10	Nil	Nil			12	Y.P.
1,40,000	5,01,653	4,38,361	1,95,341	10,362	Duncan Bros. & Co., Ltd.	841	Runglee Rungliot	385.00	100	20.00	35.00	25.00		12	Y.
3,00,000	3,06 462	5,55,461	1,82,549	4,401	M.	389	Seeyok	11.00	10	Nil	Nil	1.00		12	Y.
9,00,000	65,000	11,65,787	2,38,715	7,369	Goenka & Co.	583	Singtom	6.81	10	0.12	0.50			12	Y.P.
3,00,000	3,87,500	7,34,116	3,71,916	1,69,219	Williamson Magor & Co., Ltd.	554	Soom	34.00	10	3.00	4.00	3.50		12	Y.
6,25,000	7,73,767	16,47,148	4,38,733	26,923	McLeod & Co., Ltd.	745	Sungma	18.12	10	Nil	1.50	0.75		12	Y.
3,20,000	8,69,909	7,53,534	2,55,534	54,633	Davenport & Co., Ltd.	718	Teesta Valley	19.37	10	1.50	2.50	1.00		12	Y.
3,01,350	2,61,083	16.07,038	3,76,038	—2,94,248	Williamson Magor & Co., Ltd.	1,666	Tukva.	8.75	10	Nil	Nil			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
27,00,000	28,56,560	51,80,345	23,19,586	1,37,198	Andrew Yule & Co., Ltd.	2,540	Banarhat	288.00	100	25.00	40.00	20.00		12	Y.P.
12,00,000	16,25,000	42,61,095	23,93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	20.37	10	3.00	2.00	1 50		12	Y.
9,00,000	17,75,000	21,72,529	11,20,841	13,385	McLeod & Co., Ltd.	1,112	Bhatkawa	23 50	10	2.50	3.00	1.50		12	Y.
9,00,000	14,81,356	25,85,244	8,19,732	47,850	Duncan Bros. & Co., Ltd.	1,381	Birpara	158 00	100	5.00	25.00	7.50		12	Y.P.
6,00,000	8,31,552	13,82,183	4,29,045	18,641	Duncan Bros. & Co., Ltd.	602	Carron	138.50	100	7.50	10.00	5.00		12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co., Ltd.	908	Choonabhutti	262.00	100	20.00	35.00	20.00		12	Y.P.
3,00,000	13,76,102	9,53,074	4,15,527	13,348	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	160 00	100	Nil	5.00	Nil		12	Y.
1,20,000	2 00,531	4,58,517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	500 00	100	Nil	Nil	Nil		12	Y.
4,90,000	60,538	9,51,864	2,69,498	3,627	M.	447	Ethelbarrie	12 00	10	1.25	1.00	0.75		12	Y.
7,50,000	5,76,838	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	126.00	100	Nil	10.00	Nil		12	Y.
36,00,000	34,58,954	64,82,327	20,30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	126 00	100	6.00	7.50	Nil		12	Y.P.
32,00,000	55,67,967	65,55,381	50,96,452	3,65,371	Davenport & Co., Ltd.	4,235	Hasimara	23.31	10	1.00	2.25	0.75		12	Y.P.
8,25,000	18,53,650	22,13,183	9,84,183	1,10,677	Davenport & Co., Ltd.	1,452	Huldibari	22 37	10	1.25	2.50	1.25		12	Y.
7,00,000	4,49,831	10,23,684	4,89,134	—62,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	15 50	10	Nil	0.60	Nil		12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	19 37	10	1.00	2.00	1.50		12	Y.
2,00,000	5,76,240	8,23,168	3,08,827	15,812	M.	578	Manabarrie	70 00N	10	1.00	2.00	1.50		12	Y.
9,60,000	18,69,809	25,11,703	8,55,607	37,054	Duncan Bros. & Co., Ltd.	1,130	Nagaisuree	136.00	100	7.50	15.00	7.50		12	Y.
14,00,000	20,39,893	24,35,562	10,48,172	73,709	Andrew Yule & Co., Ltd.	1,163	New Dooars	285 00	100	25.00	35.00	20.00		12	Y.P.
2,50,000	3,74,080	5,53 613	1,88,281	1,220	Duncan Bros. & Co., Ltd.	348	Phaskowa	129 00	100	Nil	7.50	Nil		12	Y.
6 00,000	8,00,496	13,67,535	5,98,723	—3,00,938	McLeod & Co., Ltd.	764	Rajabhat	18 50	10	1.25	1.25	Nil		12	Y.
7,65,000	13,43,550	25,92,138	13,67,489	28,093	McLeod & Co., Ltd.	1,035	Ranicherra	17.50	10	1.50	2.00	0.50		12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,623	Rydak	28.25	10	5.00	3.00	2.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
3,00,000	7,05,000	10,31,473	3,93,985	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	22.00	10	3.00	Nil			12	Y.
6,00,000	9 44,551	9.54,785	3,32,849	33,625	Duncan Bros. & Co., Ltd.	584	Dauracherra	9.75	10	2.00	1.50	0.75		12	Y.
4,00,000	7,56,165	10,78,529	3,50,481	1,94,619	M.	1,190	Lackatoorah	19.25	10	3.00				12	Y.
4,00,000	9,00,000	11,60,065	4,82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	22.75	10	6.25	2.00			12	Y.P.
36,00,000	56,34,901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	139.00	100	35.00	10.00‡	10.00		12	Y.P.
3,20,000	1,40,000	7,82,985	4,24,185	1,18,279	Shaw Wallace & Co., Ltd.	648	Rajnagar	10.00	10	Nil	1.00	1.10		12	Y.
9,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,72	Tellapara	115.00	100	25.00	15.00	6.00		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
4,50,000	3,65,000	4,45,710	3,67,923	38,509	Goenka & Co.	667	Atal	6.62	10	0.25	0.50			12	Y.P.T.
3,50,000	6,15,000	4 13,655	2,24,210	35,493	National Tea Corporation	522	Belgachi	46.00	10	10.00	4.00	2.00		12	Y.
13 44,000	11,50,650	26,81,849	9,42,013	31,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	139.00	100	7.50	10.00	7.50		12	Y.
5,00,000	10,53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	530	Hansqua	16.50	10	1.00	1.00	1.00		12	Y.
3,00,000	7,64,500	7,61,676	3,29,500	77,698	Davenport & Co., Ltd.	514	New Chumta	33.50	10	1.50	2.50	1.25		12	Y.
3,20,000	9,75,250	13,61,474	5 52,735	33,691	McLeod & Co., Ltd.	549	Tirrihannah	35.00	10	3.00	2.50	3.00		12	Y.P.

SOUTH INDIAN ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
10,98,990	3,36,010	15,84,554	2,70,543	7,639	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	18.00	10	2.50*	2.50*	1.75*		3	Y.P.
52,50,000	21,47,000	73,46,387	10,86,204	2,77,391	Kothari & Sons (Agn.) Pvt. Ltd.	1,318	Blue Mountain	3 60	2	0.40	0.30	0.25		6	Y.
9,33,400	13,09,262	23,56 197	7,13,191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3.75	2	0.40	0.20	0.40		3	Y.
3,77,820	12,25,145	20,87,246	1,13,916	27 021	Matheson Bosanquet & Co., Ltd.	381	Coonoor Tea	26.50cd	10	2.50	1.75	2.00		9	Y.P.
4,00,000	5 50 000	8,21,540	1,78,200	1,205	Parkins Private Ltd.	432	Coorg Tea	5.00	2	1.25	1.50	1.50		3	Y.P.
4,49,630	3 55,370	9,62,078	1,64 495	45 087	Young India Agencies Private Ltd.	450	Devon Tea	16 62	10	2.50*	2.50*	1.75		3	Y.P.
3,50,000	1,22,986	3,52 158	56 452		Parkins Private Ltd.	198	Emerald Valley Estates	7.30	5	1.25	0.50	0.30		12	Y.
18,75,000	21,25 000	43 05,347	6 81,655	23,840	Parkins Private Ltd.	1,466	Haileyburia	18.15	10	2.50	2.50	1.50'C'		12	Y.P.T.
6,00 000	7 27,746	13,70,71(	2,26,620	76,650	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	3 55	2	1.35	0.92	1.35		3	Y.T.
3,58,538	13,75 462	28 33,493	3,68,699	31,190	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	7.65cd	2	0.40	0.40	0.30		10	Y.P.
3 00,000	1 43,500	6,76 822	2,05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mlamallay	86.25	25	13.75	6.25	4.50		3	Y.P.
36,00,000	19,31,384	80,13,744	12,04,051	78,274	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	4.50	5	0.37	0.37	0.37	0.37	6	Y.P.
12 00,000	4,90,000	27,04,888	5,01,002	33,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	2.90	2	0.50	0.20	0.40		6	Y.P.
14 06,250	6,95,346	28,09,977	5,17,286	20,656	A. V. George & Co., Ltd.	1,422	Nilgiri Tea	7.50	10	1.50	0.62	0.60		3	Y.P.T.
17,00,000	8,81 944	36 18,723	11,78 754	1,02,542	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	17.75	10	3.50	3.75	2.60		12	Y.P.
57,94,880	45 46,152	91 59,457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3,459	Periakaramalai	4.13	2	0.90	0.90	0.70		3	Y.P.
12,50,000	12 10 000	30,23 670	2 65,955	744	Parkins Private Ltd.	1,070	Talayar Tea	1.58	2	1.62	1.25	1.00		3	Y.P.
11,25,000	16,53,668	25,52,610	2,85,551	31,923	Parkins Private Ltd.	1,341	Twyford	17.50	10	2.00	2.00	1.50'C'		12	Y.
21 33 280	10.82,217	41,27 876	12,69 874	1,20,125	T. Stanes & Co., Ltd.	1 773	United Nilgiri‡	19.00xd	10	35.00	2.00	1.77		3	Y.
31,50,000	28,54,311	57,57,727	6,68,638	1,34,431	Kothari Mehta & Co. Pvt. Ltd.	999	Waterfall	3.90	2	0.40	0.30	0.25		6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividends for 1954 and 1955 are on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
‡ Patrakola Tea declared 25 per cent. dividend but paid only 10 per cent. so far. 'C'—On increased Capital. A—Amluckie Tea Co.—Dividend on Rs. 100 paid-up

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
8,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd. ..	Balmadies Plantations	3.15	2	0.30	0.21	0.45		5	Y.P.
26 91,279	17 00,000	56,38,212	6 78,584	29,944	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	5.97cd	3	0.45	0.75	0.52	0.30'C'	2	Y.P.
22,50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	22 25	10	1 80	2.50	4 00	2.00	6	Y P.
71,55,000	57,69,923	1,42 78,181	30,95 427	75,345	R. C. Paterson, Esq. ..	Consolidated Coffee	20 85	10	2.25	2.00	4.00	2.00	6	Y.P.
4,00,000	5,87,423	10 43 962	53,995	8 519	Associated Planters Private Ltd..	Cottanad Plantations	15 25	10	1.75*	1 50	1.75		3	Y.P.T.
18,00,000	9,30,543	29 08,448	5 85,748	48,584	A. V. Thomas & Co., Ltd. ..	Highland Produce	11 87	10	2 00	2 00	0.75		12	Y.P.
8,00,000	6 92,809	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	12 50	10	2.75	2 00	2 00	1.00'C'	4	Y.P.
13,50,000	4,55,880	20,40,926	3,38 888	..	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	18 25	10	2.25	3 25	2 25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co., Ltd.	Midland Rubber	11 70	10	2 50	2.00	2 00	1.00'C'	3	Y.
8,35,000	4,06 000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Nenmeny Rubber	15.65	10	1.50	1 50	0 75		12	Y.P.
2 00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd..	Nilambur Rubber Co. ..	15.25	10	1.50	1 50	1.50		12	Y.P.T.
19 45,980	23,79,615	45,25,952	14,74 565	53,868	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5 03cd	2	0 40	0 20	0 60		10	Y P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	17.20	10	2.00	2.50	2.00	2.00	6	Y P.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd., ..	Savamalai Estates Ltd.	3 54	2	1.00	1.50	0.30		11	Y.
12,00,000	1,00,000	17,43,035	85,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2.45	2	..	..	..	0.18	3	Y.P.T.
10 00,000	2,74 418	22,50 914	1,70 646	16 692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	7 10	10	0.90	0.90	0.60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd. ..	Thamarapally Rubber	27.00	10	3.00	3.00	3 00		12	Y.P.
9 15,300	4,00,000	22,40,057	1 37,435	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1 86cd	1	0 12½	0.12½	0 05		9	Y.T.
6,00,000	33,742	7,80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	17 35	10	3.00	2 00	1 50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7.60	10	1.25	0.75	0 40		12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	21 85	25	4.00	3 00	1 00		12	Y.
2,20,000	4,29,600	9,26,785	83 552	..	A. V. George & Co., Ltd. ..	Udayagiri Rubber Co., Ltd. ..	11 15	10	0 60	0 75	0 60		12	Y.P.
8,80,100	5,90,669	9 56,500	27,217	872	M.	Vaikundam (Travancore) Rubber ..	25 00	10	2 50	3 50	3 50J	1.251	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	7.92	10	2.00	1.25	1.00	0.50	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	18,786	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	9.31xd	10	0.62	0.25	0 25		3	Y.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66 651	McLeod & Co., Ltd.	456	Alexandra	185 00	100	10 00	10 00	10 00		12	Y.P.T.
30 00 000	5,25,000	1,25,28,740	95,78,601	—5,74,381	McLeod & Co., Ltd.	1,264	Alliance	120 00	100	6.00	*Nil*	*Nil*		5	Y.P.
49 20 700	72,21,000	3,09,93,668	2,15,04 087	2,36,742	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	206 00	100	3 50	3.50	7.00	10.00	3	Y.P.
40,00,000	82,60,924	1,49,82,554	63.17,403	3,215	Bird & Co Private Ltd ..	810	Auckland	181 00	100	10 00	1.00	*Nil*	5.00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd. ..	959	Bally	195 00	100	3.50	*Nil*	2.00	6 00	3	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman) ..	1,889	Barnagore	130 00	£5	sh. 15	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	26,27,123	97,66,495	53 10,415	6,111	Andrew Yule & Co., Ltd. ..	820	Belvedere	152 00	100	7.50	*Nil*	2 50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull ..	600	Bengal	11 62	10	1.12	1.00	*Nil*		6	Y.P.T.
91,26,000	2,26 05,284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd. ..	1,373	Birla	18 87	10	1.00	1 00	1.00	1.00	3	Y.P.
86,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	130 00	100	7.50	*Nil*	*Nil*		10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg. ..	7.00	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	25,21,234	87,77,057	46,40 856	529	Andrew Yule & Co., Ltd. ..	616	Caledonian	192 00	100	6.50	*Nil*	*Nil*		11	Y.P.
59,16,400	75,85 462	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd. ..	600	Champdany	117 00	100	10 00	2 00	*Nil*	*Nil*	3	Y.
15,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd. ..	530	Cheviot	185 00	100	10 00	2 00	*Nil*		11	Y.P.
30,15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd.	500	Chitavalsah	15 00	10	1.37	0 62½	1.10		7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	13 00	10	1 25z	0.50	*Nil*	*Nil*	3	Y.P.
31,49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd. ..	766	Dalhousie	136.00	100	4.00	*Nil*	*Nil*	*Nil*	3	Y.P.T.
28,00,000	37,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd. ..	779	Delta	160 00	100	10.00	5 00	*Nil*		11	Y.P.
15 00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd.	500	Empire	20.00	10	1.25	0.50‡	0.75		7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd.	247.00xr	100	15.00	10 00	10.00	20.00	3	Y.P.T.
21,00,000	18,00,000	1,25,79.765	63,50,852	1,96,479	Bangur Bros., Ltd.	1,014	Fort William	22 75	10	20.00	0.75K	1.50	1.50	3	Y.P.T.
84,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	73 00	100	2 50	*Nil*			3,9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39 411	M.	607	General Ind. Society Ltd.	26 75	10	*Nil*	50 00	60 00§		12	Y.T.
24,00,000	32,06,464	2,35,37,322	1,60,44,632	47 269	Macneill & Barry Ltd. ..	1,394	Gourepore	378 00	100	15.00	2 50	2 50	20.00	3	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	99 00	100	11.50	5 00	5.00	5.00	3	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	12 25	10	1.25	*Nil*			3	Y.P.
65,62,500	28,00,105	2 34,85,488	1,24,24,441	82,775	Jardine Henderson Ltd. ..	1,940	Howrah	18 75	10	0.37	0.25	*Nil*	*Nil*	3	Y.P.T.
52,50,000	30,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas ..	2,272	Hukumchand	20 00	7.50	2.00	2.00	1.50	1.50	3	Y.P.
87,30 000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	15.00	12 50	4.69	4.69	9 37	15.62§	3	Y.
24,00 000 'B'19,20,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd. ..	1,797	Kamarhatty	159 00 177 00	100 'B' 100	2.50 2 50	*Nil* *Nil*	*Nil* *Nil*		12	Y.P.T.
30,00,000 'B'24,00,000	9,73,967	1,76,13,612	97,33.167	—41,58,784	Jardine Henderson Ltd. ..	1,527	Kanknarrah	90 00 81 00	100 'B' 100	1.00 1.00	*Nil* *Nil*	*Nil* *Nil*		12	Y.P.T.
21,00,000	53 00 000	1,35,45,052	88,77,736	86 701	McLeod & Co , Ltd. ..	703	Kelvin	238 00	100	17.50	5.00‡	9 00		5	Y.P.
54,00,000	23,39,741	2 00.52 835	1,26 97,897	45,833	Anderson Wright Ltd. ..	1,530	Khardah	152 00xd	100	11.00	5 00	8.00	8.00	3	Y.P.
48,00 000	77,32 121	2,38,47,961	1,08 51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	181 00	100	18.00	6 00	*Nil*	5.00	3	Y.P.T.
24,48 000	27,76,883	1,28 67,077	58,39,647	—9,32 635	Bird & Co. Private Ltd. ..	931	Lansdowne	131 00	100	7.00	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	40,49,600	1,48,98,886	66.75 920	—3,16,201	Bird & Co. Private Ltd. ..	840	Lawrence	112 00	100	6.00	*Nil*	*Nil*	*Nil*	3	Y.P.T.
81,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	14 25	10	3.75	3.75	5.00	17.50§	3	Y.
29,98,900	34 62,195	1,65,70,565	36,70,690	—13,08 719	M.	815	Naihati	74 50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	15,55,000	86,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd. ..	425	Naskarpara	12 00	10	1.25	*Nil*			10	Y.T.
85,00 000	39,51,326	48,49 737	12,31,373	19,604	Andrew Yule & Co., Ltd. ..	852	National	25 50	10	1.75	0.75	0.75		10	Y.P.
26 25,000	27,55,572	31,27,861	21,92 842	43,512	McLeod & Co., Ltd.	816	Nellimarla Jute	12 19	10	1.00	..	0.90		7	Y.P.T.
85,50,000	2,12,83,190	6,33,25,272	1,19,61,749	3,274	Sahu Jain Ltd.	1,765	New Central†	13 00	10	1.50	1.50		1.50	3	Y.P.
16,79,880	43 38,845	1,35,66 574	61,41,213	—2,43,817	Bird & Co. Private Ltd. ..	567	Northbrook	19 75	10	1.50	1.50	*Nil*	*Nil*	3	Y.P.T.
66,79,500	17 81,396	2,26,00,780	1,19,72 061	79,151	Macneill & Barry Ltd. ..	1,092	Nuddea	57 25	50	1 00	*Nil*	*Nil*	2.50	3	Y.P.
24 91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd. ..	601	Orient	160 00	100	9.00	2 00	*Nil*		11	Y.
25,00,000	7,83,173	86,18,353	67,97,872	7,049	McLeod & Co., Ltd.	400	Presidency	6 00	5	0.31	0.20	0.30		7	Y.T.
20.00,000	10,324	29 80,939	9 24 705	—7 07,557	Birla Brothers Private Ltd. ..	305	Rameshwara	5.87	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49 50 000	2,00 000	1,24,61,131	66,63,109	—46,26,693	Jardine Henderson Ltd. ..	1,276	Reliance	7 75	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£420,518	£1 474 082	£790,162	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	10 00	£1	3%‡1	3%‡1	*Nil*		12	Y.P.
30 00 000	13,14,910	1,21.72,882	85,21 532	48,032	Bagaria More & Co., Ltd. ..	911	Shree Ambica	11 50N	10	0.50	0.25	0.50		3	Y.P.
14,00,000	11,14 980	68 87,540	47,50 476	40,154	Hindustan Investment Corpn. Ltd	401	Soorah	19 00	10	1.50	1.50	1.50		12	Y.P.
25,19 600	8 04,087	9,29,724	8,23,203	61,862	Bird & Co. Private Ltd. ..	650	Standard	110 00	100	1 00	*Nil*	*Nil*	5.00	3	Y.P.
£600,000	£334,805	£1,259,274	£693 019	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9 50	£1	3%‡1	*Nil*	*Nil*		12	Y.P.
85,98,600	48,33,581	1,05 53,316	42,51,394	56,837	Bird & Co. Private Ltd. ..	1,326	Union	216 00xd	100	10 00	1 00	*Nil*	15 00	3	Y.P.T.
£400,000	£247,635	£1,271,988	£541,723	£13,328	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	11.25	£1	3%‡1	3%‡1	3%‡	*Nil*	12	Y.P.
2,50 000	6,35 000	41,78,264	27,76,059	—4,15,285	McLeod & Co., Ltd.	447	Waverley	3.75	1	0.37	*Nil*	*Nil*		5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57 686	40,639	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	22.19	10	1.37	0.50	1.25	1.25	3	Y.
12.00,000	4,49,890	35,13,891	33,46 842	57,344	Jardine Henderson Ltd. ..	Bararee Coke	12 25	10	1.46	1.10	0.37	0.50	3	Y.
4,49 350	88 000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co. ..	Bengal-Bhatdee ..	5 00N	10	0.62	0.75			12	Y.
1,00,00,000	1,62,13,157	6,38,12,765	4,41,60,343	11,48,060	Andrew Yule & Co., Ltd. ..	Bengal Coal	288 00	100	35 00*P	17.50	17.50		10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur ..	10 00	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries ..	6 81	10	0 62	0 62	0.60		6	Y.P.T.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbararee	6 00	10	*Nil*	*Nil*			12	Y.T.
7,50,000	24,50,150	46,69,896	27,71 129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	18.75	10	2.00	1.50	0.75		12	Y.P.
90 92 480	1,73,37,198	4,41,78,123	2,08 53 739	99 142	Bird & Co. Private Ltd. ..	Burrakur	17.37	10	0 62	0.62	0 37	0.87½	12	Y.P.T.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India ..	7 62	10	0 25	0.50	0.50	0.50	3	Y.
3.00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	9 50N	10	0.50	0.50			12	Y.
6,00,000	1,49,122	7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churlia	3.37	4	0 06	0 06	0.20		12	Y.
16,00,000	....	54,47,612	31,85,398	—67,535	Macneill & Barry Ltd. ..	Dhemo Main	9 25	10	*Nil*	*Nil*	*Nil*		12	Y.
£240,000	£273,125	£1,070,637	£776,882	£19,431	Jardine Henderson Ltd. ..	East Indian	24 00	£1	3.00	2.50	1.50	1.00	4	Y.
29.63,760	93,25,027	4,34 54,587	3,12,09,700	59,732	Macneill & Barry Ltd. ..	Equitable	30 37	10	1.50	1.50	1.50		12	Y.P.T.
10,00 000	1,40,469	14,24,422	4,83 296	45,369	Bhatter's Agency Ltd. ..	Ghusick and Muslia	14.00N	10	0 25	0.25			3	Y.
12,00,000	65,000	43,00,791	26,55,359	—6,34,206	Killick Industries Ltd. ..	Hingir-Rampur	19 00	50	2 25	2 25	*Nil*	*Nil*	6	Y.P.
8,00,000	2,50,000	24,57,868	19 66,774	163	Macneill & Barry Ltd. ..	Hurriladih	15 00	10	2.50	1.50	*Nil*		12	Y.
3,50,000	3,85,964	14.76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd. ..	Kalapahari	21 00	10	*Nil*	*Nil*	*Nil*	*Nil*	2	Y.
20.00,000	2,87,875	35,11,943	7 18,220	11,229	Bird & Co. Private Ltd. ..	Karanpura Collieries ..	115 00	100	2 50	5 00	*Nil*	5.00	2	Y.P.
5,00,000	19,66,031	49,73 401	39,04,335	1,68 572	Andrew Yule & Co., Ltd. ..	Katras Jherriah ..	66.75	10	4.50	6 50	6.50	6.50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	13 871	H V. Low & Co. (Private) Ltd.	Kuardi	2 75N	10	0.12	0.19			6	Y.
9.00,000	10.22,762	28.39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd. ..	Lakurka	15 50N	10	0.12	0.12	0.12		4	Y.
7.48 240	2 25 000	13,43,892	9,89,769	55,358	Tantia Brothers Private Ltd.	Nazira	7 44	10	0 50	0 50	0.75		12	Y.
17.76,230	19,58 049	1,30,10,149	94,97 263	83,316	Andrew Yule & Co., Ltd. ..	New Beerbhoom ..	19 75	10	1 00	0.75	0.75		10	Y.P.
6,00 000	76 179	83,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd. ..	New Manbhoom ..	11 75	10	*Nil*	*Nil*	0.50	0.50	3	Y.
1,15 000 1,57,500	3,85 824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd. ..	North West	23 25xd 18 75xd	10 7.50	1.37 1.03	1.50 1.12	1.50 1.12	1.50 1.12	3	Y.
7,50,000	15,69 648	3,97,666	2 77,666	41 941	F. W. Heilgers & Co. Private Ltd.	Ondal	12 00	10	1.00	0.75	0.50		12	Y.P.
8,34,000	20 000	23 49,367	9,36 591	3,080	Deepchand Kishenlal ..	Parasea	15 00	10	1.00	0.50			12	Y.P.T.
15 75 000	17 04.800	59 95,210	42 69,210	36 465	Shaw Wallace & Co., Ltd. ..	Pench Valley ..	24 25	10	1.50	0.70	2.00	2.00	3	Y.
23.99 500	25 66 561	1,37,28,021	91,88 862	29,060	B. N. Elias & Co. Private Ltd. ..	Raneegunge ..	14 00xd	10	0 62	0.37	0.75		3	Y.
13.50 000	6 38,385	42 17 417	32 31 916	24,549	Shaw Wallace & Co., Ltd. ..	Rewa	17 87	10	2.07	1.50	1.00		12	Y.
37 50 000	37,12,000	95 06,524	26 37 721	21,162	M.	Samla Collieries ..	10 50	10	1.00	1.25	0.90		12	Y.
2.50,000	1 95 802	13 78,480	12,21 237	21 070	M.	Searsole	5 00N	2.50	0.75				1	Y.
2.80 000	9 25 098	29 24,442	19.99,221	48,188	Andrew Yule & Co., Ltd. ..	Seebpore	26 00	7	2.50	2.25	1.75		12	Y.P.
3 00,000	4.91 081	52,491	28 867	628	F W. Heilgers & Co. Private Ltd.	Sendra	11.25	10	0.25	0.25	0.25		12	Y.T.
62,11 450	1,04,26,883	5,58,10,811	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	16 50	10	0.75	1.00	1.50		12	Y.T.
7,50,500	10.37 541	39 01,896	17.00,094	8,739	Bird & Co. Private Ltd. ..	South Karanpara ..	12 50	10	0.12	0.35	0.75		8	Y.
8,00,000	13,76,745	1.69,570	28 510	9,790	F. W. Heilgers & Co. Private Ltd.	Standard	13 50	10	1.00	1.00	1.00		12	Y.
10,00,000	....	31,92,694	15 43,502	—5,62,907	M.	Talcher	1 69	2.50	*Nil*	*Nil*			9	Y.T.
3,50,000	2,80 000	19,15 700	14 79,400	1,77 952	Williamson Magor & Co., Ltd. ..	Union	14.25	10	*Nil*	*Nil*	0.37		12	Y.
49,98 000	89,284	70 81,423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal ..	6 12	10	0.50	0 50	0.50		3	Y.
7,00,000	....	58,61 405	27,57,669	—3,49,103	Macneill & Barry Ltd. ..	West Jamuria ..	6 50	10	*Nil*	*Nil*	*Nil*	0.40	12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs 100 into shares of Rs. 10 each Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co., Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

MARKET GOSSIP

(*Concluded from page* 343)

substantially, the Government of India should, as Mr. Brown, rightly said, embark on a vigorous drive at diplomatic level to secure a sizable reduction in taxes on tea in the industrialised countries of the West.

The Bengal Chamber President had some plain words to say about the jute industry. He drew special attention to the compulsory reduction in the output of jute goods due to excessive stocks of sacking qualities. While hoping that this would prove to be only a temporary necessity, Mr. Brown warned that "it would be foolish not to recognise the unfortunate effects which further curtailment of production in the near future would have on next year's jute crop, to the ultimate disadvantage of mills and sellers." He, however, struck a note of optimism and observed that the general level of efficiency in the jute industry today compared favourably with that in most industries in the country. Assuring the country that the industry would put its full weight in the battle for exports, he concluded by saying: "Given an adequacy of raw material, the industry can reasonably expect to earn profits on a scale which will permit of an orderly reduction in its indebtedness incurred in connection with the modernisation of the mills." A refreshing feature of his reference to this industry is that he made no demands on the Government.

ROUND THE EXCHANGES

(*Concluded from page* 344)

as a result of the firm's interest in industrial undertakings. National Pipes touched a new high of Rs. 17.56. Indian Oxygens advanced further to Rs. 24.62 on a 10 per cent. dividend and a good working report. B. I. Corporations, on interested buying, advanced to Rs. 5.90 from Rs. 4.69. Balmer Lawries gained to Rs. 155 from Rs. 145 previously. Indian Aluminiums had buyers at Rs. 18, as against Rs. 16.87 earlier, but recovered to Rs. 17.19. Hindustan Levers were favoured at the higher rate of Rs. 28.37 before closing at Rs. 28. At Rs. 19.37, Rohtas Industries added 62 nP. National Rollings touched a high of Rs. 13.56, and the subsequent reaction to Rs. 13.31 was short-lived (the lockout has now entered the seventh week). Alkali and Chemicals hardened by a few nP to Rs. 19. At Rs. 14.25, India Steamships added 6 nP.

Among minings, Indian Coppers at Rs. 3.80 gained 16 nP at the special session, but since then moved down to close at Rs. 3.69 which, compared to the week's opening, carried a gain of 12 nP. Karanpura Developments were traded at Rs. 12.44, as against Rs. 12.06 previously. Metal Corporations scored a few nP to Rs. 9.19.

The new account in Indian Irons opened at Rs. 22.09 *ex*-rights (old) and at Rs. 21.10 (new)—the last quotation for *cum*-rights was Rs. 26.02. The Olds touched a high of Rs. 23.43 before closing at Rs. 22.47. Kumardhubis at Rs. 9.19 recorded an addition of 32 nP and Texmacos closed 25 nP higher on balance at Rs. 21.10 after being higher at Rs. 21.90 at the special session.

Coals gathered strength. Equitables advanced to Rs. 30.37 from Rs. 30.19 and Pench Valleys to Rs. 24.50 from Rs. 24.25. Karanpura Collieries were keenly sought to improve to Rs. 115 from Rs. 104. In the special session, Burrakurs touched a high of Rs. 17.87, but toppled to close at Rs. 17.37, at which the net gain for the week was 12 nP. Amalgamated and Khatras Jherriahs were fractionally higher at Rs. 22.25 and Rs. 67, respectively. South Karanpuras were taken up to Rs. 12.62 from Rs. 12.25.

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Madras Stock Exchange

MADRAS, *3rd March*

The Madras Stock Exchange ruled firm during the week under review, reflecting the satisfaction of operators over the abolition of wealth tax on companies and excess dividends tax in the Central Budget, as well as absence of any fresh tax imposts in the Madras Government Budget. Tea shares were particularly buoyant, thanks to the reduction of export duty on tea from 26 nP to 24 nP per lb., and also to Mr. Lal Bahadur Shastri's statements at the meeting of the Exprt Promotion Advisory Council regarding the setting up of a tea export guarantee fund and relief in railway freight for transport of fertilisers for tea gardens. In sympathy, coffee and rubber shares also attracted good attention. Textiles, sugar and miscellaneous industrials, too, were active, with prices moving up. The electricity and bank sections presented a fully steady trend.

Among tea shares, Haileyburias evoked enlarged buying support and jumped up by Re. 1.75 to Rs. 18.75. Parksides spurted by Re. 1.50 to Rs. 21 and Twyfords by Re. 1.25 to Rs. 17.50. Devasholas hardened by a like amount to Rs. 25.50 *cum-div.* Coonoors and Nonsuch Teas rallied 75 nP each to Rs. 26.50 *cum-div.* and Rs. 26, respectively. Emerald Valleys strengthened by 55 nP to Rs. 7.30, Kil Kotagiris by 45 nP to Rs. 7.65 *cum-div.*, Balanoors by 38 nP to Rs. 18 and Blue Mountains by 25 nP to Rs. 3.60. Lucky Valleys were done at Rs. 12, as against Rs. 11.75.

Deals in coffee shares were put through at higher prices. Consolidated Coffees advanced by a rupee to Rs. 20.85. Coffee Lands improved by 63 nP to Rs. 22.25, Anaparais by 30 nP to Rs. 4.55 and Savamalais by 14 nP to Rs. 3.54.

In the rubber group, Vaikundams provided a bright spot, the quotation rising by Re. 1.25 to Rs. 25. Peninsulars picked up 70 nP to Rs. 19.50. Kalpettas increased by 25 nP to Rs. 12.50. Cochin Malabars put on 21 nP to Rs. 5.97, Highlands 12 nP to Rs. 11.37 and Nelliampathys 10 nP to Rs. 2.90. Mercaras gathered 25 nP to Rs. 8.25 and Kailas 5 nP to Rs. 5.

Among textile scrips, Dhanalakshmis were sought at Rs. 177, as against Rs. 175. Rajalakshmis firmed up by Re. 1.75 to Rs. 62.75. Lakshmis were better by Re. 1.50 at Rs. 100. Cambodias advanced by 70 nP to Rs. 9.50, Bangalore Woollens by 50 nP to Rs. 162, Travancore Rayons by 42 nP to Rs. 17 and Hemalathas by 35 nP to Rs. 8.45. Adonis gathered 30 nP to Rs. 8.20 and Anglo-French 25 nP to Rs. 70.75.

In the sugar group, United Breweries were in the limelight, strengthening by Rs. 5 to Rs. 290. E.I.Ds were pushed up by Rs. 3.50 to Rs. 34 *cum-div.* Mysores hardened by 75 nP to Rs. 44, Deccans by 52 nP to Rs. 10.20 and Travancores by 30 nP to Rs. 10.40.

Among miscellaneous industrials, Rallis spurted by Rs. 3 to Rs. 51.50. Hindustan Levers rallied Re. 1.25 to Rs. 29. Textools strengthened by 75 nP to Rs. 163.50. Spencers rose by 50 nP to Rs. 19.25. Orissa Cements were better by 76 nP at Rs. 14. Dalmia Cements gathered 30 nP to Rs. 10.10. Singarenis gained 25 nP to Rs. 16.50.

ENGINEERING

(*Concluded from page* 363)

ducing 350 b.h.p. (gross) and a further development is the coupled unit which develops 700 b.h.p. (gross). The coupled 8-cylinder model will be able to power a recently designed 60-foot personnel craft operating at 30 knots, to meet the greater speeds and greater distances over which the high speed personnel launches have to travel to off-shore drilling rigs. At the Exhibition, the 4-cylinder marine engine, developing 113 b.h.p. at 1,800 r.p.m. will also be shown, as well as the C6. NFLM which is typical of engines used by the Portuguese fishing industry. A recent interesting application of the C6. NFLM is the fisheries investigation craft built in Holland to be operated by the Marine Biological Laboratory of Helsigor University. This order, paid for by the Rockefeller Foundation, was secured in face of strong foreign competition.

The versatility of the Rolls-Royce range of oil engines is to be seen at the Kariba Dam project on the Zambesi River in Rhodesia where a number of the Consolidated Pneumatic Tool Company's compressors, powered by Rolls-Royce C6. NFL and C4. NFL engines, as well as a fleet of Euclid 15-ton dumpers with C6. NFLM engines are at work. In addition, Rolls-Royce 8-cylinder supercharged diesels will be powering standby generating sets when the dam is finally constructed. Further south, on the Triangle Sugar Estate, a bank of 6- and 8-cylinder engines is supplying the power for overhead crop spraying, a comparatively new form of irrigation.

NEW COMETS HAVE FLOWN 13,000,000 MILES

The Comet jet airliners now flying have covered 13,000,000 miles and exceeded 29,000 hours in the air—a majority of them in passenger-carrying service.

The first seven Comet 4 airliners in service with British Overseas Airways Corporation on two North Atlantic routes have so far logged about 3,500 flying hours—a figure which will go up rapidly when B.O.A.C. starts its London-to-Tokyo services on 1st April. During the past month alone, B.O.A.C. Comet 4's have visited 21 countries and territories.

Comets owned by Aerolineas Argentinas will be adding to the volume of Comet flying with their passenger services between South America and New York, and across the South Atlantic.

NATIONALISATION OF INDUSTRIES

(*Concluded from page* 371)

public have taken the view that these statutory monopolies could absorb much of increased costs by increased efficiency. The result of this pressure is that the Boards tend to operate their concerns on the very margin of a surplus and only a slight accident... can turn a surplus into a deficit."

Was sufficient attention paid to the personnel factor before the nationalisation concept was set on its onward march? It was, perhaps, thought that, once an industry was transferred from corporate to public ownership, a complete change would come over the outlook of all those engaged in the industry. Here Mr. Kelf-Cohen is trenchant. To quote him, it was thought:

> "Their attitude would become one of devotion to the public good; sordid motives would disappear with the disappearance of the capitalist. A selfless race of managers would appear, whose object would be to manage the industry for the benefit of the nation. The nationalised industries in their morale and outlook on life would provide a startling contrast to private enterprise, dominated by greed and the profit motive."

But what in actual practice has resulted is that, except in the case of a few who, in any situation, would tend to be creative even under the cloak of anonymity, "national interest"—the mystic phrase—has operated synonymously with the interest of the pressure group.

With such a crop even in a more advanced industrial society, the theoretical Socialist thinker in India must be wary in applying time-worn cliches to conditions in this country, especially when one has to give due regard to the glacial slowness of the people to change.

The working of nationalisation policies in relation to specific industries in the U.K. has in no way tended to settle problems which the units inherited from the previous regime. This has led Mr. Kelf-Cohen to say:

> "To the Socialists, nationalisation was a cure-all and a substitute for painful hard thought; ten years later, it is more than ever necessary to embark on hard thinking free from all dogmas..."

These remarks apply with equal force to the authors of the socialist pattern of society in India also.

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BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000	1,08,00,000	10,41,547	Allahabad Bank	362.00	100	18.00	18.00	18.00‡		12	Y.P.
14,50,000				181.00	50	9.00	9.00	9.00‡			
1,01,000	17,84,000	3,83,732	Andhra Bank	106.50	100	6.50	8.00	6.00	2.50i	6,12	H.
40,78,300				88.75	85	4.54	5.59	5.10	1.12i		
1,00,00,000	1,28,60,000	4,10,731	Bank of Baroda	121.50	50	6.00‡	7.00	7.00	3.00i	12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	25.50	25	0.87	1.12	1.25		12	Y.
2,50,00,000	3,10,00,000	12,79,476	Bank of India	140.00	50	8.00	8.00	8.00	8.00	6,12	R.L.Y.
50,00,000 'A'				142.00	50 'A'	..	..	8.00	8.00		
15,30,375	29,00,000	62,270	Bank of Indore	63.00N	25	3.50	4.00	4.25		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	45.50	50	2.00	2.50	3.00		12	Y.
50,00,000	96,70,613	4,70,232	Bank of Mysore	302.00cd	100	16.00‡	16.00‡	16.00	16.00	12	Y.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	82.00	50	5.00	5.00	5.00		12	Y.P.
7,50,000	13,55,900	5,670	Canara Banking Corporation Ltd.	77.00cd	50	5.50‡	5.00‡	5.00‡		12	Y.P.
5,82,930 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	182.00cd	100 'A'	12.50	15.00	15.00		12	Y.
23,787 'C'				1.71cd	1 'C'	12½%	15%	15%			
2,62,11,375	4,03,60,321	18,44,046	Central Bank of India Ltd.	59.00	25	3.00	3.50	3.50	1.50i	12	R.L.H.
52,42,375				60.20	25	3.00	3.50	3.50	1.50i		
50,00,000	46,00,000	3,02,015	Devkaran Nanjee Banking Co.	52.00	50	2.50	3.00	3.00	3.00	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29.12	5	0.87	1.37	1.06		12	Y.
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank	9.00	50	Nil	Nil			12	Y.
50,00,000	1,80,000	4,233	Hindustan Mercantile Bank	12.50	50	Nil	Nil	Nil		12	Y.
44,00,000	1,00,00,360	2,04,376	Indian Bank	182.00	100	12.00‡	13.00	15.00‡	6.50i	6,12	R.L.H.
22,40,000				146.25	80	7.75	9.75	12.00‡	5.20i		
56,23,350	46,36,300	2,32,067	Indian Overseas Bank	166.50	100	7.50	10.00	10.00		12	Y.
10,00,000	10,25,000	23,502	Pandyan Bank Ltd.	36.00cd	25	1.87	1.87	1.87		12	Y.
1,25,00,000	1,10,00,000	4,51,904	Punjab National Bank	23.76	10	3.50	4.00	5.00	2.50i	12	Y.
1,00,00,000	29,17,000	5,623	Travancore Bank	26.00cd	25	1.00	1.00	1.25		12	Y.
60,00,000	43,00,000	1,14,552	Union Bank of India	7.68	5	0.37	0.44	0.44	0.44	12	Y.
2,00,00,000	1,34,00,000	49,432	United Commercial Bank	69.00	50	2.75	3.50	3.75		12	H.
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East§	£2-10-3	£1	10	10	10	10	3	Y.
£5,000,000	£5,500,000	£412,542	Chartered Bank	£2-6-9	£1	15†	15†	15†		12	Y
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,062,463	Hongkong and Shanghai Banking Corporation	£43½	H.K.$125	5*	5*	12½*Z	1½*	12	Y.
£27,847,605	£18,000,000	£703,010	Lloyds Bank	£2-12-6	£1	12†	13†	13†		12	Y.
£2,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£2-4-6	£1	14†	14†	18‡†		12	Y.
£2,851,563	£3,104,637	£355,589	National Overseas and Grindlays Bank Ltd.	£1-7-9	sh. 12½	15†	15†	15†		12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (i) Interim. * £ per share free of tax. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim dividend for 1959 declared.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June	Carew & Co.	1933	94.00	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.25	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1969 (a)‡
			COTTON			
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	89.00	15th November .. 1966 (b)
70,00,000	5	1st April and 1st October	Buckingham and Carnatic	1953	98.00	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100.50	1st April .. 1967-72
13,71,000	5½	30th June and 31st December	Jayshree Textiles	1949	90.00N	1st January .. 1956-59
39,90,000	5½	1st June	Tata Mills	1951	93.25	15th November .. 1960
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	90.00	31st March‡ .. 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	..	98.50	14th June .. 1960
98,23,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100.25	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£4,043,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.75	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84.00	31st December .. 1970
13,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st April and 1st October	Tata Power	1940	100.62	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power	..	86.62	15th September .. 1965-70
			ENGINEERING			
5,00,000	4½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	105.00	1st January .. 1971
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	82.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	99.75	1st October .. 1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	98.00	31st December .. 1960 (a)
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	90.50	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90.00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	86.00	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,43,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	92.00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	85.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.00	31st March .. 1967
10,00,000	3½	31st January and 31st July	Waverley	1925	80.00	31st July .. 1966
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter 1st October .. 1974
189,363	5	1st April and 1st October	Calcutta Tramways	1933	£74.10N	
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 195[illegible] (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.50	1st September .. 1963
			PLANTING			
11,25,000	6	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
1,27,600	5½	31st March and 30th September	Teekoy	1944	100.00	31st March .. 1949-59
			MISCELLANEOUS			
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
23,60,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	101.25	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	101.75	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85.00	1st February .. 1964
19,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82.00	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78.00	15th September .. 1960
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	80.00	 1966
1,05,21,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	106.50	1st January .. 1971 (a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
15,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	83.00	30th September .. 1964
9,53,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	600.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	400.00 (per note)	31st December .. 1972 (a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.50N	30th September .. 1964
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	101.50	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92.50	30th June .. 1965-70
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st March .. 1961 (a)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India. Ltd.	1953	101.40	31st December .. 1959 1st May .. 1968 (a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 2 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 5th March, 1959.

	Closing quotations 26-2-1959	High	Low	Closing quotations 5-3-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	129.00	—	—	129.00
Apollo (2)	1.20	1.26	1.18	1.22
Bombay Dyeing (25)	56.90	60.20	57.10	57.70
Bradbury (50)	131.50	133.00	131.50	133.00
Central India (100)	87.00	90.00	87.00	89.00
Century Mills (100)	433.25	459.00	431.00	445.00
Edward Textile (200)	215.50	—	—	215.50
Elphinstone (50)	30.50	30.50	30.00	30.00
Finlay (100)	263.00	275.00	260.00	268.00
Gokak (100)	131.00	—	—	131.00
Ind. Untd. Defd. (1)	1.08	1.12	1.06	1.10
Ind. Untd. Ord. (10)	8.72	9.04	8.68	8.72
Indore Malwa (100)	96.50	99.00	96.00	96.50
Khatau (100)	155.25	156.25	155.00	155.00
Kohinoor (100)	235.50	248.00	231.00	233.50
Lakshmi (250)	400.00	400.00	397.00	397.50
Minerva Mills (100)	59.00	—	—	59.00
Model Nagpur (250)	153.75	161.25	151.25	161.25
Morarji (100)	232.00	240.00	232.00	233.00
Mysore (50)	79.00	—	—	79.00
National Rayons (100)	239.00	260.00	236.50	250.75
New City (100)	92.00	—	—	92.00
New Great (100)	210.00	—	—	210.00
Phoenix (100)	125.00	—	—	125.00
Podar Mills (100)	130.00	—	—	130.00
Sassoon Silk (10)	9.76	—	—	9.76
Sassoon Spg. (10)	43.50	—	—	43.75
Sholapur (1,000)	428.75	—	—	428.75
Shrinivas (100)	139.50	142.00	139.50	141.00
Simplex (50)	166.50	171.00	166.00	166.50
Standard (100)	416.00	438.00	416.00	431.00
Svadeshi (100)	202.50	212.00	200.00	205.00
Swan (100)	348.00	—	—	348.00
Tata Mill (25)	33.71	36.00	33.25	34.50
Vishnu (100)	93.50	—	—	93.50
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	140.50	141.00	139.50	140.50
Do. (New) (50)	142.00	142.00	141.75	142.00
Bank of Baroda (50)	121.00	121.50	120.50	121.50
Central (25)	59.20	59.20	58.50	58.70
Central 'A' (25)	60.50	60.20	60.00	60.00
Dena Bank (50)	52.00	52.50	52.00	52.50
Punjab National (10)	24.36	24.36	23.76	23.76
Union Bank (5)	7.72	7.72	7.64	7.68
United Com. (50)	68.80	69.00	68.80	69.00
ELECTRIC COS.				
Ahmedabad (100)	97.50	98.50	97.60	97.60
Amalgamated (10)	11.08	11.08	11.04	11.04
Andhra Valley (1,000)	1,187.50	1,187.50	1,185.00	1,185.00
Bom. Sub-El. (100)	107.25	107.50	107.00	107.50
Surat (100)	114.50	115.00	114.00	115.00
Tata Hydro (100)	123.50	125.00	123.50	124.00
Tata Power (1,000)	1,212.50	1,221.25	1,200.00	1,207.50
INSURANCE COS.				
British India (10)	13.76	13.80	13.76	13.80
Empire of India (100)	218.75	—	—	218.75
Ind. Mercantile (20)	45.75	—	—	45.75
Jupiter (15)	6.08	—	—	6.08
New India (15)	50.30	52.70	50.30	52.30
Oriental (200)	4,200.00	—	—	4,200.00
Vulcan (10)	19.76	—	—	19.76
STEEL COS.				
Ind. Iron (10)	26.35	28.20	22.16xr	22.56xr
Tata Steel Ord. (75)	172.50	183.00	172.25	176.75
SUGAR COS.				
Belapur (50)	272.00	294.50	260.50	280.00
Bhopal (10)	25.50	26.20	25.50	26.15
Changdeo (12.50)	30.50	30.50	30.00	30.50
Phaltan (50)	146.75	153.00	144.50	150.00
Walchand Ind. (100)	275.50	283.00	275.00	281.00
CEMENT COS.				
Associated Cts. (100)	146.50	150.50	142.50	146.25
Digvijay (100)	129.50	132.50	129.50	132.00
MISCELLANEOUS				
Alcock Ashdown (100)	256.00	266.00	253.75	262.00
Bom. Burmah (125)	465.00	496.00	464.00	483.50xd
Do. (New) (50)	170.00	170.00	163.75	168.75xd
Br. B. Petrol (4 sh.)	1.78	1.88	1.76	1.80
Br. I. Corpn. (5)	4.46	6.00	5.40	5.62
Hindusthan Motors (10)	7.84	8.44	7.80	7.88
Indian Copper (2 sh.)	3.58	3.90	3.58	3.78
Ind. Inv. Tr. (100)	85.00	85.80	85.50	85.80
Killicks (100)	151.50	150.00	147.00	147.00
Larsen & Toubro (10)	17.60	19.00	17.80	18.92
Polson (100)	151.25	151.25	151.00	151.00
Pre. Automobiles (100)	93.00	100.00	93.00	93.50
Premier Con. (80)	226.00	251.00	225.00	243.00
Scindia (20)	20.56	21.20	18.52	18.76xd
G. E. Shipping (10)	22.96	23.32	22.76	22.80
Shivrajpur (10)	88.80	99.50	89.00	97.50
Sirpur Paper (10)	12.96	13.52	13.00	13.20
Tata Chemicals (10)	15.48	16.96	15.44	16.52
Tata Locomotive (100)	167.75	183.00	168.00	181.00
Tata Oil (25)	44.75	46.75	44.50	46.25
Voltas (100)	144.25	152.00	143.00	149.25
W. I. Match (100)	188.50	191.50	187.00	190.00

GOVERNMENT SECURITIES	26-2-1959 Rs.	Gross Yield: Earlier Redemption	Later Redemption	5-3-1959 Rs.
2½% 1961	97.20	—	3.72	97.20
2½% 1960	90.00	—	3.31	99.00
2½% 1962	96.95	—	3.63	96.95
2½% 1976	83.20	—	4.08	83.20
3% 1959-61 2nd V ct.	99.70	3.34	3.10	99.70
3% 1964	97.10	—	3.54	97.10
3% 1963-65	96.80	3.74	3.50	96.75
3% 1966-68	93.85	3.96	3.78	93.85
3% 1970-75 1st Dev.	91.00	3.99	3.74	91.00
3% 1986 Con. Loan	74.30	—	4.05*	74.15
4% 1960-70	100.85	3.40	3.91	100.80
3½% 1961 N.P. Bonds	100.10	—	3.47	100.10
3½% 1964 N.P. Loan	99.80	—	3.54	99.80
3½% 1965 N.P. Bonds	99.65	—	3.56	99.65
3½% 1962	99.15	—	3.50	99.15
3½% 1967 N.P. Bonds	99.10	—	3.63	99.10
3½% 1974	98.65	—	3.84	98.85
3½% 1967 N.P. Bonds	100.80	—	3.65	100.80
4% 1972 Loan	101.55	—	3.84	101.60
3½% 1968	98.95	—	3.64	98.95
3½% 1963 N.P. Bonds	99.95	—	3.51	99.95
3½% 1968 N.P. Bonds	100.60	—	3.68	100.60
4% 1973 Loan	101.50	—	3.86	101.55

† Paid-up value Rs. 10.

BRITISH GOVERNMENT SECURITIES

	Closing quotations 25-2-1959 £			Closing quotations 3-3-1959 £
2½% Brit. Consols.	53⅜	—	—	52⅞
3% Savings Bonds 1965-75	76 13/16	—	—	76
3% War Loan 1955-59	100 1/16	—	—	100⅛
3½% War Loan	68¼	—	—	67¼
4% Victory Bonds 1976	96 5/16	—	—	96¼
4% Funding 1960-90	93⅞	—	—	92⅞

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

16 MAR 1959 PUBLIC DEPARTMENT

COMMERCE

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

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FEDERATION'S ANNUAL MEETING

THE dominant note in the proceedings of the annual meeting of the Federation of Indian Chambers of Commerce and Industry, held at New Delhi last week, was one of responsive co-operation with the Government in its efforts to raise the living standards of the people. But it is clear from the various resolutions adopted at the meeting that the Federation has vital differences with the Government in regard to the method and manner of achieving this cherished goal. The Federation's retiring President, Mr. B. P. Singh Roy, however, put across his point of view in a manner which readily won the approval of Mr. Nehru who, in the course of his address to the annual meeting, assured the business community that, in the formulation of the third Five-year Plan, the Government would welcome full consultation with business men. There is certainly a great deal to be said in favour of co-operation between the Government and the business community at levels, both higher and broader, than those at which consultations take place at present.

It is, however, well to remember that neither the Government could expect, nor the business men should deem it their unalterable function to provide, complete identity of views. The Government should learn the wisdom of the adage that he is not a true friend who is always a pleasant companion. Mutual respect, if it is to be enduring, should be based on mutual recognition of the right to hold and express divergent opinions. Occasionally, one does hear of some representatives of business men being described as more responsive to the Government's policy and another section being dubbed as being a somewhat more critical body. However, neither in principle nor in actual practice, nor in regard to specific issues, does there seem to be any difference of opinion between the large body of trade and industry, represented by the Federation, and that growing body of opinion which is beginning to be more sharply critical of the Government's economic policy.

If the criticism of the Government has no substance, it is bound to lose its appeal sooner than later. On the other hand, if it is valid, it would, to put it mildly, be wrong in the country's interest to stifle, or even to ignore the criticism, let alone the relevant legal, constitutional or democratic issues involved. Nevertheless, many spokesmen of the Government are developing an allergy to criticism, despite the fact that they, from the Prime Minister to the party chiefs, invite the public to make a critical evaluation of their policies. This invitation is to be regarded as mere lip service to objectivity, if it is not backed by a tolerance for different views and a readiness to accept constructive suggestions. That country is not really free where people have infinite freedom only to toe the Government's line. Again, those who, whether out of a lack of faith in their cause or out of a feeling that silence is greatly to be preferred to ineffectual criticism, are prepared to slur over the Government's defects are doing no service to the cause of dispassionate examination of Governmental policies. The essence of democracy lies in recognition of a minority's right to convert the majority to its view, so long as that minority is prepared to abide by the law of the land.

With his characteristic historical thought, Mr. Nehru declared that capitalism was changing everywhere. Many capitalist countries have now voluntarily accepted the "welfare" concept which inspires much of their social and economic legislation. What Mr. Nehru would perhaps have done well to recognise also is that socialism too is changing fast. No longer do socialists insist on complete State ownership of industries. There has also been a welcome recognition, among socialists, of what enlightened private initiative, working under welfare laws, can do to stimulate economic progress without sacrificing the "human" touch, thereby making it possible for a country to have the best of both worlds—capitalist enterprise and social welfare. Again, Mr. Nehru was not right in his criticism that the Indian business community does not change, if by that, he means adjustment to new conditions and new "welfare" ideas. In the first place, many of the social experiments, now adopted in Government-owned enterprises, were first initiated in private factories. Secondly, many foreign observers have been amazed at the complexity and the slow-moving nature of the Governmental regulations in India with which Indian business men have to deal every day of their lives. Thirdly, from ancient times, the Indian business community has done pioneering work in foreign lands. In many of these countries, it is respected for its capacity to adjust itself to new situations. Indeed, the criticism by its unsuccessful rivals is that the community adjusts itself a little too well. For sagacity and wisdom as well as capacity for moving with the times, the best elements in the Indian business community—there are black sheep everywhere—have few equals in many parts of the world. Given the necessary economic climate and a watchful eye by the Government, Mr. Nehru may trust his country's commercial and industrial interests to deliver the goods far more efficiently than he, in his less charitable moments, is prepared to admit.

Mr. Roy was no doubt conciliatory in his approach to the Government's economic policy. But that did not prevent him from emphasising the obvious importance of promoting private initiative and effort. He rightly declared that "in the ultimate analysis, it is the people's effort on a massive scale that can build up the country's economy." He pointed out how Indian organised industry had made a notable contribution to the country's economic progress. Impartial studies had demonstrated that "whether judged by reference to meeting the needs of the consumers or building up the industrial potential or as providers of finance to the State, the part played by Indian industry and trade has not been inconsiderable." He declared that Indian business men were prepared to shoulder their share of the burden of carrying out the programme of economic development. He added: "All that we ask for is that we must be given sufficient opportunities and adequate facilities to contribute our best." He felt that both private and public sectors could co-exist. He said: "We feel that our economic planning, more especially because it is democratic, is not inconsistent with the continued existence of the private sector nor is the extension of the public sector at certain points incompatible with the health of the private sector."

It is not clear whether the Government really accepts this view which is indistinguishable from the principle of "mixed economy" adopted in the early post-independence years. This principle has now been very nearly replaced by the more ideological doctrine of "socialist pattern" in which the public sector is expected to grow not only faster than the private sector but also at its expense. Mr. Roy drew much comfort from Mr. Nehru's statement made last month in Parliament, to the effect that the private sector had a "great domain to work in the country" and "just to push it out will be utterly wrong and injurious to this country *at the present moment and for a considerable time to come*." (Italics ours). Into Mr. Nehru's statement, welcome as far as it goes, can be read the meaning that the private sector will be tolerated as a matter of political and economic expediency until the time alternative arrangements can be made for its elimination. A little reflection on the quotation with particular reference to the portion italicised by us will confirm this inference. This observation of Mr. Nehru can by no means be a source of genuine comfort for the private sector. In any case, in the absence of faith in, and facilities for the growth of, private initiative and effort, the Government's verbal recognition of the place of private enterprise can lead to no enduring results.

The two main resolutions adopted by the Federation related to economic development and tax structure; it also adopted a resolution favouring special effort designed to ameliorate the conditions of the middle classes. The resolution on economic development welcomed the Government's proposals for a larger outlay on the third Plan. The Federation, however, stressed that the economy of the country would support larger investments only if priority were given to projects yielding the highest return per unit of capital and the expenditure on unproductive and non-developmental items was cut to the minimum. It is noteworthy that Dr. Ramaswami Mudaliar urged that the Plan should be framed not on the authority of economists and statisticians but on that of those who were responsible to the Government and who had knowledge of the economic life of the country. From this point of view, it would be better for the business community to accept Mr. H. P. Mody's advice that the Federation should send a delegation to meet the Government for a preliminary discussion on the Plan rather than wait till it received an invitation from the Government or the Planning Commission. The Federation will be better able to make its influence felt at the time the draft Plan is being drawn up than after the draft is finalised. This, of course, implies that the Federation must go well prepared and that, if it is to be effective,

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it must do some hard thinking on this subject right from now.

The resolution on legislation affecting trade and industry invited the attention of the Central and State Governments and also the local bodies to "the mass of laws, regulations and procedures which industry, trade and commerce have to comply with" and asked for the simplification of the relevant regulations and procedures. It urged the Central Government to set up an inter-State trade and commerce commission to ensure that the "various State regulations may not impede the free flow of goods and services as between the States." Multiplicity of legislative measures, the resolution said, was not necessarily conducive to the rapid growth of business activity. Excessive reliance on legislation not only impeded growth of business but also resulted in all-round dissipation of effort and energies in unproductive, time-consuming work. Accordingly, it urged the authorities to arrange for a review of all legislation relating to industry, trade and commerce, with the object of reducing the number of separate pieces of legislation by co-ordinating or curtailing them, and to set up small committess with a view to simplifying various procedures under different Acts. We commend this resolution to the Central and State Governments, particularly the Union Law Ministry, for legislative enactments have grown so rapidly in recent years that they baffle even professional legal advisers, not to speak of their impact on the average trader and industrialist to whom they are a veritable nightmare.

SUGAR INDUSTRY

THE Chief Minister of Uttar Pradesh, Dr. Sampurnanand, is of the view that the claims of his State for the establishment of new industries are being ignored by the Centre. This view seems to be widely shared by the members of the State Legislative Assembly and members of Parliament representing that State, as witness the recent convention of these members in which dissatisfaction with the Government of India's attitude came in for severe criticism. This was rather an unusual procedure. But dissatisfaction of this type is not confined solely to Uttar Pradesh. Almost all the States feel that way, not excluding Bombay and West Bengal, both of which are more developed than the others. While this sort of complaint is natural, the method chosen by legislators of and from U.P. to ventilate it is likely to lead to undesirable results such as new stimulus to parochialism and ill-feeling between State and State, and between States and the Centre. Instead of resorting to agitational methods, if the legislators and the Government of each State take a diligent interest in the industries that are already established in their respective States and study their problems, the results will be more rewarding to the States and the Indian Union as a whole. If the existing industries are allowed to thrive and make their maximum contribution to the economic growth of the country, there will undoubtedly be far more prosperity than there is at present. Unfortunately, not only is this not done but the State Governments and legislatures blindly accept policies and programmes initiated by the Centre, without caring to see to what extent they affect the fortunes of established industries and the quantum of employment provided by them. Again, the States themselves often adopt measures that impede the growth of these industries. And it is no exaggeration to say that, when existing industries languish, the climate for establishing new ones also gets fouled.

The depression in the cotton textile industry, for which the Government's defective policies are chiefly responsible, has severely hit employment in the States of Bombay and Uttar Pradesh. This is true of the jute industry in West Bengal. Similarly, the difficulties of the sugar industry have adversely affected the economic climate in Uttar Pradesh and Bihar. Some of these difficulties are due more to their own faults than those of the Central Government. If only the Government of Uttar Pradesh had firmly dealt with the leaders of trade unions and canegrowers who were stirring up their followers by making uneconomic demands on the sugar and cotton mill industries, there would have been less unemployment in that State. We do not say that all employers in U.P. are free from blame. Some of them have, in their attempts to build up industrial empires, converted prosperous concerns into losers. These misdemeanours could have been minimised had the authorities exercised the powers, which they possess in abundance, effectively and in time. The price which the country has so far paid as a result of these omissions and commissions on the part of Governments, trade union leaders and a section of industrialists will not have gone in vain if the lessons of the past are borne in mind and the warnings from experienced industrial leaders are heeded. There is a lot in the presidential speech of Mr. P. Hadfield, delivered at the annual meeting of the Indian Sugar Mills' Association, held at New Delhi this week, that can be noted with profit by the Governments at the Centre and in the States, particularly those in U.P. and Bihar. These two States, as readers are aware, today account for the great bulk of sugar consumed in this country. But they will suffer greatly in the years to come if their Governments do not bestir themselves now and take energetic measures for improving the competitive position of sugar factories in their jurisdiction. The situation for these factories is still not so desperate as that for the cotton mills in the Kanpur area, but it may well be so in the not distant future, unless the authorities wake up and implement the constructive proposals that have been put forward from time to time for strengthening the economic position of the white sugar industry.

It would be a grave mistake to treat this suggestion as a plea for curtailing the return to either canegrowers or workers in sugar factories. No enlightened employer would put forward or endorse such a suggestion, for he knows that he can find an expanding market for his products only when agriculturists and industrial workers are prosperous. It is, however, commonsense that a higher return to sugarcane growers should be sought to be obtained by enabling them to grow better varieties of cane that will give more sugar. The return to workers in sugar factories will itself depend on the success achieved in this direction, apart from an increase in their productivity. The State Governments have a lot more to do than they have done so far in the sphere of cane development. They have also to educate the canegrowers on this issue along right lines. Here, the U.P. and Bihar Governments are actually guilty of misleading canegrowers and trying to be in their good books by lending support to the ill-conceived demand for an increase in the price of sugarcane, irrespective of its quality. The U.P. Government, in particular, has done nothing to curb production of *khandsari*, which is admittedly a wasteful way of utilising sugarcane. The Central Government deserves to be complimented on taking a firm stand on these issues. Mr. A. P. Jain was right in claiming, as he did at the I.S.M.A. annual meeting, credit for stalling the demand for an increase in the price of sugarcane and for reducing the excessive advantage which *khandsari* has been having over white sugar. He has thereby done a great service to U.P., in the economy of which white sugar plays a significant part.

It is rather premature to say, as Mr. Hadfield pointed out, whether the excise duty of Rs. 6.30 per cwt. now imposed on *khandsari* is adequate for effectively preventing diversion of sugarcane in the factory areas from mills to *kohlus*, for *khandsari* still enjoys an advantage of Rs. 11.31 per cwt. in the indirect taxation which white sugar has to bear, apart from other direct taxes. This margin is as much as 4½ times the advantage which *khandsari* had over white sugar in 1952, when it was relieved of the small excise burden of As. 8 per cwt. on the recommendation of the Tariff Board. That *khandsari* production jumps up when white sugar becomes expensive or is difficult to be had is evident not only from the data given by Mr. Hadfield—*vide* page 411—but also from the last Tariff Board report. Between 1930-31 and 1932-33, when white sugar industry had not been firmly established, the output of *khandsari* rose from 200,000 tons to 275.000 tons. Thereafter, it steadily lost ground and stood at 92,150 tons in 1938-39. During the war years, when sugar was rationed and could not be easily obtained, it rose again, touching a peak of 195,870 tons in 1942-43. It was only after independence that it returned to the pre-war level of less than 100,000 tons. It is now estimated that, during the current year (1958-59), *khandsari* production is not less than 375,000 tons, but possibly as high as 450,000 tons.

Such a large increase in the production of *khandsari* is a clear proof of the abnormal advantage it has been enjoying over white sugar. The loss of sugar in crushing the cane in *kohlus* is nearly 25 per cent., the recovery per cent. in *khandsari* manufacture being no more than 7.5 or 8, as against 10 to 10.5 in the case of white sugar. If the excess quantity of sugarcane that was diverted to *khandsari* had been crushed in the mills, the output of white sugar this year would have been up by some 400,000 tons to 2,250,000 tons, instead of declining by 125,000 tons to 1,850,000 tons. It is not as widely realised as it must be that none gains by the loss of sugar suffered in the manufacture of *khandsari*. The loss is by no means negligible, being as much as 30 to 33⅓ per cent. In fact, the proper solution to this problem would be a complete ban on the manufacture of *khandsari*, except in those areas where there are no sugar mills and where the land cannot be put to any other agricultural crop which the country badly needs, and with the further safeguard that, where its manufacture is allowed, it should be subjected to a heavier excise duty than the one levied now.

Mr. Hadfield's analysis of the implications of sugar co-operatives to joint-stock sugar companies sounds a little far-fetched, in that he is attributing to co-operatives a degree of efficiency which is far higher than can be expected. It is not, therefore, surprising that the Union Food Minister did not share his fear. But, on the issue whether or not sugar co-operatives should be subjected to income-tax and super-tax, we entirely agree with Mr. Hadfield that they should be. Indeed, we would go a step forward and suggest that, for purposes of taxation, they should be treated in the same way as joint-stock companies. This is necessary as much from the point of view of the resources needed by the Government as in the interest of efficiency. Too much of spoon-feeding will lead to complacency and carelessness in the management of co-operatives. Further, sugar co-operatives are not, strictly speaking, co-operatives in the real sense of that term. In actual practice, they are State enterprises and should be treated as State-owned commercial ventures.

Export of sugar is another subject to which Mr. Hadfield referred in his speech. He described his Association's policy on this subject as follows:

"In an expanding economy, supply and demand can hardly keep exactly in line; when there is surplus, export it; do not hoard it. Earn the exchange needed to buy other commodities. We do not have surplus sugar at the moment, but, since the general view is that there will be considerable surplus for disposal in a year or two or three, give us the advantage of keeping Indian sugar on world markets, so that it is known and can be sold when it must. It is in respect of the necessity to cover the losses on export by slightly increasing the internal price that *khandsari* represents a serious problem. At the current rate of development, there will be so much *khandsari* in the future years that it, rather than white sugar, may well control internal prices and make it impossible to recover the losses made on export from sales within the country."

This is a very ingenious way of arguing the case for exporting sugar, but it is neither convincing nor logical. The *khandsari's* claim for growth stands self-condemned and there is no need to drag it for sustaining the case for export. In an expanding economy with a leaping population, the demand for sugar will also grow and it is doubtful whether there will be sufficient increase in the production of white sugar to take care of this demand at a reasonable price. Secondly, while it is not necessary to hoard sugar, it is essential to keep a buffer sock, in order to take care of shortfalls in production which are not unlikely in an industry based on agriculture. Thirdly, the price which the country has to pay for keeping Indian sugar on world markets will be too heavy and it is a moot point whether the country should incur it, knowing full well that it cannot export sugar at a profit except when there is a boom in world markets; such booms are rare and, when they occur, no special effort will be needed to sell Indian sugar, as was the case at the time of the Suez incident. There is plenty of scope for white sugar within the country itself. The objective of the I.S.M.A. should be to serve the domestic consumer by supplying his needs in full at much lower prices than they are today and not to try to push them up further by invoking the country's plight of foreign exchange. There are other products which are more suitable for export on profitable lines than sugar. It is regrettable that, in his whole speech of several thousand words, Mr. Hadfield has not devoted even a few words to the plight of the domestic consumer, who has paid through his nose all these years for the survival and growth of the sugar industry.

COMMUNISTS OPPOSE U.S. INVESTMENT

WORLD WHEAT AGREEMENT—COMMODITY MARKETS

THURSDAY, 5 P.M.

TO a certain section of political opinion in the country, any trade, commercial or industrial, contact which India may establish with the free countries represents a capitalist conspiracy, full of dangerous import and malevolent significance. However, it is all praise for any agreement which India may conclude with the Russian bloc, which, in its eyes, constitutes the only progressive force in an otherwise reactionary world. This represents an attitude of mind which is far from scientific and critical, for it may lead one to take up positions which neither facts nor reason can justify. A sorry exhibition of this mental attitude was the one which was witnessed in the short Parliamentary debate last week over the Central Government's agreement with the world-famous American firm, Mercks, for the manufacture of streptomycin in the factory of the Government-owned Hindustan Antibiotics (Private) Ltd. Now Mercks suffer from the disadvantage of being an American firm. And, to a certain school of political thought, all science took its birth and reached its perfection within the Russian orbit and the rest of the world—if it is not dead, it is better dead than alive—is incapable of any good at any time anywhere.

MARKET GOSSIP

The agreement was the target of attack on three grounds. First, it would entail a drain on India's foreign exchange to the tune of Rs. 1.50 crore over a period of 10 years. Second, it had been preferred to a Russian offer which was more comprehensive in scope. Third, a clause in the agreement provided for excessive control by the foreign firm over the staff to be employed by the Indian factory in the manufacture of streptomycin. The Union Minister for Industries, Mr. Manubhai Shah, whose strong point has always been his amazing grasp of facts, had no difficulty in demolishing the case built up by the opposition. He said that the royalty on the basis of 2½ per cent. of the value of yearly production would amount to Rs. 30 to Rs. 40 lakhs over a ten-year period, and not Rs. 1.50 crore. Further, he stated, in effect, that the Government was not averse to Russian offers of help and that it had, in fact, decided to set up five more drug manufacturing units in the public sector with Russian assistance. Finally, he said that the insistence on the maintenance of secrecy in manufacturing operations was not a reprehensible American trait, for the Russians too had insisted on a similar condition before agreeing to collaborate in projects, such as the heavy machine building plant. No wonder, the opposition resolution on the agreement was lost, for, after the Minister's reply, it had lost whatever pretence to meaning and significance it might have had earlier. The moral of the episode is that it may occasionally pay even the omniscient Communist Party to remember that there may well be two sides to a question, and that its own side need not necessarily possess the monopoly of logic and reason.

The Indian Communist Party's designs are now becoming increasingly clear. It is out to take this country into the Russian orbit. Shortly after his return from Russia a few days ago, Mr. E. M. S. Namboodiripad, Chief Minister of Kerala, declared that his party was keen on nationalising the foreign-owned plantations in his State and was considering the ways and means of achieving its objective. He knew very well that the subject was not within the jurisdiction of his Government and that the Central Government had made it very clear shortly after he came to power in Kerala that it had no intention of nationalising plantations, whether owned by Indians or by foreigners. And yet Mr. Namboodiripad reiterated his party's determination. What was his object in doing so? Apparently to frighten foreign private capital from seeking investment in India. The Communists know very well that, if more foreign private capital comes to India, it would make their task of winning power and ultimately joining this country with the Communist bloc more and more difficult. With the object of scaring away foreign capital from this country, they have been making wild claims and forecasts for foreign consumption. They have been saying, for instance, that the chances of greater victory in the next elections are improving day by day and that, in the summer of 1962, if not earlier, they will be wielding power not only in Kerala but in Andhra and West Bengal also. Some of the policies and practices of the Central Government as, for instance, the proposed land reforms, extension of State trading to foodgrains and seeking the assistance of Russia for establishing heavy industries and developing the mineral wealth, are proving a great source of comfort and encouragement to them. No wonder, they have boldly come forward to co-operate with Mr. Nehru in the implementation of the Nagpur resolution. Some business men are actually of the opinion that to oppose Mr. Nehru on the Nagpur resolution would be to push him into the arms of Communists. Many, however, feel that this fear is unwarranted. On the contrary, they are of the view that it is urgently necessary to form a rightist party in order to restrain the Congress Party from excessive leftist leanings.

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The U.N. Conference of exporters and importers of wheat, which was held at Geneva under the shadow of growing surplus of wheat in the new hemisphere, has produced a new draft International Wheat Agreement to replace the one expiring on 31st July 1959. The Conference, which lasted for some 6½ weeks, was attended by 44 delegations. It has now succeeded in producing a draft document which will be open for signature from 6th to 24th April 1959. Although the details of the agreement are not available at the time of writing, it is known that the maximum and minimum prices under it have been fixed at $1.90 and $1.50 per bushel, respectively. The mechanism of maximum and minimum prices works on the principle that, if the free market price rises above the maximum, the importing member-countries can call upon the exporting members to sell at the maximum price, and, if the free market prices fall below the minimum price, the importing countries are under an obligation to buy at the minimum price from the exporting member-countries.

It may be recalled that, under the current agreement, which is the third in the series of International Wheat Agreements, the maximum and minimum prices are $2.0 and $1.50, respectively. In other words, under the draft agreement, the minimum price remains unchanged, while the maximum price has been reduced by 10 cents. This is only as it should be, having regard to the continued overproduction in the U.S. and Canada. But, as we pointed out in a leading article on the subject in our issue dated 31st January 1958, at no time during the period covered by these agreements did the minimum price operate, the market rate having ruled well above it. The maximum level, however, was effective only during the first agreement when wheat was relatively scarce. During the second and third agreements, the market rate was well below the maximum. It remains to be seen whether either of the two limits will operate at any time in the next three-year period (1959-62) which the agreement will cover once it is ratified by the participating Governments.

The difference in price range is not the only feature which distinguishes the new agreement from the earlier one. In the new text, the previous concept of guaranteed qualities has been abandoned. Obligations are generally on a global basis, so that trade can flow more freely. Again, on the importing side, consuming countries undertake to purchase a percentage of their total commercial imports from exporting members. The list of exporting countries, which formerly consisted of Argentina, Australia, Canada, France, Sweden and the U.S., has been enlarged by the addition of Italy, Mexico and Spain. These countries have undertaken to supply commercial needs of the importing countries. Finally, a notable development is that the U.K. plans to rejoin the international wheat pact, after being out of it for a prolonged period. Britain, which accounts for some one-fifth of world import trade in wheat, refused to enter the last two agreements, the earlier one (1953-56) on the ground that minimum price was not reduced and the third agreement (1956-59) on the additional ground that the exporting countries did not take measures for solving wheat surpluses. Apparently, it is now convinced that the new draft agreement is an improvement on the earlier wheat pacts, though the minimum price remains unchanged. Or it may be that the international political situation has compelled it to be more responsive and less rigid.

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Prices of principal commodities have gone up further since last week. In fact, virtual buoyancy prevails in both cotton and oilseeds. Jarilla May touched a high of Rs. 684 today, as compared with Rs. 670.75 a week ago. The expiring March contract, too, firmed up to Rs. 683 today, which is the highest level to be seen during the last one month and only Rs. 5 below the record level reached on 6th February. The buoyancy of cotton is the result of heavy speculative buying and investment support sparked off by firm advices from the spot market where, following reports of damage to Laxmi-Jayadhar and Southern crop and the consequent brisk mill buying of existing quality lots, values have hardened. The sharply reduced crop estimate, which currently places the crop at no more than 4.8 million bales, better news from the export front, small volume of tenders against the March contract and encouraging news from the piecegoods market have all fanned the bullish fervour. Although a mild reaction set in yesterday, it has proved short-lived. The market has firmed up again today, due mainly to the fact that not a single bale of cotton was tendered today, the fourth notice day. The Jarilla March contract spurted today to Rs. 683.25 and May to Rs. 684 from yesterday's closing rate of Rs. 675.50 for both the contracts.

The firm trend in oilseeds has virtually flared up into a boom again. On hectic purchases, prices have shot up. The rise is particularly marked in groundnut. The May contract of this oilseed, which struck a note of hesitancy around Rs. 184.50, because a rise of a rupee more from this level would have required the payment of a margin of Rs. 45 per candy, pierced this level today and shot up to Rs. 188.75. Bulls were prepared to pay the margin rather than let go their lead. Shortage of supplies, reduced arrivals owing to the high prices prevailing at the terminal markets, good demand from crushers and manufacturers of vegetable products and the high rate of consumption have emboldened them to push up prices. Rumours of large business with Communist countries have strengthened castorseed, with linseed and cottonseed moving up in sympathy. Castorseed May has rallied from Rs. 156.25 last week-end to Rs. 160.62, linseed May from Rs. 32.50 to Rs. 33.44 and cottonseed May from Rs. 125.25 to Rs. 129.75. Thus, the efforts made by the Forward Markets Commission

(*Continued on next page*)

LONDON LETTER

MOSCOW AND MARKETS

From Our Own Correspondent

LONDON, 6*th March*

FLEET Street faithfully portrayed the ups, downs and ups of Mr. Macmillan's visit to Moscow and the City followed Fleet Street. Usually, the political barometers need careful reading but the Russian barometer as Fleet Street saw it was clear as a speaking clock. The excitement of the first few days caused a positive note of exhilaration in the Press accounts, an exhilaration that created an altogether exaggerated downward plunge when it seemed that the British Premier was being snubbed. The upswing was naturally more cautious but the relief that it was there was undoubted. By the middle of this week, opinions generally were unanimous that the visit had been worthwhile.

The stock markets were equally depressed at the end of last week, the political factor being accentuated by a firming up of money rates and some liquidity selling by the joint-stock banks. By the middle of this week, the market in gilts was recovering, although credit has continued to remain relatively tight with a consequent abandonment of hope for any further reduction in Bank rate.

Mr. Macmillan's visit has been accompanied by a good deal of speculation as to the possibility of increasing trade with Russia, but the very nature of the talks has prevented any reflection of these sentiments in the business world. Obviously, the less tension there is, the greater the likelihood of expanding trade, and British businessmen have, in any case, got all the incentive necessary for selling more to Russia, or to anywhere else for that matter, if the opportunity occurs.

And the Treasury is certainly hoping that exports will strengthen, for the latest rise in the gold reserves of £16 million looks low, as against the January increase of £46 million. No doubt, the fact that at this time of year the gold flow is the result of seasonal sales of raw materials from the sterling area, is biased by the fact that raw material prices are as low as ever. The wiseacres in the City point out that $200 million has to be repaid in a couple of months' time to the International Monetary Fund and that, in consequence, it is too much to expect any further net increase in the gold reserves before about June.

Fortunately, at home, the economic factors by getting no worse appear to improve! The index of industrial production, which in November last year was a point down on the year before, by December was a point up and in January was holding its own. Similarly, unemployment, which has been steadily rising for many months past, has now flattened out. It is obviously better to stop still than to go back and the Minister of Labour is sticking to his forecast that, by April, the trend will have definitely improved.

Footnote: British banking has started a new line which, though familiar to the United States, is novel to the respect which the business community here has towards banking techniques. This is no less than the opening by the Westminster in Liverpool and Martins in Leicester of "drive-in" banks. This is no doubt a manœuvre to help the motorist who finds it impossible to park his car in a busy street when he wants to pay in or draw out money. So the bank pushes the road through its premises like a garage entrance, the car stops alongside the cashier's window, business is transacted from the car window to the bank window and the motorist drives off into the traffic. It looks as if the traffic congestion in this country may well force the other banks to follow suit and, whether these two Provincial experiments are regarded as successful or not, they will be tried in London where structural conditions allow.—*All Rights Reserved.*

LARSEN AND TOUBRO

Messrs. Larsen and Toubro Limited, Bombay, have secured the contract for erecting a water supply and treatment plant in the Nangal Fertilisers and Chemicals Factory. The plant will have a capacity of 55.000 Imperial gallons of water per minute and is expected to be completed in about 15 months. The aggregate outlay of the plant, including cost of equipment, erection and all civil engineering works, is put at Rs. 70 lakhs.

SHARE MARKET BULLISH

FURTHER GAIN IN VALUES

(From Our Own Correspondents)

BOMBAY, *12th March*

THE share market continued to rule bullish during the week under review. The bullish fervour was fanned principally by the Union Finance Minister's assurance in the Rajya Sabha on Tuesday that he would examine the proposed new scheme of company taxation for removing anomalies of double taxation. Earlier, the market derived much strength from the explanation of the Central Board of Revenue supported by illustrations that the overall tax position of the corporate sector would be substantially maintained in all respects. It ignored the contention of some unofficial experts that they did not agree with the explanation and that most companies would be adversely affected by the proposed scheme of corporate taxation. There were unconfirmed reports that the L.I.C. would buy Rs. 1.5 crore worth of shares in about 40 companies. Another factor that strengthened the hands of bulls was the Government's estimate that deficit financing in 1959-60 would be of the order of Rs. 225 crores. Towards the close, end-of-account considerations induced some profit-taking and the leading scrips finished at levels well below the best.

The trend of Calcutta and Madras share markets also was firm. There was very good investment demand in these markets, which coupled with scarcity of scrips, led to a sizable rise in values. Plantations in Madras were particularly cheerful, following the absence of any new taxation in Kerala.

Tata Ordinaries opened the week firm at Rs. 177, as against Rs. 176.75 on Thursday last, and advanced steadily to touch Rs. 181.75 today. Towards the close, however, they were easy at Rs. 180.75. The increase over the week was thus Rs. 4. Under the impetus of higher production figures, Indian Irons moved up from Rs. 22.56 to Rs. 23.68 before finishing at Rs. 23.52.

Textile shares met with good support, thanks to reports of encouraging offtake of piecegoods, domestic and overseas. Swans and Kohinoors were particularly fancied, the former climbing up by Rs. 24.50 to Rs. 372.50 and the latter by Rs. 19.50 to Rs. 253. Centurys staged a net rise of Rs. 16 to Rs. 461, after being higher at Rs. 467.50 earlier today. Standards strengthened by Rs. 11.50 to Rs. 442.50, Khataus by Rs. 11.25 to Rs. 166.25, Swadeshis by Rs. 7 to Rs. 212 and Sreenivas by Rs. 5 to Rs. 146. Simplex and Minervas recorded a gain of Re. 1.50 each to Rs. 168 and Rs. 60.50, respectively. Bombay Dyeings gathered a rupee to Rs. 58.70. At one time yesterday, they stood higher at Rs. 59.10. The Directors of the Company (Bombay Dyeing) have decided to maintain the final dividend for the year 1958 at Re. 1.75, thus making a total of Rs. 2.50, same as that for the previous year. Models, however, were subjected to selling pressure following notice of indefinite closure from the 16th inst., and slumped by Rs. 20 to Rs. 141.25. Edward Textiles dropped Rs. 5.50 to Rs. 210. Finlays lost a rupee to Rs. 267, reflecting the disappointment of operators over the cut in dividend to Rs. 16 for 1958, as against Rs. 20 for 1957. Swans and Gold Mohurs, however, have maintained their dividends at Rs. 25 and Rs. 15 per share, respectively.

Among sugar shares, Belapurs evoked scattered buying and spurted from Rs. 289 to Rs. 294.50 yesterday on account of scarcity of sellers. They, however, finished lower today at Rs. 292. Phaltans registered an improvement of Rs. 4.50 over the week, today's closing rate being Rs. 154.50. Walchandnagars strengthened by Rs. 10.25 to Rs. 291.25.

Cement shares showed a hardening tendency. Digvijays firmed up by Rs. 7.50 to Rs. 139.50. A.C.Cs rose from Rs. 146.25 to Rs. 147.75 today. But, towards the close, it was lower at Rs. 146.50. Jaipur Udyogs put on Re. 1.44 to Rs. 11.64.

Engineering shares continued to be in the limelight, with further additions to values. Alcock Ashdowns jumped up by Rs. 13 to Rs. 275. Premier Constructions were marked up from Rs. 243 to Rs. 251.50, thanks to the enhancement in dividend to Rs. 11 for the year 1958 from Rs. 10 for 1957 and Rs. 8.50 for 1956. Tata Locomotives gathered Re. 1.50 to Rs. 182.50. Larsen and Toubros increased by 80 nP to Rs. 19.72 on news that the Company had secured a large contract from the Nangal Fertilisers and Chemicals Ltd. and on rumours that the Company would be issuing new shares at par.

Mining shares also evoked persistent buying orders. Shivrajpurs hardened by Rs. 2 to Rs. 99.50. Indian Coppers strengthened from Rs. 3.78 to Rs. 3.94; at one time, they were as high as Rs. 4.02.

Among automobile shares, Premier Automobiles were well fancied moving up from Rs. 98.50 to Rs. 104. Hindustan Motors also were better by 16 nP at Rs. 8.04.

In the miscellaneous section, Bombay-Burmahs provided a bright spot. They advanced from Rs. 483.50 to Rs. 498 yesterday but receded to Rs. 492 today. The net gain over the week was Rs. 8.50. Tata Oils were pushed up by Rs. 4.75 to Rs. 51. National Rayons spurted by Rs. 8 to Rs. 264.75. West Coast Papers strengthened by Rs. 12.50 to Rs. 128.50, Radio Lamps by Rs. 7.75 to Rs. 121.75, Ceat Tyres by Rs. 4.25 to Rs. 102.25, Investment Trusts by Rs. 3 to Rs. 88.50, Texmacos by Re. 1.28 to Rs. 22.40 and Hindustan Levers by Re. 1.05 to Rs. 29.50. Killick Industries were done higher at Rs. 150, as against Rs. 147. Wimcos rose by Rs. 4 to Rs. 194. There was a drop of 48 nP in Gwalior Rayons to Rs. 14.68 on some stray liquidation.

MARKET GOSSIP

(Concluded from previous page)

and the Reserve Bank of India to curb the upward trend in these major commodities have had only a temporary effect and the inexorable economic law of supply and demand has taken the situation in hand.

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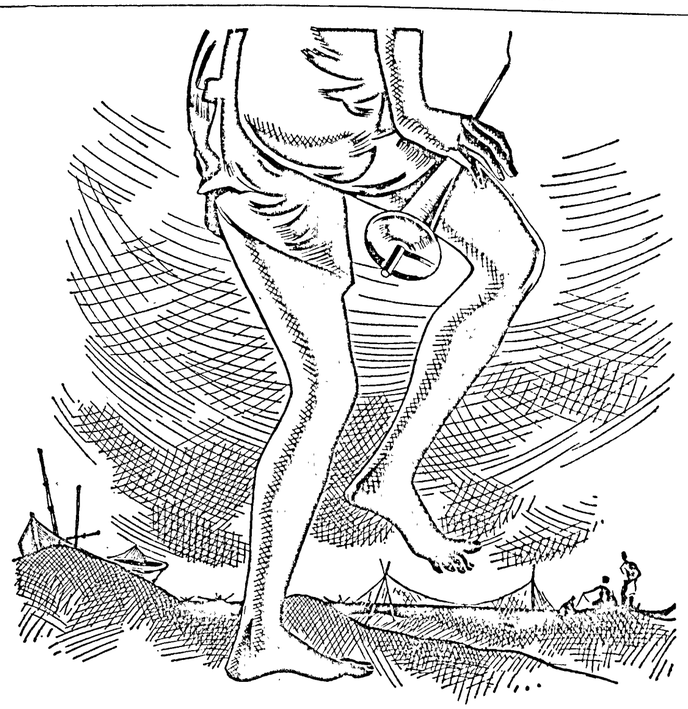
What was until recently hailed as a scheme with the double objective of boosting exports of art silk fabrics and meeting a part of the yarn requirements of weaving units without any fresh commitment of foreign exchange now stands suspended. Announcing the suspension, an Import Trade Control public notice says that the Government of India is considering modifications in the scheme. It will be remembered that, under the scheme, the exporters of rayon fabrics were given import licences for 100 per cent. of f.o.b. value of goods exported, except in the case of *saris* where the percentage was lower at 66⅔. Details regarding the nature of these modifications or the time when a final decision will be made known are not available. It is, however, gathered that the scheme may be framed in such a way that the total value of art silk yarn imported against exports of fabrics will not be more than Rs. 4 crores per annum. Meanwhile, the applications for import licences for art silk yarn already submitted but still pending with the port licensing authorities will be subjected to strict scrutiny by a special committee to be appointed shortly.

The aforesaid move of New Delhi has apparently been prompted by the need to put an end to the several malpractices indulged in by a section of art silk industry and trade ever since the scheme was initiated. The malpractices include, it is alleged, preparation of invoices of fabrics exported at a level much higher than the actual value of exports, with a view to securing larger import licences for yarn; sale of yarn so imported in the open market at high prices, instead of being consumed by the mills for weaving fabrics; selling of import licences at a high premium of 25 to 50 per cent.; and forward dealings in prospective licences. Even the measures taken by the Silk and Rayon Textiles Export Promotion Council to check these malpractices, it is said, have not proved a success, so that the misuse of concessions has continued unabated. Considering that such undesirable practices will prove detrimental to the export trade in rayon goods and the domestic producers of rayon and staple fibre yarns, the Central Government was right in intervening as it has done.

Despite the malpractices as noted above, the scheme as such, it must be admitted, has succeeded in giving a boost to the export trade in rayon fabrics. The total foreign exchange actually earned from fabrics sold abroad during the year 1958 was as much as Rs. 9.77 crores, which compares very favourably with the average annual figure of Rs. 50 lakhs before the scheme was introduced. The scheme will certainly continue to serve the purpose well, provided it is modified suitably. Two such modifications may be mentioned. First, the scheme should be confined only to weaving mills and established traders. Secondly, auctioning of import licences must be strictly prohibited through imposition of proper checks and severe penalties for offences.



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NEWS IN BRIEF

THE Central Government has agreed to render financial assistance to the agricultural university proposed to be set up by the U.P. Government at Rudrapur.

The United Nations International Children's Fund (U.N.I.C.E.F.) has approved of a grant of $1 million to the Bombay Government for the establishment of a new dairy project at Worli.

The Government of India has decided to set up a State-owned limited company with a capital of Rs. 75 lakhs to run the Janpath Hotel at New Delhi, which is at present managed departmentally.

The Government of India has under consideration a proposal from an Indian firm to import 19,000 tons of kerosene and 6,000 tons of high speed diesel oil from Rumania this year.

The income-tax arrears outstanding as on 31st March 1958 amounted to Rs. 287.32 crores, as against Rs. 267.33 crores and Rs. 233.59 crores at the end of the two preceding financial years, respectively.

The Scindia Steam Navigation Company Ltd., is understood to have secured a loan of about Rs. 70 lakhs in foreign currency from the Industrial Credit and Investment Corporation of India. The Company will utilise the amount for the purchase of ocean-going vessels.

A team of nine Japanese experts is currently investigating the suitability of Ootacamund, Madras, for the establishment of a rayon pulp mill. The experts, who have come to India at the request of the Central Government, will explore the facilities available there such as raw materials, electric power, water and transport.

At the suggestion of the Central Government, the Government of Madras has constituted an Advisory Committee for implementing the Plantations Labour Act 1951. The Committee is headed by the Commissioner and consists of the Chief Inspector of Plantations, Director of Medical Services and the Director of Public Health and representatives of employers and employees.

The Government of India has made compulsory the payment of additional price to cane growers by sugar mills under the Expert Committee's formula or under the I.S.M.A. formula. Disclosing this in the Lok Sabha, Mr. A. P. Jain, Minister for Food and Agriculture, stated that the additional price has become part of the original price under law.

Licences have been issued by the Central Government for the setting up of two small blast furnaces to produce pig iron, one in Madras and the other in Orissa. The total production of pig iron during 1959-60 is expected to be 970,000 tons, as against the internal demand for 700,000 tons. Efforts are being made to export the surplus to various countries.

The Central Government is reported to be considering a proposal put forward by the National Buildings Organisation to establish a Rs. 20-lakh plant for the manufacture of asphaltic roofing material. On the basis of the availability of transport facilities and raw materials such as bitumen, a petroleum by-product and hessian, the Organisation has suggested three sites for locating the plant, namely, Bombay, Calcutta and Visakhapatnam.

The Rs. 1.5-crore co-operative sugar factory, the first of its kind in the Saurashtra area, will be opened at Kodinar by Dr. Jivraj Mehta, the Finance Minister of Bombay, on the 16th inst. The factory is expected to crush 1,000 tons of cane a day. The Industrial Finance Corporation has given a loan of Rs. 25 lakhs towards the construction of the factory and sanctioned an additional loan of Rs. 60 lakhs. The State Government has invested Rs. 10 lakhs in the project.

A Demographic Advisory Committee has been set up by the Government of India, with Dr. V. K. R. V. Rao, Vice-Chancellor of Delhi University, as Chairman. The function of the Committee is to correlate studies in demographic research in the country. The members of the Committee are Prof. P. C. Mahalanobis, Mr. P. J. Thomas, M.P., Mr. Ashok Mitra, Registrar General of Census Operations, and Col. B. L. Raina, Director of Family Planning in the Directorate-General of Health.

The Geological Survey of India has discovered coal deposits in about 13 sq. miles in Barjora thana in Bankura District, adjacent to Durgapur barrage. The region, it is estimated, contains about 11 million tons of inferior quality coal in four seams. Coal deposits have also been located near Ondal, Burdwan District. This is considered to be an extension of the Raniganj coal belt which is believed to run eastward under alluvial soil.

Production of penicillin by the Hindustan Antibiotics factory at Pimpri touched an all-time monthly record of 2.85 million mega units in February. From June onwards, the factory proposes to increase its annual production to 40 million mega units. The prices of some of its products have been reduced by 20 per cent. since November last. A further reduction of 10 per cent. in the prices of streptomycin and dihydro-streptomycin is contemplated. It is expected that, by the end of the second Plan, saving of foreign exchange will be of the order of Rs. 4 crores annually as a result of increase in the domestic output of penicillin.

The Government of India has decided to set up six regional research-*cum*-training centres to train personnel for the State rural housing cells and other engineering field staff employed in the Community Development blocks, with a view to promoting the use of local building materials, improvement of construction techniques, and planning and execution of projects. These centres will be established under the Village Housing Projects Scheme of the Ministry of Works, Housing and Supply. The centres will be attached as separate wings to some of the existing engineering institutions in the country where most of the staff and equipment is available. This scheme is estimated to cost about Rs. 4.50 lakhs. The Ford Foundation will give a grant of $94,500.

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From Abroad

The U.S. Custom smelters have raised the price of copper by half per cent. a pound to 32.00 cents, with effect from the 4th inst.

Substantial deposits of copper pyrites have been discovered in Turkey near Tirebolu on the Black Sea coast by the Turkish Mineral Research Institute.

The nominal value of public money still invested in the denationalised steel companies in the U.K. is equivalent to about 40 per cent. of their total nominal share and loan capital.

The Government of Pakistan proposes to constitute a Cotton Commission to suggest ways and means of increasing domestic production of long-staple cotton and promoting its exports.

The Chrysler Corporation of the U.S. has developed a new type of lightweight all-aluminium truck. It has the cross-country versatility of a tank and yet can be safely parachuted from the air.

The U.S. has agreed to accept 2,250 tons of tin from Thailand in exchange for American tobacco. The International Tin Council has agreed to let the barter deal go through outside Thailand's normal tin export quota.

Production quotas for coal and a six-nation plan for curtailing coal imports from countries outside the European Coal and Steel Community have been recommended by the High Authority with a view to tiding over the present difficulties of the coal industry.

The Anglo-American oil combine, comprising Shell, Caltex, B.P. and Standard-Vacuum, has renewed its offer to set up an oil refinery in Ceylon with a capital outlay of Rs. 155 million. It has asked the Government of Ceylon for guarantee against nationalisation for at least 25 years.

The International Monetary Fund has entered into a six-month $90-million stand-by agreement with the Government of Mexico. This will provide the Mexican Government with a secondary line of reserves in support of the national currency, which is maintained on a freely convertible basis, during a period when the authorities are taking steps to strengthen the country's gold and foreign exchange position. Mexico maintains a $75 million stabilisation agreement with the U.S. also.

PERSONAL

MR. Perala Ratnam, at present Joint Secretary in the Ministry of External Affairs, has been appointed India's Ambassador to Laos.

Mr. N. Subramanyan, Joint Secretary, the Union Ministry of Commerce and Industry, has been appointed Chairman of the Coffee Board *vice* Mr. K. Srinivasan.

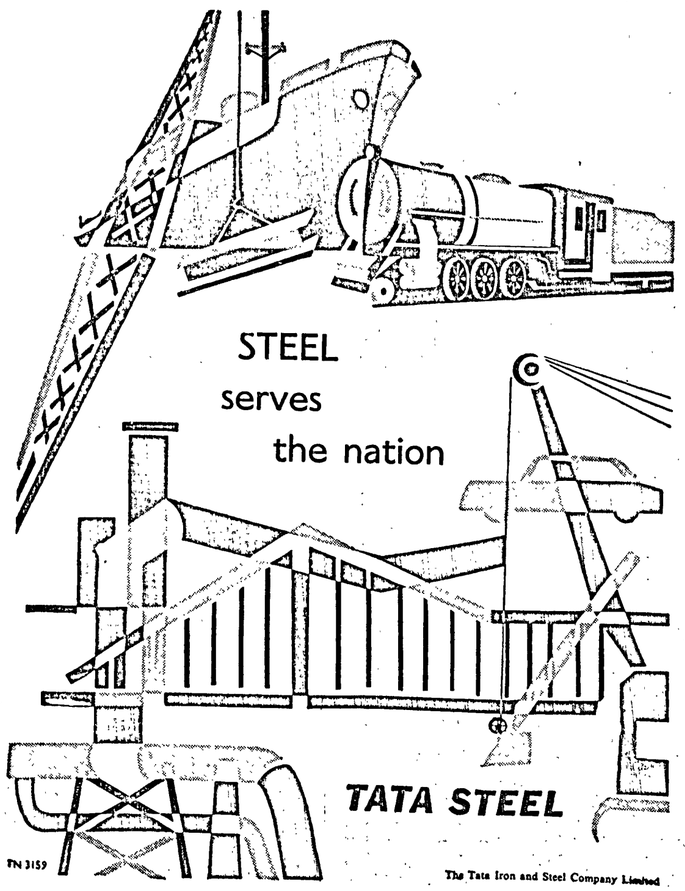
Mr. Frederick Merion D'Mello-Kamath, at present Trade Commissioner for India in British East and Central Africa, has been appointed Commissioner for the Government of India at Hong Kong.

Mr. M. J. Buch, Manager, Shipping Conference Department, Scindia Steamship Navigation Company, took over charge as Chairman of the Karmahom Conference, Bombay, on the 1st inst.

Mr. Shyam Dhar Misra, M.P., has been appointed Parliamentary Secretary in the Union Ministry of Community Development and Co-operation *vice* Mr. B. S. Murthy, who has now assumed charge as Deputy Minister in the same Ministry.

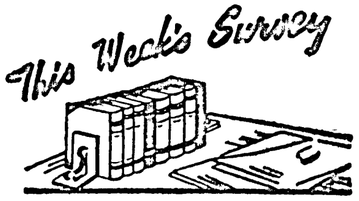
U Nyun of Burma has been appointed Executive Secretary of the United Nations Economic Commission for Asia and the Far East (E.C.A.F.E.) *vice* Mr. C. V. Narasimhan who has been appointed Under-Secretary (for Special Political Affairs) to the U.N. Secretary-General.

Mr. A. Murugappa Chettiar, a leading business man of Madras, has been elected Vice-President of the Federation of Indian Chambers of Commerce and Industry, New Delhi, for 1959-60. As already notified, Mr. Madanmohan R. Ruia is the President for the new year.



TN 3159

The Tata Iron and Steel Company Limited



A. I. M. O.

AS was only to be expected, industrial problems figured prominently in the annual deliberations of the All-India Manufacturers' Organisation (A.I.M.O.) which were held this week in Bombay. Appropriately enough, the A.I.M.O. has, as its motto, "prosperity through industry." Emphasis on industry should be both specific and general, for prosperity is to be attained not only through industrialisation but also, as the A.I.M.O's Founder-President, Dr. M. Visvesvaraya has never been tired of reiterating, through the development of industrious spirit by the community. Although India could be justifiably proud of some of its recent achievements in the industrial sphere, it is now well recognised that the country has to go a long way before its industrial production reaches levels which would be regarded as appropriate for a country of India's continental size and population. Since these achievements have been shared by the public and the private sector, the A.I.M.O's President, Mr. N. D. Sahukar, rightly prefaced his address with a tribute to these two sectors. Mr. Nehru who inaugurated the meeting stressed the importance of agricultural production and of building up the basic industries, like machine-building industries. He agreed with Mr. Sahukar's plea for giving special attention to geological survey and exploration and technical education.

Among the specific issues raised by Mr. Sahukar, those relating to steel industry, capital needs of medium-scale industries, provision of the right climate for foreign capital and promotion of export trade deserve notice. Mr. Sahukar was optimistic about India's capacity to consume the steel which would be produced in the country. If the U.S. with a population of 164 million could consume 112 million tons of steel, Japan with a population of 90 million consume 9.4 million tons and Belgium with a population of 9 million use 7 million tons, there was no reason why India with a population of 370 million should not be able to consume 4.6 million tons of finished steel. He, therefore, welcomed the Government's move towards setting up a fourth steel plant. He, however, advised some caution in the matter of copying the steel production methods employed by China's small-scale units, for the "quality of steel produced in China leaves very much to be desired." He also stressed the need for setting up a complete plant for producing tool and alloy steels and for giving top priority to the production of machine tools.

Discussing the requirements of capital by industries, Mr. Sahukar felt that, while the Government was solicitous about the capital needs of large-scale and small-scale industries, no attention had been given to the medium-scale industrial units which he defined as those with a capital of between Rs. 5 lakhs and Rs. 50 lakhs and with less than 1,000 workers. If this complaint is correct, the authorities in charge of the industrial finance institutions in the country should give serious thought to it. Since the availability of capital is strictly limited in relation to India's requirements, Mr. Sahukar did well to stress the importance of inviting foreign aid in the shape of foreign participation in equity capital. He added: "However, to obtain the participation of foreign capital in our industrial development, we have got to make an all-out effort to create in this country a proper climate." In this connection, he suggested the need for concluding trade treaties with countries with surplus capital and for arrangements for avoiding double taxation.

Although foreign capital can ease the difficulties of capital shortage in the country, it cannot eliminate the need for continuous effort designed to promote exports which will be needed for purposes of paying for India's growing volume of imports and its maturing obligations arising from its foreign borrowings. Mr. Sahukar's suggestions for export promotion included the establishment of export houses in collaboration with foreign merchant houses, extension of the export credit guarantee scheme to cover pre-shipment, post-shipment and fabrication risks, reduction in premium rates for credit insurance, allocation of larger foreign exchange for foreign publicity for Indian goods and establishment of free trade zones in a few major ports. There is no doubt that, if these suggestions are implemented, India's export trade will receive the fillip which it needs so badly. It cannot, however, be too strongly stressed that no export promotion measure is an adequate substitute for continuous watch over quality and production costs which alone determine a country's export trade.

STATES' FINANCES

The Government of India budget estimates for the coming year (1959-60) provide for an aggregate transfer of Rs. 655.95 crores of resources from the Centre to the States, as against the revised estimate of Rs. 638.77 crores for 1958-59, that is, an increase of Rs. 17.18 crores. This transfer is partly in the form of loans and partly in grants. The loan portion actually shows a fall of Rs. 13.82 crores to Rs. 312.69 crores. The provision for grants met from revenue has been stepped up considerably by Rs. 23.63 crores to Rs. 156.54 crores. The provisions under grants met from capital and share of divisible taxes are also placed higher, the former by Rs. 4.82 crores at Rs. 22.10 crores and the latter by Rs. 2.56 crores at Rs. 164.62 crores. Thanks largely to this liberal scale of Central assistance rendered possible by the Santhanam Commission's recommendations, as also to the upward trend in revenues following the all-round rise in economic activity, the financial position of the State Governments today is much better than what it was a couple of years ago. It is not surprising, therefore, that all the State budgets disclose either surpluses or only small deficits, in contrast to the substantial deficits shown in the past two years.

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A review of the Bombay, U.P., Bihar and West Bengal budgets has been made in our previous issues—*vide* pages 259 and 302 of *Commerce* dated 21st and 28th February. Of the budgets of the remaining nine States, namely, Madras, Andhra Pradesh, Madhya Pradesh, Mysore, Punjab, Rajasthan, Kerala, Assam and Orissa which have since been published, five show surpluses and the rest deficits. The revenue and expenditure estimates of these State Governments for 1959-60 are as follows:

In crores of Rupees.

States	Revenue	Expenditure	Net position
Madras	73.08	71.69	+1.39
Andhra Pradesh	71.29	71.66	—0.37
Madhya Pradesh	59.37	58.44	+0.93
Mysore	55.69	55.21	+0.48
Punjab	52.88	53.20	—0.32
Rajasthan	38.69	39.14	—0.45
Kerala	38.47	39.25	—0.78
Assam	33.95	30.54	+3.41
Orissa	30.64	30.58	+0.06

Three striking features are descernible in most of the State budgets. First, there are no fresh tax proposals, except in the case of the Punjab and Rajasthan. Secondly, sizable sums of money are proposed to be borrowed from the open market. The provisions made by some Governments are: Madras Rs. 6.00 crores; Andhra Pradesh Rs. 6.00 crores; Mysore Rs. 5.50 crores; Kerala Rs. 4 crores; Madhya Pradesh Rs. 3.00 crores. The daily Press versions of the Punjab, Rajasthan, Assam and Orissa budgets do not give any indication of the States' borrowing programmes. Thirdly, all the State Governments contemplate to spend considerably large sums of money on Plan schemes. The provisions— in crores of rupees—made in the different budgets are: Madras, 34.64; Andhra Pradesh, 24.91; Madhya Pradesh, 15.99; Mysore, 35.00; Punjab, 35.19; Rajasthan, not known; Kerala, 22.00; Assam, 12.25 (provisional); Orissa, 19.32.

The only two State budgets which contain fresh tax proposals are, as already said, Punjab and Rajasthan. The Punjab Finance Minister has announced measures for increasing the tax on road transport fares and freights—from one-sixth of their value to one-fourth—and enhancement of tax on sale of motor spirit—from 25 nP to 31 nP per gallon—which together are expected to yield an additional revenue of Rs. 72 lakhs, thus converting the revenue deficit of Rs. 32 lakhs into a surplus of Rs. 40 lakhs. The taxation measures included in the Rajasthan budget are: an increase in irrigation rate, imposition of betterment levy on works other than the Bhakra, and levy of a new tax on passengers carried and goods transported by motor vehicles at a rate not exceeding one-sixth of the volume of the fare or freight. All these measures, we are told, will bring in an additional revenue of Rs. 58 lakhs. Taking into account this amount, the coming year will end with a revenue surplus of Rs. 13 lakhs, as against the deficit of Rs. 45 lakhs shown in the budget.

The Assam budget discloses a very large revenue surplus, amounting to Rs. 3.41 crores. The surplus is based on the current rates of taxation and the realisation of accumulated arrears. The performance of the Assam Finance Minister in presenting a budget with a large surplus is certainly creditable, considering the enormous strain on the economy of the State, caused by Pakistan aggression on the Assam-East Bengal border and the Naga raids. Alluding to this strain, the Finance Minister has assured the sanction of necessary funds and the following of this principle even though it may sometimes involve postponement and even curtailment of expenditure on Plan schemes.

The estimated revenue surplus of Rs. 1.39 crore in the Madras budget for 1959-60 will be wiped off completely by the recently announced increase in dearness allowance to the non-gazetted officers and teachers which is expected to cost Rs. 1.81 crore in a full year. In other words, 1959-60 will close with a revenue deficit of Rs. 42 lakhs. The Finance Minister of Andhra Pradesh hopes to convert the revenue deficit of Rs. 37 lakhs into a surplus of Rs. 37.97 lakhs, as a result of an anticipated additional income of about Rs. 75 lakhs from the changes proposed in the rate structure of taxes on passengers and public carrier vehicles covered by the legislation passed by the State Assembly recently. Despite the deficit of Rs. 78 lakhs revealed in the Kerala budget, no fresh measures of taxation designed to cover it are proposed. Only, the exemption from sales tax enjoyed by toddy is to be withdrawn; this measure is estimated to yield Rs. 6 lakhs per annum. The remaining gap is to be covered by a more vigorous collection of tax arrears placed at Rs. 2.81 crores.

The Orissa budget provides for a total capital expenditure of Rs. 55.47 crores which is less than the estimated receipts aggregating Rs. 55.58 crores. The surplus on capital account is Rs. 11 lakhs. This, together with the revenue surplus of Rs. 6 lakhs, raises the overall surplus to Rs. 17 lakhs. Nevertheless, the year 1959-60 is expected to close with a debit balance of Rs. 69.52 lakhs; the opening balance for the year is expected to be minus Rs. 86.58 lakhs. Discussing the measures taken for improving revenues, Dr. Hare Krushna Mahtab, Chief Minister of Orissa, said: "Credit has been taken for a sum of Rs. 50 lakhs under land revenue on account of standardisation of rent and assessment of unassessed lands, a sum of Rs. 15 lakhs on account of water rates, a sum of Rs. 24 lakhs on account of taxation of goods carried on roads and inland waterways, and Rs. 2 lakhs on account of sugarcane cess. Bills regarding these measures are remaining pending for consideration of the Assembly. Apart from these measures, credit has also been taken for better collection of arrears, particularly under land revenue and sales tax."

The details regarding transactions outside the revenue account given in the Andhra Pradesh budget reveal that the total of anticipated receipts during 1959-60 are put lower at Rs. 41.87 crores, as against the revised estimate of Rs. 45.08 crores for 1958-59, while disbursements are placed higher at Rs. 48.60 crores, as against Rs. 46.60 crores. The deficit outside revenue account thus comes to Rs. 6.73 crores. Deducting the converted revenue surplus of Rs. 38 lakhs, the overall surplus comes to Rs. 6.35 crores. As a consequence, the opening balance of Rs. 4.91 crores for the coming year will be converted into a minus balance of Rs. 1.44 crore. This would actually be higher at Rs. 3.50 crores, if the credit taken for the balance of the former Hyderabad Government lying with the Westminster Bank and now under dispute is omitted.

In conclusion, mention may be made of the increasing debt charges incurred by the State Governments. In the case of Mysore, for instance, debt services are expected to cost as much as Rs. 5.88 crores in 1959-60, as against Rs. 4.97 crores in 1957-58 (revised). The large interest charges and the repayment of loan instalments to the Central Government naturally impose much strain on the finances of the States. While there is a case for special consideration of the difficulties involved, it must be stressed that the State Governments should take all possible measures to effect economy in expenditure to the maximum extent possible.

INDUSTRIAL HOUSING

Mr. K. C. Reddy, Union Minister for Housing, is reported to have suggested that, should the subsidised industrial housing scheme prove a failure, he would not hesitate to substitute the carrot with the stick. Mr. Reddy disclosed, while speaking at the Annual Day celebrations of a textile mill colony in Madurai, Madras State, on the 7th inst., that, if employers did not fully respond to the subsidised industrial housing scheme, the Government might be forced to yield to the pressure from Parliament to bring forward legislation to compel employers to build housing colonies for labour.

Mr. Reddy referred to the magnitude of the housing problem. So far as rural areas were concerned, he pointed out, there were 550,000 villages with about 50 million houses, most of which were in need of considerable improvement. Most of the houses could hardly be termed houses fit for human habitation. To rebuild these with all the amenities would necessitate a financial outlay of roughly five to six thousand crores of rupees. The problem of housing in urban areas was no less acute. If the housing programmes were to proceed at the current rate, the Minister observed, a considerable time would have to elapse before adequate housing could be constructed. According to one estimate, under the industrial housing scheme, about 1.3 million houses had been built by Government and private agencies. Under the second Plan, about 2 million houses were expected to be built through these agencies. Even assuming that the Plan target will be realised, housing needs at the end of the Plan period will be much more than what they were at the end of the first Plan. It has been computed that, even if 3 million houses were built under the third Plan, there would still be a shortage of 8 million houses at the end of the third Plan period. In view of this situation, the Government, according to Mr. Reddy, was having under consideration a new scheme which was expected to be finalised shortly. It envisaged (1) provision of Rs. 15 crores during the second Plan period for acquisition of land, (2) floating of loans and debentures guaranteed by the Central or State Governments for financing individual housing projects and (3) issuing of brochures suggesting 20 to 30 cheap designs of houses for the various income groups in the country.

Mr. Reddy added that, fortunately, the cement position was now easy and steel would also be available in the next nine months. The Minister referred to the middle income group housing scheme which was recently announced by the Government. The scheme is intended to assist people with an income between Rs. 6,000 and Rs. 12,000 per annum to build houses for themselves. A similar scheme is in force for people in the low-income groups, namely, those whose annual incomes are below Rs. 6,000 per annum.

The middle-income group housing scheme will be financed by the Life Insurance Corporation which will advance loans at 5 per cent. to State Governments repayable over a period of 20 years. The State Governments will, consequently, have to recover the amounts advanced by them to individuals during the same period. The amount of loan to be given to individuals by State Governments will be determined on the following basis: (*a*) 80 per cent. of the estimated cost of construction, excluding land, subject to a maximum of Rs. 16,000 and (*b*) 80 per cent. of the cost of developed land, subject to the condition that (i) the total of (*a*) and (*b*) does not exceed Rs. 20,000, (ii) the total cost of construction, excluding land, is not more than 25,000, and (iii) no assistance for land will be given to those who already possess a developed plot.

While the need for building more houses is very urgent, the wisdom of making it compulsory on employers to construct houses for their workmen is open to doubt. If, in spite of the existence of the subsidised industrial housing scheme, under which 50 per cent. of the approved cost could be obtained as loans from Government, the employers have not come forward in sufficient numbers to take advantage of it, it only reflects the financial plight in which they find themselves. With heavy taxation, high cost of labour and raw materials, industrial establishments hardly find it possible to raise the resources necessary for the long overdue and more urgently required replacement and modernisation of plant and machinery, let alone building houses for workers. The position is even more difficult for new industrial units. Compulsion would certainly not help them to find more funds. It would only retard the progress of industrialisation. The Bombay Government tried it once, but had to give it up, as it acted as a great deterrent to the establishment of new industrial units in the State. Further, the policy of requiring each employer to provide housing to his employees is not a desirable one. Housing is best left to local authorities, as is the practice in advanced countries of the West. The Government should give adequate loans to these bodies. Not that the employers should be completely absolved from the responsibility of building houses for their workmen. On the other hand, to the extent their resources permit, they should be induced to contribute to the housing funds of the local authorities. But to make them solely and entirely responsible for housing is to put the responsibility for social welfare on one section of society only.

INDUSTRIALIST WITH A SECRET

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WORLD POPULATION

The problem of overtaking a high rate of population growth with greater expansion of production has presented most underdeveloped countries with a challenge such as no country in the world has had to face before. Progressively lower death rates in these countries have resulted in exceptionally high rates of population growth. The diffusion of modern medicine and health measures have continued to reduce mortality, while birth rates have generally not declined.

There is a wide gap in population growth between the advanced and the underdeveloped countries. The poorer countries experience far greater proportional increase than the wealthier countries. Regardless of the uncertainties to which all forecasts are subject, it is evident that the population of the world is passing through a phase of unprecedented expansion which probably has not reached its peak.

The population of the world since the beginning of this century has increased at a rate unparalleled in history. According to the report entitled *The Future Growth of World Population*, published by the U.N. Bureau of Social Affairs last summer, annual increments of more than two per cent. have persisted in most underdeveloped countries and, in a number of these countries, the population is increasing by about 3 per cent. or more each year, a rate "probably outside the experience of any nation before the last ten-year period." It is estimated that the population of the world has risen by about 90 million during the past two years, a figure equivalent to the population of Japan or twice the population of France. In the next two years, according to the report, there will probably be a further increase of 100 million.

The population of the world reached 1,000 million during the first half of the nineteenth century. About 1930, it was 2,000 million and now about 2,800 million. The world will have 3,000 million inhabitants by 1962, 4,000 million by 1977, 5,000 million by 1990 and 6,900 million by A.D. 2000.

The implications of this staggering growth in population are serious. Apart from the economic consequence, it is certain to spark grave political and social reactions. In the words of Mr. Aldous Huxley: "Overpopulation leads to insecurity and social unrest. Unrest and insecurity lead to more control by Central Governments and an increase in their power. In the absence of a constitutional tradition, this increased power will probably be exercised in a dictatorial fashion. Even if Communism had never been invented, this would be likely to happen. But Communism has been invented. Given this fact, the probability of overpopulation leading through unrest to dictatorship becomes a virtual certainty. It is a pretty safe guess that 20 years from now, all the world's overpopulated and underdeveloped countries will be under some form of totalitarian rule."

(*Continued on page 430*)

INVESTMENTS IN GOVERNMENT-OWNED COMPANIES

FINANCE MINISTRY'S CLARIFICATION

From Our Special Correspondent

NEW DELHI, 10*th March*

THE resolution on economic development, just passed at the annual session of the Federation of Indian Chambers of Commerce and Industry, has urged, among other things, that the public sector should function in the same conditions as the private sector. If the industrial undertakings in the public sector alone are taken into account, the identical conditions of working that are being urged for them as for the ones in the private sector would, in the main, be in respect of control, profit-making capacity and treatment of labour. As far as control over the public sector undertakings are concerned, the Ministry of Finance has recently clarified the present position.

DELHI LETTER

The Articles of Association of Government companies, the Finance Ministry's note says, usually provide for (i) the appointment of Directors, Managing Directors and Chairmen by the President; (ii) the appointment of senior executives on pay exceeding a certain limit (usually, Rs. 2,000 p.m.) with the prior approval of the President or the Central Government; (iii) the incurring of capital expenditure beyond a prescribed limit (usually, Rs. 10 lakhs, Rs. 20 lakhs or Rs. 40 lakhs, according to the size of the Company) with the prior approval of the President; and (iv) the audit of the accounts in accordance with the provisions of Section 619 of the Companies Act.

In regard to item (i) above where the financial interest of Government is substantial, the Finance Ministry nominates one of its own officers as a Director of the company. In other cases, representatives of the administrative Ministries concerned are appointed to watch the financial interests of Government. In the latter cases, the officers so appointed are requested to keep the Finance Ministry informed of important developments having a financial bearing. In regard to (ii) and (iii) above, the Ministry of Finance is generally consulted by the administrative Ministries, when proposals in that regard are received from the autonomous organisations.

In addition to the powers mentioned above, the President also generally has a right to issue directives in regard to the finances, conduct of business and affairs of the companies, etc., the companies are required to give immediate effect to the directives so issued. In the case of some of the Government companies, there is provision in the Articles of Association that the Chairman of the Board of Directors may reserve for the consideration of the President any proposals or decisions of the Board which raise, in his opinion, an important issue and which are, on that account, fit to be reserved for the decision of the President. The Finance Ministry is consulted by the administrative Ministries on such issues, if they have financial implications.

The Finance Ministry has also requested the administrative Ministries to observe the following procedure in respect of Government undertakings:

(1) The appointment of the Financial Adviser/Chief Accounting officer of the undertakings should be made by the President and that the Finance Ministry should be consulted in that regard. The appointment should also be subject to review by the Finance Ministry. (2) Periodical reports on the financial aspects of the working of undertakings should be submitted to the Government of India. Such reports may be submitted through the Boards of Directors where that is considered necessary. (3) Each undertaking should prepare a self-contained financial handbook including its historical background, capital investment, turnover, financial procedures, etc. Copies of the handbooks are to be supplied to the Finance Ministry also. (4) The undertakings should be inspected periodically and that such inspection should cover, among others, financial matters. For that purpose, the administrative Ministries have been requested to initiate action for the appointment of inspection teams at suitable intervals in consultation with the Ministry of Finance.

In addition to the above, the Auditor-General has the right to audit the accounts of Government companies.

A point has been made, says the Finance Ministry, that inasmuch as the President is the sole shareholder in many of the Government companies, Government could reserve more powers under the Articles of Association for the purpose of exercising greater financial control over them. Section 36(1) of the Companies Act lays down that the Memorandum and Articles of Association shall, when registered, bind the company and the members thereof. No doubt, alterations can be made in the Memorandum subject to the provisions of Sections 16, 17, 18 and 40 of the Companies Act and in the Articles of Association subject to the provisions of Section 31 of the Act. But it has to be kept in view that the company form of management has been adopted only in those cases where some autonomy in financial management was necessary and where the management could work according to business principles and commercial practices, unrestricted by departmental rules and regulations. In making suggestions for stricter control by the Finance Ministry by means of altering the Memorandum and Articles of Association of Government companies, this aspect of the matter has to be kept prominently in view. Such alterations have to be in consonance with the basic principles underlying corporate management and in accord with the best corporate practice. The Finance Ministry, in other words, is not in favour of more stringent financial control of Government companies.

Along with the detailed demands for grants, for the year 1959-60, of the Ministry concerned, the balance-sheets of the Government companies under it are now published, though rather belatedly. The Explanatory Memorandum of the Budget this year has also provided a statement intended to show at one place the revenue accruing to Government as a result of investments made in industrial undertakings. This statement includes only those undertakings which are either wholly owned by Government or in which the Government has a controlling interest. Of these autonomous bodies and Government companies, the largest number (13) are under the Ministry of Commerce and Industry. The total investments that will have been made by Government upto 1959-60 in these 13 concerns along with the figures of profits being earned from them are given below.

Name	Investment to end of 1959-60 (in Rs. lakhs)	Profits (in Rs. lakhs)		
		During 1957-58	Revised estimate 1958-59	Budget estimate 1959-60
State Trading Corporation ..	2,00	6	6	12
National Small Industries Corporation	40	Nil	Nil	Nil
National Industrial Development Corporation ..	10	n.p.b.	n.p.b.	n.p.b.
Indian Explosives (P.) Ltd. ..	60	Nil	Nil	Nil
Hindustan Antibiotics (P.) Ltd.	2,56	Nil	N.A.	N.A.
Hindustan Insecticides (P.) Ltd.	1,00	Nil	N.A.	N.A.
Hindustan Machine Tools (P.) Ltd.	5,40	Nil	Nil	Nil
National Instruments (P.) Ltd.	91	Nil	4	29
Hindustan Salt (P.) Ltd. ..	39	..	N.A.	N.A.
Sindri Fertilisers and Chemicals (P.) Ltd.	17,00	85	85	85
Nahan Foundry (P.) Ltd. ..	30	1	N.A.	N.A.
Hindustan Cables (P.) Ltd. ..	1,25	3	N.A.	N.A.
Export Risk Insurance Corporation	50	...	..	..
Total ..	32,41	..	..	..

N.B.—n.p.b. means "no-profit-basis." N.A. means "Not available."

Under the Ministry of Defence, there are two companies, Hindustan Aircraft (P) Ltd., and Bharat Electronics (P) Ltd. The total investment that will have been made by Government in the former to the end of 1959-60 comes to Rs. 1420 lakhs; figures of profit earned from this company are not available. The latter company—Bharat Electronics—will have accounted for a total investment, to the end of 1959-60, of Rs. 531 lakhs; there is no indication that any profit is being earned from this company.

Under the Ministry of Education there is an autonomous body called "National Research Development Corporation." Government investment in this body will be, as at the end of 1959-60, just Rs. 10 lakhs. No profits have been or will be earned from this Corporation.

Under the Ministry of Finance, Government investment in the International Finance Cor-

(*Continued on page* 430)

THE STATUS OF STERLING

CHALLENGE TO ZURICH

From Our Own Correspondent

LONDON, 27*th February*

FIGURES have just been published showing the recovery in the sterling balance since the marked decline began two years ago. The old-time peak was in the middle of 1955 but, at the beginning of this year, that level had been surpassed with the total of sterling holdings reaching just short of £4,000 million. Nowadays, substantial and relatively inflexible holdings of sterling are in the hands of international organisations and, at present, these account for rather more than £600 million. So that what may be termed mercantile sterling balances amount to about £3,350 million. For some time, the figures have been creeping upwards and over the autumn of last year the rise was some £80 million, of which approximately half was accounted for by sterling holders and half by non-sterling holders.

LONDON LETTER

The increase in the balances of the sterling holders suggests that the latter are also improving their international position and have got some money to put away into the bank. Of the non-sterling holders, the O.E.E.C. countries accounted for about half and dollar countries for about a quarter. It is generally supposed the dollar balances have gone on rising and of course it is some time since European balances have been as high. All this reflects the marked improvement which has taken place in the status of sterling over recent months.

Parallel to this increase in the sterling balances has been an increase in the volume of acceptance credits drawn on London on foreign account. Figures just published show that, over the last quarter of last year, the latter rose from £103 million to £119 million. It is being argued that Bank rate should be cut again from the present level of 4 per cent. since, although this might have little effect on domestic money rates, it would give a further back-handed fillip to sterling. Other things being equal, a cut in Bank rate should make the London market less attractive to additional sterling balances but the latter are as susceptible to the confidence factor as to the rate factor and one argument is that a lower Bank rate would put the hallmark on the new pre-eminence of sterling as the most wanted major world currency. But this can only be a matter of opinion and the argument on the other side of the more cautiously inclined is: What is the point of bringing such marginal money into the City? If foreign centres are going to deposit money in London simply because Bank rate is cut by another ½ per cent., that is they would deposit money here to get less interest than they could at present because that little extra cut has pushed up their confidence that little bit more, then such money is highly volatile and the tiniest little upset to confidence would send it scurrying away again with a consequent drop in gold reserves. It is obvious that the worst reason for cutting Bank rate further at the present time would be to drag in a little more confidence money because the worst blow to confidence in sterling would be to have the upward trend of the gold and dollar reserves reversed on account of an outflow of balances.

Incidentally, the London foreign exchange market has, as a result of the strength of sterling, been allowed to deal freely in foreign bank notes, that is, of both sterling and non-sterling areas. The market, of course, can only deal in the notes which it gets and many European countries in particular restrict the quantity of notes which can be taken out of the country by any individual. Nevertheless, London is now challenging Zurich as an international centre in which all kinds of foreign money can be bought and sold.—*All Rights Reserved.*

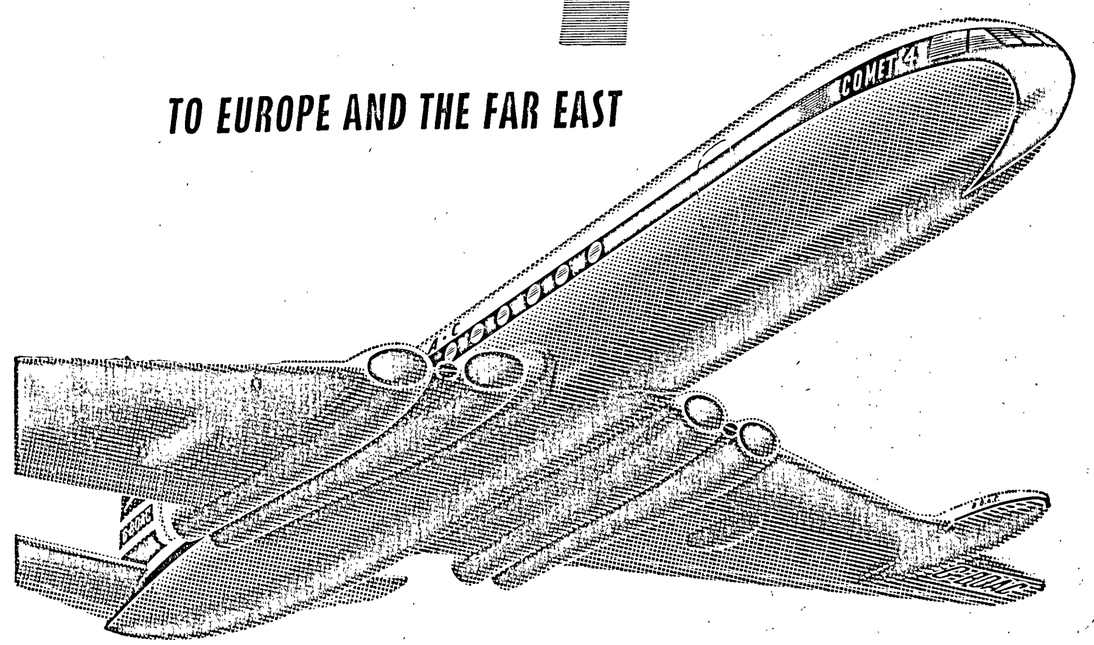
STERLING AREA RESERVES

The central gold and convertible currency reserves of the Sterling Area rose by £16 million in February and stood at £1,127 million on 28th February, it was announced by the Treasury in London on the 3rd inst. This compares with the rise of £15 million in the previous month after payment of £31 million to the E.P.U. and with that of £48 million in February 1958.

Vickers-Armstrongs (Engineers), U.K., have secured a contract worth £2.25 million from the U.S.S.R. for the supply of a chemical industrial plant. Vickers, it is learnt, will associate themselves with another British firm, namely, High Polymer and Petrochemical Engineers, designers and consultants, for this purpose.

B·O·A·C COMET 4 JETLINER

TO EUROPE AND THE FAR EAST



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FINANCING DEVELOPMENT OF COMMONWEALTH

C.D.F.C. TO INCREASE ITS CAPITAL

THERE are many international financial institutions devoted to the development of underdeveloped countries. One of these is the Commonwealth Development Finance Company (C.D.F.C.) of Britain, but its membership and field of activity is limited. The ownership of the Company is confined—not by intent—to Britain and one or two Commonwealth countries. The Company provides finance for the development of Commonwealth countries only with special emphasis on development undertaken by private enterprise.

The C.D.F.C. made its debut six years ago, having been established in 1953, when it was thought that the then existing arrangements for keeping Commonwealth countries well supplied with capital funds were inadequate. There was the difficulty of obtaining from Britain and other capital exporting countries adequate money for feeding the development projects, particularly those undertaken by private enterprise. The C.D.F.C. was brought into existence to meet this difficulty to some extent. Its capital was provided by 91 concerns in private industry, commerce and finance which subscribed 8,250,000 'A' shares of £1 each—2*s*. paid-up per share and by the Bank of England, which took up 6,750,000 'B' shares of £1 each—10*s*. paid-up. Thus, the Bank of England holds 45 per cent. of the Company's share capital.

During the last six years of its existence, the Company has done some useful but not very impressive work. It has made 15 investments—four in South Africa, two each in Pakistan, Rhodesia and New Zealand and one each in Canada, India, Ceylon, Malaya and Swaziland (also in South Africa). They cover a wide field of development projects, such as electricity, natural gas, sugar, uranium, pulp and paper, timber, cellulose and fertilisers. Its total commitments up to the end of March 1958, the date of the last balance-sheet, aggregate £14.5 million. Its main resources so far are its paid-up capital of £4.2 million and bank borrowings to the tune of £5.6 million (as on 31st March 1958).

The Company undertakes to finance only a part of the cost of the project. The total cost of the projects, in which the Company has invested, amounts to £300 to £400 million. The Company thus acts as a catalyst which attracts more money from other sources. It is even said that, but for the marginal money it has lent, the various projects involving an outlay of £300 to £400 million would have been held up. Judged from this angle, the Company's performance can be considered satisfactory.

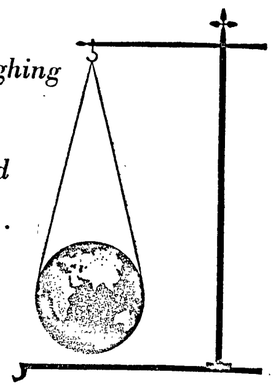
As a commercial venture, the Company cannot be said to have fared well. For it has not so far paid any dividend to its shareholders and is not expected to do so for sometime to come. The Company's interest charges depend on what it has to pay on its borrowings, as well as on the projects concerned. They are said to be lower than those charged by the International Finance Corporation, an affiliate of the World Bank. Even so, it has not been able to attract any large volume of business. But this is due, in part, to the credit squeeze in Britain and the high interest rate which it has had to pay on its own borrowings. Indeed, it is even said that some of the loans offered by the Company have been turned down by intending Commonwealth borrowers, on the ground that they were expensive. Happily, conditions have during the last few months, changed for the better, thanks to the improvement in Britain's economy and the easing of money rates. The Company has, consequently, made arrangements for financing during the current financial year two or three new projects involving £2 million or so. It has also under consideration half a dozen more projects. All these require additional resources. The Company has, therefore, planned to strengthen the resources at its disposal, first by raising fresh capital and later on by borrowing long-term capital. The proposal to raise additional resources is also a sequel to the Montreal Conference of Commonwealth countries, in which the problem of financing Commonwealth countries through various official and non-official sources, including the C.D.F.C., figured prominently.

The Company has now invited a number of large British industrial and commercial companies to become its shareholders and to take up the 'A' shares. The Bank of England, while remaining a minority shareholder, is willing to take up further 'B' shares. In other words, even after the increase in capital, the Bank of England's holdings will not be more than 45 per cent. The exact increase in share capital and details thereof will be announced at the time of the Company's annual meeting to be held in June.

As an institution, which is not likely to start servicing its capital for some time to come, it is not in a position to borrow from the capital market. The increase in capital will, on the contrary, not only provide additional resources directly but also increase its borrowing capacity. The appeal for additional capital is expected to meet with good response. For it will provide an opportunity for business concerns in Britain to take an interest in the development of Commonwealth countries and to do things they would not have been able to do alone.

There is often a criticism that the C.D.F.C. has not been able to persuade the Commonwealth countries which receive benefits from the Company to associate themselves with its work. In fact, this issue was raised at the last Commonwealth Conference held at Montreal. While taking note of the encouragement given to industrial expansion in the Commonwealth by the C.D.F.C., the Conference considered that it would be of greater value if foreign capital was encouraged to join in investing in the Commonwealth. The U.K. delegation announced at the conference that the Bank of England was prepared to consider the provision of further resources to the C.D.F.C. Certain other Commonwealth countries also indicated that they were prepared to make additional capital available to the company. But so far these other Commonwealth countries have not shown any interest in participating in the share capital of the Company. The idea of all Commonwealth countries participating in the capital of the C.D.F.C. is that it would strengthen the Company and make it more useful. Some in London are even pessimistic about the success of the Company's venture in providing more development capital, unless the countries requiring its facilities are also persuaded to associate themselves with the Company by taking up a part of its shares.

Weighing the world up...



....even just from a financial point of view, is a pretty big operation. It requires a very extensive knowledge and understanding of business conditions. It requires an organisation like The Hongkong and Shanghai Banking Corporation. The biggest bank established by the Far East for the Far East provides a banking service not only in South and East Asia—which is our primary concern—but has offices in Europe and America as well, surveying the whole of the business world, considering, weighing up.

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SHARP FALL IN PROFIT OF INDORE BANK

DIVIDEND REDUCED

A SIZABLE setback in profit is disclosed by the accounts of the Bank of Indore Ltd. for the year ended 31st December 1958. The year's profit, at Rs. 4.95 lakhs, has been arrived at before providing for taxation, for which purpose a sum of Rs. 1.15 lakh is set aside out of the profit for the year under review. If, as in the previous years, the profit is worked out after making provision for taxation, it would amount to no more than Rs. 3.80 lakhs, as against Rs. 6.70 lakhs. This is the lowest profit earned by the Bank since the year ended 30th September 1944. (The Bank's financial year-end was changed from September to December in 1949).

Consequent on the sharp fall in profit, the Directors have not transferred anything to either the reserve fund or the contingency fund, which had received Rs. 1 lakh each last year. The provision for bonus to staff has been reduced from Rs. 2.09 lakhs to Rs. 1.10 lakh and the distribution to the shareholders, too, has been pruned to 16 per cent. from 17 per cent., to which level it had been raised successively from 12 per cent. for 1954.

Interest and discount earned have gone up by Rs. 6.40 lakhs to Rs. 44.22 lakhs and commission and exchange by Rs. 0.94 lakh to Rs. 5.65 lakhs. On the expenditure side, interest paid has increased by Rs. 4.97 lakhs and expenses by Rs. 4.13 lakhs. As in the case of other banks, the bulk of the rise in expenses is accounted for by salaries and allowances which have risen by Rs. 2.75 lakhs. The other expenses include a sum of Rs. 2.51 lakhs, being the short provision for income-tax relating to previous years. But for this short-provision now made good, the Bank's profit would have been more satisfactory.

The following comparative table presents the salient features of the Bank's profit and loss account and balance-sheet in respect of the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount earned	44.22	37.82	31.14	27.11
Commission and exchange	5.65	4.71	3.78	3.02
Interest paid	25.30	20.33	15.20	12.78
Expenses	19.79	15.66	13.81	12.32
Depreciation	0.34	0.30	0.28	0.32
Profit	4.95	6.70	0.05	5.07
Provision for taxation	1.15	..	..	..
To reserves	..	2.00	2.04	2.00
,, gratuity fund	0.30	0.15	0.70	0.25
,, bonus to staff	1.10	2.09	0.70	0.71
Dividend	2.45	2.60	2.45	2.14
	(16%)	(17%)	(16%)	(14%)
Carry forward	0.47	0.52	0.07	0.61

	As on 31st December			
	1958	1957	1956	1955
Paid-up capital	15.30	15.30	15.30	15.30
Reserves	29.00	29.00	28.00	27.00
Deposits	8,41.77	7,08.13	7,38.81	6,72.87
Borrowings from banks	..	20.00	..	..
Advances	5,48.98	5,87.94	4,81.91	3,75.54
Investments	2,45.42	2,21.00	2,50.05	2,65.29
Cash (including money at call)	1,03.93	65.52	56.56	75.43
Balance-sheet total	9,57.66	9,41.27	8,48.87	7,66.19
Ratio to deposits of—	%	%	%	%
Advances	65.2	73.7	65.2	55.8
Investments	29.1	25.2	33.8	39.4
Cash	12.3	8.2	7.6	11.2

In keeping with the general trend, the Bank's deposits have increased by Rs. 44 lakhs. While fixed deposits have gone up by Rs. 59 lakhs to Rs. 5.61 crores and savings bank deposits by Rs. 2 lakhs to Rs. 97 lakhs, current and other accounts have, however, declined by Rs. 18 lakhs to Rs. 1.84 crore. On the assets side, advances have suffered a decline of Rs. 39 lakhs to Rs. 5.49 crores, thus reversing the upward trend noted in the previous years. While loans, cash credits and overdrafts have dropped from Rs. 5.50 crores to Rs. 4.89 crores, bills purchased and discounted show an improvement from Rs. 38 lakhs to Rs. 60 lakhs. The decline in total advances, in the face of an expansion in deposits, has brought down the credit ratio from 73.7 per cent. to 65.2 per cent. Investments (shown at or below market value) have been strengthened by Rs. 24 lakhs to Rs. 2.45 crores. Since the rise in investments is less than that in deposits, the ratio of investments to deposits has dropped further from 25.2 per cent. to 19.1 per cent., which is less than half of that at the end of 1955. Cash balances have enlarged by Rs. 38 lakhs to Rs. 1.04 crore, at which level the cash coverage to deposits is 12.3 per cent., as against 8.2 per cent. a year before.

PERSONAL TAXATION UNDER THE BUDGET FOR 1959-60

By Professor Russi Jal Taraporevala

ON the face of it, the budget of the Government of India for 1959-60 seems to contain few and almost marginal changes in the direct taxes levied on individuals. The analysis contained in this article shows that such an impression is quite erroneous and that the budget presented by the Finance Minister, Mr. Morarji Desai, will result in a fairly substantial increase in the burden of direct taxation on individuals.

A survey of the evolution of the integrated structure of personal taxation after 1957 is essential, in order to present the analysis of the latest budget proposals in its correct perspective. This article contains a comparative analysis of the budget proposals and the taxes levied on individuals in the past three years.

Upto 1956-57, the income of individuals was subject to income-tax and super-tax. These taxes were levied on a progressive scale and on lines similar to the provisions for the taxation of income prevailing in other parts of the world. No other direct taxes were levied on individuals in India. In 1956, Mr. Nicholas Kaldor recommended to the Government of India the introduction of an integrated system of taxation consisting of an income-tax, a wealth tax, a capital gains tax, an expenditure tax and a gift tax (in his *Indian Tax Reform*, popularly known in India as the Kaldor Report). Between 1957 and 1959, all the taxes recommended in the Kaldor Report were introduced in India. However, a number of recommendations of the Kaldor Report for keeping the total burden of direct personal taxation within tolerable or reasonable limits were ignored by the Government of India during the process of introducing the new structure of taxation. The result was that the total burden of direct taxation in India far exceeded the recommendations of the Kaldor Report and became the highest tax burden prevailing in any free country of the world. It was hoped that the Government would make some changes in the rates of the various taxes, especially of the income-tax and super-tax, in order to make the burden of personal taxation reasonable and somewhat approximating the level recommended by Mr. Kaldor. The latest budget has left all such hopes unfulfilled!

Income-tax

The budget contains some small alterations to be made in the provisions of the law relating to income-tax and super-tax. Thus, the exemption for income which accrues or arises outside India but is not remitted to the country upto a maximum of Rs. 4500 is to be abolished. The budget provides for the taxation of the salaries paid to non-resident Government servants, thus plugging an important loophole which was being used to avoid income-tax and super-tax by our civil servants posted abroad. The budget contains proposals for taxing honorary consuls and certain officers of foreign missions in India. All these changes in the taxation of personal incomes have hardly any significance in relation to the general structure of personal taxation and do not require any detailed analysis.

Perhaps, the most disappointing aspect of the budget is the Finance Minister's declaration in his budget speech that he proposes "to make no change in the present rates and structure of personal income-tax." A reduction in the rates of tax applicable to personal incomes has been long overdue. Moreover, it is necessary in order to give any rationale or meaning to the new integrated system of personal taxation.

The fundamental idea underlying the integrated system of taxation as recommended by Mr. Kaldor is the substitution of income-tax levied on a narrow base at very high rates by taxes levied at moderate rates on a broader base, i.e., on income, wealth, capital gains, expenditure, and gifts. In such a system of taxation, the income-tax becomes merely one part of the tax structure. It should, therefore, be imposed at moderate rates—and not at the same high rates which prevailed when income-tax was the only direct personal tax. The main justification for the wealth tax and the expenditure tax according to the Kaldor Report stems from a recognition of the defects and deficiencies of the income-tax. The integrated system of personal taxation should involve a substitution—at least partially—of the higher slabs of income-tax and super-tax by the introduction of the wealth tax and the expenditure tax. In India, today, the wealth tax and the expenditure tax are levied not as partial substitutes for the high taxation of incomes but in addition to it—which is most inequitable and unjustifiable.

The Kaldor Report had recommended that, if an integrated structure of personal taxation were introduced, the maximum total rate of income-tax and super-tax ought not to exceed 45 per cent. When the wealth tax and the expenditure tax were introduced in the budget of May 1957 by the then Finance Minister, Mr. T. T. Krishnamachari, the need for the reduction in the rates of income-tax and super-tax was recognised. Thus, reductions in the rates of income-tax and super-tax were introduced by Mr. Krishnamachari, but, unfortunately, these concessions gave at best very insignificant or token relief from the burden of these taxes—the relief in tax amounted to between ½ per cent. and 3 per cent. of the previously prevailing level of these taxes! The maximum rates of income-tax and super-tax were kept as high as 77 per cent. for earned incomes and 84 per cent. for unearned incomes—as compared with the maximum of 45 per cent. recommended by the Kaldor Report. It was hoped that, after the initial introduction of the integrated system of personal taxation, the Government would gradually reduce the rates of income-tax and super-tax over a period of time. But this hope has remained unfulfilled to date. The budget for 1958-59 maintained the *status quo* for the rates of income-tax and super-tax. The budget for 1959-60 has done nothing to reduce these rates of tax.

The need for reducing the rates of income-tax and super-tax is all the greater this year, in view of the fact that the budget proposes increases in the rates of wealth tax, especially since the wealth tax has been justified as being a desirable substitute for the higher rates of income-tax and super-tax. Thus, the greatest drawback in the budget is the default in reducing the rates of income-tax and super-tax. The continuation of excessively high rates of income-tax and super-tax distorts the integrated structure of direct personal taxation, robs it of the justification and rationale adduced in its favour in the Kaldor Report and makes its burden unconscionably heavy and extortionate. If the new structure of taxation is to continue, the most pressing and important reform which must be introduced is the reduction in the rates of taxation on personal income. The Finance Minister should boldly face this task and not shirk it, because of possible unpopular, though totally unjustified, political repercussions.

Wealth Tax

The budget proposes an increase in the wealth tax payable by individuals by ½ per cent. of net wealth for each slab of wealth. The wealth tax was introduced in 1957 by Mr. Krishnamachari, the then Finance Minister in the Government of India. The rates of wealth tax have been the same for the years 1957-58 and 1958-59. Wealth between Rs. 2 lakhs and Rs. 12 lakhs was subjected to tax at the rate of ½ per cent. Under the budget proposals, the rate for this slab is to be increased to 1 per cent.—an increase of 100 per cent. in the rate of tax as compared with the previously prevailing rate of tax. In the previous two years, wealth between Rs. 12 lakhs and Rs. 22 lakhs was taxed at the rate of 1 per cent. Under the budget proposals, this rate is to be increased to 1½ per cent.—an increase of 50 per cent. in the rate of tax over its previously prevailing level. In the past, wealth in excess of Rs. 22 lakhs was taxed at the rate of 1½ per cent. Under the budget proposals, the rate of tax for this slab is to be increased to 2 per cent.—an increase of only 33⅓ per cent. over the previous rate of tax. Thus, the rates of tax remain progressive and increase with each slab of wealth. But the increase in the tax as per the budget proposals is sharply regressive. The proportionate increase in the tax as compared with its previously prevailing level is much greater for the lower slabs and to that extent much lower for the top slabs.

No Justification

On the grounds of equity, there can be absolutely no justification for increasing the rates of wealth tax in this regressive fashion. Increases in the wealth tax to the extent of 100 per cent., 50 per cent. and 33⅓ per cent. of the previous level of the tax for each respective slab and in a regressive fashion constitutes a most flagrant case of denial of justice in personal taxation. The Finance Minister should consider giving some relief to assessees in the lowest slabs from the burden of tax proposed in the budget. An increase in the rates of wealth tax so that they become ¾ per cent., 1¾ per cent. and 2¾ per cent. for the respective slabs giving increases in tax on a progressive scale of 50 per cent., 75 per cent. and 83 per cent., respectively, over the previously prevailing level of this tax would be more equitable and fair than the rates proposed in the budget—if substantial increases in the rates of this tax are considered necessary by the Finance Minister!

The rates of wealth tax proposed in the budget, it may be further noted, are substantially higher than the rates of tax recommended in the Kaldor Report which ranged from 0.33 per cent. to 1.5 per cent. of net wealth.

An assessment of the burden of direct personal taxation in India must start with a calculation of the total incidence of the income-tax, super-tax and wealth tax. These are taxes which have to be paid every year by individuals and indicate the *minimum* burden of direct taxes annually payable by them. For the purpose of this analysis, gross income calculated at 6 per cent. per annum of total wealth is assumed. Similar calculations can be made assuming different rates of yield on total wealth. Such other calculations will lead to results similar to those got in this article. Hence the assumption of a yield of 6 per cent. per annum on total wealth will not detract from the general validity of the conclusions arrived at here.

Table A shows the total income-tax, super-tax and wealth tax payable by different individuals possessing different amounts of gross income and wealth. The total tax payable for 1956-57, that is before the integrated system of taxation was introduced in the country, is shown in column 3. The total tax payable for each of the years 1957-58 and 1958-59 as per the rates of tax introduced by Mr. T. T. Krishnamachari in his budget of May 1957 is shown in column 4. The tax payable under the recent budget proposals is shown in column 5. Finally the percentage

TABLE A

Total Burden of Income-tax, Super-tax and Wealth Tax on Individuals and the rate of Increase in it from 1956-57 to date

Total Wealth	Gross Income at 6 per cent. of total wealth per annum	Tax Payable			Percentage Increase in the Tax Payable		
		1956-57 (that is the income-tax and super-tax)	1957-58 and 1958-59 (that is the income-tax, super-tax and wealth tax) (Mr. Krishnamachari's Budget)	1959-60 (that is income-tax, super-tax and wealth tax) (Mr. Morarji Desai's recent budget)	1957-58 (or 1958-59) as compared with 1956-57 (that is column 4 compared with column 3)	1959-60 as compared with 1957-58 (or 1958-59) (that is column 5 compared with column 4)	1959-60 as compared with 1956-57 (that is column 5 compared with column 3)
Rs.	Rs.	Rs.	Rs.	Rs.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
5,00,000	30,000	7,122	8,124	9,624	14.1	18.7	35.1
10,00,000	60,000	24,183	29,824	33,824	23.3	13.8	39.9
15,00,000	90,000	46,823	58,424	64,924	24.8	11.1	38.9
20,00,000	1,20,000	72,089	88,624	97,624	22.9	10.2	35.4
30,00,000	1,80,000	1,26,230	1,53,024	1,67,024	21.2	9.3	32.3
40,00,000	2,40,000	1,81,355	2,18,424	2,37,424	20.4	8.7	30.9
50,00,000	3,00,000	2,36,480	2,83,824	3,07,824	20.0	8.5	30.2
60,00,000	3,60,000	2,91,605	3,49,224	3,78,224	19.8	8.3	29.7
70,00,000	4,20,000	3,46,730	4,14,624	4,48,624	19.6	8.2	29.4
80,00,000	4,80,000	4,01,855	4,80,024	5,19,024	19.0	8.1	29.0
90,00,000	5,40,000	4,56,978	5,45,424	5,89,424	19.0	8.1	29.0
1,00,00,000	6,00,000	5,12,100	6,10,824	6,59,824	19.0	8.0	28.8
2,00,00,000	12,00,000	10,63,320	12,64,824	13,63,824	18.9	7.8	28.3

increase in the tax payable during the entire three-year period is shown on three comparative bases in the remaining columns of the table.

It will be seen that, as a result of Mr. T. T. Krishnamachari's budget of May 1957, the burden of tax for the years 1957-58 and 1958-59 increased by between 14.1 per cent. and 24.8 per cent. over the previously prevailing levels, as shown in column 6. Moreover, the rate of increase in tax was regressive in so far as it was much higher proportionately on the lower slabs on income and wealth and lower on the higher slabs of wealth and income.

The recent budget proposals may now be compared with the taxation of the previous year. Column 7 of the table shows that, as a result of the budget proposals, the burden of tax will increase by between 7.8 per cent. and 18.7 per cent. over last year's levels. This is a fairly substantial increase in direct taxation within a year. Also the rate of increase in tax under the budget proposals is most sharply regressive, as compared with the previous level of tax. The percentage increase in the burden of tax is more than twice in the lowest slab of income and wealth as compared with the highest slab of income and wealth (18.7 per cent. as compared with 7.8 per cent.).

Finally, the burden of the taxes under the latest budget proposals can be compared with that prevailing in 1956-57, that is, before the new structure of taxation was introduced. Column 8 shows that there will be an increase of between 28.3 per cent. and 39.9 per cent. in the burden of tax, as a result of the budget proposals as compared with the tax burden of three years ago. The rate of increase in the tax burden is again regressive. The lower slabs of wealth and income suffer from much greater percentage increases in the burden of taxation over this period, as compared with the higher slabs of wealth and income.

Burden Regressive

A most distressing trend which appears from this table is that, though the total rates of tax remain progressive, there has been a definite tendency in the past three years to make the increases in the tax burden regressive. Thus, the maximum proportional increase in the burden of tax during the past three years has been heaped on the lower slabs of income and wealth. The higher slabs of wealth and income have suffered proportionately less in respect of the increases in direct taxes as compared with the lower slabs. This is most inequitable. What is the explanation for this chronic tendency on the part of Finance Ministers to soak the lower slabs of wealth and income more than proportionately as compared with the higher slabs? Probably, the main reason for this most unfortunate tendency is to be found in revenue considerations. The maximum amount of tax can be gathered by sharply increasing the tax burdens on the slabs between Rs. 5 lakhs and Rs. 20 lakhs wealth, because a very substantial amount of wealth and income is in the hands of persons in these slabs. But this does not mitigate the injustice and inequity of such tax measures. Surely, the minimum grounds of justice and equity in taxation demand that the increases in tax should be progressive and should not be heaped indiscriminately on the poorer assessees merely for revenue considerations.

An important indication of the burden of direct personal taxation in India today is the amount left in the hands of various assessees out of their gross incomes after paying the income-tax, super-tax and wealth tax. Such residual amounts have a direct influence on the incentives to spend, to save, to invest and to take risks for various assessees. Table B shows the net residual amounts retained by individual assessees out of their gross incomes after paying income-tax, super-tax and wealth tax at the rates in force for the past three years and at the rates recommended in the Kaldor Report. The table shows clearly that the amounts left in the hands of assessees out of their gross incomes after paying only these direct taxes have been most drastically reduced in the last three years. Upto 1956-57, the tax rates were steeply progressive but they did enable individuals to retain slightly larger amounts out of their incomes after paying these taxes with every increase in wealth and income. The tax structure then preserved, at least to some extent, the incentives to work, to save and to take entrepreneurial risks.

As a result of Mr. Krishnamachari's budget, the rates of tax for the years 1957-58 and 1958-59 reduced the amounts retained by individual assessees out of their gross incomes to the point that the absolute maximum amount which could be retained by any assessee was around Rs. 31,000 per year which occurred around the slabs of Rs. 10 lakhs to Rs. 20 lakhs total wealth. Beyond these slabs, every increase in total wealth and gross income was accompanied by sharp reductions in the amounts left in the hands of various assessees after paying the taxes. Indeed, a point was reached around the slab of Rs. 80 lakhs wealth, when the taxes absorbed the entire income of the assessee. Beyond this point, every increase in wealth and income was accompanied not only by the total confiscation of the entire gross incomes but also confiscation of increasing portions of capital or wealth. Thus, the budget of Mr. Krishnamachari fixed the maximum total reward for capital after tax at around Rs. 31,000 and imposed a recurrent capital levy on the top slabs of wealth and income.

More Confiscation

As a result of the increase in tax proposed in the recent budget, the confiscatory pattern of direct taxation will be made more severe as shown in column 5 of Table B. The maximum amount which can be retained by any assessee under the new tax rates is around Rs. 26,000 per annum. Increases in wealth and income beyond the slab of Rs. 15 lakhs wealth are accompanied by sharp reductions in the net amounts retained by assessees after paying the taxes. Around a wealth of Rs. 42 lakhs, the taxes absorb the entire income of the assessee. Thereafter, every increase in wealth and income is rewarded by the entire confiscation of the gross incomes and increasing portions of capital or wealth annually.

The adverse economic effects of such a structure of direct taxation have been analysed and pointed out by me and others in the past. The present budget will merely accelerate the operation of these adverse economic tendencies. Our system of direct personal taxation will now fix the maximum possible rewards of work and effort at around Rs. 26,000 per year. It will decrease the total net rewards of entrepreneurial activity with every increase in wealth and income. A recurrent capital levy payable annually will be rewards of the highly successful assessees in our country. Such a structure of taxation can have only the most adverse effects on the incentives to work, to save, to take risks and to pioneer new industries in the country—which incentives are most needed today, in order to speed up the economic development and progress of the nation. No other country of the free world has been rash enough to adopt such a heavy burden of direct personal taxation. India is the only country in the world in which the rewards of work and effort are fixed at an incredibly low absolute level and where the more enterprising and successful individuals have to pay an annual capital levy.

Column 6 of Table B shows the residual amounts left in the hands of individuals after paying income-tax, super-tax and wealth tax at the rates recommended in the Kaldor Report. The income-tax and super-tax rates as proposed in the Kaldor Report are taken as being identical with the rates of tax prevailing in India today upto Rs. 25,000 annual gross income. Thereafter, a flat maximum rate of tax of 45 per cent. is used as recommended by Mr. Kaldor. The tremendous difference between the tax burden recommended in the Kaldor Report and the tax burden now imposed in the country is clearly revealed in this table. According to the rates recommended by Mr. Kaldor, the tax burden is kept at a reasonable level, so that every increase in wealth and income is accompanied by an increasing amount left in the hands of assessees after paying the taxes. The Kaldor Report had clearly stressed that the wealth tax should be "well within the total accrual from property" and should "take into account the other taxes on accruals, in particular, the income-tax." The Kaldor Report had never envisaged a possible capital levy being imposed annually as a result of the new integrated system of direct taxation which it had recommended.

Expenditure Tax

The budget contains certain changes for making the burden of the expenditure tax heavier than it was in the past year. The expenditure tax was introduced by Mr. T. T. Krishnamachari for the year 1958-59. Under the provisions of the Expenditure Tax Act, an exemption of Rs. 30,000 was allowed for individual assessees and their family members consisting of dependants. The tax had to be paid on the excess expenditure incurred by an assessee beyond the exempted limit (of Rs. 30,000), *irrespective of the size of the assessee's family*. Thus, the tax discriminated against larger families and was regressive in this respect. These provisions of the Expenditure Tax Act ran counter to the recommendations of the Kaldor Report. Mr. Kaldor has stressed that "the burden of an expenditure tax should vary with the standard of living and that the standard of living is more a matter of expenditure *per head* than of expenditure *per household*." The Kaldor Report recommended the adoption of the "quotient system" under which the expenditure "of all members of the family is first aggregated and then divided into a number of parts, depending on the number of persons in each family, and the tax is charged separately on each part. Children may count as one-half unit each ... Apart from wife and children, it may be permitted to add other family members living in a joint household to the conception of the 'family'". Unfortunately, these recommendations of the Kaldor Report were ignored by the Government.

Under the original Act, the wife and children of an assessee were not treated as dependants if they had separate incomes, in which case they were entitled to separate exemption allowances for the purposes of the expenditure tax. Under the latest budget proposals, husband, wife and all minor children are to be treated as one unit for the granting of the exemption limit of Rs. 30,000 in the matter of non-taxable expenditure and not as separate assessees even if they possess income in their own right. This provision will make the burden of the expenditure tax heavier by depriving members of a family of separate exemption allowances if they possess separate incomes. There may be some justification for including the minor children within the unit for granting the allowance of the exempted Rs. 30,000 non-taxable expenditure, especially as any incomes which they may have would be unearned incomes. But there is no justification for denying a wife a separate exemption allowance for the purposes of the expenditure tax, especially if she works and has an earned income. If a woman works and earns income, it is surely necessary that she should have equal treatment with men in respect of the exemption allowance for non-taxable expenditure incurred by her out of her earned income. Is there any justice or equity in depriving a woman who earns an income of the right to spend it upto the exempted

(*Continued on page 431*)

TABLE B

Net Residual Amounts Retained by Individual Assessees out of their Gross Incomes after paying Income-tax, Super-tax and Wealth Tax

Total Wealth	Gross Income at 6 per cent. of total wealth per annum	Net residue after paying income-tax and super-tax for 1956-57	Net residue after paying income-tax, super-tax and wealth tax for 1957-58 or for 1958-59 (Mr. Krishnamachari's Budget)	Net residue after paying income-tax, super-tax and wealth tax for 1959-60 (Mr. Morarji Desai's recent Budget)	Net residue after paying income-tax, super-tax and wealth tax at the rates recommended by Mr. Kaldor
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(1)	(2)	(3)	(4)	(5)	(6)
5,00,000	30,000	22,878	21,876	20,376	22,026
10,00,000	60,000	35,817	30,176	26,176	35,276
15,00,000	90,000	43,177	31,576	25,076	43,276
20,00,000	1,20,000	47,911	31,376	22,376	48,276
30,00,000	1,80,000	53,770	26,976	12,976	55,776
40,00,000	2,40,000	58,645	21,576	2,576	73,776
50,00,000	3,00,000	63,520	16,176	— 7,824	91,776
60,00,000	3,60,000	68,395	10,776	— 18,224	1,09,776
70,00,000	4,20,000	73,270	5,376	— 28,624	1,27,776
80,00,000	4,80,000	78,145	— 24	— 39,024	1,45,776
90,00,000	5,40,000	83,022	— 5,424	— 49,424	1,63,776
1,00,00,000	6,00,000	87,900	— 10,824	— 59,824	1,81,776
2,00,00,000	12,00,000	1,36,680	— 64,824	— 1,63,824	3,79,776

JUDGMENT ON RESTRICTIVE PRACTICES STILL BEING COMMENTED UPON

NO REVIVAL OF DEMAND YET

From A Special Correspondent

MANCHESTER, *3rd March*

"UNPROFITABLE prosperity" was the expression used by Mr. W. T. Winterbottom, Chairman of the Fine Spinners and Doublers, to describe the phase of trading in spun rayon yarns, following the breakdown in the voluntary price scheme which occurred last July, when he addressed the annual meeting of the Rayon Staple Spinners' and Doublers' Association. Since the failure of this system, there had been poor returns, he added, which was particularly disappointing when the high degree of re-equipment in this section of the trade was taken into account.

MANCHESTER LETTER

There are already indications that a similar state of affairs can be anticipated in the cotton industry, following the abandonment of the similar method of regulating selling rates. If the reduction in cotton yarn prices had had the effect of bringing out a substantial and previously suppressed demand, all sections would clearly have benefited, but, so far, such has not been the case.

Mr. Winterbottom then went on record with the statement that, if Government help for re-equipment can be obtained, coupled with a drastic programme for scrapping obsolete machinery, it should be possible to secure a reasonably balanced industry within three to five years. Although the cotton industry had contracted severely since 1950, he added, a further contraction of a similar order of magnitude would be needed before it was adequately matched to the expected level of demand.

Mr. Winterbottom referred to the decision of the Restrictive Practices Court against price agreements for cotton yarns and said: "If it is based, as it appears to be, on principles of economic idealism, then steps should also be taken to ensure that the so-called advantages of unbridled freedom in one section of our industry are passed on to the consumer and are not negatived by unscrutinised costs arising in monopoly and nationalised organisations." The Association, he said, had to consider carefully in the near future whether it could continue to support the import duty on rayon staple in the free conditions in which they now had to operate. With the more intense competition which must now arise from cotton yarns, the handicap of being effectively shut off from imported supplies of both new and competing staple became more serious. "It tends to hinder the development of new lines in the home market and, although the duty also applies to yarn and helps us to that extent, it is impossible," Mr. Winterbottom went on to add, "to ignore that it reduced our competitive strength in export markets. With the establishment of the European Common Market, this handicap will become more severe."

Results of spinning firms up to the period immediately prior to the termination of the minimum price pacts are now coming to hand. From Mr. Sidney Monks, Chairman of the Cromer Ring Mill, Middleton, comes the comment: "The scheme has been abandoned, with the result that prices have fallen to a level that will tax the ingenuity of everyone if losses are to be avoided."

"The Court expects redundancy to be speeded up to make the industry more compact and efficient," he continued. "We all look forward to this time, but, in the meantime, the going will be very hard and we shall have to slow down our capital expenditure, until we are sure that it can be justified under these new conditions of trade."

No Precedent, But...

Although the repercussions after the abandonment of the Yarn Spinners' Agreement, in the shape of widely varying price levels, have not yet died down, it is now, perhaps, possible to assess the judgment given by the Restrictive Practices Court without creating fresh animosity. The economist's view of the decision has lately been given by Professor Ely Devons in a series devoted to the Court's activities.

As he points out, the Court insisted that its judgment on the yarn spinners' scheme did not represent a precedent for dealing with other minimum price arrangements. At the same time, the adverse verdict can hardly have encouraged other trades with similar systems in force to believe that their pleas will succeed where the spinners have failed.

Professor Devons deals at length with the Court's attitude to the spinners' case that their Agreement was a "stop-loss" scheme. This contention was rejected on the grounds that actual prices were only lifted off the minimum for short periods, that the minimum price appeared to insure a reasonable return all the time to the majority of spinners, thus keeping prices higher on average since 1951 than they would otherwise have been; and that a substantial excess of capacity existed in the industry over and above the reserve needed to meet any sudden increase in demand.

The Agreement would have been viewed less unfavourably by the Court, suggests Professor Devons, had it been confined to fixing a true "stop-loss" floor to prices which operated only for short periods of abnormal recession. Another aspect of the defence put up by the Yarn Spinners' Association was that, without an agreement, the large firms would drive the small and medium-sized ones out of business. This belief was also rejected by the Court, which stated that, even if the industry were reduced to the five large combines, "it would not necessarily diminish competition."

Nor were the members of the Court impressed by the claim that the trade needed the support of regulated prices to maintain it in the event of an emergency. They regarded the future of national defence as so uncertain that it was difficult to assess what policy would be adopted in relation to imports of cotton cloth and raw cotton during a war.

On the Court's comments in relation to unemployment, Professor Devons admits himself perplexed. The closing of mills following the abrogation of the scheme would have a serious adverse effect on the general level of employment in the areas concerned and that effect would be persistent, the Court declared. To an economist, anticipating lower prices when such a scheme is abandoned, the natural consequence would appear to be higher production and sales. The Court, in particular, blamed the Agreement for frustrating export business, not only in yarn but also in cloth.

There is not yet enough evidence to gauge the true effect of developments during the past few weeks, but, if the failure of business to broaden is a token of things to come, the Court's predictions of wider unemployment in the cotton mill area are likely to be proved up to the hilt.

Guide From Supplies

At the end of each year, it is possible to assess, on a broad scale, the quantity of cotton and rayon cloth available after overseas markets have accepted their now declining share of goods. Some observers contend that this table offers a guide to the future trend of trade by emphasising the cycle of ups and downs which have always been a feature of activity in Lancashire.

From the latest figures available, it is clear that, in recent years, the tendency has been for the cloth available for home trade to reach a peak and then precipitate a phase of difficult and often highly uneconomic trading. The variations which have taken place in supplies and distribution are set out in the following table:

(In million yards)

Year	*Output (a)*	*Imports (b)*	*Total (a) and (b)*	*Exports*	*Balance for home trade*
1937 ..	4,122	75	4,197	2,001	2,196
1949 ..	2,593	400	2,992	1,078	1,914
1950 ..	2,840	342	3,182	1,017	2,165
1951 ..	2,960	478	3,438	1,105	2,331
1952 ..	2,192	210	2,402	871	1,531
1953 ..	2,682	143	2,775	895	1,880
1954 ..	2,775	335	3,110	812	2,298
1955 ..	2,479	365	2,844	688	2,156
1956 ..	2,314	380	2,694	595	2,099
1957 ..	2,287	490	2,777	567	2,210
1958 ..	2,030	434	2,474	468	2,006

No sign of the hoped-for recovery in pressure for supplies has yet been noted, following the dissolution of the Yarn Spinners' Agreement a month ago. Salesmen have been unpleasantly surprised at the lack of workable demand at a time when they anticipated the release of pent-up orders.

Most distributing houses have lately discovered that they can afford to operate with distinctly lower stocks than were formerly regarded as the seasonal minimum. The importance of the purchasing policy adopted by the major chain stores cannot be overemphasised. There are many reasons for withholding contracts for the time being. First and foremost are the widespread doubts over the future trend of raw cotton prices. But quite a number of mills are now distinctly short of orders and time for them is running out.—*All Rights Reserved.*

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COTTON TEXTILE INDUSTRY IN JAPAN

EXPORT TARGET FOR NEXT FINANCIAL YEAR FIXED AT 1,390 MILLION YARDS

IT looks as though Indian cotton textiles will have to face keener competition from Japan in world markets in the coming months. The Japanese spinning industry and trade have set the target for exports of cotton piecegoods at 1,390 million square yards for the fiscal year beginning on 1st April next. The target, which will be submitted for approval to the Textile Export Council, represents an increase of 10 per cent., as compared with the estimated total shipment of 1,264 million square yards in the current fiscal year (1958-59). The Japan Cotton Yarn and Cloth Exporters' Association is quite confident that the target will be fulfilled. Its confidence is based on two important grounds. First, the industry may secure additional orders for processing American surplus cotton for Burma. Secondly, a similar formula will be applied to American cotton supplied to Indonesia. A general improvement in international economic situation is also expected to have beneficial effects on Japanese textile exports.

Since the cloth export target for 1959-60 is fixed at a fairly high level, the machinery and equipment in the Japanese cotton mills will naturally be geared to more intensive utilisation than in the past year. It may be noted here that the cotton industry in Japan has recently passed through a period of widespread depression. The total quantity of cloth actually shipped from Japan during 1958 was no more than 1,264.00 million square yards, which compared very unfavourably with 1,468.37 million square yards in 1957. Similarly, exports of yarn were lower at 26.49 million lbs., as against 32.19 million lbs. The fall in overseas sales of Japanese cotton textiles was due largely to the export offensive by China.

Setback To Production

The disquieting performance on the export front was responsible to a great extent for the marked setback to the production of cotton yarn and cloth. The quantity of cloth that actually came off the looms of Japanese mills in 1958 was about 3,183.6 million square yards, as against 3,841.3 million square yards in 1957. The decline in cloth output followed an appreciable contraction in the production of yarn, from 1,139.95 million lbs. in 1957 to as low as 964.54 million lbs. in 1958.

In view of the unsatisfactory experience gained from the textile depression, efforts are being made to reorganise the Japanese textile industry as a whole on a rational basis. The General Textile Policy Committee is reported to have submitted to the Minister for International Trade and Industry several recommendations designed to improve the conditions in the textile economy. The Committee, it will be recalled, was set up in September last at the suggestion of the Government. It comprised members representing the various sectors of the textile industry. The recommendations of the Committee cover, among others, extension of the scope of the Textile Equipment Adjustment Law to include the chemical and synthetic fibre industries, continuation of production control, rationalisation of enterprises and promotion of exports.

Two Major Problems

There are two major problems confronting the Japanese cotton industry, namely, uncertainty regarding trend of cotton prices and Communist China's export drive. It is desired that cotton prices should be stabilised at a reasonable level as quickly as possible, so that the competitive power of cotton goods *vis-a-vis* other fibre products may be strengthened. As for competition from China, the Japanese textile interests are endeavouring to grasp the actual position. With a view to promoting orderly export marketing, the traders are said to be "taking every precaution to avoid unreasonable competition and the disturbance of the markets caused by sudden inroads from China."

This brief account should serve as a pointer to India which has suffered a big loss in the cotton textile export trade. The foreign exchange earned from cotton piecegoods during 1958 was just Rs. 46.9 crores, as compared with Rs. 65.1 crores in 1957. In terms of quantity, the exports of cloth aggregated 646 million yards, as against 878 million yards. The drop was shared by both mill cloth and handloom goods. The shipments of mill cloth were lower at 625 million yards, as against 828 million yards, and those of handloom cloth were 21 million yards, as against 50 million yards. The fall in cloth exports to the U.K. was of the order of 40 per cent., while shipments to Sudan, British West Africa and Aden declined by 25 per cent.

The Government of India has no doubt announced the export incentive scheme of linking the cotton industry's import requirements of raw material, dyes and chemicals to its export earnings. But the scheme does not appear to have provided much incentive to mills. To quote a report: "The response has been very cold and indications are that about 145,000 bales of cotton imports reserved for allotments against cloth export performance are likely to be allotted to mills in the usual quota way." On their part, the exporters complain that the benefit of incentive import licences is confined only to exporting mills and they are aggrieved at this because they book about 80 per cent. of export orders.

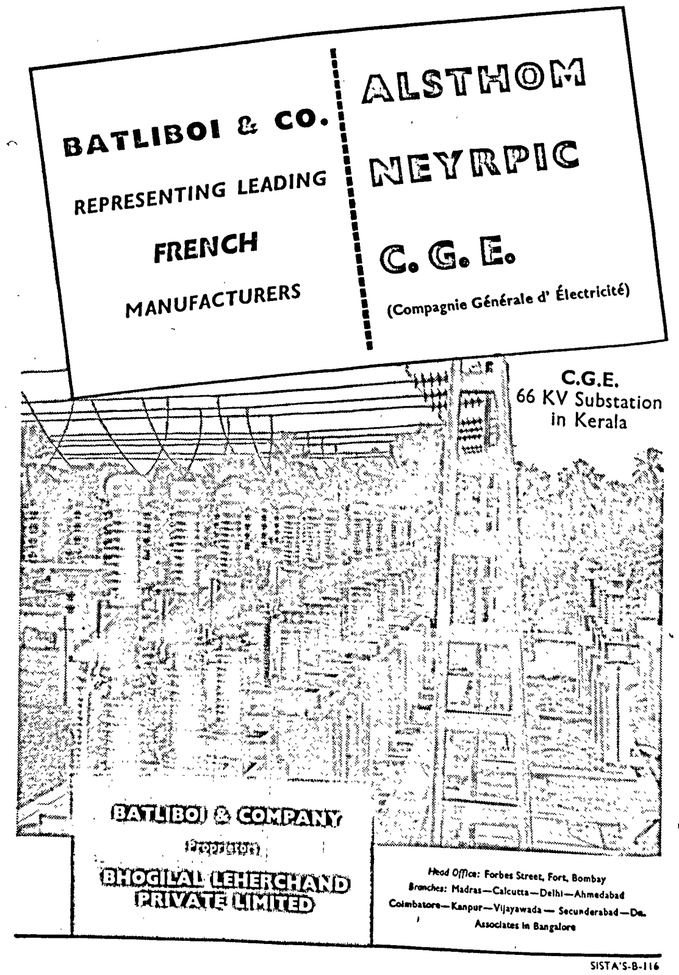
NO FURTHER RESTRICTION ON CLOTH PRODUCTION

A categorical assurance that the Government of India does not intend to restrict further the production of cotton piecegoods, mill-made or handloom, is given in the statement placed by Mr. Satish Chandra, Deputy Minister for Commerce and Industry, in the Lok Sabha on the 3rd inst. The statement was in reply to a question by a member who had asked whether the Madras Government had suggested the pegging of mill cloth output at 4,800 million yards per annum. Mr. Satish Chandra admitted that the suggestion had been made. The Madras Government, he said, had expressed its disagreement with the observation of the Textile Enquiry Committee (Chairman: Mr. D. S. Joshi, I.C.S.) that the allocation to the handloom sector, which was to produce the entire additional requirement for the second Five-year Plan, might have to be pruned to reach only 2,100 million yards, as against the original allocation of 2,500 million yards. The State Government had further stated that, if any reduction in allocation had to be made, it must be initially the mill sector that should accept a cut and suggested that the ceiling of 5,300 million yards for this sector might be reduced to 92 per cent. of its rated capacity. Mr. Satish Chandra added:

"Presumably, the Madras Government's suggestion is based on a misapprehension that a restriction on the handloom sector might be envisaged. At the same time and in accordance with their views stated in the resolution on the subject, the Government of India considers that there is no need to think of effecting a cut in the production of mill cloth which is already restricted to the rated capacity."

The foresaid decision of the Central Government is, indeed, commendable. Any move to peg the mill output of cloth is bound to have serious repercussions. If anything, there is an urgent need for expanding the weaving capacity of mills through modernisation of machines and equipment, as well as adoption of rationalised production methods. The rise in population—an addition of five to six million every year—improvement in living standards which is the goal of the Plans, and the fresh purchasing power created as a result of larger doses of deficit financing will all enlarge the domestic demand for cloth. Unless the mills are allowed to modernise and to expand their capacities from now alone, there will be, in the next two or three years, an acute shortage of cloth supplies accompanied by soaring prices.

The aggregate production of mill cloth during the month of January 1959 is provisionally estimated at 429 million yards, as against 435 million yards in the previous month and 437 million yards in the same month last year. The production of yarn is put at 149 million lbs. which represents a fall of 5 million lbs. as compared with December 1958. The figure for January 1958 was the same.



PROBLEMS OF SUGAR INDUSTRY

SOME THOUGHT-PROVOKING OBSERVATIONS BY MR. HADFIELD AT I.S.M.A. ANNUAL MEETING

SOME of the problems confronting the white sugar industry and their implications to the future of the country's economy were highlighted in an impressive manner by Mr. P. Hadfield in his presidential address at the twenty-sixth annual general meeting of the Indian Sugar Mills' Association held at New Delhi on 9th March 1959. These included the threat of competition from *khandsari* and the co-operatives, the importance of exports and cane development and the need for ensuring a reasonable profit that will leave sufficient margin for covering renewals, replacement and the higher working capital. Mr. Hadfield's observations on these subjects are reproduced below:

"The best way of creating the warmer atmosphere in which even a cold war cannot thrive, must surely be freedom from controls and interferences in the widest sense possible. Control came to this industry or rather to those units thereof situated in the U.P., Punjab, and North Bihar, in July last. Its introduction has, unfortunately, become linked with the idea of sugar exports and both attract to themselves unpopularity from the other. I, for one, do not believe that the announcement of Government's intention to export 50,000 tons of sugar could have had any appreciable effect on prices. On the contrary, I believe that a higher figure was anticipated, so that the results of the announcement should have been to depress prices. Control was introduced following a voluntary agreement which failed to have the desired effects during a period when markets were upset by international events. It followed the upheavals in Iraq. Sugar prices in India rose, but so did the prices in London and New York, and to greater measure, but, there they were allowed to find their own levels. It followed that delay in the usual monthly release which the market had expected during the first few days of July, which would have been in consonance with the previous pattern. The reasons for the delay of that release in July are not known to me, but the delay, coupled with other factors, profoundly affected the price of sugar.

Control Was Hasty

"Control was introduced in the sugar industry when prices had risen from Rs. 37.07 at the time of our agreement to Rs. 37.41 in the third week of July. By 30th July—the day when control was introduced—these prices had gone down considerably and were round about the agreed levels. Even wider fluctuations in the *vanaspati* industry did not occasion control, and yet the similarity between the pattern of the two industries is apparent. The control as introduced suffers from a very serious defect. It fixes a maximum price on factories. It guarantees them no minimum price. It fixes the maximum price at which factories can sell, but it does little to ensure that the price to the public, to the consumer, is allied to these factory prices.

"Whatever may be said about the control prices fixed in July, and in due course the Tariff Commission will say it, there is the fact that, due to the shorter duration of the present season and the lower recovery, the cost of manufacture in West U.P. is Rs. 2 per maund higher than was the case last year. Control was brought in hastily, and why it should not be adjusted with equal despatch in order to relieve an apparent and damaging hardship, is something I do not understand.

Production Downward

"Earlier, I mentioned progress, but it is with regret that I have to report a reverse in the output trend of sugar production. As compared with 20.26 lakh tons in 1956-57, the industry achieved only 19.75 lakh tons in 1957-58, despite the commissioning of additional capacity to the extent of 1,40,000 tons due to the completion of expansion in certain established units and the setting up of ten new factories. Increases were recorded in Bombay, Mysore, and the Punjab, but these were more than offset by decreases of 1,31,000 tons in West U.P. and 37,000 tons in Bihar. Production in the new units amounted to 72,000 tons, which means that the drop in production in those factories which were working in 1956-57 season was from 20.26 lakhs to 19.03 lakhs. This is a significant and worrying drop. As regards this year's production, though the season has not finally closed, the latest estimates available with the Association show that production is likely to come down further to about 18.5 lakh tons, and I must deal with the reasons which caused this at some length.

"An industry dependent directly on an agricultural produce for its raw material must expect fluctuations from year to year. They are relatively unimportant so long as the general trend is towards development. Unfortunately, the setback in 1957-58 cannot be attributed solely to any such fluctuation. But for the loss of cane from reserve areas to *khandsaris*, the 1956-57 figure would have been equalled, if not exceeded. Few of us who heard Shri Balmokand Shah Sawhney's address last year could have realised how right he was to sound a note of warning. Our friends in the Press have accused us of complaining too early and too much. Here, surely, is rather a case of too little, too late.

"Let us examine this development. During the six-year period between 1951-52 and 1956-57, the estimated production (there are no reliable figures) was under 1,00,000 tons. During the 1957-58 season, its production rose to something of the order of 2,50,000 tons, and this year in the U.P. the number of crushers are estimated at 50 per cent. more than last year. Not less than 3,75,000 tons and possibly 4,50,000 tons will be the final figure of its output for 1958-59.

"Khandsari" Threat

"At this level, *khandsari* presents a two-pronged threat to the sugar industry. It takes away cane and reduces the amount of white sugar made. It offers a substitute product to white sugar, and, in a year of surplus production, could seriously affect prices obtainable in the home market. Government and the Association may well have divergent views on the pros and cons of such a situation, but it is a matter to which I shall revert when I speak about exports later. The difficulties encountered by the textile industry as a result of the favourable circumstances artificially created for handloom products are well known. A similar situation must inevitably develop in the case of the sugar industry if timely and appropriate steps are not taken. I have said the industry is not opposed to the expansion of *khandsari*, provided it leaves cane in the factory areas alone. I now say that we have no objection to the expansion of *khandsari* if it is to be purely a cottage industry. True it is, however, that the tax exemption in the last two years has given rise to the open pan manufacture of sugar in a manner that could not be classified as a cottage industry. I quote Shri C. V. Subba Rao, Director, *Gur* and *Khandsari*, Khadi and Village Industries Commission, who drew attention to this development in the following words: 'But, in this context, it will not be out of place to mention that private businessmen have set up a number of baby mills in order to obtain the advantage of exemption from excise duty which *khandsari* enjoys today. Adequate attention is to be paid to this aspect of the problem.'

Welcome Step

"It is against this background that members of this Association view the new tax imposed on *khandsari*. In that it is what we have been pressing for, I welcome it unfeignedly, but whether it goes far enough is something that has yet to be seen.

"Rather less than two years ago when excise duty on sugar was Rs. 4-2 per maund, the differential was Rs. 4-2, for there was no duty on *khandsari*. Today, the difference is Rs. 6.07, nearly 50 per cent. more than was the case. I repeat that we are very grateful for this step that has been taken and we shall watch the future confident that our further recommendations, if made of necessity, will be received with sympathy. I believe that what has happened to the sugar industry *vis-a-vis khandsari* will serve as a note of warning to State Governments, particularly to those of Uttar Pradesh and Bihar, where the sugar industry was built up to serve the needs of the whole country. There was a time when it could be regimented and taxed without any particular ill effects. Today, its traditional markets in Bombay and South India are themselves self-sufficient, and, with the bringing into being of the twelve new factories—eleven of them in the co-operative sector, which will be manufactured by two sugar consortiums for delivery during the next two or three years—will become surplus. Where, then, will these States sell the surplus sugar?

"The adverse effects of *khandsari* and *gur* manufacture on sugar production are not the only matters that require attention, if we are to obtain the maximum production of sugar so necessary to the country's growing needs for home consumption and for export.

"It is, however, the ever-recurring problem of cane development which bedevils the attainment of the planned programme. The annual target fixed under the second Plan is 7.8 crores tons, against which production last year was only 6.4 crores tons. The estimates for 1958-59 are not yet available, but can we expect much improvement so long as the tonnage per acre or the recovery in North India and the recovery in the Southern States remain so low? The position has not shown any substantial change over the last six years, and the yield throughout the country in terms of *gur* per acre has, in fact, dropped from 1.28 tons in 1953-54 to 1.26 tons in 1956-57. The position in the East U.P. and Bihar is particularly serious. Sixty-one factories, against the all-India figure of 158, with an installed capacity of 60,800 tons, against the all-India figure of 1,72,000 tons, crushed 6 million tons of cane; not much better than 60 per cent. of their capacity.

Co-operatives

"Of the last 24 new units that have been commissioned in this country, not less than 16 have been co-operatives. In criticising co-operatives in any way I realise that I am on very dangerous ground, but I would be failing in my duty to joint-stock operators in the sugar industry, who represent 94 per cent. of the membership of this Association, if I failed to draw attention to the inequalities that exist. A co-operative which can be brought into existence by the collection of as small a sum as Rs. 10 lakhs, the balance of the finance needed being available from the Industrial Finance Corporation, State Bank and Government loans, enjoys complete exemption from income-tax and other corporate taxation. In this manner, they enjoy 100 per cent. of the profits they earn, whereas a joint-stock company faces 51.5 per cent. income-tax and super-tax, and a further sum which may well exceed 5 per cent. of any year's income goes to meet the demands of wealth tax and dividend tax. Here, I would like to mention that, in the United Kingdom, the home of co-operation, co-operative societies are exempt from tax only on that portion of the profits which they distribute as discount to their constituents. I submit for consideration that this is a fair method of assessment, and the prosperity of co-operatives in the United Kingdom is evidence of the fact that it does not restrict them.

"So long as co-operative factories are repaying the loan capital that has been raised, they do not constitute any particular threat to the other units, but what will be the position in five or six years' time, when these loans have been repaid? Are the co-operatives going to accumulate 10 to 12 per cent. of their profits each year as reserves? If this goes on, they will have enormous sums at their command. Are they going to sell on equal terms with joint-stock-owned factories, or are they going to undersell them, leaving them with an inadequate margin of profit to serve as their capital? Last year, our President warned us of what to expect from competition from *khandsaris* and, as I have mentioned elsewhere, we now see how right he was. This year, I warn members and I warn Government that the continued development of co-operatives must ultimately create similar problems, leaving the joint-stock companies with inadequate margins and the Government without the tax which they contribute out of normal profits. Bear in mind that the consortium of manufacturers of sugar plant is expected to produce as many as eight new units a year. I believe that the future programme of the consortium, once it has executed orders for units currently licensed, will be more and more devoted to the fabrication of plant for co-operative ventures, but, even without this, the capacity of co-operatives will represent 15 per cent. of the whole when the present programme is completed.

"This time last year we were completing a programme of profitable exports which earned

(*Continued on page 425*)

TAX CONCESSIONS TO TEA WELCOMED

PLEA FOR SIMPLIFYING MULTIPLICITY OF LEVIES

THE reductions in the excise duty on teas grown in certain areas and in the export duty on tea proposed in the Union Budget for 1959-60 have been welcomed by tea growers as a measure of the Government's appreciation of the tea industry's difficulties. Though the Government of India acknowledged during the past year the need for providing relief for common teas, there was some difficulty in implementing the same for two reasons. First, no suitable definition of "common tea" could be found. Secondly, no agreed solution could be formulated over the means of granting relief. All that the Government could do was to take the price as the criterion and provide relief to those teas which were "least successful in the sale room," that is, those which fetched the lowest price.

This method was, to some extent, good, but this did not take into consideration the yield or the cost of production. As a result, teas produced in Darjeeling and in the Nilgiris found itself paying a higher rate of excise duty than before. This anomaly has now been set right by the creation of additional excise zones, that is, dividing the Zone III into two, III-A having to pay an excise duty of 8 nP per lb., and III-B 12 nP per lb., as against a uniform rate of 10 nP earlier for Zone III as a whole. This change will benefit gardens which are situated in certain high altitude areas and which were adversely affected by the old rate of duty because of their high cost of production. Along with this readjustment in excise duty, the Government has also reduced the export duty from 26 nP to 24 nP per lb., as a measure of relief to "common" teas and to improve the competitive position of Indian teas in foreign markets.

Legacy of Prosperity

The various tax burdens on the tea industry are a legacy of those prosperous days in 1954. Though the prosperity proved to be a transient one, the legacy was left behind with the industry. The tax burdens have not merely eaten up the profits of gardens for that year, but have driven the less fortunate estates towards bankruptcy. Even the more fortunate ones have been compelled to abandon the agricultural and manufacturing standards of the past. According to Mr. L. T. Carmichael, Chairman of the Indian Tea Association, in Cachar, 19 out of the 27 member companies have made a loss in the 1957-58 season; some will make losses for three years running. Speaking at the annual meeting of the Association in Calcutta on Friday last week, Mr. Carmichael disclosed some disturbing features of the tea industry's present position. He said:

"It is true that new-comers may, by the exploitation of natural resources like standing timber, and by short-term economies, turn losses into a temporary profit, but they merely postpone the inevitable. Already, in Darjeeling, a 2,000-acre garden has been abandoned by its proprietors, and the workers are all on State relief, while a second property of 5,000 acres in the same district is in the hands of receivers, its timber, its houses and even its factory having been sold in an effort to provide finance. Other estates, notably in Cachar, are moving in the same direction."

In the meantime, the world output of tea has been mounting up and is at present more than 100 million lbs. in excess of consumption and this surplus is expected to be half as much again by the end of the current year. Despite the relief granted to the tea industry during 1958 and in the latest budget, the industry suffers from a multiplicity of taxes. A pound of tea, we are told, is still taxed five times in the hands of the producer-exporter and the planters have consistently held the view that the simplification of the system is long overdue. In fact, they have often pleaded that, even if the total quantum of tax paid by the industry cannot be reduced, they can be spared from the multitude of competing tax gatherers. Yet, Mr. Carmichael graciously acknowledged on behalf of the industry, the gesture shown by the Government of India in reducing the burden, to some extent, on tea growers.

While seeking tax relief from the Government, the industry itself has been making attempts to help itself. The most important is the endeavour to revive the International Tea Agreement to regulate production and exports. In Octobr 1958, India and Ceylon held talks and expressed the desirability of renewing the Agreement and of preparing—not necessarily for immediate utilisation—the machinery which would keep exports in tune with the demand. It is hoped that all other producing countries will eventually join the Agreement. Even if none else joined immediately, Mr. Carmichael said, India and Ceylon, which now controlled 60 per cent. of the world export trade, excluding China, could between themselves do a great deal to maintain the balance of supply and demand. It may be that regulation of exports by India and Ceylon may benefit other countries. But should the two countries reject the Agreement on that score? Alluding to this question, the I.T.A. President observed:

"That improved prices and a present immunity from taxation and from labour troubles will combine to induce investors to lay out new tea areas in other countries is true: that such additional acreage must produce additional crop which may depress the markets is axiomatic; but I am very doubtful whether anyone would be so foolish as to lay out new areas—which will produce no marketable tea for five years—merely because Ceylon and India decided to regulate, shall we say for the year 1960."

Regulation of Exports

The object of regulating exports, Mr. Carmichael explained, is not to create artificial shortages or to "secure a profiteer's haul from defenceless overseas' customers." The objects, as he put it, are: (1) to cover the costs of production, (2) to make a modest profit for the shareholders, (3) to ensure that the customer has as much tea as he wants at a fair price, and (4) to help, by giving steady employment and by paying taxes regularly, in the building of the new India.

The proposals to regulate exports, which are being examined, are not new. They have been in operation for over a quarter of a century and most of the established tea producing countries already have their legislation, whereby planting and exports can be controlled by the Governments concerned.

It may pertinently be asked whether the advantages of an international agreement, in the absence of one, cannot be secured through crop regulation by India. Answering this poser, Mr. Carmichael disclosed that this had been considered—indeed, "it is under constant review." In 1958, however, no specific proposals were made on the subject for a number of reasons. They are, in the words of Mr. Carmichael:

"First, we were hoping that we might receive tax relief of sufficient magnitude to enable the less fortunate gardens to sell enough of their tea at prices which would ensure an overall profit. Secondly, while one is considering an International Agreement, one prefers not to regulate on one's own. Thirdly, since a number of companies continue to do well, the chances of a general and voluntary agreement within the country are slight, nor would Government happily impose a statutory scheme in the knowledge that it would relate to India only and would probably occasion a great deal of opposition from estates in the South, from the lower yielding gardens in Darjeeling and Cachar, and from the prosperous areas in Assam, where man's wisdom has produced some of the finest tea estates in the world. If yield per acre is already small, is it just to curtail it further? If teas can be sold profitably abroad, why should their export be limited?"

Measures to Improve Quality

It is often said that reliance on an international tea agreement and regulation of crop represent a negative approach to the problems of tea and that the industry should try to improve its sales by improving the quality of tea. Mr. Carmichael averred that the industry had spared no pains to achieve these objectives. He said:

"Apart from the effort to insist upon better standards of plucking and of manufacture, apart from the strictest possible control over expenditure, and apart from an endeavour to concentrate on higher yielding areas—an endeavour which has on occasions extended to the sale of gardens in order that, with the proceeds, the balance of the property may be preserved—we have been engaged upon experiments intended to improve the machinery which we use in the manufacture of our teas."

The first process, by which the industry is said to have been improving the quality of tea, is withering, in order to secure a "controlled wither." For this purpose, a continuous withering machine has been devised which enables the planters to do, in two and a half hours, in a relatively small space and with greater accuracy, what it took more than a day. The teas produced on this machine—known as McTear Rotorvane—are said to be as good as those made in the traditional way and often significantly better. The machine is now in commercial production, with a number of purchasers on the waiting list. The industry has also under trial a continuous roller which is particularly suitable for teas of orthodox manufacture and is working on other machines designed to complete the "continuous process."

The problem is not one of inventing machines to produce quality teas but that of developing the inventions fast enough to arrest the decline in prosperity of large sections of the industry. Another problem is: Will the companies in greatest distress be able to afford them? Mr. Carmichael was doubtful of such a prospect. He had his own reasons for this. He observed:

"There has been too great a decline in certain properties for them to revive. There has been too great an increase in overseas competition for people to embark on the gamble of investing more money in those areas which are depressed. Since it has been made abundantly clear that the rewards of risk capital will always be limited, risk capital will stay away. British capital show no signs of running away from India; on the contrary, I understand that 82 per cent. of foreign capital in India is British, and that new British investments in this country since the war amount to £120 million. What is worrying us is that British capital is running away from tea, because we know how greatly it helps us in the sales of tea to our best customer to have the double connection of buyer and of investor. Destroy that link, and the special place which Indian tea has in British markets will be endangered: there are too many other places in the world where tea can be grown, where capital is wanted, and where developments are possible. Remittances of profits to shareholders in the United Kingdom which were naturally good as a result of the prosperity of 1954 are falling off badly and, though in recent years there have been satisfactory payments to overseas investors, such payments have been largely on account of previous seasons, and do not represent the present economic position."

Outlook

Mr. Carmichael is not, however, pessimistic about the outlook for tea. No doubt, world production is now more than 100 million lbs. in excess of consumption and buyers hold substantial stocks which give them a commanding position. Yet, the I.T.A. President is not worried over the accumulation of stocks. For the present stocks in London, at 170 million lbs., are, according to him, only 60 per cent. of what they were at peak periods before the war. Secondly, he believes that stocks with buyers, rather than with growers, do not provide an incubus but a safeguard against broken communications, whether in the producing countries, *en route* to the U.K. or in the London docks themselves. He also seems to share the view that stable prices depend on the holdings in London and not upon the stocks in gardens. He is, however, of the view that the building up of stocks cannot continue indefinitely, but it gives the industry a breathing space, while the International Tea Agreement is considered and while promotion campaigns get under way.

Another factor on which Mr. Carmichael bases his optimism is the vast scope for increasing internal consumption. Domestic consumption is, no doubt, rising at the rate of 10 to 15 million lbs. a year, but even so, the average *per capita* consumption is only "one cup for every three days," whereas in Britain it is eight cups per day. "If only we could double India's consumption, or if we could induce each citizen to drink one cup of tea a day," the I.T.A. President said, "our present difficulties would be over." He dismissed, as unfounded, the fear that, if more tea was sold in India, there would be less tea to sell abroad and that this would impair our foreign exchange earnings. He believed that India's ability to earn foreign exchange would be strengthened, if there were a bigger internal market and if taxation were based on profits, instead of upon the quality of tea produced.

The two other factors which give hopes of an encouraging future are the success of the engineering section of the industry in inventing new machines, as stated above, and the expectations of a revival of the International Tea Agreement which will give some stability to prices in world markets. With the latest concessions in taxation, the industry, it is to be hoped, will be able to see better days in the coming years.

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Paid-up Capital £2,851,563
Reserve Funds £3,168,579

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(Incorporated in Indore 1920)

Authorised Capital .. .. .. Rs. 50,00,000
Subscribed Capital .. .. .. ,, 30,60,750
Paid-up Capital .. .. .. ,, 15,30,375
Reserve Fund .. .. .. ,, 29,00,000

Head Offices: 1, Prince Yeshwant Road, Indore City

Bombay Offices: 44, Hamam Street, Fort and Jal Hind Estate, Bhuleshwar.

Branch Offices: Cloth Market, Siyaganj and Sanyogitaganj (Indore City).

Branches: Anjad, Bhopal, Dhar, Khargone, Mhow, Ratlam, Sanawad, Shujalpur Mandi, Tarana and Ujjain.

Pay Offices: Jaora and Sandhwa (Madhya Pradesh)

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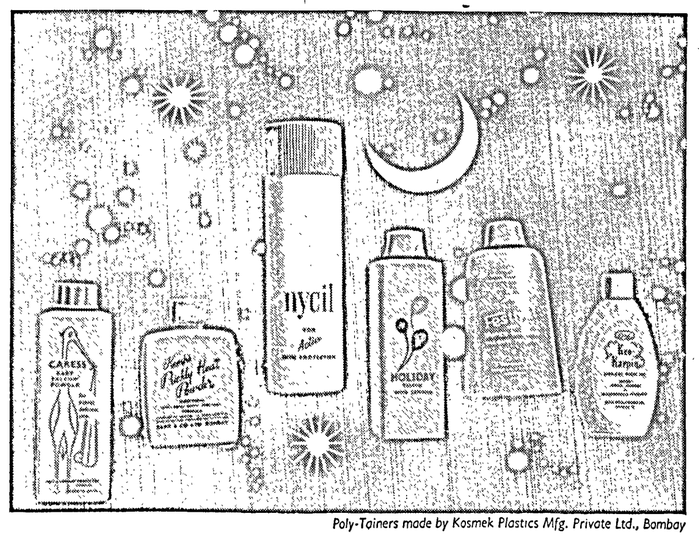
N. D. JOSHI, *Manager.*



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IPC 34

THE BANK OF MAHARASHTRA LIMITED

COMPETITION AMONG BANKS FOR ATTRACTING DEPOSITS DEPRECATED

CHAIRMAN, MR. V. P. VARDE'S REVIEW

SPEAKING at the Annual Meeting of the Bank of Maharashtra Ltd. held in Bombay on 5th March 1959, Mr. V. P. Varde, Chairman, deprecated the unfair competition among banks for attracting deposits by offering disproportionately higher interest rates. He was of the view that depositors were not attracted only by interest rates, as they were interested in the safety of funds, the use to which they were put and the quality of service.

The following are extracts from his speech:

"GENTLEMEN,

"I have great pleasure in welcoming you most cordially to the annual meeting today. The twenty-third report of the Directors and the audited statements of accounts for the year ended 31st December 1958, have been in your hands for a fairly long time and, with your permission, I shall take them as read.

"The growing imbalance in our economy associated with the progress of the second five-year Plan presented itself in its worst form during the year under review and the banking system could not escape from its impact. The fall in agricultural production was accompanied by the slowing down of the pace of expansion of industrial production and the development programme was punctured by the foreign exchange crisis. Corrective measures for arresting inflationary pressures, to which I had made a detailed reference last year, resulted in levelling off the investment activity in the private sector; but the expansionary forces released by a rising tempo of the development expenditure in the public sector outwitted the effort to curb inflation and the wholesale commodity price index moved up by one per cent. and the living cost in Bombay by 4 per cent. As usual, this set in motion the wage-cost spiral and rendered the cost structure more rigid, thereby pricing us out of the export market. Roughly 10.2 per cent. of the national income was absorbed by the State and consequently every citizen was obliged to tighten his belt further. It is this factor, superimposed on the recovery of overseas commodity markets and a substantial increase in the volume of foreign assistance, which enabled us to extricate ourselves from economic morass during the past three months.

Money Supply and Credit Expansion

"Over the year under review, the money supply with the public rose only by Rs. 74.9 crores, compared to Rs. 96.3 crores in 1957. In the preceding year, the major contractionist influence was the heavy payments deficit; but this year it was of less significance, inasmuch as the foreign assets of the Reserve Bank of India declined in 1958 by only Rs. 109 crores, compared to a fall of Rs. 327 crores in 1957. On the other hand, the rise in Government's indebtedness dropped from Rs. 478 crores to Rs. 414 crores and in bank credit to the private sector from Rs. 79 crores to Rs. 22 crores. The expansion of deposits of Scheduled banks was smaller at Rs. 206 crores, as against Rs. 267 crores in the preceding year. Nevertheless, it was substantial and had a significance in the context of a rise of Rs. 214 crores, compared to Rs. 58 crores in 1957, in time deposits. The bank credit, however, rose by only Rs. 8.5 crores and consequently the credit-deposits ratio declined by 7.7 per cent. to 55.00 per cent. and the surplus funds had to be employed in adding Rs. 203.8 crores to the investment portfolio.

Competition for Deposits

"This change is no doubt to be welcomed. First, it has imparted the much needed liquidity by stepping up the proportion of cash in hand and with the Reserve Bank and investment in Government securities to deposits from 39.55 to 48.07. Secondly, it has demonstrated that the competition for attracting deposits by quoting disproportionately high interest rates is unrealistic. The working results of the banks for 1958 have shown that profits are squeezed when higher rates are offered for luring the deposits, even though the additional funds cannot be employed successfully in banking business. With this conviction, some of the major banks have voluntarily agreed to impose a ceiling on deposit rates, whether the ceilings are at a reasonable level or not is a matter of opinion; but from the experience of this Bank, I am prompted to say that depositors are not attracted only by interest rates. They are more interested in the safety of funds, the use to which they are put and the quality of service. Indeed, the fact that even the Government is not able to make a substantial headway with the small savings drive backed up by higher interest rates and an elaborate organisation underlines the value of banking service which the public appreciates most.

"Viewed against this background, the results presented by your Board of Directors for 1958 should be considered as highly satisfactory. The Bank's deposits rose during the year from Rs. 7.86 crores to Rs. 10.56 crores. The gain of a little over a third, on the top of a rise of 25 per cent. in 1957 and 23 per cent. in 1956, is significant both in the context of the growing confidence of the public in the Bank and in relation to the growth of deposit resources of the banking system during the year, a part of the increase could be attributed to the programme of branch expansion. During the year under review, the Bank opened three pay offices in Poona and two in Bombay and one branch in Marathwada, raising the number of branches to 44. I am glad to inform you that all the branches are working satisfactorily. Out of a total deposit resources of Rs. 10.56 crores, cash in hand and with banks and investments absorbed Rs. 6.80 crores, that is, 64 per cent., compared to 55 per cent. at the end of 1957, while loans and advances represented hardly 40 per cent. of the deposits. Need I repeat this year also that this policy is all the more necessary in the interest of the depositor and has been designed to ensure growing strength for this Bank.

Bank's Capital

"You might have noticed from the balance-sheet that the paid-up capital of the Bank rose during the year by Rs. 6.15 lakhs to Rs. 25.22 lakhs on account of the calls made on you. With the two calls payable in the current year, the capital would be raised to a fair level. Your Board has also been ploughing back, with your approval, a portion of the annual profits and the reserves now stand at Rs. 13 lakhs. I am sure that this policy will be continued in future so that the Bank is fully equipped for the task which its name signifies.

"Let me now turn to the profit and loss account. The rise in deposits was accompanied by an increase of Rs. 6 56 lakhs in interest paid thereon, while the expansion of the Bank, together with normal increments, added Rs. 2.71 lakhs to the cost of establishment. There is hardly any major change in other items. Against an increase of Rs. 10.97 lakhs in the expenditure might be set off an increase of Rs. 9.51 lakhs in interest earned after making the necessary provision, while the increase in earnings from commission and discounting of bills, etc., during the year is of the order of Rs. 1.39 lakhs. The progress made in tapping the latter source of business is indeed gratifying. You will also note that, although the cost of acquiring funds has steadily moved up from 1.6 per cent. in 1956 to 2.1 per cent. in 1958, mainly on account of the fact that the bulk of the deposits is time deposits, your Board has been making a judicious use of the resources. This is as much reflected in the comparatively high percentage of liquidity as in the higher profit which amounts to Rs. 5.56 lakhs in 1958, compared to Rs. 4.69 lakhs in the preceding year.

"Throughout its career, the Bank has been conservative in the distribution of profits and has always believed in giving a priority to the strengthening of reserves over dividend. Consistent with this policy and in conformity with the rise in profit, your Board has been trying to secure a fair reward for your capital. The same considerations have now prompted your Board to recommend a higher dividend of 6½ per cent., compared to 6 per cent. in the preceding two years, so that you can participate in the growing prosperity of this institution which you have nursed in the past by sacrificing your legitimate share in the profit.

"You will naturally expect me to deal with staffing problems. The Bank has moved from 'C' to 'B' class and your Board had thought that the transition in respect of terms of employment would be smooth, if the steps had been spread over two years. With this object, it had examined last year the possibility of effecting partially adjustment in advance. It, however, desisted from taking the step in this direction, owing to a complicated legal position. As you are aware, in these days. the terms of employment have to be determined by a third party and the employer has hardly any choice. The period of the Bank Award has expired and the future pattern is awaited. My Board appreciates the splendid work which the staff of the Bank has put in and is conscious of the need for improving its lot. At the same time, for reasons explained earlier, I earnestly request it to have a little more patience.

Staff Training

"The expansion of the Bank pre-supposes the adequacy of qualified, trained and experienced personnel well versed in the Board's policy. It is, therefore, the Board's practice to train the staff and officers from within. The Bank has been deputing every year two officers for training to the Bankers' Training College run by the Reserve Bank and has also made special arrangements for the training of officers at the head office. The training, however, would take time and to cope with the immediate programme, your Board was obliged to effect direct recruitment of a few officers. Considering the pace of growth, this need not prove a damper for those who have stood well with the Bank in the past.

"The budget for 1959-60 has once again raised the problem of resources for the Plan. During the first three years, Rs. 2,450 crores have been expended on the Plan, and the budgetary deficits have totalled Rs. 950 crores. For 1959-60, an overall deficit of Rs. 245 crores is feared after taking credit for Rs. 23.36 crores on account of fresh taxation, Rs. 325 crores on account of borrowings, including small savings, internally and Rs. 337 crores by way of foreign aid. This means that, although the inflationary pressures have abated, they cannot be mastered. The Finance Minister has admitted that the comfortable revenue position and shortfalls in expenditure would no more operate and he has to concentrate on improving the administrative machinery, simplifying the existing procedures and plugging the loopholes. His proposals are designed primarily towards integration of the scheme of direct taxation and strengthening corporate savings. The budget has to be welcomed also from the point of his determination to maximise borrowings from the public and abroad, cut down non-development expenditure and minimise the reliance on deficit financing. It remains to be seen how far he succeeds in these directions; but the intentions are good.

Consumer Credit

"Be that as it may, the budget is a reminder to all of us that the economic development can be achieved at a price. As citizens we have to pay it willingly by tightening our belts and promoting savings. I do not, therefore, like the move of some of the banks to provide consumer credit for stimulating the economy which is already inflated. Secondly, the emphasis of development has necessarily to be in the decentralised sector. The schemes provided for are designed to promote and strengthen small industries. It is in this field that your Bank has, during the past two decades, made a notable contribution. Maharashtra offers a positive scope for industrial development, particularly in view of the power supply from the Koyna and the provision of Rs. 1 crore for the development of Konkan. A banker's job is not only to provide credit but also to advise its clients on fresh channels of enterprise. In view of the dynamic role of your Bank in Maharashtra, it is necessary to explore the possibility of establishing a statistical and information unit which can provide the requisite background to any *entrepreneur*. The Board will, of course, consider the proposition with due regard to the financial capacity of the Bank and the scope for expansion of banking business which follows any development programme."

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SUBSCRIBED & PAID-UP	...Rs. 50,00,000
RESERVE FUNDS	...Rs. 46,00,000
DEPOSITS EXCEED	...Rs. 30,00,00,000
WORKING FUNDS EXCEED	...Rs. 35,00,00,000
NO. OF ACCOUNTS EXCEEDS	... 1,50,000

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Managing Director.

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announce plans
for doubling the production of
Transparent Cellulose Film

•

We have finalised plans for doubling the production of transparent cellulose film and have entered into an agreement with a Swiss firm for this expansion. The necessary permission has been obtained from the Government and the new equipment is expected to arrive at the factory site by the end of the year.

By early 1960 when this scheme will be completed an additional quantity of 2,000 tons of transparent cellulose film will be available in the market. In addition, a small surplus will be exported to Middle East and Far Eastern countries.

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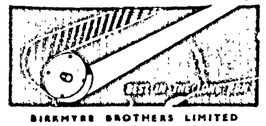

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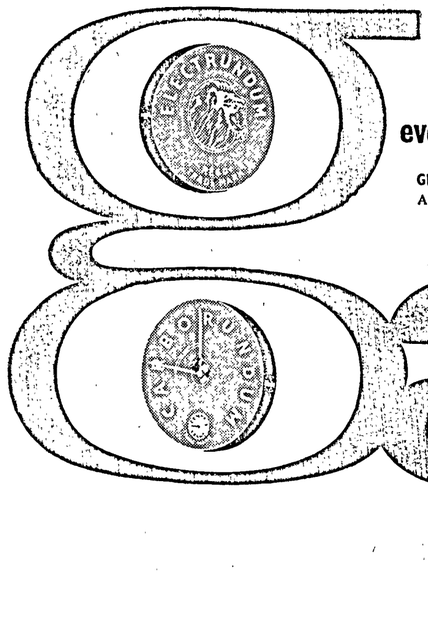

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69-18

THE BANK OF INDORE, LIMITED

(INCORPORATED IN INDORE, 1920)

REPORT OF THE DIRECTORS TO BE SUBMITTED TO THE SHAREHOLDERS AT THE THIRTY-NINTH ANNUAL ORDINARY GENERAL MEETING.

GENTLEMEN,

Your Directors have the pleasure to lay before you the Balance Sheet and Profit and Loss Account of the Bank for the year ended 31st December, 1958, duly audited by Messrs. A. F. Ferguson & Co., Chartered Accountants.

	Rs.	nP.
The Net Profit for the year including the sum of Rs. 52,269.51 brought forward, amounts to ..	5,47,614	30
An ad-interim Dividend was paid for the half-year ended 30th June, 1958, at the rate of 16 per cent. per annum on 61,215 shares absorbing ..	1,22,430	00
Amount provided for Taxation	1,15,000	00
Bonus paid to the Bank's Staff	1,10,101	25
	3,47,531	25
Your Directors now recommend :—		
To pay a Final Dividend at the rate of 16 per cent. per annum on 61,215 Shares for the half-year ended 31st December, 1958, amounting to	1,22,430	00
To transfer to Gratuity Fund	30,000	00
To donate to the Indian Red Cross Society, Madhya Pradesh Branch	500	00
To carry forward to the next account	47,153	05
Rs.	5,47,614	30

The Directors hope that you will find the progress of the Bank satisfactory.

THE BANK OF INDORE, LTD.,
INDORE CITY, 13th February, 1959.

K. A. CHITALE,
Chairman.

BALANCE SHEET AS AT 31st DECEMBER, 1958

Previous Year Rs.	CAPITAL AND LIABILITIES	Rs.	nP.	Rs.	nP.
	1. Capital—				
	AUTHORISED—				
50,00,000	1,00,000 Shares of Rs. 50 each	50,00,000	00		
	ISSUED—				
37,50,000	75,000 Equity Shares of Rs. 50 each	37,50,000	00		
	SUBSCRIBED—				
30,60,750	61,215 Equity Shares of Rs. 50 each	30,60,750	00		
	AMOUNT CALLED AND PAID-UP—				
15,30,375	In cash at Rs. 25 per share			15,30,375	00
28,00,000	**2. Reserve Fund and Other Reserves**			29,00,000	00
	(Includes Rs. 5,78,298 received as Premiums on issues of shares in past years)				
	3. Deposits and Other Accounts—				
5,01,48,853	(i) Fixed Deposits	5,60,90,858	88		
94,34,663	(ii) Savings Bank Deposits	96,88,610	28		
2,02,29,348	(iii) Current Accounts, Contingency Accounts, etc..	1,83,97,735	16		
7,98,12,864				8,41,77,204	32
	4. Borrowings from Other Banking Companies, Agents, etc.—				
20,00,000	(i) In India	Nil			
Nil	(ii) Outside India	Nil			
				Nil	
4,48,877	**5. Bills Payable**			6,04,912	62
	6. Bills for Collection Being Bills Receivable as per contra—				
38,37,458	(i) Payable in India	32,07,326	15		
2,554	(ii) Payable outside India	2,503	07		
38,40,012				32,09,829	22
	7. Other Liabilities—				
2,65,527	(i) Gratuity Fund	2,79,304	25		
10,56,329	(ii) Branch Adjustments	10,39,749	91		
41,709	(iii) Unclaimed Dividends	30,511	07		
13,63,565				13,49,565	23
18,36,114	**8. Acceptances, Endorsements and Other Obligations** as per contra			16,24,183	00
	9. Profit and Loss—				
5,04,076	Balance as per last Balance Sheet	4,94,814	67		
	LESS—Appropriations— Rs. nP.				
1,22,430	Dividend @ 18 per cent. per annum free of Income-tax for the half-year ended 31st December, 1957 .. 1,37,733 75				
1,00,000	Transferred to Reserve Fund .. 1,00,000 00				
1,03,754	Transferred to Contingency Fund .. 1,00,000 00				
70,000	Transferred to Gratuity Fund .. 15,000 00				
500	Donation to Indian Red Cross Society, M. P. Branch 500 00				
39,906	Bonus to Staff 80,311 41				
4,36,590		4,42,545	16		
67,486		52,269	51		
6,69,630	ADD—Profit (subject to Taxation) for the year ended 31st December, 1958	4,95,344	79		
7,37,116		5,47,614	30		
	LESS— Rs. nP.				
1,22,430	Interim Dividend @ 16 per cent. per annum free of Income-tax for the half-year ended 30th June, 1958 .. 1,22,430 00				
1,19,871	Bonus to Staff 54,810 05				
2,42,301		1,77,240	05		
4,94,815				3,70,374	25
	10. Contingent Liabilities—				
	(i) Claims against the Banking Company not acknowledged as debts				
(20,160)		20,160	00		
(18,00,449)	(ii) Guarantees given on behalf of customers ..	26,15,900	00		
9,41,26,622	Total .. Rs.			9,57,66,443	64

Previous Year Rs.	PROPERTY AND ASSETS	Rs.	nP.	Rs.	nP.
59,21,934	**1. Cash—** In Hand and with Reserve Bank of India and State Bank of India			94,16,922	11
6,30,073	**2. Balances with Other Banks on Current Account—** (i) In India				
Nil	(ii) Outside India	9,75,841	20		
Nil		Nil		9,75,841	20
	3. Money at Call and Short Notice			Nil	
1,91,41,915	**4. Investments** (at or below Market Value)— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills (Rs. Nil) of the Central and State Governments .. .. (Securities of the face value of Rs. 5 lakhs have been deposited with the Madhya Pradesh Government on account of guarantee given on behalf of customers)	2,14,78,068	37		
2,03,250	(ii) Shares— Rs. nP.				
68,000	(i) Fully paid Preference Shares. 2,01,250 00				
2,71,250	(ii) Fully paid Ordinary Shares.. 68,000 00				
26,87,020	(iii) Debentures or Bonds	2,69,250	00		
Nil	(iv) Other Investments	27,04,472	00		
Nil	(v) Gold	Nil			
2,21,00,185		Nil			
	6. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)			2,45,41,700	37
5,49,76,410	(1) Loans, Cash Credits, Overdrafts, etc.— Rs. nP.				
Nil	(i) In India .. 4,88,64,840 66				
	(ii) Outside India .. Nil				
		4,88,64,840	66		
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—				
	(i) Payable in India .. 60,10,196 64				
	(ii) Payable outside India. 22,650 00				
		60,32,846	64		
	PARTICULARS OF ADVANCES—			5,48,07,687	30
	(i) Debts considered good in respect of which the banking company is fully secured ..	5,27,20,801	32		
	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security ..	11,69,696	71		
	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..				
	(iv) Debts considered doubtful or bad, not provided for	9,08,189	27		
		Nil			
		5,48,07,687	30		
	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons ..	80,788	37		
	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	11,03,442	25		
	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	93,958	30		
	viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors or the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	24,76,648	07		
	(ix) Due from banking companies	1,93,703	09		
38,37,458	**6. Bills Receivable Being Bills for Collection** as per contra— (i) Payable in India ..	32,07,326	15		
2,554	(ii) Payable outside India ..	2,503	07		
38,40,012					
18,36,114	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** as per contra			32,09,829	22
				16,24,183	00
3,50,870	**8. Premises—** At cost upto 31st December, 1957	3,50,869	85		
1,28,270	LESS—Depreciation written off to date	1,30,469	85		
2,22,600					
4,32,653	**9. Furniture and Fixtures—** At cost upto 31st December, 1957	5,19,806	24	2,14,400	00
93,289	Additions during the year	45,361	27		
5,25,942		5,65,167	51		
6,135	LESS—Cost of sales during the year	16,388	94		
5,19,807		5,48,778	57		
2,18,717	LESS—Depreciation written off to date after adjustments in respect of items sold, etc. ..	2,34,662	57		
3,01,090					
2,04,026	**10. Other Assets—** (i) Interest accrued on Investments	2,26,180	66	3,14,116	00
2,73,844	(ii) Advance Payment of Income-tax	2,34,835	13		
2,470	(iii) Sundry Advances	21,026	80		
Nil	(iv) Income-tax Refunds Receivable	89,631	85		
4,80,340	(v) Silver	Nil			
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims**			5,71,674	44
				Nil	
9,41,26,622	Total .. Rs.			9,57,66,443	64

(Continued on next page)

POWERLOOMS: WHAT ABOUT THEM?

By A Special Correspondent

A STRIKING example of the handicaps which the planners of India have to contend with, on account of the inadequacy and the unreliability of the available statistics, is provided by the cotton textile industry. Leaving the organised sector, the activities of the other two branches of the industry have, so far, defied a comprehensive and accurate assessment. Such vital information as the number of handlooms that are in actual operation in the country is derived entirely from sample surveys, on the tenuous basis of which impressive, but not very correct, conclusions are drawn. None of the expert bodies investigating the problems of the textile industry has found it possible to adopt a more dependable mode of survey.

This, without doubt, is an unsatisfactory state of affairs, for there is the ever-present risk that all calculations pertaining to the production and consumption of cloth are apt to go wrong, since they are largely based on guesswork. The wide dispersal of the handloom sector and the vastness of the area to be covered can, however, be urged as an extenuating circumstance for the inability of the authorities to compile more reliable statistics about it, but no such plea can be put forward for the deplorable lack of authentic and up-to-date information about the powerlooms, although their number is much smaller than that of the handlooms.

Compelling Need

There is a compelling need for dispelling the present ignorance about the powerlooms whose rapid growth poses serious problems both to the handloom and the mill sectors. It is also necessary that the policy of the Government towards this sector should be made clear. The Kanungo Committee, which reported in September 1954, envisaged a day when the handlooms would be virtually eliminated, their place being taken by the cottage powerlooms. To quote the Committee's Report: "The ultimate idea is that at the end of 15 to 20 years, barring, say, 50,000 handlooms of the throw-shuttle or fly-shuttle type manufacturing special fabrics with an intricate body design, the entire handloom sector will have been converted into the improved (semi-automatic) handloom or the decentralised powerloom industry. By planning in this manner for the general conversion of the entire handloom sector, the Committee feels that we shall have achieved the twin objectives of maintaining employment over the short-term and securing the best possible efficiency in the long run."

The Government of India has not given its decision on this aspect of the Committee's recommendations, presumably because it seriously affects the future of the handlooms which are among the major sources of employment in the country. In any case, the handloom interests have been most emphatic in their opposition to any reform that would adversely affect their claim for preferential treatment. From 1951, till the lifting of controls on textiles in 1953, the installation and the working of the powerlooms was strictly regulated, in order to ensure "the maximum possible share to the handloom industry from out of the meagre available supplies of yarn." Perhaps, in order to prevent the growth of small powerloom units into chaotic exuberance, the Government directed in 1956 that the owners of powerlooms should compulsorily register them and obtain a registration certificate. As on 31st December 1958, the total number of powerlooms working on cotton yarn was 27,129.

There is a possibility that a large number of small units have not yet responded to the Government's call for registration. Such a state of affairs should not be permitted for an indefinite period, for, taking advantage of the various concessions granted to them, the owners of small powerlooms have been rapidly expanding their activities, much to the disadvantage of the other two sectors.

The following table shows the annual production of cloth in the three branches of the industry during the last five years:

(Production in million yards)

Year	Mills	Hand-looms	Power-looms
1954	4,998	1,318	243
1955	5,004	1,480	273
1956	5,306	1,540	278
1957	5,317	1,678	303
1958	4,923	1,772	323

(*Source*: Textile Commissioner, Bombay.)

While mill production in 1958 remained almost the same as in 1954, the output of the handlooms rose by 34.44 per cent. and that of powerlooms by 32.92 per cent. Since the compilation of the production statistics in the non-mill sector is by the rule-of-thumb method, the actual output of the powerlooms is likely to be much more than is indicated by the above figures.

During the last half century, powerlooms have been introduced in many centres and have been making steady inroads into the other two sectors. This development was noticed by the Fact Finding Committee (Handloom and Mills), which stated in its Report of 1942: "Although the looms are generally old ones discarded by mills, these small units have been able to cut down production costs and have proved a serious rival not only to handlooms but to mills also."

The Committee proceeds to correct the general impression by pointing out that it is from the small powerloom units and not from the mills that the handloom sector should fear the most formidable competition: "This rival," it says, "combines in itself, owing to its medium-scale production, the advantages of both mills and handlooms. It can utilise cheap electrical power and avail itself of the modern appliances in weaving." Again, the powerlooms "are not subject to any irksome restrictions such as the Factories Act or special taxes. As such, they are a source of competition in important lines to the mills as well. The cost of production in powerlooms is comparatively low, owing to small overhead charges and economies of mechanical production. Thus, the contest has now become a three-cornered one."

Barking up the Wrong Tree

So much for the Fact Finding Committee's observations on the threat posed by the small powerloom units to the mill and the handloom sectors. The Kanungo Committee mentions a number of centres where the handlooms have been virtually ousted by their powerful rivals, the powerlooms. "Practically, in each of these places," observes the Committee, "the powerloom industry was a growth from the handloom industry, representing the attempt of the *entrepreneur* to get a higher return by increasing the productivity of the tool." The Committee holds that the smaller powerloom units are "almost invariably a step in the evolution of the industry from a predominance of the handloom to one of the powerloom." One cannot help feeling that, by directing all their criticism at the mill sector, the champions of the handlooms have been barking up the wrong tree.

The encroachments of the cottage powerlooms into the mill sector are no less devastating. Their cost of production compared to that of mills and of bigger powerloom factories is almost negligible. They are bound by no factory laws nor are they required to pay standardised wages. Since most of the domestic powerlooms are operated by members of the household, the statutory regulation of hours of work does not apply to them. Even hired labour cannot claim this amenity. Again, while the bigger powerloom factories and the mill sector are required to pay a heavy excise duty, powerloom units having four looms and below are exempt from this impost. It is true that they are somewhat at a disadvantage in purchasing yarn and in marketing their products, but the extra cost involved is negligible as compared with the heavy calls that are made on the resources of the bigger powerloom factories and the mill sector, as a result of the higher wage bill, Central, State and Local taxation, labour legislation, etc. The bigger producers have also to reckon with the fact that, on account of the smallness of the domestic powerlooms, they are not easily traceable, so that their capacity to

(*Continued on page* 426)

THE BANK OF INDORE LIMITED—*(Contd.)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

Dr. *Cr.*

Previous Year Rs.	EXPENDITURE	Rs.	nP.	Previous Year Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP.
20,32,766	1. Interest paid on Deposits, Borrowings, etc.	25,30,187	58	37,81,821	1. Interest and Discount	44,21,710	99
8,17,743	2. Salaries and Allowances and Provident Fund .. .. .. (Salary and Allowances to the Manager Rs. 27,300, excluding Bonus Rs. 6,300)	10,02,538	45	4,70,717	2. Commission, Exchange and Brokerage	5,65,105	28
2,195	3. Directors' Fees and Allowances	2,300	00	2,866	3. Rents	2,607	48
4,63,834	4. Rent, Taxes, Insurance, Lighting, etc. .. .. .. (Includes Rs. 2,50,585.09 being short provision for Income-tax relating to previous years)	6,25,285	19	3,644	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
5,131	5. Law Charges	5,331	18	Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
57,448	6. Postage, Telegrams and Telephones	64,541	30	Nil	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil	
13,000	7. Auditors' Fees	13,000	00	39,631	7. Other Receipts	48,873	63
29,769	8. Depreciation on and Repairs to the Banking Company's Property ..	34,011	45				
1,45,196	9. Stationery, Printing, Advertisement, etc.	1,10,810	02				
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil					
61,967	11. Other Expenditure	64,947	42				
6,69,630	12. Balance of Profit (subject to taxation)	4,95,344	79				
42,98,679	Total .. Rs.	50,38,297	38	42,98,679	Total .. Rs.	50,38,297	38

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE BANK OF INDORE, LIMITED.

We have audited the foregoing Balance Sheet of The Bank of Indore, Limited, as at 31st December, 1958, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice, have been within the powers of the Bank;

(c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

(e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 20th February, 1959.

K. G. PANDIT,
Chief Accountant.

N. D. JOSHI,
Manager.

K. A. CHITALE,
B. K. CHATTERJEE,
BHANWARLAL SETHI,
SUGANMAL BHANDARI,
BALKISHAN MUCHHAL,
} Directors.

FRESH WATER FROM THE SEA

U.S. TO SET UP PILOT PLANTS

THE U.S. Government's announcement that a plant will soon be set up for conducting large-scale experiments in conversion of saline water into fresh water will be widely welcomed for the promise it may come to hold for the success of similar experiments elsewhere in the world. Sooner or later, most countries have to face the problem of shortage of water-supply for purposes of human consumption and irrigation of land, what with the growing population of the world and the need to press into service every available source of water-supply. The demonstration plant, now sought to be set up in the U.S., is expected to be able to convert sea water into fresh water at the rate of one million gallons a day. Announcing this, the U.S. Secretary of the Interior, Mr. Seaton, expressed the hope that the plant would be able to produce fresh water from the sea for less than $1 per thousand gallons. This rate, according to Mr. Seaton, represents a reduction of about 50 per cent. over the cost of conversion of sea water into fresh water in the most efficient commercial conversion plant in the world today. It would appear that the U.S. intends to build three plants for the conversion of sea water into fresh water, to be located generally on the East, West and Gulf Coasts. In addition, two plants will be built for the treatment of brackish water—one in the arid south-west of the U.S. and the other in the Northern Great Plains.

Sea Water

The U.S. proposal, noted above, serves to bring into bold relief the fact that desaltation of sea and brackish water is no longer a laboratory phenomenon but is of growing practical importance. From this point of view, the study of the subject, entitled *Fresh Water from the Sea*, published by the Bureau of Business and Economic Research, the University of Maryland (U.S.), is of more than academic interest. The study brings together a great deal of interesting data on the conversion of sea water into fresh water, discusses the processes involved and describes the economics of such conversion processes. It notes that desalted water is currently much more expensive than natural water. This, it is stated, should not be surprising since desaltation is a complex manufacturing process, whereas natural fresh water delivered to the consumer is one of the cheapest of all commodities. However, costs vary widely as between different areas. In some cases, it is already cheaper to provide water through desaltation than by any other method. Desaltation of brackish water is said to be particularly encouraging.

Conversion of salt water into fresh water has been an ancient dream of mankind. It is true that the earth is at present fairly well supplied with water. The earth's surface is covered approximately seven-tenths by water and three-tenths by land. Although by far the major percentage of this water is too salty for human or agricultural use, there is abundant fresh water on earth. The earth and its atmospheric system act as a "gigantic distillation apparatus which continually extracts fresh water from the oceans and deposits rain upon the land, making water available for human use before it flows into rivers back to the sea."

Nevertheless, there are growing water shortages in many areas. Further, even areas with abundant water-supply may witness in the foreseeable future drastic shortages, thanks to excessive use and unwise management. The solutions suggested for this problem include increased supply of water through weather control, storage of water, recycling and more efficient use of water and prevention of pollution. It is against the background of increasing demand for water and the several alternative methods for increasing its supply that one must view the "exciting prospect" of desalting ocean and brackish water.

Salt Content

Since under some processes, the cost of desalting water rises with the amount of salt to be removed, costs are reduced if the water to be desalted has low salt content or if a certain amount of salt can be tolerated in the final product. Typical ocean water contains 35,000 parts of dissolved salt per million parts of water (p.p.m.). Brackish water may contain 1,000 to 35,000 p.p.m., water for irrigation may contain 1,200 p.p.m. while drinking water should contain less than 500 p.p.m. For some industrial purposes in which water is used under corrosive high pressure and high temperature conditions such as in boilers, salt content must be limited to three p.p.m.

The science of distillation of salt water is old and is now well advanced. Sir Richard Hawkins successfully operated distillation apparatus as early as 1593. A large solar distillation plant was constructed in Chile as early as 1872 and provided water for industry for 35 years. Ocean-going ships have, of course, used desalting apparatus for many years, and the number of land-based large-scale installations is growing rapidly. It has been computed that the minimum electrical energy for desaltation of salt water with a completely efficient apparatus would be 2.89 kw.h. of electricity per 1,000 gallons of water. Because of efficiency losses, the minimum heat equivalent is about 8.4 kw.h. per 1,000 gallons.

Thermal Distillation

The most widely used distillation process at present is that of thermal distillation. Water is heated and the distillate is condensed into pure water. A promising method is solar distillation. Basically this involves exposure of salt water under glass cover to sunlight. The heat of the sun causes water to evaporate and pure distillation condenses on the underside of the glass. The fresh water collects in troughs and is withdrawn, the residual brine flowing out as waste. The electrolysis method is of considerable interest in desalting brackish water, since potential economies may be achieved in this process. Another well-known process is that of osmosis where certain membranes are used which permit the flow of water while blocking the flow of salts. Again, synthetic liquids have been developed which will absorb large quantities of pure water from salt water, leaving behind a concentrated salt solution. Saline water is mixed with the solvent, producing a more concentrated salt solution and the extract is heated and the fresh water is removed. Finally, since salt water freezes at a lower temperature than does pure water, it is possible to freeze sea water and discard the brine. The major technical problem in this process is the difficulty of separating the salt water and brine which tend to cling together. Efforts are being made to improve the process by washing the ice, separation by compression and freezing in zones.

The cost of producing fresh water from sea water must compare favourably with the cost of supply of natural water if the former is to become more popular. For a typical community in the U.S., the current cost of pure water delivered under pressure at the site required is about five cents per ton. Even though the capital costs of providing reservoirs, treatment plants and pipelines are initially high, these installations serve for long periods, thus achieving low per-unit costs. This means that desaltation of sea and brackish water must be very efficient, before it can become competitive *vis-a-vis* natural water. Some cost estimates (per 1,000 gallons) of demineralising water include: simple solar evaporation $2.38; vacuum distillation $1.62; vapour condensation distillation $1.32; vapour compression distillation $0.35; electrolytic membrane $0.012 to $0.123.

Brackish Water

In conclusion, the survey notes that desaltation of sea water is proceeding rapidly both in basic knowledge and in application. Desaltation of brackish water, as stated at the outset, is already competitive with conventional sources. As growing population and industrial pressures force up the demand for water and as technological processes lower the cost of processes, direct desaltation of sea water will be expanded. The costs include capital, fuel and maintenance. Much of the interest in construction of large pilot plants is based upon the assumption that capital costs per unit of water can be reduced, if total output becomes very large.

Assuming current dietary standards, rates of population increase, withdrawal of fertile farm lands for roads, dam sites, airfields, and residential and urban development, agricultural shortages, it is pointed out, will replace present surpluses in the foreseeable future. Although the estimated amount of new land required depends upon various assumptions, such as rates of continued technological progress in agriculture, it is likely that millions of acres of additional farm land will have to be brought into production within 15 years. Even after irrigation by conventional methods of newly cultivated lands, there will remain the necessity of irrigation by desalted water.

Within the next few generations, the significance of desalting sea water is likely to be far more important to the future of arid lands in the underdeveloped countries than in the United States. It is significant that many of the lands which were previously fertile centres of ancient civilisations in Egypt, Iraq, India, Pakistan, Ceylon, and Algeria are now desperate for water. Needs are pressing in other parts of North Africa, South Africa, the Middle East, Central Australia, and in Latin America. Countries also affected include Greece, Italy, and Spain. The United States, according to the survey, has a vital interest in achieving the goodwill and understanding of these and other undeveloped countries. It avers that in the global struggle for scientific achievement, pure water may become more important in the daily lives of these people than conquest of outer space.

LUBRICATOR FOR DIESEL ENGINES

The new "Ionic" mechanical lubricator produced by Loxhams Engineering Works Ltd., of Blackburn, Lancashire, uses a two-diameter plunger to give very low pressure metering, and final high pressure delivery. The larger diameter has a spill-scroll to give very fine control of the oil passing to the delivery valve, which is visible and has a tell-tale to indicate correct functioning of the metering section of the pump. The oil pumped is visible as a series of falling drops feeding a small well, which, in turn, gravity feeds to the pressure section of the pump. Oil in this well never rises above the level of the feed port, so that the pressure pump delivery is also visible, since the only exit from the well is into the pump and to the lubrication pipe. Control is so accurate that the unit can run at higher speed than is usual and still deliver small amounts of oil. This reduces the need for reduction gear, ratchet drives etc. Due to the very sensitive delivery valves, which are designed to handle air, the unit is completely self priming. Air locks are impossible, so that "bleeding" is never necessary, even after refilling a container allowed to run empty. The small diameter or pressure pump section of the plunger is made in a nylon which has unique abrasion resistance and low surface friction as well as toughness; furthermore, any end pressure on it deforms the plunger and causes a slight diameter increase, which gives an automatic decrease in plunger clearance without any increase in the pipe pressure. This enables the unit to generate very high pressures rapidly. The "Ionic" is made in a complete range from 2 to 28 plungers per unit. The plungers are arranged in a double row when over 12 are required, thus a single 10-plunger unit can, without increase in length of the container, be built as an 18-plunger unit.

DOLLAR LOAN FOR KOYNA PROJECT

A delegation of Indian officers and engineers has left for the U.S.A. to negotiate with the International Bank for Reconstruction and Development for a dollar loan for the Koyna Hydro-Electric Project in Bombay. The formal negotiations with the Bank commenced at Washington on 5th March. The first stage of the project will involve approximately Rs. 12.67 crores of foreign exchange expenditure. In the second stage and in the construction of the Koyna-Sholapur transmission lines, the foreign exchange requirements have been estimated at Rs. 6.18 crores. The delegation will negotiate with the International Bank for a loan to cover the foreign exchange required for the project during both stages of construction. Informal negotiations for this purpose have been going on for some time, and the International Bank's technical experts had visited the project works in 1954, 1956 and 1958, to study the design, construction schedule and financial statements relating to it. The delegation, led by Mr. S. C. Barve, Secretary, Public Works Department, Government of Bombay, consists of Messrs. R. R. Bahl, Joint Secretary, Union Ministry of Irrigation and Power, N. G. K. Murti, Chief Engineer, Koyna, and V. R. Valdya, Chief Electrical Engineer, Koyna.

BORING SQUARE HOLES

A stock joke in the engineering trade is to tell a new apprentice to bore a square hole. If he were apprenticed to Thomas Chatwin & Co., of Birmingham (a member of the Brockhouse Organisation) he would, in fact, be able to do it: for Chatwins are regularly boring not only square holes but a variety of polygon shapes on their lathes—by means of the Polygon Tool Box, a revolutionary lathe attachment perfected by the Company. This tool, which is to be shown on the Brockhouse stand at the U.K.'s Engineering, Marine, Welding and Nuclear Energy Exhibition, can be mounted on a variety of capstan and turret lathes. It will produce hexagonal, octagonal, or regular shapes from round stock, drilling and finishing any one portion ready for parting from the bar. These shapes are produced in a very much shorter time than by milling, with a better finish and a complete absence of fraze. The tool can bore holes to afford perfect mating for the shapes produced; it can also produce internal and external taper components with considerable savings in time and money.

NEW PRODUCTS AND PROCESSES

High Speed Paper Cutting Machine

THE efforts of the heavy industries to produce goods more and more by automatic control have engaged the designers of the graphic machinery beyond measure. Automatic multi-colour printing machines, mechanic processes for making blocks, paper cutting machines with automatic paper feed and complicated electronic equipment for the automatic control of the work are used in increasing measure with big graphic works. If these machines are not economical for the other workshops since they cannot be fully engaged, this development yet has had the advantage to make use of the experiences for the smaller machinery. Such a small high capacity machine is Tempo, designed by Wilhelm Thumecke of Hamburg. The designers have used for this machine latest experiences like a safe and simple hydraulic clamping, the drive without any clutches, no idling and unnecessary consumption of current of the motors during the standstill of the machine etc. The Tempo is a modern high-speed paper cutting machine with self-acting *hydraulic* clamping. Its construction is easy to survey. Highest security against accidents by approved both-hand push-button operation, without clutches. The machine will be delivered with fast movement of the back gauge by hand or motor. Further advantages: simple operation of the hydraulic cut finder by treadle, micro adjustment of the back gauge with locking device, magnifier with illumination of the measuring scale, inbuilt lamp for the cutting line, no power consumption by racing of motors, 4 side angles, simple adjustment of knife-beam for obliquely edged knives.

New Oil Heater

A new oil heater which lights at the press of a button was shown for the first time at the fifth International Hardware Exhibition in London. According to L. J. Hydleman & Co., Ltd., Grove Park, Camberwell, London, the manufacturers, it is the first heater to be ignited in this way. The button has a safety device to avoid the danger of flare-up, and took nearly a year to perfect. The heater will burn for 25 hours without refuelling and has a heat output equivalent to 2½ kw. Ignition is achieved by the use of a standard inexpensive battery, and the button avoids the necessity of removing the guard to get at the burner, which is the conventional way of lighting oil heaters.

Better Textiles

Cellulosic fibres recently developed by three leading U.S. rayon producers are claimed not to stretch as much as standard rayon when they become wet and not to shrink as much when they dry. They are expected to find applications in "wash-and-wear" clothing. A non-resinous process has also been developed and is said to transform cellulosic cloth into a fabric with improved properties, including better recovery from wrinkles when wet, a soft handle and permanently improved dimensional stability. The process also is said to substantially improve the compatibility of fabrics for resin treatment. Another new chemical process is said to eliminate amine and formaldehyde odours from resin treated cottons and synthetics. Such odours, according to the developer of the process, sometimes become noticeable on hot, humid days.

CentraSteel

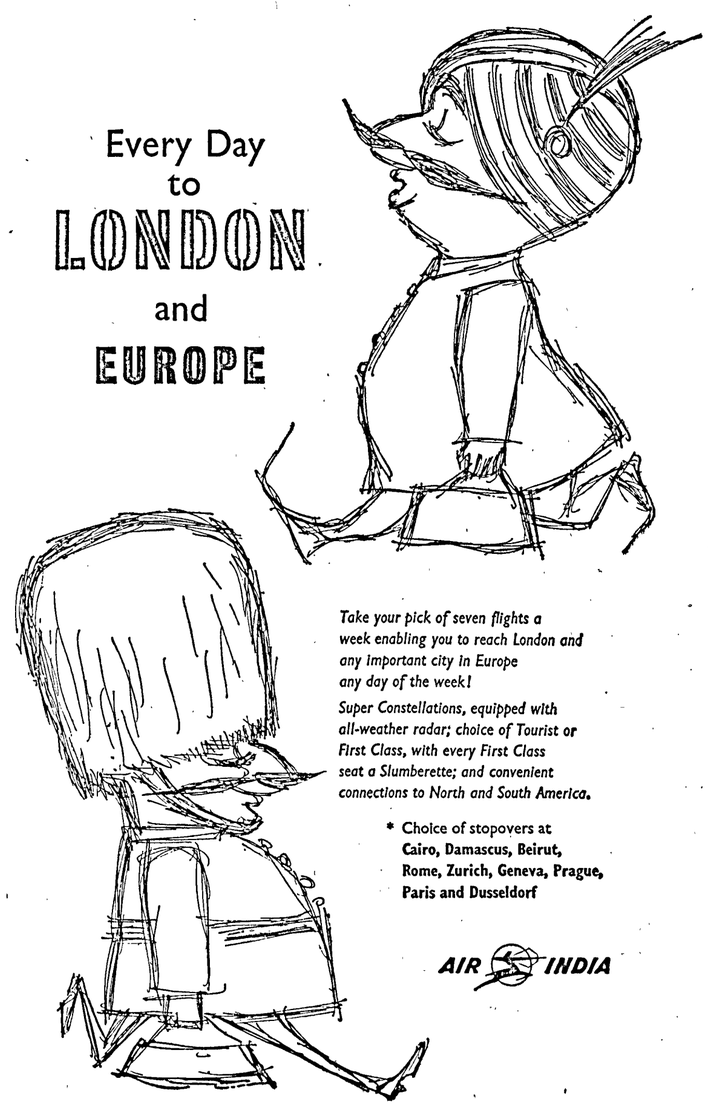
A novel experimental material similar to steel which might possibly be used in place of plain steel forgings and permit greater design flexibility in making castings has been developed. Called CentraSteel, it is said to have the equivalent strength of steel and better machinability while for casting, the characteristics appear to be superior to steel. CentraSteel introduces new concepts of foundry technology, it is claimed, because it does not require extensive heat treatment, costly addition agents, injection apparatus or low maximum sulphur content. For high volume production some foundry problems remain to be solved and work on them is under way. CentraSteel resulted from a research programme for a means of producing as-cast malleable iron, and its outstanding characteristic is the presence in the as-cast condition of a compacted type of graphite similar to the temper carbon of malleable iron.

Nylon-faced Hammer

A British engineering company, Thor Hammer Company, Highlands Road, Shirley, Birmingham, is offering a free sample of a new nylon-faced hammer to the first 1,000 factory buyers or works managers anywhere in the world who ask for it. The sample hammer is 1½ inches in diameter. It is one of a range of sizes from 1½ to 2 inches in diameter. The toughness and durability of nylon gives the hammer shock-absorbing qualities which enable repeated blows to be given without damaging the work. Tested on flat and curved surfaces, and on sharp edges, the hammer did its job without a trace of damage.

Machine To "Dry Clean" Eggs

A new machine which will "dry-clean" eggs has been developed by a British firm, Tungum Company, Ltd., The White House, Arle, Cheltenham, Gloucestershire, England. The machine, which won a silver medal at the National Poultry Show, "dry-cleans" 1,500 eggs an hour, removing all dirt from the shells and slightly polishing them without affecting the natural protective coating. The manufacturers claim that the machine will be a boon in countries where washing to clean eggs is forbidden, and where dirty eggs result in a "penalty" being placed on the egg producer. It saves tedious hand cleaning, and the resultant speeding-up of the process will save costs.



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16 MAR 1959 PUBLIC DEPARTMENTS

MARINE INSURANCE

REALISTIC RATING URGED

THE world-wide trade recession, the fall in both ship and commodity values, the inflation in repair costs and intense competition for a dwindling total volume of business have forced on marine insurers the need for a closer examination of premium rates and conditions. In the past few years. there were clear indications that marine insurance was moving into a difficult situation. But the full extent of the deterioration was not fully reflected in the accounts which, by the inclusion of the profit brought forward from past years, presented a picture different from the actual. The results of the 1956 and 1957 underwriting, as Mr. Harold Hopwood, Chairman of the Institute of London Underwriters pointed out, "clearly indicated that marine insurers were indeed reaping a bad harvest."

In contrast to the comparative freedom from major casualties which insurers were experiencing in recent years, the last two years showed a marked change in the cost of marine casualties. There were several costly major casualties and the cumulative effect of continuing inflation had increased the value of settlement claims. The margin of apparent reasonable profit disappeared substantially and it became clear that underwriting was being conducted at and even below cost. Realising the plight, marine insurers took some steps to restore business to a sound basis at least in certain branches of the business, particularly hull insurance. The effect of these correctives in bringing premium rates in line with claims cost has yet to be seen.

Viewed against this background, it is easy to see the logic and justness of Mr. E. E. Griffith's appeal to marine underwriters for realistic rating. Speaking at the annual meeting of the Liverpool Underwriters' Association as its retiring Chairman, Mr. Griffith disclosed recently that total and partial losses in 1958 were slightly fewer in number than in the previous year but that settlements in respect of serious losses might well show an increase. Statistics compiled by the Association showed that, in the five years ended 1958. slightly over three in ten vessels of 500 tons gross and over were involved each year in some form of casualty. While many casualties were relatively slight, some might almost run to total loss. Last year, in addition, there were more fires and explosions in ships posted in the loss book than in the two previous years. The Association recorded 87 total losses in 1958.

Mr. Griffith pointed out that shipowners were taking advantage of the depression to get up to date with their repairs and underwriters were now feeling in no uncertain manner the impact of the continually rising repair costs during recent years. Although it was slowing down, the rise, according to him, might not have reached the peak. These factors, he observed, would continue to be reflected in the accounts and would have an adverse effect on underwriting experience until the level of premium had been adjusted to meet the cost of these claims." If we are to improve this position, he added. "we shall have to make up our minds to underwrite our business on its merits and resist any pressure to grant concessions which are not warranted by the results."

Mr. Griffith felt that there would be a contraction in hull and cargo premium income, thanks to the current world shipping situation. There were at present over 8 million tons laid up with little prospect of their being brought back into employment in the immediate future while at least 1 million tons on order would never reach the water.

The situation in respect of cargo business remained one of too much pressure in a highly competitive and crowded international market. And there was no sign of improvement either. In fact, indications were that the situation might well deteriorate because of the recession with less cargo on the move. In the face of competition rates were generally lower than ever and additional cover is so often granted without appropriate additional premium being charged, thereby aggravating the overall claims already sufficiently unsatisfactory.

But this dark cloud is not without a silver lining to it. Mr. Griffith noted three encouraging features in the situation. First, among hull underwriters there had been a hardening in new tonnage rates. Second, hull settlements were probably more up-to-date than for some time past and with a paucity of new orders there should be a gradual return to more competitive tendering for repairs and less overtime working. Thirdly, there might also be an improved average quality of risks if the poorer type of tonnage continued to be laid up or scrapped.

Referring to nuclear energy, Mr. Griffith said that the setting up in London of the Joint Marine Atomic Energy Committee to consider all aspects of atomic risks as they affected marine underwriters was a big step forward. One of its first tasks would be to review the development of nuclear power and all the hazards it involved. At present, insurance of isotopes and fissionable material in transit did not give cause for anxiety but the increasing movement of nuclear materials indicated the need for much research into the susceptibilities of normal cargo to radiation damage. The question of third party liability introduced a new factor into the insurance of cargo in transit. The amount of cover required was likely to be of considerable magnitude. The matter, according to Mr. Griffith, consequently called for close study.

NEW LIFE BUSINESS IN THE U.K.

Ordinary branch new business in Britain showed a sharp increase during 1958 and industrial branch business a much more modest increase. The overall picture is one of an increase that more than offset any inflationary pressure during the year and that represented a considerable real increase in the volume of assurance held in the country. In the ordinary branch, the total new premiums received during the year by the 72 offices, i.e., annual and single premiums and annuity considerations for assurances and annuities, was £100 million during 1958, as compared with £89 million in 1957, the increase in the new premiums during 1958 being £11 million or some 11 per cent. The benefits secured by this new premium income aggregated £1,623 million, as compared with £1,390 million in 1957, an increase of £233 million during the year or approximately 17 per cent. and annuities aggregating £101 million as compared with £98 million, an increase of £3 million. In the industrial (home service) branch, the total new premium income was £23.4 million, as compared with new premium income of £22 million secured in 1957, an increase of £1.4 million or 6 per cent. The aggregate sums assured by the new premiums in this branch was £354 million in 1958 as compared with £338 million in 1957, an increase of £16 million or 4 per cent.

1958 was thus a year of substantial progress. Only two offices had a record of decreased new business in the ordinary branch (and one of these, an industrial/ordinary office, recorded a small increase in the industrial branch). All the other offices recorded an increase in new business in the ordinary branch and, in some cases, very substantial increases. In the industrial branch, all offices recorded an increase in total new sums assured.

The British Nuclear Installations (Licensing and Insurance) Bill lays down that operators of atomic reactors, however small, must provide insurance cover to meet absolute liability. Explaining the provisions of the Bill, Mr. Maudling, Paymaster-General, said recently in the House of Commons that they had been worked out in the light of the "possibilities of the insurance market." It was not practical, he pointed out, for an operator to provide insurance beyond £5 million or for a claim arising after ten years. For that reason, it had been fixed that such claims, and also those arising up to 30 years after an accident, would be referred to Parliament for settlement by the State. Safety would be the supreme consideration in the granting of licences. Atomic-propelled ships outside harbour would not come within the scope of the Bill. as it is not possible to legislate for ships on the high seas without reference to other countries.

A private Bill seeking to codify the law relating to marine insurance was introduced in the *Rajya Sabha* by a Congress member, Mr. M. P. Bhargava, on the 20th February. The statement of objects and reasons of the Bill says that Indian navy and Indian shipping has undergone considerable expansion since Independence. But, as there is no Indian legislation governing marine insurance, Indian marine insurance continues to be governed by the British Marine Insurance Act of 1906. The insurance policy form used in India is the English form and the wordings of marine insurance policy are, to a great extent, based on mercantile customs and business conventions which at times appear to be in conflict with the provisions of the Indian Contract Act, 1872, resulting in the courts putting their own interpretations. The Bill, therefore, seeks to codify the law relating to marine insurance.

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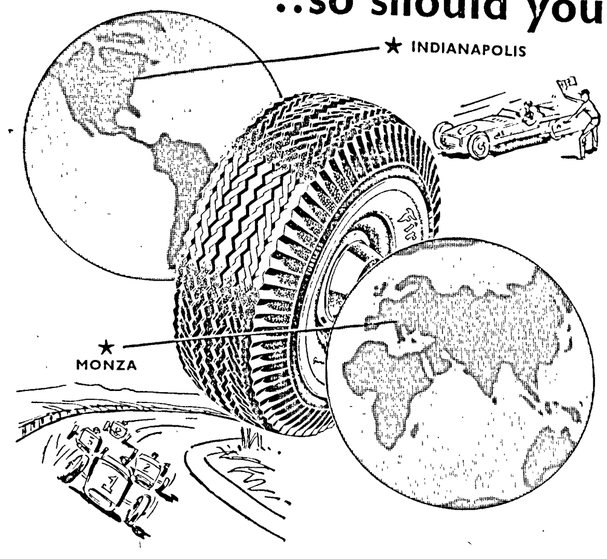

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W. 68 (D)

WORLD LABOUR SCORED LIMITED GAINS LAST YEAR

CONCLUSIONS OF AN I.L.O. SURVEY

WHILE 1957 was a favourable year for workers throughout the world, 1958 was a year of only limited gains. In the former year, higher employment, slightly increased purchasing power and extended social security schemes offset the ill-effects of the spurt in consumer prices and increased unemployment. In 1958, world labour scored advances in some areas, but they were 'spotty' and fell considerably short, on the average, of those of the mid-fifties. Employment increases, where in evidence, were not always sufficient to absorb the additions to labour force. Most of the countries which maintain statistics had more unemployment in late 1958 than they had a year earlier. Gains in productivity were somewhat below the post-war average. On the favourable side, however, real wages crept slowly upward and the progressive extension and liberalisation of social security continued. The upward rush of consumer prices was curbed. Man-days lost through industrial disputes were held at a moderate level. These are the conclusions of a survey of world labour in 1958 made by the I.L.O. and released by Mr. David A. Morse, the Director General. The survey is based on statistical reports by the member-countries, supplemented by statistical and non-statistical data from other sources. In general, statistics for the most recent months of 1958 have been compared with data for the same month of 1957, thus measuring the change over a 12-month period.

Employment

The employment situation at the end of the year, according to the survey, while providing no basis for despondency, was somewhat less favourable than it had been a year earlier. Among 28 countries for which recent employment information is available, exactly half reported a net decline, while half showed higher levels than a year ago. In several of the latter group of countries, the gains were insufficient to accommodate the increasing number of persons seeking jobs. Among the countries with the largest increases in employment were Yugoslavia (8 per cent.) and the Federal Republic of Germany (3.2 per cent.). Denmark, Ireland, Israel, Hungary and Rumania supplied information only for manufacturing and, in each case, substantial increases were registered. Employment declined by 0.7 per cent. in the U.S. in the 12 months ended December 1958 and by one per cent. in the United Kingdom during the 12 months ended November 1958. In each case, the decline was primarily due to reduced employment in manufacturing industries. In Belgium, employment in all activities other than agriculture was lower by 7.1 per cent. in September 1958 than a year earlier. Non-agricultural employment in France dropped slightly by 0.2 per cent. Employment in manufacturing declined in Argentine, Finland, the Netherlands, Norway, Sweden and Switzerland, the fall ranging up to 6 per cent.

Trend in Manufacturing Employment

Of special interest is the trend in manufacturing employment in the U.S., because this sector has borne the brunt of the economic recession which is nearing its end. The latest available data show that 15.71 million wage and salary earners were on the pay rolls in manufacturing industries in December 1958, 587,000 less than in December 1957 and 1,427,000 less than in December 1956. Recovery in the manufacturing sector has been very slow and still has a long way to go. By contrast, in non-agricultural pursuits outside manufacturing, there were almost as many persons on the pay rolls in December last (36.1 million) as compared with a year earlier (36.30 million) or two years ago (36.2 million).

The composite index of manufacturing employment in 26 countries computed by the I.L.O. indicates that, during the fourth quarter of 1958, such employment was about 2 per cent. lower than a year earlier. As compared with 1957, there had been a slight decline in Europe (excluding Eastern European countries but including Yugoslavia) and a small rise in Oceania. North America had shown a decline of about 5 per cent.

The following table indicates the trend of employment in manufacturing industries:

(1953 = 100)

Region	1956	1957	4th Quarter 1957	4th Quarter 1958
North America	99	98	97	92
Western Europe	109	112	112	111
Oceania	111	111	111	112
Other countries	107	109	109	107

Among the 29 countries for which recent unemployment data are available, 22 showed higher unemployment levels towards the end of 1958 than a year earlier. In about half of them, the 12-month rise in unemployment was relatively small. On the other hand, some of the countries were already burdened by appreciable unemployment in 1957, so that even a small increase was viewed with apprehension. The following table indicates the extent of unemployment in 1958 as compared with 1957.

(In '000)

Countries	Month of reference	1957 No. unemployed	1957 Percentage	1958 No. unemployed	1958 Percentage
Canada	Dec.	422	7.0	467	7.6
United States	Dec.	3,374	5.0	4,108	6.0
Puerto Rico	Oct.	82	13.1	104	16.6
Japan	Nov.	430	1.0	490	1.1
Austria	Nov.	92	3.9	105	4.5
Belgium	Dec.	199	9.0	253	12.0
Germany (F.R.)	Dec.	1,213	6.3	931	4.7
Netherlands	Dec.	97	2.9	105	3.2
Norway	Oct.	10	1.0	19	1.9
Switzerland	Dec.	5	—	6	—
United Kingdom	Dec.	372	1.7	571	2.6
Yugoslavia	Aug.	83	—	104	—
Hawaii	Dec.	8	3.6	6	3.1
New Zealand	Dec.	—	—	1	—
India	Nov.	886	—	1,159	—
Pakistan	Dec.	132	—	149	—
Burma	Oct.	2	—	1	—
Ceylon	Sep.	98	—	115	—
Australia	Nov.	20	—	22	—

As will be seen from the above table, countries reporting the highest rate of unemployment (3 per cent. or more) late in 1958 were: Austria (4.5), Belgium (12.0), Canada (7.6), Denmark (17.4), West Germany (4.7), Hawaii (3.1), Ireland (8.3), Italy (8.5), Netherlands (3.2), Puerto Rico (16.6), Sweden (3.3) and U.S. (6.0).

Trend of Consumer Prices

The inflationary upsurge, which was in evidence at the end of 1957, was checked in 1958. Consumer prices did not attain complete stability but the increases in the various countries were smaller, on the average, than for several years. Among the 87 countries which supplied information on consumer prices, most of it referring to the 12-month period ended December 1958, the median increase was 2.1 per cent., the smallest for any year since 1953-54. The median increase was 4 per cent. in 1956-57, 3.5 per cent. in 1955-56, 2.4 per cent. in 1954-55, 1.2 per cent. in 1953-54 and 2.1 per cent. in 1952-53.

1958 was a normally prosperous year for workers who had jobs. There was an increase in money wages in the 12-month period ended December 1958, the increase ranging from less than 2 per cent. to nearly 70 per cent. with a median increase of 5.7 per cent. A good part of this gain was, however, nullified by price increases in the same countries so that the median increase in real wages was only 2.4 per cent. This was in line with the experience in the decade 1948-57, when the typical annual increase in real wages in manufacturing averaged 2 per cent. or more.

About half of the reporting countries showed changes in wages clustering about the median, that is, real wage increases of less than 3 per cent. or small decreases. Among the countries in this group were the U.S. (2.6 per cent.), Canada (0.9 per cent.), Japan (2.4 per cent.), the U.K. (1.6 per cent.) and Australia (0.3 per cent.). Five countries reported real wage increase in excess of 5 per cent. The greatest increase (24.8 per cent.) was in Argentina. Other substantial increases were registered in the Dominican Republic (20.1 per cent.), Austria (6.8 per cent.), Puerto Rico (5.7 per cent.) and the Philippines (5.2 per cent.). Decreases in real wages were reported by seven countries but were negligible in most cases.

In Colombia, however, there was an increase of 4.7 per cent. In the field of social security, the major developments in 1958 followed the pattern in 1957. The keynote was consolidation. The number of persons covered rose in many countries, protection was liberalised and benefit payments increased substantially.

Man-days lost through industrial disputes in 1958 maintained a moderate level. The total for 28 reporting countries is expected to have been roughly 60 million which is about the same as that for 1957 and compares with 75 million in 1956, 58 million in 1955, 49 million in 1954, 61 million in 1953, 52 million in 1951 and 96 million in 1949.

Man-days lost in the U.S. are expected to have aggregated roughly 23.5 million, as compared with 16.5 million in 1957. Losses in the U.S. were thus far greater than in any other country.

In Canada, for the first time since 1952, the number of man-days lost through industrial disputes is expected to have exceeded 2 million. In the U.K., 1958 was a relatively calm year. The total time lost in 1958 through industrial disputes amounted to some 3.4 million man-days or less than half of those lost in 1957 (8.4 million). Both in France and Belgium, time lost through industrial disputes decreased in 1958 and dropped to the lowest level registered since World War II. In India, the total time lost through industrial disputes during the first six months of 1958 was nearly twice that in the same period of 1957.

Productivity

Productivity, as measured by output per man in manufacturing enterprises, faltered in 1958, but there was little uniformity in the experience of the various countries. The prevailing picture was one of modest gains somewhat below those of recent years. A few countries, however, experienced substantial gains.

Among 14 West European countries combined, manufacturing production in the first nine months of 1958 was about 1 per cent. greater than in the corresponding period of 1957, while manufacturing employment declined very slightly. Output per man consequently increased by approximately 1.5 per cent., as compared with an increase of 3.5 per cent. from 1956 to 1957. Among individual countries, France showed a gain of roughly 7 per cent. while gains of 2 or 3 per cent. were registered by several countries. Small decreases in output per man were registered in Belgium, Finland and Norway, in all of which production in the first nine months of the year declined. Output per man in the United Kingdom showed little change.

Production

Manufacturing production in the first nine months declined both in the United States and in Canada, by 9 per cent. in the former and by 5 per cent. in the latter, but employment declined very slightly more. The result was an increase in output per man amounting to 1 per cent. or less. The picture for the United States, however, is more favourable, if production is compared with man-hours worked, which, over the nine-month period as a whole, declined by some 13 per cent.

Gains in output per worker in the neighbourhood of 5 per cent. were made in Argentina and Israel from 1957 to 1958. In Japan, after record gains in other recent years, output per man seems to have dropped rather sharply. The reduced level of productivity attained in 1958, however, appears nevertheless to have equalled that of 1956.

In all the countries of Eastern Europe, industrial production increased appreciably while industrial employment also increased but at a more moderate rate. In Czechoslovakia, Poland and U.S.S.R. industrial production rose by 10 to 12 per cent., whereas industrial employment rose by only 4 to 5 per cent. In Hungary, a 15 per cent. increase in industrial production was accomplished with only a 5 per cent. rise in employment. Output per man in Yugoslavia rose by approximately 3 per cent., with Rumania and Bulgaria reporting gains of 6 to 7 per cent.

EARNINGS AND HOURS OF WORK IN W. GERMANY

Actually worked man-hours of industrial and construction workers in the Federal Republic of Germany have receded from a weekly average of 41.5 to 40.6 hours from August 1957 to August 1958, official statistics disclose. In spite of short-time working in coal mining, steel and textiles, the number of paid man-hours per week remained almost unchanged at 46.4. Simultaneously, gross hourly earnings increased by 5.9 per cent. for male workers and by 8.8 per cent. for female workers.

DEVELOPMENT OF SMALL-SCALE INDUSTRIES

ROLE OF INDUSTRIAL ESTATES

THE programme for Industrial Estates has assumed an important place in the development of small-scale industries. The role of these industries is that of an efficient and decentralised sector of the economy. Accordingly, they must concentrate on pursuits complementary to larger industries. This does not mean that there is no scope for small industries producing consumer goods. Indeed, there is plenty of scope in this direction, provided modern methods of production are adopted. Where small industries are encouraged to produce components, spare parts, etc., required by the larger industries, care must be taken to see that the quality of products is of a high order, for substandard goods will ruin the market for the products of large-scale industries. This, however, is easier said than done. It will take a long time before this unorganised sector is modernised and brought within the compass of an integrated system of industries. These small industrial units suffer from many handicaps such as lack of finance, absence of proper marketing facilities, want of technical assistance and inadequacy of factory accommodation. The object of establishing industrial estates is to help small industries to get over these weaknesses and place them on a sound footing.

The industrial estates are designed primarily to provide the small units with conditions conducive to better working efficiency through economic utilisation of equipment and materials and maintenance of uniform standards of production. By providing built-in factory accommodation in a planned site, the estate makes available to these small units common services and other facilities such as supply of electricity, water, gas, steam, compressed air, railway sidings and watch and ward. Besides, provision is made for houses, schools and social amenities for workers which will not only promote efficiency of labour but avoid slums.

It is also claimed that this set-up will pave the way for healthy employer-employee relationship. The National Small Industries Corporation is making efforts to secure the co-operation of larger industries for building up small units as ancillaries for the production of components and parts required by them. In addition, the Corporation has been making satisfactory progress in ensuring markets for the products of these units in many foreign countries.

The scheme for establishing industrial estates was first approved in 1955 by the Small-scale Industries Board. In the second Plan a sum of Rs. 10 crores was first set apart for the scheme. This was subsequently raised to Rs. 15 crores. The Government of India seems to have been so impressed with the potentialities of the programme that it has decided to start at least two estates in each State. Plans are already under way to set up over 100 estates in various parts of the country.

Guindy Estate

Barring two estates at Okla, Delhi, and Naini, Allahabad, which are run by the National Small Industries Corporation, all the other estates are being established by the State Governments concerned. Most of these estates are making steady progress. Last month, Mr. Lal Bahadur Shastri performed the opening ceremony of 26 additional blocks in the Madras Government's industrial estate at Guindy. It may be recalled that this industrial estate, with 52 factory units, was inaugurated by the Prime Minister a year ago. It is proposed to expand further the facilities in the estate so as to put up a total of 97 factory units planned in an area of 70 acres by the middle of this year. A feature of the Guindy Estate is that new units are being established within its precincts, whereas in other estates in the country shops and factories from the cities have been bodily shifted to the new site. It is stated that there is still a great demand for setting up new factories in this estate and that, therefore, the State Government proposes to acquire about 150 acres of additional land.

A wide range of products, mainly ancillaries to large industries, are being manufactured in this estate. They include H.T. accessories, electric motors, railway parts requiring Orgon arc welding, bolts and nuts, wire mesh, drop forgings, machine screws, copper conductors, P.V.C. wires and cables, lampshades, thin walled engine bearings, typewriter parts and diesel engine parts. With a view to giving service and further assistance, the Government has located in the estate some of the common facility training production units. For instance, the Government's pressure die-casting unit has been built up at a cost of about Rs. 10 lakhs. This serves as a model, besides catering to the requirements of industry and trade. Die-casting is being adopted for the production in bulk of small and medium size parts where accuracy and uniformity are essential. Then there is what is known as common lease shop. This is intended to offer facilities for leasing out highly specialised machines to the needy small industrialists in the estate for short periods, in order to encourage them in certain specialised lines. The machines in the common lease shop include tool room machines, foundry equipment, general purpose machines and special heavy machines suitable for making railway parts, etc. It may be noted here that the U.S. Technical Co-operation Mission has made a gift of about 36 modern and costly machines which are included in the common lease shop. In addition to these facilities, a forging shop is also nearing completion. In order to provide sufficient residential quarters for workers, plans are under way to construct 160 tentements at a cost of Rs. 5.60 lakhs.

Shortage of Raw Materials

The progress of small industries, not only in Guindy but elsewhere, is greatly handicapped by the shortage of raw materials, particularly steel. This handicap will, however, prove to be a passing phase. Production of steel and pig iron is rapidly increasing with the coming into existence of additional capacity in the T.I.S.Co. and the I.I.S.Co. When all the three steel plants in the public sector go into production, the position will improve further. There is, therefore, no need to despair on this score.

Another difficulty in the way of developing small industrial units is the insufficiency of facilities for technical training. This is a major lacuna in the structural pattern of small industries in India. Efforts are being made to improve the position in this respect. It may be noted here that a two-man team of French experts is currently touring India to make a technical survey for setting up a centre for training Indian technicians in the manufacture of precision instruments required for industrial development and for production of prototypes for small industries. The French experts are visiting Ludhiana, Guindy Industrial Estate, Madras, Coimbatore, Bangalore and Madurai. On the conclusion of their tour they will make an assessment of the present capacity of small units and their requirements of trained technicians, and suggest measures for improving the manufacturing techniques.

The proposed project for prototype instruments is part of a country-wide programme to set up one such specialised centre in each State where training facilities for technicians for small industries will be provided and production of prototypes of machines, machine tools and instruments will be undertaken. Already a prototype-*cum*-training centre is being set up in the Okla Industrial Estate in New Delhi in collaboration with West Germany. Another centre is coming up in Rajkot in Bombay State, with the help of the Technical Co-operation Mission of the United States. A scheme for establishing a centre on the same lines in Howrah in West Bengal has been drawn up in consultation with a Japanese Technical Mission. The French centre on instruments are proposed to be located in the Guindy Estate at Madras and the Ludhiana Industrial Estate in the Punjab. It is expected that one specialised centre will be established in each of the States by the end of the second Plan with necessary foreign technical collaboration. With the Small Industries Service Institutes which the Government of India has set up, one in each State, these prototype-*cum*-training specialised centres are expected to meet the long-felt need for technical guidance, training and extension service to small industries.

The industrial estates are still in their infancy in the country. There are, however, good reasons to feel that these estates will go a long way towards strengthening small industries. The industrial estates or trade estates established in the U.K. before the Second World War proved to be very useful in promoting economic development in what were called "depressed" and "distressed" areas where high unemployment existed. There is no reason why an experiment on similar lines should not succeed in India too, provided the authorities in charge of the programme work hard and encourage the right type of *entrepreneurs* to make use of the facilities available in the estates.

G.A.T.T. REPORT ON MARKS OF ORIGIN

The G.A.T.T. Secretariat has brought out a leaflet entitled *The Recommendations on Marks of Origin* adopted at the thirteenth session of the Contracting Parties at Geneva. Laws and Regulations in some countries restrict the import of certain foreign goods if they do not bear marks of origin. This requirement causes some difficulties and problems to the trading world. Recognising this inconvenience, the G.A.T.T. made special provisions dealing with marks of origin. In order to implement these provisions, the G.A.T.T. made several recommendations to the member countries. These proposals were brought together in a set of "Guiding Principles" which were adopted by the International Chamber of Commerce at their fifteenth congress at Tokyo in 1955 and submitted to the Contracting Parties. The latest recommendations—the subject matter of the present leaflet —owe their origin to these principles.

Of the various recommendations contained in this leaflet, reference may be made to the few important ones. Countries should scrutinise carefully their existing laws and regulations with a view to reducing, as far as possible, the number of cases in which marks of origin are required and to limit the requirement of marks of origin to cases where such marks are indispensable for the information of the ultimate buyer. Marks of origin should not be insisted in a way which leads to a general application to all imported goods, but should be limited to the cases where such a marking is considered necessary. National provisions concerning marks of origin should not contain any other obligation than that to indicate the origin of the imported product.

These recommendations are based on certain basic principles: (*a*) The general aim is towards a considerable liberalisation of existing national rules and regulations on marks of origin; the recommendations are, therefore, addressed not only to contracting parties but to all trading nations. (*b*) Producers should have a reasonable assurance that a product marked in the recommended way would be accepted by all importing countries as being satisfactorily marked, so as to avoid the need for different markings to comply with the marking provisions of different countries. (*c*) The recognition by importing countries of a uniform type of marking should in no way be understood to justify any attempt to limit or cancel more liberal marking provisions. The Recommendation should, in fact, be accepted as an elaboration of the liberal principles already laid down in the terms of the General Agreement. (*d*) The right of countries to protect the accuracy of marks should be respected.

TRADE FAIR IN CZECHOSLOVAKIA

The Corporation for the Organisation of International Trade Fairs and Exhibitions in Brno, Czechoslovakia, has decided to organise its first fair from 6th to 20th September 1959. The International Fairs in Brno, we are told, seek to follow the tradition of the Prague Sample Fairs and are a continuation of the three famous Czechoslovak Engineering Exhibitions. The exhibits in this year's Fair will be products of engineering and metallurgical industries, raw materials and semi-products related to these industries and some consumer goods of the engineering industry. The Fair Administration will enable the exhibitors to arrange their expositions both individually (according to the groups of exhibits) and collectively.

The renewal of international fairs in Czechoslovakia, it is claimed, will represent a further contribution to the development of international trade and will be an important event to commercial and technical circles for establishing advantageous business contacts.

INDO-U.S. BARTER AGREEMENT

India and the U.S. signed their first barter agreement on the 3rd inst., under which the latter will supply about 450,000 tons of wheat and other foodgrains valued at about $31.5 million (about Rs. 15 crores) in return for such strategic materials as manganese and ferro-manganese. The agreement was signed at the U.S. State Department, Washington, by Mr. Donald Kennedy, a senior official of the Bureau of South Asian Affairs, and Mr. S. G. Ramachandran, First Secretary of the Indian Embassy. Mr. Kennedy felt that the deal was mutually advantageous. He said that this undertaking was evidence of understanding by the U.S. of some of India's problems in the field of food and was a continuing indication of its desire to help India. Mr. Ramachandran expressed the fervent hope that many more barters would follow in future. He said that the barter agreement would help the flow of trade between the two countries.

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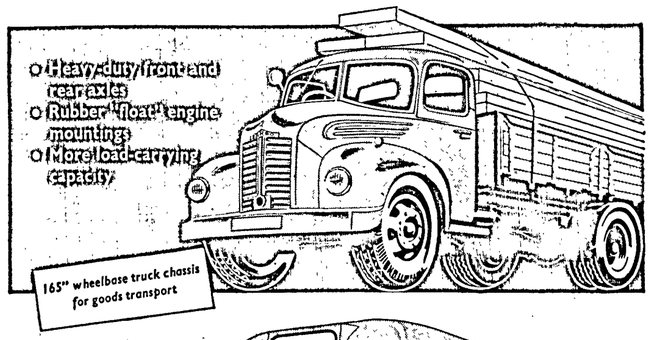

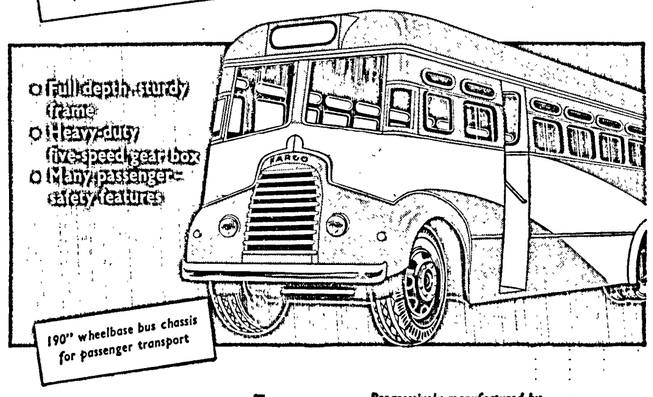

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JAY SHREE TEA FARES WELL

SHAREHOLDERS GET THE SAME RETURN

THANKS to a slight increase in the prices of tea and to some improvement in the offtake, the Jay Shree Tea Gardens Ltd. (Managing Agents: Messrs. Birla Brothers (Private) Ltd., Calcutta) has been able to report better profits for the year ended 31st December 1958, as compared with those for the previous year. Although the pace of rise in sale proceeds during the year shows a marked decline from those noted in the earlier years, expenses have increased only modestly and this, in part, accounts for the satisfactory results achieved. The gross profit, at Rs. 33.88 lakhs, represents an advance of Rs. 4.67 lakhs or 15.9 per cent. from Rs. 29.21 lakhs for the previous year, to which level it had declined from Rs. 31.69 lakhs for 1956. Nevertheless, it is still substantially short of the record profit of Rs. 49.05 lakhs for 1954.

As the provisions for both depreciation and taxation have been substantially raised, the former from Rs. 8.72 lakhs to Rs. 9.67 lakhs and the latter from Rs. 9 lakhs to Rs. 11.75 lakhs, the net profit at Rs. 9.71 lakhs is only fractionally higher, as compared with Rs. 9.23 lakhs for 1957. This, however, has been strengthened by the addition of Rs. 1.75 lakh, representing provisions no longer required and written back to the profit and loss account. Out of the sum available for distribution, the Directors have transferred Rs. 5 lakhs to general reserve, as against Rs. 3 lakhs allocated a year ago and Rs. 50,000 to development rebate reserve, as against Rs. 1.70 lakh. The dividend to ordinary shareholders is proposed to be repeated at the modest rate of 10 per cent. per annum for the fifth year in succession. It will thus be seen that, in appropriating the profit, the Directors have pursued a policy of caution and steady dividend.

The following comparative table reflects the Company's progress in the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	1,87.30	1,78.95	1,62.24	1,07.66
Stocks	21.59	30.38	35.96	32.82
Other income	2.96	1.85	1.46	1.09
Expenses	1,47.59	1,49.01	1,32.76	91.46
Gross profit	33.88	29.21	31.69	24.87
Managing Agents' commission	2.75	2.26	2.27	1.58
Depreciation	9.67	8.72	7.88	7.90
Taxation	11.75	9.00	9.00	6.50
Net profit	9.71	9.23	12.54	8.89
Transfer from reserves and provisions written back	1.75	1.33	2.75	
To reserves	5.50	4.70	8.50	2.50
To dividends—				
6% cum. Red. preference	0.12	0 07	..	..
Ordinary	5 86 (10%)	5.86 (10%)	5.86 (10%)	5.86 (10%)
Carry forward	0.91	0.93	0.99	0.73

It will be noted that the rise in sale proceeds during the year under review was of the order of Rs. 8 35 lakhs. This is very much below the increase of Rs. 16.71 lakhs witnessed in 1957 and of Rs. 54.58 lakhs in 1956. Expenses during 1958 have, however, increased by only Rs. 1.58 lakh, as against Rs. 13.25 lakhs in 1957 and Rs. 41.30 lakhs in 1956. It would seem from these figures that yields and expenses have tended to obtain a large measure of stability.

Referring to tea production, tea prices and taxes and the prospects for the industry, the Directors observe thus:

"The world tea crop in the year 1958 was running about 50 million lbs. ahead as compared with last year. India's contribution to this increase was of the order of 30 million lbs.

"The prices of tea in North Indian auctions during 1958 have shown slight increase for all tea-producing areas, except Assam. In South India also, the prices realised are on the whole better than the previous season. Average prices on London auctions, however, show a slight decline. As compared with last year, there was less demand for C.T.C. type of teas. The demand for orthodox teas, on the other hand, showed an upward tendency. The decline in prices of C.T.C. teas is mainly attributable to a very heavy increase in the manufacture of this type of teas.

"Excise duty on tea underwent many changes during the year. Up to the end of May, it continued at Rs. 6.25 nP, when it was reduced to Rs. 3.125 per lb. Simultaneously, export cess was also reduced to half, namely, from Rs. 4 per 100 lbs. to Rs. 2 per 100 lbs. Further changes were made in September in both excise and export duties. The export duty was reduced from 38 nP to 26 nP. The excise duty was fixed at 2 nP, 4 nP, and 10 nP, varying from area to area. The duty applicable to your gardens is 10 nP for the North Indian gardens, 4 nP for Madras and 2 nP for the Kerala gardens. Another unsatisfactory feature of this change is that the excise duty has now become a part of the cost of production, as it is no longer refundable at the point of shipment. It is doubtful if the benefit of the lower export duty will be passed on to the producers.

"The market trends in tea are mainly governed by the quantum of tea crop. The present trend is towards an increase in production all over the world. This is bound to affect our exports adversely. The demand for tea within India is, however, increasing. It is doubtful whether the internal demand is increasing at the same rate as production. Competition in the tea markets is, therefore, bound to exist in the coming years. Prospects for the industry as a whole continue to be uncertain. Hence, it is essential to lower the cost of production of Indian teas and to maintain a very high standard of manufacture."

The Directors state that, during the year under review, the Company installed more C.T.C. machines at Sholayar and Kallyar tea estates in Madras State. They claim that the Company's gardens are the only gardens at present manufacturing C.T.C. teas in South India and add that the response to the South Indian C.T.C. teas has been, on the whole, encouraging. The Company's programme for renovation and modernisation of machineries and buildings, as well as for construction of additional staff and labour quarters in all the estates, continued to be implemented during the year under review also. The standard of teas manufactured by the gardens is reported to be very satisfactory and the Company's teas, it is said, continue to enjoy a very good reputation for their quality.

Dealing with the Company's other activities, the Directors state:

"The import licences for the superphosphate plant have still not been received by the Company, in spite of all efforts. The matter is being further pursued. The Company has acquired a plywood factory situated in Calcutta, with effect from 1st January 1959. The factory is licensed for manufacture of 172,000 tea chests per annum. The factory, which was lying idle at the time of purchase, has already been put into production. The Company has made an application for installation of a hard board factory and the application is pending consideration with the Government of India. The Directors are considering further expansion of the Company's activities specially in lines allied to timber and plywood. The Company is also examining a scheme for going into the production of packet teas."

The paid-up capital of the Company as at 31st December 1958 stands at Rs. 60.90 lakhs, in which the share of the ordinary capital is Rs. 58.57 lakhs. (During the year under review, the Company's issue of preference shares was further subscribed for a face value of Rs. 1.50 lakh, on which Rs. 50 per share has been called up.) This is supplemented by reserves and surplus aggregating Rs. 54.77 lakhs. The gross block of the value of Rs. 163.70 lakhs stands depreciated at Rs. 109 lakhs. The current liabilities are of the order of Rs. 59.79 lakhs and include a provision for taxation at Rs. 17.49 lakhs. To cover these, there are current assets aggregating Rs. 66.43 lakhs. The latter include, among others, stores and spares at Rs. 14.78 lakhs, stock-in-trade Rs. 21.59 lakhs, loan and advances Rs. 16.35 lakhs, book debts Rs. 4 lakhs, investments Rs. 7.98 lakhs (of which unquoted investments are Rs. 7.88 lakhs), and cash no more than Rs. 1.45 lakh. While the overall financial position of the Company is thus satisfactory, the liquidity of its current assets is not of a high order.

The Rs. 10 fully paid-up ordinary shares of the Company are currently quoted at Rs. 13.37 *cum-div* On *ex-div.* basis, the shares provide a yield of 8.08 per cent. per annum, free of income-tax.

(*Concluded from next column*)

lakhs to Rs. 106.24 lakhs, by the issue of shares as aforesaid. Against this, the reserves and surplus aggregate Rs. 29 43 lakhs. The current liabilities amount to Rs. 100.19 lakhs and include secured loans from banks for Rs. 64.18 lakhs. The gross block of the value of Rs. 45.50 lakhs stands written down at Rs. 31.05 lakhs. Capital work-in-progress is shown at Rs. 4.58 lakhs. The current assets aggregate Rs. 200.22 lakhs, of which investments (at cost) alone amount to Rs. 165.23 lakhs. Of the latter, quoted investments for a value of Rs. 141.96 lakhs have a market value of only Rs. 127.46 lakhs, thus showing a depreciation of Rs. 14.50 lakhs.

The Rs. 100 fully paid-up shares are currently quoted at Rs. 148.50 *cum-div.* (final dividend Rs. 5). On an *ex-div.* basis, the yield is 6.2 per cent. per annum, free of income-tax.

KILLICK INDUSTRIES EARN LESS

DEVELOPMENT PROGRESS RETARDED

THE audited statement of accounts of Killick Industries Ltd. (Managing Director and Chairman: Mr. E. D. Sheppard, Bombay) for the seventeen months ended 30th November 1958 disclose that the Company has earned a gross profit of Rs. 31.40 lakhs, as against Rs. 27.94 lakhs for the previous twelve months and Rs. 26.27 lakhs for 1955-56. On the basis of twelve months' working, the year's profit represents a recession in the Company's profit, for it works out to only Rs. 21.68 lakhs—a fall of Rs. 6.26 lakhs from that for 1956-57. A sum of Rs. 18.20 lakhs (including Rs. 2.96 lakhs for previous years and wealth tax amounting to Rs. 26,462) has been provided for taxation, as against Rs. 15.73 lakhs in 1956-57. The provision for depreciation takes up Rs. 3.35 lakhs, as against Rs. 3.23 lakhs. The net profit, after the above essential allocations, amounts to Rs. 9.86 lakhs, as against Rs. 8.98 lakhs for 1956-57. It is also substantially lower, as compared with Rs. 10.98 lakhs and Rs. 14.73 lakhs for 1955-56 and 1954-55 respectively.

The fall in profit has necessitated the withdrawal of Rs. 2 lakhs from the dividend equalisation reserve and an additional Rs. 2.50 lakhs from general reserve, as against only Rs. 2 lakhs transferred from the former reserve in the previous accounting period. With the net profit thus strengthened, the Directors have declared a dividend of Rs. 13 per share for the seventeen months, or 9.3/17 per cent. per annum, as against 11 per cent. per annum paid for the preceding four years, after having been stepped up from 10 per cent. per annum paid for 1952-53. The dividend is on a higher capital of Rs. 106.24 lakhs, raised by an issue of 25,000 new shares of Rs. 100 each at a premium of Rs. 20 per share in May 1958 on which Rs. 25 per share only has been called up, so that the final dividend on the new shares is proportionate to the amounts called up.

The following comparative table provides an idea of the Company's working during the seventeen months ended 30th November 1958, against the background of those for the preceding three years:

(In lakhs of rupees)

	For 17 months ended Nov. 30, 1958	For the year ended 30th June		
		1957	1956	1955
Gross income	73.69	50.99	51.51	48.41
Stock-in-trade	8.97	5.41	2.45	3.86
Expenses	44.19	25 32	21.97	19 09
Gross profit	31.40	27.94	26.27	27.84
Depreciation	3.35	3.23	2.84	2 11
Taxation	18 20	15.73	12.45	11 00
Net profit	9.86	8.98	10.93	14.73
Transfer from reserves	4.50	2.00	..	..
Preliminary expenses written off	..	..	..	0.02
Share capital issue expenses written off	0.26	..	..	2.83
To reserves	0.76	..	..	11 00
Dividend	18 26 (9.3/17%)	11 00 (11%)	11 00 (11%)	(11%)
Carry forward	p.a. 0.09	p.a. 0.03	p.a. 0.04	p.a. 0.03

Referring to the Company's industrial development, the Directors state that, in connection with the plant ordered for the proposed manufacture of nuts and bolts, dog spikes and coach screws at the Company's industrial estate at Chandivali, a substantial portion of the plant has now been shipped. They, however, add that, unforeseen difficulties with import licences, both as regards machinery and raw materials, have arisen, but hope that these will be overcome. The project to manufacture Dixon slotted angle at Chandivali has had to be abandoned, at least for a period of two years, as Dixon Ltd. informed the Company in July last year that, owing to the tighter credit policy in Great Britain and more difficult trading conditions, they wished to reconsider the formation of a joint manufacturing company in India. Further progress was made in the formation of the company to manufacture the well-known "Snowcem" brand of cement paint. A factory at the Chandivali estate is under erection. As regards the venture with Messrs. John Baker and Sons, the Directors say that, early in 1958 a substantial revision of sales policy was undertaken, as a result of which sales were temporarily dislocated. The revision of policy has, however, resulted in an improvement, and sales for November were very satisfactory. Negotiations with the Government in respect of the Korba coalfield are still continuing.

The paid-up capital of the Company as at 30th November 1958 stands raised from Rs. 100

(*Continued in previous column*)

MARTIN BURN'S PROFIT SLIGHTLY BETTER

DIVIDEND MAINTAINED

BETTER results, as compared with the previous year, are disclosed by the working of Martin Burn Ltd. (Governing Director and Chairman: Mr. T. Leslie Martin, Calcutta) during the year ended 30th September 1958. The Company's sale proceeds have staged a sharp rise over those for 1956-57, thus more than making good the fall noted in that year. The income from "other sources," which had similarly suffered a setback, has also gone up appreciably, chiefly under miscellaneous accounts and income from trade investments. Simultaneously with this and reflecting the larger turnover, expenses, too, have increased considerably, so that the resultant gross profit is only slightly higher than that in the preceding year.

The gross profit for the year under review at Rs. 102.27 lakhs is Rs. 1.07 lakh better than that (Rs. 101.20 lakhs) for 1956-57. Despite this, it is still substantially lower than Rs. 110.44 lakhs earned in 1955-56, the year in which the Company's profit exceeded the Rs. 1-crore mark for the first time. A redeeming feature is that the gross profit for the year under review is the second best in the Company's history. The provision for taxation has been provided higher at Rs. 53 lakhs, as against Rs. 50.50 lakhs in 1956-57 but that for depreciation has been lowered from Rs. 2.04 lakhs to Rs. 1.36 lakh. After the above allocations, the net profit at Rs. 40.08 lakhs shows practically no change as compared with Rs. 40.07 lakhs earned in the previous year, though it is very much lower than that (Rs. 46.60 lakhs) for 1955-56.

The Directors have written back Rs. 23.16 lakhs, representing provisions made in previous years no longer required. After adding this amount to the net profit, they have transferred Rs. 29.29 lakhs to the reserves, as against Rs. 6.63 lakhs allocated in the previous year. If the readjustments of past allocations are excluded, the amount conserved out of the net profit for 1957-58 is only Rs. 6.13 lakhs. The current allocations consist of Rs. 28.50 lakhs to general reserve and Rs. 78,934 to provision for doubtful debts. The dividend is proposed to be maintained at 21¼ per cent. per annum, the same as that paid in each of the previous two years. The mode of payment, however, is different in that while the dividend part has been raised from 15 per cent. to 17½ per cent. the bonus part has been reduced from 6¼ per cent. to 3¾ per cent.

The following table shows the trend of the Company's progress in 1957-58 against the background of its results for the three preceding years.

(In lakhs of rupees)

	For the year ended 30th September			
	1958	1957	1956	1955
Sale proceeds	9,04.49	7,67.36	8,23.40	5,72.17
Closing stocks and work-in-progress	1,26.77	2,34.15	2,11.00	2,07.09
Other income	1,06.79	98.59	1,09.38	99.26
Expenses including materials consumed	9,09.01	7,64.75	8,22.34	5,83.74
Gross profit	1,02.27	1,01.50	1,10.44	87.69
Directors' remuneration	7.83	8.59	10.01	9.92
Provision for—				
Depreciation	1.36	2.04	2.33	2.49
Taxation	53.00	50.50	51.50	37.75
Net profit	40.08	40.07	46.60	37.53
Provisions not required written back	23.16	..	0.33	..
To reserves	29.29	6.63	14.17	11.60
Dividends—				
5 per cent. preference	3.00	3.00*	1.50	1.50
Ordinary	30.86 (D. 17½% +B. 3¾%)	30.79 (D. 15% +B. 6¼%)	30.59 (D. 15% +B. 6¼%)	24.03 (D. 15% +B. 3¾%)
Carry forward	2.45	2.35	2.70	2.03

* On the increased capital, raised by a further issue of 30,000 five per cent. redeemable preference shares of Rs. 100 each.

It will be seen from the above table that sale proceeds have made a sizable rise of Rs. 137.13 lakhs, that is, from Rs. 7.67 crores to Rs. 9.04 crores. This, as stated earlier, is in refreshing contrast to the marked fall of Rs. 56.04 lakhs noted in the previous year. The rise in sale proceeds has been supplemented by a rise of Rs. 8.20 lakhs in other income. The decline in the closing stocks from Rs. 2.34 crores to Rs. 1.27 crore indicates that the Company's products have been moving well in the market. The expansion in activity is reflected in the expenses which have shot up from Rs. 7.65 crores to Rs. 9.09 crores.

The Directors state that, during 1956-57, holders of Rs. 63,500 convertible notes exercised their option to convert their holdings into ordinary shares, resulting in an increase in the ordinary share capital of the Company by 3,175 shares and a reduction of Rs. 63.500 in the outstanding convertible notes. Thus, the total ordinary shares subscribed as at 1st October 1957 was 1,455,525 and the amount of convertible notes outstanding as at that date was Rs. 8,89,500, the total reserve arising from surplus on conversion being Rs. 15.55 lakhs. As a result, paid-up capital of the Company as at 30th September 1958 stands raised from Rs. 205.23 lakhs to Rs. 205.55 lakhs. As against this, there are reserves and surplus aggregating Rs. 110.36 lakhs. In view of the substantial surplus of the market value of the Company's investments over the book value, the Directors consider that it is no longer necessary to maintain anything but a nominal amount in the investment reserve. Accordingly, they have transferred Rs. 20 lakhs from investment reserve to general reserve. The current liabilities are of the order of Rs. 476.91 lakhs and include a provision of Rs. 216.62 lakhs for taxation. The gross block of the value of Rs. 54.35 lakhs, including an addition of Rs. 4.27 lakhs during the year, has been written down to a net book value of Rs. 38.57 lakhs. This is inclusive of goodwill at cost of Rs. 25.18 lakhs. The current assets amount to Rs. 754.26 lakhs and cover the current liabilities and provision for taxation by a very wide margin. Of the current assets, it is significant that investments in shares of companies shown at a book value of Rs. 185.37 lakhs have a market value of Rs. 264.59 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are currently quoted at Rs. 29.93 *cum-div.* On an *ex-div.* basis, the yield is 7.6 per cent. per annum, free of income-tax.

SUGAR

(*Concluded from page* 411)

the country about 12 crores of foreign exchange. The gilt, even then, was off the gingerbread, and world prices had dropped to near the pre-Suez level. Indian sugar could only be sold abroad at a loss of approximately Rs. 270 per ton. In June last, the Association was asked to export sugar. Our advice was that 50,000 tons could be exported safely and without danger to the country's needs. 1,00,000 tons was a possible target but anything over 1,00,000 tons could be exported only if the country would submit to rationing. I am glad to say that the 50,000 tons target was accepted and fellow members will share in the satisfaction I feel in the fact that it has been shipped. For 1959 we are asked to ship 1,00,000 tons, out of which 50,000 tons has been released.

"The Association's views on exports are clear; in an expanding economy, supply and demand can hardly keep exactly in line; when there is surplus, export it, do not hoard it. Earn the exchange needed to buy other commodities. We do not have surplus sugar at the moment, but, since the general view is that there will be considerable surplus for disposal in a year or two or three, give us the advantage of keeping Indian sugar on world markets, so that it is known and can be sold when it must. It is in respect of the necessity to cover the losses on export by slightly increasing the internal price that *khandsari* represents a serious problem. At the current rate of development, there will be so much *khandsari* in the future years that it, rather than white sugar, may well control internal prices and make it impossible to recover the losses made on export from sales within the country. *Khandsari* prices cannot be controlled by an Order, as can sugar prices.

"I believe that no one at all can benefit from such indulgences as cane strikes. Let us remember that, firstly, Government has fixed and factories have paid a price, which has, over the years, resulted in more and more cane being grown; secondly, with effect from 1st November 1958, Government declared its intention that growers should be given a share in sugar realisation. Details of this formula are not available, but the question has been referred to the Tariff Commission. Let me add only that the industry asks for a margin that will permit of the payment of a 6¼ per cent. dividend and to have funds to set a sum equal to two-thirds of the dividend aside for general reserves as also to make provision for a special fund from which may be found the cash to provide for the very necessary rehabilitation of plant and machinery. Surely, these are not exorbitant demands.

"Mention of reserves brings me to the industry's pressing need, namely, the modernisation of plant and machinery, for much of that in use today is not only past its prime—it is almost past praying for. It has been written down or depreciated, but, having written off a plant costing Rs. 18,00,000 only is nowhere near having available the resources to replace it at today's costs. Added to that, there is the highly inflated requirement of working capital. Twenty-eight years ago, sugar cost about Rs. 8 per maund, banks demanded 25 per cent. margin which required only Rs. 2 per maund. A factory of an average capacity then could reasonably work with a working capital of Rs. 3 lakhs as calculated by the Tariff Board in 1931. Again, in 1938, the average working capital was calculated by the Tariff Board at Rs. 4.50 lakhs. At present, sugar costs Rs. 25 per maund, a margin of 25 per cent. is demanded, i.e., Rs. 6.25 per maund; factories are required to carry minimum stock of 25 per cent. of the production. The working capital required is nowadays Rs. 50 lakhs for a factory of 1,000 tons capacity, which represents an increase of 1,000 per cent. over 1938 figures. Scheduled banks could help by reducing the margin money. I hope this is a plea that will not fall on deaf ears.

"Regardless of this important relief, sugar factories, in common with all industrial units in the country, must have funds to put aside as reserves if the industry as a whole is to thrive, and let me remind you that a thriving industry is the only industry that can attract capital from outside.

"The Nagpur Resolution of the A.I.C.C. on the question of land ceilings has caused us some concern, and we hope that Parliament will bear in mind the value of well integrated farms run by industrial undertakings for the purpose of supply of raw material which serve as models of correct methods of husbandry to the large mass of cane growers. To lose what little has been achieved in this direction, to stifle all future possible developments on these lines, would be a great tragedy."

COMPANY MEETINGS AND DIVIDENDS

KILLICK INDUSTRIES LTD. Annual General Meeting, Bombay, 16th March 1959. Dividend: Rs. 13.00 per share, for the period 17 months ended 30th November 1958, payable on and after 20th March 1959. Transfer books remain closed from 3rd to 20th March 1959, both days inclusive.

SHREE CHANGDEO SUGAR MILLS LTD. Annual General Meeting, Bombay, 24th March 1959. Dividend: Rs. 2.25 per share, payable on and after 1st April 1959. Transfer books remain closed from 10th to 24th March 1959, both days inclusive.

K.C.P. LTD. Annual General Meeting, Madras, 30th March 1959. Dividend: Rs. 7.50 per ordinary share and Re. 1.50 per deferred share. (The dividend on deferred shares is subject to the sanction of the Industrial Finance Corporation of India.)

BRAITHWAITE & Co. (INDIA) LTD. Annual General Meeting, Calcutta, 30th March 1959. Dividend: Re. 1.25 per share. Transfer books will remain closed from 16th to 30th March 1959, both days inclusive.

CAREW & Co., LTD. Annual General Meeting, Calcutta, 31st March 1959. Transfer books will remain closed from 16th to 31st March 1959, both days inclusive.

BHARAT COLLIERIES LTD. Annual General Meeting, Dalmianagar, 31st March 1959. Transfer books will remain closed from 23rd to 31st March 1959, both days inclusive.

INDUSTRIAL INVESTMENT TRUST LTD. Annual General Meeting, Bombay, 7th April 1959. Dividend: Rs. 6.00 per share, payable on and after 14th April 1959. Transfer books will remain closed from 23rd March to 7th April 1959, both days inclusive.

JAY SHREE TEXTILES LTD. Annual General Meeting, Rishra, Dist. Hooghly (West Bengal), 7th April 1959. Dividend: Re. 0.65 per share. Transfer books will remain closed from 16th March to 7th April 1959, both days inclusive.

JAY SHREE TEA GARDENS LTD. Annual General Meeting, Calcutta, 9th April 1959. Dividend: Re. 1.00 per share, free of income-tax. Transfer books remain closed from 9th March to 9th April 1959, both days inclusive.

NATIONAL CARBON CO. (INDIA) LTD. Annual General Meeting, Calcutta, 15th May 1959. Dividend: Re. 0.75 per share (final). Transfer books will remain closed from 1st to 15th May 1959, both days inclusive.

COCHIN MALABAR ESTATES LTD. Interim dividend of 5 per cent. on ordinary shares, for the year ending 31st March 1959. Transfer books will remain closed from 24th to 31st March 1959, both days inclusive.

COIMBATORE COTTON MILLS LTD. Dividend of 6 per cent. or Rs. 6.00 per share, for the year ended 31st December 1958. Transfer books remain closed from 14th to 28th March 1959, both days inclusive.

BURRAKUR COAL RAISES DIVIDEND

PROFIT OF MCLEOD AND CO. HIGHER

Burrakur Coal Co., Ltd.

THE directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 30th June 1958.

Raisings and Despatches.—10,37,484 tons of coal were raised and 10,19,418 tons were despatched compared with raisings of 9,49,985 tons and despatches of 9,63,347 tons during the previous period. The sand transported over the Company's Loyabad Ropeway system was 7,02,246 tons compared with 6,99,846 tons during the previous period.

The directors regret having to report that the replacement of sand in the Damodar River has been very poor indeed and currently the Ropeway has only been worked two shifts per day to conserve supplies. An import licence for a sand pump has now been received and the necessary order has been placed on the manufacturers.

Despite all the representations made to the Government for an increase in sand stowing subsidy, this matter has still not been settled even to the extent of compensating stowing collieries for the additional payments made to labour on account of the L.A.T. Award.

Loyabad Coke Plant.—The production of metallurgical coke during this period was 1,11,280 tons compared with 1,13,804 tons during the previous year. The relative despatches were 1,11,040 tons compared with 1,13,610 tons during the previous period.

Second Five-year Plan.—The Company proposes increasing its annual raisings to 19,50,000 tons by the end of the Plan period. This will however involve capital expenditure of about 1¼ crores and the success of this programme is therefore largely dependent on increases in the price of coal and in the sand stowing subsidy being approved by the Government of India, thus permitting the Company to retain from its profits adequate sums to cater for the capital expenditure mentioned above.

Transport.—The transport position was satisfactory during this period and was able to handle the extra raisings from your collieries.

The profit and loss account after providing for all charges and making provisions of Rs. 15,72,427 (Rs. 12,81,353) for taxation, Rs. 1,47,000 (Rs. 2,80,000) for wealth tax and Rs. 10,51,808 (Rs. 11,07,742) for depreciation shows a profit of Rs. 13,05,277 (Rs. 12,49,535) to which is added the balance brought forward from previous year of Rs. 95,339 (Rs. 32,422) making a total of Rs. 14.00,616 (Rs. 12,81,957). From this there has been transferred to debenture redemption reserve Rs. 50,000 (Rs. 50,000), to development rebate reserve Rs. 44,400 (Rs. 83,000), to statutory development rebate reserve Rs. 1,32,000 (Rs. 1,22,200 for tax contingency reserve) and to general reserve Rs. 1,00,000 (Rs. 70,000 to reserve for aerial rope) leaving a balance of Rs. 10,74,216 (Rs. 9,56,757). The interim dividends on 1st preference shares of 7 per cent. per annum without any deduction for income-tax payable by the Company absorbed Rs. 80,493, on 2nd preference shares of 6 per cent. per annum after deduction of Income-tax payable by the Company absorbed Rs. 9,248 and on ordinary shares at 3¾ (*nil*) per cent. without any deduction of income-tax payable by the Company absorbed Rs. 3,40,968 (*nil*) leaving a balance available of Rs. 6,43,507 (Rs. 9,56,757). The directors propose to dispose of this as follows:—

By payment of a final dividend on the 1st preference shares at the rate of 7 per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 80,493 (Rs. 1,60,986), by payment of a final dividend on the 2nd preference shares at the rate of 6 per cent. per annum after deduction of income-tax payable by the Company absorbing Rs. 9,248 (Rs. 18,496) by payment of final dividend on the ordinary shares at the rate of 5 (7½) per cent. without any deduction for income-tax payable by the Company absorbing Rs. 4,54,624 (Rs. 6,81,936) and by carrying forward Rs. 99,142 (Rs. 95,339).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,18,42,280	Gross block	4,41,78,128
Debentures ...	20,00,000	*Less*—Depreciation ...	2,08,53,739
Reserves ...	1,73,37,198		
Provision for taxation ...	21,05,950	Net block ...	2,33,24,389
Provision for wealth tax	2,82,358	Work-in-progress ...	3,42,082
Liabilities ...	88,16,657	Stock-in-trade	11,95,999
Profit and loss account ...	99,142	Stores, spare parts, etc.	34,00,919
		Debts, deposits and advances ...	1,11,03,309
		Investments	30,17,559
		Cash ...	99,328
Rs.	4,24,83,585	Rs.	4,24,83,585

McLeod and Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The profit for the year amounts to Rs. 22.37,825 (Rs. 18,34,046) to which must be added dividends forfeited Rs. 553 (Rs. 2,388) and the balance brought forward from 1956 of Rs. 2,57,153 (Rs. 2,57,234) making a total of Rs. 24,95,531 (Rs. 20,98,198 including Rs. 4.530 being profit on sales of investments). From this amount must be deducted forfeited dividends paid of Rs. 50 (Rs. 350) and loss on sales of investments Rs. 13,240 (Rs. 55,695) leaving a balance of Rs. 24,82,241 (Rs. 20,42,153). Out of this sum there has been provided for taxation Rs. 9,30,000 (Rs. 10,00,000) and the amount written off goodwill comes to Rs. 5,00,000 (*nil*) leaving an available balance of Rs. 10,52,241 (Rs. 10,42,153). The interim dividends for the year ended 31st December 1957 on 10,000 5 per cent. cumulative first preference shares subject to deduction of tax (gross) absorbed Rs. 25,000 (Rs. 25,000) and on 40,000 5 per cent. cumulative second preference shares, without deduction of tax absorbed Rs. 1,00,000 (Rs. 1,00,000). The second interim dividends for the year on 10,000 5 per cent. cumulative first preference shares, subject to deduction of tax (gross) absorbed Rs. 25,000 (Rs. 25,000) and on 40,000 5 per cent. cumulative second preference shares, without deduction of tax absorbed Rs. 1,00,000 (Rs. 1,00,000). From the balance of Rs. 8,02,241 (Rs. 7,92,153) the directors have paid an interim dividend at 12½ (8) per cent. per annum or Rs. 12.50 (Rs. 8.00) per share on 40,000 ordinary shares for the year ended 31st December 1957 absorbing Rs. 5,00,000 (Rs. 3,20,000) and an interim dividend at 7½ (3) per cent. per annum or 75 (30) nP per share on 50,000 deferred ordinary shares for the year ended 31st December 1957 absorbing Rs. 37,500 (Rs. 15,000) leaving to be carried forward Rs. 2,64,741 (Rs. 2,57,153 after transferring Rs. 2,00,000 to convertible notes redemption reserve). The directors do not recommend the payment of any further dividends in respect of the year ended 31st December 1957.

Baghmari Tea Co., Ltd., and Tyroon Tea Co., Ltd., ceased to be subsidiaries of the Company during the year under review.

Trading.—The profit for the year shows a satisfactory increase over that for 1956, due chiefly to higher dividend income and considerably improved results from the Agency department which may be largely attributed to the steel imports that were handled by them on behalf of the Government of India. Revenue from the Tea department was adversely affected by the revised managing agency arrangements with the tea companies consequent upon the coming into force of the Companies Act, 1956, together with the recession in world prices of common and medium tea which prevailed throughout 1957. Income from the Jute, Insurance and Engineering departments showed little variation when compared with that of the previous year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	95,00,000	Gross block	29,31,775
Reserves ...	82,95,072	*Less*—Depreciation ...	11,33,490
Provision for taxation ...	11,67,785		
Liabilities ...	3,34,63,711	Net block ...	17,98,285
Profit and loss account ...	2,64,741	Goodwill ...	15,00,000
		Stock ...	66,26,623
		Stores ...	19,891
		Debts, deposits and advances ...	1,58,37,655
		Investments	2,66,89,001
		Cash ...	2,19,854
Rs.	5,26,91,309	Rs.	5,26.91,309

Kesar Sugar Works Ltd.

The directors of the Company (Chairman: Mr. Tulsidas Kilachand, Bombay) present the audited accounts of the Company for the year ended 31st July 1958.

The working of the year, after charging the amount of Rs. 59,58,261 (Rs. 48,99,292) for excise duty, and Rs. 8,84,556 (Rs. 12.02,838) for cane cess, shows a gross profit of Rs. 8,54,911 (Rs. 19,91,473). After providing for depreciation Rs. 2,49,177 (Rs. 2,46,329) for development rebate Rs. 50,000 (*nil*) and for taxation Rs. 3,50,000 (Rs. 9,75,000) there remains a net profit of Rs. 2,05,734 (Rs. 7,70,144). After adding the amount brought forward from the previous year of Rs. 1,05,664 (Rs. 7,033) the amount available for disposal comes to Rs. 3,11,398 (Rs. 7,77,177). This amount the directors recommend should be disposed as under:—

To payment of a dividend at 5½ per cent. on preference shares (less: income-tax) Rs. 56,513 (Rs. 56.513) and to payment of a dividend at Rs. 4 (Rs. 7) per share without deduction of tax on ordinary shares of Rs. 50 each Rs. 1,80,000 (Rs. 3,15,000) leaving a balance to be carried forward to next year's account of Rs. 74,885 (Rs. 1,05,664 after transferring Rs. 3,00,000 to general reserve fund).

The Company's factory started operations from the 15th November 1957. The quantity of cane crushed was 47,17,631 maunds during 176 days of crushing as compared with 64,14,886 maunds crushed during 232 days in the previous season. The sugar produced during the year under report was 4,67,384 maunds as against 6,17,238 maunds during the previous season, the recovery being 9.89 per cent. as against 9.62 per cent. during the previous season. The quantity of cane received by the factory was thus considerably less than the previous year on account of reduction in cane acreage and also due to lower yield of cane owing to adverse weather conditions. This has resulted in less production of sugar and consequently the cost of production has gone considerably high and the working result has not been as satisfactory.

Crushing for the current season has been commenced from the 1st December 1958. The crop has been adversely affected owing to drought conditions prevailing in the earlier period and floods thereafter. This is likely to result in lesser supply of sugarcane this year. Movement of sugar during the year under report was on the whole satisfactory.

The Government of India fixed statutorily with effect from 30th July 1958 ceiling prices for sugar in case of factories in U.P., Punjab and North Bihar only and this has also been continued for the current season's production. This action of the Government has placed the sugar factories in these regions at considerable disadvantage as compared to factories in other parts of the country. As the industry has demanded higher prices, the Tariff Commission, at the instance of the Government of India, is presently engaged in making a fresh examination of the cost structure of sugar and will submit a report as to the fair price payable to the industry. Its findings and report are awaited eagerly by the industry.

During the year the Government of India instituted a scheme of compulsory export of sugar, allocating a quota to every factory on the basis of production. The Company's factory was allocated a quota of 4,306 bags. The loss on export is expected to be of about Rs. 35 per bag and it has been reflected in the accounts. The Government has recently announced the export target of one lakh tons from the 1958-59 season's production.

The year under report will be noted for a phenomenal growth of *khandsari* sugar industry in U.P. This industry besides being free from the obligation to pay minimum cane prices to growers is also exempted from the payment of excise duty which is as high as Rs. 10.69 per maund. The expansion of *khandsari* production has been mostly at the cost of organised sugar industry and suitable measures should be taken by the Government to ensure that the organised sugar industry does not suffer. The Indian Sugar Mills Association has also taken up this question.

During the year the production of the distillery suffered on account of closure of the plant due to poor offtake and the Company's efforts with the authorities concerned to increase the allotments of power alcohol have not so far succeeded. The efforts are still being continued. Further the All India Distillers' Association is making effort to arrange for the export of alcohol in appreciable quantity to foreign countries. The Company has obtained a licence under Industries (Development and Regulation) Act to double the capacity of the distillery and the expansion is expected to be completed during the year 1959-60.

The Company's chemical factory has been able to increase its production and sales. Production of chromic acid is steadily going up and it is well received in the market.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Gross block	82,23,561
Reserves ...	13,01,626	*Less*—Depreciation ...	52,13,596
Provision for taxation ...	19,46,648		
Liabilities ...	74,64,218	Net block ...	30,09,965
Profit and loss account ...	74,885	Stock-in-trade	72,23,999
		Stores and spare parts	13.89,025
		Crop-in-progress ...	3,80,940
		Debts, deposits and advances ...	2,50,360
		Investments	15,17,215
		Cash ...	3,15,873
Rs.	1,40,87,377	Rs.	1,40,87,377

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

POWERLOOMS: WHAT ABOUT THEM?

(*Concluded from page 417*)

hurt the other sectors and to upset the production and consumption programmes goes unassessed.

Even on the single item of the excise duty, the small-scale powerlooms score heavily over the mills. They enjoy an advantage that varies in the case of a typical fine variety from 28 to 31 nP per square yard. As regards the superfine variety, the concession varies from 39 to 42 nP per square yard. Surely, there cannot be much justification for favouring the small powerloom operators in such a generous manner as to cause deep injury to the other branches of the industry. The blow is particularly heavy at this juncture when the mill sector is struggling with the problem of sluggish sales, accumulation of large stocks, fall in production and increasing mill closures.

Nobody suggests that the small powerloom sector should perish. No such dire fate need overtake it in a country where a growing population and a rising standard of living make the problem of co-existence in the cotton textile industry less intractable, but the concessions granted to the weaker partners should not be such as to impair the stability of the stronger member. Today the small powerloom operators are without doubt inflicting a grave injury on both the mills and the handlooms, besides causing loss of revenue to the Government due to a good number of them working surreptitiously.

Notices

INDUSTRIAL INVESTMENT TRUST LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-sixth Annual General Meeting of Industrial Investment Trust Ltd. will be held at the Registered Office of the Company, 61, Apollo Street, Fort, Bombay, on Tuesday the 7th April, 1959, at 4 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1958.

(2) To declare a Dividend.

(3) To appoint a Director in place of Mr. Arvind N. Mafatlal who retires by rotation, in accordance with the Articles of Association of the Company, and being eligible offers himself for re-election.

(4) To appoint a Director in place of Mr. D. G. Moore who retires by rotation, in accordance with the Articles of Association of the Company, and being eligible offers himself for re-election.

(5) To appoint Auditors for the current year and to fix their remuneration.

NOTICE is also hereby given that the Transfer Books of the Company will remain closed from Monday the 23rd March, 1959 to Tuesday the 7th April, 1959, both days inclusive.

By Order of the Board,

PREMCHAND ROYCHAND & SONS,
Secretaries & Treasurers.

BOMBAY, *4th March*, 1959.

Notes.—(*a*) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

(*b*) The dividend when declared will be made payable at the Bank of India Ltd., Bombay, on and after the 14th day of April, 1959. The Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 7th day of April 1959.

(*c*) Change of address, if any, should be notified to the Company immediately.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have decided to declare a second Interim Dividend on 30th March 1959 (additional to the Interim Dividend of 2% free of income-tax, declared on 6th August 1958) in respect of the Company's financial year ending 31st March 1959, of 2%, free of income-tax, payable on or after 14th April 1959 to registered shareholders whose names appear in the Register on 30th March 1959 or to their mandatees.

Transfers received at the Company's Registered Office before close of business on 25th March 1959 will, if in order, be registered in time for the transferees to receive the Dividend.

Although the final results for the year to 31st March 1959, will not be known for some time, it is clear from the information at present available that the profit for the year will be lower than for the year to 31st March 1958, and in these circumstances the Directors are unlikely to be able to recommend a Final Dividend in excess of 2%.

By Order of the Board,

B. GRANGER PEARSON,
Assistant Secretary.

VIRGINIA HOUSE,
37 CHOWRINGHEE,
CALCUTTA,
11th March 1959.

N.B.—Shareholders should inform the Registrar of any changes in their registered addresses.

WALCHANDNAGAR INDUSTRIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-first Annual General Meeting of the Company will be held at Construction House, Ballard Estate, Fort, Bombay, on Tuesday the 14th April, 1959, at 4-30 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 30th September, 1958.
2. To declare Dividends on Preference and Equity Shares.
3. To appoint a Director in place of Shri Gulabchand Hirachand who retires by rotation and who is eligible for re-appointment.
4. To appoint a Director in place of Shri Lalchand Hirachand who retires by rotation and who is eligible for re-appointment.
5. To appoint a Director in place of Shri Maneklal Premchand who retires by rotation and who is eligible for re-appointment and to consider and if thought fit, to pass the following resolution in respect of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company.

   "RESOLVED that pursuant to the provisions of Section 281 and other relevant provisions (if any) of the Companies Act, 1956, Shri Maneklal Premchand who has attained the age of 69 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

6. To appoint and/or approve pursuant to Section 281 of the Companies Act, 1956, the appointment of Shri Jyotendra L. Mehta who was appointed a Director at the Annual General Meeting held on 11th April. 1958, and to consider and if thought fit, to pass the following resolution in respect of which a Special Notice as required by Section 281 of the said Act, has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Section 281 and other relevant provisions (if any) of the Companies Act, 1956, the appointment of Shri Jyotendra L. Mehta, a Director of the Company, who has attained the age of 65 years, be and is hereby made and/or approved and it is hereby specifically declared that the age limit for Directors prescribed by Section 280 of the said Act shall not apply to him."

7. To appoint Auditors for the current year and to fix their remuneration.
8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "RESOLVED that pursuant to the provisions of Section 360 and other relevant provisions (if any) of the Companies Act, 1956, this Company hereby approves of contracts or arrangements entered or to be entered into with Shri Goutamchand Gulabchand Doshi or a firm in which he is a partner, an Associate of Walchand & Co. Private Ltd. the Managing Agents of the Company, for sale, purchase or supply of any property movable or immovable provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable, and provided further that Shri Goutamchand Gulabchand Doshi shall make payment within one month from the date of sale or supply by this Company."

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "That the Article No. 108 of the Articles of Association of the Company be altered in the manner following:

   "Substitute the figure "300/-" in place of the figure "100/-".

The Transfer Books of the Company will remain closed as from Saturday the 21st March, 1959 to Tuesday the 14th April, 1959 (both days inclusive).

By Order of the Board,

R. K. JOSHI,
Acting Secretary.

CONSTRUCTION HOUSE,
BALLARD ESTATE, FORT,
BOMBAY, *17th February*, 1959.

Note.—(1) A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member.

(2) The Dividends, if sanctioned, will be paid at The Bank of India Ltd., Fort, Bombay, on and from Thursday the 30th April 1959, to those Members whose names stand on the Company's Register as on Tuesday the 14th April, 1959.

(*Note.*—As per resolution passed at the Extraordinary General Meeting of the Company held on 22nd August 1958, the holders of New Preference Shares are not entitled to any dividend declared for the year ending 30th September 1958.)

THE AZAM JAHI MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-eighth Annual General Meeting of the Shareholders of the Azam Jahi Mills Limited will be held on Friday the 3rd day of April 1959 at 3-30 p.m., at the Registered Office of the Company, 159, Gunfoundry Road, Hyderabad (A.P.), to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 30th September, 1958.
2. To appoint a Director in place of Shri Khushalchand B. Daga who was appointed an additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received notices in writing proposing his candidature for the office of Director.
3. To appoint a Director in place of Shri Pannalal Bansilal Pitty who retires by rotation under Clause No. 102 of the Company's Articles of Association and Section 256 of the Companies Act, 1956. He is not seeking re-election.
4. To appoint a Director in place of Rai Bahadur Srikishen Sookhdeve Malani who retires by rotation under Clause No. 102 of the Company's Articles of Association and Section 256 of the Companies Act, 1956, but being eligible offers himself for re-election.
5. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company, as previously notified in the Press, will be closed from the 19th day of March, 1959 to the 3rd day of April, 1959, both days inclusive.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

(The relative Explanatory Statement has duly been posted to the individual shareholders.)

By Order of the Board,

C. S. TYABJEE,
Managing Agents.

To The Industries (I. F.) Department, Government of Andhra Pradesh, Secretaries, Treasurers and Agents.

HYDERABAD (A. P.), *24th February*, 1959.

THE MYSORE SUGAR COMPANY LIMITED, BANGALORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FIFTH ORDINARY GENERAL MEETING of the Mysore Sugar Company, Limited, will be held at the Registered Office of the Company at Sri Jayachamaraja Wadiyar Road, Bangalore City, at 2.30 p.m. on Tuesday the 31st March 1959, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th June 1958, including Comptroller and Auditor-General's comments under Section 619(4) of the Companies' Act, 1956.
2. To declare a Dividend.
3. To approve of the co-option of Sri H. K. Veeranna Gowdh as a Director in the casual vacancy caused by the resignation of Sri M. Malleshayya.
4. To elect a Director in place of Sri V. T. Krishnamoorthy, who retires by rotation and, being eligible, offers himself for re-election.
5. To elect a Director in place of Sri B. M. Abu Baker, who retires by rotation and, being eligible, offers himself for re-election.

The Share Transfer Register of the Company will be closed from the 20th to 31st March 1959 (both days inclusive).

By Order of the Board,
H. MAHARUDRIAH,
Secretary.

BANGALORE, *27th February* 1959.

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

(2) The Dividend, when declared, will be made payable at the Bank of Mysore, Ltd., Bangalore, on and after 6th April 1959. The Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 19th March 1959.

MUTTRA ELECTRIC SUPPLY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting within the meaning of the Companies Act, 1956 (being the sixtieth Ordinary General Meeting of the Company) of the abovenamed Company will be held at its Registered Office, No. 15, Shib Thakur Lane, Calcutta-7, on Thursday the 26th March, 1959, at 11 a.m., for the following purposes:—

1. To receive and consider the Audited Accounts for the year ended 31st March, 1958, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on the Ordinary Shares.
3. To appoint Auditors and fix their remuneration.

The Register of Ordinary Shareholders of the Company and the Transfer Books will be closed from the 19th March, 1959 to the 26th March 1959, both days inclusive.

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

By Order of the Board,
G. D. BHAGAT,
Chairman.

15, SHIB THAKUR LANE,
CALCUTTA-7, *3rd March*, 1959.

MUTTRA ELECTRIC SUPPLY COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the members of the abovenamed Company will be held at the Registered Office of the Company at No. 15, Shib Thakur Lane, Calcutta-7, on Thursday the 26th day of March, 1959, at 11-15 a.m., to consider and, if thought fit, to pass, with or without modification, the following resolutions, namely:—

As a Special Resolution:

(1) RESOLVED that the regulations contained in the printed document submitted to this meeting, and for the purpose of identification subscribed by the Chairman thereof, be and are hereby approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of all the existing Articles of Association thereof.

As Ordinary Resolutions:

(1) RESOLVED that upon the approval of the Central Government being obtained to such appointment, Shri K. C. Bhagat be appointed the Director-in-Charge of the Company for a term of ten years on and from the date the sanction of the Central Government is obtained to his such appointment on the terms and conditions contained in the draft agreement submitted to this meeting and for the purpose of identification signed by the Chairman thereof and that accordingly the Directors be and they are hereby authorised to enter into an agreement with the said Shri K. C. Bhagat in terms of the said draft agreement subject to any modifications thereof that may be agreed between the Company and the said Director-in-Charge for the purpose of complying with any condition imposed by the Central Government in giving its consent as aforesaid.

(2) RESOLVED that subject to the approval of the Central Government being obtained, the remuneration of each Director of the Company for his services for attending a meeting of the Board of Directors be increased from Rs. 50/- to a sum not exceeding Rs. 100/-.

By Order of the Board,
G. D. BHAGAT,
Director.

CALCUTTA, *3rd day of March*, 1959.

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

EXPLANATORY STATEMENT
as required by Section 173 of the Companies Act, 1956

Special Resolution No. 1:

The existing Articles of Association of the Company are proposed to be altered in order to bring them in conformity with the provisions of the Companies Act, 1956, and also to effect such changes as are deemed necessary and expedient. Several of the changes which came into force as a result of the new Act affect, and are in conflict with, some of the existing Articles of Association of the Company which consequently require amendment to bring them into line with the provisions of the Companies Act, 1956, and certain new provisions in the Act for the regulation of the Company need be incorporated in the Articles for the guidance of members and directors. Certain Articles have been incorporated in the new Articles which are either necessary or desirable in view of the provisions of the Electricity (Supply) Act, 1948 and the Electricity (Supply) Amendment Act, 1956 and the subsequent modifications thereof.

The new Articles of Association is in substitution for and to the exclusion of the existing Articles of Association of the Company. The proposed alterations fall into the following categories:

(1) Alterations for making provision for the appointment of Shri K. C. Bhagat, one of the Directors as the Director-in-Charge of the Company and for his powers, duties and remuneration as such Director-in-Charge in accordance with the provisions of the Electricity (Supply) Act, 1948, and the modifications thereof, as also with the provisions of the Companies Act, 1956; for which approval of the Central Government will be necessary as provided by Section 326 of the Companies Act, 1956;

(2) Alterations for making provision for increase of remuneration of each Director for his services for attending a meeting of the Board of Directors from Rs. 50 to a sum not exceeding Rs. 100, for which approval of the Central Government will be necessary as provided under Section 310 of the Companies Act, 1956;

(3) Alterations made to comply with the provisions of the Electricity (Supply) Act, as amended up-to-date and the Companies Act, 1956, where the present Articles are in conflict with such provisions;

(4) Alterations which, though not essential for removal of a conflict between the present Articles and the provisions of the Companies Act, 1956, have been considered desirable as a result of such provisions;

(5) Alterations resulting in either improvement of language used or made with a view to bringing the existing Articles into line with modern practice;

(6) Alterations which relate to the position of Directors regarding their rights and obligations under the Companies Act, 1956 and their remuneration;

(7) Deletion of obsolete Articles;

(8) A few alterations not falling under any of the above categories but considered desirable.

The Directors have no interest in any of the amended Articles except in so far as they relate in case of all the Directors, to the increase in the sitting fees of each Director for attending a meeting of the Board of Directors, and in case of Shri K. C. Bhagat to his appointment, remuneration and period of office as the Director-in-Charge of the Company specified in the Articles of the Company as provided by the Companies Act, 1956.

Copies of the draft of the proposed new Articles of Association and of the existing Articles of Association of the Company may be inspected by any Shareholder at the Registered Office at No. 15, Shib Thakur Lane, Calcutta, during office hours on any working day before the date of the meeting. A member will also be entitled to take a copy of the proposed new Articles of Association for his inspection.

Ordinary Resolution No. 1.

Shri K. C. Bhagat, a Director who has been devoting most of his time in the management of the affairs of the Company, has been proposed to be appointed, subject to the approval of the Central Government to his such appointment as required by Section 326 of the Companies Act, 1956, as the Director-in-Charge of the Company for a period of ten years on and from the date such sanction of the Central Government is obtained, on the remuneration specified in the Sixth Schedule to the Electricity (Supply) Act, 1948, as amended up-to-date, and on such other terms and conditions contained in a draft of the agreement to be entered into between him and the Company. The said Shri K. C. Bhagat has agreed to act as the Director-in-Charge of the Company and the Company is entitled by law to appoint him as such Director-in-Charge subject as aforesaid. The appointment is subject to the consent of the Central Government for which application is being made. This resolution authorises the Directors to enter into the necessary agreement with the said Director-in-Charge as soon as Central Government's consent has been obtained, and the resolution is so framed as to permit the Directors to agree with the said Director-in-Charge to any modification of the draft agreement for the purpose of complying with any condition which the Central Government may impose.

Ordinary Resolution No. 2.

This resolution seeks to increase the remuneration of each Director from Rs. 50 to a sum not exceeding Rs. 100 for his services for each meeting of the Board of Directors attended by him. The Directors have to devote a good deal of time for attending to the affairs of the Company at their meetings or otherwise and the present figure of Rs. 50 was low when fixed with regard to the Company's position at the time, but is considered wholly inadequate in present circumstances. Moreover, the responsibility of the Directors has considerably increased under the new Companies Act. In view thereof, it has been proposed that the remuneration of the Directors for sitting fees be increased as stated above.

This resolution shall not have any effect unless it is approved by the Central Government as required by Section 310 of the Companies Act, 1956.

Shri K. C. Bhagat is interested in Ordinary Resolution No. 1 which seeks to appoint him as the Director-in-Charge of the Company on the terms and remuneration specified in the draft agreement above referred to. The Directors are also interested in Ordinary Resolution No. 2 which seeks to increase their remuneration by way of sitting fees as stated therein.

The copy of the draft agreement proposed to be entered into by and between the Company and the said Director-in-Charge above referred to can be inspected on any working day during business hours at the Registered Office at No. 15, Shib Thakur Lane, Calcutta.

By Order of the Board,
G. D. BHAGAT,
Director.

CALCUTTA,
Dated the 3rd March, 1959.

HINDUSTAN LEVER LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the Members of HINDUSTAN LEVER LIMITED will be held at the INDIAN MERCHANTS' CHAMBER HALL, Lalji Naranji Memorial Building, 76 Veer Nariman Road, Bombay-1, on Monday, 6th April 1959, at 4 p.m., for the following purposes, namely:

Ordinary Business

1. To receive and consider the Accounts and Balance Sheet, and the Reports of the Directors and Auditors.
2. To declare a Dividend for the year 1958.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration for the year ending 31st December 1959.

The Company has received Special Notice under Section 225 of the Companies Act, 1956, nominating Shri R. Venkataraman, F.C.A., Chartered Accountant, Thoppul Pilliar Koil Street, Tanjore, to be auditor of the Company for auditing the accounts of the Company for the ensuing year.

The Company has sent a copy of the Special Notice to the retiring Auditors, Messrs. A. F. Ferguson & Co., Bombay, who are eligible and have offered themselves for reappointment.

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

The Transfer Books of the Company will be closed from 9th March to 13th March 1959 (both days inclusive) and again from 31st March to 6th April 1959 (both days inclusive).

The Special Notice referred to above is available for inspection of the Members at the Registered Office of the Company between the hours of 11 a.m. and 1 p.m. on any working day.

By Order of the Board,
K. T. CHANDY,
Secretary.

INDIA HOUSE, FORT STREET, BOMBAY-1.
Dated the 9th day of March, 1959.

To All Shareholders of the Company and in particular Unilever Limited, London.

BHARAT COLLIERIES LIMITED

NOTICE

THE FOURTEENTH ANNUAL GENERAL Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Dalmianagar on Tuesday, the 31st March, 1959, at 12 noon, to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 30th June, 1958.

(2) To declare Dividends on Preference and Ordinary Shares.

(3) To elect a Director in place of the retiring Director Shri B. P. Jain who being eligible offers himself for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. K. N. Gutgutia & Co., being eligible, offer themselves for re-appointment.

As Special Business:

To consider and, if thought fit, pass with or without modification the following resolutions, which would be proposed as ordinary Resolutions and for which special notice has been received by the Company:

"RESOLVED and declared that the age limit shall not apply to Shri Balabux Poddar, a Director of the Company."

"Further resolved that the appointment of Shri Balabux Poddar as a Director of the Company be and is hereby approved."

Explanatory Note:

Shri Balabux Poddar, who has attained the age of 65 on 29th December, 1958 and who has been associated with the Company as its Director for a number of years and prior to the commencement of the Companies Act 1956, and his continuous and valuable services and guidance to the Company is in the interest of the Shareholders. Requisite consent as required under Section 281 of the Companies Act 1956, is therefore solicited from the shareholders. Neither the Managing Agents nor any of the other Directors of the Company have any interest in the said resolutions.

The Share Transfer Books of the Company will be closed from 23rd March, 1959 to 31st March, 1959, both days inclusive.

By Order of the Board of Directors,
For SAHU JAIN LTD.,
A. K. JAIN,
Managing Director,
Managing Agents.

DALMIANAGAR, *28th February*, 1959.

N.B.—A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself. Such a proxy need not be a member of the Company. Such a proxy, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.

MADURA MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Pandyan Building, West Veli Street, Madurai, on Monday the 23rd March 1959, at 3-30 p.m. The Share Transfer Books will be closed from 13th to 23rd March 1959, both days inclusive.

A. & F. HARVEY LTD.,
Managers.

MADURAI, *21st February*, 1959.

BOMBAY POTTERIES AND TILES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-fifth Annual General Meeting of the Company will be held at the Registered Office of the Company, United India Building, Sir Pherozshah Mehta Road, Fort, Bombay-1, on Thursday the 2nd April 1959, at 4 p.m. (S.T.), to receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year ending 30th September 1958, declare dividends on First and Second Preference Shares and Ordinary Shares, to elect Directors in place of those retiring by rotation as well as in place of those who cease to be Directors by reason of their having been co-opted as Additional Directors and to appoint Auditors as per Notice together with the Explanatory Statement already circulated to the Members individually.

By Order of the Board,
MOTICHAND G. SHAHA,
Chairman.

BOMBAY, *8th December*, 1958.

Note.—The Register of Members and the Share Transfer Books of the Company will remain closed from 12th March 1959 to 8th April 1959 (both days inclusive).

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

RAMPOORIA COTTON MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Annual Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, 147, Cotton Street, Calcutta, on Tuesday the 31st March, 1959, at 1 p.m.

(a) To receive and pass the Directors' Report and Audited Accounts for the year ended 30th June, 1958.

(b) To declare dividend on Ordinary Shares only.

(c) To elect Directors.

(d) To appoint Auditors of the Company and to fix their remuneration.

(e) To transact any other business that may be brought forward.

The Share Transfer Register will be closed from 16th March to 31st March, 1959, both days inclusive.

By Order of the Board of Directors,
JAICHANDLAL RAMPURIA,
Director.

147, COTTON STREET,
CALCUTTA, *2nd March*, 1959.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 31st March, 1959. The Preference Share Registers will be closed from the 1st April to the 16th April, 1959, both days inclusive. Payment will be made on or after 16th April, 1959, to those Preference Shareholders whose names appear on the Company's Registers on the 31st March, 1959, or in accordance with their instructions.

By Order of the Board,
A. G. GIDLEY,
Secretary.

12, MISSION ROW,
CALCUTTA-1, *10th March*, 1959.

SURVEY

(*Concluded from page 403*)

The Population Commission of the U.N. at its tenth session held in Geneva from 9th to 20th February, has drawn the attention of the U.N. Economic and Social Council to this situation. The Commission, which is a subsidiary of the Economic and Social Council, reviewed the progress of the United Nations' activities directed towards better understanding of the problems of population in underdeveloped countries and their relations to economic and social development. It may be noted that it is not the Commission's task to suggest the policies that any member-government should pursue. Its interest lies in contributing to the knowledge of population trends and their interrelations with economic and social developments. The Commission has pointed out that it is worried not about the increase in the rate of population growth but about the social and economic conditions prevailing in the underdeveloped countries. In view of the uninterrupted accentuation of the population trend, the Commission feels that it should shift the emphasis of its activities and concentrate more on helping countries to study the interrelations between population growth, on the one hand, and economic and social development, on the other.

The Commission considered that both the U.N. and the national services needed demographic data and forecasts to permit practical decisions in the field of economic and social development. It suggested that the U.N. Secretariat should carry out a continuous assessment of population trend accompanied by a parallel assessment of economic growth.

Realising the shortage of qualified personnel in the demographic field, the Commission expressed the view that increasing the number of specialists was one of the most important tasks of the U.N. in the demographic field. It considered that the regional demographic research and training centres set up by the U.N. in Santiago, in Chile, and Chembur, near Bombay, should continue their work. It also felt that universities in underdeveloped regions should concern themselves with the training of specialised personnel.

The Commission submitted to the Economic and Social Council a draft resolution requesting the Secretary-General to make available to underdeveloped countries, on their request, the co-operation of the United Nations in carrying out, over the next few years, a limited number of demographic pilot studies or other projects calculated to demonstrate the value of utilising demographic data, and especially the results of censuses, in preparing and implementing development programmes.

The Commission also decided to submit a draft resolution to the Economic and Social Council on the subject of rural-urban migration, requesting the Secretary-General to offer the assistance of the United Nations to less developed countries in the process of industrialisation which wish to undertake studies of the magnitude and characteristics of internal migration, especially between rural and urban areas. Another recommendation was that seminars should be organised on the uses of demographic statistics for purposes of economic and social policy. Such a seminar was already held at Athens in 1958. It was proposed that a world-wide population conference, similar in scope to the world population conference held at Rome in 1954, should be organised under the auspices of the U.N. in 1964. Yet another suggestion was that, in order to give wider publicity to the work of the Commission, one of its sessions should be held, if feasible, in one of the regions where population growth is most rapid and the problems of economic and social development most acute. The Commission has proposed that its next session in 1961 or 1962 should be held somewhere in the E.C.A.F.E. region.

DELHI LETTER

(*Concluded from page 404*)

poration, as at the end of 1959-60, will be Rs. 211 lakhs and in the Life Insurance Corporation of India, Rs. 500 lakhs. There is no mention of profit in either case.

Under the Ministry of Irrigation and Power there is the National Projects Construction Corporation in which the total investment by Government will have come to Rs. 50 lakhs by the end of 1959-60. The profit earned by Government from this Corporation was Rs. 1 lakh in 1957-58; the estimated profit in 1958-59 and 1959-60 is Rs. 2 lakhs each.

Under the Ministry of Rehabilitation, the Rehabilitation Housing Corporation, Delhi, accounts for a total investment of Rs. 5 lakhs to the end of 1959-60. No profit has been earned from it in 1957-58; there is also no indication that any profit will be earned from it in 1958-59 or 1959-60.

Under the Ministry of Steel, Mines and Fuel, there are seven Government companies and autonomous bodies in all. Figures of Government investment in them to the end of 1959-60 are given below in lakhs of rupees:

Hindustan Steel (P.) Ltd.	300,00
National Coal Development Corporation (P.) Ltd. ..	11,40
Neyveli Lignite Corporation (P.) Ltd.	28,68
Bolani Ores (P.) Ltd.	35
Singareni Collieries (P.) Ltd.	1,20
Mysore Iron and Steel Corporation	1
Orissa Mining Corporation	5
Total ..	341,69

There is no mention of any profits being earned from the first six undertakings listed above. The Orissa Mining Corporation is stated to have yielded some profit to Government in 1957-58, but the relevant figure is not available.

Under the Ministry of Transport and Communications there are four undertakings. Figures of Government investment in them to the end of 1959-60 are given below in lakhs of rupees:

Eastern Shipping Corporation	8,35
Western Shipping Corporation	7,25
Indian Telephone Industries (P.) Ltd.	3,59
Hindustan Shipyards	4,66
Total ..	23,85

The two Shipping Corporations are stated to have yielded some profits in 1957-58, but the relevant figures are not available. Government have earned a profit of Rs. 7 lakhs from the Indian Telephone Industries in 1957-58; the estimate of profit for this undertaking in 1958-59 is also Rs. 7 lakhs, but no estimate is available for 1959-60. As for the Hindustan Shipyards, there is no indication that any profit has been or will be earned by the Government in the near future.

Under the Ministry of Works, Housing and Supply, the Hindustan Housing Factory (Private) Ltd. will have accounted for a total Government investment, to the end of 1959-60, of Rs. 41 lakhs and the Ashoka Hotel (Private) Ltd. for Rs. 134 lakhs. The former undertaking is stated to have yielded some profit in 1957-58 but the relevant figure is not yet available. There is no indication that the Ashoka Hotel has made or will be yielding any profit in the near future, although there are unofficial reports that the Hotel has turned the corner.

The Department of Atomic Energy has under it two Government companies—Indian Rare Earths Ltd., and Travancore Minerals (Private) Ltd. The total investment in the former will come to Rs. 64 lakhs and in the latter to Rs. 25 lakhs. There is no indication that the former company has made or will be yielding any profit; the latter company is stated to be yielding some profit but the relevant figures for the years concerned are not yet available. The Department of Atomic Energy also runs directly an undertaking called the Thorium Uranium Plant. The total Government investment in this will have come to Rs. 105 lakhs at the end of 1959-60; there is no indication that this departmentally-run undertaking will be yielding any profit at all.

The grand total of Government investments in all the undertakings mentioned in the previous paragraphs will have come to Rs. 428.9 crores as at the end of 1959-60. This figure is exclusive of large loans given to the companies, the terms of which are not clear. For instance, it is not known whether the loan of Rs. 2.35 crores given to the Hindustan Machine Tools (Private) Ltd., in addition to a capital of Rs. 3.90 crores, is free of interest or subject to interest. If the loans given to various enterprises are taken into account, the total investment will be very much more. Unfortunately, consolidated total of these loans is not readily available. Be that as it may, the total profits, such as are being earned by Government, are placed at Rs. 1.33 crore for 1957-58, Rs. 1.04 crore for 1958-59 (revised estimate) and Rs. 1.28 crore for 1959-60 (budget estimate). Of course, the net profits earned by many of the Government companies should be much more. To give some examples: The net profit of the Hindustan Antibiotics carried to the profit and loss appropriation account for 1957-58 was Rs. 33.4 lakhs; in the case of the Hindustan Machine Tools the net profit for that year was Rs. 30.7 lakhs; the Sindri Fertilisers and Chemicals made a net profit of Rs. 143 lakhs for the same year.

Since, in all these three cases, there is no provision for income-tax (including super-tax) as in the case of non-Government companies, it would be difficult to say whether conditions in respect of profit-making are comparable as between Government and non-Government companies. It is, therefore, difficult to say whether net profits in relation to capital investment in Government companies compare more favourably or less favourably than in the case of non-Government companies. Again, in the matter of wages and labour conditions, there are two conflicting opinions on Government companies —one that they are better and the other that they are worse than in non-Government companies. It would thus be difficult to find a uniform yardstick for comparing conditions in Government companies with those in non-Government companies. Obviously, the issue raised by the F.I.C.C.I. would require more detailed and careful examination.

Notices

ALLIANCE JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Members of ALLIANCE JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Tuesday, the 31st day of March, 1959, at 3-15 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st May, 1958, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To appoint a Director in place of Mr. G. L. Bangur, the Director retiring by rotation at the Meeting.
3. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 17th to 31st March, 1959, both days inclusive.

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

By Order of the Board,
McLEOD & Co., LTD.,
C. HOCKLEY,
Secretary,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *27th February*, 1959.

KAMARHATTY COMPANY, LIMITED

THE DIRECTORS, AT THEIR MEETING held today, have declared the dividends payable on the 6 per cent. Cumulative Preference Shares for the years ended 31st December, 1956 and 31st December, 1957. Such dividends will be paid without any deduction for Income-tax to those shareholders whose names are registered in the books of the Company on the 30th March, 1959.

The Transfer Books of the Preference Shares of the Company will be closed from the 23rd March to the 30th March, 1959, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA-1, *27th February*, 1959.

PERSONAL TAXATION UNDER THE BUDGET FOR 1959-60

(*Concluded from page 408*)

limit without paying expenditure tax, merely because she is married, whilst continuing to give the unmarried woman the right and privilege of such spending without paying tax? This is, indeed, a harsh and unfair tax penalty on the working woman who gets married! The Finance Minister should amend his budget proposals so as to treat the woman who works and earns as a separate unit distinct from her husband for granting the exemption allowance under the expenditure tax law's provisions.

The budget also contains two changes which are connected with the proposal for treating the wife, husband and all minor children as a unit for the purposes of the expenditure tax. The expenditure tax is payable only by a person whose net income after payment of taxes exceeds Rs. 36,000 per year. It is now proposed to include the income of the wife and the minor children in the husband's income for calculating the total income of Rs. 36,000 (after tax) for determining the applicability of the expenditure tax to an assessee. For reasons outlined already, it is unfair to add a wife's earned income to the husband's and children's incomes to determine the applicability of the Expenditure Tax Act to the husband.

Another proposal contained in the budget is to tax all expenditure incurred by the wife, husband and children treated as one unit in excess of the exempted limit, irrespective of the source of income from which such expenditure is incurred. Here again, the wife should have the separate and distinct right to incur expenditure out of her earned income and to be taxed as a separate assessee for expenditure incurred by her out of her earned income.

A Fantastic Error

The official memorandum explaining the provisions in the Finance Bill, 1959, observes thus: "Under the Expenditure Tax Act, rent paid by the assessee for a residential house is his personal expenditure as also any monies spent by him on its maintenance or repairs. On the other hand, in the case of an assessee who resides in his own house, not only is no adjustment made for the saving of rent in the computation of expenditure, but he is also entitled to claim exemption for personal expenditure against repairs and maintenance of the house under the existing Act. To remove this anomaly, as between persons who reside in rented premises and others who reside in their own properties, it is proposed to treat expenditure by way of repairs, maintenance, etc., in respect of owner-occupied property, as personal expenditure." The notes to the clauses of the Finance Bill make a similar claim. Yet a careful examination of the actual clause in the Finance Bill reveals a fantastic error of drafting, which, if allowed to pass unnoticed, will result in vast hardships to millions of tenants and landlords in the country.

According to clause (e) of Section 5 of the Expenditure Tax Act, "any expenditure incurred by the assessee in connection with the acquisition of any immovable property or in the construction, repair, maintenance or improvement of any immovable property belonging to him" is exempted from the expenditure tax. Now according to clause 25 of the new Finance Bill "in Section 5 of the Expenditure Tax Act—in clause (e), for the words "or in the construction, repair, maintenance or improvement of any immovable property belonging to him," the words "or in the construction of any building" shall be substituted." *There is no mention of owner-occupied properties in the actual clause.* The result is that, as the clause stands, all expenditure incurred by a landlord on repairs, maintenance or improvement of buildings in which he does not reside but are occupied by tenants will be included in his personal expenditure and will be taxed. If the clause is allowed to pass in its present form, it will make landlords absolutely unwilling to maintain or repair properties in which tenants are staying, as they will have to pay the expenditure tax on the outlays for such repairs and maintenance—which by no concept of logic or equity can be really included in the personal consumption expenditure which the expenditure tax is supposed to curb and tax. The drafting of the present clause 25 is a glaring instance of the extreme lack of care in drafting tax legislation which has crept into the government machinery during the past few years. It is to be hoped that this error of drafting will be amended before the Finance Bill is passed, in order to restrict the application of the clause to owner-occupied premises only, as was intended by the Government according to the memorandum explaining the provisions in the Finance Bill and according to the notes to the various clauses of the Bill.

Under the original Expenditure Tax Bill, 1957, it was proposed to include within personal expenditure outlays on bullion, precious stones and jewellery. Thereafter, it was realised that these outlays were of a capital nature and so expenditure on bullion, precious stones and jewellery was exempted from the provisions of the expenditure tax. The life of these items often extends to centuries and they cannot be treated as consumer goods. It is because of this that such items have been included in the total computation of wealth for the purposes of the wealth tax. Now the budget proposes to include spending on bullion, jewellery and precious stones in taxable expenditure for the purposes of the Expenditure Tax Act. This is most unfair. Government should decide whether these items are capital goods or consumer goods. Then they should be subjected to either the wealth tax or the expenditure tax. But it is obviously contradictory and unfair to claim first that bullion, jewellery and precious stones constitute capital goods and should therefore be included in the total wealth for the purposes of the wealth tax and then to claim that these same items constitute consumer goods which should therefore be subject to the expenditure tax in the same year.

Under the budget proposals, the expenditure tax means a further and heavier burden of tax in addition to the other direct taxes levied on individuals in India. It will deal fresh and heavy blows to the incentives to work, saving, risk-bearing and economic progress of the nation.

The budget does not propose any changes in the capital gains tax, the gift tax and the estate duty which have all been levied at heavy rates in the past few years. These taxes will continue as parts of a structure of direct personal taxation which imposes crushing, intolerable and inequitable burdens of tax on individuals and acts as the main factor adversely affecting incentives to progress in the country.

Conclusions

It may finally be asked: Are these hardships necessary? The answer must be emphatically in the negative. The new taxes have failed to yield revenues which had been originally anticipated from these new tax measures. Indeed, the revenue yielded by the new taxes in the past two years has been so disappointing that it is doubtful if it exceeds even the administrative costs and effort in collecting these taxes.

When the Wealth Tax Bill was introduced by Mr. T. T. Krishnamachari in 1957, it was expected to bring in Rs. 15 crores in revenue. After the Bill was amended according to the recommendations of the Select Committee of Parliament which studied the new tax measure, it was expected to yield Rs. 12.50 crores. The revised estimates of tax yields for the first year of the wealth tax, 1957-58, put the total revenue from the tax at only Rs. 9 crores. For the budget of 1958-59 the wealth tax was estimated to yield Rs. 12 crores; the revised estimates put the yield from the tax in the year at only Rs. 10 crores. As a result of the increase in the rates of wealth tax proposed in the recent budget, the yield from it is expected to be Rs. 13 crores for 1959-60. These figures include the wealth tax payable by companies which accounts for almost half the total of wealth tax realised in the country.

The expenditure tax was estimated to yield Rs. 3 crores in the first year of its operation, 1958-59. This tax was introduced by Mr. Krishnamachari for use as "a potent instrument for restraining ostentatious expenditure." It was recommended by Mr. Kaldor for this purpose, because he believed that the richer classes were not only spending their entire incomes but also portions of their capital. This belief of Mr. Kaldor has been now proved completely false. In August 1957, I had challenged this wrong assumption about the spending habits of the rich in our country. In two public lectures delivered in that month in Bombay and Poona, I had claimed: "Persons familiar with Indian conditions will readily realise that this claim about the spendthrift habits of the rich .... in the Kaldor Report is grossly exaggerated and false. If statistics were available, they would probably show that, as compared with the wealthy classes in other countries, the wealthy classes in India are made up not only of the thrifty but, in many cases, the most miserly people in the world! This will probably be borne out by the returns of the expenditure tax in the years to come... The yield from the expenditure tax to the revenue will be negligible." My original estimates have now been proved correct. The revised estimates for 1958-59 put the yield from the expenditure tax at merely Rs. 1 crore or *only one-third of what the tax was first estimated to yield.* Even after the recent budget proposals, the yield from the tax for the coming year, 1959-60, is estimated at only Rs. 1 crore. Official figures show that for the calendar year 1958 expenditure tax was altogether assessed in the country to the extent of about Rs. 38 lakhs, out of which only about Rs. 6 lakhs were actually collected. Mr. Morarji Desai has frankly admitted in his budget speech that "the revenue from the expenditure tax has been quite disappointing this year." If he had computed accurately the administrative cost of collecting the tax, he would most probably have found that it exceeded the revenue collected from this direct tax. And it is possible that even his present estimate of the tax yielding Rs. 1 crore in the year may prove to be on the optimistic side when the figures of actual assessments and collections become available. Mr. Kaldor's optimistic assumption that the tax would yield many crores in revenue have been proved completely false. Perhaps, grounds of sheer practicality and efficiency in tax collection will soon dictate the abolition of this odd tax which had been rejected by all countries of the world, excepting India, and which is no more than an ingenious but highly defective theoretical brain-child of a clever but erratic and unsound economist, Mr. Kaldor.

The Gift Tax introduced last year was estimated to yield Rs. 2 crores in the first year of its operation, 1958-59. But the revised estimates place its yield at only Rs. 1.20 crore for that year. For the coming year, 1959-60, the tax is expected to yield only Rs. 1.20 crore.

Thus the new taxes have involved tremendous administrative problems. They have led to severe harrassment of assessees. They have had severe, psychologically adverse effects on the incentives to work, to save and to take entrepreneurial risks on the part of individuals in the country. The yield of the new taxes has also been most disappointing, making their levy not worth the bother and sacrifices involved. As compared with the traditional forms of direct taxation, like the income-tax which, in the past year, yielded no less than Rs. 87 crores, the revenue from the new taxes has been negligible and has fallen far below the initial expectations and estimates of Mr. Krishnamachari and Mr. Kaldor. The disadvantages of these taxes are many: adverse effects on incentives in the economy, harrassment of taxpayers, substantial administrative cost for collection, etc. The advantages of these taxes in terms of revenue are few—almost non-existent. The past record should dictate the abolition of the new direct taxes imposed on individuals. The Kaldorian monster of the new system of direct taxation should be rejected with the contempt it deserves and swept away into the limbo of oblivion.—*All Rights Reserved.*

Notice

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT INterest for the half-year ending 31st March, 1959, will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 31st March, 1959, or in accordance with their instructions.

A. G. GIDLEY,
Secretary.

12, MISSION ROW,
CALCUTTA, *10th March*, 1959.

TREASURY BILL RATE HARDENS

(From Our Own Correspondent)

BOMBAY, 11*th March*

There has been no change in the conditions of short-term money market since our last report. With the progress of the busy season, the demand for bank credit continues unabated and the volume of floating funds in the market has considerably shrunk, with the result that banks are compelled to draw on their balances with the Reserve Bank and seek short-term accommodation from it. They have also been selling their holdings of Government securities. During the four weeks ended 27th February, Scheduled banks' investments have fallen by Rs. 22 crores of which Rs. 11.14 crores are represented by Treasury Bills. It may be noted here that, as against Rs. 19.64 crores of maturities during February, the outflow by way of new Treasury Bills was of the order of only Rs. 8.50 crores including intermediates.

Interest rates are held firm at the previous week's levels. Inter-bank call money is being bid at 3½ per cent. among the Exchange banks and big Indian banks and at 3½ to 3¾ per cent. among the smaller banks. House money at seven days' notice is fetching 3¾ per cent. and short-term deposits 3¾ to 4 per cent. for one to six months.

The upward trend in Treasury Bill discount rate persists. This week, it is 2.680 per cent. per annum, as against 2.625 per cent. last week and 2.592 per cent. two weeks ago. The amount offered was no more than that invited, namely, Rs. 2 crores. Tenders for next week also are unchanged at Rs. 2 crores. No sale of intermediate bills took place this week also. Nevertheless, the authorities continue to offer them to the market.

An expansion of Rs. 33.95 crores in notes in circulation is the main feature of the Reserve Bank of India statement for the week ended 6th March 1959. This raises the active notes to a peak of Rs. 1,688.58 crores. Notes held in the Banking Department are lower by Rs. 16.90 crores. The increase of Rs. 17.04 crores in total notes issued is covered by a rise of Rs. 20 crores in rupee securities and a decline of Rs. 2.95 crores in rupee coin. There has been no change in either foreign securities or balances held abroad. Deposits of the Central Government have declined by Rs. 4.74 crores and of other Governments by Rs. 6.10 crores. Deposits of banks, too, have fallen by Rs. 10.96 crores. Loans and advances other than to Governments are higher by Rs. 3.93 crores, while investments have declined by Rs. 5.65 crores.

The Scheduled banks' statement for the week ended 27th February 1959 shows a fall of Rs. 3.24 crores from the peak level of Rs. 901.17 crores, but this has been more than made good by a rise of Rs. 6.32 crores in demand deposits, so that the total net deposits show an increase of Rs. 3.08 crores to stand at Rs. 1,610.03 crores. Borrowings from the Reserve Bank have risen by Rs. 2.66 crores. Advances are higher by Rs. 7.14 crores, while bills purchased and discounted have declined by Rs. 1.67 crore. There has been a fall of Rs. 1.47 crore in investments. While cash balances have gone up by Rs. 2.51 crores, money at call and short notice has shrunk by Rs. 1.79 crore.

Barring persistent enquiries for 4 and 4½ per cent. State loans and the long-term issues of the Central Government, which have resulted in a further hardening of prices, the Gilt-edged market has been lethargic, with very little business passing. The acute stringency in short-term money market is the main adverse factor. 3 per cent. 1986 Conversion Loan is ruling quiet with a drop of 5 nP over the week to Rs. 74.10. 3 per cent. 1970-75 has buyers 5 nP higher at Rs. 91, while 3 per cent. 1966-68 is unchanged at Rs. 93.85. 3 per cent. 1964 and 1963-65 are maintained at Rs. 97 and Rs. 96.75, respectively. 3½ per cent. National Plan issues continue to be on offer at quoted rates. 3¾ per cent. 1974 is quoted 10 nP higher at Rs. 98.85, following the increase in the official selling price. This pushed up 4 per cent, 1973 also by 5 nP to Rs. 101.60. Among State loans, Bombay 4 per cent. 1970 has hardened by 10 nP to Rs. 100.25 and 4½ per cent. 1969, 1970 and 1971 loans by 15 nP each to Rs. 102.50. West Bengal, U.P. and Madras 4½ per cent. 1970 each has picked up 20 nP to Rs. 101.60. Andhra 4½ per cent. 1970 has gained 30 nP to Rs. 101.55.

Sterling has been a little erratic, but the undertone is still firm, as witness the slight rise in spot rates in New York. Over the week, spot sterling has gained 1/32c to $2.81½-2 81.3/16, while three months' forward is unchanged at $2.80¾-2.80.15/16. In consonance with this trend, rupee also rules steady in terms of the U.S. dollar. Banks' selling rate for ready dollars after dropping from Rs. 476.25 to Rs. 476 per $100, has returned to Rs. 476.25, while their buying rate has remained unchanged at Rs. 472.75 per $100.

SHEEP SKINS IN GOOD DEMAND

(From Our Own Correspondent)

MADRAS, 9*th March*

There was no appreciable change in the kip market, except buff calf which recorded a slight increase in price, due to good overseas inquiries. U.K. trading was small, as inquiries centred mostly round lower grades for which there was brisk inland demand at higher prices. Top marks in cow hides, cow calf and buff calf skins found good outlet; but sellers were not keen to book further business, as they had plenty of orders in their books.

Tanned sheep skins—middle class—were in good demand and prices advanced by 10 nP. There were large inquiries for tanned goat skins

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, 11*th March*

The firm trend noted in the bullion market last week continued unabated during the major part of the week under review, with prices moving up further. Both silver and gold evoked sustained buying on expectations of brisk seasonal demand in the near future. Renewed purchases by option dealers and firmness of commodities also imparted strength to the market. Yesterday and today, however, the yellow metal suffered a setback brought about by profit-taking. Nevertheless, today's closing rates for forward deliveries were higher than those at the end of last week, though spot gold was lower.

March settlement in silver met with excellent support and forged ahead from Rs. 195-9 to Rs. 197-14 today. April settlement picked up Re. 1-13 to Rs. 197-5. The carry-forward charge in favour of bulls widened considerably, from an anna on Wednesday to As. 9 today.

Ready silver, which was quoted at a discount of As. 3 under the March settlement last week, was at par today, the closing rate being Rs. 197-14. The daily average arrivals of silver were 14 bars, while offtake was 12 bars per day. The floating stocks of silver are reported to be around 1,100 bars.

In the gold section, March settlement opened the week at Rs. 117-12-6, as against Rs. 118-2-6, and, after spurting to Rs. 118-14 on Monday, receded to Rs. 118-3 today before finishing at Rs. 118-4. April settlement strengthened from Rs. 117-10 last week-end to Rs. 118-4 on Monday. Subsequently, it eased to touch Rs. 117-13 today. Towards the close, it was an anna and a half better at Rs. 117-14-6. The carry-forward charge in favour of bulls narrowed down from As. 8½ last week-end to As. 5½ today, after being higher at As. 10 on Monday.

Ready gold opened the week easy at Rs. 118-4, as against Rs. 119-5-6. It rallied to Rs. 119-12 on the 9th inst., but drifted lower in the subsequent sessions to touch Rs. 118-10. At the close, it was better at Rs. 118-11. The daily average arrivals and offtake of gold were 5,000 tolas and 3,500 tolas, respectively. The floating stocks of gold are estimated at 25,000 tolas.

Ready and forward silver provided a bright spot in the London bullion market this week, the quotation for both spurting from 78½d. to 79¾d. per fine ounce on the 9th inst., the highest touched since 12th May 1957 for ready and 1st May 1957 for forward. Forward silver was, however, a shade easy at 79¼d. yesterday. The handsome rise was due partly to the notable improvement in New York price and partly to pressure of demand on a market not too well off with supplies. It was stated that France was a buyer for coinage purposes. France, we are told, is going to recoin the franc. The London price was virtually at parity with New York where silver stood yesterday at 91.375 cents, as against 91.125 cents a week before. Gold in London, after receding from 249s. 5½d. to 249s. 4¾d. recovered to 249s. 5d. Yesterday, it was a shade easy at 249s. 4¾d.

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

	11-3-59	Highest	Lowest	4-3-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	118 11	119 12	118 10	119 5½
Forward*	118 4	118 14	117 10	118 2½
Sovereign	75 0	75 0	74 6	74 6
SILVER				
Ready (.996 fine Mint) ..	197 14	197 14	195 6	195 6
Forward†	197 14	197 14	195 6	195 9
London Silver Ready ..	79¼d.	—	—	78¾d.
London Forward	79¼d.	79¼d.	79¼d.	78¾d.
London Gold	249s. 4¾d.	249s. 5¼d.	249s. 4¼d.	249s. 4¼d.
New York Silver	91.375c.	91.375c.	91.125c.	91.125c.

* 23rd March settlement. † 24th March settlement

BLACK PEPPER EASY

(Messrs. Parekh and Co.)

BOMBAY, 11*th March*

Malabar black pepper softened during the week for want of demand, foreign and inland. Ungarbled at Cochin sagged down to Rs. 668.75, while garbled to Rs. 116. March delivery came under pressure of liquidation by longs and moved around Rs. 119. Calicut went down to Rs. 700 to attract business but so far without result.

Spot at New York was shaded to $0.25½. Singapore receded to Str.$79 for Lampong, despite higher advice from Djakarta. Sarawak white, after, improving to Str.$159, turned weak and was quoted at Str.$157.

The future of Malabar black pepper now depends upon the demand either from the U.S. or from the U.S.S.R. which is likely to develop in the near future. Stock of Lampong and Muntok are now low and in strong Chinese hands at Singapore.

Ready Malabar black in Bombay is quoted between Rs. 96 and Rs. 105 according to quality.

light weights all grades and 11/12 lbs. lower grades and the market was firm.

Shipments during February 1959 were: To the U.K.: 2,269 bales cow hides, 247 cow calf, 416 buff calf, 685 tanned goat and 639 bales tanned sheep; to the Continent: 4 bales tanned cow calf, 22 tanned buff calf, 375 tanned goat and 214 tanned sheep; to U.S. ports: 1 cow, 6 tanned cow calf, 149 tanned buffs, 319 tanned buff calf, 152 tanned goat and 3 bales tanned sheep; to Japan: 129 bales tanned sheep skins.

COTTON FUTURES EASE TOWARDS CLOSE

(From Our Own Correspondent)

BOMBAY, 11*th March*

Buoyant conditions prevailed in the cotton futures market during the major part of the week under review. Heavy speculative buying and large scale investment support led to a sharp spurt in prices. The buoyancy was attributed to the following factors: (1) Firm spot advices reflecting the reduced crop estimate and brisk mill buying. (2) The small volume of tenders against the expiring March contract. On the third notice day, that is 9th inst., only 100 bales were tendered, bringing the total tendered to 650 bales. Out of the 350 bales that came in for appeal, only 150 bales were passed. This, it was thought, would discourage larger tenders on succeeding tender days and would lead to further strengthening of the market. The report that the Laxmi-Jaydhar and Southern crop suffered severe damage both quantity-wise and quality-wise, fanned the bullish fervour. Better news from the export front imparted further strength to the market. Cotton futures consequently spurted, the March contract to Rs. 680.50 and May to Rs. 681.50 yesterday. These high levels led to fear of official intervention. This provoked some nervous liquidation with the result that prices sagged. A further fall in prices was recorded today and the market closed on an easy note. The closing rates were, however, well above last week-end quotations.

I.C.C. Moglai Jarilla March opened the week at Rs. 664.50, as against the previous closing of Rs. 662.50, and steadily advanced to Rs. 680.50 yesterday but declined to Rs. 677 at close. Commencing at Rs. 677 today, the market gathered Rs. 3 before easing to Rs. 675.50 at which rate the session was wound up. I.C.C. Moglai Jarilla May commenced the week at Rs. 669 and firmed up to Rs. 681.50 yesterday, before dropping to Rs. 678.75. Opening at Rs. 678 today, the contract advanced to Rs. 681.50 before reacting to Rs. 675.50 at the close. The market was closed on Saturday. The trend of prices of contract during the week is indicated below:

(In rupees per candy of 784 lbs.)

	11-3-59	*High*	*Low*	4-3-59
I.C.C. Moglai Jarilla March 1959 ...	675.50	680.50	662.00	662.50
I.C.C. Moglai Jarilla May 1959 ...	675.50	681.50	666.50	668

In the spot section, there was brisk mill activity. Persistent demand was noted for staple varieties and rates hardened. Vijay and Kalyan were the centre of attraction. Bulk buying was reported in both these varieties. CO2 and Surti were also very well favoured. Southern mills were especially interested in Kalyan.

On the export front, steady demand was reported from Japan for Bengals. Some business was also put through in Kala and Wagad.

In the foreign section, Sudan and East Africans evoked attention. B.P. 52 was done at Rs. 1,060 —Rs. 1,065 and Busoga at Rs. 1,020 to Rs. 1,025.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 695; Berar Jarilla 760; Khandesh 825; Vijay 950; Jaydhar 945.

In the Karachi cotton futures market, increased switch over of purchases from the maturing March contract to May resulted in a sharp fall in the quotation for the former while the latter ruled firm on buying support. The March contract declined from Rs. 55 last week-end to Rs. 53-8 while May improved from Rs. 55-15-6 to Rs. 56-4. Spot values ruled fully steady. *Deshi* styles showed a modest improvement over the week. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 75-8; Punjab *Deshi* 66; 4F Punjab Roller 58; S.G. 63; L.S.S. Punjab Roller 59-7; S.G. 63-12; N.T.R.G. 63-4; S.G. 69-7; 289F Punjab Roller 67-7; S.G. 76-4.

Quiet conditions prevailed in the Alexandria cotton futures market during the week under review. In the absence of any new development, trading interest was low and turnover limited. Values moved in a narrow range, with only minor net change over the week. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week-end closings:

Karnak: March 71.00 (71.00); May 71.30 (71.25). *Ashmouni*: April 61.60 (61.70); May 61.65 (61.75).

The Liverpool cotton futures market depicted a mixed trend during the week. While the near deliveries ruled firm on good support the distant contracts met with selling and declined. Sudan contracts lacked buyers but values remained unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: March-April 22.10; May-June 21.55; July-August 20.10; October-November 19.30. *American cotton mixed growth contract*: March-April 22.55; May-June 21.90; July-August 20.15; October-November 19.15. *Sudan*: May-June, July-August, September-October 22.00.

After a sharp reaction in prices early in the week on heavy liquidation and hedge pressure, the New York cotton futures market witnessed a gradual recovery in later sessions, thanks to Commission House buying and trade support. The demand was attributed to increased activity in the allied

markets. Expectations of good demand for early new crop cotton also imparted strength to the market. The closing rates were, nevertheless, below last week-end quotation.

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

(In cents per lb.)

	10-3-59	3-3-59	24-2-59
Spot	35.70	35.75	35.60
March	35.41	35.59	35.68
May	35.41	35.59	35.71
July	34.63	34.72	34.69

ART SILK YARN IMPORT SCHEME SUSPENDED

(From Our Own Correspondent)

BOMBAY, 11*th March*

The yarn market exhibited a firm trend during the week under review. Rayon yarns were particularly strong on fears of shortage of supplies in the coming weeks, in view of the latest decision of the Central Government to suspend the operation of the export promotion scheme under which licences for import of art silk yarns are issued. The suspension, it is said, is a sequel to the need for some modification of the scheme considered necessary by the Government. So far as applications for import licences already submitted but still pending with the import licensing authorities are concerned, a special committee, we are told, will be appointed to help these authorities to scrutinise the applications. Traders noted the decline in imports of art silk yarns into the Bombay port during the month of February. The imports aggregated 3,214,197 lbs., as against 3,411,947 lbs. in the preceding month. In sympathy with rayon yarns, staple fibre yarns also tended to move up. Cotton yarns were fully steady.

Cupressa Bamberg art silk yarn (60×1) April delivery forged ahead from Rs. 1,524 to Rs. 1,553. June delivery was firm at Rs. 1,572. Spot yarns hardened by 12 nP to Rs. 8.12. National Rayons 120 bright cones first grade strengthened by 11 nP to Rs. 4.56. 150 bright cones first grade gathered 4 nP to Rs. 4.32. Among foreign yarns, 120 Italy picked up 6 nP to Rs. 5.06. 120 Japan and 150 Japan rose by 3 nP each to Rs. 4.90 and Rs. 4.97, respectively. 150 Italy was fully maintained at Rs. 5.25.

In the staple fibre yarn section 40×2 April delivery met with excellent buying support and rallied Rs. 3 to Rs. 629. June delivery was fully maintained at Rs. 636. Spot Citys put on 3 nP to Rs. 3.22. Centurys gained a like amount to Rs. 3.25. Among foreign yarns, 80×2 Fujis increased by 9 nP to Rs. 8.34. Paramounts were firm at Rs. 7.87.

Deals put through in cotton yarns were restricted, with values moving narrowly. Ten counts Moderns were unchanged at Rs. 13.37, as also Podars at Rs. 12.19. Twenty counts Hinds, Moderns and Sexarias were done at Rs. 16, Rs. 16.25 and Rs. 15.50, respectively. Forty counts Moderns were fully steady at Rs. 26, while Meenaxis gave way from Rs. 25.31 to Rs. 25.25. Sixty counts were maintained at the last week's level. Raghuvamshis were quoted at Rs. 55 and Finlays at Rs. 65. Among eighty counts, Citys hardened by 50 nP to Rs. 67.50. Finlays were quoted at Rs. 81, same as last week.

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

	11-3-59	4-3-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg April / June	1,572 / 1,553	1,524 / —
" (per case of 200 lbs.) / 60/1 Cupressa Bamberg spot (per lb.)	8.12	8.00
120 Japan (per lb.)	4.90	4.87
150 Japan (per lb.)	4.97	4.94
120 Italy (per lb.)	5.06	5.00
150 Italy (per lb.)	5.25	5.25
Staple fibre yarn—		
40 ×2 April (per case of 200 lbs.)	629 00	626.00
40 ×2 June.. (— Do —)	636 00	—
40 ×2 Century (per lb.)	3.25	3.22
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern..	16 25	16.25
40s Minaxi	25 25	25 31
60s Finlay	65 00	65.00
80s City	67.50	67.00

OILSEEDS BUOYANT

(From Our Own Correspondent)

BOMBAY, 11*th March*

Distinctly buoyant conditions prevailed in the oilseeds market during the week under review. Under the leadership of groundnuts, oilseeds made a strident recovery, almost reaching the highest levels reached last month before the imposition of margin by the Forward Markets Commission. The paucity of stocks, poor inflow of new crop and limited offerings aided the sentiment. The spot section was particularly buoyant, thanks to sustained offtake by crushers and other consumers. The statistical position too was favourable to the bulls. The market was thick with rumours of encouraging export advices, particularly in castor oil.

The spectacular rally in the groundnut section was induced by the tight supply position in the spot section. Lack of encouraging advices from abroad and a lurking fear of intervention by the Forward Markets Commission could not bring about a reaction in the face of strong support from crushers and *vanaspati* manufacturers. Groundnut May 1959 which stood at Rs. 179.87 last Wednesday, after experiencing minor fluctuations, with a bullish undertone, closed today at Rs. 184.25. Bold ready improved from Rs. 36.12 to Rs. 37.50 today. Oil ex-mill, similarly, hardened from Rs. 18.69 to Rs. 19.62.

Although the export demand for castor oil was more or less subdued, there were rumours that the Communist countries would become buyers in the not too distant future. It was also reported that the U.S. purchases of Brazilian castor oil have tapered off lately and that it would turn its attention to India. These reports, however, remain unconfirmed. A reaction would have set in in the castorseed section, owing to steady inflow of new crop from Hyderabad and Gujerat, but for the strong support given by the North Indian operators. May 1959 contract moved up from Rs. 155.37 to Rs. 159.26 on Monday. It, however, fell to Rs. 158.37 when it wound up today. Ready Madras, after fluctuating between Rs. 30.19 and Rs. 30.87, closed today at Rs. 30.75 with a gain of 50 nP over the week. Oil B.S.S. too, after moving in a narrow range, finished today at Rs. 16.62.

Presumably in sympathy with the other seeds, linseed made considerable headway. It received good support at the hands of North Indian interests. Foreign inquiries were, however, not encouraging. Linseed May 1959 contract moved up from Rs. 32.31 to Rs. 32.94 on Monday. It subsequently suffered a slight setback to close the week at Rs. 32.81. Bold ready which closed last week at Rs. 32.50 moved both ways within a narrow range before it wound up the week today at Rs. 32.62. Linseed oil gained by about 19 nP over the week and closed today at Rs. 16.37. The buoyancy in the cotton market was a source of strength to cottonseed futures. There was good speculative support as well. Cotton May 1959, although it declined from Rs. 126.00 to Rs. 125.25 on Thursday, made considerable gains in the later sessions. The contract closed today on a steady note at Rs. 128.25.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	11-3-1959	4-3-1959	25-2-1959
Groundnut	Rs.	Rs.	Rs.
May 1959	184 25	179 87	178.00
Bold ready	37 50	36 12	35.75
Coromandel ready	37.75	36 50	36.12
Khandesh quality	37 75	36 25	36.12
Oil ex-mill ready*	19 62	18 69	18.62
Railway receipts*	19.25	18.62	18.44
Castorseed			
May 1959	155.37	155.37	155.25
Ready Madras	30 75	30 19	30.25
Ready Kanpur	29 75	29 00	29.25
Oil B.S.S.†	16 62	16 37	16.44
Oil commercial†	15.56	15.37	15.50
Linseed			
May 1959	32 81	32 31	32.31
Bold ready	32 62	32 50	32.62
Oil ready†	16 37	16.19	16.75
Cotton seed May 1959	128.25	126.00	119.75
Niger seed	28.75	28.50	28.75
Kardi seed	23.00	21.75	21.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 500 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR DECLINES SHARPLY

(From Our Own Correspondents)

BOMBAY, 11*th March*

There was a further sharp decline in spot and ex-mill sugar prices during the week under review. The decline followed selling pressure induced by the Union Food Minister's warning against any tendency for rigging up prices. Addressing the annual general meeting of the Indian Sugar Mills' Association at New Delhi on Monday, the Minister stated that the Government would take serious notice of such mills as were found to be selling sugar at a premium over the controlled ex-mill rates. The decline would have been more marked but for very poor arrivals by rail; the quantity that actually arrived was no more than 6,430 bags, as against as much as 33,120 bags in the previous week.

Large grain fell by Rs. 2 to Rs. 112-Rs. 117 per bag. Medium grain receded from Rs. 112-Rs. 113.50 to Rs. 110.50-Rs. 111.50. Small grain was quoted at Rs. 110, as gainst Rs. 110-Rs. 111.50 last week.

* * * *

HAPUR, 9*th March*

The sugar market continued to rule steady to firm during the week, due to good outside demand and expectation of early termination of the crushing season. There are reports that about a dozen factories have already ceased crushing and that those still running are likely to go out of production at an early date owing to shortage of cane supplies. The overall sugar production is expected to be lower than last year at 19.72 lakh tons and much of the shortfall is expected in U.P. where there has been paucity of sugarcane supplies in the mills due to increase in the number of crushers. Most of the factories are effecting sales in private at prices higher than those fixed by the Government. The latest prevailing prices (f.o.r. mill stations) in the Muzaffarnagar market were: Laksar C29 Rs. 38.37; Saharanpur E29 Rs. 37.87; Iqbalpur C29 Rs. 38.54; Khatauli B29 Rs. 38.75; Amroha D29 Rs. 37.69; Bijnore D29 Rs. 37.50; Seohara D29 Rs. 37.50; E29 Rs. 37.31; Mansurpur C29 Rs. 38.56; D29 Rs. 38.19.

Ex-mill delivery prices in the Kanpur market recorded a buoyant tendency during the week, thanks to good outside demand. Another factor that cheered the trading sentiment was curtailment of competition from *khandsari* sugar now subjected to excise duty.

Khandsari ruled steady, following the imposition of excise duty, but most of the crushers have begun manufacturing *gur* after the levy. The producing interests have protested against the imposition. The prevailing prices were:—superior dry Rs. 33 to Rs. 36.25; inferior moist Rs. 29 to Rs. 32.50 per maund.

Ready *gur* registered a modest fall towards the week-end, as outside demand was slack and arrivals were at an average of 4,000 to 5,000 maunds. Local stock swelled to 70,000 maunds. Crushers are mostly manufacturing *gur* and are purchasing cane upto Re. 1.50 per maund which is higher than the price paid by factories. The prevailing prices here were:—*gur pansera* Rs. 16.94 to Rs. 17.12; *balti* Rs. 17.25 to Rs. 17.50; *shakker* Rs. 17.50 per maund.

Gur also ruled quiet in the Muzaffarnagar market where arrivals were at an average of 10,000 maunds daily. The latest prevailing prices were:—*chaku* Rs. 19 to Rs. 20.25; *ladu* Rs. 19 to Rs. 19.50; *pansera* Rs. 18 to Rs. 18.50; *rusker khurpapar* Rs. 12 to Rs. 13; *rusker ladu* Rs. 13 to Rs. 15; *shakker dara* Rs. 19.50 to Rs. 21.50; *masala* Rs. 22 to Rs. 23 per maund.

The sowings of cane for the next season has begun and, as prices of *gur* and cane throughout the season have been very favourable to cultivators, it is expected that acreage under cane will increase further in the next season.

GOOD DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 9*th March*

During last week's tea export and internal sales, good demand was in evidence at easier rates.

Trade circles consider that the adjustment in excise and export duties is too insignificant a benefit. The total loss of revenue to the Government is Rs. 35 lakhs which, when spread over the industry, is invisible to have any effect. There was, therefore, surprise when the Commerce and Industry Minister, Mr. Lal Bahadur Shastri, told the Export Advisory Council, that this adjustment would result in increased exports. It is true that the industry and trade have exported as much as to earn for the country foreign exchange worth Rs. 90 crores in the July-December period. That explained Mr. Shastri's admission that the recovery in the country's exports was mainly due to tea. However, with increased output and greater competition from other producing countries, particularly from Ceylon and Africa, it is difficult to maintain the good record without a greater reduction in the export duty. It is common knowledge that the gardens producing common teas alone are facing an economic crisis, and some of them, especially in Assam, are threatened with self-effacement.

Export offerings aggregated 65,574 chests. They met with good demand last week, but, as soon as bidders took a fair quantity, demand became slow and prices declined. A strong feature of the sales was the useful liquoring C.T.C.'s selling at notably higher rates. However, the poorer C.T.C.'s, after an irregular trend, gave way. Legg-cut teas lost by 6 nP, but the best lots were fully steady. "Teas for price" eased by 6 to 10 nP, and low and medium brokens and fannings by 4 to 10 nP. There were some withdrawals in B.O.P., while the few bright liquoring orthodox B.O.P.s and O.F.s had good demand. Stylish whole leaf grades were in fair demand, but other sorts lost by 10 nP. In Darjeelings, the few lots possessing autumnal flavour were favoured by buyers, while the other lots fell in an irregular trend.

The quotations—in rupees per lb. without adding the zonal excise duty—were: Best Assam C.T.C. fannings 2.60 to 2.80; best Assam C.T.C. B.P. 2.30 to 2.40; clean black pekoe 1.92 to 1.96; plain fannings 1.70 to 1.76, medium fannings 1.68 to 1.74; plain B.P. 1.60 to 1.66; and medium B.P. 1.58 to 1.62.

Buyers offered 1½ nP for export quota, although, earlier, business had been done at 1¾ nP.

In an otherwise easier internal market of last week depsite good demand, a strong feature was the lots in grainy legg-cut teas having powdery and small leaf rising above valuation. All other legg-cut grainy teas, however, eased by 4 nP. C.T.C.s showing an improvement in cup quality met with keen competition to realise prices higher than valuations, but poorer and medium kinds of this manufacture irregularly eased by 10 nP. The best liquorings were steady, and there were occasions when prices crossed those in the invoices. Orthodox descriptions declined by 2 nP, but the powdery teas attracted a premium. Darjeelings were irregular, the prices varying in accordance with quality. The quotations—in Rs. per lb. exclusive of excise duty—were: Best Assam C.T.C. 2.40 to 2.90; medium Assam C.T.C. 1.85 to 2.00; medium Dooars 1.78 to 1.80; and medium Assam grainy 1.74 to 1.76.

TEAS A SHADE EASY

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

COCHIN, 4*th March*

Approximately 700,000 lbs. were catalogued in Sale No. 9 held on Tuesday, 3rd March. Quality remained unchanged and there were a number of flavoury high growns on offer. The sale opened to a quieter tone and, in particular, there was less enquiry for low medium and medium teas and prices were irregularly easier. There was a good demand for best liquoring high grown brokens, but prices were barely steady. Similar fannings sold at easier rates. Whole leaf teas met with slightly better support and prices were occasionally dearer. The quotations are: low medium Re. 1.55 to 1.70; medium Re. 1.80 to 2.25; good medium Rs. 2.35 to 2.80; and quality Rs. 3.00 to 5.05.

London Market: *Sale of 2nd March* 1959.—Best liquoring and teas of good appearance generally dearer. Others steady, except for occasional thin liquoring types, which were easier.

Sale of 3rd March 1959.—Irregular and generally lower, except for improved quality.

Colombo Market: *Sale of 2nd March* 1959.—High and medium market opened weaker, at considerably lower prices, later demand strengthened, prices firmed and closed irregular, following quality.

Sale of 3rd March 1959.—Useful quality fannings and dusts dearer. Other sorts good demand slightly lower, particularly stalky kinds.

Export Quota.—The market has been quiet and business has been done at 1½ nP.

Export Duty.—The Budget announcements included the reduction of the export duty from 26 nP to 24 nP. There are also to be certain adjustments in the zonal excise duty under zone 3. It is understood that, instead of a flat rate of 10 nP for the zone, certain estates will now pay 12 nP, whilst others will only pay 8 nP. No announcement of estates affected has yet been made.

Forthcoming Auctions.—Sale No. 10 will be held on Tuesday, 10th March and Dust Sale 'E' on Thursday, 12th March.

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

"*Sale* 10.—650,000 lbs. Good, but irregular, demand. Low medium and medium 5 to 10 nP easier. Good medium and best liquoring brokens fully firm, but similar fannings difficult to sell."

JUTE GOODS ADVANCE

(From Our Own Correspondent)

CALCUTTA, 10*th March*

The feature in the jute markets during the week under review was a rise in fibre prices consequent on fair business generally and in mesta varieties particularly. This steadied jute goods, prices of which also recorded an improvement. There were also more foreign inquiries in jute goods and a greater amount of genuine business was done than last week. As decided earlier by the Indian Jute Mills' Association, the mills sealed 1½ per cent. of the looms on the 2nd inst., and this factor was also a cause for the better trend in the goods market.

With the present sealing, the percentage of the sealed looms has now been raised to 14. There is every possibility that a further 1 per cent. will also be sealed. The mills will probably like to study the effect of the present sealing on stocks at the end of this month, and, if stocks continue to rise, that will hasten the day for sealing another 1 per cent. of the looms. The trade has, however, felt that the loss of about 1,300 to 1,500 tons a month in output of sacking goods is insignificant. In January alone, stocks of sacking goods increased by 2,800 tons and at the end of the month sacking at 83,000 tons formed 73 per cent. of total stocks. Hessian stocks were only 14.7 per cent. of the total, and the trade wondered why production of hessian could not be increased for a few months at the cost of heavy goods. The trend of demand in recent months has clearly shown that a more balanced output is essential, and it is since some time that there exists a shortage for hessian in the ready position. At a time when mills and cultivators are facing a crisis, it has been a surprise that the West Bengal Labour Minister, Mr. Abdus Sattar, has stated in the Assembly that the time has come for fixation of minimum wages in the jute industry.

Trade circles have noted with keen enthusiasm the detailed report which has been issued by the recent I.J.M.A.-sponsored mission to Australia, South-East Asia, and New Zealand, all of which consume relatively more sacking goods than hessian, and are India's largest markets for the former. In the light of the mission's report, trade circles are optimistic that exports of sacking goods can be increased, in which event the mills' problems arising from mounting stocks of heavy goods would prove a passing affair only. However, in order to introduce the necessary demand factor in a market, which is groaning under the surplus availability, market circles considered that it would be prudent for mills to curtail production of heavy goods to the extent possible, if not needed. Meanwhile, the latest bulletin of the Indian Central Jute Committee says that, with increasing farm output, Egypt's demand for packing materials is also increasing. At present, that country needs about 35,000 tons of jute goods a year and looks to India for meeting most of the same. Egypt has only one jute factory, producing about 6,000 tons.

On Tuesday last, the market was featureless, as business passing was insignificant. Ready B. twills fell to Rs. 88 85 from Rs. 88.90 and hessian 40" 10 oz. to Rs. 39.10 from Rs. 39.20. However, soon there was a recovery, as raw jute prices improved and demand at lower levels was fair. On Wednesday, therefore, hessian 40" 10 oz. moved up to Rs. 39.50 and B. twills to Rs. 89.75. Conditions on Thursday were fully steady. There was good covering business in ready delivery positions. Some genuine business was also done. Hessian 40" 10 oz. improved to Rs. 39.55 and B. twills to Rs. 90. There was also good demand for forward delivery positions in both heavy goods and hessian, and mills were able to book moderate business. B. twills for April-June were pushed up to Rs. 90.70 from Rs. 89.90, and July-September to Rs. 91.75 from Rs. 91. At Rs. 38.30, July-September hessian 40" 10 oz. put on 20 nP. In the futures market, there was fair activity and B. twills May were better at Rs. 90.40, as were May hessian 40" 10 oz. at Rs. 37.88. Assam Bottoms March also moved up to quote higher at Rs. 20.36, as against Rs. 20.08 in the beginning of the week. The prices rose further today, hessians being quoted at Rs. 39.45 and B. twills at Rs. 91.90. In the ready market, the improvement in hessian was mainly in sympathy with sacking goods, and would have been more marked had it not been for dull reports from New York. In New York, consumers were disinclined to go in for forward goods, in view of the weakness in primary market. It was believed that shippers on behalf of Argentina would soon show interest in hessian. Thanks to foreign exchange shortage, Argentina was reported to be anxious that shippers should find their own foreign exchange to finance shipments. To consider this matter, the representatives of Argentina would meet the local shippers in the course of the month.

Raw jute improved following keener buying interest shown by mills, more especially for inferior mesta varieties. Northern bottoms improved to Rs. 20 from Rs. 19.75. It now transpires that the Government of India did not promise lending money to mills for the purchase of an additional month's requirement of raw jute. The news of such a promise had been contained in the recent I.J.M.A. resolution directing mills to step up purchases from four to five months' needs. Fibre stocks in the market are heavy, and, according to trade circles, it would appear that the mills have not yet even purchased four months' requirements. Unless the mills step up purchases and abandon the present "rationed" support to the market in an attempt to push down prices, chances of the producer getting a fair price can be written off at least as far as this season is concerned. Such a state of affairs will have its repercussions on the size of the 1959-60 crop. The latest quotations for 1958-59 jute March-April delivery are:

			Middles Rs.	*Bottoms* Rs.
Pakistan:				
District	...	...	29.50	26.50
Northern	...	...	29.50	26.50
Indian:				
Northern	...	...	23.00	20.00
Assam	...	...	23.25	20.25
Orissa	...	...	24.75	21.75
Desal	...	...	21.50	19.00
Murshidabad	...	...	20.75	18.25
Jungli	...	...	20.50	18.25
Daissee	...	...	24.50	22.00
Uttar Pradesh	...	...	20.50	18.00
Daissee mesta	...	...	20.50	18.00
Bimli f.a.q.	...	...		Rs. 18.25

Pucca bales 1st Mark ... Rs. 152.50 per bale ready.

COARSE GRAINS DRIFT LOWER

(From Our Own Correspondent)

HAPUR, 9*th March*

A divergent trend was exhibited by the foodgrains market during the week. While wheat and gram registered modest gains, other coarse grain prices drifted lower. Arrivals of new coarse grains is increasing in east U.P. and is now meeting local demand, harvesting of peas has also begun, and new grain arrivals have commenced in some markets. As a further step to check the rising trend of grain prices, the Government of India has banned forward as well as non-transferable specific delivery contracts for the sale or purchase of rice or paddy.

Wheat here improved fractionally during the week, due to paucity of stocks left with trade on account of the fag end of the season which is always a lean period. Harvesting of new crop will start in about a month's time. Sales through fair-price shops are being continued, but the quality offered is reported to be poor. Supply position of wheat is tight. The latest prevailing prices are: *Dara* quality Rs. 22.50; farm Rs. 24 to Rs. 25 and inferior quality at Rs. 21 per maund. Strong westerly winds during most part of the week has adversely affected the standing crops.

Rice continued to rule steady and, on Monday, was quoted at:—*basmati sela* Rs. 33; *mainpuri* Rs. 22.37; *raimunia* Rs. 27; *gadda* Rs. 22.75 per maund.

Gram registered an advance of about Re. 1 per maund, due to firm advices from Calcutta and Madras side. Arrivals of new crop grain have begun in Madhya Pradesh and some other producing areas of the South. Barley and *bejhar* were depressed, due to poor outside demand, as new crop arrivals are increasing in east U.P. Harvesting here will begin after about ten days' time. Maize is still attracting good consumer demand and prices have stayed steady due to dwindling local stocks. *Bajra* eased with the fall in seasonal demand. *Jowar* and *guwar* also drifted lower on quiet advices from the South. Week-end prevailing prices (in rupees per maund) were:—gram *punjabi* 22.25; barley 14.50; *bejhar* 14.62; maize 15 25 to 15.75; *bajra* 13 to 15; *jowar* 13.50 to 14.25; *guwar* white 15.

Harvesting of early sown peas is in full swing in west U.P. now and new peas arrivals have begun in some mofussil areas. *Arhar* stocks left with trade are nominal and prices continue to be steady. *Urd* and *moong* ruled quiet and week-end prices were:—peas new Rs. 14.50 to Rs. 16; peas *dal* Rs. 22; *arhar* Rs. 22; *arhar dal* Rs. 25 to Rs 27; *urd* Rs. 19; *moong* Rs. 21 to Rs. 24; *massor* Rs. 19 per maund. Strong westerly winds during the week adversely affected the standing *rabi* crops, mainly peas and gram.

LINSEED RECOVERS AT CLOSE

(Messrs. A. Bradley and Co.)

CALCUTTA, 9*th March*

After a quiet opening, linseed declined further to Rs. 22.50 for May and to Rs. 24 for March delivery. The tendency was, however, arrested by the middle of the week, with the reappearance of crusher-buyers, and prices began to harden. Forward business was rather restricted, with sellers reserved at lower levels. Activity in the oil market was fairly keen, and the lowest levels were reached last week when April was done at Rs. 52 and May buyers quoted Rs. 50.50. The rates prevailing today are Rs. 53.50 and Rs. 53, respectively.

The latest available quotations are: Ready Rs. 26.00, March Rs. 24.75, April Rs. 23.75 and May Rs. 22.75 per maund.

HIDES STRONG

(From Our Own Correspondent)

KANPUR, 9*th March*

During the week under review, the hides and skins market was confident. New arrivals were not as plentiful as during the earlier week. Demand for upper grade cow and buff was particularly strong. The most important area from which supplies came during the week was North Uttar Pradesh. The main purchasers were the local tanners.

The latest available quotations are: Wet salted cow 1st grade Rs. 425, 2nd grade Rs. 395 and 3rd grade Rs. 360 per score; wet salted buff 1st grade 2 lb. 1 oz. and 2nd grade 2 lb. 3 ozs. per rupee; goat 1st grade Rs. 400 and 2nd grade Rs. 375 per 100 pieces; sheep 1st grade Rs. 360 and 2nd grade Rs. 300 per 100 pieces.

The French Government has decided to declare six selected Departments of Metropolitan France as special development areas to combat local pockets of unemployment. These areas have been hit by the recession in the shipbuilding and textile industries and also by a reduction in local building work. The Government will now give those firms setting up new factories or expanding existing ones in these areas special credit facilities, favourable terms for amortisation and, possibly, fiscal concessions. It is also planned to encourage diversification of industry by State aid for factory conversion. Besides, unemployed workmen will be given training in new trades at factories in the course of conversion.

The West German Government is allowing the public to subscribe to the capital of a wholly State-owned Corporation, the Preussag, engaged in mining, oil boring and petrol retailing. This, it proposes to do, by offering 300,000 people's shares of DM100 each. As a result, the capital of the Corporation will go up from DM 75 million to DM 105 million. It is said that shares will be sold only to the employees of Preussag or of its associated companies or to persons with an annual income of not more than DM 16,000 (DM 87½ are equal to Rs. 100). No person will be permitted to buy more than five shares.

Forty-two employees representing eight establishments of the Metal Box Company of India in Calcutta, Bombay, Madras, Mangalore and Delhi, met the Company's all-India management to sign a renewed three-year agreement covering payment of bonus. The delegates saw the Maithon Dam, Chittaranjan Locomotive Works, Durgapur, and Government projects in West Bengal.

The Government of South Africa has announced that legislation will shortly be submitted to Parliament for the introduction of a new decimal monetary unit to be known as *rand*. It will be a 10*s*. unit divided into 100 cents.

The value of U.S. exports of merchandise in January stood at $1,381 million, 9 per cent. less than in the preceding month and about 8 per cent. below that in January 1958.

Notice

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

REQUIREMENT OF ROLLER BEARINGS WITH AXLEBOXES AND WHEELSETS

THE RAILWAY BOARD, GOVERNMENT OF India (Ministry of Railways), propose to obtain from established and reliable manufacturers 8,800 Nos. of roller bearings complete with axleboxes, and 4,400 Nos. Wheelsets for Bogie Open Wagons type BOX Mark '0'.

2. The relevant tender documents are obtainable from the Research Design and Standardization Organization, Baroda House Annexe, New Delhi, and the Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London W. 3, on payment of Rs. 2 each. Drawings and specifications will also be available from the two sources mentioned above on additional payment.

3. Quotations should reach the undersigned:

(i) not later than 11 *a.m. on 20th April* 1959 for Roller Bearing Axleboxes;

(ii) not later than 11 *a.m. on 21st April* 1959 for Wheelsets.

G. P. BHALLA,
Director, Railway Stores, Railway Board, State Entry Road, New Delhi-2.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 6th Mar., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	52,04,17,000
(2) Other Governments	18,31,97,000
(b) Banks	65,59,68,000
(c) Others	115,85,40,000
Bills Payable	23,62,29 000
Other Liabilities	38,21,05,000
Rupees	426,64,56,000

ASSETS	Rs.
Notes	8,33,62,000
Rupee Coin	2,88,000
Subsidiary Coin	3,93,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	
(c) Government Treasury Bills	4,26,06,000
Balances held abroad*	32,85,84,000
Loans and Advances to Governments†	23,39,83,000
Other Loans and Advances	90,05,27,000
Investments	255,71,74,000
Other Assets	11,95,39,000
Rupees	426,64,56,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 5,53,24,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,33,62,000	
Notes in circulation	1688,58,23,000	
Total Notes issued		1696,91,85,000
Total Liabilities		1696,91,85,000
ASSETS	**Rs.**	**Rs.**
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		129,70,39,000
Government of India Rupee Securities		1271,44,54,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1696,91,85,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	27th Feb., 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1054.63	1659.49	1624.43	1545 26
Notes held in Banking Department	35.05	25.24	20.01	12.70	25 06
Foreign Securities	59 50	178.01	178 01	164.68	245.54
Rupee Securities	37.39	1251.45	1251.45	1219.79	1076.82
Banking Department					
Deposits of: Government of India	14. 39	56.78	61.44	57.82	56 60
Other Governments	..	24.42	19.31	28.56	15 67
Balances held abroad	10.06	32.95	33.47	26.75	1076 82
SCHEDULED BANKS					
Demand Liabilities	134.36	729.43 (17.33)†	724.80 (19.02)†	719.90 (21.35)†	727.62 (13 15)†
Time Liabilities	102.24	920 82 (22.89)†	924.70 (23.53)†	910 06 (23.67)†	720 04 (16.65)†
Borrowings from Reserve Bank	..	31.23 (5.75)‡	28.57 (5.62)‡	39.56 (5.11)‡	28.86 (22.17)‡
Borrowings from State Bank	..	11.60	11.80	10.69	9.79
Cash in India	6.70	40.69	40.71	40.43	38 18
Balances with Reserve Bank	25.17	73.02	70.50	71.50	73.15
Excess over statutory limits	15.52	18.14	15.77	15.31	22.25
Balances with other banks in current account in India	..	12.65	13.06	12.95	11.43
Money at call and short notice in India	..	33.68	35.47	37.01	41.00
Investments (at book value)	..	613.29	614.77	635.27	433.44
Advances and bills	105.9	958.09	952.33	920.34	930.67
STATE BANK					
Deposits	87.76	493.12	487.85	473.26	407.87
Investments	51.99	274.48	274.91	287.74	183 68
Advances	30.35	196.46	193 44	180.76	205 22
Cash	14.69	35.77	29.16	31.15	32 84

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	4.03	4.32
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	5th Feb., 1959	4½	4½
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June 1958	4	3 50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan., 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	6th Mar., 1959	2½	3‡
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.
‡ Refers to 4 of the 11 Federal Reserve Banks which have raised the discount rate.

State Bank of India

Statement of Affairs for the week ended 27th Feb., 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		493,12,46,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		6,94,62,000
Bills for Collection being Bills Receivable as per contra		2,45,12,000
Acceptances, Endorsements and Other Obligations per contra		1,11,98,000
Other Liabilities (including Inter-Office Adjustments)		2,50,61,000
Total .. Rs.		518,77,29,000
PROPERTY AND ASSETS		**Rs.**
Cash in hand and with Reserve Bank		33,25,05,000
Balances with other Banks		2,51,49,000
Money at Call and Short Notice		2,13,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	262,97,33,000	
Other Authorised Investments	11,50,88,000	274,48,21,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	182,65,14,000	
Bills Discounted and Purchased	13,80,63,000	196,45,77,000
Bills Receivable being Bills for Collection as per contra		2,45,12,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,11,98,000
Premises less Depreciation		1,22,40,000
Furniture and Fixtures less Depreciation		99,08,000
Other Assets (including Inter-Office Adjustments)		4,14,86,000
Total .. Rs.		518,77,29,000

Scheduled Banks*

Statement of Affairs for the week ended 27th Feb., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	17,33,37,000
(ii) Other demand liabilities	712,09,93,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	22,88,72,000
(ii) Other time liabilities	897,92,82,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	11,24,90,000
(ii) Time liabilities	35 00,000
Borrowings in India from the Reserve Bank of India‡	31,23,42,000 (5,75,31,000)
Cash in India	40,69,41,000
Balances with the Reserve Bank in India	73,01,64,000
Balances with other banks in current account in India	12,64,73,000
Money at call and short notice in India	33,67,69,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	613,29,36,000
Advances in India	822,74,19,000
Inland Bills purchased and discounted in India	98,03,21,000
Foreign Bills, purchased and discounted in India	37,32,04,000

* Provisional
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Per cent.	Rs.
16th December	3.00	3.60	3.00	2.445	99.385
1959					
6th January	3.00	3 05	3 00	2.460	99 385
13th January	2 00	2 05	2 00	2.470	99 380
20th January	2 00	2 05	2 00	2.490	99 375
27th January	2 00	2.05	2 00	2 500	99 375
3rd February	2.00	2.10	2 00	2 559	99 360
4th to 7th Feb.*	0 50	—	0 50	2.496	99 376
10th February	2 00	4.19	2 00	2 530	99 365
17th February	2 00	2.30	2.00	2 559	99.360
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2.00	2.10	2 00	2.625	99.340
10th March	2.00	2.00	2.00	2.680	99.330
Total amount outstanding	24.50	..	24.50	..	..

* Intermediate Bills sold.

INDEX NUMBERS OF SECURITY PRICES—Revised Series.

[1952-53=100]

Group and Sub-Group	Week ended 28th Feb., 1959	21st Feb., 1959	31st Jan., 1959	1st Mar., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.6	100.7	98.5
2. Government of India	100.5	100.5	100.5	98.2
3. State Government	102.2	102.2	102.2	100 3
4. Municipal, Port Trust, etc.	99.7	99 6	99.4	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101.4	101.5	101.4	98 8
6. Plantations	99.9	99.9	99.9	100 0
7. Coal	99.6	99.6	99.6	99 6
8. Sugar	99 0	99 0	99.0	98 4
9. Cotton Textiles	99.0	99.0	99.0	97.3
10. Jute Textiles	91.6	91.6	91.5	94.0
11. General Engineering	102.0	102.0	101.7	97.0
12. Electricity Generation and Supply	96.8	97.2	97.2	96.5
13. Others	104.6	104.6	104.4	100.7
PREFERENCE SHARES—ALL INDIA.				
14. Total	88.6	88 3	87.8	86.0
15. Plantations	97.3	97 2	97.2	99 8
16. *Mining & Quarrying: Total*@	86.4	86.4	88.1	85.1
17. Coal	80.9	80.9	79.9	75.1
18. *Processing and Mfg.: Total**	88.7	88.4	88.0	85.9
19. Sugar	90 8	90.8	88.8	90.5
20. Cotton Textiles	77.4	77.4	78.2	83.3
21. Jute Textiles	80.5	80.9	81.4	70.9
22. Iron and Steel	92.6	91.8	91.3	88 2
23. General Engineering	100.6	100.4	100.3	101.4
24. Basic Industrial Chemicals	87.0	87.0	85.4	83.1
25. Cement	99.4	98 6	98.6	97.9
26. Paper	86 7	86.0	84.9	83 8
27. *Other Industries: Total**	85.6	85.4	83.7	82.3
28. Electricity Generation and Supply	85.5	85.2	83.8	85 6
29. Trading	83.5	83.6	82.4	72 9
30. Shipping and Other Transport	91.1	91.1	84.8	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	139.3	138.1	138.2	122.1
32. *Agriculture and Allied Activities: Total**	150 9	147.8	145.3	134.1
33. Tea Plantations	147.2	143.6	140.9	130 9
34. Coffee Plantations	184.2	182.5	184.3	176 9
35. Rubber Plantations	157.2	155.2	148.4	127 1
36. *Mining and Quarrying: Total*	139.2	138.6	136.3	116 8
37. Coal	110.9	111.1	109.5	90 9
38. Other Mining	158.7	154.1	154.7	134.2
39. *Processing and Manufacturing: Total*	137.7	138.5	136.8	120.5
40. *Processing and Mfg. (Food† stuffs, Textiles, etc.): Total**	124.9	124.2	124.4	114.3
41. Sugar	159.1	157.4	157.4	155 3
42. Cotton Textiles	108.1	107.9	109.3	111.0
43. Jute Textiles	87.6	88.5	91.3	58.4
44. Silk and Woollen	441.6	439.4	428.0	333.9
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	158 5	156.2	156.6	128.6
46. Iron and Steel	153 0	150.5	151.6	116.9
47. Transport Equipment	206.2	197.8	193.6	166.7
48. Electrical Machinery	135.8	135.2	138.2	152.1
49. Machinery other than Transport and Electrical	172.7	171.2	171.7	145 4
50. Basic Industrial Chemicals	127 6	126.8	125.1	103 4
51. *Processing and Mfg. (Others): Total**	137 9	137 3	137.9	124 2
52. Cement	124.1	122 3	122 9	121.7
53. Paper	183.1	182 7	181 9	152 5
54. *Other Industries: Total**	115 4	115.0	115.6	103 0
55. Electricity Generation and Supply	93 6	93 1	93.0	88 1
56. Trading	90 5	89.0	88.7	74 5
57. Shipping and Other Transport	134 0	135 2	136 7	122 6
58 Construction	248 2	246 0	252.0	190 9
59. *Financial: Total*	182.4	182 7	183 3	160 1
60. Banks	206 1	206 4	206.7	181 2
61. Insurance	126 4	126 5	127 9	113 8
62. Investment Trusts	102 7	103 9	105 1	81 9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	141 5	140 0	140.1	121 8
64. Calcutta	137 4	136 4	136.8	118 9
65. Madras	150 5	149 6	149 6	144 1
66. Delhi	162 3	159.3	158.4	142 1

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including other mining.

EXCHANGE RATES

		11th March 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6⅛	1-6⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476.00	476.25
Buyers T.T.	Rs.	472.75	472.75
London on New York	$	2.80⅞-2.80⅝	2.81-2.81⅛
London on Paris	Fcs.	13 77	13.78
London on Berne	Sw. Fcs.	12 16-12 16½	12.14½-12.15
New York on London	$	2.81⅛-2.81⅛	2.81⅛ 2.81⅛

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	14th Feb., 1959	7th Feb., 1959	15th Feb., 1958	January 1959	January 1958	Percentage of Increase (+) or Decrease (—) in Jan., 1959 as compared with Jan., 1958	Annual Average 1958	Annual Average 1957
Food Articles	504	116 8	117 3 R	100 8	114.3	102.5	+11.5	112 0	108 8
Cereals	192	105 9	107 2 R	94 4	105.2	96.9	+ 8.6	104.7	101.7
Pulses	43	126 0	127 3 R	75.5	117.1 R	80.1	+46.2	94.0	84.5
Fruits and Vegetables	23	116 1	114.3 R	94 5	113 5 R	93.7	+21.1	111.9	116.8
Milk and Ghee	84	107 0	103.8	99.9	103 5	98.8	+ 4 8	106.2	103 8
Edible Oils	47	121 5	122.9 R	116 9	118 6	118.9	— 0 3	123.2	123 3
Fish, Eggs and Meat	17	107 7*	108 6 R	98.7	109 2	99.3	+10 0	106.9	96 6
Sugar and *Gur*	48	125 7	131.2	110 1	126 6	109.4	+15.7	122.8	104 6
Others	50	157 7	155.8	128.3	151.1 R	132.6	+14 0	145.7	132 0
Liquor and Tobacco	21	105 8	105 9	96.7	103 6	96.4	+ 7 5	93.7	91.8
Tobacco	—	104 0	104 9	95.2	102 5 R	94 9	+ 8 0	92.0	90.1
Fuel, Power, Light and Lubricants.	30	115 2	115 3 R	114 4	114 9 R	113 6	+ 1.1	115 2	111.5
Industrial Raw Materials	155	116 1	116 9	112 0	114 1	113 6	+ 0.4	114 3	113 1
Fibres	61	108 4	108.7	112 6	106.8	115.1	— 7.2	109 4	119.8
Oilseeds	60	127 0	129.2	112 2	123.8	114.1	+ 8.5	123.6	122.4
Minerals	2	103 6	103.6	109 3	106 6	107.1	— 0.5	106 9	108 5
Others	32	111 0*	110 4*	110 4	110 3	110.2	+ 0.1	108 9	107.3
Manufactures	290	108 4	108 6	107 6	108 4	107 7	+ 0 6	108 2	103.8 R
Intermediate Products	41	110 8	110 6 R	105.4	110 5	106 7	+ 3 6	109 4	103 5 R
Finished Products	249	108 0	108 3	107 9	108 0	107 9	+ 0.1	108 0	107 0 R
Textiles	147	101.6	102.0	106.4	101.9	106 0	— 3.9	104.3	107.9
Cotton	—	111.2*	110.8*	116.9	110.4*	115.8	— 4.7	113.0	116 3
Jute	—	81.7	84.4	87 8	85 4	90.1	— 5.2	87.7	97.7
Woollen	—	105.9	105.9	103 0	105.9	103.0	+ 2.8	104.9	102.[illegible]
Silk and Rayon	—	91 5*	91.5*	89.9	91.1*	86.7	+ 5.1	92.5	[illegible]
Metal Products	12	143 3	143.3	143.4	143.1	143.4	— 0.2	143.1	[illegible].2 R
Chemicals	20	111 1	111 0 R	99 2	111.3	99.1	+12.3	104.0	[illegible]
Oil Cakes	10	148 0	149.7*	111 0	143.6 R	118 0	+21 7	123 6	[illegible]4.7
Machinery and Transport Equipment.	31	104 7	104.8	102.5	104.4	102 4	+ 2 0	103.7	101.2
Others	30	113 7	113.7	111 8	114.1	111.6	+ 2 2	113.[illegible]	107.7
All Commodities	1,000	114 0	114 4 R	104 8	112.3	106 0	+ 5.9	[illegible]	103.7

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

"GROSSING" OF DIVIDENDS

WHY NOT FOLLOW MATTHAI COMMISSION'S METHOD?

By S. Srinivasan, B.A., F.C.A.

ONE is surprised to read reports in the Press that official sources have given an opinion that the position of company shareholders will not be substantially altered by the abolition of the system of "grossing" of dividends. A comparison of the present position and the position that will be obtaining in future will prove that that opinion is not wholly correct.

At present, a company is charged to income-tax at 31.5 per cent. of its income. After paying this, the balance left with a company is 68.5 per cent. (Let us not bring the super-tax question into the picture, as it is not to be considered in the matter of companies *qua* shareholders.) If a company distributes dividend, it can do so, out of the balance of 68.5 per cent. When a shareholder receives dividend, it is net, in the sense that income-tax thereon has been collected by Government from the company itself. In law, a company and a shareholder pay taxes separately on their respective income. A company does not pay income-tax as an agent of its shareholders. Nevertheless, in the larger sense, dividend is a division of the profits of a company to its shareholders. It can be called, in a loose sense, the share of profit of a shareholder from a company. Government, appreciating this point, is refunding the tax collected on dividends to shareholders in their assessments. For a dividend of Rs. 68.5, Government is refunding Rs. 31.5 to a shareholder. That refund works out to 45.99 per cent. of the dividend. To illustrate, if a shareholder receives a dividend of Rs. 100, Government is refunding Rs. 45.99 to him. In all, he gets a yield of Rs. 145.99. He is not grudging to pay tax on Rs. 145.99, because he actually gets that income. If Government collects less than 45.99 per cent. of the dividend as income-tax from a company, then, it is refunding to the shareholders of that company only that amount which it has collected.

If the system of grossing dividends is abolished, then, what will happen is this. Government will not refund anything to shareholders. Whatever dividends the shareholders receive will be taxable as such in their hands. Shareholders will, therefore, suffer a loss of 45.99 per cent. of their dividends.

The Finance Minister's argument for abolishing the grossing system is that the present method involves many complications in actual practice. What he has done is this. The net collection of revenue (that is, after deducting from what is collected from companies the refunds given to shareholders by Government) is worked out on the income of companies as a percentage. It is stated to work out to 20 per cent. So what is proposed is that companies should pay 20 per cent. instead of 31.5 per cent., of their income, as income-tax to Government. Government will not refund any amount to shareholders on dividends, as is being done hitherto. By this measure, Government will not lose or gain anything in revenue. This is a rough and ready method.

The problem to be considered is how the loss of 45.99 per cent. of dividends can be compensated to shareholders. Government might say that, since the rate of income-tax on companies will be reduced, they will save some amount of income-tax and companies can as well utilise that saving for increasing the rate of distribution of dividend to shareholders. In the first place, it is doubtful whether all companies will take it into their heads to increase the rate of distribution of dividend to their shareholders. All along, Government has been following a policy of discouraging companies from declaring higher dividends. Government has been following a fiscal policy directed to that end. Overnight, it wants to change its policy and leave it to companies to increase the rate of distribution of dividends. Will all companies toe the line of Government and change their dividend policy?

Many companies will say, rightly or wrongly, that they need more funds to be ploughed back in the expansion of business and, consequently, may follow a conservative dividend policy as has been done by them hitherto. Just because Government changes its fiscal policy overnight, it is not necessary for all companies nor is it correct for them to do the same thing as Government has done.

Secondly, assuming that companies will change their dividend policies and distribute more dividends, the question still arises as to whether the income-tax savings in their hands will be sufficient to compensate their shareholders, the loss, to the extent of 45.99 per cent. of the dividend hitherto distributed. Consequent to the reduction in income-tax rates, companies will have a tax saving of 11.5 per cent. of their *total income*, taking into account the abolition of wealth tax and excess dividends tax. *As to what percentage this saving will work out on the dividends hitherto distributed, will differ from company to company.* Supposing, a company has been distributing 30 per cent. of its income before taxation as dividend; the saving of 11.5 per cent. of its income will work out to a saving of 38.33 per cent. of the dividend. But this 38.33 per cent. is not sufficient to compensate the shareholder who has lost 45.99 per cent. If the company wants to compensate the shareholder to the fullest extent, then it has to draw an amount equal to 7.66 per cent. of the dividend hitherto distributed, from out of the profits which it would otherwise plough back in its business. The following table gives an idea about the extent to which amounts have to be drawn by companies from their ploughed back profits, in addition to the savings in income-tax, for compensating the loss to their shareholders under the new scheme:

Present dividend as a percentage of profits before taxation	Income-tax savings under the new scheme as a percentage of present dividends	Further amount to be drawn from ploughed back profits, as a percentage of present dividends
45	25.56	20.43
40	28.75	17.24
35	32.86	13.13
30	38.33	7.66
25	46.00	*Nil*
24	47.92	*Nil*
23	50.00	*Nil*
20	57.50	*Nil*

It will be seen from the above table that those companies who have hitherto been distributing 25 per cent., or less, of their profits, before taxation, as dividends, will find it possible to compensate the loss to their shareholders, without touching their ploughed back profits.

The Reserve Bank of India has given in their October 1958 bulletin statistics of about 1,001 public limited companies; it is noticed from it that *on an average* those companies have distributed about 30 per cent. of their income before taxation, as dividends. If the changes proposed in the Finance Bill are not carried out, they would plough back about 14 per cent. of their total income before taxation, in their business. If the changes are given effect to, then, from out of 14 per cent of the ploughed back income, an amount equal to 7.66 per cent. of the dividend hitherto distributed, has to be withdrawn for further distribution to their shareholders in order to compensate the loss to the latter. It is, therefore, clear that the budget proposal will affect either companies or shareholders and there is every reason to believe that, in the long run, it will cripple the corporate system of the private sector. Even the Taxation Enquiry Commission, after mature consideration, had to concede that, if the grossing system is stopped, "it would not only adversely affect the interests of a large number of persons, including many in the low income groups, but may also act as a disincentive to the holding or purchasing of equity investment in general."

In fact, the Taxation Enquiry Commission, equally motivated as the Finance Minister is, by the need for removing the administrative and other difficulties, as also the anomalies in the present system of taxation of dividends, recommended modifications in the system of grossing. It is not understood why the Finance Minister should feel shy of following the said recommendations. Those proposals, if accepted, will not only simplify the present system but will also not cause any injustice either to shareholders or to companies. The Commission recommended as follows:

"When a company declares dividends, it will deduct income-tax at the maximum rate from the gross dividends, distribute the net amount to the shareholders and pay the tax to the credit of Government. Adjustments are then made, in the course of the company's income-tax assessment, so that the total amount which it has to pay out by way of taxes and dividends is the same as under the present law.

"No change will be involved in the method of calculating the corporation tax payable by the company. The income-tax payable will be calculated on its total income as reduced by the gross dividends (on which it has already deducted and paid income-tax)."

In other words, companies must first deposit with Government the required amount of income-tax, on the dividends which they declare. Shareholders will get credit in their assessment at uniform rates without any difficulty. In the assessment of companies, necessary credit will be given for the income-tax which they have already paid.

The Taxation Enquiry Commission has also given examples covering all types of cases where practical difficulties would arise and how it will not be difficult to solve them. If the Finance Minister accepts the Commission's recommendations, instead of going ahead with what he has proposed in the Finance Bill, companies and shareholders would be grateful to him.

Let us hope that our Members of Parliament will persuade the Finance Minister in this matter and ensure that justice is done to shareholders, most of whom belong to the middle class. It may be added here that, by following the method suggested by the Taxation Enquiry Commission, there will be no loss of revenue to the Exchequer, especially as the effective rate of super-tax is proposed to be increased from 20 to 25 per cent., for compensating the loss due to abolition of wealth tax and excess dividends tax on companies.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 12th March, 1959.

	Closing quotations 5-3-1959	High	Low	Closing quotations 12-3-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	129.00	—	—	129.00
Apollo (2)	1.22	1.26	1.22	1.24
Bombay Dyeing (25)	57.70	59.10	57.60	58.70
Bradbury (50)	133.00	—	—	133.00
Central India (100)	89.00	90.00	86.50	89.00
Century Mills (100)	445.00	467.50	442.50	461.00
Edward Textile (200)	215.50	215.50	210.00	210.00
Elphinstone (50)	30.00	—	—	30.00
Finlay (100)	268.00	272.00	265.00	267.00
Gokak (100)	131.00	132.50	131.00	131.75
Ind. Untd. Deld. (1)	1.10	1.12	1.08	1.12
Ind. Untd. Ord. (10)	8.72	8.84	8.72	8.84
Indore Malwa (100)	96.50	97.00	96.50	97.00
Khatau (100)	155.00	166.25	155.00	166.25
Kohinoor (100)	233.50	257.00	233.50	253.00
Lakshmi (250)	397.50	—	—	397.50
Minerva Mills (100)	59.00	61.00	59.00	60.50
Model Nazpur (250)	161.25	161.25	141.25	141.25
Morarji (100)	233.00	230.00	228.00	230.00
Mysore (50)	79.00	—	—	79.00
National Rayons (100)	256.75	267.25	256.00	264.75
New City (100)	92.00	92.00	89.50	89.50
New Great (100)	210.00	—	—	210.00
Phoenix (10)	125.00	—	—	125.00
Podar Mills (100)	130.00	130.00	128.00	128.00
Sassoon Silk (10)	9.76	—	—	9.76
Sassoon Spg. (10)	43.75	46.00	43.75	45.75
Sholapur (1,000)	428.75	—	—	428.75
Shrinivas (100)	141.00	146.00	141.00	146.00
Simplex (50)	166.50	168.50	166.50	168.00
Standard (100)	431.00	458.00	431.00	442.50
Svadeshi (100)	205.00	214.00	204.50	212.00
Swan (100)	346.00	372.50	348.00	372.50
Tata Mill (25)	84.50	85.50	84.00	85.00
Vishnu (100)	93.50	93.50	93.00	93.00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	140.50	141.50	140.25	141.00
Do. (New) (50)	142.00	—	—	142.00
Bank of Baroda (50)	121.50	120.00	119.00	120.00
Central (25)	58.70	58.80	58.00	58.00
Central 'A' (25)	60.00	60.00	59.00	59.00
Dena Bank (50)	52.50	53.00	51.75	53.00xd
Punjab National (10)	23.76	24.24	24.00	24.24
Union Bank (5)	7.68	7.68	7.64	7.68
United Com. (50)	69.00	69.00	68.50	69.00
ELECTRIC COS.				
Ahmedabad (100)	97.60	97.60	96.00	97.00
Amalgamated (10)	11.04	—	—	11.04
Andhra Valley (1,000)	1,185.00	1,180.50	1,180.00	1,180.00
Bom. Sub-El. (100)	107.50	107.50	107.00	107.50
Surat (100)	116.00	115.00	112.00	112.00xd
Tata Hydro (100)	124.00	124.00	124.00	124.00
Tata Power (1,000)	1,207.50	1,216.00	1,203.75	1,207.50
INSURANCE COS.				
British India (10)	13.80	14.24	13.80	14.24
Empire of India (100)	218.75	—	—	218.75
Ind. Mercantile (20)	45.75	—	—	45.75
Jupiter (15)	6.08	6.08	5.52	5.52
Oriental (200)	52.30	53.30	52.00	53.00
Vulcan (10)	4,200.00	—	—	4,200.00
	19.76	—	—	19.76
STEEL COS.				
Ind. Iron (10)	22.56xr	23.68	22.56	23.52
Tata Steel Ord. (75)	176.75	181.75	176.50	180.75
SUGAR COS.				
Belapur (50)	289.00	294.50	287.50	292.00
Bhopal (10)	26.15	26.15	26.00	26.10
Chandeo (12.50)	30.50	—	—	30.50
Phalan (50)	150.00	150.00	149.75	154.50
Walchand Ind. (100)	281.00	293.50	281.50	291.25
CEMENT COS.				
Associated Cts (100)	146.25	147.75	145.75	146.50
Dlewijer (100)	182.00	140.50	132.25	139.50
MISCELLANEOUS				
Alcock Ashdown (100)	262.00	275.00	261.00	275.00
Bom. Burmah (125)	483.50xd	495.50	482.50	492.00
Do. (New) (50)	168.75xd	177.50	171.25	177.50
Br. B. Petrol (4 sh.)	1.80	1.96	1.80	1.88
Br. I. Corpn. (5)	5.88	5.52	5.08	5.05
Hindustan Lever (10)	28.45	29.50	28.45	29.50
Hindusthan Motors (10)	7.89	8.16	7.88	8.04
Indian Copper (2 sh.)	2.78	4.02	3.80	3.94
Ind. Inv. Tr. (100)	85.80	88.50	85.80	88.50
Killick (100)	147.00	150.00	146.00	150.00
Larsen & Toubro (10)	18.92	20.16	18.92	19.72
Poison (100)	151.00	151.00	150.00	150.50
Premier Con. (80)	98.80	104.00	99.00	104.00
Scindia (20)	243.00	255.50	237.50	251.50
G. F. Shipping (10)	18.76xd	19.24	18.80	18.92
Shivrattan (10)	22.80	22.92	22.64	22.84
Sirpur Paper (10)	97.50	100.00	96.50	99.50
Tata Chemicals (10)	13.20	13.84	13.28	13.76
Tata Locomotive (100)	16.84	16.88	16.32	16.82
Tata Oil (25)	181.00	184.00	179.00	182.50
Voltas (100)	46.25	52.00	46.00	51.00
W. I. Match (100)	149.25	155.00	148.50	152.00
	190.00	194.00	189.50	194.00

GOVERNMENT SECURITIES	5-3-1959	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	12-3-1959
	Rs.			Rs.
2½% 1961	97.20	—	3.72	97.20
2½% 1960	99.00	—	3.81	99.00
2½% 1962	96.95	—	3.63	96.95
2½% 1976	83.20	—	4.08	83.20
3% 1960-61 2nd V et.	99.70	3.34	3.10	99.70
3% 1964	97.10	—	3.54	97.10
3% 1963-65	96.75	3.75	3.50	96.75
3% 1966-68	93.85	3.96	3.78	93.85
3% 1970-75 1st Dev.	91.00	3.99	3.78	91.05
3% 1966 Com. Loan.	74.15	—	4.05*	74.15
4% 1960-70	100.85	3.40	3.91	100.85
2½% 1961 N.P. Bonds	100.10	—	3.47	100.10
2½% 1964 N.P. Loan.	99.80	—	3.54	99.80
2½% 1965 N.P. Bonds	99.65	—	3.57	99.60
2½% 1962	99.15	—	3.50	99.15
2½% 1963 N.P. Bonds	99.10	—	3.63	99.10
2½% 1974	98.95	—	3.84	98.85
2½% 1967 N.P. Bonds	100.80	—	3.85	100.80
4% 1972 Loan	101.60	—	3.85	101.60
2½% 1968	98.95	—	3.84	98.95
2½% 1948 N.P. Bonds	99.95	—	3.64	99.95
2½% 1968 N.P. Bonds	100.60	—	3.81	100.60
4% 1973 Loan	101.55	—	3.88	100.55

BRITISH GOVERNMENT SECURITIES

	Closing quotations 5-3-1959 £			Closing quotations 12-3-1959 £
2½% Brit. Consols	52½	—	—	51½
3% Savings Bonds 1965-75	76	—	—	75¾
3% War Loan 1955-59	100½	—	—	99⅞ x d
3½% War Loan	67¼	—	—	67⅛
4% Victory Bonds 1976	96½	—	—	96⅛
4% Funding 1960-90	92½	—	—	91⅞

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Rights.

COMMERCE

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

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NO INFLATION IN INDIA!

A SUBJECT which evoked considerable interest in both the Houses of Parliament during the general debate on the Budget for 1959-60 was deficit financing. The majority of Members who spoke on it were critical of the Government's policy, though there were some supporters, a pattern similar to that prevailing outside the House. But what was surprising was the Finance Minister's attempt to minimise the impact of deficit financing on prices and cost of living hitherto and in the near future. In the Rajya Sabha, where Pandit Kunzru strongly criticised the large-scale deficit financing resorted to by Government, Mr. Morarji Desai, while agreeing that "deficit financing should not be such as to lead to inflation," asserted that "there has been no inflation on account of the Government's policies. If food prices had risen," he went on to add, "it had no relation to deficit financing at all but only to less production." When Pandit Kunzru pertinently asked whether the two did not go together, Mr. Desai naively reiterated that the increase in currency in circulation following deficit financing had no relation to the rise in food prices at all. He took an almost identical stand in the Lok Sabha also, where Acharya Kripalani, among others, highlighted the dangers of excessive deficit financing. While admitting that one ought to be careful with deficit financing, he pointed out that deficit financing was bad only when it did not lead to greater production and ushered in inflation, instead. He observed that efforts were being made to see that it did not result in inflation and actually claimed that "resort to this technique has not led to any appreciable inflation in the country. Except in respect of foodgrains, there has been no sign of inflationary trend."

This type of argument about the effects of deficit financing on price levels is something similar to trying to differentiate between tweedledum and tweedledee. Mr. R. R. Morarka, a Congress member and a business man, supported the Finance Minister when he justified the deficit financing on the present scale and observed that the safety limit had not been exceeded. But, even if his own criterion were applied, his contention would fall to the ground. He said that resources raised through deficit financing had been invested in productive resources, *though they did not ensure immediate returns.* The portion in italics constitutes the crucial point. It is difficult to say to what extent deficit financing has led to the creation of productive resources, for, while the industrial and agricultural bases have been strengthened and their production has moved up, there has at the same time been a tremendous increase in unproductive, non-Plan expenditure also. If deficit financing leads to a quick increase in production and the supply of goods rises in consonance with the growth of money in circulation, there will be no harm. But, in actual practice, this does not happen, for there is a considerable time lag, when the increase in money supply causes a lot of damage to price levels and cost of living. And, in this country, the position is made worse by a good part of the created money being utilised for non-development expenditure too. Even in the case of development expenditure incurred by the public sector, the return is not only unduly delayed but also inadequate. The data available on the latter aspect are incomplete and as such it is not even possible to estimate the return on Government's commercial and industrial investments. But, according to Mr. Asoka Mehta, the income derived from public undertakings, in which already Rs. 400 crores had been invested, is only Rs. 1.25 crore, equivalent to a return of As. 4 per cent. per annum. Lest some should wonder as to what connection there is between deficit financing and inflation, on the one hand, and return on the investments of the public sector, on the other, it must be added that the result of savings invested in undertakings which yield little or nothing is as inflationary as those diverted to consumption expenditure.

It is common knowledge that deficit financing leads to unpleasant results when the supply of goods fails to keep pace with the demand. The argument that deficit financing cannot be blamed, if production fails to rise is, therefore, meaningless. It only amounts to explaining away the difficulty. Mr. Desai was at great pains to show to both the Houses of Parliament that, if only foodgrain production had not fallen as sharply as it did in 1957-58, prices would not have gone up. But was not the shortfall made good, to a considerable extent, by imports? Food imports in 1957 were as large as 3.58 million tons costing Rs. 162.2 crores, as against 1.42 million tons (Rs. 56.3 crores) in 1956 and only 700,000 tons in 1955. In 1958, these imports were 3.17 million tons, costing about Rs. 120.5 crores. If the total of food production and imports in the last two years is taken and averaged, it will be seen that the supply was nearly 69 million tons per year. Again, what was the position in 1956-57, when production of foodgrains was higher by 3 million tons at 68.75 million tons as compared with 1955-56 and was the same as that in 1953-54? The index number of food prices (1952-53=100) went up from 82.1 in 1954-55 (which reflected the effects of increased production in the crop year 1953-54) to 94.6 in 1955-56 and still further to 101.7 in 1956-57. This was, of course, due mainly to deficit financing amounting to Rs. 238 crores in 1956-57 and Rs. 464 crores in 1957-58, or a total of Rs. 702 crores in both the years. The Finance Minister may contend that he did take into account the heavy drop in food production during 1957-58 in resorting to deficit financing in 1958-59, for which year it is now estimated at Rs. 255 crores. This, too, is a misleading argument. In the first place, the deficit financing in 1958-59 has exceeded the limit intended by him by Rs. 40 crores. And, secondly, the argument ignores the fact that, for all practical purposes, borrowings from commercial banks are not materially different from borrowings from the central banking institution through the issue of Treasury Bills. It may be noted here that the loans raised from the market during 1958-59 by both the Centre and the States amounted to Rs. 227 crores, as against only Rs. 71 crores in 1957-58, and that the major portion of them was taken up by commercial banks. If this factor is taken into account, it will be seen that the real deficit financing was over Rs. 400 crores, not very far from that resorted to in 1957-58.

The fact that, over the past year (1958), the prices of manufactured goods have remained practically unchanged and that those of industrial raw materials have actually declined has been quoted by Mr. Morarji Desai to support his contention that deficit financing has not led to inflation. This argument, too, belongs to the variety of splitting hairs, for the fact remains that, ever since the commencement of the second Plan, price levels have gone up by 15 per cent. and cost of living by 21 per cent. The net effect of these increases on the common man's purse is by no means so negligible as to warrant the cavalier fashion in which the Finance Minister dismissed the criticisms against deficit financing. The economic hardship which the vast majority of people are suffering at the end of the third year of the Plan is severer than at its commencement and is not fully reflected in the indices of prices and cost of living. None can deny that, as compared with March 1956, the rupee today buys much less of almost everything that one needs—food, clothing, housing, books, education and travel. If the prices of manufactured goods have been static, despite the increase in money supply, it does not necessarily mean that there is no inflation in the country. Really speaking, it is a phenomenon of impoverishment of the masses and the middle class both of whom have been hard hit by heavy taxation on top of high food prices. The Finance Minister's contention that there is no inflation in India is, therefore, fallacious. This will be evident further from the fact that India's exports are not sufficiently competitive and that, of late, several of its manufactures and raw materials have had to be given special props, in order to enable them to find export markets.

It is against this background that one has to view the proposal to incur an overall deficit of Rs. 222 crores in 1959-60, the coming fiscal year. The prospect of prices coming down in the face of this additional dose of deficit financing is by no means promising. Much store is laid by the encouraging performance on the food front, where production is estimated to have gone up to 70 million tons in the 1958-59 crop year. But actual developments may belie this hope. For one thing, imports are expected to be at a lower level. For another, the plan for building up a buffer stock of 3 million tons out of the current year's production is being implemented, thereby reducing the marketable surplus. Thirdly, the threat of State trading has led to hoarding at the lower levels of trade as well as by growers. And, fourthly, there are more mouths to be fed this year than in the past year. Prices of commercial crops also have staged a sharp rise. They are already well above those a year ago and look like going up further. And, above all, the import surplus in the coming year will not be as large as in the first three years of the Plan, nor will its composition be such as to have a restraining effect on the domestic prices of those goods that go to determine the cost of living. It is undoubtedly true that India's friends in the Western world have agreed to provide additional foreign exchange of the order of Rs. 170 crores, but these funds are to be used for financing imports of plant and machinery, technical skill, durable goods and certain amount of essential raw materials. The remaining months of the current calendar year, if not the whole of the 1959-60 fiscal year, are, therefore, going to be pretty difficult for the people of this country. It must not be forgotten that the total expenditure on the Plan in 1959-60 is scheduled to be Rs. 1,121 crores, as against Rs. 981 crores in 1958-59 and Rs. 846 crores in 1957-58; and that, of this, a larger proportion than in the past two years will be within this country. The inflationary potential of such a large expenditure is obvious. And yet the monetary authorities are pursuing a policy of gradually bringing down interest rates.

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STATE TRADING IN FOODGRAINS

THE stage is being set for the inauguration of State trading in foodgrains. The Union Deputy Minister for Food, Mr. A. M. Thomas, revealed in the Lok Sabha last week that final touches were being given to the scheme, which, after its approval by the Cabinet, would be placed before Parliament. Since there is no question of its being turned down by the present Parliament, it is a foregone conclusion that State trading in foodgrains will soon be an accomplished fact. Informed public opinion and the interests concerned have no doubt protested against the incursion of the State into foodgrains trade and the displacement of private business men and their time-honoured association with foodgrains trade. But the Government is determined to implement its scheme. In course of time, one may expect to see the gradual return of all the vexatious war-time food regulations, including foodgrains price control, and possibly rationing too. That so momentous a change should be brought about without an expert probe preceding it is regrettable. But it is not surprising, considering that State trading is the chief article of the Government's political and economic faith.

The Government has not disclosed the details of its State trading scheme for foodgrains. Pressed for information, the Union Deputy Minister for Food counselled patience. Beyond admitting that the scheme would be worked on a "no-loss-no-profit" principle, he did not throw any light on the scheme. However, early this month, Mr. K. C. George, Kerala's Minister for Food, disclosed that the essential features of the Central Government's scheme for State trading in foodgrains were socialisation of the wholesale trade in foodgrains which would be ultimately taken over by the State through elimination of private dealers, entrusting of the trade to marketing co-operatives which would be linked with village co-operative societies and the fixation, at the wholesale stage, of a ceiling price for foodgrains. He further stated that it had been suggested that, since the total elimination of private dealers from the field was not possible immediately, the change-over should be effected gradually and that, during the period of transition, the private dealers should be licensed by the State Governments which should retain for themselves the powers to requisition a portion of stocks held by licensed dealers in cases of emergency; the licensed dealers would be asked to submit to the Government periodical stock returns and accounts, which would be checked and verified by the authorities.

It should thus be clear that, irrespective of the form which the Government's foodgrain trading scheme may take in the immediate future, the ultimate aim is socialisation of this trade. No convincing argument has been put forward for this major innovation. It is true that the prices of foodgrains have risen steeply in recent months. But this is scarcely to be wondered at in a country where population is increasing at a rate faster than food production. The rise in prices can be easily explained in the context of the rising demand for foodgrains which has outstripped supplies and inflationary forces released by the Plan. In these circumstances, as Mr. M. R. Masani pointed out, in the course of his address at the first conference of the All-India Foodgrain Dealers at Delhi, "to put the blame for the rise in prices on the distributive trade is to shut one's eyes to the operation of the laws of economics and to look for a 'scapegoat'." Mr. Masani rightly said that, if the State wanted to come in as just another dealer in foodgrains, along with other private dealers, it was perfectly entitled to do so. He added: "If the State feels that it can give better service at more economical rates to the consumer, then it is up to the State to set an example. But, like any other, the State must be prepared to subject itself to the competition of others in the field." But this certainly is not the aim of the Government's State trading scheme. It will have the monopoly of trading in foodgrains, though, in the immediate future, it may possibly take the assistance of wholesale dealers. In the long run, this policy is bound to throw out of employment dealers in foodgrains whose place will be taken by Government nominees or Government servants. It is not clear what great cause is being served by the Government's foodgrains policy. Mere tinkering with the distributive channel will not solve the problem which is one of scarcity. It will only lead to a vicious circle of controls, higher prices, black marketing, larger imports, and more and more harassment to the consumer.

Apparently, the Government feels that it can serve the consumer better than the private trade can. As Mr. Masani pointed out, "the consumer today is able to buy from the dealer, who will give him foodgrains of satisfactory quality at the cheapest price." Hereafter, he will have to buy his requirements from the State which, in the context of freedom from competition, can dictate its prices to him. Further, the average consumer now enjoys some credit with the dealers. This facility is likely to disappear, when the State emerges as the chief dealer. Again, since the State cannot be expected to master the intricate art of maintaining the quality of cereals, it is unlikely that it will be able to offer adequate value for the money the consumer pays.

What about the producer? He will be entirely at the mercy of the State. Surely, his interests cannot be served better by a monopolistic buyer than by a whole group of merchants, competing among themselves, for buying his produce. Already, the forward markets in several foodgrains have been suspended. With the inauguration of State trading, even ready markets are not likely to function properly, so that it will be anybody's guess as to what is the correct price that the producer should get. The disruption of market mechanism, which State trading implies, will lead to discontentment among producers, especially as between producers in one State and another. Visualising the position of the producer under State dispensation, Mr. Masani said that, if the price appeared to him too low and uneconomic, he could either submit and sell his crop or refuse to do so. In the latter event, the Government could force the peasants to sell their produce to it. Such a situation is not calculated to lead to increased food production.

The Government will do well to bear in mind certain fundamental considerations, before it finalises the scheme which will condemn the producer and consumer of foodgrains to slavery to the State. In the first place, even countries, which are predominantly dependent on imported food, have not resorted to State trading in foodgrains. The Government is taking upon itself too heavy a responsibility. Secondly, the Government's administrative apparatus, particularly the apparatus of agricultural administration, is creaky, moribund and antiquated. This defect is a serious obstacle to the Government in reaching its goal of complete State trading. Thirdly, in a poor country like India, where food absorbs the major portion of a man's income, any administrative deficiency or miscalculation which distorts either prices or supply will lead to considerable bitterness and discontentment. Fourthly, it is bound to deflect administrative talent and energy from application of methods to increasing foodgrain production to the preservation of the State trading machine in a state of good repair. Finally, the disruption of price mechanism will pave the way for the emergence of centrifugal regional loyalties, each region claiming favourable treatment in the matter of fixation of prices. In other words, fissiparous tendencies in the country will get a new fillip. Is State trading in foodgrains really worth all these risks?

DURGAPUR COKE OVEN PROJECT

THE inauguration of the coke oven project at Durgapur, which took place last week-end, adds another chapter to India's industrial history. The coke oven plant, which is a part of the West Bengal Government's wider project of utilising the resources of the Durgapur region, is a notable addition to that new town's industrial enterprises, now at various stages of planning and execution. Some of these are: the State-owned steel works, the Russian mining machinery and ophthalmic glass plants and boiler, electrical and cement machinery plants of Babcock and Wilcox. Vickers and the Associated Cement Company. The coke oven plant is not so much an isolated project as a preliminary phase of what may eventually turn out to be a whole new series of manufacturing enterprises of great value and significance to India's industrial economy.

Coal, of which West Bengal and Bihar have large deposits, is the source of immense industrial wealth. Besides being a valuable fuel, coal, when it is subject to "destructive" distillation, is the basis of chemical industries, capable of producing a wide range of products like dyestuffs, ammonia, plastics, explosives, fertilisers and drugs. No wonder, coal is often regarded as the foundation of modern industrial civilisation. The West Bengal Government must be congratulated on its having carried through the preliminary phase of the utilisation of coal and thereby paved the way for the birth of a large number of new industries. Realising the potentialities of the Durgapur area, the West Bengal Government set up in 1955 the Durgapur Industrial Board, which is charged with the responsibility for the development and administration of industries to be established in that region. The industrial schemes, now envisaged, include two batteries of coke ovens and a by-products plant for the manufacture of 900 to 1,000 tons of hard coke per day through the carbonisation of 1,300 to 1,400 tons of dry coal, recovery of by-products such as ammonia, coal tar, sulphur, crude benzol and its rectified products like benzene and toluene, a coal-tar distillation plant with a throughput capacity of 50-100 tons of coal tar per day, a 60,000 kw. thermal power station and a gas grid system in the Durgapur-Asansol-Calcutta industrial areas for the supply of gas for domestic as well as industrial purposes. It is said that, at Durgapur, emphasis has been laid on the quality of products and utilisation of by-products.

There are a few features which give the Durgapur coke oven enterprise a distinctive character. In the first place, it will not use all coking coal for making hard coke. Since the reserves of such coal are limited and the demand for it from the metallurgical industry is growing, the plant has been so designed as to use blended coal in which the proportion of coking coal will be no more than 20 per cent. In deciding upon the manufacturing process, the authorities have pressed into service the research work at the Fuel Research Institute, where it has been demonstrated how good quality hard coke can be produced from blends of certain types of coal, none of which can individually give good hard coke. Secondly, the plant will recover sulphur from coal. This process, according to Mr. A. B. Ganguli, Administrator, Durgapur project, is being attempted for the first time in this country. India, as is well known, is deficient in sulphur, so that the manufacture of sulphuric acid is based on imported sulphur. The Durgapur project is so designed as to recover sulphur from coal, which, in its turn, will be used for the manufacture of sulphuric acid. Thirdly, in the Durgapur plant, a worthy aim is optimum recovery of benzol and ammonia. Although all coke oven plants do recover benzol and ammonia, there is considerable wastage in recovery, thanks to the country's hot climate. In Durgapur, a refrigeration unit has been installed which facilitates optimum recovery of these by-products.

The industrial importance of the Durgapur coke oven plant will become clear, when it is realised that the three principal products—hard coke, volatile gases and coal-tar products—are themselves the raw materials for a large number of chemical industries. The demand for hard coke is growing in India, for it finds extensive use in foundries and manufacture of chemicals like calcium carbide and soda ash. The gas which comes off the coke ovens will first be purified and then used for industrial and domestic purposes. About half the quantity of the gas, it is stated, will be required for heating the coke ovens themselves, while the other half wil be available for other uses. In the first instance, it will be used in the proposed 60,000 kw. thermal power plant. Later, it will be available for use in the manufacture of chemicals and fertilisers. In the immediate future, it will be diverted to Calcutta where the supply of domestic gas is insufficient to meet the city's growing needs. As for coal-tar products, it has been decided to establish a 100-ton tar distillation factory, of which about 50 tons will be obtained from Durgapur and the balance from Sindri. Among these products, benzene is the basis for synthetic chemicals and germicides, gamaxane toluene and phenol for drugs and explosives, anthracene for dyestuffs, tar acids for plastics, creosote for wash oil, anthracene for carbon black. It will thus be clear that the Durgapur region has all the potential for being developed into a counterpart of the German Ruhr, justly famous for its wide range of highly technical coal-based industries.

ERRATUM

In our leading article of 7th March, 1959, entitled "Budget with one redeeming feature," it was stated in the last sentence of para three thus:

"Unfortunately, the Government has found it less easy to levy taxes after taxes than to keep down the non-Plan expenditure."

The word "less" in the aforesaid sentence had crept in inadvertently. The correct word there should be "more." The sentence should read as follows:

"Unfortunately, the Government has found it more easy to levy taxes after taxes than to keep down the non-Plan expenditure."

MEANING OF NEW COMPANY TAX SYSTEM

KILLICK INDUSTRIES—WHEAT AGREEMENT

THURSDAY, 5 P.M.

ALTHOUGH further thought bestowed on the proposed new scheme of company taxation shows that it will be distinctly disadvantageous to the shareholders of most companies, the share markets have continued to rule firm, with equities registering sizable fresh gains. Almost all the leading counters have kept up the advance, with the comparatively new ones, such as Indian Oxygen, Dunlop Rubber, Philips India and Guest Keen Williams, in the forefront. During the last two or three days, there has been some profit-taking by speculators, but it has been quickly absorbed. As is always the case, in a rising market, the desire to sell and book profit is at a low ebb, for only the most seasoned and courageous investors cash their profit or cut their loss at the appropriate time.

MARKET GOSSIP

If the new scheme of company taxation is not favourable to investors, why are equities moving up? This question was briefly answered in these columns a fortnight ago. An additional point to be made is that, other things remaining the same, the yields on equities will be deflated all round and there is not much choice for investors to switch from equities to other portfolios. With interest rates going down, the yields on Government securities also are seeking lower levels. Further, all fixed-yielding investments offer no protection against the falling value of the rupee. Again, there are hopes that the Finance Minister will make suitable modifications in the new system wherever it acts harshly.

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Analysing the implications of the new tax system to investors at some length, Messrs. Place, Siddons and Gough, Calcutta, come to the conclusion, in the latest issue of their fortnightly publication, *Share Market Report*, that "it seems a fair inference that, in the majority of cases, even if companies transferred to shareholders the whole of the tax savings through abolition of wealth tax and excess dividends tax and the reduced rate of taxation of profits, they would not be able, at least out of current taxable profits, to compensate shareholders for the loss through withdrawal of grossing." Explaining one of the disadvantages of the new scheme to companies and shareholders alike, they say:

"Even where a company is in a position to compensate shareholders fully, the rise in the rate of dividend may create a false impression of high profitability and such an illusion may set off fresh demands from labour or from raw material growers (in the case of sugarcane, for instance). Current notions of high and low dividends are largely conventional and make no distinction between dividends gross and net of taxation. It would be difficult to convince labour leaders and cultivators that, under the new system of company taxation, nominal dividend rates must rise about 46 per cent., if shareholders are not to suffer a loss of income. If bonus awards are linked with dividend rates, it will have to be specifically declared that the rates referred to are net of tax, not gross. In the prevailing socialist economic climate, where dividend incomes are looked upon with suspicion as 'unearned,' any rise in dividend rates, even if they leave shareholders on balance worse off, will be certain to provoke an outcry and raise demands for a curb on profits. If popular thinking comes to regard, say, 6 per cent. as a fair return on capital, a convention will grow up and it will be hard to convince public opinion that 6 per cent. under the old system is the same as about 9 per cent. now."

The advice of Place, Siddons and Gough is that "investors will henceforth have to be far more discriminating than in the past in choosing which shares to buy. The extent to which the abolition of grossing will affect shareholders will vary from company to company, but, by and large, it would be correct to say that the smaller companies, particularly if they did not have to pay wealth tax and excess dividends tax, would be the worst affected. In such cases, the saving through reduction of tax on profits from 51.5 per cent. to 45 per cent. would not, in most cases, be enough to compensate shareholders the loss of 46 per cent. of their income due to the withdrawal of grossing. It is likely that the companies most able to do this will be the very biggest ones, whose tax saving through removal of wealth tax and excess dividends tax would be the greatest."

Under the new scheme, companies with a large block of tax-free preference shares will surely be adversely affected. Elucidating this point, this leading firm of Calcutta share brokers observes thus:

"Ordinary shareholders in companies having preference shares carrying a right to a fixed amount or a fixed rate of dividend free of income-tax will be at a special disadvantage. Under the new system, the fixed rate will be grossed up to such a figure that, after a 30 per cent. tax had been deducted from this grossed up figure, what was left would enable the preference shareholder to be paid his fixed rate of dividend. In other words, the shareholder would get his fixed preference dividend net of tax and the company will pay on his behalf the tax due at the rate of 30 per cent. on the grossed up dividend. For example, a 6 per cent. preference dividend will be grossed to Rs. 8.57 and the company will pay Rs. 2.57 to the Government as tax on behalf of the preference shareholder and pay him the preference dividend of Rs. 6. The shareholder will be regarded, for income purposes, as having received Rs. 8.57 and he will get a tax credit of Rs. 2.57, to set off against his tax liability. This means that, in the case of tax-free preference dividends, a larger amount will have to be declared to place the shareholder in the same position as before. Companies with a large block of tax-free preference shares, will thus have to set aside a larger sum to make payment of the dividend on these shares."

While agreeing that it is difficult to generalise about the overall effect of the new system of corporate taxation, Place, Siddons and Gough observe: "It looks as if most companies, and consequently their shareholders, will be adversely affected, in that, if the provisional 45 per cent. rate of non-refundable tax is confirmed, they will not be in a position to make up to shareholders the loss incurred through withdrawal of grossing."

The final conclusion of Place, Siddons and Gough is, however, on a note of optimism. Thus, they say:

"With all its defects, most investors would probably prefer the new system of company taxation to the old. The removal of the wealth tax on companies and the excess dividends tax is a major concession to investors, the effect of which will not be entirely nullified, even if the overall incidence of corporate taxation is not reduced thereby. It is good that the company's liability to tax is to depend only on its profits, instead of partly on profits, partly on net assets and partly on dividend rates. The burden of the wealth tax and excess dividends tax is particularly heavy on growing companies and their removal will increase the capacity of equities to serve as a hedge against inflation. Though the rate of industrial expansion has slackened off, the economy is developing, deficit financing will pump new money into stock exchange investment, interest rates are tending to decline, and the L.I.C. may be relied on to see that share prices do not fall unduly. The uncertainties about the full implications of the proposed changes in company taxation should not obscure the fact that the long-term investment outlook is still quite reasonably attractive."

These views, it may be noted, concur with those expressed by us a fortnight back.

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As the rift in the Board of Directors of Killick Industries Ltd. had been repaired through a compromise brought about by Mr. Dharamsey M. Khatau a few days before the annual meeting of shareholders, the meeting which was held on Monday went off smoothly, though there were some heated exchanges between the spokesmen of the contending groups and shoutings of inconsequential nature. A few shareholders tried to rake up the controversial issue pertaining to the boiler orders of the Ahmedabad Electricity Company, but Mr. Chunilal V. Mehta, who presided over the meeting, requested them to drop the subject. Mr. E. D. Sheppard, Managing Director and Chairman of the Company, was not present at the meeting.

Several shareholders wanted to know the terms of compromise, but Mr. Mehta would not give the full information, though he did say that Mr. Sheppard and Mr. Milne were definitely leaving the Company when their present contract expires in the last week of June this year. So the question as to who will take their place remained unanswered.

Mr. Mehta did not also oblige the shareholders who wanted to know the result of proxies collected by the two contending groups. Finally, a shareholder decided to exercise his right to inspect the proxy register and the Chairman did not object to it. After examining it, the shareholder commented that the proxy register had not been properly written up on this occasion, in that the totals had been entered in pencil and not in ink and that the Chairman had not attested them by putting his initials. He also announced the results of the proxies. He said that 59,719 proxies were in favour of Mr. Sheppard and 41,195 in favour of Mr. Purshotamdas Thakurdas. Thus, Mr. Sheppard had won an overwhelming majority and the news was received with great acclamation.

Why did Mr. Sheppard choose to retire from the Company, despite such a large majority of shareholders' exercising their vote in his favour? Our enquiries go to show that he finally decided not to prolong the controversy and wished to allow the business of this 100-year-old company to be carried on in peace.

The meeting adopted two resolutions entered in the agenda as "special business" at the instance of the group of shareholders who chose to collect proxies against Mr. Purshotamdas Thakurdas, Mr. Chunilal V. Mehta and Jaisinh Vithaldas. One resolution pertained to the election of Mr. M. N. Cama as a director, subject to the approval of the Government. The other resolution was as follows:

"That this meeting views with deep regret the hasty and derogatory remarks made against Messrs. E. D. Sheppard and K. G. Milne, the Managing Directors of this Company, by some shareholders of the Ahmedabad Electricity Co., Ltd., at its last annual general meeting and declares its full confidence in the said two gentlemen."

The aforesaid resolution was adopted with an amendment which sought to convey the shareholders' best wishes to Mr. Sheppard and Mr. Milne in view of their impending retirement.

According to our information, the terms of the compromise provide for the appointment of Mr. A. N. Haksar, a senior Indian official of Killick Industries Ltd., as the Chairman and Managing Director when Mr. Sheppard retires from the Company. Mr. P. D. C. R. Clark is expected to take the place of Mr. K. G. Milne as the Managing Director.

* * * *

A brief reference was made in these columns last week to the new International Wheat Agreement, to be effective from 1st August next. Since then, more information on this new pact has become available. It shows that Britain has definitely agreed to be a party to it. To rope in this major wheat importing country, which has stayed away from the Agreement for the past six years, some substantial modifications had to be made in the Agreement now in force and due to expire on 31st July. Two of the most notable changes effected are: (1) The obligation on the part of importing members to buy fixed quantities of wheat has been scrapped and, in its place, it has been laid down that the importing countries should buy from exporting members, as long as the market price is within the specified range, a given percentage of their commercial imports. (2) The Wheat Council will review the world wheat situation, production and pricing policies and the question of disposal of surpluses.

These two major modifications would appear to have been made to meet the British viewpoint. Britain had refused to join the Agreement now in force on the ground that it did not cover the question of surpluses at all, while the obligations under it to buy fixed quantities of wheat at $1.50 per bushel, if called upon to do so, could, it was contended, involve imposing restrictions on the free flow of trade. It is true that, under the new Agreement, Britain has agreed to purchase 80 per cent. of its total imports from exporting member-countries. But, considering that, at present, Britain buys as much as 97 per cent. of its supplies from these very countries, this commitment is not considered burdensome. Nor is the undertaking to purchase wheat at prices ranging between the new floor and ceilings of $1.50 and $1.90 regarded as onerous. Since the international wheat situation is characterised by enormous surplus, albeit in the hands of financially strong producers, it is unlikely that prices will move out of this range. Thus, while the obligations of membership in the pact do not involve any additional burdens, the goodwill which Britain can earn by joining it is considerable.

The Agreement will be in force for three years and will expire on 31st July 1962. Its objectives have been broadened considerably to include (1) promotion of expanded trade, (2) securing of the freest possible flow of trade in the interest of all member-countries, (3) overcoming the effects of burdensome surpluses and critical shortage, (4) encouragement of the use and consumption of wheat, and (5) the furtherance of international co-operation generally concerning wheat problems. The previous concept of individual guaranteed quantities, as noted above, has been abandoned. The procedure of "put" and "call" has also been rejected. Instead, obligations have been made on a global basis with a view to enabling trade to flow more freely.

Under the proposed Agreement, members retain full liberty to determine their internal production and pricing policies. But, for disposing of surpluses, it has been laid down that member-countries should comply with three principles: (a) wherever possible, surpluses should be disposed of by efforts to increase consumption; (b) disposals should be made in an orderly manner; and (c) concessional sales should not harm normal patterns of production and international commercial trade.

A feature of the Agreement, which is of particular interest to countries like India, is that the obligations of exporting and importing countries will relate only to transactions conducted on a commercial scale. Transactions, which, as a result of Government intervention, include features which do not conform with usual commercial practice, will be excluded. These "special transactions," as they are called, are defined as those which, though possibly falling within the price range of the Agreement, include features generally introduced by the Governments of the countries concerned relating, for example, to the period of credit, rate of interest or convertibility of the currency of payment. Such transactions should, however, be reported and recorded with the Wheat Council, so as to enable it to watch the entire international movement of wheat.

The new Agreement, which marks a departure from the existing system and is more in line with the actual market conditions, is said to be an improvement on its predecessor in the following respects: (1) The Wheat Council has been given wider functions; (2) the mechanism has been simplified; (3) there is greater room for flexibility in prices; (4) there is provision for annual review of the world situation; (5) the Council could undertake studies on ways of promoting consumption of wheat; and (6) a new and more realistic price range has been fixed.

By its very nature, however, the Agreement has certain limitations. As the *Financial Times*, London, puts it: "It has little to do with the real factors which govern the wheat market. The wheat price depends more than anything else upon the actions of the U.S. Government and the support prices paid to the American farmer. If American policy were to change, of which there is absolutely no sign, then nothing this Agreement could do would prevent such a change being expressed in the price of wheat. Indeed, it is not clear what the Council would do, if the minimum prices were broken. Under the Agreement, it would have to consider the matter and take what measures it could devise. In fact, it could only effect minor market movements; this is a price stabilisation agreement which can only work if there is price stability." Obviously, an agreement, which gives member-countries complete freedom for domestic production and pricing policies, cannot do anything more when the price of wheat depends so much on the actions of one country.

FIRMNESS OF EQUITIES PERSISTS

ENGINEERINGS WELL FAVOURED

(From Our Own Correspondents)

BOMBAY, 19*th March*

THE firm trend of the share market witnessed in the previous fortnight continued unabated during the week under review and further additions to values were recorded. Investment support was quite sustained, while offerings, especially of popular counters, were poor. The operators generally would appear to be optimistic about the outlook for industries in the light of the abolition of wealth tax and excess dividends tax on companies, the Finance Minister's assurance regarding removal of double taxation anomalies, and the latest move of the Centre to relax the licensing system for imports of raw materials and components. The sentiment of the market was also influenced favourably by expectations of enlarged money flow into share investment in the next two or three years, following the large-scale deficit financing contemplated. On the last of the previous accounting period, that is, Friday, several scrips recorded handsome gains on persistent buying. The new account period commenced on Monday on a buoyant note and the upward trend in values continued. In the subsequent two sessions also, the share market displayed a firm undertone. Today, however, there was a technical setback owing to profit-taking at bulges. Nevertheless, the closing rates of most counters were higher than those at the end of last week.

A special feature of trading during the week was the good absorption of engineering company shares. This was due to anticipations of a notable improvement in output in the current year as a result of the advance allotment of import licences for the ensuing six months. Many industries were expected to be benefited from the concession.

Under the impetus of good buying orders, Tata Ordinaries moved up from Rs. 180.75 to touch a high of Rs. 184.25 yesterday. At this level, profit-taking set in and the shares receded to Rs. 183.25 before finishing today at Rs. 183. The net gain over the week was Rs. 2.25. New shares registered a rise of Rs. 2 over the week, today's rate being Rs. 180.25. Indian Irons opened at Rs. 23.40 as against Rs. 23.52, and, after rallying to Rs. 24.16, closed at Rs. 23.96. The net increase was 44 nP.

Buying enquiries in textiles, though selective, were quite pronounced. Centurys provided the brightest spot, climbing up from Rs. 461 to Rs. 474.50, after being higher at Rs. 477.50 yesterday. Kohinoors spurted by Rs. 7 to Rs. 260. Finlays advanced by Rs. 4 to Rs. 271 and Shree Niwas by Rs. 2 to Rs. 148. Standards gathered Re. 1.50 to Rs. 444. The Directors of this Company have declared a dividend of Rs. 20 per share, including a bonus of Rs. 2, on increased capital. Khataus gained Re. 1.25 to Rs. 167.50. Bombay Dyeings were quiet at Rs. 58.70, reflecting the disappointment of operators over the maintenance of dividend for 1958 at the previous year's level of Rs. 2.50, by recommending the final dividend of Re. 1.75. Models encountered persistent selling pressure following notice of closure and fell by Rs. 11.25 to Rs. 130. New Greats declined by Rs. 3 to Rs. 207, Morarjees by Rs. 2 to Rs. 228 and Central Indias by Re. 1 to Rs. 88.

In the sugar group, Phaltans evoked support and advanced by Rs. 2.50 to Rs. 157. Walchandnagars were firm at Rs. 291.25. Belapurs, however, gave way from Rs. 292 to Rs. 290.50. Bhopals shed 10 nP to Rs. 26.

Among cement shares, Digvijays were well fancied, hardening by Rs. 3.50 to Rs. 143. Jaipur Udyogs put on 24 nP to Rs. 11.84. Orissa Cements rose by 16 nP to Rs. 14.04. A.C.Cs on the other hand, lacked adequate support and eased by Re. 1.75 to Rs. 144.75, after being higher at Rs. 147.50 on Monday.

Engineering shares, as already stated, met with enlarged buying enquiries. Premier Constructions and Structurals were specially favoured, the former climbing up by Rs. 16.25 to Rs. 267.75 and the latter by Rs. 20 to Rs. 250. Larsen and Toubros strengthened by Rs. 11.50 to Rs. 276.25. Cooper Engineerings hardened by Rs. 7.75 to Rs. 141.75. Voltas spurted by Rs. 5.25 to Rs. 157.25, following the statement of the Chairman that the Company had plans to expand its activities to a great extent. Alcock Ashdowns picked up Rs. 3 to Rs. 278. Tata Locomotives were done Rs. 2.75 higher at Rs. 185.25.

Mining shares were also well favoured. Shivrajpurs were marked up from Rs. 99.50 to Rs. 102. Indian Coppers gathered 4 nP to Rs. 3.93. Among automobiles, Premier Automobiles encountered excellent support and jumped up by Rs. 9 to Rs. 113. Hindustan Motors improved by 80 nP to Rs. 8.84.

Business put through in miscellaneous industrials was quite large. Bombay Burmahs opened the week firm at Rs. 492 and forged ahead to touch Rs. 514 at one time yesterday. Commencing lower at Rs. 509 today, they declined to Rs. 506 but recovered to Rs. 505.50 towards the close. The net rise over the week was Rs. 17.50. National Rayons rallied from Rs. 264.75 to Rs. 280 before finishing at Rs. 276.25. Investment Corporations spurted by Rs. 11 to Rs. 111. Hindustan Levers registered a rise of Re. 1.50 to Rs. 31. Hind Cycles strengthened by Rs. 3.50 to Rs. 108. Gwalior Rayons put on 32 nP to Rs. 15. Killick Industries, however, dropped Rs. 3 to Rs. 147. Wimcos lost 50 nP to Rs. 193.50.

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Calcutta Stock Exchange

CALCUTTA, 17*th March*

Led by jutes, equities on the Calcutta Stock Exchange registered handsome gains during the week under review. Jute shares received strength from the distinct firmness of jute goods following lower output figures for February. A fair volume of business was put through in these shares at markedly higher prices. Coals met with good buying support on hopes of an upward revision in prices in the light of the recommendations made by the Coal Prices Revision Committee. Tea shares were also well supported, thanks to encouraging news from the recent tea auctions. Engineering, mining and other miscellaneous industrials reacted bullishly to expectations of better working results of companies. The expectations were based on the latest decisions of the Union Government, announced this week, to liberalise the procedure governing issue of licences for importing raw materials and components. The new procedure, which will be applicable to 45 scheduled industries borne on the books of the Development Wing with effect from 1st April next, it is felt, would ensure continuity of raw materials supplies to industries, thereby enabling them to plan their production better and to purchase some of their requirements for the succeeding half-year.

U.S. DEVELOPMENT LOAN FUND

In less than two years since it was established on 30th June 1957, the U.S. Development Loan Fund has made or approved no less than 71 loans aggregating $631,756,000 to public and private borrowers in 33 countries. There is a notion in certain circles in this country that the D.L.F. was brought into existence by President Eisenhower mainly to help India, as the U.S. Congress was extremely critical of any specific legislation for giving large-scale economic aid to this country, because of its policy of non-alignment. This seems to be true, but only in part. The fact that India is the single largest recipient of loans from the Fund so far supports that belief. Out of the total loans mentioned above, India's share is $175 million, the number of loans being seven. But it must be noted that Pakistan, which is only a third in size as compared with India and has been receiving enormous military and economic assistance in other ways too, as, for instance, under the Mutual Security Act, holds the second place among the countries which have been given loans by the D.L.F., with seven loans for an aggregate sum of $70.20 million. Another neighbour of India to get a loan is Ceylon: it has had three loans for $3.25 million in all. Again, $28.84 million in seven loans has been sanctioned to five countries in Africa and nine loans covering $112.20 million have been given to five "near Eastern countries," including one to Greece. Most of the other loans have been made to borrowers in Latin America and the Far East. Formosa ranks third among the borrowers from the D.L.F., having taken eight loans for $58.24 million.

We give below, for purposes of record, project-wise details of the seven loans from the D.F.L. to India:

Railways ($40,000,000).—To finance the importation of structural steel and steel products to be used by private manufacturers and Government-owned facilities in making 20,000 freight cars, 300 steam locomotives, 600 coaches, and 2,500 underframes. This undertaking is part of India's programme for increasing the capacity of its overloaded railway system.

Roads, Cement and Jute ($35,000,000).—This loan consists of three parts: (1) $25,000,000 for importing bus, truck, and jeep components for assembly by private firms in India, (2) $5,000,000 for equipment to expand India's privately-owned cement industry, and (3) $5,000,000 for equipment to modernise and expand the privately-owned jute industry.

Steel Imports for Public Projects ($18,000,000).—To import structural and other types of steel for use in about 30 public projects, including four water-supply and irrigation enterprises, four port-improvement projects, and about 20 power projects.

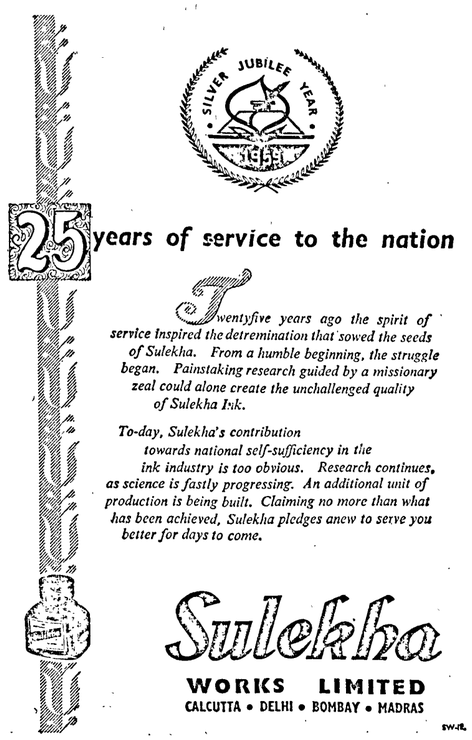
Steel Imports for Private Projects ($22,000,000).—To import steel and tools to be used in private industries, including fertiliser, automobile, tool-machine, ball-bearing, and locomotive plants.

Second Railways Loan ($35,000,000).—To import materials and equipment to be used in connection with an integrated plan for improving railways by electrifying about 1,400 miles and doubling about 1,300 miles of line, building more than 800 miles of new line, building, rebuilding, or remodelling yards providing signal equipment, etc.

Public Power Development ($10,000,000).—To procure equipment for use in a variety of projects aimed at doubling India's installed generating capacity within the next five years.

Capital Equipment for Private Industries ($15,000,000).—To help import capital goods needed in modernising or establishing private industries, including metallurgical, mineral, chemical, cement, machinery-manufacturing, engineering, textile, sugar, and paper industries.

At the moment, the D.L.F. has not sufficient balance in its account to render any further sizable assistance. The U.S. President requested the Congress for a supplementary allocation of $225 million to the Fund for the current year, but the Congress has agreed to allot only $100 million; at one time, it was prepared to give no more than $50 million. The State Department is, however, still pressing the Congress to sanction the President's request in full. It remains to be seen whether the Congress will concede the demand. The extent to which the U.S. Government can help India and others will thus depend upon the Congress.



NEWS IN BRIEF

IMPORTS of liquor into India have declined from over 1.4 million gallons in 1954 to 166,219 gallons in 1958.

The total repayment in foreign currencies of foreign loans by India during 1959-60 is put at Rs. 24.71 crores, of which principal accounts for Rs. 9.57 crores and interest for Rs. 15.14 crores.

The report of the Tariff Commission on fair prices for paper is expected to be submitted to the Union Government by May next, according to Mr. Manubhai Shah, Minister for Industry.

A delegation from East Germany will shortly visit India to assess India's requirements in the development of small-scale industries. The delegation will visit Bombay, West Bengal, Madras, Delhi, Kerala, Orissa and Assam.

A sum of Rs. 2.06 crores has been provided in the Central budget for 1959-60 for aid to be given by India to foreign countries under the Colombo Plan. This includes economic assistance to Nepal to the tune of Rs. 1.90 crore.

A Sheep and Wool Development Board for Rajasthan, with Mr. Nathuram Mirdha, the State Minister for Agriculture, as Chairman, has been constituted to advise the State Government on matters relating to wool production and trade.

A Swiss tax delegation has completed preliminary discussions with the officers of the Central Board of Revenue at New Delhi for the conclusion of an agreement between the two countries for avoidance of double taxation of income. The discussions are expected to be resumed at a future date.

Two schemes for the manufacture of agricultural tractors, with a total capacity of 2,500 units per annum, have been approved by the Central Government. The range of tractors to be produced is between 12-18 and 20-30 D.B.H.P. Licences will be issued for these units after the terms of foreign collaboration are finalised.

The production of manganese ore in India during the year 1958 is estimated at 1,230,000 metric tons. Orissa State was the leading producer of manganese ore during the year, with an output of 360,000 metric tons, followed by Bombay State with 311,000 metric tons, Madhya Pradesh with 283,000 metric tons and Mysore with 240,000 metric tons.

The State Trading Corporation is currently negotiating with Czechoslovakia for the export of one million tons of iron ore from this country. It is also exploring possibilities of exporting iron ore to Italy, West Germany and the U.K. negotiations are in progress with Japan for additional exports of iron ore to that country over and above the quantity covered by the existing five-year contract.

The Tiruchirapalli area in Madras State has been described as a place of "medium oil possibilities" by the West German experts, who recently toured the various parts of India to study the oil potential in the country. Disclosing this in the Lok Sabha the other day, Mr. K. D. Malaviya, Minister for Mines and Oil, said that the Oil and Natural Gas Commission was making necessary investigations in this area at present.

A new 20,000-kw. steam carbo-generating set was formally commissioned at the power plant of the Indian Iron and Steel Company, Burnpur, by its Governing Director Mr. Biren Mookerjee, on the 13th inst. This unit will raise the installed capacity of the power plant from 40,000 kw. to 60,000 kw., enabling the Company to increase its existing capacity by half a million to one million steel ingots per annum.

The final round of talks for the conclusion of a double taxation avoidance agreement between India and the U.S.A. commenced at New Delhi on the 16th inst. The U.S. delegation is headed by Professor Dan Throp Smith, Deputy to the U.S. Secretary of the Treasury. The talks, which are expected to last for about a week, are a follow-up of the discussions held by the Indian delegation with the U.S. Government in Washington last December.

Draft rules detailing the procedure for allowing rebate of customs and general excise duties paid on imported and excisable material used in the manufacture of textile machinery exported have been published in the *Gazette of India*. The rate of rebate will be calculated on the basis of the particulars furnished by the manufacturers of such machinery who may be interested in this rebate.

The Government of India has decided to acquire majority shares in the Praga Tools Ltd., Hyderabad. The Andhra Pradesh Government now holds shares worth Rs. 47.57 lakhs in the Company and the public Rs. 18.35 lakhs. The Centre proposes to raise its capital by investing Rs. 70 lakhs in it. The present shareholders are understood to have agreed to this arrangement. The factory produced tools worth Rs. 60 lakhs in 1958, as against Rs. 23 lakhs in 1956. The value of production is expected to go up to Rs. 90 lakhs in the current year.

As a measure of export promotion, the Government of India has decided to allow drawback on customs duty paid on imported materials used in the manufacture of multi-wall sacks of paper, hand inflators and furniture made of stainless steel tubes. Rebate of customs and Central excise duties paid on imported and excisable materials used in the manufacture of galvanised steel socketed tubes has also been allowed. Certain changes have been made in the existing schemes of drawback for steel products, bicycles, sewing machines and jute manufactures.

The Government of India has decided to introduce a new procedure under which licences for import of raw materials and components are proposed to be issued to 45 scheduled industries, borne on the books of the Development Wing, in addition to their normal allotment for the next licensing period, beginning from 1st April 1959 (April-September). The object is to ensure continuity of supply of raw materials to enable industries to plan their production better and to make advance arrangements for the purchase of some of their requirements of raw materials for the next half-year.

A conference of licensed salt manufacturers of India representing all the regions of salt production in the country met at Bombay on the 17th inst. under the chairmanship of Mr. P. A. Narielwala, a Director of Tata Industries Private Limited, and Vice-Chairman of the Indian Salt Manufacturers' Association. The present critical position in the salt industry and trade was reviewed and concrete proposals for the formation of a Federation of All-India Salt Manufacturers' Associations were unanimously adopted at the meeting. It was also resolved to submit a representation and to meet the Hon'ble Minister for Commerce and Industry, Government of India, and appeal to him for immediate relief to the industry.

The Union Minister for Industry, Mr. Manubhai Shah, declared in the Lok Sabha that the location of heavy industries such as steel plants would be determined purely on the basis of economic considerations and that the projects would not be used as a "primary prop" for removing the regional backwardness of a particular State. Mr. Shah further pointed out that, in regard to the licensing of new industrial units in the States, preference was given to areas where such industries did not exist. He suggested four measures for adoption by the States to promote development, namely, techno-economic survey of the State, strengthening of industries directorates, a more liberal approach to grant of loans and provision of electric power for industrialisation.

* * * *

From Abroad

Ceylon produced a record tea crop of 413 million lbs. in 1958. Of this, it exported 161 million lbs. to the U.K., the highest level reached in the last 15 years.

The Government of Pakistan proposes to raise the area under tea from 75,000 acres to 100,000 acres in order to raise production to 80 million lbs., as against the current output of 54 million lbs.

The *per capita* consumption of fish in Norway in 1958 was about 82 lbs., the total consumption in the whole of that country being 130,000 tons, an increase of 3 per cent. over the year.

The U.S. Government has agreed to support the establishment of an Inter-American bank with an initial capital of $1,000 million. Earlier, the U.S. had favoured only a capital of $850 million for this institution.

A sum of £620,500 will be provided by the U.K. Government this year to enable Commonwealth and Colonial students to study in Britain. The funds will be available for further education or training at any suitable centre in the U.K.

The Indonesian Government has decided to nationalise 227 more Dutch-owned estates in the country. Of this, 177 are understood to be tea and rubber estates. Last month, the Government nationalised 38 Dutch tobacco estates.

The Ford Motor Company in the U.S. has decided to manufacture small cars during the 1960-model year. The proposed car, it is said, will be in competition with other economy cars, including those manufactured by U.S. manufacturers.

The U.S. Government has imposed compulsory controls on imports of crude oil, residual oil and refined oil products, including petrol and jet fuels, with a view to helping domestic petroleum industry in the interests of national security.

Japan is likely to place an order with the U.S. General Electric Company for the supply of a 10,000 kw. demonstration power reactor costing about $8 million. The reactor, the second to be imported by Japan, will be installed near Tokyo by the end of 1961.

The number of households in the U.S. has increased from about 16 million in 1900 to about 50 million in 1958. While non-farm households have been increasing over the years, farm households have declined by about 2 million since 1940 when there were about 7.2 million of such households.

An assurance that the U.K. Government will sympathetically consider the question of arranging Commonwealth talks on tea, if the tea-producing countries so desired, was given in the British Parliament by the President of the Board of Trade, Mr. David Eccles, this week.

PERSONAL

PRESIDENT Dr. Rajendra Prasad left India last week-end on a 12-day visit to Cambodia, South Viet Nam, North Viet Nam and Laos.

Mr. Bishambardas Kapur and Mr. M. G. Vohra have been elected President and Vice-President, respectively, of the Cycle Manufacturers Association of India.

Mr. E. A. Jenkins, Anchor Line Ltd. and Mr. C. W. Couch, Standard-Vacuum Refining Company of India Ltd., have been elected representatives of the Bombay Chamber of Commerce and Industry to serve on the Board of Trustees of the Port of Bombay for a period of two years with effect from 1st April 1959.

President Eisenhower will join Queen Elizabeth at Montreal in June next to open the St. Lawrence Seaway in Canada. At the Queen's suggestion, the names of all workmen who built the Seaway and who contributed to its construction will be recorded in a special book as a mark of recognition.

The U.S. General Electric Company is reported to have reached a fairly advanced stage in developing an efficient method of converting heat directly into electricity. The simplified power producer will be particularly useful for satellites, where compactness, lightness and long life of the power supply are the key factors.

The Labour Party in the U.K. has advocated a 12-point plan for creating new jobs for the unemployed, numbering 621,000 in January, the highest figure to be witnessed in 10 years. The plan covers, among others, construction of Government-financed factory buildings in the officially designated development areas, considered to be places where unemployment is a recurring problem.

With a view to simplifying trading in gold in the Toronto Stock Exchange, the Canadian Copper Refiners have started issuing new gold bars with a fineness of 9,999 per 10,000 with effect from the 15th inst. The new bar will have an exact weight of 32 ounces. Hitherto, Canadian bars marketed through the Exchange weighed approximately 32 ounces with a fineness of 999 per 1,000.

A new Bill approved by the Japanese House of Representatives seeks to prevent domestic manufacturers from copying foreign commercial designs. Its provisions will be applied in the beginning to fountain pens, pencils, fishing gear, furniture and salad bowls, but will later be extended to other products including cameras and toys. The textile and potteries industries (not included in the Bill) have already taken measures voluntarily to prevent copying.

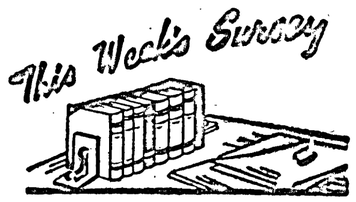
East Germany will undertake the execution of seven projects in U.A.R. costing £E5.27 million. The contracts were signed at Cairo recently. They are part of the £E18 million agreement signed between the two countries. The contracts include construction of a knitting factory at Port Said, establishment of two units for dyeing and finishing textiles and expansion and renovation of Misr Film Studios, for enabling it to process colour films.

The U.S. Government has refused to permit the export of $2,500,000 (about Rs. 119 lakhs) worth of steel pipe to the U.S.S.R. This is the third time that the U.S. Commerce Department has turned down the request of an unnamed American company for an export licence to ship 12,227 tons of 28-inch and 30-inch carbon-welded line pipe to the U.S.S.R. The rejection is on the ground that it will not be in the national interest to permit shipment of this item to Russia.

A new drug for treatment of the mentally ill, which, it is claimed, will eliminate many of the undesirable side-effects of electric shock treatments, has been announced by a scientist of the University of Maryland, in the U.S.A. Dr. John C. Krantz, Pharmacology Professor at the school, who helped develop the chemical "Indoklon," described recently the reaction of 2,000 patients to the drug at a meeting of scientists at the Army Medical Centre at Edgewood, Maryland.

The U.K. Government has decided to lend upto £60 million to Richard Thomas and Baldwins Company towards the cost of a £100-million steel strip mill, with an annual capacity of 1 million tons of ingot steel, proposed to be set up at New Port, Wales. The factory is expected to go into production in 1963 and reach full production in one or two years thereafter. The plant will manufacture annually 600,000 tons of finished strip mill products, mainly sheet steel for the automobile and consumer durable industries.

The aggregate world rubber-producing capacity (both natural and synthetic) is at present estimated at 4 million tons, whereas the anticipated consumption in 1959 is placed lower than 3.4 million tons, according to the Economist Intelligence Unit. The shift in the trend of consumption from natural to synthetic rubber, it is said, has reached a limit in the U.S. The West European countries propose to expand their production of synthetic rubber which in turn will restrict the scope for imports from the U.S. It is, therefore, pointed out that 30 per cent. of the U.S. synthetic production capacity may remain unused, while natural rubber may continue in balance.



PLANNING AND RESOURCES

THE third Five-year Plan is very much in the air. It is true that, with two more years to go, the second Plan has not yet run its course. But experience in working the second Plan has pointed to the necessity of more careful preparation for the third. It is now increasingly realised that there is no point in drawing up a big Plan and then leaving it to the resourcefulness of the Finance Ministers to find the resources for it. As Mr. L. D. Mudie, Vice-President of the Bombay Chamber of Commerce and Industry, pointed out, in his speech at the annual general meeting of the Chamber, held at Bombay this week, "while some degree of flexibility in planning is inevitable and desirable, it must surely be understood from past experience that adequate resources (available or assured) are a vital factor in the tailoring of any expenditure programme."

Whenever the "resources" problem crops up, there is a tendency to look at it only from the point of view of the Exchequer. Although this is important, it by no means determines entirely the progress of an economic plan. A related problem is the resources at the command of the private sector, which, despite all the attempts made to restrict its scope, is still left with a preponderant share of the responsibility for economic progress. Fears have been expressed both in official and non-official circles that, in the second Plan period, private investment may not come up to levels originally anticipated. It is of the utmost importance that this deficiency is made good in the period of the third Plan. And efforts should be made to supplement domestic private investment by foreign investment. Mr. Mudie rightly emphasised the "necessity to prepare the way for larger contributions to the economy from private foreign investors." He added: "We live in a capital-hungry world, but, in the queue to attract investment, India starts with the well-known and clear advantage of a market offering an immense potential. By itself, however, this is an insufficient inducement to condition the mind of the foreign investor, whose approach to the placing of his available capital, while sympathetic, is inevitably influenced by commercial considerations."

The incentives which a foreign investor appreciates most is, of course, security of his investment. In addition, he also wants facilities for transfer of profits and repatriation of capital. Mr. Mudie said that the prospect for the former was good and the record in the case of the latter in this country was admirable. But he rightly suggested that the foreign investor could be deterred by "an uncertain policy for private industry, the expansion of State trading, the complexities of labour and company legislation and a high level of taxation." And, to the extent that such measures have been adopted by the Government, the incentive for the flow of foreign investment has been reduced. It is time this policy was reversed and the ground prepared for the larger flow of foreign private investment.

Nothing is more calculated to deter the investor, whether foreign or domestic, than the abandonment of reason and commonsense in deciding economic issues. What is necessary is a realistic, rather than a doctrinaire, approach to these issues. Nowhere is this more particularly needed than in the settlement of the public *versus* private sector controversy. On this question, Mr. N. Dandekar, President-elect of the Chamber, made some notable observations. He said that any discussion of this subject must be confined to two types of cases—(1) those in which, despite the heavy initial investment involved and the prospect of little or no returns in the earlier years, private investment, whether Indian or foreign, is prepared to come forward and develop a new basic industry at private risk; (2) those concerned with internal and foreign trading, road and sea transport, banking and insurance, general manufacture and the manufacture of even such basic things as motor vehicles and cement, in all of which private investment has already contributed so significantly to the country's development but where the State is often tempted to step in because of illusory prospects of doing the job better or, quite simply, of making quick profits. Mr. Dandekar suggested that the proposal for State participation in these fields should be examined on the merits of the cases concerned, free from doctrinal prejudice. In deciding these questions, he urged the importance of bearing in mind three considerations:

1. What are the objectives to be achieved? Is it practicable that they will be achieved in either sector from the resources of money, manpower and raw materials available?

2. If private enterprise is already engaged in the activity under consideration, is the intrusion of the public sector really necessary? Will it add to, or reduce, costs? Will it waste valuable and limited management resources? Has the State such resources of manpower and experience to contribute to the enterprise, or will the State merely take advantage of knowledge and organisation already there?

3. Can it, in sum, be demonstrated that it is truly in the best interest for the State to broaden the scope of its industrial and commercial activity, or to participate in those activities which have already been developed over the years by private enterprise?

These are valid considerations, which, in any democratic country, would be regarded as axiomatic economic truth. And yet, in India, politics has such a pernicious tendency to vitiate economic decisions that these considerations are ignored, the result being avoidable waste, misdirection of the all too limited quantum of physical resources and administrative talent and a rate of growth which is well below the optimum which this country could easily have, thanks to the abundance of natural resources, entrepreneurial skill and industrial traditions.

BICYCLE INDUSTRY

One out of every eighty persons in India uses a bicycle and the ratio is expected to be as high as one bicycle for every fifty-eight persons in 1960, if the Tariff Commission's estimate of the rise in the total number of this vehicle on roads from 5 million to 7 million were to prove correct. Appropriately enough, Mr. Manubhai Shah, Union Minister for Industry, described the bicycle as the common man's transport, while inaugurating the annual meeting of the Cycle Manufacturers Association of India at Madras on Sunday this week. Considerable importance has been attached by the authorities to the development of this industry. It was, for instance, one of the industries included in the first schedule of the Industries (Development and Regulation) Act 1951 when it was enacted for the first time. Again, the Development Council for this industry was one of the first three constituted under the Act of 1953. What is more, this is one of the industries which has been afforded tariff protection for quite a long time now, since 1946, to be precise.

On its part, the bicycle industry has endeavoured not only to maximise output but also to maintain a high quality of production. The number of bicycles actually manufactured in 1958 was as much as 1.05 million valued at over Rs. 13.8 crores, as against just 49,000 valued at Rs. 60 lakhs in 1947, the first post-protection year. With this trend in production, it can safely be asserted, as Mr. A. M. M. Murugappa Chettiar, the retiring President of the Association did, that the industry has already practically fulfilled the target set for it under the second Five-year Plan; the target is 1.25 million. Significant progress has been made in the sphere of components manufacture too. While in 1947 and the following years, bicycles were mostly assembled with imported parts, today, the percentage of these parts varies only from 2 to 5 in value.

It will be interesting to note here that the aggregate annual capacity of the bicycle industry at present is 1.72 million, of which the 20 large-scale units together account for 1.37 million (single-shift basis) and the small-scale sector for 350,000. The latter capacity is expected to rise to 500,000 in course of time. The Central Government has already approved of 19 schemes (during 1958-59) for the setting up of small-scale factories to produce 84,500 bicycles per annum. As against the aggregate anticipated capacity of 1.87 million in 1960-61, the demand is expected to be around 2 million, and not 1.5 million as estimated by the Development Council. Mr. Murugappa Chettiar felt that it would not be difficult to achieve the two-million mark, provided, of course, the handicaps facing the industry were removed. The chief handicaps, we are told, are three, as follows:

1. There are inordinate delays in the issue of import licences. The operation of the present import licensing system often retards the smooth operation of individual units, as the licences for different items are issued in an unbalanced manner.

2. The industry is finding it difficult to secure adequate supplies of requisite machinery and raw materials

3. Although the need for feeding the existing capacity to the full extent before new capacity is created has been repeatedly stressed, it has not been followed in practice and licences for the establishment of new units have been freely issued.

Mr. Murugappa Chettiar not merely drew attention to these difficulties but also indicated the ways in which they could be overcome. An important suggestion made by him related to the adoption of a system of import licensing whereby the total ceiling of foreign exchange for import of steel forgings and castings and plating materials could be divided among producers on the basis of each unit's performance and the manufacturers be allowed to import and balance out permissible items within this overall ceiling, without recourse to a large number of import licence applications and the processing thereof separately. This single licence could within its body also indicate the ceiling for any particular type of import, that is, components, consumable stores, castings and forgings or raw materials, as well as stipulate any specific cover item-wise (but not quantitatively) so as to obviate any chance of imports of items which are not allowed at all, but, at the same time, allow the factories to balance out quantitatively on permissible items.

Referring to this suggestion, Mr. Manubhai Shah pointed out that foreign exchange was being allotted on the basis of the performance of each unit and that, in the case of components, the manufacturers were already being allowed the flexibility of importing any part within the total ceiling and without any quantitative restriction. In this connection, he disclosed that, from the next licensing period, most of the existing formalities for import of the bicycle industry's requirements of both raw materials and components would be straightened out and simplified; as far as possible, the system would be so worked that "it will be an *ad hoc* allocation rather than item-wise allotments." As for electroplating chemicals, the Minister advised the bicycle industry to get its requirements from indigenous sources as was being done by the sewing machine and other light engineering industries with full satisfaction.

The bicycle manufacturers must have felt gratified at the aforesaid statement of Mr. Shah regarding import licensing, as also at his assurance that, normally, preference would be given to the expansion of existing units, though there were other considerations like regional distribution and encouragement of small-scale industries which had to be taken into account as well. Nobody would grudge new *entrepreneurs* entering the field, but there is, as Mr. Murugappa Chettiar stated, the problem of raw material supply becoming more acute with new entrants, since the overall ceiling of foreign exchange for the bicycle industry as a whole is not elastic.

On the question of component supplies such as chains, free-wheels, spokes and rims, Mr. Murugappa Chettiar pleaded for permission to bicycle manufacturers to produce all the parts for their own use. The Minister, however, urged the manufacturers to buy as many parts as possible from other units, especially those in the small-scale sector. While the anxiety to foster the development of small-scale industries is to be appreciated, it is rather doubtful whether these industries will be able to produce the components more economically than the industry itself and to maintain high standards of quality. Mr. Shah was, however, right when he stressed that some of the leading manufacturers of cycles should make an immediate beginning to establish factories to fabricate machinery and equipment. In particular, his suggestion for three or four units concentrating their attention on manufacturing standard types of machinery required by all sections of the industry deserves support.

INCENTIVES TO WORKERS

It used to be generally believed that an industrial worker's chief need was wages. Modern research has shown that money, though important, is not everything. It is true that monetary incentives have a signal role to play in improving productivity and increasing production. But they alone, as recent experience in some of the Western countries indicates, are not sufficient to induce workers to give of their best. Something more subtle, more personal and hence more difficult than the lure of money is required.

Earl Verulam, Chairman of the British Institute of Management, had, perhaps, this in mind, when he told the Newcastle and District branch of the Institute that British management must find new types of incentives to replace the declining tendency of money incentives. Television sets and washing machines, he asserted, were not the incentives for which most of Britain's workers were prepared to work harder. Even the desire for social security, he pointed out, began to fail when there was too much of it.

If the power of money to stimulate enthusiasm for work is declining, then it follows that the potency of piece rate, bonuses, desire for promotion and the rest are bound to decline with it. There are already indications that their influence is waning in some Western countries. For instance, the system of payment by results is gradually getting into disfavour in British industry. Several big firms have recently switched back to time rates. Those that have done so report better industrial relations with little or no fall in output. The trend in the U.S. has been a more marked swing in favour of time rates.

Those incentives that evoke the most sympathetic responses are mingled with all the elusive qualities of good human relationship: sense of responsibility, disinterested leadership, pride in the co-ordinated skills of hand and mind, pleasure in the job well done, an unflagging team loyalty against a background of frequent change and sustained challenge. At a time when efforts are made to provide in India more and more incentives for higher production, it is well to bear these considerations in mind.

PUNJAB AGITATION

It is a pity that the Communists, who spearhead the agitation against the imposition of the betterment levy in the Punjab, should have considered the public street a better venue for the fight than the august *Vidhan Sabha* of the State. The agitation of the kind witnessed in the Punjab, which led to mass arrests, *lathi* charge and firing by police resulting in loss of life to some and injury to many, cannot advance the cause the agitators seek to further even by an inch. If the opposition to the levy springs from the conviction that it is unsound in principle or heavy in incidence, there may be justification for seeking to get it withdrawn or modified. But to incite the peasants into violent agitation, thereby rendering a dispassionate consideration of the question difficult, cannot be justified and deserves to be severely condemned. It is doubtful whether Mr. A. K. Gopalan's offer to withdraw the agitation if the Government modified the Betterment Levy Bill before introduction in the State Assembly on 21st March is inspired by genuine desire for settling the issue peacefully. If it were so, he could have placed the demand before the Government even before resorting to the agitation. In any case, it is threat which is unconstitutional.

Now that the situation has deteriorated to the extent it has, the Government is justified in insisting on the suspension of the agitation and restoration of normalcy as a condition for considering the issue. If the Communists do not agree to this, it only confirms the fear that their motive is, purely, to reap political gains out of the situation. The *Akali Dal*, which recently expressed support for the agitation, has perhaps not realised that it is playing into the hands of the Communists.

Be that as it may, it is pertinent to ask whether the opposition to the levy can be justified on economic grounds. The levy is in the nature of a special charge for special services rendered and is, therefore, unexceptionable in principle. The only question is whether the levy imposes an unbearable burden and whether it is properly timed. According to the Revenue Minister, Mr. Rao Birendra Singh, the levy does not involve too heavy a burden on the beneficiaries of the irrigation provided by the Bhakra Canals, because it will be realised only in respect of the matured crops, the additional income accruing from which to the peasants will be several-fold more than the tax imposed. The levy, according to him, could no longer be postponed because it had been held in abeyance for the past six years and also because of the need for paying back the loan taken from the Central Government for the execution of the project without any further delay. There can, therefore, be no going back on the decision to commence realisation of the levy.

BUDGET OF BOMBAY PORT TRUST

The Bombay Port Trust has just published its budget estimates for 1959-60 along with the revised estimates for the year now coming to a close. It would appear that the restrictive import policy pursued by the Government and the setback in exports in 1958-59 have had an adverse impact on the quantum of traffic handled by this port. Thus, the revised estimate of total traffic is placed lower at 11.1 million tons (imports of 7.8 million tons and exports of 3.3 million tons), as against the original estimate of 11.6 million tons (imports of 8.2 million tons and exports of 3.4 million tons). Many uncertainties in India's foreign trade still continue. The budget for the next financial year is, therefore, estimated on a more conservative basis, with the trade expected to pass through the port being no more than 11.1 million tons—the same as the revised estimate of the current year. Although the spectre of shortage of foreign exchange still looms large, it is to be hoped that the emphasis now given in the country to the promotion of exports and the gradual improvement witnessed in the international economic climate will lead to a further expansion of India's trade with other countries.

It may be noted, in this context, that the only dependable data for the next year are those of mineral oils and foodgrains on Government account. It is expected that imports of mineral oil will be of the order of four million tons in 1959-60 and those of foodgrains at 1.2 million tons. On this basis, the total imports are estimated at 7.6 million tons. The exports of mineral oils are expected to be of the order of 1.8 million tons, the estimates having been framed on the assumption that there will hardly be any variation in traffic from that of the current year. The aggregate exports have thus been placed at 3.5 million tons.

On the basis of these assumptions, the total revenue on General Account for 1959-60 is estimated at Rs. 10.37 crores, representing an increase of Rs. 38 lakhs, as compared with that (revised) for the current year. The total expenditure for the next year is estimated at Rs. 9.60 crores, more or less equal to the revised

(*Continued on page 477*)

UNDER SECRETARY TO GOVERNMENT
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ECONOMIC CLASSIFICATION OF CENTRAL BUDGET

SHARP RISE IN EXPENDITURE

From Our Special Correspondent

NEW DELHI, 16*th March*

THE economic classification of the Central Government Budget as by now become a settled feature. The latest one, that of the Budget for 1959-60, has just been issued by the Economic Division of the Ministry of Finance. This classification, like the two earlier ones, brings out the impacts of the budgeted operations of the Central Government on the Indian economy. It conceives of the Indian economy as composed of two sectors—the Central Government and the rest of the economy. The Central Government sector, in its turn, is classified into two—Government administration which is an administrative entity, and Departmental commercial undertakings which are entities run on business lines. The rest of the economy, in its turn, includes the State Governments, the local bodies, and the Central and the State Government undertakings which are run as autonomous corporations or companies. The classification pertains to the operations of only a part of the public sector and brings out only the implications of the budgetary transactions of the Central Government.

DELHI LETTER

With the present economic classification of the Budget for 1959-60, it is now possible to present a consolidated picture covering the major part of the second Plan period and compare it with the position in the last year (1955-56) of the first Plan. In this picture, the current operations of Government as an administrative entity are of immediate relevance in the context of public criticism of the vastly increased cost of administration. On the revenue side, the current account of Government administration is given in Table I at the bottom.

On the expenditure side, the current account of Government administration is presented in Table II.

In the above table, it may be noted, all current expenditures on goods and services of Government administration constitute final outlays. But similar current expenditures on goods and services of departmental commercial undertakings are not final outlays. The current account of such departmental undertakings as railways, posts and telegraphs, etc., in respect of expenditure is given in Table III.

Another account presents, in a nutshell, capital transactions in commodities and services and capital transfers by both Government administration and departmental commercial undertakings. It is seen from the receipts side of this account that gross savings (savings on current account of Government administration, retained profits of departmental commercial undertakings and depreciation provision) account for only Rs. 33.6 crores in 1959-60 (budget), as against Rs. 38.7 crores in 1958-59 (revised), Rs. 145.7 crores in 1957-58 (accounts), Rs. 174 crores in 1956-57 (accounts), and Rs. 122.9 crores in 1955-56 (accounts). Again, on the receipts side, capital transfers (of which foreign grants form the major component) account for Rs. 33.2 crores in 1959-60 (budget), as against Rs. 22.9 crores in 1958-59 (revised), Rs. 27.4 crores in 1957-58, Rs. 26.4 crores in 1956-57 and Rs. 44.7 crores in 1955-56. And the deficit, in the receipts side, on all transactions in commodities and services accounts for Rs. 335.8 crores in 1959-60 (budget), as against Rs. 338.7 crores in 1958-59 (revised), Rs. 214.7 crores in 1957-58, Rs. 109.3 crores in 1956-57 and Rs. 45.1 crores in 1955-56.

In the aforesaid account, on the disbursements side, gross fixed capital formation by way of new outlay and renewals and replacements on account of buildings and other construction, and machinery and equipment account for Rs. 344.6 crores in 1959-60 (budget), as against Rs. 318.2 crores in 1958-59 (revised), Rs. 268.0 crores in 1957-58, Rs. 234.0 crores in 1956-57 and Rs. 176.7 crores in 1955-56. The increase in inventories (works stores, stocks of food, steel, etc.) accounts for Rs. 28.6 crores in 1959-60 (budget), as against Rs. 43.6 crores in 1958-59 (revised), Rs. 89.0 crores in 1957-58, Rs. 27.7 crores in 1956-57 and Rs. —10 crores in 1955-56. The third item, namely, capital transfers by way of grants for capital formation to States, departmental commercial undertakings and others account for Rs. 34.4 crores in 1959-60 (budget), as against Rs. 33.5 crores in 1958-59 (revised), Rs. 30.8 crores in 1957-58, Rs. 48.0 crores in 1956-57 and Rs. 46.0 crores in 1955-56. Such other items as gratuities and commuted value of pensions and compensation paid to displaced persons account for Rs. 6.4 crores in 1959-60 (budget), as against Rs. 8.6 crores in 1958-59 (revised), Rs. 12.0 crores in 1957-58, Rs. 17.4 crores in 1956-57 and Rs. 13.1 crores in 1955-56.

Two other accounts covering changes in financial assets and financial liabilities are concerned with financial transactions which affect the net claims of Government on the rest of the economy. Without covering the details of these two accounts here, reference may be made to the final reconciliation statement showing the net effect of all transactions on Government's cash balance. It is seen from this cash and capital reconciliation account of Government administration and departmental commercial undertakings that, on the incomings side, the net increase in financial liabilities in 1959-60 (budget) is Rs. 891.8 crores, as against Rs. 833.6 crores in 1958-59 (revised), Rs. 654.8 crores in 1957-58, Rs. 431.0 crores in 1956-57 and Rs. 270.6 crores in 1955-56. And the decrease in cash balance is Rs. 1.7 crore in 1958-59 (revised) and Rs. 36.5 crores in 1955-56. On the outgoings side, besides the deficit on all transactions in commodities and services in Account 3, the net increase in financial assets is Rs. 555.4 crores in 1959-60 (budget). Rs. 496.6 crores in 1958-59 (revised), Rs. 439.2 crores in 1957-58, Rs. 266.0 crores in 1956-57 and Rs. 262.0 crores in 1955-56. And the increase in cash balance is Rs. 0.6 crore in 1959-60 (budget), Rs. 0.9 crore in 1957-58 and Rs. 5.7 crores in 1956-57.

To provide a full measure of the deficit denoting total requirement of finance, the Economic Division has further clarified the position. According to this explanation, the "income deficit" of the Central Government, as measured by the excess of net investment over net savings by the Central Government, works out to Rs. 341 crores in 1959-60 (budget), Rs. 329 crores in 1958-59, Rs. 211 crores in 1957-58 and Rs. 89 crores in 1956-57. This deficit represents the net expansionary impact of Government operations on the economy. It is also a measure of the gap to be filled up by the Central Government's draft on private savings at home and on savings of the rest of the world. If to this are added the finance required for capital transfers and the increase in financial assets, it gives yet another measure of deficit. This deficit denoting total requirement of finance is derived by adding two items, namely, the deficit on all transactions in commodities and services and transfers of Government administration and departmental commercial undertakings and the net increase in financial assets. The total deficit so derived comes to Rs. 891 crores in 1959-60 (budget) as against Rs. 836 crores in 1958-59 (revised) Rs. 654 crores in 1957-58 and Rs. 375 crores in 1956-57. The financing of this total deficit in the first four years of the second Plan is indicated below:

(In crores of rupees)

Sources	1956-57 Actuals	1957-58 Actuals	1958-59 Revised	1959-60 Budget
Net borrowings:				
(a) Market loans	75	69	181	110
(b) External loans	8	25	231	200
(c) Small savings	59	69	75	85
(d) Unfunded debt	19	20	17	21
(e) Other debt	25	11	48	52
(f) Special Treasury Bill	..	—5	—3	92
(g) Sale of Treasury Bill	..	..	25	15
Deficit financing	189	463	262	226
Total	375	652	836	891

The magnitude of deficit financing shown in the above table indicates roughly the expansionary impact of the budgetary transactions of the Central Government on money supply. A more precise measure of this impact, it is stated, would require an analysis of other data such as pertain to changes in the holdings of the Central Government securities by the banking system, the State Governments and local bodies and by others. But the Economic Division of the Ministry of Finance has concluded this by saying that this type of analysis cannot, obviously, be undertaken in the present context.

U.K.'s IMPORTS OF INDIAN TOBACCO

Despite a drop of 2,000,000 lbs. in total imports of tobacco from all sources during 1958, Britain last year purchased 9,097,000 lbs. more tobacco from India than in the previous year. India's total tobacco sales to Britain, as recorded in the latest report of the Commonwealth Economic Committee published in London, reached 44,683,00 lbs. last year. The total was 35,586,000 lbs. in 1957, 40,017,000 lbs. in 1956, and 36,404,000 lbs. in 1955.

The report shows that India's total export shipments of unmanufactured tobacco in the first nine months of last year reached 96,700,000 lbs.—26,300,000 lbs. more than in the same period a year earlier. Consignments of flue-cured tobacco alone rose to 84,100,000 lbs., or 87 per cent. of the total. India's increased exports were obtained, notwithstanding the fact that she was the only one of the main Commonwealth producing countries which failed to increase production during the year under review.

Although Britain's imports dropped by some 2,000,000 lbs.—the imports totalled 316,000,000 lbs. —supplies from Commonwealth countries showed a small increase in 1958, being 145,000,000 lbs., or 2,000,000 lbs. more than in the previous year. The chief supplier was the Federation of Rhodesia and Nyasaland. India was the second largest supplier, and Canada third.

U.S. TRADE MISSION

Proposals by Assam businessmen for joint Indo-American ventures in chemicals, coal mining and other industries will be formally publicised in the United States by the U.S. Trade Mission for Eastern India, according to Mr. Paul H. Brent, leader of the Mission, which is now touring East India. Mr. Brent revealed in Gauhati (Assam) that tea plantation interests in Dibrugarh and Tinsukia had approached the Mission with requests for American machinery to be purchased on a deferred payment system. He said the Mission felt that an almost unlimited market could be developed in the United States for Indian handicrafts, provided quality control and continuity of delivery were maintained. Referring to India's principal exports to the United States—tea, lac, jute and minerals—Mr. Brent stressed that it was essential that Indian prices should be competitive with those of other countries.

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LONDON LETTER

For this week's London Letter, please see page 487—ED.

TABLE I

(In crores of rupees)

Revenue	1955-56 Actuals	1956-57 Actuals	1957-58 Actuals	1958-59 Revised	1959-60 Budget
Direct taxes	114.1	144.7	153.8	153.3	159.9
Indirect taxes	297.3	349.4	421.6	374.6	396.1
Tax on expenditure	..	..	..	1.0	1.0
Profits from departmental commercial undertakings.	10.8	13.2	11.8	13.4	11.9
Profits from non-departmental commercial undertakings	..	1.1	1.1	1.1	1.1
Profits of the Reserve Bank.	20.0	20.0	30.0	30 0	40.0
Trading profit	2.3	3.0	24.6	28.3	20.4
Interest from States	18.2	28.0	35.0	48.6	54.4
Interest from others	3.5	7.0	9.2	10.0	12.3
Other income from property.	2.6	2.6	2.5	2.9	3.0
Fees and miscellaneous receipts	46.0	44.1	44.6	47.9	43.8
Total	514.8	613.1	734.2	709.1	743.9

TABLE II

(In crores of rupees)

Expenditure	1955-56 Actuals	1956-57 Actuals	1957-58 Actuals	1958-59 Revised	1959-60 Budget
Consumption expenditure:					
(a) Wages and salaries	157.5	169.9	185.4	206.4	237.0
(b) Commodities and services	127.7	165.9	230.1	245.1	224.4
Transfer payments:					
(a) Interest	50.8	57.9	67.9	81.7	104.1
(b) Grants to States	87.5	65.7	100 9	132 9	156.5
(c) Grants to others	9.7	32.0	20.8	27.5	28.3
(d) Grants to local bodies	..	..	1.2	3.4	3.6
Other current transfers:					
(a) Subsidies	..	1.3	25.8	24.4	12.1
(b) Pensions	13.6	16.0	13.1	13.0	14.7
(c) Others	12.3	6 1	15 5	14 7	14.9
Savings on current account.	55.7	98.3	73.5	—40 0	—51.7
Total	514.8	613.1	734.2	709.1	743.9

TABLE III

(In crores of rupees)

Expenditure	1955-56 Actuals	1956-57 Actuals	1957-58 Actuals	1958-59 Revised	1959-60 Budget
Wages and salaries	128 3	137.2	146.6	156.7	161.2
Pension payments	2.5	2.5	2.4	2.6	2.8
Commodities and services	52.6	60.1	82.1	84.9	90.9
Repairs and maintenance:					
(a) Wages and salaries	41.0	44.5	46.3	46.4	47.3
(b) Commodities and services	41.0	44.6	46.4	46.5	47.4
Interest	32.9	34.9	41.0	46.9	53.2
Depreciation	40.6	40.5	47.6	47.6	48.4
Profits transferred to current account of Government administration	10 8	13.2	11.8	13.4	11.9
Retained profits	20.6	29.2	24.5	26.0	36.9
Total	376.3	412.7	448.7	471.0	499.0

AMERICAN LETTER

INFLATION THREAT LOOMS LARGE

YET LABOUR IS PITCHING UP ITS DEMANDS

From Our Special Correspondent

NEW YORK, 12*th March*

THE outlook is for a continuation of the selective recovery which has been going on in the United States for some time. But there is a number of roadblocs. One of these is unemployment which remains a problem. It is expected to rise slightly until mid-summer. The latest count was that about 6 per cent., or about 4.7 million people, of the labour force was idle, while 62.7 million are employed. This is a heavy drain on State unemployment insurance coffers. Yet, there has been a substantial recovery in industrial activity and in profits. This, as mentioned in previous dispatches, has been accomplished by lengthening the work week in many plants back to 40 hours and by the installation of new machinery and by automation.

This state of affairs has led to demands by trade union leaders for a 35-hour work week. The issue has been raised just before three trade unions are to begin bargaining sessions for new contracts with managements—steel, railroads and aluminium. As I see it, it would be a miracle if the trade unions failed to win some concessions in either wages, hours or other fringe benefits. This would, naturally, lead to price increases, as has been stated already by steel spokesmen, and it would spark the inflationary spiral again.

Unemployment has led to other demands to deal "with the human problem." Three important proposals are being pushed. The first one would be an extension of last year's anti-recession programme of temporary unemployment compensation which is scheduled to expire on 1st April 1959. Another one is the very controversial recommendation to make a basic liberalisation of the unemployment compensation system by establishing Federal standards for the amount and duration of State benefits. A third proposal would provide, for the first time, Federal funds for unemployment benefits. It would thus establish some degree of Federal standards for general relief of the unemployed. This seems to be a very difficult project, since the relief requirements of an unemployed industrial worker in New York are quite different from those of a laid-off textile mill worker in a small town in the South.

There is much "pointing with pride" over the improvement in corporate earnings. They were nearly 2 per cent. higher in the final quarter of 1958 than in the corresponding three months' period of the preceding year. The trend is still upward. But these comparisons, it may be observed, are with the worst showings of the last recession.

The best comparative statistics of 1958, based on 2,219 corporate reports, so far this year, has just been published by the First National City Bank. For all companies put together, the drop in net income was 12 per cent. as compared with 1957. The two groups which were hit worst were amusements, off 49 per cent., and automobiles and parts, off 42 per cent. The biggest gain was 21 per cent.; this was registered by tobacco companies.

Agriculture fared better than industry last year. The average farmer made more money last year than any year since 1951. The net income per person on farms rose 10 per cent. in 1958 to a record of $1,068. Realised net farm income, which is funds left over after production expenses, was $13,100 million last year, up 21 per cent. from 1957. But the aggregate net was somewhat smaller than in 1951 because of higher costs.

The recent boost in the discount rate by Federal Reserve Banks, from 2½ to 3 per cent., have led to widespread attacks against the policy of the central banking system. Chairman MacChesney Martin, judging from many public utterances, is imbued with anti-inflation fight. Labour and liberal legislators blame the Board for tightening money rates in the face of unemployment. Even though I have disagreed with Mr. Martin on many occasions, I think the Federal Reserve Board, in its decision, was swayed more by the forthcoming large-scale Treasury operations rather than by its anti-inflation phœbia.

The Ides of March are corporate income-tax date for the Treasury. Normally, large revenues should be rolling in. But a large amount of tax anticipation notes has been sold and they will have to be redeemed at the same time. The reasoning may have been that slightly tighter money would relieve the Treasury position somewhat *vis-a-vis* the market.

Current predictions are that the new Federal Budget, after all has been said and done, will see a deficit of $3,000 million after expenditures of about $80,000 million and revenues of approximately $77,000 million. This is not exactly anti-inflationary, but it probably cannot be helped, owing to the continued world tensions.

The inflationary problem is now under study by three groups. The Cabinet Committee on Price Stability for Economic Growth, headed by Vice-President Richard Nixon. Then, there is the Joint Economic Committee, presided over by Senator Douglas. Also, Raymond J. Saulnier of the Council of Economic Advisers will seek sources of inflationary pressures which might come from Washington's own actions.

Another aspect of the inflationary problem concerns world trade. Statistics show that in some fields, the United States is gradually pricing itself out of world markets. Despite the mighty automobile industry which it possesses, the U.S. is now fifth among importers of motor vehicles. It ranks after West Germany, Britain, France and Italy. Every wage demand here increases the disadvantage of American manufacturers so far as costs of operations and competitive pricing are concerned. Apparently, the captains of labour cannot see that far. They only see the one argument that higher paid employees are better consumers which helps the economy. One of the most cheerful aspects of the business scene here and likely to remain so, is construction. Building activity in the first two months set a record of more than $7,100 million. A 39 per cent. pick-up in spending on new homes and apartments helped increase private outlays for construction to more than $5,000 million this year. Much progress has been made recently in procedures which enable the continuation of building and construction activities even during very severe cold weather.

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PROFIT OF CENTRAL BANK SHRINKS

PACE OF DEPOSIT GROWTH SLOWS DOWN

THE accumulation of high interest-bearing time deposits, thanks to keen competition among banks for attracting funds from the public, coupled with restrictions on credit by the Reserve Bank, had a crippling effect on the profit-margins of banks even in 1957. Nevertheless, many banks were able to maintain their profit levels or even show a slightly higher profit for that year. These trends persisted in 1958 also. It is true that, last year, the credit restraint was less severe than in 1957, but this was more than neutralised by a marked setback in the economic activity of the private sector and the resultant fall in the demand for bank credit. While, therefore, deposits expanded, the most profitable outlet for them failed to keep pace with them. At the same time, administrative expenses, too, kept up their upward trend. As a result of all this, the shrinkage in profit-margins of banks was somewhat more pronounced in that year than in 1957. The results of the Central Bank of India Ltd., the largest commercial bank in the private sector, for 1958 fully reflect these trends. Its profit, which had gone up by Rs. 4.44 lakhs to Rs. 109.76 lakhs in 1957, suffered a drop of Rs. 7.26 lakhs to Rs. 102.50 lakhs in the year under review, thus more than offsetting the improvement witnessed in 1947.

With this decline, the upward trend in the Bank's profit noted since 1953, when it amounted to no more than Rs. 77.37 lakhs, has been reversed. The profit for 1958 represents only 12 per cent. of the gross income earned in that year, the ratio having dropped from 14.1 per cent. in 1957 and 16.1 per cent. in 1956. In 1951, the ratio of profit to gross income was as high as 24.6 per cent.

Despite the fall in profit, the Directors have found it necessary to step up the provision for taxation from Rs. 13 lakhs to Rs. 16.50 lakhs. No allocation has been made for investment account, which had received Rs. 15 lakhs in each of the previous four years and for which provision there is still some need. The bonus to staff has been raised further by Rs. 2 lakhs to Rs. 32 lakhs. The staff gratuity fund, too, has received Rs. 3.50 lakhs more at Rs. 10 lakhs. The dividend is unchanged at 14 per cent. per annum, to which level it had been stepped up in 1956 from 12 per cent.

An idea of the Bank's progress in recent years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Gross income	8,51.27	7,80.12	6,55.15	5,69.44
Interest and discount earned	7,05.83	6,41.33	5,32.64	4,52.42
Commission and exchange	1,30.42	1,30.14	1,13.61	93.59
Interest paid	3,83.34	3,25.01	2,29.63	1,69.52
Expenses	3,77.02	3,42.28	3,20.25	3,18.38
Depreciation	3.41	3.07	2.89	2.87
Profit	1,02.50	1,09.76	1,05.32	78.87
Provision for taxation	16.50	13.00	13.00	5.50
To sinking fund on property	1.08	1.02	0.96	0.91
„ investment account	..	15.00	15.00	15.00
„ bonus to staff	32.00	30.00	27.50	15.50
„ staff gratuity fund	10.00	6.50	5.00	5.50
Dividend	44.04	44.04	44.04	37.74
	(14%)	(14%)	(14%)	(12%)
Carry forward	17.33	13.44	18.23	13.40

	As on 31st December			
	1958	1957	1956	1955
Capital	3,14.55	3,14.55	3,14.55	3,14.55
Reserves	4,04.69	4,03.61	4,02.77	4,01.81
Deposits	161,97.67	154,86.73	134,72.15	129,66.32
Borrowings from other banks	1,43.21	1,98.02	9,21.55	4,54.23
Advances	99,87.36	101,49.39	90,76.28	72,20.70
Investments	52,92.53	49,48.97	52,97.99	56,71.98
Cash (including money at call)	23,52.80	18,39.27	16,81.29	15,59.77
Balance-sheet total	199,06.39	191,90.56	180,59.70	158,09.31
Ratio to deposits of—	%	%	%	%
Advances	61.6	65.5	67.4	56.1
Investments	32.7	31.9	39.2	44.1
Cash	14.5	11.9	12.1	12.1

As will be seen from the table, the gross income of the Bank has gone up during the year by Rs. 71 lakhs, but this increase does not compare well with that of Rs. 1.25 crore in 1957. Of this rise, the income from interest and discount accounts for Rs. 64 lakhs and other income for Rs. 6.37 lakhs, thanks to a net profit of Rs. 6 lakhs on sale of investments, etc. Commission and exchange earned do not show any worthwhile increase. The bulk of the increase in income has been offset by the rise of Rs. 43 lakhs in interest paid amounting to Rs. 3.68 crores, at which level it is more than double that paid in 1955. Administrative and other expenses have gone up by Rs. 35 lakhs.

An analysis of the balance-sheet shows that the pace of expansion in total deposits has slowed down; the rise in 1958 was only Rs. 7 crores, as against Rs. 16 crores in 1957 and Rs. 10 crores in 1956. This, however, is not true of individual classes of deposits. In fact, the fixed deposits of the Bank have gone up to a larger extent than in the previous year, the exact rise being Rs. 17.81 crores (to a peak of Rs. 75.33 crores), as compared with Rs. 15.18 crores in 1957 and only Rs. 2.35 crores in 1956. Savings bank deposits at Rs. 30.15 crores, show an increase of Rs. 1.56 crore, while current and other accounts have actually dropped by Rs. 12.26 crores to Rs. 56.50 crores, as compared with a rise of Rs. 1.05 crore in the previous year.

While in 1957 the Bank's advances recorded a net rise of Rs. 10.73 crores, during the year under review, they witnessed a small shrinkage of Rs. 1.62 crore to Rs. 99.87 crores. A variety-wise break-up of the advances shows that loans, cash credits and overdrafts have enlarged by Rs. 81 lakhs to Rs. 85.30 crores, while bills purchased and discounted have declined by Rs. 2.43 crores to Rs. 14.58 crores. The overall decline in advances in the face of a rise in deposits has brought down the credit ratio from 65.5 per cent. to 61.6 per cent. However, the liquid assets stand strengthened, as witness the increase of Rs. 3.46 crores in investments and of Rs. 5.13 crores in cash balances. The investments at Rs. 52.92 crores are shown at book value, the market value of the same (other than the Treasury Bill holdings amounting to Rs. 1 crore) being Rs. 51.14 crores. The difference, however, is not large, being only Rs. 78 lakhs. Three years earlier, it was as large as Rs. 164 lakhs.

PANDYAN BANK DOES WELL

The accounts of the Pandyan Bank Ltd. (Managing Director: Mr. S. N. K. Sundaram, Madurai) for the year ended 31st December 1958, as compared with those for the previous year, disclose all-round progress. The Bank's total resources have swelled from Rs. 3.28 crores to Rs. 4.51 crores, of which deposits at Rs. 3.89 crores account for an increase of Rs. 1.15 crore. There has been an enlargement in the credit portfolio, too, from Rs. 1.72 crore to Rs. 1.94 crores. At the same time, the Bank's liquid assets have been strengthened, its investments rising from Rs. 69.56 lakhs to Rs. 95.53 lakhs and cash balances from Rs. 53.08 lakhs to Rs. 1.22 crore.

In refreshing contrast to the general trend of bank earnings, the profit of the Bank has risen from Rs. 3.50 lakhs to Rs. 4.19 lakhs, thus maintaining the upward trend since 1952. In consonance with this encouraging performance, the Directors have stepped up the dividend to shareholders to 10 per cent. per annum from 7½ per cent. paid for each of the previous three years. This has been done after providing Rs. 2.22 lakhs for taxation (as against Rs. 2.40 lakhs including an additional provision of Rs. 52,000 in respect of 1956), transferring Rs. 25,000 (*nil*) to the general reserve and raising the amount set aside to the contingency account from Rs. 25,000 to Rs. 75,000. The dividend absorbs Rs. 1 lakh (as against Rs. 75,000), leaving to be carried forward Rs. 30,428, as against Rs. 33,503 brought in.

The Bank's progress in recent years is fully reflected in the following comparative table:

(In lakhs of rupees)

	1958	1957	1956	1955
Capital	10.00	10.00	10.00	9.99
Reserves	10.50	10.25	10.25	9.50
Deposits	3,89.31	2,73.91	2,44.23	1,95.22
Advances	1,93.62	1,72.24	1,34.98	1,01.39
Investments	95.53	69.56	72.90	73.12
Cash	1,21.86	53.08	54.78	42.62
Balance-sheet total	4,51.32	3,27.82	2,94.41	2,36.78
Profit	4.19	3.50	3.47	3.22
Dividend (per cent.)	10	7½	7½	7½
No. of offices	65	56	44	37

The Bank proposes to issue additional capital to the extent of Rs. 5 lakhs and this will be offered, in the first instance, to the existing shareholders at par. The sanction of the Controller of Capital Issues has been obtained for the purpose.

Though the Bank is small in its resources, it serves a number of small towns in the South and has got many firsts to its credit. It is the first bank in India to introduce (in January 1953) instalment credit service and the first to introduce savings prize scheme. It is claimed to be the first in the world to establish all-women's branch bank; first in this country to introduce (in 1956) employee participation in share capital; first to hold a cover under bankers blanket bond policy; first to use coin counting machines in daily operation and the first to build a fully air-conditioned seven-storeyed modern bank building south of Madras.

PROGRESS OF BANK OF BARODA

BUSINESS EXPANDS BUT PROFIT DECLINES

THE steady upward trend in the profit of the Bank of Baroda Ltd. (General Manager: Mr. N. M. Chokshi) noted since 1954 abated during the year ended December 1958. In fact, there was a marked setback, the actual profit before taxation for 1958 being Rs. 27.43 lakhs, as against Rs. 43.85 lakhs and Rs. 39.90 lakhs for 1957 and 1956, respectively. The drop over 1958 is as much as 37.4 per cent. and has occurred despite the notable expansion of Rs. 43.61 lakhs to Rs. 328.89 lakhs in the Bank's gross income. This is due, as in the case of banks in general, to the steep rise in the cost of acquiring funds, as well as in that of establishment. Thus, the total interest paid by the Bank during 1958 went up by Rs. 45.40 lakhs to Rs. 185.45 lakhs. Thus, this one item of expenditure alone has more than outweighed the growth in gross income. On top of this, other expenses were higher by Rs. 13.49 lakhs at Rs. 112.96 lakhs; the whole of the increase is accounted for by salaries and allowances which amounted to Rs. 85.11 lakhs, as against Rs. 71.41 lakhs in the preceding year. A part of the increase must be attributed to the expansion in the Bank's sphere of activities. The Bank opened as many as ten branches and increased the strength of its staff from 2,464 to 3,037. The number of its deposit accounts rose from 169,941 to 206,007. It would have fared better but for the lack of remunerative investments caused by the general slowing down in the activities of the private sector in the past year. The severe import restrictions adversely affected the foreign exchange business, a field which the Bank had entered only a few years ago and made a promising start.

Thanks to the sharp fall in profit, the dividend to shareholders has been cut to 12 per cent. per annum from 14 per cent. per annum for 1956 and 1957. The dividend is, of course, on the increased capital, namely, Rs. 125 lakhs. During the year, the Bank issued 100,000 'B' ordinary shares with Rs. 25 credited as paid-up on each share to the shareholders of the Hind Bank Ltd., the entire business of which was taken over with effect from 1st August 1958. In keeping with the fall in profit, there is a sizable reduction of Rs. 15.50 lakhs to Rs. 5.50 lakhs in the provision for taxation. No allocation has been made to any reserves for the fifth year in succession. In fact, the sum left to be carried forward is down from Rs. 4.11 lakhs to Rs. 3.04 lakhs. This suggests that even the attenuated dividend has not been fully earned.

The following comparative table shows at a glance the Bank's progress in recent years and the salient features of its balance-sheet:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Gross income	3,28.89	2,85.28	2,29 65	1,80.04
Of which:				
Interest and discount earned	2,78.19	2,33.40	1,86.83	1,49.27
Commission, exchange	49.97	51.15	42.40	30.14
Interest paid	1,85.45	1,40 05	1,02.53	76.86
Expenses	1,12 96	99.47	85.12	71.05
Depreciation	3.05	1.91	2.10	1.58
Profit	27.43	43.85	39.90	29.65
Provision for:				
Taxation	5.50	21.00	15.75	9.00
Bonus to staff	8.00	9.50	8.75	8.00
Dividend	15 00	14 00	14.00	12.00
	*(12%)	(14%)	(14%)	(14%)
Carry forward	3 04	4.11	4.78	3.36

	As on 31st December			
	1958	1957	1956	1955
Capital	1,25 00	1,00.00	1,00.00	1,00 00
Reserves	1,59 50	1,28.00	1,28.00	1,28.00
Deposits	67,10.39	52,82.81	45,13.85	40,51.62
Borrowings from banks	2,44.79	0.63	4,16.21	4,03.45
Advances (including bills purchased and discounted)	40,11.24	34,99.62	35,86.57	30,41.56
Investments	26,72.75	11,87.32	11,80.33	12,29.79
Cash (including money at call)	6,51.68	8,71.49	4,52.33	4,76.61
Balance-sheet total	84,66.52	64,32.58	63,08.59	56,29.03
Ratio to deposits of—	%	%	%	%
Advances	59.8	66 2	79.4	75.0
Investments	39.8	22.5	26.1	30.4
Cash	9.7	16.5	10.0	11.8

* On the increased capital.
The Bank has paid a final dividend of Rs. 3.00 per ordinary share and Rs. 1.50 per 'B' ordinary share.

It may be noted that the expansion in gross income noted earlier is the result of banking profit, pure and simple. The entire increase was accounted for by larger receipts by way of interest and discount earned, with income from commission and exchange having fallen a little.

The total deposits of the Bank have gone up by Rs. 14.28 crores or 27 per cent. The increase is accounted for largely by fixed deposits which have risen from Rs. 31.56 crores to Rs. 41.38

(*Continued on page 487*)

WORLD HUNGER FOR CAPITAL

PRIVATE FUNDS WILL CONTINUE TO PLAY GREAT PART

[An interesting analysis of international capital movements is provided by the Information Division of the U.K. Treasury in the February issue of its publication entitled Bulletin for Industry. This article is of topical interest to India, as its capital needs are large and almost insatiable. We are accordingly reproducing the article on this page. It will be seen therefrom that it is advantageous to get private capital rather than public capital and that, if India is to get such capital in sizable quantity, it will have to offer terms that will compare favourably with other countries.—ED.]

ONE of the most urgent demands of the post-war world has been for long-term international capital. The rapid political evolution of the underdeveloped countries has been accompanied by an increasing awareness of the need for more rapid economic development; and, unable to find sufficient investment funds at home, they have looked for it abroad, particularly in the more advanced countries. These, however, have had abnormal investment needs themselves. There was first the need to repair the ravages of war, not least in Western Europe. Secondly, there were the new scientific discoveries and developments, some dating from the war years, calling for new investment in the developed countries, e.g., in atomic energy and other modernisation of basic industries, in automation and other new techniques in manufacturing industry.

Private international investment funds have latterly revived and there have in addition been large flows of public funds. On both counts, the United Kingdom has played a leading part, particularly in the overseas sterling area: its capital exports, though smaller than those of the U.S.A., have represented a larger share of national income. The need for capital is, however, still immense. The extent to which it is met will depend upon how much the advanced countries are able to save and make available, over and above what they need for their own development. This article gives some account of the ground already covered.

Private Capital

Before the First World War, the chief capital exporting nations were the United Kingdom, France and Germany. At the outbreak, their accumulated foreign long-term investments were three-quarters of all international investments:

($000 million, 1913-14)

U.K.	18.0
France	9.0
Germany	5.8
Other countries	11.2
Total	44.0

Europe and North America were the main recipients of private investment from abroad. These were areas of industrial progress, with further scope for development, where foreign funds could be put to good economic purposes and often led to the "breeding" of more capital. Thus, the countries that at first attracted capital tended to go on receiving a considerable share. In 1914, the aggregate amounts invested were, by destination, as follows:

($000 million)

Europe	12.0
North America	10.5
Latin America	8.5
Asia	6.0
Africa	4.7
Oceania	2.3
Total	44.0

After the first war, the flow was resumed, but, again, the underdeveloped countries received less than those which had already made substantial economic progress. Loan capital for heavily populated and very poor countries, like China and India, was particularly scarce. In the late 'twenties and in the 'thirties, the total greatly diminished: in particular, advanced countries were discouraged from exporting funds by international instability.

After the Second World War, the flow of private funds was slow to recover, and, at first the massive reconstruction of the war-damaged economies of Western Europe absorbed a large part of the funds available. The United Kingdom has been a recipient of considerable funds from abroad, but has quite separately been a heavy exporter of private funds, and the net outflow has been large. These funds and those from the U.S.A. have been the main private sources. Up to 1952, the total international flow of private capital was around $2 billion a year, in money terms about the same as in the mid-twenties, in purchasing power about half as much. Since 1952, there has been some increase: the net export of long-term capital from the U.S.A. and the U.K. has been in the neighbourhood of $2.3 billion a year, to which must be added the net figure for all other countries. 1956 was probably a record year, and there were further sharp increases in 1957 by some of the main capital exporting nations:

($ million)

	1956 Gross	1956 Net	1957 Gross	1957 Net
U.S.A. (new funds)	2,446	1,904	2,736	2,896
U.K.	—	632	—	784
Netherlands	59	21	128	—45
W. Germany	94	—	193	38

Continental Western Europe and Japan are net importers of capital; so, on a vast scale, is Canada, now by far the world's largest. The other main importers of private capital are in Latin America and the overseas sterling area. In the flow from industrialised countries to the rest, a good deal has been ploughing-back by the oil industry, and funds for manufacturing industry have favoured countries already developed or semi-developed. A report for the G.A.T.T. has made the following estimate of the way net private long-term capital investment by industrial countries is divided among the others:

($ million)

	1954	1955	1956
To Oil exporting countries	39	58	421
Semi-industrialised countries	465	478	601
Non-industrialised countries	437	449	503

Private capital has played, and must continue to play, an important part—indeed, might be expected to play by far the greater part. Hence the need to make conditions attractive in the recipient countries. Private funds are, and will continue to be, supplemented by Government capital; but, in the long run, the country importing capital will have—and want—to stand on its own feet: and that means attracting private capital.

Public Capital

In countries both underdeveloped and basically poor, investment is likely to be slow and on a small scale, unless there are public programmes. Private capital, however, is not always attracted to Government schemes bearing fixed interest. It has, therefore, been augmented—indeed outstripped—since the war by public funds, which tend to meet the needs of the recipient more closely and are generally subject to his direction. They can be either direct from Governments or channelled through international agencies; up to 1952, they were chiefly direct, but the International Bank for Reconstruction and Development has been assuming a growing importance.

In the early post-war years Europe absorbed the lion's share, but, by the early fifties, the balance was beginning to shift towards the underdeveloped countries:

($000 million, annual averages)

	By countries 1946–50	By countries 1951–52	By international organisations 1946–50	By international organisations 1951–52	% of total grants & loans 1946–50	% of total grants & loans 1951–52
Western Europe	0.4	3.3	0.6	*	58	47
Underdeveloped countries	1.8	1.6	0.2	0.4	17	25

* Too small to show.

Moreover, Western Europe—and particularly France—was to some extent acting as a channel for the movement of public funds from North America to the underdeveloped countries. In the two years 1951-52, Europe received $4.6 billion from the U.S. but in turn paid out $1.5 billion to other areas. According to estimates based on about two-thirds of international economic aid to non-industrial countries in 1956-57, 8 per cent. went to oil-exporting countries, 4 per cent. to semi-industrialised countries, and 88 per cent. to other non-industrial countries. Two-thirds of public economic assistance (net) in 1956-57 went to countries with a *per capita* income less than 100 dollars:

Per capita income	1956-57 Pop. million	1956-57 Net aid ($ million)	1956-57 *Per capita* ($)	1953-54/1955-56 *Per capita* ($)
Less than $100	740	1,004	1.4	1.0
$100-200	204	464	2.3	1.9
Over $200	61	72	1.2	1.1
All	1,005	1,540	1.5	1.2

There was considerable variation inside each group, some countries receiving considerably more, others considerably less than the average.

Over the past three years, the rate of lending of the I.B.R.D. has been rising. In 1955-56, it agreed loans of about $400 million; in 1957-58 this had risen to over $700 million; and the proposed doubling of the capital stock of the Bank will enable it to maintain or increase this rate of lending in the future.

Throughout the post-war period, the U.K. has been an important source both of private capital and of Government grants and loans. In addition, certain underdeveloped countries—e.g., India and Pakistan—ended the war with extra large holdings of sterling reserves, which they have drawn upon as an important source of development finance. Colonial balances have risen, and the savings they have made are an important fund they will be able to draw upon in the future.

Private capital movements to the overseas sterling area are not restricted by exchange controls. Policy on investment outside the area is generally to allow outward movements of capital for approved direct investment projects, but not for portfolio investment. The net outflow of private capital was probably on a rising trend over recent years, with an annual average of about £200 million between 1955-57. This is also the average for the sterling area separately, the outflow to the rest of the world being almost offset by the inward movement.

Grants and loans (including aid in kind and cancelled claims) totalled nearly £2,000 million between the end of the war and 31st March, 1958. About one-third was in the form of loans. The U.K. has a special responsibility to the colonies, which has been discharged in the main in the form of grants. More recently Government-to-Government loans to independent territories, especially India and Pakistan, have been negotiated. At Montreal, it was announced that new Exchequer loans would be made available for the colonies.

Measured against competing claims for funds at home, or against what has been done by other advanced countries during this period, the U.K. has made an impressive contribution to the development needs of other countries.

There has been a very strong demand for capital for domestic use in the advanced countries, and the international flow of private funds has been on a smaller scale than in some past periods. The less advanced countries, however, have benefited—and to an increasing extent—from a big expansion of public international capital. For some of them, the terms of trade in the early post-war years were better than pre-war, and this strengthened their overseas earnings. Moreover, some of them ended the war with an accumulation of large sterling balances which they have been able to use for development purposes.

Nevertheless, it has long been recognised that there are wide disparities between living standards in the underdeveloped countries and in the West, and, as communications bring the world community closer, the realisation grows that this is a challenge to the advanced nations. The main burden in carrying forward development programmes is being shouldered by the underdeveloped countries themselves. But they must continue to look for help to friendly countries and international institutions. A growing volume of world trade, by increasing their export earnings, will help. But some of the investment funds that are needed can only come—directly or indirectly—from the advanced countries.

Some of the abnormal short-term calls on the U.K.'s savings have diminished; and, although there are still big and growing demands for capital at home, it is in our interest to support the efforts that are being made in Asia and Africa. For to the humanitarian motive is added the economic advantage of expanding wealth and the political advantage of a stronger free world. The funds can only be generated by savings, however, and on a sufficient scale to provide for foreign investment after domestic investment needs have been met.

REDUCED SUPPLY OF RAW COTTON

CONSUMPTION, TOO, LOWER

DESPITE the estimated increase in production during the current season, that is 1958-59, by as much as 1.2 million bales of 478 lbs. each, aggregate world supply will still be roughly three-fourths of a million bales lower than in the last season. According to the estimates of the International Cotton Advisory Commitee, Washington, total supply this season will be of the order of 47.4 million bales, as against 48.2 million bales in 1957-58. Carryover at the beginning of the season was only 18.4 million bales, as against 20.4 million bales at the start of last season. The increase in production was thus offset by the fall in stocks, so that the aggregate supply is down by 800,000 bales.

The following table indicates the supply and distribution of cotton in the 1957-58 and 1958-59 seasons:

(In million bales)

Item	1957-58	1958-59
United States—		
Stocks	11.4	8.7
Production	11.0	11.5
Total	22.4	20.2
Other free world—		
Stock:		
Net importers	6.0	6.0
Net exporters	3.0	3.7
Production	16.8	17.5
Total	25.8	27.2
Total free world—		
Stocks	20.4	18.4
Production	27.8	29.0
Total	48.2	47.4
Consumption—		
U.S.A.	8.0	8.0
W. Europe	7.5	6.9
India	4.4	4.3
Japan	2.5	2.3
Others	6.1	6.3
Total free world	28.5	27.8
Net export to Communist Countries	1.3	1.3

Production estimates in many countries of the free world outside the U.S. have been reduced, so that the prospective increase in aggregate free world production outside the U.S. is only 700,000 bales, as against the earlier expectation of one million bales. Significantly large crops are reported only in a few countries, such as Mexico, the Central American countries, Egypt, the Sudan and Uganda, while production is expected to show some decline in Syria, Pakistan, Brazil and Argentina.

Statistics covering the first three or four months of the season show that aggregate free world consumption is running significantly under that a year ago. Reviewing the cotton situation, the Committee says that, in interpreting these data with a view to projecting consumption for the whole season, account should be taken of the fact that consumption in many countries, while lower than a year ago, shows some increase, as compared with the end of last season. Also, even if consumption continues at its present reduced rate, comparisons late in the season, according to the Committee, may not be so unfavourable, because textile activity during the last half of the 1957-58 season was already curtailed in many countries.

United States

In the U.S., according to a report by the Department of Commerce, the textile situation, particularly in apparel and other fabric consuming industries, has improved and there is optimism about prospects for 1959. The recovery in the textile industry is, however, lagging behind the general rise in economic activity, but cotton mills, it is stated, would benefit from any substantial upturn in business. Domestic demand is expected to increase, but no reversal of the downtrend in cotton textile exports is anticipated. The recovery in rayon and acetate production in the U.S. was already under way in 1958 and a substantial increase in man-made fibres as a whole during the present year is in prospect.

Reflecting the improved conditions, cotton consumption in the U.S. has moved ahead of late and the daily rate during the final quarter of 1958 was higher than the corresponding period in 1957. Aggregate cotton consumption during the first five months of the present season was fully equal to the corresponding period of the preceding season. It is held in some quarters that consumption for the full season will show some increase over last season's 8 million bales. But this depends, to a large extent, on how mills react to the lower cotton prices expected to prevail in 1959-60.

In Canada, possibilities are for an improvement in the textile situation during the coming months. An improved price trend has been reported in recent weeks and business in certain sectors is substantially better than a year ago. Raw cotton consumption during the first five months of the season was, however, still running slightly under the comparable period in 1957-58, but may be higher during the remainder of the season.

Consumption in the U.K. during the first three months of the current season was nearly 20 per cent. lower. Cotton yarn output in November 1958 was 17 per cent. less than a year ago. Short-time working is quite widespread and many mills took extended holidays at Christmas. The relevant factors are declining retail sales, a continued downtrend in cotton textile exports while imports remain at a high level, and uncertainty surrounding prices generally. The verdict of the Restrictive Trade Practices Court was that the minimum price agreement of the Yarn Spinners Association was contrary to the public interest. For the eleven months ended November 1958, cotton yarn and cloth exports were lower by 27 per cent. and 15 per cent. respectively. Imports of cotton cloth actually exceeded exports in 1958.

Continent

Summing up the situation on the Continent, the U.K. Cotton Board says: "There have been few signs of any significant improvement in the reduced level of activity experienced by the Continental cotton industries. Cotton yarn output in these countries taken as a whole during the third quarter of 1958 was about 5 per cent. below the level of the third quarter of 1957."

In France, the majority of mills have been working less than 40 hours a week and consumption shows a marked decline of 11 per cent. during the first three months. Rising imports and a marked contraction in exports have adversely affected the textile industry in the Federal Republic of Germany. In the weaving sector, the volume of new orders has declined and there has been some accumulation in cloth stocks. In an effort to counter increased production costs and in the interest of greater efficiency, the Government has offered substantial financial assistance for re-equipment of the textile industry. Cotton consumption in August and September last was about 3 per cent. lower than the corresponding rate a year ago. Consumption in many of the other textile industries in Western Europe such as Switzerland, Sweden, Finland, Italy, Belgium is lower than a year ago. Portugal and Spain seem to be exceptions to the general trend, the former shows an increase over the first quarter and the latter expects consumption to continue at record levels.

Although the textile industry in most West European countries is presently operating at a level much under a year ago, there are factors which mitigate undue pessimism regarding the future. As compared with the closing months of the 1957-58 season, consumption has risen in a number of countries and, at the present rate, may be more favourable in future.

The reduction in textile demand in West Europe and in other manufacturing centres has been aggravated by the price situation, particularly with respect to raw cotton, and there is no doubt that greater stability and a clearer indication of the price trend will do much to improve the textile outlook.

Japan

Consumption in Japan during the first quarter of the season was down by 9 per cent., as compared with a year previous. Cotton yarn production in November was unchanged from the October level. The present curtailment programme in this country will continue in effect at least until the end of this month. Actually, despite the production cutbacks, liquidation of surplus stocks of cotton yarn and cloth has been slow and, in recent months, the Government has been obliged to employ supplementary measures to reduce stocks, such as the freezing of 50 million square yards of cotton fabrics, buffer stock operations of the Cotton Textiles Export Promotion Association designed to stabilise prices and maintain orderly distribution of exports, and the setting up in October of the Committee for Overall Textile Measures to deal with the longer-term problems for the textile industry, generally.

(*Continued on page 487*)

COTTON MILLS IN BOMBAY

MR. SHANTILAL SHAH ON MISMANAGED UNITS

THE labour situation in the cotton mills of Bombay figured prominently in the course of discussions on budget demands in the State Legislative Assembly on Friday the 13th inst. Strong criticisms of labour policy were hurled at the Government by some Opposition members. It was alleged that the Government extended favoured treatment to managements and unions affiliated to the I.N.T.U.C. Attention was drawn to the illegal acts with regard to sickness insurance, provident fund and dues to workers' co-operatives committed by certain mills and the Government was urged that it should take over the textile mills not being managed properly.

In his reply, Mr. Shantilal Shah, Minister for Labour, admitted that certain mills were guilty of the illegal acts mentioned above. Surely, such acts are distressing and deserve to be condemned. Since these acts bring discredit to the whole industry, those who are in charge of the industry will do well to take disciplinary action against them. It is true that the Government is there to deal with the erring mills, but the industry's spokesmen need not wait for Government action alone. The Millowners' Associations, for instance, could pull up the mills that are not playing the game and, if they refuse to fall in line, they should be expelled from the Association. If this system is to function effectively, it is, of course, necessary that the labour unions should bring to the notice of the Association the defaults of mills, giving it reasonable time to investigate into their complaints.

Workable Suggestion

The opposition members of the State Legislative Assembly, on their part, should, instead of complaining again and again against illegalities of mills, evolve a workable suggestion for dealing with illegalities. It is gratifying to be assured by Mr. Shah that he would be prepared to consider any such suggestion. This is the proper approach, and not taking over of mills by the State Government, as demanded by the Opposition. Such a taking over, Mr. Shah said, presented a peculiar problem to the Government, apart from several other difficulties. He observed:

"Such a step means the creation of the public sector, even if it be temporarily, while it is surrounded by the private sector. It being the policy of the Union Government to place the textile industry in the private sector—and within the limitations it improves—the Government is doing all that it can for the industry and those employed in it.

"Employment in the textile industry has gone down. It is also true that some of the mills in the Vidarbha region are in difficulties. Where the managements have been at fault, it may be possible for the Government to take over the mills in certain circumstances and under certain conditions. One of the ways open to the Government to take over a textile mill is when it goes into liquidation. But there is always a time lag of about six months after obtaining the necessary permission from the High Court and restarting the mill."

Mr. Shah was right when he stated that, will all the difficulties which the textile industry in India was now facing, unemployment in this sector was much less in Bombay State than anywhere else in the country. He recognised that the entire blame for the difficulties of the cotton industry could not be placed at the door of the employers. "The problems of the textile industry," to quote him, "are so complex that it would not be right to blame the owners of the textile mills for all the troubles of the industry." In support of this view, he mentioned three adverse factors. First, the price of Indian cotton "is very much higher" than that of foreign cotton. It will not be possible for cloth manufacturers in this country to import sufficient cotton from other countries, because of foreign exchange difficulties. Indian manufacturers are, therefore, not in a position to compete with others in the foreign markets. Secondly, with the changing tastes of the people, coarse and medium cloth produced by many mills in this country is having much less demand than before. Thirdly, the mills are not in a position to install machinery right now for the manufacture of finer counts of yarn and cloth, as this too has a bearing on the foreign exchange position. Mr. Shah's sense of understanding of the problems confronting the cotton mill industry thus is, indeed, fair and objective.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

CHAIRMAN, THE HON. MICHAEL W. TURNER'S SPEECH

THE Annual General Meeting of The Hongkong and Shanghai Banking Corporation was held in Hong Kong on Friday, 13th March, 1959.

The Hon. Michael W. Turner, C.B.E., Chairman, addressed the meeting as follows:

"LADIES AND GENTLEMEN,

"As you will see from the accounts before you, the profit for the year amounts to $23,466,050 which is an increase of $2,400,000 over last year's figure. In accordance with our normal practice, this profit has been arrived at after making transfers to the credit of our inner reserves, out of which full provision has been made for all known doubtful debts and contingencies.

"It is proposed that a sum of $4,000,000 should again be written off Bank premises and, after allowing for this transfer and the interim dividend of £1.2.6 per share, the Directors recommend the payment of a final dividend of £1.17.6 per share, leaving a balance of $2,085,000 to be carried forward to next year.

"Turning to the balance-sheet, the total shows an increase of $43,000,000 over the figure for 1957. Hong Kong currency notes in circulation show an increase of $16,000,000, due to a rise in the excess note issue and this increase is reflected on the other side of the balance-sheet by a similar increase in Hong Kong Government Certificates of Indebtedness. Current, deposit and other accounts show a rise of $31,000,000, while acceptances on behalf of customers show a decrease of $5,400,000.

"When we turn to the assets side of the balance-sheet, we find advances fell by $90,000,000, as did trade bills discounted which decreased by $53,000,000. Money at call and short notice and investments showed rises of $101,000,000 and $67,000,000, respectively, while smaller increases are to be seen in cash in hand and British and other Government Treasury Bills. The ratio of readily realisable assets to the total liabilities has risen by about 2 per cent. to 50.57 per cent.

"The manner in which our funds were utilised at the end of the year shows only too clearly the trend of reduced economic activity which has affected most of the territories in this area. As has been seen, the total of both trade bills and advances is reduced which is due to lower commodity prices and the restrictions on imports which have been such a noticeable feature during the past year. Fortunately, as forecast by my predecessor last year, the trend of British Government securities was upwards, if perhaps at a slower pace than we had hoped to see, and, as a result, it was not necessary to allocate any further sums for the purpose of writing down the value of our holdings.

"The extraordinary general meeting of shareholders held last month approved the increase of the authorised capital of the Bank from $50,000,000 to $100,000,000 to enable the necessary shares to be issued to the shareholders of Mercantile Bank Limited who accepted our offer. The expiry date of our offer was extended to 6th March and, at that date, we held altogether 97.5 per cent. of the total issued capital of Mercantile Bank Limited. It may be remembered that this offer included a cash alternative and of the 2,380,681 shares of Mercantile Bank Limited, which were not at that time held by us, acceptances for cash numbered 406,142 and for shares 1,902,020. This will necessitate our issuing 95,101 of our own shares which will increase the paid-up capital of the Bank to $61,887,625. The outstanding balance we will take steps to acquire under the procedure laid down in the United Kingdom Companies Act and the paid-up capital will be subject to a small increase as a result of the issue of shares in respect of late acceptances and of allotments made in the pursuance of proceedings under Section 209 of the United Kingdom Companies Act.

"During the year, we opened a new office in Kuching and at the beginning of 1959 an office in the Tanglin district of Singapore which has already had the effect of relieving the pressure on our Orchard Road office.

"Finally, I should like to take this opportunity to express our thanks to the Branch Managers and the staff of all nationalities for their continued loyalty and efficient service to the Bank.

"Ladies and gentlemen,

"The Report and Statement of Accounts having been in your hands for the required period, I will now formally propose their adoption as presented."

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

BALANCE SHEET AT 31st DECEMBER, 1958

1957 Hong Kong Dollars		Hong Kong Dollars	Sterling Equivalent	1957 Hong Kong Dollars		Hong Kong Dollars	Sterling Equivalent
	SHARE CAPITAL—			$ 266,561,910	CASH IN HAND AND BALANCES WITH OTHER BANKS	$ 274,571,048	£ 17,160,691
	Authorised and Issued—			163,783,496	MONEY AT CALL AND SHORT NOTICE	264,908,923	16,556,808
$ 50,000,000	400,000 Shares of HK$125 each, fully paid	$ 50,000,000	£ 3,125,000	425,026,644	BRITISH AND OTHER GOVERNMENT TREASURY BILLS	431,811,809	26,988,238
128,000,000	RESERVE FUND	128,000,000	8,000,000	490,218,844	TRADE BILLS DISCOUNTED	437,281,274	27,330,080
2,062,463	PROFIT AND LOSS ACCOUNT	2,085,475	130,342				
$ 180,062,463		$ 180,085,475	£ 11,255,342		HONG KONG GOVERNMENT CERTIFICATES OF INDEBTEDNESS issued in respect of funds deposited as security for the		
	HONG KONG CURRENCY NOTES IN CIRCULATION—			661,883,047	Excess Note Issue	677,883,047	42,367,690
30,000,000	Authorised Note Issue $ 30,000,000				INVESTMENTS, at under market values:		
661,742,000	Excess Note Issue 677,742,000	707,742,000	44,233,875		British, Colonial and Other Government Securities:		
	CURRENT, DEPOSIT AND OTHER ACCOUNTS, including Reserves and Provisions for Contingencies and			190,657,728	Quoted in Great Britain $ 229,500,000		
2,695,184,683	Taxation 2,726,272,957			112,433,262	Quoted outside Great Britain 130,650,000		
413,060	AMOUNTS DUE TO SUBSIDIARY COMPANIES 408,001				Other Investments:		
21,859,997	ACCEPTANCES ON BEHALF OF CUSTOMERS 16,455,008			27,154,144	Quoted in Great Britain 35,020,235		
	PROPOSED FINAL DIVIDEND in respect of the year ended 31st December,			11,803,800	Quoted outside Great Britain 13,764,037		
10,531,645	1958 12,151,899	2,755,287,865	172,205,492			408,934,272	25,558,392
	Notes:—			1,186,038,421	ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS, less Provision for Bad and Doubtful Debts	1,096,013,621	68,500,851
	1. Confirmed Credits, Guarantees and Endorsements amount to HK$501,975,858 (HK$438,186,404) in addition to which there are commitments in respect of outstanding Forward Exchange Contracts.			8,203,416	AMOUNTS DUE BY SUBSIDIARY COMPANIES	2,872,392	179,524
	2. Foreign Currency Balances have been converted into Hong Kong Dollars at approximately the rates ruling at 31st December, 1958. The Sterling equivalents of the figures shown in the above Balance Sheet have been converted at the rate of HK$1=1/3d.			21,859,997	LIABILITIES OF CUSTOMERS FOR ACCEPTANCES, per contra	16,455,008	1,028,438
	3. Investments having a market value of HK$32,659,904 are deposited with The Crown Agents to cover the liability in respect of the Authorised Note Issue.			$3,565,624,709		$3,610,731,394	£ 225,670,712
	4. At 31st December, 1958, the Bank had offered to purchase the 2,380,681 issued shares of the Mercantile Bank Limited not already owned by them, on the basis of one new Bank share for every 20 Mercantile Bank Limited shares or for 44/- per share in cash.			12,837,159	FIXED ASSETS— Investments in Subsidiary Companies, at cost 12,837,159		
				2,003,499	Investment in Associated Company, at cost 2,003,499		
				19,328,481	Bank Premises at cost, less amounts written off 17,543,288		
						32,383,946	2,023,997
$3,599,793,848		$3,643,115,340	£ 227,694,709	$3,599,793,848		$3,643,115,340	£ 227,694,709

MICHAEL W. TURNER, *Chief Manager.* P. F. HUTTON, *Chief Accountant.* B. T. FLANAGAN, H. D. M. BARTON, R. J. SHEPPARD, } *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS OF THE HONGKONG AND SHANGHAI BANKING CORPORATION

We have examined the above Balance Sheet with the books of the Corporation kept in Hong Kong, with the audited Accounts of the London Office and with the Returns received from the other Offices. We have obtained all the information and explanations we have required for the purposes of our examination. The above Balance Sheet gives the information required by the United Kingdom Companies Act 1948 in the manner prescribed for a Banking Company and on that basis, in our opinion, is a full and fair Balance Sheet properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs at 31st December, 1958, according to the best of our information and the explanations given to us and as shown by the books kept in Hong Kong and the Returns received from the other Offices.

HONG KONG, *27th February*, 1959.

PEAT, MARWICK, MITCHELL & CO., LOWE, BINGHAM & MATTHEWS, } *Chartered Accountants, Auditors.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

1957 Hong Kong Dollars		Hong Kong Dollars	1957 Hong Kong Dollars		Hong Kong Dollars
$ 4,000,000	Amount to be written off Bank Premises	$ 4,000,000	$ 11,039,578	Balance brought forward from 31st December, 1957	$ 2,062,463
	Interim Dividend of £1 2s. 6d. per share on 400,000 shares		9,000,000	*Less*—Amount transferred to Reserve Fund	—
6,481,013	paid 11th August, 1958, £450,000 at 1/2-13/16 $ 7,291,139		$ 2,039,578		$ 2,062,463
	Proposed Final Dividend of £1 17s. 6d. per share on 400,000			Profit for the year, after providing for taxation on profits earned to date	
10,531,645	shares £750,000 at 1/2-13/16 12,151,899	19,443,038	21,035,543	and after making transfers to the credit of Reserves for Contingencies, out of which provision for diminution in value of assets has been made	23,466,050
2,062,463	Balance carried forward to next year	2,085,475			
$ 23,075,121	Special Administrative Expenses, including Chief Manager's emoluments, Directors' Fees and London Committee Fees amounted to HK$1,099,536 (HK$972,221).	$ 25,528,513	$ 23,075,121		$ 25,528,513

STATEMENT IN CONNECTION WITH SUBSIDIARY COMPANIES

1. The Investments in Subsidiary Companies appearing in the annexed Balance Sheet represent 14,975 Shares of the Capital Stock of The Hongkong and Shanghai Banking Corporation of California and the whole of the Issued Share Capital of three Trustee Companies and four Nominee Companies. The Balance Sheet of The Hongkong and Shanghai Banking Corporation of California at 31st December, 1958, is annexed. The Accounts of the three Trustee Companies and the four Nominee Companies have not been submitted as the Directors are of the opinion that such Accounts would be of no real value to the Members of the Bank.

2. No part of the profits earned by the Subsidiary Companies has been dealt with in the Accounts of the Bank. The net aggregate amounts of the Subsidiaries' profits, after deducting the Subsidiaries' losses, so far as they concern the Bank, are as follows:—

	Hong Kong Dollars
(I) For the year ended 31st December, 1958	$162,232
(II) For previous financial years	472,309
	$634,541

MANAGEMENT-LABOUR VIEWS ON COTTON INDUSTRY PROBLEMS

MUCH SIMILARITY NOTED

From a Special Correspondent

MANCHESTER, *10th March*

MANCHESTER LETTER

COINCIDENCE brought out two documents on the same day last week—the annual report of the Master Spinners' Federation and the quarterly survey issued by the Operative Spinners' Amalgamation. They showed how much in line are employers' and union views on major topics now being discussed within the industry. Here is what the two bodies say on the Hong Kong pact:

Master Spinners' Federation: "It is particularly regrettable that yarn has not been covered, as the dangers of increasing yarn imports are obvious. The Federation has continually pressed this point at the highest level."

Operative Spinners' Amalgamation: "The terms also allow free importation of cotton yarn to any amount, as well as certain goods made from yarn, such as knitted underwear and outerwear. This latter will certainly require constant watchfulness and, should these yarn imports become excessive, a solution to the problem thus created will have to come much quicker than has been the case with cloth." Mr. Charles Schofield, Secretary of the Union, adds: "It is very probable that, with the expansion of the Hong Kong industry, the 165,000,000-yard figure will be an extremely good starting point for the next round of negotiations, prior to the expiration of the three-year period, with the possible result that, by this method, they will keep ahead of current imports."

The views of the aforesaid bodies on the rejection of the Yarn Spinners' Agreement by the Restrictive Practices Court are as follows:

Master Spinners' Federation: "While the Federation has not been directly concerned with the marginal cost maintenance scheme for cotton yarns, it has always held the view that some form of marginal cost scheme is necessary in an industry where potential productive capacity in the form of machinery in place greatly exceeds potential offtake."

Operative Spinners' Amalgamation: "This system of prices has served the industry and the work-people well by enabling the industry to set aside reserves for ultimate re-equipment and modernisation on a scale never before possible and it has been the means, in large measure, of providing better working conditions, as there have been very few 'bad spinning' complaints."

Expanding this point, Mr. Schofield refers to pre-war days, when yarn customers "mercilessly beat down the prices of yarns, and, to meet the lower price, the spinning firm purchased lower and lower qualities of raw cotton." He fears the debasement of quality standards by the re-establishment of a buyers' market in the industry, pointing out that, in the 1930's, the result was the use of cheaper and cheaper cottons and wage reductions.

As an interpolation here, the latest bulletin issued by the Manchester Cotton Association backs up this argument. Reports received so far since the abandonment of the Yarn Agreement, it comments, suggest that spinners are being compelled to produce yarn at prices dictated by buyers, with a consequent adverse effect on quality. "This state of affairs," the Association adds, "has resulted in increased demand for the cheapest raw cottons. The odd outcome has been that, whereas good quality cottons are cheaper than for many years, the price of other types, some of which have been frankly referred to as 'rubbish,' has held firm."

Only on the vexed issue of compensation for workers displaced under redundancy schemes do the two sides differ in view. The employers' attitude is firmly stated: "It would be undesirable for the industry to accept the proposal in principle, as the claim was essentially for the payment of a supplement to unemployment benefit, which is a national responsibility." Mr. Schofield replies: "No thought is given to the men who in most cases have spent the whole of their working lives at one mill, representing up to 50 or more years' service."

Shift-work Talks

During a year when production has consistently exceeded the offtake of the mills, it is strange that proposals have been contemplated to introduce night shift-working in spinning firms. Yet, if the projects now afoot to reduce the size of the trade are carried to their logical conclusion, the day may come when three-shifts are a regular feature of the industry, if it is to be truly competitive.

The Cardroom Association has indicated its readiness to consider applications from mills for night shift-working by men on a partial basis, subject to various points, including the standard of re-equipment, the spacing of machinery, amenities, hours of work, the wages and premium to be paid, security offered and trade union membership. Despite joint meetings, little progress towards a central agreement is reported, but individual arrangements can be made at mill level with the approval of local associations.

Proposals for night shift-working in mule spinning mills have been submitted to the Operative Spinners' Amalgamation and careful consideration will be given to individual applications. The Federation observes that, although such arrangements are unlikely to be introduced in the immediate future, it believes facilities should be available without having to consider each case as it arises.

Compensation Plea

The Industrial Disputes Tribunal has refused to make a decision on the application by nine trade unions for compensation payments to Lancashire cotton workers who are made redundant by the closing down of mills. Mr. Iain McLeod, Minister of Labour, gave this news in a letter to the trade unions and employers' organisations. The view of the Disputes Tribunal, under the chairmanship of Lord Terrington, was that the question should be considered along with the general problem of the reorganisation of the cotton industry. "No doubt the views of the Tribunal will be taken into account in the present discussions on the future of the cotton industry," Mr. McLeod said.

These discussions are now in progress within the various sections of the industry and the Cotton Board is expected to report to the Government at an early date on how it is proposed to deal with the need for contraction.

In his letter to the Minister, Lord Terrington said: "We are not aware of any cases where awards have been made to compel an industry as a whole to set up machinery to deal with redundancy payments, or, indeed, where a scheme has been adopted for a whole industry."

Mr. Charles Schofield, General Secretary of the Operative Spinners' Amalgamation, said that the trade unions would press forward with their longstanding campaign for compensation for redundant workers. Mills had continued to close down, while the issue of compensation had dragged on over a lengthy period. In any agreement linked with the reorganisation of the industry, the unions would ask for compensation to apply from a retrospective date.

More Shipping Handled

The Port of Manchester handled almost 18,000,000 tons of traffic last year, an increase of over 1,000,000 tons on 1957. Sir Leslie Roberts, Chairman of the Manchester Ship Canal Company—the port authority—told the annual meeting recently, that, although the seaborne tonnage rose, largely as a result of the recovery in the oil trade, following the Suez crisis, there was a marked reduction in the quantity of general traffic passing through the port.

Sir Leslie spoke of two major financial problems continuously affecting all ports in the United Kingdom, particularly the larger ones. The ever-growing importance of equipment which had to be renewed at regular intervals and the costs involved bore no relation to the original expenditure.

"The margins permitted by the level of port charges over the years has not allowed for reserves of anything like adequate proportions. There has been an endeavour on the part of the ports to keep their charges at a low level and they have thus helped to reduce inflationary tendencies. But, surely, there must be a limit to this, if ports and their equipment are to be kept in proper shape." Sir Leslie said a second problem arose from costly schemes of new works made necessary by developments in shipping services and the use of larger ships.—*All Rights Reserved.*

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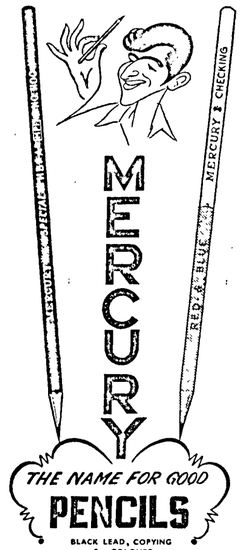

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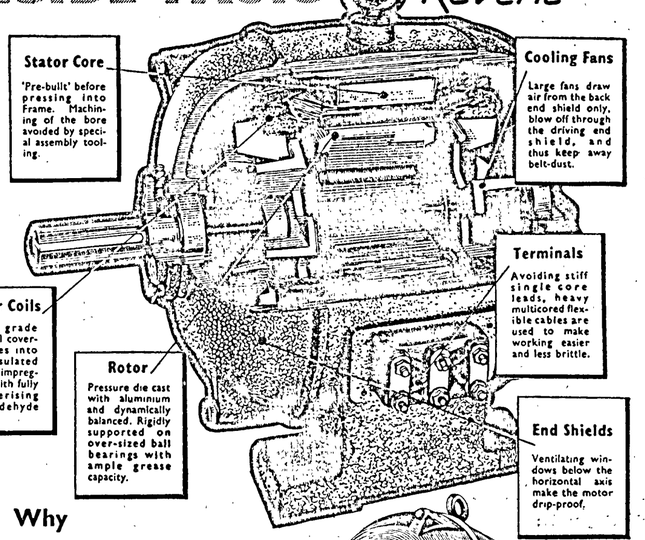

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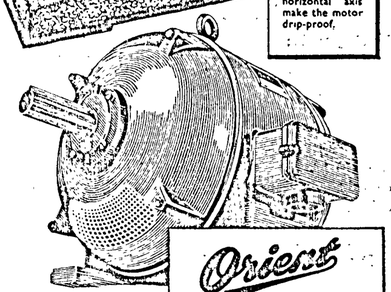

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SAFEGUARDING INTERESTS OF SUGAR CONSUMERS

UNION FOOD MINISTER'S ASSURANCE

THE keynote of the speech of Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, at the annual general meeting of the Indian Sugar Mills' Association held at New Delhi last week, was his concern for consumers of sugar. The Government, Mr. Jain declared, was keeping a close watch on the situation in respect of sugar supplies in the country and its prices and it would not hesitate to take any further measures wihch might become necessary to protect the consumers' interests. He recounted the various steps taken recently to stabilise sugar prices such as the handling of strikes by cane growers. suspension of forward trading in *gur*, licensing of *khandsari* units and imposition of an excise duty on *khandsari*. He hoped that the bullish trends in the sugar markets would soon subside and appealed to the industry and trade to play their parts "squarely at the present juncture and not to force the hands of the Government to tighten controls further." Proceeding, Mr. Jain observed:

"The Government are anxious that the export of sugar should become a permanent feature, but they do not want the internal prices to rise unduly on this account. The expectations that prices would come down after the promulgation of the Sugar Export Promotion Ordinance in June 1958 were not fulfilled and, actually, prices rose further. The Government, therefore, had to intervene again and fix maximum ex-factory prices in the surplus areas of Uttar Pradesh, North Bihar and the Punjab. Sugar prices have returned to reasonable levels as a result of these measures, and a number of factories are themselves requesting the Government to requisition their free sale quotas, as they are unable to sell them at controlled prices in the free market."

Mr. Jain must certainly be congratulated for the way in which he espoused the cause of sugar consumers. The mere expression of sympathy for a cause, however, will not be of any avail, unless it is translated into concrete action. Despite the adoption of all the measures listed by Mr. Jain, the domestic consumer of sugar continues to pay unconscionably heavy price. What is this due to? It may be that a section of sugar millowners and traders often indulge in undesirable practices with a view to creating artificial scarcity and rigging up prices. But to dub the whole industry and trade as not playing the game squarely is to make a highly uncharitable remark. In fact, the spokesmen of the sugar industry have been most co-operative with the Government and have even consented to some of the ill-advised decisions of the Government, so that they may not be accused of non-co-operation.

High Prices—Why?

It is our contention that the Government is responsible for the present high level of sugar prices to a far greater extent than even the anti-social elements in sugar trade and industry. So, Mr. Jain's plea for consumers' interest sounds a little too thin to be convincing. How has the Centre been responsible for the high level of sugar prices? Here is our answer. The present controlled ex-factory price of I.S.S. E.27 grade sugar is Rs. 35.25 per maund (75 nP less than the price of Rs. 36 for the basic grade, namely, I.S.S. D.29), as against the former Tariff Board's fair ex-factory estimate (made in January 1950) of Rs. 24.75. This rise of Rs. 10.50 per maund or 43 per cent. over the nine years since 1950-51 is explained in the following table:

Items	1950-51		1958-59	
	Rs. per maund	Percentage share	Rs. per maund	Percentage share
Sugarcane cost	14.37	58.2	14.37	40.8
Manufacturing and other expenses, including profit and credit for molasses	5.76	23.1	8.56	24.3
Central excise duty and State cane cess	4.62	18.7	12.32	34.9
Fair ex-factory price	24.75	100.0	35.25	100.0

It will be clear from the above figures that (*a*) the percentage share of cane cost in the total ex-factory price of sugar has gone down from 58.2 in 1950-51 to 40.8 in 1958-59 (as a result of sugarcane price remaining unchanged against a rise in the ex-factory price); (*b*) the share of manufacturing and other expenses has risen slightly from 23.1 to 24.3 per cent. (*c*) the share of taxes has jumped up from 18.7 to 34.9 per cent. Even here, whereas the cess on cane levied by the State Governments has continued unchanged at 19 nP per maund which works out approximately to Re. 1.87 per ton of sugar produced, the total excise levy (including the additional excise of Rs. 2.27 per maund in replacement of States' sales tax) has been stepped up from Rs. 2.75 to Rs. 10.45 per maund of sugar, representing an increase of as much as 280 per cent. To take the more recent trend. Prices of white sugar over the year are up by only 1½ to 2 per cent., whereas those of *gur* are higher by no less than 20 per cent. This shows that, when there is no increase in taxation on white sugar, there is no rise in the price as well and that, by and large, the manufacturers and wholesalers have behaved well. It is thus obvious that, if the price of sugar is to be brought down, taxation on it has to be reduced. If, however, the Government does not want to give up its revenue from sugar because of the exigencies of the Plan, then it is a different issue altogether.

Tax Impost Heavy

The existing proportion of taxes in the total price of sugar—nearly 36 per cent.—is unduly heavy. The former Tariff Board had considered 18.7 per cent. (Rs. 4.62 per maund) as "a high rate for commodity tax, particularly for an article of food." The excise duty was previously levied mainly to compensate the Central Government for the loss of customs revenue which amounted to about Rs. 8 crores on an average during the five years ended March 1932, But the total receipts now being obtained by the Centre are at an annual rate of Rs. 46.00 crores, excluding the additional excise receipts of Rs. 12.86 crores, (1959-60 budget). The original objective of imposing excise duty has, of course, now changed. The objective today is to find funds for the Plan. The same is true of cane cess collected by the States. The Plan is no doubt important and money for it has to be found somehow. But would it not be a better proposition to encourage consumption of more sugar through a lower level of taxation and collect a larger sum through increased turnover? If this could be achieved—we feel it could be—it has the additional merit of improving employment opportunities.

To revert to Mr. Jain's speech. He said that the Government's objective is to promote export of sugar without causing an increase in the price for the domestic consumer. We welcome this assurance, which is in refreshing contrast to the attitude of the sugar industry which wants the loss on exports to be recouped from the consumer. Alluding to the future prospects for sugar industry, Mr. Jain said that the Government would give prompt attention to the report of the Tariff Commission on issues like reasonable profits, allowances for rehabilitation of plant and machinery, and share of cane growers in the profit earned by mills from sales of sugar. The Government, he added, had an open mind on all these points. While this statement is reassuring, it must be stressed that the Government's sugar policy should be so formulated as to fulfil six primary considerations. First, the sugar mills must be completely free to produce and sell sugar. There is no need for controlling ex-factory prices or for regulating releases. Secondly, the white sugar industry must be encouraged to grow and there should be no undue restriction either on the expansion of existing units or on the establishment of new sugar mills on joint-stock company lines. Thirdly, the price of sugarcane should be fixed on the basis of its sucrose content. Fourthly, more liberal depreciation allowances should be granted to mills so as to enable them to expand and to rehabilitate the old and worn-out crushing plants and to attract new entrants to the field. Fifthly, *khandsari* production must be strictly regulated, so that sugarcane may be more profitably utilised. Sixthly, there should not be any discrimination between joint-stock sugar companies and co-operative enterprises either in taxation or in marketing of sugar, or in the supply of stores, machinery and raw materials.

THE BANK OF INDIA LTD.

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SUGARCANE PRICES

The Central Government, as was briefly mentioned in our issue last week, has made it compulsory for the sugar mills to pay, with effect from the current year, an additional price to cane growers under either the Expert Committee's formula or the S.I.S.M.A. formula. This was disclosed by Mr. A. P. Jain in the Lok Sabha on the 9th inst., while replying to questions by some members. The details of Mr. Jain's reply are as follows:

The additional price has become part of the original price under law. Therefore, in future, cases of non-payment of additional price may not be expected to arise. In the past, payment of additional price to cane growers under both the formulæ had been on a voluntary basis. The Government had received representations from growers complaining of non-payment of extra price by a few mills. It has taken up the matter with the State Governments concerned and their replies are awaited. The payment of extra price for cane by two mills has not been finalised. They are the Nizam Sugar Factory in Andhra Pradesh in respect of the sugar season 1954-55 and the Ramnuggar Cane and Sugar Company, Ltd., Plassey, in West Bengal, in regard to 1954-55 and 1955-56. Locally, the sugar mills are not committed to paying the extra price, though they are morally committed, as they have accepted the formula for payment of extra price on a voluntary basis. The Centre is exercising all its influence through the State Governments concerned to see that the claims of cane growers are settled as early as possible.

The payment of additional price to cane growers, it may be noted here, does not, however, apply to the sugar industry in Bombay State. For the cane prices in this region are fixed every year by the State Government in consultation with the Deccan Sugar Factories' Association (D.S.F.A.). The price of cane delivered at the factory site fixed for the current season (1958-59), which has now been approved by the Centre, is Rs. 47 per ton (Re. 1.72 per maund). The revised price is higher by a rupee per ton as compared with that applicable for the 1957-58 season. It is also higher than the all-India minimum price of Rs. 37.29 (Re. 1.37 per maund). The price of Rs. 47 is the minimum which every factory has agreed to pay and does not affect any contracts for higher price, if any, made by the factories with sugarcane growers. The Bombay Government's regulation is as follows:

1. The factory owners shall not engage the services of any agent other than co-operative societies for securing the supply of cane grown within 12 miles of the factory site. They may, however, utilise the services of agents for purchase of cane grown beyond 12 miles of the factory site.

2. Fifty per cent. of the price of cane should be paid within 15 days of delivery, the balance being paid within one month preferably, but in no case later than six weeks. Ten per cent. of the price may, however, be paid after the contract for supply of cane for the season by the grower is fulfilled.

3. The factories agree to purchase as much cane as possible consistent with their crushing capacities and the optimum season for which the factories in different areas work.

4. The factories will not deduct any weight from the weight of cane supplied by the agriculturists beyond the limit laid down by the Government of India for deduction in weight on account of binding material.

Men and Oil . . . 6

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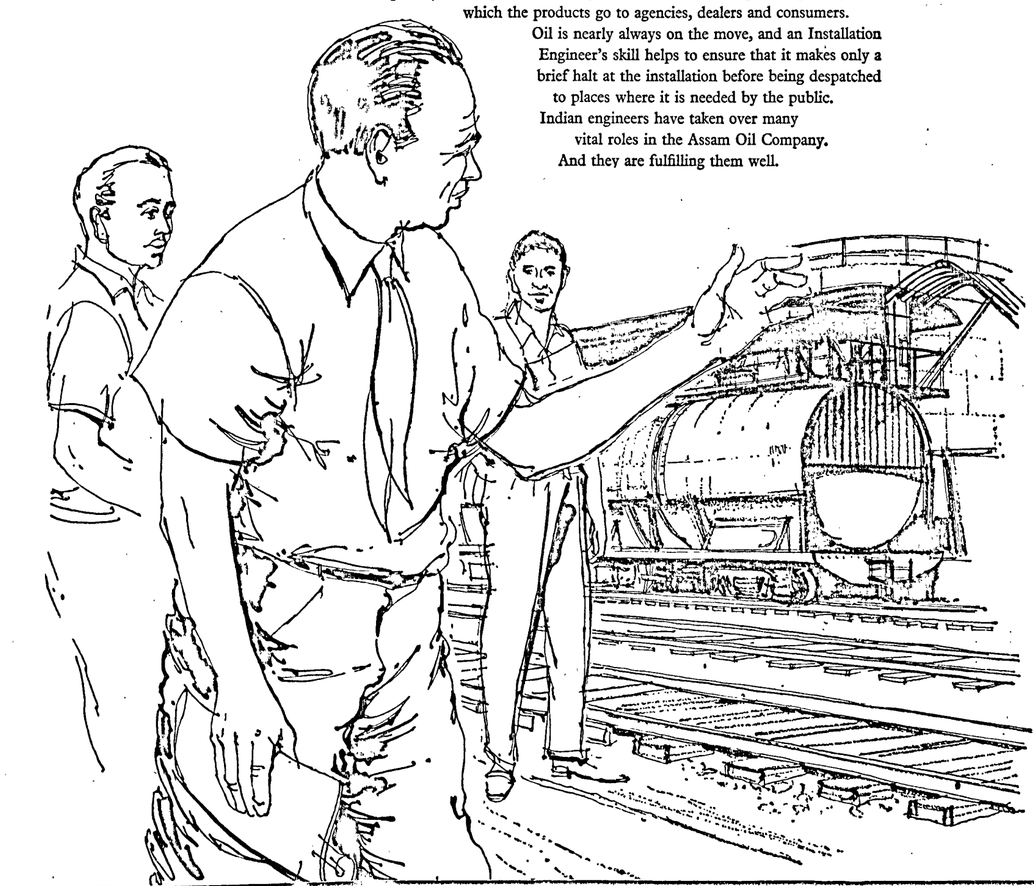

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RUBBER CONSUMPTION FORGES AHEAD

PRODUCTION NOT ENCOURAGING

NATURAL rubber is one of those important industrial raw materials, the consumption of which offers immense scope in a developing economy such as India. But unfortunately, in India the natural rubber industry has not received the attention it deserves. The trend of production of new rubber and consumption thereof during the last few years amply bears out this contention. No doubt, the Rubber Board, with the blessing of the Government of India, drew out and started implementing in 1957, a scheme of replanting 70,000 acres with new, high yielding material at the rate of 7,000 acres per annum spread over a period of ten years. Though the benefit of the replanting scheme will take some years to realise, the progress of replantation itself has been tardy. Meanwhile, the yield per acre from the existing areas has been going down, with the result that the pace of increase in total production has considerably slowed down. Consequently, the gap between output and consumption has been widening. The yawning gap is being plugged by raising imports.

During 1958, production of natural rubber amounted to 24,338 tons, as compared with 23,767 tons in the previous year and 23,444 tons in 1956. The consumption aggregated 34,756 tons, having risen from 31,765 tons in 1957 and 28,966 tons in 1956. Looking at the trend of production and consumption over a period of years, say, since 1952, when consumption lagged a little behind production, the output of natural rubber has gone up by no more than 2,475 tons, or very much less than 500 tons per annum on an average, whereas consumption has risen, during this period, by as much as 13,695 tons or about 2,300 tons per annum. During these six years, the gap between production and consumption has widened from a small surplus of 800 tons to a deficit of over 10,400 tons. To meet the growing shortage of supplies, imports have been stepped up from 3,851 tons in 1952 to 11,878 tons in 1958, as will be seen from the following table:

(In tons)

Year	Production	Consumption	Imports
1951	17,148	22,427	6,921
1952	21,863	21,061	3,851
1953	21,136	22,373	272
1954	21,493	25,487	3,371
1955	22,482	27,543	3,839
1956	23,444	28,966	6,463
1957	23,767	31,735	9,677
1958	24,338	34,756	11,878

It may be noted, in this connection, that the value of rubber (natural and synthetic) imports during 1957 was of the order of Rs. 4.20 crores. The foreign exchange drain on this account during 1958 must have been larger (the value of imports during the first eleven months was Rs. 4.03 crores) for two reasons. First, imports were higher by about 23 per cent. and, secondly, world prices of raw rubber showed an upward tendency, thanks to the keen buying by U.S.S.R. and China. The price of spot R.S.S. natural rubber in London rose from a low of 21*d.* to 26⅝*d.* and is currently quoted at 25⅝*d.* per lb.

In India, the demand for natural rubber is expected to reach 60,000 tons by 1960-61 and 75,000 tons by 1975, because of the extensive expansion programmes that have been taken on hand by the existing units and the setting up of new units. The problem is, therefore, one of raising the production of raw rubber and this in turn depends as much on the success of the replanting schemes as on the statutory price paid to the growers, which is found to be wholly inadequate.

As pointed out earlier, the world price of natural rubber has shown an upward trend and the present price of 25⅝*d.* per lb. for R.S.S. is much higher than the price of S.-type synthetic fixed in the U.S. at the equivalent of 21*d.* per lb. The higher price fetched by natural rubber over synthetic is due to the fact that its world consumption is in excess of the output. In 1958, the world output was placed at 1.96 million tons, while consumption stood at 1.99 million tons. Consumption too shows a rising trend, having gone up in 1958 from 1.91 million tons to 1.99 million tons. A break-up of the consumption figures during the last two years shows that, while the offtake by the U.S. declined from 539,300 tons to 485,000 tons and that of Western Europe from 650,000 tons to 640,000 tons, that by the Soviet bloc and China rose from 290,000 to 430,000 tons. On the assumption that the Communist countries' purchases will be maintained at the 1958 levels, the world demand for natural rubber during the current year is expected to go up to 2 million tons.

As compared with 1957, consumption of synthetic rubber shows a slight decline in 1958, from 1,255,000 tons to 1,225,000 tons. Synthetic output, outside the Communist countries, is reported to have been 1,250,000 tons and the production capacity during the current year is expected to go up to 1,550,000 tons. The move to increase the production capacity of synthetic rubber shows that a drive is in the offing to increase consumption of the synthetic product.

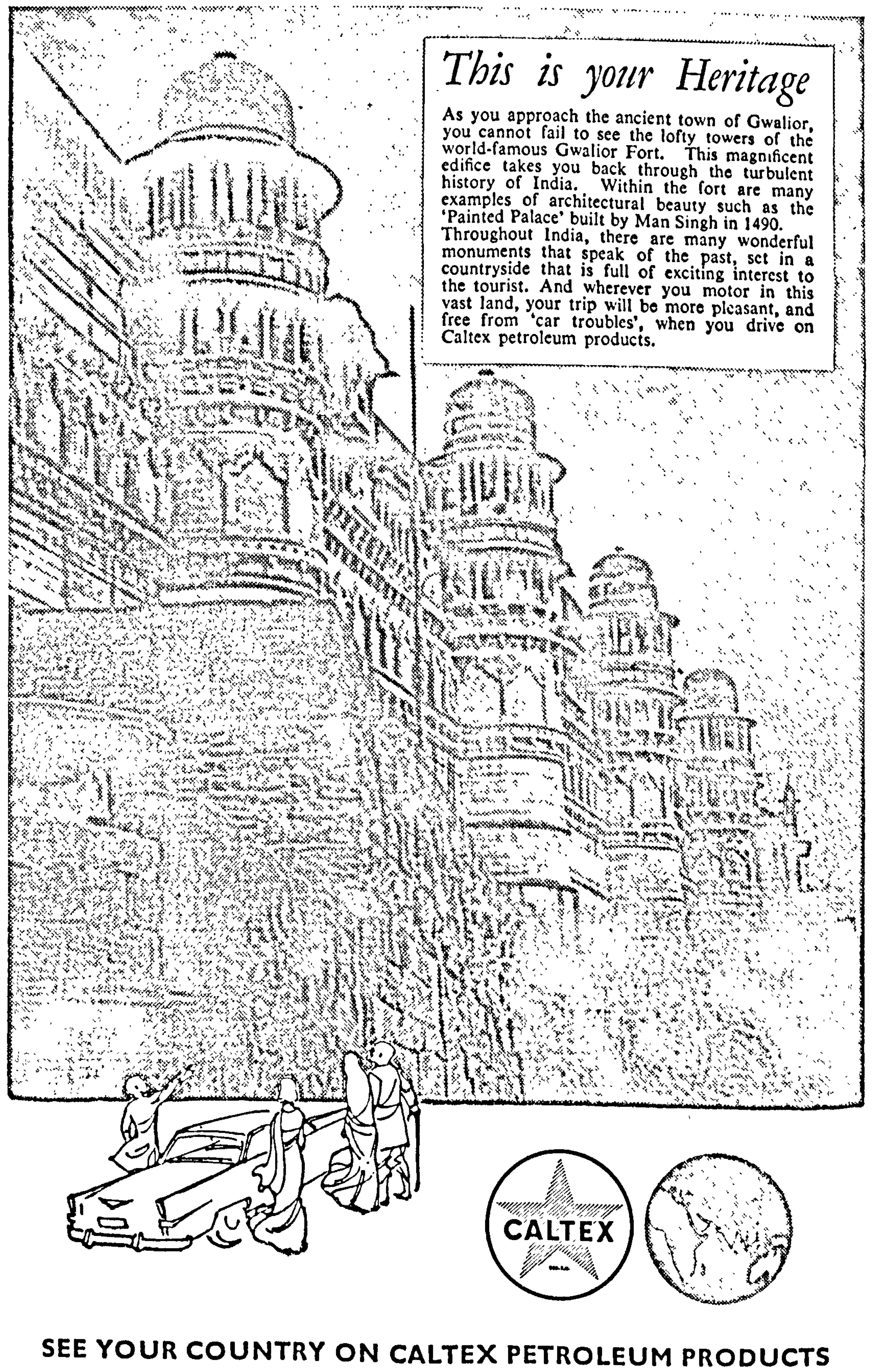
This does not mean that synthetic rubber will replace the natural one in the next few years. There are two reasons for this: first, there are technical difficulties in switching over from one to the other, and, secondly, the demand for natural rubber is expected to be well maintained. It is even believed by some that the world will require all the natural rubber which is likely to be produced as far ahead as one can see. In fact, many countries are expected to step up their output of natural rubber in the next few years. The production in Malaya which was 390,000 tons in 1958, is likely to go up to over 500,000 tons by 1965, thanks to the post-war replanting scheme coming into bearing rapidly. Though Ceylon also has undertaken a replanting programme on a substantial scale since the war, the climate has been somewhat unfavourable, so that the contribution of Ceylon to new rubber production will be proportionately less than that in Malaya. Not much of an increase in production from the existing areas in Indonesia is expected in the next few years. In the long run, however, the new areas and replanted areas of high yielding rubber can be expected to be competitive with the synthetic.

Though the Russian purchases during the last two years have taken up a large quantity of raw rubber off the market, there has been a slight change in the pattern of offtake by the various consuming countries during the current year so far. Russia has switched over its purchases from R.S.S.I. to lower grade rubber. If these are continued, the prices of top grade may decline. However, the purchases from the Western countries have been encouraging. The U.S., which is expected to lead any revival of purchases in the West, consumed 50,350 tons of natural rubber during January, as compared with 42,597 tons in the corresponding month of 1958.

SYNTHETIC RUBBER COMPETITIVE WITH NATURAL PRODUCT

Polyisoprene rubber, the man-made duplicate of tree-grown rubber, is going into commercial production and use for the first time. The United States Rubber Company has begun the production of truck tyres made of Polyisoprene rubber which is manufactured by Shell Chemical Corporation for sale at a price which is competitive with that of the natural product. The announcement, which was made jointly at a Press conference by Mr. John W. McGovern, President of U.S. Rubber Corporation, and Mr. Richard C. McCurdy, President of Shell Chemical, is regarded as highly significant for the rubber industry and vital from a strategic standpoint, in view of the traditional dependence on sources of natural rubber. Until now, they pointed out, it had been necessary to use natural rubber in all large tyres for both

(*Continued on page* 487)



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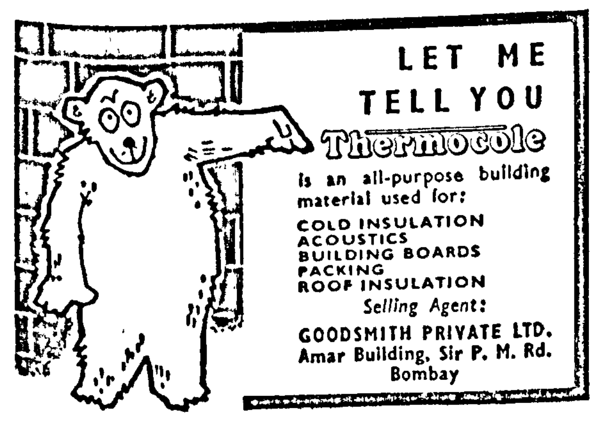

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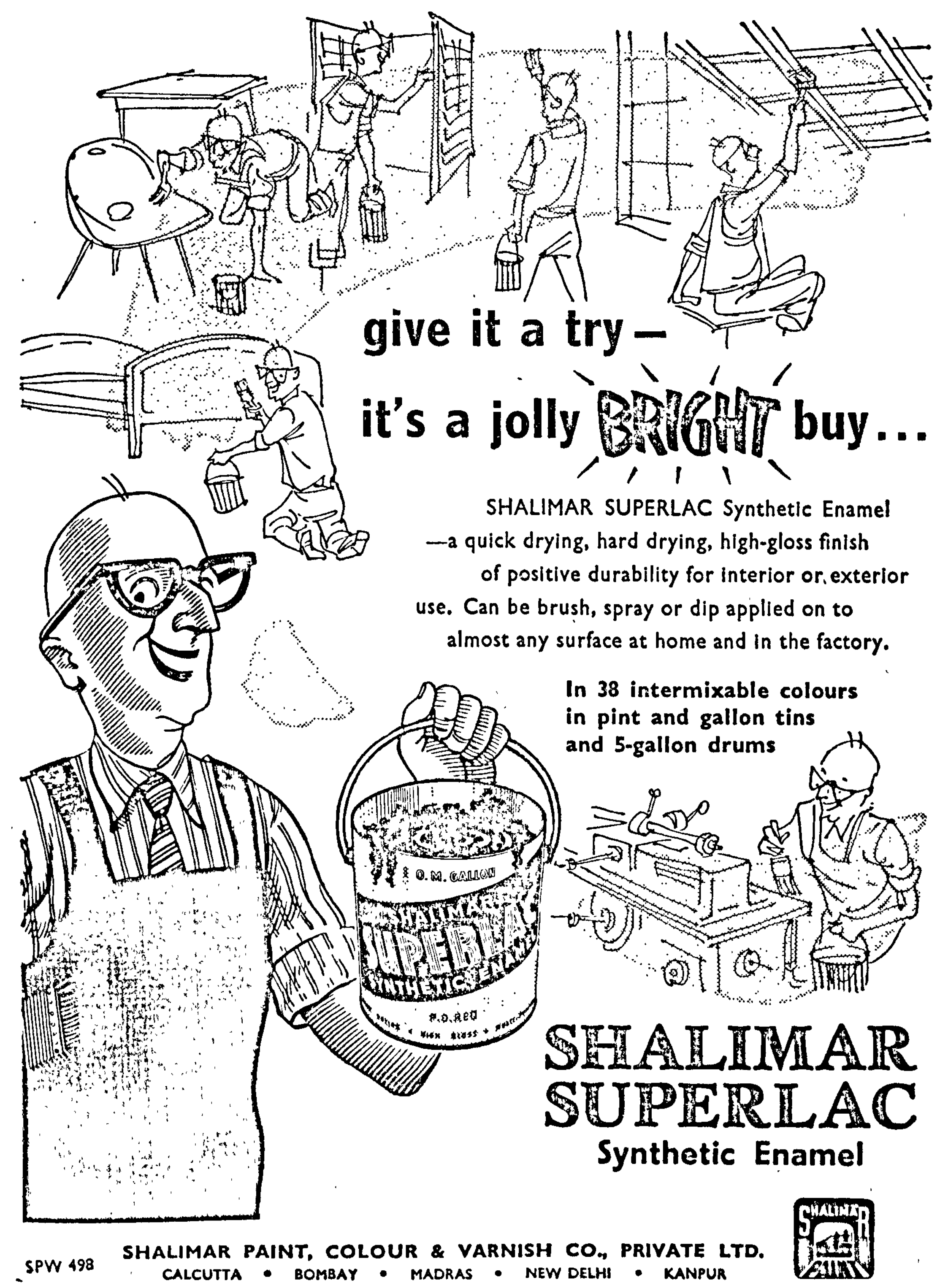

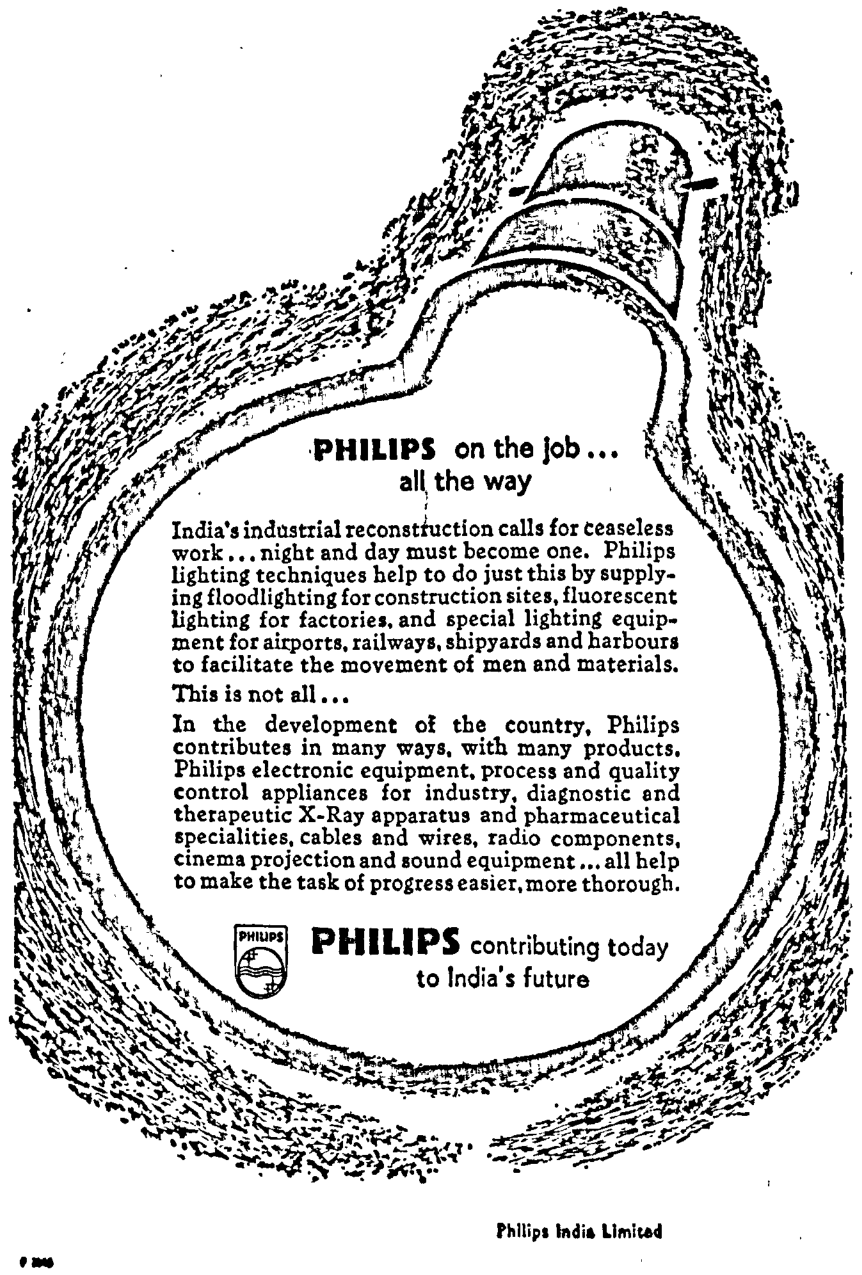

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STATE-OWNED STEEL PLANTS

ESTIMATES COMMITTEE'S SUGGESTIONS

THE three State-owned steel factories (at Rourkela, Bhilai and Durgapur) are the the single largest industrial enterprises undertaken by the Government of India. Appropriately enough, they have received considerable notice at the hands of the Estimates Committee which, in its report entitled *Ministry of Steel, Mines and Fuel*, has made a detailed study of the planning and execution of these steel projects. The Committee has also made many valuable recommendations, some of which are worthy of general application to all Government-owned industrial enterprises. It has particularly criticised the Government for its inadequate planning in respect of the steel factories and also some of the agreements and contracts entered into by the Government in relation to these projects. It has suggested the appointment of committees for further inquiry into various "doubtful features and defects" which it noticed in the course of its inquiry.

Steel Economy

The importance of the three steel projects in India's steel economy will become clear when it is realised that they will form a substantial portion of the steel production by 1960. The target for steel production to be reached by 1960 is placed at 4.68 million tons, consisting of steel output by the T.I.S.Co. 1.5 million tons, I.I.S.Co. 800,000 tons, Mysore Iron and Steel Works 100,000 tons, Bhilai plant 770,000 tons, Durgapur plant 790,000 tons and the Rourkela plant 720,000 tons. All the three State-owned steel enterprises are under the charge of Hindustan Steel Ltd., which was formed in April 1957.

The Board of Directors of the Company consists of ten members, including two non-officials. The Committee suggests that there should be some arrangement in the Government for examination of matters, which come up from the Company for its consideration, by officers different from those on the Board. Regarding the arrangement under which the Board has set up a committee for disposal of business which may come up between the meetings of the Board, the Estimates Committee "consider it strange that the Board of Directors should set up a committee with such wide powers." The Committee also finds it "strange that the administration of the Rs. 560-crore project rests largely with two or three officials or erstwhile officials of the Government who have had no previous experience of steel industry or of any industry for that matter." The Estimates Committee has urged the constitution of different committees for specific purposes and a local board of management for each project.

The three steel projects, as is well known, work in terms of agreements with foreign technical interests. For the Rourkela steel project, the Government entered into an agreement with Krupp-Demag. The Committee finds that, against the total value of Rs. 100 crores for the plant and machinery of the project, the value of contracts for the supply of plant and machinery by Krupp-Demag and its associates, who are the consultants, is about Rs. 28.5 crores. The Committee feels that the arrangement under which consultants are also suppliers of equipment is not satisfactory, since there is a possibility that the advice given by the consultants might not be objective. For the Bhilai plant, the agreement entered into with the Government of the U.S.S.R. is for services usually rendered by technical consultants as well as for the supply of plant and equipment and of detailed working drawings. It would appear that the Committee did not hear any criticism of the agreement or its working with respect to the consultative service for the project.

The International Construction Company are the consultants for the Durgapur Steel project. In December 1955, the Company was appointed consulting engineers to the Government for a period of six years. The agreement was signed when much of the preparatory work had been completed in respect of all the projects. The Committee feels that the appointment of consultants for general advice would have been understandable had they been appointed at a sufficiently early stage. Considering that they were appointed after separate consultants for each project had already been appointed, the Committee feels that the utility of the general consultants would be limited. Further, the view was expressed before the Committee that full advantage had not been taken of the opportunity to gain the technical know-how from the consultants. The Committee also feels that attention has not been devoted to the association of Indians in planning and designing work. It observes that Indian consulting organisations should be developed and encouraged, since the "country cannot afford to pay large fees to foreign consultants and to depend on them indefinitely for future projects."

Contracts

The contracts given by the Hindustan Steel Ltd. to Messrs. Uttam Singh Duggal & Co. and Hochtief Gammon & Co. have come in for criticism, the former on the ground that, since the contractors were inexperienced, the work fell in arrears and the latter for the reason that it involved much avoidable expenditure. Further, it would appear that the antecedents of the two contractors were not taken into account. The contract with Hochtief Gammon & Co. provided for the hire of certain constructional plant and equipment estimated to be of the value of Rs. 60 lakhs. The Committee observes that the hire charges would "amount to (Rs. 75 lakhs), more than the value of the equipment itself (Rs. 60 lakhs)." In this connection, the Committee enquired whether the feasibility of purchasing the equipment instead of hiring it was considered and was told that it was not possible to do so, since the little effort that was made to purchase the equipment in the country was not successful and there was no time to purchase it from other sources. The Committee feels that these difficulties arose because of "inadequate planning and insufficient forethought in an important matter like civil engineering work of the rolling mills."

In the chapter entitled "Production Programme", the Committee has discussed the schedule of commissioning the various plants and the problem of disposal of products manufactured in the State-owned factories. It notes that the Rourkela plant is scheduled to go into production in the latter half of 1960 or seven years after the memorandum of Indo-German association for the project was signed, the Bhilai plant on 31st December 1959 or four years after the acceptance of the project report by the Government and the Durgapur plant on 31st July 1961 or nearly six years after the submission of the report of the Coates Mission which visited India. It observes that, in view of the fact that the Bhilai plant is expected to be completed within four years, "it might have been possible with better co-ordination to complete the other projects also within the same period.

L.D. Process

At the Rourkela project, a new process known as the L.D. process is proposed to be used for making steel. The Committee understands that the International Construction Company has advised that India, which is yet in the initial stages of development of the industry, might have been conservative in the matter of adopting the L.D. process. The consulting engineers are stated to have pointed out two difficulties with regard to the use of the new process. First, the pig iron produced in India would not be suitable for the process, because of its high silicon content, and secondly, the limestone which would be available near the plant would not be suitable for the process. They also advised that the layout of the steel-making shop be planned in such a way that, should the L.D. process prove unsuitable, the plant could be converted, with relatively minor modifications, to use the open hearth or the Duplex process. The Committee understands that, in order to meet the difficulties pointed out by the International Construction Company, a desiliconising plant would be put up to reduce the silicon content of the iron and that limestone of better quality which would be suitable for the process, would be obtained from another source at a distance of over five hundred miles. These would entail extra expenditure of nearly Rs. 30 lakhs annually on transport alone. However, the Secretary of the Ministry appeared to be of the opinion that the extra cost would be much lower that the saving which would arise in the cost of production of steel under the process. It has been stated that, while works cost of crude steel under the conventional process in Rourkela would be Rs. 117 per ton, the works cost of such steel under the L.D. process would be Rs. 93 only. The Committee hopes that the anticipated benefit of the process would be realised, but feels that this is a matter which needs further examination at expert level.

By-products

The three steel plants at Rourkela, Bhilai and Durgapur will produce a number of valuable by-products in the course of their conversion of coal into coke. Besides nitrogen, which will be used to produce 580,000 tons of fertiliser-nitro-limestone, the Rourkela plant will produce benzole, toluol, zylonol, carbolic oil, naphthalene oil, anthracene oil and pitch; the by-products plant in Rourkela is estimated to cost Rs. 8 crores. The Bhilai plant will produce ammonia sulphate, benzole, toluene, xylene, solvent-naphtha, phenol oil, naphthalene oil, anthracene oil, naphthalene, crude anthracene, crude phenols and pitch; the by-products plant in Bhilai is estimated to cost about Rs. 3 crores. The Durgapur plant will produce ammonia sulphate, benzene, toluene, xylene, solvent naphtha, naphthalene, road tars, wood preserving creosote and sulphuric acid; the by-products plant is estimated to cost Rs. 6.4 crores.

The Committee notes that the estimated cost of the by-product plant is highest in the case of Rourkela, being Rs. 8 crores, as against Rs. 3 crores in the case of Bhilai and about Rs. 6.4 crores in the case of Durgapur. The by-products which are to be processed in the various plants are also different. The Committee suggests that the economic aspect of the selection and production of the by-products at the various plants might be got examined with particular reference to the difference in the estimated cost of the by-product plants as also their estimated working cost in the three projects. As regards the slag which will be released during the production of pig iron and might not be found suitable for cement making, the Committee would suggest that the feasibility of putting it to alternative use, such as construction of roads might be examined.

Finally, the Committee feels that no thought has yet been given to the question of setting up an organisation for the purpose of selling the various products which will be manufactured at the three steel plants. It suggests that this question should be taken up at an early date.

An examination of the capital and cost structure of the three steel plants forms the subject of a separate chapter in the Committee's report. The authorised capital of Hindustan Steel Ltd. is Rs. 300 crores. The paid-up capital at present is Rs. 198.7 crores—Rourkela plant Rs. 87 crores, Bhilai plant Rs. 70 crores and Durgapur plant Rs. 40 crores. The Committee was informed that it was the Government's intention that the capital expenditure of each of the three Government plants would be limited to Rs. 100 crores and the balance of the expenditure treated as a loan from Government to Hindustan Steel Ltd. Considering that the total cost of the three Government plants is expected to be over Rs. 560 crores, the Committee doubts whether Hindustan Steel Ltd. would be in a position to repay a loan of over Rs. 260 crores in the foreseeable future.

Estimates

Examining the difference between the original and final estimates, the Committee notes that the original estimates (Rs. in crores) for the three plants with foreign exchange components in brackets were: Rourkela 128 (89); Bhilai 110 (67.5); Durgapur 115 (72)—total 353 (228.5), whereas the present estimates are: Rourkela 170 (122); Bhilai 131 (78); Durgapur 138 (92)—total 439 (292). Other estimated costs (Rs. in crores) not included in these estimates are: three townships 42.0; two iron ore mines, two limestone quarries and one dolomite quarry 13.5; fees to consultants 9.25; water-supply 4.5; training schemes 1.5; cost of Soviet staff 4.5, other expenditure on prospecting, electrical works, etc. 45.0—total 120.25.

The Committee is unable to appreciate why estimates of important items like townships, iron ore mines and quarries, electrical works, railway works, etc., were not originally indicated to Parliament. It is particularly surprised to find that even the fees of consultants were not included in the original estimates. It was explained to the Committee that it was difficult to estimate the expenditure in all these cases. Even if that were so, the estimates on some broad lines could have been indicated, or the items could have been mentioned with a note that charges on their account would add to the estimates finally, to enable the Parliament to have a complete picture. The Committee suggests that a comprehensive statement showing the estimates of all the items of expenditure connected with the projects should be prepared and placed before Parliament at an early date.

Uniform Basis

Further, the Committee suggests that the estimates of the costs of the three plants should be presented on a uniform basis for purposes of comparison. It feels that, in view of the expansion of the iron and steel plants in the private sector in the country, it would facilitate an assessment of the cost of the public sector projects, if the expenditure incurred on the former, especially on similar and comparable units, could be ascertained and included in the analysis of costs.

The Committee makes the notable point that the practice of first presenting partial and approximate estimates to Parliament for initial sanction and then asking for supplementary funds on a substantial scale gives a false picture of the cost of the work proposed to be undertaken, since it does not enable Parliament to appreciate the economic aspect of the investment which it is called upon to make for that project. Besides, in such cases, the subsequent increases have often to be agreed to almost helplessly, in view of the investment that has already been made. It, therefore, urges that Government should, before approaching Parliament for approval of a project, prepare and indicate realistic and firm estimates of all financial requirements which might not vary much, except for unforeseen changes in general economic conditions.

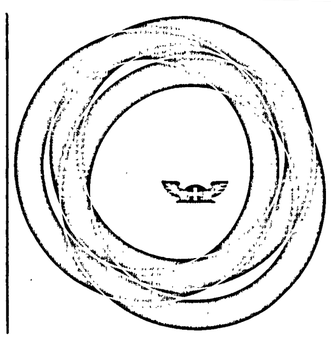
The Committee notes that the private sector has to submit several details of its projects before it gets the necessary permission for the issue of capital. Thus, it must submit details regarding the complete estimate of capital cost, the breakdown of the estimate, the manner in which funds are to be raised, the estimated value of production, and the margin of profit. It is evident, according to the Committee, that the information which is required to be furnished initially in the case of private sector plants, was not worked out in the case of the Government steel projects. The Committee is of the opinion that, in future, it should be ensured, before a new industrial or commercial venture is undertaken in the public sector, that it fulfils all the conditions which would have to be fulfilled had it been undertaken in the private sector and that the proposals therefor should be subjected to the same degree of critical scrutiny from various aspects as is applied to the proposals of a private undertaking.

As regards the future development of the industry, the Committee feels that the question of production of raw steel and its utilisation should be considered in a more realistic manner. It emphasises the need for the creation of capacity for fabricating steel and for a survey of the requirements of steel in the future. It suggests that the Government might consider at the appropriate time whether reduction in excise duty on steel (raised from Rs. 4 to Rs. 40 per ton) would result in better export market for Indian steel.

The Committee was informed that no decision had yet been taken on the proposal to set up an additional steel plant at Bokaro. In deciding the question of further expansion of steel industry, it urges the Government to take into account the need for uniform development of the different regions in the country. It suggests that, in the interest of the decentralisation of the iron and steel industry, the Government "might consider, within the framework of the Industrial Policy Resolution, the desirability of granting more licences to the private sector for small plants for production of pig iron as well as similar other items." After pointing out the absence of adequate capacity for the production of special types of steel and steel alloys, the Committee urges the Government to consider the feasibility of entrusting the production of stainless steel to the Mysore Iron and Steel Works.

Transport

In conclusion, the Committee has emphasised the importance of transport. The completion of the steel plants in the public and private sectors, it is stated, will involve the carriage of 5.46 million tons of finished products and 26.4 million tons of raw materials, consisting of 11.1 million tons of iron ore, 11.2 million tons of coal, 3.2 million tons of limestone, 0.58 million tons of dolomite and 0.31 million tons of manganese. The S.E. Railway has to carry a heavy burden because all the five steel plants are located in the region served by it. Further, the Railway has to cater to the traffic requirements of other industries, like coal, paper, cement, fertilisers and aluminium. Again, the load on the Railway is likely to increase further with the location of new industries in that region on the completion of the Hirakud Dam. Accordingly, the Committee suggests that, with a view to relieving the pressure on the S.E. Railway, the possibility of developing minor ports and/or inland waterways to handle part of the iron and steel traffic might be explored.



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EXPORT OF ISOTOPES

So great is the demand for radioisotopes produced in Britain—India is among the many oversea buyers—that the United Kingdom Atomic Energy Authority is reorganising its production and marketing organisations. Britain is already the world's largest exporter of radioisotopes—an offshoot of the production of nuclear energy. The Authority states that plans are being carried out immediately for the reorganisation of its isotope production and marketing units, which up to now have been shared between the Isotope Division of the Atomic Energy Research Establishment at Harwell, Berkshire, and the Radiochemical Centre at Amersham, Buckinghamshire. The scope of the Radiochemical Centre will be widened to form a single comprehensive organisation for the production and marketing of all isotopes. At the moment, it has its headquarters and laboratories at Amersham, but it is also to have irradiation facilities at Harwell and other centres.

Research into the properties of isotopes and new applications of them and their radiations will be continued by the Isotope Research Division at Harwell and at the Wantage (Berkshire) Radiation Laboratories. It was at the Atoms-for-Peace Exhibition in Geneva last September that Britain disclosed the tremendous strides that had been made in isotope production and how isotopes were saving industrialists many millions of pounds yearly and giving mankind greater hope in the sphere of medicine. Britain's annual sales of radioisotopes (produced either at Harwell or Amersham) have now reached the £650,000 mark; and of these sales, about two-thirds are to oversea countries.

HINDUSTAN STEEL LTD.

The Hindustan Steel Private Ltd. the Government of India undertaking which is managing the three steel plants in the public sector, has now been renamed as Hindustan Steel Ltd. The Prime Minister had recently pointed out the incongruity of the use of the word 'Private' in the names of undertakings in the public sector. The word has now been dropped with the permission of the Registrar of Companies who has incorporated the Company under the new name. With the authorised capital of Rs. 300 crores, Hindustan Steel Ltd. was originally set up in January 1954 to construct and manage the Rourkela steel plant. The Board of Directors of the Company was reconstituted in April 1957 when the Bhilai and Durgapur projects were transferred under its control. The shares of the Company are owned wholly by the Central Government and the Directors are appointed by the President. Mr. G. Pande is the Chairman of the present Board of Directors. Other members of the Board are: Messrs. N. Padmanabha Ayyar, K. C. Mahindra, S. S. Khera, N. C. Deb, Michael John, K. Sen, M. Ganapati, N. C. Shrivastava and A. Nagaraja Rao.

NEW PRODUCTS AND PROCESSES

New Device for Inspecting Engineering Components

A NOVEL device for automatically inspecting engineering components has been developed in the U.K. The device will respond, it is claimed, accurately and continuously, to variations in the size of components, or the position of their surfaces, or of the whole component in both the horizontal and vertical planes. It can be used to compare one finished piece with another, or to compare each article made with a master model of the component. It can also be used, it is claimed, to inspect the surface of an article for scores and other similar defects and to give an exact measure of surface finish. The device is designed, moreover, so that it can be harnessed to virtually any type of machine control system—for example, a machine tool controlled by magnetic tape—which will give continuous readings throughout its complete predetermined programme of operations.

Push-button Coffee-server

W. M. Still and Sons, 29, Greville Street, London, E.C. 1, has developed a coffee dispensing unit designed to stand on a counter in public houses, offices or cafes. The machine serves a freshly made cup of coffee in a pre-set measured quantity at the touch of a button. It delivers a measure of coffee and the requisite amount of hot water into the cup and cream or milk is then added by hand. When fully charged the unit will hold the equivalent of 125 six-ounce cups of coffee. It has a mechanism which registers the number of cups supplied.

Anti-Oxidant For Rubber

The inclusion of a new blended anti-oxidant developed by Monsanto Chemicals of the U.K. is said to confer improved resistance to the combined effects of heat ageing and flex cracking. Indeed, experiments carried out with the new compound are stated to have shown that it gives markedly better performance than that which results when the two compounds which form its basic components are added to the rubber in unblended form. The new compound is also said to inhibit the harmful effect of copper, or manganese in a rubber compound. Called Santoflex HP, the compound can be used as an effective anti-oxidant with both natural and synthetic rubbers. With natural rubber experiments are said to have shown that the use of Santoflex ensured the retention of physical properties in the rubber to a high degree, even after it had been exposed to the very severe oxidising conditions obtaining inside a bomb containing oxygen at a pressure of 300 lbs. per square inch at 70 degrees Centigrade for 14 days.

Dual-purpose Lorry Crane

Drivers of open vehicles can unload, single-handed, goods up to half a ton in weight, it is claimed, with the aid of the Bradshaw combined bolster and jib crane made by the Lichfield Engineering Company of the U.K. The tubular bolster is secured to the vehicle at the front end and serves to support long-length materials, but it can be converted into a jib crane by a removable swinging arm which fits into the left or right upright of the bolster and enables any standard make of chain or rope block to be used for lifting and lowering goods. The manufacturer says that the fitment can be obtained in a suitable size for fitting to any open goods-carrying vehicle and a carefully compiled table has been worked out to show safe working loads in relation to vehicle tracks. The combined bolster and crane is said to cost under £30.

Electronic Fuel Consumption Tester

New fuel consumption test equipment has been installed in a number of factories of Leyland Motors Ltd., to facilitate research in the design of fuel systems. Previously, it was difficult to measure accurately the increased or decreased efficiency of fuel systems when minor modifications had been made, but with the new equipment the result of a minor modification can be measured with an accuracy of 1 per cent. The new equipment not only achieves greater accuracy in test-bed work, but reduces the number of personnel required for a particular test, releasing operators for other research work. Developed by Farnell Instruments Ltd., the electronic equipment incorporates a burette with two level marks and a series of photo-electric cells. When the fuel reaches the first level of the burette at the start of the test, the first photocell brings into circuit a time interval meter and a revolution counter, thus ensuring that the exact engine revolutions are counted and are not an assumed average. These continue operating until the fuel level reaches the second mark on the burette, when the second photocell automatically brings the test to an end. To prevent unnecessary stops of the engine when fuel tests are carried out, the fuel consumption tester has been designed to allow the incoming fuel to fill the burette and to feed the engine under test at any time. When the fuel test is required, an electrically-operated valve in the fuel input line closes. Before the fuel has been completely run out of the burette the photocell operates and opens the incoming fuel supply line, thus preventing any break in fuel supply to the engine. Test accuracy is of the order of 1 per cent., and the time taken varies according to the speed of the engine and the size of burette used. With the models installed at the Leyland factories, fuel consumption tests average less than 60 seconds.

THE BANK OF INDIA LIMITED

"SATISFACTORY MEASURE OF SUCCESS IN 1958 BUT IN A LOWER KEY"

SIR COWASJEE JEHANGIR URGES WISE SPENDING AND INVESTMENT

A NOTE of subdued optimism was struck by Sir Cowasjee Jehangir, Baronet, G.B.E., K.C.I.E., Chairman of the Bank of India Ltd., in his speech at the Fifty-third Annual General Meeting of the shareholders of the Bank held at Bombay on Thursday, 12th March 1959. Drawing attention to the improvement in agricultural production and the timely assistance which India has received from foreign countries, he observed: "The outlook is not entirely dark.... When additional factories in course of erection start production, the supply of basic materials, such as steel and cement, can be counted to increase substantially." Sir Cowasjee advised the authorities in this country to see that the crores of rupees which had been borrowed were wisely spent and that India got full value for its money.

The following are extracts from the speech of Sir Cowasjee Jehangir:

"LADIES AND GENTLEMEN,

"With your permission the balance-sheet may be taken as read.

"At the time of our annual general meeting in 1958, the currency in circulation was Rs. 1,546 crores, whilst at the corresponding date in 1957 it was Rs. 1,515 crores. This year it is Rs. 1,659 crores. The increase on last year's figure is Rs. 113 crores. This increase is not surprising, having regard to the progress and magnitude of the second Five-year Plan.

"The year 1958 has been a year of some adventure for commerce and industry. Many of the events of the year have caused considerable anxiety, but the year has not been one of unrelieved gloom. For many countries, it has been a year of economic recession, the impact of which could not be avoided in this country. Indeed, our share of the recession has been comparatively greater than that of some other countries. We are industrially underdeveloped and have been affected in two opposite directions. Our exports have earned less and the high cost of imports has continued, so that our foreign assets have been reduced. Our plans for economic development have had to be pruned. To a great extent this has been unavoidable. We could not have escaped some of the ill-effects of a recession affecting a large part of the world. Nature, too, has been unkind regarding foodgrains and the food position and food prices at the moment cause anxiety. The country has been assisted by timely help from outside. The outlook is not entirely dark. Agricultural production has, latterly, shown improvement and the food situation is expected to get better in coming months. When additional factories in course of erection start production, the supply of basic materials, such as steel and cement, can be counted upon to increase substantially.

Taxation

"The year has seen enhancement in the burden of taxation. The Expenditure-tax Act, 1957, and the Gift-tax Act, 1958, have brought additional levies into force from 1st April 1958. These two enactments chiefly affect the well-to-do classes. The Finance Act, 1958, brought no material tax relief to any section of the community. It substantially continued the levies enacted by the Finance (No. 2) Act, 1957, which had increased taxation, particularly in the case of companies, to an onerous degree. I think the high level of personal and corporate taxation affects capability or, at least, willingness to work, save and invest. High taxation can be conducive to extravagance in business. The collection by the Government of the various additional direct taxes with which we have lately been saddled cannot, I think, be other than costly.

"For the few who pay direct taxes, India continues to be the heaviest taxed country in the world, which results in people having to live on their capital while millions of the population continue to pay very little or have no capacity to pay any direct taxes at all. When we are already the heaviest taxed country in the world, the proposals in the Central Government budget just presented seek to impose an additional burden by increasing by ½ per cent. the levy on every slab of wealth subject to tax under the Wealth-tax Act. This will mean a further drain on the already attenuated resources left in the hands of the private sector and cannot but prove a serious disincentive to further enterprise in the country. This is the result of the Government having followed the advice of so-called experts who are not well known in their own country and whose advice, when given, has been rejected. It is most regrettable that the Government could not find better advisers when there are so many well-known economists in foreign countries, if they did not wish to take the advice of real economists in their own country.

Foreign Exchange

"The year 1958 has been a period of concern over the foreign exchange situation. The pronounced restrictions on imports continue. The conditions upon which licences for imports are granted upon a deferred payment basis have become tighter. To carry through deferred payment schemes of any size the assistance of banks abroad is usually necessary. Such banks have not always taken an optimistic view of the foreign exchange future of the country and it has, generally, not been easy to put through schemes providing for the deferred payment of large sums. The country's securities and balances held abroad have continued to fall during 1958, although the rate of reduction slowed up towards the end of the year. Accretion to our exchange resources must be brought about by additional export earnings. The cases of Japan, West Germany and the United Kingdom are examples of how a determined national effort to export can build up the economy of a country. The will to export must come. This should be induced by incentives. The Union Minister for Commerce and Industry is reported to have pointed out since the end of the year that resort may be had to compulsory exports. Foreign aid is being given to this country to meet the foreign exchange needs of the second Five-year Plan. I do not know if we fully realise our future liabilities for interest and repayment instalments on the loan portion of the aid we receive. In any event, foreign aid and the artificial restriction of imports are negative measures. What we need so badly is an early and significant increase in our exports.

"The Reserve Bank of India rate, which had been raised from 3½ per cent. to 4 per cent. on 16th May 1957, continued at 4 per cent. throughout 1958. The tightness of money of recent years was apparent at the beginning of 1958, but the situation changed during the year. By July 1958, money with banks had become decidedly easy. The curtailment of imports left substantial unemployed funds in the hands of traders. During the year, the total deposits with scheduled banks rose steadily and appreciably. There was a material rise in the investments of scheduled banks in Government securities from about half-way through the year. The total advances of scheduled banks increased up to about April 1958, and then fell off during the remainder of the year.

Pattern of Deposits

"The pattern of bank deposits has changed during recent years by a pronounced shift from current deposits at small interest to time deposits bearing high rates of interest. The keen competition amongst banks for deposits in tight money conditions has raised the rates of interest on time deposits, increasing materially the cost to banks of money lodged. Banks must keep a working margin between their deposit rates and their lending rates. Higher deposit rates ordinarily mean higher lending rates. These increase the cost of borrowing for trade and industry and this, in turn, must tend to lead to higher prices for goods and services. Much thought has been given to means to reduce the intense competition between banks. The result is an inter-bank agreement on maximum rates of interest on deposits on an all-India basis. The Agreement, which came into force from 1st October 1958, lays down regulations and stipulates maximum rates of interest for deposits. It is expected to eliminate undesirable competition amongst the larger banks for deposits.

"The Bank's business has functioned during 1958 with a satisfactory measure of success but in a lower key than in the previous two years. We are not, I think, alone in this experience. Banks these days do not find it easy to earn an adequate net profit. Establishment charges and operating expenses continue on their upward way. Our profits for 1958 have been affected by paying high rates of interest for money lodged without receiving correspondingly increased interest on money lent. The heavy taxation on companies is a pronounced difficulty. It adds to the magnitude of our task of keeping up the profit after tax. We need to obtain more deposits and we have, in 1958, adopted measures to bring this about. From 1st July 1958 we introduced a system of withdrawals by cheques from savings bank accounts at all our branches in India and at some overseas branches. From the same date, we began to issue three-year and five-year cash certificates. The response to these measures has been satisfactory.

New Branches

"We have opened new branches during 1958. Three branches have been opened within Greater Bombay and four branches at other places in India, namely, at Navrangpura in Ahmedabad and at Baroda, Kanpur and Visakhapatnam. Since the year ended, we have opened a branch at Santa Cruz on 31st January 1959. New branches mean laying out funds. They do not bring added profits immediately. We have to bear the appreciable expenses inseparable from their establishment and it is usually some considerable time before they become self-supporting. When that stage is reached, with the acquisition of increasing deposits, we look to new branches to become satisfactory revenue-earning units in our organisation.

"I would now refer you, ladies and gentlemen, to the balance-sheet and accounts.

"The total at foot of the balance-sheet is almost Rs. 102 crores. This is an increase approaching Rs. 4 crores over the figure of Rs. 98 crores of the previous year.

"The profit figure for 1958 at over Rs. 85½ lakhs shows a decrease of about Rs. 8 lakhs as compared with the previous year's profit of about Rs. 93½ lakhs. The decrease, though appreciable, is not surprising in the face of rising costs and for a year of difficult trading. Before the profit figure has been arrived at, usual appropriate and prudent provisions have been made.

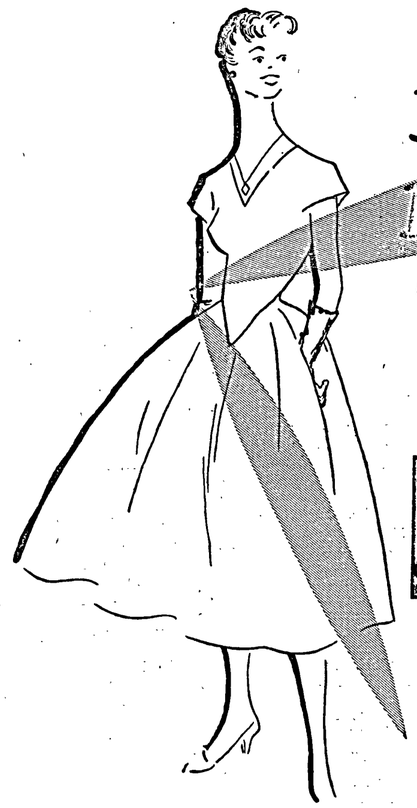
"The provision for taxation absorbs Rs. 25 lakhs, as against Rs. 30 lakhs for the previous year.

"A final dividend of 10 per cent., free of income-tax, is proposed, absorbing Rs. 30 lakhs. This, with the interim dividend of 6 per cent. paid last August, makes the total distribution 16 per cent. per annum, or Rs. 48 lakhs for the year, free of income-tax. The proposed carry forward is nearly Rs. 13 lakhs against Rs. 16 lakhs the previous year.

Full Value For Money Must Be Got

"I will now touch upon a topic which I consider is most important for all classes of people in this country. In the course of the Azad Memorial Lectures, the Prime Minister is reported to have said, 'It is only power with wisdom that is good.' I may respectfully point out that this is most important when applied to the administration by the Central Government of this country. The country is borrowing hundreds of crores of rupees from foreign countries, but I have not read anything in the speeches of the Prime Minister which suggests that measures are being taken to see that the country gets full value for money spent. We only hear of schemes running into crores of rupees where the estimates in many cases are exceeded by large percentages but I do not read about any steps being taken to see that the country gets value for the crores spent on beneficial objects. The only way that the Five-year

(*Continued on page 474*)



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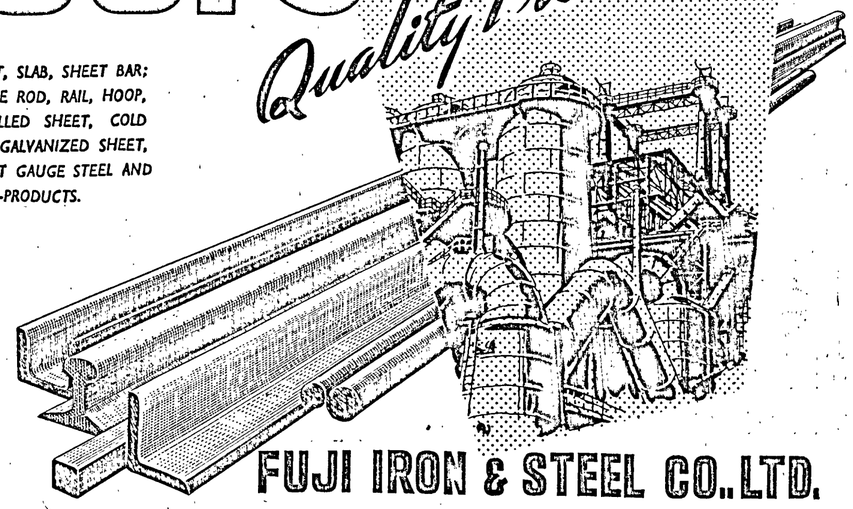

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INDUSTRIAL CREDIT AND INVESTMENT CORP. OF INDIA LTD.

TOTAL FINANCIAL ASSISTANCE EXCEEDS RS. 13 CRORES

EIGHTEEN NEW ENTERPRISES HELPED

STATEMENT OF CHAIRMAN, MR. G. L. MEHTA

THE Annual General Meeting of the Shareholders of The Industrial Credit and Investment Corporation of India Limited will be held at the Registered Office of the Corporation, Union Bank Building, Apollo Street, Fort, Bombay 1, on 13th April 1959, at 4 p.m.

The following is the Statement by the Chairman, Mr. G. L. Mehta, circulated to the shareholders with the Directors' report and accounts for the year ended 31st December 1958:

"Before I turn to the Directors' report, I should mention that I assumed chairmanship of this Corporation just when 1958 was coming to a close. For almost the whole of that year, Sir Ramaswami Mudaliar was the Chairman, which office he has held with rare distinction since the inception of your Company. I wish to take this opportunity of paying our tribute to Sir Ramaswami for the invaluable part he has played in the formation of this Corporation and in piloting its affairs till the time of his retirement as Chairman. I am, however, glad that he has graciously agreed to remain on the Board of Directors and continue to give to the Board the benefit of his wide experience and his keen understanding of financial and industrial problems.

"It will be seen from the Directors' report that, by the end of 1958, your Company had agreed to give total financial assistance for Rs. 1,337 lakhs, excluding applications sanctioned but subsequently withdrawn by the applicants. Of this amount, rupee assistance amounted to Rs. 1,021 lakhs for 37 projects and foreign currency loans to Rs. 316 lakhs for nine projects. Out of the total of 44 companies, 18 were new enterprises.

"The results for 1958 show that operating profits subject to taxation were Rs. 51 lakhs, as compared to Rs. 48 lakhs in the previous year. Tax liability will, however, be correspondingly higher with the result that disposable profits will be Rs. 25 lakhs. This makes it necessary to maintain the same rate of dividend of 4 per cent. as was paid last year.

Reserves

"What is, moreover, a matter of concern is our inability to build up adequate reserves, due to present taxation, which are vital to strengthen this Corporation, in order that it may be able to undertake greater risks in the future. Sir Ramaswami Mudaliar, my predecessor, referred at length in his Chairman's statement last year to this aspect and I do not propose to go over the same ground, except to stress the importance of this matter for the development of this Corporation.

"It will be apparent from the information given in the Directors' report that the pattern of total assistance sanctioned continued to be similar to that of last year. Financial assistance was provided more or less equally as between loan operations in rupees and foreign exchange, on the one hand, and underwriting operations and investment in shares or debentures, on the other. It is of interest to note that, in regard to loan operations, rupee loans have not recorded progress but foreign currency loans continue to make satisfactory advance. To a certain extent, such a pattern is explicable, in view of the existence in the country of several institutional agencies which specialise in the grant of rupee loans.

Credit From World Bank

"Your Company, being the only institution which is in a position to disburse foreign currency loans in view of its close association with the World Bank, has made progress in this direction. Consequently, the present line of credit of U.S. dollars 10 million from the World Bank is likely to be exhausted soon. Negotiations for a new line of credit have been initiated with the World Bank and I am glad to state that the attitude of the Bank is encouraging and helpful.

"In the direction of providing risk capital, your Company continues to make satisfactory progress which is indicated by the fact that till date, we have completed 16 underwriting operations amounting to Rs. 500 lakhs. This includes issues of equity as well as preference capital and debentures, some of which were public issues by means of prospectus and others "rights" issues to Company's shareholders or their nominees. It is a matter for some satisfaction that your Company is able to play a significant role in this field, because equity capital particularly for new ventures is difficult to raise and it constitutes the bedrock on which the financial structure of an industrial undertaking is based.

Underwriting Results

"The results of completed underwriting operations show that your Company was required to take up Rs. 178 lakhs in shares and debentures against the total underwriting liability of Rs. 500 lakhs, the balance having been subscribed by the investing public. In judging the activity of your Company, therefore, not only the size of investments made, as disclosed in the balance-sheet, should be considered, but it should also be recognised that, in its operations, substantial amount of capital is publicly subscribed, so that it is unnecessary for your Company to make investment to that extent. By this means, we are able to achieve the objective of making capital available for development without having to invest the entire amount. I should also make it clear that our underwriting activity takes into account the fact that the investment market in India is often unable initially to fully take up capital which is publicly offered; and the object of this Corporation is to fill the gap by absorbing the unsubscribed capital. Operations are undertaken with the full knowledge of the possible results, so that there is no question of the Corporation being compelled to take up unwanted capital. Through the policy of gradually and prudently selling its investments, the Corporation will be able to help in the process of broadening the investment market and co-operate in the building up of an active stock market which ultimately promote the growth of a capital market.

"In line with our efforts to raise funds in foreign currency through the World Bank, we are endeavouring to increase our rupee resources since our existing funds may prove adequate only till the end of the current year. We have requested the Government of India to make available to this Corporation an additional rupee advance which may carry us through the next two or three years. This may be made possible through rupee funds accumulated out of sale of U.S. surplus agricultural commodities and made available with the concurrence of the U.S. Government. I am glad to state that both the Government of India and the U.S. authorities view our needs with sympathy and understanding and I hope that we shall be able shortly to conclude the necessary formalities.

"I wish, however, to make it clear that it is not our intention to depend indefinitely on Government for additional funds as and when required. You will, no doubt, appreciate that your Company is not even five years old and it is not yet possible for it to borrow in the open market in adequate volume or at a reasonable rate of interest nor is it practicable at this stage to raise additional equity capital.

Informal Approach

"Our efforts to obtain new resources assume particular importance, because we foresee increasing demands upon us. In this connection, I would like to state that we invite and welcome discussions concerning the promotion of new industries and the expansion of existing ones. While we do not wish to expend our energies on speculative or ill-conceived schemes, our doors are always open to any *entrepreneur* who has a considered proposal, worked out sufficiently to permit detailed technical and financial discussion. It is not necessary to present a formal application. On the contrary, we would welcome informal discussions with responsible *entrepreneurs* and industrialists before formal submissions; so that we can give such advice and assistance as we usefully can at an early stage, thereby saving time and effort both for our clients and ourselves and avoiding delays in subsequent consideration of investment proposals.

"I should also like to emphasise that we desire to work closely with other institutions in financing industrial enterprises. We have already joined other financial institutions in underwriting operations and in the granting of loans and we propose discussing the possibilities of further combined operations with finance corporations, credit institutions and the Life Insurance Corporation, as well as with foreign institutions such as the International Finance Corporation and the Commonwealth Development Finance Company. We can visualise various forms of co-operation in the financing of enterprises, large or small, involving rupee assistance or foreign currency, whether for loans or for equity, and are prepared to join any or all such institutions in exploring fresh avenues of co-operation. The private sector is sufficiently large and is growing rapidly enough to require this kind of collective effort if the country is to make the most of its still meagre resources.

"I would now draw the attention of the shareholders to one encouraging development of 1958 which has a bearing on the activities of your Company. The climate for investment took a turn for the better during the year as is evident from improved conditions in the stock market and a welcome revival in the capital market.

Investment Market

"The investment market is not so unfavourable for raising of new capital in reasonable amounts as is sometimes contended. This, of course, does not mean that there is no room for further improvement. Stock prices have moved significantly upward during the year and there is a distinct revival in investors' confidence. It is noteworthy that stock markets all over the world were buoyant during 1958 which is reflected in a marked rise in stock prices both in London and New York. In India, improved conditions have been evident both in the gilt-edge market and in the share market resulting in a significant decline in yields of Government securities, debentures, preference and ordinary shares.

"While it is not possible to examine at length the factors responsible for this improvement, I may refer to some salient features. In the field of economic and financial policy, the year witnessed a certain measure of stability which has imparted a sense of confidence even under the ruling conditions of high corporate taxation. Moreover, easy money conditions prevailed during the year consequent on a substantial rise in money supply at a time when demand for credit had declined owing to severe restrictions on imports. Thirdly, several of the principal industries such as jute, coal, steel, engineering, chemicals, pharmaceuticals, paper, sugar, etc., have been able to increase production and attain higher profitability, which have conduced to strengthening investors' confidence in the prospects of industrial development. I realise that against this should be set the unsatisfactory working in several other important industries such as cotton textiles and cement as well as several disincentives which impede capital accumulation. But, by and large, it would be true to say that, while the prevailing acute shortage of foreign exchange is making difficult the establishment of new industries or expansion of existing ones, it also affords a measure of indirect protection to a number of industrial concerns.

Road Transport

"In this context, I would like to stress that the activities of your Company are inextricably related not only to the general environment for investment but also to Government policy which is itself an important determinant of that environment. Let me cite an example. Transport lays an important part in the development of this country and at one time, it was apprehended that the progress of the second Five-year Plan might be impeded by inadequacy of transport facilities. It is a measure of the progress of the Plan that the shortages have not been as acute as was feared and it is significant that an unexpectedly important contribution in this respect has been made by highway transport which, in turn, has contributed to relieving the burden on the railway system. The automobile industry while still in an incipient stage has been developed to an appreciable extent in many parts of the country and is carrying an increasingly larger proportion of goods and passengers.

"I am glad to say that, recognising the significance of the automobile industry, your Company is playing an important part in its development. It has made substantial investments in seven enterprises for the production of vehicles, components and accessories. Those operations amount to Rs. 216 lakhs, more than 16 per cent. of the total commitments of your Company. This sum has been a catalyst for bringing to productive work a much larger amount of capital. We expect to do more in this field, despite the fact that the development of this industry is now hampered by severe restrictions on import of components which cannot yet be manufactured in India.

"I have made a mention of the transport industry, because it is essential to recognise that your Company desires to make a specific contribution to national development. It is no less important that we make available to those responsible for determining such plans, the results of our experience which, with that of similar other institutions, could be taken into consideration in such revision of governmental policies as might become necessary owing to changing conditions both at home and abroad. The private sector has a large and important part to play in a 'mixed' and planned economy and I trust that this Corporation will assist it in doing so in an increasing manner."

U.K.'s LOANS TO OTHER GOVERNMENTS

Government-to-Government loans by the United Kingdom have aggregated £50,000,000 since the Commonwealth Economic Conference in Montreal last September. Giving particulars of this total, Mr. F. J. Erroll, Economic Secretary to the Treasury, said in the House of Commons on 9th March, that negotiations for the following Government-to-Government loans had been completed since the Montreal Conference:

(1) A loan of £28,500,000 to the Government of India; (2) £10,000,000 to the Government of Pakistan; (3) £3,000,000 to the Government of Yugoslavia; (4) £5,000,000 to the Government of the Sudan; and (5) as part of a joint O.E.E.C. operation, a loan of £3,500,000 to Turkey.

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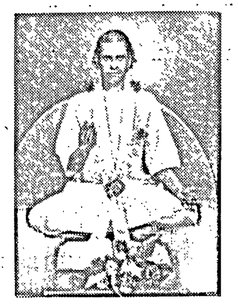

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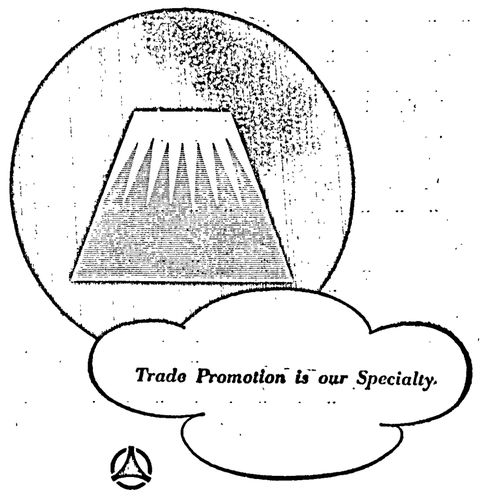

The FUJI BANK, LTD.

Head Office: Chiyoda-ku, Tokyo
184 Branches throughout Japan
London Branch:
Salisbury House, Finsbury Circus, London, E.C.2
New York Agency: 42 Broadway, New York, N.Y.
Calcutta Representative Office:
Mookerjee House, 17 Brabourne Road, Calcutta-1

THE CENTRAL BANK OF INDIA, LIMITED.

SIXTY-FOURTH REPORT OF THE BOARD OF DIRECTORS

GENTLEMEN,

The Directors beg to place before the Shareholders the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1958.

The Net Profit for the year, including the sum of Rs. 18,44,046·05 brought forward from the previous year's account, amounts to	Rs.	1,19,86,110 29
The following appropriations have been made :—		
An ad-interim Dividend was paid for the half-year ended 30th June, 1958, at the rate of 6 per cent. free of income-tax, i.e., Rs. 1·50 per share on 12,58,170 shares	Rs.	18,87,255 00
Amount provided for Taxation	,,	16,50,000 00
Amount transferred to Staff Gratuity Fund	,,	10,00,000 00
Amount provided for Bonus to Staff	,,	32,00,000 00
	Rs.	77,37,255 00
The balance of Rs. 42,48,855·29 the Directors propose to recommend to the Shareholders to dispose of as follows :—		
To pay a final Dividend for the half-year ended 31st December, 1958, at the rate of 8 per cent. free of income-tax, i.e., Rs. 2·00 per share on 12,58,170 shares (making in all 14 per cent. per annum for the whole year)	Rs.	25,16,340 00
To carry forward to next year's account	,,	17,32,515 29
	Rs.	1,19,86,110 29

The Bank's business during the year under review showed satisfactory progress. During the year, a Branch was opened at Kidderpore (Calcutta) and seven Sub-Branches and eight Pay Offices were opened at other centres. During the same period, three Pay Offices had to be closed down as they were found to be unremunerative.

The Directors record with deep regret the death which took place on the 31st October, 1958, of their colleague, Mr. Manmohandas M. Amersey. They desire to place on record their appreciation of the very valuable services he rendered to the Bank.

Three of your Directors, Sir Homi Mody, Mr. C. P. Wadia and Sir Jamsetjee Jejeebhoy, Bart., retire under Article 92 of the Articles of Association, read with Section 256 of the Companies Act, 1956, and are eligible and offer themselves for re-appointment.

Shareholders are requested to appoint the Auditors for the ensuing year and to fix their remuneration.

BOMBAY, 28th *February*, 1959.

H. P. MODY,
Chairman.

Statement pursuant to Section 212 of the Companies Act, 1956.

(*a*) The Bank's interest in its Subsidiary, The Central Bank Executor and Trustee Company Private Limited as at 31st December, 1958, comprised 1,998 shares of the face value of Rs. 1,000 on each of which Rs. 500/- per share has been paid up.

(*b*) The profits of the Subsidiary Company for the year ended 31st December, 1957, have been included in the item "By interest, etc.," in the Bank's Profit and Loss Account as at 31st December, 1958, to the extent of the dividends amounting to Rs. 39,960 declared and paid by the Subsidiary for the year ended 31st December, 1957, in respect of the Bank's share-holding. The undistributed balance of profit of the Subsidiary amounting to Rs. 23,612·58 has been carried forward in the accounts of the Subsidiary.

(*c*) The net aggregate amount of Rs. 11,36,362·50 received as dividends from the Subsidiary Company for its previous financial years, since its inception as a Subsidiary Company, have been dealt with in the Profit and Loss Account of the Bank in the relevant years.

H. P. MODY, *Chairman.*
C. H. BHABHA, *Vice-Chairman.*
DINSHAW D. ROMER, D. M. KHATAU, C. P. WADIA, CHIMANLAL B. PARIKH, *Directors.* F. J. GUZDAR, JAMSETJEE JEJEEBHOY, J. M. SCINDIA,
N. K. KARANJIA, *General Manager.*

BALANCE SHEET AS AT 31st DECEMBER, 1958.

CAPITAL AND LIABILITIES	Rs.	nP.	Rs.	nP.
1. CAPITAL :—				
AUTHORISED CAPITAL—				
(*a*) 10,50,000 Ordinary Shares of Rs. 50 each			5,25,00,000	00
(*b*) 4,20,000 Ordinary 'A' Shares of Rs. 25 each			1,05,00,000	00
			6,30,00,000	00
ISSUED CAPITAL—	Rs.	nP.		
(*a*) (i) 4,72,528 Ordinary Shares of Rs. 50 each issued as paid up to the extent of Rs. 25 without payment in cash in exchange for 9,45,056 shares of the Tata Industrial Bank Ltd.	2,36,26,400	00		
(ii) 5,77,472 Ordinary Shares of Rs. 50 each issued for payment in cash	2,88,73,600	00		
10,50,000 Ordinary Shares of Rs. 50 each			5,25,00,000	00
(*b*) 2,10,000 Ordinary 'A' Shares of Rs. 25 each fully paid up issued as bonus shares for consideration other than cash			52,50,000	00
			5,77,50,000	00
SUBSCRIBED CAPITAL—	Rs.	nP.		
(*a*) 10,48,475 Ordinary Shares of Rs. 50 each	5,24,23,750	00		
Amount called up at Rs. 25 per share			2,62,11,875	00
Note :—1. The above number includes 340 Ordinary Shares of the Central Bank of India, Ltd., which remain to be given against 680 coupons issued by the Central Bank of India, Ltd., for a like number of shares of the Tata Industrial Bank, Ltd., which have not yet been submitted for conversion.				
2. 31 Ordinary Shares of the Central Bank of India, Ltd., which remain to be given against 62 coupons issued by the Bank, but not yet submitted for conversion.				
(*b*) 2,09,695 Ordinary 'A' Shares of Rs. 25 each	52,42,375	00		
Amount fully paid up			52,42,375	00
	5,76,66,125	00	3,14,54,250	00
Note :—473 Ordinary 'A' Shares remain to be given against 2,365 coupons issued but not yet submitted for conversion.				
AMOUNT RECEIVED ON 31 Shares Forfeited			530	00
RESERVE LIABILITY OF SHAREHOLDERS—				
Rs. 25 per Share on 10,48,475 Shares Subscribed upto 31st December, 1958			2,62,11,875	00
				5,14,54,780 00
2. RESERVE FUND AND OTHER RESERVES :—				
Reserve Fund (includes Rs. 1,13,78,375 being balance of Premiums on issues of shares in past years)			3,16,28,500	00
Contingency Fund			42,00,000	00
Sinking Fund in respect of Lands and Buildings			46,40,016	87
				4,04,68,516 87
3. DEPOSITS AND OTHER ACCOUNTS :—				
Fixed Deposits and Cash Certificates			78,32,75,667	55
Savings Bank Deposits			80,15,14,724	70
Current Accounts, Call Deposits, Contingency Accounts, etc.			56,49,76,890	78
				1,61,97,67,283 03
4. BORROWINGS FROM OTHER BANKING COMPANIES, AGENTS, ETC. :—				
(1) In India—	Rs.	nP.		
(i) Secured by part of Investments per Contra	.....			
(ii) Unsecured	1,42,75,000	00		
			1,42,75,000	00
(2) Outside India—				
(i) Secured by part of Investments per Contra	.....			
(ii) Unsecured	46,431	28		
			46,431	28
				1,43,21,431 28
5. BILLS PAYABLE				1,92,68,439 50
6. BILLS FOR COLLECTION BEING BILLS RECEIVABLE as per Contra :—				
(i) Payable in India			8,39,39,492	18
(ii) Payable outside India			83,90,097	23
				9,23,29,589 41
7. OTHER LIABILITIES :—				
Branch Adjustments			4,91,05,011	15
Amounts owing to Subsidiary Company			36,76,369	47
Unclaimed Dividends			9,90,329	14
Rebate on Bills Discounted and on Treasury Bills			2,33,125	37
				5,40,04,835 13
8. ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS as per Contra				11,47,75,949 87
9. PROFIT AND LOSS ACCOUNT :—				
Balance as per Balance Sheet as at 31st December, 1957			43,60,386	05
Less—Final Dividend at the rate of 8 per cent. paid for the half-year ended 31st December, 1957			25,16,340	00
Profit for the year 1958			18,44,046	05
			1,01,42,064	24
			1,19,86,110	29
Less—Ad-interim Dividend paid for the half-year ended 30th June, 1958, at the rate of 6 per cent., i.e., Rs. 1·50 per Share	Rs.	nP.		
Amount transferred to Bank's Investments	18,87,255	00		
Amount provided for Taxation	16,50,000	00		
Amount transferred to Staff Gratuity Fund	10,00,000	00		
Amount provided for Bonus to Staff	32,00,000	00		
	77,37,255	00		
			42,48,855	29
10. CONTINGENT LIABILITIES :—	Rs.	nP.		
(i) Claims against the Banking Company not acknowledged as debts	68,28,070	15		
(ii) On Investments in shares of Joint Stock Companies and Banks	39,02,042	50		
(iii) On Letters of Guarantee on behalf of Constituents	5,20,91,756	16		
(iv) Liability on account of outstanding Forward Exchange Contracts	89,48,384	79		
(v) Liability on Bills of Exchange Rediscounted—				
(i) On Inland Bills of Exchange	2,23,479	70		
The liability has fully run off.				
(ii) On Foreign Bills of Exchange	.....			
Total .. Rs.			1,99,06,39,480	38

Note :—The actual amount of the liability arising from future gratuities payable to staff has not been ascertained but is greater than the amount provided.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958.

EXPENDITURE	Rs.	nP.	Rs.	nP.
1. Interest paid on Deposits, Borrowings, etc.			3,63,33,608	13
2. Salaries and Allowances at Head Office and Local Branches	65,12,020	81		
Salary and Allowances to General Manager Rs. 70,200·00				
Salaries and Allowances at Up-country Branches	2,25,11,157	53		
Contributions to Provident Fund	16,32,183	31		
			3,06,55,361	65
3. Directors' Fees and Allowances	57,200	00		
Committee Members' Fees and Allowances	10,013	80		
			67,213	80
4. Rent, Taxes, Insurance, Lighting, etc.			33,56,636	69
5. Law Charges			83,328	96
6. Postage, Telegrams and Stamps			10,51,633	70
7. Auditors' Fees			76,000	00
8. Amount transferred to Sinking Fund on Banking Company's Property	1,07,696	37		
Repairs to Banking Company's Property	80,387	69		
Other Charges on Banking Company's Property	3,50,012	65		
Depreciation on Furniture, etc.	3,40,956	67		
			8,79,053	38
9. Stationery, Printing and Advertisements, etc.			16,16,188	06
10. Loss from Sale of or Dealing with Non-Banking Assets			.....	
11. Other Expenditure			3,66,107	33
12. Balance (Net Profit) subject to Taxation			1,01,42,064	24
Total .. Rs.			8,51,27,195	94

INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP.
1. Interest and Discount	7,05,82,973	53
2. Commission, Exchange and Brokerage	1,30,42,039	82
3. Rent on Bank's Premises (excluding Rent on Premises used by the Bank)	5,00,261	93
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	6,00,000	00
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account	.....	
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	2,99,298	34
7. Transfer Fees	12,622	32
Total .. Rs.	8,51,27,195	94

Note :—Remuneration received by Directors for their own use from other companies by virtue of nomination by the Bank on the Board of other companies amounted to Rs. Nil during the year.

31st DECEMBER, 1958.

PROPERTY AND ASSETS			Rs.	nP.	Rs.	nP.
1. CASH :—						
Cash in hand and with Reserve Bank and State Bank (including Foreign Currency Notes)					14,36,22,213	77
2. BALANCES WITH OTHER BANKS :—						
On Current Accounts—						
(i) In India			23,36,753	97		
(ii) Outside India			1,27,18,857	81		
On Deposit			.....			
					1,50,55,611	78
					7,66,02,034	25
3. MONEY AT CALL AND SHORT NOTICE						
4. INVESTMENTS (at Book Value) :—						
(i) Securities of the Central and State Governments	Face Value Rs. 46,44,08,599 20	Market Value Rs. 43,71,17,402 79	44,49,91,877	49		
Treasury Bills of the Central and State Governments			1,00,00,000	00		
	Fully Paid Rs. nP.	Partly Paid Rs. nP.				
(ii) Shares—						
(*a*) Preference	93,98,863 78	3,46,875 00				
(*b*) Ordinary	2,11,75,990 90	18,64,294 42				
(*c*) Deferred	59,406 87	.....				
(*d*) Other Classes	67,798 75	.....				
	3,07,02,060 30	22,11,169 42	3,29,13,229	72		
	Market Value Rs. 3,29,23,700	78				
(iii) Debentures or Bonds	Face Value Rs. 78,21,500 00	Market Value Rs. 75,67,880 50	75,64,671	76		
(iv) Other Investments—		Rs. nP.				
(*a*) Pakistan Loans		2,11,11,352 50				
(*b*) Foreign Securities including Treasury Bills		98,20,230 23				
(*c*) Other Municipal Debentures		28,51,035 05	3,37,82,617	78		
(v) Gold	Face Value Rs. 3,43,64,668 80	Market Value Rs. 3,37,84,778 69	.....			
					52,92,52,396	75
5. ADVANCES :—						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(I) Loans, Cash Credits, Overdrafts, etc.—		Rs. nP.				
(i) In India		31,79,47,039 02				
(ii) Outside India		3,50,25,972 10	85,29,73,011	12		
(II) Bills Discounted and Purchased—						
(i) Payable in India		12,51,54,889 77				
(ii) Payable outside India		2,06,07,931 35	14,57,62,821	12		
					99,87,35,832	24
PARTICULARS OF ADVANCES—		Rs. nP.				
(i) Debts considered good in respect of which the banking company is fully secured		85,02,69,348 34				
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security		7,55,71,386 61				
(iii) Debts considered good for the personal liabilities of one or more parties in addition to the personal security of the debtors		7,29,95,097 89				
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors		.....				
(iv) Debts considered doubtful or bad, not provided for		.....				
Total ..		Rs. 99,87,35,832 24				
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons		13,71,747 40				
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members		5,41,54,438 45				
(vii) Maximum total amount of advances including temporary advances, made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons		14,30,958 71				
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members		8,32,17,835 03				
		1,40,54,246 78				
(ix) Due from banking companies						
6. BILLS RECEIVABLE BEING BILLS FOR COLLECTION as per Contra :—						
(i) Payable in India			8,39,39,492	18		
(ii) Payable outside India			83,90,097	23		
					9,23,29,589	41
7. CONSTITUENTS' LIABILITIES FOR ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS per Contra					11,47,75,949	87
8. LANDS AND BUILDINGS :—	Bank Premises Rs. nP.	Investment in Properties Rs. nP.	Non-Banking Assets acquired in satisfaction of claims Rs. nP.			
Cost as per last Balance Sheet	87,81,511 32	38,75,392 19	8,98,465 20			
Less—Cost of Properties sold during the year	.....	.....	.....			
	87,81,511 32	38,75,392 19	8,98,465 20			
Add—Cost of Additions made during the year	5,493 09	.....	1,128 75			
Cost of Properties purchased or taken over during the year	.....	.....	.....			
	87,87,004 41	38,75,392 19	8,99,593 95			
Less—Amount written off	10,00,000 00	15,00,000 00	2,08,624 98			
	*77,87,004 41	23,75,392 19	‡6,90,968 97			
(Further Provision in Sinking Fund as per Contra)					1,08,53,365	57
9. FURNITURE AND FIXTURES :—						
As per last Balance Sheet			82,07,992	80		
Add—Additions less Sales made during the year			6,79,559	41		
			88,87,552	21		
Less—Amount written off to date for Depreciation			52,69,023	47		
					36,18,528	74
10. OTHER ASSETS :—						
Shares of the Central Bank Executor and Trustee Co. Private Ltd., at Cost			9,99,000	00		
Interest accrued on Investments			27,29,171	85		
Silver			.....			
Stamps, Stationery, Stock of Home Savings Safes and Safe Deposit Boxes			20,65,786	17		
					57,93,958	02
Total .. Rs.					1,99,06,39,480	38

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of The Central Bank of India, Ltd., as at 31st December, 1958, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date in which are incorporated the returns of 51 branches audited by us, 21 branches audited by other Auditors and the unaudited returns from 102 other branches and 124 Pay Offices not visited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth schedule of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :—

(*a*) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(*b*) The transactions of the Bank which have come to our notice, have been within the powers of the Bank ;

(*c*) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank ;

(*d*) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;

(*e*) In our opinion, and to the best of our information and, according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet, read along with the notes appearing thereon, gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the Profit for the year ended upon that date.

A. F. FERGUSON & CO., *Chartered Accountants.*
S. B. BILLIMORIA & CO., *Chartered Accountants.*

BOMBAY, 28th *February*, 1959.

H. P. MODY, *Chairman.*
C. H. BHABHA, *Vice-Chairman.*
DINSHAW D. ROMER, D. M. KHATAU, C. P. WADIA, CHIMANLAL B. PARIKH, F. J. GUZDAR, JAMSETJEE JEJEEBHOY, J. M. SCINDIA, *Directors.*
N. K. KARANJIA, *General Manager.*
F. C. COOPER, *Deputy Manager.*
V. C. PATEL, *Chief Accountant.*

THE BANK OF BARODA, LIMITED

(ESTABLISHED: 20th July, 1908)

FIFTIETH ANNUAL REPORT OF THE DIRECTORS.

To be presented to the Shareholders at the Ordinary General Meeting to be held at the Registered Office of the Bank at Mandvi, Baroda, on Saturday, the 28th day of March, 1959, at 11-30 A.M.

The Directors beg to submit to the Shareholders the Balance Sheet and Profit and Loss Account of the Bank duly audited for the year ended 31st December, 1958.

	Rs.	nP.
The net profit for the year 1958, including Rs. 4,10,730.69 nP. brought forward and after taking Rs. 3,00,000.03 nP. towards depreciation on buildings and furniture amounts to	31,53,522	16
An ad-interim dividend at the rate of 12 per cent. per annum, free of income-tax, was paid for the half-year ended 30th June, 1958, which absorbed	7,50,000	00
Provision made for taxation	5,50,000	00
Bonus to Staff	8,00,000	00
	Rs. 21,00,000	00
The Directors now recommend to pay a final dividend at the rate of Rs. 3 per ordinary share and Rs. 1.50 nP. per 'B' ordinary share, free of income-tax, for the half-year ended 31st December, 1958, making 12 per cent. for the year, amounting to	7,50,000	00
To carry forward to next account	3,03,522	16
	Rs. 31,53,522	16

The business of the Bank during the year under review was satisfactory. The profits are, however, down due to the prevalence of high rates of interest on deposits during the major part of the year, fall in foreign exchange business due to restrictions on imports and lack of remunerative investments.

It will be noticed that Investments have now been shown at or below market rate in the Balance Sheet.

The shareholders will remember that the entire business of the Hind Bank, Ltd., was taken over by the Bank from 1st August 1958, in terms of the Scheme of Amalgamation approved by the shareholders of both the Banks on the 10th May, 1958. This has entailed the issue of 1,00,000 'B' Ordinary Shares, with Rs. 25 credited as paid-up on each share, to the shareholders of the Hind Bank, Ltd.

The Reserve Fund shown in the Balance Sheet of the former Hind Bank, Ltd., under Section 17 of the Banking Companies Act, has been amalgamated with our Reserve Fund under the same Section of the Act. As a result, our total Reserve Fund under Section 17 now stands at Rs. 1,27,75,000. Similarly, the share premium amount of Rs. 3,75,000 on the issue of shares of the former Hind Bank, Ltd., has been amalgamated with our Share Premium Account which now stands at Rs. 31,75,000.

During the year the Bank celebrated its Golden Jubilee. To mark the event the Directors propose to increase the Paid-up Capital of the Bank from Rs. 1,25,00,000 to Rs. 1,50,00,000 by capitalising a sum of Rs. 25,00,000 out of the Share Premium Account (Balance) utilising it in payment of a bonus issue to the shareholders of 50,000 'C' fully paid-up shares of Rs. 50 each. The necessary application to the Central Government for permission to issue bonus shares as proposed has already been made and as soon as the necessary permission is received, a meeting of the Shareholders of the Bank to consider the proposal will be called, notice of which will be given to the Shareholders in due course.

The Bank has opened branches during the year at Vijayawada, Wadala (Bombay), Manmagar, Sabarmati and Relief Road in Ahmedabad, Ambattur (near Madras), Karol Bagh (New Delhi), Nadiad, Andheri (Bombay) and Raopura (Baroda).

In accordance with the Article 145 (1), three Directors, Shri Chinubhai Chimanbhai, Shri Arvind N. Mafatlal and H. H. The Maharaja Fatehsinh Gaekwad of Baroda retire by rotation and being eligible, offer themselves for re-appointment.

Under provisions of Article 149 of the Bank's Memorandum and Articles of Association, Shri Keshav Prasad Goenka and Shri Narsing Dass Bangur who have been appointed as additional Directors during the year will hold office upto the date of the Annual General Meeting. They, being eligible, offer themselves for re-appointment.

Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

By Order of the Board,
TULSIDAS KILACHAND,
Chairman.

BOMBAY, *12th February, 1959.*

BALANCE SHEET AS AT 31st DECEMBER, 1958.

31-12-1957 Rs.	CAPITAL AND LIABILITIES	Rs.	nP.	Rs.	nP.
	1. Capital—				
	AUTHORISED CAPITAL—				
2,40,00,000	(a) 2,50,000 Ordinary Shares of Rs. 100 each	2,50,00,000	00		
Nil	(b) 2,00,000 'B' Ordinary Shares of Rs. 50 each	1,00,00,000	00		
2,40,00,000		3,50,00,000	00		
	ISSUED AND SUBSCRIBED CAPITAL—				
2,00,00,000	(a) 2,00,000 Ordinary Shares of Rs. 100 each	2,00,00,000	00		
Nil	(b) 1,00,000 'B' Ordinary Shares of Rs. 50 each issued in terms of the Scheme of Amalgamation	50,00,000	00		
2,00,00,000		2,50,00,000	00		
1,00,00,000	(a) Amount called up at Rs. 50 per Ordinary Share	1,00,00,000	00		
Nil	(b) Amount credited at Rs. 25 per 'B' Ordinary Share	25,00,000	00		
1,00,00,000				1,25,00,000	00
	***2. Reserve Fund and Other Reserves—**				
1,00,00,000	Reserve Fund under Section 17 of the Banking Companies Act, 1949 (Including Share Premium Account Rs. 47 lacs)	1,27,75,000	00		
25,00,000	Share Premium Account (Balance)	31,75,000	00		
1,25,00,000				1,59,50,000	00
	* Reference is invited to paragraph 5 of the Directors' Report annexed.				
	3. Deposits and Other Accounts—				
31,55,92,206	Fixed Deposits	41,38,12,673	32		
8,53,46,221	Savings Bank Deposits	10,17,17,496	01		
12,73,42,190	Current Accounts, Contingency Accounts, etc.	15,55,09,063	23		
52,82,80,617				67,10,39,232	61
	4. Borrowings from Other Banking Companies, Agents, etc.—				
Nil	(i) In India	2,44,19,067	98		
62,633	(ii) Outside India	59,933	57		
62,633				2,44,79,001	55
	PARTICULARS—				
Nil	(i) Secured by part of Investments per contra	2,00,00,000	00		
62,633	(ii) Unsecured	44,79,001	55		
39 52,995	**5. Bills Payable**			50,00,309	23
	6. Bills for Collection Being Bills Receivable as per contra—				
2 38,57,046	(i) Payable in India	2,56,06,345	75		
1,99,26,756	(ii) Payable outside India	1,91,57,779	08		
4,37,83,802				4,47,64,124	83
84 69,888	**7. Other Liabilities** (including Branch Adjustments Rs. 1,28,79,478.10 nP.)			1,72,12,702	96
3,46,97,319	**8. Acceptances, Endorsements and Other Obligations per contra**			5,46,53,590	15
	9. Profit and Loss—				
12,75,752	Profit as per last Balance Sheet	12,10,730	69		
8,00,000	LESS—Appropriations	8,00,000	00		
4,75,752		4,10,730	69		
43 84,978	ADD—Profit for the year brought from the Profit and Loss Account	27,42,791	47		
48,60,730		31,53,522	16		
	LESS—	Rs.	nP.		
	Ad-interim dividend paid @ 12 per cent. per annum for the half-year ended 30th June, 1958 (free of Income-tax)	7,50,000	00		
6,00,000	Provision for Taxation	5,50,000	00		
21,00,000	Bonus to Staff	8,00,000	00		
9,50,000		21,00,000	00		
12,10,730				10,53,522	16
	10. Contingent Liabilities—	Rs.	nP.		
	(i) On partly paid shares of Joint Stock Companies	26,94,125	00		
9,70,245	(ii) Claims against the banking company not acknowledged as debts	9,91,915	15		
6,93,152	(iii) Money for which the banking company is contingently liable. (Including Rs. 1,13,944.38 nP. for guarantees given on behalf of the officers of the Bank)	4,06,11,878	90		
2,42,96,324	(iv) Liability on Bills of Exchange re-discounted	Nil			
66,444	(v) Liability on account of outstanding Forward Exchange Contracts	2,60,55,757	00		
Nil					
2,66,53,093					
	NOTE:—Provision to the full extent for future gratuities to the staff has not been made—the liability for which has not been ascertained.				
64 32 57,984	Total .. Rs.			84 66,52,483	49

31-12-1957 Rs.	PROPERTY AND ASSETS	Rs.	nP.	Rs.	nP.
	1. Cash—				
4,51,17,747	In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)			5,19,32,651	31
	2. Balance with Other Banks in Current Account—				
3,11,52,723	(i) In India	8,09,141	92		
35,45,771	(ii) Outside India	58,03,104	71		
3,46,98,494				67,02,246	63
73,33,333	**3. Money at Call and Short Notice**			65,33,333	33
	4. Investments at or below Market Rate—				
10,52,71,810	(i) Securities of the Central and State Governments and other Trustee Securities	24,24,79,605	74		
Nil	Treasury Bills of the Central Government	20,00,000	00		
35,37,578	(ii) Shares—				
24,81,281	(a) Fully Paid Preference Shares	37,59,461	75		
5,00,000	(b) Fully Paid Ordinary Shares	68,19,057	35		
2,66,096	(c) Partly Paid Preference Shares	4,92,000	00		
66,41,740	(d) Partly Paid Ordinary Shares	6,81,834	21		
	(iii) Debentures or Bonds	89,43,190	00		
Nil	(iv) Other Investments—				
Nil	Pakistan Government Loans	14,96,312	50		
33,333	Tanzanyika Government Loans	3,26,666	67		
Nil	Kenya Government Loans	2,76,773	34		
11,87,31,838	(v) Gold	Nil			
				26,72,74,901	56
	5. Advances—				
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
	I. Loans, Cash Credits, Overdrafts, etc.—	Rs.	nP.		
28,69,73,320	(i) In India	30,64,59,011	53		
1,95,21,695	(ii) Outside India	2,91,08,152	11		
				33,55,67,163	64
	II. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—				
1,90,29,777	(i) Payable in India	3,19,67,305	47		
2,44,37,484	(ii) Payable outside India	3,35,89,442	82		
				6,55,56,748	29
34,99,62,276				40,11,23,911	93
	PARTICULARS OF ADVANCES—				
28,61,09,728	(i) Debts considered good in respect of which the banking company is fully secured			30,46,92,016	63
	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security This includes—	Rs.	nP.	4,77,21,520	76
	Advances under joint and several Promotes	2,67,72,314	33		
	Advances to individual parties	2,09,49,206	43		
	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors			4,87,10,374	49
2,89,97,759	(iv) Debts considered doubtful or bad, not provided for			Nil	
Nil				40,11,23,911	93
34,99,62,276					
	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons			70,474	04
67,922	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members			9,52,34,111	87
9,02,99,773	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons			82,571	87
75,289	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members				
9,38,13,094	(ix) Due from banking companies			10,11,77,693	35
13,09,204				15,73,333	03
2,38,57,046	**6. Bills Receivable Being Bills for Collection as per contra—**				
1,99,26,756	(i) Payable in India			2,56,06,345	75
4,37,83,802	(ii) Payable outside India			1,91,57,779	08
3,46,97,319	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra**				4,47,64,124 83
					5,46,53,590 15
37,75,454	**8. Premises Less Depreciation—**				
7,23,332	Premises at cost to 31st December, 1957			44,98,785	64
44,98,786	Additions during the year			14,86,888	24
Nil				59,85,673	88
44,98,786	LESS—Sales during the year			68,249	22
9,40,000				59,17,424	66
35,58,786	LESS—Total depreciation to date			10,50,000	00
					48,67,124 66
24,40,613	**9. Furniture and Fixtures Less Depreciation—**				
5,05,220	Furniture and Fixtures at cost to 31st December, 1957			29,41,216	28
29,45,833	Additions during the year			15,56,962	18
4,617				44,98,178	46
29,41,216	LESS—Sales during the year			16,651	67
8,86,880				44,81,526	79
20,54,336	LESS—Total depreciation to date			10,68,479	45
					34,13,047 34
Nil	**10. Other Assets—**				
7,82,829	(i) Advance Payments of Tax			19,64,629	14
5,42,436	(ii) Interest accrued on Investments			19,69,646	05
19,94,788	(iii) Stamps and Stationery			7,14,161	93
Nil	(iv) Advances recoverable in cash or in kind			7,39,115	23
33,20,053	(v) Silver			Nil	
Nil					53,87,551 75
84,66,52,483	**11. Non-Banking Assets Acquired in Satisfaction of Claims.**				Nil
	Total .. Rs.				84,66,52,483 49

Continued on next page

INCREASE IN URBAN LABOUR FORCE

OVER SIX MILLION MORE DURING THE THIRD PLAN PERIOD

DATA relating to growth of population, changes in sex and age composition, number and percentage of persons entering or leaving the total labour force, movement of population as between different regions, etc., are very essential for perspective planning. They enable the plans to be tailored to suit the actual economic requirements. The rate of population growth is a measure of the food, clothing, housing and other such basic requirements that will be additionally required. Annual additions to the total labour force will indicate the number of jobs that will have to be created each year.

The dearth of adequate and reliable information regarding these aspects is a very real limitation on planning in this country. For much of the relevant information regarding manpower, one has to depend upon the 1951 census figures which cannot give a correct picture of the situation obtaining at present. Even for the assessment of the extent of unemployment and underemployment, which must precede any attempt at employment planning, the data available are very meagre. The inquiries conducted by the National Sample Survey had yielded valuable data for estimating urban unemployment, but even they, together with the employment exchange figures, give only a rough idea of the extent of urban unemployment. In the case of rural areas, the position is even worse, the only sources of information being the Report of the Agricultural Labour Enquiry Committee and some rural surveys.

In the absence of adequate data, it is difficult to assess precisely the trends of employment and unemployment in the economy as a whole. According to the Economic Survey for 1958-59 published along with the budget papers, the indications are that, in 1958, the employment situation worsened in some sectors of the economy. Employment exchange data confirm this conclusion. The number of applicants on the live registers of the employment exchanges rose from 920,000 at the end of 1957 to 1.18 million by the end of 1958, thus registering an increase of 260,000 as compared with 160,000 in the previous year. The vacancies notified went up from 297,000 in 1957 to 365,000 in 1958 and placements showed an increase from 193,000 in 1957 to 233,000 in 1958. A part of the increase in numbers on the live registers was due to the opening of new exchanges and the increasing use of the existing ones by those seeking jobs. Some of those registered with the exchanges were not unemployed but were only on the look out for better jobs.

To this backlog of unemployment will be added the persons coming into the labour force during the rest of the second Plan period. The third Plan, currently under consideration, will, therefore, have to take into account the unemployment obtaining at the beginning of 1961 as well as the additions to the labour force during the third Plan. According to a study based on the employment exchange statistics and data obtained through the National Sample Survey undertaken by the National Employment Service of the Ministry of Labour and Employment, the addition to the urban labour force during the third Plan period will be of the order of 6.1 million persons. Of this, 1.7 million will be educated persons, that is, matriculates and others having higher qualifications.

The study shows that, as a result of the continuous process of migration of people from rural to urban areas, there has been a rapid growth of labour force in towns and cities. It is estimated that the labour force in urban areas will increase from 26.4 million to 31.5 million during the current Plan period and from 31.5 million to 37.6 million, during the third Plan period. Similarly, there will be an increase of educated persons in the labour force from 2.8 million to 4.2 million, during the second Plan period and an increase of 1.7 million to 5.9 million during the third Plan period.

It will, therefore, be necessary that the third Plan should aim at creating 6.1 million jobs including 1.7 million for the educated, in order to avoid any increase in the backlog of unemployment which may remain at the end of the second Plan.

The study has revealed that the rapid growth of the labour force in towns and cities has naturally resulted in an increase in the number of unemployed persons in urban areas. The proportion of the unemployed is high in cities as compared with towns and is the highest in big cities.

An analysis of the factors responsible for the migration of people from rural to urban areas has shown that there is an incentive on the part of the rural population to migrate to towns and cities in their desire to shift from the cultivation of land to manufacturing and services, from household occupations to non-agricultural and service occupations and from intermittent or seasonal work to regular employment. The process of rural migration, according to the Study, has been rather slow but, when industrial development gains momentum, a higher tempo of migration should be expected. Besides, according to it, there is already so much overcrowding in agriculture and such chronic underemployment in villages that the ever-increasing educated rural population has no other alternative but to migrate in large numbers. This is supported by an analysis of the data available with employment exchanges which indicate that an increasing number of persons who were hitherto deriving their income from agriculture are now seeking non-agricultural and urban employment.

The study, it must be borne in mind, leaves out of account the rural labour force and the probable rise in its size. It is common knowledge that unemployment and underemployment are as acute a problem in the rural areas as in the urban. If the third Plan is to make any impression on the employment situation its employment potential needs to be large enough to absorb a large portion of the additional labour force and also of the unemployed remaining at the end of the second Plan.

WELFARE ACTIVITIES OF LEYLAND MOTORS

Leyland Motors Ltd. of Lancashire has an illustrious record of good labour-management relations. This is due not a little to the scrupulous attention the Company pays to the welfare of its employees. In a few weeks' time, 12,000 employees of the Lancashire factories of Leyland will decide for themselves through the ballot box the venue for their annual outing. As in previous years, they will receive ballot papers in their wage packets containing the query as to where they would like to go on holiday. The venue receiving the highest number of votes will be selected.

If the Continent of Europe is chosen, it will not be for the first time that Leyland workmen will have their holiday there. Many of them still cherish happy memories of their visit to Ostend (Belgium) in 1929 and Paris in 1930. When 3,000 Leyland employees visited the French capital in 1930, the total cost, including five meals, two coach tours around the city as well as guides and gratuities, was only £2 10s. each.

The opening of a library for the employees of Leyland Motors Ltd. at the Company's Day Continuation School is an indication of the diverse character of its welfare programme. To start with, the library will have 4,000 books on a variety of subjects, ranging from bird watching to space travel. New books will be added every year out of a yearly grant of £100.

MANAGEMENT EXPERTS' TOUR

A 10-member Management Educationists' Team under the leadership of Mr. Y. A. Fazalbhoy, Managing Director, General Radio and Appliances (Private) Ltd. Bombay, left New Delhi on the 12th inst., for the United States of America for a nine-week tour of that country. The visit of the team has been sponsored by the Ford Foundation in India. The team will visit important universities, technical institutions and other educational centres in the States which conduct various management courses. It will study the present developments in management studies in the U.S. institutions in all their aspects. The team will also consider how far and in what manner the experience of U.S. institutions and the results achieved by them may be utilised in the development of management studies in India. The team is expected to discuss with the heads of U.S. institutions the nature and extent of U.S. assistance that might be sought in the development of management studies in this country.

GUINEA JOINS I.L.O.

Guinea has become the 80th member of the International Labour Organisation. In a letter addressed to Mr. David A. Morse, Director-General of I.L.O., the President of the Republic of Guinea and Minister for Foreign Affairs, Mr. Sekou Toure, declares that his country accepts the obligations in the Constitution of the I.L.O. Such a declaration, it may be noted is the only formality which has to be complied with by member countries of the United Nations to join the I.L.O.

THE BANK OF BARODA, LIMITED—*(Contd.)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958.

31-12-1957 Rs.	EXPENDITURE	Rs.	nP.	31-12-1957 Rs.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP.
1,40,05,826	1. Interest paid on Deposits, Borrowings, etc.			1,85,45,250	43		
	2. Salaries and Allowances and Provident Fund—	Rs.	nP.				
59,500	(i) To General Manager	65,458	40				
70,81,883	(ii) To other members of the Staff	84,45,335	67				
71,41,382				85,10,794	07		
65,622	3. Directors' and Local Committee Members' Fees and Allowances			80,488	14		
10,68,097	4. Rent, Taxes, Insurance, Lighting, etc.			8,67,491	76		
51,266	5. Law Charges			47,262	08		
4,24,125	6. Postages, Telegrams and Stamps			4,24,516	14		
18,000	7. Auditors' Fees			18,000	00		
1,91,165	8. Depreciation on and Repairs to the Banking Company's Property			3,05,908	40		
5,83,982	9. Stationery, Printing, Advertisement, etc.			6,02,145	82		
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets			Nil			
6,13,871	11. Other Expenditure			7,44,639	52		
43,84,978	12. Balance of Profit (subject to Taxation)			27,42,791	47		
2,85,28,014	Total .. Rs.			3,28,89,236	83		
				2,85,28,014		Total .. Rs.	3,28,89,236 83
				2,33,40,198	1. Interest and Discount	2,78,18,922	99
				51,15,057	2. Commission, Exchange and Brokerage	49,97,053	37
				57,084	3. Rents	69,610	22
				Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	Nil	
				Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	Nil	
				Nil	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil	
				15,677	7. Other Receipts	3,700	25

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of The Bank of Baroda, Limited, as at 31st December, 1958, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the returns of 26 Branches audited by us, 9 Branches audited by other Auditors and the unaudited returns from other Branches not visited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the proviso to sub-sections (1) and (2) of Section 211 and sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:—

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

K. S. AIYAR & CO.,
N. M. RAIJI & CO., } Chartered Accountants.

GOPAL CH. BASU, *Accountant.*

N. M. CHOKSHI, *General Manager.*

TULSIDAS KILACHAND, *Chairman.*
DURGAPRASAD S. LASKARI,
R. D. BIRLA,
N. H. TATA,
ANANDLAL HIRALAL,
CHINUBHAI CHIMANBHAI,
ARVIND N. MAFATLAL,
B. K. DAPHTARY, } *Directors.*

BOMBAY, *12th February, 1959.*

THE ALKALI & CHEMICAL CORPORATION OF INDIA LTD.

ANOTHER RECORD YEAR OF OPERATIONS

CHAIRMAN, MR. J. M. LALL ON COST AND PRODUCTIVITY RELATIONSHIP

PRESIDING over the Twenty-second Annual General Meeting of the Alkali and Chemical Corporation of India, Ltd., held at Calcutta on Monday, 16th March 1959, Mr. J. M. Lall, Chairman of the Corporation, emphasised that, in the context of the present acute shortage of capital, India's prosperity depended upon making the maximum use of available capital, plant and equipment. The optimum use of plant and machinery, he said, would, in addition to increasing production, bring down the unit cost of such production and make the country's manufactures more competitive in the export market.

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

"GENTLEMEN,

"The audited accounts and Directors' reports have been in your hands for some time and, with your permission, I shall take them as read.

"On the whole your Company has had a good year. Sales were 17 per cent. higher than in the previous year but the higher cost of raw materials and wages has resulted in a lower net profit.

"You will have seen from the Directors' report that we had to transfer from the dividend equalisation reserve only Rs. 11 lakhs of the Rs. 24.8 lakhs required for an 8 per cent. dividend on the ordinary capital, including the last issue of Rs. 248 lakhs for the polythene project, which has not yet begun to earn any profits. This is very satisfactory.

Production

"Once again, we had a record year. Every unit registered an increase. The only factor limiting our production was the shortage of certain essential raw materials which could not be imported. This was felt particularly in the manufacture of our paints products.

"Production of metal pre-treatment products for which there was a growing demand increased greatly.

"In the insecticidal field, our output of all types of 'Gammexane' formulations was higher than in the previous year, and we were able to meet the growing demands of Government and of other users. Competition in these products is increasing but your selling agents are maintaining their position in the market.

"Our chlorine/caustic plant again registered a record output for which we found a ready market. Our output of hydrochloric acid was higher than in the previous year and was disposed of without difficulty.

"A public enquiry into the caustic/chlorine industry was held by the Tariff Commission and the Company's works were visited by the Commission's staff. The Company provided extremely detailed data which took our staff several months to prepare. I am glad to say that the Government have agreed to continue the existing rate of protective duty on caustic soda. The Commission's report on 'fair prices' for locally produced caustic soda/chlorine and hydrochloric acid has not yet been made available.

Expansion Programmes

"An increase in our licensed capacity for benzene hexachloride was approved by Government. Work on the extensions to our chlorine/caustic soda plant has commenced, and is expected to be completed during the current year.

"Construction of the plant for the manufacture of 'Alfloc' water treatment products is now well advanced and the plant will go into production shortly.

"The new factory for making polythene is now complete and trials have commenced. We hope to have a formal opening at the beginning of May. We had our share of difficulties and setbacks in the construction of this plant but, with the help of our technical consultants, Imperial Chemical Industries Limited, London, and our construction contractors, we have been able to keep to the schedule.

"The chemical and plastic industry in India is yet in its infancy and the field which is open for development is vast. Your Board and their technical advisers, Imperial Chemical Industries Ltd., are fully alive to this and are investigating new lines of manufacture.

"Chemical projects usually involve high capital cost and a complete and thorough investigation is necessary before any recommendations can be made. I am not in a position to say whether any new schemes will mature in the current year.

Productivity and Labour Relations

"Looking at the economic trends in the country and the acute shortage of capital one is led to the inescapable conclusion that our prosperity depends upon making the maximum use of the capital, plant and equipment at our disposal. It has been amply demonstrated that this can be achieved through rationalisation in industry, changes in layout of machinery, reorganisation of work by application of work study techniques and so on. This optimum use of plant and machinery will, in addition to increasing production, bring down the unit cost of such production and make the country's manufactures more competitive in the export market. Experience in other countries has shown that higher productivity has gone hand in hand with higher levels of employment and that wages are highest where productivity is greatest.

"I would like to emphasise the importance to our country of a consciousness in labour of the responsibilities which their jobs carry. A great deal is heard about the rights of labour, the rising cost of living and the need for additional amenities such as housing. I am sure that all progressive employers accept that wages and amenities cannot remain static in a developing economy; but rising wages without a corresponding rise in productivity can only result in inflationary pressures with serious consequences to our economy.

"According to a recent study, there has been a doubling of receipts in average salaries and wages, and the value of fringe benefits over all the industries has multiplied a little over three times between 1946 and 1956, while productivity has not risen by more than 10 to 12 per cent.

"I appeal to our workmen and the labour leaders, who guide them, to bear in mind the needs of the country and to put their best into the jobs they are doing. Trade unionism has every thing to commend it provided it does not allow political influences to deflect it from its basic objective of advancing the well-being of the worker and of the industry in which he works. The success of all our Five-year Plans depends on every member of the society doing his bit in increasing the country's production. We cannot afford destructive trade unionism resulting in 'go-slow' movements, stoppage of work, and indiscipline in industry.

Labour Relations

"I am glad to say that our relations with labour and staff have been good throughout. Any differences, and differences there must be in any large family, have been discussed in a spirit of co-operation and keenness to understand each other's point of view.

"The work study section, to which reference was made last year, continues to provide a valuable service to management. It has been working on a wide range of problems during the past year and has contributed to savings in capital expenditure and running costs.

"Management is at present discussing with the unions concerned the introduction of 'work reward schemes' based on work study data. The purpose of these schemes is to enable the participants to earn greater rewards for greater effort and thereby further to encourage worker's co-operation in the Company's objectives.

"We attach the greatest importance to the efficient recruitment and training of our young engineers and technicians. Your Directors have recruited a considerable number of young Indian technicians, many of whom have been sent to the U.K. and Australia for practical training in I.C.I. factories.

"I would like again to pay a tribute to your selling agents, Imperial Chemical Industries (India) Private Limited, for the excellent services, both commercial and technical, that they have given us.

"I would like to refer to the special business included in the agenda. Sir Bijoy needs no introduction to you. He has been a Director of your Company for 10 years, and is a well-known figure in the business community of this country. Only recently, he relinquished the Presidentship of the Federation of Indian Chambers of Commerce and Industry. He has been a very valuable colleague to me and to my predecessors and I commend to you the resolution exempting him from the age limit prescribed by the Companies Act.

"The other items of special business are adequately explained in the note.

"The Directors retiring by rotation are: Dr. S. B. Cormack, Dr. E. C. Fairhead and Mr. F. G. Lamont, and they are recommended for re-election.

"Messrs. Lovelock and Lewis, the Auditors, seek re-election and have asked us to increase their fee from Rs. 7,500 to Rs. 10,000. During the year they will be called upon to do additional work in connection with the polythene plant, and in the opinion of the Board the increase is reasonable and justified.

"Before I close my address and invite questions from members, I want to thank all of you who have found time to attend this meeting."

(This does not purport to be a record of the proceedings.)

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STATEMENT OF CONDITION AS AT 31ST DECEMBER 1958.

LIABILITIES	Rs.	ASSETS	Rs.
Capital	10,00,000	Cash and Banks	1,21,85,723
Reserves	10,50,000	Investments	95,53,460
Deposits	3,89,30,595	Advances	1,93,62,452
Bills, Acceptances, etc.	22,56,210	Bills, Acceptances, etc.	22,56,210
Other Liabilities	17,65,094	Furniture and Fixtures	3,89,441
		Other Assets	13,85,041
PROFIT: Rs.			
1958 4,18,925			
B/F 1957 33,503			
Rs. 4,52,428			
Less: Appropriations for Tax, General and Contingency Reserves 3,22,000	1,30,428		
Total	Rs. 4,51,32,327	Total	Rs. 4,51,32,327

S. N. K. SUNDARAM,
Managing Director.

SCIENCE AND POPULATION PROBLEM

NEED FOR ENCOURAGING STUDY OF HUMAN ECOLOGY

By Sir Julian Huxley, F.R.S.

THE world is passing through a population crisis. The total population of the world has been steadily increasing since earliest prehistoric times but the basic total, and its rate of increase has shot up in the last 50 years. The total is now over 2½ billion human beings. The net increase last year was 47 million people and it would be at least 50 million this year.

The compound interest rate of increase reached 1 per cent. only in the present century and it is still going up and, of course, it is fastest in the underdeveloped region where the need for food is greatest. Whatever happens, the world population will be doubled in two generations, and the total will be over five billions in the lifetime of many people of today.

In fact, there is a population explosion going on. And this population explosion is due to what has been called death control—the fact that science has managed to prevent so many people dying either earlier or late, from all sorts of diseases. Meanwhile, the birth rate has not come down. Well, what can science do about this population explosion?

First of all, I think, it is clear, that science cannot solve the population problem by just providing extra food. Some people say, you can make synthetic foods or you can employ new agricultural methods or introduce new crops or bring new areas, desert and jungle areas, under cultivation. Well, this would often be wasteful. Synthetic food, I am sure, is very unpleasant and in any case you cannot do it fast enough to catch up with the rate of increase of people. And, in any case, it cannot go on for ever for purely arithmetical reasons. You may say that science cannot solve the population problem so long as this is regarded as how man can win the race against himself. How man, as a consumer, can beat man as a reproducer.

On the other hand, science can be of the greatest help and service if we look at population in a scientific way as a problem of human ecology. That is, the science of man's relations with his environment, the natural environment provided by the earth and the social environment provided by man's own efforts. Looked at in this way, it is quite clear that, if nothing is done, man will, sooner or later, become the cancer of the planet he inhabits, and not only that, the cancer of his own future.

Science shows that the basic thing is to establish proper relations with our home. That is to say, to ensure the quality of human life and the fullest realisation of possibilities for individuals, and for fullest achievement by individuals and by society. This means that man has got to learn to live in what in biology we call symbiosis, an organic partnership with the earth that he inhabits. He must not erode the resources of his physical environment. He must conserve them, the resources of all sorts, the resources that are to be used and consumed and the resources that are to be enjoyed.

Earth's Resources

Now among resources to be used there are the soil, the forests, minerals, water, water-power and so on, and there are plants and animals, wild and domesticated. And as for resources to be enjoyed, there is wild nature, there is wild life, there is beauty, there is scenery, there is a reasonable amount of solitude and there is space—space of easy access from crowded areas. All this leads to the idea that we have to envisage eventually to an optimum population, or at least not, an unbalanced or runaway increase of population, if you were to achieve anything worthwhile.

A man also must not erode the resources of his social environment. You are beginning to find out that there is a more or less general law, that, above a certain rather low threshold, the greater the density of population per square mile, the less freedom and less convenience there is per head. This is obvious in the overlarge cities of five and ten million inhabitants that are characteristic of our present age. It is also true about overlarge populations in general.

If your population gets too big and too dense, it leads to over-organisation and regimentation, a loss of freedom and loss of democracy. And, on a world scale, increase of population will eventually lead to the erosion of cultural variety—the substitution of drab, uniformity and mechanical efficiency, for the lovely variety that we now still enjoy in large measure, among the few cultures and, indeed, an erosion of human values in general. Thus, I might say that the scientific approach shows that inevitably increasing misery and increasing frustration for an increasing number of human beings will result on a world scale, unless something is done, to slow down population increase. Our grandchildren will be living, if nothing is done, a world, which is much more unpleasant for more people than the present one is. And that is saying a good deal.

Of course, it is also clear that science can palliate some of these difficulties. It can help to grow or make new food. It can help to find or make new sources of energy. It can certainly arrange eventually to get fresh water out of salt water, granted that the expense is no obstacle and, similarly, if expense is no obstacle, it can irrigate distant deserts and cut down forests, that at the moment are unproductive and it can help to provide better distribution. But this is all something only temporary. It is a palliative measure and it will not deal with the basic problem, which is, that, unless something is done, human reproduction will outrun resources.

The ultimate outcome is this, that, somehow or other, death control, which is the great fact of modern world, must be balanced by birth control. It is very encouraging that, already, great countries like India and Japan have population control as part of their official policies. But, still, even within these countries, the results are not fully satisfactory. And even here much more could and should be done.

Spend More On Research

But you have got to be more fundamental; science certainly could help by discovering a cheap and easy method of birth control, some sort of pill, as people would like to call it, which could be taken by mouth and would prevent conception or implantation. Now a good deal of research is going on, mostly encouraged by private bodies, but it is piecemeal and on a relatively small-scale, and so it is slow. We are getting to find out much more than previously we knew, about human reproduction, the details of it, and how to interfere with the process, to control it.

But much more ought to be done. I would say, if one-tenth or 1 per cent. of the money and the scientific brain-power that was delegated to discovering how to make the atom bomb were allocated to study the details of human reproduction and to discover the best way of controlling it, why, we should have the solution at least within ten years. That would be, of course, a temporary solution; then we would have to find a method of persuading Government to implement the method to get the people to take the pill and so on.

In the long term, you will not get a solution to this grave problem of population, except by encouraging human ecology on a large scale, human ecology with reference especially to population. You want to set up all sorts of new institutions, to divert a great body of scientific and social scientific manpower into the study and survey of the problem. You need surveys, you need Planning Boards, Advisory Councils, Research Bodies and so on. After all, India, for instance, has a Biological Survey, it has a Botanical Survey, it has a Geological Survey. We in England have an Agricultural Research Council and a Medical Research Council. It seems to me that we need human ecology surveys. We need population research councils to focus attention and to guide research and the implementation of research in practice.

At the moment, the question of population is usually entrusted to the Ministry of Health. Why should it not be made more important? Why should there not be a Ministry of Population, of Social Development? It seems to me that population is such an urgent and basic problem, not only now, but in the immediate future, that much more attention should be given to it. And above all or perhaps not above all, we need international attention paid to it. Somehow, rather we need the United Nations to sit up and tackle this problem of world population with eventual aim of encouraging a world population policy.

Meanwhile, may I put this final point. I feel that it would pay handsomely in all countries, especially in the so-called underdeveloped countries, where a large bulk, a large proportion of people are underfed and insufficiently provided with education and opportunities for development, to spend far more money and thought on population control than is done at present. Spend money on research, and money on the education of the public to the means for population control, spend money on making and distributing free contraceptives, and giving free instruction all over the country, spend thought on devising financial and social methods of encouraging family limitation, and above all, but again perhaps not above all, but certainly to do this to put across the goal, the ultimate goal of any nation to encourage the quality of life, rather than the quantity of life.

Flood of Babies

I say it would pay handsomely because at the moment, all our efforts, your efforts in this country, and efforts in China, efforts in many other countries to provide better basic living, better standard of living, and better education and more opportunities for people, are always being overtaken by the flood of babies, that we have to feed and educate. You have got so much to catch up with and yet you cannot do so, because you have these new mouths to feed, these new brains to educate; and you have got to find new jobs for these people too. If you were to reduce the increase of population, you would be able to spend more money on financing the new schools and new scientific equipment and new methods of agriculture which so urgently need to be done.

I do not want to be pessimistic about this but I do feel that all countries should really concentrate their minds on seeing what could be done to get over the really ghastly difficulties which are arising, and which will become much greater, arising from the population explosion. And for this science must be applied, because science is not just some kind of magic, but it is a method of dealing with concrete problems, as they arise. I feel that science can be of real service, if its advice is asked and if its advice is followed and if given the men and money to do the research and the surveys which are needed. And I want to emphasise that by science, I do not just mean technical science or I just do not mean only engineering or anything like that; I do not mean pure biology. I do not mean applied biology or agricultural science. I mean science in every aspect, and the scientific spirit, and especially I mean the encouragement of the essential science of human ecology, with special aim of studying population and controlling it.

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SCREW INDUSTRY GROWS STEADILY

ENOUGH RAW MATERIAL NOT AVAILABLE

THE wood screw industry in India has been making steady progress. Although the industry was first developed during war-time in the Amritsar area in the Punjab, it subsequently expanded and grew in other parts of the country also, such as U.P., W. Bengal, Bombay and Madras. There are at present 57 units, both big and small, all over the country. The organised manufacturers as sponsored by the Development Wing are only 26. The estimated total production of wood screws in 1958 is of the order of 8.1 million gross, as against no more than 703,000 gross in 1950. Similarly, the production of machine screws has gone up from 160 thousand gross in 1950 to two million in 1957. According to Mr. D. V. Virmani, President, Screw Manufacturers Association the current rate of production appears to be in excess of the demand, but this may prove to be a passing phase in view of the rapid growth in construction activities in the country. In his speech at the annual meeting of the Association held at New Delhi a fortnight ago, Mr. Virmani dealt with the industry's progress and its problems. Although this is a small industry, it is a vital one, for wood screws are indispensable to the economic progress of a country. Accordingly, a reference to the points made by Mr. Virmani will be useful.

The Tariff Commission had estimated the annual rated capacity (on single-shift basis) of the units manufacturing wood screws at 6.9 million gross (3,450 tons) and 13.8 million gross (6,900 tons) on two-shift basis. Mr. Virmani considered this as a very modest estimate as the capacity of ten out of nineteen units on the Central list alone account for 5.76 million gross (2,880 tons). Besides, there are many small units, getting their quota of raw materials from the State Government, which have not been included in the estimate of the Tariff Commission. Mr. Virmani estimated the domestic demand for wood screws at 3,500 tons. He was, therefore, of the view that there was hardly any scope for further expansion of the industry at present. In any case, he urged the Government to register all unlicensed units with the Development Wing so that one could get a precise picture of the capacity and production of screw industry.

The figures given below shows at a glance the industry's trend of production during the last eight years:

(In thousand gross)

1951	...	...	...	...	796.8
1952	...	...	...	...	1.329.6
1953	...	...	...	...	2,571.6
1954	...	...	...	...	5,197.2
1955	...	...	...	...	6,662.4
1956	...	...	...	...	7,502.4
1957	...	...	...	...	8,143.2
1958	(upto	September)		...	7,502.4

The foregoing figures represent the production of 19 units which are on the Central list.

There is no doubt that the demand for screws will grow with the development of the country. The second Plan has laid emphasis on the development of heavy engineering industries, machine building industries and building and construction activities. The planners have also realised the need for procuring a wide range of requirements during the Plan from indigenous sources. This will naturally enhance the scope for development of the screw industry in the years to come. In order to enable the screw industry to keep pace with the growing demand it is imperative that it should be assured of a sufficient and regular supply of steel wire, the principal raw material. Mr. Virmani said that the industry had been getting its requirements of raw materials just sufficient for only one-shift working. He, therefore, wanted the Government to consider how far it would be possible and practicable to allot materials for two-shift working to the industry, as that alone would enable the industry to operate on a sound and economical basis and consolidate its position. He complained that the Indian Steel and Wire Products Ltd., the only indigenous manufacture of steel wire, is not in a position to provide, in time, the industry with wire in sizes and quantities with the specific chemical composition. This factory, according to him, is in a position to supply only 50 per cent. of the industry's requirements of wire. The screw manufacturers had, therefore, no choice but to depend on imports. Here again, the manufacturers were not able to get licenses for sufficient quantities of raw materials. He pointed out that many units were still receiving licences on the basis of their old capacity though they had expanded it. He, therefore, pleaded for an early reassessment of the capacity in all the units engaged in the manufacture of screws.

Another handicap of screw manufacturers was the difficulty in getting import licences. Explaining it, Mr. Virmani observed as follows:

"Recently, the Government has announced their new import policy, according to which the screw manufacturers are required to submit indents for importing steel wire through Sponsoring Authorities to the Iron and Steel Control. This would in effect mean that the Government would import materials on their own account by calling for global tenders and distribute the same to the manufacturers. Such a procedure, I consider, is hardly fair to the screw industry as this would entail tremendous hardship. Firstly, import by Government will entail delay and this would adversely affect the production and employment in the industry. Secondly, the particular quality of steel, with required specific chemical composition and gauges which are highly essential for the manufacture of screws, can hardly be guaranteed through bulk imports. Another difficulty that would arise is that, in case Government do not allow the required quality and quantity of steel wire to the screw industry, even after accepting indents, then the industry will be placed in a very precarious condition. I would, therefore, suggest that screw manufacturers should be allowed to place the indents for their requirements of wire through Government on the producers in foreign countries and open letter of credit in favour of Government."

It is gratifying to hear that, as in the case of a good number of engineering goods, exports of screws also have been going up. The total value of exports of wood screws has increased from no more than Rs. 7,200 in 1957 to Rs. 71,700 in 1958. The leading buyers are in British East Africa and Aden. The reports of the Engineering Export Promotion Council aver that there is good scope for stepping up exports of wood screws, provided the prices are competitive. The biggest competitors are West European countries and China. Mr. Virmani advised the exporters of screws to give a high percentage of Commission over the listed prices to importers. It may be noted that the Reserve Bank of India has permitted the exporters to give the Commission necessary for securing orders from overseas countries.

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poorer frames; in some cases it was found that a few spindles on the frame accounted for as much as 20 per cent. of the yarn breaks. Thus, efficiency of spinning can usually be raised by 10 to 15 per cent. through quality control methods.

"Similarly for weaving, it is usually found that the efficiency of individual weavers varies widely, in some cases as much as 40 to 80 per cent. in the same mill. This knowledge provided management with the information to seek the cause and to take appropriate action. By bringing the efficiency of the weavers to a common high level, overall efficiency in mills has been raised as much as 20 per cent.

"As for control of outgoing product, the inspection is conducted on a small sample of cuts from each day's production, usually 16 out of a mill's daily production of two to three thousand cuts. The sample examined, though not large, provides all the information important for management action. For instance, colour faults are traceable to the original mixing of raw materials, thin places in the fabric to variations in spinning. Armed with this information, mill management can be sure that its attention is directed to those parts of the process that need help.

"Lastly, quality control practices in a jute mill are concerned with the scientific study of the cost of raw materials in relation to the spinning and weaving efficiency obtained from them. A 10 per cent. decrease in the cost of raw materials adds nearly 25 per cent. to the margin between cost and selling price. Hence, the gains on this score can be considered major ones."

This example of how statistical quality control has helped one industry could be multiplied many times in more than 20 different industries. During his stay in India, Dr. Pabst visited more than 100 plants, many of them more than once, and made specific written recommendations in each plant as to how the technique could be applied, or improved if already in operation. These recommendations provided local statistical quality control units with a basis for industry-wide applications.

RAISING PRODUCTIVITY OF INDUSTRIES

VALUE OF STATISTICAL QUALITY CONTROL

IN a number of basic manufacturing plants throughout India, production in 1959 is expected to increase anywhere from 10 to 25 per cent. by means of a new and little-publicised industrial technique which is being applied without an increase in plant or overhead and without large additions to staff. The procedure—known as "statistical quality control"—and its application to Indian industry were explained at U.N. Headquarters by Dr. William R. Pabst, Jr., who has returned from a one-year assignment in this country under the U.N. technical assistance programme.

While in India, Dr. Pabst explained, he helped introduce quality control procedures—which he defines in non-technical terms as a critical examination of the technical aspects of production in order to highlight weak spots—in scores of plants engaged in the manufacture of shoes, textiles, jute, sewing machines, pharmaceuticals, rubber products, cigarettes, plywood, aluminium sheeting and iron and steel castings. In co-operation with the Indian Statistical Institute, he has shown management how to reduce costs, avoid high percentages of scrap and seconds, and increase productivity and product quality. "Quality control methods and techniques have been discussed and talked about in India for a long time," says Dr. Pabst, who was on loan from his post as Chief Statistician with the U.S. Navy Department's Bureau of Ordnance in Washington, D.C. "But, until recently, these techniques have not been used with great success largely due to preoccupation with statistical rather than engineering considerations."

At the request of the Government of India, the United Nations has been aiding that country since 1953, first in gaining recognition of the value of the technique and later in urging use of this new tool of industry in reaching the production goals of its Five-year Plans. As a result of training programmes carried out by U.N. experts in 1953-54, statistical quality control units have been established in major Indian cities under the management of the Indian Statistical Institute.

All recent applications of the technique, according to Dr. Pabst, have much in common: they start essentially with an evaluation of outgoing product quality to determine the actual location of the strategic limitations in the production process. From this final evaluation, control spreads to areas where it is needed most. In some cases, it may be directed to reducing scrap and rework, increasing machine utilisation, or evaluating raw material quality. "The results," Dr. Pabst observed, "seem to be repaying the long effort that Indian industry has made. It is now widely adopting statistical quality control and is scoring effective increases in productivity in both old and new industries."

Dr. Pabst explained how quality control had helped one of India's largest and oldest industries—the jute industry—which, in Calcutta alone, employs thousands of workers in some 105 mills. The industry has been faced with keen competition from the development of competitive products, such as paper bagging for cement. It also suffered from the dislocation of Partition, the jute-growing areas going to Pakistan and the manufacturing plants remaining in India. India, he said, was now raising enough raw jute, although of somewhat inferior character, to supply the raw materials. Foreign criticism of the quality of India's jute exports helped to stimulate the industry, he added, because it dramatised the need for more modern and scientific methods.

Since most mills possess the same characteristics, an overall approach for installation of quality control, after examining several plants, could be laid down in advance. Dr. Pabst explained his point thus: "Quality control in a jute mill can be sub-divided into four main efforts: control of spinning efficiency, control of weaving efficiency, evaluation of outgoing product, and the economical utilisation of raw materials. In the control of spinning efficiency, sampling methods are used to evaluate the relative efficiency of each frame and to investigate further the poorer ones. In one of the mills where this method was applied, 12 of the 65 frames were found to be poor in comparison to the others. Action is then taken to diagnose through statistical means the reasons for the

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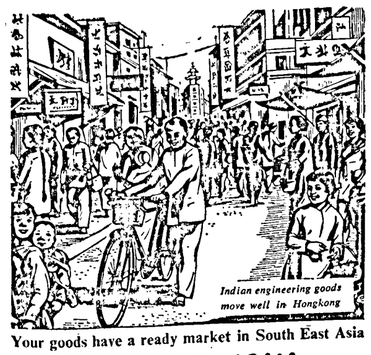

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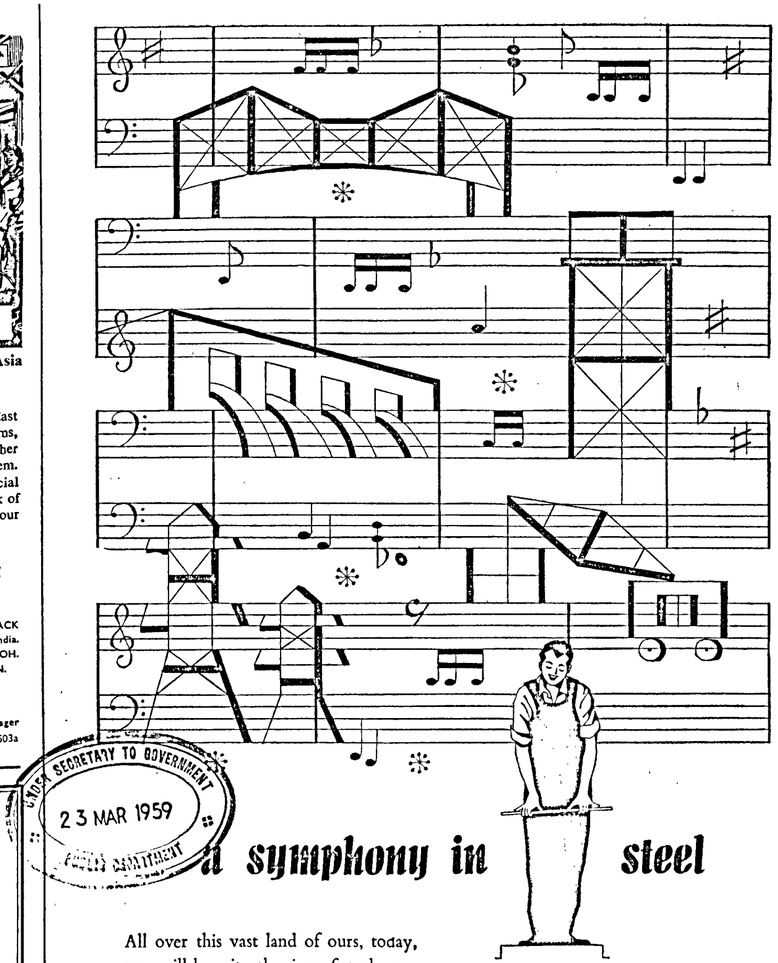

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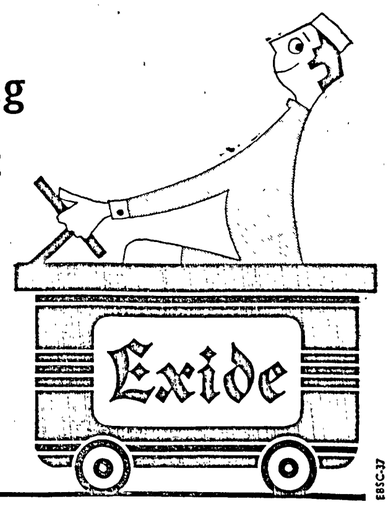

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SHARP RISE IN HINDUSTAN LEVER'S PROFIT

DIVIDEND RAISED—LARGE AMOUNTS RETAINED

THE results of the Hindustan Lever Ltd. (Chairman: Mr. S. H. Turner, Bombay), the leading manufacturers of soaps, cosmetics, *vanaspati*, etc., in this country, for the year ended 31st December 1958, show a remarkable all-round improvement as compared with those for 1957. There has been a sharp rise in turnover. Income from other sources has also gone up appreciably. These increases have been more than sufficient to offset the sizable rise in the cost of raw materials and other expenses. Consequently, both gross and net profits have shot up to new high levels. The dividend which had been raised from 12½ per cent. for 1956 to 14 per cent. for 1957 has been stepped up further to 15 per cent. What is noteworthy is that, even after raising the distribution to shareholders, the amount retained in business is more than twice as much as that conserved a year ago.

The gross profit for the year under review at Rs. 363.85 lakhs has jumped up by Rs. 83.22 lakhs or 29.6 per cent. from Rs. 280.63 lakhs for 1957. This compares well with the rise of only Rs. 16.15 lakhs in the latter year when the gross profit increased from Rs. 264.48 lakhs for 1956. The net profit at Rs. 142.42 lakhs also stands substantially higher, as compared with Rs. 115.54 lakhs for the previous year and Rs. 116.28 lakhs earned two years earlier. Indeed, if the rise in the net profit is not commensurate with that in the gross profit, it is due to the sharp rise in the provision for income-tax from Rs. 118.52 lakhs in 1957 to Rs. 172 lakhs. Likewise, the provision for wealth tax has been stepped up from Rs. 4.40 lakhs to Rs. 5.75 lakhs. The amount set apart for depreciation is also higher at Rs. 43.68 lakhs, as against Rs. 42.17 lakhs. Despite the larger amounts provided for taxation and the better dividend distribution, the amount retained in business of Rs. 45.08 lakhs is more than double that (Rs. 22.24 lakhs) in 1957.

The salient features of the Company's working during the past four years are clearly brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	36,72.99	33,19.24	27,40.44	12,11.06
Other income	13.30	9.71	14.45	30.16
Consumption of materials ..	23,86.82	21,97.23	17,72.81	6,71.18
General expenditure	9,35.62	8,51.09	7,17.60	3,56.24
Gross profit	3,63.85	2,80.63	2,64.48	2,13.81
Provision for—				
Depreciation	43.68	42.17	28.32	12.71
Income-tax	1,72.00	1,18.52	1,19.88	1,05.29
Wealth tax	5.75	4.40	..	..
Net profit	1,42.42	1,15.54	1,16.28	95.81
Provision for provident fund and retirement gratuity	13.79	15.32	12.29	6.16
Dividend	83.55 (15%)	77.98 (14%)	69.62* (12½%)	75.00 (37½%)
Retained in business	45.08	22.24	34.36	14.65

* On the increased capital of Rs. 557 lakhs.

Sale proceeds for the year increased from Rs. 33.19 crores in 1957 to Rs. 36.73 crores, representing a rise of Rs. 3.54 crores over the year. A breakup of the year's turnover discloses that soaps and other detergents accounted for (70,894 tons) Rs. 16.24 crores, *vanaspati*, margarine and other edible fats for (74,436 tons) Rs. 17.71 crores, toilet preparations for Rs. 73 lakhs, glycerine and other by-products for Rs. 1.22 crore and groundnut cake for Rs. 83 lakhs. The corresponding figures for 1957 are: Rs. 14.31 crores (64,775 tons), Rs. 16.50 crores (69,672 tons), Rs. 64 lakhs, Rs. 1.07 crore and Rs. 67 lakhs, respectively.

Reviewing the Company's working during the year under review in a statement to shareholders, the Chairman, Mr. S. H. Turner, states thus.

"The steady progress in the sales of the Company's soap products during the year was achieved despite severe competition principally from the small-scale manufacturers. Toilet soaps made good progress. Sales promotion in the rural areas yielded particularly encouraging results. Adverse conditions, in particular, the sharp rise in the price of groundnut oil in the middle of the year, necessitating an increased selling price, coupled with the high price of cereals, faced the industry as a whole, and resulted in it selling less *vanaspati* than in 1957. Despite this, the Company's tonnage increased. The rate of progress in the turnover of toilet preparations continued at much the same rate as in the previous year. The best progress was made by powders and shaving soaps.

"The prices of raw materials were, on an average, higher than in the previous year. In the second half of the year, prices of coconut and mowrah oils rose sharply, the former due to a serious world shortage of copra and the latter because of a poor crop. The price of groundnut oil, our main raw material, was high until late in the year, when it fell following substantial arrivals of seed from the new crop. In response to the request of the Government to foster the crushing of cotonseed, we used 4,386 tons of cottonseed oil in *vanaspati* and soaps in 1958, as compared with 1,031 tons in 1957. In order to overcome transport bottlenecks and to facilitate quick and effective distribution in our expanding markets, particularly in the rural areas, we continued to develop intermediate storage points and to make greater use of road transport. Notwithstanding this, the increase in railway freight in September 1958 still had its impact on the cost of distribution. Exports of *vanaspati* rose from 1,324 tons valued at Rs. 32¼ lakhs in 1957 to 1,602 tons valued at Rs. 38 lakhs in 1958. Although the total sales of glycerine were substantially higher in 1958 than in the previous year, increased demand in India resulted in exports of this by-product dropping from 2,703 tons valued at Rs. 43 lakhs in 1957 to 1,805 tons valued at Rs. 35 lakhs in 1958."

Proceeding, the Chairman states that the major capital project completed during the year was the installation of the synthetic detergent plant at Bombay. The creation of a sulphonation plant in connection with the manufacture of synthetic detergents was started on the same site. A pilot plant for processing peas was manufactured locally and erected in the Ghaziabad factory. Plans for the construction of the new head office in Bombay were completed. The total estimated cost of new capital projects approved during 1958 was Rs. 119 lakhs.

The Company's financial position, as disclosed by its balance-sheet as at 31st December 1958, is impressive. Its paid-up capital of Rs. 557 lakhs, all in ordinary shares of Rs. 10 each, is supplemented by reserves and surplus aggregating Rs. 255.51 lakhs. The current liabilities stand at Rs. 482.05 lakhs and include a provision for taxation at Rs. 162.31 lakhs. The gross block of Rs. 527.61 lakhs stands depreciated at Rs. 361.13 lakhs. The current assets are of the order of Rs. 933.43 lakhs and exceed the current liabilities and the provision for taxation by a very wide margin. Of the current assets, stock-in-trade, including work-in-progress, accounts for Rs. 710.92 lakhs, stores and spare parts for Rs. 46.60 lakhs, sundry debtors for Rs. 91.98 lakhs, loans and advances for Rs. 60.19 lakhs and cash balances for Rs. 22.91 lakhs.

The Rs. 10 fully paid-up shares are being currently quoted at Rs. 29.50 *cum-div.* On an *ex-div.* basis, the yield is 5.36 per cent. per annum.

INDIAN OXYGEN'S PROGRESS ENCOURAGING

The Indian Oxygen and Acetylene Company Ltd. is not new to the Indian public. It has been functioning in this country for well over two decades under this name. It, however, came to be familiar with Indian investors only a short while ago, for it was converted into a public limited company only on 16th January 1958. Simultaneously with this change, its name was also altered to Indian Oxygen Ltd. The original company was a wholly-owned subsidiary of the British Oxygen Company Ltd. of London, with its entire paid-up capital of Rs. 2 crores consisting of 2,000,000 ordinary shares of Rs. 10 each being held by the British Company. Out of this, the British Oxygen Company offered 600,000 shares of Rs. 10 each at a premium of Rs. 3.50 per share to the Indian public. The issue was heavily oversubscribed. This showed how keen were investors in this country to participate in the Company's business. Their confidence has been fully justified, for the Company's shares are very popular and are currently being quoted at a premium of 100 per cent. over the issue price.

Prior to offering shares to the public, on 27th December 1957. to be precise, 680,000 ordinary shares of Rs. 10 each were issued by the Company to its parent company in Britain. Of the total issue price of Rs. 68 lakhs, Rs. 29.23 lakhs were towards payment of a loan from the British Company and the balance of Rs. 38.77 lakhs was remitted in cash to Britain. As a result of this operation, the paid-up capital of Indian Oxygen Ltd. came to stand at Rs. 2 crores.

The hope expressed by the Directors of the Company at the time of the issue to the public that the profits for the year ended 30th September 1958 would be sufficient to maintain the dividend on the increased capital at the rate of 10 per cent. paid for the past three years, has now been fully justified by the results achieved. The gross profit for 1957-58 at Rs. 93.20 lakhs is Rs. 12.48 lakhs higher than Rs. 80.72 lakhs for 1956-57. The provision for taxation, inclusive of wealth tax at Rs. 1.40 lakh, is shown at Rs. 30.30 lakhs, as against Rs. 44.02 lakhs set aside in the previous year. The share of wealth tax in the latter amount was Rs. 2.66 lakhs. The relatively lower tax provision for the year under review is explained by the Directors as having been due to the tax relief of Rs. 10.23 lakhs on development rebate and the transfer of Rs. 4.10 lakhs from the tax allowances equalisation reserve. The provision for depreciation takes up Rs. 24.93 lakhs, as against Rs. 21.36 lakhs. The net profit, after the above provisions, at Rs. 37.97 lakhs, is about 2½ times better than that (Rs. 15.34 lakhs) earned in 1956-57.

In accordance with the requirements of the Finance Act, 1958, the Directors have transferred Rs. 13.20 lakhs to development rebate reserve. The proposed dividend of 10 per cent., as stated earlier, is on a higher capital of Rs. 2 crores, so that it takes up Rs. 20 lakhs, as against only Rs. 13.20 lakhs in the previous year. After the above distribution, a sum of Rs. 6.18 lakhs is left over to be carried forward, as against Rs. 1.41 lakh brought in.

It is gratifying to hear that, despite severe import restrictions, the total sales for the year amounted to Rs. 485.91 lakhs, representing an increase of nearly Rs. 68 lakhs or 16 per cent. as compared with sales in 1956-57.

Referring to the Company's schemes of expansion, expenditure incurred and additional finance required for its replacement and expansion programme, the Directors state thus:

"The industrial development plans initiated by the Government of India, and, in particular, the expansion in steel production envisaged by the second Five-year Plan, are expected to give rise to a further very substantial increase in the demand for the Company's products. With this in mind, the Directors drew up a replacement and expansion programme which was taken in hand in 1957 and is planned to be completed in 1960. During the year, manufacture of oxygen and dissolved acetylene and fluxes was made subject to the Industries (Development and Regulation) Act, 1951, and the necessary licences have been obtained. By a recent notification, the Act has been extended to cover, among others, the remaining gases manufactured or proposed to be manufactured by the Company, and steps have been taken to obtain the licences required. Capital expenditure, including capital projects in progress, during the year amounted to Rs. 89.88 lakhs and related mainly to the new electrode factory at Khardah, a new oxygen and dissolved acetylene factory at Burnpur, a new oxygen plant at Bombay and the provision of additional cylinder capacity.

"The financing of the replacement and expansion programme has involved the provision of substantial amounts of foreign exchange for the import of capital goods. Over and above the sum available from the subscription by the British Oxygen Company, Ltd., of the sterling equivalent of Rs. 68 lakhs in the form of share capital, it was estimated that further foreign exchange to the extent of approximately Rs. 75 lakhs would be required for this programme. The Company has, therefore, been negotiating with the Industrial Credit and Investment Corporation of India Ltd. and the Commonwealth Development Finance Company Ltd., London, for foreign exchange loans as follows—an amount in pounds sterling equivalent to U.S. $950,000 from the former and £225,000 from the latter. It is expected that these negotiations will be successfully concluded very shortly. The assistance from the British Oxygen Company, Ltd., in the form of loans is also an important feature of the Company's arrangements for financing the expansion programme."

The paid-up capital of the Company as at 30th September 1958 stands raised from Rs. 1.32 crore to Rs. 2 crores by the issue of 680,000 ordinary shares of Rs. 10 each to the British Oxygen Company Ltd., as already stated. Against this, the reserves and surplus aggregate Rs. 90.94 lakhs. The gross block amounting to Rs. 461.57 lakhs has been written down to a book value of Rs. 275.82 lakhs. These are inclusive of additions during the year of Rs. 119.78 lakhs. Capital projects in progress are shown at Rs. 37.73 lakhs. The current assets aggregate Rs. 289.91 lakhs, against which the current liabilities are of the order of Rs. 312.51 lakhs. Of the latter, unsecured loans from the British Oxygen Company, Ltd., account for Rs. 75 lakhs and special loans from the same company (also unsecured) for Rs. 27.69 lakhs.

The Rs. 10 fully paid-up ordinary shares are currently quoted at Rs. 27.37 *ex-div.*, at which rate the yield is 3.6 per cent. per annum. Such a low yield reflects the confidence of investors in the Company's future.

THE
UNITED COMMERCIAL BANK
LIMITED
Head Office : CALCUTTA

Authorised Capital	Rs.	8,00,00,000
Subscribed Capital	Rs.	4,00,00,000
Paid-up Capital ...	Rs.	2,00,00,000
Reserve Fund ...	Rs.	1,48,00,000
Working Funds (31-12-58) ... Over	Rs.	114,00,00,000

BRANCHES ALL OVER INDIA AND ABROAD.
AGENTS THROUGHOUT THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*

RESULTS OF MYSORE SUGAR HEARTENING

OUTPUT TOUCHES PEAK

THE year ended 30th June 1958 has turned out to be a period of record achievements for the Mysore Sugar Company Ltd. (Chairman and Managing Director: Mr. B. M. Krishnan, Bangalore). The quantity of sugarcane crushed and the amount of sugar and alcohol produced were the highest in the Company's history. Profits, too, did not lag behind and were considerably marked up. The highly encouraging results for the year under review are in refreshing contrast to the poor performance of the Company during the previous year when, owing to inadequate supply of cane, production of sugar, turnover and profits, all suffered a sharp setback.

The gross profit for 1957-58 at Rs. 35.88 lakhs is more than thrice that (Rs. 11.45 lakhs) for 1956-57, to which level it had fallen from Rs. 19.82 lakhs for 1955-56. The net profit which had dropped from Rs. 9.12 lakhs in 1955-56 to Rs. 4.33 lakhs in the following year, has, likewise, more than trebled to Rs. 13.66 lakhs. It should be noted here that this rise in the net profit is after making a provision of Rs. 15 lakhs for taxation, as against *nil* in the previous year. The provision for depreciation is also slightly higher at Rs. 7.22 lakhs, as against Rs. 7.12 lakhs.

Consequent on the excellent results for the year, the Directors have transferred a sum of Rs. 6.78 lakhs to the various reserves, as against nothing made in the preceding two years. A breakdown analysis of the allocations shows that Rs. 6 lakhs have been credited to the reserve for rehabilitation of plant and machinery, Rs. 49,065 to development rebate reserve and Rs. 28,769 to provision for fluctuation in the value of investments. The amount of contribution towards arrears of employees' gratuity fund has been doubled from Rs. 50,000 to Rs. 1,00,000.

The shareholders must be happy to find that their dividend, which had been consistently maintained at the rate of 20 per cent. for the past eighteen years in succession, has been stepped up to 30 per cent. for the year under review. This consists of the usual dividend of 20 per cent. plus a cash silver jubilee bonus of 10 per cent. free of income-tax. In view of the fact that the additional bonus payment is in commemoration of the Company's silver jubilee, it is not likely that it will be repeated for the coming years, even assuming that the profits will be maintained.

The following comparative table will give an idea of the Company's progress during the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Sale proceeds (sugar and distillery sections)	3,80.07	2,41.23	2,91.76	N.A.
Other income	25.63	20.57	19.31	
Closing stocks (sugar and distillery including crops-in-progress)	55.54	37.18	67.50	
Expenses	3,88.16	2,20.01	2,97.78	
Gross profit	35.88	11.45	19.82	15.29
Depreciation	7.22	7.12	5.70	5.29
Taxation	15.00	..	5.00	..
Net profit	13.66	4.33	9.12	10.00
Unclaimed dividends paid ..	..	..	0.03	..
To employees' gratuity fund ..	1.00	0.50	5.00	5.02
Transfer to reserves	6.78	..	..	4.36
Dividend	6.54 (D. 20% + B. 10%)	4.36 (D. 20%)	4.36 (D. 20%)	4.36 (D. 20%)
Carry forward	1.44	2.10	2.63	2.90
Sugarcane crushed (in tons) ..	383,814	224,228	347,523	375,548
Sugar produced (in tons) ..	39,520.5	21,631	34,798	35,312
Recovery per cent.	10.29	9.64	10.14	9.4

N.A.= Not available.

It will be seen from the table that sale proceeds of sugar and distillery products have staged a sizable rise of Rs. 138.84 lakhs over those for 1956-57. This increase is in refreshing contrast to the fall of Rs. 50.53 lakhs noted in the latter year. Reflecting the expansion in production and turnover, expenses have also increased from Rs. 2.20 crores to Rs. 3.88 crores.

The Directors state that the year under report was a remarkably good one for the Company. Sugarcane crushing operations in the Company's factory at Mandya commenced on the 1st July 1957 and continued upto the end of February 1958. During this period of 239 actual working days, the mills crushed a record quantity of 383,814 tons of sugarcane and produced 39,520.5 tons of sugar, which is also an all-time record in the history of the Company. There was an improvement in the percentage of sugar recovery which rose to 10.29 per cent. from 9.64 per cent. in the previous year. The distillery section, too, worked satisfactorily with production of alcohol reaching a peak figure of 708,000 gallons in terms of absolute alcohol.

The balance-sheet as at 30th June 1958 discloses a sound financial position. As against a paid-up capital of Rs. 21.79 lakhs in shares of Rs. 10 each, its reserves and surplus aggregate Rs. 94.17 lakhs, of which the general reserve alone accounts for Rs. 62.50 lakhs. The current liabilities stand at Rs. 133.13 lakhs and include a provision of Rs. 30.47 lakhs for taxation. The gross block of Rs. 157.31 lakhs stands well written down at Rs. 61.13 lakhs. Additions during 1957-58 were of the order of Rs. 5.34 lakhs. Capital works in progress account for Rs. 2.04 lakhs. The current assets aggregate Rs. 185.93 lakhs and cover the current liabilities and the provision for taxation by a large margin.

The Rs. 10 fully paid-up shares are being currently quoted at Rs. 53 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 6 per cent. per annum, free of income-tax.

Notices

THE ANDHRA SUGARS LIMITED
VENKATARAYAPURAM, TANUKU
West Godavary Dist.

NOTICE IS HEREBY GIVEN THAT THE 11th Annual General Meeting will be held on Wednesday the 15th April 1959 at 3 p.m. at the Registered office at Tanuku.

Notice is also hereby given that the Share Registers of the Company will be closed from 1st April 1959 to 15th April 1959, both days inclusive.

By Order of the Board,
For THE ANDHRA SUGARS LTD.,
For RANGA RAO & Co.,
(Sd.) M. HARISCHANDRA PRASAD,
Managing Partner,
Managing Agents.

TANUKU, 6*th March*, 1959.

THE BENGAL FLOUR MILLS COMPANY LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the Company a final dividend of 12½ per cent. for the year ended 31st December, 1958.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, 13*th March*, 1959.

TATA LOCOMOTIVE AND ENGINEERING COMPANY, LIMITED

SHALIMAR BLACK AND SPARTAN DURAflex enamel black and thinner approximately four thousand gallons available for sale ex Telco Works. Open to Inspection. Copy of tender can be had from Stores Controller, Telco Works, Jamshedpur-4.

Closing date—Ninth April 1959—2.30 p.m.

TATA LOCOMOTIVE AND ENGINEERING COMPANY, LIMITED

TWO B.G. STEAM SHUNTING LOCOmotives available for sale ex Telco Works. Full particulars with copy of tender can be had from the office of the Stores Controller, Tata Locomotive and Engineering Company, Ltd., P.O. Telco Works, Jamshedpur-4.

Locomotives open to Inspection. Closing date—13th April 1959 at 2.30 p.m.

COMPANY MEETINGS AND DIVIDENDS

SIRPUR PAPER MILLS LTD. Annual General Meeting, Somajiguda, Hyderabad-Deccan, 26th March 1959. Dividend. Re. 0.65 per share, payable on or before 25th June 1959. Transfer books remain closed from 20th March to 2nd April 1959, both days inclusive.

MUTTRA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 26th March 1959. Transfer books remain closed from 19th to 26th March 1959, both days inclusive.

DHANALAKSHMI MILLS LTD. Annual General Meeting, Tirupur, 28th March 1959. Dividend: Rs. 10.00 per share. Transfer books remain closed from 15th to 28th March 1959, both days inclusive.

SITALPORE SUGAR WORKS LTD. Annual General Meeting, Calcutta, 30th March 1959. Dividend: *Nil.* Transfer books remain closed from 10th to 30th March 1959, both days inclusive.

ANAPARAI ESTATES LTD. Annual General Meeting, Balehonnur, Mysore State, 30th March 1959. Dividend: 35 per cent. or Re. 0.70 per share (includes interim dividend of 15 per cent. or Re. 0.30 per share). Transfer books remain closed from 20th to 30th March 1959, both days inclusive.

PARASEA COLLIERIES LTD. Annual General Meeting, Calcutta, 31st March 1959. Dividend: 5 per cent. or Re. 0.50 per share, payable on or after 15th April 1959. Transfer books will remain closed from 23rd to 31st March 1959, both days inclusive.

NATIONAL IRON AND STEEL CO., LTD. Annual General Meeting, Calcutta, 31st March 1959. Dividend: Re. 0.62 per share. Transfer books will remain closed from 23rd to 31st March 1959, both days inclusive.

ALLIANCE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st March 1959. Dividend: *Nil.* Transfer books remain closed from 17th to 31st March 1959, both days inclusive.

MYSORE SUGAR CO., LTD. Annual General Meeting, Bangalore City, 31st March 1959. Dividend: 30 per cent. or Rs. 3.00 per share (includes silver Jubilee Bonus of 10 per cent. or Re. 1.00 per share), payable on and after 6th April 1959. Transfer books remain closed from 20th to 31st March 1959, both days inclusive.

SARUGAON TEA CO., LTD. Annual General Meeting, Calcutta, 31st March 1959. Transfer books will remain closed from 26th to 31st March 1959, both days inclusive.

WALCHANDNAGAR INDUSTRIES LTD. Annual General Meeting, Bombay, 14th April 1959. Dividend: Rs. 21.00 per share, payable on and from 30th April 1959. Transfer books remain closed from 21st March to 14th April 1959, both days inclusive.

OUCHTERLONY VALLEY ESTATES (1938) LTD. Annual General Meeting. Kozhikode, 24th April 1959. Dividend: 10 per cent. or Re. 0.20 per share. Transfer books will remain closed from 10th to 24th April 1959, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Annual General Meeting, Calcutta, 27th April 1959. Transfer books will remain closed from 6th to 27th April 1959, both days inclusive.

IMPERIAL TOBACCO CO. OF INDIA LTD. Second interim dividend of 2 per cent. free of income-tax, for the year ending 31st March 1959, payable on or after 14th April 1959.

METHONI TEA CO., LTD. Ad interim dividend of 10 per cent. or Re. 1.00 per share, for the year 1958. Transfer books remain closed from 21st to 30th March 1959, both days inclusive.

GROB TEA CO., LTD. Ad interim dividend of 10 per cent. or Re. 1.00 per 'A' ordinary share and Re. 0.50 per 'B' ordinary share for the year 1958. Transfer books remain closed from 21st to 30th March 1959, both days inclusive.

KILKOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Dividend of 15 per cent. on ordinary shares, for the year ended 31st October 1958. Transfer books will remain closed from 11th to 25th April 1959, both days inclusive.

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. Interim dividend of 10 per cent. or Re. 1.00 per share, for the year ended 31st December 1958. Transfer books will remain closed from 23rd to 31st March 1959, both days inclusive.

JEYPORE SUGAR CO., LTD. Dividend of 6 per cent. or Re. 0.60 per share, for the year ended 30th June 1958. Transfer books remain closed from 19th to 28th March 1959, both days inclusive.

ANDHRA SUGARS LTD. Dividend of 15 per cent. or Re. 1.50 per share, for the year ended 30th September 1958. Transfer books will remain closed from 1st to 15th April 1959, both days inclusive.

VAIKUNDAM (TRAVANCORE) RUBBER CO., LTD. Final dividend of 17½ per cent. or Re. 1.75 per share (this makes a total of 30 per cent. or Rs. 3.00 per share, for the whole year, along with the interim dividend of 12½ per cent. or Re. 1.25 per share), for the year ended 31st December 1958. Transfer books will remain closed from 7th to 13th April 1959, both days inclusive.

ALUMINIUM INDUSTRIES LTD. Interim dividend of 62 nP per share. for the year ending 31st March 1959. Transfer books remain closed from 13th to 26th March 1959, both days inclusive.

UNITED BREWERIES LTD. Interim dividend of Rs. 7.50 per share, for the year ending 31st March 1959. Transfer books will remain closed from 28th to 31st March 1959, both days inclusive.

MADURA MILLS SUFFER LOSS

ANAPARAI ESTATES PAY LOWER DIVIDEND

Madura Mills Co., Ltd.

THE directors of the above Company (Chairman: Mr. M. A. Muthiah Chettiar. Madurai) present the audited accounts of the Company for the year ended 31st December 1958.

Unfortunately the year's working shows a loss of Rs. 55,99,453 (net profit of Rs. 73,610) which is arrived at after providing for depreciation of Rs. 22,05,578 (Rs. 19,66,835) and bonus of Rs. 20,99,554 (Rs. 38,78,003) payable on the profits for the year to 31st December 1957 in accordance with the Industrial Tribunal's Award, against which the directors have appealed to the Supreme Court. An advance of Rs. 7,06,402 (Rs. 32 per head) has been paid subject always to the Supreme Court's findings. No Managers' Commission is payable, nor is any provision for taxation required other than wealth tax paid in respect of 1957. After taking into account the credit balance at profit and loss account from previous years, a net figure of Rs. 49,07,085 (credit of Rs. 33,17,740 from which a dividend of 15 per cent. was paid leaving a surplus to be carried forward of Rs. 6,92,368) has been debited to general reserve, reducing the latter to Rs. 1,20,92,915.

A brief indication of the Company's position was given in the Managers' Circular dated 8th January, 1959. The main factors involved in producing such serious and indeed alarming results were the need to liquidate the heavy stock of unsold yarn (some 24,000 bales) in the early part of the year, the considerable amounts payable in "Lay-off Compensation" (Rs. 10,89,817) when steps were taken to bring production more into line with current demand, coupled with the very large sum involved in effecting a substantial reduction in the Company's surplus labour force through a scheme of voluntary retirement for older employees (Rs. 21,35,415).

During the past ten years the Company has spent some Rs. 123 lakhs on new plant and machinery but such expenditure has been almost entirely for new lines of production as part of the Company's policy of diversifying production. During this long time a multiplicity of competing Labour Unions stood in the way of introducing reasonable workloads, a prerequisite for modernising the Company's main spindleage. In mid 1957 the award of a special Industrial Tribunal went some way towards improving our workloads, but in order to meet Government's and Unions' wishes, labour rendered surplus by the award was absorbed by increasing shift working and therefore output. This tended to coincide with changes in production of composite Mills, impinging on the competitive position of the Company's main consumers, India's handloom weavers, while new spinning units enjoying low wage rates added to the quantities of yarn already pressing on markets. Endeavours to reduce the heavy incidence of the sliding scale cost of living allowance, known as dearness allowance, by a cut in the basis were negatived by Government. January 1958 dearness allowance payable to all manual workers was Rs. 54.37 per head; in December 1958 this figure had risen by Rs. 6.57 to Rs. 60.94, making the month's bill for this item alone Rs. 12,20,632. Strict economy measures coupled with intensified sales campaigns both in India and overseas gradually bore fruit throughout the year, until with the liquidation of stocks and settling down of labour to new workloads a stage was reached whereby at last the Company could take advantage of recent technological advances and put in hand a massive modernisation scheme. Orders have been placed to the extent of Rs. 48 lakhs, others subject to import licences totalling some Rs. 58 lakhs are under negotiation, while the balance of around Rs. 120 lakhs required to complete the scheme at this stage is awaiting the disposal by the National Industrial Development Corporation of the Company's application for a loan of Rs. 125 lakhs. It is hoped modernisation will be completed by end 1960, while progressive improvement in costs is looked for from mid 1959 onwards. Side by side with taking in hand the modernisation scheme, application was also made to Government to permit the Company further to revise workloads to levels more nearly approaching the principal competitors. A Government Enquiry Team has completed its task and is reporting to Government in a short time from now. It is hoped further savings will result.

While the modernisation scheme necessarily plays a large part in building up the Company's profit earning capacity, the expansion of industrial fabric production will continue to have the Management's earnest attention. The directors have confidence that the steps taken and others in course of implementation will restore a reasonable measure of prosperity to the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,75,02,480	Gross block	5,99,75,120
Reserves ...	3,75,33,193	*Less*-Depreciation ...	4,17,59,406
Provision for taxation ...	2,273		
Liabilities ...	2,07,92,962	Net block ...	1,82,15,714
		Stock-in-trade ...	3,20,41,525
		Stores and spares ...	72,18,101
		Debts, deposits and advances ...	1,39,06,195
		Investments	37,45,379
		Other assets	61,875
		Cash ...	6,42,119
Rs.	7,58,30,908	Rs.	7,58,30,908

Anaparai Estates Ltd.

The directors of the above Company (Managing Agents: The Associated Planters Private Ltd., Mysore) present the audited accounts of the Company for the year ended 30th June 1958.

The result of the Company's working for the period under review is a profit of Rs. 5,31,342 (Rs. 6,56,550). Depreciation written off on buildings, machinery, etc. amount to Rs. 28.178 (Rs. 24,411), Company's contribution to provident fund Rs. 14,233 (Rs. 4,461) and debenture interest and income-tax payable thereon Rs. 36,283 (Rs. 30,600) leaving a net profit of Rs. 4,52,648 (Rs. 5,97,081). With the amount brought forward from last year of Rs. 50,394 (Rs. 29,165) there is a total amount of Rs. 5,03,042 (Rs. 6,26,246). Out of this provision for agricultural income-tax and Central income-tax absorbs Rs. 1,45,000 (Rs. 2,13,500) the interim dividend of 15 (15) per cent. absorbs Rs. 1,35,881 (Rs. 1,35,882) and the provision for payment of recommended final dividend at 20 (25) per cent. on ordinary shares absorbs Rs. 1,81,176 (Rs. 2,26,470) leaving a balance of Rs. 40,985 (Rs. 50,394) to be carried forward.

Crop: During the year 1957-58 coffee crop obtained was as follows: Arabica=99-7/10 (156-2/5) tons and Robusta=277-2/5 (275-2/5) tons. 47 (6) candies of pepper were harvested.

The average cost of coffee per cwt. stood at Rs. 98.68 as against Rs. 71.88 during the previous year. The higher costs are mainly due to the lower crops realised and also due to the higher costs of wages and amenities to labourers.

As pointed out in the directors' report for the year 1957, the wages to labourers and the cost of medical and other amenities provided for them are going up and consequently, the cost of production shows an upward tendency. The estimates of production of Coffee in India is placed at about 44,000 tons for the year 1958-59 and a much larger crop is expected for the season 1959-60. The consumption in the internal market has not kept pace with the increase in production and hence the Company will be forced to export a major portion of the coffee. The foreign prices of coffee having declined substantially, the price of coffee realised would be lower than the previous years. The only method of offsetting to some extent the decline in prices, is to increase the production and the directors are taking the necessary steps for this purpose, and they have pleasure to inform that the estimated crop for the season 1958-59 stands at more than 8 cwts. per acre.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,05,878	Gross block	18,18,894
Debentures ...	3,84,000	*Less*—Depreciation ...	1,68,161
Reserves ...	5,30,000		
Provision for income-tax and super-tax ...	93,958	Net block ...	16,50,733
		Stock of coffee ...	11,29,465
Provision for agricultural income-tax	4,17,066	Stock of pepper ...	28,398
Liabilities ...	12,54,164	Stores and tools ...	59,900
Profit and loss account ...	40,985	Debts, deposits and advances ...	4,71,631
		Investments	2,58,856
		Cash ...	27,068
Rs.	36,26,051	Rs.	36,26,051

Sitalpore Sugar Works, Ltd.

The directors of the above Company (Managing Directors: Mr. R. N. Datta and Mr. D. P. Ghosh, Calcutta) submit the audited accounts of the Company for the year ended 30th June 1958.

The result for the period shows a gross profit of Rs. 1,12,320 (Rs. 2,57,080) from which has to be deducted depreciation amounting to Rs. 49,807 (Rs. 83,854) and bonus Rs. 49,796 (Rs. 64,306) leaving a balance to be set off against the debit balance in the profit and loss account of Rs. 12,717 (Rs. 1,08,921).

The directors regret to report that due to uneconomic crush better result could not be shown in spite of good recovery of sugar and better average selling price realised during the period under review. Cost of production has increased and is increasing year after year due to rise in the cost of materials and railway freight.

The Company incurred a loss of Rs. 59.520 due to export of sugar under orders from the Government and this amount has been taken into account in arriving at the gross profit shown above. Government imposed price control on sugar from 30th July 1958 and later passed an ordinance (a Bill was passed by the Lok Sabha later) for compulsory export of sugar fixing a quota of 50,000 tons. The Company's factory was allotted a quota of 1,627 bags or 4.477¾ maunds of sugar for which it has suffered a loss already mentioned above. The directors could provide half of the normal depreciation due to meagre profit and lower crush of cane.

Production: Due to unavoidable weather conditions the supply of cane was not adequate during the year under review and the total crush was 17,80,750 (24,33,200) maunds only producing 1,73,517 (2,34,688) maunds of sugar with a recovery of 9.92 (9.65) per cent.

The directors are glad to inform that some machineries bought out of the loan taken from Bihar State Financial Corporation have been set up and they are in operation during the current season. Full effect will however be felt during the next crushing season.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,02,115	Gross block	32,42,065
Share premium account ...	24,060	*Less*—Depreciation ...	14,85,208
Liabilities ...	46,60,822	Net block ...	17,56,857
		Plant and machinery suspense account ...	66,787
		Stock-in-trade	23,20,692
		Stores, etc.	3,09,785
		Debts, deposits and advances ...	7,74,187
		Investments	2,27,707
		Cash ...	27,742
		Profit and loss account ...	3,03,840
Rs.	56,87,597	Rs.	56,87,597

Balrampur Sugar Co., Ltd.

The directors of the above Company (Chairman: Mr. P. L. Saraogi, Calcutta) submit the audited accounts of the Company for the year ended 30th June 1958.

The results for the period, after providing for all charges and taking into account earlier provisions no longer required, show a profit of Rs. 5,99,154 (Rs. 4,76,073 after providing taxation) to which has to be added the amount brought forward profit from the previous year of Rs. 57,702 (debit of Rs. 48,371) making a total of Rs. 6,56,856 (Rs. 4,27,702). From this amount has been deducted depreciation of Rs. 1,23,730 (Rs. 1,30,000), rehabilitation reserve Rs. 1,00,000 (Rs. 1,70,000), development rebate reserve Rs. 30,000 (*nil*) and provision for taxation (wealth tax and arrears) Rs. 2,73,711 leaving to credit of profit and loss account a sum of Rs. 1,29.415. Out of the above sum available for disposal, the directors have already paid an interim dividend which will be treated as final dividend for the year ended 30th June. 1958 at 25 (25) nP per share free of income-tax absorbing Rs. 70,000 (Rs. 70,000), leaving a balance to be carried forward to next account of Rs. 59.415 (Rs. 57,702).

During the year under review Balrampur and Tulsipur Factories worked for 148 days and 147 days against 163 days and 222 days in the previous year respectively. The sugarcane crushed by Balrampur Factory was 26,43,391 mds. as compared to 29,98,215 mds. and Tulsipur Factory 28.37,296 mds. as compared to 39,66,299 mds. during the previous season. The recovery was, however, much better at Balrampur 9.78 per cent. against 8.93 per cent. and at Tulsipur 9.83 per cent. against 9.19 per cent. in the preceding year. Comparatively higher recovery has to a certain extent compensated the loss from lower cane crushing. As stated in the last report, the lower crushing is to be attributed to drought in the area.

In the current year a still lower crushing of about 22,00,000 mds. is expected at Balrampur and 19,00,000 mds. is expected at Tulsipur due to the standing crop having been seriously damaged by severe drought in the area. With this fact in view, the directors have thought it prudent to treat the interim dividend declared for the year under review as final dividend, to conserve the resources of the Company.

Investigations for extensions and reconstructions of some of the machines at both the factories have been made and steps are being contemplated for increasing their efficiency in the next season.

In order to earn foreign exchange by exporting Sugar out of India, the Government of India issued an Ordinance viz. Sugar Export Promotion Ordinance 1958 on 27th June 1958 and subsequently, Sugar Export Promotion Act 1958 was passed by the Parliament. Under this Act, the Balrampur Factory was allotted a quota of 2,382 bags and Tulsipur Factory was allotted a quota of 2,569 bags against their production of the season 1957-58.

Further, the Government of India by an order issued on 30th July 1958 under the Sugar (Control) Order 1955 imposed restrictions on the distribution and price of sugar sold by the Sugar Mills in North Bihar, Uttar Pradesh and Punjab. The Company's Factories being situated in Uttar Pradesh are affected by the Control which is still continuing.

The directors regret to report that the application made by the Company for consent to issue bonus shares has not been granted by the Controller of Capital Issues.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,00,000	Gross block	43,47,523
Reserves ...	16,60,406	*Less*—Depreciation ...	32,35,804
Provision for taxation including wealth tax	4,73,149	Net block ...	11,11,719
Liabilities ...	68,83,067	Work-in-progress ...	10.056
Profit and loss account ...	59,415	Stock-in-trade	57,35,711
		Stores, etc. ...	9,94,631
		Debts, deposits and advances ...	12,92,084
		Investments	11,78,020
		Cash ...	1,53,816
Rs.	1,04,76,037	Rs.	1,04,76,037

Alliance Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st May 1958.

The loss for the year after providing for depreciation Rs. 1,98,230 (Rs. 1,37,532), amounts to Rs. 2,94,910 (Rs. 5,76,813) to which has to be added the debit balance brought forward from the previous period of Rs. 5,74,381 (credit of Rs. 34,402), West Bengal Sales Tax relating to previous period Rs. 8,493 (Rs. 12,537) forfeited dividends paid Rs. 38 (Rs. 129) and income-tax in respect of previous period Rs. 11,000 (*nil*). Thus there remains a debit balance of Rs. 8,88,822 (Rs. 6,17,630). From this must be deducted the amount overprovided in liability in respect of previous period written back of Rs. 14,357 (Rs. 8,847), dividends forfeited Rs. 3,275 (*nil*) and refund of managing agents' commission Rs. 25,000 (*nil*) leaving a debit balance of Rs. 8,46,190 (Rs. 5,74,381) to be carried forward.

The figures in brackets relate to the period 11 months ended 31st May 1957.

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st May 1958, have been valued at market rates.

In compliance with the working time agreement, Jute Mills in membership of the Indian Jute Mills Association continued to work 48 hours per week throughout the year with 12½ per cent. of the looms sealed. The Company's North Mill remained closed during the period covered by this report and the loom hours were utilised by the South Mill which worked 553 looms on double shift, i.e., 96 hours per week.

Partial modernisation of the sacking weft machinery has been carried out, and an application has been made to the National Industrial Development Corporation Ltd. for a loan of Rs. 15,83,900 to complete the modernisation of the sacking weft and sacking warp machinery.

Savings in labour costs and better working results lead us to believe that improved financial results will be seen in the near future.

During the financial year under review trading conditions continued to be difficult. While the hessian stock position was sound, sacking stocks increased considerably towards the end of the period, and prices were forced down to uneconomic levels by speculators. However, the introduction of minimum prices on 26th February 1958, by the Indian Jute Mills Association arrested the decline.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Gross block	1,25,15,910
Reserves ...	5,25,000	*Less*—Depreciation ...	97,60,831
Provision for taxation ...	16.000		
Liabilities ...	43,77,250	Net block ...	27,55,079
		Stock-in-trade	34,68,239
		Stores and spare parts	10,59,181
		Debts, deposits and advances ...	9,22,037
		Investments ...	2,10,000
		Cash ...	1,57,524
		Miscellaneous expenditure and losses -	8,46,190
Rs.	94,18,250	Rs.	94,18,250

Azam Jahi Mills Ltd.

The directors of the above Company (Managing Agents: Mr. C. S. Tyabjee, Hyderabad, Andhra Pradesh) present the audited accounts of the Company for the year ended 30th September 1958.

The accounts for the year show a loss of Rs. 388 (profit of Rs. 1,78,275) after crediting a sum of Rs. 1,19,236 (*nil*) received as refund of British India Income Tax relating to previous years and providing a reserve of Rs. 30,000 (*nil*) for development rebate and Rs. 5,000 (Rs. 5,000) for donation to charities. This loss has been deducted from Rs. 6,710 (Rs. 95,435) brought forward from the accounts of the previous year and the balance of Rs. 6,322 (Rs. 6,710 after placing Rs. 15,000 to reserve for investments and paying a dividend of Rs. 3.50 per share absorbing Rs. 2,52,000) is carried over to the next year's account. In the absence of profit, the directors could not recommend any dividend for the year under review nor could they provide for depreciation on assets.

Trading conditions: The Textile Industry as a whole has seen a full year of most uneconomic conditions. The cost structure has risen on account of increase in prices of cotton consumed, colours and chemicals, fuel, etc. The advance in cost had not been accompanied by a corresponding rise in cloth and yarn prices. On the contrary, mills have had to reduce prices with a view to stimulating consumption. There was a marked fall in mill cloth production in the country brought about by putting looms out of commission, by closure of shifts and in certain cases, by complete closure of the mill. The directors are of the opinion that the result of the year's working in the case of the Mill should not be considered unsatisfactory under such adverse conditions.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	72,00,000	Gross block	1,89,74,579
Reserves ...	18,19,271	*Less*—Depreciation ...	68,27,598
Provision for taxation ...	7,97,000		
Liabilities ...	1,48,08,130	Net block ...	1,21,46,981
Profit and loss account ...	6,322	Stock-in-trade	74,92,247
		Stores and loose tools	16,09,628
		Debts, deposits and advances ...	8,65,196
		Other assets	51,948
		Investments	23,51,218
		Cash ...	1,13,505
Rs.	2,46,30,723	Rs.	2,46,30,723

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

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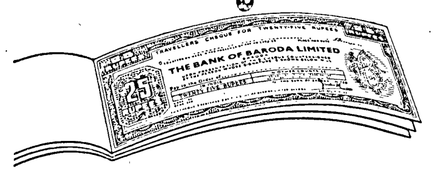

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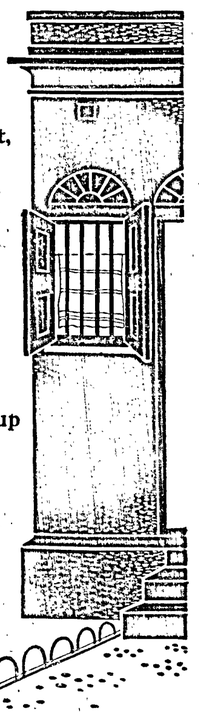
THE BANK OF BARODA LIMITED

Estd: 1908

Head Office: Baroda

BBT. 7566

Morning breaks—
bustle in home,
the kitchen fire is lit,
children are dressed
for school,
the tiffin box
for the office
is prepared,
bustle ends,
now the housewife
can relax over her cup
of refreshing tea!



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I am the friend of the family

TEA BOARD INDIA

PST 213

THE BANK OF INDIA, LIMITED

(*Concluded from page 458*)

Plan can really succeed and be of benefit to the country is to see that every humanly possible effort is made not to have any unnecessary waste or extravagance and also to see that there is no corruption. If that is not done, the Five-year Plan will be the greatest disaster to the country, instead of being of ultimate benefit to the millions of its population. At a time when India will continue to need foreign assistance to a considerable extent, it is to be hoped that the Government will so formulate their policy as to remove any misgivings abroad and to inspire greater confidence amongst India's creditors. One sure way of creating this confidence is to see that the crores of rupees which have been borrowed will be wisely spent and that India gets full value for its money.

"I regret to have to tell you that Sir Joseph Kay, K.B.E., who had been a Director of the Bank for 37 years, died on 1st October 1958. Sir Joseph was an experienced man of business. He rendered valuable service to the Bank over a long period. Since the close of the year, we also have to mourn the death, on 23rd January last of another Director, Sir Vithal Chandavarkar. Sir Vithal joined our Board only on 12th October 1956, but he brought to our deliberations a mature experience of industry and banking.

"During the year 1958, at the invitation of the Board of Directors, Mr. Jugmohan Prasad Goenka accepted a seat on the Board. Mr. Jugmohan Prasad Goenka is an active partner of the old-established firm in Calcutta of Messrs. Ramdutt Ramkissendass. He is no stranger to the Bank. From 1930 until he joined the Board recently he was a member of our Calcutta Branch Local Committee. At all times, he has been most helpful to us with advice and assistance. We consider that he would be able to confer upon the direction of the Bank's business a considerable breadth of experience. Under the law and the Bank's Articles of Association, he holds office up to the date of this meeting and his election is before you on the agenda today.

"I record with pleasure our appreciation of the help rendered during 1958 by our Local Committees at various centres. I would also express our thanks to our General Manager, Mr. T. R. Lalwani, for his able management of our affairs. I would extend our thanks to the staff who assisted Mr. Lalwani in dealing with the Bank's business during the year."

Note.—This does not purport to be a report of the proceedings of the Annual General Meeting.

Notice

THE BOMBAY DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE

THE ANNUAL GENERAL MEETING OF The Bombay Dyeing and Manufacturing Company, Ltd., will be held at the Registered Office of the Company, Neville House, Ballard Estate, Bombay, on Thursday, the 16th April 1959, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report, and the audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1958.
2. To sanction the declaration of a Dividend.
3. To appoint a Director in the place of Mr. H. R. Batlivala who retires by rotation, and being eligible offers himself for re-appointment; and to consider and, if thought fit, to pass the following resolution as a Special Resolution in respect of which a Special Notice, as required by Sections 190 and 261 of the Companies Act, 1956, has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, Mr. H. R. Batlivala who retires by rotation and is eligible for re-appointment, and who is a Director, Officer, Member and an Associate of Messrs. Nowrosjee Wadia and Sons (Private) Ltd., the Managing Agents of the Company, be and is hereby re-appointed a Director of the Company."
4. To appoint a Director in the place of Mr. N. M. Wagle who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors for the current year and to fix their remuneration.
6. And for the purpose of considering, and if thought fit, to pass (with or without amendment as may be permissible) the following Resolutions as Special Resolutions:—

   SPECIAL RESOLUTIONS

   I. RESOLVED that the Company hereby approves of a Contract being entered into between the Company and Messrs. Ghia Pallonji & Co., Bombay (who are or may be deemed to be Associates of the Managing Agents, and one of whose partners is a Director of the Company) in terms of the draft placed before the Meeting, and for the sake of identification initialled by the Chairman of the Company, to be operative till one month after the Annual General Meeting of the Company in the year 1962, in respect of purchases of chemicals and such goods in which they trade or do business in or may trade or do business in as well as in respect of sales to them by the Company of goods produced, dealt in or owned by the Company and in respect of the supply or rendering of any service by either to the other.

   II. RESOLVED that the Company hereby approves of a Contract being entered into between the Company and Messrs. Eastern Cotton Co. (who are or may be deemed to be Associates of the Managing Agents) in terms of the draft placed before the Meeting, and for the sake of identification initialled by the Chairman of the Company, to be operative till one month after the Annual General Meeting of the Company in the year 1962, in respect of purchases of cotton and/or kapas and such goods in which they trade or do business in or may trade or do business in as well as in respect of sales to them by the Company of goods produced, dealt in or owned by the Company and in respect of the supply or rendering of any service by either to the other.

   III. RESOLVED that the Company hereby approves of a Contract being entered into between the Company and Messrs. Shapoorji Pallonji & Co., Private Ltd. (who are or may be deemed to be Associates of the Managing Agents, and one of whose Directors is a Director of the Company) in terms of the draft placed before the Meeting, and for the sake of identification initialled by the Chairman of the Company, to be operative till one month after the Annual General Meeting of the Company in the year 1962, in respect of any building, or construction work and/or any work of repairs and/or supply of building materials and such goods in which they trade or do business in or may trade or do business in as well as in respect of sales to them by the Company of goods produced, dealt in or owned by the Company and in respect of the supply or rendering of any service by either to the other.

Explanatory Statement under Section 173 annexed in respect of the above Resolutions.

The drafts of the Contracts referred to in Special Resolutions Nos. I, II and III are open for inspection by any Member at the Registered Office of the Company on all working days from 10-30 a.m. to 1 p.m.

By Order of the Board,
NOWROSJEE WADIA & SONS (PRIVATE) LTD.,
NEVILLE N. WADIA,
Director,
Managing Agents.

BOMBAY, 9*th March*, 1959.

Notes.—(a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(b) The Share Transfer Books of the Company will remain closed from Monday the 23rd March 1959, to Thursday the 16th April 1959, both days inclusive.

(c) The Dividend when declared will be made payable at the National and Grindlays Bank Ltd., Bombay, on or after the 27th April 1959, to those members whose names stand on the Register of the Company on the 16th April 1959, and the Dividend Warrants will be duly posted to them.

(d) The Members are requested to notify immediately any change of address to the Company.

ANNEXURE TO THE NOTICE

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

Item No. 3.—Mr. H. R. Batlivala is a Director of the Company, who retires by rotation and is eligible and offers himself for re-appointment. A Special Notice as required under Section 190 and Section 261 of the Companies Act, 1956, has been received from a member proposing the appointment of Mr. H. R. Batlivala as a Director in accordance with the provisions of Section 261. As set out in the Special Notice received by the Company, the reasons which make it necessary to pass a Special Resolution are *inter alia* as under:—

The Managing Agents of the Company, Messrs. Nowrosjee Wadia and Sons (Private) Ltd., are authorised by Articles 99 and 100 respectively of the Articles of Association of the Company to appoint its Governing Director as ex-Officio Director and another person as a Special Director on the Board. Since Mr. H. R. Batlivala is a Director, Officer, Member and an Associate of the Managing Agents, his appointment as a Director of the Company, who retires by rotation, can only be made by a Special Resolution of the Company in terms of Section 261 of the Companies Act, 1956. Mr. H. R. Batlivala joined the Board of the Company in June 1953 and has been a Director of the Company since then. Mr. Batlivala has been associated with the management of the affairs of the Company since July 1951 as a Director of the Managing Agents, Messrs. Nowrosjee Wadia and Sons (Private) Ltd., and has considerable administrative experience and technical knowledge having been actively connected with the textile industry for the last 26 years. As it is in the interests of the Company that the Board should continue to receive the benefit of his experience, advice and guidance, it is desirable that he be re-appointed a Director.

Item No. 6.—Special Resolutions Nos. I, II and III in Item No. 6 above, are for the purposes of approving Contracts being entered into between the Company and Messrs. Ghia Pallonji & Co., Messrs. Eastern Cotton Co. and Messrs. Shapoorji Pallonji & Co. Private Ltd. respectively. Mr. Pallonji Shapoorji Mistry, one of the Directors of the Managing Agents, Messrs. Nowrosjee Wadia and Sons (Private) Ltd., as from 23rd July 1958 and also a member of that Company, who is also a Director of the Company, is a partner in the firm of Messrs. Ghia Pallonji & Co., Mr. Mistry is also a Director of Messrs. Shapoorji Pallonji & Co. Private Ltd. Messrs. Eastern Cotton Co. is "an Associate" of the Managing Agents as defined in Section 2(3) (*d*) of the Companies Act, 1956. Messrs. Ghia Pallonji & Co. have been the sole distributors of Messrs. Tata Chemicals Ltd. for several years, and as you may be aware, the products of Messrs. Tata Chemicals Ltd. purchased from Messrs. Ghia Pallonji & Co. have been extensively used by the Company for the last many years. Messrs. Eastern Cotton Co. are dealers in cotton and the Company has made purchases of cotton and/or kapas from them in the past. Messrs. Shapoorji Pallonji & Co. Private Ltd. are reputed building contractors. The Company has purchased and will continue to purchase chemicals from Messrs. Ghia Pallonji & Co., and it may have occasion to purchase cotton and/or kapas from the Eastern Cotton Co., and it may have occasion to entrust building and construction and/or repair work or other similar work to Messrs. Shapoorji Pallonji & Co. Private Ltd. In these circumstances, as required by the Companies

(*Continued on page 477*)

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 18*th March*

There have been no new developments in the short-term money market this week. The demand for funds continues to be good and the supply is scarce. Stringency, therefore, persists. Interest rates are unchanged. Inter-bank call is 3½ per cent. among the big Indian banks and Exchange banks and 3¾ per cent. among the smaller banks. House money at seven days' notice is 3¾ per cent. Deposits for one to three months fetch 3¾ to 3¾ per cent. and those for over three months 4 per cent. With tax payments falling due by the end of this month and with demand for funds for financing trade continuing, the stringency is expected to last at least until the second week of April 1959.

The absence of lenders in the money market and the continued preoccupation of banks with the financing of seasonal trade are fully reflected in the Treasury Bill results for this week. The amount offered at Rs. 2 crores was exactly the same as the amount invited. This suggests that these bills must have been taken up by special sources, presumably the State Bank of India. Nevertheless, the average rate of accepted tenders has gone up further; it was 2.720 per cent. per annum this week as against 2.680 per cent. in the past week and 2.530 per cent. in the week ended 14th February 1959. Undeterred by the progressive rise in the cost of these Bills, the authorities have invited tenders for the same amount for the next week too. They also propose to keep on sale Intermediate Treasury Bills between 18th and 21st March 1959 at an average rate of 2,656 per cent., even though there was no demand for them during the week under review.

The notes in circulation have, according to the Reserve Bank's statement for the week ended 13th March 1959, moved up further by Rs. 7.19 crores, their total being only Rs. 4 crores below Rs. 1,700 crores. As notes held in the Banking Department have also risen by Rs. 2.63 crores, the total notes issued have gone up by nearly Rs. 10 crores to Rs. 1,707 crores. This increase has been balanced by an addition of Rs. 9.98 crores in rupee securities and a negligible fall of Rs. 15 lakhs in rupee coins. There has been no change in the foreign securities held by the Issue Department. But, as the balances held abroad in the Banking Department have gone up by a small sum of Rs. 40 lakhs, the total of our foreign assets is a shade better at Rs. 211.27 crores. The deposits of the Central Government are up by Rs. 14.19 crores, but those of other Governments have gone down by Rs. 1.25 crore. Banks' deposits have improved by Rs. 2.37 crores. Bills payable have fallen by Rs. 3.19 crores. Loans and advances to Governments are higher by Rs. 2.89 crores and so also other loans and advances by as much as Rs. 10.24 crores. Almost the whole of this increase seems to be due to borrowings by banks against their Gilt-edged securities, for the total advances against usance bills have gone up by only Rs. 63 lakhs to a little over Rs. 6 crores. Investments have receded by Rs. 10.22 crores but the holdings of Government Treasury Bills have jumped up by over Rs. 6 crores to Rs. 10.39 crores.

The Scheduled banks' statement for the week ended 6th March 1959 clearly reflects the stringency that prevailed in the money market during that week. Both demand and time deposits have fallen by Rs. 1.83 crore. Borrowings from the Reserve Bank, as well as the State Bank, have gone up by Rs. 4.69 crores and Rs. 2.50 crores respectively. Advances and bills have jumped up by Rs. 11.68 crores. Total cash balances have been depleted by Rs. 9.10 crores, but investments have been raised by Rs. 8.76 crores.

The Gilt-edged market is ruling extremely dull, with hardly any business passing in the loans of the Central Government. The Reserve Bank of India has made no changes in its buying and selling rates. The only loans that have been in request are the 4 per cent. and 4½ per cent. issues of State Governments. But even among these the turnover is not large, as sellers are scarce.

Sterling has been ruling firm. The spot rate in the New York market has gone up from $2.81½-2.81-3/16 to $2.81¼-2.81-5/16; in fact, at one time it saw a high of $2.81⅜. Three months forward has also gained in strength by 5/32c. and so also six months forward by 3/32c., both being at a slight discount under spot. The closing rate for three months was $2.81-5/32-2.81-7/32. It was $2.80-31/32-2.81-1/32 for six months forward. In keeping with the rise in the value of sterling thus, the rupee also has strengthened a bit in terms of U.S. dollar. Banks' buying rate for ready dollars is Rs. 472.50 per $100 and the selling rate is Rs. 475.75 per $100, the corresponding rates a week ago being Rs. 472.75 and Rs. 476.25 respectively.

GOOD GENERAL DEMAND FOR TEAS

(From Our Own Correspondent)

CALCUTTA, 17*th March*

The total offerings of tea chests at the internal sale held on the 11th inst., amounted to 21,458. The demand was generally keen. Good medium and best categories enjoyed sizable buying support and fetched better prices. Selected teas of orthodox descriptions were sold at a small premium. Legg cut teas were irregular around valuations. Teas of fibrous leaf and end of season description encountered selling and lost up to 4 nP per lb. Some quantities of Darjeeling teas on offer were withdrawn, as demand was slack. Poorer types were sold readily, though at slightly reduced prices. Demand for C.T.C. teas was selective, depending on quality and leaf appearance. Clean leaf mediums were easier by 6 nP. Poorer sorts were also easier.

The latest available quotations in rupees per lb. (exclusive of excise duty) for a few popular varieties of tea are: Medium Dooars Dust 1.78-1.80; Medium Assam Grainy Dust 1.72-1.76; Medium Assam C.T.C. Dust Re. 1.95-2.10; Best Assam C.T.C. Dust 2.60-3.00 (nominal).

Leaf teas on offer aggregated 3,756 chests. Barring the few lines of green teas which were sold readily at prices around valuation, C.T.C. and orthodox grades failed to elicit adequate support and declined by 10 nP to 15 nP per lb.

Export offerings aggregated 68,500 packages. General demand was somewhat good. Clean black exportable fannings were dearer, as were poorer C.T.Cs and stylish whole leaf. Bright orthodox Assam B.O.Ps and O.Fs were well supported, while poorer B.O.Ps were difficult to sell. Good C.T.Cs changed hands at slightly lower rates. Plain and medium shed 4 nP to 8 nP.

Business in export quota was done at 1¾ nP-1¾ nP.

The average price realised at the London tea auctions held recently was 50.16d. per lb., as against 50.28d. in the previous week and 53.62d. in the corresponding week last year. The U.K. tea stocks in London and provincial warehouses during the week ended 6th March were of the order of 170.57 million lbs., as against 171.35 millions in the week preceding it. The total afloat was over 16.78 million lbs.

BULLION BUOYANT

(From Our Own Correspondent)

BOMBAY, 18*th March*

Buoyant conditions prevailed in the bullion market during the week under review. Silver evoked renewed buying support induced by tight supply position, thanks to continued good offtake in the wake of poor arrivals. In sympathy with the white metal and on reports of a decline in floating stocks, gold also ruled strong. The decline in stocks is attributed partly to the virtual absence of contraband gold arrivals and partly to the continued absence of Mysore gold supplies which are being taken up by the Central Government for well-nigh eleven months. The operators noted the Union Deputy Finance Minister's statement in Parliament this week that the scheme to issue gold bonds was still under the consideration of the Ministry. The statement, however, had no effect on the market.

An important event of the week was the imposition of a margin at the rate of Rs. 10 per tola on the bulls under the by-laws which came into force automatically when the *budli* rates reach a particular level. On Tuesday, the *budli* payable by bears (called backwardation, in technical parlance) exceeded As. 8 per tola and thereby attracted the margin as noted above.

In the silver section, March settlement spurted from Rs. 197-14 last week to touch a high of Rs. 199-14 on Monday. After receding to Rs. 198-15 on the same day owing to profit-taking, it recovered gradually to Rs. 199-10 today before finishing at Rs. 199-2. The net gain over the week was Re. 1-4. April settlement moved up from Rs. 197-5 to Rs. 199-15-6 but closed lower at Rs. 199-5. The carry-forward charge in favour of bulls widened further during the week from As. 9 to As. 13.

Ready silver opened the week at Rs. 197-14 and advanced on good buying orders to Rs. 199-10 yesterday. Today, however, it was easy at Rs. 199-5. The daily average arrivals and offtake of silver were 9 bars and 11 bars, respectively. The floating stocks of silver are estimated at 800 bars.

March settlement in gold was well supported, the quotation rallying from Rs. 118-4 to Rs. 119-0-6 before finishing at Rs. 118-14. April settlement recorded a rise of As. 6½ over the week to close at Rs. 118-4 today. The carry-forward charge in favour of bulls yesterday and today was As. 10, as against As. 5½ last week-end.

Ready gold rose from Rs. 118-11 to Rs. 119-5 on Saturday. This was short of the all-time high of Rs. 120-1 recorded on 6th May 1950 by only As. 12. After declining to Rs. 118-12 on Monday, it recovered to Rs. 119-2-6 yesterday. Opening at Rs. 119-2 today, it finished at Rs. 119. The daily average arrivals of gold were 4,500 tolas, while offtake was 4,000 tolas per day. The floating stocks of gold are reported to be about 25,000 tolas.

Ready and forward silver in London were unchanged throughout the week at 79¾d. and 79¾d., respectively. Gold, however, declined from 249s. 4½d. to 249s. 4½d. Silver at New York stood unchanged at 91.375 cents per fine ounce.

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

	18-3-59	Highest	Lowest	11-3-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	119 0	119 5	118 6	118 1
Forward*	118 14	119 0½	117 15	118 4
Sovereign	75 8	75 8	75 2	75 0
SILVER				
Ready (.996 fine Mint) ..	199 5	199 14	196 7	197 14
Forward†	199 2	199 10	197 5	197 14
London Silver Ready ..	79¾d.	—	—	79¼d.
London Forward	79¾d.	—	—	79¼d.
London Gold	249s. 2½d.	249s. 4½d.	249s. 2½d.	249s. 4½d.
New York Silver	91.375c.	—	—	91.375c.

* 23rd March settlement. † 24th March settlement.

SETBACK IN COTTON

(From Our Own Correspondent)

BOMBAY, 18*th March*

The cotton futures market, after having ruled distinctly firm during the first two days of the week under review, suffered a sharp setback on Saturday, shedding most of the previous gains. The downward trend gathered momentum in subsequent session and persisted till the close today. The earlier firmness was influenced by strong advices from the spot market. The news that not a single bale of cotton was tendered against the March contract on the 12th inst., the fourth notice day, also imparted strength to the market. The high level of prices, however, attracted liquidation. Reports of credit squeeze being applied to co-operative societies indicating the possibility of large-scale release of cotton stocks held by them, the downward revision of the tendering differences and appeal results which were said to be in favour of sellers, brought forth further selling pressure. Price of both the contracts consequently declined, the decline being more marked in the case of the May contract. The closing rate of the March contract, was, however, higher than last week-end quotation.

I.C.C. Moglai Jarilla March 1959 opened the week higher at Rs. 683.25 and, after rising to Rs. 688 on Friday, declined to Rs. 679.50 yesterday. Commencing at Rs. 680 today, the contract receded to Rs. 677 and closed at that rate. Tenders against the contract on the 16th inst., aggregated 200 bales; total to date: 850 bales.

I.C.C. Moglai Jarilla May 1959 commenced the week's trading at Rs. 679 and, after moving up to Rs. 684.50 the next day, eased to Rs. 674 yesterday. Opening at Rs. 677.25 today, the contract receded to Rs. 673.50 but closed higher at Rs. 674.25.

The trend of prices of the contracts is indicated below:

(In rupees per candy of 784 lbs.)

	18-3-59	*High*	*Low*	11-3-59
I.C.C. Moglai Jarilla March 1959 ...	677	687.50	677	675.50
I.C.C. Moglai Jarilla May 1959 ...	674.25	684.50	673.50	675.50

In the spot section, firm conditions prevailed early in the week. There was keen demand for good quality cotton, especially staple styles. CO2, Digvijay and Kalyan were much sought after and rates hardened. Surti, Vijay, Kala and Wagad also attracted attention. Towards the close of the week, activity slowed down. Price also tended to ease.

The export section was active at the beginning of the week. Brisk inquiries were noted for Bengal *Deshi* but business reported was small.

In the foreign section, mill interest was noted in Sudan and East African varieties. Selected Sudanese styles came in for business. East African Busoga and B.P. 52 changed hands at prices ranging from Rs. 1,070 to Rs. 1,075 and Rs. 1,120 and Rs. 1,125 respectively. Mills were eagerly awaiting the release of a fresh import quota for 30,000 bales of cotton stapling 1-3/16" and above, divided equally between Egyptian and Sudan cotton. Details of this quota are reported to have been finalised. The entire quantity, it is said, will be imported under the textile export incentive scheme.

The latest available spot quotations from Sewri are—in rupees per candy of 784 lbs.—as follows:

Bengal *Deshi* 690; Berar Jarilla 760; Khandesh 830; Vijay 960; Jaydhar 950.

The Karachi cotton market ruled fully steady during the week under review. The expiring March contract received support which was influenced by tender considerations. The brisk buying noticed in the May contract last week tapered off. Nevertheless, values ruled fully steady. N.T.R.G. March improved from Rs. 53-8 last week-end to Rs. 54-6-6. The May contract was quoted at Rs. 56-2. Steady conditions prevailed in the spot section also. Exports of cotton from Karachi from 1st September 1958 to 5th March 1959 aggregated 420,039 bales, as compared with 331,474 bales during the same period last season.

Conditions in the Alexandria cotton futures market remained unchanged. Foreign demand was slack and price fluctuations narrow. Prices would appear to have stabilised round 71 tallaris for the long-staple Karnak contract and 61 tallaris for the medium-staple Ashmouni contracts. Shipment of cotton from 1st September 1958 to 4th March 1959 aggregated 483,573 bales (of 720 lbs. each), as against 364,797 bales during the corresponding period of last season. This comprised: Karnak 58,020 bales. Menufi 275,762 bales, Giza 30 15,769 bales, Dendera 39,299 bales, Ashmouni 88,156 bales and other varieties 6,567 bales. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: March 71.00; May 71.25. *Ashmouni*: April 61.80; January 61.85.

Cotton futures values in Liverpool scored handsome gains during the week. Commission House and trade support and a fairly large volume of investment buying imparted strength to the market. Both the American and American type contracts commanded higher prices. Sudan contracts ruled quiet and values remained unchanged.

The following are the latest available quotations—in pence per lb.—from Liverpool:

American Cotton One Inch Staple Contract: March-April 22.40; May-June 22.00; July-August 20.40; October-November 19.35. *American Cotton Mixed Growth Contract*: March-April 23.15; May-June 22.40; July-August 22.25; October-November 19.20. *Sudan*: May-June, July-August, September-October 22.00.

The New York cotton futures market ruled easy during the week. Increased hedge pressure and

liquidation by New Orleans operators were not fully absorbed by spot house buying and short covering. Values consequently receded.

The Commodity Credit Corporation sold under the current export sales programme a further quantity of 46,523 bales, making the total sold thus far 2,040,607 bales. The average price accepted for Middling one inch cotton at average location was 28.50 cents per pound, which was 9 points higher than at the previous sale. Registrations under the payment-in-kind programme aggregated 247,008 bales. The total Government-controlled stocks of cotton at present are approximately 7.9 million bales made up of 6.5 million bales in the Government Loan programme and 1.4 million bales of cotton owned by the Commodity Credit Corporation.

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

(In cents per lb.)

	17-3-59	10-3-59	3-3-59
Spot	35.65	35.70	35.75
March	35.38	35.41	35.59
May	34.46	35.41	35.59
July	32.16	34.63	34.72

YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, 18*th March*

The yarn market ruled bearish during the week under review. Art silk yarns encountered heavy selling pressure on fears of large arrivals of foreign yarns against licences issued under the Export Promotion Scheme. Consequently, prices suffered a setback. Staple fibre yarns were quiet. There were reports that several local and South Indian mills had offered for sale sizable quantities of 2/40s yarns at reduced prices. Cotton yarns were dull, as demand from powerloom and handloom weavers was at a low ebb.

Cupressa Bamberg art silk yarn (60 x 1) April delivery came in for selling and fell by Rs. 24 to Rs. 1,548. June delivery dropped Rs. 10 to Rs. 1,543. Spot yarns (60 x 1) moved down by 37 nP to Rs. 7.75. 120 Japan, 150 Japan, 120 Italy and 150 Italy shed 6 nP each to Rs. 4.84, Rs. 4.91, Rs. 5 and Rs. 5.19, respectively. Among indigenous yarns, National Rayons 120 bright cones first grade receded by 15 nP to Rs. 4.41. National Rayons 150 bright cones first grade eased by 4 nP to Rs. 4.26.

In the staple fibre yarn section, spot 40 x 2 Citys lost 2 nP to Rs. 3.20. Centurys were dull at Rs. 3.25. Among foreign yarns, Paramounts climbed down by 25 nP to Rs 7.62. Fujis were quoted 9 nP lower at Rs. 8.25. 40 x 2 April delivery, however, gained Rs. 2 to Rs. 631. June delivery gathered a rupee to Rs. 637.

Among cotton yarns, ten counts Moderns were quiet at Rs. 13.37 and Podars at Rs. 12.19. Twenty counts Hinds were unchanged at Rs. 16, as also Moderns at Rs. 16.25 and Seksarias at Rs. 15.50. Among forty counts, Moderns were stagnant at Rs. 26. Minaxis, however, gathered 3 nP to Rs. 25.28. Sixty counts Finlays changed hands at Rs. 65, same as last week. Among eighty counts, Finlays were dull at Rs. 81 and Citys at Rs. 67.50.

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

	18-3-59	11-3-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg April	1,548	1,572
" June	1,543	1,553
(per case of 200 lbs.)		
60/1 Cupressa Bamberg spot (per lb.)	7.75	8.12
120 Japan (per lb.)	4.84	4.90
150 Japan (per lb.)	4.91	4.97
120 Italy (per lb.)	5.00	5.06
150 Italy (per lb.)	5.19	5.25
Staple fibre yarn—		
40 x 2 April (per case of 200 lbs.)	631.00	629.00
40 x 2 June ... (— Do —)	637.00	636.00
40 x 2 Century (per lb.)	3.25	3.25
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern	16.25	16.25
40s Minaxi	25.28	25.25
60s Finlay	65.00	65.00
80s City	67.50	67.50

MARGIN IN CASTORSEED

(From Our Own Correspondent)

BOMBAY, 18*th March*

In order to check the pronounced buoyancy in the oilseeds market, the Forward Markets Commission has directed the local Oilseeds Exchange to impose a margin on open 'long' position in castorseed with effect from the 13th inst. The rates of margin, which will be applicable on a slab basis, will be Rs. 15 per candy when the price of hedge contract rules above Rs. 165 per candy; Rs. 30 per candy when the price is above Rs. 175; and Rs. 45 per candy when it is above Rs. 185. The Commission's directive stated that during the delivery period the rate of margin would be Rs. 92.50 per candy if the price ruled above Rs. 185. A similar margin with suitable local adjustments would become operative in the two other recognised castorseed trading centres of Hyderabad and Ahmedabad. The margin considerations do not seem to have made any marked impression on the market, except for a short period. Thus the margin has failed to curb the upward trend in the market.

The groundnut section was particularly buoyant in the face of sustained restricted arrivals of seeds from the terminal centres and continued support given by crushers and *vanaspati* manufacturers. The anxiety of the Government of India to go ahead with the export promotion drive for oilseeds will have, it seems, only a negative effect, in that it will render domestic prices out of parity with world prices. Virtual boom conditions ruled in the groundnut section; the futures contract gained Rs. 6 over the week. May 1959 contract which closed last week at Rs. 184.25 shot up by Rs. 4.50 the following day. Fear of further intervention by the F.M.C. in the groundnut section brought down the prices slightly. But the contract staged a smart recovery subsequently and closed today at a new high of Rs. 190.25. Bold ready advanced from Rs. 37.50 to Rs. 38.50. Oil ex-mill, after moving within a narrow range, closed today at Rs. 20.19, as against Rs. 19.62 last Wednesday.

The castorseed section, despite the margin, witnessed cheerful conditions. In the beginning of the week, the prices registered substantial increase under the leadership of groundnuts. Reports of export business in oil and the favourable technical conditions imparted strength to castorseed and oil. The margin level is far above the current prices and nothing prevents the traders from rigging up the prices, below the margin level of Rs. 165. Castorseed, which closed last week at Rs. 158.37, gained overnight by Rs. 2.50 to touch Rs. 160.62 on Thursday. Later it declined to Rs. 156.87, but recovered to close today at Rs. 158.75. Ready Madras moved between Rs. 30.50 and Rs. 31.12 and wound up the week at Rs. 30.87. Oil B.S.S. advanced from Rs. 16.62 to Rs. 16.81.

Linseed, in sympathy with other oilseeds, made considerable gains. The rise in prices would have been more pronounced, but for increased upcountry selling and lack of good support. There were reports of export business, particularly in linseed cakes. The May contract rose from Rs. 32.81 to Rs. 33.44 on Thursday. It moved irregularly in subsequent sessions and closed today at Rs. 33.37. Bold ready improved by about 37 nP to Rs. 33.00. Similarly, oil hardened from Rs. 16.37 to Rs. 16.81.

The cottonseed section too was distinctly bullish. A trade notice issued by the Joint Chief Controller of Imports in Bombay on the 14th inst. says that the Government of India has decided to release a fresh quota of 10,000 tons of undecorticated cottonseed oilcake for export by all shippers without any restrictions of maximum shipment by an individual shipper for the period March-September 1959. The notice adds that licensing will be done on shipping bills supported by documentary evidence of firm sale contract upto the end of September 1959 or till the ceiling is reached, whichever is earlier. The cottonseed May 1959 contract which closed last week at Rs. 128.25, after moving both ways in a narrow range, toed the line of the other oilseeds, and closed today on a firm note at Rs. 13.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	18-3-1959	11-3-1959	4-3-1959
	Rs.	Rs.	Rs.
Groundnut			
May 1959	190.25	184.25	179.87
Bold ready	38.50	37.50	36.12
Coromandel ready	39.00	37.75	36.50
Khandesh quality	39.00	37.75	36.25
Oil ex-mill ready*	20.10	19.62	18.69
Railway receipts*	19.94	19.25	18.62
Castorseed			
May 1959	158.75	155.37	155.37
Ready Madras	30.87	30.75	30.19
Ready Kanpur	29.44	29.75	29.00
Oil B.S.S.†	16.81	16.62	16.37
Oil commercial†	15.56	15.56	15.37
Linseed			
May 1959	33.37	32.81	32.31
Bold ready	33.00	32.62	32.50
Oil ready†	16.81	16.37	16.19
Cotton seed May 1959	130.50	128.25	126.00
Niger seed	29.50	28.75	28.50
Kardi seed	24.37	23.00	21.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for cwt. and those for oil per quarter.

SUGAR EASY

(From Our Own Correspondents)

BOMBAY, 18*th March*

Sugar prices tended to move down during the week under review, despite good demand from Malabar side and poor arrivals. Reports from North India suggested a fall of 25 nP in the premium charged on ex-factory controlled rates. Arrivals of sugar by rail during the week aggregated no more than 6,430 bags, as against 10,480 bags in the previous week.

Small grain declined by 50 nP to Rs. 109.50 per bag. Medium grain lost a like amount to Rs. 110-Rs. 111. Large grain was unchanged at Rs. 112-Rs. 117.

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HAPUR, 16*th March*

After ruling steady during the major part of the week, the sugar market turned quiet towards the week-end, owing to lack of buying interest from consuming areas at higher prices. Some more factories in west U.P. have stopped crushing operations. There were apprehensions that the overall sugar production in the current season will be lower as compared with last year and it is understood that the Government has been asked to lower the export quota.

The Muzaffarnagar sugar market ruled steady. Moderate business was done for Punjab, Rajasthan, Gujerat and Saurashtra. Prices eased by about 25 nP per maund. Nevertheless, the quotations were still higher by about Re. 1.25 to Re. 1.75 per maund as compared with the controlled prices fixed by the Government. Most of the factories are expected to stop crushing by the end of this month. The latest prevailing prices are: Sugar crystal spot delivery Khatauli new D29 Rs. 38.75; Shamli D29 Rs. 36.75; Rohana D28 Rs. 38.37; mill delivery Seohara D29 Rs. 37.19; Amroha D29 Rs. 37.44; Bijnore D29 Rs. 37.19; Mansurpur C29 Rs. 38.12.

Sugar prices at Kanpur tended to go up, due to apprehensions regarding a fall in overall production and Government's policy of issuing restricted allotments. Demand from *mofussil* areas was also reported to be better. The latest prevailing prices are: Ex-mill controlled Rs. 36 a maund; spot per bag C29 Basti Rs. 105-8; Gola Rs. 104-4; Burhwal and Waltergunj Rs. 103-4; Hargaon Rs. 103; Lakhimpur, Tulsipur and Balram unstocked Rs. 103.

Khandsari ruled quietly steady. Production has been suspended in most of the crushers, following the call by the provincial body as a protest against the imposition of excise levy. The prevailing prices are: superior dry Rs. 33 to Rs. 36; inferior moist Rs. 29 to Rs. 32 per maund.

Ready *gur* registered sharp gains towards the week-end, due to brisk buying support from east U.P., Punjab, Rajasthan and Gujerat and coupled with stockists' purchases. Arrivals were at an average of 4,000 maunds daily and local stock swelled to 78,000 maunds. Due to prevailing high prices of *gur*, crushers are finding it profitable to purchase cane upto Re. 1.56 per maund. The prevailing prices of *gur* today are: *pansera* Rs. 18.75 to Rs. 19-12; *balti* Rs. 18.75; *shakker* Rs. 18.75 per maund.

Gur improved fractionally after early fall in the Muzaffarnagar market, due to good bull support from Punjab and Gujerat. The latest prevailing prices are: Chaku Rs. 20 to Rs. 22; *ladu* Rs. 20 to Rs. 21; *pansera* Rs. 19.50 to Rs. 20.50; *rusker khurpa* Rs. 14.50; *ladu* Rs. 15; *shakker dara* Rs. 21 to Rs. 22; *masala* Rs. 24 to Rs. 26 per maund.

Sowings for next crop are in full swing and, as *gur* prices have remained high all through the season, an increased acreage is expected.

BLACK PEPPER QUIET

(Messrs. Parekh and Co.)

BOMBAY, 18*th March*

Malabar black pepper ruled quiet during the week for want of incentive. Ungarbled at Cochin came down to Rs. 650 and garbled to Rs. 113. May delivery receded to Rs. 117. It is reported that the U.S.A. has been showing keen interest in Malabar black pepper at prices ranging from $0.25 to $0.25½ per lb. C. and F. New York.

Spot in New York, after touching $0.26½, is now quoted at $0.25½. Singapore moved between Str.$86 and Str.$87 for Sarawak black, while Lampong was quoted at $0.25½. Sarawak white, after improving to Str.$165, came down to Str.$163.

The downward trend witnessed in pepper is mainly due to the tight position of the money market and weak holding power of growers.

The future of the market for Malabar black now depends on the demand from the U.S.A. The trade expects that demand is likely to come in the near future, if the present trend of the market is maintained.

Ready Malabar black in Bombay is quoted at Rs. 95 per Bengal maund.

LEAF TEAS STEADY

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

COCHIN, 13*th March*

Approximately 650,000 lbs. were on offer at the tea sale No. 10, held on Tuesday, the 10th inst. The market opened to a good but somewhat irregular demand. There was only fair enquiry from buyers for low medium and medium teas which were 5 to 10 nP easier. A fair selection of high growns and good medium teas which were offered at this sale fully maintained their recent seasonal improvement in quality. Broken grades under these types sold well and were fully firm. Similar fannings, however, were difficult to sell and these were the weakest feature of the sale. A small selection of tippy teas were offered in the sale and these were slightly easier. Whole leaf teas were steady on last week's rate.

The quotations were: Low medium Re. 1.55 to 1.65; medium Re. 1.75 to 2.15; good medium Rs. 2.35 to 2.85; and quality Rs. 2.90 to 5.15.

The quantity on offer at dust sale E held on Thursday, the 12th inst. was about 600,000 lbs. The quality and appearance of dusts offered fully maintained their recent improvement. There was good general demand for all types, although prices were irregularly 5 nP easier than last.

London Market: Sale of 9th March 1959.—Best liquoring and colourry sorts firm to dearer. Others irregular, with thin plain sorts tending easier.

Sale of 10th March 1959.—Best categories were firm, while others were weaker.

Colombo Market: Sale of 9th March 1959.—Good demand. Selective buying. Prices irregularly lower. Dimbula Dickoya brokens down by 20 to 30 cents. Good mediums lower by 15 to 20 cents. Plainer mediums by 10 to 15 cents and lowgrowns by 5 to 10 cents.

Sale of 10th March 1959.—Strong demand. Useful liquoring highgrown dusts appreciably dearer. All other off-grades firm.

Export Quota.—The market has been rather quiet this week and business has been going through at 1½/1¾ nP. At the time of writing, there is a slightly easier tendency in the market and there are sellers at 1½ nP and buyers at 1¼ nP.

Excise Duty.—We have now received information that the alterations in Zone 3 for the excise duty on tea involves the entire Nilgiri district, with the exception of Gudalur taluk which is already in the No. 1 zone. All teas in the Nilgiri district will from 1st March 1959 pay 8 nP, instead of 10 nP as hitherto.

Forthcoming Auctions.—Sale No. 11 will be held on Tuesday, the 17th inst.

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

"In sale No. 11, about 800,000 lbs. were offered. Demand was good. Low medium and medium brokens ruled easier by 5 nP. Similar fannings elicited better enquiry. Good medium and best liquorings were irregular and easier, but fannings were still weak. Whole leaf teas were strong."

JUTES FIRM

(From Our Own Correspondent)

CALCUTTA, 17*th March*

The raw jute and jute manufactures markets continued to present a distinctly firm trend during the week under review also and there was a further rise in values of both raw jute and manufactured goods. The bullish fervour of the markets was engendered principally by rumours to the effect that the export duty on raw jute would soon be abolished. The lower output of jute goods in February also imparted some strength to the manufactures section. The production in the month under reference was 83,647 tons, as against 92,077 tons in January. This comprised 39,519 tons sacking, 36,911 tons hessian and 7,217 tons other manufactures.

The draft by-laws prepared by the trade for the regulation of transferable specific delivery contracts in raw jute and jute goods were discussed by the Board of the East India Jute and Hessian Exchange and the representatives of the Indian Jute Mills' Association with the Forward Markets Commission last week-end. The Commission was reported to have generally agreed to the scheme. It may be noted here that the exemption granted to the aforesaid contracts under Section 18(S) of the Forward Contracts (Regulation) Act is due to expire on the 28th inst. During the discussions, Mr. A. S. Rao, Member of the Commission, is said to have emphasised two aspects. One, the by-laws should be finalised well in time before the expiry of the present exemption period. Two, adequate publicity should be given so as to enable all the members of the trade to study the implications of the change-over to regulation and control themselves as members of the Exchange in accordance with the Forward Contracts Act.

Early in the week, trading in jute goods futures market was characterised by good buying in heavy goods by a prominent operator and bear-covering. Consequently, prices moved up. On Saturday, however, the market developed a sagging tendency on reports that stocks of hessian in the U.S. had risen by 24 million lbs. during the month of February. Consequently, prices suffered a setback. Nevertheless, today's closing rates were higher than those at the end of last week. Spot prices followed the trend of futures.

Hessians (40" x 10 oz) May advanced over the week from Rs. 38.50 to Rs. 39.50. B. twills May picked up Rs. 3.05 to Rs. 94.95. Trading in new contract (August 1959) hessian and sacking commenced yesterday. The trend of prices continues to be fully steady. In the ready section, hessians fluctuated between Rs. 38.90 and Rs. 39.40. B. twills registered a rise of Re. 1.20 to Rs. 93.10 on the 14th inst.

In the raw jute market, Assam bottoms March went off the board on the 14th inst., the closing rate being Rs. 21.25, as against Rs. 20.36 on Tuesday last. June delivery spurted from Rs. 21.94 to Rs. 22.48 before finishing at Rs. 21.25. The latest available spot quotations in rupees per maund are: Northern bottoms 20.50; Assam bottoms 21.00; Daisee bottoms 23.00.

READY LINSEED EASY

(Messrs. A. Bradley & Co.)

CALCUTTA, 16*th March*

Although there was no change in the generally firm trend of the linseed market during the major part of the week, a quieter tendency began to set in towards the close. There was a fall in the price of ready goods, with fairly keen sellers, but forward prices were well maintained and there was poor response to improved demand from crushers.

The oil market, in sympathy with seeds prices, declined for near positions, with very few inquiries. Sellers for forward delivery, however, were reserved.

The latest available quotations per maund are: Ready Rs. 25.75; March Rs. 23; April Rs. 24 and May Rs. 23.

HIDES SUPPLY AMPLE

(From Our Own Correspondent)

KANPUR, 16*th March*

During the week under review, the hides and skins supply position was encouraging. The supply of upper grade cows, however, were not as plentiful as that in the previous week. A good volume of buff goods was supplied by Northern U.P. Goat and sheep skins from the local butcheries were also plentiful. The main purchasers were the local tanners.

The latest available quotations are: wet salted cow 1s grade Rs. 410, 2nd grade Rs. 350 and 3rd grade Rs. 300 per score; wet salted buff 1st grade 2 lbs. 1 oz. and 2nd grade 2 lbs. 3 ozs. per rupee; Goat 1st grade Rs. 400 and 2nd grade Rs. 375 per 100 pieces; Sheep Rs. 350 per 100 pieces.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 16*th March*

Quietly steady conditions prevailed in the foodgrains market during the week, due to lean stocks left at the fag-end of the season. Harvesting of peas is in full swing and daily arrivals are gradually increasing. Coarse grains—barley and *bejhar*—will not, however, reach the markete before the end of the current month. The conditions of the standing crop is fairly good, but strong westerly winds during the week have adversely affected the crop in the unirrigated areas. The Union Government has imposed restrictions on the transport of foodgrains to, from or within a five-mile belt all along the border of U.P. with adjoining States and the foodgrains affected are wheat, rice and paddy, maize, *jowar* and *bajra* and their products.

Wheat at Hapur registered slight gains during the week to be quoted on Monday at Rs. 22.75 per maund for average quality, at Rs. 24 to Rs. 25 per maund for farm produce and at Rs. 21 for inferior quality. Arrivals from rural areas are small and supply position continues to be tight, as sales through fair-price shops is insufficient to meet day-to-day requirements. New crop wheat will begin to flow into the markets in a month's time.

Rice continued to rule steady. Export from some other surplus districts of the State has been banned, in order to facilitate procurement operations. The prevailing prices are: *sela basmati* Rs. 32.50; *mainpuri* Rs. 22.25; *raimunia* Rs. 27 per maund.

Gram registered fractional gains during the week, due to firm advices from deficit areas and good demand in the face of poor stocks. Barley and *bejhar* also sought higher levels, as harvesting to begin will still take about a fortnight. Maize improved fractionally, due to good consumer demand in the face of dwindling stocks, while *bajra* was quietly easy, as demand was gradually declining. *Jowar* drifted lower. The week-end prices (in rupees per maund) were: Gram punjabi 23; barley 15; *bejhar* 15.25; maize 16 to 16.50; *bajra* 13 to 15; *jowar* 13 to 15; *guwar* white 14.75.

New peas arrivals into the markets are gradually increasing. Despite this factor, prices improved slightly, due to good outside demand. Local arrivals were at an average of 100 maunds daily, but the quality was poor and damp.

* * * *

India has established a new record in rice production. In 1958-59, 29.7 million tons were produced, the previous best being 28.3 million tons in 1956-57. According to the Directorate of Economics and Statistics, Ministry of Food and Agriculture, the all-India final estimate of rice for 1958-59 puts the area at 81,590,000 acres and production at 29,721,000 tons. As compared with the figures for 1957-58 of 79,447,000 acres and 24,885,000 tons, the estimates for 1958-59 show an increase of 2,143,000 acres or 2.7 per cent. area and 4,836,000 tons or 19.4 per cent. in production. Also as compared with the average of the preceding five years, there is an increase of 3,591,000 acres, or 4.6 per cent. in area, and 3,145,000 tons, or 11.8 per cent. in production.

The current year's increase in production has been due more to a higher per-acre yield than increase in acreage. The per-acre yield this year is 816 lbs., as against 702 lbs. in 1957-58, thereby showing an increase of over 16 per cent. The average yield per acre of rice in India for the five years ended 1957-58 was 763 lbs. Thus, the current year's yield per acre shows an increase of about 7 per cent. over the quinquennial average.

SURVEY

(*Concluded from page* 443)

estimates for 1958-59. These estimates are based on the assumption that present surcharge of 33⅓ per cent. will be continued.

The capital expenditure for the next year is computed at Rs. 3.19 crores, as against Rs. 2.27 crores (revised) for 1958-59. The various development programmes included in the second Five-year Plan (other than the Marine Oil Terminal) account for a total expenditure of Rs. 1.19 crore, which compares favourably with Rs. 1.14 crore in the current year. The Marine Oil Terminal will, it is estimated, cost about Rs. 46.68 lakhs next year, an increase of Rs. 10 lakhs over that for the current year. Besides, the expenditure to be incurred on miscellaneous capital works will go up from Rs. 77.29 lakhs to Rs. 1.53 crore. The expenditure on the Marine Oil Terminal will be met, as before, by loans from the Government. The balance of the capital expenditure will be financed by the resources of the Port Trust itself, by drawing upon the General Reserve Fund, Renewals and Replacements Fund and Pilotage Depreciation Fund in respect of the share of the replacement costs of certain vessels chargeable to the Pilotage Account. The aggregate withdrawal from the General Reserve Fund, during the current year and the budget year will, we are told, amount to Rs. 2.93 crores and that from the Renewal and Replacements Fund to Rs. 1.61 crore.

NOTICE

(*Concluded from page* 474)

Act, 1956, (and in particular by Sections 314 and 360 thereof) the three Special Resolutions abovementioned are commended for acceptance.

Mr. Neville N. Wadia, Mr. H. R. Batlivala and Mr. Pallonji Shapoorji Mistry are interested in the Contracts referred to in the Special Resolutions aforesaid, being Directors and members of the Managing Agents, Messrs. Nowrosjee Wadia and Sons (Private) Ltd., Sir Jamsetjee Jejeebhoy, Bart., is interested in the said Resolutions in his capacity as Constituted Attorney of Messrs. Nowrosjee Wadia and Sons (Private) Ltd. In the three Resolutions regarding approval of Contracts with Messrs. Ghia Pallonji & Co., Messrs. Eastern Cotton Co., and Messrs. Shapoorji Pallonji & Co., Private Ltd. respectively, Mr. Pallonji Shapoorji Mistry is also interested in the manner aforesaid.

The drafts of the Contracts referred to in Special Resolutions Nos. I, II and III are open for inspection by any Member at the Registered Office of the Company on all working days from 10-30 a.m. to 1 p.m.

By Order of the Board,
NOWROSJEE WADIA & SONS (PRIVATE) LTD.,
NEVILLE N. WADIA,
Director,
Managing Agents.

The Indian Bank Limited

H. O. First Line Beach, Madras-1

In consonance with its policy of inculcating the banking habit amongst the community, the Bank has been opening a number of branches in the recent past.

There are now no fewer than 112 Branches of the Bank functioning not only in India but also in Ceylon and Malaya.

In addition, the 23 Local offices of the Bank serve the entire Madras City and Suburbs.

Foreign Exchange Facilities Also Available.

London Agents: Westminster Bank Limited.
New York Agents: First National City Bank of New York.

D. P. PARTHASARATHY
Secretary.

18/VSK/58

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 13th Mar., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	66,23,39,000
(2) Other Governments	17,06,75,000
(b) Banks	67,97,01,000
(c) Others	115,33,38,000
Bills Payable	20,42,84,000
Other Liabilities	38,71,18,000
Rupees	438,74,55,000

ASSETS	Rs.
Notes	10,97,04,000
Rupee Coin	2,58,000
Subsidiary Coin	4,91,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	10,38,74,000
Balances held abroad*	33,26,14,000
Loans and Advances to Governments†	26,28,77,000
Other Loans and Advances	100,29,63,000
Investments	245,49,39,000
Other Assets	11,97,35,000
Rupee	438,74,55,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 6,16,24,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,97,04,000	
Notes in circulation	1695,77,57,000	
Total Notes issued		1706,74,61,000
Total Liabilities		1706,74,61,000
ASSETS	**Rs.**	**Rs.**
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		129,55,42,000
Government of India Rupee Securities		1281,42,27,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1706,74,61,000

State Bank of India

Statement of Affairs for the week ended 13th March, 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		501,30,34,000
Borrowings from Other Banking Companies, Agents, etc.		7,50,00,000
Bills Payable		6,56,65,000
Bills for Collection being Bills Receivable as per contra		2,52,23,000
Acceptances, Endorsements and Other Obligations per contra		1,18,53,000
Other Liabilities (including Inter-Office Adjustments)		2,20,86,000
Total .. Rs.		533,91,11,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		24,28,80,000
Balances with other Banks		2,60,86,000
Money at Call and Short Notice		2,53,33,000
INVESTMENTS:		
Government and other Trustee Securities	272,44,90,000	
Other Authorised Investments	11,60,88,000	
		284,05,78,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	188,45,13,000	
Bills Discounted and Purchased	13,45,64,000	
		201,90,77,000
Bills Receivable being Bills for Collection as per contra		2,52,23,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,18,53,000
Premises less Depreciation		1,22,44,000
Furniture and Fixtures less Depreciation		1,00,95,000
Other Assets (including Inter-Office Adjustments)		12,57,42,000
Total .. Rs.		5,33,91,11,000

State Bank of Pakistan

Statement of Affairs for the week ended 6th Mar., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	83,84 69,000
(b) Provincial Governments	74,72,000
(c) Banks	14,03,85,000
(d) Others	5,75,54,000
Bills Payable	40 66,000
Other Liabilities	11,82,43,000
Rupees	122,61,89,000

ASSETS	Rs.
Notes	10,18,04,000
Rupee Coin	57,000
Subsidiary Coin	39,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	3,01,000
Balances held outside Pakistan*	22,13,49,000
Loans and Advances to Governments	2,25,00,000
Provincial Governments' Debtor Balances	7,93,04 000
Other Loans and Advances	8,78,50,000
Investments	62,25,26,000
Other Assets	9,04,59,000
Rupees	122,61,89,000

Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,18,04,000	
Notes in circulation	346,29,57,000	
Total Notes issued	....	356,47,61,000
Total Liabilities	....	356,47,61,000
ASSETS	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
		117,53,32,000
B. Rupee Coin	3,94,42,000	
Government of Pakistan Securities	229,09,81,000	
Internal bills of exchange and other commercial paper	....	
		233,04,23,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	356,47,61,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.54 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 6th Mar., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	18,39,96,000
(ii) Other demand liabilities	711,62,33,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	21,83,75,000
(ii) Other time liabilities	896,56,73,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	13,74,86,000
(ii) Time liabilities	35,00,000
Borrowings in India from the Reserve Bank of India‡	35,92,49,000 (5,53,24,000)
Cash in India	39,65,74,000
Balances with the Reserve Bank in India	64,94,89,000
Balances with other banks in current account in India	12,97,86,000
Money at call and short notice in India	33,03,60,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	622,05,54,000
Advances in India	833,62,81,000
Inland Bills purchased and discounted in India	98,08,18,000
Foreign Bills, purchased and discounted in India	38,07,29,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	6th Mar., 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1688.58	1654.63	1658.09	1578.67
Notes held in Banking Department	35.05	8.34	25.24	11.30	8.98
Foreign Securities	59.50	178.01	178.01	164.68	245.54
Rupee Securities	37.39	1271.45	1251.45	1254.78	1096.76
Banking Department					
Deposits of:					
Government of India	14.39	52.04	56.78	50.44	83.46
Other Governments	..	18.32	24.42	21.79	9.85
Balances held abroad	10.06	32.86	32.95	26.01	33.48
SCHEDULED BANKS					
Demand Liabilities	134.36	730.02 (18.40)†	729.43 (17.33)†	711.53 (19.50)†	727.49 (11.86)†
Time Liabilities	102.24	918.40 (21.84)†	920.82 (22.89)†	918.39 (22.92)†	727.17 (15.85)†
Borrowings from Reserve Bank	..	35.92 (5.53)‡	31.23 (5.75)‡	35.22 (4.60)‡	36.92 (22.52)‡
Borrowings from State Bank	..	14.09	11.60	13.36	10.91
Cash in India	6.70	39.66	40.69	40.58	40.37
Balances with Reserve Bank	25.17	64.95	73.02	66.66	77.73
Excess over statutory limits	15.52	10.08	18.14	12.71	26.81
Balances with other banks in current account in India	..	12.98	12.65	12.91	11.24
Money at call and short notice in India	..	33.04	33.68	36.80	36.49
Investments (at book value)	..	622.06	613.29	623.29	433.28
Advances and bills	105.9	969.78	958.09	938.11	937.01
STATE BANK					
Deposits	87.76	493.12	493.12	476.65	412.62
Investments	51.99	274.48	274.48	277.25	183.78
Advances	30.35	196.46	196.46	190.86	207.51
Cash	14.69	35.77	35.77	26.23	33.78

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	.. .. ..	4.03	4.32
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	5th Feb., 1959	4½	4½
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3.50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2¾
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	6th Mar., 1959	2½	3‡
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.
‡ Refers to 4 of the 11 Federal Reserve Banks which have raised the discount rate.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
				Per cent.	Rs.
1959					
6th January	3.00	3.05	3.00	2.460	99.385
13th January	2.00	2.05	2.00	2.470	99.380
20th January	2.00	2.05	2.00	2.490	99.375
27th January	2.00	2.05	2.00	2.500	99.375
3rd February	2.00	2.10	2.00	2.559	99.360
4th to 7th Feb.*	0.50	—	0.50	2.496	99.376
10th February	2.00	4.19	2.00	2.530	99.365
17th February	2.00	2.30	2.00	2.559	99.360
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2.00	2.10	2.00	2.625	99.340
10th March	2.00	2.00	2.00	2.680	99.330
17th March	2.00	..	2.00	2.720	99.320
Total amount outstanding	23.50	..	23.50	..	..

* Intermediate Bills sold.

EXCHANGE RATES

	17th March 1959	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot . s.	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months . s.	1-5⅞	1-5⅞
Buyers T.T. spot to nine months . s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months . s.	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	476 00	476.00
Buyers T.T. .. Rs.	472.50	472.75
London on New York .. $	2.81½-2.81⅝	2.80⅞-2.80⅞
London on Paris .. Fcs.	13.77	13.77
London on Berne.. Sw. Fcs.	12.10½-12.15	12.16-12.16½
New York on London .. $	2.81½-2.81⅛	2.81½-2.81⅛

CLEARING HOUSE RETURNS

Centre	Week ended 13th March 1959 Number of Cheques	Amount Rs.	Week ended 6th March 1959 Number of Cheques	Amount Rs.
Bombay	3,08,319	72,45,70,000	3,45,221	72,52,16,000
Calcutta	1,63,000	64,67 00,000	1,83,000	77,40 00,000
Madras	92,712	11,38,36,912	95,596	11,63,23,600
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,60,00,000
Nov., 1958	..	..	3,528,600	7,73,01,00,000
Dec., "	..	..	4,035,000	8,87,34,00,000
Jan., 1959	..	..	4,072,000	8,94,45,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	28th Feb., 1959	21st Feb. 1959	1st Mar., 1958	January 1959	January 1958	Percentage of Increase (+) or Decrease (—) in Jan., 1959 as compared with Jan., 1958	Annual Average 1958	Annual Average 1957
Food Articles	504	113.6	115 0 R	101.5	114.3	102.5	+11.5	112.0	108 8
Cereals	192	102.7	104 5 R	94 6	105.2	96.9	+ 8.6	104.7	101.7
Pulses	43	113 8	117.2 R	76.5	117.1 R	80 1	+46.2	94.0	84.5
Fruits and Vegetables	23	112.4	117.7 R	96 9	113.5 R	93.7	+21.1	111.9	116.8
Milk and Ghee	84	106.1	103.6	101.6	103.5	98.8	+ 4.8	106.2	103.8
Edible Oils	47	119.0	121 1 R	116 6	118 6	118.9	— 0.3	123.2	128 3
Fish, Eggs and Meat	17	104.4	105 1 R	103 5	109.2	99.3	+10 0	106.9	96.6
Sugar and *Gur*	48	126 1	127 0	108 0*	126.6	109.4	+15.7	122.8	104.6
Others	50	154 5	157 3	130 0	151.1 R	132.6	+14 0	145.7	132.0
Liquor and Tobacco	21	103.0	103 7	95.2	103 6	96.4	+ 7.5	93.7	91.8
Tobacco	—	101.9	102 6	93.6	102. 5 R	94 9	+ 8 0	92.0	90.1
Fuel, Power, Light and Lubricants	30	115.1	115 2	114 3	114 9 R	113 6	+ 1.1	115 2	111.5
Industrial Raw Materials	155	114 6	114 8	109 7	114 1	113.6	+ 0.4	114 8	118.1
Fibres	61	106 9	107 0	109 1	106.8	115.1	— 7.2	109.4	119.8
Oilseeds	60	124 5	125 1	110.6	123.8	114.1	+ 8.5	123.6	122.4
Minerals	2	102 5*	102 5	108.2	106.6	107.1	— 0.5	106.9	108 5
Others	32	111 4	111 1 R	109 4	110 3	110.2	+ 0.1	108.9	107.8
Manufacture	290	108 0	108 4	107 5	108 4	107 7	+ 0 6	108 2	108.9 R
Intermediate Products	41	110.1	110 9	106 0	110 5	106 7	+ 3 6	109 4	108 5 R
Finished Products	249	107.7	108 0 R	107.7	108.0	107 9	+ 0.1	108 0	107 9 R
Textiles	147	101.4	101 8	105 9	101.9	106.0	— 3.9	104.3	107.9
Cotton	—	111.2*	111.2*	117.1	110.4*	115.8	— 4.7	113.0	116 3
Jute	—	80 2	81.6	83 8	85.4	90.1	— 5.2	87.7	97.7
Woollen	—	105 9	105.9	103 0	105.9	103.0	+ 2.8	104.9	102.1
Silk and Rayon	—	93 2*	93.2*	92.6*	91.1*	86.7	+ 5.1	92.5	85.0
Metal Products	12	143 3	143.3	143.4	143.1	143.4	— 0.2	143.1	138.2 R
Chemicals	20	110 3	110 0 R	99.9	111 3	99.1	+12.3	104.0	97.6
Oil Cakes	10	144 7*	147.7	111.3	143.6 R	118 0	+21.7	128 6	114.7
Machinery and Transport Equipment	81	104 7	—	102.5	104.4	102.4	+ 2 0	103.2	101.2
Others	30	113.5	113.6 R	112.0	114.1	111.6	+ 2.2	113.2	107.7
All Commodities	1,000	112 0	112.8	104.8	112.3	106.0	+ 5.9	111.0	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	final	79.027	79.320	24.821	28,282
Wheat	final	29 657	33,580	7,654	9,314
Jowar	final	41 411	40,367	8,056	7,249
Bajra	final	27,453	27,884	3,565	2,885
Barley	final	7 531	8 726	2,175	2 827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5 831	1 716	1,715
Small millets	final	11,979	12,230	1.759	1,964
Total cereals	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24 265	4,754	6 264
Tur	final	5,598	5.686	1,396	1,954
Other Kharif pulses§	final	15,832	16,484	1,401	1,515
Rabi pulses‡	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,457	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3 318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,893	4 753	4,735
Jute A.	final	1,827†	1,742††	5,178†	4,052††
Mesta A.	final	726	733	1,211	1,478
Other crops—					
Potato	final	785	707	1,981	1,698
Sugarcane	final	5,021	5.057	46,142R	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	926	1,029	252	294

Source: Ministry of Food and Agriculture. § Excluding Tur. * In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur. A. In thousand bales of 400 lbs. each. † Refers to 1958-59. †† Refers to 1957-58. R.= Revised.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to Nov. 1958	Jan. to Nov. 1957
Exports	637,74	612,96	523,76	596,52
Re-exports	5,11	6,21	7,15	4,74
Total Exports	642,85	619,17	530,91	601,26
Imports	1025,82	821,46	697,00	912,11
Overall Balance of Trade	—382,97	—202,29	—166,09	—310,85
Exports—				
Tea	123,40	142,43	123,00	113,83
Jute yarns and manufactures	114.83	112,52	95,90	103,65
Cotton yarns and manufactures	68,58	62,23	47,48	65,42
Metallic ores and metal scrap	49,80	23,30	28,89	46,78
Cotton, raw and waste	18,66	25,09	19,89	18,02
Oils—vegetable, mineral and animal	19,31	24,51	12,49	18,67
Fruits and vegetables	18 61	18,03	19,60	17,32
Tobacco	12 83	13,30	15,47	12,38
Mica	8,67	8,75	8,41	7,97
Wool—Raw	11,73	10,64	8,63	12,66
Gums, resins and lac	8,59	11,19	6,82	8,25
Spices	8,43	9,56	8,06	7,79
Hides and skins, raw	6,99	6,07	6,48	6,77
Imports—				
Machinery of all kinds	232.97	150,12	163 95	210,00
Iron and Steel	146,98	122,40	81,29	133,62
Oils—vegetable, mineral and animal	113,38	74,69	68,00	103,83
Cotton raw and waste	48,62	53,61	28,29	46,40
Chemicals, drugs and medicines	76,77	43,14	58,23	71,32
Electrical goods and apparatus	61,14	20,15	43,94	54,60
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	44,53	61,20
Fruits and vegetables	21 27	12,66	14 86	18,98
Paper, pasteboard, etc.	13,11	15,99	7,18	12,16
Dyes and colours	13,87	16.37	8,07	13,07
Spices	2,93	8,10	2,62	2,79
Woollen and worsted fabrics	1,31	2,18	23	1,24
Cotton fabrics	2,37	2,39	96	2,28

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February, 1959	83.6
	Corresponding month, 1958	85.3
	Eight months ended Feb., 1959	703.3
	Corresponding period, 1958	705.6
Stocks	At the end of February, 1959	111.1
	Corresponding month, 1958	94.9
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852.9
	1957-58	832.6
	January 1958	55.6
	January 1959	63.7
For Internal Consumption	1956-57	179.0
	1957-58	198.0
	January, 1958	19.9
	January, 1950	24.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	January 1950	485
	Corresponding month, 1958	495
	Seven months ended Jan., 1959	4,056
	Corresponding period, 1958	4,065
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	8,865.8	7,185.8
1956-57	769	9,877.8	8,103.1
1957-58	834	11,176.9	9,011.1
Sept., 1957	814	924.7	739.3
Oct., "	822	917.5	731.8
Nov., "	822	930.2	740.5
Sept., 1958	793	1,053.5	831.9
Oct., "	810	1,072.8	843.1
Nov., "	811	1,025.4	854.6

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source:*—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	38	389	52	180
1957-58	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
December 1957	10,506	1,766	941	152	64	40	162	18	163	360	23	350	42	146
January 1958	11,814	1,979	1,038	174	80	44	186	21	177	413	32	394	45	161
February "	13,011	2,172	1,123	191	93	49	202	23	194	456	36	435	46	176
March "	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June "	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July "	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August "	5 823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September "	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
October "	8,040	1,542	771	107	46	21	98	12	110	274	19	283	29	72
November "	9,169	1,763	868	121	50	24	125	14	125	311	24	326	35	78
December "	10,460	1,998	972	143	59	27	156	17	136	355	28	375	41	83

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

INDUSTRIAL PRODUCTION

Industries.		1957	Jan. to Oct. 1958*	Jan. to Oct. 1957	September 1958	October 1958*	October 1957
Major Industries—							
Coal	million tons	43.50	37.48	35.52	3.85	3.75	3.56
Steel (Ingots and Metal for castings)	thousand tons	1,715	1,337†	1,264†	149	—	150
Yarn	million lbs.	1,780	1,250†	1,336†	144	—	142
Cloth	million yds.	5,317	3,690†	4,032†	411	—	415
Cement	million tons	5.60	5.09	4.50	0.48	0.41	0.51
Jute	thousand tons	1,030	878	845	87	82	84
Paper and paper boards	tons	210,132	185,511†	171,111†	21,979	—	18,297
Matches	cases	578,400	466,400†	433,000†	53,500	—	43,800
Sugar	thousand tons	2,068	1,512	1,574	11	18	3
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	250.85	279.50†	175.52†	29.85	—	21.29
Electric lamps	millions	33.15	25.16	27.71	2.51	2.46	2.42
Dry cells	millions	166.56	135.88	141.05	14.65	13.51	9.72
Power transformers	k.v.a.	1,219,200	864,000†	896,500†	95,700	—	102,200
Electric Motors	h.p.	469,200	464,900†	338,900†	56,900	—	37,700
Electric fans	Nos.	524,400	469,900†	384,500†	50,700	—	37,400
Radio receivers	Nos.	190,692	147,253†	188,791†	16,124	—	12,047
Storage batteries	Nos.	324,000	285,900	266,300	32,100	28,000	24,200
Copper conductors	tons	8,556	5,915†	6,336†	615	—	789
Winding wires	tons	1,020	1,204†	730†	173	—	100
Rubber and plastic ins. cables and flexibles	million yds.	103.80	89.44†	80.29†	12.43	—	0.24
Insulators—H.T.	Nos.	193,200	520,200†	100,400†	84,900	—	29,600
Insulators—L.T.	million Nos.	4.69	3.85†	3.60†	0.30	—	0.26
Diesel engines—Vehicular	Nos.	3,336	3,504	2,632	333	344	280
Do —Stationary	Nos.	16,644	20,644	13,256	2,421	2,348	1,736
Chemical Industries—							
Salt	million mds.	98.70	107.66	95.56	3.21	3.46	2.31
Caustic soda	tons	42,648	46,720	35,067	5,064	5,241	3,640
Soda ash	tons	91,920	73,680	75,794	8,919	9,078	7,747
Chlorine liquid	tons	15,696	15,929	13,082	1,739	2,704	1,322
Bleaching powder	tons	5,340	5,287	4,477	569	695	494
Bichromates	tons	3,672	2,651†	2,717†	320	—	323
Sulphuric acid	tons	196,068	167,463†	145,206†	20,404	—	15,895
Superphosphate	tons	141,684	127,749†	107,376†	15,335	—	11,612
Non-ferrous Metals—							
Aluminium	tons	7,784	6,140†	5,798†	690	—	687
Antimony	tons	502	409†	363†	40	—	45
Copper (virgin metal)	tons	7,848	6,476	6,478	685	700	672
Lead (virgin metal)	tons	3,174	2,584	2,589	362	142	317
Gold	thousand ozs.	179	141	149	15	15	14
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	167,484	157,122†	124,118†	17,410	—	8,558
Bicycles	Nos.	790,424	684,510†	580,477†	72,094	—	56,032
Automobiles	Nos.	31,932	23,055	26,944	2,471	2,704	2,450
Cycle tyres and tubes	million Nos.	14.18	13.42	11.70	1.42	0.94	0.72
Motor tyres and tubes	million Nos.	1.92	1.62	1.60	0.18	0.14	0.10
Cigarettes	million Nos.	28,892	22,390†	21,765†	2,318	—	2,281
Plywood—Tea chests	million sq. ft.	95.02	65.72†	73.95†	7.47	—	5.72
Plywood—Commercial	million sq. ft.	31.64	28.64†	23.84†	4.07	—	2.58
Sheet glass	million sq. ft.	54.23	53.77†	34.29†	6.56	—	6.23
§Woollen manufactures: Worsted Fabrics	million yds.	15.79	16.80	12.61	2.51	1.47	1.52
§Woollen manufactures: Worsted Yarn	million lbs.	27.80	24.63	22.49	2.60	2.83	2.58
Footwear—Western type (Leather)	million pairs	4.37	3.64	3.55	0.39	0.29	0.27
Footwear—Indigenous type (Leather)	million pairs	3.04	2.71	2.47	0.32	0.17	0.16
Alcohol—Industrial	million Bulk galls.	8.56	6.91†	6.30†	0.63	—	0.69
Alcohol—Power Absolute	million Bulk galls.	10.14	6.75†	7.72†	0.54	—	0.64
General Index—(Base 1951=100 Revised)		137.3	142 8‡	149.1‡	153 1	—	122 8

* Figures are subject to revision month to month. —Not Available. † Upto September only.
§ Includes figures for Jammu and Kashmir. ‡ Average of first nine months. The general index for September 1957 was 135.6.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base: 1952-53=100]

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58*	105	88	114	126	68	164	109	110	107	92	106	133	108	96	128	95	116	142
Jan., 1958	101	86	103	114	64	162	101	117	106	95†	105†	130†	101	101	130	90	116	142
Feb.,	99*	84	92	109	61	156	105	117	104	95	104	123	102	96	130	88	116	142
March "	100	84	94	110	63	152	107	118	108	93†	108†	120†	103	93	130	86	116	145
April "	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	114	145
May "	106	86	92	111	64	158	115	120	115	89	100	125	110	102	132	88	114	145
June	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July "	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	145
Aug., "	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept., "	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct., "	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., "	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	145
Dec., "	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145
Jan., 1959	92	125	107	132	121	163	108	121	130	104	101†	112†	112	137	133	85	110	145

* Provisional. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 12th March, 1959	29,899(J)
	Corresponding week, 1958	20,635(J)
	1st Sept. 1958 to 12th Mar., 1959	868,420*
	Corresponding period, 1957-58	892,922*
Cotton Exports	Week ended 21st Feb., 1959	2,603‡
	Corresponding week, 1958	—
	1st Sept. to 21st Feb., 1959	204,757
	Corresponding period, 1958	96,454
Mill Consumption (Estimated)	1st Sept. 1958 to 12th Mar., 1959	675,789
	Corresponding period, 1957-58	692,100
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 12th Mar., 1959	500,011
	Corresponding date, 1958	748,193
Consumption of Cotton— Indian	December, 1958	419,814
Foreign	December, 1958	89,301
Indian	Four months ended Dec. 1958	1,560,521
Foreign	Four months ended Dec. 1958	158,802
Indian	Same Period 1957	1,554,180
Foreign	Same Period 1957	200,614
Stocks (Mills and Elsewhere)— Indian	As on 31st December, 1958	772,114
Foreign	As on 31st December, 1958	87,830
Indian	As on 31st December, 1957	825,350
Foreign	As on 31st December, 1957	171,663

Particulars	From 1st Sept., to 25th Feb., 1958-59 Bales	From 1st Sept., to 25th Feb., 1957-58 Bales
From Bombay Cotton Shipments to—		
United Kingdom	6,514A	1,530
Continent	13,687A	3,735
Hongkong	31,839A	2,534
China	6,886	—
Japan	116,057A	36,609
U.S.A.	1,879A	2,903
Other Countries	1,960A	691
Total to all foreign countries	178,822A	48,002
Coastal Ports	32,143(a)	49,646(b)
Total	183,121	97,648

Particulars	Period	Quantity
		Bales of 392 lbs.
Cotton Exports from Bombay (by sea)	During December, 1958	30,947§
	During December, 1957	8,229
	1st Sept., to 30th Dec., 1958	115,683
	1st Sept., to 30th Dec., 1957	17,497
Cotton Pressed in India† (In running bales)	Week ended 6th Mar., 1959	—
	Corresponding week, 1958	105,934
	1st Sept., to 6th Mar., 1958-59	1,168,887
	Corresponding period, 1957-58	2,697,764
Karachi (Pakistan)—		Bales
Receipts	1st Sept., to 5th Mar., 1958-59	854,696
	Corresponding period, 1957-58	906,001
Exports	1st Sept., to 5th Mar., 1958-59	420,034
	Corresponding period, 1957-58	331,474

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (a) Upto 31st Jan., 1958. § Includes Zoda and yellow pickings, etc.
— Not Received. ‡ From 16th to 21st February A—Adjusted. (b) Upto 28th Feb., 1958.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 7th March 1959	28th Feb., 1959	7th Feb., 1959	8th Mar., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.7	100.7	98.5
2. *Government of India*	100.5	100.5	100.5	98.2
3. State Government	102.3	102.2	102.2	100.8
4. Municipal, Port Trust, etc.	99.7	99.7	99.4	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101.4	101.4	101.4	99.0
6. Plantations	99.9	99.9	99.9	100.0
7. Coal	99.6	99.6	99.6	99.6
8. Sugar	99.0	99.0	99.0	98.4
9. Cotton Textiles	99.0	99.0	99.0	97.3
10. Jute Textiles	91.6	91.6	91.6	94.0
11. General Engineering	102.0	102.0	101.7	97.0
12. Electricity Generation and Supply	96.8	96.8	97.2	96.5
13. *Others*	104.7	104.6	104.5	100.8
PREFERENCE SHARES—ALL INDIA.				
14. Total	88.8	88.8	87.9	86.0
15. Plantations	97.5	97.3	97.3	99.4
16. *Mining & Quarrying: Total@*	86.4	86.4	85.9	85.0
17. Coal	80.9	80.9	79.9	75.1
18. *Processing and Mfg.: Total**	88.9	88.7	88.1	85.9
19. Sugar	90.6	90.8	89.0	90.4
20. *Cotton Textiles*	77.3	77.4	78.1	83.3
21. Jute Textiles	80.5	80.5	81.0	70.8
22. Iron and Steel	92.8	92.6	91.5	88.6
23. General Engineering	100.7	100.6	100.2	100.3
24. Basic Industrial Chemicals	87.2	87.0	86.8	83.0
25. Cement	100.7	99.4	98.4	97.5
26. Paper	87.0	86.7	85.8	83.9
27. *Other Industries: Total**	86.3	85.6	84.1	82.5
28. Electricity Generation and Supply	85.3	85.5	83.9	85.6
29. Trading	86.8	83.5	82.3	73.6
30. Shipping and Other Transport	91.1	91.1	88.7	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	141.0	139.3	138.4	123.3
32. *Agriculture and Allied Activities: Total**	155.0	150.9	146.1	133.4
33. Tea Plantations	151.5	147.2	141.6	130.2
34. Coffee Plantations	188.4	184.2	183.1	180.4
35. Rubber Plantations	158.9	157.2	150.3	128.4
36. *Mining and Quarrying: Total*	142.2	139.2	136.9	117.9
37. Coal	111.3	110.9	110.2	91.4
38. Other Mining	163.4	158.7	155.2	136.0
39. *Processing and Manufacturing: Total*	139.5	137.7	137.0	122.2
40. *Processing and Mfg. (Food stuffs, Textiles, etc.): Total**	126.2	124.9	124.3	115.2
41. *Sugar*	161.2	159.1	157.2	157.1
42. Cotton Textiles	108.5	108.1	108.9	112.0
43. Jute Textiles	87.2	87.6	90.1	58.6
44. Silk and Woollen	451.0	441.6	427.1	334.7
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	160.7	158.5	157.1	132.2
46. Iron and Steel	155.6	153.0	151.9	122.3
47. Transport Equipment	208.3	206.2	198.5	169.5
48. Electrical Machinery	136.0	135.8	136.3	152.9
49. Machinery other than Transport and Electrical	175.1	172.7	172.0	147.1
50. Basic Industrial Chemicals	128.6	127.6	125.9	105.0
51. *Processing and Mfg. (Others): Total**	140.8	137.9	138.3	125.0
52. Cement	126.3	124.1	123.0	122.2
53. Paper	188.1	183.1	183.1	154.1
54. *Other Industries: Total**	115.0	115.4	115.8	103.0
55. Electricity Generation and Supply	93.8	93.6	93.0	88.4
56. Trading	91.7	90.5	89.8	73.5
57. Shipping and Other Transport	131.3	134.0	137.4	123.0
58. Construction	250.6	248.2	251.6	192.4
59. *Financial: Total*	182.7	182.4	183.0	161.5
60. Banks	206.1	206.1	206.7	183.0
61. Insurance	128.7	126.4	126.5	114.2
62. Investment Trusts	101.7	102.7	105.0	81.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	143.1	141.5	140.4	124.1
64. Calcutta	139.0	137.4	137.0	119.5
65. Madras	152.6	150.5	149.2	144.4
66. Delhi	163.8	162.3	160.2	144.5

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,72,600	7,97,500
Do. 31st March, 1958	10,98,200	11,08,300	7,86,900
Oct., 1958	94,200	96,400	76,900
Nov., "	84,200	85,100	83,600
Dec., "	98,900	91,500	90,100
Jan., 1959	97,700	96,200	89,700
Feb., "	106,800	107,300	84,800
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32,315	4,41,488
Do. 31st March, 1958	7,23,945	5,07,580	4,10,558
November, 1958	90,205	60,257	43,847
December, "	92,690	61,372	50,697
January, 1959	73,728	43,569	45,698
February, "	83,715	61,987	50,202

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Nmuber of man-days lost
1956	1,203	715,130	6,992,040
1957	1,248	640,871	4,982,229
April 1958	172	61,024	537,841
May "	183	116,202(1)	720,588(1)
June "	164	162,244(2)	1,539,000(2)
July "	169	101,137(1)	469,303(1)
August "	147	72,432(4)	657,836(4)
September "	151	68,599(7)	499,362(7)
October "	121	34,445(3)	262,600(3)
November "	123	33,783(2)	175,017(2)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita Income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	85.50	..	2,079	249
Burma	1957	20.00	Kyats 4,450	446	223
Ceylon	1956	8.38	..	475	567
Japan	1957	90.90	Y. 8,252,000	10,915	10,020
Philippines	1957	22.60	Ps. 8,799	2,095	927
New Zealand	1957	2.22	£(N.Z.) 928	1,237	5,570
Australia	1957	9.60	£(A.) 4,678	4,970	5,177
U.K.	1957	51.40	£ 17,418	23,220	4,520
U.S.A.	1958	174.00	$ 352,400	168,447	9,680
Canada	1957	16.60	$ 23,830	11,680	7,035
France	1957	44.00	F.Fr. 15,680,000	17,880	4,063
W. Germany	1957	51.40	Dm. 158,000	18,057	3,513
Italy	1957	48.30	Lr. 12,231,000	9,412	1,949
Norway	1957	3.49	Kr. 23,290	1,560	4,470
Sweden	1957	7.30	Kr. 48,290	4,490	6,150
Netherlands	1957	11.00	Grs. 28,240	3,574	3,250
Denmark	1957	4.50	Kr. 25,480	1,760	3,910
Switzerland	1957	5.10	Sw. Fr. 26,900	2,956	5,796

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, October 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	108
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 "	116†	395	274	313	98	120	384	124	113	103†	103	123	109	131†
September 1957	114	375	262	338	97	118	378	115	118	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	118	99	105	120	107	126
November "	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December "	113	383	275	328	93	115	375	121	110	100	105	120	109	129
September 1958	121	404	289	327	104	120	406	127	117	111	109	131	108	132
October "	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November "	122†	402	292	330	106	124	399	132	120	114	103	128	113	13
December "	119†	398	290	322	101	125	385	133	118	108†	99	121	111	133
January 1959	114†	396	301	323	..	..	..	..	122	..	94	115	109	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,96
1953-54	5,91	4,26	104,38	..	..	117,37	106,20	..	—34,20	32,11	..	..	..	..	152,71	252,96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	46	95	203,53	380,04
1956-57	3,00	6,01	165,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	48	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	218,91	23,11	—39,73	43,58	588	547	63	1,87	264,52	509,77
1958																
March	2,22	4,73	143,45	14,03	71,43	27,35	218,91	23,11	—39,73	43,58	70	5,47	12	1,87	42,20	509,77
April	2,15	4,65	141,31	6,56	77,99	15,27	214,24	22,85	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May	2,07	4,55	139,23	5,84	83,82	15,22	212,66	22,58	—39,90	43,37	57	6,72	5	2,01	21,68	517,01
June	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7,12	3	2,03	19,95	520,60
July	1,96	4,38	135,18	5,49	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug.	1,94	4,30	133,28	6,20	100,73	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532,75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537,83
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November	187	4,10	127,15	6,36	119,33	12,52	218,72	21,56	—40,37	42,81	47	9,58	7	2,23	19,42	547,35
December	1,83	4,01	125,00	7,84	126,69	14,83	219,06	21,41	—40,44	42,76	51	10,01	6	2,28	23,24	553,05
1959																
January	..	..	..	..	..	..	..	..	..	42,70	57	10,80	5	2,32	..	..

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

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.80
3 % Loan	1938-39	116,17,46,000	1963-65	96.75
3 % Loan	1950	30,32,10,000	1964	97.00
3 % Fg. Loan	1942	1,10,11,78,000	1966-68	93.85
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.10
3 % 2nd V. Loan	1945	1,13,65,64,000	1959-61	99.70
2¾% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97.20
2¾% Loan	1946	14,77,48,000	1976	83.25
2¾% Loan	1947	75,86,72,000	1962	96.90
3½% N. P. Bonds	1953	75,29,00,000	1961	100.10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.80
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.60
3½% Loan	1956	87,27,36,000	1962	99.15
3½% N. P. Bonds	1956	63,81,83,000	1967	99.10
3¾% Loan	1956	66,63,53,000	1974	98.85
3¾% N.P. Bonds (4th Series)	1957	58,99,15,000	1967	100.50
4 % Loan	1957	49,17,27,000	1972	101.60
3½% Loan	1958	58,06,00,000	1962	100.00
3¾% Loan	1958	30,00,00,000	1968	98.95
3¾% Loan N.P.B.	1958	34,16,76,500	1968	100.60
4 % Loan	1958	49,47,00,000	1973	101.60
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34,000	M.	72.50
3% Loan	1946	2,48,91,37,000	K.	73.95
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100.10
4 % Andhra	1956	6,66,15,000	3rd Sept. 1968	100.10
4½% Andhra	1958	5,00,00,000	15th July 1970	101.55
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96.50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98.30
4 % Bombay	1953	6,19,35,000	15th July 1963	100.60
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100.50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.55
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100.25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102.55
4½% Bombay	1958	5,00,00,000	15th July 1970	102.55
4½% Bombay	1958	5,00,00,000	15th July 1971	102.55
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100.10
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50,00,000	13th Oct. 1970	101.25
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100.15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100.15
3 % Madras	1939	1,23,96,000	21st June 1959	99.85
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99.00
2¾% Madras	1948	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	99.00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98.95
4 % Madras	1953	10,33,71,000	15th July 1963	100.30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.25
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100.15
4 % Madras	1956	13,53,56,000	3rd Sept. 1968	100.15
4½% Madras	1958	5,00,00,000	15th July 1970	101.60
4 % Mysore(*f*)	1938	2,95,85,200	1st Dec. 1958-68	101.50
3 % Mysore(*f*)	1936	5,99,73,000	30th Apr. 1956-61	99.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100.15
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.10
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101.60
4½% Mysore	1958	5,00,00,000	15th July 1970	101.60
3 % M.P.	1948	2,03,23,800	15th Sept. 1964	92.80
3 % M.P.	1950	1,01,45,000	31st July 1960	98.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	100.25
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100.10
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100.05
4½% M.P.	1958	2,00,00,000	15th July 1970	101.40
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100.25
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100.25
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.75
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99.50
2½% U.P.Z.A	1952	41,44,79,000Z	..	49.50
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91.00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
2¾% U.P.	1949	2,16,39,000	1st Sept. 1961	97.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98.25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.20
4 % U.P.	1953	5,58,25,000	15th July 1963	100.30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100.15
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100.15
4½% U.P.	1958	7,00,00,000	15th July 1970	101.60
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100.00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101.40
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100.00
4½% Orissa	1958	3,00,00,000	15th July 1970	101.40

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	} 100.00
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88,25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	} D
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.50
76,90,100	4	1916	1976	98.00
1,50,00,000C	3††	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
60,00,000	4½	1931	1991	95.00
60,00,000	3½	1935	1965	98.50
25,00,000	3	1938	1963-68	92.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	88.75
50,00,000	3	1949	1959	99.50
1,00,00,000	3	1949	1959	99.50
50,00,000C	3	1950	1960	82.00
1,00,00,000	3	1950	1960	98.50
1,00,00,000	3	1950	1980	93.50
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.00
50,00,000	4	1953	1962	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1967	99.50
1,30,00,000	4½	1958	1968	95.25
STERLING LOANS				
£302,600	5	1923	1953-83	£80 00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
23,48,275	2½	1947	1977	} A
9,88,000(f)	3	1947	1977	
3,00,000(f)	3	1949	1979	
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	} 97.75 N
20,00,000	4	1902	1962	
60,00,000	4	1903	1963	
80,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
12,00,000	4	1913	1973	} 97.56 N
60,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	96.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	101.00
50,00,000	4	1934	1964	99.00
35,00,000	3½	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	98.50
20,00,000	3	1938	1963-68	90.00
80,00,000	4	1952	1962	99.35
1,02,00,000	4	1954	1968	99.25
75,00,000	4½	1958	1968	100.00

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1912-18	1974	99.00
10,00,000	5	1920	1980	113.00N
26,21,500	5	1929	1959	101.00
3,25,00,000	3½	1947	1977	86.50
2,50,00,000	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	93.50
5,00,00,000	4	1952	1984	100.15
2,00,00,000	3½	1951	1966	97.40
1,30,00,000	4	1952	1963	100.15
1,00,00,000†	4	1952	1964	99.50
1,00,00,000†	4	1954	1966	99.60
2,50,00,000	4	1955	1967	100.05
1,50,00,000	4	1956	1968	100.05
2,00,00,000	4½	1957	1969	101.50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	103.00
38,91,000	3½	1935	1965	94.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
17,64,400	3½	1942	1959	96.50
21,10,000	3½	1942	1972	92.00
16,88,000	3½	1951	1961	97.50
66,88,000	3½	1951	1966	97.50
87,36,000	4	1952	1962	99.35
72,50,000	4½	1954	1979	100.50
2,22,72,000	4	1955	1985	—
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3¾	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.15
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100 30
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100.15
4 % W. Bengal	1956	7,11,46,000	3rd Sept 1968	100.15
4½% W. Bengal	1958	5,00,00,000	15th July 1970	101.60
4½% Kerala	1958	3,00,00,000	15th July 1970	100.50

ABBREVIATIONS. N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6¼ to 4 per cent. with effect from 1st April, 1935.
ǂ—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months notice. K—On September, 1986, or later at option of Government after three months notice.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6	Mar. Sep.	113.00	100
BREWERIES AND SUGAR						
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5	April ..	85.00	100
Carew & Co. T.F.R.C.	8,00,000	1875	6	Mar. Sep.	93.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905–24	8	Feb. Aug.	107.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7	July Apr.	5.92xd	5
¶East India Distilleries T.F.C.	£200,000	1897	7	Jan. July	16.50cd	£1
Gwalior Sugar T.R.O.	6,75,000	1940	7	Dec. ..	60.00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec. ..	60.00	100
Purtabpore Co. T.O.	6,00,000	1922	10	Oct. ..	13.50	10
Ramnugger Cane T.F.C.	4,00,000	1933–36	6	Aug. ..	90.00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	68.00	100
South Behar Sugar T.	5,00,000	1936	7	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5	Dec. ..	7.10	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec. ..	90.00N	100
Do. T.C.R.O.	15,00,000	1946	5	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	7	April May	118.75	100
COAL						
Borrea T.F.C.	4,00,000	1896–97	6½	Oct. Apr.	92.00	100
Burrakur (1st) T.F.C.	22,99,800	1901–19	7	Apr. Oct.	108.00	100
Do. (2nd) T.C.	4,50,000	1946	6	.. ..	6.50	10
Equitable T.F.	4,00,000	1895	6	Mar. Sept.	97.00	100½
Karanpura Collieries T.C.	9,89,500	1946	5½	.. ..	56.00	75p.
††Khas Kajora C.	1,93,000	1931	5	Mar. Sept.	9.50N	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan. July	10.75	10
§Ondal T.F.C.	2,00,000	1898–99	6	Apr. Oct.	89.00	100
COTTON						
Ahmedabad Advance T.F.	10,00,000	1939		Apr. Oct.	83.00xd	100
Bangalore C.T.F.	6,00,000	1884	6	Jan. July	110.00xd	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	9.00	10
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	145.00	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	62.00	100
Bradbury T.F.	14,75,000	1919	7	June Dec.	55.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7½	Jan. July	118.75xd	100
Cambodias C.T.F.	1,00,000	1928	7	Apr. ..	110 00	100
Central India T.F.	50,00,000	1912	5	Apr. Oct.	335.50	495
Coimbatore Pioneer C.T.F.	1,00,000	1935	6½	June ..	91.75	100
Elgin	11,00,000	1912	8	May Nov.	105.00	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	7.50	10
Elphinstone T.	25,00,000	1919	7	May Nov.	103.00	100
Kesoram	20,00,000	1919	7	June Dec.	99.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4	Nov. ..	74.00	100
Kothari C.T.F.	18,00,000	1937	6	Dec. ..	8.65	10
Kothari 'B' (Pref.)	6,00,000	..	6	.. ..	10.00N	5
Lakshmi Cotton (Bombay) T.	16,00,000	1896	5	.. ..	158.75	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	Jan. ..	70 00	100
Mysore Spg.	7,45,050	1944	4½	.. ..	23.25	50
National Rayon T.	1,74,64,700	1947	5	.. ..	76.30	100
New Great T.	8,00,000	1913	5½	Mar. ..	130.00	200
Podar Mills	10,00,000	1943	4	Feb. ..	61.50	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr. ..	51 00	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	82.00	100
Sholapoor R.	32,00,000	1943	3	.. ..	78.25	100
Svadeshi T.F.	15,00,000	1935	5	Apr. Oct.	86.30	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	74.00	100
Travancore Rayon C.T.F.	50,00,000	....	5	May ..	7.90	10
Vasanta (1st) C.T.F.	3,00,000	1931	6½	Apr. Oct.	101.00	100
Do. (2nd) C.T.F.	1,50,000	1938	6	.. ..	90 00	100
Vishnu T.	15,66,500	1908	7	Apr. ..	432.50	500
ELECTRICS						
Andhra Valley Power Supply T.	40,34,000	1917	7	Mar. Nov.	1,095.00	1,000
Amalgamated Electric T.F.	24,15,000	..	5½	.. ..	86.20	100
Calcutta Electric	19,00,000	1909–11	5(t)	June Dec.	9.87	£1
Poona Electric T.	4,00,000	1935	7	June Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5½ }	Sept. ea.	{ 9.04	100
Do. (2nd) C.T.F.	8,00,000	1940	5½ }		8.89	10
Surat Electric Co. T.F.	5,00,000	1939	6½	Apr. ..	111 00	100
Tata *Hydro* Electric Power T.	89,28,000	1907	7	May Nov.	115.00	100
Tata Power T.	86,97,000	1918	7½	May Nov.	1,103.75	1,000
Vellore C.T.	1,25,000	1928	6	Dec. ..	7.04xd	10
ENGINEERING						
Arthur Butler (Muzafferpore)	1,30,000	1919	7	Mar. ..	10.50	10
Burn & Co. Ltd. (1st)	13,00,000	1895–98	7	Feb. Aug.	123.00	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.	116.00	101
Indian Iron and Steel Co., Ltd. T.F.	2,69,95,400	1950	5	Dec. ..	103.00	100
Indian Standard Wagon	19,66,500	1913	7	June ..	122.00	100
Jessop	20,00,000	1941	5	May Nov.	82 00	100
Kamani Engineering C.	15,00,000	..	5	July ..	50.50	100
†††Kumardhubi Engineering	12,00,000	1915	4	June Dec.	92.50	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1940–47–51	5	.. ..	87.00	100
Mahindra & Mahindra R.C.	25,00,000	1945	6	May ..	100.50	100
McKenzies (1st)	5,50,000	1907	..	.. ..	80.00	100
Premier-Construction (1st) T.	10,00,000	..	6½	.. ..	88.00	100
Do. do. (2nd) T.	15,00,000	1936	6½	.. ..	85.00	100
Do. do (3rd) T.	56,25,000	1947	4½	.. ..	5 48	10
Tata Iron and Steel (1st) T.	75,00,000	1908	6	Nov. ..	156.75	150
Do. do. (2nd) T.	6,93,81,900	1908	7½	May ..	116.00	100
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	97.00xd	100
Alexandra	9,00,000	1905	7	Feb. Aug.	99 00	100
Alliance	15,00,000	1895	6	Mar. Sept.	87.00	100
Anglo-India	40,00,000	1917	7	May Nov.	103 00	100
Auckland	10 00,000	1909	5½	May Nov.	76 50xd	100
Do. (2nd)(j)	15,00,000	1945	4½	June Dec.	63.00xd	100
Bally	20,00,000	1918	7	Apr. Oct.	102.00	100
Barnagore	£200,000	1896	5	May Nov.	34.75xd	5
Belvedere	7,00,000	1906	7	Jan. July	103 00	100
Birla	23,64,200	1919	7½	June Dec.	87.00	100
Budge-Budge	9,00,000	1894	7	May Nov.	103 00	100
Calcutta	6,00,000	1934	6½	Jan. July	62.00	100
Caledonian	10,00,000	1915	7	June Dec.	103 00	100
Cheviot	10,00,000	1919	7	June Dec.	103.00	100
Chitavalsah	5,00,000	1928	7	Mar. Sept.	102.00	100
Clive (1st Pref.)	8,00,000	1900	6	May Nov.	68.00	100
Do. (A) (2nd Pref.)	8,00,000	1905	7	May Nov.	74 00	100
Dalhousie	15,00,000	1903–13	7	May Nov.	92.00	100
Delta	5,00,000	1897	5	June Dec.	77.00	100
Empire	10,00,000	1912	7	Feb. Aug.	102 00	100
Fort Gloster	14,00,000	1890–98	7	May Nov.	102.00	100
Do. (2nd Pref.)	7,00,000	..	5	.. ..	69 00	100
Fort William	10,00,000	1911	7	May Nov.	102.00	100
Ganges	6,00,000	1916	8	June Dec.	102.00	100
Gourepore	26,50,000	1895–04	6	May Nov.	87.00	100
Hastings	25,00,000	1935	6	Mar. Sept.	88 00	100
Hooghly	11,76,000	1913	10	May Nov.	11.75	10
Howrah	8,75 000	1890	7	May Nov.	102.00	100
Do. (A)	17,50,000	1903–6	7	May Nov.	102 00	100
Hukumchand	40 00,000	1919	7	June Dec.	100 00	100
Kamarhatty	16,00,000	1898–04	6	Feb. Aug.	100.00	100
Kanknarrah	10,00,000	1900	6	Feb. Aug.	75.00	100
JUTE—*Continued.*						
Kelvin	10,00,000	1907	7	Mar. Sept.	99.00xd	100
Khardah	9,00,000	1895–09	6	May Nov.	88.00	100
Kinnison	15,00,000	1900–13	7	May Nov.	102.00	100
Lansdowne	15,00,000	1905	7	May Nov.	104.00	100
Lawrence (A)	5,00,000	1907	7	May Nov.	95.00xd	100
Do. (B)	10,00,000	..	5½	Dec. ..	75.00xd	100
Naihati	7,50,000	1905	7	May Nov.	95.00	100
Do. (2nd)(f)	10,00,000	..	4½	June Dec.	65.00	100
National	5,00,000	1917	7	May Nov.	105.00	100
Nellimarla	5,00,000	1939	6	Apr. Oct.	90.00	100
New Central	83,00,000	1915	7	Jan. July	99.00	100
Northbrook	15,00,000	1900	7	May Nov.	73.50xd	100
Reliance	20,00,000	1906–12	7	May Nov.	70.00	100
Samnuggur	£150,000	1901	6	Feb. Aug.	Sh. 21.50N	£1
Soorah	10,00,000	1920	7	Feb. Aug.	102.00	100
Standard	9,00,000	1895–01	6	May Nov.	99.00xd	100
Shree Ambica	11,70,000	..	7½	Mar. Sept.	96.00	100
Titaghur	£150,000	1897	6	Feb. Aug.	Sh. 21.50	£1
Union	6,00,000	1901–02	7	May Nov.	100.00xd	100
Victoria	£150,000	1898	6	Feb. Aug.	Sh.21.50	£1
Waverly	7,50,000	1918	7	Mar. Sept	42.50xd	5
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship	3,00,000	1895	7	Nov. ..	59.00	60
Calcutta Tramways	£250,000	1906	5	Apr. Oct.	8.00	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5½	Dec. ..	97.00	100
Indian General Nav. & Rly. T.	£244,000	1899	6	Mar. Nov.	69.00	£10
India Steamship (w)	25,00,000	1928	5	.. ..	93.00	100
TEA						
Amluckie Tea	75,000	1902–08	7	May Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900–02	6½	Jan. July	110.00	100
Birpara	1,00,000	1900–08	8	Jan. ..	110.00	100
Choonabhutti	2,00,000	1914	8	Jan. July	109 00	100
Gielle	2,00,000	1894	6	Sept. ..	67.00	100
Hantapara	50,000	1901	8	Jan. ..	109.00	100
Hasimara	3,00,000	1904	7	Mar. ..	109 00	100
Kingsley Golaghat	2,40,000	1897	6	Dec. ..	95.00	100
Moheema	3,20,000	1929	6	May Nov.	8 00	10
†††New Dooars	2,00,000	1907	6	Jan. July	109.00	100
New Samanbagh	1,00,000	1903	8	Nov. ..	100.00	100
†††Okayti	50,000	1888	7	Dec. ..	90.00	100
Pussimbing	2,05,000	1916	7	Jan. ..	83.00	100
Sonai River	1,00,000	1909	8	May ..	100 00	100
***Tezpore	2,05,000	1932	8	Jan. ..	10.25	100
Tirribannah	1,00,000	1922	10	May Nov.	14.00	100
PLANTING						
BelBe Rubber N.R.C.T.	1,43,005	1944	6½	.. ..	3.13cd	5
Do. R.C.T.	2,86,450	1944	6½	.. ..	6.64cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June ..	46.70	50
Coffee Lands C.T.F.	10,40,600	..	5	.. ..	79.00	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr. ..	98 00	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov. ..	10.75	10
Devon Tea C.T.F.	2,00,000	1936	7½	July ..	104.00	100
Highland Produce C.T.F.	8,00,000	..	6	July Jan.	9.00	10
Neelamalai C.T.F.	18,00,000	1943	5	Jan. July	7.05	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July ..	4.25	5
Pullangode C.T.F.	1,50,000	1943	6	Mar. ..	8.65	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar. Sept.	7.35	10
T. R. & T. Co. C.T.F.	16,00,000	..	6	June Dec.	7.75xd	10
Waterfalls R.C.T.F	6,00,000	1943	6	Nov. ..	8.00	10
MISCELLANEOUS						
Alembic Chemicals (1st) T.	5,00,000	..	6½	June ..	85.80	100
Do. do. (2nd)	5,00,000	..	5	June ..	85.00N	100
Alkali & Chemicals	31,00,000	1937	5	Apr. ..	102.00	100
Aluminium Corpn. (1st)	20,00,000	1938	6(f)	.. ..	86.00	100
Andhra Cement C.T.F.	2,48,800	1937	6	Feb. June	100 00	100
Associated Hotels of India T.	21,67,000	1916	7	Mar. Sept.	48.50	100
Bengal Chemicals	9,00,000	1925	7½	Aug. ..	11.00	10
Bengal Paper Mill	2,00,000	1903	7	Mar. Sept.	53.00	50
Do. "A"	4,00,000	1928	7	Mar. Sept.	107.00	100
Do. "B" T.	20,00,000	..	6	.. ..	65.00	100
Bengal Timber Trading	8,00,000	1896	8	Aug. ..	17.00N	100
Britannia Biscuit	15,450	1921	8	Feb. Aug.	14.00	10
British Ceylon Corporation	17,50,000	1918	6	Feb. Aug.	8.00N	5
British India Corporation	81,00,000	1920	8	Feb. ..	105.00	100
Dalmia Cement (Bharat)	61,58,210	1937	7(f)	Sept. ..	8.60	10
Dhrangadhra Chemical Works Ltd.	31,91,900	1956	6	.. ..	88.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5	Dec. ..	85.00	100
Dunlop Rubber Co. *(India)*, Ltd. *(1st)*	30,00,000	1926	6½	Apr. ..	118.00	100
General Investment Trust (1st)	1,00,000	1946	5	Feb. Aug.	63.00	100
Do. do. (2nd) T.	1,00,000	..	6	Feb. Aug.	53.00	100
Gillanders Arbuthnot(f) T.	25,00,000	..	5	Apr. Oct.	55.00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6	Mar. ..	37.50	50
Humayan Properties	12,00,000	1933	6	.. ..	7.62	10
India Cement T.	29,85,000	1948	7½	Oct. ..	92.43xd	100
Indian Aluminium (g) T.	40,00,000	1945	5	June ..	72.00	100
Indo-Burma Petroleum T.C.	50 00,000	1921	7	Jan. July	88.00	33
Indian Cable (m)	12,87,750	1923	6	June Dec.	25.50xd	10
India Rubber Mfrs. (n)	8,28,000	..	5	Apr. ..	76.00	100
Jardine Henderson T.	50,00,000	1946	5½	Dec. ..	56.00	100
Kettlewell and Bullen (1st) T.	20,00,000	..	5½	May ..	59.00	100
Do. do. (2nd)	10,00,000	..	4	May ..	56.00	100
Kumardhubi Fireclay & Silica	2,00,000	1915	7	June Dec.	63.00xdN	100
Martin Burn (k)	30,00,000	1946	5	Apr. Oct.	100.00	100
McLeod and Co. (1st) T.	10,00,000	1930	5	July Jan.	53.00	100
Do. (2nd)	40,00,000	1936	5	July Jan.	70.00	100
Metal Box Co.	30 00,000	..	6	.. ..	84.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903–18	6	Feb. Sept.	93.50	100
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6	June ..	9.00	10
Mysore Lamps R.C.T.F	2,50,000	..	4	Aug. ..	6.50	10
National Tobacco (Old) (p)	25 00,000	..	5	Mar. Sept.	69.00	100
Do. do. (New) (q)	19,98,000	..	4½	Mar. Sept.	58 00	100
Orient Paper	69 88,900	1936	5½	Jan. ..	89.50	100
Do. (2nd) (r) T.	60,00,000	..	5½	Apr. Oct.	61.00	100
Rohtas Industries (Old) T.	20,00,000	1936	7	Apr. ..	124.00	100
Do. do. (New)	85,04,700	..	4½	Apr. ..	64.00	100
†Smith Stanistreet & Co.	5 00,000	1920	10	Feb. Aug.	65.00	50
Spencer & Co. "A" C.T.	23 20,000	1898	6½	Jan. July	8.00cd	10
Do. "B" C.T.	36 80,000	1922	8½	Jan. July	11.00cd	10
Standard-Vacuum C.	75,00,000	1955	6	June Dec.	100.00	100
Star Paper	10,00,000	..	5	Mar. Sept.	70.00	100
Tata Chemicals T.F.	59,97,000	..	5	June ..	95.00	100
Tata Oil Mills C.	29,88,800	1946	4½	July ..	58.70	100
Titagur Paper Mills	11,50,000	1899	8	Jan. June	136.00	100
Do. do. 2nd)	15,00,000	1934	4½	Jan. July	78.00	100

** These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which *only 5 per* cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum *rateably* with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus profits available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free
R.O.—Redeemable at option. N.R.—Non-Redeemable. P.—Participating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50,00,000	5,87,500	1,01,25,505	44,03,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.20	2	0.19	0.19			12	Y.
40,00,000	24,00,000	1,40,93,494	78,99,035	17,302	M.	50,596	1,031	B. R. Cotton Mills	17.52	100	Nil	Nil	Nil		3	Y.P.T
2,50,98,900	42,88,483	7,95,30,951	3,93,39,819	35,708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,480	3,646	Bombay Dyeing & Mfg. Z	58.60	25	2.50*	2.50	2.56	0.75f	12	Y.
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	132.50	50	12.50	20.00	15.00	7.50	3	Y.P
1,13,85,650	2,79,59,276	7,45,32,167	2 69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	472.00	100	22.00	22.00	22.00	8.00f	12	Y.
26,00,000	28,31,920	1,13,86,792	67,79,552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	30,984	680	Coorla Spg. & Wvg.	125.00	100	7.50	12.50*	12.50*	12.50*	3	Y.
28,00,000	26,37,709	90,59,554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	78.00	50	15.00	—	7.50F	5.00	3	Y.
34 00,000	26,36,389	1 12,98,983	69,27,928	—11,15,096	Puranmal Bubna Sons	46,668	928	Edward Textiles	215.50	200	18.00	15.00	15.00		12	Y.
29,98,050	15,72,144	1,31,76,951	81,20,935	....	M.	45,996	886	Elphinstone Spg. & Wvg.	30.00	50	5.00	15.00	Nil		12	Y.P
50,00,000	65,54,875	1,67,34,054	89,06,207	37,155	James Finlay & Co., Ltd.	52,528	784	Finlay Mills	271.00	100	20.00	20.00	20.00		12	Y
50,00,000	48,98,022	94,91,910	61,37,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	192 50	100	15.00	15.00	15.00		12	Y.
11,84,000 / 16,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills	4,800.00 / 992.50	1,000 / 250	300.00 / 75.00	325.00 / 81.25	350.00* / 87.50*	350.00 / 87.50	3	Y.P.
2,50,00,000	56,39,672	4,90,61,819	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	8.68 / 1.08	0 10O. / 0 1D.	0.94 / 0.19	0.92 / 0.18			12	Y.
8,65,000 / 85,000	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	4,350.00 / —	1,000 / 500	300.00 / 150.00	300.00 / 150.00	325.00* / 162.50*	325.00 / 162.50	3	Y.P.
59,85,000	47,84,646	3,32,60,641	2,39,44,370	30,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	167.50	100	12.00	10.00	10.00(c)	10.00	6	Y.P
1,00,00,000	1,13,27,791	3,67,76,876	2,84,94,794	52,791	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	255.00	100	18.00	18.00	18.00	4.00f	12	Y.
33,18,800	46,27,870	1,28,83,753	67,99,178	43,271	N. Sirur & Co. Private Ltd.	49,000	644	Modern Mills	46 00	50	8.00*	8.00*	5.00'C'		10	Y.T.
51,75,000	42,39,896	2 75,32,726	2,00,41,588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg.& Wvg.	230.00	100	14.00	15.00	14.00(c)	15.00	6	Y.P.
1,66,68,400	1,42,58 206	10,55,96,105	3,40,00,000	1,23,937	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	276.00	100	12.00	14.00*	14.00		12	Y.P.
24,00,000	22,76,231	82,93,080	48,70,077	—3,04,756	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	89.00	100	10.00	10.00	5.00	Nil	12	Y.
30,00,000	7,01,166	109,27,346	63,87,035	—4,83,512	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	210.00	100	10.00	10.00	Nil	Nil	12	Y.P.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	3,59,718	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	120.50	100	10.00	..	12.50F	10.00	3	Y.
40,00,000	45,64,554	53,92,841	25,34,581	1,63,546	Podar Sons Private Ltd.	32,600	930	Podar Mills	130.00	100	12.00*	12.00*	10.00		12	Y.P.
10,00,000	....	23,94,122	18,44,733	—1,10,689	M.	..	..	Sassoon & Alliance Silk Mill	9.76	10	0.50	0.25(c)	Nil		12	Y.
87,70,100	1,19,98,715	2,11,34,514	1,36,87,248	12,182	M. G. Investment Corp. Private Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	45.00	10	2.00	2.00	2.00		12	Y.
30,00,000	44,70,061	1,27,66,700	67,73,552	58,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	148.50	100	12.00	12.00	8.00		12	Y.P
42,00,000	30,80,473	1,95,86,294	79,84,101	8,089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	168.00	50	10.00	12.00	8.50	8.50	3	Y.
87,80,000	2 50,26,472	2,96 16,751	1,87,99,817	1,55,642	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	444.00	100	20.00	22.50*	22.50*		12	Y.P.
1,00,00,000	95,63,854	2,76,30,400	1,44,86,214	29,124	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	212.50	100	12.00	14.00*	9.00		12	Y.P.
36,00,000	65,13,465	1,52,27,488	96,52,715	26,062	James Finlay & Co., Ltd.	40,828	549	Swan Mills	300.00	100	25.00	25.00	25.00		12	Y.
65,57,875	53,20,412	2,18,16,540	90,58,601	17,925	Tata Industries Private Ltd.	70,832	1,800	Tata Mills	33.00	25	4.00	3.50*	2.00		12	Y.T.
12,00,000	1,04,98,944	1,72,83,864	1,08,61,776	—20,69,771	M.	54,136	1,212	Western India Spg. & Mfg.	4,525.00	1,000	300.00	300.00	325.00*	325.00	3	Y.P

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,616	Ahmedabad Advance Mills	130.00xd	100	7.00	12.00	5.00	5.00	6	Y.P.T
15,60,000	93,23,183	1,29,00,836	73,32,228	....	P. M. Hutheesing & Co., Ltd.	44,220	912	Aruna Mills	632.50	100	30.00	25.00	25.00		12	Y.P.
40,00,000	3,03,12,127	2,17,78,010	1,10,66,897	28,706	M.	66,412	1,216	Arvind Mills	1,030.00	100	35.00*	35.00*	35.00*		12	Y.P.
22,00,000	47,41,123	1,22,40,943	77,79,729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	35,908	392	Aryodaya Ginning & Mfg.	462.50	200	25.00*	30.00*	Nil		12	Y.P.
12,00,000	1,40,46,694	99,92,464	67,28,819	728	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	652.00	100	30.00	30.00	30.00		12	Y.P.
2,06,25,000	2,60,65,170	6,22,25,491	2,74,71,141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,39,120	2,400	Calico	531.50	125	..	30.00	30.00	25.00	3	Y.P.
63,00,000	28,51,630	1,44,37,907	1,02,61,820	20,815	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	450.00	250	80.00	100.00*	25.00*		12	Y.P
53,00,000	91,54,187	1,55,49,668	1,07,88,296	92,673	Mafatlal Chandulal & Co., Ltd.	51,106	907	New Sherreck Spg. & Wvg.	894.00	125	35.00	40.00*	30.00		12	Y.
15,00,000	64,29,775	69,45,065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	410.00	100	20.00	20.00	20.00		12	Y.P.
20,00,000	1,06,37,132	1,07,38,484	66,60,480	165	Lalbhai Dalpatbhai & Co.	32,828	636	Raipur Mfg.	680 00	100	35.00*	35.00*	35.00*		12	Y.P.
43,75,000	28,46,580	1,33,74,914	73,60,111	9,983	M.	35,196	648	Rohit Mills	135.00	100	Nil	8.00*	8.00*		12	Y.P.
57,96,800	2,38,74,105	2,17,82,370	1,17,57,907	1,76,451	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	723.00	50	27.00*	30.00*	25.00		12	Y.P.
29,25,000	69,60,633	1,00,70,063	73,48,312	18,346	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	507.50	100	25.00	30.00*	20.00		12	Y.
35,00,000	38,00,929	28,90,363	90,20,734	23,300	Haridas Achratlal & Co., Ltd.	41,056	750	Vijaya Mills	580.00	500	35.00*	50.50*	40.00*		12	Y.P

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
15,00,000	3,05,455	33,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd.	13,044	256	Basanti Cotton Mills	6.87	10	0.50	0.60	0.60		12	Y.P.T.
7,11,280 / 3,00,620	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee, Esq. (Mg. Director)	33,336	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	4.00	Nil	3	Y.P.
24,00,000	1,50,000	1,20,71,237	49,68,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	96.00	100	Nil	Nil	Nil		12	Y.P.
19,00,000	24,30,708	1,39,78,961	73,14,165	—1,36,242	Kettlewell Bullen & Co., Ltd.	42,944	523	Dunbar Mills	142.00	100	2.50	6.00	Nil		12	Y.T.
50,08,000	7,14,828	81,32,154	30,32,154	1,32,757	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	9.37	10	Nil	0.87	0.50	0.65	12	Y.T.
1,60,00,000	2,29,91,250	,06,62,835	1,46,19,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	11.81	10	0.87	1.00	0.75		3	Y.P
19,47,750O / 5,00,000D	9,50,000	48,59,254	28,75,466	9,388	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	15.00N / 4.00N	10 / 1D	1.00 / 0.34	1.00 / 0.26	1.00 / 0.15		6	Y.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
11,98,600	5,57,619	29,87,104	19,12,220	16,013	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,000	18,19,271	1,89,74,579	68,27,598	6,322	C. S. Tyabjee, Esq.	36,136	716	Azam Jahi Mills	51.00	100	3.50(c)	5.00	3.50	Nil	9	Y.
1,21,50,000	1,47,74,679	3,67,03,866	2,76,43,043	2,96,471	Binny & Co. (Madras), Ltd.	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills	172.00	100	30.00	30.00	10.00'C'	4.00f	12	Y.P.
35,00,000	74,79,507	1,41,25,225	1,10,21,274	1,04,207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	21.00N	10	3.00	1.50	1.50	0.75	3	Y.
1,78,47,800	2,99,20,900	6,93,67,948	4,19,97,472	1,92,471	Binny & Co. (Madras), Ltd.	1,20,238	2,762	Buckingham & Carnatic	173.50	100	10.00	10.00	10.00	4.00f	12	Y.P.T
20,00,000	15,87,935	59,23,440	26,13,948	....	Peirce, Leslie & Co., Ltd.	37,556	4	Cambodia Mills	10.15	10	0.50	0.50	0.50(c)		12	Y.P.
15,00,000	5,11,500	53,88,579	29,91,389	1,03,342	Damodaran & Co.	29,600	..	Cannanore Spg. & Wvg.	136.00	100	12.00	15.00	20.00	12.50	3	Y.
30,00,000	33,43,336	76,05,050	59,57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Textiles	4.69	5	Nil	0.25	0.25	Nil‡	12	Y.
9,36,560	5,81,645	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	10.80	10	0.62	0.75	0.90	0.90	3	Y.P.T.
35,21,362	22,09,767	69,79,002	31,91,699	698	R. Bheema Naidu & Co.	30,864	..	Coimbatore Cotton Mills	130.00cd	100	25.00	25.00	9.00'C'		12	Y.
18,15,000	7,25,195	39,16,552	24,29,488	....	T. A. R. Chettiar Sons & Co.	25,340	180	Coimbatore Murugan Mills	91.00	100	20.00	12.00			12	Y.P.
20,00,000	18,28,450	80,21,737	44,09,621	599	T. R. N. Naidu & Co.	38,226	..	Coimbatore Pioneer Mills	263.00	100	20.00	20.90	20.00		12	Y.P.
20,76,900	5,076	1,37,90,104	88,52,968	—7,29,806	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	45.50	50	8.00	10.00	Nil		12	Y.
46,87,500	10,87,622	3,55,43,835	1,51,85,676	—28,54,243	Tata Industries Private Ltd.	1,15,084	1,652	Central India	87.50	100	8.00	Nil	Nil	Nil	6	Y.P.
26,90,661	19,55,000	1,04,60,142	44,85,815	21,830	R. Hanumanthappa & Son	28,816	300	Davangere Cotton Mills	113.50	100	9.00	9.00	9.00	9.00	3	Y.
3,38,36,225 / 1,00,563	3,59,53,968	12,81,26,690	7,47,89,631	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,41,130	2,352	Delhi Cloth & General Mills	30.56	25 / 2½	2.25 / 0.22	2.50 / 0.25	2.00 / 0.16	2.00 / 0.16	6	Y.P.T.
48,58,875	26,75,000	98,47,125	55,14,444	1,204	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	180.00cd	100	30.00	25.00	10.00'C'	10.00	12	Y.
63,00,000	1,05,56,192	1,69,12,424	1,41,93,839	75,531	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	13.12	10	1.00	1.25	1.00		9	Y.P.
48,81,000	43,55,161	1,36,06,042	77 13,982	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	131.75	100	15.00	13.00	8.00		12	Y.
2,50,00,000	8,75,000	5,73,71,041	1,64,46 856	1,00,48,693	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	15.04	10	Nil	Nil	Nil	Nil	3	Y.P
50,00,000	6,94,589	1,59,76,049	1,21,32,273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	51,180	1,256	Indore Malwa United	97.00	100	9.00	11.00	6.00		12	Y.
8,90,000	10,66,553	35,60,221	20,68,005	....	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	68.50	50	10.00	10.00	3.00		12	Y.
15,54,000	15,02,599	57,13,937	33,88,095	7,012	Mr. Bhairuratan Damani (Managing Director)	29,212	512	Jam Shri Ranjitsinghji	1,450.00	1,000	50.00	60.00	40 00		6	Y.
4,63,65,800	3,05,67,516	4,59,48,795	3,29,32,899	3,47,483	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	9.76	10	4.00‡	0.55	0.85	0.25	3	Y.P.
42,00,000	19,25,000	1,05,81,567	38,28,876	91,772	Kothari & Sons	41,940	300	Kothari Textiles	9.12	10	1.00	1.00	1.00		6	Y.P.
32,00,000	63,39,487	1,84,50,574	1,25,78,615	2,294	M.	51,008	1,243	Lakhshmi Cotton Mfg.	396.25	250	42.50	42.50	15.00		12	Y.P.
71,00,000	66,85,960	2,25,46,381	1,29,69,687	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	107.00 / 53.50	50 / 25	12.50 / 6.25	12.50 / 6.25	10.00 / 5.00	6.00 / 3.00	3	Y.
1,75,02,480	3,75,33,193	5,99,75,120	4,17,59,406	—49,07,085	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	25.40	15	3.00	2.62	2.25	Nil	12	Y.
12,00,000	3,67,363	29,03,352	18,76,700	213	V. K. Eradi (Chairman)	22,592	100	Malabar Spg. & Wvg.	80.00	200	Nil	8.00			12	Y.
60,00,000	69,00,000	66,60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	602	Mettur Industries Ltd.	370.00	100	35.00	42.50	20.00	20.00	3	Y.
29,80,884	12,88,081	93,11,180	51,89,457	19,733	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	60.50	100	6.00	6.00	Nil		12	Y.
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85 008	M.	52,408	952	Model Mills (Nagpur)	127.50	250	7.50(c)	7.50			6	Y.P.
24,83,500	39,98,562	1 13,65,249	72,49,736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	79 00	50	6.00(c)	9.00*	9.00*	5 00	3	Y.
13,61,780	....	29,12,641	17,83,814	3,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6.25N	10	Nil	Nil	Nil		3	Y.
37,23,200	39,29,931	1,73,33,244	67,36,683	....	M.	37,788	902	Osmanshahi Mills	43.00	100	2.50(c)	3.00(c)	Nil		9	Y.
4,00,000A / 6,00 000B	13,00,000	71,79,976	23,66,277	3,909	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	123.00 / 182.00	50A / 75B	12.00 / 18.00	15.00 / 22.50	9.00 / 13.50		12	Y.P.
15,00,000	....	35,52,644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	87.75	100	4.00(c)	Nil	Nil		12	Y.
10,81,200A / 8,40,600B	81,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	300	Radhakrishna Mills	184.00 / 62.00	100A / 50B	20.00 / 10.00	20.00 / 10.00	12.00 / 6.00		12	Y.
19,53,275	30,55,750	76,37,378	32,62,433	....	B. R. Naidu & Sons	37,096	..	Rajalakshmi Mills	66 00	50	10.00	7.50	4.50		12	Y.P
16,14,800	14,00,000	58,40,286	20,95,406	....	Ramco Agencies Private Ltd.	24,096	..	Rajapalayam Mills	117.00	100	10.00	10.00	12.00	8.00	3	Y.
22,32,050	11,50,000	58,72,976	23,15,892	5,286	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	100.00	100	10.00	10.00	10.00		12	Y.
15,90,000 / 10 000	2,69,010	3,15,04,564	2,05,50,756	—34,29,635	M.	95,232	2,232	Sholapoor Spg. & Wvg.	428.75 / —	1,000 / 500	Nil	Nil	Nil		3	Y.P
36,69,700	21,91,449	1,05,51,059	61,65,564	37 576	H. N. Pallegar, Esq.	80,744	292	Sri Krishnarajendra Mills	59.00	50	5.00	7.00	7.00	4.50	3	Y.
15,00,000	3,63,33,415	1,06,79,186	80,23,012	30,16,282	Birla Brothers Private Ltd.	36,212	1,244	Sutlej Cotton Mills	81.00N	10	6.00	6.00	6.00	6.00	3	Y.
17,50 000 O / 1,57,50,000 PO	2,36,28,071	5,28,86,193	1,97,31,347	2,64,970	M.	1,12,216	2,098	Swadeshi Cotton (Kanpur)	10.37 / 11.00	10O. / 10P.O.	0.75 / 1.15	0.75 / 1.15	0.75 / 1.15		12	Y.P.T.
1,00,00,000	60,00,000	3,88,81,893	1,95,18,492	1,78,216	Emcote & Sons (Travancore) Ltd.	..	..	Travancore Rayons	17.75	10	0.75	1.00	1.00		12	Y.
13,98,730	9,45,940	19,58,289	13,60,120	794	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.60	10	0.90	1.12	0.90		12	Y.P
21,00,000	39,86,788	86,80,895	51,76,507	12,000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	205.00	100	20.00	20.00	12.00		12	Y.P.
32,00,000	18,73,770	1,35,96,083	1,17,44,692	—9,85,569	The Bombay Co. (Private) Ltd.	49,660	1,375	Vishnu Cotton	93.00	100	8.00	8.00	Nil		12	

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

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
71,39,780	6,27,794	1,53,40,852	52,19,911	49,516	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.00	B. 10	1.00*	1.00	1.00		12	Y.P.
59,89,343	36,548	1,57,05,664	21,936	6,415	M.	Ashoka Cement Ltd.	9.72xd	10	..	..	Nil	Nil	3	Y.T.
12,71,80,070 / 6,34,26,150	10,06,76,940	36,32,76,342	12,89,15,052	1,98,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	145.50	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
83,92,587	....	1,23,58,448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.52	10	0.30	0.60	0.60		12	Y
1,44,10,795 / 5,00,000	53,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	10.10 / 2.63	O. 10 / D. 1	1.25 / 0.12	1.25 / 0.12	1.20 / 0.12		12	Y.P.T.
1,09,79,135	30,37,736	2,18,27,299	73,38,865	71,092	Essen Private Ltd.	India Cements Ltd.	— / 5.40	O. 25 / D. 5	1.87 / 0.37	2.06 / 0.41	2.06 / 0.41	2.25 / 0.45	3	Y.P.
1,50,00,000	1,85,000	6,72,92,670	1,24,70,386	93,276	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.60	10	0.75	1.25	1.25	1.25	3	Y.P.
1,00,00,000	31,43,497	3,25,68,768	1,17,79,528	37,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.00	10	1.25	1.25	1.50		12	Y.P.
1,34,20,200	48,94,785	3,55,77,865	1,29,16 661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	141.00	100	8.50	9.00	9.90		12	Y.P.
75,00,000	17,70,000	2,18,91 926	1,54,83,889	18,727	M.	Sone Valley Portland Cement	6.41	5	0.30	0.15	0.30		12	Y.
50,00,000	6,00,000	1,04,84,563	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	9.25	10	0.62	0.60	0.60		12	Y.

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
13,50,000	3,33,041	10,99,022	6,14,954	12,83,240	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	16.00	100.	1.00	3.00	1.50	..	9	Y.P.
50,50,275	8,45,000	1,20,18,973	35,41,847	20,913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.56	2½	0.25	0.25	0.25		12	Y.
10,00,000	34,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	30.25xd	10	1.75	0.87	1.75	1.75	3	Y.
£1,371,800	£1,348,400	£2,621,717	£1,593,562	11,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.02	Sh. 2	10.8d.*	4.8d.	4.82d		12	Y.
O.15,00,000 / P.5,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	12.56	10	1.00 / 3.00	Nil / Nil	Nil / Nil		6, 12	H.
6,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.10	10	0.75	1.00			3	Y.
20 00,000	36,50,291	49,10,494	27,87,433	1,15,703	Bird & Co. Private Ltd.	Orissa Minerals	27.19	10	2.00*	1.00f	2.00		6	Y.
7 00,000	71,65,006	74,84,368	29,53,314	52,523	Killick Industries Ltd.	Shivrajpur Syndicate	103.00	10	3.00*	3.00*	3.00*		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
41,27,700	37,60,000	1,10,24,566	49,60,560	31,063	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	173.00	100	8.00	10.00	12.00		12	Y.P.
62,00,000O / 2,47,97,000A	90,34,040	4,45,67,235	73,02,594	1,03,673	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	19.25	10	0.80	0.80	0.80	0.80	9	Y.P.
60,00,000	....	67,15,919	....	1,15,111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	128.00	100	Nil	Nil	Nil		12	Y.P.
89,27,800	11,05,700	2,96,61,485	67,85,495	53,686	Lalbhai Sons & Co.	Atul Products Ltd.	239.50	100	5.25	6.00	8.00		12	Y.
48,17,200	48,38,400	1,45,22,658	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	96.00	100	6.00	6.00	6.00	6.00	3	Y.P.T.
21,50,000 / 42,74,800	63,31,297	1,48,64,534	57,89,669	9,989	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	89.00 / —	100 / 100New	12.00 / ..	9.00 / 4.50	7.50 / 3.75	6.60 / 6.00	3	Y.P.
3,46,06,075		4,29,69,769	2,33,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	7.48	10	Nil	Nil	Nil		12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jai H. Mehta	Kemp & Co.	216.00	200	12.00	15.00	15.00	15.00	3	Y.
40,50,906	16,32,446	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.10cd	10	0.70	0.75	0.75	0.87½	3	Y.P.T.
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	7.80	10	0.50	0.50	0.50		3	Y.
6,00,000	4,00,000	7,37,855	4,44,356	1,98,028	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	22.00	10	2.00	2.00	2.00		3	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	10.12	5	0.50	1.00	1.00	0.80'C'	6	Y.P.
10,00,000	12,00,954	19,34,602	14,27,276	87,365	M.	Polychem. Ltd.	79.00	50	..	..	..	Nil	3	Y.P.
1,39,95,990 / 56,00,000	17,19,952	4,57,35,637	1,71,48,316	2,736	Tata Industries Private Ltd.	Tata Chemicals	16.32	10	Nil	0.75	0.80	0.75	6	Y.P.T.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
8,74,78,395	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	96.50	100	5.00	6.50	3.25	6.50	3	Y.T.
72,50,000	14,67,106	1,98,94,397	45,21,447	15,28,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	11.04	10	0.75	0.75	0.42½	0.85	3	Y.P.
3,02,76,250	76,70,609	9,08,96,522	2,41,70,836	32,105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,180.00	1,000	75.00	75.00	56.25	80.00*	3	Y.P.T.
1,75,00,000	54,34,572	3,30,22,445	77,28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	107.50	100	7.00	7.00	7.00	7.00	3	Y.
7,07,020	99,267	16,08,942	7,53,744	199	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.00	10	0.75	0.62	Nil	0.50	3	Y.T.
18,89,000	9,85,596	1,40,77,220	53 14,908	7,836	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	111.00	100	10.00	10.00	2.50	7.50	3	Y.P.T.
60,62,500	25,74,514	1,84 27,302	42,37,719	3,823	Killick Industries Ltd.	Surat Electricity	112.25	100	7.00	..	8.75	7.00	3	Y.P.
2,39,99,575	74,19 097	6 63,96,657	1,61,14 10	23,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	120.50	100	7.50	7.50	5.52	8.00*	3	Y.P.
5,15,35,750	2,13,05,278	16,15,83,754	3,15,30,93	29,701	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,200.50	1,000	75.00	75.00	56.25	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
19,99,600	44,20,245	1,12,31,458	33,25,328	49,395	MartinBurn Ltd.	Agra Electric Supply Co., Ltd.	145.00	100	10.00	10.00	10.00	10.00	3	Y.T.
8,00,000	14,59,897	50,97,022	18,71,544	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14.25	10	1.00	..	1.25	1.00	3	Y.T.
7,00,000	35,12 989	1,29,85,409	37,39,559	38,395	Martin Burn Ltd.	Benares Electric Light & Power Co.	14.25	10	1.25	..	1.25Z		3	Y.T.
5,91,860	5,95,855	21,28,477	9,59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	7.75	8	0.50	..	0.62Z		3	Y.
£4,262,646	£3,460,286	£30,407,122	£10,881,162	130,008	Harry Burn Esq. (Chairman	Calcutta Electric Supply	15.00	£1	6%	6%	8½%Z		3	Y.P.T.
6,60,090	5,11,491	28,13,024	8,33,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.10	10	0.62	..	1.00Z	0.65	3	Y.
43 20,000	16,40,106	98,00,595	33,79,618	8 16,830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	102.00	100	6.00	6.00	6.50	7.00	3	Y.P.
5,34,640	96,514	29,51,444	12,22,358	3,590	Moonna Lall & Sons	Jhansi Electric Supply	6 25N	10	0.69	..	0.86Z	0.62½	3	Y.T.
2,49,700	25,37,546	98,31,843	35,83,663	29,425	Martin Burn Ltd.	Jubbulpore Electric Supply	13.19	10	0.91	0.40	0.92	0.92	3	Y.
4,95,000	2,21,374	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	8.25N	9	0.50	..	1.22Z	0.72	3	Y.
5,82,890	3,35,296	82,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8.00	10	Nil	..	1.25Z	1.00	3	Y.
16,99,850	1,67,563	15,28,892	7,17,858	18,925	G. D. Bhagat, Esq.	Muttra Electric Supply	11.75	10	0.69	0.80			3, 9	H.
35,10,478	37,51,068	1,32,14,704	51,65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.69	10	0.75	..	1.25Z	0.75	3	Y.T.
9,10,000	1,93,940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25	10	0.50	Nil	Nil	0.50	3	Y.
16,80,000	11,63,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	11.00	10	0.75	..	0.94Z	0.68	3	Y.T.
56,00,000	9,42,467	1,35,49,991	54,65 888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	11.90	10	0.91	0.91	1.28	0.87	3	Y.P.T.
5,99,250	4,67,280	21,09,262	9,36,176	9,038	Martin Burn Ltd.	Upper Ganges Valley Electric Supply	13.75	10	0.94	..	1.25	1.00	3	Y.
5,00,000	6,65,006	25,81,076	8,92,154	32,516	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	18.00	10	1.25	1.25	1.25		3	Y.
56,01,185	65,36,540	3,01,72,909	84,072	33,837	Martin Burn Ltd.	U. P. Electric Supply Co.	136.62	100	10.00	10.00	10.00		3	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.00	1.00	1.00	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
33,43,200	32,31,831	74,21,408	62,82,616	25,016	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	230.50	100	12.50	15.00	12.50		12	Y.
14,99,960	2,67,708	16,61,421	6,38,124	3,552	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	60.50	60	3.00	3.00	3.00	3.00	12	Y.
6,40,000	3,75,000	1,57,259	1,17,027	1,448	M. R. Rao Esq. (General Manager)	Jost's Engineering	70.50	50	4.00	4.00	5.00	5.00	3	Y.
44,96,250	2,57,957	55,59,741	16,71,411	56,266	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	6.00	10	Nil	Nil	Nil		9	Y.P.
30,00,000	15,01,511	44,29,526	20,09,784	25,546	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	20.12	10	1.00	1.00	1.00	1.25	3	Y.P.
55,00,000	26,00,000	1,05,24,440	12,56,894	1,16,134	M.	Mahindra & Mahindra Ltd.	20 00	10	1.00	1.25	1.75		10	Y.P.
11,00,000	49,774	31,43,786	18,71,575	31,416	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	78.00	100	Nil	Nil			7	Y.P.
39,69,895	24,80,000	83,15,927	31,99,497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	15.76	10	Nil	Nil	1.00	1.20	3	Y.P
2,50 0000. / ,31,250Pr.	1,28,56,576	7,51,153	78,249	1 43,527	Walchand & Co. Private Ltd.	Premier Construction	265.50	20	8.50	8.50	10.00		12	Y.P.
,63,75,000 / ,51,47,175	28,26,43,033	147,05,45,438	42,01,71,546	4,49,862	Tata Industries Private Ltd.	Tata Iron and Steel	183.25 / 180.25	75old / 75new	10.50 / ..	10.50 / ..	9.50 / 2.54	8.25 / 7.56	3	Y.P.
,00,00,000	65,53,390	16,75,33,296	6,68,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	186.50	100	Nil	6.00	8.00	9.00	8	Y.P.T.
,55,00,000	24,78,951	76,50,491	16,44,492	1,09,108	R. H. Schaepp, Esq. (Mg. Director	Voltas Ltd.	157.75	100	5.00	9.00	9.00	9.00	8	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	9.25	10	..	..	Nil		10	Y.P.T.
50,00,000	19,00,000	1,22,29,219	79,69,445	97,400	Bhartia Co., Ltd.	Bhartia Electric Steel	15.94	10	1.25	1.25	1.25		12	Y.
56,59,790	64,90,721	66,62,747	9,45,919	1,75,170	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	30.25	7	1.75	2.00	3.00	1.25	12	Y.
12,00,000	25,05,000	49,19,444	27,99,444	1,73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34.00	10	1.50	2.00	2.00		12	Y.T.
19,88,670	5,23,347	37,25,250	11,79,769	99,900	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6 25N	10	1.00	0.50	0.50	0.50	3	Y.P.T.
40,00,000	39,42,365	83,13,780	37,03,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	13.00	10	1.50	0.60	0.60		12	Y.T.
5,00,000	3,06,358	19,15,871	12,28,274	77,782	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	24 50N	10	Nil	Nil	2.00		12	Y.
84,00,000	1,99,04,936	4,42,87,297	2,71,68,251	1,30,345	Martin Burn Ltd.	Burn & Co.	410 00	100	15.00	20.00	20.00	20.00	4	Y.T.
2,00,00,000	2,02,39,092	3,89,31,446	1,68,28,306	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	37.50	10	..	2.30	2.00		12	Y.
12,50,000	23,50,000	60,07 710	38,80,350	5,810	Martin Burn Ltd.	Hooghly Docking	166 00	50	6.25	6.25	5.00		12	Y.P.
36,94,590	4,35,000	48,08,664	28 13 944	4,22,513	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	15.56	10	1.00	Nil	Nil		12	Y.P.
0,36,74,160	18,72,11,475	43,94,57,967	10,27,74,193	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	24.00xr	10	1.00	1.00	1.00	1.00'C'	3	Y.P.
38,98,500	54,64,443	1,09,67,195	64,95,575	42,976	Martin Burn Ltd.	Indian Standard Wagon	95.00	25	6.25	7.50*	7.50*	5.06	3	Y.P.
32,00,000 / 26,580	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	106.50 / 23.00N	0.10 / O.1	3.00 / 0.30	3.00 / 0.30	4.00* / 0.40*	4.00* / 0.40*	3	Y.
63,62,575	52,15,306	2,34,90,851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	193.00	100	12.00	10.00	15.00	12.00	3	Y.P.T.
1,01,99,000	51,82,557	1,72,18,507	62,69,132	51,642	M.	Jessop & Co.	29.12	10	3.00	Nil	Nil		10	Y.P.
24,23,187	10,05,500	43,80,671	20,66,530	17,300	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	14 48	10	0.50	0.60	0.90	1.00	3	Y.
18,43,200	54,56,724	72,53,319	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	10.12	3	0.50	0.62	0.45		11	Y.P.T.
10,50,000	23,78,264	17,13,875	13,52,941	1,35,774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	6.50	2	0.30	0.40	0.40		6	Y.
49,96,000	7,44,675	1,25,33,261	63,79,493	9,10,380	M.	National Iron and Steel Co., Ltd.	9.12	10	0.25	0.62	0.62	0.62	3	Y.P.T.
40,00,000	30,56,944	50,38,480	13,59,471	9,633	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8 12N	10	1.50				6	Y.P.
6,00,000	8,16,855	29,83,251	18,00,849	21,633	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.37	4	0.25	0.25	0.40	0.40	3	Y.
1,50,00,000	40,87,211	3,55,99,392	1,47,60,893	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	22.25	10	1.00	1.25	1.50		12	Y.P.T

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
13,50,000	46,99,060	1,33,51,354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	11.69	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	34.50	50	3.00	3.00	3.00		12	Y.
5,15,000	1,84,95,246	12,88,65,607	....	....	B. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	218.75	100	25.00				12	Y.
24,00,000	62,91,344	1,26,11,797	....	2,40,686	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	26.25	10	2.00	2.00	2.00		12	Y.
15,74,940	3,16,61,024	4,00,62,157	....	5,97,428	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	5.52	15	Nil	Nil			12	Y.P.
20,00,000	53,99,401	1,56,15,926	....	10,976	M. G. Mody, Esq.	New Great Insurance	21.00	20	1.50	1.50	2.00		12	Y.
1,06 81,390	7,19,81,437	13,20,95,176	....	1,41,481	B. K. Shah, Esq.	New India Assurance	52.60xd	15	2.50	3.00	3.00		12	Y.
6,00,000	78,22,32,610	82,01,80,624	....	....	L. S. Vaidyanathan, Esq.	Oriental Life Assurance	4,200.00	200	200.00				12	Y.
32,00,000	65,90,044	1,60,63,502	....	29,354	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	6.62	8	0.50	0.62			12	Y.
5,75,000	67,91,963	42,97,523	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	149.00	25	11.25	11.25	11.25		12	Y.
15,99,270	33,72,518	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	19.76	10	1.25	1.50	1.50		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
35,00,000	86,85,342	89,25,560	36,80,012	1,63,409	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	6.50N	7	1.50	1.50	0.60		12	Y.P.
1,00,00,000	1,44,75,961	94,16,791	49,77,641	1,06,640	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co. Ltd., A.	24.75	10	4.00*	2.00	2.00		12	Y.P.
79,87,475	35,88,424	2,22,58,663	1,37,40,654	5,511	Tata Industries Private Ltd.	Tata Oil Mills	50.25	25	2.00	3.00	2.50	2.50	3	Y.P.
6,09,000	9,41,500	2,24,955	1,61,723	63,692	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India), Ltd.	14.31	10	1.00	1.25	1.25		10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—Dividend is for fifteen months ended 31st March 1957. T=Company has got Debentures.

MISCELLANEOUS COMPANIES—*Continued.*

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	87.50	25	4.69	2.50	3.12	2.001	12	Y.P.T.
63,00,000	61,52,258	1,94,26,902	88,79,418	29,471	Andrew Yule & Co., Ltd.	India Paper Pulp	24.25	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	18.25	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	36.60	10	1.12	0.62	1.50	1.50	3	Y.P.T.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	16.94	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000 'A'10,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12.12 12.12	O. 10 A. 10	1.25 1.25	1.05 1.05	0.60 0.60		9	Y.P.
2,18,55,240	51,23,786	3,93,85,536	1,10,56,130	18,794	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.84	10	5.00‡	0.50	0.50	0.65	6	Y.P.
56,00,000A. 56,04,800B. 6,37,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	44.25 44.25 4.00	A. 10 B. 10 P.O. 2½	2.00* 2.00* 0.25	1.12* 1.12* 0.12	2.38* 2.38* 0.24	2.38* 2.38 0.24	3	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
13,99,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	3.50	3	Nil	Nil	Nil		9	Y.
89,25,000 42,00,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corpn.	510.00 177.50	Old125 New50	37.50 15.00	40.00 13.75	47.50K 19.00K	22.50 9.00	5	Y. Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	41.00	10	3.00	3.00	2.75	1.001	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
14,00,000	16,60,406	43,47,523	32,35,804	59,415	M.	Balrampur Sugar	7.50	3	0.06	Nil	0.25	0.25	6	Y.
12,00,000A. 8,00,000B.	29,80,260	55,40,831	36,82,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125.00cd 11.50N	A. 100 B. 10	10.00 1.00	10.00 1.00			4	Y.T.
19,49,050	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	12.00	7½	0.75	1.00	1.00		9	Y.
15,00,000	13,08,913	22,66,507	13,89,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	12.00xdN	10	1.50	1.50	1.50	1.00	6	Y.P.
32,00,000	23,38,522	1,49,71,234	1,02,01,879	11,728	Gladstone Lyall & Co., Ltd.	Carew & Co.	8.44	10	0.25	Nil	Nil	0.25	6	Y.P.T.
30,00,000	54,39,509	1,65,39,057	93,52,334	—8,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	10.50	10	0.75	0.75	Nil		10	Y.P.
18,00,000	38,41,544	85,45,310	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	16.00xd	10	1.50	1.00	Nil	1.00	6	Y.
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	10.00N	10	0.50	0.50			8	Y.T.
60,00,000	65,12,000	2,11,44,128	86,21,246	43,249	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	230.00xd	100	15.00	15.00	15.00	15.00	6	Y.P.
18,00,000	13,01,626	82,23,561	52,13,596	74,885	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	52 00	40	2.25	4.00	7.00	4.00	7	Y.P.
7,89,100	25,36,524	50,24,224	28,80,749	18,295	Cotton Agents Private Ltd.	New India Sugar Mills	26.00xd	10	2.50	2.50	2.50	2.50	6	Y.P
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5.00xd	10	0.25	0.37	0.37		5	Y.
18,21,100 88,275	49,91,797	73,73,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	235.00 50.00N	100 25	20.00 5.00	20.00 5.00	20.00 5.00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	142.50	100	11.00	11.00	12.50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	12.50	10	0.75	0.75	Nil		10	Y.P.
63,59,400	48,34,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	13.44	10	1.50	1.50	1.50		10	Y.
8,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	17.25	10	Nil	1.75	1.50		6	Y.P.
11,99,000	16,33,214	47,23,583	25,13,422	—2,20,853	M.	Samastipur Central Sugar	12.66	10	Nil	1.75	Nil		6	Y.
89,88,800	22,68,560	1,47,99,287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.75	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	32,42,065	14,85,208	—3,03,840	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2.00	10	Nil	Nil	Nil	Nil	6	Y.
15,80,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
8,00,000	37,71,616	1,55,93,502	86,53,620	24,618	Cotton Agents Private Ltd.	Upper Ganges Sugar	85.00N	10	2.50	3.00	5.00	5.00	6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.	United Provinces Sugar	14.75	10	1.50	0.60	0.75		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
30,00,000	19,50,000	76,27,625	18,97,501	15,070	Rangarao & Co.	Andhra Sugars Ltd.	22.00cd	10	0.60	1.00	1.25		9	Y.
70,49,650	1,33,26,508	1,53,99,065	1,08,78,700	2,88,214	W. H. Brady & Co., Ltd.	Belapur Company	292.00	50	16.00	16.00	18.00	20.00*	9	Y.
17,50,000	13,19,902	42,58,150	25,46,204	1,21,343	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	26.25	10	1.00	1.50	2.00	2.00	9	Y.P.
37,50,000	16,15,171	76,19,408	50,40,255	81,529		Shree Changdeo Sugar	30.80	12.50	2.00	5.00	2.25		9	Y.
39,84,000	50,19,492	1,19,44,328	66,95,463	1,49,743	Parry & Co. Ltd.	Deccan Sugar & Abkhari	10.70	5	0.50	0.75	0.72½'C'	0.90	5	Y.P.
£549,950	£1,197,467	£1,387,940	£701,435	£52,710	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	34.00cd	£1	Sh. 4	Sh. 3	Sh. 3	Sh.41	9	Y.P.
15,93,900	21,59,383	45,68,562	27,88,312	9,164	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	Nil	6.00	10.00	10.00	9	Y.P.
63,98,200	11,02,669	78,71,515	18,88,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.40	10	1.40	1.12	1.00		6	Y.P.
23,17,770	15,75,871	94,06,432	12,67,810	6,611	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.50cd	10	1.00	0.60	0.60		6	Y.P.
10,52,200O. 2,87,190D.	1,09,50,000	3,37,42,487	51,70,482	83,107	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	140 00cd 134.00cd	O.100 D. 10	7.50 10.00	7.50 10.00	7.50 10.00	7.50 1.50	6	Y.P.
67,50,000	38,21,978	1,22,47,683	57,87,087	36,423	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	187.00	50	..	100.00*	100.00*		9	Y.P.
21,79,280	92,73,108	1,57,31,189	96,17,873	1,44,257	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	52.00cd	10	2.00	2.00	2.00	3.00*	6	Y.
50,00,000	53,21,430	1,16,88,154	67,30,841	1,47,239	Malatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	158.00	50	8.00	9.00	12.00*	10.00	9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	21.25	10	2.00	2.00	1.50		8	Y.P.T.
20,00,000O. 4,00,000D.	42,07,214	1,04,79,940	59,30,737	70,575	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	146.25 30.00N	O. 50 D. 10	9.00 0.07	12.00 0.70	12.00 3.75		9	Y.P.T.
80,00,000	23,85,000	65,43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	11.35	10	0.75	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,16,87,173	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries	292.50	100	18.00	21.00	21.00		9	Y.P.T.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
20,00,000	99,30,970	1,22,58,916	19,44,277	36,387	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	7.50	7.50	5.00		10	Y.P.
1,00,00,000	27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	12.56	10	5.00	6.00	12.00*		12	Y.
60,00,000 80,00,000	1,98,50,067	5,87,36,543	1,23,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	22.64 15.44	10 5	Nil	1.00	1.50	1.80 0.90	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	68.50	£10	Sh. 10	Nil	Nil		12	Y.P.
2,47,50,000	2,83,86,232	15,10,10,777	8,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	14.84	10	Nil	1.00	1.00	1.00	3	Y.P.
11,28,19,293	10,91,45,114	30,05,36,672	5,94,73,743	6,65,069	M.	Scindia Steam Navigation Co.	18.60	20	0.50	1.00	1.25	1.25	6	Y.T.
8,40,800O. 2,10,200P.O.	21,67,472	12,59,963	8,41,760	1,35,400	R. R. Aiyer Esq. (Manager)	Walford Transport Ltd.	2.25 1.94	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.14 0.12		12	Y.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
5,57,00,000	1,20,48,754	5,27,61,368	1,66,48,054	1,35,01,936	S. H Turner (Chairman)	Hindustan Lever	81.00	10	..	1.25	1.40	1.50	12	Y.
31,07,000	16,29,510	1,09,45,989	67,14,407	14,986	Birla Brothers Private Ltd.	Hind Cycles	108.00	100	10.00	..	12.50F		3	Y.P.T.
14,98,840	4,61,996	33,87,568	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	38.50	50	2.00	3.00	3.50*	3.00	3	Y.P.
99,99 250	20,13,147	1,25,61,398§§	....	1,74,683	Premchand Roychand & Sons	Industrial Investment Trust	90.00	100	4.50	5.00	5.50		12	Y.
1,00,00,000 6,23,625	25,34,707	45,50,246	14,45,332	9,290	K. G. Milne, Esq. (Mg. Director)	Killick Industries	143.00	100	11.00	11.00	11.00	13 00	11	Y.
20,25,325A.O.	63,14,265	3,42,78,324	1,69,93,078	6,31,752	Aero-Auto Private Ltd.	Premier Automobiles	109.00	100	Nil	6.00	6.00		6	Y.T.
21,60,000	29,18,738	64,65,614	14,68,374	64,830	Pelson Agencies Private Ltd.	Polson Ltd.	153.00	10	10.00	12.50	10.00		12	Y.P.
2,75,00,000	1,44,13,441	3,87,52,891	1,68,58,348	89,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	193.25	100	11.00*	11.00*	11.00*		12	Y.
45,00,000	60,62,390	8,64,935	5,24,956	75,054	..	W. H. Brady & Co., Ltd.	325.50	150	20.00	22.50	25.00		12	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
67,50,000 2,50,000	1,09,56,713	3,81,21,462	36,96,361	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	12.31 —	O. 10 D. 2½	Nil Nil	0.50 Nil	0.90 Nil		3	Y.P.T.
79,95 653	34,25,000	1 05,40,087	34,37,767	49,715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd.	19.70cd	10	1.25*	1.25	1.25	1.25	3	Y.
80,00,000	36,31,857	35,74,849	24,59,437	2,39,372	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	19.37	10	2.00*	2.00*	1.80*	1.50	3	Y.
30,00,000	17,14,736	38,54,872	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	16.75	10	1.25*	1.25*	1.25*		12	Y.
20,00,000	35,94,600	1,05,12,033	39,58,423	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	7.50	10	0.40	1.20	0.60		3	Y.P.T.
30,01,400	84,59,405	74,46,138	40,46,138	5,00,686	M.	Balmer Lawrie & Co., Ltd.	163.50	100	12.50	15.00	12.50	5.001	12	Y.
12,00,000	17,56,000	34,55,743	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	31.50	10	2.25	2.50	2.50	1.251	12	Y.
20,00,000	8,48,877	....	....	14,920	Lovelock & Lewis	Birds Investment Ltd.	14.25xd	10	1.25	1.00	0.50	0.70	9	Y.P.
45,97,020	38,11,814	1,15,02,202	42,92,212	2,18,164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	20.25	10	1.00	1.00	1.00	1.20	9	Y.P.T.
3,25,00,000	1,27,72,883	3,51,40,132	2,47,20,776	—11,35,910	M.	British India Corporation Ltd.	5.40	5	Nil	0.10	Nil		12	Y.P.
5,00,000	2,47,132	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	79.00xdN	100	5.00	6.00	10.00*		6	Y.
1,38,80,000	17,84,264	2,05,94,990§§	....	3,10,583	Andrew Yule & Co. Ltd.	Clive Row Investment	11.94	10	0.56	1.38	0.75	0.75	3	Y.
3,00,00,000	4,40,29,606	6,50,49,175	2,68,24,548	22,22,643	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	32.12	10	1.50	1.50	1.62		12	Y.P.T.
16,20 630	26,75,014	29,38,961	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	14.25	5	0.56	0.56	..	..	8	Y.
51,26,000	56,67,666	1,62,31,196§§	....	3,25,471	Bird & Co. Private Ltd.	Eastern Investments Ltd.	142.00xd	100	9.00	9.00	9.00	9.00	12	Y.P.
14,94,675	....	22,64,862	91,811	5,110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10.00	10	..	..	..		12	Y.P
14 00,000	10,35,000	36,71,778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	175.00	100	15.00	4.00	12.50	15.00	3	Y.
40,00,000	4,00,000	63,89,740	32,43,367	10,90,318	M.	Godfrey Phillips India Ltd.	20 00N	10	2.00	2.00	2.00		3	Y.P.
65,00,000	36,00,000	29,50,904	12,41,168	1,46,370	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	12.75	10	1.40	1.60	1.00	1.00	12	Y.P.
30,00,000	15,17,354	83,08,821	36,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	250.00	250	6.25	15.00	15.00		3	Y.
4,96,13,250	13,37,499	5,26,95,200	2,25,48,541	9,38,841	Birla Brothers Private Ltd.	Hindustan Motors	8.40	10	Nil	Nil	Nil	Nil	3	Y.P.
3,84,58,900	1,17,58,800	7,87,43,612	2,21,77,728	7,20,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	18.56	10	0.90	1.00	0.60		12	Y.P.
1,52,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	31.12	10	1.25*	1.50*	1.50*	1.50*	3	Y.P.T.
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	17.50N	10	0.50	0.62			3	Y.P.
2,00,00,000	84,76,626	4,61,56,945	1,85,74,917	6,17,828	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	27.37	10	..	..	1.00	1.00	9	Y.
5,16,00,000	9,06,59,979	10,61,31,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	11.87	10	0.80	0.80	0.70	0.70	3	Y.
2,50,00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	81.50	100	7.50	7.50	2.50	2.50	3	Y.P.
40,00,000O. 5,00,000D.	82,95,072	29,31,775	11,33,490	..	M.	McLeod & Co.	188.00 —	O. 100 D.O.10	22.50 1.75	8.00 0.80	12.50 0.75		12	Y.P.
1,45,55,250	1,07,91,546	54,34,935	15,77,645	2,44,633	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	30.75	10	1.81*	2.12*	2.12*	2.12*	9	Y.P
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,793	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	34.50	10	1.25	1.62	1.75	1.75	3	Y.P.
6,56,250	6,92,500	11,29,680	5,97,362	3,349	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	18.00	10	0.75	0.90	1.25		3	Y.P.
10,00,000	8,70,000	18,04,172	10,70,792	4,088	M. Malleshayya, Esq. (Chairman)	Mysore Tobacco	12.60	10	1.00	1.50	1.50	1.25	3	Y.
2,00,00,000	83,55,505	2,14,82,470	61,33,962	28,42,424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	30.37	10	0.32	1.50	1.40		12	Y.
59,96,000	98.71,172	77,84,523	42,87,426	2,67,636	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	33.56	10	1.50*	2.00*	2.00		3	Y.T.
40,00,000	20,00,600	86,22,809	17,66,013	24,266	Do.	National Rolling & Steel Ropes	14.94	10	0.60	0.60	0.60		6	Y.P.
8,00,000	6,00,006	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	16.31 —	10 5	.. ..	.. ..	1.00 0.50		12	Y.
79,97,000	63,89,261	1,25,70,061	65,79,351	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	15.60	10	0.80	0.70	0.90		12	Y.P.T.
2,20,00,000	42,21 731	80 43,238	83,40 874	63 842	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	19.00	10	..	..	0.34		12	Y.
2,25,00,000	10,94,424	85,12,939	46,26,988	—32,47,714	M. P. A. Paspatti, Esq.	Rallis India Ltd.	64.00	100	Nil	Nil	Nil	Nil	8	Y.P.
2,50,80 000	1,57,90,209	13,84,94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	22.12	10	1.50	1.50		2.00††	3	Y.P.T.
4,73,200 5,13,400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100.00N 50.00N	100 50	..	5.00 2.50	6.00 3.00	6.00 3.00	8	Y.P.
70,00,000	17,66,318	1,67,21,608	34,47,040	66,321	M	Sen-Raleigh Industries	16.32	10	0.60	0.60	0.60		9	Y.P.
40,00,000	89,05,314	1,28,83,302	73,61,372	9,13,245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	19.75	10	1.50	1.50	1.50	1.50	6	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3,65,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	16.50	10	1.00	1.00	1.00		12	Y.
15,00,000	95,15,371	1,13,44,098	16,55,796	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	14.00N	10	1.00	1.25	1.25		12	Y.
9,98,380	19,925	14,83,995	5,18,593	—7,432	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	5.05	10	Nil	Nil	Nil		12	Y.
6,00,000	9,80,100	30,85,103	26,85,097	9,488	Vital Maliya, Esq. (Chairman)	United Breweries	315.00cd	100	20.00	20.00	20.00	60.00	3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.

† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958.

Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. R—United Breweries—The final dividend of Rs. 37.50 for the year 1958 consists of Rs. 12.50 to be paid in cash, Rs. 25 per share by the allotment of one newly created share.

K—Includes an additional dividend Rs. 7.50 per old share and Rs. 3.00 per new share.

TEA AND OTHER PLANTING COMPANIES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	32.00N	10	4.75	5.00	1.00		12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea	18.50	10	1.00	2.00			12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	24 00	10	1.00	1.25	0.50		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	23.75	10	1.00	2 50	1.50		12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co. Ltd.	377	Basmatia	27.25	10	1.50	2 00	1.75		12	Y.
4,95,900	8,59,210	14,59,973	9,25,973	64 213	National Tea Corporation	579	Batell	18 31	5	2.50	3.00	1.50		12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co. Ltd.	581	Betjan	24 00	10	2 00	2 50	1.50		12	Y.
33,00,000	15,39,600	73,93,588	30,33,388	3,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	20.00	10	2.00	2.00	1.00		12	Y.
6,00 000	2,50,000	13,10 965	2,81,330	46 960	Octavius Steel & Co., Ltd.	485	Bokakhat	15.12	10	Nil	0 50	Nil		12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co., Ltd.	450	Bormah Jan Tea	18 00	10	2.00	1 50	Nil		12	Y.P.
35,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M	2,884	Brooke Bond	17 87	10	4.75	1.25	1.75		6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	67.00	10	3.00	3.00	2.00		12	Y.
8,40,000	7,77,250	31,03 643	18,55,911	—1,18,361	Jardine Henderson Ltd.	1,156	Dessai & Parbuttia	160.00	100	10 00	10.00	Nil		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	24.75	10	2.50	0.501			12	Y.P.
4,63,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	18.62	10	1.00	1.25	2 00		12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	36,146	McLeod & Co., Ltd.	458	Dibrugarh	30.44	10	2.00	3.00	2.50		12	Y.P.
4,73,400	6,15,000	15,05,630	6,48 530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	31.37	10	2.00	3.00	3.00		12	Y.P.
7,00,620	10,33,300	23 48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Duflaghur	35.25xd	10	4.00	4.00	3.00	1.501	12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co., Ltd.	1,166	East India Tea	19.50	10	1.00	1.00	0.50		12	Y.
5,03,760	6,36,175	13,80,198	5,28,090	16,110	M.	407	Gillapukri	20 75	10	3.50	3.00	2.50		12	Y.
6,76,000	4,38,700	19,45 409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	24.00	10	3.00	2.50	2 00		12	Y.
A. 7,41,540 B. 3,61,185	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	30 75 15.62	A 10 B 5	2.50 1.25	3 25 1.62	2.50 1.25		12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,595	Andrew Yule & Co. Ltd.	476	Hoograjuli	29 50	10	0 50	1.50	1.00		12	Y.
8,70,000	13,02,909	25,53,023	13,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hookangooree	190 00	100	7.50	15.00	12.50		12	Y.
58,56,900	50,04,519	1,55,03,124	45,03,124	92 757	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	13 12	10	1.00	1.00	1.00		12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,906	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutlibari	20.25	10	Nil	1.00	1.75		12	Y.
2,40,000	11,30,500	12,75,848	6,72,848	65,988	M.	1,699	Kingsley-Golaghat (Assam)	150.00	100	25.00	25.00			12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	12.75	5	Nil	Nil	Nil		12	Y.P.
6,50,000	10,94,454	12,07,806	3 53,788	392	Duncan Bros. & Co., Ltd.	636	Ledo	19.00	10	1.00	0.75	Nil		12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	22.75	10	1.75	2.00	1.50		12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13.50	10	Nil	Nil			12	Y.P.
O. 1,50,000	8,20,000	9,69,706	5,17,244	67,133	Kettlewell Bullen & Co., Ltd.	410	Mothola	425 00	100	50.00	60 00	40.00		12	Y.
P. 1,75,000 Q. 2,00,000	6,93,309	10,96,673	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	28.00 28.50	O. 10 P.O. 10	1.25 1.75	2.00 2.50	1.75 2.25		12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	14.62	10	1.00	1.50			12	Y.
5,00,000	....	7,72 341	2 90 502	—38,569	Duncan Bros. & Co. Ltd.	801	New Cinnatolliah	119 00	100	Nil	Nil	Nil		12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co., Ltd.	370	Rajgarh	47.25	10	0.25	4.00	2.50		12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	22 25	10	2.50	2.50	1.50		12	Y.
2,49,000	3,86,000	11,48,864	6,60,764	87 974	Williamson Magor & Co. Ltd.	482	Seajuli	29 37	10	1.50	1.50	2.25		12	Y.P
5,98,000	12,48,874	15,39,500	4,94,783	78,434	McLeod & Co., Ltd.	495	Teloijan	30.37	10	2.50	3.50	3 00		12	Y.
8,00,000	5,35,127	12,11,400	3 86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45.00N	10	0.75	1.00	1.50		12	Y.
19,82,880	12,75,000	46,07,888	19,46,388	36 041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	17.06	10	1.50	1.25	Nil		12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,644	McLeod & Co., Ltd.	1,050	Tyroon	40.50	10	3.00	4.50	3.00		12	Y.P.T.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
3,00,000	....	5,16,444	1,84,445	—1,34,480	M.	862	Arcuttipore	7.00	10	Nil	Nil			12	Y.
7 00,000	....	7,66,139	1,03,460	—3,49,181	Octavius Steel & Co., Ltd.	649	Eastern Cachar	4.81	10	Nil	Nil	Nil		12	Y.
12,60 000	10,43 149	30,19,522	12,69,051	—1,06,851	Octavius Steel & Co., Ltd.	2,154	Hattikhira	12 25	10	0.75	0.50	Nil		12	Y.
3,00,000	1 70,000	6,34 207	2,50 949	1,081	Duncan Bros. & Co., Ltd.	625	Kunchunpore	8.56	10	Nil	Nil	Nil		12	Y.
7,00,000	6,50,000	11 33 080	3 08 080	88,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	101.00	100	15.00	15 00	15.00		12	Y.
2 60 000	3 09 004	9,34,349	2,76,278	—87,588	McLeod & Co., Ltd.	638	Roopacherra	12.00	10	1.50	0.50	Nil		12	Y.
5,00,000	10 53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	700	Rungamattee	82.00	50	10.00	10.00	8.75		12	Y.
4,00,000	3,36,980	10,68,284	3,63,708	—31,199	M.	602	Sonai River	10.50	10	Nil	Nil			12	Y.P.T.

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
2,79,900	1,05,000	3,98,716	74,916	22,108	Williamson Magor & Co., Ltd.	408	Chamongi	11.25	10	Nil	0.75	Nil		12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	488	Dilaram	95.00	100	Nil	5.00	Nil		12	Y.
2,00,000	2 42,046	7,99 665	2,97,665	—57,639	Davenport & Co., Ltd.	507	Gielle	8.87	10	Nil	Nil	Nil		12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,386	—27,148	Andrew Yule & Co., Ltd.	463	Mim	225.00	100	15.00	10.00	Nil		12	Y.
2,99,900	3 39,000	6,22,886	1,89,586	1,01,563	Williamson Magor & Co. Ltd.	690	Nagari Farm	26.00xd	10	1.50	3.50	2.50	1.001	12	Y.
1,00,000	1,07,647	4,60,379	2,40,749	1,973	Duncan Bros. & Co., Ltd.	505	Okayti	450 00N	100	Nil	Nil	Nil		12	Y.P.
3,00,000	95,000	6,40,072	2,48,808	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	8 75	10	Nil	Nil	Nil		12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10 00	10	Nil	Nil			12	Y.P.
1,40,000	5,01,653	4,38,361	1,95,341	10,362	Duncan Bros. & Co. Ltd.	341	Runglee Rungliot	385.00	100	20.00	35.00	25.00		12	Y.
3,00,000	3 06 462	5 55 461	1 82 549	4 401	M.	389	Seeyok	10.94	10	Nil	Nil	1 00		12	Y.
9,00,000	65,000	11,65 737	2,38 715	7,369	Goenka & Co.	583	Singtom	6.37xd	10	0.12	0.50	0.50	0.501	12	Y.P.
3,00 000	3,87,500	7,34,116	3,71,916	1,69,219	Williamson Magor & Co., Ltd.	554	Soom	38.62	10	3.00	4.00	4.00	1.501	12	Y.
3 25,000	7 73 767	16.47,148	4,38,738	26 923	McLeod & Co. Ltd.	745	Sungma	19.56	10	Nil	1.50	0.75		12	Y.
3,20,000	8,69,909	7,53,534	2,55 534	54,633	Davenport & Co., Ltd.	718	Testa Valley	12.50	10	1.50	2.50	1.00		12	Y.
3,01,350	2,61,083	16.07,038	3,76,038	—2,94,248	Williamson Magor & Co. Ltd.	1,666	Tukvar	9.25	10	Nil	Nil			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
27,00,000	28 56,560	51,80,345	23,19,586	1,37,198	Andrew Yule & Co., Ltd.	2,540	Banarhat	290.00	100	25.00	40.00	20.00		12	Y.P.
12,00,000	16,25 000	42,61,095	23 93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	20.75	10	3.00	2.00	1 50		12	Y.
9,00,000	17 75,000	21 72,529	11,20,841	13 385	McLeod & Co., Ltd.	1,112	Bhatkawa	24.19	10	2.50	3 00	1.50		12	Y.
9,00,000	14 81,356	25,85 244	8 19,732	47,850	Duncan Bros. & Co., Ltd.	1,381	Birpara	178 00	100	5.00	25.00	7.50		12	Y.P.
6,00,000	8 31,552	13 82,183	4,29,045	18,641	Duncan Bros. & Co., Ltd.	602	Carron	137.00	100	7.50	10.00	5.00		12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co. Ltd.	903	Choonabhutti	265.00	100	20.00	35.00	20.00		12	Y.P.
3,00,000	3,76,102	9 53,074	4,15 527	13,348	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	160 00	100	Nil	5.00	Nil		12	Y.
1 20,000	2 00 531	4,58 517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	500 00	100	Nil	Nil	Nil		12	Y.
4,00,000	60,538	9,51,864	2,69,493	3,627	M.	447	Ethelbarrie	11.75	10	1.25	1 00	0.75		12	Y.
7,50,000	5,76,833	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	135 00	100	Nil	10 00	Nil		12	Y.
31 00,000	34,58,954	64 82 327	20 30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	126 00	100	6.00	7.50	Nil		12	Y.P.
32,00,000	55,67 967	05,55,381	50,96,452	3,65,371	Davenport & Co. Ltd.	4,235	Hasimara	23.50	10	1.00	2.25	0.75		12	Y.P.
8,25,000	18,53 650	22,13 183	9,84,183	1,10 677	Davenport & Co., Ltd.	1,452	Huldibari	23 37	10	1.25	2.50	1.25		12	Y.
7,00,000	4,49,831	10,38,634	4,89,134	—62,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	16.62	10	Nil	0.60	Nil		12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	19.50	10	1.00	2.00	1.50		12	Y.
2,00,000	5,76,240	8,23,108	3,08,827	15,812	M.	578	Manabarrie	70.00N	10	1.00	2.00	1.50		12	Y.
9,60,000	18,69,809	25,11,708	8,55,607	37,054	Duncan Bros. & Co., Ltd.	1 130	Nagaisuree	140.00	100	7.50	15 00	7.50		12	Y.
14,00,000	20,39,898	24,35,562	10,48,173	73,709	Andrew Yule & Co., Ltd.	1,163	New Dooars	290 00	100	25.00	35 00	20 00		12	Y.P.
2,50,000	3 74 030	5,53 613	1 88,281	1 220	Duncan Bros. & Co., Ltd.	348	Phaskowa	142.00	100	Nil	7.50	Nil		12	Y.
6 00 000	8,00,496	13 67 535	5,98,723	—3,00,938	McLeod & Co., Ltd.	764	Rajabhat	19.25	10	1.25	1.25	Nil		12	Y.
7,65,000	13,43,550	25 92,138	13,67 489	28,033	McLeod & Co., Ltd.	1,035	Ranicherra	18.12	10	1.50	2.00	0.50		12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,628	Rydak	28.75	10	5.00	3.00	2.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
3,00 000	7,95 000	10,31,473	3,98 965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	22.00	10	3.00	Nil			12	Y.
6 00,000	9 44 551	9,54,785	2 32,849	33 625	Duncan Bros. & Co., Ltd.	584	Dauracherra	9.75	10	2 00	1.50	0.75		12	Y.
4 00 000	7,56 165	10,78,529	3,50,481	1 94,619	M.	1,190	Lackatoorah	19 00	10	3 00				12	Y.
4,00,000	9.00,000	11,60,065	4 82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	23.12	10	6 25	2.00			12	Y.P.
36,00,000	56,34 901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	140.00	100	35.00	10 00§	10.00		12	Y.P.
3,20,000	1,40,000	7,82,985	4,24,185	1,18,279	Shaw Wallace & Co., Ltd.	648	Rajnagar	10.00	10	Nil	1.00	1.10		12	Y.
9,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,72	Teliapara	115.00	100	25.00	15.00	6.00		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
4,50,000	5,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	6.50xd	10	0.25	0.50			12	Y.P.T.
2,50 000	4 15 000	4 13 655	2 24 210	35,493	National Tea Corporation	522	Belgachi	29 00XR	10	10.00	4.00	2.00		12	Y.
13 44,000	4,50,650	26,81,849	9,42 013	81,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	139 00	100	7.50	10.00	7.50		12	Y.
3 00,000	10 53,794	15 91 369	6,14,096	15 882	Duncan Bros. & Co., Ltd.	530	Hansqua	18.44	10	1 00	1.00	1.00		12	Y.
3 00,000	7 64,500	7 61 676	3,29 500	77 698	Davenport & Co., Ltd.	514	New Chumta	88.50	10	1.50	2.50	1.25		12	Y.
3,20,000	3,75,250	13,61,474	5.52,735	33,691	McLeod & Co., Ltd.	549	Tirrihannah	35.00	10	3.00	2.50	3.00		12	Y.P.

SOUTH INDIAN ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
10,98,990	5,36,010	15,84,554	2,76,543	7,689	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	20.00	10	2.50*	2.50*	1.75*		3	Y.P.
52 50 000	21,47,000	73 46,387	10,86,204	2,77,391	Kothari & Sons (Ags.) Pvt. Ltd.	1 318	Blue Mountain	3.70	2	0 40	0 30	0.25		6	Y.
9,33,400	13 09,262	23 58 197	7,13,191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3 97	2	0 40	0.20	0 40		3	Y.
3,77 820	12,25,145	20 87 246	1,13,916	27 021	Matheson Bosanquet & Co., Ltd.	381	Coonoor Tea	26.50cd	10	2 50	1.75	2 00		9	Y.P.
4 00 000	5 50 000	8 21,540	1,78,200	1 205	Parkins Private Ltd.	432	Coorg Tea	5.35	2	1 25	1 50	1.50		3	Y.P.
4,49 630	3 55,370	9,62 073	1,64 495	45 087	Young India Agencies Private Ltd.	450	Devon Tea	17.50	10	2 50*	2 50*	1 75		3	Y.P.
3,50,000	1 22,986	3 52 158	56 452	....	Parkins Private Ltd.	198	Emerald Valley Estates	7.75	5	1.25	0 50	0.30		12	Y.
18 75 000	21 25 000	43 05,342	6 81 655	23,840	Parkins Private Ltd.	1,466	Halleyburia	19.00	10	2.50	2 50	1 50'C'		12	Y.P.T.
6 00 000	7 27 746	13 70 710	2 26,620	76,650	Peirce Leslie & Co., Ltd.	466	Kalasa Tea	3 85	2	1 35	0.92	1.35		3	Y.T.
3 58,538	13 75 462	23 33,493	3 68,699	31,190	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	8.85cd	2	0 40	0 40	0 30		10	Y.P.
3 00 000	1 43 500	6 76 822	2 05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mlamallay	36.25	25	18 75	6.25	4.50		3	Y P.
36,00,000	19,31,384	80,13,744	12,04,031	73,274	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	4 83	5	0.87	0 37	0.37	0.37	6	Y P.
12 00,000	4,90 000	27,04,883	5,01,002	33,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	3 02	2	0 50	0 20	0 40		6	Y.P.
14 06 250	6,95 346	38 09,977	5.17 286	20 656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	8.20	10	1 50	0 62	0 60		3	Y P.T.
17 00,000	8 81 944	36 13,723	11,78 754	1,02,542	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	13 25cd	10	3 50	3 75	2 60		12	Y P.
57 94,880	45 46 152	91 59 457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3 459	Periakaramalai	4 21	2	0 90	0 90	0 70		3	Y.P.
12 50,000	13 10 000	30,23 670	2 65,955	744	Parkins Private Ltd.	1,070	Talayar Tea	1.78	2	1 62	1 25	1.00		3	Y.P.
11,25 000	16,53 668	25 52 610	2 35 551	31 923	Parkins Private Ltd.	1,341	Twyford	17.50	10	2 00	2 00	1 50'C'		12	Y.
21 93 280	10 82 217	41 37 876	13 69 874	1,20 125	T. Stanes & Co., Ltd.	1 773	United Nilgiri‡	19 40xd	10	35 00	2 00	1.77		3	Y.
31,50,000	28,54,311	57,57,727	6,68,638	1,34,481	Kothari Mehta & Co. Pvt. Ltd.	999	Waterfall	4.03	2	0.40	0 30	0.25		6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividends for 1955 is on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.

§ Patrakola Tea declared 25 per cent. dividend but paid only 10 per cent. so far. 'C'—On increased Capital. A—Amluckie Tea Co.—Dividend on Rs. 100 paid-up.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
					PLANTING ; PRODUCE AND RUBBER									
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.20	2	0.30	0.21	0.45		5	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd.	Cochin Malabar	6.30cd	3	0.45	0.75	0.52	0.30'C'	2	Y.P.
22,50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	24.75	10	1.80	2.50	4.00	2.00	6	Y.P.
71,55,000	57,69,923	1,42,78,181	30,95,427	75,345	R. C. Paterson, Esq.	Consolidated Coffee	22.20	10	2.25	2.00	4.00	2.00	6	Y.P.
4,00,000	5,87,423	10,43,962	53,995	8,519	Associated Planters Private Ltd.	Cottanad Plantations	15.25	10	1.75*	1.50	1.75		3	Y.P.T.
18,00,000	9,30,543	29,08,443	5,85,748	48,584	A. V. Thomas & Co., Ltd.	Highland Produce	11.80	10	2.00	2.00	0.75		12	Y.P.
8,00,000	6,92,899	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	13.40	10	2.75	2.00	2.00	1.00'C'	4	Y.P.
13,50,000	4,55,880	20,40,926	3,38,888	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber	18.25	10	2.25	3.25	2.25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co., Ltd.	Midland Rubber	12.80	10	2.50	2.00	2.00	1.00'C'	3	Y.
3,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd.	Nenmeny Rubber	15.65	10	1.50	1.50	0.75		12	Y.P.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	15.25	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	23,79,615	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5.03cd	2	0.40	0.20	0.60		10	Y.P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	18.00	10	2.00	2.50	2.00	2.00	6	Y.P.T.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	3.75	2	1.00	1.50	0.30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2.50	2	..	..	..	0.18	3	Y.P.T.
10,00,000	2,74,418	22,50,914	1,70,646	16,692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	7.60	10	0.90	0.90	0.60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd.	Thamarapally Rubber	28.00	10	3.00	3.00	3 00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	1.80xd	1	0.12½	0.12½	0.05		9	Y.T.
6,00,000	33,742	7,80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	17.35	10	3.00	2.00	1.50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7.85	10	1.25	0.75	0.40		12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	23.50	25	4.00	3.00	1.00		12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd.	Udayagiri Rubber Co., Ltd.	11.15	10	0.60	0.75	0.60		12	Y.P.
8,80,100	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber	25.00	10	2.50	3.50	3.50J	1.25‡	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	7.92	10	2.00	1.25	1.00	0.50	3	Y.P.T.

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

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.06	10	0.62	0.25	0.25	0.25	3	Y.P.T.
6,00,000	10,81,600	59,82,765	40,62,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	185.00	100	10.00	10 00	10 00		12	Y.P.T.
30,00,000	5,25,000	1,25,15,910	97,60,831	—8,46,190	McLeod & Co., Ltd.	1,264	Alliance	100.00	100	6.00	Nil	Nil	Nil	6	Y.P.
49,20,700	72,21,000	8,09,93,668	2,15,04,087	2,36,742	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	236.00	100	3.50	3.50	7.00	10.00	3	Y.P.
40,00,000	82,60,924	1,49,82,554	63,17,403	3,215	Bird & Co. Private Ltd.	810	Auckland	177.00	100	10.00	1 00	Nil	5.00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd.	959	Bally	202.00	100	3.50	Nil	2 00	6 00	3	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman)	1,889	Barnagore	149.00	£5	sh. 15	Nil	Nil	Nil	3	Y.P.
28,00,000	26,27,123	97,66,495	53,10,415	6,111	Andrew Yule & Co., Ltd.	820	Belvedere	162.00	100	7.50	Nil	2.50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	11.72	10	1.12	1.00	Nil		6	Y.P.T.
91,26,000	2,26,05,284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd.	1,373	Birla	20.37	10	1.00	1.00	1.00	1.00	3	Y.P.
86,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd.	991	Budge-Budge	142.00	100	7.50	Nil	Nil		10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg.	7.00	10	Nil	Nil			12	Y.P.T.
18,00,000	25,21,234	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd.	616	Caledonian	200.00	100	6 50	Nil	Nil		11	Y.P.
59,16,400	75,85,462	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd.	600	Champdany	127.00	100	10 00	2.00	Nil	Nil	3	Y.
15,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd.	530	Cheviot	202.00	100	10.00	2.00	Nil		11	Y.P.
30,15,000	83,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd.	500	Chitavalsah	15.62	10	1.37	0.62½	1.10		7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	13.00	10	1.25x	0 50	Nil	Nil	3	Y.P.
81,49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd.	766	Dalhousie	156.00	100	4.00	Nil	Nil	Nil	3	Y.P.T.
28,00,000	37,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd.	779	Delta	165.00	100	10.00	5.00	Nil		11	Y.P.
15,00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd.	500	Empire	19.50	10	1.25	0.50‡	0.75		7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	290.00	100	15.00	10 00	10.00	20.00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	63,50,852	1,96,479	Bangur Bros., Ltd.	1,014	Fort William	24.25	10	20.00	0.75K	1.50	1.50	3	Y.P.T.
84,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	77.00	100	2 50	Nil			3, 9	H P.
10,80,000	28,00,000	76,64,785	55,99,505	39,411	M.	607	General Ind. Society Ltd.	26.75	10	Nil	50 00	60 00‡		12	Y.T.
24,00,000	32,06,464	2,35,37,322	1,60,44,632	47,269	Macneill & Barry Ltd.	1,394	Gourepore	380.00	100	15.00	2.50	2.50	20.00	3	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	99.00	100	11.50	5.00	5.00	5.00	3	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	10.69	10	1.25	Nil			3	Y.P.
65,62,500	28,09,105	2,34,85,488	1,24,24,441	32,775	Jardine Henderson Ltd.	1,940	Howrah	20.06	10	0.37	0.25	Nil	Nil	3	Y.P.T.
52,50,000	30,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand	21.37	7.50	2 00	2.00	1.50	1.50	3	Y.P.
87,30,000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	15.87	12.50	4.69	4 60	9.37	15.62‡	3	Y.
24,00,000 'B'19,20,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	182.00 175.00	100 'B' 100	2.50 2.50	Nil Nil	Nil Nil		12	Y.P.T
30,00,000 'B'24,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	97.00 81.00	100 'B' 100	1.00 1.00	Nil Nil	Nil Nil		12	Y.P.T
21,00,000	55,00,000	1,41,36,235	93,87,828	1,18,689	McLeod & Co., Ltd.	703	Kelvin	270.00	100	17.50	5.00‡	9.00	12.50	5	Y.P.
54,00,000	23,39,741	2,00,52,835	1,26,97,897	45,833	Anderson Wright Ltd.	1,530	Khardah	155.50	100	11.00	5.00	8.00	8.00	3	Y.P.
48,00,000	77,32,121	2,38,47,961	1,08,51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	190.00	100	18 00	6 00	Nil	5 00	3	Y.P.T.
24,48,000	27,76,883	1,28,67,077	58,39,647	—9,32,635	Bird & Co. Private Ltd	931	Lansdowne	131.50	100	7.00	Nil	Nil	Nil	3	Y.P.
28,00,000	40,49,600	1,48,98,886	66,75,920	—3,16,201	Bird & Co. Private Ltd.	840	Lawrence	114.00	100	6 00	Nil	Nil	Nil	3	Y.P.T.
81,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	15.50	10	3.75	3.75	5.00	17.50‡	3	Y.
29,98,900	34,62,195	1,65,70,565	36,70,690	—13,08,719	M.	315	Naihati	75 00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	15,55,000	36,02,650	21,84,037	—1,65,266	Howrah Trading Co., Ltd.	425	Naskarpara	12.00	10	1.25	Nil			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	24.50	10	1.75	0.75	0.75		10	Y.P.
26,25,000	27,55,572	31,27,861	21,92,842	43,512	McLeod & Co., Ltd.	316	Nellimarla Jute	12.25	10	1.00	..	0.90		7	Y.P.T.
85,50,000	2,12,83,190	6,33,25,272	1,19,61,749	3,274	Sahu Jain Ltd.	1,765	New Central†	15.12	10	1.50	1.50	1.50	1.50	3	Y.P.
16,79,880	43,38,845	1,35,66,574	61,41,213	—2,43,817	Bird & Co. Private Ltd.	567	Northbrook	19.31	10	1.50	1.50	Nil	Nil	3	Y.P.T.
66,79,500	17,81,396	2,26,00,780	1,19,72,061	79,151	Macneill & Barry Ltd.	1,002	Nuddea	61.00	50	1.00	Nil	Nil	2.50	3	Y.P.
24,91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd.	601	Orient	166.00	100	9.00	2.00	Nil		11	Y.
25,00,000	7,83,173	86,18,353	67,97,872	7,049	McLeod & Co., Ltd.	400	Presidency	6.31	5	0 31	0.20	0 80		7	Y.T.
20,00,000	10,324	29,80,939	9,24,705	—7,07,557	Birla Brothers Private Ltd.	305	Rameshwara	9.50	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	2,00,000	1,24,61,131	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	8.12	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£420,518	£1,474 082	£790,162	£16,532	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnuggur	10.85	£1	3%‡	3%‡	Nil		12	Y.P.
30,00,000	13,14,910	1,21,72,882	85,21,532	48,032	Bagaria More & Co., Ltd.	911	Shree Ambica	11.50N	10	0.50	0.25	0.50		3	Y.P.
14,00,000	11,14,980	68,87,540	47,50,476	40,154	Hindustan Investment Corpn. Ltd	401	Soorah	19.00	10	1.50	1.50	1.50		12	Y.P.
25,19,600	8,04,087	9,29,724	3,23,203	61,862	Bird & Co. Private Ltd.	650	Standard	120 00xd	100	1.00	Nil	Nil	5.00	3	Y.P.
£600,000	£334,805	£1,259,274	£693,019	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.37	£1	3%‡	Nil	Nil		12	Y.P.T.
85,98,600	48,33,581	1,05 53,316	42,51,304	56,837	Bird & Co. Private Ltd.	1,326	Union	218.00	100	10 00	1.00	Nil	15 00	3	Y.P.
£400,000	£247,635	£1,271,988	£541,723	£13,328	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	10.75	£1	3%‡	3%‡	3%‡	Nil	12	Y.P.T.
2,50,000	5,20,000	83,13,769	43,35,621	11,735	McLeod & Co., Ltd.	447	Waverley	3.75	1	0.37	Nil	Nil	Nil	5	

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23.75	10	1.37	0.50	1.25	1.25	3	Y.
12,00,000	4,49,890	35,13,891	33,46,842	57,344	Jardine Henderson Ltd.	Bararee Coke	12.25	10	1.46	1.10	0.37	0.50	3	Y.
4,49,350	88,000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	5.00N	10	0.62	0.75	0.90	7.50‡	12	Y.
1,00,00,000	1,62,13,157	6,38,12,765	4,41,60,343	11,48,060	Andrew Yule & Co., Ltd.	Bengal Coal	295.00	100	35 00*P	17.50	17.50		10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	10.00	10	Nil	Nil	Nil		12	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	7.25	10	0.62	0 62	0.60		6	Y.P.T.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbararee	8.00N	10	Nil	Nil			12	Y.T.
7,50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	13.75	10	2.00	1.50	0.75		12	Y.P.
90,92,480	1,73,37,198	4,41,73,128	2,08,53,739	99,142	Bird & Co. Private Ltd.	Burrakur	17.87	10	0.62	0.62	0.37	0.87‡	12	Y.P.T.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	8 00	10	0.25	0.50	0.60	0.50	3	Y.
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	9.50N	10	0.50	0.50			12	Y.
6,00,000	1,49,122	7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churlia	3.81	4	0.06	0 06	0.20		12	Y.
16,00,000	....	54,47,612	31,85,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	9.25	10	Nil	Nil	Nil		12	Y.
£240,000	£273,125	£1,070,637	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	24.25	£1	3.00	2.50	1.50	1.00	4	Y.
29,63,760	93,25,027	4,34,54,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Equitable	30.50	10	1.50	1.50	1.50		12	Y.P.T.
10,00,000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	14.00N	10	0.25	0.25			3	Y.
12,00,000	65,000	43,00,791	26,55,359	—6,34,206	Killick Industries Ltd.	Hingir-Rampur	19.00	50	2.25	2.25	Nil	Nil	6	Y.P.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	14.12	10	2 50	1.50	Nil		12	Y.
8,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	21.00	10	Nil	Nil	Nil	Nil	2	Y.
20,00,000	2,87,375	35,11,943	7,18,220	11,229	Bird & Co. Private Ltd.	Karanpura Collieries	115.00	100	2.50	5.00	Nil	5.00	2	Y.P.
5,00,000	19,66,031	49,73,401	39,04,335	1,68,572	Andrew Yule & Co., Ltd.	Katras Jherriah	67.00	10	4.50	6.50	6.50	6.50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	2.75N	10	0.12	0.19			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15.50N	10	0.12	0.12	0.12		4	Y.
7,48,240	2,25,000	13,43,892	9,89,769	55,358	Tantia Brothers Private Ltd.	Nazira	7.44	10	0.50	0.50	0.75		12	Y.
17,76,230	19,58,049	1,30,10,149	94,97,263	83,316	Andrew Yule & Co., Ltd.	New Beerbhoom	21.12	10	1.00	0.75	0.75		10	Y.P.
6,00,000	76,179	83,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	11.75	10	Nil	Nil	0.50	0.50	3	Y.
1,15,000 1,57,500	8,85,824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd.	North West	25.00xdN 21.00xdN	10 7.50	1.37 1.03	1.50 1.12	1.50 1.12	1.50 1.12	3	Y.
7,50,000	15,69,648	3,97,666	2,77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	12.00	10	1.00	0.75	0.50		12	Y.P.
8,34,000	91,336	26,29,109	10,56,556	7,674	Deepchand Kishenlall	Parasea	15.00	10	1.00	0.50	0.50		12	Y.P.T.
15,75,000	17,04,800	59,95,210	42,69,210	36,465	Shaw Wallace & Co., Ltd.	Pench Valley	24.25	10	1.50	0.70	2.00	2.00	3	Y.
23,99,500	28,79,558	1,43,51,995	96,69,839	3,803	B. N. Elias & Co. Private Ltd.	Raneegunge	15.00	10	0.62	0.37	0.75	1.00	3	Y.
13,50,000	6,38,355	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	17.75	10	2.07	1.50	1.00		12	Y.
37,50,000	37,12,000	95,06,524	26,37,721	21,162	M.	Samla Collieries	10.50	10	1.00	1.25	0.90		12	Y.
2,50,000	1,95,802	13,78,480	12,21,237	21,070	M.	Searsole	5.00N	2.50	0.75				1	Y.
2,80,000	9,25,098	29,24,442	19,99,221	48,188	Andrew Yule & Co., Ltd.	Seebpore	26.50	7	2.50	2.25	1.75		12	Y.P.
8,00,000	4,91,081	52,491	28,867	628	F. W. Heilgers & Co. Private Ltd.	Sendra	11.62	10	0.25	0.25	0.25		12	Y.T.
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	16.50	10	0.75	1.00	1.50		12	Y.T.
7,55,600	10,37,541	39,01,896	17,00,094	8,739	Bird & Co. Private Ltd.	South Karanpura	13.00	10	0.12	0.35	0.75		3	Y.
3,00,000	13,76,745	1,69,570	23,510	9,790	F. W. Heilgers & Co. Private Ltd.	Standard	14.00	10	1.00	1.00	1.00		12	Y.
19,00,000	....	31,92,694	15,43,502	—5,62,907	M.	Talcher	1.69	2.50	Nil	Nil			9	Y.T.
3,50,000	2,80,000	19,15,700	14,79,400	1,77,952	Williamson Magor & Co., Ltd.	Union	14.25	10	Nil	Nil	0.37		12	Y.
49,98,000	89,284	70,81,423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal	6.31	10	0.50	0.50	0 50	0.40	3	Y.
7,00,000	....	58,61,405	27,57,669	—3,49,103	Macneill & Barry Ltd.	West Jamuria	7.00	10	Nil	Nil	Nil		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (x) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co., Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

TRADE AND THE UNITED STATES

PLAIN SPEAKING BY MR. ECCLES

From Our Own Correspondent

LONDON, 13*th March*

LONDON LETTER

THE figures for U.K. overseas trade in February 1959 are rather worse than a year ago. This followed the pattern which January had began. Taking the two months together, exports were about 3 per cent. lower than in the corresponding period of 1958 and imports were about 1½ per cent. greater. There was an adverse balance of £31 million in February on top of the adverse balance of £49 million in January, (in both cases counting imports on a c.i.f. basis which loads the figure with freight and insurance costs though these are not shown on exports), i.e., a total of £80 million, against the total of £75 million for the first *three months* of 1958.

If one allows for the fact that February was a short month, then the adjusted figures—which give a better picture—for the first two months of this year are as follows:

(In million £s)

	Imports c.i.f.	*Exports* f.o.b.	*Adverse balance*
January	329	279	50
February (adjusted)	321	287	34
Monthly average—January-February	325	283	42
1st quarter, 1958	309	284	25

It is clear that, on this pattern, the favourable balance of last year and the consequent increase in gold and dollars is not going to be repeated on anything like the same scale.

But the picture of trade with the United States is a good deal more encouraging. British exports to the United States totalled £24½ million in February following on £28 million in January, as compared with an average for the first three months of last year of £21½ million; making the adjustment for the short month of February, this means an increase in exports of very nearly 30 per cent. Exports to Canada, on the other hand, are only fractionally higher than a year ago but the figures are only about half those to the United States.

The President of the Board of Trade addressed the American Chamber of Commerce in London on this matter of trade with the United States and complimented both countries on the progress that had been made in developing their mutual trade. But he argued that what had been done was not enough. After all, the total of British exports to the United States for the first two months of this year, although running at record levels, were still only 10 per cent. of the total of British exports. The President dwelt on the theme that industrialist countries ought, if the system of trade between them was sufficiently free, to be able to carry on a very substantial level of business, even more substantial than might exist between high standard and low standard countries. He argued that low standard countries might well develop Communist systems of trade, although he was obscure on whether he meant by that simply a large measure of "ruthless State planning" or an extension of Communist methods into political systems!

The argument of Mr. Eccles was primarily that it was up to the United States and the Commonwealth countries, including the U.K., to show that there is a more efficient and a more humane way to better living than "ruthless State planning." And he was as gently as possible trying to prod the United States into realising that it was no use their preaching the doctrine of maximising trade on a free basis and at the same time reducing for practical purposes that trade to a trickle. Although gentle, some of his phrases came near to being barbed, when he said that certain recent actions by the United States are reducing the sense of economic co-operation between the U.K. and the Commonwealth, on the one side, and America, on the other. The new quotas on lead and zinc imports into America have hit Australia and Canada as have the restrictions on the import of oil. The rejection of a recent British contract by the American Government is another example. And, thirdly, he quoted the recent Conference at Montreal on Civil Aviation navigation aids which was entirely biased by the Americans in favour of using American equipment, although British equipment would have done the job better for world conditions generally. Finally, there is the wool tariff quotas which have hit at British exports into the United States.

There is a tendency in this country to dismantle restrictions on American imports and, since we have broadly exchange problems from which America does not suffer, the Government rightly feels that it has been leaning over much more than has the United States Government to free trade. No Americans who attended that lunch would have been left in any doubt that the British are beginning to feel slightly niggled over this continued and unnecessary toughness of American trade policy.—*All Rights Reserved.*

BANKING

(*Concluded from page* 447)

crores. Savings banks deposits also are higher at Rs. 10.17 crores, as against Rs. 8.53 crores, and current accounts, contingency accounts, etc., at Rs. 15.55 crores, as against Rs. 12.73 crores. Borrowings from banks, which were practicably nothing a year before, appear at Rs. 2.45 crores. These, it may be added in passing, have not been taken into account in working out the ratios of principal assets to deposits. On the assets side, advances at Rs. 40.11 crores show an increase of Rs. 5.12 crores, or 14 per cent. over the year. Of this increase, the share of loans, cash credits, overdrafts, etc., is Rs. 2.91 crores and that of bills discounted and purchased is Rs. 2.21 crores. Since the rise in advances is much less than that in deposits, the credit ratio has moved down further to 59.8 per cent., as against 66.2 per cent. at the close of 1957. A considerably large part of the increase in deposits has found its way into investments which, as a consequence, have expanded by Rs. 14.85 crores to Rs. 26.73 crores. The bulk of the investments is in Government and other trustee securities, aggregating Rs. 24.25 crores. A noteworthy development in regard to investments is the disappearance of capital depreciation. These are now shown "at or below the market rate," for the first time since the end of 1950. There has been a decline of Rs. 2.20 crores in cash balances (including money at call). Owing to this decline, the cash coverage to deposits has receded from 16.5 per cent. to 9.7 per cent.

COTTON

(*Concluded from page* 448)

One of Japan's most pressing problems is what to do in regard to cotton textile exports, particularly in the face of cut-throat competition from Mainland China in the Far Eastern markets. Aggregate exports of cotton yarn and cloth during the first nine months of 1958 were down by 22 per cent. and 14 per cent. respectively but trade in cotton made-up goods was considered to be favourable. It is fairly certain that there will be a significant reduction in cotton consumption in Japan this season, especially if the present rate of curtailment is applied after March. Increased domestic demand is responsible for the slight improvement in India in recent months. Consumption in Hongkong continues to forge ahead and has set new records in the first four months of the season.

Exports of cotton from the U.S. are presently running a little more than half of last season's rate and, unless there is a reversal of the present trend, exports for the full season may not reach even 3 million bales. Aggregate exports from other free world countries may, however, increase, despite the expected decline in total cotton exports. Exports during the first few months of the season were, in several instances, higher than a year ago. It is true that more recently, affected by the continued downward trend in cotton prices and the uncertainty surrounding U.S. export policy, trading in most markets has been less active, but, barring any further deterioration in consumption outlook, trade might improve as soon as the price situation becomes clear.

CLOTH EXPORT TO RHODESIA AND NIGERIA

Exports of Indian mill piecegoods to the three important markets of Nigeria, Rhodesia and Nyasaland in Africa are expected to suffer a distinct setback as a result of the recent upward revision of tariff on imports into these countries. A few weeks ago, the Nigerian Government enhanced the minimum import duty on cloth by 25 per cent. from 8d. (about 33 nP) to 10d. (nearly 56 nP) per square yard, with a corresponding rise in duties on readymade garments also. This move has since been followed by the Federal Government of Rhodesia and Nyasaland, the overall increase in import duty on cloth weighing under 5-1/7 oz. and above 12 oz. being of the order of 50 per cent. per square yard; the revised rates of duties on different varieties are not yet known.

PLANTING

(*Concluded from page* 454)

military and civilian use. This synthetic rubber was also expected to have a strong stabilising effect on natural rubber prices and will allay doubts as to whether the supply of plantation rubber can keep pace with rapidly growing world demands. The rubber company had adopted, and expected to extend the use of, polyisoprene rubber as rapidly as its production would permit, Mr. McGovern said.

Scientists in the companies' tyre development laboratory in Detroit have developed new compounding techniques and a special process for the new synthetic. These shorten the curing time of the new rubber, give it better adhesion and adapt it to normal tyre building operations. As a result, tyres made of the new rubber have more uniform quality than those made with plantation rubber. Initially, polyisoprene truck tyres are being produced in the rubber company's Los Angeles plant in the popular 7.50-20 size. The company will expand production to additional truck tyre sizes, off-the-road tyres, aircraft tyres, white sidewall passenger tyres and other products now; requiring natural rubber as the supply of the new synthetic increases.

Shell Chemical would manufacture and sell the new material under the trade name "Shell Isoprene Rubber," Mr. McCurdy said. It was currently being produced by part-time utilisation of commercial equipment, located at various Shell Chemical and Shell Oil Company installations in the Los Angeles area.

For the present, he said, output would be maintained at a rate averaging five tons a day in order to furnish a supply for U.S. Rubber's current usage and for other customer evaluations, while not interfering unduly with other products regularly made in some of these facilities. As installation of various additions to the plant progresses during the year, the effective capacity was expected to increase to 15,000 to 20,000 tons annually on a steady basis.

Although several companies have announced the synthesis of Polyisoprene in recent years, it has not been produced commercially because of doubt that it could compete commercially with natural rubber. Shell scientists, however, have developed a new chain of production processes which enables the company to compete. The current price of Shell Isoprene Rubber (S.I.R.) is 30 cents per pound f.o.b. Terrance, California, approximately equivalent to that for the better grades of the natural product.

Notices

THE ALKALI & CHEMICAL CORPORATION OF INDIA LIMITED

NOTICE

THE PREFERENCE SHARE REGISTERS OF the Company will be closed from the 1st April 1959 to the 9th April 1959, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES (INDIA) PRIVATE LIMITED,
Secretaries.

CALCUTTA, 16*th March* 1959.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE TRANSFER BOOKS OF THE Svadeshi Mills Company Limited will be closed from Wednesday, the 15th April to Monday, the 11th May 1959, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 17*th March* 1959.

THE TATA MILLS LIMITED

NOTICE

THE TRANSFER BOOKS OF THE TATA Mills Limited will be closed from Wednesday, the 15th April to Monday, the 11th May 1959, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 18*th March* 1959.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,00,000	10,41,547	Allahabad Bank	362.00 / 181.00	100 / 50	18.00 / 9.00	18.00 / 9.00	18.00‡ / 9.00‡		12	Y.P.
1,01 000 / 40,78 300	17,84,000	3,83,732	Andhra Bank	106.50 / 88 75	100 / 85	6.50 / 4 54	8 00 / 5 59	6.00 / 5.10	2.50‡ / 1.12‡	6,12	H.
1,00,00 000	1,28,00,000	4,10,731	Bank of Baroda	119.50	50	6 00‡	7.00	7.00	3.00‡	12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	25 50	25	0 87	1.12	1.25		12	Y.
2,50,00 000 / 50,00,000 'A'	3,10,00,000	12,79,476	Bank of India	141.00 / 142.50	50 / 50 'A'	8.00 / ..	8.00 / ..	8 00 / 8.00	8.00 / 8.00	6,12	R.L.Y.
15,30,375	20,00,000	47,153	Bank of Indore	63.00N	25	3.50	4.00	4.25	4.00	12	Y.
50 00,000	25,00,000	20,476	Bank of Jaipur	46 00	50	2.00	2.50	3 00		12	Y.
50,00,000	96,70,613	4,70,232	Bank of Mysore	303.00cd	100	16.00‡	16 00‡	16 00	16.00	12	Y.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	82 00	50	5.00	5.00	5.00		12	Y.P.
7 50 000	13,55,000	5,670	Canara Banking Corporation Ltd.	77.00cd	50	5.50‡	5.00‡	5 00‡		12	Y.P.
5,82,930 'A' / 23,787 'C'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	182.00cd / 1.71cd	100 'A' / 1 'C'	12 50 / 12½%	15.00 / 15%	15 00 / 15%		12	Y.
2,62,11,875 / A.52,42,375	4,04,68,517	17,32,515	Central Bank of India Ltd.	58 50 / 60.30	25 / 25	3.00 / 3.00	3.50 / 3.50	3.50 / 3.50	3.50 / 3.50	12	R.L.H.
50,00,000	46,00,000	3,02,015	Devkaran Nanjee Banking Co.	54.00xd	50	2.50	3 00	3.00	3.00	12	Y.
2,00 00,000	2,00,00 000	10,45,442	Habib Bank (P)	29 12	5	0 87	1.37	1.06		12	Y.
1,25 00,000	6,93,000	21,046	Hindustan Commercial Bank	12.62	50	Nil	Nil			12	Y.
50 00,000	1,80,000	4,233	Hindustan Mercantile Bank	14.12	50	Nil	Nil	Nil		12	Y.
44 00 000 / 22 40 000	1,00,00,360	2,04,376	Indian Bank	187.00 / 150 00	100 / 80	12.00‡ / 7 75	13 00 / 9 75	15.00‡ / 12 00‡	6.50‡ / 5.20‡	6,12	R.L.H.
50,00,000 / 12,50,000	52,36,660	2,03,141	Indian Overseas Bank	176 00cd / 105 00cd	100 / 50	7.50 / ..	10.00 / ..	10.00 / ..	10.00 / 5.00	12	Y.
10,00,000	10,50,000	30,428	Pandyan Bank Ltd.	36 00cd	25	1.87	1.87	1.87	2.50	12	Y.
1,25 00,000	1,10 00 000	4,51,904	Punjab National Bank	24.52	10	3.50	4 00	5 00	2 50‡	12	Y.
5,62,50,000	8,48,50,000	55,73,153	State Bank of India	387.50	100	16.00	16.00	16.00	16.00	12	Y.
1,00 00,000	27,72,000	19,529	Travancore Bank	25.75cd	25	1.00	1.00	1.25	1.25	12	Y.
60,00,000	43,00,000	1,14,552	Union Bank of India	7.68	5	0.37	0.44	0.44	0.44	12	Y.
2,00,00,000	1,34,00,000	49,432	United Commercial Bank	69.50	50	2.75	3.50	3.75		12	H.
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East§	£2-8-6	£1	10	10	10	10	3	Y.
£5,000,000	£5,500,000	£412,542	Chartered Bank	£2-5-3	£1	15†	15†	15†		12	Y.
H.K.$50,000,000	H.K.$125,000,000	H.K.$2,062,463	Hongkong and Shanghai Banking Corporation	£43¼	H.K.$125	5*	5*	12½*Z	1¼*	12	Y.
£27,847,605	£18,000,000	£703,010	Lloyds Bank	£2-10-9	£1	12†	13†	13†	12½†'c'	12	Y.
£2,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£2-4-3	£1	14†	14†	18§†	6§I	12	Y.
£2,851,563	£3,104,637	£355,589	National Overseas and Grindlays Bank Ltd.	£1-8-0	sh. 12½	15†	15†	15†		12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr—Ex Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim dividend for 1959 declared. C= On increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June	Carew & Co.	1933	94.00	1st June .. 1963
4 00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90 00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100 25	27th December .. 1952 62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November‖	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
			COAL			
30,00 000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87.00	30th June* .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1969 (a)‡
			COTTON			
7,00 000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
14,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	89 00	15th November .. 1966 (b)‖
70 00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99.50	1st March .. 1972 (a)
40 00 000	6	1st April and 1st October	Gokak Mills	1957	100 50	1st April .. 1967-72
13.71 000	5½	30th June and 31st December	Jayshree Textiles	1949	90.00N	1st January .. 1956-59
39,90,000	5	1st June	Tata Mills	1951	93.25	15th November .. 1960
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	90.00	31st March .. 1965 (a)
1,25 00 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	..	98.50	14th June .. 1960
98 28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100 25	1st October .. 1959
12 00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90 00	31st December .. 1964 (a)
£4,048,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98 50	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gorakhpore Electric Supply Co., Ltd.	1945	84.00	31st December .. 1970
13,80 000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91 00	30th June .. 1976 (a)
2,00 000	5½	31st March and 30th September	South Madras Electric Supply	1939	95 00	1st April .. 1959 61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply‖	1940	93 50	30th September .. 1953-63
47.73 000	5	1st April and 1st October	Tata Power	1940	100 62	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power	..	86.62	15th September .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00 000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	105.00	1st January .. 1971
30 00 000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97 25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	82 00	31st May .. 1971
3 00,00,000	5	1st April and 1st October	Tata Locomotive	1950	99.50	1st October .. 1966-68
Rs. 40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	96.00	31st December .. 1960 (a)
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	90.50	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77 00	31st December‖ .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90 00	30th June .. 1960
9 00,000	5	31st January and 31st July	Calcutta	1949	86 00	31st July .. 1959
10 69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88 50	30th June .. 1966‡
20 48 000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (a)
8 86,000	5	15th January and 15th July	Empire	1951	90 00	15th July .. 1966 (a)
30 00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94 00	31st March .. 1970
25 00 000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90 00	31st December‖ .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90 00	31st March .. 1967 (a)
5 00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92 00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80.00	31st December .. 1964
25 00 000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	85 00	5th September .. 1965 (a)
12,00 000	5½	30th June and 31st December	Union	1937	95 00	31st March .. 1967
10,00,000	3½	31st January and 31st July	Waverley	1925	80.00	31st July .. 1966
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
189,863	5	1st April and 1st October	Calcutta Tramways	1933	£74.10N	
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway‖	1945	85.00	1st October .. 1974; 31st December .. 195v (a)
£200 000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation‖	1949	98.50	1st September .. 1963
			PLANTING			
11,25,000	6	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
1,27,600	5½	31st March and 30th September	Teekoy	1944	100.00	31st March .. 1949-59
			MISCELLANEOUS			
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1943	92.00	31st December .. 1965
23,60,000	4½	1st January and 1st July	Associated Hotels of India	1918	86 00	31st December .. 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	101.25	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	101.75	1st October .. 1970
21 00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85 00	1st February .. 1964
19 29 000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82 00	1st July .. 1986
20 00 000	4	15th March and 15th September	Dalhousie Properties	1946	78 00	15th September .. 1960
1,00,00 000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	80.00	 1966
1 05 21 000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	106.75	1st January .. 1971 (a)††
1,00,00 000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
15 00 000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	83 00	30th September .. 1964
8,89,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	600 00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	400 00 (per note)	31st December .. 1972 (a)
75 00 000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85 50N	30th September .. 1964
1,50 00 000	5½	30th June and 31st December	National Rayon	1955	101.50	1st April .. 1971
1 00,00 000	5½	31st March	Orient Paper Mills Ltd.	1951	92.50	30th June .. 1965-70
1 00,00 000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st March .. 1961 (a)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	101.40	31st December .. 1959; 1st May .. 1968 (a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May, 1963, on six months' notice.
†† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 19th March, 1959.

	Closing quotations 12-3-1959	High	Low	Closing quotations 19-3-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	129.00	—	—	130 00
Apollo (2)	1.24	1.22	1.20	1 20
Bombay Dyeing (25)	58.70	59.20	58 30	58 70
Bradbury (50)	133.00	133.00	131.00	131 50
Central India (100)	89.00	90 00	87.00	88 00
Century Mills (100)	461 00	477.50	461.00	474 50
Edward Textile (200)	210 00	—	—	215 50
Elphinstone (50)	30 00	—	—	30 00
Finlay (100)	267.00	274.00	266.00	271 00
Gokak (100)	131.75	132.25	131.00	131 50
Ind. Untd. Defd. (1)	1.12	1.12	1 06	1 08
Ind. Untd. Ord. (10)	8 84	8.84	8 64	8 75
Indore Malwa (100)	97.00	98 50	96 00	97 00
Khatau (100)	166 25	168 00	167.50	167 50
Kohinoor (100)	253 00	260 00	246 25	260 00
Lakshmi (250)	397.50	400.00	396.25	396 25
Minerva Mills (100)	60 50	—	—	60 50
Model Nagpur (250)	141.25	146 25	122 50	130 00
Morarji (100)	230 00	230.00	228.00	228 00
Mysore (50)	79.00	—	—	79 00
National Rayons (100)	264.75	280 00	264 00	276 25
New City (100)	89 50	89 50	89 00	89 00
New Great (100)	210.00	210 00	207.00	207 00
Phoenix (100)	125.00	125.00	120 50	120 50
Podar Mills (100)	128.00	—	—	128 00
Sassoon Silk (10)	9.76	—	—	9 76
Sassoon Spg. (10)	45.75	45.75	45 00	45 00
Sholapur (1,000)	428.75	—	—	428 75
Shrinivas (100)	146 00	148 50	147 00	148 50
Simplex (50)	168 00	169 00	167 00	168 00
Standard (100)	442 50	455 00	440 50	444 00
Svadeshi (100)	212.00	218 00	211 00	212 75
Swan (100)	372 50	390 00	373.75	390 00
Tata Mill (25)	35 00	34.75	32.75	33 00
Vishnu (100)	93 00	—	—	93 00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	141.00	141 50	135 75	135 75xd
Do. (New) (50)	142 00	142 50	137.50	137 50xd
Bank of Baroda (50)	120 00	119 50	118 50	119 50
Central (25)	58 00	58 80	58 00	58 50
Central 'A' (25)	59 00	60 30	59 00	60 30
Dena Bank (50)	53 00xd	54 00	52 50	54 00
Punjab National (10)	24 24	24.52	24.24	24 52
Union Bank (5)	7.68	7.68	7.64	7 68
United Com. (50)	69.00	69.50	69.00	69.50
ELECTRIC COS.				
Ahmedabad (100)	97.00	97.00	95 50	96 70
Amalgamated (10)	11.04	11.12	10 96	10 96
Andhra Valley (1,000)	1,180 00	1,185 00	1,177 50	1,177 50
Bom. Sub-El. (100)	107 50	107 50	107.00	107 50
Surat (100)	112 00xd	112.25	111 50	112 00
Tata Hydro (100)	124 00	124 00	119 50	120 00
Tata Power (1,000)	1,207.50	1,212.50	1,195.00	1,196.25
INSURANCE COS.				
British India (10)	14 24	14.28	14.00	14 28
Empire of India (100)	218.75	—	—	218 75
Ind. Mercantile (20)	45.75	45.75	44.00	44 00
Jupiter (15)	5 52	—	—	5 52
New India (15)	53 00	52.00	52.40	52.70
Oriental (200)	4,200 00	—	—	4,200.00
Vulcan (10)	19.76	—	—	19.76
STEEL COS.				
Ind. Iron (10)	23.52	24.16	23.40	23 96
Tata Steel Ord. (75)	180.75	183.25	180.00	183 00
SUGAR COS.				
Belapur (50)	202.00	203 00	200 00	200.50
Bhopal (10)	26 10	26 25	26 00	26 00
Chandeo (12 50)	30 50	30 80	30.50	30 80
Phaltan (50)	154.50	159 00	153 00	157 00
Walchand Ind. (100)	291.25	292.50	288.75	291.25
CEMENT COS.				
Associated Cem. (100)	146.50	147.50	141.25	144.75
Digvijay (100)	139.50	143.00	138.00	143.00
MISCELLANEOUS				
Alcock Ashdown (100)	275.00	284 00	273 00	278.00
Bom. Burmah (125)	492 00	511 00	490 50	500.50
Do. (New) (50)	177.50	180 00	177.50	177.50
Br. B. Petrol (4 sh.)	1.88	1.92	1 86	1.90
Br. I. Corpn. (5)	5 08	5 40	5 06	5.40
Hindustan Lever (10)	29 50	31.00	29.50	31 00
Hindusthan Motors (10)	8 04	8 92	8 00	8 84
Indian Copper (2 sh.)	3.94	4 08	3 90	4 02
Ind. Inv. Tr. (100)	88 50	90 00	89 70	90 00
Killicks (100)	150 00	155 25	147 00	147.00
Larsen & Toubro (10)	19 72	20 08	19 72	20 04
Polson (100)	150 50	156 50	150 00	156 50
Pre. Automobiles (100)	104.00	114 00	103 00	113 00
Premier Con. (80)	251.50	268 00	252 00	267.75
Scindia (20)	18.92	19 16	18 52	18 60
G. E. Shipping (10)	22.84	22.84	22.48	22 48
Shivrajpur (10)	90 50	104 00	100 00	102 00
Sirpur Paper (10)	13.76	13 92	13 68	13.88
Tata Chemicals (10)	16.32	16.70	16.28	16 32
Tata Locomotive (100)	182.50	188 50	182 00	185 25
Tata Oil (25)	51 00	51.75	49 75	50 00
Voltas (100)	152 00	159 50	152 50	157.25
W. I. Match (100)	104.00	105.00	103.00	103.50

GOVERNMENT SECURITIES	12-3-1959 Rs.	Gross Yield: Earlier Redemption	Later Redemption	19-3-1959 Rs.
2½% 1961	97.20	—	3.72	97.20
2½% 1960	99.00	—	3.31	99.00
2½% 1962	96.95	—	3.63	96 95
2½% 1976	83.20	—	4.03	83.20
3% 1959-61 2nd V ct.	99.70	3.34	3.10	99.70
3% 1964	97.10	—	3.64	97.10
3% 1963-65	96.75	3.75	3.50	96.75
3% 1966-68	93.85	3.96	3.78	93 85
3% 1970-75 1st Dev.	91.05	3 98	3.73	91.10
3% 1986 Con. Loan.	74.15	—	4.05*	74 00
4% 1960-70	100 85	3.40	3.92	100.70
3½% 1961 N.P. Bonds	100.10	—	3.47	100.10
3½% 1964 N.P. Loan	99.80	—	3.54	99.80
3½% 1965 N.P. Bonds	99.60	—	3.57	99.60
3½% 1962	99.15	—	3.50	99 15
3½% 1967 N.P. Bonds	99.10	—	3.63	99.10
3½% 1974	98 85	—	3.84	98 85
3¾% 1967 N.P. Bonds	100.80	—	3.65	100 60
4% 1972 Loan	101.60	—	3.83	101.65
3½% 1968	98 95	—	3.64	98.95
3½% 1963 N P. Bonds	99 95	—	3.51	99 95
3¾% 1968 N.P. Bonds	100 60	—	3.68	100 60
4% 1973 Loan	100.55	—	3.85	101.60

BRITISH GOVERNMENT SECURITIES

	Closing quotations 9-3-1959 £			Closing quotations 17-3-1959 £
2½% Brit. Consols.	51⅛	—	—	51⅛
3% Savings Bonds 1965-75	75¼	—	—	75¼
3% War Loan 1955-59	99 11/16 xd	—	—	100
3½% War Loan	67¼	—	—	67¼
4% Victory Bonds 1976	96¼	—	—	96¼
4% Funding 1960-90	91½	—	—	92 11/16

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

COMMERCE

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

UNDER SECRETARY TO GOVERNMENT 28 MAR 1959

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JUTE INDUSTRY RECOVERS

THE jute industry has for long been known as the "sick man" of India's industrial world. It emerged from the Second World War fairly exhausted after doing strenuous defence effort, with most of its machinery worn out. The Partition that preceded Independence imposed more hardship on this industry than on any other. The Indo-Pakistan conflicts, the devaluation of the Indian rupee and the non-devaluation of the Pakistan rupee made matters worse. The Korean war boom gave some respite, but the financial "prosperity" was largely negatived by the heavy export duties that were then levied and unduly prolonged. This handicap, together with shortage of raw jute, encouraged the growth of modern jute mills in Pakistan and, to some extent, in other parts of the world also, thereby substantially reducing the unique status enjoyed by the Indian jute mills. The high cost of raw jute, heavy export duties and the absence of modern machinery undermined the competitive capacity of our jute goods. They gave fillip to the manufacture and use of substitute packaging materials and the adoption of bulk-handling methods in several parts of the world, especially in those advanced countries where labour is scarce and highly expensive. Trade unions in India followed a shortsighted policy in regard to modernisation of mills and had the sympathy, if not the active support, of the State and Central Governments. The result was a vicious circle of high costs, lower profit, and contraction in production. The position was rendered more difficult with the ownership and control of a large number of mills changing hands from foreign to Indian investors. The four years ended 1957, in particular, proved to be a critical period when the industry suffered heavy losses and jute shares were friendless on the stock exchanges, with several mills not being able to pay even their preference dividends. Quite a few mills went into liquidation. The depression that persisted in this industry was so exasperating that many gave up hope. Even a Minister of the Union Government, who is out of office now, was heard to remark in Parliament at one time that, henceforth, the country should not expect much from the jute industry as an earner of foreign exchange.

Against this sombre background, even the subdued note of optimism struck by Mr. J. I. Jamieson, Chairman of the Indian Jute Mills Association, in his speech at the annual general meeting of the Association held at Calcutta on Friday last, sounds refreshing and heartening. The industry has certainly defied the pessimists and nearly overcome the heavy odds that confronted it. Although the injuries it suffered in the past have not been fully healed and financially it is still weak, the industry can at least be said to have turned the corner. That at any rate is the view of Mr. Jamieson, who ought to know. In fact, he said: "I am not unhopeful that we can look forward to a continuance of the more favourable conditions" witnessed in recent months. A similar opinion was expressed a few days ago by Mr. J. D. K. Brown, President of the Bengal Chamber of Commerce and Industry. That many are inclined to agree with the reasoned optimism of these spokesmen of industry is evident from the recovery in the value of jute shares during the past few months, in general, and their buoyancy during the last three weeks in particular.

What is the basis even for this mild optimism? There are quite a few good answers to this poser in Mr. Jamieson's speech. The first one is the better supply of raw jute. All along, shortage of raw materials and the erratic, if not vindictive, policy of Pakistan governing the supply of jute to India was the biggest hurdle of jute mills. This handicap was, of course, being progressively whittled down during the past ten years, but last year it was nearly eliminated, for India had attained "quantitative self-sufficiency." Large stocks of jute are being carried forward into the current year and, if the crop in the coming season turns out to be good again, the jute industry will have another comfortable year in this important respect. Secondly, the industry has made considerable progress in the matter of rationalisation and further progress is being made steadily. Thirdly, the spirit of co-operation among the various units of the industry is being well maintained, as witness the continuance of the Working Time Agreement and the transfer of production and employment from one unit to another. While competition is keen, the industry is well organised to meet it. In the Working Time Agreement, the industry has, to quote Mr. Jamieson, "an instrument which enables us to adjust ourselves rapidly to changing conditions, whether in the pattern of trade or within the industry itself." The Agreement has also helped the industry to carry out rationalisation smoothly. Fourthly, the Government is now fully alive to the problems of the industry and is rendering substantial assistance in popularising jute goods in the principal markets by giving grants for covering a part of the cost of export promotion. Fifthly, labour relations have improved perceptibly and the workers are beginning to appreciate the value of modernisation of mills. In the past year, the loss of man-hours through strikes and lockouts showed, according to the I.J.M.A. Chairman, a further decline as compared with 1957 and was, in fact, the lowest in any year since 1952. Finally, Mr. Jamieson's assessment of the principal hessian and sacking markets shows that the offtake of jute goods during the current year is likely to improve.

These are only the highlights of the picture. But there are also some shadows which cannot be ignored, as they may lengthen themselves again in future, unless suitable remedial measures are taken. The unsold stocks of manufactured goods are still heavy and it remains to be seen whether the decision to seal a further 1½ per cent. of the looms from the beginning of this month would help improve the situation to any appreciable extent. The raw jute economy, too, is not yet completely sound. The self-sufficiency achieved in the 1958-59 season is only in terms of quantity and not quality which is also equally important. There has been a welcome increase in the per acre yield of raw jute. On the basis of the latest crop estimate for the 1958-59 season, the yield per acre is 2.83 bales, as against 2.33 bales in 1957-58, 2.25 bales in 1956-57 and 2.47 bales in 1948-49. Indeed, this is the highest yield on record since Independence, a point which has been ignored in the recent discussions on the drop in the price of raw jute. It must, however, be added that, notwithstanding the improvement in the current year, the yield per acre is very much below what it could be and what is actually obtained in East Pakistan where it has been ranging between 4.48 bales and 3.42 bales during the four-year period 1954-55 to 1957-58. Mr. Jamieson was, therefore, perfectly right in emphasising that quality self-sufficiency also should be the goal and that, in order to reach it, production should be concentrated in the better jute-growing districts by raising the acreage yield in these areas. There will be two additional benefits, if India succeeds in this direction: one, the grower will get a larger return even without a rise in the price of raw jute and two, the land released from jute cultivation can be utilised for growing other crops.

While the I.J.M.A. has been doing commendable work in the sphere of export promotion in active co-operation with the Government and this work seems to have yielded satisfactory results, there has been no significant rise in the value of foreign exchange earned through exports. Last year, although the quantity exported was higher, the value realised was lower. The sum and substance of Mr. Jamieson's estimate of the markets for hessian in the Western Hemisphere is that, though there may be some progress in the months to come, it will be over-optimistic to expect any material increase. So far as sackings are concerned, the prospects for stepping up exports to Australia, South-East Asia and West Asia, including Egypt, are better, but India must make special efforts to induce these countries to buy more of its jute goods by reciprocal trade agreements, as they are short of foreign exchange. This suggestion, which we ourselves made on an earlier occasion, requires to be carefully examined. There are several industrial raw materials, in addition to rice, which India needs and which this region can supply. It is high time the question of stimulating exports of our manufactured goods to this area in exchange for raw materials and food received the attention of the Government. Mr. Jamieson alluded to complaints from overseas buyers about the quality of jute goods. It is deplorable that some mills should make and sell sub-standard goods. This is a very shortsighted policy and those who are guilty of it deserve to be dealt with severely, but this requires the co-operation of the buyers. If the latter take the trouble of giving the I.J.M.A. full details of the defects, instead of lodging complaints of a very general nature, as they are doing at present, we are sure the position could be improved vastly to the mutual benefit of both.

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LAW COMMISSION REPORT

THE debate in the Lok Sabha on the Law Ministry's demand for grant was, perhaps, deflected from its main purpose into a discussion of the system of selection of judges. Far too much attention was devoted to the criticism of the system and the Government's consequent defence of it against allegations of political and communal favouritism based on the Law Commission's report. A full-fledged debate on the Commission's report would have been more welcome, for it would have revealed what Parliament, as the sovereign law-making body, thought of the expert Commission's observations on its chief function, namely, law-making. Even so, some notable points were made in the debate. For one thing, the importance of the judiciary

in a country like India, with a written constitution, was generally stressed. Secondly, Parliament, as the source of all law, did well to admit that laws should be simple and well drafted. The Union Law Minister, Mr. A. K. Sen, readily conceded the need for simplification of the laws and indicated that the Government had already taken up the matter by creating a permanent organisation for the regular review of all laws which now prevailed in the country.

There are two factors which serve to explain the growing public interest in law and judicial administration. In the first place, the fact that India has chosen a democratic constitution for itself implies that the laws, made already or yet to be made, should be tested on the touchstone of that Constitution. Democracy implies rule of law. And the public looks to the judiciary to help make the rule of law, enshrined in the Constitution, a living reality. Secondly, there is the equally vital factor of the practical importance of law. It has been computed that about 20 million people are engaged in law suits of one kind or another. This is a fairly substantial proportion of the country's adult population. This proportion is likely to increase in the future, thanks to the growing complexity of the laws and the modern trend indicated by the extension of law to cover a wider sector of human activity and welfare.

Since law has a tendency to multiply itself and popular respect and support for it can come only through adequate appreciation of its meaning and significance to the people's lives, there is a valid case for simplifying its language and improving its draftsmanship. Appropriately enough, the Law Commission attaches considerable importance to this aspect of law-making. It notes that the increased legislative activity and the inevitable growth of subordinate legislation have imposed a heavy burden on the draftsmen. To guard against "ill-conceived and hasty" drafting, it is necessary, according to the Commission, that the legislative programme should be adequately planned in advance, ample instructions given to draftsmen and sufficient time allotted for scrutinising and reshaping the amendments moved and accepted in Parliament. It further suggests the setting up of a permanent commission of full-time members, charged with the duty of periodically revising the enactments in the light of developments in law and for consolidating, co-ordinating and remodelling them in the context of changed conditions and modern legal concepts. An important suggestion it makes is that, since Parliament and the State legislatures cannot devote sufficient time to the detailed scrutiny of legislative proposals, all fresh proposals, unless of emergent nature, should be submitted to the permanent commission for detailed examination and enactment. The adoption of this suggestion will reduce, if not eliminate, the chances of legislative enactments being held *ultra vires* the Constitution by the Courts in the country, and also avoid excessive litigation which is often caused by ill-drafted legislation.

In recent years, there has been a considerable extension of the sphere of delegated legislation. This has, in effect, meant the encroachment of the executive on the rights of the citizen. As Mr. M. C. Setalvad, President of the Indian Commission of Jurists pointed out at the last International Congress of Jurists, held at New Delhi, under the guise of administrative rules and procedure, the official, who is engaged in the furtherance and administration of a policy, himself becomes the judge of the validity of the acts done by the executive. The remedy, according to Mr. Setalvad, lies in the insistence on a system which will enable the validity of an executive act to be tested by a mind free from executive bias. In India, it has sometimes been suggested that administrative courts should be set up on the French model to deal expeditiously with cases arising out of certain laws which are based upon the welfare concept of the State. The advocates of this proposal have pointed out that such a system of administrative courts will bring prompt justice by avoiding the time-consuming process of the normal course of law. An unqualified acceptance of this proposal may conceivably place in the hands of the executive large powers, which, in the absence of right of appeal, will certainly lead to grave miscarriage of justice.

The Commission has, therefore, rightly rejected the system of administrative courts. It, however, admits that, in the modern State, with its complexities and multiplied governmental functions, the delegation of powers of adjudication in the administrative and quasi-judicial matters to administrative tribunals is inevitable. Nevertheless, it points out that, for the purpose of examining the validity of administrative action, it would be derogatory to the citizens' rights to establish a system of administrative courts which would take the place of ordinary courts of law. It adds: "Such a system may no doubt be useful on account of its cheapness, speed, procedural simplicity and availability of special knowledge; nevertheless, in our country, which is influenced by the idea of rule of law, it should not be conceived of as a device to supplant the ordinary courts of law."

Examining the case for the introduction of the French system of administrative courts into India, the Commission points out that the system has its origin in the political and legislative set-up of France. This is a point which has unfortunately been overlooked by the advocates of the proposal in this country. It is well-nigh impossible to transplant the French judicial system to the Indian soil. The Commission notes that the French system is much wider in its sweep than the system prevailing in the U.K. or in the U.S. It adds: "But, as our people have great confidence in the High Court judiciary, it is desirable that the ultimate review of all administrative action should be with the High Courts." Accordingly, the Commission rejects the idea of creating a general administrative body, like the *Conseil d'etat* in France. In effect, it holds that the existing jurisdiction of the Supreme Court and the High Courts which enables them to examine, to a limited extent, the action of administrative bodies, should remain unimpaired.

The suggestion, however, has been made that decisions should be demarcated into judicial and quasi-judicial, on the one hand, and administrative, on the other, and that, against the former, an appeal on facts should lie with an independent tribunal, presided over by a High Court judge and assisted by men with administrative or technical knowledge; a further appeal on questions of law should lie with the High Court, where a separate administrative division may deal with such matters. In the case of administrative decisions, the Commission insists that they should be invariably accompanied by reasons which would enable one to test the validity of the decisions by appropriate writs. The suggested scheme of reform has the merit of reconciling the demand for speed and convenience by advocates of administrative courts with the much wider demand for the retention of an independent judiciary, which would be the final arbiter on legal issues.

In examining the case for the reform of criminal law, the Commission affirms its faith in the cardinal principle of the British judicial system under which an accused is presumed to be innocent, unless the contrary is proved. It, however, makes certain notable suggestions for speeding up the disposal of criminal cases. Thus, it favours the investment of larger powers in the men who occupy the lower grades of the magistracy and popularisation of *panchayat* courts. A suggestion which deserves to be adopted is the exemption of the accused in certain cases from appearance in courts. The Commission notes that enormous time of the courts, witnesses and prosecutors is wasted in the disposal of cases in which accused plead guilty. In such cases, provision should be made to enable the accused to enter a plea of guilty without appearance in court. If the prosecution decides to adopt this procedure, the summons should be issued to the accused along with a statement of the facts of the case, together with the amount of fine which he would have to pay if he pleaded guilty; the accused should be at liberty to remit the fine by money order. This procedure is now adopted for certain offences under the Motor Vehicles Act. There is no reason why it should not be suitably extended to cover certain other cases under the Indian Penal Code.

An independent judiciary must inevitably form part of democratic way of life. Nothing is more calculated to vitiate the independence of the judiciary than the failure to separate the executive from the judiciary. It would, however, appear that, in a large number of States, this reform, which should in fact have come with the attainment of independence, has not been carried out. Urging the implementation of this reform, the Commission observes that it has not led to any serious difficulty in the States where it has been introduced and that the additional cost involved in separation, which is in any case small, should not be allowed to stand in the way of its adoption. It suggests that, if there is any lack of trained personnel, the reform could be introduced in groups of districts year after year, so that the entire State could be covered in a period of three or five years. It is to be hoped that the States, which have not yet separated the judiciary from the executive, will lose no time in implementing this reform. Other suggestions for the reform of the judicial system are the reduction in court fees, the extension of the dual system of original and appellate sides, which prevails in Bombay and Calcutta, to the Supreme Court, the creation of a unified All-India Bar and the division of the Bar into senior advocates and advocates, the former being prevented from drafting notices, pleadings, affidavits and documents. The last recommendation is obviously intended to ensure that the junior counsel are left with sufficient work in the earlier years of their career.

The Commission's plea for a reduction in court fees is based on the valid ground that the administration of justice is one of the primary functions of the State and the general taxpayer should also bear a portion of the burden. This duty is just as fundamental as the State's duty to provide for education or health or sanitation. The Commission rightly observes:

> "But, while we find that all citizens and not only the illiterate or the sick are called upon to meet the charges incurred by the State on these heads, in respect of judicial administration, it is the litigant alone who is being made to pay the entire cost. The injustice to the civil litigant is the graver, because he is being made to bear the expenses of administration of criminal justice which is but an activity of the State for the maintenance of law and order. Civil disputes are also a part of the framework of the social order; to leave them unsettled would promote disorder. No State can, therefore, claim to be immune from the responsibility of providing curative measures or to insist that it would so provide them only on payment of a fee or tax. If the levy of a fee or tax is justified, it should be one of general application and not one imposed on the litigant alone."

An independent judiciary would be an illusory achievement in the absence of efficient personnel at the Bar and on the Bench. The Commission notes that there has been a fall in the efficiency of the Bar and in the quality of new entrants to the profession. This is a deplorable trend which must be arrested before it is too late to remedy the defects. Since the preparation for law as a career begins at the law colleges, it is at the collegiate level that the reform should really begin. It is gratifying to note that the Commission has devoted considerable attention to the problem of legal education. Law teaching, according to the Commission, should be by full-time teachers having outstanding distinction in law and legal research. A person who wishes to practise law should, besides possessing a law degree, complete successfully a professional course in procedural and practical subjects. This will ensure that only men, with an intimate knowledge of legal procedure, enter the legal profession. This is a suggestion which deserves to be carefully examined by the judicial authorities in India. For the wider diffusion of legal knowledge—as distinct from the knowledge that is needed by a lawyer—the Commission advocates diploma courses in law. Since knowledge of law is a valuable academic discipline, especially in a young democracy like India, the universities in this country will perhaps do well to provide for the study of law as an optional subject of study in their degree courses.

On the controversial issue of language of judicial administration, the Commission has expressed the view that the change-over to Hindi should be preceded by preparatory work which it estimates will take at least 25 to 30 years. The Commission emphasises that the change-over will have to wait not only till the ground has been prepared by the compilation of a standard legal lexicon and by the re-enactment of the statute book in Hindi but till large groups of lawyers and judges, proficient in Hindi and Hindi legal phraseology, are available. The Commission has been realistic in the assessment of the magnitude of the problem involved in effecting a change-over to Hindi. Its closely-reasoned case for long and adequate preparation should help modify the views of those who advocate a quick transition to Hindi as the official language. Since the two issues are closely related to each other, it is best that, for some years to come—if not for all time—the importance of English in general, technical and legal education continues to receive the high priority which has been partially lost in recent years and is in danger of being lost entirely.

SETBACK IN SHARES TEMPORARY

OUTLOOK FOR BULLION—L.I.C.'S MISLEADING COMPARISON—REPORT ON MUNNAR STRIKE

TUESDAY, 5 P.M.

MARKET GOSSIP

THIS has been an extremely short working week, on account of holidays for *Jamshedi Naoroz*, *Holi* and Easter. It has, therefore, been necessary for us to go to press 48 hours earlier than usual. Consequently, we had to suspend some of our customary features and curtail the rest. Mr. Nehru has been repeatedly saying that all of us have to work hard, so that more wealth may be created, and that the present generation is condemned to hard labour. But he has done nothing to reduce the number of holidays, of which we have too many, as compared with the highly developed countries, including, perhaps, Russia. It would be a good thing, if, as in Britain, the holidays are lumped together into a week or ten days, so that workers can have rest and recreation at a stretch. For purposes of convenience, this could be staggered regionwise. In addition, there could be five or six holidays in a year to cover the most important national events, such as Independence Day, Republic Day and Mahatma Gandhi's birthday, as well as a few of the indispensable festival days like *Deepavali*, Christmas, New Year and *Id* or *Muharrum*. In this manner, the country could save nine or ten days per annum. Under the Industrial Disputes Act, it may be noted, only eleven paid holidays per year are available to workers in factories, including "working journalists." There is no reason why this should not be made applicable to other workers, too.

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The post-budget bullish fervour has begun to wane in the share markets, though it is still very strong in bullion and a little less strong in commodities. In shares, fresh buying has flagged. On the contrary, in the leading speculative counters, there has been a sizable amount of profit-taking. There is a general feeling that values have risen too fast since the budget and that the market should consolidate the ground that has been gained before advancing further. With the current fortnightly settlement falling due on the 26th inst. and with the money market tight, the bulls have apparently thought it wise to lighten their commitments. The clash in Tibet between the Chinese Communists and the followers of the Dalai Lama has also been a restraining factor. There is, at the same time, no inclination among the bears to be aggressive and to make a sustained assault. They are resorting to only hit and run tactics in the highly vulnerable counters and are content with the small gains they are able to make thus. In fact, the consensus of opinion in market circles seems to be that, after a readjustment of the technical position, equities will rise again, assuming, of course, that there will be no new adverse factors.

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The Tibetan rebellion against the Chinese Communists has proved to be a strong bullish factor to silver which has crossed the Rs. 200-mark. Tibet, as readers are aware, is the only important source of fresh supply of silver to the Indian bullion markets. Under a mutual agreement between the Governments of China and India, influx of Tibetan coins into this country has been taking place for some years now. It is estimated that, in 1956 and 1957, a little more than 30 million ounces of silver were imported into India from this source, of which 16 to 17 million ounces are said to be the share of 1957. In 1958, however, there was a marked fall in the arrival of coins from Tibet, as the Chinese authorities began to place restrictions from time to time on their flow into India. The estimated imports of coins in the past year are no more than six million ounces, that is, one-fifth of the total imports in the preceding two years. Evidently, the Chinese were trying to see that more coins were not allowed to go to India than was necessary to pay for the imports of goods from this country. Further, the Chinese found it advantageous to export their silver to London through Hong Kong.

It is too early to say what would be the imports of Tibetan silver this year. Considering the fact that the floating stocks of silver in the market are only small, arrivals of Tibetan coins so far must have been smaller than even in the corresponding period of 1958.

In pushing up the price of silver to well over Rs. 200, the speculators have been proceeding on two assumptions. One, since the Chinese Communists are not so well disposed towards India now as they were, say, two years ago, they may not be very anxious to allow a liberal flow of silver coins into India. Two, the agriculturists this year have fared better than last year and as such the offtake of silver will be greater. There are, however, three other factors that must be taken into account.

First, consumption of silver is highly sensitive to prices and cost of living. If the price of the metal is attractively low, consumption increases; if it is prohibitively high, it falls substantially. Again, if the cost of living goes up, leaving very little money for other purposes, the demand for silver slackens. After averaging at three million to four million ounces per annum in 1953, 1954 and 1955, Indian consumption of silver is estimated to have jumped up to 17½ million ounces in 1956. It was placed lower at 15 million ounces for 1957 and was back to the pre-1956 level in 1958, the estimated figure being 3.25 million ounces. It will be interesting to note, in this connection, that the cost of living in India in 1958 was about 21 per cent. higher than in 1956 and that the price of silver itself fluctuated between Rs. 202-8 and Rs. 178-7, as against Rs. 191 and Rs. 174-4 in 1957, and Rs. 184 and Rs. 168-8 in 1956.

Secondly, the fresh instalment of land reform aiming at large-scale redistribution of land at almost give-away prices will, when implemented, affect the consumption of silver in the rural areas. The bigger agriculturists having more land than the proposed ceiling will lose a part of their landholdings and with that their ability to buy precious metals. The compensation contemplated is only a fraction of the fair market price of the land and the whole move is nothing short of expropriation. The smaller agriculturists, who are either tenants or landless labourers, will be diverting their savings to pay the nominal cost of the land transferred to them from the bigger farmers. Indeed, they may well be mortgaging their savings for the next few years towards the cost of their new acquisition. There is no exaggeration in saying that agriculturists attach greater importance to land and housing than to precious metals. It will be pertinent to recall here that there was a marked fall in the consumption of silver and gold for a few years following the abolition of *zamindaris*.

The third factor to be taken into account is the possibility of the Chinese stepping up the flow of Tibetan coins to India when they find it profitable to do so. Accordingly, if the price of silver were to go up further, that itself might attract more of Chinese and Tibetan silver into India, not to mention a part of the hoards within the country itself.

The price of gold, too, has gone up in sympathy with silver. While the trend of gold consumption is a little steadier than silver, most of the factors mentioned above apply to the yellow metal also. There are, however, two additional factors of a bullish nature for gold. Since May last, the entire gold production in the Kolar mines, amounting to about 480,000 tolas, has been withheld from the market and stored in the vaults of the Reserve Bank of India. There is no reason to feel that the Government of India will ever sell this gold in the open market, because it does not want the people of this country to hoard their savings. Besides, the Government would like to augment its gold reserves to the maximum extent it can. It will have to find in the coming months $50 million worth of gold to pay towards the additional subscription to the I.M.F. One of these days, it may transfer the domestically-mined gold, as well as the contraband gold confiscated by the customs, to its currency reserve. As for the other factor, the Government of India has been trying its best to stop smuggling of gold and has not given up its search for more effective steps in this direction. There have been persistent reports, albeit unverifiable, that it is trying to reach a friendly understanding with the Governments of West Asian countries for the demonetisation of 100-rupee notes that are in circulation there, as a first major offensive against smugglers. It is pointed out that, since no one is allowed to take more than Rs. 70 in the form of currency abroad, as against Rs. 270 before, and since this regulation has been in force for several months now, there is no reason why the 100-rupee notes should be in circulation abroad any more and that, after a specified date, the Government of India will be perfectly justified in refusing to honour such notes presented for encashment by the banks in foreign countries.

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A fairly detailed summary of the first report of the Life Insurance Corporation of India covering the sixteen-month period ended 31st December 1957 is published on page 515. A close perusal of the report cannot fail to produce the impression that the Corporation has found the temptation to strike a comparison between its performance and that of private insurers to be irresistible. Consequently, one finds comparisons of new business written by the Corporation during the period, premium income, expense ratio and such other facts as are the indices of efficiency of an insurance organisation with those of private insurers. By quoting the new business figures and enumerating the developments initiated during the period against the background of the problems the Corporation had to face, the impression is sought to be conveyed that the Corporation has achieved something spectacular. The keenness to show off a better record than that established by private insurers is certainly welcome and, if maintained, augurs well for the future of life insurance in the country.

But it is doubtful whether, by these comparisons, the Corporation can succeed in creating the impression it wants to, for there can be no fair comparison of a going concern with one that does not exist and of the present with the past. Such a comparison will be misleading and unrealistic. Even if the L.I.C. authorities wanted to make such a comparison, they should have been more comprehensive than they have tried to be. To give an instance, it is pointed out that the overall expense ratio of the L.I.C. for the period is 27.3 per cent. which is lower than the corresponding figure of 31.8 per cent. for all the insurers combined for the year 1955. This latter figure, it must be borne in mind, represents the expense ratio of all the private insurers—good, bad and indifferent as well as large, medium and small. Some of the leading private companies had a much lower expense ratio. The expense ratio of the

(*Continued on page 527*)

STERLING TRIUMPHANT

(From Our Own Correspondent)

LONDON, 21*st March*

LONDON LETTER

THE dollar is still being quoted in London at a fraction under $2.81¼, that is, within half a cent of the official limit. The American gold stock has fallen by $1 million and, though this is trivial in relation to the total American stock, the two pointers indicate the relative weakness of the dollar. On the other hand, the relative strength of sterling has been pushed home by the repayment this week to the International Monetary Fund of $200 million in fulfilment of the commitment made before last Christmas. This $200 million is part of the $561 million drawn by the U.K. from the International Monetary Fund in December 1956 with a commitment for repayment between three and five years ahead. Thus, the U.K. could have postponed any repayment to the end of this calendar year, still keeping within the general principles under which the Fund operates. That the Treasury should have undertaken to make the first repayment nearly a year ahead of time and to make public its intention to repay the balance of $361 million over the years 1960 and 1961 shows how strong the Treasury regards the reserves of this country.

It is important to remember, when assessing the amount of pressure which the pound could, in case of need, withstand, that, in addition to the present reserves, (of which the total repayments to be made to the I.M.F. over the three years 1959-61 represent roughly one-fifth), there has always been a third line to defence, namely, the standby arrangements with the I.M.F. for drawing up to some $740 million which represents rather more than a quarter of the present reserves. Now that this $200 million has been repaid that sum is added to the limit of standby drawings; in other words, the money has been moved from the first line of reserves, which is the gold and dollar stock of the Bank of England, through the second line, which was the actual borrowing from the I.M.F., to the third line of the standby arrangements. Thus, in case of need, the money could be borrowed back, but, equally, the possibility of this being necessary is not considered likely.

Of course, one should not expect that the March figures would show a further increase in the U.K.'s gold and dollar reserves after making a payment of this order, but the thing is not impossible. One reason may be the attractiveness which London has for foreign funds ever since the convertibility move was made at the end of last year. Sterling balances owned by non-sterling countries have been built up to cover day-to-day trade. This is a tribute to the traditional facilities of the City and the cheapness with which these facilities of transferring large sums rapidly can be used. A contributory factor may also be the halt in the drop in commodity prices with the consequent stabilisation of the reserves of sterling countries. The greatest problem facing the Treasury and the Bank is undoubtedly to be able to hold on to these short-term balances without laying themselves open to the possibility of a face-destroying loss of funds.

Finally, so far as "confidence" is concerned, there is the opportune political point that the latest monthly unemployment figures show a drop of 58,000. The Government was able to announce this in reply to an Opposition motion criticising them for a rise in unemployment and, though the total unemployment outstanding is still 550,000 and the improvement is largely seasonal, there is no question but that—coupled with a less good position in most European countries—it contributes to the confidence in the pound.

The Treasury has also this week published a survey of the U.K. balance of payments since the end of the war. The most interesting feature which emerges concerns this country's capital investment abroad. It was Mr. Butler, when he was Chancellor of the Exchequer, who spelt out the figure of £300 million per annum as the annual surplus which this country needed to earn to maintain an adequate overseas investment policy. Over the past three years, the surplus has been not far short of Mr. Butler's figure, but, over the five years 1952-57, when the surplus was of course by no means so large, there was, nevertheless, an overseas investment averaging £200 million per annum. This shows that investment can run ahead of the resources available for it!—*All Rights Reserved.*

EQUITIES REACT

TEXTILES, HOWEVER, FIRM

(From Our Own Correspondents)

BOMBAY, 24th *March*

THIS week's Stock Exchange review covers three days' trading only, in view of the intervening public holidays. During the earlier part of this period, the market ruled firm with a further hardening of equity prices. The volume of business did not, however, show any expansion, as fresh interest was lacking at the prevailing high prices. The undertone, however, remained intact, on news that India had been promised aid to the extent of $250 million during the next twelve months by the World Bank and the five creditor nations—the U.S., the U.K., Japan, West Germany and Canada. Today, however, there was a mild setback in prices on liquidation by bulls on end-of-account consideration. Expectations of higher *budla* charges in the next settlement which would be for a period of three weeks, as also on account of the closure of books by some companies, and reports that this month's steel production in T.I.S.Co. works would be lower also induced operators to reduce their commitments.

In the steel section, Tata Ordinaries advanced early in the week from Rs. 183 to Rs. 184.25, but the trend was soon reversed and the shares touched Rs. 181.25 at the close today. The new shares were marked down by Rs. 2 to Rs. 178.25. After an earlier improvement from Rs. 23.96 to Rs. 24.28, Indian Irons slipped back to Rs. 23.88 and closed at Rs. 23.96.

Textile shares generally ruled firm. Bombay Dyeings were conspicuous with a rise of Re. 1.10 to Rs. 59.80, the highest level touched during the week being Rs. 60.30. Centurys came up to Rs. 481 from Rs. 474.50, but shed part of this gain when they finished today at Rs. 477.50. Kohinoors gained from Rs. 260 to Rs. 264, before reacting sharply to Rs. 254. Finlays were unchanged at Rs. 271, while Gokaks scored an impressive rise of Rs. 7.50 to Rs. 139. Shree Niwas Cottons gained Rs. 2.50 to Rs. 150 and Standards Rs. 4 to Rs. 448. Svadeshis declined by Rs. 3.25 to Rs. 209.50, while Simplex held their own at Rs. 168 and Tata Mills at Rs. 32.75.

Sugar shares were quiet, Belapurs declining from Rs. 290.50 to Rs. 287. Walchandnagars shed Rs. 2.50 to Rs. 288.75 and Phaltans Re. 1.50 to Rs. 155.50. Cement shares maintained a steady front. After moving between Rs. 147.75 and Rs. 145, Associated Cements closed with a gain of Rs. 2 at Rs. 146.75. Digvijays were a fraction better at Rs. 143.25, as also Orissa Cements at Rs. 14.12. Engineering shares suffered a reaction, Alcocks dropping Rs. 6 to Rs. 272. Tata Locomotives fell from a peak of Rs. 186.50 to Rs 182.25. Premier Constructions moved down from Rs. 267.75 to Rs. 258 on reports that the Company's capital reconstruction scheme had been postponed In the mining group, Shivrajpurs ruled weak, shedding Rs. 4.50 to Rs. 97.50. Indian Coppers were, however, unchanged at Rs. 3.98. Shippings were quiet, Scindias suffering a further setback from Rs. 18.60 to Rs. 18.16. Great Easterns dropped 60 nP to Rs. 21.88. Automobiles, too, were subdued, Hindustan Motors losing 12 nP over the week to Rs. 8.96 and Premier Automobiles Rs. 3.25 to Rs. 109.75.

In the miscellaneous section, Bombay Burmahs made further headway early in the week from Rs. 509.50 to Rs. 514, but subsequently receded to Rs. 504.50 at the close. National Rayons closed at Rs. 276.50, after an early rise from Rs. 276.25 to Rs. 279. Gwalior Rayons, however, picked up 68 nP to Rs. 15.68. Tata Oils shed 75 nP to Rs. 49.25, while Tata Chemicals gained 12 nP to Rs. 16.44. Killicks were placed at Rs. 141.50 *ex-div.* (final dividend Rs. 5), as against Rs. 147 *cum-div.* Voltas lost Re. 1.25 to Rs. 156, while Wimcos were unchanged at Rs. 193.50.

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Calcutta Stock Exchange

CALCUTTA, 23*rd March*

The Calcutta Stock Exchange continued to rule buoyant during the week under review, with equities moving forward further. There was a feeling of optimism engendered by hopes of better working results of companies based on upward trend in output, good prospects of getting external aid and the slight improvement in foreign exchange situation. Firmness of commodities and expectations of large funds being diverted to investment in shares as a hedge against inflation also imparted strength.

The jute section in particular was very active, the persistent buying fervour having been sustained by the hopeful speech delivered by the Chairman of the I.J.M.A. Deltas climbed up by Rs. 12 to Rs. 177. Champdanys rallied from Rs. 127 to Rs. 138. Kinnisons hardened by Rs. 8 to Rs. 198. Agarparas and Anglo-Indias gathered a rupee each to Rs. 12.06 and Rs. 237, respectively. Coal shares also met with fresh support, as the expectation of an increase in the pit-head price of coal in the near future persisted. Bengals spurted by Rs. 5 to Rs. 300, Amalgamated by 81 nP to Rs. 24.56 and East Indias by 50 nP to Rs. 24.50. Among engineerings, Burn and Company improved by Rs. 5 to Rs. 415. Indian Irons put on 20 nP to Rs. 24.12. There was good absorption of several miscellaneous industrials. Rallis Indias rose by a rupee to Rs. 65. Hindustan Motors increased by 66 nP to Rs. 8.94, Aluminium Corporations by 63 nP to Rs. 12.94 and Imperial Tobacco by 38 nP to Rs. 12.25. Tea shares, however, proved an exception and ruled easy. Operators took a somewhat dim view of the prospects for the renewal of the International Agreement on tea.

REFINANCE CORPORATION

The first Directors' report of the Refinance Corporation for Industry Private Ltd. covers a period of a little less than seven months upto the end of December 1958, inasmuch as the Corporation was established only on 5th June 1958. It took nearly three months for the Corporation to attend to essential preliminaries, such as arranging for the issue of share capital, settling the procedure for the provision of refinance to member-banks and entering into agreement with the Government of India for obtaining loans out of U.S. counterpart funds. The Corporation started receiving applications from member-banks for refinance only from September 1958. From the operational point of view, therefore, the report actually covers a period of less than four months.

During this short span of less than four months, the Corporation received seven applications for refinance from four member-banks for an aggregate sum of Rs. 1.98 crore. Of these, six applications for a total sum of Rs. 1.78 crore were sanctioned, as against Rs. 1.83 crore applied for. The remaining application for Rs. 15 lakhs for an industry engaged in manufacturing electrical goods was under consideration. The industry-wise distribution of the loans applied for and sanctioned is as follows:

Industry	Applications received		Applications sanctioned	
	No.	Amount (Rs. lakhs)	No.	Amount (Rs. lakhs)
Ferro-manganese	2	70.00	2	70.00
Cotton Textiles	2	47.00	2	47.00
Cement	1	50.00	1	50.00
Pharmaceuticals	1	16.00	1	11.00
Total ..	6	183.00	6	178.00

No loans were availed of by member-banks during the year under review. Since the close of the year, two more proposals for Rs. 65 lakhs have been sanctioned, bringing the total amount sanctioned to Rs. 2.43 crores. Of this, only a sum of Rs. 20 lakhs has been drawn. "This does not mean," Mr. H. V. R. Iengar, Chairman of the Corporation, explained in his speech at the first annual general meeting of the Corporation held on Monday this week, "that the schemes themselves have not made a start. In most cases, plant and machinery have been either ordered or are in the process of erection, the banks having provided the finance, partly or wholly against sanctioned amounts, from out of their own resources, pending completion of the necessary legal formalities before drawing sums from the Refinance Corporation."

The progress of the Corporation is modest and Mr. Iengar admitted that "it belies the high hopes entertained when the first discussions took place in regard to its setting up some two and a half years ago." This is due, as he himself explained, to the fall in investment activity in the private sector during 1958, which happened to coincide with the initial period of the Corporation's working.

A sum of $55 million (about Rs. 26 crores) has been earmarked out of the U.S. counterpart funds for relending to private enterprise through the Refinance Corporation. Of this sum, the Corporation has borrowed Rs. 5 crores, in the first instance, at the concessional rate of interest of 1 per cent. per annum. The rate of interest charged by the corporation on its refinance loans to member banks is 5 per cent. and that charged by the latter to industrial units is 6.5 per cent. The initial resources of the Corporation amount to Rs. 7.5 crores, made up of a paid-up capital of Rs. 2.5 crores and a loan of Rs. 5 crores. Almost the entire funds at its disposal were invested during the period under review in the form of call and short-term deposits with member-banks. The interest earned on these deposits has so far constituted the Corporation's main source of income. This amounted to Rs. 14.09 lakhs for the period under review. After meeting all expenses, the profit worked out to Rs. 11.27 lakhs, out of which a provision of Rs. 5.81 lakhs has been made for taxation and Rs. 71,734 to write off preliminary expenses. The Corporation has been able to declare a maiden dividend of 4 per cent. per annum, which absorbs Rs. 4.66 lakhs, leaving Rs. 8,393 to be carried forward. Justifying the declaration of a dividend even within the first few months of the Corporation's working, Mr. Iengar said that this was perhaps a necessary incentive to banks for operating in what was virtually a new field, and that it was an incentive of large value.

"Quite a striking disguise, Sitaram, but why hide your handsome features?"

BY 215a

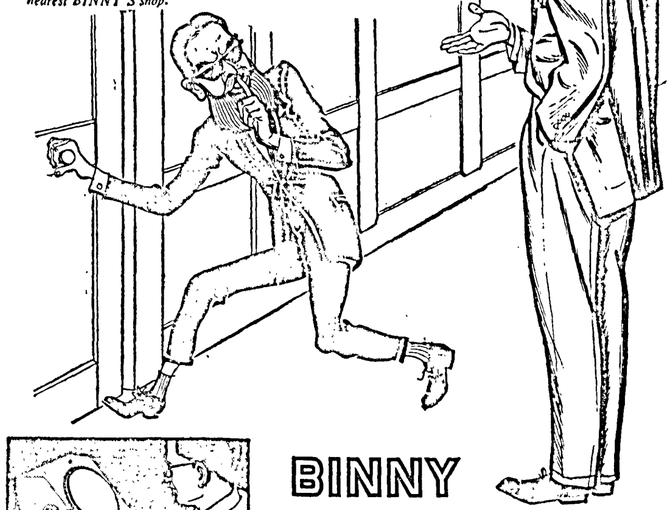
"Shh! This suit, although practically new, looks so disreputable that I would get the sack if the Big Boss recognised me."

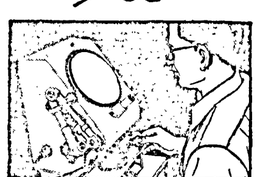
"It is incredible that you didn't think of buying BINNY'S cloth. BINNY'S Quality Control* their production, you know..."

"Quality Control? Never heard of it! What does it do?"

"Modern machines process yarn and cloth so fast that often defects, invisible to the naked eye, creep into the cloth. Quality Control is laboratory testing to root out defects at every stage of production. That's why BINNY'S suitings stay smart so long."

"Brother, your words bring hope to me. Let's hurry to the nearest BINNY'S shop."





*This projector magnifies 500 times—reveals every defect lurking in the cotton

The quality of cloth depends to a large extent on the cotton used. Only specially selected cotton goes into BINNY'S fabrics. That's why they last so long.

BINNY

—a great name in textiles

BINNY'S *manufacture nearly 90 million yards of cloth every year. Here are some of the varieties they make:*

Shirtings • Khaki Drills • Bleached & Dyed Drills • Towels • Anticrease Suitings • Tussores • Union Fabrics • Silk Sarees Rugs • etc etc

The Buckingham & Carnatic Company Limited
The Bangalore Woollen, Cotton & Silk Mills Company Limited
Managing Agents: Binny & Co. (Madras) Ltd.

NEWS IN BRIEF

THE Direct Taxes Administration Enquiry Committee is expected to submit its report to the Government of India by about September 1959.

The Government of India has decided to enhance its share of subsidy to local bodies for slum clearance schemes from 25 per cent. to 37.5 per cent. of the total outlay on the schemes.

A team of Japanese experts has visited Madras, Mysore, and Kerala, with a view to assessing the scope for the establishment of a rayon pulp factory, with particular reference to bamboo supplies. It is learned that a site may be selected at Mettur, near Salem, Madras, for locating the factory.

The total reserves of crude oil in the various areas of Assam, including Nahorkatiya, Hoogrijan, Moran and Digboi, are estimated at about 42.5 million tons. The Oil and Natural Gas Commission has already started intensified drilling operations in Sibsagar.

A three-member delegation of the Coir Board, led by its Chairman, Mr. T. M. B. Nedungadi, left Bombay last week for a ten-week tour of Europe, the U.K., Canada and the U.S. The object of the delegation is to explore the possibilities of expanding markets for Indian coir and related products.

Raw wool and woollen fabrics are among the items included in the list of exports to the U.S.S.R. and East Germany during 1959, according to India's trade agreements with these countries. The Development Council for Woollen Industry in India has urged the exporters to make use of this opportunity to raise the volume of their wool exports.

The subject of gratuity to sugar mill workers has been included in the terms of reference of the Central Wage Board for Sugar Industry. The Board has prepared a supplementary questionnaire and circulated it for comments among the mills and the workers' unions. The last date for submitting replies is 15th April next.

The Bombay Government proposes to set up 15 more industrial estates in the State during the second Plan period in addition to the existing two estates, one at Rajkot and the other at Kolhapur. Of the estimated total expenditure of Rs. 169.52 lakhs, about Rs. 155.26 lakhs are expected to be received as loans from the Centre.

The production of copper ore in India during 1958 was 411,492 metric tons, as compared with 410,412 metric tons during 1957. The entire production was from Singbhum district of Bihar State. The production of copper metal during the same year was 7,967 metric tons, as against 7,974 metric tons in 1957. The entire quantity produced was fire refined copper.

The Rs. 27-lakh grain silo-*cum*-elevator, the first of its kind in India, was inaugurated at Hapur, Uttar Pradesh, on the 21st inst. The elevator is a gift from the U.S. Technical Co-operation Mission. It is equipped with the most modern mechanism of loading, weighing, cleaning and disinfecting foodgrains and has a capacity to store 10,000 tons of foodgrains.

The average life-span of an Indian has increased by five years during the ten years 1947-57, according to the Secretary, Union Ministry of Health. It is said that there has been a fall of 40 per cent. in the nation's death rate, 30 per cent. in infantile mortality and 60 per cent. in epidemic fevers and near-eradication of plague. In the case of malaria, its incidence and mortality have been reduced by 90 per cent.

An agreement for the avoidance of double taxation between India and West Germany was signed at New Delhi on the 18th inst. The agreement now requires to be ratified, after which it will be effective in India for and from the assessment year beginning from 1st April 1958. The agreement, it will be recalled, was initialled in Bonn in June 1958 during the visit of an Indian tax delegation, which toured several European countries.

The Government of India's team to study the working of steel industry in China and Japan left New Delhi on Wednesday last week. The team, which is led by Mr. K. S. Raghupathi, Deputy Secretary, Ministry of Steel, Mines and Fuel, will stay for three weeks in China during which time they will study the machine building plants in Taiyuan, Shenyang and Shanghai and the working of small blast furnaces in other areas. In Japan, they will stay for a week to study the working of low shaft furnaces and the manufacture of machinery and equipment required for steel plants.

The producers of steel in Japan have decided to negotiate with the Government of India for rights to develop iron ore mines at Bailadila and Rourkela. In an agreement reached between the two countries last March, it was decided that priority should be given to the development of the Rourakela deposits. But the Japanese steel producers now believe that these will not be sufficient for their needs. They expect to import eight million tons of iron ore annually from India in the next seven years, including four million tons from the Bailadila mines. They feel that there is a good market for their finished steel products in the U.S. and are, therefore, anxious to ensure continuity of iron ore supplies.

Agreements covering Rs. 100.90 crores lying to the credit of the U.S. Government on account of the sale of agricultural commodities imported under U.S. Public Laws 480 and 665 were signed at New Delhi on the 18th inst. The major portion of these funds arose out of the P.L.480 agreement signed on 19th August 1956 for the sale of U.S. surplus wheat, rice, cotton, dairy products and tobacco to India against rupee payments. The amounts are being made available to India for meeting the rupee expenditure for the balance of the second Plan period on 14 public sector river valley development projects. The agreements are on a 40-year repayment basis. Of the total sum of Rs. 100.90 crores involved, the loan portion is Rs. 94.96 crores; the balance is a grant.

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From Abroad

The U.S. Administration has no plans at present to ask the Congress to suspend the current import duty on copper.

A car assembly factory will be built at Umtali in Southern Rhodesia by the British Motor Corporation. The factory is scheduled to go into production by mid-1960.

Rolls-Royce of the U.K. and the Westinghouse Electric Corporation of America are discussing the question of further joint development work on turbo-propeller aircraft engines.

A barter deal has been concluded between Spain and the United Arab Republic, under which the latter country will export about 300,000 kantars of Syrian cotton in exchange for 300,000 tons of Spanish flour.

What is claimed to be the richest ever found oilfield in Yugoslavia has been discovered near Sisak, Croatia. A pipeline is expected to be constructed shortly between the new field and the Sisak refinery.

Exports of tin from China to Western Europe have gone up markedly of late. The total of these exports during the eleven *months* of 1958 was as much as 1,189 tons, as against 340 tons in the whole of 1957.

The President of the Ford Motor Company, U.S., has submitted to the Argentine Government blue-*prints* for a $15 million investment designed to manufacture lorries in Argentina. The investment will be in addition to the assembly plant already operating.

Coal companies in West Germany have agreed to grant their miners a five-day week with effect from 1st May next. Details of the move remain to be settled with the workers' union. One proposal is to substitute five eight-hour shifts weekly for the present six shifts of 7½ hours.

The Japan Atomic Power Generating Company will shortly issue to the British General Electric Company-Simon-Carves group a letter of intent for the import of the 150,000-K.W. Calder Hall type nuclear generator. The total value of the contract is £30 million.

The Soviet Union will stop importing natural rubber in the next seven years, according to Mr. Viktor Fedovov, Deputy Chairman of the Soviet Government Committee for Chemical Industries. The production of synthetic rubber is expected to increase 3.7 times during this period.

The imposition of controls on imports of heavy fuel into the U.S. has been criticised even by the Esso Standard Oil Company. The Company has pointed out that this measure could "leave many consumers with no choice except to curtail activities or to turn to higher cost sources for heat and power."

A new type of dressing capable of taking the clamminess out of clothes made of nylon and similar man-made fibres has been developed by a W. Germany company. The garments impregnated with this dressing will absorb perspiration as readily as those made of cotton or wool. The treatment need not be repeated after every wash.

The State-owned Argentine Oilfields Corporation (Y.P.F.) is contemplating a modification of the terms of price and payment conditions of the oil purchase contract concluded in June last with the U.S.S.R. This contract covers the supply of one million tons of crude oil by the U.S.S.R. at $2.32 per barrel.

A warning that the proposed city tax (½ to 2 cents on each share) on share transfers might force the New York Stock Exchange to move its operations to another State and lead to a loss of several million dollars to the City and State of New York has been given by the President of the Exchange,

PERSONAL

MR. Aubrey Jones, British Minister of Supply, arrived in New Delhi on the 22nd inst. on a ten-day tour of India.

Dr. B. R. Nijhawan, Director, National Metallurgical Laboratory, Jamshedpur, has been elected President of the Indian Institute of Foundrymen.

Mr. P. A. Menon, at present High Commissioner for India in Australia, has been appointed Ambassador of India to Argentina. He will assume charge of this assignment in the autumn.

Sir Gilbert Laithwaite, U.K.'s Permanent Under-Secretary of State for Commonwealth Relations, will visit India from 30th March to 7th April in the course of a two-month tour of Australia, New Zealand, Malaya, Ceylon, India and Pakistan.

Mr. C. H. Bhabha (Central Bank of India), Mr. N. M. Chokshi (Bank of Baroda) and Mr. S. L. Kothari (Bank of Jaipur) have been re-elected Chairman, Deputy Chairman and Honorary Secretary, respectively, of the Indian Banks' Association for the year 1959. The other members of the Committee are: Messrs. T. R. Lalwani (Bank of India), M. R. Ruia (United Commercial Bank), Kamalnayan Bajaj (Punjab National Bank), S. Krishnaswamy Iyengar (Indian Bank), Sanjibon Banerji (United Bank of India), P. V. Gandhi (Devkaran Nanjee Banking Company), F. K. F. Nariman (Union Bank of India), N. K. Karanjia (Central Bank of India) and C. Eknath Kamath (Canara Bank).

Mr. Funston. He considers the tax as totally unsound.

The percentage of persons unemployed in the total working population of Britain declined from 2.8 in February to 2.5 in March, the largest fall for any month since 1947. The number actually unemployed is now put at 550,000, as against 608,000 last month. This notable improvement in employment situation is attributed to a "genuine" revival of demand.

The U.S.S.R. and Iraq have signed a trade and aid agreement, under which Iraq will receive a £40-million loan at 2½ per cent. interest, besides assistance in the establishment of factories to produce machinery, chemicals and food. Soviet experts will be sent to Iraq for making mineral surveys and advise the Government on irrigation, communications, transport, farming and health.

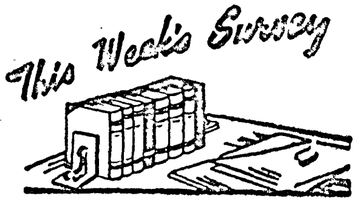
A new chemical compound which is said to provide a barrier for plastics against the harmful effects of ultra-violet light has been developed by the Geigy Company of Rhodes, Middleton, Manchester. The compound, it is claimed, will improve the light fastness of polyvinyl chloride, give polyester glass fibre laminates a better colour retention and clarity, and improve the colour of some grades of polyethylene.

The O.E.E.C. Oil Committee met in Paris recently for a first examination of the French project to bring Saharan gas to Europe through the Sub-Mediterranean pipeline. The Committee is meeting again in June. The project is said to be of considerable importance to France and Algeria, as the provision of a really cheap industrial energy in Algeria depends on the development of markets across the Mediterranean.

A new round-the-world commercial flight record has been claimed by a Britannia 317 airliner of Hunting-Clan Air Transport. It landed at London Airport after flying more than 24,000 miles in 65 hours' flying time—an average of over 370 m.p.h. for the entire journey. The Britannia left London last week with passengers for Hong Kong and completed the world circuit by flying 108 servicemen back from Chiristmas Island.

Industrial production in the U.S. touched a new post-recession peak last month, the general index (base: 1947-48=100) having reached 144. At this level, the index is only one point below the immediate pre-recession peak and three points short of the historic high mark reached in December 1956. The increase in steel output in particular was spectacular; last week's estimated output was at more than 2.6 million tons, representing an operating rate of 92.4 per cent. The appreciable rise in steel output has been encouraged by the continued stockpile operations of consumers.

A swimming pool and a rocket launcher for high-performance aircraft will be among the latest developments on show at the International Plastics Exhibition which opens in London on 17th June. For the first time, the exhibition will be international in character and will include the materials, machinery and finished products of 16 countries. Design will also figure prominently as a subject for discussion at the International Plastics Convention, which coincides with the Exhibition and at which experts from a number of countries will discuss current trends. The countries taking part include most of the European nations, Canada, the U.S. and the U.K.



CLOTH EXPORTS TO U.K.

NO agreement has been reached so far in the negotiations between the British and Indian textile interests about fixing a ceiling on Indian textile exports to the U.K. This was disclosed by Mr. Nityanand Kanungo, Union Minister for Commerce, while replying to a question in the Lok Sabha recently. The Minister said that the Government of India was not directly a party to the negotiations. This statement only served to aggravate the confusion prevailing on this question. Subsequent inquiry shows that the Minister's statement is technically correct, in that an informal understanding reached between the millowners of both the countries does not amount to an agreement.

It will be recalled that, barring some scattered reports appearing in the British Press, the textile interests in India who have been holding discussions with the Lancashire millowners have so far not given any details of these discussions or their results. Some months ago, however, Mr. Kasturbhai Lalbhai, leader of the Indian delegation, did say that an understanding in principle had been reached which Lancashire under which his industry was willing to limit exports voluntarily to a specified figure for a specified period. But he took care not to disclose the figure or the period. Some time later, in November 1958, to be precise, a section of the British Press claimed that India had not only accepted the principle of voluntary limitation on textile exports to Britain but also agreed on the ceiling on exports; the ceiling was 140 million square yards covering grey and finished cloth retained for consumption in the U.K. as well as made-up goods, but excluding yarn. This claim was not denied either by the Lancashire cotton industry or by its Indian confrere. It is in the light of the aforesaid facts that Mr. Kanungo's statement that no agreement has been reached sounded a little odd.

Even before Mr. Kanungo's statement, there were unconfirmed reports that, consequent on Lancashire's agreement with Hong Kong, the Indian millowners had developed second thoughts and did not feel that they were bound by their understanding with Lancashire. The final agreement, signed between the U.K. and Hong Kong on 30th December 1958, has fixed an annual ceiling on cloth exports from Hong Kong to Britain at 164 million yards for three years with effect from 1st February 1959. Many millowners in India feel that the ceiling figure for Hong Kong is much higher than that mentioned during the "understanding" reached between Indian and British textile interests in London. The consensus of opinion among millowners would appear to be as follows:

The Hong Kong textile industry's exports to the U.K. during the preceding two years have not been taken into account. Since the quota for this tiny island is so generously fixed at 164 million square yards, there should be a corresponding upward revision in the ceiling on exports of cotton goods from India.

Some British spokesmen consider this argument a little unrealistic and contend that the quota given to India is far above the level of exports it could actually attain in the coming years. That probably is the reason why Lancashire millowners are willing to talk things over with Indian millowners again. They would presumably agree to raise the quota in favour of India. Being realists, they do not think that Indian mills will be able to compete effectively with Hong Kong. Any suggestion that talks between Lancashire and Indian millowners have broken down is vigorously denied by them.

Whatever may be the nature of the understanding that will ultimately be reached between the textile interests of India and Britain, there is little economic justification for restrictions of this nature on the export of simple manufactured goods from developing countries to developed countries. Britain's move to bind India, Hong Kong and Pakistan for acceptance of the principle of voluntary limitation on exports has already influenced other developed countries to think of entering into similar agreements. A delegation of U.S. textile interests, for instance, recently visited Hong Kong to discuss with the millowners there the question of regulating the outflow of textile goods from Hong Kong to the U.S. The results of the discussions, however, are not yet known. Now comes the news that the millowners of the six Common Market nations in West Europe propose to formulate a common import policy for cotton goods, with the object of persuading the exporting countries in Asia to agree to a voluntary restriction on their shipments of these goods. The relevant Press despatch from London said:

"Representatives of cotton industries in the six-nation European Common Market are expected to agree upon a common policy for restricting imports of cotton goods and cloth from Asian producers, at a meeting in The Hague (Netherlands) on Friday (20th inst.). As tariff protection is insufficient against abnormal competition from Asian exports, representatives will present an agreed policy to the executive body of the Common Market Organisation and press for its official adoption. Europe's cotton industry is in serious difficulties. Dutch cotton textiles are seriously affected by Indonesia importing only about one-tenth of its pre-war quota, as against one-half at the end of the war. Austria's cotton industry is only just able to maintain double-shift working and many operatives are unemployed. Germany's exports of cotton goods were lower in 1958 than in previous years."

Figures are not available to show the extent to which the exports from the Asian countries have been responsible for the "serious" difficulties confronting the cotton industry in the Common Market countries, the U.K. and the U.S. But this much can be said: A move on the part of the industrially advanced countries in the West to impose import quotas on textiles produced by the poor countries in Asia will be in the interest of neither the Asian countries nor themselves. It will only buttress the uneconomic and inefficient manufacturers in both the exporting and importing countries. Many observers in the West itself admit that imposition of import quotas will not solve all Europe's difficulties. To quote the aforesaid despatch: "Cotton is very vulnerable to competition from man-made fibres which are increasing. Additionally, a good deal of the European cotton industry's difficulties could be overcome by closer co-operation, integration and specialisation." This is certainly a correct assessment of the problem. No one will complain if the Western nations succeed in withstanding competition from Asian textile exports through sheer weight of their efficiency. Indeed, such efforts will be widely commended as providing an object lesson to others, especially to the powers-that-be in India which continue to place a premium on uneconomic means of production under varying and various pretexts.

But all this apart, if the Western countries get together and decide to restrict the imports of manufactured goods from Asian, or other underdeveloped, countries for which they possess certain advantages, they will only be pushing these countries to trade more and more with Russia and other communist countries. So, even from the political angle, what Britain and the Common Market countries want to do is unwise. Anyway, the Common Market countries' move should come as an eye-opener to India. The gentlemen's understanding between British and Indian millowners has turned out to be bad precedent. If that understanding is confirmed through fresh negotiations now said to be going on, how can India resist similar requests from other countries Will it not, therefore, be in the interests of this country to call off the talks with Lancashire and get on with the harder but more rewarding task of improving the competitive ability of its cotton mills?

AUTOMOBILE INDUSTRY

If the automobile industry in India has not made the progress one would wish it had, the Government has only to thank itself for that. For its policy in respect of this industry has consistently been one of pressing the brake rather than the accelerator. The policy has also been based on certain misconceptions which have defeated the very object the Government had in view. After eleven years of independence, we now have an industry with half a dozen manufacturing and assembling units having an uneconomically low total turnover of hardly 35,000 vehicles per annum. It is, therefore, not surprising that Mr. Lalchand Hirachand, Chairman of the Premier Automobiles Ltd., Bombay, felt constrained to draw pointed attention to the pitfalls in the Government's policy, towards this vital industry, when he addressed the fourteenth annual general meeting of the Company held at Bombay on the 16th inst. The wearer certainly knows where the shoe pinches and Mr. Hirachand should know where the Government policy acts as a brake on the progress of the industry.

The first misconception of the Government is that a motor car is a luxury. It is not realised that, in a fast-moving world, it has turned out to be a necessity for a very important section of the people, especially in big cities, where it is difficult to rely on public conveyance for quick transport. For Ministers, Government officials, business men and professional people, an automobile has become a "must". But the Government still seems to regard the motor car a luxury and a sign of affluence. The drastic cut in imports of parts and components of passenger cars and the piling of taxes after taxes on them flow from this misconception. It is true that foreign exchange difficulties have necessitated the cut to some extent. But, if the Government had realised sufficiently early that the automobile industry was a basic industry, giving employment to a large number of workers and sustaining a number of other ancillary industries and trades, the industry would have made better progress and reduced its dependence on imports for components and parts.

The second misconception is that the automobile manufacturers object to the Defence Ministry utilising the idle capacity of the Ordnance Factories for the production of army vehicles, because they are afraid of competition. As experience in this country shows, it is not private enterprise which has been averse to competition but the public sector which wants absolute monopoly rights in whatever field it enters. Private enterprise, far from shunning competition, in fact welcomes it as stimulant for healthy growth. Rail transport furnishes the latest evidence of the public sector's intolerance of competition. The mild competition offered by road transport has already created a stir in the Railway Ministry and there have been talks of putting a curb on such transport.

Mr. Hirachand pointed out that the reasons given by the Defence Ministry for its decisions to manufacture M.A.N. trucks at the Ordnance Factories were hardly convincing. The Defence Ministry expected to manufacture 30 per cent. of the components in the first year itself, the same percentage of local content as in the products of Premier Automobiles at present. It could hardly be believed, according to Mr. Hirachand, that the Government is serious when it says this, for to produce 30 per cent. of the components in the first year itself is physically impossible. It is equally hard to understand the logic of the Defence Ministry's claim that the Ordnance Factories can produce their trucks cheaper, with a programme for manufacturing a mere 2,000 trucks and that it will be able to achieve 90 per cent. indigenous production in the fifth year. There are very few industries in which the economies of large-scale production are as marked as in the automobile industry. Mr. Manubhai Shah, Union Minister for Industry, stated in the Lok Sabha in November 1957, that no country with a turnover of less than 100,000 vehicles per year can achieve economic production. Apparently, the Defence Ministry thinks that economic laws do not apply to the public sector in the way it applies to the private sector.

It was unwise, according to Mr. Hirachand, on the part of the Defence Ministry, to utilise the idle capacity of the Ordnance Factories for the production of army vehicles. Giving reasons, he observed:

"The idle capacity of the Ordnance Factories is deliberately provided to meet a critical situation when it becomes necessary all of a sudden to expand production of arms, ammunitions, etc., usually manufactured by these factories. The political situation in the world does not warrant the utilisation of this spare capacity for undertaking the production of army trucks which are already being produced in automobile factories. If, however, Government still feel that they can usefully and without any risk utilise this spare capacity, there are a variety of other items which are still being imported, particularly in the public sector. These could easily be manufactured at the Ordnance Factories. I submit that there is really no need to add a new source of production, rendering the already existing production capacity idle."

Surely, the Government should not look at the issue as a question of prestige but adopt a realistic and rational attitude.

CIVIL AVIATION

An overall increase in the number of miles flown; passengers carried and the quantum of cargo and air mail transported is reflected in the report on civil aviation which forms part of the report of the Ministry of Transport and Communications for the year 1958-59. Facilities for training in civil aviation were augmented and improved. The Civil Aviation Department controlled and maintained 85 aerodromes, including the two at Udaipur and Malda which were opened to air traffic during the year. The important capital works completed during 1958-59 include two hangars at Calcutta and an apron and a taxi track at Bombay. The programme for 1959-60 envisages extension and strengthening of runways at Dum Dum, and construction of runways at Palam for use by jet aircraft, construction of an aerodrome at Behala and development of an all-weather runway at Muzaffarpur.

The authorities will do well to draw up a constructional programme which will fit the aerodromes to play their part in the new jet age which is now here to stay. The point to be borne in mind is that, since the air passenger's time is precious, the period of his detention at airports should be reduced to the minimum and he should be able to reach the centres of his business in the city with least possible delay. It is only the creation of the necessary facilities that will enable Indian airports to retain and improve their status as international airports. This implies that the aerodromes should have adequate provision for customs clearing houses, and that the road connecting an aerodrome and the city which it serves should permit heavy and fast traffic. Calcutta and Bombay are instances in point, for the air passenger has to negotiate a long and difficult road before he arrives in the heart of these cities. It would be no advantage if the time gained in air travel, following the introduction of faster planes, were more than lost on the ground.

The following table gives the miles flown and passengers, freight and mails carried in the last 10 years ended 1958:

Year	Miles flown	Passengers carried	Freight carried (lbs.)	Mails carried (lbs.)
1946 ..	4,520,046	105,251	1,885,724	1,026,403
1947 ..	9,361,673	254,900	5,647,562	1,405,073
1948 ..	12,648,705	341,186	11,974,736	1,582,645
1949 ..	15,098,354	357,415	22,499,679	5,031,059
1950 ..	18,896,139	452,869	80,006,756	8,356,144
1951 ..	19,497,505	449,462	87,065,229	7,181,611
1952 ..	19,562,267	434,480	86,037,607	8,376,813
1953 ..	19,202,388	403,092	84,820,083	8,846,181
1954 ..	19,708,278	431,505	86,414,009	10,672,725
1955 ..	21,206,514	468,894	98,190,645	11,478,091
1956 ..	23,481,137	558,625	96,231,088	12,686,224
1957 ..	23,496,078	615,321	85,931,035	13,080,614
1958 ..	24,080,000	683,000	98,491,000	13,180,000

India's civil aviation, as is well known, consists of the Indian Airlines Corporation and the Air-India International Corporation. As on 1st April 1958, the Indian Airlines Corporation had 82 operational aircraft, including 61 Dakotas and 10 Viscounts, besides 16 aircraft in storage including 12 Vikings. The Air-India International Fleet consists of 10 Super Constellations. The Indian Airlines Corporation has established a central training establishment at Hyderabad. The centralisation of training facilities, it is stated, has made it possible to achieve standardisation of flying procedures and practices. To impart training to the junior staff and to co-ordinate training activities as well as to arrange refresher courses, two instructors have been appointed, one each at Delhi and Hyderabad. The Air-India International Corporation has purchased a Redifon 1049 type trainer for training and checking the proficiency of pilots. With the existing link equipment and the Redifon trainer, an average of 400 hours of ground training per month is made possible, thus considerably reducing the actual flight training time and releasing the Corporation's fleet of aircraft for revenue-earning purposes. The civil aviation training centre, Allahabad, comprising flying, aerodrome, engineering and communication schools, with an allied repair and overhaul organisation, continued to provide efficient training facilities. It is gratifying to note that the recommendations of the Committee (Chairman: Mr. K. M. Raha) which reviewed the existing facilities for training and licensing of air pilots are being implemented; the Committee's recommendations which have financial implications are, however, still under consideration. It is to be hoped that the authorities are aware of the importance of providing the best of training facilities to different classes of civil aviation staff, for it is on these facilities that the future of civil aviation in the country depends.

LARGE-SCALE INDUSTRIES

The place that should be assigned to the three different sectors, large, small and cottage industries, in the context of the rapid industrial development of India continues to present a difficult problem for planners. This is a fundamental question which must be discussed dispassionately, without importing into the discussion ideological considerations. A commendable attempt at such an examination has been made by Prof. A. B. Ghosh of the Delhi School of Economics. The results of Mr. Ghosh's study are contained in an interesting brochure just published by the Society for the Propagation of Democratic Thought, Calcutta. A perusal of the brochure will not only dispel the notion that large-scale industries create unemployment in small business but also make one realise the vital role played by these industries in the economic set-up of the country as providers of more employment, better wages to workers and large revenue to the exchequer.

The main theme of Prof. Ghosh is simple and straightforward. It is this. There are vast areas in which both large and small businesses may co-operate with one another. Small industries play a significant role in the advanced industrialised economies. In the U.S., for instance, they contribute about 40 per cent. of the total private national income and more than 33 per cent. of national product, and account for 29 per cent. of employment and 19 per cent. of output. Minute division of labour, specialisation and diversification of industry associated with the use of machines, large and small, simple and complex, create numerous jobs and ever-growing opportunities for employment. Large industry feeds and is, in turn, fed by small industries in numerous fields of a developing economy.

This is a closely-reasoned presentation of the whole issue and should go a long way towards removing the confused thinking on the subject which one finds in India. Equally impressive is the point made out by Prof. Ghosh that high levels of production and low levels of costs can be attained only through large industries. How can the production of, say, iron and steel, or coal or electricity, be efficient, if huge machines are not employed? As Prof. Ghosh has stressed, it is the growth of such basic industries that determine the productivity of all sectors in the economy. And higher productivity in factory establishments inevitably lead to higher earnings by workers. The average annual earning of a factory worker drawing less than Rs. 200 per month during 1957 was as high as Rs. 1,252, whereas the *per capita* income for the country as a whole was Rs. 284 (1956-57) per annum.

Besides paying high wages and salaries, the large-scale industries make substantial contribution to the Government's revenue. The data furnished by Prof. Ghosh show that, whereas since 1940-41, the total assessed income has risen by 335 per cent. and that of companies by 400 per cent., the total income-tax revenue has gone up by 1,100 per cent. and the tax paid by companies by 1,450 per cent. In 1956-57, the income-tax paid by companies was nearly three times and their income assessed nearly 1½ times that of 1946-47. The companies and other concerns have been paying nearly one-half of the total super-tax revenue, the actual figure for 1956-57 being Rs. 48 crores out of Rs. 89 crores.

It will be clear from the foregoing account that large-scale industries have been contributing materially to the economic progress of India and that it is in the larger interest of the country to accelerate the pace of this progress further. One may ask: Does not wealth accumulate and man decay? Does not growing wealth distort the sense of human values? Is there not a conflict between matter and spirit? Such doubts, as Prof. Ghosh says, have exercised men's minds in every age of human history. For the answers to these doubts, one has only to peruse the thought-provoking book *Big Business: A New Era*, written by that famous American, Mr. David E. Lilienthal, whom Prof. Ghosh has done well to quote. Mr. Lilienthal rightly points out that technology and machines have brought the individual the virtues of physical improvement—housing, sanitation, mobility, refrigeration, communication and so on—and that, wherever bigness and the machine have alleviated or eliminated degradation of human spirit, the inner life of man has, to this degree at least, been enriched and enshrined. This is not a philosophic thought but sound economic commonsense.

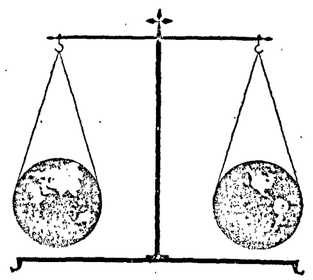
MR. NELSON'S TRIBUTE TO INDIA

A handsome tribute to India for its developmental efforts was paid in London by Mr. H. G. Nelson, Managing Director of the English Electric Company, who toured this country recently. He visited the principal cities and most of the large development projects. He was much impressed by three things which India is doing: its efforts to raise the living standards of its people, to develop industries and to maintain its freedom. Mr. Nelson observed that these objectives were very commendable and that it was essential that the West should recognise this and do everything possible to ensure a continuation of the progress now being made.

The U.K., on its part, has extended its assistance to India in many ways, particularly by raising its investments in this country and providing prompt and sizable assistance for saving the country from foreign exchange crisis. Speaking about the growing Indo-British co-operation, Mr. Nelson observed:

"I was delighted to find the large part British industry is playing in these great projects. On most of the sites I visited, there was much British plant and many British engineers, many of whom were there specially to train Indian operatives and to pass on to them their knowledge and experience. Since India became independent, British business investment has doubled. In recent years, Britain has been providing no less than 60 per cent. of the new non-banking external business investment. I am proud that we have been able to play such a substantial part in helping to solve this problem, and I know that it is Britain's intention to continue this help in the future."

Mr. Nelson made a particular reference to the vital need of technical aid for India and pointed to the value of the association between the older established industries of Britain and new ones being developed in India. Already, a large number of Indians have received training in the U.K., either in Government schemes or through private firms such as the General Electric. Mr. Nelson rightly stressed the necessity for formulating additional training schemes, with a view to meeting the expanding needs of technicians in the development projects in India. He was at pains to show that industrialisation of India would in no way harm the interests of the U.K. As he recognised, it would mean increased purchasing power for the people of India, which would, in turn, lead to increased demand for goods from the West, including the U.K.



In both hemispheres...

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PROBLEMS OF COMMERCIAL BANKS

MR. C. H. BHABHA PLEADS FOR FAIR DISTRIBUTION OF P.L. 480 FUNDS

ADDRESSING the twelfth annual general meeting of the Indian Banks' Association, held at Bombay on the 20th inst., Mr. C. H. Bhabha, Chairman, made a comprehensive survey of the problems of banks in this country. These included, among others, controls on banking, the privileged position enjoyed by the State Bank of India in the matter of P.L. 480 funds, inter-bank agreement on deposit rates, need for amalgamation of smaller banks with bigger banks, interlocking arrangements with foreign banks, and relations with bank employees. As the issues raised by him are important, we publish below the relevant extracts from his speech:

"Two legislative measures which will have an important bearing on the future of banking in India are on the anvil. I am referring to the Bills to amend the Banking Companies Act and the Companies Act. Both these measures seek to introduce some more legislative obligations in conducting the business of banking. It is true that these two measures do not introduce any new fundamental or radical changes. The fact, however, does remain that the new restraints that are proposed to be imposed are not warranted by any of the present ills that may be existing or likely to exist in the banking system of the country. There is, however, no doubt that they will become a fresh source of burden and irritation to the conduct of banking business in India. As these laws are regarded as a part of planning to which the Government of the country has been committed, we may have to accept them in a spirit of resignation. I am, however, constrained to add that both the Government and the country would benefit immensely in this connection if they were to ponder seriously over the following wise words which the great economist and statesman of West Germany, Dr. Ludwig Eirhard, uttered on an important occasion, viz.

" 'Economic life is not shaped at the draft board, but by human beings, and anybody who thinks he can disregard basic human nature is heading for frustration.'

"From a cursory reading of the statistics of Indian banking, one notices a healthy tendency for progress. The deposit figures of Indian Scheduled banks established a new record in the history of Indian banking when they surpassed the total amount of notes issued. The following table giving particulars of the deposits of Indian and Foreign Scheduled banks gives a picture of the growth and pattern of total deposits in the Indian banking system:—

(In lakhs of rupees)

End of Year	Deposits of Indian Scheduled banks	Deposits of Foreign Scheduled banks
1956 ...	906,78	190,91
1957 ...	1,163,31	205,73
1958 ...	1,376,46	197,16

"Despite this significant increase, it needs to be mentioned that, while the other commercial banks in the country increased their deposits steadily and in conformity with their best efforts, the most phenomenal rise in deposits was that of the State Bank of India. The increase of deposits with Indian banks other than the State Bank of India was on the same steady scale as in the past few years. The big increase in deposits of the State Bank of India has, however, been accounted for largely by the counterpart funds that have accrued since the first Public Law 480 Agreement was signed between America and this country in August 1956 and the two other agreements signed in June and September 1958. These counterpart funds, as provided in these agreements, are computed to amount to approximately Rs. 300 crores. Under these special agreements, these funds remain with the State Bank of India until they are utilised for the specific projects or plans for which they are intended.

Refinance

"A reference was made by me on the last occasion to the formation of the Refinance Corporation. A part of the funds of that Corporation, amounting in the aggregate to about 55 million dollars, has been provided for out of these counterpart funds. Even after this provision, it is obvious that a very huge balance of the counterpart funds will remain with the State Bank of India. As these counterpart funds are deposited with the State Bank at a rate of interest somewhat lower than the competitive market rates for money in the country, they give it an unfair advantage over the other Scheduled banks in India and lead in actual practice to the indirect subsidising of that great nationalised Bank. Surely, the central banking institution of the country could have seen to it that justice was done by distributing equitably these funds as deposits also among other credit institutions of this country.

"As things stand at present, this policy of discrimination on the part of the authorities has naturally led the credit institutions in the country to feel that they are not fairly and properly treated in this matter. I must, therefore, sound a note of warning and say that if credit institutions are to play their proper role in conformity with official directives and policies, such situations should not be allowed to arise. Moreover, for the maintenance of the prestige of a semi-independent authority like the Reserve Bank of India, which holds a very large portion of the share capital of the State Bank of India, it is imperative that the entire benefit of such funds should not be allowed to be monopolised exclusively by the State Bank alone. It should be pointed out that a fair distribution of such funds would create greater confidence, healthier competition and capacity for more devoted service among the component parts of the banking system in India. It is up to the Central Banking Authority to consider the case of all banks in an even spirit and try to accord them the same facilities which are enjoyed by State-owned institutions like the State Bank of India.

"In this context, one must refer to the highly unfair discrimination exercised in favour of the employees of the State Bank of India by permitting the gratuity that may be payable to them to be completely free from any deduction in respect of income-tax. As against that, the gratuity payable to the employees of other banks in the country is made subject to the deduction of income-tax. Surely, this concession given to the employees of the State Bank of India could be extended to all bank employees. I fervently hope that some quick action will be forthcoming in this matter.

Branch Banking

"Another pointer to the headway made by the Indian banks has been the number of branches that have been established during the past year. The report of the Central Board of Directors of the Reserve Bank for the year ended 30th June 1958 stated that the number of offices of Scheduled banks increased during the year by 410 to 3,455. The greatest number of offices opened by any single institution was those of the State Bank of India, which during 1957-58 opened as many as 115 branches compared with 102 in the previous two years put together. This phenomenal increase in the case of the State Bank of India has been according to its policy decision made much earlier. Nevertheless, it cannot be denied that almost 90 per cent. of its new branches were opened at centres where there already existed branches of other commercial banks. Thus, the pioneering effort, initiative and sacrifice of the Indian commercial banks has received a rude shock through the unbalanced expansion of this giant State institution. One may, therefore, be inclined to feel that such expansion on the part of the State institution may lead to many adverse repercussions hereafter in the field of Indian banking. Surely those who stand for a sound banking system in India cannot countenance with equanimity any unfair or aggressive actions from any quarters, howsoever well-backed or supported officially, they may be.

"As is well known, opening of branches in any place by the Scheduled banks of the country needs the prior approval and permission of the Reserve Bank of India. It is presumed that, whilst judging the needs of each area, certain basic or cardinal principles are borne uppermost by the Indian Central Banking Authority. Perhaps, in the context of the great number of branches opened by the State Bank of India in centres already efficiently served by other commercial banks, a useful clarification could be obtained if statistics could be had as to the number of applications for opening branches made by commercial banks and rejected by the Reserve Bank during the last four or five years and of similar applications made by the State Bank of India and refusals given to the same.

An Unhealthy Feature

"During the past year, along with this trend of increase in number of offices and in deposits, the working results of banks would have also been better had it not been for various influences which caused the net profits of most of the banks to be substantially lower than for the year ended December 1957. This unhealthy feature needs to be corrected and a co-operative and constructive approach may prove beneficial to all concerned. I am sure the gravity of this situation will be fully realised by all those who wish Indian banking to contribute substantially in the great national efforts and to maintain its solid position in international banking. All persons who have devoted some time and deep thought for the proper advancement of Indian banking feel that there has not been sufficient consolidation in the banking structure of our country during the last three or four years. Banking being primarily based on credit, needs husbanding of resources for building up internal reserves in order to meet contingencies and eventualities of an unforeseen nature which may arise at any time. For this reason, all reputed bankers consider it the cardinal principle of banking business to set aside sufficient inner reserves in one form or another. From all accounts, such conservation has not been permitted through force of circumstances and through unhealthy trends prevailing in Indian banking. The dangers of such a lapse need not be overemphasised. One way of building up such reserves is considered to be to facilitate it by offering tax concessions as well as legalising such allocations exclusively for meeting situations of difficulties and stresses.

"A significant event of the past year which needs mention was the meetings of the International Bank for Reconstruction and Development, International Finance Corporation and International Monetary Fund, which were held at New Delhi in October. This event brought together all the important captains of Indian banking and attracted the pointed attention of this gathering of reputed international bankers and other prominent figures from industry, trade and commerce to the great economic progress made by this country. Such an opportunity of considering and discussing also banking conditions of this country has proved to be of immense benefit for the future programme of Indian banks. Not only that, but many useful contacts and opportunities of greater participation in international banking presented themselves as a result of this memorable gathering held for the first time in the Indian capital. Undoubtedly, a long way needs to be tread before Indian banking can compare itself with the highly developed banking systems of many of the Western democracies. Given proper and congenial conditions of work as well as due recognition and encouragement from proper quarters, Indian banking will not lag behind others in the fulfilment of its mission in the dynamic growth of India's economy and future plans.

"As has been mentioned earlier, an important landmark in Indian banking during the past year has been the surpassing, for the first time, of the total volume of notes in circulation by the total of the deposits of all Scheduled banks of the country. In the case of the banks other than the State Bank of India, the bulk of the increase in deposits has been under time deposits. Along with that, the demand for funds, for various reasons, including official policies, slackened considerably. The high-priced deposits had their toll on the profit margin of Indian commercial banks. As a natural consequence to that and for ensuring proper and equitable rates in the money market in keeping with the Bank rate and the other co-related circumstances, commercial banks in India entered into an agreement, laying down broad principles of fair money rates to be paid for deposits. In the past, various abortive efforts had been made to have such an Inter-Bank Agreement. The unhealthy feature of artificially high rates paid on short-term money was thus brought to an end. In this, I must pay my special tributes to all the 37 member-banks which accepted the reasonableness of the concept of such an agreement initiated by the Indian Banks' Association and, submerging selfish interests and temporary benefits, came to an understanding, which has already proved beneficial not only for banking in the country, but also for the whole economy of the nation. This wholesome beginning is sure to strengthen the banking structure and facilitate a faster growth of this vital limb of our economy.

Uncharitable Criticisms

"I regret to mention that this Agreement has at times evoked uncharitable criticisms from a few quarters which have not made any attempt to understand and appreciate this arrangement or to find out the benefits of the same. Let me assure the general public that this is no attempt to form either a cartel of banks or to ensure bigger margin of profits for banks. This Inter-Bank Agreement only seeks to provide fair or rational rates for bank deposits. It ensures flexibility according to altered circumstances and conditions of the money market and facilitates credit for our expanding economy on reasonable and beneficial conditions and terms. It is needless for me to remind these critics that, in most of the advanced countries of the world, banking institutions ensure such arrangements either through specified inter-bank agreements of the type now arrived here or through certain healthy conventions, the benefits of which have been experienced by the economic life of nations.

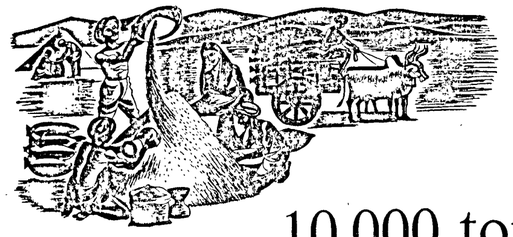
"The shock given to the orthodoxy of British banking during the past year as a result of the new line of activities indulged in by age-old conservative banks and the very open and close association of the Big Five with hire-purchase companies and hire-purchase business have undoubtedly been a notable change in the history of English banking. It is heartening to find that the Old Lady of Threadneedle Street has approved of this new role of banks and openly sanctioned the same. It shows that a good deal of understanding and adjustability has to be forthcoming from responsible quarters before banking can play its dynamic role in the fast changing economy of the world.

Amalgamation

"Likewise, one cannot fail to mention the mergers that have been taking place among banking institutions. In India, too, one of the leading Scheduled banks, through a scheme of amalgamation, took over a comparatively new and smaller banking institution. This trend should be actively encouraged and facilitated. Banking can play its proper and important role only by progressive measures, which should be facilitated through combinations and acquisition of allied interests. The time does not seem to be very distant when Indian banking institutions, through some interlocking shareholding arrangements, will have a tie-up with some of the world-famous banking organisations, for the best benefit of our economy. Of course, the rules, regulations and the laws pertaining to the conduct of banking business as they stand today present an obstacle to any such forward and unorthodox step. However, from a long-term point of view and for the success of the objective of the nation to achieve its economic regeneration as fast as possible, such a collaboration of Indian banks with their counterparts in other advanced countries of the world would have to be blessed officially and also assisted by good and wholesome guidance from responsible quarters.

"In the context of ensuring a sound growth of Indian banking, I would like to refer to a matter which has been causing some doubts in the minds of independent observers both here and abroad. The recent trends of legislation in India seek to vest vast powers in the hands of unconnected quarters for probing into relationships of banks with their customers. I am referring now to the all-important matter of secrecy which is and has been accepted as the very basic pillar of credit institutions. Healthy banking all over the world has recognised the necessity of preserving secrecy regarding the relationships of a bank with its

(Continued on page 528)



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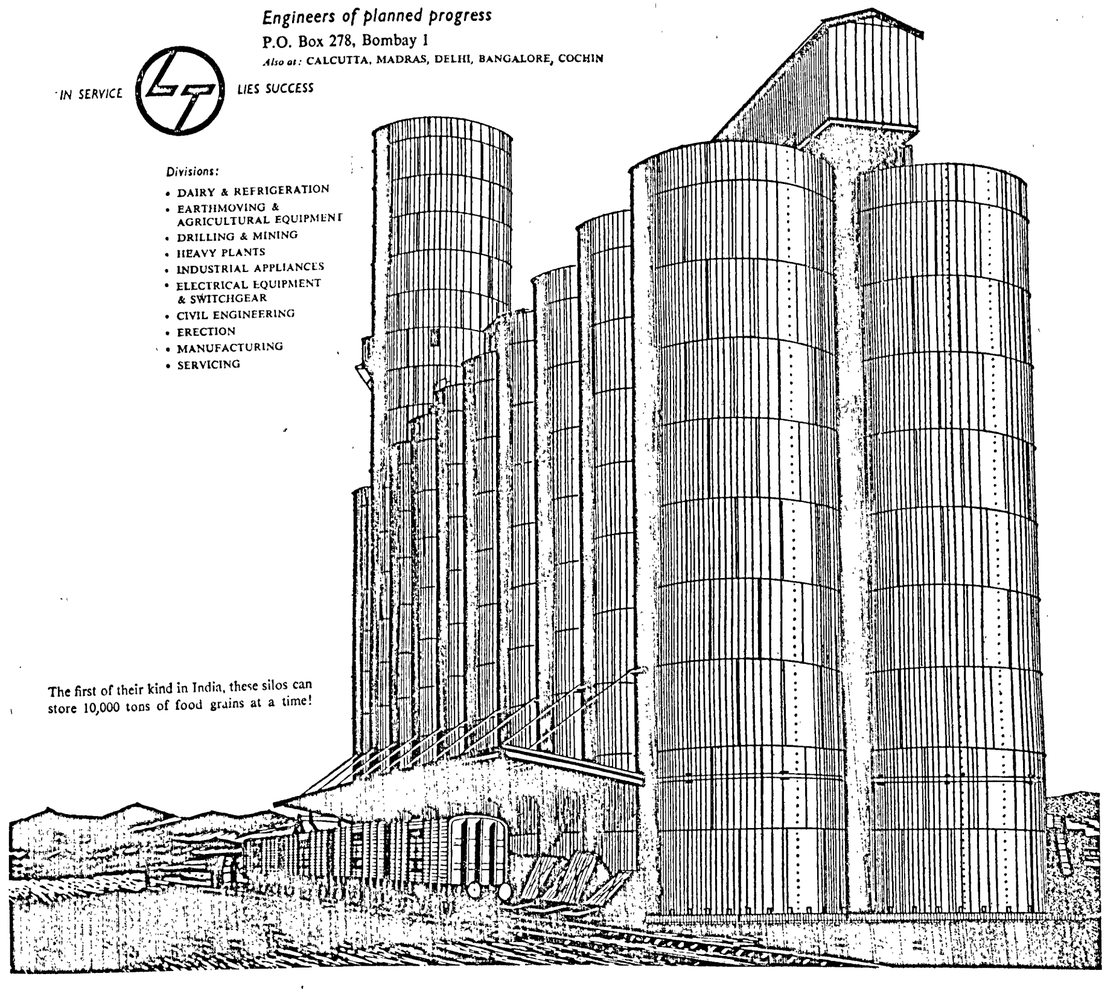


The first of their kind in India, these silos can store 10,000 tons of food grains at a time!

I.C.I.C. MAKES SATISFACTORY PROGRESS

ADDITIONAL RESOURCES TO BE RAISED

THERE are several credit institutions in this country to provide finance for industrial enterprises. Of these, the Industrial Credit and Investment Corporation of India Ltd. has carved out for itself a prominent place during the short span of four years of its existence. It has played an important role in the development of industries in the private sector by providing not only loans but also risk capital by direct participation in share capital and by underwriting capital issues. It has also earned the distinction of being the only institution in this country to provide financial assistance in foreign currency.

The Corporation's contribution to industrial development is indicated by the fact that it has, up to the end of December 1958, sanctioned assistance to the tune of Rs. 13.37 crores to as many as 44 companies, well distributed over the country, of which 18 are new undertakings. This is exclusive of Rs. 2 crores sanctioned to 11 applicants since the beginning of 1957 which have been subsequently withdrawn, reduced or not proceeded with by the applicant companies. During 1958, the Corporation received 40 definite applications for financial assistance and over 50 inquiries. The industries covered by such applications and inquiries were, as varied as aluminium and other non-ferrous metals, automobiles, asbestos cement products, cement, cotton textiles, engineering, glass, heavy chemicals, iron and steel, paper, plywood, rubber, sugar, shipping, etc.

Pattern of Assistance

The pattern of financial assistance sanctioned by the Corporation during the year 1958 conformed to that of the previous year, being more or less equally divided between loan operations in rupees and foreign currencies, on the one hand, and underwriting operations and investment in shares or debentures, on the other. During the year, the Corporation sanctioned financial assistance, both in rupee and in foreign currencies, to the tune of Rs. 3 crores to 16 companies. The rupee assistance, in the form of loans, guarantees, underwriting of and direct subscription to ordinary and preference shares and debentures, amounted to Rs. 1.57 crore to 10 companies and foreign currency loans were granted to six companies for an aggregate sum of Rs. 1.43 crore. Applications for assistance to the extent of Rs. 1.27 crore were either withdrawn or not proceeded with by the applicants, including two loans in foreign currency for an equivalent of Rs. 48 lakhs, so that the net amount sanctioned during the year was only Rs. 1.72 crore. This brings the total amount sanctioned up to the end of the year (since the Corporation's inception) to Rs. 13.37 crores, as against Rs. 11.65 crores up to the close of 1957 and Rs. 6.01 crores two years before, distributed as follows:

(Amount in lakhs of Rupees)

Method of Assistance	1958		1957		1956	
	No. of operations	Amount	No. of operations	Amount	No. of operations	Amount
Loans in rupees	11	3,48	9	3,23	10	2,95
Loans in foreign currency	9	3,16	5	2,21	..	..
Underwriting of issues	18	5,50	16	5,35	7	2,38
Direct subscriptions to share capital	14	1,23	11	86	8	68
Total . Rs		13,37		11,65		6,01

It will be noted from the table that the pace of increase in the Corporation's operations sanctioned has been slower in 1958 than that in the previous year. Thus, as against a rise of Rs. 5.64 crores in 1957 in the amount of assistance sanctioned, the increase during 1958 was no more than Rs. 1.72 crore. However, a feature of the year's operations is the further progress made in foreign currency loans. To a certain extent, this trend is explicable, as the Chairman explains in his statement. There are several institutional agencies which specialise in the grant of rupee loans, while the Corporation is the only institution which is in a position to disburse foreign currency loans.

The actual amount disbursed during the year under review was Rs. 2.08 crores, including disbursements in foreign currencies equivalent to Rs. 22 lakhs. This brings the total disbursements up to the end of 1958 (since the inception of the Corporation) to Rs. 6.14 crores and the outstanding commitments at the end of the year to Rs. 3.99 crores. Fourteen applications for over Rs. 5 crores were under examination at the end of the year. It will be noted, in this connection, that, though foreign currency loans to the extent of Rs. 2.21 crores had been sanctioned during 1957, no disbursements had actually been made in that year, while a sum of Rs. 22 lakhs was availed of in 1958. The loans in foreign currency are being made by the Corporation out of the line of credit from the World Bank for $10 million (rupee equivalent Rs. 4.76 crores). Out of this sum, the Corporation's commitments up to the end of 1958 amounted to Rs. 3.16 crores, which leaves a balance of Rs. 1.60 crore. This is likely to be exhausted soon. Negotiations for a new line of credit have been initiated with the World Bank and it is gratifying to hear that the attitude of the Bank is encouraging and helpful.

Risk Capital

The most important aspect of the Corporation's activity is the provision of risk capital to industrial concerns. A substantial part of the assistance sanctioned so far is in the form of underwriting capital issues. During the year under review alone, the Corporation completed six underwriting operations for an aggregate sum of Rs. 2.18 crores, of which it was called upon to take up Rs. 45 lakhs, the balance having been otherwise subscribed either by the public or by the existing shareholders. Till date, the Corporation has completed 16 underwriting operations amounting to Rs. 5 crores, of which it had to take up no more than Rs. 1.78 crore.

The following comparative table gives the outstanding position of the Corporation's loans and investments as at the end of the last three years:

(In lakhs of Rupees)

	As at the close of		
	1958	1957	1956
Loans—			
In Indian currency	1,94.78	1,95 05	53 56
In foreign currency	22 02	..	..
Total outstanding loans ..	2,16.80	1,95.05	53.56
Investments—			
A. Government securities ..	54.56	62.99	4,46.93
Debentures	84.96	85.16	90 20
B. Assistance to industrial concerns—			
Debentures	1,09 13	..	..
Preference shares ..	82.67	66.36	38 06
Ordinary shares	1,67 69	1,42.52	77 33
Total Investments ..	4,99.01	3,57 03	6,52.58

The operations of the Corporation during 1958 resulted in a gross profit of Rs. 51.85 lakhs which, as compared with that (Rs. 48.36 lakhs) for the previous year, represents an increase of Rs. 3.49 lakhs. It is also Rs. 14.95 lakhs more than that earned in 1956. After providing Rs. 19,621 for depreciation (as against Rs. 18 847 in respect of the previous year) and Rs. 26.43 lakhs for taxation, for which purpose a sum of Rs. 25.10 lakhs had been set aside a year ago, the net profit is only Rs. 2.15 lakhs higher, at Rs. 25.22 lakhs. The Directors have, therefore, been constrained to maintain the dividend at the modest level of 4 per cent., to which level it had been stepped up last year from 3½ per cent., after setting aside Rs. 5 lakhs to the general reserve as in the previous year. With this addition, the total reserves and surplus aggregate no more than Rs. 22.97 lakhs. The Chairman has expressed his concern over the Corporation's "inability to build up adequate reserves, due to present taxation, which are vital to strengthen this Corporation, in order that it may be able to undertake greater risks in the future."

The Corporation foresees increasing demands on it for financial assistance. Its present rupee funds may prove adequate only till the end of the current year. It is, therefore, endeavouring to increase its rupee resources, along with its efforts to raise funds in foreign currency. It has already requested the Government of India to make available to it an additional rupee advance which will be sufficient to carry it through the next two or three years. "This may be made possible," according to the Chairman, "through rupee funds accumulated out of sale of U.S. surplus agricultural commodities and made available with the concurrence of the U.S. Government." It is stated that both the Government of India and the U.S. authorities view the Corporation's needs with sympathy and understanding and it is hoped that the necessary formalities will be concluded shortly. Mr. Mehta has, however, made it clear that it is not the Corporation's intention to depend indefinitely on Government for additional funds as and when required.

The Corporation has been undertaking underwriting operations and the grant of credit facilities in combination with other financial institutions. It is now exploring the possibility of further combined operations with finance corporations, credit institutions and the Life Insurance Corporation, as well as with foreign institutions, such as the I.F.C. and the Commonwealth Development Finance Company. Mr. Mehta takes an optimistic view of the prospects for the private sector and feels that it is growing rapidly enough to require this kind of collective effort.

WORLD BANK LOAN TO FINLAND

The World Bank has granted a loan equivalent to $37 million to provide capital to nine private companies in Finland's pulp and paper industry for expansion and modernisation of their plants. The projects being financed will enable the companies to increase their output of chemical pulp and newsprint, and to maintain the competitive position of these leading Finnish exports in world markets. The net foreign exchange earnings from the new production should amount to the equivalent of about $45 million annually.

Eight private banks are participating in the loan, without the World Bank's guarantee, for a total amount of $2,302,000, representing the first two maturities and part of the third maturity which fall due between 15th August 1962 and 15th August 1963. The loan has been made to the Mortgage Bank of Finland Oy, a subsidiary of the Bank of Finland, established in 1956 as a channel through which long-term foreign loans could be made to Finnish enterprise. The Mortgage Bank will relend the proceeds of the World Bank's loan to the companies carrying out the projects.

Forests play a dominating role in the Finnish economy. Wood products account for 80 per cent. of the country's export earnings and over half of this comes from the pulp and paper industry. Finland is Europe's second largest exporter of pulp and paper and the largest exporter of newsprint and kraft paper and board. It is also a leading exporter of roundwood, plywood and sawn goods. Most of the companies in the industry are integrated producers, manufacturing, in addition to pulp and paper, such items as sawn goods, plywood, chemicals and prefabricated houses.

The industry is planning to increase its productive capacity of chemical pulp by 610,000 tons annually and of newsprint by 240,000 tons, or 25 per cent. and 30 per cent., respectively. At the same time plants will be modernised and storage and power facilities will be expanded, resulting in important savings in fuel, power and transportation costs and in increased operating efficiency. The nine projects for which the Bank's loan was made represent a substantial part of the investment being undertaken; they provide for an increase in the companies' annual productive capacity of chemical pulp by 205,000 tons, and of newsprint by 180,000 tons. Their total cost will be equivalent to about $90 million, or nearly half the new investment to be made by the entire pulp and paper industry over the next few years.

The Bank has now made seven loans totalling $102 million for the expansion of electric power, agriculture and the wood-products industry in Finland. About half the proceeds of earlier loans was used to finance essential imports of equipment and materials for the wood-products industry, including 26 important pulp and paper projects. The latter accounted for the bulk of the additional capacity installed by the industry between 1951 and 1957.

The loan is for a term of 15 years and bears interest of 5¾ per cent., including the 1 per cent. commission which is allocated to the Bank's Special Reserve. Amortisation will begin 15th August 1962. The loan is guaranteed by the Government of Finland.

EXEMPTION OF SMALL SAVINGS FROM WEALTH TAX

The position regarding the exemption of small savings securities from wealth tax is as follows:

According to the provisions of clause (xvi) of sub-section (1) read with sub-section (3) of section 5 of the Wealth Tax Act, 1957, no wealth tax is payable by an assessee in respect of the 10-year treasury savings deposit certificates, 15-year annuity certificates, deposits in the post office savings banks, post office cash certificates, post office national savings certificates, post office national plan certificates and the 12-year national plan savings certificates held by him, nor are such assets included in the net wealth of the assessee, provided these securities are held by him for a period of at least six months ending with the relevant valuation date.

The exemption is also allowed in respect of investment made in these securities in the name of wife and/or minor child up to the maximum limit prescribed therefor.

Interest paid on the post office cash certificates, post office national savings certificates, post office national plan certificates, 12-year national plan savings certificates, 10-year treasury savings deposit certificates, deposits in the post office savings banks and monthly payments made on the 15-year annuity certificates is, however, liable to wealth tax, unless the amount is either spent before the valuation date or reinvested in assets eligible for exemption from wealth tax.

PROFIT OF ALLAHABAD BANK SHADE HIGHER

DIVIDEND WELL MAINTAINED

IN refreshing contrast to the general trend of bank earnings, the profit of the Allahabad Bank Ltd. for 1958 has not suffered a setback. On the contrary, it is a shade higher, having gone up to Rs. 13.71 lakhs from Rs. 13.68 lakhs, to which level it had shrunk from Rs. 15.79 lakhs earned in 1956. The profit would have been higher still but for the fact that the "high cost of deposits and increasing establishment expenses have again narrowed the margin of profit on investments and advances."

No allocation has been made out of the profit for the year under review to the staff pension fund, which had received Rs. 1 lakh per annum for some years now. The provision for bonus to staff has, however, been raised from Rs. 6.87 lakhs to Rs. 7.32 lakhs. The distribution on ordinary shares is being maintained at the self-same rate of 18 per cent. per annum, made up of a dividend of 12 per cent. and a bonus of 6 per cent., after paying the usual dividend of 6 per cent. on preference shares.

Thanks to an increase in the Bank's advances, the income from interest and discount has risen by Rs. 39.52 lakhs to Rs. 216.46 lakhs, while commission and exchange has gone up by only Rs. 3.79 lakhs to Rs. 32.24 lakhs. On the expenditure side, the outgo by way of interest paid, at Rs. 123.55 lakhs, is higher by Rs. 34.55 lakhs and establishment and other expenses (at Rs. 110.91 lakhs) by Rs. 9.02 lakhs. It will be interesting to note that, out of an increase of Rs. 80 lakhs in the Bank's gross income during the last three years, establishment and other expenses alone have taken up Rs. 20 lakhs, or 25 per cent., as will be evident from the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount earned ..	2,16.46	1,76.92	1,61.74	1,40.62
Commission and exchange ..	32 24	28.45	32.13	28.28
Gross income . .	2,50.48	2,06 97	1,95.73	1,70.63
Interest paid . .	1,23.55	80.20	73.09	60.99
Expenses . .	1,10 91	1,01.89	1,04.42	90.95
Depreciation	2.31	2.29	2.43	3 07
Profit . .	13.71	13.68	15.79	15.62
To contingencies ..	..	..	3.50	..
,, adjustment relating to previous years ..	..	..	0.75	1.43
,, staff pension fund ..	..	1.00	1.00	1.00
,, bonus to staff ..	7.32	6.87	6.15	6.30
Dividend—				
6 per cent. preference ..	0.90	0.90	0.90	0.90
Ordinary	5.49	5.49	5.49	5.49
	(D. 12% +B. 6%)	(D. 12% +B. 6%)	(D. 12% +B. 6%)	(D. 12% +B. 6%)
Carry forward . ..	3.54	3.54	4.13	6.13

	As on 31st December			
	1958	1957	1956	1955
Capital	45.50	45.50	45.50	45.50
Reserves	1,08.00	1,08.00	1,08.00	1,08.00
Deposits	45,32.16	40,76.17	35,90.75	35,90.95
Borrowings from other banks ..	2,31.39	13.90	15.53	4.00
Advances	25,05.63	23,12.37	20,11.81	22,56.39
Investments	14,66.72	8,77.27	12,61.58	11,58.53
Cash (including money at call and short notice) ..	9,46.08	10,04.43	4,95.98	3,44.88
Balance-sheet total .	53,45.83	47,30.26	41,46.12	42,91.27
Ratio to deposits of—	%	%	%	%
Advances	55.3	56.7	56.0	62.8
Investments	32.4	21.5	35.1	32.2
Cash	20.9	26.1	13.8	9.6

The Bank's reserve fund is unchanged at Rs. 1.08 crore, that is, nearly 2.5 times the paid-up capital. The deposits continue to grow, mainly in the higher interest group. Thus, during 1958 alone, the fixed deposits have risen by Rs. 4.93 crores to Rs. 29.51 crores. In the last three years, they have swelled by Rs. 10.58 crores. Savings banks' deposits have gone up by Rs. 41 lakhs to Rs. 5.42 crores during the year under review, while current and other accounts have slightly declined from Rs. 11.17 crores to Rs. 10.39 crores.

Notwithstanding the sizable expansion in deposits, without a corresponding rise in advances, which are higher by only Rs. 1.93 crore, the Bank's borrowings at the year-end show a substantial increase of Rs. 2.17 crores. Loans, cash credits and overdrafts at Rs. 22.77 crores are higher by Rs. 1.88 crore and bills purchased and discounted (Rs. 2.28 crores) by Rs. 5 lakhs. The investments, which are, as usual, shown at below market value, have been strengthened by Rs. 5.89 crores to Rs. 14.67 crores, while cash balances, at Rs. 9.46 crores, are lower by Rs. 1.18 crore. Nevertheless, the total liquid assets have grown by Rs. 4.71 crores and this has raised the coverage to deposits from 47.6 per cent. to 53.3 per cent. It may also be noted that the bulk of the Bank's cash resources are kept in money at call and short notice.

STATE BANK OF HYDERABAD

LIQUID ASSETS STRENGTHENED

THE second full year of working of the State Bank of Hyderabad (that is, the one ended 31st December 1958), after it was reconstituted and taken over by the Reserve Bank of India under the State Bank of Hyderabad Act, 1956, has been less favourable, in that its profit has suffered a shrinkage from Rs. 5.29 lakhs to Rs. 3.50 lakhs, but this is in line with the general trend of bank earnings and not peculiar to this Bank alone. The Directors explain that "the fall in profit is partly due to increase in interest paid on deposits, establishment charges and the cost of guards which is being borne entirely by the Bank from 1st April 1958 and partly due to a drop in income from advances against foodgrains on account of restrictive credit policy followed during the year."

Out of the year's profit, the Directors have transferred Rs. 1 lakh to the reserve fund, as against Rs. 2.94 lakhs set aside a year ago, and have maintained the allocations to the pension fund and gratuity fund at Rs. 75,000 and Rs. 50,000, respectively. The provision for bonus to staff has, however, been raised from Rs. 1.10 lakh to Rs. 1.25 lakh.

The Bank's income from interest and discount has gone up from Rs. 51.64 lakhs to Rs. 55.03 lakhs and that from commission and exchange from Rs. 16.71 lakhs to Rs. 17.11 lakhs. These have been more than offset by the rise of Rs. 1.92 lakh to Rs. 25.43 lakhs in interest paid and of Rs. 3.89 lakhs to Rs. 41.03 lakhs in administrative expenses.

With the transfer of Rs. 1 lakh from the profit for the year under review, the Bank's reserve fund stands, as at the close of the year, at Rs. 26 lakhs or 52 per cent. of the paid-up capital. In line with the general trend, the Bank's deposits have expanded by Rs. 1.50 crore to Rs. 15.27 crores. The rise in deposits would have been more but for the repayment of deposits during the year to the Government of Andhra Pradesh in accordance with the arrangements. A break-up of the deposits shows that the fall in fixed deposits from Rs. 6.35 crores to Rs. 5.74 crores noted in 1957 has to some extent been made good in the year under review, when they grew to Rs. 6.08 crores. There has been a further small rise from Rs. 1.49 crore to Rs. 1.59 crore in savings deposits. Current and other accounts have also gone up from Rs. 6.54 crores to Rs. 7.60 crores, thus reversing the downward trend noted in the previous year.

As against a rise of Rs. 1.50 crore in deposits, the Bank's advances are higher by only Rs. 31 lakhs at Rs. 7.73 crores, thus bringing down the credit ratio from 53.9 per cent. at the end of 1957 to 50.6 per cent. The corresponding ratio as on 31st December 1956 was 66.6 per cent. Following the slackness in advances, thanks to the credit restrictions, the Bank's investments have been strengthened by Rs. 1.72 crore to Rs. 4.83 crores, at which level they constitute 31.6 per cent., as against 22.6 per cent. a year before. Cash balances (including money at call and short notice), too, have gone up by Rs. 30 lakhs to Rs. 4.07 crores. The Bank's investments in Government and other trustee securities, together with the cash balances, provide a coverage to deposits of 58 per cent., as against 49.7 per cent. at the end of 1957.

The remittance of O.S. small coins of the value of I.G. Rs. 63.40 lakhs held in the Bank's cash balance to the mint was completed during the year and, with this, the bulk of the work relating to the cancellation, destruction and disposal of O.S. currency is over. The Bank, however, continues to provide facilities for the conversion of this currency into I.G. currency, subject to the sanction of each application by the Reserve Bank of India.

The Bank continues to function as the agent of the Reserve Bank of India for the management of Government transactions and the custody of the currency chests of the Issue Department of the Reserve Bank of India at the centres where it was handling this work prior to the reorganisation of States. The Bank transacts Government business at 33 centres and holds custody of currency chests at 26 centres. Small coin depots have been established at 26 offices of the Bank. The total amount of remittances issued and encashed during the year under the Reserve Bank of India remittance facilities scheme was Rs. 44.64 crores and Rs. 12.75 crores, respectively.

INDIAN OVERSEAS BANK EARNS LOWER PROFIT

TURNOVER, HOWEVER, EXPANDS

A SETBACK in profit, despite an expansion in turnover, is disclosed by the audited accounts of the Indian Overseas Bank Ltd. for the year ended 31st December 1958. Thus, although the credit portfolio shows an increase of more than Rs. 4 crores over the year, the profit has dropped from the record level of Rs. 32.49 lakhs to Rs. 28.60 lakhs, thereby not only reversing the upward trend noted since 1949 but also wiping out the increase recorded in 1957. This is due to a substantial rise in deposits and increase in interest rates thereon. In consonance with the decline in profit, the provision for taxation has also been reduced from Rs. 16 lakhs to Rs. 12.50 lakhs, while bonus to staff absorbs Rs. 75,000 more at Rs. 4.50 lakhs, evidently due to the opening of nine new branches during the year and the employment of additional staff to man them. The dividend is, however, unchanged at 10 per cent. per annum, but this is again on a higher capital raised by making fresh calls on the new shares issued in September 1957.

The Bank's gross income for the year under review amounts to Rs. 165.38 lakhs, of which income from interest and discount accounts for Rs. 112.32 lakhs (having risen from Rs. 85.38 lakhs earned in 1957) and commission and exchange for Rs. 52.84 lakhs, as compared with Rs. 46.82 lakhs in the previous year. This substantial rise in income has been more than offset by the increase of Rs. 25.24 lakhs in interest paid and of Rs. 10.83 lakhs in expenses. It will be of interest to note that, whereas the deposits of the Bank are less than double those at the end of 1955, the outgo by way of interest paid has more than trebled itself within these three years. This gives an idea of the extent to which interest rates on deposits have risen during this period. Unfortunately, the rate of interest and commission earned has not gone up sufficiently to cover the increase in expenses, as will be seen from the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount earned ..	1,12.32	85.38	66.30	45.91
Commision and exchange ..	52.84	46.82	48.16	39.80
Interest paid	65.89	40.65	30.62	21.81
Expenses	67.52	56.69	53.18	44.47
Depreciation	3.37	2.44	2.22	2.01
Profit	28.60	32.49	26.65	16.56
Provision for taxation ..	12.50	16.00	14.00	7.50
To reserve fund	6.00	7.32	6.00	4.00
,, bonus to staff	4.50	3.75	3.50	1.25
Dividend	5.88	5.62	4.91	3.68
	(10%)	(10%)	(10%)	(7½%)
Carry forward	2.03	2.32	2.52	2.28

	As on 31st December			
	1958	1957	1956	1955
Capital	62.48	56.23	49.20	49.20
Reserves	52.37	46.38	38.00	30.00
Deposits	27,93.69	19,84.41	16,48.81	14,42.00
Borrowings from other banks	66.98	5.96	47.29	90.18
Advances	15,52.55	11,29.63	10,81.19	9,05.14
Investments	10,78.32	6,62.56	5,16.18	4,84.07
Cash	4,27.41	3,52.39	2,60.61	2,78.17
Balance sheet total ..	42,70.12	29,01.41	28,73.04	25,72.80
Ratio to deposits of—	%	%	%	%
Advances	55.5	56.9	65.5	62.8
Investments†	36.4	33.3	28.6	27.8
Cash	15.3	17.7	15.8	19.3

† After taking into account investments earmarked against borrowings from other banks.

The rise in expenses (other than interest paid) during 1958 is mainly accounted for by salaries, allowances, etc., which have gone up by Rs. 6.54 lakhs to Rs. 49.06 lakhs.

During the year under review, the Bank made a further call of Rs. 25 per share on the 25 000 new shares issued in 1957, making them Rs. 50 paid-up. This has raised the total paid-up capital from Rs. 56.23 lakhs to Rs. 62.48 lakhs. The reserves, at Rs. 52.37 lakhs, include share premium amounting to Rs. 7.87 lakhs collected on new shares issued in 1941 and in 1947.

The expansion in deposits is shared by all classes; fixed deposits have risen from Rs. 7.99 crores to Rs. 11.88 crores, savings bank deposits from Rs. 3.45 crores to Rs. 3.71 crores and current and other accounts from Rs. 8.40 crores to Rs. 12.35 crores. As against a rise of Rs. 8.09 crores in total deposits, the increase in advances is of the order of only Rs. 4.23 crores, of which loans, cash credits and overdrafts, at Rs. 6.48 crores, account for Rs. 1.74 crore and bills purchased and discounted (at Rs. 9.04 crores) for Rs. 2.49 crores. The investments are, as usual, valued at or below market value. It will be noted from the ratios of principal assets to deposits that the disposition of the Bank's funds is well balanced, with a high degree of liquidity.

IMPROVING COTTON MILLS' POSITION

MR. A. D. SHROFF URGES SPEEDY MODERNISATION

AT no time in the history of the cotton mill industry was the need for modernisation and rationalisation so urgent as it is today. The advantages of low-priced cotton and low-cost labour no longer exist. On the contrary, the cotton mills are caught between a cost inflation, on the one hand, and reduced realisation from sales, on the other. That there is no exaggeration in this statement will be evident from an analysis of the profit and loss accounts and balance-sheets of mills for the past two years. Most of the mills show either sizable losses or only small profits. Such a situation is certainly disquieting and must be set right without further delay, if the industry is to succeed in catering to the expanding domestic requirements of cloth and in weathering the growing competition in the world textile markets. This aspect was impressively brought out by Mr. A. D. Shroff, Chairman of the Central India Spinning, Weaving and Manufacturing Company, Ltd., in his speech at the Company's annual meeting last week. Here is what he said on the competitive position of the industry in the export markets:

"Far from increasing our exports as visualised in the Plan, with a view to earning foreign exchange for the country, we have been experiencing a severe setback. International trade in cotton textiles is fast shrinking. East Africa has trebled its import duty on cotton textiles; Sudan has withdrawn cloth from Open General Licence; Australia has extended the most-favoured-nation treatment to Japan; Canada is still claiming protection for its own industry; and the U.K. is contemplating putting a ceiling on imports of cotton textiles from India, Pakistan and Hong Kong. The latest blow is the emergence of China as a formidable competitor in the world textile markets, especially in the Far East. If we wish to compete on the international plane, we must be prepared to offer better quality goods at much lower price. It has been acknowledged that, for its survival, both in the domestic and foreign markets, the industry must produce better quality of goods at reduced prices, and the only salvation lies in modernisation and rationalisation."

There are two chief impediments to the adoption of this solution, namely, paucity of finance and unhelpful labour attitude, not to speak of defective official policies. Even if the former handicap were somehow overcome, the cotton mill industry would be confronted with the problem of non-co-operation from the labour side. It is necessary to point out that mere modernisation of machinery and equipment in mills will not be of much avail, unless it is accompanied by rationalisation by which is meant, as Mr. Shroff rightly said, fair workloads in the light of new machinery installed and the very comfortable working conditions afforded to labour by way of liberal floor space, effective humidification and improved lighting. "It is high time," to quote Mr. Shroff, "that labour made a realistic appraisal of the situation and understood that it is not an idle threat from the industry that many of the units would close down permanently, if the present state of affairs were allowed to continue any longer... If timely support (from labour) is not forthcoming, the natural outcome will be large-scale unemployment of a permanent nature at a time when planned efforts are being exerted to develop our underdeveloped economy."

The warning sounded by Mr. Shroff is indeed timely and pertinent. It does not require any expert to prove that, so long as the labour cost per unit of production is heavy, the cost of manufacturing cotton textiles is bound to be high. The only effective solution to the problem of reducing the incidence of labour cost lies in the adoption of a three-pronged drive designed to step up productivity of labour—more efficient utilisation of machinery, avoidance of redundant labour and redeployment of workers with a view to distributing more rational workloads. Mr. Shroff drew attention to this aspect and urged a reorientation of the wage policy in respect of textile industry. The reorientation, he says, should be on the following lines:

The authorities should take into account not only the industry's capacity to pay at the time when the awards are made but also the future trend of events.

Factors such as financial needs of the industry for rehabilitation, including provision for repayment of the large sums borrowed for the purpose and the current rates of taxation, should be given due weightage.

Little attention has been paid to the all-important factor of productivity, with the result that the labour cost of the Indian cotton industry is one of the highest in the world today. Where the work-loads are found to be subnormal, they should be allowed to be increased to a normal level without any rise in wages.

No one will grudge giving higher wages to the Indian textile workers or, for that matter, to anyone in the country whose standard of living is below the accepted minimum. But it cannot be disputed, as Mr. Shroff very pertinently remarked, that, in our enthusiasm to achieve the desired standard of life, "we should not take such steps as would have the effect of killing the goose that lays the golden eggs."

While these are the problems confronting the cotton mill industry generally, there are some mills which suffer from locational disadvantages such as those in the Vidarbha and Mahakoshal regions. Mr. Shroff dwelt at length on the conditions of mills in these regions. he observed:

"It is no secret that there has been a consistent deterioration in the position of the industry ever since 1948-49. The magnitude of the losses being incurred during the past two or three years is such that, if this sorry state of affairs is allowed to continue without a check, it is no exaggeration to sound a warning that, within the course of the next two or three years, the entire industry in these regions will be wiped out of existence. Besides its natural concomitant of large-scale unemployment of a permanent nature, loss of cloth production and loss of capital would be inevitable."

Of the peculiar problems facing cotton mills in the aforesaid regions, special mention is made of the following:

1. Most of the units are equipped to produce very little of processed goods, on which there is a greater margin of profit.

2. Conditions of cheap local labour and cheap cotton at source, which were the salient features in the past, accounting for the establishment and growth of textile industry in those regions, no longer exist today.

3. Situated as they are in the interior, these units cannot participate in the export trade of the country on a competitive basis because of the incidence of transport and insurance charges, godown rent, etc.

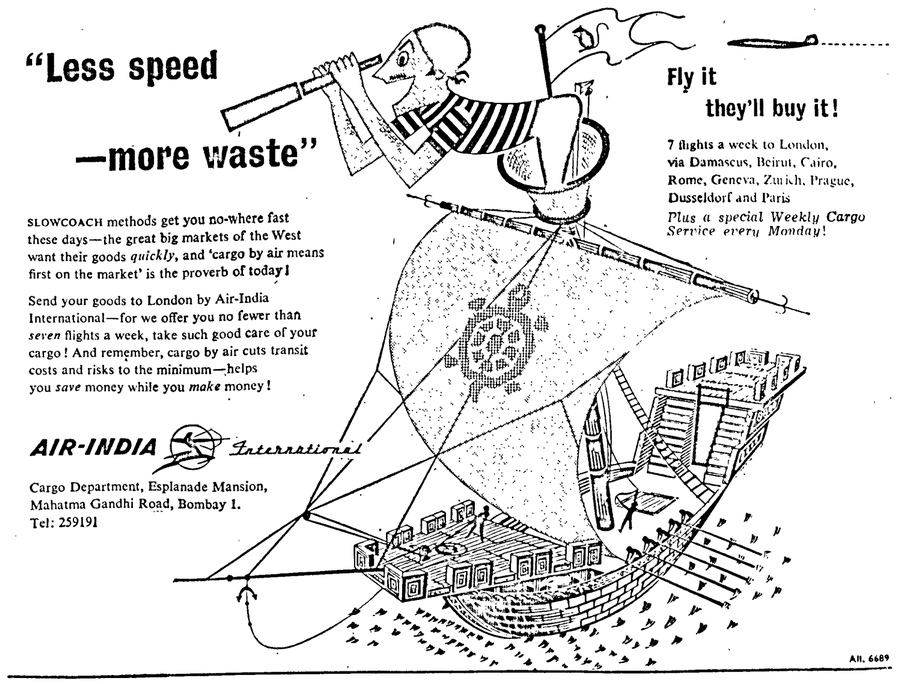
4. Comparative lower productivity of labour.

5. Idle machinery because of high and fluctuating absenteeism.

6. Abnormal increase in the central excise duty on coarse and medium categories, *ad valorem*. Because of the strong consumers' resistance, the increase in excise duty of September 1956 was almost wholly borne by the mills. Whereas the percentage increase in duty on superfines was 10 to 15, on medium cloth, it worked out to as much as 30 to 40 on an average. Besides, in the case of fine and superfine cloth, normally consumed by a class of people who can afford to buy the same even at higher prices, the consumers' resistance was almost negligible.

7. Bottlenecks in rail transport resulting in raw materials, mill stores and finished goods being moved by other means of transport involving additional expenditure and delays. Unlike units of the Industry situated in the port centres, the mills in the Vidarbha and Mahakoshal regions were unable to save any portion of their production from the incidence of excise duty by increasing their exports out of India. In the ultimate analysis, the incidence of increased excise duties has virtually throttled the marginal medium and coarse count units in upcountry centres.

Mr. Shroff struck a note of realism when he said that reduction in the cost of production was the only salvation for the cotton mills and this is possible only by reduction in the price of raw cotton, cost of labour and other manufacturing costs. It may be noted here that cotton and labour charges account for nearly 50 per cent. and 30 per cent., respectively, of the overall cost of producing cloth.



DESTOCKING MOVEMENT IN TEXTILES TO END SOON

WARNING AGAINST LAUNCHING OF NEW FIBRES

From a Special Correspondent

MANCHESTER, *17th March*

FROM all accounts, the cotton and allied industries are not the only ones to be bedevilled by a disinclination among customers to place forward contracts. From one trade to another, the situation must obviously vary, but it is becoming increasingly clear that 1958 will go down in industrial history as a year when buyers as a whole restricted their purchases and reduced their stocks to a level much below what had come to be regarded as normal.

MANCHESTER LETTER

Trade cycles do not always follow the same pattern, although trends can often be forecast by an intelligent use of statistics and keeping a keen watch on historical precedents. By rights, stockbuilding among textile distributors should have followed the running down of supplies which took place on such a considerable scale last year. The lowering of prices after the abandonment of the spinners' regulations on selling rates should have provided a "flash-point." It is still not too late for a revival to take place, but producers can hardly be happy about the existing situation.

To quote a commentator who has lately toured industrial areas in this country to gain first-hand knowledge of the position in numerous and contrasting trades: "The country has found out that it can run more efficiently on a lower level of stocks and stores than it has ever done. Some people think that the level can be still further reduced; others say that, in some industries, stocks have been reduced too much and that the first upturn in production will lead to a rush to refill the pipeline." The assumption of this observer is that the destocking movement will gradually end during the next three or four months in most types of steel and other metals, in textiles, chemicals, timber and general engineering components, etc., but it may take longer to induce users to build up stocks again.

Dwindling Shipments

Those vitally concerned with the textile situation hope that this prophecy proves accurate. It is a long time since the trade had such an extended period of inaction, although, looking back over the past seven years or so, Lancashire seems to have been far more often in the depths than on the heights.

As in other trades, declining exports have been much to blame for the recession. It has been even more difficult to maintain a precarious foothold in shrinking world markets for textiles than in other products. The fault is by no means entirely Lancashire's, despite the criticism levelled against local producers and merchants by individuals who know little of the background involved. Competition has never been keener and, with modern mills rising in many parts of the world which formerly took substantial quantities of British-made fabric, no real gains are likely in the future.

A rebound in industrial activity, such as some observers are suggesting 1959 will provide, would be more than welcome. Much depends on the way raw cotton affairs are handled in the United States and other major producing areas. Without a return of confidence that raw cotton prices will not continue their declining trend, customers will be convinced that their best policy is to hold off and only buy when necessity arises.

Cotton Supplies

British Commonwealth countries, excluding India and Pakistan, but including the Sudan, again produced over 1,000,000 bales of raw cotton in 1957-58 for the seventh season out of eight. Reporting this in its annual survey, the British Cotton Growing Association attributes a fall of nearly 345,000 bales in the total crop to the very steep fall in output of Sakel cotton in the Sudan. This setback was only temporary, the report adds, and future production can be expected to reach previous levels.

If the Sudan crop is excluded, the growth of American types of cotton in all countries showed an increase of 122,500 bales. In Tanganyika, raw cotton supplies achieved a record for the fifth consecutive year, reaching a total output of 175,000 bales. Production from all sources was 1,135,900 bales in the 1957-58 season as against 1,450,100 bales in the previous 12 months.

Liverpool spot quotations for middling American cotton fell from 27.05d. in January 1958 to 23.65d. in the same month a year later. The report comments: "The change from a sellers' to a buyers' market allows the consumer to exercise more discrimination in the choice of raw materials, so it is important that standards of quality should be maintained. World cotton prices continues to overshadow the market for medium staples."

No Compensation Yet

Plans for "streamlining" a smaller Lancashire cotton industry do not include arrangements for compensation for workers who lose their jobs when mills close, Sir Alfred Roberts, General Secretary of the Cardroom Workers' Amalgamation, one of the three principal cotton unions, has complained. "So far the trade unions have been ignored," he told the annual meeting in Manchester of the North-West T.U.C. Advisory Committee, of which he is Chairman. Sir Alfred said that the Government had indicated it would be sympathetic towards a redundancy scheme and was prepared to make some financial contribution. He observed: "At no stage have they talked about compensation for the workers who become redundant. It has been whispered they would like to see some arrangements made for compensation payments, but there is no section of the industry which has taken this into account in considering redundancy schemes."

A plea by the cotton unions for a £200,000-a-year "hard times kitty" was thrown out by the employers. The Industrial Disputes Tribunal has now passed it back for settlement within the industry.

Sir Alfred warned the conference that compensation was a growing problem. He said:

"It goes much wider than the cotton industry. As techniques in industry develop and new methods and machines are introduced, there will be greater and greater redundancy. It behoves the unions to look at the future and see if measures can be introduced for this liability to be carried by employers. Let us see if we can have something like they have in America—compensation on an industry-wide basis for the man who is going to be displaced, so that he can live decently, at least while he is looking around for another job."

No Miracles Yet

Readers of the daily Press are frequently regaled with stories about so-called new "miracle" fibres. The progress recorded in man-made textiles since the war has indeed been remarkable, but the various fibres which have taken the lead in the synthetic field have their drawbacks, as spinners and weavers well know. Their varying properties are extremely valuable, often in conjunction with the older natural staple, but the fibre which can satisfy the requirements of every individual consumer has yet to be found.

It is safe to say that few mills in Lancashire have not experimented with the latest fibres, many of which have proved eminently satisfactory. This point has been stressed by Mr. W. T. Winterbottom, Chairman of the Rayon Staple Spinners' and Doublers' Association, who defended millowners from such attacks, saying that they were taking a lively interest in all such developments.

There is, however, one point about new fibre development which is not always appreciated. Mr. Winterbottom has coined a word in describing the most important character of any fibre as "spinnerability." Some of the new ones frankly do not have it, he contends. "The expense and dislocation of production which result in a spinning mill when trying to put through a recalcitrant fibre are very great," he told the annual meeting of the Association. "It is most important that fibre producers should realise this and refrain from launching new fibres before they have been perfected to the point where they can be expected to run smoothly."—*All Rights Reserved.*

Raw wool and woollen fabrics are among the items included in the list of exports to the U.S.S.R. and East Germany during 1959, according to India's trade agreements with these countries. The Development Council for Woollen Industry in India has urged the exporters to make use of this opportunity to raise the volume of their wool exports.

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MARKETING OF COFFEE

GOVERNMENT'S POLICY UNDER TEST

ENOUGH has been said about coffee in the past few months to indicate that the velvet path trodden by growers is coming to an end and that, from now on, the going will be harder. Coffee is the only commodity marketed by a statutory body in India and what happens to coffee in the next few years will show whether the Government of India, which has taken much of the responsibility for controlling the Coffee Board, is in fact capable of exercising the control not merely wisely but constructively.

It was in 1940 that the coffee industry in India found its traditional market on the Continent of Europe suddenly cut off. The Government of India set up a Coffee Control Board, under an ordinance, and that was the beginning of a unique experiment in the centralised marketing of an agricultural commodity. The scheme for the marketing, the details of operation and regulation of prices were, of course, formulated by the growers themselves, acting through their representatives on the Board, but the Government enabled the Board to function under certain statutory privileges. For instance, it forced all growers to hand over their entire crop to the Board. Without such statutory compulsion, some of the coffee would have found its way into the market, probably bringing their owners a larger income than they had received from the common pool. Further some of the producers of coffee, who had won a special name for their product, had to lose their established position, in order to make the scheme a success. The fact that most of these growers were represented on the Board made things easier for the transition from individual to pooled marketing.

After nearly 18 years of such pooled and regulated marketing, coffee is facing its supreme test by the law of the market. Eighteen years is a long time and many coffee growers have grown up without knowing, and, indeed, indifferent to knowing, what it takes to market their produce. During the last four months, they have been suddenly confronted with a bewildering series of questions on marketing and connected subjects. To ask the growers for ideas on marketing and publicity is similar to asking a paralytic to get up and walk. The coffee grower has been so insulated from the problems of marketing for very nearly two decades that the grower can no longer think clearly on the subject. In fact, the group from which useful comments could be drawn is a small professional one and the group whose views have to be most carefully and critically considered is the growers!

Expert Committee

Last September, the Government of India set up an Expert Committee to inquire into the present methods and organisation of coffee marketing and to recommend measures for improvement. This Committee has been asking growers questions on marketing and it should be nearing the end of its labours. The Committee has come into existence at a critical time in the world coffee situation and in setting it up the Government was probably wiser than it realised at the time.

Coffee is one of the principal commodities of international trade. World production is 3.55 million tons, of which about 3.06 million tons form the exportable surplus. World consumption outside the producing territories is estimated at 2.28 million tons, leaving unabsorbed some 780,000 tons or 13 million bags (of 132.276 lbs. each) out of the estimated 1958-59 crop. During the past three years, world output has been exceeding world absorption by roughly a third and there is enough stock in producing countries to tide over one year without any crop.

About 80 per cent. of the world coffee is produced in the Western hemisphere and the estimated output for the 1958-59 season in that region is 46.5 million bags. Last September, after one year of restricted exports from September 1957 to August 1958, the producers in Latin America came to another agreement extending the restriction scheme by one year. The quantity to be withheld from exports by these countries is 12 million bags or almost 25 per cent. of American production. Brazil alone will retain more than half of it and destroy the lowest grades by using them as fertilisers. What is, however, significant is not the quantity which the American producers are willing to hold back from the market but its effect on prices. In July 1957, Santos No. 4 averaged 47 cents per lb. and Colombian Manizales 64 cents, according to the Foreign Agricultural Service of the U.S. Department of Agriculture. In July 1958, the average for Manizales was 52.8 cents and for Santos No. 4 47 cents. Export restrictions probably eased the price fall to a gentle slide, but they could not altogether stop it. Prices have declined further, following reports of a 6-million bag increase in crop estimates, and current quotations are in the range of 37½ to 44½ cents per lb. At approximately 40 cents, the world price of coffee would reach parity with Indian internal release prices. What then?

Total Control

The Government of India took over total control over coffee policy with the amendments to the Coffee Market Expansion Act in 1955, proposals which were so bitterly contested by producers at the time. One of the fundamentals of Government policy, it was at the time asserted repeatedly, was a low price for the internal market and the priority claim on any existing stock was for the home market. In pursuance of this claim, not only some of the best export coffees were retained in stock, thus complicating coffee financing in 1953 and 1954 but excessive stocks were held in reserve and, above all, releases were made in the internal market at three annas less per point than the minimum guaranteed to the grower.

From October 1952, export of coffee was secondary to satisfying the internal demand and that demand was met at prices below the minimum return guaranteed to the producer. It would probably shatter the equanimity of later-day export enthusiasts to know that, in 1953, when the world price was 770s. per cwt for Indian coffee in Antwerp, about 5,500 tons of exportable surplus was withheld from export. In 1954, the same coffee, which had deteriorated in quality during storage, had to be disposed of at a discount!

If coffee were sold at the internal sales at 3 annas per point less than the Board had agreed to pay the growers, where did the difference come from? The extremely high prices prevailing in the world market brought in a considerable surplus over the minimum guaranteed price. A part of this excess helped to subsidise the consumers of coffee in India. The growers appeared not to mind very much this unusual method of subsidy in reverse, since they were getting an attractive price on their total crop. But that did not mean that the principle of it was any more attractive or sustainable. The test has come.

For a proper appreciation of the coffee problem that is going to unfold itself in the next few years and would undoubtedly lead to a first class controversy, the Government's management of coffee policy should be clearly understood. If internal sales were made at Rs. 160 per cwt. and growers have to be paid a minimum of Rs. 175 for the same coffee, the difference of Rs. 15 per cwt. has to be made good from some source other than the consumers of coffee in India. That source was the foreign market. If the crop were 30,000 tons, 20,000 tons of which were consumed here and 10,000 tons exported, the export price would have to be Rs. 30 higher than the domestic price. If, as a result of the favourable price level, internal consumption went up, the smaller export would have to fetch a progressively higher premium abroad. Since we cannot dictate export prices, this policy of internal subsidy would be sustained only on a favourable export market. It was an extremely short-sighted policy, because exports were most seriously discouraged when it was most advantageous to this country and exports are now most assiduously encouraged when export prices are dropping to parity with internal prices.

Fair Price

Once export prices reach 40 cents per lb.—Santos No. 4 is already quoting under 38 cents per lb.—it is roughly correct to say parity has been reached. The first thing to disappear would, of course, be the present element of subsidy, which, in any case, is a statistical fiction. The second thing that could happen is the tearing away of the protective price guarantee and the return of the growers to facts of life in a coffee surplus world, where the Government holds no magic wand. Logic is, however, with the

(Continued on page 505)

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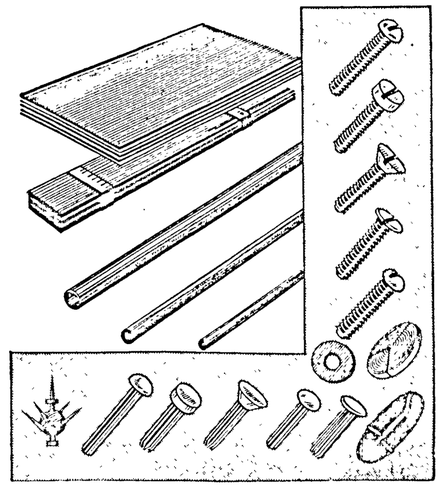

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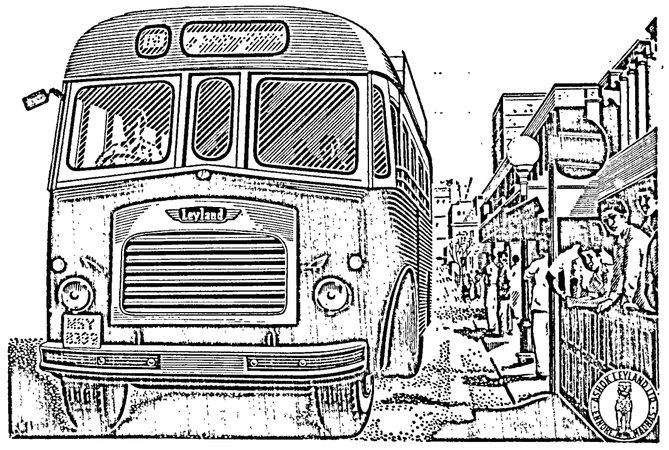

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(To be submitted to the Shareholders at the Twenty-second Annual General Meeting to be held at the Registered Office of the Company, 151, Mount Road, Madras-2, on Tuesday the 31st March, 1959, at 4-30 p.m.)

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER, 1958

The Directors have pleasure in submitting herewith the Balance Sheet and Profit and Loss Account of the Bank for the year ended 31st December, 1958, together with the Auditors' Report.

PROFITS AND THEIR DISTRIBUTION

1957		1958
Rs. 32,49,462.73	Net Profit for the year (after providing in full for depreciation in the market value of the Securities as on 31st December).	Rs. 28,59,616.42
Rs. 2,52,286.41	Brought forward from last year	Rs. 2,32,066.64
Rs. 35,01,749.14		Rs. 30,91,683.06

Out of this sum the Directors have made the following appropriations:

Rs. 16,00,000.00	Provision for taxation	Rs. 12,50,000.00
Rs. 7,32,200.00	Transfer to Reserve Fund	Rs. 6,00,000.00
Rs. 3,75,000.00	Provision for Bonus to Staff	Rs. 4,50,000.00
Rs. 27,07,200.00		Rs. 23,00,000.00

1957		1958
Rs. 5,62,482.50	The Directors recommend that the balance be disposed of as under: Payment of dividend at the rate of 10 per cent. per annum free of income-tax.	Rs. 5,88,542.00
Rs. 2,32,066.64	Carry forward to next year	Rs. 2,03,141.06
Rs. 35,01,749.14		Rs. 30,91,683.06

2. The Bank's business continues to show substantial progress. During the year, nine new branches were opened at Ahmedabad, Cuttack, Delhi-Chandni Chowk, Klang, Kottayam, Matunga (Bombay), Palghat, Sowcarpet (Madras) and Vijayawada.

3. In terms of Section 256 of the Companies Act, 1956, Messrs. O. Rm. M. Sp. Sv. M. Meyyappa Chettiar and M. Ct. Pethachi retire and being eligible offer themselves for re-election.

4. The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration. Messrs. Suri & Co., the retiring Auditors are eligible for re-appointment.

By Order of the Board,
M. Ct. MUTHIAH,
Chairman.

MADRAS, 23rd February, 1959.

BALANCE SHEET AS AT 31st DECEMBER, 1958.

Corresponding figures for 1957 Rs.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
	1. Capital—		
	AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,00,000.00	
	ISSUED AND SUBSCRIBED CAPITAL— 75,000 Shares of Rs. 100 each	75,00,000.00	
	AMOUNT CALLED UP— 50,000 Shares of Rs. 100 each	50,00,000.00	
	25,000 Shares of Rs. 100 each, Rs. 50 per share called up	12,50,000.00	
		62,50,000.00	
56,23,350	LESS—Calls unpaid	1,875.00	62,48,125.00
	2. Reserve Fund and Other Reserves—		
	Reserve Fund— As per last Balance Sheet .. 38,50,000.00 Transfer from Profit and Loss Account 6,00,000.00	44,50,000.00	
	Share Premium— As per last Balance Sheet .. 7,86,299.50 Premium on shares received during the year 360.00	7,86,659.50	
46,36,300			52,36,659.50
7,09,45,278	**3. Deposits and Other Accounts—** Fixed, Time and Staff Security Deposits	11,87,94,605.15	
3,44,72,567	Savings Bank Deposits	3,70,91,503.74	
8,40,22,922	Current Accounts, Contingency Accounts, etc. ..	12,34,82,433.19	
19,84,40,767			27,93,68,502.08
	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(i) In India	61,00,000.00	
5,96,341	(ii) Outside India	5,98,071.85	
	PARTICULARS—		66,98,071.85
	(i) Secured by part of Investments per contra ..	61,60,044.95	
	(ii) Unsecured	5,38,026.90	
		66,98,071.85	
41,50,678	**5. Bills Payable**		44,10,167.07
	6. Bills for Collection Being Bills Receivable as per contra—		
	(i) Payable in India	52,35,042.33	
	(ii) Payable outside India	4,17,86,226.92	
3,37,09,249			4,70,21,269.25
	7. Other Liabilities—		
	(a) Pension and Gratuity Funds	7,37,293.12	
	(b) Unclaimed Dividends	75,439.28	
	(c) Unexpired Discounts	74,167.91	
	(d) Sundries	15,76,276.01	
	(e) Branch Adjustments	82,53,822.00	
54,16,473			1,07,16,998.32
	8. Acceptances, Endorsements and Other Obligations per contra		
3,67,73,224			6,65,20,573.62
	9. Profit and Loss Account—		
	Profit as per Balance Sheet as at 31st December, 1957	7,94,549.14	
	LESS—Appropriations— Dividends declared	5,62,482.50	
	ADD—Profit for the year brought from Profit and Loss Account	2,32,066.64 28,59,616.42	
		30,91,683.06	
	LESS—Appropriations— Rs. nP. Provision for Bonus to Staff .. 4,50,000.00 Provision for Taxation. 12,50,000.00 Transfer to Reserve Fund 6,00,000.00	23,00,000.00	
7,94,549			7,91,683.06
	10. Contingent Liabilities—		
	(i) Claims against the Banking Company not acknowledged as debts	2,25,688.44	
	(ii) Money for which the Banking Company is contingently liable (Guarantees issued by the Banking Company)	1,94,29,780.21	
	(iii) Liability on Bills of Exchange Re-discounted ..	Nil	
	(iv) Liability on account of outstanding Forward Exchange Contracts	8,55,82,714.89	
	(v) Liability on account of Documentary Bills for collection released on Trust Receipts ..	2,77,649.73	
	vi) Liability on account of partly paid shares ..	40,000.00	
		10,55,55,833.27	
23,01,40,931	Total .. Rs.		42,70,12,140.65

Corresponding figures for 1957 Rs.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
	1. Cash—		
1,55,72,082	In hand and with Reserve Bank of India and State Bank (including Foreign Currency Notes) ..		1,85,63,247.14
	2. Balances with Other Banks—		
	In Deposit Account— (i) In India	Nil	
	(ii) Outside India	Nil	
	In Current Account— (i) In India	11,40,177.58	
1,83,66,984	(ii) Outside India	2,30,37,770.87	2,41,77,948.45
13,00,000	**3. Money at Call and Short Notice**		Nil
	4. Investments at or Below Market Value—		
	(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments ..	9,10,33,247.81	
	(ii) (a) Shares fully paid: ordinary shares ..	11,80,470.00	
	(b) Shares partly paid: ordinary shares ..	10,000.00	
	(iii) Debentures or Bonds	25,00,000.00	
	(iv) Other Investments— Rs. nP.		
	(a) Ceylon Government Securities .. 18,72,800.00		
	(b) United Kingdom Government Securities .. 33,21,166.66		
	(c) Federation of Malaya Security Loan .. 4,14,466.00		
	(d) Treasury Bills of the Government of Burma. 75,00,000.00		
		1,31,08,432.66	
	(v) Gold	Nil	
6,62,55,606			10,78,32,150.47
	5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of Auditors)		
	I. Loans, Cash Credits, Overdrafts, etc.—		
	(i) In India	5,08,26,936.47	
	(ii) Outside India	1,39,75,516.59	
		6,48,02,453.06	
	II. Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)— Rs. nP.		
	(i) Payable in India .. 1,92,19,636.07		
	(ii) Payable outside India. 7,12,32,596.87		
		9,04,52,232.94	
11,29,62,866	PARTICULARS OF ADVANCES—		15,52,54,686.00
	(i) Debts considered good in respect of which the Banking Company is fully secured	11,29,51,594.64	
	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	2,35,34,338.64	
	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	1,87,68,752.72	
	(iv) Debts considered doubtful or bad not provided for	Nil	
		15,52,54,686.00	
	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons (inclusive of Rs. 4,83,830.88 debts guaranteed by Directors shown under (vi) also)	11,43,006.44	
	(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	34,68,918.79	
	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons ..	22,40,894.84	
	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	76,22,721.40	
	(ix) Due from Banking Companies	1,49,776.25	
	6. Bills Receivable Being Bills for Collection as per contra—		
	(i) Payable in India	52,35,042.33	
3,37,09,249	(ii) Payable outside India	4,17,86,226.92	4,70,21,269.25
3,67,73,224	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		6,65,20,573.62
	8. Premises Less Depreciation—		
	At cost as at 31st December, 1957	11,61,766.00	
	Additions during the year	7,61,020.38	
		19,22,786.38	
	LESS—Depreciation to-date	1,85,585.93	
10,16,313			17,37,200.45
	9. Furniture and Fixtures Less Depreciation—		
	At cost as at 31st December, 1957	20,13,188.80	
	Additions during the year	9,46,369.59	
		29,59,558.39	
	LESS—Deductions during the year	10,594.59	
		29,48,963.80	
	LESS—Depreciation to-date	14,75,610.71	
7,66,977			14,73,353.09
	10. Other Assets, including Silver—		
	(a) Interest, etc., receivable on Investments and Bills	15,68,845.21	
	(b) Books, Stationery and Stamps	5,24,896.64	
	(c) Income-tax Account	17,85,120.87	
	(d) Buildings under construction, and moneys paid for purchase of properties	1,51,239.69	
	(e) Sundries	4,01,609.77	
34,17,630			44,31,712.18
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims.**		Nil
Nil	**12. Profit and Loss Account**		Nil
6,02,55,606	Total .. Rs.		42,70,12,140.65

(Continued on next page)

PLANTING

(Concluded from page 502)

growers, when they claim from the Government a minimum guaranteed price, irrespective of what happens in the export market, because they were denied the full benefit of the export market, when prices were high there—not to speak of selling at a lower price in the home market. The Expert Committee has to devise means whereby the grower is guaranteed a fair price, the consumer is protected against any rise in price and the larger crop is found a ready market. The Government would not be available for a confessional on its past policy; the growers would not think of an existence without a guaranteed minimum price; the consumer has got into the habit of thinking that he is a privileged person in the matter of coffee, although he is fleeced on every other thing he needs for existence. In short, the Expert Committee has been assigned an almost impossible task.

It is possible to read into the Committee's assignment not a solution to marketing a steadily enlarging crop but a solution to the mechanics of moving the crop from the producer's store-house via the curing works to the point of sale. This is a much simpler and easier task, but other questions than efficient movement of a crop begin to loom before the Experts. What if the crop is brought to the point of sale most efficiently and expeditiously and no sale takes place? What is the probable size of that crop? How much of it would be absorbed here and how much of it should find an export market? What are the prospects, say, ten years hence?

Assuming that internal prices are to be fixed to compensate for loss on exports, the rate of subsidy to be worked into the home price is about Rs. 5.50 per cwt. for every 1 cent drop in world price below 40 cents, provided the exportable surplus is equal to the quantity internally absorbed. If internal price is raised and consumption drops either absolutely or relatively, more will be available for export and the element for price support will go up and further depress consumption. At higher levels of support, the impact on internal consumption will be quite severe and out of control of the Board or the Government. The growers have to face up to this fact even if they cannot make a single suggestion as to how to market their coffee.

The Immediate Problem

Coffee is a commodity for the masses—not an article of privileged consumption. If Indian consumption is to reach one pound *per capita*, Indian output will have to be about four times the present quantity. But the immediate problem is that internal consumption is not rising at a rate capable of absorbing the surplus after export. The trend of foreign markets unmistakably points to effective promotional activities. It is here that an objective student of coffee affairs will find himself confronted with not one but a series of amazing paradoxes.

Publicity for market promotion is taken to be so integral a part of commercial practices that there is an easy assumption that producers of a commodity like coffee will be strong and constructive adherents to the idea of propaganda. It is a popular myth that producers of any primary commodity in India recognises the need for such propaganda and are readily prepared to back it up with good money. Their make-up is temperamentally different and the cyclical recognition of publicity is significantly related to an immediate crisis in the market. This recognition will come, not now or so long as the price of coffee is above costs, but when a surplus has accumulated in the warehouses and prices are down and many are facing ruin. In this respect, coffee growers are not different to producers of other primary commodities or even most of the manufacturers in India.

But market promoters in coffee face not one but many hurdles today. It is not enough to convince the coffee growers that a steady fire of propaganda should be maintained even in times of prosperity. Assuming that such an idea gets through the Board, there is nothing to prevent a broad-bladed axe being applied to any propaganda budget by some official in the dark and cavernous depths of the Central Secretariat. That is one familiar way of exercising the enormous powers conferred on the Government under the amended Coffee Act. It is probably wrong to think that officials are capricious or irresponsible. The fact is that very few officials have a better idea of the need for sustained propaganda than the primary producer and, by training and outlook, have a generally dimmer view of such activities. The organisational effect of these various attitudes at different levels is that the propaganda machine within a statutory body is usually treated as a fifth wheel, its movements and signs of life properly restrained by the application of every procedural rule available with the Government and, finally, by starving it of funds.

Closure of Coffee Houses

The closure of coffee houses has attracted considerable notice not so much because a very effective method of publicity is being discarded but because political interest in the staff of the coffee houses became a factor for consideration. Though several leading politicians have become sudden devotees to coffee promotion, their interest lay in the workers not in propaganda for coffee. Was it right to have closed down the coffee houses? Probably it was not, but there is no dogmatic answer to it. What was a wiser course of action for the Board was gradually to introduce other forms of publicity and test each one for effect and then close down the coffee houses if that were necessary. Such a course of action would have involved a larger propaganda budget which nobody was apparently prepared to pay for.

Two years ago, the coffee producers of America decided to increase their levy from 10 cents to 25 cents per bag. The bulk of the revenue from this levy is being devoted to coffee promotion. In the world market, Indian coffee might benefit by the increase in consumption, but its real protection lies in establishing its own personality. Famous Indian district marks once did command recognition and excellent premia in the European markets. With pooled marketing, this disappeared and removed from the grower the incentive for maintaining their premium-fetching characteristics. Can that incentive be returned to the growers without giving up pooled marketing? That is another difficult, if not an impossible, question asked of the Expert Committee.

If the whole question of coffee economics is divided into its three major components, namely, production, moving the produce to the market and finding the consumers to buy what is brought to the market, it is easier to relate the Board's functions to their appropriate spheres at each stage. Apart from certain marginal functions like obtaining controlled supplies for estates and organising research, the Board does little in the sphere of production. The second phase is moving the coffee from the estates to the point of sale. The coffee has to be collected, moved to the curers, weighed in, processing done, samples drawn, accounts kept and warehoused until the buyer at the auctions take delivery. The coffee according to kinds and grades is placed in lots and samples of the lots are forwarded to the auction centres for the participants at the sale to see. The whole procession of the coffee from the grower's estate to the point of delivery is directly the responsibility and function of the Pool agent and curer. The only direct function of the Board is to issue the necessary instructions to the Pool agents or curers as to where the samples are to be exposed, to actually conduct the sales by receiving tenders and to allot to the trade on the basis of tenders received. The complaint is that the Board has enormously overgrown for this limited function. The curers and Pool agents, who intimately understand the processes of marketing, and the trade which is at the receiving end of the Coffee Pool, believe that the Board could simplify the whole procedure, reduce the number of sales centres, throw the auctions open and contract its own size and arrest the influence of Parkinson's Law on its establishment. Since the Board has been created by the Government in its own image, the Expert Committee would find it extremely difficult to act as an iconoclast.

To sum up, the grower does not know, and does not care, how the coffee is sold as long as the Board takes charge of the crop and pays him. So long as the Board does that, everything will go along, without anything beyond occasional grumblings. The trader finds the Board a convenient warehouseman, who will hold enough stock for him at stated prices round the year and who will also create the market where he has to sell. So he carves out his franchise and thereafter goes to sleep within his commercial domain, protected by an unwritten arrangement among the trade. The redistribution of wealth is changing the pattern of the Indian market for consumer goods and that is responsible for the steady expansion of coffee consumption at a rate varying between 4 and 8 per cent. per annum. Till a crisis hits the industry, the pressure necessary for radical and worthwhile changes will be absent. Then it might be too late to do anything sensibly. It is for the Expert Committee to sound the tocsin, even if nobody wakes up.

THE INDIAN OVERSEAS BANK, LIMITED—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

Corresponding figures for 1957 Rs.	EXPENDITURE	Rs. nP.	Corresponding figures for 1957 Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP.
40,65,426	1. Interest paid on Deposits, Borrowings, etc.	65,89,016.41	85,37,983	1. Interest and Discount	1,12,32,394.31
42,51,964	2. Salaries and Allowances, Bonus and Provident Fund and Provision for Gratuity	49,06,091.24	46,81,649	2. Commission, Exchange and Brokerage	52,83,893.15
	(Salaries and Allowances paid to General Manager Rs. 44,470.97)		Nil	3. Rents	Nil
23,420	3. Directors' and Local Committee Members' Fees and Allowances ..	21,183.94		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	12,963.96
5,57,475	4. Rent, Taxes, Insurance, Lighting, etc.	6,55,575.45	5,583		
14,838	5. Law Charges	17,356.18		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	Nil
1,14,843	6. Postages, Telegrams and Stamps	1,83,129.68			
13,617	7. Auditors' Fees and Expenses	13,906.00	Nil	6. Income from Non-Banking Assets or Profit from Sale of or Dealing with Non-Banking Assets	Nil
2,44,051	8. Depreciation on and Repairs to the Banking Company's Properties ..	3,37,121.22			
3,29,243	9. Stationery, Printing, Advertisement, etc.	4,06,325.19	Nil	7. Other Receipts	Nil
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil	2,508	8. Loss, if any	8,425.48
3,63,378	11. Other Expenditure	5,48,355.17	Nil		Nil
32,49,463	12. Balance of Profit, subject to Income-tax	28,59,616.42			
	Total .. Rs.	1,65,37,676.00	1,32,27,723	Total .. Rs.	1,65,37,676.00
1,32,27,723					

AUDITORS' REPORT.

We have audited the annexed Balance Sheet of the Indian Overseas Bank, Limited, Madras, as at 31st December, 1958, and the Profit and Loss Account for the year ended that date with the books of accounts at the Central Office and the certified returns received from Branches and we report that:

(a) we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit, and have found them to be satisfactory;

(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

(c) in our opinion proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and returns;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for Banking Companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank, as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the Profit for the year ended that date.

SURI & CO.,
Chartered Accountants.

MADRAS, 23rd February, 1959.

M. Ct. MUTHIAH, Chairman.
O. RM. M. SP. SV. M. MEYYAPPA CHETTIAR,
P. V. RAMAN CHETTIAR,
V. S. NATARAJA MUDALIAR,
AR. RAMANATHAN,
M. Ct. PETHACHI, } Directors.

S. R. V. ARASU,
G. LAKSHMINARAYANAN,
A. M. KADHIRESAN, } Assistant General Managers.

C. P. DORAIKANNU,
General Manager.

NATIONAL AND GRINDLAYS BANK LIMITED

STATEMENT BY THE CHAIRMAN

COMPETITION FROM INDIGENOUS BANKS GROWING

IN the course of his statement circulated along with the Directors' report and accounts for the year 1958, Mr. J. K. Michie, Chairman of the National and Grindlays Bank Ltd., says that the ever-increasing competition from growing indigenous banks and from new entrants or from both is a feature of banking in the East and in East and Central Africa. Besides, he adds, in none of the territories where the Bank operates were conditions more favourable for bankers during 1958 and in most they were more difficult than in recent times.

The following is the full text of Mr. Michie's statement:

"Having become the National Overseas and Grindlays Bank Limited on 1st January 1958, we were able to shorten the name to National and Grindlays Bank Limited on 1st January last. The first accounts of the integrated banks are, therefore, presented under the new title which I am glad to say is a more popular and a simpler one.

"At the last annual general meeting, I reported verbally the sad and severe loss we had sustained in the sudden death of the then Deputy Chairman, Mr. A. N. Stuart, C.B.E., whose wide knowledge and experience, which he put so freely at the service of the Bank, we greatly miss. We also mourn his loss as a friend. When illness struck him, he was in fact engaged on Bank business and was staying with our Manager in Dar-es-Salaam. Mr. Stuart had been a member of the Board for eighteen years and Deputy Chairman for over eleven years. As many of you will know, his father was a member of the Board and was also Deputy Chairman for a number of years.

"In succession to Mr. Stuart, Mr. E. J. Mackenzie Hay was elected Deputy Chairman. He has been a member of the Board since April 1948, and has all the qualifications for the position.

"At the conclusion of our last annual general meeting, we lost the services of Mr. W. H. Miles and to fill this vacancy we were fortunate in having Mr. Ronald Mann join the Board in April 1958. His wide connections with and experience of business in Ceylon and East Africa will be known to many of you and will be valuable to the Bank. His appointment falls to be confirmed at the annual general meeting.

"With the amalgamation of the two Banks, the calls on the time of the Chairman and the Deputy Chairman naturally increased and it was decided that the best method of meeting this need was to appoint a second Deputy Chairman in the person of Sir Toby Low, who, both by training and by family tradition, is eminently fitted to undertake this wider role.

Profit Lower

"The total of our balance-sheet at £151,491,479 shows a reduction of £10,613,741 on the amalgamated figure for the year 1957. Our net profit is also lower by £55,783 at £371,707, arrived at, as usual, after providing for taxation, for bad and doubtful debts and for other necessary reservations. Two interim dividends of 7½ per cent. have been declared the total distribution, therefore, being unchanged at 15 per cent.

"The reasons for the smaller profit figure are several. One which will be non-recurring is the inescapable expenditure in connection with the amalgamation, which, though limited by all possible means, was still considerable. Then, as will emerge from my remarks on our individual territories, apart from the ever-increasing competition which is a feature of banking in the East and in East and Central Africa —in some cases from growing indigenous banks and in others from new entrants in the field, or from both, in none of our territories were conditions more favourable for bankers and in most they were more difficult than in recent times.

"On the other side of the slate, British Government securities staged a considerable rise during the year and our inner reserves have benefited in consequence. Incidentally, it has been and still is the policy of the bank to meet out of current income depreciation in the values of what can be termed 'local' securities held by branches, but we do not 'write up' such securities should they appreciate but leave the reserve untouched until realisation or maturity.

India

"At this time last year, India was facing a critical balance of payments situation which I am glad to say has been at least temporarily resolved partly by her own exertions and by the aid obtained from the World Bank and various Governments, including our own. There are still hurdles ahead, but I think there is justification for believing they too will be cleared and that, when many of the larger capital projects now being financed come into operation, the present difficulties in this respect will lessen.

"Nevertheless, food production must continue to be the fundamental problem of countries like India, which have both a low average standard of living and a rapidly growing population, and one cannot help being a little doubtful if agriculture gets its fair share of attention *vis-a-vis* industrialisation.

"Because of the international recession in textiles, India's exports of finished goods have fallen to 70 per cent. of the 1957 figure. Jute, too, has had a depressing year, with continuously falling prices. Tea exports, on the other hand, have risen appreciably and the trade benefited in some degree from the difficulties which developed in Ceylon.

"Last year, I commented on the paradox that, in India, money was simultaneously scarce and cheap. Now it is not quite as scarce—but, despite the relative financial situations of the two countries, lending rates remain much on the same level in India as in this country and, of course, they never reached the heights in India which they did here when our Bank rate was at 7 per cent.

"The balance of payments position resulted in a distinct reduction of the amount of overseas business flowing through normal banking channels in 1958 and, in consequence, the exchange side of banking was and still is adversely affected. Indeed, this movement has been accentuated by the methods of purchase followed by the Government of India, as an increasing part of such business is being channelled through the State Bank of India, which, in other circumstances, would be spread over commercial banks in general. The growth of indigenous banking has always appeared to us to be both desirable and inevitable and our hope—until recently justified by events—has been that, though our share of banking would be smaller in percentage, it would not necessarily be so in volume.

Pakistan

"As a means of rectifying the political and economic ills which had beset Pakistan for some time, a proclamation was issued by President Mirza on 7th October, abrogating the constitution and placing the country under Martial Law with the Commander-in-Chief, General Mohammed Ayub Khan, as chief Martial Law Administrator. Two weeks later General Mohammed Ayub Khan succeeded General Mirza as President.

"Very strict measures of currency and other controls have been instituted and the Government claims that already the balance of payments position has improved materially. The Government also proposes to introduce very far-reaching changes in the ownership of land which it is hoped will lead to higher yields of agricultural produce—which since Pakistan became a separate country have undoubtedly been disappointing, particularly in foodgrains.

"Swingeing increases in import duties mainly on what are regarded as luxuries have recently been announced, some of which will particularly affect European residents.

"In January, the State Bank of Pakistan raised its rate from 3 per cent. to 4 per cent., a level which cannot be regarded as too high.

"In common with India, the cotton and jute trades of Pakistan have had a difficult time, although, recently, the jute milling industry which earlier was running into difficulties has enjoyed much better trading conditions. A rising threat to this industry in both countries is the rapidly increasing production of jute in China.

"The Pakistan tea crop was recently estimated to be about 15 per cent. larger than in 1957 and exports reflect this increase.

Ceylon

"The difficulties in regard to port labour which I reported a year ago had a very adverse effect on the economy of the country last year and this was accentuated by the most unfortunate racial riots which broke out in May and which continued for several weeks. Tea and rubber shipments were seriously delayed and markets lost to other producers and, in the first nine months of the year, Ceylon's external reserves dropped by Rs. 56 millions to Rs. 883,300,000. Credit conditions naturally have been tight and banks had to finance stocks of tea, rubber, etc., for much longer periods than usual.

"It is to be hoped that the recent racial animosities will soon be forgotten and that a country so blessed by nature will this year find firm ground both politically and financially.

Burma

"On somewhat parallel lines with Pakistan, the control of Government passed into the hands of the Commander-in-Chief, General Ne Win, late in October of last year, when he took over from the Prime Minister U Nu and formed a new cabinet. Administration was tightened up in many directions. On 13th February, however, General Ne Win tendered his resignation to the President, but, at the time of writing, a successor has not been appointed or a new cabinet formed.

"A year ago, it was expected there would not be much more than 1,200,000 tons of rice and rice products available for export in 1958, but an additional 200,000 tons was found and exports reached 1,400,000 tons, nearly all of which was disposed of on a Government-to-Government basis.

"The surplus available for export this year is estimated at 2,000,000 tons, which would be the highest figure achieved since the war and indicates a reviving interest in production by the cultivators in answer to the better terms they are being offered. About 800,000 tons should be available for disposal through ordinary trading channels and, altogether, the financial prospects of the country are considerably brighter. Fortunately, the Government has also put a stop to capital expenditure on projects which promise no immediate advantage to the economy of the country.

"At 31st December last, foreign exchange reserves showed a rise of over K10 crores since the end of 1957. The difficulties I mentioned last year over remittances of profits, etc., and in respect of overdrafts to foreign controlled companies, I regret, continue.

African Countries

East Africa: "New branches have been opened at Nandi Hills (sub-branch to Eldoret, Kenya), Shinyanga (sub-branch to Mwanza, Tanganyika) and Korogwe (sub-branch to Tanga, Tanganyika).

Kenya: "The Government of Kenya and other public bodies have so far still been unable to float any public loans in London—although a loan of £2,750,000 was raised locally in December—but I understand prospects for entering the London market later in the year are more favourable.

"Monetary conditions have been tight throughout the year and this state of affairs has been aggravated by the declining prices made for coffee, one of Kenya's staple exports. Tea production continues to expand and, a year ago, the acreage had reached 30,000 against the licensed maximum of 70,000 acres—a target it will take many years to achieve at present costs.

Uganda: "In the event, both the main cash crops of the Protectorate did distinctly better than was feared, 351,000 bales of cotton being produced against an estimate of 310,000 bales, while coffee did even better, with a yield of 62,000 tons, against an estimated 45,000 tons.

"In the coming season a record cotton crop of 435,000 bales is expected, while the coffee yield is estimated at 65,000 tons. These figures should ensure a sound economy.

Tanganyika: "After a distinguished Governorship lasting ten years, Sir Edward Twining, G.C.M.G., M.B.E. (as he then was) was succeeded by Sir Richard Turnbull, K.C.M.G., in July last year. Sir Edward has since been awarded a life peerage and his knowledge of East Africa and its problems should be of great value to the House of Lords.

"Sisal prices are a little better than they were a year ago, but are not highly remunerative and some estate owners have been, and are, diversifying by developing tea growing which is a wise policy of spreading the risk.

"The cotton crop in the Lake province reached a record yield of 151,000 bales last year, but, this year, it is expected to be smaller. Coffee areas have suffered as elsewhere from the falling market.

Aden: "Political factors affect the volume of trade passing through Aden and these have not been very stable over the past year.

"A federation of six States has just been agreed to which should help to restore confidence in this area but what is also wanted is a firm understanding between H.M. Government and the Yemen, for it is through Aden that a larger part of the trade of that country passes. Activity in the port continues at a high level.

Somaliland Protectorate: "Rainfall was good last season, with beneficial effects on the export of livestock. The harbour facilities at Berbera are being considerably improved.

Zanzibar: "The inevitable reaction from a record crop of cloves duly happened and the estimated yield for the 1958-59 crop is 5,000 tons, as against the 21,500 tons produced in 1957-58 much of which has still to be digested.

"Ceylon's troubles over shipments of coconut and copra gave Zanzibar an opportunity of entering the Europe market for those commodities of which she took good advantage.

Federation of Rhodesia and Nyasaland: "1958 was not an easy year for banking in the Federation, for it was one of economic adjustment which included the restriction of imports and a continuance of the restriction on lending imposed upon banks. However, proceeds of the tobacco crop realised practically the same figure as the previous year, while, as I write, copper is being sold at around £236 per ton, as against just over £160 a year ago.

"Recently, a local loan of £6½ millions was raised and a loan of £10 millions has just been subscribed in London.

"In consequence of the easier conditions, the Central Bank has lifted its restrictions, governing lending by commercial banks and relaxed certain restrictions on hire purchase transactions. The Central Bank discount rate is unchanged at 4½ per cent.

"During the year, Belmont Sub-Branch (to Bulawayo) and New Highfield Sub-Branch (to Salisbury) were opened.

Liability for Uncalled Capital

"At present, this is 7s. 6d. per £1 share and the fact that there is such a liability undoubtedly narrows the market for your shares and we know has exercised the minds of some of our shareholders.

"The question of arranging for the elimination of this disability and the method to be used has been engaging the attention of the Board and it is their intention to place proposals before you in the near future. However, the Board also consider it right to let you know that, unless a higher level of income eventuates than they now foresee, they would not consider it prudent to recommend any increase in the amount paid out in dividends.

General

"Since I last addressed you, a metamorphosis has happened in the financial affairs and standing of this country and of the pound sterling, bringing with it two outstanding results—the gold and dollar reserves at the end of December had moved up to £1,096 millions which compare with £660 millions to which they fell in September 1957, and the Bank of England rate has fallen to 4 per cent. from 7 per cent. current a year ago.

"That these manifestations of improved economic health spell security is neither the belief of the Chancellor of the Exchequer nor of any unbiased person, but, at the lowest assessment, they mean that we have ridden the storm more successfully than was hoped or feared and that, given no major setbacks in world trade or world politics, we are on the road to better things. What these may be must await, amongst other things, the Budget. As to our own immediate future, we have a sound business and a good and loyal staff to whom we are again beholden. Although, as I have told you, we have difficulties to contend with, some of which are new and unpalatable, I am sure that we shall, as in the past, surmount or adjust ourselves to them."

NATIONAL AND GRINDLAYS BANK LIMITED

AMALGAMATING

NATIONAL BANK OF INDIA LIMITED AND GRINDLAYS BANK LIMITED

Established 1863 — *Established* 1828

REGISTERED IN LONDON UNDER THE COMPANIES ACT OF 1862 ON THE 23RD MARCH, 1866

(THE LIABILITY OF MEMBERS IS LIMITED)

SUBSCRIBED CAPITAL	£4,562,500	RESERVE FUNDS	£3,168,579
PAID-UP CAPITAL	£2,851,563	NUMBER OF SHAREHOLDERS	3,699

BALANCE SHEET OF NATIONAL OVERSEAS AND GRINDLAYS BANK LIMITED 31st DECEMBER 1958

(See Note 1)

1957 £		£	1958 £	1957 £		£	1958 £
	Capital—				**Current Assets—**		
	AUTHORISED AND SUBSCRIBED—			*20,682,713*	Cash on Hand, at Call and Short Notice and at Bankers		20,758,005
4,562,500	4,562,500 Shares of £1 each	4,562,500			Investments at under Market Value—		
2,851,563	Paid-up 12/6d. per Share		2,851,563	*10,843,202*	British Government and other Securities quoted on the London Stock Exchange	11,269,258	
	Reserve Funds—			*17,399,118*	Indian, Pakistan, Ceylon, East African and Rhodesian Govt., and other Securities quoted on Overseas Stock Exchanges	16,367,386	
3,168,579	Including Share Premium Account £1,128,750 (*1957—£1,128,750*).		3,168,579	*435,603*	Unquoted Investments	344,786	
	Profit and Loss Account—			*23,636,430*	Bills of Exchange, including Treasury Bills		27,981,430
302,497	Profit unappropriated		287,582	*83,746,619*	Advances, Loans Receivable and other sums due to the Bank		28,504,000
				899,245	Customers for Acceptances per Contra		69,126,870
6,322,639			6,307,724	*157,642,930*	Total Current Assets		146,548
							146,516,853
	Current Liabilities, Provisions and Other Accounts—				**Subsidiary Company—**		
				500,000	Shares at cost	500,000	
	Current and other Accounts, including provision for diminution in value of assets, taxation on profits to date and reserves for contingencies			*576,160*	Amounts due	552,032	
111,036,158		103,347,049					1,052,032
41,465,650	Fixed and Short Deposits	38,417,331			**Fixed Assets—**		
2,186,432	Bills Payable	3,067,830		*3,314,008*	Bank Premises, Property and Furniture at cost, less amounts written off		3,340,571
899,245	Acceptances for Customers	146,548					
122,974	Second Interim Dividend less Income Tax for the year ended 31st December, 1958	122,974					
			143,101,732				
£162,033,098			£151,409,456	*£162,033,098*			£151,409,456

NOTES:

1. With effect from 1st January, 1959, the name of the Bank was changed to National and Grindlays Bank Limited.
2. There are commitments in respect of Confirmed Credits, Forward Exchange Contracts and Guarantees, including Guarantees to Government Departments in India. Securities to the nominal value of £605,220 (*1957—£591,320*) have been deposited as security for Government and other accounts. There are contingent liabilities on Bills re-discounted amounting to £2,195,008 (*1957—£4,081,253*), of which £1,155,963 has run off at 28th February, 1959.
3. Liabilities have been incurred in respect of building contracts for new premises amounting to approximately £237,000 (*1957—£627,000*).
4. There is a contingent liability relating to uncalled Capital amounting to £132,000 in respect of investments.
5. The rupee in India, Pakistan and Ceylon and the kyat in Burma have been converted into sterling at 1/6d. and the East African shilling and Rhodesian pound at par. Other currencies have been converted at the rates of exchange ruling on 31st December, 1958.
6. The comparative figures at 31st December, 1957, show the position of the Bank immediately after the amalgamation with Grindlays Bank Limited as at that date.

W. KERR General Manager.

D. A. DEELEY, Chief Accountant.

J. K. MICHIE
E. J. MACKENZIE HAY
T. A. R. W. LOW
} Directors.

REPORT OF THE AUDITORS TO THE MEMBERS

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the above Balance Sheet which is in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet gives the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and, on such basis, the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1958.

LONDON, 3rd March, 1959.

We have also examined the annexed Consolidated Balance Sheet and Consolidated Profit and Loss Account of the Bank and its Subsidiary dealt with thereby with the audited accounts of those Companies. In our opinion such Consolidated Balance Sheet and Consolidated Profit and Loss Account have been properly prepared from such accounts in accordance with the provisions of the Companies Act, 1948, in the manner thereby authorised for Banking Companies and, on this basis, give a true and fair view of the state of affairs and of the profit ascertained in the manner therein indicated of the Bank and its Subsidiary so far as concerns members of National and Grindlays Bank Limited.

COOPER BROTHERS & CO.
W. A. BROWNE & CO.
} Chartered Accountants.

UNDER SECRETARY TO GOVERNMENT
28 MAR 1959
PUBLIC DEPARTMENT

THE CHARTERED BANK

ANNUAL STATEMENT OF CHAIRMAN, MR. V. A. GRANTHAM

BURDEN OF DEFERRED PAYMENT CREDIT HEAVY ON INDIA

THE extent of deferred payments, which the Government of India has resorted to, has left a burden, to be shouldered in the years to come, which will leave little margin for additional foreign exchange expenditure during the third Five-year Plan, even after allowing for possible savings on exchange which are likely to accrue when the new steel works and heavy industries, set up under the present Plan, commence operation. This view is expressed by Mr. V. A. Grantham, Chairman of The Chartered Bank, in the course of his annual statement circulated to shareholders with the Directors' report and accounts for the year ended 31st December 1958.

The following is the full text of Mr. Grantham's statement:

"During the months of October and November last year I travelled in India, Pakistan and Ceylon and it was helpful to me, as your Chairman, to be afforded the opportunity of seeing the Bank at work in one of the most important spheres of its oversea activities. On my way home I was able also to visit our branches in Aden. It was evident to me that the business transacted at the branches I visited is sound and profitable and that it is conducted efficiently and economically. I was impressed, too, by the ability and loyalty manifested by the staff of every grade. At places where the branch organisations of The Chartered Bank and The Eastern Bank Ltd. overlap effective measures of co-ordination have already been brought into operation and the staffs of the two institutions are working happily side by side.

"When I was in India I was glad also to have the opportunity of meeting and having discussions with the Chairman and the General Manager of our affiliate, Allahabad Bank Ltd.

Court of Directors

"There have been no changes in the composition of the Court of Directors during the period to which the present report relates. In April last Mr. A. P. Cameron and Mr. N. S. Golder retired from the Board of The Eastern Bank Ltd. and at the end of the year Mr. W. G. Pullen took Mr. Morford's place as a Director of that institution.

General Management

"On 31st December Mr. H. F. Morford retired after serving the Bank for forty-three years, four of them as Chief General Manager. The stockholders will, I am sure, wish to be associated with the Court of Directors in acknowledging, with gratitude, the highly distinguished services he rendered. We congratulate him on the important appointments he has since received which will continue to keep him busy in the City.

"The Court have appointed Mr. W. G. Pullen as Chief General Manager confident that he brings to the highest executive office all the qualities of leadership and professional competence that the position demands.

"Mr. G. A. Leiper has been prompted from Assistant General Manager to Joint General Manager and Mr. A. T. Hobbs, who has served the Bank with distinction in a succession of executive posts in the East, has been appointed an Assistant General Manager.

Irano British Bank

"Our acquisition of the share capital of the Eastern Bank gave us a direct interest in the Middle East and our assessment of the political and economic situation there convinced us that our representation would be incomplete without an interest in Iran. We were pleased, therefore, to have an opportunity of joining with influential Persians in promoting a joint banking venture in their country. The authorised capital of the Irano British Bank is Rials 200 million, of which Rials 100 million have been subscribed and paid up. We have subscribed 8,000 shares of Rials 10,000 each and the Eastern Bank 1,800 shares of a similar denomination, which gives us 49 per cent. of the capital of a bank which has now been registered and granted a banking licence in the above name.

"This Bank will have as its General Manager an officer seconded from our Eastern covenanted staff and it will open for business in Tehran on 10th March 1959 and later in Khorramshahr. It is pleasing to note that the return of British banking interests has been generally welcomed and we hope that this new joint venture bank, by bringing experience and knowledge to the handling of imports and exports, will assist the country in its trade expansion programme.

Representation in Birmingham

"We have felt for some time past that the revolution which has taken place in the United Kingdom export trade since the end of the war necessitated our establishing closer contact with the new exporting industries in the Midlands. It has been decided therefore to appoint a representative of the Bank and its subsidiaries and associates to reside in Birmingham and to set up there an organisation which will facilitate more extensive participation in the financing of exports of Midland manufactures to the Asian markets in which we, The Eastern Bank Ltd. and The Irano British Bank are established. Mr. A. M. R. Currie, until recently our Manager in Indonesia, has been appointed to the post and he will take up his duties during the month of April. It is not proposed, at present, to open a branch of the Bank in Birmingham; the new office will be equipped to impart economic and credit information and to serve as a link between the export trade of the Midlands and Head Office.

Bank's Balance-sheet

"The accounts indicate a further expansion of the Bank's business. The total of our own balance-sheet at £243,118,186 is some £11,500,000 up on last year's figure which was itself a record.

"Current and other accounts show a slight reduction of £2,032,672 which is more than offset by a substantial increase in fixed deposits of £15,994,119. Our acceptances are lower by £2,778,353.

"On the assets side cash in hand at call and at bankers, Government and other securities and bills of exchange show increases of £1,324,674, £10,402,781 and £5,848,798 respectively and evidence a strong degree of liquidity. The ratio of cash and call money to our demand and time liabilities, excluding the notes in circulation against which security has been lodged, is slightly lower at 22.1 per cent. against 22.9 per cent. last year. Advances to customers and other accounts show a contraction of £3,975,323.

"The increase in the net figure for Bank premises and furniture is due to our continued expansion and the modernisation of our properties in the East.

"The consolidated balance-sheet includes the figures of all our wholly owned subsidiaries and the total at £285,430,502 is £13,532,487 higher than last year.

"For the information of stockholders a copy of The Eastern Bank Limited's balance-sheet is appended to my statement.

Consolidated Profit and Loss Account

"The continued upward trend of working costs, especially salaries and wages, in conjunction with a lowering of interest rates during the period under review has resulted in a decrease in our net profits from £1,000,890 in 1957 to £993,590.

"In October last the issued capital of the Bank was increased to £5,000,000 by the capitalisation of £600,000 out of the reserve fund and £400,000 was restored to the reserve fund by a transfer from reserves for contingencies account.

"The Bank paid an interim dividend of 7½ per cent. less income-tax in September last on £4,400,000 capital, absorbing £189,750, and it is now proposed that out of the balance available a final dividend of 7½ per cent. be paid on the increased capital of £5,000,000 costing £215,625.

"We have allocated £250,000 to Bank premises and furniture and £125,000 and £20,000 respectively to the pension fund and widows' and orphans' fund. We have transferred £150,000 to reserves for contingencies and the balance carried forward is £481,673.

"Two recent events, the extension of sterling convertibility and the inauguration of the European Economic Community or Common Market, are of considerable significance to us in our business as an international bank. It is appropriate, therefore, that I begin my general review to the stockholders by commenting upon them.

"For the first time since before the Second World War sterling earned from commercial transactions by residents outside the sterling area is convertible, without restriction, into gold, U.S. dollars, or any other currency. Other European countries have taken parallel steps in dismantling the formidable array of exchange control regulations established in war-time. That it has proved possible in the case of sterling is a tribute to the efficiency of the stringent measures which were necessary as recently as September 1957, in order to restore confidence in sterling as an international currency and the medium of 40 per cent. of the world's visible trade and a large proportion of its invisible transactions.

"The increased scope of convertibility, by inducing confidence, should encourage the wider use of sterling by countries which are outside the sterling area such as Japan and the Philippines, in our own sphere of operations, and there should be a greater readiness for those countries to accumulate and hold sterling. The Philippines, for example, are amending their monetary laws to allow currency reserves to be so held.

"I have, on previous occasions, stated that it is still insufficiently appreciated that the City of London's oversea earnings in respect of its banking, merchanting and other services comprise a substantial proportion of the United Kingdom's invisible income. Without that invisible income the country would be unable to afford the trade deficit which it habitually runs. Moreover, the City's oversea earnings involve very little expenditure of foreign exchange.

Free Trade Area

"The second event which calls for comment is not so promising for the Chartered Bank and its associates, which engage primarily in the financing of oversea trade. I refer, of course, to the impasse which has been reached in the negotiations for the setting up of a wider free trade area to supplement the newly established Common Market and it is by no means clear that the European Economic Community (E.E.C.) will not detrimentally affect the trade position of a number of Asian countries in which we operate. In theory, the increased scale of industrial operations possible in a unified market of some 170 million people should lead to an increase of trade with the outside world, but many of the Asian countries fear that the establishment of E.E.C. may mean the creation of a new system of tariff preferences within Europe which will have the opposite effect. In general, it is possible that these fears are exaggerated, for the agricultural exports of the South-East Asian countries differ generally from those of the French and Belgian African territories which receive preferential treatment, and for manufacturing countries like India and Hong Kong Commonwealth preference is still the most important factor in their trade. Nevertheless, it would be a very retrogressive step if South-East Asian countries had to resort to bilateral agreements with the Common Market, and it is to be hoped that for the sake of Asia as well as the United Kingdom a formula will be found to extend the present E.E.C. to the envisaged free trade area.

Cyprus

"Our newly acquired business in Cyprus was put to a severe test during the year and I am pleased to report that progress was made notwithstanding the effect of the terrorist activities of EOKA, a series of curfews and strikes, communal animosity and a boycott of British goods. This satisfactory outcome is in no small measure due to the efforts of our staff whose personal safety has from time to time been in some jeopardy, and they are to be commended for the efficient manner in which at all times they carried out their duties.

"It is surprising that, despite all the difficulties inherent in the emergency, there was no breakdown in the day-to-day economy of the island and no shortages of essential commodities occurred. An indirect result of the Government's inability to carry the continuing and increasing costs of the emergency has been an increase in taxes, which may fall heavily on the population and cause a rise in the cost of living. Fortunately now that a better understanding has been arrived at between the interested outside powers and the political parties on the island, we can look forward to a cessation of terrorism and happier relations between the Turkish and the Greek Cypriot communities.

Lebanon

"The tranquility which marked the end of 1957 was short-lived for in May grave disorders broke out and continued for several months and to add to the difficulties arising from the general insecurity, the frontier with Syria was closed, so that transit trade was halted. In these circumstances it is estimated that the total volume of oversea trade fell by as much as 30 per cent. over the year with the result that merchants had difficulty in disposing of stocks and the banks had to allow extended credit. By the end of the year local conditions had improved but while it would be wrong to underestimate the resilience of Beirut, the shock to the business community has been severe and some time will be needed for a full recovery.

Iraq

"The revolution which took place in July and established a republic in place of the monarchy has been fully reported in the Press. Iraq is still in a state of transition, and trade patterns may well change to conform to the foreign policy of the new Government.

"In the meantime the banks generally have so far experienced little interruption in their ordinary routine. Since the revolution all imports have been subject to licence, the object being to restrict 'luxury' expenditure; but as markets generally were overstocked during the first half of the year and licences were freely given for essential goods, current business was not greatly affected.

"Oil revenue was buoyant, rising to nearly I.D.84 million during 1958 with a further increase to I.D.100 million in prospect during 1959. The development plans of the former Government, which had made considerable progress, are being reviewed and it is clear that the new Government will not be short of funds for any reasonable programme.

"Wheat and barley crops were poor owing to short rainfall and damage by locusts, but there was fortunately an unsold surplus of barley carried forward from 1957 and exports were possible on a limited scale, while as far as can be judged at present the crop outlook for 1959 appears more promising. The date harvest was plentiful but below average in quality.

"By increasing exports and controlling imports the new Government hopes to improve the country's balance of trade. In accordance with the official policy of trading with a wider range of countries, a number of new trade agreements have been negotiated. The normal pattern appears to be that countries selling to Iraq are expected to buy Iraqi produce, a tendency towards bilateralism which has proved unsatisfactory when tried elsewhere and which may not result in any general expansion of trade.

Persian Gulf

"*Bahrain.*—Bahrain had another quiet and prosperous year. A 'free transit area' was opened in the port on 1st January and the flat two per cent. duty *ad valorem* on goods in transit has been abolished, storage charges being imposed instead.

"Work on the new deep water jetty at Jufair has progressed and the construction of new customs sheds at Manama has continued.

"Imports were maintained at about the 1957 level, but trade with Saudi Arabia was at a low level owing to exchange difficulties. The revolution in Iraq had no direct adverse effect on Bahrain's trade, but the Government found it necessary to prohibit the re-export, and to control the prices of certain foodstuffs as it was considered possible that shortages might occur.

"*Doha.*—There is little to report from Doha, except that development continues. The new power station was opened in May, the custom house building is nearing completion and road making and airfield extensions are in hand. New projects include the dredging of the port and the construction of a pipe-line for natural gas from Dukhan to Doha. Merchant business shows further improvement.

"*Sharjah.*—The year has been uneventful. After a slack period in the early months, there was some improvement in business but unfortunately this was not maintained.

Hadhramaut

"The Eastern Bank has had a branch at Mukalla since 1955.

"Although Hadhrami merchants have traded successfully for centuries throughout the East, their own country is deficient in natural resources and up to now no oil has been found there. A water-supply project is in progress at Mukalla and irrigation facilities are being developed in the hinterland, but these schemes are necessarily on a small-scale. Imports are restricted to simple necessities.

"Merchant business shows some improvement, while the volume of goods imported direct rather than through Aden is increasing and it is expected that during the coming year direct shipments from Europe will begin.

Aden

"The unsettled political conditions prevailing in the Middle East last year were reflected in Aden in intermittent fighting with insurgent tribesmen along the undemarcated boundary between the Western Protectorate and the Yemen. Matters reached a crisis in April with the deposition of the Sultan of Lahej and the following month, because of internal riots and unrest, the Government of Aden Colony found it necessary to declare a state of emergency. Although this is still in force, prompt and decisive action by the authorities soon restored law and order. Later, the situation was evidently considered sufficiently stable to make it possible to promulgate the new constitution and to hold, in January, the first elections under it. Although less than a third of the electorate voted, it is a matter for satisfaction that most of those elected have had previous legislative experience and are widely representative of the various sections of the electorate.

"Owing to shortage of foreign exchange in neighbouring territories and to the disturbed political situation in the hinterland Aden's entreport trade has been on a reduced scale. There has been difficulty in finding export markets for locally grown cotton and the output of refined oil has been lower. These factors have inevitably depressed local business activity, although fortunately more shipping has been using the port and its bunkering facilities.

India

"In previous years I have expressed anxiety that, taking into account India's available financial resources, the second Five-year Plan might well prove too ambitious. Nobody who has any knowledge of the living standards of the mass of the Indian population will question the need for strenuous efforts to improve them but, if the problem is to be tackled successfully, harsh economic realities make it necessary to distinguish between what is desirable and what is practicable. At one stage during the past year there seemed a grave danger that the import programme sanctioned soon after the inception of the Plan in April 1956 had not only outstripped India's ability to finance it, but also the extent of the foreign aid that was likely to be forthcoming. Fortunately, following the Finance Minister's foreign tour last September, he was able to secure sufficient credits to meet India's shortage of foreign exchange until next March, and possibly to March 1961. Moreover, it is generally understood that arrangements are in hand for the provision of enough foreign assistance to complete the essential features of the Plan, which suggests that the worst of the crisis may be over. The Reserve Bank of India figures, which show its recent purchases of sterling from the commercial banks to have exceeded its sales, serve to confirm these indications that the stringent import restrictions are now producing a favourable balance of trade in the private sector of the economy. It is difficult to gauge the fall in foreign exchange expenditure on Government account, where a rapid contraction is not easily effected, but it does appear that the heavy and continual loss of foreign exchange over recent years has been halted. Unfortunately the extent to which the Government has resorted to deferred payments to achieve this result has left a burden, to be shouldered in the years to come, which will leave little margin for additional foreign exchange expenditure during the third Five-year Plan, even allowing for possible savings on exchange which are likely to accrue when the new steel works and heavy industries, set up under the present Plan, commence operations.

"This factor and other difficulties that are bound to be encountered in effecting future balance of payments leave little hope for any early increase in the present low figure of foreign assets and, as little or no foreign exchange now exists to mitigate the effects of bad harvests or of temporary reductions in export earnings, it is important to pay some attention to what may be in view in the third Five-year Plan. It is planned to invest Rs. 10,000 crores in the period and one-third of the figure is expected to come from private investment. Progressively less reliance is to be placed on foreign assistance and a much larger figure is expected from domestic savings. This large figure of private investment is looked for after quite considerable extra taxation has been imposed and collected to take care of investment in the public sector. Domestic savings must surely depend on the ability to save and it is at least questionable whether the income *per capita* in relation to the cost of living will permit of savings on this scale. So far as private enterprise is concerned, the country's complicated system of heavy taxation, direct and indirect, which is apparently to bear extra burdens, has already reached a point where it is a serious deterrent not only to private enterprise in India, but also to foreign enterprise. Although progressively less reliance is to be placed on the latter the investment of foreign capital is still recognised as being of vital necessity and the Government has said that it wishes to encourage it. It is questionable under the circumstances whether this encouragement is in fact being given. Investment too, however made, should be concentrated on the agricultural sector, which would probably show quicker and better returns than industrialisation and would certainly do more generally to raise the standard of living.

"So far the vagaries of the monsoon, and the resultant food shortages in some districts, have been offset by substantial deliveries of wheat by the United States under P.L.480 agreements and equally generous supplies of cotton were given. These oversea gifts do not, however, solve the foreign exchange problem and it seems to me that India has to accomplish two things in order to safeguard its future; firstly, and this applies equally to Pakistan, it has to improve its relations with its neighbour to an extent that the proportion of military and other service expenditure in its budget is so drastically reduced that a lowering of taxation is possible. Secondly, that the gold in the hands of the people be made available to the Government. This is a psychological problem depending on confidence but it might be possible to introduce a form of bearer loans against gold, or even free imports, and allow an economic rate to be found and confidence restored in that way. Success in this could go a long way towards solving India's foreign exchange problem.

"Another factor which may prove of the utmost importance but which is not dependent upon Governmental action is an increase in oil production. On the other hand, I cannot but view with misgiving the increased tendency towards State trading. State Trading Corporations may perhaps be essential in dealing with countries behind the Iron Curtain but, generally speaking, they detract from a country's competitive trading ability and they certainly discourage private enterprise.

"The widespread publicity given to India's difficulties during the past year or more should not be allowed to obscure the extensive progress that has been achieved in carrying out the country's development programme. The task of improving the living standards of a population of some 400 million, which is increasing by about six million each year, is obviously immense and it is greatly to the credit of the Indian Government that it has chosen to implement its Five-year Plans by democratic means.

"In the purely banking field there was a tremendous change in the lending/deposit ratio of the banks, due no doubt to a striking increase in bank deposits. How much this is due indirectly to the large counterpart funds held in the country resulting from the sale of commodities imported under aid is not clear, and it would perhaps be more to the country's advantage if these counterpart funds could be spread amongst all the banks instead of being held by a single lender. Such a redistribution might, too, bring deposit and other rates to a level more in keeping with the cost of bank advances.

Pakistan

"A few years ago it seemed possible that Pakistan would emerge as a State strong economically and sound politically notwithstanding such initial disadvantages as the lack of a civil service, the influx of refugees and a territory divided geographically. Unfortunately since then overemphasis on industrial rather than

agricultural development on the one hand and a sad deterioration in the standards of public life on the other have seen these desirable goals recede. In fact, such was the cost to the country of governmental instability and lack of leadership that, when, last October, Major-General Iskander Mirza, who was then President, abrogated the constitution and, with the support of the army, imposed a direct presidential role under martial law, there was general relief and a feeling that this was the only hope of saving the country from what was considered a steady drift to disaster.

"Fortunately the new regime achieved power without bloodshed or disorder and under the new President, General Ayub Khan, it has acted with energy to effect an improvement in the country's circumstances. Although at first there was some confusion in business circles because of the many regulations fixing prices and limiting profits and dividends, the authorities have shown a commendable spirit of compromise and a general soundness of judgment in the introduction of new measures. Some of these measures, designed to bring to light illicit foreign exchange holdings and to eliminate corruption, hoarding and profiteering, were long overdue and can only have a wholly beneficial effect on the economy.

"It is pleasing to see that national effort is to be concentrated on the agricultural sector of the economy, on which the country's prosperity will depend for many years to come and when Pakistan can again feed its population and stop the large imports of foodgrains which have entailed such heavy outlay of foreign exchange in the last few years, then a great step forward will have been taken towards restoring equilibrium to the national economy. The higher interest rates already announced, if supplemented by a sound budgetary policy and the elimination of deficit financing, should curb the steady expansion of purchasing power within the country and indirectly help exports, but I view with some apprehension the recently announced export bonus scheme. The idea behind all such schemes is commendable but in practice, for administrative reasons, not one has so far worked successfully in any Eastern country. Nevertheless, it is fair to say that Pakistan enters 1959 in circumstances more hopeful than for some years past.

Ceylon

"The major and disquieting feature which has dominated trade and industry in Ceylon during the past year has been the widespread and increasing state of unrest which first manifested itself in November 1957 in serious labour disputes which, as I mentioned last year, brought to a standstill the normal working of the port of Colombo. The resurgence of tension between the Sinhalees and Tamil communities culminated in May last in an outbreak of rioting and disorder almost throughout the island. After some hesitation, it became necessary to declare a state of emergency and the Government then took steps to restore law and order. The authorities acted probably only just in time to prevent what might well have been an irremediable deterioration in the island's security; the fact that the state of emergency is still in force shows that although the general situation has been more normal for some months a renewed outbreak of violence is still considered a possibility.

"Such improvement as there has been in the general situation has not been reflected unfortunately in the working conditions in the port of Colombo, which handles the bulk of the country's oversea trade. Hopes that strikes and go-slow movements among the dock labour force would cease when nationalisation of the port took effect at the end of July proved ill-founded and although in November all work connected with the harbour was declared an essential service under the emergency regulations, there has still been persistent trouble with the labour force.

"To meet the situation it has been necessary to make increasing use of Ceylon's other ports, Trincomalee and Galle, which are now working to full capacity. Being in a position to ship through these ports has greatly assisted the tea industry but during the second half of the year tea prices at the Colombo auctions were lower and, had it not been for the introduction of the subsidy scheme last March, many of the marginal producers would have had to close down. Even so there is evidence of some of Ceylon's oversea customers turning to other suppliers.

"Fortunately, and because of the country's inherent agricultural wealth, the total volume of all exports was maintained at much the same level last year as in 1957. The volume of imports, on the other hand, decreased, partly because strikes in the port of Colombo made it difficult to land cargoes. Because of this the external balances, which had shown a marked fall in 1957, were well maintained at over Rs. 850 million. This is a tremendously important factor as it puts the Government, if it so desires, in a position to avoid the mistakes of other potentially rich young nations of imposing controls that stifle enterprise and in their application undermine the political and official life of the country. Unfortunately all pointers at the moment suggest that the Government, in order to attain the desire for more socialism, is committed to more nationalism, State trading and increased taxation, and in fact the latest budget proposals embrace a new range of taxes involving expenditure, capital gains and property. Heavy Government expenditure financed by a budgetary deficit is likely to generate further inflation, which in turn may endanger the precious exchange reserves.

"More industrial development to raise living standards has been suggested by the National Planning Council but there can be little doubt that Ceylon's first priority should be to intensify and improve the cultivation of the country's staple agricultural products—tea, coconuts and rubber—in order to build up export earnings to pay for essential imports. Improved irrigation and the extensive use of fertilisers and the improvement of crops could adequately offset Ceylon's lack of mineral wealth, for it is difficult to see how a country lacking minerals, and without an extremely plentiful and cheap labour force, can successfully embark on large-scale industrialisation. In any case one cannot look with any great optimism to the future until the Government comes to grips with the unlawful elements in the island and puts labour on a realistic basis satisfactory to the Government and private industry as employers and to the solid mass of decent, hard-working employees.

Burma

"The outstanding event in Burma last year was the appointment in October of General Ne Win as Prime Minister in succession to U Nu. It was a peaceful transition with no bloodshed or violence. The General assumed office at the invitation of the then Prime Minister and the new regime, which was approved by a parliamentary majority, pledged itself to hold general elections within six months of its accession to power. Such undertakings are often difficult to implement, as is shown by the recent resignation of General Ne Win and his statement at the time that free and fair elections in April are practically impossible under conditions at present obtaining in the country. As there is no doubt that the non-party caretaker Government under his leadership, which enjoyed a wide measure of popular support, had with vigour and efficiency set about its task of restoring law and order and normal living conditions, it is hopeful and gratifying that the General is seemingly prepared to resume office and continue the good work provided the constitution be amended to allow him, a non-parliamentarian, to hold office for longer than the period of six months allowed under existing provisions.

"Considering the good work being accomplished in many directions it is disappointing that the administration seems still strongly wedded to State trading and barter, notwithstanding the unfortunate experiences of the past years, and it would be a pity if the opportunity were not taken now to allow that freedom of private enterprise and trading which might make a vital difference to the balance of payments and hence the standard of living.

"Fortunately, next season's rice crop is expected to be substantially higher and it can therefore be hoped that exports in the coming year will show a considerable increase on the disappointing figures for 1958. In fact the exportable surplus may once again reach two million tons for a year. Only a very severe restriction on imports enabled the Union Bank of Burma to show an increase in foreign assets over the year. This restriction on imports, besides being internally inflationary, deprived the citizens of some of the luxuries they were accustomed to in their mode of life: a state of affairs accentuated by the Government-sponsored joint venture trading corporations' failure to live up to their declared purpose of reducing the prices of the consumer goods which were imported. This lends strength to my feeling that there is doubt whether the present system is consistent with the efficient marketing internationally of the country's staple exports or with obtaining the best possible value in terms of goods and commodities imported from abroad.

"Notwithstanding the foregoing remarks I think that the beneficial effects on the administration of a continuance of the recent stable government, together with the country's steadily increasing agricultural wealth, ensures that Burma enters the new year under more favourable auspices than for several years past.

Singapore

"The recession in international trade during the past year has been reflected in a reduction of Singapore's oversea trade turnover. Singapore and the Federation together showed a trade deficit almost throughout the year, but in November a reduction in imports effected and improvement. Additional difficulty has been caused by the insurrection in Indonesia and relations with the Indonesian Government have been somewhat strained, although the Government of Singapore has appeared only too anxious to remain on good terms with its neighbour. The disruption of trade with Indonesia, on which Singapore's prosperity depends in large measure, not only left a legacy in the shape of excess stocks of imported goods in Singapore but emphasised the difficulties inherent in operating successfully as an entrepot in South-East Asia at the present time.

"The need for providing employment for the increasing number of young people entering the labour market from school has encouraged responsible political leaders to advocate close co-operation with the Federation in order to open up wider fields for local labour and enterprise. At the same time the Government has made clear its interest in local industrial development by introducing various measures to this end. Although in this particular direction Singapore could profit from the example of Hong Kong in developing a wide range of manufacturing industry, the basis of its prosperity must rest for many years to come on its status as a free port and on its entrepot trade, a fact which, as the controversy over the Government's acceptance of a policy of selective protection showed, is well understood locally. Capital and enterprise from abroad can assist industrial development and it is to be hoped that the new immigration measures under consideration by the Governments of Singapore and the Federation will not create difficulties for companies employing expatriate personnel.

"The first elections under the new constitution, on which agreement with the British Government was reached last year, are now due to be held in May of this year. In recent months there has appeared a growing awareness of the serious responsibilities to be shouldered by those entrusted with the government of the territory as a result of the elections. Now and in the future there is no guarantee that the living standards of Singapore's population, which at present are relatively high for South-East Asia, can be maintained let alone improved if the goods and services available in Singapore are not fully competitive internationally. I stressed this point last year and it is a matter for cautious optimism that the paramount importance of the free port to the life of Singapore is gradually being accepted by all political parties. It is hoped that the City Council, and to a lesser extent certain Government departments, will take an equally realistic view.

Federation of Malaya

"The most important event in Malaya since my last review, and one which is of special significance to the Bank, has been the establishment of the Central Bank of Malaya (Bank Negara Tanah Melayu) which commenced business on 26th January 1959. I take this opportunity of welcoming the new institution and of wishing every success to its future operations. The new bank is in a position to exert considerable influence, not only on the banking system of the Federation but also on the territory's economy as a whole. It is in keeping with the practical attitude which has been shown by the authorities in the Federation in setting up their Central Bank that, although the relevant legislation includes provisions under which the new institution can take over from the Board of Commissioners of Currency, Malaya and British Borneo, the issue of the Federation's currency, for the time being it has been decided to allow the existing arrangements to continue. So far there are no arrangements between the two Governments concerned for any extension of the activities of the Central Bank of Malaya to Singapore. It must, therefore, be a matter for satisfaction that the continuance on the same parity basis, of the existing currency arrangements, to put it at the very least, postpones the fragmentation of the unified currency area comprising the Federation, Singapore and the British territories in Borneo, in which first the Straits dollar and subsequently the Malayan dollar have provided a stable and effective medium of exchange.

"To supplement the Central Bank legislation, a banking ordinance providing for the licensing and regulation of the business of banking was enacted and came into operation at the same time as the Central Bank commenced business. Most sections of the ordinance have been based on similar legislation in other Commonwealth countries and include the normal safeguards to protect depositors and others, conducting business with the commercial banks. There is one section, however, which has excited some controversy since it confers power on the authorities to refuse a licence to carry on business in the Federation to any bank which is in effect controlled by the Government of a foreign State. The Federation's aggregate trade turnover has been lower this year, exports falling more than imports. There are obvious reasons for this, including the general recession in international trade and, a factor which has particularly affected the Federation, the restriction of tin shipments by producing countries under arrangement with the International Tin Council. During the first six months of the year, coinciding approximately with the first export control period fixed by the International Tin Council, some 40 per cent of the Federation's tin mines closed down, causing substantial unemployment, especially in Perak. Not surprisingly Malaya's tin exports last year were the lowest for over a decade and represented a reduction of 35 per cent. on the 1957 level of shipments. This time last year producers in Malaya were hoping that the restrictions imposed would have the effect of restoring equilibrium between supply and demand in the international tin market by the end of the year. These hopes have been disappointed because of Russian selling of tin on the London market in the middle of the year, which was on such a scale that it proved impossible to maintain the floor price arranged under the Buffer Stock Agreement. Nevertheless, it is generally recognised that had it not been for the agreement the price of tin might have fallen substantially lower. In fact during recent months prices have improved and now that Soviet Russia has shown a readiness to restrict its tin exports by agreement with the International Tin Council, it is possible that the worst of the Malayan industry's ordeal may be over, although the full effects on the results of producing companies have yet to be seen.

"The rubber industry has enjoyed better fortune, heavy Russian buying at the end of the year being the major influence in raising prices in the Singapore market. Mainland China had been a substantial purchaser of Malayan rubber in the early part of the year but later ceased buying in accordance with its policy of discontinuing all trade with Malaya in view of what it considers discriminatory legislation in the Federation. The Malayan rubber industry is well aware of the necessity of maintaining its ability to compete with synthetic rubber and, in this connection, it is to be noted that record progress has been made during the past year in replanting with high yielding seed.

"Unemployment in the tin industry has served to emphasise the importance of encouraging economic development in other directions. By introducing legislation granting pioneer industries relief from income-tax for periods of two to five years and by displaying interest in sponsoring an international investment charter, the Government has shown readiness to create conditions favourable to foreign investment in Malaya. The Government continues also to implement its own five-year development plan, but with prudent regard to the financial resources available. Last September the World Bank made a loan to the Federation in connection with the Cameron Highlands hydro-electric scheme and I am pleased to say that this Bank participated therein.

"Elections are due to be held in August 1959 and meanwhile progress is being made towards ending the emergency, many parts of the country having now been declared 'white areas' owing to the efficiency and vigilance of the security forces.

North Borneo

"Proposals have been made for a closer association between North Borneo, Sarawak and Brunei. The North Borneo and Sarawak Governments have expressed their willingness to extend the co-operation which already exists between the three countries but the Brunei Government seems yet to be convinced that a closer integration will be economically and politically advantageous.

"In any case, the consistent rise in oversea trade turnover in recent years and the favourable trade balance achieved show that North Borneo is capable of standing on its own feet and it is clear too that the sums invested in developing the Colony's economic potentialities are producing encouraging results. Rubber is still the Colony's largest revenue earner but it is interesting that during 1958 timber led both rubber and copra in value of exports. Although the Government is endeavouring to extend the range of commodities shipped abroad, palm oil for example, it realises the importance to the economy of the country of improving the rubber industry's ability to compete in international markets. To this end the State has assisted replanting schemes with encouraging results and has also seen the acreage of rubber small-holdings increased by approximately one-half in the last four years. Communications have been improved and fortunately the situation I commented upon a year ago, of the paucity of the labour force, has improved to an extent that there is little shortage of agricultural labour at present and a useful importation of skilled labour from Hong Kong has taken place.

"Arrangements are proceeding to extend our branch system in North Borneo to Tawau, where we hope to open an office within the next few months.

Brunei

"I mentioned last year that we were planning to extend our branch organisation to Brunei and in May our two new branches at Brunei Town and Kuala Belait commenced business. His Highness the Sultan of Brunei honoured us by performing the opening ceremony at our office in Brunei Town. Our business in Brunei has expanded steadily during the year.

"Brunei is fortunate in possessing an oilfield the production from which is exceeded in the Commonwealth only by the Canadian output. The substantial oil revenues which accrue to the territory are not only financing a well-balanced development plan in Brunei itself but are also assisting economic development in Malaya through a further loan of M.$100 million generously made to the Government of the Federation.

Sarawak

"Lower commodity prices, in particular for rubber, in international markets during the past year have had their effect on Sarawak's oversea trade, the total value of which after disregarding the oil transit trade, shows a reduction in comparison with 1957. The tonnage shipped last year of rubber was not much lower than in 1956 and 1957, but the aggregate value thereof was considerably reduced.

"The importance of rubber to the Colony is fully realised by the Government which continues its policy of subsidising re-planting and of working for further efficiency to give the industry ability to compete effectively in the international market. The re-planting scheme has proved a success, but the financing of an enlarged scheme has made it necessary to impose a levy on rubber exports.

"The Government has also taken a number of steps to assist the pepper industry such as sponsoring research into disease and initiating studies to improve the quality of the product, its grading and marketing. The present trend is to ship direct to foreign markets rather than through Singapore.

"The restriction scheme for timber helped to maintain the price of ramin and export earnings are estimated to have attained much the same level as in 1957. There are high hopes of the forthcoming illipe nut crop and Government proposes to assist increased coconut cultivation. In the mineral field although the offshore search for oil has so far proved unsuccessful, the first shipment of bauxite from the territory was made in the middle of the year.

"The Government-sponsored credit institution, the Sarawak Development Finance Corporation, whose formation I mentioned last year, has now commenced business. Although lower revenue and a reduction in surplus balances are necessarily limiting the financial resources which the Government can allocate to development schemes, encouraging progress has been made during the past year in improving airfields and road communications and also the port facilities at Kuching.

"A disturbing note has been sounded in a statement made by the Governor a few weeks ago, to the effect that there was evidence of communist activities within the Colony; with recent experiences in Malaya in mind, no doubt, the authorities will be taking firm action to forestall any danger.

Indonesia

"The past year has been one of great difficulty for the Republic. In May it was officially announced that active resistance by the rebels had virtually been brought to an end; insurgent activity, however, particularly in Sumatra and the Celebes, continues to cause considerable interference with estate production and with the normal movement from the interior of agricultural products destined for shipment abroad. The rebellion and its aftermath have inevitably had the effect of reducing exports but somewhat surprisingly provisional figures for the first ten months of the year show that Indonesia not only had a trading surplus but that the surplus itself was substantially higher than for the same period of 1957. Although there is still much leeway to be made up some progress has been made in restoring the country's trade position.

"For the time being there remains a serious shortage of foreign exchange and because of this it is unlikely that the import of other than strictly essential goods will be permitted for some time to come. The shortage of foreign currency stems partly from excessive imports in the past and from loss of exchange through extensive barter trade and partly through the disruption in trade caused by the rebellion.

"The immediate situation will be relieved to some extent by various credits which Indonesia is receiving from abroad, notably from the United States and the U.S.S.R. Aid of this nature can however be but a temporary palliative: lasting economic recovery can only be assured by expanding production and export of the country's agricultural and mineral resources. The Government in an endeavour to improve the position has recently shown particular interest in the possibilities of further exploiting the potentialities of the oil industry. A law has also been passed to encourage investment from abroad but with the nationalisation of Dutch-owned enterprises and the difficulty in obtaining an adequate return in the form of profit or dividend remittances it seems hardly likely that the Republic can attract outside capital. There can be little doubt that many of the difficulties which Indonesia has had in the economic sphere can be attributed to inflation generated by persistent and excessive budgetary deficits. The excess purchasing power thus created had the effect ultimately of running down the exchange reserves to a dangerously low level and it became necessary in January last to limit to 60 per cent. the cover which the commercial banks were permitted to hold against their foreign exchange commitments under letters of credit. This measure, and the severe credit restrictions imposed by the authorities in an endeavour to curb inflation and to restrict imports, have borne heavily on the banks, a large part of whose resources have been immobilised in the form of statutory deposits with the central bank. Such measures, although they may be deemed necessary in the national interest, can have little hope of success unless a more satisfactory balance can be attained between Government revenue and expenditure. Controls and other expedients such as the complicated Bukti Ekspor system instituted with the object of righting economic ills have not been entirely successful and sooner or later it would seem inevitable that there must be an outright devaluation of the rupiah and a return to normal commercial procedure.

"In view of the restrictive policy being followed by the authorities in regard to profit remittances and with the difference between the internal and external value of the rupiah I see little prospect for the time being of any worthwhile reward being received for the extensive services which we offer and the business which we conduct in Indonesia.

Thailand

"It is probable that economic factors, no less than political, played their part in causing Field-Marshal Sarit, Supreme Commander of the Armed Forces, to effect an unexpected *coup d'état* last October and personally assume the post of Prime Minister. Reduced export earnings had caused a deterioration in Thailand's balance of trade and the resultant reduction in the country's holding of foreign exchange together with a sharp rise in the cost of living brought about a situation in which it was

evidently thought necessary to effect a change of government. The old constitution was abrogated last October and under interim arrangements a constituent assembly is to be nominated and to have the task of drafting a new constitution.

"To improve the economic position, in advisory committee has been formed to develop the country's resources, effect an immediate reduction in the cost of living and to plan the setting up of secondary industries at an early date. The committee will also be concerned with the formulation of a long-term development plan to be based on the report of the World Bank mission which visited the country during the course of the year. Early results of the committee's work are new regulations to encourage the establishment of industrial enterprises and to attract foreign capital for investment in the country. New enterprises are to be guaranteed freedom from nationalisation, facilities to import the necessary plant and machinery free of duty, exemption from income-tax for a period of from two to five years and, if necessary, a measure of protection by means of tariffs against competitive foreign products.

"Notwithstanding rice exports being substantially lower in 1957 compared with previous years and the prospect that good crops next season in adjacent countries may make exports difficult, the authorities have wisely set their face against imposing import restrictions, taking the view that no cause should be given for retaliatory action by other countries against Thailand's exports. Behind this reasoning doubtless there lies the assumption that although the country had a rather unsatisfactory trading year in 1958, the prospects for the export of rice, rubber and tin for the coming year are probably better. The worst of the difficulties arising from the International Tin Council's restriction scheme may well be over, and assuming that the new powers vested in the Government departments do not stifle enterprise, Thailand can rely on its traders to find markets abroad notwithstanding the more competitive conditions foreshadowed.

Vietnam

"During 1958 the government of President Ngo Dinh Diem remained firmly in power and, generally speaking, consolidated its position throughout the country although occasional attacks on estates showed that insurrection still exists. Politically the country still takes a very strong anti-communist line, which may be not entirely unconnected with its complete dependence on American aid, which finances more than three-quarters of its imports. Although direct aid is given in road construction, military equipment and technical assistance, imports consist largely of consumer goods which probably accounts for the air of prosperity in Saigon itself but effectively conceals the fact that the country is making very little progress towards self-support.

"The American aid authorities have tended to concentrate on the industrialisation of the country and although secondary industries, if successful, would assist the economy it is only through an increase in agricultural production and a greater diversification of crops that an increase in exports and final economic salvation can be achieved. The issue is not as simple as it seems for the diversion of aid to back the technical assistance to agriculture given under the Colombo Plan and by the American authorities would involve a reduction in the present living standards of the townsfolk, which would be quite unacceptable to them and might endanger the standing of the Government.

"The stock position in the bazaars is much healthier than it was a year ago and this, coupled with a general disinflationary tendency and a decline in purchasing power, suggests that the official exchange rate of the piastre may not be changed in the near future, notwithstanding persistent rumours to the contrary. A more friendly view is being taken towards foreign investment, particularly British, and in general although the future of the country cannot be said to hold a great deal of promise at the moment, it is clear that our Bank can still play an important and helpful role in the economy.

Cambodia

"Pursuing the difficult course of absolute neutrality whilst accepting aid from both the major international power groups has not improved relations with Cambodia's neighbours. Those with Vietnam still remain strained and those with Thailand deteriorated to an extent that in November there was a temporary closing of the border between the two countries and the severance of diplomatic relations.

"Internally Cambodia will finally benefit from the major development schemes that are being financed by foreign aid, but in spite of further aid which paid for substantial imports of consumer goods the country, in contrast to the previous year, had an unfavourable trading balance. No doubt this has influenced the Government in encouraging foreign investment for, with the possibility of the amount given in aid being considerably reduced in the next few years, a determined effort will have to be made to increase the ratio of exports to imports. Foreign exchange at the moment is earned almost entirely by the export of rice, rubber and a little timber and neither world prices nor markets in these commodities can be taken for granted. Nevertheless, the natural resources of the country and the conservative outlook of the authorities should achieve the equilibrium desired. It is fortunate that in a country that is manifestly loyal to the throne, Prince Sihanouk either as the central figure or as the power behind the throne, continues to dominate the political field.

The Philippines

"Good rice and grain crops in the Philippines and improved export earnings from coconut products, sugar and minerals should have helped the Republic to restore the extremely serious position created by the adverse trade balance of Pesos 400 million in 1957, but although it is estimated that the deficit in 1958 will be reduced to Pesos 100 million, a further fall in the external reserves to U.S.$125 million in a comparatively favourable trade year was most disappointing.

"This continuing decline in the reserves evoked much controversy within the country and it was unfortunately apparent that many of the schemes proposed to cope with the situation were intended to benefit the protagonists rather than ameliorate the country's economic condition. The President has recently again affirmed the Government's opposition to devaluation and its firm intention to maintain the present exchange value of the peso and has called for the support of all sections of the community to assist in stabilising the economic and fiscal situation. The controversial barter trade law which, since its introduction has been steadfastly opposed by Governor Miguel Cuaderno of the Central Bank as constituting a major drain on the country's reserves, is being repealed and, on the initiative of the Governor, a stabilisation programme consisting largely of disinflationary measures has been approved by the Monetary Board. The main necessity, however, is that of a balanced budget for there can be little doubt that the excessive resort to deficit financing has been the major inflationary factor and thus the prime cause of the continued deterioration in the Republic's economy.

"Responsible leaders of the community have frequently emphasised the necessity to encourage foreign investment in the country. Potential investors will, however, have derived scant encouragement from the strong opposition emanating from extreme nationalist sources which manifested itself to the projected Foreign Investments Bill and, however deserving of sympathy legitimate national aspirations may be, the recent Central Bank measures discriminating against the participation of foreign merchants in the country's import business cannot but produce an unfortunate impression. In the banking field it is difficult to find justification on economic grounds for the directive requiring immobilisation of substantial balances in special blocked fiduciary accounts, a measure which has particularly and adversely affected the business of the foreign banks operating in the Philippines.

"The Philippines are potentially rich in natural resources and the Republic's economic possibilities will be even more promising if the intensified search for oil, which is now proceeding, should prove successful. The substantial investment which has already been made in the development of secondary industry has had a disappointingly meagre effect so far on the balance of payments. It seems that many projects in the industrial field, because of their dependence on foreign sources of supply not only for their plant and machinery but also for their raw materials, tend rather to spend foreign exchange than to save it. It would appear more appropriate to concentrate on expanding agricultural production for export and to confine industrialisation to projects processing locally produced raw materials. A development policy on these lines in conjunction with sound and prudent administration of the Republic's finances and a resolute determination to eliminate corruption, would go a long way towards ensuring economic progress and improved living standards for the country at large in the years to come.

"Trade with the United States has continued to decline, but has increased substantially in other directions; tendencies which are likely to be given fresh impetus by the new moves towards convertibility on the part of sterling and the major European currencies and as, in accordance with the Laurel-Langley Pact, tariffs are progressively increased on goods imported into the Philippines from the United States.

Hong Kong

"Hong Kong's trade has been on a reduced scale during the past year mainly because of a sharp reduction in imports. In many respects this was a reflection of the world-wide recession in business which was a feature of 1958 and in the circumstances local industry has had a fairly satisfactory year. Many markets in South-East Asia which were formerly important outlets for Hong Kong goods are now subject to high tariffs and other trade barriers instituted in order to protect local industrial development and to conserve foreign exchange. Furthermore, competition from other Asian exporters, and notably mainland China, has become more intense. To meet the challenge Hong Kong industry has made vigorous and successful efforts to gain a footing in new markets all over the world and to expand sales in existing markets. Many sections of industry had already anticipated the advent of intensified competition by installing more modern plant and machinery, thereby lowering their production costs and improving and, particularly in the textile field, broadening the range of their products. The trend towards exporting finished goods in preference to semi-manufactured products gained considerable impetus during the year.

"Nevertheless some sectors of the Colony's economy have inevitably suffered a reduction in business which has had the effect of increasing unemployment. In some respects it must be recognised that future prospects in the field of industry and employment are unpromising, for the supply of refugee capital from neighbouring countries, which has been instrumental in effecting the remarkable industrial development that has transformed Hong Kong's economy in recent years, is diminishing. Moreover, the Colony is becoming increasingly dependent for its prosperity on imperial preference, assuring the entry of local manufactures into Commonwealth markets on preferential terms. The dangers of such dependence are illustrated by the case of the Hong Kong textile industry which has now under pressure given an undertaking to limit textile shipments to the United Kingdom. Since 1945 the Colony has had to cope with the problems of repairing the devastation which was the legacy of war and of restoring the entrepot trade on which its prosperity had always been based. Having successfully rehabilitated the local economy practically unaided, Hong Kong has subsequently been called upon to face the problem of housing and finding employment for a vast refugee population and also, as a result of the United Nations' embargo imposed during the Korean War on trade with China, has had to adjust its economy to the loss of a large part of its entrepot trade. It has been possible to make this adjustment successfully only by a rapid development of manufacturing industry. If they are to survive, the new industries need access to an expanding range of international markets. The limitation which has now to be imposed on the exports of one of the territory's principal industries is therefore a serious setback and one which has caused much anxiety locally.

"It is probable that textiles are only among the first of a steadily expanding range of Hong Kong products which can be expected to compete in the British and other international markets in the future. Already France and Switzerland have imposed restrictions on imports of Hong Kong goods and there are indications that the United States have the same thing in mind. There is now great concern that in the United Kingdom pressure will mount from other industries, such as enamelware, to limit competition in the British market from Hong Kong goods by means of undertakings similar to that which has been given in respect of cotton textiles.

"Whatever the prospective difficulties in the marketing field, local enterprise in the Colony is still seeking new land for industrial development. To meet the shortage of available factory sites, the Government has gone ahead with ambitious reclamation projects at Kun Tong and Tsun Wan and others are under consideration. Various measures are also being considered aimed at improving the territory's housing situation and accelerating the resettlement of the large squatter population. The new runways at the airport have been completed and were brought into operation during the course of the year. Our own new building is also nearing completion and it is hoped that it will be officially opened in August 1959.

China

"China's efforts to industrialise rapidly have received extensive publicity in recent months and substantial increases in industrial production have been made. Progress has been most notable in the steel industry, where it is claimed that production has all but been doubled during the past year. This particular achievement has been brought about by a mass campaign to establish small steel producing units throughout the country concurrently with the expansion of the extensive steel industry in Anshan. In the agricultural sector bumper harvests may lead to China's emergence as a major rice exporter while if, as is claimed, the size of the cotton crop is double that of the previous year, China may be becoming one of the world's leading cotton-growing countries. The transportation of steel and foodstuffs has, however, imposed a strain on the internal system of communications and in recent weeks this has evidenced itself in an unusual delay in fulfilling export contracts.

"Nevertheless, exhibitions and exports of Chinese manufactured goods indicate that considerable progress has been made. Following the suspension of trade with Japan last May China became a serious competitor in the markets of South-East Asia and the range of goods available for shipment to foreign markets seems to be steadily expanding. Since the prices of Chinese goods are in many cases fixed at levels which are well below production costs of similar goods manufactured elsewhere in the world, Chinese competition clearly is going to pose in future years serious problems for manufacturing countries throughout the world, and particularly for China's immediate neighbours, Hong Kong and Japan.

"It does not follow that China, as is often said, intends to use its increase in production for political ends in Far Eastern and other markets for, although the earning of foreign exchange is very important to the country, I feel that the authorities will endeavour primarily to use any increase for the improvement of the standard of living of their own people.

Japan

"During the past year the Japanese economy has successfully adjusted itself to what at the outset were generally expected to be extremely difficult conditions. At the beginning of the year the tight-money policy introduced by the authorities in 1957 had already had the effect of curbing imports to the extent that the country's balance of payments was once again in surplus. While this was encouraging it was anticipated that the recession in the United States and the slump in world commodity prices would have an adverse effect on the Japanese economy, causing an appreciable reduction in exports and a resultant rise in unemployment.

"In the event Japanese industry displayed far more flexibility and resiliency than had been expected and although over the whole of 1958 there was a reduction in the country's total exports, it was relatively small. Imports were considerably reduced in volume without adverse repercussions on industry by running down stocks of imported raw materials which had accumulated during 1957 when excessive imports had imposed a serious strain on the country's balance of payments. With imports lower in volume and cheaper in price and exports little reduced Japan, again aided by a bumper rice crop, achieved a substantial payments surplus for the year and greatly strengthened its foreign exchange reserves.

"The progressive improvement in the country's external position enabled the authorities to reduce interest rates to the level ruling before the introduction of the tight-money policy early in 1957. This reduction was timely, for certain industries, notably steel and textiles, were feeling the effects of a recession in business. Signs were not wanting, however, towards the end of the year that industrial production was once again on the increase, and while this has introduced a feeling of cautious optimism for 1959, Japan has still to face up to a further reduction in American spending and shrinking markets, particularly in South-East Asian countries where industrialisation and production seem identified with political independence. With oversea markets hard to find and the necessity of an expanding volume of trade for the country's continued well-being, it is unfortunate that Japan's relations with mainland China became so strained early last year that trade between the two countries was, and remains, suspended. One cannot fault the Japanese in their enterprise in seeking markets but there are indications that the country will have to rely more and more on its heavy as opposed to its light industry to produce the desired results. If these are to be successful much more co-operation in the country's internal politics is needed, for bitterness and enmity on many of the leading issues are an unsuitable background to increased trade overseas.

New York

"The American recession, although not as severe as was apprehended, inevitably had a depressing effect on world trade in general. It has also been a major factor in reducing the export earnings of a number of territories in which this Bank has branches, since the United States is a substantial importer of Asian goods and commodities. Consumer spending in the United States was surprisingly high throughout the recession and now that American industry is replenishing its stocks and again beginning to increase production, trans-Pacific trade should improve. The business of our New York agency is likely to benefit accordingly. Whilst there is no doubt regarding the inherent economic strength of the United States it is impossible to be completely optimistic about conditions in 1959 without more conviction that the authorities have the ability or the will to halt inflation.

Hamburg

"At the beginning of this review I have examined the general implications of the inauguration of the European Economic Community (E.E.C.). I need therefore say no more here than that provided it proves possible to arrive at some form of international arrangement over the question of Berlin, the Federal Republic of Germany, whose economy continues to grow in strength, will be a dominant partner in the Community with German industry finding greatly expanded scope in a common market of 170 million people. Germany is keenly interested in developing trade with Asia and our Hamburg agency is well situated to share in the expansion of banking business that is likely to accrue from an increased German demand for raw materials now that the E.E.C. is in being.

Manchester and Liverpool

"By acting as a link between our branch system in the East and commercial and industrial interests in Lancashire and Northern England our branches in Manchester and Liverpool continue to fulfil a useful function in our organisation.

West End, London

"The business of our office in the West End of London continues to expand and the branch will move into new and larger premises in Lower Regent Street during the course of the coming summer. It is hoped that this change will prove of especial benefit to our many friends from overseas who find it inconvenient to visit the City to transact their personal banking business.

Conclusion

"The oversea territories in which we operate are receiving increasing publicity and it is generally recognised that the developing of the natural resources of the South-East Asian countries and the raising of the standard of living there is of vital importance to future peace and progress in the world. This challenge is being accepted by the Western Powers in a most understanding and generous manner and the extent to which aid and credit is given to the newly independent nations of the area is staggering. Very few of the countries concerned would survive economically were it not for the tremendous infusion of assistance they receive and one can only hope that wise counsel and incorruptibility within these countries and a tolerant direction from the donors will help attain the objective of self-supporting economies with ever-increasing exports. This objective cannot be reconciled with a Western fear of Asian competition and attempts to avoid that competition and, in this connexion, perhaps too little significance has been given to the attitude of the United Kingdom Government in acquiescing in limitations on the textile shipments from Hong Kong to the United Kingdom.

"This particular issue raises a principle of major importance in matters of international trade. The *communiqué* issued last October at the conclusion of the Commonwealth Trade and Economic Conference at Montreal 'recognised how important it is that obstacles should not be placed in the way of the export of manufactured goods of the underdeveloped members of the Commonwealth and agreed that Commonwealth Governments will give full weight to this consideration whenever decisions are necessary concerning the terms of access of such goods to their markets.' The distinguished economists who compiled for G.A.T.T. the Haberler report on 'Trends in International Trade,' which was published the same month, consider that 'it may be a natural and economic development that relatively poor countries with high population densities, like India and Hong Kong, should export cheap labour-intensive manufactures.' They therefore suggest that 'it is of great importance that the highly developed countries should refrain from protecting their domestic industries from such imports."

"It seems regrettable, therefore, that many in this country who in theory are in favour of raising Asian living standards have not felt it inconsistent also to argue in favour of imposing such restrictions on the grounds that goods produced by what they term cheap labour compete unfairly with those manufactured at higher cost in the United Kingdom. This sort of reasoning strikes at the very root of international trade and if it were to gain wide acceptance, might well be invoked, to take an important example, to justify the virtual exclusion of British manufactures from the United States market. It cannot be too strongly emphasised that what is by standards in this country, relatively cheap labour, need not be exploited labour and that in the case of Hong Kong the Government has taken already active steps to improve working conditions.

"In this context it is perhaps ironical that in a recent announcement the United Kingdom Government pledged itself to support Hong Kong fully in resisting the attempts of American manufacturers to force Hong Kong into voluntarily restricting its textile exports to the United States."

Notices

SRI KRISHNARAJENDRA MILLS LIMITED, MYSORE

INTERIM DIVIDEND FOR THE YEAR ENDING 31st MARCH 1959

THE BOARD OF DIRECTORS OF THE above Mills have resolved to pay an interim dividend at the rate of rupees two (Rs. 2-0-0) per share, for the year ending 31st March 1959.

The Transfer Books of the Company will be closed from 10th April 1959 to 13th April 1959, both days inclusive.

The interim dividend warrants will be posted on and after 18th April 1959 to all the shareholders whose names stand on the Register of Members of the Company on 10th April 1959.

By Order of the Board,
L. KANDASWAMY,
General Manager.

MYSORE, *20th March* 1959.

THE STANDARD COAL COMPANY LIMITED

THE BOARD OF DIRECTORS OF THE COMpany has recommended Dividend on the Ordinary Shares at 12½ per cent per annum, in respect of the year ended 31st December 1958, without any deduction for Income-tax payable by the Company.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *20th March* 1959.

Balance Sheet of the State Bank of Hyderabad as at 31st December 1958

31-12-1957 Rs. nP.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.	31-12-1957 Rs. nP.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
	1. Capital—				**1. Cash—**		
1,00,00,000.00	Authorised Capital	1,00,00,000.00		1,05,97,628.15	In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)		1,86,30,331.75
50,00,000.00	Issued Capital (pursuant to Section 10 (1) (a) of the State Bank of Hyderabad Act, 1956)		50,00,000.00				
	2. Reserve Fund and Other Reserves—				**2. Balances with Other Banks on Current Account—**		
22,06,000.00	As per last Balance Sheet	25,00,000.00		30,759.75	(i) In India	52,180.07	
2,94,000.00	ADD—Amount transferred from the profit for the current year	1,00,000.00		2,37,050.87	(ii) Outside India	2,97,017.66	
25,00,000.00			26,00,000.00	2,67,810.62			3,49,197.73
	3. Deposits and Other Accounts—			2,67,25,000.00	**3. Money at Call and Short Notice**		2,16,50,000.00
5,74,45,892.70	Fixed Deposits	6,07,98,334.77			**4. Investments—**		
1,49,08,888.35	Savings Bank Deposits	1,58,86,716.74					
6,54,02,436.61	Current Accounts, Contingency Accounts, etc.	7,60,42,157.88			(i) (a) Securities of the Central and State Governments and Trustee Securities (at below market value)	4,69,31,583.77	
13,77,55,217.66			15,27,27,209.89	2,95,60,557.34			
				3,65,625 00 (at market value)			
	4. Borrowings from Other Banking Companies, Agents, etc.—				(b) Other Trustee Securities—		
Nil	(i) In India	Nil					
Nil	(ii) Outside India	Nil		1,00,000.00 (at cost)	(1) Land Mortgage Bank Debentures (at market value)	99,500.00	
			Nil				
	PARTICULARS—				(2) Corporation Shares (at cost—for which there are no market quotations)	9,00,000.00	
Nil	(i) Secured	Nil		9,00,000.00			
Nil	(ii) Unsecured	Nil		Nil	(3) Partly paid shares	20,000.00	
56,61,288.07	**5. Bills Payable**		75,41,427.07		(ii) Shares (at cost—for which there are no market quotations)—		
	6. Bills for Collection Being Bills Receivable as per contra—				(1) Fully paid shares of State Bank of Pakistan	50,000.00	
50,39,038.39	(i) Payable in India	51,55,755.08		50,000.00			
1,28,638.90	(ii) Payable outside India	62,398.09		Nil	(2) Partly paid shares	2,00,000.00	
51,68,577.29			52,18,153.17				
	7. Other Liabilities—			1,00,000.00	(iii) Debentures or Bonds (at cost—for which there are no market quotations)	1,00,000.00	
8,489.28	Rebate on Bills Discounted	1,311.85		Nil	(iv) Other Investments	Nil	
	Inter-Office Adjustments (Inclusive of unadjusted items on account of Agency and Currency Chest transactions due to Reserve Bank of India)	63,59,253.67		Nil	(v) Gold	Nil	
8,489.28			63,60,565.52	3,10,76,182.34			4,88,01,083.77
18,31,969.91	**8. Acceptances, Endorsements and Other Obligations** per contra		10,02,280.74		**5. Advances** (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
Nil	**9. Profit and Loss—**					Rs. nP.	
	Balance of Profit as per last Balance Sheet	Nil			(i) Loans, Cash Credits, Overdrafts, etc.—		
5,29,000.00	ADD—Profit for the year ended 31st December, 1958	3,50,000.00		6,02,86,131.54	(i) In India	6,05,49,976.14	
				Nil	(ii) Outside India	Nil	
5,29,000.00		3,50,000.00				6,05,49,976.14	
	LESS: Appropriations thereof— Rs. nP.				(ii) Bills Discounted and Purchased—		
2,94,000.00	Amount transferred to Reserve Fund 1,00,000.00			1,38,48,495.10			
75,000.00	Amount transferred to Pension Fund 75,000.00			61,830.09	(1) Payable in India 1,65,34,782.09		
50,000.00	Amount transferred to Gratuity Fund 50,000.00				(ii) Payable outside India 2,23,990.29		
1,10,000.00	Bonus to Staff 1,25,000.00					1,67,58,772.38	
Nil	Surplus balance transferred to Reserve Bank of India Nil			7,41,96,456.73			7,73,08,748.52
5,29,000.00		3,50,000.00			PARTICULARS OF ADVANCES: See separate Statement appended.		
Nil			Nil		**6. Bills Receivable Being Bills for Collection** as per contra—		
	10. Contingent Liabilities—			50,39,038.39	(i) Payable in India	51,55,755.08	
				1,28,638.90	(ii) Payable outside India	62,398.09	
Nil	Claims against the Bank not acknowledged as debts	Nil		51,68,577.29			52,18,153.17
2,67,151.82	Bills of Exchange rediscounted (The liability has run off by Rs. 91,145.21 as at the 29th January, 1959)	91,216.34		18,31,969.91	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		10,02,280.74
11,08,348.73	Outstanding Forward Exchange Contracts	Nil			**8. Premises Less Depreciation—**		
	Guarantees given on behalf of Directors or Employees of the Bank	Nil		28,66,372.16	Total cost upto 31st December, 1957	28,90,722.42	
Nil				24,350.26	Additions (Rs. 1,079.72) less deductions (Nil) during the year	1,079.72	
2,72,958.75	Guarantees given on behalf of others	1,84,104.45		28,90,722.42		28,92,702.14	
	On partly paid shares (Rs. 80,000 in respect of 100 shares of the Central Warehousing Corporation and Rs. 9,00,000 in respect of 10 shares of the Re-finance Corporation for Industries Private Ltd.)			1,95,735.40	Total depreciation written off upto the 31st December, 1958	2,63,019.42	
Nil		8,80,000.00		26,94,987.02			26,29,682.72
					9. Furniture and Fixtures Less Depreciation—		
				24,45,265.74	Total cost upto the 31st December, 1957	24,92,037.03	
				46,771.29	Additions (Rs. 41,188.94) Less deductions (Rs. 2,509.60) during the year	38,670.35	
				24,92,037.03		25,30,716.38	
				12,95,094.81	Total depreciation written off upto the 31st December, 1958	14,66,408.54	
				11,96,942.22			10,64,247.84
					10. Other Assets including Silver—		
				4,08,944.11	Silver	4,09,921.82	
				9,42,806.31	Adjusting Account of Interest, Commission, etc.	11,07,847.40	
				6,48,394.96	Stationery, Stamps and Suspense	3,93,207.09	
				20,79,842.55	Advance Payment of Income-tax	22,39,033.28	
				41,69,987.93			42,45,009.65
				Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims**		Nil
15,79,25,542.21	Total Rs.		18,04,49,635.89	15,79,25,542.21	Total Rs		18,04,49,635.89

Particulars of Advances

31-12-1957 Rs. nP.		31-12-1958 Rs. nP.	31-12-1957 Rs. nP.		31-12-1958 Rs. nP.
5,32,61,873.32	(i) Debts considered good in respect of which the Bank is fully secured.	5,16,09,688.38	73,948.93	(v) Debts due by directors or officers of the Bank or any of them either severally or jointly with any other persons	47,158.24
54,07,171.26	(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	76,78,506.22			
1,55,27,412.15	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,80,20,553.92	2,00,85,274.07	(vi) Debts due by companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members (including Rs. 78,50,146.44 on account of advances made to companies, which are guaranteed by the Government of Andhra Pradesh)	1,61,90,139.12
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	1,22,651.91	(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either severally or jointly with any other persons	81,253.95
			3,43,02,324.93	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members (including Rs. 1,34,57,291.89 on account of advances made to companies, which are guaranteed by the Government of Andhra Pradesh)	2,24,23,532.83
7,41,96,456.73	Total Rs.	7,73,08,748.52	8,13,134.82	(ix) Due from banking companies	8,72,185.70

(Continued in next page)

FIRST ANNUAL REPORT OF L.I.C.

NEW BUSINESS FIGURES AND INVESTMENT PATTERN

THE first statutory report of the Life Insurance Corporation of India covering the sixteen-month period from 1st September 1956 to 31st December 1957, which was placed on the table of the *Lok Sabha* on the 13th inst., has now been released to the Press. Despite the delay in its publication, the report, which contains a wealth of statistical and factual materials, throws a flood of light on certain aspects of the position and activities of the Corporation about which little reliable information was available so far. The delay, it is stated, was due to the fact that the Corporation was beset with various problems arising from the amalgamation of 245 separate accounts into an integrated whole. It is to be hoped that, in future, at least the annual report will be published soon after the close of the period to which it refers.

During the sixteen months from 1st September 1956 to 31st December 1957, the Corporation received 11,34,633 proposals for a total sum of Rs. 400.47 crores. The number of policies issued aggregated 9,41,654, being 82.99 per cent. of the proposals received, assuring a sum of Rs. 336.67 crores, which is about 84.07 per cent. of the amount proposed. The new business written by all the private insurers during the first eight months of 1956 was Rs. 145.51 crores under 4,20,288 policies. The new business written by the Corporation during the last four months of 1956 was Rs. 54.77 crores under 1,47,069 policies. The total business for the year 1956 thus amounted to Rs. 200.28 crores under 5,67,357 policies. The new business for the calendar year 1957 was Rs. 281.90 crores under 7,94,585 policies.

'Janata' Policy

These figures do not include new business written under the *Janata* policy scheme which was introduced in selected centres as a pilot project during the year 1957. Under this scheme, upto 31st December 1957, the Corporation received 22,967 proposals for a total sum proposed of Rs. 1.25 crore and issued 21,208 policies assuring a sum of Rs. 1.17 crore. Thus, the total new business in 1957, including Rs. 1.17 crore written under the *Janata* scheme, aggregated Rs. 283.07 crores. Of this, Rs. 277.67 crores were written in India under 8,10,738 policies and Rs. 5.40 crores were written outside India under 5,055 policies. This compares with the completed new business of Rs. 200.28 crores in 1956, Rs. 260.84 crores in 1955, Rs. 255.25 crores in 1954 and Rs. 170.92 crores in 1953. Thus, the volume of new business done in 1957 exceeded the earlier peak figure of Rs. 260.84 crores reached in 1955.

During the sixteen-month period, the Corporation issued 452 deferred annuities, with a total annual payment of Rs. 6.73 lakhs and 123 immediate annuities with a total annual payment of Rs. 3.22 lakhs.

Breakdown figures of new business written in India during the sixteen-month period indicate that Rs. 245.24 crores (74.75 per cent.) were endowment assurance, Rs. 30.68 crores (9.35 per cent.) were whole life assurances, Rs. 22.93 crores (6.99 per cent.) miscellaneous assurances, Rs. 16.21 crores (4.94 per cent.) joint life assurances and Rs. 13.02 crores (3.97 per cent.) children's assurances. The average sum assured per policy issued by the Corporation during the sixteen-month period was higher at Rs. 3,575, as compared with Rs. 3,208 in 1955 and Rs. 3,355 in 1954.

Total Business in Force

Total business in force as on 31st December 1957 was Rs. 1,474 crores, under 56,86,000 policies, out of which Rs. 1,375 crores, under 54,17,000 policies, constituted the business in India and Rs. 99 crores, under 269,000 policies, formed the business outside India. The following table gives figures of the business in force as on 31st December for the years 1952-57:

Total Business in Force on 31-12-'57

	In India		Outside India		Total	
	No. of policies (in lakhs)	Sum assured and bonuses (in crores of Rs.)	No. of policies (in lakhs)	Sum assured and bonuses (in crores of Rs.)	No. of policies (in lakhs)	Sum assured (in crores of Rs.)
1952 ..	40.17	925	2.66	70	42.83	995
1953 ..	41.67	970	2.72	77	44.39	1,047
1954 ..	45.05	1,091	2.77	86	47.82	1,177
1955 ..	45.16	1,128	2.76	92	47.92	1,220
1956 ..	—	—	—	—	—	—
1957 ..	54.17	1,375	2.69	99	56.86	1,474

Note: 1956 figures are not available as they have not been compiled by the Corporation.

The funds appertaining to the controlled business of insurers vested in the Corporation on the Appointed Day, that is, 1st September 1956, were Rs. 380.61 crores. The premium income for the sixteen-month period ended 31st December 1957 amounted to Rs. 88.12 crores, as against Rs. 58.55 crores for the year 1955 and Rs. 37.56 crores for the eight months ended 31st August 1956. The rate of interest realised on the mean life assurance fund during the period covered by the report, after deduction of income-tax at source, was 3.74 per cent. per annum. As compared with this, the average net rate realised by all insurers during the year 1955 was 3.51 per cent. The claims for this period, inclusive of bonus additions, amounted to Rs. 28.70 crores. Of this, Rs. 7.89 crores were claims by death and Rs. 20.81 crores claims by maturity.

The overall expense ratio, that is, the ratio of expenses to premium income for the period of account, was 27.3 per cent. The corresponding figure for all the insurers combined for the year 1955 was 31.8 per cent. and that for the eight months ended 31st August 1956 was 33.7 per cent. The renewal expense ratio for the period was 15.89 per cent. As compared with this, the renewal expense ratio of all the Indian insurers combined for the year 1955 was 17.3 per cent. and for the eight months ended 31st August 1956 was 20.9 per cent. The renewal expense ratio, although lower than that of the private insurers, must be still considered high. With the introduction of rationalisation and improved administrative procedures, coupled with the expansion of business, a reduction in the expense ratio could be expected in future. The progress in this direction may, it is pointed out, be retarded to some extent, by the expenses involved in plans of development, particularly in rural areas where the Corporation is intensifying its efforts to spread insurance. Costs in rural areas are high, as, apart from expenses inevitable in breaking new ground, the sum assured per policy in these areas will be significantly smaller than in urban areas.

Investments

By far the most exhaustive statistical information contained in the report relates to the investments of the Corporation. The total investments of the Corporation as on 31st December 1957 amounted to Rs. 381.90 crores. This consisted of Rs. 260.61 crores in Indian and State Governments and other approved securities, Rs. 69.14 crores in debentures and shares of joint-stock companies in India, Rs. 13.86 crores in mortgage of properties, Rs. 21.38 crores in house property and Rs. 16.91 crores in other investments.

The total book value of the Corporation's investment as on 31st December 1957 in stock exchange securities was Rs. 338.59 crores. Of this, Rs. 329.75 crores were in India and 8.84 crores outside India. Out of the investments in India, those in the public sector, comprising Central and State Government loans and the major portion of the approved securities amounted to Rs. 255.13 crores or 77.37 per cent. of the total, while investments in the private sector, consisting of debentures and shares in joint-stock companies and also some of the approved securities, amounted to Rs. 74.62 crores or 22.63 per cent. of the total. Of the Rs. 255.13 crores invested in the public sector, Central Government securities accounted for Rs. 185.55 crores, State Government securities for Rs. 42.53 crores, and approved securities for Rs. 27.05 crores,

(Continued on page 524)

State Bank of Hyderabad—*Continued*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1958

31-12-1957 Rs. nP.	EXPENDITURE	31-12-1958 Rs. nP.	31-12-1957 Rs. nP.	INCOME (Less provisions made during the year for bad and doubtful debts and other usual or necessary provisions)	31-12-1958 Rs. nP.
23,51,226.63	1. Interest paid on Deposits, Borrowings, etc.	25,43,149.48	51,64,484.29	1. Interest and Discount	55,03,306.00
	2. Salaries and Allowances and Pension and Provident Funds (including Salary and Pension and Provident Funds Contributions of the Managing Director Rs. 32,700)	32,20,433.04	16,71,183.85	2. Commission, Exchange and Brokerage	17,10,706.66
29,61,715.63			47,194.72	3. Rents	57,151.14
7,149.54	3. Directors' Fees and Allowances	3,948.55		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	1,404.83
2,21,037.40	4. Rent, Taxes, Insurance, Lighting, etc.	2,22,323.07	24.41		
13,946.77	5. Law Charges	9,520.51		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
1,66,106.55	6. Postage, Telegrams and Stamps	1,72,111.64	Nil		
4,000.00	7. Auditors' Fees	4,000.00		6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
	8. Depreciation on and Repairs and Other Charges to the Bank's Property	2,78,262.01	1,416.40	7. Other Receipts	1,480.00
2,80,779.94	9. Stationery, Printing, Advertisement, etc.	1,42,250.92			
1,49,013.78	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil			
Nil	11. Other Expenditure	3,28,049.41			
1,90,407.43	12. Balance of Profit	3,50,000.00			
5,29,000.00					
68,84,303.67	Total Rs.	72,74,048.63	68,84,303.67	Total Rs.	72,74,048.63

NOTE:—Osmania Sicca Currency has been converted into Indian Government Currency at the Government Standard Rate (O.S. Rs. 116-10-8=I.G. Rs. 100).

REPORT OF THE AUDITORS

TO THE RESERVE BANK OF INDIA.

We, the undersigned Auditors of the State Bank of Hyderabad, appointed under Section 30 (1) of the State Bank of Hyderabad Act, 1956, report on the Balance Sheet and Accounts of the Bank as at the 31st December, 1958.

We have examined the above Balance Sheet of the State Bank of Hyderabad as at the 31st December, 1958, and the Profit and Loss Account for the year ended upon that date with the Accounts and Vouchers relating thereto of Head Office and with the Returns submitted and certified by the Branch Managers, which Returns have been incorporated in the above Balance Sheet and Accounts, and report:

(i) that, in our opinion the Balance Sheet is a full and fair one, containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank;

(ii) that, where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory;

(iii) that, the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(iv) that, the Returns received from the Branches of the Bank have been found adequate for the purpose of our audit;

(v) that, the Profit and Loss Account shows a true balance of profit for the year covered by such Account;

(vi) that, in our opinion the Balance Sheet and the Profit and Loss Account are drawn up in conformity with the law, and

(vii) that, in our opinion Books of Account have been kept by the Bank as required by law.

HYDERABAD (A.P.)
Date: 11th February, 1959.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

P. C. BHATTACHARYYA, Chairman.

N. D. NANGIA,
N. S. RAGHAVAN,
A. BAKSI,
PANNALAL, } Directors.

R. GERSAPPE,
Superintendent,
Advances and Investment.

BALWANT SINGH,
Managing Director.

H. MEHDI,
Secretary.

DEVELOPMENT OF CALCUTTA PORT

CONCERN OVER THE SILTING UP IN THE HOOGHLY

SOME understandable concern has been expressed over the deterioration of the Calcutta port, arising particularly from the silting up of the Hooghly. This is not surprising, considering that it is of the utmost national importance that the Calcutta port should be so developed as to be able to handle the increased traffic which will flow through it in the coming years. The significance of the port to the national economy cannot be stressed too strongly, in view of the fact it serves as a port for imports into, and exports from, large areas, including Upper India, Assam and even parts of Central India. The chief imports it handles are salt, foodgrains, machinery and petroleum, while its exports include coal, tea, jute, shellac, linseed and mineral ores. It is the largest port in the country, accounting as it does for over 8 million tons of export and import traffic.

It is the peculiar physical features of the Calcutta port which compel continuous attention being given to its problems. The port is located on the left bank of the Hooghly, about 80 miles downstream from the confluence of the two spill channels of the parent river, the Ganga. The seaward approach to the port is at Sandheads, about 126 miles from Calcutta. The depths of water in the navigable channel leading to the port from Sandheads vary continuously, thereby necessitating maintenance of dredging operations throughout the year on an extensive scale. These ineluctable facts of the geography of the region, together with the situation created by a tidal river like the Hooghly, not only make pilotage necessary but impose restrictions on day-to-day drafts, upto which the ships at the port are permitted to load.

In recent years, congestion at the Calcutta port has posed some difficult problems for the authorities. It is true that periodical congestions cannot be entirely avoided. After all, there are physical limitations on the immediate extension of port facilities, whereas there can be none for the expansion of a country's foreign trade. No wonder, congestion in ports has been a world problem, for not all the world's ports have grown as fast as world trade. The Calcutta port authorities, recognising the need for rapid development, took in hand, during the period of the first Five-year Plan, a programme for the extension of port facilities. The main objective of the first Plan was the replacement of the facilities which had deteriorated through wear and tear and installation of new facilities. The programme, however, could not be implemented in full, because the execution of the project was taken up only two years after the commencement of the Plan. Actual expenditure under the Plan aggregated only Rs. 3.48 crores, as against a total allotment of Rs. 12.17 crores. The Rs. 13.2-crore second Plan—this is besides the provision of Rs. 6 crores for projects carried over from the first Plan—envisages strengthening of quay walls, construction of new sale tea warehouses and new harbour craft, improvement of dry dock facilities for ship repairs, installation of mechanical handling appliances and improvement of fire protection service. To finance the foreign exchange component of the programme for improvement of the port, the World Bank, as is well known, has granted a $29-million loan, carrying interest at 5½ per cent. and repayable in 20 years.

By far the most important aspect of the Calcutta port project is the dredging of the Hooghly. The Estimates Committee, in its report on major ports, expressed the hope that the question of providing adequate dredging facilities will be constantly kept in view. The amount of dredging required to keep the navigable channels clear and to maintain proper depths, it is stated, is heavy and varies from year to year. The quantity of silt dredged every year is about 10 to 12 million tons. This poses several highly technical problems. The situation in the river Hooghly is attributed to cyclical changes in the estuary below Diamond Harbour and seasonal changes in the upper reaches above it.

It would appear that the Hooghly presents an increasingly difficult problem. A reference to this was made by Mr. J. D. K. Brown, President of the Bengal Chamber of Commerce, in his speech at the annual meeting of the Chamber, held recently at Calcutta. Mr. Brown pointed out that, "due to operations far above Calcutta, the flow of fresh water has been inadequate to prevent the silting up which has been going on in the channel." He added: "I am told that the increased salinity of the river in its upper reaches is symptomatic of the damage which has resulted from the failure of fresh water supplies during the long dry season, with the consequent destruction of the preponderance of the ebb over the flood flow." The whole situation, difficult as it is, is believed to have been aggravated by the construction of large dams in the Damodar Valley area and the deforestation which has taken place, coupled with the increasing demands for fresh water for the growing population as well as for irrigation and industry.

The authorities, it is stated, have accelerated the dredging operations at the Belari Bar. But this, according to Mr. Brown, cannot by itself repair the damage. He felt that the construction of an ancillary port at Haldia would not also be a permanent solution of the problem. He added: "I believe that the decision of the Central Government to implement the Plan for the Ferakka Barrage has been taken, although there is no indication as to when the work will start, but, in any case, the building of the barrage cannot have any very early effect on the state of the river." Nevertheless, he urged the authorities to give the scheme a "very high priority."

Clearly, the problem of the Hooghly brooks no delay. It demands expert examination. In this connection, we commend to the attention of the authorities Mr. Brown's suggestion, namely, the appointment of a commission, representative of all interests and including a number of international experts, at least some of whom should have a knowledge of the river and its past history. Such a commission should also be required to submit its report early, which, in its turn, should be implemented expeditiously by the authorities. In the absence of constructive measures for the improvement of the Calcutta port and the prevention of the deterioration of the Hooghly, there is no doubt that the Calcutta port, which serves the region of all the steel plants and increasingly numerous engineering and electrical industries and is the chief port of export for a variety of Indian produce and manufactured goods, will be unable to cope with the growing volume of traffic.

"INDIAN SHIPPING"

The January 1959 issue of *Indian Shipping* (Editor: Mr. S. K. Iyer, Bombay), the journal of the Indian National Steamshipowners Association which celebrated its silver jubilee this year, reviews the recent problems relating to shipping. While it feels that the members may look back upon the past with satisfaction, there is still a long way to go to reach the minimum target for shipping. It expresses the hope that "through properly co-ordinated efforts of the shipowners, the Government and the Planning Commission, all obstacles impeding the progress of the industry will be overcome" and the 1½-million ton target reached. A notable contribution to the literature on Indian shipping is the article, "Two Centuries of Indian Shipping Events—1736 to 1958." Beginning with the establishment in 1736 of the dockyard in Bombay by the East India Company with Lowjee Nusserwanjee Wadia as "master builder," the article traces the history of Indian shipping, setting down such chief events as the first voyage by any steam vessel from Europe to India via the Cape of Good Hope in 1825, the Indian Registration of Ships Act, 1841, the opening of the Suez Canal for traffic (shortening the distance from Europe to Bombay by 4,000 miles) in 1869, the passage of the Bombay Port Trust Act in 1879 and the establishment of the Bombay Steam Navigation Company in 1905 and the Indian Shipping Company by V.O. Chidambaram in 1906, both of which went into liquidation later.

(Concluded from next column)

rules and procedure of the Department. These changes are expected to be introduced with effect from 1st April 1959. A significant step taken by the U.P.C. was the creation of a technical body known as the Consultative Commission of Postal Studies which has been entrusted with the study of technical and operational questions relating to postal service. India has participated in certain studies conducted by the Commission; these are: the organisation of non-mechanised sorting centres, treatment of air-mail articles, basis for fixation of rates for various categories of articles of correspondence. The results of these studies are bound to be of much use to India in reorganising its own postal services.

EXPANSION OF POSTAL FACILITIES

TELEGRAPH SERVICES EXTENDED

THE progress in India's national economy and the growth of its population are reflected in the increasing demand on the services of the Post and Telegraphs Department. In 1958-59, to which the latest report of the Department refers, there was an all-round improvement in postal traffic. The number of postal articles handled aggregated, according to the latest estimate, 3,500 million, as against 3,356 million in 1957-58 and 1,241 million in 1938-39, the respective figures for value of money orders issued being Rs. 275 crores, Rs. 263 crores and Rs. 74.3 crores respectively. The number of telegrams, which was no more than 16.4 million in 1938-39, moved up to 33.2 million in 1957-58 and 34 million in 1958-59. The number of telephone connections, as on 31st March 1959, was 360,000, as compared with 334,733 and 83,378 as on 31st March 1958 and 1939 respectively.

The Postal Department, as is well known, plays an important part in providing facilities for small savers. The number of transactions in Postal Savings Bank increased from 20.2 million in 1957-58 to 21 million in 1958-59. A major innovation during the year was the introduction of the 'cheque' system for withdrawal of amounts. A new scheme called "cumulative time deposits" has been introduced with effect from January last, under which monthly deposits can be made of Rs. 5, Rs. 10, Rs. 20, Rs. 50, Rs. 100 or Rs. 200 for a period of either five or 10 years, at the end of which the amount together with interest will be returned to the depositor.

The policy of extending the postal services to rural areas is being pursued. Under this policy, post offices will be opened in groups of villages with a minimum population of 2,000 within a radius of two miles, but no post office will be opened within a radius of three miles of an existing post office, unless it is self-supporting. However, no new post office will be opened if the loss in working it exceeds Rs. 750 per year; in backward areas, the permissible loss limit is Rs. 1,000. During the period of nine months ended 31st December 1958, the number of new post offices opened was 1,492, and the number of new telegraph offices 163, as against 2,901 and 274 respectively in 1957-58. The total number of letter boxes increased from 133,973 as on 31st March 1957 to 142,110 as on 31st March 1958. A large staff is employed for performing the services rendered by the Postal Department. As on 31st March 1958, the Department employed 316,617 men (permanent 164,017, temporary 51,025 and extra departmental 101,575), including 1,472 gazetted officers.

Considerable progress has been made in the extension of telecommunications. The number of telegraph offices increased by 163 to 5,895 during the nine-month period ended December 1958; only three district towns (in remote North-east Frontier Agency) out of 325 in India, 10 out of 482 sub-divisions and 168 out of 1,382 *tehsils* remained without telegraph facility. The telegraph offices are being modernised through the introduction of tape relay service which is functioning in respect of 23 circuits. Printergram service in Bombay has proved popular. The Telex system, which operates between Bombay and Ahmedabad, is working to full capacity.

The Department provides its own training facilities for the staff. The P. and T. residential training centre at Saharanpur has been running satisfactorily. The Department has also started 10 postal and 15 R.M.S. non-residential training classes in different centres. The training facilities at the Telecommunications Training Centre, Jabalpur, have been increased. On an average, about 400 students are being trained at a time in this centre. There are three regional training centres at Ambala, Calcutta and Madras for telephone mechanics, wiremen and cable jointers.

India continues to play an important role in international postal relations. The Department is engaged in finalising the arrangements to give effect to the changes introduced by the Universal Postal Congress (U.P.C.) which met at Ottawa in 1957. The changes relate to certain basic tariffs and the prescription of a minimum rate of postage for samples and to technical matters, involving alterations in the

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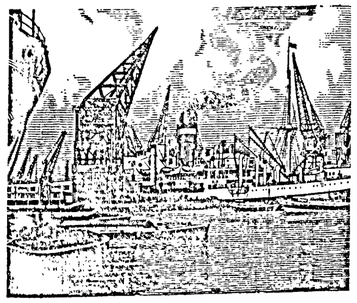

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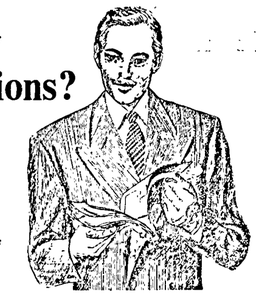

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DESIGN CENTRE IN U.K.

SOMETHING THAT INDIA CAN EMULATE WITH PROFIT

A STAR attraction for domestic consumers and business men from abroad in the U.K. is the Design Centre, a permanent exhibition organised by the British Council of Industrial Designs in Haymarket, London. The Centre is a virtual replica of a vital industrial sector in the U.K., in that it seeks to bring within its fold a systematic representation of a bewildering variety of best designed durable consumer goods in the country. There is no exaggeration in saying that the centre is proving a "time-saver to buyers" in general by providing a snap-shot of a wide range of domestic goods in current production amounting to no less than 10,000 of assured quality. Actually displayed in the hall are just over 1,000 products, the rest being shown in photographs and a catalogue called Design Index. Each item is illustrated either by photograph or by a sample and supported by details concerning the manufacturer, the retail price, dimensions, materials and all other detailed information. The Design Index is reserved in a special "buyers room." We are told that an increasing number of trade buyers and professional inquirers are making use of these facilities for discovering new designs and sources of supply. Thus the Design Centre has become a live-wire organisation, promoting the cause of domestic industry and trade.

Although no orders can be placed through the Centre, the Centre provides telephone facilities, so that interested buyers may make contacts with the manufacturers and get information regarding wholesale prices, availability and delivery. The Design Centre staff gives the visitors necessary information regarding the exhibits. The products covered in the display include, among others, furniture, furnishing accessories, furnishing fabrics and household textiles, cutlery and flatware, floor coverings, glassware, heating and ventilating appliances, kitchen equipments and appliances. lighting fittings, office equipment, plastics, pottery, radio and television sets, sewing and knitting machines, silver, metalware, household and garden tools, light transport, travel goods, wall papers, and wall treatments, wooden and other tableware, street furniture, building fittings, clocks and watches, cleaning equipment and appliances, brushes, photographic equipment and optical instruments. It may be noted here that the Council of Industrial Designs brings out a magazine entitled *Design*, giving a detailed account of its activities both in England and abroad

Improvement of Designs

The fact that the various products exhibited at the Centre carry the approval of the Council of Industrial Design in respect of their quality and standard, makes them all the more popular with the consumers—who have a fascination for best designs and quality. It may be noted that the Council of Industrial Design was constituted by the British Board of Trade about 15 years ago—1944 to be precise. This is a grant-aided body, designed to promote improvement of designs in the domestic industry. A majority of the 24 members who constitute this body are leading industrialists in Britain. There is, in addition, a separate Scottish Committee. Also associated with this institution are the Royal Society of Industrial Artists, which is the representative professional body in the U.K. of designers engaged in industry and commerce, and the Design and Industries Association (D.I.A.), a voluntary body consisting of many industrial companies, designers, etc. Their co-operative efforts are helpful to consumers and producers alike. The consumers have the satisfaction that they can rely on the Council for the quality and reasonableness of price of the products displayed in the Centre. The producers find in the Centre a model technique for publicising their products having good designs.

A permanent exhibition of this nature in an international tourist and trade centre such as London has a special significance to export promotion also. This experiment is, therefore, worth emulating by India, too, in cities like Bombay, Calcutta, New Delhi and Madras. It is to be hoped that industrialists and the Government of India will pay some thought to this suggestion. Apart from helping the domestic and export trade to expand, a design centre will give considerable fillip to the art of industrial designing and attract a lot of young people to this much neglected but very valuable profession in this country. It would amount to stressing an obvious point to say that if India is to succeed in becoming a full-fledged industrial nation, it must have a large force of industrial designers. No nation can achieve industrial greatness by copying or imitating foreign designs.

PAINT INDUSTRY

The progress of the paint industry is not as spectacular as the wide range of bright and dazzling colours of paints and varnishes produced in this country might seem to suggest. The industry's path is by no means smooth, as it is faced with several problems in regard to raw materials and packaging materials. The production of paints in 1958 rose to 50,000 tons from 42,271 tons in 1957 and 33,492 tons in 1951. While production has thus steadily increased, there is still a substantial under-utilisation of capacity to the tune of about 21 per cent. The total annual installed capacity of the industry is about 65,000 tons, calculated on the basis of two shifts and 300 working days. If this surplus capacity is to be utilised, the industry must have sufficient supply of raw materials. And it is a simple law of economics that, unless the capacity is fully utilised, costs cannot be brought down and that, unless the product is competitive, it has no chance of winning markets. It is, therefore, no wonder that on the export front the paint industry has not fared well. The aggregate value of exports of paints and varnishes during 1958 was no more than Rs. 10.57 lakhs, as against Rs. 11.86 lakhs during the whole of 1957.

In this context, it would be worthwhile to examine the difficulties that inhibit the paint industry's expansion in production and exports. It would appear from the speech of Mr. R. S. Cooke, Chairman of the Paint Federation, that the import licensing policy leaves much to be desired. This drawback accounted, to a great extent, for the inability of the industry to meet many demands and delays in making deliveries. He, however, appreciated the system of blanket import licences, introduced by the Government at the end of last year. By this he did not mean to suggest that there had been general satisfaction with the value of licences granted for most of the manufacturers needed a substantially more generous allocation. The chief merit of the new system was its flexibility and he hoped that this policy would be continued.

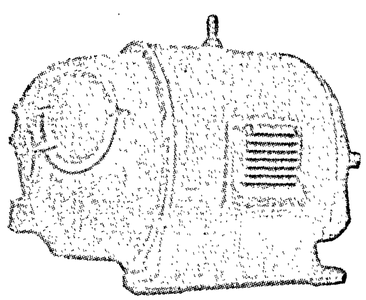
In addition to the raw materials, which the producers of paint themselves import directly as actual users, the industry is also handicapped by the shortage of lead and zinc pigments, vital for its development. Lead and zinc pigments are of paramount importance for ensuring the anti-corrosion quality of paints. That is why a large number of I.S.I. specifications for the paint industry require the use of such pigments. The difficulty has arisen because the manufacturers of these pigments have not been permitted to import adequate quantity of lead and zinc metals.

Scarcity of tung oil is another problem of the paint industry. India produces only a small quantity of this oil but the prices are so high that the Paint Federation has found it necessary to bring it to the notice of the Bengal Government. Mr. Cooke disclosed that the latter was now seized of the problem and that it had ordered an increase in the acreage for the seed-bearing tree, namely, *aleurites*. He expressed the hope that it would not be long before the millers of Indian tung oil would eventually place their product on the market at a price which would be more or less equivalent to that of imported oil.

Another problem confronting the paint industry to which Mr. Cooke referred, pertains to securing continuous supply of tinplate and steel sheet for the packages in which paint has to be sold. He urged that the paint industry should be given high priority in the allocation of tinplate and steel sheets for packages.

The importance of stepping up exports, at a time when the country is passing through foreign exchange difficulties, cannot be overemphasised. Many attempts are being made to develop export trade in paints. It may be recalled that the Chemicals and Allied Products Export Promotion Council was constituted in July 1958, a Panel was also formed within its framework to deal with specific problems relating to the export of paints. Apparently, this measure has not led to any immediate benefit. Mr. Cooke felt that no improvement in the export of Indian paints would be possible, until its producers were able to place their products in foreign markets competitively. He, therefore, made a fervent plea to devise a system of drawbacks of import duty on raw materials. That was for promoting export of paints direct. Besides this, paint figures prominently in the export of several other items, in which it is used for protective and/or decorative purposes. Mr. Cooke, therefore, stressed that manufacturers of paint should give maximum co-operation and high priority to those of their customers who were buying paints for the finishing of goods destined for export.

The demand for paints within the country itself is bound to go up in view of the large development programmes in hand. Paint is needed everywhere in some shape or form; railways, motor cars, bicycles, electrical industries, houses and almost all construction industries—all of them require paint. It is, therefore, a vital industry and must be helped to grow and become self-sufficient as early as possible. It is gratifying to hear that the need for research in paints has been recognised. Mr. Cooke disclosed that considerable headway had been made, in co-operation with the Council of Scientific and Industrial Research and other interests in paints industry, towards the establishment of the Indian Paint Research Association. The Association is expected to set up a research institute in the course of this year.



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EXPORTS OF CASTOR OIL TO THE U.S.

A feature of India's export trade in 1958 was the total absence of business in castor oil with the U.S., which in 1957 was the leading buyer of this commodity, accounting as it did for an offtake of about 16,770 tons, valued at about Rs. 2.8 crores. Mr. Walter L. Willner, President of the Walter Willner Company, Incorp., New York, who was in Bombay recently, attributed this shift in trade to hectic fluctuations in the price of castorseed in this country, which made Indian castor less attractive to U.S. consumers who wished not only reasonable prices but also a certain measure of stability. He held the view that the U.S. naturally turned its attention to other sources of supply such as Brazil, Portuguese West Africa, and Peru. Another outcome of lack of price stability and high prices for Indian castor was the preference of U.S. consumers for synthetic substitute, which could be had at steady prices. In these circumstances, India could not, according to Mr. Willner, hope to develop its castor oil exports to the U.S., unless its prices were allowed to stabilise at lower levels.

High level of prices in India was also acting, Mr. Willner pertinently pointed out, as a protective umbrella to Brazilian castor oil. It is even encouraging the U.S. to step up its domestic production. Indeed, the U.S. is already growing about 28,000 tons of castor seed, just sufficient to meet two months of its consumption. That this is not an empty threat will be evident from the fact that, whereas, not long ago, the U.S. was a net importer of soya beans, today, it is a net exporter of this item. With its high level of efficiency in farming and with sufficient land available in areas where climate is suitable for growing castor seed, it should not be difficult for the U.S. to achieve self-sufficiency or near self-sufficiency in castor seed and castor oil. It is, therefore, inadvisable for Indian exporters to try to squeeze the last cent out of the U.S. consumer. On the contrary, they should endeavour to ensure a steady level of prices and a high standard of quality. The warning sounded by Mr. Willner deserves to be heeded by the Government of India and the traders in this country. Otherwise, India will soon lose another valuable source of earning foreign exchange.

The first step for achieving price stability is to control speculation. It is the duty of the authorities in charge of forward markets ruthlessly to eliminate unhealthy speculation. This should not be difficult if the Governing Boards of these markets were to take the initiative for exposing the black sheep in their fold and for preventing the use of forward contracts as instruments for making quick profits. If they fail to do self-policing, the Government will be justified in acting firmly against speculators, including the abolition of futures trading.

INDO-BRITISH TRADE—JANUARY 1959

The aggregate value of India's exports to the U.K. in January 1959 amounted to £15.82 million, which compares favourably with £11.29 million in January 1958. There was a perceptible improvement in the export of tea which accounted for as much as £9.76 million, as against £5.98 million. The export of miscellaneous textile manufactures also rose from £886,000 to £1.30 million and that of oilseed cake and meal from £625,000 to £971,000. The earnings from leather manufactures and dressed furs, however, were slightly lower at £1.08 million, as compared with £1.09 million in the first month of 1958.

In contrast to exports, India's imports from Britain suffered a slight setback, their total value having fallen from £14.26 million in January 1958 to £11.80 million in January 1959.

K.C.P.'S GROSS PROFIT LOWER

CEMENT FACTORY GOES INTO PRODUCTION

DESPITE a sharp rise in the turnover of sugar, spirits and confectionery and a sizable improvement in the realisation from the sale of manures and molasses, the results of the K.C.P. Ltd. (Managing Agents: Messrs. V. Ramakrishna Sons Private Ltd., Madras) for the year ended 30th June 1958 are not favourable as compared with those for the previous year. The quantity of cane crushed and the output of sugar also suffered a setback and this, together with the rise in manufacturing and other expenses, has obviously contributed to the fall in earnings. The gross profit for the year under review at Rs. 32.74 lakhs is Rs. 2.96 lakhs lower than the Rs. 35.70 lakhs earned in the previous year. It is, however, a shade higher than Rs. 32.41 lakhs for 1955-56 and twice as much as that (Rs. 16.27 lakhs) for 1954-55.

The provision for depreciation has received Rs. 9.97 lakhs, as against Rs. 7.50 lakhs last year. No amount has been provided for taxation which had been credited with Rs. 12.50 lakhs in the past year. Consequently, the net profit stands substantially higher at Rs. 20.77 lakhs, as compared with Rs. 12.98 lakhs for 1956-57 and Rs. 15.22 lakhs for 1955-56. The Directors have written back Rs. 2.44 lakhs, representing excess dividend provision made on deferred shares for the year 1956-57 and Rs. 28,044, being interest not relating to the year of account. The amount thus written back has, however, been utilised to strengthen the Company's reserves further. Thus, as against only Rs. 8.50 lakhs conserved a year ago, as much as Rs. 21.50 lakhs have been ploughed back now. Of this amount, Rs. 12.50 lakhs have been transferred to development rebate reserve and Rs. 9 lakhs to general reserve.

The dividend on ordinary shares shows no change at 7½ per cent., since the shares are entitled to a fixed dividend at that rate and do not carry any rights to cumulative dividend. The dividend on deferred shares, on the other hand, which had been consistently maintained at 100 per cent. for the past seven years in succession, has been reduced to 15 per cent. Even this dividend is subject to the sanction of the Industrial Finance Corporation of India, but there should be no difficulty in getting it.

The following comparative table discloses the Company's progress during the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Sale of sugar, spirits and confectionery	272.15	181.99	178.34	N.A.
Sale of manures	11.11	7.39	11.76	
Sale of molasses	4.85	1.12	0.95	
Closing stocks	108.61	128.27	66.11	
Work-in-progress	3.00	8.09	2.74	
Manufacturing and other expenses	267.87*	249.40	171.08	10.22†
	32.74	35.70	32.41	16.27
Gross profit	2.00	2.72	2.70	1.28
Remuneration to Mg. Agents	9.97	7.50	4.40	3.14
Depreciation	—	12.50	10.00	5.00
Taxation	20.77	12.98	15.22	6.55
Net profit	2.72	0.22	—	—
Excess provisions, etc., written back	—	0.58	0.39	—
Expenses not relating to the year written off	0.05	0.30	0.18	0.26
Donations	21.50	8.50	11.04	2.00
To reserves				
Dividends—	0.16	0.16	0.16	0.16
5% preference	0.79	0.79	0.79	0.79
Ordinary	(7½%)	(7½%)	(7½%)	(7½%)
	0.43	2.87	2.87	2.87
Deferred	(15%)	(100%)	(100%)	(100%)
	0.83	0.28	0.27	0.48
Carry forward	273,273	323,857	215,606	170,398
Cane crushed (in tons)	24,960	26,063	19,855	10,834
Sugar produced (in tons)	9.14	8.25	9.39	9.94
Recovery (%)				

N.A.—Not available.

* Includes excise duty on sugar amounting to Rs. 66.17 lakhs, the corresponding figures for 1956-57 and 1955-56 being Rs. 29.14 lakhs and Rs. 22.78 lakhs, respectively.

† Administrative and other expenses only.

The Company's sugar factory commenced crushing on 11th December 1957 and closed on 18th May 1958. During this period, it crushed 273,273 tons of sugarcane and produced 24,960.3 tons of sugar. The recovery of sugar for the season was higher at 9.14 per cent., as against 8.25 per cent. in the previous season.

The Directors state that the cement factory at Macherla went into production with effect from 1st March 1958 and produced 11,696 tons of cement. The Company's workshops at Tiruvottiyur near Madras worked satisfactorily during the year. The Directors' report states that it is proposed to sell the workshops to the Ramakrishna Basic Industries Corporation Ltd.

The Company's paid-up capital as at 30th June 1958 remains unchanged at Rs. 16.68 lakhs. This is composed of Rs. 3.29 lakhs in 5 per cent. tax-free redeemable cumulative preference shares of Rs. 100 each, Rs. 10.52 lakhs in 7½ per cent. tax-free ordinary shares of Rs. 100 each and the balance of Rs. 2.87 lakhs in deferred shares of Rs. 10 each. The reserves and surplus aggregate Rs. 110.33 lakhs. The current liabilities, including provision for taxation, amount to Rs. 379.76 lakhs, of which secured loans from banks account for Rs. 261.52 lakhs including Rs. 87 lakhs from the I.F.C. The gross block amounting to Rs. 337.42 lakhs has been written down to a book value of Rs. 285.72 lakhs. Additions to the gross block during the year accounted for Rs. 92.55 lakhs. The current assets aggregate Rs. 221.05 lakhs and fall short of the current liabilities and the provision for taxation by a margin of Rs. 158.71 lakhs.

The Rs. 100 7½ per cent. tax-free ordinary shares are being currently quoted at Rs. 140 *cum-div.* On an *ex-div.* basis, they provide a yield of 5.66 per cent. per annum, free of tax.

INDUSTRIAL INVESTMENT TRUST RAISES DIVIDEND

The Industrial Investment Trust Ltd. (Secretaries and Treasurers: Messrs. Premchand Roychand and Sons, Bombay) has earned a higher profit of Rs. 6.39 lakhs for the year ended 31st December 1958, as against Rs. 5.93 lakhs for the previous year, after setting aside Rs. 52,205 for Secretaries and Treasurers' remuneration, as against Rs. 50,423. After adding to this the amount brought forward from the previous year of Rs. 1.75 lakh, the total amount available for appropriation is Rs. 8.14 lakhs. Out of this, Rs. 9,128 has been set apart for additional income-tax assessed for the assessment years 1953-54 to 1956-57 and another Rs. 3.826 for wealth tax for 1958-59, as against Rs. 2.30 lakhs for assessment years 1954-55 to 1957-58 and Rs. 5.916 for wealth tax transferred in the previous year. The Directors have transferred to capital reserve a sum of Rs. 8,647 representing the net profit on sale or redemption of investments. They have proposed a dividend of Rs. 6 per share of Rs. 100 each, free of income-tax, for 1958, as against Rs. 5.50 for 1957. The dividend absorbs Rs. 6 lakhs, leaving a balance to be carried forward of Rs. 1.92 lakh, subject to taxation for the years 1957 and 1958, as against Rs. 1.75 lakh brought in.

The Company's income by way of dividends on shares and interest on debentures and securities amounted to Rs. 7.39 lakhs, as against Rs. 7.16 lakhs in 1957. Income from other sources also increased slightly from Rs. 13,067 to Rs. 17,941.

The Directors state that the approximate valuation of the Company's investments at market quotations as on 31st December 1958 or in the case of unquoted investments at the book value, was higher than the total book value by 6.62 per cent.

The Trust has a paid-up capital of Rs. 99.99 lakhs, all in ordinary shares of Rs. 100 each. As against this, it has reserves and surplus aggregating Rs. 22.14 lakhs. The current liabilities amount to Rs. 8.05 lakhs. Fixed assets consisting of furniture and fittings of the value of Rs. 19,684 stand written down at Rs. 3,157. The current assets aggregate Rs. 130.15 lakhs, of which investments (at or under cost) account for Rs. 126.86 lakhs. Of the investments, quoted investments of a value of Rs. 114.66 lakhs have a market value of Rs. 123.06 lakhs on 31st December 1958, such having increased from Rs. 104.36 lakhs quoted a year earlier.

The Rs. 100 fully paid-up shares are currently quoted at Rs. 90 *cum-div.* On an *ex-div.* basis, the yield is 7.14 per cent. per annum free of income-tax.

(*Concluded from next column*)

year. The Directors are also examining some new schemes which will further enlarge and diversify the activities of the Company.

It is stated that the current year's working is expected to show satisfactory results, provided the import policy of the Government does not undergo any further change.

The Company's paid-up capital of Rs. 50.08 lakhs is made up of ordinary shares of Rs. 10 each. As against this, its reserves and surplus are equal to only Rs. 8.48 lakhs. It has two sets of debenture liabilities, one of Rs. 13.71 lakhs carrying interest at 5¼ per cent. and another of Rs. 68,000 at 7 per cent. The former, we are told, have been redeemed since the close of the accounting year. The gross block is valued at Rs. 81.32 lakhs and the net block at Rs. 51 lakhs. The current liabilities stand at Rs. 32.65 lakhs. As against this, the current assets aggregate Rs. 54.61 lakhs.

The Rs. 10 paid-up shares are currently quoted at Rs. 9.37 *ex-div.*, at which rate and on the basis of the dividend for the year, the yield is 6.9 per cent. per annum.

JAY SHREE TEXTILES

DIVIDEND HIGHER

IN these days of slump for cotton textile industry, it is gratifying to know that Jay Shree Textiles Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta) has added one more year of steady progress. The year under reference is the last calendar year, 1958. The Company's profit for that year shows a sharp rise over that for the preceding two years. Considering the fact that the Company wiped out the arrears of its debit balances only as recently as in 1956, the results for the year under review justify the hope that the Company has definitely turned the corner and that its future is well assured. It is true that there are still large arrears of depreciation, but, if the present rate of progress were maintained, it would not be difficult for the Company to fill this gap. In this context, the gesture of the Managing Agents by giving up their commission in the larger interests of the Company deserves to be mentioned.

The gross profit at Rs. 19.07 lakhs has shot up by Rs. 7.40 lakhs from Rs. 11.67 lakhs for the previous year, to which level it had increased from Rs. 10.59 lakhs earned in 1956. The net profit at Rs. 10.44 lakhs also stands appreciably higher, as compared with Rs. 4.23 lakhs for 1957 and Rs. 4.92 lakhs for 1956. This is after raising the provision for depreciation from Rs. 6.94 lakhs to Rs. 8.35 lakhs. A sum of Rs. 28,500 has been provided for wealth tax, as against Rs. 45,000 set aside in the previous year for the years 1956 and 1957.

The higher profit has enabled the allocation of Rs. 6 lakhs to renovation and renewals reserve and another Rs. 28,860 to development rebate reserve. The amounts set aside in the previous year, it may be noted, were Rs. 85,968 to development rebate reserve and Rs. 7,423 to provision for doubtful debts. The Directors state that, on the basis of the Company's calculations in accordance with the Income-tax Act, the amount of unprovided depreciation as on 31st December 1958 comes to about Rs. 31 lakhs.

The dividend to shareholders has been raised to 6¼ per cent. from 5 per cent. for 1957, to which level it had been stepped up from 3¾ per cent. for 1956.

The following comparative table sets out the Company's profits during the past three years:

(In lakhs of rupees)

	For the year ended 31st December		
	1958	1957	1956
Sale proceeds of finished goods	81.75	83.66	58.08
Closing stocks of finished goods and stock-in-process	22.49	16.48	13.51
Raw materials consumed	39.43	47.76	34.20
Expenses	34.28	31.36	23.29
Gross profit	19.07	11.67	10.59
Depreciation	8.35	6.94	5.67
Provision for wealth tax	0.28	0.45	—
Net profit	10.44	4.28	4.92
Items pertaining to previous years written back	0.13	0.04	0.18
Expenses written off	0.54	0.14	2.92
Provision for tax on excess dividend	0.02	—	—
Transfer to reserves	6.29	0.93	0.32
Dividend	3.20	2.46	1.84
	(6¼%)	(5%)	(3¾%)
Carry forward	1.33	0.82	0.03

The Directors observe in their latest report that the Company's products, especially fire-fighting hose-pipes, linen threads and twines, flax canvas and paulins, hair belting yarn, etc., are becoming more and more popular. Considerable progress has also been achieved in the manufacture of industrial cloths like filter cloth, cotton canvas, lapping cloth, clearer cloth, sizing flannel, etc. It will thus be seen that the Company's manufacturing activities have been diversified to a considerable extent.

Alluding to the Company's working during the year under review, the Directors aver that the results of the Company would have been better but for the inadequate import licences for some of the essential raw materials and increase in various heads of expenditure, chiefly under wages, stores, coal and electricity. As a result of the award of the Cotton Textile Tribunal, the annual wage bill of the Company has increased by about Rs. 2 lakhs.

The technical collaboration with Messrs. George Angus & Co., Ltd., London, to manufacture rubberlined fire-fighting hoses (equivalent to their "Pressure Flex Hose") in India has been concluded and has received the sanction of the Government. The new plant is scheduled to start production during the current

(*Continued in previous column*)

SIRPUR PAPER EARNS HIGHER PROFIT

RESULTS OF BRAITHWAITE AND COMPANY SATISFACTORY

Sirpur Paper Mills Ltd.

THE directors of the above Company (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June 1958.

The profit and loss account after providing Rs. 35,00,000 (Rs. 17,63,251) for depreciation, Rs. 4,00,000 (Rs. 82,000) for taxation (including wealth tax) and Rs. 1,00,000 (*nil*) for development rebate, shows a profit on the year's working of Rs. 18,53,930 (Rs. 14,32,619) to which is added the balance brought forward from the previous year of Rs. 5,497 (Rs. 17,813) making a total of Rs. 18,59,427 (Rs. 14,50,432). From this there has been provided for reserve for contingencies Rs. 1,75,000 (*nil*) and forfeited dividends paid Rs. 100 (Rs. 857) leaving a balance available of Rs. 16,84,327 (Rs. 14,49.575) for disposal which, it is recommended be disposed off as under:

To payment of dividend on 40,480 cumulative redeemable preference shares of Rs. 100 each fully paid up at 6 per cent. per annum without any deduction of income-tax absorbing Rs. 2,42,880 (Rs. 2,25,126), to dividend on 21,85,524 ordinary shares of Rs. 10 each fully paid up at 65 (50) nP per share without any deduction of income-tax, absorbing Rs. 14,20,591 (Rs. 10.92,762) and to transfer to general reserve Rs. 2,062 (*nil*), leaving a balance to be carried forward of Rs. 18,794 (Rs. 5,497 after writing off Rs. 1,16,029 being expenses on training of employees sent abroad and writing Rs. 10,161 being brokerage and commission on issue of shares).

During the year under report, the production amounted to about 20,400 tons of paper as against 17,400 tons in the previous year and 14,200 tons in the year prior to that. There has been considerable improvement in the quality of paper in the year.

The working results of the year under review are considered satisfactory although the cost of raw materials, chemicals, railway freight and salaries and wages recorded further rise.

With a view to determine the fair selling prices for paper and board, the matter has been referred by the Government of India to the Tariff Commission.

The expansion programme has almost been completed. The new 'paper machine' was commissioned about the end of 1958 with the help of imported pulp. Erection of machinery in the soda recovery, pulp and bleaching sections, etc., is in final stage of progress. These plants are expected to be commissioned shortly.

The closing stock of paper has been valued 'at or below market rates' instead of 'at market rates' due to supplies to Government being made at lower rates, as per the rates specified in the rate contract with the Government. This change would not result in affecting profits for the current year.

The Company has not made any provision for gratuity as, at present, there is no liability for same. The liability, if any, for gratuity, accrues at the time of retirement and providing for future liability is not obligatory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,59,52,530	Gross block	3,93,85,536
Reserves ...	51,23,786	*Less*—Depreciation	1,10,56,130
Share money suspense	117	Net block	2.83.29,406
Provision for taxation ...	4,82,000	Capital work-in-progress	1,71,70,510
Liabilities ...	2,96,98,533	Machinery-in-transit ...	3,31,816
Profit and loss account ...	18,794	Extension machinery in stores ...	23.23,433
		Stock-in-trade	6,71,230
		Raw materials	13,94,730
		Stores and tools ...	68.81,289
		Debts, deposits and advances ...	39,27,812
		Investments	75,763
		Cash ...	1,69,771
Rs.	6,12,75,760	Rs.	6,12,75,760

Braithwaite & Co. (India) Ltd.

The directors of the above Company (Chairman: J. D. K. Brown, Esq., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The trading profit for the year after making provision for depreciation and all other working charges and after providing a sum of Rs. 1,18,706 (Rs. 87,024) in respect of development rebate, amounted to Rs. 38.21.354 (Rs. 38,69,928) to which has to be added the balance brought forward from the previous year, viz. Rs. 1.82.669 (Rs. 1 99.299) making a total of Rs. 40 03,623 (Rs. 40,69,227). Out of this sum there has been provided for taxation in respect of 1958 Rs. 23,25,000 (Rs. 21,25,000) and transferred to general reserve Rs. 7,95.979 (Rs. 2.00.000) leaving a balance available for disposal of Rs. 8,82,644 (Rs. 17,44,227). The directors recommend payment of a dividend at the rate of Re. 1.25 (Rs. 2.00) per share without any deduction for income-tax payable by the Company absorbing Rs. 7,07,474 (Rs. 11,31,958) leaving a balance at the credit of profit and loss account of Rs. 1,75,170 (Rs. 1,82,269 after providing Rs. 4,30,000 for additional taxation in respect of 1956 including super tax on issue of bonus of shares) to be carried forward to the next account.

The result of the year's trading is a profit which is only marginally less than that of the preceding year but in view of the need to conserve the resources of the Company to provide for an expansion of its activities the directors consider it prudent to recommend payment of a dividend of only Re. 1.25 per share as compared with Rs. 2 per share which was distributed in respect of 1957. It will be recalled that at an Extraordinary General Meeting held on 16th July last additional dividends totalling Re. 1 per share were declared in respect of the years 1954 and 1955 in order to avoid the penal effects of Section 23A of the Indian Income-tax Act and in the explanatory circular letter to shareholders which accompanied the notice convening that meeting, it was stated that. having regard to the need to conserve the Company's resources, the distributions then proposed would require to be taken into account by the directors when considering their recommendation regarding a dividend for 1958. It is in these circumstances that a dividend of Re. 1.25 per share is now recommended but it may be observed that despite the slightly reduced profit the necessary provision for taxation has been increased by the necessity to provide, *inter alia*, for additional taxation on "excess" dividends resulting from the declaration of the dividend for 1957 and the additional dividends for 1954 and 1955, all within the same accounting year. Payment of these additional dividends absorbed Rs. 5.65,979, which was met out of the Company's general reserve account and this amount has now been restored to that account by transfer out of the profits of 1958, being included in the total amount shown above, viz: Rs. 7,95,979.

Output from the Structural Shop was successfully maintained throughout the year, even surpassing the previous record of 1957, but the Wagon Shops were affected during the second half of the year by the shortage of raw materials foreshadowed in the last report. Aggravated by the disastrous strike at the Tata Steelworks at Jamshedpur in May, wagon outturn was on many occasions halted by inadequate and irregular supplies of materials and the results achieved reflect great credit on the energy and initiative of the Company's production staff under most difficult conditions.

Comparative output has been:—

	1957		1958	
	Numbers	Tons	Numbers	Tons
Structural steel work	...	10,940	...	11,139
Railway wagons	2416	12,685	2030	10,572
Total for the year		23,025		21,711

Shortage of raw materials will continue for some months and, despite a satisfactory order book, some fall in production must be expected. The Company, however, is no worse placed than others engaged in the heavy engineering industry and the directors are confident that the present temporary difficulties will pass. It is expected that the benefit of the expansion schemes of the Tata Iron & Steel Co. Ltd. and the Indian Iron & Steel Co. Ltd. will begin to show towards the end of the current year, when the Company can look forward again to a period of full activity.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	56,59,790	Gross block	66.62,747
Reserves ...	64,90,721	*Less*—Depreciation ...	9,45,919
Provision for taxation ...	11,11,452	Net block ...	57,16.828
Liabilities ...	73,29,456	Capital work-in-progress	2,32,012
Profit and loss account ...	1.75,170	Contracts-in-progress ...	93.36,276
		Stocks and stores ...	12,91.628
		Other assets	2.25,027
		Debts, deposits and advances ...	14,51.265
		Investments	18,49.245
		Cash ...	6 61.308
Rs.	2,07.66,589	Rs.	2,07,66,589

Coimbatore Cotton Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. R. Bheema Naidu & Co., Singanallur, Coimbatore) submit the audited accounts of the Company for the year ended 31st December 1958.

After deducting all working expenses and interest and providing Rs. 4,49,758 (Rs. 1,35,499) for depreciation, the year's working has resulted in a net profit of Rs. 2,46,291 (Rs. 9,77,485). Out of this amount Rs. 18.376 (Rs. 3,327) were paid as donations and Rs. 44.928 (*nil*) as balance of bonus for 1955 leaving a balance of Rs. 1,82,987 (Rs. 9,74,158). With Rs. 698 (Rs. 10,889), the balance of profit brought forward from last year, and Rs. 1,85,000 (*nil*) transferred from dividend equalisation reserve, there is a sum of Rs. 3.68.685 (Rs. 9.85,047) available for appropriation. The directors recommend the following appropriations:—

To development rebate reserve Rs. 1,25,000 (*nil*), to employee's gratuity reserve Rs. 30,000 (Rs. 27,500), to proposed dividend at 6 (9) per cent. tax-free Rs. 2,13,089 (Rs. 1,98,138) and leaving a balance to be carried forward of Rs. 596 (Rs. 698 after placing Rs. 3,08,711 to machinery replacement reserve; Rs. 50,000 to G. K. Naidu Charity Trust and Rs. 4.00.000 for provision for taxes).

Unless an amount not less than 75 per cent. of the development rebate allowable in the income-tax assessment is appropriated for development rebate reserve, the claim for the allowance for development rebate will be lost.

With a view to minimise the burden of payment of gratuity on the profits of any future year in which any employee or employees may leave the service in the Company, a gratuity reserve is being built up by appropriating sufficient sums from the profits of every year.

The installation of the first 12.800 spindles to spin staple fibre yarn is complete in the Jubilee mills and out of the second 12,800 spindles to spin cotton yarn, all the imported blow room and preparatory machines have arrived and have been erected. 14 indigenous cards out of 40 have been installed. The electrical transformer, switch gear, spinning frames and humidification plant are awaited and it is expected that all these machines will go into production before the end of this year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,97,200	Gross block	88,98,386
Reserves ...	24,15,845	*Less*—Depreciation ...	36,22,038
Provision for taxation ...	4,64,268	Net block ...	52,76,348
Liabilities ...	29,39,922	Stock-in-trade	18,93,151
Profit and loss account ...	*596	Stores ...	1,78,908
		Debts, deposits and advances ...	18,46,668
		Investments	2,15,200
		Cash ...	7,556
Rs.	94,17,831	Rs.	94,17,831

Calcutta Steam Navigation Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Hoare Miller & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June 1958.

The accounts show a net profit of Rs. 2,82,797 (Rs. 3,92,805). On bringing forward from the last profit and loss account the balance of Rs. 73,358 (Rs. 91,810) and including the profit on sale of a motor car of Rs. 578 (*nil*), the credit on profit and loss account amounts to Rs. 3,56,733 (Rs. 4,85,037 including Rs. 422 being unclaimed dividends written off), which the directors recommend be dealt with as follows:

To provision for taxation Rs. 1,00,000 (Rs. 2,47.879), to transfer to fleet reserve Rs. 578 (*nil*), to transfer to development reserve Rs. 25,000 (*nil*) and to pay a dividend at Re. 1.00 (Re. 1.30) per share or 10 (13) per cent. (free of tax) absorbing Rs. 1.26,000 (Rs. 1,63,800) leaving to be carried forward Rs. 1,05,155 (Rs. 73,358).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12.60,000	Gross block	76,11,250
Reserves ...	11,97,457	*Less*—Depreciation ...	42.61,686
Provision for taxation ...	3.07,879	Net block	33,49.564
Liabilities ...	15.07,373	Stores and spare gear, etc. ...	1,96,584
Profit and loss account ...	1.05.155	Debts, deposits and advances ...	8.27,816
		Cash ...	3.900
Rs.	43.77,864	Rs.	43,77,864

British Burmah Petroleum Co., Ltd.

The directors of the above Company (Chairman: Tricumdas Dwarkadas, Bombay) submit the audited accounts of the Company for the year ended 31st March 1958.

The net profit earned by the Company for the year under review amounted to £30.805 as compared to £45.195 for the previous year. After providing £19,619 (£7,369) for taxation, there remains a balance of £13,025. The directors recommend payment of a dividend at 2 (*nil*) per cent. which, if accepted, will absorb £11,250 (*nil*) leaving a balance of £1,775 (£1,839) to be carried forward.

No progress has been made during the year in the claim against the Union Government of Burma for compensation for the destruction of the Company's assets as a war measure.

Accounts in brief are as under:—

Liabilities	£	Assets	£
Capital ...	562,500	Gross block	348
Capital reserve ...	182,092	*Less*—Depreciation ...	224
Provision for taxation ...	16,491	Net block ...	124
Liabilities ...	202,251	Debts, deposits and advances	72,846
Profit and loss account ...	1,775	Investments	801,990
		Cash ...	90,149
	£965,109		£965,109

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

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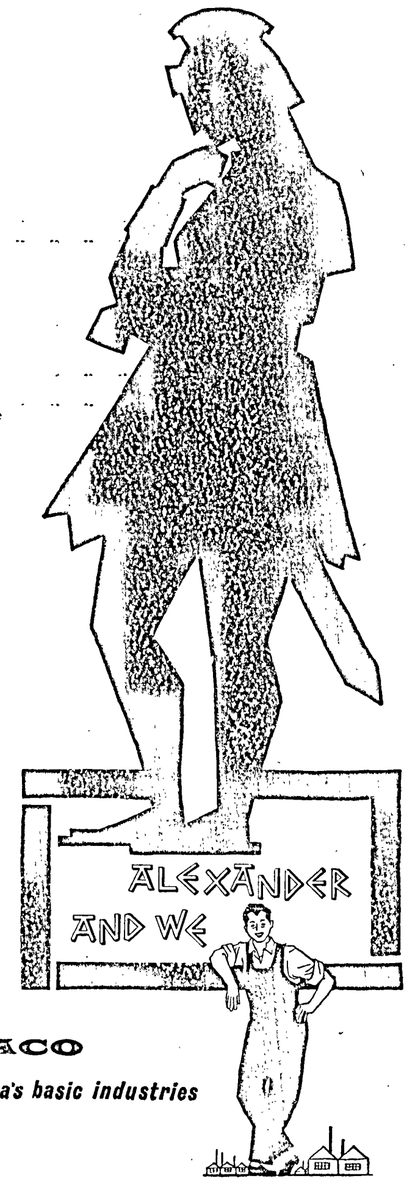

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ALLAHABAD BANK, LIMITED

(AFFILIATED TO THE CHARTERED BANK)

DIRECTORS' REPORT

The Directors of the Allahabad Bank, Limited, have pleasure in submitting the Accounts, duly audited, showing the position of the Bank's affairs as on the 31st day of December, 1958, together with their report.

	Rs.	nP.
The result of the working for the twelve months, including the balance from former Account, and after making allowance for taxation and depreciation, is a profit of ..	17,24,958	03
Out of this there has been paid Dividend and Bonus on the Ordinary Shares and Dividend on Preference Shares at the rates of 18 and 6 per cent. per annum, respectively, for the six months ending 30th June, 1958, absorbing	3,19,500	00
Leaving an available balance of	14,05,458	03
which your Directors recommend should be disposed of as follows:	Rs.	nP.
In payment of a Dividend (free of Income-tax) on the Preference Shares for the six months ending 31st December, 1958, at the rate of 6 per cent. per annum	45,000	00
In payment of a Dividend (free of Income-tax) on the Ordinary Shares for the six months ending 31st December, 1958, at the rate of 12 per cent. per annum	1,83,000	00
In payment of a Bonus (free of Income-tax) on the Ordinary Shares at the rate of 6 per cent. per annum for the six months ending 31st December, 1958	91,500	00
Provision for bonus to staff	7,32,000	00
	10,51,500	00
Carry forward to next Account	3,53,958	03

Although no new office was opened during the year, the prospects of profitable representation at several centres are under investigation. Deposits continue to show an upward trend mainly in the higher interest group, and the Bank's business generally continues to expand. The high cost of deposits and increasing establishment expenses have again narrowed the margin of profit on investments and advances. As hitherto, investments have been shown in the Balance Sheet at less than market value.

It was with deep regret that the Directors recorded the death of Mr. Alexander Izat on the 5th April, 1958, three days prior to his departure from India on furlough preparatory to retirement after 32 years' service with the Bank. The late Mr. Alexander Izat held the post of General Manager of the Bank from June, 1955, prior to which he had been associated closely with the management of the Bank for many years.

Under Article 115, two of the Directors, Maharajadhiraja Bahadur Sir Uday Chand Mahtab, K.C.I.E., B.A., of Burdwan, and Sir Iqbal Ahmad, retire from office by rotation, but are eligible for re-election.

Mr. M. J. Maclaren was appointed to fill the vacancy caused by the death of Mr. Alexander Izat and under Article 104 retires, but offers himself for re-election.

Mr. W. F. MacDonald was appointed to fill the vacancy caused by the resignation of Mr. P. R. Wait, M.C., and under Article 104 retires, but offers himself for re-election.

Auditors will have to be appointed for the year ending 31st December, 1959.

Mr. M. R. Das being absent from India has not signed the accounts.

By Order of the Board,
W. F. MACDONALD,
Chairman.
M. J. MACLAREN,
General Manager.

CALCUTTA, the 27th February, 1959.

BALANCE SHEET AS ON 31st DECEMBER, 1958

31-12-1957 Rs.	CAPITAL AND LIABILITIES	Rs.	nP.	Rs.	nP.
	1. Capital—				
	AUTHORISED CAPITAL—	Rs.	nP.		
85,00,000	85,000 Ordinary Shares of Rs. 100 each	85,00,000	00		
15,00,000	15,000 6 per cent. Cumulative Preference Shares of Rs. 100 each	15,00,000	00		
1,00,00,000				1,00,00,000	00
	ISSUED AND SUBSCRIBED CAPITAL—				
60,00,000	60,000 Shares of Rs. 100 each			60,00,000	00
	AMOUNT CALLED UP—				
16,00,000	16,000 Ordinary Shares of Rs. 100 each fully paid in cash			16,00,000	00
14,50,000	29,000 Ordinary Shares of Rs. 100 each, Rs. 50 paid in cash			14,50,000	00
15,00,000	15,000 6 per cent. Cumulative Preference Shares of Rs. 100 each fully paid in cash			15,00,000	00
Nil	LESS—Calls Unpaid			Nil	
Nil	ADD—Forfeited Shares			Nil	
45,50,000						45,50,000	00
	2. Reserve Fund and Other Reserves—				
1,08,00,000	Reserve Fund (includes Rs. 45,50,000 as identifiable as premiums received on issues of shares in past years)			1,08,00,000	00
	3. Deposits and Other Accounts—				
24,57,77,127	Fixed Deposits	29,50,70,483	36		
5,01,14,084	Savings Bank Deposits	5,42,03,300	96		
11,17,26,017	Current Accounts, Contingency Accounts, etc. ..	10,39,42,039	14		
40,76,17,228				45,32,15,823	46
	4. Borrowings from Other Banking Companies, Agents, etc.—				
83,064	(i) In India	2,25,82,493	23		
13,06,848	(ii) Outside India	5,56,207	57		
13,89,912				2,31,38,700	80
	PARTICULARS—				
13,06,848	(i) Secured by bills negotiated under credits ..	5,55,731	09		
83,064	(ii) Unsecured	2,25,82,969	71		
13,89,912		2,31,38,700	80		
48,21,591	**5. Bills Payable**			51,37,704	48
	6. Bills for Collection Being Bills Receivable as per contra—				
1,95,53,692	(i) Payable in India	1,68,27,150	57		
16,16,816	(ii) Payable outside India	31,98,043	34		
2,11,70,508				2,00,25,193	91
	7. Other Liabilities—				
12,33,604	Cashier's Provident and Fidelity Fund partly invested per contra	Nil			
69,057	Unclaimed Dividends	68,298	26		
5,000	Deposit by Nominee Subsidiary	5,000	00		
13,07,661				73,298	26
	8. Acceptances, Endorsements and Other Obligations per contra			1,62,37,150	24
	9. Profit and Loss Account—				
13,47,259	Balance as per last Balance Sheet	13,61,046	97		
	LESS—Appropriations—	Rs.	nP.		
2,74,500	Paid to Shareholders, Dividend at 12 per cent. per annum and Bonus at 6 per cent. per annum on Ordinary Shares for six months ending 31st December, 1957 (free of Income-tax)	2,74,500	00		
45,000	Dividend on Preference Shares for six months ending 31st December, 1957 (free of Income-tax) ..	45,000	00		
6,13,118	Bonus to Staff (General Manager Rs. 7,000. Last year Rs. 8,000) ..	6,87,807	46		
9,34,618		10,07,307	46		
4,12,641		3,53,739	51		
13,67,906	ADD—Profit for the year brought from Profit and Loss Account	13,71,218	52		
17,80,547		17,24,958	03		
47,16,65,302	Carried over ..			53,31,77,871	15

31-12-1957 Rs.	PROPERTY AND ASSETS	Rs.	nP.	Rs.	nP.
	1. Cash—				
3 75,96,488	In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)			3,80,79,301	12
	2. Balances with Other Banks in Current Account—				
5,67,345	(i) In India	5,77,957	37		
2,78,962	(ii) Outside India	9,50,485	20		
8,46,307				15,28,442	57
6,80,00,000	**3. Money at Call and Short Notice**			5,50,00,000	00
	4. Investments, below Market Value—				
	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments; of which Rs. 7,00,000 (Last year Rs. 16,00,000) has been lodged as security for guarantees given to Government Departments	14,62,18,888	69		
8,77,22,666					
Nil	(ii) Partly paid Ordinary Shares	4,50,000	00		
4,500	(iii) Debentures or Bonds	3,500	00		
Nil	(iv) Other Investments	Nil			
Nil	(v) Gold	Nil			
8,77,27,166				14,66,72,388	69
	5. Advances—				
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
	(i) Loans, Cash Credits, Overdrafts, etc.—	Rs.	nP.		
20,88,64,604	(i) In India	22,77,05,550	59		
19,532	(ii) Outside India ..	402	44		
20,88,84,136				22,77,05,953	03
	(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—				
1,98,15,159	(i) Payable in India ..	2,15,85,459	65		
25,37,832	(ii) Payable outside India	12,71,391	31		
2,23,52,991				2,28,56,850	06
23,12,37,127						25,05,62,803	99
	PARTICULARS OF ADVANCES—				
20,58,65,805	(i) Debts considered good in respect of which the banking company is fully secured			21,31,00,341	94
	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security			1,07,20,286	77
1,23,93,786					
	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors			2,67,42,175	28
1,29,77,536					
Nil	(iv) Debts considered doubtful, or bad, not provided for			Nil	
23,12,37,127				25,05,62,803	99
Nil	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons			Nil	
	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members			1,13,18,675	45
1,18,97,156					
Nil	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons			Nil	
	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members ..			1,29,27,770	00
1,20,25,892					
17,37,422	(ix) Due from banking companies			12,90,533	43
	6. Bills Receivable Being Bills for Collection as per contra—				
1,95,53,692	(i) Payable in India	1,68,27,150	57		
16,16,816	(ii) Payable outside India	31,98,043	34		
2,11,70,508				2,00,25,193	91
	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra			1,62,37,150	24
2,00,08,402					
46,65,85,993	Carried over ..			52,81,05,280	52

ALLAHABAD BANK, LIMITED—*(Contd.)*

Balance Sheet as on 31st December, 1958—(contd.)

31-12-1957 Rs.	CAPITAL AND LIABILITIES—*(contd.)*	Rs.	nP.	Rs.	nP.
47,16,65,302	Brought forward ..			53,31,77,871	15
17,80,547	**Profit and Loss Account**—*(contd.)*		17,24,958	03	
	LESS—Appropriations—				
2,74,500	Interim Dividend to Shareholders at 12 per cent. per annum and Bonus of 6 per cent. per annum on Ordinary Shares for six months ending 30th June, 1958 (free of Income-tax)	Rs.	nP. 2,74,500	00	
45,000	Interim Dividend on Preference Shares for six months ending 30th June, 1958 (free of Income-tax)		45,000	00	
1,00,000	Transferred to Trustees, Staff Pension Fund		Nil		
4,19,500			3,19,500	00	
13,61,047				14,05,458	03
	10. Contingent Liabilities—	Rs.	nP.		
48,785	Claims against the Bank not acknowledged as debts ..	1,07,874	56		
	Guarantees and Indemnities—				
27,66,195	On behalf of Customers ..	72,51,201	87		
Nil	On behalf of Directors and Officers	Nil			
92,15,994	Liabilities on account of Outstanding Forward Exchange Contracts	72,77,441	23		
Nil	Uncalled Liability on Ordinary Shares	20,50,000	00		
47,30,26,349	Grand Total ..	Rs.		53,45,83,329	18

31-12-1957 Rs.	PROPERTY AND ASSETS—*(contd.)*	Rs.	nP.	Rs.	nP.
46,65,85,993	Brought forward ..			52,81,05,280	52
	8. Premises Less Depreciation—				
59,65,857	Total cost to 31st December, 1957	61,21,148	08		
1,55,291	ADD—Additions for the year to 31st December, 1958 .	48,235	48		
61,21,148		61,69,383	56		
Nil	LESS—Sales for the year to 31st December, 1958 ..	Nil			
61,21,148		61,69,383	56		
31,86,161	LESS—Total depreciation to 31st December, 1957 ..	32,55,721	28		
29,34,987		29,13,662	28		
69,560	LESS—Depreciation for the year to 31st December, 1958	72,116	59		
28,65,427				28,41,545	69
	9. Furniture and Fixtures Less Depreciation—				
25,80,761	Total cost to 31st December, 1957	27,99,139	02		
2,29,649	ADD—Additions for the year to 31st December, 1958.	2,75,864	81		
28,10,410		30,75,003	83		
11,271	LESS—Sales for the year to 31st December, 1958 ..	29,722	57		
27,99,139		30,45,281	26		
13,73,154	LESS—Total depreciation to 31st December, 1957 ..	14,86,841	04		
14,25,985		15,58,440	22		
1,13,687	LESS—Depreciation for the year to 31st December, 1958	1,28,955	22		
13,12,298				14,29,485	00
	10. Other Assets including Silver—				
9,61,722	(i) Cashiers' Provident and Fidelity Fund Investment in Central Government Securities at market value	Nil			
8,08,051	(ii) Interest accrued on Investments but not collected	15,94,788	10		
4,66,436	(iii) Stationery at cost	5,86,490	76		
21,417	(iv) Stamps	20,739	11		
5,000	(v) Nominee Company	5,000	00		
22,62,626	The net assets of the Nominee Company amount to Rs. 5,000 represented by deposit with the Bank, per contra.			22,07,017	97
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims**			Nil	
Nil	**12. Profit and Loss**			Nil	
47,30,26,349	Grand Total ..	Rs.		53,45,83,329	18

Profit and Loss Account for the year ended 31st December, 1958

31-12-1957 Rs.	EXPENDITURE	Rs.	nP.	31-12-1957 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP.
89,20,018	1. Interest paid on Deposits, Borrowings, etc.	1,23,54,562	00	1,76,91,746	1. Interest and Discount	2,16,46,406	76
74,61,045	2. Salaries and Allowances and Provident Fund (General Manager Rs. 72,400. Last year Rs. 71,400)	83,30,599	87	28,45,398	2. Commission, Exchange and Brokerage	32,23,867	38
15,000	3. Directors' and Local Committee Members' Fees and Allowances ..	15,000	00	1,59,844	3. Rents	1,77,563	50
12,73,772	4. Rent, Taxes, Insurance, Lighting, etc.	11,95,805	04	Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
84,026	5. Law Charges	87,621	39				
3,75,206	6. Postage, Telegrams and Stamps	4,14,574	82	Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
10,000	7. Auditors' Fees	10,000	00				
2,19,717	8. Depreciation on and Repairs to the Banking Company's Property ..	2,31,530	06	Nil	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil	
3,22,323	9. Stationery, Printing, Advertisement, etc.	3,58,716	13	Nil	7. Other Receipts	Nil	
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		Nil	8. Loss (if any)	Nil	
6,47,945	11. Other Expenditure	6,78,214	81				
13,67,906	12. Balance of Profit	13,71,218	52				
2,06,96,988	Grand Total ..	Rs.		2,06,96,988	Grand Total ..	Rs.	
		2,50,47,842	64			2,50,47,842	64

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Allahabad Bank, Ltd., as at 31st December, 1958, and also the foregoing Profit and Loss Account of the Bank, for the year ended upon that date, in which are incorporated the audited returns of Calcutta and Bombay Branches and the unaudited returns of all other branches which have not been visited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with provisos to sub-sections (1) and (2) of Section 211 and sub-section (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

A. F. FERGUSON & CO.,
Chartered Accountants.

CALCUTTA,
Dated 27th February, 1959.

W. F. MACDONALD,
G. D. LONGHURST,
U. C. MAHTAB,
IQBAL AHMAD,
M. J. MACLAREN,
General Manager. } Directors.

D. C. SEN GUPTA,
Accountant.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

The Profit and Loss Account of the Allahabad Bank, Limited, for the year ended 31st December, 1958, does not include any profit or loss of its subsidiary, the Allahabad Bank Nominees Private Limited, as no profit was made and no loss was sustained by that subsidiary. All expenses incurred were borne and paid by the Allahabad Bank, Limited. The shares of the subsidiary are wholly owned by the Bank.

W. F. MACDONALD,
G. D. LONGHURST,
U. C. MAHTAB,
IQBAL AHMAD,
M. J. MACLAREN,
General Manager. } Directors.

D. C. SEN GUPTA,
Accountant.

CALCUTTA:
The 27th February, 1959.

ALLAHABAD BANK NOMINEES PRIVATE LIMITED

BALANCE SHEET as on 31st DECEMBER, 1958

	Rs.	nP.		Rs.	nP.
Capital Authorised and Fully Paid up— 50 Ordinary Shares of Rs. 100 each Paid in Cash	5,000	00	Deposited with the Allahabad Bank, Ltd.	5,000	00
	5,000	00		5,000	00

M. J. MACLAREN,
W. SMITH,
JAGAT NARAIN. } Directors.

ALLAHABAD BANK NOMINEES PRIVATE LIMITED

DIRECTORS' REPORT

The Directors of the Allahabad Bank Nominees Private Limited submit the audited Balance Sheet for the year ended 31st December, 1958, together with their report.

A Profit and Loss Account is not submitted as no profit was made nor loss sustained. The Company is a wholly owned subsidiary of the Allahabad Bank Limited by whom the entire expenses of the Company have been paid.

M. J. MACLAREN,
W. SMITH,
JAGAT NARAIN. } Directors.

CALCUTTA:
The 27th February, 1959.

We have audited the foregoing Balance Sheet as at 31st December, 1958, of the Allahabad Bank Nominees Private Limited. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account as required by the law in force have been kept by the Company so far as appears from our examination of those books. The Company's Balance Sheet is in agreement with the books of account and in our opinion and to the best of our information and explanations given to us the said Balance Sheet gives the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view of the state of the Company's affairs as on 31st December, 1958.

No Profit and Loss Account has been prepared as the Company has no income and the expenses are paid by the Holding Company.

A. F. FERGUSON & CO.,
Chartered Accountants.

CALCUTTA:
The 27th February, 1959.

Notice

THE GANESH FLOUR MILLS CO., LTD.

DELHI

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 67th Annual General Meeting of the Shareholders of the Ganesh Flour Mills Company, Ltd., Delhi, will be held at the Registered Office of the Company at Subzimandi, Delhi, on Tuesday the 21st April, 1959, at 10 a.m., to transact the following business:—

1. To receive, consider and adopt the Directors' report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year ending 30th September, 1958.
2. To declare Dividends.
3. (a) To elect a Director in place of Shri Balraj who retires by rotation and being eligible offers himself for re-election.

   (b) To elect a Director in place of Shri S. Vaidyanath Aiyar who died on 5th February, 1959, and was also due to retire by rotation in this Annual General Meeting.

   N.B.—Under Section 257(1) read with Section 281 of the Companies Act, 1956, a shareholder of the Company has given special notice of his intention to propose the name of Shri Brij Lal, Advocate, Chandni Chowk, Delhi, who will be 67 years of age next birthday, as a candidate for the appointment of Director of the Company in the vacancy created by the death of Shri S. Vaidyanath Aiyar, which occurred on 5th February 1959, in the next General Meeting and to consider and if thought fit to pass the following resolution of which, as mentioned above, special notice under Section 281 of the Companies Act 1956, has been received:—

   "Resolved that Shri Brij Lal, Advocate, Chandni Chowk, Delhi, who will be 67 years of age next birthday, be and is hereby elected a Director of the Company and it is hereby specifically declared that the age limit for a Director as prescribed under Section 280 of the Companies Act, shall not apply to him."

4. To appoint Auditors for the year 1958-59 and fix their remuneration.
5. To consider and if thought fit to pass the following as special resolution:—

   "Resolved that in Article 67 the words 'six months' appearing in the fifth line of the Articles of Association of the Company be substituted by the words 'eight months.'"

By Order of the Board of Directors,
For THE GANESH FLOUR MILLS CO., LTD., DELHI,
(Sd.) KIRPA NARAIN,
Secretary and General Manager.

DELHI, 12th *March*, 1959.

N.B.—(a) The Share Transfer Books of the Company will remain closed from 7th April, 1959, to 21st April 1959 (both days inclusive).

(b) Members unable to attend are requested to send their Proxy Forms duly stamped, signed and completed in favour of a person attending the meeting. Forms not properly signed, stamped and completed or received less than 48 hours before the meeting will be treated as invalid.

(c) A member entitled to vote is entitled to appoint a Proxy to attend and vote instead of himself and that a Proxy need not be a member of the Company.

EXPLANATORY STATEMENT

In regard to the Special Business Under Items No. 3(b) and 5 of the Agenda set out above as required under Section 173(2) of the Companies Act, 1956.

Item No. 3(b).—A Shareholder of the Company has by a special notice proposed the name of Shri Brij Lal, Advocate, Chandni Chowk, Delhi, for being elected a Director of the Company in the vacancy caused by the death of Shri S. Vaidyanath Aiyar, which occurred on 5th February 1959, (who was also to retire by rotation in this meeting). As Shri Brij Lal is more than 65 years of age he is not capable of being appointed a Director unless the Company in General Meeting specifically approves that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to him.

Shri Brij Lal is a leading lawyer of Delhi having practised at the bar for more than 40 years. He has a sound knowledge and vast experience of Mercantile and Company matters and has been rendering valuable legal advice to the Company. His inclusion in the Board of Directors of the Company will be highly beneficial to the Company.

Item No. 5.—The existing Article 67 of the Articles of Association of the Company provides that the Annual General Meeting of the Company should be held within six months of the close of the financial year, i.e., by 31st March in each year.

As the Government of India Budget is presented to the Parliament on the 28th of February every year it would not be possible to take into account the impact of budget proposals in the Accounts of the Company if the Annual General Meeting is held within the limit now prescribed by existing Article 67 of the Articles of Association of the Company. Moreover, if the existing Article 67 is not amended it would result in payment of two dividends to the shareholders in one year.

Section 166(1)(c) of the Companies Act, 1956, prescribes the limit for holding Annual General Meeting within nine months.

It is, therefore, desirable that the existing Article 67 be amended and the words "six months" appearing therein be substituted by the words "eight months."

INSURANCE

(*Concluded from page* 515)

crores. Of the 74.62 crores invested in the private sector, Rs. 5.48 crores were in approved securities and the balance of 69.14 crores in debentures, preference and ordinary shares of joint-stock companies.

Industry-wise Distribution

The industry-wise distribution of this latter figure (Rs. in lakhs) is: banks 263.12; cements 365.96; chemicals and pharmaceuticals 119.94; coal 191.93; cotton 690.85; electricity 829.21; engineering 714.21; insurance 135.62; investment trust 50.42; iron and steel 548.40; jute 414.63; managing agents 168.44; mining 33.65; paper and pulp 309.00; plantations 135.52; railway 70.58; shipping and other transport 121.39; sugar and breweries 142.55; textiles (other than cotton) 89.34; vegetable oils 33.22; miscellaneous 1,456.18; co-operative housing societies 21.61.

It will be seen from the aforesaid data that electricity companies accounted for the largest share in the Corporation's investments in joint-stock companies, with as much as Rs. 8.30 crores in their shares. Engineering ranked second with Rs. 7.14 crores, cotton mills third with Rs. 6.90 crores, iron and steel fourth with Rs. 5.48 crores, jute fifth with Rs. 4.14 crores and paper and pulp sixth with Rs. 3.09 crores. Investment trusts, mining, vegetable oils and co-operative housing societies ranked low, investments in them being of the order of Rs. 50.42 lakhs. Rs. 33.65 lakhs, Rs. 33.22 lakhs and Rs. 29.61 lakhs, respectively. Investments in miscellaneous industries amounted to Rs. 14.56 crores.

The figures relating to State-wise distribution of investments given in the report show that, of the Rs. 69.14 crores invested in shares of joint-stock companies (ordinary and preference shares and debentures), Rs. 25.87 crores were in shares of companies the principal factories of which are located in Bombay and Rs. 23.17 crores in shares of companies in West Bengal. The shares of other States were: Andhra Rs. 1.52 crore, Assam Rs. 0.9 crore, Bihar Rs. 7.02 crores, Delhi 0.92 crore, Kerala Rs. 0.99 crore, Madhya Pradesh Rs. 0.73 crore, Madras Rs. 2.44 crores, Mysore Rs. 0.99 crore, Orissa Rs. 0.74 crore, Punjab Rs. 0.53 crore, Rajasthan Rs. 0.07 crore, Uttar Pradesh Rs. 2.85 crores.

Of the total investment of Rs. 8.29 crores in electricity companies, as much as Rs. 5.57 crores were in companies located in Bombay and Rs. 1.62 crore in companies located in West Bengal. Of the Rs. 7.14 crores invested in engineering companies, Rs. 4.65 crores were in shares of companies situated in West Bengal and Rs. 1.20 crore in those in Bombay. Bombay occupied the pride of place in the total investment of Rs. 6.90 crores in cotton mill industry, accounting for an investment of Rs. 2.90 crores, while Madras ranked second, accounting for Rs. 1.18 crore. The total investment of Rs. 5.48 crores in iron and steel was shared between two States, Bihar (Rs. 3.42 crores) and West Bengal (Rs. 2.06 crores), exclusively. Out of a total investment of Rs. 4.15 crores in jute, Rs. 4.08 crores were in shares of companies in West Bengal.

Valuation of Assets

The first valuation of the assets and liabilities of the Corporation as at 31st December 1957 is in progress. Several factors are said to have contributed to the delay in completion of the valuation. This is the first time that valuation of the entire life insurance business in India is being undertaken as on one date. So far the different insurers had different valuation dates spread over a period of three years and the total amount of work to be done in any one year in connection with the valuation was limited. The Punch Card machinery, at present available with the Corporation, has proved quite inadequate to handle this voluminous work and this has acted as a serious brake on the speed with which the valuation data could be processed for tabulation. Another major difficulty, which has added considerably to the work in connection with the valuation, has been the large number of different plans of insurance with which the Corporation has to deal. It has always been the tendency among insurers to vary the ancillary benefits offered in connection with what may be called non-standard plans of assurance, with the object of presenting to the insuring public special plans which could be claimed to be unique. The result is that the Corporation is confronted with what may be called a medley of plans under which policies were issued by insurers in the past. The detailed benefits granted under such plans could be ascertained only by reference to the prospectuses and tables of rates of the insurers. The Corporation was, accordingly, required to make a detailed study of the prospectuses and tables of rates of each and every one of the 245 insurers whose business it took over. Each insurer had several such plans and the volume of work involved in the study, analysis and codification thereof for the purpose of valuation was huge.

Another major problem which involved voluminous work was the investigation into the question of differential bonuses. Section 49(2)(k) of the Life Insurance Corporation Act confers on the Corporation the power to make, with the previous approval of the Central Government, regulations providing for the classification of policies, whether issued by the Corporation or by any insurer whose controlled business has been transferred to and vested in the Corporation, for the purpose of declaring differential bonuses, wherever necessary. The examination of the question is nearing completion and a decision thereon will be taken shortly.

New Developments

The report enumerates the measures taken by the Corporation to liberalise the terms on which life insurance is offered to the public, to widen its fields of operations and to offer insurance protection on reasonable terms to larger sections of people. It has a comprehensive range of plans of life insurance, which enables persons wishing to take out life policies to select the precise type of policy suited to their particular needs. The premium rates are low, as compared with the rates offered earlier by all leading private insurers. Certain categories of Defence personnel are no longer required to pay an extra premium for covering war risks. Proposals for assurance from women are now accepted without the extra premium that used to be charged previously. Illiterate persons too are now eligible for insurance in the same manner as others.

BUILDERS' RISKS INSURANCE

The American Institute of Marine Underwriters has recently circulated to its members and recommended for use a new form for the insurance of Builders' Risks on commercial hull construction. This new form is the first Builders' Risks form that has been adopted by the Institute. It is more comprehensive in coverage than any previously used in this market. The insurance requirements of the American shipbuilding industry, it is stated, will be covered more adequately by this form than heretofore. The form covers the shipbuilder or shipowner, or both, to the extent of their respective insurable interest, from time of keel-laying until final delivery, whether at the yard or elsewhere, against all risks of physical loss or damage to the vessel under construction and for all third party liabilities, including loss of life and personal injury, with a few exceptions, which are usually written under separate covers such as strikes, riots and civil commotions, war risks, delay, and liability to employees.

TREND OF MARKETS

(From Our Own Correspondents)

MONEY

BOMBAY, 24*th March*

The short-term money market has passed another week of stringency. The trend of bank advances shows that the seasonal demand for credit continues unabated. It may be noted here that, since the beginning of this calendar year (up to 13th March), Scheduled banks' advances have risen by Rs. 95.88 crores, as against Rs. 59.48 crores in the corresponding period of 1958. During the same period, the banks' deposits (net) have gone up by only Rs. 43.17 crores, as compared with Rs. 68.26 crores last year. These trends indicate that the seasonal pressure of demand for funds is more than this time last year. Consequently, the interest rates rule firm; inter-bank call money rate among the Exchange banks and big Indian banks is unchanged at 3½ per cent. per annum and at 3¾ per cent. among the smaller banks, the corresponding rates a year ago being 3 and 3¼ per cent., respectively. House money at seven days' notice is being bid at 3¾ per cent. and short-term deposits at 3¾ to 3⅞ per cent. up to three months and 4 per cent. for over three months. These rates are lower than those this time last year, thanks to the inter-bank agreement signed a few months ago.

The average discount rate on Treasury Bills has hardened further, from 2.720 per cent. to 2.760 per cent. per annum this week. This is the highest rate touched since the commencement of the sale of these Bills in August last, the previous highest being 2.726 per cent. in the first sale. The amount offered, at Rs. 2 crores, was no more than that invited. There were no sales of Intermediate Bills this week. The tenders for the next week remain unchanged at Rs. 2 crores. Similarly, the sale of Intermediate Bills also is being continued.

The Gilt-edged market rules dull, with very little business passing in either Central loans or State Government issues. The demand for State loans would appear to have been satisfied. The Life Insurance Corporation is meeting on the 26th inst., at Madras to consider further investment. Prices over the week do not show any variations, except in a few counters. 3 per cent. 1986 Conversion Loan has gained 5 nP to Rs. 74, after it became *ex*-voucher. 3 per cent. 1970-75 has also risen by 5 nP to Rs. 91.15, while 3 per cent. 1966-68 is unchanged at Rs. 93.85, 1964 at Rs. 97 and 1963-65 at Rs. 96.75. 3½ per cent. National Plan issues are all on offer at quoted rates. 3½ per cent. 1967, 1968 and 1974 are being maintained at Rs. 100.80, Rs. 100.60 and Rs. 98.85, respectively. 4 per cent. 1972 has gathered 5 nP to Rs. 101.65. 4½ per cent. 1970 which has spurted by 15 nP to Rs. 101.75.

BULLION

BOMBAY, 24*th March*

Ready silver in the bullion market touched today Rs. 202 per 100 tolas, the highest level since 14th April 1958, when it stood at Rs. 202-8, and compares with the all-time peak of Rs. 207-12 touched on 20th June 1951. The rise followed hectic buying by bulls who tried their best to exploit the situation arising from scarcity of floating stocks in the wake of impending festival demand. The bulls felt that the scarcity of silver would become more acute in view of the virtual stoppage of arrivals of silver coins from Tibet, the main source of supply, thanks to grave political developments there. It was reported that a few Calcutta and Kasganj operators had increased their purchases quite markedly.

In sympathy with the white metal and on account of negligible arrivals of contraband metal, gold also staged a smart rally. On Thursday, the backwardation charge (that is, the *badli* payable by bears) widened to a rupee and the bulls were required to deposit an enhanced margin of Rs. 25 per tola, as against the margin of Rs. 10 operative previously. Subsequently, however, the *badli* narrowed down and touched As. 14 on Saturday, when the margin was brought back to Rs. 10.

March settlement in silver went off the board today, the closing rate being Rs. 202-4, as against Rs. 199-2 on Wednesday last week. April settlement climbed up from Rs. 198-5 to Rs. 201-8, a rise of Rs. 3-3 over the past six days. Business in May settlement commenced at Rs. 118-2-6 on Friday. The settlement moved up steadily to touch Rs. 200-14 today.

Ready silver, as stated at the outset, reached the post-July 1951 highest level of Rs. 202 today. Last week's closing rate was Rs. 119-5. The daily average arrivals of silver were 17 bars, while the offtake was 10 bars per day. The floating stocks of silver are reported to be about 3,500 bars.

In the gold section, March settlement advanced from Rs. 118-14 to Rs. 119-13 yesterday. At higher levels, profit-taking set in and the settlement receded to Rs. 119-10 before recovering to Rs. 119-12 at which rate it was closed out. April settlement opened the week firm at Rs. 118-6, as against Rs. 118-4, and spurted to Rs. 119-1 today. May settlement registered a gain of As. 13-6 over the week, today's closing rate being Rs. 118-10.

Ready gold met with good buying support and rallied from Rs. 119 to Rs. 119-15 today. This was short of the all-time peak of Rs. 120-1 touched on 6th May 1950 by just As. 2. The daily average arrivals and offtake of gold were 4,000 and 4,500 tolas, respectively. The floating stocks of gold are estimated at about 25,000 tolas.

A development of import to the London Bullion Exchange this week was the Bank of England's decision, announced on the 20th inst., to give the Exchange "blanket permission to undertake forward transactions in gold, although, seemingly, on the understanding that, for the time being, this will not be used for establishing a forward trading market in the metal." Immediately after the announcement, ready gold declined from 249s. 3d. to 249s. 2d. Ready and forward silver, however, were unchanged throughout the week, the former at 79⅛d. and the latter at 79¼d. Silver in New York also stood unchanged at 91.375 cents per fine ounce.

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

	24-3-59	Highest	Lowest	18-3-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	119 15	119 15	119 3	119 0
Forward*	119 1	119 1	118 5	118 4
Sovereign	75 12	75 12	75 8	75 8
SILVER				
Ready (.996 fine Mint) ..	202 0	202 0	199 4	199 5
Forward†	201 8	201 8	198 1	198 5
London Silver Ready ..	79⅛d.	—	—	79⅛d.
London Forward	79¼d.	—	—	79¼d.
London Gold	249s. 2d.	249s. 3d.	249s. 2d.	249s. 2¼d.
New York Silver	91.375c.	—	—	91.375c.

* 23rd April settlement. † 24th April settlement.

COTTON

BOMBAY, 24*th March*

The most notable feature of trading in the cotton futures market during the week under review was the strident advance made by the March contract prior to expiry today. The contract, which commenced the week at Rs. 675.50, spurted on frantic short covering, piercing the Rs. 700 level to quote at Rs. 701 yesterday. This was mainly attributed to the small volume of tenders (200 bales) issued yesterday, the seventh notice day.

The firmness of March imparted strength to the May contract which too rallied. The upswing was also aided by strong spot advices and reports that the crop estimate was further revised downward to 4.7 million bales. Today, however, there was a mild reaction in prices due to overnight selling. The March contract declined to Rs. 690 before going off the Board at Rs. 695. Tenders issued against the contract today aggregated 2,500 bales bringing the total issued against the contract to 3,650 bales. The unexpectedly large tenders induced weakness in the May contract which shed Rs. 6.25 from yesterday's high of Rs. 683 to close at Rs. 676.75.

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

(In rupees per candy of 784 lbs.)

	24-3-59	*High*	*Low*	17-3-59
I.C.C. Moglai Jarilla March 1959 ...	695	701	675.50	677
I.C.C. Moglai Jarilla May 1959 ...	676.75	683	669	674.25

The spot section was active. Mills were keen buyers of staple styles like Vijay, Kalyan, Surti, 197/3. Prices of these varieties consequently hardened.

Barring stray demand for Bengals, the export front was quiet while, in the foreign section, brisk mill buying of East African and Sudan cotton was reported. B.P. 52 was done at Rs. 1,100, and Busoga at Rs. 1,070. Sudanese varieties, G2L and G3S came in for business at prices ranging from Rs. 1,165 to Rs. 1,237. Egyptian styles, however, were neglected. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 690; Berar Jarilla 760; Khandesh 835; Vijay 965.

The Karachi cotton futures market depicted an easy trend during the week under review. The slackness of demand in the wake of large arrival of new crop led to a fall in prices. Export inquiries were few and far between. N.T.R.G. March contract dropped, over the week, Rs. 3-6 to Rs. 50-12. The May contract declined from Rs. 56-2 last week-end to Rs. 54-12.

Quietly steady conditions prevailed in Alexandria cotton futures market. In the absence of any new development, trading interest was low. Price fluctuations were narrow. The Karnak contracts ruled around 71 tallaris and the Ashmouni contracts round 61 tallaris.

Cotton futures values in Liverpool showed a sagging tendency. There were rumours of large-scale barter transactions for U.S. cotton which made operators cautious in their dealings. Support was generally lacking. Inter-month switching was the main feature of trading.

The New York cotton futures market put on a better appearance during the week. Values improved on short covering and Good Spot House support. Mill buying was also evident to a limited extent.

YARN

BOMBAY, 24*th March*

Easy conditions continued to prevail in the yarn market during the week under review also, barring forward Cupressa Bamberg art silk yarn which evoked excellent support. Spot rayon yarns suffered a setback, thanks to expectations of enlarged arrivals of imported yarn against old export promotion licences. The stockists were inclined to dispose of their holdings before prices receded further. Staple fibre yarns came in for selling, as offtake from Surat and other consuming centres was very poor. Cotton yarns were dull due to continued slackness in demand from up-country centres as well as overseas markets.

In the art silk yarn section, spot 150 Italy declined by 19 nP to Rs. 5. 150 Japan lost a naya paisa to Rs. 4.90. 120 Italy was neglected at Rs. 5. 120 Japan, however, gathered 3 nP to Rs. 4.87. Among indigenous yarns, National Rayons 150 bright cones first grade eased by 4 nP to Rs. 4.24. 120 bright cones first grade were dull at Rs. 4.41. Spot Cupressa (60 x 1) Bamberg art silk yarns shed 6 nP to Rs. 7.69. Cupressa Bamberg art silk yarn (60 x 1) June delivery was well supported and advanced by Rs. 9 to Rs. 1,552. April delivery gathered Rs. 2 to Rs. 1,550.

Staple fibre yarn (40 x 2) April delivery encountered selling and receded by Rs. 3 to Rs. 628. June delivery fell by a like amount to Rs. 634. Spot 40 x 2 Citys were quoted a naya paisa lower at Rs. 3.19. Centurys were stagnant at Rs. 3.25. Foreign yarns, however, fared better. Paramounts advancing by 13 nP to Rs. 7.75 and Fujis by 6 nP to Rs. 8.31.

Among cotton yarns, ten counts Moderns were unchanged at Rs. 13.37, as also Podars at Rs. 12.19. Twenty counts Hinds eased by 13 nP to Rs. 15.87. Moderns were unchanged at Rs. 16.25, and Seksarias at Rs. 15.50. Among forty counts, Minaxis declined by 28 nP to Rs. 25 and Moderns by 25 nP to Rs. 25.75. Sixty counts Finlays changed hands at Rs. 65, same as last week. Among 80s, Citys softened by 50 nP to Rs. 67. Finlays were quiet at Rs. 81.

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

	24-3-59	18-3-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg April / June	1,550 / 1,552	1,548 / 1,543
" " (per case of 200 lbs.)		
60/1 Cupressa Bamberg spot (per lb.)	7.69	7.75
120 Japan (per lb.)	4.87	4.84
150 Japan (per lb.)	4.90	4.91
120 Italy (per lb.)	5.00	5.00
150 Italy (per lb.)	5.00	5.19
Staple fibre yarn—		
40 x 2 April (per case of 200 lbs.)	628.00	631.00
40 x 2 June.. (— Do —)	634.00	637.00
40 x 2 Century (per lb.)	3.25	3.25
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern..	16.25	16.25
40s Minaxi	25.00	25.28
60s Finlay	65.00	65.00
80s City	67.00	67.50

LINSEED

(Messrs. A. Bradley and Co.)

CALCUTTA, 23*rd March*

A very sharp decline in the price of ready goods, almost Rs. 2 per maund, has not resulted in a greatly increased turnover; forward prices have not fallen so steeply, and the margin between the two has narrowed down. There has been a steady demand from crushers, but mainly for early delivery with a further decline anticipated for April-May positions. Oilcake prices have gradually weakened with a slackening of demand. The oil market has continued dull. Despite a reduction in all positions to the extent of Re. 1 to Re. 1-8 per maund, buyers have shown little interest and turnover has been negligible. The latest quotations are as follows: Ready Rs. 23.75; March Rs. 23.50; April Rs. 23.00 and May Rs. 22.50 per maund.

OILSEEDS

BOMBAY, 24*th March*

The oilseeds market witnessed easy conditions during the week under review, reversing the distinctly buoyant trends in the last week. Prices of all oilseeds and oils, barring cottonseed, drifted to lower levels. The setback in groundnuts was particularly pronounced, thanks to heavy bull liquidation and profit-realising at bulges.

The statistical position in groundnuts remained as tight as it was a week ago. There was hardly any improvement in the volume of arrivals as well. Nonetheless, the bulls were unnerved at the prospect of the likely intervention by the Forward Markets Commission and probable refusal of permission to commence the new August 1959 contract in groundnuts. Moreover, higher levels set off some selling. The May contract, which closed last Wednesday on a distinctly firm note at Rs. 190.25, lost considerable ground in the course of this week to touch Rs. 186.62 today. Bold ready, after fluctuating between Rs 38.12 and Rs. 38.50, wound up today at Rs. 38.25. Similarly, oil ex-mill sagged to Rs. 20.00 today, as against Rs. 20.19 last week-end.

The castorseed section remained featureless with no sizable business having been done in oil with foreign countries. There, however, still remain hopes that the communist countries will soon enter the Indian market for castor oil. The sizable arrivals from terminal centres and the reaction in the groundnut section brought down values in castorseed and oil. Castorseed May 1959 declined from Rs. 158.75 to Rs. 156.25 over the week. Ready Madras and Oil B.S.S. moved down from Rs. 30.87 and Rs. 16.81 to Rs. 30.50 and Rs. 16.50, respectively.

Linseed too was bearish in sympathy with other seeds. This was further aided by larger volume of arrivals and lack of good support. Export enquiries for oil were not encouraging. The May contract which stood at Rs. 33.37 last week-end, gave way to close today at Rs. 32.62. Bold ready which closed last week at Rs. 33.00, after fluctuating within a narrow range, finished today at Rs. 32.62 on an easy note. Oil was down by 56 nP and wound up today at Rs. 16.25.

In contrast, cottonseed futures made notable gains during the week under review. Although a slight reaction set in in the cottonseed market in the initial sessions, it later staged a smart recovery, thanks to firm advices from the cotton market. May 1959 contract fell from Rs. 130.50 to Rs. 129.25 on Friday. It improved to Rs. 132.50 yesterday; it, however, closed today at Rs. 131.25.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	24-3-1959	18-3-1959	11-3-1959
	Rs.	Rs.	Rs.
Groundnut			
May 1959	186.62	190.25	184.25
Bold ready	38.25	38.50	37.50
Coromandel ready	38.50	39.00	37.75
Khandesh quality	38.50	39.00	37.75
Oil ex-mill ready*	20.00	20.19	19.62
Railway receipts*	19.69	19.94	19.25
Castorseed			
May 1959	156.25	158.75	155.87
Ready Madras	30.50	30.87	30.75
Ready Kanpur	29.25	29.44	29.75
Oil B.S.S.†	16.50	16.81	16.62
Oil commercial†	15.31	15.56	15.56
Linseed			
May 1959	32.62	33.37	32.81
Bold ready	32.62	33.00	32.62
Oil ready†	16.25	16.81	16.37
Cotton seed May 1959	131.25	130.50	128.25
Niger seed	29.12	29.50	28.75
Kardi seed	24.25	24.37	23.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR

HAPUR, 23*rd March*

Sugar prices ruled quietly steady during the week. Demand from the consuming areas was fair, but there was pressure of sales from factories, as they have to clear their released stocks before 7th April. Pre-*Holi* and *Idd* demand was reported fairly heavy. The crushing season has closed in many factories in east U.P., and in west U.P. factories are faced with shortage of cane supplies. While a few have closed their season, some of the factories are to go out of production by the end of the current month. Prevailing prices in almost all sections were higher than fixed by the Government and the premium was being negotiated in private. The prevailing prices in the Muzaffarnagar market are: Crystal spot delivery new Shamli D29 Rs. 36.75, Mansurpur D29 Rs. 38.50; wholesale mill delivery controlled B29 Rs. 37.12, C29 Rs. 36.37, D29 Rs. 36; market quotations for mill stations Lhaksar C29 Rs. 38.19, Mansurpur C29 Rs. 38, D29 Rs. 37.62, Seohara C29 Rs. 37.56, Hargaon C29 Rs. 37, Iqbalpur A29 Rs. 39.25, Khatauli B29 Rs. 38.50, Bijnore D29 Rs. 37.19, Pilibhit D29 Rs. 37.25.

The sugar market was active at Kanpur due to good demand and prevailing prices in the weekend were: ex-mill controlled Rs. 36 a maund; spot per bag C29 Basti Rs. 106, Gola Rs. 104-4; D29 Gola Rs. 103-8; Waltergunj and Burhwal Rs. 103-4, Hargaon, Lakhimpur, Tulsipur and Balrampur Rs. 103.

Khandsari prices ruled quietly steady and most of the concerns have suspended manufacture, pending final decision regarding proposed excise levy by the Union Government. Prevailing prices are: Superior Rs. 33 to Rs. 36, inferior moist Rs. 29 to Rs. 33 per maund.

Ready *gur* prices recorded sharp gains during the week, due to brisk demand from consuming areas coupled with stockists' support. Balti quality was much in request from Gujerat side. Daily arrivals still averaged 3,000 to 4,000 maunds and local stock is now put at 82,000 maunds. Total arrivals from the beginning of the season were about 6 lakh maunds, as compared with about 4 lakh maunds in the full last season and this heavy increase in production is due to lucrative price of *gur* from the very beginning of the season. Prevailing prices are: *Pansera* Rs. 19.25 to Rs. 19.50, *balti* Rs. 20.25, *shakker* Rs. 20.25 per maund.

Gur prices also improved in the Muzaffarnagar market, where arrivals averaged 10,000 to 12,000 maunds and the latest prevailing prices are: *chaku* Rs. 19.50 to Rs. 21.25, *ladu* Rs. 20.25 to Rs. 21, *pansera* Rs. 20, *Shakker dara* Rs. 22 to Rs. 23, *masala* Rs. 24 to Rs. 25.25 per maund.

Futures trading in *gur* is still under suspension on the Government of India's orders, but standing transactions have all been squared up by mutual agreements by the traders. The Forward Markets Commission has assured that forward trading will soon be allowed at Hapur under new regulations.

FOODGRAINS

HAPUR, 23*rd March*

Quiet to easy conditions were witnessed in the foodgrain market during the past week, thanks to the commencement of arrivals of new crop grains in the markets. Coarse grain harvesting is in full swing and daily arrivals in the markets are gradually increasing. Harvesting of wheat will, however, take another month. According to the Government's estimate, the supply position and price trend of foodgrains in the country is expected to remain satisfactory in 1959. The year started with a stock of 914,000 tons of foodgrains and due to bumper rice crop which has beten all previous records, at 29.7 million tons in 1958-59, the Government rice purchases are expected to be larger than in the previous year and the *rabi* crops are also reported to be promising.

Wheat prices at Hapur ruled quietly steady during the week due to tight supply position at the fag end of the season and wheat *dara* was now quoted at Rs. 22.75 and farm quality between Rs. 24 and Rs. 25 per maund. Some inferior pest-infected quality was being sold at Rs. 21.50 per maund. The sales through fair-price shops is being continued, but the quality of imported wheat offered is very poor. The condition of the standing wheat crop is reported quite satisfactory.

Rice prices also ruled quiet during the week and Government procurement operations were reported to be working satisfactorily in various States. The prevailing prices of rice are: *basmati sela* Rs. 32.50, *mainpuri* Rs. 22.25, *raimunia* Rs. 27, *gadda* Rs. 22.75 per maund.

Gram prices lost about Re. 1.50 per maund during the week and, although local arrivals have not yet begun, arrivals are increasing in east U.P. and other producing areas and large quantities are also, reaching here by road. Barley and *bejhar* prices were steady, as consumers' demand is increasing and new crop arrivals were still meagre. Maize prices were steady, due to dwindling stock position, while *bajra* and other coarse-grain prices sought lower levels. Week-end prices (in rupees per maund) were: gram new 20, barley 15, *bejhar* 15.12, maize 15.75 to 16 12, *bajra* 13 to 14.50, *jowar* 12.75 to 14.50 and *guwar* white 14.75.

New peas arrivals were mounting and were about 2,000 maunds daily. Arrivals were also reported substantially heavy in other markets and prices eased fractionally under pressure of arrivals. *Arhar* stocks were almost *nil* and new crop grain will be available after about a month. Prices of other pulses were quiet.

HIDES AND SKINS

MADRAS, 23*rd March*

Trading in kips continued difficult. E.I. tanners were reserved and did not make offers freely for shipment, because of the likelihood of smaller raw stock forward position. U.K. buyers were not interested in paying higher prices, but evinced interest only if at last prices. In the local market, arrivals of tanned stocks were small and were taken up readily by shippers at firm prices. The U.S. booked several parcels of tanned buff calf skins.

In the tanned skins section, middle class sheep skins ruled active and higher prices were paid. Tanned goat market also was a shade firmer than last week, following large enquiries from the Continent. Raw markets rule firm in all centres.

* * * *

KANPUR, 23*rd March*

During the week under review, the condition of the local hides and skins market was stable The new arrivals were considerable. Nevertheless, in the upper grade buff sector, there was some scarcity. The country tanners were active in the lower grade cow sector. The main purchasers were the local tanners headed by Cooper Allens. The Madras dealers were lukewarm during the week. The latest quotations are as follows:

Wet salted cow 1st grade Rs. 400, 2nd grade Rs. 350 and 3rd grade Rs. 300 per score; wet salted buff 1st grade 2 lb. 1 oz. and 2nd grade 2 lb. 3 ozs. per rupee; goat 1st grade Rs. 375 and 2nd grade Rs. 350 per 100 pieces; sheep Rs. 360 per 100 pieces.

COAL FOR STEEL

Tata Steel are the largest users of coal in India, next to the Indian Railways.

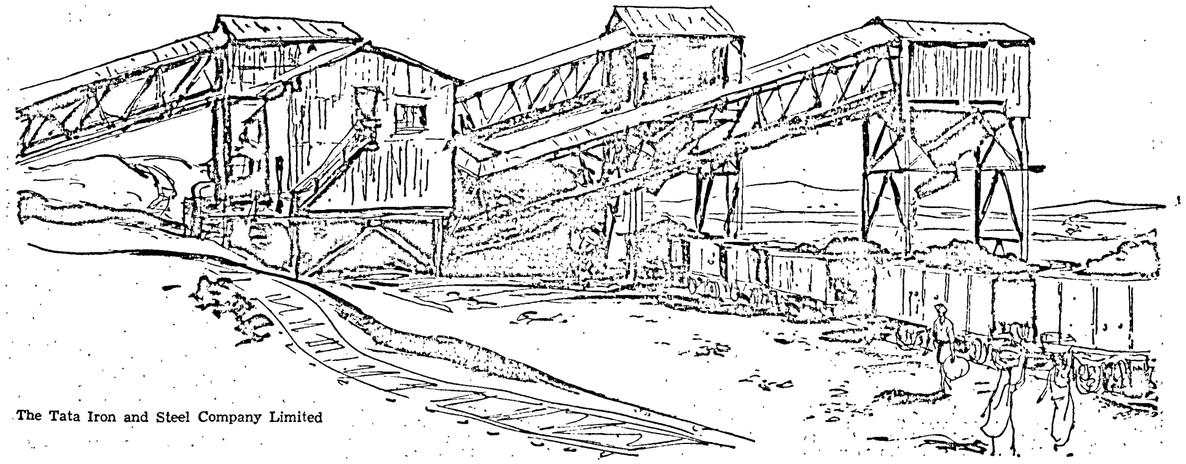
Nearly 3 million tons of coal will shortly be needed to operate the blast furnaces and boilers at Jamshedpur. Of this quantity, 1.5 million tons will be obtained from the Company's own collieries, and the rest will be purchased from the market.

Tata Steel's interest in the coal industry dates back to 1903 when Tata geologists carried out a long survey of the Jharia fields to find coking coal suitable for steel making. The first collieries were acquired in 1910.

At a very early stage, work was initiated on the beneficiation of low-grade coals, leading to the setting up of the Coal Blending and Coking Research Centre at Jamshedpur.

By 1952, the Company had set up two washeries at Jamadoba and Bokaro, pioneering in the washing of coals at a time when the process was considered impractical in India.

TATA STEEL



The Tata Iron and Steel Company Limited

MARKET GOSSIP

(*Concluded from page 491*)

Oriental, for example, was 25.4 per cent. in 1954 and 23.4 per cent. in 1953. The same can be said of the comparison of the renewal expense ratio of the Corporation with that of private insurers. It is stated that, as against the L.I.C.'s renewal expense ratio of 15.89 per cent., the renewal expense ratio of the Indian insurers combined for the year 1955 was 17.3 per cent. Here, too, the bigger companies had a much lower ratio. For instance, the renewal expense ratio of the Oriental for business written in India was 12 per cent. in 1955, although the combined ratio for both Indian and foreign business together was higher at 13 per cent. The business of the New India was 11.7 per cent. and for business outside India 9.2 per cent. in the same year. The total ratio for both Indian and foreign business of this Company was only 11.5 per cent.

Even this comparison is not very appropriate. For there is no reason to think that these companies could not have reduced their ratios still further. If the authorities want to prove that the L.I.C. is doing better than private insurers, the best way to do so is to allow the private insurers also to do life insurance business and then compare the results. The injection of an element of competition in life insurance will certainly help its expansion, which is one of the avowed objectives of nationalisation.

* * * *

Last October, the Communists staged a major strike in the plantations of Kerala, a State which is ruled by the Communist Party. The strike lasted for 27 days and affected production to the tune of at least 2½ million lbs. of tea, and involved the workers in a loss of some 400,000 work-days. There were two deaths as a result of police firing and many were injured and the whole episode ended with loss to all and gain to none. As usual, the police were accused by the Communist Party and union leaders of excesses and misbehaviour. The management, on the other hand, quoted instances when police showed extreme reluctance to act to prevent a situation from worsening.

The Government of Kerala, after having publicly justified the strike at the time and declared that they will be on the side of labour and after having made statements calculated to show that they believed police had apparently misbehaved, appointed Mr. Govindha Menon, a member of the Board of Revenue of the State Government, to enquire into the allegations. There was, however, some criticism regarding the appointment of Mr. Menon and, at one stage, it appeared that he was reluctant to conduct the enquiry. The enquiry was, however, conducted and his report vindicates the police.

The full text of the report has not yet been received, but the extracts which have appeared in the Press would show that it promises to be a controversial one. The enquiring officer has referred to the failure of those responsible for the maintenance of law and order to make effective utilisation of the preventive sections of the Criminal Procedure Code and the Police Act even after the first firing. It will be recalled that the Chief Minister of Kerala, in his now famous statement of 23rd July 1957 on the role of police in his State, was then criticised widely for practically rendering the preventive provisions of the Criminal Procedure Code innocuous. Mr. Menon's report would seem to justify the criticism.

What Mr. Menon says regarding the attitude of managements certainly contains more dynamite. He says that the management showed an anxiety to interest itself in local politics. He considered the General Manager of the Kanan Devans Company more a politician than the manager of the company. It is not quite clear whether Mr. Menon relied on any indication of the General Manager's political interest at the time of the strike and the various instances connected therewith or it was a *post facto* impression obtained at the time of conducting the enquiry. If this impression was obtained at the time of conducting the enquiry, the public has a right to know on precisely what evidence Mr. Menon has relied in order to arrive at his conclusion. It would be extremely difficult for the General Manager of the Company to overcome the unfortunate effect of Menon's report merely by a flat denial of intention. Mr. Menon has placed the General Manager in a most awkward position; it would be an unjust one, if he had only gone by his impressions at the time of enquiry.

It cannot be denied that the management was confronted early in October with the various demands made by two unions, one rivalling the other, and both supported by political parties in the State. The management agreed to refer the issues under dispute to adjudication, a procedure open to both management and labour and provided by the law. One union chose to accept this course and the other, the Communist Union, did not. The subsequent action by the unions, one aggressive and striking, and the other party to the agreement for the reference of the dispute to adjudication, followed what was to be expected under the conditions prevailing in the State. Within a few days, the State Government was openly declaring itself to be on the side of the striking Communist union and refused to refer the dispute to adjudication under the Industrial Disputes Act. When unions are acting under political motivations, any reaction by a management can easily be construed as political, even if all that they wanted to do was to prevent a strike by referring the whole matter to adjudication. It would, therefore, appear that Mr. Menon, who has not spared the Government or the striking union, had felt some internal compulsion, not untouched by political consideration, to assume certain intentions in the management. If we are not to draw this conclusion, we should find in the report sufficiently detailed evidence that the management was in fact motivated by political considerations.

MISCELLANEOUS STATISTICAL INFORMATION

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 14th March 1959	7th Mar., 1959	14th Feb., 1959	15th Mar., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.7	100.7	98.6
2. Government of India	100.5	100.5	100.5	98.3
3. State Government	102.3	102.3	102.2	100.3
4. Municipal, Port Trust, etc.	99.7	99.7	99.5	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101.5	101.4	101.5	98.9
6. Plantations	99.9	99.9	99.9	100.0
7. Coal	99.6	99.6	99.6	99.6
8. Sugar	99 0	99 0	99.0	98.4
9. Cotton Textiles	99.0	99.0	99 0	97.3
10. Jute Textiles	91.6	91.6	91.6	93.4
11. General Engineering	102.0	102.0	101.8	97.0
12. Electricity Generation and Supply	98.8	98.8	97.3	96.5
13. Others	104.7	104.7	104.5	100.3
PREFERENCE SHARES—ALL INDIA.				
14. Total	88 2	88.8	88.1	85.8
15. Plantations	98.4	97.5	97.4	99 4
16. *Mining & Quarrying: Total@*	86.7	86.4	86 4	85.1
17. Coal	81.3	80.9	80 9	75.0
18. *Processing and Mfg.: Total**	88 1	88 9	88 2	85.7
19. Sugar	90 8	90.6	89.0	90.4
20. Cotton Textiles	77 6	77.3	77.7	81.8
21. Jute Textiles	80 9	80 5	80 9	69 9
22. Iron and Steel	93.0	92.8	91.6	88.9
23. General Engineering	100.7	100.7	100.3	100.1
24. Basic Industrial Chemicals	87 0	87 2	86 6	83.0
25. Cement	100.7	100.7	98.4	97.2
26. Paper	87.0	87 0	85.8	83.9
27. *Other Industries: Total**	87.1	86.3	84.8	82.3
28. Electricity Generation and Supply	85.6	85 3	84.6	85 5
29. Trading	89.5	88 8	82 5	73.1
30. Shipping and Other Transport	91.1	91.1	91.1	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	144 3	141.0	138.3	123.7
32. *Agriculture and Allied Activities: Total**	159 3	155.0	146 9	136.1
33. Tea Plantations	155.5	151.5	142 5	133 1
34. Coffee Plantations	197.5	188.4	183.4	183 6
35. Rubber Plantations	163 9	158 9	153.5	130 6
36. *Mining and Quarrying: Total*	148 0	142.2	136 5	118.9
37. Coal	114.7	111 3	110.6	91 6
38. Other Mining	170.8	163.4	154.3	134.2
39. *Processing and Manufacturing: Total*	143.3	139 5	136.7	122.3
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	128.2	126 2	124.2	115 2
41. Sugar	165.5	161.2	156 4	156.4
42. Cotton Textiles	109 9	108.5	108 1	112 0
43. Jute Textiles	85.8	87.2	89 2	79.1
44. Silk and Woollen	461.6	451.0	439.0	332.0
45. *Processing and Mfg. (Metals, Chemicals etc.): Total**	166 8	160 7	156.3	132 2
46. Iron and Steel	160.7	155 6	150 8	122 2
47. Transport Equipment	212.8	208 3	197.1	169 4
48. Electrical Machinery	140.7	136.0	135 8	163 3
49. Machinery other than Transport and Electrical	184 9	175.1	171 2	147.1
50. Basic Industrial Chemicals	130 0	128 6	126 2	104 3
51. *Processing and Mfg. (Others): Total**	146 0	140 8	136 7	125 6
52. Cement	129 9	126 3	123 2	121 9
53. Paper	196 7	189 1	183 5	156 3
54. *Other Industries: Total**	116 1	115.0	115 5	102 9
55. Electricity Generation and Supply	93.8	93.8	93 0	88 4
56. Trading	98 5	91 7	89 3	75 0
57. Shipping and Other Transport	132 2	131 3	130 7	122 0
58. Construction	258 7	250 6	248 6	100 3
59. *Financial: Total*	184.1	182 7	183 1	162 9
60. Banks	207 6	206 1	206 7	184 4
61. Insurance	129 9	128 7	127 2	116 5
62. Investment Trusts	102 6	101 7	104 6	81 3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	146 1	143 1	140 3	123 9
64. Calcutta	142 6	139 0	130 5	120 3
65. Madras	156 4	152 6	149 5	144 6
66. Delhi	166.3	163 8	159 6	144.3

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including 'other mining.'

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	13th Mar., 1959	A week ago	A month ago	A year ago R
RESERVE BANK *Issue Department*					
Notes in circulation	172.37	1695.78	1688.58	1668.14	1578.26
Notes held in Banking Department	35.05	10.97	8.34	10.84	9.61
Foreign Securities	89.50	178.01	178.01	178.01	245.84
Rupee Securities	87.39	1281.42	1271.45	1251.45	1096.76
Banking Department					
Deposits of:					
Government of India	14.39	66.23	52.04	65.82	50.31
Other Governments	..	17.07	18.32	21.99	21.67
Balances held abroad	10.06	33.26	32.86	28.12	36.62
SCHEDULED BANKS					
Demand Liabilities	184.36	743.76	730.02	712.60	740.24
		(16.05)†	(18.40)†	(17.45)†	(13.69)†
Time Liabilities	102.24	918 31	918 40	919.93	722 99
		(21.99)†	(21.84)†	(22.93)†	(15.46)‡
Borrowings from Reserve Bank	..	46.42	35.92	42.27	36.29
		(6.16)‡	(5.53)‡	(5.53)‡	(27.75)‡
Borrowings from State Bank	..	13.18	14.09	12.74	10.28
Cash in India	6.70	41.86	39.66	42.33	33.45
Balances with Reserve Bank	25.17	64.13	64.05	70.11	63.07
Excess over statutory limits	15.52	8.58	10.08	16.08	11.60
Balances with other banks in current account in India	..	13.22	12.98	13.14	11.73
Money at call and short notice in India	..	31.49	33.04	34.33	38.80
Investments (at book value)	..	618.76	622.06	617.32	440 08
Advances and bills	105.9	979.04	969.78	946.44	939.85
STATE BANK					
Deposits	87.76	501.30	493.12	480.80	416.14
Investments	51.99	284.06	274.48	276.27	190 69
Advances	30 35	201.01	196.48	193.57	208 31
Cash	14.69	26.90	35.77	31.71	24.71

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R=Revised.
‡ Borrowings against usance bills and promissory notes.

Scheduled Banks*

Statement of Affairs for the week ended 13th Mar., 1959

Demand Liabilities in India:	Rs.
(i) Borrowings from banks other than the State Bank and a notified Bank†	16,05,39,000
(ii) Other demand liabilities	727,70,67,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	21,99,97,000
(ii) Other time liabilities	896,31,31,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	12,83,39,000
(ii) Time liabilities	35,00,000
Borrowings in India from the Reserve Bank of India†	46,42,24,000
	(6,16,24,000)
Cash in India	41,86,11,000
Balances with the Reserve Bank in India	64,13,08,000
Balances with other banks in current account in India	13,21,67,000
Money at call and short notice in India	31,49,28,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	840,67,15,000
Advances in India	99,76,06,000
Inland Bills purchased and discounted in India	38,61,23,000
Foreign Bills, purchased and discounted in India	

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
				Per cent.	Rs.
1959					
6th January	3.00	3.05	3.00	2.460	99.385
13th January	2.00	2.05	2.00	2.470	99.380
20th January	2.00	2.05	2.00	2.490	99.375
27th January	2 00	2.05	2.00	2.500	99 375
3rd February	2.00	2.10	2.00	2.559	99 360
4th to 7th Feb.*	0.50	—	0 50	2.498	99 374
10th February	2 00	4.19	2 00	2.530	99.365
17th February	2.00	2.30	2.00	2 559	99 360
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2.00	2.10	2.00	2.625	99.340
10th March	2.00	2.00	2.00	2.680	99 330
17th March	2.00	2.00	2.00	2.720	99.320
24th March	2.00	2.00	2.00	2.760	99.310
Total amount outstanding	25.50	..	25.50	..	..

* Intermediate Bills sold.

EXCHANGE RATES

	24th March 1959	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D.	476.00	476.00
Buyers T.T.	472.50	472 50
London on New York	2 81 3/4-2 81 7/8	2.81 1/4-2 81 1/8
London on Paris	13.70 3/4-13.70 1/2	13.78 1/4-13 78 1/2
London on Berne	12 16 1/4-12 16	12 10 3/4-12 15
New York on London	2.81 1/2-2.81 3/8	2.81 1/4-2.81 1/8

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	7th Mar., 1959	28th Feb., 1959	8th Mar., 1958	January 1959	January 1958	Percentage of Increase(+) or Decrease(−) in Jan., 1959 as compared with Jan., 1958	Annual Average 1958	Annual Average 1957
Food Articles	504	114.4	113.6	101.7	114.3	102.5	+11.5	113.9	106 8
Cereals	192	102.5	102.7	94.5	105.2	96.8	+ 8.6	104.7	101.7
Pulses	43	114.0	113 5 R	75 8	117.1 R	80.1	+46.2	94.0	84.5
Fruits and Vegetables	23	115.2	111.7 R	99 1	113.5 R	93.7	+21.1	111.9	116.8
Milk and Ghee	84	110.7	106 1	102.7	103.5	98.8	+ 4 8	106.2	103 8
Edible Oils	47	120 9	120.4 R	117 3	118 6	114.3	+ 0 8	122 2	123 5
Fish, Eggs and Meat	17	100 3*	104 6 R	103.4	109.2	99.3	+10 0	106.9	96 6
Sugar and *Gur*	48	128 3	126 1	111 1*	120.6	109.4	+15.7	122.8	104.6
Others	50	151 4	150.2	151.1 R	152.6	145.7	+14 0	145.7	132 0
Liquor and Tobacco	21	101 7	103 0	95 2	103 6	96 4	+ 7.5	97.7	91.8
Tobacco	—	100 5	101 9	93 6	102 5 R	94 9	+ 8 0	92.0	90 1
Fuel, Power, Light and Lubricants.	30	114 8	114 2 R	113 6	114 3	114 9 R	+ 1.1	115 2	111 5
Industrial Raw Materials	155	114.9	114 8	110 5	114 1	113 8	+ 0.4	114 8	118 1
Fibres	61	107.4	106 9	110 2	106.8	115.1	− 7.2	109.4	119 8
Oilseeds	60	124 8	124 5	111.1	123.8	114.1	+ 8.5	123.6	122.4
Minerals	2	102.9	102 5*	103 2*	106.6	107.1	− 0.5	106.9	108 5
Others	32	111.4*	111 4	110 3	110 3	110.2	+ 0.1	108.9	107 3
Manufactures	290	107 8	108 0	107 8	108 4	107 7	+ 0 6	108 2	108.9 R
Intermediate Products	41	109.5	110 2 R	108 4	110 5	106 7	+ 3 6	109 4	108 5 R
Finished Products	249	107.6	107 7	108 0	108 0	107 9	+ 0.1	108 0	107 9 R
Textiles	147	101 5	101 4	106 5	101 9	106 0	− 3.9	104.8	107.9
Cotton	—	110 0*	111 2*	116 9	110.4*	115.8	− 4.7	113.0	116 2
Jute	—	80 8	80 2	87 2	85.4	90.1	− 5.2	87.7	97.7
Woollen	—	105.9	106 9	103 0	105.9	103.0	+ 2.8	104.9	102.1
Silk and Rayon	—	94.2*	93 2*	92 6*	91.1*	86.7	+ 5.1	92.5	85 0
Metal Products	12	143.3	143 2	143 4	143.1	143.4	− 0.2	143.1	138.2 R
Chemicals	20	109.4	110 2 R	99 4	111.3	99.1	+12.3	104 0	97.6
Oil Cakes	10	140 1	144 7*	110.3*	143.6 R	119.0	+21.7	128 6	114.7
Machinery and Transport Equipment	31	105.4	104 7	102.5	104.4	102.4	+ 2 0	103.2	101.2
Others	30	113.6	113.5	112 0	114.1	111.6	+ 2.2	113.2	107.7
All Commodities	1,000	112 3	112 0	105.1	112.3	108.0	+ 5.9	111.6	108.7

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

PROBLEMS OF COMMERCIAL BANKS

(*Concluded from page 496*)

customers. Unfortunately, the great advantage of maintaining this very basic foundation is being undermined for the sake of getting some temporary advantages. Particularly in the underdeveloped countries, this shortsightedness should be abandoned for the sake of preserving this basic pillar of relations between a banker and his customers. In some highly developed economies of the world, banking secrecy has been accepted for many years, as a result of sound ethical practices of banks, which only during the last quarter of a century or so have been supported by laws. A fair evaluation of such ethical practices, as well as subsequent laws, has proved their great benefit to the national economy and it is felt that it would be unfortunate if this were compromised for the sake of seeming advantages which are often praised demagogically.

"Proper and efficient banking service is an absolute necessity to India. While significant efforts in this direction are being made by all in the banking field, particularly by those who belong to the category of officers, it is obvious that the number of trustworthy and properly trained officers in this important line of economic activity is very inadequate. Like many other technicians needed by India in her efforts at regeneration, specially trained officers are also needed and will continue to be needed in an increasing number by Indian banking. The various banks are making the best possible efforts to train their junior officers for the efficient discharge of their responsibilities. Along with that the Reserve Bank of India has also provided some essential training through its Bankers' Training College. While such efforts have their great value, it is essential for the banks to establish among themselves cerain high traditions and conventions in the matter of taking over of trained personnel by one institution from another and thereby avoiding unwarranted jealousies and suspicion among the banks themselves. State institutions functioning in the field of banking should also not exploit their advantageous position and plough their lonely furrows by making offers of special terms which may not be in tune with the terms and conditions of service prevalent in the banking system generally.

"As is known to all concerned with the banking organisation of this country, the Industrial Disputes (Banking Companies) Decision Act, 1955, will complete its tenure at the end of the current month. One feels disappointed to find that, despite the most fair and even liberal considerations embodied in this Act, the desired results have not ensued and the pious hopes have not fructified. Instead of better efficiency and more concentrated attention to work and results for the institutions, on several occasions the flimsiest excuse engendered a spirit of revolt, disobedience to authority and utter disregard for obligations and responsibilities. I am, indeed, sorry to be forced to state that, by and large, the general tone of discipline among bank employees leaves much to be desired. Quite often, too, liberality has been construed as weakness and official attitude has been misunderstood for partisanship and justification for an obviously mistaken line of action. In an industry depending entirely on the confidence of, and service to, the public, the most undesirable go-slow tactics, pen-down strikes, shouting of slogans, both within and outside bank premises, illegal and lightning strikes unconnected with any disputes between banks and their employees, deliberately lengthening the hours of work to ensure the maximum overtime allowance benefits and holding undignified demonstrations are being indulged in with impunity and utter disregard to the larger interests of society and of this very pivotal industry. One thing that has been amply brought out through the experience of the operation of this liberal award has been that it is a grave mistake to consider the employees of the banking industry as being on a par with the employees in any other industry. An essential economic activity as that of banking really can be governed by rules, regulations and conditions of service such as those prevailing in Government Departments. There is no doubt that some measures are urgently called for, to inculcate a sense of responsibility amidst these white-collared bank empolyees of our country. The essential dignity of this important branch of service must be recognised and inculcated among all connected with it. Foisting compulsory adjudication or legislation for this purpose upon this section of society cannot bring about the desired efficiency, discipline, and above all, appreciation of the efforts of bank managements. The basic malady, as diagnosed by some, is that trade unionism among bank employees is influenced by outside or political considerations. The long-term interests of bank employees in this country would be better served and safeguarded, if their organisations eschewed all political ideologies, trod on the straight path of genuine service to the cause and had their leadership from among the ranks of those with actual experience of banking.

"Undoubtedly, the Bank Award has ensured conditions, which are regulated on proper lines. It is meant to facilitate smoother working and to eliminate the all too frequent pinpricks in daily work as well as the highly objectionable agitational activities and attitudes. But, with all that, as often expressed in the past, it has not brought in either improved productivity or genuine and sincere change of outlook towards work, obedience to authority, and above all, the observance of ordinary courtesies and decencies of life. Besides, from data collected by our Association from various banking institutions of the country, a sad picture that emerges is that of the vast majority of bank employees taking the maximum amount of benefits in the shape of overtime allowance, medical expenses and leave provided by the Bank Award and thereby clearly exhibiting how liberal concessions and advantages, provided by such agreements or arrangements, are abused, with all their unfavourable repercussions on the economy of the nation.

"Perhaps it would be useful to quote here the warning given by an important Trade Union Leader in the United Kingdom to his fellow workers at a conference of National Union of Railwaymen:

"'You cannot slack your way to prosperity. You must work your way there. The success of the boss means our success. If we want higher wages, more holidays, better security, and a reduction in hours, we must be prepared to pull our weight. We should look upon modernisation as inevitable, but we must also ask ourselves if the workers possess a modern outlook. A 40-hour week would certainly be a step forward if we can afford it. But, from past experience, can we honestly say that our hours would be lessened, or would we welcome an extra four hours a week overtime? I was not against the principle of it, but I wanted the delegates to realise its implications.'"

Notice

INDIAN ALUMINIUM COMPANY LIMITED

31, CHOWRINGHEE ROAD, CALCUTTA

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Annual General Meeting of Indian Aluminium Company, Limited will be held at the Registered Office, 31, Chowringhee Road, Calcutta 16, on Monday, 27th April 1959, at 11 a.m., for the following purposes:

1. To receive and adopt the Balance-sheet as at 31st December 1958, and Profit and Loss Account for the year ended on that date, together with the reports of the Auditors and Directors.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.
5. As special business to consider and if thought fit to pass with or without modification the following resolution of which Special Notice has been received:

> "That the age limit specified in Section 280 of the Companies Act, 1956, shall not apply to Mr. K. C. Mahindra and that this meeting hereby approves any appointment of Mr. Mahindra as a Director of the Company which may hereafter, whilst this resolution remains in force, be made pursuant to the Company's Articles of Association."

The share transfer register of the Company will be closed from 6th to 27th April 1959, both days inclusive.

Payment of any dividend declared will be made only to those members whose names are registered in the books of the Company on 27th April 1959, or to their mandatees. No application for warrants will be necessary. Claims on behalf of holders of shares held on blank transfer will not be entertained.

Any member of the Company who is entitled to attend and vote at the Meeting convened by this Notice is also entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

By Order of the Board,

R. J. MOYSE,
Secretary.

6th March 1959.

Explanatory Statement as Required by Section 173 of the Companies Act 1956

Item No. 5

Mr. K. C. Mahindra who has been a Director of the Company since 1948 will attain the age of 65 years on 15th March 1959. The proposed resolution seeks to obtain your approval of Mr. Mahindra's appointment and your declaration that the age limit specified in Section 280 of the Companies Act 1956, shall not apply to him. Your Directors feel that it is in the interest of the Company that the Board should continue to receive the benefit of Mr. Mahindra's long experience and able guidance.

The Company has received Special Notices from two members notifying their intention to move the resolution set out in Item No. 5 above.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 20th March, 1959.

	Closing quotations 19-3-1959	High	Low	Closing quotations 20-3-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	130.00	—	—	130.00
Apollo (2)	1.20	1.22	1.18	1.20
Bombay Dyeing (25)	58.70	60.30	58.60	59.80
Bradbury (50)	131.50	—	—	131.50
Central India (100)	88.00	90.00	86.00	89.00
Century Mills (100)	474.50	481.00	473.00	477.50
Edward Textile (200)	215.50	215.50	215.00	215.50
Elphinstone (50)	30.00	—	—	30.00
Finlay (100)	271.00	272.00	270.00	271.00
Gokak (100)	131.50	140.00	131.50	139.00
Ind. Untd. Defd.(1)	1.08	1.10	1.08	1.08
Ind. Untd. Ord. (10)	8.76	8.84	8.76	8.76
Indore Malwa (100)	97.00	97.00	96.00	96.00
Khatau (100)	167.50	168.00	167.50	167.50
Kohinoor (100)	260.00	261.00	252.50	254.00
Lakshmi (250)	396.25	—	—	396.25
Minerva Mills (100)	60.50	—	—	60.50
Model Nagpur (250)	130.00	127.50	122.50	122.50
Morarji (100)	223.00	228.00	225.00	225.00
Mysore (50)	79.00	—	—	79.00
National Rayons (100)	276.25	279.00	273.00	276.50
New City (100)	89.00	—	—	89.00
New Great (100)	207.00	208.00	205.00	205.00
Phoenix (100)	120.50	123.00	120.00	123.00
Podar Mills (100)	128.00	128.00	125.00	127.00
Sassoon Silk (10)	9.76	—	—	9.76
Sassoon Spg. (10)	45.00	45.00	44.00	44.00
Sholapur (1,000)	428.75	—	—	428.75
Shrinivas (100)	148.50	151.00	148.00	150.50
Simplex (50)	168.00	169.00	168.00	168.00
Standard (100)	444.00	451.50	444.00	448.00
Swadeshi (100)	212.75	215.50	207.00	209.50
Swan (100)	390.00	—	—	390.00
Tata Mill (25)	32.75	33.25	32.50	32.75
Vishnu (100)	93.00	93.00	85.00	85.00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	135.75xd	135.50	135.00	135.50
Do. (New) (50)	137.50xd	—	—	137.50
Bank of Baroda (50)	119.50	119.00	118.50	118.80
Central (25)	58.50	58.90	58.50	58.80
Central 'A' (25)	60.30	60.70	60.30	60.70
Dena Bank (50)	54.00	54.00	53.70	54.00
Punjab National (10)	24.52	24.68	24.52	24.64
Union Bank (5)	7.68	7.68	7.60	7.64
United Com. (50)	69.50	70.00	69.50	70.00
ELECTRIC COS.				
Ahmedabad (100)	96.70	97.00	96.50	98.60
Amalgamated (10)	10.96	11.04	10.96	11.04
Andhra Valley (1,000)	1,177.50	1,175.00	1,166.25	1,166.25
Bom. Sub-El. (100)	107.50	107.50	107.25	107.50
Surat (100)	112.00	—	—	111.50
Tata Hydro (100)	120.00	120.00	119.00	120.00
Tata Power (1,000)	1,196.25	1197.50	1,190.00	1,190.00
INSURANCE COS.				
British India (10)	14.28	—	—	14.28
Empire of India (100)	218.75	—	—	218.75
Ind. Mercantile (20)	44.00	—	—	44.00
Jupiter (15)	5.52	—	—	5.52
New India (15)	52.70	52.70	52.50	52.50
Oriental (200)	4,200.00	—	—	4,200.00
Vulcan (10)	19.76	—	—	19.76
STEEL COS.				
Ind. Iron (10)	23.06	24.28	23.88	23.06
Tata Steel Ord.(75)	183.00	184.25	181.00	181.25
SUGAR COS.				
Belapur (50)	290.50	292.50	287.00	287.00
Bhopal (10)	26.00	26.25	26.00	26.25
Chandeo (12.50)	30.80	31.20	30.80	31.10
Dhatian (50)	157.00	157.50	154.00	155.50
Walchand Ind. (100)	291.25	293.75	288.75	288.75
CEMENT COS.				
Associated Cts. (100)	144.75	147.75	145.00	146.75
Digvijay (100)	143.00	143.25	142.50	143.25
MISCELLANEOUS				
Alcock Ashdown (100)	278.00	280.00	272.00	272.00
Bom. Burmah (125)	509.50	514.00	504.00	504.50
Do. (New) (50)	177.50	178.00	176.25	176.25
Br. B. Petrol (4 sh.)	1.90	1.94	1.88	1.92
Br. I. Corpn. (5)	5.40	5.54	5.04	5.04
Hindustan Lever (1)	31.00	31.00	30.50	30.55
Hindusthan Motors (10)	8.84	9.28	8.88	8.90
Indian Copper (2 sh.)	4.02	4.04	3.96	3.99
Ind. Inv. Tr. (100)	80.00	—	—	80.50
Killick (100)	147.00	146.00	141.50	141.50xd
Larsen & Toubro (10)	20.04	20.76	20.04	20.72
Poison (100)	156.50	157.50	155.50	155.50
Pre. Automobiles (100)	113.00	114.00	109.50	109.75
Premier Com. (50)	267.75	269.50	257.25	258.00
Scindia (20)	18.60	18.72	18.08	18.16
G. E. Shipping (10)	22.48	22.48	21.58	21.58
Shivaraipur (10)	102.00	102.50	97.50	97.50
Sirpur Paper (10)	13.88	13.96	13.84	13.96
Tata Chemicals (10)	16.32	16.56	16.36	16.44
Tata Locomotive (100)	185.25	186.50	182.00	182.25
Tata Oil (25)	50.00	50.00	49.00	49.25
Voltas (100)	157.25	158.00	155.25	156.00
W. I. Match (100)	193.50	195.00	193.50	193.50

GOVERNMENT SECURITIES	19-3-1959 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	24-3-1959 Rs.
2½% 1961	97.20	—	3.73	97.20
2½% 1960	99.00	—	3.81	99.00
2½% 1962	96.95	—	3.83	96.95
2½% 1975	83.20	—	4.08	83.20
3% 1959-61 2nd V ct.	99.70	3.34	3.10	99.70
3% 1964	97.10	—	3.54	97.10
3% 1965-68	96.75	3.75	3.60	96.75
3% 1966-68	93.85	3.96	3.78	93.85
3% 1970-75 1st Def.	91.10	3.97	3.73	91.10
3% 1966 Con. Loans.	74.00	—	4.05*	74.00
4% 1960-70	100.70	3.61	3.02	100.70
3½% 1961 N.P. Bonds	100.10	—	3.47	100.10
3½% 1964 N.P. Loan.	99.80	—	3.54	99.80
3½% 1965 N.P. Bonds	99.60	—	3.57	99.60
3½% 1962	99.15	—	3.59	99.15
3½% 1967 N.P. Bonds	99.05	—	3.63	99.05
3½% 1974	98.85	—	3.84	98.85
3½% 1967 N.P. Bonds	100.80	—	3.65	100.80
4% 1972 Loan	101.65	—	3.83	101.05
3½% 1963	99.95	—	3.54	99.95
3½% 1963 N.P. Bonds	99.95	—	3.51	99.95
3½% 1968 N.P. Bonds	100.60	—	3.68	100.60
4% 1973 Loan	101.60	—	3.85	101.60

BRITISH GOVERNMENT SECURITIES

	Closing quotations 13-3-1959 £			Closing quotations 20-3-1959 £
2½% Brit. Consols	51⅛	—	—	51⅛
3% Savings Bonds 1965-75	75⅜	—	—	75⅜
2½% War Loan 1955-59	100xd	—	—	100 1/32xd
3½% War Loan	66⅜	—	—	67 1/32
4% Victory Bonds 1976	96⅞	—	—	96⅜
4% Funding 1960-90	92⅜	—	—	91⅞

* Current Income. x.d.—Ex-dividend, x.r.—Ex-Right.

COMMERCE

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

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DO JUSTICE TO COAL INDUSTRY

THE coal industry will be forgiven if it has not always felt jubilant over its inclusion in the hard core of the second Five-year Plan. Many industries have clamoured in vain for this status. Perhaps, their exclusion has not meant more disabilities for them than what has fallen to the lot of coal industry. Being an industry which is controlled in the strictest possible manner, the coal industry has had to bear a disproportionately large burden of official apathy. The prices of its products are pegged at an uneconomic level. The financial assistance which it has a right to expect is not always forthcoming in as generous a measure as it deserves. It is denied the essential imports it needs. Above all, its demand for transport facilities, so vital to its progress, has not been met in full. The result is that, in recent months, the pace of expansion of coal output has been less than what the industry could achieve under a more favourable set of circumstances, while its immediate prospect is clouded by many uncertainties, not of its choice, nor of its making.

It is true that, last year, coal output improved by 1.8 million tons to 45.3 million tons. But the point is that the rate of increase was less than half of what it was in 1957, when it had increased by 4 million tons to 43.5 million tons. The private sector has, however, acquitted itself creditably. Its share in domestic coal production was 39.5 million tons or 1.3 million tons more than in 1957; the public sector increased its production by 0.3 million tons to 5.6 million tons in 1958. While the overall increase in output is satisfactory in itself, and may even be regarded as a remarkable achievement in the light of the several handicaps which the industry has had to face, the fact remains that it falls far short of what the industry is capable of producing if it is given the facilities it needs. By its performance under very difficult circumstances, the private sector has fully justified its claim that it could itself produce the entire target of additional production in the second Plan, namely, 22 million tons. But the Government, which has taken a purely ideological view of the coal industry's future, has condemned the private sector to a slower rate of development. Be that as it may, the important question is how best the country can reach its target of 60 million tons in the second Plan and what should be done to prepare the industry for meeting the still bigger challenge in the third Plan. It is estimated that, as the current year progresses, the demand for coal will increase at a steep rate and, in the next few years, the demand may grow sharply, thereby necessitating increased effort in the cause of additional production.

Tentative targets now being contemplated for the third Five-year Plan envisage a coal output of the order of 100 million tons. Clearly, the achievement of this target will call for tremendous effort which will necessarily imply the removal of all the obstacles which have impeded a rapid growth of production in the second Plan. As Mr. D. Hogg, Chairman of the Indian Mining Association, pointed out in his speech at the annual meeting of the Association held last week, the high targets, now contemplated, "cannot be attained unless effective steps are taken now to give remedial treatment where help to the industry is required." He added: "Also, planning must be more detailed than we have seen in the past, so that collieries may know by whom their increased production is to be consumed and when it will be required." It would appear that some collieries have had the unfortunate experience of abrupt reduction in the demand from steel works which had previously placed large orders with the coal mines. Of immediate concern to the coal industry is the provision of adequate assistance which will enable it to undertake stowing operations involving heavy expenditure. Further, the deep and gassy mines, according to Mr. Hogg, do not possess sufficient resources to increase production. Such mines are said to be working at a loss in the hope that their case for assistance will receive the consideration it deserves. It is to be hoped that the solution to these urgent and specific problems will not be long delayed, for on it depends the course of coal output in the next few months.

No less important to the future of the industry than the provision of adequate financial assistance is the assurance that import and transport facilities will be freely available. Mr. Hogg has clearly explained how the import control policy has been a major handicap preventing many collieries from increasing their production. There is a continual demand for imported spares and items of plant and machinery. In this connection, it may be noted that, since the Indian mining equipment, now in use, has been standardised largely on equipment from the sterling area, the coal industry has not been able to utilise the credits offered by the U.S. Export-Import Bank. It should be possible for the Government to meet the industry's demand for equipment from the sterling area, if it diverts a part of the assistance now promised by the U.K. to the purchase of essential machinery and equipment by the industry.

Equally essential is the provision of transport facilities. It is acknowledged that the railways have made a genuine effort to meet the industry's demand for their services. But transport availability still falls far short of the demand by the industry. Further, it is not always available promptly enough. As Lala Inder Mohan Thapar, Chairman of the Indian Mining Federation, pointed out, the result of the inadequacy of transport has been that production has had to adjust itself to transport. Surely, this is not a situation about which the industry could be happy and the transport authorities proud. Mr. Thapar rightly stressed that, "if production has to adjust itself to availability of transport, then the targets of production, as fixed for the various Plan periods, become unreal, because they have meaning only in terms of the level of transport available at any period of time." A deplorable feature of the transport situation is that the private sector continues to feel that it is being neglected in favour of the collieries in the public sector. Mr. Thapar said that "it is being observed that, whenever there is a shortage of wagons, the collieries belonging to the public sector get their allotments in full, whereas the private collieries suffer cuts." We know that similar allegations, made in the past, have been denied by the authorities. But the fact that they are continuously made shows that the Government owes it to the country to allay the apprehension that it is prepared to sacrifice the larger interests of the industry, in order to ensure that the State-owned collieries are able to show some progress.

Two issues which have recently attracted considerable attention are the productivity of the coal mines and enforcement of safety measures. It is regrettable that, despite a sizable increase in the wages of coal miners, their productivity remains at a relatively low level. In Jharia coalfields, for instance, the weekly earnings of a coal miner are today Rs. 28.09, as compared with Rs. 20.46 in 1957, Rs. 17.37 in 1956 and Rs. 14.20 in 1955. And yet, the output per man-shift is as low as 0.37 ton, as against 6.6 tons in the U.S., 1.28 ton in the U.K. and 1.11 ton in Germany. Trade unions will do well to realise that an increase in wages which is not reflected in improvement in productivity is a national disservice, as it aggravates inflation. As regards safety measures, everybody must welcome the zeal with which the Government is enforcing them, for it is a pre-eminently human problem. Only, it is necessary to observe that the Government should ensure that the industry acquires all essential safety equipment and the trade unions must see that safety consciousness permeates all ranks of workers. At the same time, it would be folly not to recognise the fact that, since, with the best will in the world, it may not be possible to prevent all accidents in an essentially hazardous occupation like coal mining, any excessive preoccupation with safety measures may conceivably interfere with legitimate mining operations.

The major problem of the industry is, however, the issue of an adequate price for its product. The Coal Prices Revision Committee, which was appointed in November 1957, has submitted its report to the Government. Neither the report nor the Government's decision thereon has been published. Mr. Hogg deplored the inordinate delay which had taken place over this

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issue, but expressed the hope that the time had been well utilised and it would result in a "clear-sighted and wise" decision. Some facts about the coal prices issue deserve to be faced squarely. In the first place, since coal is a wasting asset, its prices should be adequate to give a remunerative return on investment and cover the recovery of capital costs over a period. Secondly, the argument that coal is an important industrial fuel the prices of which must be kept down could be easily overemphasised, considering that, in most industries, coal accounts for only 1 to 5 per cent. of the manufacturing costs. Thirdly, as Mr. Thapar pointed out, since 1947, coal prices have increased by only 31 per cent., as against the rise of 120 per cent. in iron and steel and 90 per cent. in cement. In the coal industry, wages which constitute some 70 per cent. of the total costs have risen by over 200 per cent., as compared with 1947. Finally, the return to the industry is now deplorably low. Mr. Hogg quoted statistics to show that, in the case of 19 coal companies, which together raise about one-third of the total production in the country, the return on paid-up capital is only 6.3 per cent., and the return on capital employed is no more than 3.4 per cent. In other industries, the selling prices of which are controlled, the Tariff Commission has allowed for a much higher return. In the face of these facts, to deny the coal industry an adequate increase in its prices is to flout all canons of economic justice.

CO-OPERATIVE FARMING—I

THE Lok Sabha has given its approval to the Nagpur resolution of the Congress Party on co-operative farming. There is, of course, nothing surprising about it, for it was a foregone conclusion. But the resolution that was adopted on Saturday last was moved in an odd way. It was an Independent member, Mr. U. C. Patnaik, that first moved a resolution urging "top priority" to the introduction of co-operative farming in the programme of land reforms. A substitute to this resolution was then moved by a Congress member, Dr. Ram Subhag Singh, recommending to the Government that, "during the next three years, every possible effort should be made to organise service co-operatives all over the country and to develop the spirit of co-operation, in general, so that co-operative farms may be set up voluntarily by the people concerned, wherever conditions are mature." Mr. Patnaik then withdrew his resolution in favour of this substitute which secured the approval of the House, after a brief debate. This might have been necessitated by some procedural difficulty, but it has brought out a significant point. Although the House had an opportunity to go farther than the Nagpur resolution on co-operative farming, it preferred not to do so. Instead, it decided that, in the next three years, the country should concentrate on service co-operatives, as the first step towards co-operative farming. Thus, a directive principle has been adopted by the sovereign body and the party in power is bound to implement it.

In the discussion on the resolution, very little was said on service co-operatives. Members, including the Prime Minister, spoke as though the main issue was co-operative farming. This was natural, because co-operative farming and not service co-operatives has been the most controversial subject, about which strong views on both pros and cons are held in the country. Nevertheless, it is a pity that the House did not pay any attention to the principal subject of service co-operatives. What are service co-operatives? Who is going to form them, where and how? How many societies are to be formed within three years? Even the Prime Minister did not throw much light on these questions. These are no doubt questions of details, but they do require to be elucidated, so that people may know how exactly this rural reform is going to be carried out.

Beyond the number of service co-operatives to be established, very little information has been given by the Congress leaders. A target of 3,000 societies to be established in three years from 1959, or 1,000 societies per annum, has been mentioned by some. This means that three service co-operatives are to be formed per day. Apart from the fact that three months of 1959 are already gone, it is doubtful whether this is a feasible proposition, especially as even service co-operatives are supposed to be voluntary. It is generally understood that by service co-operative is meant an association of farmers which will procure and supply their needs, particularly good seeds, fertilisers, agricultural implements and valuable advice on the techniques of scientific farming. But where are the personnel to man these societies and self-less leaders to supervise them? Again, will a sufficient supply of seeds, fertilisers and equipment be available to be stocked in the societies, without making inroads into the supplies of the existing channels of distribution? Some suggest that the rural extension services may be converted into service societies, but that means that the societies will mainly become official channels and that the State will be doing the business of village shopkeepers. This journal is not opposed to service co-operatives; there is need and scope for them. There is no harm in the State taking a major lead in reorganising rural life, in order to make it more active, productive and meaningful. But there should be careful planning of details and, if the experiment is to succeed, the people who are sought to be served must be actively associated with it. All this, however, will take time and cannot be rushed as fast as the Congress Party is now impatiently trying to do.

Co-operative farming, or joint-farming as some prefer to call it, is, however, a different proposition. As is planned by the Congress Party, it goes far beyond the accepted definition and practice. There can be no objection to the application of the principles of Co-operative Movement to supplying the needs of farmers and the marketing of their produce, with the object of enabling them to get a fair return on their hard labour and to prevent their exploitation by middlemen. In this respect, the Congress Party has failed to do all that it could have done during the last twelve years. Here was a vast field for systematic constructive work by the Congress. Unfortunately, this was neglected and the Party's energies were wasted on several other pursuits, some unimportant and some that were not urgent. But now it wants to bring practically the whole sphere of agriculture under joint-cultivation. The proposal is to pool the land belonging to farmers and to cultivate it under the auspices of the co-operatives. The individual ownership of land, we are told, will be recognised and ensured in the form of share certificates. The pooled land will be cultivated by the society on scientific lines and the owners will get a share in the produce on the basis of the quantum of land contributed by them, as well as wages for the labour they put in.

All this sounds simple on paper, but will prove extremely difficult in actual practice. The optimism of Congress leaders that they can persuade land-owners to accept this system of co-operation is misplaced. The people of this country are highly individualistic and will not be easily amenable to the discipline of mind and action that will be necessary for the smooth functioning of co-operative societies. There will be innumerable quarrels among the villagers and the co-operative farms will become a new source of faction. The leadership in rural areas may pass into the hands of irresponsible persons. Since the people are unlikely to put up with such leadership for long, there may be serious disturbance to peace which in turn will be exploited by anti-democratic forces to their best advantage. If these possibilities are to be averted and if the co-operative farms are to work smoothly and efficiently, a large degree of regimentation and bureaucratic control will be necessary right from the beginning. Co-operative farming on an extensive scale thus poses a grave danger to democracy in India.

In his speeches both in Parliament and outside, Mr. M. R. Masani has very clearly brought out the defects inherent in co-operative farming and highlighted the possible consequences. Many other eminent leaders, such as Rajaji and Mr. K. M. Munshi, whose sincerity of purpose is unquestionable, have also pointed out the dangers involved in the proposed land reform. It is sad to see that the top Congress leaders who are in power today are unable to appreciate the warnings sounded by all these people. On the contrary, they passionately argue that co-operative farming is essential for the preservation of democracy and is the only way to keep the Communists out. But the best answer to this argument is provided by the fact that, outside the Congress, the Communists alone have offered their enthusiastic co-operation to the Congress for implementing its Nagpur resolution. A large number of Congress men themselves are very critical of the political implications of co-operative farming. While some of them, as, for instance, Prof. N. G. Ranga and Mr. Charan Singh, have resigned from the Congress and strongly expressed themselves against co-operative farming, a very large number of them have accepted their Party's decision with mental reservations. The spirit of intolerance, which is inimical to the principle of co-operation, is already evident from the statements of some leading Congress men to the effect that those who are opposed to co-operative farming are reactionaries and have no place in the Congress Party.

A perusal of the numerous speeches made by the Prime Minister during the past three months reveals a medley of objectives of co-operative farming. Briefly stated, they are as follows:

1. Co-operative farming will lead to increased production.
2. It will help eradicate poverty among the rural people.
3. It is necessary for infusing new life in rural areas and a sense of co-operation among the villagers.
4. It is one of the means of achieving a classless society.
5. It is an essential part of the scheme for introducing State trading in foodgrains.
6. Without it, it will not be easy to introduce the reform of ceiling on land.
7. It will put an end to the evil of fragmentation of land and speed up consolidation of small holdings.

Not one of the several arguments that have been put forward by the critics of co-operative farming has convinced the Prime Minister. He has dismissed as baseless the contention that co-operative farming where tried has been a failure, because, in his opinion, co-operative farming has not so far been tried in India on right lines and with proper incentives. Even the admission of failure of co-operative farming, tried in Kerala under the Communist regime, by the Kerala Finance Minister himself has not carried conviction to him. It is irrelevant, according to him, to judge the co-operative farming in the light of the shortcomings of collective farming or communes in the Communist countries, because the two systems, based as they are on different principles, are not comparable. The fear that co-operative farming may soon end up in collective farming is, he avers, unwarranted. The argument that, at some later stage, the right of individual ownership to the land pooled into the co-operatives might be abrogated by a future Government is strange to him. He cannot be expected to answer such hypothetical questions. There is, of course, some force in these replies of Mr. Nehru to the critics of co-operative farming, but they are not sufficiently convincing to dispel the misgivings voiced earlier. At best, they are only theoretical assumptions. Nor is his contention that there could be no increase in agricultural production without co-operative farming tenable. It could be valid only if all the measures for raising agricultural production have been tried under the existing system and found wanting. The fact is that they have not been tried in full or effectively. Further, it cannot be said that there has been no increase at all in agricultural production. The Union Finance Minister, Mr. Morarji Desai, himself, refused to admit such a contention in his reply to the general debate on the Budget.

There are also some contradictions in Mr. Nehru's replies. Opposing the criticism that a ceiling on landholdings was tantamount to placing a ceiling on the farmer's income, Mr. Nehru said that it was not so,-because a farmer could raise his income by putting land to intensive use. But how could this happen, if all the land is pooled into the co-operatives and the share of each land-owner in the produce is determined on the basis of his quota of land? The claim that co-operative farming will lead to abolition of class system is an exaggeration and is in conflict with the concession that members of farming societies will be allowed to retain ownership of land, that the quantity of land that one can thus own need not be the same for all and that landless workers also can become members of societies. Finally, the protagonists of joint-farming are yet to prove that collective ownership will provide better incentive to increased effort and larger production than individual ownership. Experiences of other countries and experiments tried in this country itself offer sufficient evidence to discredit their notions. Their claim that the co-operative farming which they have decided to try is something unique and without parallel anywhere in the world is a tall one.

NEW ISSUE OF TATA IRON AND STEEL

CENTURY LEAPS FORWARD—MUSCLE POWER COSTLIER THAN EVEN NUCLEAR POWER

THURSDAY, 5 P.M.

MARKET GOSSIP

THERE is considerable speculation in share markets about the proposed new issue of the Tata Iron and Steel Company, Ltd. That the Company has to raise additional capital to repay a part of its heavy borrowings is not disputed. As against a total of about Rs. 135 crores of invested funds, the share capital is only Rs. 30 crores. Mr. J. R. D. Tata, Chairman of the Company, described the disparity between the two figures as "unduly wide" and pointed out that it would widen again this year when expansion projects were completed. He, therefore, suggested that the share capital should not lag too far behind the figure of net block. At the last annual general meeting of the Company, several shareholders agreed with this view and appreciated the Chairman's assurance that additional capital would be so raised as not to cause any serious hardship to them. The discussions at this meeting brought out two points (*vide* page 463, *Commerce*, 20th September 1958). One, no call for additional capital would be made before the end of March 1959. Two, new capital would be issued only at par and all the Directors were unanimously of the view that no premium should be collected. Some of the shareholders also suggested that the new issue should be made when the Stock Exchanges were in a mood of buoyancy.

The month of March 1959 is over. The share markets continue to be buoyant. The time is fast approaching when the Directors of the Company have to take the shareholders into confidence. It is learned that the issue is now under the active consideration of the Board and that a decision will be taken in the near future. Although the shareholders may know about it in a few weeks or a few days, the time for subscription is a long way off. The Company will have to get the permission of the Government. And it is unlikely that the Government will permit the new issue to go through before completing its borrowing programme and that of the State Governments. So, it seems to us that the issue will not actually materialise before August or September next.

Nevertheless, three questions are uppermost in the minds of investors even now:

1. What is the size of additional capital and in what proportion will it be issued?
2. Will the entire additional capital be in ordinary shares or in preference shares or in both?
3. Will the Government permit the issue of new shares at par or insist on a premium?

We do not claim the privilege of knowing the answers in advance. However, according to reports current in the market, the possibilities seem to be as follows:

Although some have suggested that the Company should raise additional capital in the form of preference shares, the management does not appear to be favourably inclined towards it. The new issue is, therefore, *likely* to be in the form of ordinary shares. On the proportion of the new issue, market expectations vary from one share for two shares to one share for three shares. Some say that it may be two shares for every five shares. It looks as though one for three will be nearer the mark, as the management is credited with the idea of raising no more than Rs. 7 crores to Rs. 8 crores.

As for the question whether the new issue would be at par or at a premium, the management has already made the position quite clear. Since the last new issue was made, the Government has changed its policy. In recent times, it has not insisted on new issues by existing companies being at a premium. And yet, if a doubt on this issue exists in some minds, it must be because of the Government's decision to tax capitalisation of share premia in the same way as capitalisation of reserves. They think that this denotes a change in the Government's policy again. What is the point, so they argue, in Government proposing this tax, unless it is prepared to make sure that existing companies do collect a premium on their new issues? This may be an intelligent guess, but it remains to be seen what the Government will do. The general assumption, however, is that Mr. Morarji Desai, Union Finance Minister, will not interfere with the freedom of companies to decide the terms of their new issues.

Moreover, it is utterly unfair to compel a company to collect a premium on its new issue and then subject the premium to a tax of as much as 30 per cent. when it is transferred to the capital account. If the Government wants the existing well-established companies to return to the accepted practice of charging a premium on their new issues, it must in fairness to them abolish not only the proposed tax on share premia but also the existing tax on capitalisation of reserves which have already borne taxation. There is no justification whatever for taxing bonus shares and that at the penal rate of 30 per cent. It is one of the worst forms of double taxation and was opposed by the Taxation Enquiry Commission. Even Prof. Kaldor pleaded for its abolition.

The practice of taking a premium on new issues by existing companies has some merits to its credit and is being followed even now in several countries, notably in the U.K. and the U.S. It has a restraining effect on equities, when they tend to go too high. Secondly, it is only but fair that, when new capital is admitted into a going concern, it must pay a price for sharing in the goodwill and reserves that have already been created. And, thirdly, it will facilitate new company flotations and growth of *entrepreneurs*, and thereby dispersal of economic power. If company managements in India have abandoned this practice, the Government is chiefly responsible for it, by following an unhealthy fiscal policy. The Government should, therefore, amend its tax policy suitably, so that companies may follow sound principles for strengthening their capital structure from time to time. It is true that some company managements used to abuse this practice and collect excessive premia from shareholders by manipulating the market value of their shares. But such abuses can be corrected by the Controller of Capital Issues, when he receives applications for permission to issue new capital.

To return to the forthcoming new issue of the T.I.S.Co. Some students of investment market are of the view that the Company would do well to raise the additional capital it requires in the form of preference shares rather than ordinary shares, because of the necessity to conserve its resources to the maximum extent possible, in view of the large loans that have to be liquidated in the coming years. The Company has, as readers are aware, first and second cumulative preference shares of the tune of Rs. 75 lakhs and Rs. 7 crores, respectively. The first preference shares are entitled to a dividend of 6 per cent. and the second to 7½ per cent., both taxable. The suggestion is that the Company could, with the consent of existing preference shareholders, offer a third issue carrying a fixed dividend of 7½ per cent., taxable, which would mean a net return of a little over 5 per cent. This, it is argued, will be a cheaper method of raising additional finance than issuing equity capital on which a gross dividend of at least Rs. 10 to 11 per share will have to be paid. It is further argued that, in the long run, this will work out favourably to the existing ordinary shareholders also and that, in the case of a growing concern like the T.I.S.Co., there would be plenty of opportunities for issuing further equity capital. Apparently, this school of thought is of the opinion that, after some time, the Company could go in for further expansion of its capacity.

It is reported that, during the last few days, there has been a sizable liquidation of T.I.S.Co. ordinary shares by some big investors. This is probably due to a desire on their part to make room for the forthcoming new issue. Knowledgeable circles are of the opinion that this tendency may come to prevail from time to time and that there may be a perceptible increase in the delivery of this scrip during some settlements.

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The sharp rise in the value of Century Mill shares during the last few days was due to expectations that the Company will be able to maintain comfortably the dividend for the year 1958 at Rs. 22 per share, a rate which it has been paying consistently from 1953 onwards, thanks to the excellent working of the mills, particularly the rayon section, and that the Company may also announce issue of additional share capital. These expectations have not been belied. The Directors have decided today to maintain the aforesaid distribution by declaring a final dividend of Rs. 14 per share; an interim payment of Rs. 8 has already been made. They have also decided to apply to the Controller of Capital Issues for permission to issue new equity shares to the existing shareholders at par in the ratio of one share for every five equity shares held by them. This will mean an issue of fresh capital to the tune of Rs. 21.88 lakhs.

The Directors have further decided to pay the entire dividend for the year from the taxed profits of the previous years taken to the general reserve and not out of the current profit, in order to give the benefit of tax refund to the shareholders, as they did last year to pay a part of the interim dividend for 1958 and the whole of the final dividend for 1957.

The Company's performance in 1958 has been excellent, its gross sales having gone up from Rs. 9.39 crores to Rs. 10.61 crores and its gross profit having nearly doubled itself from Rs. 67.78 lakhs to Rs. 133.80 lakhs. After bringing in the previous year's surplus of Rs. 9.28 lakhs, the Directors have utilised a sum of Rs. 3.75 lakhs to write off capital issue expenses. They have provided Rs. 43 lakhs for normal depreciation (as against Rs. 37.76 lakhs set aside last year), Rs. 31.59 lakhs for development rebate (Rs. 18.32 lakhs) and a further Rs. 42 lakhs (*nil*) for development reserve. The managing agency commission takes up Rs. 8.91 lakhs (Rs. 2.92 lakhs) and provision for taxation Rs. 3.06 lakhs (Rs. 7.12 lakhs). A sum of Rs. 1.22 lakh has been donated to the Bombay Textile Research Association. These appropriations leave a balance of Rs. 9.53 lakhs to be carried forward. The dividend, to be paid out of the general reserve, will absorb Rs. 24.07 lakhs. But this withdrawal is more than made good by the large additions to the other reserves as mentioned above.

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More and more men, who have rendered several decades of service in the cause of India's industrialisation, are giving expression to their thoughts on the third Five-year Plan. Since official spokesmen have gone on record by stating that they welcome suggestions from all quarters, it is to be hoped that they will not rush the country into hasty decisions which will create more problems than any five-year plan can solve. Speaking in his capacity as the Chairman of the Central Bank of India Ltd., Mr. H. P. Mody, who was critical of any bigger and more spectacular plan, insisted that what the country needed was scientific, and not political, planning. He rightly added: "Incentives to earn, save and invest must find their proper place in any such plans for national reconstruction. A process which virtually amounts to pauperising the rich and making life harder for the vast number of lower middle-class income groups cannot possibly usher in the millennium, nor conform to any canons of fairness in the rendering of social justice."

Although Mr. G. D. Birla, who addressed the annual meeting of the United Commercial Bank as its Chairman, welcomed the news that the third Plan would involve an investment of Rs. 10,000 crores, he emphasised that what really mattered was not the magnitude of investment or expenditure on the Plan but "how much additional income could be earned per unit of investment." Since large foreign loans would add to the burden of repayment, Mr. Birla stressed that India must "plan for less of foreign loans and more of foreign investment." As regards domestic resources, he agreed that there were ways of raising them. But he raised a fundamental issue when he asked: Why should anyone venture to invest if the investment be unattractive? He added: "We must create favourable conditions for attracting such investment." This, as Mr. Birla recognised, is true as much of foreign as of domestic investment.

An important point which Mr. Birla made was that "those who dream of solving unemployment problem through intensive employment of manpower rather than through intensive production per unit of capital are unrealistic in their outlook." This is a theme on which Mr. Birla has expressed himself very clearly in the past. His point has always been that, if the country must grow rich, it must let the devil do the work for man, the devil being machine power. Mr. Birla declared in his speech at the United Commercial Bank meeting that "muscle power is the costliest power in the world."

This reminds one of the telling advertisement slogan of the British engineering company, Mitchell Engineering Ltd. Under the striking heading "Muscle is the most costly power on earth," and quoting Ritchie Calder, a noted science writer, the advertisement describes a tropical scene of a bullock-team raising water from well. It says: "Bullocks have to be bought, tended and fed, yet even with the meagre food and pitiful earnings of the men who drive them, the energy equivalent which they produce costs twenty times as much per unit as the energy output at Calder Hall atomic energy station." And it must be remembered here that nuclear power itself today costs much more than electricity, oil and coal. The advertisement goes on to point out how " a great many people in the world are poor because of necessity" and how "they use calories in their most expensive form and energy in the most uneconomical way." It adds: "The paradox of power is that those who are power-deficient are power-extravagant. When we go around the house switching off lights to keep the electricity bill down, we might think of the Indian villager burning cow-dung to cook his food for his muscle power. Because he burns that dung, instead of using it as manure, his soil is undernourished, his crops are undernourished, and he is undernourished. This is the Misery-Go-Round of poverty; because the peasant is poor he is undernourished; because he is undernourished he under-produces; because he under-produces he is poor; and because, in 'muscle power' countries, poverty prevails, their natural resources are underdeveloped. Such countries see in nuclear energy a break-through to industrial prosperity."

Here is a closely-reasoned case for the abandonment of an economy based on muscle power in favour of a more dynamic economy which seeks to utilise all the constructive advances of science, man's noblest achievement.

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The overall trend of world commodity markets since the commencement of 1959, as judged by the indices of commodity prices for the first quarter of this year, has generally been upward. Thus, the *Financial Times*, London, index of commodity prices (Base: 1st July 1952=100) has risen from 79.17 on 30th December 1958 to 82.03 on 30th March 1959, as compared with 80.26 a month ago and 80.74 a year ago. The Dow Jones index of commodity prices futures (Base: 1924-25-26=100) has moved up from 147.94 to 149.39 during the same period. A few of the major commodities such as cotton and sugar, however, have proved an exception to this general trend, as the prospects of higher production and lower consumption loomed large over them. Among metals, almost all the non-ferrous metals have improved. Among agricultural commodities, rubber, groundnut, linseed, tea and pepper have gained some ground, while jute has managed to remain more or less steady.

The principal commodity markets in India would appear to have conformed to the world pattern. Raw cotton, however, has been an exception, in that it moved differently. Unlike elsewhere in the world, raw cotton in this country has been ruling exceptionally strong during the first three months of 1959. The successive reduction in crop estimates, damage to quality, and higher consumption were responsible for the strength of cotton. The Jarilla March contract, which was quoted at Rs. 641.4 at the beginning of the year, rose to Rs. 701 on 23rd March prior to its expiry on 24th at Rs. 695. The trend of Jarilla May contract was more or less in line with that of the March contract. From Rs. 656.75 at the beginning of March, the contract advanced to Rs. 680.50 at the close of the month and has since been ruling firmly steady. The August contract, which started its

(*Continued on page 579*)

EQUITIES BUOYANT

SHARP RISE IN VALUES

(From Our Own Correspondents)

BOMBAY, *2nd April*

THE mild reactionary trend in equity prices noted last week was reversed and buoyant conditions came to prevail during the week under review, on keen speculative buying. Scarcity of stocks, absence of sellers and the publication of encouraging results by some leading companies in the miscellaneous section fanned the bullish enthusiasm. Many investment scrips of companies with excellent growth prospects were absorbed at rising levels in the hope that these companies would be able to pay higher dividends to make good, at least to a large extent, the loss to shareholders on account of the change in the mode of taxation introduced by the recent budget. Hopes of a change in the provision relating to deduction of tax on dividends in the Select Committee stage also aided sentiment. In short, the bullish reaction to the Budget proposals, particularly the abolition of wealth tax on companies and dividend tax, has received a fresh lease, though operators appear to be cautious at higher levels for two reasons, namely, the lowering of yield pattern and fears of fresh credit curb aimed at checking undue speculation. Nevertheless, the undertone is still buoyant.

Steel shares did not provide the lead to the market. They were rather docile in view of the heavy selling by a prominent operator. Tata Steel Ordinaries, which had advanced from Rs. 181.25 to Rs. 186.50 on the opening day of the new account, suffered a reaction in the last two days to Rs. 181 before closing at Rs. 181.75. The new shares rose from Rs. 178.25 to Rs. 183, but declined to close at Rs. 179. Indian Irons improved from Rs. 23.96 to Rs. 24.48, but fell back to Rs. 24.08, despite the news of higher production and despatches in March. The output of steel ingots rose from 61,987 tons in February to 70,887 tons and of saleable steel from 50,202 tons to 59,707 tons. Despatches of saleable steel recorded a sharp rise from 45,090 tons to 75,972 tons.

Textile shares shaped well on reports of improving offtake of cloth and encouraging results of the Mafatlal group of mills for the year 1958. Centurys were conspicuous with a sharp rise from Rs. 477.50 to Rs. 487 on expectations that the dividend would be maintained and a right issue would be made in the ratio of 1:5. Towards the close, however, the shares dipped to Rs. 483.50. The market's expectations have since materialised when the Directors announced a final dividend of Rs. 14 per share (making Rs. 22 for the year) and to issue new ordinary shares in the above ratio. Bombay Dyeings were lifted up from Rs. 59.80 to Rs. 60.70 before being marked down to Rs. 60. Kohinoors jumped from Rs. 254 to Rs. 261, but the disappointment over the cut in the final dividend for the year 1958 from Rs. 12 to Rs. 6, making the total distribution for the year Rs. 10, as against Rs. 18 for 1957, caused a sharp setback to Rs. 250. The Tata group provided good features, Central Indias rising by Rs. 4.50 to Rs. 93.50 and Svadeshis by Rs. 6.50 to Rs. 216, due to proximity of dividend. Finlays were unchanged at Rs. 271, but Gokaks improved by Rs. 3 to Rs. 142. Khataus recorded a rise of Rs. 15 to Rs. 182.50. Standards provided the highlight with a jump of Rs. 33 to Rs. 481. The Company has earned a gross profit of Rs. 93.82 lakhs for 1958, as against Rs. 89.15 lakhs for the previous year. Morarjee Mills, Models, New Greats, Osmanshahis, Podars and Shrinivas Mills were all marked up sizably. Simplex provided an exception with a drop of Rs. 3 to Rs. 165.

Electricity shares were subdued. While Ahmedabad Electrics were unchanged on balance, at Rs. 96.80, Bombay Suburbans were a fraction down at Rs. 107. Tata Hydros were maintained at Rs. 120, while Andhra Valleys dropped Rs. 2.50 to Rs. 1,163.75 and Tata Powers Rs. 15 to Rs. 1,175.

Activity in bank shares was widespread, though changes in prices were small. Barodas were done at Rs. 115.50 *ex-div.*, as against Rs. 118.50 *cum-div.* a week ago. Centrals were placed at Rs. 56.80 *ex-div.*, as against Rs. 58.80 *cum-div.* and their new shares at Rs. 59 *ex-div.*, as against Rs. 60.70 *cum-div.* Bank of Indias hardened by 50 nP to Rs. 136. Punjab Nationals were a shade lower at Rs. 24.52 and United Commercials at Rs. 69.50. State Bank of Indias had business at Rs. 387.50.

Sugar shares were in good demand and there was a marked rise in prices. Belapurs appreciated from Rs. 287 to Rs. 293. Phaltans gained Re. 1 to Rs. 156.50 and Walchandnagars Rs. 3.75 to Rs. 292.50. Maharashtra Sugars moved up by Rs. 2 to Rs. 197. Cauvery Sugars changed hands at Rs. 107.50, as against the previous nominal quotation of Rs. 87. Cement shares showed a mixed performance. While Associated Cements were featureless at Rs. 146.50, Digvijays were marked up by Rs. 3.25 to Rs. 146.50 and Orissas by 40 nP to Rs. 14.50. Dalmia Cements rose by Re. 1.20 to Rs. 11.40 and Jaipur Udyogs by 16 nP to Rs. 11.44. In the engineering and mining group, Tata Locomotives presented a firm front and rose from Rs. 182.25 to Rs. 185.25. Alcock Ashdowns were well maintained at Rs. 272. Larsen and Toubros were in demand and rose by 96 nP to Rs. 21.68 on reports of encouraging results of working and prospect of a rights issue. Mahindras jumped by Rs. 4.50 to Rs. 25.10 and their new shares by Rs. 4.20 to Rs. 22, encouraged by the good financial results for the year 1957-58. Premier Constructions advanced by Rs. 7 to Rs. 265. Shivrajpurs were dull at Rs. 97, while Indian Coppers were in keen demand, on expectations of the price of copper remaining steady, and rose by 34 nP to Rs. 4.32.

In the shipping group, while Scindias improved from Rs. 18.16 to Rs. 18.72 before closing at Rs. 18.56, Great Easterns lost over the week 20 nP to Rs. 21.68 and Bharat Lines shed 32 nP to Rs. 13.24. Automobile shares were taken up at higher levels, Premier Automobiles scoring a gain of Rs. 5.75 to Rs. 115.50. Hindustan Motors were done 8 nP higher at Rs. 9.04.

The miscellaneous section provided many bright spots. National Rayons were prominent with a rise of Rs. 16.75 to Rs. 293.25. Gwalior Rayons were marked up by 36 nP to Rs. 16.04. Bombay Burmahs (old) rallied from Rs. 504.50 to Rs. 517 before declining to Rs. 509. Wimcos shot up from Rs. 193.50 to Rs. 210. Indian Dyestuffs, which had been keenly sought after for sometime now, scored a rise of Rs. 157.50 over the week to Rs. 482.50. Hindustan Levers were picked up Re. 1.10 higher at Rs. 31.65. Tata Oils gained 75 nP to Rs. 50 and Tata Chemicals put on 8 nP to Rs. 16.52 and their new shares 16 nP to Rs. 15.40. Alembic Chemicals rose by Rs. 5 to Rs. 176 and their new shares by Rs. 4 to Rs. 167.

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Calcutta Stock Exchange

CALCUTTA, *1st April*

Equities registered further handsome gains under the lead of jutes during the week under review. Investment support was quite pronounced, thanks to renewed expectations of enlarged flow of funds into the share market as a cushion against inflationary forces generated by heavier dose of deficit financing. Jute shares were keenly bid on hopes of better working results in the current year. The hopes were based on comfortable raw jute supply position, progress in the implementation of rationalisation schemes in many units, improvement in labour relations and likelihood of better offtake of jute goods. Coal shares also elicited good buying inquiries induced by reports that the Central Government would soon announce increases in coal prices in the light of the Coal Prices Revision Enquiry Committee's findings. Tea shares, too, were well favoured, owing to encouraging advices from tea markets which indicated upward trend in exports and a hardening tendency in prices. In tune with the general trend and on anticipations of a rise in output as a result of the liberalisation of import policy governing raw materials, engineerings and miscellaneous industrials came in for enquiries at higher prices. The undertone of the market was distinctly firm.

Belvedere Jutes forged ahead from Rs. 181 to Rs. 185. Aucklands and Deltas both spurted by Rs. 4 to Rs. 181. Nellimarlas picked up 90 nP to Rs. 14.06, Howrahs 50 nP to Rs. 24.19, Agarparas 44 nP to Rs. 12.50 and New Centrals 25 nP to Rs. 15.06.

Among coals, Bengals strengthened by Rs. 4 to Rs. 304. South Karanpuras put on a rupee to Rs. 13.87. Burrakurs were bid 93 nP higher at Rs. 18.87. Pench Valleys rose by 25 nP to Rs. 26.75, Western Bengals by 16 nP to Rs. 6.41 and Central Indias by 15 nP to Rs. 8.34.

In the engineering section, Britannias firmed up by 35 nP to Rs. 13.25. Indian Irons hardened from Rs. 24.06 to Rs. 24.11. Texmacos were fully maintained at Rs. 23.45, as were Indian Standard Wagons at Rs. 95. Marshalls changed hands at Rs. 6.72 and Kumardhubhis at Rs. 10.25.

Several miscellaneous industrials were well fancied. Jardine Hendersons rallied from Rs. 79 to Rs. 81.50. Dunlop Rubbers were marked up by Re. 1.69 to Rs. 33.31. The Directors of the Company have maintained the dividend at 16½ per cent. for the year 1958. Karanpura Developments gathered Re. 1.56 to Rs. 14.31. Indian Aluminiums added Re. 1.25 to Rs. 20.75. Rallis Indias gained a rupee to Rs. 66. Indian Cables rose by 62 nP to Rs. 32.12, Rohtas by 56 nP to Rs. 23.31, Aluminium Corporations by 50 nP to Rs. 13.44, Indian Paper Pulps by 44 nP to Rs. 24.44, and Indian Coppers by 26 nP to Rs. 4.27. Metals Boxes were fully maintained at Rs. 34.62, as also Hindustan Motors at Rs. 8.94.

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Madras Stock Exchange

MADRAS, *31st March*

The Madras Stock Exchange displayed a fully steady trend during the week under review. There was good absorption of several counters and values tended to move up. The sentiment of operators was influenced favourably by two important factors. First, it was reported that, at its meeting held in the City on Saturday, the L.I.C. Investment Committee decided to buy the shares of certain companies dealt on the Exchange. Secondly, there was a feeling that the new scheme of company taxation might be suitably modified at the Select Committee stage.

A special feature of trading this week was the sizable business put through in sugar shares. In particular, Kirlampudis were keenly sought after, the quotation climbing up by Rs. 4 to Rs. 55. Andhras and Mysores recorded a rise of 50 nP each to Rs. 22.50 *cum-div.* and Rs. 54.50 *cum-div.*, respectively. Indias hardened by 40 nP to Rs. 13.40. Travancores gained a like amount to Rs. 11.80. Deccans rose by 29 nP to Rs. 11.29 and E.I.D.s by 25 nP to Rs. 36.50 *cum-div.* (second interim).

In the textile group, Metturs attracted much attention and rallied from Rs. 380 to Rs. 390. Premiers and Vasantas spurted by Rs. 5 each, the former to Rs. 135 and the latter to Rs. 215. Lakshmis rose by Rs. 3 to Rs. 110.50, Coimbatore Spinnings by Rs. 2 to Rs. 49.50 and Krishnarajendras by Re. 1 to Rs. 62 *cum-div.* (interim).

Certain select tea and rubber shares met with good buying support. Among the former, Mlamalays advanced by Rs. 4 to Rs. 40.25, Peermades by Re. 1.50 to Rs. 20.25 *cum-div.* (final) and Balanoors by 70 nP to Rs. 21. Among the latter, Vaikundams picked up 50 nP Rs. 25.50 *cum-div.* (final), Velimalais 25 nP to Rs. 6.25 and Teekoys 15 nP to Rs. 7.95. Coffee shares, however, were somewhat subdued, Coffee Lands dropping 65 nP to Rs. 23.35, Consolidated Coffees 15 nP to Rs. 23.35 and Sheveroys 3 nP to Re. 1.94.

Textools provided the brightest spot in the miscellaneous section, the quotation moving up from Rs. 175 to Rs. 178.50. Rallis hardened by Re. 1.50 to Rs. 66 and Dalmia Cements by Re. 1.22 to Rs. 11.62. Andhra Scientifics were higher by 80 nP at Rs. 6. Hindustan Levers, Mysore Papers and Sen-Raleighs strengthened by 75 nP each to close at Rs. 29.75 *cum-div.*, Rs. 19 and Rs. 17, respectively. Mettur Chemicals gained 60 nP to Rs. 12.75, Aluminium Industries 40 nP to Rs. 10.75 *cum-div.* (interim) and F.A.C.Ts 32 nP to Rs. 8.35.

MAHINDRA AND MAHINDRA

Notwithstanding a decline in sale proceeds from Rs. 24.41 crores to Rs. 17.69 crores, the gross profit of Messrs. Mahindra and Mahindra Ltd. for the year ended 31st October 1958 has gone up by nearly 50 per cent., that is, from Rs. 45.05 lakhs earned in 1956-57 to Rs. 65.37 lakhs and that too after raising the distribution of bonus to employees from Rs. 11.50 lakhs to Rs. 13.97 lakhs. Consequently, the provision for taxation has been stepped up from Rs. 15.50 lakhs to Rs. 31.25 lakhs. The provision for depreciation also is higher at Rs. 12.04 lakhs, having been raised from Rs. 5.42 lakhs. The Directors' commission has risen from Rs. 1.97 lakh to Rs. 2.96 lakhs. A sum of Rs. 4.01 lakhs has been set aside for development rebate reserve, for which purpose no allocation had been made last year. The transfer to the general reserve has been reduced from Rs. 10 lakhs to Rs. 5 lakhs. A sum of Rs. 1 lakh each had been set aside to reserve for additional taxation and contingencies and reserve for doubtful debts out of the profit for 1956-57, but no allocations have been made from the profit for the year under review. However, the Directors have transferred Rs. 50,000 to the research and development fund, as against *nil* in the previous year.

The dividend on ordinary shares have been stepped up from 17.5 per cent. to 22 per cent per annum, free of tax, after paying 6 per cent. tax-free to preference shareholders. A *pro-rata* dividend on the new 6½ per cent. (tax-free) preference shares for one month and on the new ordinary shares for one month at 22 per cent. per annum has also been proposed.

The Company has been advised that the provisions of Section 23A of the Indian Income-tax Act apply to it for this financial year.

B. I. Co.

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

Branches:—Cawnpore Woollen Mills Branch, Cawnpore Cotton Mills Branch, Cooper Allen Branch, North West Tannery Branch, New Egerton Woollen Mills Branch.

Subsidiary Company:—

BEGG, SUTHERLAND & CO. PRIVATE LIMITED

Managing Agents for:—Elgin Mills Co., Ltd., Brushware Ltd., The Cawnpore Sugar Works Ltd., Champarun Sugar Co., Ltd., Cawnpore Textiles Ltd., Saran Engineering Co., Ltd.

Secretaries of:—The Beta Picker Co., Private Ltd.

Agents for The Royal Exchange Assurance.

NEWS IN BRIEF

THE Government of Madhya Pradesh has withdrawn the system of issuing licences for trade in cotton cloth and yarn.

India was the second largest buyer of Sudan cotton in 1958, the quantity actually purchased being 72,600 bales out of the total Sudan exports of 417,900 bales.

The Central Government has received two applications for the manufacture of small-scale paper machinery plants, one in collaboration with the U.K. and the other with a Japanese firm.

An official trade delegation from Pakistan is expected to arrive in India in July next to review the working of the existing three-year trade agreement between the two countries signed on 1st January 1957.

A two-man Iranian tea delegation, headed by Mr. Mansouri, Director-General of the Iranian Tea Board, has arrived in Calcutta from Bangkok on a fortnight's tour of India. The delegation will visit tea plantations in Darjeeling, Assam and Nilgiris.

The total production of steel furniture in India in 1958 is estimated at 20,400 tons, as compared with 21,308 tons in 1957. There are at present 20 units engaged in the manufacture of steel furniture, with an aggregate annual capacity of 31,020 tons.

The Mysore Government has set up a State Financial Corporation, with Mr. G. Mathias, Finance Secretary, as Chairman and Mr. M. Vasudeva Rao as Managing Director. The authorised capital of the Corporation will be Rs. 2 crores, of which Rs. 1 crore will be issued in the first instance.

About 900,000 spindles and 18,000 looms are remaining idle in the country owing to the partial or complete closure of textile mills, according to the Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri. The total number of spindles and looms in place in the country is 13 million and 200,000, respectively.

The Government of Orissa has published a Bill seeking to fix ceiling on existing and future holdings of land at 33 standard acres of land. The Bill is likely to be introduced in the legislature during the current session itself. For the implementation of land reforms, the Government will constitute a Land Commission, consisting of three officials and four non-officials.

The Government of India proposes to set up probably in the Guindy industrial estate, Madras, a proto-type-*cum*-training factory for the development of high and super precision instruments. The implementation of the project will be in collaboration with the French Government. The precision instruments tentatively selected for development will include measuring and testing equipment, clocks and watches and pneumatic hand tools.

The Government of India has constituted six standing committees, attached to the Ministry of Commerce and Industry, to consider and report within four months from now, measures to develop the manufacture of machinery for various industries. The groups of industries covered include engineering, ferrous and non-ferrous metals and metallurgical, chemicals, fertilisers and plastics, machine tools and transport and communications, textile (including cotton, wool, silk and jute) and synthetic fibre and consumers' goods.

India and the U.S. have reached an agreement at technical level on the draft of a convenion for the avoidance of double taxation of income between the two countries. The agreement followed the negotiations held at New Delhi last month between the U.S. delegation, led by Prof. Dan Throp Smith, Special Adviser to the Secretary of the U.S. Treasury, and the Indian delegation, headed by Mr. V. V. Chari, Member, Central Board of Revenue. The draft convention now requires to be ratified by the respective Governments.

The total production of foodgrains is expected to touch an all-time record of 70 million tons during the year 1958-59, as against the previous record of 68 million tons in 1956-57. The increase in output is attributed to good *kharif* crops and successful *rabi* campaign now coming to a close. Harvest reports from most States in which the drive for increased production of *rabi* foodgrains was launched in September last indicate an increase of at least 20 per cent., as compared with the previous year.

The Central Board of Trustees of the Employees' Provident Fund Organisation has decided to recommend to the Government of India that the rate of interest to be paid to members of the Fund on their accumulations for 1959-60 should be 3¼ per cent. The Board of Trustees met here on 30th March under the chairmanship of Mr. K. N. Subramanian, Joint Secretary, Ministry of Labour and Employment. The Employees' Provident Funds Act, which came into force in 1952, now applies to 38 industries. About 2.48 million employees in 6,847 establishments get the benefit of provident fund in these industries. The provident fund accumulations up to the end of January 1959 amounted to Rs. 131.4 crores.

The demand for superphosphate from the northern zone comprising States of Punjab, Uttar Pradesh, Rajasthan, part of Madhya Pradesh and the Union Territories of Delhi and Himachal Pradesh for 1959-60 is estimated at 62,000 tons. The assessment was made at a meeting of representatives of the Union Ministries of Food and Agriculture, Commerce and Industry, State Governments and the Fertiliser Association of India held at New Delhi this week. This was the last in the series of meetings held by the Union Ministry of Food and Agriculture on zonal basis to assess the demand for superphosphate of various States during 1959-60. The entire demand of the northern zone is expected to be met from the expanded production of D.C.M. Chemical Works, Delhi.

A model workshop has been set up in Bombay for the development of surgical instruments and appliances manufacture in the country. It is attached to the Small Industries Service Institute. A foreign consultant is working in the Institute on the preparation of drawings, designs, moulds and prototypes of surgical instruments to be taken up for manufacture by Indian *entrepreneurs*. Arrangements have also been made for training personnel in the correct methods and techniques to be adopted in producing surgical instruments. This workshop will provide designs and manufacturing methods. In the large-scale sector, a proposal to set up a full-fledged unit, in collaboration with the U.S.S.R., for the manufacture of medical appliances and surgical instruments, has already been approved. This factory is expected to meet the requirements of these instruments in the country.

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From Abroad

The number of foreign trainees now receiving technical training in West Germany is put at 6,000, of whom as many as 2,000 are Indians.

Switzerland has granted "a five-year industrial credit" of S.frs. 25 million to the United Arab Republic for the purchase of textile machinery.

The next report of the British Cohen Council on Prices, Productivity and Incomes is expected to be completed by the end of July next.

The British House of Commons has passed a Bill which seeks to raise the provision for colonial development and welfare scheme by £95 million to £315 million.

The French Government has removed restrictions on exports of a large number of products, particularly engineering goods. Licences are no longer required for the exports of these goods.

Unemployment in the U.S. will decline to around 3 million by the final quarter of 1959 from the current level of 4.7 million, according to the forecast made by the U.S. Secretary of Labour, Mr. James Mitchell.

Investment of foreign capital in Australia is now said to be at an annual rate of £A100 million, American investors alone contributing a third of the amount. A feature of American investment is said to be the large "plough-back" of undistributed profits into local industry.

American bids are being invited by the Government of Iraq for construction of the Baghdad-Kirkuk road. The construction, including asphalt pavement, culverts and bridges, will be under two contracts of approximately 43.5 miles each.

Sixty-three Indian firms are among the 606 business concerns struck off the Burmese Government register. Action against them has been taken following a scrutiny jointly undertaken by the Bureau of Special Investigation, the Army and the Police. The number of "disregistered" Burmese firms is 523, Chinese 92, European 3 and limited companies 8.

The Ghana Government and Aluminium Limited of Canada have floated a new joint company, known as the Ghana Aluminium Products, to build a factory at Tema, near Accra, for the manufacture of corrugated aluminium sheets by August this year. The Ghana Government is to subscribe about 40 per cent. of the equity capital and the rest by Aluminium Limited of Canada.

The U.S. Atomic Energy Commission is planning to establish a $3.5 million plant at Oak Ridge, Tennessee, to recover fissionable materials chemically, as part of its programme to develop economically competitive nuclear power plants. The plant will enable the Oak Ridge National Laboratory to re-process unused nuclear fuels from most of the power reactors currently operating or proposed for construction in the next few years.

A West German oil company, Gewerkschaft Elwerath (in which Esso, Shell and German Wintershall concern have sizable interests), has signed a prospecting contract with the Government of Ethiopia. The agreement is valid for 50 years and enables the Company to prospect at its own cost and later drill for oil in the Ogaden Province. If oil is struck, the Government of Ethiopia and the Company will enter into an agreement stipulating equal sharing of profits.

The consumption of coffee in W. Germany during 1958 reached a new peak for the post-war period and is expected to go up further this year. W. Germany imported 154,454 tons of coffee beans last year, as against 148,041 tons in 1957. Latin American countries were the biggest suppliers, Brazil accounting for 19.06 per cent., Columbia for 14.18 per cent., and Nicaragua, Salvador, Venezuela, Gautemala, Mexico and Costa Rica for a combined total of 48.43 per cent.

The less developed countries of the world will require a net capital inflow of about $70,000 million over the next ten years, if they are to achieve reasonable rates of economic growth. Expressing this view, Mr. Paul Hoffman, Managing Director of the U.N. Special Fund, says that half of this sum will be forthcoming on present estimates and new sources will have to be tapped for raising the balance. According to him, what is wanted was not dollars but goods and services, a lot of which can be provided out of capacity at present unused in the highly industrialised countries.

The Japanese Cabinet has approved of a new foreign exchange and trade programme designed to cope with the intensified competition in world markets following the return to convertibility of West European currencies. The programme envisages immediate adoption of measures such as removal of currency discrimination in the import of automatic approval goods and transfer of items now requiring prior allocation of foreign exchange to the automatic approval list. It also envisages an increase in the number of authorised currencies used for normal trade settlement, as well as relaxation of the terms of short-term credits supplied by foreign exchange banks to finance imports.

Officials from a dozen Asian countries, including India, are currently attending a course at the Training Centre in Trade Promotion at Tokyo. The training which commenced on 30th March will last upto 24th May 1959. The programme is jointly sponsored by the E.C.A.F.E. and the U.N. Bureau of Technical Assistance Operations in co-operation with the Government of Japan. Lectures at the centre are being provided by the Governments of Japan, the U.S.S.R., the U.K. and the U.S. The subjects covered include functions of commercial attaches in diplomatic and consular missions, international trade fairs and exhibitions, marine insurance and shipping and inspection and control of quality in commodities.

The U.S. Atomic Energy Commission reports that its installation at Los Alamos. (New Mexico) is testing a unique homogeneous nuclear power reactor designed to produce high pressure superheated steam for modern electrical turbines in one simple operation. Tests of the reactor, which is expected to generate 1,000 kilowatts of heat, will determine the feasibility of using a solution of enriched uranium phosphate, phosphoric acid and water as a fuel, relying on the natural circulation of the solution to carry the heat to the heat exchanger where the steam is produced. The process eliminates the use of a circulating pump which in the past has resulted in excessive corrosion in the heat exchanger

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PERSONAL

MR. Vithaldas H. Shah, J.P., has been re-elected President of the All-India Non-ferrous Metalware Manufacturers' Association for the year 1959.

Mr. K. Srinivasan, Director, South Indian Textile Research Association, Coimbatore, has been elected President of the Textile Association of India for the year 1959-60.

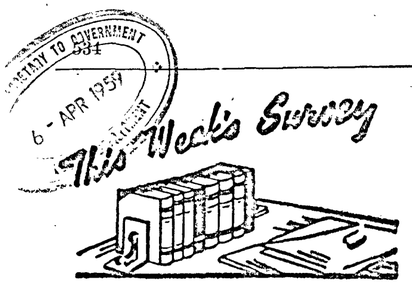
Mr. Badriprasad Poddar has been elected President of the Bharat Chamber of Commerce, Calcutta, for the current year. Mr. M. G. Rungta and Mr. H. S. Singhania have been elected Vice-Presidents.

Mr. H. Chiswell Jones, Chairman of the Metal Box Company of India Ltd. for 17 years, has left for the U.K. on retirement. He is expected to take up an appointment on the Board of Metal Box Overseas Ltd., London.

Mr. Murarji J. Vaidya has been elected President of the Indian Council of Foreign Trade for the current year. Messrs. P. B. Advani, Vallabhadas, V. Marivala, and B. N. Banerjee have been elected Vice-Presidents and Mr. R. V. Vora, Honorary General Secretary.

Mr. A. Keown has been appointed to the Board of Imperial Chemical Industries (India) Private Ltd., as Personnel Director, with effect from 1st April 1959. Mr. Keown joined the Metals Division of I.C.I. Ltd. in the U.K. in 1939. On demobilisation after the war, he joined the I.C.I. Bombay Regional Office and, in 1951, he was transferred to Calcutta and made Manager of the Regional Sales Office in 1952.

SECRETARY TO GOVERNMENT 6 - APR 1959



INDIAN AIRLINES

THE losses incurred by the Indian Airlines Corporation year after year have been a source of not inconsiderable concern to the country. The Corporation incurred a loss of Rs. 103 lakhs in 1957-58, as against Rs. 109 lakhs in 1956-57 and Rs. 119 lakhs in 1955-56. The loss for the year 1958-59 was recently estimated at Rs. 105 lakhs. It is true that there are some valid reasons why the Corporation has not been able to wipe out the deficits entirely. The problem of integration of no less than eight different air services with their divergent administrative and financial structures and physical assets, the increase in wage bill, the performance of services on non-commercial routes, the increase in expenditure arising out of heavier duties and taxes, on the one hand, and the heavier depreciation on new aircraft, on the other, have been largely responsible for the Corporation's losses. It is also true that the deficit in the results of working of airlines is a world-wide problem. Even after making allowances for these factors, there is a growing feeling, both in Parliament and outside, that the control over expenditure has been insufficiently exercised by the Corporation. This view has now been virtually confirmed by the Expert Committee on cost structure of the Indian Airlines Corporation, the report of which was released last week. The Committee, which was presided over by a British aviation expert, Mr. Stephen Wheatcroft, has declared that there is a general lack of appreciation of budgetary control in the Corporation. It has, however, paid a tribute to the "very good" general standards of the Corporation's operation and the quality of the transport offered by it to the public. It, therefore, warns against any tendency to take its criticisms out of their context and use them to "belabour the Corporation's management."

While no one will want to use the Committee's report as a convenient stick to beat the Corporation with, it is undeniable that there is urgent need for economy in the management of India's nationalised air services. In this sense, the Committee's verdict will not occasion any surprise. In a recent session of Parliament, the members voiced their dissatisfaction over the continuing high level of the Corporation's break-even load factor. Two years ago, the Estimates Committee, after insisting that the importance of placing the Corporation on a proper economic footing could not be overemphasised, pointed out how "huge losses depress the morale of those who work for it, lower the efficiency and lead to further losses." The report of the Wheatcroft Committee on cost structure has served only to reinforce these observations. The Committee has directed its criticism at the "general lack of appreciation" of the value of budgetary control in the I.A.C. and the failure to make cost control an integrated part of the system of management. It says: "We found that at various levels of management there were officials who, though responsible for a substantial segment of I.A.C. expenditure, did not seem to be aware of their responsibility to control that expenditure." It finds that insufficient effort has been made to ensure that departments keep within the limits set by their budgets. The result is that "the whole system of budgetary control commands little respect from junior levels of management." The general level of the morale of the staff at the junior level, it is stated, is rather low. This is attributed partly to a feeling of helplessness in the field of labour management. The Committee says: "But it is also due to the lack of a driving sense of purpose throughout the Corporation. The most immediate task of I.A.C. management should be to establish an all-pervading feeling that the Corporation exists primarily as a commercial undertaking, that its purpose is not only to provide good and efficient air services but also to operate these services at a profit." Incidentally, it has expressed itself against any proposal to merge the I.A.C. with the Air-India International.

Clearly, the authorities should bend their energies to the task of placing the Corporation on a firmer financial footing. They will do well to implement the Committee's recommendation that all new recruitment should be prohibited, until the surplus staff has been absorbed in the future growth of traffic and workload. The Government, on its part, should make an objective assessment of the loss arising out of the Corporation's non-commercial services, in order to see how best the Corporation could be helped through a special subvention. Before this is done, the Corporation must make a genuine effort to put its own financial house in order. Since it has already increased its schedule of fares, with effect from June last, it cannot possibly think in terms of a further increase in fares. The argument that Indian air fares are the lowest in the world could be easily overstressed by ignoring, on the one hand, the general economic level of the people and the Corporation's failure to adopt appropriate economy measures, on the other. There is no getting away from the fact that, consistent with its obligations to ensure safe and efficient services, the Corporation should relentlessly pursue economy in expenditure. But the prospects for the future, according to the Expert Committee, are bright for the Corporation. A substantial and increasing surplus, it is stated, can be forecast for Viscounts on the trunk routes and the night airmail services. If the Committee's standard costs for Dakota operation were implemented, it has computed that the losses on these routes could be reduced by 40 per cent. These and other suggestions made by the expert body deserve urgent implementation in the interests of stemming the continuing tide of the Corporation's losses.

EXCISE ON TOBACCO

The administration of excise duties is an admittedly complicated task. This is particularly true of this levy on unmanufactured articles, such as tobacco and coffee. Those who pay the duty have for long complained that they have been denied facilities of appeal to an impartial and independent tribunal. The All-India Tobacco convention, held this week at New Delhi, reiterated the demand for an independent appellate tribunal to hear excise duty appeals. This suggestion was rejected by the Union Minister for Revenue and Civil Expenditure, Mr. B. Gopala Reddi, who inaugurated the Convention. It may be recalled that the Taxation Enquiry Commission, which examined this question, reached the conclusion that, since the essence of the administration of customs and excise duties was prompt disposal of cases, it was not advisable to set up an elaborate machinery on the lines of what existed in respect of income-tax matters. The Commission, however, suggested that revision petitions against the orders of the Central Board of Revenue or the Collectors should be disposed of by a tribunal which, in addition to being independent of the Ministry of Finance, should consist of at least one judicial member who should be either a serving or a retired High Court judge and one member who has had administrative experience. It would appear that the Government, though it has not accepted the Commission's suggestion in its entirety, has evolved a procedure which is an improvement on the old. Since March 1957, two officers—the Chairman of the Central Board of Revenue and a Joint Secretary of the Law Ministry—are dealing with revision petitions against the decisions of the Central Board of Revenue. It is to be hoped that the two officials will bring to bear upon their task a sense of impartial judgment of the kind that one would expect from a judicial tribunal. It is gratifying to note that the new arrangement is working satisfactorily.

Two other issues which were raised at the Convention were the relative position of the biri and cigarette industries and the abolition of the time limit on the storage of tobacco in bonded warehouses. At the Convention, it was suggested that the duty on *biri* tobacco should be reduced, so as to narrow the gap between the higher-rated *biri* tobacco and the lower-rated varieties and the resulting loss of revenue should be made up by increasing the rate on cheap cigarettes. The Minister rightly argued that, in assessing the comparative burden of excise duty as between *biri* tobacco and other varieties of tobacco, the additional excise duty levied since May 1957 should not be taken into account since that duty was imposed in lieu of sales tax legally payable by *biri* tobacco. As regards the competitive capacity of the *biri* industry *vis-a-vis* cheap cigarettes, he cited statistics to discount the suggestion that the cigarette industry was stealing a march over the *biri* industry. In any case, in the last budget, certain adjustments were made in the duty on various kinds of cigarettes, involving an increase of 16 per cent. in the level of duties for cigarettes taken as a whole. These adjustments, together with the other advantages which the *biri* industry possesses by reason of its being in the decentralised sector of the economy gives it a sufficiently favourable economic status. It is true that certain other adjustments made in respect of unmanufactured tobacco in the last budget impose some additional burden on the industry. But they were made with a view to arresting the tendency on the part of the *biri* industry to utilise a lower-rated tobacco which was previously used for *hookah*. As regards the demand for the removal of the time limit for keeping tobacco in bonded warehouses, the Minister rightly rejected it on the ground that warehousing itself was an important facility and the permitted period of storage, namely, five-years, was a reasonably long one.

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A. C. BHAT,
General Manager

ECONOMIC POLICIES

The thought-provoking speech delivered by Mr. E. J. M. Leigh, President of the Madras Chamber of Commerce, at the 123rd annual general meeting of the Chamber, deserves to be read by a wider section of the public. It may well spark some serious rethinking of policies, inasmuch as Mr. Leigh approached his subject with an objectivity and clarity rarely to be met with in most of the current policy discussions. He singled out some of the questions that deserved the most urgent attention of the Government and made suggestions as to how to deal with them.

It is common knowledge that, even if import of foodgrains is avoided, India, committed as it is to rapid and full industrialisation, will still require large amounts of foreign exchange for capital equipment, industrial stores, spares, etc., for many years to come. There are only two ways of getting the necessary capital equipment in sufficient quantities: (1) inducing foreigners to invest in India, (2) acquiring capital goods by utilising enhanced export earnings. There was, therefore, a most urgent need, according to Mr. Leigh, for developing a more favourable investment climate for both domestic and foreign investment. This would not only facilitate negotiations for foreign investment, but would also encourage the inflow of private foreign capital with the attendant know-how so badly needed in this country. It was unfortunate, he observed, that foreign private capital was still regarded in high places with so much suspicion and as adding a heavy burden in the shape of annual profit remittances and ultimate capital redemption. There was no factual basis for the suspicion, because available statistics indicated that a substantial part of the profits earned was ploughed back into industry for subsequent expansion.

Private domestic capital in the country, Mr. Leigh said, had been traditionally shy and many *entrepreneurs* were suffering from a sense of frustration and uncertainty which was not a little due to the confusing and often contradictory statement of those in authority. The position was aggravated by the growing indiscipline of labour, in general, throughout the country and the unrealistic labour policies adopted by the Government.

While fully recognising the need for higher exports, Mr. Leigh warned against shortsighted policies for stepping up exports quickly. Threats of using compulsion for promoting exports, according to him, could not but be viewed with alarm. Compulsion might lead to some immediate gains but, in the long run, it might turn out to be harmful. For many years to come the country, he pointed out, had to depend for foreign exchange earnings on

established industries such as jute, tea and textile. Most of the new industries were established under protective tariffs and with the intention of replacing imports. Manufacturing costs of these industries were relatively high and their products in some cases were not up to the internationally accepted quality standards. If these industries were forced to step up the pace of exports in the early stages, and especially if, as a result of compulsion, inferior goods were to be shipped, it might result in the loss of potential exports.

He, therefore, maintained that incentives were preferable to compulsion for promoting exports. But incentives should not be self-defeating; nor should they result in putting up the cost of manufacture. The most effective incentives, apart from fiscal concessions which had found no favour with the Government so far, he rightly pointed out, were those which enabled an industry to replace worn out machinery, install up-to-date plant and introduce new processes which would improve its export earning capacity. These, he admitted, were no doubt long-term in their effect. Hence, as a short-term measure, which permitted immediate reduction in export prices, he suggested that raw materials and stores, which were surplus to the qualifying exporters, should be made available at reasonable prices to other needy industrial units, without their having to pay high margins to the middlemen. The full value of the incentive should be ensured to the industry which already had to fight a hard battle against rising costs of production.

INDIAN STANDARDS INSTITUTION

The Indian Standards Institution is making steady progress. The I.S.I., which was set up for the purpose of preparing and promoting standards for Indian industry, has now completed twelve years. During this period, the membership and revenue of the I.S.I. have gone up and the sale of standards is also said to be encouraging. In 1958, the I.S.I. sold Indian standards of the value of Rs. 2 lakhs and overseas standards of the value of Rs. 1 lakh. By intensive effort and through large-scale cooperation from all the interests concerned with standardisation, the I.S.I. has been able to reach the second Plan target of an annual production of 200 standards a year, a head of schedule. Even with this rate of progress, the I.S.I. will not be able to meet the country's demand for standards, which, at the end of the second Plan period, is estimated at 3,000, while the I.S.I. will be able to produce only 1,500 standards. Only 50 per cent. of the demand could thus be met.

The main obstacles which inhibit progress of work in the field were highlighted by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, when he addressed the fourteenth meeting of the General Council of the I.S.I. held at New Delhi on 30th March. Mr. Shastri said that the main problem was shortage of adequate personnel. The I.S.I. had itself undertaken the training of young men. Last year, 30 young men were recruited for training and the same number would be taken this year also. Considering the demand for trained personnel, this was quite inadequate and he, therefore, urged a more ambitious training programme.

A point which Mr. Shastri particularly emphasised was popularisation of the standards produced by the Institution. There still existed many pockets of resistance. The standards had not been adopted by many Government Departments concerned nor in all industries in the private sector. Hence there was need for devoting special attention to the creation of interest in the adoption of standards. He suggested that, for this purpose, there should be frequent discussions between the various parties concerned, so that their doubts were cleared and the utility of the standards produced could be firmly established.

Referring to the certification of exports, Mr. Shastri pointed out that Japan had gone ahead of many countries in this respect. Japanese industrialists readily agreed to pre-shipment inspection and certification of exports. This had led to the creation of confidence in the buyers that the goods were of standard quality. This system was yet to become popular in India. At present, even the Government of India's purchasing authorities were not generally inclined to accept certified products of the I.S.I. without further inspection. This meant duplication of work and almost nullified the work already done by the I.S.I. He felt that the Government would have to take the initiative in accepting the I.S.I. standards and certification marks for its purchases. If the Government and also private industry made special efforts to conform to the standards evolved by the I.S.I., it would certainly lead to a general improvement in the quality of goods.

BRITISH BANKERS' ADVICE

Most bankers in the West, while they are greatly appreciative of India's efforts at raising the living standards of the masses, are much sceptical about certain economic policies; some are even very critical of them. But their criticisms are of a mild nature and offered with a studied caution. This is the impression that one gets after reading the latest annual statements of the Chairmen of the Mercantile Bank, the Chartered Bank, the National and Grindlays Bank, and the Hongkong and Shanghai Banking Corporation—Sir Kenneth W. Mealing, Mr. V. A. Grantham, Mr. J. K. Michie and Mr. Michael W. Turner, respectively. All the statements contain not merely an impressive, dispassionate review of the recent economic trends in India but also valuable words of advice designed to ensure an orderly and smooth economic development. Considering that the advice is from persons who are well-wishers of India, it deserves utmost consideration at the hands of planners and the powers-that-be.

The most outspoken among the aforesaid Chairmen is Mr. Grantham. Alluding to the talks of fixing the aggregate outlay of the third Five-year Plan at Rs. 10,000 crores, one-third of which is said to be the share of private investment, with emphasis on progressively less reliance on foreign assistance and more dependence on domestic savings, Mr. Grantham reminds us pertinently that domestic savings must depend on the ability to save and questions whether the *per capita* income in relation to cost of living will permit of savings on the scale commensurate with the figure of private investment. Here are Mr. Grantham's own words:

"So far as private enterprise is concerned, the country's complicated system of heavy taxation, direct and indirect, which is apparently to bear extra burdens, has already reached a point where it is a serious deterrent not only to private enterprise in India but also to foreign enterprise. Although progressively less reliance is to be placed on the latter, the investment of foreign capital is still recognised as being of vital necessity and the Government has said that it wishes to encourage it. It is questionable under the circumstances whether this encouragement is, in fact, being given. Investment too, however made, should be concentrated on the agricultural sector, which would probably show quicker and better returns than industrialisation and would certainly do more generally to raise the standard of living."

This is certainly a correct assessment of the whole issue. In the considered opinion of Mr. Grantham, India has to accomplish two things, in order to solve its problem of resources. One, it has to improve its relations with its neighbour, Pakistan, so that the proportion of military and other service expenditure in its budget could be reduced and some relief in taxation could be given. He has, of course, given this advice to Pakistan also. Two, India should try to mobilise its gold hoard, by introducing a form of bearer loans against gold, or even free imports, and allow an economic rate to be found and confidence restored in that way. While these suggestions are quite important, the point is how far they are practicable. So far as the first question is concerned, much depends on the attitude of Pakistan which continues to be hostile. As regards the second, Mr. Grantham would have done better if he had suggested a concrete scheme for mobilising the gold resources of the people. Last year, much thought was bestowed in this country on this subject, but nothing has emerged from it. Nevertheless, the idea does not seem to have been abandoned.

Sir Kenneth Mealing is critical, and very rightly of course, of the "extremely severe" taxation in India and also of the periodical statement of Ministers promising more socialism, an action which, as he says, is hardly calculated to stimulate investment or initiative in private enterprise. He feels that deficit financing, high taxation and shortage of consumer goods as a result of import restrictions, coupled with food shortage due to crop failures, have led to continued inflation; this, in turn, has resulted in growing discontent, particularly in Bengal, among the younger, middle and labour classes, and growing infiltration of Communism among both industrial and plantation labour. To him, the pressure of population and the need to import and pay for food imports present a "sombre picture." Nevertheless, Sir Kenneth is not pessimistic of the future. He observes: "The reclamation and irrigation of large areas of land as the new projects come to fruition, the greater emphasis on food production now being undertaken by the Government, and a fruitful harvest may brighten the picture during the coming year."

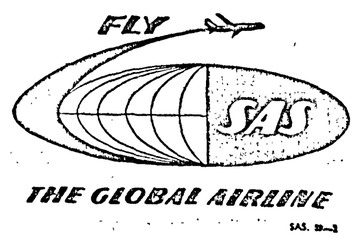
Both Mr. Michie and Mr. Michael Turner attach considerable importance to the need for stepping up agricultural production, specially foodgrains. Mr. Michie points out that food production must continue to be the fundamental problem of countries like India which have both a low average standard of living and a rapidly growing population, and that one cannot help being a little doubtful whether agriculture gets its fair share of attention *vis-a-vis* industrialisation. On the same subject, Mr. Michael Turner makes the following interesting remarks:

"Consideration is already being given to the third Five-year Plan and there are indications that many favour a more ambitious edition of the second, with concentration on the construction of further large-scale industrial enterprises. This would be a further step along the path at which India wishes to tread, but I wonder whether the inflationary pressure will not prove to be too great, unless self-sufficiency in foodgrains has been achieved. It is true that the present harvest is a good one, but planning cannot depend on the vagaries of the monsoon, nor can the country continue indefinitely on the present austerity level of imports. Would it not be better, as a first step, to concentrate on a well planned programme of agricultural development in conjunction with an active campaign to improve existing farm methods? This would give the necessary base, without which rapid industrialisation can hardly hope to succeed, namely, steadily rising agricultural production."

A large section of the thinking public in this country itself shares the misgivings of Mr. Michael Turner. Similarly, there are many here who will endorse his remark that "the resolutions of the Nagpur Session of the Congress are not encouraging."

One of the major hurdles in the way of the rapid economic development of India as well as other countries where the standard of living is low is shortage of capital. Mr. Michael Turner puts the finger on the right spot when he states that the first necessity for the less developed countries is to attract foreign private investment. It is a well-known fact that a large part of the capital received by these countries since the war has come from Governmental sources and international agencies which have, to a large extent, taken the place of the private investor. He does not, of course, "quarrel" with this development, as he admits that, in many cases, the large amounts required could not have come from any other source. But he feels that there still remains a role for private capital to play, particularly in the supporting industries "without which any broad basis of industrialisation is impossible. Not only that, but private has one advantage over institutional capital, in that there is less likelihood of the repatriation of the original investment and, provided the venture is successful, a portion of the profits will be ploughed back each year for future development." Viewed thus, it is, indeed, in the interest of the underdeveloped countries themselves to make every effort to see that a suitable climate exists for encouraging foreign private investment.

The second necessity for the underdeveloped countries to which Mr. Michael Turner alludes relates to the ability to find markets for the goods manufactured by the newly set up industries. Since these markets lie largely in countries where the purchasing power is high and competition from home industries exist, Mr. Turner has done well to call upon the Western nations to go a step further and open up their markets to some of the products of underdeveloped countries. These Western nations have been giving aid on a more generous scale, and "it remains to be seen," to quote the Hongkong Bank chief, "whether the same enlightened attitude will be adopted over the more difficult problem of trade."



INDUSTRIAL POLICY RESOLUTION

MR. MANUBHAI SHAH'S RE-EXAMINATION

From Our Special Correspondent

NEW DELHI, 31*st March*

DELHI LETTER

MR. Manubhai Shah, Union Minister for Industry, has just tried, through the columns of the economic organ of the All-India Congress Committee, to set at rest the controversy periodically arising on the Government's policy regarding nationalisation of industries. As the question has recently cropped up in Parliament, the Union Minister has done what may be called an official re-examination of the Government's industrial policy. After referring to the twin basic objectives of that policy, namely, that "the State will progressively assume a predominant and direct responsibility for setting up new industrial undertakings and for developing transport facilities" and that "it will also undertake State trading on an increasing scale," Mr. Shah proceeds to answer the question "whether the policy-making and thinking are being still continued and whether there is any machinery in the country today for framing this policy."

The three basic points in the industrial policy, continues Mr. Shah, are the basic policy, the machinery for policy-making and thinking and the programme of implementation of this policy. They are, he says, "always" subjected to continuous re-thinking and modification to suit the needs of the country from time to time. As regards the basic policy of the Government, the ruling party in the country was mainly responsible for its formulation. As regards the machinery for policy making and thinking, it is done at two levels—the political and the executive. At the political level, Mr. Shah is sure, "the Congress takes into consideration, while framing the policy, the developments taking place all over the country and elsewhere" and "the viewpoints of rival political organisations on the question of national development are also kept in mind." At the executive level, the thinking part is done by the Planning Commission.

Programme of Implementation

Adverting to the third point, namely, the programme of implementation of this policy, Mr. Manubhai Shah refers to the nationalisation of certain industries as "an important instrument that is used wherever found necessary or desirable in the public interest" in pursuance of the objectives "which the people themselves have accepted." He, therefore, wants the programme of implementation to be judged in its proper perspective, and continues:

"We have considered in this Industrial Policy Resolution that the public sector is a very important instrument of industrial development. The 'Schedule A' industries have been clearly defined; the 'Schedule B' industries in which both the private and the public sectors can participate have also been clearly laid down; and the rest of industries have been left to the private *entrepreneurs* to undertake. Wherever a particular scheme —small or medium size—comes before the Government and where the basic issues are not being altered or the basic trends of policy are not being deflected, there is no reason to shut one's eyes to all the new currents of development. Therefore, a few exceptions here and there made even under 'Schedule A' should not be construed as a proof of our having deflected from the chosen path—the path which we have voluntarily accepted for ourselves."

Thus far Mr. Manubhai Shah has done the re-examination in a general way with a view, obviously, to silencing those critics who 'accuse' the Government of going back or going too slow on its chosen policy of expansion of the public sector and nationalisation of industries. There is no answer, even in this general examination, to those critics who say that the Government has gone or is going too far in the direction of expansion of the public sector. Only a detailed examination of the new industrial projects that have come into being since 1956 or are under active consideration now in both the sectors would be useful for the specific purpose of judging whether they are in accordance with the spirit of the Industrial Policy Resolution. It is not as if the 'spirit' of this resolution does not permit of two different interpretations. For, is it not laid down in the same resolution, overriding the threefold categorisation of industries therein, "that it is always open to the State to undertake any type of industrial production"? Does this not open the door wide for an indefinite expansion of the public sector? Can it be validly assumed, in the circumstances, that the 'spirit' of the Industrial Policy Resolution is to be found only in the directions pertaining to the three categories of industries? After all, these directions themselves are referred to only as 'general'.

Progress of Some Industrial Projects

The progress of some new industrial projects—reference to them in this letter is by no means exhaustive—in the year ended March 1959 has just been reviewed by the Ministry of Commerce and Industry in its comprehensive and valuable Annual Report. Here are some relevant extracts:

"In the public sector, the most significant new development has been the formation of the Heavy Engineering Corporation, which will be responsible for the setting up of a heavy foundry and a forge, a heavy machine building shop and a mining machinery works with the help of the U.S.S.R. and Czechoslovakia. The heavy electrical plant which is being set up at Bhopal with British collaboration is under active construction and the training school has started functioning. Other schemes of development in the public sector include an expansion of antibiotics production at Pimpri in technical collaboration with an American manufacturer and the expansion of Sindri and the setting up of a new plant at Nangal to augment the supplies of fertiliser. Sindri Fertilisers were also able to secure a part of the contract for the new fertiliser plant at Rourkela which is being set up by the Hindustan Steel.

"For the first time, the manufacture of compounded electroplating salts, activated carbon, sodium perborate and heat treatment salts have commenced in this country. In the public sector, the second D.D.T. Factory at Alwaye went into production during the year, and the trial production of urea and double salt was started at Sindri.

"In the field of drugs, a U.S.S.R. team visited India and has made out a report in regard to the setting up of five new projects with Russian Loan Assistance. The report is under the active consideration of the Government. These projects along with the project for intermediates and basic organic chemicals are expected to be taken up in 1959 and will make an important advance in the development of the chemical and pharmaceutical industry in the country. A proposal for the manufacture of Vitamin A. Cortisone and its derivatives, Vitamin B_2 and B_{12}, etc., with foreign collaboration has also been licensed by Government for establishment in the private sector.

"In addition to these major public sector schemes, proposals for the expansion of Benzene Hexachloride production for the manufacture of rubber chemicals, argon gas and of foundry fluxes have been approved in the private sector. Licences have also been granted to various firms for the production of Phosphorus Trichloride, Mono Chloro Acetic Acid, Acetyl Chloride, Tetra Chloro Ethane, Mercury Salts and Water Treatment Chemicals.

"The Indian Explosives Ltd., in which the Government of India has shares to the extent of 20 per cent. with its factory at Gomia, was declared open by the President in November 1958. A scheme for its substantial expansion for the production of safety fuses and gunpowder has also been licensed during the year.

"With the completion during the year of the expansion scheme at one of the chemical works, the total installed capacity of soda ash has risen from 108,000 tons to 111,000 tons per year. Considerable progress has been made in the erection of the two new factories for the production of soda ash at Porbandar and Varnasi. Both these factories are expected to take trial runs shortly. With the completion of two expansion schemes, the total installed capacity for caustic soda has also increased from 45,350 tons in 1957 to 68,965 tons per year in 1958, as against the second Plan target of 150,000 tons per year.

"A scheme for the manufacture of rubber chemicals in the private sector has been approved. The country's current requirements of these products are estimated at Rs. 80 lakhs per annum.

"Various schemes for the utilisation of alcohol for industrial purposes namely, manufacture of Polyethylene and chemicals like acetic acid based on alcohol have already been licensed to provide a ready demand for increasing production of alcohol.

"The capacity and production of oxygen and dissolved acetylene gases has substantially increased in 1958 as a result of implementation of some of the expansion programmes and also due to rapid rise in the demand for these gases in the various engineering industries and structural engineering works. One of the principal oxygen producing firms is now going to undertake productions of Argon gas and this is expected to commence next year.

"In India, so far only the simple fluxes for soldering tins were being manufactured, while all other fluxes were being imported. From this year, the principal gas producing firms have started manufacture of welding fluxes suitable for welding

(*Continued on page* 579)

U.K. IN A DILEMMA

From Our Own Correspondent

LONDON, 27*th March*

LONDON LETTER

BRITAIN'S dilemma in the financial year which is about to open will be to reconcile essential measures to expand output with the need to preserve a healthy balance of payments. That is the conclusion of the National Institute of Economic and Social Research in its latest quarterly *Review*. The *Review* finds that there are no definite signs of an upswing in the economy: the total of persons unemployed over six months has grown by 100,000 and, perhaps even more significant, that the total published figure of 550,000 unemployed conceals about as many again who are not at work either because they have retired sooner than they would normally have done, or who prefer to live on their savings and look around for a congenial job instead of registering as unemployed. If this assessment is correct, it would mean that the army of unemployed is likely to grow very rapidly in the autumn.

The maintenance of output in recent months is due to the continued high level of consumer spending, supported by easier hire-purchase and eager bank advances. Neither of these factors can do more and, obviously, the limits of drawing on future income will soon be reached. Moreover, investment in manufacturing industry continues to decline—a result of current underemployment of resources—although total investment in fixed capital this year may rise over last, as a result of increased Government expenditure on roads and other public work.

A fillip to consumer spending and to investment may be given in the coming Budget (the *Review* guesses at tax reliefs of perhaps £200 million which it says will be insufficient to arouse any serious industrial revival), but the Government's dilemma in taking those positive measures which are open to it is that a reflationary dose into the economy could upset the balance of payments. This would be the result of pushing up imports *more* than in proportion to any increase of output, while exports would be unlikely to improve anyway. As evidence of its contention that the import growth would be relatively excessive, the *Review* instances the growth of imports since 1954. In that year they totalled £3,374 million, while, by 1958, they had grown to (*at 1954 prices*) £3,862 million. *But*, if they had only increased *pro-rata* to the growth in national output, they should only have reached £3,553 million. In other words, there was an excess of over £300 million.

No Sign of Improvement

One must not strain this argument too far, since, if exports rise to keep pace, it simply means that the economy is becoming more dependent on international trade. But the excess has been due mainly to higher food imports (as living standards have improved), to more oil imports against less home produced coal, and to a significant rise in finished manufactures. If such imports increase productive efficiency and thereby exert an impetus on exports, there will be no harm done. But there the U.K. is, to a large extent, in the hands of world trends and the *Review* notes sadly that the American recovery is slackening and there is no sign of improvement in Europe.

However, to see the problems is no substitute for policy. The London and Cambridge Economic service has made its own comment that there are *no* factors at work which could raise output to the limit of capacity and that there is unlikely to be any improvement without some "new initiative by the Government and monetary authorities"—at which point the dilemma arises. The Government will have to find a policy and they will not wish to use those weapons of physical control on which their political opponents would rely. It remains to be seen what they can do to stimulate expenditure on investment and research immediately, while avoiding an excessive impact on imports.—*All Rights Reserved.*

The maximum amount of sterling bank notes which the U.K. travellers are allowed to take out has been doubled from £10 to £20. The measure is in compliance with an O.E.E.C. recommendation that the member-countries should permit the export of about £18 in domestic bank notes per head. The resident travellers, however, are still not allowed to sell abroad notes in exchange for foreign currency; they can use the money on British ships and aircraft and for expenses in the U.K.

AMERICAN LETTER

WALL STREET SHOWS SIGNS OF FALTERING

FOREIGN TRADE COMMUNITY IN DILEMMA

From Our Special Correspondent

NEW YORK, 25*th March*

BUSINESS activity in the United States continues upward but in a very selective fashion. In recent days, the stock market has been faltering. Bond yields are near their post-war highs, while certain stock yields have been falling, some to rather ridiculously low levels.

The last time this happened, the markets reversed themselves. It could happen again. From the overall viewpoint, the trading and investment markets will be subject to many influences.

Refinancing requirements of the U.S. Treasury short-term debt, as usual, will be enormous. In addition, there will be new financing needs for the looming Federal deficit.

With bond yields far above stock yields, there is great temptation among investment managers to switch from stocks to bonds. The market for home mortgages is good, indeed. Housing starts in February were at an annual rate of 1,320,000.

This means there will be considerable demand for mortgage money, too. On top of this, State and Municipal Governments will be in the market for obligations of various descriptions. As mentioned in previous despatches, indications still are that, in 1959, there will be a deficiency of savings, measured against the potential demand from the abovementioned quarters *plus* that from the corporations which will be in the market for machinery and equipment.

The overall business upturn is best illustrated by the Federal Reserve index of industrial production. It reached 144 per cent. of the 1947-49 average. The recovery brought it within two points of the previous high of February 1957.

Business capital investment is expected to expand by 4 per cent. over 1958, to $31,800 million. But this is still well below the 1957 record level of $37,000 million.

Steel production is still gaining and has now reached the level of about 92 per cent. of capacity, as compared with a recession low of 50 per cent. Besides, that 92 per cent. is related to a new 100 per cent. of expanded capacity.

Automobiles

Output of automobiles is also rising and is well above last year's level. Yet, unemployment in these industrial areas shows no signs of diminishing. There are also no indications that improved retail buying of cars will keep up through the spring and summer. This is, particularly true, it seems to me, now that the big three motor car manufacturers, Chrysler, Ford and General Motors, have decided to introduce small economy cars this year.

It is just barely possible these announcements will keep people from buying present expensive models. The latter are monstrosities in every respect but that of the mechanical power plant. Their fuel consumption is wasteful. They are impossible to get into or out of after the age of 35 and their sizes are one of the contributing factors to the congestion and parking problems in populated areas.

It may also be noted that much of the steel buying represents hoarding against the possibility of a prolonged steel strike beginning 1st July. If, by any chance, there should be no walk-out, the prospect is that production would fall off again until inventories are consumed. My impression after a meeting with a high official of U.S. Steel is, however, that management has no intention of giving in to such demands as a 36-hour week and three months' paid vacations every three years which have been tossed out as trial balloons.

Two really cheerful areas of the U.S. economy are retail trade and construction. Including home building, overall construction activity is almost 10 per cent. above last year's levels and, reflecting consumer confidence, expanding sales in department stores from coast to coast are 9 per cent. higher than in 1958.

To get a true picture, inflationary price increases in both fields must be taken into consideration. For construction, that figure is probably not higher than 3 per cent. In retail trade, I would venture 1½ per cent. would be the right amount to deduct. Thus, the gains are still substantial in constant dollars.

Higher retail trade is probably explained by the continually rising personal income figures. Those were at an annual rate of $364,500 million in February, as compared with $347,500 million in February 1958. This includes all income from payrolls, rents, investments and—the "built-in-stabilisers," such as unemployment insurance.

The unemployed last month were still at the uncomfortably high figure of 4,749,000 in relation to the labour force of 62,722,000. The corresponding figures last year were 5,173,000 and 61,988,000. It is an improvement to be certain, but it does not correspond to the recovery in industrial production.

Import Curbs

The U.S. foreign trade community is in a distinct dilemma. Higher wages and costs have priced more and more American goods out of the world markets. This does not apply so much to highly complicated electronic computers which few countries produce, but to such simple things as nails and simple tools which other countries can provide at lower prices. The result is that the protectionists have been heard again loudly. Thus, import curbs have been established, for example, on lead, zinc and petroleum.

Mandatory limits on oil imports, superimposed on the previously existing State conservation laws, which control output by the flow of supply and demand, have created a widely attacked air-tight system of Government regulation which, the industry fears, will probably lead to higher prices for consumers.

The rising flood of imports has been particularly spectacular in textiles, automobiles, steel, metal fabricating and construction materials. The textile industry is a classical example. The U.S. Department of Agriculture sells from its own surplus stocks vast amounts of cotton at below world market prices to overseas buyers. U.S. foreign aid has provided funds for up-to-date plants abroad which process this cotton and then import the goods at much lower prices than the U.S. manufacturer can produce them.

This is, of course, a normal economic process which has been going on for decades, but those who are affected try their utmost to invoke new provisions of the recently renewed Reciprocal Trade Act. Erection of import barriers is justified therein if the U.S. Office of Civil and Defence Mobilisation should find that imports may be an actual or potential threat to national security. That is a question of semantics. The textile industry claims, for example, it is essential to national security because it has been making uniforms for the armed forces.

Meanwhile, national security questions have been aired thoroughly as a result of the discussions between British Prime Minister Macmillan and President Eisenhower. The media of communication have placed real emphasis on the possibility of war over Berlin. Nobody can tell what will happen of the consistent behaviour of strength by the West clashes with the inconsistent behaviour of the East. There has never been logic in the events leading up to outbreak of any major hostilities, except assumed expediency, at the time, on part of the aggressor.—*All Rights Reserved.*

PERSONAL INCOME IN U.S.

"The most notable feature of the recent recession, and the two earlier post-war declines, was that personal income decreased far less than output. Salaries and wages fell off only moderately, and a portion of this decrease was offset by unemployment compensation. The moderate character of the drop in labour income occurred at the expense of corporate profits, which thus acted as a strong cushion in preserving consumer spending power. The reduction in profits was, of course, shared by the Federal Government through the operation of the corporate income-tax. The greater stability of personal income than output today is one of the most important changes that have occurred in the economy of the United States over the years. It is among the main reasons for believing that the recessions of the future will also be only temporary interruptions in our economic growth." —*Irving Trust Company, New York.*

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LI 42

INSTALMENT CREDIT SYSTEM

A SERVICE OF IMMENSE BENEFIT TO ALL

By S. N. K. Sundaram
MANAGING DIRECTOR, PANDYAN BANK LTD.

AMONG the various banking services available in Western countries, instalment loan is the most popular one. It is called by several names in American countries where it is perfected. Some of the names by which they are widely advertised are—instalment loans, consumer credit, hire-purchase, time credit, time plan, personal loans, etc. A simple definition of instalment loan would amount to a credit extended to individuals, repayable in monthly instalments generally amounting to no more than 20 per cent. of the monthly income of the customer. This facility is normally made available to individuals for acquiring consumer goods and durable goods. It is also extended in American countries for home repair, doctors' bills, travels, insurance premia, etc. Instalment credit or hire-purchase is also made available for purchase of machinery, etc., for manufacture and improving industrial production.

There are two categories of loans in this line, namely, direct loan to the actual consumer and dealers' loan. In the former case, a loan is disbursed directly to the borrower and, in the latter case, a dealer of goods makes the sale to his customer on instalment basis and the Bank purchases this credit from the dealer with the dealer's guarantee. In a country like the United States, where branch banking is very much restricted in most of the States and the population is so much spread out, dealers' credit has become inevitable.

Simple Procedure

The procedure adopted for availing a credit is very simple. The moment a person decides on purchasing an article like radio, he goes to the dealer and chooses the model he desires and obtains an invoice. He then meets his banker with the invoice and finalises the down payment and the instalments for the balance. After the initial payment is made either to the dealer or to the bank, the balance is paid to the dealer by the bank on behalf of the borrower and the receipt obtained from the dealer for the value of the goods sold to the customer which forms part of the document and evidence of the loan.

The advantages to the borrower for purchasing goods on instalment basis are many. He can purchase the goods the moment he desires or decides to have. He can purchase a quality article. He can claim concession in the price of the article as it will be a cash purchase. He can pay for it in easy instalments to the bank and can also enjoy the full use of the article as he pays for it. He improves his standard of life automatically and takes away the drudgery of time at home, with increasing amenities and consequent enlightenment.

It is a means of forced savings, because the useful life of most durable goods purchased is much longer than the period of repayment. The borrower will not have to pay any usurious rate of interest for his needs.

Benefits Banks

Advantages to the banks are equally many. It is essentially a service to the middle class, which is the most neglected class today. It makes life worth living for such families. The bank stands to gain the loyalty of both deposit and borrowing customers, apart from continuous expansion of the clientele of the bank. It is such a widely distributed risk that a bank may not get upset on any delinquent accounts. Because of easy payments, it helps develop integrity of customers and above all, in a country like ours, the banking habit develops considerably along with improvement of standard of life.

But the maximum advantage is to the country. Especially with a vast population like ours, internal consumer potential must be developed and kept increasing continuously. There is almost a wild cry for production without any kind of marketing technique. The 'selling' aspect of production is not thought of. But, in a country like the United States, there is always an emphasis on 'selling.' By increased sales, production also increases and that increased production brings down cost of production is a natural corollary. Technological discoveries and developments take place side by side. These would provide incentive for greater capital formation and thereby help larger development of industries.

As productivity increases, it can be shared with the public in the form of lower prices or better quality or both. Along with this, employment would increase with more pay and more leisure for the worker. This would in turn lift real income above subsistence level. But there would be no purpose in putting more money in the hands of the worker without the discretion and choice to use it and the free time in which he could spend it. He must be able to spend conveniently on shelter, transport, household services and recreation which in turn help improve living conditions. The concept of mass consumption through more real income to workers as an active and motivating force can be developed only by instalment credit.

In the light of this, it would be unreasonable to declare that instalment credit would lead to inflation. On the other hand, the fountain source of inflation is Government deficit financing and Government spending on various projects and housing. The special factor in our country is the undue encouragement to labour by legislative measures without reference to productivity. But even the worker on whose laps more money is thrown has not enough choice of articles to buy. Inflation sets in when too many bid for the same article or when too much money chases too few articles. In the name of currency stabilisation, imports are curtailed with stricter direct controls and high tariff walls creating scramble for consumer goods—which again lead to inflation in imported goods. These protective measures naturally take away the anxiety for quality and lead to inflationary tendencies.

Valuable Experience

The Pandyan Bank introduced instalment credit in the year 1953 in South India and has developed it very effectively and successfully so far. It began with hire-purchase of machinery for printing, transport vehicles and consumer goods, and in a very small way home improvement. It can proudly claim to have created certain outstanding records of service through its instalment lending. For example, a lithographer who set up his press with a nucleus of one old litho press proudly possesses today 13 machines in four years, some of them most modern and directly imported ones. Similarly, transport people, who were carrying on with one or two trucks, have become large fleet owners and goods are being carried from any South Indian town to distant Bombay and other areas. Many people can claim to have been able to possess consumer articles like radios, bicycles, etc., by the Pandyan Bank's instalment plan which helped increased sales to dealers. In short, there is great appreciation for this service.

The procedure adopted is simple and the experience is most favourable. Considering the very large number of borrowers in these five years in this system of advance, defaulters are hardly a few. The amount of default involved is too small to mention. But, so far, there has not been any loss or bad debt whatever under this portfolio. The reason may be obvious. Excepting a few credit corporations who are very expensive, there is no competition in this line of lending. The Pandyan Bank's terms and conditions are most favourable. Naturally, the quality of clientele that makes the approach is of a high order.

But experience has proved beyond doubt that this system of lending has developed respect for due dates even among people in the underdeveloped interior villages of the country.

Incidentally, even in a country like the United States, the total instalment credit is only 12.6 per cent. of the total advance of all banks. The U.S.A. claims instalment credit as one of the most important single factors in the tremendous growth of its economy which has revolutionised its people's way of life. Therefore, even if a number of banks of our country launches on this programme of instalment credit, it may not substantially affect the ratio of loans and advances portfolios. But instalment credit is a 'must' for prosperity and useful living of our people and growth of the country.

PUNJAB NATIONAL'S PROFIT SHADE LOWER

PACE OF RISE IN DEPOSITS SLOWS DOWN

NOTWITHSTANDING the credit restraint and the high operating expenses, without any corresponding increase in the rate of interest on advances, the performance of the Punjab National Bank Ltd. during the year ended 31st December 1958 seems to have been quite satisfactory. No doubt, the Bank's profit has suffered a setback from the peak level of Rs. 1.11 crore earned in 1957 to a little over Rs. 1.06 crore, but this decline is negligible as compared with that in the case of many other banks. The fact that the profit has been maintained at well over Rs. 1 crore, which is higher than that earned in any of the years preceding 1957, is itself creditable. The Bank has been able to do this by maximising its investments in Government securities. A larger decline in profit has also been averted by the substantial profit earned on sale of investments, bullion, etc.

While the profit has declined by less than Rs. 5 lakhs, the provision for taxation has been reduced from Rs. 50 lakhs to Rs. 33.50 lakhs and the allocation to the reserve fund from Rs. 22.50 lakhs to Rs. 17 lakhs. The provision for bonus to staff has, however, been raised substantially from Rs. 18 lakhs to Rs. 30.75 lakhs. The dividend has been maintained at 20 per cent. on the increased capital of Rs. 1.25 crore following the capitalisation of share premium of Rs. 37.50 lakhs during 1957. It must, however, be noted that, while the final dividend of 10 per cent. in respect of 1957 alone was on the increased capital, both the interim and the final distributions for 1958 are on the higher capital, requiring an additional sum of Rs. 3.75 lakhs, as will be seen from the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount earned ..	6,08.37	5,18.45	4,01.62	3,43.20
Commission and exchange ..	1,02.57	1,06.42	89.30	89.54
Other Income	75.83	45.40	39.42	37.06
Interest paid	3,32.56	2,66.72	1,92.90	1,61.30
Expenses	3,38.30	2,83.09	2,39.10	2,17.42
Depreciation	9.01	8.40	7.40	6.67
Profit	1,06.22	1,11.07	87.85	64.41
Provision for taxation ..	33.50	50.00	27.50	11.00
To reserves	17.00	22.50	27.50	29.00
,, bonus to staff ..	30.75	18.00	13.00	13.50
,, other appropriations ..	..	1.00	2.00	1.30
Dividend	25.00	21.25	14.00	12.25
	(20%)	(20%)	(16%)	(14%)
Carry forward	4.49	4.02	0.20	2.35

	As on 31st December			
	1958	1957	1956	1955
Capital	1,25.00	1,25.00	87.50	87.50
Reserves	1,27.00	1,10.00	1,25.00	97.50
Deposits	120,10.53	124,00.08	100,38.58	90,12.29
Borrowings from other banks ..	6,00.18	10.21	2,30.51	1,20.47
Advances	66,70.23	67,05.89	51,86 00	42,02.21
Investments	62,54.05	38,83.15	48,30.10	45,61.64
Cash (including money at call and short notice)	13,01.77	24,48.48	12,39.24	9,28.12
Balance-sheet total	164,15.18	151,08.42	141,03.20	112,88.79
Ratio to deposits of—	%	%	%	%
Advances	52.4	54.6	51.6	46.6
Investments	43.7*	31.0*	45.4	50.6
Cash	10.1	19.6	11.0	10.3

* Ratio arrived at after taking into account investments earmarked against borrowings from other banks. The comparative ratios for 1956 and 1955 are not available because of the clubbing of investments and usance bills against which the borrowings were made.

The fall in reserves, consequent on the capitalisation of the share premium account, has been more than made good by the addition of Rs. 22.50 lakhs from the profit for 1957 and of Rs. 17 lakhs out of the profit for 1958. The pace of increase in the Bank's deposits slowed down considerably during the year under review, the rise in deposits in 1958 being no more than Rs. 4.58 crores, as against Rs 18.22 crores in 1957 and Rs. 16.26 crores in 1956. Even this small expansion has been mainly due to the increase of Rs. 4.02 crores (to Rs. 64.08 crores) in fixed deposits and of Rs. 2.44 crores (to Rs. 33.31 crores) in savings bank deposits. Current and other accounts have declined by Rs. 1.92 crore to Rs. 31.36 crores. The expansion in deposits is supplemented by borrowings to the tune of Rs. 6 crores, secured by part of the Bank's holdings of Government securities. Loans, cash credits and overdrafts have declined from Rs. 59.71 crores to Rs. 57.80 crores, while bills purchased and discounted have risen from Rs. 8.25 crores to Rs. 8.96 crores. Cash balances have shrunk by Rs. 11.46 crores, but there has been an addition of Rs. 23.71 crores in investments, so that the total liquidity ratio stands higher at 53.8 per cent., as against 50.6 per cent. a year before. The investments are shown at or below cost; their market value at the end of the year was Rs. 72 lakhs higher than the book value.

TRAVANCORE BANK

PROFIT MARKED DOWN

AFTER maintaining an upward trend for three years in succession, that is, from Rs. 7.36 lakhs in 1954 to a record level of Rs. 14.82 lakhs in 1957, the profit of the Travancore Bank Ltd. suffered a reversal during the year ended 31st December 1958 to Rs. 10.24 lakhs. The drop of Rs. 4.58 lakhs in the year under review has taken the Bank's profit to the lowest level since 1955. The profit has been found inadequate to make the usual and necessary appropriations and to maintain the dividend at 5 per cent. The Directors have, therefore, drawn a sum of Rs. 3.50 lakhs from the contingency reserve to meet a part of the tax liability of Rs. 6.50 lakhs.

The transfer to the reserve fund has been pruned from Rs. 2.97 lakhs to Rs. 2.05 lakhs. No provision has been made for depreciation on investments, for which purpose a sum of Rs. 20,000 had been set aside in each of the previous two years. The Directors do not consider it necessary to make such a provision, as any losses on redemption are being written off from current profits as and when securities mature. After repeating the allocation to the gratuity fund at Rs. 5,000, the Directors have maintained the distribution to the shareholders at 5 per cent. per annum.

The following comparative table gives an idea of the Bank's progress in recent years.

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount earned ..	35.98	32.06	25.79	23.81
Commission and exchange ..	4.78	7.00	5.15	4.64
Interest paid	18.89	13.51	9.80	8.82
Expenses	11.45	10.53	8.06	9.22
Depreciation	0.19	0.21	0.29	0.35
Profit	10.24	14.82	11.91	10.20
Transfer from contingency reserve	3.50	..	..	..
To provision for taxation ..	6.50	7.00	4.00	4.00
,, reserves	2.05	2.97	2.40	2.05
,, depreciation on investments.	..	0.20	0.20	0.25
,, bonus to staff and gratuity.	0.05*	0.05*	0.40	0.40
Dividend	5.00	5.00	4.00	4.00
	(5%)	(5%)	(4%)	(4%)
Carry forward	0.19	0.08	0.45	0.44

	As on 31st December			
	1958	1957	1956	1955
Capital	1,00.00	1,00.00	1,00.00	1,00.00
Reserves	27.72	29.17	26.20	23.80
Deposits	6,60.30	6,05.48	4,65.54	4,76.70
Borrowings from other banks ..	..	..	10.00	..
Advances	3,20.05	3,33.60	2,63.81	2,51.57
Investments (less depreciation).	3,02.06	2,44.12	2,60.32	2,55.69
Cash	1,78.83	1,75.28	97.25	1,10.44
Balance-sheet total	9,18.92	9,05.12	8,01.66	7,40.81
Ratio to deposits of—	%	%	%	%
Advances	48.6	55.1	56.7	52.8
Investments	45.8	40.3	53.8	53.6
Cash	27.1	28.9	20.9	23.2

* Gratuity only.

The upward trend in the Bank's income from interest and discount has been maintained with a rise of Rs. 3.92 lakhs, though this increase is only a little more than half of that recorded in 1957. The bulk of the rise in income from this source has, however, been offset by the fall of Rs. 2.22 lakhs in commission and exchange earned and by the substantially larger outgo in the form of interest paid, which has gone up by Rs. 5.38 lakhs.

The addition of Rs. 2.05 lakhs from the year's profit has strengthened the Bank's reserve fund to Rs. 24.97 lakhs, while the contingency reserve stands reduced to Rs. 2.75 lakhs following the transfer of Rs. 3.50 lakhs to provision for taxation. The total reserves thus amount to no more than Rs. 27.72 lakhs. The rise of Rs. 55 lakhs in deposits is mainly accounted for by fixed deposits, thrift deposits and cash certificates, and savings bank deposits, which have gone up by Rs. 1.56 crore to Rs. 3.94 crores and by Rs. 2.43 lakhs to Rs. 45.86 lakhs, respectively. Current and other accounts have, however, declined by Rs. 1.04 crore to Rs. 2.20 crores.

On the assets side, the Bank's total advances, at Rs. 3.21 crores, show a decline of Rs. 13 lakhs over the year, thanks to the fall of Rs. 20.83 lakhs to Rs. 26.03 lakhs in bills purchased and discounted. Loans, cash credits and overdrafts show a slight rise from Rs. 2.87 crores to Rs. 2.95 crores. Investments (shown at or below cost) have been strengthened from Rs. 2.51 crores to Rs. 3.09 crores. The gap between the book value and the market value of the securities held by the Bank has narrowed down from Rs. 15.62 lakhs as on 31st December 1957 to Rs. 9.15 lakhs, as against which there is a depreciation reserve of Rs. 6.65 lakhs. This, together with the balance of Rs. 2.75 lakhs in the contingency reserve, is more than adequate to cover the gap.

DEPOSITS OF UCO. BANK RISE SHARPLY

MARKED FALL IN PROFIT

THE Directors' report and accounts of the United Commercial Bank Ltd. for the year ended 31st December 1958 disclose a sizable expansion not only in its branch banking but also in the volume of business. During the year, the Bank opened no less than fifteen branches in various parts of India. Its deposits expanded by as much as Rs. 17.20 crores, accompanied by a rise of Rs. 7.47 crores in advances and of Rs. 15.69 crores in investments. Unlike in the case of many other leading banks, the pace of expansion in deposits of the United Commercial Bank was much more than that in the previous years. The rise in advances, too, is in refreshing contrast to the general trend. Nevertheless, the Bank's profit has suffered a marked decline from Rs. 59.70 lakhs to Rs. 45.38 lakhs, thus reversing the upward trend noted since 1953 when the profit aggregated no more than Rs. 23.01 lakhs.

The decline in profit has resulted in a reduction in the tax liability from Rs. 18.50 lakhs to Rs. 9 lakhs and a cut in the allocation to the reserve fund from Rs. 19 lakhs to Rs. 14 lakhs. This is the second year in succession in which the addition to the reserve fund has been reduced. An increase of Rs. 25,000 has been made in the provision for bonus to staff. The dividend is unchanged at 7½ per cent., to which level it had been stepped up (last year) successively from 4 per cent. paid for 1953.

The Bank's earnings from interest and discount have increased by Rs. 52 lakhs during the year under review, as against Rs. 75 lakhs in the previous year. The income from commission and exchange has further declined, but the decline (Rs. 1.12 lakh) is negligible as compared with that (Rs. 12.47 lakhs) in 1957. There has been a rise of Rs. 54 lakhs in "interest paid" and of Rs. 16 lakhs in establishment expenses. It will be of interest to note that the outgo by way of interest paid has risen by Rs. 1.31 crore in the course of the last three years, that is by more than 150 per cent. This is quite out of proportion to the rise of only 64 per cent. in deposits themselves. Another interesting feature is that "interest paid," which had crossed over other expenses for the first time in 1957 and stood Rs. 26 lakhs higher, exceeded the latter by no less than Rs. 64 lakhs in the year under review (the United Commercial is not the only Bank which has had such an experience), as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount earned ..	3,08.80	2,57.24	1,81.98	1,63.90
Commission and exchange ..	1,06.65	1,07.67	1,20.14	78.53
Interest paid	2,17.21	1,83.12	1,17.81	86.29
Expenses	1,53.21	1,36.72	1,22.27	1,19.85
Depreciation and repairs ..	7.91	6.65	6.76	7.07
Profit	45.38	59.70	56.52	36.69
Provision for taxation ..	9.00	18.50	16.00	14.00
To reserve fund	14.00	19.00	20.00	8.50
,, bonus to staff	7.25	7.00	6.50	4.00
Dividend	11.00	15.00	14.00	11.00
	(7½%)	(7½%)	(7%)	(5½%)
Carry forward	0.62	0.40	0.29	0.28

	As on 31st December			
	1958	1957	1956	1955
Capital	2,00.00	2,00.00	2,00.00	2,00.00
Reserve fund	1,48.00	1,34.00	1,15.00	95.00
Deposits	78,37.97	61,07.45	52,14.76	47,69.24
Borrowings from other banks ..	5,76.21	34.05	8,50.12	4,25.56
Advances	45,15.94	37,69.00	38,45.32	27,59.19
Investments	35,62.87	19,94.21	19,43.17	22,16.73
Cash	8,33.86	8,28.40	7,50.88	6,21.16
Balance-sheet total	114,15.01	90,22.61	91,51.42	81,68.74
Ratio to deposits of—	%	%	%	%
Advances	57.7	61.7	73.7	57.8
Investments*	38.3	32.1	27.8	37.6
Cash	10.7	13.5	14.4	13.0

* Ratio arrived at after taking into account the investments earmarked against borrowings from other banks.

The substantial rise in interest paid, during the year under review is due to the sharp rise of Rs. 17.07 crores (to Rs. 46.55 crores) in fixed deposits and of Rs. 75 lakhs (to Rs. 6.56 crores) in savings bank deposits. Current and other accounts have dropped by Rs. 62 lakhs to Rs. 25.16 crores. The rise in deposits has been supplemented by larger borrowings from other banks, which have gone up from Rs. 34 lakhs to Rs. 5.76 crores. The increase in advances is shared by loans, cash credits and overdrafts, which have risen by Rs. 5.20 crores to Rs. 29.89 crores, and bills purchased and discounted which are up by Rs. 2.26 crores at Rs. 15.26 crores. The Bank's investments, which, as usual, are shown at below market value, have been strengthened by Rs. 15.69 crores, but this has not affected the cash balances.

THE CHARTERED BANK

JOINT VENTURE IN IRAN FLOATED

THE continued upward trend of working costs, particularly salaries and wages, coupled with a fall in interest earned, has resulted in a decline in the consolidated profit of The Chartered Bank and its subsidiaries for the year ended 31st December 1958. The group profit, which had risen from £804,641 to £1,000,890 in 1957, has dropped to £993,590 in the year under review. This decline, it may be noted, has occurred, despite a further expansion in the Bank's business, as indicated by the rise in its balance-sheet total to £243.12 million from £231.62 million, which was itself a record.

The setback in profit has been made good to a large extent by the larger surplus of £438,458, of which that relating to the Chartered Bank alone is £412,542 (as compared with £432,068) brought in from the previous year, so that the sum available for appropriation, at £1,432,048, is only a shade lower than the corresponding sum of £1,432,958.

The Directors have maintained the depreciation on Bank premises at £250,000, as also the appropriations to the officers' pension fund and widows' and orphans' fund at £125,000 and £20,000, respectively. The transfer to the contingency reserve has, however, been reduced from £220,000 to £150,000. The distribution to shareholders has been repeated at 15 per cent., but the final dividend of 7½ per cent. is on the increased capital of £5 million, the interim one being on the old capital of £4.4 million. The dividends absorb £405,375, as against £379,500 a year before, leaving a larger surplus of £481,673, of which £455,019 relate to the Chartered Bank.

The salient features of the Bank's balance-sheet as at the close of the last four years are compared in the following table:

(In thousands of £s sterling)

	As on 31st December			
	1958	1957	1956	1955
LIABILITIES (Main)				
Capital	5,000	4,400	3,500	3,500
Reserve fund	5,500	5,700	5,000	5,000
Undistributed surplus	455	412	409	405
Current and other accounts ..	176,296	178,329	175,370	172,434
Fixed deposits	42,838	26,843	22,344	30,658
Notes in circulation	3,806	3,731	3,267	2,906
Bills payable	1,557	1,810	1,817	1,705
Acceptances (contra item) ..	7,365	10,143	10,983	7,109
ASSETS (Main)				
Cash	48,783	47,458	36,956	40,207
Investments—				
Government and other securities	57,857	47,454	48,590	58,411
Securities lodged against note issue	3,882	3,876	3,428	2,684
Advances	93,809	97,784	103,950	91,871
Bills of exchange	24,130	18,282	13,785	17,026
Bank premises	2,887	2,621	2,303	2,180
Holdings in subsidiaries ..	2,885	2,883	1,278	1,269
Trade investments	197	8	10	13
Balance-sheet total	243,118	231,623	222,989	223,069

The Bank's paid-up capital was raised during the year under review from £4.4 million to £5 million by the capitalisation of £600,000 out of the reserve fund. The withdrawal from the reserve has been restored partially by transferring £400,000 from the inner reserve, so that the reserve fund as at the end of the year stands at £5.5 million. The total deposits of the Bank have increased by £13.96 million to £219.13 million, thanks wholly to the rise of £16-million in fixed deposits to £42.84 million. Current and other accounts, have however, shrunk by £2.03 million to £176.30 million. Acceptances also have declined by £2.78 million to £7.36 million.

On the assets side, the Bank's advances have fallen from £97.78 million to £93.81 million. This is the second year in succession to witness a drop in advances; in 1957, they fell from £103.95 million to £97.78 million. It is, however, comforting to note that the pace of decline in advances was slower during 1958 than in the previous year. Bills of exchange, at £24.13 million, are higher by £5.85 million, investments stand strengthened by £10.40 million, at £57.85 million, and cash balances by £1.33 million, at £48.78 million, so that liquidity was at a high level. The ratio of cash balances (including money at call) to the Bank's demand and time liabilities, excluding the notes in circulation against which security has been lodged, is, however, a shade lower at 22.1 per cent., as against 22.9 per cent. at the close of 1957. The increase in bank premises is due to the Bank's continued expansion and the modernisation of its properties in the East. Of the trade investments amounting to £196,664, shareholding (at cost) in the Irano-British Bank accounts for no less than £190,476.

The Irano-British Bank is a joint venture of the Chartered Bank and some influential

(Continued on page 579)

WOOLLEN TEXTILES OUTPUT EXPANDS

MORE UNITS IN OPERATION

THE continued efforts on the part of woollen manufacturers (organised sector) to maintain a high level of output are commendable. The actual production of woollen and worsted fabrics during the calendar year 1958 amounted to over 19.36 million yards, as against 16.14 million yards in the previous year, representing a rise of as much as 20 per cent. The improvement in fabrics production followed an increase in the quantity of yarn spun which aggregated 29.14 million lbs., as against 27.84 million lbs. The whole of this increase was accounted for by worsted yarn, the quantity of this yarn that actually came off the spindles being higher by 2.82 million lbs. at 17.55 million lbs. The production of woollen yarn, however, suffered a distinct setback, from 13.11 million lbs. in 1957 to 11.59 million lbs. in 1958.

The upward trend in the output of woollen textiles during 1958 was rendered possible by a further expansion in the installed capacity of the industry. The number of woollen and worsted spindles in existence increased by 2,002 and 1,662 to 62,981 and 119,201, respectively. This increase was brought about partly by the establishment of new units and partly by the expansion of the existing units. The number of purely spinning mills in December 1958 was 33, as against 15 in the corresponding month of 1957. The number of purely weaving mills rose from 78 in December 1957 to 104 in December 1958. No information is available about the number of looms installed, but it is unofficially estimated at about 5,400, as against 4,042 in 1957. There was, however, no change in the number of composite mills which stood at 26.

The woollen textile industry has at present a total rated capacity of 20.20 million lbs. of yarn and 24.00 million yards of fabrics, on the basis of single shift of eight hours and taking the number of days worked as 300 per annum.

Out of the 19.37 million yards of woollen-worsted fabrics woven in 1958, nearly half—more than 9.59 million yards, to be precise—was accounted for by "mixings." The share of "woollen" and "worsted" goods was 3.04 million yards and 6.73 million yards, respectively. The following table indicates the production pattern of the industry during 1958:

Items		Production (in yards)
Woollen—		
Suitings		1,729,826
Uniform cloth		1,200,963
Lohie		110,768
	Total	3,041,557
Worsted—		
Suitings		5,518,825
Uniform cloth		348,703
Lohis		861,750
	Total	6,729,278
Mixing—		
Suitings		487,344
Uniform cloth		168,547
Lohis		339,208
Blankets and rugs		4,117,647
Hosiery goods		999,134
Other items		3,296,108
Shody		189,846
	Total	9,594,834
	Grand Total	19,365,669

The overall rise in the combined woollen-worsted yarn production noted in 1958 was accounted for entirely by the States of Bombay, Uttar Pradesh, West Bengal, and Jammu and Kashmir. The rise was particularly marked in Bombay. The quantity of yarn actually spun last year was 9.39 million lbs., as against 8.39 million lbs. in 1957. Yarn production was higher by 344,000 lbs. at 3.81 million lbs. in U.P., by 95,000 lbs. at 3.15 million lbs. in West Bengal, and by 23,000 lbs. at 412,000 lbs. in Jammu and Kashmir. The production of yarn was, however, lower in the Punjab and Mysore States, their shares being 9.44 million lbs. and 2.71 million lbs., as against 9.79 million lbs. and 2.75 million lbs., respectively in 1957.

An idea of the distribution of units engaged in the production of woollen goods in the different States as at the close of 1958 can be had from the table given below, the figures in brackets relating to those a year before.

	Purely spinning	Purely weaving	Composite units	Total
Punjab	20 (9)	100 (77)	10 (10)	130 (96)
Bombay	6 (5)	3 (..)	8 (8)	17 (13)
Uttar Pradesh	2 (1)	(..)	3 (3)	5 (4)
West Bengal	2 (2)	1 (1)	1 (1)	4 (4)
Mysore	1 (1)	(..)	2 (2)	3 (3)
Madhya Pradesh	1 (..)	(..)	1 (1)	2 (1)
Delhi	1 (..)	(..)	(..)	1 (..)
Jammu and Kashmir	(..)	(..)	1 (1)	1 (1)
Total	33 (18)	104 (78)	26 (26)	163 (122)

The foregoing table shows that the Punjab State is the major centre of the wool textile industry. It accounts for 100 weaving mills, 20 spinning mills and 10 composite mills out of a total of 104 units, 33 units and 26 units, respectively.

The export of woollen fabrics is being encouraged and export promotion measures are being taken by the Development Council for Woollen Industry. During the first eleven months of 1958, India exported 316,706 yards of woollen-worsted fabrics worth Rs. 46.31 lakhs.

As the second Five-year Plan targets for the woollen-worsted spinning and weaving mill sectors have been reached, no expansion in these sectors is considered desirable. The targets fixed for 1960-61 are 62,768 woollen spindles, 123.416 worsted spindles and 4,051 powerlooms. The annual rated capacity on double-shift working is 17.5 million lbs. of woollen yarn, 28.0 million lbs. of worsted yarn and 50.0 million yards of fabrics. The targets of actual production fixed are 12 million lbs. woollen yarn, 15 million lbs. worsted yarn and 20 million yards fabrics. The output target for wool tops is 9 million lbs.

MR. B. K. BIRLA ON TEXTILE SITUATION

There is no exaggeration whatever in the statement of Mr. B. K. Birla, President of the Bengal Millowners' Association, made at the annual meeting of this body, held at Calcutta last week, that, never before since the outbreak of the last war, was the cotton mill industry in greater distress than it is today. The distress is the cumulative effect of a number of factors which Mr. Birla summarised as follows:

1. Sharp increase in excise duty in September 1956.
2. Reservation of fields of production for the decenralised sector of the cotton industry.
3. Old and obsolete equipment employed by many mills.
4. Fall in the purchasing power of the people and the consequent inability of the consumer to buy his normal cloth requirements.
5. Wide disparity between the prices of mill cloth and handloom cloth, due to the increased level of excise and the conversion of sales tax into additional excise in December 1957, the handloom cloth being entirely free from excise duty and sales tax.
6. Rise in labour cost on account of wage increases unrelated to productivity and workload.
7. Fall in exports.

All these disquieting handicaps have resulted in the complete closure of many mills and drastic curtailment of operations in several others. It is no wonder, therefore, that the trend of mill cloth output continues to be downward. The quantity of cloth actually produced in the first two months of the current calendar year was 818 million yards (provisional estimate only), as against 828 million yards in the corresponding months of 1958. The fall in cloth output has occurred despite a slight improvement in the production of yarn which aggregated 286 million lbs., as compared with 282 million lbs. Apart from loss in output, there is the enforced idleness of thousands of workers.

It is true that the Government of India has reduced excise duty on cloth, but the reduction is not, as Mr. Birla stated, adequate; the annual revenue expected from the excise duty is still no less than Rs. 48 crores (excluding the additional realisation of Rs. 4.00 crores from the conversion of States' sales tax into excise duty) which is Rs. 20 crores more than the actual realisation in 1955-56. Mr. Birla urged that the excise duty should be lowered to the pre-September 1956 level. He also emphasised that wage levels should necessarily bear some relation to productivity. Regretting that all recent increases in rates of wages awarded by tribunals had been made on an *ad hoc* basis without any consideration for productivity, he observed: "It is strongly felt that the danger level has already been reached and any increase in the wage level unmatched by a corresponding increase in productivity would be disastrous not only for the industry but also for labour."

Mr. Birla referred to the special difficulties confronting the cotton mills in West Bengal. One such difficulty, we are told, is the lack of dyeing, bleaching, printing and finishing facilities which prevents the mills from producing cloth in accordance with the changing tastes and requirements of the consumer. Further, being situated at a long distance from cotton producing areas, the mills have to bear additional expenses by way of railway freight, insurance, storing charges, etc., in respect of raw cotton and stores. The other drawbacks are low workload and productivity of workers, inadequate allocation of imported cotton to mills, and uneconomic sizes of individual units. Mr. Birla was right when he declared that the only means by which the cotton mills of West Bengal could bring down production cost and keep their heads above water was replacement of old and antiquated machinery by modern and up-to-date equipment. And his plea for allotment of reasonable quotas of foreign cotton, chemicals, dyes, etc., to all mills (in West Bengal), exporting or non-exporting, deserves to be sympathetically considered by the Central Government.

Despite the present difficulties, Mr. Birla said, the future for the cotton industry was by no means gloomy. He was definite that the effective demand for cloth, both domestic and overseas, would go up in the coming years. He, however, hastened to emphasise the need for keying up the industry to the maximum pitch of efficiency and rightly called on producers and distributors "to study consumer preferences and take suitable steps to adjust production and supply accordingly."

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MODERNISING THE COTTON INDUSTRY

"NO FIRM WOULD BE FORCED TO GO OUT OF BUSINESS"

From a Special Correspondent

MANCHESTER, 24*th March*

FINAL plans for redundancy and modernisation proposals in the spinning section of the Lancashire cotton industry are now awaiting replies from the Government on certain vital points. Mr. Ernest Hirst, President of the Master Cotton Spinners' Federation, said this at the annual meeting in Manchester, commenting that the principle was being strictly observed that no firm would be forced to go out of business. The form and extent of any modernisation to be undertaken was to be left entirely to the decision of individual companies, he added.

MANCHESTER LETTER

On the future of the cotton industry, Mr. Hirst said that it was all a question of confidence. "Not only we ourselves but the Government also and the public must have confidence," he continued. Lord Woolton, in his recently published memoirs had said that he became convinced in the difficult period between 1928 and 1938 that low price imports leading to unemployment in this country should be restricted. He agreed with Lord Woolton that, together with some degree of protection, a reduction in the price of goods made in this country could and should take place.

Protection from Unfair Competition

"We do not ask for any form of featherbedding and we are prepared to compete on level terms with Western Europe, but we ask to be protected against unfair competition," Mr. Hirst continued. The public, he said, would still buy Lancashire goods when the highest quality and reliability of texture and colouring were required. "We have failed to give the necessary assurance to buyers that the goods they purchase have been spun, woven, finished, and made-up in the United Kingdom. Many men and women, not only in Lancashire, would buy no other for general purposes, if the goods were plainly marked with a Union Jack."

There had been shortsighted and individualistic interests opposing this idea, but added Mr. Hirst: "We must brush them aside for the good of all and see to it that the public knows what it's getting and gets what it knows." The industry, he continued, had the know-how and the determination to install the most modern machinery and equipment, if there were reasonable prospects of running it economically. The best mills in Lancashire could compete with any in the world and had made a point of keeping up-to-date by means of special trade missions and individual visits to other industries throughout the world.

Investigation of cotton futures trading in Liverpool is a subject which many historians and economists have found singularly attractive. As a pioneer in the development of such activities, the progress and recent problems of the market have produced a lengthy list of literature. The latest in this long line comes in the current issue of the *Three Banks Review*, the contributor being Mr. B. S. Yamey. Apart from being a worthy addition to its predecessors by bringing the events of the past five years up to date and into perspective, this survey provides an objective approach to the issue at a time when Liverpool's future hangs in the balance. Mr. Yamey says:

"It would be a mistake to explain the reduction in market business mainly in terms of the reduction in size of the British cotton industry or the increase in the degree of concentration in that industry. The main reason is the post-war multiplication of Government intervention in most of the cotton producing countries, including the principal ones, the United States, Egypt and the Sudan. The control of cotton sales and selling prices has necessarily led to a contraction of futures trading which flourishes in conditions in which neither public nor private market controls are operative."

Since the reopening of the futures market, the Liverpool Cotton Association has tried to ward off the worst results of American farm policy by introducing changes in its practice, but, as Mr. Yamey points out, little has been, or could have been, achieved in the circumstances. A State-trading authority, he adds, would also have been operating in a most unfavourable setting, and the winding-up of the Raw Cotton Commission in 1954 spared it from the ordeal of having to cope with a series of most difficult situations affecting its stockholding and pricing policies. "Had it continued in operation as a monopolist State-trading body, the volume of criticism of its decisions and policies would have become greatly amplified."

Whether the ending of the yarn price agreement will prove to be the salvation of futures trading is a moot point. Mr. Yamey believes that it should bring some additional business to Liverpool, mainly due to more hedging transactions. On the other hand the growth of the large combines with their ability to carry market risks without hedging may adversely affect the turnover in futures. But the larger firms may become more anxious to shed some of their raw material risks in the new conditions of a more competitive yarn market and the heads of such firms, he points out, have often expressed the need for hedging purposes of an effective long-staple cotton contract.

No Export Relief

Disturbing trends in overseas trade in cotton goods are already apparent in the first two months of the current year. Contrary to hopes that the abandonment of the Yarn Spinners' pact would lead to a wider offtake for export purposes, there has been as yet no relief for shippers. Latest Board of Trade returns to the end of February provide further discouraging news. Already in the first two months of 1959, the value of all cotton yarns and manufactured goods sent abroad has declined from £13,824,056 to £10,363,776. Shipments of cotton yarns have dropped from 5,264,116 lbs. to 3,907,503 lbs. and cloth exports have fallen from 75,888,000 square yards to 55,239,000 square yards.

No comparable reduction has taken place in the volume of imports arriving from foreign sources. By the end of February, overseas suppliers had already sent 83,266,000 square yards of cotton cloth, as against 66,437,000 square yards a year previously; yarn imports had risen from 2,952,513 lbs. to 3,858,548 lbs. In each of the first two months, arrivals of foreign cloth exceeded comparable exports by substantial margins.

Far Eastern Menace

Recent warnings from the Lancashire trade mission to Australasia about the impact of Japanese competition are borne out by the latest figures. British exports of cotton cloth to Australia so far in 1959 have slumped from 13,244,000 square yards to 8,694,000 square yards, while New Zealand has taken 3,824,000 square yards, as against 5,715,000 square yards. Another major importer of Lancashire fabric, South Africa, has only absorbed 6,226,000 square yards, as against 11,893,000 square yards and smaller quantities have been taken by Rhodesia and Nyasaland, Ceylon, the Belgian Congo and French West Africa.

Yarn shipments have also fallen in the case of Australia, India and Nigeria, although, oddly enough, exports of Lancashire cotton yarn to Hong Kong have practically doubled at 100,000 lbs.

India remains the chief supplier of cotton grey cloth to Britain, shipments for the two months being 28,435,000 square yards, as against 23,796,000 square yards, but Hong Hong's share has risen sharply from 15,038,000 square yards to 25,360,000 square yards.

The decline in the labour force in the Lancashire cotton industry continues unchecked. The Cotton Board reported that the spinning and weaving mills lost more than 1,000 operatives in January, reducing the industry's labour force to 206,940. This is almost 34,000 workers fewer than at this time last year.

Comparative figures of cloth and yarn output reflect the reduced level of activity in the industry and the spate of mill closures. Production of cotton and mixture cloth in the four-week period ended 31st January averaged 36,890,000 yards weekly, a weekly decline of 7,180,000 yards on output in the same month of 1958. The average weekly production of cotton and mixture yarns at 14,380,000 lbs. was 2,850,000 lbs. down on the corresponding figure.

New Mill Deal

Combined English Mills (Spinners) Ltd., the Atherton mill group, has acquired the £19,900 share capital of the Chain Bar Mill Company Limited, a private concern established in 1865, manufacturing sponge cloths, scouring cloths, dish cloths, oven cloths, dusters and specialised industrial towels at its factory at Moston, Manchester.

In a statement, the directors of Combined English Mills said that this widening of the Company's interests was a continuance of a policy started some years ago. The services of Mr. Cyril Birtles, Managing Director of Chain Bar Mill, were being retained, while Sir Cuthbert Clegg, Mr. Ernest Hirst, Mr. John Mills and Mr. Fred Carter had joined the board, with Mr. W. Mallinson as Secretary.—*All Rights Reserved.*

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THE UNITED COMMERCIAL BANK, LIMITED

(INCORPORATED ON 6TH JANUARY 1943)

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their sixteenth Annual Report together with the Accounts of the Bank for the year ended 31st December, 1958.

The net profit for the year, after providing for all known and anticipated charges, and including Rs. 49,432.18 brought forward from the previous account, amounts to .. Rs. 45,87,097.56

The Directors have transferred Rs. 14,00,000 to the Reserve Fund and provided Rs. 9,00,000 for Taxes and Rs. 7,25,000 for Bonus to Staff. They now recommend the payment of a Dividend at Rs. 3.75 per share, free of income-tax, which will absorb Rs. 15,00,000, leaving an unappropriated balance of Rs. 62,097.56 to be carried forward.

The Bank's business expanded during the year and the deposits rose from Rs. 61.07 crores to Rs. 78.23 crores but due to rise in the cost of money and the difficulty of utilising funds advantageously, the profits of the bank showed a decrease as compared to the previous year.

The Bank's investments appear in the balance sheet at below market value.

During the year branches of the Bank were opened at Deesa, Barakar, Cochin, Sri Ganganagar, Pudukottai, Hyderabad, Tiruchirapalli, Kumbakonam, Bikaner, Visakhapatnam, Muzaffarpur and in New Delhi at Karol Bagh, Ajmeri Gate Extension, Patel Nagar and Parliament Street.

The Directors are thankful to the shareholders and the clients of the bank for their continued support. They also express their gratitude to the bank's Advisors and Advisory Committees for their able help and guidance.

The Directors place on record their appreciation of the services of the General Manager and the Officers and Staff of the Bank during the year.

The Directors retiring by rotation under Article 92 of the Bank's Articles of Association are Mr. T. S. Rajam, Mr. M. L. Dahanukar, Mr. P. D. Himatsingka and Mr. G. L. Bangur who offer themselves for re-appointment. Both Mr. M. L. Dahanukar and Mr. P. D. Himatsingka have attained the age of 60 years and special notices of Resolutions for their re-appointment have been given in terms of Sections 190 and 281 of the Companies Act, 1956.

The Shareholders are requested to appoint Auditors for the current year and to fix their remuneration.

On behalf of the Board,

G. D. BIRLA,
Chairman.

CALCUTTA, 25th February, 1959.

BALANCE SHEET AS AT 31st DECEMBER 1958

December 31, 1957		CAPITAL AND LIABILITIES	December 31, 1958			
Rs.	Rs.		Rs.	nP.	Rs.	nP.
		1. Capital—				
8,00,00,000		AUTHORISED CAPITAL—8,00,00,000 shares of Rs. 100 each ..	8,00,00,000	00		
4,00,00,000		ISSUED AND SUBSCRIBED CAPITAL—4,00,00,000 shares of Rs. 100 each ..	4,00,00,000	00		
	2,00,00,000	AMOUNT CALLED UP—4,00,00,000 shares at Rs. 50 per share..			2,00,00,000	00
	1,34,00,000	**2. Reserve Fund and Other Reserves—** Reserve Fund (including that under Section 17 of the Banking Companies Act)			1,48,00,000	00
		3. Deposits and Other Accounts—				
29,47,89,455		Fixed Deposits	46,54,87,678	13		
5,81,28,236		Savings Bank Deposits	6,56,72,864	71		
25,78,26,964		Current Accounts, Contingency Accounts, etc.	25,16,36,972	73		
	61,07,44,655				78,27,97,515	57
		4. Borrowings from Other Banking Companies, Agents, etc.—				
17,00,000		(i) In India	5,29,50,000	00		
17,05,556		(ii) Outside India	46,70,855	12		
	34,05,556				5,76,20,855	12
		PARTICULARS—				
30,20,659		(i) Secured by part of Investments per contra	5,68,00,039	50		
3,84,897		(ii) Unsecured	8,20,815	62		
34,05,556			5,76,20,855	12		
	1,09,51,098	**5. Bills Payable**			1,08,56,367	77
		6. Bills for Collection Being Bills Receivable as per contra—				
3,62,57,388		(i) Payable in India	4,21,55,035	93		
3,42,87,780		(ii) Payable outside India	3,73,79,166	09		
	7,05,45,168				7,95,34,202	02
		7. Other Liabilities—				
1,37,41,485		(i) Branch Adjustments	2,16,34,493	88		
4,13,983		(ii) Unclaimed Dividends, etc. ..	4,38,635	17		
	1,41,55,468				2,20,73,119	05
	15,75,09,622	**8. Acceptances, Endorsements and Other Obligations** per contra			15,22,57,165	46
		9. Profit and Loss—				
14,29,420		Profit as per last Balance Sheet ..	15,49,432	18		
14,00,000		LESS—Dividend	15,00,000	00		
29,420			49,432	18		
59,70,012		ADD—Profit for the year	45,37,665	38		
59,99,432			45,87,097	56		
		LESS—Appropriations made—	Rs.	nP.		
19,00,000		To Reserve Fund ..	14,00,000	00		
18,50,000		To Provision for Taxes.	9,00,000	00		
7,00,000		To Bonus to Staff ..	7,25,000	00		
	15,49,432		30,25,000	00		
					15,62,097	56
		10. Contingent Liabilities—				
		(i) On Partly Paid Shares	30,29,875	00		
		(ii) Claims against the banking company not acknowledged as debts ..	1,72,082	43		
		(iii) Guarantees given on behalf of Customers and Correspondent Banks	6,19,50,937	48		
		(iv) On Foreign Bills Re-discounted all of which have run off by 23rd February 1959..	91,519	77		
		(v) Forward Exchange Contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers ..	20,50,63,459	91		
		of which upto 23rd February 1959 Rs. 8,34,18,557.67 have been delivered.				
		(vi) Bonus claims by employees for 1950, 1951 and 1952 not acknowledged as debts and disputed by the Bank before the respective Tribunals.				
		(vii) There is a liability for outstanding bills, not certified by the architects, in respect of the Bank's buildings.				
		(viii) Demand of Rs. 25,75,850.29 and Rs. 2,61,316.77 was made for assessment years 1952-53 and 1953-54 respectively by the Income-tax Officer assessing the Bank in India by adopting a totally new method. The Bank appealed against the assessments disputing the very basis of assessment and contending that there is no liability whatsoever. The appeal for 1952-53 assessment has been decided in favour of the Bank; but the Department has appealed to the Tribunal. No provision has been made for the relative demands. Accordingly, provision for later years has been made on the basis adopted all along in the past and accepted by the Department.				
	90,22,60,999	Carried forward ..			1,14,15,01,322	55

December 31, 1957		PROPERTY AND ASSETS	December 31, 1958			
Rs.	Rs.		Rs.	nP.	Rs.	nP.
	4,53,77,791	**1. Cash—** In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes) ..			5,39,39,538	61
33,74,709		**2. Balances with Other Banks** (including Foreign Government Treasuries)—				
1,86,90,421		On Current Account— Rs. nP. (i) In India .. 15,90,875 70 (ii) Outside India. 2,07,60,939 04				
	2,20,65,130		2,23,66,814	74		
	6,80,000	On Deposit Account— In India (Staff Security)	6,80,000	00		
	1,47,16,666	**3. Money at Call and Short Notice**			2,30,46,814	74
	8,28,39,587				69,00,000	00
					8,38,86,353	35
17,86,24,314		**4. Investments (at below market value)—** (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	32,61,60,131	18		
7,89,462		(ii) Shares—				
3,77,150		(a) Fully Paid Preference Shares.	7,89,462	50		
30,05,325		(b) Partly Paid Preference Shares	3,77,150	00		
		(c) Fully Paid Ordinary Shares ..	27,81,071	90		
8,50,000		(d) Partly Paid Ordinary Shares	15,06,910	06		
		(iii) Debentures or Bonds	36,93,174	00		
1,57,74,613		(iv) Securities of the U.S.A., Burma, Malaya and Pakistan Governments and Foreign Trustee Securities ..	2,09,79,054	83		
..		(v) Gold	....			
	19,94,20,864				35,62,86,954	47
20,81,73,864		**5. Advances** (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—				
8,87,67,587		(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP. (i) In India .. 24,80,24,100 11 (ii) Outside India .. 5,09,12,793 38				
			29,89,36,893	49		
		(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India. .. 6,51,71,091 77 (ii) Payable outside India.. 8,74,85,468 28				
	37,69,08,852		15,26,57,460	05	45,15,94,353	54
		PARTICULARS OF ADVANCES—				
28,38,28,460		(i) Debts considered good in respect of which the banking company is fully secured	31,27,65,257	74		
4,16,75,988		(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	6,58,23,061	44		
5,14,04,404		(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	7,30,06,034	36		
Nil		(iv) Debts considered doubtful or bad, not provided for	Nil			
37,69,08,852			45,15,94,353	54		
30,829		(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons ..	3,63,827	34		
4,80,75,136		(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	3,27,66,065	17		
1,29,502		(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons ..	3,63,827	34		
5,40,26,517		(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members	4,08,00,372	01		
61,34,550		(ix) Due from banking companies ..	8,80,979	30		
3,62,57,388		**6. Bills Receivable Being Bills for Collection** as per contra—				
3,42,87,780	7,05,45,168	(i) Payable in India .. .. .. (ii) Payable outside India	4,21,55,035	93		
			3,73,79,166	09	7,95,34,202	02
	15,75,09,622	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra			15,22,57,165	46
23,41,010		**8. Premises Less Depreciation—** Cost as per last Balance Sheet ..	24,76,982	93		
1,35,972		Additions (Rs. 31,60,950 06) Less deductions (Rs. Nil) during the year	31,60,950	06		
24,76,982			56,37,932	99		
5,23,145		LESS—Depreciation written off to date.	6,55,310	37		
	19,53,837				49,82,622	62
62,99,831		**9. Furniture and Fixtures Less Depreciation** (including vehicles and equipment)— Cost as per last Balance Sheet ..	63,50,561	37		
5,50,680		Additions (Rs. 1,96,366.78) during the year	14,31,588	29		
68,50,561			82,82,149	66		
43,41,714		LESS—Depreciation written off to date.	47,59,359	05		
	25,08,847				35,22,790	61
	89,16,86,777	Carried forward ..			1,13,20,64,442	07

(Continued on next page)

THIRD PLAN TARGET FOR COTTON TO BE REVISED?

VIEWS OF COTTON COMMITTEE

AGRICULTURAL production in India in general and cotton production in particular depend so much on the proverbial vagaries of the monsoon that it is rarely, if ever, that actual of production in any year approximates the target. Early in the season every year hopes of bumper crops are entertained which almost invariably get belied. The weather will take an unexpected turn for the worse at an unexpected moment, upsetting all yield and output calculations. For instance, cotton production during last season fell short of the target of 5.4 million bales by 200,000 bales, thanks to prolonged drought in Gujarat and heavy jassid and pink bollworm attack in the Punjab. Dr. M. S. Randhawa, President of the Indian Central Cotton Committee, had to tell the same story of non-realisation of the target in the current, that is, 1958-59, season when he addressed the seventy-ninth meeting of the Committee held in Bombay on 20th March. He reported that unprecedented rains experienced in September and early October 1958 caused very heavy losses in the Punjab, Rajasthan and Bombay so that, as against the target for the year of 5.73 million bales, actual production was estimated at only 5.1 million bales. Subsequent developments, it may be noted, have necessitated further downward revision of crop estimate. The latest estimate puts the crop at no more than 4.8 million bales.

While adverse weather was mainly responsible for the fall in production, the failure of distribution of seed and fertilisers to reach the target also seemed to have contributed to the drop in production. In Marathwada region of Bombay State, to cite one instance, as against the target of 290,000 maunds, only 60,578 maunds of improved seeds were distributed. Similarly, in Vidharbha, while the target was 167,320 maunds, only 37,018 maunds were distributed.

Although the country is in the third year of the second Plan, there is still a long way to go to achieve the Plan target of 6.5 million bales. It remains to be seen whether this target could at all be hit in the next two years. It is, therefore, difficult to understand what considerations prompted the Planning Commission to suggest a revision of the target for the third Plan from 7.2 million bales, as originally proposed, to 8 million bales. The progress made so far in cotton extension schemes and in the distribution of improved seeds and fertilisers does not seem to warrant such a revision. The Central Cotton Committee has, therefore, done well to plead that the target should not be raised. It has rightly pointed out that the yardstick used for framing the targets should be more realistic and, as far as possible, based on actual results obtained in selected areas.

Be that as it may, in view of the weather hazards inherent in cotton growing, Dr. Randhawa suggested mixed cropping of cotton and groundnut. The practice of growing long-staple cotton six feet apart with a row of groundnut in between had been introduced with some success in Saurashtra. When the rainfall was heavy groundnut would benefit and would compensate the farmers for any loss they might have to incur on cotton. This, according to him, would provide a good system of insurance against weather factor and he felt that it should be widely popularised.

Dr. Randhawa laid particular emphasis on cultivation of cotton in new areas brought under irrigation. These new areas possessed high potentials for cotton production. In view of the assured water-supply, there was scope for adoption of all the improved methods of cultivation in these areas. If suitable quality cottons were developed for these regions, it was quite likely, Dr. Randhawa added, that the present deficit in production could be offset within a few years by concentrating on these areas. The development of these areas on a planned basis was of utmost importance. As many of these projects would be bringing under irrigation new areas which had, for centuries, been rain-fed, the need for educating the cultivator in the methods of growing cotton under irrigation was imperative. Before irrigation water was made available to the cultivator, it would be necessary not only to evolve high quality strains of crops, including cotton, but also to conduct agronomic experiments for purposes of fixing schedules of cultivation and manuring for adoption by the farmer. The possibilities of concentrating upon the crops which the cultivator was accustomed to grow should also be explored. Dr. Randhawa, therefore, suggested that a special sub-committee should be constituted to examine the technological requirements of the new project areas. It should chalk out comprehensive programmes for each of the project areas.

The President also stressed the need for closer co-ordination between the cotton extension schemes of the Ministry of Agriculture and

(Continued on page 579)

THE UNITED COMMERCIAL BANK LIMITED—*Continued.*

December 31, 1957		CAPITAL AND LIABILITIES	December 31, 1958			
Rs.	Rs.		Rs.	nP.	Rs.	nP.
	90,22,60,999	Brought forward ..			1,14,15,01,322	55
90,22,60,999		Total .. Rs.			1,14,15,01,322	55

December 31, 1957		PROPERTY AND ASSETS	December 31, 1958			
Rs.	Rs.		Rs.	nP.	Rs.	nP.
	89,16,86,777	Brought forward ..			1,13,20,64,442	07
		10. Other Assets, including Silver—				
30,10,345		(i) Land and Buildings— Rs. nP. Cost as per last Balance Sheet ..48,49,403 82				
18,39,058		Additions during the year 4,16,412 06				
48,49,403			52,65,816 78			
..		LESS—Transfer to Premises Account as above ..31,60,950 06				
48,49,403			21,04,866 72			
1,98,527		LESS—Depreciation written off to date. 2,07,246 43				
46,50,876					18,97,620	29
14,15,094		(ii) Interest accrued on Investments.			27,94,963	79
		(iii) Estimated amount of refund of Income-tax and Advance Payment of Tax			44,70,599	13
40,23,126		(Income-tax assessment for six years 1953 to 1958 not yet completed)				
4,85,126		(iv) Stamps and Stationery			2,73,697	27
..	1,05,74,222	(v) Silver			....	
..		**11. Non-Banking Assets Acquired in Satisfaction of Claims**			94,36,880	48
..		**12. Profit and Loss**			....	
90,22,60,999		Total .. Rs.			....	
					1,14,15,01,322	55

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958.

Year ended Dec. 31, 1957 Rs.	EXPENDITURE	Year ended Dec. 31, 1958 Rs.	nP.
1,63,11,972	1. Interest paid on Deposits, Borrowings, etc.	2,17,20,943	88
96,11,067	2. Salaries and Allowances and Provident Fund	1,09,57,318	81
44,560	(Salary and Allowances of General Manager Rs. 84,000) 3. Directors' (Rs. 66,933.29) and Local Committee Members' Fees and Allowances	75,309	29
12,88,254	4. Rent, Taxes, Insurance, Lighting, etc.	14,27,301	63
56,559	5. Law Charges	60,286	93
6,41,410	6. Postage, Telegrams and Stamps	5,66,631	76
1,00,278	7. Auditors' Fees for Statutory and Periodical Audits	1,14,020	33
6,54,805	8. Depreciation on, and Repairs to, the Banking Company's Property ..	7,91,216	18
10,84,829	9. Stationery, Printing, Advertisement, etc.	11,28,418	73
..	10. Loss from Sale of, or Dealing with, Non-Banking Assets	....	
8,45,721	11. Other Expenditure	9,91,489	24
59,70,012	12. Balance of Profit (subject to Taxation)	45,37,665	38
3,66,19,464	Total .. Rs.	4,23,71,502	21

Year ended Dec. 31, 1957 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Year ended Dec. 31, 1958 Rs.	nP.
2,57,446	1. Interest and Discount	3,08,79,785	50
1,07,66,671	2. Commission, Exchange and Brokerage	1,06,65,551	81
1,26,262	3. Rents	2,55,428	35
	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	5,79,031	55
..	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....	
..	6. Income from Non-Banking Assets, and Profit from Sale of, or Dealing with, such Assets	....	
2,085	7. Other Receipts	1,705	00
..	8. Loss	....	
3,66,19,464	Total .. Rs.	4,23,71,502	21

REPORT OF THE AUDITORS TO THE MEMBERS OF THE UNITED COMMERCIAL BANK, LIMITED

We have audited the attached Balance Sheet of The United Commercial Bank, Limited, as at 31st December, 1958, and the annexed Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the Branch returns audited by the Statutory or other Auditors.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the proviso to sub-sections (1) and (2) of Section 211 and sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be, and are not, drawn up in accordance with the Sixth Schedule to the Companies Act, 1956; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) in our opinion, proper books of account, as required by law, have been kept by the Bank so far as appears from our examination of those books, and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) the Bank's Balance Sheet and Profit and Loss Account, dealt with by this report, are in agreement with the books of account and the returns;

(e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and, on such basis, the said Balance Sheet gives a true and fair view of the state of the affairs of the bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

G. P. KAPADIA & CO.,
K. N. GUTGUTIA & CO.,
RAY & RAY,
} Chartered Accountants.

CALCUTTA, 25th February, 1959.

S. T. SADASIVAN,
General Manager.

G. D. BIRLA, *Chairman.*
I. P. GOENKA,
A. G. LAW,
G. L. BANGUR,
P. D. HIMATSINGKA,
R. L. NOPANY,
M. L. SHAH,
M. K. RUIA,
M. L. DAHANUKAR,
M. L. TAPURIAH,
Y. N. MAFATLAL,
G. D. KOTHARI,
T. S. RAJAM,
} *Directors.*

P. R. SESHAN,
Chief Accountant.

SUGAR AND CANE IN THE THIRD PLAN

CENTRAL COMMITTEE RECOMMENDS PRODUCTION TARGETS

A TARGET of 3.0 million tons of white sugar and 5.0 million tons of *gur* and *khandsari*, to be reached by the end of the third Five-year Plan, that is, 1965-66, has been recommended by the Indian Central Sugarcane Committee at the end of a two-day session at New Delhi on 21st March. The target of 3.0 million tons of white sugar is based on the assumption that the units sanctioned during the first and the second Plans, as also those sanctioned in the river valley project areas, will be in operation by 1960-61. The target represents an increase of 750,000 tons as compared with the production target of 2.25 million tons fixed under the second Plan.

The basis on which the Committee has chosen the targets for sugar, *gur* and *khandsari* is not known. And it is difficult to say whether the targets are realistic in the absence of details regarding the size of population, the level of taxation, national and *per capita* incomes, and export requirements. All that the Committee says on this point is this: "The present *per capita* consumption per annum of white sugar and *gur* is 11.4 pounds and 16 pounds, respectively, which is barely half what it should be from the nutritional point of view. But, as the consumption is related to the national and *per capita* incomes, the Committee has recommended fixation of "realistic" targets.

The aggregate quantity of sugarcane required to achieve the aforesaid targets is put at 90 million tons. To this figure has to be added 10 million tons required for seed, chewing and other purposes. The production target for cane thus works out to 100 million tons, as against the second Plan target of 78 million tons. The entire targeted output is to be achieved, according to the Committee, from an area of 5.0 million acres now under this crop. In other words, for the third Plan, there is a ceiling on the acreage under cane. The Committee notes that the new river valley projects on completion will add to the area under cane, but emphasises that any such increase in one State should be offset by a corresponding reduction elsewhere.

Per-acre Yield

The net addition during the third Plan period of 22 million tons of cane from the existing area of 5.0 million acres implies a substantial improvement in the per-acre yield, from just 12.73 tons in 1957-58 to as much as 20.00 tons in 1965-66. Will such an improvement actually be fulfilled? This question has been specially posed, because the progress made in the implementation of the cane development programmes has so far been none too encouraging. Barring the improvement in certain selected factory areas, the average yield of cane per acre has not only not gone up but actually declined. The all-India average for 1957-58 was no more than 12.73 tons, as against 13.33 tons in 1950-51 (base year for the first Plan). Similarly, the percentage recovery of sugar in cane was lower at 10.01, as against 10.03.

Viewed thus, it is clear that, if the proposed target for sugarcane production, namely, 100 million tons, is to be hit without any enlargement in the area sown, a more dynamic approach to the cane development work is imperative. The Committee has, therefore, done well to emphasise the adoption of measures such as strengthening of research and development organisations with technically trained personnel, research in improved varieties, rapid multiplication of seed material, greater use of reinforced vigorous seed, rational manuring, irrigation, timely and adequate plant protection measures, and better utilisation of the crop. It is envisaged that irrigation, manurial and fertiliser resources would need to be considerably augmented to meet the entire requirements of the development zones, and full protection would be given to the crop against floods, waterlogging and poor drainage.

The Central Sugarcane Committee has put forward three valuable suggestions designed to improve conditions in the cane economy. First, "key villages" should be set up where the cumulative effect of various improvements and their impact on the agricultural economy of these villages can be immediately demonstrated to the entire neighbourhood. Each acre planted under cane in these key villages will receive the benefit of pooled research findings and improvements in the cultivation schedule, so that it will be possible to raise the per-acre yield and quality of cane for the village as a whole. Secondly, the sugar mills themselves must prepare a suitable plan of development for the supply zones to achieve the production targets. The factory managements, the cane co-operatives and the growers must all become partners in the joint endeavour to raise the output level in factory areas, the factory managements providing the necessary wherewithal and the cultivators producing the required raw material of high quality. Thirdly, sugarcane research should be so reoriented on a regional basis as to enable entire zones, not individual States alone, to benefit from the advances in research work already made in some of the important research stations.

Fundamental Importance

Inaugurating the meeting of the Sugarcane Committee, Mr. M. V. Krishnappa, Union Deputy Minister for Agriculture, struck a note of realism when he declared that improvement in the per-acre yield of cane "is of fundamental importance to provide basic stability to sugar, *gur* and *khandsari* industries." As he rightly observed, great potentialities exist in the country for harvesting from the same area a larger sugarcane crop. Within the same State in the developed areas, a yield of 32 tons per acre has been obtained, as against the average yield of 25 tons. Still more marked results have been obtained under the All-India Sugarcane Crop Competitions—as high as 110 tons in the Southern States and 67 tons in the Northern region. Mr. Krishnappa drew particular attention to the issues relating to manures and fertilisers and research work. He observed:

"The results obtained by research stations or in the demonstration plots of cultivators have indicated that improvement in yield can be effected by maximum application of manures and fertilisers. However, their availability is a serious problem and attention should be concentrated on augmenting supplies of green manures and composts which can be usefully substituted. Irrigation is another important item which contributes substantially to the improvement in acre yield and minor irrigation projects should be fully explored and utilised.

"A chain of sugarcane research stations and sub-stations is functioning in the country and carrying out detailed trials for selecting sugarcane varieties suited to different soil and climatic environments. The Central Breeding Institute at Coimbatore has done "immensely useful" work in evolving new varieties and the Indian Institute of Sugarcane Research at Lucknow is engaged in fundamental research. I hope that the objective shall always be how best to achieve the targets and thus fall in line with the progress made in other countries."

There is considerable force in these observations of Mr. Krishnappa, as also in his statement that it is necessary to maintain a healthy balance among the sugar, *gur* and *khandsari* industries. As readers are aware, the production of white sugar declined from 2.09 million tons in 1956-57 to 2.04 million tons in 1957-58, whereas that of *khandsari* rose appreciably from 100 000 tons to over 300,000 tons. The Minister rightly said that the upward trend might fulfil the needs of any particular area, but, if it came into conflict with sugar production, a proper balance would have to be restored between the two sectors

Committee's Work

The Central Sugarcane Committee has been doing good work. A review of the activities of the Committee was made by its President, Mr. M. Lal, I.C.S. According to the review, useful research in varietal, manurial and irrigational aspects and control of pests and diseases is being conducted in the various research stations. The Committee attaches great importance to this work and its share of subsidy in various schemes has been increased from Rs. 3 lakhs in 1946-47 to Rs. 9 lakhs in 1957-58. The expenditure incurred on cane development was Rs. 2.04 crores (including the Central Government's share of Rs. 70 lakhs) in the first two years of the second Plan and Rs. 1.76 crores in 1958-59. The total expenditure to be incurred in 1959-60 is put at Rs. 1.95 crore.

With this increase in expenditure from year to year, the tempo of sugarcane research and development work no doubt will, as Mr. Lal said, go up considerably. But it must be stressed that a mere increase in the tempo of research work will not be of any avail, unless the results of such work are actually carried from laboratories to the fields speedily and effectively. The Sugarcane Committee should make suitable arrangements for a proper dissemination of the results of research among the cultivators. In addition, the adoption of a scheme for relating the cane price to quality is also necessary for creating enthusiasm among agriculturists for securing a larger yield of cane per acre with richer sucrose content.

THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL—AUTHORISED, ISSUED AND SUBSCRIBED .. Rs. 5,50,00,000
CAPITAL PAID-UP .. Rs. 3,00,00,000
RESERVE FUND .. Rs. 3,10,00,000

Head Office:

MAHATMA GANDHI ROAD, FORT, BOMBAY

BRANCHES IN INDIA:

AHMEDABAD — Main Office; Bhadra; Ellis Bridge; Gandhi Road; Manek Chowk; Navrangpura; Station Branch
AMRITSAR
BANGALORE
BARODA
BOMBAY — Andheri; Bandra; Bullion Exchange; Colaba; Churchgate; Fort; Kalbadevi; Malabar Hill; Santa Cruz; Sion; Bhuj (Kutch); Calcutta; 23-B, Netaji Subhas Road (Main Office); Bara Bazar; Chowringhee Square; Calicut; Cochin; Coimbatore; Delhi; Gandhidham (Kutch); Hyderabad (Deccan); Jamshedpur; Junagadh; Kanpur; Madras; Nagpur; Kingsway; Itwari Bazar; New Delhi; Palanpur; Poona; Poona City; Rajkot; Surat; Sholapur; Veraval; Visakhapatnam.

BRANCHES OUTSIDE INDIA:

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

DIRECTORS

SIR COWASJEE JEHANGIR, Baronet, G.B.E., K.C.I.E. (Chairman)
Mr. AMBALAL SARABHAI
Mr. RAMNIWAS RAMNARAIN
Mr. BHAGVANDAS C. MEHTA
Mr. KRISHNARAJ M. D. THACKERSEY
Mr. A. D. SHROFF
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. JUGMOHAN PRASAD GOENKA

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances of Rs. 500 and above at ½ per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.

Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.

Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.

The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.

Every Description of Banking Business Undertaken.

T. R. LALWANI, *General Manager.*

BONUS FOR BIHAR SUGAR LABOUR

An aggregate sum of Rs. 10 lakhs is expected to be distributed as bonus by the 14 sugar mills in Bihar to their workers numbering about 14,000, in accordance with the agreement signed between the Bihar Branch of the Indian Sugar Mills Association and the Indian National Sugar Mills Workers' Federation at Calcutta last week. The terms of the agreement are as follows:

The bonus should be paid before the end of this month or prior to the close of the crushing season, whichever is earlier.

If any factory seeks exemption from bonus payment owing to losses, meagre profits or uneconomic working, it will have to apply by the 10th inst., to a committee comprising a representative each of the Association and the Federation; the decision of the Committee will be binding on both the parties.

SUGAR PRODUCTION AND STOCKS

The total production of sugar during the first four months of the current season (November 1958—February 1959) amounted to 1,331,000 tons, as against 1,336,000 tons in the corresponding period of 1957-58. The production during February 1959 was 410 000 tons, that in February 1958 having been 414,000 tons.

The offtake of sugar from factories in the aforesaid period aggregated 691,000 tons (116,000 tons in February 1959), as against 636,000 tons a year before (195.000 tons in February 1958).

The total closing stocks with factories as on 28th February 1959 were 972,000 tons, as compared with 1,128,000 tons a year before.

SUGAR RELEASE

The Government of India announced on the 26th ultimo, the release of a further quantity of 150.000 tons of sugar for sale in the market. In addition to it, the system of allotment against tenders is also being continued with a view to augmenting supplies to consumers. In the case of factories situated in U.P., North Bihar and the Punjab, the sales are to be effected at prices stipulated in the Government of India notification dated 22nd December 1958. The latest release of 150.000 tons is less than the previous release by 15.000 tons. The reduction, it is understood, has been made in order to augment allotment of sugar to applicants who apply for such allotments at prices fixed by the Government. Thus, the total availability of sugar for the market is said to be in no way smaller than in the past.

THE TRAVANCORE BANK, LIMITED

(INCORPORATED IN 1945)

BALANCE SHEET AS AT 31st DECEMBER 1958

Corresponding figures for 1957 Rs.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
	1. Capital—		
	AUTHORISED CAPITAL— 8,00,000 Shares of Rs. 25 each	2,00,00,000 00	
1,00,00,000	ISSUED AND SUBSCRIBED CAPITAL— 4,00,000 Shares of Rs. 25 each fully paid		1,00,00,000 00
	2. Reserve Fund and Other Reserves—		
29,17,000	General Reserve	24,97,000 00	
	Contingent Reserve	2,75,000 00	27,72,000 00
	3. Deposits and Other Accounts—		
	Fixed Deposits, Thrift Deposits and Cash Certificates	3,94,00,046 50	
	Savings Bank Deposits	45,86,164 90	
	Current Accounts, Contingency Accounts, etc.	2,20,49,739 76	6,60,35,950 96
6,05,47,750	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(i) In India	Nil	
	(ii) Outside India	Nil	Nil
Nil	PARTICULARS—		
	(i) Secured by part of Investments per contra	Nil	
	(ii) Unsecured	Nil	
4,63,763	5. Bills Payable		3,77,224 55
	6. Bills for Collection Being Bills Receivable as per contra—		
	(i) Payable in India	23,12,883 85	
	(ii) Payable outside India	4,34,401 53	27,47,285 38
25,09,713	7. Other Liabilities—		
	Reserve for Taxes	5,63,818 37	
	Staff Security Deposit	22,000 00	
	Interest on Inoperative Accounts	858 32	
	Unpaid Dividends	50,008 45	
	Branch Adjustments	8,87,961 08	
	Provision for Bonus to Staff	3,224 08	
	Provision towards Gratuity	59,198 72	
	Sundries	19,747 83	15,86,816 85
16,55,741	8. Acceptances, Endorsements and Other Obligations as per contra		78,52,791 02
1,18,72,765	9. Profit and Loss—		
	Balance as per Balance Sheet as at 31st December, 1957	5,25,628 26	
	LESS—Appropriations— Rs. nP.		
	Transfer to Depreciation Reserve on Investments 20,000 00		
	Payment of Dividend at the rate of 5 per cent. free of income-tax 5,00,000 00	5,20,000 00	
		5,628 26	
	ADD—Profit for the year ended 31st December, 1958, brought from Profit and Loss Account	10,23,000 96	
		10,29,529 22	
	LESS—Provided for by the Directors towards— Rs. nP.		
	Taxation 3,00,000 00		
	General Reserve 2,05,000 00		
5,25,628	Gratuity 5,000 00	5,10,000 00	5,19,529 22
	10. Contingent Liabilities—		
	(a) Claims against the Bank Company not acknowledged as debts	79,863 94	
	(b) Money for which the Banking Company is contingently liable— Rs. nP.		
	Guarantee given by the Banking Company on behalf of Directors or Officers Nil		
	Others Nil	Nil	
	(c) Arrears of cumulative preference dividends	Nil	
	(d) Liability on Bills of Exchange re-discounted	Nil	
	(e) Liability on account of outstanding Forward Exchange Contracts	2,69,755 46	
		3,49,619 40	
9,05,12,360	Total .. Rs.		9,18,91,597 98

Corresponding figures for 1957 Rs.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
	1. Cash—		
61,07,140	In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes—Nil)		61,49,226 66
	2. Balances with Other Banks—		
	On Current Accounts—		
	(i) In India	1,69,861 03	
	(ii) Outside India	4,91,612 92	
		6,61,473 95	
	On Deposit Accounts—		
	(i) In India (including Staff Security Deposit of Rs. 22,000)	50,22,000 00	
	(ii) Outside India	Nil	
14,21,240			56,83,473 95
1,00,00,000	3. Money at Call and Short Notice		60,50,000 00
	4. Investments at or below Cost—		
	(i) Securities of the Central and State Governments and other Trustee Securities (Treasury Bills of the Central and State Governments—Nil)	3,08,71,469 36	
	(ii) Shares	Nil	
	(iii) Debentures or Bonds	Nil	
	(iv) Other Investments	Nil	
	(v) Gold	Nil	
		3,08,71,469 36	
	LESS—Depreciation Reserve on Investments	6,65,000 00	
2,44,11,755	(Securities for the face value of Rs. 10,40,000 are encumbered)		3,02,06,469 36
	5. Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	I. Loans, Cash Credits, Overdrafts, etc.— Rs. nP.		
	(i) In India 2,94,91,729 26		
	(ii) Outside India Nil	2,94,91,729 26	
	II. Bills Discounted and Purchased—		
	(Excluding Treasury Bills of the Central and State Governments)		
	(i) Payable in India 22,60,279 62		
	(ii) Payable outside India 3,42,602 60	26,02,882 22	
8,33,59,830			3,20,94,611 48
	PARTICULARS OF ADVANCES—		
	(i) Debts considered good in respect of which the Banking Company is fully secured	2,84,12,023 69	
	(ii) Debts considered good for which the Banking Company holds no other security than the Debtors' personal security	2,58,836 99	
	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	34,23,750 80	
	(iv) Debts considered doubtful or bad, not provided for	Nil	
		3,20,94,611 48	
	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	23,079 86	
	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as members	1,36,45,166 01	
	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,20,505 60	
	(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as members	1,58,44,945 73	
	(ix) Due from Banking Companies	2,04,289 73	
	6. Bills Receivable Being Bills for Collection as per contra—		
	(i) Payable in India	23,12,883 85	
	(ii) Payable outside India	4,34,401 53	27,47,285 38
25,09,713	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		78,52,791 02
1,18,72,765			
Nil	8. Premises Less Depreciation		Nil
	9. Furniture and Fixtures Less Depreciation—		
	At cost as per Balance Sheet as at 31st December, 1957	3,13,697 59	
	Additions during the year	6,882 56	
		3,20,580 15	
	LESS—Sales and adjustments during the year	772 33	
		3,19,807 82	
	LESS—Depreciation written off to date	2,50,602 68	
76,871			69,205 14
	10. Other Assets including Silver—		
	Motor Car at cost as at 31st December, 1957	14,553 75	
	LESS—Depreciation written off to date	13,968 67	
		585 08	
	Balances with Government Treasuries	3,124 48	
	Interest accrued on Investments	3,22,902 10	
	Books, Stationery and Stamps	69,183 06	
	Advance Payment of Income-tax (including income-tax and super-tax deducted at source)	5,26,206 95	
	Sundries	1,16,553 32	
7,53,046 Nil			10,38,534 99 Nil
9,05,12,360	11. Non-Banking Assets Acquired in Satisfaction of Claims. Total .. Rs.		9,18,91,597 98

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1958

Corresponding figures for 1957 Rs.	EXPENDITURE	Rs. nP.	Rs. nP.
13,50,681	1. Interest paid on Deposits, Borrowings, etc.	18,89,373 75	
7,68,390	2. Salaries and Allowances and Provident Fund paid to the (This includes Salaries, Allowances and Provident Fund paid to the General Manager for the year ended 31st December, 1958, Rs. 28,200 and also bonus payable to him for the year 1958 Rs. 2,250)	8,54,226 21	
7,300	3. Directors' and Local Committee Members' Fees and Allowances	7,080 00	
89,688	4. Rent, Taxes, Insurance, Lighting, etc.	95,694 73	
7,872	5. Law Charges	7,359 34	
44,481	6. Postages, Telegrams and Stamps	45,636 70	
4,250	7. Auditors' Fees	4,250 00	
21,392	8. Depreciation on and Repairs to the Banking Company's Property	18,910 99	
57,676	9. Stationery, Printing, Advertisements, etc.	58,258 23	
Nil	10. Loss from Sale of, or Dealing with, Non-Banking Assets	Nil	
73,347	11. Other Expenditure	72,532 19	
14,82,668	12. Balance of Profit	10,23,900 96	
39,07,445	Total .. Rs.	40,77,223 10	

Corresponding figures for 1957 Rs.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP.
32,06,454	1. Interest and Discount	35,98,034 52
7,00,081	2. Commission, Exchange and Brokerage	4,77,807 74
Nil	3. Rents	Nil
	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	246 94
122	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	6. Income from Non-Banking Assets and Profits from Sale of or Dealing with such Assets	Nil
Nil	7. Other Receipts	1,133 90
788	8. Loss (if any)	Nil
Nil	Total .. Rs.	40,77,223 10
39,07,445		

TRIVANDRUM, 10th February, 1959.

(Sd.) K. VENKATACHALAM AIYER & CO.,
(Sd.) MENON & AYYAR,
(Sd.) VARMA & VARMA,
Chartered Accountants.

(Sd.) M. G. V. NAIR, *Offg. Chief Accountant.*

(Sd.) K. C. KURUVILLA, *Asst. General Manager.*

(Sd.) D. R. VEDAMUTHU, *General Manager.*

(Sd.) S. VAIDYANATHA AIYAR,
(Sd.) P. E. RAMAN MENON,
(Sd.) K. SREENIVASA KARAYALAR,
(Sd.) P. S. PADMANABHAN,
Directors.

COFFEE IN SWITZERLAND

DEMAND EXPECTED TO INCREASE

THE growing surplus of coffee in India has once again focussed attention on the marketing policy of the Government of India. The problem has been rendered more difficult by the mounting stocks of coffee in all other leading producing and exporting countries of the world and the consequent depression in prices. This does not mean that there is no scope for increasing sales of Indian coffee abroad. *The Market Survey on Coffee in Switzerland*, one of the latest in the *Market Survey Series*, published by the Union Ministry of Commerce and Industry, for instance, reveals that there is still scope for improving sales of coffee abroad, as the mild quality of the Indian beverage can be usefully utilised for blending purposes. It also points out that the trend of future demand for coffee in Switzerland may be regarded optimistically. "On the whole," it says, "the standard of Swiss life is rising steadily and coffee is purchased regularly even by such classes whose purchasing power is below the average." Some of the statistics on which this study is based are not, however, up-to-date, but the publication contains very useful facts about coffee trade in Switzerland and suggestions for promoting sales of Indian coffee in that country.

Switzerland is not a grower of coffee, but it has been one of the leading coffee consuming countries of Europe, particularly from the point of *per capita* consumption. During the years 1934 to 1938, the imports of coffee into Switzerland amounted to an average of 261,000 bags (of 132.276 lbs. each), which worked out to a *per capita* consumption of over 9 lbs. In the war years, they were curtailed slightly, averaging about 199,600 bags per annum in 1939-45. The post-war years witnessed a revival of imports to more than the pre-war levels, averaging, as they did, about 335,850 bags per annum in 1949-53. Imports in 1952 amounted to 303,650 bags and in 1953 to 318,728 bags. Central America was the largest supplier in 1953, accounting, as it did, for 31.3 per cent. of the total followed by Brazil with 30.5 per cent., Colombia 9.6 per cent., West Africa 9.5 per cent. and East Africa 7.8 per cent. The import figures for the subsequent years are not available. In the first half of 1958, according to the *Survey*, Switzerland imported 11.36 million kilograms of coffee, valued at Sw. Frcs. 55.70 million, of which India supplied 539.565 kilograms of the value of Sw. Frcs. 2.64 million.

In normal times, coffee is regarded as a necessity in Switzerland. Even during the Second World War, the *Survey* points out, coffee was always available at reasonable prices, in good quality and adequate quantity. It cannot, therefore, be considered as an item of luxury. Of the consumption of tea and coffee in Switzerland, the latter beverage accounts for 80 per cent. and tea for the balance. There are no restrictions on imports of coffee, excepting licence for the importation of green coffee and caffeine-free coffee and this can be obtained without difficulty. The trade is, therefore, able to meet the entire internal requirements.

Switzerland buys less than one per cent. of the total world output of coffee and the trend of world markets naturally has its influence on the Swiss market. Thus, thanks to the increasing pressure of supplies, there is keen competition among producers to sell their coffee in Switzerland, as in other countries, and the wholesale prices show a marked tendency to sink. Many importing firms have been forced to sell at prices well below those of their own purchases. Such a trend, however, has not so far resulted in catastrophies in the trade.

Though imports of coffee are allowed freely, importers in Switzerland are required, under the import regulations, to maintain a compulsory stock of 35 per cent. of their imports and only first class qualities are allowed to be kept in stock. In order to safeguard the importing firms against possible losses, the Swiss Government has undertaken to pay the difference between the import price and the price, of the same quality, at which it is sold to the roasters. The necessary funds for this purpose are met out of the import duty levied on coffee, which is as follows:

(Per 100 Kg. gross wt.)

Green coffee	Sw. Fr.	54.00
Caffeine-free coffee not roasted	„ „	85.00
Other kinds. like roasted instant coffee, etc.	„ „	100.00

Coffee is imported directly by private roasters and wholesalers who purchase either direct from shippers in producing countries or through shippers' agents in European ports or in Switzerland. Imports through brokers are an exception. Roasters, packers and wholesalers distribute the coffee through retailers, restaurants and chain stores. The other large channels of green coffee imports and roasted coffee distribution are the purchasing associations for the independent retailers and the co-operative societies. The most important purchasing association for the retailers is the Union Swiss Purchasing Association in Olten which purchasss coffee and tea and then processes it for the independent retailers. The Swiss Co-operative Union of Consumer Societies in Basle and the Migros Co-operative Federation in Zurich purchase and process coffee for co-operative stores.

Imported green coffee is expected to be delivered in jute bags of 60 kilograms each. The bags should be marked with the number of the lot and the market name of the contents. From seaport, it will be transported to Switzerland by railway, usually at a special freight rate which is equal to that charged for transport *via* the river Rhine. Within Switzerland, coffee is packed in 250 and 500 gram paper bags. Vacuum packing has not yet found favour. The use of chicory is widespread, the extent of chicory used in blending being 30 per cent. Soluble coffee is said to be gaining popularity rapidly. The Swiss consumer has also a preference for caffein-free coffee. Heavy bodied blends find the most favour.

It is interesting to hear that Indian coffee—particularly Malabar Yellow and Mysore monsooned—is highly esteemed in Switzerland and usually commands a price 20 per cent. above that of standard Santos. Yet, it is, at present, quite impossible, the *Survey* points out, to sell these Indian coffees to the Swiss consumer, as, in their pure form, they do not conform to the taste and flavour generally preferred. It is so, because Indian coffees appear too acid for the Swiss. In Switzerland, a rather mild blend is preferred by the majority and about 10 to 15 per cent. of Indian coffee is added to such blends to enrich the flavour of other kinds. So long, therefore, as the idea that Indian coffees taste too acid prevails, the market for them in Switzerland will be limited. In this connection, the *Survey* makes a few suggestions to improve the marketing of Indian coffee in Switzerland. It says:

"Indian parties should concentrate their publicity on the wholesale and not the consumers' market. The consumer is almost ignorant of the existence of Indian coffee and it is unlikely that it can be introduced in the Swiss market, unless its taste can be adjusted to the one prevailing in Switzerland. Yet Indian coffee can be of considerable importance in improving the taste of coffee of other origins and it seems that excellent results are known for such mixtures (e.g., with Costa Rica, Gautemala). If representatives of Indian firms are appointed in Switzerland, it will be necessary that these representatives possess a small roasting equipment for sample purposes. This is particularly important when new qualities are to be introduced. If only samples of green coffee are offered to Swiss firms, chances are that the offer will be forgotten and the sample lost, as people seldom find time to roast the sample themselves. It is, therefore, much safer to add a sample of roasted coffee to the sample of green coffee, the prospective buyer then being less inclined to give preference to competitors whose qualities he may be well acquainted with. Generally, it is suggested that coffee should be propagated the same way as tea is through the Hamburg 'Tea Office.'"

It is also suggested that a booklet on the model of the *Calendar* published by the Instituto de Cafe, Sao Paulo. giving facts about Brazilian coffee in text and in colour photographs, may be published and distributed by India too. It is stated that propaganda of this kind may be very effective in promoting sale of Indian coffee.

EXPORT OF GUNNIES

SHIPPERS' ASSOCIATION CHAIRMAN EXPRESSES CONCERN

THE jute industry has had yet another disappointing year during 1958 in respect of exports of its manufactures. The aggregate exports of gunnies from India, which had declined from 877,000 tons in 1955 to 863,000 tons in 1956 and to 859,600 tons in 1957, fell again to 809,000 tons in 1958, on the basis of the data for the first eleven months of 1958 when they amounted to 746,900 tons (the figure for the corresponding period of 1957 being 796,600 tons). Of even greater significance was the drop in value. While exports of hessian (during the first eleven months) rose from 369,400 tons to 379,800 tons, as also of "other varieties" from 36,200 tons to 40,700 tons, those of sacking dropped from 391,000 tons to 326,400 tons.

The following table shows the trend of hessian and sacking exports to some of the principal consuming countries during the first eleven months of 1958 and 1957.

(In tons)

Countries	Hessian Jan.-Nov.		Sacking Jan.-Nov.	
	1958	1957	1958	1957
U.K.	35,300	21,000	12,000	9,000
Rest of Europe	34,200	15,500	11,700	6,900
Far East	7,800	8,000	50,700	82,300
Africa	13,000	21,000	80,600	99,300
U.S.	163,800	165,200	5,300	9,400
Canada	34,500	29,800	..	200
Argentine	57,200	63,300	2,000	2,300
Rest of America	11,200	14,800	63,000	75,900
Australia	13,600	15,000	65,700	77,100
New Zealand	5,300	6,800	12,500	10,500
Other countries	3,900	8,600	22,000	17,200
Total ..	379,800	369,400	326,400	391,000

It will be noted that the perceptible drop in exports of hessian to the U.K. suffered in 1957 was made good to a substantial extent in 1958. Exports to the rest of Europe, which had recorded an impressive rise in the previous year, gained fresh ground in the year under review, having more than doubled themselves. The offtake by Canada, too, staged a recovery. The most sizable setback is noted in exports of hessian to Africa, followed by Argentine and the rest of America. Exports of sacking to the U.K. and the rest of Europe recovered substantially and those to New Zealand improved further. The offtake of the heavy goods from Africa, the largest customer for Indian sacking, suffered seriously, as also from the Far East, Australia and the "rest of America."

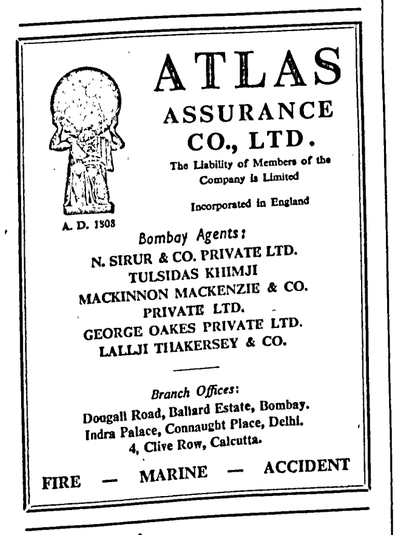
Reasons for Decline

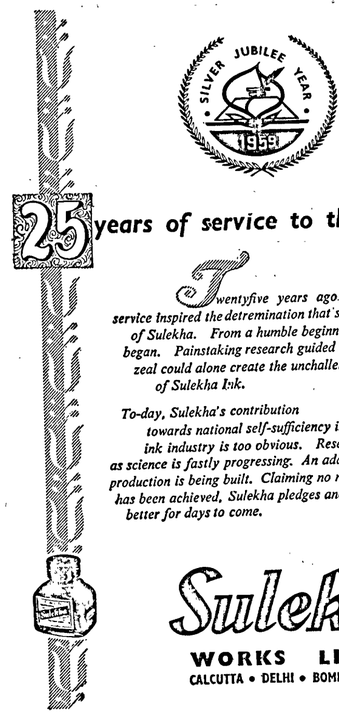
Explaining the reasons for the setback in the export of heavy goods and the prospects, the Chairman of the I.J.M.A. observed, at the recent annual meeting of the Association as follows:

"Our exports of heavy goods in 1958 were disappointing and, if the fall represented a continuing trend, it would be a serious matter for the industry. But there were a number of special factors involved last year and when these are taken into account, I do not think that we need feel unduly depressed about our sacking exports. The markets which principally contributed to the decline were Australia, Cuba, Egypt and various countries in South-East Asia. Except in the case of Cuba, where the demand for bags was affected by the general trend towards bulk shipment of sugar, it is probable that this decline in offtake was only temporary. In Australia, for example, the demand for cornsacks was limited by an excess carry-over of stocks after the poor wheat harvest of 1957-58, while the wool farmers, who had been badly hit by the fall in wool prices, drew heavily on their existing stocks of woolpacks. This year, there has been a bumper wheat crop in Australia, and, with woolpack stocks now lower than they have been for many years, there is every prospect of an appreciable rise in the Australian offtake of both cornsacks and woolpacks in 1959. Egypt last year took less than a third of her 1957 imports of jute bags. While there is, admittedly, an expanding jute industry in that country, this would not account for the fall in imports which was largely due to financial difficulties. Now that Egypt has come to a financial settlement with the U.K., we may hope that these difficulties will diminish, so that Egypt will be in a position to increase her imports of jute goods from India.

"All our markets in South-East Asia cut down their imports in 1958. In some cases—and especially in Indonesia and Vietnam—the decrease was to some extent due to a fall in agricultural production resulting from political changes within the country. As conditions become more stable, the production of rice, sugar, and other agricultural commodities should increase, and this will inevitably mean larger imports of jute bags, because there are no bulk handling facilities in this part of the world and, during our recent tour, we saw no signs of any major expansion of the local jute manufacturing industries, except to a limited extent in Vietnam. We were, however, struck by the determined efforts which all these countries are making to increase their agricultural production in order to improve their financial position. In the

(*Continued on page 549*)





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FIXATION OF WATER RATES IN IRRIGATION PROJECTS

RESEARCH BODY'S SUGGESTIONS

THE existence of a sizable gap between the irrigation potential created and the actual utilisation of the irrigation water has been a source of great concern to all those interested in India's economic progress. An investigation at the end of the first Plan revealed that, though irrigation potential to the tune of 6 million acres had been created, actual utilisation was confined only to 4 million acres. Although the magnitude of the problem at present is not known, it is believed that the irrigation potential in several projects far exceeds its utilisation. To the extent the problem, in whatever degree, persists, it must be admitted that it represents a national waste, for it is of the utmost importance to the country's economy that the irrigation projects, which involve large capital outlays, should be promptly and fully utilised. There are, of course, certain physical factors, the neglect of which could easily lead to failure of full utilisation of irrigation water, such as the absence of field channels. But, even when the necessary facilities have been created there could be delay in the utilisation of irrigation water, if the farmers do not find that it pays them to bear the additional levy and use the water potential created for their benefit. The continuing agitation in the Punjab is an instance in point. In other words, the schedule of rates for the utilisation of irrigation water should be so drawn up as to induce farmers to utilise irrigation water and also to bring a certain return to the Exchequer from which it has been created. The considerations which must be borne in mind in choice of irrigation projects and in fixation of rates for irrigation water are discussed by the National Council of Applied Economic Research (Director-General: Dr. P. S. Lokanathan) in an illuminating report entitled *Criteria for Fixation of Water Rates and Selection of Irrigation Projects.**

Rate of Return

Tracing the course of the development of criteria for investment in irrigation projects, the report points out how, prior to 1854, there was no separate account for revenue and expenditure in respect of irrigation. The Select Committee of the House of Commons, which examined the question in 1879, recommended that the financial results of works of irrigation were the "best test of their utility." By and large, this test has held the ground till today. The rate of return required before a project could be considered financially productive has varied from time to time. It was fixed at 4 per cent. till 1st of April 1919, at 5 per cent. till 1st of August 1921 and 6 per cent. for all works sanctioned after that date. From 1st of April 1949, it was fixed at 3.75 per cent. but it was raised to 4.5 per cent. from 1st of August 1954. The criteria for sanctioning irrigation projects caused some dissatisfaction at the end of the nineteenth century. The Royal Commission on Irrigation in 1921, however, favoured the financial productivity test till then being applied. Thus, in practice, this test has been adhered to, though some flexibility has been permitted from time to time.

What considerations should govern the choice of an irrigation project? The report, in seeking to find an answer to this question, has examined at some length the selection and execution of the Rs. 9.50-crore Sarada Canal in U.P. which was commenced in 1922 and completed in 1928-29. The report points out how an economic appraisal was not made before the project was undertaken, and how the project has not added to the area under cultivation and the area under double cropping in the districts served by the Canal has already gone down. The Sarada Canal, which has been singled out for special study, shows how the authorities may go wrong in the choice of projects. However, Dr. Lokanathan, in his preface, observes: "But it was obvious that the Sarada Canal, with its long and chequered history, cannot be regarded as a typical case and that the findings and conclusions emerging out of the study should be regarded as illustrative, rather than of general validity.... It is always easy to be wise after the event and to say that things might have been done in a different way." From its study of the Sarada Canal, the report reaches the conclusion that the absence of an economic appraisal in the case of a project may lead to two unfavourable effects: (1) exaggerated estimates and (2) bringing political influence to bear in a concealed manner.

Choice of Projects

The importance of broadbased criteria for the choice of irrigation projects has been emphasised by the report. Investment in irrigation has direct and indirect effects over the whole economy and results in considerable external economies. The appropriate criteria for investment, it is argued, must be sufficiently broadbased to take into account the direct and indirect effects of irrigation. The two chief advantages of irrigation projects are: (1) investment in control over water resources imparts stability to an inherently unstable industry, namely, agriculture; (2) such investment may increase the rate of growth of the economy, bringing benefit both to agriculture and industry. In agriculture, uncertainty is removed, risk is reduced, wastes eliminated and yield increased. This leads to more purchasing power in the hands of agriculturists which, in its turn, leads to an increase in effective demand for industrial products.

Turning to the principles for determining water rates, the report notes that, in India, such rates have not been fixed on any scientific basis and there is a wide variety of systems for the calculation of actual charges. The factors which point to the need for a detailed examination of the question of water rates are:

(*a*) the Central and State Governments have spent a considerable portion of their total outlay on irrigation and propose to spend a still larger amount in the second Five-year Plan. It is, therefore, high time that the structure of rates be put on a proper basis; (*b*) in view of the fact that there is a great need for mobilising as many resources as possible for financing the second Five-year Plan, it is worthwhile examining how far the benefits accruing from irrigation can be mobilised in the form of State revenue; (*c*) it is necessary to see that the existing facilities are fully utilised before more investment is made in this line of production; (*d*) unless the water rates are fixed on an objective basis, their burden might fall inequitably on the different users of irrigation waters.

There are, fundamentally, two main considerations in fixing water rates: (*a*) cost, and (*b*) benefits. On the side of cost, the necessity of recovering total cost, both fixed and variable, or the recovery of variable cost alone, have been suggested as possible determinants of levels of rates. On the side of benefit, the water rates, at the maximum, could take away the entire benefit available to the users of the water. There is also an extreme view that, since water is a fundamental necessity, the principle of free access to water should be adopted.

The authors of the report feel that the practice of selecting projects on the basis of recovery of cost is not a sound one. However, if this practice is accepted, the recovery of the cost through water charges alone cannot be considered reasonable. This is because irrigation confers benefit on the region as a whole and a part of these benefits flows back to the State in various forms. The share of land revenue increases if irrigation brings additional areas under the plough. Land revenue is stabilised. Savings are effected in famine relief expenditure. Lands served by the canal as well as in adjacent areas appreciate in value, which appreciation might be tapped in the form of betterment levy by the State. Besides, there may be net indirect receipts realised by the various departments of the State such as railways, posts and telegraphs, excise and income-tax. Therefore, if the recovery of cost is to be insisted upon, the calculation should include not only the water charges and the share of land revenue, but also take into consideration all such sources of State income which can be legitimately ascribed to irrigation.

The only sound and justifiable basis for the irrigation rate, it is stated, should be the additional net benefit available to the cultivators from the use of the water supplied. It is recognised that it is difficult to measure this additional benefit in a precise manner. The report, however, suggests a simple formula for the measurement of additional net benefit which is equivalent to $(R_1-R_0)-(C_1-C_0)$ where R_1= value of crop before irrigation is introduced, C_1= cost before irrigation, R_1= value of crop after irrigation and C_1= cost after irrigation before paying water rate. The report also recognises the point in the argument that the entire increase in agricultural yields cannot be ascribed to irrigation alone, since the use of irrigation facilities is invariably accompanied by the use of fertilisers, employment of additional labour and other supplementary investment. It observes:

"However, it is also a fact that, in agriculture, water is a most important element, next only to land in importance. As a matter of fact, the introduction of irrigation facilities leads to an improved cropping pattern and to the adoption of better farming methods, resulting in a handsome increment in the net returns of the cultivator. However, this problem can be solved by computing the cost of all the other factors making up the supplementary investments which are substitutable in the market economy and then deducting this cost from the value of the increased yield. The balance is the net additional benefit which can be said to arise from irrigation."

State Policy

Discussing the considerations which must be borne in mind in fixing water rates, the report emphasises that the rates should be conducive to the most efficient utilisation of water. If the rates are too low, the cultivators might waste water. The rates should offer sufficient inducement to the cultivator for the use of water. They should be such as to encourage the implementation of national objectives of State policy. Thus, if a project is set up to increase food production, the rates should be biased in favour of food crops as against commercial crops. As regards the question as to what proportion of the additional net benefit to the cultivator must form the basis of water rates, the report says that the full 100 per cent. should not be charged. This is because there are different types of cultivators, so that the net profit available to each farmer for one acre of land will not be the same. Accurate measurement of additional net benefit is not also easy. Since output and prices in agriculture fluctuate considerably, it is advisable to keep a safe margin. It is, therefore, suggested that actual rates should in no case exceed, say, 50 per cent. of the extra net benefit available to the cultivators; the actual charge could vary between 20 per cent. and 50 per cent. Although the system of charging for water according to volume of water supplied is more scientific than any other, it is not recommended for the reason that it will involve a large initial investment in meters and supervising staff and risk of damage to meters by people who may tamper with them.

Water Rate Boards

In order to attain the threefold objectives of water rates, namely, the furtherance of the social and economic policy of the State, maximisation of net profits on the newly added farm product and realisation of reasonable revenues for the State, the actual application of the benefit criterion would demand the consideration of several factors which affect the net benefit from irrigation water. Since conditions differ from canal to canal and region to region, there cannot be a uniform level of water rate for the whole country. In each region, the factors which should be taken into account are: nature of soil, type of crop and season in which cultivation takes place, volume of water required for each crop, transport and marketing conditions and net profits of cultivation. The water rate should be divided into two parts—the compulsory rate and voluntary rate. The compulsory rate should be introduced for those canals where cultivators resort to alternative sources of irrigation and the demand for irrigation water depends on vagaries of rainfall. This rate should be low and related to the benefits conferred upon the area by way of insurance against failure of rainfall. Land irrigated by wells should also pay this compulsory rate, because, whenever such land needs additional water, it can resort to canal irrigation, and also because well irrigation becomes easier owing to rise in the sub-soil water in the region served by a canal. For the actual fixation of fair water rates, it is desirable to evolve a machinery on the lines of wage boards for the fixation of fair wages. Water rate boards could be appointed for each main canal or for each State.

Criteria for Fixation of Water Rates and Selection of Irrigation Projects. Published by Asia Publishing House, Bombay. Pp. 156. Rs. 13.75.

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AUTOMOBILE INDUSTRY IN WEST GERMANY

West Germany's automobile industry recorded an increase in both production and export during 1958 over the figures for the preceding year. It also retained its lead in output among the main automobile-producing countries of Europe. Nevertheless, a survey of the production and trade position in the industry showed that Germany was faced with growing competition from certain other countries. The consumer, however, stands to benefit from the stiff competition which has led to the introduction of technical improvements by manufacturers and to improvements in styling and passenger comfort. The survey has brought out the following points:

The number of motor vehicles manufactured in 1958 was about 1,500,000 units, representing an increase of 23.5 per cent. over the figures for 1957. While about 770,000 vehicles were sold on the domestic market, exports rose by 25 per cent. and totalled 730,000 units. Although nearly 250,000 cars were taken out of use during the year, the total number of vehicles on the roads rose by more than 500,000. The *per capita* number of cars increased to 17 for every 1,000 persons. Manufacturers took particular note of the fact that the number of cars owned by workers soared from 310,000 in 1957 to more than 580,000 in 1958—an indication that the domestic market is still capable of expansion in the future, if there is no economic recession. In spite of the boom year which the industry has had, large German industrial concerns are thoughtful about future developments.

Analysed with reference to the categories of vehicles—passenger cars, station wagons and lorries—the 1958 production figures show that the increase in production was the highest in regard to passenger cars. The rate of increase varied according to the size of the cars; it was relatively high in the category of cars with a cylinder capacity of between 1,000 and 2,000 c.c. in which range production rose by 175,000 units or 25 per cent. over the figure for 1957. The largest increase—78 per cent. was registered in the 500 to 1,000 c.c. class. It is to be noted that many cars of this class, for instance, the Auto-Union's DKW models, are really "medium-sized" vehicles ranging from 890 to 1,000 c.c. and capable of speed performance upto 90 miles per hour. The purchase prices of these cars are not lower than those for the 1,500 c.c. models and it was found that the buying public considers the medium-sized cars a better bargain than the "baby cars," because of their longer life and higher re-sale value.

A comparison of the production figures of the main European automobile-producing countries shows that, in 1958, West Germany again led the field, with a total output of 1.5 million vehicles, Britain following closely behind with 1.4 million, France with 1.1 million vehicles and Italy with 0.4 million cars. These four European countries produced about 4.4 million vehicles as compared with the United States' production of 5 million vehicles during the year.

ST. LAWRENCE AUTHORITY

The tolls tariff to be levied by the St. Lawrence Seaway Authority was announced by Mr. George Hees, the Canadian Minister of Transport, in the House of Commons on 12th March last. The St. Lawrence Seaway is a project in which, as our readers are aware, both the U.S. and Canada are interested. The total cost of the project (*vide Commerce* dated 11th October 1958, page 604) is $471 million, the Canadian share being $340 million and the U.S. share $131 million. The tariff of tolls now being introduced is the same as the one which was recommended by the Tolls Committee which submitted its report in June last. For each passage from Montreal to Lake Erie a vessel will be assessed at 6 cents per g.r.t. and, in addition, 42 cents per ton of bulk cargo and 95 cents per ton of general cargo carried. From Montreal to or from Lake Ontario, a vessel will be charged 4 cents g.r.t. and, in addition, 40 cents per ton of bulk cargo and 90 cents per ton of general cargo. For each passage through the Welland Canal, a vessel will be assessed at 2 cents per g.r.t. and, in addition, 2 cents per bulk cargo and 5 cents per ton of general cargo. The charge for a complete transit of the Seaway will be $7.50 per passenger. Pleasure craft will be subject to the same rates as other vessels with a minimum charge of $2.00 per lock transited; the minimum charge for other vessels will be $4.00 per lock transited. A four-member Joint Tolls Advisory Board, equally representative of the Canadian St. Lawrence Seaway Authority and the U.S. St. Lawrence Seaway Development Corporation, will hear complaints relating to the interpretation of the tariff or alleged unjust discrimination arising out of the operation of the tariff. The two seaway entities will report to their respective Governments not later than 1st July 1964 as to the sufficiency of the authorised tolls and to cause the tariff to be reviewed accordingly.

JUTE

(*Concluded from page* 546)

meantime, there is no doubt that lack of finance is a major factor in restricting imports of jute goods. All these South-East Asian countries are suffering from an acute shortage of foreign exchange and all of them have an adverse trade balance with India. They are, therefore, most anxious that India should buy goods from them in return for her exports of jute bags, and if this could be arranged I am sure that it would do much to facilitate an expansion of our markets."

While the general position of the jute industry and the outlook for jute goods are viewed with subdued optimism by the producers, the shippers would appear to be rather concerned over the trend of exports. Expressing this concern at the annual meeting of the Calcutta Jute Fabrics Shippers Association held last week, Mr. D. Duncan-Smith, Chairman of the Association, said that, although quite a number of countries were enjoying an expanding economy which should result in greater use of jute goods, India was not able to share in this expansion. The position was serious, he added, "not because of any decline in consumption, but because of increased production in other countries which are endeavouring to become independent and self-sufficient and reduce their requirements of foreign exchange."

A serious competitor to India in world markets is Pakistan, which, according to Mr. Duncan-Smith, is in a position to export between 10,000 and 12,000 tons of jute goods per month and is making serious inroads into India's markets. Among the countries which have established in recent years their own jute mills and have reduced their offtake of jute goods from other countries are South Africa, Burma, Philippines, Viet Nam, Thailand and Egypt. These countries are said to obtain their requirements of raw material partly from East Pakistan and partly from local fibre, in the form of kenaf or ramie, which is mixed with jute. There are also other factors which have affected India's export trade in gunnies. Enumerating the more important ones, Mr. Duncan-Smith said:

"First, a shortage of foreign exchange in the importing country has forced users of bags to use these many times over, because they were unable to replace them with new ones. Secondly, bulk-handling, particularly of sugar, primarily in such places as Australia and Cuba. Thirdly, the use of substitutes, such as paper and polythene, which can be produced locally at prices which do not fluctuate to the same extent as the market in Calcutta and the manufacture of which, at the same time, supports a local industry. Lastly, and possibly one of the most important reasons, is the lack of reciprocal trade between India and the countries to which we are endeavouring to export jute goods, owing to India's curtailed import policy."

Mr. Duncan-Smith considered these factors as depressing and advised the Government and the industry to take suitable measures to increase the exports. In this connection, he suggested that every endeavour should be made to improve the quality of the raw jute grown in India, so that the gunnies produced therefrom might compete well with those of Pakistan. The other suggestions made by Mr. Duncan-Smith are: (1) the goodwill amongst overseas buyers should be enhanced by dealing promptly with complaints, and (2) the Government should assure the industry that the export trade would not be jeopardised by the introduction of any forms of export control, such as price fixation, as it is not in a position now to bear such controls.

It may be mentioned, in this connection, that Mr. Duncan-Smith accompanied the I.J.M.A. delegation to Australia, New Zealand and other Far Eastern countries in October as a representative of the shippers and as such has an intimate knowledge of these markets. His views on the export trade of jute goods, therefore, deserve to be taken note of by the industry, as well as by the Government.

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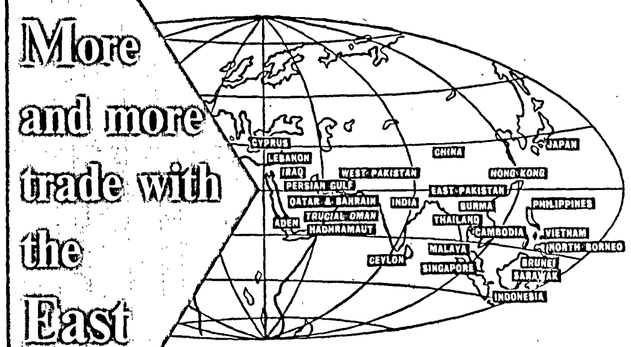

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THE FIRST NATIONAL CITY BANK OF NEW YORK

(INCORPORATED WITH LIMITED LIABILITY IN THE U.S.A.)

BALANCE SHEET OF INDIAN BRANCHES AS AT CLOSE OF BUSINESS, DECEMBER 30, 1958.

Previous Year Rs. nP.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
	1. Capital—		
	3% 1959-61 Government of India Bonds face value Rs. 20,25,000—market value as of date Rs. 20,18,925.00	20,18,925.00	
20,19,937.50			
Nil	2. Reserve Fund and Other Reserves		Nil
	3. Deposits and Other Accounts—		
6,65,39,280.48	Fixed Deposits	6,62,08,520.66	
15,77,116.71	Savings Bank Deposits	21,21,936.54	
11,45,36,085.53	Current Accounts, Contingency Accounts, etc.	8,57,50,823.83	
18,26,52,482.72			15,40,81,281.03
	4. Borrowings from Other Banking Companies, Agents, etc.—		
Nil	(i) In India	1,10,61,806.06	
Nil	(ii) Outside India	Nil	
Nil			1,10,61,806.06
	PARTICULARS—		
Nil	(i) Secured	Nil	
Nil	(ii) Unsecured	1,10,61,806.06	
9,65,229.14	5. Bills Payable		6,13,308.70
	6. Bills for Collection Being Bills Receivable as per contra—		
1,33,83,028.07	(i) Payable in India	97,36,819.37	
55,68,656.96	(ii) Payable outside India	16,97,182.30	
1,89,51,685.03			1,14,34,001.67
Nil	7. Other Liabilities— (i) Development Rebate Reserve	26,444.00	
214.87	(ii) Unexpired Discount	Nil	
3,83,046.42	(iii) Reserve for Interest Payable	2,25,726.35	
13,53,324.64	(iv) Reserve for Taxes	10,10,639.50	
16,393.56	(v) Reserve for Other Expenses	13,341.00	
5,33,385.43	(vi) Sundry Accounts	3,91,767.03	
22,86,364.92			16,67,917.88
Nil	8. Acceptances, Endorsements and Other Obligations per contra		Nil
	9. Profit and Loss—		
	Profit for the year ended December 23, 1958, brought from the Profit and Loss Account (includes Rs. 8,339.53 profit for the period December 24, 1957, to December 30, 1957, shown in the last Balance Sheet)		
84,02,446.86		35,78,303.29	
	LESS— Rs. nP.		
21,04,468.00	Reserve for Taxes 22,13,266.88		
12,07,978.86	Amount remitted to Head Office 13,65,036.41		
		35,78,303.29	
Nil		Nil	
8,339.53	ADD—Profit for the period from December 24, 1958, to December 30, 1958	7,182.56	
			7,182.56
1,79,04,633.00	10. Contingent Liabilities— (i) Outstanding Credits Unused	2,12,87,071.00	
6,65,89,001.93	(ii) Outstanding Forward Exchange Contracts	2,83,11,499.48	
4,700.41	(iii) Bills of Exchange Re-discounted	Nil	
2,46,786.00	(iv) Collection Documents released on our responsibility	3,09,942.00	
36,306.00	(v) Claims against the Bank not acknowledged as debts	29,800.00	
			Nil
			32,851.33
			1,33,83,028.07
			55,68,656.96
			1,89,51,685.03
			Nil
			Nil
			4,94,177.59
			2,43,651.30
			7,37,828.89
			98,399.09
			6,39,429.80
			2,66,631.00
			3,72,798.80
			95,482.42
			7,49,671.79
			Nil
			6,235.00
			45,869.10
			1,48,64,038.09
			1,57,60,296.40
			Nil
			Nil
20,48,64,101.34	Total .. Rs.		17,88,65,502.90

Previous Year Rs. nP.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
1,32,48,462.63	1. Cash— In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		85,46,442.76
	2. Balance with Other Banks (in Current Account)—		
6,46,218.01	(i) In India	4,61,281.57	
5,07,720.56	(ii) Outside India	3,16,646.30	
11,53,938.57			7,77,927.87
6,59,00,000.00	3. Money at Call and Short Notice		6,39,00,000.00
	4. Investments at book value—		
	(i) Securities of the Central and State Governments and Other Trustee Securities, including Treasury Bills of the Central and State Governments	2,68,09,683.14	
2,49,00,784.16	(ii) Shares	Nil	
Nil	(iii) Debentures or Bonds	Nil	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
2,49,00,784.16			2,68,09,683.14
	5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	(I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP.		
5,66,37,573.44	(i) In India 5,26,26,403.54		
32,851.33	(ii) Outside India Nil		
5,66,70,424.77		5,26,26,403.54	
	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
	(i) Payable in India 94,49,486.69		
	(ii) Payable outside India 31,82,232.46		
		1,26,31,719.15	
79,05,710.89			6,52,58,212.69
6,45,76,135.66	PARTICULARS OF ADVANCES—		
	(i) Debts considered good in respect of which the banking company is fully secured	2,53,84,241.72	
	(ii) Debts considered good for which the banking company holds no other security than the debtor's personal security	3,19,99,405.90	
3,11,24,739.87	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	78,74,565.07	
	(iv) Debts considered doubtful or bad, not provided for	Nil	
2,68,37,585.36		6,52,58,212.69	
	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
65,20,723.86	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
93,081.57	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
6,45,76,135.66	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
Nil	(ix) Due from banking companies	Nil	
	6. Bills Receivable Being Bills for Collection as per contra—		
1,33,83,028.07	(i) Payable in India	97,36,819.37	
55,68,656.96	(ii) Payable outside India	16,97,182.30	
1,89,51,685.03			1,14,34,001.67
Nil	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		Nil
Nil	8. Premises Less Depreciation		Nil
	9. Furniture and Fixtures— Rs. nP.		
4,94,177.59	At Cost as of December 30, 1957 6,39,429.80		
2,43,651.30	Additions during the year 1,92,337.70		
7,37,828.89	8,31,767.50		
98,399.09	LESS—Deductions during the year. 34,071.22		
6,39,429.80		7,96,796.87	
2,66,631.00	LESS—Depreciation written off upto December 23, 1958	3,43,617.10	
3,72,798.80			4,53,179.27
	10. Other Assets—		
95,482.42	(i) Accounts Receivable	21,331.86	
7,49,671.79	(ii) Interest Earned Not Collected	5,16,156.50	
Nil	(iii) Clearing and Cash Items	Nil	
6,235.00	(iv) Revenue Stamps	2,041.52	
45,869.10	(v) Prepaid Expenses	84,088.42	
1,48,64,038.09	(vi) Due from H. O. and Branches	10,61,534.20	
1,57,60,296.40			16,86,055.50
Nil	11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Nil	12. Profit and Loss		Nil
20,48,64,101.34	Total .. Rs.		17,88,65,502.90

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED DECEMBER 23, 1958.

Previous Year Rs. nP.	EXPENDITURE	Rs. nP.	Previous Year Rs. nP.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other Usual or Necessary Provisions)	Rs. nP.
21,33,302.67	1. Interest paid on Deposits, Borrowings, etc.	35,40,424.80	67,75,525.57	1. Interest and Discount	81,13,825.31
17,50,157.19	2. Salaries and Allowances and Provident Fund (including Salaries and Allowances to Manager Rs. 82,807.37)	18,01,131.36	24,21,212.50	2. Commission, Exchange and Brokerage	13,72,290.03
Nil	3. Directors' and Local Committee Members' Fees and Allowances	Nil	Nil	3. Rents	Nil
1,65,496.91	4. Rent, Taxes, Insurance, Lighting, etc.	1,77,739.06		4. Net Profit on Sale of Investments, Gold and Silver Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	3,241.56
16,190.23	5. Law Charges	19,667.42	3,309.25		
1,09,589.69	6. Postage, Telegrams and Stamps	85,897.06		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	7. Auditors' Fees	Nil	Nil		
84,511.73	8. Depreciation on and Repairs to the Banking Company's Property	1,52,797.59		6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
81,503.36	9. Stationery, Printing, Advertisement, etc.	80,166.49	Nil		
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil	Nil	7. Other Receipts	1,13,004.08
5,06,065.37	11. Other Expenditure	6,67,104.15	47,116.74	8. Loss	Nil
34,02,446.86	12. Balance of Profit	35,78,303.29	Nil		
92,50,164.06	Total .. Rs.	1,01,03,261.88	92,50,164.06	Total .. Rs.	1,01,03,261.88

I, C. A. Dunham, having been appointed by the Comptroller of the Currency, and, therefore, being qualified under the Federal Reserve Act of the United States of America to examine and audit National Banks and their foreign branches, hereby certify that I have verified the attached statements to my satisfaction.

March 5, 1959.

(Sd.) C. A. DUNHAM, National Bank Examiner.

(Sd.) J. K. COWAN, Sub-Manager.

(Sd.) F. de C. MATTHEWS, Manager.

STATEMENT OF CONDITION OF THE FIRST NATIONAL CITY BANK OF NEW YORK.

ASSETS	Dec. 31, 1958 $	Dec. 31, 1957 $	LIABILITIES	Dec. 31, 1958 $		Dec. 31, 1957 $
Cash and Due from Banks	1,707,601,412	1,899,087,995	Deposits	7,009,693,334		6,602,688,315
United States Government Obligations	1,511,901,738	1,156,472,300	Liability on Acceptances and Bills	102,912,162		129,641,006
State and Municipal Securities	520,511,051	388,845,587	Foreign Funds Borrowed	1,215,700		6,292,000
Other Securities	108,335,782	110,759,623	Reserves—			
Loans	3,846,340,391	3,807,671,255	Unearned Income	33,878,012		32,873,784
Customers' Acceptance Liability	98,668,993	122,334,561	Taxes and Accrued Expenses	57,293,047		61,075,406
Federal Reserve Bank Stock	18,600,000	18,600,000	Dividend	8,280,000		8,280,000
International Banking Corporation	7,000,000	7,000,000	Shareholders' Equity—	$	$	
Bank Premises Furniture and Equipment	47,129,511	40,847,145	Capital (12,000,000 shares—$20 par)	240,000,000		
Items in Transit with Overseas Branches	905,347	15,495,482	Surplus	330,000,000		
Other Assets	9,298,216	9,030,833	Undivided Profits	93,179,236	82,290,440	
				713,179,236	330,000,000	702,290,440
Total .. $	7,926,482,441	7,636,750,881	Total .. $	7,926,482,441		7,636,750,881

Figures of Overseas Branches are as of December 23.

For 1958, $543,001,604 ($387,439,791 in 1957) of United States Government Obligations and $5,249,300 ($7,795,200 in 1957) of other assets are pledged to secure Public and Trust Deposits and for other purposes required or permitted by law.

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AUTHORISED CAPITAL	...Rs. 1,00,00,000
SUBSCRIBED & PAID-UP	...Rs. 50,00,000
RESERVE FUNDS	...Rs. 46,00,000
DEPOSITS EXCEED	...Rs. 30,00,00,000
WORKING FUNDS EXCEED	...Rs. 35,00,00,000
NO. OF ACCOUNTS EXCEEDS	... 1,50,000

DENA BANK SERVICES
- Current Accounts
- Savings Bank Accounts
- Special Savings Scheme
- Cash Certificates
- Fixed & Call Deposits
- Safe Deposit Vaults
- Investment Service
- Small Silver Bars
- Executor & Trustee Service
- Foreign Exchange

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General Banking Business Transacted.

PRAVINCHANDRA V. GANDHI
Managing Director.

Patronise Swadeshi

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Reserve Fund - - £2,100,000

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J. R. N. SHIRREFF, Manager.

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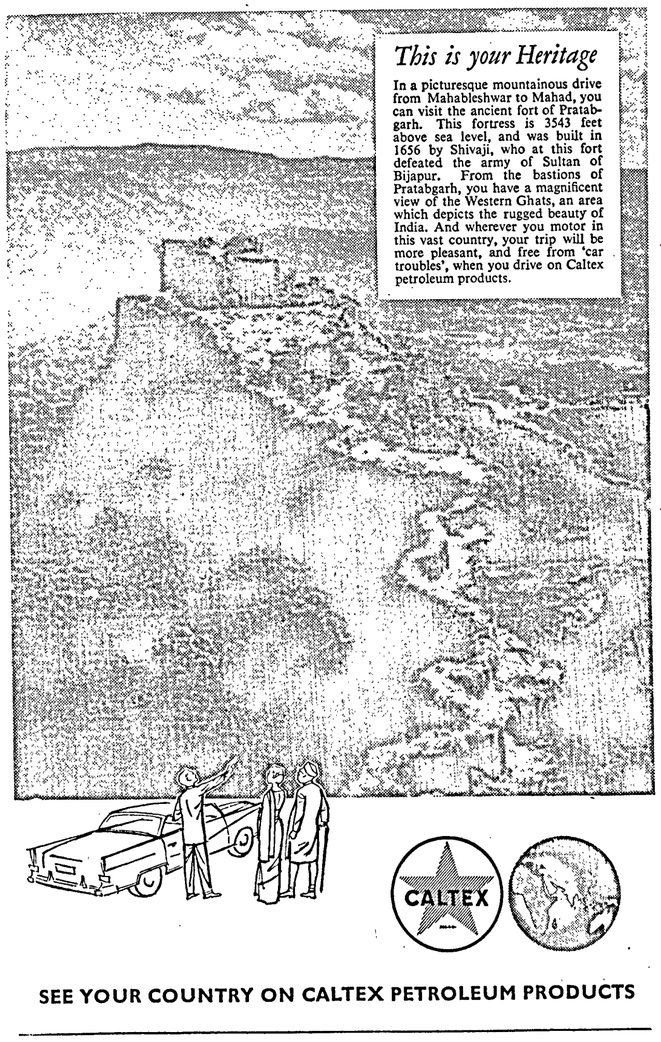

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Rajah Saheb of Challapalli.
Deputy Chairman:
SRI K. SUBRAHMANYA DUTT, B.Sc.
Managing Director:
SRI TADEPALLY SRIRAMULU.

	Rs.
Authorised Capital	1,00,00,000
Subscribed Capital	48,99,000
Paid-up Capital	41,25,415
Reserve and other Funds (as on 31st December 1958)	16,88,524
Deposits exceed	11,00,00,000
Total Working Funds exceed	13,00,00,000

Branches throughout Andhra Pradesh and at Madras, Tiruppur (Madras), Bellary (Mysore) and Berhampore (Orissa).
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THE INDIAN MINING ASSOCIATION

UNDER SECRETARY TO GOVERNMENT
6 - APR 1959
PUBLIC DEPARTMENT

COAL OUTPUT AND TARGET—HIGH COST OF STOWING

POSSIBLE EFFECT OF OPENING NEW COLLIERIES

MR. D. HOGG URGES HIGH-POWERED BODY TO CO-ORDINATE PROBLEMS

SOME of the important and urgent problems pertaining to the coal industry were lucidly explained by Mr. D. Hogg, Chairman of the Indian Mining Association, at the Annual General Meeting of the Association held at Calcutta on Thursday, 26th March, 1959, in the premises of the Bengal Chamber of Commerce and Industry. The following is the full text of Mr. Hogg's speech:

"GENTLEMEN,

"On the occasion of the last annual general meeting held just over a year ago, I had the pleasure of saying that coal production had increased during 1957 by just over 4 million tons, of which 3.1 million tons was produced by the private sector. At that time, I ventured to say that a progressive expansion of output from the private sector could be expected for the Second Five-year Plan period, provided that we were given sufficient inducement and incentive and many of our handicaps were removed.

"A year has passed and, from a study of the activities of this Association given in the Annual Report, you will be aware of the energetic efforts made by this Association to bring our difficulties to the notice of Government. It is tedious to recount them, as they are so well known to you, but it is disappointing, to say the least of it, that so few of our obstacles have been removed in spite of repeated representations.

Production

"The all-India total of coal production increased in 1958 to 45.3 million tons, as against a target of 60 million tons which has been set for the industry for attainment by the end of the Second Five-year Plan period. The increase was only 1.8 million tons in 1958 or 4 per cent. compared with 10 per cent. increase achieved in 1957. Nevertheless, 75 per cent. of the 1958 increase in production was achieved by the private sector. To those outside the coal industry the increase of 1.8 million tons may appear to be insignificant. However, I feel that those of you within the coal industry will agree with me that it was a remarkable achievement in view of the many handicaps which stood in our way. As to whether our increase in production was adequate for the country's needs, it is sufficient here for me to pose a simple question on behalf of those of us who have to carry the financial burden of pithead stocks and ever-increasing costs and ask what would have happened if an extra one million or an additional two million or a further three million tons had been raised in 1958. The fact which must be faced is that pithead stocks were higher during nine months in 1958 than they were during the corresponding months of 1957. During the past year, the railways in general, with certain exceptions to which I will refer later, have achieved remarkable results. It has been stated on innumerable occasions in the past that coal production can only keep pace with transport availability. However, with the expansion which has taken place on the railways, it appears that, on some occasions during their 'slack' season, there was, in certain directions, an availability of wagons for the movement of coal in excess of the demand which existed for coal on those routes. During the past year, the coal industry has felt that their production capacity has kept pace with industrial demand. It has been reported recently that the general index of industrial production registered an increase in 1958 but the rate of increase was lower than in 1957. This temporary slowing down in the tempo of industrial development in 1958 has been very noticeable not only to the coal industry whose duty it is to feed almost every industry but also to the railways. But, with the gigantic plans which have yet to materialise before the end of the Second Five-year Plan period, the industrial tempo can rapidly increase again. Will the coal industry be able to regain its momentum and meet all demands, not only for the Second Five-year Plan but also for the Third?

"I do not question whether 60 million tons of coal is required under the Second Five-year Plan or whether 100 million of 110 million tons of coal should not be the target for the Third Five-year Plan—there is no doubt about these targets—such quantities must be planned for in order to achieve our Government's objectives but such targets cannot be attained, unless effective steps are taken now to give remedial treatment where help to the industry is required. Also, planning must be more detailed than we have seen in the past, so that collieries may know by whom their increased production is to be consumed and when it will be required. So far, the industry has been unable to obtain any indication of the targets which may be required to be achieved in the various coalfields and States in the Third Five-year Plan. Certain collieries mining coking coal have recently had the unfortunate experience of having almost their entire production diverted to the Steel Works, only to find that, shortly after their other orders had been transferred to non-coking coal collieries, the demand from the steel works was reduced and a large percentage of their production has had to be put into stock. There is not only a limit to which collieries can afford to finance the holding of stocks but there is also a physical limitation to which a colliery can stock coal when production exceeds demand. For most of last year, pithead stocks averaged about 3.2 million tons, of which the private sector held about 95 per cent.

"Before proceeding further, it is necessary to review the trend of coal production noticeable during the last year. It is apparent that the output of selected 'A' and 'B' grades of both coking and non-coking coal showed little or no increase. Many of the collieries mining these grades are burdened with heavy stowing expenditure for which inadequate assistance is paid to them by the Coal Board. In addition, many stowing collieries incur additional expenditure on account of the fact that they are gassy mines.

Assistance for Stowing

"Consideration of representations for increases in stowing assistance and the revision of coal prices, to which I will refer later, has been protracted. I would be failing in my duty if I did not ask Government to bear in mind that coal companies must balance income and expenditure and they cannot embark on an indefinite policy of deficit financing.

"Collieries mining grade I coking coal will be unable to increase their production substantially until the central washeries, which have been under discussion for so many years, are put into operation. The delays which have occurred over the setting up of these central washeries are regrettable and it is now apparent that the three central washeries which were to be installed during the Second Five-year Plan will not materialise for some years yet. The tender for the first washery has been decided only recently.

"The latest Annual Report of the Coal Board for the year ended March 1958 reveals some interesting information. Assistance towards voluntary stowing was sanctioned in 1957-58 for 110 collieries, of which only 81 collieries carried out stowing. The other 29 collieries had not completed their arrangements for stowing. There are many valid reasons why these collieries had not commenced stowing; in many cases they are waiting for the Coal Board's Central Sandstowing Schemes to materialise. Others were waiting for the necessary import licences or for the arrival of plant and machinery from abroad. Despite this, a larger quantity of material was stowed underground, and 6.3 million tons of sand and other materials were stowed to produce 3.7 million tons of additional coal from the stowing areas. In fact, almost one colliery in ten undertook stowing and as a result of their efforts about 10 per cent. of the country's production was raised, which without stowing would otherwise have been lost. In the year 1958-59 the number of collieries carrying out voluntary sandstowing increased from 81 in the previous year to 95.

"I apologise for enumerating so many statistics over stowing, but I feel that the efforts made by the industry to attain safety in their mines and to conserve our mineral wealth are not sufficiently well publicised. There has been so much ill-informed criticism of the industry in the past over these matters and, unfortunately, this tendency of the general public and certain quarters to make little effort to understand our problems still persists. Only recently, I have noticed a statement made in the Lok Sabha by the Minister of Steel, Mines and Fuel, Sardar Swaran Singh, who, while defending the high costs of a certain colliery in the N.C.D.C., stated that the Corporation is unable to adopt the private owners' attitude of exploiting only those mines where the working conditions are easy. I would ask if such a remark is not unjustified when 90 collieries in the private sector, i.e. more than 10 per cent., are undertaking stowing, inadequately compensated, and many of them at uneconomic costs and many other collieries in the private sector are running at a loss, in the same way as the Giridih Colliery, due to their difficult working conditions. It is easy to criticise but we would prefer that criticism should be accompanied by constructive suggestions and help.

Funds Adequate

"I appreciate the problems of the Coal Board and my criticisms of their efforts are made with the best of intentions and in an effort to underline their problems. It is now over a year since this Association placed a case before the Coal Board for increased assistance for sandstowing and, while they appeared to appreciate the need for revision in view of substantial increases in labour costs as a result of the Award of the All India Industrial Tribunal (Colliery Disputes) and the decision of the Labour Appellate Tribunal and other increases in costs, the change in the rate of assistance is still awaited. The industry continues to bear the burden of these heavy imposts on stowing collieries and suffers delays in payment. A further reference to the last report of the Coal Board will show the delays which occur. Out of Rs. 81 lakhs paid in the year to stowing collieries, less than a quarter of this amount was on account of stowing charges incurred during the year and over Rs. 60 lakhs covered assistance for stowing carried out in the previous three years. The Coal Board is, fortunately, well endowed financially and its income has always exceeded its expenditure. The total funds available now amount to nearly 4 crores of rupees. Any reluctance to increase the rate of assistance to stowing collieries is probably the Coal Board's fear that large sums will require to be expended for the two proposed Central Stowing Schemes in the Ranigange and Jharia coalfields. Adequate funds are available to meet the industry's claim for increased assistance, but, if there is any reluctance on the part of the Coal Board to face criticism in requesting for an increase in the stowing cess now being levied on consumers, I would humbly submit that the statistics which I have inflicted upon you earlier, amply bear out the industry's sincerity of purpose in carrying out voluntary stowing for safety and conservation of our mineral wealth. Such stowing has resulted in additional production for which the industry can rightly expect the nation to bear an increased share of the cost, as and when the occasion arises, particularly as this form of mining is being carried out more and more extensively.

"Apart from stowing collieries, there is also the question of deep and gassy mines and the problem that the present price structures do not provide them with sufficient resources to enable them to increase production. By their very nature and working conditions, they are placed at a great disadvantage over shallow mines, inclines, open cast quarries and non-gassy mines which are not required to install the expensive flame-proof equipment and employ the additional staff required under the Mines Regulations. Unfortunately, some of these mines, such as those working the Dishergarh seam, whose coal will be required in larger quantities in the future, have not only to bear these increased costs, because they are deep and gassy, but have to bear heavy sandstowing costs also. Such mines have not been abandoned, as might be imagined from the recent statement in the Lok Sabha, and some of them continue to work at a loss, obviously in the hope that their case will receive active consideration eventually. It is hoped that the Coal Prices Revision Committee will find a solution to the problem of collieries, whose mining conditions of necessity entail high costs.

"Last year, I stated that the fate of the coal industry then rested with the Coal Prices Revision Committee and, although they submitted their report to Government in December 1958, their findings are not yet known to the industry but they can only be more out of date now than they were a year ago when I mentioned this point. As you are aware, this Committee was constituted in 1957 with instructions to submit their report within two months. The complexity of the problem before them was known to us, and it is understandable that they could not complete their investigation in so short a time but the industry awaits with keen interest the report of this Committee and to hear what action Government intends to take on their report. It is difficult to appreciate the inordinate delays which have taken place over this matter, but let us hope that the time has been well utilised and that such detailed consideration has been given to this matter that it will result in a clear-sighted and wise decision being taken by Government which will enable the industry to expand to meet its commitments in the future.

Import Control

"A major handicap which has prevented many collieries from increasing their production has been the import control policy and the delays which have occurred over the granting of licences. While the grave shortage of foreign exchange is appreciated, it is felt that sufficient priority over the granting of import licences has not been given to the coal industry during the year. There is a continual demand for imported spares and items of plant and machinery used in the mining industry for which foreign exchange will continue to be required until the Government factory, to be located in Durgapur, is in production and other indigenous manufacture increases. Unfortunately, the coal industry has been unable to utilise the credits offered by the Export-Import Bank of the United States of America. As our mines have standardised largely on equipment from the sterling area, it would not be practical, at this stage, in view of the advent of increased indigenous manufacture, to change to American equipment as a wastage of foreign exchange would only result. Machinery already purchased must be provided with the necessary foreign exchange to keep it supplied with the spare parts required and less wastage occurs if the present standardisation of types of machinery is allowed to continue and is intensified rather than if new manufactures and types are introduced. It must be remembered also that the coal industry is working on the basis of controlled selling prices and cannot afford to purchase machinery which is more expensive than that available from the sterling area.

"While great credit is due to the Eastern Railway for the increased coal loading achieved during 1958, loading on the South Eastern Railway showed a reduction in 1958, when compared with the previous year. In view of this I would ask how collieries served by the South Eastern Railway could be expected to increase their production in 1958. Unfortunately, despite the strongest representations made, the Railway Board appear to be able to offer little hope for improvement during the Second Five-year Plan period and the collieries served by the South Eastern Railway in Bengal and Bihar have had no alternative but to defer their schemes for increased production. The South Eastern Railway have been engaged in major construction work in connection with the movement of ore and increased capacity for the steel works. In the meantime, there has been little or no progress by the South Eastern Railway over comparatively minor alterations to railway yards which require to be expanded to meet the increased demand for coal from the steel works.

"While the railways are to be congratulated upon their improved operational efficiency, I feel that some of the credit for their achievement should be passed on to the coal industry. Greater operational efficiency has been achieved as a result of the introduction of certain schemes, to which collieries have given their wholehearted support, in most cases at the expense of their personal interests and with considerable sacrifice to themselves. The coal industry offered their co-operation in the hope that the result might be a greater wagon availability for the movement of coal. To cite a few examples, these are five-hour loading, block rake loading and rationalisation of movement. In some respects, as far as the collieries have been concerned, I feel that these schemes have proved to be double-edged and while improving wagon availability have acted to the detriment of the coal industry. These innovations have resulted in a financial strain being placed on coal companies. In addition, the coal industry has been burdened further financially over the provision of colliery sidings and weighbridges. Whereas it was possible previously for collieries to be provided with assisted sidings, in recent years they have been compelled to construct sidings on private siding terms at their own expense. They have even had no alternative but to make additions and alterations at their own expense to their old 'railway-assisted' sidings.

Rationalisation of Movement

"I can only record grave concern over certain aspects of the rationalisation in the movement of coal and the further limitations which are likely to arise as production increases in the outlying coalfields and coal mining commences in new coalfields. As I see it, there is a danger that, in time, the outlet for the coal production of the States of Bihar and West Bengal may be confined to consumption within Eastern India and probably these States only. Already, we are bound by such rules that certain grades of coal can only be transported in this or that direction and such rules appear to be a pointer to the fact that, if such planning continues, coal from the States of Bihar and West Bengal will be eventually given little opportunity to move to other States where consumption will increase due to industrialisation. As I have said before, the coal industry has no idea yet of the detailed plans which are being considered for the Third Five-year Plan, but I feel that the future of collieries in Bihar and West Bengal should be considered carefully before plans are made for opening up further new coalfields. The economics of such proposals should also receive detailed consideration. The capital requirements of new coalfields exploited by the N.C.D.C. appear to be Rs. 60 for each ton of coal and I would ask whether it would not be better to give more opportunity to existing collieries in Bihar and West Bengal to mine their other seams and nearby areas during the Third Five-year Plan, resulting in less capital expenditure, rather than launching out into expensive schemes involving vast expenditure of foreign exchange to produce low grade coal in new coalfields. I appreciate the arguments which have been put forward in the past over dearer railway freight for long-distance hauls but I feel, however, that as the railways are now removing their old bottlenecks such as Waltair, Moghalsarai, the Ganga Bridge, etc., they will soon be able to transport Bihar and West Bengal coal at cheaper cost to the consumer than if industries are compelled to accept inferior coal from a shorter distance. In addition, the latter coal can only become high-priced eventually in view of the capital cost incurred and when deeper mining becomes necessary. I trust that this will be examined in great detail when finalising the Third Five-year Plan, as well as the economic distress which may result if existing collieries are not allowed to expand or replace their output from available coal reserves. Increased production from new coalfields should not be allowed at the expense of existing units and their potential, otherwise economic distress and unemployment will only result. It is usually cheaper to expand existing units than to start new ones. The private sector of the coal industry have expressed willingness in the past to enter into joint mining ventures with Government and I sincerely hope that this suggestion will be considered while formulating the policy for the Third Five-year Plan.

Fair Return

"On the occasion of this meeting last year, I took the opportunity to give particulars taken from an analysis of the financial accounts of 19 coal companies of this Association to show the serious depletion of their resources which was taking place on account of capital expenditure incurred by them. These detailed particulars have been supplied to the Coal Prices Revision Committee. In support of our case, I would draw attention to the latest *Reserve Bank of India Bulletin* dated February 1959 which shows some interesting information regarding the sources and uses of funds of selected industries during 1957. These statistics show that the paid-up capital of 39 coal companies increased by only 1.9 per cent. compared with the previous year, whereas, in the case of cement and iron and steel, increases of 21.5 per cent. and 27.3 per cent., respectively, were recorded. New capital for coal mining is naturally shy, in view of the treatment which the industry receives, and our sources of funds for increasing output are, therefore, limited to current profits, where attainable.

"In addition, these statistics show that the increases in free reserves and surplus were 0.8 per cent. for coal and 14.9 per cent. and 29.9 per cent., respectively, for the other two industries, which are part of the core of the Second Five-year Plan and are further proof that the current controlled selling prices for coal are inadequate.

"Again, to quote from another *Reserve Bank Bulletin* dated September, 1957, the average rate of dividend for the coal industry was shown as 7.1 per cent. on paid-up capital and to be lower than most other industries. More recent figures supplied to the Coal Prices Revision Committee showed the dividends paid to the shareholders of our 19 coal companies, which together raise about one-third of the total production of the country, to be 6.3 per cent. on the paid-up capital involved but, on the capital employed, the average dividend represented 3.4 per cent. only. In view of the increase in costs which have occurred subsequently on account of the Coal Mines Regulations and other items, the return on capital employed is now even lower.

"I would ask if this is a fair return to the shareholders who have invested in companies mining coal which is a wasting asset. In order to attract money to the mining industry and keep it in a healthy state, there must be a more than average return on the sum invested. It is to be hoped that the Coal Prices Revision Committee have taken these points into account and that they have not based their findings entirely on past statistics but have looked ahead to the future requirements of the industry.

Labour

"Apart from the question of inadequate earnings, another factor which is impeding progress in the coal industry is low productivity. Although the wages and emoluments of our workers have increased by about 75 per cent. during the last six years, output per man has risen only slightly, which in part is attributable to increased mechanisation, and absenteeism has increased. Unfortunately, the standard of living of miners remains static and as long as their known wants are met, they do not appear to show any desire to work harder to earn more.

"Here, the problem appears to be one of changing the habits, outlook and attitude of the workers, so that they may appreciate the value of a higher standard of living. Our industry is fortunate in having the Coal Mines Welfare Organisation to help in this direction as one of their many functions. It is disappointing that some of the facilities offered by this Organisation are not being fully utilised but the activities of the Organisation are increasing. A new housing scheme was sanctioned last year to construct 30,000 houses during the next five years and this scheme is now well under way and over 7,000 houses are expected to be completed this year.

"Earlier this year our Coal Controller and the Chairman of the Coal Board, Mr. P. M. Nayak, was transferred for service to his State Government and on your behalf, gentlemen, I wish Mr. Nayak every good wish for his future career. I have always felt that the Coal Board's Annual Reports read little differently from the reports of the old Coal Mines Stowing Board but I feel Mr. Nayak is to be congratulated over the increased activities of the Coal Board while under his care. You will note from their last report, the activities which the Coal Board have undertaken and the various sub-committees which were formed, supported by technical experts from the private sector, in addition to its normal advisory bodies. These include one to make detailed surveys and investigation regarding the winning, transportation and distribution of sand from the Damodar Valley Corporation river deltas and another

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UNITED COMMERCIAL BANK LIMITED

CONSIDERABLE EXPANSION IN BUSINESS

MR. G. D. BIRLA OFFERS SOME VALUABLE SUGGESTIONS ON THIRD PLAN

THE Sixteenth Ordinary General Meeting of the United Commercial Bank Limited was held at Calcutta on Thursday, 2nd April 1959. In his statement to the shareholders on that occasion, Mr. G. D. Birla, Chairman of the Bank, dwelt on the problem of economic development, after briefly tracing the main features of the Bank's progress during 1958. He gave some valuable suggestions on the Third Plan now on the anvil. He stressed that the planners should lay emphasis on incentives and not on compulsion, that the Plan should be thought of in terms of additional national income and not in terms of size, that the foreign exchange part of it should largely be in the form of private capital rather than loans, that appropriate climate should be created for attracting both domestic and foreign capital, and that unemployment could be effectively tackled only through intensive production per unit of capital. "Muscle power," he averred, "is the costliest power in the world and we have heard of no country which has solved the problem of poverty of the people through this power."

The following is the full text of Mr. Birla's statement:

"GENTLEMEN,

"You would have noticed from the balance-sheet and profit and loss account, which have been in your hands for some time and which, I have the pleasure to present to you for your adoption, that the Bank's business has shown considerable expansion during the year.

Deposits

"The deposits at the end of 1958 showed an increase of Rs. 17.21 crores and stood at Rs. 78.28 crores. This increase of 28.1 per cent. is higher than the increase of 17.1 per cent. recorded in the year 1957. The deposits of Scheduled banks other than the State Bank of India registered an increase of 9.9 per cent. during the same period.

Cash

"Cash on hand and with banks and money at call and short notice was Rs. 8.39 crores and represented 10.7 per cent. of the deposit liabilities.

Investments

"As the bulk of the additional resources which accrued to the Bank during the year could not be more profitably employed in advances and bills, we had to invest a large part of it in Government and other securities. This portfolio, therefore, showed an increase of Rs. 15.69 crores and its total stood at Rs. 35.63 crores. The cash balances and unencumbered investments together amounting to Rs. 38.34 crores give a ratio of 48.9 per cent. to total deposits.

Advances and Bills

"Our advances at Rs. 29.89 crores were higher by Rs. 5.20 crores and were only 38.1 per cent. of our deposits. Bills discounted and purchased at the end of 1958 showed an increase of Rs. 2.27 crores and stood at Rs. 15.27 crores. This self-liquidating asset forms nearly 19.5 per cent. of the deposits.

Liquidity Ratio

"The total of our liquid assets, cash on hand and with banks, money at call and short notice, unencumbered investments and bills amounted to Rs. 53.61 crores, and represented 68.4 per cent. of our deposit liability, which, I trust, you will consider is a highly satisfactory position.

Profit and Loss Account

"The slowing down of industrial and commercial activity during the year created a tendency amongst the depositors to place their idle funds with banks in call and time deposit accounts rather than leave them in their current accounts. This shift in the pattern of deposits would, by itself, have resulted in a largely increased payment of interest but added to this was the severe competition amongst the banks to secure deposits by paying high rates of interest. In our own case, we had to pay as much as Rs. 2.17 crores by way of interest on deposits and borrowings, as compared to Rs. 1.63 crores paid in the previous year. As mentioned before, the bulk of the additional resources had to be invested in Government and other securities with low yields and, notwithstanding this large investment, we had, for the greater part of the second half-year, considerable surplus funds earning an unremunerative rate of interest. The rise in our earnings, therefore, under the head 'interest and discount' was the modest sum of Rs. 51.55 lakhs which just sufficed to pay the additional interest on deposits. Working expenses under the head of salary and allowances rose by nearly Rs. 13 lakhs. By reason of these influences, which affected the entire banking system, the profits of the Bank have come down from Rs. 59.70 lakhs to Rs. 45.38 lakhs. By pruning the allocation to reserve fund from Rs. 19 lakhs to Rs. 14 lakhs, we have been able to recommend to you payment of the same dividend as last year and also to pay bonus to the staff on the same scale.

"I take this opportunity of offering the thanks of myself and of the Board of Directors to Mr. S. T. Sadasivan and his able assistants for the continued expansion of the Bank's business. I also wish to record our thanks to the other members of the staff for their contribution and look forward to greater co-operation amongst them in the years to come.

Money Market

"The year 1958 was characterised by the almost complete absence of seasonal tightness of money. The expansion of bank credit during the first five months of the year which is usually the busy season was very much smaller than in 1957, when we had the crippling tightness of money which caused severe strain on the resources of the commercial banks. In 1958, by contrast, the banks were able to meet the modest seasonal demand with the greatest ease, without resorting to any large-scale borrowing from the Reserve Bank against securities or under the Bill Market Scheme.

"In spite, however, of the reduced demand for money, the competition amongst banks for securing deposits was very great and the rate of interest offered on call and time deposit accounts was as high as 4½ per cent. per annum. Fortunately, all the leading banks got together in the second half of last year and succeeded in evolving an agreement, to limit, on an all-India basis, the maximum rates of interest payable on various types of deposits. I am glad to say that all the major banks in the country are parties to this agreement. The rates of interest on advances came down slightly, as a result of the easier tendency in the money market, and it remains to be seen whether the benefit of the Inter-bank Agreement would be felt during the current year.

"Towards the close of the year, the busy season set in with the customary demand for bank finance and the expansion of bank credit, so far, has been on a much larger scale than in 1958. Money conditions are tighter than a year ago, but this is largely due to the banks' over-investment in Government and other securities during the last year. The Reserve Bank of India has called for restraint on the expansion of advances, in order that the price line might be held and it is, therefore, expected that the advances-deposits ratio of the banking system this year will not go beyond the normally accepted standards.

Industrial Production

"Having reviewed the affairs of the Bank, I now turn my attention to the general economic situation and, in doing so, I have inevitably to bring under review the progress achieved under the second Five-year Plan and visualise what has to be done during the third Plan period. The targets assigned to the private sector have been fulfilled, but the momentum which enabled this to be achieved has been somewhat lost during the course of last year and there is a noticeable decrease in the rate of growth. The index of industrial production which maintained a steady upward trend from 1951 onwards began to show a downward trend thereafter. The average index for the nine months January-September 1958 was 142.7, as compared with 149.3 for the corresponding period of 1957. The index of agricultural production also declined from 123.8 in 1956-57 to 113.4 in 1957-58, the production of foodgrains in particular having gone down from 68.7 million tons to 62 million tons. These figures are a little disquieting and it would appear that economic progress cannot any longer be as satisfactory as in the past, unless we pay particular attention to the treatment of the maladies that have caused this setback.

"While the growth in the national income has been small by reason of the disappointing performance mainly of the agricultural sector, the growth of employment has also not been as large as anticipated in the Plan and such increase as has been achieved has not been enough to offset the addition to the labour population brought about by the rapidly rising population. The second Plan has, therefore, fallen short of its target both with regard to the national income and employment and, if we are unwise enough not to recognise this fact, we might do irreparable harm to the third Plan.

"The reason for the setback in the rate of growth of industrial production is to be found in the low national income of 1957-58 coupled with the effects of the fiscal measures adopted during the last three years. When the purchasing power of the public declined heavily at the end of 1957, timely action should have been taken and the gap between savings and investment should have been filled up by expansion of credit. Unfortunately, imposition of curbs on credit tended only to worsen the position. With the reduced purchasing power of the people, a few industries seem to have already reached the saturation point and are experiencing difficulty in selling their products. Unless the purchasing power of the people substantially improves, there cannot be any hope of a noticeable rise in the industrial production. Obviously, production cannot increase, unless sales are made possible.

Fear of Inflation

"Fiscal and monetary measures must be suited to the particular conditions in the country. Often we adopt measures which are suitable to industrially advanced countries where over-investment and over-employment threaten to undermine the stability of their economy. Such countries adopt disinflationary measures to curb investments and discourage excess demand for goods caused by over-employment. Are such conditions obtaining in India? Do we desire to bring about a fall in investments and a reduction in consumer demand? Our problem is not one of over-employment but of under-employment and unemployment. We are suffering from under-investment and not from the consequences of over-investment. Our malady being poverty and a chronic state of unemployment, we should encourage investment and aim at increased production and employment. Our objective should be larger and larger production. The fiscal measures taken by our Government have resulted in a setback to our economy and the first impact has been felt by the textile industry, followed by cement and engineering industries, and it is probable that other industries will ultimately come to the same pass. On the monetary front, we are obsessed by fear of inflation and of rising prices. How easily the bogey of inflation can give way to the reality of recession was witnessed in the latter half of 1957 and the first half of 1958. In an under-developed country, with plenty of idle labour and undeveloped resources, there can be no such thing as over-investment or inflation arising therefrom so long as investments are directed towards productive purposes. There may be a rise in price due to shortage of goods as has happened in respect of foodgrains, but, such 'scarcity inflation' can be met only by greater production. There is no other fiscal or monetary remedy for it.

Savings Through Increased Production

"To increase investment, we need greater savings but savings cannot be increased by under-consumption and austerity. Austerity will bring down living standards and reduced consumption will slow down industrial production. Austerity is, therefore, the surest way to curb employment and production. In an under-developed country, where savings are not adequate, credit should be expanded to bridge the gap between available savings and required investments. Savings can be generated upto a point by fiscal measures such as reduction of heavy burden of taxation and the pruning of unproductive expenditure. But, basically, savings can follow only increased production and, so long as savings are inadequate, they must be supplemented by bank credit, so that the upward trend of production could be kept up to generate more employment, more earning and ultimately more savings. The notion that savings could be brought about through compulsion requires to be dispelled. Investments can be made attractive only through the assurance of reward whether the investor is Indian or foreign. It is only the incentive and not compulsion that, in the ultimate analysis, will produce results.

"Larger investment is, therefore, the goal we should aim at through savings supplemented by organised credit. I, therefore, fully support a bigger plan for investment—of course in productive projects—on the condition that the flow of foreign and internal resources into investment channels is assured. We shall thereby increase the national income and create new employment.

Third Five-year Plan

"By the same token, I welcome the news that the third Five-year Plan envisages an investment of Rs. 10,000 crores. But, in saying this, I would emphasise that we should not forget that the main object of the Plan should be not how much is to be invested or spent but how much additional income could be earned per unit of investment. From this point of view, it is better to talk not in terms of the size of the Third Plan but in terms of additional national income aimed at in the Plan. I would, therefore, pose the question whether we can earn as much as an additional Rs. 3,000 crores per annum through investment of Rs. 10,000 crores. I believe we can, if the investments are made judiciously. The choice of investments is very important. Those who dream of solving unemployment problem through intensive employment of manpower rather than through intensive production per unit of capital are unrealistic in their outlook. If uneconomic production were the remedy, then the bullock cart and not the railways is the metaphorical answer to our problem. It would be better if we think in terms of medium-scale and even small-scale industry run by power rather than cottage industries worked by hand. Muscle power is the costliest power in the world and we have heard of no country which has solved the problem of poverty of the people through this power.

"I doubt whether even a Plan involving Rs. 10,000 crores, invested carefully, will make any improvement in the *per capita* income of the people. Even if it succeeds in increasing our income by another Rs. 3,000 crores per annum, it would bring about only a modest and not a significant increase in the *per capita* income in 1966, the end of the third Plan. No plan can, therefore, be criticised as being too ambitious. There is a case for a big plan rightly conceived and implemented. The making of the plan is not so important as its implementation. The success of a bigger plan largely depends on one or two important factors. The securing of foreign capital to pay for purchases abroad is one of them. Ability to raise internal capital is another. If we succeed in both these, it would be unjust to criticise the Plan as an ambitious one. If, on the other hand, the external and internal capital could not be procured, then, whatever the size of the Plan, it would remain a Plan on paper only.

More Foreign Investments—Less Foreign Loans

"I shall take the question of foreign exchange first. I consider that, on a plan of of Rs. 10,000 crores, we require an assured inflow of Rs. 3,000 crores in foreign currency. For this, we should not depend too much on aids and loans. External loans have to be repaid in foreign currency some day and our liability for servicing and repaying the debt already incurred is great. If we continue to borrow more, the annual charges for repayment of principal and interest might conceivably increase beyond our capacity to pay in foreign currency. We must, therefore, plan for less of foreign loans and more of foreign investments. For attracting foreign investment, we must create a proper climate.

"I appreciate the uneasiness expressed by some of our creditors abroad about the size of the third Plan. But I am sure they are capable of taking a wider view and realising that the Indian Plan is not just a concern of India alone but of all the free democracies. India is a citadel of democracy and freedom and, therefore, the democracies can ill-afford to allow India to default and leave the field free for undemocratic forces to gather strength. Ultimately, the success of democracy in India or any other Asian country is tied up with economic progress. A big plan with assured supply of foreign exchange is, therefore, vital to India and democracy. The free world must, therefore, help.

Internal Resources

"We too have a part to play in attracting investment. Can we manage to secure Rs. 7,000 crores in internal resources is the main problem and to me the fiscal policy we pursue would be the key to this problem. There is some capital within the country which is not coming out for investment. There is also money in some parts of rural areas where small capital formation has taken place due to high prices of cash crops which could be tapped. Perhaps, some money in the hands of labourers too could be attracted for fruitful investment. But why should anyone venture to invest if the investment be unattractive? No amount of slogans or appeal for austerity would attract capital. We must create favourable conditions for attracting such investments.

World Bank—I.M.F. Meetings

"It is a matter of great satisfaction that the annual general meetings of the World Bank, the International Bank for Reconstruction and Development and the International Financial Corporation were held in New Delhi last October. We had, in our midst, the British Chancellor of Exchequer, the American Secretary of the Treasury, the Finance Ministers of various countries, Governors of Central Banks and other leading bankers and financiers of the world who got an opportunity of getting acquainted, at first hand, with the economic progress made in the country since independence and also became aware of the problems of development which we have to face in common with other countries trying to improve their economic conditions. Many of the speakers at the meeting showed awareness of the necessity of improving the standard of living in the areas which are less developed than the advanced countries of the world and, as a result of the deliberations, it was agreed, and the decisions have since been given effect to, that the capital of the Bank and the resources of the Fund should be increased so as to enable the Bank to raise further funds in the capital markets of the world to meet the ever-growing demands for development loans and to enable the Fund to meet the situations arising from temporary imbalance of payments. The proposal to start an independent International Development Association was also a welcome move and I hope that concrete steps would be taken to bring soon this new Association into being. All these are helpful auguries for our future development. India owes a great deal to the assistance so ungrudgingly extended to her by various international financial agencies and foreign governments and I hope the same measure of generous assistance would be forthcoming for the execution of our future plans.

Public and Private Sectors

"Lastly, I turn to the question between the public and the private sectors in which connection an unnecessary controversy has recently arisen. Those circles which believe that the public sector is treading on the toes of the private sector are taking a short-sighted view. The position is that the public sector is, even now, helping to give a tremendous push to the private sector. A number of ancillary industries have already been set up in the private sector to cater for the requirements during the period of erection of the industries set up in the public sector. When the steel plants would go into full production, many more small *entrepreneurs* will come into existence in the private sector to fabricate steel and steel goods. This applies equally well to several other public sector undertakings. The public sector is thus going to act as a generator of the private enterprises.

"The main concern is not the controversy as to who does it—the public or the private sector—but the task of obtaining of the resources, both external and internal. We need Rs. 3,000 crores from abroad and Rs. 7,000 crores internally and a policy to get it.

"Shall we succeed in raising Rs. 3,000 crores from abroad and Rs. 7,000 crores internally? Shall we invest them judiciously so as to create the highest return per unit of capital? Shall we succeed in checking the rapid growth of population?

"These are vital questions, the significance of which must be realised and answers found by all those who are eager to seek rapid progress and the maintenance of a free and abundant way of life."

THE INDIAN MINING ASSOCIATION

(*Concluded from page 553*)

two committees to work out Central Schemes for the supply of sand to collieries in the Jharia and Ranigunge coalfields and so on. The widening activities of the Coal Board are apparent from their latest report. In welcoming on your behalf, gentlemen, the new Coal Controller and Chairman of the Coal Board, Mr. A. Zaman, I am sure you will join with me in extending to him our offer of continued help and assistance and that you will wish me to assure Mr. Zaman of our desire for even greater co-operation in the future.

"I have just mentioned certain sub-committees on which our representatives have joined in the deliberations. Their reports have been submitted and have been accepted but it is my painful duty to point out that action, which is long overdue, must now be taken on these reports. It appears to me that there is an urgent need for the Coal Board to be reconstituted, so that greater attention can be paid to its activities which have widened and become more extensive since it was first formed. I would ask if the time is not now opportune for the Coal Council and the Coal Board to be merged and for a larger executive committee to function under them than exists in the present Coal Board. There are so many problems to be tackled in order to achieve future coal production targets and I feel that success cannot be achieved unless one unified high-powered body consisting of both the private sector and Government is formed to co-ordinate all matters concerned with the coal industry.

Technical Manpower

"The Committee on Production and Preparation of the Coal Council have assessed the technical personnel required for the Third Five-year Plan. They have estimated that, by 1965-66, an additional 3,750 mine managers, 2,000 electrical engineers, 2,000 mechanical engineers, 950 surveyors, 7,000 overmen, 30,000 sirdars and shotfirers will be required for the mining industry. They have also predicted that, in view of the limited training facilities existing, this number of personnel may not be trained in time and, even in the lower technical categories, have estimated the shortfall to be 5,150 overmen, 300 surveyors and 27,900 sirdars and shotfirers. Yet the latest Mines Regulations have laid down that a greater number of technical personnel must be employed in mines—they must be employed according to statute and mine owners are faced with prosecution or the closing down of their mines, unless the required number of technical personnel are provided. I would humbly submit that the time has now arrived when one high-powered body should be formed to co-ordinate requirements and look into the problems of the coal industry and that a strong executive committee should work under them to see that their policy is carried out. The Executive Committee should also be sufficiently strong in numbers to ensure that quick and effective action can be taken on the accepted recommendations of sub-committees and their reports should not be allowed to remain mere blue-prints for the future. This has been the tendency so far and it can only remain so until the Coal Board is reconstituted."

Two new coal bearing regions have been located recently in West Bengal. The first one is located in Bankura over an area of 13 sq. miles with proved reserves of 11 million tons. Four seams of coal have been so far established in this area. The coal, however, is reported to be inferior. A new deposit has also been found near Ondal. This is said to be the extension of some of the known seams of the Raniganj coalfield. With the exception of Narsamuda and Upper Kanjora Bottom seams, coal in this area is classified as first grade. The proved reserves in this area are 5.26 million tons with a much larger quantity of probable reserves.

THE PUNJAB NATIONAL BANK LIMITED

HEAD OFFICE: "P. N. B. BUILDING", PARLIAMENT STREET, NEW DELHI

(Established in 1895)

DIRECTORS' 112th REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31st DECEMBER, 1958

The General Board of Directors begs to submit to the Shareholders the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1958.

The transactions for the year under report have resulted in a profit of Rs. 1,10,73,689.70 (including Rs. 4,51,903.52 brought forward from the previous year's account) after contribution of Rs. 10,86,760.00 to Employees' Gratuity Fund Trust. The following amounts have been appropriated for the under-mentioned purposes:—

	Rs.
1. Transferred to Provision for Taxation	33,50,000.00
2. Transferred to Reserve Fund	17,00,000.00
3. Transferred to Bonus to Staff Account	30,75,000.00
4. Ad-interim Dividend at Rs. 2.50 per share (Rs. 25 Fully Paid) free of Income-tax paid	12,50,000.00
Total .. Rs.	93,75,000.00

The Directors recommend that the balance of Rs. 16,98,689.70 be disposed of as follows:—

	Rs.
(a) Final dividend at Rs. 1.00 per share of Rs. 10 each free of income-tax making the total at 20 per cent. per annum	12,50,000.00
(b) Carry forward to the next year's account	4,48,689.70

The Directors consider that the working of the Bank has been satisfactory.

By Order of the General Board of Directors,

S. P. JAIN,
Chairman.

9th March, 1959.

BALANCE SHEET AS AT 31st DECEMBER, 1958

1957 Rs.	CAPITAL AND LIABILITIES	Amount Rs.	Total Rs.
	1. Capital—		
2,00,00,000	AUTHORISED CAPITAL—20,00,000 Shares of Rs. 10 each		2,00,00,000.00
1,25,00,000	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—12,50,000 Shares of Rs. 10 each		1,25,00,000.00
	Of the above shares 3,75,000 shares are issued as fully paid-up by way of bonus shares.		
	2. Reserve Fund and Other Reserves—		
87,50,000	Reserve Fund as on 1st January, 1958	1,10,00,000.00	
22,50,000	ADD—Amount transferred from Profit and Loss Account	17,00,000.00	
1,10,00,000			1,27,00,000.00
	3. Deposits and Other Accounts—		
60,05,79,658	Fixed Deposits	64,07,66,629 03	
30,86,75,297	Savings Bank Deposits	33,31,01,636 95	
33,28,02,018	Current Accounts, Contingency Accounts, etc.	31,36,32,499.07	
40,41 485	Employees' Security Deposits (held by the Bank itself)	44,52,444.55	
1,24,60,98,458			1,29,19,53,209.65
	4. Borrowings from Other Banking Companies, Agents, etc.—		
16,21,553	(i) In India	6,00,18,226.09	
Nil	(ii) Outside India	188.02	
16,21,553			6,00,18,414.11
	PARTICULARS—		
	(i) Secured by part of Government Securities lodged	6,00,18,226.09	
16,21,553	(ii) Unsecured	188.02	
Nil			
7,35,67,900	5. Bills Payable		7,57,47,278.04
	6. Bills for Collection being Bills Receivable as per contra—		
9,20,83,290	(i) Payable in India	9,55,11,781.02	
51,88,418	(ii) Payable outside India	50,73,956.57	
9,72,71,708			10,05,85,737.59
	7. Other Liabilities—		
1,06,059	Dividend and Interest on Advance Calls unclaimed	1,21,583.29	
8,381	Rebate on Bills Discounted	27,085.80	
1,14,440			1,48,674.09
7,59,65,663	8. Acceptances, Endorsements and Other Obligations as per contra		8,61,65,985.96
	9. Profit and Loss Account—		
13,20,272	Profit as per last Balance Sheet	17,01,903.52	
7,00,000	LESS—Final Dividend at Rs. 2.50 per share (Rs. 25 Fully Paid) free of income-tax on the increased capital as on 31st December 1957	12,50,000.00	
6,20,272		4,51,903.52	
1,11,06 631	ADD—Profit for the year brought from the Profit and Loss Account	1,06,21,786.18	
1,17,26,903		1,10,73,689.70	
	LESS— Rs.		
8,75,000	Ad-interim Dividend at Rs. 2 50 per share (Rs. 25/- Fully Paid) free of income-tax paid 12,50,000.00		
50,00,000	Transferred to Provision for Taxation 33,50,000.00		
18,00,000	Transferred to Bonus to Staff Account 30,75,000.00		
1,00,000	Transferred to Charity Account Nil		
22,50,000	Transferred to Reserve Fund 17,00,000.00		
1,00,25,000		93,75,000.00	
17,01,903			16,98,689.70
	10. Contingent Liabilities—		
30,80,273	(i) Claims against the Bank not acknowledged as debts	23,19,340.87	
Nil	(ii) Guarantees given on behalf of Directors or Officers	Nil	
1,81,99,023	(iii) Guarantees given on behalf of others	2,06,07,332.67	
2,34,692	(iv) Bills of Exchange re-discounted	12,041.23	
3,98,305	(v) Outstanding Forward Exchange Contracts	3,14,36,518.03	
6,00,000	(vi) Liability for calls on partly paid Shares of Rehabilitation Housing Corporation Ltd., Central Warehousing Corporation and Refinance Corporation for Industry Private Ltd.	25,75,000.00	
	(vii) In respect of buildings constructed by the Bank, adjustment has been made to the extent of the amount certified by the Architects. Further liability in this respect will be adjusted in the current year when the final bills are verified by the Architects.		
	NOTE:—Contingent liability exists in respect of agreement to purchase a building for Bank's use.		
1,51,98,41,685	Total .. Rs.		1,64,15,17,989.14

1957 Rs.	PROPERTY AND ASSETS	Amount Rs.	Total Rs.
	1. Cash—		
11,05,52,634	In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)		10,86,66,205.61
	2. Balances with Other Banks—		
	Current Account Rs. / Deposit Account Rs.		
8,20,93,963	(i) In India. 19,13,083.03 / 1,55,00,000.00		
1,99,81,467	(ii) Outside India .. 75,64,192 33 / Nil		
10,20,75,430			2,49,77,275.36
	(Includes Rs. 3,31,881.08 with State Bank of Pakistan)		
3,22,20,102	3. Money at Call and Short Notice		15,33,793.73
	4. Investments at or below Cost—		
	(i) (a) Securities of the Central and State Governments	58,57,63,333.70	
36,47,87,476	(b) Other Trustee Securities	2,62,35,307.50	
1,08,89,020		61,19,98,641.20	
37,56,76,496	(Estimated Market Value Rs. 62,04,02,989.25)		
	(ii) Shares— Fully Paid-up Rs. / Partly Paid-up Rs.		
3,000	Preference. 3,000.00 / Nil		
36,06,265	Ordinary .. 31,06,773.10 / 6,25,000.00		
36,09,265		37,34,773.10	
54,36,758	Estimated Market Value Rs. 28,63,846.00)		
	(iii) Debentures of Indian Joint Stock Companies (Estimated Market Value Rs. 47,19,200.00)	50,56,522.81	
6,75,000	(iv) Other Investments— Rs.		
	Pre-partition Punjab Bonds held in India. 45,000.00		
12,37,281	Pakistan Government Securities held in Pakistan .. 13,89,716.87		
15,00,000	Burma Government Securities held in Burma .. 30,00,000.00		
	Rangoon Municipal Debentures held in Burma .. 1,80,110.00		
1,80,110			
35,92,891	(Estimated Market Value Rs. 46,20,616.45)	46,14,826.87	
Nil	(v) Gold	Nil	
88,83,14,916			62,54,04,764.84
	5. Advances—		
	(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
	(i) Loans, Cash Credits, Overdrafts, etc.— Rs.		
59,42,34,747	(i) In India .. 57,63,05,009 64		
23,84,132	(ii) Outside India .. 16,17,410.97		
59,71,18,879		57,80,12,510.61	
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
7,30,62,215	(i) Payable in India .. 8,43,21,583.36		
94,07,813	(ii) Payable outside India .. 52,83,541.41		
8,24,70,033		8,96,10,124.77	
67,95,88,912	(Particulars of Advances—As per Schedule attached)		66,76,22,635.38
	6. Bills Receivable being Bills for Collection as per contra—		
9,20,83,290	(i) Payable in India	9,55,11,781.02	
51,88,418	(ii) Payable outside India	50,73,956.57	
9,72,71,708			10,05,85,737.59
7,59,65,663	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		8,61,65,985.96
	8. Premises less Depreciation—		
38,49,856	Balance on 1st January, 1958 (at cost)	39,75,536.88	
3,25,680	Additions and transfers during the year	51,42,360 85	
39,75,536		91,17,897.73	
4,88,958	LESS—Depreciation written off to date	5,78,427.86	
34,86,578			85,39,469.87
	9. Furniture and Fixture at Cost less Depreciation—		
83,21,710	As per last Balance Sheet	96,22,259.03	
10,34,191	Additions and adjustments during the year including transfers from Branches	16,21,965.25	
93,55,901		1,12,44,225.23	
2,33,641	LESS—Sales, write offs and adjustments during the year including transfers to Branches	4,03,339.72	
91,22,260		1,07,50,885.51	
45,91,661	LESS—Depreciation written off to date	50,30,256.72	
45,30,599			57,20,628.79
	10. Other Assets—		
45,43,189	(a) Interest accrued and outstanding	73,46,059.56	
29,20 941	(b) Prepaid expenses, advance payments and amounts recoverable	12,62,134.11	
20,37,268	(c) Property not used as Bank premises less depreciation	6,96,523.56	
4,23,530	(d) Land purchased for constructing Bank premises	1,86,008.44	
5,04,591	(e) Library, Motor Cars, Cycles and other Vehicles less depreciation	5,17,562.33	
11,46,393	(f) Stationery and Stamps	12,91,079.34	
36,212	(g) Deposits with Electric Supply Companies and Government Departments	51,589.29	
49,50,000	(h) Amount remitted for purchase of Trustee Securities	22,984.50	
50,00,573	(i) Remittances in transit (since received)	33,96,200.00	
	(j) Income-tax deducted at source on yield of Investments Rs. 1,85,20,297.06 / LESS—Provision for Taxation Account .. 1,11,59,004.07	23,61,292.99	
30,61 260			
2,52,30,004			1,71,21,824.12
	11. Non-Banking Assets Acquired in Satisfaction of Claims—		
	Balance as per last Balance Sheet	1,05,084.94	
	ADD—Additions and Transfers	1,46,622 06	
		2,51,707.00	
	LESS—(i) Adjustment on account of fall in Market Value Rs. 81,722.06 / (ii) Depreciation .. 19 25	81,741.31	
1,05,035	(The book value does not exceed the realisable value)		1,09,965.69
1,51,98,41,685	Total .. Rs.		1,64,15,17,989.14

(Continued on next page)

CONSERVATION OF COKING COALS

PROGRESS IN 1957-58 REVIEWED

THE demand for coking coal in this country is progressively rising, while the reserves thereof are not inexhaustible. The demand is expected to expand substantially in the next few years when production of steel under the expansion programmes of the existing plants in the private sector and that of the new plants in the public sector gathers momentum. Several measures are being taken to conserve the available resources of this high grade coal, the more important of which are: (1) pegging the output of coking coal, (2) stowing, (3) coal washing, and (4) restriction on opening and re-opening of mines and seams.

The pegging of output of coking coal is being done by fixing ceilings for the three main grades (selected A and B, grade I and grade II) every year. In 1956, to take a recent year, the overall ceiling for these three grades was fixed at 15.4 million tons. This was raised to 16.7 million tons for 1957 and further to 18.2 million tons for 1958.

The grade-wise ceilings and actual output of coking coal for the last three years are as follows:

(In million tons)

	Selected A and B grades	Grade I	Grade II
1956—			
Ceiling	7.88	4.43	3.10
Actual output	7.22	4.12	2.46
1957—			
Ceiling	8 00	5.00	3.70
Actual output	7.59	4.63	2.86
1958—			
Ceiling	9.00	5.50	3.70
Actual output	3.74*	2.32*	1.56*

* For the first six months only.

Explaining the reasons for raising the ceiling for 1958, the Annual Report of the Coal Board for 1957-58 says:

"It had been expected, according to the plans for washing considered at the beginning of the second Five-year Plan period, that, by the end of 1961, all coking coals would be washed. This would have provided sufficient washed coking coal to meet the requirements of the steel plants. The expansion of two existing steel plants was nearing completion in March 1958. The Bhilai and Rourkela steel plants were expected to go into production in 1958. But all the plants for washing coking coals are not likely to materialise in the next two years. In the meantime, the demand for coking coal, which will increase in 1958 and which, by the end of 1959, may reach a level of 10 million tons, has to be met. It will have to be met from the washed coal from the existing washeries, from the output of selected grades of coal, and some amount of grade I coal (both unwashed). It was, therefore, considered necessary to create conditions for an increase in the output, particularly of the selected grade and grade I coking coal and the ceilings of production were accordingly increased."

In fixing ceilings for selected A and B coal for individual collieries in 1958, an increase of 12½ per cent. was given in all cases where production in 1957 was not far below the ceiling and for grade I an increase of 10 per cent. was granted, except in cases where the output during 1957 was less than 80 per cent. of the ceiling fixed.

There was a marked increase in the number of collieries carrying out stowing and in the quantities of material stowed during 1957-58. There was also a corresponding increase in the amount of assistance paid for stowing. The Coal Board had sanctioned assistance for voluntary stowing to 110 collieries (out of a total of 830 collieries in India), of which only 81 actually carried out stowing, consuming 6.40 million tons of stowing materials. Forty-three of these collieries producing coking coal stowed 3.17 million tons and 38 producing non-coking coal stowed 3.22 million tons. A total quantity of 3.73 million tons of coal was raised during the year under review with stowing. The comparative figures of coal output from stowing areas for the last five years are as follows:

(In million tons)

Year	Coking coal		Non-coking coal	
	Quantity stowed	Output	Quantity stowed	Output
1953-54	2.24	1.28	2.73	1.75
1954-55	2 16	1.35	2.97	1.89
1955-56	2 43	1.15	2.78	1.74
1956-57	2 54	1.34	2 68	1.70
1957-58	3.17	1.72	3.22	2.01

It will thus be noted that, in 1957-58, the quantity stowed and coal recovered with stowing in both coking and non-coking collieries were more than in 1956-57.

The total amount paid as assistance for stowing during 1957-58 was Rs. 81.68 lakhs, as against Rs. 71.87 lakhs in 1956-57 and Rs. 61.41 lakhs in 1955-56.

Next to stowing, washing is an important measure of conserving the better quality of coking coals. Grade I and grade II coking coals can be used economically for metallurgical purposes only if they are beneficiated. If they are not washed, larger quantities of selected grade coking coals would have to be produced, thus rapidly exhausting the limited resources of these coals. In view of the urgency of washing in the context of the expansion of steel industry, the Government of India had decided to establish central washeries in the Jharia coalfield. It is expected that if the three new washeries scheduled to be established and the existing washeries were to work to full capacity, about 13 million tons of coking coal would be washed to produce about 9 million tons of clean coal. Considering the progress so far made, the Coal Board is, however, doubtful whether some of these washeries would be completed before 1961.

SINGARENI COLLIERIES

The long-drawn-out dispute between the Union Government on the terms and conditions of the Central Government's assistance for the expansion programme of the Singareni Collieries, Hyderabad, during the current Plan period has ended with the conclusion of an agreement between the two Governments. A memorandum explaining the broad features of the agreement was placed on the table of the Andhra State Legislative Council on the 26th March.

The Central Government, it may be noted, had all along been insisting on its being allowed to hold two-thirds of the equity capital of the Company, as a condition precedent to its providing any assistance. In August last, however, it revised its stand and agreed to provide loan assistance, without a majority holding of the shares and controlling interest in it. A sequel to this is the present agreement.

Under the agreement, the authorised capital of the Company will be Rs. 4 crores. The question whether this should be increased or not is to be determined at the beginning of the third Five-year Plan, when the position will be reviewed. The equity capital of the Company will be fixed at Rs. 3 crores, of which the Centre will hold 40 per cent., or Rs. 1.20 crore. The Andhra Government will purchase the bulk of the shares held by the public, after which the Company will be virtually under the control of the State Government.

The agreement estimates the total assistance required from the Central Government by the Company up to the end of the current Plan period at Rs. 4.15 crores. This assistance will be partly in the form of equity capital and partly as loan. On the basis of the participation in the equity capital, as stated above, the loan assistance by the Union Government to the Company will not exceed Rs. 2.85 crores, excluding the sum of Rs. 10 lakhs advanced in 1956.

THE PUNJAB NATIONAL BANK LIMITED, DELHI—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

1957 Rs.	EXPENDITURE	Amount Rs. nP.	1957 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Amount Rs. nP.
2,66,71,837	1. Interest paid on Deposits, Borrowings, etc.	3,32,55,843.54	5,18,45,096	1. Interest and Discount	6,08,37,504.18
	2. Salaries and Allowances and Provident Fund (Includes Rs. 66,900.00 paid to the General Manager besides payment of bonus amounting to Rs. 12,000 00 and use of Bank's Car; Includes Rs. 10,86,760 00 being Contribution to Employees' Gratuity Fund Trust)	2,64,69,029.29	1,06,42,096	2. Commission, Exchange and Brokerage	1,02,57,362.28
2,16,71,335		40,619 50	11,22,713	3. Rents	12,91,729.24
19,453	3. Directors' and Local Committee Members' Fees and Allowances	16,22,516.88		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	23,88,823.61
14,12,122	4. Rent, Taxes, Insurance, Lighting, etc.	1,01,155.25	Nil		
1,37,137	5. Law Charges	18,18,604.42		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
18,74,627	6. Postage, Telegrams and Stamps	12,000 00	Nil		
12,000	7. Auditors' Fees	9,60,706 29		6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	2,560.00
8,49,019	8. Depreciation on and Repairs to the Banking Company's Property	14,15,855 75	Nil		
12,49,202	9. Stationery, Printing, Advertisement, etc.	74,151.61	34,17,393	7. Other Receipts	38,99,908.71
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	22,85,624 31			
20,23,935	11. Other Expenditure	1,06,21,786.18			
1,11,06,631	12. Balance of Profit (subject to Taxation)				
6,70,27,298	Total .. Rs.	7,86,77,893.02	6,70,27,298	Total .. Rs.	7,86,77,893.02

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X of 1949), attached to and forming part of the Balance Sheet as at 31st December, 1958.

1957 Rs.	PARTICULARS OF ADVANCES	Rs. nP.	1957 Rs.	PARTICULARS OF ADVANCES	Rs. nP.
63,15,72,423	(i) Debts considered good in respect of which the banking company is fully secured	60,10,43,047.38		(v) Debts due by Directors or Officers of the banking company or any of them either severally or jointly with any other persons— Rs. nP.	
2,94,78,240	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	4,09,45,671.88	Nil	Directors	Nil
	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,56,33,916.12	3,77,109	Officers	4,82,632.79
1,85,38,249			3,77,109		
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil		(vi) Debts due by companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	4,82,632.79
			3,32,93,842	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the banking company or any of them either severally or jointly with any other persons	2,49,86,452.89
			3,86,395	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	5,22,017.13
			3,37,52,514		4,34,53,139.24
67,95,88,912		66,76,22,635.38	24,05,781	(ix) Due from banking companies	93,22,457.20

AUDITORS' REPORT TO THE SHAREHOLDERS, THE PUNJAB NATIONAL BANK, LIMITED, NEW DELHI.

We have audited the annexed Balance Sheet of the Punjab National Bank, Limited, as at 31st December, 1958, and also the annexed Profit and Loss Account of the Bank for the year ended on that date, with the books and accounts kept at the Head Office in New Delhi, in which are incorporated the unaudited returns of the Bank's branches in Indian Union, Pakistan and Burma none of which were visited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-section (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are, therefore, drawn up in conformity with Forms 'A' and 'B' of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank;

(d) the Bank's Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet, read along with the notes appearing thereon, gives a true and fair view of the state of the affairs of the Bank as at 31st December 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

V. SANKAR AIYAR & CO.,
Chartered Accountants.

NEW DELHI, 9th March 1959.

S. L. VERMA,
Chief Accountant.
MOHAN SINGH,
Deputy General Manager.
R. L. TULI,
Secretary and Deputy General Manager.
A. M. WALKER,
General Manager.

S. P. JAIN, Chairman.
C. L. BAJORIA,
SHITAL PRASAD,
J. N. BHAN,
MAHARAJ KRISHNA KAPUR,
KAMALNAYAN BAJAJ,
D. D. PURI,
MOHAN SINGH, } Directors.

T. STANES & CO. LTD. AND WHOLLY-OWNED SUBSIDIARIES

THE UNITED COFFEE SUPPLY CO., LTD. AND STANES MOTORS (SOUTH INDIA) LTD.

HIGH TAXATION IMPEDES PROGRESS, SAYS MR. E. H. STANES

THE Forty-eighth Annual General Meeting of Messrs. T. Stanes and Company, Ltd., was held in Coimbatore on 25th March 1959. Addressing the shareholders on the occasion, Mr. E. H. Stanes, Chairman of the Company, referred to the increased labour costs of the Group, which could be covered only by increasing production and sales. This was, however, difficult to achieve, he added, when taxes were so high and left very little money for further development.

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

"Last year, at the annual general meeting, I handed you a condensed statement showing the summary of the Company's combined balance-sheet and profit and loss account and a copy of that was also published in some of the financial papers. With a company such as ours is, only recently made a public company, it seems to me necessary to advertise ourselves to the public, and as the balance-sheet of T. Stanes & Co., Ltd., by itself does not give a full picture, I again give below a condensed statement of the combined balance-sheet and consolidated profit and loss account of the group as on 30th September 1958, and with the previous year's figures for comparison:

(In lakhs of rupees)

Capital, Liabilities and Reserves	As on 30th September 1957	1958	Assets	As on 30th September 1957	1958
Capital:			Fixed capital expenditure	33.06	34.76
Preference	1.50	1.50	*Less*—Depreciation to-date	17.20	19.21
Ordinary	11.56	11.56		15.86	15.55
Capital reserves	4.70	4.70	Investments	7.98	8.25
Revenue reserves, including surplus in profit and loss account	33.70	35.10	Current assets	63.94	56.46
	51.46	52.86	Cash and bank balances	5.72	10.32
Minority interest	0 28	0.25			
Liabilities	40 89	36.11			
Difference in consolidation	0 87	1.36			
Total	93.50	90.58	Total	93.50	90.58

Profit and Loss Account	For the year ended 30th September 1957	1958	Profit and Loss Account—*Contd.*	For the year ended 30th September 1957	1958
By Sales	202.79	201.04	Group profit for the year brought down	12.00	8.65
" Miscellaneous income	10 60	8.87	*Less*—Difference in consolidation due to variation in dates of subsidiaries	0.09	0.03
" Closing stock	35.60	28.46		11.91	8.62
	248.99	239.27	Balance brought forward from last year	0.76	0 82
To Opening stock	32.53	35.60	Provisions withdrawn	1.44	2.00
" Purchases	161.27	148.69		14.11	11.44
" Administrative charges, Directors' fee, working expenses and provisions	40.84	43.90	*Less:*		
" Depreciation	2.35	2.43	Provision for taxation	6.35	6.14
" Group profit for the year carried down	12.00	8.65	Other provisions	0.29	0.02
			Transfer to reserves	4.24	2.35
			Dividends	2.41	2.42
			Carried forward	0.82	0.51
	248.99	239.27			

"You will note the strong financial position shown in this statement. As commented in the Directors' report, the total balance-sheet assets per Rs. 10 ordinary share now stand at Rs. 44.42, whilst the price at which transactions have taken place recently on the Madras Stock Exchange is some Rs. 20 per share below the assets value. With a dividend of 20 per cent. for the year, the yield on the shares at current market price is 8.25 per cent.

Group Sales

"The group sales turnover is approximately the same as last year at over Rs. 200 lakhs; net group profit is Rs. 8,64,683 (Rs. 11,99,742), depreciation Rs. 2,43,209 (Rs. 2,35,593), taxation Rs. 6,13,522 (Rs. 6,35,000), transfers to reserves Rs. 2,35,052 (Rs. 4,24,338).

"As regards individual companies, the Directors' reports attached to these companies' accounts, give a picture of their individual trading conditions during the year. The motor department suffered from a shortage of new vehicles for sale, and this position continues owing to restricted imports. The TyresoleS and Vaculug business continues to expand and flourish.

"The United Coffee Supply Company, Ltd., had difficult trading conditions in the second half of 1957, increased costs and lower turnover cut their profits. But I am glad to say that through the whole of 1958 and to-date the position has much improved and I look to near-record results from that Company this year, and particularly in their sales of Instant coffee.

"Our two plantation companies which we manage had much reduced profits, and hence we received a lower commission, due mainly to the fall in tea prices and higher costs of production. Here again, prices over the second half of 1958 have improved and, in fact, the recession starting in 1957 in U.S.A. and Europe seems to have eased, with the result that I can see a very definite improvement all-round in our business from the second half of 1958.

High Level of Taxation

"All our companies, however, have much increased costs of labour and staff to cover, necessitating a struggle for increased production and turnover, all of which is difficult of attainment when taxes are so high, and leave us so little money for further development. Direct taxation only over the past three years, at Rs. 18.36 lakhs, is over 2½ times the amount of dividend to shareholders. I like the phrase, I read recently, where someone mentioned very aptly, 'the cold war against the private sector.' The Government, with its taxation receipts, both direct, indirect, and from all our employees, is the biggest capitalist in the private sector and receives the bulk of the profits without having to put up the capital, or the work and brains to run it. In fact, controls and restrictions continue to make our work more difficult. There are extremists who still say the private sector is an excrescence which ought to be abolished and who seem quite incapable of a fair outlook, and are unable to see that the private sector is, in fact, the backbone of the whole country's economy and well-being. In this matter I should like to feel hopefully confident that wiser counsels will prevail and that in the long run, private enterprise will be given more scope and more incentive, and that as a result, the welfare of the people will be more swiftly established than can be expected of untried ideological theories. A moment's reflection will make it abundantly clear to us in which democratic countries the standard of living is highest, and how that standard has been established.

"I feel sure you must be gratified with the financial results of your Company for the year. It will be agreed that further progress has been made since I addressed you last year, even though the profits of the group are somewhat lower.

"The reduction in this Company's profits is largely due to reduced managing agency commission, reduced income from TyesoleS (India) Calcutta, and losses incurred in the curing of coffee. This loss is caused by enhanced wages, and no increase from the Coffee Board in allowable charges for curing coffee.

Funds Locked Up

"If anything, I would venture to say that we are probably expanding too fast commensurate with the finances at our disposal, and there is very little money left for ploughing back into the business not only for current financing but also for modernisation of plant and machinery. I feel I must give you an example of financial situations which are much too prevalent. As you know, we conduct considerable business in fertilisers, the chief ingredients of which are under the control of the Union and State Governments. Such fertilisers are allotted to us from time to time based on an estimated offtake. These allotments, however, are usually made in large quantities at long intervals and it is not infrequent that we are called upon to make advances of Rs. 2 lakhs to Rs. 3 lakhs, and more at short notice and then wait a long time for the arrival of the goods, which, when received, are often out of season for manuring crops. Money tied up in this way restricts business in other departments, such as, for example, the hypothecation of coffee crops.

"If I may be permitted to take a view of the immediate future, which of course is based on current business in our combined trading activities, I would say that the horizon is by no means clouded over. You may look forward, I feel sure, to another year of satisfactory progress.

"In closing, I wish to thank our staff and workers for the hard and careful work they have put in during the year and their generally loyal service to our Company. Two of our staff who retired on pension from head office last year had 43 and 47 years of service to the Company behind them. It is examples such as this, of staff who have spent their whole working life with us, which make me feel that we are not an impersonal and inanimate business, but a living organisation, and the team spirit behind the results of our annual balance-sheet is what really counts."

Notice

THE MAHARASHTRA SUGAR MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FIFTH ANNUAL GENERAL MEETING of THE MAHARASHTRA SUGAR MILLS LIMITED will be held on WEDNESDAY the 29th day of APRIL 1959, at 11-30 a.m., at the Registered Office of the Company, Industrial Assurance Building, Opposite Churchgate Railway Station, Bombay, to transact the business mentioned in the Notice already sent to the shareholders along with the Explanatory Statement, Balance Sheet and Profit and Loss Account, Report of the Board of Directors and the Auditors' Report for the year ended 30th September 1958.

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

The Share Transfer Books of the Company will be closed from 16th day of April 1959 to 6th day of May 1959, both days inclusive.

By Order of the Board,

For THE MAHARASHTRA SUGAR MILLS LIMITED,

M. L. DAHANUKAR & Co., PRIVATE LTD.,

D. M. DAHANUKAR,
Director,
Managing Agents.

BOMBAY, *26th March* 1959.

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LIBYA — BENGHAZI, TRIPOLI
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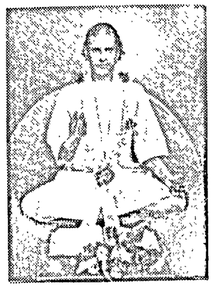

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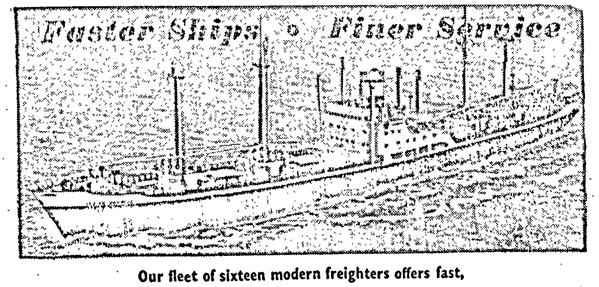

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THE CENTRAL BANK OF INDIA LIMITED

INCREASED COST AFFECTS PROFIT MARGIN

MR. HOMI MODY DOUBTFUL OF BANK EARNINGS KEEPING PACE WITH GROWING EXPENSES

SPEAKING at the Forty-eighth Annual General Meeting of the Central Bank of India Ltd. held in Bombay on 30th March 1959, Mr. Homi Mody, Chairman of the Bank, was doubtful whether banks' earnings would be able to keep pace with the ever-growing establishment charges, unless either rates of interest allowed 'on deposits were reduced or those charged on advances increased. He was, however, of the view that, in view of growing resistance from borrowers to any rise in interest rates, the present ceiling on deposit rates might have to be reviewed.

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

"LADIES AND GENTLEMEN,

"I have pleasure in welcoming you to our annual general meeting. Before I deal with the affairs of the Bank, I would like to offer a few observations on the economic situation in India and abroad.

"The year under review saw the peak of the recession in the United States and its gradual tapering off until industrial production in December nearly reached the level from which it had started falling. A perplexing feature of the setback in the economy was the behaviour of prices, which kept firm throughout, particularly in consumer goods, and did not move up or down with the fluctuations in production. Wages also failed to decline, leaving industry no option but to cut down production costs by keeping the labour force to the minimum. Another effect of the recession was the drastic reduction of the trade surplus of the U.S.A., due to the fact that export prices failed to fall markedly, in sympathy with internal domestic prices, thereby reducing world demand for American goods.

"The underdeveloped countries of the world did not fare too well during this period. They were hit by the large inventory liquidations of raw materials effected in the United States. Nevertheless, the early upward turn in industrial production in the States in the latter half of 1958 prevented the situation from turning too difficult.

British Economy

"In the United Kingdom, the pound strengthened and there was a sharp rise in gold and dollar reserves. This was due, apart from an improvement in the terms of trade, to the 7 per cent. Bank rate, economy in Government expenditure and continuance of restrictions on bank advances. These measures had their effect, and in the latter half of 1958, the Treasury found it possible to introduce a policy of 'cautious reflation.' The Bank rate, which was gradually being reduced, came down to 4 per cent. in November. Restrictions on bank advances were removed and qualitative controls were virtually suspended. In the result, bank policies underwent a marked change. Personal loan services were introduced and banks entered the hire-purchase field by large-scale investment in existing hire-purchase companies. To offset the possibility of an uncontrolled inflation, arising from these and other measures, the Bank of England acquired powers to call for special deposits from banks.

"Turning to the situation in India, 1958 witnessed some disquieting trends. Production was not maintained at the pace which might be expected in an expanding economy. Cotton textiles actually recorded a fall, as compared with the previous year, as also industries like automobiles, power transformers, finished steel, *vanaspati* and sugar. In some cases, the decline in output reflected a slackening of demand. There was expansion, on the other hand, in industries, such as coal, electricity, machine tools and chemicals, but the overall picture could not be called satisfactory and the number of unemployed rose substantially. The decline in production, particularly of agricultural commodities, was reflected in the level of prices and the wholesale price index rose by a few points. In spite of the restrictions on imports, the balance of payments position was none too healthy, and the drain on our foreign exchange resources continued.

Heavy Weather

"The second Five-year Plan encountered heavy weather during the year. In spite of stringent controls on imports which bore heavily on a number of existing industries and also affected the 'small man' in a number of ways—a gap of something like Rs. 280 crores was anticipated between the requirements of even the hard core of the Plan and the resources available for its implementation. Had it not been for the generous and timely assistance proffered to us by some of the industrially advanced nations, particularly the U.S.A. and the U.K., we would have found ourselves in serious difficulties. Even so, we cannot say with confidence that the modified targets, which we have now set before ourselves, will be achieved at the end of the period.

A Disastrous Approach

"Cheerfully forgetting the lessons taught by the events of the last few years, our planners are now said to be busy framing a bigger and more spectacular Plan, such as would constitute a significant socialistic advance. That would be a disastrous approach. What the country needs is not a bigger, but a better Plan, such as would promote a harmonious development of agriculture and industry, make for larger and more gainful employment and succeed in holding the price line. Scientific, and not political, planning is required or such a balanced development of the country's resources. Incentives to earn, save and invest must find their proper place in any such plans for national reconstruction. A process which virtually amounts to pauperising the rich and making life harder for the vast number of lower middle-class income groups cannot possibly usher in the millennium, nor conform to any canons of fairness in the rendering of social justice.

"The Budget proposals presented to Parliament by the Finance Minister must be regarded as a reflection of the position in which haphazard and unrealistic planning has landed us. While there are some welcome features, such as the abolition of the wealth tax on companies, the system of compulsory deposits and the excess dividends tax, not only has no tax relief been given but a substantial addition to the revenues has been provided for. On the ground of rationalising the tax structure in relation to companies and shareholders, changes have been introduced involving a heavier burden, which will operate particularly unfairly in the case of corporations which have pursued a prudent policy and built up substantial reserves. Even more unfair are the new provisions with regard to the expenditure tax and excises on certain commodities. As I pointed out in my speech last year, so far as the range and incidence of taxation are concerned, there is no country in the world where so much is sought to be taken from so few, and where also the 'common man' is being penalised in so many ways. All this in a country which is amongst the poorest in the world. That a large part of the burdens, which have been imposed in the last few years, should go to the financing of unproductive expenditure makes the position still more indefensible.

Working of Indian Banks

"Turning to the working of Indian banks during the year, time deposits of Scheduled banks again moved up sharply, while demand deposits showed no change at all. The rise of Rs. 222 crores in time deposits was largely accounted for by the counterpart funds under P.L. 480 placed by Government with the State Bank of India. In a sense, it may be argued that funds are moving from the private to the public sector. The counterpart funds are built up out of the sale proceeds of foodgrains from the United States, and to the extent they have been utilised by the State Bank for investment in Government securities, they can be said to have helped the public sector. It has often been urged that the benefit of these funds be distributed evenly among the Scheduled banks, and it is time the justice of that demand was conceded.

"The rise in deposits was not matched by any significant advance in the financing of trade and industry by banks. There was an increase of only Rs. 8 crores in the figure of advances and bills. The demand for funds slackened during the second half of the year, owing largely to the restrictions on imports and a slowing down of activity in the industrial sector. The Reserve Bank's restrictions on advances against foodgrains aggravated the stagnant conditions which prevailed. Bank profits were accordingly affected and recorded a substantial decline, as compared with the results of the previous year.

"Before dealing with the business of the meeting, I have to refer to the death, which took place in October last, of one of our colleagues. Mr. Manmohandas Amersey, who was a member of the Board for a number of years. The Board deeply regretted his passing and have placed on record their appreciation of the very valuable services he rendered to the Bank.

Balance-sheet and Accounts

"I now pass on to the balance-sheet and the statement of accounts presented to you. As will be seen from the comparative figures given in the balance-sheet, our figures of working funds, general turnover of business and gross earnings progressively increased during the year. Operating conditions, however, were not too favourable. While the employment of funds continued at a fairly high level during the first half of the year, the demand for money during the second half slackened off and the expanding resources of the Bank could not be utilised to the same advantage. Despite this feature, the scramble for deposits continued, and until the inter-bank agreement on ceiling rates for deposits could be brought into force, rates as high as ½ per cent. above Bank rate had to be paid for short-term moneys. This increased cost of working funds, without any compensating rise in the rates of interest charged on advances, coupled with the abnormal rise in establishment charges, more than absorbed the increase in our earnings, thus reducing the actual working profit to a figure below that of the previous year. The setback in net profit was of the order of Rs. 7.32 lakhs, against which is to be set off the amount of Rs. 4.23 lakhs which was paid last year on account of gratuity to staff out of profits, instead of out of the fund provided for the purpose.

"In view of the increased working funds and their higher cost, outgoings under interest increased by over Rs. 43 lakhs, but the income under the same heading, after making the necessary provisions, increased by over Rs. 64 lakhs. This, together with the profit realised on the sale of investments and a small increase in earnings under other heads, accounted for an increase in the net income of nearly Rs. 28 lakhs over that of the previous year. However, with establishment charges recording a further rise of Rs. 30 lakhs, the increase in the income was more than wiped out.

"This heavy rise in establishment charges was due to increases in dearness allowance, salaries and overtime, apart from an increase in staff, consequent on the expansion of business and the opening of 16 new offices during the year. I may add that, since the commencement of the current year, there has had to be allowed a further addition to the dearness allowance due to a stepping up of the cost of living index.

Ceiling On Interest Rates

"Over and above these adverse factors, there is a growing resistance from borrowers to any increase in interest rates, and even to existing rates of interest. Moreover, the credit restrictions imposed by the Reserve Bank are being further extended. It appears doubtful, therefore, that banks will be able to keep pace in the matter of their earnings with the ever-growing establishment charges, unless either rates of interest allowed on deposits can be reduced, or those charged on advances increased. The Indian Banks' Association, of which our Vice-Chairman, Mr. Bhabha, is President, has succeeded in bringing about from October last an inter-bank agreement on rates of interest on deposits; but I feel the ceilings so fixed may soon need to be reviewed in the light of prevailing trends in banking profits.

"It will be noticed that, in addition to payments for gratuity made out of our profits for the year, we have—and this was at the instance of our auditors—appropriated Rs. 10 lakhs for staff gratuity fund, as the provision held in this account was considered inadequate in relation to our liability for gratuities. The provision in this account may now be considered to be fair, but it will require to be increased, from time to time, as and when profits permit. In view of all the loose talk on the subject of remuneration to the staff, it is important to note that the total amount accounted for by payment to the staff amounts to the very substantial figure of nearly Rs. 3.43 crores, which works out to as much as 70 per cent. of our net income, as against a little over 9 per cent. paid to shareholders.

"I gave expression last year to my disappointment that the heavy burden of establishment charges had not been compensated for by happier relations with the staff and by more efficient working. I wish I could say the situation had since changed to any material extent. Slackness and indiscipline continued amongst sections of the staff at certain centres, and there is now a clamour for larger concessions. All I shall say with regard to that at the moment is that, if more has to be drawn out of the till, more has to be put in; there cannot be a one-way traffic in this matter. Increased salaries and other emoluments can only come out of better work-loads, greater discipline and happier understanding between management and staff. I would say to all engaged in the service of our Bank, let us work together for the common good and make the institution to which we have the privilege to belong more stable, more prosperous and better able to serve the trade and industry of the country.

Trend of Deposits

"There was a progressive increase in our deposits which, at Rs. 162 crores, record a rise of Rs. 7 crores over the previous year. In accordance with the prevailing trend in bank deposits, time deposits increased and demand deposits declined, thus increasing the cost of working funds. The fall in demand deposits was largely due to our discouraging call deposits at the prevailing high rates. It is a matter of satisfaction that our savings deposits, which had become somewhat stagnant over the previous two years, have again been moving forward, and our figure under this heading has, for the first time, crossed the Rs. 30-crore mark.

"The rise in deposits, without a corresponding increase in advances, necessitated our increasing the portfolio of investments. Our figures under this heading accordingly record an increase of Rs. 3.46 crores. A particularly happy feature of our portfolio is that, owing to an appreciation in the values of Government and other securities, the wide gap of Rs. 254 lakhs between the book and the market values, which appeared in our balance-sheet for 1957, has narrowed down to about Rs. 78 lakhs, as at the close of 1958. It is for the first time in many years we can record such a substantial improvement in our position, and I am sure you will share my hope that the trend may be maintained. On account of this change in the situation, no appropriation has been made out of profits for the year for transfer to investments.

Advances

"Our advances, in general, throughout the year were actually higher than during the previous year, but not to an extent as would enable us to utilise our increased resources fully and remuneratively throughout. Seasonal requirements of finance accounted for a fairly good demand for advances during the first half of the year, and our figures, at one time, touched the high level of Rs. 120 crores; but during the second half, conditions ruled extremely easy and adequate utilisation of our resources became difficult. The curb on imports, the Reserve Bank's restrictions in the matter of advances against foodgrains and the stagnation in the piecegoods trade seriously affected our turnover in bills, and figures at the close record a drop of nearly Rs. 2.43 crores under this heading. Due to this drop, the total figure of advances at Rs. 99.87 crores, as appearing in the balance-sheet, shows a decline of Rs. 1.62 crores over that of the previous year.

"We have been continuing our policy of weeding out non-paying offices, and three more of our upcountry pay offices, two in India and one in Pakistan, which had been continuously working at a loss over the past few years, were closed down and 16 new offices were opened at centres reported upon favourably. It may be stated in this connection that, since January 1955 we have closed down altogether 37 offices; as against that we have opened 35 new offices at different centres. Some of the new offices opened during the past three years have already built up a fair amount of deposits and advances. The total number of offices, including the head office and local branches, was at the close of the year 299.

"I shall end by thanking our Vice-Chairman, Mr. C. H. Bhabha, for the keenness and devotion with which he has been serving the interests of the Bank. The knowledge and experience he has brought to bear upon our working are of inestimable value to the Bank. Our thanks are also due to our General Manager, Mr. N. K. Karanjia, for the single-minded devotion with which he has been discharging his responsibilities and which have earned for him the regard and esteem of all who have to deal with him. We have likewise to acknowledge our appreciation of the services rendered by Mr. F. C. Cooper, the Deputy Manager, the members of the staff at the head office and branches and the Local Advisory Committees at the various centres. Let us hope the work done by one and all in the service of the Bank may yield richer and richer fruits as the years go by."

LABOUR SITUATION IN AFRICA

HIGHLIGHTS OF AN I.L.O. SURVEY

A FLOOD of light is thrown on the labour situation in the "dark" continent by the publication entitled *African Labour Survey*, (price: 30 shillings) issued by the International Labour Office, Geneva. The publication, which is a comprehensive survey of labour and social policy in Africa, has been prepared in pursuance of the decision of the Governing Body of the I.L.O. at its 131st session held at Geneva in 1956. It covers only countries and territories lying south of the Sahara and does not, therefore, include Egypt, Libya, Tunisia, Algeria and Morocco. These countries will be covered by another survey, currently under preparation, which will be similar to the present one. The bulk of the information contained in the survey is based on documents and reports on particular subjects submitted to the Committee of Experts of the I.L.O., supplemented by other information available to the I.L.O. from Governments and from the Inter-African Labour Institute. This has been further supplemented by on-the-spot findings of I.L.O. officials who visited 34 countries and territories of the Continent.

It should not be thought that only now the I.L.O. is beginning to get interested in Africa as a venue for its activities. Its interest in Africa, in fact, dates as far back as 1920. I.L.O.'s work in Africa falls conveniently into three periods. The first, from the 1920s until just before the Second World War, was largely occupied with the adoption of international labour instruments, conventions and recommendations on such matters as forced labour, recruitment, contract labour and penal sanctions. During and immediately following the war, that is, the second period of I.L.O. activity in Africa, the I.L.O. set down, in a group of conventions adopted in 1947, the social purposes of economic development and a series of basic principles to which all policies should conform and prescribed standards of living, remuneration of workers and related questions. In the third period, that is, after 1947, the work of the I.L.O. in relation to Africa was mainly aimed at securing the formulation of a number of broad general considerations of policy for the guidance of the Governments and to suggest to them practical means of applying existing international standards. The I.L.O. recently set up an African unit at its headquarters in Geneva and an African Field Office at Legos, Nigeria. A special African Advisory Committee, on the model of the Asian Advisory Committee, has also been formed.

The *Survey*, which is by far the most comprehensive and authoritative document so far published on the subject, will form the basis of the future work of the I.L.O. in Africa. It runs into a total of 712 pages, comprising 534 pages of text and the rest of appendices. The first three introductory chapters deal respectively with economic and social conditions, land and labour and community development. These are followed by thirteen chapters dealing with every aspect of the labour situation in Africa such as manpower and employment, productivity, technical and vocational training, industrial relations, wages and wage policy, recruitment, contracts of employment and conditions of work, health and safety, social security, workers' housing, co-operative movement, labour administration and inspection and the application of international labour standards.

The picture of the labour situation in Africa that emerges from the *Survey*, is similar, in many respects, to that in other underdeveloped countries of Asia.

The labour market in Africa, as in most of Asia, is still marked by a certain rigidity since workers respond only imperfectly to normal economic stimuli, and, moreover, are frequently restricted in their freedom of movement, either by inadequate means of communication or by restrictions imposed by law or custom. Besides, there are wide differences between one territory and another as regards availability of labour. The relation between the amount of labour actually employed at the present time and available manpower sources in given conditions is, in general, virtually unknown. In many territories, installation of up-to-date employment services has hardly begun and, in any case, these services have very little influence on the labour market in Africa.

Industrial Relations

There is a great diversity of patterns of industrial relations in Africa. The problems encountered are common to other underdeveloped areas, but, owing to the varying stages of social evolution, there is divergence in the policies and legal provisions for various racial groups. At present, collective negotiation and collective bargaining are becoming, to a continually increasing extent, the means by which wages, bonus and certain aspects of conditions of work are being determined. In the non-self-governing territories, the metropolitan governments concerned have, in general, accepted the thesis that collective bargaining should be promoted even if in some cases the communities concerned are, in their view, not sufficiently advanced to utilise collective bargaining machinery. In the independent countries, collective bargaining procedures are recognised as being appropriate for application generally or at least for some racial elements in the community.

Statutory provisions requiring the registration of trade unions exist in many parts. Separate trade unions for different racial groups exist in the area, in some cases even where the same trade union legislation is applicable to all groups. This arrangement is generally found where widely different ways of life and standards of living separate the groups concerned. The development of workers' organisations, however, in the area is in general completely inadequate for the extensive development of collective bargaining practices, particularly with regard to organisational and financial questions. The membership often fluctuates wildly, and the number of members who pay dues is often insignificant. The legislation of a few territories contains safeguards against victimisation and other unfair labour practices. The multiplicity of unions in some parts of the area is a factor impeding the development of collective bargaining. A number of limitations on strikes and lockouts exist in the territories, sometimes providing for the prohibition during the process of consultation and arbitration, sometimes categorically prohibiting them in essential services and among certain categories of workers.

The number of employers' organisations are, however, either inadequate or are not there to provide counterparts to workers' organisations for collective bargaining. In recent years, employers and workers are becoming increasingly familiar with modern industrial relations patterns and are recognising the importance of satisfactory human relations in industry. Conciliation and arbitration machinery exists in most of the countries and territories covered by the *Survey*.

Wages

The typical African worker comes from the rural *milieu*, and his wage in the new environment is in a way determined by the general wage level in agriculture, including both subsistence and cash crop farming. His needs and desires, which influence this wage, are in the main of such a nature as to exercise a generally depressing effect on wage levels. No adequate data is available to draw a picture of the general

(*Continued on page 563*)

ACTIVITIES OF STATE TRADING CORPORATION

MANY GAINS TO THE COUNTRY CLAIMED

THE export and import contracts of the State Trading Corporation in the year 1957-58 show that its activities have covered a number of new lines. This may be seen from the two tables at the end of this article, giving figures of commodity-wise export and import contracts in the first two years since the formation of the Corporation. The countries which figured in the Corporation's export activities in 1956-57 were: Indonesia, U.S.S.R., Poland, East Germany, Pakistan, Ceylon, Yugoslavia, North Niet Nam, Hungary, Czechoslovakia, U.K., U.S.A., Belgium, Italy, Japan, Holland, France and Norway; the countries covered in 1957-58, besides those mentioned, are China, Egypt, Bulgaria, West Germany, Switzerland, Canada, Sweden and Rumania. The countries which figured in the Corporation's import activities in 1956-57 were: Pakistan, East Germany, U.S.A., U.S.S.R., Chile, U.K., North Viet Nam, China, Yugoslavia, Poland, Rumania, Japan and Egypt; the countries covered in 1957-58, besides the said ones, barring Pakistan and Chile, are West Germany, Bulgaria, Hungary and Czechoslovakia.

It would be interesting to know what substantial contracts the S.T.C. negotiated successfully with some of these countries in the two years of its operations. On the export side, the following contracts were of a substantial kind:

(Value : In lakhs of rupees)

Serial No.	Country and commodity	1956-57	1957-58
1	U.S.S.R. (woollen fabrics)	64.5	70.8
2	U.S.S.R. (shoes)	166.9	33.8
3	U.S.S.R. (coffee)	61.0	46.3
4	Poland (iron ore)	..	254.9
5	East Germany (coffee)	14.0	111.1
6	East Germany (mica)	1.0	42.0
7	Pakistan (cement)	30.6	9.1
8	China (tobacco)	..	53 2
9	Egypt (jute bags)	..	159.9
10	Egypt (tea)	..	377.6
11	Yugoslavia (iron ore)	42.3	..
12	North Viet Nam (jute bags)	9.5	45.7
13	Hungary (cotton waste)	..	37.5
14	Czechoslovakia (manganese ore)	..	47.0
15	Czechoslovakia (iron ore)	392.5	60 8
16	U.K. (manganese ore)	153.5	218.3
17	U.S.A. (manganese ore)	101.4	452.6
18	Italy (manganese ore)	57.8	..
19	Italy (iron ore)	160.1	51.8
20	Japan (iron ore)	826.1	92.2
21	Japan (manganese ore)	126.4	9.7
22	Holland (manganese ore)	110.7	57.4
23	France (manganese ore)	45.6	40.4
24	Rumania (cottonseed oil)	..	54.7

On the import side, the following contracts were of a substantial kind:

(Value : In lakhs of rupees)

Serial No.	Country and commodity	1956-57	1957-58
1	Pakistan (cement)	144.2	..
2	East Germany (ammonium sulphate)	70.0	141.4
3	East Germany (muriate of potash)	..	60.0
4	U.S.A. (ammonium sulphate)	131.3	..
5	U.S.A. (milk powder)	50.1	73.4
6	U.S.S.R. (rice—Burmese)	..	169.4
7	U.S.S.R. (machinery)	27.6	100.2
8	U.S.S.R. (non-ferrous metals)	..	90.3
9	Chile (nitrate)	174.7	..
10	West Germany (ammonium sulphate nitrate)	..	180.5
11	U.K. (caustic soda)	146.8	57.5
12	U.K. (soda ash)	83 0	10.4
13	North Viet Nam (rice)	31.7	31.7
14	China (caustic soda)	..	143.8
15	China (soda ash)	33.5	20.7
16	Yugoslavia (cargo ships and launches)	158.4	..
17	Yugoslavia (cement)	118.5	..
18	Yugoslavia (machinery)	..	35.8
19	Poland (machinery)	..	104.4
20	Rumania (cement)	80.7	..
21	Rumania (machinery)	..	71.4
22	Hungary (machinery)	..	104.2
23	Japan (cement)	60.8	..
24	Japan (machinery)	..	90.0
25	Japan (raw silk)	34.8	37.2
26	Czechoslovakia (machinery)	..	206.7
27	Egypt (raw cotton)	166.1	443.0

Established in May 1956, the Corporation, it is stated, has been endeavouring to diversify and supplement the country's foreign trade. It seeks opportunities to make its contribution to the building up of the country's commerce with new markets and new sources of supply, provide facilities to augment exports, secure, wherever possible, improvement in terms of trade and economies in imports and arrange, to the extent practicable, for import and distribution of certain essential raw materials at stable prices. The nature of the Corporation's contribution and the extent and magnitude of its participation are largely conditioned by the needs and requirements of each trade or transaction. Consequently, the Corporation has been functioning by adopting the business methods and techniques suitable to the achievement of its principal aims. Broadly speaking, the Corporation acts in the following ways:

(*a*) As a direct trader, as in the case of mineral ores.

(*b*) As a servicing agent for bringing together buyers and sellers, assisting them in implementing their business contracts and using its good offices to settle disputes amicably, as, for example, in the case of imports of essential machinery and capital goods from new sources of supply and exports of a variety of Indian products.

(*c*) As an agent to the Government, as in cement and fertilisers.

(*d*) As an agency for development of trade, for example, in the export of shoes, handicrafts and woollen fabrics.

The Corporation, it is claimed, has always endeavoured to supplement the efforts of private trade; consequently, all its contracts are implemented through the established trading channels. The Corporation has sought to specialise in link arrangements, linking imports of essential items to the exports of Indian manufactures. For this purpose, the Corporation has entered into special payment agreements with a number of countries. Under these arrangements all imports into India are paid for in rupees which are credited to a special account and are utilised for purchase of Indian goods for export. These arrangements have been so devised as to offer to businessmen and business organisations of the country reasonable opportunity for participation in link transactions.

These arrangements have enabled the Corporation to secure imports of essential materials from new sources of supply, to save foreign exchange by obtaining these imports on a rupee payment basis, and to ensure that the rupees in the special accounts are utilised by the countries concerned in the purchase of Indian goods, particularly those which have not figured prominently in the export trade of the country. The Corporation has entered into such arrangements with exporting/importing firms in Hungary, German Democratic Republic, Yugoslavia, Czechoslovakia, Poland, U.S.S.R., Egypt, North Korea and North Viet Nam. All these arrangements are operated within the framework of the trade agreements and/or arrangements with these countries and are specifically designed to develop trade in specified items.

The import trade of the Corporation can be divided into three categories:

(*a*) Raw materials, such as caustic soda, soda ash, raw silk, etc., which are imported solely through the Corporation; (*b*) agency items, such as machinery, capital goods, etc., imported either for distribution through the trade or for supply to Government departments; (*c*) items imported for maintaining buffer stocks, in order to stabilise prices, such as newsprint, photographic goods, etc.

The Corporation endeavours to arrange its imports from the foreign countries in such a way as to minimise the foreign exchange expenditure. As far as practicable, arrangements are made to balance imports with exports of Indian goods of equal value. By judiciously determining the quantities to be imported and released for distribution in the market, the Corporation, it is further claimed, has been endeavouring to stabilise the prices of essential raw materials, such as soda ash and caustic soda. Even though the prices of these items had risen considerably following the Suez crisis, the Corporation maintained its selling prices; the loss involved was borne by the Corporation itself. The Corporation has also been able to stabilise the prices of raw silk.

The Corporation makes, as far as possible, purchases for import on *f.o.b.* basis. It has set up a Shipping Department of its own for chartering ships or otherwise arranging freights departmentally. This has enabled the Corporation to secure certain economies in freight and thereby reduce the foreign exchange expenditure as well as the overall cost of imported items. The benefit of such savings, wherever possible, has been passed on to the consumers in the country as, for example, in the case of Chilean nitrate.

The Corporation has also been making arrangements for business houses in India to participate in trade fairs and exhibitions abroad. Trade teams composed of representatives of the Corporation and established business houses have participated in exhibitions held at Leipzig, Zagreb and Poznan.

Mineral ores have constituted the major portion of the Corporation's export business. The Corporation has been able to negotiate long-term contracts for the export of mineral ores at prices fair both to the buyers and the sellers. A contract for the export of 7.2 million tons of iron ore during a period of five years was entered into with the Japanese Steel Mills in 1956. This itself had the effect of doubling the country's annual exports to Japan. Similarly, a long-term arrangement has been made with Metalimpex of Czechoslovakia for the export of iron ore.

In view of the advantages of bulk handling of mineral ores, the Government of India has, with effect from the 1st July 1957, channelled the entire exports of iron ore through the Corporation. During the year 1957-58, the Corporation exported 2,241,960 tons of iron ore, as against the average export of about 1.2 to 1.3 million tons per annum. In order to maximise the exports of iron ore, the Corporation has not only made use of all the available transport and port facilities but also made shipments through minor ports such as Redi, Karwar, Mangalore, Belikeri, Paradip, Cuddalore, etc. The port of Cochin, which has a considerable surplus handling capacity, has been made use of for this purpose for the first time by the Corporation. Due to bulk handling of ores, the Corporation has been able to effect substantial improvement in loading rates in almost all the major ports. A world record in manual loading has been set up at Madras where 5,790 tons were loaded in a single day, as against a normal loading rate of about 700 tons. Similarly, bulk handling of cargoes has enabled the Corporation in certain ports to earn despatch money. This has enabled the Corporation not only to wipe out the losses on account of demurrage which had to be paid during the period of congestion at the ports but also effect some net savings.

In the case of manganese ore, the Corporation has been allotted a certain quota along with the private sector. The Corporation has been working in collaboration with the private trade to preserve and build upon traditional contacts with foreign buyers and international business houses. Joint sales programmes were worked out with principal producers. The total quantity of manganese ore covered by the Corporation's contracts during the period ended 30th June 1958 was 976,824 tons. The Corporation has also made a beginning in the export of chrome ore and some other mineral ores.

The manganese ore market has recently been passing through a period of severe recession. Consequently, stocks both with the private traders and with the Corporation have accummulated. The Corporation has just negotiated with the United States Commodity Corporation an agreement for the export of these accummulated stocks of manganese ore in exchange for the import of wheat from that country.

The Corporation has been endeavouring to increase the exports of traditional items to new markets as well as introduce new markets in the country's export trade. Its export list now covers a wide range of items. New items exported by the Corporation include shoes, woollen textiles, handicrafts, etc. Similarly, traditional items like tea, coffee, gunnies, etc., have been exported to East European countries. The Corporation has sought to evolve acceptable terms and conditions for the export of new items, to assist producers in making available goods of acceptable quality and generally to win, in a variety of ways, the confidence and goodwill of foreign buyers. In particular, small producers of shoes and handicrafts have been enabled to participate in the export trade.

The Corporation has recently taken steps to set up a new department for exports of handloom products. This department will function from Madras which is the principal centre of handloom exports.

The Government of India has entrusted to the Corporation, since July 1956, the task of acquiring cement from manufacturers and distributing it at an equalised price f.o.r. destination rail-head. In the initial stages, the Corporation was also required to import cement and sell it at an equalised price. Owing to shipping difficulties, only 4,69,002 tons could be imported. Meanwhile, the supplies within the country increased and the demand slackened, as a result of which surpluses arose in certain individual factories. The Corporation has undertaken the export of surplus Indian cement to the neighbouring countries. On these exports, the Corporation is having to incur certain losses which are made out of its own fund.

Export Contracts

(Value : In lakhs of rupees)

Serial No.	Commodity	1956-57	1957-58
1	Salt	16 07	16 66
2	Woollen fabrics	64.47	70 76
3	Shoes	179 94	34 96
4	Handicrafts	21 41	7 30
5	Coffee	74 99	175 49
6	Tobacco	17.76	96.03
7	Opium	..	30 15
8	Annanto seeds	..	0.32
9	Black pepper	..	57 81
10	Sandalwood oil	50.75	15.37
11	Castor oil	16.42	57.42
12	Tea	..	421.39
13	Goat skins	2.86	35.68
14	Coir and coir products	1,450.38	4 19
15	Iron ore	8 10	464 65
16	Mica	0.50	66.31
17	Mill-made towelling	..	7.99
18	Raw wool	..	2 89
19	Shells	3.15	..
20	Handloom terry towels	1.19	2 32
21	Cardamoms	..	0.03
22	Turmeric	0.14	..
23	Lemon grass oil	23.10	67.17
24	Cottonseed oil	..	0 96
25	Animal hair	..	0.75
26	Cashew baby bits	..	1.16
27	Groundnut extraction	..	0.29
28	Ginger	..	6 71
29	Crushed bones	..	0 46
30	Soapstone lumps	38.70	11 03
31	Cement	35 19	25 60
32	Chrome-ore	9.55	205.55
33	Jute bags	..	1 21
34	Gun-metal valves	..	31 67
35	Sewing machines	..	42.18
36	Cotton-waste	3.05	..
37	Raw hemp	..	5 60
38	Sugar	..	0 55
39	Hind sheep casings	..	0 82
40	Lamb skins	..	3 37
41	Mill-made cloth	..	8 35
42	Linseed oil	612.09	866.79
43	Manganese ore	..	3 80
44	Manganese dioxide	..	0 88
45	Kyanite	..	1.81
46	Cotton yarn	..	1.67
47	Shellac	..	..
	Total	2,629.71	2,857.46

Import Contracts

(Value : In lakhs of rupees)

Serial No.	Commodity	1956-57	1957-58
1	Cement	448 87	39.26
2	Gypsum	19 50	..
3	Ammonium sulphate	210.33	207 66
4	Calimm ammonium nitrate	..	49.07
5	Muriate of potash	..	79.87
6	Caustic soda	148.43	207.30
7	Soda ash	136.81	52 79
8	Raw film and photographic goods	..	47.09
9	Print and brush coated paper	..	10 39
10	Machinery	39.79	857.93
11	Skimmed milk powder	56.09	73.43
12	Newsprint	..	27.47
13	Rice (Burmese)	..	169.47
14	Non-ferrous metals	..	123.78
15	Rice	81.73	31.73
16	Chilian nitrate	174.70	..
17	Ammonium sulphate nitrate	..	188.52
18	Rayon grade caustic soda	..	12.61
19	Sodium sulphate	..	13.70
20	Sodium bicarbonate	..	3.64
21	Potassium chlorate	50 22	4.41
22	Raw silk	158.39	38.91
23	Cargo ships and launches	166.14	447.99
24	Raw cotton	..	..
	Total	1,643.00	2,691.84

JOHNSONS' SURGICAL DRESSINGS PLANT

At Mulund, a distant suburb of Bombay, on a 24-acre plot, Johnson and Johnson, the world-famous manufacturers of surgical dressings, but better known to the lay public as the makers of the well-known Johnson's baby powder and soap, in collaboration with Mr. Kishore M. Premchand, a partner of Messrs. Premchand Roychand and Sons, Bombay, have put up a functional, streamlined and most up-to-date factory for the manufacture of surgical dressings and other allied products. This unique factory, designed and constructed with a view to ensuring production under the most exacting hygienic conditions, will manufacture such vitally needed surgical requisites as sutures, pressure sensitive tapes, medical plasters, and gynecic therapeutic products, in addition to the entire range of Johnson's famous baby products.

To begin with, the factory will acquire about 25 per cent. of its raw materials from indigenous sources and the rest will be imported. But, in due course, as much as 90 per cent. of raw materials will be found locally. About Rs. 2 crores worth of products are expected to be produced in the factory when it goes into full production.

Many advanced and interesting innovations have been built into the factory to make it as modern as any in the world. The method adopted for chemical sterilisation of sutures is said to be so advanced that this is the first time that it is being used on an industrial scale anywhere in the world. Working conditions for employees, it is said, will be ideal. Those portions of the building which are not air-conditioned will be ventilated by blowers and exhaust fans which change air at the rate of 75,000 cubic feet per minute. Colour schemes throughout the factory have been designed on the basis of the most up-to-date experience in colour dynamics. All floorings are dust-revealing. Lighting is provided by a special system giving shadowless light of a uniform intensity higher than in any other industrial establishment in India. Two hundred employees will work in this modern factory to the lilting tempo of soft music played at intervals.

But for a few technical consultants, appointed temporarily, the entire work in the factory will be carried out by Indian personnel. About 40 per cent. of the employees will be provided with housing in two years' time.

EXPORT ADVERTISING

It augurs well for the future of the country's export promotion efforts that the Union Government is becoming increasingly aware of the important role played by advertising in popularising Indian goods in the overseas markets. This is evident from the representation given in the Export Promotion Advisory Council to the Indian Society of Advertisers, which represents the leading manufacturers, industrialists and business houses in India and most of the members of which are leading exporters. Speaking at the last meeting of the Export Promotion Advisory Council, Mr. P. H. Brown, Managing Director, Corn Products Company (India) Private Ltd. and Vice-Chairman of the Society, who is himself a leading exporter, formulated two concrete proposals designed to boost the country's exports. Coming as they do from a body of national advertisers and industrialists, these suggestions merit special consideration. One of the proposals is that an export magazine to reach the big individual buyer, the importer, the distributor and the large retailer in the overseas territories be published, for distributing which Trade Commission channels and direct mail techniques are to be utilised. The journal should reflect in its get-up and contents the progress registered by modern India in the field of industrialisation. Advertising by exporters would go a long way towards meeting the cost of the publication. Trade inquiries would either be directed through the Trade Commissioner or directly to those concerned.

The second proposal pertains to the setting up of an Indian Commercial Broadcasting system. In the opinion of Mr. Brown not only would a high-powered Indian commercial radio station have the advantage of bringing individual manufacturers' messages to the consumer abroad, but it would also indicate the variety of goods manufactured in India. It could stop, according to him, the present drain on foreign exchange to the extent it was used by advertisers here. Again, if run with an internal beam, it would become a profitable venture for most advertisers, and the radio station could make a profit for the Government as well.

Of interest is Mr. Brown's disclosure that the Society at the moment is concentrating on the preparation of a survey, *A Guide to Export Advertising* which should be of immense value to all the advertising interests in the country.

LABOUR

(*Concluded from page 561*)

wage situation. In a statement recently issued by the I.C.F.T.U. the situation is described thus: Despite "difficulties involved in any attempts to estimate objectively the adequacy of wages, there are some clear indications that, even by very low standards, the wages of unskilled workers in Africa are near or below the level of mere existence, if not of downright poverty."

Largely due to the influence of international conventions, which often recur in the newer legislative enactments, the wide differences in working conditions in African territories which existed in the past, are on the decline. The provision for an eight-hour day and a 40 or 48 hour week is becoming more and more generalised; the granting of holidays with pay has become a normal practice; and weekly rest is completely general. Children and young persons are employed in various types of work in agriculture, where they are generally used on such jobs as picking and sorting, but also, to some extent, in industrial undertakings.

Looking forward into the future the *Survey* concludes:

"The range of social problems confronting Africa in the recent state of her economic and social development is wide; many of these problems have become of pressing urgency for political, economic and social reasons. In respect of social policy, as in other fields, Africa must evolve her own destiny by the co-operation of the Governments responsible for her affairs with their peoples of all races and with each other. It has been said that it should be the aim of policy to raise the standards of living and, in particular, of such aspects as nutrition and housing. The possibility of doing so depends on financial resources which in turn depend on productivity. Several ways have been indicated in which greater productivity can be stimulated, aided and indeed made possible. But when all is said and done the issue depends fundamentally on the African."

MEANING AND DEFINITION OF INDUSTRIAL DISPUTE

The question whether a dispute between a management and its employees required the backing of the majority of the employees for it to be called an industrial dispute within the meaning of the Industrial Disputes Act came up for decision before Mr. Justice P. V. Balakrishna Aiyar in the Madras High Court. It arose as a result of two writ petitions filed on behalf of the management of the Buckingham and Carnatic Mills to quash the order of the Industrial Tribunal, Madras, which held that the dispute referred to it for adjudication by the Government was an industrial dispute within the meaning of the Industrial Disputes Act.

The B. & C. Mills employ 14,000 employees, of which about 10,000 belong to the Madras Labour Union. Out of the 700 employees on the clerical staff, 434 are members of the B. & C. Staff Union. In 1955, the Madras Labour Union raised a dispute. After the arbitrator appointed by the Government had given his award in this dispute in January 1957, the Staff Union raised a dispute about the fixation of scales of pay for comptists and machine operators. The State Government maintained that the dispute was an industrial dispute and referred it to the Industrial Tribunal for adjudication. An objection was raised before the Tribunal, on behalf of the management, that an industrial dispute could be raised in respect of workmen in an industrial undertaking only if the dispute was taken up by a trade union of which the workmen, to whom the dispute related, were members and there was a concerted demand for redress by the majority of workmen in that undertaking. It was contended that the dispute in question was not an industrial dispute as defined in Section 2(*k*) of the Industrial Disputes Act. The Tribunal overruled the objection holding that members of the clerical staff, who belonged to a distinct well-organised section, could raise an industrial dispute.

His Lordship observed that the words used in the definition of "industrial dispute" in Section 2(*k*) of the Industrial Disputes Act were large enough to include even an individual dispute between a single workman and his employer. Judicial decisions had, however, held that individual disputes would become industrial disputes only if they were backed by what had been frequently said to be a substantial number of the employees of the establishment. His Lordship maintained that the definition of the word "workman" in Section 2(*s*) showed that the Act itself recognised that different categories of workmen existed and that it did not lump all employees into one mass or block. The definition of "public utility service" in Section 2(*n*) spoke of "any section of an industrial establishment." Since, by reason of the manner in which "public utility service" had been defined in the Act, a section of an establishment might, by itself, fall into the category of public utility service, while the other sections did not, it would be impossible to insist that the dispute raised by that section, which belonged to a public utility service, was not an industrial dispute, unless it had the backing of a majority of the strength of the establishment.

Section 18(3) of the Act, His Lordship added, made an award binding on "part of the establishment" also. That seemed to imply that there could be an adjudication of a dispute between the management and part of its establishment. That would seem to be inconsistent with the contention of the management that the dispute between a management and its establishment, in order to be an industrial dispute, must have the backing of a majority of the workmen under that particular management.

There might be establishments, His Lordship pointed out, the employees in which belonged to no union whatever. If, in such an establishment, a dispute of a general character arose between the employer and the employees, in which the employees as a whole were interested, would it be right to say that there was no industrial dispute at all? It must also be remembered that every individual had freedom of association and that all the employees were not bound to join the same union or in fact any union. The employees of one establishment might belong to a number of unions and each one might have its own views, methods and leadership. The claims put forward by one union might not necessarily be supported by the other unions. In such a case, to insist that the claims made on behalf of a section of workmen must be supported by a majority of the members employed in the establishment would be to make the Act unworkable or ineffective. The Industrial Disputes Act, His Lordship said, contained no provision for dealing with the situation where there were a number of unions in the field and each one claimed to be exclusively entitled to speak and act on behalf of the employees in a particular establishment or industry. "As the Act stands," he observed, "it will be impossible to insist that, before a dispute between a management and its employees can be called an industrial dispute, that dispute must have the backing of a majority of the employees under that management."

The decisions relied upon by the management, His Lordship added, did not go farther than saying that, before a dispute could be called an industrial dispute, it must have the backing of a substantial number of the employees. A substantial number need not be a majority. In the present case it would no doubt be difficult to say that 434 persons, who formed the Buckingham and Carnatic Mills Staff Union, formed a substantial part of the employees in the mills, since their number exceeded 14,000. But then the total strength of the clerical establishment of the mills was only about 700 and of these 434 belonged to the Staff Union. Four hundred and thirty-four was a substantial part of 700.

Summing up, His Lordship observed: "Unions based on crafts are a common feature of the modern industrial system and where a genuine union based on craft exists and that union has a majority of the employees engaged in that craft and belonging to that establishment, it will not ordinarily be proper to say that a dispute backed by such a union is not an industrial dispute." Holding that the view taken by the Tribunal was correct, His Lordship dismissed the writ petitions.

BOMBAY DYEING'S PROFIT DOWN AGAIN

DIVIDEND MAINTAINED BY DEPLETING RESERVES

IT is a well-known fact that the Bombay Dyeing and Manufacturing Company Ltd. (Managing Agents: Messrs. Nowrosjee Wadia and Sons Private Ltd., Bombay) is one of the leading and representative units of the cotton textile industry in this country. It has as many as 223,006 spindles and 4,211 looms. It is one of the largest exporting mills. Its production consists chiefly of coarse and medium counts, with a small proportion of fine counts. It is an up-to-date mill. Its management is competent and scientific; those who are in charge of the Company do not have too many irons in the fire and devote almost the whole of their time to the affairs of the Company. Its management is known for its scrupulousness in its dealings with labour and trade and for its conservative policy in regard to payment of dividends. It is an ideal cotton mill company in every respect. Accordingly, its financial results can be regarded as a genuine index of the state of affairs of the cotton textile industry in this country and are, therefore, of more than ordinary interest.

Some market commentators used to argue, since June last, that, as the Government had been reducing the excise duty on cloth and providing incentives for export, the industry's position was improving and that investors in textile shares had no cause to worry. It is true that the market value of textile shares has gone up appreciably since June last, but this does not necessarily mean that the industry's position, too, has improved to the same extent. The results of the Bombay Dyeing for 1958 show that market commentators were exaggerating the favourable effects of the reliefs given by the Government in excise duties. Indeed, they reveal that 1958 was worse than 1957, for, despite an increase in sale proceeds, the profit was lower for the second year in succession and the lowest to be witnessed since 1954.

The gross profit for 1958 at Rs. 90.70 lakhs discloses a fall of Rs. 19.61 lakhs or 17.7 per cent. from Rs. 110.31 lakhs for 1957, to which level it had declined from Rs. 125.80 lakhs for 1956. The net profit too has declined from Rs. 39.69 lakhs to Rs. 27.74 lakhs, a drop of Rs. 11.95 lakhs or 30 per cent. It is true that the provision for depreciation has been raised from Rs. 48.12 lakhs to Rs. 51.43 lakhs, but this has been more than offset by the reduction in the tax provision from Rs. 14.32 lakhs to Rs. 6.50 lakhs. The latter is inclusive of Rs. 3 lakhs allocated for wealth tax. A sum of Rs. 20 lakhs has been set aside to development rebate reserve, as against Rs. 45.80 lakhs transferred last year. In view of this, the Directors have been constrained to withdraw Rs. 17 lakhs from the dividend equalisation reserve in order to maintain the dividend at the modest level of 10 per cent. per annum. The amount by which this reserve was depleted in the previous year was as much as Rs. 23 lakhs.

The following comparative table shows at a glance the Company's progress since 1955.

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	9,57.03	8,33.01	7,54.45	7,25.60
Other income	14.70	15.48	15.41	10.08
Closing stocks	2,91.60	2,42.45	1,92.69	1,67.45
Excise duty paid	49.04	28.62	N.A.	N.A.
Expenses	8,88.22	7,45.78	6,51.19	6,23.25
Gross profit	90.70	1,10.31	1,25.80	1,18.20
Managing Agents' remuneration	5.03	8.18	12.18	12.31
Provision for—				
Depreciation	51.43	48.12	26.46	26.87
Taxation	6.50	14.32	33.00	29.60
Net profit	27.74	39.69	54.16	49.52
Transfer from reserves	17.00	29.65	..	..
To reserves and other provisions	20.00	45.80	27.38	24.21
To dividend	25.10 (10%)	25.10 (10%)	25.10 (10%)	25.10 (D. 8% +B 2%)
Carry forward	0.50	0.86	2.41	0.73

It will be noted that increases in expenses and excise duty paid have more than offset the rise in sale proceeds. As at the end of the year, the value of finished goods in stock was as high as Rs. 1.48 crore, as against Rs. 96.48 lakhs a year before. This means that, despite the reduction in excise duties in 1958 and the export incentives, the stocks with the mills were accumulating.

An analysis of the principal items of expenses reveals that, during 1958, the cost of cotton, chemicals and colours consumed went up by Rs. 72.14 lakhs to Rs. 4.83 crores and that of stores and spares by Rs. 21.26 lakhs to Rs. 78.76 lakhs. Salaries and wages, including dearness allowance, rose by Rs. 24.52 lakhs to Rs. 2.25 crores. Excise duty paid was higher by Rs. 20.42 lakhs at Rs. 49.04 lakhs.

Reviewing the conditions in cotton textile industry during the year under review, with particular reference to the Company, the Directors observe thus:

"The cotton textile industry passed through a very difficult year. Mounting stocks with mills and lack of demand from the consuming centres resulted in the closure of some mills in the country. The most important reason for the decline was the high price of foodgrains which absorbed a greater proportion of the purchasing power of the people, and the steep rise in the cost of living resulted in the payment of higher dearness allowance which affected manufacturing costs. In July, Government made some reductions in the excise duty on cloth, but, in spite of these, there was no relief from the burden of heavy stocks which the mills were carrying.

"Exports of cloth received a serious setback during the year due to keen competition from other exporting countries, particularly Japan, China and Hong Kong. The total quantity of cloth exported from India during the year receded to about 580 million yards, as compared to 854 million yards in 1957. The Company, however, was able to export 53.5 million linear yards of cloth, and the value of foreign exchange earned amounted to Rs. 4.84 crores during the year. Although the Company's exports were lower in 1958 when compared to 62.8 million linear yards and Rs. 5.03 crores in the previous year, the percentage of exports made by the Company in 1958 compared to the total exports from India was considerably higher than in the previous year, and the value per linear yard has gone up due to the export of more finished goods."

Commenting on the Government's export incentive schemes to tide over the acute foreign exchange position, the Directors state that, while the scheme may help towards attaining Government's objective, it is essential in the long run that production costs which are still very high in India, as compared with other countries such as Japan and China, must be brought down. They aver that this can be achieved only through automatisation and rationalisation in all departments of the mills.

During the year under review, new machinery amounting to Rs. 100.16 lakhs was received and Rs. 8.45 lakhs was spent in the construction of new buildings. The installation of 1,152 automatic looms was completed at the Spring Mills during the year and they are working very satisfactorily. Four new hot air sizing machines were also installed at the textile mills and have gone into production. The erection of the new bleaching, dyeing and finishing machinery was completed during the year and all the machines have gone into production. The transfer of most of the machinery from the old bleach and dye-house to the new bleach works has also been completed, except for a few items which are in the process of transfer at present.

The financial position of the Company, as disclosed by its balance-sheet as at 31st December 1958, is impressive. Its paid-up capital, all in ordinary shares of Rs. 25 each, is unchanged at Rs. 2.51 crores. This is supplemented by reserves and surplus aggregating Rs. 3.46 crores, of which the general reserve alone accounts for Rs. 1.96 crore. The current liabilities are of the order of Rs. 3.02 crores. The gross block of the value of Rs. 9.01 crores stands well written down at Rs. 4.58 crores, the difference, namely, Rs. 4.43 crores being the total depreciation provided up to the end of the year of review. This figure is inclusive of additions during the year amounting to Rs. 1.10 crore. The current assets aggregate Rs. 4.41 crores and exceed the current liabilities and provision for taxation by a very wide margin. The current assets include, among other items, investments in Government securities and shares of companies, together with interest accrued, at Rs. 38.52 lakhs, stock-in-trade at Rs. 291.60 lakhs, sundry debtors at Rs. 44.79 lakhs, loans and advances at Rs. 28.40 lakhs and cash and bank balances at Rs. 14.20 lakhs.

It will be pertinent to add here that, during the three years ended 1958, the Company has invested Rs. 3.36 crores on plant and machinery and Rs. 68.48 lakhs on building or a total addition of a little over Rs. 4 crores to the fixed assets. As a result of such large capital expenditure, the Company's mills have become quite modern and new.

The Rs. 25 fully paid-up ordinary shares are currently quoted at Rs. 59.80 *cum-div* (final dividend Re. 1.75). On an *ex-div.* basis, the shares provide a yield of 4.3 per cent. per annum. The yield, of course, appears low, but it reflects the investors' belief and hope that the heavy capital expenditure already incurred on modernisation and expansion of the mills will soon start yielding better results and that the Directors would be able to declare higher dividends.

It may be noted that, under the proposed new corporate taxation, the Company will save Rs. 3 lakhs on wealth tax alone, not to mention the saving of about 12 per cent. in the incidence of income-tax and corporate tax. This will, of course, be not sufficient to make good the loss of the benefit of "grossing," but it is optimistically assumed in the share market that the Company's profit margin will improve in the coming years which will enable the payment of a dividend that will more than offset the disadvantage.

KIL KOTAGIRI FARES BETTER

The Kil Kotagiri Tea and Coffee Estates Company, Ltd. (Managing Agents: Messrs. Peirce, Leslie & Co., Ltd., Calicut, Kerala) has reported better results for the year ended 31st October 1958, as compared with those for the previous year. This was obviously due to the sizable improvement in the production of tea. Notwithstanding larger production, the cost per lb. of tea increased by 10 nP to Re. 1.57. Fortunately, the average price realised also rose by 12 nP to Rs. 2.54 per lb. Consequently, proceeds of tea sales were higher. This helped reverse the decline noted in the Company's profit in the previous year. The improvement in profit is, however, not appreciable.

The gross profit at Rs. 8.37 lakhs for 1957-58 compares favourably with Rs. 7.88 lakhs for 1956-57, although it is still lower than Rs. 9.62 lakhs earned in 1955-56. The net profit at Rs. 3.62 lakhs is also a shade higher, as compared with Rs. 3.47 lakhs for 1956-57. To this has been added a sum of Rs. 1.68 lakh, being the estimated surplus provision for taxation made in previous years. The Directors have transferred Rs. 2 lakhs to general reserve, Rs. 1 lakh to dividend equalisation reserve and Rs. 7,604 to development rebate reserve, as against Rs. 3 lakhs allocated to general reserve in the previous year. The dividend on ordinary shares is proposed to be maintained at 15 per cent.

The salient features of the Company's working are given in the comparative table below:

(Value in rupees)

	For the year ended 31st October			
	1958	1957	1956	1955
Sale proceeds of—				
Tea	21,32,130	18,87,077	15,85,066	8,09,075
Coffee	3,41,780	5,16,254	7,22,534	25,342
Stocks of tea	4,23,174	2,33,363	1,45,748	1,42,789
Expenses	18,30,259	16,33,000	15,45,614	5,65,434
Gross profit	8,37,495	7,87,082	9,61,792	4,30,506
Managing Agents' remuneration	57,804	55,128	41,130	23,203
Depreciation	62,779	53,208	49,496	28,293
Taxation	3,55,000	3,32,000	3,48,000	1,47,000
Net profit	3,61,822	3,47,346	5,23,160	2,32,010
Excess provisions written back	1,68,187	1,00,000	..	..
To reserves	3,07,604	3,00,000	3,25,000	1,00,000
Dividends—				
6 per cent. preference ..	15,000	15,000	15,000	15,000
Ordinary	1,28,780 (15%)	1,28,780 (15%)	1,71,708 (20%)	1,71,708 (20%)*
Carry forward	1,09,363	30,738	27,172	15,720
Tea crop (in lbs.)	875,450	760,044	342,560	374,800
	Rs.	Rs.	Cts.	Cts.
Cost per lb.	1.57	1.47	144.30	129.29
Average price realised per lb. ..	2.54	2.42	262.69	252.08
Coffee crop (in cwts.)	1,730	1,555	4,469	38
Cost per cwt. (in Rs.)	224.69	228.50	122.92	1,840.07
Value per cwt. (in Rs.)	162.00	190.51	192.91	176.18

*On the further increased capital as a result of the issue of shares to the shareholders of Nilgiri Neerugudi Estate, following the amalgamation of the two companies.

The crop of tea harvested during the year at 875,450 lbs. is a new record for the Company, having exceeded the previous year's best of 760,044 lbs. by no less than 115,406 lbs. The Directors state that the electricity cuts imposed during April, May and June 1958 severely restricted production. The power cut which was 50 per cent. in April was raised to 75 per cent. in May, until in June a total cut was imposed for several days and the factory had to be closed. But for these power cuts, the total crop for the season would have exceeded a million pounds of made tea.

The Company has a paid-up capital of Rs. 11.08 lakhs, made up of Rs. 2.50 lakhs in 6 per cent. cumulative preference shares of Rs. 10 each and Rs. 8.58 lakhs in ordinary shares of Rs. 2 each. The reserves and surplus aggregate Rs. 15.42 lakhs. The gross block of the value of Rs. 29.90 lakhs has been written down to Rs. 25.62 lakhs. Additions during the year were of the order of Rs. 1.68 lakh. The current liabilities stand at Rs. 6.11 lakhs, as against which there are current assets amounting to Rs. 9.48 lakhs.

The Directors of the Company have announced their intention to apply to the Government for permission to issue bonus shares in the proportion of one for one.

The Rs. 2 fully paid-up ordinary shares are currently quoted at Rs. 8.75 *cum-div.* On an *ex-div.* basis, the yield is 3.5 per cent. per annum.

Notices

THE GANESH FLOUR MILLS CO., LTD. DELHI

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 67th Annual General Meeting of the Shareholders of the Ganesh Flour Mills Company, Ltd., Delhi, will be held at the Registered Office of the Company at Subzimandi, Delhi, on Tuesday the 21st April, 1959, at 10 a.m., to transact the following business:—

1. To receive, consider and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year ending 30th September, 1958.
2. To declare Dividends.
3. (*a*) To elect a Director in place of Shri Balraj who retires by rotation and being eligible offers himself for re-election.

   (*b*) To elect a Director in place of Shri S. Vaidyanath Aiyar who died on 5th February, 1959, and was also due to retire by rotation in this Annual General Meeting.

   N.B.—Under Section 257(1) read with Section 281 of the Companies Act, 1956, a shareholder of the Company has given special notice of his intention to propose the name of Shri Brij Lal, Advocate, Chandni Chowk, Delhi, who will be 67 years of age next birthday, as a candidate for the appointment of Director of the Company in the vacancy created by the death of Shri S. Vaidyanath Aiyar, which occurred on 5th February 1959, in the next General Meeting and to consider and if thought fit to pass the following resolution of which, as mentioned above, special notice under Section 281 of the Companies Act 1956, has been received:—

   "Resolved that Shri Brij Lal, Advocate, Chandni Chowk, Delhi, who will be 67 years of age next birthday, be and is hereby elected a Director of the Company and it is hereby specifically declared that the age limit for a Director as prescribed under Section 280 of the Companies Act, shall not apply to him."
4. To appoint Auditors for the year 1958-59 and fix their remuneration.
5. To consider and if thought fit to pass the following as special resolution:—

   "Resolved that in Article 67 the words 'six months' appearing in the fifth line of the Articles of Association of the Company be substituted by the words 'eight months.'"

By Order of the Board of Directors,

For THE GANESH FLOUR MILLS CO., LTD., DELHI,

(Sd.) KIRPA NARAIN,

Secretary and General Manager.

DELHI, *12th March*, 1959.

N.B.—(*a*) The Share Transfer Books of the Company will remain closed from 7th April, 1959, to 21st April 1959 (both days inclusive).

(*b*) Members unable to attend are requested to send their Proxy Forms duly stamped, signed and completed in favour of a person attending the meeting. Forms not properly signed, stamped and completed or received less than 48 hours before the meeting will be treated as invalid.

(*c*) A member entitled to vote is entitled to appoint a Proxy to attend and vote instead of himself and that a Proxy need not be a member of the Company.

EXPLANATORY STATEMENT

In regard to the Special Business Under Items No. 3(b) and 5 of the Agenda set out above as required under Section 173(2) of the Companies Act, 1956.

Item No. 3(b).—A Shareholder of the Company has by a special notice proposed the name of Shri Brij Lal, Advocate, Chandni Chowk, Delhi, for being elected a Director of the Company in the vacancy caused by the death of Shri S. Vaidyanath Aiyar, which occurred on 5th February 1959, (who was also to retire by rotation in this meeting). As Shri Brij Lal is more than 65 years of age he is not capable of being appointed a Director unless the Company in General Meeting specifically approves that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to him.

Shri Brij Lal is a leading lawyer of Delhi having practised at the bar for more than 40 years. He has a sound knowledge and vast experience of Mercantile and Company matters and has been rendering valuable legal advice to the Company. His inclusion in the Board of Directors of the Company will be highly beneficial to the Company.

Item No. 5.—The existing Article 67 of the Articles of Association of the Company provides that the Annual General Meeting of the Company should be held within six months of the close of the financial year, i.e., by 31st March in each year.

As the Government of India Budget is presented to the Parliament on the 28th of February every year it would not be possible to take into account the impact of budget proposals in the Accounts of the Company if the Annual General Meeting is held within the limit now prescribed by existing Article 67 of the Articles of Association of the Company. Moreover, if the existing Article 67 is not amended it would result in payment of two dividends to the shareholders in one year.

Section 166(1)(c) of the Companies Act, 1956, prescribes the limit for holding Annual General Meeting within nine months.

It is, therefore, desirable that the existing Article 67 be amended and the words "six months" appearing therein be substituted by the words "eight months."

THE BENGAL FLOUR MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company that the Annual General Meeting (being the one hundred and twenty-fifth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Friday, the 17th April 1959, at noon, to consider the Accounts of the Company for the year ended 31st December 1958, and to transact other ordinary business and the under-mentioned special business.

SPECIAL BUSINESS

NOTICE is also hereby given of the following Resolution, which will be proposed as a Special Resolution, of which special notice dated 10th March, 1959, as required by Section 261 of the Companies Act, 1956, has been received:—

"That Mr. C. A. Hill, an employee of the Managing Agents, who retires by rotation, be and is hereby re-appointed a Director of the Company."

NOTICE is also hereby given of the following Resolution which will be proposed as a Special Resolution:—

"That the following contract between the Company and The Bengal Paper Mill Co. Ltd., an Associate of its Managing Agents, as defined by Section 2(4) of the Companies Act, 1958, a draft whereof has for the purpose of identification been subscribed by the Chairman of this Meeting be and the same is hereby approved and the Directors are hereby authorised to execute the said Agreement on behalf of the Company with all convenient despatch:

for sales of such flour and wheat products and other services in which the Company regularly trades or does business and which the Associate may require for the purpose of its business, payment for such sales being due within one month from the date of the supply of such goods or the supply or rendering of such services:

it being a term of the above contract that the prices at which transactions take place shall be at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 3rd April, 1959 to 17th April, 1959, both days inclusive.

By Order of the Board,

BALMER LAWRIE & CO. LTD.,

D. MANSON,

Secretary,

Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *11th March*, 1959.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

THE TITAGHUR PAPER MILLS COMPANY LIMITED

NOTICE OF INTERIM DIVIDENDS

THE BOARD OF DIRECTORS OF THE ABOVE Company has sanctioned payment of the following Interim Dividends in respect of the Company's Financial year ending 31st March, 1959, without any deduction for Income-tax payable by the Company:—

On 8 per cent. 1st Cumulative Preference Shares—Rs. 4 per share.

On 4½ per cent. 2nd Cumulative Preference Shares—Rs. 2/25 nP per share.

On Preferred Ordinary Shares—12 nP per share.

On 'A' and 'B' Ordinary Shares—Dividend 88 nP per share and Bonus 25 nP per share.

These Dividends will be payable on or after 8th May, 1959 to those Shareholders (or their mandatees) whose names appear in the Company's books on 24th April, 1959, as the Registered holders of the above Shares.

The Share Transfer Registers of the Company will be closed from 11th to 24th April 1959, both days inclusive.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,

Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *25th March*, 1959.

THE MILLOWNERS' ASSOCIATION BOMBAY

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the MEMBERS of the MILLOWNERS' ASSOCIATION, BOMBAY, will be held in the rooms of the Association (Second floor, Elphinstone Building, Veer Nariman Road, Fort), at 11-30 a.m. on Thursday, the 16th April 1959, to transact the following business:

(1) To receive and adopt the Committee's Report and Statement of Accounts for the year 1958;

(2) To appoint Auditors of the Association's Accounts for the current year and to fix their remuneration;

AND any other business that may be brought forward.

By Order of the Committee,

B. G. KAKATKAR,

Secretary.

BOMBAY, *6th April* 1959.

THE STANDARD-VACUUM REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debentures 1964-68 will be closed for transfers from 16th April 1959 to 30th April 1959, both days inclusive.

N. A. KRISHNAN,

Secretary and Treasurer,
State Bank of India.

Agents for the Standard-Vacuum Refining Co. of India Ltd. for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, *31st March* 1959.

ANDHRA SUGARS STEPS UP DIVIDEND

EARNINGS OF DHANALAKSHMI MILLS LOWER

Andhra Sugars Ltd.

THE directors of the above Company (Managing Agents: Messrs. Ranga Rao & Co., Tanuku) present the audited accounts of the Company for the year ended 30th September, 1958.

The accounts show a profit of Rs. 18,77,691 (Rs. 15,66,094) for the year 1957-58 after providing Rs. 60,000 (Rs. 51,000) for payment of bonus to staff and Rs. 2,94,418 (Rs. 2,14,155) extra price for cane. To this amount is added the balance of profit brought forward from 1956-57 account of Rs. 15,080 (Rs. 1,90,836) and excess provision for bonus in 1956-57 Rs. 6,414 (Rs. 10,153) making a total of Rs. 18,99,185 (Rs. 17,96,783 including Rs. 29,700 being subsidy from the Government of India for Industrial Housing colony). After deducting expenses not relating to the year of account and donations of Rs. 62,089 (Rs. 6,704) leaving an available balance of Rs. 18,37,096 (Rs. 17,90,079). The directors propose the following appropriations:

To tax free dividend at 15 (12½) per cent. on the paid up capital absorbing Rs. 4,50,000 (Rs. 3,75,000), to transfer to the general reserve Rs. 2.50.000 (Rs. 9,00.000), to transfer to dividend equalisation reserve Rs. 1,00.000 (Rs. 2,50,000), to transfer to gratuity reserve Rs. 15,000 (Rs. 25,000) and to provision for taxes Rs. 10,00,000 (Rs. 2,25.000) leaving a balance of Rs. 22,096 (Rs. 15,079) to be carried forward to next year's account.

During the year under report the Factory commenced sugarcane crushing on 1st December 1957 and stopped on 13th May 1958. The sugarcane crushed during the season was 1,47,209 tons and sugar manufactured was 1,56,416 bags, with a recovery of 10.21 per cent., as against 1,07,078 tons cane, 1,16,425 bags sugar and 10.70 per cent. recovery of the last season. The total sugar produced was sold in free market excepting 3,809 bags taken by the Government for export purposes.

The directors report that with a view to develop the sugarcane cultivation on modern lines and educate the local cane growers on the improved methods of sugarcane cultivation, they have obtained the sanction of the Government and got a Liaison Farm established at Tanuku. The lease for the land and necessary revenue expenditure for the Liaison Farm are to be borne by the Company and the value of produce will be received by the Company.

The directors are also glad to report that the Andhra Sugars Ltd., is starting certain other industries. The Company has obtained licences from the Government of India for the establishment of an Industrial alcohol plant, acetic acid and acetic anhydride plants, sulphuric acid and superphosphate and caustic soda and chlorine plant. With a view to minimise the capitalisation, the Company is undertaking fabrication of a substantial portion of the machinery, while orders are being placed with foreign suppliers for the balance of machinery.

The authorised capital of the Company is raised to Rs. 1,00,00,000 (Rupees One Crore) and the directors have obtained the sanction of the Controller of Capital Issues for the issue of 7 per cent. tax free cumulative redeemable preference shares of the value of Rs. 30,00,000.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Gross block	84,58,962
Reserves ...	23,00,000	*Less*—Depreciation ...	24,22,569
Provision for taxation ...	12,24,103		
Liabilities ...	40,93,097	Net block ...	60,36,393
Profit and loss account ...	22,096	Stock-in-trade	22,07,410
		Stores and loose tools etc. ...	10.57,374
		Other assets	28,947
		Debts, deposits and advances ...	9.15,763
		Investments	2,10.000
		Cash ...	1,83 409
Rs.	1,06,39,296	Rs.	1,06,39,296

Dhanalakshmi Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. M. Nanjappa Chettiar and Sons, Tirupur) submit the audited accounts of the Company for the year ended 31st December 1958.

After deducting all working expenses and interest and providing Rs. 5,35 033 (Rs. 3,71,472) for depreciation, the year's working has resulted in a net profit of Rs. 10.71,996 (Rs. 13,53,044). Out of this amount Rs. 2,301 (Rs. 12,900) has been expended by way of donations, leaving a balance of Rs. 10.69,695 (Rs. 13,40,144). As a consequence of awards and agreements, the following amounts were paid in the year of account in respect of prior years: Difference in dearness allowance for prior years Rs. 49.379 (Rs. 58.349) the balance of bonus for 1956 Rs. 1,79.200 making a total of Rs. 2,28.579. In making the payment of the said sum of Rs. 2.28,579, the following balances of the provisions made from the profits of prior years have been utilised: Difference in dearness allowance for prior years Rs. 29,175 and the balance of bonus for 1956 Rs. 54,836 making a total of Rs. 84.011. Thus, a sum of Rs. 2,28.579 minus Rs. 84.011 i.e. Rs. 1,44,568 has been paid in the year of account in respect of prior years from the profits of the year 1958, leaving a balance of Rs. 9.25.127 (Rs. 12,81,795) from the profits of the year 1958. With Rs. 1,965 (*nil*) carried forward from last year, there is a sum of Rs. 9,27,092 (Rs. 12,81,795). As this sum is not sufficient to make the appropriations recommended hereunder, a sum of Rs. 2,50,000 (*nil*) has been transferred from the reserve for dividend equalisation, thus making the sum available for appropriation as Rs. 11,77,092 (Rs. 12,81,795). The directors recommend the following appropriations therefrom:

To reserve for development rebate Rs. 3,50,000 (*nil*), to reserve for employees' gratuity Rs. 50,000 (Rs. 50,000), to provision for taxes Rs. 2,90,000 (Rs. 4,00,000) and to proposed dividends at 10 (10) per cent. tax free Rs. 4.85.888 (Rs. 4,79,830) leaving a balance to be carried forward of Rs. 1,204 (Rs. 1,965 after placing Rs. 3.50,000 to machinery replacement reserve).

According to the provisions of the Finance Act, unless an appropriation of at least 75 per cent. of the development rebate allowable in the income-tax assessment is made from the profits of the year, the benefit of the allowance as development rebate will be lost.

The directors deem it prudent to build up a gratuity reserve by appropriating year after year, sufficient profits so as to avoid the contingency of facing sudden and huge liabilities for payment of gratuity to employees who may be obliged to retire from the service of the Company in future years.

The profits of the year of account are low when compared with those of the previous year on account of the general slump in the textile trade. Moreover, the power cut that continued for nearly seven months in the year of account narrowed down further the margin of profit.

In the year of account 7.664 spindles were added, thus bringing the installed spindleage to 49,876. Orders have been placed for the purchase of 192 automatic looms and the necessary accessories. Of these 192 looms, 144 looms and the necessary accessories are to be purchased on the deferred payment system.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,58,875	Gross block	98,47,125
Reserves ...	26,75,000	*Less*—Depreciation ...	55,14,444
Provision for taxation ...	8.76,142		
Liabilities ...	33,07,948	Net block ...	43,32,681
Profit and loss account ...	1,204	Stock-in-trade	40,51,936
		Stores and spare parts	5.21,342
		Debts, deposits and advances ...	12,72,789
		Investments	4,77.691
		Cash ...	10.62,730
Rs.	1,17,19,169	Rs.	1,17,19,169

Premier Automobiles Ltd.

The directors of the above Company (Managing Agents: Messrs. Aero-Auto Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th June 1958.

The working of the year resulted, after providing for depreciation and taxation in a profit of Rs. 7.35.627 (Rs. 37,32,248) of which tax paid in respect of previous year absorbed Rs. 18.676 (*nil*) leaving a balance of Rs. 7,16,951 (Rs. 37,32,248). The amount brought forward from the previous year was Rs. 6.31,752 (Rs. 6.05,488) of which dividends paid on shares forfeiture of which was annulled, was Rs. 480 (Rs. 2.178) leaving an available balance of Rs. 13,48,223 (Rs. 43.35.558). From this amount the directors now propose a dividend of Rs. 4 (Rs. 6.00) per share without deducting income-tax absorbing Rs. 8,69.332 (Rs. 13.03,806) leaving a balance of Rs. 4,78,891 (Rs. 6.31,752 after placing Rs. 9.00.000 to general reserve, Rs. 5.00 000 to dividend equalisation reserve and providing Rs. 10,00,000 for contingencies) to be carried forward.

The fall in profit this year is due to a number of causes. Due to factory having remained closed for about two and half months during the period under review because of labour trouble the turnover for the year did not reach as high a figure as expected. The total sales this year fell to Rs. 14.47 crores against Rs. 18.08 crores last year. Expenditure on materials and wages had also gone up resulting in an overall increased cost for Fiat cars. In spite of this, the Government was reluctant to grant us increase in price for Fiat cars. The company had also to provide for payment towards taxes as agents of Chrysler Corporation under Section 43 of the Income-tax Act as a result of the disposal by the Appellate Assistant Commissioner of Income Tax of the appeals filed by the Company in this respect. The cumulative effect of these factors is reflected in the reduced margin of profit this year.

As stated in the previous year's report, the Fiat Engine, which is now on the production line, is making satisfactory progress. Components such as cylinder block, crankshafts, connecting rods are cast, forged, machined locally and assembled, right from the basic materials.

The Company has now received sanction of the Government of India for the manufacture of transmission and rear axle components for Fiat cars. Licences have been received and orders placed with the Fiat Company and other Italian machine tools manufacturers for the fixtures, jigs etc. required for the manufacture of these parts.

The manufacture of Timken axles is progressing satisfactorily. All machines have been received and installed. Also, castings and forgings of a number of components of the axles are ready and production of some components has commenced. Approval of the Government of India for manufacture of 5-speed transmission has been obtained and the designing and manufacture of tools, jigs and fixtures is in progress. An order for combustion heat treat furnaces has been placed. On receipt of these furnaces production of transmission and rear axles is expected to be accelerated due to the increased scientific control.

Due to import restrictions big cars will not be available for some time to come, although the Company will be selling spare parts for those already on the roads. The Company will have therefore to rely for the present on the sales of trucks and Fiat cars for its turnover. The potential in respect of the former will, however, suffer to a certain extent, as a result of the decision of the Government of India to manufacture trucks for the Defence Ministry at the Ordnance factories.

During the year under review negotiations were concluded for the issue of 1.60.000 6½ per cent. (subject to income-tax) convertible debentures out of the sanction of Rs. 2,00,00,000 debentures and this issue was offered to the shareholders in the first instance. These debentures were subsequently allotted. Out of the proceeds of the debenture issue, the balance of the loan of Rs. 45 lakhs was paid off in full to the Industrial Finance Corporation.

During the year under report the factory had to be closed down from 12th April 1958 for the duration of the strike as a security measure under the Standing orders, as the workers resorted to a sit-down strike. The strike was called off on 30th July 1958 and the factory resumed working thereafter.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,20,26.525	Gross block	3,90,61,158
Reserves ...	71,19,432	*Less*—Depreciation ...	1,93,68.002
Provision for taxation ...	33.29.613		
Liabilities ...	7,07,86,610	Net block ...	1,96,93,156
Profit and loss account ...	4,78,891	Stock-in-trade	3,06,33,786
		Stores and loose tools etc. ...	2,34,35,781
		Goods-in-transit ...	1.64,24,593
		Debts, deposits and advances ...	1,05,56.279
		Investments	4.68.031
		Cash ...	25.29.392
Rs.	10.37,41,071	Rs.	10,37,41.071

Muttra Electric Supply Co., Ltd.

The directors of the above Company (Chairman: Mr. Ghanshyamdas Bhagat, Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The number of consumers connected to the Company's system as at 31st March 1958 was 4,572 as compared with 3,922 at the close of the year ended 31st March 1957.

There was a long dispute between the Company and the Municipal Board of Mathura in connection with the renewal of the agreement between the Company and the Municipal Board for supply of electrical energy and the dispute has since been settled by entering into a fresh agreement. Satisfactory progress is being maintained in the following schedule:

Year Ended	*Units Sold*	*Revenue* Rs.
31st March, 1956	36,25,664	6,41,067
31st March, 1957	42,30,748	7,80,736
31st March, 1958	48,11,057	8,80,356

After providing for all charges and placing Rs. 10,107 (Rs. 9,172) to statutory contingencies reserve, Rs. 19,200 (Rs. 32,400) to provision for consumers' benefit fund, Rs. 10,421 (*nil*) to development reserve, Rs. 76,000 (*nil*) to provision for doubtful debts, Rs. 60,000 (Rs. 84,121) to provision for taxation and Rs. 36,979 (Rs. 44,228) to provision for director-in-charge's remuneration (which is payable subject to the approval of the shareholders) and bringing forward Rs. 19,008 (Rs. 15.088) from the year ended 31st March 1957, Rs. 32.928 (*nil*) from tariffs and dividends control reserve, Rs. 64.000 (*nil*) from general reserve, Rs. 4,654 (Rs. 4.654) from deferred taxation reserve, there remains a balance of Rs. 78,297 (Rs. 74,984 after placing Rs. 13,000 to general reserve) available for distribution and this amount the directors recommend be disposed of as follows:—

To payment of a dividend at the rate of 8 (8) per cent. per annum without deduction of tax for the year ended 31st March 1958 absorbing Rs. 55.976 (Rs. 55.976) and carrying forward to next year Rs. 22,321 (Rs. 19,008).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,99,850	Gross block	17,84,092
Reserves ...	1,83,973	*Less*—Depreciation ...	7,83,164
Provision for taxation ...	1,46,030		
Provision for wealth-tax	5.000	Net block ...	10.00.928
Liabilities ...	7,61,094	Capital work-in-progress	3,139
Profit and loss account ...	22,321	Stores, tools etc. ...	2,50,451
		Debts, deposits and advances ...	2.97.202
		Investments	1.29.352
		Cash ...	1,37,196
Rs.	18.18,268	Rs.	18.18,268

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

BANK ADVANCES NEAR RS. 1,000-CRORE MARK

(From Our Own Correspondent)

BOMBAY, 1st *April*

There has been no change in the conditions of the short-term money market since we reported last. If anything, the stringency is more acute, with the growing pace of demand for bank credit to finance the crop movement and to meet the requirements of trade and industry. The usual fiscal year-end needs for payment of taxes have also added to the pressure. Borrowers, therefore, predominate in a market which has already been depleted of its floating funds. The pace of increase in bank credit is gathering momentum, while that in deposits is slowing down, with the result that banks are drawing down their balances with the Reserve Bank and also increasing their borrowings from the Reserve Bank to meet their requirements. To some extent, these are met by reducing their investment portfolio also. The rise in bank advances is so fast that it has now almost touched the Rs. 1,000-crore mark.

There has, however, been no change in interest rates. Inter-bank call money is being done at 3½ per cent. among the Exchange banks and the big Indian banks and at 3½ per cent. among the smaller banks.

There has also been no change in the Treasury Bill discount rate at 2.760 per cent. per annum. But it seems that these bills are being taken up by special quarters, presumably the State Bank. This is evident from the fact that the amount offered this week was again no more than that invited, namely, Rs. 2 crores. Tenders for next week are unchanged at Rs. 2 crores. There have been no sales of Intermediate Bills during the week under review, but they are being continued.

The Reserve Bank of India statement for the week ended 27th March 1959 discloses a rise of Rs. 8.92 crores in notes in circulation and of Rs. 90 lakhs in notes held in the Banking Department. The consequent rise in total notes issued is covered mainly by an increase of Rs. 9.90 crores in rupee securities. There is no change in foreign securities, but balances held abroad have declined by Rs. 3.70 crores, bringing down the total amount of external assets to Rs. 213.06 crores. There has been a rise of Rs. 2.65 crores in Central Government's deposits, while deposits of other Governments are lower by Rs. 9.29 crores and those of banks by Rs. 6.65 crores. Loans and advances to Governments are up by Rs. 4.08 crores and other loans and advances by Rs. 41 lakhs. Banks' borrowings against usance bills show a rise of Rs. 3.19 crores.

A rise of Rs. 2.90 crores in demand deposits and a fall of Rs. 3.51 crores in time deposits are disclosed by the Scheduled banks' statement for the week ended 20th March 1959. Inter-bank borrowings are also lower by Rs. 3.65 crores. Borrowings from the Reserve Bank have increased by Rs. 14.28 crores and those from the State Bank by Rs. 1.02 crores. Advances (other than against bills) have jumped by Rs. 10.98 crores and bills purchased and discounted by Rs. 5.90 crores, raising the total bank credit to a record level of Rs. 995.93 crores, which is only short of the Rs. 1,000-crore mark by Rs. 4.07 crores. Investments stand reduced by Rs. 5 crores. While cash balances and balances with other banks have enlarged by Rs. 4.07 crores, money at call and short notice has shrunk by Rs. 2.85 crores.

Lethargic conditions prevail in the Gilt-edged market. Thanks to the acute stringency in the money market, investors are not making purchases. With only a few weeks to go for the announcement of the Centre's borrowing programme, sellers predominate in most counters. Interest in State loans also has waned and the L.I.C. has been out of the market for sometime now. In fact, there are sellers in many of the State issues.

3 per cent. 1986 Conversion Loan provides an exception with a rise of 10 nP to Rs. 74.10. 3 per cent. 1970-75 is unchanged at Rs. 91.15, while 3 per cent. 1966-68 has shed 10 nP to Rs. 93.75. 3 per cent. 1964 and 1963-65 have maintained their levels at Rs. 97 and Rs. 96.75, respectively. 3½ per cent. National Plan issues continue to be on offer, but, excepting 3½ per cent. 1965 which has declined by 5 nP to Rs. 99.55, all are unchanged. 4 per cent. 1960-70 has dropped 5 nP to Rs. 100.75. Among the State loans, Bombay 4½ per cent. 1969 is 5 nP lower at Rs. 102.50. Madras 4 per cent. 1964 has lost 5 nP to Rs. 100.20 and 1967 and 1968 to Rs. 100.10 each. U.P. 4 per cent. 1967 and 1968 are lower by 5 nP at Rs. 100.10.

The growing strength of sterling abroad had its effect on rupee also in terms of the U.S. dollar. Banks' selling rate for ready dollars has dropped from Rs. 475.75 to Rs. 475.25 per $100 and their buying rate from Rs. 472.25 to Rs. 472 per $100. In New York, spot sterling rose from $2.81¾-2.81.7/16 to $2.81.9/16-2.81¾ yesterday. This is the highest rate touched by sterling since the devaluation in 1949 and is only less than ¼c. below the official ceiling. Three months' forward has improved from $2.81.1/16-2.81¼ to $2.81¼-2.81.3/16.

SACKINGS DECLINE

(From Our Own Correspondent)

CALCUTTA, 31*st March*

The loss of a large part of the Burmese order for heavy goods to Pakistan recently would appear to justify the fears that are being held by shippers over the growing competition to India's jute industry. Though the order from Burma was not large, the fact that India is not in a competitive position to supply it is disappointing and has had a demoralising effect on the jute goods market in Calcutta. It is over two weeks since the order went to Pakistan, but the Calcutta market has not recovered from the bearish note it had struck.

BULLION RECEDES

(From Our Own Correspondent)

BOMBAY, 1st *April*

The persistently firm trend of the bullion market noted in the last four weeks abated during the week under review. In fact, the market put on a distinctly easy appearance. The bulk of the bear position having been squared up on the 23rd and the 24th ult., there was a shrinkage in turnover. There were also some offerings by professional interests, while the actual offtake was not large enough to absorb them. Consequently, both the metals suffered a setback. The lower levels, of course, attracted some replacement buying and short-covering. Nevertheless, today's closing rates were much lower than those at the end of last week.

In the silver section, April settlement came in for selling and fell from Rs. 201-8 to Rs. 199-5 yesterday and, after recovering to Rs. 200-3 today, reacted to Rs. 199-11 at the close. May settlement dropped Re. 1-14 to Rs. 199. The *badli* was against the bears; the rate widened from As. 12 on Tuesday last week to As. 14 on the 27th ult., but subsequently narrowed down to As. 11 today. Business in June settlement commenced at Rs. 198-15 on Thursday. The settlement was quoted today at Rs. 198-1.

Ready silver, which had touched a high of Rs. 202 on Tuesday 24th March, receded steadily to Rs. 199-10 yesterday. After recovering to Rs. 200-7 today, it finished lower at Rs. 199-15. The net loss over the week was Rs. 2-1. The daily average arrivals and offtake of silver were 12 bars and 13 bars, respectively. The floating stocks of silver are estimated at about 25,000 tolas.

April settlement in gold moved down from Rs. 119-1 to Rs. 118-11, after being lower still at Rs. 118-1 on Monday. May settlement suffered a loss of As. 12-6, today's closing rate being Rs. 117-13-6. The *badli* was payable by bears; it widened from As. 7 on Tuesday last week to As. 10 on Thursday this week, so that margin at the rate of Rs. 10 per tola became operative on bulls in the April delivery. Notwithstanding the margin, the *badli* widened further to As. 13-6 today. Business in June settlement commenced at Rs. 117-4-6 on Friday. With the *badli* payable by bears in May-June delivery being As. 8. margin at the rate of Rs. 10 per tola became operative on bulls in May delivery. The June settlement was quoted today at Rs. 117-7-6.

Ready gold encountered selling and eased from Rs. 119-15 to Rs. 119-1 on Monday. After recovering to Rs. 119-12 subsequently, it softened to Rs. 119-7-6 today before finishing at Rs. 119-11. The daily average arrivals of gold were 5,000 tolas, while the offtake was 4.500 tolas per day. The floating stocks of gold are reported to be around 25.000 tolas.

Ready and forward silver in London were both fully maintained at the last week's levels of 79¼d. and 79¼d., respectively. Ready gold, however, eased by ¼d. to 249*s.* 1¾d. Silver in New York was unchanged at 91.375 cents per fine ounce.

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

	1-4-59	Highest	Lowest	24-3-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	119 11	120 0	119 1	119 15
Forward*	118 11	119 1	118 1	119 1
Sovereign	76 0	76 0	75 12	75 12
SILVER				
Ready (.996 fine Mint) ..	119 15	201 11	199 4	202 0
Forward†	119 11	200 11	199 5	201 8
London Silver Ready ..	79¼d.	..	..	79¾d.
London Forward	79¼d.	..	..	79¼d.
London Gold	249*s.* 1¾d.	249*s.* 2d.	249*s.* 1¾d.	249*s.* 2d.
New York Silver ..	91.375 c.	..	..	91.375 c.

* 23rd April settlement. † 24th April settlement.

During the week under review sackings continued to rule easy with a further decline in prices. Absence of any overseas buying and the easy trend in raw jute prices also affected sentiment. Hessians, however, ruled steady, mainly due to covering in ready eleven porters by shippers to meet their month-end commitments.

B. Twills (March) declined from Rs. 94 per 100 bags to Rs. 93.20 and April shipment from Rs. 94.50 to Rs. 93.65. April-June shipment closed at Rs. 93.90, having been marked down from Rs. 94.75. The July-September shipment shed 80 nP to Rs. 94.20. The steady tone in hessian is reflected in the rise of 40" x 10 oz. from Rs. 40 to Rs. 40.50 per 100 yds. The April shipment showed no change at Rs. 39.35, while the more distant shipments, namely April-June and July-September, were a shade lower at Rs. 38.90 and Rs. 38.85, respectively.

The raw jute market ruled easy, with sellers offering freely, following reports of good rainfall in growing areas. Mills' purchases were also limited, in view of the difficulty of finding storing space. With heavy deliveries coming in against their larger purchases in response to the I.J.M.A.'s request to mills to buy five months' requirements, mills are storing them in the open. Some mills are unable to carry out their undertaking and are, therefore, refraining from purchasing on account of this difficulty. The absence of any relief in export duty on raw jute, as requested by growers, also depressed prices. Exports of raw jute do not seem to be encouraging. The cumulative effect of these factors was the drop in prices all-round. The following are the latest quotations of raw jute (per maund) for April-May shipment: Northern Bottoms: Rs. 20.75; Assam Bottoms: Rs. 21 and Daisee Bottoms: Rs. 23.25.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, 1*st April*

Firm conditions continued to prevail in the cotton futures market during the week under review, although the hectic buying witnessed last week receded. There was fresh support from up-country interests, besides good mill and investment buying. Firm advices from the spot market, prospects of a sharp reduction in crop and reports that mill consumption of Indian cotton was advancing imparted further strength to the market. Over the week, prices showed an improvement of about Rs. 3 to Rs. 4. A notable development of the week was the commencement of trading in I.C.C. Moglai Jarilla August 1959 contract on the 26th ultimo.

I.C.C. Moglai Jarilla May contract commenced the week at Rs. 676.25 and gradually rose to Rs. 684 yesterday before closing at Rs. 680.50. Commencing today's session at Rs. 680, the contract improved fractionally and finished at Rs. 679.50.

I.C.C. Moglai Jarilla August contract, which started its carrier on the 26th March at Rs. 683, firmed up to Rs. 689.50 yesterday. Opening at Rs. 686.50 today, the contract gathered 50 nP and closed steady at that rate. The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	1-4-59	*High*	*Low*	24-3-59
I.C.C. Moglai Jarilla				
May 1959 ...	679.50	684	675	676.75
I.C.C. Moglai Jarilla				
August 1959 ...	687	689.50	682	683*

*On 26-3-59.

Sustained activity was witnessed in the spot section. Available lots of good quality cotton found ready buyers. Staple styles were getting scarce and rates hardened. Mill buying was mostly centred round Vijay, Digvijay, Laxmi, Kalyan Jarilla and 03940. The export front was subdued. Foreign enquiries were few and far between. Fresh business reported was negligible.

The Joint Chief Controller of Exports has notified that all contracts registered but remaining unshipped as on 31st March will be allowed to be transferred for the next period, April to August 1959, provided the shipment against such contracts so transferred is made not later than 15th April 1959. The bank guarantee furnished in respect of such registration will be required to be extended till the shipment is made by 15th April 1959. This concession, it has been specially stated, should not be treated as a precedent. Similar extension would not be allowed for contracts registered with the Joint Chief Controller of Exports under a bank guarantee during the next period that is, April-August, 1959.

The import section, in contrast, was very active. Keen interest was noted in Egyptian cotton. Sizable quantities of Egyptian Karnak and Menoufi varieties were purchased. Moderate business took place in Sudan and East African cotton.

It has been officially notified that the shipping period in respect of the import quota of 55,000 bales of cotton of staple length 1.3/16" and above (namely, Egyptian and Sudanese varieties) issued on 13th December 1958, has been extended till 31st May for Egyptian cotton and 30th June for Sudan cotton. The shipping period of East African cotton has also been extended from 30th April to 31st May 1959.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 690; Berar Jarilla 770; Khandesh 840; Vijay 970.

The Karachi cotton futures market ruled easy during the week under review also. The slackness of export demand and absence of domestic spinner demand discouraged support. At the same time, new crop arrivals exerted a downward pressure on prices. N.T.R.G. May dropped from Rs. 54-12 last week-end to Rs. 52-13-6. The March contract expired on the 25th March at Rs. 52-4. Trading in July commenced on the 25th March at Rs. 54-11-6. The contract ruled somewhat steady. It closed at Rs. 54-10-6 yesterday.

Conditions in the Alexandria cotton futures market remained unchanged. Activity was slow and turnover limited. Prices continued to fluctuate in a narrow range, Ashmouni and Karnak contracts were in the neighbourhood of 61 tallaris and 71 tallaris, respectively. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: May 71.25; July 71.50. *Ashmouni*: April 61.50; June 61.55.

Despite larger offers of C.C.C. stocks of cotton from U.S. shippers, cotton futures values in Liverpool scored handsome gains during the week. This was due to mill hedging and trade covering in new crop positions. Commission House support was also forthcoming. Better interest was noted in Sudan cotton contracts which, consequently, hardened. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: May-June 22.00. *Sudan*: May-June 22.60.

Cotton futures values in New York hardened during the week. There were good mill and Spot House support. Part of the buying was attributed

to reports that the number of farmers who opted for option B, which enabled them to increase their basic acreage by 40 per cent. and get a lower support price than that obtained by farmers who chose option A, was smaller than expected.

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

(In cents per lb.)

	31-3-59	24-3-59	17-3-59
Spot	35.90	35.80	35.65
March	35.81	35.63	35.38
May	35.11	34.82	34.46
July	32.79	32.47	32.16

SUGAR RALLIES

(From Our Own Correspondents)

BOMBAY, *1st April*

There was a sharp rise in sugar prices during the fortnight under review, as a result of excellent buying support induced by sustained demand from Malabar side and poor arrivals. The aggregate arrivals by rail during the week were no more than 3,620 bags. The buoyancy of the market was also due to three other factors. One, the ex-mill quotations for Bombay-Deccan sugar moved up. Two, the latest monthly release of sugar for sale in the free market was lower than the previous release, the quantity involved being 150,000 tons, as against 165,000 tons. Three, there were rumours that the Central Government might raise the controlled ex-mill prices of North Indian sugar and also concede partly the demand of cane growers for higher prices.

Over the fortnight, medium grain sugar registered a rise of Rs. 2 to Rs. 112-Rs. 113 per bag. Large grain gained a like amount to Rs. 114-Rs. 118. Small grain rallied from Rs. 109.50 to Rs. 111.

* * * *

HAPUR, *30th March*

The sugar market rules quietly steady. The rising trend of prices has been halted, thanks to selling pressure by factories which have to clear their last released stocks by 7th April. A fresh quota of 150,000 tons has also been released for open sale. Some factories in Moradabad division have stopped crushing operations, and some units in Meerut and Bulandshar districts were expected to close down within a few days, as cane supplies were inadequate. The prevailing prices of sugar in the Muzaffarnagar market are:—crystal spot delivery new Shamli D29 Rs. 36.75; Mansurpur D29 Rs. 38; wholesale mill delivery controlled B29 Rs. 37.12; C29 Rs. 36.37; D29 Rs. 36; prevailing prices Rohana B29 Rs. 38.87; Mansurpur C29 Rs. 38.06; Lhaksar C29 Rs. 38.91; Deoband C29 Rs. 38.37; Khatauli B29 Rs. 38.37; Meerut D29 Rs. 37.69; Amroha D29 Rs. 37.12; Bijnore D29 Rs. 37; Dhampur D29 Rs. 37.19.

Khandsari also rules quietly steady. There are indications that the Government of India is thinking of making some changes in the proposed excise levy on *khandsari*. The prevailing prices are:—superior Rs. 33 to Rs. 36; inferior moist Rs. 29 to Rs. 32 per maund.

With the last week's fall in *gur* prices, demand for this commodity has again revived. Daily arrivals here are at an average of 2,000 to 2,500 maunds. Local stock is put at 87,000 maunds. Cane sowings for the next season is in full swing and, as *gur* prices all through the season have been fairly high, an increased acreage is expected in the next season. The prevailing prices are:—*gur pansera* Rs. 18.25 to Rs. 18.50; *balti* Rs. 18.37 to Rs. 18.62; *shakker* Rs. 18.50 per maund.

In the Muzaffarnagar market, arrivals of *gur* are at an average of 8,000 to 10,000 maunds daily. The latest prices are:—*gur chaku* Rs. 18 to Rs. 19; *ladu* Rs. 20 to Rs. 20.50; *pansera* Rs. 19 to Rs. 19.75; *shakker dara* Rs. 19.75 to Rs. 21.75; *masala* Rs. 24 to Rs. 25.25 per maund.

Forward trading in *gur* continues to remain suspended in accordance with the Government of India's instruction. The local Chamber has been assured by the Forward Markets Commission that the new rules submitted by it are under consideration and forward trading will be allowed soon.

YARNS GIVE WAY

(From Our Own Correspondent)

BOMBAY, *1st April*

Traders in yarn are anxiously awaiting the Government's decision regarding the import of art silk yarn. The import licensing policy for the current half-year announced yesterday does not make any mention of art silk yarn. This absence is attributed to the fact that the Government may be considering the question of linking the rayon yarn import policy to the modified export promotion scheme in rayon fabrics now being examined. It is reported that the Development Council for Rayon and Silk is meeting shortly to review the situation arising from the suspension of the export promotion scheme. One of the proposals expected to come up for consideration by the Council at this meeting relates to the distribution of domestic yarn among actual users. A scheme mooted in this regard envisages grant of ration cards for rayon yarn at the rate of 1½ lbs. per shift per loom to those consumers who submit regularly returns indicating the quantity of yarn actually consumed and the excise duty paid. The suggested distribution is 75 per cent. for powerlooms, 10 per cent. for handlooms, 9 per cent. for ancillary industries and 6 per cent. for doubling units. This scheme, it is understood, covers the quantity of yarn produced during the half-year ending September next. The provisional estimate of this output is put at 18.25 million lbs.

While the final official decision regarding imports of rayon yarn and distribution of yarn indigenously produced is awaited with much interest, the consensus of opinion among traders would appear to be that the supply position in respect of yarn would be quite comfortable in the coming months. It is not surprising, therefore, that prices have shown a tendency to decline. Business put through is, of course, on a restricted scale, because of uncertainties regarding the official policies.

Cupressa Bamberg art silk yarn (60 x 1) April delivery encountered selling and fell by Rs. 9 to Rs. 1,541. June delivery dropped Rs. 6 to Rs. 1,546. Spot Cupressa (60 x 1) Bamberg yarn was quiet at Rs. 7.72. 150 Italy moved down from 5 nP to Rs. 4.81. 120 Italy shed 4 nP to Rs. 4.96. 120 Japan was dull at Rs. 4.87, as also 150 Japan at Rs. 4.90. Indigenous yarns, however, were somewhat well supported, National Rayons 150 bright cones first grade rising by 4 nP to Rs. 4.28 and 120 bright cones first grade by 3 nP to Rs. 4.44.

Staple fibre yarns were subjected to selling and suffered a setback to values. 40 x 2 June delivery slumped by Rs. 11 to Rs. 623. April delivery receded by Rs. 7 to Rs. 621. Spot Citys declined by 5 nP to Rs. 3.14. Centurys lost 3 nP to Rs. 3.22. Foreign staple fibre yarn 80 x 2, on the other hand, elicited good buying support and registered an improvement. Fujis strengthened by 19 nP to Rs. 8.50. Paramounts advanced by 9 nP to Rs. 7.84.

In the cotton yarn section, 10 counts Moderns and Podars were unchanged at Rs. 13.37 and Rs. 12.19, respectively. Twenty counts Seksarias fell by 25 nP to Rs. 15.25, while Hinds met with some support and rose by 13 nP to Rs. 16. Forty counts Moderns were dull at Rs. 25.75. Minaxis, however, were better by 6 nP to Rs. 25.06. Sixty counts Raghuvamshis were unchanged at Rs. 55 and Finlays at Rs. 65. Among eighty counts, Finlays were neglected at Rs. 81, but Citys were enquired at Rs. 68, as against Rs. 67 last week.

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

	1-4-59	24-3-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg April	1,541	1,550
" " June (per case of 200 lbs.)	1,540	1,552
60/1 Cupressa Bamberg spot (per lb.)	7.72	7.69
120 Japan (per lb.)	4.87	4.87
150 Japan (per lb.)	4.90	4.90
120 Italy (per lb.)	4.96	5.00
150 Italy (per lb.)	4.81	5.00
Staple fibre yarn—		
40 × 2 April (per case of 200 lbs.)	621.00	628.00
40 × 2 June (per case of 200 lbs.)	623.00	634.00
40 × 2 Century (per lb.)	3.22	3.25
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern	16.25	16.25
40s Minaxi	25.06	25.00
60s Finlay	65.00	65.00
80s City	68.00	67.00

MARGIN ON LINSEED

(From Our Own Correspondent)

BOMBAY, *1st April*

Irregular trends were witnessed in the oilseeds market during the week under review. Trading remained subdued for the most part of the week. The Government of India has decided to release export quota for groundnut cake, oil and H.P.S. In an announcement made on 30th March, the Joint Chief Controller of Exports, Bombay, said that the Government had decided to allow the export of 3½ tons of groundnut oilcake (expeller variety) by established shippers of groundnut oil for every ton of groundnut oil exported by them against contracts concluded during March-May 1959. It had also been decided to allow export of 4 tons of groundnut oilcake (expeller variety) by shippers of salad oil for every ton of salad oil exported by them against contracts concluded during March-May 1959. These special licences of groundnut oilcake (expeller variety) would be issued on production of bill of lading or other acceptable proof of having export of groundnut oil and salad oil. It has been decided to give further repeat allotment of groundnut oil to established shippers equal to 15 per cent. of their basic year exports after they completed shipment of groundnut oil against quotas granted to them in terms of previous notices. Similarly, established shippers of H.P.S. groundnuts would be given repeat allotment equal to 25 per cent. of their basic exports after they have completed shipment against the quotas granted to them. Co-operative societies of growers of groundnuts would also be given repeat allotment of H.P.S. groundnut after they completed shipment against quotas granted to them earlier. Shipment against repeat allotments granted in the manner would be allowed up to the end of June 1959 only.

The consensus of opinion among the traders is that the Government's export promotion drive in oilseeds and oils is of doubtful value, especially at this juncture when the statistical position of groundnuts is quite tight. It is feared that it might lead to undue speculation and rise in prices, rendering them out of parity with world prices.

Another development of significance to the market is that the Forward Markets Commission has asked the local Oilseeds Exchange to impose a special margin on linseed May 1959 hedge contract with immediate effect. When the closing prices of this contract on any day exceeds Rs. 33 per cwt., a margin will become effective at the rate of Rs. 3, if it exceeds Rs. 35, the margin will be Rs. 6, and Rs. 9 when the contract goes beyond Rs. 39. This measure has tended to bring down the values perceptibly.

The groundnut section remained featureless for the most part of the week. As has been already stated, the export promotion measure figured as the only redeeming feature. Traders felt apprehensive over the possible refusal by the Forward Markets Commission to permit the new August contract. Today, a prominent local trader is reported to have liquidated sizable stocks. The groundnut prices, thus, drifted to lower levels. The May contract which closed last Thursday at Rs. 186.62, after touching Rs. 184.50 on Saturday, advanced to Rs. 187.12 on Monday. It, however, reacted today to Rs. 185.00. Bold Ready sagged from Rs. 38.25 to Rs. 37.25 over the week. Oil ex-mill, after fluctuating between Rs. 20.00 and Rs. 19.75, closed today at Rs. 19.87, thus losing 12 nP over the week.

Comfortable supply position and lack of good support for oil pushed down the values in the castorseed section. There are, however, rumours that the U.S. will turn its attention to India since Brazilian crop is said to have been damaged. May contract which wound up last week at Rs. 156.25, lost ground subsequently and finished at Rs. 154.12 today. Ready Madras lost 37 nP over the week to close today at Rs. 30.12. Oil B.S.S., after moving in a narrow range, closed today lower at Rs. 16.31 as against Rs. 16.50 last Thursday.

Linseed witnessed quietly steady conditions. The Government of India has released a fresh quota of 15,000 tons of linseed oilcake for export during the period April to September 1959. It has also released fresh export quotas of 15,000 tons of coconut oilcake, 10,000 tons of nigerseed oil cake, 5,000 tons of *kardi* oilcake and 4,000 tons of other oilcakes for the same period. These quotas are for export to all permissible destinations excluding the Portuguese possessions in India, by all shippers without any restriction of maximum shipment by individual shippers. The export quotas are welcomed. But the strength imparted to the market by this release was somewhat impaired by the imposition of margins. Perhaps the prices will have to decline if export trade is to pick up. May contract declined by 62 nP to Rs. 32.00 on Saturday. It subsequently recovered and touched Rs 32.37 yesterday. Once again it lost ground when it closed today at Rs. 31.87. Bold ready moved down from Rs. 32.62 to Rs. 31.75 today and oil from Rs. 16.25 to Rs. 15.75. Cottonseed moved in sympathy with other seeds. May contract which closed last week at Rs. 131.25, after fluctuating in a narrow range, reacted to wind up today at Rs. 130.00.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	1-4-1959	24-3-1959	18-3-1959
	Rs.	Rs.	Rs.
Groundnut			
May 1959	185.00	186.62	190.25
Bold ready	37.25	38.25	38.50
Cornmanded ready	38.12	38.50	39.00
Khandesh quality	38.12	38.50	39.00
Oil ex-mill ready*	19.87	20.00	20.19
Railway receipts*	19.56	19.69	19.94
Castorseed			
May 1959	154.12	156.25	158.75
Ready Madras	30.12	30.50	30.87
Ready Kumur	28.75	29.25	29.44
Oil B.S.S.†	16.31	16.50	16.81
Oil commercial†	14.94	15.31	15.50
Linseed			
May 1959	31.87	32.62	33.37
Bold ready	31.75	32.62	33.00
Oil ready†	15.75	16.25	16.81
Cotton seed May 1959	130.00	131.25	130.50
Niger seed	27.75	29.12	29.50
Kardi seed	23.75	24.25	24.37

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 500 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

BROKEN TEAS FIRM

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

COCHIN, *26th March*

Offerings in sale No. 12, which was held on 24th March 1959 totalled approximately 775,000 lbs. The quality of teas offered in this sale was well maintained, and there were a number of high grown flavoury teas and good medium teas on offer. There was a good general demand, particularly for all broken grades, which were fully firm to occasionally dearer. Fannings, however, with the exception of low medium and finest high grown fannings, met with only limited enquiry and were the weakest feature of the sale. Withdrawals consisted almost entirely of fannings grades. There was keen competition for whole leaf grades which sold at dearer rates than last. The quotations were: Low medium Re. 1.55 to 1.65; medium Re. 1.73 to 2.20; good medium Rs. 2.30 to 2.85; and quality Rs. 2.70 to 5.42.

Dust Sale 'F':—Approximately 530,000 lbs. were offered in this sale which was held on Thursday, 25th March. A useful selection was on offer including a fair quantity of C.T.C. Dusts. The sale opened to a strong general demand and prices were irregularly dearer by 5 to 10 nP for everything. However, high growns and C.T.C. types met with only limited demand and sold at easier rates.

London Market: Sale of 23rd March 1959.—Better demand. Firm to dearer all descriptions, except thin liquoring kinds.

Sale of 24th March 1959.—Steady firm to dearer for improved qualities.

Colombo Market: Sale of 23rd March 1959.—Strong demand. Highgrown and mediums irregularly dearer following quality. Lowgrowns barely steady.

Sale of 24th March 1959.—Stalkiest kinds again lower. Others active demand generally firm to dearer.

Calcutta Market.—No sale this week.

Export Quota.—The Joint Controller's books closed on 20th March till the 31st March for all transactions in 1958-59 export quota. As a result, the market has been rather dull and little business has been done during the last week. However, there is a nominal quotation of 2 nP sellers and probable buyers at 1½ nP. From 1st April, all transactions in quota will be in the form of special transferable licence.

Forthcoming Auctions.—Sale No. 13 will be held on Tuesday, 7th April and Dust Sale 'G' on Thursday, 9th April.

Revised Dust Auction Programme.—The Tea Trade Association of Cochin has decided that weekly dust auctions will be held for a trial period May-June. The revised programme of dust sales is : May 7th, 14th, 21st and 28th and June 4th, 11th, 18th and 25th.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, *30th March*

Distinctly easy conditions prevailed in the foodgrains market during the week under review, due mainly to mounting new crop arrivals of coarse grains, the prices of which recorded an appreciable fall and wheat also drifted lower in sympathy. It is learnt that the U.P. Government will soon start procuring wheat and gram in the surplus areas of western U.P. and some districts of east U.P. For this purpose, the fixation of price for wheat and the introduction of State trading in foodgrains are expected to be announced shortly. It is felt that the price of indigenous wheat will be fixed at Rs. 14 per maund, with slight variations according to local conditions. The Union Food Minister, Mr. Jain, has said that the zonal system of food distribution is working usefully and the Government is not changing it at present.

Wheat at Hapur recorded a fractional fall during the week to be quoted now on Monday at Rs. 21 per maund for *dara* quality and Rs. 23 to Rs. 23.50 for farm produce, while inferior quality was quoted upto Rs. 20.50 per maund. Demand was slack, as consumers preferred to buy their minimum requirements in expectations of lower prices when the new crop begin to arrive in the market after a fortnight.

Despite the record rice production of 29,721,000 tons in 1958-59, as compared with 24,885,000 tons last year, rice continues to rule steady at almost unchanged price levels. For arrivals from surplus areas were restricted by the State Government. The prices prevailing towards the week-end were: *basmati sela* Rs. 32.50; *mainpuri* Rs. 22.37; *rainmunia* Rs. 27; *gadda* Rs. 23 per maund.

New gram arrivals increased in some areas and prices registered a sharp fall during the week to be quoted at Rs. 17.75 per maund, as against Rs. 20 last week-end. Barley and *bejhar* also drifted lower, as new crop arrivals were mounting. Maize was losing seasonal demand, as stockists were anxious to liquidate their holdings. Prices, therefore, moved down. *Bajra*, *jowar* and *guwar* were also easy to be quoted now at (in rupees per maund); gram 17.75; barley 13; *bejhar* 12.50; maize 15 to 15.50; *bajra* 12 to 13.75; *jowar* 12 to 14 and *guwar* 14.75.

New peas arrivals were substantial here, as well as in other centres and they were expected to increase further shortly. Prices also ran down sharply under pressure of arrivals, which averaged 2,500 maunds daily here. Other pulses were also depressed in sympathy, although new *arhar* arrivals will not begin before the end of April and local stocks now were almost *nil*. Prevailing prices on Monday (in rupees per maund) were: peas *dara* 12.25; farm white 13.75 to 14.50; peas *dal* 15; *arhar* 18; *arhar dal* 24 to 25; *urd* 19; *moong* 21 to 24; *massor* 18.

Harvesting of coarse grains is nearing completion and wheat harvesting will begin after a few days. Last night's drizzle and rains will hamper arrivals by a few days.

READY LINSEED DECLINES

(Messrs. A. Bradley & Co.)

CALCUTTA, *30th March*

Ready linseed declined further by over Re. 1 per maund and reached the level at which forward delivery was quoted. Sellers were still keen, with increased new crop arrivals expected within the next few weeks. There was increased activity by crushers, for, despite the decline in cake prices to Rs. 14 per maund, operating margins were profitable. Daily turnover was good, though mainly confined to early deliveries. There was some activity in the oil market and, with prices declining, shippers made purchases from Rs. 50-8 down to Rs. 49-8, following an enquiry from Australia and reports of an improvement in the U.K. price to £95.

The latest available quotations for both ready and April-May is Rs. 22.50 per maund.

HIDES BUOYANT

(From Our Own Correspondent)

MADRAS, *30th March*

The hides and skins market ruled buoyant during the week. Sellers were holding back their stocks expecting better levels in a month or two, because importers were showing keen interest in all lines. Prices in the local market advanced sharply, and arrivals met with good clearance.

In the tanned goat skins section also, importers' demand was brisk and prices advanced by 3d. The tanned sheep skins market was steady and unchanged.

Notice

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE 33rd Annual General Meeting of the Company will be held at the Registered Office, "Dunlop House," 57B, Free School Street, Calcutta, on Thursday, the 23rd day of April, 1959, at 11 a.m., for the following purposes:—

1. To consider the Profit and Loss Account for the year ended 31st December, 1958, the Balance Sheet as at that date and the Reports of the Directors and Auditors of the Company.
2. To declare Dividends.
3. To appoint Directors in place of those who retire by rotation.
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification, the following resolutions:

5. "That Mr. James Alexander Moore, an executive officer in the whole-time employment of the Company, be and is hereby appointed a Director and Deputy Managing Director (Finance) of the Company upon the terms and conditions presently governing his employment and that he will continue to be entitled to the remuneration presently paid or authorised to be paid to him."
6. "That Mr. Kenneth Claud Ferguson, an executive officer in the whole-time employment of the Company, be and is hereby appointed a Director and Deputy Managing Director (Works) of the Company upon the terms and conditions presently governing his employment and that he will continue to be entitled to the remuneration presently paid or authorised to be paid to him."

By Order of the Board,

P. B. SEN GUPTA,
Secretary,

DUNLOP HOUSE,
57B, FREE SCHOOL STREET,
CALCUTTA, *26th March*, 1959.

Note:—A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

In terms of Article 4 of the Company's Articles of Association no Preference Shareholder as such is entitled to attend the meeting. A Debenture Stockholder as such is also not entitled to attend the meeting.

The Transfer Books and Registers of Members in respect of the Ordinary and Second Preference Shares of the Company will be closed from 10th April, 1959 to 30th April, 1959, both days inclusive. As any dividends that may be declared will be paid only to shareholders registered in the Company's Registers of Members, those holding shares on blank transfers are advised to register the transfers prior to 10th April, 1959.

Permanent investments of foreign nationals in West Germany joint-stock companies presently amount to about 3,000 million DM, out of a total share capital of 19,700 million DM. The largest share of foreign capital is invested in the mineral oil industry (820 million DM) automotive industry (312 million DM) and pit-coal mining (262 million DM). As to the provenance of foreign holdings in W. Germany, the U.S. holds the lead with 950 million DM, followed by Great Britain (630 million DM), the Netherlands (520 million DM) and Switzerland (350 million DM).

Water, water everywhere— all the family in *despair*

Certainly there is no need for them to be so. In fact, why live or work under damp, miserable conditions—why allow your property to deteriorate around you? Have it protected from dampness of ceiling, walls and floors, from acid and alkali action, by Shalimar Tar Stp bituminous based protective materials.

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STP-0

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 27th Mar., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,82,87,000
(2) Other Governments	26,72,23,000
(b) Banks	67,56,88,000
(c) Others	119,06,91,000
Bills Payable	36,61,38,000
Other Liabilities	41,05,63,000
Rupees	457,85,90,000

ASSETS	Rs.
Notes	15,59,58,000
Rupee Coin	2,01,000
Subsidiary Coin	4,93,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,18,22,000
Balances held abroad*	35,04,72,000
Loans and Advances to Governments†	24,77,27,000
Other Loans and Advances	113,44,31,000
Investments	251,69,62,000
Other Assets	12,05,24,000
Rupee	457,85,90,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 13,48,44,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	15,59,58,000	
Notes in circulation	1701,52,60,000	
Total Notes issued		1717,12,18,000
Total Liabilities		1717,12,18,000
ASSETS	**Rs.**	**Rs.**
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		130,09,09,000
Government of India Rupee Securities		1291,26,17,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1717,12,18,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	20th Mar., 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1692.60	1695.78	1659.49	1571.83
Notes held in Banking Department	35.05	14.70	10.97	20.01	16.97
Foreign Securities	59.50	178.01	178.01	178.01	171.19
Rupee Securities	87.39	1281.36	1281.42	1251.45	1171.10
Banking Department					
Deposits of:					
Government of India	14.39	51.17	66.23	61.44	49.71
Other Governments	..	36.01	17.07	19.31	77.58
Balances held abroad	10.06	38.75	33.26	33.47	103.00
SCHEDULED BANKS					
Demand Liabilities	134.36	743.68 (13.07)†	743.76 (16.05)†	724.70 (19.02)†	741.26 (12.14)†
Time Liabilities	102.24	914.14 (21.34)†	918.31 (21.99)†	924.70 (23.53)†	724.70 (16.06)†
Borrowings from Reserve Bank	..	60.70 (10.29)‡	46.42 (6.16)‡	28.57 (5.62)‡	37.76 (23.53)‡
Borrowings from State Bank	..	14.20	13.18	11.80	10.75
Cash in India	6.70	39.84	41.86	40.71	36.76
Balances with Reserve Bank	25.17	70.11	64.13	70.50	64.32
Excess over statutory limits	15.52	14.64	8.58	15.77	12.77
Balances with other banks in current account in India	..	13.33	13.22	13.06	11.14
Money at call and short notice in India	..	28.64	31.49	35.47	38.86
Investments (at book value)	..	613.76	618.76	614.77	440.25
Advances and bills	105.9	995.93	979.04	952.33	952.14
STATE BANK					
Deposits	87.76	506.91	501.30	487.85	414.18
Investments	51.99	283.43	284.06	274.91	198.70
Advances	80.35	202.80	201.91	193.44	211.78
Cash	14.69	31.07	26.90	29.16	23.65

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R=Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	4.47	4.55
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	5th Feb., 1959	4½	4¼
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4¼
Italy	7th June, 1958	4	3.50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	6th Mar., 1959	2½	3‡
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 27th March, 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		517,62,42,000
Borrowings from Other Banking Companies, Agents, etc.		2,08,00,000
Bills Payable		8,61,85,000
Bills for Collection being Bills Receivable as per contra		1,01,55,000
Acceptances, Endorsements and Other Obligations per contra		1,36,45,000
Other Liabilities (including Inter-Office Adjustments)		2,39,82,000
Total .. Rs.		545,72,59,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		22,63,49,000
Balances with other Banks		2,61,21,000
Money at Call and Short Notice		2,53,33,000
INVESTMENTS:		
Government and other Trustee Securities	273,86,89,000	
Other Authorised Investments	11,57,05,000	285,43,94,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	194,37,19,000	
Bills Discounted and Purchased	13,72,14,000	208,09,33,000
Bills Receivable being Bills for Collection as per contra		1,01,55,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,36,45,000
Premises less Depreciation		1,22,92,000
Furniture and Fixtures less Depreciation		1,00,46,000
Other Assets (including Inter-Office Adjustments)		19,79,91,000
Total .. Rs.		545,72,59,000

Scheduled Banks*

Statement of Affairs for the week ended 20th Mar., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	13,07,15,000
(ii) Other demand liabilities	730,60,66,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	21,33,52,000
(ii) Other time liabilities	892,80,38,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	13,85,00,000
(ii) Time liabilities	35,00,000
Borrowings in India from the Reserve Bank of India‡	60,70,23,000 (10,29,38,000)
Cash in India	39,83,77,000
Balances with the Reserve Bank in India	70,10,52,000
Balances with other banks in current account in India	13,33,32,000
Money at call and short notice in India	28,64,40,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	613,75,31,000
Advances in India	851,65,50,000
Inland Bills purchased and discounted in India	104,40,84,000
Foreign Bills, purchased and discounted in India	39,86,21,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
				Per cent.	Rs.
1959					
13th January	2.00	2.05	2.00	2.470	99.380
20th January	2.00	2.05	2.00	2.490	99.375
27th January	2.00	2.05	2.00	2.500	99.375
3rd February	2.00	2.10	2.00	2.559	99.360
4th to 7th Feb.*	0.50	—	0.50	2.496	99.376
10th February	2.00	4.19	2.00	2.530	99.365
17th February	2.00	2.30	2.00	2.559	99.360
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2.00	2.10	2.00	2.625	99.340
10th March	2.00	2.00	2.00	2.680	99.330
17th March	2.00	2.00	2.00	2.720	99.320
24th March	2.00	2.00	2.00	2.760	99.310
31st March	2.00	2.00	2.00	2.760	99.310
Total amount outstanding	24.50	..	24.50	..	..

* Intermediate Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 20th Mar., 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	89,99,76,000
(b) Provincial Governments	3,03,67,000
(c) Banks	14,55,79,000
(d) Others	5,73,51,000
Bills Payable	8,69,000
Other Liabilities	11,99,87,000
Rupees	131,41,29,000

ASSETS	Rs.
Notes	14,10,83,000
Rupee Coin	58,000
Subsidiary Coin	36,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,80,000
Balances held outside Pakistan*	24,15,70,000
Loans and Advances to Governments	9,42,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	11,01,75,000
Investments	62,65,26,000
Other Assets	9,11,95,000
Rupees	131,41,29,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,10,83,000	
Notes in circulation	342,50,19,000	
Total Notes issued	....	356,61,02,000
Total Liabilities	....	356,61,02,000
ASSETS	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	117,52,65,000
B. Rupee Coin	4,08,50,000	
Government of Pakistan Securities	229,09,81,000	
Internal bills of exchange and other commercial paper	....	233,18,31,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	356,61,02,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 31.53 per cent.

EXCHANGE RATES

		31st March 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 29/32	1-5 29/32
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475.75	476.00
Buyers T.T.	Rs.	472.25	472.50
London on New York	$	2.81 1/16-2.81⅛	2.81⅛-2.81 3/16
London on Paris	Fcs.	13.80-13.80½	13.79½-13.79¾
London on Berne	Sw. Fcs.	12.16-12.16½	12.15½-12.16
New York on London	$	2.81 1/16-2.81⅛	2.81⅛-2.81 3/16

CLEARING HOUSE RETURNS

Centre	Week ended 26th March 1959: Number of Cheques	Amount Rs.	Week ended 20th March 1959: Number of Cheques	Amount Rs.
Bombay	2,17,373	58,36,73,000	3,63,796	93,79,84,000
Calcutta	1,22,000	49,49,00,000	1,09,000	89,50,00,000
Madras	74,271	9,74,95,692	96,094	13,25,97,481
All Centres—				
1956-57	..	..	40,008,000	87,24,85,00,000
1957-58	..	..	41,671,000	89,54,60,00,000
Nov., 1958	..	..	3,528,600	7,73,01,00,000
Dec., "	..	..	4,035,000	8,87,34,00,000
Jan., 1959	..	..	4,072,000	8,04,45,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	14th Mar., 1959	7th Mar., 1959	15th Mar., 1958	January 1959	January 1958	Percentage of Increase (+) or Decrease (—) in Jan., 1959 as compared with Jan., 1958	Annual Average 1958	1957
Food Articles	504	113.8	114.6 R	102.4	114.3	102.5	+11.5	112.0	106.8
Cereals	192	101.7	102.4 R	95.0	105.2	96.9	+ 8.6	104.7	101.7
Pulses	48	115.9	114.2 R	78.1	117.1 R	80.1	+46.2	94.0	84.5
Fruits and Vegetables	23	117.7	117.7 R	95.4	113.5 R	93.7	+21.1	111.9	116.8
Milk and Ghee	84	105.7	110.7	104.6	103.5	98.8	+ 4.8	106.2	103.8
Edible Oils	47	124.8	121.2 R	117.9	118.6	118.9	— 0.3	123.2	125.8
Fish, Eggs and Meat	17	101.3	102.7 R	103.7	109.2	99.3	+10.0	106.9	96.6
Sugar and Gur	48	128.3	128.3	112.1*	126.6	109.4	+15.7	122.8	104.6
Others	50	150.2	151.7 R	126.1	151.1 R	132.6	+14.0	145.7	132.0
Liquor and Tobacco	21	101.7	101.7	95.2	103.6	96.4	+ 7.5	93.7	91.8
Tobacco	—	100.5	100.5	93.6	102.5 R	94.9	+ 8.0	92.0	90.1
Fuel, Power, Light and Lubricants	30	114.9	114.8	114.3	114.9 R	113.6	+ 1.1	115.2	111.5
Industrial Raw Materials	155	116.9	114.9	111.3	114.1	113.6	+ 0.4	114.8	118.1
Fibres	61	108.6	107.0 R	109.9	106.8	115.1	— 7.2	109.4	119.8
Oilseeds	60	128.7	125.3 R	113.3	123.8	114.1	+ 8.5	123.6	122.4
Minerals	2	101.4	102.9	108.2	106.6	107.1	— 0.5	106.9	108.5
Others	32	111.3*	111.4*	110.5	110.3	110.2	+ 0.1	108.9	107.3
Manufacture	290	108.0	107.9 R	107.8	108.4	107.7	+ 0.6	108.2	108.0 R
Intermediate Products	41	109.3	109.6 R	107.4	110.5	106.7	+ 3.6	109.4	108.5 R
Finished Products	249	107.8	107.6	107.9	108.0	107.9	+ 0.1	108.0	107.9 R
Textiles	147	101.9	101.5	100.2	101.9	106.0	— 3.9	104.3	107.9
Cotton	—	111.0*	110.0*	116.9	110.4*	115.8	— 4.7	113.0	116.8
Jute	—	82.1	80.8	86.0	85.4	90.1	— 5.2	87.7	97.7
Woollen	—	105.9	105.9	103.0	105.9	103.0	+ 2.8	104.9	102.1
Silk and Rayon	—	94.2*	94.2*	92.4*	91.1*	86.7	+ 5.1	92.5	85.0
Metal Products	12	143.8	143.3	143.4	143.1	143.4	— 0.2	143.1	138.2 R
Chemicals	20	110.2	110.1 R	98.9	111.3	99.1	+12.3	104.0	97.6
Oil Cakes	10	139.7*	140.1	111.6	143.6 R	118.0	+21.7	128.6	114.7
Machinery and Transport Equipment	31	105.4	105.4	102.7	104.4	102.4	+ 2.0	103.2	101.2
Others	30	113.4	113.6	112.2	114.1	111.6	+ 2.2	113.2	107.7
All Commodities	1,000	112.4	112.4 R	105.6	112.3	106.0	+ 5.9	111.8	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	final	79,027	79,320	24,821	28,282
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41,411	40,367	8,056	7,249
Bajra	final	27,453	27,884	3,565	2,885
Barley	final	7,531	8,726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5,831	1,716	1,715
Small millets	final	11,979	12,230	1,759	1,964
Total cereals	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24,265	4,754	6,264
Tur	final	5,598	5,686	1,396	1,954
Other Kharif pulses§	final	15,832	16,484	1,401	1,515
Rabi pulses‡	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,457	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3,318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,893	4,753	4,735
Jute A.	final	1,827†	1,742††	5,178†	4,052††
Mesta A.	final	726	733	1,211	1,478
Other crops—					
Potato	final	785	707	1,981	1,698
Sugarcane	final	5,021	5,057	46,142R	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	926	1,029	252	294

Source: Ministry of Food and Agriculture. § Excluding Tur. * In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur. A. In thousand bales of 400 lbs. each. † Refers to 1958-59. †† Refers to 1957-58. R.= Revised.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	1956	Jan. to Nov. 1958	1957
Exports	637,74	612,96	523,76	596,52
Re-exports	5,11	6,21	7,15	4,74
Total Exports	642,85	619,17	530,91	601,26
Imports	1025,82	821,46	697,00	912,11
Overall Balance of Trade	—382,97	—202,29	—166,09	—310,85
Exports—				
Tea	123,40	142,43	123,00	113,83
Jute yarns and manufactures	114.83	112,52	95,90	108,65
Cotton yarns and manufactures	68,58	62,23	47,43	65,42
Metallic ores and metal scrap	49,80	23,30	28,89	46,78
Cotton, raw and waste	18,66	25,09	19,89	18,02
Oils—vegetable, mineral and animal	19,31	24,51	12,49	18,67
Fruits and vegetables	18,60	18,03	19,60	17,32
Tobacco	12,83	13,30	15,47	12,38
Mica	8,67	8,75	8,41	7,97
Wool—Raw	11,73	10,64	8,63	12,66
Gums, resins and lac	8,59	11,19	6,82	8,25
Spices	8,43	9,56	8,06	7,79
Hides and skins, raw	6,99	6,07	6,48	6,77
Imports—				
Machinery of all kinds	232,97	150,12	163 95	210,00
Iron and Steel	146,98	122,40	81,29	138,62
Oils—vegetable, mineral and animal	113,38	74,69	68,00	103,83
Cotton, raw and waste	48,62	53,61	28,29	46,40
Chemicals, drugs and medicines	76,77	43,14	58,23	71,32
Electrical goods and apparatus	61,14	20,15	43,94	54,60
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	44,53	61,20
Fruits and vegetables	21,27	12,66	14,86	18,98
Paper, pasteboard, etc.	13,11	15,99	7,18	12,16
Dyes and colours	13,87	16,37	8,07	13,07
Spices	2,93	8,10	2,62	2,79
Woollen and worsted fabrics	1,31	2,18	23	1,24
Cotton fabrics	2,37	2,39	96	2,28

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February, 1959	83.6
	Corresponding month, 1958	85.3
	Eight months ended Feb., 1959	703.3
	Corresponding period, 1958	705.6
Stocks	At the end of February, 1959	111.1
	Corresponding month, 1958	94.9
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852.9
	1957-58	832.6
	January 1958	55.6
	January 1959	63.7
For Internal Consumption	1956-57	179.0
	1957-58	193.0
	January, 1958	19.9
	January, 1959	24.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	February 1959	485
	Corresponding month, 1958	495
	Eight months ended Feb., 1959	4,056
	Corresponding period, 1958	4,065
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	8,865.8	7,185.8
1956-57	769	9,877.8	8,103.1
1957-58	834	11,176.9	9,011.1
Sept., 1957	814	924.7	739.3
Oct., "	822	917.5	731.3
Nov., "	822	930.2	740.5
Sept., 1958	793	1,053.5	831.9
Oct., "	810	1,072.8	843.1
Nov., "	811	1,025.4	854.6

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source:*—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	36	389	52	186
1957-58	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
December 1957	10,506	1,766	941	152	64	40	162	18	163	360	23	350	42	146
January 1958	11,814	1,979	1,098	174	80	44	186	21	177	413	32	394	45	161
February "	13,011	2,172	1,123	191	93	49	202	23	194	456	36	435	46	176
March "	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June "	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July "	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August "	5,823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September "	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
October "	8,040	1,542	771	107	46	21	98	12	110	274	19	283	29	72
November "	9,169	1,763	868	121	50	24	125	14	125	311	24	326	35	78
December "	10,460	1,998	972	143	59	27	156	17	136	355	28	375	41	83

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

INDUSTRIAL PRODUCTION

Industries	Unit	1957	Jan. to Oct. 1958*	Jan. to Oct. 1957	September 1958	October 1958*	October 1957
Major Industries—							
Coal	million tons	43.50	37.48	35.52	3.85	3.75	3.56
Steel (Ingots and Metal for castings)	thousand tons	1,715	1,337†	1,264†	149	—	150
Yarn	million lbs.	1,780	1,250†	1,336†	144	—	142
Cloth	million yds.	5,317	3,690†	4,032†	411	—	415
Cement	million tons	5.60	5.09	4.50	0.48	0.41	0.51
Jute	thousand tons	1,030	878	845	87	82	84
Paper and paper boards	tons	210,132	185,511†	171,111†	21,979	—	18,297
Matches	cases	578,400	466,400†	433,000†	53,500	—	43,800
Sugar	thousand tons	2,068	1,512	1,574	11	18	3
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	250.85	279.50†	175.52†	29.85	—	21.29
Electric lamps	millions	33.15	25.16	27.71	2.51	2.46	2.42
Dry cells	millions	166.56	135.88	141.05	14.65	13.51	9.72
Power transformers	k.v.a.	1,219,200	864,000†	896,500†	95,700	—	102,200
Electric Motors	h.p.	469,200	464,900†	338,900†	56,900	—	37,700
Electric fans	Nos.	524,400	469,900†	384,500†	50,700	—	37,400
Radio receivers	Nos.	190,692	147,253†	138,791†	16,124	—	12,047
Storage batteries	Nos.	324,000	285,900	266,300	32,100	28,000	24,200
Copper conductors	tons	8,556	5,915†	6,336†	615	—	789
Winding wires	tons	1,020	1,204†	730†	173	—	100
Rubber and plastic Ins. cables and flexibles	million yds.	103.80	89.44†	80.29†	12.43	—	0.24
Insulators—H.T.	Nos.	193,200	520,200†	100,400†	84,900	—	29,600
Insulators—L.T.	million Nos.	4.69	3.85†	3.60†	0.30	—	0.26
Diesel engines—Vehicular	Nos.	3,336	3,504	2,632	333	344	280
Do —Stationary	Nos.	16,644	20,644	13,256	2,421	2,348	1,736
Chemical Industries—							
Salt	million mds.	98.70	107.66	95.56	3.21	3.46	2.31
Caustic soda	tons	42,648	46,720	35,067	5,064	5,241	3,640
Soda ash	tons	91,920	73,680	75,794	8,919	9,078	7,747
Chlorine liquid	tons	15,696	15,929	13,082	1,739	2,704	1,322
Bleaching powder	tons	5,340	5,287	4,477	569	695	494
Bichromates	tons	3,672	2,651†	2,717†	320	—	323
Sulphuric acid	tons	196,068	167,463†	145,206†	20,404	—	15,895
Superphosphate	tons	141,684	127,749†	107,376†	15,335	—	11,612
Non-ferrous Metals—							
Aluminium	tons	7,784	6,140†	5,798†	690	—	687
Antimony	tons	502	409†	363†	40	—	45
Copper (virgin metal)	tons	7,848	6,476	6,478	685	700	672
Lead (virgin metal)	tons	3,174	2,584	2,589	362	142	317
Gold	thousand ozs.	179	141	149	15	15	14
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	167,484	157,122†	124,118†	17,410	—	8,558
Bicycles	Nos.	790,424	684,510†	580,477†	72,094	—	56,032
Automobiles	Nos.	31,932	23,055	26,944	2,471	2,704	2,450
Cycle tyres and tubes	million Nos.	14.18	13.42	11.70	1.42	0.94	0.72
Motor tyres and tubes	million Nos.	1.92	1.62	1.60	0.18	0.14	0.10
Cigarettes	million Nos.	23,892	22,390†	21,765†	2,318	—	2,281
Plywood—Tea chests	million sq. ft.	95.02	65.72†	73.95†	7.47	—	5.72
Plywood—Commercial	million sq. ft.	31.64	28.64†	23.84†	4.07	—	2.58
Sheet glass	million sq. ft.	54.23	53.77†	34.29†	6.56	—	6.23
§Woollen manufactures: Worsted Fabrics	million yds.	15.79	16.80	12.61	2.51	1.47	1.52
§Woollen manufactures: Worsted Yarn	million lbs.	27.80	24.63	22.49	2.60	2.83	2.58
Footwear—Western type (Leather)	million pairs	4.37	3.64	3.55	0.39	0.29	0.27
Footwear—Indigenous type (Leather)	million pairs	3.04	2.71	2.47	0.32	0.17	0.16
Alcohol—Industrial	million Bulk galls.	8.56	6.91†	6.30†	0.63	—	0.69
Alcohol—Power Absolute	million Bulk galls.	10.14	6.75†	7.72†	0.54	—	0.64
General Index—(Base 1951=100 Revised)		137.3	142.8‡	149.1‡	153.1	—	122.8

* Figures are subject to revision month to month. —Not Available. † Upto September only.
§ Includes figures for Jammu and Kashmir. ‡ Average of first nine months. The general index for September 1957 was 135.6.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base: 1952-53=100]

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	98	102	112	82	114	100	102	107	119
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	121
1957-58*	105	88	114	126	68	164	109	110	107	92	106	133	103	96	123	95	116	142
Jan., 1958	101	86	103	114	64	162	101	117	106	95†	105†	130†	101	101	130	90	116	142
Feb.,	99*	84	92	109	61	156	105	117	104	95	104	123	102	96	130	88	116	142
March	100	84	94	110	62	152	107	118	108	93†	105†	120†	103	93	130	86	116	145
April	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	114	145
May	106	86	92	111	64	158	115	120	115	89	109	125	110	102	132	88	114	145
June	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	145
Aug.,	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept.,	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct.,	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov.,	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	145
Dec.,	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145
Jan., 1959	92	125	107	132	121	163	108	121	130	104	101†	112†	112	137	133	85	110	145

* Provisiona. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 26th March, 1959	47,117(J)
	Corresponding week, 1958	29,621(J)
	1st Sept. 1958 to 26th Mar., 1959	972,715*
	Corresponding period, 1957-58	952,608*
Cotton Exports	Week ended 5th March 1959	6,542
	Corresponding week, 1958	1,385
	1st Sept. to 5th March 1959	218,733
	Corresponding period, 1958	100,325
Mill Consumption (Estimated)	1st Sept. 1958 to 26th Mar., 1959	738,698
	Corresponding period, 1957-58	744,100
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 26th Mar., 1959	520,350
	Corresponding date, 1958	718,377
		(Bales of 392 lbs)
Consumption of Cotton—		
Indian	January, 1959	413,181
Foreign	January, 1959	84,370
Indian	Five months ended Jan., 1958-59	1,973,702
Foreign	Five months ended Jan., 1958-59	193,172
Indian	Same Period 1957-58	1,946,187
Foreign	Same Period 1957-58	249,418
Stocks (Mills and Elsewhere)—		
Indian	As on 31st January, 1959	850,162
Foreign	As on 31st January, 1959	69,414
Indian	As on 31st January 1958	1,020,022
Foreign	As on 31st January 1958	169,241

Particulars	From 1st Sept., to 2nd March, 1958-59 Bales	From 1st Sept., to 2nd March, 1957-58 Bales
From Bombay Cotton Shipments to—		
United Kingdom	6,514	1,680
Continent	14,713	4,265
Hongkong	31,888	2,637
China	6,886	—
Japan	116,208	37,461
U.S.A.	1,879	3,003
Other Countries	1,960	691
Total to all foreign countries	180,048	49,737
Coastal Ports	32,143(a)	49,646(b)
Total	212,191	99,383

Particulars	Period	Bales of 392 lbs.
Cotton Exports from Bombay (by sea)	During December, 1958	30,947§
	During December, 1957	8,229
	1st Sept., to 30th Dec., 1958	115,683
	1st Sept., to 30th Dec., 1957	17,497
Cotton Pressed in India† (In running bales)	Week ended 13th Mar., 1959	—
	Corresponding week, 1958	113,443
	1st Sept., to 13th Mar., 1958-59	1,366,414
	Corresponding period, 1957-58	2,811,303
Karachi (Pakistan)—		Bales
Receipts	1st Sept., to 12th Mar., 1958-59	874,770
	Corresponding period, 1957-58	939,043
Exports	1st Sept., to 12th Mar., 1958-59	435,092
	Corresponding period, 1957-58	353,509

(J) By Rail and Sea. — Not Received. † Incomplete. * By Rail, Sea and Road. A—Adjusted. (a) Upto 31st Jan., 1959. § Includes Zoda and yellow pickings, etc. (b) Upto 28th Feb., 1958.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 21st March 1959	14th Mar., 1959	21st Feb., 1959	22nd Mar., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	**100.7**	**100.7**	**100.6**	**98.6**
2. Government of India ..	100.5	100.5	100.5	98.3
3. State Government	102 3	102.3	102.2	100.3
4. Municipal, Port Trust, etc...	99.7	99.7	99.6	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total**	**101.5**	**101 5**	**101 5**	**98.9**
6. Plantations	99.9	99.9	99.9	100.0
7. Coal	99.6	99.6	99 6	99 6
8. Sugar	99 0	99 0	99.0	98 4
9. Cotton Textiles	99.2	99.0	99 0	97.3
10. Jute Textiles	91.6	91.6	91 6	92.9
11. General Engineering ..	102.0	102.0	102.0	97.0
12. Electricity Generation and Supply	96 8	96.8	97.2	96.5
13. Others	104.7	104.7	104.6	100 8
PREFERENCE SHARES—ALL INDIA.				
14. **Total**	**89 5**	**89 2**	**88.3**	**85.5**
15. Plantations	99 2	98.4	97 2	99 4
16. *Mining & Quarrying: Total*@	**87.2**	**86.7**	**86 4**	**85.0**
17. Coal	81.4	81.3	80 9	74 9
18. *Processing and Mfg.: Total**	**89.4**	**89.1**	**88 4**	**85 3**
19. Sugar	90.8	90 8	90 8	90.4
20. Cotton Textiles	77.6	77 6	77 4	79.5
21. Jute Textiles	81.4	80 9	80 9	69.1
22. Iron and Steel	93.3	93.0	91.8	88.9
23. General Engineering ..	100.7	100.7	100.4	100.1
24. Basic Industrial Chemicals .	87.2	87 0	87.0	83.0
25. Cement	100 9	100.7	98 6	97.6
26. Paper	87 2	87.0	86 0	83 2
27. *Other Industries: Total** ..	**87.4**	**87.1**	**85.4**	**82.3**
28. Electricity Generation and Supply	85 9	85.6	85 2	85 5
29. Trading	89.7	89.5	83 6	73 1
30. Shipping and Other Transport	91.1	91.1	91.1	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. **Total**	**146.2**	**144.3**	**138 1**	**125.0**
32. *Agriculture and Allied Activities: Total** ..	**159 9**	**159 3**	**147.8**	**139 5**
33. Tea Plantations	155.4	155.5	143 6	136 6
34. Coffee Plantations	198 6	197.5	182 5	186 5
35. Rubber Plantations	163 7	163 9	155 2	131 6
36. *Mining and Quarrying: Total*	**149.1**	**148 0**	**136 6**	**118.3**
37. Coal	114 8	114.7	111.1	92 2
38. Other Mining	172.7	170.8	154.1	136.2
39. *Processing and Manufacturing: Total*	**145.7**	**143.3**	**136.5**	**123.7**
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	**130.1**	**128.2**	**124.2**	**116 9**
41. Sugar	167 9	165.5	157 4	155.5
42. Cotton Textiles	110.8	109 9	107.9	114 1
43. Jute Textiles	92.9	88.8	88.5	58.9
44. Silk and Woollen	471.8	461.6	439.4	347.8
45. *Processing and Mfg (Metals, Chemicals, etc.): Total** ..	**170 0**	**166 6**	**156.2**	**133 6**
46. Iron and Steel	163.7	160.7	150 5	125 8
47. Transport Equipment ..	223.1	212.8	197 8	170.7
48. Electrical Machinery ..	141.6	140.7	135 2	140.6
49. Machinery other than Transport and Electrical ..	188.9	184.9	171.2	148.1
50. Basic Industrial Chemicals ..	131.4	130.0	126.8	105 2
51. *Processing and Mfg. (Others): Total**	**147.9**	**146 0**	**137.3**	**126.2**
52. Cement	131 5	129.9	122 3	122.7
53. Paper	200.5	196.7	182.7	157.8
54. *Other Industries: Total** ..	**116.7**	**116.1**	**115.0**	**103.4**
55. Electricity Generation and Supply	93.3	93.8	93.1	88.3
56. Trading	97.4	96 5	89 0	77.5
57. Shipping and Other Transport	132 3	132 2	135.2	122 1
58. Construction	266.2	258.7	246 0	195 5
59. *Financial: Total*	**185.0**	**184 1**	**182.7**	**163 5**
60. Banks	209.1	207.6	206.4	184.2
61. Insurance	128.4	129 9	126.5	121 0
62. Investment Trusts	104.1	102 6	103.9	80.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	147.8	146 1	140 0	126.2
64. Calcutta	144.5	142.6	136.4	120 8
65. Madras	158.4	156.4	149.6	145 4
66. Delhi	169.2	166.3	159 8	146 0

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including 'other mining.'

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957 ..	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958 ..	10,98,300	11,06,800	7,86,900
Oct., 1958	94,200	96,400	76,900
Nov., „	84,200	85,100	83,600
Dec., „	98,900	91,500	90,100
Jan., 1959	97,700	96,200	89,700
Feb., „	106,800	107,300	84,800
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957 ..	6,95,156	5,32.315	4,41 483
Do. 31st March, 1958 ..	7,33,945	5,07.580	4.10,558
November, 1958..	90,205	60,257	43,847
December, „	92,690	61,372	50,697
January, 1959..	73,728	43,569	45,608
February „	83,715	61,987	50,202

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Nmuber of man days lost
1956	1,203	715,130	6,992,040
1957	1.248	640,871	4,982,229
May 1958 ..	183	116,202(1)	720,588(1)
June „ ..	164	162,244(2)	1,539,000(2)
July „ ..	169	101,137(1)	469,303(1)
August „ ..	147	72,432(4)	657,836(4)
September „ ..	151	68,699(7)	499,362(7)
October „ ..	121	84,445(3)	262 600(3)
November „ ..	136	34,560(2)	177,574(2)
December „ ..	126	42,103(9)	180,558(9)

‡ *In progress during the month.* Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India† ..	'56-'57	387.68	..	11,010	284
Pakistan†† ..	'56-'57	83.50	..	2,079	249
Burma ..	1957	20.00	Kyats 4,450	446	223
Ceylon ..	1955	8.38	..	475	567
Japan ..	1957	90 90	Y. 8,252,000	10,915	10,020
Philippines ..	1957	22 60	Ps. 8,799	2,095	927
New Zealand	1957	2 22	£ (N.Z.) 928	1,237	5,570
Australia ..	1957	9.60	£ (A.) 4,678	4,970	5,177
U.K. ..	1957	51 40	£ 17,418	23,220	4,520
U.S.A. ..	1958	174.00	$ 352,400	168,447	9,680
Canada ..	1957	16 60	$ 23,830	11,680	7,035
France ..	1957	44.00	F.Fr.15,680,000	17,880	4,063
W. Germany.	1957	51.40	Dm. 158,000	18,057	3 513
Italy ..	1957	48 30	Lr. 12,231,000	9,412	1,949
Norway ..	1957	3 49	Kr. 23,290	1,560	4,470
Sweden ..	1957	7.30	Kr. 48,290	4,490	6,150
Netherlands..	1957	11.00	Grs. 28,240	3,574	3,250
Denmark ..	1957	4 50	Kr. 25,480	1,760	3,910
Switzerland .	1957	5.10	Sw. Fr. 26,900	2,956	5,796

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

Source: *International Financial Statistics*, October 1958.

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

†† According to budget speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average ..	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 „ ..	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 „ ..	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 „ ..	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 „ ..	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 „ ..	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 „ ..	116†	395	274	313	98	120	384	124	113	103†	103	123	109	131†
September 1957 ..	114	375	262	338	97	113	378	115	113	100	106	121	106	128
October „ ..	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November „ ..	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December „ ..	113	383	275	328	93	115	375	121	110	100	105	120	109	129
September 1958 ..	121	404	289	327	104	120	406	127	117	111	109	131	108	132
October „ ..	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November „ ..	122	402	292	330	106	124	399	132	120	114	103	128	113	133
December „ ..	119†	398	290	322	101	125	385	133	118	108†	99	121	111	133
January 1959 ..	114†	396	301	323	..	..	368†	..	122	..	94	115	109	..
February „ ..	..	399	300	326	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Total Outstandings H
1952-53 ..	6,83	3,26	84,17	..	..	113,35	92,03	..	−31,07	25,64	..	..	..	..	146,83	211,93
1953-54 ..	5,91	4,26	104 38	..	..	117,37	106,29	..	−34,20	32,11	..	..	..	..	152,71	252 96
1954-55 ..	4,70	4,99	124,64	..	..	134,94	130,88	7,38	−36,85	37,15	..	..	65	64	177 35	310,29
1955-56 ..	3,76	5,48	144,37	..	..	158,11	167,85	16,38	−37,68	41,25	..	..	45	95	203,53	380 04
1956-57 ..	3,00	6,01	163,68	..	..	176,97	196,50	25,38	−38,82	44,28	..	..	43	1,32	225,88	440.17
1957-58 ..	2,22	4,73	143,45	71,45	71,43	179,86	213 01	23,11	−39,73	43,58	588	547	63	1,87	264,32	509,77
1958																
March ..	2,22	4,73	143,45	14,03	71,43	27,35	213,91	23,11	−39,73	43,58	70	5,47	12	1,87	42,20	509,77
April ..	2,15	4,65	141,31	6,56	77,99	15,27	214,24	22,85	−39,82	43,47	77	6,15	11	1,97	22,71	514,78
May ..	2,07	4 55	139,23	5,84	83,82	15,22	212,66	22,58	−39,90	43,37	57	6,72	5	2,01	21,68	517,01
June ..	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	−39,98	43,29	88	7,12	3	2,03	19,95	520,60
July ..	1,96	4,33	135,18	5,49	94,65	16,04	215,13	22,19	−40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug. ..	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	−40,13	43,07	45	8,11	5	2,10	21,10	532,75
September ..	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	−40,22	42,99	41	8,55	5	2,15	20,44	537 82
October ..	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	−40,30	42,91	53	9,05	4	2,17	22,01	543,16
November ..	187	4,10	127,15	6,36	119,33	12,52	218,72	21,56	−40,37	42,81	47	9,58	7	2,23	19,42	547 85
December ..	‖1,83	4,01	125,00	7,84	126,60	14,83	219,06	21,41	−40,44	42,76	51	10,01	6	2,28	23,24	553,05
1959 January ..	..	..	..	..	..	..	..	..	..	42,70	57	10 60	5	2,32	..	..

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

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.75
3 % Loan	1938-39	116,17,46,000	1963-65	96 75
3 % Loan	1950	30,32,10,000	1964	97.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93.75
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.15
3 % 2nd V. Loan	1945	1,13,65 64,000	1959-61	99.70
2½% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97 20
2½% Loan	1946	14,77,48,000	1976	83 25
2¾% Loan	1947	75,86,72 000	1962	96 90
3½% N. P. Bonds	1953	75,29,00,000	1961	100.10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.80
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99 55
3½% Loan	1956	87,27,36,000	1962	99.15
3½% N. P. Bonds	1956	63,81,83,000	1967	99 05
3½% Loan	1956	66,63,53,000	1974	98.85
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100 80
4 % Loan	1957	49,17,27,000	1972	101 65
3½% Loan	1958	58,06,00,000	1963	99.05
3½% Loan	1958	30,00,00,000	1968	98.95
3½% Loan N.P.B.	1958	34,16,76,500	1968	100 60
4 % Loan	1958	49,47,00,000	1973	101.60
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34 000	M.	72.75
3% Loan	1946	2,48,91,37,000	K.	74.10
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100 10
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100 10
4½% Andhra	1958	5,00,00,000	15th July 1970	101 55
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96 50
3 % Bombay	1950	2,83,50,000	31st July 1960	99 00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 60
4 % Bombay	1952	3,45 85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100 55
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100 25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102 50
4½% Bombay	1958	5,00,00,000	15th July 1970	102 50
4½% Bombay	1958	5,00,00,000	15th July 1971	102 50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100 00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50 00,000	13th Oct. 1970	101 40
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 15
3 % Madras	1939	1,23,96,000	21st June 1959	99 85
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99 00
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97 75
3 % Madras	1950	4,38,25 400	31st July 1960	99 00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98 95
4 % Madras	1953	10,33,71,000	15th July 1963	100 30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 20
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100 10
4½% Madras	1958	5,00,00,000	15th July 1970	101 60
4 % Mysore(f)	1933	2 95 85,200	1st Dec. 1953-63	101 50
3 % Mysore(f)	1936	5,99 73 000	30th Apr. 1956-61	99 75
4 % Mysore	1953	3,33,47,000	15th July 1963	100 30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 10
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100 10
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101 75
4½% Mysore	1958	5,00,00,000	15th July 1970	101 75
3 % M P.	1948	2,03,28,800	15th Sept. 1964	93 80
3 % M P.	1950	1,01,45 000	31st July 1960	98 60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
4 % M.P.	1953	1,10,18 000	15th July 1963	100 25
4 % M.P.	1955	1,63 12,000	1st Sept. 1967	100 10
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100 05
4½% M P.	1958	2,00,00,000	15th July 1970	101 40
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100 20
4 % Saurashtra	1956	2,74 84,600	3rd Sept. 1968	100 20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99 85
4% Trav Cochin	1956	2,22,08,000	3rd Sept. 1968	99 50
2½% U P.Z.A	1952	41,44,79,000Z	..	49 75
3 % U.P.	1936	1 55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17 06,000	14th Sept. 1960	98 80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97 75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89 14,000	1st Aug. 1964	100 20
4 % U.P.	1953	5,58,25 000	15th July 1963	100 30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100 10
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100 10
4½% U.P.	1958	7,00,00,000	15th July 1970	101 60
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100 00
4½% Rajasthan	1958	2 50 00,000	15th July 1970	101 40
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100 00
4½% Orissa	1958	3,00,00,000	15th July 1970	101 40

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	100.00
40,00 000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88,25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24 58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48 04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98 50
76,90,100	4	1915	1975	98 00
1,50,00,000C	3½††	1921	1981	82 00
68,02,300C	6½	1921	1981	144 00N
60,00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	98 50
25,00 000	3	1938	1963-68	92 00
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74 00
50,00,000	2½	1947	1977	79 50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99 50
1,00,00,000	3	1949	1959	99 50
50,00,000C	3	1950	1980	82 00
1,00,00,000	3	1950	1960	98.50
1,00,00,000	3	1950	1960	98 50
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99 00
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97 25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99 50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£802,600	5	1923	1953-83	£80 00
£901 000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9 88,000‡	3	1947	1977	A
8,00,000‡	3	1949	1979	
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95 50N
£338,000		1910	1970	£95 50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	101 00
50 00,000	4	1934	1964	99 00
35,00,000	3½	1935	1965	94 00
30 00,000	3	1936	1966	90 00
50,00,000	3	1937	1962	93 50
20 00,000	3	1938	1963 68	90 00
80,00,000	4	1952	1962	99 25
1,02,00,000	4	1956	1968	99 25
75,00,000	4½	1958	1968	100 00

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99 60
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	101 00
8,25,00,000	3½	1947	1977	86 50
2,50,00,000	3½	1949	1979	86 50
4,00,00,000	3½	1950	1965	93 50
5,00,00,000	4	1952	1964	100 15
2,00 00 000	3½	1951	1966	97 40
1,30,00,000	4	1953	1963	100 15
1,00,00,000†	4	1952	1964	99 50
1,00,00,000†	4	1954	1966	99 50
2,50,00,000	4	1955	1967	100 00
1,50,00,000	4	1956	1968	100 00
2,00,00,000	4½	1957	1969	101 50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	103 00
33,91,000	3½	1925	1965	94 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1968	90 00
17,64,400	3½	1942	1959	96 50
21,10,000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	97 50
66,88,000	3½	1951	1966	97 50
87,36,000	4	1952	1962	99 25
72,50,000	4½	1954	1979	100 50
2,22,72 000	4	1955	1985	—
73,86 000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107 00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M Bharat	1953	1,04,77,000	15th July 1963	100 25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100 00
3½% W. Bengal	1951	1,75 00 000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100 15
4 % W. Bengal	1953	8,60,23 000	15th July 1963	100 30
4 % W. Bengal	1955	7 58,72 000	1st Sept. 1967	100 15
4 % W. Bengal	1956	7 11,46 000	3rd Sept 1968	100 15
4½% W. Bengal	1958	5,00 00 000	15th July 1970	101 75
4½% Kerala	1958	3 00,00,000	15th July 1970	100.70

ABBREVIATIONS. N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.
‡—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months notice. K—On September, 1986, or later at option of Government after three months notice.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6	Mar. Sep.	113.00	100
BREWERIES AND SUGAR						
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5	April ..	85.00	100
Carew & Co. T.F.R.C.	8,00,000	1875	6	Mar. Sep.	93.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905–24	8	Feb. Aug.	107.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7	July Apr.	5.92xd	5
¶East India Distilleries T.F.C. ..	£200,000	1897	7	Jan. July	16.50cd	£1
Gwalior Sugar T.R.C.	6,75,000	1940	7	Dec. ..	60.00	100
Do. (Non-redeem.) ..	5,00,000	1940	7	Dec. ..	60.00	100
Purtabpore Co. T.C.	6,00,000	1922	10	Oct. ..	13.50	10
Ramnugger Cane T.F.C.	4,00,000	1933–36	6	Aug. ..	90 00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	69 00	100
South Behar Sugar T.	5,00,000	1936	7	Oct. ..	20 00N	100
Travancore C.T.F.	15,00,000	1946	5	Dec. ..	7.10	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec. ..	90.00N	100
Do. T.C.R.C.	15,00,000	1946	5	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	7	Apri May	113.75	100
COAL						
Borrea T.F.C.	4,00,000	1896–97	6½	Oct. Apr.	92.00	100
Burrakur (1st) T.F.C.	22,99,800	1901–19	7	Apr. Oct.	108.00	100
Do. (2nd) T.C.	4,50,000	1946	6	.. ..	6.50	10
Equitable T.F...	4,00,000	1895	6	Mar. Sept.	97.00	100½
Karanpura Collieries T.C. ..	9,89,500	1946	5½	.. ..	56.00	75p.
††Khas Kajora C.	1,93,000	1931	5	Mar. Sept.	9.50N	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan. July	10.75	10
Ondal T.F.C.	2,00,000	1898–99	6	Apr. Oct.	89.00	100
COTTON						
Ahmedabad Advance T.F.	10,00,000	1939	5	Apr. Oct.	83.00	100
Bangalore C.T.F.	6,00,000	1884	6	Jan. July	110.00	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	9.00	10
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	145.00	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	62.00	100
Bradbury T.F.	14,75,000	1919	7	June Dec.	55.00	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7½	Jan. July	120.00	100
Cambodias C.T.F.	1,00,000	1928	7	Apr. ..	110 00	100
Central India T.F.	50,00,000	1912	5	Apr. Oct.	339.00	495
Coimbatore Pioneer C.T.F. ..	1,00,000	1935	6½	June ..	91.75	100
Elgin	11,00,000	1912	8	May Nov.	105.00	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	7.50	10
Elphinstone T...	25,00,000	1919	7	May Nov.	65 00	100
Kesoram	20,00,000	1919	7	June Dec.	99.00	100
Khatau Makanji (2nd) T.F. ..	29,92,500	1947	4	Nov. ..	74.00	100
Kothari C.T.F.	18,00,000	1937	6	Dec. ..	8.65	10
Kothari 'B' (Pref.)	6,00,000	..	6	.. ..	10.00N	5
Lakshmi Cotton (Bombay) T. ..	16,00,000	1896	5	.. ..	159.50	250
Morarjee Gocouldas Spg. & Wvg. ..	17,25,000	1947	4½	Jan. ..	70 00	100
Mysore Spg.	7,45,050	1944	4½	.. ..	28.25	50
National Rayon T.	1,74,64,700	1947	5	.. ..	76.50	100
New Great T.	8,00,000	1913	5½	Mar. ..	130.00	200
Podar Mills	10,00,000	1943	4	Feb. ..	61.50	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr. ..	51 00	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	62.00	100
Sholapur R.	32,00,000	1943	3	.. ..	78 25	100
Svadeshi T.F.	15,00,000	1935	5	Apr. Oct.	85 00	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	74 00	100
Travancore Rayon C.T.F. ..	50,00,000	..••	5	May ..	8.56	10
Vasanta (1st) C.T.F.	3 00,000	1931	6½	Apr. Oct.	101.00	100
Do. (2nd) C.T.F	1,50,000	1938	6	.. ..	90 00	100
Vishnu T.	15,66,500	1908	7	Apr. ..	432.50	500
ELECTRICS						
Andhra Valley Power Supply T. ..	49.34,000	1917	7	May Nov.	1,095.00	1,000
Amalgamated Electric T.F.	24,15,000	..	5½	.. ..	86.00	100
Calcutta Electric	19,00,000	1909–11	5(t)	June Dec.	9.87	£1
Poona Electric T.	4,00,000	1935	7	June Dec.	101.00	100
South Madras (1st) C.T.F. ..	22,00,000	1940	5½	Sept. ..	9.15	100
Do. (2nd) C.T.F. ..	8,00,000	1940	5½	Sept. ..	8.89	10
Surat Electric Co. T.F. ..	5,00,000	1939	6½	Apr. ..	111 00	100
Tata Hydro Electric Power T. ..	89,28,000	1907	7	May Nov.	116.00	100
Tata Power T.	86,97,000	1918	7½	May Nov.	1,121.25	1,000
Vellore C.T.	1,25 000	1928	6	Dec. ..	7.05	10
ENGINEERING						
Arthur Butler (Muzafferpore) ..	1,30,000	1916	7	Mar. ..	10.25	10
Burn & Co. Ltd. (1st).. ..	13,00,000	1895–98	7	Feb. Aug.	123.00	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.	116 00	101
Indian Iron and Steel Co. Ltd. T.F. ..	2,69,95,400	1950	5	Dec. ..	102.50	100
Indian Standard Wagon ..	19,66,500	1918	7	June ..	122.00	100
Jessop	20,00,000	1941	5	May Nov.	82.00	100
Kamani Engineering C. ..	15,00,000	..	5	July ..	50.50	100
†††Kumardhubi Engineering ..	12,00,000	1915	4	June Dec.	92.50	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946–47–51	5	.. ..	87.00	100
Mahindra & Mahindra R.C. ..	25,00,000	1945	6	May ..	101.00	100
McKenzies (1st)	5,50,000	1907	..	.. ..	80.00	100
Premier-Construction (1st) T. ..	10,00,000	..	6½	.. ..	88.00	100
Do. do. (2nd) T. ..	15,00,000	1936	6½	.. ..	86.25	100
Do. do (3rd) T. ..	56,25,000	1947	4½	.. ..	6 08	10
¶Tata Iron and Steel (1st) T. ..	75,00,000	1908	6	Nov. ..	155.50	150
Do. do. (2nd) T. ..	6,93,81,900	1908	7½	May ..	117.00	100
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	101.00	100
Alexandra	9,00,000	1905	7	Feb. Aug.	99.00	100
Alliance	15,00,000	1895	6	Mar. Sept.	87.00	100
Anglo-India	40,00,000	1917	7	May Nov.	103 00	100
Auckland	10 00,000	1909	5½	May Nov.	76.50xd	100
Do. (2nd)(j)	15,00,000	1945	4½	June Dec.	65.75	100
Bally	20,00,000	1918	7	Apr. Oct.	102 00	100
Barnagore	£200,000	1896	5	May Nov.	34.75xd	5
Belvedere	7,00,000	1906	7	Jan. July	103.00	100
Birla	23,64,200	1919	7½	June Dec.	87.00	100
Budge-Budge	9,00,000	1894	7	May Nov.	103 00	100
Calcutta	6,00,000	1934	6½	Jan. July	62.00	100
Caledonian	10,00,000	1915	7	June Dec.	103 00	100
Cheviot	10,00,000	1919	7	June Dec.	103.00	100
Chitavalsah	5,00,000	1928	7	Mar. Sept.	102.00	100
Clive (1st Pref.)	8,00,000	1900	6	May Nov.	68.00	100
Do. (A) (2nd Pref.) ..	8,00,000	1905	7	May Nov.	74 00	100
Dalhousie	15 00 000	1903–13	7	May Nov.	92 00	100
Delta	5 00,000	1897	5	June Dec.	77.00	100
Empire	10,00,000	1912	7	Feb. Aug.	102.00	100
Fort Gloster	14,00,000	1890–98	7	May Nov.	102.00	100
Do. (2nd Pref.)	7,00 000	..	5	.. ..	69.00	100
Fort William	10 00,000	1911	7	May Nov.	102 00	100
Ganges	6,90,000	1916	8	June Dec.	102.00	100
Gourepore	26,50,000	1895–04	6	May Nov.	87 00	100
Hastings	25,00,000	1935	6	Mar. Sept.	88 00	100
Hooghly	11,76,000	1913	10	May Nov.	11.75	10
Howrah	8,75 000	1890	7	May Nov.	102.00	100
Do. (A)	17,50,000	1903–6	7	May Nov.	102 00	100
Hukumchand	40 00,000	1919	7	June Dec.	100 00	100
Kamarhatty	16,00,000	1898–04	6	Feb. Aug.	100.00	100
Kanknarrah	10,00,000	1900	6	Feb. Aug.	75.00	100

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued.*						
Kelvin	10,00,000	1907	7	Mar. Sept.	99.00xd	100
Khardah	9,00,000	1895–09	6	May Nov.	88.00	100
Kinnison	15,00,000	1900–13	7	May Nov.	102.00	100
Lansdowne	15,00,000	1905	7	May Nov.	104 00	100
Lawrence (A)	5,00,000	1907	7	May Nov.	95.00xd	100
Do. (B)	10,00,000	..	5½	Dec. ..	75.00xd	100
Naihati	7,50,000	1905	7	May Nov.	95.00	100
Do. (2nd)(j)	10,00,000	..	4½	June Dec.	65 00	100
National	5,00,000	1917	7	May Nov.	105.00	100
Nellimarla	5,00,000	1939	6	Apr. Oct.	90.00	100
New Central	83,00,000	1915	7	Jan. July	99 00	100
Northbrook	15,00,000	1900	½	May Nov.	73.50xd	100
Reliance	20,00,000	1906–12	7	May Nov.	70.00	100
Samnuggur	£150,000	1901	6	Feb. Aug.	Sh. 21 50N	£1
Soorah	10,00,000	1920	7	Feb. Aug.	102.00	100
Standard	9,00,000	1895–01	6	May Nov.	99.00xd	100
Shree Ambica	11,70,000	..	7½	Mar. Sept.	96.00	100
Titaghur	£150,000	1897	6	Feb. Aug.	Sh. 21 50	£1
Union	6,00,000	1901–02	7	May Nov.	100.00xd	100
Victoria	£150,000	1898	6	Feb. Aug.	Sh.21.50	£1
Waverly	7,50,000	1918	7	Mar. Sept	42.50xd	5
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship	3,00,000	1895	7	Nov. ..	59.00	60
Calcutta Tramways	£250,000	1906	5	Apr Oct.	8.00	£1
Great Eastern Shipping T.F.R.C. ..	25,00,000	1948	5½	Dec. ..	95.00	100
Indian General Nav. & Rly. T. ..	£244,000	1899	6	Mar. Nov.	69.00	£10
India Steamship (w)	25,00,000	1928	5	• ..	93.00	100
TEA						
Amluckie Tea	75,000	1902–03	7	May Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900–02	6½	Jan. July	110.00	100
Birpara	1,00,000	1900–03	8	Jan. ..	110.00	100
Choonabhutti	2,00,000	1914	8	Jan. July	109 00	100
Gielle	2,00,000	1894	6	Sept. ..	67 00	100
Hantapara	50,000	1901	8	Jan. ..	112.00	100
Hasimara	3,00,000	1904	7	Mar. ..	109 00	100
Kingsley Golaghat	2,40,000	1897	6	Dec. ..	95.00	100
Moheema	3,20,000	1929	6	May Nov.	8 00	10
†††New Dooars	2,00,000	1907	6	Jan. July	109 00	100
New Samanbagh	1,00,000	1903	8	Nov. ..	100 00	100
†††Okayti	50,000	1888	7	Dec. ..	90 00	100
Pussimbing	2,05,000	1916	7	Jan. ..	83 00	100
Sonai River	1,00,000	1909	8	May ..	100 00	100
***Tezpore	2,05,000	1932	8	Jan. ..	10.25	100
Tirribannah	1,00,000	1922	10	May Nov.	14.00	100
PLANTING						
BelBe Rubber N.R.C.T.	1,43,005	1944	6½	.. ..	3.03	5
Do. R.C.T.	2,85,570	1944	6½	.. ..	6.44	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June ..	46 70	50
Coffee Lands C.T.F.	10,40,600	..	5	.. ..	80.00	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr. ..	98 00cd	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov. ..	10 75	10
Devon Tea C.T.F.	2,00,000	1936	7½	July ..	104 00	100
Highland Produce C.T.F. ..	3,00,000	..	6	July Jan.	9.05	10
Neelamalai C.T.F.	18,00,000	1943	5	Jan. July	7.10	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July ..	4.40	5
Pullangode C.T.F.	1,50,000	1943	6	Mar. ..	8.65cd	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar. Sept.	7.35cd	10
T. R. & T. Co. C.T.F... ..	16,00,000	..	6	June Dec.	7.95	10
Waterfalls R.C.T.F	5,00,000	1943	6	Nov. ..	8.75	10
MISCELLANEOUS						
Alembic Chemicals (1st) T.	5,00,000	..	6½	June ..	85 80	100
Do. do. (2nd)	5,00,000	..	5	June ..	85 00N	100
Alkali & Chemicals	31,00,000	1937	5	Apr. ..	102 00	100
Aluminium Corpn. (1st)	20,00,000	1938	6(f)	.. ..	86.00	100
Andhra Cement C.T.F.	2,48,800	1937	6	Feb. June	100 00	100
Associated Hotels of India T. ..	21,67,000	1916	7	Mar. Sept.	48 50	100
Bengal Chemicals	9,00,000	1925	7½	Aug. ..	11 00	10
Bengal Paper Mill	2,00,000	1908	7	Mar. Sept.	53.00	50
Do. "A"	4 00,000	1928	7	Mar. Sept.	107 00	100
Do. "B" T.	20,00,000	..	6	.. ..	65 00	100
Bengal Timber Trading	3,00,000	1896	8	Aug. ..	17 00N	100
Britannia Biscuit	15,450	1921	8	Feb. Aug.	14 00	10
British Ceylon Corporation	17,50,000	1918	6	Feb. Aug.	8.00N	5
British India Corporation	81,00,000	1920	8	Feb. ..	101.00	100
Dalmia Cement (Bharat)	61,58,210	1937	6	Sept. ..	8 80	10
Dhrangadhra Chemical Works Ltd. ..	31,91,900	1956	6	.. ..	88.00	100
Shree Digvijay Cement T.F.R.C. ..	79,93,875	1944	5	Dec. ..	87 00	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6½	Apr. ..	118 00	100
General Investment Trust (1st) ..	1,00,000	1946	5	Feb. Aug.	63.00	100
Do. do. (2nd) T...	1,00,000	..	6	Feb. Aug.	53.00	100
Gillanders Arbuthnot(f) T.	25,00,000	..	5	Apr. Oct.	55.00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6	Mar. ..	73.00	50
Humayan Properties	12,00,000	1933	6	.. ..	7.62	10
India Cement C.T.	29,85,000	1946	7½	Oct. ..	94.50	100
Indian Aluminium (g) T.	40,00,000	1945	5	June ..	72.00	100
Indo-Burma Petroleum T.C. ..	50 00,000	1921	7	Jan. July	88 00	33
Indian Cable (m)	12,87,750	1923	6	June Dec.	25.50xd	10
India Rubber Mfrs. (n)	8,28,000	..	5	Apr. ..	76.00	100
Jardine Henderson T.	50,00,000	1946	5½	Dec. ..	56.00	100
Kettlewell and Bullen (1st) T. ..	20,00,000	..	5½	May ..	59 00	100
Do. do. (2nd)	10,00,000	..	4	May ..	56 00	100
Kumardhubi Fireclay & Silica ..	2,00,000	1915	7	June Dec.	63 00xdN	100
Martin Burn (k)	30,00,000	1946	5	Apr. Oct.	100.00	100
McLeod and Co. (1st) T.	10,00,000	1930	5	July Jan.	52.25	100
Do. (2nd)	40,00,000	1936	5	July Jan.	70 00	100
Metal Box Co...	30,00,000	..	6	.. ..	86.00	100
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1903–18	6	Feb. Sept.	92.75xd	100
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6	June ..	9 00	10
Mysore Lamps R.C.T.F	2,50,000	..	4	Aug. ..	6 50	10
National Tobacco (Old) (p) ..	25,00,000	..	5	Mar. Sept.	69 00	100
Do. do. (New) (q) ..	19,98,000	..	4½	Mar. Sept.	65.00	100
Orient Paper	69 88 900	1936	5½	Jan. ..	89 50	100
Do. (2nd) (r) T.	60,00,000	..	5½	Apr. Oct.	61.00	100
Rohtas Industries (Old) T. ..	20,00,000	1936	7	Apr. ..	124 00	100
Do. do. (New)	85,04,700	..	4½	Apr. ..	62 00	100
†Smith Stanistreet & Co.	5 00,000	1920	10	Feb. Aug.	65 00	50
Spencer & Co. "A" C.T.	23 20,000	1898	6½	Jan. July	8 00	10
Do. "B" C.T.	36 80,000	1922	8½	Jan. July	11.25	10
Standard-Vacuum C.	75,00,000	1955	6	June Dec.	100 50	100
Star Paper	10,00,000	..	5	Mar. Sept.	70 00	100
Tata Chemicals T.F.	59,97,000	..	5	June ..	95 00	100
Tata Oil Mills C.	29,88,800	1946	4½	July ..	61.00	100
Titagur Paper Mills	11,50,000	1899	8	Jan. June	136 00	100
Do. do. 2nd)	15,00,000	1934	4½	Jan. July	78.00	100

** These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus profits available after 10 per cent. of ordinary capital.

§Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co. Ltd

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free
R.O.—Redeemable at option. N.B.—Non-Redeemable. P.—Participating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (h) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50,00,000	5,37,500	1,01,25,505	44,03,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	58,468	898	Apollo Mills	1.18	2	0.19	0.19			12	Y.
46,00,000	24 90,000	1,40 93,494	78,99,035	17,302	M.	50,596	1,021	B. R. Cotton Mills	16.00	100	Nil	Nil	Nil		3	Y.P.T.
2,50,98 000	3,45,87,968	9,01 44,459	4,42,94,600	50,386	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,006	4,211	Bombay Dyeing & Mfg. Z	60 20	25	2.50*	2.50	2.50	2.50	12	Y.
10,00 000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	137 50	50	12.50	20 00	15.00	7 50	3	Y.P.
1,13 85,650	2,79,59,276	7,45,32 167	2 69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	26,953	Century Spg. & Mfg.	484 00	100	22 00	22.00	22.00	8 00I	12	Y.
26,00,000	28,31 920	1 13 36 792	67 79 552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	133.75	100	7.50	12.50*	12 50*	12 50*	3	Y.
28,00,000	26,37 709	90 59 554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	80 00	50	15 00	—	7 50F	5.00	3	Y.
34 00,000	26,36,389	1 12 98,983	69,27,928	—11,15 096	Puranmal Bubna Sons	46,476	928	Edward Textiles	215 50	200	18 00	15.00	15 00		12	Y.
29 98 050	15.72 144	1,31,76,951	81,20,935	....	M.	46,620	886	Elphinstone Spg. & Wvg.	30 00	50	5 00	15 00	Nil		12	Y.P.
50 00,000	63,57,852	1,81,16,865	95 84,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	271 00	100	20 00	20 00	20 00	16.00	12	Y.
50,00,000	48,52,027	1,00,12,312	64,97,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	192 50	100	15 00	15 00	15.00	15.00	12	Y.
11,84,000 16,000 }	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	50,240	1,120	Hindoostan Spg. & Wvg. Mills	{ 4 800 00 992 50	1,000 250	300 00 75 00	325 00 81.25	350 00* 87.50*	350 00 87.50 }	3	Y.P.
2,50,00,000	56,39,672	4,90,61,319	3,54,00,000	1,29,969	Agarwal & Co.	2,44,512	6,214	India United Mills	{ 8.76 1 06	0 100. 0 1D.	0 94 0 19	0 92 0.18		}	12	Y.
8,65,000 35,000 }	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	57,440	1,152	Indian Mfg.	{ 4,350.00 —	1,000 500	300 00 150 00	300 00 150 00	325.00* 162.50*	325 00 162.50 }	3	Y.P.
59,85,000	47,84 646	3,32,60,641	2 39.44.870	30,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	176 25	100	12 00	10 00	10 00(c)	10.00	6	Y.P.
1,00,00,000	1,13,27,791	3,67 76,376	2,84 94,794	52 791	Killick Industries Ltd.	1,20,504	1,860	Kohinoor Mills	251 00	100	18 00	18 00	18 00	4.00I	12	Y.
33.18 800	46 27,870	1 23,83,753	67.99 178	43,271	N. Sirur & Co. Private Ltd.	48,700	644	Modern Mills	46 00	50	8 00*	8 00*	5.00'C'		10	Y.T.
51,75,000	42,39,896	2 75,32,726	2 00 41 588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg. & Wvg.	228 50	100	14 00	16 00	14.00(c)	15.00	6	Y.P.
1,60,83,400	1,42,58 205	10,55,96,105	8,40,00,000	1,23 937	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	290.25	100	12 00	14 00*	14 00		12	Y.P.
24,00,000	22 76,231	82,93,080	48,70,077	—3,04,756	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	87 00	100	10 00	10 00	5.00	Nil	12	Y.
30,00,000	7,01,166	109 27,346	63,87,035	—4,83,512	W. H. Brady & Co., Ltd.	49,012	979	New Great Spg. & Wvg.	208 00	100	10 00	10.00	Nil	Nil	12	Y.P.
48,00 000	55,51,580	1,69 40,494	1,08,77,159	3,59 718	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	123 00	100	10 00	..	12.50F	10.00	3	Y.
40 00,000	45,64,554	53 92 841	25 84,581	1,63 546	Podar Sons Private Ltd.	82,600	930	Podar Mills	130 00	100	12 00*	12.00*	10 00		12	Y.P.
10,00,000	....	23.94,122	18.44 733	—1,10 689	M.	..	..	Sassoon & Alliance Silk Mill	9 76	10	0 50	0.25(c)	Nil		12	Y.
37,70,100	1,19,98,715	2,11,34 514	1,36,87 248	12 182	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	45.00	10	2.00	2.00	2.00		12	Y.
80,00,000	44 70,061	1 27,66,700	67 73 552	58,580	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	155.00	100	12 00	12 00	8.00		12	Y.P.
42 00,000	30,80,473	1,95 86,294	79,84,101	8 089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	166 00	50	10 00	12.00	8 50	8 50	3	Y.
1,09,75,000	2,39,76,402	3,46,63,221	2,04,23,247	1,708	Mafatlal Gagalbhai & Sons	96,956	2,409	Standard Mills	482 00	100	20 00	22.50*	22.50*	20.00	12	Y.P.
1,00 00,000	95 03,854	2,76,30,400	1,44,86 214	29,124	Tata Industries Private Ltd.	72,716	2,000	Svadeshi Mills	217.00	100	12 00	14.00*	9.00		12	Y.P.
36,00,000	66,03,330	1,59,87,553	1,02,92,715	26,062	James Finlay & Co., Ltd.	40 328	549	Swan Mills	390 00	100	25 00	25 00	25 00	25.00	12	Y.
65,57,875	53,20,412	2,18,16,540	90,53,601	17,925	Tata Industries Private Ltd.	70,908	1,800	Tata Mills	35 00	25	4.00	3.50*	2 00		12	Y.T.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,664	1,212	Western India Spg. & Mfg.	4,525.00	1,000	300.00	300.00	325.00*	325.00	3	Y.P.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	40,144	1,016	Ahmedabad Advance Mills	130.00xd	100	7 00	12.00	5.00	5.00	6	Y.P.T.
15 00,000	98 23,183	1,29 00,836	73,32,228	....	P. M. Hutheesing & Co., Ltd.	42,760	920	Aruna Mills	625 00	100	30.00	25 00	25.00		12	Y.P.
40,00,000	3.03 12,127	2,17,78,010	1,10,66 897	28 706	M.	64,448	1,216	Arvind Mills	1,054 00	100	35.00*	35.00*	35 00*		12	Y.P.
22,00,000	47 41,123	1,22.40,942	77.79 729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	35 908	892	Aryodaya Ginning & Mfg.	470 00	200	25 00*	30 00*	Nil		12	Y.P.
12 00,000	1,40 46 694	99 92 464	67,28,819	728	Lalbhai Dalpatbhai & Co.	87,868	914	Asoka Mills	635 00	100	30.00	30 00	30 00		12	Y.P.
2,06 25 000	2,60 65 170	6 22.25 491	2,74,71 141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,89,120	2,378	Calico	555 00	125	..	30 00	30 00	25.00	3	Y.P.
63 00,000	28,51 630	1,44 37 907	1,02 61,820	20 815	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	457.00	250	80.00	100.00*	25 00*		12	Y.P.
52 00,000	91,54,187	1,55,49,668	1,07,88,296	92,673	Mafatlal Chandulal & Co., Ltd.	50,428	907	New Shorrock Spg. & Wvg.	912 00	125	35.00	40.00*	30.00		12	Y.
15 00 000	64 29 775	69,45 065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	24,840	572	Nutan Mills	403.75	100	20 00	20.00	20 00		12	Y.P.
20,00,000	1,08,87,132	1,07 38 484	66,60,480	105	Lalbhai Dalpatbhai & Co.	81,120	634	Raipur Mfg.	677.50	100	35 00*	35 00*	35 00*		12	Y.P.
48 75,000	28,46 580	1,33,74,914	73,60,111	9 988	M.	33,156	618	Rohit Mills	140 00	100	Nil	8.00*	8 00*		12	Y.P.
57 96,300	2,88,74,105	2,17,82 370	1,17,57 907	1,76,451	Harivallabhdas Kalidas & Co.	73,804	1,326	Shri Ambica Mills	706 00	50	27.00*	30.00*	25 00		12	Y.P.
29,25,000	69,60,633	1,00,70,063	73,48,312	18,346	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	500 00	100	25.00	30.00*	20.00		12	Y.
35,00,000	38,00,929	,28,90,368	90,20,784	23,500	Haridas Achratlal & Co., Ltd.	41,056	780	Vijaya Mills	580.00	500	35.00*	50.50*	40.00*		12	Y.P.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
15,00,000	3,05,455	38,27,581	24,03,641	1,14,856	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	6.87	10	0.50	0.60	0.60		12	Y.P.T.
7,11,280 3,00,620 }	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee, Esq. (Mg. Director)	33,248	935	Bengal Luxmi Cotton Mill	35.00N	40	4 00	4 00	4.00	Nil	3	Y.P.
24.00 000	1,50,000	1,20.71,237	49.68,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,928	841	Bowreah Cotton Mills	96 00	100	Nil	Nil	Nil		12	Y.P.
19.00,000	24,30,708	1 39 78 961	78 14 165	—1,86 242	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	151 00	100	2 50	6 00	Nil		12	Y.T.
50,08,000	7,14,828	81 32,154	30,32,154	1,32,757	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	9 60	10	Nil	0 87	9.50	0.65	12	Y.T.
1,60,00,000	2,29,91,250	,90,62,835	1,40,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	12.87	10	0 87	1 00	0 75		3	Y.P.
19,47,750O 5,00,000D }	9,50,000	48,59,254	28,75,466	9,388	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	{ 15 00N 8.25N	10 1D	1.00 0.34	1.00 0.26	1.00 0.15	}	6	Y.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
11,98,600	5,57,019	39,87,104	19,12,220	16,013	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00	100	12.50	15.00	12.50		6	Y.
72,00,000	18,19,271	1,89,74,579	68,27,598	6,322	The Industries (I.F.) Department, Government of Andhra Pradesh	35,752	716	Azam Jahi Mills	53.30	100	3.50(c)	5.00	3.50	Nil	9	Y.
1,21,50,000	1,47,74,679	3,67,98,866	2,76,43,043	2,96,471	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	171.00cd	100	30.00	30 00	10.00'C'	4.00I	12	Y.P.
35,00,000	74 79,507	1.41 25,225	1.10 21 274	1.04 207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	16 00	10	3.00	1.50	1.50	0 75	3	Y.
1,78,47,800	2 99 20,000	6 93,67,943	4 19,97,472	1,92,471	Binny & Co. (Madras), Ltd.	1,20,288	2,758	Buckingham & Carnatic	173 50cd	100	10.00	10 00	10.00	4.00I	12	Y.P.T.
20,00 000	15.87,935	50 23,440	26.18 648	....	Peirce, Leslie & Co., Ltd.	37,636	4	Cambodia Mills	9 85	10	0 50	0.50	0 50(c)		12	Y.P.
15 00,000	5,11,500	53 88,579	29 91,389	1,08,342	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	136 00	100	12 00	15 00	20.00	12 50	3	Y.
30 00 000	33,43,336	76,05,650	59 57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Textiles	5.00	5	Nil	0 25	0 25	Nil‡	12	Y.
9.36 560	5 31 645	60,81 289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg Mills Ltd.	10 80	10	0.62	0 75	0 90	0 90	3	Y.P.T.
35,97,200	24,15,845	88,98,386	36,22 038	596	R. Bheema Naidu & Co.	34,804	..	Coimbatore Cotton Mills	131 00xd	100	25 00	25.00	9.00'C'	6.00	12	Y.
18.15 000	7,25,195	39,16,562	24,29 633	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	91 00	100	20.00	12.00			12	Y.P.
20,00,000	18,28,450	80,21,737	44,09,621	599	T. R. N. Naidu & Co.	39,106	..	Coimbatore Pioneer Mills	263 00	100	20.00	20 00	20 00		12	Y P.
20,76 900	5 076	1,37,90 104	88,52,968	—7 20,806	R. G. S. Naidu & Co.	72 188	407	Coimbatore Spg. & Wvg.	49 50	50	8.00	10 00	Nil		12	Y.
46,87,500	10,87 622	3,55,43,835	1,51,85,676	—28,54,243	Tata Industries Private Ltd.	75,530	1,707	Central India	91 00	100	8.00	Nil	Nil	Nil	6	Y.P.
26 90 661	19,55,000	1,04 60,142	44,85,815	21,830	R. Hanumanthappa & Son	35,744	300	Davangere Cotton Mills	113.50	100	9.00	9.00	9.00	9.00	3	Y.
3,38,36 225 1,00,563 }	3,59,53,968	12,81,26,690	7,47,89,631	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	80.87	{ 25 2½	2.25 0.22	2.50 0 25	2.00 0.16	2 00 0.16 }	6	Y.P.T.
48,58,875	26,75,000	98,47,125	55,14,444	1 204	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	182 00xd	100	30.00	25 00	10.00'C'	10.00	12	Y.
63,00,000	1 05,56 192	1,69,12,424	1,41,93,839	75,531	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	13 12	10	1.00	1.25	1.00		9	Y.P.
48,81,000	43 65,161	1,36,06,042	77 13 982	4,172	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	140.50	100	15 00	13.00	8.00		12	Y.
2,50,00,000	8,75 000	5,73,71,041	1,64,46 856	1,00.48 693	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	16 00	10	Nil	Nil	Nil	Nil	3	Y.P
60.00 000	6.94 589	1,59,76,049	1,21.32 273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	50,780	1,356	Indore Malwa United	95 00	100	9.00	11 00	6.00		12	Y.
8.90 000	10,66.553	35 60 221	20,68,005	....	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	68.50	50	10.00	10.00	3.00		12	Y.
15,54,000	15,02,599	57,13,937	33 88,095	7,012	Mr. Bhairuratan Damani (Managing Director)	20,932	512	Jam Shri Ranjitsinghji	1,450 00	1,000	50.00	60.00	40 00		6	Y.
4,63,65 300	3,05 67 516	4,59 43 795	3 29 32 809	3,47,483	Birla Gwalior Private Ltd.	55,324	1,630	Jiyajeerao Cotton	9.70	10	4.00‡	0 55	0.85	0.25	3	Y.P.
42,00,000	29 25 000	1,05,81,567	38,28 076	91,772	Kothari & Sons	41 040	800	Kothari Textiles	9.12	10	1.00	1.00	1.00		6	Y.P.
32,00,000	49,05,387	1,98,16,079	1,44,39,237	690	M.	51,093	1,219	Lakshmi Cotton Mfg.	306 25	250	42.50	42 50	15.00	15.00	12	Y.P.
71,00,000 }	66 85,960	2,25,46,381	1,29 69 687	86,370	G. K. Naidu & Co.	1,10,800	200	Lakshmi Mills	{ 110 50 52 75	50 25	12.50 6.25	12 50 6.25	10 00 5.00	6 00 3 00 }	3	Y.
1,75,02,480	3,75,33,193	5,99,75,120	4,17,59,406	—49,07,085	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	25 50	15	3 00	2 62	2.25	Nil	12	Y.
12,00,000	3,67,363	29,03,352	18,76,700	213	V. K. Eradi (Chairman)	22,228	100	Malabar Spg. & Wvg.	80 00	200	Nil	8.00			12	Y.
60,00,000	69,00 000	66 60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25 656	603	Mettur Industries Ltd.	390 00	100	35.00	42.50	20.00	20.00	12	Y.
29 80 884	12,88 081	93,11,180	51,89,457	19 733	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	62 00	100	6.00	6.00	Nil		12	Y.
94,91,850	21,56 146	1,71,94.769	78,81,528	1,85 008	M.	52 408	952	Model Mills (Nagpur)	130 00	250	7.50(c)	7.50			6	Y.
24 83,500	39,98,562	1 13 65 249	72 49 736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	79 00	50	6 00(c)	9 00*	9.00*	5 00	3	Y.P.
18 61,780	....	29,12,641	17,83,814	3,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6 25N	10	Nil	Nil	Nil		3	Y.
87 23 200	39,29,981	1,73,83,244	67,86,683	....	M.	87,788	902	Osmanshahi Mills	40 00	100	2.50(c)	3.00(c)	Nil		9	Y.
4.00 000A 6 00 000B }	13,00,000	71,79,976	28,66,277	8,909	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	{ 128 00 182 00	50A 75B	12.00 18.00	15.00 22 50	9 00 13 50	}	12	Y.P.
15 00,000	....	35,52,644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	37 00	100	4.00(c)	Nil	Nil		12	Y.
16 81 200A 8 40 600B }	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	53,264	300	Radhakrishna Mills	{ 124.50 62 00	100A 50B	20.00 10.00	20.00 10 00	12.00 6 00	}	12	Y.
19,58 275	30,55,750	76.37 378	32 62 433	....	B. R. Naidu & Sons	40,296	..	Rajalakshmi Mills	70 00	50	10 00	7.50	4.50		12	Y.P.
16 14 300	14 00 000	58 40 286	20.95 405	....	Ramco Agencies Private Ltd.	30,756	..	Rajapalayam Mills	117 00	100	10 00	10 00	12.00	8.00	3	Y.
22 82,050	11,50,000	58 72,976	23,15 892	5,286	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	100 00cd	100	10.00	10.00	10.00		12	Y.
15,90,000 10 000 }	2,69,010	3,15 04 564	2,05 50 756	—34,29,635	M.	86,048	2,234	Sholapoor Spg. & Wvg.	{ 423.75 —	1,000 500 }	Nil	Nil	Nil		3	Y.P.
36 69 700	21,91,449	1,05,51,059	61 65,564	37 576	H. N. Pallegar, Esq.	42,924	292	Sri Krishnarajendra Mills	62.00cd	50	5.00	7.00	7.00	4.50	3	Y.
15,00,000	3,63,33,415	1,06,79,186	80 23,012	30,16,282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	63 00N	10	6.00	6.00	6 00	6.00	3	Y.
17 50 000 O 1,57,50,000 PO }	2,36,28,071	5,28 86,193	1 97,31,347	2 64 970	M.	1,12,216	2,098	Swadeshi Cotton (Kanpur)	{ 10 37 11 00	100 10P.O.	0.75 1.15	0.75 1.15	0.75 1 15 }		12	Y.P.
1,00,00,000	60,00,000	3.88 81,393	1,95 13,492	1,78 216	Emcote & Sons (Travancore) Ltd.	..	..	Travancore Rayons	20.00	10	0.75	1.00	1 00		12	Y.P.T.
13,98,730	9.45,940	19,58,289	13,60,120	794	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.80cd	10	0.90	1.12	0 90		12	Y.
21 00 000	39 86 738	86 30 895	51,76,507	12,000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	215 00	100	20.00	20.00	12 00		12	Y P
32,00,000	8,64,423	1,94,48,153	1,30,02,866	—14,81,997	The Bombay Co. (Private) Ltd.	49,880	1,363	Vishnu Cotton	85.00	100	8.00	8 00	Nil	Nil	12	Y.P.T.

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

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
71,39,780	6,27,794	1,53,40,852	52,19,911	49,516	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.15	B. 10	1.00*	1 00	1.00		12	Y.P.
59,89,343	36,548	1,57,05,664	21,936	6,415	M.	Ashoka Cement Ltd.	9.56	10	..	..	Nil	Nil	3	Y.T.
12,71,80,070 6,34,26,150 }	10,06,76,940	36,82,76,342	12,89,15,052	1,93,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	147.00	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
83,92,587	....	1,23,58 448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8 52	10	0.30	0.60	0.60		12	Y
1,44,10 795 5,00,000 }	53,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	{ 11.62 2.63	O. 10 D. 1	1.25 0.12	1.25 0.12	1.20 0.12 }		12	Y.P.T.
1,09,79,135	30,37,736	2,18,27,299	73,38 865	71,092	Essen Private Ltd.	India Cements Ltd.	{ — 5.60	O. 25 D. 5	1.87 0.37	2.06 0.41	2.06 0.41	2.25 0.45 }	3	Y.P.
1 50,00,000	1,85,000	6,72,92,670	1,24,70,336	93,276	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.28	10	0.75	1.25	1.25	1.25	3	Y.P.
1,00,00,000	31 43,497	3,25,68,68	1,17,79,528	37,55 949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14 40	10	1.25	1.25	1.50		12	Y.P.
1,34,20,200	48,94,785	3.55,77,865	1,29,16,661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	144.00	100	8.50	9 00	9.00		12	Y.P.
75,00,000	17,70,000	2,18 91 926	1,54,88 889	18,727	M.	Sone Valley Portland Cement	6.85	5	0.30	0 15	0.30		12	Y.
50,00,000	6,00,000	1,04,84,565	43,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	10.00	10	0.62	0.60	0.60		12	Y.

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
13,50,000	3,38,041	10,99,022	6,14,954	12,83,240	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	16.00	100.	1.00	3.00	1.50	..	9	Y.P.
50,50,275	8 45,000	1,20.18,973	35 41 847	20 913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.69	2½	0.25	0.25	0.25		12	Y.
10,00,000	34,05,833	63,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	32.00	10	1.75	0 87	1.75	1.75	3	Y.
£1,871,300	£1,348,400	£2,621,717	£1,593,562	£1,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.34	Sh. 2	10.8d.*	4.8d.	4.32d		12	Y.
O.15,00,000 P.5,00,000 }	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	14.25	10	1.00 3 00	Nil Nil	Nil Nil }		6, 12	H.
6,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.50	10	0 75	1.00			3	Y.
20 00,000	30,59,291	49.10,494	27,87,433	1,15,708	Bird & Co. Private Ltd.	Orissa Minerals	33.62	10	2.00*	1.001	2.00		6	Y.
7 00,000	71,05,000	74,84,368	29,53,314	52,523	Killick Industries Ltd.	Shivrajpur Syndicate	96.50	10	3.00*	3.00*	3.00*		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
41,27,700	37,60,000	1,10,24,566	49,60,560	31,063	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	175.00	100	8.00	10.00	12.00		12	Y.P.
62,00,000O 2,47,97,000A }	90,34,040	4,45,67,285	73,02,594	1,08,673	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	20.44	10	0.80	0.80	0.80	0.80	9	Y.P.
60 00,000	....	67.15,919	....	1,15,111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	146 00	100	Nil	Nil	Nil		12	Y.P.
89,27 800	11 05,700	2,96,61,485	67,85,495	53,686	Lalbhai Sons & Co.	Atul Products Ltd.	265.00	100	5.25	6.00	8 00		12	Y
48,17,200	48,38,400	1,45,22,658	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	96.00	100	6.00	6.00	6.00	6.00	3	Y.P.T.
21,50,000 42 74,800 }	63,31,297	1,48,64,534	57,89,669	9,980	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	{ 96.50 —	100 100New	12.00 ..	9.00 4.50	7 50 3.75	6 00 6.00 }	3	Y.P.
3,46,06,075	....	4,29,69,769	2,38,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	8.35	10	Nil	Nil	Nil		12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jal H. Mehta	Kemp & Co.	216 00	200	12 00	15.00	15 00	15.00	3	Y.
40,50,000	16,32,446	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.75xd	10	0.70	0 75	0.75	0.87½	3	Y.P.T
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	8 85	10	0.50	0.50	0.50		3	Y.
6,00 000	4,00,000	7,87 855	4,44,350	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	22.25	10	2.00	2.00	2.00		3	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	10.56	5	0.50	1.00	1.00	0.80'C'	6	Y.P.
10,00,000	12,00,954	19,34,602	14,27,276	87,365	M.	Polychem. Ltd.	79.00	50	..	..	..	Nil	3	Y.P.
1,39,95,990 56,00,000 }	17,19,952	4,57,35,637	1,71,48,316	3,736	Tata Industries Private Ltd.	Tata Chemicals	16.64	10	Nil	0.75	0.80	0.75	6	Y.P.T.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
6,74,78,395	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	96.70	100	5.00	6.50	3.25	6.50	3	Y.T.
72,50,000	14,67,106	1,98,94 397	45 21 447	15,26,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	11.08	10	0.75	0.75	0.42½	0.85	3	Y.P.
3,02 76,250	76,70,609	9 08 96 522	2,41,70,836	32,105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,163.75	1,000	75.00	75.00	56.25	80.00*	3	Y.P.T.
1,75,00 000	54,34,572	8 30,22,445	77 28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	107.25	100	7.00	7 00	7.00	7 00	3	Y.
7,07,020	99,267	16.08,942	7 53,744	199	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.00	10	0.75	0.62	Nil	0 50	3	Y.T.
18,89,000	9,35,596	1,40 77 220	53 14,908	7,836	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	113.75	100	10.00	10.00	2.50	7.50	3	Y.P.T.
60.62 500	25 74 514	1,34 27 302	42,37,719	3,828	Killick Industries Ltd.	Surat Electricity	111.50	100	7.00	..	8.75	7 00	3	Y.P.
2 39,99 575	74,19 097	6 63,96,657	1,61,14 10	23,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	120.00	100	7.50	7.50	5.52	8.00*	3	Y.P.
6,15,35,750	2,13,05,273	16,15,83,754	3,15,30,939	29,701	Ta a Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,178.75	1,000	75 00	75.00	56.25	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
19,99,600	44,20,245	1,12,31,458	33,25,328	49,395	MartinBurn Ltd.	Agra Electric Supply Co., Ltd.	145.00	100	10.00	10.00	10.00	10.00	3	Y.T.
3,00,000	14,59,897	50,97,022	18,71,344	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14.25	10	1.00	..	1.25	1.00	3	Y.T.
7,00,000	35,12 989	1 29,85,409	37,39,559	38,395	Martin Burn Ltd.	Benares Electric Light & Power Co.	14.25	10	1.25	..	1.25Z		3	Y.T.
5,91,860	5,95,855	21,28,477	9,59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	7 75	8	0.50	..	0.62Z		3	Y.
£4,262,646	£8,460,286	£30,407,122	£10,881,162	130,008	Harry Burn Esq. (Chairman)	Calcutta Electric Supply	14 94	£1	6%	6%	8½%Z		3	Y.P.T.
6,60,000	5,11,491	28,13,024	8,33,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8 00	10	0.62	..	1.00Z	0.65	3	Y.
43 20,000	16.40,106	98,00,595	33 79,613	8 16 830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	102 00	100	6 00	6.00	6.50	7.00	3	Y.P.
5,34,640	96,514	29,51,444	12,22,358	3,590	Moonna Lall & Sons	Jhansi Electric Supply	6.62	10	0 69	..	0.86Z	0 62½	3	Y.T.
2,49,700	25,37,546	98 31,843	35,83,663	29 425	Martin Burn Ltd.	Jubbulpore Electric Supply	13 10	10	0 91	0.46	0.92	0.92	3	Y.
4,95,000	2,21,374	12,36,011	6.02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.50N	9	0.50	..	1.22Z	0.72	3	Y.
5,82,390	3,35,296	32,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8 25	10	Nil	..	1.25Z	1 00	3	Y.
6,09,850	1,83 973	17,84 092	7,83,164	22,321	G. D. Bhagat, Esq.	Muttra Electric Supply	11 50	10	0 60	0.80	0.80	0.80	3	Y.
35,10,478	37 51,063	1,32,14,704	51,65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.69	10	0 75	..	1 25Z	0.75	3	Y.T.
9,10,000	1,93,940	9,80,089	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25	10	0 50	Nil	Nil	0.50	3	Y.
16,80,000	11,03,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	11 00	10	0 75	..	0.94Z	0 68	3	Y.T.
56 00,000	9,42,467	1,85,49 991	54,65 888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	12 10	10	0 91	0.91	1.23	0.87	3	Y.P.T.
5,99,250	4,67,280	21,09,262	9,36,176	9,038	Martin Burn Ltd.	Upper Ganges Valley Electric Supply	13 75	10	0 94	..	1.25	1.00	3	Y.
5,00,000	6,65,006	25,31,076	8,92,154	32,516	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	18 00	10	1 25	1 25	1.25		3	Y.
56,01,185	65,36,540	3,01,72,909	84,072	83,837	Martin Burn Ltd.	U. P. Electric Supply Co.	136.00	100	10.00	10.00	10.00		3	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.75	10	1.00	1.00	1.00	1.00	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
33,42,206	52,31,831	74,21,408	62,82,616	25,016	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	266.00	100	12.50	15.00	12 50		12	Y.
14,99,960	2,67,708	16,61,421	6,38,124	3,552	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	60.50	60	3.00	3.00	3.00	3.00	12	Y.
6,40,000	3,75,000	1,57,259	1,17,027	1,448	M. R. Rao Esq. (General Manager)	Jost's Engineering	70.50	50	4 00	4.00	5.00	5 00	3	Y.
44,96,250	2,57,957	55,59,741	16,71,411	56,266	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	6.24	10	Nil	Nil	Nil		9	Y.P.
50,00,000	15,01,511	44,29,526	20,09,794	25,546	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	21.24	10	1.00	1 00	1.00	1.25	3	Y.P.
55,00,000	26.00 000	1,05,24,440	12,56,894	1,16,134	M.	Mahindra & Mahindra Ltd.	22 48	10	1.00	1.25	1.75		10	Y.P.
11,00,000	49,774	31,43,736	13,71,575	31,416	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	78.00	100	Nil	Nil			7	Y.P.
39 69,895	24,80,000	83,15,927	31,99 407	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	15.64	10	Nil	Nil	1.00	1.20	3	Y.P
32,50 000O. 1,31,250Pr. }	1,23,56,576	7,51,153	73,248	1 43,527	Walchand & Co. Private Ltd.	Premier Construction	263.50	30	3.50	3.50	10.00		12	Y.P.
8,63,75,000 9,51 47,175 }	28.26,43,033	147,05,45,438	42,01,71,546	4,49,802	Tata Industries Private Ltd.	Tata Iron and Steel	{ 182.25 172.00	75old 75new	10.50 ..	10.50 ..	9.50 2.54	8.25 7.56 }	3	Y.P.
5,04,00,000	65,53,390	16,75,33,296	6,63,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	182.25xd	100	Nil	6.00	8.00	9.00	3	Y.P.T.
2,55,00,000	24,78,951	76,50,491	16,44,492	1,09,103	S. K. Handoo, Esq.	Voltas Ltd.	152.50	100	5.00	9.00	9.00	9.00	3	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
6,00,000	84,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	9.25	10	..	..	Nil		10	Y.P.T.
50,00,000	19,00,000	1,22,29,219	79,69,445	97 400	Bhartia Co., Ltd.	Bhartia Electric Steel	16 87	10	1.25	1.25	1.25		12	Y.
56,59,790	64,90,721	66,62,747	9,45,919	1,75,170	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	30.25	7	1 75	2 00	3 00	1.25	12	Y.
12,00,000	25,.5,000	49,19 444	27,99,444	1 73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34 00	10	1 50	2 00	2 00		12	Y.T.
19,88,670	5,23,347	37,25,250	11,79,769	99,900	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6 00N	10	1 00	0 50	0.50	0.50	3	Y.P.T.
40,00,000	39,42,365	83,13,780	37,68,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	13.12	10	1 50	0 60	0.60		12	Y.T.
5,00,000	3,06,358	19.15,871	12,28,274	77,782	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	25 62	10	Nil	Nil	2.00		12	Y.
84,00,000	1 99,04 936	4,42,87 297	2,71,63,251	1,30,345	Martin Burn Ltd.	Burn & Co.	418 00	100	15.00	20 00	20.00	20.00	4	Y.T.
2,00,00,000	2,02,39,092	3,89,31,446	1,68,28,306	....	H. M. L. Williams (Mg. Director)	Guest Keen, Williams Ltd.	38 00	10	..	2.30	2 00		12	Y.
12 50,000	23,50 000	60,07 710	38,80,350	5,810	Martin Burn Ltd.	Hooghly Docking	115 00	50	6.25	6.25	5.00		12	Y.P.
36,94,590	4,35,000	48 08,664	28,13 944	4,22,513	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	15 56	10	1 00	Nil	Nil		12	Y.P.
10,36,74,160	18,72,11,475	43,94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	24 20xr	10	1 00	1.00	1.00	1.00'C'	3	Y.P.
38,98,500	54,64,443	1,09,87,195	64,95,575	42 976	Martin Burn Ltd.	Indian Standard Wagon	95 00	25	6 25	7 50*	7 50*	5.00	3	Y.P.
32,00,000 26,580 }	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	{ 105 00 23 00N	0.10 0.1	3.00 0.30	3 00 0.30	4.00* 0.40*	4.00* 0.40* }	3	Y.
63,82,575	52,15,306	2,84,90,851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	193 00	100	12 00	10 00	15.00	12.00	3	Y.P.T.
1,01,99,000	51 82 557	1,72 18,507	62,69 132	51 642	M.	Jessop & Co.	29.12	10	3.00	Nil	Nil		10	Y.P.
24,23,187	10,05,500	48,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	14 48	10	0 50	0 60	0 90	1.00	3	Y.
18 43 200	54,56,724	72,53,319	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	10 09	3	0.50	0 62	0.45		11	Y.P.T.
10.50,000	23,78,264	17,13,875	13 52,941	1,35 774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	6 56	2	0 30	0.40	0.40		6	Y
49,96,000	7,44,675	1,25,33,261	63,79,493	9,10,330	M.	National Iron and Steel Co., Ltd.	9.00	10	0 25	0.62	0 62	0.62	3	Y.P.T.
40,00,000	30,56,944	50,83,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8 12N	10	1.50				6	Y.P.
6,00,000	8 16,855	29,83,251	18,00,849	21,638	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.37	4	0.25	0.25	0.40	0.40	3	Y.
1,50,00,000	40,87,211	3,55,99,392	1,47,60,898	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	23.45	10	1.00	1.25	1.50		12	Y.P.T

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
13 50,000	46,99,060	1,33,51,354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	11.62	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	33.00	50	3.00	3.00	3.00		12	Y.
6,15,000	1,84,95,246	12,38,65,607	....	....	B. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	218.75	100	25 00				12	Y.
24,00,000	62,91 344	1,26 11,707	....	2,40,686	R. K. Srinivasan, Esq. (Mg Director)	Hercules Insurance	25 50	10	2.00	2.00	2.00		12	Y.
18,74,940	2,16,61,024	4,00,62,157	....	5,97,423	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	5 52	15	Nil	Nil			12	Y.
20,00,000	53,99 401	1,56 15 926	....	10,976	M. G. Mody, Esq.	New Great Insurance	21 00	20	1 50	1.50	2 00		12	Y.P.
1,96 81,500	7,19,81,437	18,20,95,176	....	1,41,481	B. K. Shah, Esq.	New India Assurance	52.30	15	2 50	3 00	3 00		12	Y.
6,00,000	78,22 82,610	82,01,80,624	....	....	L. S. Vaidyanathan, Esq.	Oriental Life Assurance	4,200 00	200	200 00				12	Y.
32,00,000	65,90,004	1,60,63,502	....	29,354	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	7 12	5	0 50	0.62			12	Y.
5,75,000	67,91,968	42,97,523	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	150 00	25	11 25	11.25	11.25		12	Y.
15,99,270	33 72,513	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	19.76	10	1.35	1.50	1 50		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
35,00,000	86,85,342	80,25,560	36,80,012	1,63,409	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	5 44	7	1.50	1.50	0.60		12	Y.P.
1,00 00,000	1,44,75,601	94,16,791	49 77,641	1,66,640	Steel Brothers & Co. Ltd.	Indo-Burma Petroleum Co. Ltd. A.	26 62	10	4.00*	2.00	2.00		12	Y.P.
79,97,479	35,88,424	2,22 58,663	1,37,40,954	5,511	Tata Industries Private Ltd.	Tata Oil Mills	49.75	25	2.00	3.00	2 50	2.50	3	Y.P.
6,00 000	9,41,500	2,24 955	1.61,723	68,892	Andrew Yule & Co., Ltd	Tide Water Oil Co. (India), Ltd.	14.25	10	1 09	1 25	1.25		10	Y.

* Includes bonus. † Subject to taxation. C—On increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—Dividend is for fifteen months ended 31st March 1957, T=Company has got Debentures.

MISCELLANEOUS COMPANIES—Continued.

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
						PAPER								
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	88.00	25	4.69	2.50	3.12	2.00l	12	Y.P.T.
63,00,000	61,52,258	1,94,26,902	88,79,418	29,471	Andrew Yule & Co., Ltd.	India Paper Pulp	25.25	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	19.00	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	37.10	10	1.12	0.62	1.50	1.50	3	Y.P.T.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	17.62	10	1.25	1.25	1.25		12	Y.P.T
50,00,000 'A'10,60,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12.19 12.19	O. 10 A. 10	1.25 1.25	1.05 1.05	0.60 0.60		9	Y.P.
2,18,55,240	51,23,786	3,93,85,536	1,10,56,130	18,794	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.92	10	5.00‡	0.50	0.50	0.65	6	Y.P.
54,00,000A. 54,04,800B. 4,87,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	45.25 45.25 4.06	A. 10 B. 10 P.O. 2½	2.00* 2.00* 0.25	1.12* 1.12* 0.12	2.38* 2.38* 0.24	2.38* 2.38 0.24	3	Y.P.
						SAW MILLS AND TIMBER								
13,99,998	22,83,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	3.50	3	Nil	Nil	Nil		9	Y.
89,25,000 42,00,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corpn.	509.00 177.50	Old125 New50	37.50 15.00	40.00 13.75	47.50K 19.00K	22.50 9.00	5	Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	40.50	10	3.00	3.00	2.75	1.00l	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	16,60,406	43,47,523	32,35,804	59,415	M.	Balrampur Sugar	7.50		0.06	Nil	0.25	0.25	6	Y
12,00,000A. 3,00,000B.	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125.00N 11.50N	A. 100 B. 10	10.00 1.00	10.00 1.00			4	Y.T.
19,49,050	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	13.12	7½	0.75	1.00	1.00		9	Y.
15,00,000	13,08,913	22,66,507	13,89,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	13.00xdN	10	1.50	1.50	1.50	1.00	6	Y.P.
82,00,000	23,38,522	1,49,71,234	1,02,01,879	11,728	Gladstone Lyall & Co., Ltd.	Carew & Co.	8.56	10	0.25	Nil	Nil	0.25	6	Y.P.T.
30,00,000	54,39,509	1,65,39,057	93,52,334	—8,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	10.75	10	0.75	0.75	Nil		10	Y.P.
18,00,000	38,41,544	85,45,310	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	15.50	10	1.50	1.00	Nil	1.00	6	Y.
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.50N	10	0.50	0.50			8	Y.T.
60,00,000	65,12,000	2,11,44,128	86,21,246	43,249	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	230.00xd	100	15.00	15.00	15.00	15.00	6	Y.T.
18,00,000	13,01,626	82,23,561	52,13,596	74,885	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	48.00	40	2.25	4.00	7.00	4.00	7	Y.P.
7,89,100	25,36,524	50,24,224	28,80,749	18,295	Cotton Agents Private Ltd.	New India Sugar Mills	26.00xd	10	2.50	2.50	2.50	2.50	6	Y.P.
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5.00xd	10	0.25	0.37	0.37		5	Y.P.
13,21,100 38,275	49,91,797	73,75,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	235.00 50.00N	100 25	20.00 5.00	20.00 5.00	20.00 5.00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	140.00	100	11.00	11.00	12.50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	12.12	10	0.75	0.75	Nil		10	Y.P.
63,59,400	48,34,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	13.50	10	1.50	1.50	1.50		10	Y.P.
8,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	18.00N	10	Nil	1.75	1.50		6	Y.
11,99,000	16,33,214	47,23,583	25,13,422	—2,20,853	M.	Samastipur Central Sugar	12.00	10	Nil	1.75	Nil		6	Y.P.
39,88,800	22,68,560	1,47,99,287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.75	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	32,42,065	14,85,208	—3,03,840	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2.00	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
8,00,000	37,71,616	1,55,93,502	86,53,620	24,618	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	2.50	3.00	5.00	5.00	6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.	United Provinces Sugar	14.62	10	1.50	0.60	0.75		9	Y.
						Other Centres								
30,00,000	23,00,000	84,58,962	24,22,569	(22,096	Rangarao & Co.	Andhra Sugars Ltd.	22.50cd	10	0.60	1.00	1.25	1.50	9	Y.
70,49,650	1,33,26,508	1,53,99,066	1,08,78,700	2,88,214	W. H. Brady & Co., Ltd.	Belapur Company	292.00	50	16.00	16.00	18.00	20.00*	9	Y.
17,50,000	13,19,902	42,58,150	25,46,204	1,21,343	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	26.25	10	1.00	1.50	2.00	2.00	9	Y.P.
37,50,000	16,15,171	76,19,408	50,40,255	31,529		Shree Changdeo Sugar	31.10	12.50	2.00	5.00	2.25		9	Y.
39,84,000	50,19,492	1,19,44,328	66,95,463	1,49,743	Parry & Co. Ltd.	Deccan Sugar & Abkhari	11.29	5	0.50	0.75	0.72½'C'	0.90	9	Y.P.
£549,950	£1,197,467	£1,387,940	£701,435	£52,719	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	36.50cd	£1	Sh. 4	Sh. 3	Sh. 3	Sh.41	5	Y.P.
15,93,900	21,59,383	45,68,562	27,88,312	9,164	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	Nil	6.00	10.00	10.00	6	Y.P.
63,98,200	11,02,669	78,71,515	18,88,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries	13.40	10	1.40	1.12	1.00		6	Y.P.
28,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Iad. Corpn. Private Ltd.	Jeypore Sugar	15.50cd	10	1.00	0.60	0.60		9	Y.P.
10,52,200O. 2,87,190D.	1,09,50,000	3,37,42,487	51,70,482	83,107	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	140.00cd 140.00cd	O.100 D. 10	7.50 10.00	7.50 10.00	7.50 10.00	7.50 1.50	6	Y.P.
67,50,000	38,21,978	1,22,47,653	57,87,087	36,428	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	198.00	50	..	100.00*	100.00*		9	Y.P.
21,79,280	92,73,108	1,57,31,189	96,17,873	1,44,257	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	54.50cd	10	2.00	2.00	2.00	3.00*	6	Y.
50,00,000	53,21,430	1,16,88,154	67,80,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	156.50	50	8.00	9.00	12.00*	10.00	9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	21.12	10	2.00	2.00	1.50		8	Y.P.T.
20,00,000O. 4,00,000D.	42,95,804	1,18,46,781	62,36,097	72,206	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	125.00 30.00N	O. 50 D. 50	9.00 0.70	12.00 0.70	12.00 3.75	12.00 3.75	9	Y.P.T.
30,00,000	23,85,000	65,43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	11.80	10	0.75	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,16,37,173	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries	288.75	100	18.00	21.00	21.00		9	Y.P.T.
						TRANSPORT								
20,00,000	99,30,970	1,22,58,916	19,44,277	86,887	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	7.50	7.50	5.00		10	Y.P.
4,00,00,000	27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	13.52	10	5.00	6.00	12.00*		12	Y.
60,00,000 80,00,000	1,98,50,067	5,87,36,543	1,23,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	21.72 15.44	10 5	Nil	1.00	1.50	1.80 0.90	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	69.00	£10	Sh. 10	Nil	Nil		12	Y.P.
2,47,50,000	2,83,86,232	15,10,10,777	8,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	14.44	10	Nil	1.00	1.00	1.00	3	Y.P.
11,28,19,293	10,91,45,114	30,05,36,672	6,94,73,743	6,65,069	M.	Scindia Steam Navigation Co.	18.60	20	0.50	1.00	1.25	1.25	6	Y.T.
3,40,800O. 2,10,200P.O.	21,67,472	12,59,963	8,41,760	1,35,400	R. R. Aiyer Esq. (Manager)	Walford Transport Ltd.	2.25 2.00	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.14 0.12		12	Y.
						UNCLASSIFIED (Bombay)								
5,57,00,000	1,20,48,754	5,27,61,368	1,66,48,054	1,35,01,936	S. H. Turner (Chairman)¶	Hindustan Lever	31.25	10	..	1.25	1.40	1.50	12	Y.
31,07,000	16,29,510	1,09,45,989	67,14,407	14,986	Birla Brothers Private Ltd.	Hind Cycles	110.50	100	10.00	..	12.50F		3	Y.P.T.
14,98,840	4,61,996	33,87,568	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	88.50	50	2.00	3.00	3.50*	3.00	3	Y.P.
99,99,250	20,21,794	1,27,76,392§§	....	1,92,364†	Premchand Roychand & Sons	Industrial Investment Trust	88.50	100	4.50	5.00	5.50	6.00	12	Y.
1,00,00,000 6,23,625	25,34,707	45,50,246	14,45,332	9,290	K. G. Milne, Esq. (Mg. Director)	Killick Industries	143.50xd	100	11.00	11.00	11.00	13.00	11	Y.
2,20,26,525	71,19,432	3,90,61,158	1,93,68,002	4,78,891	Aero-Auto Private Ltd.	Premier Automobiles	114.00	100	Nil	6.00	6.00	4.00	6	Y.T.
21,60,000	29,18,738	64,65,614	14,68,374	64,830	Polson Agencies Private Ltd.	Polson Ltd.	155.00	10	10.00	12.50	10.00		12	Y.P.
2,75,00,000	1,44,13,441	3,87,52,891	1,68,58,348	89,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	202.00	100	11.00*	11.00*	11.00*		12	Y.
45,00,000	60,62,390	3,64,935	5,24,956	75,054	..	W. H. Brady & Co., Ltd.	325.50	150	20.00	22.50	25.00		12	Y.
						Other Centres								
57,50,000 2,50,000	1,99,56,713	3,81,21,462	86,96,361	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	14.00 —	O. 10 D. 2½	Nil Nil	0.50 Nil	0.90 Nil		3	Y.P.T.
79,95,653	34,25,000	1,05,40,087	34,37,767	49,715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd.	19.75cd	10	1.25*	1.25	1.25	1.25	3	Y.
80,00,000	36,31,857	35,74,849	24,59,437	2,39,372	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	19.12	10	2.00*	2.00*	1.80*	1.50	8	Y.
30,00,000	17,14,736	38,54,872	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	16.75	10	1.25*	1.25*	1.25*		12	Y.
30,00,000	35,94,600	1,05,12,033	39,58,423	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	7.50	10	0.40	1.20	0.60		3	Y.P.T.
80,01,400	34,59,405	74,46,138	40,46,138	5,00,886	M.	Balmer Lawrie & Co., Ltd.	167.00	100	12.50	15.00	12.50	5.00l	12	Y.
12,00,000	19,60,081	34,87,689	28,67,589	2,19,540	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	33.00	10	2.25	2.50	2.50	2.50	12	Y.
30,00,000	8,48,877	....	....	14,920	Lovelock & Lewis	Birds Investment Ltd.	14.50	10	1.25	1.00	0.50	0.70	9	Y.P.
45,97,020	38,11,814	1,15,02,202	42,92,212	2,18,164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	20.06	10	1.00	1.00	1.00	1.20	3	Y.P.T.
3,25,00,000	1,27,72,883	3,51,40,132	2,47,20,776	—11,35,910	M.	British India Corporation Ltd.	5.04	5	Nil	0.10	Nil		12	Y.P.
5,00,000	2,47,132	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	79.00xdN	100	5.00	6.00	10.00*		6	Y.
1,38,80,000	17,34,264	2,05,94,990§§	....	3,10,588	Andrew Yule & Co. Ltd.	Clive Row Investment	11.62	10	0.56	1.38	0.75	0.75	3	Y.
3,00,00,000	4,40,29,606	6,50,49,176	2,68,24,548	22,22,643	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	33.50	10	1.50	1.50	1.62		12	Y.P.T.
16,20,630	26,75,014	29,38,961	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	14.00	5	0.56	0.56	..	..	8	Y.
51,26,000	56,67,666	1,62,31,196§§	....	3,25,471	Bird & Co. Private Ltd.	Eastern Investments Ltd.	141.00	100	9.00	9.00	9.00	9.00	12	Y.P.
14,94,675	....	22,64,862	91,811	5,110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10.00	10	..	..			12	Y.P
14,00,000	10,35,000	36,71,778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	187.00	100	15.00	4.00	12.50	15.00	3	Y.
40,00,000	4,00,000	63,89,740	32,43,367	10,90,318	M.	Godfrey Phillips India Ltd.	19.87	10	2.00	2.00	1.50		12	Y.P.
65,00,000	36,00,000	29,50,904	12,41,168	1,46,370	P. R. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	13.25	10	1.40	1.60	1.00	1.00	3	Y.P.
30,00,000	15,17,354	83,08,821	36,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	250.00N	250	6.25	15.00	15.00		3	Y.
4,96,18,250	18,87,499	5,26,95,200	2,25,48,541	9,38,841	Birla Brothers Private Ltd.	Hindustan Motors	9.08	10	Nil	Nil	Nil	Nil	3	Y.P.
2,84,58,900	1,17,58,800	7,37,43,612	2,21,77,728	7,20,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	21.00	10	0.90	1.00	0.60		12	Y.P.
1,52,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	31.69	10	1.25*	1.50*	1.50*	1.50*	3	Y.P.T.
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	17.37	10	0.50	0.62			3	Y.P.
2,00,00,000	84,76,626	4,61,56,945	1,85,74,917	6,17,828	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	26.31	10			1.00	1.00	9	Y.
5,16,00,000	9,06,59,979	10,61,31,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	12.44cd	10	0.80	0.80	0.70	0.70	3	Y.
2,50,00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	80.00	100	7.50	7.50	2.50	2.50	3	Y.P.
40,00,000O. 5,00,000D.	82,95,072	29,31,775	11,33,490	..	M.	McLeod & Co.	200.00 —	O. 100 D.O.10	22.50 1.75	8.00 0.30	12.50 0.75		12	Y.P.
1,45,55,250	1,07,91,546	54,34,935	15,77,645	2,44,633	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29.12xd	10	1.81*	2.12*	2.12*	2.12*	9	Y.P
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	34.50	10	1.25	1.62	1.75	1.75	3	Y.P.
6,56,250	6,92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	18.40	10	0.75	0.90	1.25		3	Y.P.
10,00,000	8,70,000	18,04,172	10,70,792	4,088	M. Malleshayya, Esq. (Chairman)	Mysore Tobacco	13.00	10	1.00	1.50	1.50	1.25	3	Y.
3,00,00,000	83,56,505	2,14,82,470	61,33,962	23,42,424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	30.44	10	0.32	1.50	1.40		12	Y.
59,96,000	98,71,172	77,84,523	42,87,426	2,67,636	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	33.06	10	1.50*	2.00*	2.00		3	Y.T.
40,00,000	20,00,600	86,22,809	17,66,013	24,266	Do.	National Rolling & Steel Ropes	14.69	10	0.60	0.60	0.60		6	Y.P.
	6,00,006	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	16.00 —	10 5	..	..	1.00 0.50		12	Y.
8,00,000	68,89,261	1,25,70,061	65,79,351	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	16.75	10	0.80	0.70	0.90		12	Y.P.T.
79,97,000	42,21,731	89,43,238	33,40,874	63,842	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	20.00	10	..	..	0.84		12	Y.
2,20,00,000	10,94,424	85,12,939	46,26,988	—32,47,714	M. P. A. Paspatti, Esq.	Rallis India Ltd.	65.25	100	Nil	Nil	Nil	Nil	8	Y.P.
2,25,00,000 2,60,80,000	1,57,90,209	13,84,94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	23.19	10	1.50	1.50		2.00††	3	Y.P.T.
4,73,200 5,13,400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100.00N 50.00N	100 50	..	5.00 2.50	6.00 3.00	6.00 3.00	3	Y.P.
70,00,000	17,66,318	1,67,21,608	34,47,040	66,321	M	Sen-Raleigh Industries	16.87	10	0.60	0.60	0.60		9	Y.P.
40,00,000	89,05,314	1,28,83,302	73,61,372	9,13,245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	20.12	10	1.50	1.50	1.50	1.50	6	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3,65,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	17.06	10	1.00	1.00	1.00		12	Y.P.
15,00,000	95,15,371	1,13,44,098	16,55,796	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	14.00N	10	1.00	1.25	1.25		12	Y.
9,98,380	19,925	14,83,995	5,18,593	—7,432	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	5.50cd	10	Nil	Nil	Nil		12	Y.
6,00,000	9,80,100	30,85,103	26,85,097	9,488	Vital Mallya, Esq. (Chairman)	United Breweries	315.00cd	100	20.00	20.00	20.00	60.00	3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. B—United Breweries—The final dividend of Rs. 37.50 for the year 1958 consists of Rs. 12.50 to be paid in cash, Rs. 25 per share by the allotment of one newly created share.
K—Includes an additional dividend Rs. 7.00 per old share and Rs. 3.00 per new share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	32.00N	10	4.75	5.00	1.00	1.50l	12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea	18.50	10	1.00	2.00			12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,208	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	24.50	10	1.00	1.25	0.50		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	23.75	10	1.00	2.50	1.50		12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co., Ltd.	377	Basmatia	27.37	10	1.50	2.00	1.75		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	18.37	5	2.50	3.00	1.50		12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co., Ltd.	581	Betjan	24.00	10	2.00	2.50	1.50		12	Y.
33,00,000	15,39,600	73,93,588	30,33,388	3,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	19.87	10	2.00	2.00	1.00		12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	15.12	10	Nil	0.50	Nil		12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co., Ltd.	450	Bormah Jan Tea	17.87	10	2.00	1.50	Nil		12	Y.P
35,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M.	2,884	Brooke Bond	18.06	10	4.75	1.25	1.75		6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	67.00	10	3.00	3.00	2.00		12	Y.
8,40,000	7,77,250	31,03,643	18,55,911	—1,18,361	Jardine Henderson Ltd.	1,156	Dessal & Parbuttia	160.00	100	10.00	10.00	Nil		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	24.31	10	2.50	0.50l			12	Y.P.
4,68,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	18.69	10	1.00	1.25	2.00		12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	36,146	McLeod & Co., Ltd.	458	Dibrugarh	30.25	10	2.00	3.00	2.50	1.00l	12	Y.P.
4,73,400	6,15,000	15,05,630	6,48,530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	30.25xd	10	2.00	3.00	3.00	1.00l	12	Y.P.
7,00,620	10,33,300	23,48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Duflaghur	35.25xd	10	4.00	4.00	3.00	1.50l	12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co., Ltd.	1,166	East India Tea	19.25	10	1.00	1.00	0.50		12	Y.
5,03,760	6,36,175	13,30,198	5,28,090	16,110	M.	407	Gillapukri	29.75	10	3.50	3.00	2.50		12	Y.
6,76,000	4,38,700	19,45,409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	24.00	10	3.00	2.50	2.00		12	Y.
A. 7,41,540 B. 3,61,185	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	30.50 15.75	A 10 B 5	2.50 1.25	3.25 1.62	2.50 1.25	1.00l 0.50l	12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,595	Andrew Yule & Co., Ltd.	476	Hoograjuli	29.50	10	0.50	1.50	1.00		12	Y.
3,70,000	13,02,909	25,53,023	13,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	198.00	100	7.50	15.00	12.50		12	Y.
58,56,900	53,85,792	1,63,70,458	54,70,458	91,307	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	13.37	10	1.00	1.00	1.00	1.00	12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutilbari	20.25	10	Nil	1.00	1.75		12	Y.
2,40,000	11,30,500	12,75,845	6,72,848	65,938	M.	1,699	Kingsley-Golaghat (Assam)	150.00	100	25.00	25.00			12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	12.75	5	Nil	Nil	Nil		12	Y.P.
6,50,000	10,94,454	12,07,806	3,53,788	392	Duncan Bros. & Co., Ltd.	636	Ledo	19.00	10	1.00	0.75	Nil	1.00l	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	22.75	10	1.75	2.00	1.50	1.00l	12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13.50	10	Nil	Nil			12	Y.P.
O. 1,50,000	8,20,000	9,69,706	5,17,244	67,128	Kettlewell Bullen & Co., Ltd.	410	Mothola	425.00	100	50.00	60.00	40.00		12	Y.
P. 1,75,000 O. 2,00,000	6,98,309	10,96,678	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	28.00 28.50	O. 10 P.O. 10	1.25 1.75	2.00 2.50	1.75 2.25		12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	13.87	10	1.00	1.50			12	Y.
5,00,000	....	7,72,341	2,90,502	—38,569	Duncan Bros. & Co., Ltd.	801	New Cinnatolliah	116.00	100	Nil	Nil	Nil		12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co., Ltd.	370	Rajgarh	47.25	10	0.25	4.00	2.50		12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	22.25	10	2.50	3.50	1.50		12	Y.
2,49,000	3,86,000	11,48,864	6,60,764	87,974	Williamson Magor & Co. Ltd.	452	Seajuli	28.87	10	1.50	1.50	2.25		12	Y.
5,98,000	12,48,874	15,39,500	4,94,783	78,434	McLeod & Co., Ltd.	495	Teloijan	30.37	10	2.50	3.50	3.00	1.00l	12	Y.P
8,00,000	5,35,127	12,11,400	3,86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45.00N	10	0.75	1.00	1.50		12	Y.
19,82,880	12,75,000	46,07,888	19,46,388	36,041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	16.87	10	1.50	1.25	Nil		12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,644	McLeod & Co., Ltd.	1,050	Tyroon	40.62	10	3.00	4.50	3.00		12	Y.P.T.
							CACHAR								
3,00,000	....	5,16,444	1,64,445	—1,34,430	M.	862	Arcuttipore	7.00	10	Nil	Nil			12	Y.
7,00,000	....	7,66,139	1,03,460	—3,49,181	Octavius Steel & Co., Ltd.	649	Eastern Cachar	4.75	10	Nil	Nil	Nil		12	Y.
12,60,000	10,43,149	30,19,522	12,69,051	—1,06,851	Octavius Steel & Co., Ltd.	2,154	Hattikhira	11.94	10	0.75	0.50	Nil		12	Y.
3,00,000	1,70,000	6,34,207	2,50,949	1,081	Duncan Bros. & Co., Ltd.	625	Kunchunpore	8.50	10	Nil	Nil	Nil		12	Y.
7,00,000	6,50,000	11,33,080	3,08,080	88,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	101.00	100	15.00	15.00	15.00		12	Y.
2,60,000	3,09,004	9,34,349	2,76,273	—87,588	McLeod & Co., Ltd.	638	Roopacherra	12.00	10	1.50	0.50	Nil		12	Y.
5,00,000	10,53,794	15,91,369	6,14,096	15,852	Duncan Bros. & Co., Ltd.]	700	Rungamattee	82.00	50	10.00	10.00	3.75		12	Y.
4,00,000	3,36,980	10,68,284	3,68,708	—31,199	M.	662	Senai River	10.50	10	Nil	Nil			12	Y.P.T.
							DARJEELING								
3,79,900	1,05,000	3,93,716	74,916	22,108	Williamson Magor & Co., Ltd.	408	Chamong	11.25	10	Nil	0.75	Nil		12	Y.
2,00,000	1,08,526	3,89,734	1,69,880	—893	M.	486	Dilaram	95.00	100	Nil	5.00	Nil		12	Y.
2,00,000	2,42,096	7,99,665	2,97,665	—57,639	Davenport & Co., Ltd.	507	Gielle	9.00	10	Nil	Nil	Nil		12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,386	—27,145	Andrew Yule & Co., Ltd.	463	Mim	225.00	100	15.00	10.00	Nil		12	Y.
2,99,900	3,39,000	6,22,886	1,89,586	1,91,563	Williamson Magor & Co., Ltd.	690	Nagari Farm	26.00xd	10	1.50	3.50	2.50	1.00l	12	Y.
1,00,000	1,07,647	4,60,379	2,40,749	1,973	Duncan Bros. & Co., Ltd.	505	Okayti	450.00N	100	Nil	Nil	Nil		12	Y.P.
3,00,000	95,000	6,40,072	2,48,808	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	8.50	10	Nil	Nil	Nil		12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10.00	10	Nil	Nil			12	Y.P.
1,40,000	5,01,653	4,38,361	1,95,341	10,362	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	385.00	100	20.00	35.00	25.00		12	Y.
3,00,000	3,06,462	5,55,461	1,82,549	4,401	M.	289	Seeyok	10.87	10	Nil	Nil	1.00		12	Y.
9,00,000	65,000	11,65,737	2,33,715	7,369	Goenka & Co.	583	Singtom	6.44	10	0.12	0.50	0.50	0.50l	12	Y.P.
3,00,000	3,87,500	7,34,116	3,71,916	1,69,219	Williamson Magor & Co., Ltd.	554	Soom	38.75	10	3.00	4.00	4.00	1.50l	12	Y.
3,25,000	7,73,767	16,47,145	4,38,733	26,923	McLeod & Co., Ltd.	745	Sungma	17.87xd	10	Nil	1.50	0.75	1.00l	12	Y.
3,20,000	3,69,909	7,53,534	2,55,534	54,633	Davenport & Co., Ltd.	718	Testa Valley	20.50	10	1.50	3.50	1.00		12	Y.
3,01,350	2,61,083	16,07,038	3,76,038	—2,94,248	Williamson Magor & Co., Ltd.	1,666	Takva	9.25	10	Nil	Nil			12	Y.
							DOOARS								
27,00,000	28,56,560	31,80,345	23,19,586	1,37,198	Andrew Yule & Co., Ltd.	2,540	Banarhat	200.00	100	25.00	40.00	20.00		12	Y.P.
12,00,000	16,25,000	42,61,095	33,93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	20.62	10	3.00	2.00	1.50		12	Y.
9,00,000	17,75,000	21,72,529	11,20,841	13,365	McLeod & Co., Ltd.	1,112	Bhatkawa	24.19	10	2.50	3.00	1.50		12	Y.
9,00,000	14,81,356	25,85,244	8,19,732	47,850	Duncan Bros. & Co., Ltd.	1,381	Birpara	175.00	100	5.00	25.00	7.50		12	Y.P.
6,00,000	8,31,552	13,82,183	4,29,045	18,641	Duncan Bros. & Co., Ltd.	602	Carron	135.00	100	7.50	10.00	5.00		12	Y.
9,00,000	12,81,081	19,46,021	3,82,450	1,17,584	Andrew Yule & Co., Ltd.	903	Choonabhutti	265.00	100	20.00	35.00	20.00		12	Y.P.
3,00,000	3,76,102	9,53,074	4,15,527	13,348	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	160.00	100	Nil	5.00	Nil		12	Y.
1,20,000	2,00,531	4,58,517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	300.00	100	Nil	Nil	Nil		12	Y.
4,90,000	60,538	9,51,864	2,69,498	3,627	M.	447	Ethelbarrie	12.00	10	1.25	1.00	0.75		12	Y.
7,50,000	5,76,838	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	135.00	100	Nil	10.00	Nil		12	Y.
35,00,000	34,58,954	64,82,327	20,30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	123.00	100	6.00	7.50	Nil		12	Y.P.
32,00,000	35,67,967	95,55,331	50,96,452	3,65,371	Davenport & Co., Ltd.	4,235	Hasimara	23.00	10	1.00	2.25	0.75		12	Y.P.
8,25,000	18,53,650	22,13,183	9,84,183	1,10,677	Davenport & Co., Ltd.	1,452	Huldibari	24.00	10	1.25	2.50	1.25		12	Y.
7,00,000	4,49,821	10,33,684	4,89,134	—63,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	15.62	10	Nil	0.60	Nil		12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	19.50	10	1.00	2.00	1.50		12	Y.
2,00,000	5,76,240	8,23,163	3,08,827	15,812	M.	578	Manabarrie	70.00N	10	1.00	2.00	1.50		12	Y.
9,60,000	18,69,809	26,11,708	3,55,607	37,054	Duncan Bros. & Co., Ltd.	1,130	Nagaisuree	140.00	100	7.50	15.00	7.50		12	Y.
14,00,000	20,39,898	24,35,562	10,48,173	73,709	Andrew Yule & Co., Ltd.	1,163	New Dooars	290.00	100	25.00	35.00	20.00		12	Y.P.
2,50,000	3,74,080	5,53,618	1,88,251	1,220	Duncan Bros. & Co., Ltd.	348	Phaskowa	142.00	100	Nil	7.50	Nil		12	Y.
8,00,000	8,00,496	13,67,535	5,98,723	—3,00,938	McLeod & Co., Ltd.	764	Rajabhat	18.81	10	1.25	1.25	Nil		12	Y.
7,65,000	13,43,550	25,92,138	13,67,489	28,093	McLeod & Co., Ltd.	1,025	Ranicherra	18.06	10	1.50	2.00	0.50		12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,628	Rydak	28.87	10	5.00	3.00	2.00		12	Y.
							SYLHET								
3,00,000	7,05,000	10,31,473	3,98,985	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	22.00	10	3.00	Nil			12	Y.
6,00,000	9,44,551	9,54,786	2,32,849	33,625	Duncan Bros. & Co., Ltd.	584	Dauracherra	9.75	10	2.00	1.50	0.75		12	Y.
4,00,000	7,56,165	10,78,529	3,50,481	1,94,619	M.	1,190	Lackatoorah	19.00	10	3.00				12	Y.
4,00,000	9,00,000	11,60,065	4,82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	23.12	10	6.25	2.00			12	Y.P.
36,00,000	56,34,901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	138.00	100	35.00	10.00§	10.00		12	Y.P.
3,20,000	1,40,000	7,82,985	4,24,185	1,18,279	Shaw Wallace & Co., Ltd.	648	Rajnagar	10.00	10	Nil	1.00	1.10		12	Y.
19,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11.72	Teliapara	115.00	100	25.00	15.00	6.00		12	Y.
							TERAI								
4,50,000	5,000	14,45,710	3,67,923	8,509	Goenka & Co.§	667	Atal	6.50xd	10	0.25	0.50			12	Y.P.T.
2,50,000	6,15,000	4,13,655	2,24,210	35,498	National Tea Corporation	522	Belgachi	29.00XR	10	10.00	4.00	2.00		12	Y.
13,44,000	4,50,650	26,81,849	9,42,013	81,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	141.00	100	7.50	10.00	7.50		12	Y.
3,00,000	10,53,794	15,91,369	6,14,096	15,881	Duncan Bros. & Co., Ltd.	530	Hansqua	18.44	10	1.00	1.00	1.00		12	Y.
3,00,000	7,64,500	7,61,676	3,29,500	77,698	Davenport & Co., Ltd.	514	New Chumta	38.50	10	1.50	2.50	1.25		12	Y.
2,20,000	3,75,250	15,61,474	5,52,735	33,891	McLeod & Co., Ltd.	549	Tirrihannah	35.00	10	3.00	2.50	3.00		12	Y.P.
							SOUTH INDIAN ESTATES								
10,98,990	5,36,010	15,84,554	2,70,943	7,689	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	21.00	10	2.50*	2.50*	1.75*		3	Y.P.
52,50,000	21,47,000	73,46,387	10,86,204	2,77,391	Kothari & Sons (Ags.) Pvt. Ltd.	1,318	Blue Mountain	3.63	2	0.40	0.30	0.25		6	Y.
9,33,400	13,09,262	23,56,197	7,13,191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	4.10	2	0.40	0.20	0.40		3	Y.
3,77,820	12,25,145	20,87,246	1,13,916	27,021	Matheson Bosanquet & Co., Ltd.	381	Coonoor Tea	26.50cd	10	2.50	1.75	2.00		9	Y.P.
4,00,000	5,50,000	8,21,540	1,78,200	1,205	Parkins Private Ltd.	432	Coorg Tea	5.25	2	1.25	1.50	1.50		3	Y.P.
4,49,630	3,65,370	9,62,073	1,64,495	45,087	Young India Agencies Private Ltd.	450	Devon Tea	18.00	10	2.50*	2.50*	1.75		3	Y.P.
3,50,000	1,22,986	3,52,158	56,452	....	Parkins Private Ltd.	198	Emerald Valley Estates	8.12	5	1.25	0.50	0.30		12	Y.
18,75,000	21,25,000	43,05,347	6,81,655	28,840	Parkins Private Ltd.	1,446	Haileyburia	18.75	10	2.50	2.50	1.50'C'		12	Y.P.T.
8,00,000	7,27,746	13,70,714	2,26,620	76,650	Peirce Leslie & Co., Ltd.	466	Kalasa Tea	3.95	2	1.35	0.92	1.35		3	Y.T.
8,58,538	16,81,066	29,90,356	4,28,233	1,09,363	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	8.77cd	2	0.40	0.40	0.30	0.30	10	Y.P.
3,00,000	1,43,500	4,76,822	2,05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mlamallay	40.25	25	18.75	6.25	4.50		3	Y.P.
36,00,000	19,31,384	80,13,744	12,04,051	78,274	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	4.80	5	0.87	0.37	0.37	0.37	6	Y.P.
12,00,000	4,90,000	27,04,888	5,01,002	33,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	2.95	2	0.56	0.20	0.40		6	Y.P.
14,06,250	6,95,346	33,09,977	5,17,286	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	8.70	10	1.50	0.62	0.60		3	Y.P.T.
17,00,000	3,81,944	36,13,723	11,78,754	1,02,542	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	20.25cd	10	2.50	3.75	2.60		12	Y.P.
57,94,880	45,46,152	91,59,457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3,459	Pertakaramalai	4.30	2	0.90	0.90	0.70		3	Y.P.
12,50,000	13,10,000	30,23,670	2,65,955	744	Parkins Private Ltd.	1,070	Talayar Tea	1.80	2	1.62	1.25	1.00		3	Y.P.
11,25,000	16,53,668	28,52,610	2,35,551	31,923	Parkins Private Ltd.	1,341	Twyford	17.60	10	2.00	2.00	1.50'C'		12	Y.
21,33,280	10,82,217	41,37,876	13,69,874	1,20,123	T. Stanes & Co., Ltd.	1,773	United Nilgiri‡	19.50xd	10	35.00	2.00	1.77		3	Y.
31,50,000	28,54,311	57,57,727	6,68,638	1,34,481	Kothari Mehta & Co. Pvt. Ltd.	999	Waterfall	3.93	2	0.40	0.30	0.25		6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividends for 1955 is on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
§ Patrakola Tea declared 25 per cent. dividend but paid only 10 per cent. so far. 'C'—On increased Capital. A—Amluckie Tea Co.—Dividend on Rs. 100 paid-up

TEA AND OTHER PLANTING COMPANIES—*Continued.*

PLANTING ; PRODUCE AND RUBBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
3 00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd...	Balmadies Plantations	3.35	2	0.30	0 21	0.45		5	Y.P.
26 91,279	17,00,000	56,38,212	6 78,584	29,944	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	6.23cd	3	0 45	0.75	0 52	0.30'C'	2	Y.P.
22,50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	23 35	10	1 80	2 50	4 00	2 00	6	Y.P.
71,55,000	57,69,923	1,42 78,181	30,95,427	75,345	R. C. Paterson, Esq.	Consolidated Coffee	21 35	10	2 25	2 00	4 00	2.00	6	Y.P.
4,00,000	5,87,423	10 43 962	53,995	8 519	Associated Planters Private Ltd..	Cottanad Plantations	15.25	10	1 75*	1 50	1 75		3	Y.P.T.
18,00,000	9,30,543	29 08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd. ..	Highland Produce	12 00	10	2 00	2 00	0 75		12	Y.P.
8,00,000	6,92,809	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	13 50	10	2 75	2 00	2 00	1.00'C'	4	Y.P.
13 50,000	4,55,880	20,40 926	3,38 888	..	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	18 25	10	2 25	3 25	2 25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co., Ltd. ..	Midland Rubber	12 60	10	2 50	2 00	2 00	1.00'C'	3	Y.
3,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Nenmeny Rubber	15 65	10	1 50	1 50	0 75		12	Y.P.
2 00,000	3,06,500	9,44,297	1,14 755	2,437	Associated Planters Private Ltd...	Nilambur Rubber Co.	15.25	10	1 50	1 50	1.50		12	Y.P.T.
19,45,980	23,18,923	46,93,527	15,75,046	4,912	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5 60cd	2	0 40	0 20	0 60	0.20	10	Y.P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	18 12	10	2 00	2 50	2 00	2.00	6	Y.P.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd., ..	Savamalai Estates Ltd.	3 92	2	1.00	1.50	0.30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2 60	2	..	..	..	0.18	3	Y.P.T.
10 00,000	2,74 418	22 50,914	1,70,646	16,692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	7 95	10	0 90	0 90	0 60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd. ..	Thamarapally Rubber	28 00	10	3 00	3 00	3 00		12	Y.P.
9 15,300	4,00,000	22 40,057	1,37,435	23 927	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd. ..	1 74	1	0 12½	0 12½	0 05		9	Y.T.
6,00,000	33,742	7 80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	18.25	10	3 00	2 00	1.50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7 75cd	10	1 25	0 75	0 40		12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	24 25	25	4 00	3 00	1 00		12	Y.
2 20,000	4,29,600	9,26,785	83 552	..	A. V. George & Co., Ltd. ..	Udayagiri Rubber Co., Ltd. ..	11 15	10	0 60	0 75	0 60		12	Y.P.
8,80,100	5,90,669	9 56,500	27,217	872	M.	Vaikundam (Travancore) Rubber ..	25 50cd	10	2 50	3 50	3 50J	1.25‡	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8 00cd	10	2.00	1.25	1.00	0.50	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44.70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	12.37	10	0 62	0 25	0.25	0.25	3	Y.P.T.
6,00,000	10 81,600	59,82,765	40,52,871	1,66 651	McLeod & Co., Ltd.	456	Alexandra	185 00	100	10 00	10 00	10 00		12	Y.P.T.
30 00 000	5,25,000	1,25,15,910	97,60,831	—8,46,190	McLeod & Co., Ltd.	1,264	Alliance	117 00	100	6 00	Nil	Nil	Nil	5	Y.P.
49.20 700	72.21 000	3,09,93,668	2,15,04,087	2,36 742	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	235 00	100	3 50	3 50	7 00	10 00	3	Y.P.
40,00,000	82,60,924	1,49,82,554	63,17,403	3,215	Bird & Co Private Ltd ..	810	Auckland	184 00	100	10 00	1.00	Nil	5 00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd. ..	959	Bally	207 00	100	3 50	Nil	2 00	6 00	3	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman) ..	1,889	Barnagore	150 00	£5	sh. 15	Nil	Nil	Nil	3	Y.P.
23,00,000	26,27,123	97,66,495	53,10,415	6 111	Andrew Yule & Co., Ltd. ..	820	Belvedere	200 00	100	7 50	Nil	2 50		12	Y.P.
45 00,000	29,71,745	58,94,991	35,42,933	—5,73 255	Soorajmull Nagarmull ..	600	Bengal	11 69	10	1.12	1 00	Nil		6	Y.P.T.
91,26,000	2,26 05,284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd. ..	1,373	Birla	21 69	10	1 00	1.00	1 00	1.00	3	Y.P.
36,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	146 50	100	7.50	Nil	Nil		10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg. ..	7 00N	10	Nil	Nil			12	Y.P.T.
18,00,000	25,21,234	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd. ..	616	Caledonian	200 00	100	6 50	Nil	Nil		11	Y.P.
59,16,400	75,85 462	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd. ..	600	Champdany	137 00	100	10 00	2 00	Nil	Nil	3	Y.
15,95 000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd. ..	530	Cheviot	205 00	100	10 00	2 00	Nil		11	Y.P.
30,15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd.	500	Chitavalsah	16 06	10	1.37	0 62½	1.10		7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	12 75	10	1 25z	0 50	Nil	Nil	3	Y.P.
31,49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd.	766	Dalhousie	150 00	100	4 00	Nil	Nil	Nil	3	Y.P.T.
28 00,000	87,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd. ..	779	Delta	181.00	100	10 00	5 00	Nil		11	Y.P.
15 00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd.	500	Empire	21.25	10	1.25	0.50‡	0.75		7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd. ..	290 00	100	15 00	10.00	10 00	20 00	3	Y.P.T.
21,00,000	18,00,000	1,25,79 765	63,50,852	1,06 479	Bangur Bros., Ltd.	1,014	Fort William	24 00	10	20 00	0 75K	1.50	1.50	3	Y.P.T.
34,32.100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,700	Ganges Mfg.	86 00	100	2 50	Nil			3,9	H.P.
10,80,000	28,00,000	76,64,785	55,09,505	39 411	M.	607	General Ind. Society Ltd.	26 75	10	Nil	50 00	60 00§		12	Y.T.
24,00,000	32,06,464	2,35,37,322	1,60,44,632	47 269	Macneill & Barry Ltd.	1,394	Gourepore	880 00	100	15 00	2 50	2 50	20 00	3	Y.P.
40,00,000	65,68,233	1,32,37 430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	72 00N	100	11 50	5 00	5 00	5.00	3	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	12 37	10	1 25	Nil			3	Y.P.
65 62,500	28,09,105	2 34,85,488	1,24,24,441	32,775	Jardine Henderson Ltd.	1,940	Howrah	24 50	10	0 37	0 25	Nil	Nil	3	Y.P.T.
52 50,000	80,53,764	2 98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand	22 50	7 50	2 00	2 00	1 50	1 50	3	Y.P.
87,30 000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	16 50	12 50	4 69	4 69	9 37	15.62‡	3	Y.
24 00 000 'B' 19,20,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	202 00 195 00	100 'B' 100	2 50 2 50	Nil Nil	Nil Nil		12	Y.P.T
30 00,000 'B' 24,00,000	9 73,967	1,76,13,612	97,33.167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	101.00 85 00	100 'B' 100	1 00 1.00	Nil Nil	Nil Nil		12	Y.P.T
21,00 000	55,00 000	1,41,36,235	93,87,828	1,18,689	McLeod & Co , Ltd.	703	Kelvin	281 00	100	17.50	5 00‡	9 00	12 50	5	Y.P.
54,00,000	23 39,741	2 00.52 835	1.26 97,897	45 833	Anderson Wright Ltd.	1,530	Khardah	156 00	100	11 00	5 00	8 00	8 00	3	Y.P.
48,00 000	77,32 121	2,38,47,961	1,08 51,109	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	196 00	100	18 00	6 00	Nil	5 00	3	Y.P.T.
24,48 000	27,76,883	1,28 67,077	58,39,647	—9,32 635	Bird & Co. Private Ltd.	931	Lansdowne	138 00	100	7 00	Nil	Nil	Nil	3	Y.P.
28,00,000	40,49,600	1,48,98,886	66,75 920	—3,16,201	Bird & Co. Private Ltd.	840	Lawrence	111 00	100	6 00	Nil	Nil	Nil	3	Y.P.T.
81,65.200	25,29,291	2,22,28,973	1,38,72,169	4.00,000	M.	1,294	Megna	16 12	10	3 75	3 75	5 00	17.50‡	3	Y.
29,98,900	84 62,195	1,65 70,565	36,70,690	—13,08,719	M.	815	Naihati	75 00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	15,55,000	36,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd. ..	425	Naskarpara	11 62	10	1 25	Nil			10	Y.T.
35,00 000	39,51,326	48,49 737	12,31,373	19,604	Andrew Yule & Co., Ltd. ..	852	National	24 00	10	1 75	0 75	0 75		10	Y.P.
26 25,000	27,55,572	31,27,861	21,92 842	43,512	McLeod & Co., Ltd.	316	Nellimarla Jute ..	13 87	10	1 00	..	0.90		7	Y.P.T.
35,50.000	2,12,83,190	6,33,25,272	1,19,61,749	3,274	Sahu Jain Ltd.	1,765	New Central† ..	15 06	10	1 50	1 50		1.50	3	Y.P.
16,79 880	43 38,845	1,35,66 574	61,41,213	—2,43,817	Bird & Co. Private Ltd.	567	Northbrook	20 37	10	1 50	1 50	Nil	Nil	3	Y.P.T.
66,79 500	17,81,396	2,26,00 780	1,19,72 061	79 151	Macneill & Barry Ltd.	1,092	Nuddea	61 00xd	50	1 00	Nil	Nil	2.50	3	Y.P.
24 91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd. ..	601	Orient	171 00	100	9 00	2 00	Nil		11	Y.
25,00,000	7,83,173	86,18 353	67,97,872	7,049	McLeod & Co., Ltd.	400	Presidency	6 75	5	0 31	0 20	0 30		7	Y.T.
20 00,000	10,324	29 80,939	9 24 705	—7 07,557	Birla Brothers Private Ltd. ..	305	Rameshwara	6 25	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50 000	2,00 000	1,24,61,131	66,63,109	—46 26,603	Jardine Henderson Ltd.	1,276	Reliance	8.56	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£420 518	£1 474 082	£790,162	£16,532	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	10 55	£1	3%‡	3%‡	Nil		12	Y.P.
30 00 000	13.14,910	1 21 72,882	85,21 532	48,032	Bagaria More & Co., Ltd. ..	911	Shree Ambica ..	11 50	10	0 50	0 25	0 50		3	Y.P.
14,00,000	11,14 980	68 87 540	47,50 476	40,154	Hindustan Investment Corpn. Ltd	401	Soorah	21 37	10	1 50	1 50	1 50		12	Y.P.
25,19 600	8 04 087	9,29,724	3,23,203	61,862	Bird & Co. Private Ltd.	650	Standard	118 00xd	100	1 00	Nil	Nil	5.00	3	Y.P.
£600.000	£334,805	£1,259,274	£693,019	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9 37	£1	3%‡	Nil	Nil		12	Y.P.
85 98,600	48,33,581	1,05 53,316	42,51,394	56,837	Bird & Co. Private Ltd	1,326	Union	222 00	100	10 00	1 00	Nil	15 00	3	Y.P.T.
£400,000	£247,635	£1 271,988	£541,723	£13,328	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	10 75	£1	3%‡	3%‡	3%‡	Nil	12	Y.P.
2,50,000	5,20,000	83,13,769	43,35,621	11,735	McLeod & Co., Ltd.	447	Waverley	3 37	1	0 37	Nil	Nil	Nil	5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	25 87	10	1 37	0 50	1 25	1 25	3	Y.
12 00,000	4,49,890	35,13,891	83,46 842	57,344	Jardine Henderson Ltd. ..	Bararee Coke	12 25	10	1 46	1 10	0 37	0 50	3	Y.
4,49 350	88 000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co. ..	Bengal-Bhatdee ..	5 00N	10	0 62	0 75	0 90	7.50‡	12	Y.
1,00,00,000	1,62,13,157	6,38,12,765	4,41,60,343	11,48,060	Andrew Yule & Co., Ltd.	Bengal Coal	302 00	100	35 00*P	17 50	17 50		10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur ..	10 00N	10	Nil	Nil	Nil		12	Y.
40,00,000	10,28,269	1,44,83 027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries ..	7 25	10	0 62	0 62	0.60		6	Y.P.T.
7,15 000	10,15,172	49,80,946	34,84,101	—4,02,536	M.	Bhulanbararee ..	6.00N	10	Nil	Nil			12	Y.T.
7,50,000	24,50,150	46,69,896	27 71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	13 81	10	2 00	1 50	0 75		12	Y.P.
90 92 480	1,73,37,198	4,41,78 128	2,08 53 739	99 142	Bird & Co. Private Ltd. ..	Burrakur	18 94	10	0 62	0 62	0 37	0.87‡	12	Y.P.T.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India ..	8 37	10	0 25	0 50	0.50	0.50	3	Y.
8 00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend ..	9 50N	10	0 50	0 50			12	Y.
6,00,000	1,49,122	7 29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churulia	3 87	4	0 06	0 06	0 20		12	Y.
16,00,000	....	54,47,612	31,85,308	—67,535	Macneill & Barry Ltd. ..	Dhemo Main ..	9 75	10	Nil	Nil	Nil		12	Y.
£240,000	£273,125	£1,070 637	£776,882	£19,431	Jardine Henderson Ltd. ..	East Indian ..	24 25	£1	3 00	2 50	1 50	1.00	4	Y.
29,63,760	93,25,027	4,34 54,587	3,12,09,700	59,732	Macneill & Barry Ltd. ..	Equitable	30 87	10	1.50	1 50	1.50		12	Y.P.T.
10,00 000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd. ..	Ghusick and Musila	12 50	10	0 25	0 25			3	Y.
12,00,000	65,000	43,00,791	26,55,350	—6,34,206	Killick Industries Ltd. ..	Hingir-Rampur	19 00	50	2 25	2 25	Nil	Nil	6	Y.P.
8,00,000	2,50 000	24,57,868	19 66,774	163	Macneill & Barry Ltd. ..	Hurriladih	15 00	10	2 50	1 50	Nil		12	Y.
3,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd. ..	Kalapahari	21 00	10	Nil	Nil	Nil	Nil	2	Y.
20 00 000	2,87,375	35,11,943	7,18,220	11,229	Bird & Co. Private Ltd. ..	Karanpura Collieries ..	114 00	100	2 50	5 00	Nil	5 00	2	Y.P.
5,00,000	19,66,031	49.73 401	39,04,335	1,68 572	Andrew Yule & Co., Ltd. ..	Katras Jherriah ..	73 00	10	4.50	6 50	6.50	6.50	1	Y.
11,00,240	68 356	16,86,967	10,94,163	13 871	H. V. Low & Co. (Private) Ltd.	Kuardi	2 75N	10	0 12	0 19			6	Y.
9 06,900	10.22,762	28,39,712	22 94,028	3,568	H. V. Low & Co. (Private) Ltd. ..	Lakurka	15 50N	10	0 12	0 12	0 12		4	Y.
7,43 240	2 25 000	13,43,892	9,89,769	55,358	Tantia Brothers Private Ltd. ..	Nazira	7 25	10	0 50	0 50	0 75		12	Y.
17,76 230	19,58 049	1,30 10,149	94,97 263	83,316	Andrew Yule & Co., Ltd. ..	New Beerbhoom ..	21 00	10	1 00	0 75	0 75		10	Y.P.
6,00 000	76 179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd. ..	New Manbhoom ..	12 06	10	Nil	Nil	0 50	0 50	3	Y.
1.15 000 1.57,500	8,85 824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd. ..	North West ..	25 00N 21 00N	10 7.50	1 37 1.03	1 50 1 12	1 50 1 12	1.50 1.12	3	Y.
7 50 000	15,69 648	3 97,666	2 77 666	41 941	F. W. Heilgers & Co. Private Ltd.	Ondal	12 00	10	1.00	0 75	0 50		12	Y.P.
8,34,000	91,336	26,29,109	10,56,556	7,674	Deepchand Kishenlall	Parasea	15 00N	10	1.00	0 50	0 50		12	Y.P.T.
16 75 000	17 04 800	59 95 210	42 69 210	36 465	Shaw Wallace & Co., Ltd. ..	Pench Valley ..	25 00	10	1.50	0 70	2 00	2.00	3	Y.
23,09,500	28,79,558	1,43,51,995	96,69,839	3,803	B. N. Elias & Co. Private Ltd. ..	Raneegunge ..	15 00	10	0 62	0 37	0 75	1.00	3	Y.
13.50 000	6 38,865	42 17 417	32,31,916	24,549	Shaw Wallace & Co., Ltd. ..	Rewa	17 87	10	2 07	1.50	1 00		12	Y.
37,50 000	37,12,000	95,06,524	26,37 721	21,162	M.	Samla Collieries ..	11 00N	10	1 00	1.25	0.90		12	Y.
2 50,000	1,95 802	13,78 480	12,21,237	21,070	M.	Searsole	5 00N	2.50	0 75				1	Y.
2,80 000	9.25 098	29 24,442	19,99,221	48,188	Andrew Yule & Co., Ltd. ..	Seebpore	26 12	7	2 50	2 25	1.75		12	Y.P.
6 00,000	4.91 081	52,491	28,867	628	F. W. Heilgers & Co. Private Ltd.	Sendra	11 62N	10	0.25	0.25	0.25		12	Y.T.
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	16 50	10	0.75	1.00	1.50		12	Y.T.
7,50,600	10.37 541	39 01,896	17,00,094	8 739	Bird & Co. Private Ltd. ..	South Karanpara ..	13 56	10	0.12	0 35	0 75		8	Y.
8,00,000	13,76,745	1,69,570	28,510	9 790	F. W. Heilgers & Co. Private Ltd.	Standard	14 00	10	1.00	1 00	1.00		12	Y.T.
10 00 000	....	31,92 694	15 43,502	—5,62,907	M.	Talcher	1 62	2.50	Nil	Nil			9	Y.
8,50,000	2.80 000	19,15 700	14 79,400	1,77,952	Williamson Magor & Co., Ltd. ..	Union	14 25	10	Nil	Nil	0 37		12	Y.
49,98 000	89,284	70 81,423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal ..	6 41	10	0.50	0 50	0 50	0.40	3	Y.
7,00,000	....	58,61,405	27,57,669	—3,49,103	Macneill & Barry Ltd.	West Jamuria ..	7.00	10	Nil	Nil	Nil		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co., Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

MARKET GOSSIP

(*Concluded from page* 531)

career on 26th March, has also been rising gradually to touch a high of Rs. 690.50 today, prior to finishing at Rs. 689.50.

Sustained firmness has been witnessed in oilseeds, too, thanks to paucity of stocks and increasing demand from crushers and manufacturers. Neither the imposition of a stringent margin of Rs. 45 on groundnut (if the hedge contract rose to Rs. 185.50), nor the introduction of credit controls by the Reserve Bank could curb the rising trend in price. After a strident advance to Rs. 190.25 on 18th March, the May contract was tending to ease a little. But the Government's decision to allow export of further quantities of H.P.S. groundnut oil and expeller cake gave a fillip to the market. Groundnut May rallied from Rs. 185.75 on 30th March to Rs. 187 the next day as a sequel to the announcement. Shippers are, however, not enthused over the decision, because, the domestic prices being very high, it is difficult to do any substantial export business. Indeed, a large quantity of the quota already released is still lying unutilised and trade quarters are wondering why the Government decided to release further quantities and that too at a time when there is shortage of supplies in the country. The groundnut May contract receded to Rs. 185 yesterday. It, however, improved fractionally today to Rs. 185.87. The imposition of a margin of Rs. 3 on linseed if the price of the hedge contract exceeded Rs. 33 seems to have kept the price below that level. Linseed May contract is currently quoted at Rs. 32.12. Prices of other oilseeds, too, have gone up considerably since the commencement of the year.

* * * *

While the European Free Trade Area negotiations continue to remain suspended in view of the differences of opinion between the six Common Market countries and the eleven other nations of Western Europe, discussions are going on among the "Eleven" as to what they should do, if the "Six" do nothing to facilitate resumption of negotiations. Since the talks between the U.K. officials and the Federation of British Industries with Denmark, Norway, Sweden, Austria, Switzerland and Portugal are held confidentially, no information is available regarding the outcome of the talks. All that is known is that all the participating countries recognise the desirability of taking a common stand if and when negotiations are renewed with the C.M. countries.

One of the proposals mooted in this connection relates to the setting up of a customs union, or even free trade area, comprising Britain, Denmark, Sweden and Norway. The proposal is quite an interesting one, but there are innumerable problems which would have to be solved before it could, in fact, be given effect to. Among these problems, the Diplomatic Correspondent of the *Financial Times*, London, alludes, in particular, to the following:

On the Scandinavian side, there is the question of Danish agricultural exports. Denmark will find it practically impossible to take any step which will jeopardise the prospects for its exports to the C.M. countries, especially West Germany, unless assured of compensation in other markets.

From the British point of view, there is the additional problem that this country has a higher external tariff than the three Scandinavian nations. The formation of an Anglo-Scandinavian customs union will thus—under G.A.T.T. rules—lead to a lowering of the British tariff. The main beneficiaries of such a move at present will be the C.M. countries.

So far as Britain is concerned, Mr. Maudling, Paymaster-General and negotiator with the C.M. countries, made it clear in the House of Commons the other day that alternative ideas to a Free Trade Area were being considered with the utmost caution. Stating that the Government's view on the question had not changed in the past few weeks, Mr. Maudling reiterated that "a European Free Trade Area is the only satisfactory solution." Meanwhile, a close collaborator of Prof. Erhard, Germany's *Minister of Economics Affairs* and a supporter of Free Trade Area, is reported to be trying to persuade France to adopt a more conciliatory attitude.

DELHI LETTER

(*Concluded from page* 536)

cast iron, brass, aluminium and bronze. It is proposed to add other fluxes to this list suitable for welding other types of materials. A scheme has been undertaken by a firm to manufacture foundry fluxes. During the year under review, organised manufacture of compound electroplating salts for plating metal surfaces with nickel, copper, brass, zinc, tin, cadmium, etc., has been commenced. Manufacture of activated carbon on a modern and organised basis has been commenced in this year by a firm at Bombay.

"One of the firms commenced production of Sodium Perborate on a small scale, as a new project. Heat treament salts such as case hardening compounds, carbonising compounds, tempering salts, etc., have also been manufactured indigenously for the first time. Licences have also been granted for the production of the following new items: (1) Phosphorus Trichloride, (2) Mono Chloro Acetic Acid, (3) Acetyl Chloride, (4) Tetra Chloro Ethane, (5) Mercury Salts and (6) Water Treatment Chemicals.

"The cement industry has been steadily forging ahead. As against an installed capacity of 6.63 million tons at the beginning of the year, the capacity went up to 7 05 million tons by the end of November 1958. The actual production during the first eleven months of 1958 was 5 53 million tons, as against 5.01 million tons during the corresponding period in 1957. While 29 units were in operation at the beginning of the year, expansion of two existing units and establishment of two new units materialised by November 1958. A further capacity of 7.69 million tons has been approved for installation during the current plan period, which would raise the total capacity to 14.74 million tons. Out of this additional capacity, however, a capacity of 2.90 million tons only is covered by import licences for the import of cement-making machinery, so that the firm capacity expected during the Plan period is of the order of 9.94 million tons. Due to foreign exchange difficulties, it has not been possible to license any new schemes for manufacturing asbestos cement products.

"Production of mica insulating bricks for steel projects for their insulation requirements and production of Pea Magnesite has been commenced for the first time.

"The Government Porcelain Factory at Bangalore has made satisfactory progress in the production of high tension insulators and two more plants are expected to go into production by 1960. The manufacture of dental porcelain has been taken up commercially for the first time in India.

"The production of certain new items of glassware such as glass building blocks, glass-wool, syringes and optical glass and ophthalmic lenses is now under consideration.

"The setting up of an optical glass project in the public sector with the collaboration of the Government of U.S.S.R. is progressing satisfactorily.

"Brush quoted art papers and press-pahn paper are two of the important new items of production taken up during the current year, by two units in the private sector. In another unit, besides the production of vulcanised fibre sheets, it has also taken up the manufacture of vulcanised fibre rods and tubes as also seamless cards and sliver cans.

"Negotiations for the establishment of a second newsprint mill at Shakkarnagar (Andhra Pradesh) based on the bagasse resources of the Nizam Sugar Factory and adopting the A.Z. process have been in progress with a firm in West Germany and a final reply from them is awaited. However, the establishment of a 100-ton-per-day bamboo-based rayon paper pulp unit near Beypore (Kerala State) could not make satisfactory progress during the year under report. The Japanese Consulting Institute, after carrying out pilot plant studies on bamboo shipments to Japan arranged by the National Industrial Development Corporation, have furnished a project report for the establishment of a 100-ton-per-day bamboo-based rayon grade pulp mill in India. The matter is under consideration of the Government.

"The rayon industry continued to maintain the upward trend in production. Two units have completed their licensed plans for expansion for the manufacture of rayon and two more units are progressing satisfactorily and they are expected to start trial production by the middle of 1959. There is at present only one unit manufacturing acetate rayon yarn and, due to various problems faced in the manufacture of acetate yarn, they have decided to defer implementation of their scheme for doubling their present capacity of four million pounds per year. Manufacture of spun-dyed yarn has now been undertaken by the other units of the industry. The target for the production of rayon yarn for the second Five-year Plan has been revised to 100 million pounds. In addition, two schemes for manufacture of nylon based on the spinning of imported caprolactam have been approved."

BANKING

(*Concluded from page* 539)

Persians. The acquisition of the share capital of the Eastern Bank Ltd. in 1957 gave the Chartered Bank a direct interest in the Middle East and the assessment of the political and economic situation there convinced the Bank that its representation in the Middle East would be incomplete without an interest in Iran. As a result, the Irano-British Bank was floated during the year under review, with an authorised capital of Rials 200 million. Its paid-up capital is Rials 100 million, made up of 10,000 shares of Rials 10 000 each, of which the Chartered Bank holds 8,000 shares of Rials 10,000 each and the Eastern Bank 1,800 shares of a similar denomination. This gives the Chartered Bank 49 per cent. control over the Irano-British Bank, which has recently been registered and granted a banking licence.

The Bank has also taken effective measures of co-ordination in places where the branch organisations of the Chartered Bank and the Eastern Bank Ltd. overlap.

THIRD PLAN TARGET FOR COTTON TO BE REVISED?

(*Concluded from page* 543)

the seed multiplication and distribution schemes of the Cotton Committee. A committee, with Dr. B. N. Uppal as Chairman, was constituted last year for this purpose. It felt that the objectives of both the schemes were practically the same. It recommended that the entire financial aid to the States should be channelised through the Indian Central Cotton Committee. Financial assistance, it stipulated, should be given only if proper legislation under the Cotton Control Act, the Cotton Transport Act and the Cotton Ginning and Pressing Factories Act was enacted by the State Governments concerned. It also suggested sale of improved seeds in sealed bags. These recommendations, Dr. Randhawa maintained, were very important, and when adopted, would lead to considerable improvement of cotton development work. Some progress was made in the field of regional research on cotton oilseeds and millets. Six centres, one each at Coimbatore, Dharesagur, Surat, Amravati, Sirsa and New Delhi have started functioning.

It is common knowledge that a stage has now been reached when expansion of cotton area, to any large extent, would be neither possible nor desirable. The raising of cotton production, therefore, depended largely on enhancing yield per acre through intensive cultivation. This aspect was pinpointed by Dr. Punjabrao Deshmukh, Union Minister for Agriculture, in the course of his inaugural address to the meeting. Provision of irrigation facilities, use of improved seed, application of manure, and adoption of plant protection measures, he rightly pointed out, were the only way of increasing yield. The Committee has been giving serious thought to this aspect under the cotton extension schemes. Although water was available under the various projects, much of it was not being utilised properly, as cultivators were new to irrigation or the rates were heavy. Larger utilisation of water by cultivators could be achieved by propaganda and demonstration on the cultivators fields. The Minister felt that water in the initial stages of utilisation should be made available at concessional rates. The State Governments, he said should take early steps to ensure proper utilisation of the water from the projects. He also suggested that a detailed plan for orderly cultivation of cotton and other crops in the areas served by the projects must be drawn up as early as possible. This was a matter of utmost urgency and importance.

As regards use of improved seed, Dr. Deshmukh pointed out that the area covered by such seed during 1957-58 was of the order only of 66 per cent. of the total area under cotton. The aim of the Committee was to cover the entire area under improved seed during the second Five-year Plan period. The Committee had now under consideration a co-ordinated scheme for seed multiplication and distribution which was designed to ensure the purity and quality of the cotton produced. As a result of past experience, multiplication had been proposed to be done in five stages, covering a unit area of 150,000 acres.

With regard to application of manure to the cotton crop, efforts at popularising the use of fertilisers were being made under cotton extension schemes. The fertilisers were best applied on irrigated areas or on areas of assured rainfall. While the farmers were conscious of the benefits derived from the use of fertilisers, such utilisation, according to the Minister, was limited due to poverty of the farmers on the one hand and economic backwardness on the other. The question of providing the required quality of fertilisers at cheap rates through co-operatives needed urgent attention.

Notice

THE RAYALASEEMA MILLS LIMITED
ADONI, KURNOOL DISTRICT

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING of The Rayalaseema Mills Ltd. will be held at the Registered Office of the Company at Rayanagar, Adoni-Tungabhadra Road. Adoni P.O., on WEDNESDAY the 3rd June, 1959 at 2 p.m. (S.T.), to transact the usual business and also special business, the details of which are contained in the Notice and the Explanatory statement accompanying the Notice as separately posted to the members of the Company. The Share Transfer Books and the Register of Members of the Company shall remain closed from the 25th May 1959 to 10th June, 1959, both days inclusive.

By Order of the Board,

For THE RAYALASEEMA DEVELOPMENT COMPANY,

M. SOMAPPA,
Senior Partner,
Managing Agents.

ADONI, *8th March*, 1959.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,00,000	3,53,958	Allahabad Bank	362.00 / 181.00	100 / 50	18.00 / 9.00	18.00 / 9.00	18.00‡ / 9.00‡	21.00‡ / 10.50‡	12	Y.P.
1,01,000 / 40,78,300	17,84,000	3,83,732	Andhra Bank	106.50cd / 88.75cd	100 / 85	6.50 / 4.54	8.00 / 5.59	6.00 / 5.10	2.50‡ / 1.12‡	6,12	H.
1,00,00,000 / 25,00,000'B'	1,59,50,000	3,03,522	Bank of Baroda	115.50xd / 54.50	50 / 25	6.00‡ / ..	7.00 / ..	7.00 / ..	6.00 / 1.50	12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	32.00	25	0.87	1.12	1.25		12	Y.
2,50,00,000 / 50,00,000'A'	3,10,00,000	12,79,476	Bank of India	136.00 / 138.00	50 / 50'A'	8.00 / ..	8.00 / ..	8.00 / 8.00	8.00 / 8.00	6,12	R.L.Y.
15,30,375	29,00,000	47,153	Bank of Indore	63.00N	25	3.50	4.00	4.25	4.00	12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	45.50	50	2.00	2.50	3.00		12	Y.
50,00,000	96,70,613	4,70,232	Bank of Mysore	302.00xd	100	16.00‡	16.00‡	16.00	16.00	12	Y.
35,80,820	51,24,246	37,384	Canara Bank Ltd.	82.00	50	5.00	5.00	5.00	5.00	12	Y.P.
7,50,000	14,40,000	6,716	Canara Banking Corporation Ltd.	72.00xd	50	5.50‡	5.00‡	5.00‡	5.00‡	12	Y.P.
5,22,930 'A' / 23,787 'C'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	182.00cd / 1.71cd	100'A' / 1'C'	12.50 / 12½%	15.00 / 15%	15.00 / 15%		12	Y.
2,62,11,875 / A.52,42,375	4,04,68,517	17,32,515	Central Bank of India Ltd.	57.00 / 59.00	25 / 25	3.00 / 3.00	3.50 / 3.50	3.50 / 3.50	3.50 / 3.50	12	R.L.H.
50,00,000	46,00,000	3,02,015	Devkaran Nanjee Banking Co.	54.00	50	2.50	3.00	3.00	3.00	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29.12	5	0.87	1.37	1.06		12	Y.
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank	14.00	50	Nil	Nil			12	Y.
50,00,000	1,80,000	4,233	Hindustan Mercantile Bank	14.75	50	Nil	Nil	Nil		12	Y.
44,00,000 / 22,40,000	1,00,00,360	2,04,376	Indian Bank	194.00cd / 155.00cd	100 / 80	12.00‡ / 7.75	18.00 / 9.75	15.00‡ / 12.00‡	6.50‡ / 5.20‡	6,12	R.L.H.
50,00,000 / 12,50,000	52,36,660	2,03,141	Indian Overseas Bank	175.00cd / 111.00cd	100 / 50	7.50 / ..	10.00 / ..	10.00 / ..	10.00 / 5.00	12	Y.
10,00,000	10,50,000	30,428	Pandyan Bank Ltd.	33.50xdCR	25	1.87	1.87	1.87	2.50	12	Y.
1,25,00,000	1,27,00,000	4,48,690	Punjab National Bank	24.64	10	3.50	4.00	5.00	8.50	12	Y.
5,62,50,000	8,48,50,000	55,73,153	State Bank of India	387.50	100	16.00	16.00	16.00	16.00	12	Y.
1,00,00,000	27,72,000	19,529	Travancore Bank	24.50xd	25	1.00	1.00	1.25	1.25	12	Y.
60,00,000	43,00,000	1,14,552	Union Bank of India	7.32xd	5	0.37	0.44	0.44	3.75	12	Y.
2,00,00,000	1,48,00,000	62,098	United Commercial Bank	69.50	50	2.75	3.50	3.75		12	H.
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East§	£2-8-6	£1	10	10	10	10	3	Y.
£5,000,000	£5,500,000	£455,019	Chartered Bank	£2-6-3	£1	15†	15†	15†	15†	12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,085,475	Hongkong and Shanghai Banking Corporation	£43½	H.K.$125	5*	5*	3⅞*Z	3*	12	Y.
£27,847,605	£18,000,000	£703,010	Lloyds Bank	£2-6-6	£1	12†	13†	13†	12½†'c'	12	Y.
£2,940,000	£2,200,000	£231,407	Mercantile Bank Ltd.	£2-4-3	£1	14†	14†	13½†	12½†	12	Y.
£2,851,563	£3,168,579	£351,349	National and Grindlays Bank Ltd.	£1-6-9	sh. 12½	15†	15†	15†	15†	12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr—Ex Right. Z.—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim dividend for 1959 declared. C= On increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June	Carew & Co.	1933	94.00	1st June .. 1962
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.25	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1969 (a)‡
			COTTON			
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	89.00	15th November .. 1966 (b)
70,00,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.00	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100.50	1st April .. 1967-72
13,71,000	5½	30th June and 31st December	Jayshree Textiles	1949	90.00N	1st January .. 1956-59
39,90,000	5	1st June	Tata Mills	1951	93.25	15th November .. 1960
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	90.00	31st March§ .. 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	..	98.50	14th June .. 1960
93,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100.25	1st October† .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£4,048,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.75	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84.00	31st December .. 1970
13,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½T	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st April and 1st October	Tata Power	1940	100.10	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power	..	86.75	15th September .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	105.00	1st January .. 1971
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	82.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	99.25	1st October .. 1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	96.00	31st December .. 1960 (a)
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	90.50	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1946	90.00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	86.00	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	85.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.00	31st March .. 1967
10,00,000	3½	31st January and 31st July	Waverley	1925	80.00	31st July .. 1966
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
189,863	5	1st April and 1st October	Calcutta Tramways	1933	£74.10N	1st October .. 1974
6,50,000	2½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.75	1st September .. 1963
			PLANTING			
11,25,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
1,27,600	5½T.F.	31st March and 30th September	Teekoy	1944	100.00	31st March .. 1949-59†
			MISCELLANEOUS			
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
23,60,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	101.50	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	101.75	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85.00	1st February .. 1964
19,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82.00	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78.00	15th September .. 1960
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	80.00	 1966
1,05,21,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	107.00	1st January .. 1971 (a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
15,00,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	83.00	30th September .. 1964
8,89,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	600.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	400.00	31st December .. 1972 (a)
					(per note)	30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.50N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	101.50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92.50	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India. Ltd.	1953	101.40	1st May .. 1968 (a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. † The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961. T=Taxable. T.F.=Tax free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 2nd April, 1959.

	Closing quotations 24-3-1959	High	Low	Closing quotations 2-4-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	130.00	—	—	130.00
Apollo (2)	1.20	1.18	1.16	1.18
Bombay Dyeing (25)	59.80	60.70	59.50	60.00
Bradbury (50)	131.50	138.75	131.50	138.75
Central India (100)	89.00	93.50	87.50	93.50
Century Mills (100)	477.50	487.00	473.50	483.50
Edward Textile (200)	215.50	216.00	215.50	215.50
Elphinstone (50)	30.00	31.00	30.00	31.00
Finlay (100)	271.00	273.00	270.00	271.00
Gokak (100)	139.00	143.00	140.00	142.00
Ind. Untd. Defd. (1)	1.08	1.10	1.06	1.10
Ind. Untd. Ord. (10)	8.76	8.96	8.72	8.92
Indore Malwa (100)	96.00	98.50	95.00	96.00
Khatau (100)	167.50	182.50	166.25	182.50
Kohinoor (100)	254.00	261.00	245.50	250.00
Lakshmi (250)	396.25	396.25	395.00	395.00
Minerva Mills (100)	60.50	62.00	59.00	62.00
Model Nagpur (250)	122.50	131.25	130.00	130.00
Morarji (100)	225.00	230.00	217.00	230.00
Mysore (50)	79.00	—	—	79.00
National Rayons (100)	276.50	294.75	275.50	293.25
New City (100)	80.00	89.00	87.00	87.00
New Great (100)	205.00	208.00	206.00	208.00
Phoenix (100)	123.00	—	—	123.00
Podar Mills (100)	127.00	130.00	127.00	130.00
Sassoon Silk (10)	9.76	—	—	9.76
Sassoon Spg. (10)	44.00	—	—	45.00
Sholapur (1,000)	428.75	—	—	428.75
Shrinivas (100)	150.50	157.00	150.50	156.00
Simplex (50)	168.00	170.50	165.00	165.00
Standard (100)	448.00	488.00	448.00	481.00
Svadeshi (100)	209.50	218.00	208.50	216.00
Swan (100)	390.00	391.25	388.75	390.00
Tata Mill (25)	32.75	37.00	32.75	36.50
Vishnu (100)	85.00	—	—	85.00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	135.50	136.00	135.00	136.00
Do. (New) (50)	137.50	138.00	137.50	138.00
Bank of Baroda (50)	118.50	118.50	115.00	115.50
Central (25)	58.80	59.50	56.50	56.80xd
Central 'A' (25)	60.70	61.00	58.70	59.00xd
Dena Bank (50)	54.00	54.00	53.50	54.00
Punjab National (10)	24.64	24.64	24.52	24.52
Union Bank (5)	7.64	7.64	7.24	7.32
United Com. (50)	70.00	—	—	69.50
ELECTRIC COS.				
Ahmedabad (100)	96.80	97.00	96.50	96.80
Amalgamated (10)	11.04	11.12	11.04	11.12
Andhra Valley (1,000)	1,166.25	1,167.50	1,163.75	1,163.75
Bom. Sub-El. (100)	107.50	107.25	107.00	107.00
Surat (100)	111.50	—	—	111.50
Tata Hydro (100)	120.00	120.25	119.00	120.00
Tata Power (1,000)	1,190.00	1,190.00	1,172.50	1,175.00
INSURANCE COS.				
British India (10)	14.28	14.28	14.00	14.00
Empire of India (100)	218.75	—	—	218.75
Ind. Mercantile (20)	44.00	—	—	44.50
Jupiter (15)	5.52	—	—	5.52
New India (15)	52.50	52.70	52.30	52.30
Oriental (200)	4,200.00	—	—	4,200.00
Vulcan (10)	19.76	—	—	19.76
STEEL COS.				
Ind. Iron (10)	23.96	24.48	23.02	24.08
Tata Steel Ord. (75)	181.25	186.50	181.00	181.75
SUGAR COS.				
Belapur (50)	287.00	291.00	285.50	293.00
Bhopal (10)	26.25	—	—	26.2
Changdeo (12.50)	31.10	31.40	31.10	31.1
Phaltan (50)	155.50	158.50	153.50	156.00
Walchand Ind. (100)	288.75	292.50	288.75	292.50
CEMENT COS.				
Associated Cts. (100)	146.75	149.25	145.75	146.50
Digvijay (100)	143.25	146.50	143.00	146.50
MISCELLANEOUS				
Alcock Ashdown (100)	272.00	273.00	265.00	272.00
Bom. Burmah (125)	504.50	517.00	501.50	509.00
Do. (New) (50)	176.25	177.50	175.50	177.50
Br. B. Petrol (4 sh.)	1.92	2.08	1.92	1.94xd
Br. I. Corpn. (5)	5.04	—	—	5.04
Hindustan Lever (10)	30.55	31.75	30.75	31.65
Hindusthan Motors (10)	8.96	9.28	8.88	9.04
Indian Copper (2 sh.)	3.98	4.42	3.98	4.32
Ind. Inv. Tr. (100)	89.50	—	—	88.50
Killicks (100)	141.50xd	143.50	141.50	143.50
Larsen & Toubro (10)	20.72	21.68	20.72	21.68
Polson (100)	155.50	156.00	155.00	156.00
Pre. Automobiles (100)	109.75	116.00	109.50	115.50
Premier Con. (80)	258.00	267.50	256.50	265.00
Scindia (20)	18.16	18.72	18.00	18.56
G. E. Shipping (10)	21.58	21.80	21.44	21.68
Shivrajpur (10)	97.50	99.00	95.50	97.00
Sirpur Paper (10)	13.96	14.16	13.88	14.16
Tata Chemicals (10)	16.44	17.16	16.36	16.52
Tata Locomotive (100)	182.25	185.75	180.50	185.2
Tata Oil (25)	49.25	51.75	49.00	50.00
Voltas (100)	156.00	159.50	150.00	155.25
W. I. Match (100)	193.50	210.00	193.00	210.00

GOVERNMENT SECURITIES	24-3-1959 Rs.	Gross Yield: Earlier Redemption	Later Redemption	2-4-1959 Rs.
2½% 1961	97.20	—	3.72	97.20
2½% 1960	99.00	—	3.31	99.00
2½% 1962	96.95	—	3.63	96.95
2½% 1976	83.20	—	4.08	83.20
3% 1959-61 2nd V. Ct.	99.70	3.34	3.10	99.70
3% 1964	97.10	—	3.54	97.10
3% 1963-65	96.75	3.75	3.50	96.75
3% 1966-68	93.85	3.96	3.78	93.85
3% 1970-75 1st Dev.	91.10	3.97	3.73	91.20
3% 1986 Con. Loan.	74.00	—	4.05*	74.10
4% 1960-70	100.75	3.48	3.92	100.75
3½% 1961 N.P. Bonds	100.10	—	3.47	100.10
3½% 1964 N.P. Loan	99.80	—	3.54	99.80
3½% 1965 N.P. Bonds	99.60	—	3.58	99.55
3½% 1962	99.15	—	3.50	99.15
3½% 1967 N.P. Bonds	99.05	—	3.63	99.05
3½% 1974	98.85	—	3.85	98.80
3½% 1967 N.P. Bonds	100.80	—	3.65	100.80
4% 1972 Loan	101.65	—	3.83	101.70
3½% 1968	98.95	—	3.65	98.90
3½% 1963 N.P. Bonds	99.95	—	3.51	99.95
3½% 1968 N.P. Bonds	100.60	—	3.68	100.60
4% 1973 Loan	101.60	—	3.85	101.65

BRITISH GOVERNMENT SECURITIES

	Closing quotations 20-3-1959 £			Closing quotations 26-3-1959 £
2½% Brit. Consols.	51 11/16	—	—	51⅝
3% Savings Bonds 1965-75	75 11/16	—	—	75 11/16
3% War Loan 1955-59	100 1/32xd	—	—	100xd
3½% War Loan	67 19/32	—	—	67⅝
4% Victory Bonds 1976	96⅜	—	—	96⅝
4% Funding 1960-90	91⅜	—	—	91 1/16 xd

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

COMMERCE

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

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UNDER SECRETARY TO GOVT. 13 APR 1959 PUBLIC DEPARTMENT

TRADE IN FOODGRAINS

THE much-awaited scheme of State trading in foodgrains was announced last week (on 2nd April 1959) in the Lok Sabha. It would, perhaps, be wrong to describe it as a State-trading scheme, pure and simple. It would be more appropriate to call it State-directed trade in foodgrains, in which the State, the wholesalers and the co-operatives all have a place. In the immediate future, no serious break with the present organisation of trade is envisaged, though the ultimate aim is to give the State and the co-operatives a supreme role in the distribution of foodgrains. To the extent that the transition is to be gradual, the opposition to the change may be less strong than it would be if the Government had embarked on State trading straightaway. But neither the fact that the changeover is to be gradual nor the consideration that the existing channels of trade will, in the initial period, continue to be associated with foodgrain distribution can make the task of implementing the scheme an easy one. Again, by envisaging a co-operative order which is yet to come, it is making a heavy demand on the none too strong sense of co-operation in the country.

Only the broad outline of the scheme has now been published. Many details are lacking. This makes it difficult to examine how the scheme will work. Broadly speaking, the objective of the scheme, which was worked out by a working group set up by the Government, is stated to be the maintenance of price levels which are fair to the producer and the consumer and the reduction of the spread between the prices received by the farmer and those paid by the consumer. The scheme will apply only to the two chief cereals, rice and wheat, and work on a no-profit-no-loss basis. It envisages a steady expansion of purchases by the Government, designed to establish for the Government a position of strategic control over the market, and also the intensification of existing measures such as the licensing of wholesale traders and the system of distribution through fair price shops. It also provides for building up a comprehensive network of co-operatives, capable of taking over the entire marketable surplus. Presumably, all this is intended as a fairly long-term solution of the problem, though it is impossible to say as to how long it will be.

The inherent difficulties involved in embarking immediately upon a full-fledged State trading scheme have compelled the authorities to divide the scheme into two parts: (1) ultimate pattern and (2) the interim scheme to be worked till the establishment of full-scale State trading. The ultimate pattern, it is stated, will provide for the collection of farm surpluses through service co-operatives and the channelling of the surpluses through marketing co-operatives and apex marketing co-operatives for distribution through consumers' co-operatives; effective steps will be taken for the development of consumers' co-operatives. The Government has decided that efforts should be directed towards the speedy realisation of the ultimate objective and that, during the interim period, more and more of the wholesale trade in foodgrains should be taken over by the co-operatives as they are progressively organised and developed. The Government will not immediately undertake the purchase of the entire marketed surplus, because that "would at once cast upon the Government the responsibility for feeding the consumers in the urban and semi-urban areas." It will, however, acquire a larger and larger proportion of such surpluses with a view to controlling the market more and more effectively until full-fledged State trading is established. In the interim period, wholesale traders will be permitted to function as licensed traders who will purchase on their own behalf but will pay specified minimum prices to the farmer. The Government, it is stated, will have the right to acquire the whole or a portion of the stocks from the licensed traders at controlled prices. The traders will be at liberty to sell the remaining stocks to the retailers at prices not exceeding the controlled prices. They will be required to maintain proper accounts of their purchase and sale transactions and stocks and submit periodical returns to the Government.

From a study of what is stated above, it will be seen that by far the most vulnerable aspects of the scheme are the fixation of prices and their enforcement. To take the fixation of prices first. There is no Solomon alive who can specify what is the correct minimum price for an agricultural product. It is bound to vary in different periods of the year, from year to year and in different parts of the country. The Government is not unaware of this difficulty, for its scheme envisages fixation of different purchase prices for different States and regions. It even concedes that, in certain States, there are underdeveloped areas or highly deficit areas which may deserve special treatment in the matter of fixation of prices. How is this complex task to be accomplished? Whichever way the scheme is administered, there is bound to be a certain element of arbitrariness in the fixation of prices which will lead to discontentment in rural areas. The farmer can understand a market price to which he is traditionally reconciled. But *what he cannot understand* is an officially determined price. Further, there is always the danger of political parties exploiting the situation by promising extravagant prices in the event of their being returned to power. Political pressure, as experience in fixation of sugarcane prices shows, cannot be altogether ruled out.

It must be remembered that agricultural production is essentially different from industrial production. It is dependent upon several factors over which the farmer has no control. Prices, if they are to serve any useful purpose, must necessarily be announced before the sowing operations commence. If, for whatever reason, production falls, there will necessarily be a severe shortage, in which case the farmer may not be inclined to part with his produce at prices fixed by the Government. Nor will the wholesaler be ready to pay higher prices, since he is under an obligation to sell to the Government and the retail traders at specified prices. In the event of surplus production, there must be an elaborate machinery to effect country-wide purchases at minimum prices, in order to stem the fall in foodgrain prices. No such machinery is envisaged in the scheme which seems to rely on wholesale traders to carry out the Government's pricing policy.

The difficulties involved in any scheme of bureaucratic prescription of foodgrain prices obviously induced the Asoka Mehta Committee to recommend a system of purchase and sale of foodgrains by a Government-sponsored body. It recommended the setting up of a high-powered authority, the Price Stabilisation Board, for purposes of formulating a policy of price stabilisation. The Committee suggested that the Board should acquire sufficient buffer stocks as a first step. Whenever prices fell, the Board should step in and start purchasing at reasonable prices. Similarly, when prices tended to rise, this organisation should sell at reasonable prices. The Committee said that, if the organisation started operating from a position of strength, with sufficient finance and stocks at its disposal, it would soon find itself in the position of a dominant trader in the economy and be able to control the market effectively. This scheme, according to the Committee, would go a long way towards protecting both the producer and the consumer against violent fluctuations in prices. If the organisation purchased the surplus crop of a bumper year and carried it over to future years of short crop, it should be able to even out fluctuations. The Committee felt that, generally speaking, there should be no risk of loss for such an organisation, especially over a long period of, say, five years; even if there were some loss, it would be a worthwhile premium to pay for insurance against instability.

Even those who agree that food prices constitute too important a segment of national economy to be exposed to the blind fury of market forces will concede the need for maintaining a market which alone can determine correct prices. It should, of course, be open to the Government to influence prices by undertaking open market operations in foodgrains. But it may turn out to be an impracticable proposition for the Government to rely upon its own judgment for determining prices. If its judgment proves incorrect, it may seriously interfere with production. It must be remembered that nothing can prevent a farmer from switching over to uncontrolled crops in his understandable desire to escape irksome controls. In trying to be fair to the consumer and the producer, it will succeed in alienating the loyalty of both parties. Presumably, it is this consideration that prompted the Asoka Mehta Committee to recommend the establishment of a price stabilisation organisation. The Government has obviously rejected this approach. It does not seem to be in favour of establishing corporations in the States to deal with State trading. It argues that, "if a corporation is created and its functionaries and agents spread out, it may well create vested interests and cause delay in the development of co-operatives" and that, since such a corporation would be legally a separate entity, it would not be *competent to enforce control* over prices. In other words, the Government wants unlimited powers of control over food economy. It is easy to acquire them, but difficult to use them

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wisely. This will be particularly true about the enforcement of price control at the retail end, where the dealers are more numerous than could be effectively dealt with. Thus, the fixation of prices and their enforcement may well be the two great obstacles in the implementation of the Government's scheme for trading in foodgrains. If it chooses the path of effective interference in foodgrain markets, there are better chances of success. For it is easy for the Government to build up buffer stocks from both domestic production and imports of cereals assisted by special barter deals which it can conclude with certain South-East Asian countries with surplus foodgrains to offer to India against payment in such Indian manufactures as jute goods, cotton textiles and light engineering products.

The Government is simultaneously embarking upon a whole set of new experiments in agricultural economy—ceiling on land, co-operative farming and State-directed co-operative trading in foodgrains. In its enthusiasm for achieving success in these experiments of doubtful merit, it may come to ignore the chief agricultural problem—the problem of increasing agricultural production. After all, the crux of the matter is raising India's per-acre yields. If overall production increases at a rate which will absorb the increased demand arising from rising incomes and increasing population, there will be no need to think in terms of elaborate schemes of State trading in foodgrains. And this problem cannot be tackled without giving the farmer the necessary facilities such as fertilisers and better seeds and without providing the necessary incentives which alone will enable him to devote his care and attention to the land he owns. The springs of energy are to be found in individual initiative—this is true of industry as well as agriculture—and not in the elaborate schemes prepared by men living in an iron tower, far away from the people for whom they plan.

SEARCH FOR OIL

THE chief justification for the top priority which the Government has assigned to its oil exploration programme is economic. Oil at present is a great consumer of foreign exchange. And the present rate of oil consumption is bound to increase in course of time, which will imply a further drain on India's foreign exchange reserves. Last year, India imported about 5 million tons of crude oil. The imports are expected to go up to 7 million tons by 1961 and to 14 million tons by 1966. If no oil reserves are located, India may have to spend Rs. 140 crores on imports of oil by 1961 and possibly double this amount by 1966. It is, therefore, of the utmost importance that new reserves should be located and, once they are located, prompt steps should be taken for their extraction and refining. Against this background, it is hardly surprising that the Press, Parliament and the public have welcomed and supported the Government's oil exploration programme.

It must, however, be emphasised that what really matters is not the programme, as such, but results. The public is entitled to demand that the Government does not sacrifice the chances of finding oil at the altar of some ideological policy, for, in the final analysis, it is not the policy but its success in delivering the goods that really counts. From this point of view, it is gratifying to note that Mr. K. D. Malaviya, Union Minister for Mines and Oils, emphasised, in the course of the debate on grants to the Ministry of Steel, Mines and Fuel in the Lok Sabha, that the Government was not committed to any doctrinaire policy. After referring to the fact that several experienced oil explorers had approached the Government with proposals designed to associate themselves in India's search for oil, he said: "We have no doctrinaire approach in this matter. It is first and last a business proposition. So long as we see that the business proposition made to us for oil exploration or for the discovery of oil is not in the interests of the country and the people, it will be impossible for this Government to accept that. But, if proposals are made to us which will discover oil for us and give legitimate benefit to the parties that discover oil, by all means we are prepared to sit down with them and consider any proposal that they make." This statement will be widely welcomed. And it is to be hoped that the spirit in which it was made will guide the Government's oil policy in all its forms—exploration, refining and distribution. It is further to be hoped that the Government will not continue to give the impression that it is interested in foreign help only when it comes from Communist countries. For how else can one explain the fact that several years were wasted in the process of reaching an agreement with the Assam Oil Company over the exploitation of oil reserves in Assam, while the Government has been only too ready to conclude agreements with Communist countries for the establishment of the two oil refineries—the oil refinery in Assam (with Rumanian aid) and the Barauni refinery (with Russian aid)? It must be mentioned that, until these refineries are ready, the crude oil must remain dormant in Assam's fields and swell the consequent loss of foreign exchange through unavoidable imports. And yet, the work on these refineries has hardly commenced. The position might have been different if the Government had not adopted the policy of locating the refineries only in the public sector.

Some interesting light was thrown on oil exploration, the future of oil prices and the establishment of refineries by Sardar Swaran Singh, Minister for Steel, Mines and Fuel, and Mr. K. D. Malaviya, in their speeches in the Lok Sabha. As is well known, the chief areas where oil is being explored are the Nahorkatiya fields in Assam (where oil has already been located), the Jwalmukhi area (the Punjab) and the Cambay area (Bombay) and the West Bengal Basin. The most significant development in the public sector has been in the Cambay area, where oil under pressure was located in September last. The oil reserves, however, have yet to be proved. Work in this direction has been held up through want of necessary drilling equipment. It would appear that, at a time when it was difficult to get drills from any part of the world, the Rumanian Government had agreed to sell two drills and Indian authorities expected them to arrive by March last. But it is now felt that the arrival of this equipment might be delayed by "one month, two months or three months." This has held up the programme at Cambay. The only oil reserves, now in sight, are those in the Nahorkatiya and Moran oilfields in Assam, for the exploitation of which Oil India Ltd. (in which the Government of India holds 33⅓ per cent. share, and the Burma Oil Company and Assam Oil Company hold the rest) has been formed.

On the question of prices of petroleum products, the Government, it may be recalled, reached an agreement with the oil companies in May last under which the latter effected *ad hoc* reduction in their selling prices. The reduction was not, of course, passed on to the consumer, for it was mopped up through additional excise and customs duties by the Exchequer which benefited to the tune of Rs. 10 crores. The arrangement was that, if the examination of costs of production, which the Government was to undertake, revealed that the Government owed some money to the companies, it would be deducted from the Rs. 10 crores and paid to them, but, if such examination revealed the scope for further reduction in prices, suitable steps would be taken to give further benefit to the Exchequer. The Government's Cost Accounts Officer, it is stated, has completed his examination of the costs of the oil companies and submitted his report to the Government. Referring to the Officer's findings, Mr. Malaviya said: "My first impression is that they (Government) are likely to get substantial further savings. It may not be possible for me at all to say as to what would be the precise quantum. We hope that, after discussions with different companies in this matter, we shall succeed in negotiating a new formula, which will and should give us a further additional sum over and above Rs. 10 crores that we have already got from them last year as a result of negotiations." It is not clear why the Government, once it is able to get a clearer picture of the quantum of possible reduction in oil prices, should not pass on the benefit to consumers, in general, or, at least to industrial consumers of petroleum products. It is true that money is needed for financing the public sector projects under the Plan, but, having regard to the fact that taxation on oil in this country is pretty high, some benefit of the lower cost of the commodity should be passed on to consumers also.

The Government, as is well known, has decided to undertake distribution of oil products in competition with the existing distributors. Referring to this decision, Mr. Malaviya said: "I only wish to state that it is a matter of time, but the Government's decision is firm." He said: "Obviously, if it would not have meant a lot of profit and be advantageous to the nation, we would not have taken this decision in principle to start this work in the public sector." Before the two refineries in the public sector are ready, the Government hopes to be in a position to know all about the technique of oil distribution. It has, according to our information, already requested the distributing companies to provide it with all available literature on the subject and an account of the system followed by them. The Minister made it clear that the Government was not seeking to establish a monopoly in this field. He averred: "We shall try our level best to do this work in competition with all those concerns which are existing here and which are undoubtedly rendering us a lot of help in the task of distribution." No decision, however, has yet been taken on the size of the State-owned company which will undertake oil distribution, nor about the magnitude of the work it will handle. In any case, so long as the proposed company serves the consumers in the manner in which the existing distributors serve them, there should be little ground for dissatisfaction over the Government's proposed move to undertake distribution of oil and oil products. Only, it is to be hoped that all this is not a prelude to nationalisation at a later stage. Further, it must be clearly realised that large sums of money will have to be invested, if the State-owned company is to function effectively and efficiently. Whether the resources of the public sector should be locked up in this business in priority over other projects is a question that deserves to be carefully examined, as savings in this country are limited and the calls on them are many. So far as consumers are concerned, there have been no complaints against the existing distributors. Nor have the latter shown any disinclination, to the best of our knowledge, to expand their services with the help of their own resources. If the Government is entering this line purely as a business proposition, as Mr. Malaviya claims, it will do well to give full information on this subject, so that the taxpayer and the public may know what they are in for. Even assuming that there is good profit in this business, it must be pointed out that the Exchequer, as a sleeping partner in all business enterprises, gets a lion's share of the profit made by private companies. Further, if the Government were to make less profit—as it well might—than private distributing companies, it might mean that the net gain to the Exchequer would not be as large as is assumed. In any case, the "profit" argument alone cannot justify so vast and so complex an undertaking as oil distribution.

Mr. Malaviya was not very convincing in his explanation of the Government's decision to reject the technical experts' recommendation for locating the refinery at Silighat. It may be mentioned here that the wholly State-owned Indian Refineries Ltd. (authorised capital: Rs. 30 crores), established in August last, will control and manage the proposed two refineries in the public sector. In the course of the debate, Mr. Feroze Gandhi, who is the Chairman of the Company, revealed that the Directors appointed a high-power engineering team, including an official of the Ministry, to go with the Rumanian experts who were required to recommend a site for the refinery in Assam. This team suggested the location of the refinery at Silighat. Mr. Malaviya, who gave an elaborate explanation for the Government's rejection of the technical experts' suggestion, stated in effect that its acceptance would have meant insufficient utilisation of the £10-million loan provided by the Assam Oil Company for building a pipeline and the Government would have had to construct a pipeline from Silighat to Barauni at an expenditure of Rs. 4 crores. He, however, admitted that "Silighat is the most suitable place, so far as technological matters are concerned." The point was made in the debate that the Government might lose far more through its anxiety to utilise the £10-million loan in full, if that meant the rejection of a technologically suitable site. Mr. Malaviya did not answer the point raised, but parried it with the retort that the assumption that the Government would be compelled to choose a wrong site was wrong. It remains to be seen where the Government will finally locate the refinery. Clearly, the longer the delay in choosing the site and commencing the construction of the refinery, the greater will be the loss of foreign exchange, which could be averted only through prompt establishment of refineries.

INVESTMENT DEMAND FOR EQUITIES STILL KEEN

TEXTILE SCRIPS—CLOTH EXPORTS—DEPOSIT RATES—GOLD—DIAMONDS

WEDNESDAY, 5 P.M.

MARKET GOSSIP

BARRING a few, industrial equities have gone ahead strongly. Yields on first class shares are not attractive, ranging as they do between 4 per cent. and 4.5 per cent. In some cases, as, for instance, Indian Oxygen and Indian Aluminium, they are less than 4 per cent. An investor can easily earn 4 per cent. on deposits with first class banks for one to twelve months and a little more than that on deposits for two to three years. And yet there are no signs of investors wanting to sell and book their profits. On the contrary, investment demand for these scrips is said to be keen and unsatiated. Apparently, investors are proceeding on the basis that low yields in the case of companies which are growing are not unjustified, as the companies will be in a position to raise the dividends when their investments on expansion yield production and profits. Shares of several new companies which are yet to declare dividends have also begun to command a sizable premium, as these companies have either commenced production or are about to do so.

An important factor which is keeping up equity prices is the prospect of an increase in inflation in the country. That equities are a hedge against inflation is well known. But to what extent they are so and what are their limitations are questions on which there has, perhaps, not been adequate discussion in this country. Readers' attention is, therefore, invited to an article entitled "How to Beat Inflation" published on page 589 of this issue. It will be seen therefrom that an investor has to be fairly skilful or command the services of experts who are sincerely interested in his welfare, if he is to be successful in hedging his savings against inflation by placing them on equities.

As compared with the continued buoyancy of certain investment scrips, Tata Steels and Indian Irons have been relatively sticky and attracting selling pressure at every rise. In addition to factors mentioned in these columns last week, some big investors appear to be using these counters as a hedge against their investments in other scrips. Such operations are not unusual in times such as the present, when equities have mounted up to levels highly vulnerable to any unforeseen adverse factors. It is customary on the part of large investors, with a flair for market technique and sufficient financial resources, to cover against depreciation in the value of their permanent investments by selling active speculative counters such as Tata Steels and Indian Irons. If any adverse developments were to take place and equity values decline, they would cover their sales in these scrips at the appropriate time and set off the gains made thereby against the fall in the value of their investment portfolio.

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What is the outlook for cotton textile industry? Although the position of individual mills may vary, the general impression seems to be that the position is gradually improving. The offtake of cloth and yarn is better, but the prices of these have not gone up to any appreciable extent. Many mills are still complaining that the prices realised by them are not remunerative. But impartial observers of cloth and yarn markets are of the view that the demand for cloth will steadily increase, as consumption which had been deferred all along is bound to make itself felt. It may sound as an exaggeration to say that, in another eighteen or twenty-four months, the present level of cloth production will be found inadequate. But they point out that, with India's population increasing at the rate of six million a year and with the tempo of development expenditure being kept up, consumption is bound to broaden and that mills producing the right type of cloth should be able to report good profits. They further point out that the demand for cloth has always been liable to cyclical fluctuations. Now that the cotton mill industry has had depression for more than 2½ years, it should, in normal course, experience better trading conditions in the next two years. Anyway, the share market seems to be taking an optimistic view of the future for cotton mills, as will be seen from the following data:

	8-4-1959	2-1-1959	8-4-1958
	Rs.	Rs.	Rs.
Bombay Dyeing	60.10	55.00	56.20
Century	493.75	414.25	434.00
Central India	94.80	86.00	90.00
Finlay	273.00	255.00	278.00
Gokak	141.43	127.00	158.00
Kohinoor	253.00	231.50	283.50
Standard	483.00	403.00	451.00
Swadeshi	216.50	202.50	181.75
Tata Mills	37.25	34.75	40.50
Vishnu	83.00	93.00	102.50
	For week ended		
	29-3-1959	4-1-1959	28-3-1958
Index number* of cotton textiles ordinary shares	116.2	112.00	111.6

Source: Reserve Bank. * Base: 1952-53=100.

It is rather difficult to say to what extent the chances of improvement in the cotton industry's position have already been discounted by the share market. It will, however, be useful to refer here to the remark of Mr. Kasturbhai Lalbhai, Chairman of the Indian Cotton Mills' Federation, yesterday, when he addressed the annual meeting of the Federation. He did not seem to be unduly pessimistic. He had fewer complaints to make this time. He cautiously observed:

"From the very beginning, the Federation had to tackle very vigorously the problem of lifting the industry from the morass of cost inflation in which it had been bogged. Both in India and abroad, we could not market our goods at a price which the consumer was able and willing to pay. It must be said that a sense of realism permeated the deliberations of the Cotton Textile Inquiry Committee set up by Government in May 1958, and representatives of Government, industry, labour and the consumers, who worked on the Committee, were able to produce, within the scheduled period, a unanimous report, which was to prove a springboard for a series of steps taken by Government with commendable zeal. *We are not yet out of the woods, but there is reason to believe that the path that has been chosen will, in due course, take us out of them.*" (Italics ours.—ED.)

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Not all millowners are satisfied with the scheme of incentives for pushing up exports of cloth. In an earlier issue of this journal (*vide* page 274 of *Commerce* dated 21st February 1959), we published an article by Mr. K. P. Singhania, in which the author explained at great length how this scheme was not sufficiently helpful to the vast majority of coarse and medium count mills. Speaking at the annual meeting of the Azam Jahi Mills Ltd., at Hyderabad last Friday, Mr. C. Damodar Reddy, Chairman of the Company, also gave expression to a similar view. After explaining how the export incentive scheme worked, he observed that the main beneficiaries of it were fine and superfine mills which did not export and, therefore, did not earn foreign exchange, and not the coarse and medium count mills which exported their cloth at considerable expense to themselves by buying Indian cotton at prices well above the world parity. Describing the plight of coarse and medium count mills and suggesting a solution to it, he observed as follows:

"There has been a marked change in the pattern of consumption of Indian consumer and the realisation for fine and superfine qualities is much better than for coarse and medium varieties. It is obvious that the incentives given for exports are inadequate and need better planning. The condition of coarse and medium mills is getting precarious as is proved by the steep drop in production and the total closure of a number of mills in the country. As compared with 1956, there has been a short production to the tune of 400 million yards in the year 1958. In spite of the short production, there has been accumulation of stocks with the mills, the stocks being 580,000 bales at the close of the year.

"As a remedy to this and with a view to reducing the losses, the exporting mills are obliged to restrict their exports and divert their production, which was previously exported, to internal consumption which cannot but worsen the internal situation. It cannot, therefore, be denied that the solution to the present textile crisis lies only in more exports. The coarse and medium mills cannot be expected to continue making huge losses endlessly through exports, earn good foreign exchange for the country and give the benefit of this to import foreign cotton to fine and superfine mills. The export incentives should, therefore, be liberalised and so planned as to give the full benefit that accrues from the earning of the foreign exchange to the exporting mills. The exporting mills should be free to sell their foreign cotton entitlement in the open market and obtain the benefit that today goes to the fine and superfine mills. Alternatively, the premium payable to the exporting mills by the fine and superfine mills for the foreign cotton allotment made over to them should be reasonably increased in parity with the market price of foreign cotton. Such a step will enable the coarse and medium mills to meet the foreign competition which automatically would create a more healthy internal market. Any incentive scheme which can give immediate advantage to the exporting mills by way of cash return would be most welcome.

"Such of the mills that desire to retain the full quota of the foreign cotton entitlement should also be allowed to do so, in order that they may be able to change their pattern of production to suit the changing tastes of the internal consumer. The foreign cotton entitlement should not be based on the past exports, as this puts the new-comer at an advantage. The exporting mills who may have exported in the past larger volumes of their production without expecting any benefit are put to a tremendous disadvantage under the present scheme of foreign cotton entitlement.

"Yet another scheme formulated under the export incentive scheme is the machinery entitlement scheme. Under this scheme, the exporting mills earn entitlement for import of certain textile machinery. The advantage of this scheme can only accrue after a lapse of time and subject to the availability of finances with the mills and is, therefore, of doubtful merit. I, therefore, take this opportunity to appeal to the Government of India carefully to study the reaction and the effect of the various incentive schemes already formulated and modify the same in a manner so as to really benefit the coarse and medium mills and foster our exports. Unless the existing incentives are liberalised and well-planned as indicated above, our exports cannot increase and the textile industry cannot be stabilised."

Although similar views are held on this subject by quite a few coarse and medium count mills, Mr. Kasturbhai Lalbhai chose not to comment on them in his speech at the annual meeting of the Indian Cotton Mills' Federation. All that he said was that "we shall continue to keep the working of the scheme constantly under review, so as to attain our target of export." This is a colourless and non-committal statement.

A serious omission in Mr. Kasturbhai's speech is the absence of any reference to the talks he and his colleagues have had with the Lancashire millowners in regard to ceiling on exports to Britain. Why is Mr. Kasturbhai fighting shy of taking the public into confidence on this important subject? He could have at least said as to what exactly was the position. This silence on the part of the spokesmen of Indian cotton mill industry is in striking contrast to the stand taken by Lancashire and Hong Kong.

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Almost all the chairmen of Indian banks who have so far delivered their annual speeches have welcomed, with a sigh of relief, the inter-bank agreement on rates of interest on deposits. They seem to regard it as a boon, without which the cost of operation of banks would have gone up further. In fact, the Chairman of the Central Bank, Mr. Homi Mody, thinks that the ceilings on rates of interest need to be reviewed soon in the light of prevailing trend of banking profits. By this, he clearly means that the ceilings should be brought down. Another bank chairman, Mr. M. Ct. Muthiah of the Indian Overseas, has even gone to the length of wishing that this agreement would "open out possibilities of an agreement being reached on other items, such as charges and rates for various kinds of business based on evaluation of cost, so that the banking industry will be saved from an uneconomic rate structure." His desire is logical. Only, it would mean more regimentation, less competition, more comformity and greater scope for corruption and interference by the State—all inimical to the spirit and fundamental concepts of a healthy system of private enterprise. It is surprising how unconsciously and unwittingly the leaders of banking in this country are cutting the ground under the feet of private enterprise. They seem to have learned nothing from the fate that overtook life insurance. And that at a time when the rank of those demanding nationalisation of banking is steadily increasing. It is common knowledge now that Dr. V. K. R. V. Rao and Prof. P. C. Mahalanobis have together submitted a scheme to the Planning Commission that, in order to facilitate implementation of development plans, all banking should be nationalised. Knowledgeable circles aver that the Prime Minister is very much fascinated by this report but that no action might be taken on it until the commencement of the third Plan, that is, after the next General Elections.

Whatever that may be, the inter-bank agreement on deposit rates, which has just completed six months, has so far worked satisfactorily. Although there has been good demand for funds during the last four months, the deposit rates have not gone beyond the ceilings. There have been no serious complaints of infringement of the agreement by any of the banks concerned. It is true that, in cities like Bombay, Calcutta and Madras, interest paid by the banks on deposits have generally been at the ceiling levels, but, in several upcountry centres, the banks are said to be paying half to one per cent. less for term deposits.

It would appear that some of the big banks fully share the view of Mr. Homi Mody that the ceilings should be brought down. Indeed, it is learned that one of the "Big Five," which competed heavily for deposits and made a significant contribution to the rise in their cost, would now like to see the system of seven-day deposits abolished, so that, after current deposits, there would be only deposits for one month and onwards. It is further learned that the question of reducing the rates of interest on deposits was informally considered by the relevant Sub-committee of the Indian Banks Association this week and that it was decided to let the *status quo* continue until July next, by which time the slack season will have begun and the climate will be conducive to lowering the ceilings.

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After an interval of nine years, the price of gold has crossed Rs. 120 per tola and is not far from the all-time record peak of Rs. 122 touched on 30th August 1948. The reasons for this spurt are recorded in the Market Reports section (page 626). Suffice it to add that the steady appreciation that has taken place in the value of gold in recent months suggests that the vigilance against smuggling is becoming increasingly effective. The denial of Kolar gold to the market and inflation in the country are, of course, important factors that have contributed to the rise in the value of gold. Nevertheless, it is significant that, though the disparity between the free market world price of gold (about Rs. 66 per tola) and the price here (Rs. 121) has widened markedly against India, smuggling of gold into this country has not increased; on the contrary, it would appear to have diminished, at any rate for the present. This, however, should not lull the authorities into complacency and induce them to give up their search for more effective measures to check smuggling. Indeed, they should seriously consider the

(*Continued on next page*)

BUOYANCY IN SHARES KEPT UP

NATIONAL RAYONS REACT

(From Our Own Correspondents)

BOMBAY, *8th April*

EQUITIES continued to be buoyant on the Bombay Stock Exchange for yet another week. The absence of any adverse news and encouraging output of steel during the month of March strengthened bullish sentiment. The overall production figures for the year ended March 1959 in T.I.S.Co. and I.I.S.Co. are higher than those in the previous year. In the case of T.I.S.Co., the output of pig iron during the year aggregated 1,137,500 tons, as compared with 1,093,300 tons in 1957-58. The production of steel ingots shows a rise from 1,106,800 tons to 1,149,900 tons and that of saleable steel from 786,900 tons to 884,700 tons. The pig iron production by the I.I.S.Co. amounted to 959,933 tons, having gone up from 733,945 tons in 1957-58. Steel ingots have risen from 507,580 tons to 608,205 tons and saleable steel from 410,558 tons to 496,217 tons. Considering the fact that the production in T.I.S.Co. was considerably affected by labour strike in May last and that the million-ton expansion scheme which was recently completed has begun to yield full results, the Company can be expected to raise its output and earnings substantially in the current financial year. This consideration induced fresh support to steel shares which were somewhat docile last week. Textiles, engineerings, sugars, chemicals and several miscellaneous industrials were all in the limelight with a sharp jump in values.

Towards the close, however, there was a sizable profit-taking, induced by the high levels. The intervention of two holidays, tomorrow and the day after, also induced operators to lighten their commitments. Further, the disappointment over the dividend of National Rayons, which is to be maintained at 14 per cent. for the year 1958, caused heavy selling in this counter today and this also had its effect on the sentiment of operators.

Tata Steel Ordinaries climbed up from Rs. 181.75 to Rs. 184 before finishing lower at Rs. 183. The new shares were also marked up over the week by Re. 1.25 to Rs. 180.25. Indian Irons advanced from Rs. 24.03 to Rs. 24.76, before closing at Rs. 24.56.

Textile shares were a little erratic, but the overall tendency was bullish. Notwithstanding the profit-taking at close, gains were sizable and widespread. Bombay Dyeings rallied from Rs. 60 to Rs. 60.90 and, after a setback to Rs. 60.10, revived today to Rs. 60.50. At the close, there was a reaction again to Rs. 60.10. Centurys gained to touch a high of Rs. 500 early in the week, following the announcement that the dividend would be maintained at 22 per cent. for the year 1958 and that the Company proposed to issue new shares in the ratio of 1:5. There was, however, a retreat to Rs. 492 before gaining strength to Rs. 498.50 today. At the close, they were again marked down to Rs. 493.75. Kohinoors gained over the week Rs. 3 to Rs. 253, Central Indias Re. 1.30 to Rs. 94.80, Finlays Rs. 2 to Rs. 273 and Gokaks Re. 1 to Rs. 143. Indu Ordinaries lost 12 nP to Rs. 8.80, while Indore Malwas put on Re. 1.50 to Rs. 97.50 and Khataus Rs. 6.25 to Rs. 188.75. In sharp contrast to the general trend, Model Mills suffered a loss of Rs. 25 to Rs. 105 and New Greats Rs. 15 to Rs. 193.

A sharp fall of Rs. 7.50 to Rs. 108 in Barodas was a feature of the trading in bank shares. Their new shares dropped Rs. 4.50 to Rs. 50. Central Banks gained 40 nP to Rs. 57.20 and their new shares 20 nP to Rs. 59.20. Bank of Indias were unchanged at Rs. 136, while Jaipur Banks were done 50 nP lower at Rs. 45.50. Bank of Maharashtras had business Re. 1.50 higher at Rs. 51.50. United Commercials were placed at Rs. 65.50 *ex-div.*, as against Rs. 69.50 *cum-div.* a week ago.

Insurance shares were all done at fractionally lower prices. New Indias shed 80 nP to Rs. 51.50, while their new shares were unchanged at Rs. 54. Industrial and Prudentials declined by a rupee to Rs. 310. Indian Mercantiles by 50 nP to Rs. 44 and All-India Generals by 22 nP to Rs. 2.90.

Sugar shares attracted good attention in line with the general trend. Belapurs were taken up from Rs. 293 to Rs. 297 before closing at Rs. 295. Phaltans picked up Re. 1 to Rs. 157.50 and Walchandnagars Rs. 7.50 to Rs. 300. Cement shares provided no exception, though the rise in prices was not very marked. Associated Cements hardened from Rs. 146.50 to Rs. 150.50 before finishing at Rs. 149. Digvijays gathered over the week Re. 1.50 to Rs. 148, while other counters disclosed minor losses. Jaipur Udyogs shed 12 nP to Rs. 11.32, Dalmias 24 nP to Rs. 11.16 and Ashokas 16 nP to Rs. 9.40.

In the engineering group, Tata Locomotives stole the limelight with a jump from Rs. 185.25 to Rs. 198. At the close, however, there was a sharp reaction to Rs. 192. Alcock Ashdowns lost a rupee to Rs. 271, while Premier Constructions attracted good attention and rose over the week by Rs. 5.75 to Rs. 270.75. Larsen and Toubros were exceptionally strong with a rise of Re. 1.24 to Rs. 22.92. Mahendras changed hands 25 nP higher at Rs. 25.35, while their new shares lost 40 nP to Rs. 21.60. Cooper Engineerings moved up by Rs. 3 to Rs. 143 and Texmacos by Re. 1.24 to Rs. 24.64. A sharp jump of Rs. 15 to Rs. 250.25 was recorded in Structural Engineerings. Shivrajpurs, among minings, changed hands Rs. 3 higher at Rs. 100. Indian Coppers gained again to Rs. 4.36.

Premier Automobiles shot up to Rs. 120 from Rs. 115.50, but suffered a recession at the close to Rs. 116.75. Hindustan Motors gained 12 nP to Rs. 9.16.

Among miscellaneous industrials, Bombay Burmahs (old) were taken up to Rs. 519 from last week's closing of Rs. 509, before today's reaction almost wiped out the gain. The shares closed at Rs. 509.50. The Partly-paids lost over the week Rs. 2.50 to Rs. 175. National Rayons were erratic moving between Rs. 299 and Rs. 290.50, before reacting to Rs. 286.25 at the close with a loss of Rs. 7 over the week. Gwalior Rayons were done Re. 1.16 higher at Rs. 17.20. Hindustan Levers were done at Rs. 31.50 *ex-div.*, which on a *cum-div.* basis represented a rise of Re. 1.35 over the week. Tata Chemicals rose by 24 nP to Rs. 16.76 and Tata Oils by 30 nP to Rs. 50.30. Alembic Chemicals jumped by Rs. 7.50 to Rs. 183.50 and their new shares by Re. 1 to Rs. 168. Amar Dyes advanced by Rs. 3 to Rs. 151 Dhrangadhra Chemicals were done Rs. 4.50 higher at Rs. 101 and Poly-Chems rallied from Rs. 79 to Rs. 83. Ceat Tyres improved by Rs. 6 to Rs. 112. Voltas rose by Re. 1.25 to Rs. 156.50. Greaves Cottons gained Rs. 4.50 to Rs. 123.50 and Killick Industries Rs. 3.50 to Rs. 147. Wimcos provided one of the notable exceptions with a drop of Rs. 7 to Rs. 203, as also Indian Dyestuffs which declined by Rs. 52.50 to Rs. 430.

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Madras Stock Exchange

MADRAS, *7th April*

Although a little hesitancy was noticeable here and there on the Madras Stock Exchange during the week, the general undertone continued to be fully steady. Operators were somewhat inclined to extend their commitments on expectations of better business conditions in the new financial year. It was stated that the Life Insurance Corporation was supporting certain select scrips. Good support was lent to tax-free preference shares, while sellers were scarce. Section-wise, textiles were specially favoured, thanks to encouraging reports from yarn and piecegoods markets. In the planting section, there was sizable absorption of tea and coffee shares, but rubbers ruled irregular. The market noted the Central Government's reference of the question of rubber prices to the Tariff Commission and it was thought that the enquiry might take quite a long time to conclude. The miscellaneous section ruled active and several counters recorded handsome gains.

The star feature among textiles was Coimbatore Pioneers which rallied from Rs. 263 to Rs. 270, following the decision of the Directors not to cut but to maintain the dividend for 1958 at the previous year's level of 20 per cent. Cannanores picked up Rs. 6 to Rs. 142. Vasantas strengthened by Rs. 5 to Rs. 220. Coimbatore Cottons hardened by Rs. 2 to Rs. 133, Loyals by Re. 1.75 to Rs. 31.75 and Buckinghams by Re. 1.50 to Rs. 175. Ranga Vilas and Krishnarajendras gathered a rupee each to Rs. 51 and Rs. 63 *cum-div.*, respectively. Bangalore Woollens gained 50 nP to Rs. 171.50. Lakshmi 'A's and Virudhnagars rose by similar sums, the former to Rs. 53.25 and the latter to Rs. 34.50. Maduras attracted limited buying and improved from Rs. 25.50 to Rs. 25.70. Many are said to feel that it would be a good thing to average one's investments in this scrip at the current level.

In the tea group, Perksides met with renewed buying support and firmed up by 38 nP to Rs. 22.25 *cum-div.* Haileyburias put on 25 nP to Rs. 19. The Haileyburia Tea Estates Ltd. has decided to issue 62,500 new equity shares of Rs. 10 each at par to shareholders in the proportion of one share for every three held, instead of bonus shares, as the official permission for the issue of bonus shares has not been given. United Nilgiris rose by 5 nP to Rs. 19.55. Devasholas were done at Rs. 26.75 *ex-div.*, as against Rs. 27.12 *cum-div.* (interim). Balanoors were fully maintained at Rs. 21, as were Nonsuchs at Rs. 27.75 *cum-div.* Twyfords, however, eased by 10 nP to Rs. 17.50, reflecting disappointment of operators over the news that the Government had declined to grant permission to the Company for the bonus share scheme. The Company has resolved to issue 45,000 fresh equity shares of Rs. 10 each at par to shareholders in the ratio of two for every five held.

Among coffees, Coffee Lands improved by 15 nP to Rs. 23.50. Anaparais rose by 8 nP to Rs. 5.03. Cowcoodys, however, declined by 10 nP to Rs. 7.30 for lack of follow-up support.

Rubbers were, as already said, irregular. Nelliampattys dropped 43 nP to Rs. 2.52, Midlands 23 nP to Rs. 12.37 and Puthutotams 3 nP to Rs. 3.17, while Malankaras spurted by 75 nP to Rs. 19 and Rajgiris by 13 nP to Rs. 18.25. Highlands were unchanged at Rs. 12, Kailas at Rs. 5.20 and Vaikundams at Rs. 25.50 *cum-div.* (final).

Among miscellaneous industrials, Rallis registered a rise of Rs. 2 to be quoted at Rs. 68. Hindustan Levers gathered Re. 1.50 to Rs. 31.25 *cum-div.* Mysore Chemical Manufacturings strengthened by Re. 1.25 to Rs. 23.50. F.A.C.Ts were bid 53 nP higher at Rs. 8.68. Textools moved up by 50 nP to Rs. 179, Mettur Chemicals by 31 nP to Rs. 13.06 and Orissa Cements by 10 nP to Rs. 14.40. Binnys were firm at Rs. 170 *cum-div.*

MARKET GOSSIP

(Concluded from previous page)

advisability of blocking the rupee notes that are in circulation abroad and allow their repatriation to this country only against purchases of Indian goods. It may be noted here that, during the nine months ended September 1958, imports of currency notes into India amounted to Rs. 37.76 crores, that is, at an annual rate of about Rs 50 crores, as against Rs. 48.68 crores in 1957. The bulk of these imports is said to reflect the effect of smuggled goods into this country. Another suggestion that has been made to us is that the rupee notes that are officially allowed to be taken out of this country should bear a special imprint and that only these notes should be honoured when they are presented for payment. This suggestion implies that something effective should first be done about the notes that are already in circulation in foreign countries.

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The producers of diamonds in Africa and elsewhere can look forward to a fairly prosperous period during 1959. This anticipation is based not on the record sales of diamonds during the first quarter of the current year by the De Beers' Central Selling Organisation, which handles about 90 per cent. of the Western world's output, but on the trend of prices of gems and industrial stones since autumn last and the good market which gems generally enjoy in America and on the Continent. The business in gems has recovered substantially since June 1958 to the pre-recession levels and does not show any sign of slackening. Though Russia is said to have opened up new diamond mines, the threat from that source to the world market is considered to be rather remote. The De Beers' Organisation does not face any competition from synthetics, as the price of the latter is a little dearer. The Organisation has been able to keep the prices of its rough stones stable over a period of years and has even raised them slightly from time to time over the past ten years. The business in gems, no doubt, depends upon the general level of industrial activity in the Western world, particularly in the U.S., where the demand for diamonds expands considerably during periods of prosperity.

The sales of diamonds by the De Beers' Central Selling Organisation reached a record level (in terms of value) of £23.59 million in the first three months of 1959. Of these, sales of gems reached a peak of £15.87 million and those of industrial stones amounted to £7.72 million, the highest since June 1952. Sales in the previous quarter (to December) aggregated £20.25 million, made up of £15.33 million for gems and £4.92 million for industrial stones. In the corresponding quarter of 1958, they amounted to £15.29 million—gems £10.51 million and industrial stones £4.78 million. The following are the comparative figures for the past five years, as well as for the first quarter of the current year:

(Value in million £s)

Year	Gems	Industrial diamonds	Total
1954	45·6	16·5	62·1
1955	50·3	24·0	74·3
1956	56·5	24·0	74·5
1957	52·8	23·9	76·7
1958	49·4	16·1	65·5
1959 (first quarter) ..	15·9	7·7	23·6

If the rate of sales during the first quarter were to be maintained during the rest of the year, the year's aggregate sales would easily exceed the record of £76.7 million touched in 1957. Trade circles in London do not, however, expect this rate of sales to be maintained, particularly in industrial stones, as the high sales of the latter in the first three months of the year were due to exceptional purchases made by the U.S. for stockpile on a barter basis against sale of surplus farm produce. Such large purchases may or may not be repeated, as American buying has been erratic since 1957. It is, however, stated that the U.S. has ample stocks of industrial diamonds to meet any foreseeable demand. Moreover, the General Electric Company of America is now producing the synthetic industrial stone of "crushing boart," a very low grade of stone. Though these synthetic stones are somewhat dearer now, they are no less important from a strategic point of view. Despite the better supply position in the U.S., the short-term outlook for the diamond industry, for reasons stated at the outset, is regarded as hopeful.

WORLD RICE POSITION

Rice (paddy) production in the 1958-59 season, outside China, is estimated at some 124,000,000 tons—slightly higher than in the previous season but still below the high level of 1956-57, according to the latest report of the Commonwealth Economic Committee, just issued in London. India's production, earlier provisionally estimated at 42,000,000 tons, is shown to have increased still further to 43,707,000 tons, in the revised figures. This is more than 7,000,000 tons higher than for the previous year, and the highest for at least four years. Shipments of rice from Burma in 1958 amounted to 1,389,000 tons, as compared with 1,726,000 tons in 1957 and 1,833,000 tons in 1956. Exports to Commonwealth countries were reduced from 1,136,000 tons in 1957 to 918,000 tons. Consignments to India fell from 496,000 to 384,000 tons and those to Ceylon from 294,000 to 197,000 tons. Shipments to Pakistan, at 138,000 tons, showed a less marked fall, while Singapore and the Federation of Malaya took 151,000 tons, somewhat more than in 1957. Among Burma's non-Commonwealth outlets in Asia, Japan reduced the amount taken by more than half, to 50,000 tons, while dispatches to Indonesia rose from 209,000 to 244,000 tons. Burma's exportable surplus of rice for 1959 is now officially estimated at 1,800,000 tons. India is due to take up 350,000 tons under the long-term agreement of 1956.

NEWS IN BRIEF

A BILL seeking to vest in the Central Government powers to take over mismanaged and closed tea gardens is expected to be moved in the next session of Parliament.

The Government of Bombay has accepted in principle the recommendation of the Taxation Enquiry Commission for the gradual replacement of the urban immovable property tax by a corresponding municipal tax.

Fifteen schemes for the manufacture of watches in India in collaboration with competent foreign interests have been submitted to the Centre, of which five or six are attractive, according to Mr. Manubhai Shah.

The Government of Mysore has sanctioned the establishment of a drug testing laboratory costing Rs. 75,000 at Bangalore. The proposed laboratory will, in addition to its normal work, undertake the analysis of drug samples even from private firms.

The benefit of compulsory provident fund under the Employees' Provident Fund Act will be extended to cover about 14,000 workers in road motor transport establishments employing 50 or more persons with effect from the 30th inst.

Exports of dust teas to all destinations will continue to be allowed under licences without being required to be covered by export quota rights, if applications for such licences are received in the Tea Board's Office at Calcutta or Cochin before 31st March 1960.

The West Bengal Government's proposal for the establishment of a fertiliser plant at Durgapur will be considered along with other suitable sites when additional fertiliser factories are planned. This was disclosed by Mr. Satish Chandra in the Lok Sabha last week.

The Employees' State Insurance Corporation has decided to grant sickness cash benefits at half the normal rate for an extended period of 18 weeks and medical care for a further period of one year, beyond the normal period of entitlement, to insured persons suffering from leprosy, cancer and mental diseases.

The Forward Markets Commission has convened a conference of the Presidents of associations recognised under the Forward Contracts (Regulation) Act 1952 in Bombay for 2nd May 1959. The Conference will be inaugurated by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry.

Negotiations for setting up a small paper mill with a production capacity of 5 tons per day in the Udumalpet area in Madras State have been completed. The factory will be in the private sector. A few details about the scheme are, however, yet to be submitted by the Japanese Consultants who have drawn up the project.

The Government of India has decided to establish a Development Council for automobiles, automobile (ancillary) and transport vehicle industries, including scooters, motor cycles, autorickshaws, three-wheelers and other passenger as well as traffic carrying vehicles. The Council will discharge all the functions mentioned in the second schedule to the Industries (Development and Regulation) Act, 1951.

The problems relating to India's economic development will be discussed at a conference to be held at Washington on 4th and 5th May next under the auspices of the Committee for International Economic Growth. The main speakers at the proposed meeting will be Messrs. Richard Nixon (U.S. Vice-President), B. K. Nehru (India's Commissioner-General for Economic Affairs), Senator John Kennedy, Chester Bowles, H. V. R. Iengar, Averell Harriman, Asoka Mehta, Barbara Ward Jackson and Frank Moraes.

The total electricity produced during December 1958 by public utility power stations in India amounted to 1,120.2 million kwh., of which 932.0 million kwh. were sold to ultimate consumers. The corresponding figures for December 1957 were 956.6 million kwh. and 779.7 million kwh. and those for December 1951 were 499.2 million kwh. and 414.3 million kwh., respectively. The output and consumption of electricity have thus more than doubled since the beginning of the first Plan upto December 1958.

The arrival of the India Steamship Company's 9,000-ton cargo vessel *Indian Success* in Buenos Aires with Indian burlap, jute and shellac heralds the opening for the first time of a new direct shipping service between India and Argentine. At present, the frequency of the service will be approximately once in two months and the duration of sailing nearly 23 days from India to ports of the River Plato. With the addition of more vessels to the fleet, the service will be monthly. After unloading the cargo at Argentine and Uruguayan ports, the India liner will call at European ports for loading cargo for India.

The ninth In-Service-Training-Course in Educational Statistics organised by the Union Ministry of Education commenced on the 6th inst. The course, which will last three weeks, is being attended by 27 trainees from 21 universities. The course includes training in elements of statistics, techniques of designing statistical proforma, diagrammatic presentation of the data, use of mechanical devices, discussion of the various forms, scrutiny of forms, and compilation and consolidation of data. In order to broaden the outlook of the trainees and to make them familiar with the latest trends in education in India and abroad, special lectures by eminent educationalists are also being organised.

The Government-owned D.D.T. factory in Delhi nearly doubled its output in the year 1958-59 as compared with 1957-58. The production of technical D.D.T. and formulated D.D.T. during the year was 1,268 tons and 1,100 tons, as compared with 694 tons and 657 tons, respectively, produced in 1957-58. The increase in production was possible because of the completion of the expansion programme of the factory carried out with the assistance of the U.N. International Children's Emergency Fund and the U.N. Technical Assistance Administration. The increased output has enabled the Hindustan Insecticides to make a substantial reduction in the price of D.D.T. with effect from the 1st inst. The revised prices are Re. 1.31 per lb. (Rs. 4 per kg.) for technical D.D.T. and Re. 1.54 per lb. (Rs. 3.40 per kg.) for formulated D.D.T., as against Rs. 2.50 and Re. 1.75.

Thirty industrial estates for small industries have been completed so far in the different parts of the country. The estates contain factory buildings and other facilities for small industries. Of these, 25 have already been occupied by small industrialists. In the estates now completed, 514 factories have been allotted to small industrialists and 344 more factories are to be allotted shortly. The construction of 30 more industrial estates is well under way and is likely to be completed by the end of this year. Technical approval has been given for setting up another 25 estates and land has been acquired for most of them. Eleven more schemes are still to be received from State Governments. It is expected that, in all, 96 industrial estates would be completed by the end of this year. The total expenditure on these estates is estimated at Rs. 11 crores. When completed, these 96 industrial estates will have about 3,600 factories providing employment to about 50,000 people.

The management of the Okhla Industrial Estate was handed over to the Delhi Administration by the National Small Industries Corporation, Ministry of Commerce and Industry, on the 1st inst. There are 35 factories in the Estate and all of them have been allotted to small-scale units. Twenty-nine of them have already gone into production. The items manufactured by the units in the Estate include amplifiers, radio parts, electric motors, room coolers, power presses, automobile accessories, bicycle parts, lathes, drilling machines, machine tools, safety razor blades, insulated wires and household and utility articles. The small-scale units have already doubled their output. Nearly Rs. 8 lakhs worth of goods are now produced by these units every month. The number of workers employed has also almost doubled. There are now more than 800 workers in the various factories in the Estate. Under the expansion programme, land covering about 69.9 acres has been acquired, on which it is proposed to construct about 150 additional factory sheds.

The Government of India has issued fresh instructions regarding the arrangements for the sale of vehicles with a view to eliminating the malpractices brought to its notice. In order to ensure that registration is bona fide, it will be necessary for customers to furnish to the dealer a bank guarantee of Rs. 2,000 payable when the car is actually delivered, as well as certain particulars which have been prescribed by the Government. The persons whose names have already been registered will also have to comply with these regulations and, if bank guarantees are not furnished to the dealers concerned within one month, their names will be liable to be removed from the register. The dealers, for their part, will have to register all names subject to the fulfilment of the above conditions and sell vehicles to customers strictly in the order of registration. The State Governments have been asked to carry out frequent and periodic checks of the order books maintained by dealers to verify that deliveries are made strictly in the order of registration and not otherwise. Each State Government has also been allotted a small quota of cars from out of the supplies made to that State for meeting the demands of institutions and bodies deserving special priority and the requirements of the State Government. The automobile manufacturers have been advised that the supply of automobiles to different States should be broadly in the same proportion as it was in the years 1956 or 1957 when there were no shortages.

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From Abroad

A factory for the manufacture of clocks at an outlay of £117,000 will be established at Butterworth in Malaya as a joint Malayan-Japanese enterprise.

The Italian Ministry of Merchant Marine budget for 1959 and 1960 provides for a large increase in the subsidies to shipyards, the sum earmarked being £8.6 million, as against £5.8 million paid in 1958.

Exports of U.S. cotton in the current season are not expected to aggregate more than 3.00 million bales, according to the Department of Agriculture. The previous estimate of exports was 3.5 million bales.

Oversea earnings of British films rose to £7,700,000 in 1958, an increase of £800,000 over the previous year. The increase was accounted for by rents, royalties, and sales of rights in films.

The Japanese Ministry of Transport authorised the building for export of 38 ships with a total tonnage of 763,233 G.R.T. during the financial year ended 31st March 1959. The total value of the ships is put at $188 million.

The Netherlands Government has lodged protests with the British Government and the G.A.T.T. against the recent increase of 50 per cent. to 2s. 6d. per lb. in the U.K. import duty on roses, carnations and anemones.

There was a sharp rise of 21,000 to 70,000 in the number of cars exported by France during the first two months of 1959, as compared with the same period in 1958. Shipments of commercial vehicles, however, were lower at 8,140, as against 8,800.

As many as 470,000 million cigarettes were produced in the U.S. during 1958, a rise of 6 per cent. as compared with the production in 1957. The average number of cigarettes smoked by a resident above the age of 15 during the year was 3,700, an all-time record.

The Government of Australia has removed restrictions on imports of 330 more dollar goods with effect from the 1st inst. The items involved cover trade worth about £A170 million a year and represent 20 per cent. of all imports. Already, 50 per cent. of imports had been freed from currency discrimination.

The aggregate exports of cotton cloth from the non-communist countries fell by about 13 per cent. during 1958 as compared with 1957, according to the U.K. Cotton Board. The decline was particularly marked in the case of India, being 30 per cent. Hong Kong, Italy and the Netherlands were the only important exporting countries which reported higher shipments. The total exports of fabrics woven from man-made fibres in the same year were lower by 9 per cent.

Britain's new nuclear power station at Chapelcross, in Dumfriesshire, Scotland, is to be opened on 2nd May 1959. Chapelcross is the first nuclear power station to operate in Scotland and the second in the United Kingdom. The Calder Hall station, in Cumberland, was the world's first to operate on a commercial scale. Chapelcross will consist of four reactors, the first of which began to produce electricity in February. When all four reactors are in operation at the beginning of next year, the station will be supplying about 140,000 kilowatts of power to the Grid system.

A notable expansion in the production capacity of Australia's motor industry has been forecast by Mr. McEwen, the Trade Minister. According to the Minister, about A36 million are likely to be spent on this expansion in the next four years and the total production capacity should rise in four years from the present annual level of 335,000 vehicles to 375,000 vehicles. The value of motor vehicles and parts exported by Australia is at the rate of £A5·6 million per annum. Australia is said to be favourably placed geographically in relation to large growing overseas markets and its motor industry is expected to become a more important earner of foreign exchange. The motor industry is founded mainly on the finance and technology of leading overseas producers. Certain other important overseas manufacturers are considering large-scale expansion in Australia.

A two-year tax holiday for limited companies established after the 1st inst., is one of the proposals contained in the Government of Pakistan's interim three-month budget announced on the radio by the Finance Minister. To qualify, the company's operations must be based mainly on Pakistani raw materials, their paid-up capital should be at least Rs. 2 lakhs and the company must reinvest a minimum of 60 per cent. of its profits during the two-year period. The other proposals are abolition of business profits tax, removal of the distinction between public and private companies, raising of income-tax limit from Rs. 5,000 to Rs. 6,000, tax relief on contribution to charitable institutions, and tax exemption to foreign technicians for a period of 24 months and not for two financial years. Another important tax concession is that the maximum tax payable by any tax-payer shall not exceed 75 per cent. of his income. The marginal rate of tax has been reduced from 87.5 per cent. (in certain cases 97.9 per cent.) to 80 per cent.

PERSONAL

MR. C. C. Chokshi has been elected President of the Council of the Institute of Chartered Accountants of India, in place of the late Mr. S. Vaidyanatha Aiyar.

Mr. T. Swaminathan, Indian Commissioner-General for Economic Affairs in Europe, arrived at New Delhi last week for routine consultations with the Government of India.

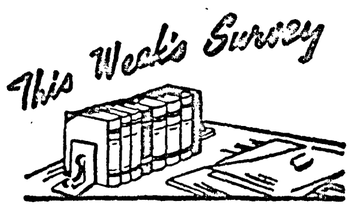
Mr. Jayachamaraja Wadiyar, Governor of Mysore, will be leaving India on the 15th inst. on a three-month lecture-cum-study tour of the U.S., Europe and Africa.

Mr. Rasiklal C. Nagri and Mr. Jaykrishna Harivallabhdas have been elected President and Vice-President, respectively, of the Ahmedabad Millowners' Association for the year 1959-60.

Mr. Vikramsinh S. Vallabhadass and Mr. H. M. Desai have been elected by the Indian National Steamship Owners' Association to represent it on the Board of Trustees of the Port of Bombay for a period of two years from 1st April 1959.

Mr. J. Vyoral, technical and commercial director of Bata Shoe Company Private Ltd., has been appointed the Manag.ng Director of the Company from April, 1959. He succeeds Mr. J. F. Bartos, due to retire next year.

Mr. B. M. Ghia has been elected President of the Association of Merchants and Manufacturers of Textile Stores and Machinery (India) for the year 1959. Mr. J. R. Engineer and Mr. T. Manekal have been elected Vice-President and Honorary Secretary, respectively.



OILS AND FATS

VERY few items of human consumption are as sensitive to income changes as oils and fats. They are foods of high caloric value and, consequently, as people get richer, they spend an increasing percentage of their income upon fats and a decreasing percentage on cereals. To a limited extent, the percentage of income spent on fats and oils can be taken as a rough index of the level of living, at least during the early stages of the migration from a low to a higher standard of living. Oils and fats are not merely items of food. They also form the raw material for a number of toilet products. The demand for these invariably increases, as the incomes and standard of living go up.

It will be interesting to project the demand for oils and fats in a country where incomes are rising and where concerted efforts are being made to make them rise faster. This was attempted by Mr. S. H. Turner, Chairman of Hindustan Lever, Ltd., in the course of his speech at the annual general meeting of the Company, held in Bombay on the 6th inst. According to Mr. Turner, assuming that, in twenty years time. the national income of India would double and that the population would be 600 million, the country will require 3.6 million tons of fat more to eat, and 900 000 tons of oil more for soap and paint. Thus, for food and industrial uses together, 4.5 million tons more fat would be required. The bulk of this would have to come from oilseeds, consumed either as oil or *vanaspati*, and for this 15 million tons more oilseeds would be required. This would mean, in terms of present yields, another 53 million acres under oilseeds, 14 per cent. of India's cultivated land. Obviously, diversion of acreage from other crops to oilseeds on such a scale is impossible.

This, according to Mr. Turner, underlines the need for making increase in yields of oilseeds a major objective of policy. Upto now. in research and in extension services, oilseeds have been given only a low priority. It is certain that, if the immense future needs are to be met, oilseeds' position in the list of priorities should be marked up. More research efforts in improving yield of oil per acre are called for. Not only that. The fruits of scientific research should be carried to the peasants too.

But, however successful these efforts, according to Mr. Turner, the gap between production and demand would continue to widen in the next twenty years. This could, however, be filled by putting up the price so as to cut down demand. But that would be equivalent to curbing the rise in standards of living. There was, however, a few other alternatives also to bridge the gap, partly at least. They are: (1) increased imports; (2) encouragement to crushing of cottonseed and discouraging its use as cattle food; (3) cultivation of new crops such as oil palm and better utilisation of the existing ones; and (4) adoption of better methods of extraction. These suggestions deserve to get top priority at the hands of India's planners.

MILL WORKERS' EARNINGS

Any impartial observer of trends in cotton extile economy in India and abroad will fully gree with the statement of Mr. Kasturbhai albhai, Chairman of the Indian Cotton Mills' ederation, made at the Federation's annual neeting held in the city on Tuesday this week, hat a progressive rise in the *per capita* earnings f mill workers "can be brought about only by ncreasing productivity through rationalisation nd modernisation." While the wage rates in ndian mill sector are very much lower than hose in several other countries, we have, as Mr. asturbhai Lalbhai aptly described, "the dubious distinction of having one of the highest, if ot the highest, wage cost per yard of cloth or per . of yarn." The proportion of salaries, wages nd money value of other benefits or privileges iven by cotton mills to the total ex-factory value of products comes to as much as 24-25 per cent. This is certainly a high ratio which, together with the marked rise in the prices of raw cotton, stores, fuel, etc., and the heavy incidence of taxation, has largely been responsible for the severe cost inflation from which the mills are greatly suffering now. The high labour cost and the use of antiquated machinery was, until recently, compensated by the advantage of cheap cotton. But, for some months now, Indian cotton prices are higher than the world parity. It is to be hoped that the recommendations of the Wage Board for the Industry will be so formulated as to reduce the top-heavy wage structure.

The aforesaid aspect will be appreciated better if one takes a look at what is happening to India's export trade in cotton textiles. The actual shipments of cloth at present is at an annual rate of not more than 600 million yards, as against 804 million yards sold abroad in 1956, 873 million yards in 1955 and 956 million yards in 1954. Mr. Kasturbhai Lalbhai attributed this to the following factors:

"Many of the importing countries are establishing their own mills and this factor, coupled with the inroads on our trade, made by the artificial fibres, has been responsible for a shrinkage in the international trade in cotton textiles from over 6,000 million yards pre-war to about 4,500 million yards. While the traditional exporters, including the U.K., Japan, Hong Kong and India, were competing for a share in the dwindling international market, the entry of China in the field has created an altogether new situation. Apparently, no price is too low for the product of the Chinese industry which is untrammelled by consideration of selling prices having some relation to costs."

An important point that needs to be noted, in this connection, is the fact that, in 1958, India's exports suffered a greater fall than those of any of its principal competitors. This should serve to pinpoint the need for enabling the Indian cotton mill industry to weather successfully the growing competition in world markets.

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The Government of India has done well to allow installation of 3,000 automatic looms and replacement of plain looms by automatic looms at the rate of 2,500 automatic looms per annum. Commending this as a good beginning, Mr. Kasturbhai Lalbhai said that the pace of the much-needed reform must be accelerated in the near future. He was quite right when he urged that, in reconciling the needs of the various sectors of the cotton textile industry, the protection to the weak need not reach the point of strangulation of the strong. In this connection, he alluded to the maximum benefit of Government's benevolence derived by the small-scale powerloom units which neither paid taxes to the exchequer nor adequate wages to labour nor provided employment to large numbers. And he revealed that the Federation proposed to undertake a survey of the growth of these small powerloom units with a view to assessing their effect on the fortunes of other sectors. While the results of the proposed survey will be awaited with much interest, there is no denying the fact that, if a gainful decentralised mill industry is to be encouraged at all, it is best permitted to take the shape of powerlooms; the conversion of handlooms into powerlooms is the only effective solution to the basic defects of the handloom sector. This, however, does not mean that powerlooms should be allowed to grow in a haphazard manner. If properly regulated and co-ordinated with the needs of the economy, the powerlooms can make a significant contribution to both employment and production, without the help of subsidy from the Government which has to be expended on a large scale on handlooms, all at the expense of the mill sector. Indeed, they will even be in a position to contribute something to the Exchequer.

IMPORT POLICY

Both the industry and the trade have reason to feel gratified at the import trade control policy for the licensing period April-September 1959. The policy is notable for three distinct welcome departures from the previous half-yearly policies. First, the import licences for raw materials and components will be issued on a comparatively long-term basis of nine months to a year to 45 scheduled industries borne on the books of the Development Wing, in addition to their normal allotment. This policy will surely go a long way towards ensuring continuity of raw material supply and thereby enable the industries to make advance arrangements for purchasing raw materials and components for the succeeding half-year. Secondly, the basic period for 47 items has been extended by the inclusion of the year 1957-58. Thirdly, the list of items qualifying for actual users' licences has been expanded, alongside of upward revision in quotas for 53 items. The Government has, of course, reduced importers' quotas for several items and actually withdrawn some quotas. But the articles chosen are either less essential items the cuts in imports of which will not affect the cost of living or are those the indigenous production of which has registered an improvement of late.

The licensing of capital goods, heavy electrical plant and machine tools will generally follow the practice as in the previous half-years, with the change that the applicants are now required to indicate the particular country from which they propose to obtain equipment. As the funds available for such licensing from different countries vary and cannot always be used for import from other countries, the importers should, it is said, specify the source of supply, as well as indicate, if possible in order of preference, the alternative sources of supply.

The Government of India's move to adjust import quotas in such a manner as to give relief where it is urgently necessary is a commendable step. Many industries are now in a position to prepare production schedules well in advance without any fear of their being interrupted for want of raw materials and components. It will be recalled that. recently, several industrial establishments, especially in the non-ferrous metal sector, were forced to curtail production operations and some were even compelled to close down throwing out of employment a large number of workers. With the liberalisation of imports, the supply position in respect of many items such as copper and zinc may be expected to ease, although a section of the trade is of the view that the extent of liberalisation is not sufficiently large to have any significant effect on the price structure.

In formulating the import policy, the Central Government has certainly done its best with an eye on the foreign exchange situation. It is true that there has been a notable improvement in the situation; the total foreign assets of India for the week ended March 1959 amounted to Rs. 213.06 crores, as against the lowest level of Rs. 178.43 crores touched in the week ended 31st October 1958. Nevertheless, they are insufficient to cover all the commitments that have already been entered into by India. The assistance that has been promised by this country's friends is adequate only to meet these maturing obligations. Accordingly, fresh imports can be allowed only to the extent exports bring foreign exchange. It is clear, therefore, that the scope for any significant liberalisation in import policy will continue to be limited for sometime to come.

HOUSING

The housing policy of the Government of India came under fire in the Lok Sabha during the debate on the demands for grants for the Ministry of Works. Housing and Supply. Members of the Opposition criticised the Ministry for the unsatisfactory progress of some of the housing schemes. Mr. K. C. Reddy, the Union Minister for Works, Housing and Supply, was certainly justified in pleading that the performance of his Ministry should not be looked at against the background of the enormous housing needs of the country. But it would not suffice merely to point out, as he has done, that his Ministry was not the sole agency in charge of all the housing activities in the country and that the housing targets of the Plan were to be fulfilled by several other Ministries of the Central and State Governments, by institutions like improvement trusts and by the private sector. As the Minister for Housing, it is certainly his responsibility to see that the housing programmes progress according to schedule and, if not, to see that they do so. Otherwise, there is no justification for a separate Ministry for housing.

It is a pity that, despite the urgent need for more and more housing facilities, the housing schemes have not made much headway. The progress of co-operative housing scheme, in particular, has been very slow and this despite the fact that the Government had increased the percentage of loans to be given to them from 50 per cent. to 65 per cent., in addition to the subsidy of 25 per cent., thus leaving only 10 per cent. to be found by the societies. The rate of expenditure, which had lagged behind allotment, is showing some improvement and it is to be hoped that it will gather momentum in the next two years so that the reappraised allotment of Rs. 85 crores for housing under the second Plan will be fully utilised.

The Minister expressed the view that, in order to get over the limitation of finance, the Government would have to tap resources from institutions for implementing the various housing schemes. The Ministry had already approached the Life Insurance Corporation of India which allotted a sum of Rs. 4 crores as loans for 1958-59 and agreed to provide similar sums for a period of three years. Within two months, the entire amount of Rs. 4 crores has been withdrawn by the States. He suggested that the Central and State Governments, local bodies, and other building agencies should be enabled to raise debentures and loans on a large scale for housing. If these obligations were to be made tax-free, as a special incentive to investors and as is the case in several Western countries, large amounts could be raised for housing.

Finding adequate finance is not the only problem. Acquisition of the necessary land for housing construction is another bottleneck. The Government, according to Mr. Reddy, has almost finalised a scheme for bulk acquisition and development of land by the State Governments. A sum of Rs. 15 crores has already been allotted for this purpose in the second Plan. Since most of the major obstacles will thus have been removed, the pace of house-building activity henceforward should quicken. But it is doubtful whether it will actually do so, in the absence of adequate facilities for individuals to build houses. Group activity—co-operative or otherwise—is no effective substitute to individual drive and initiative. Until the Governments recognise this point and give effect to it, the progress of house-building will continue to be at inadequate pace.

PROSPECTS FOR 1959

RESULTS OF ECONOMIC SURVEY

From Our Own Correspondent

LONDON, 3rd April

AS a curtain-raiser to next week's Budget, the Government have published their annual *Economic Survey*. Externally, the picture is hopeful and the *Survey* points out that, for the year 1958, there has been a favourable balance on current account of £455 million. It will be recalled that the first six months of last year gave a balance of £327 million and the second half-year's £128 million is a very substantial reduction. It is, however, this half-year which is more than likely to compare with 1959. Imports are expected to increase steadily in volume as industrial expansion gets under way and it is encouraging that so far there is no indication that import prices are to go up. It is hoped that exports will improve in the coming year, particularly to manufacturing countries whose own industrial recovery is proceeding and partly to the primary producing countries as these increase their overseas sales with the anticipated all-round recovery of increased activity.

LONDON LETTER

But the *Survey* uses the ominous phrase that, in 1959, exports will be harder to sell. In point of fact, last year export earnings were already 3½ per cent. less than in the year before, although, in the latter part of last year, they were maintained at about the same level as the year before.

The U.K.'s overseas investments in 1958 are estimated at £236 million. This is not the measure of investment in the true sense, as it includes capital payments on the North American lcans. In the coming year, there are hardly likely to be the reserves to maintain such a high level, unless the sterling balances are increased. The reserves of the sterling area grew by £284 million in 1958 to a total of £1,098 million, but the *Survey* points out that, in 1959, there will be a number of special payments to be made. First is the payment of £71 million to the I.M.F.—this payment has now been made and as a result the gold and dollar reserves at the end of March fell by £6 million. This is, nevertheless, very satisfactory, since it means that there was a net income of £65 million and even if we deduct from this a special payment by Western Germany on capital account of £22½ million we are left with an increase in the reserves on current account of £42½ million. The general trend of overseas trade and the reserves governs the complacency of the *Survey's* tone on the prospects for the year ahead.

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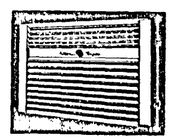

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At the same time, there is an awareness in the document which is obviously a warning in relation to the coming Budget that all the favourable factors can be reversed by an excessive inflation of spending, which does not have any counterpart in improved exports.

But we are also told that, in the last two months of last year, industrial production was higher than in the previous six months and that, in the recent months of this year, unemployment has declined. But it is rather understating the case to say "there is, however, scope for a further expansion of output as well as for employment." Another startling understatement is that "the economy can afford to expand more than in the past three years." As the *Survey's* table of changes in industrial production indicates that the economy has not been expanding at all during the past three years, one must trust that the prospective improvement will be substantial.

The danger to the expansion in the economy is still that wages may run ahead of production. This was happening in 1958, even though, in that year, the increase in wage rates was less than in the previous years. There was only a small increase in labour costs per unit and this increase was roughly offset by lower import prices. All these circumstances will not be repeated in 1959. Indeed, the *Survey* says that, if wage rates rise on the same scale in the coming year without a corresponding increase in productivity, there would be a threat to price stability!

On the other hand, it is generally assumed that purchasing power in 1959 can safely be increased by £300 million, but this is not a *Survey* figure. The document does, however, estimate the increase in investment in the coming year—public investment is expected to go up by £150 million, an increase of 11 per cent. and private investment is reckoned to be maintained at the 1958 level. The biggest increases in public investment are in electricity, railways, and roads. In the private sector, it will be in distribution and other services and housing—on the other hand, it is reckoned there will be a drop of about 10 per cent. in investment in manufacturing industry. In short, the *Survey* underlines what other examinations of the economy have already stated, namely, that there is nothing in the present outlook to indicate the sort of economic expansion which will be any good either to a growth in general productivity or in exports. It remains to be seen whether the Budget measures will provide the stimulus which the *Survey* indicates is also necessary.—*All Rights Reserved.*

HOUSING FOR PLANTATION LABOUR

The Ministry of Works, Housing and Supply, has pointed out, in its latest Annual Report, that the plantation labour housing scheme has not made much headway, because of the inadequate response of planters. The United Planters' Association of Southern India, Coonoor, has this to say on it:

"The plantation industry has always provided accommodation for its workpeople at their own expense without either charging a rent or seeking financial assistance from Government. The industry undertook to expand housing accommodation and modernise old houses at the rate of 8½ per cent. per annum. In South India, new construction and modernisation have been going on for several years at the rate of over 9,000 units per annum at a cost of over Rs. 1.5 crore.

"The Ministry's report refers to a loan scheme meant for only a section of the industry. Even if the response of that section came up to expectations, the housing completed with such assistance will amount only to a small proportion of the total programme, in the fulfilment of which considerable progress has been made as would be borne out by returns submitted by estates under the Plantations Labour Act. The fact that the loan scheme has not met with adequate response would only indicate that the section for which it is intended does not find it attractive enough to be availed of. For the vast majority of planters, it would be unfortunate if the impression is obtained that plantation labour housing programmes have not been in existence or was inadequate."

EXPERIMENTS IN CO-OPERATIVE FARMING

CONGRESS PARTY'S RESEARCH

From Our Special Correspondent

NEW DELHI, 6th *April*

DELHI LETTER

FOLLOWING the recent adoption by the Lok Sabha of a non-official resolution recommending the organisation during the next three years of service co-operatives all over the country so as to prepare the ground for voluntary constitution of joint farming societies, the National Development Council which has just concluded its deliberations here has had for its consideration the report of the Planning Commission's working group on co-operatives. Two patterns of co-operative organisation are visualised in the report. The first pattern is for general adoption; under this, the village co-operatives are to provide short- and medium-term credit, supply agricultural and other requirements and market agricultural produce. They are also to help formulate and implement a plan of agricultural production for the village and undertake other advisory functions. The second pattern of societies is recommended for tribal and chronically backward areas; under this, village co-operatives are to be responsible for production and development, while, for purposes of credit, there is to be a credit union covering a group of villages. It would appear that, even during the three-year period fixed for the organisation of service co-operatives, joint farming on a substantial scale is under contemplation in respect of tribal and backward areas and of surplus lands to be taken over following the imposition of ceilings on existing holdings by the end of 1959 or early in 1960.

In this connection, two notes recently prepared by the Bureau of Parliamentary Research of the Congress Party in Parliament have come to the knowledge of this correspondent. One of these notes is on joint farming and the other on land reforms. The note on co-operative farming starts with the proposition that peasants with small and inadequate holdings, many times lying scattered in fragments, cannot use modern scientific methods for increasing production by individual effort and that, therefore, a pooling of resources is essential therefor. The note then clarifies the main features of the Nagpur Congress resolution on agrarian reorganisation as follows:

(1) As a first step, Service Co-operatives should be organised throughout the country, within a period of three years.

(2) Even within the three-year period, wherever possible, land should be pooled for joint cultivation, the farmers continuing to retain their proprietary rights and getting a share from the net produce in proportion to their land.

(3) Whether a person owns land or not, if he actually works on land, he should get a share in proportion to the work put in by him on the joint farm.

(4) Ceilings should be fixed on existing or future holdings. Lands rendered surplus by the enforcement of ceiling laws should vest in the *panchayats* and should be managed through co-operatives consisting of landless labourers.

There is also an account in the note of the experiences of some democratic countries like Canada, France and Sweden in the field of co-operative joint farming. In Canada, according to this note, joint cultivation has taken the following forms:

(1) Co-operatives in which each farmer pools his equipment and labour while retaining full liberty in the cultivation of his land. (2) Same form as in (1) except that some farming is done jointly. (3) The same as in (1) but all operations are carried on jointly except for cattle breeding, which is still carried on individually. (4) The pure type of joint-farming co-operative in which everything is administered co-operatively: land, capital and labour. In the first three types the land remains the individual property of each member.

The following example of a successful co-operative farm in Canada is also cited:

The Sturgis co-operative farm, under reference, was set up by a group of farmers who pooled their land, their equipment and their labour. The women (wives or sisters) were admitted as members with the same rights as the men. At the outset, the land and the equipment of each of them was assessed and the respective amounts credited to each member as loan capital in the association. Altogether the total acreage cultivated by members of the group was 1,700 acres. In 1946, an 80-acre plot of land close to Sturgis Village was purchased and a communal group of houses erected. The houses are the property of the society. A rent determined by the value of each house is paid by the members occupying it. Returns to members are in the form of interest on capital, monthly wage or dividends from the surplus.

The general principles of some of the co-operative farming societies in France are as follows:

Each member retains the ownership of his land but leases it to the co-operative. The cultivation of these lands is the basis of their joint work. The number of members of the society is small—usually seven—with a total of five agricultural holdings. After an inventory, each member contributes all his cattle and agricultural implements as his share in the organisation. The contributions of each member are valued and equalised by the payment of supplementary shares in cash. The equal daily, monthly or annual sharings, based on the income from crops and animal products, are determined by the "general assembly." The larger families who are in need of supplements have prior right of purchase at the co-operative. At the end of the season, each member is granted a bonus proportionate to the area of the land leased by him.

The Swedish Government looks upon the existence of an independent peasantry as a social necessity, but relatively few Swedish farm holdings are large enough to permit full utilisation of the modern technical equipment that could raise net farm incomes high enough to discourage a drift from the land.

In 1946, a committee was set up by the Swedish Government. It recommended that the law should provide for the establishment of joint farming societies, which, according to the Committee's proposals, might take one of two forms: (a) Neighbouring farmers may pool their land, receiving in return a proportionate number of shares in the joint farming society, in which the property becomes vested.

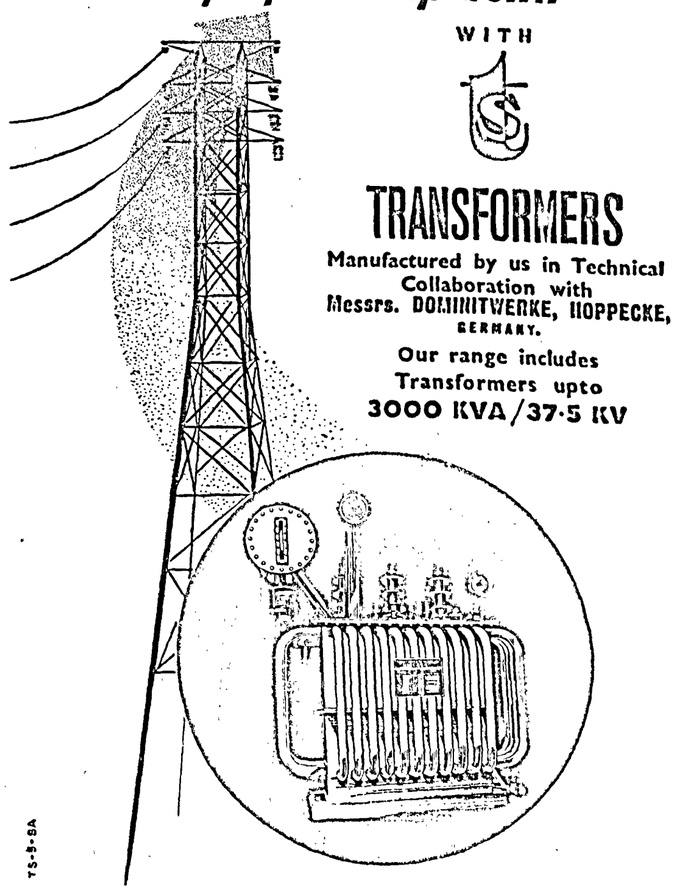
(b) Landless farm workers or other persons with agricultural experience may combine to purchase a large farm or to rent land from the State or a private owner with a view to operating it on a co-operative basis.

The societies would be registered with the State Board of Agriculture. Members would be both entitled and obliged to take part in the work on the joint farm and would receive payment therefor in accordance with the terms of the collective agreement for agricultural workers. After the prescribed wages had been paid and the specified sums allocated to reserves and the fixed interest charges met, any remaining surplus could be distributed as an extra wage bonus. In conclusion, the report emphasised that joint farming co-operatives should be eligible to receive Government loans and grants in the same way as individual farmers. The proposals of the Committee were adopted by the Swedish Government and approved by Parliament. Acts Nos. 218 and 219, promulgated on 30th April 1948, followed the main lines of the Committee's report.

Apart from activity on the legislative plane, a few spontaneous efforts at joint farming have been made in Sweden. For instance, a number of peasants in the province of Jamtland decided to develop their holdings on a more rational basis by pooling and jointly working the 130 hectares which they leased to the co-operative for 30 years. Each member further subscribed a share of 100 kroner per hectare to provide the society with funds to buy farm machinery. The members retain the use of that part of their property required for their family's subsistence. The creation of such co-operatives strengthens the small peasant holding thus associated by this method with a larger farm unit that can be cultivated more rationally.

On the basis of the foregoing account, the note prepared by the Research Bureau of the Congress Party in Parliament asserts that co-operative farming has been practised success-

(*Continued on page 628*)



HOW TO BEAT INFLATION

[Inflation is a world-wide problem. No country is free from it, the difference between one country and another being only one of degree. In some countries, it is mild; in others, it is moderate and, in quite a few others, it is pretty severe. People all over the world—we refer only to the free world here—are trying to protect themselves against falling value of money. But is there any effective protection against inflation to the community as a whole or even to the vast majority of people? An answer to this question is sought to be provided by the Monthly Bank Letter *of the First National City Bank of New York in its latest issue, namely, April 1959. The authors of the* Letter *have examined the efficacy of the various forms of hedge against inflation, such as gold, precious stones, housing, equities and commodities and come to the conclusion that none of these could protect the vast majority of people against inflation. Perhaps only a few lucky people, with sufficient resources and knowledge of the intricate technique of market operations, could hope to win the battle against inflation by resorting to these "shields." The only remedy for inflation, in their opinion, is for the people to get together and force the authorities to give up inflationary financing. The article is of topical importance to this country, inasmuch as our economy is characterised by built-in inflation and many investors are of the view that they can comfortably cover themselves against its corroding influence on values by placing their savings in shares, bullion, buildings and commodities. We, therefore, reproduce it on this page, with due acknowledgment to the First National City Bank of New York.—*EDITOR]

THERE is an old political adage that runs, "if you can't lick 'em, jine 'em." This same philosophy seems to have spread into the financial arena, as more people have come to believe in the inevitability of a dwindling dollar and have sought to shield themselves accordingly. Indeed, for many, the attitude is more than mere capitulation to the forces of inflation: it is a willingness to relax and enjoy it in the belief that they are clever enough to stay at least one whirl ahead in the spiral.

Growing inflation consciousness may seem unwarranted, in view of official assurances that the cost of living will be "quite stable in the months ahead." Excess productive capacity, tightening up on business efficiency during the recession, and lower food prices should help to hold consumer prices in check over the near term.

Those who foresee long-pull inflation (interrupted now and then by periods of overall price stability) base their belief on continuance of the cold war with its requirement of heavy defence spending, pressures of higher wages and taxes, Government "full employment" policies, and, generally, the growth of the Welfare State, which emphasises abundance of spending power.

There is no lack of evidence that fears of continued inflation have been influencing people's investment decisions. As a consequence, ironically, the worst price inflation has been in popular inflation hedges, such as the stock market.

Seeking Inflation "Shields"

Cost-of-living escalator clauses in wage contracts now cover over four million workers—more than double the number in 1955, according to the U.S. Labour Department. Last August, the American Federation of Government Employees called for an escalator plan of annual adjustments that would "keep pay in line with living costs." Not long ago, a business leader urged the Treasury to put out "inflation-proof" bonds with interest payments tied to the cost of living. And a prominent economist suggested last month that Social Security checks be fitted with the same kind of escalator clauses.

Variable annuity plans have been developed under which assets would be invested in part in common stocks and annuity payments would vary with investment results, including dividends and changes in market value. Price supports for agriculture put farmers on a sort of escalator which increases their income as their costs go up.

In the money market, higher interest rates reflect among other things the demand of savers for better rates and the expectation that the dollar repaid tomorrow may be worth less than the dollar lent today. In the security markets, investor eagerness for stocks and lack of enthusiasm for fixed-income bonds stems in part from what a Federal Reserve Board Governor described not long ago as "almost psychotic fears of inflation in the future." And, finally, another sign of the times is the announcement last week that New Jersey will put some of its $750 million pension funds in stocks. Previously, they could only be invested in bonds.

This heightened interest in inflation "shields" makes timely an analysis of their effectiveness as safeguards against the hardships and inequities brought on by a currency that steadily loses value.

First, a word or two about escalator clauses in wage contracts, which link wages to the cost of living through the consumer price index.

While the buying power of the pay cheques covered by such contracts might be preserved in the face of price rises, that of other items not covered—such as insurance policies, bank accounts, government savings bonds, etc.—would go down. And, of course, gains to those able to hedge through escalator arrangements are at the expense of everyone else in the community whose incomes do not go up and whose purchasing power is reduced by the higher prices.

Perhaps more fundamental, wage escalation weakens the resistance of workers to inflation, even giving them a sense of profiting from the process. Thus, they fail to support efforts to get at basic causes, including excessive government spending and deficits financed by "cheap" money. Inflation becomes "built-in." As higher wages and costs bring on higher prices, escalators give wages a further push. Then, as costs go up, prices rise again, bringing still another turn of the wage screw, and so on in a mounting spiral.

Dr. Paul McCracken, a former member of the President's Council of Economic Advisers, summed up the impact of escalators in the *Michigan Business Review* of September 1955:

Price inflation is the way market forces endeavour to boil the surplus purchasing power out of the system. But, if we set up escalator machinery by which as fast as the excess is removed, it is promptly pumped back into the economy, the end result of a policy of slowly rising prices is certain to be prices rising not so slowly.

Gold, Art Treasures and Gems

In foreign countries, gold, art treasures, and gems have been historic inflation hedges.

While people in this country (the U.S.) cannot acquire gold at the statutory price of $35 an ounce, they can buy it and have it stored in foreign countries such as England, Switzerland, and Canada. However, the buyer must pay storage charges, meantime receiving no return on his investment—unless, of course, the price of gold is raised. Even then, there is the risk that tax or other impediments may bar a gain on such an increase.

Some people buy *objets d'art*. An auction in London not long ago, widely publicised in the press, provided examples of how the right paintings can show fantastic appreciation in value. A Van Gogh, reportedly bought 30 years ago for $15,000, brought more than $369,000.

But not all paintings prove so lucrative, as the *Saturday Review* pointed out in a 6th December article, "Does Rembrandt Pay Dividends?":

Consider some of the prices paid by the late Edward T. Stotesbury of Philadelphia, and those brought for the same pictures when sold at auction in 1944. George Romney's "Portrait of Captain Stables" declined from $50,000 to $5,500; Sir Thomas Lawrence's "The Hon. Caroline Upton," $50,000 to $9,000; . . Hoppner's "The Tambourine Girl," $300,000 to $10,000; Romney's "The Vernon Children," $225,000 to $22,000.

Being able to select the right paintings requires a high degree of knowledge and skill—and even expert judgment may be proved wrong because of unpredictable changes in tastes and fashions.

(*Continued on page 591*)

BRITISH BANK OF THE MIDDLE EAST

FALL IN TURNOVER

THE connection of the British Bank of the Middle East with India dates back to 1891, though it has not been a continuous one. It had a branch in Bombay from 1891 to 1900 and again from 1919 to 1934 and another one in Calcutta from 1892 to 1895. The main reason for the lack of continuity in its connection was the then trend of trade between this country and Persia (Iran). After a long break, the Bank re-established itself again in India in 1954 by taking over the branches in Bombay and Calcutta of the Nationale Handelsbank N.V. with effect from 1st January of that year, thanks to the improved trade relations between India and the Middle East, where the Bank has branches. The branches of the Nationale Handelsbank N.V. were taken over as going concerns, thus securing a foundation on which the British Bank of the Middle East could enlarge considerably the business which had been built in the immediately preceding years. In 1957, however, the Directors of the Bank decided to close its office in Calcutta, as they felt that the trade between the Middle East and India could be adequately served by maintaining an office in Bombay alone. The Calcutta office was accordingly closed in April 1958.

The results of working of the Bank in India during the year ended 31st December 1958 are not strictly comparable with those of the previous year, as they relate to only one branch, whereas those of 1957 relate to two offices. Attendant upon the closure of the Calcutta office, the Bank had to incur heavy additional expenditure, such as payment of additional gratuity and compensation to the retrenched staff. This largely accounted for the substantial shrinkage in the Bank's profit for 1958 from Rs. 11.17 lakhs to Rs. 1.27 lakhs.

With the sum of Rs. 5.28 lakhs brought in from the previous year, the Directors have remitted to the London office of the Bank a sum of Rs. 4.24 lakhs, leaving to be carried forward Rs. 2.31 lakhs.

Reflecting the shrinkage in business is the fall of Rs. 9.92 lakhs in interest and discount earned to Rs. 14.24 lakhs and of Rs. 2.80 lakhs in commission and exchange to Rs. 8.87 lakhs. Interest paid on deposits and borrowings has also dropped by Rs. 2.70 lakhs to Rs. 2.29 lakhs. Expenses have not, however, declined. On the contrary, for reasons stated already, they have gone up from Rs. 19.66 lakhs to Rs. 20.46 lakhs, as will be seen in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount earned	14.24	24.16	15.04	20.36
Commission and exchange	8 87	11 67	14.12	13.11
Interest paid	2.29	4 99	6 62	5 84
Expenses	20.46	19 66	20.92	18.00
Depreciation	0.08	0 20	0 11	...
Profit	1.27	11.17	1.59*	9.63*
Provision for taxation	...	5 82	...	...
Remitted to London Office	4.24	0 24	3.33	8.59
Carried forward	2.31	5.28	0.18	1.92
	As on 31st December			
	1958	1957	1956	1955
Deposits	1,21.94	1,67.06	2,40 99	2,44.45
Borrowings from other banks	...	71.00	15.00	10.00
Bills for collection	85.94	1,49.68	1,31 07	1,31.10
Acceptances and endorsements	2,34.92	1,91 27	2,38 85	2,03.52
Advances	2,92 05	3,45.70	4,10 26	5,57.45
Investments	35.55	42.28	38 53	30 92
Cash	21.70	34.19	51.68	74.04
Balance-sheet total	6,71.73	7,63.95	8,73.61	9,99.44

* After providing for taxation, the exact amount set aside for the purpose is not known.

The deposits of the Bank have declined by Rs. 45 lakhs to Rs. 1.22 crores, thus maintaining the downward trend noted since 1955. It must, however, be noted that the fall in deposits during 1958 is much less than that in 1957. Fixed deposits show a slight expansion from Rs. 21.63 lakhs to Rs. 22.24 lakhs, while current and other accounts have shrunk from Rs. 144.43 lakhs to Rs. 99.70 lakhs. As against a decline of Rs. 45 lakhs in deposits, the fall in advances to Rs. 2.92 crores is of the order of Rs. 54 lakhs. With this, the Bank's advances have dropped by Rs. 2.65 crores in the last three years. Loans, cash credits and overdrafts have declined from Rs. 1.80 crore to Rs. 1.31 crore and bills purchased and discounted from Rs. 1.65 crore to Rs. 1.60 crore, mainly due to the fall in bills payable outside India from Rs. 1.35 crore to Rs. 81 lakhs. Bills payable in India are higher at Rs. 79.13 lakhs, as against Rs. 30 lakhs a year before.

CANARA BANKING CORPN. EARNS MORE

DIVIDEND MAINTAINED

THE working of the Canara Banking Corporation Ltd. (General Manager: Mr. V. R. Kamath, Udipi) during the year ended 31st December 1958 has resulted in a slightly higher profit of Rs. 4.02 lakhs, as compared with that of Rs. 3.75 lakhs in the previous year. This rise—albeit small—provides one of the few exceptions to the general trend and has taken the Bank's profit to a fresh record level in its history. There has been an expansion of Rs. 1.34 crore in the Bank's deposits, accompanied by a rise of Rs. 52 lakhs in advances and of Rs. 92 lakhs in total liquid assets.

Following the rise in profit, the provision for taxation has been raised from Rs. 1.60 lakh to Rs. 1.75 lakh. The allocation to the reserves has also been stepped up from Rs. 80,000 to Rs. 93,000. The Directors have also made a provision for payment to all permanent staff of the Bank of a bonus equal to 1/12th of the basic pay earned by them during the year. The distribution to ordinary shareholders has been maintained at 10 per cent. made up, as usual, of a dividend of 8 per cent. and a cash bonus of 2 per cent.

The growth of the Bank in recent years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount earned	34.91	28.38	23.18	18.05
Commission and exchange	8 36	6.66	5.17	4.57
Interest paid	22.53	17.46	13.28	9.70
Expenses	16.47	13.58	11.81	9.46
Depreciation	0.37	0 37	0 40	0.33
To bonus to staff	*	0 23	0 72	...
Profit	4.02	3.75	3 55	3.34
Provision for taxation	1.75	1 60	1.47	1.00
To reserves	0.93	0.80	0.73	0.94
Dividends—				
Preference	0.58	0.58	0 58	0 58
Ordinary	0.75 (D. 8% +B. 2%)	0.75 (D. 8% +B. 2%)	0.75 (D. 8% +B. 2%)	0.82 (D. 8% +B. 3%)
Carry forward	0.07	0.06	0.04	0.02
	As on 31st December			
	1958	1957	1956	1955
Capital	20 00	20 00	20 00	20.00
Reserves	14.40	13.55	12.75	12 00
Deposits	7,19 35	5,85.76	5,18.20	4,23 51
Borrowings from other banks	29.14	35.47	74 22	25.73
Advances	3,05 29	3,43 48	3,07.76	2,53.27
Investments	3,05 65	2,29 55	2,55 35	1,75.46
Cash	1,09.44	94 03	76.63	93.67
Balance-sheet total	9,18 94	7,49.53	7,04 25	5,45.09
Ratio to deposits of—	%	%	%	%
Advances	54.9	58.6	59.4	52.5
Investments†	40.6	39 2	49.2	41.4
Cash	15.2	16.1	14.8	22.1

* 1/12th of the total basic pay drawn during the year.
† Ratio arrived at after taking into account the investments pledged against borrowings from other banks.

The rise of Rs. 6.53 lakhs in interest and discount earned is accompanied by an increase of Rs. 1.70 lakh in commission and exchange. As against this, "interest paid" has gone up by Rs. 5.07 lakhs and expenses by Rs. 2.89 lakhs. Though the profit of the Bank for the year under review is slightly higher than that for 1957, its ratio to gross income has shrunk from 10.7 per cent. to 9.3 per cent.

The total working funds of the Bank have improved by Rs. 1.69 crores during the year under review, thus maintaining the upward trend noted in previous years, thanks to the rise of Rs. 1.33 crore in deposits. It may be noted here that the pace of expansion in deposits during the year under review is larger than that in 1957 or in 1956. The rise is shared by all classes of deposits. Fixed, cumulative and other time deposits, at Rs. 4.72 crores, account for the bulk of it, namely, Rs. 95 lakhs. Savings bank deposits have gone up by Rs. 10 lakhs to Rs. 1.14 crore and current and other accounts by Rs. 29 lakhs to Rs. 1.33 crore.

On the assets side of the balance-sheet, there has been an increase of Rs. 52 lakhs in bank credit, of which bills purchased and discounted alone, at Rs. 1.30 crore, account for Rs. 43 lakhs. Loans, cash credits and overdrafts show a rise of only Rs. 9 lakhs, at Rs. 2.66 crores. The investments have been enlarged by Rs. 76 lakhs and cash balances by Rs. 15 lakhs. The unencumbered investments and the cash resources together provide a coverage of over 55 per cent. to the deposits, as in the previous year, though this ratio is much lower than that (64.0 per cent.) maintained at the close of 1956.

The Bank opened four new branches during the year, bringing the total number to 53.

YEAR OF EXPANSION FOR CANARA BANK

PROFIT, HOWEVER, SHRINKS

THE year ended 31st December 1958 was one of expansion in many directions for the Canara Bank Ltd. (General Manager: Mr. P. S. Nayak, Bombay). Its deposit resources expanded by Rs. 6 crores and, over the year, its advances rose by over Rs. 2 crores. The liquid assets were strengthened by Rs. 4 crores. There was an addition of seven branches during the year and the Bank's ties with leading foreign banks were strengthened. A few officers of the Bank had had refresher courses in America and Hamburg. The Bank also added to its range of services the Executor and Trusteeship business.

The profit of the Bank for the year under review, however, suffered a slight drop from the record level of Rs. 15.29 lakhs to Rs. 14 lakhs, thus reversing the upward trend noted in the previous ten years. The fall in profit, which is in consonance with the general trend, is due to the rise in interest rates on deposits, sharp increase in administrative expenses and to the fact that the level of advances was generally lower than that in the previous year. Consequent on the fall in profit, the provision for taxation has been reduced, albeit at a larger scale than the decline in profit, from Rs. 7.30 lakhs to Rs. 3.91 lakhs. No addition has been made to the reserves, which had received Rs. 4 lakhs from the profit for 1957. The provision for bonus to staff has, however, been raised from Rs. 1.90 lakh to Rs. 2.10 lakhs. The dividend on ordinary shares has been maintained at 10 per cent., but this is on an increased capital.

The Bank earned during the year by way of interest and discount an income of Rs. 91.11 lakhs, which represents an increase of Rs. 29.05 lakhs over the year. This rise compares favourably with that of Rs. 12.52 lakhs recorded in 1957. Income from commission and exchange has also recorded a rise of Rs. 0.63 lakh to Rs. 24.41 lakhs. The larger income from these two sources has, however, been more than offset by the increase of Rs. 23.29 lakhs in interest paid and of Rs. 7.57 lakhs in administration expenses, as will be seen from the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount earned	91.11	62 06	49 54	36 34
Commission and exchange	24 41	23 78	20 13	15.92
Other income	6 13	5 77	...	...
Interest paid	60 61	37 34	26 73	17 67
Expenses	45 00	37.43	34.16	26 46
Depreciation	2 03	1 55	1 24	0 93
Profit	14 00	15 29	12 31	10 01
Provision for taxation	3 91	7 30	4 60	3.75
To reserves	...	4 00	2 00	3 00
,, bonus to staff	2.10	1.90	2 05*	1.25
Dividends—				
5 per cent. preference	0 52	0 52	0 52	0 52
Ordinary	2.55 (10%)	1 50 (10%)	2 25 (15%)†	1.50 (10%)
Carry forward	0 37	0.45	0 38	0.19
	As on 31st December			
	1958	1957	1956	1955
Capital	40 81	29 00	29 00	29 00
Reserves	51 24	40 00	32 00	29 00
Deposits	23,76.03	17,84 40	14,32.06	11,95.57
Advances	10,03.02	8,79 37	7,73 43	6,04 06
Investments	10,06.67	5,45 60	5,12.92	3,88 64
Cash (including money at call and short notice)	4,11 67	4,60 52	2,24 30	2,83.17
Balance-sheet total	30,53.04	23,00.71	20,51.60	17,65.73
Ratio to deposits of—	%	%	%	%
Advances	46 0	49 3	54 0	50 9
Investments	42 4	30 6	35 8	32.5
Cash	17.3	25.8	16 8	23.7

* Includes golden jubilee bonus.
† Includes a golden jubilee bonus of 5 per cent.

The Bank issued, during the year, 42,000 new ordinary shares of the face value of Rs. 50 each at a premium of Rs. 15 per share. Of this issue, 34,800 shares were offered to the then existing shareholders of the Bank and 7,200 shares to its confirmed employees. The issue was fully subscribed. The shares set apart for employees were taken up by a majority of them.

The Bank's deposits swelled by Rs. 5.92 crores to Rs. 23.76 crores. Contrary to the general trend, this expansion in deposits was much more than that in either of the two previous years. The bulk of the rise is accounted for by fixed deposits, which rose by Rs. 4.66 crores to Rs. 12.60 crores. Savings bank deposits also increased by Rs. 56 lakhs to Rs. 3.39 crores and current and other accounts by Rs. 50 lakhs to Rs. 7.77 crores. Of the rise of Rs. 2.14 crores in the Banks' credit portfolio, loans, cash credits and overdrafts account for Rs. 1.64 crore, at Rs. 6.97 crores, and bills purchased and discounted for Rs. 50 lakhs, at Rs. 3.96 crores.

HOW TO BEAT INFLATION

(Concluded from page 589)

Many people consider precious stones, rare coins, stamps, manuscripts, and antiques as good inflation hedges. Like paintings, these objects can give pleasures of possession. But they have uncertain markets and involve expenses to hold, insure, and resell. The job is one for the shrewd judge of values, not for the amateur.

As for the more mundane hedges—real estate, common stocks, commodities—the following table illustrates what happened from December 1948 to December 1958, the most recent decade for which figures are available.

During that period the consumer price index rose over 20 per cent., cutting the purchasing power of the dollar by about 17 per cent. The table shows changes in principal values over the decade, measured both in current dollars and in dollars of 1948 buying power.

Changes in the Nominal Value of Various Types of Investments 1948-58, in Current Dollars and in Dollars of 1948, Purchasing Power

	Nominal Value		% Change in Nominal Value	% Change in 1948 Dollars
	Dec. 31, 1948	Dec. 31, 1958		
	$	$	%	%
Cash	100.00	100.00	..	— 16.7
Bonds—				
U.S. Treasury 2½s of 12/15/67-72	100.15	85.20	— 14.9	— 29.1
New York City 4s of 10/1/80	124.25	102.00	— 17.9	— 31.6
State of New York 1½s of 3/15/85	86.53	66.80	— 22.8	— 35.7
Fifi. Stock—Average— (Standard and Poor's)	169.50	151.70	— 10.5	— 25.4
Com. Stocks—Averages— (Standard & Poor's)				
Railroads	13.92	34.39	+147.1	+105.8
Industrials	15.12	58.67	+290.0	+224.9
Public Utilities	16.04	43.28	+169.8	+124.8
Fire Insurance	13.05	34.30	+162.8	+118.9
New York City Bks.	11.18	24.25	+116.9	+ 80.7
Real Estate—				
Selling Price, Typical 1-Family Residence*	14,231	17,220	+ 21.0	+ 0.8
Farm Real Estate, Department of Agriculture Index (1947-49=100)	106	163	+ 53.8	+ 28.1

* Computed from Roy C. Wenzlick & Co., *The Real Estate Analyst.*

It will be seen that, *for this particular period, the owner* of property or equities in property, has—typically—come out well ahead of holders of cash or fixed income investments.

Thus, the owner of a "typical" one-family residence saw his investment about keep pace with the cost of living. But how many own a "typical" residence? Actually, many homeowners did considerably better, others considerably worse, than is recorded in the table. Investing in housing can be hazardous, involving all sorts of risks—location, neighbourhood shifts, changes in style preferences, rent controls (in the case of landlords), to say nothing of the impact of the alternating cycles of ups and downs, both in the economy at large and in the building industry itself. And realising on paper profits can involve a long wait, as well as costs of sale.

Farm land values registered an even larger increase in the period shown—though the rise was not without interruptions. Farm land prices declined in 1949 and again from mid-1952 to the end of 1953. As in the case of homes, "average" farm values can be much different from specific cases.

Buying Common Stocks

As for common stocks, the "average" investment paid off handsomely over the decade. In actual practice, of course, investors do not buy an "average" stock but a specific issue. Thus "average" gains can be misleading.

Many stocks have declined in value, or have become worthless, even though the general market trend has been upward. At the end of 1958, more than one-third of all common stocks listed on the New York Stock Exchange were selling below their highs of 1946, twelve years earlier.

Not only what to buy but when to buy is important. Investors who bought at peak periods in the market have had to be patient indeed. It took 16 of the 30 stocks presently in the Dow-Jones industrial average more than 20 years to get back up to 1929 highs—and four of the stocks still haven't made it. Measured from 1946, 12 stocks took between five and seven years to recapture their '46 high. Two others took more than 12 years and one has not yet regained its '46 peak.

Picking the right stocks at the right time is no simple matter. The increasing popularity of mutual funds (net sales of shares totalled nearly $1.5 billion last year, as against only $433 million five years earlier) reflects a growing willingness on the part of the investor to pay "load" charges, in order to get diversification and expert management. Even so, there are problems of selecting the right fund. The National Association of Investment Companies lists more than 150 mutual fund members.

Five other points need to be noted when considering stocks as an inflation hedge.

First, common stock prices, contrary to popular notion, do not move up in any systematic way with the cost of living. Indeed, stocks have quite often declined at the same time as consumer prices were rising. The following table, based on stocks in the Dow-Jones industrial average, gives the record for more than half a century:

Some Common Stock Declines Since 1900 *vs. Consumer Price Index*

Period	Stock Prices % Change	Consumer Prices % Change	Interval to recover Stock Price High
June 1901 to Nov. 1903	—46	+ 6	45 months
Jan. 1906 to Nov. 1907	—49	+ 7	122 ,,
Nov. 1916 to Dec. 1917	—40	+19	22 ,,
Nov. 1919 to Aug. 1921	—47	— 4	61 ,,
Sept. 1929 to Nov. 1929	—48	— 0.4	302 ,,
Apr. 1930 to July 1932	—86	—20	287 ,,
Mar. 1937 to Mar. 1938	—49	— 1	105 ,,
Oct. 1939 to Apr. 1942	—40	+15	63 ,,
May 1946 to June 1949	—24	+29	47 ,,
Apr. 1956 to Oct. 1957	—19	+ 5	29 ,,

Source: November, 1957, *Journal of Insurance*—except for the last two periods which are our own computations.

Second, at recently prevailing price levels, the stocks of many well-known companies are selling at prices which give a current yield of 2½ per cent. and even less. Purchases at such prices can be rationalised by the shrewd investor on a basis of anticipated dividend increases over the years to come. As the following table shows, however, purchases of stock on a yield of 2½ per cent. involve either a long period of waiting for a more substantial return, or quite rosy expectations for the future course of dividend payments.

*Purchase of Stock Yielding 2½ per cent.**

Assumed rate of annual dividend Increase	Years to equal return at top of column					
	5%	6%	7%	8%	9%	10%
3%	23½	29½	35	39½	43½	47
5%	14½	18	21½	24	26½	28½
10%	7½	9½	10½	12½	13½	14½
15%	5	6½	7½	8½	9½	10

* Calculations from Moody's Investors Service.

Third, when measuring nominal gains, allowance must be made not only for the general rise in prices hedged against, but also for the capital gains tax.

Fourth, the value of stocks must reflect, in the long run, the earning power of business. This, in turn, will be vitally affected by government programmes and policies, taxes, controls and regulations. Rising business profits and dividends do not necessarily follow from higher consumer prices. It is worth noting what happened to common stocks in Great Britain during the years 1946-50 when the Labour Party was in power. During those years—marked by very high taxes, nationalisation (and threat of nationalisation) of industry, rigid government controls, and basic antagonism towards private business—though the British cost of living rose nearly 22 per cent., prices of industrial shares dropped 17 per cent.

Finally, using common stocks as an inflation hedge would prove futile if everybody tried it. Shifting to equities would develop accelerating advance in their prices to a point where collapse from overvaluation would almost certainly ensue. In eluding inflation, as in fleeing from a burning theatre, the greater the number of people who try to crowd through the same exit the smaller the chance for successful escape.

Putting Money in Commodities

As for commodities as an inflation hedge, the warehousing of bulk commodities is not a practical enterprise for most people. Dealings in "futures" markets for cotton, cocoa, wheat, and so forth are pretty much short-term speculative ventures for people not engaged in the particular business, rather than long-term investments. Frequent moves in and out of commodity markets mean commission costs which eat into profits.

Moreover, commodity prices can register violent swings under the influence of war (or threat of war), weather and crop developments, and changes in Government programmes and policies. Individually, their movements can be quite independent of the cost of living. It is impossible to anticipate tomorrow's needs for living at today's prices.

The record for 10 commodities in the past decade is shown in the table. Prices of half were lower than 10 years earlier.

Changes in Spot Prices of Basic Commodities
(Dollars per unit)

	31-12-1948	31-12-1958	% Change
	$	$	%
Cocoa, lb.	0.30½	0.40	+31.1
Copper, lb.	0.23¼	0.29	+23.4
Corn, bu.	1.41	1.13	—19.9
Cotton, lb.	0.33	0.34	+ 3.0
Platinum, oz.	91.61	52.00	—43.2
Rubber, lb.	0.19	0.31	+63.2
Silver, oz.	0.71½	0.90	+25.9
Tin, lb.	1.03	0.98	— 4.9
Wheat, bu.	2.27	1.93	—15.0
Wool, lb.	1.80	1.10	—38.9

There is no question but that some people have defended themselves against inflation through shrewd (and sometimes lucky) investments in art treasures, commodities, stocks, or real estate. For the most part, however, such people were skilled in the techniques of the various markets and had capital they could risk.

Not everyone has these opportunities. A person, in good conscience, cannot speculate with funds put aside for family emergencies or for the children's education. And not everyone is financially sophisticated, expert enough to avoid frequent investment pitfalls.

No one can really know what will be the best inflation hedge in the decade to come. What worked in the past 10 years is not necessarily a guide for the future. All that is sure is that the pattern will be different.

What this all adds up to is that for the individual there is no foolproof method of protection against inflation at all times and under all circumstances. And for the community as a whole there is no hedge against inflation. The only way to beat inflation is to prevent it and have money people can trust.

C. Canby Balderston, Vice-Chairman of the Federal Reserve Board of Governors, made this point in a speech last November before the Society of Chartered Life Underwriters in Hartford:

"While the majority of investors cannot outrun inflation, they can do something to protect themselves against it; that is, they can unite to fight it by demanding prudence in the management of national affairs and by exercising it in the conduct of their own. In short, they can insist that the nation not spend more than it earns through production and that their government live within its income."

STATE BANK OF SAURASHTRA

The activities of the State Bank of Saurashtra (General Manager: Mr. G. D. Puri, Bhavnagar), incorporated under the Saurashtra Ordinance No. X of 1950, are confined to the area comprised of the old Saurashtra State. It has branches in practically every important business centre of this region, the total number of offices now aggregating 61, made up of 24 branches and sub-branches and 37 pay offices. Though there was no expansion of branch banking during the year ended 31st December 1958, the Bank extended safe deposit facilities to two more offices during the year under review, bringing the total number of offices where such facilities are available to 38.

The Bank continued to extend, in an increasing measure, banking facilities throughout the region where it serves, thus making a useful contribution to the promotion of trade, commerce and industry in that region. The Bank continued to afford special facilities on favourable terms to co-operative banks and land mortgage banks. All these resulted in an expansion of the Bank's business during the year under review, despite the keen competition of private commercial banks. Its deposits grew by Rs. 73 lakhs to Rs. 16.45 crores and advances by nearly a crore to Rs. 7.87 crores. The gross income, too, rose from Rs. 82.09 lakhs to Rs. 84.99 lakhs.

The net profit of the Bank, however, suffered a sizable shrinkage from Rs. 22.84 lakhs to Rs. 16.29 lakhs, thus not only reversing the upward trend noted in previous years but bringing it down to the lowest level since 1953. The profit was affected by "payment of high rates of interest on deposits and higher establishment expenses." In line with the general experience of banks. The Directors have added a sum of Rs. 3.30 lakhs to the general reserve, Rs. 1.20 lakhs to the investment reserve and Rs. 2 lakhs to the bad debt reserve. A sum of Rs. 2.40 lakhs has been set aside as provision for bonus to staff and Rs. 30,000 as pension contribution to covenanting State servants. The Government's share of the profit amounts to Rs. 7 lakhs, of which a sum of Rs. 2.5 lakhs has already been paid.

The Bank's income from interest and discount has risen from Rs. 68.38 lakhs to Rs. 72.71 lakhs and that from commission and exchange from Rs. 7.19 lakhs to Rs. 7.27 lakhs. These are offset by the increase of Rs. 7.80 lakhs to Rs. 47.95 lakhs in interest paid and of Rs. 1.58 lakh to Rs. 19.47 lakhs in expenses.

The deposits of the Bank as at the end of the year amount to Rs. 16.45 crores, made up of fixed deposits Rs. 7.45 crores, savings bank deposits Rs. 4.43 crores and current and other accounts Rs. 4.56 crores. There were no outstanding borrowings from other banks at the end of the year, while at the close of 1957 they aggregated Rs. 1.68 crore. Advances have risen from Rs. 6.88 crores to Rs. 7.87 crores, while, contrary to the general trend, the Bank's investments (at or below cost) stand lower at Rs. 7.35 crores, as against Rs. 9.07 crores a year before. The market value of these investments is Rs. 7.09 crores. Cash balances too have shrunk from Rs. 3.22 crores to Rs. 2.92 crores.

TRENDS IN WORLD SILK ECONOMY

MARKED EXPANSION IN PRODUCTION

THE past five years have witnessed a distinct expansion in the world production of raw silk, the queen of fibres. The aggregate quantity actually produced during the calendar year 1958 is estimated at about 33,000 metric tons (1 metric ton=2,205 lbs.), as against 26,100 tons in 1953, representing an increase of as much as 26 per cent. The bulk of the increase—4,154 tons, to be precise—has occurred in Japan which accounts for nearly three-fifths of the total world output of natural silk; production in 1958 was 19,197 tons, that in 1953 being 15,043 tons. Silk production in India also has gone up, from 846 tons in 1953 to 1,122 tons in 1957, while production in other Asian countries, notably South Korea, has remained stationary. The trend of silk output in Italy and France, however, has been continuously downward, despite Government measures to encourage sericulture. The production in Italy has shrunk by almost half between 1953 and 1957, the actual output in the latter year being 789 tons, as against 1,478 tons four years before.

Relatively rapid increases appear to have taken place recently in China and the U.S.S.R., according to the *Monthly Bulletin of Agricultural Economics and Statistics* (December 1958 issue), published by the F.A.O. The official figures put the output in China during 1957 at 8,500 tons, as against 5,390 tons in 1953, and in the U.S.S.R. at 2,500 tons, as against 2.180 tons in 1955.

Consumption

The upward trend in world silk production was accompanied by rising consumption till 1956 since when there has been a marked shrinkage, as the following table shows:

(In metric tons)

	1953	1956	1957	January-June 1957	January-June 1958
Production:					
Japan	15,043	18,767	18,836	13,490*	14,398*
India	846	1,030	1,122	—	—
Korea	506	614	550	—	—
Italy	1,478	996	789	—	—
Other countries ..	8,227	9,443	11,153	—	—
Total ..	26,100	30,900	32,500	—	—
Consumption:					
Japan	11,279	13,944	14,270	6,661	5,522
U.S.	2,443	3,463	2,675	1,293	1,068
W. Europe ..	8,847	3,566	2,320	1,668	1,394
Of which: Common Market	3,176	2,838	1,703	1,355	1,115
India	1,144	1,587	1,275	—	—
Total ..	18,713	22,560	20,540	—	—
Exports:					
Japan	3,773	4,635	4,367	1,892	1,455
China	910	1,142	1,000	600	321
Korea	202	243	126	53	31
Italy	165	75	64	50	49
Other countries ..	275	528	468	256	159
Total ..	5,326	6,623	6,025	2,851	2,015

* January-September period. —Not available.

During 1958, deliveries of silk manufacturers in Japan were running at 20 per cent. below the 1957 rate, according to the aforesaid F.A.O. *Bulletin*. In the U.S. where silk consumption had been increasing steadily as a result of a growing demand in a widening range of uses, including blended fabrics, the recession caused a 22 per cent. drop in silk consumption in 1957. Information available suggests that a further, albeit less severe, drop occurred in 1958, but, being accompanied by a reduction in stocks, this had a relatively adverse effect on imports. United States' stocks at the end of October amounted to a little more than one month's consumption, as compared with 2½ months a year earlier. In Western Europe, there is still a downward trend in consumption as a result of competition from the wide variety of synthetic fibres, aggravated by protective tariffs making raw silk relatively expensive in the case of Italy, and, to a lesser extent, France. During the 1955-56 boom, consumption in Western Europe failed to attain the 1953 volume, while the 1957-58 recession brought consumption down to the lowest level since 1947. The heaviest fall occurred in Italy and the United Kingdom. In Western Europe, stocks have recently been reduced; in mid-1958, they represented only a little over three months' requirements.

The world trade in raw silk registered a marked improvement during the period from 1953 to 1956, but suffered a setback in 1957 which continued during 1958 also. The actual extent of the fall was 10 per cent. in 1957 and 20 per cent. in the first half of 1958. All exporting countries shared in the decline, although, in 1958, Japanese exports were relatively less affected The table above gives the exports of raw silk from the main exporting countries during the years 1953, 1956 and 1957, as well as in the first half of 1957 and 1958.

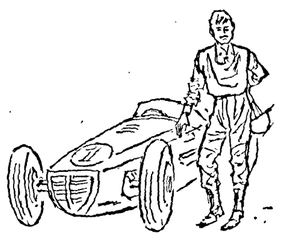
The world prices of raw silk have tended to move downward over the past five years, thanks to increasing pressure of supply in Japan and growing competition in export markets, especially from China. In recent years, the Japanese Government has taken steps to ensure price stability in the world silk market. Specific floor and ceiling prices have been fixed at which the Government purchases and sells raw silk. Market prices reached the lower limit of the stabilisation range on two occasions in 1956, but recovered subsequently following official purchases. Commenting on this development, the *F.A.O. Bulletin* observes:

"While this possibly occasioned some loss of export markets to other suppliers, the quantities taken off the market were relatively small and could be readily financed. It was only with the falling off in demand in 1957-58 that resources available for operating the stabilisation scheme became very scarce. Big purchases at the floor price raised Government stocks from 370 tons to 2,860 tons in the seven months ended June 1958. Repeated extensions of the Stabilisation Fund's borrowing limit and the raising of additional funds to finance the 1958 cocoon crops proved inadequate, and market prices fell below the minimum. Early in July, the Government ceased direct purchase of raw silk, leaving it to the Raw Silk Export Custody Company (a body of silk and doupion reelers financing exports of raw silk). Market prices were maintained at the minimum in July and August, but in September again dropped below it. Stocks in the hands of the Custody Company had mounted to 1,890 tons—a quantity sizably larger than the January-September exports. It was feared that the reserves of the Custody Company would run out."

Recently, however, world raw silk prices have staged a recovery. This is due to prospects of smaller supply, better demand from the U.S. and West European markets, and new arrangements for silk disposal in Japan. The Japanese Government has lately laid considerable stress on the need for formulating an integrated programme covering not only silk price stabilisation but also production and distribution with a view to improving the set-up of the sericulture industry. This is revealed by the White Paper on the industry issued by the Raw Silk Bureau, Ministry of Agriculture and Forestry.

The White Paper says that the Raw Silk Industry Promotion Council proposes to consider the question of delineating the future of the sericulture industry and thereby help the Government to determine its policies and take such courses of action as would facilitate private managements also to fix their operational targets. The three important issues to be specially examined, it is said, are (*a*) the range of markets that can be quickly restored to silk and the possibility of tapping potential silk markets, taking into account the competition from other fibres; (*b*) the scope and limit of rationalisation by the introduction of new techniques; and (*c*) the competitive power of sericulture in respect of farm management *vis-a-vis* other textile industries. As regards the formulation of a basic programme for silk production and distribution, particular attention will be devoted to the measures designed to lower cost structure, prevent the tendency of concentration, adoption of a combined technique of extension of sericulture and general farming, improvement in the distribution of cocoons and raw silk, and reconsideration of the silk reelers' licensing system in consonance with the progress of reeling technique and change in demand.

The implementation of the aforesaid programmes, together with the efforts made to bring about the rationalisation of the reeling sector, is expected to place the Japanese silk industry on a more solid and sound footing. Several silk reelers have already replaced their equipment with automatic silk reeling machines. Encouraged by the improved performance of these machines, more and more reelers are taking similar action. The percentage ratio of automatics to the total capacity in 1957 was 22.1 for mills and 10.4 for basins.



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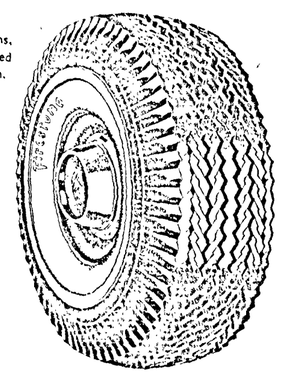

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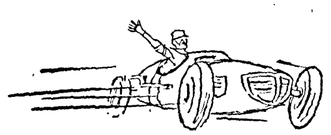

FINANCES OF TEXTILE COMPANIES

NET PROFITS LOWER—AVERAGE DIVIDENDS CUT

From A Special Correspondent

MANCHESTER, *3rd April*

MANCHESTER LETTER

TWELVE months ago, it was possible to review the financial results of Lancashire cotton companies announcing their figures in the first quarter of the year and report comparatively favourable earnings. Certainly, at that time, the mood of inertia which has persisted subsequently was already widely apparent. Warnings were duly given that trade trends made an improvement in profits unlikely in the latter part of 1958.

This prophesy was fulfilled, so that last year's annual returns were, not unexpectedly, depressing. So far this year, the results show a continuation of the decline in profitability. The following list shows the profits and dividends announced by textile companies since the beginning of 1959, bearing in mind that the accounts in many cases cover most of the calendar year 1958:

	1959		1958	
	Profit or Loss (—) £	Dividend Per cent. (Less tax)	Profit or Loss (—) £	Dividend Per cent. (Less tax)
Spinners				
Cotton and Rayon Spinners	78,301	18¾	119,163	18¾
Cromer	59,900	10	143,794	10
A. & A. Crompton ..	2,946	5	16,644	10
Facit	10,987	6-7/10	6,492	8-7.10
Morsey	13,256	10	12,494	10
Mutual	18,997	10	34,917	10
Newhey Rings ..	19,605	12½	25,409	15
Stockport Ring ..	7,765	5	22,068	10
Townhead	13,332	20	24,712	20
Victoria	13,751	43¾	20,323	43¾
Spinners and Weavers				
Armitage & Rigby ..	96,970	17½	152,138	17½
Ashton Bros.	68,000	10	98,972	12½
Barlow & Jones ..	105,427	10	160,926	10
Birtwistle & Leigh ..	52,925	7½	33,201	7½
Cloug & Orr	62,690	12½	81,056	12½
J. & R. Dewhurst ..	—17,711	0	44,237	1½
Ferguson Bros. ..	22,905	4	25,207	5-1.6
David Whitehead ..	152,302	5	247,787	20
Weavers				
Barlow Bros. & Greenwood	— 3,551		6,099	5
John Grey	—11,498	0	7,339	5
Samuel Holden ..	16,208	0	22,157	0
Jackson & Steeple ..	12,355	8½	32,002	8½
Olympia (Redacre) ..	22,804	7½	34,236	7½
William Utley ..	30,309	13½	31,792	13½
William Yates ..	— 6,033	5	16,918	8½

Total net profits earned by the 25 companies involved were £843,512, as compared with £1,421,049 twelve months ago. The average profit has fallen from £56,842 to £33,740 per company and the average dividend has been reduced from 11.62 per cent. to 9.78 per cent.

Dwindling profits can be discerned in each section of the trade. In spinning, the average net earnings have declined from £42,602 to £23,881 per company, and the dividend has been cut from 15.60 per cent. to 14.35 per cent. Firms combining spinning and weaving have reported an average profit of £68,077, as against £105,448, the dividend being reduced from 10.84 per cent. to 8.35 per cent.

The weaving branch has for long been the "Cinderella" of the trade, and those firms concentrating on manufacture have frequently suffered more than other sections from narrowness of margins. So far this year, reports of average earnings show a drop from £21,635 to £8,583 and the dividend has been lowered from 6.84 per cent. to 4.88 per cent.

The first quarter of 1959 has been a highly eventful period for the industry and there will obviously be important changes in the months ahead. Looking back on the past few weeks, however, traders cannot be entirely reassured by the prevailing trends following the abandonment of the Yarn Spinners' Agreement. Perhaps too much was expected in the way of fresh turnover after the adjustment of the price structure, but the response from buyers has lacked the initiative anticipated by the producing element.

Complicated problems which will undoubtedly arise in settling the development programmes ahead may prolong the reluctance of users to increase their forward commitments. In the circumstances, it would be unwise to predict any marked change in the financial results which will come to hand during the remainder of the year. The situation is governed by too many imponderables, but, provided action is not unduly delayed, the prospect of a more efficient industry gives some hope for the future.

Man-made Fibre Prices

Changes in terms of sale and prices of man-made fibres have recently been announced, indicating a tendency towards more inter-fibre rivalry. To some extent, this movement follows the abandonment of the Yarn Spinners' Price scheme at the beginning of February and the subsequent revisions in selling rates for cotton yarn.

The major change has been a reduction of 1½d. per lb. for standard bleached viscose rayon staple announced by Courtaulds Ltd. This is the first adjustment for nearly six years, the prices having remained at 24d. per lb. throughout that period. The charge for standard bleached crimped staple has been simultaneously reduced by 2d. per lb. to 25d. On behalf of the Company, it has been stated that the cuts are in line with the policy of encouraging turnover as far as possible. A new factory was brought into production in 1957 and current deliveries are running at a high level. The aim of the reduction is to maintain and possibly increase the rate of deliveries, it being added that Yorkshire demand for staple has been particularly keen in recent weeks.

Changes in terms of sale for Acrilan are also expected to lead to users in the United Kingdom paying less for the fibre. Coinciding with the start of commercial scale production at Coleraine in Northern Ireland, the fibre in both staple and tow form will be sold by the makers Chemstraud Limited, delivered free in Great Britain and Ireland. The producer is to bear transport costs to any customer in those countries.

Defeating Its Purpose

Direct contact between the cotton industry and the Restrictive Practices Court largely ended when the Yarn Spinners' Agreement was branded as being against the public interest. Indirect attention is still centred on its rulings inasmuch as they have a profound bearing on industrial affairs generally. The latest decision, indicating that most of the regulations adopted by the Blanket Manufacturers' Association were also against the public interest, has created concern and caused some commentators to question the validity of the arguments being used by the Court. In its findings it was freely admitted that several aspects of the agreement operated by the blanket manufacturers did not affect the general public one way or the other. Under the terms of the Act, however, the Court decided that the public did not derive benefits from these arrangements and they were, therefore, declared contrary to the public interest.

It is hardly surprising that, in the circumstances, observers have pointed out that the real purpose of the Act, aimed at the suppression of restrictive trade practices, is not being carried out when perfectly innocuous agreements not affecting the public are being ruled out of order. From the first few cases investigated by the Court, it is already clear that it will be remarkably difficult to satisfy its members that any agreements at all are in the public interest. The interpretation of the Act so far bids fair to put an end to official co-operation between firms in any industry whose regulations are investigated.

The cotton yarn spinners put forward a very reasonable case indicating their firmly held belief that the abrogation of the scheme would lead to unemployment in the area. The Court accepted this contention but were apparently complacent about it, expressing the opinion that contraction in textiles was to be encouraged, and implying that labour should be shifted to other trades. No wonder one commentator has described this attitude as "a most extreme stringency of interpretation, based on economic assumptions that were perhaps not fully argued."

Finding the Labour

Any industry which has suffered so severely as cotton over the past few years, to say nothing of previous setbacks, invariably finds it difficult to recruit an adequate labour force from the youth of the area. The average age of the current manpower presents a problem in itself. Mr. Ernest Hirst, President of the Master Spinners' Federation, set out the advantages which can still be offered by the mills, once a realistic reconstruction scheme has been adopted, when he addressed the recent annual meeting of the organisation. He said:

"The industry has the know-how and the determination to install the most modern machinery and equipment if there are reasonable prospects of running it economically. Already, our best mills can compete with any in the world and we have made a point of keeping up-to-date by means of special trade missions and individual visits to other industries throughout the world. With the help of the new wage structure which has been

(*Continued on page 617*)

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(ESTABLISHED 1906)

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Foreign Departments: BOMBAY & MADRAS

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DIRECTORS' FIFTY-THIRD ANNUAL REPORT.

The Directors have pleasure to submit to the shareholders the Fifty-third Annual Report for the year 1958. After making the necessary provisions a sum of Rs. 9,45,008.69 is available for distribution. The Directors recommend the following appropriations:

	Rs.	nP.
To Provision for Income-tax	3,91,000	00
To Preference Dividend	51,625	00
To Dividend on Equity Shares at 10 per cent.	2,55,000	00
To Bonus to Staff	2,10,000	00
	9,07,625	00
Leaving Balance to be carried forward	37,383	69
Rs.	9,45,008	69

The Bank's advances at the end of the year were 46 per cent. of the deposits as against 49 per cent. the previous year. The level of advances was generally lower compared to the previous year resulting in a reduced profit for the year.

The Equity Shares issued this year were fully subscribed. The shares set apart for employees were taken up by a majority of them. The limited number of shares remaining after allotment to the old shareholders were allotted to as many as we could of the large number of patrons at our newer branches who had also applied for shares.

Eight new branches were opened during the year, at Matunga in Bombay City, at Bangalore Cantonment, Bellary, Jijapur, Gadag and Raichur in Mysore State, at Tellicherry in Kerala State and at Kolhapur in Bombay State. All these are making satisfactory progress and more branches are planned for 1959. Our Karachi office was closed during the year.

The year witnessed further strengthening of our ties with leading Foreign Banks. A good number of representatives of our correspondents and others who came as delegates to the World Bank Conference in Delhi accepted our invitation to visit us in Bombay and Bangalore. These visits provided opportunity for useful exchange on topics of mutual banking interest.

During the year one of our Directors visited the West Asian countries accompanied by a Deputy General Manager of the Bank, and another Director visited Tokyo, Osaka, Honskong, Singapore, Bangkok and Colombo, both to study the possibilities of increased foreign business, chiefly exports, in keeping with the country's export promotion drive. The contacts made during these tours have been extremely useful.

Thanks to the co-operation of our Foreign Correspondents, one senior officer returned after a study of banking methods in the U.S.A. at the Bank of America, and two officers after a refresher course at the Deutsche Bank, Hamburg. One more senior officer will soon be proceeding to the U.S.A., and 2 officers to Hamburg. The experience gained with the Foreign Banks will further assist development of the Bank's activities on modern lines.

A new addition to the Bank's range of services is the Executor and Trustee Department. Our thanks are due to the Central Bank of India, Ltd., who provided training in this line for one of our officers at their Executor and Trustee Co.

The long-felt need of the Bank to have its own building to house the Administrative Offices at Bangalore is to be fulfilled early. The Government of Mysore have been pleased to alienate to us a spacious plot in the heart of the City opposite the Bangalore Town Hall for this purpose.

The Directors thank all shareholders, customers and staff for their help and co-operation during the year.

ADMINISTRATIVE OFFICE,
BANGALORE-2,
Dated 16th January, 1959.

By Order of the Board,
A. DAMODAR PAI,
Chairman.

BALANCE SHEET AS AT 31st DECEMBER, 1958.

1957 Rs.	nP.	CAPITAL AND LIABILITIES	Rs.	nP.	Rs.	nP.
		1. Capital—				
		AUTHORISED CAPITAL—				
		1,72,000 Equity Shares of Rs. 50 each	86,00,000	00		
		28,000—5 per cent. Cumulative Preference Shares of Rs. 50 each	14,00,000	00		
1,00,00,000	00				1,00,00,000	00
		ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—				
		72,000 Equity Shares of Rs. 50 each fully called	36,00,000	00		
		LESS—Calls unpaid	19,180	00		
			35,80,820	00		
		28,000—5 per cent. Cumulative Preference Shares of Rs. 50 each fully paid	14,00,000	00		
29,00,000	00				49,80,820	00
Nil		Share Premium Account			6,24,246	00
		2. Reserve Fund and Other Reserves—				
		RESERVE FUND				
		Reserve Fund as at 31st December, 1957	40,00,000	00		
		ADD—Transfer from Current Year's Profits	5,00,000	00		
40,00,000	00				45,00,000	00
		3. Deposits and Other Accounts—				
		Fixed Deposits	12,60,29,445	15		
		Savings Bank Deposits	3,39,02,118	51		
		Current Accounts, Contingency Accounts, etc.	7,76,71,125	55		
17,84,40,172	42				23,76,02,689	21
Nil		**4. Borrowings from Other Banking Companies, Agents, etc.**			Nil	
19,85,017	87	**5. Bills Payable**			23,81,668	86
		6. Bills for Collection Being Bills Receivable as per contra—				
		(i) Payable in India	2,20,91,413	21		
		(ii) Payable outside India	29,74,282	09		
2,19,34,137	40				2,50,65,695	30
		7. Other Liabilities—				
		(i) Rebate on Bills	31,780	32		
		(ii) Unclaimed Dividends	41,328	57		
		(iii) Branch Adjustments	1,06,22,282	87		
		(iv) Provision for Taxes	6,40,647	77		
		(v) Outstanding Charges and Sundries	15,30,640	70		
55,53,573	27				1,28,66,680	23
2,36,90,937	49	**8. Acceptances, Endorsements and Other Obligations as per contra**			1,62,37,241	31
		9. Profit and Loss—				
		Profit as per last Balance Sheet	11,67,267	66		
		LESS—Appropriations— Rs. nP.				
		To Provision for Income-tax .. 7,30,000 00				
		To Bonus to Staff .. 1,90,000 00				
		To Dividends .. 2,02,500 00				
			11,22,500	00		
			44,767	66		
		ADD—Profit for the year brought from Profit and Loss Account	14,00,241	03		
			14,45,008	69		
		LESS—Transfers to Reserve Fund	5,00,000	00		
11,67,267	66				9,45,008	69
		10. Contingent Liabilities—				
		(i) Liability on account of Letters of Guarantee given on behalf of constituents	24,45,835	83		
		(ii) Liability on account of outstanding Forward Exchange Contracts	2,24,83,244	70		
		(iii) Claims against the Bank not acknowledged as debts	40,688	68		
		(iv) Liability on Bills of Exchange re-discounted	11,002	50		
23,96,71,106	11	Total .. Rs.			30,52,04,049	60

1957 Rs.	nP.	PROPERTY AND ASSETS	Rs.	nP.	Rs.	nP.
		1. Cash—				
1,96,56,379	86	In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)			2,13,32,591	21
		2. Balance with Other Banks—				
		(a) In Current Account—				
		(1) In India	14,34,483	42		
		(2) Outside India	12,70,555	20		
2,08,95,167	03	(b) In Deposit Account— Deposits with Banks in India	75,29,750	00	1,02,34,788	62
		3. Money at Call and Short Notice—				
		(1) In India	90,00,000	00		
		(2) Outside India	Nil			
55,00,000	00				90,00,000	00
		4. Investments—				
		(i) Securities of the Central and State Governments and other Trustee Securities of the Face Value of Rs. 9,99,46,300 at cost (approximate Market Value as on 31-12-1958 Rs. 9,98,16,730.64)	9,82,08,012	07		
		(ii) Shares of the Bombay State Financial Corporation and the Madras Industrial Investment Corporation Ltd (fully paid) at cost. (Face Value Rs. 1,25,000)	1,24,875	00		
		(iii) Municipal Debentures and Loans at cost (Approximate Market Value as on 31-12-1958 Rs. 23,80,051.87) (Face Value Rs. 23,87,000)	23,33,747	46		
		(iv) Gold	Nil			
5,45,60,498	73				10,06,66,634	53
		5. Advances—				
		(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditor)				
		(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP.				
		(1) In India 6,97,34,974 61				
		(2) Outside India Nil				
			6,97,34,974	61		
		(ii) Bills Discounted and Purchased—				
		(1) Payable in India 3,08,50,417 33				
		(2) Payable outside India 87,16,606 18				
			3,95,67,023	51		
8,79,37,272	60				10,03,01,998	12
		6. Bills Receivable Being Bills for Collection as per contra—				
		(i) Payable in India	2,20,91,413	21		
		(ii) Payable outside India	29,74,282	09		
2,19,34,137	40				2,50,65,695	30
2,36,90,937	49	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra**			1,62,37,241	31
		8. Premises at Cost				
		ADD—Additions during the year	5,30,383	39		
			3,76,903	50		
		LESS—Value of Building demolished	9,07,286	89		
			35,707	88		
		LESS—Depreciation to date	8,71,579	01		
4,54,891	54		80,309	60		
		9. Furniture and Fixtures at Cost			7,82,269	41
		ADD—Additions during the year	10,88,798	93		
			3,82,587	27		
		LESS—Cost of articles sold or fully written off	14,71,386	20		
			48,800	54		
		LESS—Depreciation to date	14,22,525	66		
7,41,238	60		4,56,951	01		
		10. Other Assets—			9,65,574	65
		(i) Interest accrued on Investments	11,94,034	58		
		(ii) Stock, Stationery and Library	3,21,921	27		
		(iii) Branch Demand Drafts Paid, Bills Realised by Agent Banks pending adjustment, cheques pending collection and Clearing Vouchers received	37,55,446	65		
		(iv) Application Money for Debentures pending delivery of Securities	42,61,189	20		
		(v) Prepaid Expenses and Sundries	4,72,283	50		
		(vi) Taxes paid in advance and Income-tax deducted at source	10,12,081	25		
43,00,282	86				1,10,16,956	45
300	00	**11. Non-Banking Assets Acquired in Satisfaction of Claims—** Land and Buildings at or below cost			300	00
23,96,71,106	11	Total .. Rs.			30,52,04,049	60

(Continued on next page)

EXTRA-LONG STAPLE COTTON

SUPPLY EQUAL TO TWO YEARS' REQUIREMENT

THE surplus problem in world cotton is not confined to the long, medium and short staples. Extra-long staple cotton, that is cotton of staple length over $1\frac{3}{8}$", which at present forms no more than 6.5 per cent. of the total free world production of the fibre is also facing a situation characterised by supplies exceeding offtake. For instance, aggregate free world production of extra-long staple cotton during the last season was 1.2 million bales while consumption was of the order of only 770,000, thus leaving a wide margin of 430,000 bales.

The situation at the beginning of the current season was unquestionably one of surplus. Stocks in producing countries aggregated nearly 700,000 bales, equal to about seven months supply in terms of annual offtake. According to the estimates of the International Cotton Advisory Committee, Washington, aggregate production during the current season will set an all-time record of 2 million bales, an increase of about three-fourths of a million bales, as compared with 1957-58 and almost double the 1950-51 to 1954-55 average of 1.1 million bales. The sharp increase in production is attributed to the marked increase in acreage and yield, particularly the latter. Total acreage is estimated at a record 2.1 million, 20 per cent. higher, as compared with last season, while average yield, estimated at 444 lbs. per acre, is higher by over thirty per cent.

Production

Production in Egypt alone is estimated at around 1.2 million bales, which is roughly equivalent to total world demand for these staples in recent years. Acreage of extra-long staples this season was expanded to a record 1,174,000 acres. Although this, undoubtedly, was the major factor explaining the increase in production, the importance of yield must not be overlooked. Average yield per acre rose by 15 per cent. which is reflected in the marked improvement in yield of the Karnak variety and the increased acreage sown to the higher yielding Menoufi variety.

There has been further significant increase in acreage and a return to more normal yields in the Sudan and production, consequently, could set a new record. With the continued development of irrigation facilities, acreage is estimated to have reached a record 637,000 acres, as against 495,000 acres last season. The Gezira Board's first estimate of yield was 450 pounds per acre, but subsequent crop progress have led trade sources to predict that yield could be even higher. Production in the Sudan, therefore, could surpass the previous record of 554,000 bales harvested in 1956-57 to reach a new record of 560,000 bales.

Based on present estimates, total supply of extra-long staples is put at nearly 2.7 million bales, an increase of about 750,000 bales as compared with 1957-58. The seriousness of the present surplus is evident from the fact that supply represents over 2 years' requirements in terms of the present rate of offtake. The surplus in extra-long staples is, therefore, more burdensome than it has been in other staples since the end of the war.

The following table indicates the supply position of extra-long staple cotton in the producing countries:

(In '000 bales of 478 lbs.)

Item	1958-59*	1957-58	1956-57	1955-56
Stocks, 1st August:				
Egypt	305	160	100	100
Sudan	240	430	185	280
Peru	20	10	10	15
U.S.A.	115	82†	107	140
Others	13	10	8	6
Total	693	692	410	631
Production:				
Egypt	1,177	851	614	552
Sudan	560	165	554	390
Peru	113	107	108	70
U.S.A.	83	80	49	42
Others	27	33	29	31
Total	1,960	1,236	1,354	1,085
Supply:				
Egypt	1,482	1,011	714	742
Sudan	800	595	739	670
Peru	133	117	118	85
United States	198	162	156	182
Others	40	43	37	37
Total	2,653	1,928	1,764	1,716

* Preliminary. † Includes 50,000 bales from stockpile.

As regards exports, it would appear that world exports of extra-long staple cotton over the first three or four months of the season were running at a rate significantly higher than a year ago, with most of the increase going to communist countries. Shipments from Egypt to the free world continued to decline significantly while that to the communist countries increased considerably. The major decline in exports to free world countries has occurred in the case of the U.S. Exports to Italy were well maintained while those to France were higher. Exports to the communist countries during the first half of the season were higher by over 40 per cent., as compared with the same period in 1957-58. The rate of export to the U.S.S.R. is far ahead of that in any other season. So was the case with shipments to China. Czechoslovakia and East Germany also absorbed sizable quantities. In the aggregate, communist countries presently account for about 60 per cent. of Egypt's total exports of extra-long staple cotton.

During the period, August to September 1958, exports from Sudan were slightly lower, as compared with that in the same period a year ago. But exports to communist countries were about in line with those of last season, although the quantity shipped was still relatively small. Following the recent abolition of the system of reserve prices and the decision to sell by auction and the consequent decline in price, export demand has picked up and substantial export sales have been effected of late. The U.S. shipped 200,000 bales of extra-long staple cotton to Spain during the first five months of the season under a P.L.480 agreement. But U.S. prices being higher than those of competitive growths—the U.S. has not granted a subsidy on extra-long staple cotton—exports to other countries are virtually non-existent.

Reflecting this surplus position, there has been a further decline in the prices of extra-long staple cotton during January and February. Prices are now at the lowest level since the end of the war and the substantial premium over medium staples normally given to these cotton have almost disappeared.

Domestic prices in Egypt have stabilised at slightly above the support level in recent months but export prices continue to decline. Sudan cotton prices declined sharply following the decision to abolish the system of reserve prices and are now considerably lower than at the beginning of the season. Lower prices of

(Continued on page 619)

CANARA BANK LIMITED—*(Contd.)*

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1958.

1957 Rs.	nP.	PARTICULARS OF ADVANCES	Rs.	nP.	1957 Rs.	nP.		Rs.	nP.
6,96,18,151	78	(i) Debts considered good in respect of which the Banking Company is fully secured	8,37,01,430	66	59,196	16	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	76,074	16
1,01,43,693	34	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (inclusive of advances and joint and several promotes)	1,36,16,161	22	28,72,562	71	(vi) Debts due by Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	29,28,618	04
81,75,427	48	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,19,84,406	24	66,644	01	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	83,189	62
Nil		(iv) Debts considered doubtful or bad not provided for	Nil				(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners, or Managing Agents, or, in the case of private companies, as members	81,71,096	64
8,79,37,272	60		10,93,01,998	12	61,91,468	86			
					3,61,241	41	(ix) Due from Banking Companies	5,19,796	08

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958.

1957 Rs.	nP.	EXPENDITURE	Rs.	nP.	1957 Rs.	nP.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	nP.
37,34,219	00	1. Interest paid on Deposits, Borrowings, etc.	60,63,364	88	62,06,233	45	1. Interest and Discount	91,11,391	07
		2. Salaries and Allowances and Provident Fund (inclusive of Salary and Allowances of the General Manager Rs. 32,880 13 of which Rs. 1,333 51 represents Golden Jubilee Bonus for the year 1956 drawn in the year of account)	31,29,871	02	23,78,204	26	2. Commission, Exchange and Brokerage	24,41,320	05
26,25,554	40	3. Directors' and Local Committee Members' Fees and Allowances (inclusive of remuneration to Supervising Director Rs. 30,000; Rent-free quarters Rs. 2,640; P. F. Contribution Rs. 2,499.96, and undrawn balance of previous year Rs. 3,624.99 drawn in the year of account)			9,231	75	3. Rents	9,349	50
					Nil		4. Net Profits on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any other particular Fund or Account)	30,710	73
43,715	14	4. Rent, Taxes, Insurance, Lighting, etc.	76,478	65					
2,95,695	75	5. Law Charges	3,41,842	27					
7,283	06	6. Postage, Telegrams and Stamps	10,582	37					
2,28,765	29	7. Auditor's Fees and Travelling Expenses	2,77,545	08			5. Net Profits on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
4,000	00	8. Depreciation on and Repairs to the Banking Company's Property	5,000	00	Nil				
1,55,402	94	9. Stationery, Printing, Advertisement, etc.	2,02,815	07					
3,15,170	55	10. Loss from Sale of, or Dealing with Non-Banking Assets	3,45,427	29			6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil	
Nil		11. Other Expenditure	Nil		Nil				
2,22,838	93	12. Balance of Profit	3,12,407	25					
15,28,765	58		14,00,241	03	5,67,741	18	7. Other Receipts	5,72,813	56
		NOTE:—The Balance of Profit in the Profit and Loss Account of Karachi branch has not been incorporated in the Profit and Loss Account.							
91,61,410	64	Total .. Rs.	1,21,65,574	91	91,61,410	64	Total .. Rs.	1,21,65,574	91

AUDITOR'S REPORT

I beg to report that I have audited the above Balance Sheet of the Canara Bank Limited as at 31st December, 1958, and also the annexed Profit and Loss Account of the Bank for the year ended that date with the Books of Account and Certified Returns from the branches and that I have visited some major branches of the Bank during the year and have examined the Books of Account and Cash and Securities as at the time of my visit and report that:

(a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit.

(b) Such information and explanations have been found to be satisfactory.

(c) Transactions of the Bank as have come to my notice have been, in my opinion, within the powers of the Bank.

(d) The Returns received from the branches have been found adequate for the purpose of my audit.

(e) The Bank's Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the Books of Account and the Returns.

(f) In my opinion and to the best of my information and according to the explanations given to me the said Accounts give the information required by the Companies Act, 1956, and the Banking Companies Act, 1949, in the manner so required and the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended 31st December, 1958.

(g) In my opinion proper Books of Account as required by law have been kept by the Bank so far as appears from my examination of those books.

A. UMANATH RAO, B.A., F.C.A.,
Chartered Accountant,
Auditor.

BANGALORE, 16th January, 1959.

P. SARVOTHUM NAYAK,
General Manager.

A. DAMODAR PAI,
H. LAXMINARAYANA KAMATH,
K. P. J. PRABHU,
Chairman, Directors.

SUGAR SUPPLY POSITION NOT ENCOURAGING

MILLS CARRY LOW STOCKS

CRUSHING operations in many sugar factories are practically over and are drawing to a close in several others. But it is not yet possible to say precisely as to what the total output of sugar would be in the current season (November 1958-October 1959). For the available figures relating to the quantity of sugar actually produced cover only the first four months of the season, that is, up to the end of February 1959. There are two divergent estimates of the production for the current season, one official and the other trade. Thus, the Union Food and Agriculture Ministry, in its latest Annual Report (1958-59), points out that "the prospects of sugar production for the current season appear to be the same as last year (1,979,000 tons)." The trade estimate, however, places the output much lower; addressing the recent annual meeting of the Indian Sugar Mills' Association, Mr. P. Hadfield said: "....the latest estimates available with the Association show that production is likely to come down to about 1,850,000 tons."

The low level of sugar production has been in evidence despite the marked expansion of nearly 176,000 tons in the capacity of sugar industry. Ten new factories, of which nine are co-operatives, with an aggregate capacity of over 70,000 tons, have gone into production in the current season, and 23 existing units had completed their programmes for an additional annual capacity of 104,000 tons by the end of the last season. With this addition, the total productive capacity of the industry works out to 2.20 million tons, on the basis of 120 working days and 10.00 per cent. recovery. Assuming that sugar production will be 1.85 million tons as assessed by the trade, the actual setback in output will be much more than a comparison with the production in the previous season.

Reduced Cane Supply

The inability of white sugar industry to maintain a high level of output, let alone an increase in production, must be attributed to the substantial reduction in the supply of cane to the factories. This, in turn, is due to the continued large-scale diversion of cane to *khandsari* and *gur* manufacture, owing to the relatively high prices commanded by these commodities. The position would have been worse but for the slight improvement in the size of the cane crop on account of the increase in the area sown to cane. The all-India second estimate of the crop for 1958-59 puts the total area at 4,896,000 acres, as against the corresponding adjusted estimate of 4,849,000 acres for 1957-58. The area at the second estimate stage forms roughly 95 per cent. of the area under the crop finally reported. On this basis, the area under cane comes to 5,154,000 acres, as against 5,021,000 acres (1957-58 final estimate). Taking the average yield of cane per acre at 12.73 tons, same as last year, the aggregate quantity of cane harvested in the current season may be estimated at 65.61 million tons, which compares favourably with 64.14 million tons harvested in 1957-58.

The low level of white sugar production, together with the lower carryover of the previous season, has resulted in a fall in the available supply of sugar, as the following table shows:

(In thousand tons)

	1958-59	1957-58	1956-57
Opening stocks	336	435	533
Production	1,979*	1,979	2,029
Total supplies ..	2,315	2,414	2,562
Exports	50†	36	144
Supplies available for domestic consumption	2,265	2,378	2,418
Offtake for domestic consumption.	2,073‡	2,042	1,983
Closing stocks as on 31st October..	192**	336	435

* Official estimate. † Quantity released.
‡ On the basis of figures up to end of February 1959.
** Estimate only.

It will be seen from the above table that the closing stocks of sugar with the mills at the end of the current season will be very poor, being just 192,000 tons, as against 336,000 tons a year before and 435,000 tons two years before. In view of this, one may expect a distinct hardening tendency in sugar prices in the coming month, assuming that no further controls will be introduced by the Government. Considering the increase in domestic demand, there is certainly little justification for exports of sugar and that at a very heavy loss. The world price of sugar has declined perceptibly in recent weeks, notwithstanding the cut in the export quotas of the International Sugar Agreement member-countries and the additional voluntary limitations imposed recently by the Sugar Council. Cuban raw sugar is now quoted in the New York market at 2.94 cents per lb. (f.o.b. Cuba), as against 3.67 cents in the beginning of the year. Even the quotation for 1960 delivery has gone down appreciably. Spot sugar in London has come to be quoted at as low a level as £27⅛ (about Rs. 362) per ton, as against £32 (Rs. 427) per ton. This compares with the average f.o.b. price of £33¾ (Rs. 450) per ton realised by this country on its exports in the latter half of 1958. To quote a report from London: "Buyers are cautious and they are not willing to take anything except bare requirements. The Cuban Government has set an output target of 5.8 million tons. If the production were to reach this size, bearishness could be stimulated."

Export Policy

It is against this background that one has to view the Government of India's policy of compulsory exports of sugar. During 1958, the policy, as Mr. B. M. Krishnan, Chairman of the Mysore Sugar Company, Limited, observed in his speech at the Company's annual general meeting last week, entailed not only a sacrifice on the part of the industry at the rate of about Rs. 300 per ton of sugar but also a loss of substantial excise and other revenues to the Central and State Governments. Mr. Krishnan is right when he points out that, with the international sugar markets showing no improvement in the marketability of sugar at economic prices, with the downward trend of production in the country as a whole, the steadily rising demand for internal consumption and the issue of exports having been challenged, a situation has arisen which merits a reconsideration of the entire export policy, so far as the current year is concerned.

The trend of sugar output and despatches during the first four months of the current season as compared with the corresponding period of 1957-58 is indicated below:

(In tons)

	Production		Despatches	
	1958-59	1957-58	1958-59	1957-58
November	89,700	104,948	104,763	153,857
December	356,510	356,809	141,646	140,446
January	474,790	431,209	188,600	145,918
February	410,000	414,434	196,000	195,487
Total ..	1,331,000*	1,336,000†	691,000	635,702

* Excludes 31,050 tons of sugar produced prior to November, 1958.
† Excludes 31,029 tons of sugar produced prior to November, 1957.

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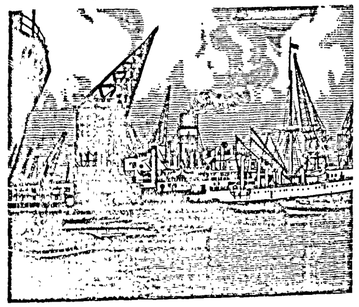

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PAKISTAN— Chittagong—Sadarghat Rd., Agrabad Branch, Karachi—McLeod Road, Bunder Road, Dundas Street, Saddar Branch, Khulna, Lahore—Bank Square, The Mall, Narayanganj, Peshawar, Quetta
CEYLON— Colombo—37/30 York St., 11 York St., Kandy, Nuwara Eliya
BURMA— Rangoon
ADEN— Aden, Little Aden (Sub-Branch to Aden), Steamer Point, Aden
SOMALILAND PROTECTORATE— Barbera, Hargeisa
ZANZIBAR ISLAND— Zanzibar
KENYA— Eldoret, Embu (Sub-Branch to Fort Hall), Fort Hall, Kakamega (Sub-Branch to Kisumu), Karatina (Sub-Branch to Nyeri), Kericho, Kiambu (Sub-Branch to Nairobi), Kisumu, Mombasa—Treasury Sq., Kilindini Rd., Nairobi—Government Rd., Delamere Ave., Industrial Area, River Road
Nandi Hills (Sub-Branch to Eldoret), Naivasha (Sub-Branch to Nakuru), Nakuru, Nyeri, Sotik (Sub-Branch to Kericho), Thika
UGANDA— Entebbe, Port Portal, Gulu, Jinja, Kampala, Kamuli (Sub-Branch to Jinja), Masaka, Mbale, Mbarara, Soroti, Tororo
TANGANYIKA TERRITORY— Bukoba, Dar-es-Salaam, Lindi, Mbeya, Mikindani (Sub-Branch to Mtwara), Moshi, Mtwara, Mwanza, Shinyanga, Tanga
NORTHERN RHODESIA— Lusaka, Ndola
SOUTHERN RHODESIA— Bulawayo, Belmont (Sub-Branch to Bulawayo), Gwelo, Makokoba (Sub-Branch to Bulawayo), New Highfield (Sub-Branch to Salisbury), Salisbury, Umtali

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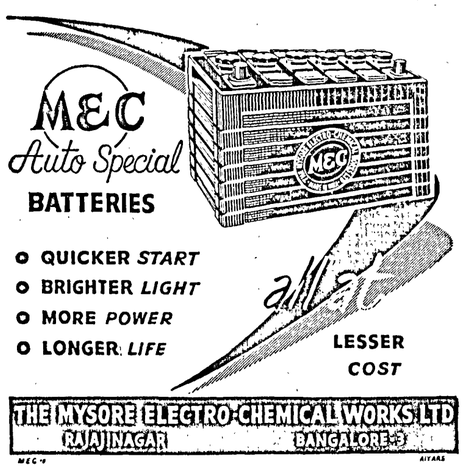
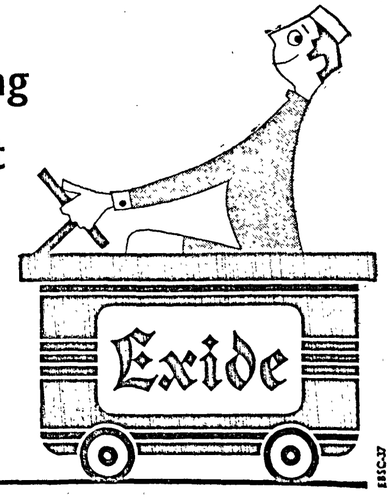


Still keeps going when the rest have stopped



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MOVEMENT OF COAL

PRIVATE MERCHANTS IN A SAD PLIGHT

RAILWAYS have a virtual monopoly in the transport of coal and their policy in respect of movement of this important fuel is expected to be sufficiently flexible and efficient to keep pace with the increasing production, so that the larger output may be promptly moved to meet the growing needs of industries. The railways, however, have their indisputable say in the imposition of limitations, restrictions, routing, availability of empties, allotments, movement in bulk, etc. While it is not denied that such restrictions are required for purposes of operational expediency of the railways, it is often found that the producers' and consumers' wants in both normal and abnormal times are not given the attention they deserve and the decisions of the railway authorities in such matters are often completely devoid of any sympathy and consideration for the difficulties of producers and consumers.

While making the aforesaid complaint, at the annual general meeting of the Indian Coal Merchants' Association, held at Calcutta a few days ago, Mr. Madhusudan Shethia, Chairman of the Association, pointed out that the difficulties of upcountry consumers, in respect of wagon offerings, had remained unsolved, though the situation had improved to some extent in respect of down-country consumers. In fact, the position in the South Eastern Railway has, according to him, worsened. This Railway has been called upon to cater to the increased flow of traffic to the steel plants at Rourkela and Bhilai, as a result of which other consumers have been put to extreme hardship. In such situation, the role of the coal merchant who acts as a middleman between the producer and the consumer is far from happy. Giving an instance of such hardship, Mr. Shethia said:

"Collieries situated in Jharsaguda sphere which were hitherto getting piecemeal allotments for down direction have suddenly been told that they should arrange to load block rakes or half rakes for consumers in down direction; otherwise, no piecemeal allotments would be given, as it is operationally inconvenient to the Railways who have no spare line capacity to do the shunting and sorting of mixed consignments of coal for up and down directions. Such peremptory deviations from the established system of allotment not only put the collieries to great inconvenience and loss but the coal suppliers have also to take a good deal of beating from their buyers who are not prepared to listen to anything and only gauge the supplier's efficiency strictly in terms of his despatch performance."

Mr. Shethia quoted another incident where the wagons, after being loaded by the colliery, were left unmoved by the railways for over a fortnight. This precluded further daily allotments and drove the consignees to such a point of exasperation that they laid the blame on the shoulders of the suppliers.

The consumers' requirements of soft coke are also not being adequately met. This, according to Mr. Shethia, is due to the quota coupon system which is being adopted in respect of movement of soft coke. It is stated that some of the collieries are not inclined to manufacture soft coke, in order to increase the sale of their steam coal. Sometimes, the production of soft coke is said to be hampered by the inadequacy of space at the collieries' siding. It is stated that, in the last quota period, about 11,000 wagons remained unutilised by the collieries. This means that about 20 per cent. of the soft coke quota coupons issued for that period was unutilised. Mr. Shethia was of the view that the soft coke quota system should be dispensed with, just as the 'BRK' quota coupon system in respect of coal had been abolished.

While on the subject of soft coke quota coupon system, the Chairman of the Coal Merchants' Association referred to the discrimination made in favour of the State Trading Corporation, which he said was allowed the undue privilege of being permitted to move soft coke without quota coupons. The coal merchants view this special prerogative accorded to the S.T.C. with some concern and anxiety, as it is likely to affect their business. Expressing this concern, Mr. Shethia observed:

"Depot holders are sooner or later bound to realise that State Trading Corporation can do what coal merchants cannot hope to do and, naturally enough, they will place their permits with State Trading Corporation for compliance rather than remain tied to coal merchants. I should think this prerogative is of ominous significance, as it would undermine the very foundation on which the private sector is functioning, taking the risk of supplying on credit to their constituents, satisfying them on the score of quality, sufficiency of movement, etc. I personally feel that the authorities, who have conferred this prerogative on the State Trading Corporation, should review the matter and, in all fairness to the private sector, withdraw these special privileges to the State Trading Corporation or let the private sector also enjoy the same privileges."

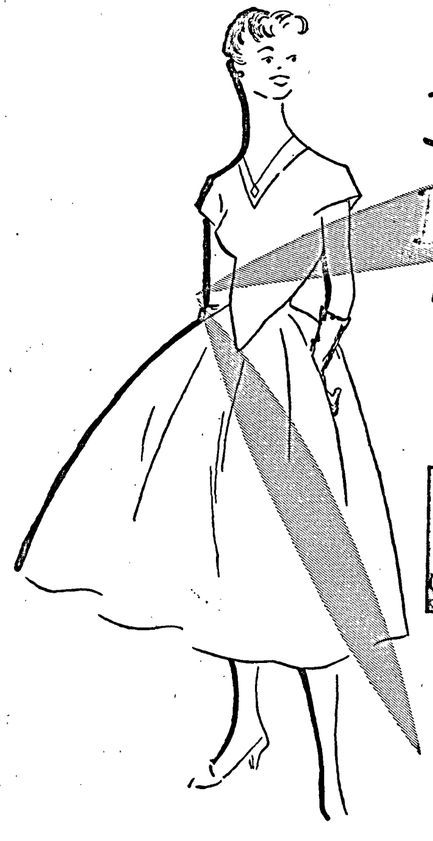
Another serious question which has been confronting the coal merchants for some time now, and to which Mr. Shethia made a reference, is the shortage in weight of coal at destination, as compared with that marked in the railway receipt. Repeated representations to the railway authorities have been of no avail. On the contrary, the authorities are said to be seeking protection under the provisions of the Railways Act which absolve them of all responsibility for the shortage in weight. The provisions also exonerate the railways from admitting that they have received so much weight as is recorded over their own weigh-bridge and then embodied in the railway receipts. The result is that the loss on account of the shortage in weight and the freight thereon have to be borne by the coal merchants. The pilferage of soft and hard cokes from open wagons is said to be on a much larger scale than in the case of coal. The merchants' representation for provision of covered wagons to reduce the loss has so far been a cry in the wilderness. It is somewhat disquieting to hear from Mr. Shethia that the facility of providing covered wagons for loading soft coke is being extended in full to the State Trading Corporation. In addition, the S.T.C. is being allowed the facility of having its personnel at weighbridges to watch and witness the weighment of wagons. It is not known on what special grounds such overriding consideration is being shown to the S.T.C. Is it an indication of the future for private trade in coal?

COAL PRODUCTION

Mr. A. Zaman, Coal Controller, has suggested a probe into the factors responsible for the disquieting trend of slackened tempo in coal production with a view to finding out a workable solution of the problem. Addressing the twenty-sixth annual general meeting of the Indian Colliery Association at Lhanbad last week, Mr. Zaman said that the increase in coal production in 1957 had been to the extent of 10 per cent. over 1956, but only a 4 per cent. increase was recorded in 1958 over 1957. This showed a slackening tempo in production.

Mr. Zaman referred to the difficulties standing in the way of importing coal-mining machinery from abroad and said that this was a problem which this country as a whole was facing.

He said that the Coal Prices Revision Committee's decisions had been delayed as all aspects of the question of changes in the price structure had to be considered carefully. Coal was a basic material and any change in its price would also affect other industries. Some delay in arriving at a decision was therefore, inevitable.



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(INDIAN BRANCHES)

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BALANCE SHEET AS AT 31st DECEMBER, 1958

Previous Year Rs.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
Not applicable	1. Capital— Deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949, Government Securities of the face value of Rs. 21,19,400 included in investments on the opposite side		Not applicable
Not applicable	2. Reserve Fund and Other Reserves		Not applicable
1,76,10,683 Nil 2,23,20,191	3. Deposits and Other Accounts— Fixed Deposits Savings Bank Deposits Current Accounts, Contingency Accounts, etc.	2,22,11,128.17 Nil 1,40,32,853.55	
3,99,30,874			3,62,43,981.72
Nil 91,460	4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India (ii) Outside India	Nil 33,066.12	
Nil	PARTICULARS— (i) Secured (ii) Unsecured	Nil 33,066.12	33,066.12
(91,460)			
3,01,732	5. Bills Payable		1,69,918.70
63,47,622 20,82,081	6. Bills for Collection Being Bills Receivable as per contra— (i) Payable in India (ii) Payable outside India	43,64,645.32 36,77,466.64	
84,29,713			80,42,111.96
92,983 70,62,906 60,870 3,68,086	7. Other Liabilities— (i) Branch Adjustments (*In India*) (ii) Head Office and Balances of Foreign Branches (iii) Unexpired Discounts (iv) Pension and Provident Funds	2,34,552.53 48,18,656.70 33,294.28 1,04,499.62	
75,74,845			51,81,003.13
68,96,425	8. Acceptances, Endorsements and Other Obligations per contra		50,53,198.03
2,35,237 2,35,237	9. Profit and Loss— Profit for the year 1958 brought from the Profit and Loss Account Less—Merged with Head Office and Inter-Branch Balances	1,75,256.63 1,75,256.63	
Nil			Nil
91,75,061	10. Contingent Liabilities— (i) For outstanding Forward Exchange Contracts (net) (ii) Guarantees given on behalf of— Head Office in Paris and French Correspondents *Others*	71,63,590.00 4,68,85,428.77 59,37,925.72	
4,67,66,212 26,92,037		5,28,23,354.49	
4,96,58,249	(iii) On Partly-paid Shares of a Joint Stock Company	3,500.00	
3,500	NOTE:—Provision for future payments of gratuities to staff has not been made, the liability for which has not been ascertained.		
6,32,25,049	Total .. Rs.		5,47,23,279.66

Previous Year Rs.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
28,88,108	1. Cash— In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		21,62,260.38
67,587 5,04,821	2. Balances with Other Banks on Current Accounts— (i) In India (ii) Outside India	73,652.97 4,44,063.93	
5,72,408 63,00,000	3. Money at Call and Short Notice		5,22,716.90 73,00,000.00
50,01,148 Nil Nil Nil Nil	4. Investments (at cost or market value whichever is lower)— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments (ii) Shares—Partly-paid Shares—unquoted. Written-off (iii) Debentures or Bonds (iv) Other Investments (v) Gold	62,20,577.37 Nil Nil Nil Nil	
50,01,148	(Securities of the face value of Rs. 21,19,400 deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949, and of Rs. 4,500 as deposit with Post and Telegraph Offices)		62,20,577.37
1,77,43,605 1,16,383	5. Advances— (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors) (I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP. (i) In India .. 1,50,40,975.83 (ii) Outside India .. 14,147.06		
1,78,59,988	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		1,50,55,122.89
21,11,316 89,06,547	(i) Payable in India .. 7,86,107.75 (ii) Payable outside India .. 81,19,213.46		
1,10,17,863			89,05,321.21
2,88,77,851	(Particulars of Advances—as per attached Schedule)		2,39,60,444.10
63,47,632 20,82,081	6. Bills Receivable Being Bills for Collection as per contra— (i) Payable in India (ii) Payable outside India	43,64,645.32 36,77,466.64	
84,29,713			80,42,111.96
68,96,425	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		50,53,198.03
Nil	8. Premises Less Depreciation— (Transferred to Head Office Account)		Nil
Written-off	9. Furniture and Fixtures Less Depreciation		Written-off
22,80,879 55,153 59,155 12,93,408 5,372 61,498 3,931	10. Other Assets— (i) Head Office and Balances of or with Foreign Branches (ii) Interest accrued on Investments (iii) Other Interest Receivable (iv) Advance Payment of Income-tax and Tax deducted at source (v) Stamps (vi) Prepaid Expenses and Amounts receivable (vii) Deposits	5,30,162.90 55,363.66 34,048.95 2,60,998.29 4,924.24 63,571.63 3,901.25	
37,59,396			9,61,970.92
Nil	11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
6,32,25,049	Total .. Rs.		5,47,23,279.66

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1958.

Previous Year Rs.	PARTICULARS	Rs. nP.	Previous Year Rs.	PARTICULARS	Rs. nP.
1,72,58,237	(i) Debts considered good in respect of which the banking company is fully secured	1,22,71,717.79	7,843	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other person	15,084.94
81,68,284	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	80,80,042.96	Nil	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil
34,51,330	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	27,08,683.35	14,967	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the company or any of them either severally or jointly with any other persons	27,928.26
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	Nil	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil
2,88,77,851	Total .. Rs.	2,39,60,444.10	11,61,702	(ix) Due from banking companies	70,496.49

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

Previous Year Rs.	EXPENDITURE	Rs. nP.	Previous Year Rs.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP.
11,07,212 9,78,601	1. Interest paid on Deposits, Borrowings, Head Office and Foreign Branches Accounts, etc. 2. Salaries and Allowances and Provident and Pension Funds	11,20,358.84 10,22,800.61	19,69,212 10,97,306	1. Interest and Discount including from Head Office and Foreign Branches 2. Commission, Exchange and Brokerage	20,35,820.73 10,29,263.18
Nil	3. Salaries and Allowances to Manager of Principal Office in India, (Salaries and Allowances and Provident and Pension Funds including Bonus, Rs. 59,154.69) (Previous year, Rs. 63,963.27)	Nil	1,02,930	3. Rents	1,02,930.00
1,52,518	4. Directors' and Local Committee Members' Fees and Allowances	1,62,194.72	Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	7,840.62
747	5. Rent, Taxes, Insurance, Lighting, etc.	5,162.22	Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	6,429.60
49,803	6. Law Charges	51,425.77	Nil	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
7,000	7. Postages, Telegrams and Stamps	7,000.00	18,067	7. Other Receipts (including Rs. 20,022.17 net excess provision of Income-tax for previous years)	46,072.20
Nil	8. Auditors' Fees	Nil			
45,876	9. Depreciation on and Repairs to the Banking Company's Property	51,444.73			
Nil	10. Depreciation on Investments, etc.	Nil			
6,10,516	11. Stationery, Printing, Advertisements, etc.	6,32,712.81			
2,35,237	Supervision Charges)	1,75,256.63			
31,87,515	12. Balance of Profit	32,28,356.33	31,87,515		32,28,356.33

REPORT OF THE AUDITORS

We have audited the foregoing Balance Sheet of the Indian Branches of Comptoir National D'Escompte de Paris, as at 31st December, 1958, and also the foregoing Profit and Loss Account of the Indian Branches of the Bank for the year ended on that date in which are incorporated the returns of the Calcutta Branch of the Bank audited by other Auditors.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions to sub-section (1) and (2) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that—

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books, and proper returns adequate for the purpose of our audit have been received from the Calcutta Branch;

(c) the Balance Sheet and Profit and Loss Account of the Indian Branches of the Bank dealt with by this report are in agreement with the books of account and the returns;

(d) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis and read with the notes appearing thereon, the said Balance Sheet gives a true and fair view of the state of the affairs of the Indian branches of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit of the Indian Branches for the year ended upon that date.

(Sd.) E. FINOT,
Manager for India.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 28th March, 1959.

THE MYSORE SUGAR COMPANY, LIMITED

SPEECH OF MR. B. M. KRISHNAN, CHAIRMAN, AT ANNUAL GENERAL MEETING

SUGAR EXPORT POLICY MUST BE RECONSIDERED

THE Twenty-fifth Annual General Meeting of the Mysore Sugar Company, Limited, was held at the Registered Office of the Company at Bangalore on Tuesday, 31st March 1959, under the chairmanship of Mr. B. M. Krishnan, I.A.S. (Retired), Chairman and Managing Director of the Company. Following are extracts from the speech of the Chairman on the occasion:

"It gives me very great pleasure to welcome you to this twenty-fifth annual general meeting of the shareholders of the Mysore Sugar Company, Ltd. The Directors' report and the audited statements of account for the year ended 30th June 1958 have been in your hands for the required statutory period and may, I suggest, be taken as read. An examination of these accounts would have given you an idea of the all-round progress recorded by your Company during the year under report, which, I am happy to say, has been in very many respects one of the best in its 25 years' existence.

"Before I proceed with my review of the position of the sugar industry in the country and of the working of your Company, in particular, I deem it my duty, on this occasion, to make a reference to the sad demise of Sir Mirza M. Ismail, former Dewan of Mysore, a few months ago. The sugar industry at Mandya and your Company owe their existence, in a large measure, to the foresight and vision of this gifted son of India. He continued in his lifetime to take a keen interest in the progress of the Company and guided it along progressive lines throughout the period that he was the administrative head of the old State of Mysore.

A Critical Year

"To the sugar industry in India, the year 1957-58 was rather a critical one. Sugar production, which was steadily rising for some years and which had reached 20.26 lakh tons during 1956-57, which was very near the target of 22.5 lakh tons fixed in the second Plan, declined to 19.75 lakh tons during 1957-58, in spite of the fact that there was an increase in the number of factories from 147 to 157. The fall in production was pronounced in the two predominant sugar-producing States of Uttar Pradesh and Bihar. As against this, there was a marked rise in production in the factories in Bombay and the South Indian States.

"With reference to the State of Mysore, it may interest you to know that the number of sugar factories has risen to six after the States Reorganisation in November 1956 and that a seventh one is fast coming up at Pandavapura within about 18 miles of our factory at Mandya. As against a production of 72,000 tons by four factories in the year 1957-58, the future production of sugar in this State is estimated to be in the order of about 1,20,000 tons, which, by any reasonable estimate, would render the State self-sufficient in regard to this important essential commodity.

"In June last year, the Government of India promulgated a law relating to sugar exports, under which every sugar factory in India was called upon to offer for export 2½ per cent. of its production during 1957-58 season, so as to make available 50,000 tons for export, in order to earn the much needed foreign exchange. Conditions in the sugar market have materially changed from what they were in the previous year when India was able to export a sizable quantity of sugar on favourable terms. The scheme of compulsory exports entailed not only a sacrifice on the part of the industry at the rate of about Rs. 300 per ton of sugar but also a loss of substantial excise and other revenues to the Central and State Governments. The export quota allotted to our factory was 1,000.3 tons and the loss on this transaction is estimated at Rs. 3 lakhs. Although the sales actually took place during the current year, the impact of the loss has partly been absorbed in the accounts of the year under report. The policy of compulsory exports of sugar has been proposed to be continued for the current year and an increased quota of one lakh tons has been allotted to the industry for this purpose, of which a moiety has already been released. With the international sugar markets showing no improvement in the marketability of sugar at economic prices, with the downward trend of production in the country, as a whole, the steadily rising demand for internal consumption and the issue of exports having been challenged, a situation has arisen which merits a reconsideration of the entire export policy, so far as the current year is concerned.

New Cane Price Formula

"Another development of a far-reaching consequence has been the statutory recognition accorded by the Government of India to the principle of linking the price of sugarcane with the price of sugar by an amendment made in September 1958 to the Sugarcane (Control) Order, 1955. This consists in guaranteeing to the cane grower a deferred price for sugarcane, over and above the initial price, calculated according to a formula. The formula, as originally published, caused us grave concern and I had dwelt on it at some length in my speech to the general body last year. By the application of the formula, the raw material supplier has been virtually made a partner in the profits of the sugar industry, for which, perhaps, there is no close parallel in any other industry. It is a matter for gratification that, as a result of representations made by the industry, the Government of India have recognised the need for inclusion of an adequate allowance for rehabilitation of plant and machinery in the cost structure of sugar for purposes of fixing the percentage share of sugar price to be passed on to the growers. This question of rehabilitation allowance is also now under examination by the Tariff Commission and its recommendations are awaited with interest.

"Turning now to the affairs of your Company, I am glad to state that the results of working during the year 1957-58 have been satisfactory from all points of view. Production of sugar in our Mandya factory rose to 39,520 tons which, I may say, comes to 2 per cent. of the total production of all the 157 sugar factories in the country. The quantity of sugarcane crushed in the mills was 3,83,775 tons, the percentage of sugar recovery being 10.4. Both the figures of cane crushed and sugar produced are the highest so far in the history of the Company. There was a substantial increase in the sales of sugar which amounted to a record figure of Rs. 3,63,90,683. This is inclusive of excise duty at the rate of Rs. 291.25 per ton, in which is also merged the sales tax that was being separately levied on sugar till the middle of December 1957. As in the previous years, the sales were regulated according to the release orders issued by the Ministry of Food and Agriculture on a monthly basis. This system ensures an even flow of sugar to the markets at steady prices, but it throws a heavy administrative and financial burden on the factory in having to keep large stocks under difficult storage conditions and involving locking up of funds, which necessitate resort to bank overdrafts to an unprecedented degree.

"The statutory price of sugarcane remained unchanged at Rs. 39.20 per ton for 'gate' cane and Rs. 35.66 per ton for 'rail' cane. Over and above this, your Directors, after a careful consideration of all the implications of the problem, have recently sanctioned an additional price of Rs. 3 per ton of cane, on an *ad-hoc* basis, in keeping with the practice of paying an extra price or 'bonus' to the cane supplier in the past. The cost on this account comes to Rs. 11,51,442, which is merged in the item of cost of cane shown in the accounts and is under disbursement. In respect of the previous year also, which was a comparatively unfavourable year, your Directors have, on reconsideration, granted an additional price of Rs. 2 per ton, meeting the cost from the profits of the year under report. If any justification is to be advanced in support of the above measures, suffice it to say that these payments were decided upon to preserve and consolidate the continued cordial relationship that has all along existed in the Mandya area between the sugarcane growers and the management, in the belief that they have contributed not a little to the present state of development of the Mysore Sugar Company.

Distillery

"On the distillery side, production and sale of alcohol showed a marked improvement over its results in the previous years, though there was no corresponding increase in profits earned. The prices that we were able to realise on sale of alcohol to industries, using alcohol as raw material, have been steadily falling even below cost of production. It is, therefore, a matter for serious consideration why, with a large supply of alcohol at our disposal, we should not embark on some useful and remunerative schemes of development which would automatically solve our alcohol problems. In this aspect, this is not a new problem at all. The Alcohol Committee set up by the Government of India have reviewed the industrial utilisation of alcohol on an all-India basis and suggested a high target for our Company to reach, i.e., manufacture of cellulose acetate. Though not possible of fulfilment in the immediate future, our Company, in my personal view, should pursue its endeavours in this direction for a realisation of this ideal in as near a future as possible.

"As you would have seen from the report and accounts, the gross profit earned during the year under report has been Rs. 45,70,846, of which, the net profit that is available for distribution is Rs. 6,87,575. The corresponding figures for the previous year were Rs. 15,65,562 and Rs. 4,33,225, respectively. This impressive rise in profit is to be attributed to the higher production and sales of sugar, as also to the higher level of price realised on the year's sales. But, more than these, it is the improvement in the percentage of recovery, with the consequent lower cost of production, that has contributed to the increased profit. While the provision for depreciation at Rs. 6,72,785 is more or less the same as in the previous year, the provision on account of income-tax has gone up to Rs. 15 lakhs, as against a *nil* provision in the previous year. Besides, a sum of Rs. 49,065 has been transferred to development rebate reserve, as required under the Finance Act, 1958. A new item of provision, which your Directors have thought essential to make, is a reserve for rehabilitation of plant and machinery, for which a sum of Rs. 6 lakhs has been set apart. I shall revert to this subject later on.

"As regards the distribution to the shareholders, in addition to normal dividend, which has now come to stay, as it were, at 20 per cent., your Directors have declared a Silver Jubilee bonus of 10 per cent. in commemoration of the year under report as the Silver Jubilee year of the Company. This will absorb Rs. 6,53,784. After providing Rs. 1,00,000 to the employees' gratuity fund, there is a surplus of Rs. 1,44,257 which is proposed to be carried forward. I may also mention that the employees of the Company have been granted a special Silver Jubilee bonus of one month's pay, in addition to the normal bonus of three months' pay.

Financial Position

"Experts in company finance have assessed the Company's balance-sheet as at 30th June 1958 and pronounced that it discloses 'a sound financial position.' This assessment is based on the fact that the paid-up capital is Rs. 21.79 lakhs and reserves and surpluses aggregate to Rs. 94.17 lakhs, the general reserve alone accounting for Rs. 62.50 lakhs. The current liabilities are at Rs. 133.13 lakhs, including a provision of Rs. 30.47 lakhs for taxation. The gross block of Rs. 157.31 lakhs stands written down at Rs. 61.13 lakhs and there have been additions, during the year under report, to the tune of Rs. 5.34 lakhs. Note will also have to be taken of the fact that capital works are in progress accounting for Rs. 2.04 lakhs, the current assets aggregating to Rs. 185.93 lakhs, which cover the current liabilities and also a provision for taxation by a comfortable margin.

"Judged by its performance against the all-India background for sugar industry, your Company has taken the second place for having handled the highest crush by any single factory during 1957-58. Similarly, it is the second highest factory in India during the year under report accounting for the largest production of sugar. Your Company has also kept up its tradition on an all-India basis for occupying the 'first place' for managing to have the longest crushing season during 1957-58.

Labour-Management Relations

"Labour-management relations gave cause for some anxiety during the year 1958-59. There was an insistence for an effective and immediate settlement of some arrear demands for 1955-56 which were *sub judice* along with some others formulated and put up for 1956-57. The demands related to such important and complicated issues as revision of scales of pay, raising of the D.A. scales in force, grant of additional bonus, etc.—issues of some significance and serious financial commitment which required a careful and meticulous examination. They overlapped in some places the examination by the Central Wage Board for the Sugar Industry, now engaged in dealing with matters pertaining to a fair-wage structure and a bonus scheme for sugar industry in the country. I am glad to say that, as a result of direct negotiations between the representatives of the management and labour, all the old and fresh disputes have been amicably settled and an agreement in this regard was signed on 8th December 1958.

"I shall be failing also in my duty to the employees, if I do not place before you the psychological outcome of all the above measures. That labour in our Company is not merely satisfied in fighting for what it considers to be its legitimate demands is more than borne out by the fact that, keeping in view what it owes to the general prosperity of the country as a whole as its duty, along with the other sectors of citizenship, it has voluntarily agreed to contribute towards the success of the second Five-year Plan by investing in National Savings Certificates. Their aggregate effort is likely to result in a final investment of Rs. 1½ to 2 lakhs. Let me offer thanks to our employees, on your behalf and on my own, for this laudable and patriotic effort.

Bagasse for Paper Production

"An important development relating to the working of our factory at Mandya in future, to which I wish to make a reference here, is the arrangement which your Directors are now engaged in finalising for the release of bagasse, obtained in the sugar factory, to the Mandya National Paper Mills, Ltd., for the manufacture of paper. It may be recalled that, two years ago, the then Chairman of the Company, while addressing you, had referred to a proposal received from an *entrepreneur* for setting up a factory at Mandya for the manufacture of paper from out of bagasse. This venture has now become an accomplished fact by the formation of a company to be located in Belagula in Mandya District, called the Mandya National Paper Mills, Ltd. After a series of negotiations between the promoters of the Paper Mills and your Directors, both directly as well as under the auspices of the Government of Mysore, and after a careful consideration of all aspects of the matter, your Directors have finally agreed to release a portion of the bagasse turned out by our sugar factory at Mandya to the Paper Mills.

"I have no hesitation to assure you that the agreement will be so drafted finally as to safeguard fully the interests of the Mysore Sugar Company. Your Directors feel that the manufacture of paper in our country at this juncture has become a national problem and, therefore, any help and co-operation which your Company, as a premier concern in sugar industry in this part of the country, would be ready to offer to the Mandya National Paper Mills, should be construed as a national effort, besides being a reasonable business deal.

Rehabilitation Problem

"The problem of rehabilitation of plant and machinery of your Company has become in the last few years a most pressing one. In this respect, we face a situation in common with the great majority of sugar companies in India which, as you are aware, were originally set up during the depression period when prices of machinery were less than a sixth of what they are today. The provision for depreciating a plant under admissible Income-tax Rules does nothing to provide the present replacement values where, as in the case of sugar machinery, prices, as I have said, have multiplied six times. Nor are the reserves of your Company, any more than those of smaller companies established at the time, available for this purpose. This is partly because we have already utilised all these reserves to expand our factory's crushing capacity which is now nearly three times the original capacity, but it is also because of the far greater needs of working capital. There are thus no *free* and readily available reserves, as such, that can be addressed to our urgent rehabilitation needs. It is for this reason that your Company has joined with other members of the Indian Sugar Mills' Association in submitting a special memorandum to the Tariff Commission on the urgency of rehabilitation allowances, to take account of the inescapable and pressing expenditure which must be incurred in about the next five years in this direction.

"The financial problems raised by these needs have caused great concern. In part, as you are aware, new financial problems have been created by the demands of labour and of cane growers to share in the profits of the Company, to which I have already referred. As already stated, we have reached recently a settlement with our employees which involves an additional charge for labour in the factory amounting to Rs. 7 lakhs non-recurring and Rs. 6 lakhs recurring. At the same time, we have this year reached an understanding with cane growers in regard to a system of price-linking, which has lost the Company about Rs. 16 lakhs in the current year. In one way or another, a diminution of profits available for distribution by about Rs. 20 lakhs has thus to be reckoned with hereafter. This figure, I might remind you, is about four times the figure required to service the equity capital of the Company. It is obvious that the sum we can pay to reserves, under conditions like these, is severely limited, and that some approach to the capital market has to be made if the Company's inescapable rehabilitation and expansion programmes are to be put into operation and the acute shortage of working capital remedied. It is after a careful consideration of all these factors that your Directors have eventually decided that, to start with, Rs. 6 lakhs may be set apart for purposes of building up a 'rehabilitation reserve, for the year under report. Whether we would be able to maintain this rate of contribution hereafter is a matter on which I am unable to give any definite opinion at this stage.

Rationalisation of Capital Structure

"This leads me on to the analogous question of rationalisation of the capital structure of this Company, to which I made a reference in my speech last year and to which references have also been made in the years previous thereto, by my predecessors. I said last year that, 'during this memorable year of the silver jubilee of the Company, we may be able to bring about a reorganisation of the capital structure of the Company.' Your Board of Directors are actively pursuing this question and it is too early for me to place before you any definite and final results of their deliberations. Nevertheless, I may inform you that, while examining the capital rationalisation question, your Board of Directors felt that there is a need for a thorough examination of the assets position of your Company and, for this purpose, they have entrusted the task to Mr. P. R. Balakrishnan, Industrial Adviser to the Government of Mysore. He is particularly qualified to examine this question and tender advice, because of his close connections with the factory at Mandya and the Directorate in the years past, in some capacity or other.

"He has covered most of the ground and has placed in my hands very recently an interim report. I have not been able to examine his findings and draw my own conclusions so far. After I do so and formulate my own proposals, your Board of Directors will have to take some momentous decisions on the capital expansion of your factory in the very near future. The report reveals that our factory, taken as a whole, leaves nothing to be desired except that the Company has to embark very soon upon the capital expansion programme to replace and modernise a few vital units of its plant and machinery. Funds will have to be found very soon for this purpose and it is my personal view that this question of capital rationalisation has become inextricably bound up with our needs to find capital for expansion purposes.

"It is a little difficult, at this stage, to give a forecast of events to come and how this question of capital rationalisation will eventually take a definite shape. I am sure that, very soon, your Board of Directors will take some important decisions in this regard, and you may have to meet again before the close of this year to participate in some momentous decisions.

"It only remains for me now to express my warm and sincere thanks to my colleagues on the Board for their kind co-operation and guidance in the management of the affairs of the Company. I am also deeply beholden to the Government of Mysore for their uniform sympathy and support to the Company. Finally, I wish to take this opportunity to pay my tribute to the cane growers of Mandya area for their efforts and to the employees of the Company for their loyal and efficient work, which have largely contributed to the outstanding success of the working of the Company during the year under report."

The report and accounts for the year 1957-58 were adopted and payment of dividend of 20 per cent. and a Silver Jubilee bonus of 10 per cent. to the shareholders was approved. The co-option of Mr. H. K. Veeranna Gowdh as Director in the casual vacancy caused by the resignation of Mr. M. Malleshayya was also approved. The retiring Directors, Mr. V. T. Krishnamoorthy and Mr. B. M. Abu Baker, I.A.S., were re-elected unopposed.

With a vote of thanks to the chair proposed by Mr. C. D. Gopala Iyengar, the meeting terminated.

H. MAHARUDRIAH,
Secretary.

BANGALORE, 1st *April* 1959.

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

The Indian Bank Limited

H. O. First Line Beach, Madras-1

In consonance with its policy of inculcating the banking habit amongst the community, the Bank has been opening a number of branches in the recent past.

There are now no fewer than 112 Branches of the Bank functioning not only in India but also in Ceylon and Malaya.

In addition, the 23 Local offices of the Bank serve the entire Madras City and Suburbs.

Foreign Exchange Facilities Also Available.

London Agents: Westminster Bank Limited.
New York Agents: First National City Bank of New York.

D. P. PARTHASARATHY
Secretary.

18/VSK/59

STATE BANK OF SAURASHTRA

(INCORPORATED UNDER THE SAURASHTRA ORDINANCE NO. X OF 1950.)

Head Office: BHAVNAGAR

CAPITAL .. .. .. Rs. 1,00,00,000 **RESERVE FUNDS .. .. .. Rs. 80,00,000**

BRANCHES AND SUB-BRANCHES:

1. BHAVNAGAR
2. BAGASARA
3. BHAYAVADAR
4. BOTAD
5. DHORAJI
6. DHRANGADHRA
7. GONDAL
8. JAMJODHPUR
9. JAMKHAMBHALIA
10. JAMNAGAR
11. JUNAGADH
12. LATHI
13. LIMBDI
14. MAHUVA
15. MANAVADAR
16. MORVI
17. PALITANA
18. PORBANDAR
19. RAJKOT
20. SAVARKUNDLA
21. SIHOR
22. SURENDRANAGAR
23. UPLETA
24. VERAVAL

PAY OFFICES:

AMARGADH, BADRA, BANTWA, BHANVAD, BILKHA, CHITAL, CHOTILA, CHUDA, DUNGAR, DHROL, GADHADA, GARIADHAR, HALVAD, JAFRABAD, JASDAN, JETPUR, JODIYA, KALAVAD, KESHOD, KUTIYANA, LAKHTAR, LILIA (MOTA), MANGROL, MULI, RAJULA, SAYLA, SIKKA, TALAJA, TANKARA, THANGADH, UNA, VADIA, VANTHALI (SORATH), VALABHIPUR, VINCHHIA, VISAVADAR, WANKANER.

ANNUAL REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of the Bank have pleasure in submitting the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1958.

The net profit for the year 1958, including the balance of Rs. 9,215.10 nP. brought forward from the previous year and after providing for all working expenses and depreciation on the Bank's properties, amounted to Rs. 16,37,854.78 nP., which the Board has decided to appropriate as under:—

	Rs. nP.
(i) To General Reserve Fund	3,30,000 00
(ii) To Government's Share of Profit	7,00,000 00
(iii) To Investment Reserve Fund	1,20,000 00
(iv) To Bad Debts Reserve Fund	2,00,000 00
(v) To Provision for Bonus to Staff	2,40,000 00
(vi) To Pension Contribution of covenanting State Servants	30,000 00
(vii) Balance to be carried forward to next year's account	17,854.78
Rs.	16,37,854 78

With its activities confined within the area comprised in the old Saurashtra State, the Bank has already opened its offices at practically every important business centre in this region, and no further expansion of Branch banking was undertaken during the year under report. The number of Branches and Sub-Branches, therefore, remains unchanged at 24 and that of Pay Offices at 37, in all 61 offices.

It has, however, continued to extend in an increasing measure banking facilities throughout the region making an appreciable contribution to the promotion of trade, commerce and industry in the area. Institutions such as Co-operative Banks, Land Mortgage Bank, etc., continued to be afforded special banking facilities on favourable terms. Safe Deposit Vault facilities have been further extended to two offices, such facilities being now available at 38 offices of the Bank.

It is gratifying to note that despite keen competition encountered from other Banks, our business at various centres has shown a further all round expansion, especially in the collection of deposits and money lent resulting in higher gross earnings. The Bank's net profit for 1958 was, however, affected by payment of high rates of interest on deposits and higher establishment charges, in line with the general experience of the banking industry in the country during the year.

The programme of carrying out additions and improvements to the Bank's buildings was followed with due regard to economy in such expenditure. Substantial extensions have been effected to the Bank's old building at Botad, and further additions and alterations made on a reasonable scale to the buildings at Bhavnagar, Palitana, Junagadh and Lathi, to provide better accommodation to the staff as well as the Bank's clients.

A comparative statement of the progress made by the Bank during the last 5 years is appended below:—

	As at 31st December				
	1954 Rs.	1955 Rs.	1956 Rs.	1957 Rs.	1958 Rs.
Deposits ..	10,82,76,000	13,34,69,000	14,25,16,000	15,72,24,000	16 45,07,000
Advances ..	2,84,35,000	2,70,24,000	4,41,61,000	6,88,13,000	7,86,80,000
Investments ..	7,24,86,000	9,54,09,000	9,56,95,000	9,06,63,000	7,35,41,000
Gross Earnings ..	41,28,000	55,94,000	65,62,000	82,09,000	84,99,000
Net Profits ..	18,99,398	19,25,662	22,55,431	22,83,538	16,28,639
No. of Offices ..	32	53	61	61	61

As the groundnut crop in Saurashtra in the 1957 season was considerably below the normal, there was little carry over of stocks, with the result that prices ruled high from the very beginning of last year and the bullish trend continued unabated throughout the year.

Though the Bank rate throughout the year remained unchanged at 4 per cent., competition amongst banks to attract deposits at higher rates became keener and a stage was reached when the Banks on a voluntary basis imposed a ceiling on deposit rates since the beginning of October 1958, which has been a helpful factor to a certain extent in eliminating unhealthy competition amongst Banks.

The Board is pleased to place on record their genuine appreciation of the untiring and devoted services rendered by the General Manager—a veteran of proved ability and mature experience in sound banking traditions—the Branch Managers and other officers and staff whose loyal and sustained team work have mainly contributed to the mounting prestige and popularity of the Bank.

J. S. PARIKH,
Chairman.

BHAVNAGAR, 18th March, 1959.

BALANCE SHEET AS AT 31st DECEMBER 1958

31-12-1957 Rs.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
1,00,00,000	1. Capital		1,00,00,000.00
	2. Reserve Fund and Other Reserves—		
	(i) Reserve Fund	45,18,600.00	
	(ii) Investment Reserve	19,86,151.85	
60,34,603			65,04,751.85
	3. Deposits and Other Accounts—		
	(i) Fixed Deposits	7,45,43,263.18	
	(ii) Savings Bank Deposits	4,43,52,873 42	
	(iii) Current Accounts, Contingency Accounts, etc..	4,56,10,787.07	
15,72,24,287			16,45,06,923.67
	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(i) In India	....	
	(ii) Outside India	....	....
1,68,26,930	PARTICULARS—		
	(i) Secured (by part of Investments per contra)..	....	
	(ii) Unsecured	....	
5,90,328	5. Bills Payable		5,02,032.51
	6. Bills for Collection Being Bills Receivable per contra—		
	(i) Payable in India	43,14,116.41	
	(ii) Payable outside India	30,035.00	
37,91,934			43,44,151.41
37,10,293	7. Other Liabilities (Branch Adjustments)		28,45,745.72
	8. Acceptances, Endorsements and Other Obligations per contra		9,02,884.50
2,05,689			
	9. Profit and Loss—		
	Profit as per last Balance Sheet	23,04,215.10	
	Less—Appropriations	22,95,000.00	
		9,215.10	
	ADD—Profit for the year brought from Profit and Loss Account	16,28,639.68	
		16,37,854.78	
	LESS—Interim Appropriations	3,65,000.00	
16,64,215			12,72,854.78
	10. Contingent Liabilities—		
3,99,890	(i) On partly paid shares of Joint Stock Companies.	2,90,250.00	
	(ii) Claims against the Bank not acknowledged as debts	Nil	
1,49,046	(iii) Money for which the Bank is contingently liable.	8,30,226.50	
..	(iv) Liability on Bills of Exchange re-discounted ..	Nil	
..	(v) Liability on account of outstanding Forward Exchange Contracts	Nil	
20,00,48,284	Total .. Rs.		19,08,79,344.44

31-12-1957 Rs.	PROPERTY AND ASSETS.	Rs. nP.	Rs. nP.
	1. Cash—		
1,64,66,514	In hand and with Reserve Bank and State Bank of India		1,64,54,725.21
	2. Balances with Other Banks in Current Accounts—		
	(a) In India	98,809.68	
12,07,718	(b) Outside India	....	
1,44,00,000	3. Money at Call and Short Notice		98,809.68
			1,26,45,000.00
	4. Investments at or Below Cost—		
	(i) Securities of Central and State Governments and other Trustee Securities	5,02,98,674.46	
	(a) Face Value .. .. Rs. 5,06,07,400 00		
	(b) Market Value .. .. Rs. 5,09,40,009.85		
	(ii) Shares (Market Value Rs. 53,91,055.70) ..	55,90,403.30	
	Fully Paid Partly Paid		
	Rs. Rs.		
	(a) Preference .. 27,98,101.00 2,50,000 00		
	(b) Ordinary .. 25,58,085 05 74,217.25		
	(c) Deferred		
	Rs. 52,56,186.05 3,24,217.25		
	(iii) Debentures or Bonds	83,08,035.50	
	(iv) Other Investments—		
	Pakistan Trustee Securities	3,43,700.00	
	(Market Value Rs. 3,38,200.00)		
9,06,63,158	(v) Gold	....	7,35,40,813.26
	5. Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	(i) Loans, Cash Credits, Overdrafts, etc.—		
	(a) In India	7,18,96,308.63	
	(b) Outside India	....	
	(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
	(a) Payable in India	67,84,128.48	
	(b) Payable outside India	....	
6,88,13,862	PARTICULARS OF ADVANCES—		7,86,80,437.11
	(i) Debts considered good in respect of which the Bank is fully secured	6,41,43,081.13	
	(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	65,41,620.81	
	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	79,95,735.17	
	(iv) Debts considered doubtful or bad not provided for	....	
		7,86,80,437.11	
	(v) Debts due by the Board Members or Officers of the Bank or any of them either severally or jointly with any other person	6,706.14	
	(vi) Debts due by the companies or firms in which the Board Members of the Bank are interested as directors, partners or managing agents or, in case of private companies, as members.	25,86,839.46	
	(vii) Maximum total amount of advances including temporary advances made at any time during the year to the Board Members or managers or officers of the Bank or any of them either severally or jointly with any other person ..	9,209.80	
	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members ..	39,86,156.84	
	(ix) Due from Banking Companies	31,20,876.55	
	6. Bills Receivable Being Bills for Collection per contra—		
	(i) Payable in India	43,14,116.41	
37,91,934	(ii) Payable outside India	30,035.00	
			43,44,151.41
2,05,689	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		9,02,884.50
	8. Land and Building at Cost Less Depreciation—		
	Cost upto 31st December, 1957	25,12,176.44	
	Addition during the year	71,160 04	
		25,83,336.48	
23,80,991	LESS—Total Depreciation to date	1,91,467.48	
			23,91,869.00
	9. Furniture and Fixtures at Cost Less Depreciations—		
	Cost upto 31st December, 1957	11,03,073.17	
	Addition during the year	45,024.55	
		11,48,097.72	
8,12,389	LESS—Total Depreciation to date	3,48,855 02	
			7,99,242.70
	10. Other Assets—		
	Interest accrued on Investments (Gross)	6,14,831 03	
	Stationery, Stamps, etc.	4,06,577.54	
12,16,529			10,21,411.57
....	11. Non-Banking Assets Acquired in Satisfaction of Claims Below Cost		....
20,00,48,284	Total .. Rs.		19,08,79,344.44

(Continued on next page)

NORTH INDIAN TEA COMPLETES A FAVOURABLE SEASON

EXPORTS IMPROVE SIZABLY

IE 1958-59 season (April to March) for North Indian tea estates has come to an end and ort sales are over except for some clearing auctions. The season has proved to be some- at encouraging in terms of both exports and ces fetched, notwithstanding an increase of 7 million lbs. in the North Indian crop to .1 million lbs. and a rise of 60.6 million lbs. 1,340.9 million lbs. in the production of all ding tea growing countries. The internal rket too displayed good strength, resulting prices of plain teas remaining above those ing in other centres. Medium broken orange koes and, to a lesser extent, orange fannings, less they were of bright liquors, were, how- er, difficult to sell in the last few months. ssia also stopped buying teas of this nature a w weeks back and this caused a slight setback prices towards the close.

On the whole, prices fetched in the 1958-59 ason have been higher in both export sales d internal auctions, as will be seen from the llowing table:

(In rupees per lb.)

	Export sale		Internal sale (dust)	
	Up to 17th Mar., 1959	Up to 18th Mar., 1958	Up to 18th Mar., 1959	Up to 18th Mar., 1958
sam	2.34	2.36	2.06	1.99
char	1.79	1.74	1.76	1.80
arjeeling	3.32	3.02	2.17	2.12
oons	1.89	1.82	1.80	1.64
ral	1.86	1.77	1.77	1.90
ipura	1.74	1.70	1.71	1.55
her places	1.76	1.94	1.78	1.57
een tea	..	..	0.83	0.55
Average ..	2.19	2.15	1.99	1.89

The exports of North-east Indian tea during ie season (upto 14th March) 1958-59 amounted) 383.55 million lbs., which, as compared with nose in the corresponding period of 1957-58, now a rise of 55.34 million lbs. from those epresent a fall of 24.37 million lbs. from the a the corresponding period of 1956-57, when hey reached 407.92 million lbs. The in- rease in exports, as compared with 1957-58 eason, is due to larger offtake by the .K., which lifted 31.46 million lbs. more, at 49.55 million lbs. The exports to Russia rose rom 11.92 million lbs. to 24.26 million lbs. The ext country of importance to which exports ere higher was Egypt which took 23.17 million bs., as against 14.79 million lbs. Middle East ountries (other than Iran, Persian Gulf, Iraq nd Egypt) took 4.53 million lbs. more, at 11.78 illion lbs. Exports to Persian Gulf and Iraq ave increased from 5.91 million lbs. to 6.99 mil- ion lbs., while those to Iran have declined from 1.54 million lbs. to 10.25 million lbs. and to rish Republic from 15.72 million lbs. to 13.76 million lbs.

The season 1958 for South Indian tea presented a mixed trend. While the export sales fetched generally a higher price, the prices realised in internal dust sales were lower. Thus, the average price fetched in export sales during 1958 was Rs. 2.09 per lb., as compared with Re. 1.93 per lb. in 1957, while that of dusts sold for internal consumption was Re. 1.56 per lb., as against Re. 1.61 for the previous year.

During the calendar year 1958, shipments of tea from South India aggregated 91.14 million lbs., as compared with 77.66 million lbs. in 1957. Exports to the U.K. show a rise from 51.38 million lbs. to 59.19 million lbs. and those to U.S.S.R. from 1.25 million lbs. to 4.68 million lbs. Small increases are also noted in exports to Canada, the U.S., Australia and a few other countries.

Taking the exports of North-east Indian tea also, it is seen that, during the calendar year 1958, the total exports of Indian tea amounted to 500.74 million lbs., as against 437.57 million lbs. in 1957, thus making good to a large extent the decline from 512.25 million lbs. exported in 1956. The country-wise shipments during the last three years are compared in the following table:

(In million lbs.)

	Twelve months ended December		
	1958	1957	1956
Britain	329.84	298.81	356.83
U.S.S.R.	25.28	16.07	13.02
Canada	19.13	16.96	21.72
United States	25.46	23.31	27.91
Australia	7.29	7.59	9.44
*All other places**	93.74	75.03	83.33
Total ..	500.74	437.57	512.25

* Of these, exports from North India to—

Irish Republic	15.60	15.90	16.62
Rest of Europe	6.73	5.38	11.58
Turkey	7.97	7.09	6.67
Iran	11.05	12.15	8.23
Persian Gulf and Iraq ..	6.52	5.83	7.40
Egypt	23.08	14.35	15.32

Note:—The break-up figures of exports from South India to all countries, except the first five, are not available.

While exports of Indian tea rose by 63.17 million lbs. during 1958, Ceylon raised them by only 43.04 million lbs. to 410.77 million lbs. In 1956, Ceylon's exports aggregated 348.13 million lbs. Ceylon's tea enjoys a good market in Africa, Australia and New Zealand, the exports to these countries during 1958 (with comparative figures for 1957 in brackets) being 36.12 million lbs. (36.45 million lbs.), 41.64 million lbs. (34.81 million lbs.), and 15.05 million lbs. (13.73 million lbs.), respectively. Ceylon has stepped up its exports to Irish Republic to 3.37 million from 1.89 million lbs. and to the other European countries from 12.82 million lbs. to 15.81 million lbs. During 1958, Ceylon entered the Russian market and sold 2.73 million lbs. Its exports to the U.S., Egypt and other Middle East countries, however, declined.

TARIFF COMMISSION TO ENQUIRE INTO RUBBER PRICES

The Government of India has referred to the Tariff Commission the question of fixing the prices of different grades and qualities of raw rubber. The maximum and minimum prices for various grades and qualities of raw rubber, it may be noted, were fixed in October, 1952 on the recommendation of the Commission which had submitted a report on the subject. The position was reviewed in 1955, following representations received from the plantation industry asking for an increase in the rubber prices. As a result of the review, the prices were raised on 15th February 1955, partly to meet the increase in the cost of production and partly to enable producers to put by adequate funds for the replanting of rubber which had to be undertaken on a considerable scale as also for new planting, if necessary. When the cess on rubber was increased in August, 1955 the prices for various grades of rubber were revised to the extent of the increase in the cess.

The Government has recently received further representations from producers for revision of prices for raw rubber on the ground that the cost of production has increased considerably since 1955, on account of increased expenditure on wages and provision of amenities and provident fund benefits to labour. The rubber goods manufacturing industry, on the other hand, has represented that the controlled prices of indigenous rubber are already high. The industry is of the view that any upward revision of prices would not be justified, particularly because the manufactured articles are not able to withstand competition in the world market. The Government has carefully examined the matter. Although the fact that the rehabilitation element which is included in the prices fixed for raw rubber has not been utilised adequately by the producers, the Government considers that there is a case for referring the question of the prices of raw rubber to the Tariff Commission for investigation.

COFFEE AGREEMENT TO BE REVISED

The Board of Directors of the Latin American coffee agreement has adopted a six-point programme for the fifteen signatory nations to the agreement, as a result of the study undertaken by a committee entrusted with the task of revising the basis for a new agreement which will replace the existing one when it expires on 30th September next.

The Committee has unanimously suggested the adoption of a fixed export quota agreement among the coffee producing countries, as an effective and equitable means to secure adequate balance between supply and demand, thus benefiting the producers and consumers alike. It is considered advisable that the new agreement should be in force for a period of at least two years.

In order to give the market a greater stability, the Board has decided that the second period for which exports are to be fixed should cover in addition to the quarter April-June 1959, the month of March also, since exports for this month have not yet been completed. Thus, the availability of supplies for export, as well as the demand, have been calculated for a period of four months, March-June 1959. In determining the demand, the exports during the corresponding period of 1958 were adopted as the basis. The demand for coffee produced by the participating countries of the agreement has been fixed at 8.78 million bags (of 60 kilos each) and the supply has been adapted to this quantity.

The Board has also adopted a resolution, which aims at exercising a strict control over coffee shipments, in order to avoid re-exports, which are detrimental to the market stability and to the interests of the exporting countries.

STATE BANK OF SAURASHTRA—*Continued*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

31-12-1957 Rs.	EXPENDITURE		Rs. nP.	31-12-1957 Rs.	INCOME (Loss Provision made during the year for bad and doubtful debts and other usual and necessary Provisions)	Rs. nP.
40,14,988	1. Interest paid on Deposits, Borrowings, etc.		47,94,731.90	68,33,020	1. Interest and Discount	72,71,434.66
	2. Salaries, Allowances and Provident Fund (excluding Bonus—See Note 1)—	Rs. nP.		7,19,522	2. Commission, Exchange and Brokerage	7,27,316.17
	(i) General Manager	41,250.00		1,39,295	3. Rents	1,64,346.50
13,66,776	(ii) Other Staff	14,43,118 02	14,84,368.02		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account) (See Note 2)	
7,137	3. Board Members' Fees and Allowances		12,012.72			66,105.84
72,741	4. Rent, Taxes, Insurance, Lighting, etc.		82,865 10			
304	5. Law Charges		792 41			
1,03,508	6. Postage, Telegrams and Stamps		1,24,032 20	1,88,438		
4,000	7. Auditors' Fees and Travelling Expenses		4,090 09			
1,21,242	8. Depreciation on and Repairs to Bank's Property		1,27,033 10		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	....
1,09,731	9. Depreciation on and Repairs to Bank's Furniture, etc.		1,16,018 42	..		
2,945	10. Stationery, Printing, Advertisement, etc.		1,18,148.77			
1,22,575	11. Other Expenditure		16,28,639.68		6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	....
22,83,523	12. Balance of Profit			..		
	Notes:—(1) This does not include Bonus to Staff paid out of appropriation Bonus to General Manager for 1958 is Rs. 9,750.			3,24,211	7. Other Receipts (including transfer from bad debts recovered in previous year Rs. 2,10,030 and excess provision of Bonus Rs. 30,000)	2,68,859.15
	(2) Net loss on sale or redemption of Investments amounting to Rs. 1,46,918 has been written off to the Investment Reserve.					
	Total .. Rs.		84,93,562.32	82,09,488	Total .. Rs.	84,93,562.32
82,09,486						

AUDITORS' REPORT TO THE BOARD UNDER RULE 21 (2) OF THE STATE BANK OF SAURASHTRA RULES, 1950.

We have audited the annexed Balance Sheet of the State Bank of Saurashtra, as at 31st December, 1958, and also the annexed Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the authenticated returns from Branches, and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) the returns received from Branch offices of the Bank have been found adequate for the purpose of the audit;

(d) the Profit and Loss Account shows a true balance of profit for the year; and

(e) the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank.

N. M. RAIJI & CO.,
Chartered Accountants.

BOMBAY, 11th March, 1959.

J. B. CHANESHRA,
Chief Accountant.

G. D. PURI,
General Manager.

J. S. PARIKH,
J. K. MODY,
N. P. NANDANI,
R. P. SHAH,
V. R. MEHTA,
G. U. PARIKH,
V. ISVARAN,
Members of the Board of Management.

IMPRESSIONS OF WORLD BANKING—I

By G. Lakshminarayanan

ASSISTANT GENERAL MANAGER, INDIAN OVERSEAS BANK, LTD.

THIS study covers, in the main, the United Kingdom, Germany, Switzerland, Italy and the United States of America, with brief cross-references to six other countries, Norway, Sweden, Denmark, Netherlands, France and Belgium. Broadly, these can be called "advanced countries," advanced in industry and technology, some of them in the crest of material prosperity, with so much in common between them, yet each so much different from the other. Each has its own peculiar problems, and each is trying its own set of solutions. England, till recently the world's financial centre, is making a determined bid to preserve the pound sterling. Germany, abundant in steel and technical talent, is making a saga of economic revival. Switzerland, though bereft of raw materials, landlocked and rugged, has nevertheless attained the high *per capita* income of Rs. 4,500. Italy, which was the doyen of Western banking and the 'lighthouse' of the Mediterranean, but now a weak partner in Western Europe, is in ceaseless search for new openings for its emigrants. The U.S. is the land of the survival of the fittest, verily an inexorable battle of wits.

I have made a rapid survey of banking, and much that goes with it, during the four months of my world tour. Such a multitude of thoughts of what I saw and heard crowd into my mind that it is a real composition to reduce them to a few pages, or to narrate them with any cogency. I have tried to relate in the following pages some of my impressions of world banking, which, though by no means exhaustive or detailed, cover the salient features. For the sake of convenience, I have rendered a subject-wise treatment rather than country-wise.

Objectives, Approach and Treatment

My observations are drawn from discussions with bank executives abroad, the men "behind the banks." I have tried to assess the historical background of world banking, the socio-economic environments shaping banking in each country, and how it has adapted itself to the tremendous changes of the post-war era. I have tried to understand national objectives, how they find expression in the approach to and treatment of problems, how other sectors influence banking and how banking itself influences other sectors.

A study of banking is, in essence, a discussion on the wider area of its application, agriculture, trade, industry, currency, finance, politics and sociology. One aspect of managerial responsibility in modern banking is a continuous appraisal of geographical risk, political risk, currency risk, commodity risk, personal risk.... and unforeseen risk.

Theme of Banking

We in India, who have built our edifice of banking on the British model, regard this system with considerable faith. But a study of contemporary banking in Europe and America shows that banking in each country has been conditioned according to its national requirements, that, while a central theme governs the principles and practice of banking, the theme itself varies from country to country. The theme of British banking itself is eminently in unison with its economic structure. Banking in Britain overwhelms every other activity, and it is in Britain that one realises that production of goods is only one of the economic functions, that trade and division of labour are virtually impossible without currency and credit. Within that one mile radius around Threadneedle Street, there is an array of institutions—the Baltic Exchange, where practically every shipowner in the world is represented, Lloyds Insurance, a sanctified name in world-wide underwriting, incidentally, without any corporate liability, Coleman Street, Mincing Lane, Plantation House, etc., for practically every commodity in the world, the London Stock Exchange described by *Punch* as "a place in which some people sell what they have not got to those who do not want it"—each buzzing with tremendous activity, but all converging to one focal point, the 'Bank.' Until recently the world's financial capital, London, thrived from international trade, overseas investment and re-finance, a clearing house for practically the whole of Western Europe. The prerequisite for this leadership is a strong pound sterling, and the dominant theme is the defence of the pound. The Export Credit Guarantee Department (E.C.G.D.) runs "dollar drive" policies and provides cover against losses arising from promotional activities such as market survey, advertising, etc. in the U.S. The Midland Bank Chairman remarked not long ago: "No country is involved in so much intricate and complex a manner and degree as is the United Kingdom in the course of business affairs in other parts of the world."

When the United Kingdom emerged from the war as a major debtor, it was doubted if she could extinguish these borrowings even over several decades and the pound was neglected. Resourcesful Britain set about strengthening its precious sterling. By careful husbanding of resources, bilateral trade gave place to multilateral trade and sterling of restricted convertibility found wider acceptance, and gradually attained multilateral convertibility. The policy of the U.K. Exchange Control has been guided by a high sense of practical wisdom, progressive easing of restrictions, reduction in the volume of regulations and a more lenient attitude in the day-to-day administration. Sterling has not only gained lost ground, but has also gathered greater momentum, and, despite considerable increase in world trade, more than 40 per cent. of it is still accounted for in sterling. Britain considers no sacrifice too dear to protect its sterling. Bank rate was taken to the unparalleled high of 7 per cent. in spite of widespread repercussions. The conventional investors in Government securities suffered considerable depreciation, and the Midland Bank disclosed an unrealised diminution of nearly £23 million as at 31st December, almost equal to the entire reserves of the Indian Scheduled banks. The British Government is actuated by business considerations and is deeply concerned about its various constituents. And yet the Bank of England did not desist from this momentous step.

Typically in the British way, the entire banking system has contributed to this marvellous achievement by traditional adherence to national policy, with minimum of statutory enforcement, despite numerous constituents making the system, namely, the clearing banks, exchange banks, overseas banks, merchant bankers, etc. The Bank of England wrote in a commemoration pamphlet on the occasion of the Festival of Britain thus: "Over two centuries and a half, the Bank of England has developed in a typical British way into something quite different from what it was to start with but without any kind of revolution, and experience taking the place of any elaborate written constitution. Tradition plays its part... foresight and business skill are not purely modern arts and, though the methods may change, the past is not to be lightly discarded."

Banking in Socialist Sweden

While one is thus struck at the amazing stature of British banking, the Continent establishes that banking is not a set of axioms, however lofty, but a product of the soil of each country, an integral part of the varying economic environments. To start with Sweden. Here is a country, whose central bank, the Bank of Sweden (*Sveriges Riksbank*) is the world's oldest (founded in 1656) and probably again the first to issue paper money. The Royal Bank and Stock Exchange Inspection Board exercises considerable control over commercial banks. Banks are not to grant credits for longer terms than 12 months in the case of overdrafts and six months in the case of loans. Yet 35.7 per cent. of commercial banks' advances in the year 1957 was for house construction—other real estate loans apart—while industry claimed only 20.9 per cent. and agriculture 4.2 per cent. Once instalment repayment reduces each advance to 50 per cent. of house value, banks cease to take any notice of these outstandings. The compelling reason is State policy; in a Welfare State, housing is an important plank of social security. In the same way, total advances form a high ratio of deposits. In May last, commercial bank advances amounted to Kr. 11 billion, as against deposits of Kr. 14 billion. In Norway, the ratio is even higher, commercial bank advances being N. Kr. 5.2 billion against 5.3 billion deposits. The savings banks with deposits amounting to Kr. 6.8 billion (exceeding those of commercial banks) carry Kr. 4.3 billion advances, more than half of them on mortgage. At the same time, price level is sought to be kept low to avoid any hardship to the non-rich (I believe there are no poor people in Scandinavia) and Norway's bank rate of 3½ per cent. was insulated from Sweden's rate of 4½ per cent. and Denmark's 5 per cent., despite considerable intercourse between the three countries.

In Germany

In Germany, whose mainstay is industrial prowess, the integration is complete. Though commercial banks do not make long-term or block advances, 58 per cent. of aggregate bank lending went to industry and handicraft, and trade accounted for 26.8 per cent. In addition, commercial banks, which are also members of the bourses, participate in the issue of bonds of local bodies and private firms. The Deutsche Bank took part in 71 issues for about DM. 582 million in 1957 for domestic and foreign customers, though the ultimate year end holding of these amounted to DM. 58 million only. General managers of leading banks are on the boards of numerous industrial, insurance and shipping corporations. An anti-trust legislation was passed some years ago, restricting maximum number to 20, but existing directorships were exempted. German banks have a panel of legal experts on their staff to advise their general manager on these outside interests. These directorships do not necessarily arise from share promotion or participation. It is an age-long custom to associate bank executives in company directorships, but, certainly, an evidence of close association between industry and banking. Also, banks' customers having interest in industrial equities, generally nominate banks as proxies.

In Belgium

On the contrary, in the neighbouring country, Belgium, two-thirds of commercial bank deposits are immobilised to augment, in effect, Government funds. Belgium banks are subjected to the highest liquidity ratio in the world, 65 per cent. in statutory balances, overnight call money and treasury bond and short-term Government security. Statutory cash balance with National Bank of Belgium is 4 per cent. Of the balance of 61 per cent., at least half is to be in three months' Treasury Bills and not more than 15 per cent. in six months' Treasury Bills. Three months' bills yield just 1-15/16 per cent. and, apart from low yield, banks are left with 35 per cent. deposits only for assistance to trade and industry. This regressive liquidity ratio is a remnant of the historic depression of the 1930s, when banks with mixed interest fell like a pack of cards, and the Government was compelled to take these extreme measures. Of course, several specialised institutions with Government participation have been sponsored—the institution for industrial medium-term credit for instance—and the National Bank grants special advances to promote export import trades at concessionary rates of 3¼ per cent. and 3¾ per cent., respectively, but these reliefs do not adequately redeem the near 'suspicious' treatment accorded to well-established commercial banks. Banks are continuing to agitate, but the relaxation has only been a progressively larger percentage in short-term bond holdings, instead of entirely in Treasury Bills.

With all this handicap, commercial banks are making headway, and have shown considerable resourcefulness, as I shall show in greater detail a little later. Suffice it to say here that *Banque de Bruxelles* operates 560 branches, while the largest bank in the Netherlands has 350 branches only. Belgium has 9 million population only, while the Netherlands has 11 million.

Swiss Free Market and Gold

The theme of Switzerland is its celebrated free market, and market for international investment. Politically, it stands out as a neutral State amidst tremendous upheavals all around, and, financially, it insulates the interest rate and free flow of money with a fine balance. Banks are not only members of the bourses, but they are the only members, do considerable arbitrage operations in stocks and bonds, on customers' account and on their own, and display of share quotations is a common feature at every bank office. Commission tariff is high and banks make considerable profit from stock exchange operations. Practically, every internationally known scrip is dealt with in the Swiss bourses. A consortium of banks have monopoly right in underwriting cantonal bonds, etc. About 40 per cent. of bank deposits in Geneva area is of

foreign origin, and even introduction for current accounts is not insisted upon. At the same time, lest Switzerland loses in the bargain, interest rates are held low. For the first time in 20 years Bank rate was raised from 1½ per cent. to 2½ per cent. in May last. Also, heavy influx of foreign funds, particularly hot money, can create a vulnerable situation; national policy seeks to give the maximum protection against every contingency. Swiss is, perhaps, the only currency in the world with more than full backing in gold. At the end of 1957, the Swiss National Bank notes in circulation amounted to Frcs. 5.9 billion, against gold holding of 7.4 billion (120 per cent.). In fact, gold is still popular in Switzerland, as in France, and many presents are made in gold slabs. In the recent past, when there was a flight from the pound sterling, Swiss banks entered into a gentlemen's agreement not to pay interest on foreign deposits, since revoked with return to normalcy. But Swiss banks are after 'big chunks.' Branch banking is not extensive, and there is extreme decentralisation of branch administration.

Human Skill

Another plank of Swiss national policy is to promote high technological advance as the only competitive factor in the hard economic structure of the country. Enthronement of human skill is the greatest asset of the Swiss people. Though a tourist paradise, with enchanting lakes and mountains, for the Swiss, life is a battle against rugged terrain, and, during winter, Switzerland relies on power supply from Italy. Banking hours are the longest in Switzerland, as many as seven hours to the public. Switzerland earns Frcs. 1,303 million annually by export of watches. The Swiss Re-Insurance Company, derives 90 per cent. of its income from abroad. Unemployment in Switzerland is 2,000, but vacancies are 5,000. Though considerable tourist income accrues, Switzerland will not sacrifice the hereditary skill of its people, and has permitted 250,000 Italian immigrants, most of whom serve in hotels, even though the latter account for an annual foreign exchange drain of some Frcs. 500 million. Hydro-electricity is highly developed and 90 per cent. of Swiss railways run on electricity. In spite of hundreds of motor boats swarming across the lake of Zurich, one does not hear the slightest noise. One fine morning Swiss administration totally banned all motor boats which disturbed the peace of the area and soon came about the invention of noiseless motor.

State Ownership

Italy presents a marked contrast to its neighbour Switzerland. Switzerland is a free market but Italy has rigid exchange control. Interest rate is low in Switzerland, but high in Italy. Unemployment is low in Switzerland but Italy faces an acute population problem. The country, according to Italian sources, can stand about only half of its present population of 48 millions. Control on banking is nominal in Switzerland, while there is a high concentration of State ownership in Italy. The largest commercial bank, *Banca Nazionale Del Lavoro* (assets Rs. 800 crores), is wholly State-owned and is termed a public credit institution. Three other large banks, the *Banca Commerciale Italiana, Banco Di Roma* and *Credito Italiana* are State-owned to the extent of 80 to 96 per cent., through the Institute for Industrial Development. More interesting still, *Banco Di Napoli* and *Banco Di Sicillia* (assets Rs. 500 crores and Rs. 200 crores, respectively) are charitable institutions. As the name of the holding institute would reveal, the State policy is a drive for development of industry and, as a corollary, these institutions are allowed to compete freely, and there is no regimentation of their operations to any particular pattern. The *Banca Nazionale* has separate annexed sections to finance mortgage credit, hotel and tourist credit, motion picture credit, credit to medium and small industries, credit to co-operatives, etc. The assets of these annexed sections aggregate Rs. 90 crores, but the Bank's participation in these sections has been written down to Lira 1.

Emigrant Service

Another sphere of interest is the emigrant service. The *Banco Di Napoli* was commissioned by the State to open its first representative office in New York as early as 1901. More representative offices have since been opened in different parts of the world by this and other banks and they handle millions of remittance every year. The *Banco Di Roma* runs a branch in Belgium solely to serve 50,000 emigrants working in coal mines and, lest it should lose its goodwill with local banks, this branch handles no business other than of Italian workers. In fact, Italian banks have made a fine art of emigrant service, dealt with at greater length in a subsequent part of this article.

Keeping Wheels of Industry Moving

In the U.S., the accent is on keeping the wheels of its gigantic industry moving, both by direct financial assistance, and indirect sales promotion through the means of consumer credit. Banking in the U.S. figures prominently in other sections of this report, and the mention here is just to emphasise that banking in different countries has been evolved according to local genius.

II

Aggressive Versus Conservative

Not only has banking in each country a purpose of its own, there is considerable divergence of approach even as between leading commercial banks in the same country. Treatment of problems varies, and there are banks traditional, banks progressive and banks venturesome. These are but general descriptions, the dividing line is somewhat blurred, and there is no precise yardstick. Again, there are intermediate types, say, banks traditionally progressive, and progressively venturesome. The merits or demerits of each approach depends, again, on the economic climate of the time and the country, as also on the capacity of each institution itself. For example, take the Midland Bank and Barclays Bank in Britain. The Midland, the biggest of the 'Big Five,' has let itself be overtaken by Barclays in deposits, and, while there has been shift in their rank from time to time, Barclays is making a determined bid to retain the first place. Midland firmly believes, with considerable success, in serving international trade and banking without any affiliate or other interest abroad, and even today the extent of its foreign business is the largest. But Barclays has more than one affiliate or associate in Europe and elsewhere. Midland grants modest discretionary powers to branch managers, but Barclays is more liberal, which incidentally posed some extraordinary problems during the operation of credit control. Midland Bank did not recognise the National Union of Bank Employees but Barclays alone, among the 'Big Five' hastened to do it with, I believe, subsequent second thoughts and regrets. Each bank might call the other 'aggressive' or 'conservative' according to its own light.

Platform Versus Cubicle

Again, the story of the Bank of America, the unrivalled giant among world banks—it became a giant in a short time—is as enchanting as the mystery of German economic revival. This bank's deposits exceed twice the deposit of the largest bank in the U.K., and is about thrice the entire Scheduled banks' deposits in India. Gianini, the Founder of this Bank, has become a hallowed name in banking. He helped California and California helped him. He was the first to make advances of even a few hundred dollars to agriculturists. He began the platform type for seating executives, instead of the British cubicle type. He said he wanted his customers to see them, even if it be just to wave at them. Until some years ago, the National City Bank, the Chase National Bank and the Bank of America were running neck to neck, but the first two have unmistakably lost to the third. Even as between the National City and the Chase, who have extensive operations abroad, the policy differs considerably. It is beyond the scope of this review to dilate further, but, perhaps, a good inference will be that no dogma, whether at either end or in the middle, is prudent, that the essence of banking is a sober balance between opportunity and capacity.

'Short' and 'Long'

Another point of interest is the oft-repeated slogan "borrowing short and lending long." The fact that there is in effect no such thing as lending short is gaining wider acceptance, and it was only recently a professor of banking made a strong plea in England for loans of seven to fourteen-year maturity. With some leading banks in the world, it is still an article of faith, while some equally leading banks brush it aside as one of mere technical importance. So 'borrowing short,' which in terms of aggregate amount and in the usual process of banking, is by no means 'short,' so long as credit and confidence are the main planks of bank operations.

Managed Banking

But these varying themes, approaches and treatment lend themselves to a broad conclusion, namely, that banking can stand a measure of management, just as any other field of activity. Perhaps, the first to be heard in this century is 'managed currency.' By gradual process of application, such management has been extended to export-import, export promotion by subsidies and incentives of different order and scope, import by way of quantitative restrictions, tariff walls and preferential treatment. More important is a sort of management in agricultural production, say, area limitation, price support, special compensation for land left fallow so as to relieve pressure on surplus production, etc. There are again a series of conventional measures to counteract trade cycles, both in times of depression and unhealthy boom. Why not then managed banking?

Banking A 'Power House'

The subject of 'managed banking' leads me to an enquiry into credit economy. Looking back over centuries, the introduction of money economy so profoundly influenced the growth of material progress that its impact could be deemed as significant as the splitting of the atom. But the growth of credit economy in the present century has made its parent, the money economy, almost primitive and, today, credit is as important a power to drive the wheels of economy as coal or electricity. In fact, the measure of credit growth of a country is a measure of its prosperity, and banking is a privileged 'power house.' Taking, for purpose of comparison, the deposits of commercial banks and notes in circulation in representative countries, the table above throw some light on banking in India.

Deposit in India have since attained near parity, a landmark in our banking history, and the gratifying addition to bank resources over the last year is a welcome record. But the effect of banking on living standards will be significant if, say, deposits were to treble. Such prosperity as has come by the way of Indian banking is but a foretaste of what can be in the fullness of economic development.

(To be continued)

As at end of 1957

Country	Currency in millions	Commercial banks' deposits	Notes in circulation	Percentage of deposits to notes in circulation
U.S.A.	U.S. $	201,326	29,724	680
U.K.	£ Sterling	6,929 (Clg. bks.)	2,127	330
West Germany	Deutsche Mark	35,918	16,133	220
Sweden	S. Kroner	14,143	5,357	260
Norway (June 1958)	N. Kroner	5,376 (Deposits of Savings banks 6,807 m.)	3,279	160
Denmark (May 1958)	D. Kroner	8,350	2,928	280
Switzerland	S. Francs	10,579 (5 big com. banks)	5,931	180
India	I. Rupee	13,600 (Scheduled banks)	15,080	90

Men and Oil . . . 7

The Welfare Officer

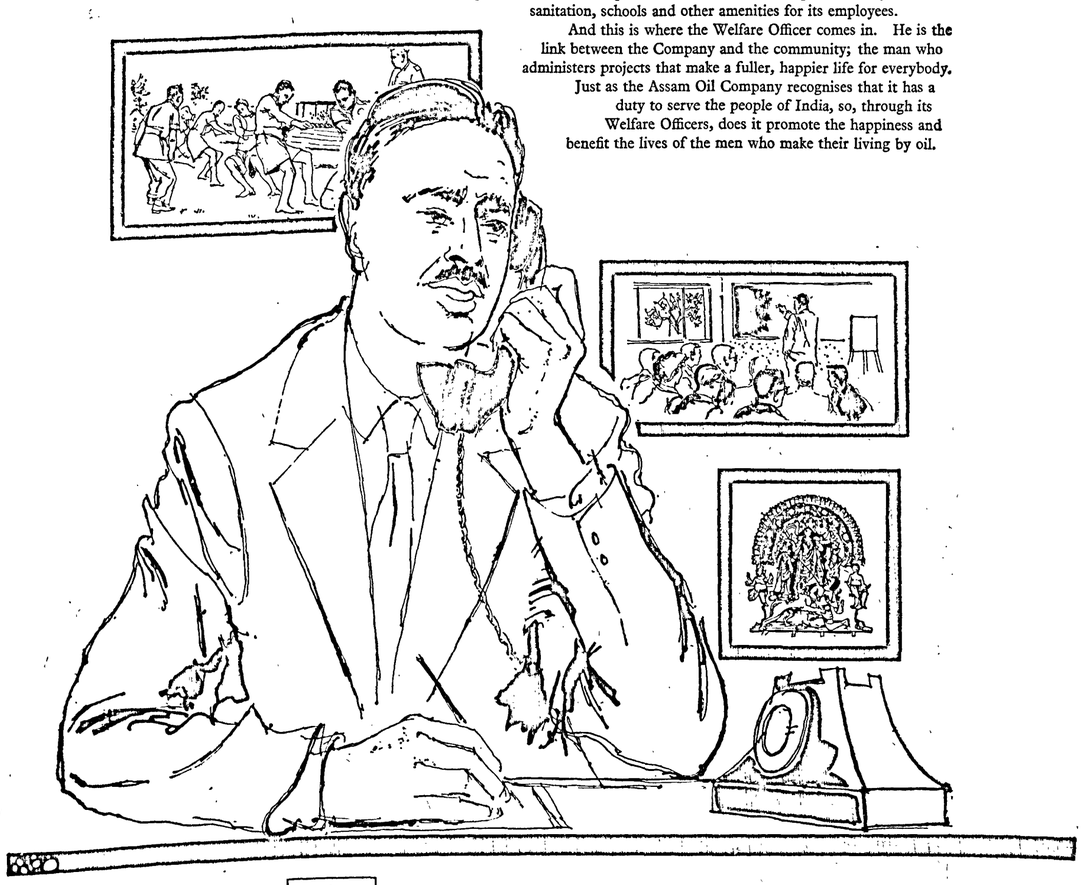
Most of the world's great oilfields lie under deserts, swamps and jungles, far away from established centres of civilisation. Near the wells and refineries live the geologists, drillers and technicians, and as operations expand so the oil camps grow into permanent settlements. In time, new towns are established, whose citizens are the thousands of people employed in the industry.

Oil companies are very much aware of their responsibility for the welfare of these new communities, and most oil towns are, for that reason, models of thoughtful planning and administration.

So it is in Digboi. Once just a clearing in the dense jungle, Digboi is now one of India's most modern industrial towns. The Assam Oil Company devotes great attention to the provision of health services, good housing and sanitation, schools and other amenities for its employees.

And this is where the Welfare Officer comes in. He is the link between the Company and the community; the man who administers projects that make a fuller, happier life for everybody.

Just as the Assam Oil Company recognises that it has a duty to serve the people of India, so, through its Welfare Officers, does it promote the happiness and benefit the lives of the men who make their living by oil.



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UNDER SECRETARY TO G... 13 APR 1959 PUBLIC DEPARTMENT

HINDUSTAN LEVER LIMITED

CHAIRMAN, MR. S. H. TURNER, DISCUSSES INDIA'S FUTURE NEEDS OF OILS AND FATS

WITH the population growing and the national income rising, the demand for oils and fats in India is bound to be enormously larger than it is at present. If we are to have an adequate supply to meet this great demand, we must begin to plan for it now. This means giving oilseeds a priority in money and men and research and extension work which they have never yet had. This view was expressed by Mr. S. H. Turner, Chairman, Hindustan Lever Limited, in his speech at the Annual General Meeting of the Company held at Bombay on Monday, 6th April 1959.

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

"It gives me great pleasure to welcome you to this annual general meeting of the Company.

"I shall take as read the report and accounts for the year 1958 which have been with you for some time. I have also circulated to you my review of their salient features. I shall, therefore, proceed to talk to you about some aspects of vegetable oils and fats which are the principal raw materials of our industry.

"Fat is a food. This is true whether it is solid or liquid, whether it is ghee or *vanaspati* or oil, whether it comes from a cow or out of the ground. It is, indeed, a food of very high value. Weight for weight it provides 2½ times as many calories, 2½ times as much energy, as the foodgrains, and the hard fats, *vanaspati* and ghee, have a vitamin A and D content the foodgrains lack.

"Therefore, when we plan for a future in which the national income is to double and the population to go up to perhaps 600 million in twenty years, it is just as important to provide for our fat supplies as for our rice and our wheat. In some ways, it may even be more important. As people get richer, they spend an ever-lessening percentage of their income upon cereals, but an ever-increasing percentage on fat. In technical terms, the expenditure elasticity of demand for edible oil is 0.5 and for hard fat 1.7 which gives a total elasticity of approximately 1. In other words, for every increase of 10 per cent. in income there will be an increase of 17 per cent. in the demand for hard fat and of just about 10 per cent. in the demand for all fat. A population of 600 million with a national income twice that of today will require 36 lakh tons more fat to eat.

Low Consumption of Soap

"Moreover, vegetable oil is not only used as a food. It is also used in the manufacture of other products, such as soap and paint and as a hair dressing. Much more of all these will be required in a richer and more urbanised country. Paint will be needed for machinery and for the new buildings in the growing towns and the better buildings we all hope to see in the countryside as the villagers get richer. The habit of using oil to dress the hair is universal, and as the farmer and the worker get more prosperous, one must expect to see them put oil on their hair with a regularity which at present only a clerk or a shopkeeper can afford. Finally, no country in the world sets a higher value on cleanliness than India does, yet very few countries have a lower consumption of soap per head.

"The explanation for the last is twofold. First, there is poverty. Many people cannot afford as much soap as they would like. Secondly, many villagers still live a largely self-contained existence and they use earth or gram flour or plain water to clean themselves and their clothes.

"As poverty diminishes and the villager gets drawn more and more into the money economy, all past experience suggests that the demand for soap will go up sharply. Our own expectation is that every time the national income goes up by 25 per cent., which the planners expect it to do roughly every five years, the demand for soap will go up by over 40 per cent. In twenty years' time, a population of 600 million, with twice the present national income, will need 9 lakh more tons of oil for soap and paint and their hair than is needed at present.

"Taking food and industrial uses together, we will in twenty years' time need 45 lakh more tons of fat. Twenty years is no longer than the time which separates us from the outbreak of the Second World War. But since 1939 our output of fat (ghee and oilseeds together) has gone up by only 5 lakh tons. Obviously, the effort that will be needed from now on, if our needs are to be met, dwarfs anything that has been done up to now.

"We can hope for very little extra supplies of ghee and butter. Over the last 20 years, production has, if anything, declined. The demand for liquid milk goes up so sharply when the national income increases and communications improve that the supply from the whole of India's cattle may only just keep up with this demand.

"The 45 lakh tons of fat which are needed will have to come from oilseeds, consumed either as oil or *vanaspati*. How large a requirement of extra oilseeds this will mean depends on which oilseeds are grown. Groundnuts have an oil content of over 40 per cent., rape and mustard of only 30 per cent. Even if we assume that the great bulk of the demand will be met by groundnuts—and this will be the sensible thing because groundnuts give much the highest yield of oil per acre—at least 150 lakh tons more oilseeds would be required.

"At present yields, this would mean another 53 million acres under oilseeds. This is 14 per cent. of India's present cultivated land. Diversion from other crops on such a scale is not possible. We should not, however, assume that there can be no diversion at all. As our standards of farming go up we might be able to produce our requirements of foodgrains on smaller acreages. When that happens there will be an automatic shift from millets to groundnuts, which are a more profitable way of using the same acreage. The farmer has been inhibited from making the shift in the past because he had to grow the millets for his family to eat. Once he can satisfy the needs of his family from a smaller part of his land, he will naturally, and probably without any Governmental urging, turn the land thus freed over to oilseeds.

Per Acre Yield Must Be Raised

"Over a generation this might increase the present output to a sizable extent. By itself, however, it will not solve the problem. It is necessary also to make an increase in the yield of oilseeds per acre a major objective of policy. Up to now, far less research has been done on, for instance, improved seeds and manurial requirements for oilseeds than has been done for rice or wheat or cotton. And even what has been done has not been properly conveyed to the farmer. In the National Extension Service the village level worker talks a great deal about the Japanese method of rice cultivation, or the advantages of longer staple cotton and rustless wheat. He very rarely mentions oilseeds, and very few of his demonstration plots demonstrate any method by which our fat requirements could be more adequately met. If our immense future needs are to be satisfied, this error in priorities must be corrected. In such States as Andhra, Bombay and Madras, where oilseeds form a large part of the acreage under crop and they contribute an even larger part of the farmer's cash income, oilseeds must be given top priority.

"Over the last 20 years in other countries, increases in yield per acre of between a quarter and half in many crops have been achieved; and India has the advantage that since it starts from particularly low present yields, the scope for improvement is quite specially large. Moreover, the application of science to tropical crops is relatively recent. Research efforts in oilseeds particularly have been relatively small and unco-ordinated. From the next plan onwards, if the very large targets which the planners habitually give for oilseeds is followed up with an equally big programme of research, it should be possible to develop improved seeds and practices and manures and to increase resistance to disease at a speed far faster than anything that has been done in the past.

"It is not enough to find the research answers. They must be taken to the people. Improved seed that stays in the seed farm, better methods that are known only to the scientist at the research centre, grow no groundnuts. The seed and the fertiliser must be made available to the farmer where he wants them and when he wants them; and if he needs money to pay for them there must be a co-operative society or other suitable agency to lend it to him. The new methods must be taught to the village level worker in terms simple enough for him and the farmer to understand them, and the village level worker must be able to demonstrate them on a plot in the farmer's own village, and using implements and bullocks of a sort the farmer himself uses.

"Nevertheless, whatever the future triumphs of science, however high the priority given to oilseeds, and however large the diversion from millets to groundnuts, it is probable that the next twenty years will see an increasingly widening gap between the amount of oils and fat we produce and the amount we want for soap, for hair oil, and for edible purposes. This gap *can* be filled simply by letting the price of fat go up relatively to that of other commodities. When the demand for a product is so sensitive to income as that of fat, relatively limited increases in price can cut down demand very sharply. But this is obviously a last resort. If the price of fat has to increase to an extent that makes people buy something else instead, then we will hardly be raising their standard of life.

"There are other possible ways of filling, at any rate, part of the gap. The first is imports. In 10 or 15 years of time, if the need for foreign exchange is not quite so desperate. India might be able to import more of her requirements from abroad. More immediately, it might be possible to get quite large quantities of soya bean oil from the United States under P.L.480.

Cottonseed Crushing

"Secondly, the Government's policy of encouraging cottonseed crushing is likely to have more and more success. Four per cent. of the oil the *vanaspati* industry used last year was cottonseed oil and we shall strive to increase this to 10 per cent. by 1961. But the key, here as so often, rests with the farmer. If he will feed his cattle with cottonseed cake instead of cottonseed, to their very considerable benefit, the raw cottonseed will naturally go to the crusher. The Government has now decided to launch a vigorous campaign to persuade the farmer to make this change in his habits. It is important that the village level worker should do a good educational job in the field. If he succeeds and all the country's cottonseed goes to the crusher, it would add 150,000 tons to our oil supply every year.

"Thirdly, there are possibilities with new crops or with the fuller utilisation of old ones. The cultivation of the oil palm on Indian soil is well worth examination. Meanwhile, great efforts are being made to collect minor oilseeds.

"Finally, as more and more solvent extraction plants go up, they wll recover more and more of the oil which *ghani* crushing leaves behind in the cake, and will thus reduce what has hitherto been a serious national waste. This by itself might increase oil supplies by 30,000 tons a year.

"Any attempt to look forward into the future is necessarily liable to a very large margin of error. A successful campaign of family planning might keep population below 600 million. On the other hand, circumstances might prevent the national income from increasing at quite the rate the Planning Commission thinks it will. Again, our estimates of the elasticity of demand have been based upon the figures for the fourth to the seventh rounds of the National Sample Survey. They are, therefore, figures for the conditions of the early 50's. In the different India and the different world of the 1960's, the elasticities might be different too. If, for instance, television were to come to India, it is possible that many people who today celebrate an increase in income by buying some more ghee or some more *vanaspati*, might decide to pay an instalment on a television set instead. Or in the India of the late 60's people might do more of their washing of themselves and their clothes with non-soapy detergents and less with soap, as has already happened in the United States of America. On the other hand, the use of fat in the diet is only one-fourth of the nutritional optimum, and it is particularly low in the villages. An increase in village incomes and village knowledge of simple nutrition might well lead to an even larger increase in the demand for fat than we have assumed.

"We need not argue about just which assumptions one should make. Whatever assumptions one may choose, if we develop at all, the demand for fat is bound to be enormously larger than it is at present; and the increase will be for purposes, notably food and cleanliness, upon which the citizen's happiness depends. If we are to have an adequate supply to meet this great demand, we must begin to plan for it now; which means giving oilseeds a priority in money and men and research and extension work they have never yet had."

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

The British Bank of the Middle East

(INCORPORATED IN ENGLAND BY ROYAL CHARTER, 1889 WITH LIMITED LIABILITY)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER, 1958

31-12-1957 Rs.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
20,53,227	1. Capital—Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949	20,44,649.25	
Nil	2. Reserve Fund and Other Reserves		Nil
21,63,090	3. Deposits and Other Accounts— Fixed Deposits	22,24,236.14	
95,496	Savings Bank Deposits	Nil	
1,44,47,773	Current Accounts, Contingency Accounts, etc.	99,69,806.41	
1,67,06,359			1,21,94,092.55
71,00,000	4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	Nil	
Nil	(ii) Outside India	Nil	Nil
Nil	PARTICULARS— (i) Secured	Nil	
71,00,000	(ii) Unsecured	Nil	
6,95,662	5. Bills Payable		5,28,817.62
70,98,075	6. Bills for Collection Being Bills Receivable as per contra— (i) Payable in India	27,42,203.80	
75,70,116	(ii) Payable outside India	58,52,129.04	
1,46,68,191			85,94,332.84
1,72,71,393	7. Other Liabilities— (i) Head Office and Branches outside India	2,20,36,643.19	
1,43,580	(ii) Inter-branch Adjustment	Nil	
1,55,472	(iii) Staff Provident Fund	96,449.26	
1,75,70,445			2,21,33,092.45
1,91,26,727	8. Acceptances, Endorsements and Other Obligations as per contra		2,34,92,404.31
17,752	9. Profit and Loss— Balance of Profit brought forward	5,28,136.96	
11,16,542	Profit for the year	1,26,714.04	
		6,54,851.00	
11,34,294	LESS— Provision for Taxation (Net) Rs. nP. Nil		
5,82,308	Remitted to London Office 4,23,621.68		
23,764		4,23,621.68	
6,06,157			2,31,229.32
5,28,137			
17,85,91,803	10. Contingent Liabilities in respect of— (i) Outstanding Forward Exchange Contract	14,11,04,105.25	
3,69,041	(ii) Bills Rediscounted	Nil	
4,000	(iii) Uncalled liability on partly paid Ordinary Shares held as Investments	4,000.00	
5,000	(iv) Claims against the Bank not acknowledged as debts	22,000.00	
7,63,95,521	Total .. Rs.		6,71,73,469.09

31-12-1957 Rs.	PROPERTY AND ASSETS	Rs, nP.	Rs. nP.
25,68,574	1. Cash— In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		13,61,985.32
Nil	2. Balances with Other Banks on Current Accounts— (i) In India	1,11,047.81	
8,50,212	(ii) Outside India	97,396.44	
			2,08,444.25
Nil	3. Money at Call and Short Notice		6,00,000.00
38,17,795	4. Investments (At Cost)— (i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments (Market Value Rs. 30,90,449.25) (Last year Rs. 38,41,028)	30,45,201.12	
2,50,000	(ii) Shares— Fully paid Ordinary Shares (Market Value Rs. 1,95,000) (Last year Rs. 1,74,500)	2,50,000.00	
2,60,000	Partly paid Ordinary Shares (Not quoted)	2,60,000.00	
Nil	(iii) Debentures or Bonds	Nil	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
43,27,795			35,55,201.12
1,80,37,363	5. Advances (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)— (1) Loans, Cash Credits, Overdrafts, etc.— Rs. nP. (i) In India 1,31,48,771.51		
Nil	(ii) Outside India Nil	1,31,48,771.51	
29,99,940	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India 79,12,897.76		
1,35,33,187	(ii) Payable outside India. 81,42,899.47	1,60,55,797.23	
3,45,70,490			2,92,04,568.74
1,57,75,921	PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the Banking Company is fully secured	70,15,078.58	
1,16,80,633	(ii) Debts considered good for which the Banking Company holds no other security than the Debtor's personal security	1,18,47,696.72	
71,13,936	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the Debtors	1,03,41,793.44	
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	
3,45,70,490		2,92,04,568.74	
15,181	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	10,350.00	
Nil	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
21,634	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	17,132.00	
Nil	(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
5,997	(ix) Due from Banking Companies	6,124.33	
70,98,075	6. Bills Receivable Being Bills for Collection as per contra— (i) Payable in India	27,42,203.80	
75,70,116	(ii) Payable outside India	58,52,129.04	
1,46,68,191			85,94,332.84
1,91,26,727	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,34,92,404.31
Nil	8. Premises, Less Depreciation		Nil
Nil	9. Furniture and Fixtures, Less Depreciation		Nil
	10. Other Assets— Stamps, Sundry Deposits, Prepaid Expenses and Charges Recoverable	40,340.99	
58,803	Adjusting Account	1,16,191.52	
2,24,729			
2,83,532			1,56,532.51
Nil	11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
7,63,95,521	Total .. Rs.		6,71,73,469.09

PROFIT AND LOSS ACCOUNT OF INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER, 1958.

31-12-1957 Rs.	EXPENDITURE	Rs. nP.
4,99,511	1. Interest paid on Deposits, Borrowings, etc.	2,28,918.55
12,44,943	2. Salaries and Allowances and Provident Fund (including Salary and Allowances to Manager of Principal Office in India) Rs. 67,233.47 (last year Rs. 70,000.88)	10,27,972.84
Nil	Directors' and Local Committee Members' Fees and Allowances	Nil
1,21,093	3. Rent, Taxes, Insurance, Lighting, etc.	95,368.18
48,032	4. Law Charges	64,851.81
30,181	5. Postage, Telegrams and Stamps	16,683.07
2,725	6. Auditors' Fees	1,200.00
19,863	7. Depreciation on and Repairs to Banking Company's Property	7,841.87
59,235	8. Depreciation on Fluctuation, Advertisement, etc.	50,947.27
Nil	9. Stationery, Printing, Advertisement, etc.	Nil
4,58,959	10. Loss from Sale of or Dealing with Non-Banking Assets	7,89,622.70
11,16,542	11. Other Expenditure including proportion of London Office Administration Charges	1,26,714.04
36,02,034	12. Balance of Profit for the year Total .. Rs.	24,09,950.33

31-12-1957 Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP.
24,15,611	1. Interest and Discount	14,24,311.59
11,67,254	2. Commission, Exchange and Brokerage	8,86,642.76
Nil	3. Rents	Nil
19,169	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	21,566.25
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	Nil
Nil	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
Nil	7. Other Receipts	77,429.73
36,02,034	Total .. Rs.	24,09,950.33

We have audited the foregoing Balance Sheet of the Indian Branches of The British Bank of the Middle East, as at the 31st day of December, 1958, and also the foregoing Profit and Loss Account of the Indian Branches of the Bank for the year ended on that date.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(b) in our opinion, proper books of account as required by law have been kept by th Indian Branches of the Bank so far as appears from our examination of those books;

(c) the Balance Sheet and Profit and Loss Account of the Indian Branches of the Bank dealt with by this report are in agreement with the books of account; and

(d) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Indian Branches of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit of the Indian Branches for the year ended upon that date.

P. L. SANDEMAN,
Manager.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 30th March, 1959.

PROGRESS OF STATE-OWNED STEEL PLANTS

INCREASED TEMPO OF CONSTRUCTION

THE upward revision in the estimates of the cost of the State-owned steel plants, the award of contracts to certain firms and the import of foreign technical personnel were among the points which came up for sharp criticism at the debate on the Demand for Grants for the Ministry of Steel, Mines and Fuel, which took place in the Lok Sabha last week. The whole story of the three steel plants, it was alleged, was a "story of lack of planning, gross neglect and criminal extravagance." The Union Minister for Steel, Mines and Fuel, Sardar Swaran Singh, in the course of his closely reasoned reply to the allegations, pointed out that the additions and improvements were necessary for better performance of the plants and for better economic return and that the rise in world prices of certain essential articles was largely responsible for the increase in original estimates. He also explained the circumstances under which the contracts came to be given to the firms to which exception had been taken by the House.

In the course of his speech made while moving the demand for grants, Sardar Swaran Singh threw some light on the progress of the steel plants and the future of steel industry. As a result of the development in the sphere of Indian steel industry, the shortage of pig iron, which was acute in the last two or three years, has been made good and the allotment of raw materials, that is, billets, to re-rolling mills has been increased. The first blast furnaces in Bhilai and Rourkela, as is well known, have already been commissioned. It would appear that, in the current year, the tempo of construction achieved in 1958 would be maintained. The tempo of construction warrants the hope that the first saleable steel, namely, billets from Bhilai and plates from Rourkela will flow out towards the end of 1959. The structural mill in Bhilai and the continuous strip mill in Rourkela will be ready for operation, if not in actual operation. In Rourkela, 305,000 tons of equipment and material have been received; only about 45,000 tons more remain to be shipped. The civil engineering work in the rolling mills and blast furnaces is well up to schedule. The steel melting shops, the primary rolling mill and the plate mill will be ready for operation by the end of the year. The second and third blast furnaces are expected to be ready for operation in good time to meet the demand for iron either for steel making or export. Actual production in the first blast furnace has been rather low, the rate being 400 to 500 tons a day. This is attributed not to any defect in the blast furnace itself but to some minor difficulty in the pig casting machine. The defect has been remedied. The furnace will soon be working at full capacity.

In Bhilai, the high tempo in construction is being maintained. The production of iron in the first blast furnace is satisfactory. About 36,000 tons have been produced by the end of March last and despatches to consumers have begun.

Durgapur

In Durgapur, where work is proceeding to schedule, the first blast furnace is scheduled to be commissioned in November next and the first rolling mill in April 1960. Much of the equipment has been received, about 150,000 tons, as against a total of 250.000 tons. It has, however, come to the notice of the authorities that some piling foundations are defective. The Union Minister revealed that the matter was being investigated so as to "establish beyond doubt that all other piling foundations are free from defects." It may be mentioned here that the Indian Steel Works Construction Co., Ltd., which is building the Durgapur plant, observes, in the course of a Press statement, that, early in February last, a number of defective piles was discovered and immediate investigation was taken in hand. It was found that due to bad workmanship, a few piles in a small localised area of the melting shop had not been sunk in such a manner as to carry the required loads. The Company says: "The investigation was extended to other parts of this area and has so far yielded satisfactory results; the investigation is continuing and will be extended to other areas. Remedial measures to correct the faulty workmanship in the affected areas have already been put in hand. These measures will in no way affect the cost to Government or delay construction."

As regards the subsidiary projects, the single largest unit to come up will be the Rourkela fertiliser plant which will be based upon surplus gases from the coke ovens and the free nitrogen from the oxygen plant and which will produce 580,000 tons of nitro-limestone. Orders for the plant, it is stated, have been placed partly on a foreign firm and partly on Sindri. The plant is expected to be ready in early 1962. The Government has decided to set up an alloy and special steels plant, though no decision has yet been taken about its location. It hopes to place an order for the plant by the middle of the year.

In order to investigate the possibilities of small-scale manufacture of iron, a Government-sponsored technical team has gone to China which is believed to have made progress in this direction. The Government has also licensed a few small-scale units where steel will be produced either by using low-grade coal or with the lower grades of raw materials. Since the availability of metallurgical coal is limited, the Government is studying the problems connected with the establishment of furnaces which could use non-metallurgical coals. A pilot low shaft furnace has been set up in the National Metallurgical Laboratory.

Estimates

Replying to the various points raised in the Lok Sabha, Sardar Swaran Singh stated that the increase in the estimates of the works was not due to any lack of planning or foresight. It was largely due to additions and improvements considered necessary for better performance of the plants and for better economic return and the rise in world prices of certain essential articles like structurals and refractories. In 1956, the revised estimates of Rourkela and Durgapur works were placed at Rs. 170 crores and Rs. 138 crores respectively; in 1957, the revised estimate of Bhilai was placed at Rs. 131 crores. Since then, there had been no upward revision of the estimates. Referring to the argument that a contract had been given to the firm of Messrs. Uttam Singh Duggal against whom the Public Accounts Committee had made certain adverse remarks, the Minister said that at the time the contract was signed the Committee had not made those remarks which might have put the Government on its guard. The firm had a good record of work to its credit in executing engineering works in the sphere of railways, public works and oil refineries. Those who were responsible for awarding the contract could not, therefore, be blamed for not instituting any special inquiry into the antecedents of the firm. Turning to the contract given to Messrs. Hochtief-Gammon & Co., he wished that the transaction could have been avoided, because the Company itself had submitted the drawings for the contract. But the alternative was to give the contract to one of the other two firms, of which one was from the U.K. and a contract with the firm involved foreign exchange considerations and the other firm had its hands full. The matter was considered and it was decided that there was no risk in giving the work to Hochtief-Gammon & Co. But, at the same time, it had been arranged that the Company would have nothing to do with consulting work and supervision.

As regards the demand for assistance to the Bhadravati Iron and Steel Works, the Minister said the Government had been giving it the necessary assistance from time to time; the Mysore Government had agreed to bring the works under the management of a Corporation.

Future

In the course of a reference to the future of the steel industry, the Minister observed that the very fact that the country possessed the necessary raw material for the steel industry and the Government had acquired rich experience in setting up steel plants warranted the confidence that production could be stepped up. Even the plants under construction were capable of expansion at comparatively lower order of costs. The Government, according to the Minister, would first concentrate on expansion of the existing plants before it took up the question of establishing a fourth plant. At the same time, the Government was studying the possibility of setting up such a plant. It would appear that the preliminary action taken in this direction includes the appointment of a firm of Indian consultants which will make a project study and provide the necessary data for considering the question of the establishment of the fourth steel plant.

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GAS INDUSTRY

The view that in the economic field, the gas industry was in the throes of a veritable revolution owing to the increased development of natural gas, and, as a consequence, the international prospects of this industry were broadening and international co-operation was becoming imperative was expressed by Mr. Le Guellec in his opening statement at the fifth session of the *Ad Hoc* Working Party on Gas Problems of the United Nations Economic Commission for Europe (E.C.E.), held at Geneva last month. The items on its agenda which particularly engaged the attention of the Working Party were the economic and legal problems of underground storage in Europe. In connection with this item, the Secretariat had prepared a study which has described as most valuable by the members of the Working Party; they recommended that the study should be circulated as a general document as soon as possible. Endorsing the conclusions of the study, the Working Party expressed the opinion that underground storage apparently offered the best solution to the most difficult problem faced by the gas industry, that of fluctuating demand.

The European method of underground storage is technically revolutionary, since it creates artificial gas reservoirs of considerable capacity. For the first time, an attempt has been made to compare systematically existing or projected forms of underground storage with each other. This attempt comes at an opportune moment when all European countries are experimenting with underground storage and when each is trying to assess the economic prospects opened up by this means of storage. It is generally recognised that the cost factor of underground storage is attractive, but as yet it is uncertain exactly what methods should be employed for the purpose of using the gas stored underground to greatest advantage from the economic point of view. In addition, the Working Party examined the legal problems of the underground storage of gas in Europe. This is a new problem, since the regulations governing underground storage are still being worked out. It was, therefore, decided that the study of the problem should be continued, in the light of the regulations already in force in various countries (the term "regulations" including not only legislative provisions but also the technical rules).

As regards gas tariff policy as a means of evening out demand, the Working Party decided to continue the study of the principles governing the tariff policy in force in various countries and emphasised the importance of tariff policy as a factor in the harmonisation of supply and demand. The French delegation presented a report on a seminar on methods of forecasting future gas demand, which was held in Paris in December 1958, and which was attended by the representatives of ten countries. At that seminar, many problems connected with the methodology of estimating gas demand were considered and a full list of these problems was prepared. The Working Party decided that the study of this question should continue, with special attention to certain problems. Other subjects considered by the Working Party were: flexible production units complementary to coke-ovens and gas-works of the conventional type; regulations governing the distribution of natural gas by international pipe-lines; economic problems connected with the production of electric power by nuclear power stations and the progress of gas statistics.

USES OF NICKEL

The wide range covered by the literature summarised in the February issue of *The Nickel Bulletin* is indication of the growing importance of nickel in almost every branch of industry. Its role in the field of magnetic materials is, for example, illustrated by papers delivered at a conference on non-linear magnetic and magnetic amplifiers. Engineering interests are represented by an item on Ni-Hard chill-cast rolls and by abstracts dealing with the influence of shot-peening on the fatigue strength of nickel-containing steels and the use of such steels in the blades on the "Rotodyne" vertical-take-off aircraft. In the non-ferrous field attention is directed to some recently published American specifications, and abstracts concerned with the operational aspects and applications of nickel plating include reference to a process for deposition of patterned coatings. The major importance of nickel in the production of heat- and corrosion-resisting alloys and steels is reflected in papers reporting, for example, investigation of creep, thermal fatigue, scaling and stress-corrosion characteristics.

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P 3268

THE CANARA BANKING CORPORATION LIMITED

(INCORPORATED IN INDIA WITH LIMITED LIABILITY)

ESTABLISHED 1906

DIRECTORS' FIFTY-THIRD ANNUAL REPORT

The Directors have the pleasure to submit to the Shareholders, the Bank's Balance Sheet as on and the Profit and Loss Account of the Bank for the year ended 31st December, 1958, duly audited by the Auditor of the Bank, along with his report to the Shareholders.

Net Profits of the Bank for the year 1958, are Rs. 4,02,045.61, and with a sum of Rs. 5,670 02 brought forward from previous year's account, the sum available for distribution is Rs. 4,07,715.63. After placing a sum of Rs. 82,000.00 to the Statutory Reserve Fund and a sum of Rs. 11,000 00 to the Contingent Fund of the Bank, the Balance left over is Rs. 3,14,715 63, and the Directors recommend the following appropriations in this behalf. It may be added that due provision has also been made for payment to all the permanent staff of the Bank of a bonus equal to 1/12 of the basic pay earned by them during the year 1958.

	Appropriations Recommended.	Rs. nP.
1.	To provision for Taxes	1,75,000.00
2.	To pay a dividend at 5 per cent. and 4½ per cent. per annum on 7,000—5 per cent. and 18,000—4½ per cent. First Preference Shares, i.e., Rs. 2 50 and Rs. 2.25 per Share respectively and a dividend and bonus at 8 per cent. and 2 per cent. respectively, i.e., at Rs. 5.00 per Share on 15,000 Ordinary Shares (all free of Indian Income-tax)	1,33,000.00
3.	To carry forward to next year's Account	6,715.63
	Total .. Rs.	3,14,715.63

Thanks to the unabated patronage of the Bank's constituents—Deposits, Advances, Reserves, Profits and total Working Capital have all moved up, this resulting in all all-round improvement.

Four new Branches, viz., Mylapore (Madras), Dodballapur, Proddatur and Calcutta were opened during the year thus bringing the total number of Branches to 53.

The Directors wish to express their thanks to the Shareholders and Customers for their unstinted co-operation in the greater progress achieved by the Bank and to the Staff for their loyal and devoted services.

(By authority of the Board)

U. SUNDER RAM PAI,
Chairman.

OFFICE OF THE CORPORATION,
UDIPI,
Dated : 25th January, 1959.

BALANCE SHEET AS AT 31st DECEMBER, 1958.

Corresponding figures 31-12-1957 Rs. nP.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
	1. Capital—		
25,00,000 00	AUTHORISED CAPITAL		25,00,000 00
	(a) 25,000—Ordinary Shares of Rs. 50 each..	12,50,000 00	
	(b) 7,000—5% First Preference Shares of Rs. 50 each	3,50,000 00	
	(c) 18,000—4½% First Preference Shares of Rs. 50 each	9,00,000 00	
20,00,000 00	ISSUED, SUBSCRIBED, CALLED AND PAID-UP CAPITAL		20,00,000 00
	(a) 15,000—Ordinary Shares of Rs. 50 each..	7,50,000 00	
	(b) 7,000—5% First Preference Shares of Rs. 50 each	3,50,000 00	
	(c) 18,000—4½% First Preference Shares of Rs. 50 each	9,00,000 00	
13,55,000 00	2. Reserve Fund and Other Reserves		14,40,000 00
	Reserve Fund	10,20,000 00	
	Share Premium	4,20,000 00	
5,85,75,577 66	3. Deposits and Other Accounts		7,19,34,548 85
	Fixed, Short Notice, Cumulative and Golden Jubilee Deposits	4,71,68,576 54	
	Savings Bank Deposits	1,14,45,657 53	
	Current Accounts, Contingency Accounts, etc..	1,33,20,314 78	
25,47,321 98	4. Borrowings from Other Banking Companies, Agents, etc.		29,13,746 47
	(i) In India	29,13,746 47	
	(ii) Outside India	Nil	
	PARTICULARS— Rs. nP.		
	(i) Secured by lodging part of Government Securities held under investments as per contra 14,00,000 00		
	(ii) Unsecured 15,13,746 47		
7,34,896 28	5. Bills Payable		9,50,992 90
41,33,839 11	6. Bills for Collection Being Bills Receivable as per contra		47,14,580 52
	(i) Payable in India	47,04,086 61	
	(ii) Payable outside India	10,493 91	
39,91,298 51	7. Other Liabilities		75,80,685 28
	Branch Adjustments	54,22,277 64	
	Liability for Expenses	54,312 63	
	Unclaimed Dividends	18,254 50	
	Unexpired Discounts	27,885 89	
	Sundries including interest accrued or due on deposits, etc.	10,57,054 62	
3,16,300 00	8. Acceptances, Endorsements and Other Obligations per contra		44,698 99
	9. Profit and Loss—		
	Profit as per last Balance Sheet	2,98,670 02	
	LESS—Appropriations— Rs. nP.		
	(i) Provision for Taxation .. 1,60,000 00		
	(ii) Dividends 1,33,000 00		
		2,93,000 00	
	Balance	5,670 02	
	ADD—Profit for the year brought from Profit and Loss Account	4,02,045 61	
	Total	4,07,715 63	
	LESS—Placed to— Rs. nP.		
	(a) Statutory Reserve Fund under Section 17 of the Banking Companies Act .. 82,000 00		
	(b) Contingent Fund 11,000 00		
		93,000 00	
2,98,670 02			3,14,715 63
	10. Contingent Liabilities—		
	(i) Claims against the Banking Company not acknowledged as debts	712 51	
	(ii) Money for which the Banking Company is contingently liable—		
	(a) On account of guarantees to customers— Fully secured	700 00	
	On personal guarantee	15,715 14	
	(b) On account of guarantees on behalf of Directors or Officers	Nil	
	(iii) Arrears of Cumulative Preference Dividends	Nil	
	(iv) Liability on Bills of Exchange re-discounted	Nil	
	(v) Liability on account of outstanding Forward Exchange Contracts	Nil	
7,49,52,903 66	Total .. Rs.		9,18,93,968 64

Corresponding figures 31-12-1957 Rs. nP.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
65,95,103 00	1. Cash		91,93,389 82
	In hand and with the Reserve Bank and State Bank of India.		
28,07,467 09	2. Balances with Other Banks		11,50,421 96
	In Current Accounts Rs. nP. / In Deposit Accounts Rs. nP.		
	(i) In India ..11,50,421 96 / Nil	11,50,421 96	
	(ii) Outside India.. Nil / Nil	Nil	
3,00,000 00	3. Money at Call and Short Notice		6,00,000 00
2,29,55,110 82	4. Investments at cost		3,05,64,938 82
	(i) Securities of the Central and State Governments and other Trustee Securities of the face value of Rs. 3,07,40,600	3,05,39,938 82	
	(ii) Shares— Fully paid Ordinary Shares of the Madras Industrial Investment Corporation Ltd.	25,000 00	
	(iii) Debentures or Bonds	Nil	
	(iv) Other Investments	Nil	
	(v) Gold	Nil	
3,43,47,939 91	5. Advances		3,95,39,508 31
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditor)		
	(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP.		
	(a) In India .. 2,65,72,400 76		
	(b) Outside India.. Nil		
		2,65,72,400 76	
	(ii) Bills Discounted and Purchased—		
	(a) Payable in India.. 1,23,94,619 88		
	(b) Payable outside India 72,487 67		
		1,29,67,107 55	
41,33,839 11	6. Bills Receivable Being Bills for Collection as per contra		47,14,580 52
	(i) Payable in India	47,04,086 61	
	(ii) Payable outside India	10,493 91	
3,16,300 00	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		44,698 99
	8. Premises at Cost		
	Additions during the year	2,44,710 21	
		25,649 71	
	LESS—Depreciation to date	2,70,359 92	
1,74,700 00		76,159 92	1,94,200 00
	9. (a) Furniture and Fixtures at cost	3,74,822 01	
	Additions during the year (Net)	77,124 80	
	LESS—Depreciation to date	4,51,946 81	
2,44,400 00		1,49,446 81	3,02,500 00
	(b) Electric Fittings at cost	39,330 95	
	Additions during the year (Net)	13,987 81	
	LESS—Depreciation to date	53,318 76	
17,600 00		24,618 76	28,700 00
30,34,787 13	10. Other Assets		65,60,923 51
	Motor Car and Accessories at cost (less depreciation)	11,000 00	
	Library at cost (less depreciation)	6,100 00	
	Interest accrued or due on Investments and Advances but not collected	5,47,206 37	
	Tax deducted at source	6,29,314 78	
	Bills realised by Bankers and D.D's, etc., paid pending advices	40,75,931 94	
	Sundries including Prepaid Charges, Stamps, Suspense Accounts, etc.	67,920 82	
	Books, Forms and Stationery in stock	1,74,335 18	
	Insurance Policies Acquired in Satisfaction of Claims at book value	49,064 42	
	Ordinary Shares of a Joint Stock Bank (in liquidation) of the Paid-up Value of Rs. 518.00	Nil	
25,656 60	11. Non-Banking Assets Acquired in Satisfaction of Claims at Book Value (Landed Property) ..		107 00
7,49,52,903 66	Total .. Rs.		9,18,93,968 64

Schedule of Particulars Required by the Banking Companies Act 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1958.

Corresponding figures 31-12-1957 Rs. nP.	PARTICULARS OF ADVANCES	Rs. nP.
2,69,86,721 40	(i) Debts considered good in respect of which the Banking Company is fully secured	2,76,31,836 10
72,61,218 51	(ii) Debts considered good for which the Banking Company holds no other security than debtors' personal security	1,19,07,672 21
Nil	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	Nil
Nil	(iv) Debts considered doubtful or bad not provided for	Nil
3,42,47,939 91	Total .. Rs.	3,95,39,508 31

Corresponding figures 31-12-1957 Rs. nP.	PARTICULARS OF ADVANCES	Rs. nP.
	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons ..	88,741 56
	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	4,14,061 70
	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,43,625 50
	(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	4,91,722 78
3,11,821 97	(ix) Due from Banking Companies	5,39,067 55
		8,74,539 69

(Continued on next page)

DETERIORATION IN LABOUR SITUATION

REVIEW OF LABOUR LAWS URGED

INITIATING the debate on the Labour Ministry's demand for grants, Mr. G. L. Nanda, Union Minister for Labour, asserted in the Lok Sabha on the 4th inst. that there was no justification whatsoever for the "public agitation" that the labour laws of the country were such that they placed a heavy burden on the industry, hampering economic progress. Mr. Nanda quoted figures of wages and productivity to substantiate his statement. Between 1947 and 1957, he pointed out, real wages had increased by 33 per cent., or an annual average increase of 3.3 per cent. But from 1951 to date, total real wages had increased by 14 per cent. As against this, between 1951 and 1956, productivity of workers had gone up by 20 per cent. This would show, according to him, that neither the ratio of labour cost to total cost of production nor that to the value added by manufacture had increased. It was practically steady. He, therefore, asserted that the cost of production, on account of what had been paid to labour, was not at all a factor which was hindering the progress of industry.

This is a challenging conclusion, in that it runs contrary to the widely held view that productivity of workers has not improved commensurate with the rise in their income and that labour in India is no longer cheap. Further, it seems to be a misleading conclusion, for it proves nothing. What is most important is the productivity of workers in each individual industry. Could Mr. Nanda confidently assert that productivity of workers in coal, jute, cotton textiles, sugar, iron and steel, paper, tea, coffee, rubber, and engineering units, let alone the railways, has improved to such an extent as to warrant his general conclusion? It would be interesting to see how the figures compare in this respect. Will his Ministry be good enough to publish them in a consolidated and easily comparable form for the information of the public? Equally important is a comparison of the productivity of workers in this country with those of their confreres in some of the important countries with which India has to compete. For, after all, the progress of an industry depends upon its ability to compete effectively.

Mr. Nanda was certainly right in deprecating the agitation, if there is any, against labour laws, for the agitational path, whether it be for redressing the grievance of the employer or the employee, is certainly not desirable when other methods are still available. But he cannot, with equal justification, find fault with those who honestly feel that, despite the numerous legislative enactments that were added on to the Statute Book during the past twelve years or, perhaps, because of it, the labour situation in the country is far from satisfactory. For it is common knowledge that, despite the existence of suitable machinery for the settlement of disputes, strikes are a common occurrence even in some of the most vital sectors of the economy. But what is more distressing is that there has been a marked deterioration in discipline in industry. The Government certainly cannot absolve itself of all the responsibilities for the situation which can be attributed, partly at least, to its policy of pampering labour, the kid-glove manner in which labour is dealt with when it goes astray from the path dictated by national requirements.

The causes of the present unsatisfactory labour situation were elucidated by Mr. E. F. G. Hunter, Chairman of the Employers' Federation of South India, in his address to the annual general meeting of the Federation held in Madras on 31st March. Mr. Hunter felt that the increase in labour disputes and the growing indiscipline in industry were entirely due to the unrealistic manner in which Government handled labour disputes and to its unrealistic labour policy.

Since independence, there has been a spate of labour legislation, one enactment following another, all of which, he pointed out, were characterised by their one-sidedness, in that they provided considerable gains for labour in the shape of improved terms and conditions of service and expensive welfare measures. But they failed to emphasise equally important aspects such as labour's responsibilities, better discipline and greater output. As an instance of Government yielding to pressure from labour, he cited the abolition of the Appellate Tribunal. Labour became dissatisfied with the Appellate Tribunal, because it undid some of the pro-labour decisions made by lower courts. Further, there were continued criticism from labour leaders. The abolition of the Appellate Tribunal left the High Courts and the Supreme Court as the only bodies to be approached if a party was dissatisfied with an award or if a case in which a substantial question of law was involved arose. It was because these courts were responsible for reversing the decisions of the lower courts that labour was anxious to avoid such litigation and considered that reliance should be placed on arbitration against which there was no appeal. All these paternal legislation, which were designed to improve the lot of labour, had in fact only made labour more discontented and unruly. Employers, he hastened to add, were not opposed to increased benefits being given to labour. In fact, they welcomed and supported it. Only, labour should behave in a disciplined way and negotiate their demands in a rational manner using the weapon of strike only as a last resort. But the actual picture was different. Irresponsible stoppages, usually without notice, and more often than not without real cause and, on occasions, without any demand having been made, had become a common occurrence.

Current legislation made it reasonably clear, Mr. Hunter went on to say, when strike was legal and when it was not. Since much of it was enacted to eradicate stoppages of work, all right-thinking people would agree that illegal strike resulting in work stoppage should be strongly condemned. Unfortunately, Government frequently gave those who resorted to illegal strike much, and sometimes more, sympathy than was given to those participating in legal strike. Mr. Hunter illustrated this by citing two recent instances. First was the Calcutta Tramway strike. Irrespective of whether or not there was any merit in the labour's claim that adjudication proceedings had been dilatory, the strike, he observed, highlighted the fundamental weakness of the current labour laws and the contempt in which they were held by labour. In the light of the laws, now in force, the tram strike, was illegal, as it was organised during the pendency of a reference to a tribunal for adjudication. Not only was no action whatever taken against the strikers, but, on the other hand, the West Bengal Government attempted to conciliate those responsible for what was undoubtedly a defiance of law.

Another case of illegal stoppage of work which received sympathy from the Government was that which occurred in the Buckingham and Carnatic Mills, Madras, last May. This strike was called because the management had decided to impose a penalty on certain workers who had participated in an earlier illegal strike. It was not surprising, therefore, that, since August last, there were no less than fifteen short illegal stoppages of work, some involving sections of workers, others involving departments and one, the whole mill.

The Federation, Mr. Hunter said, was gravely concerned at this attitude of Government and workers towards strikes. The idea was now prevalent among workers that those who participated in illegal strike could not be subjected to disciplinary proceedings. There were also tribunals which had gone so far as to hold that illegal strikes could be justified. Fortunately, the High Court had not subscribed to this view.

Emphasising that an objective and impartial appraisal of labour laws and their effects were called for, Mr. Hunter said:

"I suggest the situation regarding strikes and the interpretation of the labour laws has become so confusing that the time has come when there should be a thorough and impartial review of the various labour laws and the way in which they have been applied. At the same time, tripartite codes and other similar recommendations, which have been treated with scant respect, could be examined. The purpose is to ascertain the extent to which labour policy, both of the Centre and of the State Governments, has succeeded or failed in promoting industrial harmony. If the conclusion is that the policy has failed, then immediate consideration must be given to its revision."

The tendency on the part of the Government to interfere with matters which fell entirely within the power of management was strongly condemned by Mr. Hunter. The maintenance of discipline sometimes resulted in the imposition of penalties on individual workers. The Government's present policy of referring to adjudication all disputes regarding punishments, however minor, was most undesirable. "If all disciplinary action taken by the management," he warned, "are to be investigated, as in civil

(Continued on page 619)

THE CANARA BANKING CORPORATION LIMITED—*Continued.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958.

Dr. *Cr.*

Corresponding figures 31-12-1957 Rs. nP.	EXPENDITURE	Rs. nP.	Rs. nP.
17,46,143 25	To 1. Interest paid on Deposits, Borrowings, etc.	22,52,715 83	
	2. Salaries and Allowances and Provident Fund (including Salary and Allowances of Rs. 15,000 00 paid to General Manager and Bonus of Rs. 1,000 00 payable to him subject to the approval of the Reserve Bank)	11,40,501 91	
9,46,909 61	Directors' and Local Committee Members' Fees and Allowances..	10,844 64	
9,133 79	3. Rent, Taxes, Lighting, Insurance, etc.	1,44,752 73	
1,10,521 04	4. Law Charges	1,958 61	
1,112 12	5. Postage, Telegrams and Stamps	1,34,701 73	
1,09,621 26	6. Auditors' Fees	2,500 00	
2,500 00	7. Depreciation on and Repairs to the Banking Company's Property.	36,706 65	
36,897 62	8. Depreciation, Printing, Advertisements, etc.	1,00,057 22	
79,175 82	9. Stationery, Printing, Advertisements, etc.	Nil	
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets ..	1,12,024 63	
68,921 03	11. Other Expenditure	4,02,045 61	
3,74,678 20	12. Balance of Profit		
35,15,663 79	Total .. Rs.	43,38,809 61	

Corresponding figures 31-12-1957 Rs. nP.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP.
28,37,813 25	By 1. Interest and Discount	34,91,101 74
6,65,673 26	2. Commission, Exchange and Brokerage	8,36,496 54
4,578 57	3. Rents	4,396 44
Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves of any particular Fund or Account)	Nil
7,295 46	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	5,552 58
303 25	7. Other Receipts	1,262 31
35,15,663 79	Total .. Rs.	43,38,809 61

AUDITOR'S REPORT.

I have audited the foregoing Balance Sheet of The Canara Banking Corporation Limited, as at 31st December, 1958, and also the Profit and Loss Account of the Bank for the year ended on that date with the books of accounts and certified returns from Branches and visited some of the major Branches of the Bank during the year and examined the books of accounts and cash and securities as at the time of my visit and report that:

(a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
(b) Such information and explanations have been found to be satisfactory;
(c) The returns received from the branches have been found adequate for the purpose of my audit;
(d) The transactions of the Bank as have come to my notice have been, in my opinion, within the powers of the Bank;
(e) In my opinion, and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required;
(f) In my opinion,
(i) the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1958
(ii) the Profit and Loss Account gives a true and fair view of the Profit or Loss for the year ended that date and shows a true balance of profit for the period covered by the audit; and
(iii) proper books of accounts as required by law have been kept by the Bank so far as appears from my examination of those books; and
(g) The Bank's Balance Sheet and the Profit and Loss Account dealt with by the Report are in agreement with the books of accounts and Returns.

U. VARADARAJ NAYAK, *Chartered Accountant.* } *Auditor.*

UDIPI, 25th January, 1959.

U. SUNDER RAM PAI, *Chairman.*
V. R. KAMATH, *General Manager.*

U. GOPALAKRISHNA NAYAK,
F. X. D. PINTO,
M. BALAKRISHNA KINI,
K. RAMA RAO,
M. GOPALAKRISHNA KAMATH,
U. PADMANABHA MALLYA,
K. PADMANABHA PAI, } *Directors*

HOW IS BUSINESS IN EUROPE?
PROSPECTS FOR RENEWED GROWTH BRIGHT

[The Economic Research Department of the Chase Manhattan Bank, New York, has just published an interesting Report on Western Europe. It contains a discussion on the outlook for Western Europe against the background of the Common Market and the economic reforms carried out by France. We publish on this page the Department's views on the outlook.—ED.]

FOR most countries in Western Europe, the economic prospects for 1959 are regarded as moderately good—and getting better. Few observers look for the booming rate of expansion which has characterised Europe's growth in most post-war years. But at least the general direction of business could be upward—despite the sobering effects on confidence of the Berlin crisis and the fact that some of the adjustments set in motion by last year's mild recession have not been completely worked out.

Even with the letdown in 1958, production, incomes, and employment all started off this year at extremely high levels. Over the next few months, exports could start moving up in line with the strong recovery in the U.S. and a moderate rebound in world trade. For late 1959, there are prospects for more growth in capital investment—tied mainly to the overall recovery in Western Europe but also to the more efficient plant and equipment needed under Common Market competition.

In individual countries, there were several signs of strength as 1959 got under way. The Dutch have turned 1958's spurt in building activity into a more general recovery. While Belgium's coal crisis has come to a head, the worst of her recession appears to be over. In France, production weakened perceptibly only in late 1958 and is still running at a high level. Germany and Italy have both weathered the recession extremely well. British industrial production still hovers at 1957 levels, though there is general confidence in a spring upturn.

For the first quarter of 1959, total industrial output in the six Common Market countries should come close to matching last year's peak. But even with no year to year gain, output would still be some 45 per cent. above the 1953 average. By contrast, U.S. production has not yet reached its former peak and is now running only 7 per cent. above the 1953 level. The recovery here has come sooner and been more substantial than in Western Europe. But the U.S. recession was considerably sharper, and growth over the past few years has been far less than in major countries on the Continent.

The prospects for renewed growth in Europe during 1959 seem good. Many of the factors which kept last year's recession to such mild proportions—a strong demand for consumer durables, full employment and stable prices—are still very much in Europe's favour. The weak spots in industrial production were never widespread. While the coal, steel and textile industries have suffered, auto, chemical and machinery output remains strong. Moreover, most Governments have been easing credit and taking measures to encourage consumer demand and industrial expansion. Compared to late 1957, central bank rates are down sharply—from 7 per cent. to 4 per cent. in Britain, from 5 per cent. to 2.75 per cent. in Holland, from 4 per cent. to 2.75 per cent. in Germany. This should encourage capital investment which—unlike that in the U.S.—did not decline sharply last year, but merely levelled off.

Most important, Western Europe has far stronger reserves than a year ago. Despite the slump in world trade and the U.S. recession, European exports held up remarkably well in 1958. In some cases—notably autos from Britain, France, Germany and Italy—there were sizable increases. Meanwhile, Europe needed fewer imports (because of better crops, slower growth, less need to build up inventories) and paid less for them with the drop in primary commodity prices. The result was substantial improvement in Europe's trade position and additions to gold and dollar reserves throughout 1958.

West Germany: More of the "Miracle"

Germany is preparing for a good year in 1959. Though production fell more than seasonally in December and January, this is not unusual during or preceding periods of expansion. And there are signs of strength in the building industry, consumer goods inventories, and the export sector.

Another source of optimism is the progress of the Common Market—which is hand tailored for the German exporters. Almost 60 per cent. of Germany's $16.2 billion trade is with the 16 other O.E.E.C. countries, half of it with her five Common Market partners. As Europe's leading exporter of both consumer durables and capital goods, Germany enjoys a chronic trade surplus with her neighbours.

1958 was hardly a bad year, even by German standards. Industrial production was up 3 per cent. Unemployment hit a new post-war low (1.7 per cent. in September) and prices were stable. German exports were up 3 per cent., imports down slightly in dollar terms. Gold and dollar reserves increased, but less so than in recent years, as Germany is now exporting capital. This year, the few weak sectors are still textiles, the steel industry and heavy stocks of coal in the Ruhr. (Germany took steps to curb U.S. coal imports in late 1958.) These three areas are expected to improve gradually in 1959. Meantime, prospects for the remaining elements in German industry appear favourable. Building activity is bolstered by a large backlog of orders and lower interest rates. Plant and equipment outlays are still rising. And, most important of all, the surge in consumer spending continues. Car output last year was up by 25 per cent., and TV output 80 per cent.

Consumer spending is the key to German optimism in 1959. So far in its post-war development, the Federal Republic has been a high investment, low consumption economy. Germany now exports about half of her 1.5 million auto output. Meanwhile, there is only one car for every 14 persons in Western Germany, as compared with one for every 9.3 in Britain, 8.5 in France. Incomes are rising, employment is high, savings are at a record level. These are the makings of a real consumer boom, the first stages of which could get underway in 1959, granted the maintenance of confidence.

France: The Hidden Potential

President De Gaulle's reforms set the framework for 1959. Devaluation raised the cost of imported raw materials to French producers. New taxes and loss of subsidies mean higher costs for coal, transport, gas and electricity—and higher prices for food, wine and other consumer items. To the average Frenchman, the outlook for 1959 is (as President De Gaulle put it) a year of "severity and austerity."

Meanwhile, despite these economy measures, the French economy itself is basically strong. Since the first of the year, France has added more than $500 million to her gold and dollar reserves. Unemployment is still relatively low, despite a sharp rise in the last few months. Industrial output tipped down during most of the year, but still averaged some 6 per cent. above 1957.

The important point is that the French economy is not weak internally. Compared to her partners in the European Economic Community, France has a richer, more balanced economy. *Per capita* income is hiher than in most other countries of Western Europe. French industry has developed some of the strongest skills in engineering on the Continent. As opposed to official reserves, private holdings (gold, currencies, securities) are estimated at well over $10 billion. Since 1952 industrial production in France has shown one of the fastest growth rates in Europe.

But while rich at home, France has had problems in international trade—with uncontrolled inflation, chronic balance of payments problems, successive devaluations of the franc. Her basic problem is not production but financial stability. The recent reforms are aimed at bringing out the hidden potential behind this problem. And, potentially, France is not the weak sister of the Common Market, but one of its strongest members.

Benelux: Troubled by Recession

As far as trade is concerned, the three Low Countries of Europe are already one unit. Belgium and Luxembourg have been linked formally since 1929, both with Holland since 1947. Together, the Benelux countries had an external trade of $11.4 billion in 1958—about tied with Canada as the fourth largest commercial power in the world (5.8 per cent. of world trade).

In 1958, the Benelux partners had something more unfortunate in common. With an early slump in Holland, a coal crisis and weak steel demand in Belgium-Luxembourg, they were the hardest hit by the recession in Western Europe.

So far, recovery has been mostly limited to the Netherlands. Housing and public investment led to a fairly steady improvement in late 1958. Even more encouraging was the strong recovery in the Dutch balance of payments. The 1958 surplus was almost 1.4 billion guilders—more than twice the normal figure and a reversal of 1957's deficit. The improvement was brought about by sharp reductions in imports (particularly from Indonesia) and heavy sales of Dutch securities abroad. This year, rising exports—tied closely to U.S. orders—should pace the overall recovery. General outlook for the Netherlands in 1959: Moderate gains, marred in part by higher unemployment than usual and a budget deficit.

As the trading nations of Europe, the Benelux countries have a large stake in the Common Market, and are sympathetic to the idea of a Free Trade Area. Their strong points are high productivity, skilled workers and substantial direct American investment. In Belgium, for example, two dozen U.S. firms (including du Pont and Union Carbide) opened up new operations in 1958. The total investment of some 280 American firms in Belgium now runs to well over $200 million.

Italy: The Long-term Challenges

Italy had a good year in 1958, and activity is still rising. Last year's gain in output was moderate, but a good harvest made it possible for agriculture to take over where industrial production left off. The overall volume of goods and services increased by 3-4 per cent., compared to almost 6 per cent. in 1957. Investment declined slightly.

Italy's balance of payments is also firm. Exports held at the 1957 level last year, imports declined slightly, and the terms of trade shifted in Italy's favour. Added to this were substantial "invisible"—shipping profits, tourist payments, emigrant remittances—which swelled Italian reserves to over $2 billion. The resulting liquidity of the Italian banking system has prompted a few worries about inflation. But generally speaking, Italy is in good condition, both externally and internally for the first year of the Common Market. Italian industry is confident it can withstand the competitive strain coming from the initial tariff and quota cuts. Since Italy has already liberalised more than 98 per cent. of her trade, the January moves affected only a few goods—autos, in particular, and a few high tariff items such as cameras and optical equipment.

On the other hand, Italy brings to the Common Market venture some problems of long standing. As a low wage country with chronic unemployment, the labour mobility envisioned under the Common Market is particularly important to Italy. According to O.E.E.C. projections, nearly one half of the 3 million increase in the Common Market labour force from 1955 to 1965 will be Italians. Italy's other concern over the long run is development of the poor, underdeveloped south. Despite Italy's own Vanoni Plan to industrialise this region, she will need substantial investment aid from her Common Market partners.

Britain: A Recovery Under Way

The long awaited recovery in Britain could get under way in 1959. Yet there are several factors which give the outlook for the year a cautious note. Britain has yet to work out a *modus vivendi* with her Common Market competitors on the Continent. Part of sterling's remarkable strength over the past year was due to fortuitous terms of trade, which may not be as favourable in 1959. Also, there's Britain's internal problem. The official policy is "expansion without inflation" and Britain's chronic tendency has been towards too little of the first, too much of the second.

Still, there are signs that the recession is over. Industrial production bottomed out last fall, and overall output is expected to increase by 2 per cent. to 3 per cent. this year. This would bring the economy back to its level of operation in the best months of 1957. The weakest sector is private capital spending. Current excess capacity is still a deterrent to capital goods recovery—ranging from 10 per cent in chemicals to 25 per cent. in steel, according to recent estimates by the National Institute of Economic and Social Research.

Britain did wind up 1958 with a record balance of payments. And sterling, following its remarkable comeback last year, has continued strong in the first few months of external convertibility. At home, consumer demand is still buoyant after responding quickly to last fall's easing of restrictions on instalment buying. But there is some question whether the budget, when presented, will be of a nature to stimulate economic expansion.

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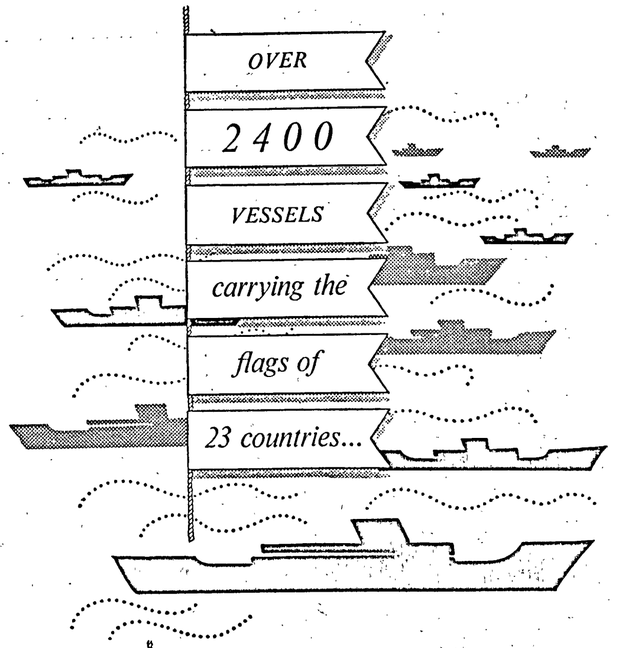

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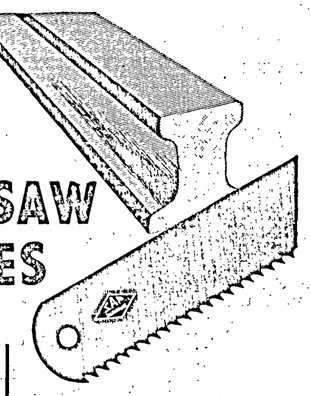

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RESULTS OF INDIAN ALUMINIUM EXCELLENT

OUTLOOK PROMISING—FURTHER EXPANSION CONTEMPLATED

THE progress made by the Indian Aluminium Company, Ltd. (Managing Director: H. Vance Echols, Calcutta), during the year ended 31st December 1958, is highly encouraging and engenders a feeling of optimism for the future. Both production and financial results are excellent, reflecting as they do the hard work put in by the workers and the management alike. They show that the fruits of forward planning based on diligent estimates of the country's requirements of aluminium products are beginning to bear fruit. Production, sales, profit, dividend to shareholders, salaries and wages to workers and contribution to the Exchequer were all a record high in 1958. That is only as it should be for a company which is still young and vigorously growing and there is no doubt that, given peace, understanding by workers and help and co-operation from the Government, the Company will be able to establish new peaks in the coming years.

The highlights of the Company's achievements in 1958 are the following:

As compared with 1957, sale proceeds have gone up by 37 per cent., from Rs. 544 lakhs to Rs. 743 lakhs, thanks to keen demand for the Company's products and increase in production.

Gross profit has risen by about 50 per cent., from Rs. 91.64 lakhs to Rs. 137.06 lakhs.

Provision for depreciation has been stepped up from Rs. 26.30 lakhs to Rs. 27.95 lakhs.

Taxation, which had taken up only Rs. 7 lakhs in 1956 and Rs. 38.97 lakhs in 1957, absorbs no less than Rs. 61.43 lakhs.

After depreciation and taxation, the net profit has advanced from Rs. 26.38 lakhs to Rs. 47.67 lakhs, an increase of 80 per cent.

A sum of Rs. 11.10 lakhs, equivalent to 23.5 per cent. of the net profit, has been conserved by way of development rebate reserve.

The distribution to ordinary shareholders has been raised from 60 naye paise per share of Rs. 10 each to 70 naye paise.

The undistributed surplus has more than doubled, from Rs. 7.20 lakhs to Rs. 15.26 lakhs.

Results Compared

The comparative table below shows at a glance fuller particulars of financial results:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	7,42.97	5,44.39	4,24.97	3,65.67
Other income	3.47	4.06	2.08	2.32
Manufacturing and other expenses	6,19.31	4,56.81	3,61.47	3,19.34
Gross profit	1,37.06	91.64	65.58	48.64
Provision for—				
Depreciation	27.95	26.30	22.79	21.55
Taxation	61.43	38.97	7.00	...
Net profit	47.67	26.38	35.79	27.09
To reserves	11.10	..	..	10.00
Dividends—				
5 per cent. preference ..	1.37	1.37	1.83	2.00
Ordinary	28.07*	23.13	27.07	14.40
	(7%)	(6%)	(10%)	(9%)
Carry forward	15.26	7.20	11.06	4.18

* Provision for ordinary dividend has been made on the assumption that the entire outstanding convertible loan stock will have been converted into ordinary shares on the date of declaration of dividend.

It will be noted that manufacturing and other expenses have jumped up from Rs. 457 lakhs to Rs. 619 lakhs. Much of this increase must be attributed to expansion in the Company's activities. Nevertheless, the general inflation in costs must also have been a significant contributory factor. Salaries, wages and bonus alone have risen from Rs. 88.14 lakhs to Rs. 101.47 lakhs. As at the end of 1958, the number of employees was greater at 4,222 as compared with 3,696 a year before.

Despatches Higher

A clear idea of the improvement in the Company's turnover in 1958 can be had from the fact that the aluminium products despatched were 10,380 tons of the Company's own manufacture and 1,376 tons of agency and distributor products, the corresponding figures for 1957 being 8,221 and 848 tons, respectively.

On the expansion side, the main achievements of the Company are the completion of Hirakud Smelter (in Orissa) and the expansion of the alumina plant at Muri (Bihar) to 18,000 tons annual capacity. The Hirakud Smelter began operations only on 6th January 1959 and as such their effect on the financial results will be felt in the current year. The expansion of the alumina plant in Muri was completed in July 1958, so that the results for that year reflect this progress only in past. They will make their full impact this year. The Company's smelter in Alupuram (in Kerala) produced slightly more ingots, 5,664 tons, as against 5,448 tons in 1957. The extrusion plant in that centre also turned out more, 1,084 tons as against 740 tons. The fabricating plant at Belur (in West Bengal) rolled out 8,834 tons, as against 7,283 tons in 1957. It will be noted from these figures that the Company fabricated more products than its own production of ingots. This it could do with the help of imports of ingots, mostly from Canada under the Colombo Plan aid. As already stated, the demand for aluminium products in India was strong in 1958 and "business conditions," to quote the Directors' report, "continue to be satisfactory."

Further Expansion Plans

The following extract from the Directors' report will give an idea of the Company's plans for further expansion:

"Negotiations proceeded with the Orissa Government for the supply of additional electric power to enable expansion of the Hirakud smelter from its present installed capacity of 10,000 tons to 20,000 tons ingot production per annum.

"In order to meet all of the alumina requirements of the Hirakud and Alupuram smelters from indigenous sources, the Company will shortly undertake a further expansion of its alumina plant at Muri. Annual alumina capacity will be increased from its present level of 18,000 tons to 32,000 tons.

"To facilitate the expansion of the Hirakud smelter to 20,000 tons ingot capacity and the corresponding alumina and bauxite facilities, the Company's Canadian shareholder, Aluminium Limited, has signified its willingness, upon satisfaction of certain conditions, to offer a loan to the Company of up to six million dollars, which is the estimated foreign exchange requirement for the expansion. To enable the Company to take advantage of this generous financial offer, it is hoped that both the Government of India and the State of Orissa will assist in the speedy implementation of this project on terms that will permit the most economic development of India's natural resources for aluminium production."

The balance-sheet total of the Company as at 31st December 1958 is up from Rs. 859 lakhs a year before to Rs. 1,097 lakhs. The increase of Rs. 238 lakhs is chiefly the result of an addition of Rs. 207 lakhs in fixed capital assets. The gross value of these assets is Rs. 924.60 lakhs, as against which a depreciation of Rs. 248.87 lakhs has been provided so far, so that the net block is Rs. 675.73 lakhs. This excludes the small sum of Rs. 6.14 lakhs on deposit with banks abroad for machinery purchases. Stock-in-trade appears at Rs. 293.91 lakhs, an increase of nearly Rs. 50 lakhs over the year. The rest of the current assets total Rs. 121.27 lakhs. More than half of the net block is financed by paid-up capital which stands at Rs. 428.06 lakhs, of which all but Rs. 40 lakhs are in ordinary shares. The Rs. 40 lakhs are in 40,000 5 per cent. cumulative preference shares of Rs. 100 each. A little over two years ago, the Company raised Rs. 268.13 lakhs in the form of 5 per cent. taxable loan, with right to the stockholders to convert them into ordinary shares. Of this loan, the unconverted portion at the end of 1958 was only Rs. 18.52 lakhs. By now, almost all of this might have been converted into equity capital. The reserves and surplus amount to Rs. 144.28 lakhs, of which the share premium is Rs. 72.93 lakhs. Thus, the total owned funds of the Company aggregate Rs. 572.34 lakhs. The liabilities amount to Rs. 524.83 lakhs, including Rs. 218.19 lakhs of secured loans from banks and Rs. 110.70 lakhs provision for taxes payable.

After remaining neglected for a long time during the depression of 1956-57-58, the ordinary shares of the Company began to evoke the interest of investors during the last past one year. But it is only since the commencement of 1959 that they have been a keenly sought after counter. They are now standing at Rs. 21.06, as against Rs. 17.00 at the end of February 1959, Rs. 16.00 at the beginning of 1959 and Rs. 12.87 a year ago. In 1956, before the depression hit the market and the Company issued additional capital, these shares had touched a high of Rs. 25.25. The highest level seen in 1955 was Rs. 22. At the current rate, the yield on these shares works out to about 3.4 per cent. In raising the dividend from 6 to 7 per cent. for 1958, the Directors say that "they have been mindful of the recent budgetary announcements." This apparently means that they are confident of ensuring the same gross dividend as at present, if not something better. The low yield shows that investors' rating of the Company's shares as a growth scrip is high.

KILLICK INDUSTRIES LTD.

Apropos our report on the last annual meeting of Killick Industries Ltd., the Secretary to the Board of the Company, Mr. H. J. MacQueen, writes, in a letter dated 2nd April 1959, as follows:

"The attention of the Board has been drawn to a report published in column 2 of page 439 of your issue dated 21st March 1959, which reads as follows:—

'The meeting adopted two resolutions entered in the agenda as 'special business' at the instance of the group of shareholders who chose to collect proxies against Mr. Purshotamdas Thakurdas, Mr. Chunilal V. Mehta and Jaisinh Vithaldas. One resolution pertained to the election of Mr. M. N. Cama as a Director, subject to the approval of the Government. The other resolution was as follows:

'That this meeting views with deep regret the hasty and derogatory remarks made against Messrs. E. D. Sheppard and K. G. Milne, the Managing Directors of this Company, by some shareholders of the Ahmedabad Electricity Co., Ltd., at its last annual general meeting and declares its full confidence in the said two gentlemen.'

'The aforesaid resolution was adopted with an amendment which sought to convey the shareholders' best wishes to Mr. Sheppard and Mr. Milne in view of their impending retirement.'

"We would point out that, instead of the above resolution regarding Messrs. Sheppard and Milne, the following amendment was finally passed:—

'That this meeting extends its good wishes to Mr. E. D. Sheppard and Mr. K. G. Milne on the occasion of their impending retirement and hopes that they will enjoy many years of health and happiness.'

"The Board also observes that you have indicated that a certain number of proxies were lodged in favour of Mr. Sheppard and a certain number in favour of Mr. Purshotamdas Thakurdas. The figures given by you are not correct, in view of revocations received up to the time of the meeting.

"It will be very much appreciated if the above clarification is made in your next issue."

[A representative of this journal was present at the meeting right from the beginning to the end. Our report was based on his impressions of what happened at the meeting. He does not agree with the contention of the Board. The resolution that is now said to have been finally passed might have been the intention of the Board and the parties concerned, but, from the way in which both the resolutions were moved—the one quoted by us and the other quoted in the aforesaid letter—it was clear to our representative that the latter was an addition, and not a substitute, to the former. The chairman of the meeting, Mr. Chunilal V. Mehta, did not say anything on this issue, nor did he indicate as to which resolution was being adopted. No one said that the resolution which was first moved and duly seconded had been withdrawn or rescinded. Indeed, several observers got the impression that the procedure followed in regard to the resolution now said to have been finally adopted was highly irregular.

As regards proxies, the figures mentioned by us are not our figures, but the total of proxies of old and new shares as announced by a shareholder who examined the proxy register. Here are the breakdown figures of the proxies as read out at the meeting:

	For Mr. Sheppard	For Mr. Purshotamdas Thakurdas
Old	49,465	31,905
New	10,254	9,250

Our representative's impression is that the aforesaid figures were given as net after revocations. Anyway, the aforesaid figures were neither repudiated nor challenged, nor qualified by anyone. If they were incorrect, as is now claimed by the Board, why did not Mr. Chunilal V. Mehta, as the chairman of the meeting, give the correct figures? In fact, not only did he not respond to the repeated requests made by certain shareholders for the results of proxies lodged with the Company, but remained silent on this point.—EDITOR.]

NESTLE PRODUCTS

The Nestle Company, the well-known manufacturer of milk and cocoa products, is understood to have decided to set up a manufacturing counterpart in India. A new company under the name of Food Specialities (Private) Limited has been established in Punjab. The authorised capital of this company is likely to be around Rs. 60 lakhs. There is a possibility of Indian participants being invited to take up equity shares to the extent of 10 per cent. of the total capital. The manufacturing programme includes milk and milk products.

DUNLOP MAINTAINS DIVIDEND

RISE IN COSTS CUTS THE PROFIT MARGIN

IN the equities section of the stock exchanges in India, the shares of the Dunlop Rubber Company (India) Ltd.—Managing Director: John Luckham—have come to hold a pride of place as a blue chip. They have always been held in great esteem by investors for three important reasons: sound management, steady dividend record and excellent growth prospects. And yet even this scrip could not escape the crisis of confidence that hit the stock exchanges in the third quarter of 1956 and persisted almost up to the middle of last year. In 1957, the scrip touched a low of Rs. 17 *ex*-right, when the stock markets were in the nadir of depression. Even a year ago, it was quoted at no more than Rs. 24.75 *ex*-dividend. Today, it is firm at Rs. 34.75 *ex*-dividend. The low levels to which the Company's share had fallen during the past two years reflects the general loss of confidence among investors brought about by the Government's socialist policies. The subsequent recovery is the cumulative result of the absence of any further serious damage to investors' rights, the fresh momentum gained by inflationary forces, the impressive growth of the Company itself, and scarcity of sellers in the face of growing buying orders for the scrip. It may be added, for the benefit of those who may be inclined to think that the scrip has gone up to a dizzy height now, that the highest levels touched by it in 1954, 1955 and 1956 were Rs. 40.25, Rs. 41.37 and Rs. 35, respectively, and that the Company's results for the current and future years will reflect the operations of its new factory at Ambattur (Madras) and the expansion that has been effected in the Sahaganj (Calcutta) factory. The outlook for all the products manufactured by the Company—automobile and cycle tyres, industrial belts, cushions, pillows and mattresses, etc.—is promising.

The Company has done well in 1958, notwithstanding a sizable rise in the cost of production and the consequent reduction in the profit margin. Its total sales went up, as compared with 1957, by Rs. 2.25 crores or 11½ per cent. Due to rising costs, the margin of net profit as a percentage of sales, however, deteriorated from 4 per cent. to 3.7 per cent. This is a point which the critics of the private sector and labour leaders will do well to remember, lest the popularity of the Company's scrip and the high level at which it is standing should engender wrong notions among them. Indeed, the rise in costs is disquieting.

The following comparative table will show at a glance the salient features of the Company's financial results:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	22,27.76	19,97.00	16,99.80	15,11.60
Other income ..	5.21	4.67	4.28	3.45
Manufacturing, selling and other expenses	17,70.25	15,85.50	13,94.50	12,33.08
Excise duty	2,53.08	2,15.21	1,89.61	1,55.95
Debenture interest	7.31	5.72	6.50	6.50
Gross profit	2,02.33	1,95.17	1,33.23	1,19.53
Provision for—				
Bad debts	0.30	0.30	0.30	0.30
Depreciation	31.47	27.68	30.54	27.51
Taxation	88.13	86.52	47.34	49.32
Net profit	82.43	80.67	55.10	40.40
To reserves	30.00	30.00	26.00	22.00
Dividends—				
6% preference (tax-free) ..	1.80	1.80	1.80	1.80
6% II preference (less tax) ..	1.04	1.04	1.77	1.77
Ordinary	48.75	38.25	24.00	24.00
	(16⅔%)	(16⅔%)*	(15%)	(15%)
Carry forward	22.46	22.23	13.25	11.72

* Includes a final dividend of 8½ per cent. on the increased capital, raised by the issue of 1,400,000 ordinary shares of Rs. 10 each.

It will be seen therefrom that, while sale proceeds have climbed up from Rs. 19.97 crores to Rs. 22.28 crores, gross profit has risen by only Rs. 7.16 lakhs to Rs. 2.02 crores. It is so because manufacturing, selling and all other expenses have advanced by no less than Rs. 1.85 crore, excise duty by Rs. 37.87 lakhs and interest on debentures by Rs. 1.58 lakh. The increase in net profit from Rs. 80.67 lakhs to Rs. 82.43 lakhs is even less than that in gross profit, as the provisions for taxation and depreciation have had to be stepped up. The amount taken to reserves has been kept unchanged at Rs. 30 lakhs. The dividends have been maintained. Ordinary shares get for the second year in succession 16.25 per cent. per annum. A notable point about this dividend is that the whole of it is on the increased capital, whereas for 1957 only the final dividend was so. Consequently, the amount utilised for ordinary dividend is higher by Rs. 10.50 lakhs. Nevertheless, the carry forward is a shade better than the sum brought in. It may also be noted that the Company had uniformly maintained the dividend at 15 per cent. per annum for six years, from 1951 to 1956.

A significant point brought out by the above table is that the increased revenue the Exchequer has obtained as a result of the enhanced activity of the Company is far greater than that of the share of shareholders.

The following extracts from the Directors' report will enable readers to understand the appropriations made during the year and the policy behind them:

"The Finance Act, 1958 requires the Company to credit to a reserve account 75 per cent. of the development rebate allowed from the accounting year 1958 onwards and the foregoing transfer of Rs. 30,00,000 to development rebate reserve will adequately meet this requirement for the year under review. Due to the establishment of the Company's new factory at Ambattur, the development rebate allowable and consequently the amount of the initial transfer to development rebate reserve is abnormally high. The Directors, therefore, do not consider it necessary to make a further appropriation to general reserve on this occasion.

"Additions to fixed assets to the extent of Rs. 2,29,13,735 were made during the year, as compared with Rs. 97,03,843 in 1957. The Company's Sahaganj factory expansion was successfully carried out and the new Ambattur factory was virtually completed by the end of 1958.

"In September 1958, Rs. 1 crore of 6½ per cent. debenture-stock 1968-73, ranking *pari passu* with the balance of the original debenture-stock created in 1950, was issued to the public at par. To facilitate this, the conditions attaching to the original debenture-stock were altered. The expenses of the new issue, amounting to Rs. 5,19,907, have been charged to general reserve.

"The Directors consider it advisable to consolidate the free reserves as far as possible by transferring the special depreciation reserve to general reserve."

The financial position of the Company is sound and reflects the large investments made in recent years on expansion and modernisation. The Company has a paid-up capital of Rs. 3.70 crores, of which Rs. 70 lakhs are in preference shares and the balance in ordinaries. Including a share premium of Rs. 70 lakhs, the reserves and surplus exceed the paid-up capital by over a crore of rupees, their total being Rs. 4.87 crores. Debentures and secured bank overdrafts amount to Rs. 3.37 crores and other current liabilities and provisions Rs. 2.39 crores. The gross value of fixed assets is Rs. 8.77 crores and the written down value Rs. 5.80 crores, the depreciation provided so far being Rs. 2.97 crores. The total current assets is as large as Rs. 8.53 crores of which stock-in-trade alone is Rs. 5.03 crores. The fact that cash balances are no more than Rs. 2.89 lakhs is a striking indication of the extent to which the developmental activities of the Company have strained its resources.

At their current market value, the Company's shares give a yield of about 4.7 per cent.

MANCHESTER LETTER

(*Concluded from page* 593)

negotiated with the trade unions and which is specially suited to make the best use of modern machinery, we feel that we can achieve effective use of manpower and good working conditions."

In the long run, Mr. Ernest Hirst went on, a reconstructed industry working shifts may be able to employ as many, or more than the numbers now on the books, if due allowance is made for natural losses owing to retirement and to the customary labour turnover. Unions and employers are already meeting to discuss what can be done in appropriate cases to provide assistance for workers where firms go out of business or close down mills in any statutory reorganisation scheme which may be introduced for streamlining the industry.

Shortsighted opposition to marking schemes to indicate cloth made solely in the United Kingdom was decried by Mr. Hirst. Many men and women, not only in Lancashire, he said, would buy no other than British products if the goods were plainly marked with a Union Jack. "In the future, as in the past, the public will still buy Lancashire goods when the highest quality and reliability of texture and colouring are required," he declared.—*All Rights Reserved.*

COMPANY MEETINGS AND DIVIDENDS

SHRI AMBICA MILLS LTD. Annual General Meeting, Ahmedabad, 20th April 1959. Dividend: Rs. 30.00 per share (includes bonus of Rs. 5.00 per share). Transfer books remain closed from 11th to 25th April 1959, both days inclusive.

PREMIER CONSTRUCTION CO., LTD. Annual General Meeting, Bombay, 20th April 1959. Dividend: Rs. 12.00 per share, payable on and from 25th May 1959. Transfer books will remain closed from 17th April to 9th May 1959, both days inclusive.

GANESH FLOUR MILLS CO., LTD. Annual General Meeting, Delhi, 21st April 1959. Transfer books remain closed from 7th to 21st April 1959, both days inclusive.

SWAN MILLS LTD. Annual General Meeting, Bombay, 22nd April 1959. Dividend: Rs. 25.00 per share, payable on and after 23rd April 1959. Transfer books remain closed from 26th March to 22nd April 1959, both days inclusive.

NEW SHORROCK SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Ahmedabad, 22nd April 1959. Dividend: Rs. 35.00 per share (includes bonus of Rs. 5.00 per share). Transfer books remain closed from 1st to 21st April 1959, both days inclusive.

SHORROCK SPINNING AND MANUFACTURING CO., Ltd. Annual General Meeting, Ahmedabad, 22nd April 1959. Dividend: Rs. 22.00 per share (includes bonus of Rs. 2.00 per share). Transfer books remain closed from 1st to 21st April 1959, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 22nd April 1959. Dividend: Rs. 15.00 per share. Transfer books remain closed from 11th to 25th April 1959, both days inclusive.

DUNLOP RUBBER CO. (INDIA) LTD. Annual General Meeting, Calcutta, 23rd April 1959. Dividend: 16¼ per cent. free of tax. Transfer books remain closed from 10th to 30th April 1959, both days inclusive.

FINLAY MILLS LTD. Annual General Meeting, Bombay 23rd April 1959. Dividend: Rs. 16.00 per share, payable on and after 24th April 1959. Transfer books remain closed from 26th March to 23rd April 1959, both days inclusive.

GOLD MOHUR MILLS LTD. Annual General Meeting, Bombay, 24th April 1959. Dividend: Rs. 15.00 per share, payable on and after 25th April 1959. Transfer books remain closed from 26th March to 24th April 1959, both days inclusive.

OOCHTERLONY VALLEY ESTATES (1938) LTD. Annual General Meeting. Kozhikode, 24th April 1959. Dividend: 10 per cent. or Re. 0.20 per share. Transfer books remain closed from 10th to 24th April 1959, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Annual General Meeting, Kozhikode, 25th April 1959. Dividend: 15 per cent. or Re. 0.30 per share. Transfer books remain closed from 11th to 25th April 1959, both days inclusive.

HUKAMCHAND MILLS LTD. Annual General Meeting, Indore, 27th April 1959. Transfer books will remain closed from 15th to 27th April 1959, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Annual General Meeting, Calcutta, 27th April 1959. Dividend: Re. 0.70 per share. Transfer books remain closed from 6th to 27th April 1959. both days inclusive.

GOKAK MILLS LTD. Annual General Meeting, Bombay, 29th April 1959. Dividend: Rs. 8.00 per share.

TRICHINOPOLY MILLS LTD. Annual General Meeting, Ramjeenagar, Tiruchirapalli, 30th April 1959. Dividend: 7½ per cent. or Re. 0.75 per share, free of tax. Transfer books remain closed from 11th to 30th April 1959, both days inclusive.

SRI KRISHNARAJENDRA MILLS LTD. Interim dividend of Rs. 2.00 per share, for the year ended 31st April 1959. Transfer books remain closed from 10th to 13th April 1959, both days inclusive.

SAMNUGGUR JUTE FACTORY CO., LTD. Dividend of 5 per cent. or 1s. per ordinary share, less income-tax at 8/6d. per £ for the year 1958. Transfer books were closed from 19th March to 2nd April 1959, both days inclusive.

VICTORIA JUTE CO., LTD. Dividend of 5 per cent. or 1s. per ordinary share, less income-tax at 8/6d. per £, for the year ended 31st December 1958. Transfer books were closed from 19th March to 2nd April 1959, both days inclusive.

TITAGHUR JUTE FACTORY CO., LTD. Dividend of 3 per cent. or 7 1/5d. per ordinary share, less income-tax at 8/6d. per £, for the year ended 31st December 1958. Transfer books were closed from 19th March to 2nd April 1959, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Interim dividends of 12 nP per share, on preferred ordinary shares and Re. 1.13 per share, on 'A' and 'B' ordinary shares (including a bonus of 25 nP per share), for the year ended 31st March 1959, payable on or after 8th May 1959. Transfer books remain closed from 11th to 24th April 1959, both days inclusive.

MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD. Dividend of Rs. 18.00 per share (inclusive of bonus), for the year ended 31st December 1958, payable on 11th May 1959. Transfer books remain closed 24th March to 14th April 1959, both days inclusive.

SASSOON SPINNING AND WEAVING CO., LTD. Dividend of Rs. 2.00 per share, for the year ended 31st December 1958, payable on 11th May 1959. Transfer books remain closed from 24th March to 14th April 1959, both days inclusive.

STANDARD MILLS CO., LTD. Dividend of Rs. 20.00 per share, for the year ended 31st December 1958, payable on 11th May 1959. Transfer books remain closed from 24th March to 14th April 1959, both days inclusive.

RESULTS OF AMBICA MILLS BETTER

VISHNU AND LAKHSHMI COTTON MILLS SUFFER LOSSES

Shri Ambica Mills Ltd.

THE directors of the above Company (Managing Agents: Messrs. Harivallabhdas & Co., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December 1958.

After providing a sum of Rs. 14,65,243 (Rs. 12,33,338) for depreciation, a sum of Rs. 2,00,000 (Rs. 6,50,000) for rehabilitation reserve, a sum of Rs. 6,50,000 (*nil*) for development rebate reserve and a sum of Rs. 51,00,000 (Rs. 40,50,000) for estimated taxation, the working of the year shows a profit of Rs. 30,48,979 (Rs. 14,18,190). To this amount may be added the balance of profit from the previous year Rs. 1,76,451 (Rs. 2,63,336) making a total of Rs. 32,25,430 (Rs. 16,81,526). This amount the directors recommend to be disposed of as under:—

To general reserve Rs. 10,00,000 (*nil*), to gratuity reserve Rs. 2,00,000 (*nil*), to dividend on 5,600 cumulative preference shares of Rs. 100 each at Rs. 5 per share free of income-tax for the year ended 31st December 1958 absorbing Rs. 28,000 (Rs. 28,000), to dividend on 7,000 second cumulative preference shares of Rs. 100 each at Rs. 4 per share free of income-tax for the year ended 31st December 1958 Rs. 28,000 (Rs. 28,000) and to dividend on 63,759 (57,963) ordinary shares of Rs. 100 each at Rs. 25 (Rs. 25) plus Rs. 5 (*nil*) as bonus per share free of income-tax for the year ended 31st December 1958 Rs. 19,12,770 (Rs. 14,49,075) leaving to be carried forward Rs. 56,660 (Rs. 1,76,451).

During the year under report, the price level of Company's products did not show any appreciable variation. Upward trend in the prices of stores, colours, chemicals, fuel and power continued unabated. The rise in cost of living index resulted in the corresponding rise in the dearness allowance payable to workers. The position of the industry deteriorated in the latter part of the year due to general depression in the market. However, the directors hope the working result of the Company will be found satisfactory in these circumstances.

With regard to the Lalbhai Tricumlal Mills Ltd., the directors state that as a result of the amicable settlement arrived at in the matter, the Company's Petition in the High Court at Bombay, was allowed to be withdrawn in the month of April 1958, the Provisional Liquidator appointed by the Court was discharged and the directors of that Company took charge of the properties and assets of that Company from the Provisional Liquidator. Also in terms of the settlement aforesaid the directors obtained delivery of 6,440 ordinary shares of the Lal Mills of the nominal value of Rs. 100 each at the price of Rs. 50 each from the members and the relatives of the old managing agents of that Company and these 6,440 ordinary shares have since been transferred in the name of the Company. Thus the Company's total holding of ordinary shares of the Lal Mills comes to be 12,525 shares with the result that the Lal Mills have become a subsidiary of the Company as from 29th October 1958.

As regards the unsecured loans to and investments in the Lalbhai Tricumlal Mills Ltd., the directors state that no specific provision has been made in the accounts of the Company against the deficiency, if any, arising in the realisation of such loans and investments, as the reserves of this Company are adequate to meet any such contingency.

There are 94,128 spindles and 1,790 looms in your mills.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	76,35,900	Gross block	2,32,18,408
Reserves ...	3,01,44,505	*Less*—Depreciation ...	1,32,23,150
Provision for taxation ...	28,95,198		
Liabilities ...	76,24,582	Net block ...	99,95,258
Profit and loss account ...	56,660	Stock-in-trade	1,33,54,062
		Stores, spare parts, etc.	19,72,808
		Debts, deposits and advances ...	1,26,81,574
		Investments	48,93,638
		Cash ...	54,59,505
Rs.	4,83,56,845	Rs.	4,83,56,845

Vishnu Cotton Mill Ltd.

The directors of the above Company [Managing Agents: The Bombay Co. (Private) Ltd., Bombay] present the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a loss for the year of Rs. 9,02,672 (Rs. 9,54,275). The directors have transferred from depreciation, renewal and extension fund Rs. 6,26,601 (*nil*) leaving a balance of Rs. 2,76,071 (Rs. 954,275). The directors have decided to provide balance depreciation of 1956 Rs. 2,22,000 (Rs. 34,603 to gratuity fund) and part initial depreciation of 1952 Rs. 3,243 (Rs. 18,500 for balance of wealth tax for 1956) showing a loss of Rs. 5,01,314 (Rs. 1,90,456 after adjusting previous year's credit balance of Rs. 16,922). In view of the loss sustained, the directors are unable to recommend the declaration of any dividend on ordinary shares, but they recommend that a dividend of Rs. 35 per share less income-tax on the 3,133 preference shares be declared absorbing Rs. 75,114 (Rs. 75,114) to meet which a transfer from reserve fund has been made of Rs. 80,000 (Rs. 80,000). This leaves a net loss of Rs. 4,96,427 to which must be added last year's loss of Rs. 9,85,569 making a total debit of Rs. 14,81,997 to be carried forward. It has not been possible, in view of the loss, to make any provision for arrears of depreciation for the year 1957, amounting to Rs. 11,84,277. Forfeited dividends amounting to Rs. 2,732.87 have been added to reserve fund.

Trading Conditions: There was no improvement during the year as compared with 1957 in off-take or prices, and in particular there was a serious fall in exports arising from a contraction in the international textile trade and a heavy fall in the prices of foreign cottons which deprived India of any export advantage in respect of raw material costs. The situation cannot be expected to improve either in respect of exports or the inland markets, which latter remain fully if not over stocked with cloth, while the continuing high cost of food continues to claim a disproportionate part of the ordinary man's domestic budget.

In view of the foregoing, the policy of forward sales, however, unremunerative, was maintained, but even so, stocks of cloth were markedly higher at the end of the year than at the close of 1957. There is little doubt, however, that the Mill was working better in itself.

The managing agents have agreed again this year to accept a reduction in their minimum remuneration as continued sacrifices on all sides are necessary to maintain the working of the Mill under market conditions that show no sign of early improvement. The Company's cotton buying agents have also agreed to accept a similar cut in their commission.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	47,66,500	Gross block	1,94,48,153
Debentures ...	30,00,000	*Less*—Depreciation ...	1,30,02,866
Reserves* ...	8,64,423		
Provision for taxation ...	3,516	Net block ...	64,45,287
Liabilities ...	80,98,885	Other assets	96,495
		Stock-in-trade	58,63,003
		Stores, spare parts etc.	14,50,154
		Debts, deposits and advances ...	23,60,700
		Investments	3,70,028
		Cash ...	97,693
		Miscellaneous expenses and losses	49,964
Rs.	1,67,33,324	Rs.	1,67,33,324

*Reserves are shown after deducting the debit balance of Rs. 14,81,997 in the profit and loss account.

Lakhshmi Cotton Manufacturing Co., Ltd.

The directors of the above Company (Chairman: Mr. E. S. Vernon-Jones, Bombay) present the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a loss for the year of Rs. 3,52,051 (Profit of Rs. 2,12,935). The credit balance brought forward from last year is Rs. 2,294 (Rs. 20,376). This leaves a debit balance of Rs. 3,49,756 (credit of Rs. 2,33,310). To this must be added depreciation for previous years of Rs. 9,97,894 (*nil*) and provision for wealth tax of Rs. 52,000 (*nil*) making a total debit of Rs. 13,99,650 (credit of Rs. 2,33,310). The directors have transferred from building fund Rs. 3,16,095 (*nil*), engine and machinery fund Rs. 10,34,246 (*nil*), dividend fund Rs. 2,46,800 (Rs. 2,05,000) and from reserve fund Rs. 50,000 (*nil*) leaving a credit balance of Rs. 2,47,490 (Rs. 4,38,310). Out of this balance the directors recommend a dividend of Rs. 12.50 (Rs. 12.50) per share less income-tax on 6,400 preference shares and a dividend of Rs. 15 (Rs. 15.00) per share free of income-tax on 12,800 ordinary shares absorbing Rs. 2,46,800 (Rs. 2,46,800) and to carry forward the balance of Rs. 690 (Rs. 2,294 after transferring Rs. 33,216 to gratuity fund and Rs. 1,56,000 to reserve for taxation). With the transfer of a sum aggregating Rs. 13,50,341 for the building and engine and machinery funds, the fixed assets have been fully written down. Forfeited dividends amounting to Rs. 3,041.34 have been added to the reserve fund.

Trading Conditions: There was no improvement during the year, as compared with 1957, in offtake or prices. Although there was some curtailment of production by the Industry as a whole, this was offset by a reduction in exports, as a result partly of a deterioration in international textile trade and partly of a heavy fall in the prices of African and other medium staple cotton. As a result of this, India seems to have lost its last advantage of a cheap raw material. At the present moment, there is no sign of market improvement, and since cloth production appears to be rising it looks as though the least economic units will be forced to close.

Absenteeism continued very high, and the figure in the production departments is unfortunately higher than the average through the labour force as a whole.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,00,000	Gross block	1,98,16,979
Reserves ...	49,95,387	*Less*—Depreciation ...	1,44,39,237
Provision for taxation ...	63,280		
Liabilities ...	67,58,300	Net block ...	53,77,742
Profit and loss account ...	690	Other assets	950
		Stock-in-trade	66,87,288
		Stores, spare parts, etc.	17,06,236
		Debts, deposits and advances ...	26,76,135
		Investments	1,00,000
		Cash ...	69,306
Rs.	1,66,17,657	Rs.	1,66,17,657

Bengal Flour Mills Co., Ltd.

The directors of the above Company Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1958.

The profit for the year (including items relating to previous years) after providing for taxation and depreciation, was Rs. 5,48,335 (Rs. 9,10,908) to which is added the balance brought forward from 1957 of Rs. 2,01,787 (Rs. 90,879) making a total of Rs. 7,50,122 (Rs. 10,01,787). Out of this total the Board paid an interim dividend of 12½ (12½) per cent. on 14th November 1958, amounting to Rs. 1,50,000 (Rs. 1,50,000). The Board has transferred Rs. 4,081 (*nil*) to development rebate reserve and Rs. 2,26,501 (Rs. 5,00,000) to general reserve, leaving a balance of Rs. 3,69,540 (Rs. 3,51,787) available for distribution, which it is recommended be dealt with as follows:—To final dividend of 12½ (12½) per cent. absorbing Rs. 1,50,000 (Rs. 1,50,000) leaving a balance carried forward of Rs. 2,19,540 (Rs. 2,01,787).

No provision has been made for liability to wealth tax. Payment of wealth tax is not considered to be a charge against the current profits of the Company, and the Board therefore intends to charge against reserves any payment made in respect of such assessments.

Operations.—Although there was an increase in production over the previous twelve months, there was a reduction in the selling prices of most commodities and this was particularly so in the case of bran. Controls on prices and distribution continued and the extraction rate of atta was maintained at high levels. At the request of Government, regular weekly allotments were made to a large number of retail shops throughout the Calcutta area with the object of ensuring continuing supplies of flour and atta at mill rates.

The difficulty in obtaining foreign exchange has prevented the fulfilment of the Board's programme of greater modernisation and improvement but it is considered desirable to continue to build up funds for this purpose. A further transfer to general reserve has been made with this in view.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Gross block	34,87,689
Reserves ...	19,60,081	*Less*—Depreciation ...	28,67,589
Provision for taxation ...	2,53,788		
Liabilities ...	7,67,907	Net block ...	6,20,100
Profit and loss account ...	2,19,540	Stocks ...	6,51,692
		Stores ...	1,94,444
		Debts, deposits and advances ...	19,53,844
		Investments	34,815
		Cash ...	9,46,421
Rs.	44,01,316	Rs.	44,01,316

Ravalgaon Sugar Farm Ltd.

The dirrctors of the above Company (Managing Agents: Messrs. Walchand & Co. Private Ltd., Bombay) submitted the audited accounts of the Company for the year ended 30th September 1958.

The net profit for the year after providing Rs. 2,25,000 (Rs. 8,50,000) for taxation is Rs. 10,43,731 (Rs. 13,96,064). To this is added the amount brought forward from the previous year of Rs. 70,575 (Rs. 67,511) making a total of Rs. 11,14,306 (Rs. 14,63,575). The directors have allocated to special depreciation reserve Rs. 1,29,100 (Rs. 2,75,000), to general reserve Rs. 55,000 (Rs. 1,45,000) and to debenture redemption fund Rs. 2,40,000 (Rs. 2,00,000) leaving a balance of Rs. 6,90,206 (Rs. 6,88,575 after placing Rs. 80,000 to dividend equalisation reserve and Rs. 75,000 to reserve for contingency). The directors recommended the following dividends—On preference shares at 5½ per cent. (less income-tax) Rs. 1,10,000 (Rs. 1,10,000), on ordinary shares at Rs. 12 (Rs. 12) per share (without deducting income-tax) Rs. 4,80,000 (Rs. 4,80,000) and on deferred shares at 7 per cent. (less income-tax) Rs. 28,000 (Rs. 28,000) leaving a surplus to be carried forward of Rs. 72,206 (Rs. 70,575).

No adjustment has been made for excise duty on stock of sugar as on 30th September 1958 and consequently the valuation of stock of sugar as on that date is also without taking credit for the same.

The Factory commenced crushing on 31st October 1957 and the same was stopped on 14th April 1958. Sugarcane crushed during the season was 1,62,304.5 tons while sugar manufactured was 1,65,468 bags with a recovery of 15.29 per cent. During the year under report the Confectionery plant produced about 922.5 tons of confectionery and the candy plant produced about 18.081 maunds of sugarcandy. The Factory continued to produce wax from cane mud. About 3,640 lbs. of wax was produced during the year. The Company has received a licence for manufacture of Sugar Mill Machinery and Component parts.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	44,00,000	Gross block	1,18,46,781
Debentures ...	20,00,000	*Less*—Depreciation ...	62,36,097
Reserves ...	42,95,804		
Provision for taxation ...	8,65,033	Net block ...	56,10,684
Liabilities ...	49,25,176	Stock-in-trade	30,22,550
Profit and loss account ...	72,206	Stores ...	38,94,143
		Crops-in-progress ...	16,89,503
		Debts, deposits and advances ...	5,20,679
		Investments	14,34,658
		Cash ...	3,86,002
Rs.	1,65,58,219	Rs.	1,65,58,219

Gwalior Sugar Co., Ltd.

The directors of the above Company [Managing Agents: Sir J. P. Srivastava & Sons (Madhya Bharat) Private Ltd., Dabra, Madhya Pradesh] submitted the audited accounts of the Company for the year ended 30th June 1958.

After providing Rs. 2,18,069 (Rs. 2,43,603) for depreciation and Rs. 8,50,000 (Rs. 8,92,448) for taxation, show a net profit of Rs. 5,71,407 (Rs. 5,78,205) to which has to be added Rs. 7,975 (Rs. 6,568) on account of sale of old stores and old liabilities written back, and Rs. 6,691 (Rs. 14,799) brought forward from the previous year, leaving at the credit of the profit and loss account a sum of Rs. 5,86,073 (Rs. 59,952), which the directors recommend to be disposed of as under:—

To dividend at 7 per cent. on 6,750 redeemable cumulative preference shares of Rs. 100 each, for the year ended 30th June, 1958 absorbing Rs. 47,250 (Rs. 47,250). to dividend at 7 per cent. on 5,000 cumulative preference shares of Rs. 100 each, for the year ended 30th June, 1958 absorbing Rs. 35,000 (Rs. 35,000), to dividend at 10 (10) per cent. on 15,939 equity shares of Rs. 100 each, for the year ended 30th June, 1958 (free of Indian income-tax) absorbing Rs. 1,59,390 (Rs. 1,59,390), to transfer to development rebate reserve Rs. 60,269 (Rs. 73,700), to transfer to reserve for redemption of redeemable cumulative preference shares Rs. 75,000 (*nil*), to transfer to dividend equalisation reserve Rs. 2,00,000 (*nil*) and to carry over to next year Rs. 9,164 (Rs. 6,691 after adjusting Rs. 2,59,989 in valuation of opening stock of sugar to conform to closing valuation).

During the year under review the factory crushed 31,23,990 maunds of cane in a season of 156 days duration, and obtained an average recovery of 9.87 per cent. The quantity of cane crushed, and the recovery of sugar, have both been lower than in the last year, chiefly due to the fact that the harvesting of the cane crop in the previous season, which was of an unprecedented long duration, had to be extended and did not allow for proper ratooning or timely planting of cane. Furthermore, the subsequent year's cane crop also suffered to some extent from insufficient rainfall.

The directors regret to report that despite the best efforts of the management, the implementation of the scheme for the extension of factory plant has been retarded due to further restrictions imposed by Government for granting import licences. The directors, however, hope that with the progressive manufacture of sugar machinery in the country being undertaken by the recently formed Consortium of sugar machinery manufacturers, it should be possible to carry out the major part of the extension scheme with the machinery which would become available indigenously.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	27,68,900	Gross block ...	45,68,562
Reserves ...	21,59,383	*Less*—Depreciation ...	27,88,312
Provision for income-tax	20,25,456		
Provision for wealth tax	55,814	Net block ...	17,80,250
Liabilities ...	26,11,662	Stock of sugar	37,75,634
Profit and loss account ...	9,164	Stock of Molasses ...	45,002
		Stores, spare parts and loose tools	11,35,555
		Debts, deposits and advances ...	22,50,386
		Investments	1,70,100
		Cash ...	4,73,252
Rs.	96,30,379	Rs.	96,30,379

New Shorrock Spg. and Mfg. Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Mafatlal Chandulal & Co. Ltd., Bombay) present the audited accounts of the Company for the year ended 31st December 1958.

The accounts show that the profit for the year after deducting managing agents' commission of Rs. 7,03,504 (Rs. 4,62,011), depreciation of Rs. 7,70,842 (Rs. 10,02,201), provision for development rebate of Rs. 4,65,035 (Rs. 5,02,315) and taxation provision of Rs. 32,20,000 (Rs. 23,75,000) comes to Rs. 27,84,373 (Rs. 12,09,578). To this is added the amount brought forward from last year of Rs. 92,673 (Rs. 1,31,095) making a total of Rs. 28,77,046 (Rs. 18,00,673 including Rs. 4,60,000 transferred from general reserve). Out of this amount the directors recommend payment of dividend at Rs. 30 (Rs. 30) plus Rs. 5 (*nil*) bonus per share, free of income-tax. on 41 600 ordinary shares absorbing Rs. 14,56,000 (Rs. 12,48,000). transfer to general reserve of Rs. 7,00,000 (*nil*) and to dividend equalisation fund Rs. 6,00,000 (*nil*) leaving a balance to be carried forward to next year's account of Rs. 1,21,046 (Rs. 92,673 after transferring Rs. 4,60,000 to taxation provision being short provision for the year 1956).

It will be observed that a sum of Rs. 3,48,776 being 75 per cent. of the total development rebate to which the Company is entitled under the Income-tax Act has been kept to the credit of the statutory development rebate reserve account in accordance with the statutory requirements of the Income-tax Act leaving a balance of Rs. 1,16,259 which has been kept to the credit of development rebate reserve account in accordance with the past practice.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	52,00,000	Gross block	1,79,38,243
Reserves ...	1,17,29,342	*Less*—Depreciation ...	1,14,51,119
Provision for taxation ...	58,37,651		
Liabilities ...	41,31,845	Net block ...	64,87,124
Profit and loss account ...	1,21,046	Other assets	2,04,761
		Stock-in-trade	40,62,485
		Stores, etc. ...	14,79,463
		Debts, deposits and advances ...	48,64,842
		Investments	44,08,616
		Cash ...	55,12,593
Rs.	2,70,19,884	Rs.	2,70,19,884

Kothari Textiles Ltd.

The directors of the above Company (Managing Agents: Messrs. Kothari and Sons, Madras) submit the audited accounts of the Company for the period of 18 months ended 31st December 1958.

As intimated to the shareholders by Circular dated 30th December 1958 the financial year of the Company has been changed from 30th June to 31st December and hence the accounts presented herewith are for a period of 18 months, viz., from 1st July 1957 to 31st December 1958. The financial year of the Company will thus be the calendar year in future. Corresponding figures given in brackets pertain to 12 months ended 30th June 1957.

The result of the Company's working for the period under review is a profit of Rs. 2,42,059 (Rs. 5,28,330 for 12 months ended 30th June 1957 after providing depreciation). To this is added the amount brought forward from last year of Rs. 91,772 (Rs. 41,942) making a total of Rs. 3,33,831 (Rs. 5,70,272). From this amount is to be deducted appropriaton towards depreciation of Rs. 2,39,907 leaving a balance of Rs. 93,924 (Rs. 5,70,272). With the transfer from the dividend equalisation fund of a sum of Rs. 1,00,000 (*nil*) the available amount becomes Rs. 1,93,924 (Rs. 5,70,272). The directors recommend that this amount be disposed off as under: To pay a dividend of 6 per cent. per annum on the preference shares (for 18 months) Rs. 1,62,000 (Rs. 99,750 for 12 months) leaving a balance of Rs. 31,924 (Rs. 91,772 after paying a dividend of 10 per cent. on the old ordinary shares and 7.708 per cent. on the new ordinary shares absorbing Rs. 3,78,750) to be carried forward to next year. The directors regret that they are unable to recommend any dividend on the ordinary shares.

The total depreciation for the 18 months, viz., 1st July 1957 to 31st December 1958 comes to Rs. 7,90,907. A sum of Rs. 2,39,907 has been provided in the profit and loss account and the balance of Rs. 5,51,000 is covered by the excess depreciation provided in the year ending June 1955.

Expansion:—The new Mill at K. Vadamadurai (Coimbatore) could not be brought into production as envisaged because of delay in the delivery of the machinery and want of electric power. However, the directors are glad to report that 7,000 spindles are ready to go into production and it is expected that by about June this year 12,000 spindles out of the new 24,000 spindles will go into production.

During the period under review the price of yarn came down to very low levels due to accumulation of stocks as a result of poor off-take. This affected the results of the mills very adversely since the Mills had a carry over of high priced imported cotton. Further the delivery of high priced imported cotton purchased earlier was made to the Mills during this time. The directors had, therefore, to sell the yarn at prices unremunerative in relation to cotton. The mills also lost production to the extent of about 18 per cent. on spindles and 30 per cent. on looms on account of a very severe power cut.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	85,09,800	Gross block	1,40,72,730
Reserves ...	18,25,000	*Less*—Depreciation ...	40,50,212
Liabilities ...	66,59,145		
Profit and loss account ...	31,924	Net block ...	1,00,22,518
		Stock-in-trade	29,13,292
		Work-in-progress ...	4,28,566
		Stores and spare gear	6,20,186
		Materials for factory expansion ...	5,27,765
		Debts, deposits and advances ...	18,03,371
		Investments	4,15,361
		Cash ...	2,39,900
		Miscellaneous expenditure and losses	54,910
Rs.	1,70,25,869	Rs.	1,70,25,869

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

COTTON

(*Concluded from page 595*)

extra-long staples in the U.S. this season reflect the reduction in the support rates for the 1958 crop by an average of 5.75 cents. The minimum support rate is 53.95 cents, 65 per cent. of the July 1958 parity price of 83 cents per pound. The United States has not included extra-long staples in its export subsidy programme and, consequently, spot quotations have been more than 20 cents higher than foreign staples. This explains why virtually none of this cotton has been exported this season except to Spain.

It is obvious that if equilibrium between demand and supply is to be eventually reached in the short-run, considerations may have to be given to curbing the present rate of acreage expansions. Indications at present are that the next season may witness a definite swing in this direction, although there will still be a long way to go before the surplus problem could be resolved.

For the 1959-60 crop of extra-long staple cotton in the United States, a national marketing quota of 74,000 bales and a national acreage allotment of 71,000 acres was proclaimed on 13th October and approved at the December referendum. For the 1958 crop, the marketing quota and acreage allotment were 79,000 bales and 83,000 acres.

It appears that the total area planted to extra-long staples next season, and presumably production, may decline as compared with the present season, but it is doubtful whether this will do more than partly offset the expected increase in carry-over and the situation is, therefore, still likely to be one of chronic surplus. Lower prices may, of course, do something to promote greater use of these staples but consumption appears unlikely to increase to a level which, in relation to production next season, will permit any liquidation of existing surpluses.

LABOUR

(*Concluded from page 613*)

appeals, by labour courts and industrial tribunals who may not always have the necessary industrial management knowledge, or the background, the task of maintaining discipline in industry is going to become more and more difficult. The idea that labour courts or tribunals should sit as courts of appeal on all disciplinary actions taken by management seems to be peculiar to India, for it is certainly not the practice in industrially advanced countries."

Mr. Hunter also criticised the reported move of the Madras Government to get permission from the Union Government to effect certain important amendments to the Industrial Disputes Act. One such proposed amendment was to enable workers, against whom disciplinary action was taken, to refer their cases to an authority appointed by the Government for review and, possibly, for final decision. If each and every case of disciplinary action was to be the subject matter of an appeal by an outside authority, the position would be to deprive the managements of one of their fundamental rights. It was most disconcerting, Mr. Hunter added, that action on such an important subject was contemplated by the Madras Government without consulting employers and without taking into consideration the possible repercussions the enactment was likely to have on production. Matters of this nature, he pointed out, should not be taken up for legislation by State Governments; they should form the subject matter of discussion with the representatives of all-India organisations of employers and workers.

Referring to the question of recognition of trade unions and the principles of recognition adopted at the sixteenth session of the Indian Labour Conference held at Nainital last year, the Chairman recalled that it was agreed at this conference by representatives of Government, employers and labour that the union with the largest membership should be recognised. The Government, according to Mr. Hunter, did not in practice, seem to have recognised the principle underlying this agreement. The reference of disputes raised by minority unions, which sometimes had a membership of an insignificant percentage of workmen in the undertaking or the industry. for adjudication was not in keeping with the spirit of the agreement reached at Nainital. Surely, the recognition of splinter group unions and inter-union rivalry, as Mr. Hunter pointed out, makes collective bargaining impossible.

Notices

THE LAKHSHMI COTTON MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-fourth Annual General Meeting of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, Bombay, on Wednesday, the 22nd day of April 1959, at 4-30 p.m. (S.T.), for the purpose of transacting the following business:—

(1) To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1958.

(2) To sanction the declaration of a Dividend.

(3) To confirm the appointment of Mr. G. V. Nath as Director.

(4) To elect a Director in the place of Mr. E. S. Vernon-Jones who retires by rotation but being eligible offers himself for re-election.

(5) To elect a Director in the place of Sir Chunilal V. Mehta, K.C.S.I., who retires by rotation and is eligible for re-election, and to consider, and if thought fit, to pass the following resolution, of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company:

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act 1956, Sir Chunilal V. Mehta, K.C.S.I., who has attained the age of 78 years, and who retires by rotation be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

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

(7) To consider and if thought fit, to pass the following resolution as a Special Resolution:

"THAT the Articles of Association of the Company be altered in manner following:—

Article 17: To be revised as under:

Company's Lien on Shares

"17 (*a*). The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Clause 19 thereof is to have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares.

As to Enforcing Lien by Sale

(*b*) For the purpose of enforcing such lien the Board of Directors may sell the shares subject thereto in such manner as they think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his committee, curator bonis or other legal representatives as the case may be and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice.

Validity of Sales in Exercise of Lien and After Forfeiture

(c) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the Register in respect of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Board of Directors may issue New Certificates

(*d*) Where any shares under the powers in that behalf herein contained are sold by the Board of Directors and the certificate in respect thereof has not been delivered upto the Company by the former holder of such shares, the Board of Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered."

Article 22: In the second line, between the words "writing" and "in", the words "in the usual common form or" to be inserted.

Article 25: To be deleted.

Article 26: To be revised as under:

"Subject to the provisions of Section 111 of the Companies Act 1956, or any statutory modification thereof for the time being in force, the Directors may, at their own and absolute discretion and without assigning any reason decline to register or acknowledge any transfer of shares and in particular may so decline in any case in which the Company has a lien upon the shares or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Directors and such refusal shall not be affected by the fact that the proposed transferee is already a member. The registration of a transfer shall be conclusive evidence of the approval by the Directors of the transferee."

Article 42: At the end, a new sentence as under to be added:

"Such Capital paid up in advance of Calls, whilst carrying interest, shall not confer a right to participate in profits."

By Order of the Board,
For THE LAKHSHMI COTTON MANUFACTURING COMPANY LIMITED,
E. S. VERNON-JONES,
Chairman.

Note: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member of the Company.

Warrants for the Dividends, if declared, will be posted to shareholders on 4th May 1959 and will be payable on and from that date.

The Transfer Books of the Company will be closed from 11th April 1959 to 25th April 1959 both days inclusive.

Shareholders are requested to notify to the Company any change of address, failing which their dividend warrants will be posted to the addresses as registered with the Company.

9, WALLACE STREET,
BOMBAY, 20*th March* 1959.

Explanatory Statement as Required by Section 173(2) of the Companies Act, 1956.

Resolution under Item 5:

Sir Chunilal V. Mehta, K.C.S.I., a Director of the Company, who retires by rotation and is eligible for re-election, has attained the age of 78 years and he cannot therefore be appointed a Director of the Company except by a Special Resolution, in respect of which a special notice has been given in accordance with Sections 190 and 281 of the Companies Act 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in item 5. It is in the interest of the Company that the experience and valuable services of Sir Chunilal V. Mehta, K.C.S.I., should continue to be made available, and accordingly the resolution is commended for acceptance.

Resolution under item 7

The amendments are necessitated to conform to the Securities Contracts (Regulation) Act 1956, and the Securities Contracts (Regulation) Rules 1957. These changes are proposed at the instance of the Bombay Stock Exchange to retain the privileges of official quotation of the Company's shares in the Stock Exchange.

By Order of the Board,
For THE LAKHSHMI COTTON MANUFACTURING COMPANY LIMITED,
E. S. VERNON-JONES,
Chairman.

9, WALLACE STREET,
BOMBAY, 20*th March* 1959.

THE VISHNU COTTON MILL LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-second Annual General Meeting of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, Bombay, on Thursday, the 23rd day of April 1959, at 4-30 p.m. (S.T.), for the purpose of transacting the following business:—

(1) To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1958.

(2) To sanction the declaration of a Dividend on the Preference Shares.

(3) To elect a Director in place of Sir Chunilal V. Mehta, K.C.S.I., who retires by rotation and is eligible for re-election, and to consider, and if thought fit, to pass the following resolution, of which a special notice as required by Section 281 of the Companies Act 1956 has been received by the Company:

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Sir Chunilal V. Mehta, K.C.S.I., who has attained the age of 78 years, and who retires by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

(4) To elect a Director in place of Mr. M. G. R. Aitken, who retires by rotation, but being eligible offers himself for re-election.

(5) To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
THE VISHNU COTTON MILL LIMITED,
For THE BOMBAY COMPANY (PRIVATE) LIMITED,
E. S. VERNON-JONES,
Managing Director,
Managing Agents.

Note.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member of the Company.

Warrants for the Preference dividend, if declared, will be posted to shareholders on 5th May 1959 and will be payable on and from that date.

The Transfer Books of the Company will be closed from 11th April 1959 to 25th April 1959, both days inclusive.

Shareholders are requested to notify to the Company any change of address, failing which their dividend warrants will be posted to the addresses as registered with the Company.

9, WALLACE STREET,
BOMBAY, 23*rd March* 1959.

Explanatory Statement as Required By Section 173(2) of the Companies Act 1956

Resolution under Item 3:

Sir Chunilal V. Mehta, K.C.S.I., a Director of the Company, who retires by rotation and is eligible for re-election, has attained the age of 78 years and he cannot therefore be appointed a Director of the Company except by a Special Resolution, in respect of which a special notice has been given in accordance with Sections 190 and 281 of the Companies Act 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in item 3. It is in the interests of the Company that the experience and valuable services of Sir Chunilal V. Mehta, K.C.S.I., should continue to be made available, and accordingly the resolution is commended for acceptance.

By Order of the Board,
THE VISHNU COTTON MILL LIMITED,
For THE BOMBAY COMPANY (PRIVATE) LIMITED,
E. S. VERNON-JONES,
Managing Director,
Managing Agents.

BOMBAY, 23*rd March*, 1959.

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 31st March, 1959.

The Preference Share Registers will be closed from the 16th April to the 18th April, 1959, both days inclusive. Payment will be made on or after the 1st May, 1959, to those Preference Shareholders whose names are on the Company's Register on the 18th April, 1959, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 4*th April*, 1959.

THE AMALGAMATED ELECTRICITY COMPANY, LIMITED

TRANSFER BOOKS OF THE COMPANY will be closed from 11th to 21st April, 1959, both days inclusive, in connection with *Ad-interim* dividend for the half-year ended 30th September, 1958, payable on or after 22nd April, 1959.

By Order of the Board,
For N. C. JAVERI & Co.,
N. C. JAVERI,
Partner,
Managing Agents.

BOMBAY, 30*th March*, 1959.

THE EMPIRE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Members of THE EMPIRE JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Thursday, the 30th day of April, 1959, at 3 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st July, 1958, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint a Director in place of Mr. D. N. Kapur, the Director retiring by rotation at the Meeting.

And in this connection to consider, and if thought fit, to pass the following resolution which will be proposed as a Special Resolution in conformity with the provisions of Section 261 of the Companies Act, 1956.

"That Mr. D. N. Kapur be and is hereby re-appointed a Director of the Company liable to retirement by rotation."

Special Notice of the intention to propose the foregoing resolution as a Special Resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company wherein it is stated that Mr. D. N. Kapur is an "associate" of the Managing Agents within the meaning of the Act, and that therefore, he can only be re-appointed by a special resolution as a Director of the Company liable to retirement by rotation.

4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th to 30th April, 1959, both days inclusive.

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

By Order of the Board,
MCLEOD & CO., LTD.,
C. HOCKLEY,
Secretary,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 26*th March*, 1959.

Note:—Payment of the proposed Dividends, if declared, will be made on or after 14th May, 1959, only to those members whose names are registered in the Books of the Company on 30th April, 1959, or to their Mandatees.

Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

PRESIDENCY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Members of PRESIDENCY JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Thursday, the 30th day of April, 1959, at 3-15 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st July, 1958, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To appoint Directors in place of Mr. N. B. Elias and Dr. S. C. Law, the Directors retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th to 30th April, 1959, both days inclusive.

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

By Order of the Board,
MCLEOD & CO., LTD.,
C. L. BAJORIA,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 30*th March*, 1959.

Note.—Payment of the proposed Dividend, if declared, will be made on or after 14th May, 1959, only to those members whose names are registered in the Books of the Company on 30th April, 1959, or to their Mandatees.

Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

CHITAVALSAH JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Members of CHITAVALSAH JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Thursday, the 30th day of April, 1959, at 3-30 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st July, 1958, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint a Director in place of Rai Bahadur Nityananda Singh Roy, J.P., the Director retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th to 30th April, 1959, both days inclusive.

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

By Order of the Board,
MCLEOD & CO., LTD.,
C. L. BAJORIA,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 30*th March*, 1959.

Note.—Payment of the proposed Dividends, if declared, will be made on or after 14th May, 1959, only to those members whose names are registered in the Books of the Company on 30th April, 1959, or to their Mandatees.

Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

NELLIMARLA JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Members of NELLIMARLA JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Thursday, the 30th day of April, 1959, at 3-45 o'clock in the afternoon, for the following purposes:

1. To receive and consider the Profit and Loss Account for the year ended 31st July, 1958, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint a Director in place of Rai Bahadur Nityananda Singh Roy, J.P., the Director retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th to 30th April, 1959, both days inclusive.

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

By Order of the Board,
MCLEOD & CO., LTD.,
C. L. BAJORIA,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 30*th March*, 1959.

Note:—Payment of the proposed Dividends, if declared, will be made on or after 14th May, 1959, only to those members whose names are registered in the Books of the Company on 30th April, 1959, or to their Mandatees.

Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

THE STANDARD MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-fourth Annual General Meeting of THE STANDARD MILLS COMPANY LIMITED will be held at the Registered Office of the Company at Mafatlal House, Backbay Reclamation, Bombay, on Monday, the 27th April 1959, at 4 p.m. (S.T.), to transact the following business:—

(1) To receive, consider and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year ended 31st December 1958.

(2) To sanction the declaration of Dividend on 1st and 2nd Preference Shares and on Ordinary Shares.

(3) To elect a Director in place of Shri Yogindra N. Mafatlal who retires by rotation under Article 161 of the Articles of Association of the Company and being eligible offers himself for re-election.

(4) To elect a Director in place of Shri Rasesh N. Mafatlal who retires by rotation under Article 161 of the Articles of Association of the Company and being eligible offers himself for re-election.

(5) To elect a Director in place of Shri Bhupatirai M. Ghia who retires by rotation under Article 161 of the Articles of Association of the Company and being eligible offers himself for re-election.

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

AND NOTICE IS HEREBY FURTHER GIVEN that the following business shall be transacted at the said Meeting as Special Business:

(7/13) To consider and if thought fit to pass with or without modification the SPECIAL RESOLUTIONS AND THE ORDINARY RESOLUTIONS as posted to the Shareholders.

For THE STANDARD MILLS CO., LTD.
MAFATLAL GAGALBHAI & SONS,
Managing Agents.

MAFATLAL HOUSE,
BACKBAY RECLAMATION,
BOMBAY, 14*th March* 1959.

N.B. (1) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business under items 7, 8, 9, 10, 11, 12 and 13, has been posted to all shareholders.

(2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(3) The Transfer Books of the Company will remain closed for the purpose of payment of Dividends from Tuesday, 24th March 1959 to Tuesday, 14th April 1959 (both days inclusive), as already advertised.

(4) The Dividends when sanctioned will be made payable from Monday, 11th May 1959, to Friday, 31st July 1959, at the Bank of Baroda Ltd., Reclamation Branch, Bombay, during banking hours and thereafter at the Registered Office of the Company during office hours on all week days to those shareholders whose names stand on the Register on Tuesday, 14th April 1959. The shareholders are requested to intimate immediately any change in their registered address to the Company.

(5) The draft terms of the proposed contracts or arrangements referred to in Special Resolution Nos. 1 and 2 are open for inspection at the Registered Office of the Company at Mafatlal House from 3 p.m. to 5 p.m. (S.T.) from Mondays to Fridays and from 11 a.m. to 1 p.m. (S.T.) on Saturdays.

THE SASSOON SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eighty-Sixth Annual General Meeting of the Shareholders of the Sassoon Spinning and Weaving Company, Ltd., will be held at the Registered Office of the Company, Mafatlal House, Backbay Reclamation, Bombay-1, on Monday, the 27th April 1959, at 3-00 p.m. (S.T.), to transact the following business:—

1. To approve and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1958.
2. To declare a Dividend.
3. To elect a Director in place of Shri Arvind N. Mafatlal who retires by rotation, under Article 159 of the Articles of Association of the Company, but being eligible, offers himself for re-election.
4. To elect a Director in place of Shri Hariprasad S. Mahadevia who retires by rotation, under Article 159 of the Articles of Association of the Company, but being eligible, offers himself for re-election.
5. To elect a Director in place of Shri Jayantilal D. Vasa who retires by rotation, under Articles 159 of the Articles of Association of the Company, but being eligible, offers himself for re-election.
6. To appoint Auditors for the current year and to fix their remuneration.

AND NOTICE IS HEREBY FURTHER GIVEN that the following business will be transacted as Special Business at the said meeting:—

7/15. To consider and if thought fit, to pass the Special Resolutions and Ordinary Resolutions with or without modifications as posted to the Shareholders.

By Order of the Board of Directors,
M. G. INVESTMENT CORPORATION PRIVATE LTD.
ARVIND N. MAFATLAL,
Director,
Managing Agents.

MAFATLAL HOUSE,
BACKBAY RECLAMATION,
BOMBAY 1, dated 14*th March* 1959.

N.B.—(1) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business under items 7 to 15 set out in the Notice is being posted to all shareholders.

(2) A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(3) The Transfer Books of the Company will be closed from Tuesday, the 24th March 1959, to Tuesday, the 14th April, 1959, both days inclusive.

(4) Dividend as recommended by the Directors, when declared at the General Meeting, will be paid from Monday, the 11th May, 1959 to Friday, the 31st July, 1959, at the United Commercial Bank Ltd., Reclamation Branch, Bombay 1, during banking hours and thereafter at the Registered Office of the Company during office hours excepting on Saturdays, to those Shareholders whose names are on the Company's Register on Tuesday, the 14th April, 1959.

(5) The draft terms of contracts or arrangements referred to in Special Resolutions Nos. 1, 2, 5 and 6 are kept open for inspection at the Registered Office of the Company, Mafatlal House, Backbay Reclamation, Bombay 1, between 11.00 a.m. and 1.00 p.m. (S.T.), on all working days.

Shareholders are requested to intimate immediately any change in their registered addresses to the Company.

THE MAFATLAL FINE SPINNING AND MANUFACTURING COMPANY, LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-eighth Annual General Meeting of the Shareholders of the MAFATLAL FINE SPINNING AND MANUFACTURING COMPANY, LIMITED, will be held at the Registered Office, "Mafatlal House," Backbay Reclamation, Bombay, on Monday, the 27th day of April, 1959, at 2-30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1958.
2. To sanction Declaration of Dividends on 1st Preference, 2nd Preference and Ordinary Shares and Bonus Dividend on Ordinary Shares.
3. To elect a Director in place of Shri Natverlal Bhikhabhai who retires by rotation under Article 134 of the Articles of Association and being eligible offers himself for re-election.
4. To elect a Director in place of Shri Laxmanprasad D. Vasa who retires by rotation under Article 134 of the Articles of Association and being eligible offers himself for re-election.
5. To elect a Director in place of Shri Bipinchandra P. Patel who retires by rotation under Article 134 of the Articles of Association and being eligible offers himself for re-election.
6. To appoint Auditors for the current year and to fix their remuneration.

NOTICE is further given that the business in respect of Items 7 to 14 of the Notice already circulated to the Shareholders will be transacted as SPECIAL BUSINESS in this Meeting.

By Order of the Board of Directors,
NAVINCHANDRA PURSHOTAMDAS & Co., LTD.,
YOGINDRA N. MAFATLAL,
Director,
Managing Agents.

"MAFATLAL HOUSE",
BACKBAY RECLAMATION,
BOMBAY, 14*th March* 1959.

N.B. (*a*) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business under items 7, 8, 9, 10, 11, 12, 13 and 14 has been posted to all Shareholders.

(*b*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(c) The Transfer Books of the Company will be closed from Tuesday, the 24th March, 1959 to Tuesday the 14th April, 1959—both days inclusive.

(d) The Dividends, as recommended by the Directors when sanctioned by the Shareholders will be paid at the Bank of Baroda Ltd., Reclamation Branch, Bombay 1, from Monday, the 11th May 1959 to Friday, the 31st July, 1959, during business hours and thereafter at the Registered Office of the Company during Office hours, excepting Saturdays and holidays, to those Shareholders whose names are on the Company's Register on 14th April, 1959. Shareholders are requested to intimate to the Company any change in their Registered Address.

(e) The draft terms of Contracts or arrangements referred to in Special Resolutions Nos. 1, 2, and 6 and the Articles of Association of the Company referred to in Special Resolution No. 5 are open for inspection at the Registered Office of the Company at Mafatlal House, on any working day between 11 a.m. to 1 p.m. (S.T.).

SHREE KRISHNA GYANODAY SUGAR LIMITED

NOTICE

THE 24TH ANNUAL GENERAL MEETING of the shareholders of the Company will be held at the Registered Office of the Company at Dalmianagar on the 30th April, 1959, at 11 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31st July, 1958.
2. To declare dividends (free of income-tax) at Rs. 6 per share on 'A' Class Preference Shares, Rs. 5 per share on 'B' Class Preference Shares and Re. 1 per Ordinary Share for the year ended 31st July, 1958.
3. To elect a Director in place of Shri T. R. Jalan, who retires by rotation under Article 106 of the Articles of Association of the Company, but being eligible offers himself for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. Messrs. Singhi & Co., Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment.

As special business:

5. (To be proposed as an Ordinary Resolution)

   Resolved that the payment of Rs. 825.00 being balance of dividend at Re. 1 per share on 400 and 700 Ordinary Shares for the year ended 31st July, 1956 and 31st July, 1957 respectively, be and is hereby approved and confirmed.

6. (To be proposed as an Ordinary Resolution)

   Resolved that the acquisition of land and other properties of the Company's agricultural farm at Lauriya by the Government of Bihar negotiated for and finalised by the Directors of the Company be and is hereby approved and confirmed.

The Share Transfer Books of the Company will remain closed from 21st April, 1959 to 30th April, 1959, both days inclusive.

By Order of the Board,
J. P. SAXENA,
Secretary.

DALMIANAGAR, 30*th March*, 1959.

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

EXPLANATORY NOTE

To Item No. 5: One of the shareholders applied for 100 Ordinary shares and paid the full amount within 31st July 1956, but the shares were allotted after 31st July 1956, and one shareholder did not pay the call money before the closing of 31st July 1956 and some shareholders did not pay the call money even before the closing of 31st July 1957. The dividend for respective years were, however, paid to these shareholders on the amount paid up by them. Subsequently they paid the call money along with interest and claimed the dividend for the respective years. The balance dividend as mentioned in the Resolution was paid to them. The said payment is submitted for the approval and confirmation of the shareholders.

To Item No. 6: The Government of Bihar have acquired land, buildings, tube-wells and irrigational channels of Lauriya Farm for settlement of refugees from East Pakistan on terms and conditions mutually settled with them by the Company. The said settlement is submitted for the approval and confirmation of the shareholders. The Directors and/or the Managing Agents have no interest in the said acquisition. The total price fixed by the Government is given in the Directors' Report.

THE STANDARD COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE STANDARD COAL COMPANY LIMITED will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 4 p.m. on Thursday, the 30th day of April, 1959, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1958, and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 16th April, 1959 to 30th April, 1959, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, 20*th March*, 1959.

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

(*b*) The Dividend, if declared, will be paid on or after 7th May, 1959 to those shareholders so entitled whose names appear in the Company's books on the 30th April, 1959, or to their mandatees. No application for Dividend Warrants will be necessary.

THE BELSUND SUGAR COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of The Belsund Sugar Company, Ltd., will be held at its Registered Office at 14, Netaji Subhas Road, Calcutta, on Thursday, the 7th day of May, 1959 at 11-45 a.m., for the following purposes:—

(1) To receive and consider the Directors' and the Auditors' Reports and to adopt the Audited Accounts of the Company for the year ended 30th September, 1958.
(2) To declare Dividend.
(3) To elect Directors in place of those retiring.
(4) To appoint Auditors for the current year and to fix their remuneration.
(5) To transact any other business of the Annual General Meeting.

The Share Transfer Books and Register of Members of the Company will be closed from 23rd April 1959 to 7th May 1959, both days inclusive.

By Order of the Board,
Per Pro. BANGUR BROTHERS LIMITED,
B. D. BANGUR,
Managing Agents.

14, NETAJI SUBHAS ROAD,
CALCUTTA, 31*st March*, 1959.

Note:—A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

THE SOORAH JUTE MILLS COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 25th March, 1959, the following dividends were recommended for the year ended 31st December, 1958 for consideration of the shareholders at the Annual General Meeting of the Company to be held on the 6th May, 1959:

On Preference Shares—at 7 per cent. per annum (free of income-tax).

On Ordinary Shares—at Re. 1/50 N.P. per share (free of income-tax).

HINDUSTHAN INVESTMENT CORPORATION LTD.,
Managing Agents.

CALCUTTA, 31*st March*, 1959.

THE PEERMADE TEA COMPANY LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Alleppey, at 11 a.m. on Tuesday the 12th May 1959, to transact the following business:—

1. To receive and adopt the Audited Accounts and Balance Sheet for the year ended 31st December 1958 and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors.
5. *As Special Business*: To consider and if thought fit to pass the following resolutions with or without modification each to be passed as a Special Resolution.

   (i) RESOLVED that the Company do hereby ratify and accord its consent under Section 314 of the Companies Act 1956 to the Office of Profit held by Mr. W. F. Anderson as the Manager of the Cheenthalaar Group from 1st April 1956.

   (ii) RESOLVED that the Company do hereby ratify and accord its consent under Section 314 of the Companies Act 1956 to the Office of Profit held by Mr. A. B. Spence as the Manager of the Cheenthalaar Group from 1st July 1957.

A copy of the Explanatory Statement under Section 173 of the Companies Act 1956 is available for inspection to the Shareholders at the Registered Office of the Company during Office hours on all Working days till the date of the above meeting.

The Transfer Books of the Company will be closed from 29th April 1959 to 15th May 1959 both days inclusive.

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

(By Order of the Board),
THE PEERMADE TEA COMPANY LTD.,
Per Pro. ASPINWALL & Co. (TRAVANCORE) LTD.
V. C. THOMAS,
Secretaries.

ALLEPPEY, 8*th April* 1959.

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY, LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the Company a final dividend of 15 per cent. for the year ended 31st December, 1958.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, 1*st April*, 1959.

MISCELLANEOUS STATISTICAL INFORMATION

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 28th March 1959	21st Mar., 1959	28th Feb., 1959	29th Mar., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	**100.7**	**100.7**	**100.7**	**98.6**
2. Government of India	100 5	100 5	100.5	98.4
3. State Government	102.3	102 3	102.2	100.3
4. Municipal, Port Trust, etc.	99.7	99.7	99.7	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total**	**101.5**	**101.5**	**101.4**	**98.9**
6. Plantations	99.9	99.9	99.9	100.0
7. Coal	99.6	99.6	99.6	99.6
8. Sugar	99 0	99 0	99.0	98.4
9. Cotton Textiles	99.2	99.2	99.0	97.3
10. Jute Textiles	91.6	91.6	91.6	92.9
11. General Engineering	101.8	102.0	102.0	97.0
12. Electricity Generation and Supply	96.9	96.8	96.8	96.5
13. Others	104.8	104.7	104.6	100.8
PREFERENCE SHARES—ALL INDIA.				
14. **Total**	**89.7**	**89.5**	**88.6**	**85.4**
15. Plantations	99.3	99.2	97.3	99 4
16. *Mining & Quarrying: Total@*	**87.7**	**87.2**	**86.4**	**84 6**
17. Coal	80 8	81.4	80 9	74.5
18. *Processing and Mfg.: Total**	**89.7**	**89 4**	**88 7**	**85.1**
19. Sugar	90.8	90 8	90 8	90.4
20. Cotton Textiles	77 8	77 6	77 4	80.0
21. Jute Textiles	82.8	81.4	80.5	68.4
22. Iron and Steel	93.2	93.3	92 6	89.3
23. General Engineering	100.7	100.7	100.6	96.0
24. Basic Industrial Chemicals	87.2	87 2	87.0	83.1
25. Cement	101.7	100.9	99.4	97.8
26. Paper	87.4	87.2	86.7	83.7
27. *Other Industries: Total**	**87.6**	**87.4**	**85.6**	**82.6**
28. Electricity Generation and Supply	86.2	85.9	85.5	85 9
29. Trading	89.7	89.7	83.5	73.1
30. Shipping and Other Transport	91.3	91.1	91.1	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. **Total**	**146.8**	**146 2**	**139 3**	**126.6**
32. *Agriculture and Allied Activities: Total**	**159.4**	**159.9**	**150.9**	**142.6**
33. Tea Plantations	155.2	155.4	147.2	138 9
34. Coffee Plantations	197 2	198.6	184.2	192.1
35. Rubber Plantations	162 1	163.7	157.2	138.9
36. *Mining and Quarrying: Total*	**150.4**	**149.1**	**139 2**	**122.8**
37. Coal	115 1	114.8	110 9	92.6
38. Other Mining	174.7	177.2	158.7	143.5
39. *Processing and Manufacturing: Total*	**146.7**	**145.7**	**137.7**	**125 3**
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	**131.5**	**130.1**	**124.9**	**118 9**
41. Sugar	168 3	167 9	159.1	157 9
42. Cotton Textiles	111.6	110.8	108.1	116.2
43. Jute Textiles	95.5	92.9	87.6	60.0
44. Silk and Woollen	485.0	471.8	441.6	357.7
45. *Processing and Mfg (Metals, Chemicals, etc.): Total**	**170.9**	**170 0**	**158 5**	**134.8**
46. Iron and Steel	163.9	163.7	153.0	126 4
47. Transport Equipment	229.9	223.1	206.2	182.2
48. Electrical Machinery	141.6	141.6	135 8	130.6
49. Machinery other than Transport and Electrical	189.3	188 9	172 7	150 6
50. Basic Industrial Chemicals	134.4	131 4	127.6	104.7
51. *Processing and Mfg. (Others): Total**	**148.2**	**147.9**	**137.9**	**127.5**
52. Cement	131.7	131 5	124 1	124.1
53. Paper	200.2	200.5	183.1	157.8
54. *Other Industries: Total**	**115 9**	**116.7**	**115.4**	**104 0**
55. Electricity Generation and Supply	93.0	93.3	93 6	88.4
56. Trading	97.1	97.4	90 5	80.0
57. Shipping and Other Transport	130 6	132.3	134 0	122.9
58. Construction	262.3	266.2	248.2	199.4
59. *Financial: Total*	**184.8**	**185 0**	**182 4**	**163.4**
60. Banks	209.1	209.1	206.1	185.5
61. Insurance	127.4	128.4	126.4	122.7
62. Investment Trusts	103.8	104.1	102.7	81.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	147.8	147 8	141.5	128.5
64. Calcutta	145.3	144.5	137.4	121.3
65. Madras	159.7	158 4	150.5	147.2
66. Delhi	171.4	169 2	162.3	150 8

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.' @ Including 'other mining.'

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 "	116†	395	274	313	98	120	384	124	113	103†	103	123	109	131†
September 1957	114	375	262	338	97	113	378	115	113	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November "	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December "	113	383	275	328	93	115	375	121	110	100	105	120	109	129
September 1958	121	404	289	327	104	120	406	127	117	111	109	131	108	132
October "	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November "	122	402	292	330	106	124	399	132	120	114	103	128	113	133
December "	119†	398	290	322	101	125	385	133	118	108†	99	121	111	133
January 1959	114†	396	301	323	103	127	368†	130	122	105†	94	115	109	134
February "	..	399	300	326	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates: 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C: Receipts	Outstandings	Post Office Savings Bank Deposits: Receipts	Outstandings	10-Year National Plan Certificates D: Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates: 3½% F Outstandings	4% C: Receipts	4% C: Outstandings	15-Year Annuity Certificates G: Receipts	Outstandings	Total: Receipts	Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,93
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	—34,20	82,11	..	..	..	..	152,71	252 96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,88	—36,35	37,15	..	..	55	54	177 35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213 91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958																
April	2,15	4,65	141,31	6,56	77,99	15,27	214,24	22,85	—39,82	43,47	77	6,15	11	[illegible]	22,71	514,78
May	2,07	4,55	139,23	5,84	83,82	15,22	212,66	22,58	—39,90	43,37	57	6,72	5	2,01	21 68	517 01
June	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7,12	3	2 03	19,92	520 60
July	1,96	4,38	135,18	5,94	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,35
Aug.	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532 75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537 82
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November	1,87	4,10	127,15	6,36	119,33	12,52	218,72	21,56	—40,37	42,81	47	9,58	7	2,23	19,42	547 35
December	1,83	4,01	125,00	7,84	126,69	14,83	219,06	21,41	—40,44	42,76	51	10,01	6	2,28	23,24	553,05
1959																
January	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,52	42,70	57	10,60	5	2,32	24,07	559,17
February	..	..	..	..	..	..	..	..	..	42,62	58	11,14	5	2,30	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from *August* 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of January, 1959 is rupees one lakh.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base: 1952-53=100]

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	101	95	100	80	111	126	111	97	116	95	116	131
1957-58*	105	88	114	126	63	164	109	110	107	92	106	133	108	96	128	95	116	142
Jan., 1958	101	86	103	114	64	162	101	117	106	95†	105†	130†	101	101	130	90	116	143
Feb., "	99*	84	92	100	61	156	105	117	104	95	104	123	102	96	130	88	116	143
March "	100	84	94	110	63	152	107	118	108	93†	103†	120†	103	93	130	86	116	146
April "	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	116	146
May "	106	86	92	111	64	158	115	120	115	89	100	125	110	102	130	88	114	146
June "	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	132	80	114	146
July "	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	113	146
Aug. "	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	110	145
Sept. "	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	111	145
Oct. "	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	135	88	112†	145
Nov. "	108	112	105	127	107	173	109	121	132	94	94	110	112	140	134	88	111†	146
Dec. "	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145
Jan., 1959	92	125	107	132	121	163	108	121	130	104	101†	112†	112	137	133	85	110	145
Feb., "	92	124	112	133	125	167	109	121	131	105	102	112†	117	142	133	82	111†	145

* Provisional † Estimated

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,86,900
Do. 31st March, 1959	11,37,500	11,49,900	8,84,700
Jan., 1958	97,600	105,800	70,600
Feb., "	87,100	89,200	64,500
Mar., "	94,800	100,200	71,300
Jan., 1959	97,700	96,200	89,700
Feb., "	106,800	107,300	84,800
March "	127,400	123,600	100,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,82,815	4,41 483
Do. 31st March, 1958	7,83,945	5,07,580	4,10,558
Do. 31st March, 1959	9,59,933	6,08,205	4,96,217
January to March, 1958	199,839	133,563	106,501
January to March, 1959	252,705	176,443	155,607
January, 1959	73,728	43,569	45,698
February "	83,715	61,987	50,202
March "	95,262	70,887	59,707

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated ‡	Total Units Sold
1955-56	715	8,305.8	7,185 8
1956-57	769	9,877.8	8,103.1
1957-58	834	11,176.9	9,011.1
Oct., 1957	822	917.5	731.3
Nov., "	822	930.2	740.5
Dec., "	822	958.7	779.7
Oct., 1958	810	1,072.8	869.8
Nov., "	811	1,025.4	854.6
Dec., "	811	1,122.5	930 0

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source*:—Central Water and Power Commission.

OIL STATISTICS

(In lakhs of tons)

GROUNDNUT OIL

	1954	1955	1956	1957
Production (nuts in shell)	35.73	41.28	38.62	42 00
Production of kernels at 70%	25 01	28 90	27.03	29.40
Export of seed	0 08	0 31	0.12	..
Sowing, etc., at 20%	5 00	5.78	5.41	5 88
Available for crushing	19 93	22.81	21.50	23.52
Oil Production at 40%	7.79	9.12	8 60	9.41
Export of oil	0.27	1.71	0 28	..
Net Supply	7.70	7.41	8.32	9 41

CASTOR OIL

	1954	1955	1956	1957
Production	1 08	1.24	1.24	1.24
Export of seed	..	..	..	..
Sowing, etc., at 5%	0 05	0.06	0 06	0.06
Available for crushing	1 03	1.18	1.18	1.18
Oil production at 40%	0 41	0 47	0.47	0 47
Exports of oil	0 23	0.43	0.41	0.42
Net Supply	0.18	0.04	0 06	0 05

LINSEED OIL

	1954	1955	1956	1957
Production	3 74	3.82	4.14	3.84
Export of seed	..	..	..	..
Sowing, etc., at 10%	0.37	0.38	0 41	0.38
Available for crushing	3.37	3.44	3.73	3 46
Oil production at 32%	1.08	1.10	1.19	1.11
Export of oil	0.03	0.71	0.45	0.15
Net Supply	1.05	0.39	0.74	0.96

MUSTARD OIL

	1954	1955	1956	1957
Production	8.55	10.19	8.48	10.26
Export of seed	..	..	..	..
Sowing, etc., at 7%	0.60	0.71	0.59	0.72
Available for crushing	7.95	9.48	7.89	9.54
Oil production at 30%	2.39	2 84	2 37	2.86
Export of oil	0.01	0.01	..	..
Net Supply	2.38	2.83	2.37	2.86

SESAME OIL

	1954	1955	1956	1957
Production	5.52	5 80	4.57	4.42
Export of seed	..	0 03	..	..
Sowing, etc., at 25%	1.38	1.47	1.14	1.11
Available for crushing	4.14	4.30	3 43	3.31
Oil production at 40%	1.66	1.76	1.37	1.32
Export of oil	..	0 03	0 01	..
Net Supply	1.66	1.73	1.36	1.32

COCONUT OIL

	1954	1955	1956	1957
Local Milling Copra	1.80	1 82	1.85	1.85
Oil equivalent at 61.5%	1.11	1.12	1.14	1.14
Net imports of Copra and coconut oil in oil terms	0 50	0 63	0.70	0.91
Total availability of oil	1.61	1.75	1.84	2.05
Corrected estimates	1.90	1.98	2 02	2.20

VEGETABLE OILS

	1954	1955	1956	1957
Groundnut Oil	7.70	7.41	8.32	9.41
Castor Oil	0.18	0 04	0.06	0.05
Linseed Oil	1 05	0 39	0.74	0.96
Rape/Mustard Oil	2 38	2 83	2.37	2 86
Sesame Oil	1.66	1.73	1.36	1.32
Coconut Oil	1 90	1 98	2 02	2.20
Cottonseed Oil	0.22	0 22	0 22	0.22
Other Oils including Palm	1.10	0.77	1 01	1.17
Total supply of oil	16.19	15 37	16.10	18.19

VEGETABLE OIL UTILISATION

	1954	1955	1956	1957
Net Oil supply	16.19	15.37	16.10	18.19
Vanaspati	2.47	2.79	2.74	3.22
Soap	1.13	1.20	1.48	1.63
Paints	0 34	0 36	0 38	0.40
Body and Hair	2.00	2 00	2.00	2.00
Lubricants and Illuminants	0 85	0 85	0 85	0 80
Balance for liquid edible oil	9 40	8.17	8 65	10 14
Population in millions	376	382	388	394
Per capita liquid edible oil lbs. per annum	5.6	4.8	4.9	5.8

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

Reserve Bank of India

Statement of Affairs for the week ended 3rd April, 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	60,60,94,000
(2) Other Governments	11,83,53,000
(b) Banks	73,07,86,000
(c) Others	118,92,80,000
Bills Payable	29,60,41,000
Other Liabilities	41,01,38,000
Rupees	448,06,92,000

Assets	Rs.
Notes	15,41,74,000
Rupee Coin	3,39,000
Subsidiary Coin	4,90,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	23,11,10,000
Balances held abroad*	36,32,36,000
Loans and Advances to Governments†	31,26,03,000
Other Loans and Advances	97,85,52,000
Investments	231,46,45,000
Other Assets	12,55,43,000
Rupee	448,06,92,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments. The item "Other Loans and Advances" includes Rs. 11,32,24,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	15,41,74,000	
Notes in circulation	1744,31,39,000	
Total Notes issued		1759,73,13,000
Total Liabilities		1759,73,13,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,06,89,000	
Total of A		295,76,92,000
B. Rupee Coin		132,71,24,000
Government of India Rupee Securities		1331,24,97,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1759,73,13,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	27th Mar., 1959	A week ago	A month ago	A year ago R
RESERVE BANK *Issue Department*					
Notes in circulation	172.37	1701.53	1692.60	1654.63	1579.13
Notes held in Banking Department	35.05	15.60	14.70	25.24	10.21
Foreign Securities	59 50	178 01	178.01	178.01	171.19
Rupee Securities	37.39	1291.26	1281.36	1251.45	1171.10
Banking Department Deposits of:					
Government of India	14.89	53.83	51.17	56.78	48.33
Other Governments	..	26.72	36 01	24.42	54.85
Balances held abroad	10.06	35.05	38.75	32.95	95.81
SCHEDULED BANKS					
Demand Liabilities	134.36	734.44 (11.18)†	743.68 (13.07)†	720.43 (17.33)†	745.94 (15.29)
Time Liabilities	102.24	934 31 (21.02)†	914.14 (21.34)†	920.82 (22.89)†	735.45 (14.86)†
Borrowings from Reserve Bank	..	61.86 (13.48)‡	60.70 (10.29)‡	31.23 (5.75)‡	42 00 (26.58)‡
Borrowings from State Bank	..	16.00	14.20	11.00	11.68
Cash in India	6.70	43.09	39.84	40.69	37.19
Balances with Reserve Bank	25.17	64.11	70.11	73.02	67.85
Excess over statutory limits	15.52	8.70	14.64	18.14	15.85
Balances with other banks in *current* account in India	..	13.84	13.33	12.65	11.30
Money at call and short notice in India	..	26.97	28.64	33.68	41.60
Investments (at book value)	..	613.45	613.76	613.29	440.45
Advances and bills	105.9	1012.07	995.93	958.09	962.73
STATE BANK					
Deposits	87.76	517.62	506.01	493.12	418 52
Investments	51.99	285.44	283.43	274.48	190 70
Advances	80 85	208.09	202.80	196.46	210 51
Cash	14.69	25.25	31.07	35.77	21.41

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R=Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	8
Canada †	..	4.47	4.55
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	8½	3
El Salvador	April, 1957	8	4
Finland	20th April, 1956	5	6½
France	5th Feb., 1959	4½	4½
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3.50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2¾
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	6th Mar., 1959	2½	3
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 27th March, 1959

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		517,62,42,000
Borrowings from Other Banking Companies, Agents, etc.		2,08,00,000
Bills Payable		8,61,85,000
Bills for Collection being Bills Receivable as per contra		1,01,55,000
Acceptances, Endorsements and Other Obligations per contra		1,36,45,000
Other Liabilities (including Inter-Office Adjustments)		2,39,82,000
Total .. Rs.		545,72,59,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		22,63,49,000
Balances with other Banks		2,61,21,000
Money at Call and Short Notice		2,53,33,000
Investments:		
Government and other Trustee Securities	273,86,89,000	
Other Authorised Investments	11,57,05,000	
		285,43,94,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	194,37,19,000	
Bills Discounted and Purchased	13,72,14,000	
		208,09,33,000
Bills Receivable being Bills for Collection as per contra		1,01,55,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,36,45,000
Premises less Depreciation		1,22,92,000
Furniture and Fixtures less Depreciation		1,00,46,000
Other Assets (including Inter-Office Adjustments)		19,79,91,000
Total .. Rs.		545,72,59,000

Scheduled Banks*

Statement of Affairs for the week ended 27th Mar., 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	11,18,35,000
(ii) Other demand liabilities	723,25,78,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	21,01,91,000
(ii) Other time liabilities	913,32,26,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	15,74,23,000
(ii) Time liabilities	35,00,000
Borrowings in India from the Reserve Bank of India‡	61,85,94,000 (13,48,44,000)
Cash in India	43,09 44 000
Balances with the Reserve Bank in India	64,11,03,000
Balances with other banks in current account in India	13,84,35,000
Money at call and short notice in India	26,96,54,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	613,45,22,000
Advances in India	864,21,31,000
Inland Bills purchased and discounted in India	109,85,49,000
Foreign Bills, purchased and discounted in India	38,90,06,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees): Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1959				Per cent.	Rs.
13th January	2.00	2.05	2.00	2.470	99.380
20th January	2.00	2.05	2.00	2.490	99.375
27th January	2.00	2.05	2.00	2.500	99 375
3rd February	2.00	2.10	2.00	2.559	99.360
4th to 7th Feb.*	0.50	—	0.50	2.496	99.376
10th February	2 00	4.19	2 00	2.530	99 365
17th February	2.00	2.30	2.00	2 559	99.360
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2.00	2.10	2.00	2.625	99.340
10th March	2.00	2.00	2.00	2.680	99.330
17th March	2.00	2.00	2.00	2.720	99.320
24th March	2.00	2.00	2 00	2.760	99.310
31st March	2.00	2.00	2.00	2.760	99.310
7th April	2.00	2.00	2.00	2.780	99.305
Total amount outstanding	26.50	..	26.50	..	..

* Intermediate Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 27th Mar., 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	83,81,11,000
(b) Provincial Governments	6,54,69,000
(c) Banks	14,23,28,000
(d) Others	5,45,17,000
Bills Payable	9 56,000
Other Liabilities	11,15,60,000
Rupees	127,29,41,000

Assets	Rs.
Notes	16,65,44,000
Rupee Coin	58,000
Subsidiary Coin	36,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,80,000
Balances held outside Pakistan*	24,25,56,000
Loans and Advances to Governments	5,97,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	8,30,75,000
Investments	62,65,26,000
Other Assets	9,41,66,000
Rupees	127,29,41,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	16,65,44,000	
Notes in circulation	340,07,22,000	
Total Notes issued	....	356,72,66,000
Total Liabilities	....	356,72,66,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
		117,52,65,000
B. Rupee Coin	4,20,14,000	
Government of Pakistan Securities	229,09,81,000	
Internal bills of exchange and other commercial paper	....	
		233,29,95,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	356,72,66,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.52 per cent.

EXCHANGE RATES

	7th April 1959	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot . s.	1-5 [illegible]	1-5 [illegible]
Sellers T.T. D.D. upto six months s.	1-5 [illegible]	1-5 [illegible]
Buyers T.T. spot to nine months s.	1-6 [illegible]	1-6 [illegible]
Buyers T.T. 10 to 12 months s.	1-6 [illegible]	1-6 [illegible]
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	475.25	475.75
Buyers T.T. .. Rs.	471.75	472.25
London on New York .. $	2.81 [illegible]-2.81 [illegible]	2.81 [illegible]-2 81 [illegible]
London on Paris .. Fcs.	13.80¾-13 81	13.80-13 80½
London on Berne .. Sw. Fcs.	12.16¼-12.16[illegible]	12.16-12.16½
New York on London .. $	2.81 [illegible]-2.81 [illegible]	2.81-2.81 [illegible]

CLEARING HOUSE RETURNS

Centre	Week ended 3rd April 1959: Number of Cheques	Amount Rs.	Week ended 26th March 1959: Number of Cheques	Amount Rs.
Bombay	4,00,553	1,10,00,56,000	2,17,373	58,36,73,000
Calcutta	1,99,000	93,23,00,000	1,22,000	49,49,00,000
Madras	1,08,823	15,85,08,624	74,271	9,74,95,692
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,60,00,000
Nov., 1958	..	..	3,528,600	7,73,01,00,000
Dec., "	..	..	4,035,000	8,87,34,00,000
Jan., 1959	..	..	4,072,000	8,94,45,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	21st Mar., 1959	14th Mar., 1959	22nd Mar., 1958	February 1959	February 1958	Percentage of Increase (+) or Decrease (—) in Feb., 1959 as compared with Feb., 1958	Annual Average 1958	Annual Average 1957
Food Articles	**504**	**113.9**	**113.8**	**102.5**	**115.7 R**	**100 8**	**+14 8**	**112.0**	**106 8**
Cereals	192	102 3	101.7	95.6	105.1	94 6	+11.1	104.7	101.7
Pulses	43	113.7	115.9	78.4	121.0	75.4	+60.5	94.0	84.5
Fruits and Vegetables	23	120 8	118 3 R	98.7	114.9 R	94 5	+21.6	111.9	116 8
Milk and Ghee	84	106 0	105.7	102.5	105 2	100.9	+ 4 3	106.2	103.8
Edible Oils	47	124 2	124.1 R	117.8	121 7 R	113 6	+ 7.1	123.2	128 3
Fish, Eggs and Meat	17	103.5	103.9 R	101.6	105 7	100.2	+ 5.5	106 9	96 6
Sugar and *Gur*	48	128.0	128 3	112.9	127 5	108 3	+17.7	122.8	104.6
Others	50	148.7	149 8 R	127.2	156.5 R	129 2	+21.1	145.7	132 0
Liquor and Tobacco	**21**	**98 9**	**101.7**	**94.4**	**104 4**	**96 7**	**+ 8 0**	**93.7**	**91 8**
Tobacco	—	97.5	100 5	92 8	103.4	95.2	+ 8.8	92.0	90 1
Fuel, Power, Light and Lubricants.	**30**	**114 8**	**114 9**	**114 3**	**114 9 R**	**114.4**	**+ 0 4**	**115 2**	**111 5**
Industrial Raw Materials	**155**	**118 9**	***116.8 R***	***111.9***	**115 5**	**111 1**	**+ 4.0**	**114.8**	**118 1**
Fibres	61	108 9	108.4 R	110.7	107.4	112.4	— 4.4	109.4	119.8
Oilseeds	60	128.8	128.7	113.9	126 4	110.4	+14.5	123.6	122 4
Minerals	2	103.6	101.4	108.2*	103 1	107.9	— 4 3	106.0	108 5
Others	32	110 9	111.2 R	110.6	111.1	110 3	+ 0.7	108.9	107.8
Manufacture	**290**	**108 2**	**108 0**	**107 6**	**108 4**	**107.5**	**+ 0.8**	**108 2**	**108.0 R**
Intermediate Products	**41**	**108 7**	**109.3**	**106 9**	**110.6**	**105.8**	**+ 4.5**	**109 4**	**108 6 R**
Finished Products	**249**	**108 1**	**107.8**	**107.7**	**108.0**	**107 7**	**+ 0.3**	**108 0**	**107 9 R**
Textiles	147	102 5	101 9	106.0	101.7	106 1	— 4.1	104.3	107.9
Cotton	—	111 0*	111 0*	116.1	111.1*	116 2	— 4.4	113.0	116 8
Jute	—	83 9	82.1	87.2	82 0	88.3	— 7.1	87.7	97.7
Woollen	—	105 9	105.9	103.0	105 9	103 0	+ 2.8	104.9	102 1
Silk and Rayon	—	95.7*	94 2*	92.4*	92.4*	90.0*	+ 2.7	92.5	85 0
Metal Products	12	143 3	143.3	143.4	143 3	143.4	— 0 1	143.1	139 2 R
Chemicals	20	110 3	110.1 R	99.1	110 6	99.2	+11.5	104.0	97 6
Oil Cakes	10	140.5	139.2 R	112.5	147.5	111 4	+32.4	128.6	114.7
Machinery and Transport Equipment.	31	105 4	105 4	102.7	104.7	102.5	+ 2.1	103.2	101 2
Others	30	112.8	113.4	112.1	113.7	111.8	+ 1.7	113.2	107.7
All Commodities	**1,000**	**112.4**	**112.4**	**105.6**	**113.3 R**	**104.7**	**+ 8.2**	**111 0**	**108.7**

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

TREND OF MARKETS

(From Our Own Correspondents)

MONEY

BOMBAY, *8th April*

The short-term money market continues to be tight. Lenders are still scarce and there is no sign of any slackening of demand for bank credit, though there is only a few weeks to go for the end of the traditional busy season. On the contrary, the trend of bank advances continues to be upward and stand at Rs. 1,013 crores (as on 27th March 1959), as against Rs. 962 crores on the corresponding day of last year. With the pressure of demand still on, the interest rates are being well maintained at the previous week's levels. Inter-bank call money rate stays at 3½ per cent. among the Exchange banks and big Indian banks and at 3¾ per cent. among the smaller banks. House money at seven days' notice is being done at the self-same ceiling rate of 3¾ per cent. and short-term deposits at 3½ to 4 per cent. for one to six months, with the latter rate being more representative than the former.

A better indication of the state of the money market is provided by the results of the Treasury Bill sales. The response to these bills this week has again been from the special source, the amount offered being no more than that (Rs. 2 crores) invited. And, what is more, the average discount rate has hardened to 2.780 per cent. per annum from 2.760 per cent., to which level it had risen two weeks ago. Tenders for next week are again unchanged at Rs. 2 crores. There have been no sales of Intermediate Bills in the week under review also, but they are being continued.

The notes in circulation, which had crossed the Rs. 1,700-crore mark in the week ended 27th March 1959, have expanded by a further Rs. 42.79 crores to Rs. 1,744.31 crores in the week ended 3rd April. The notes held in the Banking Department are fractionally lower. The rise of Rs. 42.61 crores in total notes issued is covered by an increase of Rs. 39.99 crores in rupee securities and of Rs. 2.62 crores in rupee coin. There is no change in foreign securities, but balances held abroad are up by Rs. 1.28 crore, so that the total foreign assets stand at Rs. 214.34 crores. Deposits of the Central Government have increased by Rs. 6.78 crores, while those of other Governments are lower by Rs. 14.89 crores. There has been a rise of Rs. 5.51 crores in deposits of banks. Loans and advances to Governments have risen by Rs. 6.49 crores, while other loans and advances have declined by Rs. 15.59 crores, of which advances to Scheduled banks against usance bills account for Rs. 2.16 crores. A fall of Rs. 20.23 crores is noted in investments and a rise of Rs. 17.93 crores in Government Treasury Bills.

The Scheduled banks' statement for the week ended 27th March 1959 shows a fall of Rs. 7.35 crores in demand deposits and a sharp increase of Rs. 20.52 crores in time deposits, lifting the total net deposits of banks to a peak of Rs. 1,636.58 crores. As against a net rise of Rs. 13.17 crores in deposits over the week, advances have gone up by no less than Rs. 17.04 crores, of which loans, cash credits and overdrafts account for Rs. 12.56 crores and bills purchased and discounted for Rs. 4.48 crores. Investments are lower by only Rs. 30 lakhs. Cash balances, including balances with other banks in current account, have declined by Rs. 2.23 crores and money at call and short notice by Rs. 1.68 crore.

The Gilt-edged market continues to be sluggish with very little business passing. Most of the issues are on offer, particularly the 4 per cent. 1967 and 1968 loans of the State Governments. 3 per cent. 1966 Conversion Loan has been marked down by 5 nP to Rs. 74.05. Proximity of voucher has attracted some interest in 3 per cent. 1970-75, which, as a result, has gained by 5 nP to Rs. 91.20. 3 per cent. 1966-68 is unchanged at Rs. 93.75 and 3 per cent. 1964 and 1963-65 at Rs. 97 and Rs. 96.75, respectively. 3½ per cent. and 3¾ per cent. National Plan issues are all dull, with no change in prices, as are 4 per cent. 1972 and 1973. Among the State loans, Madras 4 per cent. 1967 has shed 5 nP to Rs. 100.05 and 1968 10 nP to Rs. 100. Andhra 4 per cent. 1967 and 1968 have also returned to par, with a drop of 10 nP over the week. U.P. 4 per cent. 1967 and 1968 have declined by 10 nP each to Rs. 100.05 and Rs. 100, respectively.

The rupee is ruling steady in terms of the U.S. dollar, in consonance with the trend of sterling abroad. Banks' selling rate of ready dollars is unchanged at Rs. 475.25 per $100 and their buying rate at Rs. 472 per $100. Though sterling has dropped from the peak level touched during the week, the undertone is still steady. In New York, spot sterling rose from $2.81.9/16-2.81⅝ to $2.81.21/32-2.81.23/32 before declining to $2.81.17/32-2.81.19/32. After moving up from $2.81¼-2.81.3/16 to $2.81.9/32-2.81.11/32, forward sterling (three months) has softened to $2.81.1/16-2.81¼.

BULLION

BOMBAY, *8th April*

Today was an eventful day in the history of the bullion market. Ready gold touched Rs. 121-3 per tola, the highest level since 31st August 1948 when it stood at Rs. 122. The all-time peak so far is Rs. 122 and not Rs. 120-1 as was mentioned in *Commerce* on a few occasions in the past. Today's closing rate of Rs. 121-2 is higher by Re. 1-7 as compared with the last week-end rate of Rs. 119-11. This scaling-up by gold was the result of strong demand induced by fears of acute scarcity of the metal in the coming months. The fears were born of rumours that the Central Government was contemplating some fresh measures designed to check smuggling, especially from the West Asian region. The rise in values was accelerated further by nervous short-covering and some purchases against options. In sympathy with the yellow metal and on account of restricted fresh offerings due to hopes of better demand in the coming months, silver also staged an impressive rally on Monday, yesterday and today. Not only were the losses suffered early in the week following heavy unloading—as many as 400 bars—by a prominent bull fully recovered, but today's closing rates were higher than those at the end of last week.

In the silver section, April settlement, which was quoted at a discount of As. 4 under ready, was at par practically throughout the week under review. Opening at Rs. 199-15, the settlement attracted excellent support from speculators and rallied to Rs. 201-3 today before finishing an anna lower. May settlement advanced from Rs. 199 to Rs. 200-5, after being higher at one time today at Rs. 200-11. The *badli*, which was against bears, narrowed down considerably from As. 11 on Wednesday last week to As. 7 today. June settlement rose from Rs. 198-1 to Rs. 199-14 before finishing at Rs. 198-8.

Ready silver met with good support and spurted from Rs. 199-15 to Rs. 201-3 today. Towards the close, however, it was lower at Rs. 200-12, owing to profit-taking. The daily average arrivals of silver were 15 bars, while the offtake was 16 bars per day. The floating stocks of silver are reported to be around 800 bars.

Under the impetus of persistent buying orders, April settlement in gold forged ahead from Rs. 118-11 to Rs. 120-5 today before closing at Rs. 120-4. May settlement registered a rise of Re. 1-10-6 over the week, today's rate being Rs. 119-8. As the *badli* payable by bears continued to be higher than As. 8, margin at the rate of Rs. 10 per tola was operative on bulls in the April delivery throughout the week. The *badli* today, was, of course, an anna and a half lower as compared with As. 13-6 prevailing a week ago, though it was higher at As. 14-6 yesterday. June settlement hardened from Rs. 117-7-6 to Rs. 118-12. With the *badli* payable by bears in May-June delivery being As. 12, margin at the rate of Rs. 10 per tola was operative on bulls in May delivery also.

Ready gold, as stated at the outset, touched a high of Rs. 121-3 today. The closing rate was a shade easy at Rs. 121-2. The daily average arrivals and offtake of gold were 3,250 tolas and 3,000 tolas, respectively. The floating stocks of gold are estimated at 25,000 tolas.

Ready gold in London suffered a setback early in the week on selling induced by firmness of pound sterling against the dollar and some Russian offerings. The quotation for the metal on the 2nd and 3rd inst., stood at 249*s.* 0¼*d.*, the lowest level since 15th April 1958, as against 249*s.* 1⅞*d.* a week ago. Subsequently, however, a marked recovery was in evidence, following buying by Continental central banks, yesterday's rate being 249*s.* 2¼*d.* Ready silver was unchanged at 79¾*d.* this week, too, while forward silver eased from 79¼*d.* to 79⅛*d.* Silver in New York was quoted at 91.375 cents. per fine ounce, same as in the past five weeks.

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

	8-4-59	Highest	Lowest	1-4-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	121 2	121 3	119 3	119 11
Forward*	120 4	120 5	118 11	118 11
Sovereign	75 12	76 0	75 12	76 0
SILVER				
Ready (.996 fine Mint) ..	200 12	201 3	198 8	119 15
Forward†	200 12	201 3	198 10	119 11
London Silver Ready ..	79¾*d.*	79¾*d.*	79¼*d.*	79¼*d.*
London Forward	79¼*d.*	79¼*d.*	79¼*d.*	79¼*d.*
London Gold	249*s.* 2¼*d.*	249*s.* 2¼*d.*	249*s.* 0¼*d.*	249*s.* 1⅞*d.*
New York Silver	91.375 c.	..	..	91.375 c.

* 23rd April settlement. † 24th April settlement.

COTTON

BOMBAY, *8th April*

The firm trend of the cotton futures market, noted last week, gained momentum during the week under review. There was sustained mill buying and good support from upcountry interests. These were influenced by firm spot advices and encouraging news from the cloth market. Operators noted that, while the crop estimate was sharply reduced, consumption was running at a rate higher than that in the previous season, thus indicating the possibility of supplies getting scarer in the coming months, especially as imports were restricted. This prompted extended support. Under pressure of presistent buying, the Jarilla May contract advanced to Rs. 688 and the August contract to Rs. 695.50 on the 6th inst. The high levels, however, gave rise to fears that the Forward Markets Commission might intervene to check further rise in prices. This induced a mild reaction. A slowing down of mill activity in the spot section, owing to the prevailing high prices, also exerted a downward pressure on futures which, consequently, staged a retreat. Nevertheless, the week's closings were higher than last week-end quotations by Rs. 3.50. to Rs. 6.

I.C.C. Moglai Jarilla May opened the week at Rs. 682 and rose to Rs. 688 on Monday. It receded to Rs. 683 yesterday. Commencing today's session at Rs. 683.75 the contract gained one rupee before closing at Rs. 683. I.C.C. Moglai Jarilla August started the week at Rs. 689.50 and, after advancing to Rs. 695.50 on Monday, declined to Rs. 692.25 yesterday. The opening quotation for the contract today was Rs. 692. After moving higher to Rs. 693, it receded to Rs. 690.50. But the finishing was higher at Rs. 693. The trend of price of the contracts during the week is indicated below:

(In rupees per candy of 784 lbs.)

	8-4-59	*High*	*Low*	1-4-59
I.C.C. Moglai Jarilla May 1959 ...	683	688	680	679.50
I.C.C. Moglai Jarilla August 1959 ...	693	695.50	687.50	687

In the spot section, keen mill demand was noted early in the week. But towards the close, activity slowed down. Mills were reluctant to make large purchases in view of the high prices. They were inclined to take a wait-and-watch attitude. The scarcity of staple varieties was increasingly felt. Vijay was much sought after, especially because of the quality damage suffered by Laxmi and Jaydhar. But offerings were limited and price, consequently, hardened further. Other varieties which attracted attention were Khandesh, Kalyan, 0394, CO2, Surti, etc.

The export section was subdued. Demand did not broaden to any perceptible extent. Stray enquiries were, however, noted for Bengal *Deshi* from Japan and the Continent. But business done was negligible. Japan and Hong Kong were also interested in yellow pickings.

In the foreign section, the extension of the contracting period for Egyptian cotton from 31st March to 7th April enabled mills, especially Southern mills to book more of Egyptian cotton. Most mills have covered their share of the quota allotment. Sudan and East African cotton also evoked some attention.

Mills and importers are anxiously awaiting fresh import allocation for Egyptian, Sudan, East African and American cotton. Of the planned import target of six lakh bales of cotton during the present season, so far the Government has permitted 357,000 bales. The balance of 243,000 bales has yet to be released in the remaining period of this season.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal Deshi 690; Berar Jarilla 780; Khandesh 850; Vijay 1,000.

In contrast to the easy trend noted last week, Karachi cotton futures market ruled fully steady during the week under review. A limited volume of buying and some export demand led to a modest improvement in prices. N.T.R.G. May moved up from Rs. 52-13-6 last week-end to Rs. 53-6 at close. The July contract put on three annas over the week to Rs. 54-14. Exports from the commencement of the season till 12th March aggregated 435,092 bales, as against 353,509 bales during the same period last season.

Better activity was reported on the Alexandria Cotton Exchange during the week. Futures values, however, made only small gains. There was renewed demand from India. Rumours that negotiations were going on between Egypt and East Germany for enabling the latter to lift more cotton from the former in exchange for heavy industrial equipment imparted some strength to the market.

Trading in cotton futures in Liverpool was inactive. Prices moved in a narrow range. There was some hedge selling and profit-taking which was absorbed by trade buying and short-covering. Over the week, prices showed modest improvement.

Cotton futures values in New York moved up during the week on buying by New Orleans interest and trade support influenced by optimism regarding export and expectation of higher export subsidy. News of higher cotton consumption also favourably affected sentiment.

YARN

BOMBAY, *8th April*

Everyone engaged in yarn business seems to be greatly perturbed over the reported move of the Silk and Art Silk Mills' Association (S.A.S.M.A.) to set up a corporation to handle the distribution of art silk yarn—both indigenously produced and imported from abroad. It is understood that the proposal was considered by the Development Council at its meeting held at New Delhi on Friday this week and that it would take final shape at the meeting of the Council convened in Bombay for the 18th inst. A strong protest against the proposal has been lodged with the authorities by the Yarn Merchants' Association and Exchange Ltd. In the course of a communication addressed to the Textile Commissioner, the President of the Association has pointed out that the acceptance of the above proposal would result in further considerable hardship to as many as 15,000 persons depending on yarn trade who are already "facing economic crisis as a result of the restricted import policy. The President has suggested that his Association be entrusted with the task of distributing art silk yarn either directly or through a special corporation. In this connection, he has assured that the Association would shoulder the responsibility for sound, efficient, and equitable distribution to consumers.

In view of the S.A.S.M.A.'s proposal for art silk yarn distribution as also of uncertainty regarding import policy for this yarn which is still not announced, traders are somewhat anxious to reduce their commitments at a time when larger quantities of imported yarn are arriving in the market. Thanks to this development and to the easy tendency in nylon yarn prices, art silk yarns have suffered a setback to values. Staple fibre yarns have also tended to move down, owing to slackness in demand from consuming centres and fears regarding pressure of sales by local mills, especially in *2/40s bright*. Cotton yarns are ruling dull. Business put through is restricted, with prices moving narrowly.

Under the impetus of continued selling pressure. Cupressa Bamberg art silk yarn (60×1) April delivery moved down from Rs. 1,541 to Rs. 1,531. June delivery fell by Rs. 5 to Rs. 1,541. Spot Cupressa (60×1) Bamberg yarn dropped 16 nP to Rs. 7.56. 150 Japan receded by 9 nP to Rs. 4.81. 120 Italy declined by 6 nP to Rs. 4.90. 150 Italy shed a like amount to Rs. 4.75. 120 Japan was dull at Rs. 4.87. Indigenous yarns, however, were maintained at the last week's levels. National Rayons 150 bright cones first grade was quoted at Rs. 4.28 and 120 bright cones first grade at Rs. 4.44.

Among staple fibre yarns, 40×2 April delivery climbed down by Rs. 4 to Rs. 617. June delivery was lower at Rs. 622, as against Rs. 623. Spot Citys lost 2 nP to Rs. 3.12. Kohinoors changed hands at Rs. 3.31 and Centurys at Rs. 3.22. Among imported yarns, Paramounts declined by 3 nP to Rs. 7.81, but Fujis firmed up by 30 nP to Rs. 8.80.

In the cotton yarn section, 10 counts Moderns and Podars were unchanged at Rs. 13.37 and Rs. 12.19, respectively. Forty counts Minaxis eased by 6 nP to Rs. 25. *Sixty counts Raghuvamshis* were quiet at Rs. 55, as also Finlays at Rs. 65. Eighty counts Citys decreased by a rupee to Rs. 67. *Mahendras were neglected* at Rs. 70.50. Finlays, however, were well favoured, the quotation rising by 50 nP to Rs. 81.50.

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

	8-4-59	1-4-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg April	1,531	1,541
" June	1,541	1,546
" (per case of 200 lbs.)	7.56	7.72
60/1 Cupressa Bamberg spot (per lb.)	4.87	4.87
120 Japan (per lb.)	4.81	4.90
150 Japan (per lb.)	4.90	4.96
120 Italy (per lb.)	4.75	4.81
150 Italy (per lb.)		
Staple fibre yarn—		
40×2 April (per case of 200 lbs.)	617.00	621.00
40×2 June (per case of 200 lbs.)	622.00	623.00
40×2 Century (per lb.)	3.22	3.22
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Minaxi	25.00	25.00
40s Minaxi	65.00	65.00
60s Finlay	67.00	68.00
80s City		

OILSEEDS

BOMBAY, *8th April*

A notable development of the week in the oilseeds market was the commencement of trading in new hedge contracts on the 3rd inst. The delivery months for the new contracts are August (for groundnut) and September (for other seeds). Along with the grant of permission for trading in the new contracts, the Forward Markets Commission directed the Oilseeds and Oils Exchange to revise the margin regulations in respect of cotton seed hedge contracts with a view to imposing a "more effective check on excessive speculation." Accordingly, the level at which margin becomes operative was lowered by Rs. 5 to Rs. 130 at which level a margin of Rs. 15 per candy was payable on all net "long" positions in respect of both the May and September deliveries. If, however, the price reached Rs. 140 the margin payable was Rs. 30 per candy during non-delivery period and Rs. 70 per candy during delivery period.

Despite the tightening of controls on cottonseed and the inauguration of the new contracts, oilseeds in general ruled firm during the major part of the week under review. The lowering of margin levels made cottonseed hesitant, but other seeds advanced. Since yesterday, however, prices tended to ease. Over the week, prices of most seeds went up.

Groundnuts hardened early in the week on sustained buying by crushers and manufacturers, but declined towards the close in sympathy with castorseed. Castorseed was firm at start on reports that large-scale business was done with the U.S. Exporters were, therefore, eager to cover available supplies. Values eased yesterday due to rumours that Brazil had re-entered the international market and sold castor oil to the U.S. The expectation in trade quarters here was that Brazil would not sell oil until at least June. Linseed was well favoured at the beginning, thanks to expectation of Australian tenders for linseed oil. But rumours, which developed later, that the tenders would be delayed induced a mild recession in prices. Cottonseed, as noted above, was a bit hesitant, thanks to the margin. The September contract however attracted bear-covering and fresh support and pierced the Rs. 130 level to quote at Rs. 131 on the 6th inst. The margin of Rs. 15 per candy, therefore, came into effect.

Groundnut May advanced from Rs. 185.87 at the beginning of the week to Rs. 188.25 on the 6th inst. before receding to close at Rs. 187.50 today. The August contract firmed up from Rs. 188 to Rs. 192 before closing at Rs. 191.50 today. Spot prices continued to rule firm. Bold ready advanced from Rs. 37.75 to Rs. 38.25.

Castorseed May firmed up to Rs. 157.50 on Monday. It turned a shade easy in subsequent sessions and closed at Rs. 156.50 today. The September contract rose from Rs. 159.25 to Rs. 161.62 before finishing today at Rs. 160.62.

Linseed contracts also showed a similar trend. Linseed May rose from Rs 32.12 to Rs. 32.44 on Monday before receding to Rs. 32.31. Linseed September reached a high of Rs. 33 on Monday but finished lower at Rs. 32.94 today.

Cottonseed May, after rising to Rs. 129.75, declined to close at Rs. 128.50, while cottonseed September rose to Rs. 131. It, however, closed lower at Rs. 130.25 today.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	8-4-1959	1-4-1959	24-3-1959
	Rs.	Rs.	Rs.
Groundnut			
May 1959	187.50	185.00	186.62
August 1959	191.50	188.00‡	—
Bold ready	38.25	37.25	38.25
Coromandel ready	38.62	38.12	38.50
Khandesh quality	38.75	38.12	38.50
Oil ex-mill ready*	19.87	19.87	20.00
Railway receipts*	19.75	19.56	19.69
Castorseed			
May 1959	156.50	154.12	156.25
September 1959	160.62	159.25‡	—
Ready Madras	31.00	30.12	30.50
Ready Kanpur	29.50	28.75	29.25
Oil B.S.S.†	16.65	16.31	16.50
Oil commercial†	15.12	14.94	15.31
Linseed			
May 1959	32.31	31.87	32.62
September 1959	32.94	32.69‡	—
Bold ready	32.12	31.75	32.62
Oil ready†	15.69	15.75	16.25
Cotton seed			
May 1959	128.50	130.00	131.25
September 1959	130.25	129.75‡	—
Niger seed	29.50	27.75	29.12
Kardi seed	23.25	23.75	24.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
‡ Closing rates on 3rd April, 1959.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 500 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR

BOMBAY, *8th April*

The sugar market continued to rule bullish during the week under review, with a further sharp rise in prices. Demand from Malabar side was quite sustained. The ex-mill quotations for Bombay-Deccan sugar were raised by a rupee per bag. The increase in prices would, perhaps, have been more marked but for fairly large arrivals of sugar by rail, the arrivals aggregated 15,700 bags, as against 3,620 bags in the previous week.

Small grain sugar climbed up by Rs. 2 to Rs. 113 per bag. Medium grain sugar spurted by a rupee to Rs. 113-114. Large grain was firm at Rs. 114-Rs. 117.

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HAPUR, *6th April*

The sugar market ruled quiet during the week, due to easy supply position and slack demand from consuming areas, although prices were quoted at about a rupee per maund higher than those fixed by the Government. Some factories in west U.P. have closed their crushing and the rest are facing shortage of cane supplies. Indications are that the overall sugar production in the country will be slightly lower than that of last year.

Sugar at Muzaffarnagar, after an early decline, improved slightly towards the week-end on good inquiry from different destinations of South India. Business was done during the week to destinations in the Punjab, *Gujerat, Saurashtra* and Delhi. Several factories sold their goods at the controlled price, while the quotations of some factories were still higher, being at a premium ranging from 75 nP per maund to Re. 1.62 per maund. The latest prevailing prices were:—crystal spot delivery Shamli C29 Rs. 36.75; Mansurpur D29 Rs. 38; wholesale mill delivery controlled B29 Rs. 37.12; C29 Rs. 36.37; D29 Rs. 36; market quotations:—Mansurpur C29 Rs. 38; Laksar C29 Rs. 37.87; Amroha D29 Rs. 37.12; Bijnore D29 Rs. 37; Dhampur C29 Rs. 37.62; Meerut D29 Rs. 37.12; Daurala A29 Rs. 39.25; Modinagar C29 Rs. 37.69; Mawana A29 Rs. 39.12; C29 Rs. 37.75.

The Kanpur market presented a firm trend due to renewed demand in the wake of deficient supplies. The prevailing latest prices were:—spot per bag C29 Basti Rs. 106; Gola Rs. 104-4; D29 Gola. Burhwal, Balrampur and Tulsipur Rs. 103-8; Lakhimpur, Hargoan and Balrampur Rs. 103-4.

Khandsari ruled quietly steady. Production in some centres is being continued. The final decision regarding the proposed excise levy on *khandsari* is keenly awaited. Prevailing prices were:—*khandsari* superior Rs. 33 to Rs. 36; inferior moist Rs. 29 to Rs. 32 per maund.

Ready *gur* registered modest gains towards the week-end, due to good demand in the face of drop in daily arrivals to an average of 1,500 to 2,000 maunds. Total arrivals of *gur* here so far during the season which is shortly to come to a close were about 625,000 maunds, representing an increase of about 50 per cent. over last year's total arrivals.

Cane sowings is in full swing and an increased acreage is expected. Local *gur* stock is put at 91,000 maunds, as against 130,000 maunds in the corresponding period last year. Prevailing prices to-day were:—*gur pansera* Rs. 19.50; *balti* Rs. 19.37; *shakker* Rs. 19.50 per maund.

FOODGRAINS

HAPUR, *6th April*

Foodgrain prices were quiet to easy during the week, thanks to increased arrivals of new crop grains into the market. The Government of India has announced the much-awaited scheme of State trading in foodgrains which will be in two parts —the interim and the ultimate.

Wheat at Hapur registered slight gains towards the week-end, due to tight supply position at the tag-end of the season. Wheat harvesting is in full swing and the new crop will begin to flow into the market by week-end. There are reports of damage to the standing crops in many areas as a result of untimely rains and hailstorm, but, on the whole, the crop is very good. Rice ruled quiet during the week. The latest prevailing prices on Monday were:—wheat *dara* Rs. 21; farm quality Rs. 23.50 to Rs. 24 and inferior Rs. 20.50; rice *basmati sela* Rs. 33.50; *mainpuri* Rs. 22.50; *raimunia* Rs. 27; *gadda* Rs. 23.

New gram was arriving here from Agra and Kanpur sides and prices recorded further fractional fall during the week. The total fall in gram prices since the advent of new crop in the market has been heavy, being about Rs. 6 per maund. Barley and *bejhar* were also reaching the market in larger quantity and prices recorded a bearish trend. Maize and *bajra* lost the seasonal demand and stockists were reported to be anxious to liquidate their stocks. *Jowar* and *guwar* also drifted lower. The latest prevailing prices were:—gram Rs. 16.25 to Rs. 17; barley Rs. 13; *bejhar* Rs. 12.50; maize Rs. 14.50 to Rs. 14.87; *bajra* Rs. 11.50 to Rs. 13.50; *jowar* Rs. 11.75 to Rs. 13.75; *guwar* Rs. 14.75 per maund.

New crop peas arrivals, which were hampered earlier this week following rains, again improved and were now at an average of 2,000 to 2,500 maunds daily. Outside demand was fairly good, mostly in the form of pulses and local stock was put at 2 *khatties*. The total arrivals of peas here from the beginning of the current season were about 35,000 maunds. Other pulses ruled quietly steady during the week to be quoted on Monday at:—peas *dara* Rs. 12.25; *farm white* Rs. 13 to Rs. 14; peas *dal* Rs. 14; *arhar* Rs. 17; *arhar dal* Rs. 23 to Rs. 24; *urd* Rs. 19; *moong* Rs. 21 to Rs. 24; *massor* Rs. 17.50.

HIDES AND SKINS

MADRAS, *6th April*

The kip market ruled bullish during the week under review. U.K. dressers were resisting the prices demanded at origin, but importers were following Madras levels probably buying for later sale. Arrivals of kips were better, but clearance was slow on account of higher prices demanded by commission agents here. Light weights and mediums cow were in good demand, as also cow calf and buff calf.

As regards tanned skins, common tannages and low-priced items were in keen demand, but stocks were negligible. Prices of tanned goat lights and middle class sheep skins increased by 20 nP per lb., and the tone was bullish.

PEPPER

(Messrs. Parekh and Co.)

BOMBAY, *8th April*

Malabar black pepper passed through the third uneventful week in succession. Prices softened for want of foreign inquiries. Ungarbled, after touching Rs. 600, improved to Rs. 637½. Fall in Calicut was more pronounced. Tellicherry ungarbled went down to Rs. 680. Garbled at Cochin sagged to Rs. 107. May delivery on the ring broke to Rs. 109. Soft attitude adopted by some of the Indian sellers for attracting new business was taken as a sign of weakness of Malabar black and scared away the prospective buyers from the U.S.A. This made Indian exporters all the more anxious who offered March shipment in New York at as low as $0.24 but with small success. In contrast, the growers resisted lower levels and brought down only small quantity on the terminal markets. Most of the growers were bullishly inclined because they expected development in the foreign demand in the near future. The news of a sale of 3,000 tons of Lampong black to Russia failed to unnerve them, as they thought that the lifting of such a big quantity would lessen burden on Singapore which was sure to react sharply on any favourable future development in overseas inquiries.

Looking to the poor prospects of new crops in both Sarawak and Indonesia, the future of Malabar black pepper looks eventful, but much depends upon the timely foreign demand.

Singapore, after going down to Str.$150, is now quoting Str.$152 for white and Str.$82 for black with sellers resisting. At the time of writing, Cochin is quoting ungarbled at Rs. 637½, garbled at Rs. 111 and May delivery at Rs. 115. Calicut is showing improving tendency and quoting ungarbled at Rs. 710. Inland demand, which was dormant until now, is now showing signs of revival, as prices are now stabilising round about the present level.

Ready pepper in Bombay, after touching Rs. 88, is now quoted at Rs. 91.

LINSEED

(Messrs. A. Bradley and Co.)

CALCUTTA, *6th April*

The linseed market was active during the week and there was some fluctuation in prices. The week began on a distinctly quiet note and seed prices declined to Rs. 22 for ready as well as forward delivery. At this stage some oil business was done by shippers at Rs. 48.50, with sellers over. Towards the mid-week, with offers for seeds from the centres slackening, the general tone began to show some improvement and there was a gradual recovery in seeds prices to Rs. 22.75 today for ready delivery. Crushers continued to show interest, despite the decline in cake prices to Rs. 13. At this level, business was done with the U.K., following the recent announcement of fresh export quotas. The oil market improved to Rs. 49.75, but shippers withdrew, as export parities were considerably below the levels ruling locally.

The latest quotations are: Ready Rs. 22.75 and April-May Rs. 22.50 per maund.

Notice

THE KOHINOOR MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting, within the meaning of the Companies Act, 1956 (being the Sixty-fourth Ordinary General Meeting) of THE KOHINOOR MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Killick House, Home Street, Fort, Bombay, on Thursday, the 7th May, 1959, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts made up to 31st December, 1958.
2. To declare a Dividend.
3. To elect a Director in the place of Mr. Yogindra N. Mafatlal who retires by rotation but who offers himself for re-election.
4. To elect a Director in the place of K. K. Lala, who being appointed under Article 106 of the Company's Articles of Association, retires under Section 260 of the Companies Act, 1956, but who offers himself for election. Special notice has been received from some members signifying their intention to propose Mr. K. K. Lala as a candidate for the office of a Director of the Company.
5. To elect Mr. P. D. C. R. Clark, an "Associate" of Killick Industries, Ltd., the Managing Agents of the Company, as a Director and to consider and if thought fit, to pass the following Special Resolution, of which special notice as required by Section 261 of the Companies Act, 1956, has been received.

   "THAT Mr. P. D. C. R. Clark, who is an 'Associate' of Killick Industries, Ltd., the Managing Agents of the Company, be and he is hereby elected and appointed a Director of the Company in terms of Section 261 of the Companies Act, 1956."
6. To appoint Auditors until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "THAT pursuant to the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of a contract being entered into (in terms of the draft initialled for the sake of identification by the Chairman) with Narandas Rajaram & Company Private Ltd., who are or may be deemed to be Associates of the Managing Agents, Killick Industries Ltd., for the purchase by the Company from the said Narandas Rajaram & Company Private Ltd., of not more than 15,000 bales of cotton (being goods in which the said Narandas Rajaram & Company Private Ltd., regularly trade or do business) for the period commencing from 7th May 1959, until the next Annual General Meeting of the Company at rates which are not less favourable than the market rates."

By Order of the Board,

For THE KOHINOOR MILLS COMPANY, LIMITED,
Per Pro KILLICK INDUSTRIES LIMITED,

A. C. B. MILLAR,
Managing Agents.

BOMBAY, 30*th March*, 1959.

N.B.—(*a*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NOT BE A MEMBER. Under Article 96 of the Company's Articles of Association, the instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

(b) The Transfer Books of the Company will be closed from Monday, the 20th April, 1959, to Thursday, the 7th May, 1959, both days inclusive.

(c) The Dividend, when sanctioned, will be made payable at the National and Grindlays Banks Ltd., Bombay, on and after 14th May, 1959, to those shareholders whose names stand on the Register on the 7th May, 1959, to whom Dividend Warrants will be posted.

ANNEXURE TO THE NOTICE

Explanatory statements under Sections 173(2) *and* 261(3) *of the Companies Act,* 1956.

Item No. 5.—The Company has received Special Notice from members of their intention to propose Mr. P. D. C. R. Clark as a Director of the Company. The Special Resolution states that Mr. P. D. C. R. Clark, a Senior Assistant in Killick Industries Ltd., the Managing Agents of the Company, has been closely associated with the business of the Company. Consequent upon the resignation of Mr. K. G. Milne as a Director it is deemed desirable in the interest of the Company to appoint Mr. Clark as a Director in place of Mr. Milne in order to have the benefit of his experience. The Special Resolution is accordingly commended for acceptance.

Item No. 7.—The Company for many years has been purchasing a part of its requirements of cotton from Narandas Rajaram & Company Private Ltd. Under the Companies Act, 1956, however, Narandas Rajaram & Company Private Ltd., are or may be deemed to be an "Associate" of the Company's Managing Agents, Killick Industries Limited, by virtue of Sir Purshotamdas Thakurdas, K.B.E., C.I.E., a Director of the Managing Agency Company, exercising more than one-third of the voting power in Narandas Rajaram & Company Private Ltd., and it is, therefore, advisable, having regard to the provisions of Section 360 of the Companies Act, 1956, for the Company to approve, by Special Resolution, the contract (a copy of which is open to inspection at the Registered Office of the Company on working days except Saturdays from 11 a.m. to 4 p.m.) proposed to be entered into between the Company and Narandas Rajaram & Company Private Ltd. The Special Resolution is, accordingly, commended for acceptance.

Sir Purshotamdas Thakurdas is interested as a Director and Shareholder of Killick Industries Limited and also as a Director of Narandas Rajaram and Company Private Ltd. Mr. A. N. Haksar is interested as an Associate and Shareholder of Killick Industries Limited. Mr. Maneklal Premchand is interested as a Shareholder of Killick Industries Limited. Killick Industries Limited, who are Managing Agents of the Company and are Associates of Narandas Rajaram and Company Private Limited, are interested for these reasons and as Shareholders of the Company.

By Order of the Board,

For THE KOHINOOR MILLS COMPANY, LIMITED,
Per Pro KILLICK INDUSTRIES LIMITED,

A. C. B. MILLAR,
Managing Agents.

BOMBAY, 30*th March*, 1959.

DELHI LETTER

(*Concluded from page* 588)

fully in certain countries. There is no information in the above account on the *actual* working of the farming co-operatives concerned and on their present state of affairs after the passage of ten or fifteen years. One wonders, therefore, if there is *prima facie* justification for the Bureau's conclusion that such co-operatives can be formed to meet common needs by pooling resources and efforts in the belief that group action provides a better means of achieving individual aims.

The economic, social and technical advantages offered by co-operative farming are listed in the Bureau's note as follows:

(1) Increased production with reduced working expenses; (2) benefit to each unit of centralised management with decentralised control; (3) ability to engage agricultural experts and to extend to the utmost division and specialisation of labour; (4) ability to purchase modern machinery to speed up the work cycle and reduce the cost of producing crops; (5) ability to command financial resources and facilities both for the purchase of essential materials and the marketing of produce; (6) development in the individual workers a social sense and a group spirit; (7) development of social security and crop insurance which may instil confidence and a sense of security among individuals; (8) development of better housing and improvements in communal services such as electrification, improved communications and recreational facilities, etc; (9) savings in time and labour, and improvements in working conditions.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 7th April, 1959.

	Closing quotations 2-4-1959	High	Low	Closing quotations 7-4-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	130.00	—	—	140 00
Apollo (2)	1.18	1.22	1.20	1.20
Bombay Dyeing (25)	60.00	60.90	59.80	60.10
Bradbury (50)	138.75	145.00	138.75	145.00
Central India (100)	93.50	101.00	93.00	94.80
Century Mills (100)	483.50	500.00	492.00	493.75
Edward Textile (200)	215.50	215.50	214.50	214.50
Elphinstone (50)	31.00	31.50	31.00	31.50
Finlay (100)	271.00	275.00	272.00	273.00
Gokak (100)	142.00	147.00	143.00	143.00
Ind. Untd. Defd. (1)	1.10	1.10	1.08	1.08
Ind. Untd. Ord. (10)	8.92	9.00	8.76	8.80
Indore Malwa (100)	96 00	98.00	96.00	97.50
Khatau (100)	182.50	192.50	185.00	188.75
Kohinoor (100)	250.00	257.50	250.50	253.00
Lakshmi (250)	895 00	—	—	895 00
Minerva Mills (100)	62.00	—	—	62.00
Model Nagpur (250)	130.00	131.25	102.50	105 00
Morarji (100)	230.00	231.00	230.00	231.00
Mysore (50)	79.00	82 00	79 00	80.00
National Rayons (100)	293.25	299.00	286.25	286 25
New City (100)	87.00	90.00	87.00	90 00
New Great (100)	208 00	215.00	185.00	193.00
Phoenix (100)	123.00	—	—	123.00
Podar Mills (100)	132.00	157.00	132.50	150 00
Sassoon Silk (10)	9.76	—	—	9 76
Sassoon Spg. (10)	45.00	—	—	45 00
Sholapur (1,000)	428.75	—	—	428.75
Shrinivas (100)	156.00	158.00	154.00	154 00
Simplex (50)	165 00	170.50	165 00	169 00
Standard (100)	481.00	491.00	482.00	483 00
Svadeshi (100)	216.00	220 50	214.50	216 50
Swan (100)	390.00	395.00	390.00	395 00
Tata Mill (25)	36.50	38.50	36.25	36 25
Vishnu (100)	85.00	90.00	83.00	90 00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	136.00	136.50	135.50	136.00
Do. (New) (50)	138 00	138 00	137.50	138 00
Bank of Baroda (50)	115.50xd	114 00	107.50	108 00
Central (25)	56.80xd	57.50	56.80	57.20
Central 'A' (25)	59 00xd	59.20	58.80	59.20
Dena Bank (50)	54.00	—	—	54.00
Punjab National (10)	24.52	24.64	24.52	24 64
Union Bank (5)	7.32	7.36	7.28	7.28
United Com. (50)	69.50	69.50	65.00	65.50xd
ELECTRIC COS.				
Ahmedabad (100)	96.80	97.00	96.70	96.90
Amalgamated (10)	11.12	11.20	11.08	11.20
Andhra Valley (1,000)	1,163.75	1,165 00	1,157 50	1,157.50
Bom. Sub-El. (100)	107.00	107.00	106.00	106.50
Surat (100)	111.50	—	—	111 50
Tata Hydro (100)	120.00	110.75	117.00	117.50
Tata Power (1,000)	1,175.00	1,176.25	1,158.75	1,160.00
INSURANCE COS.				
British India (10)	14 00	—	—	14.00
Empire of India (100)	218.75	—	—	218 75
Ind. Mercantile (20)	44.50	44 50	43.75	44.00
Jupiter (15)	5.52	5.52	5.20	5.20
New India (15)	52.30	52.50	51.30	51.50
Oriental (200)	4,200.00	—	—	4,200.00
Vulcan (10)	19.76	20.24	19.76	20.24
STEEL COS.				
Ind. Iron (10)	21.08	24.76	21.00	24.56
Tata Steel Ord. (75)	181.75	184.00	181.50	183.00
SUGAR COS.				
Belapur (50)	293.00	297.00	293.00	295.00
Bhopal (10)	26.25	26.25	25.75	26 00
Changdeo (12.50)	31.10	31.35	31.00	31.00
Phaltan (50)	156.50	159.50	156 50	157.50
Walchand Ind. (100)	202.50	302.50	205.00	300.00
CEMENT COS.				
Associated Cts. (100)	146.50	150.50	146.50	149.00
Digvijay (100)	146.50	148.50	146.50	148.00
MISCELLANEOUS				
Alcock Ashdown (100)	272.00	279.00	269.00	271.00
Bom. Burmah (125)	509.00	522 00	508 50	509.50
Do. (New) (50)	177.50	178.75	175 00	175.00
Br. B. Petrol (4 sh.)	1.94xd	1.94	1.90	1.92
Br. I. Corpn. (5)	5.04	5.04	4.80	5 00
Hindustan Lever (10)	81.65	82.50	81.50	81.50xd
Hindusthan Motors (10)	9.04	9.28	8.96	9.16
Indian Copper (2 sh.)	4.32	4.44	4.20	4 36
Ind. Inv. Tr. (100)	88.50	—	—	88.50
Killicks (100)	143.50	148 00	145.50	147.00
Larsen & Toubro (10)	21.68	23.04	21.84	22 92
Polson (100)	156.00	156 50	156 00	156 00
Pre. Automobiles (100)	115.50	120.75	115.50	116.75
Premier Con. (80)	265.00	275 50	265 00	270.75
Scindia (20)	18.56	18 64	18.32	18.32
G. E. Shipping (10)	21.68	21.68	21.52	21.56
Shivrajpur (10)	97.00	101.00	98.00	100.00
Sirpur Paper (10)	14.16	14.36	14.12	14 28
Tata Chemicals (10)	16.52	17.12	16.60	16.76
Tata Locomotive (100)	185.25	198.00	184.75	192.50
Tata Oil (25)	50.00	51.00	50 00	50.30
Voltas (100)	155.25	159.75	155.50	156.50
W. I. Match (100)	210.00	218.00	201.00	203.00

GOVERNMENT SECURITIES	2-4-1959	Gross Yield		7-4-1959
	Rs.	Earlier Redemption	Later Redemption	Rs.
2½% 1961	97.20	—	3.72	97.20
2½% 1960	99.00	—	3.31	99.00
2½% 1962	96.95	—	3.63	96.95
2½% 1976	83.20	—	4.08	83.20
3% 1959-61 2nd V cl.	99.70	—	3.12	99.70
3% 1964	97.10	3.34	3.58	97.10
3% 1963-65	96.75	—	3 50	96.75
3% 1966-68	93.85	3.75	3.70	93.75
3% 1970-75 1st Dev.	91.20	3.96	3.74	91.20
3% 1986 Con. Loan.	74.10	3 96	4.05*	74.00
4% 1960-70	100.75	—	3.92	100.75
3½% 1961 N.P. Bonds	100.10	3.48	3.47	100.10
3½% 1964 N.P. Loan	99.80	—	3.54	99.80
3½% 1965 N.P. Bonds	99.55	—	3.57	99 60
3½% 1962	99.15	—	3.50	99.15
3½% 1967 N.P. Bonds	99 05	—	3.63	99 05
3½% 1974	98.80	—	3.85	98 85
3½% 1967 N.P. Bonds	100.80	—	3.65	100.80
4% 1972 Loan	101.70	—	3.83	101.65
3½% 1968	98 90	—	3.65	98.95
3½% 1963 N.P. Bonds	99 95	—	3.51	99 95
3½% 1968 N.P. Bonds	100.60	—	3.68	100.60
4% 1973 Loan	101.65	—	3.85	101.60

BRITISH GOVERNMENT SECURITIES

	Closing quotations 20-3-1959 £			Closing quotations 3-4-1959 £
2½% Brit. Consols.	51 5/16	—	—	52
3% Savings Bonds 1965-75	75 11/16	—	—	76¼
3% War Loan 1955-59	100xd	—	—	100 3/16
3½% War Loan	67 5/16	—	—	68⅛
4% Victory Bonds 1976	96 5/16	—	—	96 5/16
4% Funding 1960-90	91 1/16 xd	—	—	91¼xd

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

20 APR 1959

COMMERCE

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

VOL. XCVIII. No. 2508 BOMBAY, 18th APRIL 1959 PRICE: Rs. 2

INDIAN SHIPPING

THE inauguration of the National Shipping Board marks a new milestone in the progress of Indian shipping. Small wonder, the Union Minister for Transport and Communications, Mr. S. K. Patil, in the course of his speech at the first meeting of the Board held at New Delhi this week, called it a "red-letter day" in the annals of India's mercantile marine. Created in terms of the Indian Merchant Shipping Act, 1958, the Board is the highest policy-making body. No limitations have been placed in regard to matters that will come up before the Board. It is gratifying to note that Mr. Patil gave the assurance that the Government would treat the Board's recommendations "with the greatest respect." This, in fact, casts a special responsibility on the Board which should be realistic and far-sighted in dealing with the many complex issues confronting the industry. Fortunately, the Board has in its Chairman, Mr. G. L. Mehta, a man who brings to his new position not only a sound knowledge of men and things and rich experience gained in such diverse fields as business and diplomatic relations but also his specialised knowledge of shipping industry with which he was connected for well over two decades. His guidance will be of inestimable value to the Board.

Even a confirmed enthusiast of Indian shipping will concede that the Government has evinced utmost sympathy with the aspiration of Indian shipowners. The industry has found in successive Commerce and Transport Ministers men who were not merely willing but anxious to appreciate the industry's problems and give it such succour and aid as will enable it to come into its own. But so grievous has been past neglect, so limited is the Government's own finances and so grave the foreign exchange crisis that it has been really difficult for the industry to make more rapid progress. The measures which the Government has so far adopted in the interests of shipping development include grant of loans to shipping companies—on some occasions, the loan has amounted to 95 per cent. of the cost of additional fleet—the reservation of coastal trade for Indian shipping, the establishment of a Shipping Development Fund and the creation of a Shipping Co-ordination Committee and the Freight Investigation Bureau. Despite these and other constructive measures, Indian shipping finds that it has a long way to go before India can attain a maritime status which will be consistent with its large and growing foreign trade and its own extensive coastline. Although the present tonnage at 646,000 is a great improvement over the level at which the industry found itself in 1946 when it was no more than 125,000, it is far from the modest target of two million tons envisaged by the Shipping Policy Sub-Committee in 1947. Reviewing the progress of Indian shipping, Mr. Mehta pointed out that, as against the second Plan target of 900,000 g.r.t., there are now ships in operation with a total tonnage of 646,000 and another 120,000 tons under construction. Allowing for old ships which may have to be scrapped, the industry must acquire a little more than 170,000 tons before it can reach the target under the second Plan.

It was originally contemplated that India should be in a position to carry in its own ships some 50 per cent. of its trade with overseas countries. The Planing Commission fixed a modest target of 15 per cent. of such trade to be reached by March 1961. At present, it has been computed that Indian ships carry only about 7 per cent. of the country's foreign trade. This proportion should be increased as early as possible. The Government should not relax its efforts designed to ensure that Indian ships get a fair share of the trade covered by its trade agreements with foreign countries. Again, the Government is already a major importer, accounting as it does for some 40 per cent. of the value of imports and is also becoming an important exporter, thanks to State Trading schemes. It should, therefore, be possible for the Government to see that a large portion of the trade in which it is a participant goes to Indian ships. Further, steps should be taken to ensure that India attains as early as possible the target of 75 per cent. of the trade with its adjacent countries, as against the present level of some 30 per cent.

A somewhat urgent problem is the need for stimulating coastal trade. It is estimated that the tonnage employed in coastal trade is about 250,000, as compared with the target of 412,000 by March 1961. It will be difficult to reach the target, unless special efforts are made to see that coastal ships get a fair share of the trade which, for economic and geographic reasons, is best carried in ships. There is a widespread feeling among shipowners that the railways are diverting the coastal traffic to themselves. While we would like to see that a certain element of competition among the different modes of carriage continues to prevail in the sphere of transport, there is perhaps a special case for aiding Indian shipping on the coastal trade in respect of some specific routes and classes of goods. Further, Indian shipping companies, if they are to hold their own against more powerful rivals on the high seas, should be assured of some freedom from competition nearer home. Such assistance will provide the basis on which they can face the risks which are inseparable from operation on international routes where competition is always keen.

Finance ought not to be allowed to become an insuperable obstacle to the achievement of the modest target fixed under the second Plan. Indeed, if it is possible, the target should be exceeded. It has been computed that the industry will require some Rs. 30 crores to reach its target of 900,000 tons. It may be mentioned here that the sum allotted under the second Plan for Indian shipping, *namely*, Rs. 37 crores, has been exhausted. More recently, shipowners have themselves arranged for both internal and external finance to buy the vessels they need. They may be able to draw upon their own internal resources to a limited extent. But, by and large, Government aid will be necessary, if the target is to be reached. It is to be hoped that the Government will not, on grounds of lack of finance, deny the industry the monetary assistance it needs. As regards allotment of foreign exchange, shipping deserves high priority, because a ship, unlike any other industrial enterprise, contributes to foreign exchange earnings from the very day it commences its operations on the international sea routes and, in a period of four to five years, it earns all the foreign exchange involved in its purchase and thereafter adds to foreign exchange earnings. Discussing the foreign exchange aspect of the problem of augmenting Indian tonnage, Mr. Mehta made the important suggestion that a foreign exchange pool should be built up. He said that, "if the intentions of Parliament are to be effectively implemented, the Shipping Development Fund has to have adequate foreign exchange resources at its disposal to enable the acquisition of tonnage from abroad." He added: "I, therefore, suggest that we should think in terms of a foreign exchange pool under the ægis of the Shipping Development Fund constituted initially by an allocation from free foreign exchange resources and built up later by earnings of ships purchased in future." The implementation of the suggestion will go a long way towards ensuring that shipping development is not held up for want of foreign exchange resources.

A problem which is now engaging the attention of the Government is the establishment of the second shipbuilding yard. There is much to be said for the project, considering that no nation can carve for itself an important place in the world maritime map without shipbuilding facilities. With his characteristic historical insight, Mr. Nehru pointed out how, till Napoleon's days, Indians were great shipbuilders. He rightly emphasised that it was the capacity to build the basic requirements, whether in industry or shipping, that really governed the progress of a nation. While this larger perspective must never be lost sight of, it may be wondered whether the second shipbuilding project cannot be postponed by a few years, at least until the time the first shipbuilding yard at Visakhapatnam produces ships of quality and at prices which will compare favourably with those produced in the West. Lack of personnel, if not also of finance, indicates a lower order of priority for the second shipbuilding yard. While no one would suggest that the scheme should be put in cold storage, it would be wrong to divert the Government's energy, resources and personnel, limited as they are, to the establishment of a second yard at a time when all these are needed to reach the target for Indian shipping and to lay the foundations for a more rapid rate of progress in the third Five-year Plan. Perhaps, some expert probe and fresh appraisal are called for before irrevocable decisions on the project are taken.

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LABOUR RELATIONS

THE address delivered at the annual general meeting of the Employers' Federation of India by Mr. H. P. Mody, the retiring President, was not really a swan-song as he, with his characteristic modesty, preferred to call it. It was, in fact, a recipe for rational and realistic economic and labour policies. A clear-eyed realist that he is, Mr. Mody felt that a philosophy of planning which persistently refused to recognise realities and related ends to means would only land the country in recurring troubles. The same sense of realism seems to have restrained him from being over-enthusiastic about the much talked of labour codes evolved for regulating the relations between employers and workers. It will be remembered that two codes were evolved last year, a code of discipline and a code for maintaining harmonious relations among the various trade unions. As the objectives of these codes are laudable, Mr. Mody naturally welcomed the codes and gave the assurance that employers, on their part, would do everything they could to make them a success.

The code of discipline came into force from June 1958. Its basic principles are "a just recognition by employers and workers of their rights and responsibilities and a willing discharge by both of their obligations consequent on such recognition." Mr. Mody thought that it was too early to pronounce any verdict on this code, not an unreasonable view, as it has been in force for only nine months. Nevertheless, he revealed that even the little experience which employers have had so far had suggested the need for certain amendments to the code, in order to remove certain practical difficulties in the way of giving effect to some of its provisions. He was aware that the amendments would have to secure the assent of the other parties to the agreement. Mr. Mody gave no details of the practical difficulties of employers nor of the amendments they desire. But it is needless to add that, if the code is to be a success and endure the passage of time, it must be suitably modified in the light of experience.

The success of the second code doubtless depends on the extent to which there is a spirit of tolerance among the various trade unions. Unfortunately, inter-union rivalries and the conflicts arising therefrom have shown no signs of abatement. On the contrary, they have been on the increase in certain parts of the country, more notably in Kerala. The recent happenings in the plantation estates in that State point to the prevalence of a vicious atmosphere. It is, therefore, not surprising that Mr. Mody regarded the results of this code so far as none too encouraging. Indeed, inter-union rivalries constitute a threat even to the code of discipline. Discouraging though the atmosphere is, all the parties concerned must persevere and try to make the codes a success. It is not an act of statesmanship to throw up the sponge. The warring trade unions must be brought together and there should be no further delay in creating the machinery contemplated for this purpose, namely, a body consisting of representatives of the four central labour organisations, with an independent chairman.

Since control of trade unions by political parties is the bane of the trade union movement in India, Mr. Mody did well to emphasise that trade union leadership must spring from within the ranks of workers. From this point of view, the formation of the Central Board of Workers' Education, as recommended by the Ford Foundation, is undoubtedly a step in the right direction. The Board, as readers are aware, will organise programmes to provide instruction in trade union consciousness, the conduct of union-management relations and the observance of the code of discipline. It should not be long before a sufficient number of workers is trained in trade union principles and practices and enabled to assume leadership of unions and gradually to eliminate all outside influences. All lovers of genuine trade unionism will certainly associate themselves with Mr. Mody in his hope that "there will emerge in the trade union field, in the not distant future, a government of the workers, by the workers and for the workers." It is, perhaps, not yet widely known that the Government has already recognised this principle and sought to give effect to it in so far as its employees are concerned. Thus, in the rules recently formulated by the Central Government for recognising "service associations" of its employees, it is laid down that no person who is not a Government employee shall be connected with the affairs of any "service association" and that the executive of a "service association" should be from amongst the members only.

Surely, what is good for employees of the Government cannot be bad for employees in the private sector, at least for employees of identical stature and calibre, such as the so-called white-collared workers. There may be some case for the workers in factories to be led by outsiders for some more time, as the majority of them are illiterate and ignorant, but there is none whatever for the workers in commercial establishments to find trade union leadership from outside their ranks. It is, however, necessary to add that, in this respect, a lot depends on employers themselves. It is not enough to appeal to the Government to be reasonable and to be firm in rejecting uneconomic demands from workers. There is need for a new approach. The employers should seriously try to inspire confidence among the employees and to wean them away from the influence of outsiders. There is no future for private enterprise and, therefore, even for democracy, if employers fail to keep the workers, in general, reasonably contended. If they cannot carry conviction even to the middle class employees, they have no hope of survival. The problem is partly psychological and partly economic. They have to educate their workers in the virtues of free enterprise and the first step in this direction is to take them into confidence. This is undoubtedly a difficult task, but it has to be faced and tackled. The employers in this country can learn quite a few useful lessons from the way in which cordial employer-employee relations are maintained in progressive concerns in the U.S., the U.K. and West Germany. They have to erase the impression that workers can better their lot only by seeking the help of politicians by wresting the initiative for reforms and labour welfare from the hands of the latter. It is nothing short of defeatism to say that this is impossible. That will, indeed, be sheer bankruptcy of statesmanship and foresight.

The employees, on their part, must realise the futility of making unreasonable and economically unsustainable demands on their employers. As Mr. Homi Mody rightly pointed out, there is a limit to the capacity of industry to pay and bigger rewards can only come from better efforts. They have to co-operate with employers in implementing measures designed to raise productivity. They should not obstruct, out of a mistaken sense of security of employment, programmes for modernisation of plant and machinery and for introduction of new machines that will yield larger production. They must recognise that "a steady increase in the productivity of labour is an essential condition for assuring a higher standard of living to all classes of the population and notably wage earners." This quotation, we may add for the benefit of workers, is from an I.L.O. publication, recording the conclusions of experts appointed to consider the practical methods of increasing productivity in manufacturing industries. While it is a matter for gratification that there is an increasing awareness of this fundamental fact in Government circles, the workers and their leaders have yet to realise it. Accordingly, no opportunity should be missed to drive home this point among the latter also.

Apparently, Mr. Mody was in no mood to cross swords with those in authority who have of late been making certain claims which cannot stand the test of scrutiny. But he did not let go unchallenged the statement of Mr. G. L. Nanda, Union Minister for Labour, Planning and Employment, in Parliament the other day, that no undue burden had been placed on industry in the form of benefits to labour and labour laws, that the ratio of labour cost to the total cost of production had not increased, and that remuneration paid to workers was not a factor hindering the progress of industries. The experience of most industrialists in the country, Mr. Mody averred, was to the contrary. He wanted the Labour Minister to disclose the data on which he had based his conclusions. More important is his suggestion that the Government should undertake a review of the cumulative effect of the legislation enacted in the last ten years with regard to wages, other emoluments and benefits and working conditions. Such a survey will show how far the Government has gone in its policy of conceding the demands of workers regardless of the effect on production and consumption. As it will be in the interest of everybody to conduct a research into this question, the Labour Minister should have no difficulty in accepting and implementing this simple suggestion.

CHEAPER AUTOMOBILES

THE long queues of anxious consumers awaiting their turn for motor cars may give an entirely false picture of the fortunes of India's automobile industry. The fact is that the industry has not made—and it may not be incorrect to add, has not been allowed to make—the progress which, under different circumstances, it might have so easily achieved. Again, a modest automobile, which a middle class man could own, has for long been the patriotic dream of many an Indian. This dream has never come true. It has eluded the grasp of the planners. It remains to be seen whether the probe into the industry which the Government has now ordered will result in measures designed to speed up the progress of the Indian automobile industry. The Government has set up a seven-man committee with Mr. L. K. Jha, Additional Secretary, Ministry of Commerce and Industry, as Chairman, to assess the progress made by the automobile industry and examine the possibility of producing a more economic car for people of average means.

This Committee will presently take stock of the developments since 1956, when it was last assessed by the Tariff Commission. It is expected to review the progress of the automobile and automobile ancillary industries and recommend measures to increase the indigenous content of different vehicles in the shortest possible time, after taking into account the targets and schedule envisaged in 1956 when the manufacturing programmes of different producers were approved. It will also recommend the targets of production of different types of vehicles in the third Five-year Plan, the measures for reducing the cost to the consumers of different vehicles like cars, jeeps and trucks, and the appropriate pattern of organisation for the future expansion of the industry. It will indicate the foreign exchange implications of the different production programmes.

An interesting aspect of the Committee's terms of reference is that the Committee will examine the feasibility of producing a low-cost car within the price range of Rs. 5,000 to Rs. 7,000. The Committee will examine not only schemes previously presented to the Government but also other models of cars which have been developed in different countries and suggest ways and means of manufacturing such a car in India. This problem may well be regarded as both a challenge and an opportunity to the Government, on the one hand, and the manufacturers, on the other. It is by no means easy to find a solution to this problem, if one takes into account the limited character of the Indian market for automobiles and the high taxation on vehicles and petrol. The Tariff Commission, in the course of its analysis of the problem in 1956, observed that a baby car, so-called, should not cost more than Rs. 7,000 to the consumer; it felt that even this figure was on the high side. It expressed the view that the "commitments already undertaken with respect to small cars preclude any prospect of a baby car being produced in India in the near future at the low production cost desired by the consumer, unless, of course, one of the existing small cars shows potentialities (hitherto unexpected) for achieving such cost." The position has not materially altered since this view was expressed.

Nevertheless, there is a great deal to be said in favour of a fresh investigation of the problem. It would, however, be wrong to underestimate the magnitude of the difficulties If a car is to cost Rs. 5,000 to Rs. 7,000 to the consumer, it must cost much less at the factory site. One way of achieving the production of a low-priced car is to make it a strictly utility vehicle without sacrificing its capacity too far; the average Indian family is larger than its counterpart in the West. The market for it could be widened through appropriate tax reductions which would make the purchase and maintenance of the small car an attractive proposition for prospective consumers. The problem is, however, more easily stated than solved. The Committee's suggestions for solving it will, therefore, be awaited with interest.

I.T.O.'S RIDICULOUS MOVE

KIRLOSKAR–I.F.C. DEAL—SUGAR PROSPECTS

WEDNESDAY, 5 P.M.

MARKET GOSSIP

A SOMEWHAT deplorable development in the administration of company taxation is that, contrary to the established practice of many years, companies are sought to be brought within the mischief of Section 23A of the Income-tax Act on the mere ground that their articles of association contain a clause empowering the directors to refuse transfer of shares without assigning reasons. This new development is all the more reprehensible for the reason that past assessments of these companies are being reopened. In any case, it is hardly calculated to inspire confidence in the minds of the assessees who have, for long, been told that, so long as they conceal no part of their income and are honest in their payment of taxes, they need suffer from no fear of inquisitional examination of their past.

Section 23A of the Act, as is well known, imposes penal taxation on companies in which the public are not substantially interested, the phrase "public interest" being defined as a state of affairs under which a company allots at least 25 per cent. of its ordinary capital to the public and its shares are dealt in on the stock exchange or are freely transferable. It is now contended by the income-tax authorities that, even if the prescribed proportion of share capital of a company is held by the public, the existence of a clause giving the board powers of refusal of registration of shares would convert the joint-stock enterprise into a Section 23A company and bring it within the mischief of that section.

The question is whether the existence of the clause, by itself, can convert a public limited company into a Section 23A one, thereby enabling the authorities to impose penal taxation on its income. In considering this issue, it would, in the first place, be folly to ignore the normal practice in transfers of shares, for it cannot be too strongly emphasised that the clause, giving to the board powers of refusal of transfer of shares, is seldom, if ever, invoked. In fact, it would be surprising if a board ever looked into transfers of shares very minutely. They constitute a routine operation, often performed by an obscure clerk in a remote corner of the company's office. Thus, the clause is in the nature of a safeguard which some company managements think they should possess in order to meet any contingency.

Secondly, it is stretching the language of the income-tax law a little too far to suggest that the existence of the clause would by itself, adversely affect free transferability of shares, by making it dependent upon the sweet will and pleasure of a capricious board. To argue in this manner is to suggest that slavery should be deemed to prevail in a country with a constitutional monarchy, merely because orders of government appointments in that country contain the conventional phrase that such appointments will be held during the "pleasure" of the monarch.

Finally, if the power of refusal of transfer of shares were really contrary to public good, would Parliament, in its wisdom, have agreed to Section 111 of the Companies Act which gives precisely such powers to the directors? Whichever way the matter is looked at, whether on grounds of equity, public good, normal practice in company administration or even the narrower interpretation of the law, there seems to be little justification for condemning a public company into a Section 23A list only on the ground that its directors have the power to refuse transfer of shares—a power which they may never have used in the past and which they may never intend using, except under the gravest of provocations.

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The International Finance Corporation, Washington, concluded this week a successful deal with one of India's well-known and highly respected engineering companies, Kirloskar Oil Engines Ltd., Poona. This is the second investment of the I.F.C. in India. The amount involved is $850,000 (Rs. 40.80 lakhs) and will be used for expansion and diversification of the Company's manufacturing activities. The investment will be in the form of U.S. "dollar notes" (that is, debentures), bearing interest at 6½ per cent, and maturing from 1965 to 1970. A feature of this deal is that the I.F.C. has an option to subscribe at par to the ordinary shares of the Company. In addition, it will also receive contingent interest in rupees depending on the amount of the Company's earnings.

Kirloskar Oil Engines Ltd.—K.O.E.L., for short—which is said to have about 2,000 shareholders, has an impressive expansion programme which will cost the equivalent of $4.3 million, that is, a little over Rs. 2 crores. The balance of the funds required after the I.F.C. loan will be found by the Company by additional share capital and by funds generated from its operations. The main features of the Company's expansion programme, according to a Press release by the I.F.C., are:

The manufacture in India for the first time of 80-440 h.p. diesel engines for stationary generating sets, small shunting locomotives, and marine auxiliary and propulsion units; of a 3 h.p. diesel engine, especially designed for pumping sets in demand by small farm-owners; and of bi-metal bearings for use in internal combustion engines.

The expansion will also enable increased production of K.O.E.L.'s 5-40 h.p. diesel engines which it has been manufacturing since 1949. Since 1954, when K.O.E.L. started exporting its diesels, its export markets have steadily grown and now include countries in Asia and the Far East, the Middle East and Africa and Central America. K.O.E.L.'s export business is expected to increase further with its expanded operations.

K.O.E.L. has entered into licensing agreements with Glacier Metal Company of England for manufacture of bi-metal bearings and with Maschinenfabrik Augsburg-Nurnberg A.G. (M.A.N.) of Germany for the manufacture of the 60-440 h.p. engines.

Upon completion of the aforesaid programme, K.O.E.L. will be the largest manufacturer of diesel engines in this country.

The share market has reacted to the above news in a very bullish manner; the Company's shares (Rs. 10 paid-up) have jumped up in value by 43 per cent. to Rs. 20. This development should make the Company's task of raising additional capital easier—an indirect advantage of its financial arrangement with the I.F.C. Apparently, investors' confidence in the success of the Company's expansion programme has been strengthened by the fact that the I.F.C. has found it worthwhile to support it.

The K.O.E.L.'s dividend record is good. For the year ended 31st March 1958, it paid dividend of 10 per cent., as against 9 per cent. for 1956-57, 6 per cent. for 1955-56 and 5 per cent. for 1954-55. Even at the current market value, its shares yield 5 per cent., which is by no means unattractive, having regard to the possibility of a right issue and gainful growth prospects.

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The latest reports about the trend of white sugar production suggest that the output of white sugar in the current (1958-59) season will be very near the estimate of Mr. Hadfield rather than that of the official estimate. Addressing the I.S.M.A. annual meeting at New Delhi on 9th March 1959, Mr. Hadfield expected white sugar production to be no more than 1,850,000 tons, that is, about 129,000 tons less than the official estimate of 1,979,000 tons. The production in Uttar Pradesh alone is expected to be less by 105,000 tons at 837,000 tons, according to Mr. Shyam Sunder Kanoria, President of the U.P. Branch of I.S.M.A. The crushing in the Deccan also has come to a premature end. It is stated that sugarcane in this area had flowered unexpectedly, with the result that its supply was substantially affected. According to one reliable report, the Deccan factories have had to stop crushing 15 days earlier than was expected. This means a drop of about 20,000 to 25,000 tons or 9 per cent. in their production, as compared with the last season. On this basis and after allowing for the export quota of 50,000 tons already permitted, the stocks of sugar at the end of the current season will hardly be 80,000 tons, equivalent to 15 days' consumption in the country, as against 336,000 tons brought in and 435,000 tons at the end of the 1956-57 season. This is not a pleasant prospect for either the consumer or the producer. Past experience shows that, whenever the supply of sugar is not adequate to meet the demand, the producers of sugar are maligned and harassed more than any other section of the commercial community.

In fact, the Kanpur Sugar Merchants' Association has just fired the first shot of campaign against the sugar mills for the current season. The Association is reported to have alleged that many of the sugar mills are selling their quotas of sugar at a high premium, that they are diverting sugar to the black market and to fictitious parties indirectly, that some factories sell a part of their releases to genuine dealers and dispose of the balance in the black market through their nominees, and that sales against the last release are being made very slowly and at higher prices. The Association has, therefore, suggested to the Union Food Ministry that the mills should be ordered to sell their free quota of sugar within a week from the date of the release order. Another suggestion of the Association is that sugar should be allotted in sufficient quantity to all distributing centres, so that all neighbouring districts may meet their requirements from there. A third suggestion of the Association is that the export programme should be abandoned until production improves sufficiently to meet the demand.

The last mentioned suggestion is the most sensible. In view of the fact that the supply position will become extremely tight in the second half of the current season, the Government should conserve the production for domestic consumption and stop exports forthwith. In any case, not much sugar has been sold for export out of the 50,000 tons quota. If exports are stopped now, it should be possible to save 40,000 to 45,000 tons for domestic consumption.

Further, prices of sugar in world markets have gone down, which means that India will have to suffer a greater loss than was contemplated when the export programme was drawn up. The world sugar markets continue to be distinctly bearish, with a marked drop in prices. The latest available quotation for Cuban raw sugar in the New York market is as low as 2.85 cents per lb. (f.o.b. Cuba), which compares unfavourably with 2.94 cents prevailing a fortnight ago and 3.67 cents in the beginning of the year. Spot sugar in London is quoted at £26½ (Rs. 349) per ton, as against £27½ (Rs. 362) and £32 (Rs. 427) in the aforesaid periods, respectively. As compared with the current London price of Rs. 349 per ton, the f.o.b. cost of Indian sugar, after allowing for the full remission of excise duty and cane cess, comes to about Rs. 775. On this basis, the loss on every ton of sugar exported works out to as much as Rs. 426, in addition to the loss of Rs. 342.10 in revenues to the Governments (Rs. 291.20 and Rs. 50.90 by way of excise duty and cane cess, respectively). Is it worthwhile earning foreign exchange at such a heavy loss?

The weakness of world sugar has persisted, despite the effective cut of 17½ per cent. in the export tonnages of International Sugar Agreement member-countries made by the Sugar Council in February last. Prompted by this extremely unsatisfactory situation and with a view to improving the tone of the market, Mr. Eric Roll, Executive Director of the Council, is currently visiting the various I.S.A. member-countries. The object of his visit is, it is said, to find out how member-countries feel about the position and to learn what further action they think should or could be taken. The tour of Mr. Roll is scheduled to be completed early next month. Meanwhile, the Sugar Council would appear to be still hoping that the cut enforced in February would have the desired effect on market prices and that its estimate of this year's surplus of sugar, namely, 745,000 tons, will prove to be more accurate than the trade's estimate of 1.5 million tons. It is rather difficult to say whether the Council's expectations would materialise, because a few weeks are still to go before additional statistical information in the current season will come to hand.

Viewed thus, it would appear that any further action by the Sugar Council may be delayed for a few weeks. If the market does not improve by then, what will happen? The *Financial Times*, London, points to two possibilities. One is that another cut in export quotas will be imposed under one or other of the Sugar Agreement's provisions, though there is a distinct limit to what can be done along these lines, as the exporting countries have the right to export 80 per cent. of their quotas before 1st September. The second, and clearly more important, possibility is a unanimous decision among the participating countries to take some other action beyond that which the Agreement at present allows.

Commenting on the trend of world prices of sugar, the *Economist*, London, observes:

"Although the Council's estimates of supply and demand over the year as a whole may turn out to be not far off the mark, sugar is clearly in surplus now. And, on such a residual market, a small change in supply or demand can bring a disproportionately big change in sugar prices. Some recovery in prices is to be expected later on, as the premiums for forward deliveries on the futures markets show. The season of heavy production of cane sugar will be past, and European beet-producing countries should need more imported sugar. The Council has to decide whether to sit tight until its next meeting in June, or whether it should act before then. It still has power to cut export quotas by a further 12½ per cent., and it could also increase the amount of sugar temporarily withheld from the market. But its exporting members are not necessarily equally keen to raise prices by restricting their sales. Cuba, the largest producer, tends to be more interested in tonnage than in the level of prices on the free market, because it obtains a substantially higher price for its preferential sales to the United States. But, if prices remain low, Cuba's attitude could change."

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New Delhi reports point to the possibility of Mr. Morarji Desai yielding to pressure from the supporters of *khandsari* sugar by reducing even the modest excise duty on *khandsari* which he announced on 28th February last. It is to be hoped that these reports are nothing more than wishful thinking. If the white sugar industry in U.P., in particular, and the taxpayer and the consumer, in general, are not to suffer further, Mr. Morarji Desai should stick to his stand. Some illuminating data of the extent to which the country as a whole has been a loser, following the growth of *khandsari* manufacture at the expense of white sugar, were given by Mr. S. S. Kanoria at the annual general meeting of the U.P. Branch of the I.S.M.A. held at Lucknow last Sunday.

In West U.P., although several factories have expanded their capacities at the cost of scarce and valuable foreign exchange worth crores of rupees, they have not been able to get enough supply of sugarcane to maintain even their pre-expansion crush, because of the mushroom growth of *khandsari* units after the tremendous increase in the excise duty on white sugar. Consequently, the production of white sugar in West U.P. during the current season is expected to be no more than 530,000 tons, as against 752,000 tons in 1956-57.

On the basis of a recovery of 7 per cent., some 3,000,000 tons of sugarcane have been crushed additionally by the *khandsari* units to yield 210,000 tons over and above their normal production of 100,000 tons. If these three million tons of cane had been crushed by the sugar mills, 300,000 tons of white sugar would have been produced, that is, 90,000 tons more than *khandsari*.

The revenue lost as a result of not producing these 300,000 tons of white sugar is Rs. 10.66 crores, made up of Rs. 8.73 crores by way of excise duty, Rs. 1.55 crore as cane cess and Rs. 38 lakhs as co-operative societies' commission. This is the minimum loss, in that it is exclusive of the Income-tax and super-tax which the Government could have collected from the sugar mills on the profit made by them on 300,000 tons.

Incidentally, this minimum loss is a little more than the amount squeezed out of the consumers of petroleum products on the ground that more funds are needed for implementing the Plan. In other words, while an additional revenue of Rs. 10 crores was found from one source, a sum more than that was lost by not taking prompt action to check the growth of a capital-wasting cottage industry at the expense of a capital-saving large-scale industry.

(Continued on next page)

EQUITIES REACT

BULLS LIQUIDATE

(From Our Own Correspondents)

BOMBAY, *15th April*

THE share market suffered a reaction during the week under review and, barring a few counters, prices were marked down by a sizable extent, on liquidation by bulls over a wide front. The downward trend was in continuation of the setback witnessed on the closing day of the previous week. Barring the growing incidents on the Indo-Pakistan border, there was no other adverse factor to affect the sentiment of the operators. Even the border incidents do not seem to have been taken too seriously by the market. It is, therefore, felt that this week's decline in prices is no more than a corrective reaction to the almost uninterrupted rise in equities since the Budget.

Good corporate news continue to flow in. The latest Directors' report of the Century Mills discloses that a scheme of renovation of the Company's old machinery, at a cost of Rs. 1.82 crore, has been drawn up and that negotiations are in progress with the National Industrial Development Corporation for a loan to finance the scheme. The Company's rayon plant is said to be working satisfactorily and a further capital expenditure to the tune of Rs. 1.75 crore has been undertaken to make the plant more efficient and versatile.

The National Carbon Company has earned a higher profit for the year 1958 and its development programmes are stated to be yielding good results. The Company has made arrangement for supply of alcohol, the major raw material for the manufacture of plastics and chemicals, the plant for which is now under construction and is expected to be completed in 1960.

Thanks to the encouraging results of the year ended March 1959, the Directors of Gwalior Rayon have recommended the payment of arrears of dividend on the Company's 6 per cent. preference shares up to the end of the year 1958-59; this amounts to Rs. 63.79 lakhs. The production of staple fibre is said to be now running at 55 tons per day. A fresh survey of bamboo resources is being undertaken in connection with the Company's proposed rayon grade pulp project in Kerala. Meanwhile, arrangements are in progress to purchase the necessary equipment for the factory, which is estimated to cost about Rs. 7 crores.

Another company which has reported encouraging results is the Western India Match Company, Ltd. The gross profit of the Company for the year 1958 has gone up from Rs. 77.47 lakhs to Rs. 104.41 lakhs. The Company's paper plant went into production in December last and is at present producing paper for the Company's own requirements.

To revert to the trend of prices. In the steel section, Tata Ordinaries were marked down from Rs. 183 to Rs. 179.25 before closing at Rs. 179.50. The new shares lost over the week Rs. 3 to Rs. 177.25. After an early recovery from Rs. 24.56 to Rs. 24.72, Indian Irons reacted to a low of Rs. 23.96 at the close of business today.

Textile shares too suffered a setback. Early in the week, Bombay Dyeings hardened from Rs. 60.10 to Rs. 60.60, but moved irregularly lower to Rs. 60 at the close. Centurys gave way from Rs. 493.75 to Rs. 486 before improving slightly to Rs. 488.25. Kohinoors jumped early in the week from Rs. 253 to Rs. 264.50, but the disappointing results of the Company for 1958 brought the quotation down to Rs. 253.50 yesterday. Today, however, they recovered to close at Rs. 258, which shows a gain of Rs. 5 over the week. The Company's net distributable profit for the year is so low that even the reduced dividend of Rs. 10 per share (as against Rs. 18 per share paid for 1957) is to be met almost wholly out of the dividend equalisation and machinery reserves. Last year also, a sum of Rs. 10.25 lakhs was drawn from the reserves to meet a good part of the dividend of 18 per cent. Finlays lost Rs. 3 over the week to Rs. 270 and Khataus Rs. 11.25 to Rs. 177.50. Models suffered a further drop of Rs. 11.30 to Rs. 93.70. New Greats declined by Rs. 15 to Rs. 178; this fall is on top of a similar decline in the previous week. Shree Niwas Cottons shed Rs. 3 to Rs. 151 and Simplex Re. 1.50 to Rs. 167.50. Standards moved down by Rs. 9 to Rs. 474, Svadeshis by Rs. 4.50 to Rs. 212 and Tata Mills by Re. 1.25 to Rs. 35.

Sugar shares followed the general trend, Belapurs moving down from Rs. 295 to Rs. 287. Phaltans lost Rs. 4 to Rs. 153.50 and Walchandnagars Rs. 5 to Rs. 295. Cement shares proved no exception, but the decline was negligible. Associated Cements moved within a narrow range between Rs. 150.75 and Rs. 148 before closing at Rs. 148.50. Digvijays dropped Re. 1.50 to Rs. 146.50 and Orissa Cements 12 nP to Rs. 14.36. Jaipurs Udyogs declined by 28 nP to Rs. 11.04.

Notwithstanding the good outlook, engineering shares reacted, Tata Locomotives dipping to Rs. 188.75, after advancing from Rs. 192.50 to Rs. 195. Alcock Ashdowns lost Rs. 4 to Rs. 267 and Premier Constructions Rs. 5.75 to Rs. 265. Larsen and Toubros were done 24 nP lower at Rs. 22.68 and Mahindras 25 nP lower at Rs. 25.10. Kamani Engineerings, however, rose by Re. 1.12 to Rs. 8.12 and Structural Engineerings by Rs. 4.75 to Rs. 255. Texmacos put on 32 nP to Rs. 24.96. Among mining shares, Shivrajpurs were a shade better at Rs. 100.50 while Indian Coppers were done 8 nP lower at Rs. 4.28.

Shipping shares looked down, Scindias dropping 44 nP to Rs. 17.88 and Great Easterns 60 nP to Rs. 20.96. Bharat Lines were dull at Rs. 12.92. Automobile shares did not evoke any fresh support. On the contrary, they declined, Hindustan Motors losing 8 nP to Rs. 9.08 and Premier Automobiles Rs. 2.75 to Rs. 114.

In the miscellaneous group, Bombay Burmahs (old) gave way from Rs. 509.50 to Rs. 498, while their partly paids were steady at Rs. 175.50. National Rayons reacted from Rs. 286.25 to Rs. 280.25. Despite the encouraging news from the Company, Gwalior Rayons lost over the week 48 nP to Rs. 17.04. Tata Chemicals were done 12 nP lower at Rs. 16.64. Tata Oils changed hands Re. 1.05 lower at Rs. 49.25. Voltas lost Rs. 2.75 to Rs. 153.75. Indian Dyestuffs lost further ground from Rs. 430 to Rs. 400. Wimcos attracted good attention and rose by Rs. 6 to Rs. 209. Kirloskar Oil Engines responded favourably, with a rise of Rs. 6 to Rs. 20, to the news that the I.F.C. had agreed to invest $850,000 (Rs. 42.5 lakhs) in the Company towards financing the expansion and diversification of its manufacturing activities. I.C.I.C. had business at Rs. 81.50 and W. H. Brady at Rs. 300.

* * * *

Madras Stock Exchange

MADRAS, *13th April*

The Madras Stock Exchange continued to present fully steady conditions during the major part of the week under review. Business put through was, however, small, due to scarcity of floating scrips. Here is what Messrs. Maconochie & Co., a leading firm of share brokers in Madras, say on the recent trend of the share market:

"The bull market has gained further momentum in the last three weeks. Scarcity of floating scrips has accentuated the price inflation and several scrips have reached new peaks. Investment hunting has been a disheartening affair, and the daily rise in share values has, if anything, deterred genuine investors from making long-term commitment; for they naturally wonder if this boom will endure. The current fashion is to go in for scrips that would yield profit in the 'short run' and to turn to shares quoting below par, for long-term investments. The correct significance of the recent changes in respect of tax refunds on tax-free shares will be realised only when a few dividends under the new set-up are received and, until then, there will perhaps be no disposition to calculate the net return from equities. Markets are moving on the roller-skates of sentiment and the bull psychology reigns supreme."

Several select textile shares met with renewed buying support and values moved up further. Premiers provided the brightest spot, forging ahead as they did from Rs. 135 to Rs. 145. Dhanalakshmis strengthened by Rs. 3 to Rs. 185. Buckinghams spurted by Rs. 2 to Rs. 177 *cum-div.* (final). Coimbatore Cottons and Vasantas advanced by a like sum to Rs. 135 and Rs. 222 *cum-div.*, respectively. Coimbatore Spinnings hardened by Re. 1.50 to Rs. 51. Maduras picked up Re. 1.05 to Rs. 26.75.

Rubber shares were generally held at the last week's levels. Today's closing rates for a few prominent counters are: Kallas Rs. 5.20; Nilamburs Rs. 15.25; Pullangodes Re. 1.77; Puthutotams Rs. 3.17; Rajagiris Rs. 18.25; Travancore Rubbers Rs. 18.25 *cum-div.*; and Vaikundams Rs. 25.50 *cum-div.* (final). Mercars recorded a rise of 25 nP to Rs. 9.20.

Activity in the coffee section was somewhat restricted, thanks to reports of drought in some areas. Operators noted the sentiment in the latest issue of the Indian Coffee Board's *Newsletter* that "planters are getting alarmed about the coffee crop prospects for 1959-60." According to the *Newsletter*, the showers which the planters had been anxiously waiting for since early March have not materialised, except at a few scattered points. Hopes of a 50,000-ton crop are receding, with every day of dry weather on the hills. This report did not, however, have much adverse effect on the market, presumably because it would mitigate the problem of surplus coffee. Panchuras were in request and put on 20 nP to Rs. 3.90. Ouchterlonys jumped up by 10 nP to Rs. 5.65 *cum-div.* Sheveroys gained a naya paisa to Re. 1.91.

Tea shares were generally subdued, despite better outlook for exports, as a result of the proposed levy of export duty on *ad valorem* basis on Ceylon tea. Twyfords dropped 50 nP to Rs. 17. Haileyburias fell by 40 nP to Rs. 18.60 and Parksides by 38 nP to Rs. 21.87 *cum-div.* (final). Peermades declined by 13 nP to Rs. 19.87 *cum-div.* (final). Devasholas, however, elicited good enquiries and rose by 25 nP to Rs. 27 *ex-div.* Lucky Valleys gathered 5 nP to Rs. 12.75. Kalasas were unchanged at Rs. 3.90, as were United Nilgiris at Rs. 19.55, Nonsuchs at Rs. 27.75 *cum-div.* (interim) and Balanoors at Rs. 21. Kil Kotagiris were quiet at Rs. 8.45 *cum-div.* for lack of fresh support. Periakaramalais, however, were steady at Rs. 4.26.

A sharp rise of Rs. 17.50 to Rs. 325 *ex-div.* in United Breweries characterised the trading in the sugar and breweries section. E.I.Ds improved by 50 nP to Rs. 35 *ex-div.* and Deccans by 3 nP to Rs. 11.23. Mysores, on the other hand, encountered selling and gave way from Rs. 53.50 to Rs. 51.50 *ex-div.* Indias shed 30 nP to Rs. 13.10 *cum-div.*

Among miscellaneous industrials, Rallis continued to be well favoured and rose from Rs. 68 to Rs. 72. Western India Plywoods spurted by Rs. 2 to Rs. 155. Singarenis and Textools rose by a rupee each to Rs. 17.50 and Rs. 180, respectively. National Rubber Manufactures picked up 87 nP to Rs. 16.87. Mysore Chemical Manufactures hardened by 75 nP to Rs. 24.25 *cum-right.*

MARKET GOSSIP

(Concluded from previous page)

The aforesaid loss of revenue is not the only loss, for the difference between the *khandsari* and white sugar production, namely, 90,000 tons—in actual fact, it must have been more—is another loss, the value of which is Rs. 5.5 crores. None has gained by this loss, for the sugar was not recovered at all from cane; it was allowed to go waste and burnt as fuel along with the bagasse. Then, there is the loss of employment to workers engaged in sugar mills.

Again, if our economy were to be based on *khandsari*, it would need about 1½ times the land to be under sugarcane for having the same amount of *khandsari* as compared with white sugar. Can India, which is anxious to increase production and raise the living standards of its people, afford this luxury of its *Vedic* age?

Notwithstanding all these irrefutable facts, there are many in high places, both in Parliament and outside, who passionately feel that manufacture of *khandsari* sugar should be encouraged, simply because it is a cottage industry. Even the Finance Minister was apologetic in defending his levy of Rs. 4.64 per maund on this brown sugar and confessed that he had a soft corner for *khandsari*. So poor is their sense of economics and so strong is their *Sarvodaya* spirit that it is a pity no amount of argument will convince them.

* * * *

Following reports of early closing of crushing by the sugar mills in the Deccan, sugar shares quoted on the Bombay Stock Exchange have lost some ground. Thus, Belapurs have declined by Rs. 8 over the week, Phaltans by Rs. 4 and Walchandnagars by Rs. 5. Other scrips, such as Changdeo and Maharashtra Sugars, also are a shade lower. An idea of the drop in the production of Walchandnagar was given by Mr. Gulabchand Hirachand at the annual meeting of the Company yesterday. He said that the quantity of cane crushed in the 1958-59 season was less at 205,509 tons, yielding 238,861 bags of sugar, as against 227,487 tons and 262,509 bags in the 1957-58 season. Although the recovery was a little higher—at 11.8 per cent., as against 11.6 per cent.—it was not sufficient to offset the lower crushing. Again, prices realised on the sale of sugar were better than in the previous year, but, perhaps, insufficient to make good the fall in production. There are reasons to believe that this must have been the experience of almost all the sugar factories in the Deccan.

The table relating to Stock Exchange Trend appearing on page 628 of our last issue covers the transactions for the week ended 8th April 1959, and not 7th April 1959 as stated therein.—ED.

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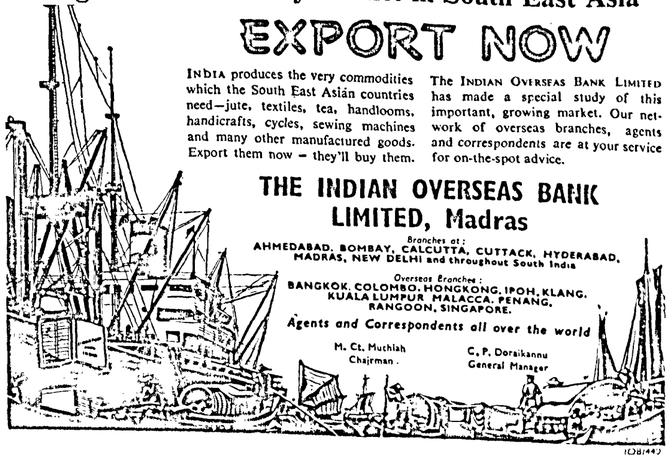

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NEWS IN BRIEF

EXPORTS of pashmina wool will continue to be licensed freely on shipping bills without any quantitative restrictions upto the end of September next.

The Government of India has decided to appoint shortly a committee of three or four experts to report on the production of dehydrogenated oils and their effects on consumers.

The validity of the shipment period for the unutilised quota of 1,500 tons of copper sheets, circles, strips and plates released for export on 6th January last has been extended till the end of September 1959.

The preliminary estimate of the *baisaki* lac crop for 1959 places the aggregate yield at 735,000 maunds, as against the final estimate of 600,000 maunds for 1958 and the ten-year average of 674,000 maunds before 1957.

A contract for exporting 1.5 million jute bags from India to the Democratic Republic of Viet Nam was signed between the Managing Director of the State Trading Corporation of India and the Consulate-General of Viet Nam at New Delhi on the 10th inst.

The total allotment of steel for the current quarter (April-June 1959) is fixed higher at 751,000 tons, an increase of over 100,000 tons as compared with the previous quarter's allotment. The bulk of this increase is meant for covering the needs of agriculture.

The Kerala Government has submitted to the Centre a scheme for the development of the coir industry under the second Five-year Plan. The total expenditure involved is put at Rs. 2.46 crores, of which the finacial assistance sought from the Centre is 50 per cent.

Considerable supplies of caustic soda and soda ash, the import of which has been arranged by the State Trading Corporation of India, will be shipped to India at short intervals. About 15,000 tons of caustic soda and 7,000 tons of soda ash are expected to arrive this month. Further supplies will follow.

As a measure of export promotion, the Government of India has decided to allow drawback of customs duty paid on imported rough diamonds processed in India and exported as finished diamonds. Rebate of customs and Central excise duties of polyvinyl chloride cables has also been allowed.

With effect from the 1st inst., the Indian shipping companies are no longer bound to ask importers in India to pay in sterling the freight on cargoes from the U.K. This has been rendered possible by the acceptance, by the non-Indian members of the U.K.—India conferences, of the principle of receiving freight on cargoes from the U.K. in rupee currency.

Mr. Lal Bahadur Shastri, Union Commerce and Industry Minister, made it clear in the Lok Sabha last week that the additional foreign exchange of Rs. 50 lakhs for imports of car components had been released to relieve the shortage of small cars and that it could not, therefore, be utilised for importing components of big cars such as Dodge, Plymouth and Standard Vanguard.

India can develop cocoa production on a considerable scale, but the growing of basic types of cocoa will suit its purpose better than trying to restrict itself to the limited production of a special type. This is the main conclusion of an investigation conducted by Mr. D. H. Urquhart, the results of which have been published by Cadburys.

The extent to which agreements, awards, etc., in labour disputes have been implemented in Andhra Pradesh will be assessed by two separate committees now set up by the State Government, one for the private sector and the other for the public sector. The constitution of the two committees is in pursuance of the decisions of the sixteenth session of the Standing Labour Committee.

The Central Government has decided to invite two foreign firms, one from Britain and the other from France, to submit detailed project reports on the setting up of an alloy and special steel plant in the country. The companies are being asked to send their representatives to India early next month to finalise details. The capacity of the proposed plant will initially be 40,000 tons which will be doubled later on.

The laboratory of the Central Public Health and Engineering Research Institute at Nagpur, the twenty-second in the chain of national laboratories spread over the country, was opened on the 8th inst., by Prof. M. S. Thacker, Director-General, Council of Scientific and Industrial Research. The Government of Bombay has donated over 100 acres of land for the Institute which will have a building costing about Rs. 5 lakhs.

The Government of India has a proposal to start work on a fertiliser plant in Bombay State during the current Plan period. The proposal will be considered along with other suitable sites when additional fertiliser factories are planned. The question of setting up a fertiliser factory in Rajasthan was studied in detail when the question of fertilised production during the second Plan was considered. Raw materials for the production of ammonium sulphate are available in Rajasthan, but the main problem there is scarcity of water supply and electricity.

The functioning of works committees has not been up to expectations, as both the workers and the managements expect too much from these committees, according to Mr. L. N. Mishra, Parliamentary Secretary to the Union Minister for Labour. Special investigation, it is said, is in progress regarding the working of these committees and its results will be discussed at the forthcoming session of the Indian Labour Conference.

A cable manufacturing factory, with an authorised capital of Rs. 2.50 crores, is expected to go into production in Bombay by the end of June next, according to Mr. Manubhai Shah, Union Minister for Industry. A private firm in Bombay has entered into an agreement with Siemens Engineering and Manufacturing Co., which, in turn, has executed an agreement for securing manufacturing rights from two firms under Siemens Group in West Germany. When full production is established, foreign exchange worth Rs. 1.5 crore is expected to be saved.

* * * *

From Abroad

The motor industry in Russia has plans to produce a new 50 m.p.h. four-passenger car weighing 12 cwts., the smallest on the Russian market.

Both Australia and Canada are expected to press for a slowing down in American agricultural surplus disposal practices at a conference being convened by the U.S. for next month.

What is claimed to be the world's biggest iron-ore mine will go into operation in the Krivoi Rog Basin, South Ukraine, Russia, in 1961. The annual rate of output is expected to be 7.4 million *tons* (commercial ore).

West Germany has agreed to extend a credit of DM 30 million to Pakistan to finance agricultural development. The details will be discussed by the Pakistan Minister for Refugees when he visits Bonn on the 20th inst.

Capital expenditure by the British coal, gas and electricity industries will be £70.5 million higher in 1959 than in 1958. The combined total of approved expenditure for the three industries is £525 million, as against £454.5 million.

The aggregate gold and foreign exchange reserves of Japan at the end of March last stood at a post-war high of $974 million, representing an increase of $33 million over the end-February total and of $345 million as compared with those a year before.

The U.S. Export-Import Bank has announced the grant of a $9.3-million credit to Persia to finance the purchase of 40 diesel-electric locomotives and equipment in the U.S. The loan is authorised under a $53-million line of credit established by the Bank in 1955.

The Italian Government has expanded the scope of the export credit insurance system operated by it. The new move has enabled the Italian exporters to extend the percentage of long-term credits from 70 to 85 of the total credit granted.

PERSONAL

MR. V. T. Dehejia, Special Secretary to the Government of Bombay, will shortly be appointed Chairman of the Bombay Port Trust *vice* Mr. L. T. Gholap.

Mr. A. K. Roy, Secretary for Economic Affairs, Government of India, will lead the Indian delegation to the economic conference of Colombo Powers which is to open at Colombo on the 16th of next month. Mr. J. J. Anjaria, Economic Adviser in the Ministry of Finance, will be one of the members of the delegation.

Mr. Naval H. Tata was elected as President of the Employers' Federation of India for 1959 at the annual general meeting of the Federation held at Bombay on the 14th inst., following the retirement of Mr. H. P. Mody, who had held the presidentship ever since the foundation of the Federation 26 years ago, excepting for two brief intervals.

Under a new three-year trade and payments agreement between Hungary and the U.A.R., the former will buy cotton and other Egyptian products and supply capital equipment, including railcars and electric gear. The total value of the trade between the two countries during 1958 was £E.8.3 million.

Discussions are taking place at Tokyo between the Japanese Government and the wool textile industry over a complaint about unfair marking of Japanese cloth lodged by the wool textile industry in the U.K. The British complaint is that Japanese wool cloth is being sold in export markets with woven selvedges bearing inscriptions in English which tend to deceive buyers and consumers into thinking that they are getting British cloth.

Sweden's population at the end of 1958 stood at 7,436,066, an increase of 43,194 over the year, according to the Central Bureau of Statistics. In 1957, the population rose by 51,750. The population of cities, which was previously lower than that of rural areas, at the beginning of 1958 accounted for 50.3 per cent. of the total, and a further increase to 50.8 per cent. was noted during the year. Of all inhabitants, 3,709,716 were males and 3,726,350 females, that is, a surplus of women of 16,634. This surplus has shown a gradual decline in recent years.

Marine hull and cargo insurance policies in Britain are now put on a par with the non-marine policies for purposes of stamp duty, as a result of the appreciable cut in stamp duty on the former announced by the Chancellor of the Exchequer. The saving is claimed to be considerable for many high-value strips, as insurance of a £1 million hull now costs just 6d., as against about £50 hitherto. This means that foreign owners will not have to bear the additional impost imposed on U.K. underwriting and it is expected to help the U.K. insurance market in competition with foreign insurers.

An assurance that, if the British footwear industry were to apply for an additional tariff on imports, the Board of Trade would "look on the application with great care" was given recently by the President of the Board, Sir David Eccles. Referring to the complaints of dumping of cheap shoes in Britain from East-European countries, Sir David said that, "if the footwear industry feels that there is a case for an anti-dumping duty, let them make it and we will have a look at it." At present, there is an *ad valorem* import duty of about 15 per cent. on most kinds of shoes.

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Subscribed Capital	Rs.	5,76,66,125
Paid-up Capital	Rs.	3,14,54,250
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Deposits as at 31-12-1958	Rs.	1,62,32,43,651

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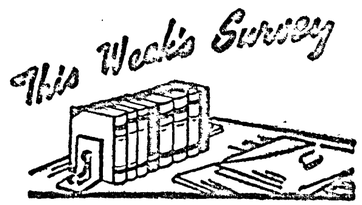


D. V. C.

MUCH interest attaches to the programme for increasing the power potential of the region served by the Damodar Valley Corporation (D.V.C.). In the welter of controversy over the change of the headquarters of the Corporation and the inter-State responsibility for the development of the region, there is a grave danger that the wider economic issues, raised by the power shortage in the area, may be ignored. At a conference on the D.V.C., held at New Delhi this month, where the two participating Governments, West Bengal and Bihar, were represented, the view was expressed that the potential demand for power from essential industries in the D.V.C. area could not be met if additional generating capacity were not installed at an early date. It is estimated that the shortage of power would be 179,000 kw. by 1960-61 and that this might increase to 2,65,000 kw. by 1962-63 and to 719,000 kw. by 1965-66. Appropriately enough, the Conference has recommended the establishment of two thermal power units—one at Durgapur in West Bengal and the other at Chandrapura in Bihar—with a total installed capacity of 250,000 kw. The units, which would be taken in hand in the second Plan period, would be commissioned by 1962-63. The Conference did well to project its thoughts beyond the second Plan. It would appear that it favoured the installation of four more units (each with a capacity of 125,000 kw.) in the period of the third Plan. The power programme for this region deserves top priority if the existing and the prospective industrial enterprises are not to languish for want of their essential energy requirements.

Among the decisions reached at the Conference, mention must be made of the West Bengal Government's readiness to take over the cold storage plant at Kanainstal, with a capacity for preserving 17,500 maunds of agricultural produce, the spun pipe factory at Durgapur and the irrigation canals under the barrage. The Canal system which has a total mileage of 1,555, will be transferred for maintenance and operation to the West Bengal Government on 15th December 1959. The Conference also decided to transfer gradually the D.V.C. headquarters from Calcutta to Panchet and Maithon. There has been some dissatisfaction in Bihar over the location of the headquarters at Calcutta, though certain subsidiary offices have been located in Ranhi (Bihar). The transfer of the headquarters is expected to be completed by 1962. Yet another important decision was that the Corporation was urged to formulate a concrete programme of soil conservation measures on the basis of an annual allotment of Rs. 40 lakhs. Presumably, the allocation of funds on D.V.C. projects among West Bengal and Bihar and the Centre came up for discussion at the Conference. For Dr. B. C. Roy, W. Bengal's Chief Minister, revealed the other day at Calcutta that the whole question would be examined afresh by the Chief Justice of India and his award would be binding on the parties concerned.

The Government has announced its decision on the question of the reconstitution of the D.V.C. Board. It may be recalled that the Government acquired in December 1957 powers to appoint a Chairman and members on wholetime or on a part-time basis in accordance with the state of work of the Corporation. In April 1958, the Board was reconstituted with Mr. J. P. L. Shenoy as a wholetime Chairman and Messrs. A. B. Ganguli and T. B. Singh as part-time members. The Government then announced that the position would be reviewed at the end of one year. Such a review has revealed that the Panchet hill dam and the Durgapur canal system have been completed and substantial progress has been made at Durgapur thermal station and the fourth unit at Bokaro. The Government, therefore, feels that it is no longer necessary to have a wholetime chairman. Accordingly, it has decided that the executive functions of the Corporation will be concentrated in the Secretary-*cum*-Chief Executive Officer, Mr. U. K. Ghosal. It has also decided to appoint a non-official of high standing as part-time Chairman; pending this appointment, the Secretary to the Ministry of Irrigation and Power has been appointed part-time Chairman for a period of three months. The terms of the two part-time members have, however, been extended for a period of two years.

PRODUCTIVITY

"Productivity is practically a synonym for progress. For us it means not merely progress but survival." In these two short sentences, Mr. G. L. Nanda, Union Minister for Labour, Planning and Employment, admirably summed up the significance and importance of higher productivity to India. Speaking of productivity in its larger economic context, at the first annual meeting of the National Productivity Council, which was inaugurated by Prime Minister Nehru on the 11th inst. at New Delhi, Mr. Nanda pointed out that, in the long run, productivity made possible increased employment opportunities so necessary to take the burden of numbers off the land. Productivity, he pointed out, was no new concept. What made it new was its greatly broadened scope. This was also what made it a movement and had helped create a climate and given tone to current thinking on the subject.

There has of late been a keen awareness of the importance of productivity for economic development. Higher productivity, it is common knowledge, leads to a reduction in cost of production, which enables sales at lower prices, which, in turn, expand markets, enabling the goods to compete effectively in world markets. It yields more wages to the workers, means shorter working hours and greater leisure for them. In fact, as Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, pointed out, the strength of a country, the prosperity of its economy, standards of living of the people and the wealth of the nation are very largely determined by the extent and measure of its production and productivity.

While productivity is generally recognised as a factor in promoting higher production and better standards of living, not many seem to be aware of the actual contribution it has made to the economic progress of some of the advanced countries of the West. The remarkable growth of the U.S. economy in the past 100 years, for instance, has been the result far more of improvement in productivity than of increases in the stock of capital. Professor Moses Abramovitz's study for the U.S. National Bureau of Economic Research has shown that, between 1869-78 and 1944-53, net *per capita* output in the U.S. would have increased by only 14 per cent. if productivity had remained the same and if the country had only had the use of the additional capital which savings had made possible. But, actually, productivity of a representative group of resources increased by about 250 per cent. over the period. There is no reason why the same conclusion should not be equally, if not more, valid for underdeveloped countries.

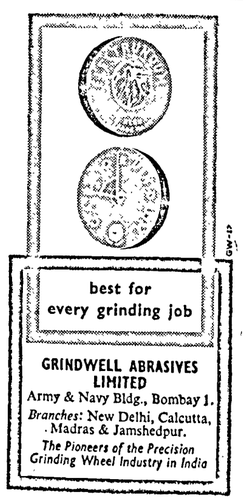
Appropriately enough, the importance of productivity for rapid economic growth was underlined by all the speakers at the aforesaid conference. Mr. Nehru, in his inaugural address, laid particular stress on increasing productivity for reducing the cost of production of export goods. This consideration, he pointed out, was likely to be overlooked in a country like India where there was an abundance of cheap labour. But it was forcing itself on us as a result of competition from abroad.

Productivity and wages have a definite correlation. Improvements in the former are almost invariably followed by a demand for higher wages. Mr. Nehru did well to emphasise that, though demand for higher wages as a result of increased productivity was justified in certain cases, it would, if conceded all along the line, dry up the surpluses that might accrue as a result of productivity measures. At the same time, he pointed out that the importance of incentives for combating the inertia among workers should not be overlooked. It should not be difficult to strike a happy medium between the two if a scientific approach is made to the problem.

It is obvious that the productivity movement, if it is to succeed, should be based on popular appeal. This means obtaining the willing co-operation of the workers. The National Productivity Council, which was established last year, with a view to launching a movement of higher productivity in the country, could do a lot in the matter. During the first year of its existence, the Council has tried to generate an appropriate climate for the introduction of various productivity techniques categorised under the broad headings of scientific management, industrial engineering and industrial relations. Through the media of publications, exhibitions, audio-visual activities and technical enquiry service, it is seeking to create a demand within the industries to know more about productivity techniques. An extensive programme of training has been prepared for providing training in various subjects of productivity to suit all the different levels of management down to supervisors and foremen. Technical exchange is being promoted, and research in subjects of productivity is planned. These activities have been initiated by the Council with the help of funds provided by the Government of India, and the U.S. Technical Co-operation Mission. The I.L.O. has also rendered valuable assistance by furnishing productivity experts who are assisting the training programmes.

With the help of this aid, the Council has worked out a programme for sending study teams abroad for making intensive studies in general subjects of productivity as well as in specific subjects. Trainees will also be sent abroad for training in subjects of industrial management, industrial engineering and industrial relations. The Council has taken up the task of promoting the establishment of local productivity councils in industrial centres. The local councils are patterned on the same model as the National Council. Seven councils have so far been established, one each at Bombay, Madras, Bangalore, Coimbatore, Kolhapur, Delhi and Kerala. Councils will shortly be registered at Kanpur, Faridabad, Baroda, Ludhiana, Calcutta and Amritsar. At about 20 other places preparatory steps have already been taken for establishing local councils. It is expected that, in the next few months, an adequate network of these councils will be established. Through these councils, the productivity drive will be carried to the plants.

The scope of the National Productivity Council and local councils could be further expanded to cover all spheres of the nation's economy. Initially, however, the National Council has decided to limit its activities only to industries. In this sphere, however, its activities cover the large-scale, medium and small industries in both the public and private sectors. Particular attention is being paid to small-scale industries.



STORAGE OF FOODGRAINS

For an agricultural country like India, storage of foodgrains is an important problem. Total production of foodgrains in this country aggregates, on an average, over 65 million tons annually. A sizable quantity is also imported. Last year, the total quantity of foodgrains imported amounted to about 3.2 million tons. The second Plan has laid down an annual production target of 80.5 million tons to be attained by the end of the Plan period. Although the surplus available out of this for storage for long periods is not much, a considerable quantity has to be stored for short periods before being distributed. Proper storage and inspection of foodgrains are necessary for their preservation and to avoid wastage.

Some useful suggestions for improving the storage and inspection of foodgrains and related matters were made by the four-man team sent by the Union Ministry of Agriculture at the invitation of the U.S. Department of Agriculture to study the methods of storage and inspection of grains in the U.S. The team, which was headed by Mr. C. A. Ramakrisnan, Director General of Food, Ministry of Food and Agriculture, in its report to the Government of India, has recommended that steps should be taken to improve the system of inspection of grains in storage and that farmers should be encouraged to adopt improved methods of storage, with a view to avoiding storage loss and preserving the quality of the grain.

The team feels that, on account of the differences in the conditions between the U.S. and India, some of the characteristic features of U.S. farming and storage hardly apply to India. For instance, there is no need in India, according to it, to use machines and appliances on the farm and in storage depots which are primarily aimed at reducing human labour. Similarly, the scope for large and mechanised silos is also restricted in India, inasmuch as the quantity of grain available for public storage in bulk is not very large, turnover is much quicker and the centres of storage are more numerous and more scattered.

Indian farmers, it is suggested, should be encouraged to take an intelligent interest in the characteristics of wheat, like protein content, so that the quality of wheat produced could be improved. The need for encouraging flour mills in India to establish their own laboratories for conducting tests of wheat and wheat flour and for undertaking campaigns for publicising the numerous uses to which wheat products can be put such as manufacture of bread, cakes, pastries, noodles, etc., has also been emphasised. The team has recommended that competent and experienced bakers should be sent to the Baking Institute of the U.S.A. for advanced training in baking.

The team has made some suggestions in the matter of purchases of wheat from the U.S. According to it, as far as possible, only wheat with less moisture content and lesser refraction than the maximum allowed by the U.S. grade specifications should be purchased by India. Wheat in the farms and elevators in the U.S. has generally moisture content below 12 per cent., as against the 14 per cent. allowed by the U.S. grade specifications. A reduction of one or two per cent. in moisture content in the wheat supplied to India would, according to the team, mean savings to that extent in the cost of the wheat and freight rate. The amount thus saved, it is pointed out, can be utilised in buying better quality wheat. Since India is importing large quantities of wheat, it is worthwhile to consider how much saving can thus be effected.

U. S. AID TO PAKISTAN

The way in which the U.S. International Co-operation Administration has handled the aid programme in respect of Pakistan has come in for severe criticism at the hands of the General Accounting Office, the G.A.O., for short, of the U.S. Government. The amount actually involved under the programme during the period 1952 to 1957 aggregated as much as Rs. 287.50 crores ($604 million), including surplus agricultural products. The aid, says the G.A.O., has been more costly and less beneficial than it should have been. The four serious deficiencies pointed out by the Office in the administration of the aid programme may be summed up as follows:

1. Assistance has been given beyond the technical and financial capacity of the country to absorb.

2. The aid efforts have been spread over a very wide range of projects, thereby rendering effective administration difficult, if not impossible.

3. Too many projects are initiated, planning is insufficient, money is obligated prematurely and equipment is not effectively used.

4. There is considerable lack of co-ordination. The irrigation pumps procured by the I.C.A. at a cost of $650,000, for example, have remained unused, and expensive earth-moving and transport equipment financed by the U.S. have been idle.

These deficiencies in the administration of the U.S. aid to Pakistan are bad enough. But what is worse is the alleged "malpractices" of Pakistani officials and business men which have caused losses in the commodity import programme. Special mention is made of the resale of import licences to unauthorised parties and the use of political influence in obtaining licences. Such malpractices, if they are not curbed, will surely rob the aid programme of its grace from the point of view of not only the giver but also the receiver. One would certainly want to know as to why the U.S. International Co-operation Administration denied the G.A.O. "access" to its special study of the Pakistan programme of 1957. Was it because the study revealed Pakistan in more unfavourable light than the aforesaid observations do?

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WEST EUROPE'S ECONOMY

It is on a note of "moderate optimism" that the U.N. Economic Commission for Europe (E.C.E.) records, in its latest annual survey (*Economic Survey of Europe in* 1958. Price: $2.50), the recent trends in the economy of seventeen West European countries. A significant conclusion arrived at by the Commission is that the relaxation of some official restraints and the adoption of certain—though, in most cases, still cautious—measures to stimulate demand in Western Europe, the reduction in the stocks of many raw materials, and the progress of economic recovery in the U.S. have already contributed towards creating an improvement in the economic climate in recent months. The favourable factors in the present situation include, first, a slowing down of wage increases and moderation shown in wage claims, secondly, achievement of price stability in the majority of West European countries, and, thirdly, improvements in most countries' foreign exchange reserves.

The Commission's review of the economic situation in Western Europe reveals a rise in industrial production, better labour market conditions, high consumer incomes and expenditures, strengthening of balance of payments position, continued inflow of foreign capital and aid, and easing of conditions in money and capital markets. The last mentioned factor is said to be primarily responsible for reviving economic activity. But, it contains a warning that the mere lowering of interest rates and more ample supply of credit cannot be expected to induce a quick revival of demand for industrial investment, except, perhaps, for replacement and modernisation or for long-maturing projects intended to meet growing final demand in the most distant future. The Commission does not expect any marked spontaneous revival of private industrial investment in the short run. This view is based on the grounds that renewed expansion of aggregate demand or of a change in expectations is absent and that excess capacity exists over a wide range of industries in many countries. The Commission is, of course, not pessimistic about the future. On the contrary, it is quite optimistic, as witness its remarks:

"Once the economic climate changes, whether in response to tangible evidence of an upturn and in anticipation of Government measures taking effect, or simply as a result of imponderables affecting business men's expectations, the existence of excess capacities will probably no longer prevent *entrepreneurs* from raising their investment targets again. In such circumstances, the present opportunity for cheap and ample finance should be used much more extensively than has been the case so far, though it may, of course, be expected to exert its main influence outside industry proper —on the construction of dwellings and long-term infra-structure investments. In addition, there exists the incentive to invest in order to introduce new techniques and new products; and, even if total final demand does not rise rapidly, any appreciable change in its structure may induce larger investments in expanding fields, which then, in turn, may accelerate the growth of total demand. Progress towards the full establishment of the Common Market of the E.E.C. may be expected to stimulate such structural changes."

As for long-term prospects, the Commission's assessment is divided into two parts. The first part relates to countries with smaller additions to labour supply. Industrial expansion in these countries will increasingly depend on a deepening of the capital structure, designed primarily to raise productivity rather than to provide additional employment opportunities. The second part pertains to countries where larger additions to labour force will occur in the next few years and/or where unemployment is high. Emphasis is laid on the need for widening investment for creating new jobs.

The Commission has done well to draw pointed attention to the virtual abandonment in Western Europe of attempts to insulate national economies from external developments and the general reliance on monetary and fiscal policies to maintain both external and internal balance which, as it rightly avers, call even more urgently than did past practices for international harmonisation of policy objectives and measures. It has also done well to stress the imperative necessity for ensuring balanced and relatively rapid growth without violent changes in the pattern of expansion. Describing this as "the main requirements of economic policy," the Commission observes:

"Even assuming that the cause and the nature of any strains in the economy can be quickly identified, the success of counteracting measures may well depend on their selectivity... Even if a steady and balanced growth can be ensured by appropriate policies, the question remains whether such growth at high levels of employment can be achieved without cost and price inflation.... The need is for arrangements both to hold the general rise of wages within the limits required for the attainment of overall price stability and to strike a balance between the two objectives: to spread the benefits of productivity advances to all groups and to promote the adjustment of labour supply to demand through the inducement provided by wage differentials. Such an arrangement would imply price falls in sectors where productivity rose fastest and price rises in some others. Such sectors where productivity rises only slowly when faced with rising wage-costs will be under pressure to rationalise faster. But the wage discipline necessary for such arrangements to operate successfully could only be expected, if a corresponding restraint were also exercised by *entrepreneurs* in their price policies. To encourage this, the increased competition from imported goods resulting from trade liberalisation could well be supplemented by measures—such are, in fact, being introduced or extended in a number of countries—to limit monopolistic practices and by campaigns to make buyers more price-conscious. If conditions more conducive to expansion at high levels of employment with price stability cannot be achieved by the means suggested above, the need will be the more urgent both for consideration of means of averting the more unfortunate social consequences of price inflation within a country and for international co-operation in mitigating the effects of balance of payments strains due to disparate rates of cost-price inflation from one country to another."

There is considerable force in the aforesaid observations which, though they are addressed to the West European countries, are pertinent to India also to some extent. A careful perusal of the E.C.E's Survey by both planners and the powers-that-be will bring out a very important lesson—that of bestowing utmost care and attention on the need for avoiding excess pressure on resources and continued wage and price increases.

The new coal washery, set up by the National Coal Development Corporation at Kargali, was opened by the Union Home Minister, Mr. Govind Ballabh Pant, on the 15th inst. The washery will supply 1.1 million tons of washed coal to Rourkela and 500,000 tons to Bhilai. Said to be the largest composite unit in Asia, it will help in conserving the metallurgical coal resources of India which are limited. The work of installation of the washery was entrusted to a Japanese firm. The total cost of the project, including the ancillary services, is Rs. 2.38 crores. The annual requirements of washed coal for the three steel plants in the public sector and the expanded steel plants in the private sector are estimated at 8.27 million tons. There are at present three washeries which, with certain improvements, will supply 1.2 million tons of washed coal. Three new washeries, one each in Dugda, Bhojudih and Patherdih, all in the Jharia coalfields, will be set up to meet the requirements of all the steel plants.

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TARGET FOR FOOD PRODUCTION IN THIRD PLAN

FORD TEAM'S SUGGESTION EXAMINED

From Our Special Correspondent

NEW DELHI, 14*th April*

THANKS to the initiative taken by the Ford Foundation in India, a twelve-man team of agricultural experts from the United States has been in the country in recent months to assist the Planning Commission's Working Group on Agriculture in formulating a national programme for increasing food production. The more important findings and recommendations of the Team are critically examined in this despatch in the light of some relevant facts. In the first place, the Team has confirmed that the provisionally-suggested target of production of 110 million tons of foodgrains by the end of the Third Plan is reasonable. In accepting this target as possibly attainable, the Team has given the further finding that the current rate of foodgrains production in India must be tripled in the Third Plan period.

DELHI LETTER

The question of determining a realistic target is much too crucial to be disposed of without some close examination. Some relevant points in this connection are:

Neither the Second Plan's original target of 75 million tons nor its revised target of 80.5 million tons fixed for 1960-61 may in fact be attained. If the 1958-59 level of foodgrains production which is estimated at about 70 million tons comes to be bettered in the last two years of the Second Plan, the improvement may still not be more than 2 or 3 million tons. In which case, only about half the revised target of *additional* foodgrains production (15.5 million tons) will have been achieved. If, in the circumstances, the Third Plan target of *additional* foodgrains production over and above the 1960-61 level of production (which may be reasonably assumed as 72.5 or 73.0 million tons) becomes 37.5 million tons. the present rate of production will have to increase fivefold by 1965-66, instead of threefold as the Team has figured out on the basis of the Second Plan's target.

An *additional* foodgrains production of 37.5 million tons by 1965-66 does not appear to be a feasible proposition for two important reasons. One is that there will have to be, in financial terms, anything from four to five times the Second Plan's outlay on agriculture and irrigation. And the other is that even if resources could be found on such a scale for foodgrains production, it could only be at the expense of commercial crops like cotton, jute, sugarcane, oilseeds, etc., the production of which, too, would have to be increased *pari passu* with the increase in population.

Another relevant point is that the *per capita net* availability of foodgrains after allowing for seed requirements and wastage and including imports to the tune of about 3 million tons was 14.4 ounces per day in 1958. Although at this level of food availability there should have been, as always. some under-nourishment, there was no acute shortage bordering on famine conditions. A higher level of foodgrains consumption for partially relieving under-nourishment could be at 16 ounces per head per day. For the estimated population in 1965-66 a *per capita* net availability of 16 oz. per day, with imports eliminated, would involve a total foodgrains production of 87.5 million tons covering both consumption needs and seed requirements. A possible target at that level for the Third Plan would represent a doubling of the *additional* foodgrains production that may be actually achieved by the end of the Second Plan. This target would, in the writer's opinion, be realistic in the light of present achievement and of the likely resources that will be available.

The Team's finding that a ninefold increase in the supplies of nitrogenous fertilisers and a still larger increase in the supplies of other chemical fertilisers has ignored the possibilities of extensive green manuring. It merely confirms the estimates of the Food and Agriculture Department. The financial implications of the Team's recommendation that top priority should be given to the production and procurement of fertilisers would be enormous by way of foreign exchange and rupee resources required for establishing probably 20 fertiliser factories of the size of Sindhri. Any such grandiose development may have to be ruled out as unlikely. This in turn would mean that the intensive use of fertilisers in selected irrigated areas recommended by the Team for maximum results cannot take place on any substantial scale. This, again, would mean that a realistic target for foodgrains production has to be much smaller than what the Planning Commission's Working Group has suggested and the American Expert Team has confirmed.

The Team's recommendation that the question of land ceilings should be settled very soon has ignored the relevant consideration as to what, on the average, should be the optimum size of a holding that would be consistent with the objective of maximisation of production. In Madras, it has been suggested by the State's Revenue Minister that it should be 100 acres, of which a fifth would be irrigated land. The Planning Commission, it is learnt. would not generally agree to a higher ceiling than 30 acres. The size of the possible ceiling is most crucial, because, if it is fixed, on the average, at 100 acres, the existing substantial holdings which are predominantly (to the extent of about 85 per cent.) owner-cultivated will be mostly intact. In such a situation, maximisation of production on such holdings would be easier for obvious reasons. If the ceiling comes to be fixed at a low level, the chances are that it will militate against the very objective of maximisation of production which the Ford Foundation's Expert Team has set before itself.

MODERNISATION OF TEXTILE MILLS

The National Industrial Development Corporation has approved of a new scheme for speeding up the pace of modernisation and rehabilitation of cotton textile and jute mills. According to the scheme, the N.I.D.C. will offer short-term assistance to cotton textile and jute mills for installation of new machinery for replacing old and worn out machinery in the mills. This scheme will, however, apply only to purchase of machinery manufactured in this country.

Any cotton textile or jute mill intending to install new machinery manufactured in India will deposit 25 per cent. of the total amount of the cost of machinery with the N.I.D.C., which will make the machinery available to the mills. The balance of 75 per cent. will be payable in five equal annual instalments and the rate of interest will be 6 per cent. The Managing Agents or two Directors of the Mill will have also to guarantee the repayment of the balance amount to the N.I.D.C. In case mills are prepared to pay 40 per cent. of the total amount in advance to the N.I.D.C., such a guarantee will not be necessary.

This scheme has been principally formulated for assisting the modernisation of cotton textile mills for which a very large portion of machinery is manufactured in this country.

The N.I.D.C. has already been granting loans for installation of new machinery for modernisation and rehabilitation. These loans are repayable in fifteen annual instalments. Loans totalling over Rs. 7½ crores have so far been sanctioned to different cotton and jute mills for modernisation and rehabilitation. Over 60 per cent. of the jute mills have been modernised in the last few years through the help of the N.I.D.C. as well as through the resources of the jute mills themselves. In the cotton textile mills, modernisation is going ahead and the new scheme is expected to further assist in quickening the pace. The scheme will also help the manufacturers of cotton textile and jute machinery in finding a ready market.

ASSIGNMENT BUDGET

From Our Own Correspondent

LONDON, 10*th April*

THE Chancellor of the Exchequer tried to combine in this week's Budget putting additional purchasing power in the hands of the public, encouraging investment by industry and at the same time not giving an impression of encouraging inflation.

The year 1958-59 finished with a surplus of £377 million and the estimates for the year just commencing show that surplus will increase slightly to £397 million. The Chancellor decided to give most of this last sum away and leave himself with a surplus of only £102 million. The interest of the Budget from the point of view of the consumer and the investment spender lay, of course, in the Chancellor's proposals for giving away the sum of nearly £300 million.

LONDON LETTER

The major gift was a tax reduction at all stages of income-tax, in particular 9d. in the pound off the basic or standard rate, and this cost nearly £200 million. The remaining third of the Chancellor's gift went in reductions in indirect taxation, in particular the varying rates of tax charged on a wide range of consumer goods known as purchase tax, the tax on beer and some minor reliefs. Part of these taxation remissions went to industry in the form of allowances from taxation in respect of expenditure on new plant and machinery. The practical effect of this particular relief is to give a gift to industry of freedom from taxation of one-fifth of the total amount of capital expenditure *in addition* to the writing off of the whole of the expenditure over a period of years.

The reductions in income-tax have been welcomed by everybody except the lowest bracket earners who pay very little and the Chancellor's 2d. off beer is not regarded as adequate compensation by the 60 per cent. of the nation who are alleged not to drink beer anyway. They cannot even find much solace in the reductions in purchase tax which have been applied only to the highest rates of tax (e.g., the top rate on luxury articles is now reduced from 60 per cent. to 50 per cent.), and worthwhile savings can only be made by the purchasers of motor cars, jewellery, fur coats and the more expensive items of domestic equipment. The purchase tax of 5 per cent. on a wide range of everyday domestic equipment remains, and it is a fair criticism to say that he would have done a lot more good to more people and saved a great deal of administrative cost in business and the Civil Service if he had wiped out these trivial taxes. One can only imagine that he must have been advised not to do it on the ground that, if the reflationary machine should later have to be put into reverse, it is much easier to push up taxation from, say 5 per cent. to 10 per cent., than introduce new taxation on untaxed goods. There is no more specious argument in public administration.

But the Chancellor does not only have to look at the Budget balance between ordinary income and expenditure, he must also look at the Government's investment programme. Doing this, the Chancellor said that, although in the year just finished he had shown a budget surplus of £377 million, he had had outgoing to local authorities, colonial loans, nationalised industries, export credits and so on, to a net figure of £559 million. On balance, therefore, even last year the Government was out of pocket to the tune of £182 million.

In the current year, he estimates that Government capital expenditure will rise by some £200 million to a total of £752 million. On top of that, he is proposing to pay about £70 million in reimbursement of "post-war credits". These were sums of super-taxation levied during the war under a plan of Lord Keynes with the promise that some day they would be repaid. Repayments are now being made to taxpayers over 65 and the Chancellor is proposing to lower the age at which the repayment should be made, as well as to pay interest on the capital sums outstanding. If from these outgoings is deducted the remaining budget surplus of £102 million, there is a net Government deficit of £720 million, i.e., £540 million more than in the year just finished.

That then is the measure of the Chancellor's reflationary dose—£540 million. It is not, of course, the measure of the reflationary dose which the nation will receive, because it takes no account of additional money spent by industry or made available by the banking system to the Government's contribution.

Because the Chancellor has given such substantial relief in taxation this year, and since he could have done it last year, but did not, the Opposition are able to characterise his Budget as an assignment with the General Election!—*All Rights Reserved.*

AMERICAN LETTER

U.S. CITIZENS ARE IN SPENDING MOOD

MANY ARE CONCERNED OVER BOOM IN WALL STREET

From A Special Correspondent

NEW YORK, 10*th April*

DESPITE inclement weather, the American public has been in an unexpected spending mood. Retail buying at Easter, as measured by department store sales, was 7 per cent. higher than last year and only 2 per cent. below the record Christmas volume of last December.

Most of the buying went into soft goods rather than capital goods and appliances. Retail behaviour is one of the unpredictable factors in the United States economy. An upswing in buying is, usually, interpreted as an optimistic mood which generates optimism all the way to manufacturers who have to adjust their inventory positions.

The basic factor behind this public spending is rising personal income. This covers a multitude of factors, including unemployment insurance payments and higher social security payments which became effective earlier this year. Some of these are the new "built-in stabilisers" of the budding U.S. Welfare State.

Personal income, as reported in March, was running at an annual rate of $364,500 million, as compared with $347,500 million twelve months previously. It is an impressive gain in the face of nearly 4.8 million unemployed, against 5,173 million a year ago. Employment was 62.7 million, against 61.9 million in the same period of 1958.

Change in Fashion

There has been a better tone in textiles and apparel. New styles for women again favour a natural waistline, unlike the sack and chemise fashion of last year which ruined a good many businesses, because of lack of consumer acceptance. In this general picture, it may also be noted that the number of marriages in the early part of this year was about 5.5 per cent. higher than in 1958.

Automobile dealers had a good month in March. About half a million new cars were sold last month. Used autos, too, were in good demand. The result is that discounts from list prices on new cars has declined about 3 per cent. since last November.

Registration of new businesses was also considerably higher than a year ago. As reported at the end of March, 15,758 new companies were incorporated in the preceding month, as compared with 10,466 in the like 1958 period.

Money Supply

The U.S. money supply is now at 128 per cent. of the 1947-49 average of 100 per cent. and the activity in the turnover of bank deposits has reached about 150 per cent. of the same base. All these are indicators of good business.

Credit is getting somewhat tighter. Insiders expect another rise in the discount rate by the Federal Reserve Banks. In recent weeks, the spectacular rise in stock prices has been halted as yields on equities reached ridiculously low levels in relation to bonds. An outstanding example is International Business Machines. This stock yields about 1 per cent. Yet, it is in great demand by investment managers because of its alleged "growth" features.

The threat of a prolonged steel strike later this year is very much on the mind of the business community. There is also the possibility of other walk-outs in major industries in 1959. It is too early to tell what will happen eventually.

Along with increased retail buying, there has also been a boost in consumer instalment debt. The gain was $333 million in February. It contrasted with a reduction of $167 million in February 1958. It brought instalment credit outstanding to $473 million above year-earlier levels. New auto credit continued to be a major factor.

Building contract awards set a new high in March. They rose 18 per cent. above a year ago to $2,300 million. Stepped-up home building provided much of the push. Significantly, industrial building contracts increased for the first time since the recession.

The strongest upsurge was in housing. Dwelling contracts jumped 44 per cent. from a year ago to 85,000 units and the dollar volume was up 48 per cent. to more than $1,000 million. Heavy engineering contracts increased 11 per cent. with most types of heavy work showing gains.

The ailing railroad industry has been helped also by greater business activity. Rail shipments in the second quarter are estimated by the Regional Advisory Boards at 6.3 million cars which would be 12.4 per cent. above the same 1958 period. Total loadings through March 21 were 5.9 per cent. ahead of a year ago.

Business Looking Up

The National Association of Purchasing Agents, which usually makes quite accurate forecasts, says that overall business conditions are improving irregularly. Capital goods industries are seeking new orders and there is general agreement that improvement will continue through the second quarter of the year.

But, with or without a steel strike, there is much concern about the effect the current buying spree will have on business in the third quarter. About 48 per cent. of the Association's members reported increases in new orders in March, while 44 per cent. listed no change and 8 per cent. showed declines. Production also was boosted as 47 per cent. attained more output, 46 per cent. were unchanged and 7 per cent. declined.

Wall Street

There is much soul searching in Wall Street these days. This is not because the market is high in terms of averages, but because there have been periods of intense speculation not only in low-priced equities, but also in so-called "glamour" stocks, owing to their alleged potential growth which is as yet unproven.

Warnings, or rather cautionary statements have been issued by the Securities and Exchange Commission, by G. Keith Funston, President of the New York Stock Exchange and by other leaders in the industry. Popular interest in securities is illustrated by the fact that, in the first quarter of the year, salesmen, registered in this business, have increased at the rate of more than 3,300 a month. This compares with 2,000 a month in the first quarter of 1958.

Several larger brokerage houses have spent their own money on expensive advertisements in the daily papers highlighting such themes as "A Matter of Some Concern," or "More Reasons for Caution," or "What Every Investor Should Know About Today's Stock Market."

This is quite encouraging. Leaders in the industry show true public responsibility. Unfortunately, this is not uniform. There are still many "boiler rooms" in Wall Street staffed by irresponsible telephone salesmen who use every ancient trick known to mankind to sell their wares for the sake of commissions and without regard to inherent values.

The Federal Reserve Board also got in the act by asking brokers for suggestions on a proposed further tightening of credit in the stock market. Present margin requirements are 90 per cent.—*All Rights Reserved.*

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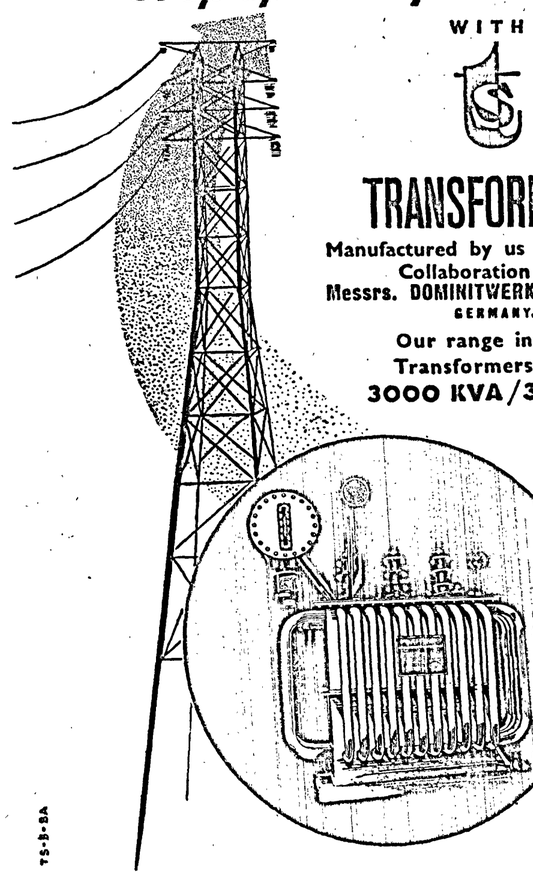

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RECENT TRENDS IN INDIAN BANKING—I

RESERVE BANK EXERCISES GREATER CONTROL THAN BEFORE

By D. Bright Singh, M.A., Ph.D.
READER IN ECONOMICS, MADRAS UNIVERSITY

THE growth of financial and monetary institutions of a country is closely bound up with the progress of its economy. The development of agriculture, industry, trade, transport and commerce requires an adequate supply of financial resources and credit facilities which can be provided by banks or other special institutions. The expansion in the activities of these agencies in turn depends on the prospects of economic advancement. At the same time, economic backwardness of a country is reflected in the underdeveloped state of its monetary institutions. In these countries, the preference for cash transactions, the paucity of trade bills, the generally conservative attitude of banks to industry and the tendency on the part of commercial banks to maintain large excess reserves with the central bank considerably restrict the scope of the usual weapons of control in the hands of the central banking institution. The financial contact between the central bank and the commercial banks is not close and, therefore, it becomes difficult for the former to implement any monetary policy effectively.

It is, however, neither possible nor desirable to lay down any fixed pattern of development of banking institutions as an ideal one in a growing economy. Much depends on the nature of the economy, habits of the people, tradition and the ideology of the Government. Obviously, the type of financial and banking institutions which are necessary and which fit in well in the economy of a country where there is considerable scope for free enterprise and where the activity of the public sector is narrowly restricted will not be so in another country where the organisational set up of the economy is different. The hall-marks of a good and progressive monetary system which one generally has in one's mind are associated with the institutions which have developed in the course of the last two centuries or so in some of the modern highly advanced countries in circumstances so different from that which obtain in the underdeveloped countries of today. In the former group of countries, growth of banking was, to a large extent, a spontaneous one, developing in step with agriculture, industry and trade of the country through private enterprise. It is not possible now for the underdeveloped countries to wait for such spontaneous growth to take place. Since it has become obligatory on the part of the Governments in these countries to accelerate the pace of economic development through Government enterprise and investment, the responsibility of determining the shape and form of the financial system that would adequately meet the special needs of such economies has, to an equal extent, devolved on them.

Lines of Progress

If the economic objectives of a planned economy are known, it is possible to indicate in broad outline the pattern of development for its financial and banking institutions. The Indian Five-year Plans aim at bringing about a rapid increase in national income through the development of agriculture and all types of industries, small, medium and large-scale, expansion of the public sector in industry and the attainment of a socialist pattern of society. In conformity with these requirements, three lines of development in the banking sphere can be indicated. In the first place, the banking system should be really amenable to control by a central agency. The commercial banks should not merely be passive purveyors of credit but should be active agencies to promote the particular patterns of investments conceived by the Planning Authority. Furthermore, the monetary and financial problems that arise in a developing economy can be satisfactorily solved only if the central bank has as close a control over the operations of the commercial banks as possible. Secondly, in so far as Government envisages large public investment outlays and expansion of the public sector, leading to the establishment of a socialistic pattern of society, it is necessary that Government has some real control over the banking system of the country. Thirdly, since economic growth requires larger savings and the proper mobilisation of such savings, it is of the greatest importance that banking habit among the people is fostered and banking facilities extended especially to those regions of the country where they are not available now and where, as a result of the recent economic developments, the savings potential has considerably increased.

Against the background of these requirements, it is worthwhile examining the recent trends in banking in India. In the last few years, there has been a growing integration of the banking system and the Reserve Bank's control over the joint-stock banks in the country is becoming more and more effective. This welcome trend has been due partly to the force of circumstances, and partly to the measures adopted by the Reserve Bank by making good use of the opportunities of control presented by these circumstances. The significance of these factors may be briefly explained.

Demand for Credit

The rise in the level of economic activity in both the public and private sectors has brought about an increasing demand for bank accommodation. In the years during the Second World War, and in the early post-war years, there was considerable increase in bank deposits and, since outlets for private investment were severely restricted, there was a large accumulation of liquid balances. The position has completely changed in the last few years. The trend in bank advances and deposits since the commencement of the First Five-year Plan falls into three distinct phases reflecting the combined effect of the Reserve Bank's monetary policy, budgetary deficits, balance of payments position and the level of economic activity in the country. In the first three years of the First Five-year Plan, there was a decline in bank advances, though net deposits slightly increased. The decline in bank advances was halted in 1954 and, since then and up to 1957, there was a marked expansion in bank credit. This phase synchronises with the end of the First Plan and the beginning of the Second Plan—a period marked by considerable increase in Government investment and large deficit financing. Against the rising credit needs of a developing economy, the rate of deposit expansion slowed down, resulting in acute financial stringency. Since the middle of 1957 up to nearly the end of 1958, however, there was a marked deviation in the trend—deposits accumulating faster than bank advances.

The rapid increase in bank advances at a faster rate than deposits between the years 1954 and 1957 compelled the banks to draw more and more from their balances with the Reserve Bank and also to borrow more freely from the latter. And this trend was considerably reinforced by the measures taken by the Reserve Bank in 1951-52. The decision of the Reserve Bank late in 1951 not to buy Government securities for meeting the seasonal requirements of commercial banks, but to make only advances against Government and other approved securities at the Bank rate and the introduction of the Bill Market scheme not only forced the banks to approach the Reserve Bank for funds but also facilitated their getting accommodation from the central bank. The Reserve Bank thus acquired greater control over the commercial banks, and the opportunity to scrutinise the loan applications of commercial banks helped it to control or prevent non-essential borrowing. Subsequent extension of the Bill Market facilities and the recent measure declaring certain types of export bills eligible for rediscounting have largely extended the scope of Reserve Banks control over commercial banks. This tendency on the part of the commercial banks to rely increasingly on the Reserve Bank for funds is seen in the steady rise in Reserve Banks advances to scheduled banks under Section 17(4) A and C. Simultaneously, the ratio of the scheduled banks cash in hand and balances with the Reserve Bank to total net deposits declined from about 11 per cent. before the commencement of the First Plan period to about 8 per cent. at the end of 1957. Also the excess of their balances over the statutory minimum steadily came down from Rs. 22.9 crores in 1951 to Rs. 10.1 crores in 1956. These changes indicate the pressure on bank funds, on the one hand, and the effectiveness of the measures to provide greater borrowing facilities by the Reserve Bank which made it unnecessary for the commercial banks to maintain a very high cash ratio.

Economic changes in the country have been responsible for bringing about other improvements in banking. One is the narrowing of the range of seasonal fluctuations in bank advances. While the peak level of advances in the busy seasons has steadily gone up, the lowest point reached in the slack seasons has risen at a faster rate. This is broadly the effect of the expansion of the economy, and increase in money supply. It may also be due to the fact that, while advances to industries with an agricultural base like cotton, jute and textiles have remained on the whole stationary or declined, advances to industries like coal mining, engineering, cement, etc. with a non-agricultural base have substantially increased in the last few years. Thus, of the total bank advances, cotton textiles accounted for 8.0 per cent. in 1951. The proportion rose to 10.6 per cent. in 1953 and 1954, declined to 7.7 per cent. in 1955 but again went up to 14.7 per cent. in October 1958. The proportion of advances to coal mining increased from 0.6 per cent. in 1951 to 1.2 per cent. in October 1958, that of engineering from 2.7 per cent. to 8.7 per cent. and cement from 0.1 per cent. to 1.6 per cent.

Pattern of Advances

The general pattern of bank advances has also undergone a slow change. The proportion of bank advances to industry has gradually increased at the expense of commerce. Industry claimed 33.5 per cent. of the bank advances in 1951 and commerce 52.8 per cent. In 1958, the former increased to 48 per cent. and the latter declined to 37 per cent. A similar shift in the

(*Continued on page 646*)

TABLE I
Progress Since 1951
(Rs. crores)

Year	Net deposits	Bank advances*	Percentage of advances to net deposits	Reserve Bank's advances to scheduled banks under section 17 (4) A and C	Cash in hand and balance with Reserve Bank	Excess of Balance over statutory minimum
1951	798.2	515.7	64.6	76.6	98.4	22.9
1952	791.5	454.4	57.4	245.7	86.0	18.3
1953	804.4	451.5	56.1	195.4	77.9	12.9
1954	886.2	511.7	57.7	336 2	85 0	17.1
1955	975.7	593 6	60 8	425.4	86.2	14.4
1956	1,052 5	744 9	70 8	903 8	87.7	10.1
1957	1,297.5	819.5	63.2	768 6	112 0	26.5
1958	1,502.1	893.3	59.5	390.6	123.1	30.4

* Bills purchased and discounted plus loans, advances, cash credits and overdrafts.

TABLE II
Change in Pattern
(Percentage to the total)

Year	Advances		Deposits			
	Industry	Commerce	Manufacturing concerns	Trading concerns	Personal	Government and quasi-Government
	%	%	%	%	%	%
1951	33.5	52 8	6 0	19 5	45 9	..
1952	35 1	46 7	5 3	18 9	47 0	7 6
1953	34 5	49 2	5 4	18.5	47.1	7 9
1954	34 3	49 9	5 4	18 0	45 0	9 3
1955	34 3	50 1	6 0	17 4	44 3	7.7
1956	38 5	47 6	5 9	15 9	45.4	10 4
1957 (October) ..	43 6	42 7	6.4	11.7	41.1	16.7
1958 (October) ..	47 9	37.6	..	..	..	..

NATIONAL AND GRINDLAYS BANK

SETBACK IN PROFIT

1958 constitutes the first year for the National and Grindlays Bank Ltd. (General Manager: Mr. W. Kerr, London) after the amalgamation of the National Bank of India Ltd. with its own subsidiary, Grindlays Bank Ltd. The name of the amalgamated bank was shortened from the National Overseas and Grindlays Bank Ltd. to its present form on 1st January 1959. The first year of operation of the amalgamated bank does not, however, seem to have proved profitable. The balance-sheet total has declined by £10.62 million to £151.41 million, following a drop of £7.69 million in current and other accounts and of £3.05 million in fixed and short deposits. On the assets side, there has been a sharp fall of £14.62 million in loans and advances.

The consolidated net profit has also declined by £55,783 to £371,707. This is on top of a small fall of £5,345 witnessed in 1957. This setback has not, however, affected the allocation to the premises account at £100,000. But the transfer to the contingencies reserve account has been cut from £80,000 to £30,000. The distribution to the shareholders is unchanged at 15 per cent. per annum, less income-tax, made up of two interim distributions of 7½ per cent. each.

Explaining the fall in profit Mr. J. K. Michie, Chairman of the Bank, observed in his statement to the shareholders, as follows:

"The reasons for the smaller profit figure are several. One which will be non-recurring is the inescapable expenditure in connection with the amalgamation, which, though limited by all possible means, was still considerable. Then, as will emerge from my remarks on our individual territories, apart from the ever-increasing competition which is a feature of banking in the East and in East and Central Africa—in some cases from growing indigenous banks and in others from new entrants in the field, or from both, in none of our territories were conditions more favourable for bankers and in most they were more difficult than in recent times."

There are reasons to believe that the Bank's business in India also must have suffered a shrinkage. For, thanks to the contraction in India's foreign trade, a good part of which used to be financed by foreign banks in India, the business of these banks suffered during 1958. Another adverse factor is the increasing competition from Indian banks for the available foreign exchange business. Referring to the position of foreign banks in India, Mr. Michie observed:

"The balance of payments position resulted in a distinct reduction of the amount of overseas business flowing through normal banking channels in 1958 and, in consequence, the exchange side of banking was and still is adversely affected. Indeed, this movement has been accentuated by the methods of purchase followed by the Government of India, as an increasing part of such business is being channelled through the State Bank of India, which, in other circumstances, would be spread over commercial banks in general. The growth of indigenous banking has always appeared to us to be both desirable and inevitable and our hope—until recently justified by events—has been that, though our share of banking would be smaller in percentage, it would not necessarily be so in volume."

The following table presents the salient features of the balance-sheets of the Bank as at the close of the last four years.

(In thousands of £'s sterling)

	As on 31st December			
	1958	1957	1956	1955
LIABILITIES (Main)				
Capital	2,852	2,852	2,852	2,852
Reserve funds	3,168	3,168	3,168	3,168
Unappropriated surplus ..	238	302	305	305
Current and other accounts ..	103,347	111,036	118,374	117,226
Fixed and short deposits ..	38,417	41,466	35,706	37,180
Bills payable	3,068	2,180	2,912	2,219
Loans payable	..	..	..	5,020
Acceptances for customers ..	146	600	450	916
ASSETS (Main)				
Cash balances	20,758	20,083	18,787	19,346
Investments	27,981	28,078	31,267	35,872
Bills of Exchange (including Treasury Bills)	28,504	23,636	22,629	23,241
Advances and loans	69,127	83,747	76,409	75,741
Fixed assets	3,841	3,314	2,927	2,567
Balance-sheet total	151,409	162,033	166,741	171,007

Note:—The statistics relating to the years 1956 and 1955 have been arrived at by adding the figures of the National Bank of India and Grindlays Bank.

During the year under review, there was a considerable improvement in the value of British Government securities. Consequently, the Bank was able to strengthen its inner reserves.

CANARA INDUSTRIAL AND BANKING SYNDICATE

FRESH CAPITAL TO BE ISSUED

AN expansion in turnover is indicated by the audited accounts of the Canara Industrial and Banking Syndicate Ltd. for the year ended 31st December 1958. The balance-sheet total at the end of the year shows a rise from Rs. 12.82 crores to Rs. 17.08 crores. The deposits have gone up by Rs. 2.80 crores, borrowings from other banks have risen by Rs. 1.31 crore, advances are up by Rs. 1.66 crore and the gross income has increased by Rs. 18.96 lakhs. The Bank has added no less than 11 offices to its list of branches. The expansion in turnover has not, however, brought about any rise in profit, which, on the contrary, is a share lower at Rs. 10.22 lakhs, as against Rs. 10.62 lakhs earned in 1957. Nevertheless, it is the second highest earned in the history of the Bank.

The provision for taxation is unchanged at Rs. 4 lakhs, while the allocation to various reserves has been reduced from Rs. 3.75 lakhs to Rs. 3.20 lakhs. The pattern of allocation has also been changed. Thus, whereas the transfer to the statutory reserve fund has been raised from Rs. 2.50 lakhs to Rs. 3 lakhs, no amount has been set aside to the contingency reserve and premises reserve fund, which had received Rs. 50,000 and Rs. 75,000, respectively, in the previous year. Instead, a sum of Rs. 20,000 has been added to the investment reserve fund. There has been an increase in the provision for bonus to staff from Rs. 80,000 to Rs. 1 lakh, evidently due to the increase in pay scales and the addition to branches. The distribution to the ordinary shareholders is unchanged at 15 per cent. per annum.

The progress of the Bank in recent years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount	74.11	56.47	42.72	32.91
Commission and exchange ..	5.05	4.52	4.53	3.96
Interest paid	35.49	25.01	17.08	13.11
Expenses	35.01	26.12	21.77	18.93
Depreciation	1.45	1.46	0.63	0.51
Profit	10.22	10 62	8.95	5.96
To provision for taxation ..	4.00	4.00	3.00	2.00
,, reserves	3.20	3.75	3.25	1.50
,, bonus to staff	1.00	0.80	0.75	0.60
Dividends—				
Preference	1.17	1.15	1.10	1.06
Ordinary	0.91	0.90	0.87	0.70
	(D. 10% +B. 5%)	(D. 10% +B. 5%)	(D. 10% +B. 5%)	(D. 10% +B. 2½%
Carry forward	0.13	0.19	0.17	0.19

	As on 31st December			
	1958	1957	1956	1955
Capital	28.96	28.47	27.81	26.76
Reserves	26.50	22.00	18.00	15.00
Deposits	13.11.30	10.31.07	8.46.18	6.67.03
Borrowings from other banks ..	1.50.00	25.00	24.00	52.56
Advances	8.00.63	6.34.41	5.11.02	3.93.78
Investments	6.09.72	3.84.10	3.42.55	3.07.71
Cash	1.39.33	1.14.00	98.25	81.06
Balance-sheet total	17,08.01	12,81.66	10,64.10	8,70.32
Ratio to deposits of—	%	%	%	%
Advances	61.1	61.5	60.5	59 1
Investments*	35.9	35.7	37.6	38 6
Cash	10.6	11.1	11.6	12.3

* Ratio arrived at after taking into account the investments earmarked against borrowings from other banks.

As will be seen from the above table, the income from interest and discount has gone up by Rs. 17.64 lakhs, thanks to the rise in the Bank's advances, and that from commission and exchange by about Rs. 53,000. "Interest paid" has risen by Rs. 10.48 lakhs following the expansion in time deposits and the hardening of interest rates during the year. Other expenses, too, are higher by Rs. 8.89 lakhs, of which salaries and allowances and provident fund alone account for Rs. 6.93 lakhs, consequent on the increase in salaries of staff, as a result of the application of 'B' class pay scales to them.

The paid-up capital of the Bank was increased during the year, by raising the paid-up value of the 5 per cent. preference shares of various denominations. The Directors have decided to increase the issued capital to Rs. 50 lakhs by a fresh issue of ordinary shares, as they feel that the time is now opportune because of the increase in deposits. The Bank's deposits have expanded by Rs. 2.80 crores. Fixed deposits have gone up by Rs. 1.87 crore to Rs. 8.69 crores, savings bank deposits by Rs. 45 lakhs to Rs. 2.37 crores and current and other accounts by Rs. 49 lakhs to Rs. 2.05 crores. The increased funds on account of a rise in deposits and the various restrictions on bank credit kept most of the Bank's funds unutilised for the greater part of the year. The Bank has, therefore, had to increase its investment portfolio, which over the year, shows a rise of Rs. 2.25 crores. With the commencement of the busy season towards the close of 1958, there was an increase in demand for bank credit—this is reflected in the rise of Rs. 1.66 crore in the Bank's advances. The Directors thought it better to meet this demand by borrowing rather than by liquidating a part of the Bank's investments. It will thus be seen that, over the year, the Bank's borrowings have risen from Rs. 23 lakhs to Rs. 1.56 crore. Of the investments, holdings in Government securities (at cost) account for Rs. 6.07 crores, the market value of the same being Rs. 6.08 crores.

INDIAN BANK'S DIVIDEND MAINTAINED

PROFIT, HOWEVER, LOWER

FOR the second year in succession, the profit of the Indian Bank Ltd. (Secretary: Mr. D. P. Parthasarathy, Madras) has suffered a setback, even though its gross income was higher. In 1956, the Bank had earned a record profit of Rs. 45.71 lakhs, but it dropped to Rs. 32.01 lakhs in the following year, in distinct contrast to the experience of many other banks. In 1958, the profit has shrunk further to Rs. 21.31 lakhs, thus more than halving itself within two years. The setback in the year under review is, however, in consonance with the general trend of bank earnings for reasons too well known to bear repetition. A special reason for the fall in profit of the Bank during 1958 is said to be the drastic curtailment of iron and steel imports, in the financing of which the Bank was playing a large part.

In view of the lower profit, the provision for taxation has been reduced from Rs. 15 lakhs to Rs. 6.50 lakhs. The transfer to the reserve fund under section 17 of the Banking Companies Act 1949 has also been reduced from Rs. 10 50 lakhs to Rs. 7.30 lakhs. No amount has been set aside to the sinking fund, the development fund. or the gratuity fund, which had received Rs 1.50 lakhs, Rs. 50,000 and Rs. 50,000, respectively, while a slightly larger sum of Rs. 30,000 (as against Rs. 25,000 a year ago) has been added to the Bank's building account. No cut has, however, been made in the distribution to shareholders; it is maintained at 13 per cent., made up of a dividend of 10 per cent. and a cash bonus of 3 per cent., a rate which is being repeated for the third year in succession, though on an increasing capital as a result of fresh calls on the partly paid-up shares and payment of unpaid calls. For the year 1957, it may be recalled, a special dividend of 2 per cent. was paid to commemorate the Bank's Golden Jubilee.

The Bank's income for 1958 from interest and discount has risen by Rs. 37.19 lakhs to Rs. 180.36 lakhs, but this has been offset, in part, by a drop of Rs. 20.13 lakhs to Rs. 44.15 lakhs in commission and exchange earned. Further, there has been a sharp increase of Rs. 23.95 lakhs (to Rs. 107.76 lakhs) in "interest paid." The administrative expenses also have recorded a rise of Rs. 5.08 lakhs to Rs. 99.48 lakhs, as the following table shows:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount	1,80.36	1,43.17	1,25.77	1,06.66
Commission and exchange ..	44.15	64.28	75.46	38.49
Interest paid	1,07.76	83.81	77.20	57.81
Expenses	98.48	93.43	80.03	66.74
Depreciation	2.60	1.50	1.39	1.45
Profit	21.31	32.01	45.71	20.28
Provision for taxation	6.50	15.00	18.50	5.75
To reserve and other funds ..	7.30	12.50	10.75	7.13
,, gratuity fund	..	0.50	1.50	..
,, building account	0.30	0.25	0.30	0.30
Dividend	8.64	9.85*	7.97	6.96
	(D. 10% +B. 3%)	(D. 12% +B. 3%)	(D. 10% +B. 3%)	(D. 10% +B. 2%)
Carry forward	0.61	2.04	6.13	1.45

	As on 31st December			
	1958	1957	1956	1955
Capital	66.24	66.15	63.83	59.87
Reserves	98.92	1,00.00	90.50	79.75
Deposits	40,93.17	35,21.02	32,56.44	29,44.16
Borrowings from other banks ..	..	..	1,93.00	30.33
Advances	23,14.53	19,07.54	23,69.29	17,54.24
Investments	14,19.36	10,03.54	9,98.71	11,14.88
Cash	6,34.92	8,18.37	3,86.94	3,30.04
Balance-sheet total	50,12.20	44,69.05	48,00.47	41,90.10
Ratio to deposits of—	%	%	%	%
Advances	56.5	56.7	72.7	59.6
Investments†	34.7	28.5	24.7	39.8
Cash	15.5	23.2	11.9	11.2

* Including a golden jubilee dividend of 2 per cent.

† Ratio arrived at after taking into account the investments earmarked against borrowings from other banks.

Notwithstanding a slight drop over the year, the Bank's reserves, including share premium amounting to Rs. 31.17 lakhs, are at an impressive level. The deposits have recorded a further increase of Rs. 5.72 crores to Rs. 40.93 crores. A break-up of the deposits shows that all classes have contributed to the rise. Thus, fixed deposits have gone up from Rs. 12.39 crores to Rs. 14.28 crores, season and short-term deposits from Rs. 4.64 crores to Rs. 6.76 crores, savings bank deposits from Rs. 6.93 crores to Rs. 7.35 crores and current and other accounts from Rs. 11.24 crores to Rs. 12.55 crores.

As against an increase of Rs. 5.72 crores in deposits resources, the Bank's advances are up by Rs. 3.17 crores, of which loans, cash credits and overdrafts (at Rs. 18.43 crores) account for Rs. 2.23 crores and bills purchased and discounted (at Rs. 4.72 crores) for Rs. 94 lakhs. Investments also have been strengthened by Rs. 4.16 crores to Rs. 14.19 crores, but cash balances are lower by Rs. 1.83 crore.

PLIGHT OF COTTON INDUSTRY IN U.P.

MILLOWNERS URGE IMMEDIATE OFFICIAL ACTION AND ASSISTANCE

THE stresses and strains to which the cotton mills of Uttar Pradesh continue to be subjected were highlighted by Mr. J. K. Srivastava, President of the Upper India Chamber of Commerce, in his speech while welcoming Mr. D. S. Joshi, Textile Commissioner, and Mr. N. Majumdar, Industrial Adviser (Textiles), Government of India, at a meeting held at Kanpur recently. The precarious condition of the U.P. cotton industry, Mr. Srivastava declared, called for immediate action and, unless financial assistance was made available immediately and special measures taken for the procurement of foreign cotton, dyes, chemicals, etc., the position could not be improved. He even went to the extent of warning that "the struggle for existence that we have been waging for the last two and a half years has brought us to the brink of disaster and will lead to further closures and distress."

Mr. Srivastava has certainly not cried "wolf." Even a cursory glance at the statistical data relating to the U.P. cotton industry will fully reveal how disquieting has been the situation confronting the industry. Out of the 24 units in existence, as many as seven are reported to be not working and a few are running at a loss. The closure of mills has resulted in a marked reduction in the utilisation of capacity, as the following table pertaining to the month of December 1958, the latest period for which official figures are available, as compared with the corresponding period of 1957, shows.

	December, 1958	December, 1957
Average number of workers at work ..	53,765	63,431
No. of spindles installed*	844,432	823,429
No. actually worked (average):		
First shift	546,456	533,882
Second shift	509,934	555,600
Third shift	294,396	387,504
No. of looms installed*	13,674	13,630
No. actually worked (average):		
First shift	10,196	10,560
Second shift	9,636	10,518
Third shift	6,029	6,959

* As at the beginning of the years.

Thanks to the under-utilisation of capacity thus, the production of both cloth and yarn has suffered a distinct setback. During the calendar year 1958, not more than 329 million yards of cloth came off the looms of U.P. mills, as against 407 million yards in 1957. The total quantity of yarn spun was lower at 130.69 million lbs., that for the previous year being 137.57 million lbs.

Rise in Production Cost

The one disquieting problem facing the U.P. cotton mills, it is said, relates to the appreciable increase in production cost in the past six months. The total increase is put at Rs. 4 lakhs per month per unit, representing a rise of 20 per cent. The situation is stated to have been further aggravated by receding cloth prices which, together with the strained financial position, are forcing the mills to resort to distress sales. Mr. Srivastava attributed the marked rise in cost of production to three factors. First, the price of indigenous cotton has gone up by Rs. 200 per candy, involving an additional average expenditure of Rs. 3 lakhs per mill. Secondly, there has been a rise in labour costs, owing to enhanced food allowances because of higher food prices. Thirdly, the prices of dyes and chemicals have risen perceptibly and, even at such high prices, adequate supplies are not available. Mr. Srivastava admitted that the accumulation of cloth had eased in recent months, but pointed out that it did not provide a correct index of the situation, inasmuch as whatever reduction in stocks that had taken place was due to lower production on account of 25 per cent. of capacity being idle, diversion of some supplies to Government contracts even at unremunerative prices, distress sales, and increase in sales on consignment basis.

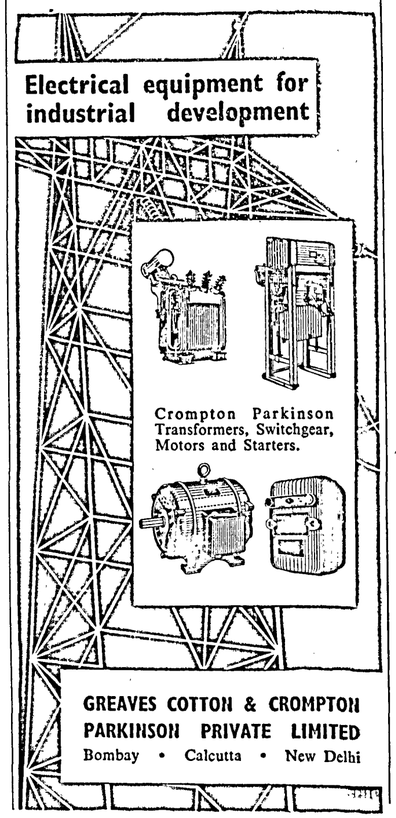
After drawing attention to the seriousness of the cotton textile situation, Mr. Srivastava urged that the Technical Survey Wing in the Textile Commissioner's Office should "immediately start operating in such trouble spots and weak spots as U.P. and prescribe timely action to prevent closure and distress, instead of merely holding *post mortems*." In his opinion, the three specific questions which must be examined by this Wing related to (1) cost structure of mills and a thorough study of international disparities in costs; (2) incidence of taxation and other regional obstacles; and (3) provision of technical and other advice to mills in distress.

Similar views were expressed by the Textile Sub-Committee of the Employers' Association of Northern India at a separate meeting with the aforesaid official spokesmen. It was pointed out on behalf of millowners that the Government should persuade the Reserve Bank, the State Bank and other Scheduled banks to allow advances up to 90 per cent. of the value of stocks pledged with the banks and to recommend to the banks extension of usance bills' discounting facility to mills and wholesale cloth dealers "as a matter of course." Further, it was emphasised that exports of cotton piecegoods and yarn to Nepal should be treated as normal exports and taken into account for all import entitlements under the Export Incentive Scheme. The other suggestions put forward covered modification of import policy governing foreign cotton, cut in rates of excise duty on coarse and medium cloth, reduction in railway freight on movement of textiles from upcountry centres to ports and suitable amendment of the Central Sales Tax Act.

In his reply, Mr. D. S. Joshi, the Textile Commissioner, is understood to have made it clear that the restrictions and regulations were not meant to hamper the cotton industry and expressed his confidence about the industry's capacity to tide over the present crisis. The rise in the internal consumption of yarn and cloth in recent days, he said, was an encouraging development; while there had been a drop of about 200 million yards of cloth in exports, the domestic consumption had risen by 300 million yards. Mr. Joshi assured the representatives of the industry that he was always prepared to discuss individual problems with mill interests and help them in all possible ways, while the problems of a general nature could be discussed at the Cotton Textiles Advisory Committee on which U.P. mills were already represented. He further stated that the Government was trying to ensure fair distribution of imported dyes and chemicals among the different claimants and that he was willing to examine the specific points of criticism against the Government's export policy.

The cotton mills in U.P. undoubtedly have special problems arising from their location and the relatively low productivity of labour. Their plea for special consideration, therefore, deserves sympathetic hearing and action. But, at the same time, it cannot be denied that, following the change in ownership and management of most of these mills after independence, there has also been considerable deterioration in their running of most of these mills and dissipation of financial resources that had been carefully husbanded during the war and early post-war years. It would be interesting to see how much money has been invested by the present managements on modernisation and expansion of these mills. If these mills are to be put on a sound footing and that with special assistance from the Government, two things will be essential. One, the labour employed in U.P. mills must agree to take on a higher work-load. Secondly, there should be an expert investigation into the managements of mills. Those managements which have utilised the liquid resources of mills for purposes unconnected with the mills, as, for instance, for buying controlling interest of other industrial concerns, must be asked to find the bulk of funds required on their own for improving their productive capacity. It will also be necessary to take suitable precautionary steps to ensure that there is no recurrence of bad management and indifferent behaviour by labour.

Until all this is done, there is no point in pleading that the banks should be directed to liberalise the terms of their credit to cotton mills in U.P. The very fact that, even when the banks are anxious to increase their advances portfolio in order to earn more profit, they prefer to have larger margins than in the case of mills in other parts of India, shows that their rating of the creditworthiness of mills in U.P. is not very high. In any case, it would be unwise on the part of the Government to give directions to banks on this point, for it would tantamount to assuming responsibility for the safety of depositors' money with banks.



REPORT OF TEXTILE DELEGATION TO AFRICA

It is surprising that the Cotton Textiles Export Promotion Council has taken more than four months to release for publication the report of its delegation to East and Central African countries, Madagascar and Mauritius. The delegation (leader: Mr. Chinoobhai C. Javeri), it will be recalled, returned to India as early as on 30th November 1958 after a two-month tour of the aforesaid places and submitted its report to the Council early in December. The Council would have done well to release promptly at least a summary of the conclusions and recommendations of the delegation before it actually sat down to consider them and initiate action on them.

The report of the delegation, a copy of which has just been received by us, is quite exhaustive, in that it not only includes thorough study of the conditions obtaining in the textile markets of the countries visited but also several valuable suggestions designed to promote exports of Indian textiles—yarn and cloth, handloom goods, ready-made garments and hosiery. Since the report is a fairly bulky one and as this number has to go to press a day earlier than usual owing to Friday being a holiday, it has not been possible for us to cover the delegation's findings in detail this week; we propose to do it next week. Meanwhile, mention may be made here of the two important points stressed by the delegation. One, the Indian manufacturers and exporters must make a continuous and systematic study of the export markets with a view to assessing properly the changing tastes of consumers. Two, installation of automatic looms and rationalisation of production are essential prerequisites for exports. The delegation has urged improvement of sampling methods, markings and packings of bales, and proper enforcement of Itex Inspection Scheme.

The Government of India's import policy for the half-year ending September 1959 announced recently does not provide for the grant of quota licences for wool weaving yarn. In the last licensing period—October 1958 to March 1959—it will be recalled, the Textile Commissioner's Office had been empowered to grant licences on an *ad hoc* basis to actual users, the validity of licences being one year. The import policy for other wool items such as blankets and rugs, woollen hosiery and knitted apparel, however, remains practically unaltered.

The new export policy for the period April-September 1959 remains unchanged from that in force during October 1958-March 1959. Accordingly, an individual shipper can continue to export any quantity of raw wool on a contract basis within the ceiling (undisclosed) set by the Government as was the case in the previous period. (On consignment basis, that is, consignment for auction abroad, no one shipper may export more than a total of 100 bales.)

RIVALRY AMONG DIFFERENT FIBRES?

DEMAND FOR TEXTILES SLACKENS IN CONSUMING COUNTRIES

From A Special Correspondent

MANCHESTER, *7th April*

MANY of those living in the area in which the cotton textile industry has for long been the major source of employment cannot avoid looking askance at the latest economic survey issued by the Government. This preamble to the Budget statement offered an optimistic forecast of things to come, but, to many individuals, not only those directly concerned with the cotton trade, the industrial outlook does not appear as promising as officialdom views it. The survey noted the two main clouds on the economic horizon as the tendency for exports to fall and for wages to rise without a corresponding increase in productivity. These fundamental aspects of the industrial scene are surely of supreme importance and, if current trends were not reversed, they could easily unbalance the economy, as has happened in the past.

MANCHESTER LETTER

This bright review of events naturally stimulated hopes of useful tax concessions being provided in a Budget which is presumably the last before the next General Election. From the angle of the cotton trader, incentives are badly needed to extend purchasing power, so that pressure for supplies could once more have a direct bearing on the rate of activity of the mills. For so long has the industry languished in the depths of discouragement and hand-to-mouth trading that any revival, even on a modest scale, would be more than welcome.

A record surplus in the country's balance of payments position and the better visible trade figures are the stimulating features of the economic survey, while a rise of 2 per cent. in real incomes is an encouragement to the individual. Unfortunately, as regards textiles, this expansion in income has drifted away into other fields where modern selling techniques have successfully competed for the surplus cash available to be spent on clothing. Even as compared with a generation ago, there are so many more ways in which money can now be used that it is hardly surprising that some of the traditional products have been by-passed.

Cotton *vs.* Rayon

Centre of discussion within the industry in the past week has been the prospective interrelationship among prices of the different fibres. The reduction of 1½*d.* in the basic cost of rayon staple—the first change for nearly six years—has turned the spotlight on the probability of increased rivalry in this direction. Quotations for raw cotton have been moving steadily downwards during the past year or two and rayon's competitive position has naturally suffered.

Exports of rayon fabrics have been equally affected as those of cotton during the period when overseas trade has been dwindling. According to the latest bulletin issued by the Rayon Weaving Association, this has been due to no small extent to the dual pricing arrangements practised by many of Britain's competitors. Consultations are going on with the fibre producers in order to offer the trade effective assistance to arrest and reverse this serious trend. Some measures to provide manufacturers with better facilities to compete with their rivals abroad are clearly needed.

Building Up Again?

Firmer rates for new crop deliveries in the American futures contract in Liverpool which have ruled for the past week or two have caused some surprise, in view of the prevailing world raw cotton situation. Evidence has accumulated that stocks likely to be available at the end of the current season will be well in excess of the requirements of spinners and a dangerous build-up of supplies is hovering on the horizon.

Only last month, one of the most authentic of Manchester cotton merchants firmly rejected the possibility of any bull point being discernible anywhere in the raw cotton situation. As was then pointed out, Lancashire is not the only manufacturing area in the doldrums, but every country growing or spinning cotton is hampered by the superabundance of the raw material and the prospect of an even larger American crop.

Farmers in the United States have for so long been feather-bedded with pegged prices, that their competitors growing rival products have gained—at the expense of the American taxpayer. Under the revised farm legislation in the United States, fewer than 75,000 farmers out of more than 950,000 have decided to increase their cotton acreage under the 1959 choice programme.

New Crop Supplies

It has been estimated that the area under cultivation to cotton will be around 16 million acres, as against only 12 million acres in the current season. A new crop approaching 16 million bales would not be surprising, whereas the offtake will be very much below that total, even if a revival takes place in demand for finished cotton products. In the first six months of the current season, exports of United States cotton were 1,400,000 bales, almost exactly half the shipments recorded in the comparable period a year ago. It is unlikely that exports over the full season will reach 3 million bales, as against 5,700,000 bales in 1957-58. Another significant factor is that the consumption of cotton per head in the United States last year, at 22.2 lb., was the lowest for 20 years.

Although there are some observers who believe that the trend towards a marked surplus in raw cotton by the end of this season has already been fully discounted in the market, it is difficult to provide evidence to encourage any bullish sentiment. Traditionally, the period of the year is one in which few sharp price movements can be anticipated, but the downward pressure, which has persisted practically throughout this season, is not likely to be relieved without some unexpected world political development.

Over-Stocking in Africa

Slackness in overseas trade in cotton goods is by no means always the fault of the manufacturer, or even the distributor. Exporters in many different areas have for months past been hampered by the reluctance of dealers in importing countries to purchase more than the most modest requirements. From reports quoted in the *Overseas Review* published by Barclays Bank, it can be seen that the position is much the same in numerous consuming centres. In South Africa, for example, fierce competition and price-cutting in clothing items has failed to shift the high volume of stocks. Clearance and bargain sales continued throughout February, and storekeepers are said to have "resorted to every conceivable means of enticing buyers on to their floors and into their showrooms."

Another aspect of this situation is the entry of foreign producers into South Africa itself. "Overseas manufacturers arrive on almost every mail ship to investigate prospects for establishing branches or factories in the Union," adds the current report. One of the latest visitors has been the Chairman of Courtaulds, whose Company is said to be "showing more than passing interest" in a prospective new rayon yarn plant on the Natal south coast.

Competition Growing

The South African garment trade has gained a useful order for the supply of locally-manufactured clothing worth more than 2,000,000 dollars which a leading Capetown house has negotiated with one of the largest distributing organisations in the United States. The garments will be sold chiefly in New York, but also in Canada. In Southern Rhodesia, more frequent reports have come to hand of retail price differences between shops which cater for the same areas. In some cases, a stock reduction policy is being carried out, but competitive conditions are growing in the country. Over-stocking in cotton textiles is still a feature of trading in Nigeria and cloth is among the various products on which customs duties have lately been increased. Import charges on knitted fabrics, piecegoods and other textiles have been raised to secure additional revenue.

Sole exception to these widespread indications of excess supplies is in the Sudan, where an acute shortage of almost all kinds of imported goods is reported. Importers, wholesalers and retailers are now said to be without essential articles, as the goods obtained since the beginning of the year from China were rapidly sold and no stocks remain. Import licences have been issued for textiles from Egypt, but only on a very small scale. Licences for British cotton cloth were also issued to retailers who could prove that the goods were manufactured specially for the Sudan before the imposition of existing restrictions.

(*Continued on page 659*)

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STATISTICAL POSITION OF COTTON

SHARP FALL IN PRODUCTION

THE raw cotton market, both spot and futures, has been ruling very firm of late. This firmness seems to be a reflection of the increasing tightening of the supply position, as a consequence of the continuous scaling down of the crop estimate. The crop, estimates of which ranged between 5.4 and 5.5 million bales at the beginning of the season, is now placed at no more than 4.8 million bales. Damage to cotton in the Punjab, lower yields in Berar and Khandesh and the South have adversely affected both the quantity and quality of the crop. The arrival of the crop till the end of February is an indication of the size of the crop. Last season, with a commercial crop of about 5.2 million bales, arrivals up to the end of February amounted to as much as 3.28 million bales which was roughly 63 per cent. of the final crop outturn, despite the fact that last season's Saurashtra and Broach-Surti crop was late. This season, arrivals till the end of February have been of the order of only 2.5 million bales. Assuming that the crop will be about 4.8 million bales, only 52 per cent. of the crop has arrived.

While, on the one hand, crop estimates have been continuously pruned down, on the other, mills' consumption of Indian cotton is running at a higher rate. Thus, during the six months of the season, that is, from 1st September 1958 to 28th February 1959, mills consumed 2,345,197 bales of Indian cotton, as against 2,296,661 bales during the same period last season.

The following table indicates the trend of mill consumption of cotton during the first six months of the season, as compared with the corresponding period of the previous season:

Consumption of Cotton

(In bales of 392 lbs.)

	Indian		Foreign	
	1958-59	1957-58	1958-59	1957-58
September	382,499	399,125	42,554	49,310
October	394,558	372,781	41,303	48,415
November	363,650	390,784	35,644	51,031
December	419,814	391,490	39,301	51,858
January	413,181	392,007	34,370	49,804
February	371,495*	350,474	31,508*	43,868
Total ..	2,345,197	2,296,661	224,080	293,286

* Provisional

It is noteworthy that monthly consumption of cotton, which had reached a high of 419,814 bales during December 1958, declined slightly to 413,181 bales in January. But it fell sharply to 371,495 bales in February which, though higher than the quantity of 350,474 bales consumed in the same month of the previous season, was nevertheless the lowest for the six month-period. This marked fall in consumption in February is mainly attributed to the smaller number of mill working days in the month. It is not regarded as indicating a declining trend in cotton consumption.

Export business, on the other hand, continues to be sluggish, thanks to the generally poor demand from abroad and shortage of supplies. The crop failure in the Punjab has affected both the quantity and quality of short staples like Bengal *Deshi* and Oomra *Deshi*. Other exportable varieties such as Kalagin and Wagad, too, are in short supply. In addition, price-wise, they are out of parity with comparable styles in world markets. Nevertheless, exports of cotton so far this season have been running at a higher rate, as compared with the same period last season. Shipments till the end of March amounted to 227,048 bales, as against 69,074 bales in the same period last season. The improvement is mainly attributed to the fairly heavy shipments, as per contract concluded in the beginning of the season against quotas issued in the second half of last season. The following table shows the trend of exports:

Exports of Cotton

(1st September to 28th March)
(In bales of 392 lbs.)

Destination	1958-59	1957-58
United Kingdom	7,256	5,087
Continent	20,357	7,724
Hong Kong	33,870	3,046
China	6,886	—
Japan	153,950	48,362
U.S.A.	2,663	3,984
Other countries	2,066	871
Total ..	227,048	69,074

Stocks with trade and mills at the beginning of the season are estimated to have aggregated 2,045,000 bales, which, together with a crop of 4.8 million bales commercial, give an aggregate supply of 6.8 million bales. Mill consumption, on the basis of the consumption in the first half of the season, will probably reach 4.7 million bales. Assuming that exports will be of the order of 350,000 bales, as has been estimated by a leading cotton firm and cotton used up by handspinners and surgical industry about 50,000 bales, total disappearance will aggregate 5.1 million bales. This will leave 1.7 million bales on 31st August 1959 to be carried over to the next season, as compared with 2 million bales on the same date last season.

U.S. COTTON EXPORT POLICY

Writing in the *Cotton Trade Journal* of Memphis, U.S.A., Mr. Willian K. Love, Jr., President of the New York Cotton Exchange, recently drew attention to the "serious consequences" of the cut-rate export sales programme of the U.S. Department of Agriculture. It has, according to Mr. Love, seriously affected the competitive position of U.S. textile industry in the domestic market to the benefit of foreign manufacturers, by providing the latter with raw material at a price substantially below the cost to the American manufacturer. It has vastly enlarged the operation and control by the C.C.C. in the marketing of cotton. It has put the United States in the position of being accused by friendly nations of "dumping" in the export market. It has failed completely to make agriculture self-supporting. It has resulted in making the United States Government the arbiter of cotton prices, not only domestically, but the world over, and this fact, Mr. Love feels, is resented in all areas where cotton is grown, handled or consumed.

U.S. exports have also been seriously affected. In Mr. Love's own words:

"Cotton stocks abroad in producing countries are now eagerly seeking markets at prices appreciably under United States export prices but, even so, are moving slowly. These countries cannot finance carryovers, and are obliged to sell their crops, and will. In fact, regardless of the price at which the U.S. might offer its cotton at the present time, these countries admittedly would offer at prices still lower. U.S. cotton has been offered unsuccessfully to foreign cotton-consuming countries at better than 15 per cent. discount under our regular export prices under the P.L. 480 barter programme. As a result of this situation, United States exports as of 30th December 1958 were 55 per cent. of those at the same time one year earlier, and, if they continue at this rate for the balance of the season, total exports will amount to only 3,150,000 bales of cotton.

"The effect of this deterioration on the futures exchanges has been a drastic decrease in the volume of business handled and in the income received to the point at which their very existence is most precarious. If this deterioration continues, and under present legislation it will, the futures exchanges may be ruined and forced to close, just as may many of our cotton gins, shippers, buyers, crushers, oil-millers, textile mills and producers. The C.C.C. will continue dominant in the cotton trade and free enterprise in the cotton industry will be a thing of the past."

Is a solution to this problem possible? Yes, says Mr. Love. But the longer effective corrective action is put off, he points out, the more bitter the pill will be to take. The only effective regulation of the output of any industry and of any commodity is price which is governed by supply and demand. If, at any time since 1929-30, the U.S. had permitted a free market determination of the price of cotton, the situation today, according to Mr. Love, would be one of an annual offtake greatly in excess of the current year's offtake of 11.3 million bales. Such an increased offtake would be tremendously beneficial to cotton ginners, buyers, shippers, crushers, oil-millers, textile mill producers, tax-payers and cotton futures markets. What is needed for cotton is market. It can only be obtained, according to him, through a freely-operating one-price system for cotton.

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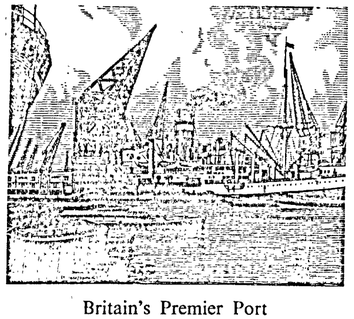

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INVESTMENTS OF L.I.C. IN INDUSTRIAL SECURITIES

NEED FOR FORMULATION OF SOUND POLICY

By V. S. Krishnaswami

FORMER PRESIDENT, MADRAS STOCK EXCHANGE

A STAGE has been reached where it is necessary for the Life Insurance Corporation of India to formulate the policies relating to the disposition of the large funds at its disposal in such manner that the interests of the policyholders are more carefully protected and at the same time the well being of the country in its various regions is more effectively promoted. There has no doubt been an attempt to reorientate investment policy after the calamitous mistakes committed in putting through the Mundhra deal. The latest report of the Corporation, for the 16 months ended 31st December 1957, reveals visible scars and it would appear that quite large parcels of the shares involved in the Mundhra deal have not yet been registered in the name of the Corporation. Even where such registration has been effected the title is open to challenge. Fortunately, the substantial appreciation in market values throughout 1958 and, later, after the publication of the Central Budget proposals for 1959-60, have enabled the losses in these and other directions to be absorbed.

The authorities have much to learn in a field which calls for specialised skill. The greater awareness recently shown by the Chief Executives, as well as the Investment Committee of the Corporation, augurs well for the future. But it will be necessary to be alert and keep an open mind if the various interests have to be served effectively and the serious mistakes, which it has been said were committed by the private life offices, are to be avoided.

Additions to Assets

There is no doubt that the L.I.C. is a very powerful institution at the present moment in promoting investment activity. Indeed, there are indications to suggest that, given proper management on the administrative side, the additions to assets in the coming years will be on a considerably larger scale. From the figures relating to investments at the end of 1958 it would appear that the additions in a twelve-month period amounted to Rs. 32 crores, as against Rs. 33 crores in a sixteen-month period. These additions could have been very much more if the expense ratio had been kept down and if there had been greater expedition in the finalisation of new business. The report itself accepts that the renewal expense ratio is rather high and that efforts are being made to reduce working expenses to more manageable proportions. The total investments in various types of securities amounted to Rs. 414 crores, as against Rs. 388 crores at the end of 1957. The distribution in regard to various types of securities will be evident from the figures given below:—

	As at 31-12-'57 (Rs. crores)	*As at* 31-12-'58 (Rs. crores)
Indian and State Government and other approved securities ...	260.61	295.00 (Approx)
Debentures and shares of joint stock companies in India ...	69.14	75.00 ,,
Mortgages of properties	13.86	13.00 ,,
House property ...	21.38	21.00 ,,
Other investments	16.91	10.00 ,,

The bulk of the investments has naturally been in Central and State Government securities and loans of public bodies. With the investment of the greater proportion of available funds in earlier years by some of the bigger insurers mostly in Government securities, the proportion has naturally been high. There was, however, an anxiety to improve the yield on investments in the three years prior to nationalisation by acquiring debentures, preference and ordinary shares. This diversification of investments in an expanding phase of business led to the building up of investments amounting to Rs. 60 crores prior to nationalisation. Since then, there has been an increase of Rs. 15 crores, the total of all investments under this head as at the end of 1958 being Rs. 75 crores.

While it is generally agreed that the loans of the Central and State Governments have to be liberally supported, the controversy has related more to the manner of investment in industrial securities. The additions under debentures, preference and ordinary shares to the tune of Rs. 15 crores by way of purchases of securities quoted already in the open market or subscriptions to new debentures, preference and ordinary capital in the case of established companies have proved to be greatly helpful to the stock markets during a period when prices had been pushed down to very low levels. The debacle that was caused by the sweeping Central budget proposals of Mr. T. T. Krishnamachari in May, 1957 will be recalled in this context.

Strong Technical Position

In the absence of a boom in new flotations, the absorption of larger parcels of securities of existing companies has vastly improved the technical position of the market and the rise in prices in recent weeks has been attributed more to a strong technical position than any jubilation over the Budget proposals for 1959-60. In fact, several tax experts have been pointing out that the simplification of corporate taxes will lead to an increase in the overall burden on companies and shareholders combined and that, with the rising trend of working expenses, considerable difficulty might be experienced in making the necessary adjustments in dividend payments.

It is not clear yet what exactly has brought about the changed sentiment, though it is generally expected that the abolition of the wealth tax on companies and excess dividend tax has a great psychological value and that the budget for 1960-61, if Mr. Moraji Desai continues in power, will not also have any disturbing effect.

The investment climate can, therefore, be said to have improved to a considerable extent and there has been a lowering in the yield basis. It would, therefore, be worthwhile to find out, in the present context, whether ways and means can be devised in such a way that, with the resources at the disposal of the Life Insurance Corporation, the requirements of new and old companies in terms of new capital, can be more easily found. There has no doubt been greater response for new capital issues of the established companies, though even here it has been necessary for the L.I.C. to absorb the shares in some cases. The policy of pumping L.I.C. funds into the companies concerned through purchase of rights of new issues has to be preferred to the large-scale acquisitions of shares of existing companies in the open market. It may, however, be found, over a period, that the absorption of gilt-edged industrials will release funds for purposes which could be considered more risky by the Corporation but which the investors might be prepared to undertake. It will thus be necessary to watch new trends and frame policies accordingly. But if right issues are preferred, it will also have to be considered whether new flotations as such can be encouraged. Of late, the payment of interest during the period of construction at 4 per cent. or thereabout has been encouraged and the shareholders have been led to expect that they would be obtaining the same yield as from fixed deposits immediately, with the prospect of obtaining better yields after the propositions concerned reached the production stage. In some cases, guarantees in regard to payment of interest during the period of construction have been given by State Governments. It has, therefore, to be determined whether the L.I.C. can divert in this direction some proportion of the funds that are committed every year for investment. If the Corporation can find its way to extend support to entirely new flotations, the average investor would be greatly encouraged. Alternatively, funds can be lent to the State Governments for investment in propositions which are sponsored by them in co-operation with private enterprise.

It is rather unfortunate that institutional support is required in greater measure for furthering industrial development. Even though private enterprise has been allotted a large field and a number of paper mills, engineering units, chemical units, etc., could be started in the definite expectation that they would be paying their way right from the beginning, there has been no large units in Madras and other places. It is necessary, therefore, that over and above the expansion programme's of the established companies, entirely new units should be formed. It has been amply borne out by the developments in the immediate post-independence period that the companies formed in 1944-46 have proved to be greatly helpful in broadening the basis of the industrial structure in the late 'forties and early 'fifties. Presently, new capital issues are of the order of Rs. 35 crores a year, of which the quota provided by the L.I.C. alone is as much as Rs. 6 crores. It is in bringing about an effective dispersal of this sum, which will certainly be increasing over a period, that the greatest benefit can be imparted to the internal economy.

With complete justification, the Corporation can thus make a sincere attempt to bring about a better diversification of investments through open market sales whenever there is a substantial profit on earlier purchases and through the acquisition of shares of comparatively new undertakings having good prospects in different regions. It should also subscribe to the issues of additional capital whenever it is apparent that the requisite support will not be forthcoming from existing shareholders. That there would be ample scope for effecting profitable purchases, when rights issues on a large-scale are made, has been amply borne out by the substantial appreciation in prices that has taken place for the new shares of Indian Irons, National Rayon, Alkali and Chemical, Indian Aluminium and Dunlop Rubber, to mention only a few. It was not anticipated at the time when the new issues were offered by these companies to the public that there would be such a substantial appreciation over such a short period. The difficulty does not lie in an inadequate appreciation of the future prospects but in an unwillingness to put out large sums which might not fetch attractive rates of interest for a short period. Even here, the calculations have not proved correct as Dunlop Rubber has been able to pay a higher dividend on the increased capital while the shareholders of Alkali and Chemical and Indian Aluminium have substantially benefited through sharp capital appreciation, with the prospect of good dividends being paid soon after the expansion programmes have been completed. Considerable thought should be given to this aspect of the question, especially as the investment portfolio of the Corporation at the present moment is somewhat lop-sided.

Investment Portfolio

Because of the policies pursued by the earlier insurance companies in their individual capacities, the investment portfolio, as it relates particularly to industrial securities, is somewhat uneven as will be clear from the details given below:

(In lakhs of rupees)

Banks	263.12
Cements	365.96
Chemicals and Pharmaceutical ...	119.94
Coal	191.93
Cotton	690.85
Electricity	829.21
Engineering	714.21
Insurance	135.62
Investment Trusts	50.42
Iron and Steel	548.40
Jute	414.63
Managing Agents	168.44
Mining	33.65
Oil (Mineral)	—
Paper and Pulp	309.00
Plantations	135.52
Railways	70.58
Shipping and other Transport	121.39
State Enterprises	—
Sugar and Breweries	142.55
Textiles (other than cotton) ...	89.34
Vegetable oils	33.22
Miscellaneous	1,456.18
Co-operative Housing Societies	29.61
Total	6,913.77

A greater proportion of funds has been locked up in shares of companies belonging to four or five major industries. Textile issues in Bombay have been favoured by the former life offices having their headquarters in that city because of the boom conditions that were prevalent in that industry in the earlier years. Likewise, substantial parcels of jute and coal shares have been acquired, presumably due to the activities of the bigger Calcutta insurance companies. The purchases of plantation shares also have related to those of companies operating

(*Continued on page* 672)

STEPPING UP SUGAR CONSUMPTION

DEVELOPMENT OF CONFECTIONERY DESERVES ENCOURAGEMENT

ALTHOUGH India is the second largest producer of sugar (white and brown combined) in the world, the *per capita* consumption of this sweetening agent continues to be very low. It is no more than 30 lbs. which is less than a third as compared with consumption in the economically advanced countries of the West such as the U.S., the U.K., Canada, Norway, Switzerland, Denmark and Ireland. The low level of *per capita* consumption in India must be attributed to two factors. First, the use of sugar in normal diet is poor, being about 1.47 ounce per adult per day, as against 2.00 ounces considered as the desirable minimum by nutritional experts. Secondly, industrial consumption of sugar is negligible.

One of the ways of stepping up *per capita* sugar consumption lies in the development of the confectionery industry. Quality confectionery, as Mr. Khanchand J. Pamnani, President of the Indian Confectionery Manufacturers Association, stated in his speech at the thirteenth annual general meeting of the Association held at New Delhi on Friday last week, is recognised in other countries as of considerable national value and is regarded as an important ingredient of a balanced diet, "as it combines sugar and glucose in an assimilable form and thus provides one of the best methods of replacing the energy which the human body continuously expends through physical and mental exhaustion." In India, however, confectionery is regarded as a luxury item and its importance as a nutritive supplement to our diet is not yet fully appreciated. Mr. Pamnani attributed this to the low standard of living and the comparatively backward industrial structure of the country, and expressed his confidence that, with the progressive increase in the standard of living of the masses as a result of the implementation of Five-year Plans, the position would improve for the confectionery industry.

Despite the vital role played as an important food industry, it is unfortunate that the confectionery industry should continue to pass through difficult times. Thus, as against the estimated annual installed capacity of 50,000 tons on a single-shift basis, the capacity now being actually utilised is just 20 per cent. It may, however, be noted that the current annual rate of output is more than the production target of 10 000 tons (capacity of 40,600 tons) fixed for 1960-61 by the Planning Commission. In 1957 itself, the industry produced 10,980 tons. Drawing special attention to the underutilisation of capacity, Mr. Pamnani observed:

"This partial working of the units in the industry results, among others, in unnecessarily pushing up our overhead expenses and thus increase our production costs. Our ideal should, therefore, be to see that the various units in the industry, which have been put up after great efforts and at considerable cost and who have the modern and up-to-date machinery and the technical know-how for production of quality goods, which can stand comparison with those produced in any other foreign country, are enabled to work at least for one single shift, which alone would result in their economical working and thereby enable the industry to reduce the price of its products to some extent. This would be possible only by creating an increased demand for quality confectionery. As you all know, the present low demand for quality confectionery in the country is due to its high prices which is mostly accounted for by the comparatively high cost of its various raw materials. As is well known, India is a poor country where a large part of the populace can hardly afford to purchase quality confectionery at the prevailing high prices. Therefore, the internal demand can be stepped up only by a drastic reduction in the price of the industry's products."

The high prices of quality confectionery are due to the heavy incidence of both raw material cost and taxation. Sugar is one of the basic raw materials which accounts for as much as 45 per cent. of the total cost of producing confectionery. The price of sugar, including excise duty of Rs. 10.68 per maund, is Rs. 38 per maund, as compared with about Rs. 17 ruling in world markets. In certain countries such as Australia, sugar is supplied for industrial purposes—for example, preserved fruit industry—at subsidised prices. There is certainly justification in the plea put forward by Mr. Pamnani that a similar policy should be followed in respect of sugar supplies to the confectionery industry, as this alone will enable it to reduce its production costs. Failing this, the Government should at least exempt sugar utilised for confectionery manufacture from all internal taxes. Since the principle is already being followed by the Government in the case of certain excisable commodities such as power alcohol, cotton fabrics, tea waste and certain kinds of paints and pigments, when used for industrial purposes, there is no reason why a similar policy should not be followed in the use of sugar utilised by the confectionery industry. The State Governments can also grant remission of cane cess in respect of sugar which would reduce the price of sugar to the confectionery industry by Re. 1.73 per maund. In this connection, Mr. Pamnani said:

"I feel that the grant of these concessions should not be difficult for the Government, in view of the fact that the total quantity of sugar required by the confectionery industry now may not be more than about 5,000 tons in a year, which is a very insignificant percentage of the total production of about two million tons. On the other hand, this would enable this industry, which is now facing a serious situation due to lack of demand for its products, to stabilise its position and make available quality confectionery at comparatively cheaper prices and thus create an increased demand, thereby enabling it to utilise more of its idle capacity. Thus, the existing units will be able to carry on economical working and, at the same time, provide more employment opportunities."

The Government of India has allowed the confectionery industry drawback of customs duty paid on imported raw materials and excise duty on indigenous materials used in the manufacture of four varieties of confectionery meant for export as suggested by the industry. But this concession is said to be not adequate to promote exports. What is wanted is assured supply of sugar at a reasonable price.

It is gratifying to hear from Mr. Pamnani that "the Government of India now seem favourably inclined to our request for arranging supplies of sugar to the confectionery factories for the purpose of export at about the same price at which it is exported out of India, and they are already considering ways and means for ensuring sugar supplies to the various food processing industries, including the confectionery industry." The implementation of this decision and the acceptance of the industry's suggestion for granting 50 per cent. rebate of railway freight will go a long way towards building up a good export market for Indian confectionery products. Mr. Pamnani rightly averred that it would be in the interest of the country to export sugar products such as confectionery in place of sugar. For one maund of sugar exported earns foreign exchange of only about Rs. 16, whereas, if this quantity is converted into confectionery and exported, it would bring in much more foreign exchange, besides affording additional employment to labour and resulting in increased utilisation of the existing idle capacity.

The Confectionery Manufacturers Association President urged the Government to take steps designed to enable the industry to maintain production at the desired level. The steps suggested cover the following:

1. Adequate and regular supply of tin containers to the confectioners so as to avoid any setback to production of goods.

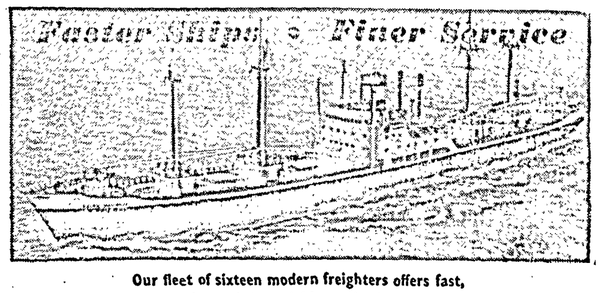
2. Grant of necessary licences for importing tagger tin plates.

3. Provision of necessary facilities to the confectionery factories for importing their full requirements of printed waxed papers, as also those laminated with aluminium foil overstrip until such time as these materials are available in the requisite quantity and quality from indigenous sources.

4. Permission to import adequate quantities of essences and colours.

5. Reduction of at least 50 per cent. in the rate of sales tax on confectionery products and adoption of the lower rate on a uniform basis throughout India.

In the course of his speech, Mr. Pamnani did well to allude to the continued keen competition offered by hand-made confectionery manufactured under unhygienic conditions, notwithstanding the enactment, since 1954, of the Prevention of Food Adulteration Act and the rules framed thereunder. This, it is said, is due to several State Governments not having taken any action for the strict enforcement of the legislation. There is no exaggeration whatever in his remark that, while the organised sector conforms to the provisions of the law and thereby incurs higher cost of production, the unorganised sector evades the law and thus not only defeats the very objective of legislation but also offers keen competition to quality confectionery by reason of its very low price. Considering that confectionery is gradually assuming an important place among the list of food articles, especially for growing children, in view of its nutritional value, "it is very necessary," to quote Mr. Pamnani, "that, in the interest of public health, spurious brands of confectionery not conforming to the provisions of the food laws are not allowed to be sold in the market." The Central and State Governments should immediately take effective steps for a strict enforcement of food laws.



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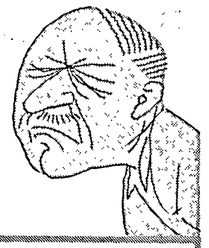

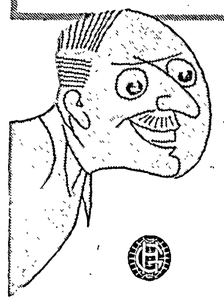

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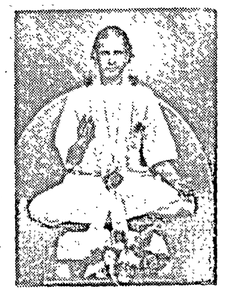

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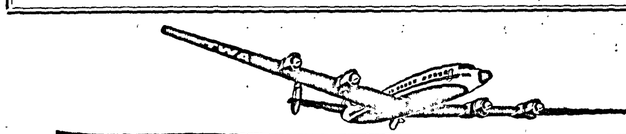

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TREND OF SOUTH INDIAN TEAS

OUTLOOK CONSIDERED QUITE BRIGHT

THE year 1958 witnessed more than one tea producing country using all its ingenuity to place the common tea on a better footing. The Government of India, too, gave some relief to these teas by way of a reduction of export duty and excise duty. Notwithstanding such efforts, the basic problems that confront the industry remain unsolved. These are: (1) the supply is still far in excess of demand; (2) too much of a poor quality tea is being produced throughout the world; (3) competition is strong among producing countries; and (4) the difference between a profit and a loss to the common tea producer has often been parallel to the rates of export duty imposed in any one country.

Considered against this background, the performance of South Indian tea industry during 1958 can be considered satisfactory. The tea crop harvested was a record one at 160 million lbs. (provisional figure), representing an increase of nearly 6 million lbs. over the 1957 output of 154.2 million lbs., shipments were substantially larger, the quality of tea manufacture showed some improvement and prices fetched in export auctions were higher than those in 1957. The rise in production of dust teas was, however, more marked and this naturally had its adverse effect on their quality and prices.

The progress of the South Indian tea industry was marred by a recurrence of labour unrest and indiscipline, which took a serious turn during the later part of the year. Apart from the loss of production and the deterioration in quality caused by the strike, there was a considerable loss of internal revenue and foreign exchange.

Higher Crop

As stated earlier, the South Indian tea crop for 1958 is estimated at 160 million lbs. Since this is subject to revision, as complete returns have not been received yet, the final crop is likely to show an increase of more than 6 million lbs. over that for 1957. The pace of increase in production, however, considerably slowed down during 1958, as will be seen from the following table:

(In million lbs.)

Year	Crop	Year	Crop
1950	98.02	1955	128.95
1951	114.94	1956	126.94
1952	112.06	1957	154.20
1953	120.87	1958	160.00*
1954	128.53		

* Provisional.

The relatively smaller increase in production during 1958, as compared with that in the previous year, was due to a fall in production in the latter half of the year. Several reasons are attributed to it, among which are: adverse weather, lack of hydro-electric power and the labour unrest.

Russian and Egyptian Buying

There was an improved demand for South Indian tea during the year under review. The U.S.S.R. and the U.A.R. continued to be buyers in the Cochin market. Commenting on the Russian operations, the *Tea Review*, 1958, published by Messrs. Forbes, Ewart and Figgis (Private) Ltd., Cochin, observes that "these received widespread and somewhat ill-advised publicity in 1958 and, as a result, the effect was rather more marked when the U.S.S.R. ceased buying early in the year. As this buyer does not buy fannings grades, prices of these types in the better liquoring ranges have generally sold at a discount in comparison with their equivalent brokens." Referring to the Egyptian buying, The *Review* says:

"The Egyptian contract for 1958 was made at a price level far below the previous year and, as a result, the buyer was only able to purchase the cheaper sorts in both dusts and fannings. This maintained prices for these types, but it also resulted in the sale of quantities of tea which otherwise would not have been considered for export. It is pleasant to note that the contract which has been made early in 1959 appears to reflect a higher standard of quality than at any time since private trading ceased and, as a result, there has been a return to the traditional Egyptian types of black leaf dust and fannings."

There was also a diversion of demand during the year from Ceylon, thanks to the strikes and labour trouble in that Island at a time when the rush teas were being offered. In addition, the market is reported to have received good support from internal buyers—the internal consumption in India continues to expand—and this is said to have been a stabilising factor on many occasions.

The average price realised in the export auctions during the year under review was Rs. 2.09 per lb., as compared with Re. 1.93 in 1957, thus reversing the downward trend noted since 1954, as the following table shows:

(Per lb.)

Year	Price	Year	Price
1954	Rs. 2.83	1957	Re. 1.93
1955	Rs. 2.29	1958	Rs. 2.09
1956	Rs. 2.23		

As already stated, there was an increase in production of dust teas, the quantity on offer being 30 per cent. more than that in 1957, which itself had shown an increase of 40 per cent. over 1956. According to Messrs. Forbes, Ewart and Figgis, a number of the dust offerings were of a poor standard. "Too many producers," they add, "are continuing to offer on this market dusts which contain a high percentage of stalk and fibre and would be better denatured or used to make organic manure for estate use." Consequently, the prices fetched for dust teas were well below those in the previous year. The average price realised during 1958 was Re. 1.56 per lb., as against Re. 1.61 fetched in 1957 and Re. 1.75 in 1956. It is to be hoped that sale of such poor quality teas will be discontinued and that associations representing producers will, in the larger interests of the industry as a whole, look into this matter and take suitable steps for preventing manufacture of such teas.

Larger Shipments

The shipments of tea from Cochin during the year under review were encouraging, having aggregated 96.0 million lbs. as compared with 85.4 million lbs. in 1957 and 80.2 million lbs. in 1956. The following is the trend of shipments during the last five years:

(In million lbs.)

Country	1958	1957	1956	1955	1954
U.K.	53.32	47.37	45.09	44.36	53.72
U.S.A.	7.95	7.03	6.71	6.78	8.61
Canada	7.08	6.22	7.02	5.47	6.36
Australia	6.63	6.55	6.87	2.66	1.15
Indian Ports ..	10.75	11.71	7.11	11.66	5.26
Other countries ..	10.27	6.48	7.38	5.00	2.04
Total ..	96.02	85.36	80.18	75.03	78.04

Exports to the U.K. rose by about 6 million lbs. and represented a little more than a third of the total South Indian crop. The U.S. absorbed almost a million lbs. more and Canada increased its imports by over 800,000 lbs. Australia continued to be a good customer, though its purchases did not show any marked expansion.

The fall of about 1 million lbs. in the shipments to Indian ports is not of much significance, as Messrs. Forbes, Ewart and Figgis feel that "there is ample evidence that internal consumption is being maintained and increased." The latest published estimate of internal consumption is 212 million lbs., but, according to the *Tea Review*, "this figure must now be considered well below current sales" and, in its opinion, "the internal consumption in India is probably now in the region of 250 million lbs. per year." The *Review*, however, points out that a part of the internal demand is swinging to leaf grades and more activity in export grades by internal buyers was noticeable during the past year. Such a shift is attributed to the larger production of dust teas of a lower grade. This naturally raises the problem of the future of tea dust production in India. Posing this question, the *Tea Review* says:

"As the internal consumption in India rises, so the public taste will improve also, and we believe that poor standards of dust manufacture may produce a buyer resistance which would transfer demand to the leaf grades over a period of time. It is, therefore, in the interests of all producers to maintain the highest standards of dust manufacture in order that both prices and demand are kept at an economical level."

The keen competition for markets among the tea producing countries can be met effectively only by reducing the cost of production. In the face of rising level of taxes and greater demands on employers, the only way by which the cost of production can be reduced is to raise the yield per acre. According to Messrs. Forbes, Ewart and Figgis, there is scope in South India for improvement in this direction, in view of the low yields which were obtained in the past. But they go on to add:

"However, great strides have been made in the last five years and there are now estates in South India producing in excess of 1,800 lbs. per acre. Unless very careful control is exercised, there must be a corresponding drop in quality and this can be a serious matter in a world which seems already to produce too much plain tea. There must, of course, be some compromise between crop and quality and it is probably up to each planter to decide the balance which produces the best possible answer. Much of the secret lies in plucking, but this can be a difficult thing to control in these days of indisciplined and unruly labour. Nevertheless, careful control of this stage of manufacture will be amply repaid."

It is also gratifying to find that many companies in South India have improved and extended their factory facilities, although this is by no means universal and must still be considered a priority, if South Indian teas were to maintain quality with quantity. During the past year, far more interest in manufacture was shown and this is a healthy sign for the future if the industry is to prosper in the face of keen international competition.

Outlook

The outlook for South Indian teas appears to be "quite bright" at present. An important factor which bids fair to improve the prospects is the proposed introduction of *ad valorem* duty on tea by Ceylon. According to Messrs. Forbes, Ewart and Figgis, this will widen the differential between the high grown teas of Ceylon and South India and can easily influence buyers in favour of South Indian teas or fetch a lower price for Ceylon teas of similar quality. Much, however, seems to depend on the plucking and the quality of tea manufactured. This is substantiated by the trend of demand for various kinds of tea during the past year. Thus, the *Tea Review* observes:

"A factor of 1958 has been the irregular demand for medium teas. These types have generally suffered on all markets, particularly at times when medium quality has not been outstanding. A feature of the year has been the sustained demand at all centres for the better liquoring types and during this season we have had ample proof that the consumer wants the best possible tea. There has also been demand for the cleaner low grown as price breakers and the only category of tea which has been consistently difficult to sell has been the plainer type of medium grown tea. Under the circumstances, it is essential that producers of these types concentrate on the highest standards of plucking and manufacture."

In short, Messrs. Forbes, Ewart and Figgis do not, at present, see any reason for the current (1959) season to fall below the average price of 1958. Given industrial peace, they do not see why the tea trade in South India should not continue to support and repay the many thousands who depend upon it for their existence.

RECENT TRENDS IN INDIAN BANKING—I

(*Concluded from page 638*)

pattern of deposits is discernible. Against a decline in the deposits of trading concerns and personal deposits there has been an increase in Government deposits and in the deposits of manufacturing concerns. The figures in Table II bring out this trend.

Apart from economic factors which have helped in bringing about greater integration of the banking system and in enhancing the Reserve Bank's control over commercial banks, certain measures taken on the administrative side by the Reserve Bank have strengthened this tendency. Since 1949, when the Banking Companies Act came into operation, the Reserve Bank has been maintaining a close supervision of the commercial banks, with a view to improving the efficiency and the tone of the banking system as a whole. Under Section 11 (1) and Section 11 (3) of this Act, banks with paid-up capital and reserves of less than Rs. 50,000 are required to cease transacting business, with the result that banks of this category have come down in number from 83 in 1949 to 7 in 1957. At the same time, steps are taken to promote amalgamation of small banks in the interests of depositors and greater stability and, in order to prevent the springing up of mushroom growths which cannot be operated efficiently. Furthermore, the system of inspection of banks by the Reserve Bank started in March 1950 provides an opportunity to the Reserve Bank to acquire an intimate knowledge of the conduct of business by these banks. These regular inspections have resulted in the exposure of some of the common defects of small-sized banks and in the general toning up of the banking system.

(*To be continued*)

IMPRESSIONS OF WORLD BANKING—II

CONSUMER CREDIT—CREDIT CHECKING

By G. Lakshminarayanan

ASSISTANT GENERAL MANAGER, INDIAN OVERSEAS BANK, LTD.

THE adoption of 'consumer credit' by commercial banks in the U.S. is a landmark in the evolution of "credit economy." Commencing 50 years ago primarily as another line of business, the mechanism of sales finance emerged in course of time from a state of condemnation to one of respectability. Today, it is a response to American social needs, as the standard of living, the world's highest, is a measure of widespread ownership of homes, automobiles, household appliances and every other consumers' durables. A third of all retail sales in the U.S. is on credit, and instalment credit has fulfilled the twin functions of promoting consumer demand and releasing the production potential of factories. Dealers have to secure buyers for about six million new automobiles every year, a greatly excessive number of used cars, refrigerators, washing machines, television sets, etc. While sales finance companies, consumer finance companies, personal finance companies—institutions who assume credit and collection functions for their customers by purchasing their receivables without recourse to customers for credit losses—have done yeoman service to popularise this mechanism, the effective stimulation of consumer credit started with the participation of commercial banks. The (First) National City Bank of New York 'ventured' into this field 30 years ago, and true as a pioneer, has carried the grand tote to some 6.7 million loans aggregating $4.1 billion till the end of 1957. At the year-end, this bank carried 556,000 loans amounting to $310 million. The Manufacturers Trust Company, also established in 1812, is the second leading in the line, and today banks who stood aloof are employing ingenious methods to gain lost ground. At the end of last year, commercial banks' holding of consumer credit amounted to $15.7 billion, a sixth of their total advances. Incidentally, American banks' personal loans alone amount to nine times the *total* advances of all Scheduled banks in India. Total consumer credit through all agencies amounted to 44.7 billion dollars or Rs. 21,230 crores.

Another Version of Democracy

A bank executive characterised the "personal loans" as another version of democracy in the U.S.; the man in the street can obtain credit with the same ease with which the General Motors Corporation can. So it is. When I was in New York, the Chrysler Corporation floated a $150 million loan and banks' tenders amounted to $200 million, interest rate being no more than 3½ per cent. In the same way, and in spite of cost-consciousness, American banks compete for consumer credits ranging from $60 to $10,000. They announce through special handouts that account relationship is not a condition for these loans; apart from extensive branch organisation, most banks employ field workers called "credit interviewers," trained in personal loans technique and salesmanship. As special incentive, an officer completing his monthly quota gets $25. Each automobile loan gets $1, and each account transferred from another bank fetches 50 cents. The Manufacturers Trust Company has 97 such interviewers. An exhaustive manual of instructions starts with the preamble that the various plans and guides are no more than suggestive, that every case should be taken up for consideration on merits, and rules are not to supersede sound judgment. The despatch is so prompt that a loan application submitted by 2 p.m., is disposed of before noon next working day. In the interval, the application goes through exhaustive scrutiny, the credit interviewer himself uncovers every material fact, the Central Department checks with the applicant's employer as well as his previous bank. By mutual understanding, credit enquiries are lodged with banks until 2 a.m., and are replied by 8.30 a.m. Personal Loans Department works round the clock. By 10 a.m., credit checking with the employer is complete and the application is admitted or rejected by noon. While sanction can be made by one officer, rejection calls for concurrence of two officers. A new borrower gets a "welcome letter" and one completing satisfactory repayment gets a "thank you letter."

Each bank has tried to outwit the other in personal loan service. and now this financing covers practically every sort of loan requirements, payment of medical bills, taxes, insurance premium, making cash purchases, going on vacation, etc., and "education loan plan" for tuition fees, automobile financing for new and used cars, instalment credit for home appliances, group loans to cover almost the whole household requirements, say at the starting of life by newly married couple, moving to more spacious house, etc., property improvement loans for modernisation, repairs and extensions, boat loans, collateral loan plans against bonds and stocks, small business loans up to $25,000 repayable in monthly instalments, extending to 50 months. The First National City Bank advances $9,000 against taxi-cabs, which, including licence, costs $18,000, while the car value itself is some $3,000 only. Commercial banks' holding of automobile paper alone is six billion dollars, 3½ times the total of scheduled bank advances in India. Every day, thousands of repayments are handled, with hundreds of thousands of outstanding loans, borrowers are divided not alphabetically but phonetically.

Loss Ratio

The reason for the astounding growth of consumer credit is not far to seek, for personal loan is a means of reaching practically every home. While big 'chunks' get only 3½ per cent. return, personal loans earn 4½ per cent. discount or nearly double that net. Market research has revealed that many families become hereditary borrowers of each bank; when one availment is complete, another is taken. And thanks to credit judgment of loaning officers, average loss ratio is not more than one-fifth of one per cent. and huge sums built up in special reserves in the early life of the scheme have since been merged with general reserves. Automobile repossessions for non-payment has not been more than one in 330.

I consider consumer credit to be of vital importance to India, from the point of view of banking, and larger perspective. Consumer credit promotes consumer demand by creating a market, boosts production, increases employment opportunities, adds to tax revenue and gives an upswing to national prosperity. It broadens the incidence of consumer demand, evens out purchasing power and balances price relationship. Without effective purchasing power in the masses, even well administered price control will be of no avail, as the privilege of buying under a scheme of rationing can be acquired at a premium by the rich. In fact, this has been amply demonstrated in the war and post-war years. Secondly, consumer credit gives fillip to consumer industry towards a balanced economy. Disproportionate weightage to basic industry without adequate development of consumer industry can well pose serious problems in the price front and inflation control. And, while basic industries are being established under State initiative as the keystone of national economy, consumer industries, numerous and varied, have to rest necessarily on the initiative of private enterprise, and no *entrepreneur* can stand it without a market. Again, consumer preference will be a guide to rationalisation, since the ultimate success of an industry will rest on its ability to satisfy consumer wants.

Power Not Known Before

Banks in India can make a useful contribution to economic evolution by a studied phase of consumer credit. For example, they can assist the artisan to take to modern implements and power. We are fast developing electrical energy and Indian companies produce lathes, electric motors, etc. The Indian artisan, who is still weighed down by primitive methods, can give precision and speed to his products, can reduce drudgery of work, if only he has the means to equip himself. Each 'slum' of the artisan can rise into a small factory of five or six people. This will increase their standard of living and reduce the evils of gigantic units. Socially such a scheme can have sobering effect on the individual and the society itself and a step towards the "Welfare State." Banks can similarly assist in providing building equipments, road-making equipments, etc. They can help installation of sanitary equipments, electric fans, purchase of furniture, sewing machines, typewriters, radio sets, musical instruments, washing machines, motor cars, scooters, bicycles, etc. They can finance road and water transport agencies and reduce the strain on railways. They can assist house building, modernisation, electrification, can promote education, particularly vocational, by appropriate loan plans. In short, bank finance can open up vistas yet unknown in this country, and can revolutionise living standards. And the psychological impetus to extension of banking habit will place in Indian banks an influence and power not known before.

Deutsche Mark *Versus* U.S. Dollars

Yet another aspect of consumer credit is the influence of a large domestic market on the strength of the local currency. As an example, here are two countries, the U.S. and West Germany, which in technological advance and industrial production have attained a very high degree of development. Germany has surplus industrial production and mounting foreign exchange balance, same way as the U.S. The Deutsche Mark is intrinsically as strong as the U.S. Dollar, yet at no conceivable future can the Deutsche Mark attain parity with the U.S. dollar in the wider sense of the term. One important reason is that the Deutsche Mark lacks the wider base of the U.S. dollar. Germany has a limited market as compared with the U.S. India, with its teeming population, offers unique opportunities for a high industrial potential, if only consumption will keep pace with production, if production and consumption react on each other to take both to higher levels. The intermediary for this consummation is the credit mechanism.

Legal Climate

The successful working of consumer credit in the U.S. has been assisted by salutary statutory protection. The chattel mortgage has been accorded high sanctity, with easy recourse both to goods and personal liability. Similar protective legislation will be necessary in India. As we gain experience in practical administration, we could move the Reserve Bank of India for enabling legislation. Similarly, the facility of group life insurance in the U.S. has relieved both banks and borrowers the consequences of mortality, as, for a nominal premium, banks can cover this risk. May be this again can be moved at high levels at the Life Insurance Corporation of India.

Crack in British Citadel

There has been some reservation outside the U.S.—with English banks as the chief protagonists until a year ago—on the propriety of commercial banks associating themselves with consumer credit. One ostensible ground is the virtue of specialisation that goes with such banks. But banking experience in several countries shows that specialisation is itself only an intermediate state, denoting the competence and organisational efficiency of a set of institutions in a certain sphere of activity, and the yet higher stage of consummation is a state of versatile banking. A specialised institution uses its knowledge and organisation to extend its sphere of operation beyond its early confines, acquires proficiency in the extended field, and ultimately becomes specialised in every type of activity. Also with gradual evolution of economy, commercial banks have come to attract the largest share of resources, and no scheme of credit can be adequate without direct participation by this class of privileged institutions. Also commercial banks, by the privilege of international association, have organisational facility, and the larger the sphere of these bank operations, the greater will be the service to customers. A pamphlet of the Manufacturers Trust Company details 70 ways in which it serves its customers. These particulars are reproduced below:

Service Rendered by Manufacturers Trust Company

General Banking

Regular Checking Accounts
Special Checking Accounts
Savings Accounts
Register Check—Personal Money Orders
Christmas Club Accounts
Gift Checks
Collections
Transfers of Money by Wire
Depositary for Withheld Taxes
U.S. Savings Bonds—Sale and Redemption
Freight Bill Payments
Certificates of Deposit

Loans and Extension of Credit

Commercial Loans
Personal Loans—Single Name and Co-Maker
Automobile Loans
Property Improvement Loans
Life Insurance Loans

(*Continued on page 651*)

GROWTH OF INDIAN RAILWAYS

THEIR ROLE IN INDUSTRIAL PROGRESS

FROM modest beginnings in 1853, the Indian Railways have grown from strength to strength and attained today the distinction of being the largest nationalised enterprise. Again, as is perhaps only to be expected, they have played no mean part in India's industrial progress. A study of the history of industrialized regions in the country will bear out the claim that the extension of the Railway system to a region is invariably followed by the establishment of industrialised enterprises in that region. The Railway week, which commenced on 10th inst., provides an occasion for viewing the Railways in retrospect and assessing their future role.

In 1853, India's railway operated on a mere 20-mile route. By 1871, the route-mileage exceeded 5,000 and by 1890, it crossed the 16,000-mark. In 1910, it was about 32,000 and 41,000 by 1929-30. With the partition of the country, the Railways were left with 34,000 route miles in 1947-48; they increased to 35,000 miles by 1956-57. The freight carried by the Railways has grown with the increase in route mileage and in agricultural and industrial production. In 1871, the freight originating on Indian railways stood at 3.5 million tons and passengers at 19.2 million. In 1899, these figures were respectively 22.6 million and 110 million and by 1929-30, they had increased to 87.3 million and 630 million. In 1956-57, the goods traffic was 125 million and the passenger traffic 1,380 millions. The capital-at-charge moved up from a mere Rs. 37 lakhs in 1853 to Rs. 90 crores in 1871, Rs. 213 crores in 1890, Rs. 439 crores in 1910, and to Rs. 1,350 crores in 1958-59. Similarly, gross earnings and working expenditure went up from Rs. 90,000 and Rs. 41,000, respectively, in 1853 to Rs. 6 crores and Rs. 3 crores, respectively, in 1871; they rose to Rs. 20 crores and Rs. 10 crores in 1890 and still further to Rs. 116 crores and Rs. 75 crores in 1929-30. In 1958-59, gross earnings aggregated Rs. 394 crores and working expenditure Rs. 319 crores. In the beginning, the Government had agreed to pay the railway companies a minimum guaranteed interest on their investments. For a number of years, the Government had to meet the loss of the Railways from general revenues. The position was reversed from 1924-25, for, since that year, the Railways have been making a substantial contribution to the general revenues, which, in 1956-57, amounted to Rs. 38 crores. The following table gives some important statistical data relating to the working of the Railways in 1938-39, 1948-49 and 1957-58:

Class I Railways

	1938-39	1948-49	1957-58
Works machinery and rolling stock programmes (in crores of Rs.) ..	9.41	54.01	250.66
Total staff	641,099	856,795	1,111,026
Total gross receipts (in crores of Rs.).	103.5	225.7	391.4
Total working expenses (in crores of Rs.)	68.8	178.0	309.3
Tons originating (in million)	84.4	78.5	132.1
Ton miles (in million)	21,873	22,337	44,861
Passengers originating (in million) ..	499	1,114	1,410
Passenger miles (in million)	17,988	37,129	43,043
Total stores purchases (in crores of Rs.).	9.38	100.4	221.8
Rolling stock as on 31st March—			
No. of locomotives	7,919	7,761	10,025
No. of passenger carriages (in units).	16,620	12,665	17,599
No. of wagons including special wagons (in units)	205,017	198,863	275,970

The Indian Railways, according to figures compiled by Mr. P. C. Mukherjee, Chairman of the Railway Board, provide about the cheapest form of transport in the world. Thus, the average rate per passenger-mile in India is 5.33 pies and the average rate per ton-mile is 11.3 miles, as compared with 15.5 pies and 33.9 pies respectively in the British Railways and 24.5 pies and 12.7 pies in the U.S. Class I Railways. The average rate per passenger-mile and the average rate per ton-mile (shown within brackets) for other national railways (in pies) are:

Canadian National 29.1 (13.9); Canadian Pacific 27.5 (13.2); French National 21.4 (27.0); German Federal 13.4 (26.1); Italian State 11.1 (18.0); Japanese National 5.4 (11.2); Swedish State 18.8 (24.7) and Swiss Federal 17.2 (48.1).

A notable feature of the development of the Railways is that, in many regions, it has synchronised with India's industrial progress. As Mr. G. P. Shahani, General Manager, South Eastern Railway, points out, "over the past century, industrial development has followed in the footsteps of the Railways." Bombay got its first textile mill in 1854, a year after its first railway communication was established. In the Calcutta area, the Railways came in 1854, and later, in that very year, the first jute mill was set up. The history of the East Indian Railways, now part of the present Eastern and Northern Railways, follows the growth of the coal industry. Oil was struck in Assam in 1867 and the first oil was drilled in 1889, after the then Assam Railways and Trading Company had completed their railway track in 1882. Tea industry in Assam and Bengal grew with the extension of Railways to this region which was undertaken at the request of tea planters.

Besides providing, as noted above, indirect fillip to industrial progress, the Railways stimulate progress in a relatively more direct manner in two ways. In the first place, they are large consumers of stores, so that many industries, large-scale as well as small-scale, are dependent on the Railways for the offtake of their products. Between 1950-51 and 1956-57, the purchases of indigenous product by the Indian Railways increased from Rs. 62 crores to Rs. 126 crores. The Railways have substantially contributed to the development of such ancillary industries as those manufacturing wagons, wheel castings, vacuum brake fittings, train lighting equipment and paints and brushes. Secondly, the Indian Railways are themselves the manufacturers of a wide range of transport equipment, including locomotives and coaches. The values of the equipment manufactured by the Railways in 1957-58 with the corresponding figures for 1947-48 in brackets, are: (Rs. in lakhs);

Engineering plant and components 35.8 (5.6); workshop machinery and tools 89.6 (7.7); permanent way material 24,00.9 (379.4); steam locomotives and parts 13,59.2 (60.9); wagon underframes and parts 14.50.6 (275.7); signalling equipment 201.9 (15.6); electrical telegraph and telephone equipment 735.4 (33.4).

Realising the importance of the Railways to national economy, the Government has stepped up the outlay on the Railways from Rs. 400 crores in the first Five-year Plan to Rs. 1,125 crores in the second Plan. The second Plan aims at increasing the capacity of the Railways to a level at which they will be able to carry 168 million tons of freight traffic, as against 114 million tons in 1956. No decision has yet been taken on the third Plan. Some tentative estimates, however, have been made. Thus, Mr. Mukherjee observes that "with even the very little that can be foreseen at this stage, it appears that an annual freight capacity of 260 million tons may be required to be built up by the end of 1965." He, however, points out that the third Plan for the Railways "can be formulated in more precise terms only after a clearer picture is obtained of the major industrial and agricultural developments to be undertaken in the third Plan period." There is no doubt that, in the context of the rising tempo of India's industrial progress and the vast tracts in the country which have yet to be opened up to rail communication facilities, the Indian Railways will be called upon to shoulder an increasingly larger burden of freight and passenger traffic in the coming years.

B.O.A.C.'S ROUND-THE-WORLD PLAN

The B.O.A.C.'s plan to operate round-the-world fast flights by employing two of its fastest airliners —the Comet 4 and the jet-prop Britannia 312—has been upset by a U.S. operator, the Northwest Airlines. It will be recalled that the B.O.A.C. had proposed to operate this plan from 1st April 1959. But till the time of writing, only a part of the plan has been in operation.

The plan for putting a jet girdle round the earth, so that one can fly around the world in a little less than 87 hours, is in two parts. One is west-bound with Britannia jet-prop liners in use, from London to Hong Kong via New York, San Francisco, Honolulu, Wake Island and Tokyo. The other part covers the East, from London to Tokyo, via West Asia and India. On this route is used the new Comet 4 jet. The second part of the plan is already in operation but, of the first part, the operations covering the mid-Pacific have had to be postponed, because of the objection raised by the Northwest Airlines.

Explaining the hitch, Mr. Basil Smallpeice, Managing Director of B.O.A.C., said that, under the Air Services Agreement between the U.S.A. and U.K. Governments, the B.O.A.C. could operate a route from San Francisco across the Pacific to Tokyo and Hong Kong. "As at today," he observed, "we have the right to do so and the B.O.A.C. could start to operate commercial flights at once, but for one fact." He added: "Under American procedure, we are required, before starting to operate commercial flights, to have a permit from the American Civil Aeronautics Board. Under British procedure, and under the same agreement, an American operator obtains an operating permit virtually automatically from the U.K. Government and can begin to operate services immediately after designation has been accepted, which takes only a matter of days. The B.O.A.C. application reached the American C.A.B. on 4th November 1958, having been lodged originally with the State Department on 23rd October in accordance with their requirements. Today, some five months later, we have still not received any permit, despite the stipulation in the agreement that permission to operate shall be granted without undue delay. By any standard, five months is more than an undue delay."

Referring to the protest by Northwest Airlines, Mr. Smallpeice said: "This airline operates commercial flights from New York through Seattle to Tokyo, but it does not serve San Francisco or Honolulu on the route. Its traffic is, therefore, mainly different from that on the B.O.A.C. route from San Francisco through Honolulu and Tokyo to Hong Kong. Nevertheless, Northwest Airlines complains of potential competition from B.O.A.C.'s new service. It also complains of its failure to obtain rights from the U.K. Government for a new route beyond Tokyo to Hong Kong which is not included in the present agreement."

"It should be made clear," said Mr. Smallpeice, "that what we in B.O.A.C. are seeking to do is merely to exercise our right under the present agreement to provide the British counterpart to the American services across the mid-Pacific which have been operated by Pan American Airways since 1946, linking Hong Kong with San Francisco. On this route, P.A.A. is already operating services over the sector between Tokyo and Hong Kong and actually carries more traffic than any other operator between these two points, one British and the other Japanese. In our view, it would, therefore, be quite unreasonable for yet another American carrier, the Northwest Airlines, to be granted a new route into Hong Kong, additional to the present agreement."

In the light of Mr. Smallpeice's explanation, it sounds strange that the Northwest Airlines should have raised the objection at the last minute and that the American C.A.B. should have entertained it. But in the U.S., domestic industry has a powerful voice and is strongly protected. The airlines are no exception. Although the U.S. State Department considers that the B.O.A.C. is within its right in seeking to add Tokyo to its route network, it is helpless. Under American law, the Civil Aeronautics Board, which is the governing body of civil aviation in the U.S., is obliged to hear any objections made by American carriers to plans by foreign airlines to increase their services to and through the U.S. The contention of the Northwest Airlines, apart from the one referred to by Mr. Smallpeice, is that the B.O.A.C. plan would divert traffic worth almost $13 million per annum from domestic lines. The outcome of this contest is awaited with great interest by airline operators all over the free world, for it involves an important matter of principle. Explaining this point, the *Financial Times*, London, says:

"Should the Northwest Airlines' objection to B.O.A.C. be upheld, it is likely that other American carriers would feel encouraged to make similar objections to other foreign route applications in the future. This might well result in the eventual closure of the U.S. market to foreign airlines wishing to operate new through services—a situation which could do nothing but harm to the development of world civil air transport."

Meanwhile, the B.O.A.C. has announced its plans for the introduction of Comet 4 jets on other routes. Thus, Sir Gerard d'Erlanger, Chairman of the B.O.A.C., stated that the Corporation would introduce Comets to Australia and South Africa before the end of the year and probably also to South America in 1960. The Comet 4 jetliner, as is well known, is a pioneer among the world's jetliners. It is, therefore, called a pure-jet-airliner. With a length of 111 ft. 6 in. and height of 28 ft. 6 in., it has a wing span of 114 ft. 10 in. It can carry 9,000 gallons of kerosene which it consumes at the rate of 4,000 gallons an hour during the take off but only 800 gallons an hour when it attains the cruising height of 40,000 ft. It flies at an average cruising speed of 500 miles per hour. The aircraft moves so smoothly and steadily that, despite its immense speed, one feels no sensation of flying.

The Comet 4-jet will cover the distance from Bombay to London in 13 hours and Delhi to London in 15 hours, as compared with 12 days taken by the first air service in 1927. The first half of the round-the-world trip has proved that the Comet 4 is admirably suited for the London-Far East route. The Comet has also set up a new civil record on the Beirut-Karachi sector by flying 2,165 miles in 3 hours 56 minutes.

The Britannia jet prop airliner has completed the second half of a round-the-world flight from Tokyo to London, a distance of 13,000 miles, in 33 hours and 16 minutes. The 3,980-mile flight from Tokyo to Honolulu—the longest over-water crossing in the world—took 10 hours 44 minutes. The flight from Honolulu to San Francisco—2,460 miles —took 7 hours 9 minutes. The Britannia flew 2,845 miles non-stop across the United States in 6 hours 55 minutes. Then, after a brief halt at New York, it made the Atlantic crossing to London in 8 hours 28 minutes.

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NEW PRODUCTS AND PROCESSES

New Electronic Thermometer

A NEW type of electronic thermometer which will measure the temperatures immediately it is placed in contact with objects has been developed by the Wayne Kerr Laboratories of the U.K. The device, which is at present in prototype form, can be used, it is claimed, to measure the heat lost from particular windows of buildings, doors or ceilings, or office heating systems, as well as during the different stages of industrial processes. It could also, the results achieved so far suggest, be used to give virtually instantaneous measurements of the temperature of the human body—within a second or so of its initial application to the surface of the skin. This would be an important advance in clinical medicine. A useful feature of the new instrument, is the fact that the temperature measuring probe can be operated at a distance of up to 1,000 feet from the recording device. The device depends on the use of a temperature-sensitive metalic oxide lead which is connected to a sensitive direct current bridge measuring circuit. The complete unit weighs 4 lbs., and is 8¼ inches by 6 inches by 4½ inches. One of the prototype models of the thermometer is now in use by a geological exploration party in New Zealand.

Anti-corrosion Coating for Metals

Anti-corrosion coatings that can be applied to metals and used also as a protective surface for concrete are being offered by Wolseley Holdings of Caton Road, Lancaster. Seven different grades of the coatings are offered, each formulated to satisfy a given range of conditions. They are made from synthetic resins produced in Germany and are applied by spray, the surface having previously been subjected to a cleaning process such as shot blasting. Some of the coatings are hardened by baking, while others harden catalytically. They are said to be particularly suitable for giving protection against the action of flue gas dew point corrosion and for protecting heat exchanges from attack by sea and brackish water. Another advantage claimed for the coatings is their low co-efficient of friction which makes them a suitable material for lining coal bunkers and chutes. Marketed under the name Lanshield Sakaphen, the coatings are usually applied at the dompany's Lancaster works, but teams of operators are available to carry out on-site application. The cost works out at between 7s. 6d. and 9s. 6d. per square foot. Vessels and other equipment weighing up to 20 tons, 42 feet long and 13 feet in diameter can be handled at the Lancaster works.

Mothproof Wool

As a result of research and tests carried out by a British company, Shell chemical it is now possible to manufacture all forms of woollen goods completely mothproofed. The development makes unnecessary annual mothproofing of knitwear, baby clothes, underwear, carpets, underfelts, soft furnishings, coats, suits, dresses, and bedding. The new product is applied by the manufacturer at the processing stage, and is not suitable for domestic application. It is relatively low in cost and makes economically possible the mothproofing of the full range of woollen goods. It cannot be detected on the wool and the mothproofed garments, nor is the product affected by long wear or the effects of sunlight. If applied under certain conditions laid down by the producing company, the mothproofing effect is maintained after repeated washing or dry-cleaning. Carpet manufacturers have been making effective use of the product for some time.

A New Machine Tool

A Swiss firm, Tarex Ltd., Geneva, which specialises in the manufacture of precision machinery, has produced a new automatic lathe, which will be shown at the next European exhibition of machine-tools, to be held in Paris in September. From the practical point of view, this single-spindle lathe, it is said, makes it possible owing to its numerous technical innovations, to reduce, by nearly 40 per cent., the time required for production with the use of normal machines. Among its particularities, mention should be made of the pre-selection of the spindle speeds obtained by means of electronic control; in this way, it is possible to fix any desired speed in respect of each position of the turret-head, which is thereupon automatically thrown into gear during the cycle of work.

Copper Chlorophyll from Stinging Nettle

A process to prepare copper chlorophyll direct from the stinging nettle leaves has been developed at the Forest Research Institute, Dehra Dun. Dried stinging nettle leaves powdered to a fineness of 10 to 60 mesh are extracted with ethyl alcohol after wetting with copper sulphate solution. The extract is concentrated under acidic conditions and refluxed in the presence of a suitable copper salt whereby copper chlorophyll separates out. The product obtained is washed with hot water and purified. The economics of the process has been studied in a pilot plant set up at the Shri Ram Institute for Industrial Research, Delhi, where several batches of 4 kgs. of dry leaves have been successfully processed. Extraction efficiency of about 80 per cent. has been achieved giving a yield of 4.5 per cent. of the product on dry leaves. The product has been tested by some leading soap manufacturing firms who have reported favourable results. Copper chlorophyll finds wide applications in the soaps, oils and cosmetics industries as a pigment. It is also used in the manufacture of green paints for military purposes.

CANARA BANK LIMITED

CHAIRMAN'S SPEECH AT ANNUAL MEETING

SPEECH delivered by the Chairman, Mr. A. D. Pai, at the Annual General Meeting of the Shareholders of Canara Bank Limited held on 20th February 1959 at the Bank's Registered Office at Mangalore.

"The 53rd annual report with the balance-sheet as at 31st December 1958 and the profit and loss account for the year 1958 has been already in your hands, and with your permission I shall take it as read.

"In keeping with the trend of the previous year, the year 1958 saw a further increase in the banking resources of the country, deposits increasing by about Rs. 207 crores during the year. But unlike in the previous years, banks were in a very comfortable position. The deposits of your Bank rose from Rs. 17.84 crores to Rs. 23.76 crores, an increase of Rs. 5.92 crores as against nearly Rs. 3.5 crores of the previous year.

"In spite of this increase in deposits, banks continued to offer higher rates for deposits for fear of losing the deposits they had. The only course open to banks under these circumstances was to resolve the difficulty by co-operative endeavour. The Indian Banks Association took up the matter in right earnest, and, in spite of several obstacles in their way, finally succeeded in ironing out the differences and reaching an agreement which came into effect as from 1st October 1958. Under this All-India Inter-Bank Agreement, maximum rates of interest on deposits are fixed, and certain terms for accepting call deposits are agreed upon. It is yet too early to assess the effects of this agreement. But one noteworthy feature of the present trend is that in spite of this stabilising of interest rates, deposits of Scheduled Banks have been registering satisfactory increase.

Good Response to Fresh Capital Issue

"The issue of capital during the year under report met with good response from shareholders as well as employees of the Bank. There was heavy over-subscription, and the number of shareholders increased by nearly 1,300. There is as at the end of the year under report a small amount of unpaid calls of Rs. 19,180.00, and to that extent the paid-up capital falls short of Rs. 50 lakhs.

"Our reserve fund stands at Rs. 45 lakhs, and the share premium collected during the year amounted to Rs. 6,24,246. This latter amount has been shown separately in the balance-sheet.

"The increase under deposits referred to already is reflected in the increase under investments and advances. Our investments at the end of the year were almost twice those at the beginning. The pattern of investments of Scheduled banks in general has been similar. The steady and increased demand for gilt-edged securities by banks and other investment institutions has resulted in an upward trend in security prices. The market value of our holdings is higher than their book value by over Rs. 16 lakhs.

Advances Higher

"Our advances though higher by Rs. 2.14 crores over the previous year were still only 46 per cent. of our deposits as against 49 per cent. of the previous year. In this, as under investments, our advances have followed the pattern of other banks in the country. Consequent on increased burden of interest due to larger deposits, and the difficulty experienced during the year in finding outlets for the fast increasing surpluses, the profits of the Bank have been lower. This is in consonance with the general pattern of bank profits so far revealed by the operating results of other banks.

"In this context must be seen the greater competition among banks for a larger share of advances to customers which is resulting in the lowering of the rates of interest on advances. It is to be seen how far banks will be able to take advantage of lower rates on deposits to maintain their profit level after meeting growing demands under expenditure.

"One item under expenditure which does not abate with lower profits is that of salaries and emoluments of the employees. The Bank Award, which has been in force for some years past, lapses by next month-end, and bank employees are already agitating for higher emoluments and better amenities. Employees play a part as important as that of capital and management in the earnings of the bank, and therefore, their reasonable demands deserve consideration. The income of any commercial institution comes from the joint efforts of capital, management and labour, and consequently the net earnings are to be shared between them. The share of each can rise only if the net earnings go up. We in the management shall do everything possible to augment the net earnings, and I am confident that employees will also play their part effectively by showing a greater consciousness of their duties and by giving better turnout of work and by displaying a higher standard of discipline.

Eight New Branches

"During the year eight new branches were opened, one in Bombay City, five in Mysore State, one each in Kerala and Bombay States. These, and the branches opened in 1957, are making satisfactory progress. Arrangements for opening branches at Bhavnagar, Poona, Malmaddi (in Dharwar), Byculla, Chembur and Vijayawada are being made, and these branches will be shortly opened. Your Bank has also plans for opening some branches in other important commercial centres for which licences from the Reserve Bank of India are awaited.

Foreign Department

"In spite of the import restrictions and lower exports, our Foreign Department is making satisfactory progress. Two officers of the Foreign Department have returned after training in West Germany. One of our Deputy General Managers has returned after studying banking methods in the U.S.A. and another will be shortly leaving for Japan, the U.S.A. and the U.K. Two more officers are also proceeding this year to West Germany.

Executor and Trustee Department

"An Executor and Trustee Department has started functioning, and the response so far received from the public is highly encouraging. Your Bank expects better results in this new department in the current year.

President Rajendra Prasad Lays Foundation Stone

"The ceremony of laying the foundation-stone of the Administrative Offices of the Bank performed by Dr. Rajendra Prasad, President of India, on 2nd February 1959, marks an important milestone in the history of the Bank. On this occasion hundreds of messages of good wishes were received from far and near. These messages have strengthened our confidence to be of greater service to an increasing number of patrons. Special mention may be made, in this connection, of Dr. Rajendra Prasad's speech from which the following extracts are taken:

"'The history of your Bank has a special feature to commend itself. The very idea which motivated its founders, particularly the late Shri A. Subba Rao Pai, principal among them, was that of improving the economic condition of the people by starting an institution to instil the habit of thrift and saving and to give financial assistance of a moderate scale to business and others needing such aid.

"'Glad as I am to know the contribution of your Bank to the economic and commercial development of these parts during the last half a century, I have felt particularly drawn towards your various welfare activities.

"'To-day there lie before it possibilities and opportunities of which its founders may never have dreamt. It is so gratifying to know that these opportunities are being utilised by the Directorate of the Bank not only in the interest of the Bank and its clientele alone but also of the nation as a whole.

"'I congratulate all connected with the Canara Bank and responsible for its progress.'"

Note:—This does not purport to be a record of the proceedings of the Annual General Meeting.

THE INDIAN BANK LIMITED, MADRAS

(ESTABLISHED 1907)

To be placed before the shareholders at the ensuing Fifty-second Annual General Meeting to be held on Friday the 24th April, 1959 at 11 a.m. at the Registered Office of the Bank, "The Indian Bank Buildings," North Beach Road, Madras-1.

DIRECTORS' ONE HUNDRED AND THIRD REPORT

The Directors have the pleasure to submit a statement of Assets and Liabilities and of Profit and Loss Account of the Bank for the year ended 31st December, 1958. The Auditors' Report is also annexed.

2. The Net Profit of the Bank for the year amounts to Rs. 21,30,556.94 and together with the sum of Rs. 2,04,375.82 carried from the previous year's account, makes a total of Rs. 23,34,932.76.

3. Out of this sum, the Directors have made the following interim appropriations:—

	Rs.	nP.
An ad interim dividend at the rate of 5 per cent. and a Bonus of 1½ per cent. (both free of income-tax) was paid which absorbed	4,32,000	00
The Directors now recommend that the following further appropriations may be made:		
To pay a final dividend of 5 per cent. and a Bonus of 1½ per cent. (both free of Income-tax) thereby making the dividend and bonus for the year amount to 13 per cent.	4,32,000	00
To provision for Taxes	6,50,000	00
To transfer to Reserve Fund under Section 17 of the Banking Companies Act, 1949	7,30,000	00
To transfer to Bank's Buildings Account	30,000	00
To carry forward	60,932	76
Total .. Rs.	23,34,932	76

4. The Bank rate remained unchanged at 4 per cent.

5. Offices of the Bank were opened during the year at Kothwal Bazaar (Madras), Alwaye, Ballapatam, Basvangudi (Bangalore), Malleswaram (Bantzalore), Mandya, Karol Bagh (New Delhi), Pondicherry, Poona, Ekambarakuppam (Nazari), Gobichettipalayam, Karur, R. S. Puram (Coimbatore), Town Hall Road (Madurai), and Udumalpet.

6. In the vacancy caused by the sad demise of Rao Bahadur Dr. M. R. Guruswami Mudaliar, Director of the Bank, Sri Ramdas Purushottamdas was co-opted as a Director.

7. In accordance with Articles 92 and 93 of the Articles of the Association of the Bank read with Section 256 of the Companies Act, 1956, four directors, Messrs. Dr. Rajah Sir M. A. Muthiah Chettiar of Chettinad, O.M.SP.L.M. Meyyappa Chettiar, K. Arunachala Mudaliar and Ramdas Purushottamdas retire this year by rotation and they, being eligible, offer themselves for re-election.

MADRAS, 26th March, 1959.

BALANCE SHEET AS AT 31st DECEMBER, 1958.

Corresponding figures 31st Dec., 1957 Rs. nP.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP
	1. Capital—		
	AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,00,000 00	
	ISSUED CAPITAL FOR PAYMENT IN CASH— 72,000 Shares of Rs. 100 each	72,00,000 00	
	SUBSCRIBED CAPITAL— 72,000 Shares of Rs. 100 each	72,00,000 00	
	AMOUNT CALLED UP— 44,000 Shares of Rs. 100 each	44,00,000 00	
	On 28,000 Shares at Rs. 80 per share ..	22,40,000 00	
		66,40,000 00	
	LESS—Calls unpaid	15,855 00	
		66,24,145 00	
	ADD—Forfeited shares	Nil	
66,15,445 00			66,24,145 00
31,17,800 00	SHARE PREMIUM ACCOUNT		31,17,300 00
	2. Reserve Fund and Other Reserves—		
	(I) Reserve Fund under Section 17 of the Banking Companies Act, 1949	51,82,900 00	
	(II) Reserve Fund other than that under Section 17 of the Banking Companies Act, 1949	8,61,683 73	
	(III) Sinking Fund	Nil	
56,83,060 03			60,44,583 78
	3. Deposits and Other Accounts—		
	Fixed Deposits	14,27,68,255 24	
	Season and Short-Term Deposits	6,76,02,289 72	
	Savings Bank Deposits	7,34,60,114 37	
	Current Accounts, Contingency Accounts, etc..	12,54,85,670 76	
35,21,01,965 49			40,93,17,330 09
	4. Borrowings from Other Banking Companies Agents, etc.—		
	(i) In India	Nil	
	(ii) Outside India	Nil	
Nil			Nil
	PARTICULARS— Rs. nP.		
	(i) Secured (Secured by part of Investments in Central and State Government securities as per contra) .. Nil		
	(ii) Unsecured .. .. .. Nil		
88,00,515 44	**5. Bills Payable**		1,02,35,169 97
	6. Bills for Collection Being Bills Receivable as per contra—		
	(i) Payable in India	2,30,52,464 44	
	(ii) Payable outside India	99,24,584 22	
4,09,80,467 99			3,29,77,048 66
	7. Other Liabilities—		
	(i) Rebate on Bills	48,416 30	
	(ii) Unclaimed Dividends	1,11,233 88	
	(iii) T.Ts. Payable	5,96,837 08	
	(iv) Sundries Payable	9,45,228 81	
	(v) Provision for Taxes	1,00,982 57	
	(vi) Branch Adjustment	43,20,339 91	
	(vii) Interest Realisable	32,960 27	
74,23,065 95			61,55,998 32
1,86,41,240 55	**8. Acceptances, Endorsements and Other Obligations** per contra		2,48,45,308 21
	9. Profit and Loss—		
	Profit as per Balance Sheet as at 31st December, 1957	35,92,175 82	
	LESS—Appropriations— Rs. nP.		
	(I) Final dividend of 5 per cent. and a Bonus of 1½ per cent. (both free of income-tax) .. 4,30,000 00		
	(II) Golden Jubilee dividend of 2 per cent. (free of income-tax) 1,32,800 00		
	(III) Provision for taxes .. 15,00,000 00		
	(IV) Transfer to Reserve Fund under Section 17 of the Banking Companies Act, 1949 .. .. 10,50,000 00		
	(V) Transfer to Sinking Fund.. 1,50,000 00		
	(VI) Transfer to Development Fund 50,000 00		
	(VII) Transfer to Gratuity Fund. 50,000 00		
	(VIII) Transfer to Bank's Buildings Account 25,000 00		
		33,87,800 00	
	ADD—Profit for the year brought from the Profit and Loss Account	2,04,375 82	
		23,34,932 76	
	LESS—Interim Appropriation— Ad-Interim dividend at the rate of 5 per cent. and a bonus of 1½ per cent. (both free of income-tax)	4,32,000 00	
35,92,175 82			19,02,932 76
	10. Contingent Liabilities—		
	(1) On partly paid-up shares of Banks Rs. 16,30,875.00.		
	(2) Claims against the Bank not acknowledged as debt—		
	(a) Rs. 25,000.00 falling which Rs. 670.69.		
	(b) Rs. 84,191.81.		
	(3) On guarantees given on behalf of constituents Rs. 1,56,87,965.55.		
	(4) On Forward Exchange Contracts Rs. 1,91,42,687.84.		
44,69,05,236 27	Total .. Rs.		50,12,19,816 79

Corresponding figures 31st Dec., 1957 Rs. nP.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
3,44,50,611 04	**1. Cash—** In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		3,85,23,044 80
	2. Balances with Other Banks*—	On Deposit Rs. nP.	In Current Account Rs. nP.		
	(I) In India ..	Nil	14,94,428 63	14,94,428 63	
	(II) Outside India ..	Nil	73,41,224 23	73,41,224 23	
91,97,354 52					88,35,652 86
3,81,88,758 54	**3. Money at Call and Short Notice**				1,61,33,764 02
	4. Investments (at cost)*—				
	(I) Securities of the Central and State Governments (Terminable loans) and other Trustee Securities, including Treasury Bills of the Central and State Governments			12,45,36,498 75	
	Face Value Rs. nP.	Market Value Rs. nP.			
	Quoted .. 12,01,39,000 00	11,78,38,949 60			
	Unquoted.. 40,50,000 00	..			
	(II) Shares (Quoted)—		Rs. nP.		
	Preference (other than Banking companies) Fully paid..		66,900 00		
	Ordinary (Banking and other companies)—				
	Fully paid ..		.. 7,13,402 00		
	Partly paid ..		.. 5,18,019 50	12,98,321 50	
	(Market Value Rs. 12,35,352.75)				
	(III) Debentures: Face Value Rs. 3,83,500.00 (Unquoted)			3,83,500 00	
	(IV) (a) Other Investments—(Quoted)—				
	Malayan and F. M. S. Terminable loans Face Value St. $250,500 .. (Market Value Rs. 7,40,836.55)			8,50,423 67	
	British 3 per cent. 1955-59 War Loan Face Value £12,212-10-4 .. (Market Value Rs. 1,62,724.53)			1,59,143 63	
	Ceylon Government Terminable Loan Face Value Rs. 11,56,000 .. (Market Value Rs. 11,45,245.00)			11,58,336 00	
	Ceylon Development Finance Corporation Shares			50,000 00	
	Paid up Value Rs. 50,000.00 (Market Value Rs. 42,500.00)				
	(b) Fixed Deposit with Joint Stock Companies			1,35,00,000 00	
	(V) Gold			Nil	
	(Provision in Sinking Fund and non-statutory Reserve Fund as per contra Rs. 8,61,683.73 towards depreciation on Investments.)				
10,03,53,799 33	**5. Advances—** (Other than bad and doubtful debts for which provision has been made to the satisfaction of Auditors)			14,19,36,228 55	
	(1) Loans, Cash Credits, Overdrafts, etc.—	Rs.	nP		
	(I) In India	17,12,91,163	72		
	(II) Outside India ..	1,29,80,429	31		
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—			18,42,71,593 03	
	(I) Payable in India..	3,38,06,536	90		
	(II) Payable outside India	1,43,74,990	01	4,71,81,526 97	
	(Particulars as per separate statement)				23,14,53,120 00
4,09,80,467 99	**6. Bills Receivable Being Bills for Collection** as per contra—				
	(I) Payable in India			2,30,52,464 44	
	(II) Payable outside India			99,24,584 22	
1,86,41,240 55	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra ..				3,29,77,048 66
					2,48,45,308 21
	8. Premises—	Rs. nP.			
	At cost as at 31st December, 1957	10,61,949 13			
	Additions during the year ..	5,58,582 14			
				16,20,531 27	
5,33,939 59	LESS—Depreciation written off to date ..			5,62,031 10	
	9. Safes, Furniture, Fixtures, etc.—	Rs. nP.			10,57,900 17
	At cost as at 31st December, 1957	15,64,458 24			
	Additions during the year ..	3,20,723 93			
				18,91,182 17	
	LESS—Deductions in the year			64,256 84	
				18,26,925 33	
5,63,800 18	LESS—Depreciation written off to date ..			8,06,613 37	
					10,20,311 96
	10. Other Assets, including Silver—				
	Books and Stationery			6,97,458 07	
	Sundries Receivable (including advance income-tax amounting to Rs. 15,69,403.50) ..			20,83,437 60	
	Interest Accrued on Investments ..			12,05,137 93	
	Stamps and Drafts			40,672 01	
	Silver			Nil	
	11. Non-Banking Assets Acquired in Satisfaction of Claims				40,02,705 61
2,31,785 00	(At cost—Either reserve price fixed by Court or purchase price paid at public auction)				3,44,736 95
44,69,05,236 27	Total .. Rs.				50,12,19,816 79

* Includes investment of staff security deposits.

(Continued on next page)

IMPRESSIONS OF WORLD BANKING—II

(Concluded from page 647)

Accounts Receivable Loans
Commodity Loans
General Collateral Loans
Industrial and Transportation Equipment Loans
"G.I." Business Loans
Insurance Premium Financing
Mortgage Loans
Construction Loans
Credit Information
Small Business Loans

International Banking Services

Commercial Letters of Credit
Export and Import Financing
Foreign Collections
Foreign Exchange—Purchase and Sale
Foreign Coins and Bank Notes
Foreign Trade Development
Foreign Credit Information
Personal or Commercial Remittances Abroad
Travellers Checks
Travellers Letters of Credit

Trust Services for the Individual

Executor or Co-Executor of Wills
Trustee or Co-Trustee under Wills
Trustee or Co-Trustee of Living Trusts
Administrator of Estates
Trustee or Co-Trustee of Life Insurance Trusts
Guardian or Property of Minors
Committee of the Property of Incompetents
Trust Services—Corporate and Business:
Trustee or Custodian and Investment Counsellor for:
Pension Plans—Individual Employer or Industry-wide
Deferred Profit-Sharing Plans
Employee Savings Plans
Insurance and Welfare Plans
Trustee under Mortgages, Deeds of Trust and other Indentures
Trustee of Business Life Insurance Trusts

Agency Services

Agent for Individual Executors
Agent for Voting Trustees
Conversion Agent
Custodian of Securities
Depository for Securities under Reorganizations
Dividend Disbursing Agent
Escrow Agent
Exchange Agent
Transfer Agent of Stock
Fiscal Agent
Paying Agent of Principal and Interest
Redemption Agent
Registrar of Stock or Bonds
Sinking Fund Agent
Subscription Agent
Supervisory Investment Service

Other Services

Safe Deposit Facilities
Security Analysis
Mortgage Management
Purchase or Sale of Securities

That this view in gaining ground is shown by the crack in the conservatism of British banking. The biggest of the "Big Five" created a sensation in the world Press by the introduction of "personal loans" effective from 1st September 1958. The scheme which is available for bank's customers holding a conventional account, current or deposit, is to assist in "exceptional non-recurring items of expenditure, such as house repairs and decorations, the purchase of cars and furniture and substantial items of household appliances and professional equipment." In the great majority of cases, the bank requires no security of any kind. Loans can be had from £50 to £500. Now this scheme, which is about 30 years behind time as compared with the U.S., covers a few sections of consumer credit in the U.K. But the conservative traditions of British banking have begun to yield place to progressive banking.

Credit Checking

Another speciality of American banking is credit checking. Perhaps inter-bank competition is the keenest in the U.S., the land of the survival of the fittest, but to the resourceful American banker enlightened co-operation offers the best security, what of the inexorable risks that he is called upon to take every minute. Credit-checking is a specialisation with the U.S. banker and every material information in his files is at the disposal of his fellow banker on mere call, even over long-distance telephone call between cities and cities. A guide to credit officers carries names and private numbers of their opposites at other banks in and outside the city. The code of conduct is: no custom should be solicited by the enquiring bank within six months of checking. This code is scrupulously followed by all respectable banks. It is different if the customer himself takes the initiative. An overseas banker should mind his wits before he elects to brag about the "lines" he has with another bank, because credit checking extends to correspondent banks as well, and is as complete as a non-banker customer. I wish the Indian banker who has followed with infinite faith the severe taciturnity of his English preceptor will take a leaf out of the pages of U.S. banking, and not only not refuse to give information, but put some value in the information. I am glad that the Reserve Bank of India has taken the lead for the creation of a Central Credit Information Bureau, and let us hope this will become an effective organisation. In the U.S., there are private agencies as well, such as Dun and Bradstreet, who have earned a reputation for their work, and there is a case for similar agencies in India, of course, under right guidance.

Open Skies

Such information exchange is not on customers alone, practically every manual and every form used in banks is freely available. If we show interest in any aspect of American banking, a beautiful folder is presented with compliments. The only exception is *Inspection Manual*, as it lays down some methods of sample checking, and this has necessarily to remain private. I asked a bank executive how this free exchange came about as against the unhelpful attitude in other countries. He confessed that American banks started likewise but soon found that their best secrets appeared in newspapers, and the right remedy was "open skies". Even annual reports of American banks give far more information than British. In fact, the reports of British banks hardly reveal anything but the barest of data. Barring the number of branches, even the number of staff is not disclosed, leave alone detailed analysis of funds, employment, etc., and every bit is shrouded in the thickest veil of secrecy.

(To be continued)

The inflow of gold and foreign exchange into France since the beginning of the current year amounted to $793 million. This compares with the total reserves of no more than $19 million at the end of May 1958, that is, when General de Gaulle formed the new Government.

Switzerland has granted a five-year loan of 25 million francs to the United Arab Republic for the purchase of Swiss textiles machinery. The loan carries an interest rate of 5 per cent. It is guaranteed by the Swiss Government and is being made by a group of banks and textile concerns.

THE INDIAN BANK LIMITED, MADRAS—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958.

Corresponding figures 31st Dec., 1957 Rs. nP.	EXPENDITURE	Rs. nP.	Rs. nP.
	1. Interest paid on Deposits, Borrowings, etc.	1,07,76,196 57	
83,81,317 46	2. Salaries and Allowances, Provident Fund, Bonus (Salary and Allowances, etc., to Secretary Rs. 51,000)	71,86,980 50	
68,85,797 41	Salary and Allowances, Committee Members' Fees and Allowances ..	1,18,384 36	
		6,84,993 87	
1,07,121 00	3. Directors' and Local Committee Members' Fees	14,846 20	
5,00,219 57	4. Rent, Taxes, Insurance, Lighting, etc.	5,14,960 84	
25,900 62	5. Law Charges	28,491 90	
4,80,744 35	6. Postage, Telegrams and Stamps	2,50,228 19	
20,000 00	7. Auditors' Fees	5,43,793 78	
1,50,500 15	8. Depreciation on and Repairs to the Banking Company's Property ..	Nil	
4,77,854 74	9. Stationery, Printing, Advertisement, etc.		
Nil	10a. Loss from Sale of or Dealing with Non-Banking Assets ..	Rs. nP.	
	10b. Net Loss on Sale of Investments	7,88,476 25	
	LESS—Transfer from Sinking Fund and Non-statutory Reserve Fund	7,88,476 25	
		Nil	
Nil	11. Other Expenditure	7,56,406 84	
8,04,616 78	12. Balance of Profit	21,30,556 94	
32,01,184 42	Total .. Rs.	2,30,05,439 99	
2,10,76,174 51			

Corresponding figures 31st Dec., 1957 Rs. nP.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP.
1,43,16,637 60	1. Interest and Discount	1,30,36,124 43
64,27,867 17	2. Commission, Exchange and Brokerage	44,15,534 78
91,822 46	3. Rents	88,265 85
	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserves or any particular Fund or Account)	1,82,288 00
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserves or any particular Fund or Account)	Nil
Nil	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	14,405 54
3,969 25	7. Other Receipts	2,68,821 39
2,35,878 03		
2,10,76,174 51	Total .. Rs.	2,30,05,439 99

PARTICULARS OF ADVANCES.

PARTICULARS OF ADVANCES	Amount Rs. nP.
(I) Debts considered good in respect of which the Banking Company is fully secured ..	18,19,36,922 96
(II) Debts considered good for which the Banking Company holds no other security than the debtor's personal security .. .. Rs. nP.	3,77,64,858 75
Advances under Joint and several Promotes including Bills Discounted and Purchased 2,63,03,944 38	
Advances to individual parties including Bills Discounted and Purchased 1,14,60,914 39	1,09,64,323 44
(III) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	7,87,014 85
(IV) Debts due on temporary overdrafts and other advances	Nil
(V) Debts considered doubtful or bad not provided for	Nil
Total .. Rs.	23,14,53,120 00

PARTICULARS OF ADVANCES	Amount Rs. nP.
(VI) Debts due by Directors or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 89,270.64 is fully secured)..	1,26,478 49
(VII) Debts due by companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as Members [of which (a) Rs. 61,06,897.38 is fully secured and (b) Rs. 1,05,21,993.29 is due by a company where a director of the Banking Company is an ex-officio director and the advance is guaranteed by a State Government] ..	1,84,89,813 92
(VIII) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 1,11,512.76 is fully secured)	1,47,277 28
(IX) Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as members [of which (a) Rs. 60,05,447.99 is fully secured and (b) Rs. 1,08,43,500.28 is due by a company where a director of the Banking Company is an ex-officio director and the advance is guaranteed by a State Government] ..	1,88,30,507 91
(X) Due from Banking Companies	6,04,450 91

We have audited the above Balance Sheet of the Indian Bank Limited as at 31st December 1958 and also the above Profit and Loss Account of the Bank for the year ended on that date with the books of account of the Head Office and Branches, other than those in Malaya, and with certified returns from Malayan Branches and report that:—

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) Such information and explanations have been found to be satisfactory;

(c) The returns received from the branches have been found adequate for the purpose of our audit;

(d) The transactions of the Bank as have come to our notice have been, in our opinion, within the powers of the Bank;

(e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required;

(f) In our opinion,

(i) the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December 1958;

(ii) the Profit and Loss Account gives a true and fair view of the Profit or Loss for the year ended that date and shows a true balance of profit for the period covered by the audit; and

(iii) proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books; and

(g) The Bank's Balance Sheet and the Profit and Loss Account dealt with by the Report are in agreement with the books of account and Returns.

V. SOUNDARARAJAN & CO.,
KARRA DAKSHINAMURTHY,
BRAHMAYYA & CO.,
R. PURUSHOTTAM & CO.,
SUNDARAM & SRINIVASAN,
Chartered Accountants. } Auditors.

MADRAS, Dated 28th March, 1959.

L. ALAGUSUNDARAM CHETTIAR,
P. V. RM. KULANDAYAN CHETTIAR,
K. BALASUBRAMANIA IYER,
E. M. MUTHAPPA CHETTIAR,
M. A. M. MUTHIAH CHETTIAR,
E. K. VENKATACHALAM, } Directors.

R. SUNDRAM IYER,
T. S. KACHAPIKESA MUDALIYAR,
O. M. SP. L. M. MEYYAPPA CHETTIAR,
M. A. MUTHIAH CHETTIAR,
K. ARUNACHALA MUDALIAR,
RAMDAS PURUSHOTTAMDAS,

S. MUTHUSWAMI, Ag. Chief Accountant.
A. K. PRABHU, Deputy Secretary.
D. P. PARTHASARATHY, Secretary.

CANARA INDUSTRIAL AND BANKING SYNDICATE LIMITED

CHAIRMAN, DR. T. M. A. PAI'S SPEECH

SUGGESTIONS FOR RATIONALISATION OF OPERATING COSTS

ADDRESSING the shareholders of the Canara Industrial and Banking Syndicate Ltd. at their Annual General Meeting held in Udipi on 30th March 1959, Dr. T. M. A. Pai, Chairman of the Bank, made several suggestions for rationalisation of operating costs of banks. These were: (1) utilisation of the entire branch system of one bank by another bank as its own, (2) exchange of credit information among banks, and (3) spreading out the risks by joint handling of certain advances, if they were too large for any one of them.

The following is the full text of Dr. Pai's speech:

"GENTLEMEN,

"The year 1958 has been one of peculiar circumstances to the Indian banking system and we could not be an exception to these difficulties. There was keen competition among banks for deposits and even the bigger institutions did not hesitate to enter this rate-war, making it more difficult for smaller institutions to keep away. Though our deposits improved from Rs. 10,31,06,670 to Rs. 13,11,30,055 in 1958, the deposits generally carried a higher rate of interest which is reflected by a steep rise in the interest paid to the depositors which increased from Rs. 25,01,406 to Rs. 35,49,449. If the increase in rates of interest offered by banks was due to a rise of general rates, one could appreciate this situation. But when it was only for attracting deposits from one another this was suicidal to the banking system. However, this situation came to an end when from October 1958 all the members of the Indian Banks Association agreed to restrict the interest rates payable on deposits. However, what has been prescribed as the maximum rate is tending to be the minimum offered by the banks, as the keenness to increase the deposits and retain the old deposits still continues. I would suggest that banks do reconsider the position and see whether a more rational rate-structure could not be agreed upon to reduce the interest liabilities, because the Indian banking system will be increasingly called upon to face the new problems of adjustments and increase their efficiency which should be reflected by the reduction in expenditure and unit cost of service.

Increase in Capital

"The paid-up capital of the Bank increased from Rs. 23,47,071 to Rs. 23,96,276. Our Directors decided that it is opportune now, on account of increase in deposits, to issue new ordinary shares to raise the capital to Rs. 50 lakhs. When the capital is fully paid up, we propose to increase the authorised capital of the Bank to Rs. 1 crore. With the transfer during the year and from the profit and loss account, the reserves have gone up from Rs. 22 lakhs to Rs. 26½ lakhs.

"You will see that the Bank had at the end of the year bank borrowings of Rs. 1,56,00,000 and as against this our investments in Government securities, etc., had improved from Rs. 3,84,19,146 on 31st December 1957 to Rs. 6,09,71,648 on 31st December, 1958. The increased funds on account of a rise in deposits and various restrictions on foodgrains advances generally kept most of the funds unutilised. And, therefore, the Bank had to increase its investments. But with the commencement of the busy season when there was a rise in advances, the Directors thought that it is better to meet their demands by temporary borrowings rather than by the liquidation of the securities. The investments in Government securities reduced by these borrowings along with cash in hand and balances with the banks constituted nearly 44 per cent. of the deposit liabilities, while advances which increased from Rs. 6,34,40,707 to Rs. 8,00,62,891 constituted 61 per cent. of the deposit liabilities. A happy feature of the investment in securities was to wipe out all the deficit in the market value of the earlier years and show, in fact, an improvement over cost during the year. The total working resources of the Bank have increased from Rs. 12,81,65,913 to Rs. 17,08,00,940.

"The salaries of the staff members were increased from the beginning of the year, 'B' class pay scales being applied, and the rise in salaries and allowances may be noted at Rs. 25,93,328 from Rs. 18,94,782. Last year, though there was an increase in gross profits from Rs. 63,21,392 to Rs. 82,17,744, the net profits were slightly lower at Rs. 10,22,350, while they were at Rs. 10,61,999 last year. During the year, branches have been opened at Bangalore—Chickpet, Bangalore—Cantonment, Bangalore—Seshadripuram, Baroda, Belgaum—Camp, Belgaum—Shahapur, Bombay—Mandvi, Hungund, Koppa, Mangalore —Bunder and Tiptur.

Role of Banks

"It is my desire now to place before you some of the problems that should face us in the future along with many rapid changes that are taking place in the economy of the country. Banks are being called upon increasingly to adapt themselves to meet the growing needs of the economy. In a planned economy, it is imperative that banks follow positive policies which make for the success of the Plans. In spite of recent efforts at opening new offices and consolidation of banking in the country, the fact remains that a very large section of the people require to be brought in touch and linked up with a modern bank. When the economy of the country is inevitably infused with deficit financing as a settled fact, some sort of persuasion to postpone spending and maximise savings in order to avoid inflationary conditions spiralling themselves and all-out efforts towards small savings supplementing the Governmental efforts in this direction are called for on the part of banks. But this means banks being willing to bear the burden of this national responsibility in the face of increasing costs.

"The usual avenues of advances being encroached upon as more and more selective credit controls are imposed, banks are being compelled to seek new customers and new lines of advances. Here again, their duty would be to do nothing to encourage speculative activities or encourage hoarding. Purpose of the borrowing should be as important a consideration from the national viewpoint, as security and liquidity from the banker's. If the loan helps the country towards productive activities and increase of national wealth, it should merit the banker's consideration. Small industries and small business which might have suffered for credit facilities hitherto require more attention. Agricultural operations which have languished hitherto for ready availability of credit in time are required to be catered to on a decentralised basis in close co-operation or collaboration with the State Governments and semi-Government agencies. Recently, warehouses have been started by the Central and the State Warehousing Corporations and the warehouse receipt as a credit instrument deserves to be fully popularised by banks.

Rationalisation of Operations

"Closer co-operation among banking institutions will tend to considerable rationalisation in our operating costs. Though, for many valid reasons, amalgamations may not be a practical proposition normally, there is no reason why there should not be agreement for co-operation in several directions. By a proper arrangement, the entire branch system of one bank should be capable of being used by another as its own, so that the service to the customers of each bank could be economically rendered and lack of branches is not a handicap to any bank. The entire network of branches of the State Bank of India developed as a national institution subsidised by the Exchequer should be permitted to be used by the other banks, in order to cater to the needs of the public, since this is the only way the entire banking system could be closely knit as one organisation. There should be a more free exchange of credit information among the banks on the clear understanding that such information passed on will not be abused for canvassing the account from the bank that has supplied the information. Such information should be detailed and full, given in strict confidence, rather than happily vague as now, if it should be of any use to the banks gathering it. Besides, the banks should have a system of black-listing clients for dishonest practices and cheating, so that the banking system as a whole might be protected against the malpractices of some. Banks could also spread out the risks by jointly handling certain advances, if they are too large for any one of them. It shall be our endeavour to translate these ideas in practice as far as possible.

"To face the future with confidence and success, it is clear that our staff should be encouraged to train and qualify themselves. Our Staff Training College now fully equipped has considerably improved with experience. Sri K. K. Pai, our Superintendent of Branches, who attended the Summer School of Banking in Aberdeen, also visited the various training classes in England and the Continent recently and he is himself under training in the Administrative Staff College of India at Hyderabad. Two of our officers under training in Germany are due to return this year.

"In conclusion, I should appreciate the co-operation and support given by our officers and staff to our General Manager, Sri T. A. Pai, in the successful expansion and development programme of the Bank. I wish the year 1959 would yet again be a new milestone in the history of the Bank." *Jai Hind.*

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FIRE AND RIOT
THE BRITISH EQUITABLE ASSURANCE CO. LTD.
(Incorporated in England)
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THE
UNITED COMMERCIAL BANK
LIMITED
Head Office: CALCUTTA

Authorised Capital	Rs.	8,00,00,000
Subscribed Capital	Rs.	4,00,00,000
Paid-up Capital ...	Rs.	2,00,00,000
Reserve Fund ...	Rs.	1,48,00,000
Working Funds (31·12·58) ... Over	Rs.	114,00,00,000

BRANCHES ALL OVER INDIA AND ABROAD.
AGENTS THROUGHOUT THE WORLD.
PROVIDES EVERY BANKING FACILITY.
G. D. BIRLA, Chairman. S. T. SADASIVAN, General Manager.

For Service & Security
PANDYAN BANK LTD.
Central Office: MADURAI
Madras Office: 121, Armenian Street
THE BANK THAT SERVICE BUILT
To Know
PANDYAN BANK
is to Know
SOUTH INDIA
64 Convenient Offices in Southern Districts
Banking Business of every description transacted.
S. N. K. SUNDARAM, Managing Director.

Notices

THE WESTERN INDIA MATCH COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-sixth Annual General Meeting of the Shareholders of the abovenamed Company will be held at the Registered Office of the Company at Indian Mercantile Chambers, Nicol Road, Ballard Estate, Bombay, at 4 p.m. on Tuesday the 12th day of May 1959, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December 1958.
2. To declare a Dividend and a Bonus.
3. To elect a Director in the place of Sir Chunilal V. Mehta, K.C.S.I., who retires by rotation and is eligible for re-appointment and to consider and if thought fit, to pass the following resolution, of which special notice as required by Section 281 of the Companies Act 1956, has been received by the Company:

   "RESOLVED that Sir Chunilal V. Mehta, K.C.S.I., who has attained the age of 78 years and who retires by rotation, be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit of 65 years prescribed by Section 280 of the Companies Act 1956 shall not apply to him."
4. To elect a Director in the place of Mr. M. G. R. Aitken, who retires by rotation and is eligible for re-appointment and offers himself accordingly.
5. To appoint Auditors for the ensuing year and to fix their remuneration.
6. To consider and if thought fit to pass the following resolution as a Special Resolution:

   "RESOLVED that this Company hereby approves of sales being made to the Assam Match Co. Ltd., an associate of the Swedish Match Company, the Managing Agents of the Company, of paper, machinery, spare parts and any other material connected with the manufacture and sale of matches at a rate equivalent to the Company's cost price plus 10 per cent. profit and that the Assam Match Co. Ltd. shall pay to this Company the cost of paper, machinery, spare parts and other materials within one month from the date of supply."

The Transfer Books of the Company will be closed from the 22nd day of April 1959 to the 12th day of May 1959, both days inclusive.

By Order of the Board,
A. HYDARI,
Executive Director.

INDIAN MERCANTILE CHAMBERS,
NICOL ROAD, BALLARD ESTATE,
BOMBAY, 1*st April* 1959.

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The dividend and bonus when sanctioned will be payable at par at all Indian offices of the Central Bank of India Ltd. on and after the 15th day of May 1959 to those shareholders whose names stand on the Register on the 12th day of May 1959 and warrants will be posted in due course to each shareholder at his registered address. Shareholders are kindly requested to notify immediately any change of address.

Explanatory Statement issued under Section 173 of the Companies Act 1956 in connection with the items of special business to be transacted at the Thirty-sixth Annual General Meeting to be held on the 12th day of May 1959.

As required by Section 173 of the Companies Act 1956 the following explanatory statement is issued with the Notice of the Thirty-sixth Annual General Meeting of the Company and sets out all material facts relevant to items 3 and 6 in the Notice.

Item 3:—Your Director, Sir Chunilal V. Mehta, is retiring by rotation. He has attained the age of 78 years and as such he cannot be re-appointed unless the shareholders pass a resolution specifically declaring that the age limit of 65 years prescribed under Section 280 of the Companies Act 1956 shall not apply to him. As required by Section 281 of the Act a special notice has been received by the Company proposing that Sir Chunilal V. Mehta be re-appointed a Director of the Company and that the age limit of 65 years prescribed under Section 280 of the Act shall not apply to him.

Sir Chunilal V. Mehta joined the Board of Directors of the Company on 14th January 1937 and became the Chairman on 8th December 1938. During his long association of over 22 years he has rendered very valuable services to the Company and it is in the interest of the Company that your Board should continue to receive the benefit of his advice. Sir Chunilal V. Mehta is a very well known businessman of wide and varied experience. It is desirable that he should be re-appointed a Director.

Item 6:—The Assam Match Co. Ltd. is an associate of your Managing Agents and carries on the business of manufacturing matches at Dhubri, Assam. It is a public limited company registered in India. Your Company are acting as the Selling Agents for the matches manufactured by the Assam Match Co. Ltd. Your Company are already supplying to them chlorate of potash and glue of the Company's manufacture at cost price plus 10 per cent. profit as sanctioned by the Special Resolution passed on 23rd October 1956. Now that your Company has started a Paper Mill the Assam Match Company Ltd. would be willing to buy from the Company the paper required for their use. Your Company also has facilities for manufacturing certain types of machinery and spare parts, which the Assam Match Co. Ltd. may be interested in purchasing from us. It is proposed that such paper, machinery and spare parts as may be required by the Assam Match Co. Ltd. be supplied to them at cost price plus 10 per cent. profit. Sometimes the Assam Match Co. Ltd. require other materials, like chemicals, splints, etc., and it is in our interest to assist them to maintain their production, because we earn commission on the sales of their matches. It is therefore proposed that the shareholders should permit the Company to sell such other materials as may be required by the Assam Match Co. Ltd. at cost price plus 10 per cent. profit.

Your sanction to the sale of paper, machinery and spare parts and other materials connected with the manufacture and sale of matches is required in terms of Section 360 of the Companies Act 1956.

Your Director, Mr. D. D. Romer, is interested in the Special Resolution regarding dealings between this Company and the Assam Match Co. Ltd. inasmuch as he is also a Director and shareholder of the Assam Match Company Ltd. Your Directors, Sir Chunilal V. Mehta and Mr. D. M. Khatau are also interested, being shareholders of the Assam Match Company Ltd.

Your Directors, Mr. Akbar Hydari and Mr. Sven Gosta Gothberg are interested in the aforesaid Special Resolution inasmuch as they are employees of your Managing Agents, the Swedish Match Company being their Joint General Managers in India. They are also Joint Managing Directors and shareholders of the Assam Match Co. Ltd.

Your Managing Agents, the Swedish Match Company, are interested in the proposed Special Resolution as shareholders of the Assam Match Co. Ltd., which is also their associate within the definition of that term given in Section 2(3)(c) of the Companies Act 1956.

By Order of the Board,
A. HYDARI,
Executive Director.

THE INDIA SUGARS & REFINERIES LIMITED

5, Deenadayalu Street
MADRAS-17

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-fifth Annual General Meeting of the Company will be held at the Registered Office of the Company at No. 5, Deenadayalu Street, Madras-17, on Friday the 15th May 1959, at 10.15 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and audited accounts, for the year ended 30th September, 1958.
2. To declare a dividend on Ordinary Shares.
3. To elect a Director in place of Rukn-ul-Mulk S. Abdul Wajid who retires by rotation, but being eligible offers himself for re-election; but he having attained the age of 72 years, to consider and if thought fit, to pass the following Resolution of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company:

   "Resolved that Rukn-ul-Mulk S. Abdul Wajid who has attained the age of 72 years and who retires under Article 104, be and is hereby re-appointed a Director of the Company and that the age limit for Directors prescribed by Section 280 of the Companies Act, 1956, shall not apply to him."
4. To elect a Director in place of Sri S. M. Ramakrishna Rao who retires, but being eligible, offers himself for re-election.
5. To elect a Director in place of Sri O. V. Alagesan who retires and is eligible for re-election.
6. To appoint Auditors for the year 1958-59 and fix their remuneration.

You are requested to be present in person or by proxy.

The Share Transfer Books of the Company will be closed from 1st May to 15th May 1959, both days inclusive.

By Order of the Board,
Per pro THE INDIA SUGAR AGENCIES PRIVATE LTD.,
C. D. CHOUDHARY,
Managing Agents.

BOMBAY, 3*rd April* 1959.

Note: A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Meeting.

The dividend when declared will be made payable on or after the 22nd May 1959 at the State Bank of India, Madras, and Dividend Warrants will be posted to the Shareholders, whose names stand in the Register of Members as on 15th May 1959 or in accordance with their mandates. Shareholders may kindly intimate to the Company any change in address immediately.

ANNEXURE TO THE NOTICE
Explanatory Statement required under Section 173 of the Companies Act 1956

Item No. 3.—Rukn-ul-Mulk S. Abdul Wajid, a Director of the Company, who retires by rotation, has attained the age of 72 years and he cannot, therefore, be reappointed a Director of the Company except by a resolution in respect of which a Special Notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a Special Notice from a Member of the Company notifying his intention to move the resolution as set out in the said item.

Rukn-ul-Mulk S. Abdul Wajid has been a Director and also Chairman of the Company for a long time and has been rendering valuable services to the Company. As it is in the interests of the Company that the Board should continue to receive the benefit of the advice of Sri S. Abdul Wajid as a member of the Board, it is desirable that he be reappointed a Director of the Company.

THE PATIALA BANASPATI & ALLIED PRODUCTS COMPANY, LTD.
(In Liquidation)

THE OFFICIAL LIQUIDATORS OF THE Patiala Banaspati and Allied Products Company Limited (In Liquidation) invite offers from experienced auctioneers for the auction of the Vegetable Oil Mills Machinery of the above Company lying at Doraha. The machinery consists of 400 K.W. generating set, processing Tanks, Boiler and other accessories like Condensors, Bleachers, Catchels, Autoclaves etc., unused and unassembled.

For further enquiries and details please contact

"The Bank of Patiala,
Official Liquidators,
Patiala Banaspati & Allied Products Company Limited (In Liquidation),
Head Office, The Mall, Patiala."

OUTLOOK FOR FERTILISERS

VAST SCOPE FOR PRODUCTION FROM PETROLEUM HYDROCARBONS

AS the world's population is increasing at a steadily accelerating rate, so are its needs for its daily food. By far the greater part of the inhabitants of this planet are farmers. And yet, nearly three-quarters of the present world population of about 2,800 million people still subsist on a diet inadequate for good health. The worst deficiencies in this respect prevail in Asia and Africa, whose populations account for almost two-thirds of the world total, but, in many Latin American and Eastern European countries, too, the number of underfed people still runs into hundreds of millions.

Agricultural science and technology have long provided the means for multiplying the food-raising power of the earth without a proportionate expansion of arable land, which would, indeed, often be impossible to achieve. Of the many aids to raising farm yields per acre, outstanding importance attaches to the efficient application of chemical fertilisers, supplies of which are becoming available in ever-growing abundance—especially in the case of nitrogen—containing fertilisers, based on synthetic ammonia.

World Production

In the past eight years, world production of fertilisers has risen from 12.8 million to some 22.5 million metric tons—an increase by 75 per cent. or six times the rate at which the world's population has grown in this period. These tonnages comprise the total production of the three main groups of fertilisers, namely, nitrogenous, phosphatic and potash fertilisers, and they denote their respective nutrient contents of pure nitrogen, phosphoric acid, and potassium oxide, which are the essential agents for propagating plant life. In 1950, phosphate production accounted for over 40 per cent. of the world total, with nitrogen and potash sharing the balance in roughly equal proportions. Since then, however, the production of nitrogen has gone up so much faster than that of phosphate and potash, that it now represents 35 per cent. of the world total, while phosphates account for 34 per cent. and potash for 31 per cent.

The spectacular rise in world supplies of nitrogen in the past eight years, from nearly 3.6 million to some 7.9 million metric tons, is largely attributable to the growing availability of petroleum hydrocarbon base stocks for the manufacture of synthetic ammonia, which, until the mid-1940s, rested almost wholly upon coke-based and electrolytic processes. About four-fifths of the world production of nitrogenous fertilisers is derived from synthetic ammonia. These are produced either in the form of liquefied anhydrous (water-free) ammonia gas and aqueous ammonia solutions, or of ammonium sulphate, ammonium nitrate or compound fertilisers. Naturally occurring nitrogen compounds, such as Chile saltpetre, now meet only a fraction of current demand.

Water Power and Ammonia

Ammonia is a chemical compound of one atom of nitrogen—the fertilising agent—and three atoms of hydrogen. It can be synthesised by various routes, but all involve the use of large amounts of hydrogen for "fixing" the nitrogen extracted from the atmosphere, over three-quarters of which consists of nitrogen. The choice of processes for producing the hydrogen essentially depends on local conditions. In coal-producing countries, there is an obvious incentive for making the hydrogen from coke or coke-oven gas. In the classical Haber-Bosch water-gas synthesis of ammonia—which since its inception in Germany, some 45 years ago, has remained one of the primary methods of nitrogen fixation in many parts of the world outside North America—the hydrogen is obtained by passing steam over incandescent coke. Where water power is abundant and electricity cheap, as in Scandinavia and parts of India, Japan, Tasmania, etc., the electrolytic decomposition of water into hydrogen and oxygen may be the most advantageous route to ammonia synthesis.

An even more prolific source of hydrogen is, however, provided by the petroleum hydrocarbons contained in natural gas, from which the hydrogen may be recovered either by reacting the natural gas with steam over a catalyst, or by partial oxidation, or by cracking the gas into hydrogen and carbon black. In the synthesis of ammonia from natural gas, the nitrogen is produced in an air separation plant or, in the case of the methane-steam process, by injecting the air directly into the mixture of hydrogen, carbon monoxide and carbon dioxide. In more recent years, increasing amounts of hydrogen have become available also from refinery gases, especially in catalytic reforming, in which substantial quantities of by-product hydrogen are derived from the dehydrogenation of naphthenes to aromatics. At the same time, growing use is being made of the possibility of making hydrogen directly from petroleum by partial oxidation of heavy residuals, a process akin to the partial oxidation of natural gas. In yet another way, petroleum hydrocarbons enter into fertiliser production, in that sulphur extracted from sour gases or petroleum fuels may be used for making sulphuric acid, an essential chemical for the manufacture of some types of fertilisers.

Gas and Oil

It is, however, as a source of hydrogen for the fixation of nitrogen, that natural gas and oil have become most valuable to the ammonia industry. A million cubic feet of natural gas can produce up to 30 tons of fixed nitrogen, dependent on the choice of process routes. Though the first ammonia plant based on natural gas was set up in the United States as early as 1931, the U.S. ammonia industry as a whole began to adopt the natural gas process on a wider scale only about ten years later. But from then onwards, it has rapidly made natural gas its principal source material for fixing nitrogen.

Of the United States' current nitrogen production of some three million tons a year, representing about three-quarters of available capacity, about 70 per cent. is now based on processes using natural gas, and another 5 to 10 per cent. on refinery gases and fuel oil. About three-quarters of the country's overall consumption of nitrogen goes to the manufacture of fertilisers, while the balance consists of ammonia for various industrial and military uses, including metallurgical and chemical applications and the preparation of rocket fuels. Canada also relies already on natural gas and petroleum for the larger part of her domestic production of nitrogen, totalling about a quarter million tons a year.

THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL—AUTHORISED, ISSUED AND SUBSCRIBED .. .. Rs. 5,50,00,000
CAPITAL PAID-UP .. .. Rs. 3,00,00,000
RESERVE FUND .. .. Rs. 3,10,00,000

Head Office:
MAHATMA GANDHI ROAD, FORT, BOMBAY

BRANCHES IN INDIA:

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

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

DIRECTORS
SIR COWASJEE JEHANGIR, Baronet, G.B.E., K.C.I.E. (Chairman)
Mr. AMBALAL SARABHAI
Mr. RAMNIWAS RAMNARAIN
Mr. BHAGVANDAS C. MEHTA
Mr. KRISHNARAJ M. D. THACKERSEY
Mr. A. D. SHROFF
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. JUGMOHAN PRASAD GOENKA

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances of Rs. 500 and above at 3 per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.

Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.

Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.

The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.

Every Description of Banking Business Undertaken.

T. R. LALWANI, *General Manager.*

Outside the North American continent, Italy is so far the only country whose output of ammonia from petroleum hydrocarbons has surpassed that from other sources, though it was not until the early 1950s that Montecatini started up its first plant in Ferrara to make ammonia from natural gas; the same concern now operates another plant of this kind at Novara. Last year, the state-owned ENI group commenced the large-scale manufacture of nitrogen compounds from natural gas, in conjunction with that of synthetic rubber, at its new petrochemical facilities at Ravenna. On their full completion, Italy's total capacity for making nitrogenous fertilisers from petroleum hydrocarbons will be equivalent to some 250,000-300,000 tons of fixed nitrogen.

Elsewhere in Western Europe, the production of ammonia from petroleum hydrocarbons is virtually confined to a few plants in France, Western Germany, the United Kingdom and the Netherlands. Of France's total output, amounting last year to over 500,000 tons in terms of nitrogen content, about a quarter was derived from natural gas, whose share is likely to grow further with the rapid development of the large gas deposits at Lacq; another five per cent. was obtained from refinery gases and fuel oil, which in Britain and the Netherlands are the only petroleum basestocks used in the manufacture of nitrogenous fertilisers.

Middle East

The resources of natural gas in Western Europe are, of course, easily put into the shade by those in North America, and in many other parts of the world. Alone, the amounts of gas unavoidably released in oil operations in the major producing countries in the Middle East and in South America exceed several times the total current production of natural gas in Western Europe. In some areas, most of the gas inevitably produced with oil must at present be flared to waste for lack of suitable economic uses for it. Many projects have emerged in recent years for establishing local facilities to utilise those ample and cheap supplies of natural gas, as well as by-product gases and fuel oil from domestic refining operations, for the manufacture of nitrogenous fertilisers. But, with the exception of an Egyptian plant at Suez, currently making some 30,000 tons a year of ammonia from refinery gas, few of these plans have as yet been carried into effect.

Well advanced is a Persian scheme, jointly sponsored by the National Iranian Oil Company and the Ministry of Mines and Industry, for using natural gas in a fertiliser plant in the Shiraz area to produce 90,000 tons a year of ammonium nitrate; the building contracts have been awarded to a British and two French companies, with the Italian firm of Montecatini acting as the Persian Government's consultant. Of several Indian proposals for an ammonia plant, one—at Trombay—is based on the use of refinery gases. A committee of experts appointed by the Government of Bombay has advised an output target of 90,000 tons a year of fixed nitrogen, for making about 350,000 tons of fertilisers (some 250,000 of nitro-phosphates and 100,000 tons of urea). The main feedstock and fuel for this plant would be refinery gases, with fuel oil being contemplated as an alternative.

Pakistan

In West Pakistan, the French group ENSA is building at Multan, at the northern end of the Sui gas pipeline, an ammonia plant to produce 50,000 tons a year of fixed nitrogen from Sui gas, for making urea and other nitrogenous fertilisers. In East Pakistan, a similar plant near the Sylhet gas field is to be built for the Government by a Japanese group. In Japan's own ambitious programme for the establishment of a petrochemical industry, drawn up under the Government-sponsored five-year development scheme of 1955, the manufacture of ammonia from petroleum hydrocarbons plays, however, as yet only a modest part. Her domestic production of nitrogenous fertilisers—which, at the equivalent of some 900,000 tons a year of fixed nitrogen, is surpassed only by that of the U.S. and of Western Germany—is likely to remain predominantly based on coke, on electrolysis and on calcium cyanamide made from the country's plentiful limestone resources.

Of the countries in the Middle East, Iraq was among the first to examine the prospects of exploiting its wealth of natural gas for the large-scale production of nitrogenous fertilisers. A special study made by a World Bank mission in the early 1950s at the Government's request suggested the utilisation of waste gases of the Kirkuk oilfields for making 500,000 tons a year of ammonium sulphate, plus 100,000 tons of elemental sulphur, and 10,000 tons of carbon black. Last year, the Iraqi Government invited tenders for plant construction, but has not yet disclosed to what extent the mission's proposals are to be carried into practice.

Various projects for the manufacture of petrochemical fertilisers are still hanging fire in a number of other countries, e.g., in Saudi Arabia and Lebanon, and equally uncertain is the outcome of recent plans mooted in Indonesia for making ammonia from fuel oil in East Java, and from natural gas of the oilfields of Sumatra. In Latin America, a few plants for producing fertilisers from natural gas, refinery gases or fuel oil are either in operation, under construction, or projected in Mexico, Venezuela, Cuba, Colombia and Brazil.

Little authentic information is available on the general pattern of ammonia production in the countries of the Communist bloc, but the use of petroleum hydrocarbons for this purpose seems to be still in the early stages behind the Iron Curtain. As far as the free world is concerned, petroleum hydrocarbons today provide between 35 and 40 per cent. of its current overall supply of fixed nitrogen, while coke-based processes account for about 50 per cent., and electrolytic and other methods for 10 to 15 per cent. Considering that the United States alone now produces over four-fifths of all the free world's petrochemical ammonia, but only about 30 per cent. of its total supply of fertiliser nitrogen from all sources, the high share of petroleum hydrocarbons in the latter is the more notable as petrochemical ammonia production only got fully under way after the war.

All indications point to a continued growth of the contribution of petroleum hydrocarbons, though conceivably not quite at the same brisk pace as in the past, when the striking advance of petrochemical fertilisers was almost entirely due to the sweeping transformation in the pattern of the U.S. ammonia production. The overall plant capacity at present available for fixing nitrogen exceeds the current rate of nitrogen consumption in the free world by 15 to 20 per cent. This surplus, largely caused by the rapid growth of newly built ammonia facilities during this decade, will no doubt be absorbed within the next few years with the further rise of demand. But the present pressure of excess capacity is likely to slow for some time the flow of new orders for plant construction, including those for the manufacture of petrochemical fertilisers.

For underdeveloped countries at present dependent for all or most of their fertiliser supply upon imported materials, but with large oil and gas resources of their own, the inducement for exploiting the latter for establishing domestic ammonia manufacture is bound to remain strong—on the grounds of balance of payments, as well as of national aspirations for creating local industries. Yet the considerable number of long-standing projects of this kind that have so far failed to materialise, is a measure of the complex problems involved not only in meeting, in such areas, the capital needs and technical requirements for the setting-up and the efficient operation of ammonia factories but, above all, in finding a large enough and profitable market for their products. In many cases, the minimum economic plant capacities may appreciably exceed current local demands for nitrogenous fertilisers. So the commercial justification for new installations would from the outset rest on the assurance of ready outlets for exportable surpluses, which in most instances will be impossible to find under the present conditions of a substantial over-supply of nitrogenous fertilisers in the world as a whole.

The current level of fertiliser consumption in underdeveloped areas is, by and large, still far below that in the highly developed countries where the overall average today is about 15 tons per 1,000 hectares (2,470 acres), or seven times that in the rest of the world. Within both these groups, however, the intensity of fertiliser usage differs very widely between one area and another, and so does the pace of its growth. Since 1955-56, nitrogen consumption in Western Europe has gone up by some 12 per cent., and in North and Central America it rose by more than 15 per cent.; but in the countries of South and South-East Asia the overall increase was nearly 30 per cent., while in Pakistan alone consumption has quadrupled over the past three years.

That in many underdeveloped countries fertilisers are today still not used to the extent desirable, is not due to any lack of available or potentially producible supplies, but to the fact that people who could and should eat more food, mostly cannot pay for it as they do not themselves produce anything to offer in exchange. As the economies of these countries expand, however, there will be wide scope for greatly increasing the use of fertilisers, especially where the staple food is rice, whose cultivation benefits in particular from the ample application of nitrogenous fertilisers. In some of the highly-developed countries, too, there is still much room for raising the consumption of soil nutrients. As the demand for synthetic ammonia continues to grow throughout the world, more and more opportunities will open up for meeting it from petrochemical sources, wherever these can be exploited to economic advantage.—*By Special arrangement with Petroleum Press Service.*

Notices

THE DURBHANGA SUGAR COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-seventh Ordinary General Meeting, being the Annual General Meeting of The Durbhanga Sugar Company, Limited, will be held at the Registered Office of the Company at Lohat, on the 5th day of May, 1959, at 10.30 a.m., for the following purposes:

(1) To receive and adopt the Directors' Report and Accounts for the year ended the 31st August, 1958, and Balance Sheet and Report of the Auditors thereon.

(2) To declare a Dividend.

(3) To elect a Director in place of Shri Kanhaiya Jha, who retires under Article 107 and, being eligible, offers himself for re-election.

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

As Special Business:

(5) To elect a Director in place of Rajkumar Jeeveshwara Singh, who retires under Article 104 and, being eligible, offers himself for election.

(6) To consider the payment of extra remuneration to the Directors for the year ended the 31st August, 1958.

(7) To transact any other business which may be brought forward at the Meeting with the permission of the Chairman.

By Order of the Directors,
W. F. MALDEN,
Secretary.

LOHAT, DISTRICT DARBHANGA,
22nd March, 1959.

Note—(1) A Member of the Company, who is entitled to attend and vote, is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member.

(2) The Share Transfer Books of the Company will be closed from the 19th April to the 5th May, 1959, both days inclusive.

(3) Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 5th May, 1959.

Explanatory Statement in accordance with Section 173 of the Companies Act, 1956, with regard to Item Nos. 5 and 6 of the Agenda

Item No. 5 on the Agenda.

Rajkumar Jeeveshwara Singh was appointed a Director in the vacancy caused by the demise of Raja Bahadur Vishweshwar Singh and retires in accordance with Article 104 of the Company's Articles of Association. A notice has been received from a Member of the Company proposing his election to the Board.

Item No. 6 on the Agenda.

A notice has been received from a Member of the Company of the intention to propose, as a Special Resolution, that the Directors be paid 1 per cent. of the net profit to be equally divided amongst them.

Under Section 309(4) (*a*) of the Companies Act, 1956 and Article 93 of the Articles of Association of the Company, the Directors are entitled to extra remuneration not exceeding 1 per cent. of the net profit as computed in accordance with Sections 198, 349 and 350 of the Act.

Only the Directors are equally interested in this proposed Resolution.

THE DHUNSERI TEA COMPANY LIMITED

ISSUE OF 23,103 ORDINARY SHARES OF RS. 10/- EACH AT PAR
(This is NOT an offer)

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have decided to purchase Dhendai Tea Estate situated in Darrang District of Assam from Messrs. Bishnauth Tea Company, Ltd., Calcutta, and to finance this deal they have determined to issue 23,103 new Ordinary Shares of Rs. 10 each at par. The new Ordinary Shares will rank *pari passu* with the existing Ordinary Shares in all respects save and except that they will participate only in dividends which may be declared in respect of the financial year ending 31st December 1959, and will be offered for subscription at par to the Ordinary Shareholders whose names are entered in the Register of Members of the Company on 9th May 1959 in the proportion of one new Ordinary Share for every two Ordinary Shares held by the shareholder on that date (The holders of the fractional shares will be ignored) with the right to renounce all or any of the shares so offered in favour of third parties, and the right to apply for additional shares at par subject to the condition that those shareholders who renounce their rights would not be entitled to apply for additional shares.

The Register of Members of the Company will remain closed from 4th May 1959 to 9th May 1959 (both days inclusive).

Persons holding shares on blank transfer deeds are advised in their own interest to lodge properly completed transfer deeds with the relative share certificates at the Company's Registered Office, 2, Dalhousie Square East, Calcutta, for registration of the shares in their names before 4th May 1959, in default of which no claim by such persons shall lie against the Company. Circular Letters setting out the terms of the offer and detailing the procedure to be followed and Letters of Rights with forms of Renunciation, Acceptance and Request for additional shares will be issued to the aforementioned members on 9th May 1959 or as soon as practicable thereafter.

By Order of the Board,
S. L. DHANUKA,
Managing Director.

2, DALHOUSIE SQUARE EAST,
CALCUTTA-1, *3rd April* 1959.

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS
(Railway Board)

Sub:—Requirement of Roller Bearings with Axleboxes and Wheelsets—Tender No. G.P. 16, 1958-59

THE LAST DATE OF RECEIPT AND opening date of the above tender are extended as under:—

(i) Roller Bearing Axleboxes
Not later than 11 a.m. on 5th May 1959.
Offers received will be opened at 11 a.m. on 5th May, 1959.

(ii) Wheelsets
Not later than 11 a.m. on 6th May 1959.
Offers received will be opened at 11 a.m. on 6th May, 1959.

Offers should reach the Director, Railway Stores, Railway Board, State Entry Road, New Delhi, not later than the dates indicated above.

G. P. BHALLA,
Director, Railway Stores,
Railway Board,
State Entry Road,
New Delhi.

DATED *9th April*, 1959.

BINNY GROUP MILLS FARE WELL

DIVIDENDS MAINTAINED

THE Bangalore Woollen, Cotton and Silk Mills Company, Ltd., and the Buckingham and Carnatic Company, Ltd., two of the leading textile units of South India, managed by Messrs. Binny & Co. (Madras) Ltd., have both done well during the year ended 31st December 1958, having been able to sell their full production, despite the depression in the internal textile market, and improve their earnings over the year. The performance of the former is, particularly, gratifying, in that the profit for the year under review is substantially higher than that for 1957. Both the Companies, however, propose to maintain the dividend at 10 per cent. on their respective ordinary share capital.

Bangalore Woollen

The gross profit of the Bangalore Woollen has recorded a sharp rise from Rs. 59.95 lakhs to Rs. 86.03 lakhs, thus making good substantially the setback suffered in 1957 when the profit dropped from Rs. 95 08 lakhs. The provision for depreciation has been raised slightly from Rs. 12.72 lakhs to Rs. 14.89 lakhs. The substantial rise in profit, the withdrawal of the allowance for extra normal depreciation and a reduction in the claim for development rebate, all account for the rise in the provision for taxation from Rs. 12 lakhs to Rs. 29.50 lakhs. Consequent on this, the net profit, at Rs. 35.29 lakhs, has recorded only a small rise of Rs. 3.85 lakhs over the year. This has been utilised to enlarge the internal resources of the Company. The transfer to the development rebate reserve has been reduced from Rs. 3.59 lakhs to Rs. 1.50 lakh, while no allocation has been made to the deferred taxation reserve (which had received Rs. 3 lakhs last year), following the withdrawal of the extra normal depreciation. A sum of Rs. 2.50 lakhs has been added to the workpeople's housing fund and Rs. 6 lakhs to the general reserve, as against *nil* last year.

The dividend, as already stated, is to be repeated at 10 per cent. on the present capital of Rs. 121.50 lakhs, raised in March 1957 by the capitalisation of Rs. 81 lakhs from out of the general reserve and the issue of two ordinary shares for one as bonus. This represents 30 per cent. on the old capital, a rate which had been paid from 1954 onwards. The dividend recommended will bring the total distribution to more than 45 per cent. of the assessable income-tax thereon and the provisions of Section 23A of the Income-tax Act will not, therefore, apply to this Company.

The Company's progress in recent years is reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	5,54.18	5,42.44	5,33.80	4,81.94
Finished stocks and stocks-in-process	87.15	72.50	71.74	60.15
Expenses (including raw materials consumed)	4,84.85	4,87.10	4,53.80	4,04.66
Gross profit	86.03	59.95	95.08	80.78
Managing Agents' commission	6.35	3.78	7.87	6.26
Provision for—				
Depreciation	14.89	12.72	17.60	18.17
Taxation	29.50	12.00	29.75	20.25
Net profit	35.29	31.44	39.86	36.10
Excess provision written back	..	..	3.32	..
To reserves and other funds	10.75	7.34	18.75	12.75
,, bonus to employees	11.95	11.51	11.48	10.90
Dividends—				
6 per cent. cum. preference	0.36	0.36	0.36	0.36
Ordinary	12.15 (10%)	12.15 (10%)	12.15 (30%)	12.15 (30%)
Carry forward	2.98	2.90	2.83	2.39

The Company's production during 1958 in the two main sections, namely, "cotton and union cloth," is said to have recorded a satisfactory increase. In view of the fall in demand and unremunerative prices fetched for coarse rugs, the production of the fine woollen section was stepped up at the expense of the coarse varieties. Industrial cloths were added to the range of products in the fine section. A part of the Company's silk plant remained closed during the year, thanks to the shortage of imported spun silk. The position has been further aggravated by the recent closure of the only local source of supply.

The rise in stocks of finished goods is mainly accounted for by union cloth held on Government account and cloth awaiting despatch against orders. The Directors report that the profit margin on cotton cloth showed no change and the improved results are due to higher production and sales, particularly of Cotswol. There was a fall of Rs. 20 lakhs in the cost of raw materials during the year under review, but this was offset by a corresponding rise in manufacturing cost, particularly stores, machinery parts, wages, dearness allowance, power and fuel. More than 50 per cent. of this increase is accounted for by the sharp rise in the costs of dyestuffs and chemicals

Buckingham and Carnatic

The gross profit of the Buckingham and Carnatic Company, Ltd., shows a rise of only Rs. 2.03 lakhs to Rs. 128.56 lakhs, but this is in refreshing contrast to the successive decline in the previous two years from Rs. 143.55 lakhs (earned in 1955) to Rs. 126.53 lakhs. The profit would have been much more but for the illegal strike in June last, which continued for 21 days, and the interference in production again in November due to stormy weather and unusual floods in Madras. Altogether, the Company lost one month's production valued at over Rs. 75 lakhs. Though the cost of some raw materials, such as foreign cotton, showed a tendency to fall, any possible saving on that account was offset by the rising cost of manufacture.

After providing for depreciation and taxation, the net profit, at Rs. 64.69 lakhs, does not show any sizable rise, as the following comparative table shows:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	9,88.58	9,07.65	9,36.68	9,00.78
Other income	14.19	11.45	13.95	8.88
Stocks of process and finished goods	1,09.10	1,26.09	1,14.48	96.60
Raw materials and stores consumed	4,76.93	5,06.06	4,73.99	4,71.11
Other expenses	3,80.29	3,88.12	3,57.31	2,93.07
Gross profit	1,26.56	1,26.53	1,37.21	1,43.55
Managing Agents' commission	7.51	7.80	10.11	11.29
Provision for—				
Depreciation	35.22	35.80	40.07	30.60
Taxation	20.50	18.50	15.00	39.00
Net profit	64.69	64.43	71.14	62.66
Provisions and reserves written back	..	..	..	..
Profit on sale of machinery	0.34	6.21	5.03	..
To reserves and other funds	0.29	0.57	1.82	..
,, bonus to employees	13.61	30.01	37.32	23.00
Dividends—	41.99	22.11	21.33	20.52
7½ per cent. cum. preference	1.60	1.60	1.60	1.60
Ordinary	17.85 (10%)	17.85 (10%)	17.85 (10%)	17.85 (10%)
Carry forward	1.83	1.92	2.29	2.38

The allocation to the debenture redemption reserve has been reduced from Rs. 5 lakhs to Rs. 3 lakhs, while the transfer to the development rebate reserve has been raised slightly from Rs. 8.10 lakhs to Rs. 8.67 lakhs. No amount has been set aside for deferred taxation reserve (which had received Rs. 12.10 lakhs in the previous year), on account of the withdrawal of the extra normal depreciation. The provision for workpeople's gratuity has been reduced from Rs. 3.50 lakhs to Rs. 0.64 lakh. It will be noted from the table above that a sum of Rs. 41.99 lakhs has been provided for bonus to employees. This is made up of the usual bonus of Rs. 27.10 lakhs provided on the basis of the old agreement which had linked bonus to dividend, and an additional bonus of Rs. 14.89 lakhs for the years 1955, 1956 and 1957. The old agreement had provided that bonus was to be calculated as a percentage of basic earnings, such percentage to be doubled the rate of tax-free dividend declared on the ordinary share capital. However, the workers demanded an additional bonus for four years 1954-57. After protracted negotiations between the Government of Madras, the Company's management and the labour, the dispute was finally settled and the Company agreed to pay additional bonus for the three years 1955-57 and calculate the future bonus payments on the basis of two and a half times the rate of tax-free dividend declared on the ordinary capital. The additional bonus charged in the accounts has resulted in a saving of taxation and a sum of Rs. 9 lakhs has, therefore, been written back from the reserve for taxation, to supplement the distributable profit.

Notwithstanding the fact that, for a period of almost one month during the year, no goods could be cleared for shipment, the Company's export sales amounted to Rs. 1 85 crore. This is no doubt a creditable achievement from which the Company will benefit substantially in respect of incentive schemes The Rs 100 paid-up shares of the Bangalore Woollen are now being placed at Rs. 172 *cum-div.* and those of the Buckingham and Carnatic at Rs. 175 *cum div.* On an *ex-div.* basis, the shares provide a yield of 6 per cent. and 5.9 per cent. per annum, free of income-tax, respectively.

PROFIT OF STANDARD MILLS HIGHER

LARGE SUM SPENT ON MODERNISATION

THE sharp setback in the results of the Standard Mills Company Ltd. (Managing Agents: Messrs. Mafatlal Gagalbhai and Sons, Bombay) suffered in 1957, when its gross profit dropped from Rs. 121.44 lakhs to Rs. 89.16 lakhs, has been retrieved to some extent, albeit by a very small margin, during the year ended 31st December 1958. The gross profit for the year amounts to Rs. 93.83 lakhs, representing an increase of only Rs. 4.67 lakhs over that for 1957. Nevertheless, it is the second highest one earned by the Company after the amalgamation of the New China Mills Ltd. with it with effect from 1st January 1955.

It will be recalled that, following the amalgamation of the New China Mills and thanks to the implementation of the scheme of modernisation, the Company's profit nearly doubled itself from Rs. 30.61 lakhs earned in 1954 to Rs. 60.44 lakhs in 1955. In the following year, it again doubled itself to Rs. 121.44 lakhs. There was, however, a substantial setback in the profit to Rs. 89.16 lakhs in 1957, as stated already, consequent on the depression in the textile trade during the year, due to heavy excise duties on cloth. Though there was no notable improvement in the general offtake of cloth during 1958, the Company would appear to have been able to push up its sales. The large saving in the cost of foreign cotton consumed has also been a helpful factor in increasing its profit.

The net profit, after providing for Managing Agents' commission, depreciation and taxation, which had dropped from Rs. 48 lakhs (in 1956) to Rs. 23.61 lakhs in 1957, has risen to Rs. 27.48 lakhs, as the following comparative table indicates:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	6,01.32	5,79.26	5,70.41	5,33.62
Other income	15.24	14.12	14.04	11.75
Closing stocks of finished goods and in process	68.07	60.59	63.64	49.30
Raw materials and stores consumed	3,17.48	3,08.77	2,91.05	4,74.83
Other expenses	2,12.73	1,92.40	1,85.70	
Gross profit	93.83	80.16	1,21.44	60.44
Managing Agents' commission	7.43	6.78	10.19	4.28
Provision for—				
Depreciation	17.13	27.01	28.10	17.28
Taxation	41.80	31.75	35.15	10.00
Net profit	27.48	23.61	48.00	28.89
Transfer from reserves	5.00	6.00	..	..
To reserves	11.59	4.75	24.06	10.88
,, additional provision for taxation	..	6.00	..	..
Dividends—				
4 per cent. preference	0.48	0.48	0.48	0.48
Ordinary	21.05 (D. 20%)*	19.75 (D. 20% + B. 2½%)	19.75 (D. 20% + B. 2½%)	17.56 (D. 20%)
Carry forward	0.02	1.56	2.03	0.13

* On the increased capital of Rs. 109.75 lakhs raised by the capitalisation of Rs. 21.95 lakhs.

It will be noted that the provision for taxation is Rs. 10.05 lakhs more than that set aside for 1957, while the gross profit itself is only Rs. 4.67 lakhs more. This is due to the withdrawal of the extra normal depreciation allowance under the Finance Act 1958. No doubt, the Company had to make an additional provision of Rs. 6 lakhs in the previous year, in terms of the Finance Act 1956, but this was met by transferring a corresponding sum from the rehabilitation and development reserve. After transferring Rs. 8.69 lakhs (being 75 per cent. of the total development rebate allowable) to the statutory development rebate reserve and the balance of Rs. 2.90 lakhs, as usual, to the development rebate reserve (other than the statutory one), as against Rs. 4.75 lakhs in all set aside last year, the Directors have supplemented the profit available for appropriation by transferring Rs. 5 lakhs from the rehabilitation and development reserve. They have also recommended a dividend of 20 per cent. on the increased ordinary share capital of Rs. 109.75 lakhs, as against 22.5 per cent. paid for each of the previous two years on the old capital of Rs. 87.80 lakhs. In April 1958, it may be recalled, the Company's paid-up ordinary capital was raised from Rs. 87.80 lakhs to Rs. 109.75 lakhs by the capitalisation of Rs. 21.95 lakhs from out of the share premium account and bonus shares were issued in the ratio of one share for every four.

The programme of modernisation of the Company's mills, initiated in the year 1953, was continued during the year under review also and a sum of Rs. 45.82 lakhs was spent in 1958 alone on installation of new machinery and Rs. 4.78 lakhs on construction of new buildings.

E.I.D.'S PERFORMANCE ENCOURAGING

FINANCIAL POSITION STRONG

THE performance of the East India Distilleries and Sugar Factories Ltd. (Managing Director: Mr. G. N. Noel-Tod, Madras) for the year ended 30th September 1958 is gratifying, in that the net profit is better and the distribution to shareholders has been raised. But it is somewhat disturbing to find that the trading profit for 1957-58 was actually lower, that sugar, the mainstay of the Company's business, did not fare so well as in the previous year, and that costs moved up further. This is said not by way of criticism of the management, but only to stress the prevalence of a malignant trend in the affairs of most companies, a trend which is being ignored by the stock exchanges in their strident march to establish new high levels.

Sales during the year fetched £10,851,525 (the Company is still a sterling one), an increase of £634,819 as compared with 1957. But, as costs went up from £8,492 690 to £8,810,469, net realisation at £2,491,195 was higher by only £317,040. Income by way of commissions and service fees was down by about £36,000 at £450,139 so that gross trading income amounting to £2,491,195 was greater by no more than £281,120. But this increase is actually less than the inflation in excise duty (from £367,536 to £586,957) and the selling and administrative expenses (from £1,095,078 to £1,192,055). Accordingly, the net trading profit, after depreciation, is down by £36,278 at £712,183. The provision for depreciation is a shade larger at £112,775, as against £100,161 a year before. There is a small increase of about £10,000 in other incomes. This, together with a substantial reduction in the provision for taxation from £505 922 to £427,242, has helped to raise the net profit from £223,358 to £290,892. With the addition of undistributed surplus of 1956-57 brought in, the profit available for distribution is £71,774 higher at £354,581. Nearly half of this amount—£159,775, to be precise—has been credited to reserves, the corresponding figure for the preceding year being £122,625. The dividend on the 7 per cent. preference share capital takes up £14,000. The return to ordinary shareholders has been stepped up from 15 per cent. to 20 per cent. and takes up £109,990, as against £82,493 a year ago. Notwithstanding these higher allocations, the sum to be carried forward is better by a little more than £7,000 at £70,816.

It will be noted from the aforesaid particulars that the sum distributed to shareholders accounts for only about a third of the profit available for distribution, so that nearly two-thirds have been conserved. This is undoubtedly a cautious policy of appropriation. This is further evident from the fact that the increase in the dividend to ordinary shareholders is in the form of a special dividend of 5 per cent.

In order to see that the shareholders get their return as quickly as the Directors could manage, the Board has been following the policy of declaring the dividends in the form of first and second interims, making it clear at the time of the second interim that there would be no more dividend for the year under reference. Consequently, although the annual meeting of the Company is due to be held on the 29th April, the shareholders have already received their dividend. This solicitude for shareholders is, indeed, commendable.

During the 1957-58 season, the Company produced 29,132 tons of sugar from 350,137 tons of cane, giving a recovery of 8.32 per cent. This compares with 33,413 tons (recovery 9 per cent.) in 1956-57 and 29,574 tons (recovery 8.47 per cent.) in 1955-56. If only the Company can succeed in getting better quality sugarcane, it will be able to show better results on the sugar side.

The consolidated balance-sheet of the Company as at 30th September, 1958 is a picture of health, with a pleasing appearance. Its strong financial position will be clear from the fact that the excess of current assets over current liabilities is no less than £1,400,000; a year before this figure was £1,250,000. As for more details, readers' attention is invited to the following synopsis of the balance-sheet:

Liabilities	£	Assets	£
Capital:		Gross block ...	1,861,707
Preference	200,000	*Less*—Depreciation ...	996,904
Ordinary ...	549,950		
	749,950	Net block ...	864,803
Reserves and surplus ...	1,338,357	Assets under construction	41,987
Liabilities ...	3,679,448	Investments	170,883
		Current assets	4,690,082
Total	5,767,755	Total	5,767,755

With such a strong financial position, an excellent dividend record and a fairly diversified production and trading activities, there is no wonder that the Company's equity shares (of £1 each) are highly prized by investors. Since they are strongly held, they do not constitute a speculative scrip and, even during the depression of 1956-57-58, they did not go down very much. After touching a high of Rs. 34.75 in 1956, they saw a low of Rs. 26.25 in 1957, when the share markets were at their worst. A year ago, they were standing at Rs. 27.40 and are currently standing at Rs. 35 to yield 7.62 per cent. This is, indeed, a sumptuous yield in these days when many other first class scrips are offering a yield no more than 4.5 to 5.5 per cent.

INDIAN OXYGEN EXPANSION

Loan arrangements involving a total sum equivalent to £562,500 have been completed between the Commonwealth Development Finance Company of the U.K., the Industrial Credit and Investment Corporation of India and the Indian Oxygen Company Ltd.

The Commonwealth Development Finance is lending the Indian Oxygen £225,000, and the Industrial Credit of India is lending the equivalent of £337,500.

The Indian Oxygen is a subsidiary of the British Oxygen Company. Thirty per cent. of its Ordinary capital is held by the Indian investing public.

The loan is to meet a part of the capital cost of a replacement and expansion programme planned to be completed in 1960 amounting to over £2 million. The balance of the cost is being financed by the Indian Oxygen and the British Oxygen. The aim is to provide additional capacity to enable the Indian Oxygen to meet the increased demands for its products expected to arise from the current industrial development in India and in particular the expansion of steel production in the second Five-year Plan.

The greater part of the loan will be used in connection with the purchase of plant and equipment manufactured in the U.K.

ATIC INDUSTRIES LTD.

A new plant to manufacture a wide range of vat dyestuffs—a major extension to the existing plant of the Atic Industries Private Ltd., manufacturing Atic jade green dyestuff—was opened at Bulsar, Bombay, by Mr. Manubhai Shah, Union Minister of Industry, on the 9th inst. The cost of the project is Rs. 1.3 crores and the plant has an installed capacity of about 315,000 lbs. per month.

The new plant will manufacture vat purple, blues, blacks, browns, olive, yellow, orange and some solubilised vats. The plant, which has taken two years to complete, is expected to meet a large part of the country's requirement of vat dyes, thus saving a substantial amount of foreign exchange. It will also consume indigenous raw materials.

Atic Industries Private Ltd. is a joint enterprise of Imperial Chemical Industries (India) and Atul Products Ltd.

COMPANY MEETINGS AND DIVIDENDS

COONOOR TEA CO., LTD. Annual General Meeting, Belmount, Coonoor, Nilgiris, 25th April 1959. Dividend: 20 per cent. or Rs. 2.00 per share (includes first interim dividend of Re. 1.00 per share and second interim dividend of Re. 0.50 per share). Transfer books remain closed from 16th to 30th April 1959, both days inclusive.

MAFATLAL FINE SPG. AND MFG. CO., LTD. Annual General Meeting, Bombay, 27th April 1959. Dividend: Rs. 18.00 per share (includes bonus of Rs. 3.00 per share). Transfer books were closed from 24th March to 14th April 1959, both days inclusive.

SASSOON SPG. AND WVG. CO., LTD. Annual General Meeting, Bombay, 27th April 1959. Dividend: Rs. 2.00 per share, payable from 11th May 1959. Transfer books were closed from 24th March to 14th April 1959, both days inclusive.

ORISSA MINERALS DEVELOPMENT CO., LTD. Annual General Meeting, Calcutta, 27th April 1959. Dividend: Rs. 2.50 per share (includes interim dividend of Re. 1.00 per share and a bonus of Re. 0.50 per share), payable on or after 6th May 1959. Transfer books remain closed from 14th to 27th April 1959, both days inclusive.

MAHARASHTRA SUGAR MILLS LTD. Annual General Meeting, Bombay, 29th April 1959. Dividend: Rs. 17.00 per share (includes Silver Jubilee bonus of Rs. 2 00 per share), payable on and after 11th May 1959. Transfer books remain closed from 16th April to 6th May 1959, both days inclusive.

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD. Annual General Meeting, Bangalore, 29th April 1959. Dividend: Rs. 10.00 per share (includes interim dividend of Rs. 4.00 per share). Transfer books will remain closed from 22nd to 29th April 1959, both days inclusive.

PARRY AND CO., LTD. Annual General Meeting, Madras, 29th April 1959.

BENGAL COAL CO., LTD. Annual General Meeting, Calcutta, 29th April 1959. Dividend: Rs. 17.50 per share (includes interim dividend of Rs. 7 50 per share). Transfer books remain closed from 14th to 29th April 1959. both days inclusive.

SHREE KRISHNA GYANODAY SUGAR LTD. Annual General Meeting, Dalmianagar, 30th April 1959. Dividend: Re. 1.00 per share. Transfer books will remain closed from 21st to 30th April 1959, both days inclusive.

STANDARD COAL CO., LTD. Annual General Meeting, Calcutta, 30th April 1959. Dividend: 12½ per cent. or Re. 1.25 per share, payable on or after 7th May 1959. Transfer books remain closed from 16th to 30th April 1959, both days inclusive.

BUCKINGHAM AND CARNATIC CO., LTD. Annual General Meeting, Madras, 30th April 1959. Dividend: Rs. 10.00 per share (includes interim dividend of Rs. 4.00 per share). Transfer books will remain closed from 25th to 30th April 1959, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 30th April 1959. Transfer books remain closed from 16th to 30th April 1959, both days inclusive.

EMPIRE JUTE CO., LTD. Annual General Meeting, Calcutta, 30th April 1959. Transfer books remain closed from 16th to 30th April 1959, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 30th April 1959. Transfer books remain closed from 16th to 30th April 1959, both days inclusive.

PRESIDENCY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 30th April 1959. Transfer books remain closed from 16th to 30th April 1959, both days inclusive.

JAWAHAR MILLS LTD. Annual General Meeting, Salem, 1st May 1959. Dividend: 15 per cent. or Re. 1.50 per share of Rs. 10 each and Re. 0.75 per share of Rs. 5 each. Transfer books remain closed from 18th April to 1st May 1959, both days inclusive.

SOORAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 6th May 1959. Dividend: 15 per cent. or Re. 1.50 per share. Transfer books will remain closed from 20th April to 6th May 1959, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 7th May 1959. Transfer books will remain closed from 23rd April to 7th May 1959, both days inclusive.

KOHINOOR MILLS CO., LTD. Annual General Metting, Bombay, 7th May 1959. Dividend: Rs. 6 00 per share (final), payable on and after 14th May 1959. Transfer books will remain closed from 20th April to 7th May 1959, both days inclusive.

VIJAYESWARI TEXTILES LTD. Annual General Meeting, Pulampatti-via Pollachi. 9th May 1959. Dividend: Rs. 6.00 per share. Transfer books will remain closed from 26th April to 9th May 1959, both days inclusive.

PEERMADE TEA CO., LTD. Annual General Meeting, Alleppey, 12th May 1959. Dividend: 10 per cent., i.e., Re. 1.00 per share (final). Transfer books will remain closed from 29th April to 15th May 1959, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 12th May 1959. Dividend: Rs. 11.00 per share (includes a bonus of Re. 1 00 per share), payable on and after 15th May 1959. Transfer books will remain closed from 22nd April to 12th May 1959, both days inclusive.

INDIA SUGARS AND REFINERIES LTD. Annual General Meeting, Madras, 15th May 1959. Dividend: 10 per cent. or Re. 1.00 per share, payable on or after 22nd May 1959. Transfer books will remain closed from 1st to 15th May 1959, both days inclusive.

COIMBATORE PIONEER MILLS LTD. Annual General Meeting, Peelamedu. Coimbatore. 10th June 1959. Dividend: 20 per cent. or Rs. 20.00 per share. Transfer books will remain closed from 27th May to 10th June 1959, both days inclusive.

PROFITS OF COONOOR TEA LOWER

RESULTS OF FINLAY GROUP MILLS

Coonoor Tea Estates Co., Ltd.

THE directors of the Coonoor Tea Estates Co., Ltd., submit the audited accounts of the Company for the year ended 30th September 1958.

The net profit for the year after making allowance for taxation and depreciation is Rs. 1,13,462 (Rs. 1,20,423) to which is added the balance brought forward from the previous year of Rs. 27,028 (Rs. 6,981) making available a total Rs. 1,40,490 (Rs. 1,45,762 including Rs. 17,419 transferred from general reserve and Rs. 939 being excess provision for sales tax in previous year). Out of this the directors have transferred to general reserve Rs. 20,000 (*nil*) and to dividend equalisation reserve Rs. 15,000 (*nil*) leaving a balance of Rs. 1,05,490 (Rs. 1,45,762). The dividend on preference shares at 6 per cent. less income-tax absorbed Rs. 7,866 (Rs. 7,961). The first interim dividend of 10 (7½) per cent. on ordinary shares free of tax absorbed Rs. 37,782 (Rs. 28,336) and the second interim dividend of 5 (5) per cent. on ordinary shares free of tax absorbed Rs. 18,891 (Rs. 18,891). The proposed final dividend of 5 (7½) per cent. free of tax will absorb Rs. 18,891 (Rs. 28,337) leaving a balance to be carried forward to next year of Rs. 22,060 (Rs. 27,028 after transferring Rs. 1,618 to development rebate reserve, providing Rs. 15,000 for additional taxation in respect of previous years and Rs. 18,591 for additional and balance of bonus to workers for 1952-56). The directors recommend that a final dividend of 5 (7½) per cent. free of tax be paid which together with the interim dividends of 15 (12½) per cent. free of tax already paid, brings the total dividend for the year to 20 (20) per cent.

The total area of the Estate remains unchanged at 442.41 acres distributed as follows: Tea in full bearing 384.58 acres, tea in partial bearing 7.50 acres, fuel clearings 17.84 acres and buildings, roads, jungle and waste lands 32.49 acres.

Crop	1958 lbs.	1957 lbs.
Coonoor and Adar	320,854	353,467
Bought leaf	13,023	11,475
Total	333,877	364,942

The Estate cost of production for the year was 177.05 cents per lb. against the estimate of 152.86 cents per lb. The difference being due to shortfall in crop on account of generally adverse weather conditions. In particular, the severe hail storm experienced in April is estimated alone to have caused a loss of over 20,000 lbs. of tea. The net average selling price for the year amounted to 301.27 cents per lb. compared with 248.58 cents per lb. for the previous season, which has enabled the profit figure to be maintained at almost last season's level inspite of the reduced crop. The cost of production continues to increase, and it is therefore essential that the sale price of the Company's teas are maintained at the highest level. Whilst the above figures are satisfactory, the Board considers that improvements to the Factory machinery are necessary to enable the Company to maintain its position against the steadily increasing competition in high grown teas.

Estimates for the season 1958-59 have been framed for a crop of 3,50,000 lbs. made tea to cost 151.35 cents per lb. including 17.83 cents per lb. for manuring.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,27,820	Gross block	21,26,275
Reserves ...	12,58,527	*Less*—Depreciation ...	1,39,920
Provision for taxation ...	1,45,856		
Liabilities ...	2,01,359	Net block ...	19,86,355
Profit and loss account ...	22,060	Stock-in-trade	91,268
		Stores and spare parts	26,442
		Loans and advances ...	14,696
		Investments	2,500
		Cash ...	34,361
Rs.	21,55,622	Rs.	21,55,622

Finlay Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. James Finlay and Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1958.

The year's working after providing Rs. 6,78,000 (Rs. 6,13,000) for depreciation, Rs. 1,93,545 (*nil*) for development rebate reserve and Rs. 5,00,000 (Rs. 3,30,000) for taxation shows a profit of Rs. 4,09,432 (Rs. 7,57,898). From this the directors have appropriated to general reserve No. 1—(taxed) Rs. 3,14,567 (*nil*) and to general reserve No. 2—(untaxed) Rs. 94,865 (*nil*). The balance brought forward from the previous year's account of Rs. 37,155 (Rs. 79,257) has been carried forward to next year's account. The directors have transferred from general reserve No. 1 representing taxed profits of earlier years (i.e., before appropriation from the current year's profit) a sum of Rs. 8,00,000 (*nil*) to the profit and loss appropriation account for payment of proposed dividend for the year 1958 at the rate of Rs. 16 (Rs. 20) per share on 50,000 shares (free of income-tax) absorbing Rs. 8,00,000 (with Rs. 79,257 being the balance brought forward from previous year and transferring Rs. 2,00,000 from equalisation of dividend reserve there was a total of Rs. 10,37,155. The dividend on 50,000 shares absorbed Rs. 10,00,000 leaving a balance of Rs. 37,155 to be carried forward).

In the accounts for the year under review, the directors have transferred a sum of Rs. 58,42,296 to general reserve No. 1—(taxed) and a sum of Rs. 6,87,579 to general reserve No. 2—(untaxed) being balances as at 31st December 1957, standing to the credit of the general reserve, rehabilitation and development reserve, development rebate reserve and equalisation of dividend reserve. In addition, the directors have transferred from the profit of the current year a sum of Rs. 3,14,567 to general reserve No. 1—(taxed) and Rs. 94,865 to general reserve No. 2—(untaxed). An amount of Rs. 8,00,000 representing the taxed profits of the earlier years has been transferred from general reserve No. 1 to the profit and loss appropriation account for the payment of the proposed dividend for the year 1958. These transfers have been made with a view to segregating in general reserve No. 1, profits which have already been taxed and which are available (if required) for the payment of non-taxable dividends. General reserve No. 2 consists of other profits of the Company, viz. profits which have not been taxed.

The Alexander and Finlay Thread Co., in which the Company has a 50 per cent. share, experienced a better trading year and the accounts show a small profit of Rs. 581 (after allowing for depreciation of Rs. 50,000) as compared to a loss of Rs. 1,53,217 for the previous year. By mutual agreement, the selling agency arrangements with the Central Agency, Limited, were terminated with effect from 1st April 1958 and the partnership undertook its own selling thereafter. Gross sales in 1958 showed an increase over the previous year and considerable progress was made in the reduction of stocks.

Installation of the additional machinery in the Spinning department has now been completed and, as a result, the installed spindles have been increased to 63,212. By the re-arrangement of certain machinery in the Spinning block, it has been found possible to install the major portion of the additional machinery without the necessity of extending the present building except for a small extension to the Carding department.

While cloth prices remained steady during the first half of the year, this was offset to some extent by the relatively high prices for long staple cotton ruling at the time. The position improved during the second half of the year, although there was some decline in cloth prices. On account of the restricted imports, the supply position of long staple cotton has become difficult. With effect from July 1958, the excise duty on the Company's bleached, mercerised and dyed qualities was increased by a further 3 per cent.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Gross block	1,81,16,865
Reserves ...	63,57,852	*Less*—Depreciation ...	95,84,207
Provision for taxation ...	8,13,634		
Liabilities ...	88,10,799	Net block ...	85,32,658
Profit and loss account ...	37,155	Stock-in-trade	78,03,183
		Stores, spares, etc. ...	16,20,840
		Debts, deposits and advances ...	20,26,654
		Investments	10,19,267
		Cash ...	16,838
Rs.	2,10,19,440	Rs.	2,10,19,440

Gold Mohur Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. James Finlay & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1958.

The year's working [after crediting the excess provision for Bonus in previous years amounting to Rs. 45,088] (Rs. 1,39,518) and after providing Rs. 3,60,000 (Rs. 2,20,000) for depreciation, Rs. 1,76,920 (*nil*) for development rebate reserve and Rs. 7,06,000 (Rs. 6,30,000) for taxation, shows a profit of Rs. 5,27,085 (Rs. 6,02,444). From this amount the directors have appropriated to general reserve No. 1—(taxed) Rs. 4,78,909 (*nil*) and to general reserve No. 2—(untaxed) Rs. 48,176 (*nil*) the balance brought forward from the previous year's account is Rs. 10,233 (Rs. 1,57,789) and has been carried forward to next year's account. The directors have transferred from general reserve No. 1 representing taxed profits of earlier years (i.e., before appropriation from the current year's profit) a sum of Rs. 7,50,000 (*nil*) to the profit and loss appropriation account for the payment of proposed dividend for the year 1958 at the rate of Rs. 15 (Rs. 15) per share on 50,000 shares (free of income-tax) absorbing Rs. 7,50,000 (with Rs. 1,57,789 brought forward from the previous year the total amount available was Rs. 7,60,233 out of which dividend at Rs. 15 per share, absorbed Rs. 7,50,000 leaving a balance to be carried forward of Rs. 10,233).

In the accounts for the year under review, the directors have transferred a sum of Rs. 45,26,588 to general reserve No. 1—(taxed) and a sum of Rs. 3,71,434 to general reserve No. 2—(untaxed) being balances as at 31st December 1957, standing to the credit of the general reserve, rehabilitation and development reserve, development rebate reserve and equalisation of dividend reserve. In addition, the directors have transferred from the profit of the current year a sum of Rs. 4,78,909 to general reserve No. 1—(taxed) and Rs. 48,176 to general reserve No. 2—(untaxed). An amount of Rs. 7,50,000 representing the taxed profits of the earlier years has been transferred from general reserve No. 1 to the profit and loss appropriation account for the payment of the proposed dividend for the year 1958. These transfers have been made with a view to segregating in general reserve No. 1 profits which have already been taxed and which are available (if required) for the payment of non-taxable dividends. General reserve No. 2 consists of other profits of the Company, viz., profits which have not been taxed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Gross block	1,00,12,312
Reserves ...	48,52,027	*Less*—Depreciation ...	64,97,387
Provision for taxation ...	12,00,638		
Liabilities ...	39,17,018	Net block ...	35,14,925
Profit and loss account ...	10,233	Stock-in-trade	87,76,141
		Stores, spares, etc. ...	6,81,980
		Debts, deposits and advances ...	19,22,185
		Investments	81,000
		Cash ...	3,685
Rs.	1,49,79,916	Rs.	1,49,79,916

Swan Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. James Finlay & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1958.

The year's working after providing Rs. 6,40,000 (Rs. 4,50,000) for depreciation, Rs. 1,69,314 (*nil*) for development rebate reserve and Rs. 8,22,000 (Rs. 6,00,000) for taxation, shows a profit of Rs. 8,20,551 (Rs. 8,24,187). From this amount the directors have appropriated to general reserve No. 1—(taxed) Rs. 5,95,228 (*nil*) and to general reserve No. 2—(untaxed) Rs. 2,25,323 (*nil*). The balance brought forward from the previous year's account is Rs. 26,062 (Rs. 1,01,875) and this has been carried forward to next year's account. The directors have transferred from general reserve No. 1 representing taxed profits of earlier years (i.e., before appropriation from the current year's profits) a sum of Rs. 9,00,000 (*nil*) to the profit and loss appropriation account for payment of proposed dividend for the year 1958 at the rate of Rs. 25 (Rs. 25) per share on 36,000 shares (free of income-tax) absorbing Rs. 9,00,000 (with the previous year's balance brought forward of Rs. 1,01,875, there was a total available sum of Rs. 9,26,062 from which dividend absorbed Rs. 9,00,000 leaving a surplus to be carried forward of Rs. 1,01,875).

In the accounts for the year under review, the directors have transferred a sum of Rs. 63,41,201 to general reserve No. 1—(taxed) and a sum of Rs. 1,47,264 to general reserve No. 2—(untaxed) being balances as at 31st December 1957, standing to the credit of general reserve, rehabilitation and development reserve, development rebate reserve and equalisation of dividend reserve. In addition, the directors have transferred from the profit of the current year a sum of Rs. 5,95,228 to general reserve No. 1—(taxed) and Rs. 2,25,323 to general reserve No. 2—(untaxed). An amount of Rs. 9,00,000 representing the taxed profits of the earlier years has been transferred from general reserve No. 1 to the profit and loss appropriation account for the payment of the proposed dividend for the year 1958. These transfers have been made with a view to segregating in general reserve No. 1 profits which have already been taxed and which are available (if required) for the payment of non-taxable dividends. General reserve No. 2 consists of other profits of the Company, viz., profits which have not been taxed.

The extension to the Tyre Cord department is now under way after some considerable delay as a result of the difficulties experienced in arranging deferred payment terms acceptable to the Government of India. Orders for the major portion of the machinery involved have now been placed and shipment of a small part of the machinery has already commenced. It is estimated that the new machinery will be installed and in operation by April 1960. The airconditioning plant for the Spinning department has now been installed and is in operation.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,00,000	Gross block	1,59,87,553
Reserves ...	66,03,330	*Less*—Depreciation ...	1,02,92,715
Provision for taxation ...	12,94,572		
Liabilities ...	46,23,219	Net block ...	56,94,838
Profit and loss account ...	26,062	Stock-in-trade	66,47,360
		Stores, spares, etc. ...	9,70,450
		Debts, deposits and advances ...	27,55,161
		Investments	71,000
		Cash ...	7,774
Rs.	1,61,47,183	Rs.	1,61,47,183

Gokak Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Forbes Forbes Campbell & Co. Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1958.

The results for the year show a profit of Rs. 10,06,728 (Rs. 12,31,069). After providing for depreciation Rs. 6,54,225 (Rs. 3,68,894) and taxation Rs. 52,000 (Rs. 69,262) the profit shown in the accounts comes to Rs. 3,00,503 (Rs. 7,92,913) to which is to be added the amount brought forward from

1957 of Rs. 4,172 (Rs. 8,155) producing a total of Rs. 3,04,675 (Rs. 8,01,068). After deducting additional provision for payment of bonus for previous years of Rs. 1,510 (*nil*), provision for contingency reserve of Rs. 2,25,000 (*nil*) and transfer to general reserve No. 2 of Rs. 73,993 (*nil*) leaving a balance of Rs. 4,172 (Rs. 8,01,068). To this amount is to be added the amount transferred from general reserve No. 1 of Rs. 3,90,480 (Rs. 3,00,000 from reserve account and Rs. 1,00,000 from equalisation of dividend account) making available a sum of Rs. 3,94,652 (Rs. 12,01,068). From this, the directors recommend the declaration of a dividend of Rs. 8 (Rs. 8) per share without deduction of income-tax, which will absorb Rs. 3,90,480 (Rs. 3,90,480) leaving balance to be carried forward of Rs. 4,172 (Rs. 4,172 after providing Rs. 1,30,000 for additional provision for taxation and Rs. 6,76,416 for development reserve account).

Reserves: The following transfers have been made to general reserve No. 1:—From reserve account Rs. 33,12,570, from development reserve account Rs. 6,76,416 and from equalisation of dividend account Rs. 50,000. In the accounts for the year under review, the directors have transferred a sum of Rs. 73,993 from the profit and loss appropriation account to general reserve No. 2 and an amount of Rs. 3,90,480 (equivalent to the proposed dividend) from general reserve No. 1 to the profit and loss appropriation account. These transfers have been made with a view to segregating in the general reserve No. 1, profits which have been already taxed. The general reserve No. 2 consists of the profits of the Company for the year under review, which, it is estimated will not be taxed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,81,000	Gross block	1,72,91,953
Debentures	40,00,000	*Less*—Depreciation ...	83,68,207
Reserves ...	40,20,992		
Provision for taxation ...	1,62,746	Net block ...	89,23,746
Liabilities ...	47,01,072	Machinery, etc., under erection ...	10,13,997
Profit and loss account ...	4,172	Machinery-in-transit ...	4,51,583
		Stock-in-trade	31,49,966
		Stores, tools, etc. ...	11,01,080
		Debts, deposits and advances ...	28,98,342
		Investments	2,10,447
		Cash ...	20,821
Rs.	1,77,69,982	Rs.	1,77,69,982

Mafatlal Fine Spg. and Mfg. Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Navinchandra Purshotamdas & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show that the profit for the year after deducting managing agents' commission of Rs. 3,73,746 (Rs. 2,11,763), depreciation of Rs. 8,37,116 (Rs. 10,82,607), statutory development rebate of Rs. 1,96,791 (*nil*), development rebate of Rs. 65,597 (*nil*), and after providing Rs. 17,21,000 for taxation for 1958 amounts to Rs. 7,63,300) Rs. 14,66,598 (Rs. 4,48,119). To this is added the balance brought forward from last year of Rs. 25,268 (Rs. 1,52,649) making a total available balance of Rs. 14,91,866 (Rs. 10,25,768 after transferring Rs. 4,25,000 from general reserve). From this amount the directors have appropriated to general reserve Rs. 3,00,000 (*nil*) and propose payment of dividends (free of income-tax) as follows: to 16th dividend on 14,500 redeemable cumulative 1st preference shares at Rs. 4.50 per share (free of income-tax) absorbing Rs. 65,250 (Rs. 65,250), to 15th dividend on 14,500 redeemable cumulative 2nd preference shares at 4.50 per share (free of income-tax) absorbing Rs. 65,250 (Rs. 65,250), to 24th dividend on 58,000 ordinary shares at Rs. 15.00 (Rs. 15.00) per share (free of income-tax) absorbing Rs. 8,70,000 (Rs. 8,70,000) and to bonus dividend on 58,000 ordinary shares at Rs. 3.00 (*nil*) per share (free of income-tax) absorbing Rs. 1,74,000 (*nil*) leaving a balance to be carried forward to next year's account of Rs. 17,366 (Rs. 25,268). A sum of Rs. 1,96,791 being 75 per cent. of the total development rebate to which the Company is entitled under the Income-tax Act has been kept to the credit of statutory development rebate reserve account in accordance with the statutory requirements of the Income-tax Act leaving a balance of Rs. 65,597 which has been kept to the credit of development rebate reserve account in accordance with the past practice.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	87,00,000	Gross block	2,03,22,627
Reserves ...	1,31,08,692	*Less*—Depreciation ...	1,39,39,112
Provision for taxation ...	17,21,000		
Liabilities ...	29,68,341	Net block ...	63,83,515
Profit and loss account ...	17,366	Machinery uninstalled ...	4,11,495
		Other assets ...	76,822
		Stock-in-trade	35,26,924
		Stores & spare parts ...	14,91,202
		Debts, deposits and advances ...	37,13,457
		Investments	78,52,550
		Cash ...	30,59,434
Rs.	2,65,15,399	Rs.	2,65,15,399

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

MANCHESTER LETTER

(*Concluded from page 641*)

While discussions in Lancashire still centre on the early launching of redundancy schemes in the different sections of the cotton trade, similar projects are afoot in other countries where textile manufacturers are finding progress difficult by reason of dwindling demand, particularly from overseas markets. In some areas, official guidance to the smaller firms to merge their interests, either amongst themselves or with the already established larger groups, has been given. Such advice has come from the French Federation of the Cotton Industry, stimulated by the prospect of increasing activity following the establishment of the European Common Market. The traditional individuality of old-established small firms may well be affected by such developments, as it is widely felt that the bigger organisations can cater more effectively for the extended area of consumption provided by the larger European project.

Reports from Paris speak optimistically of the outlook for the French cotton industry, which has already been aided by the devaluation of the franc and the opportunities of operating within the new European market. French millowners last year established a fund to assist exporters and an improvement in shipments abroad is confidently anticipated.

In the meantime, a survey of the situation in the U.S. textile industry is also less pessimistic than some recent reports. Over the past three months mill production has been well maintained and by avoiding a build-up of expensive stocks, the owners are now gaining "a moderate but welcome return."

The backlog of orders in most lines of cotton goods is sufficient to provide hopes that the current level of activity will be maintained throughout the present year, but the main threat to this belief lies in the spread of competition overseas. In this case also, the dumping of cotton goods at cut-throat prices in Asia and even in more highly developed areas, offers a severe problem. According to the survey, the textile industries of Western Europe have suffered even more severely than American mills from the tremendous surge of textile imports from the Soviet Union and Asia. American manufacturers are looking to Congress for tariff protection, but they are also stepping up research and development projects aimed at reducing production costs and improving their products.

Redundancy Payment

Although no final confirmation has been obtained, it has been reliably reported that the cotton employers in Lancashire have accepted the principle of compensation for workers made redundant in the reorganisation plans now being considered in the various sections of the industry. Miss Alice Foley, Secretary of the Bolton Weavers' Association, has reported that the compensation question has been fully considered at the meetings of the joint sub-committee appointed by the Cotton Board, to consider the future size of the industry and suggest methods for eliminating surplus machinery. She added that nothing had been settled, but forecast that the shape and size of the industry would be known by October and that, in a more compact industry, there would be better wages and conditions.

The cotton industry of the future would be based on modernised machinery, mainly automatic so far as looms were concerned, and mainly high-speed warping beaming in the preparation departments. There would be fewer people actually producing, many people measuring what was produced, and more administration. Miss Foley said that she would not be surprised, if there was not a shortage of skilled operatives by the time the reorganisation plans were complete.—*All Rights Reserved.*

A three-man trade mission representing the British rain-wear industry left Manchester last week for Western Germany to explore export opportunities. The mission will visit the larger stores and retail organisations and have discussions with trade associations. The visit follows that made to this country at the end of last year by a West German retail foreign trade mission.

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STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
					BOMBAY CITY AND ISLAND											
50,00,000	5,37,500	1,01,25,505	44,03,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd	56,468	898	Apollo Mills	1.22	2	0.19	0.19			12	Y.
40,00,000	24 00,000	1,40 93,494	78,99,035	17,302	M.	50,596	1,021	B. R. Cotton Mills	17.52	100	Nil	Nil	Nil		8	Y.P.T.
2 50,98 000	3,45,87,968	9,01 44,459	4,42,94,600	50,386	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,006	4,211	Bombay Dyeing & Mfg. Z	60.10	25	2.50*	2.50	2.50	2.50	12	Y.
10,00 000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	145 00	50	12.50	20.00	15.00	7.50	8	Y.P.
1,18,85,650	2 79,59,276	7,45,32 167	2 69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	26,958	Century Spg. & Mfg.	488 50	100	22.00	22.00	22.00	8.00f	12	Y.
26,00,000	28,81 920	1 13 36 792	67 79 552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	133.75	100	7 50	12.50*	12 50*	12 50*	8	Y.
28,00,000	26,37 709	90 59 554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	101.00	50	15.00	—	7 50F	5.00	8	Y.
34 00,000	26,56,889	1 12 98,983	69,27,928	—11,15 096	Puranmal Bubna Sons	46,476	928	Edward Textiles	215 50	200	18.00	15.00	15 00		12	Y.
29 98 050	15.72 144	1,31,76,951	81,20,93f		M.	46,620	886	Elphinstone Spg. & Wvg.	33 50	50	5.00	15.00	Nil		12	Y.P.
50 00,000	63,57,852	1,81,16,865	95 84,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	272.00	100	20.00	20.00	20 00	16.00	12	Y.
50,00,000	48,62,027	1,00,12,312	64,97,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	192 50	100	15 00	15.00	15.00	15.00	12	Y.
11,84,000 } 16,000 }	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	50,240	1,120	Hindoostan Spg. & Wvg. Mills	4 800.00 992 50	1,000 250	300 00 75 00	325.00 81.25	350 00* 87.50*	350 00 87.50	8	Y.P.
2,50,00,000	56,89,672	4,90,61,819	3,54,00,000	1,29,969	Agarwal & Co.	2,44,512	6,214	India United Mills	8.72 1 10	0 100. 0 1D.	0 94 0 19	0.92 0.18			12	Y.
8,65,000 } 35,000 }	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	57,440	1,152	Indian Mfg.	4,350.00 —	1,000 500	300 00 150 00	300 00 150 00	325.00* 162.50*	325 00 162.50	8	Y.P.
59,85,000	47.84 646	3.32.60 641	2 39 44 370	80,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	187.50	100	12.00	10 00	10 00(c)	10.00	6	Y.P.
1,00,00,000	1,18.27,791	3,67.76,376	2,84,94,794	52 791	Killick Industries Ltd.	1,20,504	1,860	Kohinoor Mills	259 25	100	18.00	18 00	18 00	4.00f	12	Y.
33,18 800	46 27,870	1 28,83,753	67,99 178	43,271	N. Sirur & Co. Private Ltd.	48,700	644	Modern Mills	46 00	50	8 00*	8.00*	5 00'C'		10	Y.T.
51,75,000	42,89,896	2 75 32,726	2 00 41 588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg. & Wvg.	232 00	100	14.00	15 00	14.00(c)	15.00	6	Y.P.
1,60,63 400	1,42,58 205	10,55,96,105	3,40,00,000	1,23 937	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	283 00	100	12.00	14 00*	14 00		12	Y.P.
24 00,000	22,76,231	82,93,080	48 70,077	—3 04,756	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	90,00	100	10 00	10 00	5.00	Nil	12	Y.
30,00,000	7,01,166	109 27,346	63 87,035	—4,83,512	W. H. Brady & Co., Ltd.	49,012	979	New Great Spg. & Wvg.	174 00	100	10 00	10.00	Nil	Nil	12	Y.P.
48,00,000	55,51,580	1,69 40,494	1,08,77,159	8,59 718	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	123 00	100	10 00	..	12.50F	10 00	8	Y.
40 00,000	45,64,554	53 92 841	25 34,581	1,63 546	Podar Sons Private Ltd.	32,600	930	Podar Mills	150.00	100	12.00*	12.00*	10 00		12	Y.P.
19 00,000		23 94 122	18 44 733	—1,10 689	M.	..	..	Sassoon & Alliance Silk Mill	9 76	10	0 50	0.25(c)	Nil		12	Y.
37,70,100	1,18,66,143	2,51,80,351	1,49,71,803	5,465	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	47.00	10	2.00	2.00	2.00	2.00	12	Y.
30,00,000	44 70,061	1 27.66,700	67 73 552	58,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	153.00	100	12.00	12.00	8 00		12	Y.P.
42 00,000	30,80 473	1,95 86,294	79,84 101	8 089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	168 00	50	10.00	12.00	8 50	8.50	8	Y.
1,09,75,000	2,39,76,402	3,46,68,221	2,04,23,247	1,708	Mafatlal Gagalbhai & Sons	96,956	2,409	Standard Mills	477 00	100	20.00	22.50*	22.50*	20.00	12	Y.P.
1,00,00,000	95 03,854	2,76,30,400	1,44,86 214	29,124	Tata Industries Private Ltd.	72,716	2,000	Svadeshi Mills	213.00	100	12.00	14 00*	9 00		12	Y.P.
26,00,000	66,03,330	1,59,87,553	1,02,92,715	26,062	James Finlay & Co., Ltd.	40 828	549	Swan Mills	390 00	100	25.00	25.00	25 00	25.00	12	Y.
65,57,875	53,20,412	2,18,16 540	90,53,601	17,925	Tata Industries Private Ltd.	70,968	1,800	Tata Mills	35 00	25	4.00	3.50*	2 00		12	Y.T.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,664	1,212	Western India Spg. & Mfg.	4,525 00	1,000	300.00	300.00	325.00*	325.00	8	Y.P.
					AHMEDABAD											
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	140.00	100	7 00	12.00	5.00	5.00	6	Y.P.T.
15 00,000	98 23,183	1,29 00,836	73,82,228	....	P. M. Hutheesing & Co., Ltd.	42,760	920	Aruna Mills	625 00	100	30.00	25.00	25.00		12	Y.P.
40,00,000	3,03 12,127	2,17,78,010	1,10,66,897	28,706	M.	64,448	1,216	Arvind Mills	1,038 00	100	35.00*	35.00*	35 00*		12	Y.P.
22,00,000	47 41,123	1,22,40,943	77,79,729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	470 00	200	25.00*	30 00*	Nil		12	Y.P.
12,00,000	1,40 46 694	99 92 464	67,28,819	728	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	665 00	100	30.00	30.00	30.00		12	Y.P.
2,06 25 000	2 60,65 170	6 22,25,491	2,74 71 141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,39,120	2,378	Calico	575 00	125	..	30.00	30 00	25.00	8	Y.P.
63 00,000	28,51 630	1,44 37 907	1,02 61,829	20 815	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	480 00	250	30.00	100.00*	25 00*		12	Y.P.
52,00,000	1,17,29,342	1,79,38,243	1,14,51,119	1,21,046	Mafatlal Chandulal & Co., Ltd.	50,428	907	New Shorrock Spg. & Wvg.	921 00	125	35.00	40.00*	30.00	35.00*	12	Y.
15 00 000	64 29,775	69,45 065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	24,840	572	Nutan Mills	403.75	100	20 00	20.00	20.00		12	Y.P.
20,00,000	1,08,87,132	1,07 38 484	66,60,480	105	Lalbhai Dalpatbhai & Co.	31,120	634	Raipur Mfg.	677.50	100	35 00*	35.00*	35.00*		12	Y.P.
48 75 000	28 46 580	1,33 74,914	73 60,111	9 983	M.	33,156	618	Rohit Mills	140 00	100	Nil	8.00*	8 00*		12	Y.P.
63,75,000	3,01,44,505	2,32,18,408	1,32,23,150	56,600	Harivallabhdas Kalidas & Co.	94,128	1,790	Shri Ambica Mills	772.00	100	27.00*	30.00*	25.00	30.00*	12	Y.P.
29,25,000	75,75,008	1,12,51,013	77,65,092	23,937	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	502.00	100	25.00	30.00*	20.00	22.00*	12	Y.
35,00,000	38,00,929	,28,90,368	90,20,784	23,800	Haridas Achratlal & Co., Ltd.	41,056	780	Vijaya Mills	580 00	500	35.00*	50.50*	40.00*		12	Y.P.
					WEST BENGAL											
15,00,000	3,05,455	33,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd.	13,044	856	Basanti Cotton Mills	7.00	10	0.50	0.60	0.60		12	Y.P.T.
7,11,280 } 3,00,620 }	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee, Esq. (Mg. Director)	33,248	935	Bengal Luxmi Cotton Mill	35.00N	40	4 00	4 00	4.00	Nil	8	Y.P.
24,00,000	1,50,000	1,20,71,237	49,68,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,928	841	Bowreah Cotton Mills	96.00	100	Nil	Nil	Nil		12	Y.P.
19,00,000	24,30,708	1 39 78 961	73 14,165	—1,86,242	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	170 00	100	2.50	6.00	Nil		12	Y.T.
50,08,000	7,14,828	81 32,154	30,32,154	1,32,757	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	9 06xd	10	Nil	0.37	0.50	0.65	12	Y.T.
1,60,00,000	2,29,91 250	,09,62,835	1,40,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	13.50	10	0.87	1.00	0 75		8	Y.P.
O.19,47,750 } D.5,00,000 }	6,97,329	49,45,797	30,61,005	—2,23,455	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	15 00N 4.00N	10 1D	1.00 0.34	1.00 0.26	1.00 0.15	0.50 Nil	6	Y.
					SOUTH INDIA AND OTHER CENTRES											
11,98,600	5,57,619	30,87,104	19,12,220	16,013	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00	100	12.50	15.00	12.50		6	Y.
72,00,000	18,19,271	1,89,74,579	68,27,598	6,322	The Industries (I.F.) Department, Government of Andhra Pradesh	35,752	716	Azam Jahi Mills	52.50	100	3.50(c)	5.00	3.50	Nil	9	Y.
1,21,50,000	1,55,24,679	3,69,74,488	2,92,09,368	2,98,409	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	172.00cd	100	30.00	30.00	10.00'C'	10.00	12	Y.P.
35 00 000	74 79 507	1 41 25,225	1 10 21,274	1 04 207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	20 00	10	3.00	1.50	1.50	0 75	3	Y.
1,78,47,800	3,04,99,160	7,63,67,196	4,50,51,659	1,82,834	Binny & Co. (Madras), Ltd.	1,20,288	2,758	Buckingham & Carnatic	177.00	100	10.00	10 00	10 00	10.00	12	Y.P.T
20,00,000	15,37,935	50 23,440	26 18 048	..	Peirce, Leslie & Co., Ltd.	87,536	4	Cambodia Mills	9.20	10	0 50	0 50	0 50(c)		12	Y.F.
15 00,000	5,11,500	53 88,579	29 91,389	1,08,342	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	142 00	100	12.00	15 00	20.00	12 50	3	Y.
30,00,000	33,43,336	76,05,650	59 57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Textiles	5.25	5	Nil	0.25	0 25	Nil‡	12	Y.
9.36,560	5 31 645	60,81 289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	10 80	10	0.62	0 75	0 90	0 90	3	Y.P.T.
35,97,200	24,15,845	88,98,386	36,22 038	596	R. Bheema Naidu & Co.	34,864	..	Coimbatore Cotton Mills	135 00	100	25.00	25.00	9.00'C'	6.00	12	Y.
18,15,000	7,25,195	39,16,552	24,29,633	....	T. A. R. Chettiar Sons & Co.	25,340	160	Coimbatore Murugan Mills	91.00	100	20.00	12.00			12	Y.P.
20 00,000	18 28,450	80,21,737	44,09,621	599	T. R. N. Naidu & Co.	39,108	..	Coimbatore Pioneer Mills	270 00	100	20.00	20.90	20 00		12	Y.P.
20,76,900	5,076	1 37,90 104	88,52,968	—7,29,806	R. G. S. Naidu & Co.	72 188	407	Coimbatore Spg. & Wvg.	51.00	50	8.00	10.00	Nil		12	Y.
46,87,500	10.87 622	3,55,43,835	1,51,86,676	—28,54,243	Tata Industries Private Ltd.	75,530	1,707	Central India	91.00	100	3.00	Nil	Nil	Nil	6	Y.P.
26 90 661	19,55,000	1,04,60 142	44,85,815	21,830	R. Hanumanthappa & Son	35,744	300	Davangere Cotton Mills	113 50	100	9.00	9.00	9 00	9.00	3	Y.
3,38,36 225 } 1,00,563 }	3,59,53,968	12,81,26,690	7,47,89,631	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	32.75	25 2½	2.25 0.22	2.50 0.25	2 00 0.16	2.00 0.16	6	Y.P.T.
48,58,875	26,75,000	98,47,125	55,14,444	1 204	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	185 00	100	30.00	25.00	10.00'C	10.00	12	Y.
63,00,000	1 05.56 192	1,69,12,424	1,41,93,839	75,531	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	14 00	10	1.00	1.25	1.00		9	Y.P.
48,81,000	40,20,992	1,72,91,953	83,68,207	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	5	Gokak Mills	142.50	100	15.00	13.00	8.00	8.00	12	Y.
2,50,00,000	8,75 000	5,73.71,041	1,64,46 856	1,00 48,693	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	17.04	10	Nil	Nil	Nil	Nil	3	Y.P
59,00 000	6.94,589	1,59,76,049	1,21 32,273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	50,780	1,356	Indore Malwa United	97 50	100	9.00	11.00	6.00		12	Y.
8,90 000	10.66,553	35 60 221	20,68,005	....	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	60.00	50	10.00	10.00	3.00		12	Y.
15,54,000	15,02,599	57,13,937	33 88,095	7,012	Mr. Bhairuratan Damani (Managing Director)	20,932	512	Jam Shri Ranjitsinghji	1,450 00	1,000	50.00	60.00	40 00		6	Y.
4,63 65 300	3,05 67 516	4,59 43 795	3 29 32 899	8,47 483	Birla Gwalior Private Ltd.	55,324	1,630	Jiyajeerao Cotton	9.76	10	4.00‡	0.55	0.85	0.25	8	Y.P.
67,09,800	18,25,000	1,40,72,730	40,50,212	31,924	Kothari & Sons	41 040	800	Kothari Textiles	9 60	10	1.00	1.00	1 00	Nil	12	Y.P.
32,00,000	49,95,387	1,98,16,979	1,44,39,237	690	M.	51,098	1,219	Lakshmi Cotton Mfg.	395 00	250	42.50	42.50	15.00	15.00	12	Y.P.
71,00,000 }	66 85,960	2,25,46,381	1,29.69 687	86,370	G. K. Naidu & Co.	1,10,800	200	Lakshmi Mills	110 50 53 25	50 25	12.50 6 25	12.50 6.25	10 00 5 00	6 00 3 00	8	Y.
1,75,02,480	3,75,33,193	5,99,75,120	4,17,59,406	—49,07,085	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	25.70	15	3.00	2.62	2.25	Nil	12	Y.
12,00,000	3,67,363	29,03,852	18,76,700	213	V. K. Eradi (Chairman)	22,228	100	Malabar Spg. & Wvg.	80 00	200	Nil	8.00			12	Y.
60,00 000	69,00 000	66,60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	390 00	100	35.00	42.50	20.00	20.00	8	Y.
29 80,884	12,88 081	93,11,180	51,89,457	19,739	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	62 00	100	6.00	6.00	Nil		12	Y.
94,91,850	21,56 146	1,71,94,769	78,81,528	1,85 008	M.	52,408	952	Model Mills (Nagpur)	95.00	250	7.50(c)	7.50			6	Y.
24,83,500	39,98,562	1 13,65 249	72 49 736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	80 00	50	6.00(c)	9 00*	9.00*	5 00	2	Y.P.
13,61,780	....	29,12,341	17,83,814	8,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6 25N	10	Nil	Nil	Nil		8	Y.
37,23,200	39,29,931	1,73,83,244	67,86,683	....	M.	87,788	902	Osmanshahi Mills	39 50	100	2.50(c)	3.00(c)	Nil		9	Y.
4.00 000A } 6 00 000B }	13,00,000	71,79,976	28 66,277	8,909	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	129 00 182 00	50A 75B	12.00 18.00	15.00 22.50	9 00 13 50		12	Y.P.
15 00,000	....	85,52 644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	37 00	100	4 00(c)	Nil	Nil		12	Y.
10 81 200A } 8.40,600B }	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	300	Radhakrishna Mills	124.00 62 00	100A 50B	20.00 10.00	20 00 10.00	12 00 6 00		12	Y.
19.52 275	30.55 750	76.37 378	32 62 433	....	B. R. Naidu & Sons	40,206	..	Rajalakshmi Mills	70 00	50	10 00	7 50	4 50		12	Y.P.
16 14 800	14 00 000	58 40 286	20 95 406	....	Ramco Agencies Private Ltd.	30,756	..	Rajapalayam Mills	117 00	100	10.00	10.00	12.00	8.00	8	Y.
22.32 950	11,50,000	53 72,976	23.15 892	5,286	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	112 00cd	100	10.00	10.00	10.00		12	Y.
15,90.000 } 10 000 }	2,69,010	3,15 04 564	2,05 50 756	—34,29,635	M.	86,048	2,234	Sholapoor Spg. & Wvg.	428.75 —	1,000 500	Nil	Nil	Nil		8	Y.P.
36 69 700	21 91 449	1,05,51,059	61 65,564	37 576	H. N. Palegar, Esq.	42,924	292	Sri Krishnarajendra Mills	63.00cd	50	5.00	7.00	7.00	4.50	8	Y.
15,00,000	3,63,33,415	1,06,79,186	80,23,012	30,16,282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	68 00N	10	6.00	6.00	6 00	6.00	8	Y.
17 50 000 O } 1,57,50,000 PO }	2,36,28,071	3,28 86,193	1 97,31,347	2 64 970	M.	1,12,216	2,098	Swadeshi Cotton (Kanpur)	11.00 10 87	100. 10P.O.	0.75 1.15	0.75 1.15	0.75 1 15		12	Y.P.
1,00,00,000	60,00,000	3.88 81,393	1,95 13,492	1,78 216	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	19.50cd	10	0.75	1.00	1.00		12	Y.P.T.
18,98,730	9 45,940	19,58,289	13,60,120	794	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.80cd	10	0.90	1.12	0 90		12	Y.
21,00 000	39 86 738	86 30 895	51,76,507	12,000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	222 00	100	20.00	20.00	12 00		12	Y.P
32,00,000	8 64,423	1,94,48,153	1,30,02,866	—14,81,997	The Bombay Co. (Private) Ltd.	49,880	1,363	Vishnu Cotton	92.00	100	8.00	8.00	Nil	Nil	12	Y.P T.

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

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
					CEMENT									
71,89,780	6,27,794	1,53,40,852	52,19,911	49,516	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.10	B. 10	1.00*	1 00	1.00		12	Y.P.
59,89,343	36,548	1,57,05,664	21,936	6,415	M.	Ashoka Cement Ltd.	9.40	10	..	..	Nil	Nil	3	Y.T.
12,71,80,070 } 6,34,26,150 }	10,06,76,940	36,32,76,342	12,89,15,052	1,98,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	148.50	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
53,92,587	....	1,23,58,448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.52	10	0.30	0.60	0.60		12	Y
1,44,10,795 } 5,00,000 }	53,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	11.50 2.63	O. 10 D. 1	1.25 0.12	1.25 0.12	1.20 0.12		12	Y.P.T.
1,09,79,135	30,37,736	2,18,27,299	73,38,865	71,092	Essen Private Ltd.	India Cements Ltd.	— 5.65	O. 25 D. 5	1.87 0.37	2.06 0.41	2.06 0.41	2.25 0.45	3	Y.P.
1,50,00,000	1,85,000	6,72,92,670	1,24,70,386	93,276	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.36	10	0.75	1.25	1.25	1.25	3	Y.P.
1,00,00,000	31,43,497	3,25,68,768	1,17,79,528	37,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14 40	10	1.25	1.25	1.50		12	Y.P.
1,34,20,280	48,94,785	3,55,77,865	1,29,16,661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	146.25	100	8.50	9.00	9.00		12	Y.P.
75,00,000	17,70,000	2,18,91 926	1,54,88,889	18,727	M.	Sone Valley Portland Cement	6.31	5	0.30	0.15	0.30		12	Y.
50,00,000	6,00,000	1,04,84,565	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	9.95	10	0.62	0.60	0.60		12	Y.
					CERAMIC; MINING AND QUARRYING									
13,50,000	3,38,041	10,99,022	6,14,954	12,83,240	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	16.00	100.	1.00	3.00	1.50	..	9	Y.P.
50,50,275	8,45,000	1,20,18,973	35,41,847	20,913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.66	2½	0.25	0.25	0.25		12	Y.
10,00,000	34,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	32.50	10	1.75	0.87	1.75	1.75	3	Y.
£1,871,300	£1,348,400	£2,621,717	£1,593,562	£1,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.32	Sh. 2	10.8d.*	4.8d.	4.82d		12	Y.
O.15,00,000 } P.5,00,000 }	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	14.50	10	1.00 3.00	Nil Nil	Nil Nil		6, 12	H.
6,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.70	10	0.75	1.00			3	Y.
20,00,000	49,23,557	56,51,624	29,17,800	1,42,114	Bird & Co. Private Ltd.	Orissa Minerals	36.12	10	2.00*	1.00f	2.60	2.50*	3	Y.
7 00,000	71,05,000	74,84,368	29,53,314	62,523	Killick Industries Ltd.	Shivrajpur Syndicate	100.50	10	3.00*	3.00*	3.00*		11	Y.
					CHEMICAL									
41,27,700	37,60,000	1,10,24,566	49,60,560	31,068	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	183.00	100	3.00	10.00	12.00		12	Y.P.
62,00,0000 } 2,47,97,000A }	90,34,040	4,45,67,285	73,02,594	1,08,673	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	22.06	10	0.80	0.80	0.80	0.80	9	Y.P.
60,00,000	....	67,15,919	....	1,15,111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	151.00	100	Nil	Nil	Nil		12	Y.P.
1,89,27 800	11,05,700	2,96,61,485	67,85,495	58,686	Lalbhai Sons & Co.	Atul Products Ltd.	277.50	100	5.25	6.00	8.00		12	Y.
48,17,200	48,38,400	1,45,22,658	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	101.00	100	6.00	6.00	6.00	6.00	3	Y.P.T.
21,50,000 } 42,74,800 }	63,31,297	1,48,64,534	57,89,669	9,989	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	101.50 —	100 100New	12.00 ..	9.00 4.50	7.50 3.75	6.00 6.00	3	Y.P.
3,46,06,075	....	4,29,69,769	2,38,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	8.68	10	Nil	Nil	Nil		12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jal H. Mehta	Kemp & Co.	218.00	200	12.00	15.00	15.00	15.00	3	Y.
40,50,400	16,32,446	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.00	10	0.70	0.75	0.75	0.87½	3	Y.P.T
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	9.25	10	0.50	0.50	0.50		3	Y.
6,00,000	4,00,000	7,37,855	4,44,350	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	23.50CR	10	2.00	2.00	3.00		3	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	11.25	5	0.50	1.00	1.00	0.80'C'	6	Y.P.
10,00,000	12,00,954	19,34,602	14,27,276	87,365	M.	Polychem. Ltd.	84.50	50	..	..	..	Nil	3	Y.P.
1,39,95,990 } 56,00,000 }	17,19,952	4,57,35,637	1,71,48,316	2,736	Tata Industries Private Ltd.	Tata Chemicals	16.76	10	Nil	0.75	0.80	0.75	6	Y.P.T.
					ELECTRIC (Bombay State)									
8,74,78,395	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	96.80	100	5.00	6.50	3.25	6.50	3	Y.T.
172,50,000	14,67,106	1,98,94,397	45,21,447	15,26,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	11.20	10	0.75	0.75	0.42½	0.85	3	Y.P.
3,02,76,250	76,70,609	9,08,96,522	2,41,70,836	32,105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,145.00	1,000	75.00	75.00	56.25	80.00*	3	Y.P.T.
1,75,00,000	54,34,572	3,30,22,445	77,28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	106.00	100	7.00	7.00	7.00	7.00	3	Y.
7,07,020	99,267	16,08,942	7,53,744	199	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.12	10	0.75	0.62	Nil	0.50	3	Y.T.
18,89,000	9,35,596	1,40,77,220	53 14,908	7,836	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	120.00	100	10.00	10.00	2.50	7.50	3	Y.P.T.
60,62,500	25,74 514	1,34 27,302	42,37,719	3,823	Killick Industries Ltd.	Surat Electricity	110.00	100	7.00	..	8.75	7 00	3	Y.P.
2,39,99,575	74,19 097	6 63,96,657	1,61,14 10	23,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	117.50	100	7.50	7.50	5.52	8.00*	3	Y.P.
5,15,85,750	2,13,05,278	16,15,83,754	3,15,30,939	20,701	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,157.50	1,000	75.00	75.00	56.25	80.00*	3	Y.P.
					West Bengal and Other Centres									
19,99,600	44,20,245	1,12,31,458	33,25,328	49,395	MartinBurn Ltd.	Agra Electric Supply Co., Ltd.	145.00	100	10.00	10.00	10.00	10.00	3	Y.T.
8,00,000	14,59,897	50,97,022	18,71,544	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14.25	10	1.00	..	1.25	1.00	3	Y.T.
7,00,000	35,12 989	1,29,85,469	37,39,559	28,395	Martin Burn Ltd.	Benares Electric Light & Power Co.	14.50	10	1.25	..	1.25Z		3	Y.T.
5,91,360	5,95,855	21,28,477	9,59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	7.75	5	0.50	..	0.62Z		3	Y.
£4,262,646	£3,460,286	£30,407,122	£10,881,162	130,008	Harry Burn Esq. (Chairman	Calcutta Electric Supply	15.00	£1	6%	6%	8½%Z		3	Y.P.T.
6,60,090	5,11,491	28,13,024	8,83,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.12	10	0.62	..	1.00Z	0.65	3	Y.
43,20,000	16,40,106	98,00,595	33,79,613	8,16,830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	102.00	100	6.00	6.00	6.50	7.00	3	Y.P.
5,34,640	96,514	29,51,444	12,22,358	3,590	Moonna Lall & Sons	Jhansi Electric Supply	6.62	10	0.69	..	0.86Z	0.62½	3	Y.T.
2,49,700	25,37,546	98,31,343	35,83,665	29,425	Martin Burn Ltd.	Jubbulpore Electric Supply	13.19	10	0.91	0.46	0.92	0.92	3	Y.
4,95,000	2,21,374	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.50N	9	0.50	..	1.22Z	0.72	3	Y.
5,82,390	3,35,296	82,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8.25	10	Nil	..	1.25Z	1.00	3	Y.
6,99,850	1,83,973	17,84,092	7,83,164	22,321	G. D. Bhagat, Esq.	Muttra Electric Supply	10.75xd	10	0.60	0.80	0.80	0.80	3	Y.
35,10,478	37,51,068	1,32,14,704	51,65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.00	10	0.75	..	1.25Z	0.75	3	Y.T.
9,10,000	1,93,940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25	10	0.50	Nil	Nil	0.50	3	Y.
16,80,000	11,63,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	11.00	10	0.75	..	0.94Z	0.68	3	Y.T.
56,00,000	9,42,467	1,85,49,991	54,65 888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	12.00	10	0.91	0.91	1.28	0.87	3	Y.P.T.
5,99,250	4,67,280	21,09,262	9,36,176	9,038	Martin Burn Ltd.	Upper Ganges Valley Electric Supply	13.75	10	0.94	..	1.25	1.00	3	Y.
5,00,000	6,65,006	25,81,076	8,92,154	32,516	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	18.00	10	1.25	1.25	1.25		3	Y.
56,01,185	65,36,540	3,01,72,909	84,072	83,337	Martin Burn Ltd.	U. P. Electric Supply Co.	136.00	100	10.00	10.00	10.00		3	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.75	10	1.00	1.00	1.00	1.00	3	Y.P.
					ENGINEERING (Bombay)									
33,42,200	52,31,631	74,21,408	62,82,616	25,019	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	270.00	100	12.50	15.00	12.50		12	Y.
14,99,960	2,67,708	16,61,421	6,33,124	3,552	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	60.50	60	3.00	3.00	3.00	3.00	12	Y.
6,40,000	3,75,000	1,57,259	1,17,027	1,448	M. R. Rao Esq. (General Manager)	Jost's Engineering	71.00	50	4.00	4.00	5.00	5.00	3	Y.
44,96,250	2,57,957	55,59,741	16,71,411	56,266	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	7.52	10	Nil	Nil	Nil		9	Y.P.
54,00,000	15,01,511	44,29,526	20,09,794	25,546	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	22.76	10	1.00	1.00	1.00	1.25	3	Y.P.
54,00,000	26,00,000	1,05,24,440	12,56,894	1,16,134	M.	Mahindra & Mahindra Ltd.	25.10	10	1.00	1.25	1.75		10	Y.P.
11,00,000	49,774	31,43,786	18,71,576	31,416	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	78.00	100	Nil	Nil			7	Y.P.
39,69,895	24,30,000	83,15,927	31,99,497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	16.16	10	Nil	Nil	1.00	1.20	3	Y.P
22,50,0000. } 1,31,250Pr. }	1,28,56,576	7,51,153	78,248	1 43,527	Walchand & Co. Private Ltd.	Premier Construction	266.50	20	3.50	3.50	10.00		12	Y.P.
9,63,75,000 } 9,51,47,175 }	23,26,43,033	147,05,45,438	42,01,71,546	4,49,862	Tata Industries Private Ltd.	Tata Iron and Steel	180 75 178 00	75old 75new	10.50 ..	10.50 ..	9.50 2.54	8.25 7.56	3	Y.P.
5,04,00,000	65,53,390	16,75,33,296	6,68,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	191.00	100	Nil	6.00	8.00	9.00	3	Y.P.T.
2,55,00,000	24,78,951	76,50,491	16,44,492	1,09,108	S. K. Handoo, Esq.	Voltas Ltd.	155.00	100	5.00	9.00	9.00	9.00	8	Y.
					West Bengal and Other Centres									
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	10.50	10	..	..	Nil		10	Y.P.T.
50,00,000	19,00,000	1,22,29,219	79,69,445	97,400	Bhartia Co., Ltd.	Bhartia Electric Steel	17.50	10	1.25	1.25	1.25		12	Y.
56,59,790	64,90,721	66,02,747	9,45,919	1,75,170	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	31.50	7	1.75	2.00	3 00	1.25	12	Y.
12,00,000	25,06,000	49,19,444	27,99,444	1,73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34.00	10	1.50	2.00	2.00		12	Y.T.
19,88,670	5,23,347	37,25,250	11,79,769	99,900	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6.50N	10	1.00	0.50	0.50	0.50	3	Y.P.T.
40,00,000	39,42,365	83,13,780	37,63,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	13.50	10	1.50	0.60	0.60		12	Y.T.
5,00,000	3,06,358	19,15,871	12,28,274	77,782	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	26.62	10	Nil	Nil	2.00		12	Y.
84,00,000	1,99,04,936	4,42,87,297	2,71,68,251	1,30,345	Martin Burn Ltd.	Burn & Co.	441.00	100	15.00	20.00	20.00	20.00	4	Y.T.
2,00,00,060	2,02,39,002	3,89,31,446	1,68,28,306	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	40.75	10	..	2.30	2.00		12	Y.
12,50,000	23,50,000	60,07 710	38,80,350	5,810	Martin Burn Ltd.	Hooghly Docking	118.00	50	6.25	6.25	5.00		12	Y.P.
36,94,590	4,35,000	48,08,664	23,13,944	4,22,513	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	17.00	10	1.00	Nil	Nil		12	Y.P.
10,36,74,160	18,72,11,475	43,94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	24.32xr	10	1.00	1.00	1.00	1.00'C'	3	Y.P.
38,98,500	54,64,443	1,09,97,195	64,95,575	42,976	Martin Burn Ltd.	Indian Standard Wagon	103.00	25	6.25	7.50*	7.50*	5.00	3	Y.P.
32,00,000 } 26,580 }	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	42.25xr 23.00N	0.10 0.1	3.00 0.30	3.00 0.30	4.00* 0.40*	4.00* 0.40*	3	Y.
68,62,575	52,15,306	2,84,90,851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	190.00	100	12.00	10.00	15.00	12.00	3	Y.P.T.
1,01,89,000	51,82,557	1,72,18,507	62,69,132	51,642	M.	Jessop & Co.	31.25	10	3.00	Nil	Nil		10	Y.P.
24,23,187	10,05,500	48,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	14.00	10	0.50	0.60	0.90	1.00	3	Y.
18,43,200	54,56,724	72,53,319	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	10.25	2	0.50	0.62	0.45		11	Y.P.T.
10,50,000	23,78,264	17,13,875	13,52,941	1,35,774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	6.56	2	0.30	0.40	0.40		6	Y.
49,96,000	7,44,675	1,25,33,261	68,79,493	9,10,330	M.	National Iron and Steel Co., Ltd.	8.44	10	0.25	0.62	0.62	0.62	3	Y.P.T.
40,00,000	30,56,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.12N	10	1.50				6	Y.P.
6,00,000	8 16,855	29,83,251	18,00,849	21,633	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.40	4	0.25	0.25	0.40	0.40	3	Y.
1,50,00,000	46,87,211	3,55,99,392	1,47,60,393	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	28.85	10	1.00	1.25	1.50		12	Y.P.T
					INSURANCE (x)									
13,50,000	46,99,060	1,33,51,354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	12.12	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	33.00	50	3.00	3.00	3.00		12	Y.
5,15,000	1,84,95,246	12,38,65,607	....	....	R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	218.75	100	25.00				12	Y.
24,00,000	62,91,344	1,26,11,797	....	3,40,686	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25 50	10	2.00	2.00	2.00		12	Y.
18,74,940	3,16,61,024	4,00,62,157	....	5,97,428	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	5.20	15	Nil	Nil	Nil		12	Y.
20,00,000	53,99,401	1,56,15,926	....	10,976	M. G. Mody, Esq.	New Great Insurance	21.00	20	1.50	1.50	2.00		12	Y.
1,06 81,300	7,19,81,437	18,20,95,176	....	1,41,481	B. K. Shah, Esq.	New India Assurance	52.30	15	2.50	3.00	3.00		12	Y.
6,00,000	78,22,32,610	82,01,80,624	....	....	L. S. Vaidyanathan, Esq.	Oriental Life Assurance	4,200.00	200	200.00				12	Y.
32,00,000	65,90,064	1,60,63,502	....	29,354	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	7.12	5	0.50	0.62			12	Y.
5,75,000	67,91,963	42,97,523	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	155 00	25	11.25	11.25	11.25		12	Y.
15,99,270	33,73,518	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	20.32	10	1.25	1.50	1.50		12	Y.
					OIL									
35,00,000	86,85,342	89,25,560	36,80,012	1,63,409	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	5.50N	7	1.50	1.50	0.60		12	Y.P.
1,00,00,000	1,44,75,861	94,16,791	49 77,641	1,06,640	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co. Ltd., A.	26.50	10	4.00*	2.00	2.00		12	Y.P.
76,07,478	35,58,424	2,22,58,663	1,37,40,056	5,511	Tata Industries Private Ltd.	Tata Oil Mills	49.25	25	2.00	3.00	2.50	2.50	3	Y.P.
6,00,000	9,41,500	2,34,955	1,61,723	68,892	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India), Ltd.	16.81	10	1.09	1.25	1.25		10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. ‡ Less Income-tax. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—Dividend is for fifteen months ended 31st March 1957. T—Company has got Debentures.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
						PAPER								
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	99.00	25	4.69	2.50	3.12	2.001	12	Y.P.T.
63,00,000	61 52,258	1,94,26 902	88 79,418	29,471	Andrew Yule & Co., Ltd.	India Paper Pulp	24.69	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	18.90	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	38.45	10	1.12	0.62	1.50	1.50	3	Y.P.T.
1,25 49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	18.00	10	1.25	1.25	1.25		12	Y.P.T
50,00,000 *A'10,60,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12.25 12.25	O. 10 A. 10	1.25 1.25	1.05 1.05	0.60 0.60		9	Y.P.
2,18,55,240	51,23,786	8,93,85,536	1,10,56,130	18,794	Birla Brothers Private Ltd.	Sirpur Paper Mills	14 32	10	5.00‡	0.50	0.50	0.65	6	Y.P.
34 00,000A. 58 04,800B. 4,37,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	47.06 47.06 4.06	A. 10 B. 10 P.O. 2½	2.00* 2.00* 0.25	1.12* 1.12* 0.12	2.38* 2.38* 0.24	2.38* 2.38 0.24	3	Y.P.
						SAW MILLS AND TIMBER								
12,99,998	22,88,839	22,79,480	18,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	3.50	3	Nil	Nil	Nil		6	Y.
39,25,000 42,00,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corpn.	503.00 175 50	Old125 New50	37.50 15.00	40.00 13.75	47.50K 19.00K	22.50 9.00	5	Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	40.62	10	3.00	3.00	2.75	1.001	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	16,60,406	43,47,523	32,35,804	59,415	M.	Balrampur Sugar	7.50	10	0.06	Nil	0 25	0.25	6	Y.
12,00,000A. 3,00,000B.	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125 00N 11.50N	A. 100 B. 10	10.00 1.00	10.00 1 00			4	Y.T.
19 49,050	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	13 25	7½	0.75	1.00	1.00		9	Y.
15 00,000	13,08,913	22,66,507	13,89,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	13.00xdN	10	1.50	1 50	1 50	1.00	6	Y.P.
32,00,000	23,38,522	1,49,71,234	1,02,01,879	11,728	Gladstone Lyall & Co., Ltd.	Carew & Co.	8.56	10	0.25	Nil	Nil	0.25	6	Y.P.T.
30,00,000	54,39,509	1,65,39,057	93,52,334	—8,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	10.62	10	0.75	0 75	Nil		10	Y.P.
18,00 000	38,41,544	85,45,310	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	16.87	10	1.50	1 00	Nil	1.00	6	Y.
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.50N	10	0.50	0 50			8	Y.T.
60,00,000	65 12,000	2,11,44,128	86,21,246	43,249	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	230.00	100	15.00	15.00	15 00	15.00	6	Y.P.
18,00,000	13,01,626	82,23,561	52,13,596	74,885	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	48.00	40	2.25	4 00	7 00	4.00	7	Y.P.
7,89,100	25,36,524	50,24,224	28,80,749	18,295	Cotton Agents Private Ltd.	New India Sugar Mills	26.00xd	10	2.50	2 50	2.50	2.50	6	Y.P
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5.00xd	10	0 25	0 37	0 37		5	Y.
13,21,100 38,275	49,91,797	73,75,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	235.00 50 00N	100 25	20 00 5.00	20 00 5 00	20 00 5 00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	138 50	100	11.00	11 00	12 50		7	Y P.
9 00 000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	12 12	10	0.75	0 75	Nil		10	Y.P.
63,59,400	48,34,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	14.25	10	1 50	1 50	1 50		10	Y.
8,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	18.00N	10	Nil	1 75	1 50		6	Y.P.
11 99,000	16,33,214	47,23,583	25,13,422	—2,20,853	M.	Samastipur Central Sugar	12 00	10	Nil	1 75	Nil		6	Y.
29 88,800	22,68,560	1,47,99 287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11.37	10	1.75	1.00	1 00		7	Y.P.T.
10,02,115	24,660	32,42,065	14,85,208	—3,03,840	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2.00	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1 00	0 50		8	Y.
8,00,000	37,71,616	1,55,93,502	86,53,620	24,618	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	2 50	3 00	5 00	5.00	6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.	United Provinces Sugar	15.25	10	1.50	0.60	0.75		9	Y.
						Other Centres								
30,00,000	23,00,000	84,58,962	24,22,569	22,096	Rangarao & Co.	Andhra Sugars Ltd.	22.50cd	10	0.60	1.00	1 25	1 50	9	Y.
70 49 650	1,83,26,508	1,53,99,065	1,08,78,700	2,86,214	W. H. Brady & Co., Ltd.	Belapur Company	288.00	50	16.00	16 00	18 00	20 00*	9	Y.
17,50,000	13,19,902	42,58,150	25,46,204	1,21,343	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	26.10	10	1.00	1.50	2 00	2 00	9	Y.P.
37,50,000	16 15 171	76,19,408	50,40,255	31,529		Shree Changdeo Sugar	31.10	12.50	2 00	5 00	2 25		9	Y.
39,84,000	50,19 492	1,19,44,328	66,95,463	1,49,743	Parry & Co. Ltd.	Deccan Sugar & Abkhari	11.20	5	0 50	0 75	0 72½'C'	0 90	5	Y P.
£549,950	£ 1,197,467	£ 1,387,940	£ 701,435	£ 52,719	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	35.00xd	£ 1	Sh. 4	Sh. 3	Sh. 3	Sh.41	9	Y.P.
15,93,900	21,59,383	45,68,562	27,88,312	9,164	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	Nil	6 00	10 00	10 00	6	Y P.
63,98 200	11 02,669	78,71,515	18,88,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries	13.40cd	10	1.40	1.12	1 00		9	Y P.
28,17 770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15 00xd	10	1 00	0 60	0 60		6	Y.P.
10,52 200O. 2,87,190D.	1,09,50,000	3,37,42,487	51,70,482	83,107	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	140 00cd 140.00cd	O.100 D. 10	7 50 10 00	7 50 10 00	7 50 10 00	7.50 1 50	6	Y.P.
67,50,000	43,52,607	1,32,16,830	62,39,590	2 98,574	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	201.00	50	..	100 00*	100 00*	17.00*	9	Y.P.
21,79,280	92,73,108	1,57,31,189	96,17,873	1,44,257	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	51.50xd	10	2.00	2 00	2 00	3 00*	6	Y.
50,00,000	58,21,430	1,16,88,154	67,30,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	155 00	50	8 00	9 00	12 00*	10 00	9	Y
16 59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	21.12	10	2 00	2 00	1 50		8	Y.P.T.
20 00,000O. 4,00,000D.	42,95,804	1,18,46,781	62,36,097	72,206	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	125.00 80 00N	O. 50 D. 50	8 00 0 70	12 00 0 70	12 00 3.75	12 00 3.75	0	Y P.T.
30 00,000	23,85,000	65,43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	11.62	10	0.75	1 00	1 00	1.00	7	Y.P.
1,01,00,000	1,16,37,178	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries	205.00	100	18.00	21.00	21.00		9	Y.P.T.
						TRANSPORT								
20,00,000	99,30,970	1,22,58,916	19,44,277	1,86,387	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	7.50	7.50	5.00		10	Y.P.
1,00,00,000	27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	12 92	10	5 00	6 00	12 00*		12	Y.
60,00,000 30 00,000	1,98,50,067	5,87,86,543	1,23,12,208	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	21.16 15.44	10 5	Nil	1.00	1.50	1.80 0.90	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	73.00	£10	Sh. 10	Nil	Nil		12	Y.P.
2,47,50,000	2,83,86,232	15,10,10,777	3,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	14.04	10	Nil	1 00	1 00	1 00	3	Y.P.
11,28,19,293	10,91,45,114	30,05,36,672	6,94,73,743	6,65,069	M.	Scindia Steam Navigation Co.	18.12	20	0 50	1 00	1 25	1.25	6	Y.T.
8,40,800O. 2,10,200P.O.	£21,67,472	12,59,968	8,41,760	1,35,400	R. R. Aiyer Esq. (Manager)	Walford Transport Ltd.	2.25 2.00	O. 1 P.O. 1	0 14 0.12	0 14 0.12	0 14 0.12		12	Y.
						UNCLASSIFIED (Bombay)								
5,57,00,000	1,20,48,754	5,27,61,368	1,66,48,054	1,35,01,936	S. H. Turner (Chairman)	Hindustan Lever	30.75	10	..	1.25	1.40	1 50	12	Y.
31,07,000	13,46,538	1,14,49,682	72,51,407	67,978	Birla Brothers Private Ltd.	Hind Cycles	113 00	100	10.00	..	12 50F	7.00	3	Y.P.T.
14,98,840	4,61,996	23,87,568	21,55,554	10,066	Chooniial Manilal Private Ltd.	Estrela Batteries	40 00	50	2.00	3 00	3 50*	8.00	3	Y.P.
99,99,250	20,21,794	1,27,76,392§§	....	1,92,364†	Premchand Roychand & Sons	Industrial Investment Trust	88.50	100	4.50	5 00	5.50	6.00	12	Y.
1,00,00,000 6,23,625	25,34,707	45,50,246	14,45,332	9,290	K. G. Milne, Esq. (Mg. Director)	Killick Industries	147.00	100	11.00	11 00	11.00	13 00	11	Y.
2,20,26,525	71,19,432	3,90,61,158	1,93,68,002	4,78,891	Aero-Auto Private Ltd.	Premier Automobiles	115 25	100	Nil	6 00	6 00	4 00	6	Y.T.
21,60,000	29,18,738	64,65 614	14,68,874	64,830	Polson Agencies Private Ltd.	Polson Ltd.	156.00	10	10 00	12.50	10 00		12	Y.P.
2,75,00,000	1,44,18,441	3,87,52,891	1,68,58,348	39,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	209.00	100	11 00*	11 00*	11 00*		12	Y.
45,00,000	59,87,543	11,32,721	5,39,418	84,398	Jehangir P. Patel, Esq. (Chairman)	W. H. Brady & Co., Ltd.	300.00xd	150	20.00	22.50	25.00	25.00	12	Y.
						Other Centres								
37,50 000 2,50,000	1,99,56,713	3,31,21,462	36,96,361	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	14.50 —	O. 10 D. 2½	Nil Nil	0.50 Nil	0.90 Nil		3	Y.P.T.
79,95,653	34,25,000	1 05,40,087	34,37,767	49,715	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	19.50cd	10	1 25*	1 25	1.25	1.25	3	Y.
30,00,000	36,31,857	35,74,849	24,59,437	2,39,372	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	19.75	10	2 00*	2 00*	1.80*	1.50	3	Y.
30,00,000	17,14,736	38,54,872	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	13 75	10	1 25*	1 25*	1.25*		12	Y
20,00,000	35,94,600	1,05,12,038	39,58,423	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	7.50	10	0 40	1.20	0 60		3	Y.P.T.
30,01,400	84,59,405	74,46,138	40,46,138	5,00,886	M.	Palmer Lawrie & Co., Ltd.	174.00	100	12 50	15 00	12.50	5.001	12	Y.
12,00,000	19,60,081	34,87,689	28,67,589	2,19,540	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	83.00	10	2 25	2 50	2.50	2.50	12	Y.
20,00,000	8,48,877	....	....	14,920	Lovelock & Lewis	Birds Investment Ltd.	14.31	10	1 25	1.00	0.50	0.70	9	Y.P.
45,97,020	38,11,814	1,15,02,202	42 92 212	2 18 164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	19 31	10	1 00	1 00	1.00	1.20	3	Y.P.T.
3,25,00,000	1,27,72,883	3,51,40,132	2,47,20 776	—11,35,910	M.	British India Corporation Ltd.	5 32	5	Nil	0 10	Nil		12	Y.P.
5,00,000	2,47,132	8,43,622	6,98,409	35 418	Andrew Yule & Co. Ltd.	Central Hydraulic	79 00xdN	100	5 00	6 00	10.00*		6	Y.
1,38,80,000	17,34,264	2,05,94,990§§	....	3,10,533	Andrew Yule & Co. Ltd.	Clive Row Investment	11.69	10	0 50	1 38	0.75	0.75	3	Y.
3,00,00,000	3,95 09,699	8,77,39,859	2,97,56,769	22,46,056	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	34.75	10	1.50	1.50	1.62	1.62	12	Y.P.T.
16,20 680	26,75,014	29 38,961	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	15.69	5	0 56	0 56	..		3	Y.
51,26,000	56,67,666	1,62,31,196§§	....	3,25,471	Bird & Co. Private Ltd.	Eastern Investments Ltd.	140 00	100	9.00	9.00	9.00	9.00	12	Y.P.
14,94,675	....	22,64,862	91,811	5,110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10 00	10	..	..	..		12	Y.P
14 00,000	10,35,000	36,71,778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	187.00	100	15.00	4.00	12.50	15.00	3	Y.
40,00,000	4,00,000	63,89,740	32,43,367	10,90,318	M.	Godfrey Phillips India Ltd.	19.87	10	2.00	2.00	1.50		3	Y.P.
65,00,000	36,00,000	29,50,904	12,41,168	1,46,370	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	13.39	10	1.40	1.60	1 00	1.00	12	Y.P.
30,00 000	15,17,354	83,08,821	36,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	250 00N	250	6.25	15 00	15.00		3	Y.
4,96,13,250	13 37,499	5,26,95,200	2,25,48,541	9 88,841	Birla Brothers Private Ltd.	Hindusthan Motors	9.16	10	Nil	Nil	Nil	Nil	3	Y.P.
3,88,05,820	1,30,17,480	9,30,74,123	2,48,87,454	15,25,957	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	21 25	10	0.90	1.00	0.60	0.70	12	Y.P.
1,52,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	32 12	10	1.25*	1.50*	1.50*	1.50*	3	Y.P.T.
8,27,970	6,08,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	17.37	10	0.50	0.62			3	Y.P.
2,00,00,000	84,76,626	4,61,56,945	1,85,74,917	6,17,828	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	27 87	10	..	..	1.00	1.00	9	Y.
5,16,00,000	9,06,59,979	10,61,81,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	12 62cd	10	0.30	0.30	0.70	0 70	3	Y.
2 50 00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	80.50	100	7.50	7.50	2.50	2.50	3	Y.P.
40,00,000O. 5,00,000D.	82,95,072	29,31,775	11,33,490	..	M.	McLeod & Co.	200.00 —	O. 100 D.O.10	22.50 1.75	8 00 0 80	12.50 0.75		12	Y.P.
1,45,55,250	1,07,91,546	54,34,935	15,77,645	2,44,633	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	30.12	10	1.81*	2.12*	2.12*	2.12*	9	Y.P
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	35 00	10	1.25	1.62	1.75	1.75	3	Y.P.
6,56,250	6,92,500	11,29,650	5,97,862	3,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	18.40	10	0.75	0.90	1 25		3	Y.P.
10,00,000	8,70,000	18,04,172	10,70,792	4,088	M. Malleshayya, Esq. (Chairman)	Mysore Tobacco	13 00	10	1.00	1.50	1.50	1.25	3	Y.
2,00,00,000	83,55 505	2,14 82,470	61,33,962	23,42,424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	31.50	10	0.32	1.50	1.40		11	Y.
59,96,000	98,71,172	77,84,523	42,87,426	2,67,636	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	33 00	10	1.50*	2 00*	2.00		3	Y.T.
40,00,000	20 00,600	86 22,809	17,66,013	24,266	Do.	National Rolling & Steel Ropes	14.50	10	0.60	0.60	0.60		6	Y.P.
8,00,000	6,00,006	50,21,760	28,60,523	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	16.69 —	10 5	..	..	1.00 0.50		12	Y.
79,97,000	68,89,261	1,25,70,061	65,79,351	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	15 87	10	0.80	0.70	0.90		12	Y.P.T.
2,20,00,000	42,21 731	89 43,258	83,40 874	63 842	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	21.87	10	..	..	0.84		12	Y.
2,25,00,000	10,94,424	85,12,939	46,26,988	—32,47,714	M. P. A. Paspatti, Esq.	Rallis India Ltd.	71.50	100	Nil	Nil	Nil	Nil	8	Y.P.
2,50,80 000	1,57,90,209	13,84,94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	23 00	10	1.50	1.50	..	2.00††	3	Y.P.T.
4,73,200 5,13 400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100 00N 50 00N	100 50	..	5.00 2.50	6.00 3.00	6.00 3.00	3	Y.P.
70,00,000	17,66,318	1,67,21,608	34,47,040	66,321	M	Sen-Raleigh Industries	17.48	10	0.60	0.60	0.60		9	Y.P.
40,00,000	89,05,314	1,28,83,302	73,61,372	9,13 245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	20.12	10	1.50	1.50	1.50	1.50	6	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3,65,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	17.62	10	1.00	1.00	1.00		12	Y.P.
15,00,000	95,15,571	1,13,44,098	16,55,798	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	14.00N	10	1.00	1.25	1.25		12	Y.
9,93,880	19,925	14,83,995	5,18,593	—7,432	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.30cd	10	Nil	Nil	Nil		12	Y.
6,00,000	9,80,100	30,85,103	26,85,097	9,488	Vital Mallya, Esq. (Chairman)	United Breweries	315.00cd	100	20 00	20 00	20.00	60.00	3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. R—United Breweries—The final dividend of Rs. 37.50 for the year 1958 consists of Rs. 12.50 to be paid in cash, Rs. 25 per share by the allotment of one newly created share.
K—Includes an additional dividend Rs. 7.00 per old share and Rs. 3.00 per new share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	32.00N	10	4.75	5.00	1.00	1.50‡	12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea	18.50	10	1.00	2.00			12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	24.50	10	1.00	1.25	0.50		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	23.75	10	1.00	2 50	1.50		12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co. Ltd.	377	Basmatia	27.37	10	1.50	2.00	1.75		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64 213	National Tea Corporation	579	Bateli	18.25	5	2.50	3.00	1.50		12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co. Ltd.	581	Betjan	24 00	10	2 00	2.50	1.50		12	Y.
33,00,000	15,39,600	73,93,588	30,33,388	3,19,900	Williamson Magor & Co. Ltd.	3,967	Bishnauth	20.00	10	2.00	2.00	1.00		12	Y.
6,00 000	2,50,000	13,10 965	2,81,380	46 960	Octavius Steel & Co., Ltd.	485	Bokakhat	15.12	10	Nil	0.50	Nil		12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co. Ltd.	450	Bormah Jan Tea	17.87	10	2.00	1.50	Nil		12	Y.P.
35,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M	2,884	Brooke Bond	18.37	10	4.75	1.25	1.75		6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	67.00	10	3.00	3.00	3.00		12	Y.
8,40,000	7,77,250	31,03 643	18,55,911	—1,18,361	Jardine Henderson Ltd.	1,156	Dessai & Parbuttia	160 00	100	10 00	10.00	Nil		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	23.87	10	2.50	0.50‡			12	Y.P.
4,68,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	18.62	10	1.00	1.25	2 00		12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	36,146	McLeod & Co., Ltd.	458	Dibrugarh	30 25	10	2.00	3.00	2.50	1.001	12	Y.P.
4,73,400	6,15,000	15,05,630	6 48 530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	30.25	10	2.00	3.00	3.00	1.001	12	Y.P.
7,00,620	10,33,300	23,48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Duflaghur	35.25xd	10	4.00	4.00	3.00	1.501	12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co. Ltd.	1,166	East India Tea	19.25	10	1.00	1.00	0.50		12	Y.
5,03,760	6,36,175	13,30,198	5,28,090	16,110	M.	407	Gillapukri	29.75	10	3.50	3.00	2.50		12	Y.
6,76,000	4,33,700	19,45 409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	24.00	10	3.00	2.50	2 00		12	Y.
A. 7,41,540 B. 3,61,185	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	29.37 15.75	A 10 B 5	2.50 1.25	3.25 1.62	2.50 1.25	1.001 0.501	12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,595	Andrew Yule & Co. Ltd.	476	Hoograjuli	29.50	10	0.50	1.50	1.00		12	Y.
3,70,000	13,02,909	25,53,023	13,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	198 00	100	7.50	15.00	12.50		12	Y.
58,56,900	53,85,792	1,63,70,458	54,70,458	91,307	Birla Brothers Private Ltd.	4 900	Jay Shree Tea Gardens	12.87xd	10	1.00	1.00	1.00	1.00	12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutlibari	20 25	10	Nil	1.00	1.75		12	Y.
2,40,000	11,30,500	12,75,848	6,72,843	65,986	M.	1,699	Kingsley-Golaghat (Assam)	150.00	100	25.00	25.00			12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	12.75	5	Nil	Nil	Nil		12	Y.P.
6,50,000	10,94,454	12,07,806	3 53,788	392	Duncan Bros. & Co., Ltd.	636	Ledo	19.00	10	1.00	0.75	Nil	1.001	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	21.12	10	1.75	2.00	1.50	1.001	12	Y.
4,80,000	80,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13.50	10	Nil	Nil			12	Y.P.
O. 1,50,000	8,20,000	9,69,706	5,17,244	67,133	Kettlewell Bullen & Co., Ltd.	410	Mothola	425 00	100	50.00	60.00	40.00		12	Y.
P. 1,75,000 O. 2,00,000	6,98,309	10,96,673	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	28.00 28 50	O. 10 P.O. 10	1.25 1.75	2.00 2.50	1.75 2.25		12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	314	Namburnadi	13.87	10	1.00	1.50			12	Y.
5,00,000	....	7,72 341	2 90 502	—38,569	Duncan Bros. & Co., Ltd.	801	New Cinnatollia	116 00	100	Nil	Nil	Nil		12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co. Ltd.	370	Rajgarh	47.25	10	0.25	4.00	2.50		12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	22 25	10	2.50	2.50	1.50		12	Y.
2,49,000	3,86,000	11,48,864	6,60,764	87 974	Williamson Magor & Co. Ltd.	482	Seajuli	28.87	10	1.50	1.50	2.25		12	Y.
5,98,000	12,48,874	15,39,500	4,94,783	78,434	McLeod & Co., Ltd.	495	Teloijan	30.37	10	2.50	3.50	3 00	1.001	12	Y.P
3,00,000	5,35,127	12,11,400	3 86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45 00N	10	0.75	1.00	1.50		12	Y.
19,82,880	12,75,000	46,07,888	19,46,383	36,041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	16.69	10	1.50	1.25	Nil		12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,644	McLeod & Co., Ltd.	1,050	Tyrrook	40.62	10	3.00	4.50	3.00		12	Y.P.T.
							CACHAR								
3,00,000	....	5,16,444	1,84,445	—1,34,430	M.	862	Arcuttipore	7.60	10	Nil	Nil			12	Y.
7 00,000	....	7,66,139	1,03,460	—3,49,181	Octavius Steel & Co. Ltd.	649	Eastern Cachar	4.75	10	Nil	Nil	Nil		12	Y.
12,60 000	10,43,149	30,19,522	12,69,051	—1,06,851	Octavius Steel & Co. Ltd.	2,154	Hattikhira	12.19	10	0.75	0.50	Nil		12	Y.
3,00,000	1,70,000	8,34 207	2,50 949	1,081	Duncan Bros. & Co., Ltd.	625	Kunchunpore	8.50	10	Nil	Nil	Nil		12	Y.
7,00,000	6,50,000	11 33,080	3 08,080	88,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	101 00	100	15.00	15.00	15.00		12	Y.
2 60 000	3,09,004	9,34,349	2,76,278	—37,588	McLeod & Co., Ltd.	638	Roopacherra	12.00	10	1.50	0.50	Nil		12	Y.
5,00,000	10 53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co. Ltd.	700	Rungamattee	82 00	50	10.00	10.00	3.75		12	Y.
4,00,000	3,36,980	10,68,254	3,68,708	—31,199	M.	662	Sonai River	10.50	10	Nil	Nil			12	Y.P.T.
							DARJEELING								
2,79,900	1,05,000	3,93,716	74,916	22,168	Williamson Magor & Co., Ltd.	408	Chamong	11.25	10	Nil	0.75	Nil		12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	438	Dilaram	95.00	100	Nil	5.00	Nil		12	Y.
2,00,000	2 42,0?6	7,99 665	2,97,665	—57,639	Davenport & Co., Ltd.	507	Giella	9.00	10	Nil	Nil	Nil		12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,386	—27,148	Andrew Yule & Co., Ltd.	463	Mim	225.00	100	15.00	10.00	Nil		12	Y.
2,99,900	3,39,000	6,22,886	1,89,586	1,91,563	Williamson Magor & Co. Ltd.	490	Nagari Farm	25.87	10	1.50	3.50	3.50	1 001	12	Y.
1,00,000	1,07,647	4,60,379	2,40,749	1,973	Duncan Bros. & Co., Ltd.	505	Okayti	450 00N	100	Nil	Nil	Nil		12	Y.P.
3,00,000	95,000	6,40,072	2,48,808	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	8 50	10	Nil	Nil	Nil		12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10 00	10	Nil	Nil			12	Y.P.
1,40,000	5,01,653	4,38,361	1,95,341	10,362	Duncan Bros. & Co. Ltd.	341	Runglee Rungliot	385 00	100	20.00	35.00	25.00		12	Y.
3,00,000	3,06 462	5,55,461	1,82,549	4 401	M.	389	Seeyok	10.87	10	Nil	Nil	1 00		12	Y.
9,00,000	65,000	11,65 737	2,38 715	7,389	Goenka & Co.	563	Singtom	6.44	10	0.12	0.50	0.50	0.501	12	Y.P.
3,00 000	3,87,500	7,34,116	3,71,916	1,69,219	Williamson Magor & Co., Ltd.	554	Soom	38 75	10	3.00	4.00	4.00	1.501	12	Y.
3 25,000	7 73 767	16,47,148	4,38,738	26,922	McLeod & Co. Ltd.	745	Sungma	17.69	10	Nil	1.50	0.75	1.001	12	Y.
3,20,000	5,69,909	7,53,534	2,55 534	54,633	Davenport & Co., Ltd.	718	Teesta Valley	20 50	10	1.50	3.50	1.00		12	Y.
3,01,350	2,61,083	16,07,088	3,76,038	—2,94,248	Williamson Magor & Co., Ltd.	1,666	Takva	9..5	10	Nil	Nil			12	Y.
							DOOARS								
27,00,000	28,56,560	61,80,245	23,19,566	1,37,198	Andrew Yule & Co., Ltd.	2,540	Banarhat	287.00	100	25.00	40.00	20.00		12	Y.P.
12,00,000	16,25,000	42,61,095	23 93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	20.62	10	3.00	2.00	1 50		12	Y.
9,00,000	17,75,000	21,72,529	11,20,841	13,385	McLeod & Co., Ltd.	..112	Bhatkawa	24.19	10	2.50	3 00	1 50		12	Y.
9,00,000	14,81,356	35,85,244	8,19,732	47,850	Duncan Bros. & Co., Ltd.	1,381	Birpara	175 00	100	5.00	25 00	7 50		12	Y.P.
6,00,000	8,31,552	13 82,183	4,29,045	18,641	Duncan Bros. & Co., Ltd.	602	Carron	135.00	100	7.50	10.00	5 00		12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co., Ltd.	903	Choonabhutti	265.00	100	20.00	35 00	20.00		12	Y.P.
3,00,000	3,76,102	9 53,074	4,15 527	13,348	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	160 00	100	Nil	5 00	Nil		12	Y.
1 20,000	2 00,531	4,58 517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	300 00	100	Nil	Nil	Nil		12	Y.
4,90,000	60,538	9,51,864	2,69,498	3,627	M.	447	Ethelbarrie	12 00	10	1.25	1 00	0.75		12	Y.
7,50,000	5,76,833	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	135 00	100	Nil	10 00	Nil		12	Y.
33 00,000	34,58,954	64,82 327	20,30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	118.50	100	6.00	7 50	Nil		12	Y.P.
32,00,000	35,67 967	65,55,381	50,96,452	3,65,371	Davenport & Co. Ltd.	4,235	Hasimara	23.44	10	1.00	2 25	0.75		12	Y.P.
8,25,000	18,53 650	22,18,183	9,84,183	1,10 677	Davenport & Co., Ltd.	1,452	Huldibari	23 25	10	1.25	2 50	1.25		12	Y.
7,00,000	4,49,831	10,38,684	4,89,134	—62,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	15 62	10	Nil	0 50	Nil		12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	19.50	10	1.00	2 00	1.50		12	Y.
2,00,000	5,76,240	8,23,168	3,08,827	15,812	M.	578	Manabarrie	70.00N	10	1.00	2 00	1 50		12	Y.
9,60,000	18,69,809	25,11,708	8,65,607	37,054	Duncan Bros. & Co., Ltd.	1 130	Nagaisuree	140 00	100	7 50	15 00	7 50		12	Y.
14,00,000	20,89,898	24,35,562	10,48,172	73,709	Andrew Yule & Co., Ltd.	1,168	New Dooars	290 00	100	25.00	35 00	20 00		12	Y.P.
2,50,000	3,74 080	5,53 613	1 88,181	1 220	Duncan Bros. & Co., Ltd.	348	Phaskowa	142.00	100	Nil	7.50	Nil		12	Y.
6 00 000	8,00,496	13,67,535	5,98,723	—3,00,938	McLeod & Co., Ltd.	764	Rajabhat	18 81	10	1.25	1.25	Nil		12	Y.
7,65,000	13,43,550	25 92,138	13,67,489	28,093	McLeod & Co., Ltd.	1,035	Ranicherra	17.25	10	1.50	2.00	0 50		12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,628	Rydak	30.00	10	5.00	3.00	2.00		12	Y.
							SYLHET								
3,00 000	7,95,000	10,31,473	42,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	22.00	10	3.00	Nil			12	Y.
6 00,000	9 44,551	9,54,785	2,82,849	33,625	Duncan Bros. & Co., Ltd.	584	Dauracherra	9.75	10	2 00	1.50	0.75		12	Y.
4,00 000	7,56,165	10,78,529	3,50,481	1 94,619	M.	1,190	Lackatoorah	19 00	10	3 00				12	Y.
4,00,000	9,00,000	11,60,065	4,82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	23.12	10	6 25	2 00			12	Y.P.
36,00,000	56,34 901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	138.00	100	35 00	10 00§	10.00		12	Y.P.
3,20,000	1,40,000	7,82,985	4,24,185	1,18,279	Shaw Wallace & Co., Ltd.	643	Rajnagar	10.00	10	Nil	1.00	1.10		12	Y.
9,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,72	Tallapara	115.00	100	25.00	15.00	6.00		12	Y.
							TERAI								
4,50,000	5,000	14,45,710	3,67,923	28,509	Goenka & Co.	667	Atal	6.50xd	10	0.25	0.50			12	Y.P.T.
2,50 000	4,15 000	4 13 658	2,24,210	35,493	National Tea Corporation	522	Belgachi	29.12	10	10.00	4.00	2.00		12	Y.
13 44,000	11,50,650	26,81,849	9,42 013	31,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	141.00	100	7.50	10.00	7.50		12	Y.
5,00,000	10 53,794	15 91,369	6,14,096	15 882	Duncan Bros. & Co., Ltd.	530	Hansqua	18.44	10	1.00	1.00	1.00		12	Y.
3 00,000	7,64,500	7 61,676	3,29,500	77 698	Davenport & Co., Ltd.	514	New Chumta	33.50	10	1.50	2.50	1.25		12	Y.
2,20,000	3,75,250	13,61,474	5 52,735	33,601	McLeod & Co., Ltd.	549	Tirrihannah	35 00	10	3.00	2.50	3.00		12	Y.P.
							SOUTH INDIAN ESTATES								
10,96 990	3,36,010	15,84,554	2,76,642	7,689	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	21.00	10	2.50*	2.50*	1.75*		3	Y.P.
32 50 000	21,47,000	73,46,387	10,86,204	2,77,391	Kothari & Sons (Ags.) Pvt. Ltd.	1,318	Blue Mountain	3 58	2	0 40	0 30	0.25		6	Y.
9,33,400	13 09,262	23 56 197	7 13 191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	4.15	2	0 40	0 20	0 40		3	Y.
3,77,820	12,53,527	21,26,275	1,39,920	22,020	Matheson Bosanquet & Co., Ltd.	392	Coonoor Tea	26 50cd	10	2 50	1 75	2 00	2.00	9	Y.P.
4 00 000	5 50 000	3 21,540	1,78,200	1 205	Parkins Private Ltd.	432	Coorg Tea	5.25	2	1.25	1.50	1 50		3	Y.P.
4 49 630	3 55,370	9,62 078	1,64 495	45 087	Young India Agencies Private Ltd.	450	Devon Tea	18 00	10	2 50*	2 50*	1 75		3	Y.P.
3,50,000	1,22,986	3 52 153	56 452	....	Parkins Private Ltd.	198	Emerald Valley Estates	8 12	5	1.25	0 50	0 30		12	Y.
18,75 000	21 25 000	43 05,347	6 81 655	25,840	Parkins Private Ltd.	1,466	Haileyburia	18.60	10	2 50	2 50	1 50'C'		12	Y.P.T.
6 00 000	7 27 746	13 70 71?	2 26,620	76,650	Peirce Leslie & Co., Ltd.	466	Kaiasa Tea	3.90	2	1 35	0 92	1 35		3	Y.T.
8,58,533	16,81,066	29,00,356	4,23,233	1,09,363	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	8 45	2	0 40	0 40	0 30	0.30	10	Y.P.
3 00 000	1 43 500	4,76 822	2 05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Miamallay	41.25	25	18 75	6 25	4 50		3	Y.P.
36,00,000	19,31,384	30,13,744	12,04,051	78,274	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	4 72	5	0.37	0 37	0 37	0.37	6	Y.P.
12 00,000	4,90,000	27,04,883	5,01,002	33,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	2.92	2	0 50	0 20	0 40		6	Y.P.
14 96,250	6,95 346	38 09 977	5,17,236	20,666	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	8.60	10	1 50	0 62	0 60		3	Y.P.T.
17,00,000	3 81 944	36 13,723	11,73 754	1,02,542	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	19 87	10	3 50	3 75	2 60		12	Y.P.
57,94,880	45 40,153	91 59,457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3,459	Periakaramalai	4.24	2	0 90	0 90	0 70		3	Y.P.
12,50,000	13 10 000	30,23 670	2 65,955	744	Parkins Private Ltd.	1,070	Talayar Tea	1.75	2	1 62	1 25	1 00		3	Y.P.
11,25,000	16,53,668	25 52 610	2 35,551	31 923	Parkins Private Ltd.	1,341	Twyford	17 00	10	2 00	2 00	1 50'C'		12	Y.
21 83 280	10 82 217	41 37 874	13 69 874	1,20 125	T. Stanes & Co., Ltd.	1 773	United Nilgiri‡	19 55	10	35 00	2 00	1 77		3	Y.
31,50,000	28,54,311	57,57,727	6,68,638	1,34,481	Kothari Mahta & Co. Pvt. Ltd.	909	Waterfall	3.93	2	0.40	0 30	0 25		6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividends for 1955 is on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
§ Patrakola Tea declared 25 per cent. dividend but paid only 10 per cent. so far. 'C'—On increased Capital. A—Amluckie Tea Co.—Dividend on Rs. 100 paid-up.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

PLANTING; PRODUCE AND RUBBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.35	2	0.30	0.21	0.45		5	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd.	Cochin Malabar	6.23cd	3	0.45	0.75	0.52	0.30'C'	2	Y.P.
22,50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	23.37	10	1.80	2.50	4.00	2.00	6	Y.P.
71,55,000	57,69,923	1,42,78,181	30,95,427	75,345	R. C. Paterson, Esq.	Consolidated Coffee	21.25	10	2.25	2.00	4.00	2.00	6	Y.P.
4,00,000	5,87,423	10,43,962	53,995	8,519	Associated Planters Private Ltd.	Cottanad Plantations	16.00	10	1.75*	1.50	1.75		3	Y.P.T.
18,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd.	Highland Produce	12.00	10	2.00	2.00	0.75		12	Y.P.
8,00,000	6,92,899	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	13.40	10	2.75	2.00	2.00	1.00'C'	4	Y.P.
13,50,000	4,55,880	20,40,926	3,38,888	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber	19.00	10	2.25	3.25	2.25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co., Ltd.	Midland Rubber	12.30	10	2.50	2.00	2.00	1.00'C'	3	Y.
3,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd.	Nenmeny Rubber	15.65	10	1.50	1.50	0.75		12	Y.P.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	15.25	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	23,18,923	46,93,527	15,75,046	4,912	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5.55cd	2	0.40	0.20	0.60	0.20	10	Y.P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	18.25	10	2.00	2.50	2.00	2.00	6	Y.P.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	3.87	2	1.00	1.50	0.30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2.62	2	..	..	..	0.18	3	Y.P.T.
10,00,000	2,74,418	22,50,914	1,70,646	16,692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	7.95	10	0.90	0.90	0.60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	33,399	33,647	A. V. George & Co., Ltd.	Thamarapally Rubber	28.00	10	3.00	3.00	3.00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	1.80	1	0.12½	0.12½	0.05		9	Y.T.
6,00,000	33,742	7,80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	18.25	10	3.00	2.00	1.50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7.55cd	10	1.25	0.75	0.40		12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	24.25	25	4.00	3.00	1.00		12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd.	Udayagiri Rubber Co., Ltd.	11.15	10	0.60	0.75	0.60		12	Y.P.
8,80,100	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber	25.50cd	10	2.50	3.50	3.50J	1.25l	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.90cd	10	2.00	1.25	1.00	0.50	3	Y.P.T.

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

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd.	879	Agarpara	13.31	10	0.62	0.25	0.25	0.25	3	Y.P.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	185.00	100	10.00	10.00	10 00		12	Y.P.T.
30,00,000	5,25,000	1,25,15,910	97,60,831	—8,46,190	McLeod & Co., Ltd.	1,264	Alliance	130.00	100	6.00	Nil	Nil	Nil	5	Y.P.
49,20,700	72,21,000	3,09,93,668	2,15,04,087	2,36,742	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	250.00	100	3.50	3.50	7.00	10.00	3	Y.P.
40,00,000	82,60,924	1,49,82,554	63,17,403	3,215	Bird & Co. Private Ltd.	810	Auckland	180.00	100	10.00	1.00	Nil	5.00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd.	959	Bally	223.00	100	3.50	Nil	2.00	6.00	3	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman)	1,889	Barnagore	149.00	£5	sh. 15	Nil	Nil	Nil	3	Y.P.
28,00,000	26,27,123	97,66,495	53,10,415	6,111	Andrew Yule & Co., Ltd.	820	Belvedere	176.00	100	7.50	Nil	2.50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	12.25	10	1.12	1.00	Nil		6	Y.P.T.
91,26,000	2,26,05,284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd.	1,373	Birla	21.87	10	1.00	1.00	1.00	1.00	3	Y.P.
86,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd.	991	Budge-Budge	158.00	100	7.50	Nil	Nil		10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg.	7.00N	10	Nil	Nil			12	Y.P.T.
18,00,000	25,21,234	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd.	616	Caledonian	200.00	100	6.50	Nil	Nil		11	Y.P.
59,16,400	75,85,462	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd.	600	Champdany	137.00	100	10.00	2.00	Nil	Nil	3	Y.
15,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd.	530	Cheviot	205.00	100	10.00	2.00	Nil		11	Y.P.
30,15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd.	500	Chitavalsah	16.19	10	1.37	0.621	1.10		7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	12.75	10	1.25z	0.50	Nil	Nil	3	Y.P.
31,49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd.	766	Dalhousie	150.00	100	4.00	Nil	Nil	Nil	3	Y.P.T.
28,00,000	37,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd.	779	Delta	193.00	100	10.00	5.00	Nil		11	Y.P.
15,00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd.	500	Empire	20.12cd	10	1.25	0.501	0.75		7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	290.00	100	15.00	10.00	10.00	20.00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	63,50,852	1,96,479	Bangur Bros., Ltd.	1,014	Fort William	24.00	10	20.00	0.75K	1.50	1.50	3	Y.P.T.
34,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	83.50	100	2.50	Nil			3,9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39,411	M.	607	General Ind. Society Ltd.	26.75	10	Nil	50.00	60.00§		12	Y.T.
24,00,000	32,06,464	2,35,37,322	1,60,44,632	47,269	Macneill & Barry Ltd.	1,394	Gourepore	884.00	100	15.00	2.50	2.50	20.00	3	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	72.00N	100	11.50	5.00	5.00	5.00	3	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	12.37	10	1.25	Nil			3	Y.P.
65,62,500	28,09,105	2,34,85,488	1,24,24,441	32,775	Jardine Henderson Ltd.	1,940	Howrah	24.50	10	0.37	0.25	Nil	Nil	3	Y.P.T.
52,50,000	30,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand	22.50	7.50	2.00	2.00	1.50	1.50	3	Y.P.
87,30,000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	16.50	12.50	4.69	4.69	9.37	15.62§	3	Y.
24,00,000 'B'19,20,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	198.00 189.00	100 'B' 100	2.50 2.50	Nil Nil	Nil Nil		12	Y.P.T
30,00,000 'B'24,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	98.00 91.00	100 'B' 100	1.00 1.00	Nil Nil	Nil Nil		12	Y.P.T
21,00,000	55,00,000	1,41,36,235	93,87,828	1,18,689	McLeod & Co., Ltd.	703	Kelvin	281.00	100	17.50	5.001	9.00	12.50	5	Y.P.
54,00,000	23,39,741	2,00,52,835	1,26,97,897	45,833	Anderson Wright Ltd.	1,530	Khardah	156.00	100	11.00	5.00	8.00	8.00	3	Y.P.
48,00,000	77,32,121	2,38,47,961	1,08,51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	196.00	100	18.00	6.00	Nil	5.00	3	Y.P.T.
24,48,000	27,76,883	1,28,67,077	58,39,647	—9,32,635	Bird & Co. Private Ltd.	931	Lansdowne	105.50	100	7.00	Nil	Nil	Nil	3	Y.P.
28,00,000	40,49,600	1,48,98,886	66,75,920	—3,16,201	Bird & Co. Private Ltd.	840	Lawrence	116.00	100	6.00	Nil	Nil	Nil	3	Y.P.T.
81,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	16.12	10	3.75	3.75	5.00	17.50§	3	Y.
29,98,900	34,62,195	1,65,70,565	86,70,690	—13,08,719	M.	315	Naihati	79.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	15,55,000	36,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd.	425	Naskarpara	11.31	10	1.25	Nil			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	24.62	10	1.75	0.75	0.75		10	Y.P.
26,25,000	27,55,572	31,27,861	21,92,842	43,512	McLeod & Co., Ltd.	316	Nellimarla Jute	15.19	10	1.00		0.90		7	Y.P.T.
85,50,000	2,12,83,190	6,33,25,272	1,19,61,749	3,274	Sahu Jain Ltd.	1,765	New Central†	15.62	10	1.50	1.50		1.50	3	Y.P.
16,79,880	43,38,845	1,35,66,574	61,41,213	—2,43,817	Bird & Co. Private Ltd.	567	Northbrook	20.69	10	1.50	1.50	Nil	Nil	3	Y.P.T.
66,79,500	17,81,396	2,26,00,780	1,19,72,061	79,151	Macneill & Barry Ltd.	1,092	Nuddea	61.00	50	1.00	Nil	Nil	2.50	3	Y.P.
24,91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd.	601	Orient	180.00	100	9.00	2.00	Nil		11	Y.
25,00,000	7,83,173	86,18,353	67,97,872	7,049	McLeod & Co., Ltd.	400	Presidency	6.56	5	0.31	0.20	0.30		7	Y.T.
20,00,000	10,324	29,80,939	9,24,705	—7,07,557	Birla Brothers Private Ltd.	305	Rameshwara	6.56	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	2,00,000	1,24,61,131	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	8.25	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£420,518	£1,474,082	£790,162	£16,532	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	10.55	£1	3%‡1	3%‡1	Nil		12	Y.P.
30,00,000	13,14,910	1,21,72,882	85,21,532	48,032	Bagaria More & Co., Ltd.	911	Shree Ambica	11.50	10	0.50	0.25	0.50		3	Y.P.
14,00,000	11,14,980	68,87,540	47,50,476	40,154	Hindustan Investment Corpn. Ltd	401	Soorah	21.81	10	1.50	1.50	1.50		12	Y.P.
25,19,600	3,04,087	9,29,724	3,23,203	61,862	Bird & Co. Private Ltd.	650	Standard	118 00xd	100	1.00	Nil	Nil	5.00	3	Y.P.
£600,000	£334,805	£1,259,274	£693,019	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.37	£1	3%‡1	Nil	Nil		12	Y.P.
35,98,600	48,33,581	1,05,53,316	42,51,394	56,837	Bird & Co. Private Ltd.	1,326	Union	227.00	100	10.00	1.00	Nil	15.00	3	Y.P.T.
£400,000	£247,635	£1,271,988	£541,723	£13,328	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	10.75	£1	3%‡1	3%‡'	3%‡	Nil	12	Y.P.
2,50,000	5,20,000	83,13,769	43,35,621	11,735	McLeod & Co., Ltd.	447	Waverley	3.66	1	0.37	Nil	Nil	Nil	5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	25.37	10	1.37	0.50	1.25	1.25	3	Y.
12,00,000	4,49,890	35,18,891	33,46,842	57,344	Jardine Henderson Ltd.	Bararee Coke	12.25	10	1.46	1.10	0.37	0.50	3	Y.
4,49,350	88,000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	5.00N	10	0.62	0.75	0.90		12	Y.
1,00,00,000	1,70,15,634	6,68,04,379	4,55,71,483	10,48,780	Andrew Yule & Co., Ltd.	Bengal Coal	318.00	100	35.00*P	17.50	17.50	17.50	10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	10.00N	10	Nil	Nil	Nil		12	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	6.56	10	0.62	0.62	0.60		6	Y.P.T.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbararee	6.00N	10	Nil	Nil			12	Y.T.
7,50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	20.00	10	2.00	1.50	0.75		12	Y.P.
90,92,480	1,73,37,198	4,41,78,128	2,08,53,739	99,142	Bird & Co. Private Ltd.	Burrakur	18.37	10	0.62	0.62	0.37	0.87½	12	Y.P.T.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	8.37	10	0.25	0.50	0.50	0.50	3	Y.
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	9.50N	10	0.50	0.50			12	Y.
6,00,000	1,49,122	7,29,936(k)		10,537	F. W. Heilgers & Co. Private Ltd.	Churlia	4.31	4	0.06	0.06	0.20		12	Y.
16,00,000	....	54,47,612	31,85,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	10.50	10	Nil	Nil	Nil		12	Y.
£240,000	£273,125	£1,070,637	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	25.25	£1	3.00	2.50	1.50	1.00	4	Y.
29,63,760	93,25,027	4,34,54,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Equitable	31.75	10	1.50	1.50	1.50		12	Y.P.T.
10,00,000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	12.50	10	0.25	0.25			3	Y.
12,00,000	65,000	43,00,791	26,55,359	—6,34,206	Killick Industries Ltd.	Hingir-Rampur	19.00	50	2.25	2.25	Nil	Nil	6	Y.P.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	15.62	10	2.50	1.50	Nil		12	Y.
3,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	21.00	10	Nil	Nil	Nil	Nil	2	Y.
20,00,000	2,87,375	35,11,943	7,18,220	11,229	Bird & Co. Private Ltd.	Karanpura Collieries	126.00	100	2.50	5.00	Nil	5.00	2	Y.P.
5,00,000	19,66,031	49,73,401	39,04,335	1,68,572	Andrew Yule & Co., Ltd.	Katras Jherriah	74.50	10	4.50	6.50	6.50	6.50	1	Y.
11,00,240	68,856	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	2.75N	10	0.12	0.19			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15.50N	10	0.12	0.12	0.12		4	Y.
7,48,240	2,25,000	13,43,892	9,89,769	55,358	Tantia Brothers Private Ltd.	Nazira	8.12	10	0.50	0.50	0.75		12	Y.
17,76,230	19,58,049	1,30,10,149	94,97,263	83,316	Andrew Yule & Co., Ltd.	New Beerbhoom	21.00	10	1.00	0.75	0.75		10	Y.P.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	13.12	10	Nil	Nil	0.50	0.50	3	Y.
1,15,000 1,57,500	3,85,824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd.	North West	25.00N 21.00N	10 7.50	1.37 1.03	1.50 1.12	1.50 1.12	1.50 1.12	3	Y.
7,50,000	15,69,648	3,97,666	2,77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	12.00	10	1.00	0.75	0.50		12	Y.P.
8,34,000	91,336	26,29,109	10,56,556	7,674	Deepchand Kishenlall	Parasea	15.00N	10	1.00	0.50	0.50		12	Y.P.T.
15,75,000	17,04,800	59,95,210	42,69,210	36,465	Shaw Wallace & Co., Ltd.	Pench Valley	25.50	10	1.50	0.70	2.00	2.00	3	Y.
23,99,500	28,79,558	1,43,51,995	96,69,839	3,803	B. N. Elias & Co. Private Ltd.	Raneegunge	16.25	10	0.62	0.37	0.75	1.00	3	Y.
13,50,000	6,88,385	42,17,417	82,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	18.00	10	2.07	1.50	1.00		12	Y.
37,50,000	37,12,000	95,06,524	26,37,721	21,162	M.	Samla Collieries	11.00N	10	1.00	1.25	0.90		12	Y.
2,50,000	1,95,802	13,78,480	12,21,237	21,070	M.	Searsole	5.00N	2.50	0.75				1	Y.
2,80,000	9,25,098	29,24,442	19,99,221	48,188	Andrew Yule & Co., Ltd.	Seebpore	27.25	7	2.50	2.25	1.75		12	Y.P.
3,00,000	4,91,081	52,491	28,867	628	F. W. Heilgers & Co. Private Ltd.	Sendra	11.62N	10	0.25	0.25	0.25		12	Y.T.
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	16.50	10	0.75	1.00	1.50		12	Y.T.
7,50,000	10,37,541	39,01,896	17,00,094	8,739	Bird & Co. Private Ltd.	South Karanpara	14.12	10	0.12	0.35	0.75		8	Y.
8,00,000	15,61,511	1,69,570	29,510	14,796	F. W. Heilgers & Co. Private Ltd.	Standard	18.87	10	1.00	1.00	1.00	1.25	12	Y.
10,00,000	....	31,92,694	15,43,502	—5,62,907	M.	Talcher	1.69	2.50	Nil	Nil			9	Y.T.
3,50,000	2,80,000	19,15,700	14,79,400	1,77,952	Williamson Magor & Co., Ltd.	Union	14.19	10	Nil	Nil	0.37		12	Y.
49,98,000	89,284	70,81,423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal	6.50	10	0.50	0.50	0.50	0.40	3	Y.
7,00,000	....	58,61,405	27,57,669	—3,49,103	Macneill & Barry Ltd.	West Jamuria	6.75	10	Nil	Nil	Nil		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co., Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital

PREFERENCE SHARES

BANK

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
Allahabad Bank T.F.C.	15,00,000	1901	6	Mar. Sep.	118.00	100

BREWERIES AND SUGAR

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5	April ..	85.30	100
Carew & Co. T.F.R.C.	8,00,000	1875	6	Mar. Sep.	96.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905–24	8	Feb. Aug.	107.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7	July Apr.	6.00	5
East India Distilleries T.F.C.	£200,000	1897	7	Jan. July	16.25	£1
Gwalior Sugar T.R.C.	6,75,000	1940	7	Dec. ..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec. ..	62.00	100
Purtabpore Co. T.C.	6,00,000	1922	10	Oct. ..	13.50	10
Ramnugger Cane T.F.C.	4,00,000	1933–36	6	Aug. ..	98.00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	69.00	100
South Behar Sugar T.	5,00,000	1936	7	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5	Dec. ..	8.00	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec. ..	90.00N	100
Do. T.C.R.C.	15,00,000	1946	5	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	7	April May	118.75	100

COAL

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
Borrea T.F.C.	4,00,000	1896–97	6½	Oct. Apr.	95.00	100
Burrakur (1st) T.F.C.	22,99,800	1901–19	7	Apr. Oct.	104.50xd	100
Do. (2nd) T.C.	4,50,000	1946	6	.. ..	6.56xd	10
Equitable T.F.	4,00,000	1895	6	Mar. Sept.	99.00	100¼
Karanpura Collieries T.C.	9,89,500	1946	5½	.. ..	55.00	75p.
†Khas Kajora C.	1,93,000	1951	5	Mar. Sept.	9.50N	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan. July	11.50	10
Ondal T.F.C.	2,00,000	1898–99	6	Apr. Oct.	90.00	100

COTTON

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
Ahmedabad Advance T.F.	10,00,000	1939	5	Apr. Oct.	83.50	100
Bangalore C.T.F.	6,00,000	1884	6	Jan. July	110.00	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	9.00	10
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	145.00	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	62.00	100
Bradbury T.F.	14,75,000	1919	7	June Dec.	155.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7½	Jan. July	125.00	100
Cambodias C.T.F.	1,00,000	1928	7	Apr. ..	110.00	100
Central India T.F.	50,00,000	1912	5	Apr. Oct.	340.50	495
Coimbatore Pioneer C.T.F.	1,00,000	1935	6½	June ..	91.75	100
Elgin	11,00,000	1912	8	May Nov.	110.50	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	7.50	10
Elphinstone T.	25,00,000	1919	7	May Nov.	65.50	100
Kesoram	20,00,000	1919	7	June Dec.	105.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4	Nov. ..	74.00	100
Kothari C.T.F.	18,00,000	1937	6	Dec. ..	9 00cd	10
Kothari 'B' (Pref.)	6,00,000		6	.. ..	10.00N	5
Lakshmi Cotton (Bombay) T.	16,00,000	1896	5	.. ..	159.50	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	Jan. ..	70.00	100
Mysore Spg.	7,45,050	1944	4½	.. ..	28.25	50
National Rayon T.	1,74,64,700	1947	5	.. ..	78.30	100
New Great T.	8,00,000	1918	5½	Mar. ..	130.00	200
Podar Mills	10,00,000	1943	4	Feb. ..	61.50	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr. ..	51.00	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	61.00	100
Sholapoor R.	32,00,000	1943	3	.. ..	78.25	100
Swadeshi T.F.	15,00,000	1935	5	Apr. Oct.	85.00	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	77.00	100
Travancore Rayon C.T.F.	50,00,000	....	5	May ..	8.75	10
Vasanta (1st) C.T.F.	3 00,000	1931	6½	Apr. Oct.	105.00	100
Do. (2nd) C.T.F.	1,50,000	1938	6	.. ..	95.00	100
Vishnu T.	15,66,500	1908	7	Apr. ..	432.50	500

ELECTRICS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
Andhra Valley Power Supply T.	49,34,000	1917	7	Ma.. Nov.	1,095.00	1,000
Amalgamated Electric T.F.	24,15,000	..	5½	.. ..	91.00	100
Calcutta Electric	19,00,000	1909–11	5(t)	June Dec.	10.00	£1
Poona Electric T.	4,00,000	1935	7	June Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5½	Sept. ..	9.37	100
Do. (2nd) C.T.F.	8,00,000	1940	5½		9.25	10
Surat Electric Co. T.F.	5,00,000	1939	6½	Apr. ..	111.00	100
Tata Hydro Electric Power T.	89,28,000	1907	7	May Nov.	116.00	100
Tata Power T.	86,97,000	1918	7½	May Nov.	1,121.25	1,000
Vellore C.T.	1,25 000	1923	6	Dec. ..	7.05	10

ENGINEERING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
Arthur Butler (Muzafferpore)	1,30,000	1919	7	Mar. ..	10.50	10
Burn & Co. Ltd. (1st)	13,00,000	1895–98	7	Feb. Aug.	125.00	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.	117.00	101
Indian Iron and Steel Co., Ltd. T.F.	2,69,95,400	1950	5	Dec. ..	107.00	100
Indian Standard Wagon	19,66,500	1918	7	June ..	124.00	100
Jessop	20,00,000	1941	5	May Nov.	86.00	100
Kamani Engineering C.	15,00,000	..	5	July ..	50.50	100
†††Kumardhubi Engineering	12,00,000	1915	4	June Dec.	94.00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946–47–51	5	.. ..	87.00	100
Mahindra & Mahindra R.C.	25,00,000	1945	6	May ..	101.00	100
McKenzies (1st)	5,50,000	1907		.. ..	80.00	100
Premier-Construction (1st) T.	10,00,000	..	6½	.. ..	88.00	100
Do. do. (2nd) T.	15,00,000	1936	6½	.. ..	86.25	100
Do. do (3rd) T.	56,25,000	1947	4½	.. ..	6.04	10
Tata Iron and Steel (1st) T.	75,00,000	1908	6	Nov. ..	157.00	150
Do. do. (2nd) T.	6,93,81,900	1908	7½	May ..	116.00	100

JUTE

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
Agarpara	10,00,000	1927	7	Jan. July	100.00	100
Alexandra	9,00,000	1905	7	Feb. Aug.	100.00	100
Alliance	15,00,000	1895	6	Mar. Sept.	89.00	100
Anglo-India	40,00,000	1917	7	May Nov.	105.00	100
Auckland	10,00,000	1909	5½	May Nov.	79.00	100
Do. (2nd)(j)	15,00,000	1945	4½	June Dec.	66.00	100
Bally	20,00,000	1918	7	Apr. Oct.	102.00	100
Barnagore	£200,000	1896	5	May Nov.	35.00	5
Belvedere	7,00,000	1906	7	Jan. July	105.00	100
Birla	23,64,200	1919	7½	June Dec.	83.00	100
Budge-Budge	9,00,000	1894	7	May Nov.	105.00	100
Calcutta	6,00,000	1934	6½	Jan. July	62.00	100
Caledonian	10,00,000	1915	7	June Dec.	105.00	100
Cheviot	10,00,000	1919	7	June Dec.	105.00	100
Chitavalsah	5,00,000	1928	7	Mar. Sept.	103.00	100
Clive (1st Pref.)	8,00,000	1900	6	May Nov.	70.00	100
Do. (A) (2nd Pref.)	8,00,000	1905	7	May Nov.	74.00	100
Dalhousie	15,00,000	1903–13	7	May Nov.	94.00	100
Delta	5,00,000	1897	5	June Dec.	78.00	100
Empire	10,00,000	1912	7	Feb. Aug.	103.00	100
Fort Gloster	14,00,000	1890–93	7	May Nov.	108.00	100
Do. (2nd Pref.)	7,00,000	..	5	.. ..	72.00	100
Fort William	10,00,000	1911	7	May Nov.	107.00	100
Ganges	6,00,000	1916	8	June Dec.	110.00	100
Gourepore	26,50,000	1895–04	6	May Nov.	92.00	100
Hastings	25,00,000	1935	6	Mar. Sept.	86.00	100
Hooghly	11,76,000	1913	10	May Nov.	10.75	10
Howrah	8,75,000	1890	7	May Nov.	105.00	100
Do. (A)	17,50,000	1903–6	7	May Nov.	106.00	100
Hukumchand	40 00,000	1919	7	June Dec.	102.00	100
Kamarhatty	16,00,000	1898–04	6	Feb. Aug.	95.00xd	100
Kanknarrah	10,00,000	1900	6	Feb. Aug.	80.00	100

** These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus profits available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co Ltd

JUTE—*Continued.*

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Kelvin	10,00,000	1907	7	Mar. Sept.	100.00	100
Khardah	9,00,000	1895–09	6	May Nov.	89.50	100
Kinnison	15,00,000	1900–13	7	May Nov.	101.00	100
Lansdowne	15,00,000	1905	7	May Nov.	105.00	100
Lawrence (A)	5,00,000	1907	7	May Nov.	97.00	100
Do. (B)	10,00,000	..	5½	Dec. ..	76.00	100
Naihati	7,50,000	1905	7	May Nov.	95.00	100
Do. (2nd)(f)	10,00,000	..	4½	June Dec.	65.00	100
National	5,00,000	1917	7	May Nov.	106.00	100
Nellimarla	5,00,000	1939	6	Apr. Oct.	92.00	100
New Central	83,00,000	1915	7	Jan. July	100.00	100
Northbrook	15,00,000	1900	½	May Nov.	76.00	100
Reliance	20,00,000	1906–12	7	May Nov.	73.00	100
Samnuggur	£150,000	1901	6	Feb. Aug.	Sh. 21.50N	£1
Soorah	10,00,000	1920	7	Feb. Aug.	102.00	100
Standard	9,00,000	1895–01	6	May Nov.	100.00	100
Shree Ambica	11,70,000	..	7½	Mar. Sept.	98.00	100
Titaghur	£150,000	1897	6	Feb. Aug.	Sh. 21.56	£1
Union	6,00,000	1901–03	7	May Nov.	100.00	100
Victoria	£150,000	1893	6	Feb. Aug.	Sh.21.50	£1
Waverly	7,50,000	1918	7	Mar. Sept	42.50	5

RAILWAYS; STEAMSHIP AND TRAMWAYS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Bengal-Assam Steamship	3,00,000	1895	7	Nov. ..	60.00	60
Calcutta Tramways ¶	£250,000	1906	5	Apr Oct.	8.00	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5½	Dec. ..	96.00	100
Indian General Nav. & Rly. T.	£244,000	1899	6	Mar. Nov.	69.50	£10
India Steamship (w)	25,00,000	1928	5	.. ..	94.00	100

TEA

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Amluckie Tea	75,000	1902–03	7	May Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900–02	6½	Jan. July	110.00	100
Birpara	1,00,000	1900–03	8	Jan. ..	114.00	100
Choonabhutti	2,00,000	1914	8	Jan. July	110.00	100
Gielle	2,00,000	1894	6	Sept. ..	67.00	100
Hantapara	50,000	1901	8	Jan. ..	115.00	100
Hasimara	3,00,000	1904	7	Mar. ..	110.00	100
Kingsley Golaghat	2,40,000	1897	6	Dec. ..	95.00	100
Moheema	3,20,000	1929	6	May Nov.	8.00xd	10
†††New Dooars	2,00,000	1907	6	Jan. July	112.00	100
New Samanbagh	1,00,000	1903	8	Nov. ..	101.00	100
†††Okayti	50,000	1888	7	Dec. ..	90.00	100
Pussimbing	2,05,000	1916	7	Jan. ..	85.00	100
Sonai River	1,00,000	1909	8	May ..	100.00	100
***Tezpore	2,05,000	1932	8	Jan. ..	11.00	100
Tirribannah	1,00,000	1922	10	May Nov.	14.00	100

PLANTING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BelBe Rubber N.B.C.T.	1,43,005	1944	6½	.. ..	3.03	5
Do. R.C.T.	2,85,570	1944	6½	.. ..	6.44	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June ..	46.70	50
Coffee Lands C.T.F.	10,40,600	..	5	.. ..	80.00	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr. ..	95.95xd	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov. ..	10.75	10
Devon Tea C.T.F.	2,00,000	1936	7½	July ..	106.00	100
Highland Produce C.T.F.	3,00,000	..	6	July Jan.	9.05	10
Neelamalai C.T.F.	18,00,000	1948	5	Jan. July	7.10	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July ..	4.60	5
Pullangode C.T.F.	1,50,000	1943	6	Mar. ..	8.05xd	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar. Sept.	7.05xd	10
T. R. & T. Co. C.T.F.	16,00,000	..	6	June Dec.	8.15	10
Waterfalls R.C.T.F	5,00,000	1943	6	Nov. ..	9.00	10

MISCELLANEOUS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Alembic Chemicals (1st) T.	5,00,000	..	6½	June ..	86.00	100
Do. do. (2nd)	5,00,000	..	5	June ..	85.00N	100
Alkali & Chemicals	31,00,000	1937	5	Apr. ..	103.50	100
Aluminium Corpn. (1st)	20,00,000	1938	6(f)	.. ..	93.00	100
Andhra Cement C.T.F.	2,48,800	1937	6	Feb. June	100.00	100
Associated Hotels of India T.	21,67,000	1916	7	Mar. Sept.	51.00	100
Bengal Chemicals	9,00,000	1925	7½	Aug. ..	12.44	10
Bengal Paper Mill	2,00,000	1908	7	Mar. Sept.	55.00	50
Do. "A"	4,00,000	1923	7	Mar. Sept.	109.00	100
Do. "B" T.	20,00,000	..	6	.. ..	67.00	100
Bengal Timber Trading	3,00,000	1896	8	Aug. ..	20.00N	100
Britannia Biscuit	15,450	1921	8	Feb. Aug.	15.00	10
British Ceylon Corporation	17,50,000	1918	6	Feb. Aug.	8.00N	5
British India Corporation	81,00,000	1920	8	Feb. ..	109.00	100
Dalmia Cement (Bharat)	61,58,210	1937	6	Sept. ..	9.75	10
Dhrangadhra Chemical Works Ltd.	31,91,900	1956	6	.. ..	89.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5	Dec. ..	88.00	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6½	Apr. ..	118.00	100
General Investment Trust (1st)	1,00,000	1946	5	Feb. Aug.	65.00	100
Do. do. (2nd) T.	1,00,000	..	6	Feb. Aug.	55.00	100
Gillanders Arbuthnot (f) T.	25,00,000	..	5	Apr. Oct.	56.00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6	Mar. ..	73.50	50
Humayan Properties	12,00,000	1933	6	.. ..	8.75	10
India Cement C.T.	29,85,000	1946	7½	Oct. ..	93.50	100
Indian Aluminium (g) T.	40,00,000	1945	5	June ..	72.00	100
Indo-Burma Petroleum T.C.	50,00,000	1921	7	Jan. July	90.00	33
Indian Cable (m)	12,87,750	1923	6	June Dec.	30.00	10
India Rubber Mfrs. (n)	8,28,000	..	5	Apr. ..	77.00	100
Jardine Henderson T.	50,00,000	1946	5½	Dec. ..	60.00	100
Kettlewell and Bullen (1st) T.	20,00,000	..	5½	May ..	63.00	100
Do. do. (2nd)	10,00,000	..	4	May ..	63.00	100
Kumardhubi Fireclay & Silica	2,00,000	1915	7	June Dec.	66.00N	100
Martin Burn (k)	30,00,000	1946	5	Apr. Oct.	100.00	100
McLeod and Co. (1st) T.	10,00,000	1930	5	July Jan.	54.00	100
Do. (2nd)	40,00,000	1936	5	July Jan.	72.00	100
Metal Box Co.	30,00,000	..	6	.. ..	87.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903–18	6	Feb. Sept.	95.00	100
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6	June ..	9.00	10
Mysore Lamps R.C.T.F.	2,50,000	..	4	Aug. ..	6.50	10
National Tobacco (Old) (p)	25,00,000	..	5	Mar. Sept.	74.00	100
Do. do. (New) (q)	19,98,000	..	4½	Mar. Sept.	65.00	100
Orient Paper	69,88,900	1936	5	Jan. ..	92.00	100
Do. (2nd) (r) T.	60,00,000	..	5½	Apr. Oct.	62.00	100
Rohtas Industries (Old) T.	20,00,000	1936	7	Apr. ..	116.00	100
Do. do. (New)	85,04,700	..	4½	Apr. ..	61.50	100
†Smith Stanistreet & Co.	5,00,000	1920	10	Feb. Aug.	71.00	50
Spencer & Co. "A" C.T.	23,20,000	1898	6½	Jan. July	8.15	10
Do. "B" C.T.	36,80,000	1922	8½	Jan. July	11.25	10
Standard-Vacuum C.	75,00,000	1955	6	June Dec.	101.00	100
Star Paper	10,00,000	..	5	Mar. Sept.	70.00	100
Tata Chemicals T.F.	59,97,000	..	5	June ..	97.00	100
Tata Oil Mills C.	29,88,800	1946	4½	July ..	61.50	100
Titagur Paper Mills	11,50,000	1899	8	Jan. June	142.00	100
Do. do. (2nd)	15,00,000	1934	4½	Jan. July	85.00	100

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free
R.O.—Redeemable at option. N.B.—Non-Redeemable. P.—Participating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (h) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 10th April, 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	49,58,66,000
(2) Other Governments	7,49,94,000
(b) Banks	91,52,67,000
(c) Others	118,29,42,000
Bills Payable	25,23,28,000
Other Liabilities	39,59,75,000
Rupees	444,73,72,000

Assets	Rs.
Notes	14,22,33,000
Rupee Coin	3,06,000
Subsidiary Coin	5,27,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	34,26,00,000
Balances held abroad*	35,93,35,000
Loans and Advances to Governments†	35,99,06,000
Other Loans and Advances	89,05,63,000
Investments	211,50,89,000
Other Assets	23,68,13,000
Rupee	444,73,72,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 11,32,24,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	14,22,33,000	
Notes in circulation	1764,48,26,000	
Total Notes issued		1778,70,59,000
Total Liabilities		1778,70,59,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		131,69,10,000
Government of India Rupee Securities		1351,25,57,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1778,70,59,000

State Bank of India

Statement of Affairs for the week ended 3rd April, 1959

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		532,67,69,000
Borrowings from Other Banking Companies, Agents, etc.		..
Bills Payable		9,95,52,000
Bills for Collection being Bills Receivable as per contra		1,01,14,000
Acceptances, Endorsements and Other Obligations per contra		1,36,60,000
Other Liabilities (including Inter-Office Adjustments)		3,37,89,000
Total .. Rs.		561,01,34,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		26,55,84,000
Balances with other Banks		2,73,82,000
Money at Call and Short Notice		2,40,00,000
Investments:		
Government and other Trustee Securities	275,88,27,000	
Other Authorised Investments	11,87,05,000	
		287,75,32,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	193,86,87,000	
Bills Discounted and Purchased	13,46,91,000	
		207,33,78,000
Bills Receivable being Bills for Collection as per contra		1,01,14,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,36,20,000
Premises less Depreciation		1,22,94,000
Furniture and Fixtures less Depreciation		1,02,84,000
Other Assets (including Inter-Office Adjustments)		29,59,06,000
Total .. Rs.		561,01,34,000

State Bank of Pakistan

Statement of Affairs for the week ended 3rd April, 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	86,04,00,000
(b) Provincial Governments	4,58,55,000
(c) Banks	14,87,82,000
(d) Others	5,74,33,000
Bills Payable	65,42,000
Other Liabilities	12,00,68,000
Rupees	129,90,80,000

Assets	Rs.
Notes	9,39,97,000
Rupee Coin	59,000
Subsidiary Coin	37,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,76,000
Balances held outside Pakistan*	25,23,18,000
Loans and Advances to Governments	9,45,00,000
Provincial Governments' Debtor Balances	3,31,74,000
Other Loans and Advances	7,47,85,000
Investments	65,65,26,000
Other Assets	9,35,08,000
Rupees	129,90,80,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	9,39,97,000	
Notes in circulation	344,10,30,000	
Total Notes issued	....	353,50,27,000
Total Liabilities	....	353,50,27,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
		117,52,65,000
B. Rupee Coin	3,97,75,000	
Government of Pakistan Securities	226,09,31,000	
Internal bills of exchange and other commercial paper	....	
		230,07,05,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	353,50,27,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.83 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 3rd April, 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	15,82,02,000
(ii) Other demand liabilities	749,53,39,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	22,44,66,000
(ii) Other time liabilities	917,39,57,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	14,41,41,000
(ii) Time liabilities	35,00,000
Borrowings in India from the Reserve Bank of India‡	48,69,29,000 (11,32,24,000)
Cash in India	44,71,36,000
Balances with the Reserve Bank in India	71,23,18,000
Balances with other banks in current account in India	14,67,66,000
Money at call and short notice in India	30,09,40,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	611,51,62,000
Advances in India	868,91,31,000
Inland Bills purchased and discounted in India	112,14,59,000
Foreign Bills, purchased and discounted in India	40,06,06,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	3rd April, 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1744.31	1701.53	1688.58	1619.69
Notes held in Banking Department	35.05	15.42	15.60	8.34	7.94
Foreign Securities	59.50	178.01	178.01	178.01	216.07
Rupee Securities	37.89	1331.25	1291.26	1271.45	1166.23
Banking Department					
Deposits of:					
Government of India	14.39	60.61	53.83	52.04	55.27
Other Governments	..	11.84	26.72	18.32	7.24
Balances held abroad	10.06	36.32	35.05	32.86	68.34
SCHEDULED BANKS					
Demand Liabilities	134.36	765.35 (15.82)†	734.44 (11.18)†	730 02 (18.40)†	766.55 (15.98)†
Time Liabilities	102.24	939.84 (22.45)†	934.34 (21.02)†	918.40 (21.84)†	744.16 (15.02)†
Borrowings from Reserve Bank	..	48 69 (11.32)‡	61.86 (13.48)‡	35.92 (5.53)‡	37.94 (24.19)‡
Borrowings from State Bank	..	14.76	16.09	14.09	11.05
Cash in India	6.70	44.71	43.09	39.66	42.10
Balances with Reserve Bank	25.17	71.23	64.11	64.95	82.88
Excess over statutory limits	15.52	14.17	8.70	10.08	29.67
Balances with other banks in current account in India	..	14.68	13.84	12.98	12.15
Money at call and short notice in India	..	30.09	26.97	33.04	44.00
Investments (at book value)	..	611.52	613.45	622.06	440.55
Advances and bills	105.9	1021.12	1012.97	969.78	968.11
STATE BANK					
Deposits	87.76	532 68	517.62	493.12	434.25
Investments	51.99	287.75	285.44	274.48	190.75
Advances	80.85	207.34	208.09	196.46	208.99
Cash	14.69	29.30	25.25	35.77	32.23

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	.. ..	4.58	4.67
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	8	4
Finland	20th April, 1956	5	6½
France	5th Feb., 1959	4½	4¼
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3.50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	6th Mar., 1959	2½	3
West Germany	9th Jan., 1959	3	2½

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,038,300	1,106,800	786,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Jan., 1958	97,600	105,800	70,600
Feb., ,,	87,100	89,200	64,500
Mar., ,,	94,800	100,200	71,300
Jan., 1959	97,700	96,200	89,700
Feb., ,,	106,800	107,300	84,800
March ,,	127,400	123,600	100,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441 483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
January to March, 1958	199,839	133,563	106,501
January to March, 1959	252,705	176,443	155,607
January, 1959	73,728	43,569	45,698
February ,,	83,715	61,987	50,202
March ,,	95,262	70,887	59,707

EXCHANGE RATES

		11th April 1959	Previous week (7-4-1959)
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 21/32	1-5 21/32
Sellers T.T. D.D. upto six months	s.	1-5 21/32	1-5 21/32
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 1/8	1-6 1/8
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475.25	475.25
Buyers T.T.	Rs.	471.75	471.75
London on New York	$	2.81 1/16-2.81 1/8	2.81 1/16-2.81 1/8
London on Paris	Fcs.	13.80½-13.80¾	13.80¾-13.81
London on Berne	Sw. Fcs.	12.16¾-12.17	12.16½-12.16¾
New York on London	$	2.81 1/16-2.81 1/8	2.81 1/16-2.81 1/8

CLEARING HOUSE RETURNS

Centre	Week ended 8th April 1959: Number of Cheques	Week ended 8th April 1959: Amount Rs.	Week ended 3rd April 1959: Number of Cheques	Week ended 3rd April 1959: Amount Rs.
Bombay	2,48,427	64,25,68,000	4,00,553	1,10,00,56,000
Calcutta	—	—	1,09,000	93,23,00,000
Madras	64,822	8,28,73,051	1,08,823	15,85,08,624
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,60,00,000
Nov., 1958	..	..	3,528,600	7,73,01,00,000
Dec., ,,	..	..	4,035,000	8,87,34,00,000
Jan., 1959	..	..	4,072,000	8,94,45,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	28th Mar., 1959	21st Mar., 1959	20th Mar., 1958	February 1959	February 1958	Percentage of Increase (+) or Decrease (—) in Feb., 1959 as compared with Feb., 1958	Annual Average 1958	Annual Average 1957
Food Articles	504	112.9	113.9	103.4	115.7 R	100.8	+14.8	112.0	106.8
Cereals	102	100.8	102.3	96.3	105.1	94.6	+11.1	104.7	101.7
Pulses	43	109.2	113.9 R	80.1	121.0	75.4	+60.5	94.0	84.5
Fruits and Vegetables	23	121.5	119.8 R	99.7	114.9 R	94.5	+21.6	111.9	116.8
Milk and Ghee	84	105.2	106.0	102.5	105.2	100.9	+4.3	106.2	103.8
Edible Oils	47	124.1	124.2	120.1	121.7 R	113.6	+7.1	123.2	123.8
Fish, Eggs and Meat	17	104.7	103.5	100.2	105.7	100.2	+5.5	106.9	96.6
Sugar and *Gur*	48	128.1	128.0	112.9	127.5	108.3	+17.7	122.8	104.6
Others	50	148.7*	149.2 R	129.8	156.5 R	129.2	+21.1	145.7	132.0
Liquor and Tobacco	21	98.9	98.9	94.4	104.4	96.7	+8.0	93.7	91.8
Tobacco	—	97.5	97.5	92.8	103.4	95.2	+8.8	92.0	90.1
Fuel, Power, Light and Lubricants	30	115.1	115.1 R	114.4	114.9 R	114.4	+0.4	115.2	111.5
Industrial Raw Materials	155	116.6	117.0 R	112.9	115.5	111.1	+4.0	114.8	116.1
Fibres	61	108.8	108.9	111.2	107.4	112.4	—4.4	109.4	119.8
Oilseeds	60	129.7	128.8	116.2	126.4	110.4	+14.5	123.6	122.4
Minerals	2	103.6	103.6	108.2*	103.1	107.9	—4.3	106.9	108.5
Others	32	111.3*	111.0 R	110.1	111.1	110.3	+0.7	108.9	107.3
Manufactures	290	108.2	108 3 R	107.3	108.4	107.5	+0.8	108.2	108.0 R
Intermediate Products	41	109.1	109 2 R	107.1	110.6	105.8	+4.5	108.4	108.8 R
Finished Products	249	108.1	108 1	107.4	108.0	107.7	+0.3	108.0	107.8 R
Textiles	147	102.4*	102 5	105.1	101.7	106.1	—4.1	104.3	107.9
Cotton	—	110.9*	111 0*	115.1	111.1*	116.2	—4.4	113.0	116.3
Jute	—	—	83.9	85.8	82.0	88.3	—7.1	87.7	97.7
Woollen	—	105.0	105.9	103.0	105.9	103.0	+2.8	104.9	102.1
Silk and Rayon	—	95 7*	95.7*	92.4	92.4*	90 0*	+2.7	92.5	85.0
Metal Products	12	143.3	143.3	143.4	143.3	143.4	—0.1	143.1	138.2 R
Chemicals	20	110.3	110.3	99.4	110.6	99.2	+11.5	104.0	97.6
Oil Cakes	10	140.7*	140.5	115.2	137.5	111.4	+32.4	128.6	114.7
Machinery and Transport Equipment	81	105.4	105.4	102.7	104.7	102.5	+2.1	103.2	101.2
Others	30	112.8	112.8	112.1	113.7	111.8	+1.7	113.2	107.7
All Commodities	1,000	111.9	112 5 R	106.1	113.3 R	104.7	+8.2	111.0	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES

(1952-53 = 100)

Group and Sub-Group	Week ended 28th March 1959	21st Mar., 1959	28th Feb., 1959	29th Mar., 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.7	100.7	98.6
2. Government of India	100.5	100.5	100.5	98.4
3. State Government	102.3	102.3	102.2	100.3
4. Municipal, Port Trust, etc.	99.7	99.7	99.7	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101.5	101.5	101.4	98.9
6. Plantations	99.9	99.9	99.9	100.0
7. Coal	99.6	99.6	99.6	99.6
8. Sugar	99 0	99.0	99.0	98.4
9. Cotton Textiles	99.2	99.2	99.0	97.3
10. Jute Textiles	91.6	91.6	91.6	92.9
11. General Engineering	101.8	102.0	102.0	97.0
12. Electricity Generation and Supply	96.9	96.8	96.8	96.5
13. Others	104.8	104.7	104.6	100.8
PREFERENCE SHARES—ALL INDIA.				
14. Total	89.7	89.5	88.6	85.4
15. Plantations	99.3	99.2	97.3	99.4
16. *Mining & Quarrying: Total*@	87.7	87.2	86.4	84.6
17. Coal	80.8	81.4	80.9	74.5
18. *Processing and Mfg.: Total**	89.7	89.4	88.7	85.1
19. Sugar	90.8	90.8	90.8	90.4
20. Cotton Textiles	77.8	77 6	77.4	80.0
21. Jute Textiles	82.8	81.4	80.5	68.4
22. Iron and Steel	93.2	93.3	92.6	89.3
23. General Engineering	100.7	100.7	100.6	96.0
24. Basic Industrial Chemicals	87.2	87.2	87.0	83.1
25. Cement	101.7	100.9	99.4	97.8
26. Paper	87.4	87.2	86.7	83.7
27. *Other Industries: Total**	87.6	87.4	85.6	82.6
28. Electricity Generation and Supply	86.2	85.9	85.5	85 9
29. Trading	89.7	89.7	83.5	73.1
30. Shipping and Other Transport	91.3	91.1	91.1	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	146.8	146.2	139.3	126.6
32. *Agriculture and Allied Activities: Total**	159.4	159.9	150.9	142.6
33. Tea Plantations	155.2	155.4	147.2	138 9
34. Coffee Plantations	107.2	198.6	184.2	192.1
35. Rubber Plantations	162.1	163.7	157.2	138.9
36. *Mining and Quarrying: Total*	150.4	149.1	139.2	122.8
37. Coal	115.1	114.8	110.9	92.6
38. Other Mining	174.7	177.2	158.7	143.5
39. *Processing and Manufacturing: Total*	146.7	145.7	137.7	125 3
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	131.5	130.1	124.9	118.9
41. Sugar	168.3	167.9	159.1	157.9
42. Cotton Textiles	111.6	110.8	108.1	116.2
43. Jute Textiles	95.5	92.9	87.6	60.0
44. Silk and Woollen	485.0	471.8	441.6	357.7
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	170.9	170 0	158.5	134.6
46. Iron and Steel	163.9	163.7	153.0	126.4
47. Transport Equipment	229.9	223.1	206.2	182.2
48. Electrical Machinery	141.6	141.6	135 8	130.6
49. Machinery other than Transport and Electrical	189.3	188 9	172 7	150.6
50. Basic Industrial Chemicals	134.4	131 4	127.6	104.7
51. *Processing and Mfg. (Others): Total**	148.2	147.9	137.9	127.5
52. Cement	131.7	131 5	124.1	124.1
53. Paper	200.2	200.5	183.1	157.8
54. *Other Industries: Total**	115.9	116.7	116.4	104 0
55. Electricity Generation and Supply	93.0	93.3	93.6	88.4
56. Trading	97.1	97.4	90.5	80.0
57. Shipping and Other Transport	130.6	132.3	134.0	122.9
58. Construction	262.3	266.2	248.2	199.4
59. *Financial: Total*	184.8	185.0	182.4	163.4
60. Banks	209.1	209.1	206.1	185.5
61. Insurance	127.4	128.4	126.4	122.7
62. Investment Trusts	103.8	104.1	102.7	81.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	147.8	147.8	141.5	128.5
64. Calcutta	145.3	144.5	137.4	121.3
65. Madras	159.7	158.4	150.5	147.2
66. Delhi	171.4	169 2	162.3	150 8

* Including 'Miscellaneous.' † Including' Edible and VegetableOils.
@ Including 'other mining.'

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Average rate of allotment Rs.
1959					
20th January	2.00	2.05	2.00	2.490	99.375
27th January	2.00	2.05	2.00	2.500	99.375
3rd February	2.00	2.10	2.00	2.559	99.360
4th to 7th Feb.*	0.50	—	0.50	2.496	99.376
10th February	2.00	4.19	2 00	2.530	99.365
17th February	2.00	2.80	2.00	2 559	99.360
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2.00	2.10	2.00	2.625	99.340
10th March	2.00	2.00	2.00	2 680	99.330
17th March	2.00	2.00	2.00	2.720	99.320
24th March	2.00	2.00	2 00	2.760	99.310
31st March	2.00	2.00	2.00	2.760	99.310
7th April	2 00	2.00	2 00	2.780	99 305
14th April	2.00	2.00	2.00	2.780	99.305
Total amount outstanding	26 50	..	26 50	..	..

* Intermediate Bills sold.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,992,040
1957	1,248	640,871	4,982,229
July 1958	169	101,137(1)	469,303(1)
August ,,	147	72,432(4)	657,836(4)
September ,,	151	68,699(7)	499,362(7)
October ,,	121	84,445(3)	262,600(3)
November ,,	136	34,569(2)	177 574(2)
December ,,	126	42,103(9)	180 558(9)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income In millions	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	83.50	..	2,079	249
Burma	1957	20.00	Kyats 4,450	446	223
Ceylon	1955	8.38	..	475	567
Japan	1957	90.90	Y. 8,252,000	10,915	10,020
Philippines	1957	22.60	Ps. 8,799	2,095	927
New Zealand	1957	2.22	£ (N.Z.) 928	1,237	5,570
Australia	1957	9.60	£ (A.) 4,678	4,970	5,177
U.K.	1957	51.40	£ 17,418	23,220	4,520
U.S.A.	1958	174.00	$ 352,400	168,447	9,680
Canada	1957	16 60	$ 23,830	11,680	7,035
France	1957	44.00	F.Fr. 15,680,000	17,880	4,063
W. Germany	1957	51.40	Dm. 158,000	18,057	3,513
Italy	1957	48 30	Lr. 12,231,000	9,412	1,949
Norway	1957	3.49	Kr. 23,290	1,560	4,470
Sweden	1957	7.30	Kr. 48,290	4,490	6,150
Netherlands	1957	11.00	Grs. 28,240	3,574	3,250
Denmark	1957	4 50	Kr. 25,480	1,760	3,910
Switzerland	1957	5 10	Sw. Fr. 26,900	2,956	5,796

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, October 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
	(1949=100)	Base June (1934=100)	Base July (1927=100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August (1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 ,,	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 ,,	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 ,,	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 ,,	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 ,,	116†	395	274	313	98	120	384	124	113	103†	103	123	109	131†
September 1957	114	375	262	338	97	113	378	115	113	100	106	121	106	128
October ,,	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November ,,	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December ,,	113	383	275	328	93	115	375	121	110	100	105	120	109	129
September 1958	121	404	289	327	104	120	406	127	117	111	109	131	108	132
October ,,	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November ,,	122	402	292	330	106	124	399	132	120	114	103	128	113	133
December ,,	119†	398	290	322	101	125	385	133	118	108†	99	121	111	133
January 1959	114†	396	301	323	103	127	368†	130	122	105†	94	115	109	134
February ,,	..	399	300	326	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Out-standings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	Out-standings	Total Receipts	Total Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,93
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252,96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177 35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509.77
1958																
April	2,15	4,65	141,81	6,56	77,99	15,27	214,24	22,85	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May	2,07	4,55	139,23	5,84	83,82	15,22	212,66	22,58	—39,90	43,37	57	6,72	5	2,01	21,68	517.01
June	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7,12	8	2,03	19,95	520,60
July	1,96	4,38	135,18	5,94	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug.	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532,75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537,82
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November	1,87	4,10	127,15	6,36	119,33	12,52	218,72	21,56	—40,37	42,81	47	9,58	7	2,23	19,42	547,35
December	1,83	4,01	125,00	7,84	126,69	14,83	219,06	21,41	—40,44	42,76	51	10,01	6	2,28	23,24	553,05
1959																
January	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,52	42,70	57	10,60	5	2,32	24,07	559,17
February	..	..	..	..	..	..	..	..	..	42,62	58	11,14	5	2,36	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of January, 1959 is rupees one lakh.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,80,26,000	1960-70	100.75
3 % Loan	1938-39	116,17,46,000	1963-65	96.75
3 % Loan	1950	30,32,10,000	1964	97.10
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93.75
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.20
3 % 2nd V. Loan	1945	1,13,65,64,000	1959-61	99.70
2¾% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97.25
2¾% Loan	1946	14,77,48,000	1976	83.20
2¾% Loan	1947	75,86,72,000	1962	96.95
3½% N. P. Bonds	1953	75,29,00,000	1961	100.10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.80
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.60
3½% Loan	1956	87,27,36,000	1962	99.15
3½% N. P. Bonds	1956	63,81,83,000	1967	99.05
3½% Loan	1956	66,63,53,000	1974	98.80
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.80
4 % Loan	1957	49,17,27,000	1972	101.70
3½% Loan	1958	58,06,00,000	1963	99.95
3½% Loan	1958	30,00,00,000	1968	98 90
3½% Loan N.P.B.	1958	34,16,76,500	1968	100.60
4 % Loan	1958	49,47,00,000	1973	101.65
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34 000	M.	72.75
3% Loan	1946	2,48,91,37,000	K.	74.05
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100.00
4½% Andhra	1958	5,00,00,000	15th July 1970	101.55
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96.50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98.30
4 % Bombay	1953	5,19,35,000	15th July 1963	100.60
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100.50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.55
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100.25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102.50
4½% Bombay	1958	5,00,00,000	15th July 1970	102.50
4½% Bombay	1958	5,00,00,000	15th July 1971	102.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100 00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50 00,000	13th Oct. 1970	101.40
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100.15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100.15
3 % Madras	1939	1,23,96,000	21st June 1959	99.70
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99.00
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	99.00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98.95
4 % Madras	1953	10,33,71,000	15th July 1963	100.30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.20
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 05
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100.00
4½% Madras	1958	5,00,00,000	15th July 1970	101.60
4 % Mysore(*f*)	1933	2,95,85,200	1st Dec. 1953-63	101.50
3 % Mysore(*f*)	1936	5,99,73,000	30th Apr. 1956-61	99.75
4 % Mysore	1953	3,33,47,000	15th July 1963	100.30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 05
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.00
4½% Mysore	1957	3,83,78,000	16th Sept. 1969	101.75
4½% Mysore	1958	5,00,00,000	15th July 1970	101.75
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 80
3 % M.P.	1950	1,01,45,000	31st July 1960	98.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	100 25
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100 00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100 00
4½% M.P.	1958	2,00,00,000	15th July 1970	101.40
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100.20
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100.20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.85
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99 50
2½% U.P.Z.A	1952	41,44,79,000Z	..	50.25
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91.00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98.25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.20
4 % U.P.	1953	5,58,25,000	15th July 1963	100.30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100 05
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100 00
4½% U.P.	1958	7,00,00,000	15th July 1970	101 60
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100.00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101.40
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100.00
4½% Orissa	1958	3,00,00,000	15th July 1970	101.40

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	100.00 (1904–1912 issues)
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88,25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	D (1915*–1941 issues)
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.50
76,90,100	4	1915	1975	98.00
1,50,00,000C	3††	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
60,00,000	4½	1931	1991	95.00
60,00,000	3½	1935	1965	98.50
25,00,000	3	1938	1963-68	92.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99.50
1,00,00,000	3	1949	1959	99.50
50,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	98.50
1,00,00,000	3	1950	1960	98.50
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.00
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80.00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A (all four loans)
9,88,000ł	3	1947	1977	
3,00,000ł	3	1949	1979	
45,00,000ł	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	97.75 N (1901–1912 issues)
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	97.50 N (1913–1916 issues)
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	101.00
50,00,000	4	1934	1964	99.00
35,00,000	3½	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	93.50
20,00,000	3	1938	1963-68	90 00
80,00,000	4	1952	1962	99.25
1,02,00,000	4	1956	1968	99 25
75,00,000	4½	1958	1968	100.00

MUNICIPAL LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99.60
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	100.50
8,25,00,000	3½	1947	1977	86.50
2,50,00,000	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	93.50
5,00,00,000	4	1952	1964	100 15
2,00,00 000	3½	1951	1966	97.40
1,30,00,000	4	1953	1963	100.15
1,00,00,000†	4	1952	1964	99 50
1,00,00,000†	4	1954	1966	99 50
2,50,00,000	4	1955	1967	100 00
1,50,00,000	4	1956	1968	100.00
2,00,00,000	4½	1957	1969	101 50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1965	94.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
17,64,400	3½	1942	1959	96.50
21,10,000	3½	1942	1972	92.00
16,33,000	3½	1951	1961	97.50
66,88,000	3½	1951	1966	97.50
87,36,000	4	1952	1962	99.25
72,50,000	4½	1954	1979	100.50
2,22,72,000	4	1955	1985	—
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.15
4 % W. Bengal	1953	3,60,23.000	15th July 1963	100 30
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100.15
4 % W. Bengal	1956	7,11,46,000	3rd Sept 1968	100.15
4½% W. Bengal	1958	5,00,00,000	15th July 1970	101.75
4½% Kerala	1958	3,00,00,000	15th July 1970	100.70

ABBREVIATIONS. N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6¼ to 4 per cent. with effect from 1st April, 1935.
ǂ—Interest free to first 12 years. ł—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months notice. K—On September, 1986, or later at option of Government after three months notice.

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	2nd	81,590†	79,447††	29,721†	24,885††
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41,411	40,367	8,056	7,249
Bajra	final	27,453	27,884	3,565	2,885
Barley	final	7,531	8,726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5,831	1,716	1,715
Small millets ..	final	11,979	12,230	1,759	1,964
Total cereals ..	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24,265	4,754	6,264
Tur	final	5,598	5,686	1,396	1,954
Other Kharif pulses§ ..	final	15,506†	15,657††	1,542†	1,390††
Rabi pulses‡ ..	final	10,820	11,780	1,665	1,770
Total pulses ..	final	54,655	58,215	9,216	11,503
Total foodgrains..		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut ..	final	14,457	13,450	4,271	4,200
Castorseed ..	final	1,325	1,415	97	124
Sesamum ..	final	5,268	5,446	363	442
Rape and Mustard ..	final	6,050	6,311	905	1,026
Linseed ..	final	3,318	4,156	271	384
Total oilseeds..	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton* ..	final	20,158	19,893	4,753	4,735
Jute A. ..	final	1,827†	1,742††	5,178†	4,052††
Mesta A. ..	final	726	733	1,211	1,478
Other crops—					
Potato	final	785	707	1,981	1,698
Sugarcane ..	final	5,021	5,057	64,142R	66,993
Ginger (Dry) ..	final	39	39	14	15
Pepper (Black)..	final	229	221	26	27
Chillies (Dry) ..	final	1,534	1,476	355	342
Tobacco ..	final	926	1,029	252	294

Source: Ministry of Food and Agriculture. § Excluding Tur. * In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur. A. In thousand bales of 400 lbs. each. † Refers to 1958-59. †† Refers to 1957-58. R.=Revised.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to Nov. 1958	Jan. to Nov. 1957
Exports	637,74	612,96	523,76	596,52
Re-exports	5,11	6,21	7,15	4,74
Total Exports ..	642,85	619,17	530,91	601,26
Imports	1025,82	821,46	697,00	912,11
Overall Balance of Trade ..	−382,97	−202,29	−166,09	−310,85
Exports—				
Tea	123,40	142,43	123,00	113,83
Jute yarns and manufactures ..	114.83	112,52	95,90	108,65
Cotton yarns and manufactures ..	68,58	62,23	47,43	65,42
Metallic ores and metal scrap ..	49,80	23,30	28,89	46,78
Cotton, raw and waste ..	18,66	25,09	19,89	18,02
Oils—vegetable, mineral and animal ..	19,31	24,51	12,49	18,67
Fruits and vegetables ..	18,60	18,03	19,60	17,32
Tobacco	12,83	13,39	15,47	12,38
Mica	8,67	8,75	8,41	7,97
Wool—Raw	11,73	10,64	8,63	12,66
Gums, resins and lac ..	8,59	11,19	6,82	8,25
Spices	8,43	9,56	8,06	7,79
Hides and skins, raw ..	6,99	6,07	6,48	6,77
Imports—				
Machinery of all kinds ..	232,97	150,12	163,95	210,00
Iron and Steel	146,98	122,49	81,29	139,62
Oils—vegetable, mineral and animal ..	113,38	74,69	68,00	103,83
Cotton, raw and waste ..	48,62	53,61	28,29	46,40
Chemicals, drugs and medicines ..	76,77	43,14	58,23	71,32
Electrical goods and apparatus ..	61,14	20,15	43,94	54,60
Vehicles (excluding aircraft, ships and boats) ..	71,35	69,91	44,53	61,20
Fruits and vegetables ..	21,27	12,66	14,86	18,98
Paper, pasteboard, etc. ..	13,11	15,99	7,18	12,16
Dyes and colours ..	13,87	16,37	8,07	13,07
Spices	2,93	8,10	2,62	2,79
Woollen and worsted fabrics ..	1,31	2,18	28	1,24
Cotton fabrics	2,37	2,39	96	2,28

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During February, 1959 ..	83.6
	Corresponding month, 1958 ..	85.3
	Eight months ended Feb., 1959 ..	703.3
	Corresponding period, 1958 ..	705.6
Stocks ..	At the end of March, 1959 ..	106.8
	Corresponding month, 1958 ..	94.3
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose ..	1956-57 ..	852.9
	1957-58 ..	832.6
	January 1958 ..	55.6
	January 1959 ..	63.7
For Internal Consumption ..	1956-57 ..	179.0
	1957-58 ..	198.0
	January, 1958 ..	19.9
	January, 1959 ..	24.0
	RAW JUTE	(In 000 bales)
Consumption by Mills ..	February 1959 ..	485
	Corresponding month, 1958 ..	495
	Eight months ended Feb., 1959 ..	4,056
	Corresponding period, 1958 ..	4,065
	1956-57 ..	6,072
	1957-58 ..	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56 ..	716	8,805.8	7,185.8
1956-57 ..	769	9,877.8	8,183.1
1957-58 ..	834	11,176.9	9,011.1
Oct., 1957 ..	822	917.5	731.3
Nov., " ..	822	930.2	740.5
Dec., " ..	822	958.7	779.7
Oct., 1958 ..	810	1,072.8	869.8
Nov., " ..	811	1,025.4	854.6
Dec., ..	811	1,122.5	930.0

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source*:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56 ..	12,751	2,120	974	213	111	67	149	29	178	412	41	330	48	148
1956-57 ..	13,586	2,265	1,023	219	108	58	207	24	196	427	36	359	52	180
1957-58 ..	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
January 1958 ..	11,792	1,979	1,042	174	81	45	187	21	177	412	32	394	45	161
February " ..	13,011	2,172	1,123	191	93	49	202	23	194	456	36	435	46	176
March " ..	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April " ..	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May " ..	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June " ..	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July " ..	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August " ..	5,823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September " ..	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
October " ..	8,040	1,542	771	107	46	21	98	12	110	274	19	283	29	72
November " ..	9,169	1,763	868	121	50	24	125	14	125	311	24	326	35	78
December " ..	10,460	1,998	972	143	59	27	156	17	136	355	28	375	41	83
January 1959 ..	11,784	2,228	1,083	166	70	30	180	19	151	394	32	422	43	94

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

INDUSTRIAL PRODUCTION

Industries.	1957	Jan. to Oct. 1958*	Jan. to Oct. 1957	September 1958	October 1958*	October 1957
Major Industries—						
Coal .. .. million tons	43.50	37.48	35.52	3.85	3.75	3.56
Steel (Ingots and Metal for castings) ..thousand tons	1,715	1,337†	1,264†	149	—	150
Yarn .. .. million lbs.	1,780	1,250†	1,336†	144	—	142
Cloth .. .. million yds.	5,317	3,690†	4,032†	411	—	415
Cement .. .. million tons	5.60	5.09	4.50	0.48	0.41	0.51
Jute .. ..thousand tons	1,030	873	845	87	82	84
Paper and paper boards .. tons	210,132	185,511†	171,111†	21,979	—	18,297
Matches .. .. cases	578,400	466,400†	433,000†	53,500	—	43,800
Sugar .. ..thousand tons	2,063	1,512	1,574	11	18	3
Engineering and Electrical Industries—						
Machine tools ..Value in lakhs of Rs.	250.85	279.50†	175.52†	29.85	—	21.29
Electric lamps .. millions	33.15	25.16	27.71	2.51	2.46	2.42
Dry cells .. millions	166.56	135.88	141.05	14.65	13.51	9.72
Power transformers .. k.v.a.	1,219,200	864,000†	896,500†	95,700	—	102,200
Electric Motors .. h.p.	469,200	464,900†	838,900†	56,900	—	37,700
Electric fans.. .. Nos.	524,400	469,900†	384,500†	50,700	—	37,400
Radio receivers .. Nos.	190,692	147,253†	188,701†	16,124	—	12,047
Storage batteries .. Nos.	324,000	285,900	266,300	32,100	28,000	24,200
Copper conductors .. tons	8,556	5,915†	6,336†	615	—	789
Winding wires .. tons	1,020	1,204†	730†	173	—	100
Rubber and plastic Ins. cables and flexibles million yds.	103.80	89.44†	80.29†	12.43	—	0.24
Insulators—H.T. .. Nos.	193,200	520,200†	100,400†	84,900	—	29,600
Insulators—L.T. .. million Nos.	4.69	3.85†	3.60†	0.30	—	0.26
Diesel engines—Vehicular .. Nos.	3,336	3,504	2,632	333	344	280
Do —Stationary .. Nos.	16,644	20,644	13,256	2,421	2,348	1,736
Chemical Industries—						
Salt .. .. million mds.	98.70	107.66	95.56	3.21	3.46	2.81
Caustic soda .. tons	42,648	46,720	35,067	5,004	5,241	3,640
Soda ash .. tons	91,920	73,680	75,794	8,919	9,078	7,747
Chlorine liquid .. tons	15,696	15,929	13,082	1,739	2,704	1,322
Bleaching powder .. tons	5,340	5,287	4,477	569	695	494
Bichromates.. .. tons	3,672	2,651†	2,717†	320	—	323
Sulphuric acid .. tons	196,068	167,463†	145,206†	20,404	—	15,895
Superphosphate .. tons	141,684	127,749†	107,376†	15,335	—	11,612
Non-ferrous Metals—						
Aluminium .. .. tons	7,784	6,140†	5,708†	690	—	687
Antimony .. .. tons	502	409†	363†	40	—	45
Copper (virgin metal) .. tons	7,848	6,476	6,478	685	700	672
Lead (virgin metal).. .. tons	3,174	2,584	2,589	362	142	317
Gold .. ..thousand ozs.	179	141	149	15	15	14
Miscellaneous (Minor) Industries—						
Sewing machines .. Nos.	167,484	157,122†	124,118†	17,410	—	8,556
Bicycles .. .. Nos.	790,424	684,510†	580,477†	72,094	—	56,032
Automobiles.. .. Nos.	31,932	23,055	26,944	2,471	2,704	2,450
Cycle tyres and tubes .. million Nos.	14.18	13.42	11.70	1.42	0.94	0.72
Motor tyres and tubes .. million Nos.	1.92	1.62	1.60	0.18	0.14	0.10
Cigarettes .. .. million Nos.	28,892	22,390†	21,765†	2,318	—	2,281
Plywood—Tea chests .. million sq. ft.	95.02	65.72†	73.95†	7.47	—	5.72
Plywood—Commercial .. million sq. ft.	31.64	28.64†	23.84†	4.07	—	2.58
Sheet glass .. .. million sq. ft.	54.23	53.77†	34.29†	6.50	—	6.23
§Woollen manufactures: Worsted Fabrics million yds.	15.79	16.80	12.01	2.51	1.47	1.52
§Woollen manufactures: Worsted Yarn million lbs.	27.80	24.63	22.49	2.60	2.83	2.58
Footwear—Western type (Leather) .. million pairs	4.37	3.64	8.55	0.39	0.29	0.27
Footwear—Indigenous type (Leather) .. million pairs	3.04	2.71	2.47	0.32	0.17	0.16
Alcohol—Industrial .. million Bulk galls.	8.56	6.91†	6.30†	0.03	—	0.69
Alcohol—Power Absolute .. million Bulk galls.	10.14	6.75†	7.72†	0.54	—	0.64
General Index—(Base 1951=100 Revised) ..	137.3	142.8‡	149.1‡	153.1	—	122.8

* Figures are subject to revision month to month. —Not Available. † Upto September only. § Includes figures for Jammu and Kashmir. ‡ Average of first nine months. The general index for September 1957 was 135.6.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base: 1952-53=100,

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55 ..	82	75	77	78	54	255	94	104	122	98	102	112	82	114	100	102	107	119
1955-56 ..	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57 ..	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58* ..	105	88	114	126	68	164	109	110	107	92	106	133	108	96	128	95	116	142
Jan., 1958..	101	86	103	114	64	162	101	117	106	95†	105†	130†	101	101	130	99	116	148
Feb., "	99*	84	92	109	61	156	105	117	104	95	104	123	102	96	130	93	116	149
March "	100	84	94	119	63	152	107	118	103	93†	105†	120†	103	93	130	86	116	145
April "	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	114	145
May "	106	86	92	111	64	158	115	120	115	89	100	125	110	102	132	88	114	145
June "	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July "	115	97	106	127	83	192	119	124	133	90	100	124	120	126	135	88	110	145
Aug., "	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept., "	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct., "	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., "	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	146
Dec., "	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145
Jan., 1959..	92	125	107	132	121	163	108	121	130	104	101†	112†	112	137	133	85	110	145
Feb., "	92	124	112	133	125	167	109	121	131	105	102	112†	117	142	133	82	111†	145

* Provisional † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 9th April 1959 ..	65,174(J)
	Corresponding week, 1958 ..	35,236(J)
	1st Sept. 1958 to 9th April 1959 ..	1,094,985*
	Corresponding period, 1957-58 ..	1,051,729*
Cotton Exports ..	Week ended 14th March 1959 ..	6,718
	Corresponding week, 1958 ..	1,070
	1st Sept. to 14th March 1959 ..	247,869
	Corresponding period, 1958 ..	102,879
Mill Consumption (Estimated) ..	1st Sept. 1958 to 9th April, 1959..	791,718
	Corresponding period, 1957-58 ..	808,844
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 9th April, 1959 ..	545,941
	Corresponding date, 1958 ..	723,345
		(Bales of 392 lbs)
Consumption of Cotton—		
Indian ..	January, 1959 ..	413,181
Foreign ..	January, 1959 ..	34,370
Indian ..	Five months ended Jan., 1958-59	1,973,702
Foreign ..	Five months ended Jan., 1958-59	193,172
Indian ..	Same Period 1957-58 ..	1,946,187
Foreign ..	Same Period 1957-58 ..	249,418
Stocks (Mills and Elsewhere)—		
Indian ..	As on 31st January, 1959 ..	850,162
Foreign ..	As on 31st January, 1959 ..	69,414
Indian ..	As on 31st January 1958 ..	1,020,022
Foreign ..	As on 31st January 1958 ..	169,241

Particulars	From 1st Sept., to 6th March, 1958-59 Bales	From 1st Sept., to 6th March, 1957-58 Bales
From Bombay Cotton Shipments to—		
United Kingdom ..	6,514	1,535
Continent	15,659	4,465
Hongkong	32,396	2,837
China	6,886	—
Japan	121,296	38,021
U.S.A.	1,919	3,128
Other Countries ..	1,960	691
Total to all foreign countries ..	186,630	50,679
Coastal Ports ..	32,143(a)	49,646(b)
Total	218,773	100,325
Cotton Exports from Bombay (by sea)		(Bales of 392 lbs.)
During January, 1959 ..		39,324§
During January, 1958 ..		15,691
1st Sept., to 31st Jan., 1959 ..		155,007
1st Sept., to 31st Jan., 1958 ..		33,183
Cotton Pressed in India† (In running bales)		
Week ended 20th Mar., 1959 ..		—
Corresponding week, 1958 ..		117,117
1st Sept., to 20th Mar., 1958-59 ..		1,452,571
Corresponding period, 1957-58 ..		2,028,781
Karachi (Pakistan)—		
Receipts ..		Bales
1st Sept., to 12th Mar., 1958-59		874,770
Corresponding period, 1957-58 ..		939,043
Exports ..		
1st Sept., to 12th Mar., 1958-59 ..		435,092
Corresponding period, 1957-58 ..		353,509

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (a) Upto 31st Jan., 1959. § Includes Zoda and yellow pickings, etc. — Not Received. A—Adjusted. (b) Upto 28th Feb., 1958.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000 14,50,000	1,08,00,000	3,53,958	Allahabad Bank ..	362.00 181.00	100 50	18.00 9.00	18.00 9.00	18.00‡ 9.00‡	21.00‡ 10.50‡	12	Y.P.
1,01,000 40,78,300	17,84,000	3,83,732	Andhra Bank ..	106.50cd 88.75cd	100 85	6.50 4.54	8.00 5.59	6.00 5.10	2.50‡ 1.12‡	6,12	H.
1,00,00,000 25,00,000'B'	1,59,50,000	3,03,522	Bank of Baroda ..	108.00 50.00	50 25	6.00‡ ..	7.00 ..	7.00 ..	6.00 1.50	12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner ..	31.75	25	0.87	1.12	1.25		12	Y.
2,50,00,000 50,00,000'A'	3,10,00,000	12,79,476	Bank of India ..	136.00 137.50	50 50'A'	8.00 ..	8.00 ..	8.00 8.00	8.00 8.00	6,12	R.L.Y.
15,30,375	29,00,000	47,153	Bank of Indore ..	63.00N	25	3.50	4.00	4.25	4.90	12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur ..	45.50	50	2.00	2.50	3.00		12	Y.
50,00,000	96,70,613	4,70,232	Bank of Mysore ..	302.00xd	100	16.00‡	16.00‡	16.00	16.00	12	Y.
35,80,820	51,24,246	37,384	Canara Bank Ltd.	82.00	50	5.00	5.00	5.00	5.00	12	Y.P.
7,50,000	14,40,000	6,716	Canara Banking Corporation Ltd..	72.00xd	50	5.50‡	5.00‡	5.00‡	5.00‡	12	Y.P.
3,32,930'A' 23,787'C'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	167.00xd 1.56xd cr	100'A' 1'C'	12.50 12½%	15.00 15%	15.00 15%		12	Y.
2,62,11,875 A.52,42,375	4,04,68,517	17,32,515	Central Bank of India Ltd. ..	57.00 59.00	25 25	3.00 3.00	3.50 3.50	3.50 3.50	3.50 3.50	12	R.L.H.
50,00,000	46,00,000	3,02,015	Devkaran Nanjee Banking Co. ..	53.50	50	2.50	3.00	3.00	3.00	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P) ..	29.12	5	0.87	1.37	1.06		12	Y.
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank ..	14.00	50	Nil	Nil			12	Y.
60,00,000	1,80,000	4,238	Hindustan Mercantile Bank ..	13.75	50	Nil	Nil	Nil		12	Y.
44,00,000 22,40,000	1,00,00,360	2,04,376	Indian Bank ..	193.00cd 154.50cd	100 80	12.00‡ 7.75	13.00 9.75	15.00‡ 12.00‡	6.50‡ 5.20‡	6,12	R.L.H.
50,00,000 12,50,000	52,36,660	2,03,141	Indian Overseas Bank ..	166.00xd 107.00xd	100 50	7.50 ..	10.00 ..	10.00 ..	10.00 5.00	12	Y.
10,00,000	10,50,000	30,428	Pandyan Bank Ltd. ..	30.67	25	1.87	1.87	1.87	2.50	12	Y.
1,25,00,000	1,27,00,000	4,48,690	Punjab National Bank ..	24.48	10	2.50	4.00	5.00	3.50	12	Y.
5,62,50,000	8,48,50,000	55,73,153	State Bank of India ..	388.75	100	16.00	16.00	16.00	16.00	12	Y.
1,00,00,000	27,72,000	19,529	Travancore Bank ..	24.50xd	25	1.00	1.00	1.25	1.25	12	Y.
60,00,000	43,00,000	1,14,552	Union Bank of India ..	7.28	5	0.37	0.44	0.44	3.75	12	Y.
2,00,00,000	1,48,00,000	62,008	United Commercial Bank ..	65.70xd	50	2.75	3.50	3.75		12	H.
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East§	£2-10-9	£1	10	10	10	10	8	Y.
£5,000,000	£5,500,000	£455,019	Chartered Bank ..	£2-6-0	£1	15†	15†	15†	15†	12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,085,475	Hongkong and Shanghai Banking Corporation ..	£45	H.K.$125	5*	5*	3½*Z	3*	12	Y.
£27,847,605	£18,000,000	£703,010	Lloyds Bank ..	£2-4-3	£1	12†	13†	13†	12½†'c'	12	Y.
£2,940,000	£2,200,000	£231,407	Mercantile Bank Ltd. ..	£2-4-3	£1	14†	14†	18‡†	12½†	12	Y.
£2,851,563	£3,168,579	£351,349	National and Grindlays Bank Ltd. ..	£1-7-3	sh. 12½	15†	15†	15†	15†	12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr—Ex-Right. Z.—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim dividend for 1959 declared. C=On increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June ..	Carew & Co. ..	1938	94.00	1st June .. 1968
4,00,000	5½	1st March and 15th September ..	Carew & Co. (2nd mortgage) ..	1941	90.00	28th February .. 1960
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar ..	1942	100.25	27th December .. 1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New) ..	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	94.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October ..	Bharat Collieries ..	1944	90.00	30th June .. 1964
30,00,000	4½	30th June and 31st December ..	Burrakur Coal Co. ..	1947	87.00	30th June .. 1967 (a)
60,00,000	5½	15th June and 15th December ..	Equitable Coal Co. ..	1958	100.00	14th December .. 1969 (a)‡
			COTTON			
7,00,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd. ..	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November ..	Bengal-Nagpur ..	1897	89.00	15th November .. 1966 (b)
70,00,000	5T	1st April and 1st October	Buckingham and Carnatic ..	1952	100.00	1st March .. 1972 (a)
40,00,000	5	1st April and 1st October	Gokak Mills ..	1957	100.50	1st April .. 1967-72
18,71,000	5½	30th June and 31st December ..	Jayshree Textiles ..	1949	90.00N	1st January .. 1956-59
39,90,000	5	1st June ..	Tata Mills ..	1951	93.25	15th November .. 1960
			ELECTRICS			
10,00,000	4½	31st March and 30th September..	Agra Electric Supply Co., Ltd. ..	1950	90.00	31st March .. 1965 (a)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..	..	98.50	14th June .. 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	100.25	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
64,043,914	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	97.75	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd. ..	1945	84.00N	31st December .. 1970
13,30,000	5	1st January and 1st July ..	Sijua (Jherriah) Electric Supply Co., Ltd..	1951	91.00	30th June .. 1976 (a)
2,00,000	5½T	31st March and 30th September..	South Madras Electric Supply ..	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	93.50	30th September .. 1953-63
47,75,000	5	1st April and 1st October ..	Tata Power ..	1940	100.10	1st July .. 1970
2,50,00,000	4	1st April and 1st October ..	Tata Power ..	..	86.75	15th September .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December ..	Britannia Engineering ..	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July ..	Guest, Keen, Williams Ltd. ..	1958	106.75	1st January .. 1971
30,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1942	97.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd. ..	1946	82.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October ..	Tata Locomotive ..	1950	99.25	1st October .. 1968-68
40,00,000	6	31st December ..	Textile Machinery Corporation Ltd. ..	1950	96.00	31st December .. 1960 (a)
			JUTE			
12,00,000	5½	1st October and 1st April ..	Agarpara ..	1939	90.50	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra ..	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd. ..	1945	85.00	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	90.00	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta ..	1949	86.00	31st July .. 1959
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills ..	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September..	Dalhousie Jute Co. ..	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July ..	Empire ..	1951	90.00	15th July .. 1966 (a)
30,00,000	5½	31st March and 30th September..	Howrah Mills Co., Ltd. ..	1955	94.00	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December ..	Naihati ..	1952	90.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1939	92.00	14th May .. 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September..	Reliance Jute Mills Co., Ltd. ..	1950	85.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December ..	Union ..	1937	95.00	31st March .. 1967
10,00,000	3½	31st January and 31st July ..	Waverley ..	1925	80.00	31st July .. 1966
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£350,000	4½	1st January and 1st July ..	Calcutta Tramways ..	1900	£66.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter 1st October .. 1974
189,363	5	1st April and 1st October ..	Calcutta Tramways ..	1933	£74.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter 1st October .. 1974
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	85.00	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway ..	1905	£54N	Any time on six months' notice (a)
4,14,18,000	4½	1st March and 1st September ..	Scindia Steam Navigation ..	1949	98.25	1st September .. 1963
			PLANTING			
11,25,000	6T.F.	31st March and 30th September..	Nilgiri Tea ..	..	99.50	1st April .. 1958-68††
1,27,600	5½T.F.	31st March and 30th September..	Teekoy ..	1944	100.00	31st March .. 1949-59
			MISCELLANEOUS			
10,00,000	4	1st January and 1st July ..	Aluminium Corporation of India Ltd. ..	1948	92.00	31st December .. 1965
22,60,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September ..	Burmah-Shell ..	1954	101.75	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	101.50	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties ..	1915	85.00	1st February .. 1964
19,29,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	82.00	1st July .. 1986
30,00,000	4	15th March and 15th September.	Dalhousie Properties ..	1946	78.00	15th September .. 1960
1,00,00,000	6½	31st March and 30th September..	Dalmia Cement (Bharat) Ltd. ..	1946	80.00	 1966
1,05,21,000	5	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	107.00	1st January .. 1971 (a)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd. ..	1954	101.50	30th June .. 1969 (a)‡
15,00,000	5T	2nd January and 2nd July ..	Mettur Chemical Industries ..	1949	83.00	30th September .. 1964
8,89,500	4	31st March and 30th September..	Martin Burn Ltd. (Convertible Notes) ..	1946	500.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes) ..	1947	400.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd. ..	1951	85.50N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon ..	1955	101.50	30th June .. 1965-70
1,00,00,000	5½	31st March ..	Orient Paper Mills Ltd. ..	1951	93.00	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd. ..	1946	94.00	31st December .. 1959
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	101.75	1st May .. 1968 (a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 2 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961. T=Taxable. T.F.=Tax free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 15th April, 1959.

	Closing quotations 8-4-1959	High	Low	Closing quotations 15-4-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	140.00	—	—	140.00
Apollo (2)	1.20	1.24	1.20	1.20
Bombay Dyeing (25)..	60.10	60.60	59.70	60.00
Bradbury (50) ..	145.00	145.00	144.00	145.00
Central India (100) ..	94.80	96.00	90.00	94.00
Century Mills (100) ..	493.75	493.00	486.00	488.25
Edward Textile (200) .	214.50	215.50	214.50	215.50
Elphinstone (50) ..	31.50	—	—	33.50
Finlay (100)	273.00	274.00	270.00	270.00
Gokak (100)	143.00	144.50	142.50	143.00
Ind. Untd. Defd. (1) ..	1.08	1.10	1.06	1.06
Ind. Untd. Ord. (10)..	8.80	8.84	8.56	‡8.56
Indore Malwa (100) ..	97.50	—	—	97.50
Khatau (100).. ..	188.75	187.50	175.00	177.50
Kohinoor (100) ..	253.00	264.00	253.50	‡258.00
Lakshmi (250) ..	395.00	—	—	395.00
Minerva Mills (100) ..	62.00	—	—	62.00
Model Nagpur (250) ..	105.00	105.00	93.70	93.70
Morarji (100)	231.00	232.00	231.00	231.00
Mysore (50)	80.00	82.00	80.00	82.00
National Rayons (100).	286.25	287.50	280.25	280.25
New City (100) ..	90.00	90.00	89.00	89.50
New Great (100) ..	193.00	185.00	170.00	178.00
Phœnix (100).. ..	123.00	—	—	123.00
Podar Mills (100) ..	150.00	154.00	148.00	150.00
Sassoon Silk (10) ..	9.76	—	—	9.76
Sassoon Spg. (10) ..	45.00	47.00	45.00	47.00
Sholapur (1,000) ..	428.75	—	—	428.75
Shrinivas (100) ..	154.00	154.00	151.00	151.00
Simplex (50)	169.00	168.50	166.50	167.50
Standard (100) ..	483.00	485.00	472.00	474.00
Svadeshi (100) ..	216.50	216.00	210.50	212.00
Swan (100)	395.00	—	—	390.00
Tata Mill (25) ..	36.25	36.50	34.00	35.00
Vishnu (100)	90.00	92.00	87.50	88.00
Western India (1,000).	4,525.00	4,525.00	4,475.00	4,475.00
BANKS				
Bank of India (50) ..	136.00	136.25	135.50	136.00
Do. (New) (50) ..	138.00	138.00	137.50	137.50
Bank of Baroda (50) ..	108.00	108.50	104.00	105.00
Central (25)	57.20	57.20	56.60	57.00
Central 'A' (25) ..	59.20	59.20	58.60	59.00
Dena Bank (50) ..	54.00	54.00	53.50	53.50
Punjab National (10) .	24.64	24.52	24.36	24.48
Union Bank (5) ..	7.28	7.32	7.20	7.24
United Com. (50) ..	65.50xd	66.00	65.50	66.00
ELECTRIC COS.				
Ahmedabad (100) ..	96.90	96.90	96.60	96.90
Amalgamated (10) ..	11.20	—	—	11.20
Andhra Valley (1,000).	1,157.50	1,157.50	1,142.50	1,145.00
Bom. Sub-El. (100) ..	106.50	106.50	106.00	106.00
Surat (100)	111.50	111.50	110.00	110.00
Tata Hydro (100) ..	117.50	119.00	116.50	119.00
Tata Power (1,000) ..	1,160.00	1,183.75	1,150.00	1,180.00
INSURANCE COS.				
British India (10) ..	14.00	14.20	14.24	14.24
Empire of India (100).	218.75	—	—	218.75
Ind. Mercantile (20) ..	44.00	—	—	44.00
Jupiter (15)	5.20	—	—	5.20
New India (15) ..	51.50	52.30	51.50	52.20
Oriental (200).. ..	4,200.00	—	—	4,200.00
Vulcan (10)	20.24	20.32	20.24	20.32
STEEL COS.				
Ind. Iron (10) ..	24.56	24.72	23.96	23.96
Tata Steel Ord. (75) ..	183.00	183.50	179.25	179.50
SUGAR COS.				
Belapur (50)	295.00	296.00	285.00	287.00
Bhopal (10)	26.00	26.10	26.00	26.10
Changdeo (12.50) ..	31.00	31.00	30.75	30.75
Phaltan (50)	157.50	157.50	153.50	153.50
Walchand Ind. (100)..	300.00	300.00	295.00	295.00
CEMENT COS.				
Associated Cts. (100)..	149.00	150.75	148.00	148.50
Digvijay (100) ..	148.00	148.50	146.00	146.50
MISCELLANEOUS				
Alcock Ashdown (100).	271.00	275.50	267.00	267.00
Bom. Burmah (125) ..	509.50	511.50	498.00	498.00
Do. (New) (50) ..	175.00	175.50	175.00	175.50
Br. B. Petrol (4 sh.) ..	1.92	2.04	1.86	1.90
Br. I. Corpn. (5) ..	5.00	5.32	5.08	5.32
Hindustan Lever (10).	31.50xd	31.50	30.25	30.50
Hindusthan Motors (10)	9.16	9.36	9.00	9.08
Indian Copper (2 sh.)..	4.36	4.42	4.28	4.28
Ind. Inv. Tr. (100) ..	88.50	—	—	88.50
Killicks (100) ..	147.00	147.25	145.50	145.50
Larsen & Toubro (10).	22.92	23.20	22.52	22.68
Polson (100)	156.00	—	—	156.00
Pre. Automobiles (100)	116.75	118.50	112.50	114.00
Premier Con. (80) ..	270.75	273.00	264.00	265.00
Scindia (20)	18.32	18.40	17.88	17.88
G. E. Shipping (10) ..	21.56	21.52	20.96	20.96
Shivrajpur (10) ..	100.00	103.50	99.50	100.50
Sirpur Paper (10) ..	14.28	14.48	14.16	14.16
Tata Chemicals (10) ..	16.76	17.00	16.56	16.64
Tata Locomotive (100).	192.50	195.00	188.25	188.75
Tata Oil (25) ..	50.30	50.50	49.00	49.25
Voltas (100)	156.50	158.00	152.75	153.75
W. I. Match (100) ..	203.00	210.50	207.00	209.00

GOVERNMENT SECURITIES	8-4-1959 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	15-4-1959 Rs.
2½% 1961	97.20	—	3.79	97.25
2½% 1960	99.00	—	3.31	99.00
2½% 1962	96.95	—	3.68	96.95
2½% 1976	83.20	—	4.08	83.20
3% 1959-61 2nd V ct.	99.70	3.84	3.12	99.60
3% 1964	97.10	—	3.58	97.10
3% 1963-65 ..	96.75	3.75	3.51	96.70
3% 1966-68 ..	93.75	3.97	3.80	93.70
3% 1970-75 1st Dev.	91.20	3.96	3.75	91.15
3% 1986 Con. Loan.	74.10	—	4.05*	74.10
4% 1960-70 ..	100.75	3.48	3.92	100.75
3½% 1961 N.P. Bonds	100.10	—	3.47	100.10
3½% 1964 N.P. Loan..	99.80	—	3.54	99.80
3½% 1965 N.P. Bonds.	99.60	—	3.57	99.60
3½% 1962	99.15	—	3.50	99.15
3½% 1967 N.P. Bonds	99.05	—	3.63	99.05
3½% 1974	98.80	—	3.84	98.85
3½% 1967 N.P. Bonds	100.80	—	3.65	100.80
4% 1972 Loan ..	101.70	—	3.83	101.70
3½% 1968	98.90	—	3.65	98.90
3½% 1963 N.P. Bonds	99.95	—	3.51	99.95
3½% 1968 N.P. Bonds	100.60	—	3.68	100.60
4% 1973 Loan ..	101.65	—	3.85	101.65

BRITISH GOVERNMENT SECURITIES

	Closing quotations 3-4-1959 £			Closing quotations 10-4-1959 £
2½% Brit. Consols. ..	52	—	—	49⅞
3% Savings Bonds 1965-75 ..	76½	—	—	76¼
3% War Loan 1955-59	100 3/16	—	—	100
3½% War Loan	68⅛	—	—	68 3/16
4% Victory Bonds 1976	96 9/16	—	—	96⅜
4% Funding 1960-90.	91¼xd	—	—	91⅜xd

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

TREND OF MARKETS

(From Our Own Correspondents)

MONEY

BOMBAY, 15th April

There has been no change in the state of affairs of the short-term money market this week also. The acute stringency noted for the past several weeks persists without any sign of slackness. On the contrary, the demand for bank credit is growing, in the face of an acute shortage of floating funds in the market. Banks are unable to get their requirements in full from the market. They are often obliged to seek accommodation from the Reserve Bank and the State Bank. The inter-bank call money rate also shows a tendency to harden. While the common rate continues to be 3½ per cent., some business has been done even at 3¾ per cent. among the Exchange banks and big Indian banks. The corresponding rate among the smaller banks is, however, unchanged at 3¾ per cent. In view of the agreement among banks, the rate for house money at seven days' notice and short-term deposits did not pierce the ceilings fixed for them at 3½ per cent. and 4 per cent respectively.

The Treasury Bill rate, which had hardened from 2.760 per cent. to 2.780 per cent. per annum last week, has maintained the latter level this week. The amount offered against these bills is no more than that (Rs. 2 crores) invited. The poor response to the bills (which are being taken up only by the special source) has not deterred the Government from continuing the sales. Tenders have been invited for Rs. 2 crores next week also. There have been no sale of Intermediate Bills this week, but it is being continued.

A further expansion of Rs. 20.17 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 10th April 1959. This brings the aggregate rise during the past three weeks to Rs. 71.83 crores. Notes held in the Banking Department are lower by Rs. 1.19 crore. The consequent increase of Rs. 18.97 crores in the total notes issued is covered by a rise of Rs. 20 crores in rupee securities and a contraction of Rs. 1.02 crore in rupee coin. Foreign securities are unchanged, but balances held abroad are a fraction lower. Deposits of the Central Government and other Governments have declined by Rs. 11.02 crores and Rs. 4.33 crores, respectively, while those of banks have gone up by Rs. 18.45 crores, presumably because of borrowings from this Central banking institution. Loans and advances to Governments show a rise of Rs. 4.73 crores and other loans and advances a decline of Rs. 8.80 crores. Investments stand reduced by Rs. 19.95 crores, while Government Treasury Bills purchased and discounted have advanced by Rs. 11.15 crores.

There has been a sharp rise of Rs. 30.35 crores in Scheduled banks' deposits (net) during the week ended 3rd April 1959, of which demand deposits account for Rs. 26.23 crores and time deposits for Rs. 4.07 crores. The rise in deposits may have been largely due to P.L. 480 funds, the funds of the State Bank alone having gone up by Rs. 15.05 crores during the week under review. Reflecting the keen demand for money, there is an increase of Rs. 6.07 crores in inter-bank borrowings. There has, however, been a net repayment of Rs. 13.17 crores in borrowings from the Reserve Bank and of Rs. 1.33 crore in borrowings from the State Bank. Advances (including bills purchased and discounted) maintain their upward trend with a rise of Rs. 8.15 crores. While investments are lower by Rs. 1.94 crore, cash balances (including balances with other banks) have gone up by Rs. 9.57 crores and money at call and short notice by Rs. 3.13 crores.

The Gilt-edged market is lethargic with very little business passing, due to absence of institutional enquiries on account of acute stringency in the money market. There are sellers in most of the counters at quoted rates. State loans also are devoid of any support. 3 per cent. 1986 Conversion Loan is on offer at Rs. 74.05. 3 per cent. 1970-75 is unchanged at Rs. 91.20, while 3 per cent. 1966-68 is 5 nP lower at Rs. 93.70. 3 per cent. 1964 and 1963-65 are dull at Rs. 97 and Rs. 96.75. 3½ per cent. 1961 is on offer at Rs. 100.10, 3½ per cent. 1963 at Rs. 99.95 and 3½ per cent. 1964 at Rs. 99.80. 3½ per cent. 1965 and 1967 have held their own at Rs. 99.55 and Rs. 99.05, respectively. 3½ per cent. 1967 is being quoted at Rs. 100.80 and 3¾ per cent. 1968 at Rs. 100.60. 4 per cent. 1960-70 is neglected at Rs. 100.75, 4 per cent. 1972 at Rs. 101.65 and 4 per cent. 1973 at Rs. 101-60. State loans have attracted sellers, but the quotations are all unchanged over the week.

There has been a hardening of the rupee in terms of the dollar this week, in consonance with the trend of sterling abroad. Banks' selling rate of ready dollars has declined from Rs. 475.25 to Rs. 475 per $100 and their buying rate from Rs. 472 to Rs. 471.75 per $100. In London, spot sterling has advanced from $2.81.17/32-2.81.19/32 to $2.81.11/16-2.81⅛ and three months' forward from $2.81.1/16-2.81⅛ to $2.81⅛-2.81.3/16.

BULLION

BOMBAY, 15th April

Both gold and silver rallied further during the week under review under the impetus of bull support induced by inflationary psychology and deteriorating Indo-Pakistan relations. The rise in the yellow metal was more marked. Some prominent operators were reported to be fully exploiting the situation of paucity of floating stocks in the city owing to poor arrivals and good offtake from upcountry centres. Silver continued to move up on renewed speculative demand which found offerings scarce. There were, of course, rumours regarding a possible heavy inflow of silver coins from Tibet in the near future which led to some selling yesterday, but the offerings were well absorbed. The undertone of the market was distinctly firm.

Ready gold touched today a high of Rs. 121-7 per tola, a level which is just As. 9 below the all-time peak of Rs. 122 reached on 31st August 1948. The closing rate was, however, lower at Rs. 121-5. The net rise since the rate had declined to Rs. 120-2-6 on the 11th inst. was Re. 1-2-6. The daily average arrivals of gold were 5,000 tolas, while the offtake was 5,500 tolas per day. The floating stocks of gold are reported to be around 25,000 tolas.

April settlement in gold evoked good buying support and advanced from Rs. 120-4 to Rs. 121-1 today before finishing at Rs. 120-15. May settlement registered a rise of As. 13-6 to Rs. 120-5-6. The *badli* was against the bears, but the rate narrowed down from As. 12 last week-end to As. 9½ today. June settlement was quoted today at Rs. 119-10-6, as against Rs. 118-12. Margin at the rate of Rs. 10 per tola continued to be operative on bulls in both April and May deliveries throughout the week.

In reply to a question in Parliament, Mr. B. R. Bhagat, Deputy Minister for Finance, stated this week that the value of smuggled gold confiscated by the Customs authorities in 1958 was Rs. 1.06 crore, as against Rs. 2.13 crores in 1957.

Ready silver was well supported, the quotation spurting from Rs. 200-12 on Wednesday last to Rs. 201-11 today. Towards the close, however, it was a shade easy at Rs. 201-8, owing to profit-taking. The daily average arrivals and offtake of silver were 10 bars and 14 bars, respectively. The floating stocks of silver are estimated at 800 bars.

In the forward section, April settlement opened the week firm at Rs. 200-14, as against Rs. 200-12, and rallied to Rs. 201-11 today before closing at Rs. 201-9. May settlement rose from Rs. 200-5 to Rs. 201-5 on Monday. After receding to Rs. 199-13 yesterday, it recovered to Rs. 201 today before finishing at Rs. 200-12. The *badli* payable by bears, which had narrowed down from As. 11 to As. 7 last week, widened again this week to As. 13. June settlement improved from Rs. 198-8 last week-end to Rs. 199-10-6 today.

The London bullion market presented an easy trend during the week under review. Ready silver encountered selling induced by slackness in demand for "essential" industry and poor Continental enquiry. The quotation for the metal receded from 79¾*d.* per fine ounce to 79¼*d.* Forward silver was done lower at 78¾*d.*, as against 79¼*d.* Ready gold declined from 249*s.* 2¼*d.* per ounce to 249*s.* 0¼*d.* owing to firmness of pound sterling. The dollar price of gold was $35.07½-35.09½ per fine ounce. Silver in New York continued unchanged at 91.375 cents per ounce.

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

	15-4-59	Highest	Lowest	8-4-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	121 5	121 7	120 2½	121 2
Forward*	120 15	121 1	119 15½	120 4
Sovereign	76 0	76 0	75 12	75 12
SILVER				
Ready (.996 fine Mint) ..	201 8	201 11	200 4	200 12
Forward†	201 9	201 11	200 4	200 12
London Silver Ready ..	79¼*d.*	79¼*d.*	79¼*d.*	79¼*d.*
London Forward	78¾*d.*	79¼*d.*	78¾*d.*	79¼*d.*
London Gold	249*s.* 0¼*d.*	249*s.* 2¼*d.*	249*s.* 0¼*d.*	249*s.* 2¼*d.*
New York Silver	91.375 c.	..	..	91.375c.

* 23rd April settlement. † 24th April settlement.

COTTON

BOMBAY, 15th April

In sharp contrast to its recent firmness, the cotton futures market depicted an easy trend during the week under review. There were persistent bull liquidation and large-scale selling by upcountry interests. Cotton futures values consequently receded. The selling was prompted by fears of the probability of large tenders against the maturing May contract and not due to any basic change in sentiment. Slackening of mill buying in the spot market, in the context of steady arrivals, also imparted weakness to the market. However, the crop estimates have been sharply reduced while mill consumption is running at a high rate. At the end of February, the crop was estimated at no more than 4.8 million bales, as against 5.4 million bales at the beginning of the season. A leading cotton firm has revised its estimates further down to 4.6 million bales which was even below the estimated consumption during the current season. The supply position was, therefore, tight. It was this consideration which prevented a further fall in price.

I.C.C. Moglai Jarilla May opened the week at Rs. 683.25 and gradually declined to Rs. 679.25 yesterday. Commencing today's session at Rs. 678, the contract improved fractionally to Rs. 678.75 but declined to Rs. 675.50. It, however, rose to the opening level and closed at that rate.

I.C.C. Moglai Jarilla August opened at Rs. 692.75 and receded to Rs. 689.75 yesterday. Commencing today at Rs. 688, it gathered Rs. 2 before receding to Rs. 686. The closing was, however, higher at Rs. 690.

The following table indicates the trend of prices of the contracts during the week:

(In rupees per candy of 784 lbs.)

	15-4-59	*High*	*Low*	8-4-59
I.C.C. Moglai Jarilla May 1959 ...	678.75	683.50	676.50	683
I.C.C. Moglai Jarilla August 1959 ...	690	693	687	693

In the spot section, mill buying slackened slightly. But arrivals continued to be normal. Consequently, prices tended to ease. Ready lots of quality cotton continued to find buyers, although higher levels met with resistance. Stockholders were not eager to sell either. They were inclined to hold on in anticipation of higher prices. Some of the varieties which attracted attention were Jaydhar, Laxmi, Surti, Vijay, Digvijay.

Listless conditions prevailed on the export front. Stray inquiries were noted for Bengal *Deshi* from Japan, but business put through was negligible. Japan was also said to be interested in Dholleras. France and U.K. also enquired for this growth. Shippers noted with interest the report that, very soon, Japan might issue exchange allocation for sterling area cotton.

The foreign section was quiet. Only limited interest was noted in foreign cotton. U.S. styles and Sudans received some inquiries. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 690 ; Berar Jarilla 775 ; Khandesh 845 ; Vijay 990.

Karachi cotton futures market relapsed into a spell of easiness during the week under review. Export demand was weak. Domestic spinner interest was also at a low ebb. Arrival of new crop was normal but fresh buying was not forthcoming. N.T.R.G. May declined from Rs. 53-6 last week-end to Rs. 51-4-6 yesterday. July eased from Rs. 54-14 to Rs. 53-9-6.

Trading was livelier in the Alexandria cotton futures market during the week. Brisk demand from communist countries and renewed inquiries from some of the traditional customers of the free world imparted strength to the market. Both the Karnak and Ashmouni contracts received support. Prices recorded a modest rise. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: May 72.30 ; July 72.41. *Ashmouni*: April 62.15 ; June 62.10.

Barring the near months of the American cotton contracts which were easy, reflecting the continued offering of cheap C.C.C. cotton, the Liverpool cotton futures market ruled fully steady during the week. The steadiness was due to speculative support to new crop positions. Sudan cotton futures also hardened on good spot house buying. The following are the latest available quotations—in pence per lb.—from Liverpool:—

American Cotton One Inch Staple Contract: May-June 21.95 (22.15) ; July-August 21.70 (21.75); October-November 20.85 (20.50) ; December-January 20.20 (19.95). *American Cotton Mixed Growth Contract*: May-June 22.65 (22.65); July-August 21.70 (21.65) ; October-November 20.75 (20.50) ; December-January 20.10 (19.85). *Sudan*: May-June 23.00 (22.70) ; July-August 23.00 (22.75) ; September-October 23.00 (22.80).

Cotton futures values in New York receded during the week on scattered hedging and liquidation. The undertone, however, was steady, thanks to the growing feeling that supplies would become scarce at the current season drawing to a close.

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

(In cents per lb.)

	14-4-59	7-4-59	31-3-59
Spot	35.90	35.95	35.90
March	35.65	35.79	35 81
May	35.03	35.40	35.11
July	32.68	32.70	32.79
October	32.63	32.70	

YARN

BOMBAY, 15th April

There was a landslide in price of art silk yarns and staple fibre yarns. Art silk yarns were subjected to nervous liquidation by bulls who feared that arrivals of yarns against import licences granted in respect of the Export Promotion Scheme would be considerable in the coming weeks. The other bearish factors were the marked drop of 50 nP to Re. 1 per lb. in the price of nylon yarns and discouraging advice from art silk fabrics markets. Reports of heavy stocks with indigenous manufacturers also imparted weakness. The selling pressure was equally pronounced in the staple fibre yarn section, thanks to poor offtake from consuming centres and large offerings from several mills in South India. Cotton yarns ruled irregular. Thus, while coarse counts tended to move down, medium and finer counts evoked good support although the rise in prices was not marked.

More than 4.97 million lbs. of art silk yarn were imported into Bombay port during the month of March last as compared with 3.21 million lbs. in the previous month. In the same month, 241,257 lbs. of synthetic yarn, 51,500 lbs. of staple fibre yarn and 41,667 lbs. of cotton yarn were imported. The aggregate exports of cotton yarn from Bombay port during March were 639,649 lbs.

Cupressa Bamberg art silk yarn (60 x 1) June delivery came down from Rs. 1,541 to Rs. 1,503. April delivery fell by Rs. 27 to Rs. 1,501. The spread between the two contracts narrowed down from Rs. 10 last week-end to Rs. 4 today. Spot Cupressa (60 x 1) Bamberg yarn dropped 12 nP to Rs. 7.41. 120 Japan and 150 Japan declined by 3 nP each to Rs. 4.84 and Rs. 4.73, respectively. 120 Italy lost a like amount to Rs. 4.87. 150 Italy was quiet at Rs. 4.75. Among indigenous yarns National Rayons 150 bright cones first grade eased by 2 nP to Rs. 4.26. 120 bright cones first grade was quoted at Rs. 4.45.

April delivery in staple fibre yarn moved down from Rs. 617 to Rs. 597. June delivery suffered a loss of Rs. 19, today's closing rate being Rs. 603. Spot Citys receded by 6 nP to Rs. 3.06. Kohinoors shed 3 nP to Rs. 3.23. Centurys declined by a similar sum to Rs. 3.19. Among imported yarns, 80 x 2 Fujis decreased by 2 nP to Rs. 8.78, while Paramounts were better by 3 nP at Rs. 7.84.

In the cotton yarn section, ten counts Moderns came in for selling and receded by 13 nP to Rs. 13.25. Podars were neglected at Rs. 12.19. Twenty counts Moderns were dull at Rs. 16.25, as also Seksarias at Rs. 15.50. Among forty counts, Minaxis gathered 6 nP to Rs. 25.06. Moderns were dully maintained at Rs. 26. Sixty counts Raghuvamshis hardened by 50 nP to Rs. 55 50. Finlays were unchanged at Rs. 65. Eighty counts Mahendras gained 50 nP to Rs. 71. Citys were fully steady at Rs. 67. Finlays, however, declined by 50 nP to Rs. 81.

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

	15-4-59	8-4-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg (per case of 200 lbs.) ..	1,504	1,531
" " " April/June	1,503	1,541
60/1 Cupressa Bamberg spot (per lb.)	7.44	7 56
120 Japan (per lb.)	4.84	4.87
150 Japan (per lb.)	4.73	4.81
120 Italy (per lb.)	4.87	4.90
150 Italy (per lb.)	4.75	4.75
Staple fibre yarn—		
40 x 2 April (per case of 200 lbs.)	597.00	617.00
40 x 2 June (per case of 200 lbs.)	603.00	622.00
40 x 2 Century (per lb.)	3.19	3.22
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
40s Minaxi	25.06	25.00
60s Finlay	65.00	65.00
80s City	67.00	67.00

SUGAR

BOMBAY, 15th April

A quiet trend was in evidence in the sugar market during the week under review. Spot demand was poor, while arrivals by rail were quite large, being 24,200 bags, as against 15,700 bags in the previous week. Consequently, prices showed a tendency to decline. The fall would have been more marked but for sustained enquiry from Malabar side.

Small grain sugar eased by 50 nP to Rs. 112.50. Medium grain was unchanged at Rs. 113-Rs. 114, as also large grain at Rs. 114-Rs. 117.

METALS

CALCUTTA, 14th April

The feature of trading in the metal market during the week under review was that, while lead and tin continued to decline, zinc and copper scrap recorded a hardening tendency. Electrolytic zinc which had fallen to Rs. 79 last week recovered to Rs. 84, this week. The recovery followed the knowledge that the quota allowed for established importers under the new licensing policy was infinitesimal. However, it should be said that the fall and recovery were more of a psychological character in the market, as business was not done either at the fall or at the rise. Quotations were nominal. Such a state of affairs was due to stocks being plentiful, and consumers felt confident that they could have their requirements at any time. Note was taken of the fall in the price of zinc on the London Metal Exchange, leading to shortening of the gap in the backwardation. The spot metal gave way to £71¼ from £72¾. In New York also, a downward trend was in evidence.

Copper scrap continued to be quoted at high rates, thus reflecting the tight supply position of this material. It was felt that the restoration of the quota to the extent of 20 per cent. to established importers would not relieve the shortage.

Tin opened at Rs. 595 and gave way to close at Rs. 583. Some supplies were on the high seas, and their arrival, it was feared, might depress the price further.

Lead eased to Rs. 68 from Rs. 70. Demand was poor, but the supply position of the virgin metal was good, although the same was not the case in regard to lead scrap.

OILSEEDS

BOMBAY, 15th April

The oilseeds market had only four trading days during the week. It was closed on the 9th and 10th inst. on account of *Gudi Padva* and *Ramzan-Id*. During this short week, sustained firmness was witnessed in the market. Both futures and spot prices hardened on all-round buying. In the groundnut section, in particular, the firmness flared up into a virtual boom. The acute shortage of the ready material and persistent demand from crushers and manufacturers fanned the bullish fervour. Renewed demand from foreign countries and better prospects for exports of oil and oilcake to Europe and Far East countries also helped sentiment. Futures values consequently shot up, with groundnut May touching a new peak of Rs. 193.25 and August Rs. 197.75 yesterday. This spurt forced the Forward Markets Commission to tighten the margin rates further today. Accordingly, a margin of Rs. 65 was made payable if the contract rose to Rs. 196. Castorseed also met with keen buying prompted by rumours of the possibility of large-scale business with the U.S. and communist countries. Slackening of new crop arrivals in Gujerat and Hyderabad and a further hardening of spot prices were other favourable factors. The strength of groundnut and castor affected linseed which, despite the delay of Australian tenders, firmed up in sympathy. Trading in cottonseed, in contrast, was featureless, thanks to the stringent margin and easier advices from the cotton market. The raising of the margin on groundnut today had a signal effect on the market which turned easy. The easiness persisted till the close.

Groundnut May met with firm support and improved from Rs. 189.50 at the beginning of the week to Rs. 193.25 yesterday. It, however, eased to Rs. 191.25 today. The August contract rose from Rs. 193.50 to Rs. 197.75 but finished lower at Rs. 196.25 today. Spot groundnut found keen buyers. Bold ready was quoted at Rs. 39.50 yesterday, as against Rs. 38.75 early in the week. It, however, eased to Rs. 39.12 today. Oil prices recorded a modest improvement.

Speculative buying pushed castorseed May from Rs. 158.62 early in the week to Rs. 159.62 yesterday. The contract, however, softened to Rs. 158.87 today. Castorseed September firmed up from Rs. 162.75 to Rs. 164 before finishing at Rs. 163.37. Castor oil was firm on reports of demand from communist countries. Oil B.S.S. rallied from Rs. 16.94 on Saturday to Rs. 17 yesterday, although it closed today a shade lower at Rs. 16.87.

In anticipation of Australian tenders operators supported linseed May and September which rose from Rs. 32.69 and Rs. 33.44 at the start of the week to Rs. 33.00 and Rs. 33.81 respectively, yesterday. Today's closing was lower at Rs. 32.75 and Rs. 33.50 respectively. Ready prices also improved over the week.

Cottonseed futures were relatively neglected. Cottonseed May and September recorded a sympathetic rise from Rs. 128.25 and Rs. 130 respectively at the start of the week to Rs. 129.50 and Rs. 131.75 yesterday but receded today to the same levels as obtained at the beginning of the week.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	15-4-1959	8-4-1959	1-4-1959
Groundnut	Rs.	Rs.	Rs.
May 1959	191.25	187.50	185.00
August 1959	196.25	191.50	188.00‡
Hold ready	39.12	38.25	37.25
Coromandel ready	39 37	38.62	38.12
Khandesh quality	39.37	38.75	38.12
Oil ex-mill ready*	20.26	19.87	19.87
Railway receipts*	20.50	19.75	19.56
Castorseed			
May 1959	158.87	160.50	154.12
September 1959	163.37	160 62	159.25‡
Ready Madras	31.44	31.00	30.12
Ready Kanpur	30.12	29.50	28.75
Oil B.S.S.†	16.87	16.65	16.31
Oil commercial†	15.44	15.12	14.94
Linseed			
May 1959	32.75	32.31	31.87
September 1959	33.50	32.94	32.69‡
Bold ready	32.62	32.12	31.75
Oil ready†	16.19	15.69	15.75
Cotton seed			
May 1959	128.25	128.50	130.00
September 1959	130.25	130.25	129.75‡
Niger seed	29.50	29.50	27.75
Kardi seed	23.37	23.25	23.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
‡ Closing rates on 3rd April, 1959.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

HIDES AND SKINS

MADRAS, 13th April

Arrivals of E.I. tanned cow hides was of usual volume and sellers were quoting 10 per cent. more than last week's levels, which shippers declined to follow. A few sales of kips to the U.S.A. at 5 per cent. over the pre-Easter prices, upset the market, and tanners were quoting fantastic prices. It is stated that world raw prices have advanced by 100 per cent. as compared with the last year's level. Though E.I. tannages are not generally influenced by world prices, the trade expects that still higher prices over today's parity will have to be paid in sympathy, because they have to buy raw stocks in the same markets competing with chrome tanners.

Demand for buff calf from the U.S.A. was good and sellers quoted 15 per cent. over February levels. There were inquiries from the Continent also. Importers of tanned goat and sheep skins were feverishly calling for offers and several parcels were sold at increased prices. The tone was firmer all round.

JUTE

CALCUTTA, 14th April

Conditions in both the jute fibre and goods markets were extremely quiet during the week under review. The news that for the second time in recent weeks Pakistan was able to divert from India an Australian order for heavy goods chilled sentiment. For this showed that production in Pakistan was increasing and that Pakistan was left with some export surplus. Hitherto, Pakistani activity in the export market for goods was negligible, as production was hardly sufficient to meet that country's domestic demand. No doubt, Pakistan now and then had exported token quantities of hessian to the United States. Even now, it is by no means certain that Pakistan's bid to secure the two orders from Australia indicates that it is able to ensure regular supplies to the foreign markets. However, there is no gainsaying the fact that the quality of Pakistani production is infinitely better than the goods produced in India. This is due to the natural advantage Pakistan enjoys in jute of the finest quality. This factor brings to the forefront the imperative need for improving quality of Indian jute, according to market circles.

On Tuesday last, the goods market was featureless in the absence of interest being shown by buyers for export. On the next day, there was some interest shown by Australian buyers for woolpacks, but the quantities involved were so small that they had no effect on the market. Ready B. twills at Rs. 93.20 were lower by a few nP., and ready hessian 40" 10 oz. drifted to Rs. 39.55 from Rs. 40.75. At this stage, the news of a fall in stocks of jute goods with mills as at the end of March was available, but this, contrary to expectations, did not arrest the downward trend. The declining trend continued and on Thursday ready B. twills gave way to Rs. 93. However, hessian 40" 10 oz. at Rs. 39.65 was better by a few nP. Overall, the stocks of jute goods fell by 4,000 tons. Sackings declined by 7,300 tons, but this was offset by the increase of 1,800 tons in miscellaneous goods and of 1,500 tons in hessian. On Friday, the market was closed. Over the week-end, hessian 40" 10 oz. improved to Rs. 40, while B. twills declined further to Rs. 92.50, despite repetition of Australian interest for woolpacks and cornsacks, albeit for small quantities. Conditions during yesterday continued to be featureless with no incentives for quotations improving in the absence of business with foreign buyers. There is a shortage of ready goods in hessian, but even then the 40" 10 oz. for April was quiet at Rs. 39.85. However, ready B. twills was slightly better at Rs. 92.75.

Raw jute prices declined by about 25 nP per maund. Mills showed meagre interest, and another cause was the reports of satisfactory condition of the young plants wherever sowing has already taken place. The latest quotations for April-May delivery of the outstanding 1958-59 crop are:

	Middles	*Bottoms*
	Rs.	Rs.
Indian:		
Northern	23.00	20.00
Assam Upper ...	23.25	20.25
Cuttack	25.00	22.00
Desal	22.25	19.25
Murshidabad	20.75	18.25
Jungli	20.50	18.00
Daissee	23.50	22.00
Uttar Pradesh ...	20.50	18.00
Daissee mesta ...	20.75	18.25
Bimli f.a.q.	...	Rs. 18.75
Pucca bales 1st marks ...	Rs. 160.00 ready per bale.	

TEA

CALCUTTA, 14th April

Much earlier than usual, the export sales of the 1958-59 North Indian tea came to a close with the auctions held a week ago. However, it is likely that one or two more sales of a miniature type would take place. These would be aimed at clearing away any quantities that might have left the gardens, but not reached Calcutta so far.

It was with a measure of enthusiasm that trade circles noted that practically the exportable types of the 1958 production stood exhausted. The export sales for this year's production would commence from June, and that gives a break of six weeks between the closure of the 1958-59 auctions and the beginning of the 1959-60 auctions for export. By this time, the new season's teas should be arriving in substantial quantities, and the trade felt that in the early auctions accumulation of demand would lead to buoyancy.

The same rosy position cannot be painted of common teas. A fair quantity of dusts still remain to be marketed, and as such internal auctions would continue for some time to come. Meanwhile, the West Bengal Labour Minister, Mr. Abdus Sattar, received last week a deputation of representatives of gardens in the Terai and Dooars producing common teas. They represented the uneconomic nature of these gardens and presented a strong case for tax relief. The news from New Delhi that a decision had been arrived at to take over uneconomic gardens which had been closed was noted here with concern. For it was felt that by taking over these gardens, the Government would in no way bring a solution to the problem of uneconomic working. The decision, at best, would only prolong the disease. The correct course would be to make a detailed enquiry as to the working of these gardens and grant them tax relief. The present decision would only mean that the taxpayers' money would be utilised to meet the loss that would be incurred in working the uneconomic gardens by the Government. The question that is being asked here is whether gardens incurring loss after being worked in accordance with commercial principles could be worked by the Government without loss. The answer is anybody's guess.

Dusts on offer in internal sales held last week amounted to 21,250 chests, which met with good demand. In the C.T.C. group, competition was offered to the small powdery lots the prices of which rose. However, mediums gave way, as also the few best liquoring types. On the other hand, orthodox teas were in good demand. Legg cut Dooars recorded a hardening tendency with buyers favouring the brighter liquorings. In Darjeelings, the better lots were fully steady, but the poorer ones were quiet. The quotations, exclusive of excise duty, were: best Assam C.T.C. Rs. 2.60 to Rs. 3.00, medium Assam C.T.C. Rs. 2 to Rs. 2.15, medium Dooars Re. 1.82 to Re. 1.86, and medium Assam grainy Re. 1.76 to Re. 1.82.

Leaf amounting to 3,390 chests met with poor demand. Prices eased.

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

COCHIN, 10th April

Just over 900,000 lbs. were offered in sale No. 13, which was held on 7th April 1959 and the quantity offered in this sale was slightly larger than last. The sale opened to a good general demand, although good medium and best liquoring broken grades met with less support than in recent sales and sold at much easier rates. How-

ever, there was better enquiry for corresponding fannings in this sale, although prices were slightly lower. Low medium and medium teas met with good demand and sold at irregularly dearer rates. A fair selection of whole leaf grades met with keen competition from all buyers and sold at higher rates and were the strongest feature of the sale. The following are the quotations:—Low medium Re. 1.60 to 1.70; medium Re. 1.80 to 2.25; good medium Rs. 2.25 to 2.85; and quality Rs. 2.60 to 5.12.

Dust Sale 'G'.—Approximately 500,000 lbs. were on offer in Dust Sale 'G' which was held on Thursday, 9th April 1959. The sale opened to a strong general demand for all types. Milled dusts, however, were generally easier and prices for these types were five naye paise below last. Rates for all other types were irregular and can be quoted barely steady. A slightly larger quantity of C.T.C. dusts met an improved demand at above last rates.

London Market:—Sale of 6th April 1959.—Generally firm to dearer.

Sale of 7th April 1959.—Generally dearer following improved quality.

Sale of 8th April 1959.—Steady. Good demand.

Colombo Market:—Sale of 6th April 1959.—Strong demand. Dimbula dickoya brokens irregularly lower, following quality. Medium and useful liquoring Uvas 10c. to 15c. dearer. Small leaf low growns 5c. dearer. Gulf types slightly lower.

Sale of 7th April 1959.—Off grades strong. Active demand. Generally dearer, particularly good liquoring dusts.

Calcutta Market:—Export.—64,600 packages export. Fair general demand. Prices irregular. Black clear leaf sold well at dearer rates. Teas for price plain and medium brokens irregularly dearer. Poorer fannings up to 12 nP easier. Any stylish whole leaf well supported. Best C.T.C. sold well. Poorer sorts irregularly easier.

Internal.—21,300 packages dust. Strong general demand. Grainy orthdox types about steady. Powdery dearer. C.T.C. irregularly 8 nP easier, except powdery kinds which are firm.

Export Quota 1959-60.—Although the Government has not announced the first release of 1959-60 export quota, a small business in new quota has taken place at 8 nP and at the time of writing there are sellers at 8 nP and buyers at 6 nP.

Special Licence 1958-59.—The market has continued to be rather quiet last week and small business has gone through at 1¼ nP. At present, there are sellers at 1¼ nP and probable buyers at 1¼ nP.

Forthcoming Auctions.—Sale No. 14 will be held on Monday, 13th April 1959.

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

"*Sale* 14.—900,000 lbs. Good general demand. Low medium and medium brokens and fannings irregularly 5 nP dearer. Good medium high-grown brokens easier. Similar fannings better. Enquiry at lower rates."

PEPPER

(Messrs. Parekh and Co.)

BOMBAY, *15th April*

Ready pepper in the local market during the week improved from Rs. 91 to Rs. 98 under pressure of inland demand and in view of tight stock position. Ungarbled at Cochin climbed up to Rs. 681¼, while forward delivery for May rallied to Rs. 120 from Rs. 114. Calicut hardened to Rs. 750.

Inquiries from Russia and other Communist countries proved to be a supporting factor. Spot in New York, after touching $0.24¼, improved to $0.25¼. The outstanding feature of the U.S. market is that the quotations for forward delivery are now higher than spot rates after a period of a couple of years. Dealers there seem to have realised that the future supply available for the remaining period of the year will be smaller than the consuming requirements of the world, as the new crop of both Sarawak and Lampong are expected to be smaller.

Singapore improved to Str.$83 for black and Str.$154 for white, with sellers scarce.

Small business for Malabar for April shipment was reported done at $0.23. There are sizable inquiries at round about this price, but sellers are unwilling to sell for anything less than $0.26. The inland market is likely to improve as further reduction in the freight from India to the U.S.A. is very likely, in view of the competition from tramp liners and of the fact that many ships which have been bringing farm products from the U.S. to India have to go empty for the return voyage.

Stocks of ready pepper have been reduced considerably, as new arrivals are smaller, in view of disparity and distressed selling by the weak stockholders having been finished. Demand for ready pepper is improving.

Ready pepper is quoted between Rs. 98 and Rs. 105, according to quality.

LINSEED

(Messrs. A. Bradley and Co.)

CALCUTTA, *13th April*

The generally firmer tone of the linseed market noted last week strengthened further, thanks to firmness at the centres. The anticipated improvement in arrivals did not materialise and, with sellers reserved and buyers generally keen, ready seeds advanced to Rs. 23.75, a gain of about Re. 1 per maund. Following further sales of linseed cake to the U.K., the local price remained steady, but, with overseas buyers wanting near positions only, any further local advance is likely to prevent fresh business. The oil market was active, although stocks were rather scarce. Shippers showed some interest in anticipation of an improved demand from abroad. It is rumoured that Australia has purchased a limited quantity for prompt shipment.

The latest quotations are: Ready Rs. 23.75 and April-May Rs. 23.25 per maund.

INVESTMENTS OF L.I.C. IN INDUSTRIAL SECURITIES

(Concluded from page 643)

in North-eastern India. Latterly, the concentrated purchases of blue chips like Tata Iron, Indian Iron, A.C.C. and others have led to greater investments in cement and iron and steel shares. But many other industries have not been equally favoured. It is in bringing about a proper proportion between the various industries and in the various regions that there is need for a new policy. The diversification is also necessary to counter indirect attempts to acquire strategic interests in the paid-up capital of particular companies which might lead to nationalisation by the backdoor.

It has been indicated that, as a result of the integration of the investment portfolios of 245 insurers, the percentage of holdings in the shares of particular companies has proved to be fairly high and that it was considered necessary as a consequence to amend Section 27(a) of the Insurance Act, permitting larger holdings. The trends in stock market trading in the past two decades have clearly shown that the market tends to become narrow, when two sizable interests are built up. The managing agents have of necessity to keep holdings which are at least 35 to 40 per cent. of the paid-up capital having voting rights, because, in any emergency, it has always been possible to mobilise another 10 to 15 per cent. of the capital and obtain a simple majority.

If the L.I.C. and other bigger shareholders happen to be ranged on one side, the managing agents will be obliged to remain on the defensive, leading to the acquisition of effective controlling interests. This trend would naturally make for lesser liquidity and dispersal. The L.I.C. can always be the watchdog of the shareholders' interests even if it only owns 10 to 15 per cent. of paid-up capital in particular companies. Besides, in view of the fact that it will be securing only shares of companies which have a regular dividend record and which are under efficient management, the need for alertness may not be compelling. If a greater diversification can be brought about through more judicious purchases and the policy is to subscribe as far as practicable to the new issues of established companies and the flotations of new units sponsored with the help of State Governments or under influential auspicies, the twin objectives, namely, of safeguarding the interests of the policyholders and of putting to use the large sums at the disposal of the monolithic corporation in improving the industrial economy of the country, would be reached.

It has been suggested that one method of diversification and satisfying regional interests would be to plough back as far as possible the net additions to assets brought about by the contribution of new business as well as business in force on account of the various regions. While regional aspirations have some validity, it is rather difficult to frame investment policies in a way which will ensure the investment of available funds in proportion to the contribution to total business by various regions. There are many practical difficulties in the way. The absence of large supplies of floating scrips in Madras has naturally been the greatest handicap in putting through the operations of the L.I.C., while Bombay has had the lion's share so far. Even the Calcutta interests have been complaining of a step-motherly treatment. Though eligible industrial securities are available in greater number and volume, the total of purchases in the Calcutta share market has not been of the same dimensions as in the Bombay market. The policy in regard to purchases of eligible industrial securities will naturally have to be guided by the availability at the various centres and the prospects as they affect new industries at the time of purchase. If in particular directions certain developments have been responsible for attracting larger investment, the effects induced have to be attributed more to the greater enterprise shown by the enormous capital structure of the companies and the liquidity of its shares in specified areas rather than to any other fact. There has been no deliberate policy on the part of the Corporation to favour any particular areas. It can certainly be expected that the Corporation would place larger amounts in new shares issued by established units in Madras, in order to implement large expansion programmes. The requirements in this regard have not been appreciable so far. But it would be reasonable to expect that any vacuum by inadequate support from existing shareholders would be filled by the L.I.C. It is only with a dynamic approach to the various questions at issue and an open mind that the Corporation can be enabled to play a more useful role in developing the industrial economy of the country in the coming months and years.

The L.I.C., therefore, cannot be in a position to attach greater importance to regional interests than to the national interest. For instance, if the L.I.C. was to take up the bulk of shares of any one company in Madras, investment interest by the public would dry up. On the other hand, the L.I.C. should play a more effective role in the expansion of our industrial economy by indirectly fostering public interest in investment of shares.

In short, the L.I.C. has to be guided by certain principles. They have to be always aware that they are the trustees of the policyholders' money. Their investments should fall in line with the Government's avowed policy of creating a Welfare State. They have to consider their investments from the point of view of merit. They should also indirectly foster shareholdedness in the public.—*All Rights Reserved.*

Notice

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the Seventy-fifth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Monday, the 4th May, 1959, at noon, to consider the Accounts of the Company for the year ended 31st December, 1958, and to transact other ordinary business and the undernoted special business.

SPECIAL BUSINESS

NOTICE is also hereby given of the following Resolution which will be proposed as a Special Resolution:—

"That the following contract between the Company and The Bengal Paper Mill Co. Ltd., an Associate (as defined by Section 2(4) of the Companies Act, 1956) of Balmer Lawrie & Co. Ltd., the Company's Managing Agents, a draft whereof has for the purpose of identification been subscribed by the Chairman of this Meeting be and the same is hereby approved and the Directors are hereby authorised to execute the said Agreement on behalf of the Company with all convenient despatch:

> for sales of such electrical switchgear, apparatus and electrical stores and services in which the Company regularly trades or does business and which the Associate may require for the purpose of its business, payment for such sales being due within one month from the date of the supply of such goods or the supply or rendering of such services;

it being a term of the above contract that the prices at which transactions take place shall be at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 20th April, 1959 to 4th May, 1959, both days inclusive.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, *31st March*, 1959.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

COMMERCE

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

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ROAD TRANSPORT

IN the context of the recent controversy over the alleged diversion of traffic from rail to road transport, the report of the Road Transport Reorganisation Committee (Chairman: Mr. M. R. Masani) acquires topical importance. Although the full text of the report has not been made available to the public, even the official summary of the document shows that the Committee has made a thorough study of the many maladies which afflict road transport today. It is, therefore, to be deplored that the Government should not have released the report to the public which has been looking forward to it for quite sometime now. Its duty has not ended with merely placing a copy of the report on the table of Parliament. The delay in its circulation to the public will, however, be of little consequence, if the Government promptly implements the Committee's salient recommendations which imply no less than a thorough overhaul of the administrative machinery for road transport and also of the policies governing the issue of permits for transport vehicles.

The recent controversy over the road *versus* rail transport—or more appropriately, the revival of the controversy which one thought had been safely buried with the thirties—is deplorable to a degree. For it might conceivably give a setback to the momentum which road transport, after a prolonged period of neglect, has gained for itself. It would be particularly wrong to regard the controversy as a contest between a nationalised service and a private industry. For one thing, transport is too important an economic activity to be treated as the bone of some ideological contention. Secondly, it cannot be too strongly reiterated that road transport is also something of a national enterprise, in that the country's total expenditure on roads, on which the vehicles operate, is not an inconsiderable part of India's national investment; by the end of the second Plan, the investment in roads will be of the order of Rs. 726 crores. Surely, it is of the utmost importance to the taxpayer that the investment in roads should yield a good return. And an important way by which such return could be ensured is to promote road transport industry, which, by putting roads to optimum use, could give an adequate reward for the taxpayers' effort. Further, as the Committee has pointed out, from the users' point of view, the authorities should at all times strive to uphold the principle of unrestricted freedom of choice among the means of transport, to which the International Union of Railways and other world commercial bodies have so unequivocally subscribed.

Appropriately enough, the Committee has emphasised the importance of building up a good and efficient network of roads in the country. It points out how the mileage of roads in relation to territory and population in India compares unfavourably with other countries and even the existing roads are not being adequately utilised. It may be mentioned here that, as against the Nagpur Plan target of 331,000 miles of roads, actual road mileage by 1960-61 will be 379,000 (thereby exceeding the target by 48 000 miles), consisting of national highways 13,800 miles, State highways 35,000 miles, major district roads 95,200 miles, other district roads 78,300 miles and village roads 156,700 miles. In the light of the increase in agricultural and industrial production, which is bound to take place in the second, third and subsequent Five-year Plans, there is urgent need to draw up a bold road plan for the country. Fortunately, the Indian Roads Congress has given a correct lead in that, at its last session, held in Hyderabad, it drew up a Rs. 5,200-crore plan, designed to achieve a road mileage of 657,000 by 1980-81, consisting of national highways 32,000, State highways 70,000, major district roads 150,000, other district roads 180,000 and village roads 225,000. This plan deserves to be implemented speedily enough, so that the programme of industrial and agricultural expansion schemes is not held up through an imperfect and inadequate road system. No less important than the implementation of the road plan is the elimination of the bottlenecks which now hold up traffic along the major roads. The Committee has done well to stress the need for undertaking the construction of bridges on the national highways—there are 116 of them to be built—the absence of which is a serious obstacle to the smooth flow of traffic.

Elaborate recommendations for the reorganisation of the administration of road transport have been made by the Committee. They include the establishment of a transport ministry in each State to deal exclusively with roads and road transport (with two wings—a roads wing under a chief engineer and a transport wing under a transport commissioner) and a transport advisory committee for each State. The strength of the Transport Department at the Centre, it is stated, should be enlarged and strengthened. A number of concrete suggestions have been made for improving the system of permits for plying transport vehicles. The Committee has recommended that all permits for public carrier goods vehicles should be valid for the whole of a State, subject to the provision that an operator may confine himself to a region and pay a somewhat lower rate of tax. An operator, who functions within a State, should own a minimum of five vehicles or be a member of a union which owns five vehicles. It has suggested that the system of granting permits for buses should be liberalised. As regards inter-State traffic, it has recommended that the Inter-State Transport Commission should be armed with the necessary executive staff and invested with powers to issue permits themselves in case of need. In order to be eligible for inter-State operation, an operator should own a minimum of five buses or, in respect of goods transport, a minimum of ten or more trucks. The Government should not find it difficult to accept these suggestions made by the Committee. And, if the Government is determined to promote road transport—its spokesmen have often emphasised that it is—it should also accept the Committee's suggestion that the existing moratorium on the nationalisation of goods transport should be extended for a period of at least ten years from the end of the third Plan period.

Among the factors inhibiting the development of road transport are inadequate road system, rigid load restrictions, lack of encouragement to truck-trailer combinations, inadequate supply of vehicles, absence of viable operating units and of reciprocal arrangements between States, and lack of credit facilities. The Committee has done well to tackle these points, on each of which it has made constructive suggestions. But the removal of these defects will not, by itself, avail the road transport industry anything, unless the burden of taxation on motor vehicles is brought down. The Committee has rightly emphasised the importance of reducing the tax burden on the industry. The taxation per vehicle in 1957-58 was Rs. 2,100, as against Rs. 1,906 in 1954-55, Rs. 1,115 in 1949-50 and Rs. 611 in 1944-45. Thus, in the course of a little over a decade, the taxation on motor vehicle has increased by more than 200 per cent. Such a heavy burden of taxation on top of an increase in the cost of operations and in the value of vehicles is not conducive to the rapid progress of road transport industry, which, both on its own and as a valuable adjunct to rail transport, has a notable role to play in the development of national economy.

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CO-OPERATIVE FARMING—II

THE controversy over co-operative farming still holds the field, with both its supporters and opponents harping on it almost daily. The Prime Minister seems to have made it a point to dwell upon the subject in every speech that he makes. He and his colleagues, whether they are in the Congress Party or in Governments, feel convinced that, without co-operative farming, there could not be an adequate increase in agricultural production, and co-operation in all forms of activity in rural areas is indispensable for abolishing poverty. For them, therefore, there can be no retreat from co-operative farming, service co-operatives, co-operative credit societies, marketing societies, etc. Indeed, following Mr. Nehru's passing remark in a couple of public speeches that co-operation should ultimately figure in industries also, the Union Ministry of Commerce and Industry has already begun to change its tune. Perhaps, Mr. Lal Bahadur Shastri's stress on decentralisation of production and encouragement to small manufacturers and his opposition to monopolistic tendencies, as though they exist in this country to any significant extent, are fashioned after Mr. Nehru's advocacy of co-operation in industry. For it is obvious that, just as the programme for country-wide co-operative farming has followed the move towards ceiling on land, so also co-operation in industry has to be preceded by dispersal of ownership of industries and economic power. The fanatical fervour with which co-operation is being advocated as a panacea for all the economic ills of this country gives rise to the fear that the leaders in power may become victims of their slogan, resulting in irreparable damage to the country's economy. The Prime Minister, for instance, made the astounding statement in Madras last week that he could not understand how anybody could be opposed to co-operative approach. This implies that all the reasoned arguments put forward by the critics against co-operative farming have meant nothing to him.

Beyond broad generalisations, neither Mr. Nehru nor his supporters have cared to reply, in any of their numerous speeches, to the specific points made against co-operative farming. In the first place, how is co-operation going to succeed in farming, when it has not been a resounding success even in spheres to which it is ideally suited? In none of the several enquiries into the working of co-operatives that were conducted in recent years has co-operation come out without serious blemishes. Even the report of the Working Group on Co-operative Policy set up by the Ministry of Food and Agriculture, the latest among reports on co-operation, is critical of rushing through with the

expansion of co-operatives without proper planning and adequate safeguards. The facts given therein are by no means complimentary to the co-operatives. Out of the existing 165,000 primary credit societies, at least 100,000 are in such a poor shape that they need revitalisation. Several crores of rupees will have to be spent every year by way of subsidies, apart from providing large-scale loans at cheap rates of interest by the Reserve Bank and the State Governments. Most of the societies are very weak, both financially and administratively. In 1956-57, as many as 37 per cent. of the village societies had overdues exceeding 50 per cent. of the outstandings, while another 27 per cent. of village societies had overdues ranging from 20 per cent. to 50 per cent. of outstandings. A very large number of societies have become inactive, doing little or no business. Similar instances of basic weaknesses in other types of co-operatives as well can be multiplied. They are not figments of the critics but are based on the findings of committees appointed by the Government.

When it was suggested by a Member of Parliament early this month that experiments should first be conducted in certain selected parts of the country in order to test the efficacy of co-operative farming, Mr. Nehru flatly turned it down. He would not even agree to the alternative suggestion that the question be examined by an independent committee of competent persons. He said that the Nagpur resolution was final and that there could be no going back on it. He has also stated on several occasions that the Nagpur resolution itself was arrived at after a careful consideration of the subject by a special committee of Congress men. But this was a committee of persons with preconceived ideas. Nor was its enquiry comprehensive. The committee did not hold even informal discussions with those who have been opposing co-operative farming. As there are grave doubts about the success of co-operative farming, the least the Government should do is to refer the question to an impartial committee, consisting of persons with experience and knowledge of agriculture. It is not too late to accept this suggestion even now. After all, in the three years beginning from 1959, only service co-operatives are to be formed. This gives sufficient time for an expert enquiry into the workability or otherwise of voluntary co-operative farming under Indian conditions. The Government's refusal to concede this reasonable demand would amount to an affirmation of the criticism that its approach is doctrinaire.

It has been repeatedly stated by the Prime Minister that co-operative farming would be introduced only with the consent of the people and that no compulsion would be exercised on farmers. Welcome though this assurance is, it does not seem to have allayed the misgiving that, in actual practice, it may not come to be respected by those who are entrusted with the responsibility of implementing the programme. There is a widespread fear that landowners would be coerced and cajoled into the co-operatives in various ways. Those who know the rural side well enough will readily concede that this fear is not unjustified. Mr. Nehru himself has stated in Parliament that a minority cannot be allowed to stand in the way of implementing this programme. Now, in almost all the villages, the landowners are in minority and, if the landless, who are in majority, decide to form co-operative farming societies, it is inconceivable that the landowners can afford to keep out of them. Even if a few were to decide to continue individual farming, their life could be made miserable by the majority in various ways, especially when the minority's stand does not enjoy the sympathy of those who are in power. Again, Mr. Nehru has stated that he is no admirer of individual farming, that too much individuality in crowded societies is not a good thing, though it might have been so in Vedic ages, and that he is in favour of giving special incentives in order to attract farmers to joint-farming. When it was pointed out that incentives in favour of co-operative farming would amount to discrimination, he retorted that he would exercise discrimination every time for better work and for a better policy. It is thus obvious that he is determined to place individual farming at a discount and give a premium to co-operative farming. Accordingly, another draft on the tax-payer's purse is in the offing.

Further evidence of coercion implied in the drive for co-operatives, whether for farming or service, is provided by the report of the Working Group on Co-operative Policy. The Group, for instance, has suggested that, in order to induce a large number of persons to become members of the village societies, it should be laid down that "only members of village societies should be eligible for the supply of seeds, fertilisers, *taccavi* loans and other facilities made available by Governments or Government agencies." Another instance to show that coercion is very much in the minds of planners and policy-makers is provided by the recommendation of the Working Group in regard to co-operative marketing societies. "It is intended," says the Working Group, "that neither the co-operative nor the trader shall pay the farmer a price higher than that fixed (by the Government) and it will, therefore, be necessary to take adequate measures to see that the private traders do not in actual practice pay the farmer a price higher than that fixed by the Government." If these suggestions for discrimination in favour of co-operatives and creation of monopolistic conditions for them were to be implemented, there could hardly be any scope for individual farming. As even the moderately big landowners are to be eliminated under the Plan for ceiling on landholdings, only small farmers will be left on the scene. They will have neither the resources nor the guts to resist discriminations of the type mentioned above. In these circumstances, Mr. Nehru's assurance that there will be no compulsion on farmers to join the co-operatives is meaningless. On the contrary, the field will become free for regimentation and bureaucratisation of agriculture. Again, since voluntary co-operative farming would take years, if not decades, to fructify in all parts of the country, the chances are that the powers-that-be would soon become impatient and take vigorous steps to force its pace.

In a previous issue of this journal, it was ponited out that co-operative farming would lead to factions and innumerable quarrels in rural areas which in turn would adversely affect agricultural production. This is not a mere theoretical possibility. One has only to try to find the answers to the series of questions posed by Mr. K. M. Munshi early this month, in order to realise the truth of this contention. Some of the posers of Mr. Munshi are worth repetition:

"Who will assign tasks among the members of village co-operative farms? Who will ensure that the tasks so assigned are satisfactorily carried out? Who again will decide on the methods of evaluating work done? How are we to guarantee that the manager or the supervisor, who is elected by a majority vote, will not look to retaining his majority support at the cost of efficiency? And, if there is no collective evaluation, where is the guarantee against inefficiency and light work being overpaid? If there is incorrect evaluation, how and by whom would the personal relations between individual members of the farming co-operative be adjusted? And, if Government officers step in to solve this problem, what will be left of free co-operation? Again, what are we going to do about the acute shortage of trained personnel, even for the service co-operatives? How is the agricultural labour thrown out of employment by mechanisation to be absorbed? These are serious difficulties. We cannot brush them aside lightly. And, during the interval which is bound to be fairly long, when these adjustments will have to be made, what is to happen to food production?"

All these are pertinent questions, but the authors of the Nagpur resolution have not yet cared to answer them. They may say that these are questions of details which can be solved as and when they arise. But this is no answer. Before a programme is drawn up and launched, all the details have to be worked out and solutions found for the difficulties that may arise. To decide first and think later is surely not planning but a leap in the dark.

TAXATION AND HOUSING

It is now becoming clear that the Government's housing schemes, commendable as far as they go, can touch only the fringe of India's growing housing problem. It has been computed that, at the rate at which construction of houses is now taking place and the population is increasing, the housing situation will be more acute in the coming years than it is now. This is by no means a happy prospect, considering that adequate housing accommodation is an important index of national prosperity and one of the vital determining factors of national well-being. The only way in which housing activity could be stimulated is to assure the private builder, whether he is building for his own or for other people's needs, that his valuable services to the community will be not merely recognised but rewarded. Both the magnitude and the urgency of this problem emphasise the need for providing sufficient incentives to private constructional activity.

It is, however, to be feared that the Government, in its pre-occupation with its own housing schemes, has not given any serious attention to what private effort, guided by adequate stimulus, can do to relieve the nation-wide housing shortage. Indeed, little has been done to stimulate private constructional activity, except in the sphere of housing construction for one's own use. On the contrary, one hears expression of sentiments which are bound to scare away even the little private effort that may be found in the country. We refer to the view that tenants of houses in urban areas should, through efflux of time, acquire the status of owners of the houses where they live. This view is borrowed from the rural context in which the tenant is sought to be made the owner of the land he cultivates at the expense of the existing landowners. Apart from the fact that an argument, based on analogy, could be extremely misleading, there is no doubt that frequent expression of views favouring the acquisition of owner-status by urban tenants will drive out altogether private effort in housing in urban areas where housing situation is particularly acute. It is best that men in authority cease indulging in such irresponsible utterances.

The authorities will do well to examine how the present taxation laws are a serious disincentive to private effort in housing. From this point of view, it is interesting to turn to what Mr. D. N. Jalan, in the course of his presidential address at the annual meeting of the Indian Chamber of Commerce, held this week at Calcutta, had to say on the subject. He pointed out how, in Calcutta, property-owners have sometimes to pay more than 100 per cent. of their property income by way of taxes, thanks to the high rate of income-tax and super-tax and the tax on registered firms. Further, the owner's share of the municipal taxes which, in Calcutta, is as high as 11½ per cent., is not allowed as a deduction in income-tax assessments.

Mr. Jalan made quite a few notable suggestions for providing a fillip to private housing activity. He suggested that banks should be encouraged to give loans against house properties in order that more houses may be constructed. It is true that banks are at present averse to tying up their funds in housing which is a long-term proposition from their point of view. Perhaps, it would be better to encourage the formation of a specialised class of building finance institutions of the kind that has done much good work in many Western countries. Be that as it may, Mr. Jalan rightly stressed that the owner's share of taxes payable on his property should be allowed as a deduction in his income-tax assessments. He also emphasised that some depreciation should be allowed on residential buildings. Although houses last more than machines, they also depreciate in course of time, so that there is no reason why depreciation allowance should not be made applicable to houses. Finally, he pleaded for according "earned income" treatment to rental income, for, in the absence of such treatment, income-tax and super-tax take away as much as 84 per cent. of the property income. To this list of suggestions may be added the need for exempting from expenditure tax the sums which may be spent by an owner on the maintenance or improvement of his property. It may be mentioned here that one of the changes introduced by the recent budget is to withdraw the exemption from expenditure tax which expenditure on housing repairs and maintenance enjoyed hitherto. This change is a great anomaly, for it ignores the fact that, in the absence of repairs, housing property will fall into a sad state of disrepair which constitutes an avoidable form of national waste.

There are two considerations which point to the need for special tax and other incentives for housing activity. In the first place, the problem is too vast to be tackled by the Governmental and co-operative effort alone, so that there is a genuine need for pressing into service private effort in the cause of housing. In any case, even Governmental and co-operative effort comes in only when the prospective owner is able to meet at least a part of the total cost of the house. Till he reaches this stage of affluence, there must be houses for him which could be built only by private initiative and effort. Secondly, any fiscal concession granted to housing will be a good national investment, because the constructional activity which will be stimulated thereby will lead to direct employment of skilled and unskilled workers and also to indirect employment opportunities in a wide range of industries manufacturing equipment for houses.

BULLISH MOMENTUM IN EQUITIES SLOWING DOWN

NEW COMPANY TAXATION—U.K. COTTON INDUSTRY—U.S. COTTON POLICY

THURSDAY, 5 P.M.

FOR some days now, an erratic trend has been noticeable in share markets. Although the undertone is still basically bullish, the upward momentum is tending to lose its force. At higher levels, such speculative counters as Tata Steels, Indian Irons, Bombay Dyeings, Centurys, Telcos and National Rayons are meeting with buyers' resistance. At the same time, even a small fall of two to three per cent. attracts support from somebody or other, so that fluctuations, though frequent, are not quite marked. As regards such growth shares on the cash list as Dunlops, Guest Keen Williams, Indian Oxygen, National Carbon, Metal Box and Gwalior Rayon, the buying fervour appears to be tapering off. The feeling is steadily gaining ground that prices are too high and that it will not be advisable to buy equities at current levels. More and more people who frequent stock exchanges are inclined to wait and to buy only at substantial setbacks. This was not the feeling a fortnight ago or early this month. At that time, everyone was saying that inflation was bound to persist, that equities were a safe hedge against it and that one should not be left out of the bull market. Today, the very same people are not so sure. Their mood has changed to some extent, in that, unlike two or three weeks ago, they think of the other risks, such as Indo-Pakistan conflicts and the steadily growing influence of Communists in India, and the need for making allowance for them in one's investment calculations. Again, they are beginning to wonder as to how many companies would be in a position to compensate the shareholders for the loss they would suffer as a result of the abolition of the grossing of dividends, with effect from the current financial year.

MARKET GOSSIP

While this desire for caution is a welcome sign, it must not be taken for granted that the boom in shares is over or a sharp retreat is in the offing. Knowledgeable circles are of the view that much of the rise in equities in recent weeks is mainly the result of speculation. They would not be surprised if an investigation were to show an unhealthy bull position in several counters. It is further stated that option business in Bombay has increased tremendously and that it has spread to quite a few counters which were free from this type of illegal speculation.

Commenting on the latest bull phase of share markets, Messrs. Place, Siddons and Gough, Calcutta, observe in their *Share Market Report* dated the 16th inst., as follows:

"The genuine investor appears to have had little to do with the present rise. It is the speculators who have been following the dictum about making hay while the sun shines. The L.I.C. has done its bit to help and, from a long-term point of view, there can be little doubt that the trend of share prices will be upward. The L.I.C., the nation's biggest investor, with a ceaseless flow of investible funds at its disposal, will absorb more and more of the limited amount of floating scrip in the market. At least up to the present, there has been no sign that new flotations will replenish the shrinking stock of scrip available in the market and the Government has played its part in ensuring that the shortage will continue, by clamping down on bonus issues, even when made out of share premium accounts. Things have come to such a pass that even a slight revival of demand results in a disproportionate rise in share prices. The indications are that such conditions will continue and even gather strength, as time goes on. This is one instance where a rise in share prices does not indicate either an upsurge of investor confidence or prospects of higher dividends or an improvement in the investment outlook, for such a description would hardly fit the picture of a growing proportion of the limited supply of marketable scrip vanishing into the maw of the L.I.C., while the prices of what is left rise continuously."

The best advice of the aforesaid firm of Calcutta brokers to investors is that "the present does not appear to be a suitable time for making *carte blanche* purchases. Buying should be selective. At present prices, most good shares appear to be fully valued, even taking growth prospects into account."

Now that it is generally agreed speculation has been rife on the stock exchanges, one is naturally tempted to ask as to what special steps the authorities of these Exchanges have taken to check it. So far as we are aware, they have done nothing. What are the representatives of the Government on the Boards of the Exchanges doing? Are they satisfied that everything is normal and that margins are being effectively enforced? Do they attend all the meetings of the Boards or at least frequently? According to our information, the Reserve Bank's nominees on the Boards of the Exchanges have either been withdrawn or been told to keep out of them. Is this true? If so, why has not the Government strengthened its representation? Our object in raising these questions is not to criticise anyone, but only to make sure that the Government and the Exchange authorities are on the alert to prevent unhealthy speculation from undermining investors' confidence in equities. More and more small investors are now taking interest in Stock Exchange securities and it is doubly necessary to ensure that they do not become the victims of unhealthy boom in equities.

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The provisions in the fiscal laws of our country relating to corporate taxation and taxation of dividend income from companies in the hands of shareholders have been found to be far from satisfactory and complicated in practical working. Suggestions have been made from time to time for simplifying the same. In fact, the Taxation Enquiry Commission also suggested some modifications. The Finance Bill, 1959, as is well known, has sought to introduce some far-reaching changes in the provisions relating to the aforesaid incomes. These changes, it has been claimed by the Finance Minister, will not only simplify the scheme of company taxation but, at the same time, not add to the tax burden of either the companies or the shareholders.

That this claim is not well founded is evident from a commendably analytical study, entitled *Taxation of Income of Joint-stock Companies and Dividend Income in the Hands of Shareholders*, prepared by Mr. G. P. Kapadia, the well-known authority on taxation, and published by the Indian Merchants' Chamber, Bombay, and also from the clear and closely argued memorandum on the subject submitted by the Committee of the Chamber to the Union Finance Minister. Both these publications analyse the implications of the provisions of the Finance Bill, 1959, relating to these two incomes and come to the conclusion that, while the new proposals would tend to simplify the determination of the net assessable income of, and the net effective rate of tax payable by, a company, the process relating to preferring of claims for refunds and the disposal thereof is still complicated. Mr. Kapadia's study and the Merchants' Chamber's memorandum further point out that the burden on the companies, as well as on the shareholders, will actually be higher under the latest Finance Bill than at present.

The Finance Bill takes it that the effective rate of tax on profits of companies for purpose of advance payment would be 45 per cent., as against 51.5 per cent. at present. This is based on the assumption that only 60 per cent. of the net income, after paying income-tax and super-tax, is being distributed as dividends and that the balance of 40 per cent. is not being distributed. This percentage of distribution, namely, 60 per cent., in turn, emanates from the study of 1,001 companies made by the Reserve Bank of India, whereas the number of companies and other concerns assessable at company rates was 10,989, according to the *All-India Income-tax Revenue Statistics* for the year 1957-58. The total assessable income of such companies and associations was Rs. 220 crores, as against the total income of Rs. 128 crores for the 1,001 companies chosen by the Reserve Bank. Thus, the Reserve Bank's study, on which the Finance Department has relied, does not cover 42 per cent. of the companies. In assuming that only 60 per cent. of the net income is being distributed, the Finance Department has not, according to Mr. Kapadia, taken into account the subsequent developments in 1957 and 1958, namely, the slower pace of industrial production and the heavy impact of taxes introduced in the 1957 Budget. As a result of these, the tax liability of companies increased and profit margin was crippled, while, in many cases, the dividend distribution had been maintained. "A proper study of the figures for 1957 and 1958 may show," Mr. Kapadia adds, "that the ratio of dividend distribution to the net income after payment of taxes would be of a higher order. Thus, the basic rate of 60 per cent. for determining the effective rate of taxation for future, without taking cognizance of the recent trends, would not give an equitable result."

Even on the basis of distribution of 60 per cent. of the net income, rough calculations have shown that the increase in burden on companies would be of the order of 2.4 per cent. and in cases where the balance of 40 per cent. of the net income is also distributed in course of time, the additional loss would be of the order of 8.9 per cent., so that the total loss to companies under the new scheme would be 11.3 per cent. This position, it is argued, will remain so long as the effective rates of company taxation is not reduced from the present 45 per cent. to 34 per cent. In this connection, Mr. Kapadia makes the following significant observation:

"The grossing up benefit being denied to the shareholders to the extent of 11 per cent. net, the company would have to pay from its own resources an amount equal to this net loss of 11 per cent. to give the shareholders the same amount of dividend. Thus, the higher dividend which the shareholders got as a result of the effective rate of income-tax being reduced by the grossing up rebate and which was, therefore, possible to give to the shareholders at the cost of revenue can now be given only at the cost of the company, that is, by a corresponding burden being placed on the finances of companies."

Another important question which Mr. Kapadia has raised is in respect of accumulated profits and reserves which have already borne income-tax. The grossing up benefit in respect of these profits would be totally lost, as the grossing up device is proposed to be discontinued from 1960-61. The reserves of companies are roughly estimated at about Rs. 500 crores and, even at an average rate of 20 per cent. (as against the existing rate of 31.5 per cent.), the grossing up benefit would be of the order of about Rs. 125 crores. "Unless the grossing up in respect of distributions from accumulated profits and past reserves continues," Mr. Kapadia adds, "companies, desiring to give the same dividend benefit to the shareholders (in lean periods), would have to pay from their own resources extra amounts to make up this loss of about Rs. 125 crores, in respect of the accumulated grossing up benefit."

Both Mr. Kapadia's study and the Merchants' Chamber's memorandum point out that the position of shareholders is definitely worse off under the new scheme. Calculations made for sample cases of a shareholder having an income less than Rs. 10,000 and a shareholder having an income of over Rs. 70,000 show that (assuming that both these two classes of shareholders receive the same amount of dividend) the loss to the latter will be about 0.6 per cent. and that to the former 2.8 per cent. In case, however, the same dividend is not maintained and cash payment of the same amount without the addition of grossing is made, the loss to a shareholder having an income of over Rs. 70,000 would be 7.4 per cent. and that to the one having an income of less than Rs. 10,000 will be of the magnitude of 41.03 per cent. It is thus contended that smaller shareholders stand to lose much more in comparison to shareholders having larger incomes.

In addition to the extra burden that the companies, as well as shareholders, will have to bear, the I.M.C. memorandum observes: "The new scheme is also beset with difficulties relating to the deduction of tax at source at different rates." Even under the new scheme, since deduction of tax from dividend has to be made, the net amount of dividends will have to be adjusted by an addition of the amount of income-tax deducted and the shareholders, whether entitled to a full refund or a part refund, will have to put in refund applications.

Mr. Kapadia's solution to the grossing up and refund procedure and difficulties arising therefrom is to have a simpler formula, whereby "companies are taxed, for the purpose of income-tax levy, on the assessable income less the amount of dividend and the entire amount of dividend is fully taxed in the hands of the recipient shareholders." This procedure would mean that dividend would have to be treated as expenditure for companies. It would also result in keeping collection of large sums of tax in abeyance. Nevertheless, Mr. Kapadia feels that this proposal is worth consideration in detail. The I.M.C. Committee points out that any scheme which does not completely do away with the deduction formula will not ensure a full simplification of the procedure relating to taxation of companies and dividend income. In any case, the Committee feels that the whole scheme should be shelved for the present, till the full implications are thoroughly studied. It is quite possible, as the Committee says, that the Direct Taxes Administration Enquiry Committee might examine this question also and the Government will, therefore, do well to await the recommendations of the Committee.

The various representations made by different sectors of public opinion on this question of corporate taxation have not been in vain. It is gratifying to note that, while replying to the debate on the Finance Bill, Mr. Morarji Desai assured the members yesterday that the Government would consider the question of giving relief in regard to tax burdens on dividends declared out of past reserves and intermediary and subsidiary companies under the new scheme of taxation. He admitted that there was some force in the argument advanced in this connection. He also promised to look into the matter if it was found that the corporate sector could not easily bear, under the new scheme, any additional burden that might possibly fall on it. He added that the new scheme of corporate taxes would come into effect only next year. There would thus be enough time for the Government to work out in detail and give relief wherever it could possibly be given.

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There is yet no definite news about the ceiling on Indian cotton piecegoods exports to the U.K. All that is known is that negotiations between the textile interests of the two countries have still not been completed. Much interest attaches to the present visit to Britain of Mr. Kasturbhai Lalbhai, President of the Indian Cotton Mills' Federation, who left for London last week. Although Mr. Kasturbhai's visit is said to be a private one, he may be expected to hold further discussions with Lancashire millowners. After his return to India, Mr. Kasturbhai will, we hope, take the public into confidence and say as to what exactly is the position.

Millowners in the U.K. are keenly aware that a mere restriction on duty-free imports of cloth will not solve their problem. Nevertheless, they are not prepared to give up their demand for protection. The Chairman of the Bradford Dyers' Association Ltd., Mr. James Ewing, for instance, concedes that the U.K. cotton industry should undertake the reorganisation necessary to fit its size to foreseeable demand. He has urged the adoption of steps designed to check the continuation of "the slow and wasteful erosion that has been going on for so long." He agrees that redundancy is the first problem of Lancashire which must be dealt with firmly. Coupled with the solution of the redundancy problem is that of re-equipment. These two are really interlocked. At the same time, he has pleaded for protection against imports. His argument is that an efficient textile industry is necessary for national security and as such it should not be allowed to languish through unlimited imports of duty-free textiles. In this connection, he has quoted a report of the U.S.

(*Continued on page 712*)

SHARES RECOVER AT CLOSE

CENTURY IN THE LIMELIGHT

(From Our Own Correspondents)

BOMBAY, 23rd *April*

EQUITIES on the Bombay Stock Exchange presented an irregularly upward trend during the week under review. Earlier in the week, the market was buoyant, with a smart recovery in prices, in refreshing contrast to the mild reaction noted in the previous week. This bullish tone was maintained on the opening day of the new account, that is on Monday last, but there was a sudden setback yesterday, following the Finance Minister's statement in the Lok Sabha on Monday, in the course of his speech initiating the debate on the Finance Bill, to the effect that "at this important juncture of the economic development of the country, we cannot afford to reduce the present level of revenue from the corporate sector, which is the most important single taxpaying unit. The proposed rates of tax have been devised to ensure this."

The overall rate of 45 per cent. might prove to be somewhat high, Mr. Desai admitted, in cases where the incidence of excess dividend tax or wealth tax had been low or in cases where companies enjoyed exemption from wealth tax, or where the dividend distributions exhausted the bulk of the available profits. It might, however, prove to be low, he added, in cases of companies where the incidence of excess dividend tax and wealth tax was high. Referring to the fears that the return to the shareholder would be substantially reduced under the new scheme, Mr. Desai said that companies which had been distributing moderate dividends would be in a position to ensure the full gross return to the shareholders as before, without being put to the necessity of reducing the amount retained as reserves. He, however, added that the rates prescribed were merely for purposes of advance payment of tax and did not represent the final rate for the assessment year 1960-61. As the scheme came into operation, the Government should be able to notice its defects and steps would be taken to correct them.

Today, however, the market staged a recovery on hopes that the corporate sector might get some relief. While declining to consider further revision of direct taxes on the corporate sector, the Finance Minister promised yesterday, in his reply to the debate, to consider the question of giving tax relief in respect of dividends declared out of past reserves, as also the matter of subsidiary companies or intermediary concerns. He agreed that there was some force in the argument advanced in this connection. He promised to look into the question of giving relief to the corporate sector, if it was found that it could not easily bear the burden under the new scheme. Mr. Desai ruled out the question of giving double depreciation allowance to industries on the ground that the development rebate now allowed was itself substantial.

On balance, equity prices showed moderate rises and, in some cases, the gains were substantial. The undertone at the close was bullish.

Tata Ordinaries rallied from Rs. 179.50 to Rs. 183 before giving way to Rs. 179 yesterday. Today, however, they regained to close at Rs. 180.50. The new shares also recorded a gain of Re. 1 to Rs. 178.25. After moving up from Rs. 23.96 to Rs. 24.40, Indian Irons touched a low of Rs. 23.88, but they again recovered at the close to Rs. 24.20.

In the textile group, Centurys provided the highlight with a sharp jump from Rs. 488.25 to Rs. 515. After a reaction to Rs. 500, they improved to Rs. 507.50, the gain over the week being Rs. 19.25. Bombay Dyeings closed at Rs. 60.80, as against the previous week's close of Rs. 60, the highest level touched being Rs. 61.50. Kohinoors were marked up from Rs. 258 to Rs. 264.50 before closing at Rs. 260.50. Central Indias gained Re. 1 to Rs. 95. Khataus recorded a rise of Rs. 9.50 to Rs. 187 and Models Rs. 6.30 to Rs. 100, while New Great dropped a further Rs. 3 to Rs. 175. Shree Niwas Cottons were picked up Rs. 7.50 higher at Rs. 158.50 and Simplex Rs. 3.50 better at Rs. 171. Standards improved by Rs. 7 to Rs. 481 and Svadeshi by Rs. 8 to Rs. 220, following the increase in dividend for the year 1958 from As. 9 to Rs. 10 per share. Tata Mills were featureless at Rs. 35.25, as the dividend for 1958 is proposed to be reduced from Rs. 2 to Re. 1.50 per share.

Sugar shares too participated in the rise, despite the tax relief given to *khandsari* units. Belapurs recorded a gain of Rs. 3 to Rs. 290, Phaltans 50 nP to Rs. 154 and Walchandnagars Rs. 2.50 to Rs. 297.50. Cement shares were conspicuously featureless. Associated Cements moved narrowly between Rs. 150.75 and Rs. 148.25, before finishing at Rs. 149. Digvijay Cements were only a fraction better at Rs. 147, while Orissa Cements shed 8 nP to Rs. 14.28 and Dalmia Cements 24 nP to Rs. 10.88.

In the engineering group, Alcock Ashdowns picked up Rs. 3 to Rs. 270. Tata Locomotives advanced from Rs. 188.75 to Rs. 196.50 and, after a setback to Rs. 189, recovered to Rs. 192.50. Premier Constructions were prominent with a rise of Rs. 30.50 to Rs. 295.50, following the Chairman's announcement that the scheme for conversion of promoters' shares into ordinary shares would be discussed by the Directors in a general way on the 27th inst. Cooper Engineerings rose by Rs. 3 to Rs. 144. The Company proposes to increase its issued capital to Rs. 45.20 lakhs by the issue of 20,000 ordinary shares of Rs. 100 each in the ratio of four new shares for every five shares held. Larsen and Toubros hardened by 44 nP to Rs. 23.12. Texmacos picked up 84 nP to Rs. 25.80, while Mahindras were a shade quiet at Rs. 25 and their new shares at Rs. 21.48. Proximity of dividend brought a spurt in Shivrajpurs from Rs. 100.50 to Rs. 104. Indian Coppers were unchanged at Rs. 4.28.

In the automobile group, Hindustan Motors were a shade quiet at Rs. 9.04, while Premier Automobiles rallied by Rs. 2.50 to Rs. 116.50. Scindias, among shipping shares, ruled quiet with a drop of 20 nP to Rs. 17.68. Great Easterns, however, rose by 24 nP to Rs. 21.20.

After an initial rise from Rs. 498 to Rs. 510, Bombay Burmahs (old) reacted to a low of Rs. 492.50 yesterday. Today, however, they gained some ground to Rs. 503. National Rayons were a bright feature with a smart rise of Rs. 10.75 to Rs. 291. Gwalior Rayons were steady at Rs. 17.12. Tata Chemicals ruled quiet with a drop of 24 nP to Rs. 16.40, while Dhrangadhra Chemicals picked up Rs. 5 to Rs. 106. Amar Dyes were lower by Rs. 3 at Rs. 148, while Indian Deystuffs jumped by Rs. 105 to Rs. 505. Tata Oils were a shade quiet at Rs. 48.50. Voltas staged a smart rise of Rs. 5.50 to Rs. 159.25 and Wimcos Rs. 4 to Rs. 213. Kirloskar Oils were unchanged at Rs. 20, while Killick Industries dropped by Rs. 5.50 to Rs. 140.

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Calcutta Stock Exchange

CALCUTTA, 21st *April*

Share prices moved further down on the Calcutta Stock Exchange during the week under review, although selected counters recorded rises. Generally, the break in prices which started last week became more pronounced this week, and once the reaction set in holders exhibited an anxiety to take profits. In the process, offerings increased and not all offerings could meet with buyers. The shrewd among holders thought that this was not the time either to sell or buy. When the uptrend, which set in immediately following the 1959-60 budget proposals persisted and continued, they had prepared themselves for a reaction. This week's trend, as indeed last week's was not, therefore, a surprise to them. They believed, however, that a deep depression was out of question, but the position would become clearer only after the new company taxation system became effective from 1960-61. Such a way of thinking was apparently in the minds of long-term investors, as under grossing according to the proposed system of taxation, shareholders' liability would increase. Dividends could be increased, but relief to companies following scaling down of the tax on profits and abolition of the excess dividend and wealth taxes was considered insignificant to make good the additional burden on shareholders. The reaction (mild so far), therefore, provided an opportunity for real thinking, as it had been apparent that the recent uptrend had taken equity prices far too high.

However, it should also be said that had it not been for the general wave of chillness, such factors as the L.I.C. decision to enter the market to purchase Rs. 5 crores worth of shares, the fall in stock of jute goods with mills, coupled with a striking increase in U.S. consumption of burlap, and the possibility of an increase in coal prices would have had a marked effect on prices. These factors, on the other hand, minimised the rigour of the general chillness, while the excise duty concession to *khandsari* sugar weakened the sugar section.

A mixed trend was in evidence in coals. While Burrakurs lost to Rs. 18.75 from Rs. 19.19 and Raneegunges to Rs. 16.50 from Rs. 16.75, Western Bengals recovered to Rs. 6.65 from Rs. 6.50. New Beerbhooms were fractionally lower at Rs. 20.87, while Equitables closed at Rs. 31.19 after being lower at Rs. 30.87 earlier. Central Indias, after being higher at Rs. 8.50 against Rs. 8.37, closed at Rs. 8.34. Bengals were unchanged at Rs. 318. Pench Valleys recovered to Rs. 25.62 from Rs. 25.50.

In the absence of sustained support, jutes were featureless. Indias fell to Rs. 16.06 from Rs. 16.50, while Nationals, at Rs. 24.50, were unchanged. Howrahs gained to Rs. 25 from Rs. 24 to close at Rs. 24.50, and Kamarhatties closed at Rs. 203, after rising to Rs. 206 from Rs. 200. Champdanies were quiet at Rs. 137 and Barnagores declined to Rs. 150 from Rs. 155. Agarparas reacted to Rs. 13 from Rs. 13.47. Birlas were earlier higher at Rs. 22.25, but gave way to Rs. 21.81 on lack of interest.

Indian Irons, in the engineering section, were affected on account of fresh offerings coming on the heels of release of a large parcel by a Bombay operator a week ago. The rate was as low as Rs. 24.15 and the highest rate of the week was no better than Rs. 24.40. On the other hand, Jessop & Cos. enjoyed steady support and recorded a rise to Rs. 33.75 from Rs. 31.50. Texmacos hardened to Rs. 25.80 from Rs. 25.05, and Burn & Cos. at Rs. 449 were higher by Rs. 8. Kumardhubis, however, gave way to Rs. 9.94 from Rs. 10.25.

Shaw Wallaces, among miscellaneous industrials, were a star feature, as, on interested buying, the scrip spurted to Rs. 19.25 from Rs. 17.62 previously. Continuing the uptrend, Indian Oxygens at Rs. 29 made a further stride, with National Cables recovering to Rs. 33.50 from Rs. 33. At Rs. 14.56, India Steamships made a further addition, while from Rs. 4.36 Indian Coppers receded to Rs. 4.26. B.I.Cs. were fractionally lower at Rs. 5.37, as were Alkali and Chemicals at Rs. 21.94. At Rs. 16.56, Dyer Meakin Breweries added a small gain, but Dharbangas lost to Rs. 21.12 from Rs. 21.50.

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Madras Stock Exchange

MADRAS, 21st *April*

Equities on the Madras Stock Exchange generally edged forward during the week under the impetus of sustained buying orders. Operators were inclined to take a somewhat optimistic view of the outlook for the corporate sector, with hopes of capital appreciation in investments and reasonable dividend possibilities. Textiles attracted very good attention on reports of encouraging offtake of piecegoods, domestic and overseas. Tea shares also came in for enquiries. The buying fervour in these shares was the result of firmness of tea prices. It was stated that, as a result of rising foreign purchases, the entire current season's tea crop would have been sold before the new season crop started arriving. In sympathy with teas, rubbers and coffees, too, were well favoured. Coffee shares would have recorded more handsome gains but for the reported delay in the blossom showers in coffee-growing areas which caused anxiety about the size of the coffee crop. Sugars and breweries ruled firm. In the miscellaneous section, there was selective buying by bargain hunters. The undertone of the market was fully firm.

Among textiles, Metturs provided the brightest spot, the quotation advancing from Rs. 390 to Rs. 405. Cannanores rose by Rs. 8 to Rs. 152. Bangalore Woollens jumped up by Rs. 5.50 to Rs. 177.50 *cum-div.* (final). Premiers and Radhakrishnas spurted by Rs. 5 each to Rs. 150 and Rs. 129, respectively. Coimbatore Spinnings hardened by Rs. 4 to Rs. 55. Maduras by Rs. 3.80 to Rs. 30.55, Lakshmis by Rs. 3.50 to Rs. 114 and Rajapalayams by Rs. 3 to Rs. 120. Janardhanas registered a rise of Rs. 2 to Rs. 71. Ranga Vilas gained a like amount to Rs. 53. Anglo-Frenchs and Cauvery Spinnings were better by 25 nP each, the former at Rs. 71 and the latter at Rs. 11.25.

Planting shares tended to move up. The following are the quotations for a few popular scrips:

		21-4-1959 Rs.	13-4-1959 Rs.	Difference nP
Tea:				
Stanes Amalgamated	.. ..	15.10	14.00	110
Mlamallay ..	.. ..	41.75	41.25	50
Hailevburia	.. ..	19.00	18.60	40
Kil Kotagiri	.. ..	8.70*	8.45*	25
Lucky Valley	.. ..	12.05*	12.75*	29
Twyford ..	.. ..	17.20	17.00	20
Rubber:				
Peninsular	.. ..	21.50	21.00	50
Nilambur ..	.. ..	15.75	15.25	50
Malankara	.. ..	10.35	10.00	35
Neumeny ..	.. ..	16.00	15.65	35
Midland ..	.. ..	12.50	12.30	20
Coffee:				
Panchara ..	.. ..	4.30	3.90	40
Mysore Coffee	.. ..	8.85	8.80	5
Ouchterlony	.. ..	5.68	5.65	3
Sheveroy ..	.. ..	1.92	1.91	1

* Cum-div.

The highlight of trading in the sugar and brewery section was a further sharp rise of Rs. 25 to Rs. 350 in the quotation for United Breweries, bringing the total increase over the fortnight to Rs. 42.50. E.I.Ds picked up Rs. 1.50 to Rs. 36.50. Travancores put on 13 nP to Rs. 11.75.

Among miscellaneous industrials, Western India Plywoods met with renewed buying support and rallied from Rs. 155 to Rs. 157. Textools strengthened by a rupee to Rs. 181. Mysore Chemical Manufacturings gathered Re. 1.10 to Rs. 25.35 *cum-right*. Singarenis improved by 75 nP to Rs. 18.25 and T. Stanes by 63 nP to Rs. 23.75. India Steel Rollings, Mysore Tobaccos and Standard Motors gained 25 nP each to Rs. 15.50, Rs. 13.25 and Rs. 13.25, respectively. Orissa Cements rose by 20 nP to Rs. 14.20.

U.S. EXPORT-IMPORT BANK

The Export-Import Bank of Washington has named its Secretary, Mr. Sidney Sherwood, to represent it in India to help that country utilise a $150-million credit from the Bank. Mr. Sherwood will work out of the American Embassy in New Delhi during his indefinite stay in India.

Announcing the appointment last week, the Bank President, Mr. Samuel C. Waugh, said that Mr. Sherwood would also work in India with Indian and American business men interested in getting loans of rupees which the Export-Import Bank makes available from funds secured through the sales of American farm reserve products in that country.

A Princeton University graduate, Mr. Sherwood worked for the Bankers Trust Company of New York and Phelps Doge Corporation prior to joining the U.S. Treasury Department. Prior to World War II, he was named Assistant Secretary of the Advisory Commission to the Council of National Defence.

Since 1942, Mr. Sherwood has been associated with U.S. Government overseas economic and financial operations and since 1946 has been Export-Import Bank Secretary. In the latter capacity, he has travelled widely abroad and has served as chief of several missions of the Bank to countries of the Middle East and South Asia.

NEWS IN BRIEF

A PRODUCTION target of 40 million yards of cloth through the Ambar Charka programme has been adopted by the Government for 1959-60.

The Government of Madras has constituted a committee to examine how far factory regulations can be relaxed in the case of small-scale industries.

The Government of India is "very positively" considering the inclusion of a scheme for the development of Tuticorin as a major port in the third Five-year Plan, according to Mr. S. K. Patil.

Negotiations on the purchase of about 198,000 tons of steel during 1959 from the Soviet Union have been completed by the Central Government and a formal agreement is expected to be signed shortly.

An Indian firm, in collaboration with a West German firm, will shortly produce box cameras, according to Mr. Manubhai Shah. The firm will take up manufacture of 35 mm. film strip projectors later.

A one-man committee consisting of Dr. A. Lakshmanaswami Mudaliar, Vice-Chancellor of Madras University, has been set up by the Government of India to review the working of the Employees' State Insurance Scheme.

The Madhya Pradesh Vidhana Sabha unanimously passed last week an opposition resolution urging the State Government to continue to press vigorously for the allocation of power from the Rihand Project in Uttar Pradesh on an equitable basis.

What is claimed to be the first W. T. locomotive which is Indian in origin, design and construction has been produced at the Chittaranjan Locomotive Works. The type of the new engine is meant for heavy suburban passenger traffic and is capable of hauling a trainload of 10 bogies at 60 miles per hour. Being a tank engine, it does not need turning round at terminal stations.

Asked whether the Reserve Bank of India had finalised the scheme regarding the credit information bureau, Mrs. Tarkeshwari Sinha said in Parliament last week that some of the banks which had been addressed on the matter had not yet replied. The banks which had replied, she said, had referred to certain administrative and legal difficulties in implementing the scheme; these would have to be carefully examined before any firm decision was taken.

The total investments (purchases less sales) of the Life Insurance Corporation from 23rd August 1958 to 28th March 1959 in equities were Rs. 2,74,06,634, according to Mr. Morarji Desai. The investments in other than equities during the same period (purchases less sales) amounted to Rs. 21,99,56,548. Of this, Government securities accounted for Rs. 13,20,18,657, other approved securities for Rs. 7,19,38,440, debentures for Rs. 82,92,324 and preference shares for Rs. 77,07,127.

India had an adverse balance of trade to the extent of Rs. 21.24 crores during the month of January 1959. The total value of exports (including re-exports of Rs. 37 lakhs) was Rs. 45.34 crores, while imports aggregated Rs. 66.58 crores. These figures do not cover gold and currency notes. Exports and imports of currency notes were Rs. 4 lakhs and Rs. 2.43 crores, respectively. About Rs. 4 lakhs worth of current coins were exported and gold valued at Rs. 5 lakhs was imported.

The sale of steel products by the public sector steel plants will be governed by the provisions of the Iron and Steel (Control) Order 1956, according to Sardar Swaran Singh. Under the present policy, steel is sold to the consumers either directly or through controlled and registered stockists. The same procedure will apply to the public and private sectors. The distribution channels will be strengthened when found necessary. If there is any surplus at any time after meeting the country's requirements, it will be exported. The method and agency for export will be determined from time to time according to the then prevailing conditions.

The Government of India has set up a Board for Promotion of Small Inventions in order to encourage small artisans and technicians with inventive skill. The Board will give awards and financial assistance to persons whose inventions in the sphere of small industries are of a distinctive character. It is presided over by Mr. M. S. Thacker, Secretary, Ministry of Scientific Research and Cultural Affairs. The initial technical scrutiny of the details of the gadgets or inventions will be done by a State Board consisting of the Director of Small Industries Service Institutes in the State, Director of the Industries in the State and three other technical experts. The recommendations made by the various State Boards will be examined by the Central Board.

The Chittaranjan Locomotive Works proposes to establish a steel foundry to produce steel castings for railway rolling stock, as well as for points and crossings used in railway track, according to the General Manager of the Works. Negotiations are already in progress with technical collaborators in the U.K. The capital outlay of the project is put at Rs. 2 crores and production is expected to commence from 1962. Meanwhile, the factory has undertaken the setting up of a galvanising plant at an estimated cost of Rs. 10 lakhs in connection with the electrification projects of the Eastern and South Eastern Railways. The plant, it is said, will result in a saving of foreign exchange to the tune of Rs. 50 lakhs. Proposals are also under consideration for the manufacture of electric locomotives.

The Government of India has decided to accede to the new three-year World Wheat Agreement which will come into effect on 1st August next, that is, after the current Agreement expires. The terms of the new Agreement, it will be recalled, were given final shape at the U.N. Wheat Conference held at Geneva in February-March last. The Agreement fixes the maximum price for wheat at $1.90 per bushel, as against $2.00 under the current Agreement, while the minimum price remains unchanged at $1.50 per bushel. A feature of the new Agreement is that no specific quantity is prescribed for import or export by any member country. Each member importing country only agrees to buy a minimum percentage of its total commercial imports from the exporting countries as long as prices are within the range of the new Agreement. The minimum percentage in the case of India is 70. In the unlikely event of prices going up to the maximum, exporting member countries guarantee to supply at the maximum the average of the commercial imports of the country concerned over a period of four to five years prior to the year of supply.

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From Abroad

The construction of a new slipway on which ships of up to 150,000 tons may ultimately be built will commence at Rotterdam, Netherlands, next month.

The main airlines of the European Common Market countries are meeting at The Hague today to resume discussions on the question of establishing "Europe Air."

The U.K. Export Credits Guarantee Department has resumed cover for trade with Egypt with effect from the 20th inst. The cover had been suspended since 2nd August 1956.

The total income of Persia from oil production during 1958 was £88.25 million, as against £76.4 million in 1957. The output of oil aggregated 39.8 million tons, that in the previous year being 34.8 million tons. A sum of £24.5 million was spent by the oil companies on capital projects.

The Association of West German Exporters has urged the Ministry of Economics to raise the insurance cover from 80 per cent. of the risk with the State-controlled Hermes Export Credit Insurance Organisation to 90 per cent. as a means of encouraging business activity.

Nine more industries and 45 products have been accorded by the Malayan Federal Government pioneer status which qualifies them for special income-tax relief. The industries are lawn-mowers, starch, air-conditioners, domestic refrigerators, butter, refined sugar, wheat flour, domestic films, patent medicines and cosmetics. Altogether, 24 industries and 94 products have now been granted tax holidays.

The suggestion from a British Labour backbencher to reduce long-term interest rates was turned down by the Chancellor of the Exchequer in the House of Commons last week. The Chancellor said that there was no direct link between the movements in Bank rate and long-term interest rates maintained and that the level and movements of long-term rates reflected fundamental conditions in the capital market.

The International Nickel Company of Canada will start immediately the construction of a 520-25 million nickel refinery at Thompson, Manitoba. The refinery, which will have a capacity of up to 75 million lbs. of nickel per annum, is expected to commence operations next year, reaching full production in 1960. It will employ a new process developed by Company research scientists and one by-product will be impure sulphur that can be refined for use in pulp making.

Imperial Chemical Industries, Britain, has plans to set up a plant at Wilton to manufacture a new polypropylene plastic under the trade name "propathene." The plant will bring the Company's capacity for alkathene (or polythene) and propathene to 100,000 tons a year. The new production is said to be particularly suitable for moulding uses because of its high rigidity and temperature resistance. It will also find extensive use in film form and as a general extrusion material.

A new plastic called "Delrin" which reportedly will be a competitor to such metals as zinc and aluminium has been announced by the DuPont de Nemours Company. The molecular structure of the material, described as the first usable polymer of formaldehyde, enables it to form chains without branches—an important factor in its strength. Additionally, the Company said, groups of parallel chains in the new material tend to come together tightly due to "internal crystal forces."

The life span of the average American has risen by 6.3 years to 69.6 since 1943, according to the National Health Education Committee. The life expectancy of women has increased by 8.5 years during this period and that of men by 4.3 years. The Committee noted that, despite this progress, there was still a major challenge to medical research in such fields as arteriosclerosis, cancer, mental illness, arthritis, virus disease, the common cold and allergies.

American contribution to major projects in the United Arab Republic such as the Suez Canal development scheme were discussed at a conference at Cairo on the 15th inst. between Mr. Raymond Hare, U.S. Ambassador to the U.A.R., and Dr. Moneim El Kaissuny, U.A.R. Economy Minister. Mr. Eugene Black, President of the World Bank, is expected to arrive in Cairo early next month to discuss the possibility of the World Bank financing the Canal's development. Usually well-informed quarters say that a 50-million-dollar aid programme (about £17.8 million sterling) is envisaged by the World Bank.

Industrial production in the U.S. climbed to an all-time high in March, according to the Federal Reserve Board. Increases were noted in the production of such items as steel, construction materials, farm machinery, producers' goods and automobiles. Production of soft goods in March was six per cent. above the pre-recession peak. Durable goods production also rose during the month, although it was three per cent. below the high recorded in December 1956. The Board's seasonally adjusted index of industrial production advanced by two points to 147 per cent. of the 1947-49 average—one point higher than the previous record set in February 1957 and 21 points higher than the 126 reached at the recession's low in April 1958. Industrial production and prices, housing starts, employment, income, retail sales and bank loans to business advanced and unemployment declined more than seasonally.

A decision on whether the U.S. Administration will grant tax concessions to encourage the flow of American capital abroad is expected to be reached in the near future, possibly within a few weeks. Previously, the Administration has maintained a no-tax relief policy, but Mr. Richard Nixon, the Vice-President, has come out publicly for the creation of a new class of corporation, called foreign business corporation, which would only pay U.S. taxes after income earned abroad had been distributed to U.S. stockholders. This recommendation has been incorporated in a Bill by Mr. Hale Boggs (Democrat, Louisiana), which is believed to have the support of the State and Commerce Departments. It proposes tax-free transfers of assets from domestic to foreign corporations and, where tax reliefs are granted by foreign countries, these amounts could be regarded as taxes paid for purposes of U.S. domestic taxation. There would be other tax concessions.

PERSONAL

MR. M. M. Khan has assumed charge as the General Manager of the Western Railway, *vice* Mr. M. K. Kaul.

Mr. M. L. Shah has been elected President of the Indian Chamber of Commerce, Calcutta, for the year 1959.

Mr. A. K. Roy, Secretary to the Union Ministry of Finance, will represent India at the Commonwealth Conference of economic officials commencing at London on 5th May next.

Dr. B. N. Kaul, formerly Indian Ambassador to Belgium, has been appointed Resident Representative of the United Nations Technical Assistance Board in Jordan.

Mr. P. P. Joshi and Mr. Malik Chand have been elected President and Vice-President, respectively, of the Indian Coal Merchants' Association for 1959-60.

Mr. P. C. Neogi, Chief Engineer, South Eastern Railway, has been appointed the first Director-General of the Research, Design and Standardisation Organisation, Union Ministry of Railways.

Mr. C. L. Gheevala, until recently Deputy Secretary, Indian Merchants' Chamber, Bombay, has taken over charge as the Secretary of the Chamber *vice* Mr. A. C. Ramalingam who has retired.

Mr. Mulchand C. Parekh has been elected Chairman of the Indian Mining Federation for the year 1959. Mr. S. B. Goenka and Mr. M. Sen Gupta have been elected Vice-Chairman and Junior Vice-Chairman, respectively.

Mr. Gulzarilal Nanda, Union Minister for Labour, Employment and Planning, will lead the Indian delegation to the next session of the International Labour Conference commencing at Geneva in the first week of June 1959.

Sir Alexander Clutterbuck, at present Britain's Ambassador to the Republic of Ireland, has been appointed Permanent Under-Secretary of State at the Commonwealth Relations Office in succession to Sir Gilbert Laithwaite, who will retire from public service on 31st August.

Dr. J. N. Aldington, Managing Director of Siemens Ediswan Ltd. and a Director of Associated Electrical Industries, U.K., arrived in Calcutta from Britain on Wednesday last. He is visiting the Durgapur steelworks in West Bengal where Siemens Ediswan cables are being installed. He will be leaving for Australia tomorrow.

Mr. S. Barraclough, a metallurgical expert now back in Britain after spending three months with the Indian Standards Institution, will soon return to India for another period to complete his work. He was assigned to the Indian Standards Institution under the Colombo Plan for assisting in the formulation of standards for alloy and special steels. Mr. Barraclough is a member of the research department of the United Steel Companies Ltd. of Sheffield.

INDIA'S FOREIGN TRADE

MUCH concern over the trends in India's foreign trade was expressed in the course of the debate in the Lok Sabha on the demand for grants by the Union Commerce and Industry Ministry. This shows that the country as a whole appreciates the urgency of the problem of promoting exports and limiting imports. These two planks of the Government's foreign trade policy, therefore, enjoy a wide measure of support. There are, however, bound to be serious differences over individual details of the Government's policy, especially in regard to the role of the State Trading Corporation, the large-scale and small-scale industries and, above all, in respect of the question of compulsory export promotion measures. And yet, it is the way these details of policy are handled that will determine the course of India's foreign trade.

Generally speaking, it is now widely recognised that the scope for further reduction in imports is strictly limited. It is true that demands for imports of some raw material and equipment or other are frequently put forward. But the Government is trying to meet these demands to the best of its ability which is naturally restricted by the availability of foreign exchange. As the Union Minister of Industry, Mr. Manubhai Shah, pointed out, more than 70 per cent. of the annual import bill of some Rs. 700-800 crores consists of raw materials. The next important item is heavy machinery, capital goods and equipment. Efforts are being made to reduce the country's dependence on imports of these goods through increasing domestic production. In 1958, their production was valued at Rs. 80 crores, as against Rs. 10 crores in 1951. The heavy machine building project at Ranchi, which is being undertaken in collaboration with Russia, is expected to produce steel plants, including rolling mill, merchant mill, blooming mill and blast furnaces. The three-member consortium for sugar machinery is expected to produce 80 to 85 per cent. of sugar plants. This group, according to Mr. Shah, is a "friendly combination for a particular task" and as soon as the task is performed each member of the group will produce sugar plants individually; the monopolistic combine will not be perpetuated. All in all, India will require annually some Rs. 300-350 crores worth of machinery by the end of the third Plan, of which it is expected to produce 80 to 85 per cent.

Among other industries, the most important is steel. By the end of 1962, India will produce about 4.5 to 4.8 million tons of finished steel. It is now importing a large quantity of alloy and tool steel. In this connection, Mr. Manubhai Shah appealed to the industrialists to "wake up to this requirement as early as possible" and gave the assurance that the Government would "extend to them the maximum possible help." Since India is deficient in non-ferrous metals, Mr. Shah suggested that industrialists could set up smelter capacity based on imported ore. In the sphere of chemicals and pharmaceuticals, India has reached near self-sufficiency in such heavy chemicals as caustic soda, soda ash and sulphuric acid. The Government, in collaboration with W. Germany, intends setting up a factory which will produce about 61 basic organic intermediates. This factory will enable the country to reach, in the next three years, near self-sufficiency in this group of chemicals. Meanwhile, it is satisfactory to note that the production of drugs, which was valued at Rs. 45 crores last year, is soon expected to go up in value to Rs. 55-60 crores.

Clearly, the problem of foreign exchange can be solved only through increasing agricultural and industrial production to levels at which the country can be reasonably self-sufficient in a wide range of goods and also have a surplus capacity in respect of a few goods and commodities for export purposes. The immediate task is to increase production. If the Government does not follow a doctrinaire policy, it should be possible to build up rapidly industrial and agricultural capacity. It is, therefore, gratifying to note that the Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri stated that it was not the Government's intention to come unnecessarily in the way of the private sector, though he felt that, in order to increase production, the public sector would ultimately have to play an important role. He deplored the tendency towards monopoly. He warned that, if the Government failed to reach an understanding with industrialists, it might seek legislative powers to prevent such development. It is not clear to what aspect of industrial production the Minister was referring when he deplored monopolistic trends. The problem, however, should be viewed from the point of view of not merely prospective entrants into the field but also from that of the consumers. Mr. Shastri indicated that the Government wanted to prevent the formation of monopolies without resorting to legislation through the creation of a large number of ancillary industries which could feed the big ones. He warned that, if the Government failed in its efforts, it might secure legislative powers to enforce the scheme. While decentralisation of industrial production, within reasonable limits, is greatly to be desired, and many countries have reached a high degree of industrial efficiency through small-scale units, it is a moot point whether decentralisation could be secured through legislation. If there is an economic basis for a wide diffusion of productive capacity, no legislation is necessary and, where it does not exist, any attempt at forced decentralisation may conceivably lead to high-cost production and production of inferior goods.

Mr. Shastri also warned that, if industries did not undertake a voluntary scheme of export promotion, the Government might take powers in order to ensure that a certain percentage of production was reserved for export; compulsory export would also mean compulsory pre-inspection of goods and quality. He cited with approval the voluntary scheme of exports by cycle manufacturers under which a cess of Rs. 10 on each cycle sold was set aside for purposes of subsidising exports of cycles. While nobody will gainsay the importance and the need for promoting exports, even at a certain measure of sacrifice, it is doubtful if an enduring export market could be built up through legislative compulsion or an elaborative scheme of subsidies. For what is to happen if, even after compulsory diversion of a certain proportion of production to exports, the industries concerned are unable to market the goods? Again, compulsory exports might lead to more and more demands for subsidies which are only a concealed form of devaluation of currency. In any case, no compulsory export promotion scheme could be an effective substitute for positive measures which aim at strengthening the competitive efficiency of Indian agriculture and industry. Mr. Manubhai Shah placed his finger on the right spot when he said: "The cost structure of industry in this country, as we all know, is somewhat lopsided and top-heavy. We are priced out in the foreign markets. We are also heavily priced in our own country as the cost structure is rather high because of the diminutive volume of production on all points, low productivity, inefficient management and many other factors." Continuous attention to remedying these defects is necessary in the interests of export promotion.

U.S. TRADE MISSION ON INDIA

By a strange but happy coincidence, India's Ambassador to the U.S., Mr. M. C. Chagla, and the chief of the seven-man U.S. Trade Mission to Eastern India, Mr. Paul Brent, have spoken almost simultaneously on the scope for investment of American capital in India, the keynote of the statements made by the two being more or less identical. Thus, addressing a meeting of the Far East-American Council of Commerce and Industry at New York on Thursday the 16th inst., Mr. Chagla said that tremendous investment opportunities were available in India and appealed to "hard-headed" business men to take advantage of the same. In his statement made at Calcutta two days earlier—on Tuesday, the 14th inst.—after the conclusion of the Mission's nine-week tour of Northern India, Mr. Paul Brent remarked that India's rapidly expanding economy offered great opportunities for American business men. The other six members of the Mission are in full agreement with this view. In the course of the statement of observations and suggestions drawn up by it, the Mission sums up its impressions as follows:

"Continued improvement in the business climate of India will attract more investment capital to the country. Such improvement could take the form of tax incentives, the conclusion of a double taxation agreement with the United States and of a new commercial treaty, and the widening of the present investment guarantee agreement between India and the United States to cover subjects now included in United States guarantee agreements with other countries. Such measures, together with public statements by Indian leaders consistently emphasising the investment opportunities in India, would undoubtedly enhance the attractiveness of India to potential foreign investors."

This is quite a bright assessment of U.S. investment potential in India, an assessment made by seven American business men on the basis of wide discussions with their Indian confreres. But their qualifications relating to the need for improving the climate should not be overlooked by the powers-that-be. During its nine-week tour of Eastern India, the Mission, we are told, visited 14 cities, met 34 business groups representing nearly 3,000 persons, and, in its four weeks' operation at the Trade Information Centre in the U.S. Small Industries Exhibition at Calcutta (15th March-15th April), met as many as 1,080 persons and "developed a substantial number of trade and investment opportunities which will be disseminated in the United States through the official journal of the U.S. Department of Commerce." Naturally, the suggestions made by the Mission deserve the utmost consideration of both officials and business men in this country, if they are genuinely interested in attracting a large inflow of American private capital. Here are the suggestions of the Mission:

1. Prompt decisions by all concerned in approving investment proposals which will encourage the development of the many industries needed by India in order to reach its Five-year Plan targets.

2. More liberal and more adequate credit facilities in order to finance economic development.

3. A public information programme to help promote better understanding of the importance of banks to the economy of the country and the facilities available to Indian business men desirous of launching new enterprise.

4. Need for shortening loan applications processing time.

The U.S. Trade Mission considers that there are ample opportunities for mutually profitable joint ventures between Indian and American firms; according to Mr. Paul Brent, the Mission has received about 200 inquiries for joint ventures from Indian business men. The promotion of such ventures on a larger and larger scale will undoubtedly strengthen Indo-U.S. economic relations in the coming years. Much, of course, depends on the Indian partners who should, as the Mission rightly emphasises, "analyse the product opportunities and develop well-analysed business proposals for presentation to American firms." In the opinion of the Mission, there is an excellent field for consulting engineering service to satisfy the needs of the many business men desirous of technical help in laying out new plants and production processes; collaboration with American consulting engineers would be mutually beneficial.

Apart from direct U.S. capital investment in India and joint ventures between the business men of the two countries, there are certain other "fertile" fields for the development of closer Indo-American economic ties. Three such fields relate to handicraft products, tourism and export promotion. The Mission's study of these reveals that sales of handicraft products can be stepped up by effectively organising production and marketing on the basis of a study of the American market; central exhibitions in the major U.S. cities is a practical way to display India's wares. Tourism is an important industry by which India can hope to attract dollars. Stress is laid on the need for improving hotel, water and sanitation facilities, as well as rail and road transport; simplifying Government and travel documentation; streamlining air and booking facilities; and accelerating an "aggressive promotion campaign, offering package tours." With regard to the expansion of exports, the Mission observes that the efforts through Export Councils and industrial associations must be strengthened, quality must be guaranteed, and, in the case of certain commodities subject to international competition, adequate pre-inspection facilities and competent inspection certificates are necessary to minimise rejections and causes for complaint.

Some pertinent general observations on the industrial sector have also been made by the Mission. These are reproduced below:

"*Tool and die industry:* As the keystone of a mass production industry, the tool and die industry needs to be developed for producing the many types of machines needed to increase the pace of industrialisation in India. The tool and die industry is the means by which India can make machines to make machines. Low core mass production cannot be accomplished unless training of

people for the tool and die and related fields accompanies the development of steel mills and other major industries.

"*Component parts sub-contracting:* Subcontracting the manufacture of component parts is desirable to broaden India's industrial base; at the same time to offer a field for small shops to lend economic support to India's large industries. As in the United States, small shops in India can be the source of many component parts produced often at lower cost because of their comparative flexibility."

The interest shown thus by the U.S. Trade Mission in the economic development of India generally and in the promotion of closer economic ties between India and the U.S., in particular, is, indeed, commendable. The Mission has stated that the U.S. and its people are sincerely interested in joining with India in the work of economic development, in order to bring about an improved standard of living for all Indians. It should, however, be clear that, unless India itself undertakes positive measures which will attract foreign capital for which there is scope and need in this country, it would be difficult to increase the rate of inflow of capital. An appropriate reduction in the incidence of taxation is the most important incentive that India has to offer. It will be pertinent to recall here what Mr. Brent said on this point at Calcutta. He remarked that, though the tax structure in India was almost the same as in the U.S., the important difference was that, whereas the U.S. was a highly developed country which wanted its capital to flow out, India was a developing country requiring large sums of foreign capital. It is thus obvious that India cannot afford to have the same level of taxation as the U.S. or other developed countries.

PROTECTIVE FOODS

It is a well-known fact that the food of an average Indian is deficient in those ingredients that go to make a balanced diet. It contains too high a percentage of cereals and too little of subsidiary protective foods like milk, sugar, vegetables, etc. Nutrition and dietary surveys have revealed that the average consumption of cereals in rural areas is more than 17.5 ounces per day per adult and that, in many cases, the daily intake is as high as 25 to 30 ounces. Consequently, not only does his health suffer but such a dietary habit puts a severe strain on the country's capacity to produce cereals. According to the composition of a balanced diet, formulated by the Nutritional Advisory Committee of the Indian Council of Medical Research in 1944, not more than 14 ounces of cereals are necessary for an adult consumption unit per day, assuming that 3,000 calories are the daily requirement of an average Indian of moderate activity. It has been estimated that, if only 14 ounces of cereals were to be consumed by each individual, there would be an annual surplus above the balanced diet of at least 11 to 12 million tons of cereals, taking into account both production and import of cereals as of 1956-57.

The need for reducing consumption of cereals, wherever such consumption was high, and for increased intake of subsidiary food, was emphasised by Mr. A. P. Jain, Union Minister for Food and Agriculture, in the course of his address to the two-day meeting of the Scientific Food Advisory Panel of the Ministry held in New Delhi on the 14th and 15th inst. The Panel, it may be noted, was set up early this year to advise the Ministry on ways and means of bringing about a change in the pattern of food consumption in the country, with a view to reducing dependence on cereals and achieving a more healthy and balanced diet, to suggest practical methods for production, storage, utilisation, etc., of non-cereal foods, to test the suitability of research findings in the field of food technology and to suggest suitable programmes of application.

Mr. Jain said that a change in the dietary pattern, with increased emphasis on protective foods and reduced dependence on cereals, would not only help in correcting the dietary deficiencies noticed in the country but would also relieve the pressure on the country's capacity to produce more and more cereals. It involved no radical change in the food habits of the people, because the majority of items recommended as essential for a balanced diet were already known and were consumed by the people. What was required was only a change in the relative proportion of the different items of foodstuffs included in the diet.

Apart from serving as supplementary items in meeting deficiencies in diet, some of the subsidiary foods, according to Mr. Jain, may also be suitable for use as staple foods. Some subsidiary foods such as potatoes and tapioca yield three to four times as much carbohydrates per acre as cereals. Subsidiary foods of this type form a substantial portion of the diet of the people even in advanced countries. For example, while the *per capita* consumption of potatoes in India is about 9 lbs. per year, it is, to quote Mr. Jain, 400 lbs. in some of the Western countries.

For making available more and better food, certain technological aids may have to be sought. Dehydration in some form or other has been one of the common methods used in India from ancient times. By suitable techniques, articles of food hitherto not adequately utilised for human consumption can be converted into nutritious foods. One such relates to the utilisation of oilseed meals, resulting as a by-product of the vegetable oil industry. Another process has been developed in the Central Food Technological Research Institute, Mysore, for preparing edible groundnut flour. The Institute has also prepared macaroni products from a combination of tapioca, groundnut flour and wheat. The possibilities of preparing flour of potato, tapioca, etc., and blending them suitably with wheat flour to prepare nutritious flours similar to *atta* have also been indicated. The enhancement of the utility value of the existing common foods by fortifying and enriching them with suitable nutrient factors such as certain aminoacids, minerals, vitamins, etc., is another approach to the problem.

Mr. Jain did not agree with the idea that any improvement in dietary necessarily involved considerable expenditure which the poor and middle class consumers could not afford. Altering the relative proportions of the various components of the diet, he averred, need not necessarily cost more. A balanced diet could be derived at a high cost, moderate cost or low cost, depending on the choice of the diet components which might vary.

There is a large element of truth in Mr. Jain's view that, except perhaps for the lowest income groups, education in food matters could make up for the poor purchasing power to a considerable degree. The Ministry of Food will, therefore, do well to initiate an educational programme to modify the dietary habits in the country.

LABOUR LEGISLATION

No country in the world can claim to have passed more labour laws than India during the last twelve years. So numerous are the enactments and so wide their range and comprehensiveness that, collectively, they represent a set of welfare legislation which can compare with any in advanced, enlightened countries of the West. True, the cradle-to-grave social protection enjoyed by a British worker is still a distant goal, but, considering what has been done here in the short span of just over a decade, the Indian worker can well be optimistic that his dream of a Beveridgian El Dorado may one day come true.

These legislative measures have been inspired as much by the social need to give workers a fair deal as by the economic necessity of creating a climate of industrial relations that will ensure higher production. Have these goals been achieved? Have the various legislations helped to promote better labour-management relations? A trade unionist, Mr. Raja Kulkarni, a lawyer, Mr. S. D. Vimadlal, and a representative of the employers, Mr. S. C. Joshi, were called upon to express themselves on this question. The occasion was a conference on the impact of labour legislation on industrial relations, sponsored by that enterprising body, the Indian Institute of Personnel Management. Naturally, one would expect divergent opinions on such a question and the speakers did differ in their views. But they were all agreed that labour legislation was progressing in the right direction.

The trade unionist felt that labour laws had benefited workers, despite their many shortcomings. But they had still to get many benefits justly their due. He had no grievance against the number of laws passed but his complaint was against the character and machinery provided in them for giving effect to the provisions of the law.

The lawyer felt that the existing labour laws were too many in number, too vague and, sometimes, conflicting in their meanings and interpretation. This was due, according to him, to the fact that both the Centre and State Governments legislated on the topic. What was required was some kind of co-ordination of the existing laws and their simplification and consolidation so as to avoid confusion. He, however, felt that, but for these laws, however imperfect they might be, the situation would have been worse. Certain provisions of the law, especially those relating to reinstatement of workers, according to him, only encouraged indiscipline among workers.

The employers' spokesman felt that the labour laws were neither an unmixed good nor an unmixed evil. According to him, compulsory adjudication cut at the root of good industrial relations and healthy trade union movement. It created rivalry among trade unions thereby weakening the very foundation of good industrial relations. On the other hand, legislation which provided for better working conditions, welfare measures, and security for workers helped to promote better industrial relations.

These views can broadly be taken as representative of the three parties directly concerned in the matter. To those who do not belong to any of these groups it appears that labour laws, in spite of their good intentions, err on the side of overemphasis on some aspects and underemphasis on some others. They represent an approach which, in effect, has turned out to be largely negative and their restrictive effect on the establishment of new factories and the creation of more employment, at least in the initial stages, is not in doubt. The very fact that, in order to restart closed textile mills, the Government of Bombay felt the need to bring forward legislation enabling it to revise the terms of the workers' employment and to make whatever changes it thought necessary, irrespective of whether they were in accordance with the existing labour laws, awards and agreements, is a striking illustration of this point. What is sauce for the goose is, obviously, sauce for the gander too.

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REGIONAL DISPARITIES IN INDUSTRIAL DEVELOPMENT

WILL SMALL INDUSTRIES HELP REMOVE THEM?

From Our Special Correspondent

NEW DELHI, 21*st April*

DELHI LETTER

MR. Manubhai Shah, Minister of Industry, told the Lok Sabha last week that the Government were anxious to remove regional disparities in the setting up of new industries and that the Industries (Development and Regulation) Act was the best instrument to guide development in the private sector in the directions indicated in the Plan. At the same time, he made the point that, unless a provision of upto Rs. 600 crores were made in the third Plan for small-scale industries, it would be difficult to remove regional disparities in industrial development. The Minister was hard put to it to meet the frequent criticism in Parliament that industrial development was tending to be further concentrated in the advanced regions of the country, and his reply was perhaps an implied agreement with the view that the operation of the Industries (Development and Regulation) Act was hardly calculated to remove regional backwardness. Mr. Shah did not, of course, dilate on the pattern of industrial development as revealed by selected approvals, under the said Act, of applications for setting up new units or for effecting substantial expansion of existing units in the scheduled industries. A State-wise analysis of such approvals during the period April 1957-September 1958 is given below to bring out broadly the recent trends:

Serial No.	State	Schemes approved for new units in scheduled industries	Schemes approved for substantial expansion of existing units in scheduled industries
1	Bombay	105	222
2	West Bengal	43	82
3	Madras	33	90
4	Punjab and Delhi ..	39	27
5	Uttar Pradesh	18	24
6	Bihar	10	17
7	Mysore	4	22
8	Andhra	9	10
9	Orissa	9	5
10	Madhya Pradesh ..	7	13
11	Kerala	7	12
12	Rajasthan	4	6
13	Assam	4	1
	Total ..	302	531

The above figures are in respect of the private sector only and the new public sector undertakings are not covered by this picture. All the same, they reveal certain clear trends. One is that considerable expansion of existing industrial undertakings is taking place irrespective of regional disparities; this is but logical and understandable. The other is that new undertakings are coming up in the already industrially advanced States more or less in the same proportion as the respective existing undertakings; it is this trend which has come in for criticism by informed members belonging to all political parties in Parliament. In this criticism the employment potential and the multiplier effect of industries have been very much in the minds of Members of Parliament representing different backward States who have urged the location of more new industries in future in their respective States.

If the aspirations of industrially underdeveloped States cannot be met to some extent by the Industries (Development and Regulation) Act under conditions of planning, it is not inconceivable that large depressed areas will emerge in the country and add to the problems of the future. Of course, such depressed pockets are not unknown even in such industrially advanced countries as the United States and the United Kingdom, and they have necessitated special programmes of development. As far as India is concerned, it is by no means certain that small-scale industries will be able to remove regional disparities to any great extent, especially where such industries are intended to be ancillaries or feeders to existing large-scale industries and may, therefore, come to be located not far away from the large units concerned. How this problem of regional disparities in industrial development—a problem which will be potentially a serious political one—is going to be solved at least partially in the third Plan period is by no means clear yet.

In a number of important industries there has been a substantial fall in production in 1958, as compared with 1956 or 1957. The relevant figures for the three years are given in the following table:

Serial No.	Industry	Unit	1956	1957	1958
1	Automobiles	000 Nos.	32.1	33.1	26.9
2	Conduit pipes ..	000 R. ft.	10,931	11,145	10,622
3	Hurricane lanterns ..	000 Nos.	5,180	4,345	3,378
4	Oil pressure lamps ..	000 Nos.	84	93	78
5	Power transformers ..	000 K.V.A.	919	1,219	1,128
6	Twist drills	000 Nos.	1,550	2,258	1,535
7	Wood screws	000 gross	7,502	8,143	7,176
8	Complete ring spinning frames	Nos.	1,116	1,368	852
9	Electric lamps ..	000 Nos.	29,800	32,100	29,500
10	Grinding wheels ..	000 lbs.	2,491	3,253	2,737
11	Bare copper conductors	000 tons	102	85	73
12	Expanded metal ..	Tons	2,208	2,163	1,735
13	Scooters	Nos.	4,735	6,528	4,391
14	Dry cells	M. Nos.	181	166	168
15	Sulphur black dyes ..	000 lbs.	3,475	3,807	1,858
16	Vat dyes	000 lbs.	845	264	416
17	A.C.S.R.	000 tons	113	154	144
18	Railway wagons ..	000 Nos.	16	16	14
19	Buffers, plungers and castings	000 Nos.	99	119	83
20	Glue	000 tons	1.1	1.3	1.2
21	Plywood (commercial)	Lakh sq. ft.	933	950	882
22	Cotton yarn	Mill. lbs.	1,671	1,780	1,633
23	Cotton cloth	Mill. yds.	5,307	5,317	4,924
24	Bichromates	000 tons	3.3	3.7	3.4
25	Power alcohol	000 gall.	10,271	10,136	8,470
26	Sugar	000 tons	1,854	2,029	1,978
27	Soda ash	000 tons	84	92	89

Some new industrial projects (besides the ones mentioned in the Delhi Letter in *Commerce* of 4th April last) which have come to fruition in the year ended March 1959 or are under consideration are briefly described here. In the plywood industry, two new units—one in Mysore and the other in the Andamans—have been licensed for the production of commercial plywood.

Synthetic resin adhesive for the manufacture of plywood is still being imported from abroad. A Calcutta firm has been permitted to set up a synthetic resin plant with a manufacturing capacity of 180 tons of U.F. resin per month for meeting the demands of timber industries, particularly plywood. Chipboard and fibre board have been manufactured for the first time during the year under report.

It has been estimated that the demand for bicycle tyres by the end of the second Plan period would be of the order of 16.6 million numbers per year. The present capacity is 7.23 million numbers and an additional capacity of over 10 million numbers per year has already been licensed.

The proposal to set up a new plant having a capacity of 20,000 tons per year for production of synthetic rubber (G.R.S.) from indigenously available raw materials, to meet the anticipated shortage by the end of 1960-61, is under active consideration of the Government.

Manufacture of urea formaldehyde moulding powder, an important raw material, has been commenced. A new scheme for the manufacture of polyvinyl chloride has been licensed recently and the production capacity is expected to be sufficient to meet the requirements of the country fully.

Three new plants have started commercial production of solvent extraction of oilcakes.

Manufacture of detergents on commercial scale has been established in the country by one of the firms and the production during 1958 is estimated to have been 240 tons.

Chancellor last week called the Budget an "assignment with the Election," his colleagues are reminding the Government that the memories of electors are short, and that, by the time an election does take place, people will have forgotten that they were given cheaper beer and less taxation in the spring. So, while the Chancellor has been bold from a straightforward consumer point of view, he has probably not been sufficiently bold to exercise a decisive effect in the coming Election.
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SECOND THOUGHTS ON THE BUDGET

From Our Own Correspondent

LONDON, 17*th April*

LONDON LETTER

THE British Budget has the reputation of working out under normal conditions extremely closely to the estimates and the Budget recently presented by the Chancellor was no exception; in fact, when he had finished juggling with totals in excess of £5,000 million, he could humorously apologise for an error of £13 million overall!

It is of some interest, therefore, to compare broad heads of income and expenditure for the current year with those for the year just finished. The biggest income earner is, of course, income-tax in its various forms, which produced last year £3,016 million (1½ per cent. more than had been estimated) and which the Chancellor now puts down at £3,050 million. Customs and excise duties produced £2,191 million, almost exactly the estimated figure, and it is assumed that there will be a small buoyancy in the coming year to raise the figure to £2,245 million. Miscellaneous income, which is always the hardest to estimate, was £273 million last year and is expected to bring in £325 million this year. In all, therefore, the Government's revenue for 1958-59 was £5,480 million and the Chancellor estimates that, in the current year, this figure will rise to £5,620 million, subject, of course, to the reductions in taxation which will, in fact account for about £300 million of this figure, i.e., some 5 per cent.

On the expenditure side, all the Civil departments of the Government spent last year £2,849 million and are expected to spend £2,993 million this year. Defence expenditure will not grow quite as fast; last year's figure of £1,468 million is estimated to increase to £1,502 million. The last remaining head of Government expenditure is the service of the National Debt and smaller items. At £786 million, they cost the Government less last year than estimated, because of the drop in interest rates and will cost even less in the coming year for the same reason—a total of £728 million. In total, Government expenditure in the year 1958-59 was £5,103 million, which is likely to rise to £5,223 million in the coming year.

One can summarise the revenue and expenditure position by saying that last year the Government collected in taxation about £41 million more than they had expected to and spent £28 million more than they had expected to, leaving themselves £13 million to the good, while, in the year ahead, they expect to collect another £140 million more and to spend another £120 million more. The Budget, of course, is turning these figures upside down, as the revenue, will, because of the new proposals, *fall* by £155 million, causing the net comparison with last year to be £275 million to the bad.

The Government Opposition in the House is not, of course, attacking the Government for the money which they are giving away, but (a) for not bestowing largesse always where it would do most good, e.g., to old age pensioners and abolishing purchase tax on every day household goods, but (b) (with most force) that the whole of the Budget outcome has shown that far more tax concessions could have been made last year to avoid ending up with a surplus approaching £400 million on Current Account.

These criticisms amount to saying that the Government definitely allowed the economy to stagnate last year, in order to be able to make striking concessions in an Election year. If Mr. Amory is right that a dose of reflation is necessary to expand the economy, why was the dose not applied last year when the economy was clearly running down?

And yet the nature of the concessions—for example, 9*d.* off the income-tax instead of the confidently awaited 6*d.* or the hoped-for shilling point to compromises and a desire to cling to rectitude without too obvious an election appeal; thus an Election in the spring is no longer expected, but it is anticipated that it will take place in the autumn, so, although the shadow

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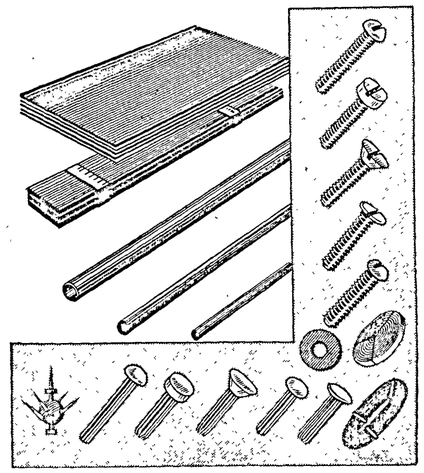

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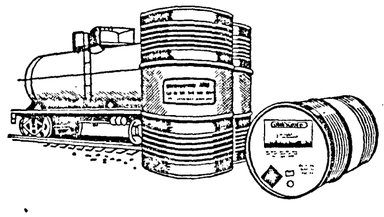

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STATE-ASSOCIATED BANKS TO BECOME SUBSIDIARIES OF STATE BANK

MAIN PROVISIONS OF THE BILL ANALYSED

THE Bill to take over some of the State or State-associated banks as subsidiaries of the State Bank of India and for the constitution, management and control of the subsidiary banks so formed was introduced in Lok Sabha last month and has not come up for discussion till the time of writing. The future of these State-associated banks, which are owned in part by their respective State Governments or with which such Governments have been closely associated, has been under consideration for some time. The question was recently re-examined comprehensively, with particular reference to the necessity for making adequate and proper provision for the management of treasuries and sub-treasuries in the areas served by these banks and the need for the expansion of these banks in these areas. According to the "statement of objects and reasons" of the Bill, the views of the banks themselves have been ascertained and the managements and shareholders of the banks (except two) have agreed to the proposal to reconstitute them as subsidiaries of the State Bank.

Amalgamation Not Favoured

The genesis of this measure [called the State Bank of India (Subsidiary Banks) Act, 1959] can be traced back to the recommendations of the All-India Rural Credit Survey Committee, which had suggested that the Imperial Bank of India and the ten State-associated banks (named in the subsequent paragraphs) should be nationalised and amalgamated into one single unit. The Government of India, however, nationalised the Imperial Bank of India, but left out the State-associated banks. Subsequently, when the proposal was again mooted, the Government did not approve of it. It is also stated that neither State-associated banks liked to amalgamate themselves with the State Bank of India nor the State Bank of India agreed to absorb them, on account of various difficulties, such as differences in the standard of working, scales of pay of staff, etc. Very recently, the State Bank of India submitted a proposal to the State-associated banks for taking them as its subsidiaries. The majority of these banks are said to have welcomed the proposal.

Out of the ten State-associated banks, two have opted out of the scheme; they are the Bank of Baroda and the Bank of Rajathan. The main ground on which they refused to become the subsidiaries of the State Bank of India was that they were not in any way associated with the State Governments; nor were the latter shareholders of the banks. The present Bill, therefore, covers the other eight banks, namely, (1) the State Bank of Hyderabad, (2) the State Bank of Saurashtra, (3) the Bank of Bikaner, (4) the Bank of Indore, (5) the Bank of Jaipur, (6) the Bank of Mysore, (7) the Bank of Patiala and (8) the Travancore Bank. Of these banks, the first two are governed by separate measures, namely, the Saurashtra State Banks (Amalgamation) Ordinance 1950 and the State Bank of Hyderabad Act 1956 and their entire share capitals are held by the Government of Bombay and the Reserve Bank of India, respectively. The reconstitution of these two banks to come under the purvey of the present Bill requires the amendment of the two measures mentioned above. The other six banks will constitute themselves under the name of the State Bank of Bikaner, the State Bank of Indore, the State Bank of Jaipur, the State Bank of Mysore, the State Bank of Patiala and the State Bank of Travancore, respectively.

Paid-up Capital

Under the Bill, the body corporate of the subsidiary banks will consist of the State Bank of India and other shareholders, if any, for the time being of the banks. On the "appointed day," the issued capital of these banks will consist of such amount, divided into fully paid-up shares of Rs. 100 each, as the State Bank of India may, with the approval of the Reserve Bank, fix and all the shares will stand allotted to the State Bank.

The Bill provides for the payment of compensation to the existing shareholders (including the State Government and the Reserve Bank of India) of the banks to be taken over as subsidiaries. The compensation will be an amount equal to the value of the assets of the respective bank in excess of the liabilities, representing the real value of the paid-up capital. In the event of a dispute over the amount of compensation, the Central Government will refer the matter to a tribunal, consisting of a chairman and two other members, provided not less than one-fourth in number of the shareholders holding not less than one-third in value of the paid-up share capital of the bank concerned requests the Central Government to do so. In such an event, the amount of compensation will be on the basis of that fixed by the Tribunal.

State Bank to Hold Majority Shares

After the compensation is fixed and accepted by the existing shareholders, and within three months from the date thereof, the shareholders of the existing State-associated banks should apply to the State Bank of India for the transfer to them of the shares in the capital of the new banks in lieu of such compensation or part thereof. For the purpose of such a transfer, the value of each share of the corresponding new bank will be determined by the State Bank with the approval of the Reserve Bank. Each shareholder of an existing bank, who has applied for such a transfer of shares, will be allotted such number of shares, having "such total face value as would bear to 45 per cent. of the issued capital of the corresponding new bank the same proportion as the paid-up value of his shares in the capital of the existing bank in respect of which he is paid compensation bears to the total paid-up capital of that bank." The total number of shares so allotted to the existing shareholders will not, in any case, exceed 45 per cent. of the total number of shares issued by the Bank, so that the State Bank of India will retain for itself not less than 55 per cent. of the issued capital of each of the subsidiary bank.

The Bill also places a restriction on individual holdings in the subsidiary bank. This is limited to 200 shares and even if he holds shares in excess of this limit, as, indeed, he might, because the shares are freely transferable, he will not be entitled to receive any dividend on the excess shares held by him. The provision regarding the limit of holdings will not apply to the State Bank of India, a State Government, a corporation, an insurer as defined under the Insurance Act 1938, a local authority, a co-operative society and a trustee of a public or private religious or charitable trust. The voting rights of individual shareholders are also restricted to 5 per cent. of the issued capital of the subsidiary bank concerned. The shares of a subsidiary bank will be approved securities for the purposes of the Insurance Act 1938 and the Banking Companies Act, 1949.

Management

The management and administration of each subsidiary bank will be entrusted to a Board of Directors, consisting of the Chairman of the State Bank of India (*ex-officio*), an officer of the Reserve Bank to be nominated by it, not more than five directors to be nominated by the State Bank, of whom not more than three shall be officers of that bank, and two directors to be elected by the shareholders other than the State Bank of India.

The State Bank of India has, under the Bill, powers to give directions and instructions to a subsidiary bank in regard to any of its affairs and business and the latter is bound to comply with such directions and instructions. Powers have been conferred on the State Bank to make, with the approval of the Reserve Bank, regulations in respect of a subsidiary bank to provide for all matters for which provision is necessary or expedient for the purpose of enforcing the provisions of this Bill.

The employees of the existing banks will, on the appointed day, automatically become the employees of the newly constituted subsidiary banks on the same remuneration and on the same terms and conditions and with the same rights and privileges as to pension, gratuity and other matters, as they would have held on the appointed day, if the undertaking of the existing banks had not been taken over by the corresponding new banks.

Although the system of subsidiaries is welcomed in preference to amalgamation and as a *via media* between large-scale branch banking and small-scale independent units of regional banking, a section of banking opinion is opposed to the spirit behind the scheme. It is argued that the scheme violates Section 19(1) of the Banking Companies Act, which prohibits formation of subsidiary banks, except for the purpose incidental to the business of banking, like trusts, safe deposit vaults, etc. It is, therefore, felt that the Bill makes a discrimination in favour of the State Bank of India. Further, while no banking company is allowed to hold shares of another bank, whether as a pledgee, mortgagee or absolute owner, of the value in excess of 30 per cent. of its own paid-up capital and reserves or 30 per cent. of the share capital of such other banking company, whichever is less, the State Bank of India is permitted, under the Bill, to hold 55 per cent. of the shares of another bank.

Adverse Effects

The constitution of the Board of Directors, which as stated above, will have three officials of the State Bank of India and one official of the Reserve Bank, besides the Chairman of the State Bank, will, it is feared, deprive the local people from managing their own banking affairs in a manner suited to local conditions and needs and will act as a damper on the imagination, incentive and drive of local people. In effect, the move confers on the State Bank of India a near-monopoly. When all these banks are brought under the ownership, control and direction of the State Bank of India, the ability of other banks to compete with them will be adversely affected to a considerable extent.

It is further pointed out that an effective control over the affairs of a subsidiary can be had without such a large holding in the subsidiary or such a large official representation on its Board as is now proposed. If the pace of growth of these banks is not to be impeded, their management should be given a large measure of autonomy. This will be possible only if their Boards are not dominated by the officers of the State Bank and the Reserve Bank. As an instance in point, it is stated that in France there are some banks, including some nationalised banks, which have a number of subsidiaries, but they hold no more than 5 per cent. of the share capital of the subsidiaries and the number of directors nominated is two or three in a Board of six or seven. Even in the case of the State-associated banks to be taken over by the State Bank of India, the Government holding in a majority of them is said to vary from 5 per cent. to 34.5 per cent. Only in the Hyderabad State Bank, the Government held shares up to 51 per cent. At present, the number of directors nominated by the Governments concerned with these banks is no more than three in a board of six to seven.

It may be contended that a strong official representation may inspire more confidence among depositors and may, therefore, be helpful in attracting more deposits. It is pointed out, in this connection, that a strong directorate is not the only thing which goes to attract deposits. Individual efforts and personal interest in customers' transactions also count. There is already the experience of a bank, operated on lines similar to those proposed for the other State-associated banks, which is by no means happy.

It is also feared that a change in management of the State-associated banks after they became subsidiaries of the State will bring about a change in the policy of the banks. This, in turn, may affect the existing credit arrangements in respect of small and medium-sized traders. Finally, it is argued that, if the system of subsidiaries in banking is to be revived, even if it be only under the auspices of the public sector, it should be done after a thorough enquiry into it by an impartial committee of experts. If such an expert enquiry favours the revival of subsidiary banks, then, it is suggested, the other commercial banks also should be allowed to have their subsidiaries.

NATIONAL AND GRINDLAYS BANK

The Directors of the National and Grindlays Bank have decided to eliminate the uncalled liability on the Bank's shares, as they feel it is no longer necessary. They propose to do it partly by the application of £570,312 from share premium account. The present capital structure of the Bank is £2,851,563 made up of 4,562,500 shares of £1 each, 12s. 6d. paid. Five shillings of the uncalled capital is to be removed by a capital reduction to 15s. shares and the 2s. 6d. then unpaid will be paid up from the share premium account. The shares would then be 15s. fully paid. As soon as the reduction in the share premium account becomes effective, the reserve fund (including share premium) is to be brought up to £3 million by a transfer of £364,151 from internal reserves and £37,582 from profit and loss account.

RECENT TRENDS IN INDIAN BANKING—II

INFLUENCE OF THE STATE—INADEQUATE GROWTH OF CREDIT

By D. Bright Singh, M.A., Ph. D.
READER IN ECONOMICS, MADRAS UNIVERSITY

CONSIDERING the fact that the pattern of economic development in the country is designed by the State, with a view to attaining certain definite social and economic objectives, it appears but proper that the Government should desire banking development also to take place along lines that would fit in with the general pattern of economic growth. In this sense, the nationalisation of the Imperial Bank of India seems to be in order. The State Bank came into existence on 1st July 1955. As a strong integrated State-partnered commercial banking institution, the main purpose in setting up this bank is to stimulate banking development in the rural areas and to follow a banking "policy which would be in effective consonance with national policies adopted by the Government without departing from the canons of sound business." To the same order of things belongs the creation of various credit institutions which have taken over some of the functions performed by commercial banks in some other countries. Reluctance on the part of the commercial banks to provide long-term finance for industries has often-times been mentioned as a serious obstacle to industrial growth. Although, in effect, the practice followed by the Indian joint-stock banks of rolling over a substantial part of their short-term advances to industries amounts to some sort of long-term financing, yet the accommodation provided in this manner is quite insufficient in relation to the needs. The Industrial Finance Corporation of India established in 1948 and the State Financial Corporations set up in the States attempt to cover this lacunæ as far as possible. The Reserve Bank's participation in the share capital of these Corporations, as well as in their management and operation, has resulted in introducing a measure of co-ordination between their activities. In order to meet the medium-term financial needs of medium-sized industrial concerns (that is, those having paid-up capital and reserves not exceeding Rs. 2½ crores) and to secure in this matter the assistance and co-operation of the leading commercial banks which have the advantages of flexibility in operation and wider contact with industry and trade, the Refinance Corporation for Industry Private Ltd. was set up recently (5th June 1958). The resources of this institution, amounting to Rs. 38.5 crores (contributed by the Reserve Bank, the State Bank, the Government, the Life Insurance Corporation and 14 of the larger scheduled banks), are to be utilised to provide re-lending facilities against medium-term loans granted by the member-banks to medium-sized units in the private sector.

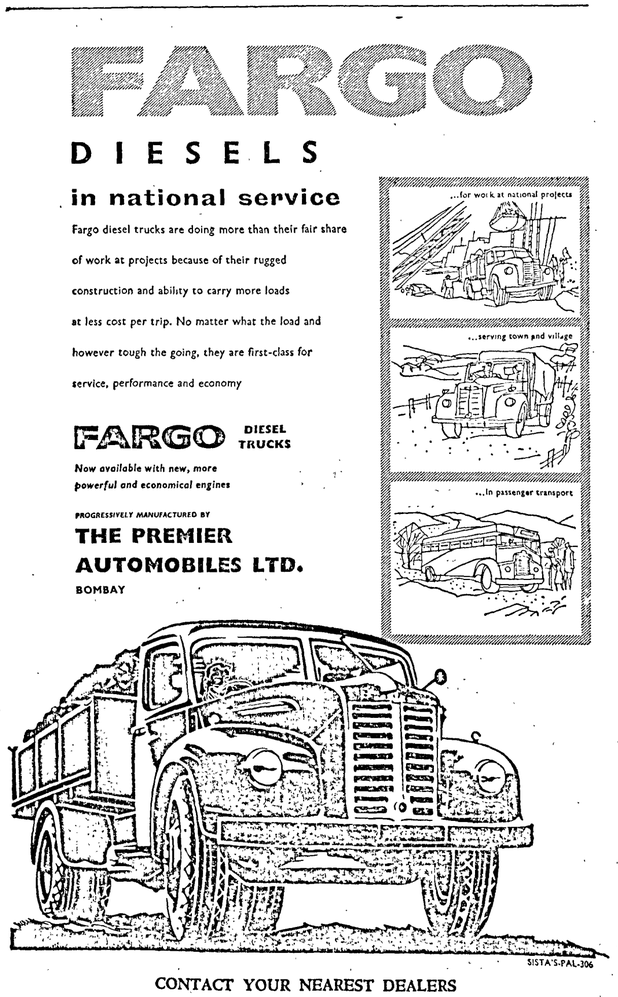
These corporations form an institution by themselves and are organised under the direction and with the co-operation and assistance of the State, in order to meet certain specific requirements of industry. The justification for their creation is to be found in the inadequate response of the private sector to the needs of the economy. Also, they are a better means of channelling national savings into lines of investment that are considered desirable and necessary in the context of planned economic development. In a sense, they represent the counterpart, in the banking sphere, of the expansion of the public sector in the industrial sphere. Their establishment has also resulted in the forging of a link between the commercial banks, on the one hand, and the Reserve Bank and the Government, on the other.

Extension of Banking Facilities

The financial needs of business and industrial enterprises rise with the level of economic activity and national income. This need can be met only if banks succeed in mobilising greater resources through the agency of branches already established and by branch expansion in areas where banking is not developed. It is certain that there has of late been substantial increase in the income of the people in the rural areas of our country. Recent price trends indicate that the terms of trade have on the whole been favourable to agriculture. While the index number of wholesale prices of all commodities (Base 1952-53=100) moved up from 101.2 in 1953-54 to above 116 points in the third quarter of 1958, that of food articles went up from 100.1 to 120 and industrial raw materials from 107.4 to about 118 points in the same period. On the other hand, manufactures registered a rise of less than eight points from 100.7 in January 1958 to 108.5 in September. Although this disparity in the trend has been reduced to some extent in the last few months, the fact that the agricultural sector had benefited by this movement of relative prices cannot be disputed. Between 1954-55 and 1956-57 agricultural income increased from Rs. 4,350 crores to Rs. 5,690 crores or by 31 per cent., while income from mining, manufacturing and small enterprises rose from Rs. 1,800 crores to Rs. 1,970 crores or by 9 per cent. It is, therefore, fair to assume that there is much scope for expansion of banking in the rural areas of the country.

But the progress so far has been disappointing. Between January 1951 and November 1958, the number of offices of scheduled and non-scheduled banks in India increased from 4,119 to 4,518, this being the result of an increase in the number of offices of the State Bank from 391 to 696, foreign banks from 64 to 67 and Indian scheduled banks from 2,191 to 2,841 and a decline in the number of non-scheduled banks from 1,473 to 914. What is required is greater diversification and decentralisation in banking. In actual fact, however, there has been a great deal of concentration in particular areas of the country. Of the total number of 392 reporting banks in 1957, only 29 or 7 per cent. had paid-up capital and reserves of over Rs. 50 lakhs. These 29 banks accounted for Rs. 1,072.3 crores out of the total deposits of Rs. 1,203.8 crores, that is, for 89 per cent. There is thus little difference now from the position in 1952 when 6 per cent. of the total reporting banks had capital and reserves of over Rs. 50 lakhs and accounted for 86 per cent. of the total deposits. Apart from this concentration, there is considerable disparity in the development of banking in different areas of the country which cannot be explained by the mere difference in standards of economic advancement. Of the 3,270 offices of scheduled banks in 1957, Bombay had 696, Madras 423, Uttar Pradesh 338, Punjab 271, and Mysore 256. This distribution, however, does not reflect the extent to which banking facilities are really available for the people. Thus, while Punjab had one bank for 59,000 people, the number of people per bank in Bombay was 68,678, in Madras 70,922 and in Mysore 74,219. West Bengal had 197 offices, but one for as many as 132,995 people. *Per capita* deposits ranged from Rs. 3.3 in Orissa to Rs. 94.4 in West Bengal and Rs. 89.8 in Bombay. Thus, in West Bengal, while the number of banks is small considering the population, deposit per head is the highest. It would, therefore, appear that, even if we take into account only developed areas in the country, there is considerable scope for expansion in particular States. At any rate, the disparity in income and standard of development between the different States is not so much as to warrant that degree of variation in the availability of banking facilities as is found at present.

(*Continued on page 712*)



TEXTILE EXPORTS TO AFRICAN MARKETS

DELEGATION SUGGESTS MEASURES FOR PROMOTING THEM

THE Indian textile delegation to British East Africa, Madagascar, Mauritius, Belgian Congo, and Federation of Rhodesia and Nyasaland, sponsored by the Cotton Textiles Export Promotion Council, to the report of which a brief reference was made in these columns last week, has made a thorough and balanced assessment of the outlook for Indian textile exports to these countries and suggested, in clear-cut terms, the ways and means of pushing up the sales. The delegation's report is valuable, because of the continued downward trend in India's export trade in textiles and the need for arresting it with a view not only to earning the much needed foreign exchange but also to ensuring the progress of the domestic industry on a solid export base.

The delegation consisted of Messrs. Chinoobhai C. Javeri, Member of the Committee of Administration of the Cotton Textiles Export Promotion Council (leader), K. K. Mahadevia, a Director of Mafatlal group of mills, S. C. Vakil, Vice-President of the Africa and Overseas Exporters' Chamber, and C. P. Philipose, Overseas Officer of the Council, Mombasa (member-Secretary).

The East and Central African countries, Madagascar and Mauritius are important markets for Indian textiles, accounting as they do for nearly 12—13 per cent. of the aggregate exports of mill piecegoods from India. Out of the 788 million yards of cloth shipped from Bombay port during the year 1957, the share of British East Africa alone was as much as 74.60 million yards. The Federation of Rhodesia and Nyasaland bought 14.19 million yards and Mauritius 8.47 million yards. The purchases made by Zanzibar and Madagascar were comparatively small.

Rationalisation of Mills

At the very outset, the delegation has drawn attention to the changed and changing conditions of textile markets in the aforesaid countries which point to the necessity for taking timely and effective measures to augment shipments of cotton goods. According to the delegation, the East and Central African markets have become increasingly selective in terms of price and quality. Greys and cheaper varieties of coloured and dyed fabrics are going out of the markets and man-made fibre fabrics have caught the imagination of a vast section of Africans; at present, the latter fabrics account for as much as 40—50 per cent. of the total textile imports, as against 25 per cent. a few years ago. Competition from the major textile exporting countries is growing keen every day, with the result that these markets are in the advantageous position of selecting the best and the cheapest which the manufacturing countries of the world have to offer. The buyers' wishes, it is emphasised, have to be respected in every detail, if these markets are to be retained. The delegation attributes the success of India's major competitors to their ability to cater to the most exacting demands of the buyers, thanks to the installation of modern machinery and equipment in their mills. It has clearly warned that India will find it increasingly difficult to compete with these countries in the coming years and accordingly urged the immediate rationalisation of the industry. Here is what the delegation says:

"There is an urgent need for immediate rationalisation of the textile industry, if India is to regain even its present rate of exports, let alone further expansion. Here again, the process of improvement and modernisation should be continuous. With the modernisation of the mill equipment, the objective of quality at competitive price can be achieved. In view of the urgent need to increase our exports, this factor, it is hoped, will receive the attention it deserves in the appropriate quarters. Simultaneously with the modernisation of the mill machinery, the manufacturers must pay special attention to the needs of each individual market and produce new and selective designs and better qualities. Methods of processing and finishing technique have likewise to be improved. In markets such as these, designs and fashions are constantly changing, and it is essential that Indian manufacturers study and cater to the exact requirements of buyers."

The delegation has done well to refer to certain disquieting features in the cotton textile export trade. For instance, mention is made of the inadequacy of Indian sampling methods. The trade samples are often found to be too small in size and unattractive in presentation. By contrast, other exporting countries, we are told, furnish large-size samples the presentation of which is attractive and they are given away freely and liberally. Mention is also made of the standing complaint against Indian mills that they are not sufficiently keen to produce cloth according to buyers' requirements. The delegation has stressed that, in view of the growing demand for printed and dyed goods, the mills should make vigorous and determined efforts to manufacture them in designs and colours suitable for these markets and supply them at competitive prices, even at some sacrifice, since the future of India's textile trade will depend mainly on its ability to make prints and other processed goods at competitive price. In order to help mills in this task, the Textile Research Institutes have been asked to carry out special research to evolve an economic method by which Indian mills are enabled to print small quantities of 5,000 to 7,500 yards per design at competitive prices. In this connection, the delegation calls upon the Export Promotion Council to impress upon the Indian Cotton Mills' Federation to persuade their members manufacturing prints and quality cloth to undertake to sell a certain percentage of their production for export bearing whatever sacrifice it may entail.

Three Specific Suggestions

Three specific suggestions covering study of markets, sampling and packing have been put forward by the delegation. First, Indian manufacturers and exporters must make a continuous and systematic study of the export markets with a view to properly assessing the changing tastes of consumers. Secondly, the method of sampling needs considerable improvement to bring it in line with other countries. Liberal supplies of attractive got-up samples are called for. Likewise, mills must provide a minimum of one shipment sample per bale for non-greys and one per three bales in the case of greys. The relative change in the Standard Contract may be modified. Exporters must also be impressed upon to send to foreign buyers only large size samples attractively presented, instead of small cuttings, as some of them do at present. The mills may be instructed to supply them with such samples freely and liberally. Thirdly, it is necessary to revise and improve the existing packing specifications. All markings on bales must be stencilled in indelible ink. The same mode of packing and marking must also be enforced on processors. A proper machinery will have to be set up to ensure strict compliance of packing and marking regulations. The other suggestions of the delegation are summarised below:

In order to organise the export trade in textiles so as to give better service and greater satisfaction to foreign buyers, all exporters and mills selling cloth for export must be registered with the Textile Commissioner; no fees should be charged for registration and the procedure should be simple. Every application for registration is to be scrutinised in regard to the complaints pending against the applicant. The registration will be subject to annual renewal. An appropriate procedure may be evolved by the Council.

With the abolition of export duties, there is no need for opening cloth bales for customs scrutiny in Indian docks, especially when there is excise inspection before cloth bales are removed from the mills. The practice of opening bales must be discontinued, except in special cases. Alternatively, the Customs might make special arrangements for the repacking of opened bales in their original state.

Second quality cloth used by processors must bear the stamping "seconds" even after it is processed.

The Textile Research Institutes should make a special study of the problem of economic manufacture of materials like prints and other processed goods for export and recommend suitable measures necessary. These institutes must undertake to analyse samples received from exporters charging a nominal fee and furnish the report giving necessary guidance for their manufacture, with the minimum delay.

The use of the Standard Contract for export should be made compulsory on all mills in India; it may be suitably amended to ensure regular supply of proper shipment samples by mills.

Effective machinery must be set up to see that the actual dimensions of cloth pieces do not vary from those marked on the pieces. Any variation therefrom, however, should be in favour of the buyer.

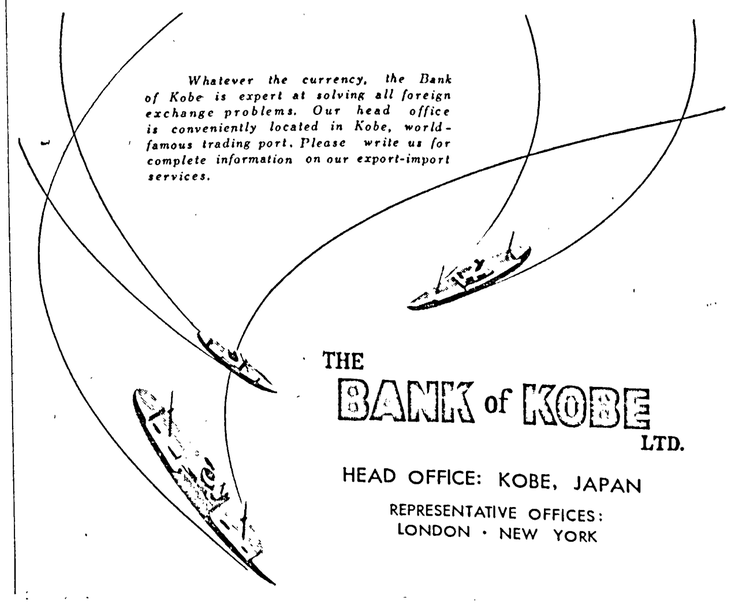
Each mill should establish a quality control section, in order to maintain the minimum standard required for export.

By some method, the mills must be prevailed upon to stamp a distinctly different number on the piece when there is a change in the counts, construction and width.

Since handloom kikoyis are out of the market on account of their prices being non-competitive, the existing restrictions on exports of mill-made kikoyis may be completely removed.

The Export Promotion Council should maintain a well-equipped and up-to-date showroom in Bombay for the benefit of foreign visitors.

All these are certainly very pertinent suggestions. If they are implemented vigorously and in right earnest, they will go a long way towards augmenting exports of Indian cloth to East and Central African countries, Madagascar and Mauritius. It may be recalled that, during the Second World War and in the immediate post-war years, India had virtually been the sole source of supply for most of these territories. The long-term outlook for Indian textile exports to these countries, as, indeed, to any other country, will, of course, depend on the pace at which modernisation of the mill industry will take place in the coming years. As the delegation has very aptly put it, the installation of automatic looms and rationalisation of production constitute the essential prerequisites for increased exports.



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TREND OF WORLD TEXTILE EXPORTS

COTTON BOARD'S ANALYSIS

From A Special Correspondent

MANCHESTER, 14th April

HOWEVER badly Lancashire cotton cloth exports fared during 1958, some consolation can be gained from the fact that practically all the other major exporting countries suffered almost as much. This is made clear in the latest statistical review published by the Cotton Board, which provides details of the overseas shipments recorded by those countries which are traditional suppliers of cotton goods to the rest of the world.

MANCHESTER LETTER

During the year, the decline in exports of cotton cloth was about 13 per cent. as compared with 1957. Only Hong Kong, Italy and the Netherlands made any progress, while the fall in shipments from India was particularly large, amounting to as much as 30 per cent. Comparative figures for the various countries concerned are shown below:—

(In million yards)

	1958			1957		
	Cotton	Rayon	Total	Cotton	Rayon	Total
U.K. ..	384.1	84.4	468.5	455.8	111.2	567.0
U.S. ..	467.4	145.7	*613.1	559.4	207.9	767.3
Japan ..	1,245.3	1,279.3	2,524.6	1,468.4	1,370.0	2,838.4
India ..	468.1	12.2	†480.3	879.6	2.8	882.4
Holland ..	267.1	48.0	315.1	250.1	43.8	298.9
France ..	308.8	153.0	461.8	317.8	141.4	459.2
Germany ..	149.1	150.1	†299.2	217.6	229.2	446.8
Italy ..	101.1	84.2	*185.3	106.5	122.8	229.3
Belgium ..	139.0	56.9	†195.9	224.4	81.8	306.2
Hong Kong ..	195.7	19.8	*215.5	190.3	38.9	235.2
Portugal ..	123.7	4.6	128.3	127.7	5.1	132.8
Switzerland ..	56.6	31.0	87.6	58.5	24.6	83.1

* Eleven months. † Nine months.

Exports of fabrics from man-made fibres declined by about 9 per cent., with France and Switzerland being the only countries to gain much ground. The decline in world trade in this branch was mainly due to large decreases in shipments from Japan, the United Kingdom and the United States. When textile goods of cotton and man-made fibres are combined, it is noticeable that France has so improved her position that her shipments abroad are only fractionally below those recorded by the United Kingdom. Japan remains far and away the largest world supplier of cotton and rayon goods, followed at a discreet distance by the United States and India.

The survey underlines details already given regarding current Lancashire trade. After recording a fall of 36,000 workers last year, equivalent to 13 per cent. of the labour force, the review observes that the running down of stocks of cloth at all stages of distribution kept production below the reduced level of final offtake brought about by the continuing high rate of imports and the sharp fall in exports. The abandonment of the price maintenance schemes following the judgment of the Restrictive Practices Court did not lead to the expected massive broadening of demand, the survey adds, presumably because of the continuing weakness of raw cotton prices and also possibly because of irregularities in spinners' quotations.

Dealing with the situation abroad, the Cotton Board circular describes a marked improvement in the textile position in the United States in the final months of last year when there was a very large increase in purchases of cloth. In the final quarter of 1958, mill consumption of raw cotton was slightly higher than in the corresponding quarter twelve months previously. Despite strict curtailment of production in Japan, a reduction in stocks did not follow to the extent anticipated. The rate of production curtailment for cotton yarn is likely to be reduced from 30 per cent. to 25 per cent. from July onwards.

An improvement has also occurred in the position of the Indian cotton industry, although stocks of cloth remain higher than expected. At the end of last year, these amounted to 874 million yards and shipments in the fourth quarter, while slightly more than in the preceding quarter, were well below the comparable level for 1957.

Among the European cotton industries, Spain and Portugal were the only large producers to record an advance in output for the last quarter of 1958 as compared with a year previously. Western European output of cotton yarn in 1958 was 4 per cent. less, while exports of cotton cloth from the area fell by 3½ per cent.

Consultations on Cotton

Members of two Lancashire missions which have been engaged in talks with foreign producers of raw cotton have lately returned to this country. Reports from them are now to hand about the prospects of using larger quantities of Sudanese and Pakistani cotton after the decline in the consumption of such types in the past season or two.

The dependence of the Sudan on the country's cotton crop is emphasised in the report submitted to the Manchester Cotton Association by its representative, Mr. W. Williams. Reserves of capital are practically exhausted, he declares, while heavy commitments are still outstanding. There are signs, however, that realism is returning to Sudanese cotton prices after a period when values have been impossibly high, resulting in two seasons when the crops have been very difficult to shift.

Mr. Williams predicts that the present system of selling Sudan cotton with undisclosed reserve prices will continue. The authorities, however, now seem to recognise the importance of securing a shorter staple, an earlier maturing type, and the necessity to lower costs of production.

As the raw material is likely to remain the chief source of the country's foreign exchange, the mission contends that over-pricing will not be repeated, and that the cotton will be sold at competitive prices. Although barter transactions are disliked, this system of trading may be forced on the Sudan by those countries which favour its use.

Both in the Sudan and in Pakistan, the Lancashire envoys received a cordial welcome and the foreign farmers were anxious to obtain their views on the production and marketing of their crops. The delegates who visited Pakistan at the invitation of the Karachi Cotton Association were impressed by the real efforts being made to maintain and improve quality standards of cotton cultivation.

This mission emphasised that an increased offtake of Pakistani cotton would depend very largely on whether this improvement could be maintained. As a result of the visit, the delegation was able to negotiate satisfactory payment and delivery conditions which should facilitate increased trade in raw cotton between the two countries, always provided that continuity of supply of the right types of material can be secured.

Commonwealth Cotton Supplies

A warning to cotton producing countries to give serious attention to maintaining their standards was given in Manchester by Lord Derby, President of the British Cotton Growing Association. "Today customers do not need to go in search of supplies, but can afford to wait for selling agencies to make attractive offers," he told the annual meeting of the Association. "Consequently, quality represented by regular grade and staple becomes once more a very important selling factor." Peasant producers, he added, could do much to help themselves by adopting improved cultivation methods, as yields in the rain-grown areas of Africa were relatively low.

Commenting on his recent visits to British cotton growing territories in Africa, Lord Derby congratulated the Nigerian farmers on producing the largest cotton crop ever handled in the area during 1958. This exceeded 240,000 bales, and he was hopeful that further progress would be made in growing cotton in this area.

Alarm about the future of cotton growing in Uganda was expressed by Lord Derby. He said: "The moment you educate an African his aim and ambition in life is to become a clerk. The thought of being an engineer is at the moment repugnant to them, as they consider it a menial occupation. The result is that there are virtually no African engineers in the ginneries in Uganda."—*All Rights Reserved.*

The questions relating to the revision of printing quota for cotton textile mills and the control of printing by independent machine processors, having due regard to the interests of hand-printing industry, were discussed by the Advisory Committee on Cotton Textile Industry at a meeting held in Bombay on the 18th inst. The Committee constituted a five-member sub-committee consisting of the representatives of the All-India Handicrafts Board and some members of the Committee representing mill interests and machine processors to consider the questions. It also appointed an *ad hoc* group to examine matters pertaining to rationalisation, modernisation and maintenance of machinery of the textile units. It further decided to associate some members with the technical officers of the Textile Commissioner's Office to go into the question of a comprehensive review and relaxation of textile controls.

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MODERNISATION OF TEXTILE MILLS

MR. RAMNATH PODAR'S PLEA

AN earnest appeal for the adoption of policies that would enable the cotton textile industry to improve its competitive position in the domestic and foreign markets was made by Mr. Ramnath A. Podar, Chairman of the Bombay Millowners' Association, in his address to the annual general meeting of the Association held at Bombay on the 16th inst. The crisis in the textile industry, he said, called for bold and statesmanlike action. Since the real trouble was consumer resistance to prices, especially in regard to coarse and medium varieties, the recovery of the industry would be ensured if there was an increase in the purchasing power of the consumers. However welcome an increase in the buying power of people, it was unwise, Mr. Podar said, to allow the fate of the industry to be determined by such fortuitous factors. The industry must be allowed to acquire the ability to offer its products at prices consumers could afford. This was possible, according to him, provided proper resilience was promoted in the cost structure of the industry. Raw material, that is cotton, accounted for 48 to 52 per cent. of the cost element of the industry, wages 25 to 32 per cent., stores 9 to 11 per cent., power 3 to 5 per cent. and other expenses 3 to 6 per cent. Since the first two items constituted the major elements of cost it was imperative that they should not be allowed to cause a serious distortion of the cost structure.

In order to ensure stability of cotton prices, Mr. Podar pleaded for the revision of the present policy of announcing the full export quotas for cotton ahead of or at the commencement of the cotton season. Often, the earlier optimistic crop forecasts had to be drastically modified later as the season progressed, so that, due to prior export commitments, mills were threatened with short supply of domestic cotton. This involved a scramble for available lots and prices consequently rose sharply. Mr. Podar, therefore, contended that export quota should be announced only when the cotton crop was well advanced when a reliable appraisal of the crop position could be made. Such a procedure, he observed, would minimise sharp fluctuations in cotton prices.

Stability in Cotton Prices

Emphasising the need for maintaining the price of Indian cotton at a reasonable level, Mr. Podar pointed out that, in recent months, there had been a marked fall in the prices of foreign cottons, while those of Indian growth had risen to a level which had no relation whatsoever to world parity. In the interest of the domestic consumer of cloth and of export promotion such a development should not be encouraged. Indeed, he pointed out, the scales would be heavily weighted against textile exports as 96 per cent. of the cloth shipped from this country were made from Indian cotton. There must also be a steady and even flow of foreign cottons into the country, so that mills using them exclusively might not feel the shortage and thus be compelled to switch over to Indian cotton.

The approach to the question of wages, which constituted the second largest element of cost, Mr. Podar emphasised, should be based on realism. He quoted figures to show that textile labour had benefited a great deal since the war. The average monthly earnings of a Bombay cotton mill worker, for instance, had shot up to over Rs. 132 in 1958 in direct wage alone. His emoluments, including non-wage elements, now amounted to Rs. 160 per month. Mr. Podar admitted that the worker, like any other member of the community, was entitled to a higher standard of living, but any increase in his emoluments, he emphasised, could be countenanced only in the context of the ability of the industry to pay and the willingness of the worker to do a fair day's work.

Rationalisation and modernisation, which alone could improve the capacity of the industry to pay higher wages, were, therefore, of utmost importance. The Government of India had accepted the recommendations of the Textile Enquiry Committee for the installation of about 3,000 automatic looms in the mill sector for the purpose of promoting export of cloth. It had also agreed to the replacement of existing looms by automatic looms at the rate of 2,500 looms per annum over a period of three years. Although this was an important step towards a long delayed reform, Mr. Podar felt that, considering the large magnitude of the looms that needed replacement, it did not go far enough.

The Chairman underlined the importance of enlisting the co-operation of workers in pulling the industry out of the rut. For, the value of even the small concession provided by the Government could be reduced to naught if labour chose not to co-operate. He, however, felt that the terms and conditions laid down at the Fifteenth Labour Conference for the introduction of up-to-date machinery were too rigorous and required revision in the light of the conditions now obtaining, so that stipulations on modernisation should not become a millstone around the neck of the industry. The main object of modernisation was producing cloth at lower cost and the benefit of lower cost could not accrue to the industry if it were prevented from effecting economies in its wage cost.

The Chairman welcomed the realisation among those in authority of the urgent need for modernisation of equipments in factories. As far as the textile industry was concerned, he added, even for purposes of replacement and renovation, machineries of the conventional type should not be used. For instance, ordinary looms should not be replaced by ordinary looms but only by automatic looms, because it is only the latter that can help the industry to win markets.

Fear of Unemployment Unfounded

Refuting the contention that modernisation led to retrenchment of workers and the swelling of the ranks of the unemployed, Mr. Podar observed:

"Indeed, modernisation and automation represent a process of rejuvenation which alone can keep an industry stable and prosperous. The advantages of using modern and automatic machinery have been discussed by the British Working Party for Cotton which says that 'the change to automatic looms shows by far the largest and most consistent advantage of any change in equipment averaging about 20 per cent. of the operating cost and going up to 25 per cent. even with the very moderate number of looms per weaver allowed for in the calculations.' Rationalisation and modernisation thus hold the key to the problem of costs. I, therefore, plead that, in the interests of the industry, the worker and the consumer, every facility should be given for hastening the reform. After all, the maximum displacement of labour is likely to be about one per cent. per year distributed throughout the industry in the country. Considered in the wider context of new employment, I am sure this small displacement will not involve much hardship to the worker, especially when the advantages accruing from it are considerable and so many new avenues for alternative employment are fast increasing."

Mr. Podar urged for a judicious review of the patronage and the subventions given to the non-mill sector of the industry. He conceded that, as labour-intensive enterprises, handlooms and the cottage powerlooms had a place in the country's economy but the way to encourage them was certainly not by imposing heavy burdens and restrictions on the mill sector and by demanding similar sacrifices from the public. He wondered whether the large sums of money spent on the non-mill sectors were not in excess of requirements. The heavy weightage enjoyed by the handlooms and the cottage powerlooms had already made deep inroads into the mill sector. Such a process of blood transfusion from the mill sector to the other branches of the industry should not be carried to the extreme. Otherwise, Mr. Podar warned, the donor himself might become anæmic.

Restarting Closed Mills

The policy of restarting closed mills in the name of providing unemployment relief was severely criticised by Mr. Podar. This policy, he observed, was not in the best interest of the nation, because it ignored the fundamental fact that prevention was better than cure. He

(Continued on page 706)

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U.P. SUGAR INDUSTRY IN DISTRESS

SOME SUGGESTIONS FOR IMPROVING CONDITIONS

THERE was not much in the speech of Dr. Sampurnanand, Chief Minister of Uttar Pradesh, at the annual meeting of the U.P. Branch of the Indian Sugar Mills Association held at Lucknow last week, that would infuse confidence into the State's sugar millowners. All that the Chief Minister said on the various points raised by the President, Mr. S. S. Kanoria—a brief reference to Mr. Kanoria's address was made in our last issue, *vide* page 631—was that the points would receive attention from the Government "at a suitable time and place." Instead of giving specific assurances at least regarding the most pressing problems confronting the industry, he merely stated that, unless the Government, the industrialists, the cane growers and the labourers pooled all their resources, the sugar industry in U.P. was sure to go under and that would spell ruin to large numbers of persons whose fortunes were closely linked with the factories as cane growers and workers. For too long have such general statements been made by men in authority, unaccompanied by any tangible actions later, that they seem to have lost their meaning.

It will be recalled that the percentage share of U.P. in the total production of sugar has gone down from 54.6 in 1939-40 to 47.7 in 1957-58 and is expected to decline further to 44.3 in the current season. This decline by itself is no cause for concern, because, from the point of view of India as a whole, it is but desirable that production of an article of daily consumption such as sugar should be fairly well dispersed if conditions for such dispersal are favourable. Fortunately, there are regions in India which are more suited than U.P. for growing sugarcane and converting it into sugar, as is evident from the fact that, in recent years, much of the growth in sugar industry has been in the Deccan and South India. This is a healthy development and should be encouraged by all possible means. But this is no reason why the long-established sugar factories in Uttar Pradesh should be allowed to languish or why steps should not be taken to make sugarcane growing in that State an economic proposition. How disquieting are the conditions in the U.P. sugar economy was vividly described by Mr. Kanoria as follows:

"These (that is, the handicaps from which the sugar factories in the State are suffering) are: unstable supply of raw material due to vagaries of nature but mainly owing to diversion to *gur* and unhealthy growth of *khandsari*; high cost of cane due to cane cess, co-operative societies' commission and extra charges on rail and road centre cane and lower recovery; low yield of cane owing to lack of irrigation and other facilities; lack of research and suitable varieties of cane; small holdings; uneconomic size of eastern U.P. factories and low duration due to overcrowding; need for rehabilitation of plant and machinery; loss of outside markets; high labour costs; lack of harmony between grower and producer; discriminatory control on sugar prices at uneconomic levels, and heavy burden of taxation."

Cane Cess

Although there is an all-India minimum price for sugarcane, the factories in U.P. are required to pay on every maund of cane a cane cess of 19 nP and co-operative societies' commission of 5 nP. The incidence of these levies on cost of sugar production comes to as much as Rs. 2.37 per maund. It may be noted here that the sugar mills in West Bengal, Kerala, Orissa, Madhya Pradesh, Rajasthan and Assam do not pay either the cane cess or the societies' commission. But these are not major producers of sugar and as such a comparison of U.P. with them is not on all fours. The mills in Madras, Bombay and Andhra, where the sugar industry is rapidly growing, pay a cess of just 3.7 nP, 18 nP and 18.4 nP per maund and no commission at all. The cess levied in Bihar and Punjab is 19 nP and 9 nP, respectively, the commission in both States being 5 nP. The cane cess in Mysore is 22 nP, but there is no co-operative societies' commission.

It will be seen from the aforesaid data that, in all the States that matter as a sizable producer of sugar, the cane cess is almost equal to that in U.P. In Madras, of course, it is substantially lower, but the sugar industry in that State is still relatively small and recovery is on the low side; in some cases, they are lower than even in U.P. Anyway, considering that the recovery per cent of sugar in U.P. is lower than in many other States, the U.P. Government would do well to concede Mr. Kanoria's plea for ensuring that the factories are not required to pay a higher price for sugarcane, including cess and co-operative societies' commission, than their confreres in other regions. Mr. Kanoria was not, however, justified in suggesting the fixation of an all-India uniform minimum price for cane, including these charges. This amounts to asking that the sugar units in other parts of India also should be subjected to the handicaps under which the units in U.P. are now working.

Cane Development

Mr. Kanoria laid special stress on the need for completely reorienting the cane development policy in the State. Evidently, he was prompted by the none too encouraging results of development work so far, as is borne out by the following statistics relating to cane yields in development zones in U.P., as compared with corresponding zones in Bombay, West Bengal, Mysore, Andhra and Madras:

States	Average yield of cane per acre—in tons				
	In 1948-49, that is, when the development scheme commenced	Progress achieved			
		1953-54	1954-55	1955-56	1956-57
Uttar Pradesh ..	12.7	16.0*	18.85	15.40	15.92
Bombay ..	31.0	42.1†	..	..	43.30†
West Bengal ..	16.1	19.8	21.0	22.0	20.47
Mysore	18.08	..	31.40	31.40	30
Andhra ..	25.0	30.3	30.46	31.81	32.49
Madras	25.0	35.3	37.9	37.43	39.44

* 17.27 tons per acre for plant and 13.7 tons per acre for ration cane, as against 19.3 tons and 12.3 tons, respectively, for 1952-53.
† Deccan Canal area.

In the considered opinion of Mr. Kanoria, the factory areas should be made the nucleus of cane development. The entire money spent on this development should be expanded only through one agency in which the factories should be allowed to play a leading part. In order to co-ordinate the activities of the factory areas, there should be a cane development board for the whole of Uttar Pradesh with an equal number of persons representing the Government, the cane growers and the sugar mills. The most immediate problems which this body would have to tackle will be to make available irrigation facilities at cheap rates by providing tube-wells, channels, masonry wells with persian wheels, etc., and to arrange better transport facilities.

In this connection, Mr. Kanoria put forward two valuable suggestions. First, the scheme for the consolidation of land holdings introduced by the State Government should be vigorously followed. It would be in the larger national interest if large cane farms are encouraged; these farms act as model farms, provide improved varieties of seed and popularise better techniques of cultivation in the neighbourhood, and thus contribute towards the benefit of the community. It is gratifying to be told by Mr. Kanoria that the U.P. Government has given the assurance that the farms which are mechanised and have higher production would not be brought within the purview of land ceilings as recommended by the Planning Commission. Secondly, adequate research on proper lines is necessary for the development of cane. A network of research stations and sub-stations with qualified personnel and necessary equipment and funds must be set up, especially in Eastern U.P., where the economics of sugar industry is very weak.

In fact, special reference was made by Mr. Kanoria to the difficulties of East U.P. factories. After pointing to the low average duration of crushing in the region, he urged the Government to embark on a practical scheme with suitable loans and subsidies for shifting some factories from the region to sites elsewhere in the State, so that the other factories may have an economic crush and opportunities to expand. On the question of rehabilitation of plant and machinery of sugar factories, he requested the Government to use its good offices to persuade the National Industrial Development Corporation to accord the same liberal facilities to the sugar industry as were being extended to jute and cotton textile industries.

Sugar Prices

Mr. Kanoria was critical of the control on the ex-mill price of sugar which, he said, had been imposed only on factories in North India, although prices in other parts were ruling higher, regardless of the prices at which the consumer got his sugar; it did not, therefore, appear that controls were imposed solely for the benefit of consumers. He pointed out that the sugar industry was most anxious to provide the consumer with sugar as cheaply as possible, after meeting its cost and a reasonable profit, but the following break-up of sugar prices during the seasons 1946-47 and 1957-58 as worked out by the Government of India would reveal that sugar prices had gone up largely due to increase in taxation:

	1946-47	1957-58
	Rs. per maund	Rs. per maund
Cane price, including transport charges ..	12.62	14.70
Government taxes—Central Excise duty, cane cess and co-operative commission	2.97	13.16
Manufacturing charges, including salary, wages and packing	3.75	5.55
Export loss	..	0.50
Overhead charges and profit subject to taxation	2.20	2.19
Total ..	21.54	36.10
Less for molasses	0.10	0.10
Ex-factory prices (per maund)	21.44	36.00

The continuance of the ex-factory price of Rs. 36 per maund for U.P. sugar mills during the current season is not justified. The production cost of these mills has gone up quite markedly as a result of lower recovery and smaller duration of crushing. If the Government is not prepared to decontrol sugar prices, it should at least raise, as Mr. Kanoria pleaded, the prices suitably, so that the mills may be able to make both ends meet and gradually rehabilitate their plant and machinery, which are getting old.

In the course of his speech, Mr. Kanoria indicated how the *per capita* consumption of sugar in U.P. continued to be more or less static, whereas that in several other States had gone up appreciably. Here are the relevant data:

(In lbs.)

States	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
Andhra ..	2.9	3.5	5.2	4.8	5.2	4.6
Assam ..	4.2	5.2	9.0	10.6	9.8	11.3
Bihar ..	4.0	5.9	5.6	5.0	6.6	7.0
Bombay ..	13.8	17.4	19.2	18.5	20.7	22.4
Madhya Pradesh ..	6.2	7.6	9.1	9.6	10.8	11.9
Madras ..	5.7	7.8	9.5	8.0	8.5	9.5
Mysore ..	7.8	9.6	10.4	11.8	12.4	9.1
Orissa ..	1.8	2.1	2.7	2.5	3.2	3.6
Punjab ..	12.30	19.4	19.8	15.4	20.8	19.1
Rajasthan ..	4.2	8.2	7.9	7.7	9.6	9.5
U.P. ..	5.9	9.8	8.5	6.3	8.9	6.6
West Bengal	13.2	20.9	18.6	18.6	19.5	17.2
All-India ..	7.3	10.3	11.0	10.5	11.7	11.7

A notable point which Mr. Kanoria stressed was that "sugar can be produced more economically by expanding the present factories rather than by putting up new ones." It must, however, be emphasised that the scope for achieving higher production of sugar at an economic cost through expansion of existing units in Uttar Pradesh is rather limited. For this State, since it lies in the sub-tropical region, is not so suitable for cane development as States lying in the tropical region of South India. The future expansion of sugar industry should, therefore, be confined mostly to the Deccan and South India. But, as already stated, if availability of sugarcane in the factory areas can be expanded through intensive cultivation and through curbs on production of *gur* and *khandsari*, there would be no harm in permitting the relevant sugar factories to raise their capacity, in order to crush the increased supply of sugarcane.

THE BANK OF MAHARASHTRA LIMITED
Estd. 1935
Scheduled Bank

CAPITAL
(31-12-1958)

Paid-up Capital (including advances received on share account) exceed .. Rs. 28,00,000
Reserve Funds .. .. .. Rs. 13,00,000
Deposits with the Bank .. .. Rs. 10 Crores 56 lacs
Working Funds exceed .. .. Rs. 12 Crores

The Issue of the Three and Five years Cash Certificates of the Bank has commenced from 9th April 1959.

As the shares of the Bank are based on Bombay Stock Exchange their sale and purchase will be done through authorised Share Brokers only.

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Head Office:
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C. V. JOAG
Manager.

STOCKS OF JUTE GOODS DECLINE

OUTPUT OF HESSIAN EXCEEDS SACKING

THE heavy goods section of the Calcutta jute goods market has not derived much inspiration from the decline in output of sacking during the month of March and the substantial fall in stocks thereof at the end of the month. No doubt, there has been a slight improvement in prices during the last few days, but the undertone does not show any perceptible change for the better. This is presumably due to the fact that the decline in overall stocks of manufactured goods with mills, particularly that of sacking, during the last two months is due more to a drop in output than to any sizable improvement in the offtake by foreign consumers.

In the month of March, the production of member-mills of the I.J.M.A. aggregated 83,300 tons, which represent a fractional fall of only 300 tons from that in February. It has, however, helped the industry maintain the downward trend in production for the third month in succession, the cumulative fall in the last three months being of the order of 13,200 tons. The decline of only 300 tons in March, though it takes the monthly output to the lowest level since October last is, indeed, very negligible, particularly in view of the fact that 1½ per cent. of the looms of member-mills of the I.J.M.A. remained sealed with effect from 2nd March 1959. It may be noted here that the sealing of 1½ per cent. of the looms would by itself mean a cut in output of 1,500 tons per month. An explanation for production not having fallen to the extent expected is that the number of working hours in March was greater at 200.5, as against 192 in February. As compared with March 1958, the production during the month under review is 2,000 tons less, while the working period was three hours more.

A variety-wise breakdown of production figures shows that the overall decline would have been more but for the rise in the output of hessian and miscellaneous constructions. The former has gone up by 1,200 tons, thus reversing the downward trend noted in the previous two months and the latter by 800 tons to a new high of 8,000 tons. The production of sacking has fallen by 2,300 tons, bringing the aggregate reduction in the last three months to 12,000 tons. At 38,100 tons, the hessian output represents an increase of 7,700 tons over the year and constitutes 45.7 per cent. of the total, as against 35.6 per cent. in March 1958. The share of sacking in the total output of goods has declined from 58 per cent. to 44.6 per cent. It will be interesting to note here that, for the first time since April 1942, the production of hessian has exceeded sacking, thanks to the recent diversion of a part of the looms from sacking to hessian output, necessitated by the continued decline in the offtake of heavy goods and the accumulation of stocks thereof. Miscellaneous varieties show a rise of 2,600 tons over the year and form 9.6 per cent. of the total, as against 6.3 per cent. a year ago, as will be seen from the following table:

Production of Jute Goods

(In tons)

	March, 1959	February, 1959	January, 1959	March, 1958
Hessian ..	38,100	36,900	40,000	30,400
Sacking ..	37,200	39,500	45,200	49,500
Others ..	8,000	7,200	6,900	5,400
Total ..	83,300	83,600	92,100	85,300

Notwithstanding a slight fall of only 300 tons in production during the month under review, the stocks of goods with mills at the end of the month show a decrease of 4,000 tons. This is on top of a fall of 3,000 tons in the previous month. Over the year, however, they represent an increase of 12,500 tons, as the following comparative table of stocks shows:

Stocks of Jute Goods

(In tons)

	As on 31st March, 1959	As on 28th Feb., 1959	As on 31st Jan., 1959	As on 31st March, 1958
Hessian ..	17,000	15,500	16,800	24,500
Sacking ..	72,600	79,900	82,700	54,800
Others ..	17,200	15,400	14,300	15,000
Total ..	106,800	110,800	113,800	94,300

The fall in overall stocks is accounted for by sacking, the stocks of which have declined by 7,300 tons to 72,600 tons, the lowest level since May 1958. They also constitute 67.9 per cent. of the total stocks, as against 58.1 per cent. at the end of March 1958. Stocks of hessian have risen by 1,500 tons to 17,000 tons, thus more than making good the decline in the previous month. As compared with the position a year ago, the hessian stocks are lower by 7,500 tons and their share in the total has shrunk from 26 per cent. to 15.9 per cent. With the rising trend in production of miscellaneous varieties, their stocks are also accumulating, the rise during the month under review alone being 1,800 tons, thus maintaining the upward trend for the sixth month in succession. It will be of interest to note that the stocks of these varieties are at a record high and have even exceeded, for the first time, the hessian stocks. Though the excess of stocks of miscellaneous goods over those of hessian is small, the trend is clear. The mills, which have been concentrating their attention on these varieties, in order to make good the reduced offtake of heavy goods, have not found the experiment very favourable, as the stocks of these are accumulating at a rapid pace. In the last six months alone, they have gone up by 5,400 tons.

The decline in stocks with mills during March has been mainly due to a rise in shipments, hessian accounting for an increase of over 1,400 tons and sacking for nearly a like extent, as will be seen from the following table of gross shipments from Calcutta based on shipping bills presented:

(In tons)

	Bags	Cloth	Total
Hessian—			
March 1959	2,304	36,840	39,034
February 1959	4,093	33,526	37,619
March 1958	2,015	31,128	33,143
Sacking—			
March 1959	27,960	847	28,807
February 1959	26,314	1,141	27,455
March 1958	27,133	679	27,812

It will be noted that, over the year, while shipments of hessian have risen by nearly 6,000 tons, those of sacking are up by only 1,000 tons. This clearly indicates the extent to which foreign demand for heavy goods has been lagging behind. This is also substantiated by figures of production and stocks published above. Thus, while production of hessian has risen over the year, its stocks have gone down substantially. In the case of sacking, while the output stands reduced, the stocks thereof are very much higher.

PLANTING BRIEFS

The hopes of harvesting a crop of 50,000 tons of coffee during the season 1959-60 are receding due to the persistence of dry weather on the hills, according to the latest *Coffee News Letter*, released by the Coffee Board. The showers which coffee growers have been anxiously awaiting since early March have not so far materialised, except at a few scattered points.

Out of the export allocation of 14,494 tons from the 1958-59 crop, 4,685 tons have so far been sold. This includes 1,100 tons sold directly by the Coffee Board to the German Democratic Republic. The internal offtake during March 1959 amounted to 2,505 tons, as against 2,022 tons in the corresponding month of 1958. Thisbrings the total offtake in the first quarter of this year to 7,478 tons, which shows an increase of nearly 5 per cent. over that in the corresponding period of last year.

Under the quality control programme, 80 tons of coffee have been shipped to London to test market reactions.

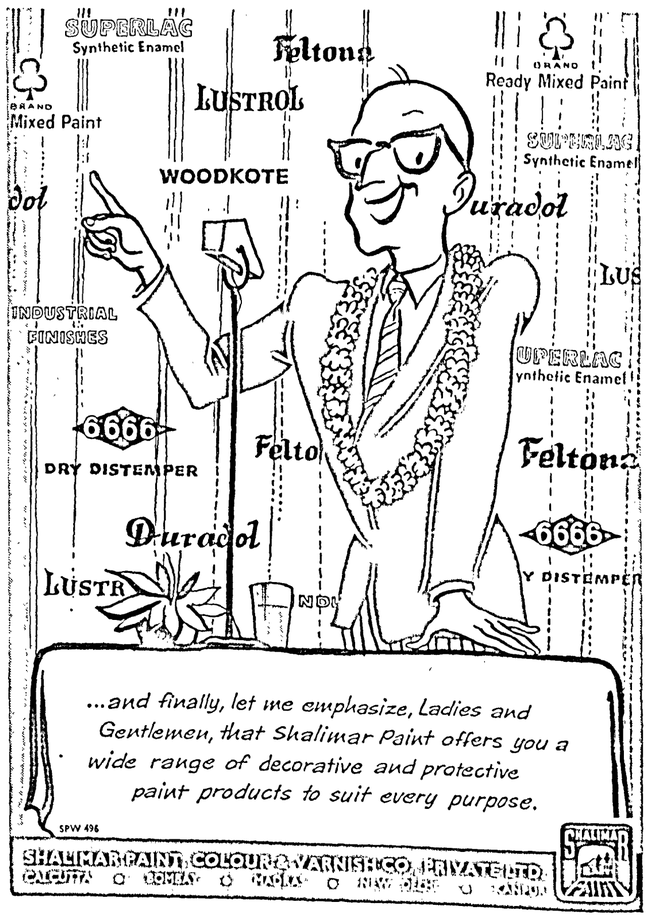
Loans aggregating Rs. 10.55 lakhs have been sanctioned to 199 applicants under the Coffee Development Plan.

* * * *

During the year ended December 1958, India exported coffee of the value of Rs. 7.18 crores, as compared with Rs. 7.73 crores in 1957. The value of tea exported during the past year was Rs. 136.54 crores, the corresponding figure for 1957 being Rs. 123.40 crores. Imports of crude rubber, including synthetic and reclaimed, rose from Rs. 4.20 crores to Rs. 4.22 crores.

* * * *

Exports of coffee from Mexico declined in 1958, in terms of both quantity and value, as compared with those in the previous year. They were 78,748 tons of shelled coffee beans of the value of 1,006.2 million pesos (equivalent to Rs. 38.33 crores), as against 88,823 tons of the value of 1,360.4 million pesos (Rs. 51.82 crores).



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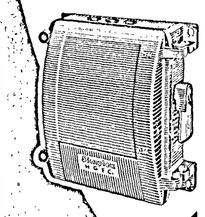
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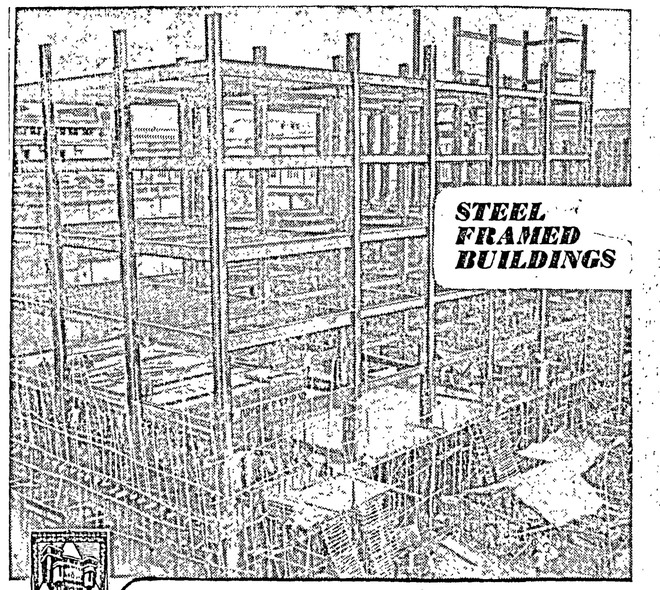
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THE PUNJAB NATIONAL BANK LIMITED

CHAIRMAN, MR. SHANTI PRASAD JAIN'S SPEECH

SCOPE FOR UTILISATION OF SURPLUS FUNDS WITH BANKS GREATER THAN MANY THINK

THE commercial banks in India can play a more effective role than they do now by broad-basing the credit for the industrial development of the country. This view was expressed by Mr. Shanti Prasad Jain, Chairman of the Punjab National Bank Ltd., in his address to the shareholders at the One Hundred and Twelfth Ordinary General Meeting of the Bank held at New Delhi on 14th April 1959. In this connection, he welcomed the suggestion that banks should provide medium-term credit to industries. Mr. Jain was also in favour of banks making available hire-purchase finance for consumer goods.

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

"GENTLEMEN,

"I have great pleasure in welcoming you all to the one hundred and twelfth ordinary general meeting of the Bank.

"With the completion of the Bank building in Parliament Street, the head office shifted to the new premises in September 1958. This is the first meeting in our new premises. From this central location, your Bank is in a better position to serve its varied constituents. The building at Underhill Road is being used to house the Staff Training College and the office of the District Manager, Delhi Circle.

New Offices

"In accordance with your Bank's policy of setting up offices in developing centres, nine branches were opened during the year, taking the total number of offices in India to 362. I had mentioned last year about the reorganisation of the Foreign Exchange Department. The reorganisation has now been effected on a regional basis to serve better the foreign trade needs of our country. There has also been some reorganisation at the head office. The Western Circle has been strengthened by the appointment of an Assistant General Manager at Bombay.

Balance Sheet 1958

"The report of your Directors and audited statement of accounts are already with you. You will observe that the profits for the year 1958 stand at Rs. 110.74 lakhs after contributing Rs. 10.87 lakhs to employees' gratuity fund trust and providing for contingencies including Rs. 4.52 lakhs brought forward. The profits of the banking industry as a whole during the year 1958 were lower, as compared to the previous year, due to higher cost of money and higher establishment expenses coupled with low demand for funds from trade and industry. Provision for taxation has been made at Rs. 33.50 lakhs and Rs. 17 lakhs transferred to reserves. Provision for bonus to staff has been raised from Rs. 18 lakhs to Rs. 30.75 lakhs. A final dividend of Re. 1 per share (free of income-tax) has been recommended, making the total 20 per cent. per annum as in the last year.

Deposits

"The deposits of your Bank during 1958 increased by Rs. 5 crores, bringing the total to more than Rs. 129 crores. Most of the increase in the deposits of your Bank has been in time deposits whereas the demand deposits increased only slightly. The demand deposits in respect of all banks (excluding the State Bank) declined by about 6.4 per cent. during 1958, while time deposits increased by about 26.8 per cent. The competition for deposits continued and the interest rates were ruling high. Your Bank did not, however, bid for deposits at the prevailing high rates. It intends pursuing the same policy this year as well. I express the hope that the inter-bank agreement reached in September last will help not only in arresting the trend of higher deposit rates but actually scale them down to a level consistent with economic banking operations.

"The advance-deposit ratio of all banks in the country registered a fall from 62.7 per cent. to 55 per cent. during the year. This has been largely due to the Reserve Bank's restrictions on advances against foodgrains, etc., and also lack of demand for funds due to curtailment of imports. Your Bank's ratio of advances to deposits has been comparatively low. It has been the keen desire of your Bank to widen the scope of advances for better and profitable employment of its funds and at the same time assist national development. With this view, your Bank has been investigating and studying the commodities market and the needs of newly developing industries. Your Bank is already taking interest to the extent possible in the development of small-scale industries. It is in fact a paradox that, while banks with surplus funds have need to employ them more profitably, the industries needing finance for expansion and development are handicapped for want of finance. Admittedly, the needs of industry for development purposes are much greater than what the financial institutions in the country find it possible to meet. In this connection, the commercial banks in the country can play a more effective role as a credit institution than they are able to do at present. The present situation of increasing funds with banks and the needs of industry and trade not being adequately met by the financial institutions and the capital market has to be considered by the Reserve Bank and the Government of India with a view to giving banks new opportunities.

Investments

"With the availability of more funds and advances not rising, the banks have been able to pay off a substantial amount of borrowings from the Reserve Bank and enlarge their investment portfolio. Your Bank's investments in the year increased by nearly Rs. 24 crores to more than Rs. 62 crores. This investments of all Scheduled banks stood at an all-time high of Rs. 638 crores and in Government Securities at the end of 1958 they were as much as 40.50 per cent. of deposits compared with 31.69 per cent. at the end of 1957.

"This leads me to the general trends affecting our economy and its development. The last two years have been a difficult period for our country. Many hurdles appeared in the path of the Plan's progress. But for the kindly, timely and liberal measures of assistance in terms of food supplies, aids and loans from friendly foreign countries, the World Bank and other financial institutions, it would have been impossible to meet the crisis that faced the country. The World Bank under the stewardship of Mr. Eugene Black has been taking a lead in mobilising assistance for India's development. Mr. Erhard of West Germany and Mr. Samuel Waugh, President, Export-Import Bank, U.S.A. have been responsible for positive measures of help. It is the flow of goodwill from various directions through many channels that we experienced. This has been the silver lining.

Third Plan: Resources—Internal and External

"The need of our country is more production, larger development at a faster rate and larger savings for productive investment. In order to meet the needs of employment and higher living standards, there should be progressive acceleration in the rate of development of our economy. The tempo of development has to be kept high. Obviously, the ensuing Plan has to be larger. With the need for a big Plan, the pressure on resources, domestic and foreign, should obviously prove larger.

"During the last two years, so far as foreign resources were concerned, we were able to pull through only the core of the Plan with finance from abroad substantially through governmental agencies. Our capacity to borrow has been strained. Our requirements are bound to grow higher with a faster rate of economic development. Having regard to this, our ideas and policies would need some alteration. Some adjustment in the quantum of foreign exchange demand is possible through a discerning policy on imports. Imports are already greatly pruned, but further scrutiny is possible in certain directions. Essential developmental needs should be able to get precedence over production of less essential goods. There may be selective imports giving higher priority to developmental imports to meet the more basic needs of the economy. Even with these changes, the demand for foreign exchange would remain considerable and be beyond our capacity with our present technique of borrowing. The Government and the Planning Commission should study the industrial policy from the point of view of an appropriate reshaping. Apart from Government-to-Government borrowings from abroad, foreign capital both in the shape of private loans and equity participation should be induced to come into the country, work with the people shoulder to shoulder in the development of the country's economy and share the prosperity. Such private projects will be self-propelling.

Internal Resources

"So far as internal resources are concerned, many economists and experts have engaged themselves in analysing and working out the effects of increased national income and the channels of utilisation. They have also been assessing the percentage of national income to be saved for development and what and how it could be attracted to the exchequer. The invariable conclusion of the experts appears to have been that adequate resources are not saved by the society on account of increased consumption arising from higher national income. This has led the Government to the policy of cutting consumption through higher and higher excise duties and introducing compulsion on savings through higher and new taxes, provident fund, small savings and even proposing compulsory insurance. This policy tried during the past few years has not yielded and does not appear likely to yield sufficient resources to the Government for carrying on the development programme at the desired level. On the other hand, the policy has resulted in lower production even in the existing industries. Thus, in effect, the policy of creating compulsory savings by reducing consumption, so that the money may be utilised for development to create employment, has led to non-utilisation of available industrial capacity creating unemployment. This offshoot of the policy needs study and review by the Planning Commission and the Government.

Development and Private Enterprise

"In implementing the policy of compulsory mobilisation of domestic resources for development, it is the State which comes in for more prominent part. Incentives to efforts and initiative of individuals are relegated to a secondary place, though they are appreciated in principle. In this connection. the larger enterprises in the public sector are in themselves useful in the development of the country. Many of the big projects generate factors helpful to the economy. This is so especially with regard to the steel plants, electric grids, etc. But criticisms arise when public resources are utilised in fields in which individuals are anxious to carry on business and where they can operate more efficiently. Individual resources that could be available for development and which would have induced many others to save are siphoned off. Such criticisms as are made are obviously not against the public sector or public sector enterprises as such, but only against the policy of including such fields of activity possible under individual initiative into the public sector.

Bank Finance for Development

"In widening the base of industrial development, the commercial banks in the country can play a more effective role by extending necessary credit. The Reserve Bank of India under the leadership of its Governor, Shri H. V. R. Iengar, with his knowledge of industrial development in this country and outside has given a sort of blessing to banks extending medium credit to industries. This will enable the banks to acquire experience in a new class of business and, in due course, contribute further through the new channels to the development of the economy.

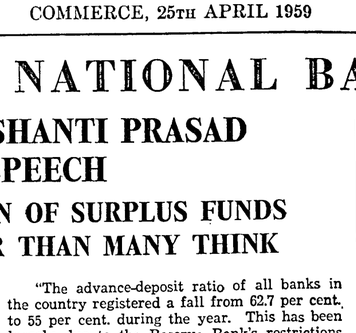
Housing and Hire Purchase

— "In recent years, the banks have learnt the technique of financing hire purchase of consumer goods. The system of hire purchase has in the past few years greatly helped the development of road transport in our country, reducing pressure on the railway system. There is great scope for extending the system leading to increased consumption of different consumer goods and expansion of industries. This technique of financing can be further extended to apply to small individual houses which will not cost more than either a car or a truck. Such small houses costing anything between Rs. 10,000 to Rs. 30,000 should be easily and readily marketable. In Western Europe, credit is being extended on such securities to housing societies. A great handicap in this respect in our country is that the land laws both in rural and urban areas are very rigorous. This needs careful study by the Central Ministry and State Governments.

Results Through Incentives and Initiative

"The purpose of our Plans is to create a better life for the people. In this effort, the approach makes for the difference between the communist and the democratic ways of life. What is sought to be achieved through an element of compulsion in the communist way of life is sought to be achieved in the democratic way of life through incentives and initiative. It is a truth under any circumstances that compulsion produces minimum results with maximum effort. Incentives and initiative produce maximum out of the individual with the least effort. The system of incentives has been recognised in the communist way of life, as is evident from the introduction of output awards, bonus, etc. The more efficient machinery of the democratic way of life is thus being used in the communist society while keeping the element of compulsion in the overall structure. India, that has chosen the democratic form of Government and democratic way of life, must use the means that count for results, sure and enduring."

Note:—This does not purport to be a record of the proceedings of the Annual General Meeting.



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FOR PLEASURE & PRESTIGE

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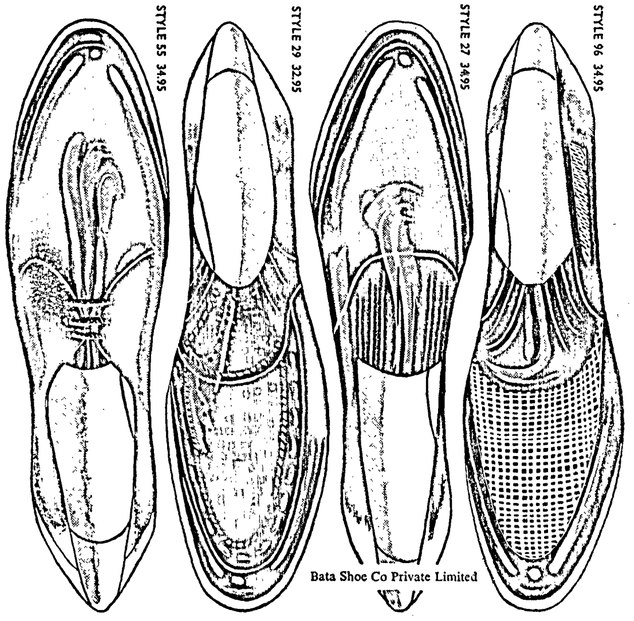
Style 55. Three-eyelet tie blucher, in brown or black, the long toe-line stressed by a mudguard. Supple leather sole.

Style 29. Finger-gore brown moccasin with a finely stitched apron and cutout decoration. Bata Cushonsoft sole.

Style 27. in step-in style is this brown turned front casual with hidden gore and a mudguard. Supple leather sole.

Style 96. Nylon mesh adds an airy touch to this brown and beige combination in moccasin style. Cushonsoft sole.

Bata Ambassador



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THE BANK OF JAIPUR, LIMITED

(INCORPORATED IN JAIPUR, LIABILITY OF MEMBERS BEING LIMITED)

DIRECTORS' REPORT TO SHAREHOLDERS

The Directors beg to submit the audited Balance Sheet and Profit and Loss Account of the Bank of Jaipur, Ltd., for the year ended 31st December, 1958.

After providing for all expenses the net profit of the Bank for the year amounted to Rs. 7,67,344.65 to which is to be added Rs. 20,475.73 brought forward from last year. The Directors have made the following appropriations of the available profit :—

	Rs. nP.
Provision for bad and doubtful debts	5,17,464.58
Provision for Staff Gratuity Fund and Bonus	1,25,000.00
Provision for Taxes	75,000.00
Reserve under Section 17 of the Banking Companies Act	35,000.00
Other Reserves	15,000.00

and the balance of Rs. 20,355.80 be carried forward to next year's account.

The Directors regret that during the year the Bank had to provide for certain bad debts as stated above and as such dividend to the Shareholders had to be passed over.

The Bank's investments appear in the Balance Sheet at below market value.

At the meeting of the shareholders held on 15th November, 1958, a proposal to constitute this Bank as a subsidiary to the State Bank of India was adopted. To give effect to this proposal a Bill called the State Bank of India Subsidiary Banks Bill, 1959, was introduced in the Lok Sabha on 4th March, 1959. The Bill provides for payment of compensation to the shareholders of this Bank on the basis of break up value of the share. As soon as the Bill is passed by the Lok Sabha the State Bank of India will proceed to determine the break up value of the share of this Bank according to the principles accepted by the shareholders at the aforesaid meeting.

During the year Shri Sunderlal Tholia, one of the founder Directors of the Bank, resigned on his attaining the age of 65 years. The Directors have pleasure in placing on record their appreciation of his services to the Bank.

The following Directors of the Bank retire under Article 114 of the Articles of Association and being eligible offer themselves for reappointment.

1. Shri G. D. Somani, M.P. 2. Shri Rajmal Surana.

The Directors wish to convey their thanks to the depositors for their valuable support and confidence and to the members of the Staff of the Bank for their devoted services.

Shareholders are requested to appoint Auditors for the current year and fix their remuneration.

For and on behalf of the Board,
G. D. SOMANI,
Chairman.

JAIPUR, 4th April, 1959.

BALANCE SHEET AS AT 31st DECEMBER, 1958

31-12-1957 Rs.	31-12-1957 Rs.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
		Capital—		
2,00,00,000		AUTHORISED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000.00	2,00,00,000.00
1,00,00,000		ISSUED AND SUBSCRIBED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,00,000.00	1,00,00,000.00
50,00,000		AMOUNT CALLED-UP— At Rs. 50 per share in cash on 1,00,000 shares	50,00,000.00	
Nil		LESS—Calls unpaid	Nil	
50,00,000			50,00,000.00	
Nil	50,00,000	ADD—Forfeited shares	Nil	50,00,000.00
		Reserve Fund and Other Reserves—		
11,40,000		Reserve under Section 17 of the Banking Companies Act	14,00,000.00	
1,00,000		Dividend Equalization Fund	1,00,000.00	
9,85,000		Other reserve earmarked for contingency of bad or doubtful debts	10,50,000.00	
	22,25,000			25,50,000.00
		Deposits and Other Accounts—		
4,55,12,617		Fixed Deposits	6,23,23,153 54	
1,08,03,222		Savings Bank Deposits	1,13,72,856.51	
3,73,76,864		Current Accounts, Contingency Accounts, etc.	3,46,86,544.87	
	9,36,92,903			10,83,82,554.92
		Borrowings from Other Banking Companies, Agents, etc.—		
2,50,000		(i) In India	Nil	
Nil		(ii) Outside India	99,709.47	
	2,50,000			99,709.47
		PARTICULARS—		
		(i) Secured by part of Government Securities as per contra	99,709.47	
2,50,000		(ii) Unsecured	Nil	
Nil				
	14,30,665	**Bills Payable**		30,17,335.51
		Bills for Collection Being Bills Receivable as per contra—		
48,55,727		(i) Payable in India	46,82,046.87	
3,56,909		(ii) Payable outside India	3,48,137.82	
	52,12,636			50,30,184.69
	28,16,239	**Other Liabilities**		49,56,182.04
		Acceptances, Endorsements and Other Obligations as per contra—		
	40,36,096	(Partly secured by Bank's Investments)		47,45,634.18
		Profit and Loss Account—		
10,23,734		Balance as per last Balance Sheet	10,95,475.73	
		LESS—Appropriations thereof— Rs. nP.		
		Transfer to Reserve Fund as provided under Section 17 of Banking Companies Act	2,25,000.00	
2,00,000		Transfer to Reserve other than under Section 17 of Banking Companies Act.	50,000.00	
Nil			2,75,000 00	
2,50,000		Payment of Dividend	3,00,000 00	
4,50,000		Provision for Taxes	4,00,000.00	
1,00,000		Staff Gratuity Fund and Bonus	1,00,000.00	
			10,75,000.00	
23,734			20,475.73	
10,71,742		ADD—Profit for this year brought from the Profit and Loss Account	7,67,344.65	
	10,95,476		7,87,820.33	
		LESS—Appropriations made— Rs. nP.		
		Reserve Fund as provided under Section 17 of Banking Companies Act	35,000.00	
		Reserve other than under Section 17 of Banking Companies Act	15,000 00	
			50,000.00	
		Provision for Bad and Doubtful Debts	5,17,464.58	
		Staff Gratuity Fund and Bonus	1,25,000.00	
		Provision for Taxes	75,000.00	
			7,67,464.58	
				20,355.80
		Contingent Liabilities—		
		In partly paid shares of Joint Stock Companies	Nil	
21,780		Liability on account of outstanding Forward Exchange Contracts (of which upto 28th March, 1959, Rs. 3,60,139.13 have run off)	5,05,852.17	
18,87,273		Claims against the Bank not acknowledged as debts	7,55,912.26	
19,13,912		Liability on Bills of Exchange re-discounted	Nil	
Nil		Liability to other Banks for guarantees issued £61,029-16-9.		
£30,829				
		NOTE :—(1) Provision to the extent of approximately Rs. 3 lacs has not been made for Taxation Liabilities.		
		(2) Provision to the full extent for future gratuities to Staff has not been made—the liability for which has not been ascertained.		
	11,57,59,015	Total .. Rs.		13,38,01,956.61

31-12-1957 Rs.	31-12-1957 Rs.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
	1,37,87,039	**Cash—** In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		1,74,98,371.42
		Balances with other Banks in Current Account—		
15,81,114		(i) In India	13,01,873.91	
20,528		(ii) Outside India	Nil	
	16,01,642			13,01,873.91
	55,20,000	**Money at Call and Short Notice**		55,00,000.00
		Investments (at below market value)—		
		(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments. Part of the Securities are lodged with other banks for borrowing and other arrangements as per contra		4,25,50,851.66
2,87,31,156		(ii) Shares— Rs. nP.		
		(a) Fully paid preference shares 1,20,258.00		
1,20,258		(b) Fully paid ordinary shares 6,58,709.83		
6,15,150		(c) Partly paid ordinary shares Nil		
21,780		(iii) Debentures or Bonds	7,78,967.83	
2,94,000		(iv) Other Investments (to be classified under proper heads)	2,94,000.00	
Nil		(v) Gold	Nil	
Nil			Nil	
	2,97,82,344			4,36,33,819.51
		Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
		(i) Loan, Cash Credits, Overdrafts, etc.—		
4,27,31,561		(a) In India	4,07,07,672.34	
Nil		(b) Outside India	Nil	
		(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
1,01,87,841		(a) Payable in India	1,17,82,086.42	
12,93,337		(b) Payable outside India	6,83,537.46	
	5,42,12,739			5,31,73,296.22
		PARTICULARS OF ADVANCES—		
		(i) Debts considered good in respect of which the Banking Company is fully secured	4,32,49,355.67	
4,84,64,795		(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	58,47,117.45	
48,56,929		(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	40,76,823.10	
8,91,015		(iv) Debts considered doubtful or bad not provided for	Nil	
Nil			5,31,73,296.22	
5,42,12,739		(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	3,13,861.72	
2,70,096		(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	22,66,865.49	
41,42,138		(vii) Maximum total amount of advances, including temporary advances made, at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	4,56,369.96	
2,74,586		(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	48,21,665.83	
59,49,868		(ix) Due from Banking Companies	21,873.20	
38,084		**Bills Receivable Being Bills for Collection** as per contra—		
48,55,727		(i) Payable in India	46,82,046.87	
3,56,909		(ii) Payable outside India	3,48,137.82	
	52,12,636			50,30,184.69
		Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		47,45,634.18
	40,36,096			
		Furniture and Fixtures—		
7,93,646		At book value upto 31st December, 1957	8,33,134.68	
46,701		Additions and Transfers	1,06,120.50	
8,40,347			9,39,255 18	
7,212		LESS—Sales and Transfers	12,839 38	
8,33,135			9,26,415.80	
		LESS—Depreciation— Rs. nP.		
4,84,008		Upto 31st December, 1957. 4,84,007.84		
		During the year 52,156.40		
	3,49,127		5,36,164.30	
		Other Assets including Silver—		
2,377		Stamps	1,346.06	
1,25,772		Stationery	1,08,812.14	
1,32,099		Advance Payment of Tax	1,84,351.11	
3,25,410		Interest accrued	5,09,282 90	
6,71,727		Taxation at source	6,24,732.97	
	12,57,392			14,28,525.13
	Nil	**Non-Banking Assets Acquired in Satisfaction of Claims**		Nil
	Nil	**Profit and Loss**		Nil
		Total .. Rs.		13,38,01,956.61

(Continued in next page)

IMPRESSIONS OF WORLD BANKING—III

RETAIL BANKING IN U.S.—DISCOUNT MARKET IN LONDON—MIRACLE OF GERMAN RECOVERY

By G. Lakshminarayanan

ASSISTANT GENERAL MANAGER, INDIAN OVERSEAS BANK, LTD.

THE First National City Bank of New York announces in its annual report that, of the 100 leading U.S. corporations, 98 are its customers, and this, with the same enthusiasm with which it announces the "challenge of champions," a special drive by its 7,400 staff members for new savings accounts. This is another version of "retail banking," and, indeed, leading banks in the world are making a determined bid to rely on innumerable small accounts than on a few big chunks alone. While loaning rate for prime corporations is 3½ per cent., U.S. banks pay 3 per cent. interest on savings accounts. In the U.K., deposit accounts are on a week's withdrawal notice with interest 2 per cent. below bank rate, for amounts big and small. Indian banks would do well to reach the small man, every small man who can give the barest minimum to the bank, instead of entering into rate war for big deposits. Our present interest rate of 2½ per cent. on savings can also stand an increase to at least 3 per cent.

Incidentally, U.S. banks do not accept term-deposits from domestic customers. Under anti-trust laws of the realm, any agreement between themselves in the matter of commission or other charges or interest rate, is not only void but is punishable, and the Department of Justice keeps a watch on any joint action which could be regarded as a joint imposition on customers.

Yet by several decisions of each bank, banks as a rule do not accept term deposits. When asked why, it was just this: if banks accept term deposits, corporations will transfer funds from current accounts to term deposits. And savings accounts are strictly for individuals with maximum balances of $25,000 to $50,000 with rigid rules on number of withdrawals. Again, interest rate on savings bank account is uniform by the several action of each, and, in fact, even telephonic discussion between banks is avoided in such matters.

Another extension of this common interest is the insistence of minimum balances in current accounts depending on the activity in each account. This is termed compensating balance. There is also a stipulation while granting loaning limits that "commensurate balances amounting to the specific ratio of the line of credit" are maintained. The percentage varies from 10 to 35 per cent. and, barring big accounts, the stipulation applies to most advances, and there have been cases of accounts being transferred for a lesser ratio to another bank, and also subsequent re-transfer.

The London Discount Market is a hallowed name in banking. It conjures up a host of thoughts of its yeoman service to trade and industry. One conceives of a perfect organisation to raise money against usance bills of a wide description. To me at least, it was a surprise that the three main partners in the London money market are:

Borrowers—Government through the Bank of England.

Intermediaries—Discount Houses.

Lenders—Clearing banks, Commonwealth banks, foreign banks, merchant bankers, and large investors like insurance companies.

The assets of the London Discount Market amount to £1,085 million, of which £350 million are against Government bonds, £635 million are against Government Treasury Bills and £100 million against prime banks bills. On the liabilities side, capital funds stand at £35 million, and the balance of £1,050 million is borrowing power from banks and other lenders. It may be more interesting to know that banks do not figure as borrowers in this celebrated money market, but only as lenders. The explanation for this position is the very system of British banking, under which banks regulate their position around cash balance of about 8 per cent.; at the same time, elasticity is needed to absorb cash fluctuations and this is met by money at call and short notice, another 6 to 8 per cent. This call money is not lent as between banks as in India, but to the Discount Houses, *not clean*, but against Government Treasury Bills and dated loans, mostly Treasury Bills. Where banks wish to call in money, they withdraw a portion of these call loans, and where they have surplus cash over 8 per cent., they re-lend. So, in fact, there is no borrowing between bank and bank through the money market, nor any bank borrowing at all. The benefit to banking is the avoidance of a higher cash ratio, the second line funds of 6 to 8 per cent. earning market rate of interest.

As far as Discount Houses are concerned, it is essentially a question of rate differential, the spread between the yield on their Treasury Bills and bond holdings and the rate at which they borrow from banks day to day. In view of the important role of Discount Houses, Banks have agreed not to tender for Treasury Bills. A syndicate of Discount Houses makes the tender, and banks' requirements are provided by the Discount Houses themselves.

From the Government's point, this is a source of ways and means funds. For example, on a particular day, the Bank of England rate was 6 per cent., rates of current Treasury Bills ranged from 6 to 7 per cent. (the Bank rate was 7 per cent. before) and the call rate ranged between 5-1/16 per cent. to 5½ per cent., privilege money rate was 4½ per cent. Privilege money is a limit that Discount Houses enjoy from the clearing banks to which they can resort without any prior arrangement, and this is a sort of privilege they have been accorded. Apart from availability, the interest rate is about 1 per cent. lower than day-to-day rate. The aggregate or the privilege money available to the various Discount Houses is about £8 million. Discount Houses equally cooperate with the eleven clearing banks, and, in fact, operate on each bank's account for a day by rotation.

The way the Bank of England regulates interest rate is equally interesting. When it wants the rate to be steady or downward, it offers to purchase Treasury Bills of selected maturity. It knows the holders of these series, gives them the offer, and, when this is done, the money is injected into the market and the rate is stabilised. This kind of money is called "made money." If, on the other hand, the Bank wants the rate to firm up, it stops purchases and rigs the market, forcing the discount market to borrow from the banks, which is not only at the higher bank rate, but carries minimum one week's interest. This operation is called "forced to bank." As I stated at the outset, all these operations are secured against mostly Treasury Bills and to a small extent terminable bonds. Bills and bonds are issued in special denominations, in bearer form, to facilitate market operations, and every operation carries with it a packet of these bonds and bills.

This delicate structure of the discount market with a fine rates difference and the means of "privilege money," "made money" and forcing to bank, has greatly tended to make London not only a leading financial centre but one of the most competitive centres in the world. The range of call rate fluctuation is just about a sixteenth, and on this fine balancing rests the whole discount market of a billion size. Even in the midst of this exacting operation, one can hear the typically cryptic British humour and an easy disposition.

Federal Funds and Clearing Funds

The Treasury Bill market is equally active in New York. But inter-bank call money operations are in what is known as the Federal funds—akin to cheque on Reserve Bank of India. Actually, in the U.S., clearing funds are available for drawing only on the following working day, and, where an inter-bank call loan is made, the borrowing bank gives its clearing funds cheque and obtains in exchange Federal funds cheque of the lending bank, and, automatically, the call loan is repaid on the next working day, and as such strictly overnight loans. These loans are unsecured just as in India.

The growth of the Treasury Bill market in the U.K. and the U.S.A. suggests the desirability of a similar system in India. The commercial

THE BANK OF JAIPUR, LIMITED—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

31-12-1957 Rs.	EXPENDITURE	Rs. nP.	Rs. nP.
			28,83,857.24
24,48,054	To Interest paid on Deposits, Borrowings, etc.		
17,40,554	,, Salaries, Allowances and Provident Fund—	44,500 00	
	(i) General Manager		
	(ii) Staff	18,77,058 52	
			19,21,558.52
	,, Directors' and Committee Members' Fees and Allowances		14,002.72
9,907	,, Rent, Taxes, Insurance, Lighting, etc.		1,47,534.32
1,47,285	,, Law Charges		39,152 68
10,732	,, Postage, Telegrams and Stamps		1,17,287 02
1,05,980	,, Auditors' Fees		10,000.00
10,000	,, Depreciation on and Repairs to the Banking Company's Property		69,048.77
64,310	,, Depreciation on and Advertisement, etc.		1,28,952.92
1,17,672	,, Stationery, Printing and Advertisement, etc.		Nil
Nil	,, Loss from Sale of or Dealing with Non-Banking Assets		1,44,882.43
1,17,554	,, Other Expenditure		7,67,344.65
10,71,742	,, Balance of Profit (subject to Taxation)		
	Total .. Rs.		62,39,621.27
59,53,690			

31-12-1957 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP.
45,13,133	By Interest and Discount	50,68,913.28
12,41,920	,, Commission, Exchange and Brokerage	10,77,450.95
Nil	,, Rent	Nil
	,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	,, Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
98,637	,, Other Receipts	93,257.04
58,53,690	Total .. Rs.	62,39,621.27

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of 'The Bank of Jaipur, Limited,' as at 31st December, 1958, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the returns of 10 branches audited by us, and the unaudited returns from 30 other branches not visited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The Accounts are therefore drawn up in accordance with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) The transactions of the bank which have come to our notice have been within the powers of the Bank;

(c) In our opinion, proper books of account as required by law have been kept by the bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the bank;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and returns;

(e) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read along with the notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet, gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

K. N. GUTGUTIA & CO.,
Chartered Accountants.

6th April, 1959.

S. L. KOTHARI,
General Manager.

A. R. SAVOOR,
Deputy General Manager.

G. D. SOMANI, Chairman.
MADAN SINGH,
GANGA SAHAI PUROHIT,
G. D. BINANI,
S. L. KAKAR,
GANESHNARAIN R. PODAR, } Directors.

banks' holding of Government Treasury Bills in India is negligible and the integration of commercial bank funds with Government ways and means would integrate the Indian money market. The odium of the central banking institution entirely absorbing Treasury Bills would be avoided and, in the fullness of time, be an effective means of regulating interest rates in India. To promote this consummation, the Reserve Bank of India could consider special incentives, say, a concessionary interest rate for Reserve Bank's advances to Scheduled Banks against Treasury Bills, say ½ per cent. lower than Bank rate. Simultaneously, the Reserve Bank could reduce buying operations in dated loans to give a fillip for Treasury Bill holdings. Encouragement to short-term Treasury Bills investment will be particularly appropriate to the rapid growth of bank deposits in India.

"Mystery" of German Recovery

A country twice at major war in a lifetime with all its concomitants, devastation, economic wreckage, severe inflation, dismemberment of the country, refugee problem and a host of trials, and yet on its feet in almost a decade with vastly accelerated economic power. That is the story of German revival. Naturally, the first enquiry of a visiting student of money and banking is the marvel of this achievement. Germany today is a world creditor, with mounting clearing surplus and with foreign exchange holdings of DM 23 billion, thrice of 1953. Export trade in 1957 was DM 36 billion, double of 1953, industrial products accounting 97 per cent. 1957 steel production was 24 million tons, iron and steel industry employs 2.3 million people out of the total industrial employment of 5.75 million. Wage and salary income in 1957 amounted to DM 82 billion. Industrial production index last year was 203 (1950=100).

The Potsdam Conference laid down the 1946 German industrial production at 75 per cent. of 1936, raised to parity in 1947. Several industrial units that escaped the wreckage of war were forcibly dismantled, including a large shipbuilding yard in Hamburg. Banking organisations were made to disintegrate from country-wide ramifications, as concentration of financial power was considered the teeth of political vandalism. But then came about the Berlin blockade, and the most massive air lift of peace time, and Germany got the green signal to rebuild herself as a buffer for democracy.

Rise of Deutsche Bank

Germany is on its own now. Industry is flourishing and banking institutions have been reintegrated. The Deutsche Bank, successor to the Suddeutsche Bank, Deutsche Bank West and Norddeutsche Bank, has emerged as the largest on the Continent. The Norddeutsche Bank started with paid-up capital of 3.5 million D.Marks, the other two with 7 million each. Successive enlargement has brought the capital to 250 million D.Marks, with right issues at par (market price DM 260, paid up DM 100)—another measure of prosperity.

Despite war loss of seven million lives and a refugee population of 10 million—20 per cent. of total population—a visitor sees no sign of war-torn Germany. Shipbuilding, which had received a heavy blow, has risen again, more modern than ever before. The Howaldts Werft, which I visited employs 9,000 workers, builds annually 100,000 tons and is fully booked up to 1962. The 60,000-ton *Queen of Scotland* has been made over to this yard for complete remodelling. As with most rivers on the Continent, the Elbe has been exploited practically every square mile. Four large shipbuilding yards span the Elbe in its course across Hamburg, which is a free port, serving as international warehouse for considerable entrepot trade. Indeed, the prosperity of Hamburg and Elbe are considered inseparable. A report goes that, when sometime in the last century Hamburg went on flames, the Chieftain of Hamburg, with vast vested interests, was in his country home. Panic-stricken, people ran up and exclaimed to him in tribulation that all was lost. The Chieftain asked with composure if the Elbe was alone on fire. The innocent people said 'no,' and he remarked: "Then the situation is not as bad. So long as we have the river Elbe, we can always have Hamburg." Thanks to the Elbe, Hamburg is the leading commercial city of Deutscheland.

The Germans themselves are unexcited about their revival. The reasons for recovery are many and varied, political opportunity, Government policy, technical know-how, basic raw material, U.S. aid and, crowning all, perseverance of the people. There was co-ordination of high order. The Government policy was tuned to a highly realistic pitch. A country which was subject to the shackles of numerous controls since the 1930s, boldly ventured on free enterprise and abolished, in a brief period, every physical control, with the lone exception of coal price, a factor of some importance to railways. Tax concessions and special incentives for ploughing back profits were granted. Industries piled up profits at 20 to 50 per cent. Foreign capital investment was freely permitted, though, of late, capital of restricted convertibility is discouraged.

Currency Reform

But, while the machine age has revolutionised production, the human hand is irreplaceable and Germany discovered that two inflations in a lifetime and the mounting spiral of prices left no incentive to work. The workers' real income came to nothing, a pound of butter costing 40 Reichsmarks. The memorable currency reform of 21st June 1948, unique for the boldness of its concept and execution, was the answer. All currency holdings became valueless that morning, except to the extent of 60 Deutsche Marks per person in the ratio of one D.Mark for 10 Reichsmark. But currencies deposited in account with banks were reckoned at one-tenth value, and half of the balance so created was blocked, and, subsequently, 70 per cent. of blocked balance was cancelled. Of the rest, 20 per cent. was released later and 10 per cent. converted into medium and long-term balance. The reform had wide repercussions on financial institutions like banks and a special procedure was adopted for them. The excess of revalued liabilities over revalued assets of each bank was made good by way of "equalisation claims" on the Government. The paid-up capital of each bank was provided at 1½ per cent. of the deposit liabilities. These equalisation claims are in effect blocked claims but, in 1955, it was decided to convert a part into Treasury Bills and bonds for sale to the rest of the economy. Still the aggregate equalisation claims run to about DM 8 billion and these are redeemable, may be in some decades, out of surplus profit transfers of the Bundesbank to the Government.

Hard Work

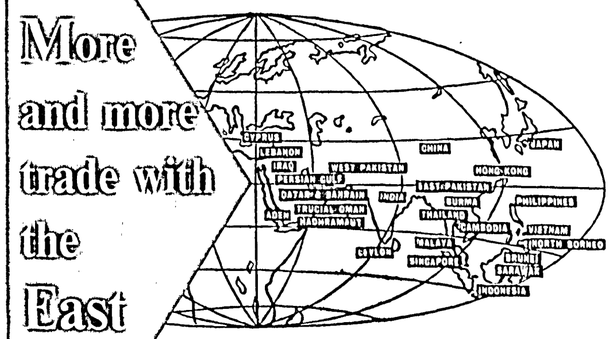
The currency reform had electric effect on the people who began working harder than ever before, some 12 hours a day in the beginning, in all sectors, industry, commerce, banking, public administration, etc. Each was prompted by the noble impulse of contributing his mite to the reconstruction of his homeland, his beloved Deutscheland, and that is the magic wand of German revival. Now the average industrial wage is 2 D.Marks per hour of 48 hours a week. The German is still one of the hardest working. So is the bank clerk and so the bank executive, who works nine hours a day. The German people have all comforts, their Mercedes car is among the best and their highways are second to none, they dress richly, they are voracious eaters. Even car drivers employed by banks have telephones at their residences.

East Berlin

The only question that has defied solution is the reunification of Germany. Refugees from East Germany are still flowing in and this is no wonder, seeing from the vast difference between the two sectors of Berlin itself. I had a peep into East Berlin, considered far better than East Germany proper. I was greatly moved by the difference between the two Berlins. I have no brief for the West, but East Berlin is deplorable, a pathetic sight. There is no cheer in the people, departmental stores are poor and unclean, cost of living is high, automobiles are so few and even the main thoroughfares look deserted. They have their homes in the Eastern sector, which means their property, family members and relatives, and for one who wishes to cross to the Western sector the problem is of many lives.

(Concluded)

Trade with Eastern countries is ever on the increase. An efficient world wide banking service with expert knowledge of market conditions is essential to develop trade. The three associated banks, The Chartered Bank, The Eastern Bank Ltd. and Allahabad Bank Ltd. with branches in almost every commercial centre in the Middle East, South East Asia and the far East are fully equipped to provide complete Banking facilities to every trade and industry.



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which together have over 80 branches in India and a complete branch service in The East extending from Cyprus to Japan.

THE DUNLOP RUBBER CO. (INDIA) LTD.

MR. JOHN LUCKHAM'S REVIEW

THE Thirty-third Annual General Meeting of the Dunlop Rubber Company (India) Ltd. was held in Calcutta on 23rd April 1959. Addressing the shareholders on the occasion, Mr. John Luckham, Managing Director, observed:

"GENTLEMEN,

"The Directors' report and accounts for the year 1958 have been in your hands for some time, and, with your permission, I will take them as read.

"You will have seen from the Directors' report that Mr. Reay Geddes resigned from your Board in March 1959. It was with very great regret that the Directors had to accept his resignation which he felt necessary to submit in view of his increased responsibilities as Managing Director of the Dunlop Rubber Company, Ltd. I am sure you will want to join me in expressing the Company's appreciation of all the advice and guidance which we have received from him.

"To fill the vacancy caused by the resignation of Mr. Reay Geddes, the Board appointed Mr. Cecil Stack who now retires by rotation and offers himself for re-election.

"Mr. Stack is now Overseas General Manager of the Dunlop Rubber Company, Ltd., which position he took up after his retirement from India two years ago. I am sure that his great experience will be of real value to the Company.

"It is also with regret that I have to report the resignations of Mr. A. W. Gillespie and Mr. F. G. W. Jackson.

"Mr. Gillespie came to India in 1935 as Secretary and Chief Accountant of the Company, and was appointed a Director in 1947. I should like to express appreciation of his services, and extend best wishes to him in his retirement.

"Mr. Jackson came to India in 1951 and has been Works Director since 1954. During his time at Sahaganj considerable expansions have taken place there and, of course, our new factory at Ambattur has been completed under Mr. Jackson's guidance. He is now taking up an appointment with the Dunlop Rubber Company, Ltd., and I should like to thank him for his valuable services and wish him success in his new appointment.

"In the places of Mr. Gillespie and Mr. Jackson, the Board are recommending the appointments of Mr. J. A. Moore and Mr. K. C. Ferguson respectively, who have each had long and varied experience in the Dunlop organisation and are fully qualified to take up these appointments.

"The Directors have the question of filling the remaining vacancies on the Board under very careful consideration.

The Year's Trading

"A further increase in production was achieved during the year under review in almost all lines, though this could not keep pace with the ever rising demand.

"The expansion of road transport, in particular long-distance goods traffic, referred to in my speech last year, resulted in a steady increase in the demand for truck tyres as the year progressed. In fact, even in the rainy season when, in the past years, a falling off in demand has always been felt, there was for the first time no respite and our order book remained full throughout the year.

"In the car tyre market, despite a fall off in demand from the car manufacturers who were affected by the general cut in import licences, our replacement sales continued to increase. During the year, plans were made for the introduction of a new and improved car tyre, the Gold Seal, and production of these tyres will commence shortly in all the popular sizes. I should mention here that the position of the car industry in 1959 has improved and the level of production is already increasing.

"Though the bicycle manufacturers were also affected by the import restrictions on components, they managed nevertheless to increase their production during the year, with a consequent rise in their offtake of tyres. The replacement demand was also the highest ever, and we were unable to meet this in full.

"Due to the rapid industrialisation of the country, the demand for our range of industrial [illegible] products rose to a level far above our present capacity. One of the most important items involved is conveyor belting and we have already put up to the Government our scheme for expansion.

"Our total sales of Dunlopillo increased during the year. There was a smaller demand from car manufacturers, but this was more than made up by increased sales of household items.

Raw Materials

"The raw material supply position was generally satisfactory, except for a temporary shortage of steel for the manufacture of bicycle rims. The Government's policy for the import of steel was altered during the second half of 1958, which resulted in some delay in securing supplies and we were unable to increase production of bicycle rims to our full capacity.

"Our consumption of rubber in 1958 increased to 15,926 tons, as against 14,424 tons in 1957. We had to import a considerable quantity of rubber in 1958, because production in India did not show any appreciable increase, being 24,327 tons, as against 23,767 tons in 1957. The total all-India consumption of rubber in 1958 touched a new record at 38,006 tons, as against 34,797 tons in 1957.

"The world price of raw rubber was considerably lower than the Indian controlled price throughout the year and, as a result, we paid to the Rubber Board Rs. 48,83,913 being the difference between the imported rubber price and the Indian controlled price.

"Prices of other principal raw materials remained steady throughout the year, but there was some increase in local transport charges.

Expansion Plans

"Last year, I expressed the hope to you that our new factory at Ambattur would be ready to start production at the beginning of this year.

"I am very happy to tell you that that hope has been fulfilled and, in fact, initial production of cycle tyres started there in December. I am sure that you would like me to express your appreciation to all those who contributed to the completion of this project on schedule.

"We now have the task of getting this new factory into full production on three shifts per day and the training of labour towards this end is proceeding well.

"During the year, our programme for increased production of giant and cycle tyres at Sahaganj was completed and the first phase of our cycle rim expansion was also ready for operation by the end of the year. However, we could not utilise the extra rim capacity immediately, as there was a raw material difficulty of which I have made mention elsewhere.

"You will recall that, as an initial step in providing the required additional finance for all this expansion, the sum of Rs. 203 lakhs was raised in 1957 by the issue of 14 lakhs of new ordinary shares of Rs. 10 each at a premium of Rs. 5 per share. This was followed by an offer to the public in September 1958, of Rs. 1 crore of 6½ per cent. debenture-stock 1968-73 at par, ranking pari passu with the balance of the original debenture-stock created in 1950. I am glad to be able to report that this issue was an unqualified success.

Profit and Loss Account

"The net profit for the year, after providing for depreciation, interest and taxation, was Rs. 82,42,813, as compared with Rs. 80,67,449 for 1957. As a result of the establishment of the Company's new factory at Ambattur, the development rebate allowable in respect of the accounting year 1958 is abnormally high, and under the Finance Act 1958 the Company is required to credit to a reserve account not less than 75 per cent. of the amount allowable. Accordingly, a sum of Rs. 30 lakhs has been transferred to development rebate reserve and the Directors do not, therefore, consider it necessary, for this year, to make a further appropriation to general reserve. After allowing for the transfer to general reserve of the expenses of the debenture-stock issue, the total reserves and surplus have been increased by approximately Rs. 25 lakhs and cover the ordinary share capital more than one and a half times. These reserves are, of course, fully employed in the business. The Directors are recommending the same rate of ordinary dividend as for 1957, that is, 16⅔ per cent. As, however, this dividend is payable for a full year on the new shares issued in the middle of 1957 the amount to be distributed is considerably higher than in the previous year, namely, Rs. 48,75,000, as against Rs. 38,25,000. The surplus carried forward will then be Rs. 22,46,000.

Balance-sheet

"The additions to fixed assets during the year amounted to Rs. 2,29,14,000, the bulk of which was in respect of buildings and plant for the new Ambattur factory. The amount of depreciation written off in 1958 was Rs. 31,47,000, as against Rs. 27,69,000 in 1957.

"Stock inventories, at Rs. 5,03,31,000, were Rs. 16,47,000 higher than at the close of the previous year, but finished goods stocks continue to be abnormally low arising from the constantly increasing demand for the Company's products. In spite of the greater sales turnover, sundry debtors remained at approximately the same level as at the end of 1957.

"Turning to the liabilities side of the balance-sheet, I have already mentioned that reserves and surplus are higher by Rs. 25 lakhs and debenture-stock by Rs. 1 crore. In addition, there has been an increase of Rs. 59 lakhs in bank borrowings. These figures reflect the large additional investment in fixed assets which has taken place during the year.

Employee Relations

"During the last year a greater strain was put upon our labour relations than at any time in the past. However, I am sure that mutual confidence has not been seriously impaired and that our management and our labour will continue to resolve their problems as in the past.

"It is essential for the country's welfare that productivity should be raised to the highest level and this is a necessary and principal step to increase the standard of living. Absenteeism is one of the factors which reduces productivity in our own and other industries, and the damaging effect of this on the country's economy is not generally realised.

"On the whole, staff and operatives have given us their loyal support and contributed greatly towards the successful outcome of the year's activities. I am sure you will wish to join with the Directors in thanking them."

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

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MARKET FOR PETROLEUM EQUIPMENT

BUYER HAS A FAIR CHOICE OF SUPPLIERS

IT seems improbable that any other enterprise can have so lengthy and varied a shopping list as the purchasing department of a major oil company. One such organisation, which over the last four years has spent an average of £50 million a year, regularly buys over 100,000 different items from as many as 3,500 U.K. suppliers. Its purchases, mostly for export, range from hypodermic needles to the largest line pipe, from tape recorders and television sets to helicopters and drilling barges.

Many of the things bought by an oil company for use at home and abroad are articles in general demand—food, cigarettes and medical supplies for the staff; pencils and paper for the drawing office; bulk chemicals, cement and paint; road vehicles, motor launches, and a wide range of engineering products. But its purchases will embrace many specialised items, such as oil country tubular goods—casing, tubing and drill pipe—drill collars, tooljoints, drilling bits and rigs. It is such specialised items as these which may properly be described as petroleum equipment in the narrower sense.

Before the war, many of the specialised items, drilling equipment in particular, could be bought only in the U.S.A. American manufacturers had a long start, not only because the United States was the cradle of the oil industry, but because the home market was so enormous. (The fact that over 49,000 wells were drilled in the U.S.A. last year, against less than 8,000 in the rest of the free world gives an inkling of the size of the U.S. market for drilling equipment.) For oil companies within the U.S.A., American manufacturers are virtually the exclusive suppliers. Since the war, however, the manufacture of petroleum equipment has made rapid progress in Europe, partly as the natural outgrowth of existing engineering industries, partly on account of the dollar shortage and the lower level of cost prevailing in European countries. In the early stages of development, American-designed equipment was made by European manufacturers under licence. This is still done; but, in recent years, there has been an increasing tendency (as there has been in the motor industry) for American manufacturers to set up subsidiary companies of their own in Europe.

Steel Producers

The European countries which have shared in this development are, inevitably, those possessing established steel and engineering industries. An idea of their relative importance as steel producers as compared with the U.S.A. is given in the accompanying table of steel production.

Steel Production

(Thousand long tons)

	1947	1957	1958*
U.S.A.	75,800	100,640	76,120
U.K.	13,700	21,700	19,670
W. Germany	9,100	24,120	22,420
France	5,640	13,880	14,370
Belgium	2,840	6,180	5,900
Italy	1,600	6,880	6,170
Luxembourg	1,690	3,440	3,350
Saar	700	3,300	3,350
Netherlands	190	1,160	1,380
Sweden	1,170	2,440	2,350
Austria	350	2,470	2,340
Japan	940	12,370	11,920
U.S.S.R.	14,270	60,290	64,020
Other countries	12,750	37,740	44,040
World total	133,800	286,500	267,300

* Provisional figures.

In the van of this new development during the immediate post-war years was the United Kingdom, the Continental countries not yet being in a position to enter this new field. In the U.K., the manufacture of petroleum equipment was stimulated by the pressure exerted on British oil companies, because of the acute shortage of dollars, to buy sterling goods for their overseas operations, and by the British Treasury's currency arrangements with U.S. oil companies operating in the sterling area. The industry has made great strides since the war and has contributed handsomely to the country's export drive; it has even begun to penetrate the difficult Canadian market in competition with U.S. suppliers. Some idea of the variety of the products in question may be gleaned from the accompanying table, which analyses the £122 million worth of orders placed with British manufacturers by oil company buyers during 1958. (Ten years earlier the value of orders was only half as much.)

Petroleum Equipment, etc., Ordered in U.K. in 1958

(Thousand £s)

Bulk chemicals	24,704
Tubulars, pipe-fittings and valves	14,907
Drilling and production equipment	10,384
Tools and machinery	9,156
Electrical equipment	8,566
Plates, sections and bars	8,053
Refinery equipment excluding pumps and valves	8,039
Automotive equipment	7,475
Drums, drum sheet and tinplate	6,401
Prime movers and compressors	4,092
Other items	20,289
Total 1958	122,066
1957	134,050
1956	153,730
1955	123,520
1954	80,390

Source: Oil Companies Materials Association, London.

The countries of the new European Economic Community—W. Germany, France, Italy, Belgium, Luxembourg and the Netherlands—are also suppliers of petroleum equipment, though, naturally, they do not all cover the entire field. International comparisons are difficult in view of the multiplicity of items involved and the fact that they are the product of so many different industries. However, it may be said that W. Germany is probably the biggest supplier after the U.K. The industry in the Federal Republic has been stimulated by the growth of exploration, producing and refining operations at home, and, for some items of equipment, W. German prices are more attractive than those quoted by U.K. manufacturers. The French equipment industry is also growing rapidly, with Government encouragement. It is supplying an increasing proportion of the equipment and materials required for prospecting and producing operations in the French Union, and also does a useful export trade. The Netherlands and Italy have recently become important suppliers for certain items. Other W. European countries also play their part: Austria and Sweden, for example, supply the oil companies with high-grade steel products, while Switzerland is a well-known supplier of gas turbines.

Outside Europe, the Japanese are becoming increasingly important suppliers of petroleum equipment, as they are of tankers. The Australians, too, are entering this field to a growing extent, and are now in a position to supply about four-fifths of the equipment and materials needed in the construction of an oil refinery. The Australian Government is doing all it can to encourage the petroleum equipment industry.

Thus, the near-monopoly of the supply of specialised equipment—particularly for the drilling and production sectors of the oil industry—possessed by American manufacturers before the war has been largely broken down. There are few items of equipment which are not now manufactured in Europe. And, if they are not made here, the reason is often commercial rather than technical: the demand may be insufficient to permit an economical scale of production. American influence remains strong, however: a great deal of petroleum equipment is made to A.P.I. or other American standard specifications, although European manufacturers are seeking increasingly to develop their own standards, even if, in many cases, these are based on American practice.

Choice of Supplies

For many of his requirements, therefore, the oil company buyer now has a fair choice of suppliers. How does he choose between them? As in almost all buying operations, the choice may, to some extent, be the result of purely personal preference, or even prejudice. One company, for instance, may be convinced that American-made drill pipe is the best in the world, whereas another may argue that W. Germany and Italy can turn out something equally good. Engineers accustomed to using one supplier's product may refuse, or only reluctantly accept, any substitute. Apart from factors such as these, there are four considerations which will influence the buyer's choice, though not necessarily in the order in which they are given here.

The first is quality. For high-duty drilling or refinery equipment, the purchasing department will generally buy the best: for the consequences of any breakdown may be most serious, in terms of time, money, or even human life. Where operating conditions are less exacting, however, there is no point in paying a higher price for a product with an excessive margin of safety. In this connection, there seems to be a danger that certain U.K. manufacturers (e.g., of electrical equipment) may price themselves out of the market by offering products with too high a safety factor, or too conservatively designed in other respects.

The next consideration is the delivery period. A long delivery period will necessitate the holding of large stocks of equipment—which may tie up an enormous amount of money. An oil company buyer is often in a hurry, because, if he does not get what he wants quickly, a projected plant may be delayed, an expensive piece of equipment may be left standing idle, or the company's operations programme may be held up. He is, therefore, under strong pressure to place his order with the supplier, who can offer the quickest delivery. This consideration was of paramount importance in the immediate post-war years when, e.g., the steel and engineering industries in the U.K. were heavily overloaded with orders. Not only were long delivery periods quoted; what was worse, delivery promises were not kept. Indeed, in those years some U.K. manufacturers were twelve months or more in arrears with their deliveries, to the great inconvenience of their customers. Much business which could have been placed with British industry, therefore, went to the U.S.A. The position is much better today. But it is still true that, for many items of equipment, U.S. delivery periods are about half those quoted by European producers. Hence, if the need is urgent, the oil company buyer may have little choice but to place his order in the U.S.A.

Currency considerations are now less important than they were. With steady progress towards convertibility in Europe, and the continuance of inflation in the U.S.A., the dollar is now much less "hard" than it was. Hence the former pressure on sterling area buyers to avoid hard currency sources is now easing.

If quality and delivery promises are satisfactory, and if there is no hard currency problem, the buyer's choice will be governed by price. Where items of equipment are manufactured in Europe under licence from U.S. principals, the selling price must generally be equivalent to that quoted in the U.S.A. Otherwise, European manufacturers are free to fix their own prices. While it is difficult to generalise about such a vast range of items, it may be said that the prices quoted by European suppliers are only infrequently above those of their American competitors.

Food

One other factor now influencing the oil company buyer is the possibility of procuring supplies locally in the country of operation. So far as food is concerned, there is, of course, a natural tendency to try to "live off the country"—though the process may be limited by dietary habits and by European, and especially American, preferences for national brands of food, drink, tobacco, etc. The existence of a large oil company demand naturally tends to stimulate the local production of essential supplies: cement is a good example. The international oil companies are always prepared to support such local suppliers, provided, of course, that the quality of their products is up to standard and their prices reasonably competitive.

The range of materials available locally is gradually being extended from relatively simple products like cement to more complex manufactures such as steel. All developing countries are anxious to have steel industries of their own, but, without some form of protection, steel production is unlikely to be economic, unless there are local supplies of iron ore and coal, together with a sizable local demand for steel products. At first, local steel industries, such as those which now exist in Mexico, Brazil, Argentina, Chile and Colombia, tend to concentrate on the simpler rolled products, e.g., heavy sections and rails, rather than on the tubes, plates and sheets in which the oil company buyer is mainly interested. However, Venezuela's first (State-owned) steelworks, which is under construction near Puerto Ordaz on the Orinoco River, will shortly be turning out tubes for oil company use, as well as a range of common rolled products. The development of an engineering industry capable of making pumps, electrical equipment, vehicles, etc., is, of course, associated with a much later stage of industrialisation.

Needless to say, oil industry equipment is also being manufactured in the communist countries, particularly the Soviet Union, Czechoslovakia, Poland and Rumania. The Soviet bloc is virtually self-sufficient in this field. There is, however, a growing tendency for petroleum equipment of various kinds to figure both as imports and exports in trade agreements between communist countries and the outside world. One reason is that, although the Russians are in many respects technically well advanced, there are certain items of equipment which they are anxious to obtain from the West; their recent efforts to procure petrochemical plant provide a good example. Another reason is that the Russians, and especially the Czechs and the Poles, are keen to sell equipment in order to obtain foreign exchange with which to buy needed imports. A third is that the offer of petroleum equipment is sometimes a useful way of appealing to Governments of underdeveloped countries.

Tubular goods, prospecting and drilling equipment are all displayed in the communists' shop window. Before the end of this year, the Syrians will be operating the Homs refinery built for them by the Czechs; they are also to receive prospecting and drilling equipment from communist sources. Similarly, India has received drilling rigs from Russia and Rumania, as well as turbo-drilling equipment. Turbodrills and other oil drilling equipment figure in the current trade agreement between the U.S.S.R. and France, while oil country tubular goods are among the items to be supplied to Austria this year under the long-term trade agreement with the U.S.S.R. Under last year's trade agreement, the Czechs were also to send tubular goods to Argentina, but they have apparently refused to supply the highest grades of tubes.

The size of orders for petroleum equipment is governed partly by the scale of existing producing and refining operations, partly by development programmes. The decline in orders for equipment placed in 1957 and 1958 was largely attributable to the big investment programmes of earlier years and to the subsequent slowing down of development work in face of somewhat less buoyant demand for petroleum products. Demand for oil is now beginning to move ahead more rapidly once again. But profits are lower, there is a good deal of spare producing and refining capacity in the world today, and the major development schemes in the Middle East and in the Sahara are already in hand. It seems likely, therefore, that new orders for petroleum equipment will, for the time being, tend to lag behind the growth of world demand for petroleum products.—*By special arrangement with Petroleum Press Service.*

ROURKELA STEEL PLANT

The Rourkela Steel Plant has moved a step forward in its progress towards full production with the firing of the first of four open-hearth furnaces on Thursday the 16th inst. by Pandit Pant, Union Home Minister. The first ingot of steel from the Rourkela Plant will be out by the time these lines are read in print. This step follows the commencement of pig iron production, formally inaugurated by President Rajendra Prasad on 3rd February, 1959.

Out of the million tons of steel ingot which the Rourkela Plant is designed to produce per annum, 750,000 tons are to be by L.D. process, under which steel is produced by blowing oxygen into molten pig iron after it is processed, and the remaining 250,000 tons are by open-hearth process. The three remaining open-hearth furnaces are at an advanced stage of construction and will go into production shortly. The steel produced in the open-hearth furnaces will be rolled into plates for shipbuilding and other similar purposes, while that under L.D. process will be converted into sheets.

Production of pig iron in Rourkela is already in full swing. According to Mr. M. Ganapathi, Resident Director and Chief Executive of the Rourkela Steel Plant, 50,000 tons of pig iron have been allocated to various foundries in the country and are waiting to be transported.

BRITISH NUCLEAR PLANTS

British nuclear power reactors could, in future, help raise living standards throughout the world. This forecast is made in a review of the prospects for the industry published in London by Political and Economic Planning, an organisation which concerns itself with studies of modern problems. The review says that it is clear there is, or will be, an overseas market for reactors. At the moment, the market will be for relatively large reactors developing over 100MW of electricity. But there is a potential market for small reactors similar to that for modestly powered gas-turbine and Diesel-powered generating sets.

"A small reactor," the review points out, "has the advantage that it can be sited where the power is needed, and its fuel requirements are small, thus doing away with transmission lines and high fuel transport costs. It cheap, it could transform areas which are now undeveloped or unexploited, and help to raise the standard of living of millions of people throughout the world who are now forced to do with little or no power and to rely on inefficient fuel burning, on human labour or on animals." To feed the reactor, the United Kingdom has adopted a fuel supply service. Fuel could be sent, for example, from Britain to Italy, and when it had been used, shipped back to the United Kingdom and reprocessed.

The review adds that, in industrial countries, particularly in Europe, atomic power is the best answer to the long-term problem that expansion is running ahead of fuel supplies, and that fuel will be more and more expensive as time goes on, so that nuclear power costs will be more and more competitive.

NEW PRODUCTS AND PROCESSES

Aircrash Recorder

AN aircraft crash recorder, which could, it is claimed, be of great value in analysing the causes of aircraft crashes, has been developed by the Aeronautical Research Laboratories of the Department of Supply, Government of Australia. Essentially, it is a very small recorder which is installed in the pilot's cockpit of an aircraft. It operates completely automatically and records and later erases essential flight data and the pilot's conversation. The instrument has an "in-built" memory, which enables it to keep on record the data over any desired period before it is erased. For example, if the "memory" is set at 10 minutes, then at all times the instrument will have on record the data of the preceding 10 minutes. In the event of a crash the instrument will have a comprehensive story of the critical 10 minutes preceding the crash. The recorder has been demonstrated to Civil Aviation authorities, aircraft manufacturers and airline operators in Australia, the United Kingdom, the United States and Canada. The instrument is claimed to have attracted considerable interest overseas and certain prominent organisations are now arranging for its manufacture and installation in important aircraft.

New Welded Steel Chains

Bennett Chain Company Pty. Ld. of Brisbane, Australia, now offer overseas markets a range of welded steel chains, used in mining, shipping, dredging and agricultural implements. In a 35,000 sq. ft. foundry, a battery of modern automatic and semi-automatic machinery turns out steel chain in sizes ranging from ¼th inch exact to 3-3/32nd inch. Main production lines are mild steel chain, nickel molybdenum chain, stainless steel, and alloy steel chain. Associated with chain production is the output of a full range of components such as grips and sling hooks, shackles, eye bolts, swivels, split links, and cold shuts. Each article is made to relevant British Standard Specifications and the laboratory is registered with the National Association of Testing Authorities. Chain is also supplied to Lloyd's specifications. Raw material for manufacture of Bennett Chains is Australian-made steel produced by the Broken Hill Pty. Ltd., in New South Wales. Huge coils of steel are fed into a battery of six modern "benders" and links are formed at the rate of from 15 to 60 a minute, according to size. The linked steel is then passed to a line-up of automatic and semi-automatic welding machines. Each chain is then resistance-welded on one side only, and the weld is swaged to the same curvature as the parent material. Welding units then weld and remove surplus material at rates varying from four to 50 links a minute. Each chain is subjected to a heat normalising process after it leaves the welding machine. Samples of each chain product undergo a series of tensile tests on a Denison Leeds hydraulic testing machine, which is capable of exerting pressures upto 30 tons. The company has been supplying steel chain to most States in Australia for many years, and to New Zealand.

Computer Controls Oil Refining Operation

The first electronic computer to control completely the operations of an oil refining unit has been installed in Port Arthur, Texas, U.S.A. According to Mr. James Foley, President of the Texas Company, up to now computers have done little more than analyse data and make calculations. The new machine, however, it is said, actually makes judgments and feeds them back into the refinery operation. With the new device, the company hopes to achieve substantial economies in operation and a marked increase in overall efficiency.

Self-cleaning Oil Filters

A new range of 30L2, 30M3 and 30L4 self-cleaning filters, which have been developed by Auto-Klean Strainers Ltd. of Middlesex, U.K., primarily to meet the need for defined mesh full-flow filteration down to 0.0015" in the lubricating oil systems of high and medium-powered turbine and diesel plant were shown at the Engineering, Marine Welding and Nuclear Energy Exhibition currently being held at Olympia, London. These filters are of all-metal plate-type construction and are cleaned in service by the normal Auto-Klean method of a turn of the handle, without interrupting the liquid flow. Flow rates of up to 11,200 gallons per hour and 5,400 gallons per hour are obtained, with defined meshes of 0.003" and 0.0015" respectively, in small compact units. In addition to the self-cleaning Auto-Klean elements, the filters incorporate a battery of magnetic elements to give added protection against ferrous particles. Also to be shown for the first time at Olympia are the Auto-Klean 05C, 10GA and 15JA all-metal plate-type filters, which also incorporate magnetic elements and operate on the principle of mesh-edge filtration. They are supplied with meshes from 0.001" upwards and can deal with flow rates up to 4,000 gallons per hour. They are designed for use with oils, distillates, paints and greases. Models are available for use with foodstuffs, beverages and other special liquids.

Packaging Material

A new polythene film for packaging a wide variety of consumer and industrial products will be introduced to the international market for the first time at the International Plastics Exhibition Olympia, 17th to 27th June). Involving an unusual processing technique and described as cast polythene film, it combines the sparkle and clarity of conventional films with superior toughness. It is ideally suitable for the packaging of everything from nuts and bolts to nylons. A special feature of the exhibit by the U.S. Industrial Chemicals Co. will show how cast polythene garment bags could be used by commercial dry cleaners to simplify customer examination of clothing and provide added protection for garments during their journey home.

SMALL-SCALE INDUSTRIES
PROGRAMME AND PROGRESS

SMALL-SCALE industries are an integral and continuing element both in the economic structure and the scheme of planning in India. In view of their vast potentialities for providing employment opportunities as well as for production, the Government of India has rightly emphasised, in its Industrial Policy Resolution, their economic importance and underlined their social significance. In the second Plan a sum of Rs. 61 crores has been provided for the small-scale industries and it is expected that these industries would provide additional employment for about 150,000 people during the Plan period. Development of small-scale industries is the primary responsibility of State Governments but the Union Government, realising the problems in different fields of this sector of industrial development and the limited resources at the disposal of State Governments, assumed certain responsibilities to assist them by way of evolving programmes and policies as also by providing financial assistance to carry out various schemes. A broad outline of the various programmes and schemes introduced for the development of small-scale industries and the progress made during the first three years of the second Plan is given in a booklet on small-scale industries published by the Union Ministry of Commerce and Industry.

Small-scale industries are defined as industries which are run with a limited number of persons, having a comparatively small capital outlay. For the purpose of providing governmental assistance, however, the official definition of small-scale industries covered, until recently, only those units that employed less than 50 workers using power or less than 100 workers without the use of power and having capital assets not exceeding Rs. 5 lakhs. This definition has been further revised and modified to include units employing less than 50 workers per shift when using power or less than hundred workers per shift when not using power with a capital investment of less than Rs. 5 lakhs, subject to certain conditions.

Help at Every Stage

A small *entrepreneur*, as is well known, has to face many handicaps such as lack of finance, inadequate knowledge of the methods and tools of production, scarcity of raw materials, non-availability of factory accommodation, lack of marketing information and marketing facilities. The Government, as a part of national policy, helps small industrial units at almost every stage, beginning with the planning of an establishment, followed by technical assistance in manufacturing processes, training of artisans, financial assistance for working capital and for buying machines and machine tools, provision of factory accommodation, etc. The nature of assistance available under these programmes and the organisations for rendering these (given within brackets) are: (1) technical know-how and industries information service (Organisation of the Development Commissioner, Small-scale industries, Small Industries Service Institutes and Extension Centres); (2) training, both technical and managerial (Small Industries Service Institutes, State Governments, Universities, Technical institutes); (3) finance (for cash loans: State Governments, State Bank of India, State Financial Corporations, Co-operative Banks, Scheduled banks and for machinery on hire purchase: National Small Industries Corporation); (4) marketing service (National Small Industries Corporation); and (5) factory accommodation (Development Commissioner, Small-scale Industries, State Governments, industrial estates, industrial colonies and co-operatives).

Since small units are normally not in a position to engage adequately qualified technicians or business consultants, the Government of India has set up a full-fledged Small Industries Service Institute in each State to render technical guidance and assistance to small industrialists in setting up units, planning production as well as solving the technical problems of existing units. There are now 15 such Small Industries Service Institutes, one in each State. These Institutes have under them what are known as Industrial Extension Centres to cater to the needs of a particular area and to render specialised operational assistance in certain specified industries. As many as 62 extension centres have been planned, of which 14 have already started functioning. The remainder are expected to start by the end of this year. Intending *entrepreneurs* are welcome to make use of the services of these Institutes and the Extension Centres for all technical problems, including planning of production, advice on selection of machinery and its lay-out and installation, advice on marketing problems, training of artisans in technical work and craftsmanship and business men in management, marketing and organisation.

Advice and Assistance

A small *entrepreneur* may have had no previous experience of manufacture in a particular line but may have the knowledge of the trade in that line. He might like to take up its manufacture. Similarly, a business man or a craftsman or small manufacturer might like to change his vocation for some reason or other and may need guidance about industries having reasonable scope of success. Information about all these matters is supplied by the Small Industries Service Institutes. About 11,500 persons had received such services throughout the country so far. While advice on specific points is given to individual units, model schemes for the manufacture of such items as writing inks, automobile dynamos, safety pins, leather footwear, glass phials, paints and varnishes and steel furniture are prepared by the Development Commissioners' Organisation. Nearly 340 different schemes were formulated during the past three years out of which 127 have been finalised. In addition, a number of technical bulletins for improving the methods and techniques of production have also been prepared.

The Institutes do not stop at merely furnishing information for the purpose of planning production. The service rendered is a continuous one and includes advice on removing manufacturing defects, effecting economy in fuel and raw materials, repairs to machinery, chemical testing and analysis etc. when the unit is in production. Technical assistance of this type has been rendered for a number of industries such as bicycles and parts manufacturing, diesel engine manufacturing, bolts and nuts manufacturing, mechanical-toy-making, soap-making, leather goods and footwear-making, fruit canning and a number of other consumer goods and spare parts manufacturing lines. About 43,000 enquiries for technical advice and guidance were attended to by the Institutes during the past three years. About 60,000 visits to small industrial units were made by the technical staff of the Institutes for rendering technical advice on the spot.

All the technical assistance and guidance for production and for running the units will have only a temporary value, unless there is a sufficient number of properly trained artisans and technicians capable of following up the technical know-how received from the Institutes and their extension centres. This is secured by a programme under which the workers engaged in small-scale units are given training through part-time courses organised at the Institutes and extension centres. Activities in this regard are supplemented by demonstration and training arranged through 47 mobile vans operating all over the country. Besides technological training, the Institutes have organised courses for training in various aspects of business management. Such training classes have been started at New Delhi, Bombay, Madras, Calcutta, Ludhiana, Rajkot, Hyderabad, Surat and Trivandrum.

Next to finalising production planning and engaging necessary trained personnel to run the unit, what is most needed by a small unit is a suitable factory shed to install the machinery and start production. Most of the industrial units do not have the necessary financial resources to construct and own a factory and even in those rare cases where they are in a position to provide the funds, they have to face long delays, expenses and troubles in acquiring a suitable site, in obtaining approval to plans, in securing permission and licences from the municipal authorities or departments, in securing building materials and constructing the factory building. With a view to giving help in this direction, the Government has started what are known as industrial estates in which properly designed and ready-built factory buildings of different sizes with all ancillary facilities including supply of power and water, godowns, railway siding, banking, communication and transport, etc., are made available.

In the second Plan, a sum of Rs. 10 crores was first allotted for building industrial estates. This was subsequently raised to Rs. 15 crores. So far, 110 such estates have been planned all over the country, out of which 96 would be completed by the end of this year, including nine in the pilot project areas and 20 in rural areas. Thirty-six estates have been already completed and 25 of them have been occupied. The total expenditure on these estates is estimated at Rs. 11 crores. When completed, these 96 estates will have about 3,600 factories with about 50,000 people employed. Of these, 20 industrial estates are in rural areas, and nine estates in pilot community project areas. In the 32 estates already constructed, 514 factories have been allotted and started working and 344 factories will be allotted shortly.

Another facility, as important as factory accommodation, urgently required by small industrial units, is supply of sufficient and easy credit. The number of industrialists who can arrange for the funds required for the industrial investment from their own resources is very small. Others have to depend on outside finances. The flow of funds from commercial and co-operative banks to small-scale industries has so far not been adequate because of various reasons. The State Governments and the Government of India are, therefore, extending financial assistance to these industries through the Department of Industries under the State Aid to Industries Act. During the past three years, loans aggregating Rs. 6 to Rs. 7 crores have been disbursed by State Governments to 12,545 small industrial units and 426 industrial co-operatives. It has been, however, felt that, while credit might be provided by the Government to fill the gap in this field during the promotional stage of the industry, the requirements of small *entrepreneurs* should legitimately be met progressively by institutional financing agencies like the State Financial Corporations, the State Bank of India, and commercial and co-operative banks. Following this realisation, it has been accepted in principle that Government loans may be routed through the State Financial Corporations. Negotiations for this purpose have been finalised in certain cases while they are in progress in some others. In addition to operating upon the State Funds, loans to the extent of Rs. 2.59 crores and Rs. 1.74 crore were sanctioned and advanced, respectively, to small-scale industries upto the end of September 1958 by State Financial Corporations from their own resources.

Early in 1956, the State Bank of India introduced, an experiment for advancing working capital loans to small industrial units in selected towns such as Bombay, Surat, Kolhapur, Madras, Coimbatore, Vijayawada Delhi, Ludhiana and Agra. Under this scheme, the State Bank has evolved a procedure whereby an applicant for credit, instead of having to approach a number of creditors, has only to go to one local agency, whether it be a branch of the State Bank or a co-operative credit institution. This local agency will receive and deal with the application in the first instance and either dispose it off itself and send it to its controlling authority or forward it to some other agency if the loan is of a type that can more appropriately be accommodated by one or more of the latter agencies, so that the various agencies can act as complementary to one another in their actual operation. The Bank has now extended this scheme to all its 490 branches, all of which offer credit facilities to small-scale industries against pledge of raw materials and/or finished or semi-finished goods either on-lock-and-key or factory basis. By the end of February 1959, the Bank had sanctioned loans upto Rs. 2.63 crores to 795 parties. The Bank has also decided to grant medium-term loans (up to seven years) for capital assets, machinery, and equipment to small-scale industries. The State Governments are also examining the possibilities of funds being provided to industrial co-operative societies by co-operative financing societies. Other scheduled banks have also been approached to extend these facilities to small industries through branches all over India.

Prototype Production Centres

Simultaneously with the introduction of various programmes for assisting development of small-scale industries in the country, the need for helping the small industries sector for taking up manufacture of imported machinery and equipment was also felt. For this purpose, it was decided to use Prototype production centres where prototypes of machines and machine tools at present being imported could be designed, developed and manufactured with licence, if necessary, from foreign manufacturers and the same could thus be passed on with the entire technical know-how to small-scale industries for manufacture on commercial lines. It was further felt that these centres could also be utilised for imparting training to skilled workers and higher executives in the small units. In collaboration with the T.C.M. of the U.S. and the Government of West Germany two prototype production-*cum*-training centres are being set up, one at Rajkot and the other at Okhla. It is the intention of the Government to establish one such centre in every State, if possible, during the second Plan period. The Government has also decided to set up a central institute for industrial design which will tackle problems of design in general and arrange to make prototypes of designs of various articles of common use produced or producible in the small-scale sector. With a view to facilitating marketing of the products of small units by linking their production with that of larger units, efforts are also being made to establish small units as feeders of components and parts to large units.

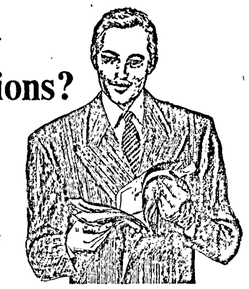
Hire-purchase Scheme

In order to ensure that small industrial units do not have to block their meagre financial resources in fixed assets, a scheme which enables them to acquire up-to-date machinery on easy instalment payment system has been evolved by the National Small Industries Corporation. Under this scheme, machinery is supplied on hire-purchase basis and the terms have been made liberal enough to enable large numbers of small units to avail themselves of this facility. The applicants need pay only 20 per cent. of the value of the machines as earnest money for general purpose machines and 33⅓ per cent. for special purpose machines. Instalments are payable half-yearly and are spread over a period not exceeding eight years. Since the introduction of the hire-purchase scheme in 1956 upto the end of March 1959, 2,234 machines, valued at Rs. 1.84 crore, were delivered.

One of the major problems of small industrial units is the marketing of finished products. A small industrialist, who has limited knowledge and resources, is handicapped in organising the sale of his products on scientific lines. When it is a buyers' market, the situation is all the more difficult. The initiative to produce the right type of goods at competitive price and to establish the product in the market should remain with the individual *entrepreneur*. But, in order to supplement his efforts, Government renders marketing assistance, as far as possible, through the agency of National Small Industries Corporation.

The Government being the largest single buyer in the country, attention was necessarily concentrated on exploring the possibility of evolving a procedure under which the small-scale industries could increasingly participate in the stores purchase programme of the Directorate General of Supplies and Disposals. To begin with, sixteen articles are reserved for purchases only from the small-scale units. These are: Brass padlocks, G.I. padlocks, brass dampers, boxes made of metal, signboards painted, buttons metals, postal seals, all badges, cloth embroidered and metal (not for Defence), belt leather (apparel), cash bags, dust shield leather, *chappals* and sandals, leather boxes (not army type), laces, leather, leather bags and boots and shoes of types required by civil indentors only. Besides, the Corporation assists in publicity as well as in the sale of their products to dealers and consumers through mobile vans, and opening wholesale depots. Moreover, seven items of small industries' products, namely, leather footwear and leather goods, cotton and woollen hosiery, sport goods, builders' hardware, locks and scissors, tinned fruits, chutneys and pickles, paints and varnishes, and glass beads have been selected by the Corporation for promoting their sale in overseas markets.

These services, obviously, are of a promotional nature. Although by no means easy, it is important to ascertain their impact. For this purpose, the Ministry of Commerce and Industry has set up an Evaluation Team which will assess how far the programme has assisted the small industrialists. The findings of the Team will, doubtless, be of invaluable help in formulating future policies.



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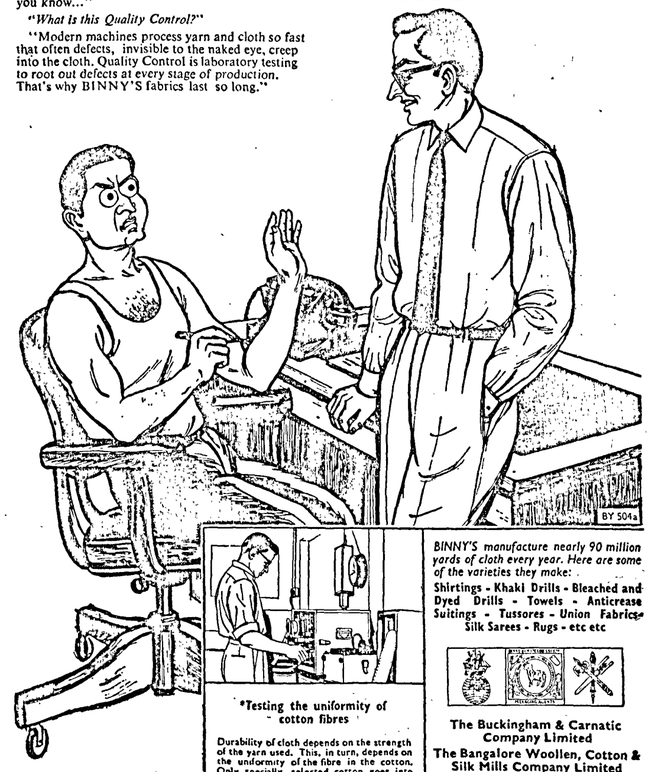

*"Testing the uniformity of cotton fibres"

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The Buckingham & Carnatic Company Limited
The Bangalore Woollen, Cotton & Silk Mills Company Limited

Managing Agents:
Binny & Co. (Madras) Ltd.

GROSS PROFIT OF NATIONAL CARBON CROSSES ONE-CRORE MARK

SALES EXPAND—DIVIDEND MAINTAINED

THE increased demand for battery products, the sale of flashlights manufactured at the new Lucknow factory of the Eveready flashlight division since June last and larger sales of the metals and ores division have mainly contributed to the substantial rise in the profit of the National Carbon Company (India) Ltd. (Chairman and Managing Director: Mr. J. R. Galloway, Calcutta) for the year ended 25th December 1958. The gross profit has crossed the Rs. 1-crore mark to Rs. 105.53 lakhs, representing a rise of Rs. 12.18 lakhs over that for the previous year. It also exceeds by Rs. 6 lakhs the previous best (since the Company was converted into a public limited concern) of Rs. 99.55 lakhs earned in 1955-56.

The net profit is, however, only a fraction higher at Rs. 41.98 lakhs, as compared with Rs. 40.63 lakhs for 1956-57, and is less than that earned in either of the two years 1955-56 and 1954-55. This is due to the larger provisions for depreciation and taxation. After adjusting Rs. 4.07 lakhs being the debenture issue expenses out of the surplus brought in from the previous year, the Directors have set aside Rs. 4.50 lakhs to the development rebate reserve. It is noteworthy that, though Section 10(2)(vi)(b) of the Indian Income-tax Act requires only 75 per cent. of the development rebate to be included in the profit and loss account, the Directors have considered it advisable to include 100 per cent. The dividend is unchanged at 14 per cent. per annum, to which level it had been reduced last year from 15 per cent. paid in respect of the year ended 25th December 1956 on the then increased capital of Rs. 2 crores.

It will be noted with interest that the Company has not added anything to the reserves during the last two years, though it has been retaining a large part of its earnings in business in the form of undistributed surplus. It is not clear why the Directors have been carrying forward a progressively rising amount year after year without allocating it to any of the reserves. Another feature of the results is the large contribution the Company makes to the revenues of the Government in the form of excise duty, income-tax and corporation tax. Thus, its tax burden for 1958, after providing for full development rebate and special depreciation allowable under the Income-tax Act, under the heads of income-tax, super-tax, dividend tax, wealth tax and excise duty, amounts to no less than Rs. 86.15 lakhs, as against Rs. 79.32 lakhs in 1957, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 25th December			
	1958	1957	1956	1955
Sale proceeds	6,05.07	5,35.35	5,18.94	4,51.77
Closing stocks of finished goods and work-in-process	1,04.24	81.84	62.37	43.10
Raw materials and stores consumed	2,36.17	2,34.28	2,22.24	1,81.87
Excise duty	40.78	38.63	40.60	29.14
Other expenses	2,45.56	1,92.38	1,77.97	1,58.31
Gross profit	1,05.53	93.35	99.55	94.51
Provision for—				
Depreciation	18.18	12.03	9.12	7.69
Taxation	45.37	40.69	43.63	36.66
Net profit	41.98	40.63	46.80	50.16
Adjustment of income-tax and capital issue expenses	4.07	..	12.06	..
To reserves	4.50	5.40	..	..
Dividend	28.00 (14%)	28.00 (14%)	30.00 (15%)	40.25 (32½%)
Carry forward	33.83	28.42	21.20	16.46

The increased production during 1958 is reflected in the rise of Rs. 70 lakhs in sale proceeds and of Rs. 22 lakhs in stocks of finished goods and work-in-progress. Of the total sales of Rs. 6.05 crores, a sum of over Rs. 39 lakhs represents the value of zinc processed by the metals and ores division of the Company for internal use of other divisions. The production at the zinc mill was 20 per cent. higher than in the previous year. "Safety-glow" flashlights, the commercial trial production of which commenced towards the close of 1957, were released for sale on 1st June 1958. This new product is said to have met with excellent response from the trade and consumers alike. Sales of industrial products division continued to improve, but production was limited by restrictions on imports of the materials required.

The Company's financial position is quite sound. Its paid-up capital of Rs. 2 crores is supplemented by reserves and surplus (including share premium amounting to Rs. 38 lakhs) of the order of Rs. 1.22 crore. Secured loans from banks stand reduced from Rs. 74.13 lakhs to Rs. 61.09 lakhs, of which Rs. 50 lakhs represent the cash issue out of the Rs. 1 crore 6½ per cent. debentures made in March 1958. The balance of the debenture issue is pledged with the State Bank of India as security for advances. The proceeds of this issue are being used to finance partly the new undertakings, particularly the plastics and chemicals plant at Trombay. In addition to the debenture issue, under agreements concluded in 1957, the Company holds dollar and sterling credits equivalent to Rs. 1.25 crore against foreign exchange requirements of the plastics and chemicals plant, of which the outstanding amounts drawn from Union Carbide Corporation and Hanover Bank up to the end of the year under review amount to Rs. 80.63 lakhs. The current liabilities and provisions aggregate Rs. 83.10 lakhs. The gross block of the value of Rs. 2.83 crores stands written down to Rs. 2.04 crores. The additional capital expenditure made during the year under review is no less than Rs. 1.04 crore. The other assets aggregate Rs. 3.43 crores, including goodwill at cost of the value of Rs. 30 lakhs.

The following points from the Directors' report will indicate the growth prospects of the Company:

(1) The inexpensive flashlights manufactured in the Eveready Flashlight Company's (a division of the National Carbon) factory have a good consumer response. The factory has an annual production capacity of 6 million flashlights.

(2) The industrial products division continues to improve and this phase of the Company's division will benefit greatly when the plastics and chemicals plant being built at Trombay, Bombay, comes into operation.

(3) The plastics and chemicals plant now under construction is a major undertaking and will be completed in 1960. The necessary foreign exchange finance for this project has been secured, as stated earlier. Arrangements have also been made for the supply of alcohol, the major raw material for this venture.

(4) The Calcutta and Madras battery factories have attained good levels of output.

(5) An intensive programme for developing indigenous sources of raw materials used in the manufacture of the Company's products is being carried on and it has achieved some success in reducing the consumption of imported raw material.

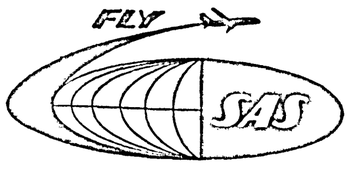
(6) Efforts to develop export markets for the Company's products are being continued through visits to foreign countries. During the year under review alone, export sales of the Company's products exceeded Rs. 18 lakhs.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 33.75 *cum-div.* On an *ex-div.* basis and at the rate of dividend for 1958, the shares provide a yield of 4.24 per cent. per annum, free of income-tax.

(Concluded from next column)

tions in the past two years, the assets have been well written down. The other assets, aggregating Rs. 41.42 lakhs, more than adequately cover the loans and other current liabilities. It will thus be seen that the Company's financial position is quite sound.

The Rs. 100 paid-up shares of the Company are being currently quoted at Rs. 135 *ex-div.*, at which rate they give a yield of 4.4 per cent. per annum, free of income-tax.



COIMBATORE COTTON'S PROFIT DECLINES

FIRST PHASE OF EXPANSION OVER

A FURTHER setback in profit is disclosed by the audited accounts of the Coimbatore Cotton Mills Ltd. (Managing Agents: Messrs. R. Bheema Naidu & Co., Singanallur, Coimbatore) for the year ended 31st December 1958. The gross profit, which had come down from Rs. 16.10 lakhs to Rs. 12.11 lakhs in 1957, has shrunk further to Rs. 7.46 lakhs in the year under review. This is the lowest profit earned by the Company during the last six years. This was not unexpected, as the Directors themselves had indicated in their report for 1957 that the prospects for the year 1958 did not seem to be bright, though there had been, at the time of their report, a slight improvement in the yarn market. The net profit amounts to Rs. 2.46 lakhs, which represents a fall of more than 50 per cent. from that for either of the previous two years. This reflects the extent to which even this well-managed Company has had to suffer as the result of a man-made depression in the cotton textile industry.

While the provision for depreciation has been raised from Rs. 1.35 lakh to Rs. 4.50 lakhs, no amount has been provided for taxation, for which a sum of Rs. 4 lakhs had been set aside last year. Notwithstanding the low net profit, the Directors have transferred to the development rebate reserve a sum of Rs. 1.25 lakh, being 75 per cent. of the development rebate allowable in the income-tax assessment. If this had not been done, the Company's claim for the allowance for development rebate would have been lost. A sum of Rs. 50,000 has been added to the gratuity fund. The Directors have declared a dividend of 6 per cent., as against 9 per cent. paid for 1957, but this is on an increased capital of Rs. 35.97 lakhs, raised by a fresh issue of shares in 1957. The latest dividend represents a distribution at the rate of 17.75 per cent. on the old capital of Rs. 12 lakhs.

The progress of the Company during the last few years is indicated in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	80.93	78.83	83 67	73.21
Closing stocks of finished goods, stock-in-process and waste	6.85	3.53	3.31	2.75
Raw materials and stores consumed	62.74	53.37	55 08	46 89
Expenses	16.35	16.42	14.83	12.46
Gross profit	7.46	12.11	16.10	14.98
Managing Agents' remuneration	0 50	1.02	1.00	1.01
Provision for—				
Depreciation	4.50	1.35	3 07	3.51
Taxation	..	4 00	5.50	5.66
Net profit	2.46	5.74	5 57	3.78
To reserves and other funds	1.55	3.36	0.50	..
„ bonus to staff	0 45	..	1.80	..
„ charities and donations	0.18	0 53	0.53	0.57
Transfer from reserves	1.85	..	..	..
Dividend	2 13 (6%)	1 08 (3%)	3.00 (25%)	3.00 (25%)
Carry forward	0.01	0.01	0.11	0.34

In pursuance of its expansion scheme, the Company had undertaken the construction of a separate unit, named Jubilee Mills, in commemoration of the Company's silver jubilee, to house 12,800 spindles to produce staple fibre yarn and 12,800 spindles to produce cotton yarn. Out of these, 2,000 spindles to produce staple fibre were erected by the end of 1957 and went into production. In 1958, the installation of the entire complement of 12,800 spindles was completed. In respect of the second 12,800 spindles to produce cotton yarn, all the imported blow room and preparatory machines have been erected. Fourteen indigenous cards out of 40 have been installed. The electrical transformer, switchgear, spinning frames and humidification plant are awaited and it is expected that all these machines will go into production before the end of this year. The Directors hope that there will be considerable improvement in the results for the current year.

The Company's paid-up capital of Rs. 35.97 lakhs is supplemented by reserves and surplus aggregating Rs. 24.16 lakhs. The liabilities include secured loans to the extent of Rs. 14.85 lakhs, unsecured loans Rs. 3.85 lakhs and current liabilities and provisions Rs. 15.34 lakhs. With the addition to the gross block during the year of Rs. 19.78 lakhs, the total capital expenditure during the last two years alone come to Rs. 47.74 lakhs. These bring the value of the gross block at the end of 1958 to Rs. 88.98 lakhs. As against this, depreciation provided so far is 36.22 per cent. Having regard to the large addi-

(Continued in previous column)

RESULTS OF BENGAL COAL STEADY

DIVIDEND UNCHANGED

THE first thing that strikes us on a perusal of the Directors' report and statement of accounts of the Bengal Coal Company, Ltd. (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) for the year ended 31st October 1958 is the time gained by the management in the publication of the report and in the holding of the meeting. Last year, the report was signed on 29th May and the meeting was held on 26th June. The latest report is dated 26th March and the meeting is scheduled for the 29th of this month. Thus, the presentation of the accounts, the timing of the meeting and the payment of dividend, all have been advanced by two months. This is good progress and we have no doubt that shareholders will appreciate it.

The second point that strikes us is the relatively small increase in raisings as compared with those in 1956-57, accompanied by an actual fall in despatches. This, however, is not surprising, because it is in consonance with the general trend of coal industry. Further, the explosion that took place on 19th February 1958 at Chinakuri colliery belonging to the Company must have had an adverse effect on the trend of production. It is said that the colliery has now resumed raisings of coal from the Dishergarh seam. An additional factor for the slight fall in despatches appears to be lower purchases of outside coal.

The following comparative table shows at a glance how the Company fared in 1957-58:

(In lakhs of rupees)

	For the year ended 31st October			
	1958	1957	1956	1955
Sale proceeds	7,22.38	7,52.60	5,83.33	6,01.77
Other income	26.08	25.21	13.02	13.69
Stocks	15.83	17.79	39.88	46.17
Coal purchases	83.99	59.89	39.88	2,24.26
Freight, shipping charges, etc.	95.83	1,55.42	1,52.39	..
Mining, establishment and other expenses	5,11.07	4,66.04	3,52.84	3,09.30
Gross profit	1,06.21	1,06.39	80.59	95.33
Managing Agents' remuneration	6.44	6.42	3.92	4.79
Provision for—				
Depreciation	17.25	24.00	25.00	26.27
Taxation and cesses	68.61	52.10	21.37	31.45
Net profit	23.91	23.88	30.30	32.82
Transfer from reserves	2.00	3.27	..	..
To reserves	8.79	7.00	10.00	13.23
Dividends—				
4½ per cent. preference	0.62	0.62	0.66	0.66
Ordinary	17.50 (D. 17½%)	17.50 (D. 17½%)	17.50 (D. 17½%)	17.50 (D. 10% +B. 7½%)
Directors' commission	10.49	11.48	9.45	9.18
Carry forward	7.32	..	..	..
	Tons	Tons	Tons	Tons
Raisings	2,862,170	2,801,164	2,520,350	2,609,787
Despatches (including purchased coal)	3,070,631	3,101,282	2,559,083	2,809,167

Because of lower despatches, sale proceeds for 1957-58 are a shade less at Rs. 7.22 crores. There has been a considerable saving, of as much as Rs. 60 lakhs, in freight, but this has been more than offset by a sharp, all-round rise in expenses. Most of the increase in expenses has occurred under salaries and wages, and stores and spares consumed. Additionally, the explosion at Chinakuri has cost the Company Rs. 5.44 lakhs by way of charges alone. Consequently, the gross profit at Rs. 106.21 lakhs is a fraction lower than that for 1956-57 at Rs. 106.39 lakhs. There has been a drop of Rs. 6.75 lakhs in the provision for depreciation, but the taxes and cesses at Rs. 68.61 lakhs have taken up Rs. 6¼ lakhs more. So the net profit also is practically the same as that for 1956-57, that is, Rs. 23.91 lakhs, as against Rs. 23.88 lakhs. The net addition to reserves is a little better than last year and the Directors have proposed to maintain the dividend on ordinary shares at 17½ per cent. per annum (made up of an interim of 7½ per cent. and a final of 10 per cent.) for the fourth year in succession. It is noteworthy that the dividends, including the 4½ per cent. preference, are well covered by net profit, leaving a sizable amount of a little over Rs. 10 lakhs to be carried forward. In fine, the appropriation policy of the Company leaves nothing to be desired, with the needs of shareholders and of the Company having been catered to in a well balanced manner.

The Company's wealth tax liability for 1957-58 is placed at Rs. 2 lakhs.

As for the latest financial position, the Company's reserves and surplus amount to Rs. 170.64 lakhs, as against a paid-up capital of Rs. 130 lakhs, of which equity capital is Rs. 1 crore in units of Rs. 100 each. The gross and net values of fixed assets are Rs. 668.04 lakhs and Rs. 212.33 lakhs, respectively, the depreciation provided so far being Rs. 455.71 lakhs. The assets include a capital expenditure of Rs. 38.27 lakhs incurred during the year under review. Floating assets aggregate Rs. 358.28 lakhs and exceed loans, current liabilities and provisions amounting to Rs. 269.97 lakhs by a handsome margin of Rs. 88.31 lakhs. The principal items under floating assets are: stores and spares Rs. 130.98 lakhs, sundry debtors Rs. 167.48 lakhs, stocks of coal Rs. 15.83 lakhs, loans and advances Rs. 19.72 lakhs and cash and bank balances Rs. 10.71 lakhs.

The current market value of the Rs. 100 paid-up ordinary shares is Rs. 318, at which rate and on the basis of the proposed dividend, the yield works out to 5.5 per cent. per annum. A year ago, these shares fetched Rs. 224, the capital appreciation over the year being 42 per cent.

KOHINOOR MILLS' RESULTS DISAPPOINTING

The performance of the Kohinoor Mills Company, Ltd. (Managing Agents: Killick Industries Ltd., Bombay) during the year ended 31st December 1958 has turned out to be disappointing, in that the gross profit has suffered a sharp fall to Rs. 10.08 lakhs from Rs. 24.08 lakhs, to which level it had declined a year before from Rs. 59.98 lakhs for 1956. Thus, the Company's profit has not only shrunk by Rs. 49.90 lakhs within a short span of two years but has touched a level not seen in recent years. This is not surprising, because 1958 was one of the worst years for the cotton mill industry. After making a slightly lower provision of Rs. 5.68 lakhs for depreciation and reducing the provision for taxation from Rs. 9.50 lakhs to Rs. 2 lakhs, the net profit amounts to no more than Rs. 1.97 lakh, as against Rs. 6.65 lakhs for 1957. Out of this profit, a sum of Rs. 1.32 lakh has been set aside for development reserve, as against *nil* a year ago.

Following the setback in the results, the return to shareholders is to be pruned from 18 per cent. to 10 per cent., after having maintained it at the former level for four years from 1954 to 1957. Even for paying the lower dividend, which is the lowest to be paid on the present paid-up capital of Rs. 1 crore, since it was raised to this level in 1948, the Directors have to draw from the reserves a sum of Rs. 9.50 lakhs. In the previous year, they drew Rs. 10.25 lakhs for the purpose.

The main reasons for the disappointing results given by the Directors are: (1) difficulty of getting suitable varieties of cotton due to bad weather, (2) purchase of less suitable cotton at high prices, (3) restricted and haphazard issue of quotas for import cotton which made planning of production of better qualities of cloth very difficult, and (4) the accumulation of stocks of cloth and the consequent fall in prices realised for the Company's products.

The results of the Company for the past four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds (gross)	6,34.27	6,35.06	6,87.02	6,84.40
Stocks of finished goods and materials in process	1,34.23	1,36.87	91.09	80.42
Raw materials, stores, etc., consumed	3,72 09	4,00.94	3,91.40	3,97.33
Other expenses	2,52.04	2,58.66	2,49.97	2,42.08
Gross profit	10.08	24.08	59.98	41.74
Managing Agents' commission	0.44	1.80	5.98	4.19
Depreciation	5.68	6.13	11.21	6.33
Taxation	2.00	9.50	20.50	8.50
Net profit	1.97	6.65	22.29	22.72
Transfer from reserves	9.50	10.25	..	..
To reserves	1.32	..	3.00	4.50
Dividend	10 00 (10%)	18 00 (18%)	18.00 (18%)	18 00 (18%)
Carry forward	0.68	0 53	1.63	0.34

The Company's total capital expenditure during the year amounted to Rs. 7.85 lakhs, raising the gross block to Rs. 375.23 lakhs. The depreciation provided so far is Rs. 290.25 lakhs, so that the net block stands at Rs. 84.98 lakhs. The other assets, including stock-in-trade of the value of Rs. 178.59 lakhs, aggregate Rs. 246.08 lakhs, as against which there are bank loans, current liabilities and provisions of the order of Rs. 111.81 lakhs only. The Company's paid-up capital of Rs. 100 lakhs is supplemented by reserves and surplus amounting to Rs. 119.24 lakhs.

The Rs. 100 paid-up shares of the Company are being quoted at Rs. 259.50 *cum-div.* (final). On an *ex-div.* basis, the yield on the shares at the current rate of dividend is no more than 3.94 per cent. per annum.

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Authorised Capital	Rs.	8,00,00,000
Subscribed Capital	Rs.	4,00,00,000
Paid-up Capital ...	Rs.	2,00,00,000
Reserve Fund ...	Rs.	1,48,00,000
Working Funds (31-12-58) ... Over	Rs.	114,00,00,000

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PROVIDES EVERY BANKING FACILITY.
G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*

CENTURY SPINNING AND MANUFACTURING COMPANY LTD.

As briefly stated in our issue dated 4th April 1959 (*vide* page 531), the results of the Century Spinning and Manufacturing Company Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Bombay) for the year ended 31st December 1958 make impressive reading. Gross sale proceeds of cloth, yarn and waste have recorded a rise of Rs. 1.20 crore to Rs. 10.59 crores, thanks mainly to the improvement in exports of cotton cloth since the export promotion scheme came into operation in October 1958 and to the good performance of the rayon section, following the rayon plant coming into full production at the rate of 12 tons per day in July 1958.

The Company's gross profit has jumped up from Rs. 67.78 lakhs to Rs. 132.58 lakhs, thus more than making good the sizable setback suffered in 1957, when the profit dropped from Rs. 96.64 lakhs earned in 1956. This is the highest profit earned by the Company since 1944, when it aggregated Rs. 142.78 lakhs. It must, however, be noted that the latest profit includes the results of the rayon plant, which was erected only a few years back.

The appropriations of the profit have already been referred to in our issue dated 4th April 1959. It may be noted, in this connection, that the interim dividend of Rs. 8 per share on ordinary shares paid out of the general reserve was on the old capital of Rs. 109.43 lakhs, while the proposed final one of Rs. 14 per share is on the increased capital of Rs. 122.76 lakhs raised in September 1958 by a fresh issue of 13,679 equity shares of Rs. 100 each offered at par, of which 13,329 shares were applied for and allotted up to 31st December 1958. In addition, the Directors have recommended the payment of a dividend of 50 nP per share on the 125,000, 6 per cent. (tax-free) redeemable preference shares issued in October 1958 and allotted on 1st December last for a period of one month.

The progress of the Company in recent years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds (gross)	10,59.55	9,39.23	7,80.32	8,25.78
Stocks of finished goods and materials in process	2,37.06	2,02.78	1,82.22	1,17.06
Raw materials, stores and spares consumed	5,39.90	5,05.46	4,30.77	4,09.56
Excise duty, rebate, etc.	24.05	14.58	5.97	3.51
Other expenses	4,05.48	3,82.36	3,18.27	3,00.02
Gross profit	1,32.58	67.78	96.64	87.65
Managing Agents' remuneration	8.91	2.92	6.45	7.55
Provision for—				
Depreciation	43.00	37.76	30.61	15.00
Taxation	3.06	7.12	3.11	31.00
Net profit	77.60	19.98	56.27	34.10
Transfer from reserves	25.56	24.07	24.07	..
To reserves	75.59	18.32	55.00	35.00
„ capital issue expenses	3.75	..	..	..
Dividends—				
6 per cent. preference	0 62	..	..	..
Ordinary	25.94 (22%)	24.07 (22%)	24 07 (22%)	24 07 (22%)
Carry forward	9.53	9.28	7.62	6.35

Even after the withdrawal of Rs. 26.56 lakhs from the general reserve for payment of dividends in respect of 1958—this is on top of a sum of Rs. 48.17 lakhs in the aggregate drawn in the previous two years—which was, however, more than made good by the addition of Rs. 146.91 lakhs to development reserve, the reserves and surplus of the Company as at the end of 1958 stand at the impressive level of Rs. 3.32 crores, as against a paid-up capital of Rs. 2.52 crores. The gross block, at Rs. 8.11 crores, which includes an addition of Rs. 7.91 lakhs to the cotton mill section and of Rs. 1.67 crore to the rayon plant, has been written down to Rs. 4.98 crores. The other assets amounting to Rs. 4.48 crores more than adequately cover the current liabilities and taxation aggregating Rs. 3.62 crores.

The Company proposes to rehabilitate its old machinery in the cotton textile section at a cost of Rs. 1.62 crore and is negotiating with the N.I.D.C. for a loan to finance the scheme. It will not be difficult for the Company to fulfil this scheme. Besides getting the resources it needs, the Company will also receive import licences up to a specified percentage of the value of its exports of cloth and yarn in terms of the export incentive scheme. The Directors have also decided, subject to the sanction of the Controller of Capital Issues, to raise additional capital by issuing new equity shares in the ratio of one share for every five shares held by the existing shareholders.

The Rs. 100 paid-up shares of the Company are being quoted currently at Rs. 496 *cum-div.* On an *ex-div.* basis and at the rate of dividend for 1958, the shares offer a yield of 4.56 per cent. per annum, free of income-tax.

PROFIT OF ORISSA MINERALS HIGHER

BRITISH INDIA ELECTRIC CONSTRUCTION REPEATS DIVIDEND

Orissa Minerals Development Co., Ltd.

THE directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 30th June 1958.

Iron Ore.—Raisings increased from 4,11,993 tons to 5,02,970 tons compared to the previous year. Despatches also improved from 4,11,767 tons to 4,95,061 tons. The Steel Works maintained their order at 50,000 tons per month.

Manganese Ore.—Raisings increased from 34,477 tons to 49,410 tons. Sales also recorded an increase from 43,477 tons to 56,081 tons.

Manganese Dioxide.—1,408 tons of ore was raised during this year compared to *nil* raisings last year. Sales increased from 2,951 tons to 3,783 tons. Prospecting operations progressed satisfactorily during the year under review.

Market.—The market for manganese ore declined appreciably during 1958, but on the whole the prices at which the various grades could be sold during the period under review were satisfactory.

Transport.—The wagon position improved slightly during the year, but is still far from satisfactory.

Labour.—Labour relations remained satisfactory during the year. The directors are able to report that the issue concerning the strike and resultant lock-out in 1956, pending before the Industrial Tribunal has since been decided in favour of the Company. The labour strike being declared illegal and the resultant lock-out by the Company to be a lawful one.

Bolani Area.—The directors are pleased to report that Bolani Ores (Private) Ltd. has since commenced work on the project and the construction made satisfactory progress during the year under review.

The Eastern Shipping Syndicate.—During the year, the Company's share of profits from the Syndicate amounts to Rs. 5,084 and this has been included in the accounts.

The profit and loss account after providing for all charges and making provision of Rs. 18,30,000 (Rs. 10,90,000) for taxation and Rs. 2,17,100 (Rs. 1,85,100) for depreciation, shows a profit of Rs. 18,04,029 (Rs. 4,74,480) to which is added the balance brought forward from the previous year of Rs. 1,15,708 (Rs. 1,00,667) making a total of Rs. 19,19,737 (Rs. 5,75,147). And from this is deducted the amount transferred to general reserve of Rs. 2,50,620 (Rs. 315), to stores and stock reserve of Rs. 1,50,000 (*nil*), to mechanisation reserve of Rs. 5,50,000 (*nil*), to buildings reserve of Rs. 2,00,000 (*nil*), to development rebate reserve of Rs. 92,500 (Rs. 5,300) and staff and workmen's accident and compensation reserve Rs. 34,503 (Rs. 29,824) leaving a balance of Rs. 6,42,114 (Rs. 4,15,041 after transferring Rs. 24,000 to tax contingency reserve). The interim dividend declared on 29th August, 1958, on the ordinary shares at 10 (10) per cent. per annum without any deduction for income-tax payable by the Company absorbed Rs. 2,00,000 (Rs. 2,00,000) leaving a balance available of Rs. 4,42,114 (Rs. 3,15,708). The directors propose to dispose of this amount as follows:

By payment of a final dividend on the ordinary shares at 10 (10) per cent. per annum and a bonus at 5 (*nil*) per cent. for the year, without any deduction for income-tax payable by the Company absorbing Rs. 3,00,000 (Rs. 2,00,000) and by carrying forward Rs. 1,42,114 (Rs. 1,15,708).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Gross block	56,51,624
Reserves ...	49,23,557	*Less*—Depreciation ...	29,17,800
Provision for taxation ...	17,80,694		
Liabilities ...	48,20,681	Net block ...	27,33,824
Profit and loss account ...	1,42,114	Capital work-in-progress	2,11,028
		Stock-in-trade	8,79,811
		Stores and loose tools	10,13,418
		Debts, deposits and advances ...	42,57,405
		Investments	18,67,477
		Cash ...	27,04,083
Rs.	1,36,67,046	Rs.	1,36,67,046

British India Electric Construction Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1958.

The profit for the year (including items relating to previous years) after providing for taxation and depreciation, was Rs. 3,51,534 (Rs. 5,94,020) to which is added the balance brought forward from 1957 of Rs. 77,782 (debit of Rs. 2,16,238) making a total of Rs. 4,29,316 (Rs. 3,77,782). Out of this total, the Board paid an interim dividend of 5 (*nil*) per cent. on 20th February 1959, amounting to Rs. 25,000. (*nil*). The Board has transferred Rs. 8,706 (*nil*) to development rebate reserve and Rs. 2,52,421 (Rs. 2,00,000) to general reserve, leaving a balance of Rs. 1,43,189 (Rs. 1,77,782) available for distribution, which it is recommended be dealt with as follows:—To payment of a final dividend of 15 (20) per cent. absorbing Rs. 75,000 Rs. 1,00,000) leaving a balance to be carried forward of Rs. 68,189 (77,782).

No provision has been made for liability to wealth tax. Payment of wealth tax is not considered to be a charge against the current profits of the Company, and the Board therefore intends to charge against reserves any payment made in respect of such assessments.

Operations.—Switchgear production and sales showed a marked improvement during the latter half of the year. The production of electric motors was satisfactory and sales continued to improve. Towards the end of the year, however, it was apparent that indigenous production of the smaller horse-power motors would soon satisfy the present demand. In 1958 Voltas Ltd. were appointed distributors for B.I.E.C.C.O. motors.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Gross block ...	22,70,144
Reserves ...	5,65,064	*Less*—Depreciation ...	13,03,817
Provision for taxation ...	4,11,926		
Liabilities ...	38,93,465	Net block ...	9,66,327
Profit and loss account ...	68,189	Stocks ...	23,16,025
		Work-in-progress ...	7,82,431
		Goods-in-transit ...	49,595
		Debts, deposits and advances ...	13,10,811
		Investments	2,166
		Cash ...	11,289
Rs.	54,38,644	Rs.	54,38,644

Standard Coal Co., Ltd.

The directors of the above Company [Secretaries: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st December 1958.

The profit and loss account after providing for all charges and making provisions of Rs. 1,51,326 (Rs. 80,901) for taxation and Rs. 1,000 (Rs. 1,000) for depreciation shows a profit of Rs. 2,50,006 (Rs. 47,379) to this is added the amount transferred from reserve for doubtful debts no longer required of Rs. 5,000 (Rs. 25,000 from general reserve) profit on sale of investments Rs. 38,632 (*nil*) and the balance brought forward from the previous year of Rs. 9,790 (Rs. 17,411) making a total of Rs. 3,03,428 (Rs. 89,790). From this amount the directors have transferred to general reserve Rs. 1,88,632 (*nil*) leaving a balance available of Rs. 1,14,796 (Rs. 89,790). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the ordinary shares at the rate of 12½ (10) per cent. per annum, without any deduction for income-tax payable by the Company absorbing Rs. 1,00,000 (Rs. 80,000) and by carrying forward Rs. 14,796 (Rs. 9,790).

Investments.—The Company's portfolio is representative of investments which are quoted on the Calcutta Stock Exchange with the exception of certain shares costing Rs. 1,50,000 for which no quotation is available. The total of the market value of the investments as at 31st December 1958, for which quotations are available together with unquoted investments as valued by the directors amounts to Rs. 28,37,956 (Rs. 17,80,649).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Gross block	1,69,570
Reserves ...	15,61,511	*Less*—Depreciation ...	29,510
Provision for taxation ...	1,11,926		
Liabilities ...	2,98,013	Net block ...	1,40,060
Profit and loss account ...	14,796	Investments	25,01,098
		Debts, deposits and advances ...	38,053
		Cash ...	1,07,035
Rs.	27,86,246	Rs.	27,86,246

Chitavalsah Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st July 1958.

The profit for the year, after providing for depreciation Rs. 3,53,215 (Rs. 3,10,684) and taxation Rs. 6,30,000 (Rs. 4,80,000), including wealth tax, amounts to Rs. 6,84,148 (Rs 5,15,114 for the 13 months ended 31st July 1957). To this must be added the credit balance brought forward from the previous period of Rs. 73,099 (Rs. 1,01,027) and dividends forfeited Rs. 2,058 (*nil*) making a total of Rs. 7,59,305 (Rs. 6 17,649 after adjustment). From this amount the directors have transferred to development rebate reserve Rs. 1,75,000 (Rs. 1,75,000) and to general reserve Rs. 1,00,000 (*nil*) leaving a balance of Rs. 4,84,305 (Rs. 4,42,649). The interim dividends for the year ended 31st July, 1958 on 5,000 preference shares at Rs. 3.50 per share absorbed Rs. 17,500 (Rs. 17,500) and on 3,01,500 ordinary shares at Re. 0.50 (Re. 0.60) per share absorbed Rs. 1,50,750 (Rs. 1,80,900) leaving an available balance of Rs. 3,16,055 (Rs. 2,44,249). This amount the directors recommend should be distributed as follows:—To payment of a final dividend on 5,000 preference shares at Rs. 3.50 (Rs. 4.08) per share for the year ended 31st July 1958 absorbing Rs. 17,500 (Rs. 20,400) and a final dividend on 3,01,500 ordinary shares at Re. 0.75 (Re. 0.50) per share for the year ended 31st July 1958 absorbing Rs. 2,26,125 (Rs. 1,50,750) leaving to be carried forward Rs. 72,430 (Rs. 73,099).

Jute stocks are shown at or under cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st July 1958, have been valued at market rates.

The Mills continued to work in accordance with the main and supplementary working time agreements of the Indian Jute Mills Association.

During the financial year under review trading conditions showed an improvement over the preceding period.

Due to delays in receipt of import licences, it is now anticipated that the modernisation of the *Sacking Weft Spinning Machinery* will be completed by August 1959, and modernisation of *Sacking Warp Spinning Machinery* should be completed by April 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,15,000	Gross block ...	89,14,415
Debentures ...	10,69,000	*Less*—Depreciation ...	54,94,361
Reserves ...	36,50,000		
Provision for taxation ...	4,45,062	Net block ...	34,20,054
Liabilities ...	30,26,000	Capital expenditure in progress ...	1,54,113
Profit and loss account ...	72,430	Stock-in-trade	31,78,142
		Stores and spare parts	7,67,701
		Debts, deposits and advances ...	22,43,030
		Investments	12,39,563
		Cash ...	7,74,887
Rs.	1,17,77,492	Rs.	1,17,77,492

Sassoon Spinning and Weaving Co., Ltd.

The directors of the above Company (Managing Agents: M. G. Investment Corporation Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st December 1958.

The net profit for the year after providing an amount of Rs. 13,71,242 (Rs. 18,44,976) for depreciation, Rs. 50,000 (Rs. 2,33,499) for managing agents' commission, Rs. 82,000) (Rs. 9,97,000) for provision for taxation and Rs. 2,63,000 (Rs. 3,24,202) for statutory development rebate reserve amounts to Rs. 7,303 (Rs. 4,05,895) to which is added the balance profit of 1957 Rs. 12,182 (Rs. 1,66,307) making a total of Rs. 19,485 (Rs. 5,72,202). To this is added the amount transferred from dividend equalisation reserve of Rs. 5,00,000 (*nil*) and from general reserve of Rs. 2,40,000 (Rs. 3,25,000) making a total available balance of Rs. 7,59,485 (Rs. 8,97,202). Out of this balance the directors recommend, payment of 61st dividend of Rs. 2 (Rs. 2) per share (free of income-tax) amounting to Rs. 7,54,020 (Rs. 7,54,020) leaving a surplus to be carried to 1959 account of Rs. 5,465 (Rs. 12,182 after providing Rs. 1,31,000 for additional provision for taxation for previous year).

The directors regret that during the period under review working of the Company has resulted in a low profit owing to higher cost of production and lower prices realised of cloth and yarn particularly in export markets due to the prevailing depression generally. In order to diversify the manufactured products from grey to processed varieties and increase their saleability, the Company has purchased the entire block i.e. land, buildings, plant and machinery of the processing house at Foras Road, Bombay from Calico Processors Ltd. for purpose of processing the grey cloth. The processing house is working satisfactorily.

A provision of Rs. 50,000 for the payment of minimum remuneration to the managing agents of the Company made in the accounts is subject to the sanction of the Central Government which has been applied for.

The scheme of modernisation of the mills continues. An amount of Rs. 2,08,959 has been spent on buildings and Rs. 35,48,904 on installation of machinery. Machinery amounting to Rs. 2,46,162 is awaiting installation. The machinery installed has been working satisfactorily.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	37,70,100	Gross block	2,51,80,351
Reserves ...	1,18,66,143	*Less*—Depreciation ...	1,49,71,803
Provision for taxation ...	9,39,151		
Liabilities ...	97,07,466	Net block ...	1,02,08,548
Profit and loss account ...	5,465	Machinery uninstalled ...	2,45,162
		Stock-in-trade	82,22,437
		Stores, spare parts, etc.	25,36,747
		Debts, deposits and advances ...	43,72,567
		Investments	1,90,324
		Cash ...	5,11,540
Rs.	2,62,88,325	Rs.	2,62,88,325

Nellimarla Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st July 1958.

The profit for the year, after providing for depreciation Rs. 1,55,964 (Rs. 1,20,586) and taxation Rs. 4,90,000 (Rs. 3,30,000), including wealth tax, amounts to Rs. 4,98,375 (Rs. 2,17,021 for the 13 months ended 31st July 1957). To this must be added the credit balance brought forward from the previous period of Rs. 43,512 (Rs. 1,29,411) and dividends forfeited Rs. 5,032 (Rs. 21,402 being over provision of liabilities written back) making a total of Rs. 5,46,919 (Rs. 3,67,834). From this must be deducted dividends previously forfeited now paid of Rs. 150 (*nil*), amount transferred to general reserve of Rs. 50,000 (*nil*) and amount transferred to development rebate reserve of Rs. 1,13,500 (Rs. 55,572) leaving an available balance of Rs. 3,83,269 (Rs. 3,12,262). This amount the directors recommend should be distributed as follows:—

To dividend on 5,000 preference shares at Rs. 6 (Rs. 3.50) per share for the year ended 31st July 1958 absorbing Rs. 30,000 (Rs. 17,500) and to dividend on 2,62,500 ordinary shares at Re. 1 (Re. 0.40) per share for the year ended 31st July 1958 absorbing Rs. 2,62,500 (Rs. 1,05,000) leaving to be carried forward Rs. 90,769 (Rs. 43,512).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st July 1958, have been valued at market rates.

The mills continued to work in accordance with the main and supplementary working time agreements of the Indian Jute Mills Association. The Company purchased loom hours and worked 230 looms on double shift during the period.

During the financial year under review trading conditions showed an improvement over the preceding period.

The installation of modern machinery continued smoothly and more or less in accordance with the schedule during the period, and it is anticipated that modernisation, except for the Twist section, will be completed by July 1959.

Labour relations continued to be difficult with consequent adverse effects on the working efficiency of the Mills. Several minor stoppages took place and also one shift went on an illegal strike for 8 days in June 1958, with consequent loss in production. A further partial strike took place on 2nd December 1958, and there was a total closure of the Mills from 5th to 10th December 1958.

In July 1958, and Industrial Tribunal issued an Award in respect of bonus to the workers for the year 1955, and an appeal against this Award has been preferred in the Supreme Court as the Company's solicitors consider it inequitable.

Serious flooding took place at this Mill on 20th October 1958, resulting in considerable damage to stocks of raw jute, finished goods and machinery. Fortunately, no lives were lost due to prompt action by the management. This damage was mostly covered by the Mill's Flood Insurance Policy and the loss sustained was moderate. The Mills resumed full working on 10th November 1958.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,25,000	Gross block ...	37,73,995
Debentures ...	5,00,000	*Less*—Depreciation ...	23,34,167
Reserves ...	29,19,072		
Provision for taxation ...	13,07,185	Net block ...	14,39,828
Liabilities ...	34,54,633	Capital expenditure in progress ...	7,71,890
Profit and loss account ...	90,769	Stock-in-trade	27,04,198
		Stores and spare parts	7,35,344
		Debts, deposits and advances ...	45,61,329
		Investments	7,03,475
		Cash ...	4,80,595
Rs.	1,13,96,659	Rs.	1,13,96,659

Shorrock Spg. and Mfg. Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Mafatlal Chandulal & Co. (Ahmedabad) Ltd., Ahmedabad] submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show that the profits for the year after deducting managing agents' commission of Rs. 2,87,658 (Rs. 2,30,443), depreciation Rs. 4,70,315 (Rs. 8,25,343), development rebate Rs. 2,64,375 (Rs. 1,87,681) and taxation provision Rs. 14,00,000 (Rs. 13,80,000) comes to Rs. 9,99,091 (Rs. 3,66,970) to which is added the amount brought forward from last year of Rs. 18,346 (Rs. 1,11,376) making a total of Rs. 10,17,437 (Rs. 8,33,346 including an amount of Rs. 3,55,000 transferred from general reserve). Out of this amount the directors recommend payment of dividend at Rs. 20 (Rs. 20) plus Rs. 2 (*nil*) bonus per share, free of income-tax, on 29,250 ordinary shares absorbing Rs. 6,43,500 (Rs. 5,85,000), and a transfer to general reserve of Rs. 3,50,000 (*nil*) leaving a balance to be carried to next year's account Rs. 23,937 (Rs. 18,346 after transferring Rs. 2,30,000 to taxation provision being the amount of short provision for the year 1956).

It will be observed that a sum of Rs. 1,98,281 being the 75 per cent. of the toal development rebate to which the Company is entitled under the Income-tax Act, has been taken to the credit of the statutory development rebate reserve account in accordance with the statutory requirements of the Income-tax Act leaving a balance of Rs. 66,094 which has been kept to the credit of development rebate reserve in accordance with past practice.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	29,25,000	Gross block	1,12,51,013
Reserves ...	75,75,008	*Less*—Depreciation ...	77,65,692
Provision for taxation ...	28,10,614		
Liabilities ...	23,53,476	Net block ...	34,85,321
Profit and loss account ...	23,937	Uninstalled machinery	6,77,811
		Stock-in-trade	26,10,761
		Stores, etc. ...	12,59,804
		Debts, deposits and advances ...	40,65,515
		Investments	1,98,216
		Cash ...	33,90,607
Rs.	1,56,88,035	Rs.	1,56,88,035

Adoni Spinning and Weaving Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kothari and Sons, Madras) present the audited accounts of the Company for the year ended 31st December 1958.

The result of the Company's working for the period under review is a profit of Rs. 3,74,244 (Rs. 2,69,397) to which is added the amount brought forward from last year of Rs. 9,087 (Rs. 1,007) making a total of Rs. 3,83,311 (Rs. 2,70,404). From this is deducted appropriation to depreciation of Rs. 3,60,703 (Rs. 2,61,336) leaving a balance of Rs. 22,608 (Rs. 9,068) to be carried forward to next year. This profit has been arrived at after providing for interest and legal charges on debentures amounting to Rs. 52,000.

The Textile Industry had a disappointing period during the year due to the high prices that were ruling in the Indian cotton market, whereas the prices for cotton yarn were at a low level. As the Company's requirements of cotton for the period under review were purchased earlier at lower rates, the Company did not suffer much on account of the low prices of yarn and the gross profit stood at Rs. 6,02,855 against a gross profit of Rs. 3,91,615 of last year.

Expansion:—The installation of the balance 12,000 spindles has been completed and these are being progressively put into operation. The Mills have now an installed capacity of 24,000 spindles.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	49,92,192	Gross block	70,91,025
Secured loans	10,73,952	*Less*—Depreciation ...	6,22,039
Liabilities ...	19,42,142		
Profit and loss account ...	22,608	Net block ...	64,68,986
		Stock-in-trade	6,12,590
		Stores ...	2,76,742
		Debts, deposits and advances ...	3,11,668
		Investments	40,000
		Cash ...	1,38,539
		Miscellaneous expenditure and losses	1,82,369
Rs.	80,30,894	Rs.	80,30,894

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

BRITISH PETROLEUM COMPANY

A company which has played an important role in the development of oil in West Asia, producing new resources of wealth for the region, is celebrating the fiftieth anniversary of its foundation. It is the British Petroleum (B.P.)—now the parent Company of a group which is one of the major international petroleum organisations.

It was in 1901 that the Persian Government granted oil concessions to an Englishman, Mr. William Knox Darcy, but it was not until seven years later that the first important "strike" was made.

Since those early days, development has been rapid, and expansions have benefited countries with oil resources and the Company which developed them. The B.P. group has brought into production large-scale refineries, including the famous Abadan refinery, whose capacity, originally 400,000 tons, has reached 32,000,000 tons of crude oil. The Company was originally the Anglo-Persian Oil Company, which became in 1935 the Anglo-Iranian Oil Company and in 1954 the British Petroleum Company.

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COMPANY MEETINGS AND DIVIDENDS

ORISSA MINERALS DEVELOPMENT CO., LTD. Annual General Meeting, Calcutta, 27th April 1959. Dividend: Rs. 2.50 per share (includes interim dividend of Re. 1.00 per share and a bonus of Re. 0.50 per share), payable on or after 6th May 1959. Transfer books remain closed from 14th to 27th April 1959, both days inclusive.

NORTH BEHAR SUGAR MILLS LTD. Annual General Meeting, Calcutta, 28th April 1959. Dividend: *Nil.* Transfer books remain closed from 18th to 28th April 1959, both days inclusive.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Annual General Meeting, Madras, 29th April 1959. Dividend: 20 per cent. or 4 shilling per share (made up of a first interim dividend of 5 per cent., a second interim dividend of 10 per cent. and a special dividend of 5 per cent, all without deduction of Indian income-tax).

BENGAL COAL CO., LTD. Annual General Meeting, Calcutta, 29th April 1959. Dividend: Rs. 17.50 per share (includes interim dividend of Rs. 7.50 per share). Transfer books remain closed from 14th to 29th April 1959. both days inclusive.

SHREE KRISHNA GYANODAY SUGAR LTD. Annual General Meeting, Dalmianagar, 30th April 1959. Dividend: Re. 1.00 per share. Transfer books remain closed from 21st to 30th April 1959, both days inclusive.

STANDARD COAL CO., LTD. Annual General Meeting, Calcutta, 30th April 1959. Dividend: 12½ per cent. or Re. 1.25 per share, payable on or after 7th May 1959. Transfer books remain closed from 16th to 30th April 1959, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 30th April 1959. Dividend: Re. 1.25 per share. Transfer books remain closed from 16th to 30th April 1959, both days inclusive.

EMPIRE JUTE CO., LTD. Annual General Meeting, Calcutta, 30th April 1959. Dividend: Re. 1.00 per share. Transfer books remain closed from 16th to 30th April 1959, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 30th April 1959. Dividend: Re. 1.00 per share. Transfer books remain closed from 16th to 30th April 1959, both days inclusive.

PRESIDENCY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 30th April 1959. Dividend: Re. 0.22½ per share. Transfer books remain closed from 16th to 30th April 1959, both days inclusive.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Annual General Meeting, Calcutta, 4th May 1959. Dividend: Rs. 2.00 per share (includes interim dividend of Re. 0.50 per share). Transfer books remain closed from 20th April to 4th May 1959, both days inclusive.

DURBHANGA SUGAR CO., LTD. Annual General Meeting, Lohat, District Darbhanga, 5th May 1959. Transfer books remain closed from 19th April to 5th May 1959, both days inclusive.

SOORAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 6th May 1959. Dividend: 15 per cent. or Re. 1.50 per share. Transfer books remain closed from 20th April to 6th May 1959, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 7th May 1959. Dividend: Re. 1.00 per share. Transfer books remain closed from 23rd April to 7th May 1959, both days inclusive.

KOHINOOR MILLS CO., LTD. Annual General Meeting, Bombay, 7th May 1959. Dividend: Rs. 10.00 per share (includes interim dividend of Rs. 4.00 per share). Final dividend of Rs. 6.00 per share is payable on and after 14th May 1959. Transfer books remain closed from 20th April to 7th May 1959, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 8th May 1959. Dividend: Rs. 22.00 per share (includes interim dividend of Rs. 8.00 per share). Final dividend is payable on or after 13th May 1959. Transfer books remain closed from 7th to 29th April 1959, both days inclusive.

NATIONAL CARBON CO. (INDIA) LTD. Annual General Meeting, Calcutta, 15th May 1959. Dividend: 14 per cent. or Re. 1.40 per share (includes interim dividend of 6½ per cent. or Re. 0.65 per share). Transfer books will remain closed from 1st to 15th May 1959, both days inclusive.

VASANTA MILLS LTD. Annual General Meeting, Singanallur, Coimbatore District, 27th May 1959. Transfer books will remain closed from 13th to 27th May 1959, both days inclusive.

RAYALASEMA MILLS LTD. Annual General Meeting, Rayanagar, Adoni—Thungabhadra Road, Adoni, 3rd June 1959. Dividend: 10 per cent. or Rs. 10.00 per share. Transfer books will remain closed from 25th May to 10th June 1959, both days inclusive.

TRAVANCORE RUBBERS LTD. Dividend of 10 per cent. or Re. 1.00 per share, for the year ended 31st December 1958.

TRAVANCORE RUBBER AND TEA CO., LTD. Dividend of 5 per cent. or Re. 0.50 per share, for the year ended 31st December 1958.

TRAVANCORE OGALE GLASS MANUFACTURING CO., LTD. Dividend of 4 per cent. or Re. 0.40 per share, for the year ended 31st December 1958. Transfer books will remain closed from 1st to 12th June 1959, both days inclusive.

TRAVANCORE RAYONS LTD. Dividend of 12½ per cent. or Re. 1.25 per share, for the year ended 31st December 1958.

ASHOK LEYLAND LTD. Dividend of 6 per cent. or Re. 0.30 per share, for the year ended 31st December 1958. Transfer books will remain closed from 8th to 22nd May 1959, both days inclusive.

Notices

THE TATA MILLS LIMITED

NOTICE

THE FORTY-SEVENTH ANNUAL GENERAL MEETING OF THE TATA MILLS LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Thursday, the 14th May, 1959, at 4-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the Audited Profit and Loss Account of the Company for the year ended 31st December 1958, and the audited Balance Sheet as at 31st December 1958.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. B. M. Ghia who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. T. V. Baddeley, C.B.E., who retires by rotation and is eligible for re-appointment, and to consider, and, if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice as required by Sections 190, 261, 280 and 281 of the Companies Act, 1956, has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Sections 261, 280 and 281 and other applicable provisions (if any) of the Companies Act, 1956, Mr. T. V. Baddeley, C.B.E., a Director of the Company who is also a director, officer, member, and associate of Tata Industries Private Limited, the Mananging Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint Ex-officio and Special Directors to the Board) and who has attained the age of 70 years, and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed by Section 280 of the said Act shall not apply to him."

   The reasons which make this resolution necessary are more fully set out in paragraph 2 of the Explanatory Statements referred to in Note (*a*) below and which paragraph 2 for the purposes of Section 261 shall be deemed to be incorporated in this Notice.
5. To consider and, if thought fit, to pass the following resolution in respect of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company.

   "RESOLVED that pursuant to the provisions of Sections 280 and 281 and other applicable provisions (if any) of the Companies Act, 1956, the appointment of Mr. N. M. Amersey, who has attained the age of 65 years be and is hereby made and/or approved as required by the provisions of Section 281 and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

   The reasons which make this resolution necessary are more fully set out in paragraph 3 of the Explanatory Statements referred to in Note (*a*) below.
6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "RESOLVED that pursuant to Section 360 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby approves of, confirms and consents to the arrangement between the Company and The Associated Building Company Private Ltd. (associates of the Managing Agents, Tata Industries Private Ltd.) for letting to the Company, on a monthly tenancy, office space and storage space in Bombay House, 24, Bruce Street, Fort, Bombay, owned by the Associated Building Company Private Ltd. and for facilities of air-conditioning, Board and Conference rooms and general facilities and services appertaining to the said building or for the benefit of the Company at an inclusive rent and charges of about Rs. 470 per month, plus a varying charge for air-conditioning facilities not exceeding Rs. 8,000 per annum, with liberty to the Directors of the Company to agree to any additions, reductions and alterations in office or storage space or in regard to such facilities and services as may be deemed necessary or desirable, subject to such increases and reductions in rent and service charges as may be agreed to between the Directors and the landlords."
7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED that subject to approval of the Central Government under the provisions of the Companies Act, 1956, the Company hereby re-appoints Tata Industries Private Limited as the Managing Agents of the Company as from the 16th day of August, 1960, for the period, at the remuneration and upon the terms, provisions and conditions set out in the draft agreement (with such modifications, if any, as may be agreed to at this meeting) proposed to be entered into between the Company of the first part, Tata Industries Private Limited of the second part and Tata Sons Private Limited (as guarantors for the observance and performance of the terms and conditions of the said Agreement by Tata Industries Private Limited as Managing Agents) of the third part and which draft Agreement is placed before this meeting and for the purpose of identification subscribed by the Chairman thereof with power to the Directors of the Company, subject to the provisions of the said Act, to vary or alter such of the terms, provisions and conditions of the said draft Agreement before execution as shall not have the effect of increasing the remuneration of the Managing Agents and as may be agreed to between the Central Government and the Directors of the Company acting on its behalf."
8. To consider and, if thought fit, to pass the following resolution:—

   "RESOLVED that pursuant to the provisions of Section 294 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby approves and consents to the appointment of Nathuram Ramnarayan Private Ltd. and Patel Ghanshyamdas & Co. as the Company's sole selling agents for the Company's products for a period of three years commencing from the 1st day of January 1959 for the whole of India excepting the States of Mysore, Andhra Pradesh, Madras and Kerala at the remuneration and on the terms, provisions and conditions contained in the Agreement dated the 6th April 1959, made between the Company and the said sole selling agents, a copy whereof is placed before this meeting and for the purpose of identification subscribed by the Chairman thereof with power to the Directors of the Company, subject to the provisions of the said Act, to vary or alter such of the terms, provisions and conditions of the said draft Agreement before execution as shall not have the effect of increasing the remuneration of the Managing Agents and as may be agreed to between the Central Government and the Directors of the Company acting on its behalf."
9. To appoint Auditors for the current year and to fix their remuneration.

Notes:—(*a*) The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 4, 5, 6, 7 and 8 set out above, are being posted to all members.

(*b*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*c*) The Transfer Books of the Company will remain closed from Wednesday, the 15th April, 1959 to Monday, the 11th May, 1959, both days inclusive.

(*d*) If dividend on shares, as recommended by the Directors, is passed at the meeting, payment will be made on and after Friday, the 15th May, 1959, to those members whose names are on the Register of the Company on the 11th May, 1959.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 16*th April*, 1959.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE SEVENTY-THIRD ANNUAL GENERAL MEETING OF THE SVADESHI MILLS COMPANY LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Friday, the 15th May, 1959, at 4-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 31st December 1958, and the audited Balance Sheet as at 31st December 1958.
2. To declare Dividends.
3. To appoint a Director in place of Sir Fazal Rahimtoola, Kt., C.I.E., who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. C. P. Wadia who retires by rotation but does not offer himself for re-appointment and to fill which vacancy a notice has been received by the Company from certain members under Section 257(1) of the Companies Act, 1956, proposing Mr. F. H. Kemple as a Director.
5. To consider and, if thought fit, to pass the following resolution:—

   "RESOLVED that pursuant to the provisions of Section 294 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby approves and consents to the appointment of Patel Ghanshyamdas & Co. and Nathuram Ramnarayan Private Limited as the Company's sole selling agents for the Company's products for a period of three years commencing from the 1st day of January, 1959, for the whole of India excepting the States of Mysore, Andhra Pradesh, Madras and Kerala at the remuneration and on the terms, provisions and conditions contained in the Agreement dated the 6th April 1959, made between the Company and the said sole selling agents, a copy whereof is placed before this meeting and for the purpose of identification subscribed by the Chairman thereof."
6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "RESOLVED that pursuant to Section 360 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby approves of, confirms and consents to the arrangement between the Company and The Associated Building Company Private Ltd. (associates of the Managing Agents, Tata Industries Private Ltd.) for letting to the Company, on a monthly tenancy, office space and storage space in Bombay House, 24, Bruce Street, Fort, Bombay, owned by the Associated Building Company Private Ltd., and for facilities of air-conditioning, Board and Conference rooms and general facilities and services appertaining to the said building or for the benefit of the Company at an inclusive rent and charges of about Rs. 470 per month, plus a varying charge for air-conditioning facilities not exceeding Rs. 8 000 per annum, with liberty to the Directors of the Company to agree to any additions, reductions and alterations in office or storage space or in regard to such facilities and services as may be deemed necessary or desirable, subject to such increases and reductions in rent and service charges as may be agreed to between the Directors and the landlords."
7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "RESOLVED that subject to approval of the Central Government under the provisions of the Companies Act, 1956, the Company hereby reappoints Tata Industries Private Limited as the Managing Agents of the Company as from the 16th day of August, 1960, for the period, at the remuneration and upon the terms, provisions and conditions set out in the draft Agreement (with such modifications, if any, as may be agreed to at this meeting) proposed to be entered into between the Company of the first part, Tata Industries Private Limited of the second part and Tata Sons Private Limited (as guarantors for the observance and performance of the terms and conditions of the said Agreement by Tata Industries Private Limited as Managing Agents) of the third part and which draft Agreement is placed before this meeting and for the purpose of identification subscribed by the Chairman thereof with power to the Directors of the Company, subject to the provisions of the said Act, to vary or alter such of the terms provisions and conditions of the said draft Agreement before execution as shall not have the effect of increasing the remuneration of the Managing Agents and as may be agreed to between the Central Government and the Directors of the Company acting on its behalf."
8. To appoint Auditors for the current year and to fix their remuneration.

Notes:—(*a*) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 4, 5, 6 and 7 set out above, are being posted to all the shareholders.

(*b*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*c*) The Transfer Books of the Company will remain closed from Wednesday, the 15th April 1959, to Monday, the 11th May, 1959, both days inclusive.

(*d*) If dividends on shares, as recommended by the Directors, are passed at the meeting, payment will be made on and after Saturday, the 16th May, 1959, to those members whose names are on the Register of the Company on the 11th May, 1959.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 16*th April*, 1959.

MAHINDRA & MAHINDRA LIMITED

NOTICE

THE THIRTEENTH ANNUAL GENERAL Meeting of the Shareholders of Mahindra & Mahindra Limited will be held at the Taj Mahal Hotel, Apollo Bunder, Bombay 1, on Monday, 18th May 1959, at 4 p.m., to transact the following business:—

(1) To receive and adopt the Directors' Report, and audited Balance Sheet and Profit and Loss Account for the year ended 31st October 1958.

(2) To declare Dividends on Preference and Ordinary Shares.

(3) To appoint a Director in place of Mr. A. K. Mitra who retires by rotation under Article 110 of the Articles of Association of the Company and who being eligible offers himself for re-election.

(4) To appoint a Director in place of Mr. K. C. Mahindra who retires under Article 110 of the Articles of Association of the Company and under the provisions of Section 280 of the Companies Act, 1956, and offers himself for re-appointment and to consider and if thought fit to pass, with or without modification. if any, as may be agreed upon at the Meeting, the following resolution of which special notice under Section 281 of the Companies Act, 1956, has been duly received by the Company and is hereby given:—

   "RESOLVED that the age limit specified in Section 280 of the Companies Act, 1956, shall not apply to Mr. K. C. Mahindra who is now 65 years of age and that Mr. K. C. Mahindra be and is hereby appointed a Director of the Company."

(5) To appoint auditors for the current year and to fix their remuneration.

(6) To consider and if thought fit to pass, with or without modifications, if any, as may be agreed upon at the Meeting, the following ordinary resolution:—

   "RESOLVED that from 1st August 1959, i.e., after the expiry of their respective existing contracts, the remuneration of each of the three existing Executive Directors be increased from Rs. 3,000 per month to Rs. 5,000 per month, the commission payable to them be reduced from 5/3 per cent. to 1 per cent. of the net profits of the Company and that they be continued also to be paid and allowed all the other benefits, remunerations and emoluments as at present, that the appointment be not for any definite period and be terminable on 12 months' notice and the Board of Directors is hereby authorised to execute fresh contracts with each of these three Executive Directors in terms of the draft put before the meeting and initialled by the Chairman, with such modifications, if any, as may be prescribed by Central Government in according sanction under the provisions of the Companies Act, 1956."

(7) To consider and if thought fit to pass the following special resolution with or without modifications, if any, as may be agreed upon at the meeting:—

   "RESOLVED that in Article 98 of the Articles of Association of the Company the word 'nine' be substituted by the word 'twelve'."

Notes:—(*a*) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 4, 6 and 7 set out above is annexed hereto.

(*b*) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

(*c*) The Transfer Books of the Company will be closed from 4th May 1959 to 18th May 1959, both days inclusive.

(*d*) Dividends, if sanctioned at the Meeting, will be made payable to those shareholders whose names are on the Company's Register on the 18th of May 1959, and the dividend warrants will be despatched to them on and after the 26th of May 1959.

By Order of the Board,
MAHINDAR SINGH,
Secretary.

BOMBAY, 31*st March*, 1959.

ANNEXURE TO THE NOTICE

Explanatory Statements as Required by Section 173 of the Companies Act, 1956.

Item No. 4:

Mr. K. C. Mahindra, who has been a Director and Chairman of the Company since its incorporation in 1945, has attained the age of 65 years on 15th March 1959. The proposed resolution seeks to have Mr. K. C. Mahindra re-elected as a Director and your necessary declaration that the age limit specified in Section 280 of the Companies Act, 1956, shall not apply to him. Your Directors feel that it is in the interest of the Company that the Board should continue to receive the benefit of Mr. K. C. Mahindra's long experience and able guidance.

The Company has received Special Notices from two members notifying their intention to move the resolution set out in the Notice.

Item No. 6:

The Company has three Executive Directors, viz., Mr. Keshub Mahindra, Mr. Harish C. Mahindra (the son and nephew respectively of Mr. K. C. Mahindra), and Mr. Aloke K. Mitra. They have been Directors of your Company since 1948 and were last appointed Executive Directors under their respective contracts dated 25th August 1954.

These contracts being for a period of five years expire on 31st July 1959. Under these contracts the remuneration of each of these Directors is Rs. 3,000 per month plus commission of 5/3 per cent. of the net profits of the Company as certified by the auditors of the Company.

Under these existing contracts each of these Executive Directors also enjoys the following other benefits, remuneration and emoluments:—

(*a*) Medical, surgical, hospital and other such expenses.

(*b*) A lump-sum entertainment allowance of Rs. 500 per month representing the estimated normal disbursements made by the Executive Directors for entertainment on behalf of the Company.

(*c*) Suitable unfurnished residential accommodation.

(*d*) A motor car.

(*e*) First class return passage by sea or air for the Executive Director and his wife every two years for leave abroad of not less than four months, and during such leave abroad a travel allowance of £400 for each two months period of leave subject to sanction by the Reserve Bank of India. During such leave abroad the Executive Director is required to undertake such work for the Company as the Company may direct and generally to look after the interest of the Company abroad in the various countries that the Executive Director may visit.

Each of these Directors has been in charge of such sections of your Company's activities as have been assigned to him from time to time.

Since 1954 the work of the Executive Directors has appreciably increased in volume and in responsibility and in this period of five years your Company has become a full fledged manufacturing concern.

It is proposed that the salaries of each of these Executive Directors be increased from Rs. 3,000 to Rs. 5,000 per month, the existing commission being reduced from 5/3 per cent. to 1 per cent. of the net profits of the Company and the rest of the remuneration, benefits and emoluments as above remaining the same.

The draft contracts have been prepared for each of these Directors amending the existing contracts in confirmity with the above. Reference is also made to the Provident Fund benefits. The fixed duration of their employment limited to five years is also dispensed with and corresponding changes made in the existing terms making the contracts terminable on 12 months' notice. It is also expressly provided that the Executive Directors will be assigned such work and be in charge of such sections of the Company's activities as the Board of Directors may decide from time to time. The rest of the provisions of the existing contracts have been retailed in these drafts. These draft contracts and the existing contracts are open to inspection of the members between 11-00 a.m. to 1-00 p.m. on any working day excepting Saturdays.

Item No. 7:

The Articles of Association provide that the number of Directors shall not be less than 3 nor more than 9 until otherwise determined by the Company in General Meeting. Since 1955 the Company's operations have greatly expanded both in scope and content. It is therefore desirable to make provision for an increase in the number of Directors and hence the proposed Special resolution that Article 98 of the Articles of Association be so amended as to increase the strength of the Board from '9' to '12'. This resolution will be subject to the approval by Central Government and shall not have effect so far as the increase is disapproved by that Government as per Section 259 of the Companies Act, 1956.

By Order of the Board,
MAHINDAR SINGH,
Secretary.

BOMBAY, 31*st March*, 1959.

THE TRAVANCORE RUBBER AND TEA COMPANY, LTD.

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE 15th Annual General Meeting of the Company will be held on Monday, the 18th May, 1959, at the Registered Office of the Company at Alleppey at 11 a.m., to transact the following business:—

1. To receive and adopt the audited accounts and Balance-sheet for the year ended 31st December 1958 and the Report of the Directors and Auditors.
2. To declare a dividend.
3. To elect Directors.

   Note:—(a) Mr. R. M. Saywell, the retiring Director, is now 70 years of age. Special notice has been received and is given of the following resolution proposed to be moved:—

   "RESOLVED that Mr. R. M. Saywell who has attained the age of 70 years and who retires by rota-

tion, be and is hereby reappointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of The Companies Act, 1956 shall not apply to him."

(b) Mr. R. Sundram Iyer, the other retiring Director, is now 72 years of age. Special notice has been received and is hereby given of the following resolution proposed to be moved:

"RESOLVED that Mr. R. Sundram Iyer who has attained the age of 72 years and who retires by rotation, be and is hereby reappointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of The Companies' Act, 1956 shall not apply to him."

4. To appoint Auditors.

5. To transact the following Special business namely:—To consider and if thought fit to pass the following resolution with or without modification:

"RESOLVED that subject to the approval of the Central Government, Messrs. Aspinwall & Co. (Travancore) Ltd., be and are hereby re-appointed Managing Agents of the Company for a further period of 10 years as from 1st January 1959 on the following revised remuneration, namely, a commission of 10 (ten) per cent. of the annual nett profits of the Company, with a minimum commission of Rs. 36,000 per annum and upon the terms and conditions mentioned in the draft Managing Agency Agreement produced before this meeting and signed by the Chairman for identification, which is hereby approved, and that the Directors be and are hereby authorised to execute the Agreement on behalf of the Company with the Managing Agents in terms of the said draft Agreement but with such modifications if any as may be suggested by the Central Government."

A copy of the Explanatory Statement under Section 173 of the Companies' Act 1956 is available for inspection to the Shareholders at the Registered Office of the Company during Office hours on all working days till the date of the above meeting.

The Transfer Books and Register of Members of the Company will remain closed from 2nd May 1959 to 19th May 1959 (both days inclusive).

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

By Order of the Board,
THE TRAVANCORE RUBBER & TEA CO. LTD.,
Per Pro ASPINWALL & CO. (TRAVANCORE) LTD.,
V. C. THOMAS,
Managing Agents.

ALLEPPEY, *18th April*, 1959.

THE CENTURY SPINNING AND MANUFACTURING CO., LTD.

THE SIXTY-SECOND ANNUAL GENERAL Meeting of the Company will be held at Industry House, Churchgate Reclamation, Bombay 1, on 8th May 1959 at 4-00 p.m.

Notice convening the meeting and the business to be transacted thereat together with the Directors' Report and Accounts have been posted to the registered address of the shareholders.

The Directors recommend the payment from the taxed profits of the past years credited to the General Reserve a dividend of 50 naye paise on the Preference Shares at 6 per cent. per annum for the period 1st December 1958 to 31st December 1958, and a final dividend of Rs. 14 on the Equity shares, payable to the shareholders whose names stand on the Register as on 29th April 1959.

The Transfer Books will remain closed from 7th April 1959 to 29th April 1959 inclusive.
BOMBAY, *15th April* 1959.

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS
(Railway Board)

Sub:—Requirement of Roller Bearings with Axleboxes and Wheelsets—Tender No. G.P. 16, 1958-59

THE LAST DATE OF RECEIPT AND opening date of the above tender are extended as under:—

(i) **Roller Bearing Axleboxes**
Not later than 11 a.m. on 5th May 1959.
Offers received will be opened at 11 a.m. on 5th May, 1959.

(ii) **Wheelsets**
Not later than 11 a.m. on 6th May 1959.
Offers received will be opened at 11 a.m. on 6th May, 1959.

Offers should reach the Director, Railway Stores, Railway Board, State Entry Road, New Delhi, not later than the dates indicated above.

G. P. BHALLA,
Director, Railway Stores,
Railway Board,
State Entry Road,
New Delhi.

DATED *9th April*, 1959.

THE BOMBAY BURMAH TRADING CORPORATION LTD.

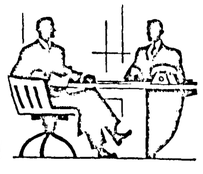
NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT IN pursuance of the powers granted to them by a resolution passed at the Extraordinary General Meeting held on 29th May 1958, the Directors have extended the final date fixed for the receipt of applications for consolidation of fractional certificates into whole shares of Rs. 125 each, from 31st May 1959 to 31st December 1959.

By Order of the Board,
WALLACE & CO.,
Secretaries and Treasurers.

BOMBAY, 22*nd April* 1959.

BANKING IS OUR BUSINESS!



360 offices throughout the country and Foreign Exchange Department with regional offices under expert personnel at your service.

current accounts ● discounting of bills
savings fund deposits ● foreign exchange
fixed deposits ● safe deposit vaults
cash certificates ● advances

WORKING FUNDS EXCEED Rs. 164 CRORES.

S. P. Jain, Chairman — A. M. Walker, General Manager

THE PUNJAB NATIONAL BANK LTD.
Established 1895
Head Office: New Delhi

TEXTILES

(*Concluded from page 686*)

instanced the Bombay legislation which empowered the State Government to restart closed industrial undertakings, and envisaged a number of concessions aimed at reducing the cost of production. The Government was also empowered to revise the terms of the workers' employment and to make whatever changes it chose in the operation of the unit, irrespective of whether such changes were in accordance with the existing labour laws, awards and agreements applicable to an undertaking. If such concessions, Mr. Podar said, had been extended to the industry as a whole in good time there would have been fewer closures.

The question of promoting cloth exports has gained considerable importance and urgency in view of the imperative need for augmenting foreign exchange earnings. Although Mr. Podar welcomed the measures taken by the Government to help strengthen the position of the industry, he felt that Government should not be chary of further strengthening the competitive power of the industry considering the keen competition among exporting countries and the strong bid of new countries to establish themselves in international markets. Commenting on the situation, the Chairman observed:

"While on the one hand, the volume of cloth entering the world market has been steadily declining, on the other, the number of competitors for a share in the diminished trade is on the increase. Besides Japan and Hong Kong, countries like China and Pakistan are making strenuous efforts to maximise their exports of textiles. The first two exporters are able to offer their goods at prices 15 per cent. cheaper than those of Indian piecegoods. The cost structure of the Chinese textiles industry and the unconventional practices of its exporting agency render competition on any rational basis almost impossible. India has, therefore, to give far greater attention to quality and price if her cloth is to prevail in the world market and if she is to earn foreign exchange through this article on the scale envisaged by our planners of 1,000 million yards per year. Last year's poor export performance should serve as a warning against laxity and complacency. Modernisation of mill equipment, increased productivity on the part of labour, availability of cotton at reasonable prices and the grant of incentives to exporters on a scale commensurate with the concessions offered to our competitors by their Governments, will assuredly enhance the competitive power of Indian cloth. I realise that the outlook for exports is not bright. Even so, I take this opportunity of appealing to our manufacturers to make every effort to increase the volume of their sendings, so that more foreign exchange may be earned for the country."

There is thus no lack of desire on the part of the industry to export cloth. Accordingly, there is no point in the authorities holding out threats of compulsion to manufacturers. It is often stated that the industry must make sacrifices in order to build export markets. But how could this be done when a large number of mills are making little or no profit? The consumer resistance within the country is so strong that there is hardly any scope for the mills to recover their loss on exports from sales to the domestic market. It is only the Government that can help the manufacturers, because it is taking away from them large sums by way of taxes. It can utilise a part of these tax realisations to cover the mills' loss on exports, by reducing, if need be, the subsidy to handlooms and Ambar Charka.

The G.A.T.T. Secretariat has published as a leaflet the Recommendation on marks of origin adopted at the thirteenth session of the Contracting Parties. After an explanatory introduction, the leaflet sets out the text of the Recommendation. This is followed by the text of Article IX of the G.A.T.T. which deals with the marks of origin. The Recommendation is based on four main principles. First, the general aim is towards a considerable liberalisation of existing national rules and regulations on marks of origin; the Recommendation is, therefore, addressed not only to contracting parties but to all trading nations. Secondly, producers should have a reasonable assurance that a product marked in the recommended way would be accepted by all importing countries as being satisfactorily marked, so as to avoid the need for different markings to comply with the marking provisions of different countries. Thirdly, the recognition by importing countries of a uniform type of marking should in no way be understood to justify any attempt to limit or cancel more liberal marking provisions. The Recommendation should, in fact, be accepted as an elaboration of the liberal principles already laid down in the terms of the General Agreement. Fourthly, the right of countries to protect the accuracy of marks should be respected.

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, *22nd April*

After a lapse of two weeks, the Treasury Bill rate has hardened again this week from 2.780 per cent. to a high of 2.800 per cent. per annum, though the amount offered is no more than that (Rs. 2 crores) invited. This provides an indication that the seasonal stringency in the short-term money market has not begun to ease. Though the pace of increase in bank credit appears to have slowed down, the available funds in the market are not enough to meet the banks' requirements. Banks are, therefore, still borrowers in the market and interest rates are firmly held at last week's levels. Inter-bank call money is quoted at 3½ per cent., with occasional business at 3¾ per cent. as well, among the Exchange banks and large Indian banks. The corresponding rate among the smaller banks is 3¾ per cent. House money at seven days' notice is being bid at 3¾ per cent. and short-term deposits at 3¾ to 4 per cent. for one to three months.

Tenders for next week's Treasury Bill sales are unchanged at Rs. 2 crores. There has been no sale of Intermediate Bills for yet another week, but it has not been suspended either.

The Reserve Bank of India statement for the week ended 17th April 1959 shows no large variations in the Issue Department. While foreign securities are unchanged, there has been a decline of Rs. 3.07 crores in balances held abroad, so that the total foreign assets stand at Rs. 210.87 crores, as against Rs. 269.87 crores. Deposits of the Central Government show no variation, but those of other Governments are higher by Rs. 17.21 crores and deposits of banks have declined by Rs. 13.62 crores. Loans and advances to Governments have gone up by Rs. 2.18 crores, while other loans and advances show a drop of Rs. 9.60 crores, of which advances to Scheduled banks against usance bills account for Rs. 1.68 crore. Investments show a substantial rise of Rs. 34.56 crores, while Government Treasury Bills purchased and discounted are lower by Rs. 6.86 crores.

The demand deposits of Scheduled banks have declined by Rs. 6.45 crores, according to their statement for the week ended 10th April 1959. This has been made good by a rise of Rs. 6.71 crores in their time deposits. While the total (net) deposits of all Scheduled banks are Rs. 26 lakhs higher, the deposits of the State Bank of India alone show a fall of Rs. 7.65 crores. In other words, the deposits of all other Scheduled banks must have actually risen by Rs. 7.91 crores. Inter-bank borrowings are higher by Rs. 3.86 crores, while borrowings from the Reserve Bank stand reduced by Rs. 8.36 crores. Advances (other than those against bills) show a rise of only Rs. 1.42 crore. Bills purchased and discounted are, however, lower by Rs. 2.19 crores. Investments have further declined by Rs. 3.76 crores, of which the State Bank of India alone accounts for Rs. 2.91 crores. Cash balances and balances with other banks have enlarged by Rs. 16.84 crores, thanks to the rise of Rs. 19.64 crores on State Bank's account. Money at call and short notice is higher by Rs. 4.54 crores.

The persistent stringency in the short-term money market continues to keep out institutional support from the Gilt-edged market and securities, as a result, are a little subdued. Though there is no heavy selling pressure, prices of select counters are ruling a shade lower over the week. Support from the Life Insurance Corporation is also conspicuous by its absence. 3 per cent. 1986 Conversion Loan is quiet at Rs. 74, with a drop of 5 nP over the week. 3 per cent. 1970-75 is placed at Rs. 91.15 *ex*-voucher, as against Rs. 91.20 *cum*-voucher a week ago, while 3 per cent. 1966-68 is unchanged at Rs. 93.70. 3 per cent. 1963-65 has lost 5 nP to Rs. 96.70. 3½ per cent. 1964 has been marked down by 5 nP to Rs. 99.75, while 3½ per cent. 1965 is unchanged at Rs. 99.55, 1967 at Rs. 99.05 and 1968 at Rs. 98.95. State loans, too, were neglected.

The continued rise in sterling in terms of the U.S. dollar has kept the rupee also steady against the dollar. Banks' selling rate for U.S. dollar is well maintained at Rs. 475 per $100 and their buying rate at Rs. 471.75 per $100. In New York, spot sterling improved from $2.81.11/16-2.81¼ to $2.81¼-2.81.13/16 and three months' forward from $2.81¼-2.81.3/16 to $2.81.3/16-2.81¼.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, *20th April*

Generally firm conditions prevailed in the linseed market throughout the past week, but, towards the close, there was a slight reaction, and a decline of about 50 nP was registered in the seeds price. With crushers still showing a keen interest, daily turnover continued to be fairly large. Although sellers were somewhat reserved, it was expected that new crop arrivals should reach their highest level early next month. The oilcake market remained firm at Rs. 14 with overseas prices relatively quiet and no immediate prospect of fresh business. The oil market showed very little change; but the undertone remained steady in sympathy with the firm trend in groundnut and mustard oils. Whilst shippers showed little interest, the local demand improved.

The latest available quotations are: Ready Rs. 23 and April-May Rs. 22.75 per maund.

GOLD TOUCHES ALL-TIME PEAK OF RS. 123-15 PER TOLA

(From Our Own Correspondent)

BOMBAY, *22nd April*

Never in the history of the bullion market had ready gold touched a high of Rs. 123-15 per tola as it did today. The quotation surpassed the previous all-time peak of Rs. 122 reached on 31st August 1948 and was higher by Rs. 2-10 as compared with the last week-end rate of Rs. 121-5. This steep climb-up is the result of persistent support by bulls. The market is thick with rumours that the Central Government will soon take some more effective measures to check arrivals of contraband metal such as demonetisation of rupee currency that are in circulation in West Asian countries. Stockists are extremely reserved, as they are hopeful of a still further rise in prices in the coming months. Apart from the aforesaid rumours, the factors that have engendered continued bullish fervour are: (*a*) the seasonal offtake has not yet reached the zenith; (*b*) the floating stocks are small and arrivals dwindling and (*c*) the inflationary psychology is receiving fresh momentum with every sharp increase in note circulation.

As a result of sharp rise in prices and in the carry forward charges, the bulls were called upon to pay heavy margins. But this had no restraining effect on the boom in gold.

Silver opened the week on an easy note, thanks to better prospects for silver coin imports from Tibet, but picked up strength on Monday in sympathy with the yellow metal and on account of good offtake from upcountry centres. The firmness of silver gathered further momentum today. The closing rates were higher than the low levels touched on the opening day.

April settlement in gold forged ahead from Rs. 120-15 to Rs. 122-3-6 on Monday. Since the closing rate was higher than the starting rate of Rs. 116-5-6 by Rs. 5, the bulls were required to pay a special margin of Rs. 7 per tola under Bye-law 33 C. The margin was, of course, not actually deposited, because the bulls were already paying a margin of Rs. 10 on the basis of the *budli* rate. Notwithstanding the margin, the settlement continued its onward march to touch Rs. 123-8 today before finishing at Rs. 123-5. May settlement spurted from Rs. 120-5-6 to Rs. 122-4, after being higher at Rs. 122-7. Consequently, the backwardation charge (that is, the *budli* payable by bears to bulls) widened considerably from As. 9-6 on Wednesday last to Re. 1-1 today, so that the bulls were required to deposit a higher margin of Rs. 25 per tola, as against the margin of Rs. 10 that was operating previously, on their outstanding business in April settlement. June settlement registered a rise of Re. 1-15 to Rs. 121-9-6. Margin at the rate of Rs. 10 per tola continued to be operative on bulls in May delivery also throughout the week.

Ready gold, as already stated, stood at the record level of Rs. 123-15 today. Towards the close, however, it receded a little to Rs. 123-12, owing to profit-taking. The premium commanded by it over the May settlement was as much as Re. 1-8, as against As. 15½ on Wednesday last week. The daily average arrivals and offtake of gold were 5,500 tolas and 6,000 tolas, respectively. The floating stocks of gold are estimated at 25,000 tolas.

In the silver section, April settlement opened the week distinctly easy at Rs. 200-9, as against Rs. 201-9 last week-end, and advanced to Rs. 201-13 today before closing at Rs. 201-5. May settlement, which had gone down from Rs. 200-12 on Wednesday last to Rs. 199-3 on the opening day, recovered subsequently to Rs. 200-3 today; towards the close, it was lower at Rs. 199-8. June settlement was quoted today at Rs. 198-8-6, as against Rs. 199-10-6. Yesterday, the bulls in April and May settlements were required to deposit a margin at the rate of Rs. 1,000 per bar, as the backwardation rates were higher than a rupee. The margin was in force today also but only in respect of April settlement, as the backwardation rate for May settlement had fallen to As. 15-6.

Ready silver met with good buying support and moved up from Rs. 200-10 early on the opening day to Rs. 202-11 today. It, however, finished lower at Rs. 202. The daily average arrivals of silver were 14 bars, while the offtake was 26 bars per day. The floating stocks of silver are reported to be around 600 bars.

Ready and forward silver in the London bullion market were unchanged throughout the week, the former at 79½d. per fine ounce and the latter at 78¾d. Ready gold, after receding from 249*s.* 0½*d.* per ounce to 249*s.*, recovered to 249*s.* 1½*d.* The latest available dollar price of gold is $35.09½-35.11½ per fine ounce. Silver in New York was 91.375 cents per ounce, same as last week.

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

	22-4-59	Highest	Lowest	15-4-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.995 fine Mint)	123 12	123 15	120 8	121 5
Forward*	123 5	123 8	120 5	120 15
Sovereign	77 2	77 2	76 2	76 0
SILVER				
Ready (.996 fine Mint) ..	202 0	202 11	200 1	201 8
Forward†	201 5	201 13	200 1	201 9
	21-4-59			14-4-59
London Silver Ready ..	79¼*d.*	—	—	79¼*d.*
London Forward	78¾*d.*	—	—	78¾*d.*
London Gold	249*s.* 1½*d.*	249*s.* 1½*d.*	249*s.*	249*s.* 0½*d.*
New York Silver	91.375c.	..	..	91.375c.

* 23rd April settlement. † 24th April settlement.

COTTON FUTURES REACT TOWARDS CLOSE

(From Our Own Correspondent)

BOMBAY, *22nd April*

The cotton futures market had only four trading days during the week, as it was closed on the 17th and 21st inst. on account of *Ramanavami* and *Mahavir Jayanthi* respectively. The market depicted a fully steady trend during the first half of this short week although, towards the close, it turned easy. The initial steadiness was aided by good spot house support and investment buying. The growing tightening of the supply position in the wake of high rate of raw cotton consumption by mills, the scarcity of quality cotton in the ready section and the hardening of spot prices and the absence of any indication of a possible liberalisation of imports encouraged operators to extend support. However, a reaction set in late in the session on Monday following heavy profit-taking and large-scale upcountry selling prompted by the fear of large volume of tenders against the maturing May contract and rumours that Laxmi cotton will be tendered against it. Prices consequently declined. The declining trend continued today also. Although both the contracts opened higher they succumbed to heavy selling to close Re. 1.50 to Rs. 2.25 lower than the opening level. The closings were still higher than last week-end quotations.

I.C.C. Moglai Jarilla May 1959 opened the week at Rs. 678.75 and, after declining to Rs. 677, improved to Rs. 683 yesterday. Commencing at Rs. 682.75 today, the contract rose to Rs. 683, but receded to Rs. 678.25. The closing was, however, higher at Rs. 680.50.

I.C.C. Moglai Jarilla August commenced the week's trading at Rs. 690 and, after declining to Rs. 688 the same day, improved to Rs. 694 on Monday. Opening at Rs. 694 today, the contract reacted to Rs. 690.25 before closing at Rs. 692.50. The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	22-4-59	*High*	*Low*	15-4-59
I.C.C. Moglai Jarilla May 1959 ...	680.50	683	677	678.75
I.C.C. Moglai Jarilla August 1959 ...	692.50	694	688	690

In the spot section, mill demand continued to be well maintained. Mills were ready buyers of quality lots. The sharp reduction in the crop estimate had given rise to the fear that cotton would become increasingly scarce in later months of the session. Spinners were, therefore, eager to cover their requirement. Nevertheless, turnover was less than the average in recent weeks, thanks to paucity of offerings. Some of the varieties which came in for business were Laxmi, Jayadhar, Vijay, Dgvijay, C02. Wagad cotton also was much sought after.

The export section continued to be subdued. Stray deals were reported in Bengal and Oomra *Deshi* with Japan and the Continent. Old crop Dholleras were also in demand.

In the foreign section, there was no important development to note. Interest in Egyptian cotton flagged as the recent allotment for that cotton was fully covered. Sudans and East Africans evoked very little inquiries. Ahmedabad mills were interested in the U.S. growths.

Importers believe that, since the previous allocations have been fully absorbed, the Government may announce an import allocation for cotton of staple length 1 1/16" and above and 1 3/16" and above soon after meeting of the Textile Consultative Board scheduled to take place at New Delhi on the 23rd inst. It is suggested in certain quarters that the classification of imports under the two staple length categories, namely, 1-1/16" and above and 1 3/16" and above, should be discontinued and, instead, imports be allowed hereafter under one staple category, namely, 1 1/16" and above. This, it is said, will enable mills to buy the cheapest foreign cotton available without bothering themselves about the staple length stipulations.

The latest available spot quotations—in rupees per candy of 784 lbs.—are the following:

Bengal *Deshi* 692; Berar Jarilla 780; Khandesh 850; Vijay 1,000; Jayadhar 900.

Fully steady conditions prevailed in the Karachi cotton futures market during the week under review. There were renewed inquiries from abroad. Mill buyers also extended support. N.T.R.G. May improved fractionally to Rs. 51.7. The July contract gained As. 2-6 to Rs 53-12. Exports from the commencement of the season till 26th March aggregated 458,334 bales, as against 399,614 bales in the same period last season.

Conditions in the Alexandria cotton futures market remained unchanged. Trading was fairly active on encouraging export advices and firm communication from the spot market. Future prices consequently improved. The following are the latest available quotations—in pence per lb.—from Alexandria:

Karnak: May 72.33; July 72.68. *Ashmouni*: April 61.98; June 62.45.

Liverpool cotton futures market ruled firm during the week under review. The firmness was aided by trade covering and mill buying against yarn sales. The firm trend of spot prices also aided sentiment. The latest available quotations—in pence per lb.—from Liverpool are given below:

American Cotton One Inch Staple Contract: May-June 22.14; July-August 21.89; October-November 21.15; December-January 20.45. *American Cotton Mixed Growth Contract*: May-June 23.00; July-August 22.05; October-November 21.10; December-January 20.35. *Sudan*: May-June, July-August, September-October 23.50.

Cotton futures values scored handsome gain in New York during the week. New crop positions were particularly firm on good speculative

support prompted by the increasing tightening of the supply position and the improvement in the demand for cotton.

According to official estimates, the carryover on 1st August 1959 may be practically unchanged from the figure of 8.7 million bales at the beginning of this season on 1st August 1958. Domestic mill consumption is expected to aggregate 8.5 million bales this season and exports 3 million bales. Thus the total estimated disappearance is 11.5 million bales, which is about equal to the volume of the current crop. The total quantity sold under the current export programme C.11 upto the close of last month was 2,157,076 bales. At the same time registrations under the payment-in-kind programme aggregated 257,072 bales. Actual shipments during this season up to the 9th April made a depressing total of 2,163,095 bales, as compared with 3,957,686 bales shipped during the corresponding period last season.

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

(In cents per lb.)

	20-4-59	14-4-59	7-4-59
Spot	36.05	35.90	35.95
March	35.89	35.65	35.79
May	35.10	35.08	35.40
July	32.64	32.68	32.70
October	—	32.68	32.70

TAX RELIEF FOR ART SILK INDUSTRY

(From Our Own Correspondent)

BOMBAY, 22nd *April*

Both the art silk weavers and the yarn traders have welcomed the Union Finance Minister's announcement, made in the Lok Sabha on Monday this week, of the Government's decision to rationalise the exemption from the rates of compounded excise duty (in lieu of basic rates for powerlooms) and to limit the concession to the truly cottage type employing not more than four looms and working not more than one shift. The units employing not more than nine looms will, however, continue to enjoy the concession in respect of the first four looms, provided they do not work these four looms for more than one shift. This concession will not be extended to units employing over nine looms. In order to ensure that the medium size and bigger units may not have to bear a greater burden of duty on account of the proposed rationalisation and also by way of further relief, the compound rates payable by them are being suitably reduced and readjusted. Suitable changes are being made in the compounded rates in lieu of additional excise duty. These changes are expected to give the art silk industry a tax relief of Rs. 37 lakhs (Rs. 23 lakhs in basic excise duty and Rs. 14 lakhs in additional excise duty) during 1959-60 and Rs. 40 lakhs (Rs. 25 lakhs and Rs. 15 lakhs, respectively) in a full year.

The above announcement, it is felt, would lead to enlarged demand for art silk yarn from the genuine small units. Nevertheless, prices in the local market suffered a further sharp setback. For there was continuous nervous liquidation on fears that considerable quantities of yarn imported against licences granted under the export promotion scheme would be arriving in the market shortly. Cupressa Bamberg yarn (60 x 1) April delivery slumped by Rs. 32 to Rs. 1,472. June delivery moved down from Rs. 1,508 to Rs. 1,492. Spot yarn declined by 7 nP to Rs. 7.37. 120 Japan and 150 Japan shed 3 nP each to Rs. 4.81 and Rs. 4.75, respectively. 120 Italy was quiet at Rs. 4.87, while 150 Italy gained 3 nP to Rs. 4.78. National Rayons 150 bright cones first grade dropped 7 nP to Rs. 4.19. 120 bright cones first grade lost a naya paisa to Rs. 4.44.

Staple fibre yarns were also subjected to continued selling pressure. April delivery (40 x 2) receded from Rs. 597 to Rs. 592. June delivery was dull at Rs. 603. Spot Kohinoors eased by 3 nP to Rs. 3.25. Centurys were unchanged at Rs. 3.19. Among foreign yarns (80 x 2), Paramounts fell by 37 nP to Rs. 7.47, but Fujis rose by 3 nP to Rs. 8 81.

The cotton yarn section presented a dull trend in the absence of any encouraging development. Ten counts Moderns were quoted at Rs. 13.25 and Podars at Rs. 12.19. Forty counts Minaxis decreased by 6 nP to Rs. 25. Moderns were neglected at Rs. 26. Today's quotations for a few other counts of yarn were: Twenty counts Modern Rs. 16.25 and Seksaria Rs. 15.50; sixty counts Raghuvamshi Rs. 55.50 and Finlay Rs. 65; eighty counts Mahendra Rs. 71, Finlay Rs. 81 and City Rs. 67.

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

	22-4-59	15-4-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg		
April (per case of 200 lbs.)	1,472	1,504
June („)	1,492	1,508
60/1 Cupressa Bamberg spot (per lb.)	7.37	7.44
120 Japan (per lb.)	4.87	4.84
150 Japan („)	4.75	4.78
120 Italy („)	4.87	4.87
150 Italy („)	4.78	4.75
Staple fibre yarn—		
40 x 2 April (per case of 200 lbs.)	592.00	597.00
40 x 2 June („)	603.00	603.00
40 x 2 Century (per lb.)	3.19	3.19
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
40s Minaxi	25.00	25.06
60s Finlay	65.00	65.00
80s City	67.00	67.00

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 22nd *April*

Firm conditions continued in the oilseeds market during the week under review also. Although the buoyancy noted last week was absent, thanks to the tightening of margins on groundnut and the intervening holidays, the sentiment continued to be cheerful. In spite of the stringent margin, groundnut ruled firm due mainly to paucity of supplies and sustained demand. The news of heavy damage to the crop in Argentina on account of heavy floods and the closing of the ports in that country gave rise to hopes that foreign buyers such as Britain would turn to India for supplies of groundnut oil, especially because British West Africa has ceased to be seller of oil. The firmness of groundnut influenced castorseed also. Support from upcountry interests and speculative buying by shippers in anticipation of demand from the U.S. and East European countries imparted further strength to castorseed. Prices, however, were held in check by margin considerations and selling prompted by the proximity of settlement. Despite increased inflow of oil from Hyderabad, hopes of tenders from Australia continued to sustain linseed. Cottonseed, on the other hand, tended to recede on easier advices from the cotton market.

The Joint Chief Controller of Imports and Exports has notified that, exporters, who are able to secure business in excess of the balance in hand out of their original quota, and who file shipping bills for the same, will be allowed to effect shipment of the excess quantity also which will be debited against their repeat allotment to which they are entitled. This, however, will not exceed the repeat allotment. No quota slip for the repeat allotment will be issued in advance, unless the exporters have completed shipment of the original quotas.

Groundnut May firmed up, on sustained buying, from Rs. 191.25 last week-end to Rs. 192.50 today while the August contract rose from Rs. 196.26 to Rs. 197.75. Bold ready was quoted higher at Rs. 39.75, as against Rs. 39.12 last week-end. Groundnut oil (ex-mill) prices hardened further.

Castorseed May improved in sympathy with groundnut from Rs. 158.87 last week-end to Rs. 159.50 while the September contract put on one rupee to Rs. 164.37. Ready Madras was quoted higher at Rs. 31.50 and ready Kanpur at Rs. 30.25.

Linseed May crept up from Rs. 32.75 last week-end to Rs. 32.87 while Linseed September rose from Rs. 33.50 to Rs. 33.62.

Cottonseed May receded from Rs. 128.25 to Rs. 123.00 while September rose from Rs. 130.25 to Rs. 130.75.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	22-4-1959	15-4-1959	8-4-1959
	Rs.	Rs.	Rs.
Groundnut			
May 1959	192.50	191.25	187.50
August 1959	197.75	196.25	191.50
Bold ready	39.75	39.12	38.25
Coromandel ready	39.75	39.37	38.62
Khandesh quality	39.75	39.37	38.75
Oil ex-mill ready*	21.25	20.26	19.87
Railway receipts*	20.87	20.50	19.75
Castorseed			
May 1959	159.50	158.87	156.50
September 1959	164.37	163.37	160.62
Ready Madras	31.50	31.00	29.50
Ready Kanpur	30.25	30.12	29.50
Oil B.S.S.†	16.87	16.87	16.65
Oil commercial†	15.50	15.44	15.12
Linseed			
May 1959	32.87	32.75	32.31
September 1959	33.62	33.50	33.94
Bold ready	32.62	32.62	32.12
Oil ready†	16.19	16.19	15.69
Cotton seed			
May 1959	128.00	128.25	128.50
September 1959	130.75	130.25	130.25
Niger seed	29.75	29.50	29.50
Kardi seed	23.25	23.37	23.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 500 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

MEDIUM TEAS DEARER

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

COCHIN, 16th *April*

Approximately 900,000 lbs. were offered in this sale, which was held on 13th April 1959. A useful selection of teas were offered in this sale, though the quality in general showed a slight seasonal decline. There was a good general demand, particularly for low medium and medium teas, which sold well and prices for these were irregularly 5 nP dearer. However, good medium and high grown brokens met with less demand and sold at easier rates. Similar fannings, though meeting with an improved enquiry, sold at lower rates than last. A small selection of C.T.Cs met with less demand and sold at easier rates. Well made whole leaf grades were strong and sold at dearer rates. The quotations were:—Low medium Re. 1.63 to Re. 1.75; medium Re. 1.80 to Rs. 2.25; good medium Rs. 2.25 to 2.85 and quality Rs. 2.60 to 5.12.

London Market: Sale of 13th April 1959.—Active demand at dearer rates several pence for quality teas.

Sale of 14th April 1959.—Strong demand. Advances often substantial.

Colombo Market.—Strong demand. High-grown irregular, following quality. Good mediums firm. Low mediums 10c. dearer. Low growns firm. Off grades strong and active demand. Generally dearer particularly useful liquoring sorts.

Calcutta Market: Export.—No sale this week.

Internal.—Good general demand for 21,700 packages dust. Orthodox types steady to 2 nP easier. C.T.C. irregular. Best easier. Strong demand all powdery types.

Export Quota 1959-60.—The market for 1959-60 quota has been rather quiet and no business has taken place, though there are sellers at 8 nP with probable buyers at 6 nP.

Special Licence 1958-59.—The market has been rather inactive last week and practically no business has taken place in special licence. At present, there are sellers at 1½ nP with buyers being scarce.

Forthcoming Auctions.—Sale No. 15 will be held on Tuesday, 21st April 1959 and Dust Sale 'H' will be held on Thursday, 23rd April 1959.

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

"*Sale* 15:—1 million lbs. Good general demand. Low medium and medium 5 nP easier. Good medium fannings stronger and dearer. Best liquoring highgrowns easier, following quality with less demand for broken grades."

JUTE GOODS IMPROVE SLIGHTLY

(From Our Own Correspondent)

CALCUTTA, 21st *April*

Following more buying support, conditions in the jute markets recorded a small measure of improvement during the week under review. Prices for both the fibre and goods also improved. The better trend in fibre followed the invitation of tenders for about 50,000 bales of raw jute for export by the State Trading Corporation. On the other hand, the incentive for hessian prices to move up was provided in the announcement that, in March, burlap consumption in the United States recorded an impressive increase of 12.8 million yards to 82.7 million yards over the previous month. Following this, sacking prices also improved. In hessian, there was brisk activity in the futures market.

Referring to the S.T.C's call for tenders for raw jute for export, market circles were apprehensive about the competitive nature of prices at which the fibre would be exported. For the procedure followed by the Corporation is rather cumbersome. First, the fibre is bought by the Corporation, which permits balers to export the fibre on its behalf. The balers must purchase the jute for export from the Corporation at rates higher than the market prices and, in addition, balers are required to pay a commission to the S.T.C. Added to these, there is the export duty, which is Rs. 3 per maund. The trade here points out that raw jute output is increasing and that in the forthcoming season, it is estimated to be even higher than the last season's bumper crop. Further, the carryover from this season would be about 3 million bales. The availability in this season was 9.3 million bales, with output at 7.1 million bales and opening stock at 1.9 million bales and the balance being arrivals from Pakistan. Consumption by mills this year would amount to 6 million bales and other consumption and exports would form only an insignificant figure. As such, it was essential for the country to expand fibre exports, and abolish the present limitations in this regard. True, the purchase of fibre from the market by the Corporation at prices higher than those ruling acted as a support, but since most jute had left the cultivators before the export scheme was announced, the benefit, if any, of higher prices would not go to the cultivators. Under the circumstances, there was no point whatsoever for the S.T.C. to purchase for export in preference to the direct course, that is, asking the established exporters to export.

According to market circles, the need for pushing up exports is all the important in view of the keen competition in goods by Pakistani mills. In recent weeks, Pakistani mills were able to divert from India some orders for heavy goods. It was stated recently in Dacca that the thirteen mills in Pakistan were now operating the installed capacity of 7,750 looms in full and that goods output in the year to June 1959 would amount to 2½ lakh tons, as against 1½ lakh tons in the last year. That reports from Pakistan, especially when they related to India and/or competition against Indian industries always carried with them an amount of exaggeration was not in doubt here, but even after making allowance for this, it is stated that Pakistani mills were increasing production. For, after the establishment of the military regime, labour conditions have improved. Secondly, India is now not at all interested in Pakistani cuttings, for which there has been no great market excepting India, with the result, Pakistani mills have been forced to consume the great part of these cuttings and naturally the production also has increased. However, trade circles here think that all is not well in Pakistan with regard to raw jute.

On Tuesday last, ready B. twills improved to Rs. 93.05 from Rs. 92.75, while ready hessian 40" 10 oz. were steady at Rs. 39.85. The improvement followed a hardening in fibre prices. At this time, figures in regard to March output were released. Production amounted to 83,300 tons, as against 83,600 tons in February. With end of February stocks being 110,800 tons, the total quantity of goods available during the month was 194,100 tons. The March-end stocks were of the order of 106,800 tons, so that the demand during the month was 87,600 tons, which, it was noted, was more than production. Such an analysis, as also the good consumption report from the U.S.A. (on Wednesday the market was closed on account of Bengali New Year Day) hessian 40" 10 oz. spurted to Rs. 40.50. B. twills, at Rs. 93.95, was also noted for an improvement. However, genuine business was confined to small quantities, although purchasers in the bazar anticipated more enquiries from the United States and Argentina in the near future. On Friday, hessian 40" 10 oz. improved further to Rs. 40.55, but B. twills receded to Rs. 93.60 in the absence of support. Activity in hessian futures began to receive momentum, and over the week-end, the ready 40" 10 oz. rose to Rs. 40.80. On the other hand, ready B. twills sagged to Rs. 93.15. Stiffer competition from Pakistani mills in foreign markets was thought possible, as Pakistani mills were increasing sacking output by addition of 1,000 looms to produce heavy goods. The market was featureless yesterday, as overseas enquiries were lacking, and the rains on Monday and Tuesday nights imparted a lower trend in fibre market. Hessian 40" 10 oz. was quiet at Rs. 40.65 and B. twills at Rs. 92.60.

Although mills showed only limited interest in raw jute, prices improved, following the invitation of tenders by the State Trading Corporation. From Rs. 22.50, Daissee bottoms improved to Rs. 23, and Assam bottoms and Northern bottoms closed at Rs. 20.75 and Rs. 20.50, respectively, with a similar improvement. Later in the week, there were heavy showers in some of the jute districts in West Bengal, which would aid sowing as well as germination in places where sowing had already been completed. The latest quotations for April-May delivery for the different varieties are:

	Middles	*Bottoms*
Indian:	Rs.	Rs.
Northern	23.50	20.50
Upper Assam	23.75	20.75
Cuttack	25.25	22.25
Desal	*23.00*	*20.00*
Murshidabad ...	21.00	18.50
Jungli	20.75	18.25
Daissee selected ...	25.25	22.75
Uttar Pradesh ...	20.75	18.25
Bimli f.a.q. ...	Rs. 19.00	

Pucca bales 1st marks ... Rs. 160.00 per bale ready.

METALS MOVE DOWN

(From Our Own Correspondent)

CALCUTTA, 21st *April*

A slightly downward trend was in evidence in the metal market during the week under review. Following the need to lessen inventories on account of year-end considerations, there were more offers than consumers could absorb. Tin opened at Rs. 583 and at one time was as low as Rs. 576 before closing quiet at Rs. 581. Demand from consumers having been met, offers from stockists were not responded. With huge stocks, there was some anxiety on the part of sellers for disposal, as there was apprehension that the price might fall further. This anxiety, it would appear, developed from a correct analysis of the situation. For not only the supply position here was easy but the trend in Singapore market prices was also downward.

With utensil scrap quoting at Rs. 220 per cwt. copper scrap was caught in the general dullness. Moreover, the price on the London Metal Exchange also gave way. This followed, it was stated, reports which pushed to the background any possibility of production in Chile being affected by labour troubles.

Lead closed lower at Rs. 66.50, as against the opening of Rs. 67.

Electrolytic zinc opened at Rs. 84.50 and soon gave way to Rs. 83.50. *Since*, however, the stock position was far from comfortable, unlike other metals, a recovery to Rs. 87.50 soon followed.

TEAS EASY

(From Our Own Correspondent)

CALCUTTA, 21st *April*

Tea prices during last week's internal sales eased, although there was good demand. Dusts on offer amounted to 21,652 chests. In C.T.Cs, the medium kinds declined by 8 nP. Stronger liquoring powdery lots, however, recorded a hardening tendency, as also brighter liquoring grainy teas. Best C.T.Cs declined by 10 to 15 nP below valuations. Orthodox teas eased by 2 nP. A similar decline was recorded by legg cut Dooars. On the other hand, powdery teas received good attention. The quotations, exclusive of excise duty, were: best Assam C.T.C. Rs. 2.65 to 3.00; medium Assam C.T.C. Rs. 2.00 to 2.15; medium Assam grainy Re. 1.74 to 1.80; and medium Dooars Re. 1.80 to 1.84.

Leaf amounting to 1,558 chests met with good demand at irregular rates.

Special export licence (transferable) was offered at 1¼ nP per lb., but no transactions could be put through in the absence of buyers.

Shipping licence (non-transferable) changed hands at ¾ nP.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 20th *April*

Quietly easy trend continued to prevail in the foodgrains market during the week. Although new crop arrivals were still not very heavy, reluctance of stockists to enter the market pending the announcement of the Government's procurement price of wheat was the main influencing factor. Wheat at Hapur registered a fractional fall during the week to be quoted on Monday at Rs. 16.25 per maund for *dara* quality and Rs. 17.25 to Rs. 17.75 for farm produce, while some inferior quality was quoted upto Rs. 15.50 per maund. Daily arrivals were small, the average being 150 to 200 maunds, as, following cloudy weather during the major part of the week, winnowing operations have been delayed. Reports from threshing floors indicate that crop as a whole will not be so heavy as earlier expected, as westerly winds in mid-March had harmed the standing crops.

Rice continued to rule steady and modest gains were recorded in the good quality rice prices with increasing seasonal demand and restricted supply position. The prevailing prices on Monday were:—*basmati sela* Rs. 34.50; *mainpuri* Rs. 22.50; *raimunia* Rs. 27; *gadda* Rs. 23 per maund.

After an early fall, peas and *arhar* recovered towards the week-end, due to good demand at lower levels. Arrivals of new grain during the week were also modest—peas at an average of 1,500 maunds and *arhar* 250 maunds daily. *Arhar* purchases were mostly from Agra operators. Other pulses ruled quietly steady to be quoted on Monday (in rupees per maund): peas *dara* 11.75; farm 12.25 to 13; peas *dal* 13.24; *arhar* 15; *arhar dal* 17 to 18; *urd* 19; *moong* 20.50 to 23; *massor* 14 to 15.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 20th *April*

Sugar prices continued to rule steady. Despite the ceiling fixed by the Central Government some months ago, prices of sugar in the open market are firm. It is alleged that sugar mills are selling their quotas in the black market or to fictitious parties, thereby making undue profits. Crushing season is gradually coming to a close and some more factories in West U.P. have terminated their season.

In the Muzaffarnagar market, *sugar* is quoted about Re. 1 to Re. 1.50 per maund higher than that fixed by the Government. Demand from consuming centres are reported to be fairly heavy. The latest prevailing prices are: Spot delivery new Shamli D29 Rs. 36.75; Mansurpur D29 Rs. 38.25; C29 Rs. 38.75; wholesale mill delivery controlled B29 Rs. 37.12; C29 Rs. 36.37; D29 Rs. 36; market quotations: Rohana B29 Rs. 38.87; Lhaksar B29 Rs. 38.87; Mansurpur C29 Rs. 38.25; Deoband C29 Rs. 38.37; Khatauli D29 Rs. 37.44; Dhampur C29 Rs. 37.94; Meerut D29 Rs. 37.62; Amroha D29 Rs. 37.44; Bijnore D29 Rs. 37.25.

There was good outside demand in the Kanpur market during the week. Quotations were: Sugar spot per bag C29 Basti Rs. 106-4; Gola Rs. 105; D29 Gola Rs. 104-4; Hargaon, Burhwal and Waltergunj Rs. 104-8; Lakshimpur, Balrampur and Tulsipur (unstocked).

Khandsari continued to rule steady in line with crystal section. Production was on a restricted scale since the last levy proposed, but there were indications that the Government was likely to reduce the proposed duty and an early announcement was expected shortly. Current prices were: Superior Rs. 33 to Rs. 36; inferior Rs. 29 to Rs. 32 per maund.

Gur registered fractional gains during the week following fall in daily arrivals to an average of 500 maunds, mostly out of stocks retained by producers. Local stock was put at 95,000 maunds, as against 143,000 maunds on the corresponding date last year when *gur* was quoted at Rs. 15.75 per maund. Sowings of cane for the next season are also nearing completion and an increased cane acreage is predicted. Prevailing prices were:—*Gur pansera* Rs. 19.75 to Rs. 20; *balti* Rs. 20; *shakker* Rs. 21 per maund.

Gur arrivals also ran down in the Muzaffarnagar market to an average of 5,000 maunds daily and prices registered slight gains to be quoted in the week-end at:—*Gur chaku* Rs. 18.75 to Rs. 20; *pansera* Rs. 20 to Rs. 20.50; *ladu* Rs. 20 to Rs. 20.50; *shakker dara* Rs. 20 to Rs. 22; *masala* Rs. 23 to Rs. 25 per maund.

Forward trading in *gur* futures is soon to be allowed at Hapur under new regulations and restrictions imposed by the Government of India through the Forward Markets Commission.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 17th April, 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	49,62,15,000
(2) Other Governments	24,71,36,000
(b) Banks	77,90,98,000
(c) Others	117,96,12,000
Bills Payable	24,43,86,000
Other Liabilities	42,52,23,000
Rupees	450,16,70,000

Assets	Rs.
Notes	13,53,37,000
Rupee Coin	1,73,000
Subsidiary Coin	4,17,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	27,39,53,000
Balances held abroad*	32,86,01,000
Loans and Advances to Governments†	38,16,89,000
Other Loans and Advances	79,45,39,000
Investments	246,06,84,000
Other Assets	12,62,77,000
Rupee	450,16,70,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 9,64,44,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	13,53,37,000	
Notes in circulation	1765,18,12,000	
Total Notes issued		1778,71,49,000
Total Liabilities		1778,71,49,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		131,84,25,000
Government of India Rupee Securities		1351,10,32,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1778,71,49,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	10th April, 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1764.48	1744.31	1695.78	1638.21
Notes held in Banking Department	35.05	14.22	15.42	10.97	13.18
Foreign Securities	59.50	178 01	178.01	178.01	226.07
Rupee Securities	37.39	1351.26	1331.25	1281.42	1176.23
Banking Department					
Deposits of:					
Government of India	14.39	49.59	60.81	66.23	49.23
Other Governments	..	7.50	11.84	17.07	13.63
Balances held abroad	10.06	35.93	36.32	33.26	51.82
SCHEDULED BANKS					
Demand Liabilities	134.36	762.72 (19.64)†	765.35 (15.82)†	743.76 (16.05)†	774.75 (17.45)†
Time Liabilities	102.24	946.60 (22.49)†	939.84 (22.45)†	918.31 (21.99)†	757.89 (15.12)†
Borrowings from Reserve Bank	..	40.33 (11.32)‡	48.69 (11.32)‡	46.42 (6.16)‡	22.16 (19.06)‡
Borrowings from State Bank	..	13.13	14.76	13.18	8.76
Cash in India	6.70	41.82	44.71	41.86	40.11
Balances with Reserve Bank	25.17	91.07	71.23	64.13	76.00
Excess over statutory limits	15.52	34.00	14.17	8.58	22.11
Balances with other banks in current account in India	..	14.57	14.68	13.22	13.47
Money at call and short notice in India	..	34.64	30.09	31.49	55.69
Investments (at book value)	..	607.75	611.52	618.76	441.43
Advances and bills	105.9	1020.34	1021.12	979.04	961.44
STATE BANK					
Deposits	87.76	525.03	532.68	501.30	427.35
Investments	51.99	284.84	287.75	284.06	190.75
Advances	30.35	207.33	207.34	201.91	209.35
Cash	14.69	48 94	29.30	26.90	32.81

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	4.67	4.86
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	5th Feb., 1959	4½	4¼
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4¼
Italy	7th June, 1958	4	3.50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2¾
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	6th Mar., 1959	2½	3
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 17th April, 1959

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		524,92,23,000
Borrowings from Other Banking Companies, Agents, etc.		4,00,000
Bills Payable		12,05,81,000
Bills for Collection being Bills Receivable as per contra		1,09,57,000
Acceptances, Endorsements and Other Obligations per contra		1,36,60,000
Other Liabilities (including Inter-Office Adjustments)		3,62,77,000
Total .. Rs.		555,73,48,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		30,15,77,000
Balances with other Banks		2,58,92,000
Money at Call and Short Notice		2,33,33,000
Investments:		
Government and other Trustee Securities	280,03,56,000	
Other Authorised Investments	11,85,87,000	291,89,43,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	194,82,11,000	
Bills Discounted and Purchased	13,19,10,000	208,01,21,000
Bills Receivable being Bills for Collection as per contra		1,09,57,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,36,60,000
Premises less Depreciation		1,22,97,000
Furniture and Fixtures less Depreciation		1,03,66,000
Other Assets (including Inter-Office Adjustments)		16,02,02,000
Total .. Rs.		555,73,48,000

Scheduled Banks*

Statement of Affairs for the week ended 10th April, 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	19,63,64,000
(ii) Other demand liabilities	743,08,13,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	22,49,04,000
(ii) Other time liabilities	924,10,90,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	12 37,88,000
(ii) Time liabilities	75,00,000
Borrowings in India from the Reserve Bank of India‡	40,33,09,000 (11,32,24,000)
Cash in India	41,82,21 000
Balances with the Reserve Bank in India	91,06,96,000
Balances with other banks in current account in India	14,57,13,000
Money at call and short notice in India	34,63,60,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	607,75,19,000
Advances in India	830,33,18,000
Inland Bills purchased and discounted in India	111,72,16,000
Foreign Bills, purchased and discounted in India	38,28,98,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Average rate of allotment Rs.
1959					
27th January	2.00	2.05	2.00	2.500	99.375
3rd February	2.00	2.10	2.00	2.559	99.360
4th to 7th Feb.*	0.50	—	0.50	2.496	99.376
10th February	2.00	4.19	2.00	2.530	99.365
17th February	2.00	2.30	2.00	2.559	99.360
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2.00	2.10	2.00	2.625	99.340
10th March	2.00	2.00	2.00	2.680	99.330
17th March	2.00	2.00	2.00	2.720	99.320
24th March	2.00	2.00	2.00	2.760	99.310
31st March	2.00	2.00	2.00	2.760	99.310
7th April	2.00	2.00	2.00	2.780	99 305
14th April	2.00	2.00	2.00	2.780	99.305
22nd April	2.00	2.00	2.00	2.800	99.300
Total amount outstanding	26.50	..	26 50	..	..

* Intermediate Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 10th April, 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	86,70,27,000
(b) Provincial Governments	1,66,31,000
(c) Banks	14,76,74,000
(d) Others	5,47,74,000
Bills Payable	85,32,000
Other Liabilities	11,62,11,000
Rupees	127,08,40,000

Assets	Rs.
Notes	5,59,13,000
Rupee Coin	60,000
Subsidiary Coin	38,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	28,56,004
Balances held outside Pakistan*	25,91,45,000
Loans and Advances to Governments	9,45,00,000
Provincial Governments' Debtor Balances	6,69,22,000
Other Loans and Advances	3,95,80,000
Investments	65,65,26,000
Other Assets	9,53,09,000
Rupees	127,08,40,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	5,59,13,000	
Notes in circulation	347,47,59,000	
Total Notes issued	....	353,04,72,000
Total Liabilities	....	353,04,72,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	117,52,65,000
B. Rupee Coin	3,52,20,000	
Government of Pakistan Securities	226,09,81,000	
Internal bills of exchange and other commercial paper	....	229,62,01,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	353,04,72,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.88 per cent.

EXCHANGE RATES

		18th April 1959	Previous week (11-4-1959)
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 27/32	1-5 27/32
Sellers T.T. D.D. upto six months	s.	1-5 27/32	1-5 27/32
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475.25	475 25
Buyers T.T.	Rs.	471.75	471.75
London on New York	$	2.81 13/16-2.81 7/8	2 81 13/16-2 81⅞
London on Paris	Fcs.	13.81-13 81¼	13.80¾-13 80⅞
London on Berne	Sw. Fcs.	12 17¾-12 18	12.16¾-12 17
New York on London	$	2.81 13/16-2.81 7/8	2.81 13/16-2.81⅞

CLEARING HOUSE RETURNS

Centre	Week ended 17th April 1959 Number of Cheques	Amount Rs.	Week ended 8th April 1959 Number of Cheques	Amount Rs.
Bombay	3,40,544	81,94,01,000	2,48,427	64,25,68,000
Calcutta	1,82,000	64,60,00,000	1,59,000	62,96,00,000
Madras	1,05,739	12,03,76,762	64,822	8,28,73,051
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,60,00,000
Nov., 1958	..	..	3,528,600	7,73,01,00,000
Dec., "	..	..	4,035,000	8,87,34,00,000
Jan., 1959	..	..	4,072,000	8,94,45,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	28th Mar., 1959	21st Mar., 1959	29th Mar., 1958	February 1959	February 1958	Percentage of Increase (+) or Decrease (—) in Feb., 1959 as compared with Feb., 1958	Annual Average 1958	1957
Food Articles	504	112.9	113.9	103.4	115.7R	100.8	+14.8	112.0	106.2
Cereals	192	100.8	102.3	96.3	105.1	94.6	+11.1	104.7	101.7
Pulses	43	109.2	113.9R	80.1	121.0	75.4	+60.5	94.0	84.5
Fruits and Vegetables	23	121.5	119.8R	99.7	114.9R	94.5	+21.6	111.9	116.8
Milk and Ghee	84	105.2	106.0	102.5	105.2	100.9	+4.3	106.2	103.8
Edible Oils	47	124.1	124.2	120.1	121.7R	113.6	+7.1	123.2	126.2
Fish, Eggs and Meat	17	104.7	103.5	100.2	105.7	100.2	+5.5	106.9	96.6
Sugar and Gur	48	128.1	128.0	112.9	127.5	108.3	+17.7	122.8	104.6
Others	50	148.7*	149.2R	129.8	156.5R	129.2	+21.1	145.7	132.0
Liquor and Tobacco	21	98.9	98.9	94.4	104.4	96.7	+8.0	93.7	91.8
Tobacco	—	97.5	97.5	92.8	103.4	95.2	+8.8	92.0	90.1
Fuel, Power, Light and Lubricants	30	115.1	115.1R	114.4	114.9R	114.4	+0.4	115.2	111.5
Industrial Raw Materials	155	116.6	117.0R	112.9	115.5	111.1	+4.0	114.3	118.1
Fibres	61	108.8	108.9	111.2	107.4	112.4	—4.4	109.4	110.8
Oilseeds	60	129.7	128.8	116.2	126.4	110.4	+14.5	123.6	122.4
Minerals	2	103.6	103.6	108.2*	103.1	107.9	—4.3	106.9	108.5
Others	32	111.3*	111.0R	110.1	111.1	110.3	+0.7	108.9	107.2
Manufactures	290	108.2	108.3R	107.3	108.4	107.5	+0.8	108.2	108.0R
Intermediate Products	41	109.1	109.2R	107.1	110.6	105.8	+4.5	109.4	108.5R
Finished Products	249	108.1	108.1	107.4	108.0	107.7	+0.3	108.0	107.9R
Textiles	147	102.4*	102.5	105.1	101.7	106.1	—4.1	104.2	107.9
Cotton	—	110.9*	111.0*	115.1	111.1*	116.2	—4.4	113.0	116.3
Jute	—		83.9	85.8	82.0	88.3	—7.1	87.7	97.7
Woollen	—	105.9	105.9	103.0	105.9	103.0	+2.8	104.9	102.1
Silk and Rayon	—	95.7*	95.7*	92.4	92.4*	90.0*	+2.7	92.5	85.0
Metal Products	12	143.3	143.3	143.4	143.3	143.4	—0.1	143.1	138.2R
Chemicals	20	110.3	110.3	99.4	110.6	99.2	+11.5	104.0	97.6
Oil Cakes	10	140.7*	140.5	115.2	137.5	111.4	+32.4	128.6	114.7
Machinery and Transport Equipment	31	105.4	105.4	102.7	104.7	102.5	+2.1	103.2	101.2
Others	30	112.8	112.8	112.1	113.7	111.8	+1.7	113.2	107.7
All Commodities	1,000	111.9	112.5R	106.1	113.3R	104.7	+8.2	111.0	108.7

Note: — Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at the group index. R—Revised. * Provisional. —Not available.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
	(1949 = 100)	Base June (1934 = 100)	Base July (1927 = 100)	Base January (1928 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base August (1939 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 "	116†	395	274	313	98	120	384	124	113	103†	103	123	109	131†
September 1957	114	375	262	338	97	113	378	115	113	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November "	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December "	113	383	275	328	93	115	375	121	110	100	105	120	109	129
September 1958	121	404	289	327	104	120	406	127	117	111	109	131	108	132
October "	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November "	122	402	292	330	106	124	399	132	120	114	105	128	113	133
December "	119†	398	290	322	101	125	385	133	118	108†	99	121	111	133
January 1959	114†	396	301	323	103	127	368†	130	122	105†	94	115	109	134
February "	..	399	300	326	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Out standings	10-Year National Plan Certificates D Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Out standings	Total Receipts	Total Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,98
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252,96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213 91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958																
April	2,15	4,65	141,81	6,56	77,99	15,27	214,24	22,85	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May	2,07	4,55	139,23	5,84	83,82	15,22	212,66	22,58	—39,90	43,87	57	6,72	5	2,01	21,68	517,01
June	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7,12	3	2,03	19,95	520,60
July	1,96	4,38	135,18	5,94	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug.	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22.02	—40.13	43,07	45	8,11	5	2,10	21,10	532,75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537,82
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November	1,87	4,10	127,15	6,36	119,33	12,52	218,72	21,56	—40,37	42,81	47	9,58	7	2,23	19,42	547,35
December	1,83	4,01	125,00	7,84	126,69	14,83	219,06	21,41	—40,44	42,76	51	10,01	6	2,28	23,24	553,05
1959																
January	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,52	42,70	57	10,60	5	2,32	24,07	559,17
February	..	..	..	..	..	..	..	..	..	42,62	58	11,14	5	2,36	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued *from July 1, 1953*. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of January, 1959 is rupees one lakh.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.75
3 % Loan	1938-39	116,17,46,000	1963-65	96.70
3 % Loan	1950	30,32,10,000	1964	97 05
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93.70
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.15
3 % 2nd V. Loan	1945	1,13,65,64,000	1959-61	99.70
2¾% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97.25
2¾% Loan	1946	14,77,48,000	1976	83.20
2¾% Loan	1947	75,86,72,000	1962	96.95
3½% N. P. Bonds	1953	75,20,00,000	1961	100.10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.75
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.55
3½% Loan	1956	87,27,36,000	1962	99 15
3½% N. P. Bonds	1956	63,81,83,000	1967	99 05
3½% Loan	1956	66,63,53,000	1974	98.85
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.80
4 % Loan	1957	49,17,27,000	1972	101.70
3½% Loan	1958	58,06,00,000	1962	99.95
3½% Loan	1958	30,00,00,000	1968	98 90
3½% Loan N.P.B.	1958	34,16,76,500	1968	100 60
4 % Loan	1958	49,47,00,000	1973	101.65
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,03,34,000	M.	72.75
3% Loan	1946	2,48,91,37,000	K.	74.05
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100 00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100 00
4½% Andhra	1958	5,00,00,000	15th July 1970	101.55
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96 50
3 % Bombay	1950	2,83,50,000	31st July 1960	99 00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	96 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 60
4 % Bombay	1952	3,45 85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100 55
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100 25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102 50
4½% Bombay	1958	5,00,00,000	15th July 1970	102 50
4½% Bombay	1958	5,00,00,000	15th July 1971	102 50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100 00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50 00,000	13th Oct. 1970	101 40
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94 12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 15
3 % Madras	1939	1,23,96,000	21st June 1959	99 70
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99 00
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	99.00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98 95
4 % Madras	1953	10,33,71,000	15th July 1963	100 30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 20
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 05
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100 00
4½% Madras	1958	6,00,00,000	15th July 1970	101 60
4 % Mysore (f)	1933	2,95,85,200	1st Dec. 1953-63	101.50
3 % Mysore (f)	1936	5,99,73,000	30th Apr. 1956-61	99 75
4 % Mysore	1953	3,33,47,000	15th July 1963	100 80
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 05
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100 00
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101 75
4½% Mysore	1958	5,00,00,000	15th July 1970	101 75
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 80
3 % M.P.	1950	1,01,45,000	31st July 1960	98 60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
4 % M.P.	1953	1,10,18,000	15th July 1963	100 25
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100 00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100 00
4½% M.P.	1958	2,00,00,000	15th July 1970	101 40
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100 20
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100 20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99 85
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99 50
2½% U P.Z.A	1952	41,44,79,000Z	..	50.25
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98 80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97 75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100 20
4 % U.P.	1953	5,58,25 000	15th July 1963	100 30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100 05
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100 00
4½% U.P.	1958	7,00,00,000	15th July 1970	101 60
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100.00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101 40
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100 00
4½% Orissa	1958	3,00,00,000	15th July 1970	101 40

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	100.00
35,00,000	4	1905	1965	〃
15,00,000	4	1906	1967	〃
44,00,000	4	1907	1968	〃
75,00,000	4	1908	1968	〃
40,00,000	4	1909	1970	〃
56,00,000	4	1910	1971	〃
75,00,000	4	1911	1972	〃
1,10,00,000	4	1912	1973	〃
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88,25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	〃
61,61,000	4	1922*	1960	〃
11,51,000	4	1924*	1960	〃
18,25,000	3½	1926*	1960	〃
35,00,000	3½	1929*	1959	〃
12,50,000	3½	1930*	1960	〃
12,50,000	3½	1931*	1961	〃
13,50,000	3½	1932*	1962	〃
24,58,000	3½	1935*	1975	〃
15,00,000	3½	1936*	1966	〃
48,04,000	3½	1936*	1960	〃
10,00,000	3½	1938*	1968	〃
7,00,000	3½	1941	1971	〃
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98 00
76,90,100	4	1915	1975	98.00
1,50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	98.50
25,00,000	3	1938	1963-68	92.00
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2¾	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99.50
1,00,00,000	3	1949	1959	99 50
50,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	98.50
1,00,00,000	3	1950	1960	98.50
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.00
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,88,000‡	3	1947	1977	〃
8,00,000‡	3	1949	1979	〃
45,00,000‡	4½	1954	1984	〃

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	97.75 N
30,00,000	4	1902	1962	〃
60,00,000	4	1903	1963	〃
50,00,000	4	1904	1964	〃
30,00,000	4	1905	1965	〃
20,00,000	4	1906	1966	〃
15,00,000	4	1907	1967	〃
30,00,000	4	1908	1968	〃
25,00,000	4	1912	1972	〃
13,00,000	4	1913	1973	97.50 N
50,00,000	4	1914	1974	〃
25,00,000	4	1916	1976	〃
40,00,000	5	1919	1957-79	113.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	101.00
50,00,000	4	1934	1964	99.00
35,00,000	3½	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	93.50
20,00,000	3	1938	1963-68	90.00
80,00,000	4	1952	1962	99.25
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	100.50

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99.50
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	100.50
8,25,00,000	3½	1947	1977	86.50
2,50,00,000	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	93.50
5,00,00,000	4	1952	1964	100.15
2,00,00 000	3½	1951	1966	97.40
1,30,00,000	4	1953	1963	100.15
1,00,00,000†	4	1952	1964	99 50
1,00,00,000†	4	1954	1966	99.50
2,50,00,000	4	1955	1967	100.00
1,50,00,000	4	1956	1968	100.00
2,00,00,000	4½	1957	1969	101 50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1965	94.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
17,64,400	3½	1942	1959	96.50
21,10 000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	97 50
66,88,000	3½	1951	1966	97.50
87,36,000	4	1952	1962	99 25
72,50,000	4½	1954	1979	100 00
2,22,72,000	4	1955	1985	—
73,86 000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00 000	17th Sept. 1962	98.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100 15
4 % W. Bengal	1953	3,60,23 000	15th July 1963	100 30
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100 15
4 % W. Bengal	1956	7,11,46,000	3rd Sept 1968	100.15
4½% W Bengal	1958	5,00,00,000	15th July 1970	101.75
4½% Kerala	1958	3 00,00,000	15th July 1970	100.70

N—Nominal.

ABBREVIATIONS. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. ‡—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest. M—At the option of Government after three months notice. K—On September, 1986, or later at option of Government after three months notice.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 23rd April, 1959.

	Closing quotations 15-4-1959	High	Low	Closing quotations 23-4-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	140.00	—	—	140.00
Apollo (2)	1.20	1.22	1.18	1.18
Bombay Dyeing (25)	60.00	61.50	60.10	60.80
Bradbury (50)	145.00	145.00	143.75	143.75
Central India (100)	94.00	96.00	93.00	94.95
Century Mills (100)	488.25	515.00	489.00	507.50
Edward Textile (200)	215.50	—	—	216.50
Elphinstone (50)	33.50	—	—	33.50
Finlay (100)	270.00	273.00	270.00	271.00
Gokak (100)	143.00	143.50	143.00	143.00
Ind. Untd. Defd. (1)	1.06	1.06	1.02	1.02
Ind. Untd. Ord. (10)	8.56	8.56	8 08	8.20
Indore Malwa (100)	97.50	98.50	96.25	96.70
Khatau (100)	177.50	187.50	177.50	187.00
Kohinoor (100)	258 00	264.25	257.25	260.50
Lakshmi (250)	395.00	—	—	395.00
Minerva Mills (100)	62.00	—	—	62.00
Model Nagpur (250)	93.70	110.00	95.00	100.00
Morarji (100)	231.00	232.50	231.50	231.50
Mysore (50)	82.00	—	—	80.00
National Rayons (100)	280.25	293.00	281.25	291.00
New City (100)	89.50	—	—	89.50
New Great (100)	178.00	177.00	175.00	175.00
Phoenix (100)	123.00	125.00	122.50	125.00
Podar Mills (100)	150.00	155.00	150.00	152.00
Sassoon Silk (10)	9.76	—	—	9.76
Sassoon Spg. (10)	47.00	—	—	47.00
Sholapur (1,000)	428.75	—	—	428.75
Shrinivas (100)	151.00	161.00	150.00	158.50
Simplex (50)	167.50	172.00	169.25	171.00
Standard (100)	474.00	487.50	473.50	481.00
Svadeshi (100)	212.00	221.50	211.75	220 00
Swan (100)	390.00	—	—	390.00
Tata Mill (25)	35.00	36.00	34.50	35.25
Vishnu (100)	88.00	88.00	87.00	87.00
Western India (1,000)	4,475.00	—	—	4,475.00
BANKS				
Bank of India (50)	136.00	136.00	135.75	135.75
Do. (New) (50)	137.50	138.00	137.50	137.50
Bank of Baroda (50)	105.00	105.50	101.00	105.50
Central (25)	57.00	57.30	56.80	57.20
Central 'A' (25)	59.00	59.00	58.70	59.00
Dena Bank (50)	53.50	54.00	53.50	54.00
Punjab National (10)	24.48	24.48	22 80	23.00xd
Union Bank (5)	7.24	7.28	7.24	7.28
United Com. (50)	66.00	66.00	65.80	66.00
ELECTRIC COS.				
Ahmedabad (100)	96.90	97.10	96.60	97.10
Amalgamated (10)	11.20	—	—	11.20
Andhra Valley (1,000)	1,145.00	1,150 00	1,142 50	1,142.50
Bom. Sub-El. (100)	106 00	104.50	103.00	103.00
Surat (100)	110.00	—	—	110 00
Tata Hydro (100)	119.00	118.50	117.50	118.25
Tata Power (1,000)	1,180.00	1,195.00	1,180.00	1,190.00
INSURANCE COS.				
British India (10)	14.24	—	—	14.24
Empire of India (100)	218.75	—	—	220.00
Ind. Mercantile (20)	44.00	—	—	44.00
Jupiter (15)	5.20	—	—	5.20
New India (15)	52.20	52.40	51.80	52.00
Oriental (200)	4,200.00	—	—	4,200.00
Vulcan (10)	20.32	—	—	20.32
STEEL COS.				
Ind. Iron (10)	23.96	24.40	23.88	24.20
Tata Steel Ord. (75)	179.50	183.00	179.00	180.50
SUGAR COS.				
Belapur (50)	287.00	293.50	286.00	288.00
Bhopal (10)	26.10	26.10	23.52	23 52xd
Changdeo (12.50)	30 75	30.75	28.50	28 50xd
Phaltan (50)	153.50	154.50	152.50	154.00
Walchand Ind. (100)	295.00	297.50	293.75	297.50
CEMENT COS.				
Associated Cts. (100)	148.50	150.75	148.25	149.00
Digvijay (100)	146.50	148.50	146.50	147.00
MISCELLANEOUS				
Alcock Ashdown (100)	267.00	274.00	266.00	270.00
Bom. Burmah (125)	498.00	510 00	492 50	503.00
Do. (New) (50)	175.50	175 50	172 50	175.00
Br. B. Petrol (4 sh.)	1.90	1.94	1 88	1.92
Br. I. Corpn. (5)	5.32	5.20	5.12	5.12
Hindustan Lever (10)	30.50	30.25	30 00	30.25
Hindusthan Motors (10)	9 08	9 24	8.96	9.04
Indian Copper (2 sh.)	4.28	4.36	4.18	4.28
Ind. Inv. Tr. (100)	88.50	—	—	88.50
Killicks (100)	145 50	146.00	140 00	140.00
Larsen & Toubro (10)	22 68	23.12	22.52	23.12
Polson (100)	156 00	—	—	156.00
Pre. Automobiles (100)	114.00	118.00	114.00	116.50
Premier Con. (80)	265 00	298.50	266 50	295.50
Scindia (20)	17.88	18.12	17.56	17.68
G. E. Shipping (10)	20.96	21.20	21.00	21.20
Shivrajpur (10)	100 50	105 00	101.50	105 00
Sirpur Paper (10)	14.16	14 28	13 92	13.92
Tata Chemicals (10)	16 64	16 96	16 20	16 40
Tata Locomotive (100)	188.75	196 50	188.50	192.50
Tata Oil (25)	49.25	49 00	48 00	48.50
Voltas (100)	153 75	160 50	154.25	159.25
W. I. Match (100)	209.00	217.00	209.00	213.00

GOVERNMENT SECURITIES	15-4-1959 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	23-4-1959 Rs.
2½% 1961	97.25	—	3.79	97.20
2½% 1960	99.00	—	3.31	99.00
2¾% 1962	96.95	—	3.68	96.95
2¾% 1976	83.20	—	4.08	83.20
3 % 1959-61 2nd Vict.	99.70	3.84	3.12	99.70
3 % 1964	97.10	—	3.59	97.05
3 % 1963-65	96.70	3.76	3.51	96.75
3 % 1966-68	93.70	3.98	3.80	93.75
3 % 1970-75 1st Dev.	91.15	3 97	3.75	91.20
3 % 1986 Con. Loan.	74 10	—	4.05*	74.10
4 % 1960-70	100.75	3.48	3.92	100.75
3½% 1961 N.P. Bonds	100.10	—	3.47	100.10
3½% 1964 N.P. Loan	99.80	—	3.55	99.75
3½% 1965 N.P. Bonds	99.60	—	3.58	99 55
3½% 1962	99.15	—	3.50	99.15
3½% 1967 N.P. Bonds	99.05	—	3.63	99 05
3½% 1974	98.85	—	3.84	98 80
3½% 1967 N.P. Bonds	100.80	—	3.65	100 80
4 % 1972 Loan	101.70	—	3.83	101.70
3½% 1968	98 90	—	3 65	98 90
3½% 1963 N.P. Bonds	99.95	—	3.51	99.95
3½% 1968 N.P. Bonds	100.60	—	3.68	100.60
4 % 1973 Loan	101.65	—	3.85	101.65

BRITISH GOVERNMENT SECURITIES

	Closing quotations 13-4-1959 £			Closing quotations 20-4-1959 £
2½% Brit. Consols.	51⅞	—	—	51⅝
3 % Savings Bonds 1965-75	76 1/16	—	—	76½
3 % War Loan 1955-59	100 1/16	—	—	100 1/16
3½% War Loan	67-31/32	—	—	67 13/16
4 % Victory Bonds 1976	96 1/16	—	—	96 1/16
4 % Funding 1960-90	91 1/16 xd	—	—	91½

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

MARKET GOSSIP

(*Concluded from page 675*)

Senate Sub-committee, which, in part, reads as under:

"There is an even more compelling reason, however, why it is essential for the United States to maintain a certain amount of textile capacity and a textile labour force. Textile mill products have a high military priority. The Department of Defence has ranked the textile industry second only to steel in terms of military essentiality. It would be the height of folly in a world where we must realistically recognise the necessity for military preparedness—however much we hope for and work toward the elimination of war—to allow the domestic textile industry to contract to the point where it could not satisfy our basic civilian and military needs in the event of an all-out emergency. It would not be wise national policy to allow conditions in the domestic textile industry to continue to deteriorate... there can be no disagreement that it is imperative to national security for this nation to maintain sufficient capacity to satisfy its military and civilian needs in the event of a national emergency."

Mr. Ewing also recalls that, in 1920, when the U.K. dyestuffs industry was catering to less than 20 per cent. of the domestic requirements, the Government gave protection to that industry, on grounds of national security, through regulation of imports and that this shelter enabled the establishment of a virile and progressive dyestuffs industry in the U.K.

The reaction of the British Government to the continued plea of Lancashire for protection against imports will be known in this country tomorrow, for Mr. Harold Macmillan, the U.K. Prime Minister, is expected to make a statement in London today.

Meanwhile, the Lancashire millowners are vigorously pursuing their efforts to improve their competitive capacity. The U.K. Cotton Board has already submitted to the Government a plan for reorganising and re-equipping the industry formulated by the Board's special Development Committee under the chairmanship of Lord Rochdale. The plan co-ordinates the various proposals for rationalising the industry which individual sections have produced, and it has generally been assumed that the outcome will be compensation for units taken out of action on the basis of an industry levy supplemented by direct Government aid. An official statement of the Government help for the cotton industry's reorganisation plan is also expected to be made in the House of Commons today—the day on which Mr. Macmillan starts his tour of Lancashire. In view of this impending statement, perhaps, Mr. Macmillan, Sir David Eccles (President of the Board of Trade) and Mr. Macleod (Minister of Labour) did not give any inkling of the Government's intentions when they received a deputation of nine Lancashire Mayors on Friday, the 17th inst. It is worth noting here how leaders of public opinion in Britain actively associate themselves with the spokesmen of industry whenever an industry is in trouble. Nothing of this sort is done in this country. If anything, they try to run down the manufacturers in the eyes of the public.

The Lancashire Mayors put forward a number of proposals for improving conditions in the Lancashire cotton industry. These covered, among others, the following:

(1) Legislation to provide that all goods sold in the U.K. should be marked with their country of origin; (2) introduction of restrictions on imports of cotton textiles; (3) abolition of purchase tax on all textiles manufactured in Britain; (4) special measures to bring new industries into those areas most hard hit by the plans for contracting the cotton industry.

If the aforesaid demands were granted, it would mean the erection of a strong protective wall against imports of cotton goods into Britain.

It is not the British cotton industry alone that is clamouring for restrictions on imports. Its confreres on the Continent and in the U.S., too, are seeking to broaden import controls to cover textiles from countries in the Far East. "This pressure," to quote a recent Press report from New York, "already reflected in a visit to Hong Kong by Mr. Henry Kearns, Assistant Secretary of Commerce, could take the form of an application for unilateral restrictions imposed by the U.S., if no further negotiated curbs can be obtained. The initially negative response of Hong Kong producers to Mr. Kearns' preliminary approach on quota negotiations increased this possibility... The domestic industry claims that the combination of modern machinery and low wages in the Asian countries makes it impossible for U.S. manufacturers to compete with their prices in the open market." It may be noted here that the U.S. textile industry already enjoys protection from Japanese imports under a voluntary quota system.

The European Common market countries are also thinking in terms of restricting imports of cotton goods from Asian countries. The need for uniform European regulation on imports of textiles from the Far East countries is being actively canvassed by West Germany. A delegation of the German textile industry led by Herr Carl Neumann, President of the Textile Association, met Dr. Erhard, the Economics Minister, recently and urged curbs on inflow of foreign cotton goods into Europe. The Minister is reported to have agreed on the need for such regulation. The difficulties confronting the German textile industry were highlighted by Herr Fritz Berg, President of the Industrial Federation, in the course of a speech made at Bonn on the 9th inst. He stated that one out of every ten textile plants had been compelled to shut down in recent years and that 60,000 working places were unoccupied, while many workers were on short time.

No one will underrate the disquieting conditions obtaining in the cotton textile economy of the Western countries. But what one would wish to ask is whether imposition of import quotas on textiles produced in the developing countries of the Asian region will solve all problems confronting the industry. If the Western nations really want to succeed in withstanding competition from Asian textile exports, they should concentrate all their energies on enhancing the efficiency of their equipment. As Mr. James Ewing rightly stressed, if Britain "is to recreate a compact and efficient industry working to full capacity, production of quality fabrics is a sound basis for a healthy industry." These words, though addressed to Lancashire, hold equally good for the cotton industry in all the industrially advanced countries of the West, not to mention India and other Asian countries.

* * * *

The International Cotton Advisory Committee will meet next month in Washington to discuss the cotton problems of the free world. This time the Committee is meeting when the whole atmosphere is surcharged with concern and anxiety over the adverse and unsettling influence of the U.S. cotton export policy. Cotton exporting countries of Latin America, Egypt and consuming countries like Britain are expected to voice their protest against the U.S. Policy. The U.S. payment-in-kind export subsidy, especially the provision that the subsidy rate is subject to change from time to time without notice, has already come under fire. Critics of the policy fear that it will have very harmful effects on the international trade in raw cotton. Already, as the International Federation of Cotton and Allied Textile Industries points out in a cable to the U.S. Secretary of Agriculture, it has undermined, and continues to undermine, forward buying confidence and cotton consumption remains adversely affected in relation to that of man-made fibres. Heavy price risks are involved in carrying stocks, which, because of this policy, cannot be effectively hedged. The Federation, therefore, has suggested that it would be advantageous for the U.S. and in the best interest of growers, shippers and manufacturers to enact, as soon as possible, legislation which will result in one-price system for American cotton.

Latin American countries, it appears, would not be satisfied with pleading for a readjustment of policy by the U.S. They seem determined to make an all-out bid to see that the policy is altered. They are currently thinking on the lines of creating a cotton bloc, consisting of exporting countries other than the U.S., to offset sharp swings in cotton prices which might possibly result from U.S. policies. It is reported that these countries would like to set up an inter-American cotton federation aiming chiefly at bringing about a change in U.S. policy. Mexico, as one directly interested in and affected by the U.S. policy, has taken the lead in the matter and appears to have succeeded in roping in countries like Columbia, Costa Rica, El Salvador, Panama, Brazil, Guatemala, etc. These countries believe that the U.S. policy spells the danger of total disappearance of cotton production as a source of work and income for their people. The U.S., according to them, has only to thank itself for the current dilemma of world cotton. It is stated that, to begin with, the Federation will have a tentative five-point programme. It will institute studies, in the first instance, aimed at a common solution of technical, agricultural and marketing problems of cotton. It will offer technical assistance to member countries, organise publicity campaign to win public opinion in cotton importing countries, and supply information on the different phases of cotton production, financing and marketing. It will also co-operate with other international organisations for the purpose of stabilising cotton prices.

RECENT TRENDS IN INDIAN BANKING

(*Concluded from page 683*)

Two factors have stood in the way of expansion of banking in the rural areas. One is the risk factor, the other is the absence of the banking habit among the people. Joint-stock banks, influenced mostly by commercial considerations, are not prepared to open branches in areas far removed from urban centres. It is for this reason that the State Bank has been entrusted with the responsibility of establishing not less than 400 additional branches within a period of five years from July 1955. Provision has been made to cover losses that may be incurred in the initial stages of this scheme by the creation of an integration and development fund. Upto the end of 1958, the State Bank had opened branches at 262 centres.

The General Pattern

Recent developments in the country's economy should have considerably reduced the force of the abovementioned deterrent factors. But, while it is obvious that, in the industrialised regions of the country, a rise in the tempo of economic activity and an increase in incomes directly and immediately help banking, the same thing cannot be said of the rural areas. Although the villages are being rapidly opened up to the influence of the towns and the unmonetised sector of our economy is steadily shrinking, it takes a long time for tradition and lethargy to give way to new ideas and habits. Nevertheless, in view of the recent rise in agricultural income and the progressive urbanisation of the rural areas, the question arises whether these improvements by themselves would not constitute sufficient attraction to the well-established banking institutions in the urban centres to expand to the villages.

The answer to this question consists in the fact that expansion of commercial banking, whether in rural or urban areas, like the expansion of industries in the private sector, depends directly on the scope of free enterprise. The condition of joint-stock banking in the last one year or so is illustrative of this point. The ratio of scheduled bank credit to their net liabilities was 58.7 per cent. in 1953, but rose to 69.9 per cent. in 1957. This ratio touched the peak level of 76.8 per cent. about the middle of May 1957. Since then, it steadily declined to about 62 per cent. at the close of the year and receded further in the next year to reach about 54 per cent. at the close of 1958. The trend since the middle of 1957 is significant. Between June 1957 and December 1958, the net liabilities of the scheduled banks in India increased steadily from Rs. 1,248.1 crores to Rs. 1,573.3 crores or by 26 per cent., while scheduled bank credit receded from Rs. 926.5 crores in June 1957 to the low of Rs. 847.9 crores in December 1957, moved up thence to Rs. 961.2 crores in April 1958 and again declined with the onset of the slack season to Rs. 837.47 crores in November 1958. Thus, in the 18 months from June 1957 to the end of 1958, while deposits rose rapidly, bank credit (of scheduled banks) varied roughly between Rs. 850 crores and Rs. 950 crores, with the result that the credit deposit ratio more or less steadily declined to 54 per cent. by the end of 1958. It is also worth noting that, in the one year from December 1957 to December 1958, as between time liabilities and demand liabilities, the latter (the bulk of which constitutes current account deposits and on which on the average an interest of a quarter per cent. is paid) declined from Rs. 714.0 crores to Rs. 687.5 crores, while time liabilities (on which the rate of interest varies between 4 per cent. and 4½ per cent.) increased from Rs. 647.3 crores to Rs. 885.8 crores. The inevitable result of this trend in deposit liabilities and advances was a decline in bank profits as seen in the results for 1958 published by most of the banks at the time of writing (February 1959). It is likely that higher rates of interest on time deposits should have brought about a shift from demand deposits to time deposits; and the placement by the U.S. authorities in India of funds received from the Government of India for foodgrains imported into the country accounts for the swelling of time deposits in the banks' portfolio to a substantial degree. But the rise in the payments on account of interest only partly explains the decline in profits. The real problem which the banks had to face in the last year was inadequate demand for bank accommodation against an embarrassingly large accumulation of liquid balances with them. The busy season of 1958-59 set in late and, though there has been a sharp increase in bank advances, it is feared that much of this has been required for speculative purposes. On the other hand, there has been further increase in bank deposits, while cash balances of the scheduled banks and their investment portfolio have not shown any significant change that may be expected in the busy season. At any rate, the recession in commercial banking in 1958 when the level of general economic activity in the country remained on the whole high, makes one feel that this is largely a reflection of the attitude of the private sector in industry. The tight import restrictions, mounting taxation, rising wages and other political and economic factors have considerably dampened business enthusiasm and unmistakably resulted in a slackening of activity.

If in the underdeveloped countries of today, financial and banking institutions are to develop along the lines they have developed in some of the advanced countries, it is necessary that more or less the same conditions should prevail in their economic system. But, if, in the special circumstances of the less developed countries, such conditions do not exist, it is not proper to judge the pattern of development of credit institutions against standards which are alien to them. Recent developments in banking in India—the nationalisation of the Imperial Bank, the establishment of special credit institutions and the forging of closer links of control between the central bank and the commercial banks—are in line with the scheme of economic development envisaged by the Government. Given the pattern of economic development, it is meaningless to expect the banking and financial institutions to shape in a different mould.

COMMERCE

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

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OFFICIAL LANGUAGE

THE Committee of Parliament on Official Language has, as was perhaps only to be expected, given its verdict in favour of Hindi. The hope, entertained in certain quarters, that it might take into account the growing volume of opinion in favour of the maintenance of the *status quo* has been belied. The Committee is of the "definite" opinion that adherence to the Constitutional provision for official language—that is, the change-over to Hindi after 1965—is the only "safe and practical" course. Nevertheless, the Committee must be congratulated on its general sense of awareness of the importance of gradualness in effecting the change-over to Hindi and of making the transition as smooth as possible. But even this sense of caution may have to be thrown to the winds, if the ginger group of fanatical opponents to English are to prevail in Parliament. The debate in the Lok Sabha over Mr. Frank Anthony's motion for inclusion in the Constitution of English as one of the Indian languages showed how some elements are implacably opposed to the retention of English. The fact that the Committee's report contains minutes of dissent by five of its members favouring a speedier transition to Hindi shows which way the linguistic wind is blowing. It is a pity that only a few realise that it is an ill-wind that blows nobody any good; it succeeds only in fanning the irrational hatred for the North in the South.

The Committee is certainly not right in insisting that the Constitutional settlement prescribing 1965 as the date for change-over to Hindi was evolved after "careful consideration." It is well known that this decision was taken by a majority of one vote. The fact is that the Constituent Assembly was engaged in the discussion of many fundamental and momentous issues. It could not have brought into the discussion that awareness of practical difficulties in the change-over to Hindi which later years have served only to emphasise. To the men who wrote the Constitution, the year 1965 appeared too far away and it was then thought that, by 1965, many fundamental changes could be achieved. If later events have justified the postponement of the date or the modification of the decision, there is certainly no reason why such a change should not be effected. After all, in matters affecting relatively more fundamental issues, the Constitution has been amended with a want of seriousness of purpose which might have appeared incredible a few years ago. Again, it is difficult to agree with the Committee when it says that the replacement of English by Hindi and regional languages is a "practical necessity," on the mere grounds that the standard of attainment in English among students is less than it was formerly and that the State Governments are changing over to regional languages. It is true that the standard of English in schools and colleges is going down. But corrective measures could be promptly adopted for checking this deplorable trend. It is not yet too late to improve the standard of English in schools and colleges to the former level. It would be wrong to allow official decisions to be modified by deteriorating educational standards. If the State Governments are switching over to regional languages—even this trend is to be deplored because it is not calculated to further the cause of national cohesiveness—there is no reason why the official language should change at the Union level.

The redeeming feature of the Committee's report is its stress that, if it is conceded that the change-over to Hindi should be effected, then the transition should be as smooth as possible. Thus, it emphasises that the process of change-over should be so "developed and regulated" that it may be effected without causing dislocation and with the minimum of inconvenience. In determining the pace of change-over, consideration should be given to the progress of Hindi in non-Hindi areas and the linguistic capacity of existing Government servants. Further, the process of change-over, it is stated, should not have the effect of placing any linguistic group at a disadvantage in the matter of recruitment to the public services. In the first place, Hindi should be used in addition to English and preparatory measures taken for the next phase when the discontinuance of English is to be brought about progressively. The Committee also emphasises that the introduction of Hindi and other languages for official purposes does not mean severance of ties with English. Advanced students of science and technology have to be familiar with one or more foreign languages. English, it is conceded, has not only a rich literature which is intimately connected with the whole body of Western thought and culture but is at present the most important vehicle of scientific and technical information. The Committee says: "For us, amongst foreign languages, the choice of English is obvious, both because of its importance and utility and our present knowledge of it." Only, it is not clear to us why the Committee, which is fully aware of the importance of English and the historical role it has played in India, should, nevertheless, find it necessary to advocate its disappearance as the official language.

As regards recruitment to Central and all-India services, the Committee recognises that the officers will need to have adequate knowledge of English for a considerable time to come for performing their duties efficiently. The Committee is, therefore, of the opinion that there should be a compulsory English paper in competitive examinations for recruitment to Central services even after the change-over to Hindi has been effected. With regard to the language medium for these examinations, the Committee has recommended that English should continue to be the medium of examinations, Hindi being treated as an alternative medium; both Hindi and English, it says, should be available as alternative media for as long as necessary. The Committee recognises that the change-over to the language of the higher courts "will necessarily be a prolonged process and may reach completion after a general change-over has occurred in the language medium for other official purposes." Finally, it points out that, while there are general considerations in favour of adoption of common language in the Supreme Court and all High Courts, the subordinate judiciary will be functioning everywhere through the medium of regional languages.

The very sense of caution which the Committee has stressed in the matter of effecting the change-over to Hindi must serve to raise the fundamental issue as to whether the change-over is necessary at all. Perhaps, the Committee, despite its commendable emphasis on the need for circumspection and gradualness in the transitional stages, has underrated the magnitude of the problem. It is necessary to point out how many and how far-reaching are the linguistic changes that are being proposed in the country today. The Union language is sought to be changed from English to Hindi. A similar change from English to regional languages is being attempted at the State level. As if these changes were not enough, the universities, whether on their own or at the instance of the State Governments, are busy changing the medium of instruction. Clearly, the whole movement is bound to end in considerable confusion and deplorable fall in administrative and educational standards, besides inflicting irreparable damage to the sense of national unity. It is, therefore, difficult not to agree with Mr. Frank Anthony's closely reasoned minute of dissent appended to the Committee's report. The following quotation from his note bears reproduction:

"Hindi imposition spells, in my respectful view, the final hostage to India's disintegration. Mine was a lone voice in Parliament when I opposed the creation of Andhra. I warned the Government that it was initiating a process of linguistic disintegration which may lead to Balkanisation. Today, the Government condemns the movements for separate States in Maharashtra, Gujerat and the Punjab. Yet these demands are the inevitable logical consequences of the Government's policy in conceding Andhra.

"*Today, the Government, under increasing pressure from the politically dominant Hindi-speaking States, are rushing ahead with the madness of Hindi imposition.*

"The history of India has been the history of tribalisms. The reorganisation of the States on a linguistic basis was the first tragic major hostage to tribalism. The imposition of Hindi will be the final hostage to India's disintegration. *Already there is growing bitter revulsion against Hindi imposition. In reply to Hindi fanaticism, every step taken by the Hindi States is being matched in some of the non-Hindi-speaking States.* If the non-Hindi-speaking States persist in this policy, in order to forestall Hindi imposition, the inevitable result will be the splitting up of India into watertight, linguistic, cultural and, ultimately, so-called national enclaves. As the Hindi-speaking States change the medium in universities, so also will the non-Hindi-speaking States change to their respective regional languages. As the Hindi-speaking States change to Hindi in their High Courts, so will the non-Hindi-speaking States install, despite the pious hopes of the Committee, the regional languages in their respective High Courts. When the Hindi protagonists succeed in establishing Hindi as one of the media for the All-India Services, bitter irresistible movements will grow up in the non-Hindi-speaking areas which will compel the Central Government to accept the regional languages as the media for the All-India Services. The poison of linguistic disintegration, injected by the Government into the body politic through Andhra, will be mild as compared with the poison that the Government will be guilty of introducing if it insists on Hindi imposition." (Italics author's).

In view of the serious risks involved, Mr. Frank Anthony suggests that the "*status quo* should be allowed to continue at least until Parliament has had an opportunity to decide the next step or series of steps after careful, open consideration of this whole vital language

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question." He warns that "every major consideration of national interest is against the introduction of Hindi." His may be the voice in the wilderness. But there is reason to think that it may well prove prophetic. It is not, therefore, surprising that many thoughtful people fully agree with him. Some of these, it is noteworthy, are the authors of our Constitution. A glance at the names of persons who have petitioned Parliament for the continuance of English as the official language of the Union and for abandoning all measures to replace it by Hindi will show that several renowned educationists, experienced administrators and public leaders of equal, if not greater, eminence as the members of the Parliament Committee on the language question are opposed to the change. They reflect the feelings and urges of a large section of people in Madras, Mysore, Andhra, Bengal, the Punjab, and Western India. There is not an iota of exaggeration in Mr. Frank Anthony's claim that almost all parents want their children to study English and be educated in English. This is evident from the tremendous rush for admission of children to schools where English is given a high place. The consenses of opinion among parents is that, during the last ten or twelve years, the Congress Governments in the States have made a mess of education by effecting all sorts of changes and by reducing the importance of English in the curriculum for primary, secondary and high school classes. There is good reason to feel that, on this language issue, the thinking section of the people is with the petitioners to Parliament. Both Parliament and the Government will, therefore, do well to let English remain as the official language of the Union Government and as the means of communication between the State Governments *inter se*. Such a decision need not in any way hurt the feelings of those whose mother tongue is Hindi, for, as a regional language, Hindi will have plenty of scope for growth and administrative usage.

LAND REFORMS AND PLANTATIONS

THE Kerala Agrarian Relations Bill, as it has emerged from the Select Committee, is harsher for the plantation industry than the original one. It would be unreal to overlook the fact that much water, some very muddy, has flowed through the Munnar tunnel since the original Bill was submitted to the Assembly by the Communist Government on 18th December 1957. The general debate on the Bill this week and the Revenue Minister's reply thereto indicate that there are no chances of the measure being improved in favour of the planters. Even the reasoned plea by some members of the State Legislature to modify the provisions that seek to restrict the growth of plantation industry has failed to evoke any response from the Government. Although Mrs. K. R. Gouri, Minister for Land Revenue, observed that it was not the intention of the Government to place any limitations on production of rubber and that there was a general provision in the Bill under which the Government could exempt any land from ceiling on the ground of public interest, this declaration is not adequate, nor is it calculated to inspire confidence among the planters, as it places them at the mercy of a Government which is by no means friendly to private enterprise, in general, and the planters, in particular, whom it has harassed to the maximum extent possible ever since it came to power. If the intention of the Government is not to place restrictions on the growth of plantation industry, why does it incorporate in the Bill specific provisions which run contrary to that intention?

In the original Bill, a "company" was not defined, but the Select Committee provides a definition which applies the ceiling on company holdings as rigidly as it does on personal holdings. The rigours of prospective restrictions are not reduced, but the total exemption provided for "oranges" and "budded mango" gardens make these two crops strangely privileged. While this attachment to oranges and mangoes is surprising as well as touching, it is not clear why the Select Committee chose these two insignificant crops for total exemption. There is hardly a mango grove above a few acres in the whole of Kerala and no orange grove as a single crop. In the Wynaad, where there is a concentration of over 10,000 acres under oranges, the crop is mixed with coffee and pepper and rarely ever cultivated as a monocrop. Neither orange nor mango cultivation is so advanced as to involve factory handling. Then why such absolute exemption for oranges and mangoes and why deny it to the State's most vital industry?

There is a general impression that plantations are exempted from the provisions relating to ceiling on holdings. But this is misleading. According to the relevant clause (57) as it stands, exemption is to cover only holdings as on 18th December 1957. By this provision, the planting industry in Kerala stands frozen as it was sixteen months ago. It is true that expansion upto 20 per cent. of the stand as it was on 18th December 1957 is now permitted by this clause, but it is an absolute limit, for those who do not have reserve lands will not be able to take advantage of it and those who have large reserves cannot go beyond the 20 per cent. The result would be far smaller expansion than the 20 per cent. calculated on the present acreage. This is an absurd fetter on the industry, especially as the State has plenty of scope for expansion of this industry and the country as a whole needs that expansion.

The Kerala State is chronically afflicted with food scarcity and has to import from the rest of India. Its textile industry is a small one, and to clothe its population, poor as it is, most of the textiles have to come from elsewhere. It is industrially one of the most backward States and what nature has done to Kerala the Communist Party has made worse by scaring away both capital and entrepreneurial skill. In Kerala, plantation is the only organised large-scale industry; in fact, it is so large and extensive that the State is known as the "plantation State" of India.

There are some 97,000 acres of tea, 85,000 acres of cardamom, 210,000 acres of pepper, 280,000 acres of rubber, 45,000 acres of coffee, nearly 200,000 acres of cashew, over 1,200,000 acres of coconuts and 85,000 acres of arecanut. Among these tea, coffee, rubber and cardamom are grown on plantation lines and constitute the organised section of the industry. It is this section of the industry that employs some 250,000 workers steadily round the year and provides them with a standard of wages and welfare unknown in agricultural employment. When it comes to the championing of these workers, the State Government considers plantations to be an industry, but, when it comes to land reforms, the same Government treats plantations as common agriculture and liable to restrictions. In this Janus-faced approach, it finds no contradiction.

The most amazing part of the Bill is under clause 56, sub-clause (3) read with clause 59, sub-clauses (2), (3) and (4). Sub-clause (3) of clause 56 reads:

"In calculating the extent of land owned or held by a family or an adult unmarried person, the shares of the members of the family or the adult unmarried person, as the case may be, in the lands owned or held by a company, co-operative society, firm, or other body of individuals or by an institution or by a joint Hindu family, Marumakkathayam Tarward, Aliyasanthana family or Namboodiri Illom, shall be taken into account.

Explanation: For the purposes of this sub-section, the share of a member of the family or the adult unmarried person in the lands owned or held by a company, co-operative society, firm, or other body of individuals or by an institution or by a joint Hindu family, Marumakkathayam Tarward, Aliyasanthana family or Namboodiri Illom shall be deemed to be the extent of land which would be allotted to such member or person had such lands been divided or partitioned, as the case may be, at the commencement of this Act."

Explanation II to sub-clause (2) and sub-clause (4) (c) of clause 59 reads:

"Where land to be surrendered is owned or held by two or more persons jointly, whether or not as members of a company, co-operative society, firm, or other body of individuals or of an institution or of a joint Hindu family, Marumakkathayam Tarward, Aliyasanthana family or Namboodiri Illom, the identity of the same shall be indicated with the concurrence of all the persons who own or hold such land....

"On receipt of the statement under sub-section (2) or sub-section (3), the Land Board shall... (c) determine the identity of the land to be surrendered."

Read together, these clauses mean that, where a shareholder of a planting company who also owns lands up to the maximum in his own right and chooses to retain such land, his shareholdings in the company will be taken as excess land held by him. The procedure laid down makes it clear that a mere liquidation of shares under highly adverse market conditions as can be easily foreseen, will not satisfy the framers of the Bill. The land equivalent to his shareholding in the company will have to be demarcated in the company's estate and surrendered to the Land Board. There will thus be dismemberment of holdings under corporate ownership and joint-stock enterprise in plantations is exposed to the risk of disintegration.

The Congress Party and, of course, the Socialist Groups in the Assembly are not in a position to counter the Communist strategy, because their national leadership has already compromised their position in regard to land reforms. In the course of the general debate on the Bill, Mr. P. T. Chacko, leader of the Congress Party in the State Legislature, put up a stout defence and impressively highlighted the importance of plantation industry to the economy of Kerala. But the Communist Party leaders had no great difficulty in disposing of his opposition simply by reading the published speeches of the Prime Minister and other top leaders of the Congress Party.

When the All-India Congress Committee adopted its historic land reforms resolution at Nagpur, it could hardly have understood the nature of agricultural holdings or practices on the West Coast. If the land is not under permanent tree crops, it is land from the backbays reclaimed with considerable capital outlay and permanent development. If 50 acres of coconut gardens or rubber are appropriated from a grower in the name of land reforms, the new owners need not do a thing to bring the acreage to production. Producing trees pass over to them intact for a mere pittance. If this was intended by the Congress as land reforms, it is not possible to think of a more iniquitous intention of a party.

The Planning Commission gave certain broad guidance for treating efficiently-managed farms, permanently developed lands and plantations on a separate footing and added, probably inadvertently, that each State should apply these according to local circumstances. This qualification has provided the Kerala Government with the loophole it needed for escaping from the other recommendations of the Planning Commission relating to these special lands. In fact, the contention that, as the plantation industry comes under the jurisdiction of the Centre, the State Government is impinging upon the rights of the Union Government by passing a legislation that seeks to restrict the growth of that industry, has been simply dismissed by the Communists as being untenable. In order to make a strong impression on the public and effectively silence the opposition, they took the extraordinary step of asking the Advocate-General to state their case before the Legislature on the constitutional validity of this and a few other controversial provisions of the Bill.

No amount of indulgence in constitutional and other legal niceties can offset the damage that is likely to be done to sound plantation practices. For instance, it is a normal practice for permanent crops such as tea, coffee, and rubber to expand cultivation as a method of replacing weak or poor stands on an existing holding. The reason is obvious. For a tree crop, which requires some 10 years to come into production, it will take a long period of investment and care before a particular area is regarded as unsuitable. No sensible grower would immediately cut down such stands. He replaces it elsewhere and brings a larger area to support the loss from the bad patches. This is an essential part of sound plantation practice, but it would come to an abrupt end with the prospective ceiling placed on plantations under clause 57 of the Bill.

Rubber cultivation in India is almost wholly confined to Kerala. Ninety-six per cent. of India's rubber production is concentrated in the State. According to manufacturers' estimates, 300,000 tons of raw rubber will be required by 1980 or twenty years from now. Even allowing for some synthetic rubber output, the rubber area will require to be expanded by about 400,000 acres. By barring almost all prospects of expansion by those most competent to do it according to the exacting standards of modern rubber cultivation, the Kerala Government is achieving precisely what a Government would most carefully avoid, if it is placing its faith in development. Thus, in the name of land reforms, a most retrograde step is being taken in Kerala and it will disintegrate the State's most valuable industrial asset, unless retraced. In their anxiety to be true to their creed, the Communists may not care for the consequences of putting the planters' nose out of joint, but, since it will affect the country's economy as a whole, the Centre has to prevent them from doing so.

MAJOR BID TO CHECK SMUGGLING

SOCIALISM OR COMMUNISM?—U.S. GOLD LOSS—OUTLOOK FOR DIAMONDS

7 MAY 1959 PUBLIC

THURSDAY, 5 P.M.

AN important event of the week is the major attack made by the Union Government against smuggling, especially of gold. Exactly a month ago (*vide* page 491 *Commerce* dated 28th March 1959), we stated in these columns that the authorities had not given up their search for new weapons to check illicit arrivals of gold. The weapon now chosen by them is to put an end to one of the chief means through which smugglers were able to finance their nefarious activities. As is well known, the smugglers bring gold into India surreptitiously, sell it in the markets, take the proceeds out of the country in the form of currency notes, mostly in denominations of Rs. 100, exchange these notes for foreign currency through the banks in foreign countries, which in turn present them to the Reserve Bank for payment in sterling. Despite the vigilance of the customs, the illegal traffic in gold has gone on merrily for years, ever since imports of gold were banned. The main spring-board for these traffickers is the Persian Gulf countries, because, in this area, Indian currency has been in circulation as a medium of exchange right from the time when both India and this area were under British rule. Even today, the authorities of almost all countries in the area treat Indian currency as legal tender. The step taken by the Government this week will make it extremely difficult for smugglers to convert the rupee proceeds of their trade with India into sterling or other foreign currency and thereby deter them from bringing gold into this country.

MARKET GOSSIP

Immediately after independence, India should have separated the currency in circulation in West Asia and withdrawn them. After all, these are foreign countries and, unlike the British, the Indian Government has no political control over them. Just as the currencies of Ceylon and Pakistan were separated, so also the rupees in the Persian Gulf area ought to have been promptly dealt with. It is not clear as to why this was not done. Some say considerations of political prestige stood in the way. It may be noted here that Pakistan had actually blocked all its rupees that were in circulation abroad long ago and thereby saved several crores worth of precious foreign exchange. There is really no economic reason for allowing Indian currency to circulate in a foreign territory as a medium of exchange and legal tender, especially when the foreign trade with that territory is conducted in the same way as that with any other foreign country.

The failure of the Indian Government to stop the use of its currency in the Persian Gulf area has cost this country quite a few hundreds of crores worth of foreign exchange which has been used for "importing" into the country the goods the authorities decided were unnecessary and, therefore, should not be allowed. The point to be noted, in this connection, is that, whereas Indian nationals could convert the rupees into sterling only at the discretion of, and to the extent allowed by, their Government, holders of our currency in the Persian Gulf area could exchange it for sterling for any amount and at any time they liked. This is, indeed, an extraordinary situation and it is surprising that this should have been allowed to continue for as many as eleven years. The authorities cannot say that they were not fully aware of it, for, according to our information, several experts in finance had advised them to end it promptly, when the foreign exchange position tended to deteriorate. Their inaction all these years was really inexcusable. Mr. Morarji Desai, therefore, deserves to be complimented for having taken a practical view of the position and deciding to plug this biggest hole in our foreign exchange bucket.

Now let us describe the step that has been taken. An emergency legislation has been passed by Parliament, amending the Reserve Bank of India Act. The relevant Bill was introduced on Tuesday. Despite the request of the Finance Minister for its immediate adoption, some members wanted time for considering it and, in deference to their wishes, the Speaker gave 24 hours for the House. On Wednesday 29th April, the House gave its consent to the Bill.

As a result, the Reserve Bank has now powers to issue special rupee notes of all denominations—including one-rupee notes which are the liability of the Government, a relic of the past—for circulation abroad. These notes, which will be distinguished from the existing notes by being printed in a different colour, will not be legal tender in India and can be exchanged for either local currency or sterling only at the Bombay Office of the Reserve Bank of India.

A time limit of six weeks has been given to holders of Indian currency in foreign countries to convert the existing notes into new notes. After this period, those foreigners who are still holding the current currency will have to remit them to the Reserve Bank of India and they will be given credit in local currency, which they can use for buying goods in this country.

The idea now is to issue a special type of notes for circulation in the Gulf area, limit the issue of these notes to the quantity now in actual circulation, make further issues, once the exchange is complete, only against payment in sterling and simultaneously stop the present facilities for the exchange of Indian currency tendered by banks in the Gulf area into sterling. While, under present arrangements, the liability to exchange returning currency for sterling is more or less unlimited, depending upon the currency smuggled out, in future, it will be limited only to the special notes replacing those now in circulation plus future issues against which sterling will be received.

The special notes will be a liability of the Issue Department of the Reserve Bank in the same way as the currency notes issued in India. Their issue will not involve any additional liability, because they will be exchanged for notes which are already in circulation and are, therefore, a liability already of the Issue Department. Future issue of notes against sterling will not involve any uncovered liability, because each rupee so issued will be covered by an equivalent receipt in sterling. In fine, the Reserve Bank of India will supply the notes required for circulation in the Persian Gulf area free of the cost of printing it.

So far as the present holders of Indian currency in the Persian Gulf are concerned, they will get new notes exchanged at par which will be their currency. The Reserve Bank will not issue existing notes in future for circulation in that area. Anyone who wants special notes will have to pay in sterling for them after the exchange is over.

The position in regard to the notes taken by Haj pilgrims is different. Indian notes do not circulate in Saudi Arabia as currency, because there is a Saudi Arabian currency which is the only legal tender there. Indian notes are only exchanged for local currency and those who collect them send the currency back to India for conversion into foreign exchange. Instead of allowing the pilgrims to take the normal currency for this purpose, it is proposed to issue special notes, so that, in future, India shall know how much of this currency has gone out. This will prevent ordinary notes smuggled out of the country getting transferred from the Persian Gulf to Saudi Arabia and returning to this country for exchange.

The Finance Minister disclosed in Parliament that the aforesaid step was taken only after consulting the rulers in the Persian Gulf area and the Bank of England. A period of six weeks' time for converting the existing notes into new notes was given, because the Government of India did not want to cause any inconvenience to those who were using the rupees as the medium of exchange. By agreeing to convert all the rupee currency notes that are held abroad either into sterling or into the new notes and by giving nearly a month and a half for this purpose, the Government of India has again demonstrated its determination to honour its external obligations to the full. As most of the rupee notes that are held abroad are mainly those that have been smuggled out of the country, the Government has a moral ground to refuse payment for them in sterling. The fact that it has not chosen to do so shows that it is anxious not to mar its reputation for financial integrity, even though the amount of foreign exchange it may have to lose in retiring these notes is expected to be anything between Rs. 30 crores and Rs. 50 crores, an amount which it can hardly afford now, with its foreign assets being only a little over Rs. 200 crores and with large import commitments which have already been made.

Some in this city are of the view that, in view of the acute shortage of foreign exchange, the Government of India should have blocked the currency notes in circulation abroad or exchanged them with the Governments of Persian Gulf countries for a 15- or 20-year long-dated loans carrying the current rate of interest for such loans, or allowed them to be used for payment against purchases of Indian goods over a period of three to five years. They feel that the Government of India has been unduly generous to the Persian Gulf countries which are undoubtedly richer than India and can surely afford to have such delayed payments. They do not think that these foreign holders of existing Indian currency will care very much for converting it into the special rupee notes; instead, they would elect to be paid in sterling. Accordingly, the demand for the new currency notes is not expected to be large. These notes, however, will be useful for another purpose, namely, for the small cash balance—at present it is Rs. 70 per person—which Indian residents going abroad are allowed to take in addition to their foreign exchange quota. Now that distinctly separate notes have been printed, there is surely no point in allowing the existing currency notes to be taken abroad.

Another comment that is heard is that the period of six weeks is too long and may encourage large-scale smuggling of rupee notes out of India to be returned in exchange for either sterling or the new notes. It is feared that smugglers will use this long interval to build up abroad a large pile of working capital which will be useful for keeping up their activities in India. The Government of India is aware of this possibility and has deliberately taken the risk for reasons mentioned above. The Finance Minister stated in Parliament that the Government would remain vigilant and try to prevent such smuggling. The fact that smugglers have always beaten the Government in this game does not inspire confidence in this statement.

Almost all are agreed that the step which the Government has taken will go a long way towards checking, though not completely stopping, the inflow of contraband gold. The military rule in Pakistan has so far led to a virtual cessation of the arrival of gold through West Pakistan. The shortage of currency in Goa and the strict police patrol on Goa's borders with India have also greatly reduced the scope for smuggling from that source. But these impediments may weaken, sooner or later, with prices of gold in this country being almost 100 per cent. above the world parity. A big difference of this nature offers an attractive margin of profit to smugglers. If, therefore, the Government had not taken the step to replace the existing currency notes abroad, it is quite possible that the quantity of gold brought into this country would have once again tended to increase.

In this context, the following data will give one an idea of the smuggling of gold that has taken place in recent years:

Between 1948 and 1956, Indian currency notes of the value of Rs. 117.5 crores were repatriated from the Persian Gulf area. In addition, the rupee balances of the banks in that area rose by Rs. 1.7 crore. In 1957, the net imports of Indian currency notes from this area amounted to Rs. 44.23 crores, of which Rs. 32.8 crores were exchanged into sterling. During the first three quarters of 1958, Rs. 33 crores in Indian currency were returned, of which Rs. 27.4 crores were exchanged into sterling. The bulk of the amount exchanged represents the value of gold and goods smuggled into the country with gold predominating.

It must be added here that smuggled gold is being paid for by other methods, too, such as unauthorised exports and foreign currency earned by underinvoicing of exports and overinvoicing of imports. These methods, though more difficult than taking currency notes out of the country and presenting them for payment in sterling through the banks in West Asia, are still available to smugglers and certain amount of contraband gold is, therefore, bound to find its way into India. Meanwhile, the price of spot gold in Bombay has broken all past records and is standing at Rs. 125.25 at the time of writing.

* * * *

The erstwhile President of the Congress Party, Mr. U. N. Dhebar, caused a flutter in the dovecots of the private sector in Bombay soon after we went to press last week, by discussing with some 20 economists a note on the implications of the socialist pattern of society. The discussions were held for two days, on Thursday and Saturday last. The note was fairly long, running into about 20 pages of foolscap size. It is not known who is the author of the note, but Mr. K. K. Shah, the President of the B.P.C.C., who arranged the meeting with the economists, described it in his invitation to them as that of Mr. Dhebar.

Although the note was supposed to be highly confidential, its contents came to be known to some of the leading industrialists and sharebrokers on Friday and caused considerable alarm among them, for its substance meant that, from the economic angle, the future pattern of the Congress Party's socialism would not materially differ from communism. Knowledgeable circles say that the note represents the quintessence of the discussions among the members of sub-committee of the Congress Party charged with the task of drafting the basic policy of the Third Plan. Mr. Dhebar is the Chairman of this Committee.

The main features of the aforesaid note are:

The scope for the private sector must be greatly reduced. Only a few lines of production should be left to it. Middlemen in all walks of life are to be eliminated. The ultimate objective is to have only three sectors, the public sector, the co-operative sector and the self-employed people. Employers will have no right either to recruit workers or to dismiss them; the State will take over that function. Banking is to be nationalised completely. As a counterpart to the ceiling on landholdings in rural areas, suitable measures shall be taken to limit the incomes in urban areas. The aim should be to see that everyone lives only by the sweat of his brow and not out of past savings.

Mr. Dhebar is said to have made it clear that the ideas contained in the note were meant only for discussion and did not constitute the final decision of the Congress Party. After the discussions on the second day, he took back the copies of the note from the invitees.

The most surprising thing about this development is that a top leader of the Congress Party should have presented a note for serious discussion containing such revolutionary ideas, which, if implemented, would mean the end of democracy in this country. It will be interesting to note that only three days before Mr. Dhebar's paper came up for discussion with the economists of Bombay, the Union Finance Minister, Mr. Morarji Desai, had rejected in the Lok Sabha the Communist Party's demand for nationalisation of banking as being unnecessary and unwarranted.

* * * *

Last week witnessed a fresh drain in the gold stocks of the U.S. of the value of $100 million. This is the sharpest fall in any week since September last and brings the total stocks down to $20,331 million, the lowest level in the last twelve years. The drain is attributed to the rise in gold prices in London which must have provided an incentive to foreign central banks to make their purchases in New York. The dollar price of gold in London has risen well above the U.S. selling price of $35·0875 per fine ounce. It is, therefore, cheaper for foreign central banks to convert the dollar or other fully convertible currencies into gold in New York. These purchases are presumed to have been financed partly through net sales of U.S. Treasury securities of the value of $60 million.

The loss of $100 million in the week ended 22nd April has come as a surprise after a period

(*Continued on page 755*)

BULLISH TONE BACK IN SHARES

TEXTILES IN FAVOUR

(From Our Own Correspondents)

BOMBAY, *30th April*

THE share market ruled steady during the week under review, with a general improvement in prices. The mild recovery which set in at the close of the previous week, following the Finance Minister's assurance in the Lok Sabha that he would look into the demand for reducing the rigour of the new system of corporate taxation, gathered some more momentum this week. In fact, some counters in the textile and sugar groups, shipping and miscellaneous sections were in the limelight and the rise in prices of these scrips was quite marked. Steel shares, however, were in the background, evidently due to fear of heavy delivery by a leading operator in the current settlement. The general undertone at the close was bright.

In the steel section, Tata Ordinaries shaded off early in the week from Rs. 180.50 to Rs. 178.75; later they moved up erratically to touch Rs. 182 today and closed at Rs. 181.75. The new shares were marked up over the week from Rs. 178.25 to Rs. 179.75. Indian Irons also moved irregularly between Rs. 24.50 and Rs. 24 before closing at Rs. 24.32, the rise over the week being no more than 12 nP.

Textile shares were conspicuous with smart rises in several counters on good support, following reports that stocks with mills had declined and that the offtake of cloth in the domestic market had improved. though the performance on the export front was not encouraging. Bombay Dyeings rose from Rs. 60.80 to Rs. 62.70 before closing at Rs. 62.50. The rise in Centurys was, however, less marked than in the previous week, having put on no more than Rs. 4 to Rs. 511.50, as against an increase of Rs. 19.25 in the previous week. Kohinoors provided an exception to the general trend with a drop of Rs. 2 to Rs. 258.50. Central Indias recorded an improvement of Rs. 9 to Rs. 104. Finlays jumped up from Rs. 271 to Rs. 283. Gokaks gained Rs. 16 to close at Rs. 159, following the Chairman's statement that the working of the mills in the first three months of the current year had shown better results than in the corresponding period of 1958. He also stated that the Company's rehabilitation plan carried out in recent years was beginning to yield benefit and that the outlook depended upon the supply of adequate power.

Bank shares were featureless again, despite reports that the Life Insurance Corporation had placed orders for buying some of them. Barodas gained a fraction to Rs. 106, while Central Banks were quiet with a drop of 60 nP to Rs. 56.60 and of 70 nP to Rs. 58.30 in their new shares. Bank of Indias were just steady at Rs. 136, while United Commercials shed 30 nP to Rs. 65.70.

On expectations of better price realisations for sugar in the current season, due to lower production and very good demand, sugar shares were keenly bid. Belapurs staged a sharp rise from Rs. 290 to Rs. 309, Phaltans from Rs. 154 to Rs. 167 and Walchandnagars from Rs. 297.50 to Rs. 322.50. Following the assurance by the Chairman (Mr. M. L. Dahanukar) that the shareholders' request for the issue of bonus shares would be considered after ascertaining the views of legal advisers and tax consultants, Maharashtra Sugars shot up by Rs. 26 to Rs. 226. The Company would shortly apply to the Stock Exchange for enlistment of its shares on the forward list.

Cement shares were dull and changes in prices were fractional. Associated Cements moved between Rs. 150 and Rs. 148.50 before closing at Rs. 149.75. Digvijays closed with a loss of Rs. 2.50 over the week at Rs. 144.50. Orissa Cements also lost a fraction to Rs. 14.20. Ashoka Cements changed hands 20 nP lower at Rs. 9.12 and Jaipur Udyogs 28 nP down at Rs. 10.88.

In the engineering and mining group. Alcocks were in favour and rose by Rs. 10 to Rs. 280. Narrow fluctuations marked trading in Tata Locomotives. After moving between Rs. 194.50 and Rs. 190, the shares closed at Rs. 192, with a fractional loss over the week. Premier Constructions were again conspicuous with a rise of Rs. 11.50 to Rs. 307, bringing the aggregate increase in the last two weeks to Rs. 42. At a meeting of the management of the Company and the shareholders' representatives, held on Monday this week, the latter are reported to have suggested the issue of bonus shares in the ratio of one share for every two ordinary shares held, while implementing the scheme of converting the promoters' shares into ordinary shares. They also made a suggestion to increase further the paid-up capital of the Company by a fresh issue of shares at par in the ratio of 1 : 6. The management is said to have agreed to place the proposals before the Board of Directors. Larsen and Toubros gathered 84 nP to Rs. 23.96, while Mahindra and Mahindras shed 24 nP to Rs. 24.76 and their new shares 16 nP to Rs. 21.32. Kirloskar Oil Engines were well maintained at Rs. 20, while Mysore Kirloskars shot up to Rs. 132.50 from Rs. 120, at which the last business was done. The decision of the Directors of Shivrajpur Syndicate to repeat the distribution for the year ended 30th November 1958 at Rs. 8, made up of a dividend of Rs. 5 and a cash bonus of Rs. 3 per share, did not result in a setback in Shivrajpurs. The shares were quietly steady at Rs. 103.50. Indian Coppers were unchanged at Rs. 4.28.

Shipping shares were in demand, following reports of a rising trend in tramp freight rates. Scindias staged a recovery from Rs. 17.68 to Rs. 18.32. The rise in Great Easterns was more marked, having gone up from Rs. 21.20 to Rs. 23.16. Their new shares gained by 80 nP to Rs. 16.32. Bharat Lines were steady at Rs. 12.92. In the automobile group, while Hindustan Motors were only a shade better at Rs. 9.06, Premier Automobiles advanced by Rs. 5.50 to Rs. 122.

In the miscellaneous section, Bombay Burmahs (old) rallied from Rs. 503 to Rs. 520.50 and their partly-paid shares by Rs. 2.50 to Rs. 177.50. National Rayons were conspicuously dull, moving between Rs. 291.25 and Rs. 286. The closing was done at Rs. 290.25. Gwalior Rayons were in demand and rose by Re. 1.04 to Rs. 18.16. Tata Chemicals gained 24 nP to Rs. 16.64, Dhrangadhra Chemicals Rs. 13 to Rs. 119 and Polychem Re. 1.50 to Rs. 85.50. Tata Oils shot up by Rs. 4.50 to Rs. 53 on expectations of higher dividend. Voltas were a feature with a rise of Rs. 8.25 to Rs. 167.50. Indian Dyestuffs advanced from Rs. 505 to Rs. 850 before closing at Rs. 775. Killick Industries were done Rs. 2 lower at Rs. 138, while W. H. Bradys changed hands Rs. 10 higher at Rs. 315. Wimcos were steady at Rs. 213.

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Calcutta Stock Exchange

CALCUTTA, *28th April*

Earlier in the week under review on the Calcutta Stock Exchange, the lower levels, which had been touched in the last two weeks, invited sufficient buying interest, and, led by jute shares, fair gains were recorded in most sections. However, this support was not sustained, and in the profit-taking that followed the gains were reduced. In the result, there was a marked shrinkage in the volume of business suggesting paucity of buyers. The earlier support was mostly from speculators, who understandably enough attempted to prevent a major shake-up, in view of their large holdings acquired when the going was good and assuming that the bull phase would take prices further higher. There was no doubt that the genuine investor was hiding, as judging by corporate results and yield considerations, present levels on the Exchange are considered rather too high by him. The Prime Minister's call of more attention and importance to the public sector, which he said was more competent and economical than the much-maligned private sector, it was thought, would lengthen the holiday which the genuine investor has imposed upon himself. It was noted that Mr. Nehru's declaration that the progress of the Government sector could not be determined by the yardstick of output cost followed a somewhat contrary assertion by the Steel Minister, Sardar Swaran Singh, who thought that the operational cost per ton of Government steel would be lower than the private sector's. Added to these factors, the growing anxiety over the deteriorating Indo-Chinese and Indo-Pakistani relations acted as a chilling influence. Further, market men, noting the Finance Minister's statement in Parliament that corporate profits would be taxed at the rate of 45 per cent. from 1960-61 initially, thought that the tax burden might be heavier than at present. There is the fear in the market that equities are overvalued now even after taking growth prospects into consideration.

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Madras Stock Exchange

MADRAS, *28th April*

A distinctly firm trend was in evidence on the Madras Stock Exchange during the week under review and several scrips registered further handsome gains. The bullish sentiment was strengthened principally by the Union Finance Minister's assurance to consider the revised scheme of corporate taxation and provide relief where needed. In particular, his statement that he would consider the question of giving tax concession in respect of dividends declared out of past reserves, as also the matter of subsidiary companies or intermediary concerns, was noted with considerable satisfaction.

The textile section ruled active, on reports that domestic consumption was rising and offtake by overseas countries was better. Coffee shares elicited excellent support, thanks to expectations of better return from investment. The expectations followed Mr. Lal Bahadur Shastri's disclosure at Bhagalpur this week that, in order to simplify tax collection and to boost coffee exports, the Union Government was considering the question of replacing sales tax on the commodity by a Central excise duty. Traders are keenly awaiting the blossom estimates for the season; this is expected to be available shortly. Tea shares also attracted good attention induced by persistently firm trend of tea prices. Rubber shares, too, were well favoured. Quite a number of scrips in the sugar and miscellaneous sections edged forward on hopes of better working results.

There was good buying in textiles. Lakshmis rallied from Rs. 114 to Rs. 126, 'A' shares being done Rs. 5.50 higher at Rs. 61.50. Ramakrishnas jumped up by Rs. 10 to Rs. 175. Buckinghams spurted by Rs. 8 to Rs. 185 *cum-div.* (final). Coimbatore Spinnings hardened by a like amount to Rs. 63. Coimbatore Cottons and Rayalaseemas rose by Rs. 7 each to Rs. 142 and Rs. 121 *cum-div.*, respectively. Ranga Vilas put on Rs. 6 to Rs. 59 and Dhanalakshmis Rs. 5 to Rs. 190. Sivanandhas gathered Rs. 4 to Rs. 17 *cum-div.* The Directors of the Company have declared a dividend of 15 per cent. for the year 1958, same as in the previous year. Vijayakumars gained Rs. 3 to Rs. 102, Premiers Rs. 2 to Rs. 152, Bangalore Woollens Re. 1.50 to Rs. 170 *cum-div.* (final), and Rajalakshmis Re. 1 to Rs. 71. Anglo-Frenchs were done at Rs. 79 *cum-div.* The Directors have maintained the dividend for 1958 at the 1957 level of 6 per cent.

Values of planting scrips recorded an improvement. The following are today's closing rates for a few scrips, the figures in brackets showing the net gains over the week:

Coffee: Consolidated Coffee Rs. 22.35 (+Re. 1.10); Coffee Lands Rs. 23.70 (+33 nP); Kumargode Rs. 5.85 (+10 nP); Mysore Coffee Rs. 4 (+15 nP); Savamalai Rs. 4.08 (+18 nP); Panchura Rs. 4.62 (+32 nP).

Tea; United Nilgiri Rs. 19.75 (+20 nP); Stanes Amalgamated Rs. 15.50 (+40 nP); Peermade Rs. 20.25 cum-div. (+25 nP); Parkside Rs. 22.35 *cum-div.* (+25. nP); Nonsuch Rs. 27.30 *ex-div.* (+10 nP); Emerald Valley Rs. 8.25 (+13 nP).

Rubber; Vaikundam Rs. 26 *ex-div.* (+Rs. 2); T.R.T. and Co. Rs. 7.95 *cum-div.* (+60 nP); Inland Rs. 12.80 (+30 nP); Cochin Malabar Rs. 6.25 (+13 nP); Nilambur Rs. 15.85 (+10 nP). The Nilambur Rubber Company has sold and handed over the Munderi estate belonging to it to the Athimattam Rubber Company Ltd.

In the sugar and breweries group, United Breweries continued to provide the brightest spot, the quotation forging ahead from Rs. 350 to Rs. 400, to Rs. 92.50. E.I.Ds moved up by Re. 1.75 to Rs. 37.75. Deccans advanced by 55 nP to Rs. 11.75, Cauverys by 50 nP to Rs. 108 and Travancores by 20 nP to Rs. 11.95.

Among miscellaneous industrials, Textools strengthened by Rs. 4 to Rs. 185. A. V. Thomas recorded a rise of Re. 1.25 to Rs. 17. W.I. Plywoods picked up a rupee to Rs. 158. Standard Motors and Mysore Tobaccos both increased by 75 nP to Rs. 14. Mysore Chemicals and Fertilisers improved by 66 nP to Rs. 10.06, National Rubber Manufactures by 47 nP to Rs. 17.12, Aluminium Industries by 25 nP to Rs. 19.35 and India Cements by 20 nP to Rs. 5.95. Mettur Chemicals hardened by 15 nP to Rs. 13-10. The Company has obtained official sanction for raising the plant capacity from 20 tons to 40 tons of caustic soda per day and a corresponding rise in the production of chlorine to 35 at Rs. 80 lakhs which is proposed to be found by issuing second mortgage debentures for Rs. 50 lakhs and offering to existing shareholders equity shares for Rs. 39.5 lakhs out of the authorised capital of Rs. 1 crore, at a later date.

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The following are the views of Messrs. Maconochie & Co. on the state of share markets:

"Now that hopes of changes in direct taxes in the corporate sector have been set at naught by the Finance Minister himself, what will be the pattern of markets in the coming months? Many factors influence market movements and some of them are even extraneous. By and large, equity prices are determined by the yields obtainable on them and the prospects of capital appreciation. The post-Budget rise has almost fully blunted both these attractions and, if prices rise further, it can only be due to the inflation psychology that predominates. For the investor, however, safety of capital and a reasonable return are indispensable considerations. It would be dangerous for him to don the mantle of the speculator, however pleasing and profitable it might be in the short run. The recent structural changes in company taxation is such that, in a majority of cases, the total dividend income will be less than hitherto. During the Budget debate, in trying to justify the changes, the Finance Minister has admitted that a little more revenue might accrue to Government under the new proposals. This is only one aspect of the matter. The other aspect is the effect of the changes on the capacity of the companies to pay dividends and the total return to shareholders. It is now fairly clear that, apart from there being no reduction in the tax burden on companies, their ways and means position will become more stringent, by the compulsory payment of 50 per cent. tax at source on dividends and also by the gross-ing-up of tax-free preference dividends, these burdens being in addition to the 45 per cent. tax that they have to pay Government and that is now wholly retained by the Government.

"From the shareholders' point of view, as we have already stated, the tax-free character of all dividends has been taken away and, further, they will be receiving in their hands only 70 per cent. of the dividends declared by the companies, the balance 30 per cent. being deposited with Government and which can only be obtained by submitting a tax return. Unless the dividends are stepped up substantially, which is not within the means of many companies, the total return to shareholders will be lower. Therefore, at current levels, very few shares can be said to offer a reasonable return, coupled with safety of capital. The post-Budget boom has been due largely to psychological factors. Even the argument that equities are a hedge against inflation seems to be well-nigh overworked. In the last few days, there has been a perceptible cooling off of fervour. A good corrective reaction will give markets the necessary stability."

NEWS IN BRIEF

THE Lok Sabha passed on 24th April the Bill to repeal the Coal Grading Board Act of 1925 and to dissolve the Coal Grading Board.

The proposed World Agricultural Fair will be held at New Delhi from 11th December 1959 to 14th February 1960. The Fair is being organised by the *Bharat Krishik Samaj*.

The Madras Government has decided to carry out a survey of the different categories of land in the State with a view to serving as the basis for the proposed land reforms.

Central food officials have started requisitioning 40 per cent. of the stocks of rice held by millers in the coastal districts of Andhra Pradesh where controlled ceiling prices have been fixed.

The Union Ministry of Commerce and Industry has constituted a seven-man *ad hoc* committee, with headquarters at Ludhiana, to look into the problems faced by the export sector of the woollen hosiery industry and to recommend practical measures for boosting exports.

A phased programme to convert 16,000 credit and 30 co-operative societies into service co-operatives in the next three years is being drawn up by the Punjab Government. To begin with, 450 of the large-sized societies in the State will be converted into service co-operative in 1959-60.

Members of Parliament will meet the General Managers of the eight zonal railways in the country to discuss local problems at a series of meetings which will be held at New Delhi from the 4th inst. under the chairmanship of the Railway Minister.

In order to simplify tax collection and to boost exports, the Government of India is considering the question of replacing States' sales tax on coffee by a Central excise duty, according to Mr. Lal Bahadur Shastri. The other commodities for which sales tax is proposed to be replaced by a Central excise duty are vegetable oils, kerosene and iron and steel.

The total sales of Small Savings Securities during 1958-59 increased by Rs. 8 crores over those in the previous year, to a little over Rs. 78 crores, as against nearly Rs. 70 crores in 1957-58. Bombay State again leads with a total of more than Rs. 21.63 crores, West Bengal and Uttar Pradesh coming next with Rs. 8 crores and Rs. 7 crores, respectively.

Final negotiations are going on between the Governments of India and Russia on the establishment of the proposed oil refinery at Barauni in Bihar State, according to Mr. K. D. Malaviya. The terms offered by Russia appear to be more favourable to India than those offered by other countries with which preliminary negotiations were carried on.

The Government of India proposes to send under the T.C.M. Programme 150 teachers of engineering and technological institutions to the U.S. for post-graduate studies and research in American universities and research institutions. The period of training abroad will be about two years and the selected candidates will be required to leave this country so as to be in the U.S. in time for the September 1959 session.

The Union Government proposes to hold further talks with the Associated Chambers of Commerce and the Indian Tea Association to frame a programme for progressive Indianisation of foreign-controlled firms in the next three to five years. Revealing this in the Lok Sabha recently, Mr. Manubhai Shah said that the talks would be held during the current year when the agreement with foreign firms was to end.

The Central Government has agreed to take over the Model Textile Mill, Nagpur, and to entrust its management to the Government of Bombay. Meanwhile, the Centre has ordered an inquiry into the affairs of the Mill. The investigation body consists of Messrs. D. C. Kothari (Chairman), Navnitlal M. Choksi and R. G. Chandorkar (Member-Secretary).

Draft rules providing for rebate on export of customs and Central excise duties paid on imported and indigenously rolled sections of steel used in the manufacture of enamelware, fabricated steel structurals, steel ghameles, rat traps, watering can and tinplate washers have been published in the *Gazette of India*. The rate of rebate will be Rs. 60 per ton of tinplate content in respect of tinplate washers and Rs. 50 per ton of steel content in respect of other steel items.

In a written reply, Sardar Surjit Singh Majithia stated in the Lok Sabha last week that the assembly of trucks in ordnance factories with a proportion of indigenously manufactured components was scheduled to begin in May-June this year. The manufacture of certain components and parts and plants for progressive production began in January-February and it is expected that the indigenous content in these vehicles by the end of this year will not be less than 30 per cent.

A meeting of all those interested in tobacco, convened by the Union Minister for Civil Expenditure, will be held at New Delhi on the 8th inst. It is said that the meeting will consider, among other matters, the question of equitable distribution of export rights in respect of tobacco by the State Trading Corporation. It will also discuss the possibilities of setting up a new cigarette factory in Andhra Pradesh (State Government-controlled).

About 15,000 bales of raw jute have been shipped from Calcutta port till 21st April, according to the Jute Balers' Association, Calcutta. India resumed jute exports—after a lapse of 10 years—on 4th April when the first consignment of 1,000 bales was shipped out. Sales of raw jute for export purposes began in December last year and by the end of February aggregated 5,000 tons valued at about £400,000. Actual shipping out, however, began only on 4th April.

Higher basic wage and dearness allowance for the 11,000 workers employed in the 29 new mills in Coimbatore district with retrospective effect from the beginning of this year (1959) have been awarded by the Industrial Tribunal, Madras. Accordingly, an unskilled worker will get Rs. 26 as basic wage and 1½ anna per point of cost of living index as dearness allowance in the first working year of the mill. The basic wage and rate of dearness allowance in the next three years will be: second year Rs. 27 and As. 2; third year Rs. 29 and As. 2½; fourth year Rs. 30-1 and As. 3.

The Government of India is considering a proposal not to allow the opening of any more oil mills, but no curb will be placed on the working of the mills which are operating at present. This was disclosed by Mr. Lal Bahadur Shastri while inaugurating the All-India *Telghani* (village oil industry) Conference at Bhagalpur last week-end. Mr. Shastri agreed to the suggestion made at the conference for issuing import licences for copra from Ceylon and giving financial help to *telghani* co-operatives. He also endorsed the suggestion of the President for organising district and State federations of oilmen's co-operatives for arranging necessary finance.

The Ford Foundation Team on agricultural production has recommended a target of 110 million tons of foodgrains for the third Five-year Plan. The Team, it will be recalled, came to India in January at the invitation of the Government of India and conducted a ten-week study tour of the country. The Team has suggested, among others, a public works programme for increasing food production and village employment, fuller use of manures and fertilisers, intensification of irrigation and drainage programmes, and provision of immediate large-scale credit through co-operatives. According to the Team, India's population is expected to reach 480 million by the end of the Third Plan. If the increase in food production is not faster than the present rate, there will be a gap of 28 million tons between supplies and needs; this would be a shortfall of about 25 per cent. in terms of need.

In order to meet the increasing need for technical personnel, the Training Centre attached to the Hindustan Machine Tools Factory at Bangalore will admit 240 candidates every year for being trained as precision tool makers, highly skilled machine operators, etc. The Centre was set up and equipped to provide skilled labour and technical personnel required by the Factory for the production of precision lathes and other machine tools. As the Factory has now reached full production and its requirements of trained personnel have been met almost fully, the Government of India set up a Committee with Dr. Kalelkar, Senior Industrial Adviser (Engineering), Ministry of Commerce and Industry, as convener, to examine the ways in which the facilities available at the Centre could be utilised to meet the increasing need for trained personnel, especially in the engineering and machine tools industries in the private as well as public sectors. The Government has accepted the recommendations of the Committee and proposes to run the Centre as a separate unit with a Board of Control. The day-to-day management of the Centre will, however, be entrusted to the Hindustan Machine Tools.

The Inland Water Transport Committee has submitted to the Government of India an interim report in which it has expressed the view that the so-called master plan to connect the various rivers in India to facilitate inland navigation is at present beyond the range of practical politics; the plan was prepared by the Central Water and Power Commission. In support of its view, the Committee says: "Conditions have radically altered since the time when Sir Arthur Cotton envisaged these ideas in a. 1874. Withdrawals of water for irrigation have considerably affected the navigability of the main rivers during the last century. The demand for increased food production will inevitably further affect navigation. But, even otherwise, it would be impossible to find adequate water on the Central India plateau to fill up any canals whether from east to west or north to south, at least during six months every year. Moreover, the country has now been covered by a network of railways and roads, and it is improbable that any considerably long-distance traffic would be available by the slower navigation route when railways and road transport are available to cope more expeditiously with such traffic."

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From Abroad

Denmark has agreed to a new Japanese plan for controlling textile exports to that country.

The Federal Legislative Assembly of Singapore has passed a Bill making it impossible for communists to subvert trade unions.

Arrangements are being made for the second International Wool Textile Research Conference to be held at Harrogate, U.K., in May 1960, according to the British Textile Institute.

Britain was building 22.49 per cent. of the world's gross tonnage of ships under construction in the first quarter of this year, states Lloyd's *Register of Shipping*. World tonnage under construction aggregated just over 10,000,000.

PERSONAL

MR. Ahmed Hassan Elfeky has been appointed Ambassador Extraordinary and Plenipotentiary of the United Arab Republic to India in place of Mr. Omar Abou-Richeh who has been recalled.

Mr. Arthur S. Lall, until recently India's Permanent Representative at the U.N. Headquarters, has been appointed Ambassador of India to Austria. He will take charge of the office in July.

Mr. Chinubhai Kilachand, Managing Director of Premier Automobiles Ltd., has been re-elected Chairman of the Indian Society of Advertisers. Mr. D. A. Orr, Vice-Chairman of Hindustan Lever Ltd., has been elected Vice-Chairman of the Society and Chairman of the Managing Committee.

Mr. J. A. Moore has been appointed Finance Director, the Dunlop Rubber Company (India) Ltd., *vice* Mr. A. W. Gillespie who has retired after 24 years' service with the Company in India. Mr. Gillespie joined the U.K. Dunlop organisation in 1929 and came to India in 1955 as Secretary and Chief Accountant of the Indian Company and became a director in 1957.

A Boeing 707 jet airliner recently made its first appearance in B.O.A.C.'s colours at the makers' factory in Renton, Washington, U.S. It is the first of a fleet of fifteen 707s, which, equipped with Rolls Royce Conway by-pass jet engines, will be delivered to B.O.A.C. from the end of 1959 onwards.

A seven-member Pakistan trade delegation left Karachi this week on a tour of eight South-East Asian countries (Burma, Thailand, Malaya, Singapore, Philippines, Hong Kong, Indonesia and Ceylon), with a view to exploring possibilities of expanding Pakistani exports to these countries. The delegation is headed by the Joint Secretary to the Ministry of Commerce.

The Royal Dutch Shell Oil group has secured a bid worth over £100 million for control of the Canadian Eagle Oil Company. As a result of the bid, the interests of the two companies will be completely amalgamated. The Shell group already refines much of the crude oil from Canadian Eagle's wells in Venezuela and Columbia and also distributes its petroleum products in the U.K.

In the first three months of 1959, B.O.A.C. carried 54 per cent. more passengers on North Atlantic services than in the same period of 1958. The average increase for all airlines is only 24 per cent. B.O.A.C. not only carried more trans-Atlantic passengers than any non-American airline, but recently overtook one of the leading U.S. airlines to become the second biggest trans-Atlantic carrier.

Every third member of the West German's working population is a woman. A recent poll revealed that every third working woman works in her own enterprise or in the family undertaking mainly in agriculture. Almost one third of all women work to pep up the family's monthly income, 19 in 100 work to buy furniture for their flat or for building a house for the family. Six in 100 want to help purchase a car or finance a TV set or a journey abroad.

A recent Press report from New York says that work is already well advanced on research into problems which are to be faced in the construction of a supersonic airliner. The Lockhead Aviation Corporation has now spent over $1 million on design and wind tunnel tests of models of such an aircraft. The new aircraft is claimed to be capable of flying at a speed of nine 2,000 miles an hour at heights of 70,000 to 80,000 feet, twice the operational ceiling of the current subsonic jets in commercial production.

One of the world's fastest plastic bottle-blowing machines will make its European debut at the International Plastics Exhibition, Olympia, in June. In addition to an almost unlimited range of bottles and containers, it can produce a variety of hollow plastic articles, ranging from toys and electrical fittings to bowling balls and pins for the new American-style alleys soon to be opened in Britain. The machine made in Denmark can turn out these products in various types of plastic materials, including nylon, p.v.c., acetate and polythene.

Twenty big U.S. and Canadian oil companies have rushed to the Canadian Arctic with a view to exploring oil supplies from beneath the Polar Ice. Prospecting rights over 76 million acres have been sought, following indications that dozens of ice-covered islands 200 miles from the Pole may provide entry for boreholes into a huge untapped oilfield. The voyage of a U.S. submarine, *Nautilus*, under the Polar ice cap inspired the idea of giant submarine tankers, and the Canadian Government is now reported to be studying a British engineer's plan for 50,000-100,000-ton tankers. An under-ice pipeline is also mooted.

Britain is rapidly reaching self-sufficiency in the production of plastic materials. This was stated by the Chairman of the British Plastics Federation, Mr. N. B. Punfield, on 22nd April in

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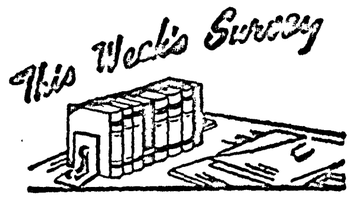

PUBLIC *VERSUS* PRIVATE SECTOR

THERE is a school of thought in this country which maintains that men in the private sector should not criticise the public sector. It is not suggested that there are no grounds for criticism. But it is held that such criticism keeps alive a controversy which is best avoided in the National interest. We have never subscribed to the view that the two sectors should either develop into a mutual admiration society or that each should adopt towards the other an attitude of cold indifference or sphinx-like silence. That way lies danger, for faults in either sector may fail to get exposed to the sunshine of public criticism and thereby develop into a festering sore in the body-economic. From this point of view, we welcome Mr. Nehru's assertion that the public sector, despite the errors it made, was "far superior to the private sector." Although this is a tall claim, we welcome it in the hope that, in future at least, the various undertakings in the public sector will work in such a way as to justify it. Presiding over the annual meeting of the Institute of Public Administration, held last week at New Delhi, Mr. Nehru said: "My firm opinion, gathered after some knowledge, is that the public sector today is infinitely superior to the private sector—superior in economy, efficiency and general outlook."

The statement is not very characteristic of Mr. Nehru, for he generally hedges his statements with certain reservations and qualifying clauses. But this time, he has entered the fray without any safeguard, having gone on record by asserting that the public sector was "far superior" to the private sector in "economy, efficiency and general outlook." Leaving aside the "general outlook" consideration, which cannot be defined, it is a moot point whether the public sector is invariably more efficient than the private sector. Clearly, the levels of efficiency in the two sectors are not strictly comparable, for the public sector generally operates under monopolistic conditions which leave no norms for comparisons, whereas the private sector, working under competitive conditions, has necessarily to strive hard in order to exist.

In any case, the innumerable verdicts given by the Public Accounts Committee, the Audit Officers, and the Estimates Committee do not generally bear out this unqualified claim made for the public sector by Mr. Nehru. The latest instance of a public project which has come in for serious criticism is that of the working of mints. The Estimates Committee, in its report on Mints, has made certain observations which deserve notice. Minting, as is well known, is an exclusive monopoly of the Government in all parts of the world, though, judging by the existence of counterfeit coins that cannot be easily detected, it will appear that there are elements capable of challenging the standard of Governmental efficiency in minting operations. Be that as it may, the Estimates Committee observes that there is no central coordinating and controlling authority in charge of the working of the mints, with the result that there is no uniformity among them even in matters like the system of maintaining accounts.

The Committee, in the course of its reference to the silver refinery project, which the Government wanted to establish in order to extract silver from quaternary alloy coins (with 50 per cent. silver content) and redeem wartime obligations to the U.S., remarks:

"The Committee observe that the purpose for which the Silver Refinery Project was conceived was not served by it, as the Government of India have already repaid the silver debt. The refinery which was planned to have been commissioned in 1951 has not gone into operation yet. There have been a series of unfortunate delays at every stage of the project. The consultants were appointed two years after the approval of the scheme. It took approximately another three years to call tenders and enter into a contract. Another 5½ years elapsed in the erection and commissioning of the plant. In all, a period of about 11 years has passed, since the scheme was originally approved. The trial commissioning of the plant was expected to commence in February 1959 and full production three months thereafter. However, on account of serious damage to one of the melting furnaces in a recent accident, the date of commissioning of the plant might be further affected."

The Committee says that it cannot help feeling that the planning, including location and execution of the entire scheme of the project, was not undertaken with the care it deserved. It wonders "whether, in view of the subsequent developments, the expenditure on the project was at all necessary."

Further, the Committee regrets—and this is very significant—that the design, etc., of the brass two-anna coins, which were counterfeited on a large scale, were such that it did not make counterfeiting difficult. The Committee suggests that proper investigations should be made into the nature of counterfeit coins as well as the methods employed by counterfeiters.

This is by no means a flattering verdict on what is universally conceded as the exclusive monopoly of the Government, namely, minting operations—a monopoly which the Government has exercised for so long that it might reasonably be expected to have attained high standards "in economy, efficiency and general outlook." While we have never been a party to unqualified criticism of the public sector, nor to uncritical admiration of the private sector, we are naturally unable to subscribe to the view that all is right with the public sector or that it is always more efficient than the private sector.

NOTIFICATION OF VACANCIES

Nothing is better calculated to discredit a law, a custom or an understanding in the eyes of the public than their open violation by the very sources which sponsor them. While the Union Ministry of Labour deserves credit for initiating measures and establishing precedents and practices which have exercised a healthy and restraining influence on the climate of industrial relations in India, certain of its actions and methods, it is sad to record, have cut at the root of the policy it seeks to further and the spirit it wishes to foster. To this class belongs the Bill introduced in the Lok Sabha on the 24th April for the compulsory notification of vacancies in both public and private undertakings in the country to the employment exchanges and for punishing employers for not doing so. It is not so much the objects and reasons of the Bill (which, incidentally, seems to have been kept as a closely guarded secret) that are reprehensible as the way in which the Ministry has gone about the business of framing the Bill. We learn that the Labour Ministry, which cries hoarse on the need for mutual consultation and negotiation for settling differences, has not even cared to consult the employers who are directly affected by the punitive provisions of the Bill. It passes one's comprehension as to what considerations proded the Government to seek to press the Bill through the current session of Parliament with a haste worthy of a more urgent cause. It may be noted that a tripartite conference is scheduled to be held some time in July and one cannot understand why the issue could not have awaited consideration till that time.

Be that as it may, under the Bill, employers will have to furnish returns regarding the vacancies that occur or are likely to occur from time to time to the exchanges concerned. It confers on the Government the right to inspect the relevant records or document in the possession of any employer at any time and place, take copies of them and elicit further information from the employers concerned. Failure on the part of employers to comply with the directions of the inspecting official will make them liable to a fine of Rs. 500 in the first instance and fines extending to Rs. 1,000 for every subsequent offence.

The Bill provides for the exemptions of certain types of employment. Vacancies concerning employment in agriculture other than employment as agricultural or farm machinery operatives, domestic service, unskilled office work and casual employment the duration of which does not exceed three months, are excluded from the scope of the Bill. It will also not apply, unless directed otherwise, to vacancies proposed to be filled through promotion or absorption of surplus staff of any branch or department of the same establishment or on the result of any examination conducted or interview held by or on the recommendation of any independent agency like the Union Public Service Commission. Vacancies for jobs carrying a remuneration of less than Rs. 60 per month are also excluded.

A redeeming feature of the Bill is that it does not impose on the employer the obligation to recruit any person through the employment exchange to fill any vacancy merely because that vacancy has been notified.

What is the purpose behind the Bill? Is it merely to assess the present and future employment potential? Or is it to ensure that no vacancy is filled up without the knowledge of the Government? If, however, employers are by no means bound to recruit any person through the employment exchanges, what is the purpose in compelling them to notify the vacancies? If the object is only to collect data to judge employment trends, can it not be achieved through the voluntary co-operation of employers? In the absence of the text of the Bill and its objects and reasons, we are unable to answer these posers.

TOURISM

Since the time when that venerable Venetian traveller, Marco Polo, journeyed to distant Cathay, the art of travelling has changed profoundly both in method and purpose. We now have not traveller but tourists 'doing' the entire globe in a few days in jet aircrafts and luxury liners, not mainly for learning the customs, language and ways of life of the people but just for the pleasure and fun of enjoying a change of climate and surroundings. There may be many who will regret, with Mr. Nehru, that travelling has lost much of its ancient romance. The modern tourist cannot in any way bear comparison with a Marco Polo, Hiuen Tsang or an Afanasi Nikitin in his powers of observation and analysis, but even unthinking and unperceptive travellers, as Mr. Nehru pointed out in his address to the eighth annual convention of the Travel Agents' Association of India held at Mussoorie on the 24th inst., help to bridge the gulf between nations and communities.

There is another aspect of travel which none of the ancient patriarchs of this tribe could ever have dreamt of. They would certainly not have imagined that such a pleasurable pastime could ever give rise to so lucrative a trade as modern tourism. Even to a country like India, where tourism has yet to develop into a full-fledged business, the foreign exchange earnings from this invisible export during last year amounted to nearly Rs. 20 crores. The tourist trade thus became one of the first ten foreign exchange earners. And, if properly cultivated and encouraged, it can contribute even bigger amounts in the years to come. Apart from its value as a unifier of nations and peoples, even from the point of view of immediate material benefits, tourist trade thus deserves top priority.

Although India still holds out many attractions to the tourist, the annual inflow of foreign visitors to this country is still a trickle, as compared with the performance of other countries in this business and what it ought to have been if adequate and conscious efforts were made to stimulate tourist traffic. Irksome customs formalities, lack of adequate transport facilities and suitable and sufficient hotel accommodation, restrictions on consumption of alcohol in hotels, restaurants and other places visited by the tourist, all have acted as impediments to tourist traffic.

There is, as already stated, much scope for developing tourism. According to Mr. K. G. Khanna, President of the Travel Agents' Association of India, this country could earn as much as Rs. 50 crores a year in another five years, provided necessary facilities are created. Among the Asian countries, Japan has done much in recent times to attract the tourist and the results of these efforts have already started materialising. Mr. Khanna, therefore, pleaded for greater Government encouragement to the travel agency business which, he said, could contribute much to the development of tourism in the country. Mr. Khanna listed three factors which had stunted the growth of the travel agency business. They are: (1) foreign exchange restrictions on travel and greatly reduced two-way traffic; (2) reduction by the railways of the agent's commission from 5 to 3¾ per cent.; and (3) prohibition of Government departments from dealing with travel agencies. Since a large percentage of travel was on Government account the travel agents' income was sharply reduced. Mr. Khanna hoped that the restrictions imposed on travel due to the acute foreign exchange shortage would be removed at the earliest. Such restrictions, he stated, encouraged irregularities and did not result in any real savings.

There seems to be considerable force in this argument, for, according to knowledgeable sources, despite the reduction in the quota of foreign exchange for travel abroad, there has been no significant fall in the number of persons going abroad. They somehow manage to find

the foreign exchange in foreign countries. It would be wise, therefore, to liberalise this restriction. As in the case of visible trade, invisible exports cannot be a one-way traffic. A certain amount of invisible imports in the form of Indian tourists to overseas countries will strengthen the Indian Airlines and other agencies that play a considerable role in attracting foreign tourists to this country.

Again, while it is true that, in recent months, there has been considerable relaxation in customs formalities at the airports, India still does not compare favourably with many other countries in this respect. There is considerable room for improvement in regard to courtesy and pleasant manners that should be extended to tourists by officials in the places of disembarkation. For instance, whenever passengers have to be kept waiting in the aircraft after it lands for health precautionary measures, a few persuasive words explaining the reasons for the delays will reduce the irksome feelings of passengers and the chances of their forming unfavourable first impressions about the country. What is stated here applies to the reception at seaports as well. Indeed, the customs formalities at seaports are more irritating than at airports. There are reasons for one to feel that adequate attention is not being paid to tourists arriving by ships.

While much can be done on a national level to attract tourist traffic, promotion of tourism is a question which could be tackled better on a regional basis. In fact, the South Asian Regional Conference, held last week in New Delhi, underlined the need for countries of the region taking steps to ensure uniformity in the rules and regulations applicable to tourists. It recommended that activities to promote tourism should be co-ordinated, as far as possible, among the South Asian countries. It specifically recommended that, on arrival and departure, all baggage declarations for tourists should be only oral and not written in all countries of the South Asian region. The Conference also felt that multi-entry visas should be helpful, because, in that case, tourists need not get their visas endorsed again and again whenever they re-entered a country after visiting a neighbouring country for a few days. It has been found from experience that the promotional activities of one country benefits its neighbours as well. The advantages of joint action by countries geographically close to one another such as India, Pakistan, Ceylon, Burma and Afghanistan are obvious.

ADVERTISING

Two impressive speeches on the vital role of advertising in a country's economy were made at the seventh anniversary dinner meeting of the Indian Society of Advertisers held in the city on Thursday, 23rd April. One was by Mr. Ellsworth Bunker, American Ambassador to India, who was the chief guest of the Society, and the other by Mr. Chinubhai Kilachand, the Society's Chairman. The observations of the two speakers acquire special weight considering that both of them are persons with wide and varied experiences in the business field of the two largest democracies in the world. Mr. Bunker spent more than 34 years of his life in the business world and he also worked with advertising managers and advertising agencies on many a promotional campaign. Mr. Kilachand is a leading industrialist and has been actively associated with the Society since its inception.

Both Mr. Bunker and Mr. Kilachand did well to stress that advertising had a leading role to play in economic development, inasmuch as it was an important means of building up a vast consumer market. The American Ambassador dilated at length on how his country had made tremendous progress in the field of advertising and on the benefits of advertising to the community. The data he furnished in this connection may be summed up as follows:

American business spends every year about $10,000 million, in order to bring its products before the public through the media of mass communications. The amount is twice as much money as was spent ten years ago and four times that spent before the Second World War.

By the end of the war, about $1,000 million worth of advertising space and broadcasting time, at commercial rates, had been contributed to the war effort, free of cost, by the advertising industry as a "public service." The campaign aimed at pushing the sale of war bonds, combating inflation, supporting rationing and helping war production. It proved that "that there is a way to get difficult things done with reasonable speed by masses of people in a large democracy and to get them done voluntarily."

The American Red Cross conducts annually a fund-raising campaign to support the multitude of activities, the goal being $100 million. One of the activities which the Advertising Council supported was the Red Cross.

The vigorous free Press of the U.S. owes its independence, size and diversity to advertising, as do the general circulation magazines. The 1,700 daily newspapers, 9,000 weeklies and 600 odd magazines in that country would have had sledding indeed without their advertising revenue. This is even more true of radio and television stations whose only source of income is advertising.

A sizable portion of U.S. expenditure charged to advertising now goes into the important field of market research—anticipating consumer likes and dislikes, improving packaging, testing of new products and the like. New products are constantly coming into the market and producing new industries. It was recently estimated by someone that, within two to three years, 10 per cent. of the market in the U.S. would be held by products not made today.

Closely allied to advertising is the complex and far-reaching field of public relations.

Thus, advertising is an integral part of the American economic scene. It contributes, as it does elsewhere, to the knowledge and entertainment of the people.

The foregoing account clearly points to the vast scope, as also need, that exists in India for promoting advertising, marketing and its associated sciences, and public relations as a fine art. This aspect was well brought out by Mr. Chinubhai Kilachand. "In a democracy," he rightly declared, "the consumer is the king. Nothing can be forced down his throat. He has to be persuaded to buy and the goods that we produce have to be brought to his notice. Here comes advertising and the science of marketing. And we have to develop this science and its practice, if we are to expand our markets." Describing the U.S. as the "House of Advertising," Mr. Kilachand observed: "The American business men realised long ago that it is demand that creates markets for the goods produced by them, that demand springs from desire and that desire is best engendered by sales promotion, of which advertising in all forms is an integral part."

Mr. Kilachand put forward a few valuable suggestions which, if implemented, will go a long way towards the development and improvement of advertising methods in India. The suggestions fall under two heads: one, what the U.S. Government could do to help advertisers in India and the other what should be done in India itself. Under the former are the suggestions that a study tour of the U.S. by a team of appropriate personnel from the field of advertising should be arranged with the help of the T.C.M., that facilities for specialised study and training on advertisement marketing and sales promotion in any universities of the U.S. could be provided, as there are none in India, and that U.S. professors on advertising and allied arts should visit India under the programme for visiting professors when suitable arrangements are made in Indian universities to teach this subject. As to what has to be done in India, Mr. Kilachand pointed out that a large number of young men must be taught and trained in this branch of science; he wanted the members of the Indian Society of Advertisers to investigate the problem further. This is an important thought and the Society, the members of which account for 75 per cent. of the estimated national advertisement coverage, should take up the lead in inducing some of the leading universities—preferably Bombay, Calcutta, Madras and Delhi Universities—to introduce the necessary courses, by offering financial assistance and practical guidance.

Availing himself of the opportunity, Mr. Bunker sought to explain at some length what he called the revolutionary change in the U.S. during the last 25 years in the whole philosophy of business and in the relation of business to society. The business man, according to the Ambassador, has learned that it is not only good business to think of the public and what his policies and production mean to the public but also that he has social obligations and responsibilities as well—to the employees, the shareholders, the customers, the community in which his business is situated and the nation. Elucidating this point, he said:

"Modern American business has become a part of the community in which it operates. It knows that it has a stake in the community and, therefore, a responsibility to it—to improve and support it and to do all it can to make it a better place for all the people. Responsibility to the community is evidenced in many ways. The business firm supports community activities by contributions and encouragement. It urges its executives to take part in local affairs. In some cities, there are business executives who spend up to a third of their time in voluntary work, fund-raising for social welfare organisations, helping school groups, serving on the boards of public organisations and the like. These activities are not restricted to the local level either; they spread through States and even the nation as a whole. Hundreds of top-ranking business men serve national organisations supporting scores of activities ranging from international affairs to the boy scouts.

"The trend toward more enlightened employment policies has been one of the most significant developments of the modern American economy. Today, a job is more than a thing which produces a pay envelope every Friday. There have been added pensions, savings plans, hospitalisation and medical insurance, severance pay and other benefits. Some companies have adopted a guaranteed annual wage for their employees. In others, there are profit-sharing plans which, in a few cases, have annual bonuses of as much as 100 per cent. of base wages."

A very pertinent general point which Mr. Bunker emphasised was that material benefits are not always enough to produce satisfied workers. In his opinion, a worker in the complex and dispersed production units of today has difficulty in seeing just where he fits into the pattern and just what his importance to the company is. Also, he wants to have satisfaction in his job and the feeling of doing it well plus the knowledge that his contribution is recognised by the people who know what a good job is. The worker wants, too, a sense of participation in the company's affairs.

The aforesaid problems are in evidence as much in India as in the U.S. and other countries. They cannot be solved, as Mr. Bunker stated, just by recognising that they are there and that something should be done about them. What is wanted is energetic action. Here is a field where there is much that Indian employers can learn from the U.S., where, we are told, many techniques have been tried in personnel and industrial relations with a view to bringing the employee closer to the objective of the company and keep him informed. These include setting up of union-management committees, publication of "house organs," establishment of company associations to bring the workers together off-the-job, and appointment of vice-presidents in charge of human relations, whose sole job should be to see that the human side of business is properly looked after.

ANGLO-SOVIET TRADE

What will be the future course of Anglo-Soviet trade? This question is now being hotly discussed in Britain and, perhaps, in Russia too. The interest in the question has been aroused by the forthcoming visit of the British trade mission to Moscow in the middle of the current month. The mission, we are told, will be headed by Sir David Eccles, President of the Board of Trade, and consist of two or three business men of standing who will act as advisers, particularly on Russian exports to the U.K. The aim of the mission will be "to establish the conditions in which trade can be increased" between the two countries. Meanwhile, the Tube Investments of Britain have secured from the Promsyrioimport of Russia a £2-million contract for the export of stainless and alloy steel tubes.

It is, however, not the forthcoming visit of the British trade mission to Russia but the manner in which Britain proposes to conduct its trade with Russia that is of some significance to India. The authorities in Britain, for instance, have made it clear to the Russians, in the course of preliminary discussions, that "there can be no question of disturbing British methods of trading by setting up any special State trading organisation for buying or selling to the Soviet." This is in striking contrast to the manner in which India is conducting its trade with Communist countries through the State Trading Corporation. Indeed, as readers are aware, the S.T.C. was brought into being by the Government of India on the ground that that was the right way of dealing with the Communist countries. This difference in approach between the U.K. and Indian Governments reflects the difference in their basic economic philosophies.

Credit is another subject on which fundamental conditions have been clearly established by Britain. The Russians have not so far asked for long-term credit; nor is Britain offering it. The aim is rather to deal with the problem of ensuring that ordinary commercial credit is available adequately. It is stated that the normal working of the Export Credit Guarantees Department will be examined with this object in mind. Two other conditions have been established. First, there can be no question of disturbing the existing sources of oil supplies to Britain, in order to make room for oil imports from Russia. Secondly, the trade mission will not discuss the list of embargoes drawn on

(Continued on page 755)

LATEST NATIONAL INCOME ESTIMATES

TERMS OF TRADE FOR AGRICULTURE HAVE NOT WORSENED

From Our Special Correspondent

NEW DELHI, *28th April*

THE Central Statistical Organisation has just issued the revised estimate of national income for 1956-57 and the preliminary estimate for 1957-58, the former being Rs. 11,000 crores and the latter Rs. 10,830 crores, both at 1948-49 prices. In *per capita* terms, the figures for the respective years are Rs. 283.5 and Rs. 275.6. At constant prices and as compared with 1950-51 (the pre-first Plan year), the 1957-58 national income represents an increase of 22.4 per cent. In the case of *per capita* income, the increase is only 11.9 per cent.

DELHI LETTER

At current prices, the national income for the first year of the Second Plan is estimated at Rs. 11,310 crores and that for 1957-58 at Rs. 11,360 crores. In *per capita* terms, the figures for the respective years are Rs. 291.5 and Rs. 289.1. At current prices, the 1957-58 national income represents an increase of 19.2 per cent. over that in 1950-51 and the *per capita* income in the former year an increase of 9.0 per cent. over the latter.

The details of national income estimates for the two years are given in the following tables:

(At 1948-49 prices)

	1950-51		1956-57		1957-58	
	In Rs. 100 crores	Per cent.	In Rs. 100 crores	Per cent.	In Rs. 100 crores	Per cent.
Agriculture, animal husbandry, etc. ..	43.4	49.0	52.5	47.7	49.3	45.5
Mining, manufacturing, small enterprises ..	14.8	16.7	18.4	16.7	18.8	17.4
Commerce, transport and communications ..	16.6	18.8	20.8	18.9	21.0	19.4
Other services	13.9	15.7	18.2	16.6	19.2	17.7
Net domestic product at factor cost	88.7	100.2	109.9	99.9	108.3	100.0
Net earned income from abroad	—0.2	—0.2	0.1	0.1	0.0	0.0
Net national output at factor cost=national income	88.5	100 0	110.0	100.0	108.3	100.0

(At current prices)

	1950-51		1956-57		1957-58	
	In Rs. 100 crores	Per cent.	In Rs. 100 crores	Per cent.	In Rs. 100 crores	Per cent.
Agriculture, animal husbandry, etc.	48.9	51.3	55.2	48.8	53.3	46.9
Mining, manufacturing and small enterprises ..	15.3	16.1	20.0	17.7	20.9	18.4
Commerce, transport and communications ..	16.9	17.7	19.6	17.3	20.2	17.8
Other services	14.4	15.1	18.2	16.1	19.2	16.9
Net domestic product at factor cost	95.5	100.2	113.0	99.9	113.6	100.0
Net earned income from abroad	—0.2	—0.2	0.1	0.1	0.0	0.0
Net national output at factor cost=national income	95.3	100.0	113.1	100.0	113.6	100.0

The C.S.O. has revealed that the preliminary estimates for 1957-58 are obtained by a short-cut method and has also described the new features, both in respect of data and methodology used.

The relationship between national income and some other main aggregates of income and product is brought out in the following table:

(At current prices in Rs. 100 crores)

	1950-51	1956-57
Net domestic product at factor cost	95.5	113.0
Earned income from abroad	—0.2	0.1
Net national product at factor cost=national income	95.3	113.1
Indirect taxes including miscellaneous fees ..	5 4	8 0
Less—Subsidies	—0 4	—0 3
Net national product at market price	100.3	120 8
Net domestic product at factor cost	95.5	113.0
Less—Income from domestic product accruing to government	—0.7	—0.9
Income from domestic product accruing to private sector	94 8	112.1
National debt interest	0 4	0 6
Earned income from abroad	—0 2	0.1
Transfer payments	0.6	1.4
Net private donations from abroad	0 4	0 5
Private income	96.0	114.6

Parity Between Agriculture and Industry

In the course of the Lok Sabha debate on demands for grants, a reply has been given on behalf of the Commerce and Industry Ministry regarding the need, expressed by a member from West Bengal, to achieve sectoral harmony by adjustment between prices of industrial raw materials and those of manufactured commodities. Prices of industrial raw materials and manufactured articles, according to the Ministry, are in line with each other, and there is no imbalance between the two sets of prices. The following table is given in this context:

Index number of wholesale prices

(Base: 1952-53=100)

	Industrial raw materials	Manufactured articles	
		Semi-finished	Finished goods
1956	113.2	110.0	104.1
1957	118.1	108 5	107.9
1958	114.8	109.4	108.0
1959—			
January	114.1	110.5	108.1
February	115.5	110.6	108.0
March	116.4	109.4	107.9

As will be seen from the above, prices of industrial raw materials are broadly in line with prices of manufactured goods, the parity between prices of finished goods and those of industrial raw materials being maintained over the past three years or so.

As far as imported raw materials and components are concerned, these have been allowed to be imported by actual users on as liberal a basis as possible, with available foreign exchange resources. Imported raw materials have, therefore, been available at reasonable prices to manufacturers, and this has enabled prices of manufactured goods to be kept generally stable.

Manufactured Articles

On the side of manufactured articles, prices have been kept in check, first, through the Essential Commodities Act, 1955, under which some of the commodities covered are cotton and woollen textiles, drugs, coal, component parts of automobiles, iron and steel, paper and newsprint, petroleum and petroleum products, etc., and, secondly, through fair selling prices as indicated by the Tariff Commission, on an examination of the structure of industrial costs. Some of the industries, the prices of which are thus regulated are steel, aluminium, automobiles and various ancillaries, bicycles, sewing machines, diesel engines, electric motors, conductors, cement, caustic soda, soda ash, bleaching powder, dyestuffs, sheet glass, etc.

The recent decline in prices of raw jute is considered next. It is noted that, in recent months, there has been a fall in the demand for sacking, and this, coupled with a plentiful supply of jute, has resulted in a significent decline in the prices of raw material. It might, however, be noted, in this connection, that, though prices of raw jute have gone down there has also been an increase in the yield of jute per acre, so that the fall in prices does not reflect a corresponding fall in agricultural incomes. The Ministry continues that Government have been aware of the recent decline in raw jute prices and have taken various measures to arrest the decline. The State Trading Corporation has been authorised to procure raw jute from the upcountry markets and to organise exports upto 50,000 bales. The procurement operation of the S.T.C. has been arranged through co-operative marketing organisations in the States of West Bengal, Bihar, Orissa, Assam and U.P. About 25,000 bales of raw jute have already been procured by these societies, and export orders so far booked aggregate 23,000 bales. As a result of these measures, prices of raw jute, the Ministry claims, have been stopped from declining further. The price for Assam bottoms in January was between Rs. 19 and Rs. 20 per maund. In the first week of April the price ruled around Rs. 21 per maund, thereby showing a slight improvement.

BRITAIN'S OVERSEAS LENDING IN 1958

From Our Own Correspondent

LONDON, *24th April*

IN 1958, the U.K. invested some £170 million overseas, repaid over £65 million on her North American loans, and built up her gold and dollar reserves by £284 million. This strength in capital transactions was made possible, partly by a high level of earnings on invisible account (mainly shipping and oil) and partly by the world fall in commodity prices which reduced Britain's import bill by some £250 million!

LONDON LETTER

The total level of net private investment in the Commonwealth countries (excluding Canada) averaged about £50 million more than in the preceding three years; but the Government has recognised that private investment, necessarily flowing to the most potentially profitable borrowers, is insufficient for the "development of the under-developed"—hence the decision to make Government-to-Government loans ("Commonwealth Assistance Loans") under which India and Pakistan are already benefiting by some £50 million. But such investment —whether private or Government—is only practicable if the resources are available and in assessing how far Britain's experience in 1958 serves as a guide to her potential lending in the future, regard must be had to the special circumstances of last year.

Balance of Payments

Between April 1957 and March a year ago, Britain's import prices fell by 12 per cent. and then struck a stable level. As a result, import prices in 1958 were some 8 per cent. lower than in the previous year while export prices were only 1 per cent. lower. The terms of trade were, therefore, 7 per cent. more favourable. The effect of this on the balance of payments is shown in the following table:—

(In million £s)

	1957	1958 (*actual*)	1958 (*at 1957 prices*)
Imports	3,573	3,309	3,597
Exports	3,515	3,429	3,463
Visible balance ..	—58	+120	—134

Thus, in 1958, the U.K. enjoyed the phenomenon of a *favourable* visible balance of payments—but entirely as a result of a far-reaching improvement in the terms of trade which it is already known has come to an end, if it is not actually being reversed. The balance of payments, therefore, worked out as follows:

(In million £s)

	1957	1958 (*actual*)
Visible balance	—58	+120
Government expenditure	—143	—216
Invisible income	+464	+551
Net favourable balance ..	+263	+455

But had the visible balance not been so tremendously boosted by the fall in import prices, the net favourable balance would have been only £200 million and, of this, half would have been due to a rise in net invisible income, in turn partly due to a cheapening of freights on Britain's imports. Herein, of course, lies the danger of reflation—that, as imports rise, the visible balance will become adverse to an extent to swallow up the net invisible income. The second half of 1958 already showed a deficit on visible trade account.

Remaining Transactions

What of the remaining transactions on capital account? The strength of sterling caused a substantial increase in sterling balances held by *non-sterling* countries—no less than £158 million. On the other hand, the *sterling* countries—hit by the fall in commodity prices which had so benefited the U.K.—drew down their sterling balances by £82 million. Britain, however, received a short-term capital inflow of £76 million to add to her current earnings of £455 million and minor capital transactions merely reduced the gain by £11 million. The net effect of these movements was to make the U.K. a creditor country to the tune of £520 million.

That is, by dint of benefiting by falling commodity prices, better invisible earnings and by borrowing short, the U.K. puts herself in the position of being able to repay the service

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AMERICAN LETTER

ST. LAWRENCE SEAWAY—DREAM OF CENTURIES COMES TRUE

INTER-AMERICAN BANK TO BE FORMED

From Our Special Correspondent

NEW YORK, *23rd April*

A DREAM of centuries will come true this month. As soon as ice conditions permit, the great St. Lawrence Seaway will be opened for ocean-going vessels.* At this writing, about 60 ships are waiting at Montreal harbour for passage to the Middle West of the United States.

In 1534, it may be recalled, Jacques Cartier was sailing up the St. Lawrence in quest for a route to India through the Great Lakes. He was barred by the Lachine Rapids. The new Seaway by-passes these.

The entire project is 600 miles long and connects the St. Lawrence River at Montreal with Lake Erie. It cost about $450 million. The share of the United States is $145 million, mostly for construction of two giant locks and the channels leading to them. The bulk of the cost was borne by Canada.

In conjunction with the Seaway, a $600-million power project has been developed under the joint sponsorship of Canada and New York State. Generating plants there will produce more than 2.2 million horse-power of electricity a day.

Both the Seaway and the power project were not without controversy. The Seaway was fought by the railways serving the area and the power plant idea was attacked by the public utilities in operation there.

The opening of the Seaway this month will be informal. Formal dedication is scheduled for 26th June, 1959 in the presence of Queen Elizabeth II and President Eisenhower at Montreal.

Two U.S. ships will be in the first wave of vessels to navigate the Seaway. They are American Export Lines' *Extavia* and the Grace Lines' *Santa Regina*. The former is bringing cargo from Mediterranean ports to the Middle West. The latter carries cargo from Caribbean ports.

The Seaway actually begins in the Gulf of St. Lawrence. Ships sail 1,000 miles from the Atlantic until they reach Montreal. From there, a 27-foot channel has been constructed through all the old and new canals. Previously, the draft clearance was only 14 feet. The system of locks is equipped to handle ocean-going vessels at the rate of about 20 to 25 minutes for each lock.

Communications have always played a vital role in the attitude of peoples. The presence of foreign flag ships and airplanes tends to stifle remnants of isolationism and narrow nationalism. Thus, the Seaway may be regarded as another harbinger of better international understanding.

Economic Trends in the U.S.

The improvement in overall economic activity in the U.S. is much better than was expected a few months ago. The gross national product in the first quarter was close to $465,000 million annually, against $453,000 million in the final quarter of 1958 and against a pre-recession high of about $466,000 million.

Personal income also advanced. The latest tabulation for March places it at $368,600 million, as compared with $365,400 million in the preceding month and $348,700 million a year previously in March 1958.

There was a greater than seasonal decline in unemployment as well. Conversely, employment jumped up to the pre-recession level by mid-March.

The employment picture was bolstered by an early Easter. It accounted for employment of thousands of additional retail clerks. There was also stepped-up output in steel and expanded automobile production. Durable goods' industries also recalled workers.

A new $1,000 million inter-American bank has been organised on paper. The fund is designed to provide new capital investments in Latin America. The U.S. participation in this venture would be $450 million. Between now and 31st December, 1959, the project must be ratified by the U.S. Congress and by legislatures in other countries which would put up at least 85 per cent. of the total contributions.

The plan calls for $150 million of the $1,000 million aggregate to be placed in a special "soft" loan fund. Borrowers from this fund in dollars would repay in their own local currencies. The other $850 million would be used for regular loans to be repaid in the currency originally borrowed.

Rising stock market prices to new highs, in terms of averages, have aroused concern for some time. In a rare public statement, the Securities and Exchange Commission has taken cognizance of the situation. It warned of "indications of increased manipulative activity."

Investors, it said, should exercise extreme caution and self-restraint, for their own protection when considering the purchase of securities upon the basis of tips and rumours. The statement expressed concern about the "extent to which the prices of certain securities seem to fluctuate unduly without apparent economic reason." The same sentiment was echoed by the Presidents of the New York and American Stock Exchanges.

New Secretary

Trading was hardly affected by the resignation of John Foster Dulles as Secretary of State, even though he was in many respects more powerful in foreign affairs than the President of the United States. Insiders contend there is not much hope that Mr. Dulles can fight off his latest cancer attack.

Christian Herter who succeeds Mr. Dulles is regarded in the financial and business community as the logical successor. He has worked closely with his predecessor for the past two years and has seen eye to eye with him. Hence, a change of foreign policy is most unlikely.

While Mr. Dulles suffers from cancer, Mr. Herter is a victim of arthritis in his hips. Medical reports about Mr. Herter seem to be favourable, but the chances are that Vice-President Richard Nixon rather than Mr. Herter will emerge as international spokesman for the U.S. He has acquitted himself honourably in this role overseas on previous occasions.

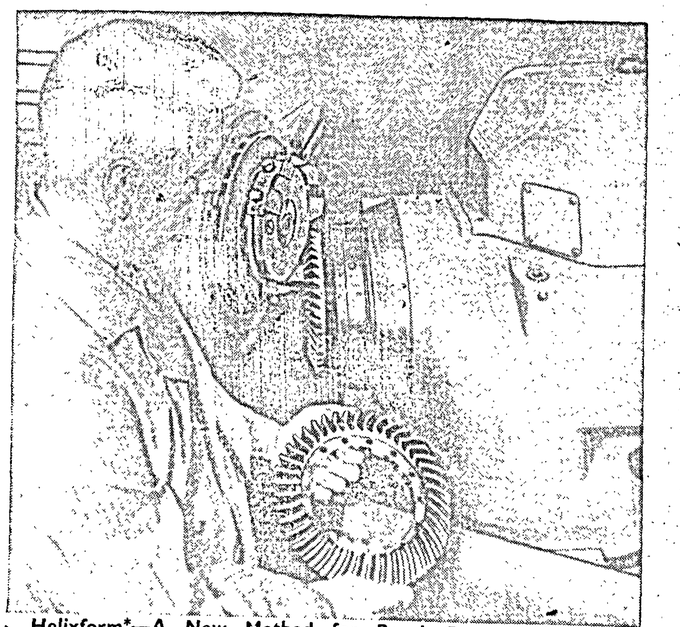
President Asserts

President Eisenhower, much to the astonishment and delight of Wall Street, is more powerful than the Democratic majority in Congress. He has made it plain that he would veto any measures which he considers unsound economically. There has been much talk but little action by the Congressional majority, as a result. There are hearings about unemployment and distressed areas. Testimony will be compiled. It will take weeks before findings are formalised. By that time, Senators and Congressmen probably will want to go home to escape the summer heat in Washington.

Thus, very little favourable or unfavourable legislation is expected to be enacted this year which is one of the reasons for the cheerfulness of sentiment among bankers and businessmen at this time.—*All Rights Reserved.*

*The Seaway was actually opened for shipping on Saturday, 25th April, 1959. An international flotilla of 55 ships made the historic initial inland voyage.

The U.S. wool tariff quota for 1959 has been reduced by President Eisenhower from 14.2 million lbs. to 13.5 million lbs. The fabrics imported within the quota are subjected to an *ad valorem* duty of 20 to 25 per cent. depending on quality, while imports in excess of the quota carry a duty of 45 per cent. In the case of high quality fabrics, which are now to receive partial exemption, the *ad valorem* duty on excess exports up to the 350,000-pound limit will be 30 per cent. The operation of the tariff quota system will remain substantially unaltered, despite strong U.K. representation against its discriminatory effect.



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DEVELOPMENT SAVINGS BANK

PROPOSALS OF A CEYLON BANKER

ONE of the remarkable features of the current trend in world economic thinking is the increasing attention devoted to underdeveloped countries. This is not only the result of the importance these countries have come to occupy in the political affairs of the world but also of the realisation that poverty anywhere is a threat to prosperity everywhere. More and more economists of international standing are addressing themselves to the development problems of underdeveloped countries. In the latter countries also, there is a growing awareness that, in view of the special circumstances obtaining in them, the traditional techniques and institutional devices, howsoever useful they might have been in promoting the development of the now-industrialised countries of the West, have only limited application in the present-day context of backward nations. Economists in these countries are consequently beginning to realise the need for breaking new ground in the realms of both theory and practice.

The plan for an institutional device for promoting economic development and ensuring social justice in the underdeveloped countries of Asia within the framework of democracy presented by the Ceylonese National Council of the International Chamber of Commerce (I.C.C.) to the seventeenth congress of the I.C.C. now being held in Washington is an instance of this awakened awareness. The author of the plan is Mr. C. Loganathan, Chairman of the Council, and the Chief Executive and Chairman of the Bank of Ceylon. The Loganathan plan seeks to meet the challenge of economic development facing business men the world over and which forms the theme of the Washington conference. We feature in these columns the salient features of his plan because we feel that any attempt at original thinking on the problems of the underdeveloped countries deserves to be encouraged and given publicity, so that it may stimulate discussion of the idea and yield concrete results that will further the economic progress of the underdeveloped countries along democratic lines. This proposal was first outlined by Mr. Loganathan at the seventh session of the Commission for Asian and Far Eastern Affairs (C.A.F.E.A.) and the regional businessmen's conference of the International Chamber of Commerce held in Manila last year and later developed into a detailed plan. Mr. Loganathan has even included a draft Bill, so that the countries to which his plan appeals may know how to establish the Development Savings Bank. The thoroughness with which he has gone about the task and the persistence shown by him in expounding his idea are proofs of his dedicated approach to the problems confronting the underdeveloped countries.

Basic Economic Realities

The plan proposes the formation of what is called a Development Savings Banks for mobilising resources and channelling them into capital projects in keeping with the development policy of the Government concerned. It takes cognisance of two basic economic realities of the underdeveloped countries, namely, the urgent need for rapid economic development and, consequently, for accelerated domestic investment and the important role which foreign capital has to play in the developmental efforts of these countries. The institutional device proposed in the plan is meant primarily for the consideration of the Governments and political parties of the free countries of Asia which believe in democratic socialism and are striving to achieve it. The broad features of the plan are:

A Development Savings Bank is to be set up in each country by an Act of Parliament. The Government shall provide the initial capital necessary for the formation of the bank, either as a grant or as a loan repayable in instalments. The funds of the bank shall come from the following sources:

(1) Compulsory and/or voluntary contributions from every individual, who is on the pay-sheet of every employer within the Government and private sectors for the credit of the respective employees.

(2) Compulsory and/or voluntary contributions from employers in both the public and private sectors for the credit of their employees.

(3) Tax rebates from the Government to the contributors in respect of the aforesaid deposits.

(4) Voluntary contributions from income-tax payers for the credit of their accounts which will be deductible as an expense in their income-tax returns.

(5) Voluntary contributions from non-income-tax payers for the credit of their accounts, under certain inducements.

(6) Such part of the foreign aid granted by foreign Governments or institutions in the form of gifts as may be determined by the Government.

(7) Domestic and/or foreign loans.

From these contributions eight funds will be created. These are: employees' compulsory savings fund, employees' voluntary savings fund, employers' contributions fund, provident fund contributions fund, tax rebates fund, public (taxpayers) voluntary savings fund, public (non-tax payers) voluntary savings fund and foreign gifts capital fund.

The funds will generally be invested in the private sector and the contributors will be given shares in the different enterprises in the private sector. The constitution of the bank will be on the basis of a joint-stock company. It will provide for certain safeguards to the members and for the functioning of the bank on democratic lines.

Bank With A Difference

At the outset, the author makes it clear that the Development Savings Bank is not the usual type of savings bank or development bank. An ordinary savings bank collects deposits and lends them or invests them in Government securities. A development bank invests or lends shareholders' capital or borrowed capital. The Development Savings Bank, on the other hand, will collect savings and invest them generally in the form of risk capital and not lend them. It is also different from the normal type of savings bank or development banks or investment trusts or such similar institutions for the reason that investment of these institutions are held in their own names and not in the names of those who have contributed towards their fund. The investments of the Development Savings Bank will, except under special circumstances, be in the names of members themselves.

The management of the Development Savings Bank will vest in an independent Board of Directors. In order to prevent undue political or Government interference in the day-to-day functioning of the bank, it is provided that neither a member of Parliament nor a full-time public or judicial officer can become Director. The Government, however, can nominate the Secretary to the Treasury and the Secretary to the National Planning Board, or any similar body, as Government Directors, but without the right to vote. The Board of Directors, in discharging its functions, shall act in accordance with recognised business principles and practice, with due regard to the interest of the members of the bank and the country, but subject to certain regulations.

Underlying Philosophy

The economic philosophy behind the proposal is that a wide diffusion of economic power is an essential pre-requisite of democracy. It therefore follows logically that one ingredient of a democratic political structure is a broadbased private sector representative of the mass of the people, in fact what is called "a people's sector." The development of the "people's sector" is not a problem capable of easy solution. Economic resources are limited in relation to population and cannot be divided and distributed physically among the population in proportions that will be substantial or sufficiently integrated to be efficient units for economic development. The modern joint-stock device, with proper safeguards to protect the interests of the small shareholders, will, according to the author, enable a more even distribution of wealth, though not physically and in equal proportions, and will, at the same time, provide for the grouping of the resources in efficient economic units. If the joint-stock device, with the necessary safeguards for the small holders, is used to create a series of corporations for different economic activities, without giving scope for any monopolistic controls, and if the shareholders constitute a cross-section of the masses of the people and enjoy adequate voting power, then it can be said that a diffusion of economic power has been achieved, although there may not be complete equality of ownership.

The author recognises that the diffusion of economic power can be achieved through the co-operative system also. There should, obviously, be no opposition to any genuine expansion of co-operative societies based on voluntary joint action of persons with common interest. What is, however, objectionable is the attempt of Governments to force people into co-operatives to serve as adjuncts of the State for the purpose of achieving the objects of state policy. The environment in Asian countries is such that it will, in the opinion of Mr. Loganathan, be difficult for the co-operative system to avoid direct or indirect control and, therefore, to conform to the needs of democracy. Further, the shareholding system in the co-operative movement, with restrictions placed on the transfer of shares and distribution of profits, does not provide the same incentive for greater productivity as is provided by joint-stock companies.

Best of Both Capitalism and Socialism

The institutional device Mr. Loganathan has in view will, he believes, preserve the best of both capitalism and socialism. It will provide, among other things, for the transfer of a part of the current purchasing power in the hands of the low income groups into investment through a certain amount of moral suasion and financial inducement which, at first sight, though not in reality, may appear to be coercion by the State. Explaining the advantages of the device, the author says:

"The advantage in a capitalist form of society (where there is scope for competition) is that it provides a market mechanism for the most economic use of scarce resources. The disadvantage is that the productive machinery is motivated by profit and not by the needs of the society. The advantage in a socialist society in which the means of production are owned or controlled by the State is that it provides, at least in theory, goods (which may be called "wage goods") and services needed by large sections of the people and is not motivated by profit. The disadvantage is that, because the owner or controller of the means of production is the same as the user of the means of production, the market mechanism does not operate and therefore most economic use is not made of scarce resources. If production has been efficient in fully State-owned or State-controlled economies as in Russia, it has been largely due to regimentation and compulsion.

"The type of socialist democracy contemplated is one in which cross-sections of the masses of the population, with interests identical with those of the masses, and with adequate political and economic power, will compete with one another, without any central direction, for the means of production, thereby obtaining the advantage of a market mechanism, and at the same time, utilise the means of production in the larger interests of society."

More Foreign Aid

Another advantage of the plan, according to its author, is that Western democracies will grant more foreign aid if a substantial part of such aid is diverted to the people's sector. Any such aid should, in the first instance, be received by the Government of the recipient country and then channelled to the people's sector. As an inducement to the common man to accept any scheme that requires the syphoning off of a part of his current purchasing power into savings and investment, it is suggested that the benefits of foreign aid meant for the people's sector may be distributed, on some equitable basis, among the low income groups who are prepared to subscribe to such a scheme.

Presenting his plan to the Washington Conference, Mr. Loganathan admirably summed up the dilemma facing the Governments of the underdeveloped countries. These Governments, in their anxiety not to displease the people who had elected them to power and who could, if they wished, remove them from power, were tending to preoccupy themselves with the distribution problem to the relative neglect of the problem of increasing national output and the paramount objective of preserving a democratic political structure. They appeared to fail to realise that their preoccupation with the problem of distribution would result in the socialisation of poverty and not of wealth. This attitude, as he averred, is forced on them by the common man who thinks more in terms of distribution rather than production, little realising that equal distribution before the national wealth is raised, will result in equal slices of a smaller and smaller pie.

One unique advantage of the Loganathan plan is that it seeks to create for the workers and the low-income groups a stake in the bank. This will help to foster in them a sense of participation and belonging which is a very healthy psychological force contributing to the stability of a democratic society. It is, however, idle to think that, in the political climate obtaining at present in underdeveloped countries, a government, which by an Act of Parliament has to force its citizens to make contributions to the funds of the Development Savings Bank, will not demand, or that the Parliament will not insist on it demanding, powers other than nominating two Directors without voting power. Since large amounts of public money are to be put into the bank at the instance of the Government, the most natural thing to expect is that the Government will demand for itself powers of control and direction of the affairs of the bank. It will thus cease to be an independent body, or, at best be a semi-autonomous corporation ever conscious of an omnipotent Government and a Parliament jealous of its rights. The Plan sounds admirable in theory but, from the practical point of view, its workability is highly doubtful. It certainly will not appeal to the powers-that-be in India, the largest underdeveloped democratic country in the world. We think we are correct in saying that it is unlikely to get the support of the Governments of our neighbouring countries also, including Ceylon, to which the author belongs.

WORLD BANK LOAN TO ITALY

The World Bank and the European Investment Bank have lent $20 million each to the Southern Italy Development Fund. In addition to these two loans, the Fund has borrowed $30 million through a bond-issue from the New York investment market. The bonds and the loans are guaranteed as to the payment of principal and interest by the Republic of Italy. This bond-issue marks the first borrowing by the Southern Italy Development Fund in the New York capital market.

The bonds raised in the capital market are made up of 15-year 5¼ per cent. bonds for $20 million issued at 97½ per cent. and due for repayment on 1st May 1974, 4-year 4¾ per cent. bonds for $5 million and 5-year 4¾ per cent. bonds for $5 million both at par. The latter two classes of bonds have been placed with institutional investors, including commercial banks. The fifteen-year bonds are redeemable not earlier than 1st May 1969, through the operation of a sinking fund, which will begin on 1st November 1964 and is designed to retire the entire issue by maturity.

The Southern Italy Development Fund (*Cassa per il Mezzogiorno*) was created by the Republic of Italy in 1950 to carry out a large programme of public works in southern Italy in the fields of agriculture, transport and public health. The *Cassa* also extends credit and provides other assistance to promote the development of agriculture and industry in the South. The lire equivalent of the net proceeds from the sale of $30 million bonds will be applied to the general programme of the *Cassa*.

The loans equivalent to $40 million from the European Investment Bank (E.I.B.) and from the World Bank will help to finance the Mercure thermal electric power project south of Naples and two industrial projects in Sicily, the *Sincat* and *Celene* petrochemical plants, both near Augusta. The *Cassa* will re-lend $18 million to the Company carrying out the Mercure power project, and $22 million to a regional agency for re-lending to the industrial concerns. The E.I.B. loan bears interest of 5¾ per cent. per annum. The World Bank loan bears interest of 5¾ per cent., including the 1 per cent. commission which is allocated to the Bank's special reserve. Both loans to the *Cassa* are for a total term of 20 years with amortisation beginning in 1963. Repayment of the industrial loans will be completed in 1971 and repayment of the power loan will be completed in 1979.

The loan by the European Investment Bank, which was established in 1958, marks the beginning of its credit activity. This is the *Cassa*'s sixth loan from the World Bank, bringing total World Bank lending for the *Cassa* programme to nearly $260 million.

A NEW BANK IN IRAN

A new bank under the name of the Bank of Iran and the Middle East, an associate of the British Bank of the Middle East, will open for business at Teheran on 1st May 1959. The opening of the new bank in Iran marks the return of British Banking to that country. Those having dealings with the Middle East will recall that the old Imperial Bank of Iran which, under the style of the British Bank of Iran and the Middle East, was obliged to close down in Iran in 1951. It has, however, been expanding its sphere of activity in other areas, so that since that time ten new offices and sub-offices have been opened, including an office at Bombay, which was opened in 1954 under the management of Mr. T. M. Tagg who has now been appointed Managing Director of the new Bank of Iran and the Middle East.

The issue of shares in the new bank, of which 49 per cent. are held by the British Bank of the Middle East, was well subscribed.

EGYPTIAN CURRENCY DEMONETISED

The United Arab Republican Government has, in a surprise move, demonetised Egyptian bank notes of the face value of £100 and £50, with effect from midnight of 24th April 1959. This step is said to have been taken with the twin object of raising the depreciated value of Egyptian currency in the free markets abroad and of punishing "Zionist imperialist" agents who had smuggled their "ill-gotton gains" out of the country after the Suez crisis.

It is stated that the demonetisation measure was taken against the advice of the experts of the U.A.R. Finance Ministry and the National Bank of Egypt, who opposed the step on the ground that it would shake confidence in Egyptian currency. It is expected that the measure will have no significant effect on enhancing the value of the Egyptian pound abroad. For it is reported that, by midnight of 24th April, 100-pound and 50-pound notes of the value of £43 million, out of a total issue of about £48 million, had been exchanged for smaller-denomination notes. Thus, the alleged smugglers will lose no more than £5 million.

NETHERLANDS TRADING SOCIETY

The Nederlandsche Handel-Maatschappij, N.V. (Netherlands Trading Society) has, together with a group of Iranian interests, formed at Teheran a bank called the Mercantile Bank of Iran and Holland. The new bank opened for business on 11th April 1959. Its authorised capital amounts to Rls. 100,000,000 of which Rls. 50,000,000 have been paid up, for the time being. The daily management of the Bank has been entrusted to the Nederlandsche Handel-Maatschappij, N.V. (Netherlands Trading Society); the first Manager being Mr. A. A. den Hartog, formerly in charge of the Department Banking Operations at N.T.S's Central Agency at Djakarta.

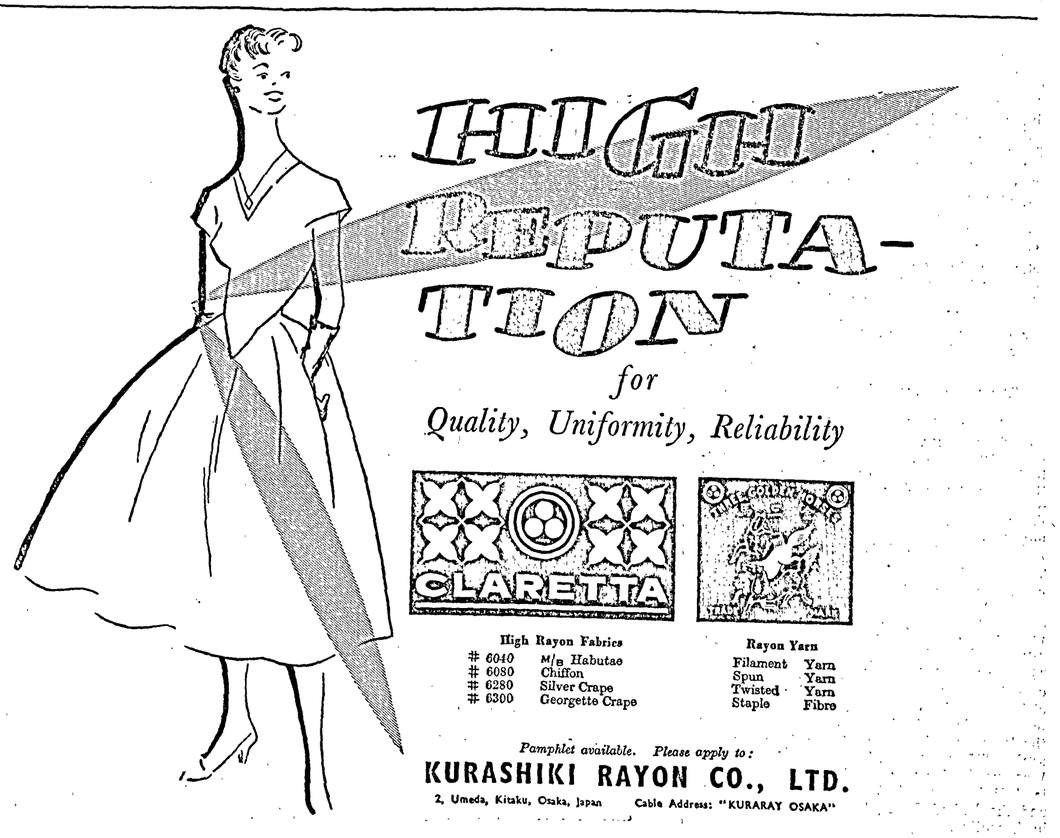
The Board of Directors of the Nederlandsche Handel-Maatschappij, N.V. (Netherlands Trading Society) has recommended a dividend of 10 per cent. for the year 1958, the same as that paid for 1957.

FRENCH BANK RATE CUT AGAIN

For the third time within a short span of six months, France has reduced its bank rate. The latest cut is by ½ per cent. to 4 per cent. and has been effective from 23rd April 1959. In October 1958, the rate was brought down from 5 per cent. to 4½ per cent. and in February this year, it was further cut to 4¼ per cent.

The latest reduction has not come as a surprise to the French people. For, even in February last, it had been widely expected that a reduction of ½ per cent. would be made, but the authorities restricted it to ¼ per cent., with a view to keeping a margin over the British rate and attracting "hot money" into the country. Now this margin has been removed, presumably because the extent of fresh foreign capital coming to France is not up to expectations.

The World Bank has granted a loan equivalent to $25 million to India for the Koyna Hydro-electric power project in the State of Bombay. The project will have an initial capacity of 240,000 kilowatts and most of the power from the new plant will be fed into the power system which supplies the Bombay-Poona area, where industrial growth has created a continuing need for more power. The loan is for a period of 25 years and bears interest of 5¾ per cent., including the commission of 1 per cent. which is allocated to the Bank's special reserve. Amortisation will begin in May 1965. This brings the total amount lent to India by the World Bank to $532 million, the number of loans being 21.



TRENDS IN WORLD WOOL ECONOMY

PRICES RECOVER FROM 1958 LOW LEVELS

WOOL growers the world over, especially in Australia, must have heaved a sigh of relief at the notable recovery in prices that has continued since the commencement of the current calendar year. The latest available quotation for wooltops (64s) in the London market is 114*d.* per lb., which compares favourably with 93*d.* at the end of 1958 and 112*d.* prevailing a year ago (21st April 1958). It is, however, still much below the high level of 153*d.* touched in April 1957. Now that wool prices have recovered substantially, it would be interesting to know whether the representatives of the wool growers associations in Australia continue to think in terms of instituting some sort of a reserve price scheme for wool. Commenting on the scheme, *The Times Review of Industry*, London, makes the following observations:

"It might be wise, however, before taking action to enforce such a scheme to reflect on the trend of raw wool consumption. It is true that, until two years ago, consumption was growing somewhat faster than production, but, more recently, this situation has been reversed. Over the longer period, too, it is clear that, like cotton, wool is meeting increasing competition from man-made fibres; so attempts to limit the fall in growers' income by price-fixing may make competition more difficult and ultimately lead to a lower level of consumption."

Whatever may be the long-term outlook for wool, there would appear to be no immediate possibility of a further appreciable rise in prices. For the supply position is very comfortable. The aggregate world supply of wool in the current season, that is, July 1958-June 1959, is estimated at 3,135 million lbs. (clean or scoured wool), as against 2,949 million lbs. (estimate only) in the previous season (1957-58). The marked improvement in supplies is due to the heavy carryover stock of 270 million lbs. brought in from the last season and rise in the total world output which amounted to 2,865 million lbs., as against 2,842 million lbs. in 1957-58. The heavy carryover is attributed mainly to the large unsold stocks of 145 million lbs. in South America. A new element in the stock situation is the wool—estimated at 18 million lbs.—bought early in 1958 by the New Zealand and South African Wool Commissions in the course of their price support operations.

World Output Rises

The current wool season 1958-59 now drawing to a close—it will actually end on 30th June 1959—has witnessed a rise of 19 million lbs. in the world production of wool to 4,917 million lbs. (greasy basis), according to the preliminary estimate of the U.S. Department of Agriculture. The rise is in distinct contrast to the marked fall experienced in the previous season (1957-58) when the output was lower by 85 million lbs. at 4,900 million lbs. The current season's output is just 1 per cent. below the all-time record clip of 4,985 million lbs. touched in 1956-57. Converted into cleaned or scoured basis, the total quantity of wool produced in the season comes to 2,865 million lbs., representing about 58 per cent. of the greasy equivalent. The bulk of the world wool output, amounting to as much as four-fifths, is accounted for by apparel types, the balance being the share of coarser, carpet type wools.

The upward trend in the world wool clip during 1958-59 has occurred despite the marked setback to production in Australia, the world's largest producer, accounting, as it does, for nearly 30 per cent. of the total. The actual setback is expected to be of the order of 42 million lbs. or 3 per cent.; the estimate of output is placed at 1,428 million lbs., as against 1,386 million lbs. in 1957-58. The fall in output is attributed partly to the severe drought in eastern Australia and partly to increase in rabbit pest. The annual livestock census shows that the number of sheep in Australia in March 1958 was 149.3 million, less than 1 per cent. lower as compared with the corresponding month of 1957. It is said that this is the first time that a fall in sheep number has occurred since 1947. The substantial decline in the Australian wool output has largely been offset by an appreciable expansion of 31 million lbs. or 6 per cent. in output in Soviet Russia; the total output of the latter is estimated at 550 million lbs., as against 519 million lbs. in the preceding season. Wool production was also higher in New Zealand, Union of South Africa, Uruguay, the U.K. and the United States, but was slightly lower in Argentina.

The following table indicates the trend of wool output in the world and in individual countries during 1958-59 as compared with the production in two preceding seasons and the average output for the period 1935-39:

(In million lbs.—greasy basis)

	1958-59*	1957-58	1956-57	1935-39 (average)
Australia	1,386	1,428	1,565	1,018
New Zealand	505	497	491	808
South Africa	315	310	321	246
Argentina	408	409	392	389
Uruguay	210	209	189	121
U.K.	115	112	105	108
U.S.A.	272	289	279	424
Other countries ..	1,706	1,666	1,643	1,190
World total ..	4,917	4,900	4,985	3,804

Source: United States Department of Agriculture.
* Preliminary.

The countries mentioned above are the seven large producers which together account for as much as 65 per cent. of the estimated world production in 1958-59. Among "others," those producing more than 50 million lbs. of wool, with the percentage change on the 1957-58 clip shown in brackets, are: Turkey: 79 million lbs. (−5 per cent.); Spain: 77 million lbs. (+3 per cent.); India: 74 million lbs. (no change); Brazil : 66 million lbs. (+3 per cent.); France: 63 million lbs. (+3 per cent.).

Wool Exports

The latest statistical data relating to world trade in wool are not available. Indications are that there has been a downward trend. Wool exports from Australia during the first four months ended October 1958 were 9 per cent. or 327 million lbs. (greasy basis) lower than in the corresponding period in 1957-58; recent reports show that wool earnings during the whole of the first half of the season (July-December 1958) were less by £A60 million. Shipments from New Zealand, however, were higher by 85 million lbs. or 25 per cent. during July-October 1958 as compared with the same period a year before.

The main raw wool exporting countries of the world are Australia, Argentine. Union of South Africa, Uruguay and New Zealand. The countries together exported during the season 1957-58 about 2,246 million lbs. of wool, a reduction of 9 per cent. as compared with 1956-57. This quantity represented almost 60 per cent. of the total production of 2,843 million lbs. The U.K. was the largest market for the Commonwealth wool producers (Australia, New Zealand and South Africa) and took 27 per cent. of their total exports. The second largest user was France, taking 16 per cent. of total exports, followed by Japan, taking 11 per cent.

During the first half of 1958, world consumption of raw wool was running some 16 per cent. lower than a year previously, but there were signs of recovery later in the year. By the third quarter, wool consumption was only 9 per cent. lower than in the previous year, mainly because of increased activity in the U.S. and West Germany. The wool industry in the U.K. began to recover somewhat later. By December 1958, the rate of consumption was 15 per cent. higher than in the same month of 1957.

CLOTH AND YARN PRODUCTION

Production of cotton piecegoods in the mill sector during the month of March 1959 is provisionally estimated at 407 million yards, as against 406 million yards in the corresponding month of 1958. The total production for the first quarter of 1959 was 1,229 million yards, that in the same quarter last year being 1,235 million yards. The quantity of yarn spun in March 1959 was 141 million lbs., bringing the total output for the quarter to 429 million lbs. The table below gives the month-by-month trend of yarn and cloth production during the first quarter of 1958 and 1959:

(Cloth in million yards; yarn in million lbs.)

	Cloth		Yarn	
	1959	1958	1959	1958
January	430	437	151	149
February	392	392	137	133
March	407	406	141	138
Total ...	1,229	1,235	429	420

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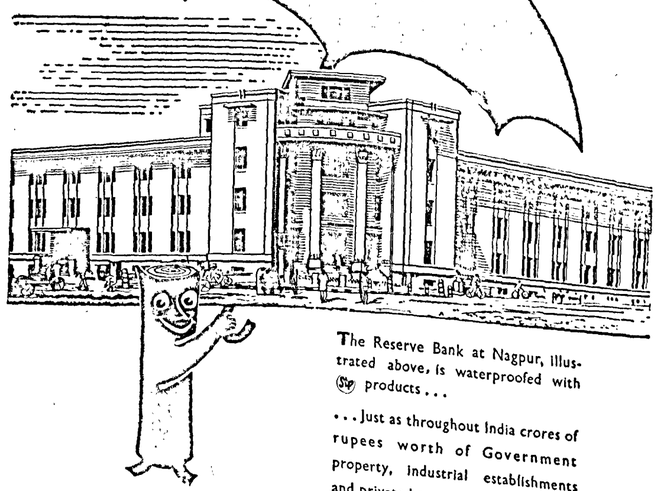

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STP 38

OFFICIAL STATEMENT OF POLICY FOR COTTON INDUSTRY AWAITED

WORKERS AND MERCHANTS ON REDUNDANCY SCHEME

From A Special Correspondent

MANCHESTER, 21*st April*

AN air of expectancy pervades the market in advance of what many hope may be an historical statement of policy for the industry, to be made on behalf of the Government before the end of this week. Hopes, however, have been raised in the past and have not always been fulfilled, so that the suppositions so widely quoted about the amount of aid which is to be offered to Lancashire may yet prove to have "strings" attached.

MANCHESTER LETTER

The sudden renewal of interest in the trade's affairs, prompted by "inspired" statements in the national Press, appears encouraging on the surface. A number of seemingly authoritative forecasts have been made as to what the Government is prepared to do on behalf of the industry, although a significant omission has been any detail. The publicity attached to this matter has even sent some members of the basic committees involved searching for the appropriate officials to find out what exactly is going on.

At the same time, it can be recorded that some sections of the industry have already put forward draft redundancy plans to the Board of Trade for their comments. It should, therefore, not be long before the individual firms, who are so directly concerned, learn how their future is to be affected. The whole situation presents innumerable difficulties which can only be resolved by concerted action, but those who are dealing at first hand with the projects are devoting much time and skill in producing schemes which should be effective. Headlines indicating extensive mill closures have so far tended to underestimate the seriousness of the position. Suggestions of a 10 per cent. cut in present capacity would merely touch the fringe of the problem—at least a 25 per cent. reduction is required.

Not So Gloomy

Once more, the trade can be indebted to Mr. James Ewing, Chairman of the Bradford Dyers' Association, for a clear-sighted review of conditions and prospects. His annual report is, in addition, a change from many of the gloomy forecasts which have received widespread attention over the past year or more.

"I believe that the United Kingdom textile industries have reached bottom and that, if those engaged in the industries and the Government will play their parts in re-creating an industry of the size required to produce efficiently the reduced volume, the future is not so gloomy as one would be led to believe from recent comments in the Press and elsewhere," is Mr. Ewing's summing up. "There may have to be fundamental changes in the present horizontal structure, the way for which can be cleared in the first instance by cutting out excess capacity in each of the horizontal sections and operating the fewer units on a full capacity scale," he adds. "Once that has been done efforts should be made to bring closer together the manufacturers and distributors."

Pointing out that the American Department of Defence has ranked the United States textile industry second only to steel in terms of military essentiality, Mr. Ewing urges the British Government to weigh this pertinent factor very carefully. An American Senate Committee has said: "It would be the height of folly in a world where we must realistically recognise the necessity for military preparedness to allow the domestic textile industry to contract to the point where it could not satisfy our basic civilian and military needs in the event of an all-out emergency."

Workers' View

Union leaders of Lancashire's 200,000 cotton spinning and weaving workers are not prepared to be a party in saying which mills should close down under an organised scheme of redundancy. Declaring this in its annual report, the United Textile Factory Workers' Association said: "But we have insisted that operatives compelled to leave their jobs through mill closures shall be adequately compensated."

Referring to the discussions which have been taking place within the industry on the question of its future size, the report said: "Final conclusions have not been arrived at, but it is essential that the industry should be as compact as possible and highly efficient with mills running at 100 per cent. capacity. This is the only way to maintain and improve the living standards of those whom we represent." It had been evident for some time that the machine capacity of the industry was in excess of any likely demand for yarn and cloth; a report had, therefore, been submitted of the expected demand and many assumptions had been made, including the development of shift working and the introduction of more automatic plant. The report added: "This would mean, of course, old machinery being scrapped and inevitable mill closures."

Merchants' Warning

The urgent need for completion of the cotton industry's schemes for contraction and for clarification of the Government's promises of assistance was stressed in the annual report of the yarn section of the Cotton and Rayon Merchants' Association. "If some units are led to believe that by continuing in existence at any cost they may obtain a share of some Government or other largesse, prices could take a most erratic course. It is most essential that the period of uncertainty should be brief," continued the report.

Commenting on the abandonment of the price agreements in the cotton spinning and doubling industries and the withdrawal of minimum prices for spun rayon yarns, the Association declared that it had always been in favour of greater flexibility in prices and felt that export trade in yarns would benefit from the new freedom. "As long as the industry is larger than is justified by the total volume of trade available there is a danger that the market may become so unstable that nobody will benefit," the report warned.

The report regretted the reduction in quotas imposed by the Indian Government on imports of yarn and commented: "Lancashire exports of cotton yarns to a traditional market have already been reduced to a fraction of their former volume and statistics show that the new restrictions will reduce India to a market little larger than some of the small West European countries."

Textile Plant For U.S.S.R.

Machinery for use in a new man-made fibre plant now being built in the Soviet Union has been ordered from Ernest Scragg and Sons Ltd., Macclesfield, Cheshire, textile machinery makers. A contract worth more than £300,000 has been placed with the firm, it was announced last week. The machinery was said to be of the most modern type and will be operating at higher speeds than any other similar plant now in use in Russia, as far as is known.

During the past twelve months the Scragg Group has secured orders with Russia for machinery to be used for the processing of man-made fibres worth more than £1,000,000, including some contracts obtained in conjuction with Courtaulds Ltd.

Trade With Germany

Expanding export opportunities for British firms in Western Germany were outlined in Manchester last week by Mr. J. A. M. Marjoribanks, H. M. Minister Economic at Bonn who visited the Manchester Chamber of Commerce for talks with exporters. In the last six years, he said, the value of U.K. shipments to West Germany had increased from £55,000,000 to £116,000,000 a year and, in the latter part of last year, exports were running at an annual rate of £130,000,000. "These figures show that Western Germany is the most expanding market we have in Europe; our exports to every other Continental country with the exception of Austria have decreased over the past year."

Mr. Marjoribanks said that British firms who took the initiative and visited Germany to explore the market were doing very good business and there was scope for more. There were openings for all kinds of machinery—textile, agricultural and electrical—woollen textiles and chemicals and the higher quality cotton textiles.—*All Rights Reserved.*

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CLIMATE FOR FOREIGN INVESTMENT

RESULTS OF U.S. STUDY

IT has now become quite clear that, if India's economic development is to be rapid and smooth, utmost importance must be attached to the need for encouraging inflow of private foreign capital and that less reliance should be placed on aid from foreign Governments. Already, several Indian business houses have approached overseas interests, particularly in the U.S., with schemes for collaboration. Many U.S. companies are reported to be evincing much interest in these schemes. In view of this upsurge in interest, the Far Eastern Division of the U.S. Bureau of Foreign Commerce has prepared a document entitled *Investment Factors in India* which contains answers to several questions, as many as 50, that must be uppermost in the minds of prospective foreign investors. This document was placed before the Terminal Conference of the U.S. Trade Mission to India held at Chicago in March last. A portion of the document, that pertaining to the more important questions and answers, is reproduced below, as we are sure that most of the business men in India—both nationals and foreigners—will be interested in knowing the findings of the U.S. Commerce Department:

What is the extent of present U.S. investment?

Current value of total U.S. private investment in India was unofficially estimated at $150 million in late 1958, and additional projects were being negotiated involving approximately $15 million. The last official U.S. estimate of the book value of U.S. investment in India was $110 million at the end of 1957. More than half this investment was in petroleum exploration, refining and distributing operations. Additionally, American branches or subsidiaries are engaged in the manufacture in India of such products as rubber tyres, jute products, abrasives, flashlight batteries, a wide range of chemicals and pharmaceutical, and elevators and escalators.

Is there other foreign investment?

The latest official tabulation by the Indian *Government* (end of 1955) placed the book value of all foreign private investment at approximately $1.1 billion. Of this amount, U.K. investors owned about $844.2 million and U.S. investors $95 million.

What is the rate of new investment in India?

During the period 1948-53, there was an average net annual private capital inflow of about $51 million. This declined to about $38 million annually during 1953-55. Although more recent estimates are unavailable, new investment in the past two years is thought to be considerably in excess of previous rates.

What is India's private foreign investment goal?

In 1956, the Indian Government set a goal of $210 million in private foreign investment for the second Five-year Plan period (1956-61). The Government is now relying on an even greater flow to help meet the gap between planned expenditures and India's own foreign exchange resources.

Is investment in India profitable for U.S. firms?

A recent study by the Reserve Bank of India reveals that the average rate of return on investment in India by U.S. companies, after Indian income taxes, amounted to 13.5 per cent. and 12.8 per cent., respectively, in the years 1953 and 1955, as compared with the average earnings of 10-12 ,per cent. by large corporations in the United States.

What is the scope for licensing agreements with Indian companies?

The wide range of new industries being established and the emphasis on increasing the productivity of existing plants offers greatly expanded scope for the licensing of patents and the extension of technical assistance by U.S. companies. The Indian Government has authorised the conclusion of more than 300 licensing and technical assistance agreements since independence. Many U.S. companies have licensing arrangements with Indian firms covering textile finishing processes, food processing machinery, production of jeeps and automobile parts and accessories, etc.

Is there an investment guaranty agreement?

An agreement was concluded on 19th September 1957 which provides convertibility guaranties for the conversion of earnings and original capital into dollars. It does not cover nationalisation or war risk.

What policy statements govern U.S.-Indian commercial relations?

High officials of the Indian and U.S. Governments issued a joint statement in February 1958 expressing agreement on ways to foster closer trade and investment relations (see Kearns-Lall statement W.T.I.S. 58-60, p. 4). References to W.T.I.S. 58-60 relate to the publication *Establishing a Business in India*, World Trade Information Service, Part 1, No. 58-60. Available from U.S. Department of Commerce Field Offices or the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C., for 10 cents.

Is there a double taxation treaty?

In December 1958, Indian and U.S. officials met to discuss the terms of such a treaty and tentatively agreed on the matters to be covered. These discussions will be resumed in India soon.*

India's Policy Towards Foreign Investment

There is no general law in India governing foreign investment. The Indian Government has generally followed the four major principles announced by Prime Minister Nehru on 6th April 1949. These are: The Government of India does not intend to place any restrictions or impose any conditions on foreign private investment which are not applicable to similar Indian enterprises; foreign interests will be permitted to earn profits subject only to regulations common to all companies, and no difficulty is foreseen in continuing the existing facilities for the remittance of profits; if and when foreign enterprises are nationalised, compensation will be paid on a fair and equitable basis; and as a rule, the major interest in ownership and effective control of an undertaking should be in Indian hands.

In what industries would a foreign investor be expected to enter into joint ventures with the Indian Government?

India's Industrial Policy statement of 1956 required that 17 basic industries, including defence equipment, atomic energy, iron and steel, etc., be developed exclusively in the public sector. However, existing private enterprises in those industries are permitted to continue and may be allowed to expand if this is in the national interest. As a general rule, foreign investors would be required to enter into joint ventures with the Indian Government in those industries.

What other fields are reserved largely to the Government?

Twelve other industries, including antibiotics, essential drugs, fertilisers, machine tools, synthetic rubber, etc., are to be progressively State-owned. The State will generally take the initiative in establishing new undertakings in those fields. Private enterprise, however, will also be expected to supplement the effort of Government. In the past two years, the Indian Government has permitted an enlarged role to private industry in those 12 industries.

To what extent are foreign private companies entering into joint ventures with the Indian Government?

There have been relatively few instances to date in which private foreign companies have entered into joint ventures with the Indian Government. Nevertheless, there has been a growing trend toward private foreign equity participation with the Indian public sector in new enterprises. Recent examples include private British equity participation in an explosives plant, in an oil exploration and refining project and in a large telephone manufacturing enterprise. In 1958, an American pharmaceutical company agreed to provide technical services to a Government antibiotic plant on a royalty basis.

To what extent are private foreign companies entering into joint ventures with Indian private industrialists?

A substantial number of foreign private companies, predominantly European, are entering into joint undertakings with Indian businessmen. While American companies have been less inclined so far to participate in such joint ventures, a number of such agreements have been negotiated in the past two years.

What proportion of new industrial growth is taking place in the private sector?

In 1956, at the beginning of the second Five-year Plan about 80 per cent. of Indian industry was in the private sector. Since the Plan calls for greatly increased public sector expenditure (approximately double the capital investment allocated to the private sector), it is estimated that, by 1961, the Government sector will control about 40 per cent. of all industrial investment. It should be noted, however, that most of this investment is taking place in large-scale basic industries. The Indian Government expects that the development of these basic industrial facilities will permit greatly expanded opportunities for private sector activity in secondary and consumer goods industries.

What corporate forms may foreign investment take?

Although India has generally insisted on majority control of new enterprises by Indians, this requirement is now being interpreted more flexibly. On 15th August 1958, the Indian Government explained that, in principle, the cost of imported capital equipment is allowed either as minimum equity participation or on a part equity and a part loan basis. While majority Indian participation is generally favoured over and above the minimum cited above, the Government stated that, in suitable cases, it will allow foreign investment as the bulk of the capital structure of a new enterprise provided Indian participants can exercise effective influence on the company to develop Indian "know-how."

What corporate forms may foreign investment take?

Foreign investors may organise an Indian company or participate in an existing Indian company on the same terms as Indian investors. Special provisions have been set forth in the Companies Act, 1956, for companies incorporated in foreign countries having a place of business in India (see W.T.I.S. 58-60, p. 7-8). Some changes may be introduced soon into the Company Law definitions of a "private" and a "public" company as a result of the recommendations contained in the 1957 Report of the Company Law Amendment Committee. Loan copies of this report are available from Commerce Field Offices.

What criteria are used in screening investment proposals?

The four fundamental tests employed by the Indian Government require generally that the proposal involves manufacture; it should increase productivity in an important economic field; it should save or earn foreign exchange; and the enterprise to be established should impart technical skills and create employment.

How is approval obtained?

All proposals must be approved by the Indian Government. The approval usually takes the form of a licence to manufacture issued by the Ministry of Commerce and Industry.

Is the screening process time-consuming?

In most cases, American investors have complained about the delay in getting approval for a project. It is not unusual for decisions to take a year or more. The Indian Government is now considering the opening of investment centres abroad to facilitate negotiation of investment proposals. It recently simplified regulations governing the expansion of existing enterprises in India, a step which may indirectly expedite consideration of new investment proposals.

What assurances should U.S. investors try to obtain at the time of entry?

In most instances, foreign companies request assurances with regard to the import of essential raw materials for the proposed enterprise, and the right to obtain suitable land and other facilities for the plant. In some cases, companies seek to determine whether their undertaking would be eligible for tariff protection. Agreement is ordinarily reached also on the capital valuation assigned to the foreign equity contribution.

What assurances does India generally require?

Among the typical conditions advanced by the Indian Government are: The submission

(Continued on page 745)

*A draft agreement has since been initialled by the representatives of both the Governments.—ED.

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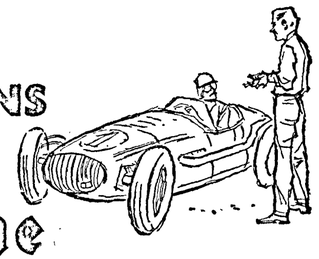

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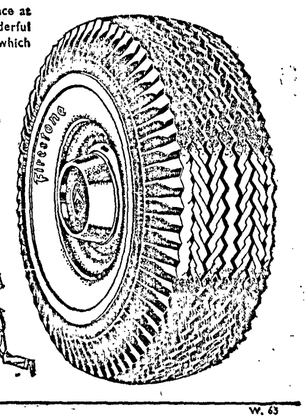

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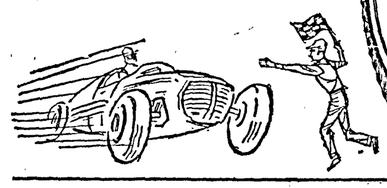

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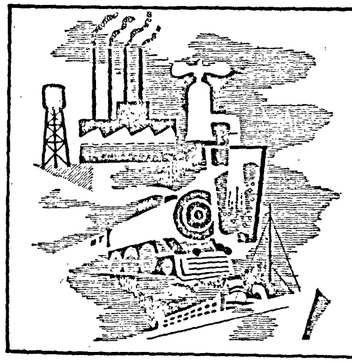

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"KHANDSARI" SUGAR GETS RELIEF

MR. MORARJI DESAI YIELDS TO PRESSURE

AT least a section of *khandsari* sugar manufacturers has reason to feel gratified at the relief in excise duty announced by Mr. Morarji Desai, Union Finance Minister, while moving for consideration the Finance Bill 1959-60 in the Lok Sabha on 20th April last. The Finance Bill originally introduced, it will be recalled, envisaged the imposition of a basic excise duty of Rs. 5.60 per cwt. with an additional duty of 70 nP in lieu of sales tax on *khandsari* sugar. The levy was severely criticised by the industry as well as by a section of politicians, and scores of telegrams were addressed to the Government of India urging it to drop the levy. During the general discussion on the budget in both the Houses of Parliament, several members not excluding many a Congress man, opposed the imposition on the ground that the *khandsari* industry in general was not in a position to bear the burden. The Finance Minister had the matter thoroughly investigated and has since announced some concessions for the industry, although in his reply to the general debate, he had strongly defended his action. Apparently, he must have thought that it would be better, politically, to make a reduction in the tax levied by him.

According to the Finance Minister, it is proposed to make a distinction between *khandsari* sugar produced with the aid of sulphitation plant and that produced without such aid. The basic rate of duty on the former is to be reduced from Rs. 5.60 to Rs. 5.04 per cwt. and on the latter to Rs. 3.92 per cwt. Similarly, the additional excise duty has also been lowered from 70 nP to 63 nP and 49 nP, respectively. The concessions are expected to cost the exchequer Rs. 61 lakhs during the current financial year (1959-60) and Rs. 81 lakhs in a full year. The new proposals would be given effect to by executive notifications.

Further, it has been decided that *khandsari* sugar should be deemed to be assessable only when power-driven centrifugals are used in its manufacture. In other words, it is of no consequence if *rab* is made from out of juice extracted with the aid of power driven crushers; *khandsari* sugar produced from such *rab* with the aid of either hand-driven centrifugals or any other non-power contrivance will not be assessable. By way of simplification of procedure, Mr. Desai has in mind, we are told, prescription of compounded rates of duty in respect of the smaller units in lieu of standard rates. The details are being worked out and an announcement will be made in the near future. Mr. Desai hopes that the *khandsari* industry will have no further cause for complaints.

It is unfortunate that the Union Finance Minister has bowed to the pressure tactics of politicians. Even the original excise duty of Rs. 6.30 per cwt. (including additional excise duty) is very inadequate, as it still leaves a gap of about Rs. 8.26 per cwt. between *khandsari* sugar and white sugar, apart from the incidence of co-operative societies' commission on sugar factories which works out Rs. 3.22 per cwt. What is worse, by making a distinction between *khandsari* sugar produced with the help of sulphitation plant and that produced without such aid and by imposing a lower rate of duty on the latter, the Minister has only placed a premium on wasteful production of *khandsari* sugar. It is common knowledge that the recovery of sugar in the traditional indigenous process of *khandsari* manufacture is very much lower than the production by the sulphitation plant; the recovery under the old process is just 5 to 5.5 per cent., as against 7.5 to 8 per cent. under the improved sulphitation method.

No one would grudge tax relief and even active financial assistance to a cottage industry, but, when such relief and assistance are extended to wasteful means of production, they serve no purpose. Is it worthwhile to encourage production of *khandsari* sugar under traditional indigenous process, that is, without the help of sulphitation plant? Every 100 tons of sugarcane crushed under this process will result in a total loss of 4.5 tons of sugar which could be had by utilising the same quantity in a sugar factory to produce white sugar. The revenue lost as a consequence of not producing these 4.5 tons of white sugar is nearly Rs. 1,830, made up of Rs. 1,310.40 by way of excise duty, Rs. 229.05 as cane cess and Rs. 290.30 as co-operative societies' commission. This is the minimum loss, in that it is exclusive of the income-tax and super-tax which the Government can collect from the sugar mills on the profit made by them on the 4.5 tons of sugar.

The Union Finance Minister would have certainly served the cause of the *khandsari* industry better if he had maintained the previous excise duty of Rs. 6.30 per cwt. and given a tax preference to the more efficient production of *khandsari* sugar with the aid of sulphitation plant. It is the adoption of this plant which removes the several defects in the traditional indigenous process such as poor extraction of juice, processing of juice without neutralisation, inefficient juice boiling resulting in the inversions and caramelisation of sugar, and crystallisation of *rab* under uncontrolled conditions as a result of which formation of grain is excessive and the size of grain so small as to pass out in molasses during "centrifugal." But it must be emphasised that even the improved type of *khandsari* manufacture is wasteful as compared with white sugar manufacture. Accordingly, the proper thing to do would be to discourage production of *khandsari* sugar and to divert the cane used for this purpose to the factories producing white sugar.

SUGAR IN RUSSIA

Sugar production in the Soviet Union is expected to touch 10.0 million metric tons (raw value) in 1965, as against the estimated output of 6.2 million tons in 1958-59. The rise of 3.8 million tons is being achieved partly through the setting up of 45 new sugar refineries and partly through the reconstruction of 44 old units. The new refineries will have a capacity to process 30,000 to 50,000 centners of sugar-beet per day. A large part of the production processes at the refineries now being erected is said to be fully automatised. With the successful implementation of this programme, the *per capita* output of sugar in Russia will increase from 26 kilogrammes (about 57 lbs.) at present to 41-44 kilogrammes (92-97 lbs.) in 1965.

It may be noted here that Russia is one of the members of the International Sugar Agreement. Its basic export quota for 1958 was 200,000 metric tons, out of the total tonnage of 6.39 million tons for all countries. The domestic consumption of sugar in 1957 aggregated 4.7 million tons, as against 4.2 million tons in 1956 and 3.95 million tons in 1955.

"INDIAN SUGAR"—ANNUAL NUMBER

The latest annual number of *Indian Sugar*, published by the Indian Sugar Mills Association, India Exchange, Calcutta (Editor: Mr. J. S. Mehta. Price: Rs. 3), gives, like its predecessors, an interesting resume of the recent developments in the sugar industry, Indian and international. There are several general and technical articles on the various aspects of sugar industry—sugar production, sugarcane cultivation, confectionery, subsidiary industries and labour. There is also a brief review covering world sugar output, world export quotas, and sugar industry in Pakistan, Vietnam and Cuba. The Annual contains, besides, a note on the proceedings of the Association's annual meeting held early in March 1959, including the speech of the retiring Chairman, Mr. P. Haddfield. There is also a statistical section giving up-to-date information regarding sugar and cane production, *per capita* consumption of sugar, sugar recovery, etc., in India as well as in the important sugar producing countries in the world.

Sugar production during the month of March 1959 was 366,000 tons bringing the total production to 1,697,000 tons upto 31st March 1959, as against 378,000 tons in March 1958 and 1,714,000 tons upto 31st March 1958.

The offtake of sugar from factories during the month of March 1959 was 171,000 tons, as against 172,000 tons in the corresponding month in 1958. The total despatches from factories during the first five months of the season were 862,000 tons, as against 808,000 tons during the corresponding period last season.

The total closing stocks of sugar with factories as on 31st March 1959 was 1,168,000 tons, as against 1,334,000 tons on the same date last season.

The South Indian Sugar Mills Association has arranged for free sale of sugar at ex-factory prices which, after allowing for reasonable profit to the wholesaler and retailer, should enable the consumer to obtain sugar at no more than 52 nP per lb. or Re. 1.63 per *viss* of 3½ lbs. Announcing this, the Association observes that it "has noted with concern the high retail price of sugar ruling over the last two months in South India; production in South India comprising the States of Madras, Andhra, Kerala and Mysore together will be even a little more than last year."

The Punjab Government has decided to institute a comprehensive enquiry into the working of three co-operative sugar factories in the State. The three factories, it is said, have been running at a loss during the last three years of their existence, despite a total investment of over Rs. 4 crores. The enquiry will begin on the 21st inst., with the Rohtak Karyana Co-operative Mills. The affairs of the other two units at Panipet and Bhogpur (Jullundur) will be taken up later.

Sudan is obtaining 25,000 tons of refined sugar from Formosa. The purchase has been made possible by U.S. assistance funds granted to Sudan, with a view to overcoming the present shortage of foreign exchange. The International Co-operative Administration in Washington has issued a $2.8-million procurement authorisation to cover Sudanese sugar purchase. Meanwhile, Sudan has plans to extend sugarcane planting in the fertile Zondi district of Southern Sudan and to develop sugar-refining industry.

The Central Government has turned down the plea of the Kerala Government for permitting the establishment of a co-operative sugar factory in Palghat district on the ground that the entire targeted capacity for sugar industry under the second Five-year Plan has already been licensed. This was disclosed by the Union Deputy Minister for Community Development and Co-operation in the Lok Sabha recently.

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FISCAL LEVIES ON TEA INDUSTRY

MINISTER RULES OUT PROSPECT OF FURTHER REDUCTION

TEA planters who had gathered at Jalpaiguri last week-end for the annual meeting of the Indian Tea Planters' Association, might have been somewhat disappointed with the statement of Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, when he addressed them on the occasion, that it would not be advisable on their part to expect any further concession at the present moment, in so far as the excise and export duties on tea were concerned. Mr. Shastri, who was replying to the plea of Mr. L. D. Betts and Mr. K. K. Rahut for a radical change in the Government's taxation policy, did not, however, rule out the possibility of the Government acting swiftly, if any special situation arose, and rendering necessary assistance to the industry.

Mr. Betts pointed out that the tea industry, despite its importance as the largest foreign exchange earner, was the most heavily taxed. It was also burdened, he said, with various levies on production, which besides being vexatious, were also a great handicap to the industry. It was in the ridiculous position of having to pay all surplus to labour, leaving nothing for carrying out improvements and fulfilling statutory obligations. Mr. Rahut explained that a large slice of the cost of production (which had increased considerably in the post-war years) consisted of taxes which either the producer or the buyer had to pay. Even where the buyer had to bear it, it ultimately recoiled on the producer and virtually became a part of the cost production. He added that, out of the cost of production of Re. 1.75 per lb. in 1958, taxes alone accounted for 55 nP and of the latter, the share of export duty was no less than 38 nP per lb. Further, in 1958, while production went up by 4.4 per cent., as compared with that in the previous year, exports rose by about 15 per cent. Foreign exchange earnings, however, were higher by only about 11 per cent., as the average export price declined by 3 per cent. With higher production and export, Mr. Rahut said, the Central Government obtained larger revenues but, with lower prices, the producers suffered a loss. He pointed out that the revision of excise and export duties had not fetched a better price for common teas. The differential excise on zonal basis, according to Mr. Rahut, failed as an incentive to a larger offtake of common teas.

Average Prices Realised

Refuting the claim of planters that the average prices fetched by Indian teas, as a whole, and Dooars teas, in particular, had been lower than in 1957, Mr. Shastri said that the position was not exactly like that. Thus, he said:

"In the Calcutta auctions, the average price was Rs. 2.18 per lb. in 1958-59, as compared with Rs. 2.10 in 1957-58. In the London auctions, the average price moved up from 55*d.* to 55.90*d.* The price of Dooars tea came down by about 1*d.* per lb. in the London auctions, but, in the Calcutta export auctions it moved up from Re. 1.82 in 1957 to Re. 1.88 in 1958. Dooars dust tea rose from Re. 1.64 to Re. 1.80 and leaf from Re. 1.24 in 1957 to Re. 1.51. On these calculations, it seemed that while the relief obtained was 12 nP to 14 nP in tax burdens, the industry gained 6 nP to 10 nP in prices in exports and internal auctions."

Replying to the planters' plea for the Central Government's assistance in seeking a relief from the West Bengal and Assam Governments in respect of entry and road taxes, Mr. Shastri said that he had discussions with the Ministers of the two State Governments on the subject and that both the Governments were giving active thought to this problem. While sympathising with the planters, the Minister did not hold out any promise of relief. For he said that they should fully realise the great need for funds for developmental activities of the States. It was, therefore, not an easy matter for both the Governments to forgo the big revenue they got out of these taxes at present.

Mr. Rahut drew the attention of the Minister to the growing production of tea by the major tea-producing countries during the last three years. Their aggregate output had risen from 1,218.8 million lbs. in 1956 to 1,312.8 million lbs. in 1958. The surplus brought forward from 1957 amounted to 89 million lbs. It was very likely that, even after making a reasonable allowance for a higher consumption in 1958, Mr. Rahut said, with an increased world production of more than 60 million lbs., the carryover of surplus stocks to 1959 would be about 100 million lbs. Such a large surplus and increasing competition from other tea-producing countries have naturally caused some anxiety among Indian planters over the prospect of raising the exports of their produce.

Exports

While fully realising the anxiety of the growers in respect of tea exports in an overstocked world, Mr. Shastri said that they need not be unduly nervous about it. On the contrary, he was very hopeful of increasing our exports. Thus, he said:

"The future of our common tea producing areas in a highly collective world market lies in the success of our effort to convert the greater part of our common tea production into quality tea production.... We have to adapt ourselves to changed conditions and do our best. We will continue to maintain our exports to our main buyer country, the U.K. I hope there will be some improvement in the U.S.A. also.

"We have recently developed some new markets, like Egypt and Sudan, the U.S.S.R. and the countries of Eastern Europe. Recently, our trade agreement with Iraq has regained for Indian tea a foothold in the Iraqi market which India had completely lost. But it is only a foothold that you must consolidate and extend. I have the impression that enough is not being done by Indian exporters to exploit this development.

"Iran is another market to which we are not paying sufficient attention. According to a recent law of the Iranian Government, all imported tea has to be blended with the local product before it is sold to the consumers. I wonder how many of our exporters have tried out blends of various grades of Indian tea and Iranian tea to find out what blend would be competitive in price and agreeable to the Iranian taste.

"I am pointing out these instances only to show that, even in an overstocked market, ingenuity, resource, drive and enterprise are not ruled out and our export outlook need not be too pessimistic."

It is true that there is vast scope for enlarging India's exports, but the whole trouble is that the bulk of this country's output is made up of common teas and the prices fetched by them are not competitive, on account of the high cost of production.

International Tea Agreement

Speaking on the representation made to the Government of India for taking steps to revive the International Tea Agreement, even if it be confined to a limited circle of producers, the Union Minister remarked:

"This question has two sides which have to be carefully considered. May I give an instance of the contradictions in what you have said about the advantages of an international trade agreement. With an excess of 89 million lbs. in world supply over world consumption, why is it that, in 1958, we exported 65 million lbs. more than the preceding year? Why is it that prices in Calcutta, Cochin and London auctions were better than last year? You have rightly pointed out that our present export performance is by no means unprecedented. We nearly touched that figure in 1953. But for the 500 million lbs. we exported that year, we earned only Rs. 163 crores, as against Rs. 136 crores for the 507 million lbs. we exported last year. Considering that world production in 1953 was not of the same volume as in 1958. I find it difficult to explain this. Again why is it that the slump of 1952 occurred despite the fact that the International Tea Agreement was in force then?

"It is far from my intention to rule out the necessity of an international tea agreement. I merely wish to point out that there are so many imponderables in this situation that the most concentrated thought and analysis of all aspects of this situation is necessary before we take a decisive step. Any policy based on easy generalisations would not be correct.

"Of late, the plea for a limited agreement between a few producing countries confined only to the limitation of exports has been made by some quarters. Their argument is that these producing countries accounting for the bulk of world exports of tea can by a restrictionist agreement among themselves push up prices to a remunerative level I would not like to dilate upon this any more and merely say that the Commerce and Industry

(*Continued on page 742*)

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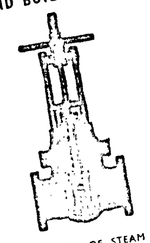
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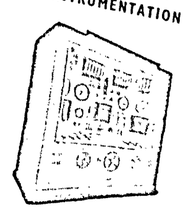
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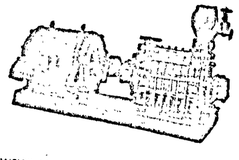
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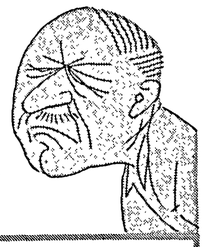
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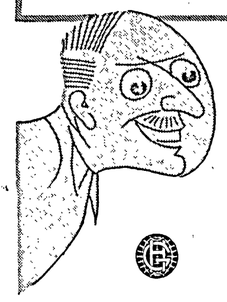
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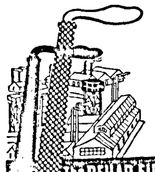
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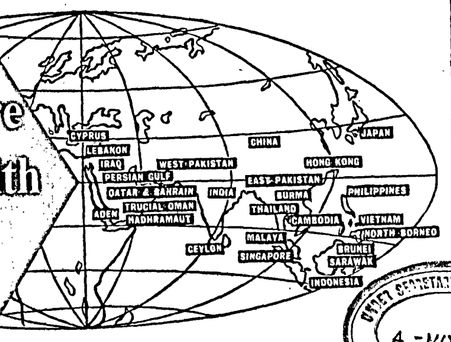

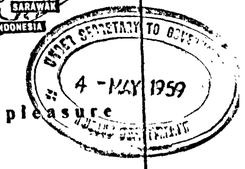

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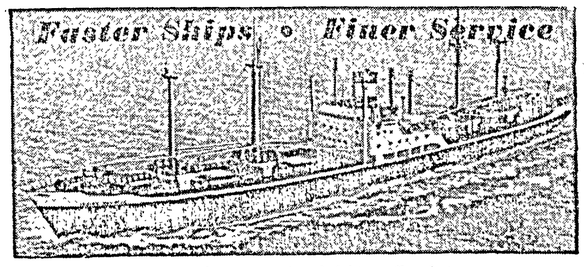

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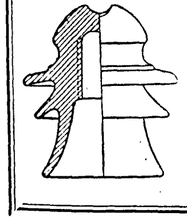
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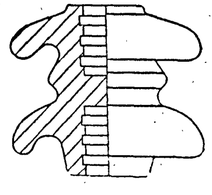

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THE completion of the Rs. 15-crore railway bridge across the Ganga at Mokameh (Bihar), which was formally opened for traffic this week by Prime Minister Mr. Jawaharlal Nehru, is a new milestone in India's industrial march. By connecting the broad-gauge system of the Eastern Railway on the south of the river with the metre-gauge system of the North-Eastern Railway on the other side, the bridge is a link not only between north and south Bihar but also between the entire region south of the Ganga with Assam, Bengal, Nepal and east U.P. It thus paves the way for the industrialisation of several regions, including, of course, north Bihar, the economic progress of which has for long been hampered by absence of a speedy and efficient system of communications across the Ganga in Bihar.

North and South Bihar

The terms 'north' and 'south' Bihar have become so common through long usage that few have perhaps cared to reflect why similar classification is not made in respect of, say, U.P. or Bengal. The ineluctable fact of Bihar's geography, namely, the east-west flowing Ganga, across which there is no bridge in the State, has made regional dichotomy an inescapable part of life in Bihar. Although the Ganga has been bridged over at as many as eight points in its upper reaches, the last bridge being at Varanasi, six miles to the west of Moghalsarai, there was no bridge for moving goods and passengers between north and south Bihar. Again, whereas in U.P. alone, there are six bridges across the Ganga over a distance of 400 miles, there is no bridge whatever in Bihar over a length of nearly 300 miles. The result was that transport had to be confined to the costly, slow and hazardous system of ferries. The most important ferry point was the Mokameh ghat—the site of the present bridge—though there were three other minor ferry points worked by the railways at Patna, Bhagalpur and Sahibganj. Ferrying has presented some serious problems not the least of which was the instability of the north bank of the river. This meant that the ferry points had to be frequently shifted which, in turn, implied temporary stoppage of transport until arrangements could be made at the new ferry points. For instance, in 1955–56, the Manihan ghat near Sahibganj had to be shifted no less than 14 times; each time, the whole apparatus, including railway yards and offices, had to be moved. Transport across the Ganga was a regular nightmare. No wonder, north Bihar has held no attraction even for the most enterprising of Indian industrialists.

It may well be asked why a bridge was not built earlier, considering that the railways have had to encounter many difficulties in transport of goods and passengers which implied heavy costs and innumerable uncertainties. For a long time, the engineering knowledge, which has now made possible the Mokameh bridge, was lacking. It must be remembered that the lower reaches of the Ganga, which is enriched by many tributaries, each of which is a large river in itself, are very broad, carrying with them enormous volume of water. The Ganga, after passing Patna, carries 1,020 million gallons of water per minute—a quantity which is sufficient to meet the daily water-supply requirements of all the important cities in India. To bridle so imperious a river as the Ganga, spreading out over a width of five to seven miles, is no mean engineering feet. What has made this achievement possible is the knowledge of river training which has been acquired only from the beginning of the present century. The first bridge in the lower reaches of the Ganga was attempted early in this century at Sara and completed in 1911; it is now in Pakistan.

Expert Opinion

At Mokameh, the 2½-mile wide river has been narrowed down to a width of nine furlongs; in the absence of this constriction, the bridge would have been three times as costly as it is now. Mokameh was adjudged by experts as the most convenient spot for erecting the bridge. , The Bihar State Government itself felt that the bridge should be constructed at Patna. In 1952, the nonagenarian engineer-statesman, Mr. M. Visvesvarayya, was called in to give his verdict in favour of an appropriate site for the bridge, the eligible sites being Patna, Mokameh, Sakrigali and Rajmahal. In giving his verdict in favour of Mokameh, Mr. Visvesvarayya took into consideration such factors as (1) the traffic flow and operating requirements, (2) the initial and maintenance cost of the bridge, including training works, (3) the special engineering features and the regime of the river, (4) the relation of the project to other schemes and (5) administrative considerations. The controversy over the site of the bridge delayed its construction. For, as early as in January 1948, the Cabinet approved that the Railway Board should go ahead with the construction of the bridge at Mokameh. Financial difficulties held up the work for some period of time, while the controversy over the location of the bridge further delayed it. Orders for restarting the work on the bridge were, however, issued in September 1953.

Discussing the development of the project, the Chairman of the Railway Board, Mr. P. C. Mukerjee, observes that though the original idea was to provide a metre-gauge bridge with the transhipment yard and sheds on the south side of the river, it was decided ultimately to provide a broad-gauge bridge and the transhipment yard and sheds on the north of the river in view of certain advantages, namely, (*a*) goods consigned to places in north Bihar, which are within road transport distance from the new transhipment points, can reach there direct by broad-gauge without being transhipped into metre-gauge wagons;

(*b*) the capacity of the line across the bridge will be greater in tons carried per train;

(*c*) the railways will have virgin ground on which to lay out a modern and mechanised transhipment yard with room for expansion.

Features

The project consists of linking the broad-gauge railhead on the south bank with the metre-gauge railhead on the north bank. According to Mr. Mukerjee, the main items of the work involved are:

"(i) The construction of the bridge proper about 6,000 feet long on deep well foundations, sunk to about 165 feet to 175 feet below low water level with an armoured guide bund about 8,194 feet long. The cost of the bridge is chargeable partly to the Railways and partly to the Ministry of Transport (Roads Wing). The bridge will carry the broad-gauge railway single line on the lower deck and a roadway 24 feet wide with two footpaths each 6 feet wide on the upper deck. It will consist of 14 simply supported main spans each 397 feet resting on 15 main piers and 4 shore spans each 104'-9" supported on land piers. The bridge has been designed to pass a peak estimated discharge of 27½ lakh cusecs. (ii) A new broad-gauge line from Dumra to Barauni, a distance of 10.3 miles, with a modern mechanised broad-gauge/metre-gauge transhipment yard on the north bank and an independent access to the bridge from the Mokameh side. (iii) A metre-gauge direct line of access from the transhipment yard to Tilrath. (iv) Suitable junction arrangements at Mokameh (Tal) Dumra and Barauni and connection from transhipment yard to centre of Tilrath (metre-gauge)."

With the completion of the bridge across the Ganga at Mokameh, there opens up new vistas of industrialisation for north Bihar. Through booking of goods from north Bihar to all destinations in India and *vice versa* has now been rendered possible. The bridge will benefit, as stated at the outset, not only north Bihar but also north Bengal, Assam, east U.P. and Nepal, all of which have till now been dependent upon the precarious ferry services run by the railways. As. Dr. S. K. Sinha, Chief Minister of Bihar points out, the "completion of this project makes a radical change in the whole situation and makes possible for this entire area a pace of development which may rapidly change this somewhat poor and backward part of the country into one of its most prosperous areas." The bridge will facilitate the flow of coal, stone and steel from south Bihar to north Bihar. The State Government is now engaged in issuing several licences for new industrial enterprises in north Bihar. It is believed that the sugar mills can release bagasse for the establishment of paper mills. Industries based on alcohol such as plastics and chemicals could be developed. The capacity of the existing sugar factories and power alcohol plants could be expanded.

A major handicap in the development of thermal power facilities in north Bihar has been the obvious difficulty in reaching sufficient quantities of coal available in south Bihar. This can now be moved by the Mokameh bridge. Nearly all the electricity so far generated in north Bihar has been from diesel stations which are expensive to run and have limited capacity and life. The generation of power in north Bihar will soon be augmented by the State-owned thermal power station at Barauni which will generate some 30,000 kw. at the first instance, and 120,000 kw. in its later stages. In fact, the oil refinery project at Barauni and its allied industries, like the manufacture of petroleum products and plastics are all directly linked with the Mokameh bridge. Re-rolling mills and steel processing industries of various kinds are expected to be established in north Bihar, and, for some of them, licences have already been given. The establishment of these enterprises is obviously only the beginning of what is bound to prove to be a great movement towards the industrialisation of north Bihar and its adjoining regions.

ATOMIC STATION FOR JAPAN

The General Electric Company/Simon-Carves atomic energy group, on confirmation from its Tokyo representative on 3rd April that a letter of intent had been received, authorised work to begin immediately in England on the detailed aspects of the design of a 150-MW atomic-power station for Japan. The letter of intent was issued by the Japan Atomic Power Company for the construction of Japan's first atomic-power station at Tokai-Mura, about 70 miles north-east of Tokyo. A General Electric Company (G.E.C.) spokesman said in London that the order would be worth about £20 million and the station was due to be completed by the end of 1963. He stated that Japan's first atomic station would be of a type similar to the station now being built at Hunterston, Scotland, by G.E.C., but that it would be modified to meet earthquake conditions. When the British group was selected to negotiate the contract, it was stated that G.E.C. as the main contractor would be responsible for the design of the entire project, but that certain items would be manufactured by Japanese firms. In this connection, G.E.C. had concluded, subject to Japanese Government approval, a long-term licensing agreement with a consortium of 14 leading Japanese companies known as the First Atomic Power Industrial Group. Members of this group would undertake site construction work. The station, it is stated, would be powered by a single gas-cooled, graphite-moderated reactor of the same basic type as those at Hunterston.

LOW-COST NUCLEAR SHIP

Nuclear-powered ships with operating costs not more than 5 per cent. higher than those of conventional vessels will be in service by 1961. This was predicted recently by an official of the United Kingdom Atomic Energy Authority, Mr. H. W. Bowker, who is head of the marine propulsion group at the Harwell research establishment. He was speaking at Utrecht, Netherlands, at a special international meeting on marine nuclear propulsion organised as part of Utrecht's technical trade fair. Mr. Bowker pointed out that it had still to be determined "whether there is, or is likely to be, a reactor system that can produce power at a price comparable to that of conventional fuel when built in sizes that are required for (commercial) ships and when operated under marine conditions." Nevertheless, if the progress made recently could be maintained, it was likely that nuclear-powered ships could be operating at competitive costs within five to 10 years. Mr. Bowker said the results of a study made by British engineering firms of the comparative qualities of various kinds of reactor which might be suitable for marine propulsion were being reported to the Admiralty and their findings would be awaited with great interest. He said Britain's General Electric Company had evolved a reactor incorporating a "radically new approach to fuel element design," while a marine propulsion reactor was at an "advanced stage of design." The research group of the Nuclear Power Plant Company and Swan, Hunter and Wigham Richardson was studying a nuclear power plant suitable for a tanker requiring 22,000 h.p.

B.O.A.C. SUMMER PROGRAMME

During the summer, Comet services will be stepped up from four to ten a week on B.O.A.C. routes through India to the Far East. Of this total, eight weekly flights will serve Hong Kong, five will terminate at Tokyo and four Comet flights will serve Singapore. Britannias will continue to serve Singapore four times a week during the summer on the U.K.-Australia route.

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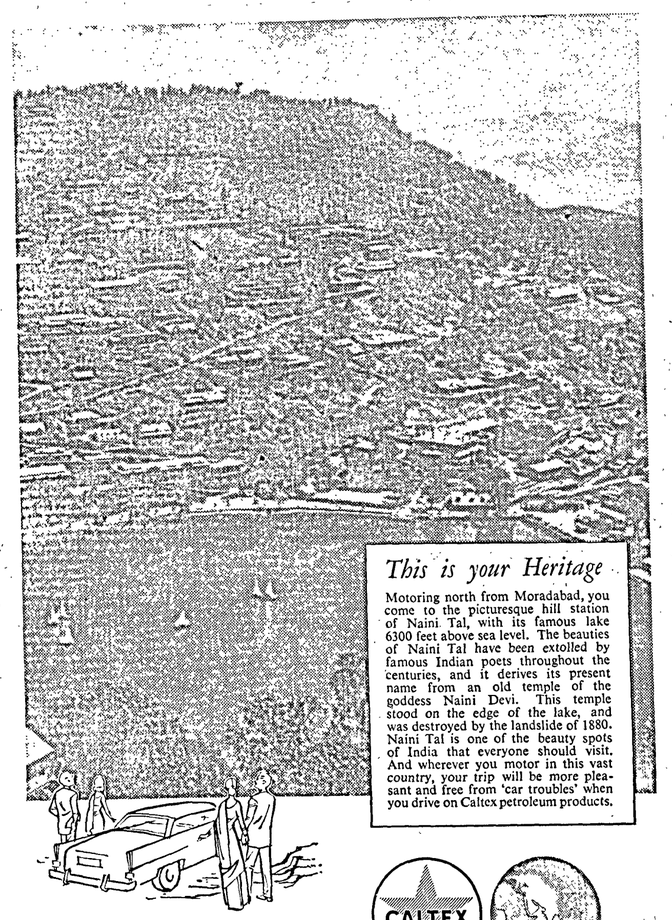

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PRICE SUPPORT FOR FARM PRODUCTS

IS IT NECESSARY AND FEASIBLE?

By M. S. Parthasarathi

Once again, the question whether India's farmers should be guaranteed certain minimum prices for their products, especially foodgrains, has come to the fore. The issue first arose in 1955, following the steady and rather steep down-trend in food prices, as a result of two good harvests in 1953-54 and 1954-55. On that occasion, after much hesitation, the Government announced a limited scheme of price support for some cereals. But the support prices offered were not much higher than the then prevailing market prices, and the mere announcement of the scheme helped to avert any further serious price decline in spite of foodgrain production in 1955-56 maintaining the previous year's level. Also, the acceleration of development expenditure in the last year of the first Five-year Plan helped in the process. It is worth noting that, unlike the bumper crop of 1953-54, that of 1956-57 did not cause any alarming fall in prices, nor has the anticipated record crop of 1958-59. The principal reasons for this are, first, the natural increase in population and the consequent rise in the demand for food and, secondly, the fact that the latter two bumper harvests are isolated instances not followed or preceded by another good harvest.

Considering the population factor alone, it is somewhat incongruous that a price support programme should now be thought of at all. The anticipated increase in food production, calculated by suitable statistical methods, is around 2.6 per cent. a year. This will just about meet the food requirements of an estimated 2.0 per cent. annual rise in population, allowing only a marginal increase in the already low per capita levels of food consumption. With even a very moderate increase in per capita incomes—1.5 to 2.0 per cent. a year is what now seems likely—there is no legitimate reason to fear a steep decline in food prices in the near future such as the one which occurred in 1955. These considerations only emphasise the need to be clear on what objectives are proposed to be achieved by a programme of price support and whether they can be accomplished.

Objectives

Now, a programme of price support can have two objectives: (1) to ensure that the farmers get a guaranteed minimum price for their produce, so that they can rely on a minimum return for their efforts, and (2) to encourage further production by promising an assured reward. The first objective will have validity and relevance in a period of falling prices. In fact, in those circumstances, a price support scheme may really aim at nothing more than ironing out violent fluctuations in farm prices and, consequently, in farmers' incomes, resulting from fluctuations in output. It may attempt to improve the returns to the farmers by eliminating the windfall profits traders usually make when there are violent price movements. Such a price stabilisation programme is certainly to be welcomed. But the present time is not a period of falling prices, and the objective of a price support programme now under contemplation can only be to encourage production. How far, therefore, a price support programme can act as an incentive to greater efforts by farmers will be examined first in the course of this article.

It is obvious that the idea that price supports can act as inducements to raise production has its origin in a misreading of U.S. experience with price supports. The existence of bumper harvests in the U.S. alongside of guaranteed minimum prices appears to have created the impression that price support was the cause of agricultural growth. It must be pointed out here that, when the price support scheme was originally introduced, the primary objective of the U.S. Government was to ensure that the farmers, who were suffering from unfavourable movement in their terms of trade with the rest of the economy, following the Great Depression, obtained a reasonable reward for their efforts. It is true that American farmers, taking advantage of the price support programme, expanded production to such an extent that the Government had to introduce restrictions on the area sown. But acreage restrictions did not prevent them from increasing output by adopting better cultural practices and greater use of fertilisers. Herein lies the true explanation for the phenomenal progress of American agriculture. American farmers were so advanced technically that they could circumvent acreage restrictions. Their efforts, moreover, paid, because they are less dependent on the vagaries of the monsoon than are Indian farmers.

The Principal Problem

On the other hand, the principal problem of Indian agriculture is not the absence of remunerative prices for its products. In fact, it is to be questioned whether our farmers will know how to take advantage of price supports if they are introduced, since not only their knowledge of better methods of cultivation but also their resources and ability to adopt them are extremely limited. Even if these hurdles are overcome, there is still the unpredictable monsoon to contend with. Tables 1 and 2 show the area sown, the output indices and the price indices of the principal food and commercial crops, respectively. The data do not warrant the belief that our farmers have been, to any extent, influenced by the price level in planning their operations. Even in the case of a crop like jute, where land can easily be diverted to rice, it is difficult to make any assertion. In particular, it is difficult to divine any design in the movements in food output. Until our farmers can plan their work with greater confidence, without having to be constantly gazing at the sky, a price support scheme is highly unlikely to give a fillip to production in concrete terms, and, when that good time comes, the incentive of price support will very probably be superfluous.

Even if price support is successful in inducing a higher level of production, it need not be entirely beneficial in its overall effects. For instance, the production of a crop, which has a minimum guaranteed price, may increase through the diversion of land from some other crop. This has happened even in the U.S., where new areas were waiting to be brought under cultivation. This is all the more likely to happen in India, since the scope for bringing new land under the plough are strictly limited. Further, such new areas as may be available are not likely to be fit for the crops whose production the Government presumably would like to encourage. To guard against such unwise diversion of land, the Government will find itself forced to consider a complete scheme of price support for almost all agricultural products. This will not only involve a higher outlay in terms of money, but also a far more difficult task in working out a balanced price support programme, which will satisfy not only all farming interests but also the interests of the nation as a whole.

It is now necessary to examine whether there is any validity in the other possible argument in favour of price support, namely, that farmers should be guaranteed a minimum fair return for their produce, so that cultivation does not cease to be profitable. As already pointed out, it is on this ground the U.S. Government has over the years been operating a price support programme. This is understandable, since, in the U.S., farming is as much a business as any other, and uneconomic prices may result in some farmers quitting farming to take up some other occupation, adversely affecting production thereby. In India, on the other hand, farming is a way of life, and most farmers are subsistence farmers who cannot enter other vocations. This is not to justify denying our farmers a fair return, but only to highlight that differing ideas of a fair return are possible and practicable.

Question Does Not Arise

In any case, the question of ensuring a fair return to our farmers arises only if they are now being denied fair prices for their products, in comparison with the prices of manufactured commodities. All available statistical evidence, on the other hand, only proves that prices have generally been moving in favour of farmers in the last two decades. True, a case can be made out for price support for agricultural products, and for foodgrains in particular, especially in the years 1954-55 and 1955-56, if we look at the index number of wholesale prices with 1952-53 as the base. Tables 3 and 4 show that, since 1952-53, the prices farmers have been receiving for their principal food crops in relation to the prices of manufactures, which roughly represent the prices of goods they have to buy from the rest of the economy, has largely been unfavourable to them. But cultivators of commercial crops have altogether been enjoying favourable price relations.

This, however, cannot by any means be interpreted as justifying price support for foodgrains. The year 1952-53, which has been chosen as the base for the new series of index numbers of wholesale prices, cannot be called a normal year as far as price relations among the various commodities are concerned. The price rises registered by the important commodities between the base year of the preceding wholesale price index, that is, the year ending August 1939, and 1952-53 were quite unequal, as can be seen in Table 5. This table also shows the relation between the rise in the prices of manufactures, representing the prices farmers have to pay for their purchases, and the increase in the prices of farm products. Table 6 portrays the movement in price relations since 1952-53 after the elimination of the distortion introduced by the new series adopted in that year. It can be seen from this table that almost all agricultural commodities have been enjoying favourable price shifts in comparison with the prices of manufactures. The exceptions are the coarse grains, *jowar* and *bajra*, which are the staple foods of the poorest sections of the rural people who cannot afford to pay any higher prices.

It needs to be emphasised that it is not contended that the price relations between agricultural goods and manufactures as they were in 1938-39 were reasonable and just. But, since 1938-39 was the last normal year without any of the distortions and dislocations caused by the war and post-war years, it does seem logical to assume that the price relations of that year are a better guide to normal relations than those of 1952-53. On this basis, the conclusion is inevitable that, far from suffering from unfavourable price movements, Indian farmers have generally been reaping the benefits of favourable price changes. A price support scheme will, therefore, be calculated to benefit them further and cannot be described as designed to compensate them for adverse price movements.

It is now appropriate to examine whether the additional burden involved in a price support scheme can justifiably be imposed on the non-agricultural population of India. In whatever form a price support programme is introduced, so long as it is a case of one section subsidising another, this is a problem deserving consideration. In the U.S., the subsidy to farmers is not really as serious a problem as one may be led to believe from all the talk about accumulated surpluses and the problem of their disposal. Farmers in the U.S. form only 13 per cent. of the population and account for only 5 per cent. of the national income, so that the burden of price support is spread over 87 per cent. of the people and over 95 per cent. of the national income. In India, on the other hand, almost 70 per cent. of the people depend on agriculture for their livelihood, producing about half the national income. While it is theoretically possible to make the farmers also share in the burden of a price support programme, this may in practice prove difficult, as farmers may demand a still higher guaranteed price to offset the burden. In the result, the 30 per cent. non-farm population will have to bear the entire burden of price support.

It is precisely this 30 per cent. of the total population engaged in non-agricultural pursuits, especially the middle class, which has had to bear most of the additional tax burden that has been imposed since 1938-39. Not only have prices been moving in favour of farmers, but the incidence of the tax burden has also been shifting in their favour. In 1938-39, receipts from land tax amounted to Rs. 25 crores, that is, 14.7 per cent. of Central and Provincial Government income. In 1958-59, on the other hand, revenue from land, including agricultural income-tax, is expected to be only Rs. 104 crores, which is a mere 7.2 per cent. of all Governmental revenues. Thus, the agricultural class, as the agricultural class, contributes at present less than half as much as it did before the war, in terms of its share in the total, to the running of the Government. At the same time, the extension of many facilities to rural areas, particularly after independence, has considerably improved their share in the total social welfare activities of the State.

Let us now take a look at the relative economic positions of those who are likely to benefit from price support and those who will ultimately have to foot the bill. Obviously only those who buy their food from the market will have to subsidise the farmers since support prices will be higher than the normal price. The principal buyers of food are the industrial workers and the urban middle class. It is well known that industrial workers are quite capable of securing wage rises to compensate them for any increase in the cost of living; in fact, many wage agreements provide for automatic adjustments to reflect price movements. Consequently, it is the salaried urban middle class which has in the past suffered most from the steady rise in prices. It is, therefore, almost certain that the burden of guaranteed prices to farmers will also impinge most harshly, if not exclusively, on this section of society. On the other side, the beneficiaries of this subsidy will be the better-off farmers, since it is they who will have sizable surpluses to sell. Thus, the bigger farmers, who have been let off rather lightly, in comparison with even the average farmer, by the regressive and static land taxation system, will be precisely the ones to receive subsidies from the already lean purse of the urban middle class, who have had to bear a major part of the additional tax burden levied in recent years. This is likely to be the final outcome, even if a price support scheme is initially proposed to be financed out of the general revenues of the Government, as the extra taxation felt necessary will again fall on the salaried middle class.

It now remains to point out one or two other problems which a price support scheme is likely to throw up. If it is attempted to reward one section of society by taxing another section, directly or indirectly, the result will be to restrain consumption, either because prices go up or because the affected people have less income to dispose of. Whatever the trend in output, this by itself is likely to present a problem of storing the surplus gathered by holding consumption down. The question for consideration is whether the Government has adequate storage capacity at its disposal to do this. The problem will become particularly acute, if an all-round price support programme has to be adopted. At the same time, it is a matter for serious debate whether, with consumption levels as low as they are at present, specially among the poorest sections, the Government can at all be commended on holding consumption down while surpluses accumulate, surpluses which cannot be sold at home without upsetting price support and which obviously India cannot sell abroad at a loss.

Finally, if the aim of price support is to secure better returns to farmers, which may perhaps act as inducements to greater effort, this can be accomplished through the scheme of State trading in foodgrains by cutting down the share of the final price going to middlemen. In addition, every assistance needed by farmers by way of credit, fertilisers, improved seeds, etc., can be provided through co-operatives to encourage production.—*All Rights Reserved.*

TABLE 1

Area sown, output index and price index of foodgrains.

Year	Rice			Wheat			All Cereals			Pulses		
	Area sown (million acres)	Output index (1949-50=100)	Price index (1952-53=100)	Area sown (million acres)	Output index (1949-50=100)	Price index (1952-53=100)	Area sown (million acres)	Output index (1949-50=100)	Price index (1952-53=100)	Area sown (million acres)	Output index (1949-50=100)	Price index (1952-53=100)
1949-50 ..	75.4	100 0	105	24.1	100 0	95	195 5	100 0	105	49 8	100 0	86
1950-51 ..	76.1	87 9	102	24 1	101.1	101	193.3	90 3	109	47.1	91.7	93
1951-52 ..	73 7	90 1	105	23 4	93 9	97	193 2	91 2	107	46 4	90 3	98
1952-53 ..	74.1	98 8	100	24 3	112 7	100	203.2	101 4	100	49 0	98 8	100
1953-54 ..	77.3	118 6	100	26 4	120 0	93	215.8	120 1	98	53 7	112 0	91
1954-55 ..	76 0	105 8	82	27 8	135 4	75	212 4	114 5	80	54 2	118 5	89
1955-56 ..	77 9	114 2	78	30 6	131 3	72	215 8	114 9	76	57 4	118 4	82
1956-57 ..	79.3	119 1	97	33 6	141 8	88	217 1	119 9	96	58 2	124 5	81
1957-58 ..	79.0	104.5	105	29 7	116 4	88	212.7	108 3	101	54.7	100 9	83

Source:—Reserve Bank of India *Bulletin* and Monthly Abstract of Statistics.

TABLE 2

Area sown, output index and price index of commercial crops.

Year	Cotton			Jute			Groundnuts			Sugarcane			Tobacco		
	Area sown (million acres)	Output index (1949-50=100)	Price index (1952-53=100)	Area sown (million acres)	Output index (1949-50=100)	Price index (1952-53=100)	Area sown (million acres)	Output index (1949-50=100)	Price index (1952-53=100)	Area sown (million acres)	Output index (1949-50=100)	Price index (1952-53=100)	Area sown (million acres)	Output index (1949-50=100)	Price index (1952-53=100)
1949-50 ..	12 2	100 0	102	1 16	100 0	116	9 8	100 0	114	3 0	100 0	..	0 86	100 0	..
1950-51 ..	14 5	110 7	113	1 41	106 3	116	11 1	101 4	133	4 1	113 7	..	0 88	97 3	..
1951-52 ..	16 2	119 2	118	1 95	151 4	207	12 2	93 4	123	4 8	122 5	..	0 71	78 0	..
1952-53 ..	15 7	121 0	100	1 81	148 6	100	11 8	85 3	100	5 3	101 0	100	0 90	91 3	100
1953-54 ..	17 3	131 8	104	1 23	100 0	98	10 5	100 3	127	5 0	80 5	86	0 91	101 5	100
1954-55 ..	18 6	143 6	102	1 24	94 8	112	13 7	123 6	82	4 6	115 0	91	0 80	95 1	99
1955-56 ..	20 0	153 9	97	1 74	135 8	117	12 7	112 4	70	4 6	119 8	93	1 01	112 6	77
1956-57 ..	19 6	182 9	111	1 91	138 7	126	13 4	124 2	111	5 0	127 6	91	1 03	115 9	80
1957-58 ..	20 2	182 9	108	1.74	132 3	133	14.5	126 3	108	..	..	..	0 93	108.7	92

Not available.

Source:—Reserve Bank of India *Bulletin*.

TABLE 3

Index Numbers of Wholesale Prices of Certain Commodities

(1952-53=100)

Year	Rice	Wheat	Jowar	Bajra	All Cereals	Pulses	Sugarcane	Oilseeds	Cotton	Jute	Tea	Manufactures	General Index
1953-54 ..	100	93	100	103	98	91	86	124	104	98	174	98 0	104 6
1954-55 ..	82	75	77	78	80	59	91	92	102	112	255	100 6	97 4
1955-56 ..	78	72	67	84	78	62	92	85	97	117	170	99 7	92 5
1956-57 ..	97	88	122	122	96	81	91	120	111	126	165	106 3	105 3
1957-58 ..	105	88	114	126	101	83	91	120	106	133	164	108 1	108 4
1958: July ..	115	97	106	127	110	100	91	130	100	124	192	108 1	114 7
Oct. ..	115	109	107	127	114	109	91	135	96	113	181	108 7	116 2
1959: Jan. ..	92	125	107	132	105	117	91	124	101	112	163	108.4	112.2

Source: Reserve Bank of India *Bulletin*.

TABLE 4

Price Relations between Farm Products and Manufactures

(Based on 1952-53 series. Manufactures=100 every year.)

Year	Rice	Wheat	Jowar	Bajra	All Cereals	Pulses	Sugarcane	Oilseeds	Cotton	Jute	Tea
1953-54 ..	101	94	101	104	99	92	87	125	105	99	176
1954-55 ..	82	75	77	78	80	59	90	91	101	111	253
1955-56 ..	78	72	67	84	76	62	92	85	97	117	171
1956-57 ..	91	83	116	115	90	76	86	113	104	119	155
1957-58 ..	97	81	105	117	93	77	84	111	98	123	152
1958: July ..	106	90	98	117	102	93	85	120	93	115	17
Oct. ..	106	100	98	117	105	100	84	124	88	104	15
1959: Jan. ..	85	115	99	122	97	108	84	114	93	103	15

TABLE 5

Price Rise Between 1939 and 1952-53

(Year ending August 1939=100)

Commodity	Index in 1952-53	Increase Per cent.	Index as percentage at Manufactures Index
Rice	516	416	139 2
Wheat	548	448	147 1
Jowar	207	107	55 8
Bajra	254	154	66 7
All Cereals	444	344	119 6
Pulses	507	407	136 6
Oilseeds	485	385	130 7
Fibres	423	323	114.0
Manufactures	371	271	100.0

Source: Reserve Bank of India *Bulletin* and Reserve Bank of India Report on Currency and Finance.

TABLE 6

Price Relations between Farm Products and Manufactures

(Based on 1939 series. Manufactures=100 every year)

Year	Rice	Wheat	Jowar	Bajra	All Cereals	Pulses	Oilseeds	Fibres
1952-53 ..	139	147	56	67	120	137	131	114
1953-54 ..	130	138	56	69	118	126	164	118
1954-55 ..	115	108	44	52	95	80	120	117
1955-56 ..	106	102	38	56	91	85	112	121
1956-57 ..	128	122	65	77	108	104	149	124
1957-58 ..	136	120	63	78	112	105	145	124
1958: July ..	147	132	55	78	122	126	157	117
Oct. ..	148	148	55	78	124	137	162	110
1959: Jan. ..	118	169	55	81	116	148	149	112

NEW PRODUCTS AND PROCESSES

New Type of Hardboard

A NEW type of hardboard known as "Esca-Board" has recently been introduced in the market by the Swedish Cellulose Company. The outcome of several years of research and test production, the new board is claimed to have greatly improved painting qualities. The manufacturing process differs from the usual in so far as two separate layers, impregnated with a special linseed-oil compound, are "baked" together in the wet process on the uptaking machine. During the following hot-pressing and tempering processes the impregnation compound causes certain chemical reactions, giving the board its special character and qualities, including a very smooth and dense surface which permits of an easier and cheaper painting or coating. A very good finish is said to have been obtained from only one single spray-painting without any rubbing or grinding. When brush painting is used, there is no need for priming nor for any other puttying than filling, nailing holes, etc. Only two coatings are needed, and the board takes the paint firmly without soaking up more than necessary.

New Paint-making Process

A new technique, which is said to produce polyurethane paints that are easy to apply, long lasting, and superior in resistance to chemicals, has been developed. Although coatings incorporating polyurethane have been known to have desirable properties, heretofore the addition of pigment has introduced difficult problems. A reaction, attributed to moisture and possibly certain impurities in the pigment, causes the paint to gel before it can be used. Even if the gelling can be avoided, puffiness, bubbling and paint films exhibiting extremely low gloss and numerous pinholes tend to be the rule. The new technique employs compounds known as isocyanates, mixed with the pigments in advance, to make the unwanted reaction occur before the paint mixing step takes place so that properties of the finished paint are not affected. Before the new process was discovered, the pigment had to be combined with other components and then blended with the polyurethane material just before application, limiting its use to skilled industrial applicators. The paints made by the new method (which avoids the conditions calling for skilled applicators) are said to have demonstrated several months of stability in the can, good application properties, lack of gelling and excellent film characteristics.

Electronic Cheque Sorter

An electronic device that reads characters printed with magnetic ink on bank cheques and other documents and sorts them at the rate of more than 1,500 per minute had its first public showing. The new machine, sorting cheques, deposit slips and other documents ten times as fast as a single person in the manual operation, is designed to free employees from tedious, time-consuming tasks for more important banking operations. Also displayed publicly for the first time; a Magnetic Imprinter and a Magnetic Amount and Account Number Printer. Both are designed to print numbers and symbols in magnetic ink on cheques and other items, providing the "trigger" for automatic devices in the bank's system. The new machines were developed to conform with the common language adopted in principle by the American Bankers Association in 1956. A type font designated E-13-B was approved late in 1957 and final specifications are expected to be released soon. The new devices are compatible with the E-13-B type font.

Altimeter for Aircraft

A new type of altimeter designed for swifter and safer reading in flight and said to provide greatly increased accuracy has been demonstrated. It is of particular interest, coming as it does on the heels of a controversy over altimeters during the investigation into the fatal crash of a Lockheed Electra into the East River in New York recently.

(*Continued from next column*)

The new device indicates altitude on a single-strip tape which replaces the traditional dial face and pointers on altimeters. The 40-foot tape is electronically driven past a window on the instrument panel and presents a single reading of figures. Tests are said to indicate that the reading time on the new instrument is 3.4 seconds instead of the usual 7.3 seconds and that it deviates only 20 feet, plus or minus, at an altitude of 12,000 feet in contrast to a possible 200-foot deviation for conventional types.

New Hardeners for Plastics

A series of new hardeners for epoxide resins have been developed by Bakelite, Grosvenor Gardens, London. They are said to be cheaper to use than previous hardeners of this type—a fact of some importance in that epoxy resins are expensive materials whose cost up to now has tended to restrict their use. Considerable reductions in cost combined with very good final quality are said to be obtained in the production of epoxy resins with the aid of these hardeners. One of the reasons for the lower expense is that relatively high proportions of the low cost hardeners are used with the epoxide resin, resin to hardener ratios of between 100 to 50 and 100 to 70 being acceptable. The components are said to cure thoroughly at room temperature to a tough flexible composition with good adhesion to many surfaces. Moreover, it is claimed, a composition, which is easily trowelled and smoothed into position, can be produced with the aid of one of the hardeners, DQ 19116, and a resin made by the same company. This is unusual in the case of some epoxide resin formulations.

(*Continued in previous column*)

U.K. PLAN TO MODERNISE COTTON INDUSTRY

GOVERNMENT OFFERS LIBERAL AID

A PLAN for re-shaping and re-equipping the British cotton industry in order to make it more compact, up to date and efficient, and to enable it to compete in expanding world markets was announced by the United Kingdom Government on 23rd April 1959. The President of the Board of Trade, Sir David Eccles, said in the House of Commons that the plan, which might well cost the Government £30,000,000 over the next five years, contained two main features:

1. The Government is ready to pay two-thirds of the cost of removing the industry's surplus capacity. Firms which scrap machinery after 23rd April can get assistance.

2. When surplus capacity has been eliminated. the Government will pay one-quarter of the cost of modernising existing machinery and of providing new machinery.

The future of the industry, said Sir David, was bright. "Growing purchasing power in industrialised economies opens up excellent prospects for better fabrics and made-up goods." In his statement to the House, Sir David observed:

"In recent years, the cotton industry has been exposed to formidable and increasing competition from textile industries established inside its traditional export markets.

"Moreover, Commonwealth countries have emerged as large exporters to the United Kingdom itself, where they meet no tariff barrier. These changes have brought distress and anxiety to Lancashire.

"The result is a situation complicated and worsened by the existence of a large volume of surplus and obsolete equipment.

Excellent Prospects

"The outlook. however, is by no means all bleak. Growing purchasing power in industrialised economies opens up excellent prospects for better fabrics and made-up goods. Special measures are, therefore, called for, in order to make the industry compact, up-to-date and efficient.

"Following the Hong Kong undertaking to limit exports, the industry has been working out plans to adapt itself to changed conditions and to reorganise and re-equip its capacity.

"Leaders of different sections have been discussing with me a contribution from the Government which they feel to be essential to the success of their plans.

"The Government has no doubt that the circumstances of the cotton industry justify the exceptional course of direct financial assistance from public funds.

"Accordingly, we shall seek powers from Parliament to meet the industry's request for help. The first step must be to remove surplus capacity.

"The Government is ready to contribute, from public funds, two-thirds of the cost of bringing this about under schemes to be approved by the Board of Trade.

"The balance will be met by the industry by a statutory levy.

"A severe time limit will be set for qualifying for assistance, and, in order to start without delay, arrangements will be made whereby, subject to the fulfilment of the necessary conditions, a firm which scraps machinery after 23rd April can qualify for assistance.

"The Government has agreed to bear a high proportion of the cost of eliminating surplus capacity, on the clearly understood condition that the industry itself will compensate operatives faced with loss of employment as a result of the schemes.

"This is a matter for employers to settle directly with the trade unions concerned. The Government will, of course, do everything in its power to assist those displaced by reorganisation schemes to find alternative work.

Encouraging Re-equipment

"After the elimination of surplus capacity, the next step is to encourage re-equipment, provided the Board of Trade is satisfied that enough surplus capacity in the industry will be eliminated. The Government will be prepared to pay a grant of one-quarter of the cost of modernising existing machinery and providing new machinery.

"Orders for machinery placed after today will be eligible for this grant, subject to the fulfilment of the condition to which I have referred, and to the granting of powers by Parliament. Re-equipment and modernisation completed during the next five years will rank for this assistance.

"It is not possible to estimate, at the present moment, how much the total charge on public funds will be. This depends on the extent to which the industry takes advantage of the assistance now offered, and on such factors as the terms which are settled for eliminating surplus capacity.

"I can only say that, given a favourable response from the industry, the cost to the Exchequer might well be of the order of £30,000,000 over five years.

Special Agency

"These arrangements will require detailed administration. For this purpose, the Bill which we propose to introduce will contain provisions for setting up a special agency, under the Cotton Board, to carry out schemes in accordance with directions from the Board of Trade.

"This set of proposals forms a comprehensive whole. We shall meet with problems that we cannot see in advance, but, with goodwill from both sides of the industry, they can be solved.

"I know that employers will bring trade unions into the fullest possible consultation at all stages. The Government will follow closely the reorganisation schemes, and will do all it can to maintain the impetus to carry them through speedily and effectively.

"These joint endeavours will re-shape our cotton industry and equip it to compete in the expanding markets of the world with the types of cloth that are wanted wherever living standards are high."

In reply to a question, Sir David Eccles said the scheme would be "voluntary from start to finish."

Mr. Macmillan's Speech

Speaking at Preston, Lancashire, on 23rd April, the Prime Minister, Mr. Harold Macmillan, commended the Government's plans for the reorganisation of the cotton industry. Mr. Macmillan said the Lancashire cotton industry could not expect to maintain for ever the advantage of having been the first in the field. There was nothing that his or any other Government could do to stop, or even delay, developments overseas which had led to a reduction of Lancashire's cotton exports.

The real problem arose with imports coming from other Commonwealth countries such as India, Pakistan and Hong Kong, Mr. Macmillan said. The Ottawa agreements and the system of Imperial Preference were of immense economic advantage to Britain. "If we were to break our side of the bargain by restricting Commonwealth cotton exports, he declared, we could not expect the Commonwealth to continue unchanged the present system of preference for our exports to every Commonwealth country. The whole system would break down."

Referring to the negotiations of the Lancashire cotton industry with the cotton industries of India, Pakistan and Hong Kong for a voluntary limitation of their exports to Britain, Mr. Macmillan stated: "The three-year limitation with Hong Kong came into force in February; it has been an enormous help to the position here. The others will, I hope, soon be made.

Paying a tribute to Lancashire cotton industry, the British Premier said:

"The men and women of Lancashire may not be able to triumph again in markets where they prevailed 50 years ago. but they have not been slow to find new industries in which the same qualities of vigour and enterprise can be as usefully and profitably deployed.

"New methods, new techniques, new inventions, new designs will all help to give the cotton industry a sound future, if it will face the challenge of the future with confidence. The Government will certainly give all the encouragement and assistance it can, but the main initiative can only come from the industry itself."

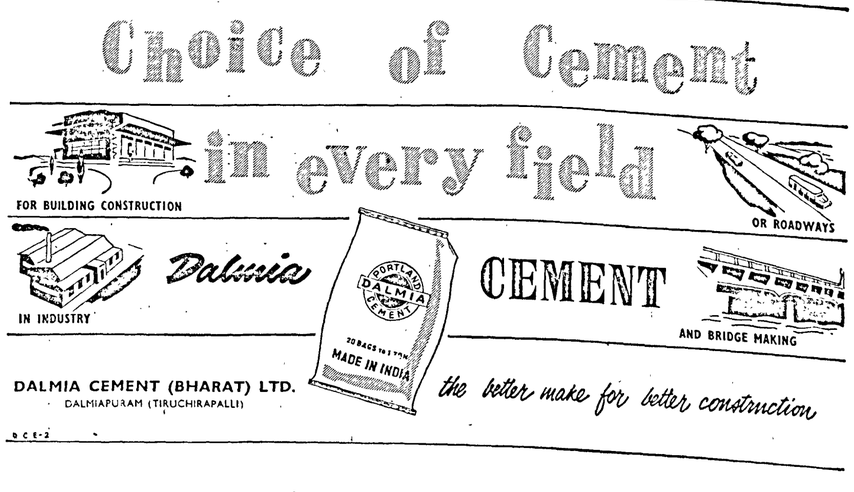
Alluding to the heavy cost of the plan announced by the President of the Board of Trade in the Commons, Mr. Macmillan remarked: "I believe the country will not begrudge it if it will help the textile industry, as it will. The Government's readiness to put these large amounts of money into the industry is a demonstration of our confidence that this co-operative effort will be forthcoming and that a compact, modern and efficient cotton industry can be built, able to compete successfully in the expanding markets of the world and to play again a significant part in the economic life of Lancashire and the country as a whole."

Welcoming what it calls the Government's "ambitious plan to deal with the troubles of the cotton industry," the London *Times* comments:

"The broad aim of Government policy is to help in the establishment of a smaller but more efficient and competitive industry. The new scheme is designed to assist in this transformation, to help in making the industry capable of meeting the competition within the Commonwealth when voluntary restraints on imports from low-wage countries are lifted. The broad aim is to get the industry down to size first and then modernise it.... The plan is workable and capable of achieving its admirable objectives."

The *Manchester Guardian*, though critical of some present details and of others not yet formulated, says:

"The broad outlines of the Government's proposals are reasonable enough. There are still, as Sir David Eccles said, excellent prospects in world markets for an up-to-date and efficient industry. But Lancashire's chief need now is to shed surplus capacity which is hampering development. The elimination of redundant plant will be a painfully protracted business if it is left to normal market forces: hence an organised redundancy scheme with Government assistance is justified if it opens the way to a swifter reorganisation of the industry.... The industry can no longer say it has not been given a chance to work out its salvation."



PROMOTION OF EXPORTS THROUGH MARGINAL COSTS

By Minoo R. Shroff

IT is unnecessary to lay too much stress in this article on the vital importance of exports to Indian economy, as quite a lot has been said and written on the subject. It is recognised by both the Government and the business community that no sacrifice is too much for winning export markets. One may, therefore, straightaway proceed with the discussion of the problem.

There is general agreement on the need for diversifying India's export trade. It is common knowledge that efforts are already being made to develop exports of engineering goods, plastics, etc., which have hitherto been the preserve of the highly industrialised nations. The initial results, though only modest, are encouraging. A wide range of engineering goods such as sewing machines, diesel engines, pumps, electric motors, fans, steel furniture, etc., has found a foothold not only in our traditional markets in Asia and Africa but even in the highly developed countries like West Germany and the U.S.A.

In the case of very many items of manufactured goods, however, we find ourselves hopelessly outclassed on the price front, let alone the questions of better quality and service offered by our competitors. A recent survey made by the Export Promotion Council has shown that the price of British, German and American engineering goods are 10 to 20 per cent. cheaper than ours, while Japanese goods were almost 70 per cent. cheaper.

The Minister for Commerce and Industry himself has made a suggestion that the domestic price of some of our exportable products may be raised, so that the additional profits earned thereby may be used for subsidising and covering the loss on exports. This view has also been endorsed recently by the Standing Committee of the Export Promotion Council, though it has advocated that this suggestion be left to be implemented voluntarily by the industries and the associations concerned and not made compulsory as in the case of sugar.

The Technique

This brings to the fore the technique of marginal costing which has been very efficaciously used by many leading exporters of the world. The highly competitive price at which Japan dumped her goods in world markets before the war and the recent resort to this practice by China are strong pointers in this direction. The considerable sacrifice at which these and other countries have exported their goods was not any act of benevolence on their part towards consumers elsewhere but a drastic attempt towards a solution of their own economic problems.

Now what is marginal costing? It is simply a technique for ascertainment of marginal costs. by differentiating between fixed and variable costs, and of the effect on profit of changes in volume or type of output. The total cost of manufacture of a product as computed by the conventional cost accounting method comprises two distinct and incompatible elements, namely, marginal cost and fixed cost. Marginal cost would thus comprise direct material, direct labour and variable overheads, i.e., that portion of the indirect or overhead expenses which varies more or less directly with production. It is that constituent of total cost which is directly traceable on a product and would not, therefore, be incurred if the product were not to be made. This is in contrast to the fixed overhead complement which is more or less rigid, irrespective of volume of output, albeit within certain limits.

Under this technique, the most crucial factor is the computation of the contribution which each product makes to the fixed overheads and profits of a business, the contribution being the difference between the selling price and the marginal cost.

It must be the objective of any firm which adopts this technique to aim at the highest possible contribution per unit of output to maximise profits. However, if any of the factors of production like material, labour, plant and machinery or finance is in short supply, then the highest contribution per key factor of production must be aimed at. For instance, in the steel processing and fabricating, as well as engineering, industry in general, supply of iron and steel is one of the most limiting factors today. The optimum use of resources and maximising of profits could be realised by those firms which can concentrate on the manufacture of such items as would secure the largest contribution per ton of steel used and not merely per unit produced, for, owing to the restricted supply of steel available, only a limited output can be produced irrespective of availability of labour and processing capacity.

This analogy can be projected on the national horizon as well and it is a truism to say that India should concentrate as much as possible on export of items which have a low material content and high labour and processing element, especially as while her human resources are ample raw materials and manufacturing capacity is comparatively scarce. This would also result in obtaining the maximum possible contribution per key national factor of production. For example, cotton textiles is India's third largest item of exports, but the bulk of it is of a grey variety which is processed abroad and re-exported. If India were to concentrate on the export of a wide range of finely finished cotton textiles, in which she has gained considerable proficiency, not only would she earn far more foreign exchange for the same yardage of cloth exported but would also benefit indirectly in eliminating competition in third markets from her own grey goods being re-exported after processing.

Encourage Engineering Industry

Under the Second Plan, steel output is expected to rise to 6 million ingot tons. It has also been repeatedly mentioned in official quarters that we intend exporting the steel surplus to our requirements once the new plants get into full production. Steel plants require probably the largest rupee and foreign exchange outlay per rupee of output. It cannot be overemphasised, therefore, that, at a time when we are scraping the bucket for every available rupee, pound and dollar in order to see our Plan through, our objective should be to obtain the maximum possible contribution to the national pool per ton of steel exported. This can only be done by exporting products fabricated from steel, e.g., locomotives, automobiles and trucks. machine tools, etc., rather than steel itself. Our engineering industry today has a total annual output of around Rs. 250 crores in value and, given positive inducement and encouragement, there is no reason why it should not rise to the occasion, especially in view of the commendable progress it has shown in the last few years. As a matter of fact, it is the healthiest industrial body the nation has produced since independence.

Export trade for any nation may be sought to utilise spare capacity, for prestige reasons; for testing foreign markets, to gain experience, to reduce unit cost of production or for patriotic reasons for earning more foreign exchange for the country or a combination of one or more of these factors. Needless to say earning additional foreign exchange through increased exports is today our prime objective. With the rising tempo of economic development, the hunger for increased imports of capital equipment and raw materials will grow and, unless solid foundations are laid for ensuring the wherewithal of that growth by vigorous stimulation of exports, our economic growth will remain stunted.

Importance of Home Market

The ability to compete in the export field is largely dictated by the volume attained in the home market. In many cases, export business must be considered as marginal and it is essential to appreciate that an assured and potentially developable market at home is the first requisite for a competitive price abroad. It is a paradox that, in a country like India, where industrial wages are much lower than in the industrialised nations of the West, the prices of finished products should be higher than those prevailing in those countries. Several factors may be considered responsible for this, namely, the far superior techniques of manufacture adopted by the developed countries, economies arising to them out of mass production, higher productivity of labour and a much lower incidence of direct and indirect taxation.

As against these obvious advantages enjoyed by our competitors, Indian industries have to contend themselves with a comparatively much smaller home market, owing to low purchasing power of the people, low productivity arising from rigid and inflexible labour laws and a crippling burden of direct and indirect taxation. Considering the incidence of taxation alone, a recent study in Calcutta, entitled *Impact of Taxation on Industrial Economy*, has disclosed that, while the total national income arising from the industrial sector in 1958 is expected to be Rs. 2,100 crores, the impact of direct and indirect taxation levied by the Central and State Governments would be around Rs. 837 crores or almost 40 per cent. While this is the average degree of incidence, its impact on certain industries, such as sugar and cement, is much higher. While the domestic consumer may bear this heavy burden, perhaps not very cheerfully, in the hope of a better tomorrow, we cannot expect the foreign consumer to underwrite our development. The present state of Central and State revenues being what they are and in view of the recent ministerial pronouncements, we should consider ourselves lucky if we are spared from additional taxation next year, leaving aside the question of receiving the very badly needed relief.

All Must Sacrifice

Although, therefore, the Government can play a substantial role through rationalisation and lightening of the tax burden, managements of our industries and the consumers will also have a vital role to play. We buy in the cheapest markets and we cannot deny the right to others. We must produce at the right price or lower our existing meagre standard of living. Sacrifice from all sections is, therefore, necessary and should be willingly forthcoming for the realisation of our national objective of providing a better and more secure future for our people.

The obvious method of doing this is to follow the discriminatory pricing policy, that is, having different prices for different markets, depending on the demand and supply of the particular goods in the market concerned, the price charged by competitors for comparable products, etc. As a matter of fact, to start with, we will have to sell at least five to ten per cent. cheaper than the prices charged by our competitors for goods of the same quality, as this is the minimum price differential necessary to overcome the resistance of the foreign consumer and induce him to try products which are new to him. Besides, owing to great disparity of prices in the home and foreign markets in some cases, the home consumer, the industry and the Government will have to share the loss.

An Example

In the ultimate analysis, no industry can sell at or a little above marginal cost for very long, as that would be tantamount to burdening the home consumer permanently with a heavy burden, assuming that the entire price differential is passed on to him. But, initially, for India to make substantial inroads into foreign markets, there is no other alternative but to do so and, if this policy is used discriminately and rationally, it would result in a lowering of the overall cost of production as a result of economies arising out of a larger output whereby the home consumer would benefit ultimately. This is best illustrated by the following example:

A small engineering firm is working at 60 per cent. of its normal capacity for manufacturing centrifugal pumps. Assuming that only one type of pump is being made and the production is 1,000 units per month at this capacity:

	Rs.
Total cost of each pump (at 60 per cent. normal capacity) is	250
Marginal cost of each pump is	175
Fixed overheads per pump (Rs. 75,000 month)	75
Total selling price of each pump in home market is	275

The firm receives an enquiry for export of these pumps at the rate of 500 a month, provided the export price is Rs. 190 or 31 per cent. lower than the price realised in the home market. Should it accept the export order or not?

The marginal cost analysis discloses that, if the plant were to work at 90 per cent. of normal capacity, for fulfilling the export order, the total cost will be reduced from Rs. 250 to Rs. 225, as the fixed overheads which will re-

(*Continued on page 742*)

GROSS PROFIT OF MAHINDRA AND MAHINDRA UP BY MORE THAN 50 P.C.

EXPANSION PLANS UNDERTAKEN

NOTWITHSTANDING a setback in manufacturing activities due to restrictions on imports and a rise in the cost of manufacture, the financial results of Messrs. Mahindra and Mahindra Ltd. (Chairman: Mr. K. C. Mahindra, Bombay) for the year ended 31st October 1958 are very encouraging. The gross profit has gone up by over 54 per cent., that is, from Rs. 45.05 lakhs to Rs. 69.39 lakhs. This is on top of a small rise of Rs. 4 lakhs in 1956-57 and of Rs. 19.83 lakhs in 1955-56. Thus, in the last three years since the Company was converted into a public limited one, its gross profit has more than trebled itself, from Rs. 21.22 lakhs to Rs. 69.39 lakhs. A substantial part of the profit has, however, been derived from the trading operations of the Company, particularly in steel.

The net profit for the year under review does not show any worthwhile increase. It is only Rs. 23.13 lakhs, as against Rs. 22.16 lakhs in 1956-57. This is due to the larger allocation to depreciation and taxation, the former having gone up from Rs. 5.42 lakhs to Rs. 12.05 lakhs and the latter from Rs. 15.50 lakhs to Rs. 31.25 lakhs. After bringing in a sum of Rs. 1.38 lakh, being the excess provision for taxation no longer required, the Directors have conserved to the various reserves Rs. 9.51 lakhs, as compared with Rs. 12 lakhs in the previous year. They have also recommended an increase in dividend on ordinary shares from 17½ per cent. to 22 per cent., thus successively raising it from 10 per cent, for 1954-55, the year in which the Company was converted into a public limited one. They have also recommended a *pro rata* dividend at the same rate for a period of one month on the new ordinary shares issued in August last and a *pro rata* dividend at 6½ per cent. per annum on the new preference shares issued at the same time. The Company has been advised that the provisions of Section 23A of the Indian Income-tax Act apply to the Company for the year under review.

A broad idea of the Company's progress since 1954-55 can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st October			
	1958	1957	1956	1955
Sale proceeds	17,68.87	24,41.27	14,03.21	5,74.52
Other income	50.52	31.73	23.31	8.56
Closing stocks and work-in-progress	3,70.85	5,26.22	6,16.83	1,95.03
Expenses	17,50.00	24,27.95	13,85.66	5,61.86
Gross profit	69.39	45.05	41.05	21.22
Directors' commission	2.96	1.97	1.75	0.99
Provision for—				
Depreciation	12.05	5.42	2.15	1.51
Taxation	31.25	15.50	16.00	9.50
Net profit	23.13	22.16	21.15	9.22
Excess provision written back ..	1.38	..	..	..
To reserves and other funds ..	9.51	12.00	11.52	6.00
Dividends—				
Preference	1.66	1.50	1.50	0.31
Ordinary	13.51	9 62	6 87	2.74
	(22%)	(17½%)	(12½%)	(10%)
Carry forward	0.99	1.16	2.12	0.87

Note.—The dividends for 1957-58 include *pro-rata* distribution on the new 6½ per cent. (tax-free) preference shares and on the new ordinary shares for one month.

The decline in turnover during the year under review (as will be seen from the table) is mainly due to the cut in imports of vehicles and tractors. Further, a substantial portion of the steel imports does not appear in the computation of turnover, as these are financed directly by the Government and the Company's operations were limited to competitive tendering and earning commission on successful bids.

During the last three years, imports of steel had contributed substantially in increasing the Company's turnover. With the establishment of additional producing capacity within the country, imports of steel will gradually decline in the years to come. In order that the Company's trading position might not be affected, the Directors have decided to enlarge its operations as controlled stockists, as it is expected that steel will continue to be distributed through established stockists and that the Company will have its own share in this business.

The Company is also concentrating its attention on enlarging its manufacturing activities. While the Company will be in a position to manufacture the bulk of the components for jeep production during the current year, it has also programmed to increase the volume of jeep manufacture from 2,500 units to 5,500 units per annum and the programme has received the Government of India's approval. In fact, the first two phases of this expansion programme are reported to have been crossed. Under the new policy regarding import of raw materials for automobile manufacture, the Company can import them in advance and pre-plan and schedule production more rationally.

The Company has submitted proposals to the Government of India for the manufacture of Willys one-ton 4-wheel drive truck. A notable feature of this programme is that the functional components like the engine, transmission, transfer case and front axle are inter-changeable with the jeep. "The policy of your Directors," the latest annual report says, "has been to expand development round the many varied and allied types of utility vehicles. This is necessary, in order to increase the turnover and reach an economic volume of manufacture, by which method alone reduction in prices to the ultimate consumer can be achieved."

The Government has approved, in a modified form, the Company's proposals to manufacture David Brown tractors and negotiations are in progress with the British associates to secure the larger capital now required for the import of plant, equipment and tooling. The Directors expect that these negotiations will fructify in the formation of a new company to undertake manufacture of tractors.

The trailer division of the Company has been segregated into a separate company from 1st November 1958. This new company, Mahindra-Owen Private Ltd., has been formed in association with Rubery Owen & Co., U.K., in which Mahindra and Mahindra will hold 51 per cent. and the British associates 49 per cent. of the ultimate capital. The Company has been registered and is now in operation. The Directors hope that, with progressive manufacture of cardinal components, the volume of business in industrial and agricultural trailers will increase.

The following synopsis of the Company's latest balance-sheet show its financial position:

LIABILITIES	Rs.	ASSETS	Rs.
Paid-up capital ..	1,87,00,000	Gross block ..	1,33,44,215
Reserves and surplus..	36,49,863	*Less*—Depreciation	23,12,332
Loans ..	5,12,81,916		
Current liabilities and provisions ..	2,34,34,137	Net block ..	1,10,31,883
		Investments ..	24,28,704
		Loans and advances ..	2,24,51,683
		Current assets ..	5,92,67,918
		Cash ..	18,85,728
Rs.	9,70,65,916	Rs.	9,70,65,916

It will be seen that pressure on the Company's finances caused by its development programme continues to be heavy. Consequent on the import restrictions, the Company has had to carry much heavier inventories of raw materials than under normal conditions. This is necessary in order to stabilise production and to decrease the cyclical fluctuations in the monthly output of vehicles to the minimum.

The Rs. 10 paid-up ordinary shares of the Company are being quoted at Rs. 25 *cum-div.* At the current rate of dividend and on an *ex-div.* basis, the yield on the shares works out to 9.65 per cent. per annum, free of income-tax.

FOREIGN INVESTMENT IN COAL INDUSTRY

Foreign investments in coal industry in India at the end of 1956 amounted to Rs. 3.49 crores, according to a written reply given by Sardar Swaran Singh, Minister for Steel, Fuel and Mines to a question in the Lok Sabha on the 24th inst. The information was based on a publication brought out by the Reserve Bank of India in September 1958. Complete information showing separately the foreign and Indian investment in the coal industry in India was not available, the Minister stated, as the Companies Act 1956, under which annual returns of share capital were furnished, did not provide for disclosure of the nationality of the shareholders of the joint-stock companies. Figures compiled by the Department of Company Law Administration placed the overall investment in joint-stock companies in coal during the same period at Rs. 22 80 crores.

The Minister further stated that under the Industrial Policy Resolution, 1956, all new development of coal mines would be in the public sector, which meant that the major investment henceforth in the industry would be Indian. Further, under the Mines and Minerals (Regulation and Development) Act, 1956, concessions for coal to persons other than Indian nationals could not be given without the permission of the Government of India which was another restricting factor against foreign investment.

INDIA SUGARS' RESULTS ENCOURAGING

OUTPUT RISES SHARPLY

A SUBSTANTIAL increase in output of sugar has enabled the India Sugars and Refineries Ltd. (Managing Agents: The India Sugar Agencies Private Ltd., Madras) to earn a sizable profit during the year ended 30th September 1958, despite the burden of an additional excise duty imposed in lieu of sales tax in December 1957 and a loss on export sale of sugar. This is in refreshing contrast to a loss suffered in the previous year. Thus, the gross profit for the year under review amounts to Rs. 10.82 lakhs, as compared with the loss of Rs. 3.58 lakhs in 1956-57. It is, however, less than that earned in each of the three years preceding 1956-57. This is obviously due to the heavier excise duty on sugar and the loss on export of sugar, referred to at the outset.

After providing Rs. 4.94 lakhs for depreciation and Rs. 35,000 for wealth tax (no provision has been made for income-tax), the net profit amounts to Rs. 4.95 lakhs, as against a net loss of Rs. 3.88 lakhs in respect of the previous year. The entire net profit has been transferred to the reserves—Rs. 8,000 to the development rebate reserve and Rs. 4.87 lakhs to the depreciation and rehabilitation reserve. As it was not possible to provide anything for depreciation in the 1957-58 accounts, the Directors have considered it prudent to set aside to the depreciation and rehabilitation reserve the aforesaid sum of Rs. 4.87 lakhs.

With the net profit thus fully utilised, the Directors have drawn a sum of Rs. 6.75 lakhs from the general reserve to pay the dividends on the preference and ordinary share capitals. This withdrawal is on top of a sum of Rs. 3.88 lakhs drawn last year to wipe out the loss in respect of 1956-57. The dividend on ordinary shares is unchanged at 10 per cent. per annum, but it is on a higher capital raised by the payment of calls in arrears on the new capital issued in 1956-57. The 7½ per cent. preference dividend is also on a higher capital. It may be noted here that the dividends in respect of 1956-57 had been paid out of the preceding year's undistributed surplus.

The salient features of the Company's profit and loss accounts for the past four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 30th September			
	1958	1957	1956	1955
Sale proceeds	1,33.33	82.23	97.72	99.37
Other income ..	4.53	3.78	3.06	2.81
Closing stock of finished goods..	22.55	25.62	28.21	18.17
Expenses ..	1,23.97	87.00	97.53	1,07.14
Gross profit (+) or loss (—) ..	+10.82	—3.58	+13.30	+13.21
Managing Agents' remuneration	0.58	0.30	1.30	1.36
Provision for—				
Depreciation	4.94	..	0.67	0.46
Taxation	0.35	..	5.35	6.00
Net profit (+) or loss (—) ..	+4.95	—3.88	+5.98	+5.39
Transfer from general reserve ..	6.75	3.88	..	..
To reserves	4.95	..	..	..
Dividends—				
7½ per cent. preference ..	0 56	0 31	0.33	0.09
Ordinary	6 40	6.00	4 04	4.41
	(10%)	(10%)	(11½%)	(14%)
Carry forward	0.25	0.46	6.77	5.22
Cane crushed (In tons) ..	136,817	120,684	133,142	127,609
Sugar produced (In tons) ..	13,262	7,959	13,565	13,067

The quantity of cane crushed during the year under review, at 136,817 tons, is, perhaps, a record, but not so the quantity of sugar produced at 13,262.30 tons. Although the latter represents an increase of 5,303 tons over that in 1956-57, it is less than that produced in 1955-56. Consequent on the prolonged working of the 1956-57 season, the Company had to deal with a portion of unripe and immature cane during the season 1957-58. This was to help the growers, as the Directors point out, irrespective of any gain to the Company. The larger crushing and production is reflected in the rise in expenses. Of the latter, excise duty and gallonage fees account for an increase of Rs. 22.06 lakhs to Rs. 36.59 lakhs, largely due to the increase in output of sugar, the additional excise duty imposed in December 1957 and the manufacture of Indian and foreign type of liquors which was commenced in 1956-57. The Company's quota of sugar for export, under the Sugar Export Ordinance, was 3.366 bags, on which it incurred a loss of over Rs. 1.47 lakh.

The Directors report that, while the production of liquors is progressing satisfactorily, the offtake is very poor. "The quota allotted to us" they add, "is nowhere near our capacity. The offtake is limited by restrictions of the area calling for our supplies. We propose to approach the Government to reconsider this question, so that both the Company and the Government may derive the advantage."

The Company's reserves and surplus, amounting to Rs. 9.34 lakhs, supplement a paid-up capital of Rs. 74.98 lakhs. Borrowings have gone up from Rs. 27.07 lakhs to Rs. 38.49 lakhs, while other current liabilities and provisions stand reduced from Rs. 73.21 lakhs to Rs. 59.80 lakhs. The gross block of the value of Rs. 78.59 lakhs has been written down to a net value of Rs. 54.83 lakhs. Investments aggregate Rs. 31.38 lakhs and current assets Rs. 97.03 lakhs.

The Directors report that the Company's working so far during the 1958-59 season is satisfactory and expect better results.

The Rs. 10 paid-up shares are being currently quoted at Rs. 13.10 *cum-div.* On an *ex-div.* basis, the shares give a yield of 8.3 per cent. per annum, free of income-tax.

MAHARASHTRA SUGAR BARNS RECORD PROFIT

The year ended 30th September 1958 proved to be a most prosperous one for the Maharashtra Sugar Mills Ltd. (Managing Agents: Messrs. M. L. Dahanukar & Co. Private Ltd., Bombay), in that the production and profit were at the highest on record in the history of the Company. The Directors' report does not give either the quantity of cane crushed or the quantum of sugar production, but the gross profit has gone up to Rs. 61.69 lakhs from Rs. 59.37 lakhs, to which level it had risen from Rs. 48.62 lakhs earned in 1955-56.

The net profit, at Rs. 31.07 lakhs, shows a much larger rise (than that in gross profit) of Rs. 9.10 lakhs, on account of the reduction in the provision for taxation from Rs. 28 lakhs to Rs. 21 lakhs. The provision for depreciation has also been slightly reduced from Rs. 3.85 lakhs to Rs. 3.52 lakhs, while the managing agency commission absorbs Rs. 5.79 lakhs, as against Rs. 5.55 lakhs. After increasing the allocation to the reserve fund from Rs. 4 lakhs to Rs. 5 lakhs and providing Rs. 30,629 for development rebate (as against *nil*), the Directors have recommended a dividend of 30 per cent. and a special cash bonus of 4 per cent. to commemorate the Company's Silver Jubilee. This is on a higher capital of Rs. 67.50 lakhs raised by the capitalisation of Rs. 22.50 lakhs from the general reserve in the previous year, while last year a distribution of 40 per cent. (made up of a dividend of 30 per cent. and a bonus of 10 per cent.) had been made on a capital of Rs. 45 lakhs. The Directors have also recommended a Silver Jubilee bonus of 3 per cent. on the 7 per cent. cumulative preference shares, in addition to the usual distribution. These distributions take up Rs. 23.45 lakhs, as against Rs. 18.35 lakhs a year ago, leaving to be carried forward Rs. 2.99 lakhs.

Though the Company's gross profit, as stated above, has recorded a rise of Rs. 2.32 lakhs, it does not seem to be commensurate with the rise in production, which is indicated by the increase in gross sales from Rs. 1.97 crore to over Rs. 2.72 crores. This is mainly due to the rise in excise duty and sugarcane cess from Rs. 50.73 lakhs to Rs. 80.45 lakhs.

The Company's quota in the sale of sugar for export purposes was 611.94 tons, on which it suffered a loss and this had to be borne by the Company.

After the capitalisation of Rs. 22.50 lakhs in 1956-57 and of Rs. 40 lakhs in 1955-56 from the general reserve, the Company's reserves and surplus stand, as on 30th September 1958, at Rs. 46.51 lakhs, as against a paid-up capital of Rs. 72.50 lakhs, made up of 135,000 ordinary shares of Rs. 50 each and 2,000 7 per cent. tax-free cumulative preference shares of Rs. 250 each. The gross block of the value of Rs. 132.16 lakhs has been written down to a book value of Rs. 69.77 lakhs. The other assets, aggregating Rs. 167.20 lakhs exceed the current liabilities and provisions, at Rs. 117.96 lakhs, by a large margin.

The Rs. 50 paid-up shares of the Company are listed in the cash section on the Bombay Stock Exchange and their current market value is Rs. 202 *cum-div.* On an *ex-div.* basis, they provide a yield of 9.2 per cent. per annum, free of income-tax.

Notice

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend of 3 per cent. for the year ended 31st March, 1959, has been declared payable on 29th May, 1959. Dividend Warrants will be issued to the registered shareholders whose names appear in the Register on the latter date or to their mandatees.

The Share Register of the Company will be closed from 13th to 29th May, 1959, both days inclusive.

By Order of the Board,
JAMES FINLAY & CO., LIMITED.
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA, *21st April, 1959.*

W. GERMANY MOVES TOWARDS PEOPLE'S CAPITALISM

SUCCESS OF "PREUSSAG" DENATIONALISATION

(By A German Correspondent)

THE first practical step towards "People's Capitalism" has successfully been made by the Bonn Government by offering 300,000 "Preussag" shares to low and middle-income families earning up to 16,000 DM (about £1,400) a year. Preussag is a wholly State-owned corporation mainly engaged in coal and metal mining and processing. The offering consisted of new shares of a face value of 30 million DM to raise total Preussag nominal capital to 105 million. The issue was heavily over-subscribed (by about three times), encouraging the Government to offer a further block of 53 million DM, this time out of its own holdings, thus reducing the Government's share in the Preussag capital to some 20 per cent.

More than 200,000 subscribers will soon receive Preussag shares. Contrary to original plans, the Government will not even retain 26 per cent. of the stock, a percentage which, under German law, is a so-called controlling minority giving special—even veto—rights to its holder. Ownership of the concern will be widely dispersed. This is exactly what this and all future denationalisation moves, like the rapidly maturing plan to sell the Volkswagen works, are meant for. Corporations either wholly or partially owned and controlled by the Federal Government alone have a total value of about 7,600 million DM. Furthermore, there are rather substantial holdings of the various W. German States (Länder) and of communities and other local or regional authorities and bodies, worth some additional 1,400 million DM.

The success of the Preussag offer may partly be due to its favourable conditions. The shares of a face value of 100 DM each were offered at 145 DM. But, prior to the issue, word had got around that the quotations would rise to some 170 to 175 DM a piece once the shares have been introduced on German stock exchange. In spite of the lure of an "easy gain" in this case, an eager and rather widespread desire for buying corporate equities seems to exist.

The Preussag success was heralded by Professor Erhard and by large parts of public opinion as a new era of social understanding and co-operation and as an era leading beyond former class struggles. The Government intends, therefore, to continue to denationalise State-owned corporations systematically.

The political and social implications of the W. German denationalisation efforts should clearly be seen. Much to the surprise of critics who prior to the Preussag issue had held that the average W. German wage and salary earner would neither be willing to nor capable of acquiring industrial stock, the answer of the buying public, a large percentage of which never had owned shares before, has been highly gratifying. People's Capitalism as practised in the Federal Republic is a constructive alternative to collective or state ownership. People's Capitalism wisely supplements, and extends, private capitalism, making free enterprise a social system open to all.

Notice

THE SOUTH KARANPURA COAL COMPANY, LIMITED

THE BOARD OF DIRECTORS HAVE recommended payment of the following final dividends for the year ended 31st August, 1958:—

On Ordinary Shares—At 3.8 per cent. making a total of 7½ per cent. per annum without any deduction for Income-tax payable by the Company.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, *22nd April, 1959.*

COMPANY MEETINGS AND DIVIDENDS

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Annual General Meeting, Calcutta, 4th May 1959. Dividend: Rs. 2.00 per share (includes interim dividend of Re. 0.50 per share). Transfer books remain closed from 20th April to 4th May 1959, both days inclusive.

DURBHANGA SUGAR CO., LTD. Annual General Meeting, Lohat, District Darbhanga, 5th May 1959. Transfer books remain closed from 19th April to 5th May 1959, both days inclusive.

SOORAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 6th May 1959. Dividend: Re. 1.50 per share. Transfer books remain closed from 20th April to 6th May 1959, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 7th May 1959. Dividend: Re. 1.00 per share. Transfer books remain closed from 23rd April to 7th May 1959, both days inclusive.

KOHINOOR MILLS CO., LTD. Annual General Meeting, Bombay, 7th May 1959. Dividend: Rs. 10.00 per share (includes interim dividend of Rs. 4.00 per share). Final dividend of Rs. 6.00 per share is payable on and after 14th May 1959. Transfer books remain closed from 20th April to 7th May 1959, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 8th May 1959. Dividend: Rs. 22.00 per share (includes interim dividend of Rs. 8.00 per share). Final dividend is payable on or after 13th May 1959. Transfer books remain closed from 7th to 29th April 1959, both days inclusive.

AUTOMOBILE PRODUCTS OF INDIA LTD. Annual General Meeting, Bombay, 12th May 1959. Dividend: *Nil*. Transfer books remain closed from 23rd April to 12th May 1959, both days inclusive.

PEERMADE TEA CO., LTD. Annual General Meeting, Alleppey, 12th May 1959. Dividend: 16½ per cent. or Re. 1.62½ per share (includes interim dividend of 6½ per cent. or Re. 0.62½ per share). Transfer books remain closed from 29th April to 15th May 1959, both days inclusive.

TATA MILLS LTD. Annual General Meeting, Bombay, 14th May 1959. Dividend: Re. 1.50 per share, payable on and after 15th May 1959. Transfer books remain closed from 15th April to 11th May 1959, both days inclusive.

SVADESHI MILLS CO., LTD. Annual General Meeting, Bombay, 15th May 1959. Dividend: Rs. 10.00 per share, payable on and after 16th May 1959. Transfer books remain closed from 15th April to 11th May 1959, both days inclusive.

NATIONAL CARBON CO. (INDIA) LTD. Annual General Meeting, Calcutta, 15th May 1959. Dividend: 14 per cent. or Re. 1.40 per share (includes interim dividend of 6½ per cent. or Re. 0.65 per share). Transfer books will remain closed from 1st to 15th May 1959, both days inclusive.

MAHINDRA AND MAHINDRA LTD. Annual General Meeting, Bombay, 18th May 1959. Dividend: 22 per cent. or Rs. 2.20 per share. Transfer books will remain closed from 4th to 18th May 1959, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Alleppey, 18th May 1959. Dividend: 5 per cent. or Re. 0.50 per share. Transfer books will remain closed from 2nd to 19th May 1959, both days inclusive.

ASSAM MATCH CO., LTD. Annual General Meeting, Bombay, 20th May 1959. Dividend: Re. 1.25 per share (includes bonus of Re. 0.25 per share). Transfer books will remain closed from 7th to 22nd May 1959, both days inclusive.

VASANTA MILLS LTD. Annual General Meeting, Singanallur, Coimbatore District, 27th May 1959. Dividend: 12 per cent. or Rs. 12.00 per share. Transfer books will remain closed from 13th to 27th May 1959, both days inclusive.

RAYALASEMA MILLS LTD. Annual General Meeting, Rayanagar, Adoni-Thungabhadra Road, Adoni, 3rd June 1959. Dividend: 10 per cent. or Rs. 10.00 per share. Transfer books will remain closed from 25th May to 10th June 1959, both days inclusive.

SRI KANNAPIRAN MILLS LTD. Dividend of 6 per cent. or Re. 0.60 per share, for the year ended 31st December 1958. Transfer books will remain closed from 13th to 27th May 1959, both days inclusive.

ASPINWALL & CO., LTD. Dividend of 6 per cent. or Re. 0.60 per share for the year ended 31st December 1958. Transfer books will remain closed from 12th to 26th May 1959, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Dividend of Rs. 14.00 per share, for the year ended 31st December 1958, payable on 26th June 1959. Transfer books will remain closed from 11th May to 9th June 1959, both days inclusive.

LUCKY VALLEY (NILGIRI HILLS) TEA ESTATES LTD. Dividend of 10 per cent. or Re. 1.00 per share, for the year ended 31st December 1958. Transfer books will remain closed from 16th to 30th May 1959, both days inclusive.

GUEST, KEEN, WILLIAMS, LTD. Final dividend of Re. 1.20 per share, for the 53 weeks ended 3rd January 1959.

SYNOPSES OF COMPANY REPORTS

Tata Mills Ltd.

THE directors of the above Company (Managing Agents: Tata Industries Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st December 1958.

The profit for the year, before providing for bonus, *managing agents' remuneration*, depreciation and taxation amounted to Rs. 4,20,449 (Rs. 15,95,542). From this is deducted bonus provision for the year amounting to Rs. 2,00,000 *(Rs. 3,00,000)*, *managing agents'* commission of Rs. *nil* (Rs. 50,000), provision for depreciation of Rs. 1,50,000 (Rs. 10,25,000) and provision for taxation of Rs. 50,000 (Rs. 50,000) leaving a balance of Rs. 20,449 (Rs. 1,70,542) to which is added the balance brought forward from previous year of Rs. 17,925 (Rs. 17,925) making a total of Rs. 38,374 (Rs. 1,88,467). The directors have transferred to gratuity reserve Rs. 20,000 (Rs. *nil*) and to general reserve No. 2 Rs. 449 (Rs. 1,70,542) leaving a balance of Rs. 17,925 (Rs. 17,925). To this is added the amount transferred from general reserve No. 1 for payment of proposed dividend Rs. 3,93,473 (Rs. 5,24,630) making a total amount available for disposal of Rs. 4,11,398 (Rs. 5,42,555). The directors recommend a dividend on ordinary shares at Re. 1.50 (Rs. 2.00) per share, without deduction of income-tax, for the year ended 31st December 1958 absorbing Rs. 3,93,473 (Rs. 5,24,630) leaving a balance to be carried forward to next year of Rs. 17,925 (Rs. 17,925).

The directors regret that the result for the year has been a disappointing one as the year under review was, for the industry as a whole, one of very adverse trading conditions—poor offtake of cloth, unremunerative prices and higher cost of production. Due to high prices of foodgrains, the purchasing power of the people in other directions declined substantially. During the year, the cost of living index fluctuated between 380 and 407, and this resulted in the payment of increased dearness allowance thereby further increasing the cost of production. Due to lack of demand from consuming centres, the industry had to carry the burden of heavy stocks and, as a result, in some cases, some mills had either to close down completely or reduce the number of shifts.

Conditions on the export front continued to be extremely dull throughout the year. With a view to giving much needed assistance to exports, the Government of India announced an Export Incentive Scheme under which the export performance of individual mill companies would be taken into consideration for determining the extent to which they would be entitled to imports of foreign cotton, machinery, dyes and chemicals.

All Indian cottons were freely available but prices were higher and quality poorer than in the previous year. Owing to the acute shortage of foreign exchange, cotton imports were severely limited, resulting in scarcity of all foreign varieties.

The Mills' re-organisation and modernisation programme was carried a stage further during the year, involving a capital expenditure of about Rs. 23,00,000 on buildings and machinery. Machinery of the value of about Rs. 20,00,000 was installed during 1958. At the end of the year, works under construction and machinery awaiting installation amounted to about Rs. 3,72.000. The directors have placed additional orders for a singeing and a mercerising machine, together with two replacement drying ranges, at an approximate cost of Rs. 10.5 lakhs.

Under the Export-Import Bank credit scheme and the U.K. credit scheme the Company has submitted applications to import a combing set and a hot flue.

Of the permitted installed capacity of 70,840 spindles, so far, 60,500 spindles have been replaced. The directors have placed further orders for about 10,200 spindles valued approximately at Rs. 12 lakhs, thereby completing the programme of replacement of all the old ring frames. The present installed capacity of the mills is 70,968 spindles and 1,788 looms.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	65,57,875	Gross block	2,40,99,635
Debentures ...	39,51,000	*Less*—Depreciation ...	91,95,631
Reserves ...	49,27,388		
Provision for taxation ...	70,796	Net block ...	1,49,04,004
Liabilities ...	1,53,93,793	Works under construction	3,71,870
Profit and loss account ...	17,925	Stock-in-trade	95,08,812
		Stores and loose tools	28,85,406
		Debts, deposits and advances ...	24,91,634
		Investments	3,62,680
		Cash ...	3,94,371
Rs.	3,09,18,777	Rs.	3,09,18,777

Trichinopoly Mills Ltd.

The directors of the above Company (Managing Agents: Mooljee Ramjee and Sons, Ramjeenagar, Tiruchirapalli) submitted the audited accounts of the Company for the year ended 31st December 1958.

The year 1958 turned out to be a trying period for the textile industry as a whole. It is gratifying to note that during such a critical period, the Company has escaped incurring loss. Judging from the present trend, the directors hope that this year may witness comparatively better results.

The net profit after deducting all expenses including Rs. 22,361 (Rs. 75,551) being bonus to workers for the year 1957 and writing off Rs. 79,212 (Rs. 117,966) as depreciation on fixed assets is Rs. 1,25,677 (Rs. 1,81,435). Donations amounting to Rs. 2,435 (Rs. 1,652) have been paid therefrom. Along with Rs. 794 (Rs. 62,837) brought forward from last year, there is a sum of Rs. 1,26,471 (Rs. 2,42,620) to the credit of profit and loss account.

The directors recommend that the development rebate of Rs. 50,940 (Rs. *nil*) be transferred to profit and loss account and a sum of Rs. 20,000 (Rs. 55,000) be drawn from dividend equalisation fund and propose the amount thus available, viz., Rs. 1,97,411 (Rs. 2,99,272) be disposed off as follows:—

To donations Rs. 2,435 (Rs. 1,652), to provision for taxation Rs. 90,000 (Rs. 1,20,000) and to pay a tax free dividend of 7½ (9) per cent. absorbing Rs. 1,04,905 (Rs. 1,25,886) leaving to be carried forward to next year Rs. 71 (Rs. 794).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,98,730	Gross block ...	20,72,310
Reserves ...	8,75,000	*Less*—Depreciation ...	14,38,584
Provision for taxation ...	1,77,635		
Liabilities ...	2,24,665	Net block ...	6,33,726
Profit and loss account ...	71	Stock-in-trade	7,45,992
		Stores, spare parts, etc.	2,81,580
		Debts, deposits and advances ...	5,98,037
		Investments	12,450
		Cash ...	4,04,316
Rs.	26,76,101	Rs.	26,76,101

Empire Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st July 1958.

The profit for the year after providing for depreciation Rs. 2,92,187 (Rs. 2,21,805) and taxation Rs. 2,60,000 (Rs. 1,55,000) including wealth tax, amounts to Rs. 3,74,964 (Rs. 2,21,705 for the thirteen months ended 31st July 1957). To this must be added the credit balance brought forward from the previous period of Rs. 4,192 (Rs. 76,491), dividends forfeited Rs. 2,499 (nil) and provision for doubtful debts Rs. 1,730 (*nil*) making a total of Rs. 3,83,385 (Rs. 2,99,567 including Rs. 1,371 being overprovision for liability written back). From this must be deducted dividends previously forfeited now paid of Rs. 12 (Rs. 375) and the amount transferred to development rebate reserve of Rs. 1,37,250 (Rs. 1,06,600) leaving a balance of Rs. 2,46,123 (Rs. 1,92,592). The interim dividends for the year ended 31st July 1958, on 10,000 preference shares at Rs. 3.50 per share absorbed Rs. 35,000 (Rs. 35,000) and on 1,50,000 ordinary shares at Re. 0.30 (Re. 0.40) per share absorbed Rs. 45,000 (Rs. 60,000) leaving an available balance of Rs. 1,66,123 (Rs. 97,592). This amount the directors recommend should be distributed as follows:—

To final dividend on 10,000 preference shares at Rs. 3.50 (Rs. 4.09) per share for the year ended 31st July 1958, absorbing Rs. 35,000 (Rs. 40,900) and to final dividend on 1,50,000 ordinary shares at Re. 0.70 (Re. 0.35) per share for the year ended 31st July 1958, absorbing Rs. 1,05,000 (Rs. 52,500) leaving to be carried forward Rs. 26,123 (Rs. 4,192).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st July 1958, have been valued at market rates.

In accordance with the working time agreement of the Indian Jute Mills Association, working hours were 48 hours per week with 12½ per cent. of the total looms sealed. The Company purchased loom hours during the period and worked 275 looms on a double shift basis.

The installation of modern spinning plant continued during the year and the installation of machinery catering for sacking weft was completed. It is anticipated that the installation of the balance of the sacking warp machinery will be completed during 1959.

During the financial year under review trading conditions were fair although raw material prices tended to be on the high side in comparison with prices for manufactured goods. While the hessian stock position was sound, sacking stocks increased considerably towards the end of the period, and prices were forced down to uneconomic levels by speculators. However, the introduction of minimum prices from 26th February 1958 by the Indian Jute Mills Association arrested the decline.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Gross block	1,01,87,736
Debentures ...	8,86,000	*Less*—Depreciation ...	65,99,232
Reserves ...	36,93,850		
Provision for taxation ...	8,15,604	Net block ...	35,88,504
Liabilities ...	20,61,072	Stock-in-trade	22,11,103
Profit and loss account ...	26,123	Stores and spare parts	7,48,890
		Debts, deposits and advances ...	23,16,425
		Investments	9,37,003
		Cash ...	1,80,724
Rs.	99,82,649	Rs.	99,82,649

Presidency Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st July 1958.

The profit for the year, after providing for depreciation Rs. 2,15,522 (Rs. 2,04,705) and taxation Rs. 2,40,000 (Rs. 1,82,000) including wealth tax, amounts to Rs. 3,21,105 (Rs. 2,05,210 for 13 months ended 31st July 1957) to which must be added—dividend forfeited of Rs. 1,826 (*nil*) and credit balance brought forward from the previous period of Rs. 7,049 (Rs. 45,825) making a total of Rs. 3,29,980 (Rs. 2,53,693 including Rs. 2,658 being overprovision of liability in respect of previous period written back). From this must be deducted the dividend previously forfeited now paid of Rs. 141 (Rs. 300) and amount transferred to development rebate reserve of Rs. 1,30.000 (Rs. 96,344) leaving a balance of Rs. 1,99,839 (Rs. 1,57,049). The interim dividend for the year ended 31st July 1958, on 5,00,000 ordinary shares at Re. 0.15 (*nil*) per share absorbs Rs. 75,000 (*nil*) leaving an available balance of Rs. 1,24.839 (Rs. 1,57,049). This amount the directors recommend should be distributed as follows:—To payment of a final dividend on 5,00,000 ordinary shares at Re. 0.22½ (Re. 0.30) per share for the year ended 31st July 1958, absorbing Rs. 1,12,500 (Rs. 1,50,000) leaving to be carried forward Rs. 12,339 (Rs. 7,049).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale rates and goods unsold on 31st July 1958, have been valued at market rates.

In accordance with the working time agreement of the Indian Jute Mills Association, working hours were 48 hours per week with 12½ per cent. of the total looms sealed. The Company purchased loom hours during the period and worked 265 looms on a double shift basis.

The installation of modern preparing and spinning machinery continued during the period under review, and the installation of machinery catering for the sacking warp is partially completed. A loan of Rs. 8,00,000 has been received from the National Industrial Development Corporation Private Ltd. to finance the cost of this new machinery.

During the financial year under review trading conditions were fair although raw material prices tended to be on the high side in comparison with prices for manufactured goods. While the hessian stock position was sound, sacking stocks increased considerably towards the end of the period, and prices were forced down to uneconomic levels by speculators. However, the introduction of minimum prices from 26th February 1958, by the Indian Jute Mills Association arrested the decline.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Gross block	93,02,573
Debentures	61,000	*Less*—Depreciation ...	70,04,073
Reserves ...	9,18,798		
Provision for taxation ...	7,07,266	Net block ...	22,98,500
Liabilities ...	23,36,833	Machinery-in-transit ...	77,600
Profit and loss account ...	12,339	Stock-in-trade	22,04,543
		Stores and spare parts	3,57,668
		Debts, deposits and advances ...	11,93,493
		Investments	1,12,616
		Cash ...	2,91,816
Rs.	65,36,236	Rs.	65,36,236

Soorah Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Hindusthan Investment Corporation Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The year's working shows a surplus of Rs. 10,62,600 (Rs. 10.05.237) out of this, provision has been made for depreciation of Rs. 2,71,222 (Rs. 3,93,445), for reserve for doubtful debts Rs. 23 508 (*nil*), for reserve for development rebate Rs. 28.905 (*nil*) and for taxation (including provision for wealth tax) Rs. 4,30,000 (Rs 3 15,000) leaving a sum of Rs. 3.08.965 (Rs. 2,96,792) to which is added the balance brought forward from the last year of Rs. 40,154 (Rs. 23,362) making a total of Rs. 3.49,119 (Rs. 3.20 154). The directors recommend payment of dividend on 10,000 cumulative preference shares at 7 per cent. per annum free of income-tax for the year absorbing Rs. 70.000 (Rs. 70.000) and on 1,40,000 ordinary shares at Re. 1.50 (Re. 1.50) per share [15 (15) per cent. per annum] free of income-tax for the year absorbing Rs. 2,10,000 (Rs. 2,10.000) leaving a balance to be carried forward to the next account of Rs. 69.119 (Rs. 40.154).

In accordance with the working time agreement of the Indian Jute Mills Association, the Mills worked 351 looms (12½ per cent. of looms remaining sealed) on the basis of 48 hours a week throughout the period under review. However, on account of the large accumulation of stocks of heavy goods, prices of bags were depressed and, therefore, to restore stability in the market, the Association decided that a further 1½ per cent. of the looms should be sealed with effect from the 2nd March 1959. Therefore, from that date, the mills have been working only 345 looms on the basis of 48 hours a week, with a total of 14 per cent. of the looms remaining sealed.

For the first time after 1947, sufficient jute has been produced this year in the Indian Union, which will be sufficient to meet the full requirements of the industry. The import of jute from Pakistan has, therefore, been stopped and as a measure of support to raw jute prices, the Government have also decided to allow export of a small quantity of jute from India. Trading conditions on the whole remained satisfactory during the year and relations with the labour continued to be cordial.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,00,000	Gross block	71,31,233
Reserves ...	11,44,445	*Less*—Depreciation ...	50,03,403
Provision for taxation ...	4,33,619		
Liabilities ...	31,15,216	Net block ...	21,27,830
Profit and loss account ...	69,119	Stock-in-trade	28,87,719
		Stores, spare parts and loose tools, etc. ...	3,50,774
		Debts, deposits and advances ...	4,05,511
		Investments	13,59,893
		Cash ...	30,672
Rs.	71,62,399	Rs.	71,62,399

Peermade Tea Co., Ltd.

The directors of the above Company [Secretaries: Messrs. Aspinwall and Co. (Travancore) Ltd., Alleppey] submit the audited accounts of the Company for the year ended 31st December 1958.

The net profit for the year amounted to Rs. 1,10,575 as compared with Rs. 2,05,727 in 1957. The decline in profit for 1958 was mainly due to lower crop and increased expenditure. One of the main items which affected the profit is the Kerala sales tax which is now charged at 5 per cent. with a surcharge of 2½ per cent. It will be seen that as against Rs. 67,461 in 1957, this has amounted to Rs. 1,34,256 during the year under review. The usual provision for depreciation on buildings and machinery has been made. Provision for taxation includes cover for taxation on dividends in excess of 6 per cent. in respect of dividend payments during the year under review.

Crop.—Crop harvested during the year was 20.92,988 (22,54,940) lbs. which is 1,92,988 lbs. above estimate, but, 1,61,952 lbs. less than the 1957 crop. Upto September 1958 the crop was 1,29,215 lbs. over the same nine-month period in 1957, but from October onwards there was a steep drop. 1958 would have established a fresh record in crop but for the general strike in October. This strike resulted in a loss of approximately 1 lakh lbs. during October, and adversely affected the crop during the succeeding two months. During the latter part of the year climatic conditions also were not as favourable as in 1957.

The results of the last 3 years compare as under:—

Year	Crop	Estate Expenditure cts. per lb.	Average Sale Price cts. per lb.
1956 ...	18,87,956	137.41	202.28
1957 ...	22,54,940	128.40	165.16
1958 ...	20,92,988	130.86	163.09

For 1959 the Manager has estimated a crop of 20 lakhs lbs. at an estate expenditure of 132.87 cents per lb.

The crop secured for the year at 20,92,988 lbs. represents an overall yield of 1,344 (1 448) lbs. per acre. Electric power is still not available but is now expected some time during 1959. The installation of electrical equipment in the Pirmed Factory is nearing completion.

The total amount available for distribution is Rs. 2,73,906 (Rs. 4,51,542) from which after transferring a sum of Rs. 306 (*nil*) to development rebate reserve, is to be deducted Rs. 9,000 (Rs. 9,000) and Rs. 1,06,250 (Rs. 1,27,500) representing respectively 6 per cent. dividend paid on the preference shares and 6½ (7½) per cent. interim dividend on the ordinary shares. In view of the substantial fall in the profit for the Company during 1958, and having regard to the dividend equalisation reserve built up in the years of prosperity, the directors recommend a final dividend of 10 (17½) per cent. on the ordinary shares utilising Rs. 75.000 (Rs. 85,000) out of the said reserve. This dividend absorbs Rs. 1,70,000 (Rs. 2,97,500) leaving a sum of Rs. 63,350 (Rs. 1,02,542) to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,50,000	Gross block	39.20,759
Reserves ...	7,84,070	*Less*—Depreciation ...	13,11,227
Provision for taxation ...	1.58.592		
Liabilities ...	10,00,985	Net block ...	26,09,532
Profit and loss account ...	63,350	Stock-in-trade	4,01,741
		Stores, etc. ...	1,49,123
		Debts, deposits and advances ...	1,54,249
		Investments ...	1,50,725
		Cash ...	3,91,627
Rs.	38,56,997	Rs.	38,56,997

Belsund Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bangur Brothers Ltd., Calcutta) present the audited accounts of the Company for the year ended 30th September 1958.

After providing Rs. 68,489 (Rs. 84,228) for depreciation the accounts reveal a profit of Rs 7,13,756 (Rs. 7.61,328). Out of this sum, provision for taxation absorbs Rs. 4,12,000 (Rs. 4.50,000) leaving a balance of Rs. 3,01,756 (Rs. 3,11.328). To this has been added the amount brought forward from the previous year of Rs. 74,946 (Rs. 73,488) making a total of Rs. 3,76.702 (Rs. 3.84,816) at the credit of profit and loss account. This amount the directors to recommend should be appropriated as under:—

To transfer to general reserve Rs. 50,000 (nil), to pay a dividend at Re. 1 (Re. 1) per share for the year ended 30th September 1958, free of income-tax, absorbing Rs. 2,59,870 (Rs. 2,59,870) and to carry forward to next year Rs. 66,832 (Rs. 74,946) after providing Rs. 50,000 to contingencies).

The factory commenced crushing on the 19th November 1957, and concluded on the 28th March 1958, with a total crush of 24,91,495 maunds of cane as compared to 34,11,524 maunds in the previous year.

The quality of cane available was normal and the recovery was 10.47 per cent. as compared to 9.72 per cent. in the previous year. The minimum cane price was Re. 1-7-0 per maund at the factory and Re. 1-5-0 per maund at outstations. Cane cess was levied at annas three and Cane Co-operative Societies Commission was 9 pies per maund of cane.

Season 1958-59.—The first phase of extension of the factory has been completed thereby extending the crushing capacity to 1,000 tons per day from 850 tons per day. The second phase of extension which would increase the crushing capacity to 1,200 tons is expected to be completed by the end of 1960. The crushing for the current season is expected to be higher at about 23 lakh maunds.

Hindustan Wire Products Private Ltd., the subsidiary Company, has gone into production from December 1958 and the quality of its products has been appreciated in the market and is according to B.S.S.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,49,050	Gross block	33,56,131
Reserves ...	9,25,000	*Less*—Depreciation ...	25,70,647
Provision for taxation ...	7,93,237		
Liabilities ...	57.07,475	Net block ...	7,85,484
Profit and loss account ...	66,832	Machinery under installation	4,86,068
		Stock ...	32,59,645
		Stores, etc. ...	9,06,555
		Debts, deposits and advances ...	31,83,531
		Investments	7,18,540
		Cash ...	1,01,771
Rs.	94,41,594	Rs.	94,41,594

Assam Match Co., Ltd.

The directors of the above Company (Chairman: Mr. Dinshaw D. Romer, Bombay) present the audited accounts of the Company for the year ended 31st December 1958.

The trading result of the year has been satisfactory, both production and sales being good.

The factory and other property of the Company have been adequately maintained. Rs. 1,56,949 (Rs. 1,50,067) has been provided for depreciation on buildings and machinery on the same basis as the previous year. A sum of Rs. 10,506 (Rs. 41,736) has been set aside as statutory development rebate reserve. For 1958 a provision of Rs. 5,73,500 (Rs. 5,70,000) has been made for taxation, which includes Rs. 27,000 (Rs. 25,000) on account of wealth tax.

The net profit for the year, after providing for depreciation, statutory development rebate reserve and taxes for 1958 as aforesaid, is Rs. 4,38,589 (Rs. 4,63,071) to which should be added the sum of Rs. 1,83,944 (Rs. 1,72.873) being the balance brought forward from the last year, making a total of Rs. 6,22,533 (Rs. 6,35,944). The directors recommend that this amount may be dealt with as follows:

To pay a dividend for the year ended 31st December 1958 at the rate of 10 (10) per cent. per annum [i.e., Re. 1 (Re. 1.00) per share] free of income-tax absorbing Rs. 3,00.000 (Rs. 3,00,000), to pay a bonus for the year ended 31st December 1958 at the rate of 2½ (2½) per cent. per annum [i.e., 25 (25) naye paise per share] free of income-tax absorbing Rs. 75.000 (Rs. 75,000) to set aside for general reserve Rs. 50,000 (Rs. 50,000) and to carry forward to next year's account Rs. 1,97,533 (Rs. 1,83,944 after providing Rs. 27,000 for additional taxes for 1956).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Gross block	39,32,562
Reserves ...	17,57,742	*Less*—Depreciation ...	20,88,148
Provision for taxation ...	2,94,610		
Liabilities ...	13,86,694	Net block ...	18,44,414
Profit and loss account ...	1,97,533	Capital expenditure unallocated	16,070
		Stock-in-trade	15,25,518
		Stores and loose tools	8,87,443
		Goods in transit ...	70,713
		Debts, deposits and advances ...	21,00,077
		Investments	5,975
		Cash ...	77,840
		Banderols held in trust	1,08,529
Rs.	66,36,579	Rs.	66,36,579

Jawahar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Umaiyambika & Co., Salem) submit the audited accounts of the Company for the year ended 31st December 1958.

After deducting all working expenses and interest and providing Rs. 3 83.581 (Rs. 3,00,800) for depreciation, the year's working has resulted in a net profit of Rs. 3.60.497 (Rs. 4,28 797. Out of this amount, the directors have spent Rs. 2,114 (Rs. 1,357) on charity and presents, paid Rs. 85,597 (*nil*) as balance of bonus for 1956 over and above the provision of Rs. 35,757 (*nil*), and set aside Rs. 72,656 (*nil*) towards development rebate reserve. The balance available after the above adjustment is Rs. 2,00,130 which the directors recommend to dispose of as follows:

For gratuity reserve Rs. 50,000 (*nil*), for the payment of a tax-free dividend of 15 (15) per cent. absorbing Rs. 1,41,000 (Rs. 1,41,000) and to carry forward to next year Rs. 9,130.

As indicated in the directors' last report the slump in the textile trade has been continuing even after 1958. In spite of such adverse conditions, the directors are glad to report that it has been not only possible for them to provide full depreciation and development rebate but also to maintain the same rate of dividend as last year. As it is expected that no tax will be payable by the Company, no provision has been made from the year's profits. The debit balance in the profit and loss account as per last balance-sheet has been adjusted against the general reserve.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,40,000	Gross block ...	77,56,093
Reserves ...	19,05,847	*Less*—Depreciation ...	37,49,777
Provision for taxation ...	21,981		
Liabilities ...	48,83,204	Net block ...	40,06,316
Profit and loss account ...	9,130	Stock-in-trade	20,91,577
		Stores, etc. ...	4,06,702
		Debts, deposits and advances ...	11,44,114
		Investments	37,000
		Cash & stamps in hand ...	74,453
Rs.	77,60,162	Rs.	77,60,162

Parry and Co., Ltd.

The directors of the above Company (Chairman: Mr. G. N. Noel-Tod, Madras) present the audited accounts of the Company for the year ended 30th September 1958.

The net profit for the year before providing for taxation was Rs. 15,01,757 (Rs. 21,02,603) upon which taxation, including the sum of Rs. 53,378 (Rs. 2,54,185) in respect of adjustments relating to previous years, amounts to Rs. 10,20,638 (Rs. 15,50,847) leaving a net profit, after taxation, of Rs. 4,81,119 (Rs. 5,51,756). To this should be added the surplus brought forward from 1957, amounting to Rs. 1,94,184 (Rs. 1,92,428) making the profit available for appropriation of Rs. 6,75,303 (Rs. 7,44,184). Out of this the following appropriations have been made or are recommended by the directors: Transfers to general reserve of Rs. 3,00,000 (Rs. 4,00.000), to capital reserve of Rs. 6,000 (nil) and to payment of dividends, free of income-tax, on the 5 per cent. preference share capital for the year amounting to Rs. 1,50,000 (Rs. 1,50,000) leaving a surplus to be carried forward to next year of Rs. 2,19,303 (Rs. 1,94,184).

At 30th September 1958 the capital and revenue reserves of the Company aggregated Rs. 63,98,433 as against Rs. 60,67,314 last year. Trade investments were increased during the year by Rs. 9.83 lakhs and this resulted in a decline in the excess of current assets over current liabilities to Rs. 89.48 lakhs at 30th September 1958 compared with Rs. 95.47 lakhs last year.

Dividends.—The preference dividend for the year has been paid on the usual half-yearly dates. The directors, in consultation with the Board of the Holding Company, have again decided not to recommend payment of any dividend on the ordinary share capital for the year under review and to utilise the whole of the profit available for strengthening the Company's resources.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Gross block ...	49,36,397
Debentures ...	2,67,941	*Less*—Depreciation ...	25,97,162
Reserves ...	61,79,130		
Provision for taxation ...	23,86,838	Net block ...	23,39,235
Liabilities ...	2,63,78,659	Stock & work-in-progress	1,49,53,693
Profit and loss account ...	2,19,303	Debts, deposits and advances ...	2,06,05,001
		Investments	25,46,446
		Cash ...	19,87,496
Rs.	4,24,31,871	Rs.	4,24,31,871

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

U. S. chemists have developed new heat and radiation resistant materials that function as lubricants at temperatures up to 1,000 degrees Fahrenheit—400 degrees above the upper limits of conventional lubricants. These new materials, a family of chemicals known as metapolyphenyl ethers, can also withstand five times as much radiation as would destroy present conventional lubricants. It is believed that the durability of these synthetic oils would be useful in space craft of the future.

A turbine research and model-testing laboratory, which is claimed to be one of the best-equipped in the world, has just been taken into use by Karlstads Mekaniska Werkstad (K.M.W.) at their Kristinehamn works, Central Sweden. The laboratory has been designed for all kinds of model tests with hydraulic turbines, pump turbines and pumps, and it includes equipment for precision measurements by means of electronic devices to ensure full objectivity and reliability of the tests.

PLANTING

(*Concluded from page 730*)

Ministry is giving careful thought to these ideas, and I wish to call for some more expert opinion on this matter."

An important factor which hampers the improvement of the quality of Indian tea is the slow progress of replantation of estates, which, in turn, has been due to paucity of finance. According to the Plantation Enquiry Commission, the industry will have to make good the arrears of replanting to the tune of 200,000 acres, which will cost about Rs. 60 crores. If the work is phased over ten years, the annual cost will come to Rs. 6 crores or Rs. 30 crores for each of the Third and Fourth Plan periods. Mr. Rahut said that it would be impossible for most gardens to carry out a programme of this magnitude with their own resources. He suggested that the Government should set apart in the Third Plan Rs. 30 crores for granting long-term loans to tea planters for uprooting and replanting or replacing bushes planted before 1900.

Replanting of Gardens

Speaking on this problem, Mr. Lal Bahadur Shastri observed:

"To my mind the most important point which has to be considered is in regard to the vital need for a programme of replantation. This has been neglected in the past. If the backload in replantation is not made up, it will threaten our pre-eminent position in tea production in the world. In the tea plantation industry of the world, the new producing countries have the same advantage as Germany in industrial production. Germany with her plants reduced to nil by bombing or dismantled by the Allies, restarted with brand new plants and in a few years has come to the top economically. The young plantations of Africa will have the same advantage over us in the long run, if we do not renew our plantations by replanting.

"Replanting in the plantation industry is like renewal of a machinery in the purely manufacturing industries. As such, the cost of replanting should come out of the depreciation reserves of the industry. I regret to say that the maintenance of a replantation or a depreciation reserve has been neglected by some producers.

"We have been fully aware of the tea industry's need for block finance and the difficulties which stand in the way of obtaining this finance. The Tea Board and the Ministry have tried their best to obtain from the banks a relaxation of their banking practices so that a single agency could look after a garden's need for both block and working capital. In this they did not have much success. They are now working out the details of a guarantee fund which would guarantee the residual liability of the gardens in respect of the working capital they raise from banks and their title deeds are set free for raising block loans. This scheme has been prepared with the assistance of the Reserve Bank and I have no doubt the representatives of planting interests will be consulted by the Tea Board before its finalisation."

The Minister's replies on the problems of the tea industry indicates that the Government's attitude towards the industry is not wholly unsympathetic. The Government is anxious to provide finance for replanting and is trying its best to revive the International Tea Agreement, thought it is not willing to reduce further the export and excise duties for the present.

COMMERCE AND INDUSTRY

(*Concluded from page 737*)

main more or less constant at Rs. 75,000 will now be spread over 1,500 pumps. Hence the net margin in the two cases will be as follows:

If the firm were *not* to accept the export order:

	Rs.
Total selling value (per month) 1,000 x 275	2,75,000
Less: Total cost of production (per month) 1,000 x 250	2,50,000
Net margin or profit	25,000

If the firm were to accept the export order:

Total selling value (per month) 1,000 x 275 plus 500 x 190	3,70,000
Less: Total cost of production (per month) 1,500 x 225	3,37,500
Net margin or profit	32,500

Hence the overall profit is increased by 33⅓ per cent., though the price is reduced by 31 per cent. for exports.

The total outlay under the Third Plan is going to be around Rs. 9,900 crores, according to certain tentative estimates announced recently. This would involve a correspondingly larger outlay of foreign exchange. If, with a much more modest outlay of the Second Plan, we have had to face such acute foreign exchange crisis, one can easily imagine what would be the position in the Third Plan period, unless an all-out effort were made for augmenting our foreign exchange earnings through increased exports right from now.

COMMONWEALTH TRADE, 1950 TO 1957

In a memorandum issued by the Commonwealth Economic Committee, which reviews Commonwealth trade in the years 1950 to 1957, it is pointed out that, though the United Kingdom is the main market for the exports of most Commonwealth countries except Canada, there are indications that the export trade in several cases is now more broadly based than formerly: markets have been developed in Commonwealth countries other than the United Kingdom as well as in Europe and the United States. The record reveals no large changes in the United Kingdom share in the import trade of other Commonwealth countries.

The memorandum points out that Commonwealth countries, taken together, account for about one-third of the external trade of the United States, Canada alone being responsible for nearly 25 per cent. of United States' exports and imports. An upward trend has been apparent in the figures for the United Kingdom share of the United States market, but this has not been paralleled for the rest of the sterling Commonwealth taken together.

Western Europe, however, has proved to be an expanding market for Commonwealth countries; this trade comprises manufactured goods, foodstuffs and raw materials. In several cases, including the United Kingdom, Australia, South Africa and Pakistan, 25 per cent. or more of total exports are destined for the European market.

The memorandum (priced at 3s. 10*d.* post free), which was prepared originally for the Commonwealth Trade and Economic Conference held in Montreal last September, reviews also the main features of the trade of individual Commonwealth countries. A statistical appendix summarises the trends in the trade of the Commonwealth with its chief markets and sources of supply.

DOUBLING U.K. LIVING STANDARDS IN 25 YEARS

Progress towards "doubling living standards" in the United Kingdom in 25 years was described in the House of Commons last week as having been made at a satisfactory rate.

The Chancellor of the Exchequer, Mr. Derek Heathcoat Amory, told a questioner that, since 1954, the standard of living had risen by an average of 2.7 per cent. each year—0.1 per cent. below the progress rate needed to produce doubling by 1979.

Replying to further questions, the Chancellor said that, in the past four years, the United Kingdom production per head had risen by an average of 1.1 per cent. yearly.

"The average annual increase in consumption per head over a four-year period has been 1.8 per cent. Probably, the best statistical definition of standard of living is the level of real personal disposable income per head. Between 1954 and 1958, this has risen by 2.7 per cent. per annum—very nearly at the level of 2.8 per cent. per annum which would be required as an average to produce doubling in 25 years."

The difference between the figures for consumption level and disposable income was due to the very large increase in personal savings over the period.

The Chancellor added: "Over this short period, on these facts, I would regard progress to date as reasonably satisfactory, particularly as national investment has been running at very high levels."

Notices

THE MODERN MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-fifth Annual General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Tuesday the 9th June 1959, at 3-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st October, 1958.
2. To declare a Dividend.
3. To appoint Directors in place of those who retire but who are eligible for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from the 12th May 1959 to 3rd June 1959, both days inclusive.

Any member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member.

Detailed Notice setting forth all the items of business to be transacted at the above Meeting is being published in the Press and will be posted to the Shareholders individually.

By Order of the Board,
N. SIRUR & COMPANY PRIVATE LIMITED,
Managing Agents.
N. D. SIRUR.
Managing Director.

BOMBAY, 20*th April* 1959.

N.B.—The dividend when declared will be made payable at the State Bank of India, Bombay, on and after Monday the 22nd June 1959 to those Shareholders whose names stand on the Register of Members on the 12th May 1959. The Dividend Warrants will be made negotiable at par at the State Bank of India, Bangalore. Shareholders are requested to intimate change of address, if any.

THE SOUTH KARANPURA COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE SOUTH KARANPURA COAL COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday, the 29th May, 1959, at 11 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st August, 1958 and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from the 14th May to the 29th May, 1959, both days inclusive.

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

CALCUTTA, 22*nd April*, 1959.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(b) The Dividend, if declared, will be paid on or after 5th June, 1959 to those members so entitled whose names appear in the Company's books on 29th May, 1959, or to their mandatees. No application for Dividend Warrants will be necessary.

JENSON AND NICHOLSON (INDIA) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of Members of the Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Monday 18th May, 1959, at 11 a.m., for the following purposes:—

1. To receive and consider the Directors' and Auditors' Reports and the Profit and Loss Account for the year ended 31st December, 1958 and the Balance Sheet as at that date.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 9th to 18th May, 1959, both days inclusive.

By Order of the Board,
H. S. CHALLIS,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA, 23*rd April*, 1959.

Note:—A member entitled to attend and vote at the above Meeting may appoint a proxy to attend and vote instead of him. A proxy need not also be a Member of the Company.

TREASURY BILL RATE UNCHANGED

(From Our Own Correspondent)

BOMBAY, 29*th April*

The end of April usually marks the beginning of the end of the busy season, but this year it seems to be still far away. Though the demand for bank credit is not on the same scale as a few weeks ago, the return of funds to banks has not started on a scale to relieve the stringency in the short-term money market. Banks continue to be borrowers in the market and interest rates continue to hold their ground. Inter-bank call money is being bid at 3½ per cent. among the Exchange banks and large Indian banks; occasionally they pay even at 3¾ per cent. The corresponding rate among the smaller Indian banks is also unchanged at 3¾ per cent. House money at seven days' notice is being maintained at 3¾ per cent. and short-term deposits at 3¾ to 4 per cent. for one to three months.

The 91-day Treasury Bill rate, which had gone up from 2.760 per cent. to 2.800 per cent. per annum last week, has remained at the latter level this week also. The amount offered (against the usual invitation for Rs. 2 crores) is slightly higher at Rs. 2.05 crores. The tenders for next week are unchanged at Rs. 2 crores. There has been no sale of Intermediate Treasury Bills this week also, but it has not been suspended either.

The Reserve Bank of India's statement for the week ended 24th April 1959 discloses a contraction of Rs. 13.72 crores in notes in circulation and a rise of Rs. 14.61 crores in total notes issued. There is no change in foreign securities, but balances held abroad have recorded a further decline of Rs. 2.18 crores, so that the total foreign assets stand lower at Rs. 208.69 crores. Central Government's deposits have risen by Rs. 4.01 crores and other Governments' deposits by Rs. 8.25 crores, as also bank deposits by Rs. 13.69 crores. While loans and advances to Governments have gone up by Rs. 5.78 crores, other loans and advances have declined by Rs. 6.01 crores. There has been a further large addition of Rs. 29.44 crores to investments. This is on top of an increase of Rs. 34.56 crores in the previous week.

The Scheduled banks' statement for the week ended 17th April 1959 shows that the total (net) deposits of banks have gone up by Rs. 16.30 crores. Almost the entire rise is accounted for by banks other than the State Bank of India, for the deposits of the latter at the end of the week under review are fractionally lower. Demand deposits of all banks account for an increase of Rs. 10.55 crores and time deposits for Rs. 5.75 crores. Inter-bank borrowings have gone up by Rs. 1.05 crore, while borrowings from the Reserve Bank show a decline of Rs. 7.23 crores. Loans, cash credits and overdrafts have recorded a rise of Rs. 2.14 crores and bills purchased and discounted Rs. 95 lakhs, while the State Bank's total advances stand reduced by Rs. 68 lakhs. Investments are higher by Rs. 6.37 crores, mainly due to a rise of Rs. 7.05 crores in the State Bank of India's portfolio. Cash balances have shrunk by Rs. 14.97 crores, following a drop of Rs. 16.19 crores on State Bank's account.

Barring scattered enquiries for a few long-dated issues, the conditions in the Gilt-edged market continue to be dull and drab. Most of the counters attracted sellers and some of the State loans have started looking down. The volume of business is small. 3 per cent. 1986 Conversion Loan is featureless at Rs. 74, while 3 per cent. 1970-75 has attracted small enquiries and has risen by 5 nP to Rs. 91.20. 3 per cent. 1966-68 is unchanged at Rs. 93.70, 3 per cent. 1964 at Rs. 97 and 3 per cent. 1963-65 at Rs. 96.70. 3½ per cent. loans are also holding their ground at last week's rates. 4 per cent. 1972 has hardened by 5 nP to Rs. 101.70 and 4 per cent. 1973 by a similar extent to Rs. 101.65. In the State loans section, West Bengal 4 per cent. 1967 and 1968 have shed 5 nP each to Rs. 100, as also Madras and U.P. 4 per cent. 1967.

There has been a slight weakening of the sterling in terms of the U.S. dollar this week. Spot sterling fell in New York from $2.81¼-2.81.13/16 to $2.81¼-2.81.9/16, before closing at $2.81.21/32-2.81.23/32. Three months' forward too declined from $2.81.3/16-2.81¼ to $2.81-2.81.1/16, but it recovered partially to $2.81.5/32-2.81.7/32 yesterday. In consonance with this trend, rupee also has lost some ground in terms of the U.S. dollar. Banks' selling rate for ready, after rising from Rs. 475 to Rs. 475.75, declined to Rs. 475.25. Their buying rate is, however, unchanged at Rs. 471.75.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 27*th April*

There was practically no change in the linseed market this week. Firm prices prevailed in sympathy with other oilseeds markets and activity was fair. Daily arrivals from upcountry averaged around 2,300 tons, a slight falling off, owing to booking restrictions at certain centres. These quantities were easily absorbed by local mills who were fairly keen buyers. Ready goods fetched a slight premium, whilst sellers for any positions beyond May were reserved, despite higher prices quoted. The oilcake market remained inactive; firm prices were held, although no fresh business was reported.

The oil section remained steady. Despite a slight improvement in overseas prices, Indian oil was still out-priced. Local demand was rather poor, with buyers pausing.

The latest available quotations are: Ready-April Rs. 23; May Rs. 22.75 per maund.

CHECKING GOLD SMUGGLING

(From Our Own Correspondent)

BOMBAY, 29*th April*

The rumours regarding official measures to check arrivals of contraband gold that persisted in the bullion market for some time past have now turned out to be correct. On Tuesday (28th April 1959), the Union Finance Minister introduced a Bill in the Lok Sabha for amending the Reserve Bank of India Act, with a view to preventing "the smuggling out of Indian currency." The measure authorises the Reserve Bank to issue special bank notes for circulation abroad; the notes will be exchangeable into sterling or Indian currency only at the Bombay office of the Reserve Bank. Although the exact implications of the move are being studied carefully by the traders, the general consensus of opinion among them seems to be that the scope for smuggling gold into India would be considerably restricted.

As the price of gold had gone up during the past few days, in expectation of this development, there was no spurt in it after the Bill was introduced in Parliament. Actually, there was a slight fall in price today, on account of profit-taking. The overall trend, however, is still said to be bullish, as arrivals are expected to shrink, while demand is anticipated to broaden.

In sympathy with gold and on the news that there might not be any more imports of Tibetan coins, silver has staged a rally. The net gain over the week would have been more marked but for intermittent profit-taking at higher levels. Actually, the closing rate for ready silver also was slightly lower than the rate last week-end.

April settlement in gold went off the board at Rs. 123-13 on the 23rd inst., as against Rs. 123-5 on Wednesday last week. May settlement moved up from Rs. 122-4 to Rs. 123-3 on Monday, but declined subsequently, to touch Rs. 122-2 today before finishing at Rs. 122-8-6. June settlement advanced from Rs. 121-9-6 to Rs. 122-9 on Monday. Thereafter, it tended to decline and closed today at Rs. 121-8. The backwardation charge (that is, the *budli* payable by bears to bulls) widened from As. 10-6 last week to Re. 1-0-6 today, so that the bulls were required to deposit a higher margin of Rs. 25 per tola, as against the margin of Rs. 10 that was operating previously, on their outstanding business in May settlement.

Ready gold opened the week firm at Rs. 124-1, as against Rs. 123-12 and, after spurting to Rs. 124-9 on the 27th inst., eased to Rs. 123-8 before finishing higher at Rs. 123-14-6. The highest level touched during the week marks a new peak for the yellow metal so far. The daily average arrivals of gold were 4,000 tolas, while the offtake was 4,500 tolas per day. The floating stocks of gold are reported to be around 20,000 tolas.

Business in silver April settlement terminated at Rs. 202-11 on the 24th inst. At this rate, it was higher by Re. 1-6 as compared with the last week's closing rate of Rs. 201-5. May settlement moved up from Rs. 199-8 to Rs. 200-10 on Monday. Subsequently, it receded to touch a low of Rs. 199-2 today, before recovering to Rs. 199-5 at the close. June settlement, after rising from Rs. 198-8-6 to Rs. 199, declined to finish at Rs. 197-6-6.

On the opening day of the week, that is, Tuesday, the 23rd inst., the backwardation rate for April settlement widened from Re. 1-13 to Rs. 2-6. Automatically, the operation of By-law 33 (d) (i) came into force, under which the bulls in April settlement had to deposit a higher margin of Rs. 2,500 per bar. On Friday, the bulls squeezed the bears by exacting a markedly enhanced backwardation charge of Rs. 5 per bar for transfer of business to May settlement. The backwardation rate for May settlement, which had fallen to As. 15-6 on Wednesday last week, exceeded a rupee during the week—it actually stood at Re. 1-14-6 today—so that the bulls were required to deposit a margin at the rate of Rs. 1,000 per bar.

Ready silver met with good buying support and hardened from Rs. 202 to Rs. 203-6 on the 27th inst. Thereafter, profit-taking set in and the rate declined to Rs. 201-6 today. Towards the close, it was better at Rs. 201-9. The daily average arrivals and offtake of silver were 14 bars and 15 bars, respectively. The floating stocks of silver are estimated at 500-600 bars.

Ready gold in the London bullion market moved down from 249s. 11½*d.* to 249s. 0½*d.* per fine ounce early in the week, due to firmer tendency for sterling against the dollar and fall in the dollar price from $35.09¼-35.11¼ to $35.08-35.10. Subsequently, however, there was a recovery, yesterday's quotation being 249s. 2*d.* Ready and forward silver were unchanged this week too, at 79¼*d.* and 78¾*d.* per fine ounce, respectively. There was no Continental enquiry for the metal, but some demand from "essential" industry was noted. No change was recorded by silver in New York which stood at 91.375 cents per ounce.

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

	29-4-59	Highest	Lowest	22-4-59
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	123 14½	124 9	123 6	123 12
Forward*	122 8½	123 3	121 10	123 5
Sovereign	78 4	78 4	77 2	77 2
SILVER				
Ready (.996 fine Mint) ..	201 9	203 6	199 7	202 0
Forward†	199 5	203 0	196 14	201 5
	28-4-59			21-4-59
London Silver Ready ..	79¼*d.*	—	—	79¼*d.*
London Forward	78¾*d.*	—	—	78¾*d.*
London Gold	249*s.* 2*d.*	249*s.* 2¼*d.*	249*s.* 0*d.*	249*s.* 1¼*d.*
New York Silver	91.375*c.*	..	..	91.375*c.*

* 23rd May settlement. † 25th May settlement.

COTTON FUTURES SPURT

(From Our Own Correspondent)

BOMBAY, 29*th April*

The cotton futures market, which remained subdued on the opening day of the week, thanks to the uncertainty about the tendering differences, picked up strength in the later sessions. In fact, virtual buoyancy prevailed in the market in the next three sessions. The buoyancy was mainly attributed to the bullish interpretation of tendering differences in respect of the Jarilla May contract fixed on Thursday. The steady improvement in the textile situation and the rapid decline in cloth stocks gave rise to the feeling that the prospects are for a further rise in cotton prices. Large-scale short covering and investment buying prompted by these considerations led to a spurt in values. The Jarilla August contract firmed up to touch a new peak of Rs. 698.50 on Monday. The strength of the spot market also fanned the bullish fervour. Yesterday, however, a mild reaction set in, following reports that a large number of appeals against the tendering differences were likely. But only two appeals were actually lodged calling for a reduction of Rs. 10 in the "basis" and a similar reduction in the 'off' allowance. Yesterday's reaction proved a short-lived affair. For, the market again firmed up today on renewed short covering, with the Jarilla August contract piercing the Rs. 700 mark to quote at Rs. 700.75 and the May contract knocking against that level.

I.C.C. Moglai Jarilla May opened the week at Rs. 677.75 and hardened to Rs. 693.25 on Monday. The contract succumbed to selling pressure and declined to Rs. 688 yesterday. It again rose to Rs. 693.75 today and finished at that rate.

I.C.C. Moglai Jarilla August 1959 commenced the week at Rs. 689.50, spurted to Rs. 698.50 on Monday, receded to Rs. 695.50 yesterday but again firmed up to Rs. 700.75 today and closed at that level.

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

(In rupees per candy of 784 lbs.)

	29-4-59	*High*	*Low*	22-4-59
I.C.C. Moglai Jarilla				
May 1959 ...	695.75	695.75	678	680.50
August 1959 ...	700.75	700.75	688.50	692.50

In the spot section, all-round mill buying was witnessed early in the week. Towards the close, mills were hesitant to make large purchases as they thought that the prices were too high. Stockholders continued to hold on, in the expectation that the deterioration in the quality of current crop will force the mills to make renewed purchases of available quality lots. Price, therefore, continued to rule firm. All the popular varieties received attention. Jaydhar, Kalyan, Vijay, Digvijay, etc., were in keen demand. Southern mills were especially interested in Kalyan and a fairly large quantity of this cotton was sold to some of them.

Business for exports was fairly active. Shippers covered moderate quantities of Bengals against previous export commitments. Fresh business reported was, however, very small. Rates quoted by foreign customers continued to be below Indian offers.

The import section was subdued. Stray inquiries were noted for Egyptian and Sudan cottons but no substantial business was reported. Importers were confidently expecting an allocation of 100,000 bales of cotton of staple length 1.1/16" and above. Reports are that the Cotton Advisory Committee, which met in New Delhi on the 23rd inst., had recommended to the Government that such a quota should be released.

The latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri are as follows: Bengal *Deshi* 695; Berar Jarilla 785; Khandesh 860; Vijay 1,010. Hubli Laxmi 1,060.

Further gains were recorded by cotton futures in the Karachi market during the week under review. Better export inquiries and renewed buying of domestic spinners imparted strength to the market. Investors also extended support. N.T.R.G. May improved from Rs. 51-7 to Rs. 52-6. The July contract was quoted higher at Rs. 54-8 as against the last week-end quotation of Rs. 53-12. The market remained closed for three days due to the non-settlement of accounts.

Firm conditions prevailed in the Alexandria cotton futures market during the week under review. There were good trade buying and speculative support prompted by the official announcement that sales in hard currency would be given a discount of 35 per cent. The continued firmness of the spot market also imparted strength to futures. Futures values, consequently, improved. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: May 72.85; July 72.80. *Ashmouni*: June 64.50; August 64.37.

Barring the near delivery months, which met with selling, the Liverpool cotton futures market ruled fairly firm during the week. Distant month attracted trade support and commission house buying, touched off by the U.S. announcement of carrying charges on cotton sold under choice 'A' plan. Sudan contracts appreciated on firm Khartoum advices. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: May-June 22.05; July-August 22.35; October-November 21.95; December-January 21.40.

American cotton mixed growth contract: May-June 22.90; July-August 22.60; October-November 22.05; December-January 21.40.

Sudan: May-June, July-August, September-October 24.25.

Fully steady conditions prevailed in the New York cotton futures market during the week under

review. The steadiness was influenced by the announcement of the Department of Agriculture that the carrying charges on cotton under the choice 'A' plan would be 10 points in October, increasing by 15 points a month until July 1960 when the carrying charges will be 145 points.

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

(In cents per lb.)

	28-4-59	20-4-59	14-4-59
Spot	36.10	36.05	35.90
March	35.88	35.89	35.65
May	34.94	35.10	35.08
July	32.68	32.64	32.68
October	—	—	32.68

YARNS DECLINE SHARPLY

(From Our Own Correspondent)

BOMBAY, 29*th April*

Distinctly easy conditions prevailed in the yarn market during the week under review. Both art silk yarns and staple fibre yarns were subjected to heavy selling pressure which resulted in a marked setback to values. It was feared that arrivals of imported art silk yarns would be very considerable in the coming weeks. These heavy arrivals in the wake of continued slack buying inquiries from consuming centres were expected to lead to large accumulations of stocks with dealers. A further sharp fall in nylon yarn prices also imparted weakness. Cotton yarns continued to rule dull. The handloom weavers and powerlooms were reported to be making only hand-to-mouth purchases. Demand from overseas countries was also not encouraging.

Cupressa Bamberg yarn (60 x 1) April delivery were hammered down from Rs. 1,472 to Rs. 1,439. June delivery fell by Rs. 31 to Rs. 1,461. Spot yarn dropped 25 nP to Rs. 7.12. 120 Japan climbed down by 9 nP to Rs. 4.72. 150 Italy declined by 10 nP to Rs. 4.68. 150 Japan and 120 Italy shed 3 nP each to Rs. 4.72 and Rs. 4.84, respectively. National Rayons 150 bright cones first grade retreated from Rs. 4.19 to Rs. 4.10.

In the staple fibre yarn section, April delivery 40 x 2 encountered heavy selling and receded from Rs. 592 to Rs. 574. June delivery suffered a loss of Rs. 14, today's closing rate being Rs. 589. Spot Centurys decreased from Rs. 3.19 to Rs. 3.15. Citys and Kohinoors lost 3 nP each, the former to Rs. 3.06 and the latter to Rs. 3.22. Among foreign yarns (80 x 2), Fujis slumped by 31 nP to Rs. 8.50. Paramounts dropped 6 nP to Rs. 7.41.

Among cotton yarns, ten counts Moderns were quiet at Rs. 13.25, as also Podars at Rs. 12.19. Twenty counts Moderns were done at Rs. 16.25 same as last week. Forty counts Moderns were unchanged at Rs. 26, while Minaxis gained 6 nP to Rs. 25.06. Sixty counts Raghuvamshis were unaltered at Rs. 65. There was no change in the quotations for eighty counts. Mahendras were done at Rs. 71. Finlays at Rs. 81 and City at Rs. 67.

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

	29-4-59	22-4-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg		
April (per case of 200 lbs.)	1,439	1,472
June („)	1,461	1,492
60/1 Cupressa Bamberg spot (per lb.)	7.12	7.37
120 Japan (per lb.)	4.72	4.87
150 Japan („)	4.72	4.75
120 Italy („)	4.84	4.87
150 Italy („)	4.68	4.78
Staple fibre yarn—		
40 x 2 April (per case of 200 lbs.)	574.00	592.00
40 x 2 June („)	589.00	603.00
40 x 2 Century (per lb.)	3.15	3.19
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
40s Minaxi	25.06	25.00
60s Finlay	65.00	65.00
80s City	67.00	67.00

HIGHER MARGIN ON COTTONSEED

(From Our Own Correspondent)

BOMBAY, 29*th April*

Barring castorseed and linseed, which staged a retreat, the oilseeds market depicted a bullish trend during the week under review. Groundnut scored further gains on heavy short covering and speculative buying. Firm advices from the spot market also helped sentiment. A prominent *vanaspati* manufacturer was reported to have re-entered the market and bought sizable quantities of groundnut oil and seeds. This led to a further hardening of spot prices which, in turn, influenced futures also. The news that sizable business in groundnut oil was done with Burma imparted additional strength to the market. Even the uncouraging export advices from the U.K. failed to have any perceptible bearish effect on prices.

Under directions from the Forward Markets Commission, the Oilseeds and Oil Exchange raised on Friday the rate of margin on cottonseed hedge contract from Rs. 30 to Rs. 35 per candy if the price rose above Rs. 140. The rate of margin above the first marginal line of Rs. 130 was, however, kept unaltered at Rs. 15 per candy. In spite of the higher margin, cottonseed futures firmed up, in sympathy with raw cotton. Nigerseed and kardiseed also met with firm support and rates hardened.

Castorseed and linseed, as noted earlier, eased despite the bright prospects for export of castor oil to the U.S. and news of Australian tenders for linseed oil. Fears of large tender against the May contract and heavier arrival of new crop in Gujerat prompted selling in castorseed futures, while lower spot advices depressed linseed.

A Press note issued by the Joint Chief Controller of Exports on Thursday says: "In order to promote export of H.P.S. groundnuts and to enable co-operative societies to participate in the export trade on a wider scale, it has been decided to entertain all the applications received even after 10th January 1959, but not later than 11th February 1959. Quotas of H.P.S. groundnuts will be granted to the co-operative societies for export up to the end of June 1959, admissible to them in terms of the announcement dated 17th December 1958."

It has also been decided to give repeat allotment to co-operative societies equal to the quantity allotted to them for export up to the end of June 1959, after they have completed shipment against the quotas granted previously.

It has been decided to continue free licensing of the export of *Vanaspati* (vegetable product) to all permissible destinations excluding the Portuguese possessions in India up to the end of March 1960. Exports will be allowed by all shippers as hitherto on shipping bills supported by evidence of valid firm sale contract. It has been decided to decontrol celery seeds, cover crop seeds other than green manure seeds, forest seeds including tree seeds and hedge seeds but excluding tarwar seeds and vegetable seeds.

Groundnut May advanced, on firm buying support, to Rs. 194.00. While the September contract rose from Rs. 197.75 last week-end to Rs. 199.00. Khandesh quality and coromandel were quoted higher at Rs. 40.00, while bold ready was unchanged at Rs. 39.75.

Castorseed May eased from Rs. 159.50 last week-end to Rs. 158.62. The September contract was quoted lower at Rs. 164.00. Ready Madras and ready Kanpur declined over the week by 25 nP each to Rs. 31.25 and Rs. 30.00.

Linseed contract met with profit-taking. Linseed May receded to Rs. 32.69 and the September contract to Rs. 33.37. Linseed oil too was priced down at Rs. 15.75.

Cottonseed May made a strident advance to Rs. 133.25 and September to Rs. 133.75 from Rs. 128.00 and Rs. 130.75 respectively last week-end.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	20-4-1959	22-4-1959	15-4-1959
	Rs.	Rs.	Rs.
Groundnut			
May 1959	194 00	192.50	191.25
August 1959	199.00	197.75	196.25
Bold ready	39.75	39.75	39.12
Coromandel ready	40 00	39.75	39.37
Khandesh quality	40.00	39.75	39.37
Oil ex-mill ready*	21 00	21.25	20.26
Railway receipts*	21.00	20.87	20.50
Castorseed			
May 1959	158.62	159.50	158.87
September 1959	164.00	164.87	163.87
Ready Madras	31.25	31.50	31.44
Ready Kanpur	30 00	30.25	30.12
Oil B.S.S.†	16.75	16.87	16.87
Oil commercial†	15.50	15.60	15.44
Linseed			
May 1959	32.69	32.87	32.75
September 1959	33.37	33.62	33.50
Bold ready	32.44	32.62	32.62
Oil ready†	15.75	16.19	16.19
Cocoon seed			
May 1959	133.25	128.00	128.25
September 1959	133.75	130.75	130.25
Niger seed	30.50	29.75	29.50
Kardi seed ?..	23.87	23.25	23.37

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 500 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR FIRM

(From Our Own Correspondents)

BOMBAY, 29*th April*

The sugar market ruled distinctly firm during the forthnight under review and there was a sharp rally in prices. Buying support was excellent, thanks to reports of a marked fall in production during the current season. Traders felt that the closing stocks of sugar with the mills at the end of the season would be very slim. Arrivals of sugar by rail into the market during the week were small, being no more than 8,400 bags.

Over the fortnight, large grain sugar registered a rise of Rs. 2 to Rs. 116-Rs. 119 per bag. Small grain advanced by a like amount to Rs. 115. Medium grain rose from Rs. 113-Rs. 114 to Rs. 115.

* * * *

HAPUR, 27*th April*

Sugar prices ruled steady during the week. Production in the current season was expected to be less than 1.9 million tons, while demand for consumption had gone up. Prices in almost all cases were quoted higher than those fixed by the Government. There were indications that prices would improve further after some months when demand increased and stocks ran short. Crushing season was said to be nearing its end.

Sugar improved fractionally in the Muzaffarnagar market, thanks to revival of demand from Delhi and other consuming areas. Some varieties were quoted at a premium of Re. 1.31 to Rs. 2 per maund over the controlled price. The latest prevailing prices were:—crystal spot delivery New Shamli D29 Rs. 36.75; Mansurpur D29 Rs. 38.25; wholesale controlled B29 Rs. 37.12; C29 Rs. 36.37; D29 Rs. 36;-market quotations mill delivery Meerut D29 Rs. 38; Bijnore D29 Rs. 37.31; Lhaksar B29 Rs. 38.75; Dhampur C29 Rs. 38.12; Deoband C29 Rs. 38.25; Khatauli D29 Rs. 37.37.

Spurred by prevailing scarcity of supplies in the face of brisk seasonal demand, sugar at Kanpur spurted by about Rs. 3 per bag during the week. The spot offtake of 1,000 bags per month was now twice as large as arrivals which lagged behind because mills had exhausted their allocations against last quota. There were, however, hopes of an early release of the monthly quota. Most of the units have stopped their crushing season and the rest are expected to stop in the next two weeks.

Khandsari failed to respond to the concession, announced by the Government, in the proposed excise levy, and prices continued steady. Production was being continued on a restricted scale and prevailing prices were:—*khandsari* superior Rs. 33 to Rs. 36; inferior moist Rs. 29 to Rs. 32 a maund.

Ready *gur* was quietly steady during the week. Arrivals out of stocks retained by producers averaged 400 to 500 maunds daily. Demand for *Kotha* quality was slack and local stock was put at 94,000 maunds, as against 150,000 maunds on the corresponding date last year when average *gur* was quoted at Rs. 15 per maund. Sowings of cane for next season are also completed and prevailing prices of *gur* were:—*pansera* Rs. 19.62 to Rs. 20, *shakker* Rs. 21 a maund.

Gur arrivals in the Muzaffarnagar market were still at an average of 5,000 maunds daily and stocks were put at 400,000 maunds. Prices were steady to be quoted at:—*gur chaku* Rs. 19.50 to Rs. 20.50; *pansera* Rs. 19.25 to Rs. 19.50, *shakker dara* Rs. 20 to Rs. 21.50; *masala* Rs. 23 to Rs. 25 a maund.

Trading in *gur* futures continues to remain suspended. There are indications that it will soon be allowed at Hapur, as necessary recommendation has been sent by the Forward Markets Commission to the Union Government.

BLACK PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, 29*th April*

Malabar black pepper continued to fluctuate narrowly with steady undertone for want of selling pressure by the growers during the fortnight under review. Basically, the market appears to be healthy, but prices fail to move upward, owing to paucity of overseas demand and under-pressure of liquidation by tired bulls. Any development in foreign demand is likely to push up prices. Arrivals at all the terminal centres are restricted and growers are resisting lower prices. The market analysts are interpreting smaller arrivals in the current month as an indication of smaller crop this year, as, otherwise, growers may have bought down greater quantity at the ports before the monsoon.

Ungarbled at Alleppey, after going down to Rs. 643, improved to Rs. 668½. May delivery for garbled at Cochin, after slipping back to Rs. 114, rallied to Rs. 118.

Singapore moved narrowly. Fluctuations in both Lampong and Sarawak black were small. White Sarawak and Muntok registered comparatively bigger fall, owing to heavy arrivals of Muntok and under the shadow of coming crop from Sarawak. In spite of heavy arrivals of Lampong, New York stood comparatively steady, the lowest being $0.24¾. New business with New York either from Singapore or from India was conspicuous by its absence, as dealers there were bidding below the replacing parity. Recent inquiries from the East European countries proved a supporting factor and a few hundred tons were reported already done.

Stock with growers being smaller than those estimated earlier, any inland or overseas demand, however small, is likely to push up prices. Re-entry of New York in the Indian market during the coming months, which is very likely, will tighten the already tight statistical position of Malabar pepper.

Ready in Bombay is quoted at Rs. 94-Rs. 100 per Bengal maund according to quality.

TEA PRICES SAG

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

COCHIN, 24*th April*

Just over a million pounds were offered in sale No. 15, which was held on 21st April 1959. The quality of teas offered was well maintained, with the exception of high grown teas which showed a slight seasonal decline. There was good general demand, particularly for good medium fannings which were strong and sold at dearer rates. Corresponding brokens met with useful enquiry and were slightly easier. Though low medium and medium descriptions were well supported, these were sold at slightly easier rates than last. Buyers were selective in their purchases of best liquoring high growns and these were easier following quality. Whole leaf grades offered sold well at last week's rate. The quotations (with the corresponding rates for the previous week in brackets) are: Low medium Re. 1.65 to 1.75 (Re. 1.65 to 1.75); medium Re. 1.80 to 2.15 (Re. 1.85 to 2.25); good medium Rs. 2.35 to 2.80 (Rs. 2.30 to 2.80) and quality Rs. 2.50 to 4.62 (Rs. 2.55 to 4.97).

Dust Sale 'H':—575,000 lbs. were offered in this sale which was held on 23rd April 1959. A quite useful selection of dusts was on offer. There was a good demand for all types. Prices for low medium and medium dusts were irregular and easier by 5 to 10 nP. However, any medium dusts with useful colour met with keen competition from the buyers and sold at firm to dearer rates. Milled dusts were firm and occasionally dearer. There was less enquiry for high grown dusts and these sold at easier rates. C.T.C. Dusts met with better enquiry and were firm at last week's rate.

London Market: Sale of 20th April 1959.—Slightly dearer all round.

Sale of 21st April 1959.—Generally dearer. Good demand.

Colombo Market: Sale of 20th April 1959.—Quality declined. Quieter demand. Dimbula dickoya brokens substantially lower following quality. Uvas and mediums down 20 cents. Lowgrowns 5 cents lower.

Sale of 21st April 1959.—All off grade about 15 cents lower, but good demand at the drop.

Calcutta Market: Export.—28,184 chests export. Mostly end of season types. Strong general demand, strongest being teas for price which were 2 to 6 nP dearer. Any clean leaf and or bright liquoring types sold well. Plain and medium B.P. 2 to 6 nP dearer. Similar fannings generally easier. C.T.C. irregular with better liquoring easier. Whole leaf well supported.

Internal.—21,100 packages dust. Good general demand. Orthodox types generally 6 nP easier, except powdery kinds which met better support. Best C.T.C. met better enquiry and were generally dearer, particularly grainy types, but plainer varieties were irregularly 10 to 15 nP easier.

Export Quota 1959-60.—No business has been transacted in current quota, but there is a nominal quotation of 8 nP sellers and 6 nP buyers.

Special Licence 1958-59.—The market has remained quiet and small business has taken place at 1 nP and at the time of writing there are sellers at 1 nP with no buyers.

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

"*Sale 16.* 650,000 lbs. Strong general demand. Low medium and medium brokens about steady. Similar fannings fully firm. Good mediums good demand at firm rates. Best liquoring easier following quality."

KIPS SUFFER SETBACK

(From Our Own Correspondent)

MADRAS, 27*th April*

Kip prices suffered a setback during the week, because the U.S. inquiries failed to result in actual business and U.K. importers did not operate in the local market at U.S. levels. If overseas inquiries are less this week, prices are likely to decline by 5 per cent. in the cow hides section only, while calf skins as well as goat and sheep-skins are not likely to rule week, in view of the oversold position of the E.I. tanners and shortage in arrivals.

The next London tanned skins public auction will take place on 4th May, when 60,000 goatskins and 210,000 sheep will be offered for sale. In view of the very low stocks of goatskins, prices will increase sharply; the increase has already been discounted in the shipment business.

COARSE GRAINS EASY

(From Our Own Correspondent)

HAPUR, 27*th April*

Quietly steady conditions were witnessed in the wheat section during the week, but coarse grains, including gram, registered an easy trend. The Government of India has fixed the procurement price of wheat at Rs. 14 per maund for common variety of white wheat. Inferior quality will be quoted lower by a rupee, per maund while superior quality may fetch Re. 1 to Rs. 2 per maund higher. These prices will operate in the States of Punjab, U.P., Rajasthan and Madhya Pradesh. Arrangements are being made by the States for the procurement of wheat.

Wheat at Hapur registered a modest advance. *Dara* quality was quoted on Monday at Rs. 17 per maund, farm product at Rs. 17.50 to Rs. 18.50, and while inferior quality at Rs. 16 per maund. Arrivals during the week continued to be small, the average being 400 to 500 maunds. Although winnowing operations are in full swing and weather is favourable for husking, cultivators are reported to be reluctant to bring produce into the markets and they are storing it in their houses.

Rice ruled steady and modest gains were recorded in fine quality prices, due to good consumer seasonal demand and restricted supplies from surplus areas. Prevailing prices on Monday were:—*basmati sela* Rs. 33 to Rs. 36; *mainpuri* Rs. 22.25; *raimunia* Rs. 26.75; *gadda* Rs. 22.50 per maund.

Gram registered a slight improvement early in the week on good demand at lower levels but tended to ease later, following removal of restrictions on exports from the surplus areas of Rajasthan. Barley and *bejhar* ruled quiet with good consumer demand in a market which was as yet short of supplies. Maize and *bajra* were out of the market, due to off-season, while *jowar* and *guwar* were steady owing to demand for seed purposes. The week-end prevailing prices (in rupees per maund) were:—gram 12.75; barley 11.50; *bejhar* 11.50; *jowar* 12 to 15; *guwar* 15.

Pulse ruled steady during the week on account of good demand at lower levels. Peas arrivals were at an average of 2,000 maunds and local stock swelled to 14 *khatties*. Total arrivals during the season upto date were estimated at 60,000 maunds, the corresponding figure last year being 75,000 maunds. *Arhar* arrivals were at an average of 500 maunds daily. The week-end prevailing prices (in rupees per maund) were:—peas *dara* 11.62; farm 12 to 12.50; peas *dal* 13; *arhar* 14.75 *arhar dal* 18 to 18.50; *urd* 19; *moong* 20 to 23; *massor* 14 to 18.

SURVEY

(Concluded from page 719)

strategic considerations. This decision should be welcome to the U.S. and other members of the N.A.T.O. The Russian goods in which Britain is interested include, among others, traditional items such as timber, grain and certain types of machinery. On its part, Russia has said that it is not greatly interested in buying consumer goods from Britain, but only in complete plants.

Soviet Russia would appear to feel that the total value of its trade with Britain, which can rise to £250 million in the ordinary way within five years, can be doubled by "ordinary means" (interpreted as encouragement by better credit facilities and removal of Government restrictions) and trebled by "extraordinary means." While an expansion in the volume of Anglo-Soviet trade is considered in Britain to be highly desirable for both political and economic reasons, it is emphasised that expectations should not be pitched too high at this stage. By way of conclusion, it must be pointed out that Russia may be given an opportunity to augment its earnings from exports to the democratic countries so long as it agrees to trade on the basis of free and fair competition *vis-a-vis* other countries.

CLIMATE FOR FOREIGN INVESTMENT

(Concluded from page 726)

of a phased manufacturing programme to assure that, eventually, most, if not all, components will be manufactured in India; the training of Indian executives and Indian labour, and the export of the resultant products to some foreign markets. The terms of admission are generally uniform for all foreign investors; however, much seems to depend upon the negotiating skill of the foreign investor.

Is there any ceiling on payments for technical collaboration?

The Indian Government usually distinguishes between technical services and royalty payments. It has stated that "Government approval is given to payments by Indian companies to foreign collaborants towards research fees, technical services, etc. In giving such approval, the amounts to be paid, once mutually settled by the parties themselves, are generally not interfered with." In practice, however, the Indian Government generally scrutinises closely any arrangements for technical assistance and royalty fees between foreign parent concerns and Indian subsidiaries or branches, often taking the view that the profit arragements between the two companies should afford adequate compensation and that additional fees are not merited. Regarding royalty payments, the Indian Government, while not committed to any specific rate, generally regards 5 per cent. as the maximum rate. Higher royalty rates are granted only where there appears to be adequate justification.

NEWS IN BRIEF

(Concluded from page 717)

London. Production of plastics materials during 1958 aggregated 410,000 tons—about 60 times the figure for 1937. Exports of U.K. plastics materials last year amounted to 122,650 tons (worth over £32 million), as compared with 4,300 tons in 1938. The next ten years are expected to witness continued rapid growth. This year, two new polythene plants will come into operation, each producing 11,000 tons a year.

Senior economic officials representing the Commonwealth Governments are to meet in London next week to exchange views on general trade and economic subjects as part of the continuing process of Commonwealth liaison. The meetings will begin on the 5th inst. and are expected to last three or four days. The meetings will be similar in character to those that have taken place among Commonwealth economic officials in recent years. All Commonwealth countries are sending representatives, and, as at the meeting last June, a number of colonial territories will be represented in an advisory capacity in the U.K. delegation.

With a view to providing U.S. investors with means of diversified investment in Europe, Britain and the Commonwealth, Messrs. Kleisworth Sons & Co. have sponsored a new investment trust, called the Transatlantic Fund, in Canada. About half the amount of the Trust will be invested in Common Market countries and the other half in Britain and the Commonwealth. Over $5 million of the Trust's shares are initially being placed privately, a few with English and European investors, but the greater part with U.S. investors by Goldman Sachs & Co. A market may be established later to widen the ownership of shares.

The five-day work-week with 8-hour days for West Germany's hard coal miners has been provisionally agreed upon. So far, the regular work-week for face workers was 43 hours. Thus, the coal miners will be the first major group of industrial workers to win the 40-hour week. However, they will not immediately receive full pay, in view of the high labour costs in mining and the coal sales crisis. Full pay for the shorter week will only come progressively within the next two years. The new collective agreement will entail a substantial cut in hard coal output expected to reach some 4 to 6 million tons a year.

The three biggest West German banks have begun a personal loan scheme similar to that operating in Britain with effect from the 2nd inst. The loans will be granted by the Deutsche, Dresdner and Commerz banks to persons in secure employment regardless of whether they have banking accounts. Loans will be from DM100 (£26) to DM2,000 (£170) for periods of from six months to two years. Interest at the rate of 0.4 per cent. per month will be charged on the whole loan. The only checks on a borrower's creditworthiness will be proof of employment and income. The size of the loan will, however, be related to the borrower's earnings.

The Commonwealth produces well over four-fifths of the world's jute, most of its wool, and nearly one-third of its hard hemp, according to a study on industrial fibres published in London by the Commonwealth Economic Committee. About one-sixth of the world's cotton and rather over one tenth of all man-made fibres are also accounted for by Commonwealth production. As compared with the position before the war, there has been a marked rise in Commonwealth production of most industrial fibres. Taking 1957-58 output in relation to the 1934-38 average, wool production has risen by 39 per cent., cotton by 10 per cent. and jute by 20 per cent. Over the same period, output of arid hemp (that is sisal) has nearly doubled and that of man-made fibres increased four and a half times.

The tax burden of West Germany of some 50,000 million DM for the fiscal year 1957-58 is 2.5 times heavier than in 1950-51. A comparison with 1932 shows that the present Federal tax bill is 4.7 times the bill of the former Reich, which, in terms of territory and population, was larger than the Federal Republic. Thus, the nominal tax bill per inhabitant is now 5.8 times the amount of 1932. Even if allowance is made for the increase in the cost of living, *per capita* taxes are about 3 times higher than in the early thirties. The four taxes supplying the bulk of the revenue are the taxes on sales and on income, a supplementary trade tax on business property and profits collected by local authorities and the corporation tax. Altogether, they now yield some 70 per cent. of total tax receipts, while, in 1922-23, this share was only 34 per cent.

United Kingdom exports and imports both rose in March from the seasonally low level of February, and trends in oversea trade were largely unchanged in the first quarter of this year. Exports rose by nearly £20 million to £270 million and re-exports by £2 million to £12 million. Imports increased by nearly £31 million to £322 million. Exports were very close to the January level and that of the fourth quarter of last year, while imports were just below these levels. The visible trade deficit, at £39 million, was £8.5 million more than in February, but close to the average rate for the past nine months. The export price index remained unchanged in March at 109 (1954=100) and, at 97, the import price index was one point lower than in February. In consequence, the terms of trade (the import price index as a percentage of the export price index) moved down to 89. This is its lowest point since July 1958 and compares with an average of 90 for 1958, 96 for 1957, and 99 for 1956.

The Soviet Union has submitted to the Economic Commission for Europe, which is now holding its annual conference at Geneva, two draft schemes, one concerning the establishment, within the E.C.E., of an all-European regional trade organisation and the other pertaining to the convening of a conference of Ministers on questions of the development of Intra-European trade. Russia proposes that a conference of Ministers which should be held at the end of this year or early in 1960 should study the serious unsolved problems relating to the development of Intra-European trade, especially East-West trade which is now below pre-war level. It further considers that the development of economic collaboration on an all-European basis could be most effectively promoted if measures and basic principles relating to such a development were concerted within the proposed new trade organisation. Lord Gosford, head of the U.K. delegation to the E.C.E. session, told the conference recently that the U.K. would examine the Soviet proposals carefully. He did not, however, deal with the subject at this stage.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 24th April, 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,63,12,000
(2) Other Governments	32,96,70,000
(b) Banks	91,59,66,000
(c) Others	117,94,02,000
Bills Payable	18,53,82,000
Other Liabilities	43,83,08,000
Rupees	471,50,40,000

Assets	Rs.
Notes	28,14,45,000
Rupee Coin	2,79,000
Subsidiary Coin	3,58,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	7,05,62,000
Balances held abroad*	30,68,40,000
Loans and Advances to Governments†	43,94,78,000
Other Loans and Advances	73,44,27,000
Investments	275,50,56,000
Other Assets	12,65,95,000
Rupee	471,50,40,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 9,57,44,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	28,14,45,000	
Notes in circulation	1751,45,94,000	
Total Notes issued		1779,60,39,000
Total Liabilities		1779,60,39,000
Assets	**Rs.**	**Rs.**
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		132,79,82,000
Government of India Rupee Securities		1351,03,65,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1779,60,39,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	17th April, 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1765.18	1764.48	1692.60	1627.77
Notes held in Banking Department	35.05	13.53	14.22	14.70	23.87
Foreign Securities	59.50	178.01	178.01	178.01	227.39
Rupee Securities	37.39	1351.10	1351.26	1281.36	1174.91
Banking Department					
Deposits of:					
Government of India	14.39	49.62	49.59	51.17	52.45
Other Governments	..	24.71	7.50	36.01	13.09
Balances held abroad	10.06	32.86	35.93	38.75	42.48
SCHEDULED BANKS					
Demand Liabilities	184.86	772.77 (19.13)†	762.72 (19.64)†	743.68 (13.07)†	772.94 (18.37)†
Time Liabilities	102.24	953.90 (24.04)†	946.60 (22.49)†	914.14 (21.34)†	764.50 (15.14)†
Borrowings from Reserve Bank	..	33.10 (9.64)‡	40.33 (11.32)‡	60.70 (10.29)‡	19.79 (17.33)‡
Borrowings from State Bank	..	12.56	13.13	14.20	7.95
Cash in India	6.70	44.63	41.82	39.84	39.48
Balances with Reserve Bank	25.17	73.29	91.07	70.11	86.51
Excess over statutory limits	15.52	15.58	34.00	14.64	32.58
Balances with other banks in current account in India	..	14.87	14.57	13.33	12.62
Money at call and short notice in India	..	35.62	34.64	23.64	56.34
Investments (at book value)	..	614.12	607.75	613.76	443.36
Advances and bills	105.9	1023.44	1020.34	995.93	958.64
STATE BANK					
Deposits	87.76	524.92	525.03	506.91	421.55
Investments	51.99	291.89	284.84	283.43	190.69
Advances	30.85	208.01	207.33	202.80	208.02
Cash	14.69	32.75	48.94	31.07	34.99

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R=Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	23rd April 1959	5	4½
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	.. .. ..	4.67	4.86
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	23rd April 1959	4½	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3.50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	6th Mar., 1959	2½	3
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 24th April, 1959

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		528,62,11,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		11,07,76,000
Bills for Collection being Bills Receivable as per contra		1,12,93,000
Acceptances, Endorsements and Other Obligations per contra		1,36,40,000
Other Liabilities (including Inter-Office Adjustments)		3,80,25,000
Total .. Rs.		558,61,95,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		43,19,98,000
Balances with other Banks		2,64,64,000
Money at Call and Short Notice		2,80,00,000
Investments:		
Government and other Trustee Securities	282,01,12,000	
Other Authorised Investments	11,85,87,000	293,86,99,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	190,06,39,000	
Bills Discounted and Purchased	13,15,37,000	203,21,76,000
Bills Receivable being Bills for Collection as per contra		1,12,93,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,36,40,000
Premises less Depreciation		1,22,98,000
Furniture and Fixtures less Depreciation		1,04,28,000
Other Assets (including Inter-Office Adjustments)		8,11,99,000
Total .. Rs.		558,61,95,000

Scheduled Banks*

Statement of Affairs for the week ended 17th April, 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	19,13,34,000
(ii) Other demand liabilities	753,63,46,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	24,04,33,000
(ii) Other time liabilities	929,86,01,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	11,76,30,000
(ii) Time liabilities	80,00,000
Borrowings in India from the Reserve Bank of India‡	33,09,64,000 (9,64,44,000)
Cash in India	44,62,86,000
Balances with the Reserve Bank in India	73,28,76,000
Balances with other banks in current account in India	14,86,94,000
Money at call and short notice in India	35,61,51,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	614,11,80,000
Advances in India	872,47,72,000
Inland Bills purchased and discounted in India	113,83,31,000
Foreign Bills, purchased and discounted in India	37,13,07,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Average rate of allotment Rs.
1959					
3rd February	2.00	2.10	2.00	2.559	99.360
4th to 7th Feb.*	0.50	—	0.50	2.496	99.376
10th February	2.00	4.19	2.00	2.530	99.365
17th February	2.00	2.30	2.00	2.559	99.360
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2.00	2.10	2.00	2.625	99.340
10th March	2.00	2.00	2.00	2.680	99.330
17th March	2.00	2.00	2.00	2.720	99.320
24th March	2.00	2.00	2.00	2.760	99.310
31st March	2.00	2.00	2.00	2.760	99.310
7th April	2.00	2.00	2.00	2.780	99.305
14th April	2.00	2.00	2.00	2.780	99.305
22nd April	2.00	2.00	2.00	2.800	99.300
28th April	2.00	2.05	2.00	2.800	99.300
Total amount outstanding	26.50	..	26.50	..	..

* Intermediate Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 17th April, 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	86,76,01,000
(b) Provincial Governments	3,90,16,000
(c) Banks	14,92,74,000
(d) Others	5,47,01,000
Bills Payable	37,59,000
Other Liabilities	13,28,53,000
Rupees	130,72,04,000

Assets	Rs.
Notes	8,23,00,000
Rupee Coin	56,000
Subsidiary Coin	38,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	28,50,000
Balances held outside Pakistan*	24,62,50,000
Loans and Advances to Governments	9,45,00,000
Provincial Governments' Debtor Balances	6,15,61,000
Other Loans and Advances	3,45,05,000
Investments	68,70,99,000
Other Assets	9,30,33,000
Rupees	130,72,04,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	8,23,00,000	
Notes in circulation	344,93,61,000	
Total Notes issued	....	353,16,61,000
Total Liabilities	....	353,16,61,000
Assets	**Rs.**	**Rs.**
A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	117,52,65,000
B. Rupee Coin	3,64,09,000	
Government of Pakistan Securities	226,09,81,000	
Internal bills of exchange and other commercial paper	....	229,73,90,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	353,16,61,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 34.87 per cent.

EXCHANGE RATES

		28th April 1959	Previous week (11-4-1959)
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5[illegible]	1-5[illegible]
Sellers T.T. D.D. upto six months	s.	1-5[illegible]	1-5[illegible]
Buyers T.T. spot to nine months	s.	1-6[illegible]	1-6[illegible]
Buyers T.T. 10 to 12 months	s.	1-6[illegible]	1-6[illegible]
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475.75	475.25
Buyers T.T.	Rs.	471.75	471.75
London on New York	$	2.81[illegible]-2.81[illegible]	2.81[illegible]-2.81[illegible]
London on Paris	Fcs.	13.81[illegible]-13.81[illegible]	13.81-13.81[illegible]
London on Berne	Sw. Fcs.	12.18[illegible]-12.18[illegible]	12.17[illegible]-12.18
New York on London	$	2.81[illegible]-2.81[illegible]	2.81[illegible]-2.81[illegible]

CLEARING HOUSE RETURNS

Centre	Week ended 24th April 1959 Number of Cheques	Amount Rs.	Week ended 17th April 1959 Number of Cheques	Amount Rs.
Bombay	3,41,686	83,75,27,000	3,40,544	81,94,01,000
Calcutta	1,90,000	67,41,00,000	1,82,000	64,60,00,000
Madras	92,929	12,64,76,931	1,05,739	12,03,76,762
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,60,00,000
Nov., 1958	..	..	3,528,600	7,73,01,00,000
Dec., "	..	..	4,035,000	8,87,34,00,000
Jan., 1959	..	..	4,072,000	8,94,45,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	11th April 1959	4th April 1959	12th April 1958	February 1959	February 1958	Percentage of Increase (+) or Decrease (—) in Feb., 1959 as compared with Feb., 1958	Annual Average 1958	1957
Food Articles	504	113.6	113.1R	105.2	115.7R	100.8	+14.8	112.0	106.8
Cereals	192	100.1	99.8	97.0	105.1	94.6	+11.1	104.7	101.7
Pulses	43	98.9	102.3R	82.2	121.0	75.4	+60.5	94.0	84.5
Fruits and Vegetables	23	116.8	116.0R	109.4	114.9R	94.5	+21.6	111.9	116.8
Milk and Ghee	84	115.6	113.2R	104.5	105.2	100.9	+4.3	106.2	103.8
Edible Oils	47	124.1	123.6R	123.0	121.7R	113.6	+7.1	123.2	128.3
Fish, Eggs and Meat	17	106.8	103.9R	103.9	105.7	100.2	+5.5	106.9	96.6
Sugar and *Gur*	48	128.1	126.9	114.8	127.5	108.8	+17.7	122.8	104.6
Others	50	151.4*	152.1*R	130.6	156.5R	129.2	+21.1	145.7	132.0
Liquor and Tobacco	21	97.3	97.3	93.4	104.4	96.7	+8.0	93.7	91.8
Tobacco	—	95.8	95.8	91.7	103.4	95.2	+8.8	92.0	90.1
Fuel, Power, Light and Lubricants	30	115.1	115.0	115.0	114.9R	114.4	+0.4	115.2	111.5
Industrial Raw Materials	155	115.0	115.0R	113.7	115.5	111.1	+4.0	114.8	118.1
Fibres	61	106.6	106.8	110.8	107.4	112.4	−4.4	109.4	119.8
Oilseeds	60	126.0	125.6	118.6	126.4	110.4	+14.5	123.6	122.4
Minerals	2	101.4	103.6*	107.3	103.1	107.9	−4.3	106.9	108.5
Others	32	111.2	111.2*R	110.3	111.1	110.3	+0.7	108.9	107.8
Manufacture	290	108.1	108.2R	107.5	108.4	107.5	+0.7	108.2	108.0R
Intermediate Products	41	108.7	108.5R	109.1	110.6	105.8	+4.5	109.4	108.5R
Finished Products	249	108.0	108.1R	107.2	108.0	107.7	+0.3	108.0	107.9R
Textiles	147	102.3	102.4*	104.8	101.7	106.1	−4.1	104.3	107.9
Cotton	—	110.9*	110.9*	114.1	111.1*	116.2	−4.4	113.0	116.3
Jute	—	83.4	—	86.9	82.0	88.3	−7.1	87.7	97.7
Woollen	—	105.9	105.9	103.7	105.9	103.0	+2.8	104.9	102.1
Silk and Rayon	—	95.7*	95.7*	93.2*	92.4*	90.0*	+2.7	92.5	85.0
Metal Products	12	143.3	143.3	143.0	143.8	143.4	−0.1	143.1	133.2R
Chemicals	20	110.2	110.6R	98.8	110.6	99.2	+11.5	104.0	97.6
Oil Cakes	10	139.3	138.1	117.0	137.5	111.4	+32.4	123.6	114.7
Machinery and Transport Equipment	31	106.1	106.1R	102.8	104.7	102.5	+2.1	103.2	101.2
Others	30	112.8	112.8R	112.3	113.7	111.8	+1.7	113.2	107.7
All Commodities	1,000	111.9	111.7R	107.2	113.3R	104.7	+8.2	111.0	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	2nd	81,590†	79,447††	29,721†	24,885††
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41,411	40,367	8,056	7,249
Bajra	final	27,453	27,884	3,565	2,885
Barley	final	7,531	8,726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5,831	1,716	1,715
Small millets	final	11,979	12,230	1,759	1,964
Total cereals	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24,265	4,754	6,264
Tur	final	5,598	5,686	1,396	1,954
Other Kharif pulses§	final	15,506†	15,657††	1,542†	1,390††
Rabi pulses‡	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,457	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3,318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,893	4,753	4,735
Jute A.	final	1,827†	1,742††	5,178†	4,052††
Mesta A.	final	726	733	1,211	1,478
Other crops—					
Potato	final	785	707	1,981	1,698
Sugarcane	final	5,021	5,057	64,142R	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	926	1,029	252	294

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1958-59.
†† Refers to 1957-58. R.= Revised.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	1958	December 1957	1958
Exports	637,74	570,56	54,22	52,13
Re-exports	5,11	8,40	37	26
Total Exports	642,85	578,96	54,59	52,39
Imports	1025,82	864,18	66,58	85,75
Overall Balance of Trade	—382,97	—285,22	—11,09	—33,36
Exports—				
Tea	123,40	136,54	10,75	14,40
Jute yarns and manufactures	114.87	103,82	8,67	10,09
Cotton yarns and manufactures	68,58	52,63	3,16	5,53
Metallic ores and metal scrap	49,80	30,35	4,11	2,14
Cotton, raw and waste	18,66	21,20	1,06	1,80
Oils—vegetable, mineral and animal	19,81	12,35	1,42	67
Fruits and vegetables	18,00	21,16	1,45	1,54
Tobacco	12,83	16,29	35	32
Mica	8,67	9,34	73	95
Wool and other animal hair	12,93	9,35	72	75
Gums, resins and lac	8,59	7,16	59	50
Spices	8,43	8,83	77	83
Hides and skins, raw	6,99	7,35	34	89
Imports—				
Machinery of all kinds	232,97	188,02	17,57	13,06
Iron and Steel	146,98	97,80	7,61	7,87
Oils—vegetable, mineral and animal	113,44	80,23	8,95	11,12
Cotton, raw and waste	48,62	80,66	2,17	1,36
Chemicals, drugs and medicines	70,77	65,28	4,25	4,02
Electrical goods and apparatus	61,14	49,04	5,37	3,33
Vehicles (excluding aircraft, ships and boats)	71,85	52,53	4,31	3,67
Fruits and vegetables	21,27	17,43	2,26	2,47
Paper, pasteboard, etc.	18,11	8,26	83	56
Dyes and colours	13,87	8,76	78	64
Spices	2,93	2,84	13	21
Woollen and worsted fabrics	1,81	30	8	2
Cotton fabrics	2,37	1,05	8	9

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During March, 1959	83.3
	Corresponding month, 1958	85.3
	Nine months ended Mar., 1959	786.6
	Corresponding period, 1958	790.9
Stocks	At the end of March, 1959	106.8
	Corresponding month, 1958	94.3
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852.9
	1957-58	832.6
	February, 1958	67.4
	February, 1959	64.2
For Internal Consumption	1956-57	179.0
	1957-58	198.0
	February, 1958	18.4
	February, 1959	21.3
	RAW JUTE	(In 000 bales)
Consumption by Mills	March, 1959	483
	Corresponding month, 1958	495
	Nine months ended Mar., 1959	4,539
	Corresponding period, 1958	4,587
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	8,805.8	7,185.8
1956-57	769	9,877.8	8,103.1
1957-58	834	11,176.9	9,011.1
Oct., 1957	822	917.5	731.3
Nov., "	822	930.2	740.5
Dec., "	822	958.7	779.7
Oct., 1958	810	1,072.8	869.8
Nov., "	811	1,025.4	854.6
Dec., "	811	1,122.5	930.0

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source:*—Central Water and Power Commission

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	39	389	52	180
1957-58	14,835	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
January 1958	11,792	1,979	1,042	174	81	45	187	21	177	412	32	394	45	161
February "	13,011	2,172	1,123	191	93	49	202	23	194	456	36	435	46	176
March "	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June "	3,641	628	355	56	25	9	36	5	46	127	7	112	7	33
July "	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August "	5,823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September "	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
October "	8,040	1,542	771	107	46	21	98	12	110	274	19	283	29	72
November "	9,169	1,763	868	121	50	24	125	14	125	311	24	326	35	78
December "	10,460	1,998	972	143	59	27	156	17	136	355	28	375	41	83
January 1959	11,784	2,228	1,083	166	70	30	180	19	151	394	32	422	43	94

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

INDUSTRIAL PRODUCTION

Industries	Unit	Jan. to Dec., 1958*	Jan. to Dec., 1957	October, 1958*	November 1958*	December 1958*	December 1957
Major Industries—							
Coal	million tons	42.32	43.50	3.75	3.69	4.15	4.05
Steel (Ingots and Metal for castings)	thousand tons	1,813	1,715	151	156	165	155
Yarn	million lbs.	1,685	1,780	147	134	156	153
Cloth	million yds.	4,927	5,317	422	377	439	438
Cement	million tons	6.07	5.60	0.41	0.46	0.52	0.59
Jute	thousand tons	1,062	1,030	82	87	97	93
Paper and paper boards	tons	253,011	210,132	22,471	21,880	23,149	19,812
Matches§	cases	615,200	578,400	46,700	44,600	55,800	50,300
Sugar	thousand tons	1,957	2,068	18	90	355	358
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	337.82†	250.85	28.34	28.97	—	24.73
Electric lamps	millions	27.64†	33.15	2.40	2.53	—	2.65
Dry cells	millions	168.20	166.56	13.51	15.12	17.20	13.71
Power transformers	k.v.a.	1,037,900†	1,219,200	94,600	79,300	—	114,000
Electric Motors	h.p.	566,500†	469,200	51,200	50,400	—	49,500
Electric fans	Nos.	634,600	524,400	38,200	58,400	66,800	52,300
Radio receivers	Nos.	197,533	190,692	15,308	15,125	19,820	22,706
Storage batteries	Nos.	355,000	324,000	28,000	31,000	37,400	28,500
Copper conductors	tons	6,899†	8,556	502	482	—	640
Winding wires	tons	2,044	1,020	240	224	251	98
Rubber and plastic Ins. cables and flexibles	million yds.	114.50†	103.80	10.53	13.21	—	8.61
Insulators—H.T.	Nos.	681,300†	193,200	80,300	80,800	—	35,700
Insulators—L.T.	million Nos.	4.59†	4.69	0.37	0.36	—	0.44
Diesel engines—Vehicular	Nos.	4,255	3,336	344	385	366	374
Do —Stationary	Nos.	25,782	16,644	2,358	2,454	2,674	1,742
Chemical Industries—							
Salt	million mds.	112.55	98.70	3.46	1.57	3.32	3.61
Caustic soda	tons	51,868†	42,648	5,365	5,024	—	3,981
Soda ash	tons	89,431	91,920	9,078	6,612	9,139	8,311
Chlorine liquid	tons	17,794†	15,696	2,704	1,865	—	1,363
Bleaching powder	tons	6,509	5,340	695	642	580	327
Bichromates	tons	3,143†	3,672	274	218	—	334
Sulphuric acid	tons	206,093†	196,068	18,945	19,685	—	18,548
Superphosphate	tons	153,479†	141,684	13,280	12,450	—	11,530
Non-ferrous Metals—							
Aluminium	tons	7,503†	7,784	698	666	—	631
Antimony	tons	527	502	40	40	38	48
Copper (virgin metal)	tons	7,857	7,848	700	670	720	700
Lead (virgin metal)	tons	3,334	3,174	142	332	418	313
Gold	thousand ozs.	170	179	15	15	14	15
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	204,082	167,484	10,519	16,132	20,265	17,780
Bicycles	Nos.	829,183	790,424	69,669	73,531	—	78,062
Automobiles	Nos.	26,788	31,932	2,704	2,020	2,713	2,497
Cycle tyres and tubes	million Nos.	16.11	14.18	0.93	1.25	1.45	1.21
Motor tyres and tubes	million Nos.	1.95†	1.92	0.14	0.16	0.17	0.16
Cigarettes	million Nos.	27,273†	28,892	2,380	2,433	—	2,250
Plywood—Tea chests	million sq. ft.	79.95†	95.02	6.87	6.44	—	8.18
Plywood—Commercial	million sq. ft.	34.93†	31.64	3.40	2.56	—	2.33
Sheet glass	million sq. ft.	64.57†	54.23	5.91	6.48	—	7.30
§Woollen manufactures—Worsted Fabrics	million yds.	19.38	15.79	1.47	1.16	1.42	1.63
§Woollen manufactures—Worsted Yarn	million lbs.	29.47	27.80	2.82	2.36	2.47	2.66
Footwear—Western type (Leather)	million pairs	4.28	4.37	0.29	0.32	0.31	0.43
Footwear—Indigenous type (Leather)	million pairs	3.29	3.04	0.17	0.28	0.29	0.30
Alcohol—Industrial	million Bulk galls.	8.67†	8.56	0.82	0.78	—	0.84
Alcohol—Power Absolute	million Bulk galls.	7.87	10.14	0.57	0.51	—	0.99
General Index—(Base 1951=100 Revised)		138.8‡	137.3	144.6	137.6	—	138.9

* Figures are subject to revision month to month. —Not Available † Upto November only.
§ Includes figures for Jammu and Kashmir. ‡ Average of first eleven months. The general index for September 1957 was 135.6.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base: 1952-53=100]

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	116
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58*	105	88	114	126	68	164	109	116	107	92	106	133	108	96	128	95	116	142
Jan., 1958	101	86	103	114	64	162	101	117	106	95†	105†	130†	101	101	130	90	116	143
Feb., "	99*	84	92	109	61	156	105	117	104	95	104	123	102	96	130	88	116	143
March "	100	84	94	116	63	152	107	118	108	93†	103†	120†	103	93	130	86	116	145
April "	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	114	145
May "	106	86	92	111	64	158	115	120	115	89	100	125	110	102	132	88	114	145
June "	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July "	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	145
Aug., "	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept., "	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct., "	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., "	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	145
Dec., "	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145
Jan., 1959	92	125	107	132	121	163	108	121	130	104	101†	112†	112	137	133	85	110	145
Feb., "	92	124	112	133	125	167	109	121	131	105	102	112†	117	142	133	82	111†	145

* Provisional. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 392 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 23rd April 1959	55,976(J)
	Corresponding week, 1958	23,904(J)
	1st Sept. 1958 to 23rd April 1959	1,218,079*
	Corresponding period, 1957-58	1,120,045*
Cotton Exports	Week ended 30th March 1959	1,616
	Corresponding week, 1958	4,625
	1st Sept. to 30th March 1959	252,464
	Corresponding period, 1958	109,270
Mill Consumption (Estimated)	1st Sept. 1958 to 23rd April, 1959	832,181A
	Corresponding period, 1957-58	855,044
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 23rd April, 1959	617,785
	Corresponding date, 1958	716,966
		(Bales of 392 lbs)
Consumption of Cotton—		
Indian	January, 1959	413,181
Foreign	January, 1959	34,370
Indian	Five months ended Jan., 1958-59	1,973,702
Foreign	Five months ended Jan., 1958-59	193,172
Indian	Same Period 1957-58	1,946,187
Foreign	Same Period 1957-58	249,418
Stocks (Mills and Elsewhere)—		
Indian	As on 31st January, 1959	850,162
Foreign	As on 31st January, 1959	69,414
Indian	As on 31st January 1958	1,020,022
Foreign	As on 31st January 1958	169,241

Particulars	From 1st Sept., to 6th April, 1958-59 Bales	From 1st Sept., to 6th April, 1957-58 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	6,869	3,803
Continent	17,728	5,751
Hongkong	33,752	3,146
China	6,886	—
Japan	140,013	45,877
U.S.A.	3,046	3,433
Other Countries	2,060	691
Total to all foreign countries	210,354	62,701
Coastal Ports	51,989(a)	54,360(b)
Total	262,343	117,061

Particulars	Period	(Bales of 392 lbs.)
Cotton Exports from Bombay (by sea)	During January, 1959	39,324§
	During January, 1958	15,691
	1st Sept., to 31st Jan., 1959	155,007
	1st Sept., to 31st Jan., 1958	33,188
Cotton Pressed in India† (In running bales)	Week ended 17th April, 1959	775
	Corresponding week, 1958	90,890
	1st Sept., to 17th April 1958-59	1,802,097
	Corresponding period, 1957-58	3,353,265
Karachi (Pakistan)—		Bales
Receipts	1st Sept., to 16th April, 1958-59	947,858
	Corresponding period, 1957-58	1,035,040
Exports	1st Sept., to 16th April 1958-59	511,145
	Corresponding period, 1957-58	438,998

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (a) Upto 28th Feb., 1959. § Includes Zoda and yellow pickings, etc.
— Not Received. A—Adjusted. (b) Upto 31st Mar., 1958.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Week ended 18th April 1959P	11th April 1959	21st March 1959	19th April 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	**100.7**	**100.7**	**100.7**	**98.8**
2. Government of India	100.5	100.5	100.5	98.6
3. State Government	102.4	102.3	102.3	100.4
4. Municipal, Port Trust, etc.	99.8	99.8	99.7	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total**	**101.8**	**101.7**	**101.5**	**98.8**
6. Plantations	99.9	99.9	99.5	100.0
7. Coal	99.6	99.6	99.6	99.6
8. Sugar	99.0	99.0	99.0	98.4
9. Cotton Textiles	99 2	99.2	99.2	97.3
10. Jute Textiles	93.5	91.9	91.6	92.9
11. General Engineering	101.7	101.7	102.0	97.2
12. Electricity Generation and Supply	96.9	97.0	96.8	96.5
13. Others	105.1	105.0	104.7	100 6
PREFERENCE SHARES—ALL INDIA.				
14. **Total**	**91 2**	**90.8**	**89.5**	**85.4**
15. Plantations	100.0	99.8	99.2	98 4
16. *Mining & Quarrying: Total*@	**88.4**	**87.7**	**87.2**	**84.7**
17. Coal	80.8	80 8	81.4	74.8
18. *Processing and Mfg.: Total**	**91.0**	**90.6**	**89 4**	**85.3**
19. Sugar	90.9	90.4	90.8	90.3
20. Cotton Textiles	79 2	78 6	77.6	80.2
21. Jute Textiles	84 3	83 2	81.4	68.2
22. Iron and Steel	95.2	95.3	93.3	89.5
23. General Engineering	101.5	101.3	100.7	96.5
24. Basic Industrial Chemicals	87.1	87.8	87.2	82.3
25. Cement	101.7	101.3	100.9	97.9
26. Paper	88 3	88.2	87.2	84.1
27. *Other Industries: Total**	**90.0**	**89 6**	**87.4**	**82.3**
28. Electricity Generation and Supply	89 0	89.0	85.9	85 7
29. Trading	91 7	90.2	89.7	72.6
30. Shipping and Other Transport	92.7	91.6	91.1	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. **Total**	**149.0**	**149.7**	**146.2**	**127.6**
32. *Agriculture and Allied Activities: Total**	**157.5**	**158.6**	**159.9**	**143.0**
33. Tea Plantations	153.1	154.0	155.4	138 7
34. Coffee Plantations	195 8	195.6	198.6	191.8
35. Rubber Plantations	160 9	162 0	163.7	142.2
36. *Mining and Quarrying: Total*	**157.1**	**157.5**	**149.1**	**127.8**
37. Coal	121.0	120.6	114.8	97.1
38. Other Mining	181.8	182.9	177.2	148.8
39. *Processing and Manufacturing: Total*	**150.3**	**150.9**	**145.7**	**126.0**
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	**135.0**	**134.9**	**130.1**	**119.2**
41. Sugar	170 3	171.1	167.9	157.1
42. Cotton Textiles	114.7	114.4	110.8	114.7
43. Jute Textiles	98.2	98.4	92.9	63.3
44. Silk and Woollen	506.8	516.0	471.8	396.2
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	**174.3**	**175.9**	**170.0**	**136.2**
46. Iron and Steel	163.8	166.3	163.7	128.1
47. Transport Equipment	236.8	236.8	223.1	184.2
48. Electrical Machinery	136.4	143.5	141.6	128.4
49. Machinery other than Transport and Electrical	199.4	199.4	188.9	152.4
50. Basic Industrial Chemicals	141.6	141.1	131.4	106.9
51. *Processing and Mfg. (Others): Total**	**152.2**	**152.7**	**147.9**	**128.0**
52. Cement	134.5	135.5	131 5	123.6
53. Paper	208.7	207.9	200.5	159.9
54. *Other Industries: Total**	**116.2**	**116.5**	**116 7**	**105.2**
55. Electricity Generation and Supply	92.4	92.6	93.3	90.7
56. Trading	99.4	99.3	97.4	78.6
57. Shipping and Other Transport	130 0	130.9	132 3	122.6
58. Construction	269.7	271.6	266.2	207.5
59. *Financial: Total*	**179.0**	**181.0**	**185 0**	**163.5**
60. Banks	200 5	203 8	209.1	183.2
61. Insurance	130.0	128.5	128.4	124.4
62. Investment Trusts	102.7	102.3	104.1	81.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	149.7	151.5	147.8	129 8
64. Calcutta	147.0	147.0	144.5	122.6
65. Madras	161.5	161.1	158.4	145.4
66. Delhi	175 8	177 2	169.2	151.8

* Including 'Miscellaneous.' † Including' Edible and VegetableOils.' @ Including 'other mining.' P=Provisional

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,078,600	797,500
Do. 31st March, 1958	1,098,800	1,106,800	786,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Jan., 1958	97,600	105,800	70,600
Feb., "	87,100	89,200	64,500
Mar., "	94,800	100,200	71,800
Jan., 1959	97,700	96,200	89,700
Feb., "	106,800	107,300	84,800
March "	127,400	123,600	100,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	582,815	441 483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
January to March, 1958	199,839	133,563	106,501
January to March, 1959	252,705	176,443	155,607
January, 1959	73,728	43,569	45,698
February "	83,715	61,987	50,202
March "	95,262	70,887	59,707

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,992,040
1957	1,248	640,871	4,982,229
July 1958	169	101,137(1)	469,303(1)
August "	147	72,432(4)	657,836(4)
September "	151	68,599(7)	499,362(7)
October "	121	34,445(3)	262,600(3)
November "	136	34,569(2)	177 574(2)
December "	139	45,002(7)	199,012(7)
January 1959	146	59,478(8)	303,161(8)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupees (Crores)	*Per capita* Income (Rs.)
India†	'57-'58	392.94		..	10,830	275.6
Pakistan††	'56-'57	83.50		..	2,079	249
Burma	1957	20.00	Kyats	4,450	446	223
Ceylon	1956	8.38		..	475	567
Japan	1957	90.90	Y.	8,252,000	10,915	1,200
Philippines	1957	22.60	Ps.	8,799	2,095	927
New Zealand	1957	2.22	£ (N.Z.)	928	1,237	5,570
Australia	1957	9.60	£ (A.)	4,678	4,970	5,177
U.K.	1957	51.40	£	17,418	23,220	4,520
U.S.A.	1958	174.00	$	352,400	168,447	9,680
Canada	1957	16.60	$	23,830	11,680	7,035
France	1957	44.00	F.Fr.	15,680,000	17,880	4,063
W. Germany	1957	51.40	Dm.	158,000	18,057	3,513
Italy	1957	48.30	Lr.	12,231,000	9,412	1,949
Norway	1957	3.49	Kr.	23,290	1,560	4,470
Sweden	1957	7.30	Kr.	48,290	4,490	6,150
Netherlands	1957	11.00	Grs.	28,240	3,574	3,250
Denmark	1957	4.50	Kr.	25,480	1,760	3,910
Switzerland	1957	5 10	Sw. Fr.	26,900	2,956	5,796

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

Source: *International Financial Statistics*, October 1958.

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

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

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 "	116†	395	274	313	98	120	384	124	113	103†	103	123	109	131†
September 1957	114	375	262	338	97	113	378	115	113	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November "	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December "	113	383	275	328	93	115	375	121	110	100	105	120	109	129
September 1958	121	404	289	327	104	120	406	127	117	111	109	131	108	132
October "	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November "	122	402	292	330	106	124	399	132	120	114	103	128	113	133
December "	119†	398	290	322	101	125	385	133	118	108†	99	121	111	133
January 1959	114†	396	301	323	103	127	368†	130	122	105†	94	115	109	134
February "	..	399	300	326	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Out standings	10-Year National Plan Certificates D Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	Out standings	Total Receipts	Outstand ings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,93
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252,96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,88	—36,35	37,15	..	..	55	54	177,35	310,39
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380,04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,88	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213 91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958																
April	2,15	4,65	141,31	6,56	77,99	15,27	214,24	22,85	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May	2,07	4,55	139,23	5,84	83,82	15.22	212,66	22,58	—39,90	43,37	57	6,72	5	2,01	21,68	517,01
June	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,93	43,29	38	7,12	3	2,03	19,95	520,60
July	1,06	4,38	135,18	5,94	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,06
Aug.	1,94	4,30	133,98	6,20	100,72	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532,75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537 82
October	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November	1,87	4,10	127,15	6,36	119,33	12,52	218,72	21,56	—40,37	42,81	47	9,58	7	2,23	19,42	547,35
December	1,83	4,01	125,00	7,84	126,69	14,83	219,06	21,41	—40,44	42,76	51	10,01	6	2,28	23,24	553,05
1959																
January	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,52	42,70	57	10,60	5	2,32	24,07	559,17
February	..	..	..	..	..	..	..	..	..	42,62	58	11,14	5	2,36	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of January, 1959 is rupees one lakh.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.75
3 % Loan	1938-39	116,17,46,000	1963-65	96.70
3 % Loan	1950	30,32,10,000	1964	97.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93.70
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.20
3 % 2nd V. Loan	1945	1,13,65,64,000	1959-61	99.70
2¾% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97.25
2¾% Loan	1946	14,77,48,000	1976	83.25
2¾% Loan	1947	75,86,72,000	1962	96.90
3½% N. P. Bonds	1953	75,29,00,000	1961	100.10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.75
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.55
3½% Loan	1956	87,27,36,000	1962	99.15
3½% N. P. Bonds	1956	63,81,83,000	1967	99.05
3½% Loan	1956	66,63,53,000	1974	98.85
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.80
4 % Loan	1957	49,17,27,000	1972	101.70
3½% Loan	1958	58,06,00,000	1963	99.95
3½% Loan	1958	30,00,00,000	1968	98 90
3¾% Loan N.P.B.	1958	34,16,76,500	1968	100.60
4 % Loan	1958	49,47,00,000	1973	101.65
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34,000	M.	72.75
3% Loan	1946	2,48,91,37,000	K.	74.00
STATE LOANS				
4 % Andhra	1955	5,09,16,000	1st Sept. 1967	100.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100.00
4½% Andhra	1958	5,00,00,000	15th July 1970	101.55
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96.50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98.30
4 % Bombay	1953	5,19,35,000	15th July 1963	100.60
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100.50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.55
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100.25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102.50
4½% Bombay	1958	5,00,00,000	15th July 1970	102.50
4½% Bombay	1958	5,00,00,000	15th July 1971	102.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50,00,000	13th Oct. 1970	101.40
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100.15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100.15
3 % Madras	1939	1,23,96,000	21st June 1959	99.70
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99.00
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	99.00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98.95
4 % Madras	1953	10,33,71,000	15th July 1963	100.30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.20
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100.00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100.00
4½% Madras	1958	5,00,00,000	15th July 1970	101.60
4 % Mysore(f)	1953	2,95,85,200	1st Dec. 1953-63	101.50
3 % Mysore(f)	1956	5,99,73,000	30th Apr. 1956-61	99.75
4 % Mysore	1953	3,33,47,000	15th July 1963	100.30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.00
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101.75
4½% Mysore	1958	5,00,00,000	15th July 1970	101.75
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 80
3 % M.P.	1950	1,01,45,000	31st July 1960	98.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	100 25
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100.00
4½% M.P.	1958	2,00,00,000	15th July 1970	101.40
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100.20
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100.20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.75
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99 50
2½% U.P.Z.A	1952	41,44,79,000Z	..	50.50
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91.00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98.25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.20
4 % U.P.	1953	5,58,25,000	15th July 1963	100.30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100 00
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100.00
4½% U.P.	1958	7,00,00,000	15th July 1970	101.60
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100.00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101.40
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100.00
4½% Orissa	1958	3,00,00,000	15th July 1970	101.40

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	} 100.00 (1964–1973)
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88,25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	} D (1960–1971)
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941*	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.00
76,90,100	4	1915	1975	98.00
1,50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	95.00
60,00,000	3½	1935	1965	98.50
25,00,000	3	1938	1963-68	92.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99.50
1,00,00,000	3	1949	1959	99.50
50,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	98.50
1,00,00,000	3	1950	1960	98.50
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.00
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	93.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	} A
9,88,000t	3	1947	1977	
8,00,000t	3	1949	1979	
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	} 97.75 N (1961–1968)
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	} 97.50 N (1972–1976)
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	101.00
50,00,000	4	1934	1964	99.00
35,00,000	3½	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	93.50
20,00,000	3	1938	1963-68	90.00
80,00,000	4	1952	1962	99.25
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	100.50

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99 60
10,00,000	5	1920	1980	113.00N
26,21,500	5	1929	1959	100.50
8,25,00,000	3½	1947	1977	86.50
2,50,00,000	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	93.50
5,00,00,000	4	1952	1964	100.15
2,00,00 000	3½	1951	1966	97.40
1,30,00,000	4	1953	1963	100.15
1,00,00,000†	4	1952	1964	99.50
1,00,00,000†	4	1954	1966	99.50
2,50,00,000	4	1955	1967	100.00
1,50,00,000	4	1956	1968	100.00
2,00,00,000	4½	1957	1969	101.50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1965	94.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
17,64,400	3½	1942	1959	96.50
21,10,000	3½	1942	1972	92.00
16,33,000	3½	1951	1961	97.50
66,88,000	3½	1951	1966	97.50
87,36,000	4	1952	1962	99.25
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	—
78,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.15
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100 30
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept 1968	100 00
4½% W. Bengal	1958	5,00,00,000	15th July 1970	101.75
4½% Kerala	1958	3 00,00,000	15th July 1970	100.85

ABBREVIATIONS.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. j—Interest free to first 12 years. t—Interest free for first 7 years. M—At the option of Government after three months notice. N—Nominal. Z—Ex six instalments but inclusive of accrued interest. K—On September, 1986, or later at option of Government after three months notice.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901		Mar.	Sep.	118.00	100
BREWERIES AND SUGAR							
Bharat Sugar T.B.C.	5,00,000	1931	5	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5	April	..	85.30	100
Carew & Co. T.F.R.C.	8,00,000	1875	6	Mar.	Sep.	96.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905–24	8	Feb.	Aug.	107 00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7	July	Apr.	6.00	5
¶East India Distilleries T.F.C.	£200,000	1897	7	Jan.	July	17.00	£1
Gwalior Sugar T.R.O.	6,75,000	1940	7	Dec.	..	62 00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec.	..	62 00	100
Purtabpore Co. T.C.	6,00,000	1922	10	Oct.	..	13 50	10
Ramnugger Cane T.F.C.	4,00,000	1933–36	6	Aug.	..	98 00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	69 00	100
South Behar Sugar T.	5,00,000	1936	7	Oct.	..	20 00N	100
Travancore C.T.F.	15,00,000	1946	5	Dec.	..	8 35	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec.	..	90.00N	100
Do. T.C.R.O.	15,00,000	1946	5	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	7	Apri	May	118.75	100
COAL							
Borrea T.F.C.	4,00,000	1896–97	6½	Oct.	Apr.	95.00	100
Burrakur (1st) T.F.C.	22,99,800	1901–19	7	Apr.	Oct.	104.50xd	100
Do. (2nd) T.C.	4,50,000	1946	6	..	..	6.56xd	10
Equitable T.F.	4,00,000	1895	6	Mar.	Sept.	99 00	100½
Karanpura Collieries T.C.	9,89,500	1946	5½	..	..	55 00	75p.
††Khas Kajora C.	1,93,000	1931	5	Mar.	Sept.	9 50N	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan.	July	11.50	10
Ondal T.F.C.	2,00,000	1898–99	6	Apr.	Oct.	90.00	100
COTTON							
Ahmedabad Advance T.F.	10,00,000	1939	5	Apr.	Oct.	83.00	100
Bangalore C.T.F.	6,00,000	1884	6	Jan.	July	110.00	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	9.00	10
Bowreah 'A'	6,00,000	1900	8	Feb.	Aug.	145.00	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	62 00	100
Bradbury T.F.	14,75,000	1919	7	June	Dec.	55 00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7½	Jan.	July	131.00	100
Cambodias C.T.F.	1,00,000	1928	7	Apr.	..	110 00	100
Central India T.F.	50,00,000	1912	5	Apr.	Oct.	342.50	495
Century Spg. & Mfg. Co. T. F. R. C.	1,25,00,000	1958	6	Dec.	..	107.75	100
Coimbatore Pioneer C.T.F.	1,00,000	1935	6½	June	..	91.75	100
Elgin	11,00,000	1912	8	May	Nov.	110 50	10
Do. 'B' Pref.	4,20,000	1943	5	July	Jan.	7.50	100
Elphinstone T.	25,00,000	1919	7	May	Nov.	65.50	100
Kesoram	20,00,000	1919	7	June	Dec.	105 00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4	Nov.	..	74.00	10
Kothari C.T.F.	18,00,000	1937	6	Dec.	..	9 00cd	5
Kothari 'B' (Pref.)	6,00,000	..	6	..	..	10.00N	250
Lakshmi Cotton (Bombay) T.	16,00,000	1896	5	..	..	161 00	100
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	Jan.	..	70.00	100
Mysore Spg.	7,45,050	1944	4½	..	..	28.25	50
National Rayon T.	1,74,64,700	1947	5	..	..	78.30	100
New Great T.	8,00,000	1913	5½	Mar.	..	130.00	200
Podar Mills	10,00,000	1943	4	Feb.	..	61.50	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr.	..	51 00	50
Shree Niwas Cotton	4,80,000	1944	4	..	..	61.00	100
Sholapoor R.	32,00,000	1943	3	..	..	78 25	100
Svadeshi T.F.	15,00,000	1935	5	Apr.	Oct.	85.00	100
Swadeshi (Kanpur)	35,00,000	1927	6	June	..	77 00	100
Travancore Rayon C.T.F.	50,00,000	..**	5	May	..	8.75	10
Vasanta (1st) C.T.F.	3 00,000	1931	6½	Apr.	Oct.	105 00	100
Do. (2nd) C.T.F	1,50,000	1935	6	..	..	92 00	100
Vishnu T.	15,66,500	1908	7	Apr.	..	432.50	500
ELECTRICS							
Andhra Valley Power Supply T.	49,34,000	1917	7	May	Nov.	1,095.00	1,000
Amalgamated Electric T.F.	24,15,000	..	5½	..	..	91.00	100
Calcutta Electric	19,00,000	1909–11	5(t)	June	Dec.	10.06	£1
Poona Electric T.	4,00,000	1935	7	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5½ }	Sept.	ee.	{ 9.50	100
Do. (2nd) C.T.F.	8,00,000	1940	5½ }			9 25	10
Surat Electric Co. T.F.	5,00,000	1939	6½	Apr.	..	111 00	100
Tata Hydro Electric Power T.	89,28,000	1907	7	May	Nov.	115 75	100
Tata Power T.	86,97,000	1918	7½	May	Nov.	1,122 50	1,000
Vellore C.T.	1,25 000	1928	6	Dec.	..	7.05	10
ENGINEERING							
Arthur Butler (Muzafferpore)	1,30,000	1919	7	Mar.	..	10.50	10
Burn & Co. Ltd. (1st)	13,00,000	1895–98	7	Feb.	Aug.	125 00	100
Do. (2nd)	15,00,000	1902	6	Feb.	Aug.	117.00	101
Indian Iron and Steel Co., Ltd.(T)F.	2,69,95,400	1950	5	Dec.	..	108 00	100
Indian Standard Wagon	19,66,500	1918	7	June	..	124.00	100
Jessop	20,00,000	1941	5	May	Nov.	86.00	100
Kamani Engineering C.	15,00,000	..	5	July	..	50.50	100
†††Kumardhubi Engineering	12,00,000	1915	4	June	Dec.	94.00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946–47–51	5	..	..	87.00	100
Mahindra & Mahindra R.C.	25,00,000	1945	6	May	..	101.00	100
McKenzies (1st)	5 50,000	1907	..	..	..	80.00	100
Premier-Construction (1st) T.	10,00,000	..	6½	..	..	87.50	100
Do. do. (2nd) T.	15,00,000	1936	6½	..	..	86.25	100
Do. do (3rd) T.	56,25,000	1947	4½	..	..	5 96	10
Tata Iron and Steel (1st) T.	75,00,000	1908	6	Nov.	..	157.00	150
Do. do. (2nd) T.	6,93,81,900	1908	7½	May	..	117.75	100
JUTE							
Agarpara	10,00,000	1927	7	Jan	July	100.00	100
Alexandra	9,00,000	1905	7	Feb.	Aug.	100 00	100
Alliance	15,00,000	1895	6	Mar.	Sept.	89 00	100
Anglo-India	40,00,000	1917	7	May	Nov.	108 00	100
Auckland	10,00,000	1909	5½	May	Nov.	79 00	100
Do. (2nd)(j)	15,00,000	1945	4½	June	Dec.	66 00	100
Baily	20,00,000	1918	7	Apr.	Oct.	102 00	100
Barnagore	£200,000	1896	5	May	Nov.	85 00	5
Belvedere	7,00,000	1906	7	Jan.	July	105 00	100
Birla	23,64,200	1919	7½	June	Dec.	88.00	100
Budge-Budge	9,00,000	1894	7	May	Nov.	105.00	100
Calcutta	6,00,000	1934	6½	Jan.	July	62.00	100
Caledonian	10,00,000	1915	7	June	Dec.	105.00	100
Cheviot	10,00,000	1919	7	June	Dec.	105.00	100
Chitavalsah	5,00,000	1928	7	Mar.	Sept.	103.00	100
Clive (1st Pref.)	8,00,000	1900	6	May	Nov.	70.00	100
Do (A) (2nd Pref.)	8,00,000	1905	7	May	Nov.	74 00	100
Dalhousie	15,00,000	1903–13	7	May	Nov.	94.00	100
Delta	5,00,000	1897	5	June	Dec.	78.00	100
Empire	10,00,000	1912	7	Feb.	Aug.	103.00	100
Fort Gloster	14,00,000	1890–98	7	May	Nov.	108.00	100
Do. (2nd Pref.)	7 00 000	..	5	..	..	74 00	100
Fort William	10,00,000	1911	7	May	Nov.	107.00	100
Ganges	6,00 000	1916	8	June	Dec.	110.00	200
Gourepore	26,50,000	1895–04	6	May	Nov.	95 00	100
Hastings	25,00,000	1935	6	Mar.	Sept	93 50	100
Hooghly	11,76,000	1913	10	May	Nov.	10 87	10
Howrah	8,75 000	1890	7	May	Nov.	105 00	100
Do. (A)	17,50,000	1903–6	7	May	Nov.	106 00	100
Hukumchand	40 00,000	1919	7	June	Dec.	102 00	100
Kamarhatty	16,00,000	1898–04	6	Feb.	Aug.	96 00	100
Kankinarrah	10,00,000	1900	6	Feb.	Aug.	80.00	100

** These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus profits available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co Ltd

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued.*							
Kelvin	10,00,000	1907	7	Mar.	Sept.	105.00	100
Khardah	9,00,000	1895–09	6	May	Nov.	89.50	100
Kinnison	15,00,000	1900–13	7	May	Nov.	105 00	100
Lansdowne	15,00,000	1905	7	May	Nov.	110 00	100
Lawrence (A)	5,00,000	1907	7	May	Nov.	97.00	100
Do. (B)	10,00,000	..	5½	Dec.	..	80.00	100
Naihati	7,50,000	1905	7	May	Nov.	95 00	100
Do. (2nd) (j)	10,00,000	..	4½	June	Dec.	65.00	100
National	5,00,000	1917	7	May	Nov.	107.00	100
Nellimarla	5,00,000	1939	6	Apr.	Oct.	92.00	100
New Central	83,00,000	1915	7	Jan.	July	100 00	100
Northbrook	15,00,000	1900	½	May	Nov.	76 00	100
Reliance	20,00,000	1906–12	7	May	Nov.	73 00	100
Samnuggur	£150,000	1901	6	Feb.	Aug.	Sh. 21.50N	£1
Soorah	10,00,000	1920	7	Feb.	Aug.	102.00	100
Standard	9,00,000	1895–01	6	May	Nov.	100.00	100
Shree Ambica	11,70,000	..	7½	Mar.	Sept.	94 00	100
Titaghur	£150,000	1897	6	Feb.	Aug.	Sh. 21 50	£1
Union	6,00,000	1901–02	7	May	Nov.	100 00	100
Victoria	£150,000	1898	6	Feb.	Aug.	Sh.21.50	£1
Waverly	7,50,000	1918	7	Mar.	Sept	42.50	5
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship	3,00,000	1895	7	Nov.	..	60.00	60
Calcutta Tramways	£250,000	1906	5	Apr	Oct.	8.00	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5½	Dec.	..	96.00	100
Indian General Nav. & Rly. T.	£244,000	1899	6	Mar.	Nov.	69.50	£10
India Steamship (w)	25,00,000	1928	5	..	..	94.00	100
TEA							
Amluckie Tea	75,000	1902–03	7	May	Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900–02	6½	Jan.	July	110.00	100
Birpara	1,00,000	1900–03	8	Jan.	..	114.00	100
Choonabhutti	2,00,000	1914	8	Jan.	July	110 00	100
Gielle	2,00,000	1894	6	Sept.	..	67.00	100
Hantapara	50,000	1901	8	Jan.	..	114.00	100
Hasimara	3,00,000	1904	7	Mar.	..	110 00	100
Kingsley Golaghat	2,40,000	1897	6	Dec.	..	95 00	100
Moheema	3,20,000	1929	6	May	Nov.	8 00xd	10
†††New Dooars	2,00,000	1907	6	Jan.	July	112 00	100
New Samanbagh	1,00,000	1903	8	Nov.	..	101.00	100
†††Okayti	50,000	1888	7	Dec.	..	90 00	100
Pussimbing	2,05,000	1916	7	Jan.	..	85 00	100
Sonai River	1,00,000	1909	8	May	..	100 00	100
***Tezpore	2,05,000	1932	8	Jan.	..	11.00	100
Tirribannah	1,00,000	1922	10	May	Nov.	14.00	100
PLANTING							
Be Be Rubber N.R.C.T.	1,43,005	1944	6½	..	..	3.03	5
Do. R.C.T.	2,85,570	1944	6½	..	..	6.44	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June	..	46.70	50
Coffee Lands C.T.F.	10,40,600	..	5	..	..	83.00	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr.	..	95 95	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov.	..	10 75	10
Devon Tea C.T.F.	2,00,000	1936	7½	July	..	106 00	100
Highland Produce C.T.F.	3,00,000	..	6	July	Jan.	9.05	10
Neelamalai C.T.F.	18,00,000	1943	5	Jan.	July	7.18	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July	..	4.60	5
Pullangode C.T.F.	1,50,000	1943	0	Mar.	..	8.05	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar.	Sept.	7.15	10
T. B. & T. Co. C.T.F.	16,00,000	..	6	June	Dec.	8.18	10
Waterfalls R.C.T.F	5,00,000	1943	6	Nov.	..	9.00	10
MISCELLANEOUS							
Alembic Chemicals (1st) T.	5,00,000	..	6½	June	..	85 50	100
Do. do. (2nd)	5,00,000	..	5	June	..	85 50	100
Alkali & Chemicals	31,00,000	1937	5	Apr.	..	102.00xd	100
Aluminium Corpn. (1st)	20,00,000	1938	6(f)	..	..	93.00	100
Andhra Cement C.T.F.	2,48,800	1937	6	Feb.	June	100 00	100
Associated Hotels of India T.	21,67,000	1916	7	Mar.	Sept.	51.00	100
Bengal Chemicals	9,00,000	1925	7½	Aug.	..	12 62	10
Bengal Paper Mill	2,00,000	1903	7	Mar.	Sept.	55.00	50
Do. "A"	4,00,000	1928	7	Mar.	Sept.	109.00	100
Do. "B" T.	20,00,000	..	6	..	..	67.00	100
Bengal Timber Trading	3,00,000	1898	8	Aug.	..	20.00N	100
Britannia Biscuit	15,450	1921	8	Feb.	Aug.	15.00	10
British Ceylon Corporation	17,50,000	1918	6	Feb.	Aug.	8.00N	5
British India Corporation	81,00,000	1920	8	Feb.	..	107.00	100
Dalmia Cement (Bharat)	61,58,210	1937	6	Sept.	..	9.75	10
Dhrangadhra Chemical Works Ltd.	31,91,900	1956	6	..	..	89.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5	Dec.	..	88.00	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6§	Apr.	..	118 00	100
General Investment Trust (1st)	1,00,000	1946	5	Feb.	Aug.	65.00	100
Do. do. (2nd) T.	1,00,000	..	6	Feb.	Aug.	55 00	100
Gillanders Arbuthnot(f) T.	25,00,000	..	5	Apr.	Oct.	56 00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6	Mar.	..	74.50	50
Humayan Properties	12,00,000	1933	6	..	..	8 75	10
India Cement C.T.	29,85,000	1946	7½	Oct.	..	93.50	100
Indian Aluminium (g) T.	40,00,000	1945	5	June	..	72.00	100
Indo-Burma Petroleum T.C.	50 00,000	1921	7	Jan.	July	90 00	33
Indian Cable (m)	12,87,750	1923	6	June	Dec.	30 00	10
India Rubber Mfrs. (n)	8,28,000	..	5	Apr.	..	77 00	100
Jardine Henderson T.	50,00,000	1946	5½	Dec.	..	60.00	100
Kettlewell and Bullen (1st) T.	20,00,000	..	5½	May	..	63 00	100
Do. do. (2nd)	10,00,000	..	4	May	..	63.00	100
Kumardhubi Fireclay & Silica	2,00,000	1915	7	June	Dec.	66.00N	100
Martin Burn (k)	30,00,000	1946	5	Apr.	Oct.	102.00	100
McLeod and Co. (1st) T.	10,00,000	1930	5	July	Jan.	54.00	100
Do. (2nd)	40,00,000	1936	5	July	Jan.	72 00	100
Metal Box Co.	30,00,000	..	6	..	..	87.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903–18	6	Feb.	Sept.	95 00	100
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6	June	..	9 00	10
Mysore Lamps R.C.T.F.	2,50,000	..	4	Aug.	..	6 50	10
National Tobacco (Old) (p)	25 00,000	..	5	Mar.	Sept.	74 50	100
Do. do. (New) (q)	19,98,000	..	4½	Mar.	Sept.	65.00	100
Orient Paper	69 88,900	1936	5½	Jan.	..	93 50	100
Do. (2nd) (r) T.	60,00,000	..	5½	Apr.	Oct.	62 00	100
Rohtas Industries (Old) T.	20,00,000	1936	7	Apr.	..	112 50	100
Do. do. (New)	85,04,700	..	4½	Apr.	..	62 50	100
*Smith Stanistreet & Co.	5 00 000	1920	10	Feb.	Aug.	71.00	50
Spencer & Co. "A" C.T.	23 20,000	1898	6½	Jan.	July	8 35	10
Do. "B" C.T.	36 80,000	1922	8½	Jan.	July	11 50	10
Standard-Vacuum C.	75,00,000	1955	6	June	Dec.	101 00	100
Star Paper	10,00,000	..	5	Mar.	Sept.	70 00	100
Tata Chemicals T.F.	59,97,000	..	5	June	..	96 00	100
Tata Oil Mills C.	29,88,800	1946	4½	July	..	60 00	100
Titagur Paper Mills	11,50,000	1899	8	Jan.	June	142.00	100
Do. do. 2nd)	15,00,000	1934	4½	Jan.	July	85.00	100

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free

R.O.—Redeemable at option. N.R.—Non-Redeemable. P.—Participating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50,00,000	5,37,500	1,01,25,505	44,03,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.18	2	0.19	0.19			12	Y.
49,00,000	24,00,000	1,40,93,494	78,99,935	17,302	M.	50,596	1,021	B. B. Cotton Mills	17.52	100	Nil	Nil	Nil		8	Y.P.T.
2 50,98,000	3,45,87,968	9,01,44,459	4,42,94,600	50,386	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,006	4,211	Bombay Dyeing & Mfg. Z	62.20	25	2.50*	2.50	2.50	2.50	12	Y.
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	143.00	50	12.50	20.00	15.00	7.50	8	Y.P.
1,22,75,700	3,26,61,468	8,11,07,933	3,12,75,392	9,53,042	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	508.00	100	22.00	22.00	22.00	22.00	12	Y.P.
26,00,000	28,31,920	1,13,36,792	67,79,552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	133.75	100	7.50	12.50*	12.50*	12.50*	8	Y.
28,00,000	26,37,709	90,59,554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	101.50	50	15.00	—	7.50F	5.00	8	Y.
34,00,000	26,36,389	1 12,98,983	69,27,928	—11,15,096	Puranmal Bubna Sons	46,476	923	Edward Textiles	217.00	200	18.00	15.00	15.00		12	Y.
29,98,050	15,72,144	1,31,76,951	81,20,935	....	M.	46,620	886	Elphinstone Spg. & Wvg.	83.00	50	5.00	15.00	Nil		12	Y.P.
50,00,000	63,57,852	1,81,16,865	95,84,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	273.00	100	20.00	20.00	20.00	16.00	12	Y.
50,00,000	48,52,027	1,00,12,312	64,97,387	10,233	James Finlay & Co., Ltd.	45,768	1,618	Gold Mohur Mills Ltd.	205.00	100	15.00	15.00	15.00	15.00	12	Y.
11,84,000 / 16,000	1,23,22,269	1,89,27,232	1,29,07,694	—6,87,028	M.	50,240	1,120	Hindoostan Spg. & Wvg. Mills	4,800.00 / 992.50	1,000 / 250	800.00 / 75.00	825.00 / 81.25	850.00* / 87.50*	850.00 / 87.50	8	Y.P.
2,50,00,000	56,29,672	4,90,61,319	3,54,00,000	1,29,969	Agarwal & Co.	2,44,512	6,214	India United Mills	8.28 / 1.04	10 O. / 1 D.	0.94 / 0.19	0.92 / 0.18			12	Y.
8,65,000 / 35,000	1,09,49,931	1,69,80,792	1,17,58,604	—1,16,454	M.	57,440	1,152	Indian Mfg.	4,350.00 / —	1,000 / 500	300.00 / 150.00	800.00 / 150.00	825.00* / 162.50*	825.00 / 162.50	8	Y.P.
59,85,000	47,84,646	3,32,60,641	2,89,44,370	80,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	205.00	100	12.00	10.00	10.00(c)	10.00	6	Y.P.
1,00,00,000	1,04,56,757	3,75,23,474	2,90,25,380	67,775	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	258.00	100	18.00	18.00	18.00	10.00	12	Y.
33,18,300	46,27,870	1,28,83,758	67,99,178	43,271	N. Sirur & Co. Private Ltd.	48,700	644	Modern Mills	40 00	50	8.00*	8.00*	5.00'C'		10	Y.T.
51,75,000	42,39,896	2 75,32,726	2,00,41,588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg. & Wvg.	231.50	100	14.00	15.00	14.00(c)	15.00	6	Y.P.
1,60,62,460	1,42,58,205	10,55,96,105	3,40,00,000	1,23,937	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	288.75	100	12.00	14.00*	14.00		12	Y.P.
24,00,000	22,76,231	82,93,080	43,70,077	—3,04,756	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	90.50	100	10.00	10.00	5.00	Nil	12	Y.
30,00,000	7,01,166	109,27,346	63,87,035	—4,83,512	W. H. Brady & Co., Ltd.	49,012	979	New Great Spg. & Wvg.	175.00	100	10.00	10.00	Nil	Nil	12	Y.P.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	3,59,718	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	135.00	100	10.00	..	12.50F	10.00	8	Y.
40,00,000	45,64,554	53,92,841	25,34,581	1,63,546	Podar Sons Private Ltd.	32,600	930	Podar Mills	152.00	100	12.00*	12.00*	10.00		12	Y.P.
10,00,000	....	23,94,122	18,44,733	—1,10,689	M.	..	..	Sassoon & Alliance Silk Mill	9.76	10	0.50	0.25(c)	Nil		12	Y.
37,70,100	1,18,66,143	2,51,80,351	1,49,71,803	5,465	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	53.50	10	2.00	2.00	2.00	2.00	12	Y.
30,00,000	44,70,061	1,27,66,700	67,73,552	58,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	160.00	100	12.00	12.00	8.00		12	Y.P.
42,00,000	39,80,473	1,95,86,294	79,84,101	8,089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	178.00	50	10.00	12.00	8.50	8.50	8	Y.
1,09,75,000	2,39,76,402	3,46,68,221	2,04,23,247	1,708	Mafatlal Gagalbhai & Sons	96,956	2,409	Standard Mills	507.00	100	20.00	22.50*	22.50*	20.00	12	Y.P.
1,00,00,000	95,94,067	3,02,49,607	1,59,54,406	29,124	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	224.00	100	12.00	14.00*	9.00	10.00	12	Y.P.
36,00,000	66,03,330	1,59,87,553	1,02,92,715	26,062	James Finlay & Co., Ltd.	40,328	549	Swan Mills	395.00	100	25.00	25.00	25.00	25.00	12	Y.P.
65,57,875	49,27,388	2,40,99,635	91,95,631	17,925	Tata Industries Private Ltd.	70,968	1,788	Tata Mills	36.50	25	4.00	3.50*	2.00	1.50	12	Y.T.
12,00,000	1,04,98,944	1,72,83,864	1,08,61,776	—20,69,771	M.	54,664	1,212	Western India Spg. & Mfg.	4,475.00	1,000	800.00	800.00	825.00*	825.00	8	Y.P.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	135.00	100	7 00	12.00	5.00	5.00	6	Y.P.T.
15,00,000	98,23,188	1,29,00,836	73,32,228	....	P. M. Hutheesing & Co., Ltd.	42,760	920	Aruna Mills	627.50	100	30.00	25.00	25.00		12	Y.P.
40,00,000	3,03,12,127	2,17,78,010	1,10,66,897	28,706	M.	64,448	1,216	Arvind Mills	1,102.00	100	35.00*	35.00*	35.00*		12	Y.P.
22,00,000	47,41,123	1,22,40,943	77,79,729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	470.00	200	25.00*	30.00*	Nil		12	Y.P.
12,00,000	1,40,46,694	99,92,464	67,28,819	728	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	647.50	100	30.00	30.00	30.00		12	Y.P.
3,06,25,000	2,60,65,170	6,22,25,491	2,74,71,141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,39,120	2,378	Calico	623.00	125	..	30.00	30.00	25.00	8	Y.P.
63,00,000	23,51,630	1,44 37,907	1,02,61,829	20,815	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	480.00	250	80.00	100.00*	25.00*		12	Y.P.
52,00,000	1,17,29,342	1,79,38,243	1,14,51,119	1,21,046	Mafatlal Chandulal & Co., Ltd.	50,428	907	New Shorrock Spg. & Wvg.	986.00	125	35.00	40.00*	30.00	35.00*	12	Y.
15 00,000	64,29,775	69,45,065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	24,840	572	Nutan Mills	400.00	100	20.00	20.00	20.00		12	Y.P.
29,00,000	1,08,87,132	1,07.33.484	66,60,480	105	Lalbhai Dalpatbhai & Co.	31,120	634	Raipur Mfg.	675.00	100	35.00*	35.00*	35.00*		12	Y.P.
48 75,000	28,46,580	1,33,74,914	73,60,111	9,983	M.	33,156	648	Rohit Mills	131.25	100	Nil	8.00*	8.00*		12	Y.P.
63,75,900	3,01,44,505	2,32,18,408	1,32,23,150	56,660	Harivallabhdas Kalidas & Co.	94,128	1,790	Shri Ambica Mills	808.50	100	27.00*	30.00*	25.00	30.00*	12	Y.P.
29,25,000	75,75,008	1,12,51,013	77,65,692	23,937	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	502.00	100	25.00	30.00*	20.00	22.00*	12	Y.
35,00,000	38,00,929	,28,90,368	,90,20,784	23,800	Haridas Achratlal & Co., Ltd.	41,056	780	Vijaya Mills	580.00	500	35.00*	50.50*	40.00*		12	Y.P.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
15,00,000	3,05,455	38,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd.	13,044	856	Basanti Cotton Mills	6.87	10	0.50	0.60	0.60		12	Y.P.T.
7,11,280 / 3,00,620	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee, Esq. (Mg. Director)	33,248	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	4.00	Nil	8	Y.P.
24,00,000	1,50,000	1,20,71,237	49,68,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,928	841	Bowreah Cotton Mills	110.00	100	Nil	Nil	Nil		12	Y.P.
19,00,000	24,30,708	1,39,78,961	73,14,165	—1,86,242	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	173.00	100	2.50	6.00	Nil		12	Y.T.
50,08,000	7,14,828	81,32,154	30,32,154	1,32,757	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	8.87	10	Nil	0.37	0.50	0.65	12	Y.T.
1,60,00,000	2,29,91,250	,09,62,835	1,46,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	13.50	10	0.87	1.00	0.75		8	Y.P.
O.19,47,750 / D.5,00,000	6,97,329	49,45,797	30,61,005	—2,23,455	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	14.50xdN / 4.00N	10 / 1D	1.00 / 0.34	1.00 / 0.26	1.00 / 0.15	0.50 / Nil	6	Y.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
11,98,600	2,17,093	45,17,191	21,23,244	....	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00	100	12.50	15.00	12.50	6.00	6	Y.
72,00,000	18,19,271	1,89,74,579	68,27,598	6,322	The Industries (I.F.) Department, Government of Andhra Pradesh	35,752	716	Azam Jahi Mills	52.00	100	3.50(c)	5.00	3.50	Nil	9	Y.
1,21,50,000	1,55,24,679	3,69,74,488	2,92,09,368	2,98,409	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	179.00cd	100	30.00	30.00	10.00'C'	10.00	12	Y.P.
35,00,000	74,79,507	1,41,25,225	1,10,21,274	1,04,207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	20.00	10	3.00	1.50	1.50	0.75	8	Y
1,78,47,800	3,04,99,160	7,63,67,196	4,50,51,659	1,82,834	Binny & Co. (Madras), Ltd.	1,20,288	2,758	Buckingham & Carnatic	185.00	100	10.00	10.00	10.00	10.00	12	Y.P.T
20,00,000	15,37,935	50,23,440	26,18,648	....	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	9.93	10	0.50	0.50	0 50(c)		12	Y.P.
15,00,000	5,11,500	53,88,579	29,91,389	1,08,342	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	152.00	100	12.00	15.00	20.00	12.50	8	Y.
80,00,000	33,43,836	76,05,050	59,57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Textiles	5.00	5	Nil	0.25	0.25	Nil‡	12	Y.
9,36,560	5,31,645	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	11.50	10	0.62	0.75	0.90	0.90	8	Y.P.T.
35,97,200	24,15,845	88,98,386	36,22,038	596	R. Bheema Naidu & Co.	34,864	..	Coimbatore Cotton Mills	142.00	100	25.00	25.00	9.00'C'	6.00	12	Y.
18,15,000	7,25,195	39,16,552	24,29,638	....	T. A. R. Chettiar Sons & Co.	25,340	160	Coimbatore Murugan Mills	91.00	100	20.00	12.00			12	Y.P.
20,00,000	18,28,450	80,21,737	44,09,621	599	T. R. N. Naidu & Co.	39,106	..	Coimbatore Pioneer Mills	270.00cd	100	20.00	20.00	20.00		12	Y.P.
20,76,900	5,076	1,37,90,104	88,52,968	—7,29,806	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	63.00	50	8.00	10.00	Nil		12	Y.
46,87,500	10,87,622	3,55,43,835	1,51,85,676	—28,54,243	Tata Industries Private Ltd.	75,530	1,707	Central India	103.50	100	3.00	Nil	Nil	Nil	6	Y.P.
26,90,661	19,55,000	1,04,60,142	44,85,815	21,830	B. Hanumanthappa & Sons	35,744	300	Davangere Cotton Mills	113.50	100	9.00	9.00	9.00	9.00	8	Y.
3,38,36,225 / 1,00,563	3,59,53,968	12,81,26,690	7,47,89,631	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	34.00	25 / 2½	2.25 / 0.22	2.50 / 0.25	2.00 / 0.16	2.00 / 0.16	6	Y.P.T.
48,58,875	26,75,000	98,47,125	55,14,444	1,204	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	190.00	100	30.00	25.00	10.00'C'	10.00	12	Y.
63,00,000	1 05,56,192	1,69,12,424	1,41,93,839	75,531	Begg, Sutherland & Co. Private Ltd.	43,452	1,198	Elgin Mills	14.25	10	1.00	1.25	1.00		9	Y.P.
48,81,000	40,20,992	1,72,91,953	83,68,207	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	5	Gokak Mills	143.50	100	15.00	13.00	8.00	8.00	12	Y.
2,50,00,000	8,75,000	5,73,71,041	1,64,46,856	1,00,48,693	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	17.48	10	Nil	Nil	Nil	Nil	8	Y.P
50,00,000	6,94,589	1,59,76,049	1,21,32,273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	50,780	1,356	Indore Malwa United	96.00	100	9.00	11.00	6.00		12	Y.
8,90,000	10,66,553	35,60,221	20,68,005	....	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	71.00	50	10.00	10.00	3.00		12	Y.
15,54,000	15,02,599	57,18,937	33,88,095	7,012	Mr. Bhaiuraton Damani (Managing Director)	20,932	512	Jam Shri Ranjitsinghji	1,450.00	1,000	50.00	60.00	40.00		6	Y.
4,63,65,300	3,05,67,516	4,59,43,795	3 29,32,899	3,47,483	Birla Gwalior Private Ltd.	55,324	1,630	Jiyajeerao Cotton	9.76	10	4.00§	0.55	0.35	0.25	8	Y.P.
67,09,800	18,25,000	1,40,72,730	40,50,212	31,924	Kothari & Sons	41,940	300	Kothari Textiles	10.10	10	1.00	1.00	1.00	Nil	12	Y.P.
32,00,000	49,95,387	1,98,16,979	1,44,39,237	690	M.	51,098	1,219	Lakshmi Cotton Mfg.	392.50	250	42.50	42.50	15.00	15.00	12	Y.P.
71,00,000	66,85,960	2,25,46,881	1,29,69,687	86,370	G. K. Naidu & Co.	1,10,800	200	Lakshmi Mills	126.00 / 61.50	50 / 25	12.50 / 6.25	12.50 / 6.25	10.00 / 5.00	6.00 / 3.00	8	Y.
1,75,02,480	3,75,33,193	5,99,75,120	4,17,59,406	—49,07,085	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	30.40	15	3.00	2.62	2.25	Nil	12	Y.
12,00,000	3,67,363	29,03,352	18,76,700	213	V. K. Eradi (Chairman)	22,228	100	Malabar Spg. & Wvg.	80.00	200	Nil	8.00			12	Y.
60,00,000	69,00,000	66,60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	403.00	100	35.00	42.50	20.00	20.00	8	Y.
29,80,884	12,88,081	93,11,180	51,89,457	19,783	N. Sirur & Co. Private Ltd.	39,896	794	Minerva Mills	61.00	100	6.00	6.00	Nil		12	Y.
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	98.75	250	7.50(c)	7.50			6	Y.
24,83,500	39,98,562	1 13,65,249	72,49,736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	80 00	50	6.00(c)	9.00*	9.00*	5 00	2	Y.P.
18,61,780	....	29,12,641	17,83,314	3,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6 25N	10	Nil	Nil	Nil		8	Y.
37,23,200	39,29,961	1,73,83,244	67,86,633	....	M.	87,788	902	Osmanshahi Mills	39.00	100	2.50(c)	3.00(c)	Nil		9	Y.
4,00,000A / 6,00,000B	13,00,000	71,79,976	28,66,277	8,909	Bhaghyalakshmi & Co.	45,606	..	Palani Andavar Mills	129.00 / 182.00	50A / 75B	12.00 / 18.00	15.00 / 22.50	9.00 / 13.50		12	Y.P.
15,00,000	....	35,52,644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	87.00	100	4.00(c)	Nil	Nil		12	Y.
16,81,200A / 8,40,600B	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	300	Radhakrishna Mills	131.00 / 63.50	100A / 50B	20.00 / 10.00	20.00 / 10.00	12.00 / 6.00		12	Y.
19,53,275	30,55,750	76,37,378	32,62,433	....	B. R. Naidu & Sons	40,296	..	Rajalakshmi Mills	71 00	50	10.00	7.50	4.50		12	Y.P.
16 14,800	14,00,000	58,40,286	20,95,406	....	Ramco Agencies Private Ltd.	30,756	..	Rajapalayam Mills	125.00	100	10.00	10.00	12.00	8.00	8	Y.
22,32,300	11,19,000	56,65,412	25,87,551	5,956	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	121.00cd	100	10.00	10.00	10.00	10.00	12	Y.
15,90,000 / 10,000	2,69,010	3,15,04 564	2,05,50,756	—34,29,635	M.	86,048	2,234	Sholapoor Spg. & Wvg.	422.50 / —	1,000 / 500	Nil	Nil	Nil		8	Y.J.
36,69,700	21,91,449	1,05,51,059	61,65,564	37 576	H. N. Pallegar, Esq.	42,924	292	Sri Krishnarajendra Mills	65.00xd	50	5.00	7.00	7.00	4.50	8	Y.
15,00,000	3,63,33,415	1,06,79,186	80,23,012	30,16,282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	68.00N	10	6.00	6.00	6.00	6.00	8	Y.
17,50 000 O / 1,57,50,000 PO	2,36,28,071	5,28,86,193	1,97,31,347	2,64,970	M.	1,12,216	2,093	Swadeshi Cotton (Kanpur)	11.12 / 11.00	10O. / 10P.O.	0.75 / 1.15	0.75 / 1.15	0.75 / 1.15		8	Y.
1,00,00,000	60,00,000	3,88,81,393	1,95,13,492	1,78,216	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	19.62cd	10	0.75	1.00	1.00		12	Y.P.
13,98,730	8,75,000	20,72,310	14,38,584	71	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.80cd	10	0.90	1.12	0.90	0.75	12	Y.P.T.
21,00,000	39,86,788	86,30,895	51,76,507	12,000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	222.00cd	100	20.00	20.00	12.00		12	Y.
32,00,000	8,64,423	1,94,48,153	1,30,02,866	—14,81,997	The Bombay Co. (Private) Ltd.	49,880	1,363	Vishnu Cotton	87.00	100	8.00	8.00	Nil	Nil	12	Y.P.T.

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

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
71,39,780	6,27,794	1,53,40,852	52,19,911	49,516	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.10	B. 10	1.00*	1 00	1.00		12	Y.P.
59,89,343	36,548	1,57,05,664	21,936	6,415	M.	Ashoka Cement Ltd.	9.12	10	..	..	Nil	Nil	3	Y.T.
12,71,80,070 / 6,34,26,150	10,06,76,940	36,32,76,342	12,89,15,052	1,98,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	149.50	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
83,92,587	....	1,23,58,448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.52	10	0.30	0.60	0.60		12	Y
1,44,10,795 / 5,00,000	53,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	10.75 / 2.63	O. 10 / D. 1	1.25 / 0.12	1.25 / 0.12	1.20 / 0.12		12	Y.P.T.
1,09,79,135	30,37,736	2,18,27,299	73,38,865	71,092	Essen Private Ltd.	India Cements Ltd.	— / 5.95	O. 25 / D. 5	1.87 / 0.37	2.06 / 0.41	2.06 / 0.41	2.25 / 0.45	3	Y.P.
1,50,00,000	1,85,000	6,72,92,670	1,24,70,386	93,276	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.00	10	0.75	1.25	1.25	1.25	3	Y.P.
1,00,00,000	31,43,497	3,25,63,768	1,17,79,523	37,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.24	10	1.25	1.25	1.50		12	Y.P.
1,34,20,200	48,94,785	3,53,77,865	1,29,16'661	2,23,856	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	146.00	100	8.50	9.00	9.00		12	Y.P.
75,00,000	17,70,000	2,18,91 926	1,54,88,889	18,727	M.	Sone Valley Portland Cement	5.94	5	0.30	0.15	0.30		12	Y.
80,00,000	6,00,000	1,04,84,565	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	9.95	10	0.62	0.60	0.60		12	Y.

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
13,50,000	3,38,041	10,99,022	6,14,954	12,83,240	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	19.83	100.	1.00	3.00	1.50	..	9	Y.P.
50,50,275	8,45,000	1,20,18,973	35,41,847	20,913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.47	2½	0.25	0.25	0.25		12	Y.
10,00,000	34,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	32.50	10	1.75	0.87	1.75	1.75	3	Y.
£1,371,300	£1,348,400	£2,621,717	£1,593,562	£1,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.26	Sh. 2	10.8d.*	4.8d.	4.32d		12	Y.
O.15,00,000 / P.5,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	14.12	10	1.00 / 3.00	Nil / Nil	Nil / Nil		6, 12	H.
6,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.70	10	0.75	1.00			3	Y.
20,00,000	49,23,557	56,51,624	29,17,800	1,42,114	Bird & Co. Private Ltd.	Orissa Minerals	33.00	10	2.00*	1.00†	2.00	2.50*	6	Y.
7 00,000	71,05,000	74,84,368	29,53,314	52,523	Killick Industries Ltd.	Shivrajpur Syndicate	104.00	10	8.00*	8.00*	8.00*		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
41,27,700	37,60,000	1,10,24,566	49,60,560	31,063	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	184.50	100	8.00	10.00	12.00		12	Y.P.
62,00,000O / 2,47,97,000A	90,34,040	4,45,67,285	73,02,594	1,08,673	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	22.37	10	0.80	0.80	0.80	0.80	9	Y.P.
60,00,000	....	67,15,919	....	1,15,111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	143.00	100	Nil	Nil	Nil		12	Y.P.
'69,27,800	11,05,700	2,96,61,485	67,85,495	58,686	Lalbhai Sons & Co.	Atul Products Ltd.	320.75	100	5.25	6.00	8.00		12	Y.
48,17,200	48,38,400	1,45,22,658	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	100.00	100	6.00	6.00	6.00	6.00	3	Y.P.T.
21,50,000 / 42,74,800	63,31,297	1,43,64,534	57,89,669	9,989	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	117.50 / —	100 / 100New	12.00 / ..	9.00 / 4.50	7.50 / 3.75	6.00 / 6.00	3	Y.P.
3,36,06,075	....	4,29,69,769	2,38,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	8.80	10	Nil	Nil	Nil		12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jal H. Mehta	Kemp & Co.	220.00	200	12.00	15.00	15.00	15.00	3	Y.
40,50,000	16,32,446	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.10	10	0.70	0.75	0.75	0.87½	3	Y.P.T
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.06	10	0.50	0.50	0.50		3	Y.
6,00,000	4,00,000	7,87,855	4,44,356	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	25.35CR	10	2.00	2.00	2.00		3	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	11.00	5	0.50	1.00	1.00	0.80'C'	6	Y.P.
10,00,000	12,00,954	19,34,602	14,27,276	87,365	M.	Polychem. Ltd.	85.30	50	..	..	..	Nil	3	Y.P.
1,39,95,990 / 56,00,000	17,19,952	4,57,35,637	1,71,43,316	3,736	Tata Industries Private Ltd.	Tata Chemicals	16.56	10	Nil	0.75	0.80	0.75	6	Y.P.T.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
3,74,78,395	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	97.10	100	5.00	6.50	3.25	6.50	3	Y.T.
72,50,000	14,67,106	1,98,94,397	45,21,447	15,26,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	11.20	10	0.75	0.75	0.42½	0.85	3	Y.P.
3,02,76,250	76,70,609	9,08 96,522	2,41,70,836	32,105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,147.50	1,000	75.00	75.00	56.25	80.00*	3	Y.P.T.
1,75,00,000	54,34,572	3,30,22,445	77.28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	104.00	100	7.00	7.00	7.00	7.00	3	Y.
7,07,020	99,267	16,03,942	7,53,744	199	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.12	10	0.75	0.62	Nil	0.50	3	Y.T.
13,89,000	9,35,596	1,40,77,220	53.14,908	7,836	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	120.00	100	10.00	10.00	2.50	7.50	3	Y.P.T.
60,62,500	25,74,514	1,34 27,302	42,37,719	3,823	Killick Industries Ltd.	Surat Electricity	110.00	100	7.00	..	8.75	7.00	3	Y.P.
2,39,99,575	74,19 097	6 63,96,657	1,61,14 10	23,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	119.00	100	7.50	7.50	5.52	8.00*	3	Y.P.
5,15,35,750	2,13,05,278	16,15,83,754	3,15,30,93°	29,701	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,187.50	1,000	75.00	75.00	56.25	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
£9,99,600	44,20,245	1,12,31,458	33,25,328	49,395	MartinBurn Ltd.	Agra Electric Supply Co., Ltd.	145.00	100	10.00	10.00	10.00	10.00	3	Y.T.
3,00,000	14,59,897	50,97,022	18,71,544	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14.50	10	1.00	..	1.25	1.00	3	Y.T.
7,00,000	35,12,989	1,29,85,469	37,39,559	35,395	Martin Burn Ltd.	Benares Electric Light & Power Co.	14.19	10	1.25	..	1.25Z		3	Y.T.
5,91,360	5,95,855	21,28,477	9,59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	7.75	8	0.50	..	0.62Z		3	Y.
£4,262,646	£8,460,286	£30,407,122	£10,881,162	130,008	Harry Burn Esq. (Chairman)	Calcutta Electric Supply	14.94	£1	6%	6%	8¼%Z		3	Y.P.T.
6,60,090	5,11,491	28,13,024	8,33,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.00	10	0.62	..	1.00Z	0.65	3	Y.
43,20,000	16,40,106	98,00,595	33,79,618	8,16,830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	102.00	100	6.00	6.00	6.50	7.00	3	Y.P.
5,34,640	96,514	29,51,444	12,22,358	3,590	Meenna Lall & Sons	Jhansi Electric Supply	6.62	10	0.69	..	0.86Z	0.62½	3	Y.T.
2,49,700	25,37,546	98,31,343	35,83,665	29,425	Martin Burn Ltd.	Jubbulpore Electric Supply	13.00	10	0.91	0.40	0.92	0.92	3	Y.
4,95,000	2,21,874	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.50N	9	0.50	..	1.22Z	0.72	3	Y.
5,82,390	3,95,296	32,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8.25	10	Nil	..	1.25Z	1.00	3	Y.
6,99,850	1,83,973	17,84,092	7,83,164	22,321	G. D. Bhagat, Esq.	Muttra Electric Supply	10.75xd	10	0.60	0.80	0.80	0.80	3	Y.
35,10,478	37,51,068	1,32,14,704	51,65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.37	10	0.75	..	1.25Z	0.75	3	Y.T.
9,10,000	1,93,940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25	10	0.50	Nil	Nil	0.50	3	Y.
16,80,000	11,63,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	11.00	10	0.75	..	0.94Z	0.68	3	Y.T.
56,00,000	9,42,467	1,85,49,991	54,65 888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	12.15	10	0.91	0.91	1.28	0.87	3	Y.P.T.
5,99,250	4,67,280	21,09,262	9,36,176	9,038	Martin Burn Ltd.	Upper Ganges Valley Electric Supply	13.75	10	0.94	..	1.25	1.00	3	Y.
5,00,000	6,65,006	25,81,076	8,92,154	32,516	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	18.00	10	1.25	1.25	1.25		3	Y.
56,01,185	65,36,540	3,01,72,909	84,072	83,837	Martin Burn Ltd.	U. P. Electric Supply Co.	136.00	100	10.00	10.00	10.00		3	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.75	10	1.00	1.00	1.00	1.00	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
33,41,200	52,81,831	74,21,408	62,82,616	25,016	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	272.50	100	12.50	15.00	12.50		12	Y.
14,99,960	2,67,708	16,61,421	6,38,124	3,552	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	56.00	60	3.00	3.00	3.00	3.00	12	Y.
6,40,000	3,75,000	1,57,259	1,17,027	1,448	M. R. Rao Esq. (General Manager)	Jost's Engineering	71.00	50	4.00	4.00	5.00	5.00	3	Y.
44,96,250	2,57,957	55,59,741	16,71,411	56,266	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	8.63	10	Nil	Nil	Nil		9	Y.P.
30,00,000	15,01,511	44,29,526	20,09,704	25,546	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	24.00	10	1.00	1.00	1.00	1.25	3	Y.P.
1,32,00,000	35,51,182	1,33,44,215	23,12,332	98,631	M.	Mahindra & Mahindra Ltd.	24.60	10	1.00	1.25	1.75	2.20	10	Y.P.
11,00,000	49,774	31,43,786	18,71,576	31,416	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	78.00	100	Nil	Nil			7	Y.P.
39,69,895	24,80,000	83,15,927	31,99,497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	16.60	10	Nil	Nil	1.00	1.20	3	Y.P
22,50,000O. / 1,31,250Pr.	1,23,56,576	7,51,153	73,243	1 43,527	Walchand & Co. Private Ltd.	Premier Construction	296.75	20	3.50	3.50	10.00		12	Y.P.
9,63,75,000 / 9,51,47,175	28,26,43,033	147,05,45,433	42,01,71,546	4,49,862	Tata Industries Private Ltd.	Tata Iron and Steel	181.25 / 179.00	75old / 75new	10.50 / ..	10.50 / ..	9.50 / 2.54	8.25 / 7.56	3	Y.P.
5,04,00,000	65,53,390	16,75,33,296	6,63,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	193.00	100	Nil	6.00	8.00	9.00	3	Y.P.T.
2,55,00,000	24,78,951	76,50,491	16,44,492	1,09,103	S. K. Handoo, Esq.	Voltas Ltd.	166.25	100	5.00	9.00	9.00	9.00	8	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	11.50	10	..	..	Nil		10	Y.P.T.
50,00,000	19,00,000	1,22,29,219	79,69,445	97,400	Bhartia Co., Ltd.	Bhartia Electric Steel	17.69	10	1.25	1.25	1.25		12	Y.
56,59,790	64,90,721	66,62,747	9,45,919	1,75,170	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	31.12	7	1.75	2.00	3.00	1.25	12	Y.
12,00,000	25,05,000	49,19,444	27,99,444	1,73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34.00	10	1.50	2.00	2.00		12	Y.T.
19,88,670	5,23,347	37,25,250	11,79,769	99,900	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6.12	10	1.00	0.50	0.50	0.50	3	Y.P.T.
40,00,000	39,42,865	83,13,780	37,63,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	13.62	10	1.50	0.60	0.60		12	Y.T.
5,00,000	5,65,064	22,70,144	13,03,817	68,189	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	27.87	10	Nil	Nil	2.00	2.00	12	Y.
84,00,000	1,99,04,936	4,42,87,297	2.71,63,251	1,30,345	Martin Burn Ltd.	Burn & Co.	453.00	100	15.00	20.00	20.00	20.00	4	Y.T.
2,00,00,000	2, 02,39,092	3,89,31,446	1,68,28,306	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	39.00	10	..	2.30	2.00		12	Y.
12,50,000	23,50,000	60,07,710	38,80,350	5,810	Martin Burn Ltd.	Hooghly Docking	118.00	50	6.25	6.25	5.00		12	Y.P.
36,94,590	4,35,000	43,08,664	28,13,944	4,22,513	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	16.69	10	1.00	Nil	Nil		12	Y.P.
10,36,74,160	18,72,11,475	43,94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	24.24	10	1.00	1.90	1.00	1.00'C'	3	Y.P.
38,98,500	54,64,443	1,09,97,195	64,95,575	42,976	Martin Burn Ltd.	Indian Standard Wagon	104.00	25	6.25	7.50*	7.50*	5.00	3	Y.P.
32,00,000 / 26,580	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	41.00 / 23.00N	0.10 / 0.1	3.00 / 0.30	3.00 / 0.30	4.00* / 0.40*	4.00* / 0.40*	3	Y.
68,62,575	52,15,306	2,84,90,851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	190.00	100	12.00	10.00	15.00	12.00	3	Y.P.T.
1,01,89,000	51,82,557	1,72,18,507	62,69,132	51,642	M.	Jessop & Co.	33.50	10	3.00	Nil	Nil		10	Y.P.
24,23,187	10,05,500	43,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	20.40	10	0.50	0.60	0.90	1.00	3	Y.
18,43,200	54,56,724	72,53,319	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	9.81	8	0.50	0.62	0.45		11	Y.P.T.
10,50,000	23,78,264	17,13,875	13,52,941	1,35,774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	6.25	2	0.30	0.40	0.40		6	Y.
49,96,000	7,44,675	1,25,33,261	63,79,493	9,10,380	M.	National Iron and Steel Co., Ltd.	8.62	10	0.25	0.62	0.62	0.62	3	Y.P.T.
40,00,000	30,56,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44	10	1.50				6	Y.P.
6,00,000	8,16,855	29,83,251	18,00,849	21,638	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.44	4	0.25	0.25	0.40	0.40	3	Y.
1,50,00,000	46,87,211	3,55,99,392	1,47,60,898	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	25.70	10	1.00	1.25	1.50		12	Y.P.T.

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
13,50,000	46,99,060	1,33,51,354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	12.31	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	33.00	50	3.00	3.00	3.00		12	Y.
5,15,000	1,84,95,246	12,38,65,607	....	....	R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	201.25	100	25.00				12	Y.
24,00,000	62,91,344	1,26,11,797	....	3,40,686	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.50	10	2.00	2.00	2.00		12	Y.
18,74,940	3,16,61,024	4,00,62,157	....	5,97,428	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	5.20	15	Nil	Nil	Nil		12	Y.
20,00,000	53,90,401	1,56,15,926	....	10,976	M. G. Mody, Esq.	New Great Insurance	21.00	20	1.50	1.50	2.00		12	Y.
1,86,81,596	7,19,81,437	13,20,95,176	....	1,41,431	B. K. Shah, Esq.	New India Assurance	51.60	15	2.50	3.00	3.00		12	Y.
6,00,000	73,22,32,610	32,01,80,624	....	....	L. S. Vaidyanathan, Esq.	Oriental Life Assurance	4,200.00	200	200.00				12	Y.
33,00,000	65,90,064	1,60,63,502	....	29,354	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	7.12	8	0.50	0.63			12	Y.
5,75,000	67,91,968	42,97,528	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	155.00	25	11.25	11.25	11.25		12	Y.
15,99,270	33,72,513	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	20.28	10	1.25	1.50	1.50		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	1955	1956	1957	1958	Accounts Closed	Reference
35,00,000	86,85,342	89,25,560	36,80,012	1,63,409	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	6.25N	7	1.50	1.50	0.60		12	Y.P.
1,00,00,000	1,44,75,601	94,16,791	49,77,641	1,06,640	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co. Ltd. A.	26.75	10	4.00*	2.00	2.00		12	Y.P.
79,97,478	35,88,424	2,22,58,663	1,37,40,656	5,511	Tata Industries Private Ltd.	Tata Oil Mills	53.70	25	2.00	3.00	2.50	2.50	3	Y.P.
6,00,000	9,41,590	2,24,955	1,61,722	63,892	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India), Ltd.	17.00	10	1.00	1.25	1.25		10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—Dividend is for fifteen months ended 31st March 1957. T—Company has got Debentures.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
PAPER														
45,00,000	27,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	100.00	25	4.69	2.50	3.12	2.00I	12	Y.P.T.
63,00,000	41 52 258	1,94,26 902	88 79,418	29,471	Andrew Yule & Co., Ltd.	India Paper Pulp	23.50	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	37,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	19.00	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82 500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	37.00	10	1.12	0.62	1.50	1.50	3	Y.P.T.
1,25 49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	17.75	10	1.25	1.25	1.25		12	Y.P.T
50,00,000 'A'10 60 000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12.75 12.75	O. 10 A. 10	1.25 1.25	1.05 1.05	0.60 0 60		9	Y.P.
2,18,55,240	51,23,786	3,93,85,536	1,10,56,130	18,794	Birla Brothers Private Ltd.	Sirpur Paper Mills	14.04	10	5 00‡	0.50	0 50	0.65	6	Y.P.
36,00,000A. 34,04,800B. 4,37,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	43 87 43.87 4.25	A. 10 B. 10 P.O. 2½	2.00* 2.00* 0.25	1.12* 1.12* 0.12	2.38* 2.38* 0.24	2.38* 2.88 0.24	3	Y.P.
SAW MILLS AND TIMBER														
12,99,998	22,88,889	32,79,430	12,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	3.19	3	Nil	Nil	Nil		9	Y.
39,25,000 42,00,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corpn.	517.00 176.25	Old125 New50	37.50 15.00	40 00 13.75	47.50K 19.00K	22.50 9.00	5	Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	40.12	10	3.00	3.00	2.75	1.00I	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	16,60,406	43,47,523	32,35,804	59,415	M.	Balrampur Sugar	7.00	10	0.06	Nil	0.25	0.25	6	Y.
12,00,000A. 2,00,000B.	29,80,260	55,40,831	36,82,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	120 00N 11 50N	A. 100 B. 10	10.00 1.00	10.00 1.00			4	Y.T.
19,49,050	9,25,000	33,56,131	25,76,647	66,832	Bangur Bros., Ltd.	Belsund Sugar	13.25	7½	0.75	1.00	1.00	1.00	9	Y.
15,00,000	13,08,913	22,66,507	18,89,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	12 00N	10	1.50	1.50	1.50	1.00	6	Y.P.
32,00,000	23,38,522	1,49,71,234	1,02,01,879	11,728	Gladstone Lyall & Co., Ltd.	Carew & Co.	9 00	10	0.25	Nil	Nil	0.25	6	Y.P.T.
30,00,000	34,39,509	1,65,39,057	93,52,334	—3,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	10.87	10	0.75	0.75	Nil		10	Y.P.
18,00,000	38,41,544	85,45,310	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	17.07	10	1.50	1.00	Nil	1.00	6	Y.
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9 50N	10	0.50	0.50			3	Y.T.
60,00,000	65,12,000	2,11,44,128	86,21,246	43,249	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	230 00	100	15.00	15.00	15.00	15.00	6	Y.P.
18,00,000	18,01,626	82,23,561	52,13,596	74,885	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	46 00	40	2.25	4.00	7.00	4.00	7	Y.P.
7,89,100	25,36,524	50,24,224	28,80,749	18,295	Cotton Agents Private Ltd.	New India Sugar Mills	27.37	10	2.50	2.50	2.50	2.50	6	Y.P
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5 00xd	10	0 25	0.37	0.37		5	Y.
18,21,100 38,275	49,91,797	78,75,775	27,02,362	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	250.00 50.00N	100 25	20.00 5.00	20.00 5.00	20.00 5.00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	140 00	100	11.00	11.00	12.50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	12 00	10	0.75	0.75	Nil		10	Y.P.
63,59,400	48,34,090	81,89,788	31,42,934	39,548	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	14.56	10	1.50	1.50	1.50		10	Y.
8,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	17.00	10	Nil	1.75	1.50		6	Y.T.
11,99,000	16,33,214	47,23,583	25,13,422	—2,20,853	M.	Samastipur Central Sugar	12.00	10	Nil	1.75	Nil		6	Y.
39,88,800	22,68,560	1,47,99 287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11.25	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	32,42,065	14,85,208	—3,03,840	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2.00	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
8,00,000	37,71,616	1,55,93,502	86,53,620	24,618	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	2.50	3.00	5.00	5.00	6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.	United Provinces Sugar	15.19	10	1.50	0.60	0.75		9	Y.
Other Centres														
30,00,000	23,00,000	84,58,962	24,22,569	22,096	Rangarao & Co.	Andhra Sugars Ltd.	22.50cd	10	0.60	1.00	1.25	1.50	9	Y.
70,49,650	1,35,26,508	1,52,99,065	1,08,78,700	2,88,214	W. H. Brady & Co., Ltd.	Belapur Company	297.00	50	16.00	16 00	18 00	20 00*	9	Y.
17,50,000	13,19,902	42,58,150	25,46,204	1,21,343	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	23.52xd	10	1.00	1.50	2.00	2.00	9	Y.P.
37,50,000	16 15,171	76,19,408	50,40,255	31,529	(A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.)	Shree Changdeo Sugar	31.10	12.50	2 00	5.00	2 25		9	Y.
39,84,000	50,19,492	1,19,44,828	66,95,463	1,49,743	Parry & Co. Ltd.	Deccan Sugar & Abkhari	11.75	5	0.50	0.75	0.72½'C'	0.90	5	Y.P.
£800,000	£1,398,556	£1,861,707	£996,904	£70,816	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	37.50	£1	Sh. 4	Sh. 3	Sh. 3	Sh.4	9	Y.P.
15,93,900	21,59,383	45,68,562	27,88,312	9,164	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	Nil	6.00	10.00	10.00	6	Y.P.
63,97,600	9,09,336	78,60,440	13,77,075	24,812	India Sugar Agencies Private Ltd.	India Sugar and Refineries	13.00cd	10	1.40	1.12	1.00	1.00	9	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.00	10	1.00	0.60	0 60		6	Y.P.
10,52,200O. 2,87,190D.	1,09,50,000	3,37,42,487	51,70,482	83,107	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	140 00cd 140 00cd	O.100 D. 10	7.50 10.00	7.50 10 00	7.50 10.00	7.50 1.50	6	Y.P.
67,50,000	43,52,607	1,32,16,830	62,39,590	2 98,574	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	208.00	50	..	100 00*	100 00*	17.00*	9	Y.P.
21,79,280	92,73,108	1,57,31,189	96,17,873	1,44,257	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	51.50	10	2.00	2 00	2 00	3.00*	6	Y.
50,00,000	53,21,430	1,16,88,154	67,30 841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	162 00	50	3.00	9 00	12 00*	10.00	9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	20 50	10	2.00	2 00	1 50		8	Y.P.T.
20,00,000O. 4,00,000D.	42,95,804	1,18,46,781	62,36,097	72,206	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	124 50 80.00N	O. 50 D. 50	9 00 0.70	12.00 0.70	12 00 3.75	12.00 3.75	9	Y.P.T.
30,00,000	23 85,000	65,43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	11.95	10	0.75	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,16,87,178	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries	315.50	100	18.00	21.00	21.00		9	Y.P.T
TRANSPORT														
20,00,000	99,80,970	1,22,58,916	19,44,277	36,387	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	7.50	7.50	5.00		10	Y.P.
1,00,00,000	,27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	12.06	10	5.00	6.00	12.00*		12	Y.
60,00,000 30,00,000	1,98,50,067	5,87,36,543	1,23,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	22.52 15.52	10 5	Nil	1.00	1.50	1.80 0.90	6	Y.P
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	73.00	£10	Sh. 10	Nil	Nil		12	Y.P.
2,47,50,000	2,83,86,232	15,10,10,777	3,23,97,810	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	14 52	10	Nil	1.00	1.00	1.00	3	Y.P
11,28,19,293	10,91,45,114	30,05,36,672	6,94,73,743	6,65,069	M.	Scindia Steam Navigation Co.	18.28	20	0.50	1 00	1.25	1.25	6	Y.T.
6,40,800O. 2,10 200P.O.	21,67,472	12,59,963	3,41,760	1,35,400	R. R. Aiyer Esq. (Manager)	Walford Transport Ltd.	2.15 2.00	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.14 0.12		11	Y.
UNCLASSIFIED (Bombay)														
5,57,00,000	1,20,48,754	5,27,61,368	,66,48,054	1,85,01,936	S. H Turner (Chairman)	Hindustan Lever	30.25	10	..	1.25	1.40	1 50	12	Y.
31,07,000	13,46,538	1,14,49,682	72,51,407	67,978	Birla Brothers Private Ltd.	Hind Cycles	111.25	100	10.00	..	12.50F	7.00	3	Y.P.T.
14,98,840	4,61,996	33,87,568	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	40 00	50	2.00	3.00	3.50*	3.00	3	Y.P.
99,99,250	20,21,794	1,27,76,392§§	....	1,92,364†	Premchand Roychand & Sons	Industrial Investment Trust	82.50xd	100	4.50	5.00	5.50	6.00	12	Y.
1,00,00,000 6,23,625	25,34,707	45,50,246	14,45,332	9,290	K. G. Milne, Esq. (Mg. Director)	Killick Industries	139.00	100	11.00	11.00	11.00	13 00	11	Y.
2,20,26,525	71,19,432	3,90,61,158	1,93,68,002	4,78,891	Aero-Auto Private Ltd.	Premier Automobiles	120.50	100	Nil	6.00	6.00	4.00	6	Y.T.
21 60 000	29,18,788	64,65 614	14 68 874	64,830	Polson Agencies Private Ltd.	Polson Ltd.	156 00	10	10.00	12.50	10.00		12	Y.P.
2,75,00,000	1,57,27,188	4,42,23,592	1,76,37,418	1,62,793	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	215 00	100	11.00*	11.00*	11.00*	11.00*	12	Y.
45,00,000	59,87,543	11,32,721	5,39,418	84,393	Jehangir P. Patel, Esq. (Chairman)	W. H. Brady & Co., Ltd.	305.00	150	20.00	22.50	25.00	25.00	12	Y.
Other Centres														
57,50 000 2,50,000	1,99,56,713	3,81,21,462	36,96,361	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	14.31 —	O. 10 D. 2½	Nil Nil	0.50 Nil	0.90 Nil		3	Y.P.T.
79 95,658	34,25 000	1 05,40,087	34,37,767	49 715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd.	19 35xd	10	1.25*	1.25	1.25	1.25	3	Y.
30,00,000	36,21,857	35,74,849	24,59,437	2,39,372	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	19.75	10	2.00*	2.00*	1.80*	1.50	8	Y.
30,00,000	17,57,742	39,32,562	20,88,148	1,97,533	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	16 75	10	1.25*	1.25*	1.25*	1.25*	12	Y
20,00,000	25,94,600	1,05,12,083	39,58,428	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	7.50	10	0.40	1.20	0 60		3	Y.P.T.
30,01,400	34,59,405	74,46,183	40,46,138	5,00,886	M.	Balmer Lawrie & Co., Ltd.	174 00	100	12 50	15.00	12.50	5.00†	12	Y.
12,00,000	19,60,081	34,87,689	28,67,589	2,19,540	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	34.50	10	2.25	2.50	2.50	2.50	12	Y.
30,00,000	8,48,877	....	....	14,920	Lovelock & Lewis	Birds Investment Ltd.	14.62	10	1.25	1.00	0.50	0.70	9	Y.P.
45,97,020	38,11 814	1,15 02,202	42 92 212	2 18 164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	20.12	10	1.00	1.00	1.00	1.20	3	Y.P.T.
3 25,00,000	1,27,72,883	3,51 40,182	2,47,20 776	—11 35 910	M.	British India Corporation Ltd.	5.16	5	Nil	0.10	Nil		12	Y.P.
5,00,000	2,47,182	3,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	79.00xdN	100	5.00	6.00	10 00*		6	Y.
1,28,80,000	17,84 264	2,05 94 990§§	....	3,10,583	Andrew Yule & Co. Ltd.	Clive Row Investment	11.62	10	0.56	1.38	0.75	0.75	3	Y.
3,00,00,000	3,95 09,699	8,77,39,859	2,97,56,769	22,46,056	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	34.87	10	1.50	1.50	1.62	1.62	12	Y.P.T.
16,20 680	26,75,014	29 88,961	16,23,422	36,736	Mr. K. G. Khanna	Dyer Meakin Breweries	16.00	5	0.56	0.56	..	..	8	Y.
51,26,000	56,67,666	1,62,81,196§§	....	3,25,471	Bird & Co. Private Ltd.	Eastern Investments Ltd.	142.00	100	9.00	9.00	9.00	9.00	12	Y.P.
14,94,675	....	22,64,862	91,811	5,110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10.00	10	..	..	..	..	12	Y.P
14 00,000	10,85,000	36,71,778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	195 00	100	15.00	4.00	12.50	15.00	3	Y.
40,00,000	4,00,000	63 89,740	32,43,367	16,90 318	M.	Godfrey Phillips India Ltd.	20.50N	10	2.00	2.00	1.50		12	Y.P.
65,00,000	86,00,000	29,50,904	12,41,168	1,46,370	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	13 06	10	1.40	1.60	1.00	1.00	3	Y.P.
30,00 000	15,17,854	83,08,821	36,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	250 00N	250	6.25	15.00	15 00		3	Y.
4,96,13,250	18 37,499	5,26 95 200	2,25,48,541	9,38,841	Birla Brothers Private Ltd.	Hindusthan Motors	9.04	10	Nil	Nil	Nil	Nil	3	Y.P.
3,88,05,820	1,30,17,480	9,30,74,123	2,48,87,454	15,25,957	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	22.19	10	0.90	1.00	0.60	0.70	3	Y.P.
1,52,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	32 31	10	1.25*	1.50*	1.50*	1.50*	12	Y.P.T.
8,27,970	6,03,000	16 74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	17.62	10	0.50	0.62			3	Y.P.
2,00,00,000	84,76,626	4,61,56,945	1,85,74,917	6,17,828	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	28 50	10	..	..	1.00	1.00	9	Y.
5,16,00 000	9 06,59,979	10,61,81 642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	12 06	10	0.30	0.30	0.70	0 70	3	Y.
2,50 00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	91.00	100	7.50	7.50	2 50	2.50	3	Y.P.
40,00,000O. 5,00,000D.	82,95,072	29,31,775	11,33,490	..	M.	McLeod & Co.	200.00 —	O. 100 D.O.10	22.50 1.75	3 00 0 30	12 50 0.75		12	Y.P.
1,45,55,250	1,07,91,546	54,34,935	15,77,645	2,44,633	T Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	30 12	10	1 81*	2.12*	2.12*	2.12*	9	Y.P
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	36 00	10	1.25	1.62	1.75	1.75	3	Y.P.
6 56,250	6,92,500	11,29,680	5,97,262	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	19 00	10	0.75	0.90	1.25		3	Y.P.
10,00 000	3 70,000	18,04,172	10,70,792	4,088	M. Malleshayya Esq. (Chairman)	Mysore Tobacco	14 00	10	1.00	1.50	1.50	1.25	3	Y.
2,00,00,000	88,05,505	2,82,78,743	78,77,684	33,83,463	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	32 81	10	3.25	1.50	1.40	1.40	12	Y.
59,96,000	98 71,172	77,84,523	42,87,426	2,67 636	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	33 56	10	1.50*	2.00*	2.00		3	Y.T.
40,00,000	20 00,800	86 22,809	17,66,013	24,266	Do.	National Rolling & Steel Ropes	14.44	10	0.60	0.60	0.60		6	Y.P.
8,00,000	6,00,000	50,21,760	28,60,528	1,80,892	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	16.25 —	10 5	.. ..	.. ..	1.00 0.50		12	Y.
79,97,000	68,89 261	1,35,70,061	65,79 351	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	16 06	10	0.80	0.70	0 90		12	Y.P.T.
2,20,00,000	42,21 731	80 43,238	33 40 874	68 842	P. C. Vink, Esq (Mg. Director)	Phillips India Ltd.	22 37	10	..	..	0.34		12	Y.
2,25 00,000	10 94,424	85,12,939	46,26,988	—32,47,714	M. P. A. Paspatti, Esq.	Rallis India Ltd.	69.25	100	Nil	Nil	Nil	Nil	8	Y.P.
2,50,80 000	1,57,90,209	13,84,94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	22.44	10	1.50	1.50		2 00††	3	Y.P.T.
4,73,200 5,13 400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100 00N 50 00N	100 50	.. ..	5 00 2 50	6.00 3.00	6.00 3.00	3	Y.P.
70,00,000	17,66,318	1,67,21,608	34,47 040	66,321	M	Sen-Raleigh Industries	17 12	10	0.60	0 60	0.60		9	Y.P.
40,00,000	89,05,314	1,28,83,302	73,61,372	9,13 245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	20 12	10	1.50	1.50	1.50	1.50	6	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3,65,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	19.50	10	1.00	1.00	1.00		12	Y.P.
15,00,000	95,15,571	1,13,44,098	16,55 796	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	14.00N	10	1.00	1.25	1.25		12	Y.
9,98,380	19,925	14,83,995	5,18,593	—7,432	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6 30cd	10	Nil	Nil	Nil		12	Y.
6 00 000	9,80,100	30 85,103	26,85,097	9,488	Vital Mallya, Esq. (Chairman)	United Breweries	400 00	100	20 00	20 00	20 00	60 00	3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs 10 in 1958. † Subject to taxation.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. K—Includes an additional dividend Rs. 7.00 per old share and Rs. 3 00 per new share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	32.00N	10	4.75	5.00	1.00	1.50A	12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea	18.50	10	1.00	2.00			12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	24.50	10	1.00	1.25	0.50		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	22.31	10	1.00	2.50	1.50		12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co., Ltd.	377	Basmatia	27.37	10	1.50	2.00	1.75		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Batell	18.25	5	2.50	3.00	1.50		12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co., Ltd.	581	Betjan	24.00	10	2.00	2.50	1.50		12	Y.
33,00,000	15,39,600	73,93,583	30,33,388	3,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	19.87	10	2.00	2.00	1.00		12	Y.
6,00,000	2,50,000	18,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	15.12	10	Nil	0.50	Nil		12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co. Ltd.	450	Bormah Jan Tea	17.87	10	2.00	1.50	Nil		12	Y.P.
35,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M.	2,884	Brooke Bond	18.12	10	4.75	1.25	1.75		6	Y.
1,20,000	6,00,426	9,14,738	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	67.00	10	3.00	3.00	2.00		12	Y.
8,40,000	7,77,250	31,03,643	18,55,811	—1,18,361	Jardine Henderson Ltd.	1,156	Dessai & Parbuttia	160.00	100	10.00	10.00	Nil		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	22.00	10	2.50	0.50I			12	Y.P.
4,68,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	18.31	10	1.00	1.25	2.00		12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	36,146	McLeod & Co., Ltd.	458	Dibrugarh	28.62	10	2.00	3.00	2.50	1.00I	12	Y.P.
4,73,400	6,15,000	15,05,630	6,48,530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	30.31	10	2.00	3.00	3.00	1.00I	12	Y.P.
7,00,620	10,33,300	23,48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Duflaghur	35.25xd	10	4.00	4.00	3.00	1.50I	12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co., Ltd.	1,166	East India Tea	19.06	10	1.00	1.00	0.50		12	Y.
5,03,760	6,36,175	13,30,198	5,28,090	16,110	M.	407	Gillapukri	29.75	10	3.50	3.00	2.50		12	Y.
6,76,000	4,38,700	19,45,409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	23.75	10	3.00	2.50	2.00		12	Y.
A. 7,41,540 B. 3,61,185	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	31.56 15.06	A 10 B 5	2.50 1.25	3.25 1.62	2.50 1.25	1.00I 0.50I	12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,595	Andrew Yule & Co., Ltd.	476	Hoograjuli	29.50	10	0.50	1.50	1.00		12	Y.
3,70,000	13,02,909	25,53,023	13,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	188.00	100	7.50	15.00	12.50		12	Y.
58,56,900	53,85,792	1,63,70,458	54,70,458	91,307	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	12.75	10	1.00	1.00	1.00	1.00	12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutlibari	20.25	10	Nil	1.00	1.75		12	Y.
2,40,000	11,30,500	12,75,848	6,72,848	65,988	M.	1,699	Kingsley-Golaghat (Assam)	150.00	100	25.00	25.00			12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	12.75	5	Nil	Nil	Nil		12	Y.P.
6,50,000	10,94,454	12,07,806	3,53,788	392	Duncan Bros. & Co., Ltd.	436	Ledo	19.00	10	1.00	0.75	Nil	1.00I	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,818	Octavius Steel & Co., Ltd.	612	Metheni	22.56	10	1.75	2.00	1.50	1.00I	12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13.50	10	Nil	Nil			12	Y.P.
O. 1,50,000	8,20,000	19,69,706	5,17,244	67,133	Kettlewell Bullen & Co., Ltd.	410	Methola	450.00	100	50.00	60.00	40.00		12	Y.
P. 1,75,000 O. 2,00,000	6,93,309	10,96,673	6,08,120	40,086	Andrew Yule & Co., Ltd.	364	Murphulani	28.00 28.50	O. 10 P.O. 10	1.25 1.75	2.00 2.50	1.75 2.25		12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	314	Nambornadi	13.87	10	1.00	1.50			12	Y.
5,00,000	....	7,72,341	2,90,502	—38,569	Duncan Bros. & Co., Ltd.	801	New Cinnatolliah	116.00	100	Nil	Nil	Nil		12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co., Ltd.	370	Rajgarh	47.25	10	0.25	4.00	2.50		12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	22.25	10	2.50	2.50	1.50		12	Y.
2,49,000	3,86,000	11,48,864	6,60,764	37,974	Williamson Magor & Co. Ltd.	482	Seajuli	28.56	10	1.50	1.50	2.25		12	Y.
5,98,000	12,48,874	15,39,500	4,94,783	78,434	McLeod & Co., Ltd.	495	Teloijan	29.56	10	2.50	3.50	3.00	1.00I	12	Y.P
8,00,000	5,35,127	12,11,400	3,86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45.00N	10	0.75	1.00	1.50		12	Y.
19,82,880	12,75,000	46,07,888	19,46,388	36,041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	16.50	10	1.50	1.25	Nil		12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,644	McLeod & Co., Ltd.	1,050	Tyroon	40.62	10	3.00	4.50	3.00		12	Y.P.T.
CACHAR															
3,00,000	....	5,16,444	1,84,445	—1,34,430	M.	862	Arcuttipore	7.00	10	Nil	Nil			12	Y.
7,00,000	....	7,66,139	1,03,460	—3,49,181	Octavius Steel & Co., Ltd.	849	Eastern Cachar	4.75	10	Nil	Nil	Nil		12	Y.
12,60,000	10,43,149	30,19,522	12,69,051	—1,06,851	Octavius Steel & Co., Ltd.	2,154	Hattikhira	12.25	10	0.75	0.50	Nil		12	Y.
3,00,000	1,70,000	6,34,207	2,50,949	1,081	Duncan Bros. & Co., Ltd.	625	Kanchanpore	8.50	10	Nil	Nil	Nil		12	Y.
7,00,000	6,50,000	11,33,080	3 08,080	33,302	B. L. Nopany, Esq.	1,379	North-Western Cachar	101.00	100	15.00	15.00	15.00		12	Y.
2,60,000	3,09,004	9,34,349	2,76,273	—37,588	McLeod & Co., Ltd.	638	Roopacherra	12.00	10	1.50	0.50	Nil		12	Y.
5,00,000	10,53,794	15,91,369	6,14,096	15,832	Duncan Bros. & Co., Ltd.	700	Rungamattee	82.00	50	10.00	10.00	3.75		12	Y.
4,00,000	3,36,930	10,68,284	3,68,705	—31,199	M.	642	Sonai River	10.50	10	Nil	Nil			12	Y.P.T.
DARJEELING															
2,79,900	1,05,000	3,98,716	74,910	22,108	Williamson Magor & Co., Ltd.	408	Chamong	11.25	10	Nil	0.75	Nil		12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	486	Dilaram	95.00	100	Nil	5.00	Nil		12	Y.
2,00,000	2,42,096	7,99,665	2,97,665	—57,630	Davenport & Co., Ltd.	507	Gielle	9.19	10	Nil	Nil	Nil		12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,388	—27,143	Andrew Yule & Co., Ltd.	463	Mim	225.00	100	15.00	10.00	Nil		12	Y.
2,99,900	3,39,000	6,22,886	1,89,586	1,81,563	Williamson Magor & Co. Ltd.	690	Nagari Farm	25.87	10	1.50	3.50	2.50	1.00I	12	Y.
1,00,000	1,07,647	4,60,379	2,40,749	1,973	Duncan Bros. & Co., Ltd.	505	Okayti	450.00N	100	Nil	Nil	Nil		12	Y.P.
3,00,000	95,000	6,40,072	2,48,808	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	8.50	10	Nil	Nil	Nil		12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10.00	10	Nil	Nil			12	Y.P.
1,40,000	5,01,658	4,38,361	1,95,341	10,362	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	385.00	100	20.00	35.00	25.00		12	Y.
3,00,000	3,06,462	5,55,461	1,82,549	4,401	M.	389	Seeyok	10.87	10	Nil	Nil	1.00		12	Y.
9,00,000	65,000	11,65,787	2,38,715	7,369	Goenka & Co.	583	Singtom	6.44	10	0.12	0.50	0.50	0.50I	12	Y.P.
3,00,000	3,87,500	7,34,116	3,71,916	1,69,219	Williamson Magor & Co. Ltd.	554	Soom	38.00	10	3.00	4.00	4.00	1.50I	12	Y.
6,25,000	7,78,767	16,47,148	4,38,733	20,923	McLeod & Co., Ltd.	745	Sungma	17.69	10	Nil	1.50	0.75	1.00I	12	Y.
3,20,000	3,69,909	7,53,534	2,55,534	54,633	Davenport & Co., Ltd.	718	Teesta Valley	20.50	10	1.50	2.50	1.00		12	Y.
3,01,350	2,61,083	16,07,038	3,76,093	—2,94,248	Williamson Magor & Co., Ltd.	1,666	Tukvar	9.-5	10	Nil	Nil			12	Y.
DOOARS															
27,00,000	28,56,560	81,80,345	23,19,556	1,27,196	Andrew Yule & Co., Ltd.	2,540	Banarhat	287.00	100	25.00	40.00	20.00		12	Y.P.
12,00,000	16,25,000	42,61,095	23,93,727	35,562	Jardine Henderson Ltd.	989	Baradighi	20.81	10	3.00	2.00	1.50		12	Y.
9,00,000	17,75,000	21,72,529	11,20,841	13,385	McLeod & Co., Ltd.	1,112	Bhatkawa	22.87	10	2.50	3.00	1.50		12	Y.
9,00,000	14,81,356	35,85,244	8,19,732	47,850	Duncan Bros. & Co., Ltd.	1,381	Birpara	171.50	100	5.00	25.00	7.50		12	Y.P.
6,00,000	8,31,552	13,82,168	4,29,045	15,641	Duncan Bros. & Co., Ltd.	602	Carron	121.00	100	7.50	10.00	5.00		12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co., Ltd.	903	Choonabhutti	265.00	100	20.00	35.00	20.00		12	Y.P.
3,00,000	3,76,102	9,53,074	4,15,527	13,348	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	160.00	100	Nil	5.00	Nil		12	Y.
1,20,000	3 00,531	4,55,517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	300.00	100	Nil	Nil	Nil		12	Y.
4,90,000	60,538	9,51,864	2,69,498	3,627	M.	447	Ethelbarrie	12.00	10	1.25	1.00	0.75		12	Y.
7,50,000	5,76,833	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	135.00	100	Nil	10.00	Nil		12	Y.
23,00,000	34,58,954	64,82,327	20,30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	117.50	100	6.00	7.50	Nil		12	Y.P.
32,00,000	55,67,967	05,55,381	50,96,452	3,65,371	Davenport & Co., Ltd.	4,235	Hasimara	23.87	10	1.00	2.25	0.75		12	Y.P.
3,25,000	18,53,650	22,13,183	9,84,183	1,10,677	Davenport & Co., Ltd.	1,452	Huldibari	23.25	10	1.25	2.50	1.25		12	Y.
7,00,000	4,49,821	10,38,684	4,89,134	—62,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	13.56	10	Nil	0.50	Nil		12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	19.50	10	1.00	2.00	1.50		12	Y.
2,00,000	5,76,240	8,23,168	3,08,827	15,812	M.	578	Manabarrie	70.00N	10	1.00	2.00	1.50		12	Y.
9,60,000	18,69,309	25,11,708	8,55,607	37,054	Duncan Bros. & Co., Ltd.	1,130	Nagaisuree	135.00	100	7.50	15.00	7.50		12	Y.
14,00,000	20,39,898	24,35,562	10,48,172	73,709	Andrew Yule & Co., Ltd.	1,168	New Dooars	287.00	100	25.00	35.00	20.00		12	Y.P.
2,50,000	3,74,080	5,53,613	1,88,251	1,220	Duncan Bros. & Co., Ltd.	348	Phaskowa	142.00	100	Nil	7.50	Nil		12	Y.
6 00,000	8,00,496	13,67,535	5,98,723	—3,00,938	McLeod & Co., Ltd.	764	Rajabhat	18.81	10	1.25	1.25	Nil		12	Y.
7,65,000	13,43,550	25,92,133	13,67,489	28,093	McLeod & Co., Ltd.	1,035	Ranicherra	17.37	10	1.50	2.00	0.50		12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,623	Rydak	30.00	10	5.00	3.00	2.00		12	Y.
SYLHET															
3,00,000	7,95,000	10,31,478	23,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	22.00	10	3.00	Nil			12	Y.
6,00,000	6,44,551	9,54,785	2,32,849	33,625	Duncan Bros. & Co., Ltd.	584	Daurachera	9.25	10	2.00	1.50	0.75		12	Y.
4,00,000	7,56,165	10,78,529	3,50,481	1,94,619	M.	1,190	Lackatoorah	19.00	10	3.00				12	Y.
4,00,000	9,00,000	11,60,065	4,82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	23.12	10	6.25	2.00			12	Y.P.
36,00,000	56,34,901	62,79,634	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	135.00	100	35.00	10.00§	10.00		12	Y.P.
3,20,000	1,40,000	7,82,985	4,24,135	1,18,279	Shaw Wallace & Co., Ltd.	648	Rajnagar	10.00	10	Nil	1.00	1.10		12	Y.
9,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,73	Teliapara	115.00	100	25.00	15.00	6.00		12	Y.
TERAI															
4,50,000	5,000	14,45,710	3,67,922	98,509	Goenka & Co.	667	Atal	6.50xd	10	0.25	0.50			12	Y.P.T.
2,50,000	4,15,000	4,13,655	2,24,210	35,498	National Tea Corporation	522	Beigachi	29.12	10	10.00	4.00	2.00		12	Y.
13,44,000	4,50,650	26,81,349	9,42,012	31,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	141.00	100	7.50	10.00	7.50		12	Y.
5,00,000	10,53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	530	Hansqua	18.44	10	1.00	1.00	1.00		12	Y.
3,00,000	7,64,500	7,61,676	3,29,500	77,698	Davenport & Co., Ltd.	514	New Chumta	38.50	10	1.50	2.50	1.25		12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	33,091	McLeod & Co., Ltd.	549	Tirrihannah	35.00	10	3.00	3.50	3.00		12	Y.P.
SOUTH INDIAN ESTATES															
10,98 990	5,36,016	15,84,554	2,76,543	7,699	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	21.00	10	2.50*	2.50*	1.75*		3	Y.P.
52,50,000	21,47,000	73,46,387	10,86,204	2,77,391	Kothari & Sons (Agn.) Pvt. Ltd.	1,318	Blue Mountain	3.57	2	0.40	0.30	0.25		6	Y.
9,33,400	13,09,363	23,56,197	7,13,191	75,291	Peirce, Leslie & Co., Ltd.	1,326	Chembra Peak Estates	4.28	2	0.40	0.20	0.40		3	Y.
3,77,820	12,58,527	21,26,275	1,39,920	22,020	Matheson Bosanquet & Co., Ltd.	392	Coonoor Tea	26.50cd	10	2.50	1.75	2.00	2.00	9	Y.P.
4,00,000	5 50,000	8,21,540	1,78,200	1,205	Parkins Private Ltd.	432	Coorg Tea	5.20	2	1.25	1.50	1.50		3	Y.P.
4,49,630	3,55,370	9,62,073	1,64,495	45 087	Young India Agencies Private Ltd.	450	Devon Tea	18.00	10	2.50*	2.50*	1.75		3	Y.P.
3,50,000	1,22,985	3,52,158	54,452	....	Parkins Private Ltd.	198	Emerald Valley Estates	8.25	5	1.25	0.50	0.30		12	Y.
18,75,000	21,25,000	43 05,347	6,31,655	23,840	Parkins Private Ltd.	1,444	Halleyburia	19.00	10	2.50	2.50	1.50'C'		12	Y.P.T.
6,00,000	7 27,746	13,70,71(	2,26,690	76,650	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.02	2	1.35	0.92	1.35		3	Y.T.
8,58,533	16,81,066	29,90,356	4,28,233	1,09,363	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	8.35xd	2	0.40	0.40	0.30	0.30	10	Y.P.
3,00,000	1,43,500	6,76,822	2,06,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mlamallay	41.75	25	18.75	6.25	4.50		3	Y.P.
36,00,000	19,31,384	80,13,744	12,04,051	78,274	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	4.80	5	0.37	0.37	0.37	0.37	6	Y.P.
12,00,000	4,90,000	27,04,888	5,01,002	23,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	2.87	2	0.50	0.20	0.40		6	Y.P.
14,06,250	6,95,346	33,09,977	5,17,286	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	8.70	10	1.50	0.62	0.60		3	Y.P.T.
17,00,000	7,84,070	39,20,759	13,11,227	63,350	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	20.25cd	10	3.50	3.75	2.60	1.62½	12	Y.P.
57,94,880	45,46,152	91,59,457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3,459	Periakaramalai	4.29	2	0.90	0.90	0.70		3	Y.P.
12,50,000	13,10,000	30,23 670	2,65,955	744	Parkins Private Ltd.	1,070	Talayar Tea	1.67	2	1.62	1.25	1.00		3	Y.P.
11,25,000	16,53,668	25,52,610	2,35,551	31,923	Parkins Private Ltd.	1,341	Twyford	17.25	10	2.00	2.00	1.50'C'		12	Y.
21 93,260	10,82,217	41,27,874	12,69,574	1,20,125	T. Stanes & Co., Ltd.	1 773	United Nilgiri‡	19.75	10	35.00	2.00	1.77		3	Y.
31,50,000	28,54,311	57,57,727	6,68,638	1,34,481	Kothari Mehta & Co. Pvt. Ltd.	999	Waterfall	4.10	2	0.40	0.30	0.25		6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividends for 1955 is on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
§ Patrakola Tea declared 25 per cent. dividend but paid only 10 per cent. so far. 'C'—On increased Capital. A—Amluckie Tea Co.—Dividend on Rs. 100 paid-up.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

PLANTING ; PRODUCE AND RUBBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.25	2	0.30	0.21	0.45		5	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd.	Cochin Malabar	6.25	3	0.45	0.75	0.52	0.30'C'	2	Y.P.
22,50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	23.70	10	1.80	2.50	4.00	2.00	6	Y.P.
71,55,000	57,69,923	1,42,78,181	30,95,427	75,345	R. C. Paterson, Esq.	Consolidated Coffee	22.35	10	2.25	2.00	4.00	2.00	6	Y.P.
4,00,000	5,87,423	10,43,962	53,995	8,519	Associated Planters Private Ltd	Cottanad Plantations	16.00	10	1.75*	1.50	1.75		3	Y.P.T.
18,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd.	Highland Produce	11.92	10	2.00	2.00	0.75		12	Y.P.
8,00,000	6,92,899	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	13.40	10	2.75	2.00	2.00	1.00'C'	4	Y.P.
13,50,000	4,55,880	20,40,926	3,38,888	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber	19.35	10	2.25	3.25	2.25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co., Ltd.	Midland Rubber	12.80	10	2.50	2.00	2.00	1.00'C'	3	Y.
3,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd.	Nenmeny Rubber	16.00	10	1.50	1.50	0.75		12	Y.P.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	15.85	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	23,18,923	46,93,527	15,75,046	4,912	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5.44xd	2	0.40	0.20	0.60	0.20	10	Y.P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	17.85	10	2.00	2.50	2.00	2.00	6	Y.P.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	4.08	2	1.00	1.50	0.30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2.60	2	..	..	..	0.18	3	Y.P.T.
10,00,000	2,74,418	22,50,914	1,70,646	16,692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	7.85	10	0.90	0.90	0.60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd.	Thamarapally Rubber	29.00cd	10	3.00	3.00	3.00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	1.89	1	0.12½	0.12½	0.05		9	Y.T.
6,00,000	33,742	7,80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	16.00cd	10	3.00	2.00	1.50		12	Y.
41,00,000	14,20,901	85,55,546	16,43,709	23,941	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7.95cd	10	1.25	0.75	0.40	0.50	12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	24.25cd	25	4.00	3.00	1.00		12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd.	Udayagiri Rubber Co., Ltd.	11.15	10	0.60	0.75	0.60		12	Y.P.
8,80,100	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber	26.00xd	10	2.50	3.50	3.50J	1.25‡	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.90cd	10	2.00	1.25	1.00	0.50	8	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd.	879	Agarpara	13.00	10	0.62	0.25	0.25	0.25	8	Y.P.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	185.00	100	10.00	10.00	10.00		12	Y.P.T.
80,00,000	5,25,000	1,25,15,910	97,60,831	—8,46,190	McLeod & Co., Ltd.	1,264	Alliance	122.00	100	6.00	Nil	Nil	Nil	5	Y.P.
49,20,700	72,21,000	3,09,93,668	2,15,04,087	2,36,742	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	244.00	100	8.50	3.50	7.00	10.00	8	Y.P.
40,00,000	82,60,924	1,49,82,554	63,17,403	3,215	Bird & Co. Private Ltd.	810	Auckland	177.00	100	10.00	1.00	Nil	5.00	8	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd.	959	Bally	223.00	100	8.50	Nil	2.00	6.00	8	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman)	1,889	Barnagore	150.00	£5	sh. 15	Nil	Nil	Nil	8	Y.P.
28,00,000	26,27,123	97,66,495	53,10,415	6,111	Andrew Yule & Co., Ltd.	820	Belvedere	166.00	100	7.50	Nil	2.50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	12.25	10	1.12	1.00	Nil		6	Y.P.T.
91,26,000	2,26,05,284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd.	1,373	Birla	21.69	10	1.00	1.00	1.00	1.00	8	Y.P.
36,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd.	991	Budge-Budge	155.00	100	7.50	Nil	Nil		10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg.	7.00N	10	Nil	Nil			12	Y.P.T.
18,00,000	25,21,234	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd.	616	Caledonian	192.50	100	6.50	Nil	Nil		11	Y.P.
59,16,400	75,85,462	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd.	600	Champdany	139.00	100	10.00	2.00	Nil	Nil	8	Y.
15,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd.	530	Cheviot	205.00	100	10.00	2.00	Nil		11	Y.P.
30,15,000	36,50,000	89,14,415	54,94,361	72,430	McLeod & Co., Ltd.	500	Chitavalsah	16.19	10	1.37	0.62‡	1.10	1.25	7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	12.75	10	1.25x	0.50	Nil	Nil	8	Y.P.
31,49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd.	766	Dalhousie	132.00	100	4.00	Nil	Nil	Nil	8	Y.P.T.
28,00,000	37,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd.	779	Delta	186.00	100	10.00	5.00	Nil		11	Y.P.
15,00,000	36,93,850	1,01,87,736	65,99,232	26,123	McLeod & Co., Ltd.	500	Empire	20.12	10	1.25	0.50‡	0.75	1.00	7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	295.00	100	15.00	10.00	10.00	20.00	8	Y.P.T.
21,00,000	18,00,000	1,25,79,765	63,50,852	1,96,479	Bangur Bros., Ltd.	1,014	Fort William	24.00	10	20.00	0.75K	1.50	1.50	8	Y.P.T.
34,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	80.00	100	2.50	Nil			3,9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39,411	M.	607	General Ind. Society Ltd.	26.75	10	Nil	50.00	60.00§		12	Y.T.
24,00,000	32,06,464	2,85,37,322	1,60,44,632	47,269	Macneill & Barry Ltd.	1,394	Gourepore	375.00	100	15.00	2.50	2.50	20.00	8	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	72.00N	100	11.50	5.00	5.00	5.00	8	Y.P.
16,30,000	18,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	12.37	10	1.25	Nil			8	Y.P.
65,62,500	28,09,105	2,34,85,488	1,24,24,441	32,775	Jardine Henderson Ltd.	1,940	Howrah	24.56	10	0.37	0.25	Nil	Nil	8	Y.P.
52,50,000	30,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand	21.37	7.50	2.00	2.00	1.50	1.50	8	Y.P.
87,80,000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	16.19	12.50	4.69	4.69	9.37	15.62§	8	Y.
24,00,000 'B' 19,20,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	203.00 190.00	100 'B' 100	2.50 2.50	Nil Nil	Nil Nil		12	Y.P.T
30,00,000 'B' 24,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	96.00 88.00	100 'B' 100	1.00 1.00	Nil Nil	Nil Nil		12	Y.P.T
21,00,000	55,00,000	1,41,36,235	93,87,828	1,18,689	McLeod & Co., Ltd.	703	Kelvin	281.00	100	17.50	5.00‡	9.00	12.50	5	Y.P.
54,00,000	23,39,741	2,00,52,835	1,26,97,897	45,833	Anderson Wright Ltd.	1,530	Khardah	156.00	100	11.00	5.00	8.00	8.00	8	Y.P.
48,00,000	77,82,121	2,38,47,961	1,08,51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	196.00	100	18.00	6.00	Nil	5.00	8	Y.P.T.
24,48,000	27,76,883	1,28,67,077	58,39,647	—9,32,635	Bird & Co. Private Ltd.	931	Lansdowne	105.50	100	7.00	Nil	Nil	Nil	8	Y.P.
28,00,000	40,49,600	1,48,98,886	66,75,920	—3,16,201	Bird & Co. Private Ltd.	840	Lawrence	112.00	100	6.00	Nil	Nil	Nil	8	Y.P.T.
31,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	15.75	10	3.75	3.75	5.00	17.50§	8	Y.
29,98,900	34,62,195	1,65,70,565	86,70,690	—13,08,719	M.	315	Naihati	80.00	100	Nil	Nil	Nil		8	Y.P.T.
20,00,000	15,55,000	36,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd.	425	Naskarpara	11.50	10	1.25	Nil			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	24.50	10	1.75	0.75	0.75		10	Y.P.
26,25,000	29,19,072	37,73,995	23,34,167	90,769	McLeod & Co., Ltd.	316	Nellimarla Jute	15.25	10	1.00	..	0.90	1.00	7	Y.P.T.
85,50,000	2,12,83,190	6,33,25,272	1,19,61,749	3,274	Sahu Jain Ltd.	1,765	New Central†	15.19	10	1.50	1.50		1.50	8	Y.P.
16,79,880	43,38,845	1,35,66,574	61,41,213	—2,43,817	Bird & Co. Private Ltd.	567	Northbrook	20.69	10	1.50	1.50	Nil	Nil	8	Y.P.T.
66,79,500	17,81,396	2,26,00,780	1,19,72,061	79,151	Macneill & Barry Ltd.	1,092	Nuddea	60.00	50	1.00	Nil	Nil	2.50	8	Y.P.
24,91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd.	601	Orient	172.00	100	9.00	2.00	Nil		11	Y.
25,00,000	9,18,798	93,02,573	70,04,073	12,339	McLeod & Co., Ltd.	400	Presidency	6.31	5	0.31	0.20	0.30	0.37½	7	Y.T.
20,00,000	10,324	29,80,939	9,24,705	—7,07,557	Birla Brothers Private Ltd.	305	Rameshwara	6.62	10	Nil	Nil	Nil	Nil	8	Y.P.
49,50,000	2,00,000	1,24,61,131	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	7.69	10	Nil	Nil	Nil	Nil	8	Y.P.T.
£600,000	£420,518	£1,474,082	£790,162	£16,532	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	10.55	£1	8%‡	8%‡	Nil		12	Y.P.
30,00,000	13,14,910	1,21,72,882	95,21,532	48,032	Bagaria More & Co., Ltd.	911	Shree Ambica	11.50	10	0.50	0.25	0.50		8	Y.P.
14,00,000	11,44,445	71,31,233	50,03,403	69,119	Hindustan Investment Corpn. Ltd	401	Soorah	21.81	10	1.50	1.50	1.50	1.50	12	Y.P.
25,19,600	8,04,087	9,29,724	8,23,203	61,862	Bird & Co. Private Ltd.	650	Standard	118.00xd	100	1.00	Nil	Nil	6.00	8	Y.P.
£600,000	£354,805	£1,259,274	£693,019	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.37	£1	8%‡	Nil	Nil		12	Y.P.
35,98,600	48,33,581	1,05,53,316	42,51,394	56,837	Bird & Co. Private Ltd.	1,326	Union	218.00	100	10.00	1.00	Nil	15.00	8	Y.P.T.
£400,000	£247,635	£1,271,988	£541,723	£13,328	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	10.75	£1	3%‡	3%‡	8%‡	Nil	12	Y.P.
2,50,000	5,20,000	83,13,769	43,35,621	11,735	McLeod & Co., Ltd.	447	Waverley	3.66	1	0.37	Nil	Nil	Nil	5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,680	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	25.25	10	1.37	0.50	1.25	1.25	8	Y.
12,00,000	4,49,890	35,18,891	33,46,842	57,344	Jardine Henderson Ltd.	Bararee Coke	12.25	10	1.46	1.10	0.37	0.50	8	Y.
4,49,350	88,000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	5.00N	10	0.62	0.75	0.90		12	Y.
1,00,00,000	1,70,15,684	6,68,04,379	4,55,71,483	10,48,780	Andrew Yule & Co., Ltd.	Bengal Coal	317.00	100	35.00*P	17.50	17.50	17.50	10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	10.00N	10	Nil	Nil	Nil		12	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	6.70	10	0.62	0.62	0.60		6	Y.P.T.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbararee	6.00N	10	Nil	Nil			12	Y.T.
7,50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	20.00	10	2.00	1.50	0.75		12	Y.P.
90,92,480	1,78,37,198	4,41,78,128	2,08,53,739	99,142	Bird & Co. Private Ltd.	Burrakur	18.56	10	0.62	0.62	0.87	0.87½	12	Y.P.T.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	8.16	10	0.25	0.50	0.50	0.50	8	Y.
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	9.50N	10	0.50	0.50			12	Y.
6,00,000	1,49,122	7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churlia	4.16	4	0.06	0.06	0.20		12	Y.
16,00,000	....	54,47,612	31,85,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	10.37	10	Nil	Nil	Nil		12	Y.
£240,000	£273,125	£1,070,637	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	25.50	£1	8.00	2.50	1.50	1.00	4	Y.
29,63,760	93,25,027	4,34,54,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Equitable	31.87	10	1.50	1.50	1.50		12	Y.P.T.
10,00,000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	15.00	10	0.25	0.25			8	Y.
12,00,000	65,000	43,00,791	26,55,359	—6,34,206	Killick Industries Ltd.	Hingir-Rampur	19.00	50	2.25	2.25	Nil	Nil	6	Y.P.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	14.75	10	2.50	1.50	Nil		12	Y.
3,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	21.00	10	Nil	Nil	Nil	Nil	2	Y.
20,00,000	2,87,375	35,11,943	7,18,220	11,229	Bird & Co. Private Ltd.	Karanpura Collieries	133.00	100	2.50	5.00	Nil	5.00	2	Y.P.
5,00,000	19,66,031	49,73,401	39,04,335	1,68,572	Andrew Yule & Co., Ltd.	Katras Jherriah	74.50	10	4.50	6.50	6.50	6.50	1	Y.
11,00,240	68,856	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	2.75N	10	0.12	0.19			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15.50N	10	0.12	0.12	0.12		4	Y.
7,48,240	2,25,000	13,43,892	9,89,769	55,358	Tantia Brothers Private Ltd.	Nazira	8.12	10	0.50	0.50	0.75		12	Y.
17,76,230	19,58,049	1,30,10,149	94,97,263	83,316	Andrew Yule & Co., Ltd.	New Beerbhoom	20.50	10	1.00	0.75	0.75		10	Y.P.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	13.94	10	Nil	Nil	0.50	0.50	8	Y.
1,15,000 1,57,500	8,85,824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd.	North West	25.00N 21.00N	10 7.50	1.37 1.08	1.50 1.12	1.50 1.12	1.50 1.12	8	Y.
7,50,000	15,69,648	8,97,666	2,77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	12.00	10	1.00	0.75	0.50		12	Y.P.
8,34,000	91,336	26,29,109	10,56,556	7,674	Deepchand Kishenlall	Parasea	15.00N	10	1.00	0.50	0.50		12	Y.P.T.
15,75,000	17,04,800	59,95,210	42,69,210	36,465	Shaw Wallace & Co., Ltd.	Pench Valley	25.25	10	1.50	0.70	2.00	2.00	8	Y.
23,99,500	28,79,558	1,43,51,995	96,69,839	3,803	B. N. Elias & Co. Private Ltd.	Raneegunge	16.12	10	0.62	0.37	0.75	1.00	8	Y.
13,50,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	18.62	10	2.07	1.50	1.00		12	Y.
37,50,000	37,12,000	95,06,524	26,37,721	21,162	M.	Samla Collieries	11.00N	10	1.00	1.25	0.90		12	Y.
2,50,000	1,95,802	18,78,480	12,21,237	21,070	M.	Searsole	5.00N	2.50	0.75				1	Y.
2,80,000	9,25,098	29,24,442	19,99,221	48,188	Andrew Yule & Co., Ltd.	Seebpore	27.25	7	2.50	2.25	1.75		12	Y.P.
8,00,000	4,91,081	52,491	28,867	628	F. W. Heilgers & Co. Private Ltd.	Sendra	11.62N	10	0.25	0.25	0.25		12	Y.T.
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	17.75	10	0.75	1.00	1.50		12	Y.T.
7,50,000	10,37,541	39,01,896	17,00,094	8,739	Bird & Co. Private Ltd.	South Karanpara	13.75	10	0.12	0.35	0.75		8	Y.
8,00,000	15,61,511	1,69,570	29,510	14,796	F. W. Heilgers & Co. Private Ltd.	Standard	18.87	10	1.00	1.00	1.00	1.25	12	Y.
10,00,000	....	31,92,694	15,43,502	—5,62,907	M.	Talcher	1.62	2.50	Nil	Nil			9	Y.T.
3,50,000	2,80,000	19,15,700	14,79,400	1,77,952	Williamson Magor & Co., Ltd.	Union	14.50	10	Nil	Nil	0.37		12	Y.
49,98,000	89,284	70,81,423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal	6.56	10	0.50	0.50	0.50	0.40	8	Y.
7,00,000	....	58,61,405	27,57,669	—3,49,108	Macneill & Barry Ltd.	West Jamuria	8.87	10	Nil	Nil	Nil		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (x) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co., Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital

FINANCE BILL 1959-60 ADOPTED

DETAILS OF MODIFICATIONS

THE Finance Bill 1959-60, which seeks to give effect to the taxation proposals announced by Mr. Morarji Desai on 28th February 1959, has been adopted by both the Houses of Parliament. The Bill contains certain modifications of the original proposals with regard to indirect taxaton, while the position in respect of direct taxation remains unchanged. The modifications in indirect taxes relate to excise duties on *khandsari* sugar, vegetable non-essential oils and art silk fabrics.

"Khandsari" Sugar

Khandsari sugar was originally subjected to a basic excise duty of Rs. 5.60 per cwt. and an additional duty of 70 nP in lieu of sales tax. Now, a distinction has been made between *khandsari* sugar produced with the aid of sulphitation plant and that produced without such aid. The basic excise duty on the two has been reduced to Rs. 5.04 and Rs. 3.92, respectively, and the additional duty to 63 nP and 49 nP, respectively.

The concessions are expected to cost the Exchequer Rs. 61 lakhs during the current year (1959-60) and Rs. 81 lakhs in a full year.

Khandsari sugar will be deemed to be assessable only when power-driven centrifugals are used in manufacture. In other words, it is of no consequence if *rab* is made from out of juice extracted with the aid of power-driven crushers ; *khandsari* sugar produced from such *rab* with the aid of hand-driven centrifugals or any other non-power contrivance will not be assessable. By way of simplification of procedure, compounded rates of duty in respect of smaller units in lieu of standard rates are contemplated. The details are being worked out and an announcement will be made in the near future.

Vegetable Non-essential Oils

Orders have been issued simplifying considerably the standard procedure and dispensing with certain registers and returns. In the matter of clearance, too, formalities have been reduced to the barest minimum. Under the new procedure, clearances, in fact, are permitted under gate passes signed by the manufacturers themselves, without waiting for an excise officer. By way of further simplification, orders are now under issue prescribing compounded rates of duty for units producing, without the aid of expellers, not more than 75 tons per year.

This simplification will cost the Exchequer Rs. 11 lakhs during 1959-60 and Rs. 12 lakhs in a full year.

Art Silk Fabrics

Consequent on the increase in the basic excise duty from 3 nP to 6 nP per square yard, the rates of compounded duty in lieu of basic rates for powerlooms has also been increased to Rs. 50 for first shift, Rs. 35 for second shift and Rs. 20 for third shift, the first four looms being exempt from duty. This exemption was really intended to benefit the owner-weavers (the truly cottage type) who normally work only one shift in their own cottages. But, in extending this concession to bigger units, such units, it is found, derive an unintended benefit by working the first four looms also for more than one shift. The concession has, therefore, now been restricted to the truly cottage type employing not more than four looms and working not more than one shift. The units employing not more than nine looms will, however, continue to enjoy the concession in respect of the first four looms, provided they do not work the first four looms for more than one shift. The concession will not be extended to units employing more than nine looms. In order to ensure that the medum size and bigger units may not have to bear a greater burden of duty on account of this rationalisation, and also by way of further relief, the compounded rates payable by them are being suitably reduced and readjusted. Suitable changes are also being made in the compounded rates in lieu of additional excise duty.

These changes which are now being given effect to by executive notifications will cost the Exchequer in basic excise duty Rs. 23 lakhs during 1959-60 and Rs. 25 lakhs in a full year and in additional excise duty Rs. 14 lakhs during 1959-60 and Rs. 15 lakhs in a full year.

Diesel Oil

The excise duty on diesel oil remains unchanged at 80 nP per Imperial gallon on refined diesel oils and vaporising oil and at Rs. 50 per ton on diesel oil not otherwise specified. Refusing to concede the plea for reduction in duty in the course of his reply to the debate on the Bill, Mr. Morarji Desai said: "The levy is not imposed for the benefit of the railways. It was only a coincidence that, in the Railway Budget, it was mentioned that there was competition with road transport, but, before that, it had been decided to impose this levy, because of the unfair competition between petrol and diesel."

Company Tax Scheme

No changes in the company tax scheme are proposed. Mr. Desai declined to consider a further revision of direct taxes on the corporate sector on the following grounds:

At this important juncture of the economic development of the country, we cannot afford to reduce the present level of revenue from the corporate sector, which is the most important single taxpaying unit. The proposed rates of tax have been devised to ensure this. The overall rate of 45 per cent. may prove to be somewhat high in cases where the incidence of excess dividend tax or wealth tax has been low or in cases where companies enjoy exemption from wealth tax or where the dividend distributions exhaust the bulk of the available profits, but it will prove to be low in cases of companies where the incidence of excess dividend tax and wealth tax is high. Companies which have been distributing moderate dividends will be in a position to ensure the full gross return to the shareholders as before, without being put to the necessity of reducing the amount retained as reserves. The rates prescribed are merely for purposes of advance payment of tax and do not represent the final rate for the assessment year 1960-61. As the scheme comes into operation, the Government should be able to notice its defects and steps will be taken to correct them.

The double depreciation allowance was allowed soon after the war to see that the machinery worn out during the war was rehabilitated. The development rebate now allowed is itself substantial and is benefiting various industries. There is, therefore, no case for double depreciation.

Expenditure Tax

As regards expenditure tax, the changes made in the original Bill remain unaltered. Justifying the changes, Mr. Desai said:

"If a husband and his wife should be treated separately for the purposes of expenditure tax, I cannot understand why the tax should be imposed at all. The prime consideration in revising the structure is the savings that will result rather than the revenue that will accrue to the Government. Given under the revised scheme, only expenditure exceding Rs. 26,000 will be taxable. It is difficult for me to understand how a family can spend more than that in a country where there is so much poverty. If people keep their expenditure within the exempted limit, they can save the rest and invest it. But if they choose to spend more, there is no reason why they should grudge paying a tax to the State."

The levy on bullion and jewellery, according to Mr. Desai, is justified. There is no reason for encouraging this kind of investment in a country where no bullion is produced. These investments are profitable neither to the person concerned nor to the State.

MARKET GOSSIP

(*Concluded from page* 715)

of "calm", in which the pace of decline was much slower than that in 1958. During the past year, the U.S. Treasury had lost gold worth about $2,300 million, the largest decline in any single year in the history of the U.S. It represented over 10 per cent. of the Treasury's total stocks of gold. If this pace of drain were to continue for another three or four years, it would have threatened the 25 per cent. legal gold backing of the U.S. domestic currency. Happily, the pace of outflow considerably slowed down during the current year. In the first quarter of 1959, the gold loss amounted to about $92 million, a rate which is less than a sixth of the quarterly average for 1958.

The slower pace of decline in U.S. gold stocks during the current year mainly reflected the fact that, while foreign countries enjoying a favourable balance of payments with the U.S. in the early part of 1958 were inclined to convert the majority of their gains into gold, they allowed a larger proportion of their gains to remain in dollars in the first three months of 1959. It is too early to say that last week's big fall, which was larger than that in the first quarter as a whole, means that foreign countries are no longer willing to let their favourable balance of payments remain in dollars and that the drain will continue on the same scale as last year.

Another reason for the slow-down in conversion of dollars into gold during the first quarter of the current year was that the large repayments to the U.S. and the I.M.F., which were made in dollars by the U.K. and other West European countries at the end of 1958 and in the earlier months of 1959, are now over. The third reason was the hardening of short-term interest rates in the U.S., in contrast to the fall in money rates on this side of the Atlantic. As a result of this, foreign holders of U.S. Treasury bills were able to earn a better yield and this proved to be a discentive to converting them into gold. This factor still holds good and it will gain strength if the rumours about a possible increase in Federal Reserve discount rate materialise. The fourth reason was the improvement in the economy of the U.S., which strengthened the confidence in the dollar as a currency which can be safely held. This factor, too, still holds good.

The above rationale, however, does not mean that further heavy drain on gold is not a possibility. There is the question of subscription to the I.M.F. towards the increased quota, a quarter of which has to be paid in the form of gold. This may result in member-countries of the I.M.F. selling dollars or sterling for gold. Nevertheless, it is too early to say anything definite on the future trend of gold flow from the U.S., but there is no doubt that the question must be a source of some concern to the U.S. Government and the Federal Reserve Bank.

* * * *

Producers of diamonds in Africa are not worried by the Russian claims about the opening of new diamond mines in Siberia and the threat of their production being dumped in the markets of Western countries. This was stated by Mr. Philip Oppenheimer, Managing Director of the De Beers group of diamond companies, in the course of an interview to the *News Chronicle*, London. Mr. Oppenheimer was of the view that the Russian diamonds were mostly small stones. In any case, he said, they needed all the industrial diamonds they could get for cutting tools and grinding wheels. He also dismissed the threat from synthetic diamonds, such as is being made by the General Electric Company of America. "At present, they are only producing boart, that is, pin-head diamond dust, with limited applications in industry. Even if they succeeded in synthesising larger diamonds and selling 2 million carats, it would not worry us," he added. The demand for industrial diamonds, according to Mr. Oppenheimer, is rising and, as wage costs rise, so will the use of these stones for cutting tools of all descriptions extend. The British industry could use many more to do jobs in a fraction of the time now taken. Too many workmen are said to be still using the time-consuming old methods of cutting hard materials.

* * * *

The U.S. Administration seems to be caught on the horns of a minor dilemma in respect of its cotton import policy for the fiscal year beginning 1st August 1959. While the Department of Agriculture, presumably under pressure from cotton producers inside the country, is strongly pressing for a substantial reduction in the existing quota for imports of long-staple cotton of 1⅛" and above, the State Department is opposed to such a reduction. The question whether any modification in the current import quota is necessary is presently being considered by the U.S. Tariff Commission under section 227 of the Agricultural Adjustment Act.

It may be noted here that an annual quota of 45,656,420 lbs. of long-staple cotton was established in 1939 under section 22 of the Agricultural Adjustment Act, as amended. Last July, the President, acting on the recommendation of the Tariff Commission, split up the quota on the basis of staple length for future quota years commencing from 1st August 1958. The apportionment was 39,590,778 lbs. for extra-long staple cotton (staple length 1⅜" and above in length) and 6,065,642 lbs. for ordinary long-staple cotton (staple length 1⅛" and above but less than 1⅜" in length). Of the latter, 1,500,000 lbs. were set aside for the so-called 'Tanguis' cotton. The quota system in respect of imports of short harsh cotton was abolished as recommended by the Tariff Commission.

The Department of Agriculture has already presented its case for a reduction in quota in hearings before the Tariff Commission which commenced on 28th April. The Department, it is said, is concerned only with the technical aspect of the question. It has nothing to do with the wider and deeper political implication of the question which is the concern of the State Department. The State Department apparently does not think that such a step is advisable at present, because it fears that it will not be favoured by Egypt, Sudan, Peru and such other countries that export long-staple cotton to the United States. These countries, it is understood, have already represented to the State Department against any reduction in import quota.

After the Tariff Commission has taken testimony, it will make its recommendations to the President, who, under the law, can either reject or accept them. It is reported that the State Department is not planning to participate in the hearings. Its intention is to concern itself with the question when it reaches the White House.

LONDON LETTER

(*Concluded from page* 720)

on her North American loans, to invest abroad and still to build up her reserves. The account can be shown as follows:

(In million £s)

Visible income	120	Gold and dollar inflow ..	284
Net invisible income ..	335	Long-term investment (including loan repayment).	236
Net increase in sterling balances, etc.	65		
	520		520

Nevertheless, though so many non-recurring factors contributed to the above picture, it does not follow that long-term investment will shrivel up as net income diminishes. After all, the increase in the reserves represents a substantial cushion and, if the favourable balance of payment falls to the level of £263 million of 1957, this would still leave about £200 million (after service of the North American loans) for overseas investment and some further drawing down of the sterling balances. But, of course, the outcome in 1959 could be a good deal worse than that and, since (*a*) the gold and dollar reserves are hardly large enough to be expended in loans, (*b*) a further drawing down of sterling reserves by sterling countries must be looked for and (*c*) a similar drawing down by non-sterling countries would follow a weakening of the pound for whatever reason, it is clear that the margin for true long-term investment is very tenuous.—*All Rights Reserved.*

Five Indian colliery officials have completed a vacation course in Wales arranged by the British Council. During their stay in Wales, they visited 15 collieries, among them some of the most modern in Britain. The officials are reported to have been greatly impressed by the amount of mechanisation in Welsh collieries and also by the welfare facilities which make life easier for the miner.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000 14,50,000	1,08,00,000	3,53,958	Allahabad Bank	362.00 181.00	100 50	18.00 9.00	18.00 9.00	18.00‡ 9.00‡	21.00‡ 10.50‡	12	Y.P.
1,01,000 40,78,300	17,84,000	3,83,732	Andhra Bank	109.00cd 88.25cd	100 85	6.50 4.54	8.00 5.59	6.00 5.10	2.50I 1.12I	6,12	H.
1,00,00,000 25,00,000'B'	1,59,50,000	3,03,522	Bank of Baroda	106.00 52.50	50 25	6.00‡ ..	7.00 ..	7.00 ..	6.00 1.50	12	Y.
50,00,000	27,00,000	1,880	Bank of Bikaner	30.00xd	25	0.87	1.12	1.25	1.25	12	Y.
2,50,00,000 50,00,000'A'	3,10,00,000	12,79,476	Bank of India	136.00 137.50	50 50'A'	8.00 ..	8.00 ..	8.00 8.00	8.00 8.00	6,12	R.L.Y.
15,30,375	29,00,000	47,153	Bank of Indore	63.00N	25	3.50	4.00	4.25	4.00	12	Y.
50,00,000	25,50,000	20,356	Bank of Jaipur	45.25	50	2.00	2.50	3.00	Nil	12	Y.
50,00,000	96,70,613	4,70,232	Bank of Mysore	302.00	100	16.00‡	16.00‡	16.00	16.00	12	Y.
35,80,820	51,24,246	37,384	Canara Bank Ltd.	82.00	50	5.00	5.00	5.00	5.00	12	Y.P.
7,50,000	14,40,900	6,716	Canara Banking Corporation Ltd.	72.00	50	5.50‡	5.00‡	5.00‡	5.00‡	12	Y.P.
5,86,580 'A' 23,787 'C'	26,50,000	12,632	Canara Ind. & Bkg. Syndicate Ltd.	167.00 cr 1.56 cr	100'A' 1'C'	12.50 12½%	15.00 15%	15.00 15%	15 00‡ 15%‡	12	Y.
2,62,11,875 A.52,42,375	4,04,68,517	17,32,515	Central Bank of India Ltd.	56.50 58.30	25 25	3.00 3.00	3.50 3.50	3.50 3.50	3.50 3.50	12	R.L.H.
50,00,000	46,00,000	3,02,015	Devkaran Nanjee Banking Co.	54.00	50	2.50	3.00	3.00	3.00	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29.12	5	0.87	1.37	1.06		12	Y.
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank	13.75	50	Nil	Nil			12	Y.
50,00,000	2,08,000	12,536	Hindustan Mercantile Bank	13.50	50	Nil	Nil	Nil	Nil	12	Y.
44,00,000 22,40,000	98,91,884	60,933	Indian Bank	192.50cd 156.00cd	100 80	12.00‡ 7.75	18.00 9.75	15.00‡ 12.00‡	13.00‡ 10.40‡	6,12	R.L.H.
50,00,000 12,50,000	52,36,660	2,03,141	Indian Overseas Bank	163.50 134.00	100 50	7.50 ..	10.00 ..	10.00 ..	10.00 5.00	12	Y.
10,00,000	10,50,000	30,428	Pandyan Bank Ltd.	30.67	25	1.87	1.87	1.87	2.50	12	Y.
1,25,00,000	1,27,00,000	4,48,690	Punjab National Bank	22.60xd	10	3.50	4.00	5.00	3.50	12	Y.
5,62,50,000	8,48,50,000	55,73,153	State Bank of India	388.00	100	16.00	16.00	16.00	16.00	12	Y.
1,00,00,000	27,72,000	19,529	Travancore Bank	24.25	25	1.00	1.00	1.25	1.25	12	Y.
60,00,000	43,00,000	1,14,552	Union Bank of India	7.20	5	0.37	0.44	0.44	3.75	12	Y.
2,00,00,000	1,48,00,000	62,098	United Commercial Bank	65.80	50	2.75	3.50	3.75	3.75	12	H.
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East§	£2-10-9	£1	10	10	10	10	3	Y.
£5,000,000	£5,500,000	£455,019	Chartered Bank	£2-7-3	£1	15†	15†	15†	15†	12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,085,475	Hongkong and Shanghai Banking Corporation	£47½	H.K.$125	5*	5*	3½*Z	3*	12	Y.
£27,847,605	£18,000,000	£703,010	Lloyds Bank	£2-6-6	£1	12†	13†	13†	12½†'c'	12	Y.
£2,940,000	£2,200,000	£231,407	Mercantile Bank Ltd.	£2-4-3	£1	14†	14†	18½†	12½†	12	Y.
£2,851,563	£3,168,579	£351,349	National and Grindlays Bank Ltd.	£1-7-0	sh. 12½	15†	15†	15†	15†	12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr—Ex-Right. Z.—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim dividend for 1959 declared. C= On increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June	Carew & Co.	1933	96.00	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	92.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.25	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
24,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
			COAL			
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1969 (a)‡
			COTTON			
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	89.00	15th November .. 1966 (b)
67,94,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.00	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100.50	1st April .. 1967-72
18,71,000	5½	30th June and 31st December	Jayshree Textiles	1949	90.00N	1st January .. 1956-59
39,51,000	5	1st June	Tata Mills	1951	93.25	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	90.00	31st March .. 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	..	98.50	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100.25	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
2,32,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.50	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84.00	31st December .. 1970
13,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½T	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st April and 1st October	Tata Power	1940	100.10	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power	..	86.25	15th September .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94 00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	106.00	1st January .. 1971
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	82.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	99.25	1st October .. 1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	96.00	31st December .. 1960 (a)
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90.00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	86.00	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.00	31st March .. 1967
10,00,000	3½	31st January and 31st July	Waverley	1925	80.00	31st July .. 1966
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter
189,262	5	1st April and 1st October	Calcutta Tramways	1933	£74.10N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 195v (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	99.25	1st September .. 1963
			PLANTING			
11,25,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
1,27,600	5½T.F.	31st March and 30th September	Teekoy	1944	100.00	31st March .. 1949-59
			MISCELLANEOUS			
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
23,60,000	4½	1st January and 1st July	Associated Hotels of India	1943	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	102.00	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	101.75	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85.00	1st February .. 1964
19,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82.00	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78.00	15th September .. 1960
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	80.00	 1966
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	108.25	1st January .. 1973 (a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
15,00,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	83.00	30th September .. 1964
8,89,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	500.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	400.00 (per note)	31st December .. 1972 (a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.50N	30th September .. 1964
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	101.50	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	93.50	30th June .. 1965-70
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st March .. 1961 (a)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	102.40	31st December .. 1959 1st May .. 1968 (a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-9-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961. T—Taxable. T.F.—Tax free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 30th April, 1959.

	Closing quotations 23-4-1959	High	Low	Closing quotations 30-4-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	140.00	140.00	135.00	137.00
Apollo (2)	1.18	1.18	1.16	1.18
Bombay Dyeing (25)	60.80	62.70	60.40	62.50
Bradbury (50)	143.75	143.75	143.00	143.00
Central India (100)	94.95	107.00	94.00	104.00
Century Mills (100)	507.50	514.50	502.50	511.50
Edward Textile (200)	216.50	217.00	216.50	217.00
Elphinstone (50)	33.50	—	—	33.00
Finlay (100)	271.00	283.00	269.00	283.00
Gokak (100)	143.00	160.00	139.00	159.00
Ind. Untd. Defd. (1)	1.02	1.06	0.98	1.06
Ind. Untd. Ord. (10)	8.20	8.36	8.12	8.32
Indore Malwa (100)	96.70	97.00	96.00	97.00
Khatau (100)	187.00	237.50	187.50	235.00
Kohinoor (100)	260.50	260.50	255.50	258.50
Lakshmi (250)	395.00	395.00	392.50	392.50
Minerva Mills (100)	62.00	62.00	61.00	61.00
Model Nagpur (250)	100.00	100.00	97.50	98.75
Morarji (100)	231.50	235.00	231.00	235.00
Mysore (50)	80.00	—	—	80.00
National Rayons (100)	291.00	291.25	286.00	290.25
New City (100)	89.50	—	—	90.50
New Great (100)	175.00	175.00	172.00	175.00
Phoenix (100)	125.00	135.00	125.00	135.00
Podar Mills (100)	152.00	154.00	152.00	154.00
Sassoon Silk (10)	9.76	—	—	9.76
Sassoon Spg. (10)	47.00	54.50	47.00	54.00
Sholapur (1,000)	428.75	428.75	417.50	422.50
Shrinivas (100)	158.50	163.00	156.00	163.00
Simplex (50)	171.00	180.00	170.00	180.00
Standard (100)	481.00	516.00	481.00	507.50
Svadeshi (100)	220.00	227.50	219.00	220.50
Swan (100)	390.00	402.50	391.50	400.00
Tata Mill (25)	35.25	37.00	34.50	36.50
Vishnu (100)	87.00	90.00	87.00	90.00
Western India (1,000)	4,475.00	—	—	4,475.00
BANKS				
Bank of India (50)	135.75	136.50	136.00	136.00
Do. (New) (50)	137.50	138.00	137.50	137.00
Bank of Baroda (50)	105.50	106.50	105.50	106.00
Central (25)	57.20	57.30	56.50	56.60
Central 'A' (25)	59.00	58.80	58.00	58.30
Dena Bank (50)	54.00	54.00	53.50	53.50
Punjab National (10)	23.00xd	23.24	22.60	22.60
Union Bank (5)	7.28	7.24	7.12	7.20
United Com. (50)	66.00	66.50	65.70	65.70
ELECTRIC COS.				
Ahmedabad (100)	97.10	97.20	96.80	97.10
Amalgamated (10)	11.20	—	—	11.20
Andhra Valley (1,000)	1,142.50	1,155.00	1,142.50	1,155.00
Bom. Sub-El. (100)	103.00	104.50	101.50	104.00
Surat (100)	110.00	110.00	108.50	108.50
Tata Hydro (100)	118.25	119.75	118.00	119.00
Tata Power (1,000)	1,190.00	1,192.50	1,185.00	1,187.50
INSURANCE COS.				
British India (10)	14.24	14.44	14.24	14.44
Empire of India (100)	220.00	220.00	201.25	201.25
Ind. Mercantile (20)	44.00	—	—	44.00
Jupiter (15)	5.20	—	—	5.[illegible]
New India (15)	52.00	52.10	51.30	51.[illegible]
Oriental (200)	4,200.00	—	—	4,200.00
Vulcan (10)	20.32	20.32	20.28	20.28
STEEL COS.				
Ind. Iron (10)	24.20	24.50	24.04	24.32
Tata Steel Ord. (75)	180.50	182.00	178.75	181.75
SUGAR COS.				
Belapur (50)	288.00	310.00	287.00	300.00
Bhopal (10)	23.52xd	23.88	23.48	23.88
Changdeo (12.50)	28.50xd	29.00	28.50	29.00
Phaltan (50)	154.00	168.00	153.50	167.00
Walchand Ind. (100)	297.50	326.25	297.50	322.50
CEMENT COS.				
Associated Cts. (100)	149.00	150.00	148.50	149.75
Digvijay (100)	147.00	147.50	144.50	144.50
MISCELLANEOUS				
Alcock Ashdown (100)	270.00	281.00	267.50	280.00
Bom. Burmah (125)	503.00	522.00	501.00	520.50
Do. (New) (50)	175.00	177.50	172.50	177.50
Br. B. Petrol (4 sh.)	1.92	1.92	1.86	1.90
Br. I. Corpn. (5)	5.12	5.24	5.12	5.24
Hindustan Lever (10)	80.25	30.50	30.00	30.25
Hindusthan Motors (10)	9.04	9.12	8.96	[illegible]
Indian Copper (2 sh.)	4.28	4.30	4.24	4.28
Ind. Inv. Tr. (100)	88.50	88.50	80.00	80.00
Killicks (100)	140.00	140.00	136.00	138.00
Larsen & Toubro (10)	23.12	24.12	23.04	23.06
Polson (100)	156.00	—	—	156.00
Pre. Automobiles (100)	116.50	122.50	116.00	122.00
Premier Con. (80)	295.50	307.00	290.50	307.00
Scindia (20)	17.68	18.52	17.56	18.32
G. E. Shipping (10)	21.20	23.24	20.80	23.16
Shivrajpur (10)	105.00	105.50	103.00	103.50
Sirpur Paper (10)	13.92	14.12	13.96	14.04
Tata Chemicals (10)	16.40	16.72	16.20	16.64
Tata Locomotive (100)	192.50	194.50	190.00	192.00
Tata Oil (25)	48.50	54.20	48.00	53.00
Voltas (100)	159.25	169.00	157.25	167.50
W. I. Match (100)	213.00	216.75	213.00	213.00

GOVERNMENT SECURITIES	23-4-1959 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	30-4-1959 Rs.
2½% 1961	97.25	—	3.79	97.25
2½% 1960	99.00	—	3.31	99.00
2½% 1962	96.95	—	3.62	96.95
2½% 1976	83.20	—	4.08	83.20
3% 1959-61 2nd Vict.	99.70	3.84	3.12	99.70
3% 1964	97.05	—	3.59	97.05
3% 1963-65	96.70	3.76	3.51	96.75
3% 1966-68	93.70	3.98	3.80	93.75
3% 1970-75 1st Dev.	91.15	3.97	3.75	91.15
3% 1986 Con. Loan	74.05	—	4.05*	74.05
4% 1960-70	100.75	3.48	3.92	100.75
3½% 1961 N.P. Bonds	100.10	—	3.47	100.10
3½% 1964 N.P. Loan	99.75	—	3.55	99.75
3½% 1965 N.P. Bonds	99.55	—	3.58	99.55
3½% 1962	99.15	—	3.50	99.15
3½% 1967 N.P. Bonds	99.05	—	3.63	99.05
3½% 1974	98.85	—	3.84	98.85
3½% 1967 N.P. Bonds	100.80	—	3.65	100.80
4% 1972 Loan	101.70	—	3.83	101.70
3½% 1968	98.90	—	3.65	98.90
3½% 1963 N.P. Bonds	99.95	—	3.51	99.95
3½% 1968 N.P. Bonds	100.60	—	3.68	100.60
4% 1973 Loan	101.65	—	3.83	101.75

BRITISH GOVERNMENT SECURITIES

	Closing quotations 17-4-1959 £			Closing quotations 24-4-1959 £
2½% Brit. Consols.	51⅞	—	—	52
3% Savings Bonds 1965-75	76⅜	—	—	76⅞
3% War Loan 1955-59	100⅛	—	—	100⅛
3½% War Loan	67⅞	—	—	68⅛
4% Victory Bonds 1976	96⅛	—	—	96¼
4% Funding 1960-90	91¼	—	—	91⅛

*Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

UNDER SECRETARY TO GOVERNMENT 11 MAY 1959

COMMERCE

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

VOL. XCVIII. No. 2511 BOMBAY, 9th MAY 1959 PRICE: Rs. 2

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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Madras Representative: Mr. P. N. SRINIVASAN, 15 V. S. Mudaly Street, Saidapet, Madras-15.

CONSORTIUM OF UNDERWRITERS

OF late, considerable thought is being devoted to the role commercial banks can play in the provision of industrial finance in the form of term loans and through participation in capital issues. A few weeks ago, Mr. G. D. Birla recommended the establishment of a consortium of banks and other financial institutions on the lines suggested by the Shroff Committee in April 1954. In the last week of March 1959, Mr. H. V. R. Iengar, Governor of the Reserve Bank of India, cautiously proposed, in his capacity as the Chairman of the Refinance Corporation for Industry, that the bigger banks should take greater interest in providing term loans to industry. Mr. G. D. Somani, a leading industrialist and Congress Member of Parliament, tried the other day to elicit from the Government its views on some aspects of industrial finance. The results of his efforts are covered in our Delhi letter this week, *vide* page 764. It will be seen therefrom that the Government has rejected the idea of a consortium, on the ground that the facilities already available are adequate for the purpose and that it is unnecessary to add to them further. It seems to us that, in coming to this conclusion, the Government has not considered the proposal from all angles, and has mistaken the trees for the wood.

The first reaction to the suggestion for a consortium of underwriters is, of course, something very similar to the Government's decision. It is so, because there are quite a few institutions to take care of the medium- and long-term financial needs of industries in the private sector. Instinctively one is tempted to raise the brows and ask: "Why one more institution or arrangement?" The very mention of Shroff Committee immediately brings forth another explanation, namely, that, since the recommendations of the Shroff Committee five years ago, much water has flowed under the bridge. All this is true, but, notwithstanding all that has been done during the last five years, the need for a consortium of financial institutions of adequate strength and large resources has not been met. On the contrary, as we shall presently show, the need for it is greater than before and the conditions are more propitious for fulfilling it.

A consortium is required for underwriting new issues of capital—ordinary and preference shares and debentures—of a sizable nature, involving quite a few crores of rupees required either for establishing a new industrial unit or for expanding an existing one in the private sector. Some in this sector have already plans for starting heavy industries, as, for instance, aluminium, dyes and chemicals, pharmaceuticals, synthetic rubber, pulp for paper and fibres, mining and processing of minerals, a variety of engineering units and shipping. This list is by no means exhaustive, but sufficient to give an idea of the vast amount of fresh capital that will be required for their establishment in the coming years. The synthetic rubber plant now contemplated will alone require more than Rs. 10 crores. A more or less similar amount will be required for the aluminium project and an equal amount for the pulp scheme. In addition, there will be several industrial projects of more modest proportion and medium type, the aggregate capital requirements of which will run into several crores of rupees. It will be extremely difficult to find all this capital through the share markets, without adequate arrangements for underwriting them. No single existing institution will be in a position to handle them all and nurse the new issues till individual savings grow and are able to absorb them. It will require the collective effort of the big banks, the Life Insurance Corporation (L.I.C.), the Industrial Credit and Investment Corporation (I.C.I.C.), the Central and State Finance Corporations and their confreres in foreign countries such as the Commonwealth Development Finance Company and the International Finance Corporation. The need for a consortium of these institutions is thus obvious.

The nationalisation of life insurance and the Imperial Bank of India, the establishment of the I.C.I.C., and the formation of Development Banks in the capital exporting countries in the West—all these developments since the Shroff Committee reported do not by themselves render an underwriting consortium or syndicate superfluous. Instead, they have increased the feasibility of forming and successfully working a consortium. In the matter of strength, the resources and the capacity to take risks, the State Bank of India is superior to the Imperial Bank which it has replaced. The abolition of the private sector in life insurance and the assumption of State monopoly in this field have created a situation in which it is unnecessary to consult, and get the co-operation of, a number of insurance companies competing with one another when an issue has to be underwritten. As a unitary body, the L.I.C. is in a better position to join and operate a consortium than a group of individual insurance companies. Further, the resources which the L.I.C. could place at the disposal of the consortium would be larger than would be the case if only the bigger insurance companies were there to join it. Again, the coming into existence of the I.C.I.C. augurs well for the success of the consortium, as it has valuable contacts with foreign investors. The marked increase in the deposits of banks during the past three years has also improved the prospects for the proposed consortium. If the Shroff Committee's recommendation that the banks could safely invest an amount equal to 5 per cent. of their deposits in shares and debentures were to be accepted and assuming that only the major Scheduled banks would participate, the resources available for this purpose would easily be Rs. 70—75 crores.

There is not much substance in the argument that the formation of the Refinance Corporation obviates the need for a special arrangement to underwrite big capital issues. The Refinance Corporation is not meant for underwriting new issues at all, irrespective of whether they are big or small. The Corporation is intended to provide re-lending facilities to banks against loans given by them to industrial concerns for the purpose of increased production primarily in industries included in the Second Plan and the Plans that follow. Other conditions for eligibility of this rediscounting facility are: the loans must be for periods between three and seven years; they must be of a medium-sized amount, subject to a maximum limit of Rs. 50 lakhs; and they must pertain to companies of medium size, that is, only to industrial companies the paid-up capital and reserves (excluding reserves for taxes and normal depreciation) of which do not exceed Rs. 2.5 crores. It may be that these conditions will be relaxed from time to time, but, even then, the Corporation will not be doing any underwriting functions. It is, therefore, not understandable how the coming into existence of the Refinance Corporation has made the proposed consortium unnecessary.

The most important point to be decided is whether it will be prudent for banks to invest a part of their resources in industrial equities and fixed-yielding obligations. There has been considerable discussion on this subject. And the latest trend of thought (*vide* pages 768 and 769 of this issue) is that there is no harm in banks doing so, to some extent, provided their resources are sufficiently large and the industrial projects concerned are good, their

management competent, and the economic policy, as well as the ideology, of the Government, is conducive to their growth. The Shroff Committee itself was of this view and, since then, there has virtually been a revolution in the concept of commercial banks' responsibility to the economic advancement of countries where they operate, as witness the transformation that has taken place even in the conservative traditions of British banking on which Indian banking is modelled. It is now generally felt that, for Indian needs, the American banking system offers more useful lessons to be learnt and applied in practice than the British system. It is not suggested here that Indian banks should go headlong into the underwriting business. In the interests of depositors, there should undoubtedly be well-thought-out regulations and restrictions on the method and extent of underwriting.

In a cautious advocacy of term-lending by commercial banks the other day, Mr. H. V. R. Iengar observed as follows:

"It is hoped that the facilities made available by the (Refinance) Corporation will enable some needed alteration of the methods of lending by Indian banks, so as to provide, on a larger scale, formal term loans to industry. To start with, the funds required to this end could be provided entirely by the Corporation. But, as this mode of lending gains in popularity, and the banks gain experience of its operation, they could well contribute some of their own resources for lending in a similar way. Indeed, the facilities of an institution such as this are intended to supplement the banks' own resources for the new type of lending and, therefore, to stimulate and encourage the banks' operations in that direction. Such encouragement has, however, to be confined, in the first instance, at any rate, to the larger banks, and should be limited to a modest proportion of their resources, particularly owned resources, and time liabilities. It would seem to be advisable for the present that the smaller banks confine themselves to the known hazards of commercial lending, till some experience has been gained by the bigger banks of the problems of industrial lending."

Similar qualifications have to be made to the suggestion that banks could participate in a consortium for underwriting capital issues. In order to enable banks to play an increasing role in the rapid industrialisation of the country without in any way upsetting the confidence of depositors, it is necessary to do four things. In the first place, the owned resources of banks should be increased. This can be done in two ways, by raising their paid-up capital through issue of additional shares and by increasing their reserves. In this context, a reduction in the burden of taxation on banks is an urgent requirement. Secondly, the banks themselves should try to widen their profit-margin by increasing the cost of their services and advances. Thirdly, the banks should consider the advisability of raising medium-term deposits, say, for three to five years, by offering competitive rates of interest. And, fourthly, insurance of deposits as in the U.S. and insurance of loans and advances as in Japan should be organised.

The Government itself is very keen to avoid concentration of economic power in a few hands through an increase in the growth of *entrepreneurs* and dispersal of ownership of industries. This is undoubtedly a right policy. But it is not enough merely to go on reiterating this objective, without creating appropriate conditions for its attainment at an early date. Imposition of punitive or other like measures is no good, for it only makes matters worse, as experience during the last eight or ten years has proved beyond doubt. It is, therefore, necessary to try positive measures and the establishment of a consortium of major banks, the L.I.C., the State Bank, the I.C.I.C. and other finance corporations for underwriting new capital issues is one of them. Accordingly, the Government and the Reserve Bank of India would be well advised to reverse their decision and take appropriate steps for the fructification of the consortium idea at an early date.

ROAD-RAIL CO-ORDINATION

THE co-ordination of road and rail services continues to present some intractable issues. The Rail authorities are perturbed over some diversion to road transport of traffic, which the Railways believe they are in a better position to carry. The net result of this new development is that, in all discussions about road-rail co-ordination, it is the competition between road and rail transport that wins larger attention and notice. There has been some controversy over the alleged deviation of the Road Transport Reorganisation Committee from its terms of reference. The Railway Ministry, it is stated, is indignant that the Committee has been led astray into a discussion of road-rail co-ordination which was outside its purview. This allegation does not appear to be correct, considering that the Committee could not possibly have discussed the road transport problems without importing into the discussion the issue of road-rail co-ordination which has an important bearing on the development of road transport. There is, as the Chairman of the Committee, Mr. M. R. Masani, points out, "no basis whatsoever for the suggestion made by the Railway Ministry that the Committee went out of its way to stress the problem of road-rail co-ordination."

Be that as it may, the point is that, if the Railway Ministry feels that a fuller review of the whole issue deserves to be made, it is perfectly entitled to call for such a review and it could do so without questioning the competence of the Committee to discuss road-rail co-ordination. Some such review is bound to form a part of the report of the high-level expert committee on transport which the Ministry of Transport and Communications has decided to set up. The committee, it is stated, will consist of experts and economists and will advise the Government on the principles on which a national transport policy may be formulated. While the Government's decision to appoint the committee will be welcomed, it is to be hoped that the present commendable trend of modest appreciation of the importance of road transport will not be allowed to suffer any setback, on the ground that the whole issue of transport has been remitted to the care of an expert committee. It is certainly deplorable that, even after more than a decade of independence, this country should be left without a national transportation policy. In his brilliant, though understandably parochial, minute of dissent appended to the Masani Committee, the representative of the Railway Ministry, Mr. S. R. Kalyanaraman, admits, in the course of his exposition of the case for the Railways, that "our national transport policy has not yet been enunciated."

Clearly, the task ahead of the expert committee is by no means easy. It cannot overlook the subject of road-rail co-ordination which has a close bearing on the evolution of a national transport policy. At one time, it looked as though the problem could be safely relegated to the background, since it was thought that both rail and road transport could prosper simultaneously. But recent developments have, once again, shown the existence of a certain clash of interests between the two modes of transport. This point should be recognised and some solution found for the orderly development of both road and rail transport services. The case for Railway transport rests chiefly, if not wholly, on the ground that, if some of its lucrative lines of traffic are diverted to road transport, it cannot continue to carry several essential commodities such as coal, cement and mineral ores at the low rates at which they are now being transported by rail. It would appear that, in a memorandum on road-rail co-ordination, prepared by the Central Government in 1945, it was pointed out that, "if road traffic is allowed to take away the cream of traffic, then the inevitable result will be pushing up of rates for the above commodities to the detriment of everyone and to the detriment of the industrial development of the country."

While the general case for improving the rail traffic capacity as well as the actual rail traffic cannot be too strongly stressed, it is clearly unnecessary to buttress the case by a reliance on considerations which are either weak or irrelevant to the main issue. For instance, it would be wrong to contend that, since rail transport is a vast national enterprise, it would be a grievous national loss, if a part of rail traffic were to be diverted to private road transport. As we pointed out two weeks ago, the investment in roads is not inconsiderable—and this too is national investment. The investment in road transport is placed at Rs. 1,400 crores, as against an investment of Rs. 975 crores in the Railways. Nor can the point be ignored that the cost of laying a rail track is greater than the construction of roads and that, while the former has a single use, the latter can be put to multiple uses; it has been computed that the cost of constructing a modern new national or State highway varies from about Rs. 1.57 to Rs. 1.98 lakh per mile, while that of a rail line (single track) is about Rs. 7 lakhs.

Again, it would be wrong to overlook the fact that, on economic and other grounds, the automobile industry deserves to be encouraged. It cannot possibly get such an encouragement if restrictions are placed on road transport. India has only 89 vehicles per 100,000 of population, as compared with 37,998 in the U.S., 25,236 in Canada, 22,939 in the U.K., and 9,097 in Malaya. Further, the employment potential in road transport is very high. Road transport now employs about 2.68 million men, as compared with 1.05 million in the Railways. In any case, it is now generally recognised that rail transport will be unable to carry all the traffic that will develop in future, so that road transport will continue to remain an economic necessity. There is some difference of opinion over the quantum of deficiency in rail traffic capacity by 1960-61—this is placed at 15 to 20 million tons by some observers, while others are inclined to place the deficiency at a lower level—but it is known that a certain marked deficiency would exist and a well developed system of road transport alone could meet it. No wonder, even the partisan of rail transport, Mr. Kalyanaraman, has stressed that he does not seek in any way to contend that there is no need to develop road transportation and that "road transport must not only be developed but developed substantially." Only, he insists that the "action we take should be such as to achieve the basic objective of maximisation of the total transportation capacity of the country by all methods of transportation that can be made available and that at the least expense to the country as a whole in terms of real costs."

Closely allied to the question of road-rail co-ordination is the principle of the freedom of the consumer's choice. The spokesman for the Railways has been at some pains to point out that an unrestricted freedom of choice does not obtain in any country. But this does not answer the question whether the principle should be respected or not. So far as India is concerned, experience suggests that, if the choice is given to the consumer, he prefers, in respect of many commodities, road to rail transport. He does so for the reason that road transport is quicker, gives door-to-door service and is free from pilferage. Surely, the Railway authorities can profitably divert a part of their attention to finding out the means by which their services can become more acceptable to consumers. When they have done that, they may have a better case for insisting on a larger share of the total traffic. As it now happens, their complaint of unfair competition of road transport tantamounts to a request for compelling the consumer to accept their less efficient service.

Even if it is conceded that the consumer's freedom of choice may have to be circumscribed by considerations of wider national interests, it must be recognised that it will be a grave injustice to the consumer to give a monopoly for all long-distance traffic to the Railways. Besides, it would imply artificial restrictions on road transport, of a kind which would imperil its natural growth. Experience in other countries, as the Masani Committee points out, shows how road transport has rapidly gained ground and rail transport has lost it. Thus, in Italy, during the period 1938 to 1954, the percentage of traffic handled by the railways declined from 68.8 to 31.0, while that handled by road transport increased from 31.2 to 69. In Australia, the ton-mile share of roads and railways is 52 per cent. and 48 per cent. respectively, while in the U.K. it is 46 per cent. and 54 per cent. During the period 1939 to 1953, the total goods and passenger traffic in the U.S. increased by 118 per cent. and 95 per cent., respectively, but the corresponding increase in road traffic was 289 per cent. in goods and 118 per cent. in passengers, while the corresponding increase in rail traffic was only 83 per cent. and 35 per cent., respectively. Long-distance road transport in the U.S., it is stated operates on coast-to-coast hauls of up to 2,500 miles. It should thus be clear that automobiles are setting the pace for a new revolution in transport. The Masani Committee rightly observes that "it will be generally agreed that any attempt to turn back the wheels of progress and to cling to a mode of transport that is no longer the most efficient or speedy would be to do grave injury to the basic interests of the country." It adds: "In such a context, the task of the planner in a democratic society is to balance the free choice of the consumer with the needs of maximum utilisation of resources invested in the various forms of transport." In striking such a balance, it would be a disservice to the nation if road tranpsort were made to suffer a setback in order to give an artificially wide and free field for rail transport.

BULL MARKET REASSERTS ITSELF

CONFERENCE ON FUTURES TRADING—COST OF BANKING SERVICES—TAX ARREARS

THURSDAY, 5 P.M.

MARKET GOSSIP

AFTER remaining hesitant and moving in an irregular fashion, the bull market in equities has reasserted itself again. Unlike in the previous week, the scrips that have staged handsome gains are the speculative leaders and not the so-called cash counters. Thus, over the week, Tata Steels have gone up by Rs. 7.25, A.C.Cs by Rs. 7, Bombay-Burmahs by Rs. 25, Bombay Dyeings by Rs. 2.05, Centurys by Rs. 19.50, Kohinoors by Rs. 13.75, National Rayons by Rs. 13.75 and Telcos by Rs. 5.50. It may be noted here that the closing rates of all these scrips are a shade below the best levels touched a little earlier. The bull in the market has thus become a roaring animal and it looks as though he will become noisier still. He seems to have cast off the fear caused by Pakistan, Tibet, and the socialism of the Congress Party. He is no longer subdued by either the heavy carryover charges or the prospect of large deliveries in the coming settlements. Apparently, the possibility of money becoming easier after a fortnight or so, if not earlier, has induced him to ignore this handicap.

It is true that, during the last few weeks, some big investors lightened their portfolios either for paying their taxes or for keeping sufficient cash to take up rights issues or for investing in their own new projects. It is very likely that not all their sales have been finalised, in the sense that they have parted with their holdings and taken the cheques. With *bullish* in their favour, they need not be in a hurry to do so. But when this attraction is reduced, they may complete their sales.

Although some investors must have been wise enough to realise their profits, the vast majority of them are not doing so. They seem to be content with counting the profit in their books, unmindful of the fact that profit is made only when it is taken. That, of course, is the general characteristic feature of investors all over the world and hence the universal stock exchange maxim that tops and bottoms are for fools. The taxation laws are such that they are a great disincentive to liquidate one's investments at a good profit. The necessity to pay a sizable part of the capital gains to the Government induces many an investor to sit tight on his portfolios.

As the single largest investor, the L.I.C. has only been a buyer all along and not a seller. Even last week, it was reported to have taken over a large block of Indian Irons from a Clive Street investment company. This policy of L.I.C. is accentuating the scarcity of scrips and turning the market into a virtual one-way street. If life insurance had not been nationalised, some of the companies might have, perhaps, realised at least a part of the capital profit.

That speculative mania is increasing is evident from the tremendous rush for the shares of Colour-Chem. The issue offered to the public by this Company was for Rs. 35 lakhs in 35,000 shares of Rs. 100 each. The total amount applied for was Rs. 5.90 crores, as many as 17 times the amount invited. It is said that the number of applications was 75,000, that is, more than twice as much as the number of shares, so that, even if each applicant were to be given something, irrespective of the number of shares for which he has applied, he would get less than half a scrip. This is undoubtedly something unprecedented in company flotation in this country.

One of the chief factors responsible for this mad rush for Colour-Chem shares was the advance information to the effect that the promoters would present for encashment only the cheques of those applications that got picked up in the draw. This news induced people to send in as many applications as possible, even though they might not be having sufficient balance in their bank accounts. Another factor was the general notion that manufacture of dyes and colours and other chemicals would turn out to be a gold mine, as witness the big jump in the value of India Dyestuffs and Atul Products Ltd. also. A third factor was the tie-up arrangement with reputable foreign chemical companies such as Bayers, Montecatni and I.C.I. Indeed, as the premium on Colour-Chem shares rose by stages from Rs. 50 to Rs. 120, the value of Dyestuffs and Atul Products also automatically jumped up. Operators began to argue that, if Colour-Chem were to stand at Rs. 200 or Rs. 220, the Dyestuffs, which has a right issue of nine scrips for one at par and which came into the field earlier, ought to be much higher and that, if both these new comers were to command such astoundingly high premia, why not Atul, which has already been in the field for quite a few years now and has been paying a decent dividend, the latest dividend being Rs. 10 per share (of Rs. 100 each). The fact that it takes a fairly long time for chemical companies, in general, to get established and pay good dividends has been ignored. This type of get-rich-quick mentality is surely unhealthy, especially when it is displayed in such a conspicuous manner as was done last week. What has happened in Colour-Chem is a striking example of excessive "stagging." It is to be hoped that neither genuine investors nor the policy-makers in this country will be misled by the response which this new issue has had.

A unique conference was held in this city last week-end. The Presidents of 19 recognised associations operating 33 forward markets in 12 commodities met for two days and discussed various matters of common interest relating to organisational, trading and regulatory matters. Mr. W. R. Natu, the energetic Chairman of the Forward Markets Commission, deserves to be congratulated on hitting this excellent idea and giving effect to it. A conference of this type for dealing with problems of futures trading, which has remained unorganised for a long time in most parts of the country, is bound to be highly useful. It is one way of establishing closer relations and real understanding between the controller and the controlled.

In his welcome speech, Mr. Natu gave a comprehensive account of the work done by the Commission ever since its inception 5½ years ago and the problems facing it. Despite several handicaps, such as inadequacy of staff and funds, lack of expert personnel knowing the intricacies of futures trading and absence of ideal conditions for healthy and smooth functioning of futures markets, the Commission has done an excellent job. It must be said to the credit of Mr. Natu and the small band of devoted workers with him that they have managed to carry on their task of regulation, without provoking a serious clash with the authorities in charge of the administration of the markets. It is easy for the Commission, which has ample powers and authority at its command, to declare a state of emergency and supersede the Boards of Forward Markets, especially in times such as these when the supply of commodities—with the possible exception of jute and jute goods—is not plentiful and conditions are favourable for bull squeezes. But the fear for the controller will go and the whole game will become colourless, once he shoots his way into the markets and himself assumes full responsibility for their working.

This is not to say that the Commission did not firmly deal with evasions of control regulations or malpractices. One has only to listen to the grouses of the Boards of the recognised associations to realise the extent to which the Commission has been trying to keep speculation under control. Their complaint, in effect, is that the Commission is interfering too much. The firmness with which the Commission has been handling the forward markets is also evident from the large number of raids it has made on the offices of several firms dealing in illegal contracts and on the prosecutions launched in the courts. If the outcome of its efforts is not very impressive, it is because of the enormous difficulties involved in tracking down the guilty persons and the basically tight statistical position of the commodities in which forward trading is permitted. Indeed, it will be no exaggeration to say that, but for the Forward Markets Commission, the speculators would have by now overreached themselves, as they did in *gur* (which, incidentally, had not been brought under the purview of the Commission), and futures trading in several of the commodities would have come to a close. Futures markets are one of those basic institutions of the private sector which have to be skilfully regulated by the State, if they are not to find themselves in a state of crisis at frequent intervals. So strong is the desire in some operators to make money that they will not be able to realise the harm they do to the very institutions which enable them to exist. The instinct of self-preservation simply ceases to act in their case.

Apparently, Mr. Lal Bahadur Shastri, the Union Minister for Commerce and Industry, was not fully alive to this characteristic feature of speculation when he lamented, in his inaugural speech, that some people continued to indulge in illegal forward trading and options, even though they knew that a ban on such business existed. Nevertheless, it must be said that both the Minister and the Chairman of the Commission were right in stressing that it is the duty of Boards of Directors of the Associations to regulate their markets in accordance with their own articles of association and by-laws. We would, therefore, endorse the following quotation from Mr. Natu's speech:

"While punitive steps are being taken now and again against unscrupulous parties who flout the law, the Commission continues to hope that lasting results may yet be obtained through the voluntary compliance by the members of associations with their own by-laws. The Commission has, therefore, requested the Boards of Directors of the Associations to set up their own Vigilance Committees for keeping a watch on any breaches of the law and themselves take appropriate disciplinary action against the offenders in accordance with their own by-laws."

In the prevailing political climate in the country, the authorities in charge of futures markets can ignore this appeal only at their peril.

A Press note issued on the proceedings of the Conference says: "The Conference discussed at length the working of the special margins and their effectiveness in controlling prices. While conceding that the imposition of special margins was useful for putting a temporary brake to the rising trend of prices, it was generally agreed that the level of prices in the forward markets had ultimately to be determined by the prices in the ready markets which were governed by the laws of supply and demand. The difficulties experienced by the trade and the punitive nature of special margins were also stressed. It was emphasised that the imposition of special margins resulted in a considerable reduction in the volume of trading, the elimination of the small traders and the concentration of business in the hands of a few financially powerful operators. To mitigate these difficulties, suggestions offered, *inter alia*, included the provision of a free limit over which alone special margins will apply, the exemption of the hedge business done by genuine exporters from the payment of margins, and the fixation of maximum and minimum prices on all-India and statutory basis. In order to minimise kerb trading, the Conference proposed the fixation of uniform trading hours for each commodity all over the country. The Presidents also stressed the utility of options and the need to legalise and regulate such business."

There is some force in the contention of Presidents regarding options. The efforts to stop options have not been successful. When a thing cannot be ended, it should be mended. It is on this principle that options in some of the foreign countries are recognised and regulated. The question, therefore, deserves to be re-examined from a practical angle.

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In his speech at the annual meeting of the United Bank of India Ltd., held at Calcutta, the Bank's Chairman, Dr. N. N. Law, raised and discussed quite a few important issues relating to Indian banking. A vexed issue has been the increase in costs of banking operations, brought about, largely, though not wholly, by the increase in establishment charges. In his reference to this issue, Dr. Law pointed out how, during the period 1950-57, establishment expenses of Indian Scheduled banks rose by about 74 per cent. This rate of increase could not have been lower in 1958, for which figures are not yet available. Dr. Law rightly urged that, since banking was basic to development, there should be a wider appreciation of the need for "an equitable correlation between the increase in cost, improvement in productivity or enhancement of earning potential."

Dr. Law welcomed the agreement on the part of the banks in respect of rates of interest on various types of deposits. In this connection, he reiterated the suggestion he made last year that the rate of interest on time deposits should not exceed two-thirds of the Bank rate in force. We wonder whether a control on rates of interest on deposits, in whatever form it may be implemented and irrespective of whether it commends the agreement of all banks or only a few of them, is calculated to ensure the preservation of the competitive urge for efficiency and service which lies at the root of all free banking.

Dr. Law, however, made an important suggestion when he said that India should adopt the system of levying charges on the unutilised portion of the credit sanctioned to customers. There is a certain element of economic justice in levying such a charge, considering that the banks have a right to be reimbursed against the immobilisation of funds which the grant of a credit line to a customer involves. From the point of view of the customer, the adoption of the system will help promote more careful financial administration, through realistic budgetting. Yet another suggestion Dr. Law made relates to the institution of a system of organised credit investigation agency. He said: "Of course, banks have their own credit investigation departments, but that by itself cannot bring out all the relevant information which would be more helpful in consideration of extension of bank credit. It is, therefore, necessary that credit investigation agencies should be organised in this country on the lines of such institutions in other advanced countries of the world." This suggestion too deserves the consideration of Indian bankers. In this, as in many other aspects of banking, India will do well to adopt the features and practices of American banking. Elsewhere in this issue, we have drawn the attention of our readers to what some Indian observers have to say on the relevance of U.S. banking practices to Indian conditions. Indian banking has now reached a stage where it should strive to imbibe new ideas and be prepared to adopt new practices, so that it may play an increasingly important role in India's economic development.

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One of the departments of the Central Government which comes in for criticism off and on in Parliament is the Income-tax Department. The criticism is two-sided—some protest against harsh treatment accorded to the assessees and others attack it for being too lenient towards assessees. It is the latter section which seems to predominate at present. Several members in both the Lok Sabha and the Rajya Sabha pointed out, during the debate on the Finance Bill for 1959-60, that the Income-tax Department was not only very slow in collecting the arrears but also liberal in giving time for payment of the assessed taxes. The amount of arrears was placed (by the Department) at as high as Rs. 280 crores, as against a year's gross income from income-tax, corporation tax, estate duty and wealth tax of about Rs. 230 crores for 1957-58. On an earlier occasion, that is, when the Lok Sabha was debating the budget demands of the Finance Ministry, a Communist member from West Bengal, Mr. Prabhat Kar, described the tax-collecting machinery as a "slur" on the Finance Ministry. Here is what Mr. Kar said:

"I wonder if there has been a single prosecution for tax evasion. The Finance Minister cannot deny that huge amounts of tax remain to be collected. I know hundreds of instances where proceedings for tax evasion against prominent persons have been given up under pressure and influence. The Ministry should take the co-operation of the lower class of employees in the Income-tax Department for checking evasion. Higher officers stay in the house of assessees and, quite naturally, the

(*Continued on page 796*)

EQUITIES FLARE UP

TEXTILES WELL FAVOURED

(From Our Own Correspondents)

BOMBAY, *7th May*

BOOM conditions prevailed on the Stock Exchange during the week under review. The bullish tone noted in the previous week gathered fresh momentum this week, particularly in the new account which opened on Monday last. Steel shares, except Indian Irons, textiles, rayons, engineerings and several miscellaneous counters came in for considerable support and gains were very marked, lifting them to new high levels for the year. There were no fresh developments during the week to inspire the market, but operators would appear to have placed their faith in the long-term outlook of the country's economy. Reports of continued improvement in the offtake of cloth, the consequent reduction in stocks with mills and traders, the good performance of rayon mills, the growth prospects of several industrial units infused fresh enthusiasm in operators. The setback in output of the T.I.S.Co. and I.I.S.Co. in the month of April did not have any effect on the market. The production of saleable steel by the T.I.S.Co. amounted to 93,300 tons, as against 100,700 tons in March. The fall in output of saleable steel by the I.I.S.Co. was much sharper, having dropped from 59,707 tons in March to 40,151 tons. No doubt, Indian Irons experienced heavy selling from Calcutta and in the past two days Bombay is reported to have absorbed all the offerings, but it could not do so today. There was, therefore, a slight setback in this counter today.

The market is keenly awaiting the terms of the proposed issue of new capital by the T.I.S.Co. The Committee of the Shareholders' Association has decided to request the management that the new capital issue should consist of ordinary, as well as preference shares and that 50 per cent. of the new capital should be in ordinary shares and the balance in preference.

Tata Ordinaries jumped from Rs. 181.75 to Rs. 189.75 today. After a dip to Rs. 188.50 the shares closed at Rs. 189. Indian Irons were less active on conflicting reports about the offer of a large block of the shares to the L.I.C. by some prominent brokers in Calcutta. However, they crept up from Rs. 24.32 to Rs. 24.84, before closing at Rs. 24.68.

Textiles provided the lead to the market this week and gains were large and widespread. Bombay Dyeings advanced from Rs. 62.50 *cum-div.* to Rs. 63.40 *ex-div.*, but finished at Rs. 62.80 *ex-div.* on profit-taking. On a *cum-div.* basis, this represented a gain of Rs. 2.05 over the week. Centurys were in the limelight with a sharp rally from Rs. 511.50 to Rs. 534.25. Today, however, they met with profit-taking and closed at Rs. 531. Kohinoors scored a gain of Rs. 13.75 to Rs. 272.25 and Central Indias Re. 1 to Rs. 105. Finlays were placed at Rs. 275 *ex-div.* (dividend: Rs. 16), as against Rs. 283 *cum-div.* Gokaks closed at Rs. 150 *ex-div.*, which on a *cum-div.* bas's showed a loss of Re. 1. Morarji Mills rose by Rs. 16.25 to Rs. 225, and Shree Niwas Cottons by Rs. 13 to Rs. 176. Khataus provided an exception with a loss of Rs. 10 over the week at Rs. 225. Simplex put on Rs. 6 to Rs. 186, Standards Rs. 12.50 to Rs. 520 and Svadeshis Rs. 3 to Rs. 229.50. At the *ex-div.* rate of Rs. 415, Swans recorded a gain of Rs. 40. Ahmedabad Advances moved up by Rs. 3 to Rs. 140.

After a long break, cement shares came to the forefront, A.C.C. providing the lead, with a sharp rise of Rs. 6.75 to Rs. 156.50. Digvijays also shaped well with a gain of Rs. 6.50 at Rs. 151. Orissa Cements put on 36 nP to Rs. 14.56 and Jaipur Udyogs 24 nP to Rs. 11.12. Sugar shares moved in consonance with the general trend, but met with heavy profit-taking at higher levels. Belapurs, for instance, picked up from Rs. 309 to Rs. 317 before giving way to Rs. 314. Phaltans put on Re. 1.50 to Rs. 168.50, Changdeos Re. 1 to Rs. 30 and Bhopals 44 nP to Rs. 24.32. Walchandnagars were done at Rs. 302.50 *ex-div.*, as against Rs. 322.50 *cum-div.* (dividend: Rs. 21). Maharashtra Sugars continued to be in favour and rose by Rs. 5 to Rs. 231. Ravalgaons were picked up Rs. 6.50 higher at Rs. 130.50.

In the engineering and mining group, Alcocks provided a bright feature with a rise of Rs. 18 to Rs. 298. Tata Locomotives crossed on Tuesday last the Rs. 200-mark and touched Rs. 200.50. Profit-taking at this level, however, brought them down to Rs. 197.50 at the close today. Larsen and Toubros were in keen demand and improved by 72 nP to Rs. 24.68, while Mahindras moved down by Re. 1.04 to Rs. 23.72. Brady Engineerings were marked up by Rs. 4 to Rs. 60. Kirloskar Oils, however, lost 52 nP to Rs. 19.48. Shivrajpurs gave way from Rs. 103.50 to Rs. 100, while Indian Coppers gained 6 nP to Rs. 4.34.

Shipping shares were dull. Scindias moved between Rs. 18.64 and Rs. 17.96 before closing at Rs. 18.28. Great Easterns were a shade quiet at Rs. 23.12. In the automobile group, while Hindustan Motors picked up 12 nP to Rs. 9.20, Premier Automobiles lost Rs. 3 to Rs. 115 *ex-div.* (dividend: Rs. 4).

In the miscellaneous section, Bombay Burmahs (old) were a bright feature with a rise from Rs. 520.50 to Rs. 551.50. Towards the close, however, they reacted to Rs. 545.50. The partly-paids gained Rs. 7 over the week to Rs. 139. National Rayons shot up from Rs. 290.25 to Rs. 309, before reacting to Rs. 304 at the close. Gwalior Rayons rose by 80 nP to Rs. 18.96. Tata Chemicals were just steady at Rs. 16.72, while Tata Oils were a shade quiet at Rs. 52.30. Amar Dyes rallied from Rs. 150 to Rs. 172 and Dhrangadhras from Rs. 119 to Rs. 122. Poly Chems gathered Rs. 4.50 to Rs. 90. Greaves Cottons had business Rs. 6.50 higher at Rs. 128. Indian Dyestuffs suffered a reaction from Rs. 775 to Rs. 720. West Coast Papers advanced by Rs. 7 to Rs. 137, Wimcos by Rs. 4.50 to Rs. 217.50 and Ceat Tyres by Rs. 17 to Rs. 140.

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Calcutta Stock Exchange

CALCUTTA, *5th May*

Buoyant conditions prevailed on the Calcutta Stock Exchange during the week under review due to speculative manipulations encouraged by anticipations of the L.I.C's imminent entry into the market. Investment interest was, however, limited. The volume of business was low compared to the rise in prices. There were conflicting rumours about the intentions of the L.I.C. Investment Committee; at one stage, it was believed that the L.I.C. would soon purchase about Rs. 5 crores worth of shares. The report that the Corporation would not now enter the share market, in view of its need to mobilise resources for Government loans, which would soon be floated, followed the Investment Committee's meeting last week in Bombay. These reports apart, it is common knowledge that the Corporation's interest in Calcutta's engineering concerns is lively. During the week under review speculative Indian Irons were subjected to wide fluctuations. A huge parcel of Indian Irons was offered to the L.I.C., but a Bombay report indicated acceptance of the offer only in part yesterday, following which a fractional recovery in Indian Irons was recorded. Also, it was known now that April output in I.I.S.Co. was lower. Those who had bought other popular scrips at hardening rates earlier in the week for offering to the L.I.C. were disappointed. A cause for the paucity of genuine buying interest was tightness in the money market, and expectations of a series of imminent rights issue for which funds were being kept apart.

Sectionwise, coals were in the limelight, following the possibility of India securing a large order for metallurgical coal from Japan. More transactions took place in textiles following the Union Commerce Minister's view that the cloth crisis in the country was over. Cloth export was improving, as also offtake for internal consumption. Jutes provided some good features on interested buying and sugars came to the forefront on account of expected benefit from alcohol plan. Following more releases of satisfactory corporate results, miscellaneous industrials attracted considerable attention.

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Madras Stock Exchange

MADRAS, *5th May*

Buying enquiry in the share market was of a selective nature during the week under review. This was so because there was no fresh encouraging development to enthuse much interest among operators. Besides, there was a growing realisation that current level of prices for equities was high and that it would be risky to make fresh investments at these levels. Turnover, as a consequence, was less as compared with the preceding week and values moved narrowly, the general tendency being upward. The undertone of the market was steady.

A feature of trading in the planting section was the fairly sizable absorption of low-priced shares. Investors noted that the present prices of tea were higher by about 25 nP per lb. as compared with those obtaining at this time last year. Sugar shares attracted good support induced by expectations of better price realisations for sugar in the current season due to lower production and enlarged demand. Barring a few scrips which forged ahead on excellent investment buying, textiles were hesitant at higher levels due to profit-taking and lack of follow-up support.

Among tea shares, Devasholas were keenly bid, the quotation spurting by Re. 1.25 to Rs. 28.25. United Nilgiris picked up 37 nP to Rs. 20.12. Kil Kotagiris hardened by 10 nP to Rs. 8.45 *ex-div.*, Chenbras by 8 nP to Rs. 4.36, Periakaramalais by 4 nP to Rs. 4.33. Chandramalias and Kalasas gathered 3 nP each to Rs. 3.17 and Rs. 4.05, respectively. Arthalas were dull at Rs. 4. The Company is offering 20,000 6 per cent. tax-free cumulative preference shares of Rs. 10 each and 60,000 ordinary shares of Rs. 5 each to the shareholders as on 31st March 1959 in equal proportion to their existing holdings. Coffee shares changed hands at higher prices, Amalgamateds advancing by Re. 1.25 to Rs. 15, Rajendras by 50 nP to Rs. 14.50, Coffee Lands by 30 nP to Rs. 24, Kumergodes by 25 nP to Rs. 6.10 and Cowcoodys by 5 nP to Rs. 7.20. Savamalais, however, dropped 8 nP to Rs. 4 *cum-div.* The Directors of the Company have maintained the dividend for the year ended November 1958 at the previous year's level of 12½ per cent. In the rubber group, Malabar Industrials strengthened by 56 nP to Rs. 16.06 and Peninsulars by 50 nP to Rs. 22. Thirumbadis rose by 13 nP to Rs. 2.02, Kailas by 10 nP to Rs. 5.20, and Highlands by 8 nP to Rs. 12. Nenmenys were unchanged at Rs. 16 *cum-div.*, despite the announcement of higher dividend (15 per cent.) for the year 1958, as against 7½ per cent. for 1957. Udayagiris were also unchanged at Rs. 11.15 *cum-div.* The decision of the Directors to pay a higher dividend of 7½ per cent. for 1958, as against 6 per cent. for 1957, had no effect.

A few select textile shares were very well favoured and handsome gains were recorded. The following are today's closing rates for these, the figures in brackets showing the net gains over the week:

Coimbatore Pioneer Rs. 285 *cum-div.* (+Rs. 15); Anglo-French Rs. 90 *cum-div.* (+Rs. 11); Dhanalakshmi Rs. 196 (+Rs. 6); Balarama Varma Rs. 95 *cum-div.* (+Rs. 6); Virudhunagar Rs. 39 (+Rs. 2.50); Balasubramania Rs. 54.75 (+Rs. 2.25); Radhakrishna Rs. 132 (+Re. 1); Loyal Rs. 32.25 (+25 nP).

Bangalore Woollens were done at Rs. 174 *ex-div.*, as against Rs. 179 *cum-div.*, and Buckinghams at Rs. 181 *ex-div.*, as against Rs. 185 *cum-div.* Metturs encountered selling pressure and fell by Rs. 7 to Rs. 396. Lakshmis dropped Rs. 3.50 to Rs. 122.50, Ranga Vilas Rs. 2.50 to Rs. 56.50 and Rajapalayams Rs. 2 to Rs. 123.

Sugar shares, as already stated, attracted good support. Kirlampudis improved by 50 nP to Rs. 52.50. E.I.D's hardened by a like amount to Rs. 38.25. Deccans put on 20 nP to Rs. 11.95. Travancores gathered 15 nP to Rs. 12.10 and Indias 10 nP to Rs. 13.10 *cum-div.* Andhras were done at Rs. 21 *ex-div.*, as against Rs. 22.50 *cum-div.*

In the miscellaneous section, Mysore Electrical Industries provided the highest spot, the quotation rallying from Rs. 118 to Rs. 125. Textools climbed up by Rs. 4 to Rs. 189. W. I. Plywoods advanced by a rupee to Rs. 159. Andhra Scientifics and Orissa Cements improved by 25 nP each, the former to Rs. 6.25 and the latter to Rs. 14.40.

The Dunlop Rubber Co., Ltd., London, has earned a net profit (after taxation) of £3,567,000 for the year 1958. This represents an increase of £550,000 over that for the previous year. The Directors have raised the allocation to the general reserve from £1 million to £1.1 million. After paying preference dividends amounting to £456,000 (as against £451,000), the distribution on ordinary shares is being raised from 14 per cent. to 16¼ per cent., leaving to be carried forward a sum of £1,525,000, including £1,509,000 brought in.

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NEWS IN BRIEF

AN official resolution seeking to extend the existing convention about the railways' contribution to the general revenue up to the end of March 1961 has been adopted by the Lok Sabha.

The Union Minister for Industry, Mr. Manubhai Shah, stated in the Lok Sabha the other day that the proposed aluminium factory in Uttar Pradesh was likely to go into production by the second year of the third Plan.

In its sixtieth report, the Estimates Committee of the Lok Sabha has recommended reconsideration of its earlier proposal to commence the Government's fiscal year from 1st October, instead of from 1st April as at present.

The Union Minister for Food and Agriculture disclosed in the Lok Sabha the other day that it was proposed to experiment with the Chinese method of paddy cultivation at 31 centres all over the country in the forthcoming *kharif* season.

That there is good scope for setting up bamboo paper mills in the States of Assam, Mysore, Madras, Bombay and Kerala is the view of the Raw Materials Committee of the panel for the pulp and paper industry, expressed in its report to the Lok Sabha this year.

The Government of Uttar Pradesh has decided to impose a ceiling of 40 acres on the present holdings of land of average quality for a family of upto five persons. Additional land will, however, be allowed up to 80 acres for bigger families with eight or more members.

Established importers of sheet and plate glass will be granted import licences up to a quota of 5 per cent. during the current half-year April-September 1959. The quota licences will be valid only for import of wired glass, figured glass, welding glass, opaque glass and all other types of plate glass (other than laminated type safety glass).

The U.N. Special Fund has decided to establish a vocational training institute in India to turn out 800 craftsmen a year. The Fund will arrange to send experts to India to train instructors and provide necessary equipment. The aid from the Fund will amount to Rs. 42.5 lakhs. The Government of India will contribute about Rs. 1 crore towards the cost of the project.

The Forest Enquiry Committee, constituted by the Government of Orissa, has recommended that the State should take over the management of all private forests. It has also suggested immediate extension of the Indian Forest Act 1927 to the ex-*zamindari* forests and avoidance of dual control over the management of forests by entrusting management only to the Forest Department.

The Andhra Pradesh Government has approached the Centre to issue an order prohibiting the export of paddy from the State to help stabilise prices. Meanwhile, the Government has decided to purchase a sizable quantity of rice from licensed dealers in the State to keep it as a buffer stock for distribution through fair price shops during the lean months of the year.

The work on the establishment of a teleprinter factory in the public sector is expected to be commenced according to Mr. S. K. Patil, probably within a year. The proposed factory will have an annual capacity of 1,000 units. Actual production in the initial stages will be 500 teleprinters annually. There are five prospective collaborating firms, one each from W. Germany, the U.K., Italy, Japan and the U.S.

The Hindustan Aircraft Limited, Bangalore, made a profit of Rs. 34.16 lakhs in 1957-58. Its sales turnover, including supplementary claims, during the year amounted to *Rs. 608.24 lakhs, as against* Rs. 504.98 lakhs in the previous year. The Company's rail coach section has now switched over to the manufacture of integral type coaches similar to those manufactured in the Integral Coach Factory at Perambur.

An agreement has been signed between the Neyveli Lignite Corporation and the Technoexport of the U.S.S.R. for the supply of machinery, equipment and technical services to the construction of the Neyveli Thermal Power Station based on lignite. The total cost of machinery and equipment to be supplied under the agreement will be met out of the 500-million rouble credit granted by the U.S.S.R. under the Indo-Soviet agreement of November 1957.

It has been proposed by the West Bengal Government to set up a plant to manufacture lightweight-aggregate, a building material. This material is expected to replace stone-aggregate or gravel, which is now being transported to Calcutta from a distance of over 100 miles. It can be produced from the silt accumulated at the Palta waterworks. The use of this new material, it is said, will reduce the expenses of building construction and give greater thermal and acoustic comfort to houses.

There are 1,001 Soviet experts employed in the Bhilai steel plant. The monthly salaries of these experts are: one Chief Engineer Rs. 4,500; 35 leading specialists Rs. 2,850 each; 123 specialists Rs. 2,400; 214 technicians and leading foremen Rs. 2,200; 53 interpreters Rs. 1,950; 107 foremen and adjusters Rs. 1,800; 468 other technicians Rs. 1,500. Besides these experts, there are 66 Soviet experts acting as Consulting Engineers and they are paid by the U.S.S.R. Government. The duration of stay of these various experts ranges from 6 to 36 months.

A scheme for integrated storage development is being worked out by the Central Warehousing Corporation. The scheme envisages co-ordinated expansion of storage facilities all over the country. Under the existing arrangement, the storage accommodation created by the Corporation is being utilised by agricultural products other than foodgrains, while the Food Department has constructed its own godowns for storing grains. The Corporation which has been transferred from the Agriculture to the Food Ministry, has also plans to establish eight Central godowns in the various States during the current year (1959-60).

The desirability of establishing a super-island port in the south of Calcutta at a cost of about Rs. 100 crores has been suggested by Mr. F. Posthuma, Deputy Director of the Rotterdam port, in his report submitted to the Central Government. Another suggestion put forward by him relates to deep dredging of the Hooghly, despite its high cost, with a view to saving the Calcutta port from silting. The Ganga barrage, according to Mr. Posthuma, is of doubtful value in realising this object. On the establishment of an auxiliary port near Calcutta, he is said to have approved of the original site, with a proviso that, prior to the development of the port, the sandbar between Calcutta and the site should be dredged. He has not favoured dredging operations at Bombay port, because of their high cost. Nor has he agreed to developing Bombay as a naval base. He has not considered Paradeep for possible development as a major port.

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From Abroad

The U.S. has assured Australia that it does not propose at present to expand its surplus food and fibre disposals programme.

The index of industrial production in the U.K. (base: 1954=100) during March was 107-108, as against 110 in February and 108 in January.

A $60-million project to make Toronto the largest inland seaport in Canada is under way. The completion of the whole project is expected to take 25 years.

In an endeavour to improve the standard of sheep farming in Kenya, the Farmers' Association there has imported more than 1,300 sheep, costing almost £70,000, from New Zealand.

More than 7.3 million gross tons of ships—7.3 per cent. of the world's merchant fleet—were laid up at the end of 1958, as against just over 1.5 million tons a year before, according to the Netherlands Shipowners' Association.

The next meeting of the G.A.T.T. organisation will be opening at Geneva on the 11th inst. One of the issues to be considered at the meeting relates to the application for membership filed by Israel.

Vickers-Armstrongs (Engineers) Ltd. of the U.K. have signed a £2.2-million contract with the U.S.S.R. for the supply of a chemical plant. The construction of the plant is expected to be completed by the end of next year.

The Pakistan Government has decided to implement family planning vigorously, on a nation-wide scale. The scheme will be enforced through the agency of 'Village Aid,' an organisation similar to the community projects in India.

Switzerland exported during the first quarter of 1959 about 7.3 million watches worth Sw. Fr. 212 million (£17.4 million), as against 7.9 million watches worth Sw. Fr. 247.9 million (£20.3 million) in the corresponding quarter of 1958.

The U.S. National Geographic Society has estimated that more than 200,000 chemical by-products are made from bituminous coal; some of these are used in aspirin, vanilla ice cream, explosives, moth balls and fingernail polish

Poland claims to possess the world's second richest sulphur ore deposits. In order to exploit these deposits, the country is developing its extracting and processing technology as swiftly as possible. The production of sulphur in the Paiseczno mines is expected to be 100,000 tons in 1959 and 2 million tons by 1965.

A new world development corporation which would sell some $15,000 million worth of stock to the American public for investment overseas has been proposed at Washington by two noted economists, Benjamin Javits and Leon H. Keyserling. The authors of the plan propose to ask the U.S. Treasury to contribute $2,000 million to get the organisation launched.

India was the biggest customer for British aircraft and aircraft parts during the first quarter of 1959, with orders valued at about £3.8 million. Argentina stood second (£2.9 million) followed by W. Germany (£2.5 million) and the U.S. (£1.6 million). The total U.K. exports of aircrafts at £41 million was a record for any quarter and represented an annual rate of £164 million, as against last year's record of £154 million.

The index of business turnover in the U.K. (base 1950=100) for the first quarter of this year was higher at 169, as compared with 160 for the previous quarter and 161 for the corresponding quarter of 1958. The index had shown a gradual fall throughout 1958, the actual decline being from 161 in the first quarter to 151 in the third quarter. Although it recovered to 160 in the fourth quarter, the average for the year as a whole was only 158.

The U.K. Export Credits Guarantee Department has decided to provide new facilities. One such facility relates to the offer of a 5 per cent. rebate on premiums to existing policyholders who cover their exports of commodities, consumer goods or production like engineering goods on a three-year basis, as against the present 12 months' scheme. The rebate will, however, be lower at 2½ per cent. for new policyholders and those with less than three years' continuous E.C.G.D. cover.

The view that West Germany has not set a good example by imposing a consumer tax on tea and coffee to compensate for the loss of revenue due to the lowering of tariffs in the Common Market has been expressed by the Chambers of Commerce Federation, Bonn. The Federation has urged that a watchful eye will have to be kept to see that an effective Common Market is not prevented by the erection of internal tariff walls behind the external tariff walls now being broken down.

The number of cartels in W. Germany now is 41, as compared with 1,600 and 2,800 in the Netherlands and in the U.K., respectively, according to the 1958 report of the Federal Cartel Office. Of the total of 41, 27 cartels existed already previous to the enactment of the 1957 Federal Law Against Restraints of Competition (Cartel Law), which generally outlaws cartels with only few exceptions such as *rationalisation cartels* and cartels on general business conditions. Eighty-five cartel cases applied for were still pending at the end of 1958.

A group of British scientists is reported to have discovered a new source of cheap power for road and rail vehicles—a power plant (or fuel cell) which produces electricity directly from bottled hydrogen and oxygen. Electricity will be used at off-peak periods to generate hydrogen and oxygen by the electrolysis of water. The gases will then be bottled and fed later into fuel cells in rail cars and heavy vehicles which will convert the gases into electrical power. It may be possible for the vehicle to carry only a bottle of hydrogen, extracting its oxygen from the air.

The population of the U.S. will go up to about 260 million by 1980 and to 350 million by the year 2000, if the present rate of growth continues, according to a forecast by the U.S. Population Reference Bureau. The U.S. birth rate of 24.5 per 1,000 population in 1958 was 30 per cent. above the 1935-39 average. The survey reveals that improved health standards, which have decreased infant mortality by about 73 per cent. between 1915 and 1958, and raised average life expectancy for men and women from 47.3 years in 1900 to 69.5 years in 1955, have had a marked effect on population growth.

World production of rice (excluding China) in the current year is now estimated at a record 130 million tons (terms of paddy), as against 121.5 million tons for 1957-58, according to the Commonwealth Economic Committee. The final official estimate of rice crop in India for 1958-59 places the output at a record of 43.7 million tons (paddy), as compared with 36.5 million tons for 1957-58. The previous record total was 41.6 million tons touched in 1956-57. The area harvested in 1958-59 is estimated at 81.6 million acres, as compared with 79.0 million acres in the previous season. The crop in Pakistan, on the other hand, is reported to be substantially below that of 1957-58, the third official estimate being 11 million tons from 21.6 million acres. The output in Burma is now unofficially estimated at 6.5 million tons, as against 5.1 million tons in 1957-58. The planted area increased from 10.2 million acres to 10.9 million acres, and favourable climatic conditions resulted in a high yield per acre. In Malaya, unofficial reports indicate that 915,000 acres had been planted with rice by the end of 1958, the total planted acreage being estimated for 1958-59 at 936,000, as compared with the previous year's 901,000 acres.

PERSONAL

MR. H. C. Dasappa, M.P., has been appointed Chairman of the Estimates Committee of the Lok Sabha for the period 1959-60.

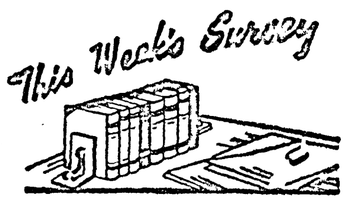
Mr. G. D. Birla left Bombay on 1st May 1959 on a two-month tour of Europe, the U.K. and the U.S.

Dr. Omar Hayat Malik has been appointed High Commissioner for Pakistan in India *vice* Mian Ziaud Din who has been recalled.

Mr. Kewal Kishan Aggarwal, Managing Director of *Messrs. Devidayal Cable Industries Private* Ltd., has left on a business tour of the U.K. and the U.S.

Mr. Manilal H. Patel, Vice-President of the East India Cotton Association Ltd., Bombay, left for the U.S.A. on the 2nd inst., to represent the Government of India at the eighteenth plenary meeting of the International Cotton Advisory Committee to be held at Washington from the 13th to 23rd inst.

Prof. J H. Richardson, British expert on Industrial Relations, whose services had been made available to India for six months under the Technical Assistance Programme of the *International Labour Organisation*, left New Delhi for Geneva on Wednesday this week. Prof. Richardson visited almost all industrial regions in the country and made a comprehensive survey of industrial relations and related problems in India. He has submitted a report to the Central Government.



ALCOHOL INDUSTRY

A DEPLORABLE feature of Governmental machinery is egregious delay in arriving at decisions on the findings of expert bodies. A typical instance of such delay is provided by the way in which the Union Government has acted upon the recommendations of the Committee on Power Alcohol (Chairman: Dr. A. Nagaraja Rao), set up in October 1955. Although this Committee submitted its report as early as in December 1956, it was not until March last year that the Government released for publication the recommendations of the Committee and the official decision on some of them. It, however, witheld its decisions on the more important subjects such as those relating to price, distribution, taxation, freight rates and rail transport facilities. It was only this week that it announced the decisions on these issues, that is, two years and four months after the Committee submitted its report!

The Government of India has accepted the Committee's suggestion to impose a ceiling on the basic ex-distillery price of alcohol—at 80 nP per gallon for alcohol of 99.5 per cent. strength and at 78 nP per gallon for alcohol of 96 per cent., besides an additional charge of 37 nP per gallon in both cases on account of average actual transport charges incurred on molasses. Even if the argument that a ceiling on alcohol price is required in order to encourage the use of alcohol as raw material is accepted, one wonders whether the rates of ceiling now accepted can be considered to be reasonable, in view of the all-round increase in the cost of production of almost everything consequent on the growth of inflationary pressure during the long interval that has lapsed. The Government has, therefore, done well to concede that the price range to be specified for alcohol of different strengths may be re-examined to see whether any revision or adjustments are necessary due to lapse of time and also on regional considerations.

The Government is, however, not justified in accepting the suggestion of the Committee that the reasonable ex-factory price per maund of molasses (the principal raw material for alcohol production) containing not less than 50 per cent. total sugar is As. 4, correspondingly lower prices being charged for molasses of lower sugar-content. This is certainly a very low price, considering the rigid cost structure from which the sugar industry is suffering at present, thanks to the heavy impact of taxes and high price of sugarcane. It will be necessary to fix a higher price for molasses, if the sugar mills are to reduce the price of sugar to some extent, as well as to ensure adequate and regular supplies of molasses to the alcohol distilleries.

The Government is also not justified in deciding to leave undisturbed the mechanism of control on molasses distribution already existing in some States. While few would dispute the need for some controls, the point is that, in a few States, especially in Bombay, the controls have been so vexatious and harsh as to put the sugar mills into utmost hardship and inconvenience. The storage of molasses accumulated with mills year after year has been a standing problem to the mills ever since the Prohibition Act came into force. The Government of India should have accepted the Committee's recommendation for Central control over molasses distribution, the assumption here being that the Centre would be more realistic than the States in evolving the control. An additional advantage of Central control is uniformity in the scheme of distribution throughout the country.

Similarly, the Government should have accepted the Commitee's recommendation to exercise Central control over the distribution of alcohol. By doing so, it would have ensured the availability of adequate quantities of alcohol for industries deserving encouragement. The Government has not given any reason as to why it feels that the power to regulate industrial alcohol distribution should rest with the State Governments and that the tax on alcohol need not be taken as a Central item for the present. The system of taxation, including the provision for supply of tax-free alcohol for the specified categories of industries, it is said, has been left to be implemented by the State Governments under the State Excise Acts.

Three notable suggestions of the Committee have been accepted by the Government of India. First, the minimum annual capacity for a distillery (power alcohol or industrial alcohol) should be one million gallons, although units of smaller capacities can be permitted in certain circumstances. Secondly, an adequate number of tank wagons for transport of both alcohol and molasses must be made available. Thirdly, a standing advisory committee on denaturants should be constituted and entrusted with the task of enlarging or altering the list of special denaturants for alcohol intended for different industrial uses. On the question of freight rates on alcohol, the Government has agreed to extend uniformly reduced freight only to ethyl alcohol meant for large-scale industrial uses. In its opinion, such a concession need not be given to pure forms of ethyl alcohol meant primarily for potable purposes. This decision is, of course, in keeping with the inflexible policy of Prohibition which has been accepted even by the Communist party.

POLYTHENE PLANT

The latest in a series of Indo-British collaboration in the industrial field launched by Imperial Chemical Industries is the establishment of a new polythene plant at Rishra, West Bengal. It was only six months ago that President Dr. Rajendra Prasad opened a factory at Gomia, in Bihar, for the manufacture of commercial blasting explosives, which was a joint venture of I.C.I. and the Government of India. Completion of another project was announced last month when Atic Industries Ltd., a joint company of Atul Products Ltd., and I.C.I., opened a major extension to their dyestuffs factory at Bulsar.

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The Rishra plant, which was formally declared open by Mr. Morarji Desai, Union Minister for Finance, on the 2nd inst., is India's first polythene plant. Built by the Alkali and Chemical Corporation of India Ltd., a subsidiary of I.C.I., at a cost of Rs. 4 crores, the plant has an annual licensed capacity of 3,500 tons of Alkathene, the I.C.I. brand of polythene, and will result in a saving of foreign exchange to the tune of Rs. 1.5 crore to begin with.

Polythene is a versatile plastic, having a unique combination of various qualities. It is tough, flexible even at low temperatures, does not corrode, is not affected by most chemicals and has excellent electrical insulating qualities. Polythene is put to many uses in industry, agriculture and the home, the largest single use being for film. Polythene film is cheap, flexible, transparent and moisture-proof and is used for packing many types of goods from food to fertilisers. The long and steadily growing list of other articles made of polythene ranges from cable insulation and unbreakable industrial carboys to water bottles, buckets, bowls and toys.

The main raw material for the polythene plant is ethyl alcohol produced from molasses by distilleries in Bihar and Uttar Pradesh. The alcohol is dehydrated in a converter to produce ethylene and this gas is purified before being compressed and polymerised. The polythene is then separated and cut into granules, which are tested and blended before being packed and despatched.

The manufacture of polythene granules is a large-scale process, but the conversion of granules into industrial and commercial goods is a small-scale industry. More than 200 concerns are directly engaged in making polythene products and about one-third of these concerns are of cottage industry type. A large percentage of the 15,000 people employed in the plastic conversion industry, as a whole, are handling polythene and the availability of indigenous raw materials will give increased opportunities for employment in small-scale and cottage industries.

There seems to be an assured future for polythene manufacture in India. Since polythene is finding a variety of industrial and consumer uses, the demand is increasing rapidly. In 1952, total Indian consumption of polythene amounted to a mere 100 tons. In 1958, it had increased to 2,100 tons—a twentyfold increase in about six years. Demand for polythene is still growing at a rapid pace.

TOO MANY HOLIDAYS

The non-official resolution introduced in the Rajya Sabha by Dr. P. J. Thomas on the 1st inst. has served to focus attention on the need for introducing an element of planning and sound rationalism into the scheme of work and leisure in the country. It is a well-known fact that, of all the modern countries in the world, India has perhaps the largest number of holidays. In addition to Sundays, there are numerous national and religious holidays and casual holidays declared occasionally, all of which add up to an impressive total. Dr. Thomas pointed out that Central Government employees in India were entitled to take off for 35 per cent. of the days in a year, while, in the Punjab, Government servants worked only for 41 per cent. of the days in a year, assuming that they took all the leave they were entitled to. Banks, which were the very life-blood of economic activity, had on an average, 23 holidays in India, as compared with seven or eight in most countries of the world. This is, of course, in addition to privilege leave, casual leave and sick leave.

Holidays in other parts of the world, as already stated, are far less in number. For instance, an analysis of the provisions in respect of paid vacations and holidays applying in six broad industrial sectors in 17 labour markets areas made by the Bureau of Labour Statistics of the U.S. Department of Labour revealed that, in the four north-east areas, where the most liberal holiday provisions were in force, the majority of office workers received 11 days and the majority of the plant workers in three of the areas received eight paid holidays. More than half of the office workers in three other areas received an equivalent of eight holidays and an equivalent of seven holidays was given in still nine other areas. A majority of plant workers received seven holidays in all but six areas. In the U.K., the number of paid holidays was eight and the majority of workers in Canada enjoyed the same numbers of holidays.

The number of paid holidays for factory workers in India is by no means large; it is no more than ten or eleven, depending upon the practice of State Governments. Only, they occur in such a way that they cause considerable inconvenience to certain types of industries. The privilege of enjoying an unduly large number of holidays is confined to the employees of Governments, banks and commercial establishments. It is strange that there should be such gross discrimination against factory workers in a country governed by socialists. The solution to this discrimination does not lie in giving the same number of paid holidays to industrial workers as in the case of non-factory workers, but in whittling down the privilege of the latter. It may be noted that there is hardly any such discrimination in the so-called capitalist countries of the West.

The large number of public holidays at present enjoyed by non-factory workers in India, according to Dr. Thomas, is a hangover of the past. India, which desires rapid economic development, cannot afford to have many holidays. The case for a reduction in the number of holidays is not one based on economic grounds alone. It is sometimes argued that the conditions in India are so different from those in the West that it is not quite appropriate to compare the practice in other countries with that in India. It is pointed out that conditions of work and living, as also of climate, in Europe or America, are so different that a working man in these countries can manage, without injury to his health, with a relatively small number of holidays. While there is an element of truth in this argument, none will seriously contend that the large number of holidays for non-factory workers admits of no reduction at all. These holidays are so spread over the whole year that it is doubtful whether, from the health point of view, they do any substantial good to those enjoying the holidays. On the other hand, their scattered nature results in frequent and irritating interruption of work. There is no doubt that a holiday for, say, seven days given at a stretch has more to commend itself from the point of view of health and recreation than holidays three times that number spread over a whole year. In the former case, the employee has the opportunity to forget about his work entirely, get away from the place of work, spend the days as he likes and return refreshed, with a feeling of having really enjoyed a sojourn. If this is not feasible, apart from Sundays and some of the most important national holidays like Republic Day and Independence Day, a limit should be placed at least to the number of religious holidays that could be availed of by any one person in a year. The choice of these holidays could be left to the individual employee.

The credit for drawing up a new, comprehensive scheme which seeks to rationalise the structure of allotment of work and leisure to Government employees—we presume that this applies to employees of all commercial establishments too—goes to the Punjab Government. The scheme has been evolved in accordance with the recommendations of the Resources and Retrenchment Committee appointed in 1957. It makes drastic changes in the number and incidence of public holidays, the rules for the entitlement of leave and the spreadover of daily working hours. The State Government employees at present enjoy 97 paid holidays, inclusive of Sundays. In addition, they are entitled to casual leave for 20 days and earned leave for 33 days per annum. The average total number of days without work thus add up to 150 in the case of an employee who takes full advantage of the benefits. Under the new scheme, which will come into force on 1st July 1959, the State Government offices will observe only three national holidays in a year, namely, Republic Day, Independence Day and Mahatma Gandhi's birthday, and will remain closed on all Sundays throughout the year and on Saturdays too during the eight months from September to April. In addition, all employees will be entitled to six full holidays or 12 half holidays of their individual choice. The schedule and the number of working hours have also been changed. While from September to April (winter months) the offices will work from 9 a.m. to 5-30 p.m., with a ½-hour break, from May to August (summer), the working hours will be 7 a.m. to 1-30 p.m., with a ½-hour break. The overall increase in working hours a year as a result of these changes will be from 1,348 to 1,710, an increase of approximately 25 per cent.

The scheme would appear to have been well received on the whole. The novel experiment will surely be watched with interest by the Centre and other States. In fact, the Union Government spokesman has already stated that, after seeing the results of the Punjab's new scheme, the Government of India itself would take the initiative in this matter. It was on this ground that he requested Dr. P. J. Thomas not to press his resolution.

EXPORT PROMOTION

India's export performance continues to be disquieting, notwithstanding the vigorous export drive and the boost given by the Government in the form of so-called incentives. The value of goods and commodities actually shipped during the first two months of the current calendar year—usually good export months—aggregated no more than Rs. 88 crores, which compares unfavourably with Rs. 96.70 crores and Rs. 109.71 crores in the corresponding periods of 1958 and 1957, respectively. During the first quarter of 1958, it may be noted, the economic recession in the U.S. was at its height and Western Europe also was passing through a downward phase. But, in the first quarter of this year, economic conditions in these parts of the world have been much better. And yet India's exports have failed to maintain even the levels achieved in the initial months of last year.

It is true that the Communist countries have emerged as formidable competitors in world markets and that Pakistan is offering stiff competition in both jute and cotton textiles. But, at the same time, it is also true that Indian economy is becoming a high-cost one, with the result that its commodities and manufactures are finding it more and more difficult to compete effectively in international markets. To take cotton textiles, sugar and cement. The cost of production of these items is increasingly out of line with costs abroad. This aspect was impressively brought out by Mr. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation, in his inaugural speech at the sixth annual general meeting of the Indian Council of Foreign Trade in Bombay last week. Mr. Mehta certainly struck a note of realism when he declared that "the basic problem is to make our products competitive so as to ensure exports without continuous spoon-feeding." And he put forward the following few suggestions:

1. Various issues relating to taxation, productivity, managements and labour efficiency should be examined afresh in order to see how the country can undermine industrial plants and improve their working.

2. Export trade must be diversified further. There are possibilities of exporting iron ore, pig iron and cement in the near future.

3. In considering non-traditional items of exports, the country should also take into account such invisible exports as banking, shipping and insurance.

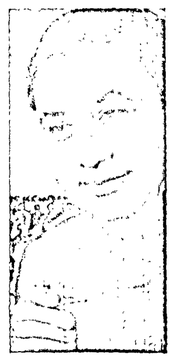
4. The possibilities of developing a common regional market in South Asia must be explored.

While the first three suggestions are quite pertinent and constructive, the fourth one is very woolly. Even if such a move is desirable, its feasibility is not apparent. India's neighbours are undoubtedly the natural markets for a variety of goods which it is manufacturing and proposes to manufacture in the coming months. There is also scope for obtaining a large number of raw materials required by it. But there is the big question mark whether, as a result of the several basic differences in the political and economic ideologies among the countries of Asia, adequate and proper co-operation will be forthcoming from these countries. There is, however, nothing to be lost by examining the proposition.

Mr. Mehta was quite right when he urged concentration of efforts on developing trade rather than depend increasingly on aid. The best ingredient of the economic development of India is, as Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, stated, while inaugurating the All-India Exporters' Chamber at Bombay on Sunday this week, the export earning. Frankly admitting that the results of the several incentives given and other steps taken by the Government to boost exports had not been as satisfactory as the Government had expected, Mr. Shastri emphasised that the wherewithals were to be found in four important measures: (1) Increase in production of primary and processed commodities with a view to augmenting their export potential; (2) commensurate reduction of home consumption of exportable commodities to a reasonable extent; (3) export of new types of commodities; and (4) improvement of the value of exportable goods through such known media as standardisation, sorting, blending and packing.

Mr. Shastri commended the merger of the All-India Exporters Association and the Africa and Overseas Exporters Chamber into one single organisation under the name of All-India Exporters' Chamber and welcomed the Chamber's proposal to set up an Export Corporation with a capital of Rs. 50 lakhs. It may be noted here that this Corporation will handle principally non-traditional items which have not so far figured prominently in the export trade or been handled by the traditional exporters and also to conduct the export trade generally with the Communist countries. Mr. Shastri agreed with the President of the Chamber, Mr. Naranji L. Kara, that the Government should render assistance to the Corporation so as to enable it to sell some products at bare cost price and added: "In this desire to sell goods abroad even at a sacrifice of profits, you are almost echoing my own sentiments. If your efforts for increasing exports would be on these lines—that is, export even without profit—it would be a bold and courageous venture, and I am sure you will deserve the assistance of all concerned."

The desire to sell abroad even at a sacrifice is certainly laudable, but one would ask: How long can this be done and who will foot the bill ultimately? Surely, one cannot go on exporting at a loss, for, if one were to do so indefinitely, one would become bankrupt very soon. At any rate, this is not the effective way in which the country can successfully weather the growing competition in world trade. What is urgently wanted is energetic action for raising the output of exportable goods, improving their quality and keeping down the cost of production. On its part, the newly formed Chamber should, as the Commerce and Industry Ministry aptly urged, pay attention to the export of quality goods by encouraging pre-inspection of goods before they are shipped and take advantage of the Government's export insurance scheme. It is gratifying to hear the Minister say that, if there is any deficiency in the scheme or the working of the Export Risks Insurance Corporation, he would be glad to know of it.



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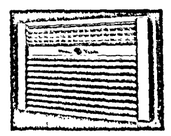

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FINANCE FOR INDUSTRIES

OFFICIAL REPLY TO MR. G. D. SOMANI'S QUERIES

From Our Special Correspondent

NEW DELHI, *5th May*

DELHI LETTER

TO three questions regarding finance for industry raised by Mr. G. D. Somani in Parliament's Informal Consultative Committee on Finance, the Ministry concerned has given detailed replies. The first question is whether the terms and conditions under which the Refinance Corporation for Industry (Private) Ltd. is working could not be relaxed and liberalised so as to ensure quicker utilisation of its resources for increasing industrial production. After listing the existing terms and conditions governing the Corporation's lending operations, the Finance Ministry's note says that it is too early to assess the work of the Corporation or make modifications in the pattern of its lending.

In his second question, Mr. Somani has asked for information as to whether margins for advances to the textile industry have been reduced by the commercial banks. He has also suggested that, if margins have not been reduced, banks should be asked to reduce them now and lend them more liberally to the industry. In its note clarifying the position, the Finance Ministry has given a statement, summarising the trends in bank advances to the textile industry and the trade, the indices of production, and stocks of yarn and cotton with the industry. It is seen from this statement that (i) the level of production in the industry has been somewhat low; (ii) the stocks of yarn and cloth with the industry have declined appreciably; and (iii) in spite of the trends indicated at (i) and (ii) above, advances to the mills have been more or less stationary, the decline, if any, being marginal, while advances to the trade have increased appreciably.

The facts disclosed in the statement, according to the Finance Ministry, indicate that the demand for assistance from banks to the textile mills may have declined in recent months. This conclusion is also supported by the fact that the advances actually drawn from the State Bank of India, by all the textile industries (including woollen textiles), in the country as a whole, as well as in Kanpur which was seriously affected by the slump, have been appreciably lower than the advances which were sanctioned by the State Bank. The following figures are given in this connection:

(In crores of rupees)

	To mills	*To the trade*
Total limits sanctioned by the State Bank of India at all its branches (as on 31st December 1958)	49.22	3.11
Total outstandings at all the branches (as on 31st December 1958) ...	26 26	1.57
Total limits sanctioned in the Kanpur area (as on 31st December 1958) ...	4.73	*Nil*
Total outstandings in the Kanpur area (as on 31st December 1958) ...	3.32	*Nil*

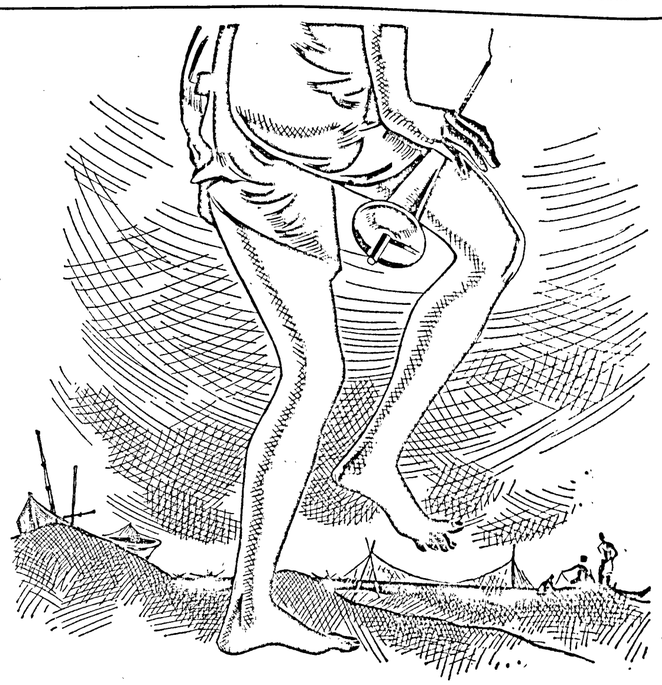
The note adds that, when a reduction in the margin for advances against textiles was brought into force by the State Bank in May 1958, and when the question was considered subsequently at a conference of the representatives of the leading scheduled banks in June 1958 with the Reserve Bank, it was contemplated that individual cases of hardship, if any, might be brought to the notice of the Reserve Bank or the Government of India for investigation, if necessary. No such case has, however, been reported to the Finance Ministry in the last few months.

The third question raised by Mr. Somani concerns the proposal for the establishment of a consortium of banks for financing medium-scale industries. In coming to the conclusion that there does not appear to be any need at the present stage for a consortium of banks, the Finance Ministry has clarified the position by a reference to the history of the proposal. The Shroff Committee on Finance for the Private Sector, the Ministry's note recalls, recommended in April 1954 the formation of such a consortium for the purpose of underwriting or investing in new issues of shares and debentures. It was contemplated that (i) the provisions of the Imperial Bank of India Act should be amended so as to permit that bank to invest in such shares and debentures of joint-stock companies; (ii) a consortium of banks and insurance companies should thereafter be formed under the leadership of the Imperial Bank, and (iii) banks should be encouraged to invest about 5 per cent. of their deposits in such shares and debentures.

These suggestions were examined further by a technical committee under the chairmanship of Mr. Handoo, the then Managing Director of the Imperial Bank. This Committee reported in October 1954. It envisaged, in addition to the amendment of the Imperial Bank of India Act referred to above, the formation of a consortium consisting of eight to ten members, restricted to leading banks and insurers under the leadership of the Imperial Bank, which would work as a voluntary organisation with no obligations on the part of any member. It was contemplated that the proposed consortium would consider, in the first instance, the question of underwriting or investing in the debentures of joint-stock companies.

Certain developments, continues the Finance Ministry's note, which were not contemplated either by the Shroff or the Handoo Committee, have taken place since October 1954 and have now to be taken into account. Life insurance has, for example, been nationalised, and the Life Insurance Corporation is in a position to underwrite or invest in the debentures and shares of companies within the limits laid down in the statutory rules which were issued in August 1958. The Industrial Credit and Investment Corporation of India is also now functioning, as also the Industrial Finance Corporation and the State Financial Corporations.

The matter has been recently re-examined by the Finance Ministry. So far as loans are concerned, in the opinion of the Ministry, the facilities now available to industry through the various agencies mentioned above, to which the Refinance Corporation has also been added, seem, by and large, to be adequate. As regards investment in shares, the Reserve Bank's general advice is that it is neither necessary nor desirable, in the existing circumstances, to induce or encourage banks to invest to a considerably larger extent in the debentures and shares of joint-stock companies. The nature and the extent of any such investment should primarily be for the banking companies themselves to consider, within the scope of the provisions applicable to them under the law.



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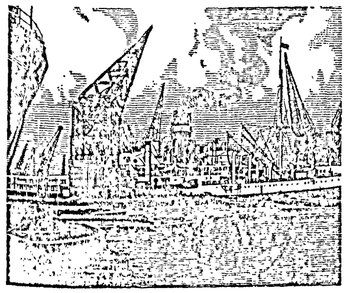

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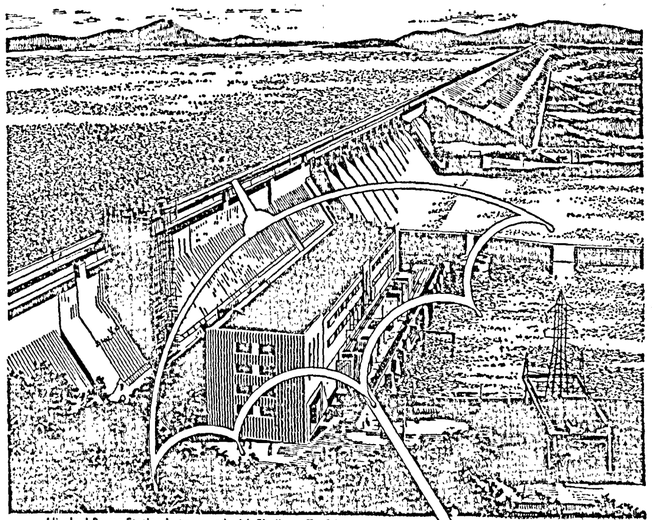

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STATE BANK SUBSIDIARIES BILL GOES TO SELECT COMMITTEE

GOVERNMENT NOT IN FAVOUR OF MERGER

THE State Bank of India (Subsidiary Banks) Bill 1959, which was introduced in the Lok Sabha on 4th March last, came up for a brief discussion on 29th April, and was then referred to a joint select committee of both the Houses of Parliament. The Committee was requested to submit its report by the first day of the next session. The Bill, as was stated in our issue dated 25th April, provides for the formation of certain Government or Government-associated banks as subsidiaries of the State Bank of India and for the constitution, management and control of the subsidiary banks so formed and for matters connected therewith.

Moving the Bill for reference to the Select Committee, Dr. B. Gopala Reddi, Minister for Revenue and Civil Expenditure, traced the history of the measure and said that it followed the acceptance in principle by the Government of the recommendation of the Committee of Direction of the All-India Rural Credit Survey for the creation of "one strong, integrated, State-sponsored, State-partnered commercial banking institution, with an effective machinery of branches spread over the whole country (which was intended) to take over cash work from the non-banking treasuries and sub-treasuries, to provide vastly extended remittance facilities for co-operative and other banks and generally to follow a policy which would be in effective consonance with the objectives laid down by the Central Government and the Reserve Bank."

The Government's acceptance of the principle was announced by the Finance Minister in the course of a speech on economic policy generally on 20th December 1954. As a first step in implementation of this accepted principle, the Imperial Bank of India was nationalised and the State Bank of India was constituted on 1st July 1955. Subsequently, on 10th February 1958, the President announced, in the course of his address to the Houses of Parliament, that certain State-associated banks of intermediate size would be taken over and managed as subsidiaries of the State Bank. The present Bill seeks to give effect to this decision.

Anomalies and Difficulties

The banks, Dr. Reddi went on to say, could not, however, be taken over as subsidiaries without reconstituting them. The reconstitution could not, in turn, be done without removing certain anomalies and difficulties, except through legislation on the lines proposed. Explaining these anomalies and difficulties, Dr. Gopala Reddi said:

"The banks which are covered in the present Bill came into being on various dates between the years 1913 and 1950. They were, and to some extent continue to be, directly or indirectly helped by the State. The extent of State-association has, of course, varied from bank to bank, but it has in no case been so remote or negligible as to justify our leaving these banks to their own resources, without any attempt being made, on our part, to settle their future satisfactorily and in a reasonable manner."

"Only two of the eight banks which are proposed to be reconstituted, namely, the State Bank of Hyderabad and the Bank of Mysore, perform agency functions at certain treasuries as the regularly appointed agents of the Reserve Bank of India. At all other places in the area covered by respective banks, the treasury business of the Central and State Governments is either carried on departmentally, or has been temporarily entrusted to them and to some other institutions as a purely transitional arrangement.

"These temporary arrangements are obviously unsatisfactory. They have led, in effect, to a policy of inactivity in the former Part B State areas in the country. In these areas we have been unable, in consequence, to establish an adequate number of banking treasuries, small coin depots or currency chests, or to provide cheap remittance facilities, or even to open an adequate number of ordinary banking offices. The problem has become even more complicated and difficult, since the establishment of the State Bank, as the State Bank of India has been unable to expand in these areas, pending the taking over and reconstitution of the banks, while the banks themselves, in the existing conditions and pending such reconstitution, have not had the incentives, or the financial assistance and backing, which may be necessary for discharging effectively their role as regularly constituted State banks."

One of the important questions that had to be settled before undertaking the present legislation for reorganisation of the banks was whether the Government should exercise compulsion in this regard or leave the question to the considered decision of the institutions themselves. According to Dr. Reddi, the Government devoted a good deal of thought to this question and came to the conclusion that, "in a matter like this, compulsion is inappropriate and has to be ruled out." While unwilling to impose any decision on the banks, the Government considered it desirable to acquaint them with the various aspects of the problem and the several complicated issues which had risen or might arise out of this reorganisation. Accordingly, the Chairman of the State Bank of India was authorised to indicate, for the information of the banks concerned, the salient features of the proposed legislation and also to elucidate the points, if any, in respect of which information was desired.

Dr. Reddi claimed that the Government had made, on the whole, a fair and reasonable approach to what had become, over a period of some years, a rather complicated problem and that this approach had been justified by the results. Barring one bank, namely, the Bank of Rajasthan, all the other eight banks have expressed themselves as being in favour of the scheme of reconstitution. The Bank of Rajasthan has, according to the Minister, "found itself unable or unwilling to accept the terms and conditions which were envisaged by the Government for the reconstitution of these institutions." The Minister, it may be noted here, did not make any reference to the Bank of Baroda, which was also reported to have decided to opt out of the scheme. While the Government had not found it necessary to compel the Rajasthan Bank to fall in line with the others, Dr. Reddi announced that the extent to which the State was now associated with this bank would be reviewed in due course and it could not obviously be permitted to do the treasury functions.

Reconstitution

Of the eight banks to be taken over, five, which are incorporated under the Companies Act, and one, namely, the Bank of Patiala, which is at present functioning as a department of the State Government, will be re-established as statutory corporations under the present Bill and, in that capacity, they will replace and take over the business of the existing institutions. The remaining two banks, namely, the State Bank of Hyderabad and the State Bank of Saurashtra, are already incorporated under special laws. In the case of these two banks, appropriate changes are being made in the relevant Acts governing them, in order to ensure that the pattern of organisation and management in these two cases will, in future, be the same as in the case of the other six banks.

The business of the reconstituted banks as subsidiaries will be substantially the same as in the case of the other banks. In addition, they will have to perform other functions too. Referring to this important aspect of the reconstituted banks' business, Dr. Gopala Reddi observed:

"The work or progress of the reconstituted banks will not be judged in future with reference to the profits which they may be making, or the dividends which they may declare, but with reference to their ability to provide the basic services and facilities, which it is the function of a State Bank to provide, and which may not always be remunerative from a narrowly commercial point of view.

"It may be useful if I indicate very briefly the additional work which we expect the reconstituted banks to undertake from this point of view. Clause 36 of the Bill provides that all the reconstituted subsidiaries can be appointed as the agents of the State Bank of India for carrying on the work which may be entrusted to the State Bank by the Reserve Bank of India. The intention is that the necessary arrangements in this connection should be made, as soon as the subsidiary banks have been strengthened and reinforced. The banks will then draw up, and try to implement without avoidable delay, a vigorous branch expansion programme. We contemplate that at all their branches, the reconstituted institutions will undertake a variety of new services, such as the provision of strong-room and other safe deposit facilities, the collection and remittance of funds both under the Reserve Bank's scheme for remittance facilities and on their own initiative, the granting of loans to the co-operative movement and to small-scale industrial units, and the performance of such other functions, including agency functions for other institutions, as may be necessary in the public interest."

This developmental work will naturally cast an additional burden on these banks and may prove unremunerative for them. The necessary provision has been made in the Bill itself to compensate them for this loss.

Thus, as Dr. Reddi pointed out:

"Clause 48 of the Bill contemplates that subsidies will be paid by the State Bank of India to the new units after reconstitution, in order to facilitate the smooth and unhampered implementation of this development programme. The State Bank of India is also able to draw upon its Integration and Development Fund, which is intended specifically to finance additional and unremunerative expenditure of this kind. These resources of the State Bank, and the profits which it makes on its own shareholding in the subsidiary banks, will be available for the purpose of financing the subsidiaries, if necessary."

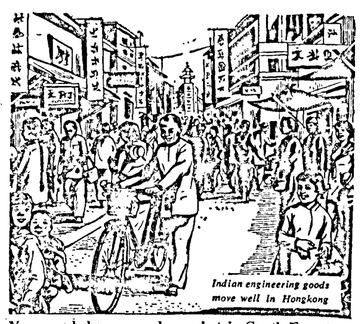
Merger Not Favoured

While a section of the public is opposed to this measure and wants the status quo to be maintained, a few others are in favour of merging the banks completely into the State Bank, instead of merely reconstituting them as the latter's subsidiaries. In fact, a demand was made in the House by a few members when the Bill was briefly discussed, that these banks should be integrated with the State Bank. Dr. Reddi himself disclosed that the associations and unions of the concerned employees had demanded that the scheme should be modified, so that the banks could be merged completely into the State Bank. In answer to these demands, Dr. Gopala Reddi quoted the objectives of the scheme and observed:

"Our scheme of reorganisation is based on the idea that nothing that is useful should be destroyed; and it is a necessary implication of this that no changes beyond those which are really needed should be made. By continuing the separate character of these eight institutions, we are helping them to maintain their existing contacts and traditions, preventing or moderating the impact of sudden changes in their working methods and policies, and are offering at the same time, adequate incentives for the banks themselves to concentrate intensively on the development of their own areas. We are also making it possible, by continuing the separate character of these institutions, for some prominent local persons to be associated with and to be interested in their development.

"It is not clear to me why we should be asked to discard a solution which has all these advantages, and adopt instead, the alternative of an irrevocable merger, which offers none of these advantages, and may add substantially to the cost of maintaining even existing banking facilities in the areas concerned; the merger of these institutions in the State Bank, instead of solving any of our problems, may only increase them, by adding a fresh and uncertain burden to those which the State Bank of India has already been called upon to bear."

In conclusion, Dr. Reddi said that the Government had taken this step only after very careful consideration and after being fully convinced that it offered the best solution in all circumstances.



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ANOTHER YEAR OF GROWTH FOR LLOYDS BANK

BUSINESS IN INDIA, HOWEVER, SHRINKS

THE past year proved to be a difficult one for the foreign banks operating in India. The contraction in India's foreign trade, a good part of which is financed by these banks, on account of the drastic restrictions on imports and the recession in the fortunes of export industries, such as tea, jute, cotton textiles, etc., the entry of State Trading Corporation in foreign trade and the increasing competition from domestic banks were the main factors that adversely affected the business of foreign banks. This trend is borne out by the drop in their credit portfolio from Rs. 197.74 crores to Rs. 164.06 crores, as well as in their deposits from Rs. 206.96 crores to Rs. 197.16 crores.

A typical instance of this experience of foreign banks is provided by the results of working of the Indian branches of Lloyds Bank Ltd. Their deposits, as at the close of 1958, show a fall of over Rs. 3 crores and their advances a decline of more than Rs. 4 crores. The profit and loss account, which is usually drawn for the twelve months ended October, discloses a shrinkage in profit from Rs. 43.06 lakhs to Rs. 28.56 lakhs, thus reversing the upward trend noted in the previous three years. It is even a fraction lower than that (Rs. 28.64 lakhs) earned in the year ended October 1956.

The income from interest and discount is more or less unchanged at Rs. 184.06 lakhs (the corresponding figure for the previous year being Rs. 183.73 lakhs), while that from commission, exchange and brokerage has fallen from Rs. 50.71 lakhs to Rs. 48.28 lakhs. The decline in income from the latter source has been made good by a profit of Rs. 2.84 lakhs earned on sale of investments, bullion, etc. Interest paid on deposits and borrowings is more or less maintained at Rs. 76.54 lakhs (as against Rs. 76.72 lakhs in 1956-57). Administrative expenses have, on the contrary, risen by Rs. 13.39 lakhs to Rs. 125.15 lakhs, of which salaries, allowances and provident fund alone account for an increase of Rs. 7.36 lakhs, at Rs. 93.43 lakhs.

The balance-sheet total at the end of December 1958 has declined by Rs. 6.45 crores to Rs. 49.16 crores. This is on top of a drop of Rs. 3.09 crores in 1957. The decline of Rs. 3.17 crores in deposits is in contrast to the rise of Rs. 3.96 crores recorded in the previous year, and has occurred mainly under short-term deposits and deposits at call from Rs. 5.83 crores to Rs. 3.19 crores and under current and other accounts from Rs. 22.01 crores to Rs. 19.81 crores. Fixed deposits, however, have gone up from Rs. 5.14 crores to Rs. 5.22 crores and savings bank deposits from Rs. 10.91 crores to Rs. 12.50 crores. Advances, which had dropped by Rs. 1.83 crores in 1957 to Rs. 29.01 crores, have further moved down to Rs. 24.78 crores, the lowest level since 1955. Of these, loans, cash credits and overdrafts show a fall from Rs. 26.91 crores to Rs. 22.40 crores, while bills purchased and discounted have recorded a slight increase from Rs. 2.10 crores to Rs. 2.39 crores. At Rs. 24.78 crores, the total advances of the Bank bear a ratio of 60.8 per cent., as against 66.1 per cent. a year before and the average of 83 per cent. for all foreign banks. Investments (at market value) have grown by Rs. 3.08 crores to Rs. 14.69 crores, while cash balances have shrunk by Rs. 2.05 crores to Rs. 2.70 crores. These liquid assets provide a cover of 36 per cent. and 6.6 per cent., respectively, to the deposits, as against the general ratio of 23 per cent. and 14.5 per cent. in the case of all foreign banks. The setback in business is also reflected in the reduction of borrowings from other banks, and the fall in bills for collection and acceptances and endorsements, as will be seen from the comparative table at the foot of the previous column:

(In lakhs of rupees)

	For the year ended 31st October			
	1958	1957	1956	1955
Interest and discount	184.06	183.73	157.06	140.81
Commission and exchange	48.28	50.71	48.05	38.70
Interest paid	76.54	76.72	57.65	49.13
Expenses	124.15	110.76	103.15	98.77
Depreciation	6.00	4.06	6.27	6.34
Profit	28.56	43.06	28.64	21.42

	As on 31st December			
	1958	1957	1956	1955
Deposits	40,72.29	43,89.20	39,93.46	41,69.57
Borrowings from other banks	35.00	1,35.30	6,36.06	89.85
Bills for collection	2,74.32	3,88.82	4,47.84	3,47.79
Acceptances, endorsements, etc.	4,02.31	5,09.37	6,77.35	4,18.11
Advances	24,78.49	29,01.27	30,84.69	29,04.14
Investments	14,69.27	11,60.87	12,67.95	19,75.56
Cash	2,70.23	4,75.32	3,69.38	5,02.66
Balance-sheet total	49,16.13	55,61.57	58,70.11	52,75.92

	(In thousands of £'s sterling)			
Capital	27,848	18,565	18,565	19,403
Reserve fund	18,000	18,000	17,500	15,000
Deposits	1,297,752	1,257,523	1,197,144	1,190,146
Acceptances, endorsements, etc.	184,785	180,088	157,811	124,171
Cash, money at call and balances with other banks	273,407	275,226	247,156	245,666
Investments—				
Gilt-edged	344,729	367,840	369,578	387,542
Trade	24,715	10,215	10,049	10,046
Loans and advances	392,319	327,252	336,878	308,107
Balance-sheet total	1,531,899	1,477,935	1,394,200	1,350,899

While the Bank's performance in India has been somewhat disappointing, for reasons beyond the control of the management, the business of the Bank as a whole, that is, in the U.K. and elsewhere, has made further growth. Its balance-sheet total, as shown in the above table, has gone up from £1,477.93 million to £1,531.90 million. The number of customers is said to have grown further, an indication of the spread of the banking habit to a wider section of the population. In order to provide for this expansion, the Bank opened 29 additional offices during 1958. The profit has recorded a rise from £2,502,391 to £2,727,535 (in refreshing contrast to the slight decline noted in 1957), despite the rise in operating costs, especially in salaries, as a result of the higher scales of remuneration to staff introduced a year before.

The addition to the general reserve has been raised from £500,000 to £1,250,000, while the allocation to the contingency reserve of £500,000 made last year has been held over. The interim dividend of 6¼ per cent. paid in August last was the same as that paid in respect of 1957, on a capital of £18.56 million, while the final distribution of 5¾ per cent. (as against 6¼ per cent.) is on the increased capital, of £27.85 million raised by a scrip bonus issue (in the ratio of 1:2) made in November last.

The Bank's deposits have gone up by over £40 million to a record level of £1,297.75 million. The increase in loans and advances is much more than that in deposits, having risen by £65 million to £392.32 million. Investments, in gilt-edged securities, however, stand reduced by £23 million, while other trade investments are higher by £14.50 million, reflecting largely the Bank's entry into the hire purchase field. The Bank's investments in hire purchase finance companies aggregate £13.33 million.

HINDUSTAN MERCANTILE BANK

A shrinkage of deposits and a fall in advances have been responsible for the slight setback in the profit of the Hindustan Mercantile Bank Ltd. (General Manager: Mr. P. H. Kothari, Calcutta) from Rs. 2.57 lakhs to Rs. 2.06 lakhs for the year ended 31st December 1958. This is in contrast to the improvement noted in 1957 when the profit had risen (to Rs. 2.57 lakhs) from Rs. 1.40 lakh earned in 1956. Out of the profit for 1956, it will be recalled, the Bank had to write off bad debts to the tune of Rs. 1.36 lakh and in 1957 these amounted to Rs. 76,033. In addition, the Bank incurred during 1957 a loss of Rs. 1.77 lakh on sale of investments. These left a meagre sum of only Rs. 3,083 for appropriation, as against Rs. 4,630 in 1956. It is gratifying to note that in the year under review, that is 1958, not only has there been no loss on sale of investments but the bad debts written off have been lower at Rs. 68,576.

After writing off the aforesaid bad debts, the Directors have set aside Rs. 1.02 lakh towards arrears of income-tax till 1957 and have added Rs. 28,000 to the reserve fund, which had received only Rs. 2,500 in the previous year. The Bank had not been able to pay any dividend since its inception in 1944.

The Bank's income from interest and discount has gone up from Rs. 10.31 lakhs to Rs. 10.80 lakhs, while that from commission and exchange has declined from Rs. 1.71 lakh to Rs. 1.58 lakh. The outgo, by way of interest paid has risen from Rs. 4.19 lakhs to Rs. 4.58 lakhs and expenses are up from Rs. 5.91 lakhs to Rs. 6.48 lakhs.

The Bank's reserves are meagre at Rs. 2.08 lakhs, as against a paid-up capital of Rs. 50 lakhs. In distinct contrast to the experience of banks in general, the Hindustan Mercantile's deposits have declined from Rs. 2.25 crores to Rs. 1.85 crore. Advances, too, have fallen from Rs. 1.48 crore to Rs. 1.11 crore, at which level, they bear a ratio of 60 per cent. to deposits, as against 66 per cent. at the end of 1957. Investments (at cost) are almost unchanged at Rs. 69.41 lakhs. Their market value as at the close of the year is Rs. 67.65 lakhs. Cash balances have shrunk from Rs. 62.34 lakhs to Rs. 57.03 lakhs, but the ratio of the total liquid assets to deposits has risen from 60 per cent. to 70 per cent.

BANK OF RAJASTHAN REPEATS DIVIDEND

PROFIT, HOWEVER, SHADE LOWER

IN consonance with the general trend of bank earnings, the profit of the Bank of Rajasthan Ltd. (General Manager: Mr. D. L. Gupta, Udaipur) has suffered a reversal from the peak of Rs. 2.75 lakhs for 1957 to Rs. 2.33 lakhs for the year ended 31st December 1958. The decline, being of the order of about Rs. 42,000 or 15 per cent., is relatively small as compared with that suffered by many other units. It is also gratifying to note that the profit for 1958 is still Rs. 1.10 lakh above that for 1956 and represents the second highest in the history of the Bank. The setback in profit, as compared with 1957, is due to the lower level of advances, dearer rates of interest on deposits and higher administrative expenses.

The provision for taxation has been reduced from Rs. 1.04 lakh to Rs. 90,000 and the allocations to the reserve and other funds from about Rs. 88,000 to Rs. 54,000. Thus, the transfer to the reserve fund has been pruned from Rs. 55,212 to Rs. 43,734 and that to the gratuity fund from Rs. 7,500 to Rs. 5,000. The investment reserve fund, which had received Rs. 25,000 out of the profit for 1957, has not been strengthened further this year. While the bonus distribution to staff has been raised from Rs. 28,000 to Rs. 34,050, the dividend to shareholders is unchanged at 6 per cent., to which level it had been successively stepped up from 3½ per cent. paid for each of the years 1952 to 1955.

The following comparative table shows the progress of the Bank in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount earned	17.35	14.27	10.95	7.99
Commission and exchange	5.49	5.32	3.62	2.81
Interest paid	10.86	8.29	6.73	4.72
Expenses	9.79	8.79	6.89	5.43
Depreciation	0.68	0.36	0.29	0.12
Profit	2.33	2.75	1.23	1.00
Provision for taxation	0.90	1.04	0.40	0.43
To reserve and other funds	0.54	0.88	0.42	0.25
Bonus to staff	0.34	0.28	..	..
Dividend	0.55 (6%)	0.55 (6%)	0.41 (4½%)	0.32 (3½%)
Carry forward	0.01	0.01	0.01	0.01

	As on 31st December			
	1958	1957	1956	1955
Paid-up capital	9.23	9.23	9.23	9.23
Reserves	6.82	6.27	5.36	5.28
Deposits	4,53.74	3,81.14	3,59.99	2,69.82
Advances	1,45.79	1,81.49	1,22.77	1,09.54
Investments	1,37.43	1,02.62	1,06.61	1,05.89
Cash	2,11.03	1,35.28	1,42.45	1,13.06
Balance-sheet total	5,35.93	4,57.32	4,04.56	3,20.76
Ratio to deposits of—	%	%	%	%
Advances	32.1	47.6	36.1	40.6
Investments	30.2	26.9	31.3	39.2
Cash	46.5	35.5	41.9	41.9

Interest and discount earned during 1958 show a rise of Rs. 3.08 lakhs and commission and exchange, too, have recorded a small increase. This is offset by a rise of Rs. 2.57 lakhs in interest paid and of Rs. 1.03 lakh in expenses.

The total working funds of the Bank as at the close of 1958 stand at the record level of Rs. 5.36 crores and exceed the previous year's total by Rs. 78.61 lakhs. Of this increase, deposits alone account for Rs. 72.60 lakhs. At Rs. 4.54 crores, the deposits constitute a new peak. There has been an increase in the number of depositors from 22,068 to 25,632 and all classes of deposits have participated in the rise in total deposits. Fixed deposits, for instance, have gone up from Rs. 1.88 crore to Rs. 2.38 crores, current and other accounts from Rs. 1.14 crore to Rs. 1.27 crore, savings bank deposits from Rs. 79 lakhs to over Rs. 88 lakhs, staff security deposits from Rs. 88,500 to Rs. 1.11 lakh.

The expansion in deposits is not reflected in advances. On the contrary, they show a fall of Rs. 36 lakhs consequent on the restrictions on advances against foodgrains by the Reserve Bank of India and the delay in the arrival of cotton crop in the Rajasthan area by two months. The ratio of bank credit to deposits at the end of the year shows a decline from 47.6 per cent. to a low of 32.1 per cent., the lowest level since 1954. The average credit ratio for the year remained lower at 44.32 per cent. as against 55.68 per cent. in 1957.

The surplus resources have been well utilised to strengthen the liquid assets, investments showing an increase of Rs. 35 lakhs and cash balances of Rs. 76 lakhs and their aggregate ratio to deposits recording a rise from 62.4 per cent. to 76.7 per cent. The bulk of the Bank's investments (96.5 per cent.) represents Government and trustee securities. The Bank holds no undated Government securities and 95.2 per cent. of its gilt-edged holdings mature within 10 years. In fact, 56 per cent. of the total investments mature within five years.

With a view to providing banking facilities in suburban and rural areas, the Bank proposes to introduce mobile branches during the current year.

U.S. BANKING AND INVESTMENT OPERATIONS—I

TERM LOANS—EXCHANGE OF CREDIT INFORMATION

WHAT part can banks play in the developing economy of India and the U.S.? This question underlined the deliberations of 16 Indian bankers who participated in a two-day seminar on U.S. banking and investment operations held at New Delhi on 20th and 21st April 1959. Organised by the U.S. Technical Co-operation Mission, the seminar was inaugurated by Mr. Ellsworth Bunker, the U.S. Ambassador to India. The participants, belonging to ten leading Indian banks, had toured the U.S. as a team for three months last year, under the auspices of the T.C.M. They read out brief papers on U.S. banking practices and their possible adaptation by Indian banks. The subjects discussed were confined to U.S. banking policy on medium-term loans to industrialists, their procedures for screening and following up of loan requests, inter-bank exchange of credit information, role of publicity in banking and consumer and personal loans. It is now admitted by many, including Mr. Morarji Desai, the Union Finance Minister, and Mr. H. V. R. Iengar, Governor of the Reserve Bank of India, that there is need and scope for an effective change in the Indian banking system. It is also realised that banks will be called upon to play an increasingly larger role in India's development programme. In view of this, it is worthwhile publishing the papers read at the seminar. This we propose to do in two or three instalments. The following is the first instalment covering five papers dealing with medium-term loans and inter-bank exchange of credit information.

INDUSTRIAL DEVELOPMENT BANKING

By Mr. K. N. R. Ramanujam

Director of Banking Research, Reserve Bank of India.

Today, the commercial banking system plays a dominant role in the U.S. economy. It finances all types of economic activity—agriculture, commerce, industry, public utilities and transportation. It also assists at all stages the movement of goods from producers to consumers. It extends credit mostly for short-term, namely, for six months, and partly for longer periods, from one year to three years and in exceptional cases upto five years. Its portfolio of investments includes bonds and shares of successful corporate concerns, involving an extension of long-term credit to them. Thus, the evolution of the U.S. banking system on these lines is largely the result of its adaptation to meet, not merely the large credit requirements of a rapidly growing economy but also the varying special needs of different types of borrowers.

How is this mixed portfolio of bank assets justified by the traditional concept of bank liquidity? The ninety days' paper representing the short-term financing of the production and movement of goods and generally repaid with their sale proceeds is no doubt self-liquidating in nature and conforms to the traditional canon of liquidity. The bonds of corporate concerns, however, obtain liquidity, not through repayment but through their sale or shift to other holders in the market and, in an emergency, to the Federal Reserve Banks by virtue of the Banking Act of 1935; this Act empowers the Federal Reserve Banks to lend to member banks against "any acceptable assets." This theory of shiftability of bank assets is the second major theory of bank liquidity.

The formal term loans, increasingly extended by the U.S. banks since the 'thirties, are also justified by a further extension of the theory of liquidity, namely, the anticipated income theory. The significant difference between short-term loans and the term loans lies in this; the former are liquidated by the sale of assets, while the periodical repayments of the latter depend upon the earnings generated by the assets created by them. As the term loan covenants provide for periodical amortisation, they are, in many instances, no less liquid than short-term loans, regularly renewed. The term loans are also provided with Central Bank liquidity by the Banking Act of 1935, according to which member banks could obtain advances from the Federal Reserve banks on the basis of the soundness of their assets, irrespective of their form or of the nature of the collateral. Bank supervisors also assisted this process by approving generally sound term loans. Thus, the earning assets of the U.S. banks comprise reasonable amounts of loans and investments, which are expected to be liquidated in accordance with any one of the three theories of bank liquidity or a combination of two or more of them.

Although monetary and banking systems in India provide a strong contrast with those in the U.S.A., still the U.S. experience of extension of commercial banking to industrial development will have some relevance to us. Bank deposits in India are hardly one-third of money supply as against three-fourths in the U.S.; hence there is paramount need at the outset for more intensive banking development, if there is to be an effective and permanent base for deposit expansion. The role of credit, restricted as it is at present because of the predominance of cash transactions, can expand only with the greater addition to deposit resources and also the adoption of newer types of collateral obtainable in the U.S.A.

Some bank loans in India too represent departures from traditional canons of short-term liquidity. However, apart from Government and trustee securities and certain usance bills, banks in India do not possess assets of a kind, which can be shifted to the market or to the Reserve Bank. The major banks can now make a beginning in the purchase of bonds of first class concerns and also their shares upto a specified portion of their capital reserves and time liabilities. Similarly, subject to the same ceiling, they can also make a beginning in the extension of formal terms loans, based on a proper appraisal of the relevant aspects, including the income prospects of the projects to be financed.

The primary requisite both in the purchase of bonds and the extension of term loans should indeed be their quality. The Reserve Bank, in its turn, should be willing to provide liquidity to the banks by enlarging the portfolio of securities eligible as collateral for its lending, irrespective of the maturity, but based on the soundness of assets; the Bank can also adopt a more liberal attitude in its inspections to the new term lending techniques of banks. The practices and techniques of both the scheduled banks and the Reserve Bank should change gradually so as to adopt the philosophy behind the theory of shiftability of assets and the anticipated income theory of liquidity. The stimulus for expansion imparted by our Development Plans should indeed provide the necessary scope for this transformation.

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GOVERNMENT FINANCING AGENCIES

By Mr. T. K. Ramasubramaniam

Chief Officer, Industrial Finance Department, Reserve Bank of India.

In the United States, comprehensive financial arrangements exist for assisting different sectors of the U.S. economy. On their part, the U.S. Government have taken steps to ensure that there are no gaps in the financial arrangements. Commercial banks which play a dynamic role in the U.S. economy may not be able to entertain applications for accommodation in cases where their normal credit criteria are not satisfied. Again, there are many underdeveloped nations in the free world which look to the U.S. for assistance for importing the equipment they require for essential projects such as irrigation, railways or generation of electric power. The U.S. Government have established specific financial institutions, the funds for which are authorised by the Congress so as to fill these gaps. The main financing agencies thus set up are: (i) the Small Business Administration, (ii) the Export-Import Bank and (iii) the Development Loan Fund. I shall now endeavour to put before you very briefly an outline of the functions of these institutions and the distinctive features of their operational methods.

The S.B.A. was established in 1953, as a Government agency to provide financial assistance to small business enterprises, increase the participation of small business in Government purchase operations and provide management and technical assistance. This institution grants two types of loans, namely, (i) business loans, and (ii) disaster loans, when credit is not otherwise available to them on reasonable terms. Business loans are made to finance business construction or expansion, or the purchase of equipment, facilities or material; to supply working capital or as may be necessary to ensure a well balanced national economy. Such loans are either given direct or in participation (immediate or deferred) with private lending agencies such as banks. The policy of the S.B.A. is to encourage participation loans, its participation being limited to a maximum of 90 per cent. The extent of participation with banks and other private agencies will be evident from the fact that nearly 70 per cent. of the S.B.A's loans are covered by participation arrangements. We were given to understand that, in many cases, the S.B.A. was not called upon to actually take up the portion representing its interest in the loans. The S.B.A. has also the authority to make "disaster" loans for rehabilitation of businesses or homes damaged or destroyed by storms, floods and similar catastrophes. Apart from giving direct or participation loans, the S.B.A. helps small firms in a number of ways in overcoming management or technical problems. Perhaps this constitutes the most important function of the S.B.A., as in many cases the problem of small units is not so much lack of finance as it is of securing managerial and technical guidance in their operations.

This Bank is the principal agency of the U.S. Government engaged in international finance. The Bank is intended to supplement and encourage the utilization of private capital in the export and import trade of the United States and in overseas investment generally; it does not compete with private capital. The Bank provides direct financing and extends guarantees. It is prepared to consider proposals for the purchase of portions of its portfolio by commercial banks or other private investors. Thus, it works also in co-operation with private banks.

This is a new source of finance for economic development provided in the Mutual Security Act of 1957. Its purpose is to provide financial assistance preferably in respect of projects in the less developed areas which have a great need for capital. The Fund is required to be operated, as a source of last resort, so as not to compete with private investment capital, the Export-Import Bank or the I.B.R.D. and other financing sources. Guarantee of repayment (by Governments of the nations in which investments are made) will not necessarily be required. The Fund has proved to be a very valuable source of finance. So far, $800 million appear to have been voted for it since its inception. It is understood that the Fund has agreed to provide $175 million for India. The unique feature of the Fund is that, in certain cases, e.g., India, it is prepared to accept repayment in the local currency.

I may be permitted to say in conclusion that the institutions about which I have spoken are illustrative and not exhaustive of what Government has done in this field in the U.S., as there are other institutions such as the Federal Housing Administration and Farm Credit Administration.

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JOINT LOANS

By Mr. V. C. Patel

Chief Accountant, Central Bank of India

One of the noteworthy features of American banking practices is granting of loans jointly by more than one credit institution. American ideas of credit functions of commercial banks have been evolved from the attempts to meet the growing financial requirements of an expanding economy intent upon development of all resources.

Participation loans have been an outcome of this evolving process necessitated in the initial stages by the peculiar banking structure in the U.S.A. Whereas in countries like the U.K. there are numerically only a few banks having branches all over the country, there are about 14,000 banks in the U.S.A. all governed by their respective State laws which vary from State to State. Owing to deep-rooted dislike of any mode of concentration of power in any one organisation, the U.S.A. banking system has grown into a "dual" system with powers vested in the States as well as in the National Authority. Since each State was keen on maintenance of its autonomy and full regional development, it formulated its own banking regulations involving certain restrictions on opening of branches by banks. Certain States permit banks to open branches in one city only, certain in a particular county and certain allow branches within the State. There are about 12,000 banks, which are unit banks, having no branch at all.

This geographical restriction on the expansion of the branch activities in the U.S. has led to an extensive correspondent relationship between banks in different States which in turn has resulted into participation loans where the financial requirements of a large borrower could not be effectively handled by a particular bank. The "dual" system of banking and State restrictions on branches, instead of retarding the economic growth, as would have been normally expected, led to exploration of other avenues for meeting the financial needs of the community and has thus provided a flexible system of banking, contributing to the maximum regional development by meeting special regional needs. Another legal restriction imposed on all banks, namely, the prohibition of an advance to a single borrower exceeding one-tenth of the capital and reserves of a bank, has also helped in the growth of participation loans between different banks.

A prospective borrower may have checking accounts with different banks and may desire to give each bank a part of the credit, in order to strengthen his relationship with all the banks. Sometimes a large company is located in a small city whose banks are not sufficiently large to cater for all its borrowing requirements. Sometimes a bank may invite another bank to participate in a loan in the hope of developing stronger relationship between banks and opening opportunity for mutual help.

Participation is also resorted to by a bank which desires an opportunity to convert its assets into a more liquid form, having regard to its deposits structure and the nature of commitments already made. The opportunity available to banks for borrowing from the Federal Reserve banks resulting in improved liquidity and the protection afforded by the Federal Deposit Insurance have enabled the banks to grant long-term loans to an increasing extent by inviting, if necessary, participation from other credit institutions. The changing nature of demand for bank credit has also encouraged participation loans. Industry has been operating with higher and higher costs and resulting lower profit margins. This has necessitated larger inventories and more accounts receivable, involving increase in the size of bank credit. Acquisition of fixed assets has been an important factor in demand for long-term loans. Higher taxation has also brought about an indirect increase in bank credit. Since long-term lending has got to be regulated by a bank with reference to its capital, surplus, deposit structure, etc., participation has to be arranged with the growing demand for term loans.

Participation may be between banks, a bank and an insurance company and/or a bank and Government agency like the Small Business Administration.

Where long-term finance is needed, banks make participation arrangement with insurance companies. Because of the nature of their liabilities, the latter are much better equipped to accommodate the very long-term borrowing needs of industry. If a borrower requires a loan for 15 or 20 years, the need is obviously one which a bank cannot handle. However, in such cases, it is possible for the bank of account to handle three to five years' maturities, leaving the later maturities to the insurance company. Usually, such arrangements are handled on a split rate basis, i.e., the bank charging a lower rate than the insurance company. Participation also helps the banks to avoid a large concentration of risk in any one borrower.

Participation with banks has been an important feature of the lending programme of the Small Business Administration. The bank generally processes the loan, makes the advance and the S.B.A. guarantees it. Participation may be immediate or deferred. In certain cases, the S.B.A. makes the initial loan and the banks take it over after a few years. About 60-70 per cent. of all loans granted by the S.B.A. are on participation basis.

Agreements between the principal bank, the participating banks and the borrower are drawn up after negotiations. These agreements are rather elaborate complicated documents, setting forth not only the detailed terms of the loan but also rights of the participating banks with regard to the securities and providing for all contingencies. Provisions are included in the agreement to the effect that all securities, rights, benefits, liens, set-offs, payments, etc. are for the benefit of all the banks in proportion to the credit provided. The principal bank receives repayments from the borrower and distributes them *pro rata* amongst the participants and, for this purpose, it is deemed to be an agent of all the interested banks. Sometimes, only a certificate is issued by the principal bank to the participating banks, denoting their respective shares in the credit.

Considering the large outlay of funds that would be continually required by manufacturing concerns to keep abreast with the technological improvements, automatic processes and equipment, it appears that participation finance will play a dominant part in meeting the credit needs of industry in the U.S.

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CREDIT INVESTIGATION

By Mr. M. G. Parikh

Manager, Bank of Baroda Ltd.

The objectives of a Credit Investigation Department of a bank in the U.S., or Credit Department, as it is called, are (a) "to serve customers by acquisition and dissemination of credit information and other data in connection with their specific problems, and by properly giving suppliers or others whom they refer to banks sufficient data regarding Bank's account relationship to substantiate the credit involved"; and (b) "loaning and other divisions of the bank by establishing and maintaining credit files and by assembling credit information from time to time as may be required by these divisions."

The two main functions of this department are:

1. *Investigation* which has several sections collecting information from all sources. This information is collected not only with a view to determining the worth of the party but also to establish if it is creditworthy.

2. *Analysis:* In the U.S., all advances are by way of loans and not by way of cash credits or overdrafts, as we have in this country. This department is, therefore, very important as all loans—short or term—are granted on the basis of the ability of the party to repay from net earnings over a period. The method of analysing balance-sheets and statements is standardised throughout the country and it can be generalised that, if the party cannot repay a loan from its earnings, it will not get the loan.

This is a very important feature of American banking and has a great impact on the economy of the country, as these repayments of loans result in compulsory savings both for the individual and the business and add to the resources of banks every year, thereby increasing the available capital in the country.

As a rule, the Credit Department men do not call directly upon any individual or company and are prohibited from contacting any of their office or branch representatives or customers on whose behalf the bank is conducting the inquiry, with the result that the borrowers have no contact whatsoever with the Credit Department which practice is completely at variance with what prevails here.

It will be agreed that the Credit Department is a foundation on which all advances are granted and it is necessary that our records should be complete with all details.

In the States, the business structure is mostly that of an incorporated company whose audit by a public accountant is compulsory. I feel a great leeway has to be made up in our country where we have no specialised agencies for giving information and where the business structure is mostly proprietory or partnership whose accounts are not audited by any registered accountant. Besides, the average customer in this country is most reluctant to give details of his business and assets, with the result that the banks have very little information on them.

In our country, the law recognises only registered partnerships and I would suggest that all such partnerships should be compelled by law to have their accounts audited by registered accountants, so that authentic statement of affairs are available to those who have to extend credit. This legislation is necessary, if the banks in India are to play a proper role in the developing economy.

EXCHANGE OF INFORMATION

The immensity of information which the banks in the U.S.A. exchange between themselves was revealing to us. This practice is in complete contrast to what prevails in this country and has been there for several decades. The banks in U.S.A. follow a code of ethics for the exchange of information.

To illustrate, the banks would give full information stating the history of the account, the loans given, their opinion on the strength of the endorser, on the guarantor, and their own judgment on the borrower, giving full details on the borrowings. The most amazing thing is that they also give their own recommendations on the transactions involved.

In exchanging information, the most important rule which the banks have to observe is that, if you obtain information from a bank about one of its accounts, you must not solicit the account until six months have passed. Moreover, if you tell the other bank that you are actively soliciting the account—before you receive the information—the rule does not apply.

We were told by the banks in the U.S.A. that they have not lost any business as a result of the exchange of information. On the contrary, they take pride in stating that the progress of the banks is largely due to the fact that they are able to exchange complete information about customers who dare not hide anything from their bankers. This is also well known to the business community in that country, with the result that they give the fullest information. It is, therefore, not surprising that the losses of the banks are few and there have been very few failures during the last 25 years.

As a contrast, the information which the banks in this country give is most scanty and sometimes misleading. The information records of the banks in this country are not as detailed or as comprehensive as they should be. There is, therefore, great scope for the development of proper Credit Departments in a very thorough manner.

As stated before, we have no special private agencies like "Dun & Bradstreet" in the U.S. or "Seyds" in the U.K. which will give ready information, but I would emphasise that the banks abroad do not merely rely on special agency reports, as they have their own departments for investigation.

I would, however, state that the greatest need of the hour in our country is more exchange of information between the banks. When I was in the States and even after my return, I have discussed the need for this with some of my colleagues in other banks. While they realise its importance, they fear that their bank may lose business, if they gave full information to a competitor. I would, however, suggest that the banks here should evolve a code of ethics which would not only prevent any loss of business but in fact make it more sound. In a developing country like that of ours where banking business is still in its infancy there would be plenty of business and borrowers in the years to come.

I would request my fellow bank managers to discuss with their respective banks and convince them of its importance and, if necessary, we can meet again to evolve a code of ethics.

If the banks cannot agree to any code of ethics for exchange of information, then I would suggest that the banks organise a separate credit agency which can collect information from all banks and other sources and pass on the same to the enquiring banks. It has been suggested that the Reserve Bank should undertake this work, but, to the best of my information, no central bank of any country does this. In any case, if they did it, the information will be merely statistical and will not be of the type required.

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CREDIT INVESTIGATION AGENCIES

By Mr. K. S. Chaturvedi

Senior Assistant, Bank of India Ltd.

The Credit Investigation Agencies, also called the Mercantile Agencies, play a vital part in the structure of credit in the U.S.A.

The function of these agencies, in short, is to collect and furnish information for the use of banks, loaning companies, insurance companies, wholesale and retail traders, industrial concerns, employers and others. Information so gathered concerns individuals, firms, corporations and associations, and covers a wide field, including such matters as previous background, character, habits, resourcefulness and personality of the individual or partners or officers, past experience in business or profession, present business and its future prospects, capital, financial standing, bank account, promptness or otherwise in settling creditors' accounts, litigation, suits, judgments, business surveys and appraisals, etc.

The agencies may broadly be divided into two categories—general and special. The for-

(*Continued on page* 796)

REOPENING OF CLOSED COTTON MILLS

MR. LAL BAHADUR SHASTRI ON GOVERNMENT'S POLICY

THE Government of India's policy with regard to cotton mills remaining closed was outlined briefly by Mr. Lal Bahadur Shastri, Minister for Commerce and Industry, when he addressed the annual general meeting of the Piecegoods Merchants Mahajan in Bombay last week-end. The policy of the Government, Mr. Shastri declared, was to reopen and run all those mills which could be run as economic units, but made it clear that it was not possible to run all the closed mills, as some of them had very old machinery, the running of which would require the sinking of crores of rupees. In this connection, he said:

"The State Governments have jurisdiction over the closed mills and would reopen and run all these mills. The Union Government will do its best to help the State authorities financially. Following this policy, it has been decided to reopen and run the Model Mills at Nagpur. The Bombay Government has agreed to run it under its control and the Government of India is now considering the financial implications of this step. At least three more mills are not working at present in the Vidarbha region, but, generally speaking, these cases are slightly different from the case of the Model Mills. The authorities are, however, examining the case of each mill separately."

The decision of the Central Government to reopen and run the units remaining closed is to be appreciated only in so far as it reflects the anxiety to relieve unemployment among quite a few thousands of workers. But the question is whether the taking over of these mills by the Government will solve their problem and place them on a permanent sound footing. Any impartial observer of trends in India's textile economy will admit that the chief factor responsible for the continued closure of several units has been the unhelpful official policy. The cotton mill industry consists of units of varying size and strength. Some have locational advantages and others locational disadvantages. There are differences in regard to quality and variety of goods produced. Unfortunately, the fiscal policy and controls pursued by the Government since 1956 are such that several units, which were on the marginal line or very near it, have become automatically downgraded and their working has become uneconomic. Since this is the basic cause, the Government has to tackle it first. Instead of thinking along lines of itself taking over the closed mills, the Union Government will do well to examine the conditions under which either their existing managements or someone else in the private sector will come forward to revive them. If these conditions are not very costly, it should do its best to create them. If they appear to be too costly, it is better to allow the mills to be liquidated and wound-up, so that they may not remain as a drag on the community.

Even the Congress Party has stated in its Nagpur resolution that all investments should result in a profit. It is from this angle that the Government has to look at the problem of reopening closed mills. The first question which it has to consider is whether, by reopening, the closed mills will make profit. If they cannot, what is the point in throwing away taxpayers' money on them?

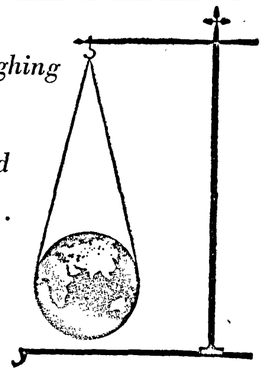
Another point which the Government must bear in mind is that it is not unnatural for industrial units to change hands when they are badly managed. Why is it that no other *entrepreneur* is willing to take over the closed units and revive them? The Government knows the answer, namely, it is the cumulative result of its own rigid labour, fiscal and production policies. Would it not be prudent for the Government to modify these policies in such a way as to allow the operation of normal economic laws within reasonable limits, rather than ease their rigidity only in the case of mills which have been closed down? Surely, prevention is better than cure. The taking over of a mill or mills, as Mr. Shantilal Shah, Bombay's Labour Minister, very rightly stated a few weeks ago, presents a peculiar problem to the Government, apart from several other difficulties. "Such a step," to quote him, "means the creation of the public sector, even if it be temporarily, while it is surrounded by the private sector."

To revert to Mr. Shastri's speech. He disclosed that the Government of India was contemplating an investigation into the working of cotton mills which were not running efficiently at present. The survey, he added, would be conducted by the Textile Commissioner; it would find out if the working of a particular unit could be improved by Government help. He pointed out that the Government was actively helping the textile industry to ensure its renovation and modernisation, in view of its unique position in respect of investment, production, capacity to earn foreign exchange and importance in the life of the people.

Mr. Shastri's appreciation of the vital role played by the cotton mill industry in the economy of the country thus is encouraging. It is true that, as a result of some measures taken by the Government after Mr. Shastri took over the portfolio of Commerce and Industry a year ago, the stocks of cloth lying with mills have been steadily declining. The stocks of cloth lying unsold with the mills (estimated at about 345 million yards at the end of March 1959, as against 373 million yards in January 1959 and 559 million yards in January 1958) are equal to only four weeks' production. But a large part of the decline in stocks has been brought about by distress sales by several mills, necessitated by the heavy financial burden involved in carrying stocks. There has been, it is said, no worthwhile improvement in the profits of mills. While prices of Indian cotton have shot up in recent months, there has been little or no rise in the price of cloth. Notwithstanding the reduction in stocks, the position of mills, therefore, continues to be none too encouraging. The number of units that remain completely closed is believed to be 42, as against 28 early last year.

It may be noted here that four mills are now being run by State Governments—the Narsinggirjee Mills, Sholapur, and the Seksaria Cotton Mills, Bombay, by the Government of Bombay; Sitaram Mills, Trichur, and Cochin Mahalaxmi Cotton Mills, Mulakunnathukavu, by the Government of Kerala. It would be interesting to know as to how these mills are faring now and how the wages and emoluments received by the workers in these mills compare with those in other mills which have managed to stay alive.

Following the continued closure of a large number of mills, the production of cloth has been at a low level. The average monthly output during the first quarter of 1959 was no more than 409.7 million yards, as against 411.7 million yards and 457.4 million yards in the corresponding quarters of 1958 and 1957, respectively. Exports of mill cloth also continue to be low, such from Bombay during January and February having been no more than 87 million yards, or at an annual rate of just 525 million yards, which compares unfavourably with 541 million yards and 795 million yards shipped in 1958 and 1957, respectively.



....even just from a financial point of view, is a pretty big operation. It requires a very extensive knowledge and understanding of business conditions. It requires an organisation like The Hongkong and Shanghai Banking Corporation. The biggest bank established by the Far East for the Far East provides a banking service not only in South and East Asia—which is our primary concern—but has offices in Europe and America as well, surveying the whole of the business world, considering, weighing up.

THE
HONGKONG AND SHANGHAI
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COTTON INDUSTRY IN EUROPEAN COMMON MARKET

It is reported that the Cotton Manufacturers Federation for the European Common Market (E.C.M.) has submitted to the E.C.M. Commission a memorandum urging protection for the cotton industry through a drastic limitation on imports from three sources: (1) "cheap labour" manufacturers, particularly in the Far East and the Indian sub-continent; (2) countries which operate State trading, that is, the Communist block; and (3) nations which go in for double-pricing and dumping. The Federation has pleaded for limiting imports of cotton goods from these sources to a very small percentage of each member-State's own production. Imports on top of such quotas, it is argued, would be allowed, either without any control or subject only to large quotas, for making up and re-export outside the E.C.M., but they would not benefit from the E.C.M. rules.

The Federation does not want the scheme to be confined to the E.C.M. alone, for it considers that there is a good prospect of some other West European countries participating in it. It would be delighted to bring in the U.K. cotton manufacturers as well, but here, it is "up against the declared opposition of the U.K. Government to the imposition of quotas on Commonwealth produce."

The Federation is full of hope that the E.C.M. Governments and the High Authority will approve its memorandum and impose the quota restrictions it demands. If, however, these hopes are disappointed, the Federation points out, it will try and run a restrictive scheme itself by co-operation among the national textile trades, although it admits that the chances of such an independent scheme being effective are not good.

The persistent plea of the Western countries' cotton textile millowners for restrictions on imports from the countries in the Far East has been commented upon by this journal on more than one occasion in the past, so that it is unnecessary to go into the question again. Suffice it to say that the solution to the difficulties confronting the cotton industry in the West lies not in import limitations but in practising the principle of international division of labour at least to some extent. It is the duty of the Governments of these countries to tell their textile manufacturers that the pattern of world trade is changing and that they should readjust their investments, if they cannot withstand even modest competition from the underdeveloped countries.

INTERNATIONAL YEARBOOK OF COTTON

The Legislative Number and International Yearbook 1958-59 of *The Cotton Trade Journal* (pages: 272. Price: $3 or Rs. 14.37. Available in India from Messrs. W. R. Stoessel and Co., 63, New Marine Lines, Bombay-1), the well-known international weekly newspaper published from Memphis, U.S.A., offers a rare and deep insight into the problems and prospects of cotton culture, trade, and industry in the United States, and other major cotton producing and manufacturing countries of the world. In range and comprehensiveness and the qualities of its contributors, it is a publication which has few equals in the field.

The Yearbook contains a good number of articles on cotton and several others on topics, of general economic interest. Commenting editorially, the *Journal* points out that the world cotton problem is not one of surplus but of poor distribution, lack of research and widespread deficiency of world purchasing powers. In a special article entitled, "A Long Stride Towards Freedom," Mr. Ezra Taft Benson, U.S. Secretary of Agriculture, details the provisions of the Agricultural Act, 1958, which gives greater freedom for cotton farmers in the U.S.A. In the succeeding pages, Mr. M. K. Horne, Jr., Chief Economist of the National Cotton Council, discusses whether the cotton textile depression is a temporary phase, Mr. Adolph Well, Jr., President of the American Cotton Spinners' Association, studies cotton's rapidly changing economy, while Mr. Hal-bert Jones, President of the American Cotton Manufacturers' Institute, urges breaking the shackles thrown round the U.S. cotton industry.

Of particular interest to readers in this country is the section on India wherein Mr. E. D. Sheppard points out that controls sap Indian textile strength, while Mr. Kasturbhai Lalbhai describes how Indian textile industry adapts itself to changing times.

An interesting section is the one on agricultural practice, containing the story of modern, successful cotton farming operations in each of the major cotton producing areas in the United States. Also included in the section are articles on the record developments in irrigation, machinery care, hybrid cotton seed and insect control by specialists in the field.

The Lancashire cotton employees have offered to set up the first industry-wise compensation scheme for workers who lose their jobs as a result of the closure of mills under the reorganisation scheme on which the cotton industry is to embark with Government support. The basis of the scheme is a worker's length of service in a particular mill plus his age factor.

INDIAN ALUMINIUM COMPANY LTD.

MR. K. C. MAHINDRA, CHAIRMAN, REVIEWS A YEAR OF RECORD ACHIEVEMENT

COMPANY ENTERING SECOND STAGE OF EXPANSION

ADDRESSING the shareholders of the Indian Aluminium Company, Ltd., at their Annual General Meeting held at Calcutta on 27th April 1959, Mr. K. C. Mahindra, Chairman, claimed with justifiable pride that the output of aluminium at the Hirakud smelter, which started operations early in January this year, reached its rated capacity of 10,000 tons within two months without any interruption. With the completion of this smelter, the Company was entering the second stage of expansion, under which the capacity at Hirakud would be doubled, the production at Muri alumina plant would be raised to meet the requirements of Hirakud and Alupuram smelters and additional fabrication facilities would be provided. The ability of the Company to obtain the necessary funds to implement these plans, he added, depended on the policies of the Government.

The following is an abbreviated version of Mr. Mahindra's speech:.

"The Directors' report submitted to you along with the audited accounts for the year 1958 gives you the factual background of record activity in the operations of the Company. Production of bauxite ore and alumina, of primary ingots and rolled products reached new high levels, as also sales of own and agency products.

"Since our last meeting the Company has passed an important milestone in its history. Our Hirakud smelter started operations on the 6th of January this year and it is a measure of the eminently successful start-up that in February aluminium production at the plant attained its rated capacity of 10,000 tons per annum. There is reason for additional pride and satisfaction, in that this smelter, costing nearly Rs. 5 crores, was built largely by the Company's Indian technicians. We took care in providing for highly skilled supervision from Canada for a short period during the concluding phase. That all the smelter pots have functioned without interruption, since the start-up, and functioned efficiently, speaks well of the technical proficiency and care and skill devoted during the construction and initial operating stages. And our Canadian friends tell us that to have operated without break during the initial period and to have reached the capacity output within two months is a record achievement.

Annual Output of Aluminium

"The Company is now a significant producer of the metal with an annual production rate of nearly 16,000 tons of aluminium. The members of this Company can justly take pride in this achievement and the contribution it makes to strengthening the foundations of the country's economy.

"Turning to the financial accounts for 1958, you will notice that a sum of Rs. 11.1 lakhs has been transferred to the development rebate reserve, a statutory requirement, if the Company wishes to avail of certain tax concessions in respect of new plant and machinery. The allocation for 1958 related principally to the additional plant at Muri where production facilities have been increased to 18,000 tons of alumina per year. For 1959, the development rebate reserve will be correspondingly high, because of the new installation at Hirakud. A further amount of Rs. 60 lakhs has been provided for current taxes. While gross profits show a healthy corresponding increase, corporate taxation absorbs over 55 per cent. more than it did last year. Because of these heavy deductions, the net profit was reduced to Rs. 36.6 lakhs in 1958, which still is an improvement on the previous year.

"The higher rate of production and the resulting increase in total profits enables and justifies a slightly higher dividend on ordinary shares than that declared for 1957. At the present time, however, when the Company is engaged in an expansion programme of considerable magnitude and the effect of annual changes in tax measures on our finances cannot be accurately foreseen, your Directors feel that it would be prudent to conserve cash resources somewhat and yet meet the legitimate expectation of a higher dividend. We have, therefore, recommended a dividend of 7 per cent. on the ordinary share capital and I trust this will meet with your approval.

Second Stage of Expansion

"For private enterprises, such as ours, it is the profits we make and the cash the shareholders receive in dividends which determine whether or not the Company will continue to attract the capital needed for expansion of the industry. With the completion of the Hirakud smelter we are entering the second stage of expansion—the Hirakud smelter to 20,000 tons, the Muri alumina plant sufficient to meet the requirements of both the Hirakud and Alupuram smelters and the provision of requisite additional fabrication facilities. The implementation of these plans will require considerable funds from internal, as well as external, sources and our ability to obtain them will be influenced greatly by the policies of the Government.

"As shareholders will probably have read, the Chief Minister of Orissa announced at the formal opening of our Hirakud smelter on 12th February 1959 that the electric power required to expand the smelter to 20,000 tons capacity will be made available to us in two years' time. In the light of this announcement, we have been actively pursuing our negotiations with the Orissa Government and hope that a satisfactory power contract will soon be concluded permitting us to proceed with the expansion.

"Keeping in view the needs of our expanding business and its complexity, we have during the past year sent a number of our employees for technical and administrative training in North America and Europe. This training has been provided by the subsidiary companies of our Canadian shareholder, Aluminium Limited. We have also continued to receive their assistance by the loan of some of their specialists for various assignments in our Company. These facilities, as you will appreciate, represent a valuable asset to the Company and enable it to maintain its technological leadership in the Indian aluminium industry.

Investment in Soil

"It has been customary with me to utilise this occasion to offer a few personal comments on the economic questions raised during the past twelve months, to take stock of the prevailing moods and submit for critical appraisal a suggestion or two. Thus, I made an unusual suggestion last year, namely, that a taxpayer may be permitted to 'invest' 10 per cent. of the tax amounts due from him in soil improvements and soil productivity in the locality of his choice and in the manner he considered most effective. This suggestion was novel and met with no response. Yet, if I repeat it with some variation, it is in the belief that it is paramount for the non-farming citizen not merely to know the complex agricultural problems facing our country but to learn to know how to help in reaching practical solutions. The variation is in the line that joint-stock manufacturing units may be permitted to 'adopt' a village or cluster of villages and in co-operation and consultation with the local authorities, as well as the community development officers, make itself responsible for the economy and health of the village or group of villages so adopted. Expenditure of the corporation on this account, duly checked and certified, may be treated as a business expense for taxation purposes. I regard it as of growing importance that the people engaged in the development of industries should get mixed up somehow and in some manner actively with village economies.

"Joint co-operative farming proposals as enunciated by the Congress Party and now supported in a generalised manner by the Lok Sabha have evoked contrary and highly surcharged emotions. Criticisms, appraisals, appreciations of fundamental problems are within the rights of democratic people, but the controversies which have raged round the joint farming proposals have reached the nadir or bickering and bathos and reveal the alleged essentially Indian capacity for sustained confusion. The political and intellectual opponents of the proposals see in them the fatal approaches to a totalitarian system, for to them coercion is implicit and extinction of individual identity and proprietorship inevitable. Yet they seem to ignore the urges behind land reforms which aim to correct a situation which has made the agriculturist a veritable serf and a situation disturbing and explosive enough to demand immediate attention. The advocates, on the other hand, refuse to be daunted by economic equations composed entirely of variables and acclaim the support of many economists and operators in statistics.

"It is confusing for a lay citizen to read, on the one hand, a distinguished economist (who perhaps has never been near a farm) to affirm that co-operative farming would enable Government to provide employment to the unemployed and the underemployed in the villages, and, on the other, to listen to a practical agricultural landowner who states categorically that joint farming means surplus hands, that if pooling takes place some people will be thrown out of work—they will become absentee landowners. Joint farming is proposed for increasing production—yet the same enthusiastic economist proclaims that the smaller the holding, the larger the production per acre. Amidst such confusion of advice one can only paraphrase the old English adage: 'If you consult a doctor, nothing is wholesome; if you consult the soliders, nothing is safe'—and say in modern parlance that if you consult the economists, nothing would remain *economic*!

"I am conscious of the fact that what would make economic sense often makes political nonsense and that, while continuation of large one-unit farms owned by a single individual or family would make for increased production rapidly, given the necessary assistance by way of better seeds, fertilisers, irrigation water and mechanised power, there may be gained larger social satisfaction if the ownership was broken up and land distributed to tillers.

Basic Problem

"The basic problem, however, remains—the problem of how to release and guide the energies of the millions now locked up in the rural subsistence economy. The joint farming co-operatives aim to meet this challenge. We should recognise the psychological as well as the emotional implications of the proposals, but for practical ends one does not see in the villages either the democratic interplay of cohesive forces or the emotional appeals of sustaining faiths and credo. It is, therefore, going to be a long, long process and a most expensive one if the country is to be covered with joint co-operatives at all levels of ownership, tilling, production, marketing and credit within a short period. It is questionable if the individual owner of a small plot of land would voluntarily agree to join the pool, when he knows he may have no work to do and would hereafter depend upon the toils of others. A Japanese proverb is apt: 'Nobody is more stupid than the man who allows his pot to be stolen on a moonlit night.'

"In statecraft one pursues not what is most desirable, but what is best attainable in the shortest time. Discussions on the platform, in Parliament and in the Press have been free and uncurbed; it is good to see our Prime Minister lashing at the critics of the joint co-operative farming proposals and inviting a better alternative course. Without being critical of the ultimates of the socialist ideal of a co-operative commonwealth, I can visualise the immense difficulties in formulating the details of a practical programme and then in executing and administering the same with speed and determination.

Declare Agriculture As An Industry

"I venture to suggest an alternative which will not disrupt the course of social reform and does not conflict with any ideological acceptances. The aim is to increase agricultural productivity per acre and per man in as short a period as possible. I suggest that agriculture be declared an 'industry' under the Industries (Development and Regulation) Act of 1951 and henceforth be treated as such in Government thinking. That India imported about Rs. 1,200 crores worth of foodgrains during the last ten years is a most harrowing fact. The record of handling of our food problem both at the Centre and at the States level has not hitherto been bright; on the contrary, the various survey reports confirm that there has been a considerable amount of confusion and muddle over this problem. Throw open the land for massive and intensive development with the one and sole

(*Continued on page 779*)

THE BANK OF RAJASTHAN LIMITED

Head Office:—Udaipur *Central Office*:—Jaipur

THE SHAREHOLDERS, THE BANK OF RAJASTHAN LTD.

GENTLEMEN,

The Directors have pleasure in submitting the Sixteenth Balance Sheet and Profit and Loss Account as at 31st December, 1958. The Auditors' report is also annexed.

Branches: During the year 1958 three new offices at Pali, Nathdwara and Jhalrapatan were opened raising the total number of branches to 31.

The facility of Safe Deposit lockers has been introduced at four more centres and now the number of offices of the Bank equipped with modern Safe Deposit Vaults has gone upto nine.

Working Funds: The working funds have risen to a record figure of Rs. 5,35,92,799 and exceed last year's total by Rs. 78,60,549.

Deposits: Our deposits have increased by over Rs. 72 lakhs to a new peak figure of Rs. 4,53,74,037. There has been all round increase in the various types of deposits during the year. The number of depositors has also increased from 22,068 to 25,632. The enlargement of our deposit liabilities reflects the growth of our business.

Liquidity: The increased deposits have been well utilised in strengthening the liquid resources. Our total liquid resources (Cash, Balances with Banks, Investment and Demand Bills) at the year end were Rs. 3,79,70,096 (in 1957 they were Rs. 2,75,65,698) and the ratio of these resources to our deposits is 83.7 per cent. (in 1957 it was 72.3 per cent.). Again the percentage of the liquid resources to demand liability comes to 197.6 per cent. which compares favourably with the previous year's figure of 162.9 per cent.

Investments: Our investments at Rs. 1,36,67,570 consist mainly of Government and other Trustee Securities (96.52 per cent. in Government and Trustee Securities and 3.48 per cent. in first class shares and debentures). We hold no undated government security and 95.24 per cent. of our holdings mature within 10 years. Maturity distribution, using final maturity dates, is as follows:—

Maturity	*Face Value*	*Percentage of total investment*
Maturing within 5 years	82,06,580	56.04
" 5 to 7 years	29,04,352	19.83
" 7 to 10 years	28,35,221	19.37
" 10 to 15 years	6,53,500	4.46
Shares	45,000	.30
	1,46,44,653	100.00

A new feature has been added to our Investment Portfolio with the addition of Rajasthan Jagirdari Bonds. Our investment in these bonds has enabled the Jagirdars of Rajasthan State to obtain a fair price for their Bonds.

The investments appear in the Balance Sheet at a figure which is below their market value.

Advances: Our advances inclusive of bills stand at Rs. 1,45,78,805 which represents 32.13 per cent. of our deposits. The corresponding figures at 31st December 1957 were Rs. 1,81,48,774 and 47.61 per cent. The decrease in the volume of our loans is due to the restrictions on foodgrains advances by the Reserve Bank of India and late arrival of cotton crop in our area by two months.

Net Profit: The net earnings for 1958 were Rs. 2,33,068.86 nP. as against Rs. 2,75,040.91 in 1957, the reason for decrease being that our average of advances to deposits remained lower throughout the year by 11.36 per cent. (the average for the year 1958 and the previous year was 44.32 per cent. and 55.68 per cent. respectively). However, our gross income increased by Rs. 3,39,573.00 to Rs. 23,56,478.00 but this was offset by increase in operating expenses which rose by Rs. 3,81,560.00 during the year.

Appropriation of Profits: The net profit amounts to Rs. 2,33,068.86 nP. to which a sum of Rs. 1,032.69 nP. brought forward from the previous year has to be added, making a total of Rs. 2,34,101.55 which has been appropriated as follows:—

	Rs.
To Reserve Fund	48,733.82
To Provision for Income-tax	90,000.00
To Bonus to Staff	34,050.00
To Gratuity Reserve Fund	5,000.00
The Directors recommend:	
To pay a dividend of 6 per cent. free of income-tax	55,299.00
To carry forward to the next account	1,018.73
Total	Rs. 2,34,101.55

Election of Directors: Under the provisions of Section 256 of the Companies Act, 1956, two Directors, namely, Shri Seth Pusalalji Mansinghka and Shri Rajadhiraj Amar Singhji of Banera retire by rotation but are eligible and offer themselves for re-election.

Appointment of Auditors: You are requested to appoint Auditors for the ensuing year and to fix their remuneration.

Mobile Branches: In the current year it is proposed to introduce mobile branches with a view to provide banking facilities to sub-urban and rural areas.

Thanks: The Directors express their thanks to the Shareholders and customers of the Bank, particularly to the Government of Rajasthan for their kind patronage and also appreciate the loyal services rendered by the members of the staff.

By Order of the Board,
G. S. PUROHIT,
Acting Chairman.

JAIPUR, *16th March*, 1959.

BALANCE SHEET AS AT 31st DECEMBER, 1958

1957 Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
	AUTHORISED—		
20,00,000	20,000 shares of Rs. 100 each	20,00,000.00	
20,00,000	20,000 shares of Rs. 100 each	20,00,000.00	
	SUBSCRIBED—		
18,18,200	18,182 shares of Rs. 100 each	18,18,200.00	
	CALLED AND PAID-UP CAPITAL—		
30,000	300 shares of Rs. 100 each fully paid up	30,000.00	
8,94,100	17,882 shares of Rs. 100 each Rs. 50 per share called up	8,94,100.00	
9,24,100		9,24,100.00	
1,225	LESS—Calls unpaid	1,225.00	
9,22,875		9,22,875.00	
Nil	ADD—Forfeited shares	Nil	
9,22,875			9,22,875.00
	2. Reserve Fund and Other Reserves—		
	Reserve Fund under section 17	3,42,284.21	
6,27,265	Other Reserves	3,39,840.79	
6,27,265			6,82,125.00
	3. Deposits and Other Accounts—		
1,87,73,623	Fixed Deposits	2,37,57,433.43	
78,69,062	Savings Bank Deposits	88,40,642.73	
1,13,81,949	Current Accounts, Contingency (unadjusted)	1,26,64,506.27	
88,530	Staff Security Deposits	1,11,255.47	
3,81,14,064			4,53,74,037.90
	4. Borrowings from Banking Companies, Agents, etc.—		
Nil	(i) In India	Nil	
Nil	(ii) Outside India	Nil	
Nil			Nil
	PARTICULARS—		
Nil	(i) Secured	Nil	
Nil	(ii) Unsecured	Nil	
Nil			Nil
21,70,756	**5. Bills Payable**		26,63,871.94
	6. Bills for Collection being Bills Receivable as per contra—		
22,21,247	(i) Payable in India	23,03,531.75	
2,636	(ii) Payable outside India	Nil	
22,23,883			23,03,531.75
	7. Other Liabilities—		
13,606	(i) Unpaid Dividends	15,553.75	
1,99,829	(ii) Provision for Income Tax	2,86,543.70	
28,000	(iii) Bonus to Staff	34,050.00	
125	(iv) Staff benefit account	124.71	
9,82,180	(v) Branch Adjustments	8,45,640.08	
44,275	(vi) Sundry Creditors Account	65,027.75	
12,69,015			12,46,939.99
3,58,100	**8. Acceptances, Endorsements and Other Obligations as per contra**		2,53,100.00
	9. Profit and Loss—		
42,427	Balance of last year's profit after appropriation	56,291.94	
41,463	LESS—Dividend for 1957	55,259.25	
964		1,032.69	
2,75,041	ADD—Profit for the year brought from Profit and Loss Account	2,33,068.86	
2,76,005		2,34,101.55	
	LESS—Appropriations—	Rs. nP	
55,213	Reserve Fund	48,733.82	
25,000	Investment Reserve	Nil	
1,04,000	Provision for Income Tax	90,000.00	
28,000	Bonus to Staff	34,050.00	
7,500	Gratuity Reserve Fund	5,000.00	
2,19,713		1,77,783.82	
56,292			56,317.73
	10. Contingent Liabilities—	Rs. nP	
57,401	Claims against the Banking Company not acknowledged as debts	71,551.17	
4,57,32,250	Grand Total	Rs.	5,35,92,799.31

1957 Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
	1. Cash—		
79,47,241	In hand and with Reserve Bank of India and State Bank of India	76,14,821.75	
56,896	Cash in transit and sent for exchange	7.00	
80,04,137			76,14,828.75
	2. Balances with other Banks on Current Account—		
16,53,569	(i) In India	17,03,758.69	
Nil	(ii) Outside India	Nil	
16,53,569			17,03,758.69
38,70,000	**3. Money at Call and Short Notice**		1,17,85,000.00
	4. Investments—		
	(i) Securities of the Central and State Governments and other Trustee Securities. Face value of Rs. 1,41,34,653 below market value	1,31,45,579.82	
96,17,110	Treasury Bills of the Central and State Governments	Nil	
Nil	(ii) Shares	10,000.00	
41,500	(iii) Debentures or Bonds	5,11,789.87	
5,11,700	(iv) Other Investments	Nil	
Nil	(v) Gold (below market value)	75,350.26	
91,643			1,37,42,719.95
1,02,62,043			
	5. Advances—		
	(1) Loans, Cash Credits, Overdrafts—		
1,23,82,824	(i) In India	89,60,017.30	
Nil	(ii) Outside India	Nil	
	(2) Bills Discounted and Purchased—		
57,32,450	(i) Payable in India	56,18,788.04	
33,500	(ii) Payable outside India	Nil	
1,81,48,774			1,45,78,805.34
	6. Bills Receivable being Bills for Collection as per contra—		
22,21,246	(i) Payable in India	23,03,531.75	
2,636	(ii) Payable outside India	Nil	
22,23,882			23,03,531.75
3,58,100	**7. Constituents' Liabilities or Acceptances, Endorsements and Other Obligations as per contra**		2,53,100.00
	8. Premises less Depreciation—		
2,36,010	Total cost as on 31-12-1957	2,91,489.49	
115	LESS—Sale of old materials	Nil	
2,35,895		2,91,489.49	
55,595	ADD—Additions during the year	6,032.52	
2,91,490		2,97,522.01	
	LESS—Depreciation as per last B/S Rs. 12,019.18		
12,019	Depreciation during the year 8,402.22		
2,79,471		20,421.40	
	9. Furniture and Fixture—		
3,49,189	As per last Balance Sheet	4,09,862.37	
60,673	Additions during the year	88,749.85	
4,09,862		4,98,612.22	
	LESS—Depreciation as per last Balance Sheet Rs. 1,34,636.23		
1,34,636	Depreciation during the year 38,455.77		
2,75,226		1,73,092.00	3,25,520.22
	10. Other Assets—		
11,710	(i) Silver		
36,106	(ii) Sundry Debtors	10,082.29	
79	(iii) Stamps	1,12,882.39	
20,804	(iv) Prepaid Insurance	102.50	
99,132	(v) Stationery in Stock	13,012.74	
3,22,366	(vi) Indian Income Tax deducted at sources	1,03,196.34	
1,50,576	(vii) Interest accrued on Call Money, Investment and Government of Rajasthan Account	4,75,189.49	
6,40,773		1,02,113.97	
9,380	LIBRARY—As per last Balance Sheet Rs. 10,855.72	9,06,584.72	
1,476	Additions during the year 1,589.35		
10,856		12,445.07	
4,193	LESS—Depreciation as per last B/S 5,024.37		
831	Depreciation during the year 2,532.92		
5,024		7,557.29	
5,832		4,887.78	
40,341	Conveyance (Motor Cars and Tongas) as per last Balance Sheet Rs. 40,341.27		
Nil	Additions during the year Nil		
40,341		40,341.27	
25,010	LESS—Depreciation as per last B/S 29,837.77		
4,833	Depreciation during the year 3,482.00		
10,443		33,379.77	
6,57,048		6,961.50	
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims.**		9,13,434.00
4,57,32,250	Grand Total	Rs.	Nil
			5,35,92,799.31

(Continued on next page)

JUTE INDUSTRY IN PAKISTAN

COMMISSION OF ENQUIRY TO STUDY PROBLEMS

THE Pakistan Government has set up a commission to enquire into the production, prices, marketing and export of raw jute goods. The Commission, which will be headed by Mr. Zakir Hussain, Governor of East Pakistan, will consist of eleven other members representing the jute growers and industry. The terms of reference to the Commission include, among others, recommendations on the appropriate size of jute crop to be grown in the next five years, having regard to both internal and external requirements, price levels, and world trends in the use of jute, competing fibres and substitutes. The Commission has also been asked to make recommendations on how to maximise yields of superior varieties of jute and lower cost of production through use of improved seeds and farming methods.

The setting up of a Commission of Enquiry on an infant industry which has had from its birth a decided advantage over its confrere in India with an adequate supply of good quality raw material, implies that all is not well with it. Its position does not appear to be so rosy as it was made out to be a few years ago. The Government's policy in respect of raw jute is threatening the country's monopolistic position. Though Pakistan is still the biggest supplier of raw jute in the world, many countries have taken up production of jute seriously, so that they now constitute a serious threat to Pakistan's trade in raw jute. India has attained self-sufficiency in its requirements of the fibre, except for the superior quality of raw jute it requires. It has even emerged as an exporter in this commodity. Brazil and China have made tremendous progress in the production of the golden fibre. Burma also has made a beginning in growing jute. Whereas at the time of partition Pakistan produced about 8.5 million bales of raw jute, as against Indian output of 1.5 million bales, it is now producing 6.8 million bales, on account of forced curtailment of production to push up prices artificially. (In 1956-57 it was still lower at 5.5 million bales.) At the same time, there is an abundance of lower grade material and not sufficient of the better marks to meet the requirements of consumers in the U.K. and on the Continent. India has, in the meantime, raised its output to about 6.5 million bales (including mesta).

The unrealistic jute policy of the Pakistan Government, coupled with absence of disciplined labour, managerial skill and efficient marketing facilities, has hit the manufacturing industry itself. As was pointed out by Mr. A. Jalil at the annual general meeting of the Pakistan Jute Mills Association held a few days ago, 1956 and 1957 were probably bad years for jute mills throughout the world and they were particularly so for mills in Pakistan, which suffered a loss of Rs. 2.1 crores, as against a total capital investment of Rs. 26.61 crores.

The policy of the Government of Pakistan in recent years in rapidly switching over from agricultural production to industrialisation, came in for criticism at the hands of Mr. T. D. Bruce, the outgoing Chairman of the British Jute Trade Federal Council, at its annual meeting held recently. He said:

"For some years now, we have been dependent for our raw material on a country which has been in a chronic state of political instability and which was on the verge of economic collapse last autumn. It has been the belief of Pakistan, prevalent in more than one primarily agricultural country, that prosperity can be achieved only through a rapid flight from agriculture to industry. To industrialise may be sound policy, but side by side with it has been the neglect of agricultural production, the main source of foreign exchange for Pakistan. Thus, the illogical situation of Pakistan reducing acreage in areas ideally suited to grow fine quality jute, at a time when it was vital to maintain exports of jute at the highest possible level.

"The effect of all this has been to create trouble for Pakistan, and trouble for the jute-consuming countries in these past years. It has damaged the world jute position, created scarcities and uncertainties, and has led to undue price fluctuations, which add greatly to the commercial hazards of industrial planning by jute firms and users of jute goods. It has also encouraged other countries to grow their own jute or other long-fibred plants having the essential properties of jute, a development of which the Pakistan monopoly must take heed."

A note of warning about the fallacy of Pakistan's raw jute policy was given by Mr. W. G. N. Walker, Chairman of Jute Industries Ltd., at the recent annual meeting of the Company, in the following words:

"With the distinct possibility of Pakistan losing ground, the new Government composed of military and official personnel must give very careful consideration to its actions, lest unwittingly it loses its traditional markets for quality fibre in the Western countries of the world.

"In recent years, small carryovers of crop from one season to another have tended to increase fluctuations in price and, in addition, have meant much too high prices at times. This state of affairs has done much damage to the industry and Pakistan's artificial restriction of crops has largely been the cause."

Fortunately, the position has improved in recent months under the new military regime. Thanks to the end of labour indiscipline, the production of mills has been rising gradually, touching a peak of over 20,000 tons in January this year, as against a monthly average of a little over 13,000 tons under the previous regime. It is stated that, in the first four months of the martial law regime, production of gunnies in Pakistan rose by 20 per cent., but even the current rate of production is said to be appreciably

(*Continued on page* 796)

THE BANK OF RAJASTHAN LIMITED—*Continued*

Schedule of Particulars required by the Banking Companies Act of 1949 attached to and forming part of the Balance Sheet as at 31st December, 1958

PARTICULARS OF ADVANCES	Bills discounted and purchased	Loans, Advances, Cash Credits and Overdrafts	Total
	Rs. nP	Rs. nP	Rs. nP
(i) Debts considered good in respect of which the Bank is fully secured	23,12,778.74	87,63,899.84	1,10,76,678.58
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	5,74,771.70	29,008.96	6,03,780.66
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors:—			
(a) Debts guaranteed by the Government of Rajasthan	Nil	81,328.69	81,328.69
(b) Others	27,31,237.60	85,779.81	28,17,017.41
(iv) Debts considered doubtful or bad, not provided for	Nil	Nil	Nil
	56,18,788.04	89,60,017.30	1,45,78,805.34

PARTICULARS OF ADVANCES	Bills discounted and purchased	Loans, Advances, Cash Credits and Overdrafts	Total
	Rs. nP	Rs. nP	Rs. nP
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	35,238.02	35,238.02
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in case of Private Companies as Members	18,689.73	8,545.23	27,234.96
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or Officers, of the Banking Company or any of them either severally or jointly with any other persons	Nil	35,238.02	35,238.02
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents, or in case of Private Companies, as Members	Nil	Nil	Nil
(ix) Due from Banking Companies	1,99,818.60	Nil	1,99,818.60

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

1957 Rs.	EXPENDITURE	Rs. nP	Rs. nP
8,29,473	1. Interest paid on Deposits, Borrowings, etc.		10,86,378.13
	2. Salaries, Allowances and Provident Fund—		
	(i) General Manager	19,125.00	
5,48,226	(ii) Other Staff	6,23,767.52	
			6,42,892.52
706	3. Directors and Local Committee Member's Fees and Allowances		770.27
57,131	4. Rent, Taxes, Insurance, Lighting, etc.		55,106.11
6,020	5. Law Charges		2,306.63
80,677	6. Postage, Telegrams and Stamps		89,070.98
7,382	7. Auditors' fees and allowances		4,314.43
	8. Depreciation on and Repairs to the Banking Companies Property (Safe, Furniture, Fixture, Conveyance and Library, etc.)		58,372.49
36,498	9. Stationery, Printing, Advertisement, Subscription to Newspapers and Uniforms for servants, etc.		66,564.12
69,149	10. Loss from Sale of or dealing with Non-Banking assets		Nil
Nil	11. Other Expenditure—		
	(i) Remittance Charges	32,709.90	
	(ii) Travelling Expenses and Conveyance charges	23,515.81	
1,06,507	(iii) Other Miscellaneous expenses	60,807.98	
			1,17,033.69
2,75,041	12. Balance of Profit (Subject to Income-tax)		2,33,068.86
20,16,900	Total Rs.		23,56,478.23

1957 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP	Rs. nP
14,27,086	1. Interest and Discount		17,34,710.77
5,32,526	2. Commission, Exchange and Brokerage		5,49,394.27
Nil	3. Rents		Nil
Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets		7,167.50
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets		Nil
	6. Income from Non-Banking assets and Profit from Sale of or Dealing with such Assets		Nil
57,288	7. Other Receipts		65,205.69
20,16,900	Total Rs.		23,56,478.23

AUDITORS' REPORT TO SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Bank of Rajasthan Limited, Head Office, Udaipur as at 31st December, 1958 and also the annexed Profit and Loss Account of the Bank for the year ended on that date. In accordance with the provisions of section 29 of the Banking Companies Act, 1949, read with the provisions to sub-sections (1) and (2) of section 211 and sub-section (5) of section 211 and section 227(5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the sixth schedule of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

1. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of audit and have found them to be satisfactory.
2. The transactions of the Bank which have come to our notice, have been within the powers of the Bank.
3. In our opinion, proper books of accounts required by law have been kept by the bank so far as appears from our examination of those books.
4. The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
5. In our opinion, and to the best of our information and, according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking Companies and on such basis the said Balance Sheet gives a true and fair view of the state of affairs of the Bank as at 31st December, 1958 and Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.
6. The returns received from Branches for the year ended 31st December, 1958 were duly audited by Chartered Accountants.

BEAWAR, 15th March, 1959.

B. D. GARGIEYA & CO.,
Chartered Accountants.

G. S. PUROHIT, *Ag. Chairman.*

D. L. GUPTA,
General Manager and Ex-Officio Director.

पूसालाल मानसिंहका } *Directors.*
D. L. MANSINGHKA,

THE EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD.

MR. C. R. SRINIVASAN'S REVIEW

PLEA FOR TAX RELIEF TO RETRIEVE THE COUNTRY'S ECONOMY

SPEAKING at the Sixty-first Annual Meeting of the East India Distilleries and Sugar Factories Ltd., held in Madras on 29th April 1959, Mr. C. R. Srinivasan, Chairman of the Company, uttered a note of caution that the potentials of taxation had already been reached and signs of regression lay to the surface. The position could be retrieved only if the industrial sector regained buoyancy and played its vital role in national economy. On a long-term point of view, he added, it would be wise to give it the much-needed tax relief even to the point of sacrificing current revenue.

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

"GENTLEMEN,

"Copies of the balance-sheet, profit and loss account and Directors' report for the year ended 30th September 1958 have been in your hands for the statutory period and I have no doubt you have read them with interest and profit. It has been the policy of the Company to provide as full information as possible to enable shareholders to take an intelligent interest in the affairs of the Company and if there is anything more I can usefully add to enlighten you, I am at your disposal.

"The results of the year's working, within the limits of our opportunity, have been in keeping with the rising tempo of progress that we should naturally and normally expect in the expanding economy of the country. My only regret is that we have not done still better, possessing in exceptional measure, as we do, talent, experience and organisational set-up. What sets the limit is the resources at our disposal. The capital and reserves of the Company are now of the order of two million pounds. There is an imbalance between capital and reserves which must be corrected in the interests of the shareholders, if further and fuller progress is to be achieved. The capital of the Company stands in round figures at £750,000, while the reserves have been steadily increasing and are now over a million and a quarter pounds. The need for broadening the capital structure of the Company has been receiving the anxious consideration of the Board during the past two years, but unexpected difficulties have blocked the fruition of our endeavours. At one time we had almost completed arrangements for making a fresh issue of capital coupled with a bonus issue; but at the last lap we had to call a halt when Government levied a 30 per cent. tax on bonus issues. The tax was unconscionable as the issue was to be made from reserves which had already paid prevailing rates of company tax. May be, the needs of the Government are great to finance their planned economy, but this is not the way to cover their needs and after all, the strengthening of the private sector has a necessary part and place in the national economy. However, there it was and we drew our horns in at the time and awaited better understanding of the issues posed, in this context, by the Government.

Rights Issue

"Meanwhile, failing the bonus issue which was the centrepiece of our proposal to attract fresh capital, we proceeded to consider alternative ways and means. In this context we canvassed the possibilities of a rights issue and satisfied ourselves that the outlook was promising. Again, however, quite unexpectedly a new obstacle cropped up. You are aware that our Company is a sterling company maintaining two registers, one in Madras and another in London, for the convenience of shareholders living in India and England. There was free transferability of shares between India and England that helped to maintain parity of prices for the shares in both countries, Thirty-five to 40 per cent. of the shares were held in England and they were all held under investment account as the Company's activities were concentrated in India and management and control were also in India. One fine morning it was decided there should no longer be free transfer of shares from England to India, with the result that share values in England rule substantially lower than those obtaining in India today, with no justification on merits. We can understand the anxiety of the Indian Government to save foreign exchange at a time of strain and stress; but in the present context of needs and requirements in this regard, it seems to me, that this is a penny-wise and pound-foolish policy. We want foreign capital to come into this country in progressively increasing measure. If our planning programmes are to succeed, surely any step calculated to impair confidence in investments in this country must be avoided at all costs. In the case of our own Company the amount of foreign exchange involved on a factual assessment of the value of flow of shares from England to India is not of such dimensions as to cause any headache to the powers-that-be.

Promising Ventures

"We have been making representations to the Government for a relaxation, if not a complete revision of the policy, and we hope our prayers will not go in vain. Once the way is cleared and we are in a position to reassure a substantial body of foreign shareholders that their interests are safe, I have no doubt, we shall be able to attract adequate capital on the basis of our past record and future promise both from this country and from England. We feel hurt and helpless when there is so much to do and we are unable, for no fault of our own, to give our best in the service of the country. In pottery, for example, we have developed a promising line of sanitaryware which is waiting for expansion. In fertilisers, for another, we occupy an outstanding position in the country and we have been busy in tapping out new enterprises in this direction. Whoever has bestowed thought on the basic structure of the Indian economy cannot but recognise the primary importance of fertiliser projects. There may be giant projects which call for investment beyond the resources of private enterprise. There are quite a few, however, which can be worked to advantage in the private sector and at the moment, we may say, we are ourselves engaged in the study of one such project. There are again other directions of promising industrial adventure which we can seriously examine, if, as I said, the way is clear and I hope the way will be cleared.

Implications of Finance Bill

"The next point that I would like to canvass on this occasion is the Finance Bill now before Parliament. Its exact scope and purpose is still a matter of discussion and debate in knowledgeable circles. It looks, on the face of it, as if substantial concessions have been extended to joint-stock enterprise. Wealth tax on companies has been removed; tax on excess dividends has been eliminated; income and super-tax on companies have been reduced. Psychologically a climate of confidence has been sought to be created, but, I am afraid, a little closer study will not bear out the optimism that has been induced. Nowhere has it been suggested that the Government has forgone any part of the revenue it was collecting from the taxation measures that are now being repealed. All that it has said is it has simplified the procedure relating to company taxation. From the companies' point of view, far from its being simplified, it has only added complications. The Government has drawn a fine distinction between taxes on companies' profits and taxes on distributed profits. It has reduced the tax on companies' profits to 45 per cent., but has thrown the onus of paying tax at standard rates on shareholders' dividends on the companies also. What the actual effect of this impost will be is not easy to assess; but in the result the total levy made on the Company by these bipartite taxes will not be less and may probably be more than what the companies are paying today under income-tax, corporation tax, excess dividends tax and wealth tax.

"Apart from its direct results, the new procedure may provoke reactions also on the labour front where the lower level of company tax may lead to a wrong understanding of residual profits. The final form in which the Bill will emerge and the enduring reactions it will provoke will have to wait on time. But a note of caution will not be out of place while there is yet time. There is no denial that the Government has set its hands to a tremendous task and the second Five-year Plan is passing through a crisis owing to shortage of resources, notably in the foreign exchange sector. It is understandable that the Government is determined to raise funds wherever it can and will not easily let go any source of revenue. This earnestness has undoubtedly impressed prosperous nations to extend a helping hand to tide over current needs and it is common knowledge that a consortium of these nations has willingly come forward to underwrite, in effect, what is needed to save the core of the second Five-year Plan in regard to foreign exchange. The second Five-year Plan is not the end of it. A third Five-year Plan is already incubating on an even more ambitious scale and progress on these lines is only possible to the extent to which internal resources are forthcoming. The potentials of taxation have already been reached and signs of regression lie to the surface. Further deficit financing on any considerable scale may provoke reactions difficult to control. Cost of living has been steadily rising and middle class economy is seriously impaired. The position can be retrieved only if the industrial sector recovers buoyancy and plays its vital role in the service of national economy; and on a long view it would be wise to give it the much needed taxation relief even to the point of sacrificing current revenue.

Review of Activities

"And let me now briefly review the major activities that we are directly concerned with during the year under report. First taking sugar into consideration, the relevant data about total crush, sugar manufacture and percentage of recovery are all mentioned in the directors' report; in this aspect the report is not particularly heartening, but incidental to whatever stems basically from an agricultural economy.

"You will be glad to hear that last year Nellikuppam had a shipment of 9,300 tons of sugar exported to Sudan and seems to have given satisfaction as London brokers asked for Nellikuppam sugar again for a Sudan tender early this year. There has, however, been a halt in shipment in exports as the hands of the Indian Sugar Manufacturers' Association, which has been handling exports, have been tied up by a stay order granted by the Supreme Court. Even if export is resumed, I am afraid, stocks in the country will not permit any large-scale despatches, though it would be necessary and desirable to maintain token exports to save contacts we have established in the Near East.

"The all-India crop for 1958-59 is estimated to yield 18.90 lakh tons of sugar making 21.19 lakh tons available with last year's carry-over. Consumption last year was 20.44 lakh tons and consumption this year to date is 7½ per cent. higher than during the corresponding period of last year. If this trend continues, consumption for this year will be about 22 lakh tons. Much of the new capacity licensed in recent years has not yet come into production and when it does, production is likely materially to exceed consumption. For this reason it is important that we should maintain contacts with our customers in neighbouring countries.

"In addition to the doubling of the excise duty on sugar last year, State Governments have been busy adding their quota to the burden of taxation on sugar. Madras State Government has doubled the cess on sugarcane and, though the cess has in effect been treated as a source of revenue, the Government has sought to raise a further quantum of revenue from sugarcane by making it subject to sales tax at the rate of 3 per cent. *ad valorem* at the last point, thereby expecting the sugar factories to work as their collecting agents. The incidence of the increased cess at a recovery of 9 per cent. is Rs. 11.11 per ton of sugar and that of the sales tax Rs. 13.05.

Price Linking Formula

"I referred last year to the price-linking formula the Government was contemplating, so as to provide a further fillip to cane growers. The formula has since become law. It is not possible to work out in advance the incidence of this additional impost as the percentage share of sugar price to growers is to be fixed by the Government every year after the close of the season. The average price realised for sugar can only be worked out after all the sugar is sold and since production is released over a period of twelve months, the additional price payable will not be known until about 14 months after the start of the season. This question is also linked with the findings of the Tariff Commission which is presently engaged in investigating the cost structure of sugar.

"You may remember my comments about the growing menace to the sugar industry from *khandsari* sugar. It was some consolation to us that the protest has registered and in the Finance Bill this year an excise duty of Rs. 126 per ton was proposed to be levied on *khandsari* sugar manufacture by the use of power.

"This consolation has, I am sorry to say, proved short-lived, because the powers-that-be have yielded to pressure and the excise duty is now to be Rs. 113.4 per ton on *khandsari* sugar made under sulphitation process and only Rs. 88.2 per ton where that process is not used. However, I suppose we are still grateful for small mercies.

"In addition to the sugar manufactured at Nellikuppam, amounting to about 30,000 tons per year, the factories at Samalkot, Pugalur, Pamba and Pettavaytalai under our management produce about 55,000 tons per year and taking all these productions together we already have a substantial stake in the sugar needs of the southern States and I am of the view, it would not be wise to take on further risks in this line of industry.

Fertilisers

"Last year, I referred to the satisfactory progress in manufacture and sales of fertiliser products. I am glad to be able to inform you that in the year under review, there has been further progress. Sales of fertilisers having moved up from 2.2 million pounds to about 2.6 million pounds; and for the first time we reached sales figure of 100,000 tons. The agriculturists continue to show keen interest in increasing production by the use of fertilisers and I feel confident that further improvement awaits us in this line of our business.

"The new fertiliser mixing plant at Bezwada has gone into production and worked satisfactorily during the year under review. We have now received from the Government of India the necessary licence to import plant and machinery required for the production of 50,000 tons of superphosphate per annum at Bezwada and I hope the Andhra Fertilisers Private Limited which is now a fully-owned subsidiary of this Company will now proceed smoothly to integrate this factory and go into production next year.

"Along with our fertiliser business we have been developing the sale of insecticides and fungicides and their sales progress now indicates a satisfactory future for this business also.

Pottery

"In regard to pottery, turnover has risen by Rs. 8 lakhs and trading profit by nearly Rs. 3 lakhs, principally due to very satisfactory sales of sanitaryware. With imports banned and increasing housing schemes being undertaken by the Government and industrial employers, a sellers' market virtually prevails and we are seriously contemplating doubling our capacity for this type of ware. I have already referred to the need for additional capital to develop this line and I hope favourable conditions will supervene ere long.

"I am glad to state that our relations with staff and labour at both our factories remain cordial. During the year under review, we entered into agreements with the labour unions at Nellikuppam and Ranipet covering dearness allowance, leave privileges, gratuity and bonus for a period of three years and, accordingly, we hope we shall have comparative industrial peace for this period. You are probably aware that the Government of India has constituted a Wage Board for the sugar industry which has made an interim award regarding increasing wages, the increase being based on wages obtaining in 1954. As the increases voluntarily granted by your Company from that date far exceed the increase recommended by the Wage Board, no action on our part has been necessary. The final report is expected to be published in the course of this year and it is hoped that labour leaders will recognise that any further increase must be linked with increase in production. Otherwise a further handicap will develop, because of labour cost, in our endeavour to enter and hold our export market.

"I referred last year to our trading activities and how, by reason of the restrictions of imports, there has been a change in the pattern of the business we are handling. Negotiations for enlarging the range of our selling agencies of products of Indian manufacture have yielded results and we are geared up organisationally to handle additional turnover running into crores of rupees.

"Before I close, I would like to refer to the impending retirement of two of our Directors from the Parry Board. Mr. Allerton has been with the Company for 31 and odd years and has richly earned his rest. I can say from my own association with him during the past few years, there is none I hold in greater respect for his knowledge, experience and judgment. As he has decided to settle down in India, I hope, we shall have opportunities to indent on his services as and when need arises. Mr. Parkes is an acknowledged authority in the technical problems of the sugar industry and, though he retires from service in July, his services will continue to be available to the Parry Group of companies by special arrangement. He has agreed to be in working touch with our factories. Though away in England, he will be visiting us every year to check up the condition of the factories and to advise us on all matters relating to their work.

"I cannot miss this opportunity of expressing, on behalf of myself, and my colleagues, our appreciation of the hard work and loyal support during the year under review of the staff of this Company and its subsidiaries which are reflected in the satisfactory results we have been considering."

The Directors' report and the accounts for the year ended 30th September 1958 were unanimously adopted. Mr. V. Ramakrishna was re-elected to the Board, and the auditors, Messrs. Lovelock and Lewes, were reappointed.

N.B.—This does not purport to be a report of the proceedings of the general meeting.

RECORD WORLD SUGAR OUTPUT

World production of sugar in 1958-59 is placed at the record high level of 50.37 million metric tons, as compared with 45.24 million tons in the previous season and 41.66 million tons in 1956-57, according to second estimates. Thus, the increase in sugar production during the current season will be 5.13 million metric tons as compared with 1957-58 and 8.7 million tons as compared with 1956-57. Though the increase in production is shared by both cane sugar and beet sugar, the share of the latter in the total production is phenomenal.

Output of beet sugar during the current season is placed at 21.39 million tons, as against 18.7 million tons in 1957-58 and 18.5 million tons in 1956-57. Thus, in two years, production of beet sugar has recorded a rise of almost 30 per cent. Output of cane sugar, on the other hand, rose from 25.26 million tons in 1956-57 to 26.53 million tons in 1957-58 and 28.98 million tons in the current season.

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DA 59/51

LLOYDS BANK LIMITED

(Incorporated in England)

BALANCE SHEET 31st DECEMBER 1958.

1957	LIABILITIES			1957	ASSETS		
	Capital :—				**Cash, in hand, with Bank of England and Eastern Reserve Banks**		£105,772,884
	Authorised :—			£104,492,008	**Balances with, and Cheques in course of collection on, other Banks in the United Kingdom and Ireland**		82,296,313
	74,000,000 Shares of £1 each	£74,000,000		74,929,241			
	Issued :—			179,421,249			£188,069,197
£18,565,070	27,847,605 Shares of £1 each, fully paid		£27,847,605	87,813,750	**Money at Call and Short Notice**		74,687,500
	Reserve Fund :—			7,991,115	**Balances with Banks abroad**		10,650,564
1,982,108	Capital Reserve (including Share Premium Account, £1,143,683)			265,605,000	**British Government Treasury Bills**	244,150,000	
16,017,892	General Reserve	£18,000,000		8,619,560	**British Bills of Exchange**	19,824,228	
18,000,000			18,000,000	2,421,217	**Dominion, Colonial and Foreign Bills** (including India, Pakistan and Burma Treasury Bills, £3,075,000)	5,765,614	
826,712	**Profit and Loss Balance, as per Account below**		703,010	276,645,777			269,739,842
37,391,782			46,550,615		**Investments** (see Notes I, II and III) :—		
1,257,522,595	***Current, Deposit, and Other Accounts, including Contingency Accounts*** (Public Accounts secured as per Note III are also included)	1,297,752,128		326,285,199	Securities of, or guaranteed by, the British Government	308,131,846	
1,329,357	**Balances in Account with Subsidiary Companies**	1,894,259		32,361,379	Other Investments, including Securities of Dominion and Colonial Governments, quoted	28,726,012	
1,258,851,952			1,299,646,387	9,193,906	British Public Boards and British Municipal unquoted	7,871,333	
693,870	***Final Dividend, less Income Tax*** (subject to confirmation by the Members)		907,368	367,840,484			344,729,191
9,368	**Notes in Circulation (Isle of Man)** (see Note III)		10,767	327,252,176	**Loans and Advances** after deducting provision for Bad and Doubtful accounts	322,319,428	
5,470,423	**Acceptances**		3,661,894	71,933	**Balances in Account with Subsidiary Companies**		
175,517,908	**Endorsements, Guarantees, and Other Obligations**		181,101,665	327,324,109			322,319,423
				21,956,963	**Items in Transit**		24,024,002
				1,268,993,447			1,304,219,724
					Trade Investments :—		
					Subsidiary Companies—		
					The National Bank of Scotland Limited—		
				4,450,261	Consolidated Capital Stock £4,906,377 (nominal), £1,962,551 paid up, taken at amount paid up, plus proportion of Reserve Fund and undivided Profits (see Note 1 on attached accounts)	4,443,284	
				1,200,000	Lloyds Bank (Foreign) Limited— 24,000 Shares of £50 each, fully paid, at £50 per share	1,200,000	
				100,000	Lloyds Bank Executor and Trustee Company (Channel Islands) Limited 100,000 Shares of £1 each, fully paid, at cost	100,000	
				5,750,261		5,743,284	
				4,464,431	Other Trade Investments at cost or under	18,971,890	
				10,214,692			24,715,174
					NOTE.—There is a contingent liability for uncalled Capital in respect of a portion of these Investments.		
					Other Assets and Accounts (including sundry Properties at cost, less amount written off)		4,844,735
				6,186,175	**Bank Premises**, at cost, less amounts written off		13,335,504
				11,522,658	**Liabilities of Customers for Acceptances**, as per contra		3,681,804
				5,470,423	**Liabilities of Customers for Endorsements, Guarantees, and Other Obligations**, as per contra		181,101,665
				175,517,906			
£1,477,935,301			£1,531,898,696	£1,477,935,301			£1,531,898,696

NOTES :—

I. Investments in British Government Securities amounting to £308,131,846 which are all redeemable at fixed dates, the majority maturing within 10 years, are taken at or under cost and below redemption price. Market value of these investments at the 31st December 1958 was greater than the balance sheet figure.

II. Other Investments : the market value of the quoted investments at the 31st December 1958 was greater than the balance sheet figure.

III. Securities and Other Investments totalling £737,500 (1957 : £550,000) nominal are lodged for Public and Other Accounts and for the Note Issue in the Isle of Man.

IV. Capital/Reserve Fund : in November 1958 the sum of £9,282,535 (consisting of £1,982,108, being the Capital Reserve and £7,300,427 part of the General Reserve) was capitalised—see Report of the Directors.

V. Foreign Currencies have been converted at the rate of exchange ruling at the 31st December 1958 ; in the case of Eastern branches, as at the 31st October 1958, the date as at which the accounts of those branches are included herein.

E. J. HILL, Chief General Manager. H. A. BEASLEY, Chief Accountant.

OLIVER FRANKS, Chairman.
JEREMY RAISMAN, Deputy Chairman.

PROFIT AND LOSS ACCOUNT FOR THE YEAR 1958

Dr.					*Cr.*		
£693,869	To Interim Dividends, less Income Tax		£693,869	£712,060	By Balance brought forward		£826,712
500,000	,, General Reserve		1,250,000				
500,000	,, Reserve for Future Contingencies		.....		Profit brought in, after providing for taxation on the profits of the year and after making transfers to the credit of contingency accounts, out of which accounts full provision has been made for any diminution in value of assets		
693,870	,, Final Dividend, less Income Tax (subject to confirmation by the Members)		907,368	2,502,391			2,727,535
826,712	,, Balance to be carried forward		703,010				
	NOTE.—Directors' emoluments amounted to £79,756 (1957 : £78,518), including £8,622 (1957 : £8,325) paid to certain Directors by subsidiary and other Companies and £2,500 (1957 : £2,500) pension to a Director in respect of past services as Chairman.						
£3,214,451			£3,554,247	£3,214,451			£3,554,247

REPORT OF THE AUDITORS TO THE MEMBERS OF LLOYDS BANK LIMITED

In our opinion the foregoing accounts of the Bank, with the annexed statements relating to the Bank's subsidiaries, The National Bank of Scotland Limited and Lloyds Bank (Foreign) Limited, give in the prescribed manner the information required of banking companies by the Companies Act, 1948, and on the basis therein authorised give, so far as concerns members of the Bank, a true and fair view of the state of affairs as at 31st December 1958 and of the profits, ascertained as indicated in the accounts and statements, for the year ended on that date.

We have obtained all the information and explanations which we considered necessary. In our opinion the Bank has kept proper books and obtained proper branch returns and the accounts of the Bank are in agreement with them and with the said information and explanations.

8, Frederick's Place, London, E.C. 2, 13th January 1959.

PRICE WATERHOUSE & CO., Chartered Accountants.

BALANCE SHEET OF THE INDIAN BRANCHES OF LLOYDS BANK LIMITED AS AT 31st DECEMBER 1958

1957	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
	Capital—		
	Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949—		
23,61,250	2½% Loan 1961 Rs. 25,00,000 at Rs. 97.20	24,30,000.00	
Nil	**Reserve Fund and Other Reserves**		Nil
	Deposits and Other Accounts—		
5,83,30,314	Short Deposits and Deposits at call	3,18,80,157.58	
5,14,03,800	Fixed Deposits	5,22,43,879.61	
10,90,73,382	Savings Bank Deposits	12,50,08,877.38	
22,01,12,721	Current Accounts, Contingency Accounts, etc.	19,80,87,131.66	
43,89,20,217			40,72,29,046.23
	Borrowings from Other Banking Companies, Agents, etc.—		
1,35,30,000	(i) In India	35,00,000.00	
Nil	(ii) Outside India	Nil	
1,35,30,000			35,00,000.00
	PARTICULARS :— Rs. nP.		
50,30,000	(i) Secured by Central Government Securities per contra	25,00,000.00	
85,00,000	(ii) Unsecured	10,00,000.00	
	Rs.	35,00,000.00	
29,94,125	**Bills Payable**		31,64,146.95
	Bills for Collection Being Bills Receivable as per Contra—		
3,15,75,679	(i) Payable in India	2,12,18,709.21	
73,06,249	(ii) Payable outside India	62,13,514.43	
3,88,81,928			2,74,32,223.64
	Other Liabilities—		
	Inter Branch Balances Net—Head Office and Branches outside India	28,14,675.47	
Nil	Inter Branch Adjustments—Branches in India	34,66,080.36	
2,30,679	Staff Provident Fund	37,85,832.98	
46,63,209			
48,93,888			1,00,66,588.81
5,69,37,208	**Acceptances, Endorsements and Other Obligations**—per Contra		4,02,30,839.98
	Contingent Liabilities—		
15,07,09,963	(i) Liability on account of outstanding Forward Exchange Contracts	11,14,15,148.38	
.....	(ii) On Partly Paid-up Shares	17,60,000.00	
55,61,57,366	Carried forward		49,16,12,845.61

1957	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
	Cash—		
2,61,51,392	In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		2,36,51,952.72
	Balances with Other Banks—		
	Current Accounts—		
1,51,642	(i) In India	2,15,546.49	
15,29,158	(ii) Outside India	3,55,620.73	
16,80,800			5,71,167.22
1,97,00,000	**Money at Call and Short Notice**		28,00,000.00
	Investments—At or under Market Value.		
	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments (of which nominal value Rs. 9,48,60,400 are lodged as security for borrowings from other Banks and for other Accounts)	14,57,45,825.29	
11,54,23,903			
6,63,100	(ii) Ordinary Shares— Fully paid up—at Market Value 7,41,000 00 Partly paid up—Unquoted—at cost 4,40,000 00	11,81,000.00	
Nil	(iii) Debentures or Bonds	Nil	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
11,60,87,003			14,69,26,825.29
	Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)—		
	(I) Loans, Cash Credits, Overdrafts, etc.—		
26,90,83,861	(i) In India Rs. nP.		
Nil	(ii) Outside India 22,39,85,488 74 Nil	22,39,85,488.74	
26,90,83,861			
	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
84,03,542	(i) Payable in India 75,83,151 38		
1,26,39,325	(ii) Payable outside India 1,62,80,849.03	2,38,64,001.31	24,78,49,490 05
2,10,42,867			
	PARTICULARS OF ADVANCES—		
21,19,97,497	(i) Debts considered good in respect of which the banking company is fully secured	16,60,40,955.44	
4,01,56,201	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	4,50,71,161.96	
3,79,73,030	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	3,67,37,372.65	
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	
29,01,26,728		24,78,49,490.05	
1,11,090	(v) Debts due by Directors or Officers of the banking company or any of them either severally or jointly with any other persons	1,61,348.10	
Nil	(vi) Debts due by companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as members	60,000.00	
	Carried forward		42,17,99,435.28

(Continued on next page)

GOVERNMENT'S AID PROGRAMME FOR COTTON INDUSTRY

SHARP CONTRACTION IN SIZE EXPECTED

From A Special Correspondent

MANCHESTER, *28th April*

THE proposals put forward this week by the British Government to give financial aid to the Lancashire cotton industry mark another stage in the post-war history of an industry which has declined from being a major world exporter of cotton textile fabrics. The plan aims at providing financial aid to eliminate surplus machinery and re-equip the mills of those firms which elect voluntarily to remain in existence. A figure of £30 million in five years has been suggested as the sum which the Government is prepared to offer by way of subsidy.

MANCHESTER LETTER

History records that the peak of the Lancashire cotton trade came immediately prior to World War I, when exports alone amounted to 7,000 million yards of cloth. The inter-war years saw trade dwindle with increasing competition from Far Eastern producers, led by Japan. At the outbreak of hostilities in 1939, Lancashire was still exporting cotton goods at a rate of about 1,500 million yards and provided employment for some 375,000 spinning and weaving operatives. Imports from foreign sources were negligible and the mills were fully capable of meeting all the demands made on them by the home market.

The present position is that only about 200,000 workers are available for employment in spinning and weaving and, in the past three and a quarter years, some 350 mills have closed permanently. Substantial quantities of machinery are standing idle and demand from all sources has been sharply curtailed. For the first time for more than 200 years, imports of foreign cloth exceeded comparable shipments abroad during 1958, when exports were 384 million square yards. In the first quarter of the current year, the position has further deteriorated and imports of 122 million square yards compare with exports of only 82 million square yards. In addition, the arrivals of foreign cotton yarn have for the first time exceeded exports.

Subsidy For Re-equipment

The different sections of the industry are presenting their redundancy proposals to the Board of Trade for approval. The general idea is to dispose of surplus plant by means of reorganisation schemes to which the Government is prepared to pay two-thirds of the cost. At the same time, provided certain conditions are fulfilled, individual firms will be able to obtain a subsidy of 25 per cent. towards the cost of re-equipment of machinery.

The whole plan is on a voluntary basis so that it is difficult to estimate at this stage what the response will be, but it is believed that the terms are generous enough to encourage many companies which have been wavering to go out of business. An important point which remains to be settled is the provision of compensation for displaced workers which the Government has passed back to the industry.

The aim is a more compact and efficient trade, working modernised plant probably on a shift basis. Such schemes have been frequently suggested in the past and have not been realised, but the decline in the general condition of the trade over the past few years has been so persistent that many observers feel that the terms of the present offer will turn the scales and result in a sharp contraction in the present size of the industry. The major combines will undoubtedly remain in existence and will be able to trim their excess plant accordingly. Many of the smaller units will decide to close their doors finally.

Activity Ahead

As a result of the Government's willingness to collaborate in the cotton industry's redundancy and re-equipment scheme, the next few months will be full of incident, with a changing structure constantly in view. The decision, once taken, is a far-reaching one that cannot fail to touch almost every individual concerned with the trade. It should be said at once that the assistance promised is generous, consisting of a sum of up to £30 million for subsidising the elimination of surplus machinery and the re-equipment of the remainder after the scrapping has been accomplished. As had always been forecast, the arrangement is purely voluntary, so that the amount of the compensation payable by the Government will vary according to the support received from the industry.

The announcement itself created some confusion, as there were many questions left unanswered in the Parliamentary statement. The Government merely gave the basic principles, that two-thirds of the cost of redundancy would be paid from public funds and one-third of re-equipment charges, on condition the industry provided the rest of the redundancy cost by a levy and that the employers were responsible for offering compensation to displaced workers.

Legislation embodying the proposals will be introduced before the summer recess and, in the meantime, negotiators within the trade will be hard at it drawing up the detailed terms of the scheme. These will be formulated sectionally and will be administered by a special agency set up for the purpose.

Time Limit for Scrapping

Although the ideas of each branch may differ a little in detail, the general outline of the plan will be on similar lines. The intention is that a date shall be fixed (31st December?) as the latest time for registering the amount of plant which each individual firm or group aims at scrapping. The machinery will definitely be destroyed, except in special cases where really new plant is involved and it would be a shame to put it under the hammer.

Coinciding with the fixing of a time limit on the redundancy plan, all firms concered will be notified of the agreed value set on each machine, which will normally be paid as compensation, irrespective of the age of the plant. Once this information is known, the way will be clear for individual managements to study their position and make their own decisions as to the extent to which they intend to scrap or get out. They will have to bear in mind that a levy will be paid on all remaining machinery as part of the compensation programme. Already, suggestions have been made that as much as £80 a loom and 15s. a spindle may be paid out for surplus plant, but no final figures have yet been decided.

Within the combines, it may be possible to continue the policy of reconstruction by shifting

(*Continued on page 787*)

LLOYDS BANK LIMITED—*Continued*

1957	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
55,61,57,366	Brought forward		49,16,12,845.61

AUDITORS' REPORT ON THE INDIAN BRANCHES OF LLOYDS BANK LIMITED UNDER SECTION 30 OF THE BANKING COMPANIES ACT, 1949.

We have audited the Balance Sheet of the Indian Branches of Lloyds Bank Limited dated 31st December 1958 and above set forth and the annexed Profit and Loss Account for the year ended 31st October 1958 with the books and accounts as kept at the Chief Managers' (Eastern Branches) Office, and accounts as kept at the Chief Managers' (Eastern Branches) Office, Calcutta, in which are incorporated certified returns from the ten Indian Branches and also with the books and accounts kept at the Calcutta Branch.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions of Section 211 (1), (2) and (3) and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with Schedule VI of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule of the Banking Companies Act, 1949.

We report that :—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.

(b) In our opinion proper books of account as required by law have been kept by the Chief Managers (Eastern Branches) Office and the Calcutta Branch so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the nine Branches not visited by us.

(c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the certified returns.

(d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Branches as at 31st December 1958 and the Profit and Loss Account gives a true and fair view of the profit for the year ended 31st October 1958.

PRICE WATERHOUSE & CO.,
Chartered Accountants.

CALCUTTA, 25th March 1959.

55,61,57,366		Rs. 49,16,12,845.61

1957	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
	Brought forward		42,17,99,435.28
	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the banking company or any of them either severally or jointly with any other persons	1,71,117.00	
1,53,204	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as members	60,000.00	
Nil	(ix) Due from banking companies	27,88,103.43	
26,87,938			
	Bills Receivable Being Bills for Collection—As per Contra—		
3,15,75,679	(i) Payable in India	2,12,18,709.21	
73,06,249	(ii) Payable outside India	62,13,514.43	2,74,32,223.64
3,88,81,928			
5,69,37,208	**Constituents' Liabilities for Acceptances, Endorsements and Other Obligations**—Per Contra		4,02,30,839.98
	Premises Less Depreciation—		
10,09,767	Original Cost	10,09,767.44	
1,34,424	Less—Depreciation	1,56,828.00	8,52,939.44
8,75,343			
Nil	**Furniture and Fixtures Less Depreciation**		Nil
	Other Assets, including Silver—		
40,13,394	Inter-Branch Balances—Net— Head Office and Branches outside India	Nil	
1,86,571	Income Tax Advance Payments	1,53,820.30	
15,16,999	Interest, Exchange, Commission, Discount and Expenses.	11,43,586.97	12,97,407.27
57,16,964			
	(No adjustments made as at 31st December 1958 for the two months, November and December for accrued Interest and exchange receivable and payable and Commission receivable.)		
Nil	**Non-Banking Assets Acquired in Satisfaction of Claims**		Nil
55,61,57,366			Rs. 49,16,12,845.61

J. A. Brough & E. S. Tibbetts,
Chief Managers (Eastern Branches).

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED 31st OCTOBER, 1958

1957	EXPENDITURE	Rs. nP.	1957	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP.
76,72,271	To Interest paid on Deposits, Borrowings, etc.	76,54,150.09	1,83,72,887	By Interest and Discount	1,84,05,616.51
26,07,188	,, Salaries and Allowances and Provident Fund (includes Chief Managers' (Eastern Branches) Rs. 1,08,481.12)	93,42,651.85	50,71,206	,, Commission, Exchange and Brokerage	48,27,729.66
(91,122)			16,044	,, Rents	16,044.00
Nil	,, Directors' and Local Committee Members' Fees and Allowances	.....		,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	
7,70,096	,, Rent, Taxes, Insurance, Lighting, etc.	9,44,035.27	Nil		.....
11,099	,, Law Charges	1,11,691.84	2,84,375.00	,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	2,84,375.00
1,35,013	,, Postages, Telegrams and Stamps	1,30,294.01	Nil	,, Other Receipts	.....
13,500	,, Auditors' Fees	13,500.00	Nil	,, Loss	.....
4,06,050	,, Depreciation on and Repairs to the Banking Company's Property	6,68,956.03			
3,82,102	,, Stationery, Printing, Advertisement, etc.	5,84,969.60			
Nil	,, Loss from Sale of or Dealing with Non-Banking Assets	.....			
11,55,836	,, Other Expenditure (including proportion of Head Office Expenditure)	12,57,012.31			
43,06,091	,, Balance of Profit (subject to Indian Income Tax and Super Tax)	28,56,504.17			
2,34,60,137		Rs. 2,35,33,765.17	2,34,60,137		Rs. 2,35,33,765.17

J. A. Brough & E. S. Tibbetts,
Chief Managers (Eastern Branches).

THE UNITED BANK OF INDIA LIMITED

ANOTHER YEAR OF SATISFACTORY PROGRESS

DR. N. N. LAW ADVOCATES PLANNED EFFORTS TO DEVELOP BANKING SERVICES

THE need for planned effort to develop and spread the banking services in the country if only at least to maintain the value of the rupee was emphasised by Dr. N. N. Law, Chairman of the United Bank of India Ltd., in the course of his speech at the Annual General Meeting of the Bank held at Calcutta on Monday, 4th May 1959. Dr. Law pointed out that, in a fast changing economy, the banking system must reorganise and equip itself in such a manner that it might cater to the new requirements and conform to the changed pattern of the economy. Stating that efforts in this direction had been inadequate, he reiterated the suggestion for a convention of all banks under the auspices of the Indian Banks' Association, with a view to sponsoring the idea of forming a "Banking Expansion Scheme" and to appointing a "Standing Plan Committee of the Convention."

The following are excerpts from the speech of Dr. Law at the annual meeting:

"The working results during 1958 depict another year of progress. The deposits of the Bank at Rs. 43.54 crores were higher by Rs. 5.18 crores, that is, roughly 13.50 per cent. over the previous year's figure. Advances at Rs. 27.64 crores were higher by Rs. 4.09 crores, being about 17.3 per cent. over the previous year. The gross earnings of the Bank at Rs. 2.19 crores show a rise of about Rs. 29.00 lakhs or 15.2 per cent. over the previous year. The progress achieved in these directions may be deemed to be satisfactory, in comparison with the performance of other major banks in 1958. Despite this increase in the volume of business and gross earnings, however, the profit of the Bank continues to be low. Progressive rise in operating costs, which has been the common experience of all the major banks in the country, materially contributed to this result.

Establishment Cost

"The two major items of expenses, namely, establishment expenses and interest on deposits, still continue to mount in such a manner that they remain a matter of serious concern for the banking system. During the period 1950-57, the establishment expenses of Indian Scheduled banks rose by about 74 per cent. Figures for 1958 are not yet available, but the rate of increase during the year cannot be expected to be any lower. In your Bank, the rise in establishment costs during 1958 was over Rs. 21 lakhs. It is no exaggeration to suggest that the rise in establishment expenses has been abnormal. The banks are trying their best to step up the quantum of earnings, but, in view of the faster growth of the operating expenses, such efforts cannot be expected to neutralise the imbalance. I, therefore, submit for consideration of the bank workers that there should be a realisation of the fact that it is as much in their own interest as in the interest of the national economy that there should be an equitable correlation between the increase in cost, and improvement in productivity or enhancement of earning potential. After all, banking is basic to development and it is also the linchpin of the monetary system which finances economic activities and promotes a higher standard of living. We, therefore, feel that, in the larger interest of the country, a change in outlook is called for, and there should be common appreciation of the fact that the various branches of economic activity are interlinked and interdependent.

Interest on Deposits

"I am glad to mention that, during the latter part of the last year, the Indian Banks Association succeeded in their efforts to bring about an inter-bank agreement on rates of interest to be allowed on various types of deposits. This is a good augury, and it is hoped that it will prove to be a beginning of more and more co-operation and co-ordination as between different banks. I would, however, point out here that the maximum rate of interest on deposits, as postulated in the inter-bank agreement, is still rather high and eats into the level of profit. In the ultimate analysis, the rate of interest on deposits, as we have on many occasions pointed out, should be adjusted to what is in the interest of the community., Unfortunately, if the rates payable on deposits are themselves high, and if, at the same time, a higher rate of charges for advances is either impracticable or undesirable, banks have inevitably to lend more, and the consequence is that the ratio of their advances to deposits rises. This, in turn, compels banks further to seek new deposits at higher rates. This vicious circle can be broken if, instead, efforts are made to control the interest rates on deposits. Also, if the banking industry is to function properly and adapt itself to India's progressive economy, the margin between the rate of interest on deposits and the rate of interest on advances should be wider than what it is today. Last year, we had suggested that the maximum rate of interest allowed on time deposits should not exceed two-thirds of the Bank rate in force for the time being. I think this point deserves immediate consideration by all concerned.

Competition from Public Sector

"While on this subject, I would like to refer to another matter having a direct bearing on interest on bank deposits. I refer here to the rate of interest on deposits allowed by the public sector in the small savings schemes. The public sector has to, and needs to, collect resources through mobilisation of small savings. But their efforts towards diverting bank deposits to small savings schemes of the public sector have been very much marked. It is our view that, if efforts were made towards collecting such resources from non-banked areas (high cost notwithstanding), it would have been an invaluable service to the country's economy. The commercial banks thus have to face not only competition amongst themselves but also the competition from the public sector. This has resulted in a scramble for deposits on all sides. The commercial banks have now demonstrated, by entering into an agreement amongst themselves, that they are alive to the fact that such blind competition is not only unhealthy but also harmful to the country's economy. It is to be hoped that the public sector will also co-operate in this effort to put a stop to the wasting race for pushing up the rate of interest on deposits.

Unutilised Credit Limits

"Statistics are not available about the quantum of the unutilised portion of credit limits granted by banks. While it is true that different banks try to keep a control in this regard, if a proper survey is made, it may be found that the aggregate of such unutilised credit limits is proportionately higher in relation to bank deposits. In some countries in Europe as well as in the U.S.A., there is a system of levying a charge on the unutilised portion of the sanctioned limits. I think some system of commitment charges may also be adopted in this country. It may then encourage making correct estimation of requirements, and effectively control the tendency to arrange for limits much higher than what can be utilised. Such an imposition is suggested more as a deterrent than as a source of revenue for banks.

Banking and National Plans

"Available information indicates that the third Plan is going to be much larger than the second Plan. Since results of the projects undertaken in the first and the second Plans are expected to be utilised in a larger measure during the third Plan period, it can be visualised that the tempo of economic activity will be very much higher than heretofore. This again highlights the necessity for planned efforts for development and spread of the banking services in the country, if only, at least to maintain the value of the rupee. In a fast changing economy, the banking system must reorganise and equip itself in such a manner that it may cater to the new requirements and conform to the changed pattern of the economy. But efforts in this direction have been inadequate. I repeat the suggestion made by me in my speech in 1957 that a convention of all the banks should be organised under the auspices of the Indian Banks' Association with a view to sponsoring the idea of forming a 'Banking Expansion Commission' and to appointing a 'Standing Plan Committee of the Convention' to maintain liaison with the proposed 'Banking Expansion Commission.'

Credit Investigation

"Banks in this country suffer from the disadvantage in not having any organised credit investigation agency through which they can obtain adequate information about the prospective borrowers and other customers. Of course, banks have their own credit investigation departments, but that by itself cannot bring out all the relevant information which would be more helpful in consideration of extension of bank credit. It is, therefore, necessary that credit investigation agencies should be organised in this country on the lines of such institutions in other advanced countries of the world. Furthermore, there should be more free and frank exchange of information amongst the banks. This will, apart from encouraging the growth of a healthy credit investigation system, also act as an effective check on excessive or undesirable utilisation of bank credit. In this regard, I feel that the Indian Banks' Association may make useful contribution towards organising such an agency and establishing the practice of free and frank exchange of information as amongst banks, and I have no doubt that, if such a lead be given by the said Association, it will receive the wholehearted support from the commercial banks."

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

COMPANY LAW SUPPLEMENT

(*Monthly Journal*)

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BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD.

SEVENTY-SIXTH ANNUAL MEETING

MR. E. F. G. HUNTER PLEADS FOR LARGER IMPORTS OF FINE QUALITY WOOL

THE Seventy-sixth Annual General Meeting of the Bangalore Woollen, Cotton and Silk Mills Company, Ltd., was held at Bangalore on 29th April 1959. Addressing the shareholders on the occasion, Mr. E. F. G. Hunter, Chairman, said that the consumer demand for better quality of woollen goods had come at a time when restrictions had been imposed on import of finer qualities of wool. He, however, hoped that sufficient licences would be issued to enable the Company's fine woollen section to work to full capacity during the current year.

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

"GENTLEMEN,

"The Directors' report and the audited accounts for the year ended 31st December 1958 having been in your hands for the prescribed period, I propose, with your permission, to adopt the usual procedure and to take them as read.

"1958 was yet another difficult year for the industry, and more mills closed, while shift working had to be reduced in others. The industry's total production fell by nearly 400 million yards, being partly offset by the lower quantity exported, so that the reduction in stocks at the end of December was not as great as it would have been, if exports had been maintained at the 1957 level.

"During the year under review, world trade in textiles continued to shrink, and as many countries, especially cotton producing countries, have in recent years installed weaving and spinning equipment, competition in export markets became more severe. However, your Company was able to ship overseas goods to the value of nearly Rs. 20 lakhs. In recent months, restrictions on the import of foreign cotton has resulted in an increased demand for indigenous cotton. This has forced prices of Indian cotton upwards and has had the unfortunate effect of enhancing the cost of the qualities that India traditionally exports.

Domestic Market

"Although the domestic market conditions continued to be difficult, your Company was able to increase its sales of cloth and to avoid any material increase in closing stocks. There is no doubt that the reduction in excise duties in 1957 and in March and July 1958, assisted mills to reduce their stocks and to market their products at more attractive prices. While these reductions were welcome, the cost of raw materials, stores, machinery parts and dearness allowance continued to rise. The satisfactory results achieved, despite these adverse factors, reflect the value of your Company's distribution organisation.

"Turning to the woollen section, lower prices ruled for imported wool, in consequence of reduced activity in overseas manufacturing centres. This unexpected benefit enabled that part of the woollen section using imported wool, to show improved results compared with the previous year. However, it became apparent that it was no longer economic to continue to manufacture coarse qualities and towards the end of the year, production in this section was curtailed. This development, although discouraging to your Company, reflects the rising standards of living throughout the country in that those who used to be content with coarse woollen products, now demand something better. It is unfortunate that this natural desire by consumers for better articles comes at a time when foreign exchange is limited, because raw wool for the finer qualities has to be imported.

"It is your Company's policy to continue to produce a range of woollen goods that meets the public's exacting demands, consonant with the quantity of wool that can be purchased with the import licences at their disposal. In this context, I am pleased to inform you that there is some hope that the Government of India will issue wool licences for a twelve-month period instead of for six months; this will give mills greater latitude and more time in which to effect purchases. It is hoped that sufficient licences will be issued to enable the fine woollen section to work at full capacity during the current year.

"In the spun silk section, production has once more declined, due to lack of import licences for spun silk. It is also disheartening that the only supplier of indigenous spun silk has recently ceased operations. Unless, therefore, supplies are resumed, this section may have to close down on the exhaustion of present stocks. With regard to the filature silk section, however, I am glad to report that the Government is aware of the need to improve the quality of indigenous filature silk, but only insistence by the public on higher standards will really provide the incentive. Although I am sure there will always be a market for high quality filature silk goods, there is no doubt that materials manufactured from man-made fibres are making considerable headway.

"Cotswol, our popular union cloth, continued to find a ready sale and there is no doubt that it has now established for itself a market of its own amongst discriminating consumers throughout the country. The sale of the heavier cloth—Angola—is making progress and I am pleased to inform you that your Company continues to supply Angola in considerable quantities to the armed forces.

"The water-supply position at the mill is still serious. In my opinion, the needs of your Company, which is one of the oldest and largest consumers in Bangalore, should receive more sympathetic and generous treatment from the Corporation, particularly as your Company employs directly and indirectly a large number of Bangalore citizens. Your Company has done its best to assist itself by sinking bore wells, but this water is not entirely suitable for processing purposes. With the object of improving this source of supply, plans have been made to treat the bore well water, but we shall always require large quantities from the Corporation.

"Your Company's programme for rehabilitation and replacement of machinery continues to be retarded by the difficulty in obtaining import licences for plant and spare parts not yet manufactured in the country, although, in view of the shortage of foreign exchange and the demands of other mills, I cannot say that we have been treated ungenerously.

Agreement with Labour

"Last year, Mr. E. J. M. Leigh referred to long discussions and negotiations with the Labour Association and I am pleased to record that there has been a considerable improvement in relationship between the Labour Association and the management. Whilst the compromise agreement which we have been negotiating with them for many months is not yet signed, I am happy to say that discussions have been carried on in a very cordial atmosphere with the spirit of give and take ever present. Provided the same reasonable attitude is continued by both parties, final agreement should not long be delayed.

"Shareholders will be interested to know that during the year an agreement was reached between the Company and the Staff Association, covering wages, terms and conditions of service, etc., of the monthly paid staff.

"Besides direct payments by way of wages, bonus, dearness and other allowances, employees benefit from substantial expenditure on welfare activities, and during the year another 72 workpeople's houses were completed and occupied.

"Turning to the accounts, I would like to draw your attention to the figure of sales given in the profit and loss account which, at Rs. 5,54,18,535, represents a record for your Company.

Allocations

"The withdrawal of the allowance for extra normal depreciation which is one reason for the higher provision for taxation, is not of importance to your Company, as the effect of the allowance was only to defer taxation. An appropriate provision has been made by your Company in previous years to meet the liability in respect of this allowance. The improved profits made it possible for your Directors to allocate Rs. 6 lakhs to the general reserve, which allocation will assist in financing our capital expenditure programme. Your Directors were also able to provide Rs. 2,50,000 for workpeople's housing.

"The liability of the workpeople's and employees' provident funds as at 31st December 1958 amounted to Rs. 85,63,207 and Rs. 4,40,343, respectively; corresponding amounts have been invested in trustee securities and these are held by the trustees of the funds.

"It gives me great pleasure to record our thanks for the valuable services which have been rendered to your Company by the Managing Agents. No commentary on your Company's activities during 1958 would be complete, unless I were also to record our appreciation of the continued loyal and devoted services to the Company by the Mill Manager and his staff. Our thanks are also due to the employees for their contribution to the successful results for the Company during the year under review."

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

INDIAN ALUMINIUM COMPANY LTD.

(*Concluded from page 771*)

end-purpose of increased production and increased productivity per acre. Scientific aggregation of culturable areas, mechanisation, technology, experience and co-ordination should override, at any rate for the next 20 years, demands for fractionising of land.

"The inclusion of agriculture under the 1951 Act would mean that invitation is given to farmers and others to apply for a licence to set up agronomical estates for economic production. The size, the location, the crop selected, the financial structure, employment factor—these would receive the scrutiny of the agricultural Development Wing before a licence is granted. It may be in accord with the accepted social principles that only leasehold rights be granted to the applicants and for a period of, say, 40-50 years only: it will be in accord with the country's needs that the programme of cultivation be got under way as soon as possible. The 1951 Act contains sufficient powers for the Government to control production and prices and direct distribution channels, and take over in the event of mismanagement. At the start, the experiment may be confined to regions where 'new' water goes, to *gramdan* villages and newly reclaimed colonies where betterment levies can be openly accepted. A success will serve as a signal example to others who are shy of paying today for something which they are not sure will yield better fortune. As the estates will remain leasehold and safeguarding provisions can be evolved for the benefit of the workers employed, there can arise no conflict with the concept of joint co-operative farming; in fact, if a joint-stock company promotes the estates, the gradual development of shares of the company to the workers on the estate is possible and may be considered desirable, thereby ultimately leading to the estate being substantially owned by the workers in joint title. Government may then consider converting the leasehold into a freehold co-operatively held by the workers of the soil.

"Since our last meeting, Mr. W. A. Russell resigned from the Board on his departure from India. Mr. Russell served as a Director for five years and I would like to express, on your behalf and mine, our appreciation of the services he rendered to the Company. I am sure all of you would also like to join me in the praise which is due to the management and employees of the Company for the notable achievements to which I referred earlier. Their sustained effort has largely been responsible for the progress and on them we depend to further enhance the stature of the Company in the years ahead."

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

Perfected methods of welding aluminium have been developed by the Skultuna division of Svenska Metallverken, Sweden's leading producers of non-ferrous metals. The methods are being used for welding work on the Swedish Atomic Energy Company's R2 materials-testing reactor at the Studsvik atomic research station and are reported also to be applied in Holland. Special welding equipment has been designed by Skultuna for their methods, which are based on the use of argon tungsten and argon metal arc welding. The high demands for quality placed on welds in reactor components also require rigorous pressure, X-ray, colour indication and vacuum tests.

HINDUSTHAN MERCANTILE BANK LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS HINDUSTHAN MERCANTILE BANK LTD.

The Directors have pleasure in submitting to you the Audited Accounts of the Bank for the year ended 31st December, 1958, together with the Auditors' Report thereon.

The gross earning of the Bank during the period under review after writing off the irrecoverable debts aggregating Rs. 68,576.07 nP. amounted to Rs. 12,59,529.70 nP. and after providing for expenses, the net profit for the year comes to .. .. Rs. 1,38,096.77 nP.

to this has to be added the amount brought forward from the previous Balance Sheet .. .. Rs. 4,232.61 nP.

Total .. Rs. 1,42,329.38 nP.

which the Directors have disposed of as follows :—

(1)	Transferred to Reserve Fund	Rs. 28,000.00 nP.
(2)	Towards Income-tax, till 1957	Rs. 1,01,793.51 nP.
(3)	Balance carried forward	Rs. 12,535.87 nP.
	Total ..	Rs. 1,42,329.38 nP.

The business of the Bank during the year 1958 and the results achieved are considered to be satisfactory.

The Directors are pleased to inform that during the year the Bank's Directorate was strengthened with the addition of Sri Hariram Bubna, a prominent businessman of Bombay.

In terms of the provisions of Clauses 90 and 91 of the Articles of Association (1) Srl M. R. Jaipuria and (2) Srl Manmull Bhuwalka, the Directors of the Bank retire by rotation and Sri Hariram Bubna, a Director of the Bank, retires under Section 260 of the Companies Act, 1956, but being eligible offer themselves for re-election.

The Directors express their gratitude to the Bank's constituents, Shareholders and members of the Local Advisory Committees for their continued support, co-operation, able help and guidance towards the Bank's development.

The Directors also place on record their appreciation of the services rendered by the Officers and other members of the staff at Head Office and Branches.

The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

By Order of the Board,
M. L. JALAN,
Chairman.

CALCUTTA, 23rd *March*, 1959.

BALANCE SHEET AS AT 31st DECEMBER, 1958

Figures as at 31-12-1957 Rs.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
	1. Capital—		
	AUTHORISED CAPITAL—		
2,00,00,000	2,00,000 Shares of Rs. 100 each		2,00,00,000.00
	ISSUED AND SUBSCRIBED CAPITAL—		
1,00,00,000	1,00,000 Shares of Rs. 100 each		1,00,00,000.00
	AMOUNT CALLED AND PAID-UP—		
50,00,000	1,00,000 Shares at Rs. 50 per Share		50,00,000.00
1,80,000	**2. Reserve Fund and Other Reserves**		2,08,000.00
	3. Deposits and Other Accounts—		
60,77,961	Fixed Deposits (including Staff Securities Deposits, Short Term Deposits and Cash Certificates) ..	59,43,156.85	
7,76,638	Savings Bank Deposits	9,43,369.30	
1,56,94,791	Current Accounts, Contingency Accounts, etc. ..	1,25,56,657.60	
2,25,49,390			1,85,43,183.75
	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(i) In India— Rs. nP.		
4,55,000	(a) Secured by part of Investment as per contra 1,428.04		
Nil	(b) Unsecured .. .. .. Nil		
		1,428.04	
Nil	(ii) Outside India	Nil	
			1,428.04
1,21,509	**5. Bills Payable**		1,92,120.54
	6. Bills for Collection Being Bills Receivable as per contra—		
25,38,422	(i) Payable in India	18,63,704.14	
7,973	(ii) Payable outside India	Nil	
			18,63,704.14
25,46,395			
	7. Other Liabilities—		
1,49,781	Branch Adjustments		1,70,548.95
	8. Acceptances, Endorsements and Other Obligations per contra		1,55,897.37
52,243			
	9. Profit and Loss—		
3,650	Balance Profit as per last Balance Sheet	4,232.61	
3,083	ADD—Profit for the year brought from the Profit and Loss Account (subject to Taxation)	1,38,096.77	
6,733		1,42,329.38	
	LESS—Appropriations— Rs. nP.		
2,500	(a) Reserve under Section 17 of the Banking Companies Act .. 28,000.00		
Nil	(b) Towards Income-tax for 1952 to 1957 .. .. .. 1,01,793.51		
		1,29,793.51	
4,233			12,535.87
	10. Contingent Liabilities—		
	(i) Claims against the Banking Company not acknowledged as debts		
4,50,135	(ii) In respect of Guarantees issued (against part of which Bank's Investments of the Face Value of Rs. 16,000 are deposited)	4,50,135.28	
38,625		59,075.67	
50	(iii) In respect of partly paid-up Shares held in Investment Account	50.00	
3,10,58,551	Total .. Rs.		2,61,47,418.66

Figures as at 31-12-1957 Rs.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
	1. Cash—		
16,82,529	In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		29,74,543.32
	2. Balances with Other Banks—		
	(i) In India— Rs. nP.		
1,37,429	On Current Account 2,38,512.79		
39,000	On Deposit Account 40,000.00		
1,76,429			
	(ii) Outside India	2,78,512.79	
43,75,000		Nil	2,78,512.79
	3. Money at Call and Short Notice		24,50,000.00
	4. Investments (at cost)—		
	(i) Securities of the Central and State Governments and other Trustees Securities, including Treasury Bills of the Central and State Governments ..		
65,79,741	(ii) Shares— Rs. nP.	65,79,740.78	
6,873	Fully paid up Preference Shares. 6,872.50		
3,40,587	Fully paid up Ordinary Shares.. 3,54,284.64		
8,092	Fully paid up Deferred Shares.. Nil		
93	Partly paid up Ordinary Shares. 93.25		
..	(iii) Debentures or Bonds	3,61,250.39	
..	(iv) Other Investments	Nil	
..	(v) Gold	Nil	
69,35,356	(Total Market Value Rs. 67,64,767.55) ..	Nil	69,40,991.17
	5. Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP.		
1,43,27,208	(i) In India 1,09,34,140.53		
..	(ii) Outside India .. .. Nil		
	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—	1,09,34,140.53	
5,01,518	(i) Payable in India 2,20,965.59		
..	(ii) Outside India .. .. Nil		
1,48,28,726		2,20,965.59	1,11,55,106.12
	PARTICULARS OF ADVANCES—		
1,09,50,370	(i) Debts considered good in respect of which the banking company is fully secured	88,95,892.44	
14,75,575	(ii) Debts considered good for which the banking company holds no other security than the Debtors' personal security	2,22,898.62	
23,57,874	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	20,37,315.06	
44,907	(iv) Debts considered doubtful or bad not provided for	Nil	
1,48,28,726			1,11,55,106.12
2,550	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons ..	Nil	
11,25,512	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	9,64,097.09	
2,550	(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors, or managers or officers of the banking company or any of them either severally or jointly with any other person ..	2,550.00	
12,40,387	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of banking company are interested as directors, partners or managing agents or, in the case of private companies, as members.		
11,000	(ix) Due from banking companies	11,31,516.59	
		2,579.00	
25,38,422	**6. Bills Receivable Being Bills for Collection** as per contra—		
7,973	(i) Payable in India	18,63,704.14	
	(ii) Payable outside India	Nil	
25,46,395			18,63,704.14
52,243	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		1,55,897.37
Nil	**8. Premises Less Depreciation**		Nil
	9. Furniture and Fixtures Less Depreciation (including Vehicles)—		
3,37,270	Cost less deductions as per last Balance Sheet	3,36,504.09	
2,443	Additions during the year	3,736.85	
3,39,713		3,40,330.94	
3,119	LESS—Deductions during the year	1,818.83	
3,36,594		3,38,512.11	
2,10,239	LESS—Depreciation written off to date ..	2,20,718.54	
1,26,355			1,17,793.57
	10. Other Assets, including Silver—		
70,854	Interest accrued and outstanding on Investment, etc.	71,175.93	
1,09,718	Income-tax deducted at source	60,041.78	
87,894	Unadjusted Income-tax	Nil	
57,900	Stationery and Stamps	70,336.61	
861	Library (at cost less Depreciation)	724.85	
3,26,927			
8,591	**11. Non-Banking Assets Acquired in Satisfaction of Claims.**		
Nil	**12. Profit and Loss**		2,02,279.17
			8,591.00
	Total .. Rs.		Nil
3,10,58,551			2,61,47,418.66

(Continued on next page)

UNITED STATES GETS A FOURTH SEACOAST

SIGNIFICANCE OF ST. LAWRENCE SEAWAY

UNTIL last month, fully loaded deepwater ocean vessels could proceed only 800 miles up the St. Lawrence River from the Atlantic Ocean. At Montreal, the 35-foot-deep channel ended and their cargoes bound for the Great Lakes had to be transferred to smaller, shallow-draft vessels. But, with the opening of the new Canada-U.S. St. Lawrence Seaway, up to 80 per cent. of the world's ships can sail fully loaded up the St. Lawrence River and through Lake Ontario to the port of Toledo on the western shore of Lake Erie. The new Seaway thus allows these large vessels to make a 600-mile deeper penetration with full cargoes into the rich heartland of Canada and the United States. Downbound traffic to foreign ports reaps similar advantages.

Thus, the centuries-old dream in Canada and the United States of an "Eighth Sea" has finally become a reality. This "Eighth Sea" provides the United States with a "Fourth Seacoast." U.S. officials believe that the opening of the Great Lakes to world shipping will prove a powerful stimulus to world trade.

Joint construction of the new Seaway by the Canadian and U.S. Governments began five years ago in company with the joint construction by the Canadian Province of Ontario and the State of New York of the $600 million Moses-Saunders hydro-electric power plant at the lower end of the International Rapids section of the upper St. Lawrence River. The dams of the power project were made part of the engineering plan of the U.S. portion of the Seaway locks and canal system.

Two adjoining powerhouses were built, one on each side of the International Boundary, integral with the main dam structure. When completed by the end of this year, each will have 16 generators with a combined capacity of 940,000 kilowatts. The total generating capacity of the 32 generators will be 1,880,000 kilowatts, making the Moses-Saunders plant the second largest power-producing plant in North America. Commercial production by the initially installed generators began last September.

The Seaway navigation project cost $471 million, bringing the total cost of the Seaway and power projects to more than $1,000 million.

Shipping tolls will be levied on vessels passing through the upper St. Lawrence River section of the Seaway and also through the Welland Canal.

The Welland Canal toll fees will go wholly to Canada, which has spent $29 million on its deepening. However, the United States and Canada will share the toll fees levied on vessels passing through the upper St. Lawrence River section of the Seaway. They will divide the toll receipts in proportion to their annual revenue requirements for operations and debt services, which are estimated to be 71 per cent. for Canada and 29 per cent. for the United States.

U.S. officials say that the shipping toll charges will represent a very small part of shipping costs on trips through the Seaway and will not add materially to the cost of water transportation of freight. They explain the tolls are designed, in accordance with statutory requirements, to enable the Seaway to be self-sustaining and self-liquidating, so that the borrowings from the two Governments for its construction can be retired in 50 years.

In addition to its expenditures on the Seaway of approximately $128 million, the U.S. Government also plans to spend $146 million on the project to deepen the Great Lakes connecting canals between Lake Erie and the three upper lakes to the Seaway's optimum depth of 27 feet.

Briefly stated, the combined Seaway-power project included deepening the Welland Canal between Lake Ontario and Lake Erie and its approaches; the removal of rock shoals in the Thousand Island section; the construction of three dams in the International Rapids section; the construction of seven new navigation locks and four lateral canals to replace the 22 outmoded locks and six lateral canals in the old canal system in the river above Montreal. (Below Montreal, the St. Lawrence River has a deepwater 35-foot channel to a point 30 miles below Quebec where it is open waters from there to the sea).

In assessing the long-range potentialities of the new Seaway, officials point out that it provides economical ocean-going water transportation, the cheapest form of transportation that is available, to a vast inland region which formerly could not be reached by large ocean-going vessels.

This inland region is made up of the Provinces of Ontario and Quebec on the Canadian side and 17 states on the American side and constitutes the greatest concentration of industrial and agricultural development in the world today. Within this area live one-third of the people of both the United States and Canada—an estimated population of 58 million on the U.S. side alone. The U.S. area produces 84 per cent. of the nation's automobiles, 61 per cent. of its miscellaneous machinery, 61 per cent. of its wheat, and 75 per cent. of its steel.

The Great Lakes, together with the St. Lawrence River, comprise a drainage area of 300,000 square miles. The water surface has an area of 95,000 square miles and constitutes the greatest body of fresh water on earth.

All told, the shoreline of this "Eighth Sea" totals 8,300 miles, a stretch longer than the whole U.S. Atlantic Ocean seaboard. The Great Lakes port most distant from the Atlantic Ocean—Duluth, Minnesota,—is 2,342 miles away by direct route.

Although traffic is expected to double on the Seaway this year, U.S. officials do not believe the mere availability of the new Seaway will automatically result in full use of its potentialities. But the future of the Seaway looks bright to Administrator Castle. He points out that all water routes of prominence have experienced continuous gains in volume of tonnage over the years.

Although the benefits of the new Seaway will, of course, be mainly reaped by Canadian and U.S. producers and consumers, it will enable foreign producers to ship their products into the Great Lakes—St. Lawrence Basin at lower costs and also make it possible for foreign businessmen and Governments to import products from the area at lower transportation costs. Thus, it will benefit to a considerable extent producers and consumers and shipping lines in all parts of the world. In the words of U.S. Secretary of Commerce, Mr. Lewis L. Strauss, the opening of the new Seaway to the world's ships "presages the dawn of a new era in world commerce."

CONTROL ON SALE AND RE-SALE OF MOTOR CARS

In June 1958, the Government of India issued certain instructions to manufacturers and dealers of motor cars in regard to the equitable distribution and sale of motor cars. These instructions were furher amplified in April 1959. The Government now feels, however, that, in respect of medium and small passenger cars, it is necessary to give legal backing to the instructions already issued and also to regulate re-sale, so as to eliminate profiteering. It has accordingly issued a statutory, order, called the Motor Cars (Distribution and Sale) Control Order, under the Industries (Development and Regulation) Act, 1951. The scope of this order is confined to three makes of cars, namely, Hindustan Landmaster/Ambassador, Fiat 1100 and Standard 10. The order came into force with effect from 1st May, 1959.

Apart from making provision for the sale of motor cars in the order of registration, on the lines of the instructions already issued, the Order stipulates that any person who had purchased any of the three above-mentioned makes of cars cannot re-sell the same for a period of two years from the date of its first purchase as a new motor car, without a written permit from the Controller of Motor Cars or an officer appointed for the purpose by the State Governments. Thus, the re-sale of motor cars purchased on or before 1st May, 1957, does not require any permit.

Permission for the re-sale of the above-mentioned three types of cars purchased after 1st May, 1957, and registered for the first time prior to 1st June, 1958, when the scarcity in motor cars may be said to have developed, will normally be freely granted. Permission for re-sale of such cars registered for the first time on or after 1st June, 1958 will be granted only for valid reasons. Owners affected by this provision will have to obtain the permission referred to above before the transfer is given effect to by the registration authorities under the Motor Vehicles Act.

HINDUSTHAN MERCANTILE BANK LIMITED—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

Figures for the previous Year Rs.	EXPENDITURE	Rs. nP.	Rs. nP.
4,87,561.80			
4,18,967	1. Interest paid on Deposits, Borrowings, etc.	5,09,447.86	
4,60,204	2. Salaries and Allowances and Provident Fund (including Salaries and Allowances paid to the General Manager, Rs. 13,912.44)	1,025.00	
500	3. Local Committee Members' Fees and Allowances	56,196.38	
55,889	4. Rent, Taxes, Insurance, Lighting, etc.	6,371.42	
8,871	5. Law Charges	13,685.37	
13,694	6. Postage, Telegrams, Stamps and Telephone	2,500.00	
2,500	7. Auditors' Fees	15,007.09	
13,763	8. Depreciation on and Repairs to the Banking Company's Property ..	36,758.18	
29,942	9. Stationery, Printing, Advertisement, etc.	Nil	
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil	
1,76,800	11. Net Loss on Sale of Investments	23,880.33	
20,019	12. Other Expenditure	1,38,096.77	
3,083	13. Balance of Profit (subject to Taxation		
12,04,327	Total .. Rs.	12,59,529.70	

Figures for the previous Year Rs.	INCOME (Less provisions made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP.
10,31,217	1. Interest and Discount	10,80,141.73
1,71,325	2. Commission, Exchange and Brokerage	1,58,307.47
Nil	3. Rents	Nil
1,702	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	21,049.50
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	Nil
Nil	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
83	7. Other Receipts	31.00
Nil	8. Loss	Nil
12,04,327	Total .. Rs.	12,59,529.70

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of Hindusthan Mercantile Bank Limited as at 31st December, 1958, and also the annexed Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the returns of one branch audited by us and the unaudited returns from six other branches not visited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions to sub-sections (1) and (2) of Section 211 and sub-section (3) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956. The Accounts, are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that subject to the income-tax provision for the accounting year 1958 :

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory ;

(b) The transactions of the Bank which have come to our notice, have been within the powers of the Bank ;

(c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank ;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;

(e) In our opinion, and to the best of our information and, according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended on that date.

K. N. GUTGUTIA & CO., P. K. GHOSH & CO., } *Chartered Accountants, Auditors.*

CALCUTTA, 23rd *March*, 1959.

M. L. JALAN, *Chairman.*

P. H. KOTHARI, *General Manager.*

V. V. CHELLAM, *Accountant.*

A. K. JAIN,
B. KANORIA,
HARIRAM BUBNA,
KAMAL SINGH RAMPURIA,
M. M. BHUWALKA,
M. R. JAIPURIA,
RANGLAL BAGARIA, } *Directors.*

THE BENGAL COAL COMPANY, LIMITED

SPEECH OF CHAIRMAN, MR. N. STENHOUSE

WORKING CONDITIONS IN PRIVATE SECTOR COLLIERIES ARE BY NO MEANS EASY

THERE are only three collieries in India which have shafts sunk to a depth of over 1,400 feet. They have the hazard of gas to contend with and their operating costs are high. All these three collieries are owned and operated by the Bengal Coal Company, Ltd. This statement was made by Mr. N. Stenhouse, Chairman of the Company, in the course of his speech at the Annual General Meeting of the shareholders held in Calcutta on 29th April 1959, in refutation of the claim by a section of the public that the State collieries work deep and difficult seams and thus incur losses, whereas the private sector operated only those mines where the working conditions were easy.

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

"GENTLEMEN,

"You will have seen from the Directors' report for the year ended 31st October 1958 that there was an increase in the total raisings from 2,801,164 tons to 2,862,170 tons and an increase of some Rs. 5 lakhs in the gross profit. Your Directors have recommended a final dividend which will maintain the annual distribution on the ordinary capital of the Company at Rs. 17.50 per share; this, however, represents only 5.82 per cent. on the capital employed in the undertaking. Provision for wealth and other taxes totals Rs. 51 lakhs—a heavy burden and over 68 per cent. of the Company's profit for the year, and nearly three times the aggregate of the dividends paid or recommended on the preference and ordinary shares. In the case of a major unit in an expanding industry such as coal, the constant strain on the Company's finances occasioned by capital expenditure required for development and, what is equally important, to increase the safety and efficiency of your collieries, as also amenities to labour, is indeed a serious matter. You will observe that, although the net balance on the Company's block account has increased by nearly Rs. 16 lakhs, the Company has been able to provide by transfers to reserve a net amount of Rs. 7 lakhs only.

Chinakuri Accident

"The year under review was clouded by the very serious accident on 19th February 1958 at Chinakuri 1 and 2 pits colliery. The Court of Inquiry appointed by Government concluded its work after detailed investigations which extended over a period of five months and, as a summary of the Court's findings, I would like to repeat what the Board stated in their annual report to shareholders:

> 'The conclusions arrived at by the Court were to the effect that shortly before the actual explosion there was an outburst of methane gas from a splinter seam below the main Disergarh seam. An outburst of this magnitude had not previously occurred in India, but was known to have taken place in other countries. The Court was not, however, able to establish definitely the cause of the ignition which resulted in the explosion. What did appear certain, however, was that the vast majority of the miners who lost their lives so tragically were asphyxiated by the original outburst of gas before the explosion took place.'

These then were the basic findings of the Court on this most unfortunate disaster which caused the death of 176 fine men under such tragic circumstances.

"The report of the Court of Inquiry has received considerable publicity in the Press and has been the subject of much discussion in Parliament. Whilst welcoming constructive suggestions arising out of the recommendations in the report, I am sure that I am voicing the thoughts of you all when I decry the biassed and, indeed, vicious criticism which has emanated so freely from certain quarters as a result of the published report. For instance, the accusation that the Company should have concealed the number of the unfortunate victims of the accident is completely abhorrent to us. It has been our policy throughout to place before the Court of Inquiry and the officials all the facts and information available to us, all members of our staff were instructed to co-operate in every way in the investigation, and the assistance rendered by the Company was duly acknowledged in the report. Is it too much to hope that these fantastic allegations will now cease? Their continuance can only have the effect of lowering the morale of all those in the coalfields who bear heavy responsibilities connected with the industry, whether they be in the public or the private sector. Such persons should be encouraged in their endeavours to produce, with due regard to safety, the coal so vitally required by the country, and they should not be subjected to such a persistent campaign of destructive criticism.

"We welcome any detailed study of the recommendations put forward by the Court which can assist the industry in overcoming the many problems connected with deep and gassy mines, and, in fact, these recommendations were considered at the second of a series of Official Safety Conferences held early this year. It must be remembered that much of the high grade coal required in the Third and subsequent Plans will have to be mined from deep and gassy seams, and all investigations directed towards the reduction of the inherent hazards must receive the support and encouragement of the whole country. We also look forward to the completion of the mining research station, whose primary responsibility it will be to investigate these matters.

A Fact Not So Well Known

"It may not generally be known that there are only three collieries in India which have shafts sunk to a depth of over 1,400 feet; these three large collieries are owned and operated by your Company. This will come as a surprise to those who may have recently read about a reference in the Lok Sabha to the enormous losses being incurred by certain of the State collieries, and to the statement that this was due to the fact that these State collieries continue to work deep and difficult seams, whereas the private sector operate 'only those mines where the working conditions are easy.' The three collieries to which I have referred are certainly not easy to work: they have deep shafts; they have the hazard of gas to contend with; and their operating costs are high.

"It may not be out of place to mention that there appears to be considerable misunderstanding in certain quarters regarding ownership of some of the large Indian coal companies. In the case of Bengal Coal Company, Ltd., just over 93 per cent. of the issued share capital is held by shareholders resident in India, and of the total number of 1,573 shareholders, as many as 1,320 hold not more than 50 shares each. It will, therefore, be seen that your Company has its roots in India and that its shareholding is indeed widely spread.

Labour

"Last year, my predecessor referred to the problem of inter-union rivalry. Although during the year under review there have been no major disputes or stoppages at any of your collieries, the uneasy truce continues. There is still much room for the expansion of enlightened union leadership directed towards the best interests of the miners. It is only by the effective working of genuine and constructive unions in the coalfields area, which has aptly been called the Ruhr of India, that the coal and other major industries there will be able to make their full contribution to the national interests, and it is to be hoped that responsible leaders in the labour field will soon appreciate this fact.

"Considerable progress has been made in the construction of workers' quarters at your collieries under the auspices of the excellent scheme of the Coal Mines Housing Board, and this work is receiving top priority. We are completing 908 houses during the first year of the scheme, and it is our intention to construct 850 more quarters during the coming year. Much has been heard of the central schemes for the supply of water in the Raniganj coalfields but, while these schemes may be admirable when completed, they are still in the discussion stage. Shortage of good water is one of the main problems experienced at the majority of collieries, and we are, therefore, undertaking extensive projects for the purification and supply of water at all your large collieries. The first of such major projects, costing Rs. 2 lakhs, at Seetalpur colliery has already proved a great success, and others are now being completed. These are, we feel, very real and practical ways of improving the living conditions of the miners. Also, as an indication of the improvement in the earnings of the Company's workers, it may interest you to know that, since 1956, the total amount paid to them has increased by Rs. 108 lakhs—55 per cent.—while the number of employees remains virtually the same.

Price Revision

"The Chairman of the three Associations of coal producers, in their annual speeches delivered during recent weeks, have referred in no uncertain terms to the necessity for an immediate and adequate price increase, and I fully endorse all that has been said on this subject by these prominent spokesmen of the industry. Although the Bengal Coal Company, Ltd., is still operating on a profitable basis, the main reason for this is the increase in raisings—mainly at the mechanised collieries. It is, however, impossible to overlook the fact that costs are continuing to increase, not only due to higher prices for stores and equipment but also because of the more advanced safety measures which are being introduced. Your Company is a large company and, therefore, can to a certain extent carry the burden of the losses which some of its collieries incur. Indeed, 14 of these collieries which produced over 1½ million tons during the year made either actual losses or only small profits.

Sandstowing

"You may have noticed from the accounts that the Company has had to bear a difference of over Rs. 9 lakhs between the cost of sandstowing at your collieries and the quantum of assistance received from the Coal Board. Three additional collieries will be stowing during the current year and the overall cost to the Company will thus, I fear, be very much greater in future. This is a very real contribution not only towards safety in our gassy mines but also to ensure maximum extraction from the high quality seams. We, therefore, welcome the recent announcement that the quantum of assistance towards stowing by the Coal Board is being increased, albeit by the inadequate amount of As. 3 per ton of sand stowed hydraulically.

Railways

"No speech from this chair or at any similar meeting connected with the coal industry can be complete without a reference to rail transport. As always, we continue to have difficulty in getting sufficient wagons to keep stocks at collieries down to reasonable levels, and this subject has already been amply dealt with in recent speeches connected with the industry. I must, however, in all fairness thank the Eastern Railway for their efforts in assisting the large portion of the industry which they serve. Wagon offerings on the Eastern Railway during the year have shown a gratifying increase over the previous year's figures, and this railway has also appreciated what, in the eyes of the coal industry, should be one of the main functions of the railways: the provision of sufficient siding and pilot capacity at those collieries which are actually producing increasing quantities of coal.

Exports

"I am glad to be able to say that more encouragement has been given during the past year to the export of coal but, as your Chairman said last year, it will take some time to repair the damage occasioned by official apathy in the past. We are vigorously pursuing all possible outlets and potential markets, and I would like to mention particularly the fact that we have regained the 1959 contract for the entire requirements of the Ceylon Government Railways, which contract was shared equally with China during the previous year.

"The Company has always owed a great deal to its senior staff working in the coalfields,

(Continued in next page)

BUCKINGHAM & CARNATIC COMPANY LIMITED

THIRTY-EIGHTH ANNUAL MEETING

EXPORT INCENTIVES ARE ONLY SHORT-TERM PALLIATIVES, SAYS THE CHAIRMAN

INCENTIVES granted by the Government of India to exporters of textile goods will at best serve only as short-term palliatives and success in the long run must depend on the removal of the several basic disadvantages from which the industry suffers. This view was expressed by Mr. E. F. G. Hunter, Chairman of the Buckingham and Carnatic Company, Ltd., at the Thirty-eighth Annual General Meeting of the Company held at Madras on 30th April 1959. He further added that, unless prices of Indian cotton were brought down to, or if possible below, international parity, it would have the most serious effect on India's export performance.

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

"GENTLEMEN,

"The report of the Directors and the audited accounts for the year ended 31st December 1958 having been in your hands for the prescribed period, I propose, with your permission, to adopt the usual procedure and to take them as read.

"The year under review, which was another critical one for the textile industry, witnessed the closure of more mills and the reduction of shift working in many others. Yardage production fell by nearly 400 million yards to approximately 4,930 million and had exports not also fallen by 291 million yards to 587 million, the lowest figure since 1949, the reduction in stocks would have been more substantial.

"Following reductions in excise duties in December 1957 and again in March 1958, there was some improvement in offtake, but this was short-lived and as stocks again mounted, certain further reliefs were announced in July in respect of coarse and medium varieties.

"During the closing months of 1958, there was a welcome improvement in exports, assisted by incentive schemes and closing unsold stocks with mills fell to approximately 181 million yards.

"When he addressed you last year, Mr. E. J. M. Leigh pointed out that clearances from mills in 1957 for home consumption fell by some 550 million yards when compared with the previous year. According to our calculations, clearances from mills for home market sales were approximately:

> 4,550 million yards in 1956,
> 4,000 million yards in 1957,
> and 4,050 million yards in 1958.

"It will be appreciated, however, that these figures do not necessarily relate to consumer purchases at the retail point. 1956 was a year of rising prices and at such times clearances from mills are high and the distribution pipeline is comparatively full. A period of falling prices followed, resulting in lack of confidence, and dealers tended to reduce their stocks and to adopt a hand-to-mouth policy. Due to recurring crises in 1958 confidence failed to return to the market during that year; until confidence revives, there will be only a minimum flow in the pipeline and the trade will leave the mills to carry stocks. In short, I contend that there has been little, if any, fall in actual consumer offtake and that, in fact, it may well have been rising all the time, though not spectacularly. Indeed, there are shortages in some of the better types of cloth and quite a considerable portion of the surplus stocks with mills are definite surpluses, in quality and type, to consumer requirements.

Satisfactory Trading

"Thanks to the constant attention that has always been given to quality control, market research and the development of a scientific sales policy, your Company has had a satisfactory year's trading. Due to its conservative dividend policy and to the care given to the maintenance of its machinery and plant, your Company is in a relatively strong position to face the future, when the biggest challenge will be in the export field.

"India's exports in 1958 fell by approximately 30 per cent. by comparison with those for the previous year, as against an average fall of 13 per cent. in the case of all non-communist countries put together. The position is serious when the country is so short of foreign exchange and one does not have to look very far to find the reasons for this disparity. Export incentives, though welcome, will at best serve only as short-term palliatives and success in the long run must depend on the removal of several basic disadvantages.

"Costs of manufacture are far too high and must be reduced substantially with the proper relation of wages to productivity.

"Quality must be improved; the industry must be allowed to modernise and rationalise its plant and expand substantially its capacity to dye, print and finish fabrics to satisfy overseas customers' requirements. The demand for cheap loom state cloth has shrunk severely and will continue to do so with the development of new textile units in many countries, several of which are themselves growers of cotton.

"Indian cotton prices must be brought down to, or if possible below, international parity, as they were until recently. The high prices ruling at present, resulting from restrictions on the import of cheap foreign cotton and a partial failure of the local crop, cannot but have the most serious effect on India's export performance.

An Unchallengeable Competitor

"Another grave threat to India's textile exports is the entry of China as an apparently unchallengeable competitor offering good and well finished cloths at whatever prices are necessary to obtain bulk business. The development of this Government directed and assisted drive will be watched with anxiety by many textile exporting countries.

"In the face of adverse circumstances, your Company achieved export earnings to the extent of Rs. 1.85 crores. Though down on last year's record figure, it represents a very creditable achievement and your Company will derive substantial benefits this year under the export incentive schemes.

"When he addressed you last year, Mr. E. J. M. Leigh reported that progress had been made with the construction of the second new weaving shed. The northern half of that shed was completed during the year and, with the transfer of some rehabilitated looms from older sheds, production has already commenced in this section on a substantial scale. Work on part of the southern half of the shed was started during the latter half of 1958 and contracts have recently been placed for the completion of the flooring and associated works.

"I am pleased to tell you that, despite the difficult import licensing position, a few much needed machines were imported during the year including three modern sizing machines which have gone into production. The rehabilitation of looms continued steadily throughout the year, and it is expected that this work will be completed before the end of 1959.

"As you will have seen from the Directors' report, the workers embarked on an illegal strike in June and in its settlement secured considerable benefits in the shape of bonus payments for past years and a more favourable formula for computing bonus in the future. The question of higher bonus has been, as you are aware, a subject of agitation over a number of years and your Directors are hopeful that its settlement will lead to a happier relationship.

"Undoubtedly, before further benefits are given to workers in the shape of enhanced wages, allowances or bonuses, more satisfactory workloads must be established. I realise that when considering workloads, the bogey of retrenchment is ever present in the minds of workers, but your Company has assured its employees and their leaders that there will be no retrenchment as a result of modernisation and rationalisation and that no employee will in consequence suffer a reduction in wages. Despite these assurances, labour has resisted changes at every turn and has indicated its displeasure by frequent short lightning illegal stoppages. This attitude is incomprehensible and must in the long run operate against the interests of labour. However, the management has recently discerned a better understanding of this matter by the labour leaders and it is hoped that as a result, our labour will work peacefully and without interruption and co-operate in bringing about the further improvements in methods of production which are so necessary if we are to retain our position, particularly in the export field.

"Turning now to the accounts, the substantial reduction in stocks which, as mentioned in the report, is mainly responsible for the lower overdraft at the close of the year, is a healthy sign and reflects the virility of your Company's sales organisation.

"The amount charged in the profit and loss account for bonus to employees—Rs. 27,09,613—represents a record bonus payment and was made in pursuance of the settlement reached with labour to which I have already referred.

"The provision for taxation, at Rs. 20,50,000, would have been substantially higher, had it not been for the increased bonus for 1958 and the additional bonus payments for previous years. The increased liability for taxation, despite a slightly lower profit than that made in 1957, is the result of the withdrawal of the allowance for extra normal depreciation. While this allowance is no doubt very welcome to, and possibly desirable for, a new developing industry, the consequent deferment of tax payments which this allowance entails, can lead to misunderstanding and to difficulties when the tax has to be paid, unless adequate provision is made. An appropriate provision has been made by your Company in previous years and appears in the schedule of reserves under the heading 'deferred taxation'.

"Other matters of special interest in the accounts have, I think, been covered adequately in the Directors' report.

Cautious Optimism

"Having read the report and heard my remarks, you will, I believe, have some understanding and appreciation of the difficulties which your Company has had to face and overcome during the year under review and, while I do not expect that our anxieties will be any the less in the future, I do believe that with the Government's new recognition of the industries' difficulties, and given the co-operation and goodwill of labour and above all freedom from interference, we can look forward to the future with some measure of optimism.

"I am sure you would not wish me to conclude without recording your appreciation of the valuable services which have again been rendered to your Company by the Managing Agents. I also wish to record our thanks to the Mill Manager and his staff for their continued loyal and devoted service to the Company, and to the employees for their contribution to the result for the year under review, which I consider may be regarded as satisfactory."

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

(Concluded from previous page)

but there can seldom have been a more trying year than 1958. Your Chief Mining Engineer, Mr. Rosser, and his staff have had to face the considerable additional strain occasioned by the aftermath of the Chinakuri explosion and the inquiry, and it is to their credit that they have not only coped with this and brought Chinakuri back into production, but have also been able to proceed with the development plans at your other collieries. Mr. Rosser is with us this morning and I know that it will be your wish that I should express to him, and through him to all members of the coalfields staff, our very great appreciation of their excellent work.

"I do not suppose that there is any one here today who will remember the time when, in October 1908, Andrew Yule and Company were first appointed Managing Agents of your Company. It has been my great privilege to address you today on the completion of the fiftieth year of this association."

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

MAY 1959 FACILITY DEPARTMENT

FORTHCOMING INDIAN LABOUR CONFERENCE

SEVERAL PRESSING PROBLEMS TO BE DISCUSSED

THE seventeenth session of the Indian Labour Conference, scheduled to be held in July, will be one of the most remarkable of recent sessions of the Conference. Important issues relating to industrial relations are expected to come up for consideration. Several changes have taken place since the last session of the Conference, changes which have a direct bearing on the climate of industrial relations. Among the most notable of these are, first, the unreserved acceptance of the code for discipline in industry by the employers and workers. This had a perceptible influence on the trend of industrial relations as reflected in the statistics of industrial disputes for 1958. Thus, although there was a minor increase in the number of disputes during the second half of the year, as compared with the first half, from 781 to 783, the number of workers involved and the number of man-days lost recorded an appreciable decline from 511,237 to 431,183 and from 4,519,087 to 3,073,516 respectively. Secondly, the evaluation and implementation machinery at the Centre and in the States has been, generally speaking, functioning effectively, thus leading to the elimination of a number of misunderstandings between employers and workers and also to a better appreciation of the difficulties of one party by the other. Thirdly, acceptance of the inter-union code of conduct by the four all-India organisations of workers had contributed to the creation of a better atmosphere in which the employers would find it easier to carry on negotiations.

Encouraging as these trends are, there is no denying that there are still many loopholes to be plugged before it can be affirmed that the foundations of a rational system of labour-management relations have been securely laid. There cannot, however, be any finality in a field which is subject to the influences of continuous and swift changes in the economy of the country. Problems will have to be tackled and solutions found as and when they arise.

Various Suggestions

A number of proposals for the amendment of the Industrial Disputes Act were placed before the seventeenth session of the Standing Labour Committee held in Bombay in October 1958. Various suggestions for changes or modifications in the existing law and procedure governing the settlement of industrial disputes, recognition of trade unions and allied matters have also been received by the Labour Ministry not only from employers' and workers' organisations but also from the State Governments and the employing Ministries at the Centre. The Union Labour Ministry, taking into consideration all these proposals and suggestions, has drawn up a memorandum on industrial relations which is entered as item 2 on the agenda of the Conference. The memorandum, which deals, under two broad headings, with the machinery for collective bargaining and the settlement of industrial disputes and the problems relating to trade union organisation, has been circulated to employers' and workers' organisations and State Governments. Under the first heading, the following questions have been included as deserving the attention of the forthcoming Conference: (1) Merits of the procedure proposed in the Kerala Industrial Relations Bill for the certification of negotiating agents and the need for and the desirability of making consequential modifications in the criteria for recognition of unions as adopted at the last Conference. (2) The appointment of a small tripartite committee for drawing up "guidance principles" relating to the composition and functioning, etc., of works committee. (3) Validity of agreements reached through direct negotiations between the parties. (4) Removal of the difficulties standing in the way of reference of disputes to voluntary arbitration. (5) Replacement of labour courts and industrial tribunals by arbitration boards as suggested by the Madhya Pradesh Government. (6) Model principles for reference of disputes to adjudication. (7) Revival of Labour Appellate Tribunal. (8) Creation of separate machinery for dealing with disputes relating to individual dismissals. (9) Jurisdiction of a tribunal appointed by one State Government in respect of a dispute concerning workmen employed in a different State.

To take some of the more important questions. First, the question of replacement of labour courts and industrial tribunals by arbitration boards.

The Industrial Disputes Act provides for a three-tier system of tribunals, manned mainly by persons who are holding or have held judicial posts. The Government of Madhya Pradesh feels that, consequently, these tribunals are swayed more by the niceties of civil law than by considerations of equity and social justice. The State Government has, therefore, suggested that consideration should be given to the question of replacing labour courts and industrial tribunals by arbitration boards consisting of representatives of employers and workers selected out of panels maintained by Government, the chairmen being independent persons with a judicial background. The suggestion of the Madhya Pradesh Government amount, in effect, to the substitution of adjudication by compulsory arbitration. The system of labour courts and industrial tribunals, says the memorandum, was introduced only in 1956 and perhaps needs to be given a fair trial before a change-over is thought of. The Conference may, however, according to it, discuss the implications of the suggestion made by the Madhya Pradesh Government.

Model Principles

As regards item number (6), a draft model of principles for reference of disputes to adjudication has been worked out. The following are its salient features:

Individual disputes: Industrial disputes raised in regard to individual cases, i.e., cases of dismissal, discharge or any action of management on disciplinary grounds, may be referred for adjudication if there is a *prima facie* case of (1) victimisation or unfair labour practice, (2) that the standing orders in force have not been properly followed or that the principles of natural justice have not been followed, and (3) the conciliation machinery reports that injustice has been done to the workmen.

In all the aforesaid cases, however, if there is *prima facie* evidence to show that the workmen concerned have resorted to violence or otherwise committed a serious breach of the Code of Discipline, then adjudication may ordinarily be refused.

Collective disputes: No dispute may, ordinarily, be referred for adjudication—(1) Unless efforts at conciliation have failed and there is no further scope for conciliation and the parties are not agreeable for arbitration. (2) If there is an illegal strike or lockout or a strike or lockout resorted to without seeking settlement by constitutional means and without proper notice, unless such strike (or direct action) or lockout, as the case may be, is called off. (3) If the demand relates to a claim for wages for the period of a strike, or the demand is such, which following judicial decisions the tribunals have consistently refused to concede, e.g., the demand about recognition of union. (4) If in respect of demands other legal remedies are available, i.e., matters covered by the Factories Act, Workmen's Compensation Act, Minimum Wages Act, etc. (5) If the matters in dispute are pending before a committee appointed by Government.

In ordering adjudication, the following factors will be taken into account: (1) The reasonableness of demands and their justiciability. (2) The repercussion on the other units of the same industry or allied industry. (3) The capacity of the industry to pay or accede to demands like increased wages, etc. (4) The standing of the union raising the dispute and the strength behind the demands. It will be useful, observes the memorandum, if "norms" are laid down with regard to various conditions of service, welfare provisions, etc., in industries. They will be of help in deciding whether a particular dispute should or should not be referred to adjudication.

Prof. Richardson's Proposals

These draft model principles, according to Prof. Richardson, an I.L.O. expert on industrial relations at present working with the Ministry of Labour, are generally adequate and applicable. He, however, made the following suggestions:

(i) A useful distinction may be drawn between (*a*) disputes arising out of the implementation of existing legislation, awards, etc. (implementation disputes) and, (b) disputes arising from demands for new conditions.

(ii) "Implementation disputes," which usually affect only individual or small groups of workers should rarely be sent up for adjudication. The Labour Commissioners may be empowered to give binding decisions in such cases.

(iii) In the case of the second category of disputes, often involving large numbers of workers, wider use may be made of courts of enquiry, provided for in Section 6 of the Industrial Disputes Act, to investigate the facts and make impartial recommendations which would provide an authoritative basis for settlement by agreement and further conciliation.

(iv) Disputes which could not initially be settled through conciliation should, instead of straightaway being referred for adjudication, be sent back for further conciliation, even if this process involved the risk of a strike or lockout.

The abolition of the Appellate Tribunal has resulted in a large increase in the number of cases going up in appeal to the Supreme Court. For instance, the number of petitions for special leave to appeal registered was 59 and those which were granted leave were 23 in 1953. They were 51 and 21 respectively in 1954, 57 and 37 in 1955 and have increased to 291 and 257 in 1956 and 189 and 148 as on 31st October 1957. About 209 cases were pending with the Supreme Court as on 30th November 1958. Commenting on this situation, the Law Commission observed: "The situation created by the large number of appeals causes concern in two respects. It has the national effect of clogging the work of the Supreme Court. The graver aspect, however, of the matter is that labour matters are being thrust upon a Court which has not the means or materials for adequately informing itself about the different aspects of the questions which arise in these appeals and therefore finds it difficult to do adequate justice. Equally grave are the delays caused by these appeals in the disposal of industrial matters which essentially need speedy disposal."

Appeals To High Courts

As far as appeals to the High Courts are concerned, the Law Commission has pointed out that a party aggrieved by the decision of the tribunal approaches the Supreme Court, because the jurisdiction of High Courts under Article 226 of the Constitution is too narrow to afford relief. A High Court can only quash an order of a tribunal but cannot make its own decision and substitute it for that of the tribunal. The remedy, according to the Law Commission, lies in providing for an adequate right of appeal in industrial matters. Such a right of appeal could be provided either by constituting tribunals of appeal under the labour legislation itself or by conferring a right of appeal to the High Court in suitable cases.

The views of the Law Commission deserve close attention. The observance of the code for discipline may lead to a reduction in the number of cases going up to the High Courts and the Supreme Court. Even so, the Conference may discuss the desirability of revising the Labour Appellate Tribunal or some suitable means of filling the gap caused by its abolition.

As regards the problems relating to trade union organisation, the memorandum points out that workers' organisations have a dual role to play. One is to negotiate with the employers and to enter into collective bargaining or, as a last resort, have recourse to direct action for securing satisfactory conditions of work and fulfilling the reasonable aspirations of worker. These problems raise the issue of recognition of trade unions either voluntarily by the employers or through certification by Governmental agencies, if necessary. The other important, perhaps, much less ostentatious function of trade unions is to look after the day-to-day welfare of their members and, where practicable, of their families.

The desirability of making substantial changes in the Trade Unions Act of 1926 has been stressed on several occasions. The memorandum lists seven suggestions as deserving consideration. They are:

(1) Alteration of the present statutory limit of 50 per cent. on the number of outsiders as executives of trade unions.

(2) Inclusion of provision in the Trade Union Act regarding membership fee.

(3) Decentralisation of work of Registrars of Trade Unions.

(4) Empowering Registrars to look into the records of trade unions.

(5) Cancellation of registration for failure to observe the rules of the union, and submit annual returns.

(6) Restricting the number of unions that may be registered.

Several other amendments of a minor nature to the Trade Unions Act have also been received by the Ministry. It feels that these can be taken care of if the fundamental issues are settled and broad principles are laid down by the Conference.

PLANNING AND FOREIGN TRADE

NEED FOR REGAINING LOST GROUND IN TRADITIONAL EXPORT ITEMS

(Contributed)

PLANNING has, or should have, two most important objectives; (a) to raise the standard of living and (b) to bring about a stabler and more diversified economy. Let us see the latter effect, which is generally reflected in the foreign trade.

Between 1951-52 and 1958, over a period of eight years of planning, our total foreign trade has dwindled by Rs. 195 crores from Rs. 1,653 crores to Rs. 1,458 crores; exports by Rs. 127 crores from Rs. 703 crores to Rs. 576 crores; re-exports by Rs. 5 crores from Rs. 14 crores to Rs. 9 crores; imports by Rs. 63 crores from Rs. 936 crores to Rs. 873 crores; and the trade deficit rose by Rs. 69 crores from Rs. 219 crores to Rs. 288 crores. There was thus a fall (in value) of 12 per cent. in the total trade, 18 per cent. in exports, 39 per cent. in re-exports, 7 per cent. in imports, and a rise of 31 per cent. in the trade deficit between the two years. Considering the rise in the general price level during the period, and the fact that the figures of imports of Government stores are usually deficient, the position, by and large, should be regarded as even more unsatisfactory than the figures seem to indicate.

How has this position come about? What are the gains and losses reflected in the direction and composition of our foreign trade?

India has had substantial trade with a few countries such as the U.K., the U.S.A., Australia, Canada, Argentina, Burma, Pakistan, Ceylon, Japan and Singapore. Our exports to these countries, however, have fallen substantially between 1951-52 and 1958. Exports to the U.K. have fallen by Rs. 23 crores from Rs. 188 crores to Rs. 165 crores; to U.S.A. by Rs. 38 crores from Rs. 130 crores to Rs. 92 crores; to Australia by Rs. 25 crores from Rs. 46 crores to Rs. 21 crores; to Burma by Rs. 12 crores from Rs. 19 crores to Rs. 7 crores; to Pakistan by Rs. 12 crores from Rs. 19 crores to Rs. 7 crores; and to Argentina by Rs. 8 crores from Rs. 17 crores to Rs. 9 crores. Thus, the fall in our export trade with these six countries alone amounted to Rs. 118 crores out of the total shortfall of Rs. 127 crores. No doubt there have been some considerable gains in other directions. Our exports to U.S.S.R. rose by Rs. 16 crores from Rs. 7 crores to Rs. 23 crores; to Japan by Rs. 12 crores from Rs. 14 crores to Rs. 26 crores; and to West Germany by Rs. 6 crores from Rs. 9 crores to Rs. 15 crores. But such gains have not been sufficient to offset the losses. The result has been a substantial decline in our export trade.

Imports

Similarly, our import trade has also registered a decline, but not to the extent that the export trade has done. The imports from U.S.A. have fallen sharply by Rs. 134 crores from Rs. 295 crores in 1951-52 to Rs. 161 crores in 1958; from Egypt by Rs. 34 crores from Rs. 40 crores to Rs. 6 crores; from China by Rs. 11 crores from Rs. 16 crores to Rs. 5 crores; from Singapore by Rs. 9 crores from Rs. 18 crores to Rs. 9 crores; from Kenya by Rs. 7 crores from Rs. 19 crores to Rs. 12 crores; from Pakistan by Rs. 4 crores from Rs. 10 crores to Rs. 6 crores; and from U.K. by Rs. 2 crores from Rs. 171 crores to Rs. 169 crores. The fall from these seven countries amounted to Rs. 201 crores. On the other hand, the imports substantially increased from other directions: from West Germany by Rs. 65 crores from Rs. 29 crores to Rs. 94 crores; from Burma by Rs. 22 crores from Rs. 23 crores to Rs. 45 crores; from U.S.S.R. by Rs. 21 crores from Rs. 1 crore to Rs. 22 crores; from Canada by Rs. 15 crores from Rs. 19 crores to Rs. 34 crores; from Japan by Rs. 14 crores from Rs. 25 crores to Rs. 39 crores; and from Italy by Rs. 7 crores from Rs. 18 crores to Rs. 25 crores. The increase in the imports from these six countries was to the extent of Rs. 144 crores. The net fall in the import trade accounted for by the above figures was Rs. 57 crores out of a total fall of Rs. 63 crores in the imports.

An analysis of the composition of the trade would at once bring out the fact that the largest erosion in our export trade has taken place in the textile yarn and manufactures group, which has registered a heavy fall of Rs. 155 crores from Rs. 338 crores in 1951-52 to Rs. 183 crores in 1958. Other significant fall has occurred in the exports of leather and leather manufactures, by Rs. 9 crores from Rs. 34 crores to Rs. 25 crores. As our most important exports in the textiles group are cotton and jute manufactures, it is essential to concentrate all attention on these items.

In the import trade, the general pattern is naturally determined by our economic and industrial planning. The major items of imports are cereals and cereal preparations; textile fibres, unmanufactured and waste; metals and their manufactures, machinery and transport equipment; and oils vegetable, mineral and animal. The imports of foodstuffs are still high at Rs. 149 crores in 1958, though they have fallen by Rs. 80 crores from Rs. 229 crores in 1951-52. Half of our trade deficit in 1958 is accounted for by the imports of foodgrains, a sad irony for a predominantly agricultural country. There has been a heavy fall of Rs. 108 crores in imports of raw textile fibres from Rs. 154 crores to Rs. 46 crores. Imports of textile yarn and manufactures also considerably declined by Rs. 18 crores from Rs. 35 crores to Rs. 17 crores. On the other hand, there have been substantial increases in other cases. Imports of metals and their manufactures increased by Rs. 87 crores from Rs. 44 crores to Rs. 131 crores; machinery by Rs. 72 crores from Rs. 117 crores to Rs. 189 crores; chemicals, drugs and medicines by Rs. 29 crores from Rs. 36 crores to Rs. 65 crores; and transport equipment by Rs. 22 crores from Rs. 37 crores to Rs. 59 crores. It is noteworthy that the increase in the imports of these four groups of items amounted to Rs. 210 crores. The net result of these recent trends in our foreign trade is the yawning gulf between our exports and imports and mounting trade deficit.

Diversification of Exports

There was a time when India was exporting foodstuffs and raw materials and importing manufactured articles. It was recognised to be an unhealthy position, a sign of economic underdevelopment and backwardness. Today, her exports have drastically fallen. Although there is some evidence of diversification of production, there is no appreciable sign yet of diversification of exports. In 1951-52, about 48 per cent. of our exports consisted of textile yarn and manufactures, and spices, tea and coffee accounted for 16 per cent. The trade in the former group was considerably lost by 1958 when the exports accounted for only 32 per cent. of the total exports, while trade in the latter group substantially improved to 26 per cent. of the total exports. There has been no great change in the position of the other groups of items in the export trade. India is now importing almost everything, food, industrial raw materials, manufactured articles, machinery and equipment. In 1951-52, the imports of foodgrains comprised about 24 per cent. of the total imports, textile fibres, raw and waste accounted for 16 per cent., machinery for 12 per cent., metals and manufactures for 5 per cent., and chemicals, drugs and medicines for 4 per cent. In 1958, the share of the foodgrains in the total import trade fell to 17 per cent., and that of textile fibres to 5 per cent., while the share of machinery rose to 21 per cent., of metals and manufactures to 15 per cent., and of chemicals, drugs and medicines to 7 per cent.

The conspicuous fall in our exports calls for a reasonable explanation. Available statistics show that India has been making considerable progress in agricultural and industrial production. The index number of agricultural production (base 1949-50=100) has increased from 97.5 in 1951-52 to 113.4 in 1957-58. The index number of industrial production (base 1951=100) has risen to 139.4 in 1958. The *per capita* income (at 1948-49 prices) has advanced from Rs. 251.7 in 1951-52 to Rs. 284.0 in 1956-57, i.e., by nearly 13 per cent. Yet, a very difficult foreign trade position stares us in the face.

There may be several reasons for our fast dwindling exports. The prices of our exportable goods are high, their quality poor, our business ethics are not as good as they should be, and there are probably not enough surpluses. In a poor underdeveloped country with teeming millions far below the comfortable margin of existence, a small rise in the *per capita* income is sufficient to create a sea of demand for all consumable goods that consumption, temporarily at least, tends to outstrip production leaving no exportable surpluses. Further, in an economic society, where there are no perceptible incentives for producing more or penalties for producing less, but there is a strong and genuine desire to raise the standard of welfare, it is rather doubtful whether production will ever catch up with consumption. Trade deficits are, therefore, likely to persist for a considerable time to come. All our export promotion measures will naturally not avail much in the face of such basic facts of our economy, unless vigorous and, if necessary, stringent measures are taken to regulate production and distribution, and rationalise our import and export trade.

The Real Solution

The real solution would be greater and greater production, first, of foodgrains, with a view to obtaining self-sufficiency as soon as possible, and then, of the wide variety of consumable goods by industrialisation. But industrialisation in a vast underdeveloped country like India cannot be on a large scale; it has rather to be on a small scale, using less of capital and more of human labour. Bigger and better results would seem to follow from decentralised smaller industries suited to our basic economic conditions rather than by an industrial revolution of the traditional type. Austerity in consumption and the utmost economy in the use of our scarce resources both in the private and public sectors would also enable us to go forward in our economic development. It is also not enough if the production increases in the aggregate; it should bring increasing returns for each unit of labour and capital employed or, in other words, raise productivity and not merely production. A fairly well balanced foreign trade position can be obtained only when (*a*) we become self-sufficient in food, (*b*) recapture our lost markets in cotton and jute textiles, and (*c*) expand, in particular, the production of leather, leather goods, chemicals, drugs and medicines, and engineering goods. We should see why we have lost our traditional market in the countries like the U.K., U.S.A., Australia, Canada, Burma, Pakistan, Argentine, etc. We can ill afford to lose sight of our traditional exports in the hope of building up petty new items which at present cannot even meet the domestic market. We should explore new markets for our traditional as well as new items. We should use our trade representatives abroad more effectively for the purpose, and also enter into as many mutually profitable bilateral trade agreements as possible. If our resources are admittedly meagre, let us not attempt all at once. There is no short cut to prosperity. It is inevitable that democratic planning should be somewhat slow; but, if it is sound and steady, the race of economic reconstruction will be won.

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DEVELOPMENT COUNCILS

A call for an all out effort to promote exports was made by Mr. Manubhai Shah, Minister for Industry, at a meeting of the Chairmen of Development Councils held at New Delhi on 30th April, 1959. The Minister said that the Development Councils would have to play an increasingly important role, in view of the additional functions now assigned to them. He wanted the Development Councils to assist in the distribution of controlled materials and promote arrangements for obtaining materials for the industries concerned. These Councils would also have to investigate possibilities of decentralisation of stages and processes of production, with a view to encouraging the growth of small-scale industries and ancillary industries. He stressed the need to foster co-operative research by industries themselves.

The meeting discussed the possibilities of export promotion in various industries covered by the Development Councils. In the course of the general discussions of the scope and functions of Development Councils, suggestions were made for further increasing the working efficiency of these Councils.

So far 16 Development Councils have been set up by the Government of India to advise them on matters pertaining to the development of industries.

WIMCO'S PROFIT UP BY A FIFTH

RETURN TO SHAREHOLDERS, HOWEVER, THE SAME

A COMMON theory of investment in equities is that, in times of inflation, it offers protection to the purchasing power of savings, as the equities appreciate in value. But this rationale needs to be qualified, for, in an economy closely controlled by the Government, not all the equities act as an effective hedge against inflation. In the case of some industries, the Government's policy may be such that their profits may either cease to grow or grow at only a disproportionately slow pace or actually decline. Equity investments in these industries, it is obvious, will not serve the purpose of a hedge against inflation. On the contrary, they may fall in value, as the profit of that industry may be inadequate to build up sufficient reserves for replacing the assets.

Let us take, for example, the match industry. Matches constitute an essential article of consumption. In an economy of rising population and growing incomes, the demand for matches is bound to keep on rising. And the profit of the industry should expand, not necessarily as a result of higher margin of profit per match box but purely as a result of expanding turnover. But this has not been the experience of the Western India Match Company, Ltd., the largest producer of matches on modern lines. The chief reasons for it are to be found in the Government's policy of strict control on the prices of the Company's manufactures and of encouraging the growth of cottage units by heavily subsidising them. So strong has been the competition from these units in certain parts of India, especially in the south, that its matches have been pushed out of the market. There has nevertheless been some increase in the turnover of the Company, but that is nothing as compared with what it could have been, had the terms of competition from the cottage units been fair. Consequently, the equities of the Company (its entire capital is in the form of ordinary shares only) have remained either stagnant and quiet, when others have been going up, or have moved up only to a modest extent, showing a small gain. Again, its dividend has remained unchanged for a decade now.

The Company's results for the year ended 31st December 1958 were published a few days ago and the Directors' report and statement of account for that year are due to be adopted at its annual general meeting next week. The return to shareholders for 1958 is just 11 per cent., made up of a dividend of 10 per cent. and a bonus of 1 per cent. This is the tenth year in succession for which the same return is being given by the Company. The inability of the Company to offer a better return to shareholders is chiefly the result of the Government's unrealistic policy towards the match industry.

The following table shows at a glance the main particulars of the results for 1958, against the background of those for the three preceding years:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Gross sale proceeds	15,65.09	12,84.96	10,24.03	10,16.87
Other income	12 03	12.52	12.54	12.39
Closing stocks	30 47	22.88	29.44	22.84
Raw materials consumed ..	2,27.15	2,00.77	1,91.13	1,87.00
Excise duty	9,38.90	7,05 82	4,95 00	4,84.06
Other expenses	3,15.02	2,98 83	2,73 09	2,63.01
Gross profit	1,04 54	87.50	83.95	90.75
Managing Agents' commission..	8.98	7.45	7.15	8.14
Provision for—				
Depreciation	13.77	11 08	9.67	8.56
Taxation	37.60	33.10	25.15	34.40*
Net profit	44.19	35 87	31.98	39.65
Excess provisions written back	..	6.00	..	..
Transfer to reserves	13 20	8.63	8.75	5.00
Dividend	30.25 (D. 10% +B. 1%)	30.25 (D. 10% +B. 1%)	30.25 (D. 10% +B. 1%)	30.25 (D. 10% +B. 1%)
To extra commission to Managing Agents	..	..	3.58	4.07
Carry forward	1.63	0.00	5.02	5.62

* Includes reserve for deferred taxation, separate figures for which are not available.

It will be observed from the foregoing table that gross sale proceeds have gone up from Rs. 12.85 crores to Rs. 15.65 crores. As against this, excise duty paid by the Company has advanced from Rs. 7.06 crores to Rs. 9.39 crores. So, more than 80 per cent. of the increase in sales reflects the full incidence of higher excise duty on matches. Cost of raw materials consumed has also risen by about Rs. 27 lakhs to Rs. 227 lakhs and other expenses by Rs. 19 lakhs to Rs. 315.02 lakhs. Consequently, the gross profit at Rs. 104.54 lakhs is better by only Rs. 17 lakhs. Although this rise appears to be small as compared with that in sale proceeds, it is nearly 20 per cent. when compared with the gross profit for 1957. It may be noted here that the gross profit for the year under review is the highest to be seen since 1952.

The provisions for depreciation and taxation alike are higher by Rs. 2.69 lakhs and Rs. 4.50 lakhs, respectively. Of the provision for taxation, Rs. 3 lakhs are for wealth tax. After these essential allocations, the net profit shows a modest advance from Rs. 35.87 lakhs to Rs. 44.19 lakhs. Of this, about 30 per cent.—Rs. 13.20 lakhs to be precise—has been conserved by a transfer to the development rebate reserve. The dividend absorbs Rs. 30.25 lakhs, leaving Rs. 1.63 lakh to be carried forward.

In view of the limitations on manufacture of matches, the Company has apparently decided to diversify its manufacturing activity. Thus, it has established a paper mill in Bengal and a chlorate potash factory at Ambernath near Bombay City. The construction of the paper mill was completed in December 1958 and the machinery first started on the 13th of that month. The factory was formally declared open on 3rd February 1959. The Directors say that the mill is working satisfactorily and is at present providing paper for the Company's own requirements. The chlorate of potash factory was also completed last year and is functioning smoothly.

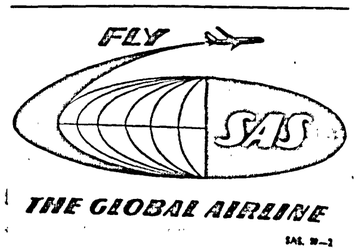
Additions to gross block during the year were of the order of Rs. 102.97 lakhs, including the cost of the paper mill. The total value of gross block is Rs. 442.24 lakhs, as against which a depreciation of Rs. 176.37 lakhs has been provided, so that the value of net block is Rs. 265.86 lakhs. The Company's paid-up capital is Rs. 275 lakhs, as against which there are reserves and surplus amounting to Rs. 158.90 lakhs. The current assets, aggregating Rs. 384.47 lakhs, exceed current liabilities (Rs. 217.01 lakhs) by a handsome margin of Rs. 167.46 lakhs. Despite the large capital expenditure incurred during the year, the cash balances alone stand at Rs. 73.81 lakhs. Thus, the financial position of the Company is sound.

The Rs. 100 paid-up ordinary shares of the Company are currently standing in the market at Rs. 214.50 *cum-div.*, as against Rs. 185.50 four months ago and Rs. 172.50 a year ago. The gain in their value in recent months mainly reflects the investors' hope that the Company's entry into the sphere of paper manufacture will enable it to pay better dividends in the coming years. At the ex-dividend rate of current market value, the yield is 5.4 per cent. per annum.

(*Concluded from next column*)

within a period of three years and has accordingly made an application for the installation of 240 automatic looms to replace very old looms which have outlived their useful life. If the full quota asked for is granted, the Company will require Rs. 18 lakhs towards the cost of looms and Rs. 5 lakhs for renovation of buildings and equipment. Under the Export-Import Bank Credit scheme, the Company has applied for import of a sanforising machine, combers and drawing frames, mixing and blow room machinery and a curing machine. Licences for some of these have already been received and orders have been placed with American manufacturers.

The ordinary shares of the Company of 1 paid-up value of Rs. 100 each are being currently quoted at Rs. 227 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 4.6 per cent. per annum, free of income-tax.



SAS. 59—2

SVADESHI MILL RAISES DIVIDEND LEVEL

MODEST INCREASE IN PROFIT

THE recommendation of the Directors of the Svadeshi Mills Company, Ltd., to enhance the dividend for the year ended 31st December 1958 to 10 per cent. from 9 per cent. paid in respect of 1957 is in consonance with the improved earnings of the Company for the year under review. The gross profit for 1958 has gone up by nearly Rs. 5 lakhs to Rs. 28.83 lakhs. Though this increase makes good only partially the sharp setback in the previous year, when the profit fell from Rs. 49.67 lakhs to Rs. 23.87 lakhs, it should be considered somewhat heartening, in view of the adverse trading conditions experienced by the industry, namely, poor offtake of cloth, unremunerative prices and high cost of production. The Company was, however, fortunate in avoiding heavy accumulation of cloth during most part of the year.

The net profit, too, shows a rise of Rs. 4.69 lakhs to Rs. 11.48 lakhs, in refreshing contrast to the drop of Rs. 24.97 lakhs (that is, from Rs. 31.76 lakhs to Rs. 6.79 lakhs) in 1957. This improvement is after raising the provision for depreciation from Rs. 13.69 lakhs to Rs. 14.95 lakhs and reducing the provision for wealth tax from Rs. 2.50 lakhs to Rs. 1.25 lakh. No amount has been set aside for income-tax, as "there is an adequate surplus in the provision for taxation account." As in the previous year, the entire net profit of Rs. 11.48 lakhs has been transferred to the reserves—Rs. 4.75 lakhs to the development rebate reserve (as against *nil* in the previous year) and Rs. 6.73 lakhs to the general reserve No. 2, to which a sum of Rs. 6.79 lakhs had been added out of the 1957 profit. The entire dividend distribution on the 5 per cent. preference shares and on the ordinary shares, amounting to Rs. 10.75 lakhs, is being paid out of the general reserve No. 1, from which Rs. 9.75 lakhs had been drawn a year ago for a similar purpose.

The salient features of the Company's working results are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds (gross)	3,08.38	3,76.82	3,56.17	3,73.63
Closing stocks of finished goods and wastes	78.67	81.13	84.91	47.58
Consumption of raw materials and stores ..	1,98.31	1,98.33	1,90.20	1,60.51
Manufacturing and other expenses	1,72 58	1,52.41	1,55.58	1,38.81
Gross profit	28.83	23.87	49.67	36.18
Managing Agents' commission.	1.15	0.89	3.62	1.71
Provision for—				
Depreciation	14.95	13.69	14.39	19.00
Taxation	1.25	2.50	..	..
Net profit	11.48	6.79	31.76	15.47
Transfer from reserves	10.75	9.75	..	..
To reserves	11.48	6.79	16.00	2.89
gratuity fund	..	..	1.40	0.35
Dividends—				
5 per cent. preference ..	0.75	0.75	0.75	0.75
Ordinary*	10 00 (D. 10%)	9 00 (D. 9%)	14 00 (D. 12% +B. 2%)	12.00 (D. 12%)
Carry forward	0.29	0.29	0.29	0.68

Sale proceeds have risen by Rs. 21.56 lakhs, while the cost of raw materials and stores consumed is unchanged. Manufacturing and other expenses have recorded a rise of Rs. 20.17 lakhs, of which salaries, wages and bonus alone account for Rs. 19.09 lakhs. A part of this increase —Rs. 5.50 lakhs to be precise—represents the additional bonus paid to workers in respect of the years 1953 to 1956, in terms of the award of the arbitrator.

The paid-up capital of Rs. 1.15 crore is supplemented by reserves and surplus amounting to Rs. 96.23 lakhs. Loans stand reduced from Rs. 59.26 lakhs to Rs. 50.45 lakhs, while current liabilities and provisions have risen from Rs. 54.39 lakhs to Rs. 62.52 lakhs. There has been an addition of Rs. 26.63 lakhs to the gross block, reflecting the progress of reorganisation and renovation of the mills. Of this capital expenditure, new machinery installed during the year accounts for Rs. 23.95 lakhs. This addition to the block account brings the total value of fixed assets at the end of the year to Rs. 302.49 lakhs; this has been written down to Rs. 142.95 lakhs. Works under construction and machinery awaiting installation amount to Rs. 8.84 lakhs. The other assets aggregate Rs. 176.24 lakhs.

The Company's mills are now equipped with 560 automatic looms. It proposes to take advantage of the Government's recent decision to permit the textile industry in the country to install 7,500 automatic looms as replacements

(*Continued in previous column*)

S.T.C. DOES WELL

GROSS PROFIT FAR EXCEEDS RS. 2 CRORES

THE second year of working of the State Trading Corporation of India Ltd., namely, the one ended 30th June 1958, proved to be a very prosperous one, notwithstanding the heavy odds which it had to face and the world-wide decline in economic activity, resulting in a visible shrinkage, for the first time in many years, of international trade. There was a setback in industrial activity, too, which, coupled with the decline in purchasing power and the deterioration in the terms of trade, placed serious impediments in the way of the country's effort to augment export earnings.

Nevertheless, the Corporation's sales turnover in commodities directly traded in by it expanded threefold from Rs. 9.19 crores to Rs. 28.58 crores. The trading profit on this account increased more than six times from Rs. 35.42 lakhs to Rs. 213.09 lakhs. The gross income for the year, including the profit on direct trading activities, agency fees, service charges and interest on deposits, etc., aggregated Rs. 2.86 crores, as compared with Rs. 1.10 crores in the first year of its operation. After meeting the expenses on establishment, administration, contingencies, depreciation, etc., the Corporation earned a profit of Rs. 2.33 crores, the corresponding figure for the previous year being Rs. 83.63 lakhs. The provision for taxation has been stepped up from Rs. 51 lakhs to Rs. 1.21 crore, leaving a net profit of Rs. 1.05 crore, as compared with Rs. 32.63 lakhs a year ago.

The Directors have made certain appropriations, so as to make it easier for the Corporation to build up its business in the succeeding years. Accordingly, they have added Rs. 20 lakhs to the office building fund created last year with a similar allocation. In view of the difficulties which the employees of the Corporation have been experiencing in securing residential accommodation, a beginning has been made with a sum of Rs. 10 lakhs for the construction of residential quarters. Last year, the Directors started an insurance fund with Rs. 2 lakhs to finance a scheme for self-insurance. This fund has now been strengthened with an allocation of Rs. 10 lakhs. As a result of the experience gained in the working of the Corporation, the Directors feel that adequate reserves should be built up to provide against seasonal fluctuations in prices and have, accordingly, created a price fluctuation fund with Rs. 30 lakhs. They have also set up a trade development fund with Rs. 15 lakhs, on an experimental basis. They are of the view that, for enlarging the export of bulk commodities and for promoting overseas sales of industrial products, the Corporation should be in a position to finance developmental and promotional activities. For instance, they point out, the provision of essential facilities in mining areas, the improvement of means of communications in inaccessible regions and the supply of handling equipment at the jetties may help to maximise availabilities and eventually cheapen costs. Promotional expenses in exploring new markets or developing preference for Indian industrial products are known to be unusually heavy and the business associates of the Corporation are unable to meet these costs individually. The Directors have also put aside Rs. 3.06 lakhs in the fertilisers canalisation suspense and have raised the transfer to the general reserve from Rs. 4 lakhs to Rs. 5 lakhs. After these allocations, which take up Rs. 98.06 lakhs, as against Rs. 26 lakhs, the Directors have stepped up the dividend from the maiden distribution of 6 per cent. to 7 per cent.

The Corporation holds the agency for distribution of imported, as well as indigenous, cement. Sales of imported cement rose from Rs. 2.31 crores to Rs. 2.87 crores. Despite the expansion in sales, the total amount of remuneration earned by the Corporation thereon shows a decline from Rs. 2.89 lakhs to Rs. 2.15 lakhs, consequent on the cut in the rate of remuneration from 1¼ per cent. to ¾ per cent. of the gross turnover. Sales of indigenous cement rose from 5.05 million tons of the value of Rs. 52.13 crores to 6.30 million tons valued at Rs. 71.22 crores, while proceeds from exports declined from Rs. 22.17 lakhs to Rs. 18.56 lakhs. The gross surplus earned on distribution of indigenous cement amounted to Rs. 4.55 crores, having declined from Rs. 5.48 crores in 1956-57. After deducting the subsidy amounting to Rs. 59.09 lakhs (Rs. 47.53 lakhs in respect of 1956-57) received on imported cement and adding the interest on investments Rs. 13.90 lakhs (Rs. 1.22 lakh), the net surplus on cement agency comes to Rs. 4.10 crores, as compared with Rs. 5.02 crores in the previous year.

The financial results of the Corporation would have been better still but for the loss of Rs. 6.96 lakhs on soda ash trade and of Rs. 1.39 lakh on tobacco. The loss on soda ash was sustained as a result of the Corporation's effort to maintain the price of the commodity at a steady level, despite the fluctuations in procurement prices. The loss on tobacco was promotional in character and has, since the close of the year, been more than made good in subsequent sale contracts in the current year. The Corporation has had to carry over into the current year purchase commitments of the order of 100,000 tons of manganese ore entered into at a time when prices were ruling at a comparatively high level. This quantity is proposed to be marketed as and when price and demand improve.

The total assets of the Corporation as at the close of June 1958, aggregate Rs. 8 93 crores, of which stock-in-trade accounts for Rs. 1.34 crore, sundry debtors (after making provision for doubtful debts), for Rs. 1.55 crore, loans and advances for Rs. 4.50 crores, cash and balances with banks for Rs. 10 lakhs. As against these, loans from banks and the Government of India aggregate Rs. 2.47 crores and current liabilities and provisions Rs. 4.16 crores, so that the net assets amount to Rs. 2.30 crores. These are represented by a paid-up capital of Rs. 1 crore and reserves and surplus amounting to Rs. 1.30 crores.

MANCHESTER LETTER

(*Concluded from page 777*)

modern machines from one mill to another, so adding to the process of concentration. Single-unit mills, however, may well decide to go out of business altogether. Shareholders themselves, in firms where the assets are known to be substantial, may urge that the directors take the compensation for redundant machinery and go into liquidation.

Compensation and Tax

One aspect of the proposals, still unsolved, concerns the question of how current taxation affects the sums to be paid out under the redundancy programme. Treasury officials will collaborate in further discussions on this vexed topic.

The other really controversial subject, on which divergent views have already been expressed, concerns the compensation to be paid to displaced operatives. A claim for suitable remuneration has twice been rejected by the employers' organisations, but the Government has decreed that the principle should be settled by joint negotiations between representatives of the millowners and the unions.

Rising Yarn Imports

Only three months ago, considerable agitation was caused in the industry and elsewhere by the fact that imports of cotton cloth during 1958 had, by a slight margin, exceeded comparable shipments abroad. As was pointed out at the time, the month of December turned the scales, making Lancashire a net importer of cloth for the first time since the Industrial Revolution.

Subsequently, the situation has decidedly deteriorated. In the first three months of the current year, the quantity of cloth arriving from abroad has so far exceeded exports that, for every two yards shipped, three have been received in this country. Over the quarter, exports aggregated 82 163,000 square yards and imports 121,911,000 square yards.

Of perhaps greatest significance is the change in the position of overseas trade in cotton yarn. Shipments have been declining for some years on a similar scale to the way in which cloth exports have fallen. Meanwhile, imports of yarn have risen and, over the first quarter this year, they have, for the first time ever, exceeded yarn exports.

Arrivals of foreign yarn in the past three months have been half as much again as in the same period last year, lending weight to the warnings issued by Lancashire spinners when the agreement with Hong Kong was negotiated that safeguards should have been introduced to cover business in yarns.

The Board of Trade returns do not specify the countries of origin of such goods, but, if this trend develops, there will be renewed pressure for some form of limitation to be imposed on this fresh menace to the spinning trade.—*All Rights Reserved.*

COMPANY MEETINGS AND DIVIDENDS

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Alleppey, 18th May 1959. Dividend: 5 per cent. or Re. 0.50 per share. Transfer books remain closed from 2nd to 19th May 1959, both days inclusive.

JENSON AND NICHOLSON (INDIA) LTD. Annual General Meeting, Calcutta, 18th May 1959. Transfer books remain closed from 9th to 18th May 1959, both days inclusive.

ASSAM MATCH CO., LTD. Annual General Meeting, Bombay, 20th May 1959. Dividend: Re. 1.25 per share (includes bonus of Re. 0.25 per share). *Transfer books remain closed from 7th to 22nd May 1959, both days inclusive.*

PUNJAB MINERALS CO., LTD. Annual General Meeting, Calcutta, 21st May 1959. Dividend: *Nil.* Transfer books remain closed from 7th to 21st May 1959, both days inclusive.

BUDGE-BUDGE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 22nd May 1959. Dividend: Rs. 5.00 per share. Transfer books remain closed from 8th to 22nd May 1959, both days inclusive.

ORIENT JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 22nd May 1959. Dividend: Rs. 2.50 per share. Transfer books remain closed from 8th to 22nd May 1959, both days inclusive.

LUCKY VALLEY (NILGIRI HILLS) TEA ESTATES LTD. Annual General Meeting, Belmont, Coonoor, Nilgiris, 23rd May 1959. Dividend: Re. 1.00 per share. Transfer books will remain closed from 16th to 30th May 1959, both days inclusive.

SHIVRAJPUR SYNDICATE LTD. Annual General Meeting, Bombay, 27th May 1959. Dividend: Rs. 8.00 per share (includes bonus also), payable on and after 29th May 1959. Transfer books will remain closed from 11th to 27th May 1959, both days inclusive.

VASANTA MILLS LTD. Annual General Meeting, Singanallur, Coimbatore District, 27th May 1959. Dividend: 12 per cent. or Rs. 12.00 per share. Transfer books will remain closed from 13th to 27th May 1959, both days inclusive.

VICTORIA MILLS LTD. Annual General Meeting, Bombay, 28th May 1959. Dividend: Rs. 20.00 per share (includes bonus also), payable on and from 15th June 1959. Transfer books will remain closed from 15th to 28th May 1959, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Annual General Meeting, Calcutta, 29th May 1959. Dividend: Final dividend of 3.8 per cent. making a total of 7½ per cent. per annum or Re. 0.75 per share, for the year ended 31st August 1958. The final dividend is payable on or after 5th June 1959. Transfer books will remain closed from 14th to 29th May 1959, both days inclusive.

GODFREY PHILLIPS INDIA LTD. Annual General Meeting, Andheri, Bombay, 29th May 1959. Transfer books will remain closed from 23rd to 29th May 1959, both days inclusive.

RAYALASEMA MILLS LTD. Annual General Meeting, Rayanagar, Adoni-Thungabhadra Road, Adoni, 3rd June 1959. Dividend: 10 per cent. or Rs. 10.00 per share. Transfer books will remain closed from 25th May to 10th June 1959, both days inclusive.

MODERN MILLS LTD. Annual General Meeting, Bombay, 9th June 1959. Dividend: Rs. 3.00 per share, payable on and after 22nd June 1959. Transfer books will remain closed from 12th May to 3rd June 1959, both days inclusive.

CHAMPDANY JUTE CO., LTD. Interim dividend of 3 per cent. or Rs. 3.00 per share, for the year ended 31st March 1959. Transfer books will remain closed from 13th to 29th May 1959, both days inclusive.

ASHOK LEYLAND LTD. Dividend of 6 per cent. or Re. 0.30 per share, for the year ended 31st December 1958. Transfer books remain closed from 8th to 22nd May 1959, both days inclusive.

SIVANANDHA MILLS LTD. Dividend of 15 per cent. or Re. 1.50 per share, for the year ended 31st December 1958. Transfer books will remain closed from 27th May to 10th June 1959, both inclusive.

ANGLO FRENCH TEXTILES LTD. Dividend of 6 per cent. or Rs. 6.00 per share, for the year ended 31st December 1958. Transfer books will remain closed from 18th May to 8th June 1959, both days inclusive.

ANANDAM RUBBER CO., LTD. Dividend of 10 per cent. or Re. 1.00 per share, for the year ended 31st December 1958.

THAMARAPALLY RUBBER CO., LTD. Dividend of 30 per cent. or Rs. 3.00 per share, for the year ended 31st December 1958.

TRAVANCORE RUBBERS LTD. Dividend of 10 per cent. or Re. 1.00 per share, for the year ended 31st December 1958. Transfer books will remain closed from 13th to 20th May 1959, both days inclusive.

TROPICAL PLANTATIONS LTD. Dividend of 6 per cent. or Re. 1.50 per share, for the year ended 31st December 1958. Transfer books will remain closed from 26th May to 1st June 1959, both days inclusive.

ELLORE ELECTRIC SUPPLY CORPORATION LTD. Interim dividend of 4 per cent. or Re. 0.40 per share, for the year ended 31st March 1959. Transfer books will remain closed from 20th to 24th May 1959, both days inclusive.

COMPANY REGISTRATIONS

CELLULOSE PRODUCTS OF INDIA LTD. Business: Manufacturers and dealers in chemical cottons, methy cellulose etc. Authorised capital: Rs. 50,00,000. Public company. Address: 1687, Kadwa Pole, Darapur, Ahmedabad.

PHOTOMATERIALS (INDIA) PRIVATE LTD. (First Director: Mr. Bidesh Tukaram). Business: Manufacturers, sellers and exporters of photographic goods. Authorised capital: Rs. 5,00,000. Private company. Address: 2nd Floor, Dongre Building, Lamington Road, Bombay 7.

SYNOPSES OF COMPANY REPORTS

Budge-Budge Jute Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October 1958.

The accounts, after charging all expenses and writing back provision against sales tax in respect of previous years, show a profit of Rs. 2,86,438 (loss of Rs. 81,355) of which short provision for taxation in the previous years requires Rs. 12,200 *(nil)* leaving a net profit of Rs. 2,74,238 (debit of Rs. 81,355). From this amount the directors have transferred to development rebate reserve Rs. 924 *(nil)* leaving a balance of Rs. 2,73,314 (debit of Rs. 81,355). To this is added the balance brought forward from last year of Rs. 2,799 (Rs. 4,154) making a total available for distribution of Rs. 2,76,113 (Rs. 65,799 after transferring Rs. 63,000 from dividend equalisation reserve and Rs. 80,000 from general reserve). The directors recommend dividends on preference shares at Rs. 7.00 (Rs. 7.00) per share absorbing Rs. 63,000 (Rs. 63,000) and on ordinary shares at Rs. 5.00 *(nil)* per share absorbing Rs. 1,80,000 *(nil)* leaving a balance to be carried forward of Rs. 33,113 (Rs. 2,799).

Wealth tax for the year is estimated to amount to Rs. 32,000 and the provision made in the previous year not having been required, only the balance of Rs. 2,000 has been provided for by a transfer from investment realisation surplus.

In accordance with the working time agreement of the Indian Jute Mills Association the Company's mill worked 48 hours per week on single shift with 12½ per cent. of the looms sealed up to the 17th May, 1958. From the 18th May, 1958, No. 1 mill was closed down and the Company's allotment of loom hours was worked in No. 2 mill by the equivalent quantity of machinery working double shift. This change to shift working was at first opposed by the labour and for some months a considerable fall in working efficiency was experienced. Latterly the situation greatly improved and the subsequent more economic working of the mill has fully justified the move. Unfortunately this improvement came too late to be reflected in these accounts. From the 2nd March, 1959, manufacture has been further curtailed under the working time agreement by the additional sealing of looms equivalent to 1½ per cent. of the complement on a single shift basis.

As shareholders were advised in February, 1959, the directors of the Company, in conjunction with the directors of other Jute Mill Companies under the managing agency of Andrew Yule & Co., Ltd., are examining proposals for closer integration of their operations. This matter is still under consideration.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Gross block	1,17,96,462
Reserves ...	19,35,850	*Less*—Depreciation ...	70,59,451
Provision for taxation ...	9,875	Net block ...	47,37,011
Provision for wealth tax	32,000		47,37,011
Liabilities ...	23,97,628	Stock-in-trade	27,99,544
Profit and loss account ...	33,113	Stores, spare parts and loose tools	6,45,928
		Work-in-progress ...	1,91,708
		Debts, deposits and advances ...	4,37,309
		Investments	94,797
		Cash ...	2,169
Rs.	89,03,466	Rs.	89,08,466

Orient Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co.. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th November 1958.

The accounts, after charging all expenses and writing back provision against sales tax in respect of previous years, show a profit of Rs. 90,476 (loss of Rs. 55,117) of which short provision for taxation in the previous years requires Rs. 11,600 *(nil)* leaving a net profit of Rs. 78,876 (debit of Rs. 55,117). From this the directors have transferred to development rebate reserve of Rs. 2,325 *(nil)* leaving a balance of Rs. 76,551 (debit of Rs. 55,117). With the balance brought forward from last year of Rs. 5,981 (Rs. 11,098) there is a total amount available for distribution of Rs. 82,532 (Rs. 5,931 after transferring Rs. 50,000 from general reserve). The directors recommend that a dividend on ordinary shares at Rs. 2.50 *(nil)* per share be paid absorbing Rs. 62,275 *(nil)*, leaving a balance to be carried forward of Rs. 20,257 (Rs. 5,981).

Wealth tax, including Rs. 158 short provided in the previous year, is estimated to amount to Rs 22,150 and this has been provided for by transfer of this sum from general reserve.

In accordance with the working time agreement of the Indian Jute Mills Association, the mill worked 48 hours per week with 12½ per cent. of the total looms sealed during the period to which the accounts pertain. From the 2nd March, 1959 a further 1½ per cent. of the looms have been sealed.

As shareholders were advised in February, 1959, the Directors of the Company, in conjunction with the directors of other Jute Mill Companies under the managing agency of Andrew Yule & Co., Ltd., are examining proposals for closer integration of their operations. This matter is still under consideration.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,91,000	Gross block	76,67,180
Reserves ...	22,84,224	*Less*—Depreciation ...	53,39,989
Provision for taxation ...	11,762	Net block	23,27,191
Provision for wealth tax	21,992	Stock-in-trade	17,89,015
Liabilities ...	7,01,152	Stores and loose tools	8,20,758
Profit and loss account ...	20,257	Work-in-progress ...	2,19,233
		Debts, deposits and advances ...	2,66,492
		Investments	71,902
		Cash ...	35,796
Rs.	55,30,387	Rs.	55,30,387

North Bihar Sugar Mills Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 30th September 1958.

The profit and loss account shows a net profit of Rs. 9,824 after providing for depreciation and development rebate. The debit balance of Rs. 13,61,300 was brought forward in the previous year's profit and loss account and including payment of Rs. 403 in respect of the previous year, the total debit balance amounts to Rs. 13,61,703. After adjusting profit of the year against this amount, the net debit balance in the profit and loss account is Rs. 13,51,879. The directors propose to carry-over this balance to the next year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Gross block	34,61,705
Reserves ...	15,000	*Less*—Depreciation ...	16,05,508
Liabilities ...	56,04,331	Net block ...	18,56,197
		Stock-in-trade	19,82,261
		Stores, chemicals etc. ...	7,10,876
		Debts, deposits and advances ...	8,43,787
		Pontoon bridge account ...	2,81,193
		Other assets	51,090
		Cash ...	42,048
		Loss ...	13,51,879
Rs.	71,19,331	Rs.	71,19,331

Travancore Rubber and Tea Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Aspinwall & Co. (Travancore) Ltd., Alleppey] submit the audited accounts of the Company for the year ended 31st December 1958.

It will be seen that, as against a net loss of Rs. 57,573 during 1957, the working of the year 1958 resulted in a net profit of Rs. 3,19,987 after making necessary provision for depreciation on buildings and machinery, and a provision (of Rs. 72,186) for rubber rehabilitation, and also taxes, namely income-tax, agricultural income-tax and wealth tax. The above profit figure includes a net profit on sale of capital assets of Rs. 1,41,680, which, as seen later in this report, the directors are recommending be transferred to capital reserve account.

Rubber.—From 1st October 1958, the metric system of weights was introduced for rubber. For comparison purposes, the total 1958 crop converted into pounds amounted to 10,58,446 (9,37,218) lbs., as against an estimate of 10,10,000 lbs; this was 1,21,228 lbs. more than the crop harvested during 1957. As in 1957, a portion of the rubber crop was sold on the estates as liquid latex.

Expenditure and average sale prices are compared below:—

	Crop	Estate Expenditure	Average Sale price
		cts. per lb	cts. per lb.
1955 ...	10,35,280	70.88	144.64
1956 ...	10,32,428	77.78	145.72
1957 ...	9,37,218	97.72	145.90
1958 ...	10,58,446	85.96	146.16

It is conservatively estimated that a crop of 10,40,000 lbs of rubber will be collected during 1959 at an estate expenditure of 85.20 cts. per lb.

Tea.—The crop harvested during 1958 was 11,79,667 lbs. as against 10,02,302 lbs. during 1957. This crop was 1,77,365 lbs. over last year's crop and 1,29,667 lbs. above estimate.

Comparative figures of tea crops, and sale prices for the year under review and three previous years are given below:

	Crop	Estate Expenditure	Average Sale price
1955 ...	11,65,729	134.87	204.06
1956 ...	8,89,643	183.13	210.90
1957 ...	10,02,302	168.71	158.79
1958 ...	11,79,637	142.86	160.67

In 1959 it is estimated that the tea crop will be 12,00,000 lbs. to be secured at an estate expenditure of 133.21 cts. per lb.

It will be seen that the total area is reduced by 78.35 acres compared with the acreage a year ago. During the year the directors authorised the sale of an area measuring 76.81 acres known as the Mycologist's Field, which land was isolated and remote from other of the Company's holdings and consequently difficult to administer effectively. A further small plot measuring 1.54 acres, unsuitable for cultivation, was sold, making the total land disposed of 78.35 acres.

During the year, steps have been taken to replant 30.90 acres rubber under the Rubber Board's Replanting subsidy scheme, and the work is now progressing well.

General.—The Company's properties did not escape the October Strike, the actual days of complete cessation of work being from 12th to 25th October. The crop estimated to have been lost during that period is 75 000 lbs. rubber and 60,000 lbs. tea. There was consequential loss too: the rubber trees did not come back into full flow of latex for a week or more after resumption of work; and while in regard to tea the stoppage was not long enough to preclude immediate resumption of plucking in most areas as soon as work recommenced, most of the leaf was coarse for some time, and prices well below average were the result. The controlled price of rubber remained unchanged throughout the year under review.

The total available for distribution is Rs. 4,66,621 (Rs. 4,24,227). During the year under review, the directors have distributed Rs. 96,000 (Rs. 96,000) being dividend at the rate of 6 (6) per cent. free of income-tax on preference shares, and after deducting this amount the balance available is Rs. 3,70,621 (Rs. 3,28,227) which the Board recommend be disposed of as under:—

To transfer to capital reserve a sum of Rs. 1,41,680 *(nil)*, to pay of a first and final dividend on the ordinary share capital at 5 (4) per cent. absorbing Rs. 2,05,000 (Rs. 1,64,000) and to carry forward Rs. 23,941 (Rs. 1,06,654 after writing off the previous year's loss brought forward of Rs. 57,573).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	57,00,000	Gross block	85,55,546
Reserves ...	14,20,901	*Less*—Depreciation ...	16,43,709
Provision for taxation ...	3,12,433	Net block ...	69,11,837
Liabilities ...	7,84,375	Stock-in-trade	3,79,745
Profit and loss account ...	23,941	Stores, spare parts etc.	2,09,965
		Debts, deposits and advances ...	2,62,883
		Investments	2,02,876
		Cash ...	2,74,344
Rs.	82,41,650	Rs.	82,41,650

Rayalaseema Mills Ltd.

The directors of the above Company (Managing Agents: The Rayalaseema Development Co., Adoni) present the audited accounts of the Company for the year ended 31st December 1958.

Depreciation of Rs. 2,71,775 (Rs. 1,95,208) has been written off on buildings, plant and machinery. In the profit and loss appropriation account, a sum of Rs. 29 000 *(nil)* has been set apart towards development rebate reserve being 75 per cent. of the development rebate claimed by the Company in respect of additions to plant and machinery made during the year as it is obligatory to provide this reserve under the Income-tax Act, wherever development rebate is claimed. A sum of Rs. 26,316 has been provided towards Wealth-tax for the years 1957 and 1958 and also the arrears for the year 1956 and a sum of Rs. 1,31,000 (Rs. 51,140) towards income-tax on the year's profits.

The above provisions leave an available balance of Rs. 1,69,333 (Rs. 1,38,666) for disposal. The directors have found it necessary again this year to transfer a sum of Rs. 60,000 (Rs. 90,000) out of the amount standing to the credit of dividend equalisation reserve to pay a dividend of 10 (10) per cent. to the shareholders. With the above provisions made in the profit and loss appropriation account, a sum of Rs. 5,956 (Rs. 5,286) is being carried over to next year.

The cotton prices during the year were favourable and the yarn market was steady from about July 1958. This has helped the Company to gain reasonable profit. There was a small export business done during the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,32,300	Gross block	56,65,412
Reserves ...	11,19,000	*Less*—Depreciation ...	25,87,531
Provision for income-tax	4,51,000	Net block ...	30,77,881
Provision for wealth tax	24,854	Stock-in-trade	4,21,106
Liabilities ...	14,50,658	Stock of raw materials	6,06,865
Profit and loss account ...	5,956	Stores and spare parts	2,33,106
		Debts, deposits and advances ...	8,07,241
		Investments	1,19,432
		Stamps on hand ...	545
		Cash ...	17,612
Rs.	52,83,768	Rs.	52,83,768

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

Notices

GUEST, KEEN, WILLIAMS, LIMITED

NOTICE

THE TWENTY-NINTH ANNUAL GENERAL Meeting of the Members of Guest, Keen, Williams, Limited will be held at the offices of Jardine Henderson Limited, 4 Clive Row, Calcutta, on Friday, the 29th day of May 1959, at 12 noon, to transact the following business:—

1. To adopt the Directors' Report and the Audited Accounts for the 53 weeks ended 3rd January, 1959.
2. To declare a Dividend.
3. To elect Directors in the place of those retiring. In this connection, notice is hereby given that a Special Notice as defined in Section 190 of the Companies Act, 1956 has been received by the Company under Section 281 of that Act to move the following Resolution at the Meeting:—

   "That Mr. Reginald Catlow, who is the Chairman of the Company and retires at this Meeting, having attained the age of sixty-five years, be and he is hereby reappointed a Director of the Company, and that the age limit prescribed by Section 280 of the Companies Act, 1956 shall not apply to him."

4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification, the following resolutions:—

5. *As a Special Resolution*

   That, in view of the proposal contained in the next succeeding resolution that Mr. Thomas Kay Walshaw be appointed a Director of the Company, consent be and is hereby accorded to Mr. Thomas Kay Walshaw holding and continuing to hold an office or place of profit under the Company as General Works Manager at the Company's Calcutta Works or such other office or place of profit as the Directors may from time to time decide, upon such terms as to remuneration and otherwise as the Directors may from time to time determine, subject to the Government's approval and, in the meantime, on the terms presently applicable to him.

6. *As an Ordinary Resolution*

   That due notice in writing signifying the intention of a member to propose him as a Director having been left at the Registered Office of the Company pursuant to Section 257 of the Companies Act, Mr. Thomas Kay Walshaw be and is hereby appointed, subject to the approval of the Central Government under Section 269 of the said Act, as a Director of the Company.

The Register of Members of the Company will be closed from the 15th May 1959 to the 29th May 1959, both days inclusive.

By Order of the Board,
W. MORRICE,
Director and Secretary.

41, CHOWRINGHEE ROAD,
CALCUTTA, *14th April*, 1959.

Note:—1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.

Note:—2. No application for Warrants will be necessary and payment of any Dividend declared will be made only to those Members whose names are registered in the books of the Company on the 29th May 1959, or to their Mandatees. Claims on behalf of holders of shares held on blank transfer will not be entertained.

GUEST, KEEN, WILLIAMS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of Guest, Keen, Williams, Limited will be held at the offices of Jardine Henderson Limited, 4 Clive Row, Calcutta, on Friday, the 29th day of May 1959, at 12-10 p.m., or as soon thereafter as the Annual General Meeting of the Company convened for 12 noon on this same date and at the same place shall have been concluded or been adjourned, for the purposes of considering and, if thought fit, passing, with or without modification, the following Resolutions, namely:—

1. *As an Ordinary Resolution*

   That the Directors be and they are hereby authorised to allot and issue 4,76,850 Equity (Ordinary) Shares of Rs. 10 each, credited as fully paid up, by way of exchange for the issued shares in the capital of Sankey Electrical Stampings Private Limited, without such new Equity (Ordinary) Shares being first offered to the Members in proportion to the existing shares held by them.

2. *As an Ordinary Resolution*

   That the foregoing Resolution is and shall be subject to the consent of the Controller of Capital Issues being granted to the issue of 4,76,850 Equity (Ordinary) Shares of Rs. 10 each, credited as fully paid up, and also to such other consents required under statutory or other regulations.

3. *As an Ordinary Resolution*

   That in accordance with the authority given under Article 62 of the Articles of Association of the Company, the authorised Capital of the Company be increased from *Rs. 3,00,00,000* to *Rs. 6,00,00,000* divided into 60,00,000 Equity (Ordinary) Shares of Rs. 10 each.

4. *As a Special Resolution*

   That, subject, as regards the alterations set out in paragraphs (b) and (c) below, to the approval of the Central Government, the Articles of Association of the Company be altered as follows:—

   (a) By deleting Clause 4 and substituting in place thereof the following Clause:—

   "The Authorised Capital of the Company is *Rs. 6,00,00,000* divided into 60,00,000 Equity (Ordinary) Shares of Rs. 10 each."

   (b) In Clause 104 by deleting the word "nine" and substituting in place thereof the word "twelve."

   (c) In Clause 106 by deleting the figure "200" and substituting in place thereof the figure "500."

The Register of Members of the Company will be closed from the 15th May 1959 to the 29th May 1959, both days inclusive.

By Order of the Board,
W. MORRICE,
Director and Secretary.

41, CHOWRINGHEE ROAD,
CALCUTTA, *1st May*, 1959.

Note:—A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.

THE RAYALASEEMA MILLS LTD.
ADONI, KURNOOL DISTRICT

NOTICE

NOTICE IS HEREBY GIVEN, THAT IN pursuance of the requisition received in writing, under Section 188 of the Companies Act 1956, by members holding more than 1/20th of the total voting power of all members having at the date of requisition a right to vote at the Annual General Meeting and on the resolutions and business to which the said requisition relates to, the supplementary resolutions and the explanatory note as given in the said requisition, details of which are contained in the supplementary notice, posted to the members of the Company, will be placed at the 13th Annual General Meeting of the Shareholders on Wednesday the 3rd June, 1959, at 2-00 p.m. at the Registered Office of the Company, Rayanagar, Adoni-Thungabhadra Road, Adoni P.O.

FOR THE RAYALASEEMA MILLS LTD.,
THE RAYALASEEMA DEVELOPMENT COMPANY,
M. SOMAPPA,
Senior Partner,
Managing Agents.

27th April, 1959.

THE ELLORE ELECTRIC SUPPLY CORPORATION, LIMITED

Registered Office:
20, 2nd LINE BEACH, MADRAS-1.

INTERIM DIVIDEND ANNOUNCEMENT

NOTICE IS HEREBY GIVEN THAT THE Directors at their Meeting held today at the Registered Office have RESOLVED to declare an INTERIM DIVIDEND for the year 1958-59 at 4 per cent. free of income-tax.

The Share Transfer Books will remain closed from 20th May, 1959 to 24th May, 1959, both days inclusive.

The Dividend Warrants will be posted to those members whose names stand on the Register of Members on 19th May, 1959, on or after 25th May, 1959.

By Order of the Board,
For CHANDRIE & CO. PRIVATE, LTD.,
S. VENKATARAMAN,
Director,
Managing Agents.

27th April, 1959.

U.K. CLOTH TRADE

Britain's imports of cloth during the first quarter of 1959 were only slightly more than those in the same period last year and the fall in exports is the reason for the sharp disparity in the totals. Both India and Hong Kong have raised their shipments of grey cloth to Britain as compared with 1958, the figures being 41,307,000 square yards, as against 36,772,000 square yards from India and 36,565,000 square yards, as against 23,672,000 square yards from Hong Kong. Other Commonwealth countries have stepped up their sales from only 245,000 square yards to 4,238,000 square yards. Chinese cloth arrivals during the quarter have shown a marked decline, from 28,321,000 square yards to 8,712,000 square yards. Japan has sent 8,448,000 square yards, as against 10,068,000 square yards.

Chiefly responsible for the fall in exports of cotton cloth are distinctly lower shipments to several of the larger Commonwealth markets. So far trade with South Africa has been halved as compared with 1958 at 9,525,000 square yards; while there has been a sharp drop of nearly 6 million square yards in shipments to Australia at 12,859,000 square yards. West African trade has also declined, smaller quantities being sent to Nigeria, the Belgian Congo and French territories in the area.

ARAB OIL CONGRESS REVIEWED

ITS PRACTICAL EFFECTS WILL TAKE TIME TO APPEAR

[This article conveys a firsthand account and impression of last month's Arab Oil Congress in Cairo where many crucial questions affecting the oil industry in the Middle East were discussed, among some 500 participants from many parts of the world. The subject of nationalisation was not raised. The wide-ranging frank talk and the fresh understandings and goodwill created suffice to rate the meeting a success.]

LAST month's Oil Congress in Cairo was surprised at its own size. Over 500 people, members of the Congress and observers from many parts of the world, came together at the invitation of the Oil Committee of the Arab League, to talk about oil matters which were not clearly specified in advance. The air of mystery was not clarified by the announcement that the conference was essentially technical and cultural—terms which, today, are so delightfully vague as to embrace anything, especially in an atmosphere where Arab nationalism may take various forms, and where claims for more oil revenues, and desire to display originality of thought, are bound to appear and to evoke argument and counter-argument. And so it proved. There were a number of strictly technical papers which passed uneventfully and raised no one's heart-beats. But there were a very few papers of a general character which will continue to be discussed long after the end of the Congress.

One of these, on the first working day of the Congress, provided a mild shock to the gathering—a paper by an American lawyer, Mr. F. Hyndrex, of the Saudi Arabian Directorate General of Petroleum and Mineral Affairs, entitled "A Sovereign Nation's Legal Ability to Make and Abide by a Petroleum Concession Contract." This sought to show that there could be circumstances in which a Government could unilaterally break or amend a contract it had entered into. It struck a jarring note just when everybody wanted a spirit of goodwill and bonhomie to prevail. In fact, the paper fell rather flat, and caused much less of a stir than it has done in the Press abroad. Points in the paper were challenged, but few cared, or were qualified, to embark on a contentious legal argument. The general impression seemed to be that whatever the ultimate legal rights no business man, building or other contractor, or concessionaire, whether Arab or foreigner, would be happy to deal with Governments given to insistence on such a right. No Arab Government representatives offered any support to this paper, though quite a few of them would like to see existing arrangements with the oil companies modified. Mohamed Salman, Chief of the Arab League's oil department which had convened the Congress, in his earlier welcoming speech had referred to changing conditions which call for the companies to amend their contracts, so that Arabs should not feel that their share of profits was unjust. But he reiterated that the Arab world felt no enmity towards foreign petroleum companies, nor wished to eliminate them. The impression given was that this was all a matter for negotiation and, indeed, that the experience of the Congress would help everybody to see the necessity and wisdom of making such a revision. One or two delegates from other Arab countries, speaking later than Mr. Hyndrex, took the opportunity to assert their country's belief in the sanctity of contracts.

Oil Pipeline Plan

The incongruity of Mr. Hyndrex's contribution was evident when subsequently the head of the Saudi delegation, Shaikh Abdullah Tariki, put forward his plan for a big entirely Arab-Government-owned crude oil pipeline from the Persian Gulf to the Mediterranean (which might cost the equivalent of some $600 million or more) which he thought might be financed by banks in the oil-consuming countries. The conservatism of bankers, their sensitiveness to the slightest suggestion of departure, for whatever reason, from a contractual commitment, and the high degree of risk which banks in Europe or the U.S.A. consider attaches to any investment in the Middle East, are obviously matters which will have to be faced. But Shaikh Abdullah thought also that the project might be financed by Arab funds and so provide, as he put it, an outlet for investment of hoarded money in Arab countries.

Explaining this proposal, he foresaw that in 1967 Middle East production would be 11.5 million barrels a day (an estimate regarded by some forecasters as far too high) of which he calculated 1.25 million barrels a day would have to go round the Cape if another pipeline were not built. His project is for a 1,250-mile line, with a total capacity of at least 800,000 barrels daily, subject to increase by adding pumping stations. It would, he claimed, make Arab oil more and more competitive all over the world.

The idea was that the pipeline system would begin with a 14-inch section from Qatar to Dammam, a 20-inch section from Dammam to a junction with a line from Kuwait, and thence with increasing diameter taking in, by stages, oil from southern Iraq, Kirkuk, and possibly some Persian production too, also oil from the new Karatchok field in Syria; the location of the terminal on the eastern Mediterranean was not specified. Incidentally, pumping stations would as far as possible be remotely controlled, which, he said, would provide a big economy of fixed and variable costs compared with costs of existing pipelines in the region.

Profit Distribution

Detailed proposals for participation in the profit distribution have not been agreed upon, and ready agreement between Arab States on this was not foreshadowed by anything at the conference. Rather the reverse since, in this context, Shaikh Abdullah referred to his country as a "have-not" whereas this is a category in which the transit States without oil production would emphatically not include the admittedly underdeveloped Saudi Arabia. The importance attached to the Arab pipeline scheme was emphasised by the final statement of the Congress, but it remains to be seen what practical steps can be taken by the Arabs to put it into effect.

A great deal of the social and political tension in the Middle East, and in the oil-producing countries there, arises from the maldistribution of oil wealth among the several territories, also within those territories. A contribution from Mr. Emile Bustani, a big business man from the Lebanon, sought to grapple, in part, with the first of these problems. His scheme, now officially supported by the Lebanese Government, and in which the Ruler of Kuwait has promised to co-operate if others will do the same, is for an Arab Development Bank, to which Governments and oil companies in Arab producing countries should each contribute, as capital, 5 per cent. of their oil revenues or profits. The Bank would lend its funds, at 2½ per cent., for development projects, initially in the transit countries, Jordan, Lebanon and the U.A.R. This would give them a real stake in continuance of the flow of oil to the west. About £35 million a year would be available in the early years, but this would gradually rise. A National Development Corporation, to whom the Development Bank would lend its funds, would be formed in each Arab State. Fifty per cent. of the shares would be held by the Government and the rest offered to the public in the State. Private concerns needing funds for industrial projects guaranteed by the National Development Corporations could also borrow from the Bank, and the Corporations' schemes could themselves be later sold to private enterprises if desired. As a corollary, Mr. Bustani would have the transit countries thus benefiting—on a loan, not a gift basis—enter into internationally recognised treaties with the oil-producing States to guarantee the use of the pipelines crossing their territories. Thus stability and security would be furthered as well as economic development.

Economic co-operation of this kind clearly postulates a high degree of Arab unity yet to be achieved. The Congress took note of the scheme at its final session and recognised the advisability of referring it to the Arab League, which has itself already set up an Arab Development Bank. Mr. Bustani is a practical man of tremendous drive and more will surely be heard of his proposal.

In the working sessions group of the Congress devoted to "Petroleum Economics, General and Miscellaneous," there were besides those noted above which particularly caught the imagination of the Congress, several able papers of more specialised interest. A member of the Libyan delegation, Mr. Anis el Kassem (who made an admirable chairman of the group), in a paper, "Petroleum Legislation in Libya," outlined the principles underlying oil legislation and their adaptation to the circumstances of each country. The terms in which they were embodied in Libya's Petroleum Law have attracted a number of companies to energetic exploration in an area which at the outset was not very attractive. Another paper which attracted serious concentrated interest early in the Conference was a discussion by Mr. Farouk el Bakkary of the U.A.R. Chamber of Mines and Quarries, of the legal, economic and political effects of the principle of State ownership of mineral wealth.

Another U.A.R. delegate, Dr. Mohamed Selim, described the birth and progress of Egypt's General Petroleum Company, the first

(*Continued on page 796*)

PALAI CENTRAL BANK LIMITED

NOTICE IS HEREBY GIVEN THAT THE 31st Annual General Meeting of the above Company will be held at the Registered Office of the Company at Palai on Saturday the 30th May 1959, at 3.30 p.m., to transact the following business:—

1. To consider the audited Balance Sheet as at and Profit and Loss Account for the year ended 31st December 1958 and the reports of the Directors and Auditors.
2. To elect Directors in place of retiring Directors.
3. To appoint an Auditor or Auditors and to fix his or their remuneration. The retiring Auditors, Messrs. Srinivasan & Co., Chartered Accountants, are eligible for reappointment. Special notice has been received from a member that he proposes to move the following resolution, viz., "that the retiring Auditors of the Company, Messrs. Srinivasan & Co., Chartered Accountants, Kottayam, shall not be reappointed."
4. To consider and if thought fit to pass the following special resolution which would be moved as a special resolution:—

   "Resolved that sub-clause (2) of Article 65 of the Articles of Association of the Company be deleted and that sub-clause (1) be numbered as Article 65 and further that the last sentence in sub-clause (1) of Article 79 be also deleted."
5. To transact any other business that can be transacted at the meeting.

The Explanatory Statement under Section 173 of the Companies Act is annexed hereto.

A Member who is unable to attend in person is entitled to appoint another (whether a Member or not) as his proxy to attend and vote instead of himself subject to Section 176 of the Act. Such proxy should reach the Registered Office of the Company at least 48 hours before the time fixed for the Meeting.

The Register of Shareholders and the Transfer Books of the Company will be closed from 9th May 1959 to 29th May 1959, both days inclusive.

By Order of the Board,

K. JOSEPH AUGUSTI,
Managing Director.

PALAI, *29th April*, 1959.

STRINGENCY IN MONEY CONTINUES

(From Our Own Correspondent)

BOMBAY, *6th May*

There are some signs of a slackening of demand for bank credit, but it is too early to say that the busy season has come to an end. For the overall requirements of banks far exceed the available supplies in the short-term money market, with the result that banks are still heavy borrowers and interest rates are firmly held at the previous week's levels. Inter-bank call money is being offered 3½ per cent. by Exchange banks and big Indian banks. Stray transactions are being done even at 3¾ per cent. The representative rate among the smaller Indian banks for call money is 3¾ per cent. House money at seven days' notice is unchanged at 3¾ per cent. and short-term deposits at 3¾ to 4 per cent. for one to three months.

There was a slight improvement in the response to the Government of India 91-day Treasury Bill sales this week, the total amount offered being Rs. 2.25 crores, as against Rs. 2.05 crores last week; the amount invited was the same at Rs. 2 crores. The average discount rate was, however, unchanged at 2.800 per cent. for the third week in succession. Tenders for Rs. 2 crores have been invited for next week also. There has been no sale of Intermediate Bills in the week ended 2nd May. These Bills will, however, be offered this week at Rs. 99.316 per cent.

The Reserve Bank of India statement for the week ended 1st May 1959 shows no worthwhile variations in the Issue Department. There has been no change in foreign securities, but balances held abroad (in the Banking Department) have recorded a further drop of Rs. 5.47 crores, so that the total foreign assets stand at a low of Rs. 203.22 crores. Central Government deposits show a fractional decline of Rs. 35 lakhs. Deposits of other Governments are lower by Rs. 10.53 crores and those of banks by Rs. 7.89 crores. Loans and advances to Governments have declined by Rs. 4.55 crores, while other loans and advances are higher by Rs. 2.52 crores. Investments show a fall of Rs. 10.53 crores and so also Government Treasury Bills purchased and discounted by Rs. 1.95 crore.

The Scheduled banks' statement for the week ended 24th April 1959 shows, for the first time in many weeks, a drop of Rs. 3.43 crores in advances. Bills purchased and discounted are, however, slightly higher by Rs. 56 lakhs. Banks' deposits have gone up by Rs. 9.30 crores, the rise being mainly accounted for by time deposits which have risen by Rs. 8.37 crores. Inter-bank borrowings show an increase of Rs. 3.62 crores, while borrowings from the Reserve Bank and the State Bank of India stand reduced by Rs. 5.89 crores and Rs. 3.40 crores, respectively. Investments have been enlarged by Rs. 1.50 crore and cash balances and balances with other banks by Rs. 14.62 crores.

The Gilt-edged market continues to be listless. Transactions are few and far between and hardly any variations are noted in prices. Institutional interest is still at a low ebb on account of the persistent stringency in the money market. There are, on the contrary, sellers in a few counters and this is keeping the sentiment subdued. State loans are also friendless.

In the foreign exchange section, the rupee is ruling steady in terms of the U.S. dollar; banks' selling rate is being maintained at Rs. 475.25 and their buying rate at Rs. 471.75 per $100. This is in consonance with the trend of sterling abroad. In New York, spot sterling, after an initial setback from $2.81.21/32-2.81.23/32 to $2.81¼-2.81.9/16 has regained to $2.81⅝-2.81.11/16. Three months' forward has gone up over the week from $2.81.5/32-2.81.7/32 to $2.81.3/16-2.81¼.

BASE METALS MOVE UP

(From Our Own Correspondent)

CALCUTTA, *5th May*

Base metals moved up during the week under review, following higher advices from abroad and increased local demand. From Rs. 93, electrolytic zinc spurted to Rs. 96.50 and moved up gradually thereafter to close fully steady at Rs. 93.50. Demand from consumers being insignificant, the rise followed covering demand. Consumers thought that the rise would prove temporary and that a reaction would start when fresh arrivals would be received. The rise on the London Metal Exchange was attributed to increased consumer demand as also to the hardening trend in New York.

Virgin lead at Rs. 70 was higher by Re. 1.50 as compared with the opening quotation. The gain was mainly due to the steady trend in London.

Tin, after being higher at Rs. 581, as against the opening of Rs. 580, closed at Rs. 579. The rise was not followed by buyers.

KIPS EASY

(From Our Own Correspondent)

MADRAS, *4th May*

World leather prices, which were moving on the higher levels, seem to have received a setback, as the U.S. has reported a decline of 10 per cent. recently. The U.K. importers are unable to obtain Madras equivalents for their leather. They, therefore, continue to keep out of the market.

Kip prices have eased after touching peak levels, while tanned skins may be said to be nearing top.

Arrivals of tanned cow hides are meeting with good clearance at 15 to 20 nP less, while buff calf and cow calf continue to be in short supply. As regards buff hides, sellers are quoting unworkable prices.

Tanned goat is firm and sheep steady.

BULLION IRREGULAR AT HIGHER LEVELS

(From Our Own Correspondent)

BOMBAY, *6th May*

The bullion market ruled bullish during the major part of the week under review, but turned easy yesterday. A steady trend was in evidence today. The bullish fervour earlier in the week was engendered by the Central Government's announcement in Parliament that it would continue to acquire the entire production of Mysore gold at the official rate (Rs. 62.50 per tola, as against the market rate of about Rs. 125). This decision, together with the considerably restricted scope for arrivals of contraband gold as a result of the check on smuggling out of Indian currency and expectations of enlarged demand for the metal as hedge against inflation, led to fears of acute scarcity in supplies in the coming months. There was, therefore, hectic buying by bulls, with the result that prices moved forward further. In sympathy, silver also appreciated in value. After the option settlement (unofficial, of course) on Tuesday, however, both the metals were subjected to long liquidation. Following deterrent margin requirements, the bull operators who had applied call options turned out to be keen sellers. A leading bull operator was also reported to have supplied contracts freely. Selling was more pronounced in silver, following the Union Finance Minister's statement in the Rajya Sabha confirming the earlier report that the Chinese Government had lifted the ban on the export of Chinese dollars to India from Tibet with effect from 17th April 1959.

In the gold section, May settlement met with good buying support and rallied from Rs. 122-8-6 to Rs. 124-15 on the 3rd inst. After receding to Rs. 123-4 yesterday, it recovered to Rs. 124-1 today before closing at Rs. 123-8. The net rise over the week was As. 15-6. June settlement moved up from Rs. 121-8 to Rs. 122-15 in the course of the week and finished at Rs. 121-7 today. Business in July settlement commenced at Rs. 121-1 today. It was quoted at Rs. 120-13 towards the close.

The backwardation rate for May settlement widened considerably from Re. 1-0-6 on Wednesday (29th April) to Re. 1-13 on Monday. Thereafter, it narrowed down and stood at Re. 1-1 today. As the backwardation rate was more than a rupee throughout the week, the bulls were required to deposit a margin of Rs. 25 per tola. Since the closing rate for June settlement on Monday was higher than the starting rate by Rs. 5, the bulls were required to pay a special margin of Rs. 7 per tola under By-law 33C.

Ready gold forged ahead from Rs. 123-14-6 to Rs. 125-11 on Monday and, after declining to Rs. 124-5 yesterday, recovered to Rs. 124-15 today before closing at Rs. 124-7. The highest level touched during the week marks a new peak for the yellow metal so far. The daily average arrivals and offtake of gold were 3.500 tolas and 4,000 tolas, respectively. The floating stocks of gold are estimated at 20,000 tolas.

May settlement in silver opened the week firm at Rs. 199-10, as against Rs. 199-2, and spurted on enlarged enquiries to touch a high of Rs. 200-14 on the 3rd inst. After easing subsequently to Rs. 198-2 yesterday, it recovered to Rs. 199-2 today before finishing at Rs. 198-7. June settlement hardened from Rs. 197-6-6 to Rs. 197-15 early in the week, but came in for selling in the following sessions and moved down gradually to Rs. 194-10 today. Towards the close, it was As. 3 higher. The backwardation rate for May settlement, which stood at Re. 1-14-6 on Wednesday, exceeded Rs. 2 during the week and actually touched as high as Rs. 3-10 today. This rise brought into force the margin of Rs. 2,500 per bar on open bull position in May settlement. July settlement was quoted today at Rs. 193-14, as against Rs. 197 at which business in it commenced on Monday.

Ready silver evoked good buying orders early in the week, the quotation advancing from Rs. 201-9 to Rs. 203-11 on the 3rd inst. Thereafter, selling ensued and the rate declined, today's closing rate being Rs. 201-3. The daily average arrivals of silver were 17 bars, while the offtake was 18 bars per day. The floating stocks of silver are reported to be around 400-500 bars.

Trading in the London bullion market during the week under review was characterised by large turnover in ready gold, induced by Continental buying and weakness of pound sterling *vis-a-vis* the dollar. Yesterday's quotation stood at 249s. 3¾*d.* per fine ounce, as against 249s. 2*d.* a week before. The dollar price of gold in London was firm, the latest available rate being $35 08¾-$35.10¾. Ready and forward silver, however, were unchanged this week, too, at 79½*d.* and 78¾*d.* per ounce, respectively, despite some demand from "essential" industry. Silver in New York also was unaltered at the last week's rate of 91.375 cents per ounce.

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

	6-5-59	Highest	Lowest	29-4-59
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	124 7	125 11	124 3	123 14½
Forward*	123 8	124 15	122 11	122 8½
Sovereign	78 8	78 12	78 4	78 4
SILVER				
Ready (.996 fine Mint) ..	201 3	203 11	200 12	201 9
Forward†	198 7	200 14	198 2	199 5
London Silver Ready ..	79¼*d.*	—	—	29-4-59 79¼*d.*
London Forward	78⅞*d.*	—	—	78⅞*d.*
London Gold	249s.3¾*d.*	249s.3 ¾*d.*	249s. 2*d.*	249s. 2*d.*
New York Silver	91.375c.	..	..	91.375c.

* 23rd May settlement. † 25th May settlement.

COTTON FUTURES DECLINE AFTER EARLY FIRMNESS

(From Our Own Correspondent)

BOMBAY, *6th May*

Barring a temporary setback on Saturday, the cotton futures market continued to rule buoyant till Monday, although it declined towards the close. The early buoyancy would appear to have been influenced by the statement of Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, that the Government's policy was to reopen all those textile mills in the country which had closed and which could be run economically. Operators also noted the Minister's observation that the Union Government would do its best for helping the State Governments financially to run the mills. Encouraging reports from the piece-goods market where stocks were said to have declined to normal levels, the small volume of tenders against the maturing Jarilla May contract and the news that mill consumption of raw cotton in March showed a further rise over the February figure imparted further strength to the market. Saturday's setback was due to Mr. Shastri's warning against excessive speculation. But it proved short-lived and the market again firmed up on Monday, thanks to keen mill buying and investment support. The Jarilla August contract spurted to touch a record high of Rs. 706.25. The market staged a decline yesterday as bulls started liquidation. The downward trend continued till the close today.

I.C.C. Moglai Jarilla May opened the week firm at Rs. 697, as against the previous day's close of Rs. 695.75 and, after improving to Rs. 698, declined to Rs. 692 on Saturday. The contract again rallied to Rs. 696.50 on Monday before receding to Rs. 691.50 yesterday. Opening at Rs. 692 today, it gathered three rupees before closing lower at Rs. 690.75. Tenders issued against the contract on 1st May, the first notice day, aggregated 550 bales and on the second day, that is, 4th inst., 400 bales, making a total to date of 950 bales. With the May contract fast running out, the August contract was in the limelight. Commencing the week at Rs. 703, the contract improved to Rs. 704 the next day, declined to Rs. 699 on Saturday and again rose to a peak of Rs. 706.25 on Monday. It met with bull liquidation yesterday, declining to Rs. 701. Opening at Rs. 702.25 today, the contract improved to Rs. 705 before finishing lower at Rs. 701.75.

The following table indicates the trend of prices of the contracts during the week:

(In rupees per candy of 784 lbs.)

	6-5-59	*High*	*Low*	30-4-59
I.C.C. Moglai Jarilla May 1959 ...	690.75	698	690.50	695.75
I.C.C. Moglai Jarilla August 1959 ...	701.75	706.25	699	700.25

In the spot section, mill activity was fairly well maintained early in the week but towards the close it flagged. Spot values, however, continued to rule firm. Ahmedabad mills purchased sizable quantities of Kalyan, while Bombay mills were especially interested in Vijay and Digvijay. Some of the other varieties which came in for business were Jaydhar, Laxmi, Morvi, Kala, Manavdar, Wagad.

Business for export was negligible. Foreign demand continued to be very slack. Even stray inquiries, occasionally forthcoming, did not result in any substantial business as foreign price ideas were below Indian offers. The low level of foreign demand is reflected in the progress of sales for export. Thus, sales registered against the remaining unutilised export quota of 250,000 bales up to 25th of last month aggregated only 54,136 bales and the quantity passed for shipment a mere 13,332 bales.

In the foreign section, there was no special development to note. Importers were eagerly awaiting permission for import of 100,000 bales of cotton stapling 1-1/16" and above. Present indications are that the announcement might be delayed as the Government is reported to be considering the proposals submitted by the Indian Cotton Mills Federation for amending the existing export incentive scheme for textiles.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 690; Berar Jarilla 780; Khandesh 865; Vijay 1,005; Hubli Laxmi 1,065.

Quiet conditions prevailed in the Karachi cotton futures market during the week under review. In the absence of any new development, trading interest was low. Turnover was limited and prices moved in a narrow range showing practically little change over the week. N.T.R.G. May improved fractionally to Rs. 53 while the July contract was unchanged at Rs. 54-8. The spot section was also inactive. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 75; Punjab *Deshi* 63-8; 4 F Punjab Roller 62-8; S.G. 66; L.S.S. Punjab Roller 63-8; S.G. 66-8; N.T. Roller 63-8; S.G. 69. 289 F Punjab Roller 66-8; S.G. 73.

Cotton futures values in Alexandria made small gains during the week, thanks to support influenced by export demand from East European countries and firm spot advices.

The Ministry of Agriculture in its fourth and final crop estimate put production at round

1,327,324 bales (of 720 lbs.), excluding Scarto. This compares with the third estimate of 1,323,766 bales and the second and first estimates of 1,330,284 and 1,328,493 bales, respectively.

Bids at the recent auctions for all Sudan styles were above minima. G6S and lower S grades and G5L and lower L grades have been fetching appreciably higher prices. The new crop is considered a high grade crop and there are apprehensions that the proportion of the lower grades produced as against higher grades might be less than normal. However, the higher price trend did not affect buying enthusiasm and the turnover at the auctions continued to be very encouraging. Among the prominent purchasers were U.K., Italy, Germany and France. Sales of Private Estates cotton were reported to have been small because growers were inclined to keep their holdings in the hope of much better prices. Of an expected Private Estates crop of 210,000 bales, about 140,000 bales are estimated to have been already marketed.

The Liverpool cotton futures market ruled easy during the week. Values receded on hedge pressure by mills and Commission House liquidation. American interest in Liverpool were also mentioned as sellers. The selling would appear to have been influenced by higher export subsidy rate for U.S. cotton announced by the Department of Agriculture on the 1st inst. It was expected that this will make U.S. cotton more cheaply available in Liverpool in the future. Sudan contracts came in for active trading. The quotations improved on sustained firm advices from Khartoum. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: May-June 21.90; July-August 22.23; October-November 21.65; December-January 21.25. *American cotton Mixed growth contract*: May-June 22.60; July-August 22.60; October-November 21.85; December-January 21.30. *Sudan*: May-June, July-August, September-October 25.75.

The U.S. Department of Agriculture announced on the 1st inst., the operating provisions of its payment-in-kind export programme for upland cotton for the 1959-60 marketing year. The programme, the Department said, will, in general, be a continuation of the one in effect in the present marketing year. The subsidy to be paid to exporters will, however, be raised next year to 8 cents per lb. from the present rate of 6.5 cents per lb. It has been already announced that the Department will end cash sales of surplus Government-owned cotton at the beginning of the next marketing year commencing on 1st August.

The announcement of the higher export subsidy rates touched off a wave of speculative buying on the New York Cotton Exchange. Cotton futures, consequently, rallied. Report of wet cold weather in Lousiana, Georgia and Caroline, which necessitated considerable replanting, also imparted strength to the market.

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

(In cents per lb.)

	5-5-59	28-4-59	20-4-59
Spot	36.25	36.10	36.05
March	35.89	35.88	35.89
May	34.96	34.94	35.10
July	32.77	32.68	32.64
October	—	—	—

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 6th *May*

The yarn market put on a dull appearance during the week under review, thanks to absence of any fresh encouraging development. Operators were not inclined to extend their commitments either way, in view of the continued uncertainty regarding the Government's decision on the Export Promotion Scheme for rayon textiles. It was reported that stocks of rayon yarn with importers and dealers had increased quite markedly in recent weeks, as a result of large arrivals of imported yarns. Staple fibre yarns lacked support on reports that the supply of raw staple fibre had improved considerably and many mills were spinning staple fibre yarns in large quantities. Advices from consuming centres were also not helpful. Business put through in cotton yarns continued to be restricted, with values moving narrowly.

Cupressa Bamberg yarn (60×1) June delivery dropped Rs. 7 to Rs. 1,454. Spot yarn was, however, firm at Rs. 7.22, as against Rs. 7.12. 120 Japan and 150 Japan were quiet at Rs. 4.72, as also 150 Italy at Rs. 4.68. 120 Italy, however, met with good support and spurted by 16 nP to Rs. 5. Indigenous yarns were well favoured, National Rayons 150 bright cones first grade rising by 2 nP to Rs. 4.12 and 120 bright cones first grade by 6 nP to Rs. 4.56.

Staple fibre yarn 40×2 June delivery, after remaining depressed at Rs. 588 in the early part of the week, improved to Rs. 592 today. Spot Centurys eased by 3 nP to Rs. 3.12. Kohinoors lost a naya paisa to Rs. 3.21. Citys, however, were higher by 2 nP at Rs. 3.08. Among imported yarns (80×2) Paramounts climbed down from Rs. 7.41 to Rs. 7.31.

In the cotton yarn section, ten counts Moderns were dull at Rs. 13.25 and Podars at Rs. 12.19. Twenty counts Moderns were unchanged at Rs. 16.25. Forty counts Minaxis and Moderns were quoted at Rs. 25.06 and Rs. 26, respectively, same as last week. Sixty counts Raghuvamshis were dull at Rs. 65. Eighty counts Mahendras and Finlays were unaltered at Rs. 71 and Rs. 81, respectively, while Citys attracted special support and advanced 75 nP to Rs. 67.75.

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

	6-5-59	29-4-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg		
June (per case of 200 lbs.)	1,454	1,461
60/1 Cupressa Bamberg spot (per lb.)	7.22	7.12
120 Japan (per lb.)	4.72	4.72
150 Japan („)	4.72	4.72
120 Italy („)	5.00	4.84
150 Italy („)	4.68	4.68
Staple fibre yarn—		
40×2 June (per case of 200 lbs.)	592.00	589.00
40×2 Century (per lb.)	3.12	3.15
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern	16.25	16.25
40s Minaxi	25.06	25.06
60s Finlay	65.00	65.00
80s City	67.75	67.00

GROUNDNUT AND CASTOR BOUYANT

(From Our Own Correspondent)

BOMBAY, 6th *May*

Virtual boom conditions prevailed in the oilseeds market during the week under review. Groundnut and castorseed futures prices set up new records today. This imparted strength to the other sections as well. Encouraging advices from abroad and shortage of supply were the two outstanding causes behind this upward trend in prices.

Against the background of tight supply position, the persistent demand from *vanaspathi* manufacturers and crushers for oil and seeds even at higher levels pushed up the prices further in the groundnut section. Besides, there was a belief among operators that there were bright prospects for exports of oil and seeds, particularly to the U.K. Thus values touched new high levels on heavy short-covering and speculative buying. Groundnut May 1959 contract, which closed last week on a firm note, advanced to Rs. 198.25 on Monday, only to rise further to Rs. 201.00 today. August contract gained Rs. 5.50 over the week to finish today at Rs. 204.50. Bold ready improved from Rs. 39.75 to Rs. 41.00 today. Oil ex-mill, after experiencing minor fluctuations, rose today to Rs. 22.00, as against Rs. 21.00 last week-end.

The rally in prices in the castorseed section was more spectacular, particularly on account of reports of export business in castor oil with U.S.A. at 13¼ cents. It is rumoured today that the Forward Markets Commission is considering the possibility of removing margin on castors futures, while the earlier reports that the F.M.C. might impose double margin stand unconfirmed. The September contract exceeded the margin limit on Monday and there is yet no sign of abatement of this buoyancy. The September contract hardened from Rs. 164.00 on Wednesday to Rs. 166.37 on Monday and again to Rs. 171.25 today. May contract was higher by Rs. 7.38 when it wound up the week today at Rs. 166. Ready Madras closed higher by Rs. 1.38 at Rs. 32.62 today. Likewise, Oil B.S.S. moved up from Rs. 16.75 to Rs. 17.62.

Linseed followed the price pattern in other sections. By and large, it remained featureless, May and September contracts, which wound up last week at Rs. 32.69 and Rs. 33.37, rallied to Rs. 33.31 and Rs. 34.31, respectively. Bold ready after moving within a narrow range, closed today higher at Rs. 33.12, as compared with Rs. 32.44 last Wednesday. Similarly, linseed oil improved from Rs. 15.75 to Rs. 16.25. Cottonseed also moved in sympathy with other seeds. May and September contracts went up from Rs. 133.25 and Rs. 133.75 to Rs. 135.50 and Rs. 137.75, respectively.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	6-5-1959	29-4-1959	22-4-1959
	Rs.	Rs.	Rs.
Groundnut			
May 1959	201.00	194.00	192.50
August 1959	204.50	199.00	197.75
Bold ready	41.00	39.75	39.75
Coromandel ready	41.25	40.00	39.75
Khandesh quality	41.25	40.00	39.75
Oil ex-mill ready*	22.00	21.00	21.25
Railway receipts*	21.75	21.00	20.87
Castorseed			
May 1959	156.00	158.62	159.50
September 1959	171.25	164.00	164.37
Ready Madras	32.62	31.25	31.50
Ready Kanpur	31.37	30.00	30.25
Oil B.S.S.†	17.62	16.75	16.87
Oil commercial†	16.69	15.50	15.50
Linseed			
May 1959	33.31	32.69	32.87
September 1959	34.31	33.37	33.62
Bold ready	33.12	32.44	32.62
Oil ready†	16.25	15.75	16.19
Cotton seed			
May 1959	135.50	133.25	128.00
September 1959	137.75	133.75	130.75
Niger seed	30.75	30.50	29.75
Kardi seed	24.00	23.87	23.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

GOOD MEDIUM TEAS DEARER

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

COCHIN, 30th *April*

A smaller quantity of 650,000 lbs. were offered in Sale No. 16, which was held on 28th April 1959. Quality from all districts showed a further seasonal decline. The offerings met with a strong general demand. Low medium and medium brokens sold well at steady rates, but similar fannings were fully firm to dearer. The demand for good medium teas was good and these sold at firm rates and were occasionally dearer. However, best liquoring high growns sold at easier rates following the drop in quality. A few lines of C.T.C. teas on offer were well supported and sold at higher rates than last. Whole leaf grades met with fair enquiry at about last rates. The quotations are: low medium Re. 1.70 to 1.80; medium Re. 1.80 to Rs. 2.10; good medium Rs. 2.35 to 2.90 and quality Rs. 2.45 to 4.02.

London Market: *Sale of 27th April* 1959.—Prices still advancing, except thin sorts.

Sale of 28th April 1959.—Good demand. Generally dearer.

Colombo Market: *Sale of 27th April* 1959.—Strong demand. Best liquoring dimbula dickoya brokens firm to dearer. Poorer sorts irregularly lower, following quality, except fannings medium B.O.Ps down 15 to 20 cents. Fannings dearer. Low-growns down 5 cents.

Sale of 28th April 1959.—Offgrades strong. Demand generally slightly dearer, except stalky broken mixed.

Calcutta Market: *Export.*—No sale.

Internal.—20,000 packages dust. Met good general demand. Grainy orthodox types up to 4 nP easier. Powdery sorts was fair to dearer. Plain C.T.C. easier. Medium and good quality dearer.

Export Quota.—The market continues to remain quiet this week and no business has taken place either in special licence or in current quota. Nominal quotations at present are:

Special licence 1958-59—Seller 1 nP with no buyer.

Current quota 1959-60.—Sellers at 8 nP with probable buyers at 6 nP.

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

"*Sale No.* 17.—800,000 lbs. Good, but irregular, demand. Low medium and mediums irregularly 5 nP dearer. Good medium fannings fully firm. Similar brokens and highgrowns much less demand with some withdrawals. Whole leaf very strong."

GOOD DEMAND FOR TEA DUSTS

(From Our Own Correspondent)

CALCUTTA, 5th *May*

Dusts amounting to 21,934 chests on offer during last week's internal auctions met with a good and general demand. However, prices were irregular. There was good demand for the best liquoring C.T.Cs, which realised prices above valuations. Good medium C.T.Cs were steady, while the plain and poorer medium C.T.Cs eased. Competition was keen for grainy orthodox teas with better quality or in small and powdery lots, leading to firm prices. Other lots of this category gave way by 4 nP. Darjeelings rose above valuations in accordance with quality, but legg cut Dooars were irregular. The quotations, exclusive of excise duty, were: best Assam C.T.C. Rs. 2.70 to Rs. 3.10, medium Assam C.T.C. Rs. 2.10 to Rs. 2.30, medium Assam grainy dust Re. 1.70 to Re. 1.74, and medium Dooars Re. 1.74 to Re. 1.78.

Leaf on offer amounting to 605 chests were irregular, but often dearer.

The Pakistan Government's decision to raise the excise duty on tea by As. 2 to As. 6 per lb. caused surprise in market circles here. Announcing this the Commerce Minister, Mr. Z. A. Bhutto, said that in 1959-60 the minimum export quota would be 20 million lbs., as against the actual exports of 11.4 million lbs. in 1958-59. How the increased target, which was higher by almost 100 per cent., would be reached was difficult to see, in view of the raising of export duty. In 1957-58, exports were even lower at 7.2 million lbs. Tea was facing keen competition in world markets following increased supplies, and the trade thought Pakistan was taking a contrary step in raising the excise duty. Pakistan's action would no doubt lend more competitive power to teas of other countries including India.

Stronger demand and dearer prices in tea auctions for export in Cochin held in the last two weeks were, it was thought here, due to the buying interests having to concentrate in the South Indian trading centre only, as Calcutta's export auctions for this season have been closed already. It was significant that the U.K. tea stocks in London and provincial warehouses for the week ended 24th April were only 154 million lbs., as against 157 million lbs. in the previous week. It was also significant that in the last auctions held in Mincing Lane higher demand continued and prices were still rising. Good liquorings added 3d. to 6d. per lb.

JUTE GOODS SUBDUED

(From Our Own Correspondent)

CALCUTTA, 5th *May*

In the absence of buying support, prices of jute goods and raw jute moved narrowly and recorded fractional decline on balance during the week under review. There was fair activity in the futures market, following bear-covering, particularly in hessian. Overseas interest was insignificant generally, but for a time there was keen interest shown in cornsacks. Shipping instructions being poor, an increase in stocks was anticipated and quotations were discounted on this account. However, mills declined to sell for forward positions; had it not been for this feature the fall in prices would have been more pronounced. The lock-out in Howrah Mills which followed a strike beginning from 22nd April did not cause any anxiety to the market, as it was felt that, stocks of goods with mills being high, a decline in production might push up overseas demand.

An outstanding news of the week under review was the announcement that, as from 1st June, the East India Jute and Hessian Exchange would regulate trading in transferable specific delivery contracts in raw jute and jute goods, the by-laws and contracts governing trading in these contracts, as well as by-laws for licensing of brokers engaged in business in such contracts, having been finalised. All such contracts would be legally valid only, if they were put through between members of the Exchange, or through, or with any such member, or where the services of a broker who was not a member of that Association were employed by a member, except through a licensed broker.

Another news item was the announcement from Karachi that a commission headed by the East Pakistan Governor and consisting of representatives of jute interests had been appointed to inquire and report on the various problems facing the jute industry, beginning from growing of the fibre, production in mills, and marketing of the raw material and the finished product, including export of both. The commission, *inter alia*, would study the size of the crop required in the next few years, and methods for reducing costs of production. It was believed here that the appointment of the commission was a sequel to recent success which Pakistan mills had been able to achieve in export of jute goods. In recent months, Pakistan mills were able to secure orders for heavy goods from Australia and Burma, and in hessian from the United States. It was noted here that Pakistan was paying attention first to the development of the markets in Australia and the U.S., which regularly consumed jute goods. Market circles regretted that this development was passing unnoticed by the Indian industry. They felt that the need for improving quality of heavy goods was urgent, and, if the indifference to quality and complaints continued, exports from India would suffer. If unfortunately such an event occurred, the self-sufficiency in raw jute, over which pardonable pride had been natural, would prove to be of no importance. Also pushing up exports of fibre of inferior variety, when consumers in foreign countries could get most of their requirements from Pakistan, would prove palpably difficult and arduous.

Pakistan's success at increasing exports of jute goods was attributed to the incentive export bonus scheme, according to which the exporter of a certain minimum quantity could import the things of his choice for his fluctuations, provided such imports did not cost more than a certain percentage of the value of his exports. Thus, Pakistan mills are now in a position to import machinery, the introduction of which would reduce cost of production. Even in spite of cheaper labour, there was the feeling here that cost of production might be higher as compared to Indian mills.

On Tuesday last, there was considerable interest shown in cornsacks by export buyers. Excepting for this, the market was featureless, and the fall in ready B. twills to Rs. 40.20 from Rs. 40.40 did not cause surprise. Ready hessian 40″ 10 oz., however, rose to Rs. 40.20 from Rs. 39.90 on bear covering in the futures market. Business passing for export was only fair, but not adequate enough to maintain prices, and on Wednesday hessian 40″ 10 oz. was quiet at Rs. 40.15, and B. twills fell to as low as Rs. 92.05. At lower levels, speculative interest was revived, and on Thursday B. twills recovered to rise to Rs. 92.90. Hessian 40″ 10 oz. was quiet at Rs. 40.10. Follow-up interest was insignificant, and this caused a setback in hessian 40″ 10 oz. to Rs. 39.85 and B. twills to Rs. 92.55. The week-end witnessed a steady trend in hessian 40″ 10 oz. at Rs. 39.90 following activity in futures, while B. twills sagged further to Rs. 92.45. Yesterday, however, B. twills spurted to Rs. 93.55. This followed the receipt of a Government tender for 31,000 bales of B. twills against May-June delivery. Hessian 40″ 10 oz. was, however, unchanged at Rs. 39.90.

Following a decline in interest shown by mills, fibre prices gave way. Reports of satisfactory condition of the crop were so strong as to cause anxiety on the part of stockists. Northern bottoms at Rs. 20 were lower by 50 nP. Daissee bottoms declined to Rs. 23 from Rs. 23.25. The season having come to an end practically and with the possibility of an earlier crop, sellers exhibited an anxiety to dispose of the remaining stocks, most of which were inferior varieties. There were even instances where mills reported arrivals in excess of the quantity on order on the basis of price to be fixed. The increasing number of godown fires—so far during 1959 such outbreaks have numbered 20, as against 44 only for the whole of last year—is causing great concern to the industry and insurance companies alike. It is understood that the matter will soon be gone into by a special sub-committee. It is believed that the need for mills to carry greater stocks, in view of higher output, has made the position vulnerable. Fire causes great inconvenience to production and trading including export programmes. The latest quotations for the balance of 1958-59 crop, May-June delivery, are:

	Middles Rs.	Bottoms Rs.
Indian:		
Northern	23.00	20.00
Assam Upper ...	23.50	20.50
Cuttack	25.00	22.00
Desal	22.50	19.50
Murshidabad	20.75	18.25
Jungli	20.50	18.00
Daissee selected ...	25.00	22.50
Uttar Pradesh ...	20.50	18.50
Daissee mesta ...	21.00	18.50
Bimli f.a.q.	Rs. 18.75	

Pucca bales 1st marks Rs. 160.00 per bale ready.

LINSEED EASY

(Messrs. A. Bradley & Co.)

CALCUTTA, 4th *May*

A slightly easier tone prevailed, but towards the close prices recovered slightly from the lowest levels reached earlier in the week, and the tendency at present seems better. Arrivals have still been somewhat below the levels expected at this season; crushers have been showing a keen interest for ready goods and forward delivery. Oilcake prices are slightly lower with little buying interest. The oil market is fairly active; shippers, after purchasing some ready at Rs. 49 are still interested without response from sellers. Owing to steadiness in groundnut oil, there has been a keen local demand for forward delivery at a premium of 0.50 to 0.75 nP with sellers reserved. A parcel of 480 tons has been sold to Australia by Bombay shippers at £111. The latest quotations are: Ready Rs. 22.75 and May-June Rs. 22.50 per maund.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 4th *May*

Quietly steady conditions were witnessed in the foodgrains markets during the week. Contrary to all expectations, new crop arrivals in the markets were poor. Weather continued to be favourable for winnowing operations which were in full swing, but cultivators were reported to be retaining their produce, expecting better prices later. Wheat registered fractional gains. The coarse grain also sought higher levels. Pulses stayed steady.

Wheat at Hapur registered gains to be quoted on Monday at Rs. 16.50 per maund for average quality and Rs. 17 to Rs. 17.75 for farm produce, while some inferior quality was quoted at Rs. 16.25 per maund. Average wheat was quoted at Rs. 14.50 per maund on the corresponding date last year when crop was very poor and at Rs. 14.75 per maund in 1957. Latest reports from threshing floors indicated that, on the whole, production of *rabi* grains is not so good as earlier predicted, as strong westerly winds in mid-March has harmed the standing crops.

Thanks to slightly better supply position, rice ruled depressed during the week. Large imports of rice from the surplus areas of the State have been banned and the State Government is procuring rice there for building up reserve. The latest prevailing price were:—*sela basmati* Rs. 33 to Rs. 35; *mainpuri* Rs. 22; *gadda* Rs. 22.50; *raimunia* Rs. 26.50.

Gram ruled steady during the week on encouraging advices from Punjab, but, as crop this year has been excellent in the Punjab, gram continued to reach all consuming centres from there. Barley and *bejhar* improved in sympathy and on good consumer demand. *Jowar* and *guwar* were also steady. Prevailing prices on Monday (in rupees per maund) were:—gram 12.75; barley 11.50; *bejhar* 11.50; *jowar* 13 to 15; *guwar* 15.

Pulses recorded a firm trend towards the week-end, as arrivals were modest and stockists were main supporters. Peas arrivals were about 2,000 maunds daily and local stock swelled to 23 *khatties*. Prices improved fractionally. *Arhar* arrivals, too, were small at about 500 maunds daily and local stock was put at 2 *khatties*. Other pulses stayed steady and were now quoted at (in rupees per maund): peas *dara* 12; farm 12.50 to 13.25; peas *dal* 13.25; *arhar* 15 to 15.25; *arhar dal* 17.50 to 18.50; *urd* 19, *moong* 22 to 23; *massor* 14 to 18.

SUGAR ADVANCES

(From Our Own Correspondent)

HAPUR, 4th *May*

Despite the release of a further quantity of 140,000 tons for free sale by factories and the assurance that the system of allotment against tenders is being further strengthened, sugar prices have registered further gains during the week. Demand from consuming centres is brisk and the quantity released is considered to be fully insufficient to meet the requirements. Crushing season is coming to an end and it is gathered that sugar output this year will be less than 1.9 million tons.

Steady to firm conditions prevail in the sugar market at Muzaffarnager, as, out of the releases made by Government for free sale, the quantity allowed for factories in Moradabad and Delhi divisions is much less. Prices have gone up further by about 50 nP per maund. The latest prices in the market are at a premium of about Rs. 2 to Rs. 2.75 per maund over the controlled price fixed by the Government. The following are the latest quotations prevailing in the market:

Rohana B29 Rs. 39.81; Meerut D29 Rs. 39; Khatauli B29 Rs. 40; Amroha D29 Rs. 38.59, Modinagar C29 Rs. 39.25; Daurala C29 Rs. 39.25; Mawana C29 Rs. 39.25; Simbhauli E29 Rs. 38.37; Bijnore D29 Rs. 38.25; wholesale mill delivery controlled A29 Rs. 37.75; B29 Rs. 37.12; C29 36.37.

Sugar has firmed up in the Kanpur market, due to good demand in the face of short supplies. The prevailing prices are Kanpur delivery Rs. 110 to Rs. 112; mill delivery Rs. 37.50 to Rs. 39 per maund.

Ready *gur* are ruling steady, due to good outside demand for dry quality, while *kotha* quality is attracting modest support. *Gur* manufacturing is almost over and arrivals out of stocks retained by producers average 300 to 400 maunds daily which are being lifted for outside despatch. The local stock have run down slightly to 91,000 maunds. Total arrivals during the season are put at 640,000 maunds, as against 397,000 maunds in the corresponding period of last year. Prevailing prices are:—*pansera* Rs. 19.75 to Rs. 20, *shakker* Rs. 21 a maund. Last year's corresponding prices were Rs. 15.25 and Rs. 16 a maund, respectively.

Gur in the Muzaffarnager market also rules steady. Arrivals have dwindled to an average of 500 to 750 maunds. The latest prevailing prices are:—*gur chaku* Rs. 20 to Rs. 20.75, *khurpa ruskat* Rs. 12.50 to Rs. 13.50; *shakker dara* Rs. 20.25 to Rs. 21.50; *masala* Rs. 23.50 to Rs. 25.

Latest advices from official sources indicate that the Government was very soon going to allow forward trading at Hapur and Agra.

Khandsari has improved further in line with crystal sugar. Production is being continued in some centres in rural areas from *rab* already stocked with producers. Prevailing prices are:—superior Rs. 33 to Rs. 36, inferior moist Rs. 30 to Rs. 32 per maund.

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MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 1st May, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,28,01,000
(2) Other Governments	22,44,05,000
(b) Banks	83,70,47,000
(c) Others	118,05,68,000
Bills Payable	15,70,96,000
Other Liabilities	45,05,15,000
Rupees	451,24,32,000

ASSETS	Rs.
Notes	27,52,86,000
Rupee Coin	6,03,000
Subsidiary Coin	3,84,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,10,27,000
Balances held abroad*	25,21,30,000
Loans and Advances to Governments†	39,39,24,000
Other Loans and Advances	75,96,77,000
Investments	264,97,71,000
Other Assets	12,96,25,000
Rupee	451,24,32,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 10,47,04,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	27,52,86,000	
Notes in circulation	1751,10,70,000	
Total Notes issued		1778,63,56,000
Total Liabilities		1778,63,56,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		132,05,85,000
Government of India Rupee Securities		1350,80,79,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1778,63,56,000

State Bank of India

Statement of Affairs for the week ended 1st May, 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		524,27,20,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		10,42,43,000
Bills for Collection being Bills Receivable as per contra		1,24,14,000
Acceptances, Endorsements and Other Obligations per contra		1,36,20,000
Other Liabilities (including Inter-Office Adjustments)		6,54,60,000
Total Rs.		556,47,07,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		36,65,33,000
Balances with other Banks		2,58,70,000
Money at Call and Short Notice		2,33,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	289,96,94,000	
Other Authorised Investments	11,85,87,000	
		301,82,81,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	188,59,13,000	
Bills Discounted and Purchased	12,84,17,000	
		201,43,30,000
Bills Receivable being Bills for Collection as per contra		1,24,14,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,36,20,000
Premises less Depreciation		1,22,98,000
Furniture and Fixtures less Depreciation		1,04,96,000
Other Assets (including Inter-Office Adjustments)		6,75,32,000
Total Rs.		556,47,07,000

State Bank of Pakistan

Statement of Affairs for the week ended 24th April, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	86,75,59,000
(b) Provincial Governments	4,59,45,000
(c) Banks	17,49,99,000
(d) Others	5,52,75,000
Bills Payable	45,65,000
Other Liabilities	13,07,09,000
Rupees	133,90,52,000

ASSETS	Rs.
Notes	12,94,40,000
Rupee Coin	59,000
Subsidiary Coin	37,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	28,45,000
Balances held outside Pakistan*	24,51,33,000
Loans and Advances to Governments	9,45,00,000
Provincial Governments' Debtor Balances	5,99,32,000
Other Loans and Advances	2,17,30,000
Investments	68,68,85,000
Other Assets	9,84,91,000
Rupees	133,90,52,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,94,40,000	
Notes in circulation	340,55,21,000	
Total Notes issued	....	353,49,61,000
Total Liabilities	....	353,49,61,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
		117,52,65,000
B. Rupee Coin	3,97,09,000	
Government of Pakistan Securities	226,09,81,000	
Internal bills of exchange and other commercial paper	....	
		230,06,90,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	353,49,61,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.83 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 24th April, 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	22,48,02,000
(ii) Other demand liabilities	754,56,97,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	24,31,99,000
(ii) Other time liabilities	938,23,00,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	8,41,61,000
(ii) Time liabilities	75,00,000
Borrowings in India from the Reserve Bank of India‡	27,20,29,000 (9,57,44,000)
Cash in India	44,92,76,000
Balances with the Reserve Bank in India	87,96,98,000
Balances with other banks in current account in India	14,50,37,000
Money at call and short notice in India	37,11,34,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	615,62,03,000
Advances in India	869,04,90,000
Inland Bills purchased and discounted in India	113,47,45,000
Foreign Bills, purchased and discounted in India	38,05,35,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	24th April, 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1751.46	1765.18	1701.53	1619.13
Notes held in Banking Department	35.05	28 14	13.53	15.60	32.94
Foreign Securities	59.50	178.01	178.01	178.01	228.80
Rupee Securities	87.39	1351.04	1351.10	1291.26	1173.50
Banking Department					
Deposits of:					
Government of India	14.39	53.63	49.62	53.83	53.05
Other Governments	..	32 97	24.71	26.72	15.64
Balances held abroad	10.06	30.68	32.86	35.05	39.01
SCHEDULED BANKS					
Demand Liabilities	134.36	777.05 (22 48)†	772.77 (19.13)†	734.44 (11.18)†	775.23 (17.42)†
Time Liabilities	102.24	962 55 (24.32)†	953.90 (24.04)†	934.34 (21 02)†	769 03 (14.74)†
Borrowings from Reserve Bank	..	27.20 (9.57)‡	33.10 (9.64)‡	61.86 (13.48)‡	19.85 (17.72)‡
Borrowings from State Bank	..	9.17	12.56	16.00	6.81
Cash in India	6.70	44.93	44.63	43.09	41.92
Balances with Reserve Bank	25.17	87.97	73.29	64.11	90.86
Excess over statutory limits	15.52	29.87	15.58	8.70	36.72
Balances with other banks in current account in India	..	14.50	14.87	13.84	11.84
Money at call and short notice in India	..	37.11	35.62	26.97	56.17
Investments (at book value)	..	615.62	614.12	613.45	444.55
Advances and bills	105.9	1020.58	1023.44	1012.97	956.61
STATE BANK					
Deposits	87.76	528.62	524.92	517.62	422.12
Investments	51.99	293.87	291 89	285.44	190.79
Advances	80.85	203.22	208 01	208.09	206.40
Cash	14 69	45 85	32.75	25.25	37.37

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R = Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	23rd April 1959	5	4½
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	.. .. ..	4.97	5.01
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	8	4
Finland	20th April, 1956	5	6¾
France	23rd April 1959	4½	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June 1958	4	3.50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	6th Mar., 1959	2½	3
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Average rate of allotment Rs.
1959					
10th February	2.00	4.19	2.00	2.530	99.365
17th February	2.00	2.30	2.00	2.559	99 360
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2.00	2.10	2.00	2.625	99.340
10th March	2.00	2.00	2.00	2.680	99.330
17th March	2.00	2.00	2.00	2.720	99.320
24th March	2.00	2.00	2.00	2.760	99.310
31st March	2.00	2.00	2.00	2.760	99.310
7th April	2.00	2.00	2.00	2.780	99 305
14th April	2.00	2.00	2.00	2.780	99 305
22nd April	2.00	2 00	2.00	2.800	99.300
28th April	2.00	2.05	2.00	2.800	99.300
5th May	2.00	2.25	2.00	2.800	99.300
Total amount outstanding	26.00	..	26.00	..	..

* Intermediate Bills sold.

EXCHANGE RATES

		5th May 1959	Previous week (28-4-1959)
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	s.	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475.25	475.75
Buyers T.T.	Rs.	471.75	471.75
London on New York	$	2.81 5/8-2.81 11/16	2.81 5/8-2.81 3/4
London on Paris	Fcs.	13.80 3/8	13.81 1/4-13.81 3/8
London on Berne	Sw. Fcs.	12.18 1/8-12.18 1/4	12.18 1/4-12.18 3/4
New York on London	$	2.81 5/8-2.81 11/16	2.81 11/16-2.81 13/16

CLEARING HOUSE RETURNS

Centre	Week ended 1st May, 1959: Number of Cheques	Amount Rs.	Week ended 24th April 1959: Number of Cheques	Amount Rs.
Bombay	3,74,936	87,64,50,000	3,41,686	83,75,27,000
Calcutta	—	—	1,90,000	67,41,00,000
Madras	90,125	11,68,36,333	92,929	12,64,76,931
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
Jan., 1959	..	..	4,072,000	8,94,45,00,000
Feb., "	..	..	3,821,000	8,28,47,00,000
March "	..	..	4,030,000	9,45,59,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	18th April 1959	11th April 1959	19th April 1958	March 1959	March 1958	Percentage of Increase (+) or Decrease (—) in Mar., 1959 as compared with Mar., 1958	Annual Average 1958	1957
Food Articles	504	112.8	114.0 R	105.9	113.7 R	102.3	+11.1	112.0	108 8
Cereals	192	97.5	100 3 R	97.4	101 7 R	95.2	+ 6.8	104.7	101.7
Pulses	43	92.5	99.1 R	83.5	113.4 R	77.8	+45.8	94.0	84.5
Fruits and Vegetables	23	123 7	123.3 R	111.9	118.4 R	98.0	+20 8	111.9	116.8
Milk and Ghee	84	117 9	115 8 R	106.7	106 9	102.8	+ 4 0	106.2	103.8
Edible Oils	47	125.0	124.4 R	123 5	123 3	117.9	+ 4 6	123.2	128.3
Fish, Eggs and Meat	17	105.5	106 8	102 0	103 5 R	102.5	+ 1.0	106.9	96.6
Sugar and *Gur*	48	128.8	128 1	112.3	128 2	111.4	+15.1	122.8	104.6
Others	50	150.7	150.9 R	132.4	150 0 R	127 9	+17 3	145.7	132.0
Liquor and Tobacco	21	97.3	97 3	93 4	100.3	94.9	+ 5.7	93.7	91.8
Tobacco	—	95.8	95 8	91.7	99.0	93.3	+ 6.1	92 0	90.1
Fuel, Power, Light and Lubricants	30	115 1	115 1	115.0	115.1	114.3	+ 0.7	115 2	111.5
Industrial Raw Materials	155	116 6	115.7 R	115.1	116.2 R	111.3	+ 4.4	114.8	118.1
Fibres	61	108.1	108 3 R	113.4	107.9 R	110.2	— 2.1	109.4	119.8
Oilseeds	60	128.6	126 0	119 7	127.6	113.0	+12.9	123.6	122 4
Minerals	2	101.4*	101 4	105.1	102 9	108.2*	— 4.0	106.9	108 5
Others	32	111 5*	111.1 R*	110.2	111.2	110 2	+ 0 9	108.9	107.3
Manufacture	290	108 2	108.1	107 8	108 2 R	107.8	+ 0 6	108.2	108 0 R
Intermediate Products	41	108 6	108 5 R	109.1	109 4	106 8	+ 2.4	109.4	108 5 R
Finished Products	249	108 2	108 1 R	107.6	108.0 R	107 7	+ 0 3	108.0	107 9 R
Textiles	147	102 4	102.3	105.3	102.1	105 9	— 3.6	104.3	107.9
Cotton	—	110 9*	110 9*	114.1	111 0*	116 4	— 4.6	113.0	116 8
Jute	—	83.7	83.4	89.5	82.3	86.0	— 4.3	87.7	97.7
Woollen	—	105 2	105 2 R	103.7	105.9	103 0	+ 2.8	104.9	102.1
Silk and Rayon	—	95.7*	95 7*	92.4*	95.0*	92.5*	+ 2.7	92.5	85 0
Metal Products	12	143 3	143 3	143.0	143.3	143.4	— 0.1	143.1	138 2 R
Chemicals	20	110.5	110.6 R	99.1	110.4 R	99.3	+11.2	104.0	97 6
Oil Cakes	10	140 4	139 3	117.5*	140.1	112 2	+24.9	128.6	114.7
Machinery and Transport Equipment	31	106.1	106.1	102.8	106.1 R	102.6	+ 3.4	103 2	101 2
Others	30	113.0	112.8	112.3	113.2	112.1	+ 1.0	113 2	107.7
All Commodities	1,000	111.8	112 2 R	107.9	112 2 R	105 4	+ 6 5	111 0	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
	(1949=100)	Base June (1934=100)	Base July (1927=100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August (1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	102
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 "	116	395	274	313	98	120	384	124	113	103†	103	123	109	131
October 1957	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November "	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December "	113	383	275	328	93	115	375	121	110	100	105	120	109	129
October 1958	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November "	122	402	292	330	106	124	399	132	120	114	103	128	113	133
December "	119	398	290	322	101	125	385	133	118	109	99	121	111	133
January 1959	114†	396	301	323	103	127	368†	130	122	107	94	115	109	134
February "	118†	399	300	326	103†	129	..	127	126	108	94	120	..	134
March "	..	401	290	320	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Out standings	10-Year National Plan Certificates D Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Out standings	Total Receipts	Total Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,98
1953-54	5,91	4,26	104 38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152 71	252 96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177 35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163 68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1 32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213 91	23,11	—39,73	43,58	588	547	63	1 87	264,32	509,77
1958-59	..	..	..	..	..	..	..	..	..	42,57	635	11,68	67	2,41	..	..
April 1958	2,15	4,65	141,81	6,56	77,99	15,27	214.24	22,85	—39,82	43,47	77	6,15	11	1,..	22,71	514 78
May "	2,07	4 55	139,23	5,84	83,82	15.22	212,66	22,58	—39,90	43,37	57	6,72	5	2,01	21 68	517 01
June "	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7,12	3	2,03	19,96	520 60
July "	1,96	4,38	135,18	5,94	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22 49	526,36
Aug. "	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22.02	—40,13	43,07	45	8,11	5	2,10	21,10	532,75
September "	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537 82
October "	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November "	1,87	4,10	127,15	6,36	119,33	12,52	218,72	21,56	—40,37	42,81	47	9,58	7	2,23	19,42	547,35
December "	1,83	4,01	125,00	7,84	126 69	14,83	219,06	21,41	—40,44	42,76	51	10,01	6	2,28	23,24	553,05
January 1959	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,52	42,70	57	10,60	5	2,32	24,07	559 17
February "	1,78	3,87	120,95	9,64	143,14	14,93	219,39	21,13	—40,60	42,62	58	11,14	5	2,36	25,22	566,41
March "	..	..	..	..	..	..	..	..	..	42,57	65	11,68	6	2,41	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of February, 1959 is rupees two lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
% Bond	1926-33	63,30,26,000	1960-70	100.75
3 % Loan	1938-39	116,17,46,000	1963-65	96.65
3 % Loan	1950	30,32,10,000	1964	97 00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93 70
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91 20
3 % 2nd V. Loan	1945	1,13,65 64,000	1959-61	99.70
2½% Loan	1946	45,63,07,000	1960	99.00
2½% Loan	1946	57,00,69,000	1961	97 25
2½% Loan	1946	14,77,48,000	1976	83 25
2¾% Loan	1947	75,86,72 000	1962	96.90
3½% N.P. Bonds	1953	75,29,00,000	1961	100.10
3¾% N.P. Loan	1954	1,58,17,90,000	1964	99.70
3½% N.P. Bonds (2nd Series)	1955	1,03,67,02,000	1965	99.55
3½% Loan	1956	87,27,36,000	1962	99 15
3½% N.P. Bonds	1956	63,81,83,000	1967	99 05
3¾% Loan	1956	66,63,53,000	1974	98.85
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.80
4 % Loan	1957	49,17,27,000	1972	101 70
3½% Loan	1958	58,06,00,000	1963	99.95
3½% Loan	1958	80,00,00,000	1968	98.95
3½% Loan N.P.B.	1958	84,16,76,500	1968	100 60
4 % Loan	1958	49,47,00,000	1973	101.70
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,03,34 000	M.	72.75
3% Loan	1946	2,48,91,37,000	K.	73.85
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100 00
4½% Andhra	1958	5,00,00,000	15th July 1970	101.55
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96.50
? % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 60
4 % Bombay	1952	8,45 85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100 55
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100 25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102 50
4½% Bombay	1958	5,00,00,000	15th July 1970	102 50
4½% Bombay	1958	5,00,00,000	15th July 1971	102 50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100 00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50 00,000	13th Oct. 1970	101 40
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94 12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 15
3 % Madras	1939	1,23,96,000	21st June 1959	99 70
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99 00
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	99.00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98.95
4 % Madras	1953	10,33,71,000	15th July 1963	100 30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 20
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100 00
4½% Madras	1958	5,00,00,000	15th July 1970	101.60
4 % Mysore (f)	1933	2,95 85,200	1st Dec. 1953-63	101 50
3 % Mysore (f)	1936	5,99.73,000	30th Apr. 1956-61	99 75
4 % Mysore	1953	3,33 47,000	15th July 1963	100 30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100 00
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101 75
4½% Mysore	1958	5,00,00,000	15th July 1970	101 75
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 80
3 % M.P.	1950	1,01,45,000	31st July 1960	98 60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
4 % M.P.	1953	1,10,18,000	15th July 1963	100 25
4 % M.P.	1955	1,63 12,000	1st Sept. 1967	100 00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100 00
4½% M.P.	1958	2,00,00,000	15th July 1970	101 40
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100 20
4 % Saurashtra	1956	2,74 84,600	3rd Sept. 1968	100 20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99 80
4 % Trav Cochin	1956	2,22,08 000	3rd Sept. 1968	99 50
2½% U.P.Z.A	1952	41,44,79,000Z	..	51.15
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98 80
2½% U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89 14,000	1st Aug. 1964	100 20
4 % U.P.	1953	5,58,25 000	15th July 1963	100 30
4 % U.P.	1955	9 39,16,000	1st Sept. 1967	100 00
4 % U.P.	1956	8 61,55,000	3rd Sept. 1968	100 00
4½% U.P.	1958	7,00,00,000	15th July 1970	101 60
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100.00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101 40
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100 00
4½% Orissa	1958	3,00,00,000	15th July 1970	101.40

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	100.00
35,00,000	4	1905	1965	100.00
15,00,000	4	1906	1967	100.00
44,00,000	4	1907	1968	100.00
75,00,000	4	1908	1968	100.00
40,00,000	4	1909	1970	100.00
56,00,000	4	1910	1971	100.00
75,00,000	4	1911	1972	100.00
1,10,00,000	4	1912	1973	100.00
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88 25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	D
61,61,000	4	1922*	1960	D
11,51,000	4	1924*	1960	D
18,25,000	3½	1926*	1960	D
35,00,000	3½	1929*	1959	D
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	D
24,58,000	3½	1935*	1975	D
15,00,000	3½	1936*	1966	D
48 04,000	3½	1936*	1960	D
10,00,000	3½	1938*	1968	D
7,00,000	3½	1941	1971	D
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98 00
76,90,100	4	1915	1975	98.00
1,50,00,000C	3††	1921	1981	82 00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	95.00
60,00,000	3½	1935	1965	98 50
25,00,000	3	1938	1963-68	92 00
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79 50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99 50
1,00,00,000	3	1949	1959	99 50
50,00,000C	3	1950	1980	82 00
1,00,00,000	3	1950	1960	98.50
1,00,00,000	3	1950	1960	98.50
50,00,000	3	1951	1981	81 75
1,50,00,000	3½	1953	1961	99.00
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	93.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,88,000‡	3	1947	1977	A
3,00,000‡	3	1949	1979	A
45,00,000‡t	4½	1954	1984	A

(The Bombay loans 1904–1912 are bracketed together at 100.00; the loans 1915*–1941 are bracketed together with D; the Madras loans are bracketed together with A.)

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	97.75 N
30,00,000	4	1902	1962	97.75 N
60,00,000	4	1903	1963	97.75 N
50,00,000	4	1904	1964	97.75 N
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	97.75 N
15,00,000	4	1907	1967	97.75 N
30,00,000	4	1908	1968	97.75 N
25,00,000	4	1912	1972	97.75 N
13,00,000	4	1913	1973	97.50 N
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	97.50 N
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	101.00
50,00,000	4	1934	1964	99 00
35,00,000	3½	1935	1965	94 00
30 00,000	3	1936	1966	90 00
50,00,000	3	1937	1962	93 50
20,00,000	3	1938	1963-68	90 00
80,00,000	4	1952	1962	99 25
1,02,00,000	4	1956	1968	99 25
75,00,000	4½	1958	1968	100 50

(The Bombay loans 1901–1912 are bracketed together at 97.75 N; the loans 1913–1916 are bracketed together at 97.50 N.)

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99 60
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	100 50
8,25,00,000	3½	1947	1977	86 50
2,50,00,000	3½	1949	1979	86 50
4,00,00,000	3½	1950	1965	93 50
5,00,00,000	4	1952	1964	100 15
2,00 00,000	3½	1951	1966	97 40
1,30,00,000	4	1953	1963	100 15
1,00,00,000†	4	1952	1964	99 50
1,00,00,000†	4	1954	1966	99 50
2,50,00,000	4	1955	1967	100 00
1,50,00,000	4	1956	1968	100 00
2,00,00,000	4½	1957	1969	101 50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	108.00
38,91,000	3½	1925	1965	94 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1968	90 00
17,64,400	3½	1942	1959	96 50
21,10 000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	97 50
66,88,000	3½	1951	1966	97 50
87,36,000	4	1952	1962	99 25
72,50,000	4½	1954	1979	100 00
2,22,72 000	4	1955	1985	—
73,86 000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100 25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100 20
4 % W. Bengal	1953	3,60,23 000	15th July 1963	100 35
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100 00
4 % W. Bengal	1956	7,11,46,000	3rd Sept 1968	100 00
4½% W. Bengal	1958	5,00,00,000	15th July 1970	101.85
4½% Kerala	1958	3 00,00,000	15th July 1970	100.85

ABBREVIATIONS. N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.
l—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months notice. K—On September, 1986, or later at option of Government after three months notice.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 7th May, 1959.

	Closing quotations 30-4-1959	High	Low	Closing quotations 7-5-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	137.00	140.00	137.00	140.00
Apollo (2)	1.18	1.24	1.20	1.24
Bombay Dyeing (25)	62.50	63 40	62 00	62 80xd
Bradbury (50)	143.00	145 00	143 00	144.50
Central India (100)	104 00	107.00	103 00	105 00
Century Mills (100)	511.50	534.25	510.50	531 00
Edward Textile (200)	217 00	—	—	217.00
Elphinstone (50)	33 00	—	—	33.00
Finlay (100)	283.00	283.00	268.00	275 00xd
Gokak (100)	159 00	162 00	149 00	150 00xd
Ind. Untd. Defd. (1)	1.06	1 10	1 06	1.06
Ind. Untd. Ord. (10)	8.32	8 60	8.36	8.36
Indore Malwa (100)	97.00	99 00	97.50	99 00
Khatau (100)	235.00	240 00	223 75	225.00
Kohinoor (100)	258.50	273.50	257.25	272 25
Lakshmi (250)	392.50	—	—	392 50
Minerva Mills (100)	61.00	—	—	61.00
Model Nagpur (250)	98.75	101.25	90 00	97.50
Morarji (100)	235.00	251 25	234 50	251.25
Mysore (50)	80 00	85.00	80 00	81.25
National Rayons (100)	290.25	309.00	291 00	304 00
New City (100)	90.50	94 50	93.80	94.50
New Great (100)	175 00	175 00	173.00	175.00
Phœnix (100)	135.00	142 50	135.00	141.25
Podar Mills (100)	154.00	155.00	153 00	153.00
Sassoon Silk (10)	9.76	9 76	8.00	8 00
Sassoon Spg. (10)	54.00	55.30	54.00	55 00
Sholapur (1,000)	422 50	—	—	422.50
Shrinivas (100)	163 00	180 00	163 00	176 00
Simplex (50)	180 00	186.00	179 00	186.00
Standard (100)	507 50	528.00	505 00	520 00
Svadeshi (100)	226 50	234 00	225 50	229 50
Swan (100)	400.00	415.00	390 00	415.00xd
Tata Mill (25)	36.50	38.00	36 00	37 00
Vishnu (100)	90.00	94.00	90.00	94.00
Western India (1,000)	4,475.00	—	—	4,475.00
BANKS				
Bank of India (50)	136.00	136.00	134.25	134.50
Do. (New) (50)	137.50	—	—	137 50
Bank of Baroda (50)	106 00	106.00	104 25	104.50
Central (25)	56 60	56.50	56.00	56 00
Central 'A' (25)	58 30	58.30	57.00	57 00
Dena Bank (50)	53.50	—	—	53 50
Punjab National (10)	22,60	—	—	22 60
Union Bank (5)	7.20	7.20	7.08	7.12
United Com. (50)	65.70	65.80	65.20	65.50
ELECTRIC COS.				
Ahmedabad (100)	97.10	96.80	93 00	93 20xd
Amalgamated (10)	11.20	11.20	10.68	10 80
Andhra Valley (1,000)	1,155 00	1,157 50	1,151.25	1,151 25
Bom. Sub-El. (100)	104 00	—	—	104 00
Surat (100)	108 50	107.50	107.00	107 50
Tata Hydro (100)	119.00	119 00	117 50	118 00
Tata Power (1,000)	1,187.50	1,190.00	1,182.50	1,185.00
INSURANCE COS.				
British India (10)	14.44	—	—	14.44
Empire of India (100)	201.25	—	—	201 25
Ind. Mercantile (20)	44.00	44.00	42.00	42 00
Jupiter (15)	5 20	—	—	5 20
New India (15)	51.30	51.50	50 80	51 00
Oriental (200)	4,200.00	—	—	4,200.00
Vulcan (10)	20.28	20.72	20.28	20.52
STEEL COS.				
Ind. Iron (10)	24.32	24.84	24.12	24.68
Tata Steel Ord. (75)	181.75	189.75	180.50	189.00
SUGAR COS.				
Belapur (50)	309.00	317.00	305.00	314.00
Bhopal (10)	23.88	24.48	23 92	24 32
Changdeo (12.50)	29 00	30 00	29.00	30 00
Phaltan (50)	167.00	171 00	165.50	168 50
Walchand Ind. (100)	322.50	327.50	302.50	302.50xd
CEMENT COS.				
Associated Cts. (100)	149 75	157.50	149.25	156 50
Digvijay (100)	144.50	151.50	144.50	151.00
MISCELLANEOUS				
Alcock Ashdown (100)	280.00	300.00	280 00	298.00
Bom. Burmah (125)	520 50	551 50	521.00	545 50
Do. (New) (50)	177 50	186 25	180 00	185 00
Br. B. Petrol (4 sh.)	1 90	1.94	1 88	1 92
Br. I. Corpn. (5)	5 24	5 20	5 16	5 16
Hindustan Lever (10)	30 35	31.25	30 50	31 00
Hindusthan Motors (10)	9.08	9.28	9 04	9 20
Indian Copper (2 sh.)	4.28	4.40	4 26	4 34
Ind. Inv. Tr (100)	80 00	—	—	80 00
Killicks (100)	138 00	138 50	136 50	137 50
Larsen & Toubro (10)	23 96	24 80	23 96	24 68
Polson (100)	156 00	156 00	152.00	152 00
Pre. Automobiles (100)	122 00	123 50	115 00	115 00xd
Premier Con. (80)	307 00	321 00	304 00	320 00
Scindia (20)	18 32	18 64	17 96	18 28
G. E. Shipping (10)	23 16	24 36	23 00	23 12
Shivrajpur (10)	103 50	105 00	100 00	100 00
Sirpur Paper (10)	14 04	14 20	14 00	14 00
Tata Chemicals (10)	16 64	17 00	16 48	16 72
Tata Locomotive (100)	192 00	200 50	191 00	197 50
Tata Oil (25)	53.00	54 00	52 00	52 30
Voltas (100)	167.50	172 75	168 50	169 50
W. I. Match (100)	213.00	221.00	213.25	217.50

GOVERNMENT SECURITIES	30-4-1959 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	7-5-1959 Rs.
2½% 1961	97.25	—	3.79	97 25
2½% 1960	99.00	—	3.31	99 00
2¾% 1962	96 95	—	3.63	96 95
2¾% 1976	83 20	—	4.08	83 20
3 % 1959-61 2nd Vict.	99.70	3.84	3 12	99 70
3 % 1964	97.05	—	3 59	97.05
3 % 1963-65	96 70	3.76	3 51	96 70
3 % 1966-68	93.70	3.98	3 80	93 70
3 % 1970-75 1st Dev.	91 15	3.97	3 75	91 15
3 % 1986 Con. Loan.	74.05	—	4 05*	74 05
4 % 1960-70	100 75	3.48	3 92	100 75
3½% 1961 N.P Bonds	100 10	—	3 47	100 10
3½% 1964 N.P. Loan	99 75	—	3 55	99 75
3½% 1965 N P. Bonds	99 55	—	3 58	99 55
3½% 1962	99 15	—	3 50	99 15
3½% 1967 N.P. Bonds	99 05	—	3 63	99 05
3½% 1974	98 85	—	3 84	98 85
3½% 1967 N.P. Bonds	100 80	—	3 65	100 80
4 % 1972 Loan	101.70	—	3 83	101 70
3½% 1968	98.90	—	3 65	98 90
3½% 1963 N.P. Bonds	99.95	—	3 51	99 95
3½% 1968 N.P. Bonds	100 60	—	3 68	100 60
4 % 1973 Loan	101.75	—	3 83	101 75

BRITISH GOVERNMENT SECURITIES

	Closing quotations 27-4-1959 £			Closing quotations 4-5-1959 £
2½% Brit. Consols.	51⅞	—	—	51⅞
3 % Savings Bonds 1965-75	76⅞	—	—	76 5/16
3 % War Loan 1955-59	100 3/16	—	—	100 3/16
3½% War Loan	66⅝xd	—	—	66 5/16
4 % Victory Bonds 1976	96 7/16	—	—	96⅞
4 % Funding 1960-90	91½	—	—	91 5/16

*Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

MARKET GOSSIP

(*Concluded from page 759*)

suspicion will arise that such officers cannot do justice to the cases before them."

While there may be a few cases where the Income-tax Department has shown undue leniency in regard to both the amount of taxation and the period of payment, to charge the whole Department as being highly incompetent and corrupt is to indulge in irresponsible criticism. Arrears of taxes are mainly the result of excessive assessment and the grievance caused thereby among the assessees. In a democracy, an aggrieved person has a right to seek the protection of the Court. Nearly 600 appeals, involving huge amounts, according to Mr. B. Gopala Reddy, Minister for Revenue and Civil Expenditure, are pending in High Courts. The "effective arrears" of income-tax, it is said, aggregate Rs. 173 crores and not Rs. 280 crores, as shown by the Department. Even out of the balance of Rs. 107 crores which the Minister said would "have to be abated," the amount of double income-tax relief, amounts due from persons who have left India and have no assets, and those which are covered by appeals account for Rs. 60 crores. The actual arrears that will have to be written off are thus Rs. 47 crores.

It may be interesting to note here that the net outstandings of Rs. 173 crores as unpaid income-tax and due to be recovered are almost equal to 75 per cent. of the annual income from the four direct taxes mentioned above. India, of course, is not the only country where the arrears are very large; this is a common feature in other countries too. But the proportion of arrears to the total annual collections in other countries is not so high as in this country. In the U.K., for example, the arrears of unpaid income taxes at the end of 1957-58 amounted to £422.90 million which represented a little over 15 per cent. of the total tax revenue of £2,791 million in that year.

Considering the urgent need for raising funds to finance economic development, the Government should, of course, take prompt measures to expedite collection of arrears taxes from the assessees. The assessment should be prompt and, while undue harassment of assessees should be avoided, sufficient time and opportunity should be given to assessees to appeal in case of overassessment of their incomes by income-tax officers. In order, however, to discourage the tendency among the assessees to dodge payment, they should be asked to deposit with the Government the amount of tax assessed, pending final settlement. At the same time, failure to disclose all taxable incomes should be treated as a penal offence, as in the U.S., and subjected to severe punishment. It is unnecessary for the Government to show any mercy to those who deliberately evade the taxes due to it. If the tax laws are properly enforced and evasions successfully detected, it should be possible for the Government to reduce the burden of taxation, which itself will be an inducement to the assessees to be honest and prompt in paying the taxes. It is a well-known fact that excessive taxation itself is a cause for evasion as distinct from avoidance.

SEMINAR ON BANKING

(*Concluded from page 769*)

mer comprises one agency—Dun & Bradstreet Inc.,—that covers reports on any company or individual in the U.S.A. and Canada. The category of special agencies comprises many and varied bodies that specialise either in certain lines of business or in certain geographical areas.

Dun and Bradstreet, Inc. Established in 1841 and best known, it has about 200 offices in the U.S.A., with offices or correspondents in important business centres of the world. The facilities it offers may be summarised as under:

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Special Credit Agencies: These are too many and varied to admit of full description, but the chief ones may be mentioned. National Credit Office Inc., (the largest in this class), Proudfoot Commercial Agency Inc., Hooper-Holmes Bureau Inc., the Retail Credit Company and local credit bureaus knit together under the Associated Credit Bureaus of America may be noted. All of these specialise in certain branches of information and/or certain geographical areas. Information supplied by them follows the lines mentioned above in respect of Dun and Bradstreet Inc.

The sources from which credit agencies obtain information are mainly the subjects themselves, public records of suits, mortgages, deeds, etc., newspapers, suppliers to the subject, correspondents and banks.

It may be wondered why people in the U.S.A. readily give information on themselves or their business to credit agencies. The reason is that nearly everyone in that country realises that it is is in his own interest that information on him or his business should be recorded and the credit and financial standing rated. The average person—business man, professional man or otherwise—understands that he will some day need to borrow from his bank for business, consumer goods or personal purposes, or he will want to buy merchandise on credit from a store or he will need some kind of insurance, or he will enter into some other relationship where information on him would be called for. He, therefore, welcomes the enquiry from a credit agency, and fully co-operates with it by placing full and correct information at its disposal. The dependence on credit not only makes for ready availability of information, it also ensures the accuracy thereof. No one would want to have his credit ruined by giving false information; when found out, he would find further credit denied to him.

In India, there is no credit investigation agency, and it is high time that a start was made. Such agency or agencies as may be started can utilise all the sources used by the agencies in the U.S.A., mentioned above. It is true that, in our country, there is not, at the present time, the same willingness on the part of people to give financial information about themselves as in the U.S.A., but one can expect that, gradually, such willingness will increase. More reliance on credit can be expected from expansion of production and rise in the standard of living; this will make for greater co-operation with credit investigation agencies on the part of subjects. In the beginning, however, it may be advisable for the first agencies that may be started in India to devote their work mainly to business men.

JUTE

(*Concluded from page 773*)

below the optimum. The total production of jute goods in the seven months ended January 1959 amounted to 114,073 tons, as compared with 90,693 tons in the corresponding period of 1957-58. The production during the whole of 1957-58 aggregated 158,000 tons. It is, however, reported that the East Bengal mills hope to increase their output soon to an annual rate of 240,000 tons, because of the peaceful conditions which prevail on the labour front and the commissioning of about 1,500 new looms.

The Pakistan Government has also introduced an export bonus scheme under which industries, including the jute industry, are allowed to retain a specified percentage of their export earnings for their own use. According to the President of the Pakistan Jute Mills Association, the scheme has enabled the mills to dispose of their rising stocks and a fair proportion of future months' production, in spite of the very poor demand from overseas and the very large stocks accumulating in India. Mr. Jalil hopes that the export bonus scheme will enable the industry to rehabilitate itself of past losses and finance further development.

Along with the rising trend of gunny production in recent months, the despatches from Pakistani mills have also recorded an improvement. In the first seven months of 1958-59, despatches aggregated 99,640 tons, as compared with 88,438 tons in the corresponding period of 1957-58. This increase was mainly due to the rise in despatches for export from 57,407 tons to 68,010 tons. Internal offtake too rose from 31,031 tons to 31,630 tons, but the increase was very small.

The recent improvement in the position of the jute industry in Pakistan shows that the new regime was already seized of the problem and had taken steps to restore stability and get the economy into balance. The appointment of a Commission of Enquiry bears further testimony to this awareness. The core of Pakistan's problem is a sound long-term policy for jute, the main source of foreign exchange, to repair the neglect of past years.

These developments in Pakistan cannot but be of interest to India and will be watched keenly, as the success of the policy to be enunciated by the Jute Commission will weaken the competitive position of India. The latter's efforts to attain self-sufficiency in raw jute will go in vain unless the quality of the fibre is improved and the competitive capacity of the mills enhanced.

ARAB OIL CONGRESS REVIEWED

(*Concluded from page 790*)

Arab company for the exploration of oil, which has found two fields in the vicinity of Ras Gharib. A Lebanese delegate drew the speaker's attention to the fact that there had been already a local company in the Lebanon but the Egyptian company was certainly the first Arab company to find oil! The formation of national petroleum companies, not to displace but to operate contemporaneously with existing companies, was advocated in the final resolution of the Conference.

A paper by Mr. Farouk el Husseini of the Saudi Arabian delegation, on the economics of Middle East oil, treated the broad facts of production and other operations in the Middle East, and then the question of prices and revenues, leading to the conclusion that the present arrangements for the 50:50 division of profits on crude oil production has worked in favour of the oil companies. A great deal of work had been put into this paper which, in regard to matters of pricing, provoked a discussion but on several different levels. Some speakers fully realised that a difference between prices at Sidon and Ras Tanura is not a sinister phenomenon, and others seemingly believed that pricing was one vast machination to do the Arabs down. Surprisingly, the sharing of profits from refining and marketing was not treated as a subject, but it arose several times in the course of the discussions.

Naturally enough, it was expected that the Congress would be used as a means of voicing Arab nationalism, although its purpose was economic, not political. In fact, the only paper without economic content was that delivered by a delegate of the Algerian National Liberation Front bidding the oil companies beware, as concessions accorded by the French in the Sahara would certainly not be recognised by the coming Government of Algerian patriots. The subject of nationalisation was never raised, and was not revealed as a subject at all pre-occupying Arab countries. Many aspects of the relations with the oil companies were, however, discussed on, and off, the Congress floor.

Iraq was not in any way represented at the Congress, because of the present strained relations between its Government and that of the U.A.R. Persia had two observers present, and Venezuela was represented by a group, also as observers, led by the Minister of Mines and Hydrocarbons, Dr. Perez Alfonso. Outside the Congress walls, the Venezuelan delegates had many discussions with Arab oilmen, and they put abroad the idea that there should be co-operation between the Venezuelans and Arabs in regard to possible regulation of output (and so keep up prices), a subject for which a study Commission has recently been set up in Venezuela.

At the final meeting of the members of the Congress, presided over by its Chairman, Mr. Ahmed Nessim, of the U.A.R., a statement was presented which, in an atmosphere of general goodwill, rounded off the proceedings. It referred, *inter alia*, to the need for improved participation by producing countries in all phases of the oil industry, for consultation between Governments and oil companies on pricing, and for co-ordinating conservation, production and export of the various countries.

The practical effects of the Congress will take time to appear. But the meeting has been well worth while. It has given rise to many interchanges of opinion, many friendships have been made, and fresh understanding created. Ideas and notions which, unexpressed, might have lingered to give rise to frustration and misunderstanding, have been brought into the open. No doubt, many misapprehensions remain uncorrected and Arab hospitality and courtesy softened the differences in viewpoint between Arab and Arab, and between Arab country and foreign company. But the air is a little clearer. A major aim of the Congress was to make the oil business better understood. In this it has succeeded, helped by the conjoined public Oil Exhibition. Here were exhibits suited to all stages of comprehension, from contour maps and new machinery only to be appreciated by oilmen, to dioramas and models and lighted flow diagrams designed at once to simplify processes for the understanding of the layman and to remind him of their complexity. Crowning all was a floodlit full-size rig at work. The local press noted with satisfaction that £3 million of material was being shown at the Exhibition.

All in all, the getting together at the Congress has been good for everybody.—*By special arrangement with Petroleum Press Service.*

COMMERCE

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

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WASHINGTON CONFERENCE

OVER a year ago, a profound change for the better took place in the attitude of the U.S., in particular, and the Western countries, generally, on the question of assisting India to implement its plans for economic development. Till then, their response was lukewarm, both for political and economic reasons. The world situation was such that India's policy of non-alignment led to considerable misunderstanding and cynicism. The backwash of the Suez and Hungarian episodes lasted for a long time, clouding the vision of many persons in high places and thereby impeding adequate appreciation of India's efforts to raise the living standards of its poverty-stricken masses. But, as the cold war took an economic turn, with Russia turning its attention to capturing the hearts and minds of the peoples of underdeveloped countries, and as China's enormous strides in the strengthening of its economy began to receive notice all over the world, politicians, economists and commentators in the West suddenly woke up to realise the advantages of helping India. The idea that India was the bastion of democracy in Asia and that, if it failed in its efforts to raise the living standards of its people, the cause of democracy, in general, would suffer a serious setback, began to permeate the minds of an increasing number of leaders in the Western world. It is true that, even before this development, there were quite a few leaders in the U.S. and the U.K. who had realised the beneficial implications to the democratic world of India's plans for economic development and were not found wanting in championing this country's cause. But they were in a minority. Apart from political considerations, the economic recession of 1957-58 also opened the eyes of the majority of administrators and politicians to the importance of underdeveloped countries both as sources of raw materials and markets for the manufactures of the Western world. As India is relatively more advanced than the rest in this part of the world and had taken steps to implement a large number of sound development projects, its needs received prominence.

Evidence of a change in the attitude of the West towards India in 1958 was provided by (*a*) U.S. credit of $225 million through the Export-Import Bank and the Development Loan Fund, (*b*) the stepping up of the World Bank's interest in this country, (*c*) the concerted attempts of six countries to come to India's rescue in its serious foreign exchange crisis, (*d*) a fresh offer of help by the U.S. under P.L.480, and (*e*) the appreciative terms in which India's developmental efforts were commented upon at the annual meetings of the I.M.F. and the World Bank at New Delhi in October last. The proposals to increase the capital of the I.M.F. and the World Bank and to establish an International Development Association, as suggested by President Eisenhower, were also general evidence of the aforesaid change. The cumulative results of all these developments are the assurance that the core of India's second Plan will be implemented more or less according to schedule and the restoration of confidence among the planners in this country that they can prepare a third Plan without unduly deflating their ambitions.

It is heartening to find that, since the Fund-Bank meetings at New Delhi, there has been an even greater understanding of India's problems and aspirations. The two-day Conference in Washington last week, entitled "India and the United States—1959," sponsored by the Committee for International Economic Growth, a private organisation headed by Mr. Eric Johnston, is a striking testimony to the growing interest thoughtful Americans take in India. As many as 500 American leaders in Government, labour, industry and education participated in the Conference, which was attended by six prominent Indians and a leading British economist. The objects of the Conference, according to Mr. Johnston, were:

(1) to contribute to mutual understanding between the peoples of two countries;

(2) to examine India's problems of economic growth—not in the abstract, but in terms of America's ability to help;

(3) to look carefully at the processes of U.S. economic assistance and to discover how the resources of the U.S. can more effectively be used in its economic assistance programme generally.

From the reports that have appeared in the daily Press, it is clear that the first two aims were fully realised, but not much is known about what happened regarding the third aim. The general feeling among international observers on this last point is that there is considerable wastage and room for improvement. There are several agencies in the U.S.—their number is said to be as many as nine—through which foreign aid is rendered and the objectives are a mixture of military, political and economic purposes. Mr. Eugene Black, President of the World Bank, remarked, in an interview at London last week, that aid given for political or military reasons was likely to be inefficient, even positively harmful, from the economic point of view. The use of finance as an instrument of diplomacy was strongly criticised by him. He said that he did not believe that people could be bought with aid. He was somewhat sceptical of the view that the Russians were getting a large political return for a small expenditure of money. "If Soviet aid really helps to develop a country," he observed, "this is all to the good. If it is merely a political weapon, it will not eventually give the Russians much credit in the countries concerned." He advised the Western countries to answer the "Soviet economic offensive" by getting on with the job of sound economic development.

It is for the authorities and leaders in the U.S. to reflect and decide whether or not the objectives of their foreign aid programmes require to be revised. What is economically logical need not necessarily be so from the political and military points of view. But the time has come when the U.S. and other developed countries in the West have to do something more than they have done so far and that quickly to close the gap between the haves and the have-nots in this world. It is gratifying to find that even the *Financial Times*, London, has effectively stressed this point in its issue of the 7th inst. After gracefully conceding that it is in their self-interest for the Western countries to help underdeveloped areas, our contemporary says: "The question, from this point of view, is not whether the providers of aid have got value for their money, but whether the recipients have.... It is certain that a great deal of the so-called aid has been wasted, either frittered away or squandered on investments designed to serve political rather than economic ends." It then goes on to suggest that the primary purpose of aid should be "to raise living standards rather than to win friends and influence people." This quotation from the *Financial Times* points to a welcome change in the thoughts of British people also.

Since Independence, the U.S. has rendered economic assistance to India to the tune of Rs. 800 crores. There has, of course, been no political motive behind this aid. Nevertheless, it has acquired a political flavour, because Congressmen, officials and newspaper commentators in the U.S. have sought to support aid to India on the grounds that, if no such aid were given, India would become an easy prey to communism and that, in the race for economic progress in the underdeveloped, overpopulated regions in the world, India must be enabled to prove that such progress is quite possible on democratic lines, so that China's experiment, based on dictatorship and communist regimentation, may not draw many adherents. There is nothing wrong with these reasons; they are perfectly legitimate. Although India has not taken to planned economic progress in any spirit of race against China, it cannot be denied that, if a reasonably rapid pace of economic development is not achieved, India will become a fertile ground for the growth of reactionary forces as represented by communism or fascism. But there are some in this country, including the leading lights in the Congress Party, who think that it is not in good taste to seek aid from foreign countries on such grounds. This is understandable, for two reasons: (*a*) India has been taking aid from Russia and a few of the East European countries also; and (*b*) it has entered into an understanding with Russia and China not to interfere in their internal affairs. To run down their way of life openly would be in conflict with the spirit of this understanding. To those who feel this way, the following statement of Mr. Richard M. Nixon, Vice-President of the U.S., whose participation was the most significant feature of the Washington Conference, will be welcome:

"I noted that, in your conference agenda, you have pointed out that you would consider the importance of India in relation to the security and freedom of the free world. Speaking now as an official of the American Government and as an American citizen, I would not like this great Conference to begin believing that this was our sole interest as far as a Government and a people were concerned, when we did provide governmental assistance or other assistance to our friends in India. If there were no communism in the world, if there were no threat from communism to the United States and other free nations like India, there would still be poverty and misery and disease and then the people of the United States and our Government would be concerned about that poverty and misery and disease. I would not like the case for Government assistance, the case for the interest of the American people in our friends in India, to be rested at the outset of this conference simply on the negative, defensive issue of helping India, in order to save the United States from communism. I think the case can better be presented in terms of not the defeat of communism, in which, of course, we are interested, because we realise that freedom can live only where dictators are defeated—but our primary interest must be the victory of plenty over want, of health over disease, of freedom over tyranny of any type, wherever it exists in the world, and, as far as our

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friends in India are concerned, we can assure you, those who are here today, and those in that great land so far away, in which we have always had such a warm and friendly interest, that we welcome the opportunity to work with you in developing the economic progress which is your aim, so that you can prove to all the world that it is possible to have progress with freedom."

Coming, as it does, from a top official of the U.S. Government and one who is likely to be the next President of the U.S., the foregoing observation is of great value and gives rise to the hope that the U.S. Administration itself will take the lead in giving a high priority to economic aid to this country. His further statement that what happens to India in the next few years is more important to the free world than what happens in the current Berlin crisis and that "the free world has a tremendous stake in the economic problems of India" lends additional strength to this hope.

Shortly after Mr. Nixon's statement, President Eisenhower told a Press conference that the U.S. could not take the sole responsibility for assisting India in implementing its plans for economic progress. To several questions that were put to him on this subject, he gave non-committal replies. This, together with the fact that the U.S. Congress has not yet sanctioned the President's urgent request for $225 million to replenish the resources of the Development Loan Fund, has created a certain amount of scepticism in this country about the sympathetic and reassuring observations made at the Washington Conference not only by Mr. Nixon but also by the other leaders in the U.S. While such a reaction is natural, it should not be allowed to minimise the value of the Conference. It would be unfair to expect the U.S. President to make any definite commitments in a Press conference. Further, none in this country expects the U.S. to be solely responsible for the foreign aid required for implementing India's development plans. What is expected of the U.S. is a lead in this direction and, as the richest creditor country in the free world, readiness to provide the major part of the aid. The failure of the U.S. Congress to give prompt approval to the President's request regarding the D.L.F. is not surprising, in the light of past experience. And it is possible that, ultimately, the Congress may agree to vote about $150 million or $200 million. One should not, therefore, be unduly depressed by this event.

The value of the Washington Conference lies particularly from the point of view of mobilising U.S. public opinion in favour of support for the third Plan of India. The experience of the second Plan shows that no development plan worth the name can be framed and implemented, without a proper assessment of the foreign aid required and ensuring the sources of such aid. A plan of this nature cannot depend upon the varying moods of Parliaments of foreign countries and be worked on the basis of their annual budgets of foreign aid. They have to evolve a long-term plan and "give," to quote Senator John Sherman Cooper, "a convincing demonstration that they have not a propaganda or crisis interest, but enduring long-term interest in the productive economic growth of the less-developed nations." Fortunately for this country, a growing number of American leaders are realising this point. Senators Cooper and Kennedy. Representative Chester Bowles, and several others in the Congress, supported by the leading economists belonging to the Massachusetts Institute of Technology, are trying their best to convince the American public about the need for assuring economic aid to India on a long-term basis. It is the duty of the leaders of this country, especially of the party in power, not to say or do anything that will weaken the hands of these U.S. leaders. From this point of view, some of the economic policies that are now advocated for adoption in the third Plan—these seek to place further restrictions on the scope for the private sector and to penalise individual savings—are definitely ill-advised and should be dropped. At the Conference under reference, Senator Kennedy drew attention to a proposal, which he had made jointly with Senator Cooper, for the creation of an international joint mission to India to work out with the Indians an accurate appraisal of their needs for the forthcoming third Plan. There is no reason why the Indian authorities should not accept this suggestion. As was pointed out by us on an earlier occasion, the Government of India should invite an authoritative mission from abroad for a discussion on this subject as soon as the third *draft* Plan is drawn up.

CO-OPERATIVE FARMING

THE stage is being set for the introduction of co-operative farming. The All-India Congress Committee (A.-I.C.C.), which met at New Delhi last week-end, was chiefly concerned with drawing up the details of the scheme. Although it is four months since the Nagpur session of the Congress decided to adopt co-operative farming as the main feature of the Party's agrarian policy, no serious attempt has been made to take the concrete steps necessary for its introduction. This was, in fact, held as a serious weakness and the delegates to the New Delhi session were somewhat insistent that more rapid progress was necessary and desirable. Be that as it may, it is now clear that co-operative farming is an article of the Congress Party's economic faith which it would be a sacrilege for the members to question, though other impartial observers will continue to entertain doubts about the practicability of the programme.

By and large, the note on co-operative farming, which was circulated at the A.-I.C.C. session, was a realistic document. It reiterated—this has been emphasised by several Party leaders—that joint co-operative farming will be introduced in several areas to begin with. In other words, the idea of pilot projects has obviously commended itself to the authorities. Even so, it might have been more realistic to introduce service co-operatives in the first instance and to make joint co-operative farming depend upon the former's success. Obviously, this is not what the Congress has in mind. The note is anxious to stress that it is not the intention of the Party to shelve co-operative farming and that its programme envisages the introduction of both service co-operatives and co-operative farming, though the latter will be treated as a limited objective in the initial stages. It observes that the 20-million target, set for the membership of service co-operatives, to be achieved by the end of the second Plan, cannot be achieved without larger financial accommodation to village societies and non-official effort on a mass scale throughout the country. It adds that care must, however, be taken to see that expansion is on sound lines and does not merely take place on paper.

Much emphasis is placed on primary rural co-operatives. The chief functions of these co-operatives, it is stated, will be "the provision of short and medium-term credit, supply of agricultural and other production requirements, the marketing of agricultural produce and the formulation and implementation of a plan of agricultural production for the village." Co-operatives, it is further stated, should be organised on the basis of the village community as the primary unit, but, where villages are small, they could be grouped together and a society formed for a population of about 1,000. The liability of village societies may be either limited or unlimited according to the wishes of the people. Although the Government will render necessary assistance to the co-operatives, they will try to develop local resources, in order to create a spirit of self-help in the community. More intensive development of co-operative marketing and processing, it is stated, is necessary, particularly in view of the vital role co-operative marketing societies have to play in the scheme of State Trading in foodgrains. Village societies, the note adds, should function as members of the marketing societies and act as their agents for the purchase of surplus produce.

As a general outline of the theory of co-operativisation of agriculture, the note is perhaps unexceptionable. Whether the scheme will work as well as its sponsors expect, or even whether it is a sufficiently effective prelude to co-operative marketing are questions which call for answers. But the Congress leaders have been at some pains to give a few welcome assurances which will soften the opposition to the scheme. In the first place, they have reiterated the point that no loss of property rights is involved in co-operative farming. Apparently, this assurance applies only to lands that fall within the proposed ceiling on land holdings. A studied silence is, however, being maintained in regard to compensation payable in respect of land that is in excess of the ceiling and is proposed to be taken over by the State. If the proposals contained in the pending Bills in some of the States are any indication, there will be a virtual expropriation of these lands. Secondly, they have made it clear that no compulsion is contemplated in the working of the scheme of co-operative farming. Mr. Nehru declared that a "compulsory co-operative" was an absurdity. It, however, remains to be seen how far this assurance will be implemented, in letter as well as in spirit, for it is easy to implement it in letter and violate its spirit by making it so difficult to undertake individual farming that the farmer is virtually compelled to join a co-operative. Thirdly, the party spokesmen have agreed to keep an open mind on the question of permitting a farmer to withdraw from a co-operative in the event of his wanting to resume individual cultivation. Mr. Nehru said that, while they cannot permit entry into, and exit from, a co-operative to be decided by the whims of the farmer—once a farmer joins a co-operative, he will have to serve some minimum period—they would not like to impose rigid solutions. Here, again, things may turn out to be different in actual practice. Since the majority in villages are have-nots, they can make the life of a farmer, who wants to resume individual farming, so miserable that he dare not attempt it. Thus, those who have given these assurances have no idea of what life is in our villages.

The essence of the whole approach of the Congress Party to the agrarian problem is an almost pathetic faith in co-operation. It would be a different matter if co-operation were held up as an ideal. But the Party is convinced that co-operation is the only practicable way to prosperity. It is true that co-operation can achieve a great deal of concrete results in the rural sphere. But is it right to lay almost exclusive emphasis on it? As the Agricultural Team, sponsored by the Ford Foundation, in its report on *India's Food Crisis and Steps to Meet It* points out, "there is no magic in the co-operative farm of organisation which ensures its success." It rightly adds: "Co-operatives will succeed, only if they perform economic functions better than they are now being performed." Among the several notable suggestions it makes for the achievement of more rapid results on the agricultural front, mention deserves to be made of three recommendations. In the first place, it insists that co-operative organisation must be built on sound business principles. Secondly, it emphasises that "there should be close working relationship between agricultural technicians and the officials of both the primary credit societies and the co-operative banks, in order that technical agricultural knowledge be used to strengthen repayment capacity and enhance local recovery probabilities." Thirdly, it stresses the importance of non-official leadership.

These observations have been made in the context of the examination of the role of co-operation in raising agricultural production. That co-operation has an important role to play in rural life has been generally recognised. But co-operative farming raises many difficult issues for which agriculture in the free world can possibly provide no *comparable* precedent. Among the free countries, India alone is attempting this experiment. And let it not be forgotten that India is a vast country with 366.6 million acres under cultivation by people, the great majority of whom can neither read nor write. The Congress Party is attempting it with the full knowledge that the co-operative movement has made no significant headway so far and that the number of co-operatives, with specialised training in applying the principles of co-operation to agriculture is by no means sufficiently large to justify the faith now reposed in co-operative farming.

Apart from the fact that no adequate preparation is being made for a change which is clearly a revolution in agricultural organisation, there is the far more important danger arising out of the possibility of extremist political elements exploiting the co-operative movement. There is a grave danger of the co-operatives being formed on party lines—Congress, Socialist and Communist co-operatives—in the same way as in trade unions. And, when this happens, it may lead to serious disturbance to peace and even endanger the unity of the country, for the membership of these co-operatives will be many times larger than that of trade unions. The Congress delegate from Kerala to the A.-I.C.C. meeting pointed out how, in his State, not only communist members get priority in the organisation of co-operative societies but the societies formed by non-communists, are being superseded. The communists, it is stated, are making the co-operative movement a wing of their Party; loans are freely given by the Government to their societies and the money goes to the Party. These charges deserve to be investigated, if only for the reason, that the artificial stimulus now being given by the Government in good faith to co-operation may itself prove a mighty fillip to the growth of extremist political parties in the country.

CO-OPERATION IN INDUSTRY—WHAT IMPLICATIONS?

T.I.S.Co. NEW CAPITAL—CAPTAINS OF INDUSTRY

THURSDAY, 5 P.M.

A BRIEF reference was made in these columns a fortnight ago to a note on the implications of the socialist pattern of society brought to Bombay by Mr. U. N. Dhebar for a discussion with a selected number of economists. This note seems to have been rehashed and presented to the A.-I.C.C. members for discussion as the note from the Planning Sub-Committee of the Congress Party.

MARKET GOSSIP

Unfortunately, as the A.-I.C.C. gave precedence to co-operative farming, Mr. Dhebar's note on economic policy could not be considered and has been deferred to the next A.-I.C.C. meeting due in September. Meanwhile, the A.-I.C.C. has adopted a resolution that, as far as possible, the principles envisaged in the Nagpur resolution on co-operative farming should be extended to industries, too, whether big or small. The qualification "as far as possible" was incorporated at the instance of Mr. Nehru. It is not known what exactly is meant when it is said that industries should be run on co-operative basis. Does it mean that the system of joint-stock enterprise is to be given the go-by? Is the industrial policy of the Government going to be spelled out again in the light of this resolution? From the reactions of Mr. Nehru to this resolution, it appears that this is not an immediate objective of the Congress Party, but we will not be surprised if it looms large at the time of the next elections or shortly thereafter. Nevertheless, this is only the thin end of the wedge. One day, when attempts are made to implement this ideal, as is now being done in the agricultural sector, investors in industries, especially large-scale investors, may be treated in the same manner as those who hold land in excess of the proposed ceilings are now treated. It is not our intention to raise a scare among investors by drawing attention to the implications of the adoption of this resolution by the A.-I.C.C. without even a proper debate on it. But, at the same time, we would be failing in our duty if we did not focus the attention of the public on this development, as it creates one more uncertain factor about the future of private enterprise.

Even more disturbing is the note of the Planning Sub-Committee, referred to at the outset. The ideas contained in it may seem innocuous, but, if they are carefully analysed, it will be seen that they imply further restrictions and burdens on private enterprise. There is, of course, no mention of nationalisation of banking, but stringent controls on the activities of banks are advocated. Unearned incomes are to be taxed heavily. The note talks about ours being a mixed economy, but it is obvious, from its description of the functions of the State, that the mixture will be heavily weighted in favour of the public sector. The share markets, however, have practically ignored Mr. Dhebar's note, after registering a short-lived fall in equity values. It does not, of course, suit the bulls to talk of bearish points. And some powerful bulls are said to have entered the ring for a fresh bout of the game.

* * * *

The proposal to raise additional capital by the Tata Iron and Steel Company, Ltd., is still the subject of lively discussion in market circles. Some of the leading shareholders and representatives of the Bombay Shareholders' Association had discussions with the Company's management on the 7th inst. It would appear that the Company wants to raise about Rs. 8 crores and the suggestion made by these representatives was that at least half of the new issue should be in preference shares, the other half being in ordinary shares in the ratio of one for five at par. There are reports that some shareholders were in favour of the whole issue being in ordinary shares. Neither the management nor the Board of Directors has yet made up its mind on this issue. Even if they decide, the ultimate decision rests with the Government which has a large say in these matters. In the meantime, the general impression is that the Company will be raising capital as suggested by the Shareholders' Association. It is this impression that has led to a sharp rise in the value of Tata Steel Ordinaries during the last few days.

But there are some who strongly hold the view that the whole issue should be in equities and no preference shares should be issued. The following arguments have been advanced in support of this view:

(1) It is necessary to balance the enormous growth in the net assets of the Company with an adequate capital base, thereby restoring a proper proportion between paid-up capital, reserves and borrowings.

(2) A definite balance between the fixed interest capital and ordinary capital should be maintained. A comparative study of the ratio of preference shares with ordinary shares in the case of other really big Indian companies will support the view that the T.I.S.Co's present ratio of one preference to three ordinaries should not be exceeded.

(3) If the Company were to decide to issue only equity capital now, it would be doing so under more favourable circumstances than those that prevailed at the time of the issue in 1956. Production and profits are already increasing and the share markets are starved of first class equities, as can be seen from the great response received by Colour-Chem. The current market value of Tata Ordinaries are the highest ever touched, after taking into account the conversion of Deferreds and the issue of bonus and right shares.

(4) When the purchasing power of money is decreasing due to inflationary pressure, the new equity capital will constitute a hedge against inflation.

(5) The element of "interest on capital" will no longer be present and an undertaking of 5 per cent. or 5½ per cent. return will mean much more on the new capital.

(6) The T.I.S.Co. is very much under-capitalised and its future need of capital requires that full advantage should be taken of the present bull market for raising equity capital that can be adequately serviced.

(7) The necessity to raise additional capital will again arise in two years' time, which synchronises with the election year, when steel may be in surplus, as Government plants will be in commission. The present Government is wedded to a socialist pattern of society and the slogan at the elections will accelerate the pace for achieving that end. The markets then are likely to remain depressed. That will be the time to issue preference shares. By that time, the equity-preference ratio also will be better and the indebtedness will have been reduced.

There is reason to believe that, at their meeting last week, some shareholders suggested that exclusive equity issue will be a failure, as the shareholders, who have no savings in cash, will have to sell their other shares to finance the new issue and thereby pay capital gains tax. This argument, it is said, is not convincing, for capital gains tax is unlikely to be removed in the foreseeable future and will, therefore, have to be paid when capital profit is booked even at a future date. In any case, if this argument is relevant, there can be no new capital issue at all, whether equity or preference.

The issue of ordinary shares at the rate of two for five at par will bring a profit of about Rs. 100 in case the shareholders have no savings to take up the new shares, while the gain under the other scheme will be about Rs. 50 only. Why should the equity shareholders then oppose the scheme which is going to bring an immediate gain?

The present boom in share markets is like a red rag to the socialist bull in Delhi. Issue of equity capital alone will tend to check the element of speculation in the Company's shares and bring about a better balance between the capital base and net block. Incidentally, this may also assist the shareholders in the event of Government nationalising the industry.

A small issue of equity capital and the high price of existing shares in the market, it is pointed out, will also encourage the labour to ask for more and thereby make inroads into the return that would otherwise be available to investors.

Issue of equity capital only may bring about a temporary decline in prices, but the ultimate gain, we are told, will be substantially large.

Since writing the above account and just a few minutes before going to press comes the Directors' announcement that they have decided to issue additional capital to the tune of Rs. 8.32 crores, made up of Rs. 4.60 crores in 613,953 (A) ordinary shares of Rs. 75 each and Rs. 3.72 crores in 371,909 (A) 7½ per cent., taxable, cumulative preference shares of Rs. 100 each. The ordinary shares will be issued in the ratio of one for every five shares and the preference in the ratio of one for every two first and/or second preference shares. Both the shares are offered at par and the full amount will be payable on application.

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It is greatly to be feared that Mr. Nehru's diatribe against captains of Indian industry, by whom he said he had not been "terribly impressed," is likely to be echoed by lesser men. Since, in this country, an idea may gain adherents through its sheer repetition, it is just as well that one stops to consider whether Mr. Nehru's estimate of Indian industrial leaders is fair and just. It is not clear what precisely Mr. Nehru meant when he said he had not been "terribly impressed." If he meant that he was not impressed by industrialists in the way he would be impressed by a great scholar, statesman, poet or painter, he is perhaps looking in the wrong place. That this is not what he had in mind is clear from the two specific criticisms he made against Indian industrialists—their poverty and inability to stand on their feet. His point was they wanted loans from the Government and protection for their industries.

These two "wants" from which Indian industrialists are alleged to suffer are apparently the cause of Mr. Nehru's indignation against anybody wanting to pay too high a tribute to their services. Is Mr. Nehru right in pointing to these "wants" as a most reprehensible part of the activities of Indian industrialists? To take the first allegation. Surely, the dependence of industries on Government loans is not a peculiarly Indian feature. In any case, the industrialists would have been happier to get the necessary resources from the market, if only the Government had cared to leave a little more money in people's pockets. Actually, the Government takes a lion's share of individual and corporate income. And it is strange that Mr. Nehru should suggest that the diversion of a very small part of the Government's revenue to industrial borrowers is a serious reflection on the industrialists' efficiency.

If it is Mr. Nehru's contention that there are many countries in the world where industrialists do not insist on Governmental aid, it is necessary to point out that the comparison is not correct. Now, if the U.K. or the U.S. or Germany had as high a level of taxation in the last century as India has at present, these countries too would have had to depend upon the assistance of their respective Governments. Further, before this myth of Governmental assistance gains greater currency, it is just as well that someone should collect and publish the total capital and resources in Indian industry and the total of the loans given by the various Government and quasi-Government organisations. These figures will confirm what is generally well known, that Governmental assistance forms only a fraction of total industrial investments in India.

In any case, the Government has given the industries in the private sector only loans and not gifts. They are to be repaid with interest in the vast majority of cases. Again, it is not uncommon even in highly developed countries for Government to give loans to industries in the private sector. Even today, vast loans have been given by the British Government to some of the steel companies and aircraft manufacturers for financing their expansion programmes. The Governments of West Germany and Japan gave enormous loans to their industrialists for rebuilding the war-devastated industries. And, for that matter, why does Mr. Nehru forget that the Government of India itself has borrowed large sums from the Governments and private investors in other countries?

It is true that Indian industries have claimed and obtained protection. But, since public memory is short, it may not be out of place to recall here that the formula of "discriminating protection," adopted in the pre-independence years, was not much of a strong assistance to Indian industries. Indeed, many of them had to be set up in the teeth of international competition. And it is to these industries and their sponsors that the country owes all the modest industrial progress it has made. Whether in the older industries, like steel and textiles, or in the new industries, like chemicals, synthetics, aircraft and automobiles, the country owes its achievements to the pioneering efforts of private industrialists. Nor is the charge correct that, unlike their confreres in Japan and Germany, they were not farsighted enough to develop machine-building capacity. For one thing, the industrial units which could consume the machines were not sufficiently large to justify their manufacture. Secondly, the industrialists had to function under an alien Government—a situation which did not confront their counterparts in other developed parts of the world.

Surely, giving protection to national industries is the primary function of a Government, for thereby a Government is protecting not merely a handful "captains of industry" but employment and living standards of its people and the utilisation of its raw materials. Protection is a common feature of countries all over the world. The industries in the U.S. grew with the help of a big tariff wall and many of them are still heavily protected. Industries in Russia and China, so much admired by Mr. Nehru, are totally protected through State Trading and State control. This is true of industries in India's public sector also. Are they not protected through import controls and subsidies from general revenue? Can the ships, locomotives, machine tools, wagons, coaches, drugs and fertilisers made by Mr. Nehru's public sector stand in competition from foreign countries?

Mr. Nehru's frequent criticism of the private sector is unfortunate to a degree. Perhaps, in no country which is at a stage of economic development comparable to India, will it ever occur to a prime minister to disown publicly its captains of industry. What Mr. Nehru hopes to gain by starting a controversy of this kind he alone can tell. How can Indian industrialists explain their Prime Minister's prejudice against them to foreign industrialists with whom they may seek technical or financial collaboration? How can they enforce discipline among their employees or command their respect and loyalty?

Mr. Nehru's criticism could not have been more badly timed, considering that, just at present, there is a lively realisation on the part of the Western industrialised countries of the necessity for rendering economic assistance to India. These countries have great faith in private enterprise and their spokesmen have been saying that countries like India with plenty of *entrepreneurial* skill should encourage private enterprise, with a view to ensuing optimum rate of development. At such a time like this, Mr. Nehru's attack on the private sector and its leaders may produce unfavourable reactions in these countries and make the task of getting assistance from them difficult. This is exactly what the communists in India and the communist countries in the world want to happen. Thus, unwittingly, Mr. Nehru himself is helping the communists, while his party is keen on unseating them from power in Kerala.

There is a great deal to be said in favour of flow of private foreign investment into this country. This is how the U.S. Vice-President, Mr Richard M. Nixon, viewed the problem in the

(*Continued on page 848*)

EQUITIES MAINTAIN BULLISH TONE

FURTHER SPURT IN VALUES

(From Our Own Correspondents)

BOMBAY, 14*th May*

AFTER last week's hectic rise, equities moved a little erratically this week, on profit-taking at higher levels and revival of buying at lower rates. The basic trend was, however, upward and over the week, prices recorded smart gains on a wide front, thus indicating that the bull grip over the market has not been lightened. If anything, the bulls are still confident and offerings at higher levels are being absorbed. The main inspiration for the market came from reports that the Directors of the Tata Iron and Steel Company, Ltd., would soon finalise the terms of the new capital issue—it is reported that a meeting is to be held this evening to consider the question. No definite indication is available of the outcome of last week's discussions between the management and the shareholders' representatives. An important outcome of the meeting, however, is the Directors' assurance to cancel the notice of closure of transfer books from 8th June to 4th July and to close the books simultaneously for purposes of dividend and the proposed rights issue.

Tata Steel Ordinaries moved ahead from Rs. 189 to Rs. 191.25, at which level they suffered a setback on heavy profit-taking to Rs. 187.50 on Tuesday this week. They, however, soon rallied to Rs. 193.50 today, before closing at Rs. 192.75. The new shares gained over the week Rs. 2.75 to Rs. 190.50. Indian Irons were also erratic. After a decline from Rs. 24.68 to Rs. 24.20, the shares gained ground to Rs. 24.75. The closing was lower at Rs. 24.60.

Textile shares were again in the forefront. Bombay Dyeings appreciated from Rs. 62.80 to Rs. 64.40 and closed at Rs. 64.30. Centurys staged a big rise this week, shooting up from Rs. 531 to Rs. 552.50 and finishing at Rs. 549. Kohinoors were concerned in some hectic movements. Moving up from Rs. 272.25 to Rs. 284, the shares gave way to Rs. 276. They again rallied to touch a high of Rs. 287.50, but the closing was lower at Rs. 282. Central Indias gained Re. 1.50 to Rs. 107. Khataus moved up by Rs. 5 to Rs. 230, Morarjee Mills by Rs. 5.75 to Rs. 257, Podars by Rs. 14 to Rs. 167 and Shree Niwas Cottons by Rs. 4 to Rs. 180. Standards scored a gain of Rs. 7 to Rs. 527 and Svadeshis shot up by Rs. 8.50 to Rs. 238. Tata Mills advanced by Rs. 2 to Rs. 39. A feature of this section was the sudden spurt of Rs. 9.50 to Rs. 104 in New City Mills.

Sugar shares lagged behind, Belapurs losing over the week Re. 1 to Rs. 313. Phaltans shed Rs. 3 to Rs. 165.50. Walchandnagars, however, gathered Re. 1.25 to Rs. 303.75. Cement shares were less active than in the previous week. Associated Cements recorded a gain of no more than Re. 1.25 to Rs. 157.75. Digvijays rose by Rs. 2 to Rs. 153, while Orissa Cements were a shade quiet at Rs. 14.48. Ashokas at Rs. 9 and Jaipur Udyogs at Rs. 11.12.

In distinct contrast to the general trend, Alcock Ashdowns, in the engineering and mining group, suffered a setback, losing over the week Rs. 8 to Rs. 290. The highlight of the section was provided by Premier Constructions which staged a hectic rise of Rs. 21 to Rs. 341. Tata Locomotives moved ahead from Rs. 197.50 to Rs. 204.75, but gave way to close at Rs. 201.50. Larsen and Toubros were quiet at Rs. 24.40 and Mahindras at Rs. 23.40.

Miscellaneous industrials provided several features. Bombay Burmahs (old) advanced by Rs. 13.50 to Rs. 559 and their new shares by Rs. 7.50 to Rs. 192.50. National Rayons were erratic, moving between Rs. 309 and Rs. 297.25 The closing was done at Rs. 303.50. Gwalior Rayons lost 36 nP to Rs. 18.60. Tata Chemicals rose by Re. 1 to Rs. 17.72 and Alembic Chemicals by Rs. 9 to Rs. 209, while Dhrangadhra Chemicals declined by Rs. 2 to Rs. 120. Tata Oils added Rs. 2.70 to Rs. 55 and Indian Dyestuffs Rs. 41.25 to Rs. 761.25. Wimcos spurted by Rs. 15.50 to Rs. 233, following the Chairman's statement that the working of the Company's paper mill had been encouraging. Ceats scored a gain of Rs. 27 to Rs. 167. Greaves Cottons were picked up Rs. 8 higher at Rs. 136.

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Calcutta Stock Exchange

CALCUTTA, 12*th May*

Cheerful conditions prevailed on the Calcutta Stock Exchange during the week under review. Tea shares were the cynosure of all eyes for some time, and absorbed a good portion of this week's speculative fervour. Continued interest in good dividend-bearing tea scrips was attributed to the improved prospects for the new season's crop. Investment buying was generally restricted, and Monday's reaction was attributed to the rather fast upward movement of prices on speculative support alone earlier in the week.

Sectionwise, miscellaneous industrials continued to be in the forefront following further releases of good corporate results. Coals, after being fully steady on expectations of a price increase, turned quiet following the Government's proposal to fix ceiling prices for the fuel instead of minimum selling prices. This would mean competition among sellers of the fuel, and the industry as a whole would not derive as much benefit as from a straightforward increase in minimum prices. Assam gardens were particularly favoured in teas, in view of the proximity of dividends. Jutes received less attention, in view of the increase in hessian stocks; but it was thought that this section should be more active judging from the good reports from the goods market. Engineerings and minings were active on good reports, while paper shares, after being higher, reacted, since it was thought that the increase in paper prices would not be sustained.

Among coals, Pench Valleys advanced to Rs. 26.37 from Rs. 26, and Amalgamated to Rs. 25.87 from Rs. 25.31, while South Karanpuras dipped to Rs. 13.22 from Rs. 13.56. Khatras Jherriahs, after reacting to Rs. 74.50, recovered to Rs. 75.25. Equitables were fractionally higher at Rs. 31.75, but Bengals, after firming up to Rs. 313, sagged to Rs. 312.

Jutes were subdued, though here and there selected features were not wanting. Anglo-Indias, after losing to Rs. 225, recovered to Rs. 236. New Centrals closed slightly higher on balance at Rs. 15.37. Howrahs were earlier done at Rs. 24.25, but soon sagged to Rs. 24.

Teas attracted considerable interest, but were subsequently subjected to profit-taking. At Rs. 22, Teesta Valleys added a fractional gain. Ranicherras, after being higher at Rs. 20.62, moved down to Rs. 20.06. Brooke Bonds touched Rs. 20 before closing at Rs. 19.19. Sungmas, after realising Rs. 21.50 as against Rs. 20.12 previously, were lower at Rs. 19.25.

Among engineerings, Guest, Keen, Williams rose to Rs. 41.12 from Rs. 38.62, following news of diversification of activity to new lines with foreign technical collaboration. Indian Irons opened at Rs. 24.57 and rose to as high as Rs. 24.74 to close at Rs. 24.30. Texmacos moved up to Rs. 26.10, but closed at Rs. 25.60.

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Madras Stock Exchange

MADRAS, 12*th May*

Barring a few miscellaneous industrials which encountered selling and suffered losses, the Madras Stock Exchange depicted a fully steady trend during the week under review. Turnover was, of course, restricted, but this was due not to paucity of buyers but to scarcity of floating stocks, especially of popular scrips, following persistent purchases in the past few weeks. In particular, sugar shares ruled buoyant, thanks to buying support induced by renewed expectations of better price realisations for sugar. The shares of tea companies producing high-grown teas evoked good buying by local and upcountry interests. In sympathy, rubbers and coffees tended to move up. Textile shares were firm, although buying was selective in character. There would have been a marked rise in values but for the tendency of operators to await emergence of a clear picture regarding offtake of cloth and yarn—domestic and overseas—as well as confirmation of rumours that the Government was considering a new scheme to step up exports.

In the sugar group, Andhras attracted excellent attention and climbed up by Re. 1.25 to Rs. 22.25. Mysores and E.I.Ds registered a rise of 75 nP each to Rs. 52.25 and Rs. 38.75, respectively. Jeypores spurted by 50 nP to Rs. 15.50. Travancores hardened by 35 nP to Rs. 12.45. Deccans strengthened by 20 nP to Rs. 12.15.

Several planting shares recorded an improvement. The following are today's closing rates for some of them, the figures in brackets showing the net gains over the week:

Tea: Balanoor Rs. 21.25 (+25 nP); Coonoor Rs. 26.25 *ex-div.* (+25 nP); Haileyburia Rs. 19.20 (+20 nP); Coorg Rs. 5.25 (+10 nP); Kil Kotagiri Rs. 8.55 (+10 nP); United Nilgiri Rs. 20.20 (+8 nP); Lucky Valley Rs. 12.95 *cum-div.* (+5 nP).

Rubber: Nenmeny Rs. 16.50 *cum-div.* (50 nP); Peermade Rs. 20.40 *cum-div.* (+40 nP); Tropical Rs. 24.50 *cum-div.* (+25 nP); Karikode Rs. 10.50 (+25 nP); Pullangode Rs. 1.88 (6 nP); Mercara Rs. 8.95 (+5 nP).

Coffee: Kumergode Rs. 6.60 (+50 nP); Rajendra Rs. 14.75 (+25 nP); Anaparai Rs. 4.70 (+5 nP); Consolidated Coffee Rs. 22.15 (+5 nP); Cowcoody Rs. 7.25 (+5 nP).

Among textiles, Palani Andavar A's were well fancied and advanced by Rs. 5 to Rs. 134. Buckinghams, Balarama Varmas and Dhanalakshmis rose by Rs. 2 each to Rs. 183, Rs. 97 *cum-div.* and Rs. 198, respectively. Metturs gathered a rupee to Rs. 397. Bangalore Woollens put on a like amount to Rs 175. Virudhunagars gained 50 nP to Rs. 39.50 and Balasubramanias 25 nP to Rs. 55.

In the miscellaneous section, Ashok Leylands provided a bright spot, the quotation moving up by a rupee to Rs. 8.95 *cum-div.* The Company has announced issue of 25,00,000 equity shares of Rs. 5 each at par to holders as on 22nd May 1959 in the ratio of five for eight shares held. The last date for submitting applications for right shares and renunciation of letters is 15th June next. F.A.C.Ts were done at Rs. 9.45 *cum-div.*, as against Rs. 8.75 last week. The Directors of the Company have declared a dividend of 4 per cent. for 1958, for the first time after 1951. W.I. Plywoods were marked up by Rs. 3 to Rs. 162. Travancore Rayons hardened by 43 nP to Rs. 20.35 *cum-div.* Mysore Papers improved by 18 nP to Rs. 19.50, Aluminium Industries by 8 nP to Rs. 19.55 and Andhra Scientifics by 25 nP to Rs. 6.50. Travancore Cements were quoted at Rs. 9.85 *cum-div.* A dividend of 6 per cent. has been proposed by the Company's Directors for the year 1958, which is the same as that given in the two previous years. Rallis, however, were subjected to selling and dropped Rs. 2.25 to Rs. 67. Binnys fell by Rs. 2 to Rs. 166 *ex-div.* National Rubber Manufactures declined by Re. 1.87 to Rs. 15 *cum-div.* India Steel Rollings shed 37 nP to Rs. 15.50.

INDIAN RAYON CORPORATION

The Indian Rayon Corporation has come out with the announcement of its capital issue. As will be seen from the detailed announcement on pages 822-823, the issued capital is of the order of Rs. 2 crores, made up of 60,000 7 per cent. tax-free cumulative redeemable preference shares of Rs. 100 each and 140,000 ordinary shares of Rs. 100 each. Of this, the Directors and their friends, selling agents and foreign investors have taken up Rs. 1 crore, consisting of 7,000 preference shares and 93,000 ordinary shares. Of the balance, we understand that several institutional investors have already expressed their willingness to subscribe Rs. 35 lakhs. Consequently, the amount available to the public is Rs. 65 lakhs. This factor itself is conducive to the success of the issue.

The total issued capital of Rs. 2 crores represents the major portion of the estimated cost of Rs. 3.32 crores for putting up the rayon yarn manufacturing plant at Veraval, about 200 miles west of Bombay. The balance of Rs. 1.32 crore is being met from five-year deferred credits by foreign machinery suppliers, namely, Messrs. Von Kohorn group of companies. The Company has entered into agreements with Messrs. Von Kohorn International Corporation (who, jointly, with the Financial and Development Fund, Inc., of the U.S., have agreed to invest $825,000 or Rs. 40 lakhs in equity capital), Messrs. Von Kohorn International (London) Limited and Messrs. Von Kohorn Eastern Corporation Limited, under which the entire plant and machinery for the Company's factory will be designed and supplied from the U.S. and the U.K.

The foundation-stone of the factory will be laid by one of the Central Ministers on 20th June next. The machinery and equipment will start arriving in September. The factory is expected to commence trial production in September 1960 and go into full production by the end of 1960. The initial capacity of the factory will be 5 tons of rayon yarn per day which will be expanded gradually to 10 tons. The bulk of the production, it is said, will consist of finer counts of yarns—100 deniers and below—which are not being manufactured in India at present and which are largely imported. The manufacture of staple fibre and other viscose and synthetic fibre products may also be undertaken at a later stage. The factory will employ directly about 1,000 persons and produce goods worth approximately Rs. 3 crores annually.

The rayon yarn to be produced by the new factory will undoubtedly meet with very good demand from consuming interests, especially in the Saurashtra and Punjab regions which are at present depending largely on Bombay for their supplies. It may be noted here that there is a wide gap between domestic production and actual requirement and the gap may widen further in the coming years. The target for rayon yarn output (fixed for 1960-61) is no more than 60 million lbs., as against the estimated annual requirements of 80 million lbs.

KHANDELWAL FERRO ALLOYS LTD.

The long-awaited terms of the proposed capital issue of Khandelwal Ferro Alloys Ltd. have been announced. The authorised capital of the Company is Rs. 2.50 crores, made up of 150,000 equity shares of Rs. 100 each and 100,000 7½ per cent. tax-free redeemable cumulative preference shares of Rs. 100 each. Of these, 100,000 equity shares of Rs. 100 each and 50,000 preference shares of Rs. 100 each will be issued, out of which the promoters, the Directors and their friends have already taken up 65,063 equity shares. The balance of 34,937 equity shares and the entire preference shares are being offered for public subscription at par. The subscription list will open on 30th May and will close on 6th June or later at the discretion of the Directors.

The entire preference share issue has been jointly underwritten by the Industrial Finance Corporation of India and two Bombay firms of share brokers. The share of the I.F.C. is to the extent of Rs. 37.50 lakhs. A sum of Rs. 25 per share on each of the preference and equity shares is payable on application and another Rs. 25 each on allotment. The balance of Rs. 50 per share will be payable in calls not exceeding Rs. 25 per share. The Directors do not, however, propose to call the balance of Rs. 50 per share on the equity shares at least for a period of two years. The preference shares are redeemable after five years and will be redeemed within a period of ten years from the date of issue.

The object of the issue is to provide the capital and working costs for a plant to produce standard grade high carbon ferro-manganese and other ferro-alloys complementary to ferro-manganese production and such other products as could be manufactured in the plant. The present scheme is to install plant for the manufacture of ferro-manganese with an installed capacity of 30,000 tons per annum.

The Company has an assured market for its product for a fairly long period and is guaranteed minimum price for a period of 4½ years in the first instance. Even at the highest level of cost of production, and on a conservative basis, the Company is expected to earn a profit of Rs. 50 lakhs per annum on a production of 30,000 tons.

NEWS IN BRIEF

A Rs. 30-lakh scheme to develop tourist traffic in Jammu and Kashmir is now being implemented by the State Government.

The Madras Government is considering the proposal of a Calcutta firm to set up a strawboard factory at the foot of the Nilgiris.

The plant for the manufacture of large-size power generating units now under construction at Bhopal is expected to commence full production by 1961.

The various State Governments have supported the move for constituting a Central Prohibition Committee, according to Mr. B. N. Datar, Union Minister for Home Affairs.

The Commission enquiring into the affairs of the Dalmia concerns has not yet submitted its report, according to the Union Minister for Commerce, Mr. N. Kanungo.

The pilot scheme for intensifying paddy cultivation under Japanese method, which is currently being implemented in nine blocks of Bombay State, has been extended to 17 new blocks in the State, thus covering a total area of 450,000 acres.

A two-man official mission is expected to leave India shortly for Australia at the invitation of the Government of that country to examine the possibilities of getting certain requisites for the development of Indian railways.

A co-operative milk supply union is being set up at Chandigarh by the Punjab Government. It will be entrusted with the task of collecting milk from rural areas within a radius of 20 miles and distributing the same after pasteurisation. The quantity actually to be distributed every day is expected to be 150 maunds.

The Union Minister for Industry, Mr. Manubhai Shah, disclosed in the Lok Sabha on the 8th inst., that the newsprint factory at Nepa made some profit during 1958-59 after meeting a part of the depreciation charges and writing off a portion of the outstanding loans.

No proposal to postpone the next general elections till the end of the Third Plan is under the consideration of the Government of India. This was stated in the Lok Sabha the other day by Mrs. Lakshmi N. Menon, Deputy Minister for External Affairs.

The value of contracts secured by small-scale industries from the Director-General of Supply in 1958-59 was Rs. 2.56 crores, as compared with Rs. 62 lakhs in the previous year and Rs. 5 lakhs in 1955-56. The bulk of these contracts was executed by factories located in the States of U.P., W. Bengal, Delhi, the Punjab and Bombay.

A group of seven airlines traffic control specialists, headed by Mr. E. S. Willey of B.O.A.C., who are now conducting a field mission to the Middle East and Far East in connection with the extension of jet operations, are expected to arrive in Bombay towards the end of this month. The mission's visit is organised by the International Air Transport Association.

The Government of India has decided not to issue fresh licences for additional capacity in the cement industry for the next 18 months. There has recently been a slackness in the demand for cement (in relation to current production) presumably as a result of the shortage of steel and lack of new construction projects. The capacity for plant and machinery already covered by import licences will raise the present production capacity in the next two years from 7.74 million tons to 10 million tons.

A system of revolving credits from the Centre to the States has been recommended by the Public Accounts Committee, with the object of ensuring effective utilisation of funds placed at the disposal of States for development projects. It has been suggested that, in future, the States may be given up to 20 per cent. of their total requirement of funds as revolving credit. The States would submit accounts and progress report to the Centre and ask for recoupment of funds. This system is expected to facilitate more expeditious execution of development projects.

The West Bengal Government has finally decided to take over the Oriental Gas Company under Article 31A of the Constitution. A Bill has already been drafted for this purpose. The Company will be run as a joint-stock concern. It will undertake the distribution of gas for industrial and domestic consumption in Calcutta and suburbs. This, however, is possible only after gas from Durgapur coke oven plant is brought to Calcutta. The Government has already finalised the contract with Yugoslavia for the supply of pipes for the gas grid system from Durgapur to Calcutta.

Attention has been drawn by the Public Accounts Committee in its latest report to certain lapses in the working of the Coal Board. According to the Committee, the steps taken by the Board for conservation of good quality coal are unsatisfactory. Even in 1957, more than 50 per cent. of the production of selected grades A and B coals and more than 80 per cent. of grades I and II coals were used by non-essential consumers. Again, although the stowing cess was instituted 20 years ago, voluntary stowing was carried out only in 81 collieries out of the 830 collieries in existence. In the Jharia coalfields, less than one-tenth of the quantity of coking coal produced was derived by stowing.

The National Council of Applied Economic Research, New Delhi, which conducted an intensive techno-economic survey of Bihar State, has recommended the setting up of a Rs. 10-crore alloy steel plant at Jamshedpur capable of employing 2,000 persons. Since the foreign exchange component of the plant is estimated at as high as Rs. 7.5 crores, it has been suggested that the plant should be set up with participation of foreign capital and technical know-how. The proposed plant, it is said, will manufacture plain carbon tool steel and high speed steel and die steel in the first phase. It will switch over to the production of die blocks and stainless steel sheets in the second stage, and manufacture of steel rolls and forged heavy alloy steel shaftings and rings in the third stage.

The Board of Trustees of the Indian Airlines Employees' Provident Fund has declared 4½ per cent. rate of interest to be credited to members' balances, amounting to Rs. 1,51,02,524, for the year 1957-58. The Fund, with 8,228 members, earned an income of Rs. 6,85,817. Out of this, a sum of Rs. 6,79,612 has been credited to members' accounts, leaving a surplus of Rs. 6,205. In addition, a sum of Rs. 1,06,703 has already been earmarked for interest equalisation. Fund investments are made exclusively in Government securities and exceed Rs. 2 crores as on 31st March 1959. The Board has also sanctioned an annual recurring expenditure of over Rs. 20,000 for the running of holiday homes for employees at popular hill-stations like Mussoorie, Shillong and Matheran, and for *ex-gratia* payments to employees and their families in distress. Payments for these welfare activities are met out of provident fund reserves.

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From Abroad

Yugoslavia has agreed to grant 5.5 million sterling credit to Ceylon for the purchase of ships and industrial equipment.

Japanese steel industry will import over 3,100,000 tons of Australian coking coal over the next five years, under a new contract with Australia.

The Lebanese Government is expected to start negotiations shortly with the Iraq Petroleum Company and the Tapline for increasing oil transit royalties.

The Government of Malaya has decided to reconstruct the historic port of Malacca, one of the world's major harbours four centuries ago, into a first class lighterage port.

The U.S.S.R. has a population of 208.83 million composed of 94 million men and 114.80 million women, according to the first complete Soviet Census during the post-war period.

The West German Minister of Economics, who visited Persia last week, has promised German help to erect a steel plant at Azana. The steel works will be built by a Demag-Krupp consortium.

A Swedish company, *AB Gustaf Kahr*, manufacturers of laminated flush doors and flooring, has secured orders from the U.S.S.R. worth about several million Kroners for machinery and equipment for setting up two door and flooring factories.

Both Shell International and B.P. Trading have reduced the spot bunker prices of marine diesel fuel and gas oil by 6s. per long ton in ports in India, East and South Africa, the Persian Gulf, the Red Sea, Pakistan, Burma and Australasia.

President Eisenhower has asked the Congress to approve of the U.S. membership in the proposed $1,000 million inter-American Development Bank. The U.S. will contribute $450 million towards this fund, the balance being subscribed by the Latin American countries.

The sixth annual conference of the American Bankers' Association, held for the first time outside the U.S., came to a close in London on the 8th inst. The discussions at the conference covered broad financial and economic matters, rather than details of banking practices.

France has relaxed quantitative restrictions on imports of many goods from the O.E.E.C. countries. These include synthetic fibres, cotton tissues and woollen clothing, some steel alloys, certain glasswares, dyestuffs and assorted imports ranging from coffee grinders to wax candles.

A probe into the official activities of former Ministers, Parliamentary Secretaries and members of the Assembly has been ordered by the Government of Pakistan. Action against those found guilty will be taken under the recently proclaimed Public Offices Disqualification Ordinance.

The U.S.S.R. has now started exporting cameras to the U.K., for the first time, in commercial quantities. The first consignment is expected to reach the U.K. next week and will consist of twin-lens reflex camera, named Lubitel 2. It will be retailed at £7 15s. 5d., including tax.

Production of automobiles in the U.S. last week was 136,741 units, the peak level touched since the beginning of 1959. This is nearly 16 per cent. higher than in the preceding week's total of 118,059 units and 74 per cent. more as compared with 78,406 units produced in the corresponding week a year before.

PERSONAL

MR. B. K. Nehru, India's Commissioner-General for Economic Affairs in the U.S., arrived in this country from London on Sunday last on a short visit.

Mr. J. J. Ashar, a Director of the Century Spinning and Manufacturing Company, Ltd., has been appointed a member of the Committee of the Millowners' Association, Bombay, in place of the late Mr. Vithal N. Chandavarkar.

Mr. Eugene Black and Mr. W. A. B. Iliff, President and Vice-President, respectively, of the World Bank, arrived in New Delhi on Tuesday this week, to assist in the solution of the Canal Waters dispute between India and Pakistan.

Mr. W. Rangavendra Rao, Senior Liaison Officer in the Research Department of the Coffee Board, has been deputed, at the instance of the Government of Orissa, on a survey tour to assess the prospects for coffee cultivation in the State.

Mr. C. B. Madhava Rao, an officer of the Propaganda Department of the Coffee Board, is leaving for the U.S.A. to undergo training in modern methods of publicity and public relations under Messrs. Benton and Bowles and Messrs. Walter Thompsons.

Mr. Ram D. Malani, Managing Director of the Air Conditioning and Refrigeration Division of Blue Star Engineering Company (Bombay) Private Ltd., is attending the International Air Conditioning and Refrigeration Conference, now being held at San Juan, Puerto Rico, under the auspices of the Worthington Corporation of the U.S.

Mr. John Exter, Vice-President of the Federal Reserve Bank of New York, has joined the First National City Bank of New York, as a Vice-President, with effect from the 1st inst. He will be associated with the Overseas Division as a member of the senior administrative group of the Division. He has been a member of a number of special missions and conferences on central banking and international finance and has served as central banking adviser to the Philippine and Ceylon Governments.

The *Institut Francais des Petroles*, the French Government's training and research institution for the oil industry, has signed a co-operation agreement with the National Iranian Oil Company, under which it will train Persian technicians and also carry out specific research projects for the Persian Oil Company in north-west Iran.

A plea for the introduction of a "tourist dollar" by the U.S. to enable European tourists to visit America has been made by Mr. Aler, K. L. M. Director. This measure, combined with the specially low passenger rates by air or sea, will enable the transport companies to offer inclusive tours which will bring the U.S. within reach of a larger number of Europeans.

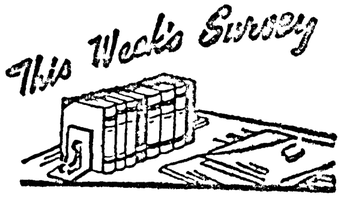
A new aid to navigation in harbours and narrow waterways in fog and darkness has been designed in Sweden. The device, which is meant to be a supplement to existing navigation instruments, consists of an oscilloscope actuated by an electric cable laid in water. The method was demonstrated in the harbour of Limhamn, South Sweden, two weeks ago.

It is reported that the West German offer to Egypt to guarantee credits of DM 200 million for the construction of the Aswan Dam is still valid, irrespective of the assistance offered by the U.S.S.R. for the construction of the first stage of the project. The W. German credit, however, can be utilised only for the second stage—a condition which had not been mentioned before.

The fourteenth session of the General Agreement on Tariffs and Trade will be held in September 1960 for a fresh round of tariff negotiations. The first phase of the talks will be devoted to tariff negotiations among the six nations of the European Common Market acting as a united body and other members of the G.A.T.T. General negotiations will be held during the second phase commencing in January 1961.

Pakistan has resumed export of rice for the first time since 1955. The country has earned Rs. 3.3 crores of foreign exchange during the last four or five months from the export of rice. In spite of good crops in the other rice producing countries, Pakistan is capable of securing good market abroad, thanks to its superior variety rice, *basumati*, which is popular in many countries. Already 1,000 tons of this variety have been exported. The proceeds from these sales are used for importing cheaper rice for domestic mass consumption. Pakistan has also exported large quantities of inferior rice to Goa and Ceylon.

The value of foreign investments bought by West German private investors during the first quarter of 1959 was about £31 million. This amount is more or less equal to the cumulative total of such securities purchased by them during the last two years since 1956, when investors were permitted to buy securities floated on foreign bourses. Among the purchases made in the first quarter of this year, equities account for £23 million, largely of companies in the other Common Market countries. An Austrian bond issue was the biggest item in the fixed interest securities. Besides these security purchases, private German investments placed abroad on a long-term basis amounted to £14 million.



COMPANY LAW

THE debate in the Lok Sabha on the Bill to amend the Companies Act 1956 provided an opportunity for the members to express their views on such aspects of corporate activity as the managing agency system, the contributions of political parties and the administration of the Act. From the trend of discussion in the House, it is clear that the managing agency system continues to evoke opposition. However, an interesting point was made when a member suggested that a minimum limit for investment by managing agents should be prescribed which would compel them, at least out of a sense of self-interest, to look after their managed companies properly. Be that as it may, the Bill, on its part, lays down that by 15th August 1960, managing agencies will cease to exist, unless their renewal in each individual case is sanctioned by the shareholders and permitted by the Government which will act in consultation with the Company Law Advisory Commission. It is, of course, open to the Government to abolish the system itself in respect of any industry or group of industries.

In the course of the discussion on the managing agency system and related issues, many members referred to the evil of concentration of economic power. Speaking on the Bill, the Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, pointed out that the main idea behind the Bill was precisely to prevent such concentration. There is no doubt that the diffusion of economic power is a desirable objective. Only, it is not clear how far, or how effectively, company legislation, by itself, can serve the cause. For one thing, the Government, out of a sense perhaps of a realistic appraisal of the situation, made concentration of economic power possible through the institution of "secretaries and treasurers" which is no different from the system of managing agents. In any case, so long as the economic climate is not favourable to the formation of capital in all ranks of the population and the availability of credit for industrial ventures is limited, there is no escape from permitting concentration of economic power, the only alternatives to such a trend being State initiative or economic stagnation. Since the State cannot enter every conceivable field, it becomes necessary, nay desirable, to permit some further concentration of economic power in the interests of economic expansion and provision of employment opportunities.

The situation can be corrected, only if the fiscal policies are changed and credit facilities augmented in a way that will induce a steady flow of new entrants into the industrial field. In the absence of these conditions, those who cry hoarse against concentration of economic power—they, of course, ignore that such concentration in the hands of the State is not an unmixed blessing—are only asking for the clock of economic progress to be put back. Further, it must be remembered that no convincing statistical evidence has yet been adduced to show that economic power is too heavily concentrated in a few hands—or more heavily concentrated than in many other free countries—or that such power has led to fall in standards of welfare for the workers or to neglect of the interests of consumers. Whatever may be the truth of the allegation we would urge company managements in this country to adopt a policy, aimed at as wide a diffusion of shareholdings as possible.

To turn to the provisions of the Bill. Based as it is on the recommendations of the Sastri Committee which, in its report submitted in November 1957, held that it was too early to introduce major amendments to the Companies Act, the Bill to amend the Act, now referred to a Joint Select Committee of both the Houses, does not claim to make any radical changes in the Act. Nevertheless, the Bill, with its 212 clauses, seeks to overcome several practical difficulties, remove uncertainties or ambiguities in the Act and plug certain loopholes in the Company law. Explaining the scope of the Bill, the Union Minister for Commerce, Mr. Nityanand Kanungo, observed: "The present Bill is largely based on the recommendations of the Committee which have been very carefully considered by the Government, though, in some particulars, modifications have been made partly in the light of the experience of the working of the Act gained in the past three years and partly also of the views expressed by chambers of commerce and other interested persons." To the category of amendments designed to overcome practical difficulties belong the clauses in the Bill which seek to exempt chambers of commerce, clubs, charitable institutions, *nidhis* and benefit societies from the rigid requirements of the Act in regard to the holding of annual meetings, election of directors and age of directors. Again, since it may be inconvenient or even impracticable for a director of a company, say, Company A, to ascertain whether a "relative," as defined in the Act, is a partner or managing agent or director in any firm or company with which Company A has a genuine transaction, the Bill provides a revised definition of the term "relative"; a new schedule of such relationships is proposed. Practical difficulties prevent registrars of joint-stock companies from being present personally in courts of law where prosecutions under the Companies Act are heard. The Bill provides that the personal attendance of a registrar before the court would not be necessary, unless the court, for reasons to be recorded in writing, requires such attendance.

By another proposed amendment to the Act, the Bill seeks to lay down that, in future, any conversion of a public company into a private company would require the prior approval of the Government. Explaining the objective of this provision, Mr. Kanungo said: "It is considered desirable to subject any proposal for such conversion to Government's scrutiny, so as to ensure that the conversion is not resorted to merely with the object of evading the restrictions placed on the management of public companies." It may be mentioned, in this connection, that, during 1957-58, 54 public companies were converted into private companies, as against 227 such conversions in 1956-57. The Bill seeks to restrict the privileges and immunities of private companies which are private only in form but are really owned by the public. It provides that where not less than 25 per cent. of the paid-up share capital of a private company is held by one or more bodies corporate, such private company shall in future be treated as a public company for purposes of the Act. It also indicates the steps that should be taken by such a company in regard to the changing of its name and altering of its articles. It is proposed to exempt a private company which is either a wholly owned subsidiary of another Indian private company or is wholly owned by one or more foreign companies from the operation of this new provision. These exemptions, it is stated, are necessary in order to avoid the anomaly that, but for the first exemption, it may possibly give rise to a case where the holding company would be a private company, whereas its wholly owned private subsidiary will be treated as a public company. The second exemption is deemed necessary in order to avoid discouragement of foreign participation in industrial undertakings in India.

Powers of inspections under the Act are sought to be enlarged by the Bill. Thus, an inspector will have powers to examine the employees of the companies concerned and compel such companies to produce books and papers to him through the court. With the permission of a first class magistrate, the inspector may enter the premises of a company under his investigation and seize books and papers whenever it becomes necessary to do so.

An important clause in the Bill is that which relates to the cornering of shares. Mr. Kanungo explained that the relevant clause in the Bill was intended to make it "more difficult for unscrupulous persons to reap the benefits of cornering." The clause provides that, when any transfer of shares, considered to be undesirable in the public interest, is about to take place, the Central Government can prohibit such transfer and, where such transfer has already taken place, it can direct that the voting power in respect of the shares should not be exercised for a period not exceeding three years. Yet another amendment which may conceivably prevent undesirable cornering of shares is that in relation to Section 372 of the Act which deals with the purchase by one company of shares of other companies in the same group. The meaning of this section is sought to be made clearer, while the principle involved in the section is sought to be extended to all inter-company investments.

A trend in corporate management which has been noticed in recent years is that some managing agents have allowed themselves to be appointed as managing directors in order to escape some of the provisions of the Act which has not only fixed a ceiling on the managing agents' remuneration but also placed restrictions on their functioning as buying or selling agents. The amendments now proposed are designed to regulate the appointment of former managing agents or their associates as sole selling agents for the same companies. It is also proposed to lay down that no sole selling agents should be appointed in future in such industries as may be notified by the Government except with the latter's approval. Another clause provides that no company shall appoint or employ as its managing agent another body corporate which is itself a subsidiary of another body corporate. So far as the existing managing agents, which are subsidiaries of other companies, are concerned, it is proposed to take power to regulate any changes in the constitution of the body corporate which is the holding company of the managing agency.

Finally, the much-debated issue of contributions to political parties figures in the Bill. The issue, it may be recalled, was considered by the Companies Act Amendment Committee which recommended that every company should disclose all donations to any political party, made by its directors in the year of account. The Bill implements the Committee's recommendations with the amplification that all donations should be disclosed, whether they are made to an institution or a party or an individual. This provision should meet the ends of political justice in a manner that will satisfy shareholders' interests as well as the requirements of a democratic society.

PARTITION DEBT

One of the major financial disputes between India and Pakistan that have continued to remain unsolved even after nearly twelve years relates to Pakistan's debt to India. The Government of India has been making attempts time and again to settle this issue with its counterpart in Pakistan, but these attempts have not at all proved successful, thanks to the intransigent attitude of the Pakistani authorities. What is worse, a spokesman of the Pakistan Finance Ministry came out recently with a statement that India had been withholding for no valid reason payment of Rs. 180 crores "which is immediately due to Pakistan from India on various accounts." A call attention notice on the claim was given in the Lok Sabha on the 7th inst. by Mrs. Ila Pal Choudhuri, a Congress member. Replying to this, Mr. Morarji Desai, Union Finance Minister, gave a correct account of the position in respect of partition debt which not only refutes Pakistan's claim but also shows the renewed earnestness of our Government to settle all financial disputes with Pakistan.

Mr. Morarji Desai's analysis reveals that the sum of Rs. 180 crores claimed by Pakistan is a highly inflated one, without any basis whatever. The highest figure so far mentioned has been about Rs. 100 crores, including Rs. 49 crores on account of currency assets to be transferred from the Issue Department of the Reserve Bank of India. This was the amount mentioned both by the late Mr. Ghulam Mohamad in a communication addressed to the Indian Finance Minister in 1950 and by the Pakistan Finance Minister in the Pakistan National Assembly on 28th August 1957. Within two years from that latter date, the figure has been changed to Rs. 180 crores!

Whatever may be the actual debt which India owes Pakistan, India can certainly not be expected to start payments of the debt even on a provisional basis until Pakistan pays the seven annual instalments aggregating Rs. 66 crores overdue up to August 1958. It is regrettable that Pakistan has not only not paid this amount but has pointed out that the figure of Rs. 300 crores mentioned by Mr. Morarji Desai as the partition debt owed by Pakistan to India has no basis at all.

The estimate of Rs. 300 crores has not suddenly sprung up, since it was made as early as in 1948 and has since been repeated many times in the budget papers of the Government of India. On its part, Pakistan, too, had not questioned the amount so far. Readers will recall that Pakistan had agreed to repay the partition debt in 50 equated annual instalments, the first one which fell due on 15th August 1952. In the Central Government budget for 1952-53, Mr. C. D. Deshmukh, the then Finance Minister, had taken credit for a recovery of Rs. 9 crores from Pakistan as the first instalment. As, however, it was not possible to reach an agreement on the provisional amount of the debt, this payment was carried forward to the year 1953-54. Since the two years' instalments amounting to Rs. 18 crores for 1952-53 and 1953-54 failed to materialise due to lack of settlement with Pakistan, Mr. Deshmukh did not take any further credit for repayment of partition debt by Pakistan in his subsequent budget. The position remains unaltered since then.

Replying to a question in the Lok Sabha on 5th September 1957, Mr. T. T. Krishnamachari had clearly stated that even the figure of Rs. 300 crores "gives only the order of the sum involved," considering that, if the debt arising from the partition of the Provinces was also taken into account, the figure might be higher. Reiterating this view, Mr. Morarji Desai has now said that, in the opinion of the Government, the sum may be actually somewhat higher. As far back as 1952, broad details of a balance-sheet, which gave a higher figure of the debt, were supplied to the officers of the Pakistan Government by Indian Government officers. There was some correspondence about some of the figures furnished by India, but, eventually, this correspondence, like that on many other matters, petered out. In view of this, it is, as Mr. Desai says, hardly correct to say that there is no basis for the figure. Proceeding, Mr. Desai observed:

"On this pretext, no payment need ever be made simply by refusing to accept any figure as the correct figure of the debt. While the final figure would take some time to work out, the broad dimension of the sum involved is, in our view, quite clear and could easily be settled. We have already seven annual instalments overdue under the partition arrangements and the eighth instalment will fall due next August. When claims are made for other payments as due here and now, the fact that India has already overdue to her a large sum on account of the partition debt cannot be brushed aside on the specious ground that the debt has not been worked out."

Assuming for argument's sake, that the "actual" debts which India and Pakistan owe to each other are still to be worked out, it must be emphasised that an overall settlement should be arrived at through discussions in a frank and friendly way. It will certainly do no good to either country if Pakistan goes on saying "anything or taking up any position in regard to an individual matter, whatever the temptation or the provocation for it which may adversely affect discussions" on the financial issues. If Pakistan is really earnest about entering into a settlement fair both to itself and India, the Finance Minister of Pakistan, Mr. Mohammad Shoaib, should accept Mr. Morarji Desai's invitation for discussions on all the outstanding items and claims regarding Pakistan's partition debt to India. It is, indeed, encouraging to learn from Karachi Press reports that Pakistan Finance Minister is likely to accept Mr. Desai's invitation and that he is keen on settling as early as possible the several financial disputes, including partition debt, canal water dues evacuee property issue, and question of money orders and insured parcels held up in the two countries since the Partition.

AGRICULTURAL MARKETING

The first regional technical meeting on marketing for Asia and the Far East, jointly sponsored by the Food and Agricultural Organisation (F.A.O.) and the Economic Commission for Asia and the Far East (E.C.A.F.E.), ended its 10-day session at New Delhi on the 6th inst. The meeting has been of special significance to India since it has been organised on the eve of the introduction of a major change in the system of trading in the chief agricultural produce, foodgrains, namely, State Trading. Moreover, the meeting coincides with the silver jubilee year of the Directorate of Marketing and Inspection attached to the Union Ministry of Food and Agriculture. A souvenir, entitled *Twenty-five Years of Agricultural Marketing in India*, brought out by the Directorate on this occasion, provided a fitting supplement to the exchange of views held at the session by the various delegates—numbering about 40—from Cambodia, Ceylon, China (Taiwan), Indonesia, Laos, Malaya and Pakistan. The primary object of the meeting has been to explore the possibilities of enabling the various countries of this region to pool and exchange their experience.

The importance of devising efficient and organised marketing techniques for primary products in these countries cannot be overemphasised. Predominantly agricultural, these countries share more or less the same kind of problems. In the first place, the farmers' share of the ultimate price paid for their products by the consumer is low; in some cases it is as low as 50 per cent. This is due obviously to the prevalence of a long chain of marketing functionaries and middlemen. Besides, producers are often compelled to part with their produce at low prices at the time of harvest. Not only the time but the place, where the farmer disposes of his products, affects his income adversely; for a major part of the marketable surplus is sold in the village itself. It is computed that in India, for instance, about 65 per cent. of the total sales of crops are effected in the village. This is attributed to prior indebtedness to the moneylender, need for paying land revenue, shortage of holding capacity, lack of adequate facilities for storage, transport and communications. Secondly, the consumers, mostly the urban population, are hard put to it to adjust themselves to the frequent fluctuations in agricultural prices. Thirdly, the rural economy has an isolated existence, having been traditionally given to subsistence farming and payments in kind, rather than in money. The lack of monetisation of several areas makes the economy impervious to the fiscal and monetary mechanisms. What is necessary is to procure as large a marketable surplus as possible and to so distribute it as to ensure fair prices for both the producer and the consumer. As the New Delhi meeting emphasised, "while efficient marketing is directed initially towards helping the producer and the consumer, it is also a vital component and instrument of the economic and social development of a country."

The Union Minister for Food and Agriculture, Mr. A. P. Jain, who inaugurated the meeting, gave a brief account of the various problems confronting this country with regard to agricultural marketing. He referred to the rapid rise in price of foodgrains in the second half of last year, following a shortfall in production in 1957-58, the index having risen to 115 in September from 95 in February. He observed that grain was bought at relatively low prices by the trade soon after the harvest. "The producer, therefore, did not benefit, but it was the

(*Continued on page 847*)

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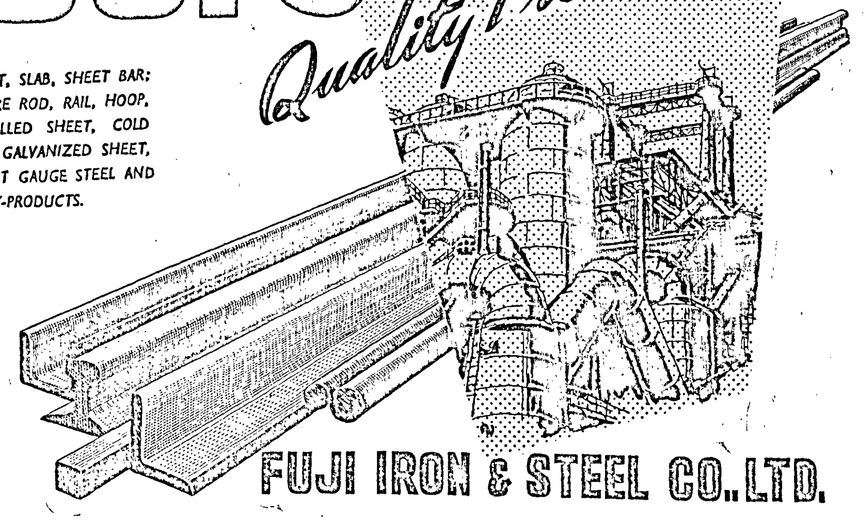

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HINDUSTAN ANTIBIOTICS' AGREEMENT WITH MERCKS

UNDER SECRETARY TO GOVT.
18 MAY 1959
PUBLIC DEPARTMENT

ADVANTAGES TO INDIA MANY

From Our Special Correspondent

NEW DELHI, 12*th May*

THE agreement between the Hindustan Antibiotics Limited and Messrs. Merck Sharp and Dohme (U.S.A.) for the manufacture of 40,000-45,000 kgs. of streptomycin per annum, it may be recalled, has been the subject of a keen controversy in recent months. How unfair Communist criticism has been is easily seen from the authoritative details available of the agreement which was signed on the 16th April 1958. According to its terms, Mercks will make available all the up-to-date technical know-how and their comprehensive range of patents covering the manufacture of streptomycin and dihydrostreptomycin, and will assist in drawing up plans, specifications and other details for setting up the plant. Only actual costs of preparations of drawings, etc., within a ceiling of $25,000 (payable in rupees) will be paid. On payment of reasonable and necessary expenses and as desired by the Hindustan Antibiotics Limited, Mercks will arrange, if required, to send competent personnel to India to advise on the construction, installation and operation of the plant. The salaries of these personnel will be borne by Mercks. They will also train technical personnel from the Hindustan Antibiotics both in designing and in operating the plant.

DELHI LETTER

The latest types of sub-cultures of a high-yielding streptomycin producing strain of *S. Greseus* will be provided by Mercks. They will continue to provide, during the 10-year period of the agreement, the benefits of the results of future research work and new patents on streptomycin and dihydrostreptomycin manufacture worked out at their end and there will be a continuous exchange of information on such points between the two parties. In return for these services, Mercks will be paid technical fees to cover contribution towards research at 2½ per cent. of the net proceeds in India of sales of Hindustan Antibiotics calculated in bulk streptomycin or dihydrostreptomycin and 5 per cent. on such sales in other countries. These payments will be made in U.S. dollars.

Foreign Exchange Saving

The foreign exchange required for import of 45,000 kgs. of streptomycin at the current price of Rs. 160 per kg. would be Rs. 72 lakhs. The cost of production of streptomycin at the proposed plant at Pimpri is estimated to be about Rs. 267 per kg. In other words, the value of bulk streptomycin produced at Pimpri would be Rs. 1.20 crore per year. As the production envisaged would be about the equivalent of the increasing demand of the country by that time, it may be safely assumed that very little will be available for export. On this basis, a technical fee of Rs. 3 lakhs per annum will have to be paid to Mercks at full production of 45,000 kg. There will thus be a clear saving of Rs. 69 lakhs per annum of foreign exchange. As the arrangement at present contemplated would be valid for a period of 10 years, the total amount that may be available by way of technical fees to Mercks on a production of 45,000 kgs. per annum would be only Rs. 30 lakhs in 10 years.

One of the terms of the agreement was that, pending the manufacture of streptomycin in India, the Hindustan Antibiotics would purchase from Mercks not less than 80 per cent. of India's requirements of streptomycin salts, and would pay 5 per cent. lower than the lowest of the quotations. In fixing this price such lower quotations as are the result of any form of unfair competition such as dumping are not to be taken into consideration. While implementing this part of the agreement for the first time during the licensing period April-September 1958, several difficulties were encountered in determining the price payable to Mercks. To avoid such difficulties in future, it has now been mutually agreed that the supply agreement should be deemed to have been modified to provide for the Hindustan Antibiotics being obliged to purchase not less than only 50 per cent. of the requirements from Mercks. The modified agreement also provides for Mercks being relieved of the obligation to supply even 50 per cent. of the requirements in certain circumstances.

The arrangements with Mercks were designed to give this country a number of advantages, in that they help to establish competition between different traditional suppliers of streptomycin in the world. It has been possible to derive the benefits of the lowest prices possible and Mercks have to supply India's requirements at 5 per cent. below the lowest price. One of the immediate results of the agreement is that there has been a substantial reduction in the cost of streptomycin in this country. Before this agreement came into force, streptomycin used to be imported into the country at an average price of Rs. 400 per kg. As against this, during the first licensing period immediately following the signing of the agreement, the Hindustan Antibiotics imported 16,000 kg. of streptomycin at an average cost of less than Rs. 250 per kg. This has resulted in foreign exchange saving to the country of about Rs. 25 lakhs. During the next licensing period, October 1958-March 1959, arrangements were made to import 30,000 kg. of streptomycin, which resulted in a saving of about Rs. 72 lakhs in foreign exchange. The arrangement has actually resulted in the availability of streptomycin to the public at a considerably cheaper cost.

Joint Plan of Operations

The Joint Plan of Operations between the Government of India, on the one hand, and the U.N.I.C.E.F. and W.H.O. on the other, covers technical and financial assistance to produce antibiotics which include penicillin and streptomycin as well. The funds allotted for the project were, however, limited and it was subsequently found that they could suffice only for the supply of the equipment required for penicillin manufacture. The Government of India had subsequently approached the U.N.I.C.E.F. for funds and the U.N.T.A.A. (who had taken over the functions of the W.H.O. in regard to technical assistance) for technical assistance for the setting up of streptomycin manufacture at Pimpri as envisaged in the Joint Plan of Operations. The U.N.I.C.E.F. replied that no funds could be provided for the streptomycin project and the U.N.T.A.A. advised that Government should secure technical know-how for streptomycin manufacture by payment of royalties to a commercial company. It was only after these replies were received that the Government pursued the negotiations with foreign commercial firms which ultimately led to the agreement with Mercks.

The agreement with the American firm, it is authoritatively stated, does not hinder India independently setting up an integrated drug industry in the public sector with Soviet aid. Recently, the scope and size of the following five drugs projects were discussed with a team of Soviet experts:

Synthetic Drugs Plant; New Antibiotics Plant; Endocrine and Glandular Products; Laboratory and factory for plant products; Medicial Instruments and Appliances.

Russian Assistance

It is proposed to develop these projects with the technical and loan assistance to the extent of 80 million roubles from the Soviet Union. Depending on the availability of internal finances and on the extent of assistance, both financial and technical, to be allocated to the different projects from the overall external assistance, suitable priorities are to be assigned to the different projects. In fact, it is contemplated to secure maximum benefit from the Russian assistance in these directions. Negotiations for an integrated drug industry in the public sector with Soviet assistance have been thus going on independently of the agreement with Mercks.

From the data now available it is estimated that the probable cost of producing streptomycin and dihydrostreptomycin at Pimpri would be Rs. 267 per kg. if the target of 45,000 kg. of streptomycin per annum can be achieved. If the annual production is 40,000 kg., the cost would be about Rs. 300 per kg. These figures include a return of 4½ per cent. on capital. According to the tentative calculations made by the first team of Soviet Experts in 1956, the cost of production of 45,000 kg. of streptomycin would be Rs. 450 per kg. without any profit. If the usual 10 per cent. profit element is added the estimated cost would come to Rs. 495 per kg. The cost of production under the arrangement with Mercks is not expected to be unfavourable in comparison with that under Soviet aid.

It is, therefore, strange that one of the appendices to the report submitted in October 1958 by the second Team of U.S.S.R. Experts gives an estimate of the savings in foreign exchange that will result when a streptomycin factory is established with Soviet assistance. In that statement, the price of imported streptomycin is taken at Rs. 325 per kilogram and the anticipated wholesale price of the product to be produced in the proposed factory at Rs. 157 per kilogram. No details, however, are given as to how the sale price of Rs. 157 has been arrived at. Nor does the report give any data or calculation for the cost of production in the proposed plant. It has merely been mentioned that, in accordance with preliminary calculations, the ex-factory price should not be higher than Rs. 157 per kg. The only basis for the figure of Rs. 157 appears to be the knowledge (which the Soviet Experts had informally gathered) that the cost of production of streptomycin at Pimpri in the plant to be established with Mercks' collaboration was estimated at Rs. 267 per kilogram. The reader can easily see how the grist has been provided to the Communist mill.

A USEFUL COMPENDIUM

Among the annual economic reviews published year after year, the one brought out by Messrs. Premchand Roychand and Sons of Bombay enjoys a reputation of its own. Styled as the *Annual Market Review*, the publication is a useful compendium, giving an interesting, objective account of India's economic trends judged against international background. The latest edition of the *Review* covers the year 1958.

The 1958 *Review* starts with an introductory chapter which impressively sums up in one para the world political and economic changes during the year, followed by a survey of the position of the U.K. and the sterling area, the U.S. and dollar area, Canada, Western Europe, West Germany and the E.C.A.F.E. region. The rest of the *Review* is devoted entirely to the study of Indian economy. The study is quite comprehensive, in that it not merely contains an analysis of wholesale prices, cost of living, trade, balance of payments and reappraisal of the second Five-year Plan but gives a bird's-eye view of trends in industrial production, with particular reference to the major industries—cotton textiles, jute, iron and steel, sugar, tea, cement, coal, engineering, chemicals, and metals and minerals. The *Review* also includes (1) survey of money, foreign exchange, gilt-edged, bullion and share markets; (2) summaries of railway, Union Government and Bombay Government budgets; and (3) statistical tables relating to sterling exchange and trade of India, Scheduled banks, prices of gold and silver, cotton mills, jute mills, rupee loans outstanding and prices of rupee loans.

The value of the *Review* lies as much in the aforesaid features as in the way in which the economic outlook in India for the current year has been assessed. While expressing confidence that the country is assured of both internal and external political stability, the *Review* feels that there is an undercurrent of disappointment at the progress achieved on the economic front. "Various conflicting trends," it says, "have clouded the economic horizon and a feeling of frustration appears to be growing, particularly among the educated unemployed. An ever-increasing population and unemployment are by far the most vexed questions of today and, unless a successful answer can be found for these, the socialistic pattern of society must continue to remain a mirage." Any impartial observer of economic trends will fully agree with the *Review* when it urges a close scrutiny of India's cost structure and such reorientation of price and taxation policies as will promote exports, stability of internal prices and adequate attention to actual available resources and real rate of domestic savings while drawing up the Third Plan.

AMERICAN LETTER

TALK OF A BOOM IS FAR-FETCHED

ANTIQUATED TAX LAWS SQUEEZING OUT PROFITS

From Our Special Correspondent

NEW YORK, 6*th May*

INDIA made prominent news twice in recent days. The Indian Ambassador to the United States, Mr. M. C. Chagla, was guest of honour at the Overseas Press Club at New York. He came from Washington with his son and daughter. Also attending as guests of honour were the Consul General of India, Mr. M. Gopala Menon, and Consul Mr. A. P. Venkateswaran.

The second event was a discussion of India's Government-administered railway system at the United Nations, following a speech by Eugene R. Black, President of the International Bank for Reconstruction and Development, before the Economic and Social Council.

Mr. Black commended to the Council the "sound financial management" of India's Railway Board. He said that realistic policies have kept adequately high the fees charged for the services rendered. Such policies, he added, were worthy of emulation by other countries, having yielded "more by a good deal than had been expected."

Out of these funds, he suggested, India has been able to build roads, schools, hospitals and city sewer systems which would have remained on the planning board without this source of revenue. It was also brought out that the largest profit in the income statement of the Indian railways was derived from third class passenger traffic.

This is quite contrary to the experience in the U.S. where passenger traffic, notably commuters, are a drain on railway treasuries, while freight is the real income producing element. A second World Bank loan for the expansion of India's railways was made last October, amounting to $85 million. It supplemented an earlier $90-million loan of 1957.

The Overseas Press Club dinner was a significant event. It presented India subtly to many foreign correspondents and their guests. Also present were Director S. N. Khanna, Assistant Director Hira Nirodi and Press Officer Saeed Jaffrey of the Government of India Tourist Office. They provided customed entertainers, Shirish Gor who sang and played the *sarod* and Arya Kumar Bal who played the *tabla*. Affairs like that often leave more of a lasting impression than an official speech.

The U.S. Economy

The business recession has receded into memory and statistics. There is now talk of a boom in the making, but it seems somewhat far-fetched to me. The stock market seems to have been quite hesitant in recent days and weeks. Buyers and traders would appear to have their doubts as well.

Yet, spending by the public has been increasing in all areas. The latest count on the gross national product is an annual rate of $465,000 million. This compares with a recession low of $427,100 million and a 1955-57 high of $445,600 million. The growth to the present level is, of course, partly accounted for by inflation. Nevertheless, there has been an increase over and above that.

Personal incomes had a similar boost. That figure now stands at an annual rate of $365,700 million, as compared with a 1955-57 high of $351 800 million and a recession low of $348,300 million. These figures include pension and unemployment payments, as well as higher Government salaries. Dividend payments have gone up, too, and they are also a part of personal incomes.

Other higher records can be cited, such as industrial production, the construction of new homes, of refrigerators and television sets as well as of automobiles. There has also been a considerable pick-up in auto sales and retail sales, generally.

Much of the higher industrial buying is based on the threats of strikes in major industries later this year, including steel, railways and aluminium. If the walk-outs do occur, the over-buying would be salutary.

If there were to be no strikes, a tapering off in demand might follow. This will be true anyway in July and August when many plants shut down for the now contractual vacation periods.

Industrial managements threatened with major strikes have made no bones about the prospect that increases in wages or in fringe benefits must, of necessity, mean higher prices to the consumer. One U.S. Cabinet member suggested recently in a speech that members of labour unions, before asking for higher wages, should consider their positions as consumers.

There has been no response to this suggestion so far, but it is quite obvious that the rank and file of trade union members has never given a thought to the possibility that an increase in wages might actually and eventually shrink their pocket books as consumers because of higher prices and the inflationary spiral, generally.

Cost of Production

Beyond that, there are now serious discussions going on over the fact that the U.S. is gradually pricing itself out of world markets. One of the reasons for this is the famed American standard of living, propped up by high wages. Another is the antiquated tax laws which are squeezing corporate profits to the point where they hardly keep up with necessary modernisation of machinery and equipment.

What has happened is this. A machine which cost $10,000, or $100,000 in 1940, would cost $30 000, or $300,000 today in its modernised version. Depreciation allowances, however, only cover the original purchase price.

The remaining two-thirds of the purchase price of new tools of production must come out of profits, after taxes. With Federal tax rates up to 52 per cent., this is rather difficult. The net result is that, according to a McGraw Hill survey, about $100,000 million out of a total of $300,000 million of depreciable income producing property in the U.S. is now economically obsolete.

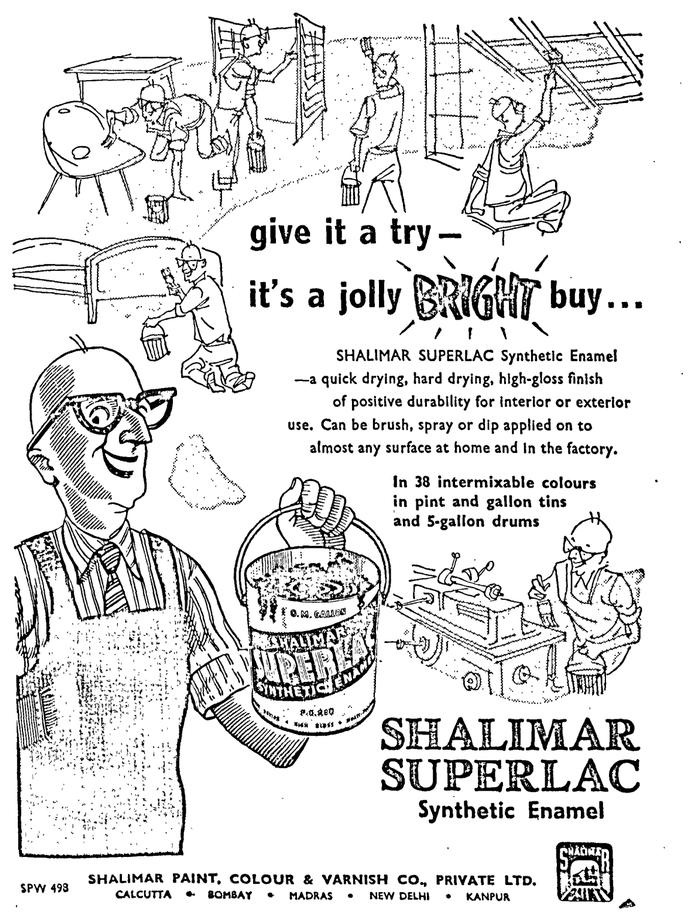
Short-sightedness All Round

This is another big factor for the loss of a portion of world markets by the U.S. There is short-sightedness among legislators, managements and labour. It is always much easier to do nothing and preserve the *status quo* than to embark upon a reform and, possibly, make a mistake. Most labour leaders still do not see that a more efficient machine may eliminate some jobs, but will, in the end, create many more jobs.

The U.S. farm picture is one of abundance, both so far as livestock and as crops are concerned. Dairy production will be near a record. Farm exports are expected to gain slightly in the latter part of this year.

Cotton is expected to be in ample supply and exports are likely to rise. The oversupply in many farm items will naturally tend to reduce prices. The net result of that is, inevitably, a burden on Washington under the present price support programme. Farmers' incomes are likely to be the same this year as in 1958.—*All Rights Reserved.*

Plans for a vehicle which can travel at will across open terrain or bodies of water have been announced by the Curtis-Wright Corporation. The new type of vehicle will be suspended as well as propelled by low-pressure, low-velocity air. Without conventional wheels, axles, brakes, clutches, transmission or frame, the vehicle would use a piston-type engine, from 50 to 200 horsepower, to lift it six to 12 inches off the ground.



UNITED BANK'S BUSINESS GROWS

PROFIT MARGIN, HOWEVER, SHRINKS MARKEDLY

THE audited accounts of the United Bank of India Ltd. (Managing Director: Mr. B. K. Datta, Calcutta) for the year ended 31st December 1958 indicate that, though the past year was one of progress in terms of turnover, it proved to be less remunerative, as was the case with other banks. The bank's balance-sheet total as at the end of the year discloses, as compared with that a year before, an increase of Rs. 7.73 crores, of which the expansion in deposits alone accounts for Rs. 5.17 crores. On the assets side, advances have gone up by Rs. 4.08 crores or 17.3 per cent. The gross income shows a rise of Rs. 29.50 lakhs or 15.2 per cent. over the year. The improvements in the volume of business and the gross earnings are not, however, reflected in the profit for the year, which has, on the contrary, declined from Rs. 16.21 lakhs to Rs. 14.15 lakhs.

While comparing the profit for the year under review with that for any of the preceding years, it must be noted that the profit for 1958 has been arrived at after making provision for taxation, the extent of which is not indicated in the balance-sheet or the profit and loss account, while that relating to previous years was before providing for taxation. If, however, the tax provision made last year, namely, Rs. 4.92 lakhs, were to be deducted from the profit for 1957, the comparable profit for that year would be Rs. 11.29 lakhs, in which case the profit for 1958 would show a rise of Rs. 2.86 lakhs.

The transfer to the statutory reserve has been raised from Rs. 3.25 lakhs to Rs. 3.45 lakhs. A sum of Rs. 2.83 lakhs has been provided for payment of bonus to staff, while no such allocation was made in the previous year. The dividend is kept unchanged at the very modest level of 3 per cent., as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount earned	1,70 56	1,45.22	1,19.46	1,02.44
Commission and exchange	33.72	31.75	32.51	29.29
Other income	15.03	12.83	12.26	11.70
Interest paid	62.10	52.05	41.35	33.13
Expenses	1,36.06	1,15 69	1,02 81	91.14
Depreciation	7.01	5.86	4.49	4.55
Profit	14.15	16.21	15.58	14.61
Provision for taxation	..	4 92	4.40	3.50
To reserves	3.45	3.25	3.15	2.95
,, bonus to staff	2 83	..	..	..
Dividend	7 83 (3%)	8 00 (3%)	8 00 (3%)	7 90 (3%)
Carry forward	1.81	1.77	1.73	1.70
	As on 31st December			
	1958	1957	1956	1955
Capital	2,63.04	2,66.57	2,66 56	2,66.56
Reserves	80.80	77.35	74.10	70.95
Deposits	43,53.98	38,36.45	33,91.00	31,26.71
Borrowings from other banks	1,41.50	0 85	1,02.52	1,90 84
Advances	27,63.78	23,55.74	20,17.85	18,13.42
Investments	15,48.09	12,24.72	13,91.20	14 41.46
Cash	5,06.40	5,87.01	4,25.99	4,02.74
Balance-sheet total	56,33.93	48,60.63	45,18.00	43,40.19
Ratio to deposits of—	%	%	%	%
Advances	63.5	61.4	59.5	58 0
Investments	32.3*	31.9	38.0*	40.0*
Cash	11.6	15.3	12.6	12.9

* Ratio arrived at after taking into account the investments earmarked against borrowings from other banks.

It will be noted from the above table that, while the total income of the Bank has gone up by Rs. 75.88 lakhs in the last three years, the operating expenses have risen by Rs. 73.89 lakhs and depreciation on property by Rs. 2.46 lakhs. Of the rise in operating costs, interest paid accounts for Rs. 28.97 lakhs and establishment expenses for Rs. 44.92 lakhs. Such an increase in costs has markedly affected the profit margin, the ratio of profit to gross income having declined from 10.2 per cent. in 1955 to 6.4 per cent. in 1958.

The Bank's reserves form only 30 per cent. of the paid-up capital. This is not surprising in view of the low profit-margin which does not allow the Bank to build up its reserves. It will be seen from the table that the reserves have gone up by hardly Rs. 10 lakhs in the last three years. The bulk of the increase of Rs. 5.17 crores in deposits is of the fixed variety and cash certificates, the exact rise being Rs. 5.05 crores. Loans, cash credits and overdrafts, at Rs. 24.50 crores, show a rise of Rs. 5.21 crores, while bills purchased and discounted (at Rs. 3.13 crores) are lower by Rs. 1.13 crore. The rise in the Bank's credit portfolio must have been due to the large seasonal demand witnessed at the end of the year. The Bank's investments are higher by Rs. 3.24 crores and, at the same time, its borrowings from other banks also are up by Rs. 1.40 crore. The borrowings are secured by part of the Bank's investments. The unencumbered investments, together with the cash balances, provides a coverage of 43.9 per cent. to deposits, as against 47.2 per cent. at the end of 1957.

During the year under review, the Bank opened three branches in West Bengal, one in Orissa and one in Manipur State. These bring the total number of offices at the end of the year to 106, including 15 in East Pakistan.

BANKS IN INDIA MAP

After a lapse of 16 years, the Bureau of Commercial Intelligence and Statistics, Central Bank Building, Bombay, a market research organisation, has brought out a new edition of the *Banks in India Map*. The design of the latest (1958) edition is exactly the same as the previous one published in 1942. The map is based on the *Statistical Tables Relating to Banks in India* for the year 1956 published by the Reserve Bank of India and shows at a glance the places where banking facilities are available in India.

All the Scheduled banks, non-scheduled banks with a paid-up capital and reserves of Rs. 1 lakh and over, foreign banks and co-operative banks with a paid-up capital and reserves of Rs. 10 lakhs and over have been listed on the map, distinguishing them by categories and paid-up capital. Along the sides of the map, all towns where these banks have branches are given in alphabetic order. A number is given to each bank, and these numbers are indicated against the name of each town. This will enable one to find all the banks in these towns. On the body of the map, the towns are shown in various coloured dots indicating towns which have more than 10 banks, those having 5 to 10 banks, between 2 and 5 banks and only one bank, thus providing a clear visual picture of the concentration and distribution of banks in various towns.

The size of the map is 40" x 52" and is printed on thick white paper with cloth lining at the back. It is priced at Rs. 21 each and for an order of 10 or more copies the price will be Rs. 15 each, packing and postage being extra.

The Sterling Area's gold and convertible currency reserves rose by £40 million in April and stood at £1,161 million on 30th April. The substantial gain in the gold and convertible currency reserves reflects the favourable seasonal trend and the continued strength of sterling. Apart from falls in March (when there was a repayment of £71.5 million of stand-by credits to the International Monetary Fund) and December 1958 (when payments were made on the North American loans), the reserves have risen every month since September 1957.

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IN conformity with the experience of banks in general, the higher interest rates paid on deposits and the increase in establishment expenses have had their adverse effect on the profit of the Andhra Bank Ltd. (Managing Director: Mr. Tadepally Sreeramulu, Masulipatam) for the year ended 31st December 1958, such having dropped from Rs. 7.05 lakhs to Rs. 6.48 lakhs. Though this is the second year in succession for which the profit has suffered a setback, it is gratifying to note that the decline in 1958 was very much less than that suffered by many other banks. It is also less marked than that noted in 1957 in the case of the Bank itself, when the profit fell from the peak of Rs. 8.46 lakhs to Rs. 7.05 lakhs.

The profit for 1958 is supplemented by a sum of Rs. 1.78 lakh drawn from the investment reserve account, as this provision is no longer required, in view of the fact that the present market value of the Bank's investments in securities is much in excess of the book value. The provision for taxation has been raised from Rs. 3.60 lakhs to Rs. 4.01 lakhs and this includes Rs. 0.99 lakh being the short provision for taxes made in previous years. The transfer to the statutory reserve has been increased from Rs. 1.41 lakh to Rs. 1.51 lakh, while that to the gratuity fund is unchanged at Rs. 5,000. The dividend has been maintained at 6 per cent. per annum, to which level it had been cut last year from 8 per cent. paid for 1956.

The salient features of the Bank's results for the last four four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Interest and discount	59.66	51.12	44.45	32.73
Commission and exchange	9.50	8.85	8.35	6.78
Interest paid	32.56	27 20	23.41	18.68
Expenses	30.35	26 04	21.25	17.25
Depreciation	0.77	0 67	0 62	0.39
Profit	6.48	7.05	8.46	4.28
Transfer from reserve	1.78	0 20	..	..
Provision for taxation	4.01	3.60	3.45	1.40
To reserves and other funds	1.56	1.46	2.26	0.86
Dividend	2.47 (6%)	2 29 (6%)	2.75 (8%)	2 06 (6¼%)
Carry forward	0.24	0.02	0.12	0.12
	As on 31st December			
	1958	1957	1956	1955
Capital	41.25	40 77	34.41	33.47
Reserves	17.57	18 04	16.63	14.37
Deposits	11,41.71	9,68 20	9,26.18	8,31.95
Borrowings from other banks	50 28	79.57	60 45	..
Advances	6,57.19	6,19.18	6,13.13	4,42.30
Investments	4,67.18	3,45.60	3,17.79	2,83.80
Cash	1,50.41	1,54.63	1,30 29	1,64.24
Balance-sheet total	14,03.27	12,61.23	11,84.13	10,03.72
Ratio to deposits of—	%	%	%	%
Advances	57.5	63.9	66 2	53.2
Investments	38.5	28.0	27.8	34.1
Cash	13.1	16.0	14.1	19.7

The Bank's income from interest and discount has increased over the year by Rs. 8.54 lakhs to Rs. 59.66 lakhs, the highest level seen in the history of the Bank. This is accompanied by a slight increase in income from commission and exchange. On the expenditure side, a rise of Rs. 5.36 lakhs is noted in interest paid and of Rs. 4.31 lakhs in expenses.

The Bank's capital stands raised from Rs. 40.77 lakhs to Rs. 41.25 lakhs, on account of payment of calls unpaid. The reserves at the end of the year are slightly lower. These reserves include share premium amounting to Rs. 6.48 lakhs. The deposits, at Rs. 11.42 crores, are at their highest level, the rise over the year being Rs. 1.73 crore. Fixed deposits, which form the bulk of the Bank's deposits, have risen from Rs. 4.93 crores to Rs. 6.09 crores, savings bank deposits from Rs. 2.57 crores to Rs. 2.72 crores and current and other accounts from Rs. 2.17 crores to Rs. 2.60 crores. Consequent on this increase in deposits, without any corresponding rise in advances, the Bank's borrowings have been reduced from Rs. 79 lakhs to Rs. 50 lakhs. Advances are higher by no more than Rs. 38 lakhs, of which loans, cash credits and overdrafts (at Rs. 5.61 crores) account for a rise of Rs. 22 lakhs and bills purchased and discounted (at Rs. 96.51 lakhs) for Rs. 16.41 lakhs. As a result of the slower pace of increase in advances, the credit ratio has gone down to 57.5 per cent. from 63.9 per cent. at the end of 1957 and 66.2 per cent. at the close of 1956. Investments stand strengthened by Rs. 1.21 crore, while cash balances are a shade lower. The total liquid assets, however, provide a higher coverage to deposits; their ratio to deposits has gone up from 44 per cent. to 49.6 per cent.

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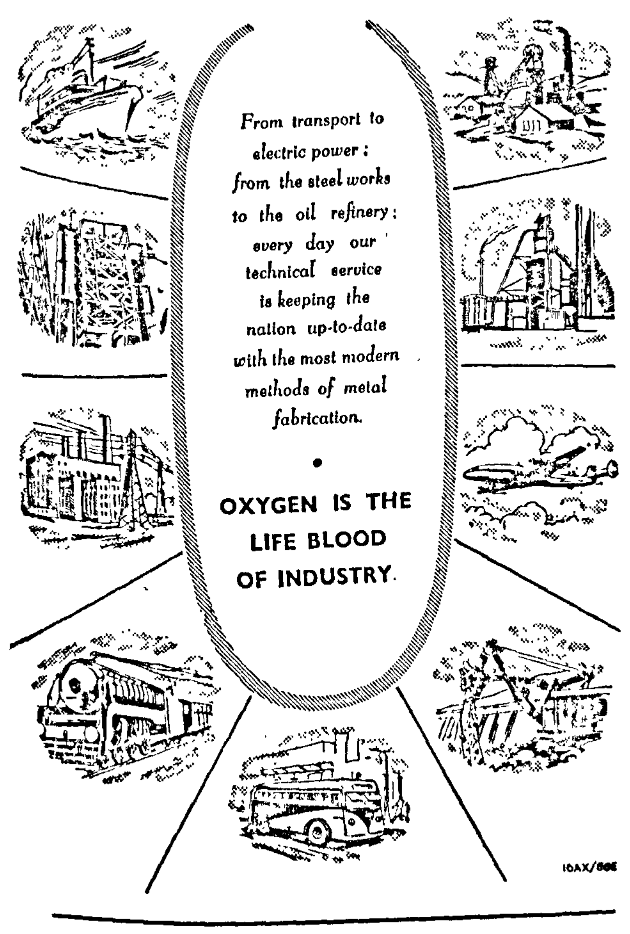

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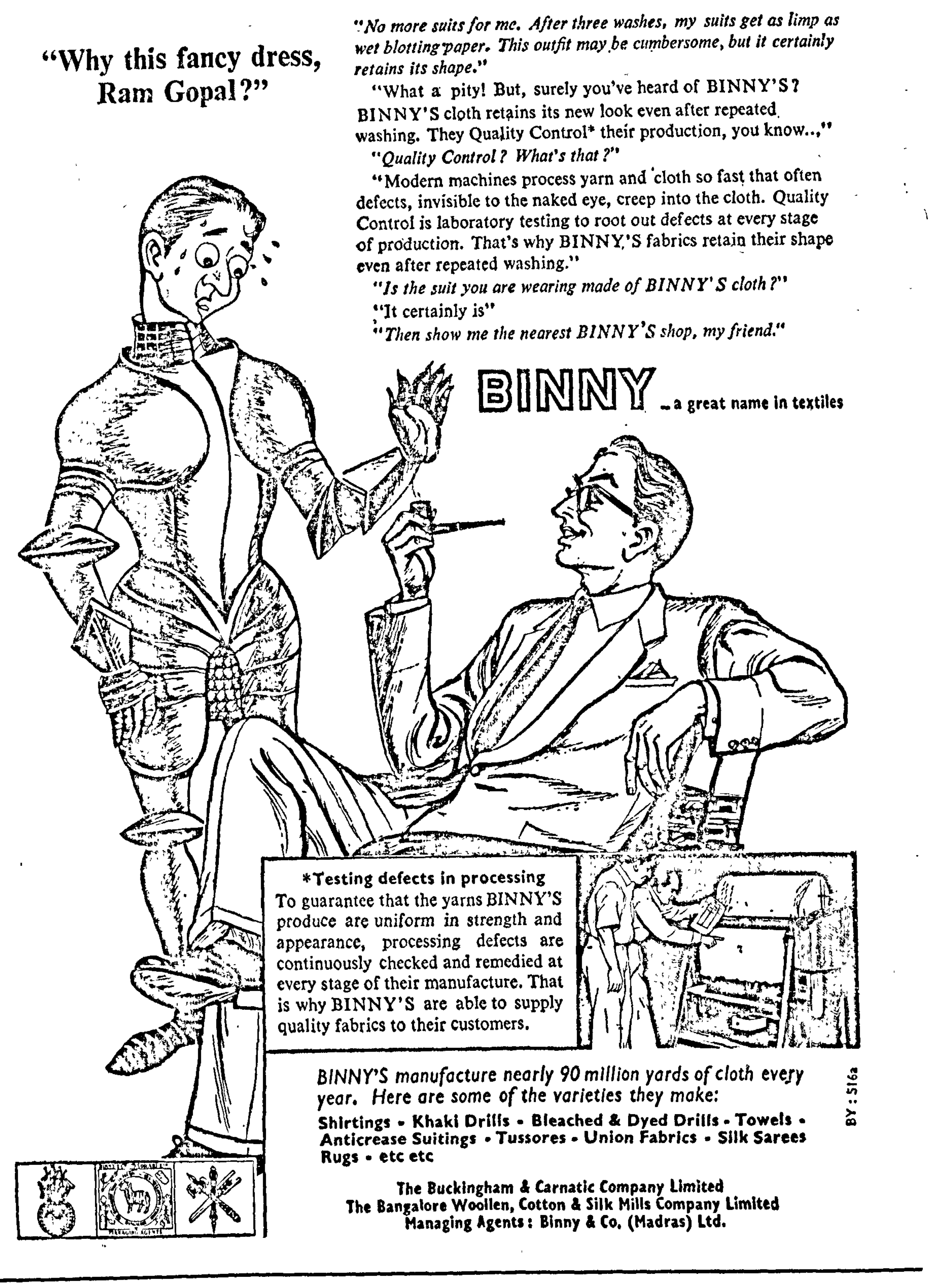

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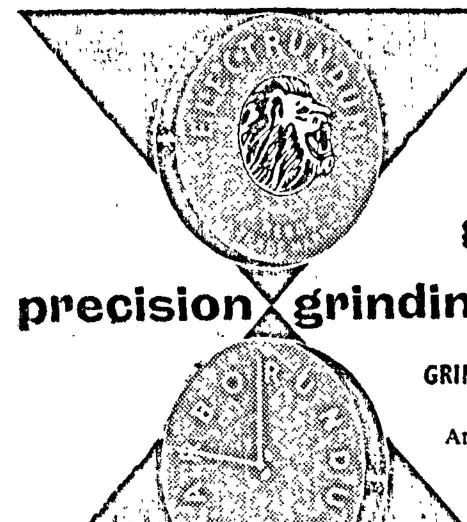

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REHABILITATION COST OF COTTON MILLS IN BOMBAY

INQUIRY COMMISSION'S FINDINGS

THE disagreement between cotton millowners and workers in Greater Bombay on the determination of the rehabilitation cost of mills for purposes of calculating the bonus due to workers is now as good as settled. For the Bombay Cotton Textile Industry (Rehabilitation) Inquiry Commission, which was asked to go into this problem, has just submitted its report to the Government of Bombay. The Commission has assessed the requirement of rehabilitation, replacement and modernisation of machinery for the mills individually, as well as for the whole industry. The assessment has been made in the same manner as was done by the Technical Sub-Committee of the Working Party for the Cotton Textile Industry in its report dated 22nd April 1952, excepting item 10 whereunder the Sub-Committee had recommended that "warp stop motion and auto-pirn change device should be equipped on looms in sound mechanical conditions." Taking the average price of machinery ruling during the calendar years 1952 to 1956 (both inclusive), the Commission has worked out:

an estimate of the cost of rehabilitation of machinery for 15 years from the beginning of the bonus year 1956 and, in the case of buildings, for a period of the average estimated life thereof; and

the cost of requirement of machinery rehabilitation on the basis of the rehabilitation requirement upto the end of the bonus year 1961.

The Commission's recommendations are binding on both millowners and workers. They are, however, relevant to the calculation of bonus for 1957 only, as the bonus for the first four years of the five-year bonus agreement 1953-57, that is. 1953, 1954, 1955 and 1956, has already been calculated and paid on the basis of the old quota figures relating to the rehabilitation cost of individual mills as a result of mutual agreement between the two parties. In other words, the question of determining the rehabilitation cost of mills for calculating bonus due to workers for 1958, 1959 and the coming years remains to be settled. Again, although the rehabilitation requirements of individual mills have been made available by the Commission, it still leaves open the question as to how the annual quota of each mill is to be calculated. Naturally, this will involve questions of the amounts deemed to be available with each mill for purposes of rehabilitation as at the beginning of 1956 and the balances which it is required to make up in the remaining period.

The Commission was appointed by the Government of Bombay as early as 3rd January 1957. Although the Commission had been asked to submit its report within six months, the period that has actually elapsed is more than two years and three months; to be precise, the report was signed on 17th April 1959. For this prolonged delay, the Commission is, perhaps, not wholly to be blamed, because there were two special factors which did not enable the Commission to complete its findings earlier. One, the personnel of the Commission changed thrice, once in the case of Chairman and twice in that of members. Thus, Mr. Justice S. T. Desai tendered his resignation as Chairman and Mr. Justice K. T. Desai was appointed in his place. Two new members (Messrs. Radhakrishna R. Ruia and V. R. Hoshing) were appointed to replace Messrs. T. P. Barat and G. D. Ambekar, respectively. The other members of the Commission, however, continued. They were Messrs. Pratap Bogilal, A. S. Parasuram and K. R. Gadgil (Secretary). Two, the Commission was handicapped in its deliberations by paucity of data. The handicap was all the greater because the Commission had to consider machinery of various types and makes manufactured in different countries, as also of the average life of each machine installed in the mills. The Commission. therefore, took time to investigate the matter and consider the same.

The *raison d'etre* of the Commission's appointment is the award on bonus for mill workers given by the Industrial Court in Bombay on 31st May 1947. In that award, the Court had estimated the cost of rehabilitation of the Bombay cotton mills at Rs. 72 crores. This sum was disputed as being too much by workers and as an underestimate by millowners. The dispute was referred to the Labour Appellate Tribunal which confirmed the lower Court's estimate of Rs. 72 crores as quite reasonable and turned down the plea of the workers for a fuller investigation of each mill.

Subsequently, negotiations were held between the representatives of millowners and workers over the question of bonus and a five-year bonus agreement (1952-57) was agreed on. During the negotiations, the workers reiterated their plea for the assessment, by a special body, of the cost of rehabilitating the cotton mills. On 13th March 1956, the Industrial Court gave its award in the matter of bonus for the years 1954-57 in terms of the above agreement. The Court conceded the workers' demand for the setting up of a Rehabilitation Inquiry Commission. Discussions were held between the Millowners' Association and the *Rastriya* Mill *Mazdoor Sangh* regarding the composition of the Commission. The discussions, however, did not lead to an agreement. Thereafter, the *Sangh* submitted an application to the Government of Bombay urging it to take the initiative and constitute the Commission in accordance with the provisions of clause 5 (C) of the bonus agreement. It was in pursuance of this application that the Government appointed the Inquiry Commission under reference.

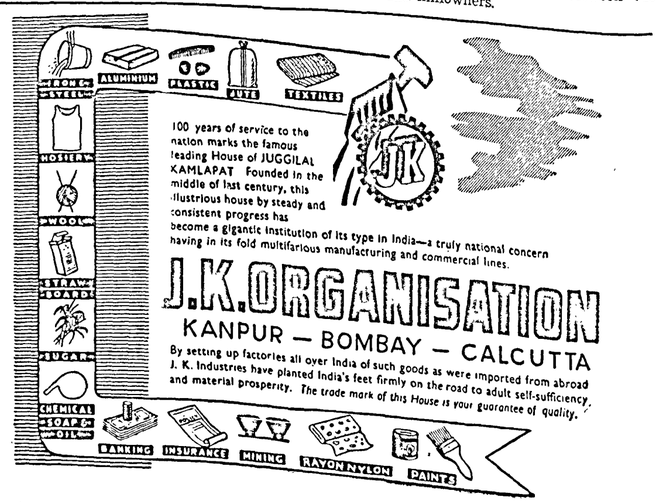
In its report, the Commission has estimated the total rehabilitation requirement of the whole cotton mill industry in Greater Bombay (excluding three units, namely, the Prakash Cotton Mills, New Prahlad Mills and Raghuvamshi Mills) at Rs. 66.34 crores in respect of machinery for 15 years from the beginning of the bonus year 1956 and at Rs. 42.55 crores up to the end of 1961. The sums represent the aggregate cost of rehabilitation, replacement and modernisation of all machinery and plant installed in the 51 mills prior to 1st January 1947 only and which continued to be in existence on 1st January 1956. The total rehabilitation requirement in respect of buildings of mills (excluding the three aforesaid units) is put at Rs. 38.99 crores. The estimate is based on the average residual anticipated future life of the buildings being taken as 35 years from 1st January 1956.

The Prakash Cotton Mills was excluded from the terms of reference, while the New Prahlad Mills did not supply any data. With regard to the Raghuvamshi Mills, although this Mill was not covered on a strict interpretation of the terms of reference, its management and the Millowners' Association desired the Commission to make a report also in connection with the rehabilitation requirement on the same basis on which the Commission had estimated the requirements of other mills covered by the reference. As this Mill and its employees are bound by the bonus agreement, the Commission has estimated the rehabilitation cost at Rs. 23.48 lakhs for 15 years beginning 1956 and at Rs. 18.86 lakhs up to the end of 1961. The cost of rehabilitation of its buildings is put at Rs. 34.76 lakhs.

The aforesaid estimates of the Commission are generally considered to be reasonable. Some, however, feel that the total rehabilitation cost of machinery and plant installed prior to 1st January 1947 (Rs. 66.34 crores for 15 years from 1956 and Rs. 42.55 crores up to end of 1961) would be higher if account is taken of the marked rise in the prices of machinery in the past two or three years. The currently ruling prices of cotton mill plant and machinery, it is said, are, on an average, higher by nearly 20 per cent. as compared with the average prices ruling during 1952-56 which the Commission has adopted as the basis. Moreover, the Commission's report does not contain estimates of rehabilitation cost of machinery worth about Rs. 32-35 crores installed after 1st January 1947. For the purpose of calculating the bonus for mill workers, it is necessary to provide for an adequate allowance for the replacement of this machinery also. To the extent the Commission has not provided for this need, its report is deficient.

It is true that the terms of reference given by the Government of Bombay precluded the Commission from including, in its examination, machinery and equipment installed after 1st January 1947. But the Commission could have at least pointed out this lacuna to the Government. In fact, the Millowners' Association prayed that the Commission should include these machinery and equipment also. The Commission, however, was of the view that it was not open to it to sit in judgment over the terms of reference, and the Millowners' Association agreed not to press its contention. The Union representing the workers was also opposed to the millowners' suggestion.

It was, however, the duty of the Bombay Government to have broadened the terms of reference so as to include machinery installed subsequent to 1st January 1947, so that taxpayers' money need not be spent on another enquiry and conciliation attempt. The value of new machinery added during the eleven years ended 1957 is, as already said, estimated at about Rs. 32-35 crores. This amount, together with the Commission's estimate of Rs. 44.02 crores, brings the total rehabilitation requirements of all machinery and equipment of cotton mills installed up to 1st January 1958 to Rs. 76-79 crores. Deducting from this amount the sum of Rs. 19-20 crores (excluding amount earmarked for rehabilitation of buildings) believed to have been with mills at the end of 1955, the money still required by mills for rehabilitation up to the end of 1961 comes to Rs. 56-59 crores, in addition to Rs. 41 crores needed for rehabilitating buildings, taking their life to be 35 years. On this basis, the total average annual requirement of mills during the period 1956 to 1961 (both years inclusive) comes to Rs. 10.8-11.1 crores, which is considered to be more than the total average gross profit earned by mills annually. If the Commission had been asked to assess the rehabilitation cost of machinery installed after January 1947, the need for appointing another Commission would have been obviated and the negotiations on bonus question between millowners and workers rendered smooth. Nevertheless, the Commission's conclusions are valuable to the extent that they have solved at least part of one issue of contention between the workers and millowners.



TRADE UNIONS OPPOSE AID PROGRAMME

COMPENSATION SCHEME OF MILLOWNERS

From A Special Correspondent

MANCHESTER, *5th May*

PROPOSALS as far-reaching as those put forward for the consolidation of the Lancashire cotton trade into a more efficient structure could scarcely avoid being discussed at length by the industry at large. Most traders are withholding their respective judgments of the plan until details are released, but official comment has in general been favourable. Much can happen between the formulation of a scheme and its implementation and, in this case, the response from those involved is the vital factor.

MANCHESTER LETTER

Any reorganisation of this kind is dependent on the effectiveness of the redundancy programme. If this fails to dispose of the surplus plant, no amount of modernisation of machinery at a later date will keep the industry operating at its most efficient level. In such circumstances, it is essential that the entire plant which is surplus to existing capacity, and even some machinery now being used, should be scrapped.

Trade leaders on the employers' side have given a qualified welcome to the outline of the scheme and await the exact details before making up their minds as to how large the contraction of the trade will be. The annual report of the Merchants' Association has put the aim of the project in a nutshell, saying:—"With redundant machinery scrapped and units working to greater capacity, the industry will obviously be more competitive, with better prospects of maintaining export trade and even regaining some of that which has been lost."

Not Fast Enough

Opposition to the programme has come mainly from the trade union side. Suggestions that a central authority should be set up to direct which mills should close are in complete contrast to the voluntary system capable of dealing with an industry in the throes of contraction. It is recognised that the force of economic circumstances, fast as it has been in recent years in closing mills, will not be sufficiently speedy to bring about the required elimination of surplus capacity.

War-time concentration by direction was accepted as a necessity in the national emergency, but any attempt at dictatorship, however well-meaning, in the present circumstances would be doomed to failure. Speakers both inside and outside the House of Commons have already put forward a multitude of conflicting ideas on the proposals.

Employers' Offer

Meanwhile, employers in the cotton industry have offered payment of compensation to workers who lose their jobs under the reorganisation programme. At a joint meeting with leaders of eight spinning and weaving unions, they suggested that the calculation of compensation should be based on a worker's length of service at a particular mill plus his age factor. The question of availability of work elsewhere would also enter into it.

This differs from the original scheme put forward by the trade unions, which suggested payment of one week's pay for every year of service up to a maximum of 50 weeks' pay. On this basis, some higher-paid workers with long service would qualify for compensation of more than £400 before tax. It is understood that the most a worker could expect to receive under the employers' scheme would be in the neighbourhood of £200.

After the first 90-minute meeting, Sir Alfred Roberts, acting as the cotton unions' spokesman, said that the unions wanted time to consider the employers' suggestions and might have counter-suggestions to make when talks were resumed in a week's time.

Unions Confer

Disclosure of the outline of the reorganisation scheme only a week before the opening of the annual conference of the United Textile Factory Workers' Association gave the delegates a good chance to let off steam. The operatives are chiefly aggravated by the fact that their leaders have not been directly involved in the drawing up of the redundancy plans. An emergency motion prepared by its Legislative Council on the Government's plan was accepted by the conference. Moving its adoption, Sir Alfred Roberts, Secretary of the Cardroom Workers' Amalgamation, said that, unless the employers agreed with the unions on fair terms for the compensation of workers made redundant under the Government's plan, the unions were prepared to risk destroying the whole scheme. Referring to the offer of compensation made earlier by the employers, Sir Alfred said:

"We regard what the employers have offered us as completely inadequate. It is true that they have not said their last word and we will have to see how far we can take them in the way they want to go before we find whether we have to break down. Our strongest weapon is that the Government has made it a condition of this grant that there shall be fair compensation to the workpeople affected. I can say, with a due sense of responsibility—and I believe I speak for all of my colleagues—that unless we can arrive at an agreement on what we regard as reasonable and adequate, we are prepared to take the risk of wrecking this scheme entirely."

Sir Alfred condemned the Government for ignoring every plea made by the industry during the past five years and complained that the unions had had no part in the Government's plan. They had received information after the plan was prepared, he said, but they demanded consultation. He could think of no better way of bringing financiers and speculators into the business than the way in which the Government had announced its intentions.

If a conservative figure of the planned contraction of the industry was the elimination of some 50.000 looms and 8,000,000 spindles, this would mean that about £10 million would be paid to firms to close, of which approximately £7 million would come from the Government. Mr. James Milhench, the Association's Secretary, said in seconding the motion, that there were about 10.2 million mule spindles in use, and it was anticipated that this number would be reduced to one million.

Yarn Imports Warning

Quite apart from what must now be expected to the inevitable references by any speaker on textiles to the latest scheme for rehabilitating the industry, the address given by Mr. Fred Bottomley, Chairman of the Cotton Yarn Doublers' Association, at the annual meeting, contained comments on a number of topics which are of distinct relevance to current trade affairs. It so happened that attention had been drawn to the gravity of the imported yarn situation a day or two before his remarks were made public and the excess of arrivals over exports during the first quarter of the year added emphasis to his words. "The position is no better and could be a lot worse than it was before the Hong Kong undertaking was given," he declared. An increase in yarn imports would, he forecast, cause ill-feeling between the textile industries of the two countries. Spinners and doublers in Lancashire could not accept a further threat to their livelihood "without doing something about it."

It remains to be seen whether swift action will be taken by the yarn producers in the country. Mr. Bottomley added: "We cannot continue indefinitely to make sacrifices and, if yarn imports increase, we should insjst on the question of a ceiling for yarns being reopened. It would in any case be quite ridiculous to embark on any scheme of reorganisation with the object of bringing the doubling section of the industry to a compact and efficient size if the ground was being consistently cut from under our feet."

The spinners and doublers assert that they have acted very considerately in this matter for the benefit of other sections, but they are anxious about their reaction should this controversial issue be raised once more. It is a little significant that no further news has yet come to hand about any voluntary arrangement to curtail imports from India and Pakistan.

No Retail Saving

Belated references to the effect of the adverse verdict on the Yarn Spinners' Agreement and other trade arrangements by the Restrictive Practices Court are still being made. Mr. Bottomley repeated the widely-held view that the abandonment of the spinning and doubling price schemes would fail to have any tangible effect on retail prices of consumer goods. "It is one of the weaknesses of this Act, that the Court, having made its decision, has no power to follow up the results of this decision to ensure that any reductions in price are, in fact, passed on to the consumer," he declared.

Reports of weak selling following the withdrawal of the price maintenance schemes have not been exaggerated. The Government's hint of financial aid in reconstruction coincided with the freeing of prices, so that firms which might otherwise have abandoned the struggle were tempted to remain in business and accept low offers in order to be eligible to participate in any compensation. The margins available under the minimum price scheme were very modest, claimed Mr. Bottomley.—*All Rights Reserved.*

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DEVELOPMENT OF BACKWARD NATIONS

MR. HOFFMAN ON ROLE OF FOREIGN AID

LONG before the modern concept of foreign aid, with all its complex political and economic implications emerged, nations and peoples thought it obligatory to help others less fortunate than themselves. History tells of many instances of one country extending a helping hand to its neighbour in times of distress. But is is one of the significant developments of the present century that to this traditional moral compulsion has been added certain economic and political imperatives. Two developments can be said to be mainly responsible for this. First, the "shrinking" of the world into a smaller and more interdependent area as a consequence of the spectacular developments in science and technology. The second, and more pervasive, happening is that hundreds of millions of people whose forefathers accepted poverty, sickness, and illiteracy as their normal life, as something to be borne patiently because no other life could be imagined, are in active revolt against a continued acceptance of these conditions. They are demanding an opportunity for a better life and living and they want it in their own lifetime. Does this situation point to good or evil? None will disagree with the view of Mr. Paul G. Hoffman, Managing Director of the U.N. Special Fund, that, in it, there is both promise and menace. Out of these yearnings can come a new, better world or the destruction of any kind of world.

Addressing the annual conference of the World Affairs Council of Northern California on the 3rd inst., Mr. Hoffman observed that the need for increased investment to help the peoples of underdeveloped countries to realise their dream becomes quite clear once the dimension of this problem of development of backward nations is understood. It is, according to him, "staggering"—for two reasons. First, because of its huge size and, second, because of the present distressingly slow rate of improvement in living standards of the people.

Low "Per capita" Income

No less than sixty of the eighty-two nations of the U.N.O., in addition to some forty territories are, according to Mr. Hoffman, underdeveloped. More than a thousand million people live in these countries and their total income in 1957 was approximately $120 billion or $120 per person. These people are living at a sub-subsistence level; they are undernourished; most of them are without the barest of health and educational facilities. In the more advanced countries, on the other hand, the average *per capita* annual income is $800; in the U.S. alone it is as high as $2,000, as against a mere $68 in India.

Clearly, the rate of growth in *per capita* income should be stepped up—at least doubled. Can this be done? Mr. Hoffman answered this poser in the affirmative, provided, in the next decade, the countries themselves devoted every dollar possible to increasing their own investment and provided also the advanced countries doubled theirs. According to figures quoted by Mr. Hoffman, in 1957, the underdeveloped countries themselves devoted $6 billion (a billion= 1,000 million) of their meagre income of $120 billion to capital formation and from all outside sources, public and private, approximately $3 billion was made available. If the present rate of investment were to continue in the next ten years, Mr. Hoffman said, the investment of the countries themselves would be $60 billion, of the advanced countries $30 billion, making a total of $90 billion. The countries themselves, it is suggested, can increase their investment to $75 billion and the advanced countries should increase theirs to $60 billion. These figures do not include technical assistance or similar services.

Power to Absorb Aid Limited

Commenting on these data, Mr. Hoffman observed:

"This total of $135 billion represents not only what these 100 countries and territories need but, in all probability, all they could effectively use. An underdeveloped country's power of absorption is limited and, paradoxically, the countries that need development most, the least developed, where people are the poorest, are capable of the least absorption. Why is that? Well, in the first place, they do not know and we do not know, what the resources of the country are and surveys have to be made to find out. They are also the countries with the fewest trained people—the fewest engineers, doctors, agriculturists, craftsmen—the very people who are needed to carry out a programme. They have to be trained. And they are also the countries with the fewest facilities—power, transportation, communication, roads—all needed for development. There is a limit, therefore, to the amount of goods and services that can be absorbed in the early stages of development. The probabilities are that, of the 30 billion dollars of additional investment needed from the advanced countries, not more than one half billion could be used in 1960. Of course, as a country advances it can absorb more and then a point is reached, and this is the objective of all development programmes, where the aid tapers off and the country is doing its own development by the effective exploitation of its own resources. An increase of one to two per cent. in *per capita* income over a ten-year period may seem to be a very limited goal. It would mean, in dollars, an increase of average income from $120 to $150. That $30 may not seem significant but it would mean clean water, better medical facilities, protection against epidemic and endemic diseases, more schools, a chance to learn to read and write and acquire knowledge for hundreds of millions of people."

"The rate of increase will vary greatly, of course, among the countries. Some will not make much progress and others, where the increase in income will not match the increase in population, may even retrogress. On the other hand, in the more vigorous countries or in countries which have rich, untapped resources the next decade can bring a breakthrough from poverty to decent living conditions. Such a breakthrough, the first lurch off dead centre for these countries, inspiring as it would be to all underdeveloped people, could for the entire community of nations be one of the most spectacular events of the century."

Is Large Foreign Aid Justified?

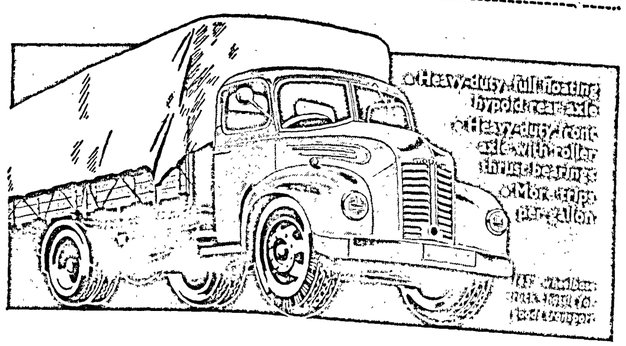
An additional $30 billion expenditure for foreign aid, even spread over ten years, is a big amount and the advanced countries, Mr. Hoffman rightly pointed out, have every right to ask themselves whether it is wise to take on this burden. The first answer to this question, according to Mr. Hoffman, is a moral one, that of one's own conscience. He wanted the developed countries to remember that, in this shrinking world, it would be very uncomfortable for them to continue to grow richer while the poor nations remained distressingly poor. The second answer is a very practical one and has to do with the changing nature of the world. In his own words:

"We know that we are living in an unsafe world. And our greatest problem is to prevent it blowing up. It is a problem which is facing every nation, every people in the world. It is the main reason for the United Nations, for meetings of foreign ministers, for summit conferences. And, until the safe foundations of peace are laid, it is the reason for our defence spending. The advanced nations are spending on defence about 100 billion dollars (more) a year. In the next decade, if we are to go on at the present rate we will spend 1,000 billion dollars. And we are not asking: 'Can we afford it?'

"There is not only unrest in the 'have not' countries: there is explosive unrest. Expenditures for economic aid are an investment in peace. Economic advance is by no means a complete answer but economic advance is an advance towards peace. It is an advance towards peace because it lessens the social and political instability that springs from discontent and resentment. And positively it lays a more stable basis for sound economic relations among nations, which is a basis for peace. If an additional 30 billion dollars in aid does help move us towards peace it is worthwhile in itself and it is likely to save us many times 30 billion dollars in defence expenditures."

The third answer given by Mr. Hoffman is that an investment in aid will help insure the stability of those countries to which advanced countries must look for their raw materials. Most of the important raw materials needed by the industrialised nations come from the Middle East, Asia, South America and Africa—

(Continued on page 847)



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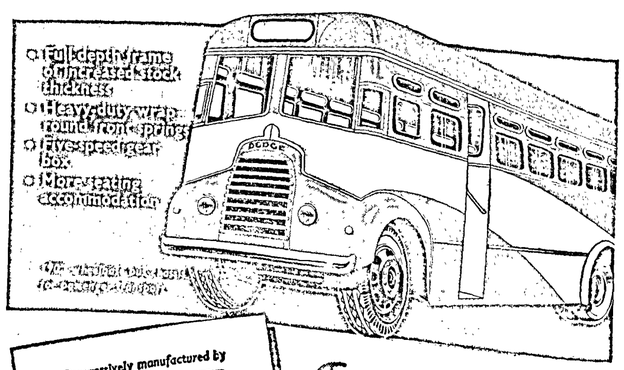

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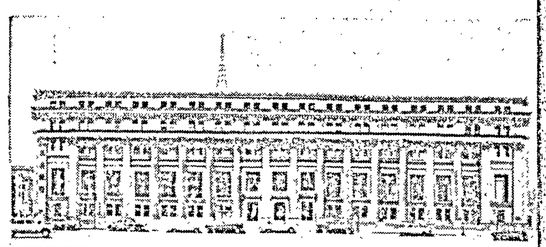

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SUGAR EXPORT PROMOTION ACT VALID

SUPREME COURT'S JUDGMENT

THE Sugar Export Promotion Act 1958 is constitutional and valid, and it does not impose an unreasonable restriction on the sugar factories' right to carry on their trade. This was the judgment given by the Supreme Court last week while dismissing the petitions of the Lord Krishna Sugar Mills Ltd., the Shiva Prasad Banarsidas Sugar Mills and two others of Saharanpur, filed under Article 32 of the Constitution, challenging the constitutional validity of the Act and the propriety of the action taken under it. The judgment represented the majority opinion of five out of six judges, Mr. Justice Sarkar alone dissenting. In the opinion of Mr. Justice Sarkar, the Act is invalid. This view is based on the ground that the Act, which makes the petitioners suffer a loss on the sale of a part of their produce, imposes a restriction on their right to carry on their business and that the restriction cannot be said to be reasonable.

The Sugar Export Promotion Act, it will be recalled, was passed by Parliament on 16th September 1958 and was intended to provide for the export of sugar "in the public interest." The Act was in replacement of the notification, issued by the Central Government on 27th June 1958, fixing the total quantity of sugar for export at 50,000 tons during the period ended 31st October 1958. Export quotas were fixed for all sugar factories, including those of the petitioners. The Indian Sugar Mills' Association was nominated as the export agency. This agency asked the petitioners to deliver the sugar, but the petitioners failed to sell or deliver the requisite quantities. Thereupon, the export agency pointed out to the petitioners that they were, by their conduct, exposing themselves to the risk of having to pay an additional excise duty under section (7). The petitioners then filed applications for writs restraining the Union Government and the export agency from taking steps under the Act on the ground that the Act was invalid, as it unreasonably restricted the petitioners' right to carry on their trade.

Restriction Not Unreasonable

The majority judgment of the Supreme Court, delivered by Mr. Justice Hidayatullah, is that the object of the Act does not infringe the fundamental rights of the petitioners. In order to prevent any loss to the petitioners, it was contended, countervailing additional prices are allowed on sales of sugar for internal consumption. The petitioners do not stand to lose ultimately. The quota is fixed at 2½ per cent. of their total production and "it is inconceivable that they are unable to sell sugar in the open market. It is obvious that the plea that the mills are unable to sell sugar at the controlled rate is a mere sham." In these circumstances, the Court felt, there is no ground for holding that there has been an infringement of the fundamental rights of the petitioners. The restriction is not unreasonable, because arrangement has been made to save the owners of factories from loss, and the loss entailed by the export of sugar is to be borne out by the consumers in India and not by the producers. Elucidating this view, the Court said:

"The Court, in judging the reasonableness of a law, will necessarily see, not only the surrounding circumstances but all contemporaneous legislation passed as part of a single scheme.... The reasonableness of the restriction is to be judged today, and in the context of the circumstances now existing. It is a well-known proposition that, when commodities are controlled by fixation of price, the commodities sell only at the controlled price and not less. Economists have complained that the worst fault of price control is that the price does not fall below the controlled rate. There is nothing in the record of the case to show that the mills were not able to sell their sugar at the controlled price.

"The restriction was not unreasonable, because arrangement was made to save the owners of the factories from loss, and the loss entailed by the export of sugar was to be borne by the consumers in India, and not by the producers. The foreign export served the national interest by stabilising the sugar market, so that the production of sugarcane may be maintained at a reasonable level... If the objects and purpose of the Act are valid, none of the sections even viewed separately is *ultra vires*. The result is that both the petitions

It may be noted here that the scheme for export of sugar was hammered out after prolonged discussions with the representatives of the industry. In enacting the Sugar Export Promotion Act, the Government thus had the support of the industry as a whole. Even when the legislation was framed, there were doubts in certain quarters about its constitutional validity. But the spokesmen of the industry assured the Government that the industry would not challenge the measure in a court of law. It is a well-known fact that the industry has been as anxious as the Government to develop an export trade in sugar, though its reasons for doing so are not identical with those of the Government. Accordingly, the two U.P. mills that petitioned the Supreme Court did not respect the understanding between the Government and the Indian Sugar Mills' Association. Whatever the merits of the majority verdict of the Supreme Court, the fact remains that it is in consonance with the desire of the vast majority of sugar mills in this country.

The Supreme Court has held by a majority that the sugar mills have been allowed to pass on the loss on export of sugar to the consumer. This conclusion seems to be based on a tenuous ground, in that the Government soon came out last year with an order fixing a ceiling on the ex-mill prices of sugar in North India. There are serious differences of opinion between the Government and the industry on the question whether these ex-factory prices are adequate. The controversy is now sought to be resolved with the help of the Tariff Commission. Since the Commission's verdict is unlikely to be given retrospective effect, those mills which could not cover the loss on their export quota would have suffered an irrecoverable loss.

The Government spokesmen have been saying, from time to time, that it would have to resort to compulsion on manufacturers in order to push up exports. The aforesaid judgment of the Supreme Court may embolden them to implement this unwise idea, for it has removed the bugbear of constitutional incompatibility.

With the Supreme Court upholding the validity of the Sugar Export Promotion Act, the Indian Sugar Mills' Association has been enabled to enter into fresh commitments with foreign buyers. But it is highly doubtful whether export sale of sizable quantities of sugar will, in fact, be put through. For the world sugar markets continue to rule depressed, notwithstanding the recovery in prices noted in the past two weeks. Spot Cuban raw sugar in the New York market is currently quoted at 2.98 cents per lb. (f.o.b. Cuba) which, though it is about 18 points (0.18 cent.) above the lowest level reached during the recent decline, is still 17 points below the lowest limit under the International Sugar Agreement's price range. The latest available spot quotation for sugar in London is £27¼ (Rs. 363) per ton, as against £26⅛ (Rs. 349) a month ago and £32 (Rs. 427) in the beginning of the year.

Heavy Loss

The advantage of the upward trend in world sugar prices of late has more than been counteracted by the sharp rally in internal sugar prices in India. The average wholesale price of sugar in Bombay now stands at about Rs. 1,240 per ton, as against Rs. 1,186 a week before and Rs. 1,152 a month before. After allowing for the full remission of excise duty (Rs. 291.20) and cane cess (Rs. 50.90), the average f.o.b. cost of Indian sugar comes to nearly Rs. 893 per ton, as compared with the London price of Rs. 363. On this basis, the loss on every ton of sugar exported works out to as much as Rs. 535, in addition to the loss of Rs. 342.10 in revenues to the Governments. Naturally, the question arises as to whether it would be worthwhile earning a foreign exchange of Rs. 363 from exporting one ton of sugar which entails a total loss of Rs. 877.

(*Continued on page* 837)

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1958—344.68 CRORES BUSINESS 9.6 LAKHS POLICIES

Men and Oil . . . 8

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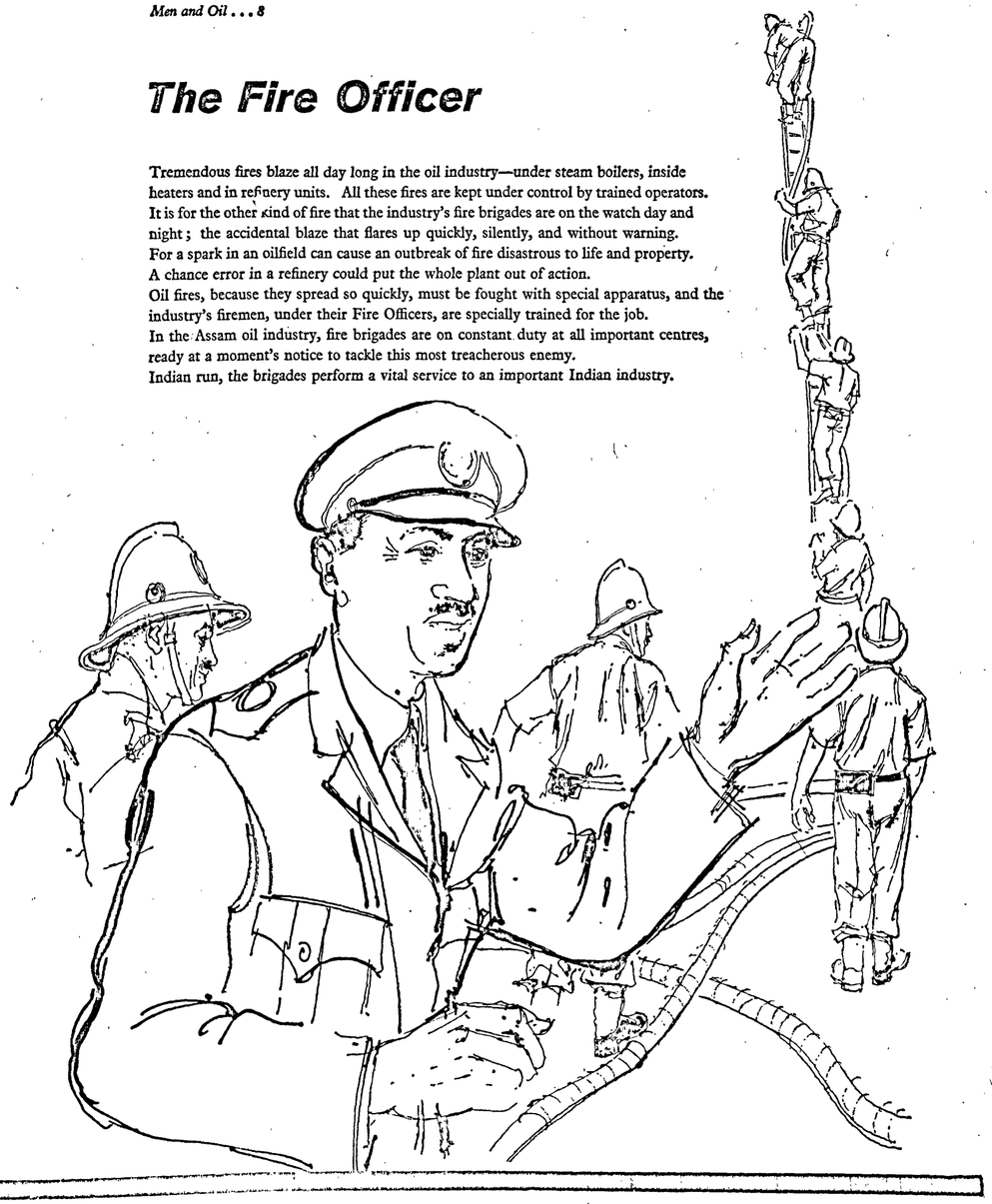

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ASSOCIATED STONE INDUSTRIES (KOTAH) LTD.

CHAIRMAN, SARDAR DALJIT SINGH REVIEWS COMPANY'S GROWTH

THE Thirteenth Annual General Meeting of the Associated Stone Industries (Kotah) Ltd. was held at Ramganjmandi on 25th April 1959. Addressing the shareholders on the occasion, Sardar Daljit Singh, Chairman of the Company, said that the fourteen-year lease period of the Company expires on 30th September 1959. He, however, added that the shareholders need not have any apprehension about the future of the Company as he was confident that the Company's application for renewal of the lease would meet with a favourable response from the authorities.

The following is the text of Sardar Daljit Singh's speech:

"It is my proud privilege to welcome you all this afternoon and to present to you the report of your Directors, and the statement of accounts of your Company, along with the auditor's report for the year ended 30th September 1958.

"The special feature of this assembly is that we are meeting in the last working year of the lease period which would expire on 30th September 1959 and, therefore, I would venture to submit to you in brief the achievements of our Company during these fourteen years which have been characterised equally by our friends and foes as remarkable.

"In 1944, when lime stone mines, now owned by the Company, were being worked by fourteen different contractors, the industry was in a pitiable condition and the internecine trouble was a prime cause for the economic setback in the industry. The resources of the then contractors were very limited and it was unfortunate that those limited resources too were mainly utilised in an unhealthy cut-throat competition between themselves. The product of the mines was facing a serious challenge in the market to stand in competition with other flooring materials available at cheaper rates.

Pooling of Resources

"It was under these conditions that His Highness' Government realised the need of pooling all the resources to so manage the industry as to rationalise the process of extracting the lime stone slabs from the mines in scientific manner which may result in reducing the cost of production and minimise its wastage. In order to achieve due place for the product of these mines situated in the tehsils of Chechat and Ramganjmandi on the industrial map of India, it was thought expedient by the then administrators, that this industry must be placed under one management, and it was in that background that the Kotah State Government changed its policy of leasing out small pits of the mines to different contractors.

"To give the concrete shape to the changed policy of the Kotah Government, your Company took its birth in 1945 and His Highness the Maharao Saheb Bahadur of Kotha was pleased to ordain the grant of lease to the Company for a period of 15 years commencing from 1st October 1944.

"Long-term planning is an essential requisite for making an industrial concern a success. It was only from that point of view that His Highness' Government, at the first instance, granted the lease to the Company for fifteen years with a stipulation that further renewal of the lease shall be made in favour of the Company if it so prefers to continue in the field. It is in the last year of the lease period that we are meeting today to review our achievements, but it should not in any way, give you any apprehension about the future of the Company. I may here state that the Company has made an application to the appropriate authorities for the renewal of the lease. I am confident that the application will be met with due justice and our lease will be renewed.

"We had also big plan to mechanise the system of extraction of the lime stone slabs from the mines, but the exchange problem and the non-availability of the machinery from outside India came in the way of the Company to implement the same and to achieve the desired goal.

"The Company had prepared a scheme as far back as in 1946 to lay out railway line for the transport of its product from the mines to the railway yard, but post-war conditions did not permit us to implement this plan in our working. When we were seriously trying to implement our various schemes for mechanisation, the State Government in 1952 unilaterally revoked the lease of the Company, which was responsible in creating uncertain conditions in our working and we were compelled to give up the implementation of those schemes. This greatly handicapped our progress in various fields of our activities, but we could not help it. It was under the interim stay order given by the Court that we worked during these last seven years.

"I am glad to inform you that, with a view to enabling the employees of the Company to purchase grains and other daily necessities at cheap rates, a co-operative society was started at Ramganjmandi at the instance of the Company. The Company has agreed to give financial assistance to this society and it is hoped that with the efforts of the Company's staff and other workers, this society will give very useful service to the residents of Ramganjmandi in general and employees of the Company in particular.

"It will not be out of place to mention that the ambitious schemes formulated by the Company which are well in consonance with the development of the nation in evolving a socialistic pattern of society, will soon find their implementation after the renewal of our lease becomes a *fait accompli*. The Second Five-year Plan and the recent labour legislations have cast further duty on the Company to accelerate its speed to achieve success in translating its scheme into action.

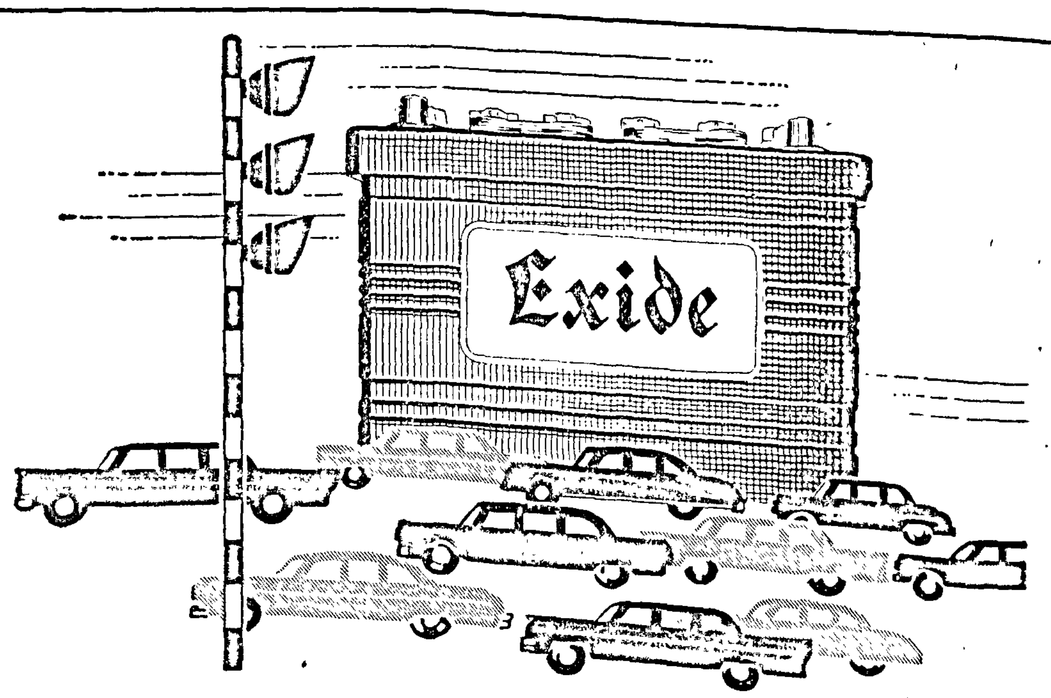
"The Company has planned to construct a township at a cost of Rs. 30 lakhs which shall be named as Asinagar, after the name of the Company. We also propose to shift our office, polish factory, etc., to the site of the proposed new township. The broad-gauge siding lines from Ramganjmandi station to the site of the new township shall also be laid by the Company at the estimated cost of Rs. 5 lakhs. This new township will provide about 600 tenements for the labour employed by the Company and they will be so planned that it may become a model of modern labour colony.

"In the words of our beloved Prime Minister, 'housing is one of the elementary needs of a civilised society. Not only the houses should be built for our people of all classes but they should be built tastefully and beautifully that living in such houses becomes a pleasure....' We are confident that the growth of our industry under the management of the Company would certainly help to meet the aforesaid ideal of our Prime Minister.

"Our Company is one of the few enterprises in the industrially backward State of Rajasthan which has worked with remarkable success so far and has also contributed considerably to augment the revenues of the State. We hope that the Rajasthan Government and its officers will patronise the industry with more sympathetic attitude to help the future growth of the Company.

"Again I wish to place on record, our heartfelt thanks to the Director-in-charge, Shri Hiralal M. Parikh, who has all through guided the destinies of the Company with remarkable skill and untiring efforts. Credit for successfully bringing the present level of the Company largely goes to him. Our thanks are also due to our officers, the members of the staff, labourers and our customers for their active and sincere co-operation to the working of the Company. I also thank the auditors and legal advisers for their valuable and timely advice and guidance."

Note:—This does not purport to be a record of the proceedings of the Annual General Meeting, but is only a part of the said proceedings.



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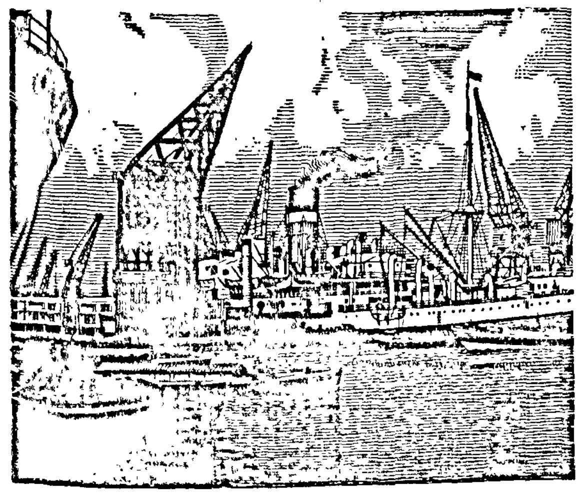

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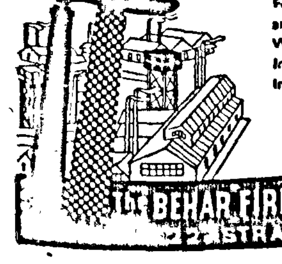

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ESTIMATES COMMITTEE ON STATE SHIPPING CORPORATIONS

SUGGESTIONS MADE FOR EXPANSION OF TONNAGE

THE importance of shipping to India's national economy has again been stressed by the Estimates Committee, in its report on the State-owned Eastern Shipping Corporation Ltd. and Western Shipping Corporation (Private) Ltd. Besides emphasising the need for augmenting the tonnage owned by the Corporations, the Committee has made a number of suggestions for increasing the volume of goods carried by them and for improving their organisational structure. More specifically, it has, in effect, advocated the need for giving the authorities in charge of the Corporations a better voice in determining the rates along which they should operate. Among its general recommendations is a suggestion for setting up a separate organisation to evaluate the working of State undertakings.

The Committee prefaces the Report with the observation that the importance of shipping in the development of national economy needs no emphasis, in view of the fact that a national mercantile marine of an adequate size can maintain and safeguard the flow of vital supplies. It adds: "Overseas trade and commerce can thrive only on the foundations of an adequate merchant navy which can assist in the exploration of new markets and expansion of overseas trade." It deplores that, out of India's total overseas trade, valued at Rs. 1,500 crores about 91 per cent. is in the hands of foreign shipping companies and that the annual amount paid by India on the transport of its exports and imports is about Rs. 150 crores. This, the Committee says, is a "serious drain on the foreign exchange resources of the country and it underlines the need for a quick expansion of the national merchant fleet." It notes that the objectives laid down in 1947 by the Sub-Committee of the Reconstruction Policy Committee for achievement within five to seven years, are far from being achieved yet; these included a target of two million tons for Indian shipping for carrying 100 per cent. of coastal trade, 75 per cent. of India's trade with adjacent countries and 50 per cent. of India's distant trades. It is computed that these objectives would need a target of 2.5 million tons (not two million tons, estimated formerly) in view of the fact that the quantum of India's trade has increased.

Target

The Committee has, therefore, suggested that "requirements of shipping may be reviewed in the light of the present trends and the objectives of the shipping policy restated on a realistic basis." If the small target of 900,000 g.r.t., set in the second Plan is achieved, Indian ships may be able to carry about 12 to 15 per cent. of the country's overseas trade and 40 per cent. of its trade with adjacent countries. Commenting on this progress, the Committee observes: "At the rate of progress achieved in the first Five-year Plan and planned for in the second Five-year Plan, it will take more than twenty years to attain even the conservative objectives of acquiring two million tons of shipping for the nation, within which time the rise in the demand for shipping might itself far outstrip the volume of tonnage that might be acquired." The Committee, therefore, hopes that the planners of the third Five-year Plan will, considering the importance of shipping to national economy, and its present inadequacy, give the development of shipping "higher priority than hitherto and greater allocation of resources in order that the objectives of the shipping policy might be attained within a reasonable time."

Having been included in Schedule B of the Industrial Policy Resolution 1956, shipping belongs to the category of industries which will be progressively State-owned and in which the State will generally take the initiative in establishing new undertakings but in which private enterprise will also have the opportunity to develop in the field either on its own or with State participation. The two shipping enterprises in the State sphere are the Eastern Shipping Corporation, set up in 1950, and the Western Shipping Corporation, set up in 1956. The two Corporations together own a fleet of about 60,000 g.r.t. and, by the end of the second Plan, they will have about 112,000 g.r.t. The Committee is not convinced of the desirability or advisability of having two separate Corporations for operating the small fleet they own at present. It recommends that "the feasibility of amalgamating the two Corporations should be considered" and expresses the hope that the "assurance that no additional expenditure would be incurred on maintaining the Corporations separate would be adhered to."

Organisation

On a study of the organisational character of the Corporation, the Committee has taken exception to the practice of appointing Government officials on the Boards of Directors while they continue to be attached to the departments to which they belong. Nor is the Committee convinced that the argument that non-officials would not have any stake in the Corporations if they were appointed to the Board is correct. It feels that, for that matter, it could well be argued that the officials who are appointed on the Boards also do not have any stake in the concerns they are required to administer. The Committee feels that prominent non-officials, drawn from public or business life, would be as much conscious of their reputation as the officials might be, in case anything went wrong when they were at the helm of affairs. The Committee, therefore, feels that what is required is to secure the best talent and experience for the management of public enterprise in the interest of the nation as a whole. The Committee does not, however, suggest that the appointment of Government officials on the Boards should be dispensed with altogether. It feels that while officials known for their administrative ability and qualities of leadership would definitely be of use to the Government undertakings, the present practice of making appointment of officers, who are also entrusted with other departmental duties and are fully occupied with them, with a view to giving representation to certain concerned ministries or departments concerned, is not sound. In its opinion, frequent changes in the composition of the Boards, which such representation often gives rise to, is also not conducive to efficient management of the undertakings and, therefore, efforts should be made to reduce them to the minimum. The Directors should have a fairly long and fixed tenure of office so that there might be continuity and stability on the Boards of the undertakings. The Committee, therefore, recommends that the question be reviewed in a comprehensive manner and a suitable pattern of organisation devised for the management of Government commercial undertakings.

Discussing the routes along which the State-owned Corporations should operate, the Committee emphasises that the responsibility of the Government in this sphere should be limited to laying down a broad policy within which the Corporations should have discretion to select the best and the most profitable routes in accordance with commercial methods. The Western Shipping Corporation owns at present only a tanker, though it is the intention of the Government that it should operate India-Poland and certain other services. The Eastern Shipping Corporation operates East India-Australia, Calcutta-Far East, Bombay-East Africa, Madras-Singapore and India-Andaman routes. The Committee recommends that, if the Corporations have to operate routes for reasons other than economical, then they should be suitably subsidised. These Corporations are not entitled to operate along coastal routes. Since foreign ships also operate along these routes at present, the Committee suggests that the policy under which the public sector does not participate in coastal trade should be re-examined so as to enable the Eastern Shipping Corporation to enter coastal routes. As regards foreign routes, the Committee feels that the mutual exclusion of private companies and Government Corporations in this sphere is not desirable and that any surplus cargo on any of these routes should be lifted by Indian ships, whether they belong to the private or public sector. In other words, it advocates "better co-ordination and co-operation among all the Indian shipping companies belonging to both the sectors."

Tonnage

Emphasising the need for augmenting the tonnage of the State-owned corporations, the Committee deplores that opportunities for acquisition of such tonnage should have been lost for one reason or another. The Committee feels that progress made in the acquisition of tankers by the Western Shipping Corporation is very slow; it now has only one tanker (7,352 g.r.t.), and has placed an order for a new tanker with a Japanese firm. The Eastern Shipping Corporation has eight ships of 52,892 g.r.t. When the ships for which orders have been placed are delivered, the Eastern and Western Shipping Corporations will have a total tonnage of 65,891 and 47,000 respectively. The Committee regrets that, though eight years have passed by since the Eastern Shipping Corporation was set up, its tonnage is still far below the target of 100,000, fixed originally. The Committee was informed that it had not been possible to avail of the attractive opportunity to acquire more ships because, first, the entire financial provision made in the second Five-year Plan for expansion of shipping had been fully committed even before the first year of the second Plan was out and, secondly, the foreign exchange position of the country had also deteriorated. The Committee considers it unfortunate that the country should be losing such a valuable opportunity and, therefore, recommends that the Government might consider the possibility of making some readjustment in the allocation of funds under the second Plan and allot additional funds for acquisition of ships. It was suggested to the Committee that, in building the fleet, the Corporations should aim at maintaining a balance among various kinds of vessels. It was stated that the percentage composition of the fleet would depend to a large extent on the routes and the trades selected and it was suggested that, in arriving at a decision in this regard, the modern trend towards specialist service, in particular, bulk carrier vessels, like tankers, grain carriers, or coal carriers and heavy lift vessels should not be lost sight of. The Committee commends the suggestions for consideration of the Government and the Corporations.

Some aspects of the working of shipping industry in the public sector have come in for criticism at the hands of the Committee. The Eastern Shipping Corporation purchased two ships, the *State of Bombay* and the *State of Madras*, from the Scindia Steam Navigation Company, Ltd. It would now appear that the *State of Bombay* needs to be replaced. The Committee is surprised that it should have become necessary to replace the ship only after

(Continued on page 847)

THE ANDHRA BANK, LIMITED

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Annual Report of the Directors for the year ended 31st December, 1958.

Presented to the Shareholders at the 35th Annual General Meeting held at the Registered Office of the Bank, Cantonment Road, Masulipatam, on Monday the 11th May, 1959, at 4-00 p.m.

The Directors have the pleasure to submit to the Shareholders the Balance Sheet of the Bank as at and Profit and Loss Account for the year ended 31st December, 1958. The Auditors' Report also is annexed.

The net profit of the Bank for the year 1958 amounted to Rs. 8,26,276 after providing for contingencies and after transferring Rs. 1,78,030 from the Investment Reserve Account, as this provision is no longer required, the present market value of the securities being much in excess of the book value. To the profit of Rs. 8,26,276 is to be added the balance of Rs. 1,909 remaining in the Profit and Loss Account after the appropriations have been made from the Profits of 1957. The amount thus available for appropriations is Rs. 8,28,185. Your Directors have already made certain appropriations out of this amount and propose making further appropriations, as per details below :

	Rs.
Balance of Profits available, as above	8,28,185
Deduct short provision for taxes of back years	98,680
	7,29,505
Deduct :	
1. Interim Dividend for the half-year ended 30th June, 1958, at the rate of 6 per cent. per annum free of Income-tax	1,02,800
2. Transfer to Statutory Reserve under Section 17 of the Banking Companies Act, 1949	1,51,000
3. Provision for taxes	3,02,000
4. Transfer to Gratuity Fund	5,000
	5,60,800
	1,68,705
Appropriations now proposed :	
To pay a final dividend for the half-year ended 31st December, 1958, at 7 per cent. per annum free of Income-tax, making a total of 6 per cent. per annum fee of Income-tax for the whole year, which will absorb	1,44,500
To carry forward to next account	24,205

The Bank's business continued to be satisfactory during the year under review.

The Official Rate of the Reserve Bank of India remained at 4 per cent. per annum during the year.

New Offices of the Bank were opened at Nizamabad, Repalle, Ramachandrapuram, Proddatur (Cuddapah Dt.) and Tiruppur (Coimbatore Dt.). Two sub-offices at Bhattiprolu and Anaparti were closed during the year since they were found uneconomic.

Under Section 256 of the Companies Act, 1956, read with Article 94 of the Bank's Articles of Association, Messrs. S. Ramachar, D. Bhaskararao, M. Ranganatha Sai, Directors longest in Office, retire by rotation and from the next longest in Office Sri K. S. Dutt has volunteered to retire. The retiring Directors are eligible for reappointment.

You are requested to appoint Auditors to hold Office till the conclusion of the next Annual General Meeting. Messrs. Brahmayya & Co., Ch. V. Lakshmaiah Co., and Bapanaiah & Co., the retiring Auditors are eligible for reappointment.

By Order of the Board,
S. R. Y. SIVARAMA PRASAD BAHADUR,
Chairman.

HYDERABAD, 28th March, 1959.

BALANCE SHEET AS AT 31st DECEMBER, 1958.

Corresponding Figures 31st December, 1957		CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
Rs.	Rs.			
	1,00,00,000	**1. Capital—** AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each		1,00,00,000 00
49,99,000		ISSUED CAPITAL— 49,990 Shares of Rs. 100 each for payment in cash	49,99,000 00	
1,000	50,00,000	10 Shares of Rs. 100 each for consideration other than cash	1,000 00	50,00,000 00
	48,99,000	SUBSCRIBED CAPITAL— 48,990 shares of Rs. 100 each		48,99,000 00
1,01,000		AMOUNT CALLED UP— On 1,010 shares at Rs. 100 per share.	1,01,000 00	
40,78,300		On 47,980 shares at Rs. 85 per share.	40,78,300 00	
41,79,300			41,79,300 00	
1,02,705		LESS—Calls unpaid	53,895 00	
40,76,595			41,25,415 00	
Nil	40,76,595	ADD—Forfeited shares	Nil	41,25,415 00
	13,04,000	**2. Reserve Fund and Other Reserves—** Statutory Reserve under Section 17 of the Banking Companies Act, 1949	10,85,000 00	
9,34,000		Other Reserves	23,750 00	
2,21,780		Share Premium	6,48,220 00	
6,48,220				17,56,970 00
4,93,31,794		**3. Deposits and Other Accounts—** FIXED DEPOSITS (Including Cash Certificates, Season Deposits and Staff Security Deposits).	6,09,20,395 11	
2,57,54,969		Savings Bank Deposits	2,71,98,883 13	
2,17,33,163		Current Accounts, Contingency Accounts, etc.	2,60,52,239 75	
	9,68,19,926			11,41,71,517 99
79,56,878		**4. Borrowings from other Banking Companies, Agents, etc.—** (i) In India	50,28,389 47	
Nil		(ii) Outside India	Nil	
	79,56,878			50,28,389 47
		PARTICULARS— (i) Secured by part of Investments per contra Rs. 50,15,980 13		
		(ii) Unsecured Rs. 12,409 34		
	14,92,076	**5. Bills Payable**		14,57,012 85
69,43,537		**6. Bills for Collection being Bills Receivable as per contra—** (i) Payable in India	70,17,570 39	
30,76,717		(ii) Payable outside India	17,25,707 55	
	1,00,20,254			87,43,277 94
64,441		**7. Other Liabilities—** Unclaimed Dividends	64,916 38	
25,39,205		Branch adjustments	35,28,863 64	
39,399		Rebate on Bills Discounted	36,498 23	
		Gratuity Fund	10,000 00	
	26,43,045			36,40,278 25
	12,41,042	**8. Acceptances, Endorsements and other Obligations** per contra		12,35,100 75
1,57,196		**9. Profit and Loss—** Profit as per Balance Sheet as at 31-12-1957	68,909 78	
		ADD—Dividend Equalisation Fund transferred	20,000 00	
			88,909 78	
		LESS—Appropriations— Final dividend for the half-year ended 31-12-1957 @ 4 per cent. per annum free of Income-tax, making a total of 6 per cent. per annum for the year 1957 Rs. 82,000 00		
1,45,200		Transferred to Gratuity Fund	5,000 00	
			87,000 00	
11,996		ADD—Profit for the year brought from the Profit and Loss Account Rs. 8,26,276 58	1,909 78	
7,05,030		Deduct Income-tax relating to previous years paid during the year	98,680 60	
			7,27,595 98	
7,17,026		LESS—Ad-Interim Dividend @ 5 per cent. per annum free of Income-tax for the half-year ended 30-6-1958 Rs. 1,02,800 00	7,29,505 76	
		Transfer to Statutory Reserve under section 17 of the Banking Companies Act, 1949	1,51,000 00	
		Provision for taxes for the year 1958	3,02,000 00	
6,48,116	68,910	Transfer to Gratuity Fund	5,000 00	
			5,60,800 00	1,68,705 76
	12,61,22,726	Carried forward		14,03,26,667 51

Corresponding Figures 31st December, 1957		PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
Rs.	Rs.			
	1,19,83,433	**1. Cash—** In hand and with Reserve Bank and State Bank		1,32,36,023 56
15,46,615		**2. Balances with Other Banks—** (a) In Current Account— (i) In India	14,93,804 57	
4,02,058		(ii) Outside India	2,34,333 92	
30,500		(b) In Deposit Account— Deposits with Banks in India	29,500 00	
	19,79,173			18,08,143 49
	15,00,000	**3. Money at Call and Short Notice**		Nil
		4. Investments at Cost— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments of the Face Value of Rs. 4,70,20,600 Market value Rs. 4,68,48,933	4,66,22,992 47	
		(ii) Shares— (a) Fully paid Ordinary Shares	42,078 24	
		(b) Fully paid Deferred Shares	3,000 00	
		(c) Partly paid Ordinary Shares Market Value of the above shares : Rs. 76,275.	50,000 00	
		(iii) Debentures or Bonds	....	
		(iv) Other Investments	....	
		(v) Gold	....	
	3,45,60,040			4,67,18,070 71
		5. Advances— (Other than Bad and Doubtful Debts for which Provision has been made to the satisfaction of the Auditors.) (i) Loans, Cash Credits, Overdrafts etc.		
		(a) In India Rs. 5,60,67,396 50		
		(b) Outside India Nil		
			5,60,67,396 50	
		(ii) Bills discounted and Purchased (Excluding Treasury Bills of the Central and State Governments.) (a) Payable in India Rs. 95,87,285 21		
		(b) Payable Outside India Rs. 64,295 05		
			96,51,580 26	
	5,89,07,757			6,57,18,976 76
	80,10,063	**6. Bills Receivable being Bills for Collection** as per contra— (i) Payable in India	70,17,570 39	
		(ii) Payable outside India	17,25,707 55	
	6,19,17,820			87,43,277 94
69,43,537		**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		12,35,100 75
30,76,717				
	1,00,20,254			
	6,45,601	**8. Premises**—(Less Depreciation)— Cost as per Balance Sheet of 31-12-1957	6,45,601 02	
	Nil	Additions during the year	33,511 13	
	6,45,601		6,79,112 15	
	59,501	Less Depreciation written off to date	79,045 70	
	5,86,100			6,00,066 45
	6,08,298	**9. Furniture and Fixtures** (Less Depreciation) : Cost as per Balance Sheet of 31-12-1957	6,66,640 00	
	75,973	Additions during the year	56,949 30	
	6,84,271		7,23,589 30	
	17,631	LESS—Deductions : Cost of Furniture sold and/or written off during the year	7,100 61	
	6,66,640		7,16,488 75	
	2,10,452	LESS—Depreciation written off to date.	2,42,733 89	
	4,56,188			4,73,754 86
		10. Other Assets including Silver— (a) Sundries (Including Income-tax deducted at source, and Advance payment of Income-tax)	6,92,560 46	
	9,68,915	(b) Stationery on hand at cost	1,93,188 22	
	1,79,827	(c) Stamps on hand	6,491 38	
	4,572	(d) Accrued Interest on Investments	5,62,887 88	
	3,97,674	(e) Library— Cost as per Balance Sheet of 31-12-1957 Rs. 4,779 72		
		Additions during the year 352 74		
		LESS—Written off during the year. 5,132 46		
		68 62		
		LESS—Depreciation written off to date 5,063 84		
		810 60		
	4,269		4,253 15	
		Carried forward	14,59,381 09	13,85,33,419 52

(Continued on next page)

NEW PRODUCTS AND PROCESSES

New Method for Operating Gastric Ulcer

A NOVEL method for operating on patients suffering from gastric ulcer has been perfected by a Swedish doctor, Dr. Sture Hedenstedt, Lulea. Instead of reducing the volume of the stomach by half or more in the course of a gastric operation, which causes lasting inconvenience to about 50 per cent. of all gastric patients, the Swedish doctor has used a length of some 10-15 cm. (4-6 in.) from the small intestine to replace the removed tissue and retain the stomach volume. Some 100 operations have been performed according to this method since Dr. Hedenstedt first tried it early in 1957 after having learnt about it from a paper by a British surgeon, Dr. Henley. He has modified his British colleague's method, known as "replacement according to Henley," in order to make it suitable for all patients suffering from gastric ulcer. About one-third of his operations are now some two years old and have proved very successful. Another advantage of the method is that it seems to offset the post-operative effect of reduced formation of blood corpuscles formerly a frequent result of gastric operations. The 3-4 per cent. of the patients who suffered from invalidating troubles after the first operation have been reoperated on by Dr. Hedenstedt and have proved to show a surprisingly early recovery.

Novel Metal Polish

A compound which can be used to polish metals which can be applied, it is claimed, without interrupting production has been developed in the U.K. The material, it is said, can be spread on to a bob, or mop. It does not, it is claimed, require any coating of glue and dries very rapidly. Mops treated with the compound are said, for example, to dry in between 30 minutes and 40 minutes. The compound is made in the form of an emulsion. Tests which have been carried out with the compound are said to have shown that it is particularly effective when it is used for polishing titanium, or titanium alloys. It can also be used, however, for polishing a wide variety of different metals.

Dimerised Fatty Acids

A new process for dimerisation of fatty acids from drying and semi-drying oils like linseed, safflower, tobacco has been developed at the Shri Ram Institute for Industrial Research, Delhi. The polymerisation is effected with the help of certain catalysts at temperatures much lower than what are usually necessary. In addition to reducing the reaction time, the improved technique is claimed to completely suppress thermal degradation of fatty acids. Saturated fatty acids which do not take part in polymerisation are later separated by distillation. The process has been studied on a pilot plant scale where batches of 6-8 lbs. of fatty acids have been processed, and sufficient data collected to scale up the unit to commercial size. This product compares favourably with dimerised fatty acids, being marketed by a prominent foreign concern. Conditions for preparing alkyds and polyesters using these finished fatty acids have been standardised and work on preparation of polyamides and similar other products is in progress.

THE ANDHRA BANK, LIMITED—*(Continued)*

Corresponding Figures 31st December, 1957		CAPITAL AND LIABILITIES—*Contd.*	Rs. nP.	Rs. nP.
Rs.	Rs.			
	12,61,22,726	Brought forward		14,03,26,667 51
5,191		**10. Contingent Liabilities—** (1) Claims against the Banking Company not acknowledged as debts Rs.	48,705 00	
45,000		(2) Money for which the Banking Company is contingently liable—Uncalled Capital on partly paid shares held as Investments	45,000 00	
Nil		(3) Arrears of Cumulative Preference Dividends	Nil	
Nil		(4) Liability on Bills of Exchange re-discounted	Nil	
Nil		(5) Liability on account of outstanding forward exchange contracts	Nil	
		(6) Liability on account of Letters of Guarantee on behalf of Constituents	2,44,061 58	
		Note: Provision to the full extent for future gratuities to staff has not been made, the liability for which has not been ascertained.		
	12,61,22,726	Total Rs.		14,03,26,667 51

Corresponding Figures 31st December 1957		PROPERTY AND ASSETS—*Contd.*	Rs. nP.	Rs. nP.
Rs.	Rs.			
15,55,257	12,42,44,050	Brought forward		14,59,381 09
		(f) Motor Cars— Cost as per Balance Sheet of 31-12-1957 Rs.	11,289 45	
		Additions during the year	26,410 35	
			37,699 80	
		LESS—Sold during the year	11,289 45	
			26,410 35	
		LESS—Depreciation written off to date	2,795 00	
10,519				23,615 35
		(g) Premises not occupied by the Banking Co.— Cost as per Balance Sheet of 31-12-1957 Rs.	2,70,396 83	
		LESS—Deductions during the year.	612 50	
			2,69,784 33	
		LESS—Depreciation written off to date	5,656 60	
2,65,601	18,31,377			2,64,127 73
	47,299	**11. Non-Banking Assets Acquired in Satisfaction of Claims—** (At Book Value) (This does not exceed the estimated realisable value)		46,123 82
	12,61,22,726	Total Rs.		14,03,26,667 51

Particulars of 'Advances' forming part of the Balance Sheet as at 31st December, 1958.

Corresponding Figures 31st Dec., 1957 Rs.	PARTICULARS	Rs. nP.	Rs. nP.
5,27,38,454	1. Debts considered good in respect of which the Banking Company is fully secured		5,67,46,300 13
66,86,037	2. Debts considered good for which the Banking Company holds no other security than the Debtors' personal security. (The above includes Rs. 60,95,618.16 debts for which more than one person is liable)		65,18,468 51
24,93,329	3. Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of debtors		24,54,208 12
Nil	4. Debts considered doubtful or bad, not provided for		Nil
6,19,17,820			6,57,18,976 76

Corresponding Figures 31st Dec., 1957 Rs.	PARTICULARS	Rs. nP.	Rs. nP.
7,04,820	5. Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons (Fully secured)		5,51,543 44
	6. Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners, or Managing Agents or in the case of private companies as members— Fully Secured Rs.	48,63,857 79	
	Secured by personal liability of debtors etc.	22,53,030 44	
66,68,770			71,16,888 23
	7. Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons (Fully secured)		7,02,255 18
7,04,820	8. Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in the case of Private Companies as Members— Fully secured Rs.	80,65,610 76	
	Secured by personal liability of debtors, etc.	19,77,340 58	
73,11,717			1,00,42,951 34
25,128	9. Due from Banking Companies		23,893 77

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958.

Corresponding Figures for the previous year	EXPENDITURE	Rs. nP.	Rs. nP.
Rs.	Rs.		
	27,20,195	1. Interest paid on Deposits, Borrowings, etc.		32,55,932 69
		2. Salaries and Allowances and Provident Fund— (a) Managing Director's Honorarium	9,000 00	
8,625		(b) General Manager	17,143 23	
32,617		(c) Others	23,01,951 56	
19,67,543				
	20,08,785			23,28,094 79
	13,860	3. Directors' and Committee Members' Fees and Allowances		10,380 00
	1,57,969	4. Rent, Taxes, Insurance, Lighting, etc.		1,74,526 97
	2,907	5. Law Charges		4,066 07
	1,32,066	6. Postage, Telegrams and Stamps		1,39,498 43
	6,000	7. Auditors' Fees		9,000 00
	67,476	8. Depreciation on and Repairs to the Banking Company's Property		76,733 72
	1,52,729	9. Stationery, Printing, Advertisement, etc.		1,49,079 58
	Nil	10. (a) Loss from Sale of or dealing with Non-Banking Assets		Nil
	441	(b) Loss on Sale of Investments		95,476 18
	1,26,854	11. Other Expenditure		1,25,078 84
	7,05,030	12. Balance of Profit (subject to Taxation)		8,26,276 58
	60,06,212	Total Rs.		71,94,143 85

Corresponding Figures for the previous year	INCOME (Less provision made during the year for Bad and Doubtful debts and other usual or necessary provisions)	Rs. nP.	Rs. nP.
Rs.	Rs.		
	51,11,943	1. Interest and Discount		59,65,516 93
	8,84,606	2. Commission, Exchange and Brokerage		9,50,263 36
	22,951	3. Rents		19,905 00
		4. Net profit on sale of Investments, gold and silver, land, premises and other assets. (Not credited to Reserve or any particular Fund or Account)		1,338 81
	2,614	5. Net Profit on revaluation of Investments, gold and silver, land, premises and other assets. (Not credited to Reserves or any particular fund or account)		Nil
	Nil	6. Income from Non-Banking assets and profit from sale of or dealing with such assets		2,465 00
	3,150	7. Part of Investment Reserve transferred		1,78,030 00
	Nil	8. Other Receipts— (a) Sundry Receipts	75,253 00	
70,362		(b) Share Transfer fee	372 75	
586	70,948			75,625 75
	60,96,212	Total Rs.		71,94,143 85

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ANDHRA BANK LIMITED.

We have audited the foregoing Balance Sheet of the Andhra Bank, Limited as at 31st December, 1958, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, with the books of account of the Head Office and Branches, and

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions to sub-sections (1) and (2) of Section 211 and sub-section (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956 ; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books ;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account ;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

VIJAYAWADA, 29th March, 1959.
GUNTUR, 29th March, 1959.
VIJAYAWADA, 30th March, 1959.

(Sd.) BRAHMAYYA & CO.,
(Sd.) CH. V. LAKSHMAIAH & CO.
(Sd.) BAPANAIAH & CO.,
} Chartered Accountants.

S. R. RAO,
Chief Accountant.

T. R. BHAGAVAT,
Jt. General Manager.

S. R. Y. SIVARAMA PRASAD BAHADUR, Chairman.
K. S. DUTT, Deputy Chairman.
TADEPALLY SREERAMULU, Managing Director.
C. RAMANADHA BABU,
S. RAMACHAR,
BATCHU VENKATESWARLU,
M. RANGANATHA SAI,
R. V. REDDY,
B. R. DANTU,
MAJETY SESHAGIRI RAO,
V. VENUGOPAL,
REPAKA SATYANARAYANA MOORTY,
} Directors.

U.S. BANKING AND INVESTMENT OPERATIONS—II

LOAN PROCEDURES—CONSUMER CREDIT

[In our last issue, *vide* pages 768 and 769, we published five papers on U.S. banking practices and their possible adaptation to Indian conditions read at a banking seminar at New Delhi organised by the U.S. Technical Co-operation Mission. We now publish another set of five papers, as the final instalment of the series. These are on the procedures followed by the American banks before and after sanctioning loans and on consumer and personal loans.—ED.]

LOAN NEGOTIATIONS

By B. N. Mehta

Legal Division, Reserve Bank of India

THE position regarding loan negotiations, protective covenants and qualifications of types of collaterals in the U.S. may be summarised as follows:

American banking practices have been fashioned to suit the growth of a developing economy and have subsequently been adjusted to play a vital role in a fully organised economic system. Of these practices, loan negotiations constitute a special feature. What was once the act of loan negotiations has now become a developed science based upon specialisation and technical knowledge. One basic principle underlying negotiations in term lending is that the loans do not serve merely personal purposes but take into account environmental circumstances such as the general economy and the interests of an industry as a whole. This background has served to emphasise certain principles to be followed in loan negotiations, which, stated briefly, are character, capacity, capital, collateral and conditions. Thus the distinctive features are (1) that the transactions are not merely related to narrower interests of the lender but to the broader interests of economy and industry; (2) that the main qualifications for eligibility for loans are the integrity of the borrower and his ability to repay out of profits, and (3) that absence of security is no bar to a loan.

According to American practices, the fundamental attributes of a good credit are good management and earning potential. In India, on the other hand, the major emphasis is on security. The lender always looks to the security, its adequacy, its protection and its perfection. This results in hampering the legitimate activities of the borrower and in a lack of incentive to the lender to follow a loan to its proper application to the intended use and to obtain the desired results.

An allied subject is the system of participation loans where a number of financial institutions join in the grant of loans to one borrower. Such participation loans facilitate loan negotiations in a number of ways, since these loans enable the obtaining of large loans, sharing of risk, participation by units which may not otherwise be in a position to lend, wider control over the borrower's management and avoidance of unnecessary documentation and expenditure.

A further aspect is specialisation in credit techniques which has led to the employment of well trained executives having the necessary background of law, accounting, economics, etc. Such specialisation enables the appraisal of an industrial loan in the perspective of the future.

In America, considerable facilities are available for training in this regard. The difference between Indian and American practices in regard to the above focuses the difference in the basic approach. In the present context of the industrial development of India, a new look can be brought to bear on the subject with the adoption of American practices by introducing (1) provisions for such unsecured finance, laying stress upon the needs of industry, the borrower's ability to serve that industry and his capacity to earn sufficient profits to repay the loan, (2) the system of joint or participation loans, and (3) the necessary facilities for an organised credit investigation system.

So far as protective covenants are concerned, the most frequently used relate to (*a*) maintenance of a net working capital, (*b*) collaterals, if any, or the negative pledge clause, and (*c*) a limitation on the borrower's total debt. Supplementary restrictions are included so as to ensure that the borrower's resources will not be dissipated, that profits will be employed for reduction of the debt and that there will be a continuing accretion to net working capital. Sometimes, the lender will have to place emphasis on the management aspect of the borrower and covenants are included to restrict changes in management or stock-holding and enhancement of salaries and bonuses. To curb the tendency to over-extend plant facilities, a limitation on capital expenditure is imposed. Similarly, in order to assure retention of earnings, limitations are imposed on declaration of dividends and acquisition of capital stock. It is also usual to provide against merger or amalgamation of the borrower with other companies or the sale, transfer or lease of the borrower's undertaking or assets. These covenants are somewhat influenced by the special features of the credit policy followed by American banks. A similar policy can be fruitfully adopted in India, with suitable modifications.

As regards qualification of types of collateral, there is not much difference between the ordinary types of collateral taken in America and in India. What may, however, be followed in India with advantage is the practice of having insurance companies as participants in special loan agreements, which afford certain types of collaterals. Besides, the Uniform Trust Receipts Act in America has enabled bankers to utilise trust receipts as collaterals. The present state of the law in India does not afford any such facility and it would be to the advantage of financial institutions if similar legislation were enacted in India.

In the light of the foregoing observations and having regard to the developing economy of India, the following U.S. practices can be fruitfully followed or adopted:

1. Development of loan negotiations based on the integrity of the borrower and his ability to repay out of profits. Suitable provisions may be made and steps taken to enable the lender to ensure the application of the loans for the proper and intended purpose.

2. Development of organised methods of credit investigation and analysis based upon specialisation and technical analysis of financial statements. This will enable the adoption of techniques viewed in the perspective of the future. For this purpose adequate educational and training facilities may be provided.

3. Encouragement and adoption of participation loans by number of institutions. This would, to a great extent, protect against stringency of credit, provide for easier negotiations and avoid needless documents and expenditure.

4. Enactment of legislation on the lines of the Uniform Trust Receipts Act may be worthwhile.

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INVESTIGATION OF LOAN APPLICATIONS

By S. V. Chandavarkar

State Bank of India

The two main objectives of credit policies of banks in the United States of America have been to provide adequate volume of credit to the ever-increasing needs of an expanding economy and to seek to preserve what is considered to be the essence of the American economic system, namely, free competition. They endeavour to encourage and assist in every possible way a competent business man of good character, producer or distributor, provided the loan conforms to their policies, is justifiable in the light of the economic condition of the area and there is no doubt about its recovery. In their effort to achieve the objectives, they have adopted several new innovations, the two outstanding in recent years being Term Loans and Consumer Loans. Credit is provided on a substantial scale to consumers.

However, as trustees of the depositors' funds, banks are not in a position to take more than a reasonably calculated and intelligent risk. All applications for loans are, therefore, thoroughly investigated before decisions are taken.

Character is the foundation of trust. The banker, therefore, at the outset, satisfies himself in regard to the character and integrity of the individual or individuals connected with the management of the business. If he has any doubt whatever, he does not give any further consideration to the application. There is no degree of honesty to a banker.

Experience had shown that business failures were mainly due to management inefficiency. The largest number of failures was due to a junior employee experienced in certain management functions undertaking the control of an entire business. According to Dun and Bradstreet, 90 per cent. of the business failures were due to the lack of management and business ability. It is, therefore, but natural that the banker should attach considerable importance to this credit factor. He ensures that the management has experience in the line of business, the ability to plan and to execute the plan and the capacity to cope with almost any adversity. In the case of a term loan, he further ensures that there will be continuity of good management during the period of the advance and that there is a secondary group of men capable of taking control of the business at any time and conducting it efficiently.

The applicant is required to submit financial statements. They reveal the financial position of the business and indicate how the business is conducted. From the latest balance-sheet, the banker ascertains, *inter alia*, the capital, the net worth (total assets *minus* total debts), the working capital (current assets *minus* current liabilities), the current assets/current liabilities ratio known as the current ratio, the relationship of the applicant's investment (net worth) to the funds contributed by creditors, the sales/receivables ratio, the cost of goods sold/inventory ratio and the relationship of net profits to sales. Balance-sheets of three to five preceding years are also obtained and a comparative study made to see whether the applicant's record of progress has been satisfactory. A banker usually maintains analysis of balance-sheets of other parties in the same line of business. This enables him to arrive at a more precise assessment of the applicant's position.

No loan is granted without an appraisal of the applicant's ability to repay it and an examination of the sources from which it will be repaid. Term loans can only be repaid from earnings. The applicant is, therefore, required to submit an estimate of the future of his business with a record of the past earnings and a projection of his future earnings. The projection is checked by appropriate tests and the banker sees that there is a reasonable relationship between the past and projected sources of funds. He also examines the applicant's contemplated future uses of funds and other sources of funds, if any, and ensures that the applicant will be able to repay the loan without impairing his net working capital. Even though a loan may be secured by collateral or guarantee, no banker looks to it for repayment.

Except in the case of first-class parties and, at times, in the case of smaller parties where the banker has no reservations about the applicants' character, integrity and ability, the banker usually insists on a loan being adequately secured. While investigating the loan application, he verifies that the applicant has a suitable collateral to offer. If a business is owned by a family or a few stock-holders, the guarantee of the principal members of the family or stock-holders in their personal capacities is sought.

The banker also examines the nature of the applicant's business and the purpose of the loan. The product or service supplied by the business financed must meet a public need and there must be ample supply of the required raw materials or of processed or finished goods. In the case of a term loan, the banker makes sure that the position in regard to these factors will continue to be satisfactory during the period of the loan. The banker does not consider a loan justifiable, unless its purpose is to assist the applicant to maintain or improve his competitive position.

The key to successful lending is said to be an effective system of follow up. The banker is vitally concerned with the use to which the borrowed funds are put. Therefore, while considering the other credit factors, he satisfies himself that the applicant keeps his accounts and other records in a systematic manner and that they will be available for inspection whenever required.

It will be observed from the foregoing remarks that a banker is not only expected to acquire proficiency in assessing an individual's character and ability and to be capable of interpreting his financial position from the various statements but also to possess adequate knowledge of the position of the many lines of business or industries and be familiar with the latest business trends and practices. A prominent American banker defined a successful banker as follows:

"A successful banker is composed of about one-fifth accountant, two-fifths lawyer, three-fifths political economist and four-fifths gentleman and scholar—total ten-fifths—double side. Any smaller person may be a pawnbroker or a promotor, not a banker."

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FOLLOW-UP BY LENDING BANKS

By R. V. Pandit

State Bank of India

After sanctioning a loan and obtaining the necessary supporting documents, the next step the bank takes is to make sure that the loan is utilised for the purpose for which it was granted. A shrewd banker usually does this by closely watching the account of the borrower and scrutinising all large cheques drawn on it. If any cheques are issued in favour of other financing institutions or stock-brokers or the borrower's own subsidiaries, he at once makes further enquiries with the borrower regarding the nature of these payments.

Short-term loans do not offer much of a problem to a banker so far as follow-up is concerned, as they are more or less of a self-liquidating nature and are generally extended to supplement the borrower's working capital during the season.

Term loans (i.e., loans with a maturity exceeding one year), which are invariably granted for financing fixed assets, on the other hand, call for greater vigilance on the part of the banker, repaid as they are over a longer period and out of earnings after taxes.

In the U.S.A., the follow-up in the case of term loans granted for business purposes, takes the form of maintaining a close watch over the activities of the borrower particularly in regard to (*a*) the due observance of all the affirmative and negative covenants detailed in the loan agreement, and (*b*) calling for and scrutinising periodical reports from the borrower. The reports usually called for are:

(1) Annual financial statement (i.e., balance-sheet), audited by an approved certified public accountant.

(2) Quarterly statements by book-keeper, and

(3) Monthly statements giving information on aging of the receivables, aging of the payables, inventory, cash in hand and with bank, notes payable, and monthly sales.

These statements enable the bank to keep track of the borrower's position and to offer guidance to him if necessity arises.

Other points which receive the attention of the bank manager are:

(1) Is the account actively conducted?

(2) Is the borrower over-trading?

(3) Is the business showing signs of over-expansion?

(4) Is the borrower withdrawing capital for outside interests?

(5) Is he extending credit liberally to customers?

(6) Are obsolete inventories included in current inventory?

(7) Do sales include large "sale returns"? Do the figures represent gross or net sales?

(8) Are interest costs high? (These will indicate other borrowings.)

(9) Are legal charges high? (These may indicate unbusinesslike practices.)

(10) Are taxes being regularly paid?

In addition to analysing monthly statements, the bank manager compares them with Robert Morris Statement Studies of the industry concerned and discusses with the borrower any large variations found in his statements.

Credit reports are periodically obtained from Dun and Bradstreet and/or Credit Bureaus and, if necessary, from other banks too. It is also usual to send round a representative of the Loan Division to the borrower's place of business for obtaining first-hand information on the business or industry and for checking on the trade.

If at any time a weak spot or danger signal is discovered in the affairs of the borrower, the bank takes immediate steps thoroughly to discuss the matter with the borrower, with a view to evolving remedial measures before the problem assumes greater proportions.

Where projections submitted by the borrowers prove incorrect due to changed circumstances, fresh projections are obtained and the repayment programme is suitably revised by mutual consent.

In the case of loans against receivables, the borrower's statements are verified with the books at frequent intervals.

If an instalment due on an instalment loan, personal loan or other type of loan falls in arrears, the bank endeavours to "educate" the borrower concerned in the first place and, only when all attempts fail does the loaning officer pass on the delinquent loan to the "collection department" which then goes after the borrower to recover the outstanding.

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TECHNICAL AND OTHER SERVICES

By K. D. Shandilya

State Bank of India

It is a recognised fact that a bank cannot grow and prosper, unless the community which it serves also grows and prospers. With a view to ensuring their own progress, banks in the United States of America adopt dynamic and progressive practices and encourage industry and agricultural diversification through constructive and intelligent granting of credit. Investigation of a loan application and the follow up of the loan after it has been granted, enable the loaning officer to know exactly when and where the shoe pinches and he immediately proceeds with the diagnosis of the trouble. A study of the financial statements of the borrower for the past several years before granting a loan reveals to the loaning officer the past story of the borrower's performance. Will the borrower be able to repay the bank's loan? Has his performance been satisfactory as regards sales and profits earned? Is the industrial concern able to meet competition from other similar concerns? These are some of the questions, which are studied in detail. In this process, the loaning officer is able to find out whether the capital structure of the industrial concern is sound, its sales sufficient in volume, its operations economic and its management efficient; also whether receivables are being promptly collected and creditors regularly paid by the concern. If not, the loaning officer, who is a man of considerable experience and is fully acquainted with the local conditions, discusses with the borrower the particular problems in detail and suggests to the borrower what means he should adopt to set the position right.

Larger industrial concerns have persons of wide and varied experience on their management; they also have the necessary research and statistical departments and are therefore able to look after their affairs themselves. It is mostly to small closely-held corporations in the hands of unseasoned businessmen that the financing banks render valuable technical and other assistance. A few examples will illustrate how this is done.

(*a*) A concern manufacturing glue was doing very well. Later its sales and profits began to decline. The usual follow up of the advance by the financing bank revealed to them that there was something wrong with the concern and the bank during the course of its investigation of the reasons had the product chemically analysed, but nothing wrong was found. The sales manager was, however, found to be very old and rather inefficient. The bank advised the concern to appoint a young and energetic sales manager and to consult an advertising agency. The advertising agency's investigation disclosed that the cartons in which the product was sold were not attractive. This was remedied and the concern is doing very well again and is able effectively to meet competition from similar other concerns in the area.

(*b*) An engineering company has specialised in the manufacture of precision instruments. Despite the fact that the proprietors knew the technical know-how very well and were doing their best to promote sales, the company could not achieve profits usually earned by a concern of its size. In the follow up of the advance, the bank diagnosed their trouble and advised them to engage a competent accountant to look after their operational expenses. In fact, they even recommended a good accountant for the purpose. With the control of the operational expenses by the accountant, the concern is now doing very well. During my interview with the proprietor, he profusely expressed his gratitude to the bank for the assistance extended to him, which was not purely financial.

(*c*) In the case of a radio tube manufacturing company, the financing bank, realising that tube radios were being gradually replaced by transistor radios, advised the company to introduce the manufacture of parts of transistor radios and this proved very profitable to the concern.

An instance of negative assistance will also be useful in illustrating the part played by banks. A customer with the technical know-how and with ample resources to start a business approached a bank for an advance for working capital. The bank after analysing the proposal turned down the loan saying that the articles which the borrower intended to manufacture were out of date. The borrower had not till then realised this fact and felt extremely grateful to the bank for enlightening him on the point.

For rendering the types of assistance, described above, banks have naturally to keep themselves in close touch with production and marketing problems and quite a number of them have even started their own research departments to advise borrowers on labour, statistical and marketing problems. Some of the larger banks have technicians such as engineers and persons conversant with oil industry techniques on their staff and such staff is consulted on the borrowers' problems. Where, however, the banks find that a problem requires consultation with a specialist, the borrowers are suitably guided in this regard.

Another way in which banks have assisted industry considerably is by stimulating sales by granting consumer credit without which sales could not have achieved the present level.

Banks in India can considerably increase their contribution to the rapid development of the country's economy by maintaining closer contacts with their present and prospective borrowers and trying to study and solve their problems not only in the field of finance but, as in the case of the American banks, in other directions also.

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CONSUMER AND PERSONAL LOANS

By P. V. Gandhi

Managing Director, Devkaran Nanjee Banking Co., Ltd.

The subject assigned to me is "Consumer and Personal Loans," a most important subject for a banker and particularly for bankers in India, in the critical stage of development in the economy and in the credit and banking system. Yet, the subject is not so easy for popular presentation, but I shall do my best in focussing thought on the broad aspects and significant role of consumer credit in an underdeveloped economy like India. I necessarily draw on the experiences which I have had as a practical banker—not as a theorist—on the role of credit and the functioning of the banking system in India. The observations and study of banking operations in the U.S. which I made as a member of the Banking and Investment Team have thoroughly refreshed my thoughts on the subject and enlightened my views. So, I believe, I speak on the basis of authoritative data and the practical results of the working of the

(*Continued on page 834*)

This is only an announcement for information and not a prospectus and applications are invited on the basis of the prospectus copies whereof are available from the Company's Bankers and Brokers mentioned herein.

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

A Licence has been obtained from the Central Government for the establishment of this new Industrial Undertaking, of which a copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this Licence the Government of India do not take any responsibility for the correctness of any of the statements made or opinions expressed in regard to it.

A copy of this Prospectus, having attached to it the documents required by Section 60 of the Companies Act, 1956, has been delivered for registration to the Registrar of Companies, Bombay.

An application is being made to the Stock Exchanges of Bombay and Calcutta for permission to deal in the shares now being offered and in due course for an official quotation.

THE INDIAN RAYON CORPORATION LTD.

(INCORPORATED ON 26TH SEPTEMBER 1956 UNDER THE COMPANIES ACT, 1956.)

AUTHORISED CAPITAL .. .. .. Rs. 10,00,00,000

Divided into 4,00,000—7% TAX-FREE Cumulative Redeemable Preference Shares of Rs. 100 each, 4,00,000—Equity Shares of Rs. 100 each and 2,00,000 —Unclassified Shares of Rs. 100 each.

ISSUED CAPITAL .. .. Rs. 2,00,00,000

Divided into 55,000—7% TAX-FREE Cumulative Redeemable Preference Shares of Rs. 100 each and 1,45,000—Equity Shares of Rs. 100 each.

ALREADY ISSUED AND SUBSCRIBED .. Rs. 6,24,100

comprising of 2,070—7% TAX-FREE Cumulative Redeemable Preference Shares of Rs. 100 each and 4,171—Equity Shares of Rs. 100 each (on both of which Rs. 25 per share has been paid).

CAPITAL AGREED TO BE TAKEN UP:

By the Financial and Development Fund Inc., and Messrs. Von Kohorn International Corporation of U.S.A. (suppliers of machinery):		
39,187—Equity Shares of Rs. 100 each	Rs.	39,18,700
By the Promoters, Managing Agents, Directors, Selling Agents and their friends:		
4,930—7% TAX-FREE Cumulative Redeemable Preference Shares of Rs. 100 each ..	Rs.	4,93,000
49,642—Equity Shares of Rs. 100 each	Rs.	49,64,200
	Rs.	93,75,900

NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION:

48,000—7% TAX-FREE Cumulative Redeemable Preference Shares of Rs. 100 each ..	Rs.	48,00,000
52,000—Equity Shares of Rs. 100 each	Rs.	52,00,000
	Rs.	1,00,00,000

AMOUNT PAYABLE IN RESPECT OF SHARES:

The amount payable in respect of both the classes of shares, namely, Preference and Equity, is as follows:

Rs. 12.50 per share on application.

Rs. 12.50 per share on allotment,

and the balance in six equal instalments provided that there shall be an interval of not less than three months each between calls and between the allotment and the first call.

APPLICATION FOR SHARES:

Each application must be for a minimum of 5 shares, either Equity or Preference, or in multiples thereof.

Complete application forms along with payment must be delivered before the closing date of the subscription list to the Bankers of the Company or to the Managing Brokers or Brokers to this Issue or at the Registered Office of the Company. Upcountry drafts or cheques should include appropriate Bank Charges.

Where no allotment is made, the deposit will be returned in full and where a partial allotment is made, the unutilised balance will be returned. The Directors reserve the right to refuse any application wholly or in part without assigning any reason. Failure to pay any amount due on the shares allotted, when due, will render previous payments and shares liable to forfeiture. The shares when issued will be subject to the Memorandum and Articles of Association of the Company, a copy of which may be inspected at the Registered Office of the Company, during office hours.

The Share certificates will be issued within six months of the date of allotment.

DIRECTORS:

SHRI MURARJI JADAVJI VAIDYA, Bombay (Ex-Officio), (*Chairman*).
PRINCE BHUPATSINHJI OF KUTCH, Kutch.
SIR CHUNILAL B. MEHTA, Bombay.
SHRI LALJI RAMJI, Bombay.
MR. GEORGE GELLHORN, New York, U.S.A.
MR. RALPH S. VON KOHORN, New York (U.S.A.).
MR. FREDERICK H. KEMPLE, Bombay.
THE HON'BLE ROBIN D. CAMPBELL, Bombay.
SHRI MINOCHER K. TATA, Bombay.
SHRI LAXMICHAND LALJI RAMJI, Bombay.
SHRI VALLABHDAS V. MARIWALA, Bombay.
SHRI GULABCHAND G. SIRAJ, Bombay.
SHRI ABHECHAND D. GANDHI, Bombay.
SHRI LIMJI K. PANDAY, Bombay.
MR. JEAN L. DUPLANT, Bombay.

BANKERS:

1. THE STATE BANK OF INDIA, Bombay.
2. THE BANK OF BARODA LTD., Bombay.
3. THE CENTRAL BANK OF INDIA LTD., Bombay.
4. THE PUNJAB NATIONAL BANK LTD., Bombay.
5. THE STATE BANK OF SAURASHTRA, Bhavnagar.
6. THE BANK OF INDIA LTD., Bombay.
7. THE UNITED BANK OF INDIA LTD., Bombay.
8. UNION BANK OF INDIA LTD., Bombay.
9. DEVKARAN NANJEE BANKING CO., LTD., Bombay.

AUDITORS:

1. Messrs. G. P. KAPADIA & CO., Bombay.
2. Messrs. KHIMJI KUNVERJI & CO., Bombay.

MANAGING BROKERS:

Messrs. MERWANJEE BOMANJEE DALAL, Allahabad Bank Building, Fort, Bombay.

BROKERS TO THE ISSUE:

Messrs. PLACE, SIDDONS & GOUGH, 6, Lyons Range, Calcutta.
Messrs. HARBANS SINGH MEHTA & CO., 33, Regal Building, P. Box 300, Parliament Street, New Delhi.
Messrs. PATERSON & COMPANY, Badsha Building, P. Box 48, 22, Errabalu Chetty Street, Madras 1.

MANAGING AGENTS:

VERAVAL RAYON INDUSTRIES PRIVATE LIMITED, Allahabad Bank Building, Apollo Street, Fort, Bombay-1.

SOLICITORS:

Messrs. AMARCHAND & MANGALDAS, Bombay.

REGISTERED OFFICE:

ALLAHABAD BANK BUILDING, APOLLO STREET, FORT, BOMBAY-1.

OBJECTS OF THE COMPANY

The Company was incorporated on the 26th day of September 1956 with the objects mentioned in the Memorandum of Association and in particular to undertake the manufacture of Viscose Rayon Yarns, other Synthetic Fibres, Yarns and Fabrics and ancillary Chemicals and Products.

MACHINERY AND TECHNICAL SERVICES

The Company has entered into agreements on 2nd October 1958, with (1) Messrs. Von Kohorn International Corporation (who jointly with The Financial and Development Fund Inc., of U.S.A., have agreed to invest in the equity capital of our Company, a sum of U.S. Dollars 825,000 which is equivalent to about Rs. 40 lakhs), (2) Messrs. Von Kohorn International (London) Limited, and (3) Messrs. Von Kohorn Eastern Corporation Limited, under which the entire plant and machinery for the Company's rayon factory at Veraval will be designed and supplied by them from the U.S.A., and U.K.

The Von Kohorn Group of Companies has long experience of building rayon factories all over the world numbering about 40 upto now including Century Rayon at Kalyan, near Bombay.

THE SCOPE AND PROSPECTS

The growing demand for rayon yarn in the country is much larger than the indigenous production capacity. Total consumption of rayon yarn in 1958 was 6,72,78,000 lbs. out of which 3,36,80,000 lbs. were imported. In 1956 consumption had reached a figure of nearly 8,00,00,000 lbs., out of which about 6,00,00,000 lbs. were imported. The restrictions on imports by Government have naturally resulted in a ready demand for Indian Rayon Yarn.

The Planning Commission have estimated the consumption of Viscose Rayon Yarn in the country by 1960/1961 at 80 million lbs. and have fixed the target of production at 60 million lbs. during the same period.

Considering the great scope for expansion of indigenous production, the Government of India has licensed the establishment of a few new units of rayon production in the country in accordance with the recommendations of the Planning Commission. It may be added that even if all the new licensed units go into production by 1960/1961, there will still be a considerable gap between the consumption and production of rayon yarn in India. There will be further scope also for expansion of existing units and of new units being established.

The Rayon Industry, while enjoying a unique scope for expansion, has been receiving protection from Government by the regulation of imports in relation to the capacity of the indigenous units and also by the imposition of protective duties on foreign yarns which ensure profitable returns to the investors in indigenous units. The recent drastic cuts in rayon yarn imports have further widened the scope of the indigenous units.

PLANT CAPACITY

The Company's factory, proposed to be established at Verava, in Saurashtra, is one of such newly licensed units. The licensed capacity of the factory is 10 tons of rayon filament yarn per day.

The first phase of production in the factory is expected to yield about 5 tons of rayon yarn per day. The remaining licensed capacity is proposed to be attained in subsequent phases. Manufacture of Staple Fibre and other Viscose and Synthetic Fibre products may also be undertaken at a later stage.

SELLING ARRANGEMENTS

The Company will have the benefit of the association as Selling Agents of **FORBES FORBES CAMPBELL & CO. PRIVATE LTD.**, a well-known business house of Bombay who have long and wide experience in India as distributors of world-famous foreign rayon and other synthetic yarns. The Company is entering into the necessary agreement with them, appointing them as the Sole Selling Agents of the Company.

INCENTIVE TO RAYON WEAVERS

It is proposed, as an incentive to rayon weavers who subscribe to shares in the present Issue of the Company, that preferential treatment by way of priority in the allocation of rayon yarn to the extent of annual sale value equivalent to their share subscription be given to them.

LOCATION OF THE FACTORY

After a thorough investigation by Experts, a very favourable site at Veraval, in Saurashtra, has been selected for the factory, as it offers important facilities for production of rayon yarn.

WATER SUPPLY

Guaranteed water supply at a reasonable rate, to the extent of 6 to 7 million gallons per day, has been assured by the then State Government by constructing the requisite water works, dam, etc., on the river Hiran in the Gir Forest. The construction of these works is scheduled to be completed before the Company's factory goes into production.

ELECTRIC POWER

Electric Power will be available at the site of the factory from the Shapur Power House which has already commenced generation. The Corporation proposes to further generate its own power to the extent necessary and is rendered economical by the generation of steam for the processing work.

LAND

Land to the extent of about 171 acres has been acquired at Veraval through the State Government and is being developed by the Company. The Company proposes to give five acres of land to the Bombay State Electricity Board, for Veraval Sub-Station, at cost price.

TRANSPORT FACILITIES

Veraval is a sea port adequately equipped for handling heavy cargo. A metre-gauge line of the Western Railway links the docks with the rest of the country and an all-weather road connects it to the other parts of Saurashtra and the rest of India, via Junagadh, Rajkot and Ahmedabad. Veraval is served by the Keshod Airport (through the air services running between Bombay-Saurashtra and Kutch) which is a regular point of call and is about 25 miles from Veraval and is connected by an asphalt road and a concrete highway.

IMPORT LICENCE

The Company has already obtained the Import Licence No. 001190/HQ.C.C.I.C.G.,/A.U. dated 6th May 1957 from the Government of India for the import of plant, machinery and equipment upto a value of Rs. 2,13,00,000 on deferred payment terms.

GOVERNMENT ASSISTANCE

It will be observed from what has been stated above that the Central and State Governments have been extremely helpful and have offered every possible assistance and facility.

CAPITAL OUTLAY

The total cost of the project will be about Rs. 3,32,00,000 estimated as under:

	Rs.
(1) F.O.B. Value of Plant and Machinery	1,76,00,000
(2) Freight, Import Duty, Transport to site, etc.	27,00,000
(3) Technical Assistance	12,00,000
(4) Erection and Implementation Expenses	10,00,000
(5) Lands and Buildings, etc.	45,00,000
(6) Financing Charges	8,71,578
(7) Local Purchase and Fabrication	8,00,000
(8) Working Capital and Reserve for Contingencies	40,78,422
(9) Preliminary Expenses including Brokerage and other share issue expenses	4,50,000
Rs.	3,32,00,000

The Directors are convinced that the Capital Outlay for this project compares favourably with the capital cost of other rayon projects undertaken in our country.

FINANCIAL RESOURCES

	Rs.
(1) Capital subscriptions from Promoters, Directors, Selling Agents, The Financial and Development Fund, Inc. of New York, Von Kohorn International Corporation and friends	1,00,00,000
(2) Capital Subscriptions to be offered to the public	1,00,00,000
(3) Long-term Credits provided by Von Kohorn International (London) Limited, for purchase of Plant and Machinery, excluding 15% payment to be made in October, 1960	1,32,00,000
Rs.	3,32,00,000

MINIMUM SUBSCRIPTION

The Directors will proceed to allotment on the subscription to shares amounting to Rs. 1,35,00,000 inclusive of the shares agreed to be taken up by the promoters, Directors and their friends and the foreign parties as mentioned above.

ESTIMATE OF PROFITS

The existing rayon factories in our country have been making substantial profits and the shareholders of these companies have not only been receiving attractive dividends but have also benefited in the form of capital appreciation.

After a thorough investigation into manufacturing costs, it is estimated on conservative basis that under existing conditions within a short period of the working of the Company's factory, the profits will be sufficient after payment of dividends on Preference Shares, to provide an attractive return to the Equity Shareholders.

SPECIAL BENEFITS

The Company will be entitled to the Special Benefits under the Indian Income-Tax Act with respect to development rebate. It will also enjoy the benefit of Section 15C of the Indian Income-Tax Act whereby profits upto 6% on the employed capital will be exempted from tax for the first five years of operation. It is, therefore, very unlikely that the Company will be liable for Income-tax for the first few years of its operation.

Preliminary Expenses:—The estimated amount of the preliminary expenses including brokerage on share subscriptions is Rs. 4,50,000 out of which a sum of Rs. 84,938 has already been incurred upto 15th day of February 1959.

BROKERAGE

Brokerage at the rate of 1% on the nominal value of each Ordinary and/or Preference Share will be paid to recognised Brokers or Banks on allotment being made in respect of applications bearing the stamp of such Brokers or Banks.

Messrs. Merwanjee Bomanjee Dalal, Bombay, are the Managing Brokers to this Issue and will be in addition entitled to a Brokerage of ½% per Ordinary and/or Preference Shares subscribed by the public.

AUDITORS' REPORT

After the date of Certificate of Commencement of business dated 13th February 1958 the Company has not carried on any business but has incurred certain expenses out of the moneys received in respect of the shares allotted prior to the date of the issue of this Prospectus. The Auditors, Messrs. G. P. Kapadia & Co. and Messrs. Khimji Kunverji & Co., have made a report in that behalf.

SUBSCRIPTION LIST WILL OPEN AT 10 A.M. ON MONDAY, 25th MAY 1959, AND WILL CLOSE AT 1 P.M. ON SATURDAY, 30th MAY 1959

NEW PUBLICATIONS

Nuclear Explosions and Their Effects. By Dr. D. S. Kothari. Published by the Publications Division, Ministry of Information and Broadcasting, Government of India, Delhi. Pages : 355. Price: Rs. 7.50

IN the history of scientific progress, no invention has aroused keener controversy and more widespread public concern than the atomic bomb. In post-war years, the nuclear explosions have been the subject of political and scientific discussion. They have always evoked a sense of horror both among the scientific experts and the lay public. True to its pacific traditions, India has always described the military uses of atomic energy, whereas, among the underdeveloped countries, its record in the development of peaceful uses of nuclear power is not inconsiderable. The book under review tries to tell, in as simple a language as a highly technical subject like nuclear science will permit it, the effects of nuclear explosions. The author, Dr. D. S. Kothari of India's Defence Science Organisation, deserves to be congratulated on presenting the subject with minimum technical details, although it should be obvious that, in a book of this kind, such details cannot be kept out. Even so, as Mr. Nehru points out, in his foreword, "the book will give some idea of the world we live in and, even more so, of what the fate of the world is likely to be, if we start playing about with nuclear warfare." He adds:

"I suppose that no one, not even the great experts in this new science, knows definitely what the full results of hydrogen bomb explosions will be. Enough is known, however, to give us some kind of a picture of a war in which these weapons are used. War is associated with death. We have now to face death on a colossal scale and, what is much worse, the genetic effects of these explosions on the present and future generations. Before this prospect, the other problems that face us in this world become relatively unimportant."

In his introductory chapter, the author surveys the effect of the Hiroshima and Nagasaki bombs which is followed by a discussion of fission and fusion explosions and radio activity of fission products. The effects of atomic bomb and high-yield explosions form subjects of two separate chapters. The last two chapters deal with radiological hazards and genetic effects of nuclear explosions.

Neatly got up, the book carries several charts and no less than 12 appendices which deal with some of the more technical aspects of nuclear explosions. This bald summary of the contents of the book can, of course, provide only a very inadequate guidance of the great labour that has gone into the preparation of this work, the study of which must prove rewarding to the men who have in them the power to shape the world's future. The wide international notice which the book now in its second edition, has attracted will be evident from the fact that its first edition was translated in German in 1957 and a Japanese translation is soon to be published by Hosai University, Tokyo. Having been carefully revised and rewritten, the second edition is virtually a new book on the subject. The author succeeds in driving home the point, namely, the colossal destructive potentiality of a nuclear bomb. Here is a vivid description of the devastating effects of the use of nuclear weapons:

"What stands out clearly above everything else is that the range of destruction of high-yield nuclear weapons is truly colossal. The multiplication factor, in comparison to the devastation caused by conventional weapons, is so big that it becomes extremely difficult to appreciate and assess the seriousness and peril of the new situation. Think of a 20-megaton bomb. It releases energy which is of the same order as that of a large earthquake or a hurricane: its energy is equal to that of 3 million tons of coal, and is about 2 per cent. of the total annual output of electrical energy in the world. If this bomb were to be made from conventional explosives, the mere cost of the explosives would be no less than £1,000 million. In terms of destructive power, a nuclear weapon is the cheapest thing the world has yet seen—cheaper than conventional weapons by a factor of hundreds, if not thousands. The target that matches this weapon is a huge city: one single weapon would suffice by its blast effect alone to obliterate any metropolis. By sheer logic of the situation, megaton bombs and cities cannot co-exist for a long time. The very presence of these hideous weapons of colossal mass destruction hanging over mankind creates a state which is too precarious and too unstable to exclude the possibility—in fact, much more than mere possibility—of the occurrence of some unpredictable 'spontaneous event' or accidental happening—a sort of *political Brownian motion*, to use an analogy from molecular physics—culminating in a full-scale nuclear war."

The stark reality of the vast destructive power of the nuclear bomb must make man pause and consider whether he would allow human civilisation to survive the invention or turn himself into a Frankenstein, the victim of the monster he has created.

Forward Markets Bulletin. Edited by P. A. Bhaskar Rao. Issued by the Forward Markets Commission, Government of India, "Everest," 100, Marine Drive, Bombay-2. Pages : 116. Price: Rs. 2.00

This monthly bulletin is a welcome addition to the technical literature on market trends in India. It aims at presenting in an integrated form all factual data relating to forward markets in different commodities in the country and focussing attention on the problems relating to their regulation.

The maiden issue contains an interesting article on regulation of forward markets by Mr. W. R. Natu, Chairman of the Forward Markets Commission, wherein he points out the principal benefits of forward markets and underlines the responsibilities of the various trade associations and the Commission in regulating them. Also included in this issue are a general review of the trend of forward markets during the first quarter of the year, a note on the working of some of the principal commodity exchanges and a brief resume of the action taken by the Commission under the Forward (Contracts) Regulation Act, 1952.

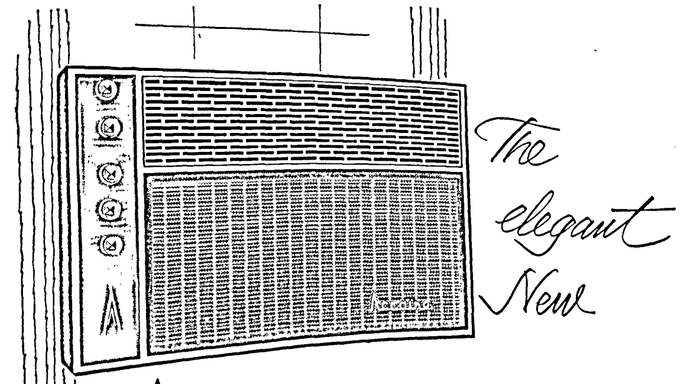
The most useful section of the *Bulletin* is the one on current statistics giving detailed and exhaustive information regarding production, price, imports and exports of the main commodities. One, however, wonders whether, in a publication dated March 1959, statistics relating to a later period than end-January could not have been given, though it must be said that it contains more up-to-date data than most other official publications. The *Bulletin* will be useful to all persons interested in forward trading including research workers in this field.

Industrial India Annual 1958-59. Edited by S. T. Chary, United India Building, Sir P. M. Road, Bombay-1. Pages: 246. Price: Rs. 3.50

This publication serves a very sumptuous fare of interesting articles. The long list of contributors includes such well-known personalities as Dr. Erhard, Vice-Chairman, Federal Republic of Germany, Messrs. C. V. Narasimhan, erstwhile Executive Secretary, E.C.A.F.E., Eric Wyndham White, Executive Secretary, G.A.T.T., B. R. Sen, Director General, F.A.O., S. K. Patil, Jagjivan Ram, Murarji J. Vaidya, Ramnath A. Podar, Lakshmipat Singhania, Lala Charat Ram, V. K. R. Menon, P. R. Brahmananda, to mention only a few.

The articles fall under three broad headings. The general section carries contributions on topics of general economic interest, while in the technical and review sections are included articles on and surveys of important industries. A separate section deals with economic and industrial trends in Japan.

Leading the 74 articles contained in the *Annual* is the editorial which analyses the basic inter-relation between nationalism, economic development and political democracy. The view it expounds is that the aspirations of the peoples of underdeveloped countries for a better life could be realised only if the foundations of a prosperous society are laid through planned economic development. The journal feels that, in India, if the masses, with all their limitations, could be organised for a sustained political struggle against their alien masters, there is no reason why they could not be rallied for an economic struggle for their own betterment.



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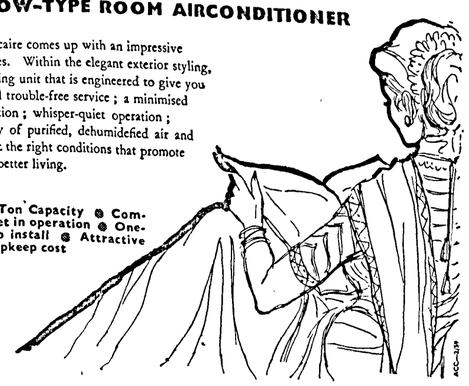

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Mr. AMBALAL SARABHAI
Mr. RAMNIWAS RAHNARAIN
Mr. BHAGVANDAS C. MEHTA
Mr. KRISHNARAJ M. D. THACKERSEY
Mr. A. D. SHROFF
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. JUGMOHAN PRASAD GOENKA

Current Deposit Accounts.—Except at certain places Interest is allowed on daily balances of Rs. 500 and above at ½ per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.
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Every Description of Banking Business Undertaken.

T. R. LALWANI, *General Manager.*

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Authorised Capital	Rs.	8,00,00,000
Subscribed Capital	Rs.	4,00,00,000
Paid-up Capital ...	Rs.	2,00,00,000
Reserve Fund ...	Rs.	1,48,00,000
Working Funds (31.12.58) ... Over	Rs.	114,00,00,000

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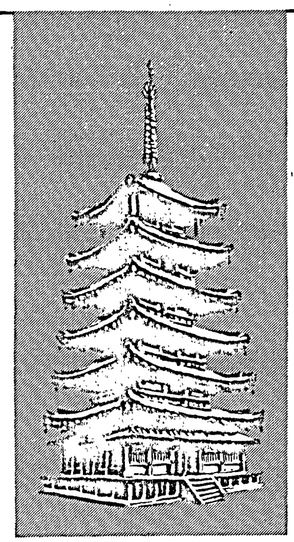

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Authorised Capital	Rs.	1,00,00,000
Issued and Subscribed Capital	Rs.	72,00,000
Paid-up Capital	Rs.	66,38,990
Reserve and Other Funds (including share premium)	Rs.	99,61,883
Deposits as on 31-12-1958	Rs.	40,93,17,330
Total Working Funds	Rs.	50,12,19,816

All types of banking business including foreign exchange transacted.

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D. P. PARTHASARATHY, *Secretary.*

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UNITED BANK OF INDIA LIMITED

Registered Office: **UNITED BANK BUILDINGS, 4, CLIVE GHAT STREET, CALCUTTA**

ANNUAL REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st DECEMBER, 1958.

The Directors beg to submit to the shareholders the Audited Balance Sheet of the Company as at 31st December, 1958 and Profit and Loss Account for the year ended 31st December, 1958 together with the Auditors' Report thereon.

	Rs. nP	Rs. nP
The profit for the year after making provision for taxation and including the balance of Rs. 1,77,452.78 brought forward from the previous year's account amounts to		15,92,224 29
Out of this amount the following appropriations have been made:		
To Reserve Fund under Section 17 of the Banking Companies Act ..	3,45,000 00	
To Bonus to Staff	2,83,083.80	
		6,28,083.80
Leaving an available balance of		9,64,140.49
Out of the above the Directors recommend the payment of a dividend to the shareholders at the rate of 3 per cent. per annum, free of income-tax absorbing		7,82,598.00
To be carried forward to next year's account		1,81,542.49

The Bank's business during the year made satisfactory progress.

During the year under report three branches were opened in the State of West Bengal at Alipur Duar Durgapur and Lilloah, one branch was opened in the State of Orissa at Rourkela and one branch was opened at Imphal in Manipur State.

Dr. S. B. Dutt, Dr. N. N. Law, Sir Chunilal B. Mehta, Kt. Directors, retire under Article 117 of the Articles of Association of the Company read with Section 256 of the Companies Act. Dr. S. B. Dutt, being eligible, offers himself for re-election. Dr. N. N. Law and Sir Chunilal B. Mehta, Kt. are also eligible subject to compliance with the provisions of Section 281 of the Companies Act, and as such they offer themselves for re-election.

Nawab Sir K. G. M. Faroqui, Kt. and Sri T. S. Santhanam, Directors, retire under Article 123 of the Articles of Association of the Company and they have been recommended by the Board for election and are eligible and offer themselves for election.

Messrs. Ray and Ray, Auditors of the Bank, retire and offer themselves for reappointment.

The shareholders are requested to appoint auditors for the ensuing year and to fix their remuneration.

N. N. LAW, Chairman.

N. C. DATTA,
C. B. MEHTA,
M. J. VAIDYA,
T. S. SANTHANAM,
S. B. DUTT,
B. N. CHATURVEDI,
J. M. DUTT,
K. G. M. FAROQUI,
K. C. DAS
} Directors.
B. K. DATTA,
Managing Director.

Dated, Calcutta, The 30th March, 1959.

BALANCE SHEET AS AT 31st DECEMBER, 1958

Previous year Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
	AUTHORISED CAPITAL—		
	5,00,000 Shares of Rs. 20 each	1,00,00,000.00	
	30,00,000 Shares of Rs. 10 each	3,00,00,000.00	
		4,00,00,000.00	
	ISSUED CAPITAL—		
	4,94,850 Shares of Rs. 20 each	98,97,000.00	
	22,60,300 Shares of Rs. 10 each	2,26,03,000.00	
		3,25,00,000.00	
	SUBSCRIBED CAPITAL—		
	4,90,012 Shares of Rs. 20 each called at Rs. 10 per share	49,00,120.00	
	21,98,425 Shares of Rs. 10 each called at Rs. 10 per share	2,19,84,250.00	
		2,68,84,370.00	
	LESS—Calls in arrear	80,774.00	
			2,68,03,596.00
2,66,56,685	(Reserve Liability of Shareholders Rs. 49,00,120)		
77,35,000	**2. Reserve Fund and Other Reserves**		80,80,000.00
	3. Deposits and other Accounts—		
6,66,38,152	Fixed Deposits and Cash Certificates	11,71,43,959.15	
9,27,370	Staff Security Deposits	8,49,817 23	
14,25,56,711	Savings Bank Deposits	15,07,76,976.90	
17,35,22,514	Current Accounts, Contingency Accounts, etc. ..	16,66,26,827.37	
			43,53,97,580 66
38,36,44,747	**4. Borrowings from Other Banking Companies, Agents, etc.—**		
		Rs. nP	
85,000	(i) In India	77,84,061.22	
Nil	(ii) Outside India	63,65,579 90	
			1,41,49,641.88
85,000			
Nil	PARTICULARS—		
	(i) (a) Secured by part of the Bank's Investments 1,41,49,641.88		
85,000	(b) Secured by Bills Discounted. Nil		
Nil	(ii) Unsecured .. .. Nil		
60,58,365	**5. Bills Payable**		65,32,538.06
	6. Bills for Collection being Bills Receivable as per contra—		
3,15,25,027	(i) Payable in India	3,54,45,206.27	
90,22,443	(ii) Payable outside India	87,93,568.03	
			4,42,38,774.30
4,05,47,470			
	7. Other Liabilities—		
92,52,294	Branch Adjustments	96,79,691.18	
3,60,167	Unclaimed Dividends	4,10,000.39	
1,50,000	Staff Gratuity Fund	1,50,000 00	
1,22,519	Capital Redemption Fund	1,29,560.00	
8,37,232	Sundry Liabilities for Expenses	3,41,956.35	
Nil	Rebate on Bills Discounted	Nil	
			1,07,11,207.92
1,02,22,212			
	8. Acceptances, Endorsements and Other Obligations per contra—		1,65,15,805.67
1,01,36,335			
	9. Profit and Loss—		
	Balance of Profit and Loss Account as per last Balance Sheet	9,77,152.03	
9,72,816	LESS—Appropriation for Dividend	7,99,699.25	
7,99,669			
		1,77,452.78	
1,73,147	ADD—Profit for the year brought from the Profit and Loss Account after providing for taxation ..	14,14,771.51	
16,21,005			
		15,92,224.29	
17,94,152	LESS—Appropriations—		
	Transfer to Reserve Fund under Section 17 of the Banking Companies Act	Rs. nP 3,45,000.00	
3,25,000	Bonus to Staff (already paid) ..	2,83,083.80	
		6,28,083.80	
	Provision for Taxation (already provided)		
4,92,000			
8,17,000			
9,77,152			9,64,140.49
	10. Contingent Liabilities—		
	(i) Claims against the Banking Company not acknowledged as debts	Rs. nP 44,38,004.81	
(44,54,177)	(ii) Money for which the Banking Company is contingently liable—		
	(a) Liability for partly paid up shares held by the Bank in Investment Account	6,97,150.00	
(6,97,150)	(b) Guarantee given on behalf of Directors or Officers	850.00	
(Nil)	(c) Guarantee on behalf of others	1,00,20,184.86	
(66,05,264)	(Includes Rs. 5,500 in respect of guarantees given to Government Departments secured against part of Bank's investments) ..		
	(iii) Liability on Bills of Exchange re-discounted ..	Nil	
(Nil)	(iv) Liability on account of outstanding Forward Exchange Contracts	1,58,24,884.00	
(2,26,96,367)			
48,60,62,966		Total .. Rs.	56,33,93,284.98

Previous Year Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
4,04,31,237	**1. Cash—** In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		4,03,53,204.37
	2. Balance with Other Banks—		
	In Current Accounts—	Rs. nP	
1,57,682	(i) In India	1,87,774.14	
73,12,009	(ii) Outside India	49,00,061.38	
74,69,691		50,87,835.52	
	In Deposit Accounts—		
	(i) In India	Nil	
	(ii) Outside India	26,99,428.57	
		26,99,428.57	
1,08,00,000			77,87,264.09
	3. Money at Call and at Short Notice		25,00,000.00
	4. Investments (at or below market value)		
	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments ..	11,69,43,047.14	
8,60,76,259		Rs. nP	
5,01,628	(ii) (a) Fully paid Preference shares.	5,31,373.75	
41,48,483	(b) Fully paid Ordinary shares..	23,80,348 63	
1,55,000	(c) Partly paid Preference shares.	1,55,000 00	
4,36,657	(d) Partly paid Ordinary shares.	3,59,149 30	
Nil	(e) Fully paid Deferred shares..	300 00	
52,41,768		34,26,171.68	
53,26,854	(iii) Debentures or Bonds	37,04,853.91	
	(iv) Other Investments—		
	(a) Pakistan Central and Provincial Government Securities	3,05,57,925 62	
2,56,56,909	(b) Foreign Securities	47,500 00	
47,500	(c) Capital Redemption Policy	1,29,560.00	
1,22,519	(d) Gold	Nil	
Nil			
12,24,71,809			15,48,09,128.35
	5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)		
	(I) Loans, Cash Credits, Overdrafts, etc.—	Rs. nP	
18,11,01,773	(i) In India	23,16,57,264 63	
1,18,35,301	(ii) Outside India.. ..	1,34,14,557.56	
19,29,37,074		24,50,71,822.19	
	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
	(i) Payable in India	Rs. nP 2,65,94,134 43	
3,65,56,807	(ii) Payable outside India ..	47,12,466.27	
60,80,207			
4,26,37,014		3,13,06,600.69	
23,55,74,088			27,63,78,422.88
	6. Bills Receivable being Bills for Collection as per contra—		
3,15,25,027	(i) Payable in India	3,54,45,206.27	
90,22,443	(ii) Payable outside India	87,93,568.03	
4,05,47,470			4,42,38,774.30
1,01,36,335	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		1,65,15,805.67
	8. Premises, Less Depreciation—		
15,92,861	At cost as per last Balance Sheet	16,61,113.83	
68,253	ADD—Additions during the year	12,72,001.40	
16,61,114		29,33,115.23	
Nil	LESS—Sales or deductions made during the year ..	16,029.31	
16,61,114	Total cost to date ..	29,17,085.92	
1,88,195	LESS—Depreciation written off to date ..	2,22,852.86	
14,72,919			26,94,833.06
	9. Furniture and Fixtures, Less Depreciation—		
35,33,331	At cost as per last Balance Sheet	42,06,499.32	
6,73,168	ADD—Additions less deductions during the year ..	6,47,993.09	
42,06,499	Total cost to date ..	48,54,162.41	
14,99,348	LESS—Depreciation written off to date ..	18,22,248.26	
27,07,151			30,31,914.15
	10. Other Assets including Silver—		
13,06,356	Interest accrued on Investments	17,14,307.86	
64,29,036	Tax deposited and paid in advance or deducted at source	5,13,340	
5,13,340	Stores, Stationery and printed materials ..	71,39,112.90	
18,64,311	Land and Buildings not used as Bank's Premises less depreciation	5,89,117.73	
	(Cost Rs. 17,76,749.29 less depreciation Rs. 5,27,753.93)	12,48,995.36	
6,01,057	Premises under construction		
	Sundries (Temporary Advances, Suspense, Security Deposits, Outstanding Rents, Stock of Stamps, Adjusting Accounts, etc.)	33,185.43	
29,28,369		36,24,102.42	
1,36,42,519			1,43,48,881.70
8,09,747	**11. Non-Banking Assets acquired in Satisfaction of Claims** .. (Immovable property at Book Value)		7,35,056.41
	Total .. Rs.		56,33,93,284.98

(Continued in next page)

EXPORT RISKS INSURANCE

PROGRESS AND PROBLEMS

THE Export Risks Insurance Corporation of India, which was established on 4th October 1957 and commenced business 10 days later, has now completed over a year and a half. This is, indeed, too short a period for a pioneer institution like the Corporation, the first to underwrite commercial and political risks of export in the country, to make any considerable headway, especially as its functioning depends as much on the exporters' appreciation of its role and usefulness to themselves as its capacity to make its services attractive to them. It is a common experience of an institution of this kind that, while traders' understanding of its role is not forthcoming in sufficient measure, due probably to inadequate appreciation of its advantages or to reluctance to avail themselves of a service whose benefits they have not experienced, the institution is not prepared to adopt practices to attract traders which might endanger its financial position. If the working results of the Corporation during the first year and a half is not as good as one would wish it to be, the reason is that the Corporation has had to face the very same dilemma. Nevertheless, the trend of business and the increasing popularity of the Corporation with the trade surely indicates that the initial difficulties are being gradually got over.

Business Done

During the six-month period ended 31st March 1959, the Corporation issued 108 policies, covering risks of shipments and contracts valued at Rs. 2.05 crores, as compared with 146 policies issued during the whole of the first year, covering risks of shipments and contracts valued at Rs. 1.30 crore. Of these, 54 policies originated from Bombay and 29 from Calcutta. The balance was shared by other important exporting centres in the country. The large share of Bombay would appear to be probably due to the fact that, since the Corporation is located in Bombay, exporters here are in a better position to avail themselves of its services. In order to enable it to reach out more easily to exporters in other centres, the Corporation recently opened offices in Madras and Calcutta.

The premium income has also registered a rise commensurate with the increase in the volume of business. During the six months ended 31st March 1959, premium income aggregated Rs. 73,500, as against 43,000 during the first year, representing an increase of over 70 per cent.

Although the premium income and the number of policies issued have shown a substantial rise, in absolute terms, they are surely very small, when considered in relation to the total value of India's export trade. There are several factors which have prevented a rapid increase in the business of the Corporation. In the first place, the trade insists on selective coverage of risks. Exporters, who ship goods to various countries, want to insure consignments to certain destinations only and not to others. For instance, they might want coverage for risks on exports to the politically unstable countries of West Asia, while shipments to countries like the U.S., U.K. and West Germany, which are considered safe, are sought to be exempted. This, obviously, is a proposition which the Corporation, depending, as it has to, on the law of averages in the matter of coverage of risks, cannot accept. Experience has also not proved that shipments to the so-called "safe" countries are not attended by such risks as the consignee's failure to take delivery, changes in import policies and foreign exchange regulations. But the Corporation has tried to be as accommodating as possible, consistent with considerations of financial prudence. It has, for instance, agreed to exempt exports to one or two countries on individual merit out of a total of 10 or 15 countries to which the articles may have been consigned.

Premium Rates

Secondly, there is the problem of premium rates. Exporters plead that the premium rates charged by the Corporation should be reduced, especially since the profit margin on exports is small. The Corporation, in quoting the premium, does not take into account the profit margin. It is concerned only with the risks involved and the premiums may be high or low according as the risks are large or small. Since no reasonably scientific determination of risks is possible, the sufficiency or otherwise of premiums can be ascertained only on the basis of actual working results. There is also no precedent to go by in the fixation of premium rates.

The rates of premium charged by export risks insurers in other countries are not only not published but they are treated as strictly confidential. Even the policyholder is required to give an undertaking that the fact of his having insured and the premium paid by him would be kept confidential. He may, however, in confidence, inform his own banker of the fact of insurance to enable him to obtain finances. Premium rates have been worked out by the Corporation after taking into consideration the type of risks and their causes, the markets to which the goods are exported, the type of goods, the period for which the exports are covered, past experience, of the exporter and the spread of risks offered by him for insurance and the expenses of management. Only after they have been in force for some time, one could say whether the rates have been high or low. Its sufficiency or otherwise cannot be judged on the basis of its working during a year or two. The Corporation, therefore, maintains that a reduction in premium rates at present is not advisable, considering the need for putting it on firm financial foundations.

Another demand made by the trade, which the Corporation finds it difficult to comply with, is that risks of rejection of consignments on grounds of quality should also be covered. The Corporation feels that this would not be possible, unless a system of pre-shipment inspection satisfactory to the Corporation is established. Pre-shipment inspection now made by some chambers of commerce and other associations has been found to be not entirely foolproof. The trade also insists that the Corporation pay the claim on the rejection of a consignment by a buyer without the exporter having to establish the extent of the loss. This is not acceptable to the Corporation, although it is willing, and indeed does, help exporters in finding other parties for buying the rejected consignments.

BONUS FOR L.I.C. STAFF

The Life Insurance Corporation of India and the All-India Insurance Employees' Association have concluded a provisional agreement under which the Corporation employees in the supervisory, clerical and subordinate grades will be paid a yearly cash bonus at the rate of one and a half times the basic salary. The agreement covers five years from 1957. The free insurance scheme now in force will be withdrawn and the employees who have availed of it and who desire its continuance will be issued an individual policy under the Corporation's staff insurance scheme for an identical amount and term. The agreement also provides for "a term assurance scheme" for employees in the supervisory, clerical and subordinate grades Under the scheme, the insurance amount will be payable only in case of death of the employees while in service.

UNITED BANK OF INDIA LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1958

Previous Year Rs.	EXPENDITURE	Rs. nP	Previous Year Rs.	INCOME (Less provisions made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP
52,05,225	1. Interest paid on Deposits, Borrowings, etc.	62,09,569.13	1,45,21,955	1. Interest and Discount	1,70,55,676.68
89,02,118	2. Salaries and Allowances and Provident Fund	1,07,52,778.25	31,75,163	2. Commission, Exchange and Brokerage	33,71,642.86
(45,500)	(of which payment to Managing Director Rs. 45,499.92)		1,59,071	3. Rents	3,44,185.37
37,486	3. Directors' and Local Committee Members' Fees and Allowances .	41,034.00		4. Net profit on sale of investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular Fund or Account)	309.40
8,98,477	4. Rent, Taxes, Insurance, Lighting, etc.	9,72,840.17	339		
82,438	5. Law Charges	69,259.34		5. Net profit on revaluation of Investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular Fund or Account)	Nil
4,52,181	6. Postage, Telegrams, Telephone and Stamps..	4,70,063.30	Nil		
27,000	7. Auditors' Fees	29,475.00		6. Income from non-banking assets and profit from sale of or dealing with such assets	3,993.36
5,88,410	8. Depreciation on and Repairs to the Banking Company's Property ..	7,01,005.11	2,440		
5,99,251	9. Stationery, Printing, Advertisement, etc.	6,29,985.63	11,21,603	7. Other Receipts	11,54,941.85
62,360	10. Loss from Sale of or Dealing with Non-Banking Assets	51,034.97			
5,06,620	11. Other Expenditure	5,88,802.91			
16,21,005	12. Balance of Profit	14,14,771.51			
1,89,80,571	Total .. Rs.	2,19,30,649.52	1,89,80,571	Total .. Rs.	2,19,30,649.52

Schedule of Particulars required under the Banking Companies Act, 1949, attached to and forming part of the Balance Sheet as at 31st December, 1958

Previous Year Rs.	PARTICULARS OF ADVANCES	Rs. nP	Previous Year Rs.	PARTICULARS OF ADVANCES	Rs. nP
21,34,54,327	(i) Debts considered good in respect of which the Banking Company is fully secured	24,26,00,265.68	16,638	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons..	3,17,180.25
1,73,14,847	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	2,63,50,789.83	1,00,73,196	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in case of Private Companies as Members	1,45,11,344.75
48,04,914	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors.. ..	74,27,367.37		(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	3,23,489.43
Nil	(iv) Debts considered doubtful or bad not provided for	Nil	4,20,562		
				(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in the case of Private Companies as Members ..	1,52,71,408.68
23,55,74,088		27,63,78,422.88	1,36,77,171		
			2,66,705	(ix) Due from Banking Companies	52,384.68

AUDITORS' REPORT

We have audited the annexed Balance Sheet of United Bank of India Ltd., as at 31st December, 1958 and also the annexed Profit and Loss Account of the Bank for the year ended upon that date in which are incorporated the Returns from the Branches audited by other Auditors.

In accordance with the provisions of section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and to sub-section (5) of Section 211 and Section 227(5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956. The Accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) The transactions of the bank which have come to our notice, have been within the powers of the Bank;

(c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the bank;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the Profit for the year ended upon that date.

RAY & RAY,
Chartered Accountants.

CALCUTTA, 30th March, 1959.

N. N. LAW,
Chairman.

B. K. DATTA,
Managing Director.

A. K. ROY,
Secretary.

C. B. MEHTA,
M. J. VAIDYA,
T. S. SANTHANAM,
S. B. DUTT,
B. N. CHATURVEDI,
J. M. DUTT,
K. G. M. FAROQUI,
N. C. DATTA,
K. C. DAS,
} Directors.

PROGRESS OF GLASS INDUSTRY

NEED FOR UTILISING THE LARGE SURPLUS CAPACITY

MODERN glass industry in India can be regarded as of comparatively recent origin. The turn of the century witnessed the establishment of a number of large-scale units on modern lines, particularly in U.P., Bengal and Bombay. During the past fifty years, the industry underwent many ups and downs, booming in periods of war-time scarcity and languishing in peace-time, thanks to foreign competition. Of late, however, the industry appears to have come into its own through expansion and diversification of production and improvement in quality. Production of glass and glasswares rose from about 87,000 tons in 1950 to about 158,000 tons in 1957 and about 180,000 tons in 1958. This increase was shared by almost all the items; it was remarkable in the case of sheet glass, table and pressed ware, thermos flasks and safety glass. Besides, the industry has sought to reorganise its structure and methods of production by replacing mouth-blowing process by semi-automatic, and progressively to fully automatic, machines.

This expansion and technological progress in the industry, as Mr. P. N. Talukdar pointed out in his presidential address at the fourteenth annual general meeting of the Bengal Manufacturers' Association, held at Calcutta a fortnight ago, was made possible by the rapidly growing demand for glass goods, the greater emphasis given by the producers on precision with a view to meeting the requirements of both industrial and domestic consumers, and the economies of large-scale production and quality-consciousness amongst consumers. The restrictions on imports of glass products have also greatly helped the industry. In view of the developmental efforts in the country, the demand for the products of glass manufactures from industries such as automobiles, railways, housing, chemicals, pharmaceuticals and cosmetics is bound to grow in the years to come. Given greater attention to quality and adaptability to changing requirements of the day, the industry should be in a position to compete effectively even in foreign markets which are within easy reach of this country.

Installed Capacity

Although the trend of production and progress of modernisation have been satisfactory, all is not well with the industry. As the installed capacity has increased *pari passu* with production—at present it is well above 3.50 lakh tons—the industry is confronted with the problem of surplus capacity. According to Mr. Talukdar, the unutilised capacity in the industry in 1958, despite phenomenal increase in production, was as high as 50 per cent., as against 44.7 per cent. in 1947. Accumulation of such heavy unused capacity, Mr. Talukdar observed, invariably inflated the overhead cost and, thereby weakened the competitive strength of the industry. He added that this was particularly ominous for an industry which depended for the disposal of the bulk of its products on other industries, to which "cheapness, consistently with quality, is of utmost importance." Another weakness of the glass industry, to which Mr. Talukdar drew attention, is undue concentration of capacity in such traditional items as bottles and phials, tableware and pressedware as well as lampware, while the capacity in respect of such items as laboratory glassware has not come up even to the original estimate. He, therefore, urged the licensing authorities to so scrutinise and make suitable adjustments in the Plan as to promote the production of scientific and laboratory glassware and apparatus to meet the enhanced requirements in these fields. This is a very pertinent suggestion, which the authorities would do well to note and implement.

Mr. Talukdar made particular reference to some of special problems affecting the industry. He strongly pleaded for a proper appreciation by the authorities of the fact that the glass industry was one of the continuous process industries where furnaces had to be regularly fed with fuel to maintain a constant temperature at a high level to avert any breakdown. Secondly, the industry consumes raw materials, fuels and chemicals in great bulk. These have to be brought from long distances to the factories in West Bengal. Again, the finished products have to be sent all over the country. Consequently, both in bringing the raw materials, stores, etc., and distributing the manufactured goods, long haulages are involved. Then, there is the susceptibility to heavy breakages. All this makes the cost of production high and inflexible.

Some of the important foreign chemicals consumed by the industry are dense soda ash, borax and solenium. The restriction on imports of these chemicals and the consequential shortage in their supply have inevitably led to sharp increase in prices and have affected the cost structure of the industry. The use of inferior substitutes, such as light soda ash and cullets leads to a deterioration in quality. Mr. Talukdar, therefore, called upon the Government not only to liberalise imports of essential raw materials but also allow actual users licences for their full requirements.

Referring to indigenous raw materials, such as sand, lime, dolomite, felspar, Mr. Talukdar pointed out that supplies had been highly irregular owing principally to operational limitations of the railways. He also drew attention to the fact that, though it had been demonstrated by test loading at the time of investigation by the Railway Freight Structure Enquiry Committee that the minimum weight condition varied from 120 to 160 maunds, for registration of indents for wagons it had been fixed, with effect from October last, at 300 maunds for glassware under Division 'C' in the name of greater utilisation of wagon space. As a result, he said, the industry has either to forgo movement of some bulky items like chimneys and jars or pay additional freight on the basis of "smalls." Further, the enhancement of freight surcharge on "smalls" from 6¼ per cent. to 10 per cent. and the reduction of the minimum weight for "smalls" from 20 maunds to 10 maunds had discouraged the transport of small consignments.

Fuels

Alluding to the difficulties experienced by the industry with regard to fuels, Mr. Talukdar said that the recent revision of prices of coal naturally affected the industry adversely. The only remedy for recurring coal shortage, was to open "coal dumps" in convenient centres under the auspices of the Association. He disclosed that the Ministry of Railways had agreed to consider such facilities as waiver of immediate collection of freight on coal transported to the dumps. He touched upon the possibility of using furnace oil as fuel instead of coal and the proposed pool price system for furnace oil. In this connection, he observed:

"Increased use of furnace oil as a substitute for coal has been suggested to conserve coal and also minimise the strain on transport system for movement of coal. The Petroleum Consumers' Advisory Council has already mooted the idea of having pool price for furnace oil in the country, the total production of which at the refineries is reported to exceed the current internal demand. In so far as the glass industry is concerned, this suggestion does not have much relevance in view of the concentration of the glass industry in the port towns of Calcutta and Bombay. Only a few glass factories of importance are located away from the ports. Already, the glass factories in West Bengal are paying a disproportionately high price for furnace oil, and the fixation of a pool price, which is bound to be higher than the prevailing prices at the port towns, will adversely affect the factories in Calcutta and Bombay, while at the same time additional consumption in areas far off from ports will not be anything significant. The best way of promoting consumption of furnace oil is to bring down the supply price. With the establishment of refineries, the industry can quite legitimately expect this privilege."

Probably some of these problems highlighted by Mr. Talukdar account, to a large extent, for the declining volume of exports of glass and glasswares. In the second Plan, the annual average exports of these goods was estimated at about Rs. 50 lakhs. Far from this target being attained, there has been a drastic decline in exports from about Rs. 41.53 lakhs in 1951-52 to about Rs. 21.98 lakhs in 1957 and Rs. 19.71 lakhs last year. In order to improve this state of affairs, Mr. Talukdar suggested that the amount of drawback of import duties now available on glass goods should be enhanced from Rs. 21.25 to at least Rs. 25.00. No doubt, there is, as he pointed out, very good scope for export of such items as sheet glass, bottles and phials, glass mirrors and fancy wares to adjacent countries like Pakistan, Burma, Ceylon, the Far East and the Middle East. Indian-made glass goods, however, will find it difficult to enter these markets unless efforts are made to bring down the cost of production and offer them at competitive prices. Needless to say that sustained attention should be devoted to improving quality as also to organising integrated publicity measures abroad. These steps will, in the long run, pay rich dividends but some adjustments, if not sacrifices, on the part of both the manufacturers and the Government are inevitable in the initial stages.

HYDROQUINONE INDUSTRY

The Tariff Commission has taken up for consideration the question of continuance of protection to the hydroquinone industry beyond 31st December 1959. Opening the public enquiry on the 5th inst., at Bombay, Mr. C. Ramasubban, Chairman of the Commission, gave a brief account of the present position and problems of the industry. Hydroquinone, utilised by the film processing laboratories, is still a nascent industry in the country. The manufacturers have asked for protection mainly on the ground that, as compared with their foreign confreres, the indigenous industry is very small. The domestic producers have held that the future growth of the industry cannot be ensured, unless it is afforded substantial and prolonged tariff protection.

The hydroquinone industry, it may be recalled, has been enjoying protection for the past eight years. From July 1951 to July 1953, protection for the industry was at the rate of 27.3 per cent. *ad valorem* preferential and 37.8 per cent. *ad valorem* standard. These rates were raised to 50 per cent. and 60 per cent., respectively, in August 1953 and retained in the third tariff enquiry to last up to the end of December 1959.

Under the protective shade, the industry, which is made up of two units, has made substantial progress. The Satyadev Chemicals Ltd., Baroda, one of the two units, has stepped up its annual installed capacity to 42,000 lbs. by 1957. Its production also has risen from a mere 771 lbs. in 1951 to 37,361 lbs. in 1958. The Kesar Sugar Works Ltd., Bombay, which had a rated capacity of 72,600 lbs. during 1953-54, suspended production for some time but resumed it in 1955, maintaining a steady rate of output since then. In its last report in 1955, the Commission estimated the domestic demand at 40,000 lbs. per annum. This was expected to go up in the following years. Its expectation has materialised, the consumption in 1958 having been no less than 50,000 lbs., the bulk of which was supplied by the domestic industry. We are told that consumers are generally satisfied with the quality of the indigenous product. Tests have shown that it is as good as the imported material.

The principal raw materials used in the manufacture of hydroquinone are aniline, sulphuric acid, manganese dioxide and iron powder. Of these, aniline alone has to be imported. It is, however, understood that the Kesar Sugar Works is importing iron powder. The Tariff Commission will examine to see presently whether the Company cannot use the indigenously available iron powder, without impairing the quality of its product.

The domestic industry, it must be admitted, stands to gain much from the restricted import policy being pursued by the Government. In fact, the import of hydroquinone has been completely banned since October 1957. It is for the industry fully to utilise this opportunity to expand production, improve quality and thus strengthen and stabilise its foundation. Mr. C. Ramasubban, Chairman of the Commission, did well to draw the attention of the indigenous producers to the need for striving to reduce costs and find outlets in the export market. This is all the more essential as the demand for hydroquinone is substantially lower than the industry's rated capacity, making it difficult to function economically.

WHEAT UTILISATION

The five major wheat exporting nations of the world have agreed to establish immediately a Wheat Utilisation Committee which will try to find means of improving and adding to the programme for the distribution of wheat from reserve supplies to meet the urgent need of food-short nations. The U.S. Secretary of Agriculture, Mr. Benson, announced the formation of this committee following a two-day "food-for-peace" conference at Washington of ministers of Australia, Argentina, Canada, France and the U.S. Also present at the conference was Mr. B. R. Sen, Director-General of the Food and Agriculture Organisation (F.A.O.) of the United Nations. Mr. Benson said the committee probably will hold its first meeting in June, in the United States or Canada.

The first annual report of the Bombay Productivity Council for 1958-59 enumerates the various activities and work done by Bombay Productivity Council in the first year of its inception. The Council has conducted an advanced course on work study for senior technical personnel selected from a number of industrial concerns in Bombay, organised a course on statistical methods in engineering and conducted a field investigation on job evalution in six different engineering factories covering about 350 jobs. It also conducted two seminars on workers and productivity on labour participation in management and job evaluation as a wage administrative technique in which experts and specialists in the line took part.

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GUEST, KEEN, WILLIAMS TO EXPAND ITS FIELD OF ACTIVITY

SANKEY ELECTRICALS TO BE ACQUIRED

THE shares of Guest, Keen, Williams, Ltd. have had a meteoric rise in their market value during the past two years, having advanced to a peak of Rs. 41.50 (face value Rs. 10) last week-end, as compared with their issue price of Rs. 20 in November 1956. Thus, the capital gained has been more than 100 per cent. It may be noted here that a week ago they were standing at Rs. 39.50 and at Rs. 37.75 at the end of March. They were hovering around the last mentioned rate for some months after having been lifted from Rs. 30.50 a year ago and Rs. 28.62 at the beginning of 1958. Investors all over India seem to have a fancy for this scrip, having regard to the growth prospect for this Company, following reports for some time now that the Company proposes to expand its field of activity. These reports have now been confirmed by the Directors who have announced that the Company has decided to acquire the entire share capital of Sankey Electrical Stampings Private Ltd., Calcutta, the leading manufacturers in India of electrical stampings and laminations. The latter Company also specialises in precision pressings for industries other than electrical.

Subject to the consent of the Controller of Capital Issues, Guest, Keen, Williams, Ltd. has offered to acquire the whole of the share capital of Sankey Electrical Stampings, consisting of 177,334 ordinary shares of Rs. 100 each, in exchange for 476,850 ordinary shares of Rs. 10 each of G.K.W. The basis of this exchange is an independent valuation of the shares of Sankeys by Messrs. Price, Waterhouse, Peat & Co., chartered accountants, and the market price, as on 13th April 1959, of G.K.W., as certified by Messrs. Place, Siddons and Gough, share and stock-brokers, Calcutta. The market price on that day (13th April) of G.K.W. shares was Rs. 40.75 per share, on the basis of which the total cost of this acquisition works out to over Rs. 1.94 crore. At present, the shares of Sankey Electricals are held between Messrs. Joseph Sankey and Sons Ltd., of England, and the Tata Iron and Steel Company, Ltd., Bombay. The majority of the shares is held by the former firm, which is itself a wholly-owned subsidiary of Guest, Keen and Nettlefolds Ltd., England, the majority shareholder of G.K.W.

Sankey Electrical Stampings Private Ltd. started its manufacturing activity in Bombay in 1943 and built up its own modern works in Bhandup. In 1949, it started another works in Calcutta, which, together with the Bhandup works in Bombay, has been expanded considerably during the last few years. The latest addition to its manufacturing capacity is a works at Bangalore, which will come into production this year. The business of Sankey Electricals has thus been developed and expanded carefully during the last 15 years. Its financial results during the last five years have been encouraging, the net profit (after providing for depreciation and taxation) having risen from Rs. 5.03 lakhs in 1954 to Rs. 19.74 lakhs. The Directors of G.K.W. consider that the business of Sankey Electricals can be conveniently combined with that of G.K.W., which will thus obtain entry into the electrical engineering industry, "a field promising of substantial development and of good profit-earning possibilities.

Guest, Keen, Williams, Ltd. is already having a wide range of manufacturing activity in the engineering field and its production and sales have grown considerably during the last few years. In 1958, for instance, the Company's sales rose by Rs. 1.18 crore to Rs. 10.25 crores; they have gone up more than threefold in the past four years. The expansion in turnover is not, however, reflected in the earnings. The gross profit, which had shrunk from Rs. 1.71 crore (in 1956) to Rs. 1.61 crore in 1957, has further declined to Rs. 1.55 crore in 1958, on account of the persistent rise in operating costs. During the year under review alone, these costs have gone up by Rs. 1.16 crore to Rs. 8.71 crores. After raising the provision for depreciation from Rs. 17.91 lakhs to Rs. 22.68 lakhs and that for current taxation from Rs. 72 lakhs to Rs. 74.20 lakhs (a part of which—Rs. 1.71 lakh to be precise, as against Rs. 5.76 lakhs—is drawn from the taxation equalisation reserve), the net profit stands lower at Rs. 60.30 lakhs, as against Rs. 65.82 lakhs. Out of this, a sum of Rs. 2.59 lakhs has been transferred to the additional depreciation reserve (the corresponding sum in respect of 1957 being Rs. 2.45 lakhs), Rs. 8.42 lakhs to the development rebate reserve (as against *nil*) and only Rs. 1.36 lakh (Rs. 25.91 lakhs) to the general reserve. The debenture issue expenses written off from the profit amount to Rs. 7.14 lakhs. The dividend is unchanged at Rs. 2 per share (or 20 per cent.), of which the interim distribution was 80 nP per share, absorbing Rs. 40 lakhs.

The Company's paid-up capital is unchanged at Rs. 2 crores, all in ordinary shares of Rs. 10 each. The reserves (including share premium amounting to Rs. 58.94 lakhs collected at the time of the public issue of shares in November 1956) stand at Rs. 2.13 crores. The growth in the Company's activity is reflected in the rise in bank overdraft (secured by the hypothecation of stocks) from Rs. 92.70 lakhs to Rs. 1.16 crore. In addition to the larger working capital provided by bank facilities, the Company has a debenture loan to the tune of Rs. 1.50 crore. This was raised in September last to finance its various development projects. The current liabilities and provisions, excluding the aforesaid bank overdraft, aggregate Rs. 3.33 crores, which, however, are lower as compared with those (Rs. 4.59 crores) a year before. There has been an addition of Rs. 57.70 lakhs to the gross block, bringing the total value at the end of the year to Rs. 4.45 crores, the depreciation provided on this being Rs. 1.89 crore. Projects in course of completion and development schemes aggregate Rs. 2.51 crores. Trade investments account for Rs. 6.05 lakhs. Current assets are Rs. 4.99 crores, as against Rs. 6.12 crores a year before.

Even at the current high market value of Rs. 41 *cum-div.* (final) the Company's shares provide a yield of 5.0 per cent. per annum, which is not low, having regard to the growth potentialities of the Company and current ideas on equity yields.

METAL CORPORATION OF INDIA

The shares of the Metal Corporation of India Ltd. provided a firm feature in the Calcutta market recently with a sharp rise from Rs. 10.37 at the end of March to a high of Rs. 15.12 early this month. They are being currently placed at Rs. 13.37 on heavy profit-taking. A year ago, the shares were neglected even at a discount of Rs. 3.

The firm trend was a sequel to reports about the Company's expansion programme. It proposes to establish a zinc smelter and to expand the working of its lead-zinc deposits at Zawar in Rajasthan in collaboration with the Dio Tinto Company, Ltd., an international metal company, with its registered office in London. An agreement has been reached between the two firms for providing technical and commercial services to the Indian Company. The agreement is to be ratified by the shareholders of the Metal Corporation at their meeting to be held on the 27th inst.

The Metal Corporation also proposes to issue 1,300,000 new ordinary shares of Rs. 10 each and 100,000 six per cent. tax-free redeemable cumulative preference shares of Rs. 100 each. Both these issues will be made at par. The Rio Tinto has agreed to take up 600,000 ordinary shares and the Indian Steel and Wire Products Ltd., Calcutta, will subscribe to a similar extent. The balance of the 100,000 ordinary shares and the entire preference shares will be offered to the existing shareholders of the Company or to the public at the discretion of the Directors. The Rio Tinto will also make available loans to the Indian firm in accordance with arrangements made with the Government of India.

The Metal Corporation of India was formed particularly for the purpose of acquiring the assets of the Eastern Smelting and Refining Company, Ltd., Calcutta, to carry on the business of lead ore mining and smelting and other non-ferrous mining and metallurgical operations. The smelting works is situated at Tundoo near Katrasgarh, Eastern Railway. The factory is fully equipped for a regular production of nearly 6,000 tons of lead per annum.

The Company is developing the extensive lead, zinc and silver deposits at Zawar in Udaipur, partially developed by the Central Government. Its paid-up capital, as on 31st March 1958, is Rs. 57 lakhs, made up of 500,000 ordinary shares of Rs. 10 each and 7,000 5 per cent. tax-free cumulative preference shares of Rs. 100 each. It has paid dividend on its ordinary shares only once (for 1952) during the last fifteen years of its history.

The Rio Tinto has investments in holding subsidiaries in Canada, Africa and Australia and exploration services in Britain, Canada, U.S., Africa, and Australia. It has also interests in copper mining companies in Northern Rhodesia.

PROFIT OF SHIVRAJPUR SLIGHTLY LOWER

SHORT-TERM OUTLOOK NOT ENCOURAGING

IT is common knowledge that the manganese industry has had a depressing period during the past year, on account of the setback suffered by the steel industry in the U.S. and elsewhere. As an important exporter of manganese ore, India was naturally affected by this development. The situation was aggravated by keen competition from other countries and by the heavy burden of export duty and railway freight. As a result of repeated representations made by the export trade, the export duty was reduced in February 1958. But conditions did not improve and the Government abolished, late in November, this impost on all grades of ore, but enough damage had already been done to the industry. The little benefit which the industry could have gained was affected by the enhancement of the railway freight with effect from 1st October 1958. Strong representations made by the trade have not so far brought any favourable response from the Railway Board.

Viewed against this background, the financial results of the Shivrajpur Syndicate Ltd. for the year ended 30th November 1958 can be considered satisfactory and justify the Directors' recommendation to maintain the distribution to the shareholders. The gross profit for the year, at Rs. 33.26 lakhs, shows a drop of only Rs. 3.87 lakhs and is relatively small as compared with the decline of Rs. 13.08 lakhs suffered in the previous year. The results would have been worse but for the curtailment of the Company's mining operations in the latter half of the year and the forward sales contracted in earlier years. The net profit, which had shrunk from Rs. 18.47 lakhs to Rs. 12.12 lakhs in 1956-57, has fallen further to Rs. 11.57 lakhs in the year under review.

Out of the net profit, the Directors have transferred Rs. 2.75 lakhs to the development rebate reserve, as against *nil* in the previous year and have also raised the allocation to the dividend equalisation reserve from Rs. 2 lakhs to Rs. 3 lakhs. No amount has been added to the mine development and prospecting reserve, which had received Rs. 3.30 lakhs out of the profit for 1956-57. On the contrary, a sum of Rs. 2.73 lakhs has been drawn from this reserve to write off development expenditure. The distribution to the shareholders is unchanged at 80 per cent., made up of a dividend of 50 per cent. and a bonus of 30 per cent., a rate which the Company has been paying from 1952-53 onwards. The high rate of dividend reflects undercapitalisation. For long, the management did not take steps to capitalise reserves. By the time it decided to rectify this anomaly, the penal tax of 30 per cent. on bonus shares had come into existence and the idea had to be abandoned. The dividend would appear modest when related to actual capital employed. It is a pity that the management has not given this figure in the Directors' report. Here is an example of poor public relation work, a characteristic feature of the private sector, in general, in this country.

The following comparative table shows the progress of the Company in recent years:

(In lakhs of rupees)

	For the year ended 30th November			
	1958	1957	1956	1955
Sale proceeds of ore	1,44.60	1,73.99	1,63.08	1,15.23
Closing stocks	23.19	24.24	34.46	37.91
Export duty on ore	10.25	20.35	5.31	..
Expenses	1,01.35	1,08.22	1,05.19	87.64
Gross profit	33.26	37.13	50.21	36.70
Managing Agents' commission..	2.92	3.37	5.74	3.03
Provision for—				
Depreciation	4.27	5.89	4.50	3.60
Taxation	14.50	15.75	21.50	12.25
Net profit	11.57	12.12	18.47	16.92
To reserves and other funds ..	5.87	6.09	13.04	11.23
Transfer from reserves ..	2.73	..	..	..
Development and other expenses written off ..	..	..	..	..
Dividend	2.77	..	5.60	5.60
	5.60 (D. 50% +B. 30%)	5.60 (D. 50% +B. 30%)	5.60 (D. 50% +B. 30%)	5.60 (D. 50% +B. 30%)
Carry forward	0.53	0.52	0.09	0.22

The Company's output amounted to 91,626 tons, as against 92,748 tons in the previous year. Production would have been higher but for the curtailment of mining operations in the latter half of the year, for reasons already mentioned. Even so, it is very much more than that (of 83,238 tons) in 1955-56, as a result of progress made in implementing development schemes and expansion programmes. Shipments and sales aggregated 91,452 tons, having declined from 114,337 tons in 1956-57 and 117,482 tons in 1955-56. These would have been lower still, had it not been for the forward sales contracted in earlier years. The Company had been granted a quota of 59,130 tons for movement and export of manganese ore, in respect of the year from 1st July 1958 to 30th June 1959. This quota was the same as that given for the year 1957-58. Out of this, the Company was able to ship only 8,914 tons up to the end of November 1958, as against 30,411 tons in the corresponding period of 1957. The Company has, however, entered into contracts with foreign buyers for 43,500 tons for delivery during 1959.

In view of the need for funds for development projects at the mines, the Company issued, since the close of the year under review, 35,000 ordinary shares of Rs. 10 each to the existing shareholders in the ratio of one new share for every two shares held by them. The issue was oversubscribed. The paid-up capital, as at the close of the year under review, at Rs. 7 lakhs is supplemented by reserves and surplus amounting to Rs. 65.40 lakhs. There has been an addition of Rs. 17.44 lakhs to the gross block during the year (this is on top of Rs. 19.14 lakhs spent in 1956-57), bringing the total value at the end of the year to Rs. 92.16 lakhs. The depreciation provided so far on this gross block is Rs. 33.75 lakhs, so that the written down value of the block account is Rs. 58.41 lakhs. The capital works-in-progress account for Rs. 1.07 lakh. Investments and current assets amount to Rs. 82.76 lakhs, which more than adequately cover the current liabilities and provisions at Rs. 69.84 lakhs.

The Directors are not very hopeful of the short-term outlook for the Company, "as there seems to be little hope of any appreciable improvement in the near future." The management is, however, taking all necessary steps to ensure maximum economies in the working of the Company's mines.

Presumably, in view of this none too encouraging short-term outlook, the shares of the Company have dipped to a low of Rs. 99 as on Friday last from Rs. 105 touched in the previous week, in distinct contrast to the general buoyancy in the share market. They are, however, being currently quoted at Rs. 100 *cum-div.* On an *ex-div.* basis, the yield on them works out to 8.7 per cent. per annum, free of income-tax.

KOHINOOR MILLS

The Chairman of the Kohinoor Mills Company, Ltd., Mr. A. N. Haksar, had good news for the shareholders of the Company at their annual meeting held on the 7th inst. Addressing them on the occasion he struck a note of confidence that the steps that had been taken by the management to improve the working of the mills would enable the Company "to regain the eminent position" it once held. The various steps taken by the management are:

(1) A scheme of modernisation and rehabilitation has been drawn up. The first part of the programme has been set in motion, costing so far Rs. 60 lakhs. It is expected to be completed in a year or two. The main aim so far has been to alter the spinning machinery in order to achieve more efficient spinning of short-staple cotton which the mills are now forced to use. Out of the Rs. 60 lakhs, about Rs. 42 lakhs will be spent on installing new ring frames and modernising some of the existing ones. In order to improve the quality, the Company has obtained a licence to import combers which will improve the combing capacity by 25 per cent. The balance of the programme will be devoted to purchasing more finishing machinery and to the rehabilitation of a number of looms.

(2) Rationalisation of the Mill's labour force has been undertaken. Thanks to the award of the Industrial Court, the Company's labour force has been reduced by 400 men. This does not involve payment of any compensation, as these workers were only temporary employees. The benefit of rationalisation will begin to accrue from the current month.

(3) A concerted drive has been launched to reduce miscellaneous expenses.

(4) Attempts are being made to increase the volume of the Company's exports. A certain measure of success has already been achieved in this direction. With the better quality products to be obtained as a result of modernisation, export sales will be increased in the second half of the year.

On the prospects for exports, Mr. Haksar uttered a note of warning to the effect that competition from other countries had become stronger and would undoubtedly become even more formidable when the effect of the current low prices of foreign cotton was felt in the export markets of the world. He went on to add: "With more efficient machinery and a more rational employment of labour, mills in the main exporting countries are at present purchasing their cotton in some instances at prices considerably lower than those we have to pay for Indian cotton. I am sure that, unless urgent measures are taken to bring the price of Indian cotton down, India may find that she will suffer an even greater recession in export sales."

In this connection, the Chairman of the Kohinoor Mills suggested that exports of cotton should be freed completely, as long as the price of foreign cotton remained at the current low levels. Analysing the effect of this step, Mr. Haksar observed: "As I see it, the effect of this would be to reduce the price of all Indian cottons from the best to the cheapest. If this were to happen, exports of fabrics made from Indian cotton could be sold cheaper as likewise the exportable varieties of raw cotton. In my opinion, the volume of export trade that would be generated would go a long way to paying for the raw cotton that would be imported as a result of free licensing. I say this, although I am well aware of the difficulties which face the Government in their search for foreign cotton."

Mr. Haksar referred to the shareholders' criticisms at last year's annual meeting and the appointment of a Directors' sub-committee to go into these criticisms. He said that the three-man sub-committee made a thorough investigation and its recommendations had been implemented. In conclusion, he counselled the shareholders to be patient, as he was sure that, within a reasonable time, the Mills' working would show a definite improvement.

Replying to shareholders' questions, the Chairman said that the real benefits of the Company's renovation programme would be reflected in its working during 1961. He expressed his inability to comment on the possibility of further retrenchment of workers, but he promised to go into the proposal for closing the third shift on the spinning plant, if that could help matters.

The Company has dropped the plan for establishing a nylon plant in collaboration with a Dutch company.

Out of the Company's total production in 1958, superfine goods accounted for about 5 per cent., fine goods for 7 per cent., medium for 78 per cent. and coarse for 10 per cent.

CENTURY SPINNING AND MANUFACTURING COMPANY, LIMITED

The annual meeting of the Century Spinning and Manufacturing Company, Ltd., held on Friday last, evoked keen interest among the shareholders who elicited some vauable information from the Chairman on the working of the Company during the past year, which is of interest to investors. Answering the shareholders' questions, Mr. R. D. Birla, Chairman, said that the Company's production of cloth consisted mainly of coarse and medium varieties, accounting as they did for 89 per cent. The share of fine and superfine cloth was only 11 per cent. The output of rayon yarn during 1958 amounted to 9.235 million lbs. Out of the total sale proceeds of Rs. 10.60 crores, as much as Rs. 6.95 crores came from cotton textiles, Rs. 3.04 crores from rayon yarn, Rs. 55 lakhs from cotton and staple fibre yarn, but mostly the latter, and Rs. 7 lakhs from cotton waste. Most of the cloth produced by the Company was sold in the domestic market, while exports constituted no more than 16 per cent. of the total sales, fetching Rs. 1.14 crore.

It was generally known that the bulk of the Company's bumper profit in 1958 came from the rayon section. Confirming this, Mr. Birla disclosed that, out of the gross profit of Rs. 1.29 crore (after writing off capital issue expenses), no less than Rs. 1 crore was from rayon and the balance from cotton textiles. It will thus be noted that, on a sale of Rs. 6.95 crores of cotton textiles, the gross profit amounted to a mere Rs. 29 lakhs or 4.2 per cent., while the profit margin on rayon was about 30 per cent. This gives an idea of the extent to which the Government's fiscal policy has hit the cotton textile industry and has driven many of its units to diversify their production by taking to synthetic fabrics and fibres.

The Chairman, however, disclosed that the additional amount of Rs. 1.72 crore proposed to be spent on the rayon plant was not for expanding the capacity of the plant from the existing rate of 12 tons per day, but for diversifying production to cover finer deniers. He added that the recent strike at the rayon factory brought about a loss of production of 350,000 lbs. of rayon yarn.

The tax liability of the Company had been settled up to 1955 and adequate provisions had been made for liability thereafter. The L.I.C. holds 10,520 ordinary shares and 25,000 preference shares of the Company. These represent 8.6 per cent. and 20 per cent., respectively, of the total number of shares issued by the Company.

STATISTICAL POSITION OF COFFEE

Almost all coffee growing districts received blossom showers in April 1959. Although late, these showers were sufficient and widespread in all districts except in certain parts of Hassan and North Coorg districts, where they were insufficient. The present expectations are that the 1959-60 crop, though not as big as originally anticipated, will be about the same as the crop that has been just harvested. The latest estimate of 1958-59 season's crop as revised by the Marketing Committee on 1st May 1959 stands at 45,430 tonnes, comprising of 19,050 tonnes Plantation, 7,020 tonnes Arabica Cherry and 19,360 tonnes Robusta. This is by far the biggest Robusta crop picked so far, the previous best being 14,710 tonnes picked in 1957-58.

The internal offtake of coffee in April 1959 amounted to 2,501 tonnes, bringing the total for the first four months in 1959 to 10,000 tonnes, which compares with the offtake of 8,340 tonnes for the same period last year. During the period January-April 1959, the quantity sold for export amounted to 6,903 tonnes, comprising of 6,526 tonnes Plantation and 377 tonnes Arabica Cherry. This includes 1,600 tonnes sold to German Democratic Republic and 80 tonnes sent to London under the Quality Control Programme. Against 300 tonnes earmarked for sale on consignment basis, 228 tonnes have been shipped to London.

COMPANY MEETINGS AND DIVIDENDS

CALEDONIAN JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 27th May 1959. Dividend: Rs. 15.00 per share (includes interim dividend of Rs. 3.00 per share). Transfer books remain closed from 13th to 27th May 1959, both days inclusive.

CHEVIOT JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 27th May 1959. Dividend: Rs. 5.00 per share. Transfer books remain closed from 13th to 27th May 1959, both days inclusive.

KYANG TEA SEED CO., LTD. Annual General Meeting, Calcutta, 28th May 1959. Dividend: 5 per cent. or Re. 0.50 per share. Transfer books will remain closed from 20th to 28th May 1959, both days inclusive.

SHOLAPUR SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 28th May 1959. Dividend: *Nil.* Transfer books remain closed from 14th to 28th May 1959, both days inclusive.

GUEST, KEEN, WILLIAMS, LTD. Annual General Meeting, Calcutta, 29th May 1959. Dividend: Re. 1.20 per share (final), for the 53 weeks ended 3rd January 1959. Transfer books remain closed from 15th to 29th May 1959, both days inclusive.

CEAT TYRES OF INDIA LTD. Annual General Meeting, Bombay, 29th May 1959. Transfer books remain closed from 11th to 29th May 1959, both days inclusive.

GODFREY PHILLIPS INDIA LTD. Annual General Meeting, Andheri, Bombay, 29th May 1959. Dividend: Rs. 2.00 per share. Transfer books will remain closed from 23rd to 29th May 1959, both days inclusive.

KIRLAMPUDI SUGAR MILLS LTD. Annual General Meeting, Pithapuram (East Godavari District), 30th May 1959. Dividend: *Nil.*

TIDE WATER OIL CO. (INDIA) LTD. Annual General Meeting, Calcutta, 2nd June 1959. Dividend: Re. 1.50 per share (includes interim dividend of Re. 0.50 per share). Transfer books will remain closed from 19th May to 2nd June 1959, both days inclusive.

CAWNPORE SUGAR WORKS LTD. Annual General Meeting, Kanpur, U.P., 2nd June 1959. Dividend: *Nil.*

MODERN MILLS LTD. Annual General Meeting, Bombay, 9th June 1959. Dividend: Rs. 3.00 per share, payable on and after 22nd June 1959. Transfer books remain closed from 12th May to 3rd June 1959, both days inclusive.

TRAVANCORE OGALE GLASS MANUFACTURING CO., LTD. Annual General Meeting, Alwaye, Kerala State, 12th June 1959. Dividend: 4 per cent. or Re. 0.40 per share, payable on and after 13th July 1959. Transfer books will remain closed from 1st to 12th June 1959, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Dividend of Rs. 10.0 per ordinary share, free of tax, for the year ended 31st December 1958. Transfer books will remain closed from 2nd to 22nd June 1959, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Final dividend of Re. 1.00 per share, free of income-tax, for the year ended 31st December 1958.

KAMANI ENGINEERING CORPORATION LTD. Dividend of Re. 0.50 per share, for the year ended 30th September 1958, payable on 22nd June 1959. Transfer books will remain closed from 21st May to 11th June 1959, both days inclusive.

NENMENY RUBBER AND PRODUCE CO., LTD. Dividend of 15 per cent. or Re. 1.50 per ordinary share, for the year ended 31st December 1958. Transfer books will remain closed from 23rd to 29th June 1959, both days inclusive.

UDAYAGIRI RUBBER CO., LTD. Dividend of 7½ per cent. or Re. 0.75 per ordinary share, for the year ended 31st December 1958. Transfer books will remain closed from 23rd to 29th June 1959, both days inclusive.

NATIONAL RUBBER MANUFACTURERS LTD. Dividend of 6 per cent. or Re. 0.60 per ordinary share, for the year ended 31st December 1958.

SAVAMALAI ESTATES LTD. Dividend of 12½ per cent. or Re. 0.25 per share, for the year ended 30th November 1958.

PARKSIDE (NEILGHERRY HILLS) ESTATE CO., LTD. Interim dividend of 7½ per cent. or Re. 0.75 per share, for the year ending 30th June 1959. Transfer books will remain closed from 22nd to 31st May 1959, both days inclusive.

KRISHNA INDUSTRIAL CORPORATION LTD. Dividend of 10 per cent. or Re. 1.00 per share, for the year ended 30th September 1958. Transfer books will remain closed from 1st to 8th June 1959, both days inclusive.

RAJALAKSHMI MILLS LTD. Dividend of 6 per cent. or Rs. 3.00 per ordinary share, for the year ended 31st December 1958.

COMPANY REGISTRATIONS

PRESS SYNDICATE LTD. Business: To print, publish, circulate newspapers, etc. Authorised capital: Rs. 25,00,000. Public company. Address: Army and Navy Building, 148, Mahatma Gandhi Road, Bombay.

STEEL PLANT PRIVATE LTD. (First Director: Mr. Moti Rijhumal Tadhani.) Business: Civil, mechanical and electrical engineers. Authorised capital: Rs. 5,00,000. Private company. Registered office of the company will be situated in the State of Bombay.

SYNOPSES OF COMPANY REPORTS

Polson Ltd.

THE directors of the above Company (Managing Agents: Messrs. Polson Agencies Private Ltd.) present the audited accounts of the Company for the year ended 31st December 1958.

The net profits after providing for managing agents' commission, depreciation and provision for taxation, amount to Rs. 4,31,884 (Rs. 6,77,898) which with the sum brought forward from the preceding year's accounts of Rs. 64,830 (Rs. 45,762) make a total of Rs. 4,96,714 (Rs. 7,23,660). From this amount the directors have transferred to development reserve Rs. 58,802 (Rs. 73,137) leaving a balance available for distribution of Rs. 4,37,912 (Rs. 4,00,830 after transferring Rs. 1,99,693 to rehabilitation reserve and Rs. 50,000 to reserve fund.) From this amount, the directors recommend payment of a dividend of Rs. 6.00 (subject to deduction of income-tax) per share on the preference shares absorbing Rs. 1,20,000 (Rs. 1,20,000) and a dividend of Rs. 10.00 (Rs. 10.00) per share, free of income-tax, on 26,978 (21,600) ordinary shares absorbing Rs. 2,69,780 (Rs. 2,16,000) leaving a balance of Rs. 48,132 (Rs. 64,830) to be carried forward.

Although the sales of the Company's products raised from Rs. 1.01 crores in 1957 to Rs. 1.08 crores during the year under review, the net profits were lower by Rs. 1.36 lakhs. The rise in the price of milk has contributed to an increase in the cost of production and a reduction in the margin of profit.

The production at the Patna Dairy was not satisfactory owing to irregular supply of cream and labour troubles. Continuous efforts are being made to regularise the supply of cream and to improve relations with workmen.

The additional depreciation allowable upto the assessment year 1958-59 has not been provided for during the year under review, since the relevant provision has not been renewed under the Finance Bill 1959. Therefore the normal depreciation and development rebate have been taken into account.

The Company's export of coffee during the year has increased by rupees one lakh to Rs. 9,92,322.

Out of the 5,400 bonus shares issued to the members of the Company, 88 fractional certificates representing 22 shares are still outstanding. The last date for redemption of the fractional certificates is, therefore, extended till the 30th June 1959.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	46,94,500	Gross block	65,52,811
Reserves ...	24,05,554	Less—Depreciation ...	16,34,991
Provision for taxation ...	1,62,481	Net block ...	49,17,820
Liabilities ...	12,14,835	Raw materials ...	10,39,781
Profit ...	48,132	Finished goods	7,11,323
		Stores, spare parts, etc.	6,05,236
		Debts, deposits and advances ...	6,28,202
		Investments	3,235
		Cash ...	6,19,905
Rs.	85,25,502	Rs.	85,25,502

Godfrey Phillips, India, Ltd.

The directors of the above Company (Chairman: Mr. D. S. Barron, Bombay) submit the audited accounts of the Company for the year ended 31st December 1958.

The Company made a net profit after provision for taxation, depreciation and all other charges, of Rs. 9,89,772 (Rs. 7,51,831). To this amount is added the balance brought forward from last year of Rs. 10,90,318 (Rs. 13,04,518) and excess provisions less short provisions for previous years Rs. 30,509 (*nil*) making a total of Rs. 21,10,599 (Rs. 20,56,349). Of this sum the directors have decided to transfer to development rebate reserve Rs. 40,000 (nil) and to gratuity reserve Rs. 1,23,000 (Rs. 57,000) leaving a balance of Rs. 19,47,599 (Rs. 18,03,343 after providing Rs. 1,96,006 towards short provisions *less* excess provisions for previous years). Out of this amount the directors recommend payment of a dividend on the preference shares at 5½ per cent. per annum subject to tax, absorbing Rs. 1,13,025 (Rs. 1,13,025) and a dividend on the ordinary shares at 20 (15) per cent. per annum absorbing Rs. 8,00,000 (Rs. 6,00,000) leaving a balance to be carried forward to next year of Rs. 10,34,574 (Rs. 10,90,318).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Gross block	68,41,943
Reserves ...	4,40,000	*Less*—Depreciation ...	36,78,212
Provision for taxation ...	14,75,000		
Liabilities ...	65,39,432	Net block ...	31,63,731
Profit ...	10,34,574	Goodwill ...	62,587
		Stock-in-hand	90,17,469
		Stock-in-transit ...	559
		Debts, deposits and advances ...	41,29,682
		Cash ...	1,14,978
Rs.	1,64,89,006	Rs.	1,64,89,006

South Karanpura Coal Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] present the audited accounts of the Company for the year ended 31st August 1958.

Raisings and Despatches.—193,010 tons of coal were raised and 182,200 tons were despatched during this period compared with 187,703 tons raised and 186,382 tons despatched during the previous year.

The policy of gradual restriction of the output from opencast mining at Sirka Proper by reducing and diverting the labour force to underground mining at West Sirka continued successfully throughout the period. At West Sirka the two crosscut inclines went into full production during the year but due mainly to difficult natural and geological conditions in the East Crosscut it was not possible to achieve the target output of 15,000 tons per month set for these two inclines.

Wagon supplies were erratic from time to time but on the whole were more satisfactory than in some previous years.

The Tripartite Implementation Committee constituted by Government to interpret correctly certain portions of the Labour Appellate Tribunal Award finished its deliberations in February 1958. Agreement was reached on a number of points and the Award has been fully implemented in practically all respects. The relations with Labour were on the whole satisfactory during the year under review.

The profit and loss account after providing for all charges and making provision of Rs. 1,70,204 (Rs. 1,11,561) for taxation, Rs. 16,000 (Rs. 25,000) for wealth tax and Rs. 1,20,103 (Rs. 1,00,835) for depreciation shows a profit of Rs. 2,00,807 (Rs. 2,10,133). To this is added the balance brought forward from the previous year of Rs. 8,739 (Rs. 9,794 after deducting directors' commission of Rs. 613) making a total of Rs. 2,09,546 (Rs. 2,89,927 after transferring Rs. 70,000 from general reserve). From this amount there has been transferred to development reserve Rs. 25,000 (*nil*) to development rebate reserve Rs. 5,500 (Rs. 3,200) and to statutory development rebate reserve Rs. 33,700 (*nil*) leaving a balance of Rs. 1,45,346 (Rs. 1,39,989 after transferring Rs. 15,300 to tax contingency reserve and Rs. 1,31,438 for provision for payments under Appellate Award). The interim dividend declared on 18th December 1958, on ordinary shares without any deduction for income-tax payable by the Company absorbed Rs. 64,750 (*nil*) leaving a balance available of Rs. 80,596 (Rs. 1,39,989). The directors propose to dispose of this amount as follows:—

By payment of a final dividend at 3.8 (7½) per cent. making a total of 7½ (7½) per cent. per annum on 1,75,000 ordinary shares without any deduction for income-tax payable by the Company absorbing Rs. 66,500 (Rs. 1,31,250) and by carrying forward Rs. 14,096 (Rs. 8,739).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,50,000	Gross block	43,52,233
Reserves ...	10,74,481	*Less*—Depreciation ...	18,15,639
Provision for taxation ...	2,83,284	Net block ...	25,36,594
Provision for wealth tax	28,899	Work-in-progress ...	30,522
Liabilities ...	3,46,587	Stock-in-trade	1,47,578
Profit and loss account ...	14,096	Stores and loose tools	2,02,472
		Debts, deposits and advances ...	10,44,178
		Investments	32,997
		Cash ...	3,006
Rs.	39,97,347	Rs.	39,97,347

Cawnpore Sugar Works, Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland and Co. (Private) Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 31st October 1958.

The results for the year, after making the usual provisions for taxation, depreciation and adjustments, show a loss of Rs. 13,63,218 (Rs. 9,27,781). To this has to be added provision for development rebate reserve of Rs. 25,000 (nil) and loss carried forward from the previous year Rs. 8,35,790 (credit of Rs. 91,991) leaving at debit of profit and loss account Rs. 22,24,008 (Rs. 8,35,790).

The adverse trading results during the year have again been primarily due to the heavy losses incurred at Padrauna and Kathkuiyan Factories. The reasons for the heavy losses at these two Units are due to the relatively poorer yields of sugar from the cane coupled with considerable mechanical difficulties in operating the factories by virtue of the High Court order restraining the Company from undertaking any overhaul or replacing worn out machinery. The court restrictions have now been raised and the future prospects for these two Units appear to be brighter.

The relative figures for the cane crushed and the sugar made in the season 1957-58 are as follows:—

	Cane crushed Mds.	Yield Per cent.
Marhowrah Factory ..	31,25,104 (29,17,602)	9 70 (9 10)
Gauri Factory	21,77,710 (22,10,770)	10 33 (10 23)
Kathkuiyan Factory ..	20,04,414 (17,66,162)	9 65 (9 20)
Padrauna Factory ..	27,80,365 (24,66,331)	9 05 (8 73)

The poor yield of sugar from cane at Marhowrah Factory contributed also to the poor trading results over the year. The poor quality of sugarcane continues to have the attention not only of the directors but of the Industry and the Government.

The title of the Company to Kathkuiyan Factory is now absolute and considerable rearrangement and overhaul was carried out in the off-season 1958 which has proved of immediate value in the operation of Kathkuiyan Factory in the current season. While the Padrauna Factory case is not yet clear, there is now no restriction on the Company improving the efficiency of this Factory to stop the losses and in due course to render it a paying concern.

The cane price remained at the previous rate of Re. 1-7-0 per maund at the Factory gate and Re. 1-5-0 per maund at out-stations. The sugar prices were arbitrarily fixed by the Government of India and as from the 30th of July 1958 no sugar produced by the Company's Factories was sold above the statutory price of Rs. 36.00 for D/29 quality. The Industry has vigorously protested against the imposition of a low fixed price of sugar and the Government of India have now decided to refer the matter of sugar prices to the Tariff Commission. Sugar prices remained firm throughout the year and with the exception of Kathkuiyan Factory all sugars were sold at controlled rates.

The values of sugar in stock as at the 31st of October 1958 have been valued at the Government controlled prices.

While a good deal of overhaul and a certain amount of reconstruction was undertaken prior to the current season in Padrauna and Kathkuiyan, this had to be done from the Company's own resources as all efforts to obtain finance for reconstruction have so far failed. The directors, however, continue to pursue the matter of additional finance for rehabilitation to make Padrauna and Kathkuiyan profit making Units. The efficiency of Marhowrah and Gauri Factories was maintained at a high level.

The Marhowrah Distillery worked continuously throughout the year and the market for spirit continuous to improve.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Gross block	1,64,83,531
Reserves ...	63,02,047	Less—Depreciation ...	98 80,069
Liabilities ...	89,60,739	Net block ...	66.03,462
		Machinery in course of installation	4,26,826
		Stock-in-trade	33,73,264
		Stores, spare parts and loose tools	36,29,560
		Goods-in-transit ...	2,276
		Debts, deposits and advances ...	24,55.974
		Investments	2.63.963
		Cash ...	2,83,453
		Profit and loss account ...	22.24,008
Rs.	1,92,62,786	Rs.	1,92,62,786

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

NEW LIFE INSURANCE BUSINESS

New life insurance business figures for the first four months, 1st January 1959 to 30th April 1959, show that there has been an all-round increase in the proposed business in all the five zones while completed business showed a rise in all but one zone. Business proposed in all the zones taken together amounted to Rs. 86.34 crores, as against Rs. 66.22 crores in the same period last year. Completed business during the period in all the zones aggregated Rs. 48.78 crores, representing a rise of Rs. 5.55 crores over the corresponding figure for the same period last year.

The following table gives the zone-wise breakdown of the new business proposed and completed:

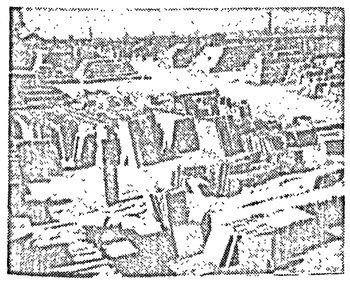
	Business proposed		Business completed	
	1959	1958	1959	1958
Northern ..	11.86	10 00	6.40	6.49
Central ..	12 62	8.49	6.53	4.47
Eastern ..	18.71	13 81	9.92	9.13
Southern ..	21.43	17.70	13 02	12.00
Western ..	21.72	16.22	12.91	10.54
Total ..	86.34	66.22	48.78	43.23

The Western zone, as can be seen from the table, leads with business proposed amounting to Rs. 21.72 crores whereas the Southern zone tops the list in respect of completed business.

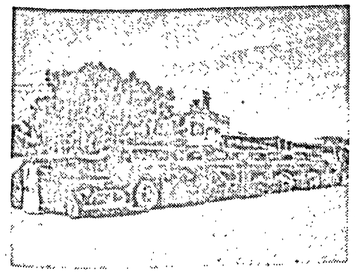
The number of new policies issued during the period also shows a considerable increase over the figure for the corresponding period of 1958. Thus new policies issued aggregated 147,519, as against 132,406 in the same period last year.

New foreign business has also recorded a sharp rise, thanks to the intensive efforts made by the Corporation to canvass business abroad and the visit of the Corporation's Chairman, Mr. P. A. Gopalakrishna, to East Africa and more recently to Malaya and Singapore. New foreign business written by the Corporation during the first four months of this year amounted to Rs. 1.23 crore, as compared with a mere Rs. 50 lakhs during the same period last year.

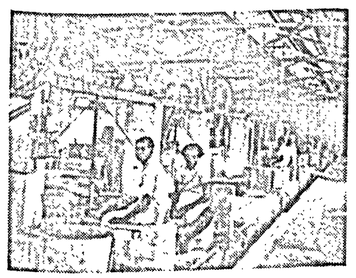
Shri Mohanlal Sukhadia, Chief Minister of Rajasthan, being welcomed by Seth Hiralal M. Parikh, Director of the Company, to the workshop.



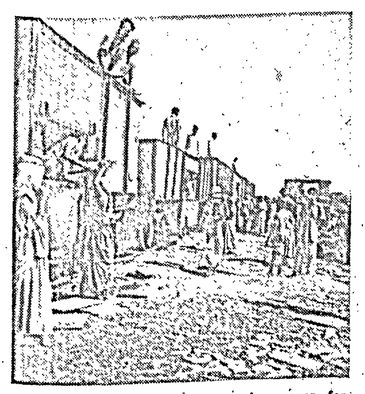
Flooring Stones stacked after excavation from the quarry.



Company's trucks line up for transporting flooring stone from quarry to the railway station.



Some of the machines for polishing stone.



Workers loading flooring stones in wagons for despatch to different centres.

STORY OF 'KOTAH' STONE

From the Quarries to the Finished Stage

The little wayside station of Ramganjmandi on the Western Railway is buzzing with activity these days. There is huge stock-pile of flooring stone in the yard and hundreds of workmen are loading the railway wagons with the beautiful polished "Kotah" Stone to be despatched to distant places in India.

Ramganjmandi is the headquarters of The Associated Stone Industries (Kotah) Ltd., the Company which takes pride in marketing polished flooring stone in India. Here the Company has its own workshop, where the rough stone is polished by mechanical devices. Even the machinery for polishing stone is fabricated in its own Workshop. The Associated Stone Industries have their own generating sets for electricity and the power for lighting the Ramganjmandi Railway Station is supplied by the Company.

Though apparently a barren tract, this area of Rajasthan contains large deposits of limestones. The quarries run continuously from north to south, and are opened out along the direction of strike and worked forward in the direction of the dip of the limestone strata towards the west. The thickness of different useful beds varies from a few inches to as much as two feet, the planes of cleavage further dividing the bed into sheets of marketable thickness of ¼ inch to 2 inches. These beds are reached after an overburden of some six feet of earth and rock at the top. The quarries are usually worked to a depth of about 50 feet. Most of the sheets are obtained in grey colour with a small proportion of green and yellow.

Water is met with at a certain depth, varying with seasons, below ground and the Company has a large number of pumping sets to pump the water out of the quarries.

Hundreds of manual workers and stone chiselers are employed by the Company for quarrying operations.

After the slabs are brought to the surface, a large fleet of Company's trucks carry the marketable produce to the railway station.

Before The Associated Stone Industries started their operations, there were fourteen contractors engaged in quarrying operations in this area. The resources of these contractors were limited and the industry was in a pitiable condition. The contractors were engaged in cut-throat competition among themselves.

Realising the sorry plight of this industry, His Highness the Maharao Bahadur of Kotah took steps to rationalise the industry by having the quarries exploited in a scientific manner, thus eliminating wastage and reducing the cost of production. These mines are situated in the Tehsils of Chechat and Ramganjmandi, and the then Government of Kotah thought that it would be better to place the industry under one management. The Kotah State rescinded its policy of leasing out small pits to different contractors. It was in these circumstances that The Associated Stone Industries (Kotah) Ltd. was formed in 1945 to give a concrete shape to the new policy of the Kotah State. His Highness the Maharao Saheb Bahadur of Kotah granted a lease of 15 years to the Company to exploit the quarries.

The Company started its life from 1945 with a subscribed capital of Rs. 12,50,000. In the beginning it had some initial difficulties in setting up its huge structure, but it is gratifying to note that under the able guidance of the Director-in-charge, Shri Hiralal M. Parikh, the Company not only could establish itself efficiently within the shortest possible period but it started giving dividends to its shareholders from the very first year of its working.

The production and sale of the limestone extracted by the Company from the quarries has increased considerably from year to year.

The production of stone which was 33,18,000 sq. ft. in 1944-45 has now reached a record figure of 1,31,61,000 sq. ft. in 1957-58. Similarly, sales in 1944-45 were 27,42,000 sq. ft. which stand at 1,43,91,000 in 1957-58. It will thus be seen that the figures of production and sales are more than four times that of the first year of the Company's working.

During this period the Company had to face, on several occasions, acute shortage of wagons and at times serious labour crisis also, but these temporary tides were overcome by the dextrous handling of the situation by the management and such eventualities were not permitted to scale down the production and sale of the Company.

The market, worth the name, where "Kotah" stone could find a due place were the Gujarat and Saurashtra markets alone. Northern, eastern and southern parts of the country were unknown to it. It is on account of the Herculean efforts of the Company alone that today "KOTAH STONE" is not only hailed as a symbol of modernised flooring, but the growing demands for the stone even from the farthest cities like Bombay, Calcutta, Madras, Kanpur, Chandigarh and Tiruchirapalli, etc., is a clear indication of the fact that "Kotah" Stone has also been hailed as a substitute for the foreign marble, the import of which is banned on account of the stringent foreign exchange position.

"Kotah Stone," it can be rightly claimed, has not only served the fine taste of the owners of the buildings by providing them with a material for ornamental pavements, but has also indirectly helped the Government to ease the exchange position by supplying a substitute for the foreign marble.

It is a matter of pride for the Company to see the President of India walking every morning on KOTAH STONE which is fixed in the RASHTRAPATI BHAVAN.

Important buildings of the country like the following are adorned with "Kotah Stone."

1. Rashtrapati Bhavan, New Delhi. 2. New Railway Station Buildings—Churchgate (W. Rly.), Bombay—New Delhi (N. Rly.), New Delhi, —Jaipur (W. Rly.), Jaipur—Allahabad (N. Rly.), Allahabad. 3. New Secretariat Buildings, Bombay,—Jaipur,—Chandigarh. 4. Hindustan Lever Ltd.,—Tiruchirapali,—Calcutta. 5. Heavy Electricals Private Ltd.,—Bhopal. 6. Birla Education Trust Bldg.,—Pilani. 7. Medical College of Technology, Hubli. 8. P. S. G. College of Technology, Coimbatore. 9. Central Board of Revenue Bldg., New Delhi. 10. Tata Institute of Fundamental Research, Colaba, Bombay. 11. Banaras Hindu University Bldg., Banaras, 12. New Reserve Bank of India Building, Madras. 13. Hindustan Sugar Mills Ltd., Golagokarnnath. 14. Almost all University Buildings and College Buildings of Bombay State.

When the Company started working it had a small Polishing Factory, but with the lapse of time and with the increasing popularity of its product the factory also grew in size in such a proportion that today they are not only the pioneers in this branch but the Polishing Factory can be claimed to be the biggest Polishing Factory in India, which also manufactures the machinery that is used for stone cutting, polishing, etc. The Company has also started, along with the polishing of the slabs, edge cutting and repolishing of the stone to bring its product to the level of the imported marble.

The Company can claim to its credit a fair deal to its workers. With the expansion of the business of the Company, more and more funds were made available for labour welfare, i.e., for the scholarship of children, maternity benefit, playgrounds, games, and entertainment by means of cinema shows, etc., which have now become a regular feature of the welfare work. A club with beautiful swimming pool and well-laid-out gardens has been started for the recreation of the employees of the Company.

In spite of the seasonal labour, the Company has been very considerate in fixing the wages of the labourers which compare very favourably with the wages given by such concerns in India. It will not be an exaggeration to say that no better wages are paid to the labourers by any other similar industry anywhere in India as is paid by this Company. Seasonal nature of the labour was not permitted to come in the way to introduce the Bonus scheme also and for the last 10 years Bonus is being paid to all the permanent employees as well as to labourers who put in at least 100 days' work in a year. The figures of Bonus given to the labourers and the employees of the Company as given herein would show that the workmen get an additional advantage as compared to other industrial concerns, of getting more contribution by the Company to the Provident Fund than what is usually contributed by the employers.

Year	*Bonus paid*	*Contribution to Provident Fund*
	Rs.	Rs.
1948-49	6,686	—
1949-50	23,568	—
1950-51	85,835	—
1951-52	40,584	9,009
1952-53	43,256	10,684
1953-54	53,661	12,278
1954-55	45,404	13,063
1955-56	60,633	12,787
1956-57	75,996	14,767
1957-58	70,090	15,547

The birth of the Company has not only ameliorated the condition of its employees and labourers alone, but it has also benefited the community in general in various ways. The existence of the Company has cast a spell of prosperity in the vicinity of its field of action, where generally income from agricultural enterprise is bare minimum and their economy is not supplemented from any other trade or industry. The working of the Company has made open new avenues for the agriculturists of this region to increase the sources of income and the existence of the Company is a boon to poor tenantry which has been considerably helped to improve their bare economy. The philanthropic aptitude of the Company has injected life and prosperity in various organisations working for the welfare of the people in their own way in this region. The Company has made considerable contribution in this direction in these years of its working.

ISSUED BY

THE ASSOCIATED STONE INDUSTRIES (KOTAH) LTD.

Notices

THE FERTILISERS AND CHEMICALS, TRAVANCORE, LIMITED

(Incorporated in Kerala State Liability of Members Limited)

ALWAYE

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Fifteenth Annual General Meeting of the Company will be held at the Registered Office of the Company at Eloor, Alwaye, on Wednesday the 15th of July 1959, at 4 p.m., to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December 1958.
2. To declare a Dividend.
3. To appoint a Director in place of Seth Mulraj Kersondas who retires by rotation under Article 88 but who is eligible for reappointment.
4. To appoint a Director in place of Sri K. Srinivasa Karayalar who retires by rotation under Article 88 but who is eligible for reappointment.
5. To consider the question of filling up the place of a Director which was kept vacant by resolution of the Company at the last Annual General Meeting and if thought fit to appoint a Director to fill up the vacancy.

The Share Transfer Books of the Company will be closed from 6th July 1959 to 15th July 1959, both days inclusive.

All shareholders are requested to be present in person or by proxy. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member.

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

ELOOR, ALWAYE, *8th May* 1959.

Note:—The dividend, if sanctioned, will be made payable on or after the 15th of August 1959 to those shareholders whose names stand on the register as on the 15th of July 1959.

THE NAIHATI JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the abovenamed Company will be held at the Registered Office, No. 33, Netaji Subhas Road, Calcutta-1, on Thursday, the 11th June, 1959, at 3 p.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1958 and to receive the Directors' and Auditors' Reports thereon.
2. To appoint Auditors and fix their remuneration.
3. To place the notice of the resignation of the Managing Agents together with the Statement of Affairs, Balance Sheet, Profit and Loss Account and Auditors' report thereon as required under Section 342 of the Companies Act, 1956.
4. To appoint Directors in place of those retiring. And, in this connection Special Notice as required by Sections 280 and 281 of the Companies Act, 1956, is hereby given that at the meeting the following resolution will be proposed as a Special Resolution, namely:—

"That Mr. G. D. Bhagat who has attained the age of 71 years, be and is hereby re-appointed a Director of the Company and the age limit prescribed by Section 280 of the Companies Act, shall not apply to him."

The Share Transfer Registers of the Company will be closed from 29th May, 1959 to 11th June, 1959, both days inclusive.

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

By Order of the Board,
G. D. BHAGAT,
Chairman.

33, NETAJI SUBHAS ROAD,
CALCUTTA-1, *11th May*, 1959.

EXPLANATORY STATEMENT

In connection with item No. 4 of the above notice it will be necessary in accordance with Section 281 of the Companies Act, 1956, for the resolution re-appointing Mr. G. D. Bhagat as a Director to declare that the age limit provided under Section 280 shall not apply to him. Mr. G. D. Bhagat has long-standing association with the jute industry and he is a reputed merchant and mill owner. Therefore, his services are considered extremely necessary. Special Notice of the intention to move this resolution, as required by both Sections 280 and 281 of the Act, has been received by the Company.

The Directors, including Mr. K. C. Bhagat who is also a Director and Shareholder of the Company, have no interest in the resolution to be proposed.

THE SENDRA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE SENDRA COAL COMPANY LIMITED will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday, the 12th June, 1959, at 10.50 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1958, and to receive the Directors' and the Auditors' Reports thereon.
2. To appoint a Director in place of a retiring Director.
3. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from the 29th May to the 12th June, 1959, both days inclusive.

By Order of the Board,
D. L. V. ROWE,
Chairman.

CALCUTTA, *7th May*, 1959.

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

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Management have sanctioned payment of an interim dividend on 5 per cent. Cumulative Preference Shares of the Company of the half-year ended 30th April 1959.

Preference Share Transfer Register will be closed from 27th May to 30th May 1959, both days inclusive.

Dividends will be paid only to the registered Shareholders or their Mandatees.

By Order of the Board,
D. D. MARKAN,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, *9th May*, 1959.

SEMINAR ON BANKING

(Concluded from page 821)

system of consumer and personal loans in the U.S. where this unique system is prevalent on a very large scale and worked out successfully.

The U.S. economy is today the most highly developed and, correspondingly, the U.S. has grown as a powerful nation. With 6 per cent. of the world's population, she contributes 40 per cent. to the world's production of goods. What is more significant is the high level of material prosperity attained and maintained by the American Society. More than 80 per cent. of the people earn above $2,000 (Rs. 9,000) and command all comforts of material life. The American economists have recognised and my study has confirmed that this material prosperity of the people is greatly dependent on consumer credit provided by the banking system in U.S. even as the high level of production is sustained by various types of production credit for big and small businesses. This dual and purposive role of bank credit in U.S. economy has progressively and steadily contributed to the raising of the economic status of the nation and the people.

What is consumer credit? What are the implications of developing this type of credit? Consumer credit in the U.S. is simply the extension of credit to the public for consumption purposes. The consumer credit was particularly developed to assist the middle-income group people. These loans are given for manifold purposes, extending to every conceivable consumption need of the individual, such as the purchase of household equipment, electrical appliances, automobiles, television or radio sets, purchase or repairing of houses, paying doctor's bills, insurance premia or for higher education of children, etc. From the banker's point of view, the essential principle of self-liquidity of the loan is safeguarded through a proper evaluation of the employment, income and repaying capacity of the borrowers. The loans are all unsecured and are liquidated out of the anticipated income of the borrower. They are advanced to individuals against a down payment of the cost of goods from 10 to 40 per cent. The loans are covered by insurance which extinguishes the liability of the borrower in the unfortunate event of his death. Thus, the standard of living of the successors of the borrower is not impaired. The discount rate covers the cost of this insurance.

Consumer credit in the U.S. was an offshoot of the great depression. The banks were then compelled to find outlets for excess funds and supplement the falling incomes. Subsequent experience, since 1932, has shown that consumer credit is a vital link in planning for prosperity. Consumer and personal loans have become so popular that the growth in outstandings of this type of credit has been phenomenal, from $500 million in 1938 to $11,000 million in 1947 and to over $42,000 million in recent years. They represent a significant percentage of the loans advanced by banks in America.

The questions often asked are how does consumer credit help the growth of the economy? Is it not contributing to the current indebtedness of the individuals and thus creating an excess purchasing power in their hands? Will this not aggravate the inflationary tendencies in the economy? These questions have been answered emphatically by the functioning of the system in the U.S. In the U.S., we were informed, the consumers are increasing their current indebtedness only by a little over one per cent. of their spending. In fact, this has meant a self-enforced saving by the people to improve their standard of living now instead of waiting for it for 20 years or in the long run, when, in the words of Keynes, "we are all dead." What is important is that they raise their standard of living within the limits of their earning and paying capacity, projected over a fixed period. It brings into effective play the economic law of substitution of wants, binds the people to productive spending and prevents wasteful expenditure. All the impact that it has on the economy is only to make possible the manufacture and movement of goods in demand by the people and enable the mass market to buy and pay for them. As for the fear of inflation, no thinking person, least of all a banker, would minimise its evils. But consumer credit is not the primary creator of inflation. The cause and cure of inflation have many facets and consumer credit may be one under certain conditions of growth like full employment and maximum national income.

I firmly believe that Indian economy is in the process of rapid growth. Under the conceptions of socialistic pattern of society and a Welfare State, there is the shift in income groupings and we have already a sizable middle-class population who are and will be the backbone of Indian society. All our planning techniques are aimed at increasing employment, incomes and improving the standard of living of the population. There is bound to be secular inflation. We should not be deterred by this fear. And the Banking system cannot stand by. It has to reorientate its credit policy to the needs of dynamic growth and one vital phase of reform is the introduction of consumer credit. The contribution of consumer credit to the U.S. economy has been tremendous. It will be so under Indian conditions. It is helpful, safe and profitable and it must be allowed to grow and expand in its proper relation to our national economy.

STRINGENCY IN MONEY CONTINUES

(From Our Own Correspondent)

BOMBAY, *13th May*

The state of the short-term money market has shown no change in the last one week. The stringency continues, with banks appearing as good borrowers. The signs of return of funds seen at times do not seem to have taken a definite trend and the flow of funds is also in trickles. The latest bank returns indicate that the pressure of demand for bank credit continues, banks' borrowings from the Reserve Bank are still rising and their balances with the latter are dwindling. Interest rates are unchanged. Inter-bank call money rate among the Exchange banks and big Indian banks is well maintained at 3½ to 3¾ per cent., the former being the most representative rate. The rate among the smaller Indian banks is 3¾ per cent. House money at seven days' notice has shown no change at 3¾ per cent. Short-term deposits continue to fetch 3¾ to 4 per cent.

There has been no variation in the Treasury Bill rate at 2.800 per cent. per annum this week also. The amount offered at this week's sales hardly exceeded the amount invited, namely, Rs. 2 crores. Tenders for a similar amount have been invited for next week also. There were no sales of Intermediate Bills last week but they will be held this week.

An expansion of Rs. 23.62 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 8th May 1959. Notes held in the Banking Department are lower by Rs. 16.02 crores, so that the total notes issued show a rise of Rs. 7.60 crores. This is covered by an increase of Rs. 9.97 crores in rupee securities and a fall of Rs. 2.37 crores in rupee coin. Foreign securities are unchanged, but balances held abroad have gone up by Rs. 51 lakhs, thus reversing the downward trend noted in the previous three weeks. Deposits of the Central Government have declined by Rs. 1.52 crore, other Governments' deposits by Rs. 6 crores, and deposits of banks by Rs. 15.04 crores. Loans and advances to Governments show a rise of Rs. 1.99 crore and other loans and advances Rs. 11.71 crores, of which advances to Scheduled banks against usance bills account for Rs. 1.78 crore. Investments stand reduced by Rs. 20.16 crores.

The Scheduled banks' statement for the week ended 1st May 1959 shows that demand deposits of banks have gone down by as much as Rs. 35.75 crores, the bulk of which—Rs. 31.22 crores to be precise—has been transferred to time deposits, raising them to a level which is only Rs. 31 crores less than Rs. 1,000 crores. Advances and bills together account for an increase of Rs. 2.13 crores. Investments, too, have gone up by Rs. 8.05 crores, while cash balances and balances with the Reserve Bank have shrunk by Rs. 9.19 crores and money at call and short notice by Rs. 5.95 crores.

The Gilt-edged market continues to be listless, in the absence of institutional interest on account of persistent stringency in the money market. With only a few weeks to go for the terms of the Central Government's borrowing to be announced, there is also a general disposition to wait and watch. Most of the medium-dated loans are on offer.

3 per cent. 1986 Conversion Loan has declined sharply by 35 nP to Rs. 73.50. 3 per cent. 1970-75 is dull at Rs. 91.20 and 3 per cent. 1966-68 at Rs. 93.70. Following the announcement that the whole of the 3 per cent. second Victory Loan 1959-61 will be repaid at par on 15th August 1959, 3 per cent. 1959-61 has attracted some attraction and had buyers 5 nP higher at Rs. 99.75. The outstanding amount of this loan is Rs. 113.66 crores. 3½ per cent. 1963 is placed at Rs. 99 90 *ex*-voucher, as against Rs. 99.95 *cum*-voucher a week ago. 3½ per cent. 1965 is on offer and has shed 5 nP to Rs. 99.50. 3½ per cent. 1967 has, however, gained 5 nP to Rs. 99.10. State loans are lethargic with hardly any enquiry.

The rupee is ruling quietly steady in terms of U.S. dollars, in sympathy with the quiet tone of sterling abroad. While banks' selling rate of ready dollars is unchanged at Rs. 475.25 per $100, their buying rate has gone up from Rs. 471.75 to Rs. 472 per $100. In New York, spot sterling has declined from $2.81⅝-2.81.11/16 to $2.81.9/16-2.81⅝ and three months' forward from $2.81.3/16-2.81¼ to $2.81.7/32-$2.81.9/32.

KIPS MOVE UP

(From Our Own Correspondent)

MADRAS, *11th May*

Kip prices moved up during the week under review, due to purchases by shippers to the Continent at prices higher than those ruling at the end of April. Though the quantities sold amounted to only 300-400 bales, this enlivened the market, and the sellers were trying to hold on to these levels.

Arrivals in the local market were small and clearance patchy. Buyers were not keen to pay the top prices established recently, as they expected prices to decline to some extent.

There were several enquiries for tanned sheep and goat skins at full prices, and it looked as though prices would hold in this section for some time.

Shipments during April 1959 were: To the U.K.: 3,024 bales tanned cow hides, 319 cow calf, 8 buffs, 499 buff calf, 714 goat and 487 sheep skins. To the Continent: 11 bales tanned cow hides, 35 cow calf, 151 buff calf, 528 goat and 260 sheep skins. To the U.S.A.: 45 bales tanned cow hides, 6 cow calf, 131 buff, 369 buff calf and 173 goat skins. To Japan: 86 bales tanned sheep skins.

LANDSLIDE IN BULLION

(From Our Own Correspondent)

BOMBAY, *13th May*

There was a landslide in bullion prices during the week under review, thanks to nervous long liquidation and heavy bear selling. Both ready gold and silver suffered a loss of nearly Rs. 6 and Rs. 7-3 over the week. The heavy *budlis* which bulls were extracting considerably narrowed down. In fact, in one of the settlements in silver, the drop in price was so large that the bears had to pay a margin, instead of the bulls as in the previous weeks. Arrivals of contraband gold were said to have been considerable. This sudden spurt in the flow of gold is attributed to liquidation of stocks of smuggled gold stored in the country in view of the proximity of the date for getting rupee notes in circulation abroad exchanged for special bank notes issued by the Reserve Bank. It may be noted here that the period allowed for such exchange under the Reserve Bank of India (Amendment) Act passed by Parliament on 29th April is six weeks. Further, the Kasganj operator, who was believed to have incurred heavy losses in commodity markets, especially in castorseeds, turned out to be an aggressive seller in both gold and silver, the total sales during the week being estimated at as much as 40,000 tolas and 2,000 bars, respectively. The report in a section of the Press that the Central Government was considering the question of bringing futures trading in gold and silver under its control also imparted weakness to the market.

Replying to a question in the Lok Sabha on imports of silver from Tibet, Mr. Sadath Ali Khan, Parliamentary Secretary to the Minister for External Affairs, observed: "The position, as far as the Government of India is aware, is that the official rate of exchange of Chinese silver dollar is Rs. 3. The Chinese charge 2 per cent. commission on dollars converted into rupee drafts payable at Calcutta. The official rates are thus reduced to Rs. 2.95. The Indian traders, on the other hand, accumulate dollars from sale proceeds of their goods converted at the rates of Rs. 3.31 to Rs. 3.37, which is the market rate. The traders thus suffer loss when they reconvert accumulated dollars at the official rate by purchasing rupee drafts." The loss thus suffered by traders is made good by selling the silver coins in India at the market rate after paying the duty.

The aforesaid observations did not, however, have any effect on the bullion market.

May settlement in gold opened the week easy at Rs. 123-4, as against Rs. 123-8 on Wednesday last, and moved down in the course of the week owing to continued selling pressure and touched a low of Rs. 118-4 today before finishing at Rs. 118-9. The net loss over the week was Rs. 5-14. June and July settlements slumped by Rs. 4-7 each to Rs. 117 and Rs. 116-6, respectively.

The backwardation rate (*budli* in favour of the bulls) for May settlement narrowed down from Rs. 2-1 at the close of last week to Re. 1-9 today, indicating weaker hold of the bulls in this settlement which will be maturing on the 23rd inst. Nevertheless, the bulls had to continue depositing a margin of Rs. 25 per tola throughout the week, since the backwardation rate was over a rupee. The backwardation rate for June settlement stood unchanged at As. 10.

Ready gold encountered heavy selling and fell from Rs. 124-7 to Rs. 118-9. This rate was on a par with that for the May settlement. Last week, ready gold was at a premium of As. 15 over the settlement. The daily average arrivals of gold were 4,500 tolas, while the offtake was 3,500 tolas per day. The floating stocks of gold are reported to be around 15,000 tolas.

In the silver section, May settlement was hammered down in the course of the week from Rs. 198-7 to Rs. 191-10 yesterday. After recovering to Rs. 193-12 today following support at lower levels, it eased again to Rs. 193-7. The net loss over the week was Rs. 5. June settlement declined from Rs. 194-13 to Rs. 189-14 yesterday, but recovered to Rs. 190-15 today. July settlement retreated from Rs. 193-14 to Rs. 190-3.

The backwardation charge for May settlement narrowed down gradually from Rs. 3-10 on Wednesday last week to Rs. 2-8 today. The margin of Rs. 2,500 per bar on open bull position in the settlement was in force throughout the week. With regard to June settlement, since the closing rate of Rs. 191-5 on Monday was lower by Rs. 7 as compared with the starting rate, a margin of Rs. 500 per bar became operative on bears under by-law 33 c (1) (b).

Ready silver climbed down from Rs. 201-3 to Rs. 194 today, after being lower still at Rs. 193-4 yesterday. The daily average arrivals and offtake of silver were 14 bars and 15 bars, respectively. The floating stocks of silver are estimated at 400 bars.

Ready and forward silver in the London bullion market continued to remain unchanged at the last week's level of 79¼d. and 78⅞d. per ounce, respectively. Silver in New York also was unaltered at 91.375 cents per ounce. Ready gold in London firmed up from 249s. 3¼d. to 249s. 6¼d. induced by weakness of the pound sterling *vis-a-vis* the dollar. The dollar price of gold in London was firm, the latest available rate being $35.11-$35.13.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, *13th May*

The cotton futures market, which was easy during the first half of the week under review, gathered strength on Monday and ruled distinctly firm. The firmness gained further momentum in subsequent sessions. The earlier easiness was induced by rumours that the Reserve Bank would curb advances against cotton and that the Forward Markets Commission might intervene to impose margin if the hedge contract price rose to or above Rs. 700. These rumours prompted nervous liquidation. The market firmed up on Monday. Cotton futures spurted on fresh buying and large-scale short covering. The small volume of tenders against the May contract on Monday, which aggregated only 400 bales, strong spot advices and encouraging news from the piecegoods market imparted further strength to the market. Rumours about F.M.C's intervention were wholly discounted. The firmness persisted today also.

I.C.C. Moglai Jarilla May 1959 opened the week at Rs. 693 and declined to Rs. 686.25 on Friday. The market was closed on Saturday on account of *Shivaji Jayanthi*. The contract hardened, under heavy buying pressure, to Rs. 698 yesterday. Opening at Rs. 698 today, it improved to Rs. 701 but dropped towards the close to finish at Rs. 695.25. Tenders against the contract to date aggregate 1,900 bales.

I.C.C. Moglai Jarilla August 1959 opened the week at Rs. 703 and, after declining to Rs. 693.75 on Friday, spurted to Rs. 704 on Monday and still higher to Rs. 709.75 yesterday. Commencing today at Rs. 709.50, the contract hardened to Rs. 711.50 before closing lower at Rs. 708.

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

	13-5-59	*High*	*Low*	6-5-59
I.C.C. Moglai Jarilla May 1959 ...	695.25	701	686.25	690.75
I.C.C. Moglai Jarilla August 1959 ...	708	711.50	693.75	701.75

Mill demand for spot cotton was fairly keen, but owing to the high price, they were inclined to put off buying. Nevertheless, demand was noted for ready lots of Kalyan, Jarilla, CO2, Laxmi, etc., even at advancing prices. A prominent Delhi mill was particularly interested in Vijay, Digvijay and Khandesh cotton. Fairly large business was reported in these varieties during the last few days.

Export demand for Bengal *Deshi* showed signs of revival. Inquiries were received by both old and current crop Bengals. Other exportable styles were comparatively neglected.

Activity in foreign cotton was subdued. The much-awaited import quota for 100,000 bales of cotton of staple length 1 1/16" and above has still to materialise. It is reported that the discount rate on sale of Egyptian cotton to India has been raised from 27.75 per cent. to 32.50 per cent. with immediate effect provided payments are made in transferable currencies.

The Alexandria Cotton Exporters Association is reported to have decided that henceforth all samples for arbitration and appeal should be drawn at the port of shipment prior to shipment and not at port of destination as hitherto. This would mean that the buyers will have to nominate their controllers in Egypt so that they may supervise the withdrawal of samples before the departure of the ship. This decision is considered unfair by the trade in India. The Secretary of the Cotton Buyers' Association, in the course of a communication addressed to the President of the Alexandria Cotton Exporters' Association, observes: "According to the previous practice, samples for arbitration and appeal were drawn at the port of destination in the presence of international cotton controllers appointed by the shippers. As the position stands now, the buyers would have to incur controlling charges to supervise the drawing of the samples at your end. Apart from this, it is unreasonable to presume that the buyers would, in each and every case, decide to go to arbitration without seeing the actual quality of the shipment. My Association is afraid that this might lead to unnecessary disputes between the importers and the mill consumers at this end in the absence of the full implications of your decision not being realised by the latter. It is indeed unfortunate that such a decision should have at all been taken at a time when the Government of India is doing all it can to allow more imports of Egyptian cotton regardless of exchange difficulties."

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 695; Berar Jarilla 690; Khandesh 870; Laxmi 1,050.

The 18-day old dispute between the Karachi Cotton Association and brokers ended on the 10th inst. following the abolition by the Association, in consultation with the Government, of the ceiling and floor prices for cotton. The dispute, it may be recalled, turned on the basic issue of clearing and commitment of contracts. It arose when private deals involving 20,000 bales of cotton resulted in a loss of about Rs. 8,00,000 which the brokers wanted to be squared up by the members of the Association. The Association contended that it was not concerned with the loss as it arose out of private deals. The deadlock has been solved by permitting free trading without any floor or ceiling restrictions. The Association also banned fresh futures trading in May and July contracts.

In view of uncertainties about the dispute, the Karachi cotton futures market ruled subdued. Trading interest was low and only nominal transactions were reported. Prices ruled virtually unchanged. N.T.R.G. May and July were quoted at Rs. 53 and Rs. 54-8 on 9th May. Fresh trading, as

noted earlier, in May and July was banned. The developments in the futures section affected the spot market which too was subdued.

The Alexandria cotton futures market ruled fairly firm during the week. The firmness was due to speculative buying based on the expectation that foreign demand would improve following the raising of the discount rate on Egyptian cotton from 27.75 to 32.50 per cent. The enhancement of the discount rate is said to have been made to strengthen the competitive position of Egyptian cotton *vis-a-vis* Sudan cotton.

As a measure of official assistance, cotton exporters have been permitted to buy from Government stocks of qualities which are in short supply in the spot market. Such purchases aggregated 35,000 bales (of 720 lbs.) till the middle of April. The following are the latest available quotations—in tallaris per lb.—from Alexandria.

Karnak: May 72.50; July 72.55; *Ashmouni*: June 65.80; August 64.85.

Firm conditions prevailed in the Liverpool cotton futures market during the week. Values advanced on mill fixation and trade covering said to be against yarn sales. Advices from the spot market were encouraging and export inquiries better. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week-end rates.

American cotton one inch staple contract: May-June 22.65 (21.90); July-August 22.65 (22.23); October-November 21.85 (21.65); December-January 21.60 (21.25).

American cotton mixed growth contract: May-June 23.00 (22.60); July-August 23.12 (22.60); October-November 22.25 (21.85); December-January 21.60 (21.30).

Sudan: May-June, July-August, September-October 26.75 (25.75).

Further gains were recorded by the New York cotton futures market during the week. Most of the current and new crop positions met with support. The buying was attributed to encouraging news from the textile markets, the gradual recovery in cotton consumption and the prospect for larger export abroad as a consequence of the enhancement of export subsidy rate

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

(In cents per lb.)

	12-5-59	5-5-59	28-4-59
Spot	36.25	36.25	36.10
March	35.91	35.89	35.88
May	35.09	34.96	34.94
July	32.87	32.77	32.68
October	—	—	—

SUGAR SHOOTS UP

(From Our Own Correspondents)

BOMBAY, 13*th May*

At no time in the recent history of the sugar market had prices been ruling so high as now. Large grain is currently quoted at Rs. 125-129 per bag, as against Rs. 116-119 two weeks ago. Over the same period, medium grain has spurted by Rs. 9 to Rs. 123-124 and small grain by Rs. 7 to Rs. 122.

This steep scaling-up is attributed largely to speculative activity indulged in by a section of traders which, it is said, is trying to exploit the situation caused by the fall in sugar output in the current season—the actual production is expected to be not more than 1.90 million tons, as against 1.98 million tons in 1957-58—when demand continues to rise. These traders fear that the closing stocks of sugar with mills at the end of the season would be less than 100,000 tons and that prices would register a further appreciable increase in the coming months, if no corrective steps are taken. Some would appear to feel that the stocks would be substantially lower still. This view is based on rumours that the Government would allow 100,000 tons of sugar to be exported, as was contemplated before, now that the Supreme Court has upheld the validity of the Sugar Export Promotion Act.

Much concern over the sudden rise in sugar price was expressed by several members of Parliament. Replying to a "calling attention" notice in the Lok Sabha on Saturday the 9th inst., Mr. A. M. Thomas, Union Deputy Food and Agriculture Minister, announced that the Centre had advised the State Governments to licence wholesale dealers in sugar, in order to check the recent unwarranted rise in the price of the commodity, especially in Uttar Pradesh. Neither this announcement nor his assurance to make available adequate quantities of sugar to meet the rising trend of consumption had any effect on prices in the sugar market. In fact, much of the aforesaid rise in prices took place after the Minister's statement.

The more responsible section in sugar trade is inclined to feel that there is no justification for the steep rise in prices. There are reports that the Centre will be making available normal quantities of sugar for sale in the free market during the current month through normal releases and distribution of about 30,000 tons among tenderers at controlled prices which are being rushed to scarcity areas. It is further learned that the Government is seriously reconsidering the export policy and that only a token quantity of about 10,000 tons in all will, in fact, be exported in the current year.

Arrivals of sugar by rail into the city during the week aggregated 13,030 bags.

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HAPUR, 11*th May*

Sugar prices firmed up during the week, due to shortage of supplies. Ex-mill deliveries were quoted at a premium of Rs. 4.25 to Rs. 4.50 over the controlled prices. Sugar improved from Rs. 106 per bag last week-end to Rs. 109 to Rs. 110.

The U.P. Government has decided to enter the market as a seller and the Centre is rushing additional supplies to stem the rise in prices and meet the shortage. The intention to introduce a system of licensing of wholesale sugar trade has also been announced by the Union Food Minister to check the spurt in sugar prices in U.P.

Perfectly firm trend was witnessed in the Muzaffarnagar sugar market. Buying from consuming areas was brisk, while stocks with mills were small. Prices spurted by about Rs. 2 per maund. The last quota release was reported to have been sold out with most of the factories. The latest prevailing prices were: wholesale mill delivery controlled B29 Rs. 37.12; C29 Rs. 36.37; D29 Rs. 36; prevailing market prices Meerut D29 Rs. 40; Amroha D29 Rs. 39.50; Sakoti D29 Rs. 39.87; Bijnore D29 Rs. 39.37; Saharanpur D29 Rs. 39.62; Rohana C29 Rs. 40.

Under the impact of artificial scarcity reports, sugar moved up to touch new heights since control in the Kanpur market where the rate for a bag stood at Rs. 121, and would have gone up more appreciably but for better supplies in the market. Brisk demand was reported from the non-controlled areas in the South. At the peak season of demand due to summer season and marriage requirements, the release of a lower quota added further strength to the sugar market.

Khandsari also recorded gains, in line with crystal sugar and with good demand. Better quality was quoted at Rs. 34 to Rs. 39, inferior at Rs. 30 to Rs. 34.

Gur recorded further gains, due to demand of dry quality which averaged about 300 to 400 maunds out of stocks retained by producers. *Kotha* stocks were running down and were put at 89,000 maunds, as against 92,000 maunds last week-end. Prevailing prices were: *pansera* Rs. 20 to Rs. 20.50; *shakker* Rs. 21.50 per maund.

Gur also improved in the Muzaffarnagar market, due to good demand from Gujerat and Madhya Pradesh. Arrivals were at an average of 4,000 maunds and the latest prevailing prices were: ready *Chaku* Rs. 21.75 to Rs. 23; ladu Rs. 21 to Rs. 21.25; *Shakker dara* Rs. 20.50 to Rs. 22; *masala* Rs. 23 to Rs. 26 per maund.

YARNS STEADY

(From Our Own Correspondent)

BOMBAY, 13*th May*

The yarn market put on a distinctly steady appearance during the week under review and values tended to look up. Art silk yarns met with good buying support induced by expectations of enlarged demand from consuming centres in the coming months. The expectations were based on a recent announcement in the Lok Sabha by the Union Finance Minister that he would further examine the question of reducing excise duty on small art silk weaving mills. The two other favourable factors were upward revision in premium commanded by rayon yarn import licences (from 40 to 50 per cent.) and firmness of nylon yarn. Staple fibre yarns also evoked good support, despite reports regarding large stocks lying unsold in the Punjab markets and some sales by South Indian mills. Cotton yarns, however, continued to rule dull.

Cupressa Bamberg yarn (60×1) June delivery spurted from Rs. 1,454 to Rs. 1,471. Spot yarn was fully maintained at Rs. 7.22. 120 Japan and 150 Japan both hardened by 3 nP to Rs. 4.75. 120 Italy was firm at Rs. 5, as also 150 Italy at Rs. 4.68. National Rayons 150 Bright cones 1st grade advanced by 14 nP to Rs. 4.28. 120 Bright cones 1st grade registered a rise of 6 nP to Rs. 4.62.

Staple fibre yarn (40×2) June delivery rallied from Rs. 592 to Rs. 608. Spot Kohinoors strengthened by 7 nP to Rs. 3.28. Citys gathered 4 nP to Rs. 3.12. Centurys put on a naya paisa to Rs. 3.13. Among imported yarns (80×2), Paramounts encountered selling and dropped 12 nP to Rs. 7.19.

In the cotton yarn section, ten counts Moderns and Podars were quiet at Rs. 13.25 and Rs. 12.19, respectively. Twenty counts Moderns were done at Rs. 16.25, same as last week. Forty counts Minaxis picked up 19 nP to Rs. 25.25. Moderns were dull at Rs. 26. Among 60s, Raghuvamshis were unaltered at Rs. 56.50, as also Finlays at Rs. 65. Eighty counts Citys dropped 75 nP to Rs. 66.50, while Finlays stood at the last week's level of Rs. 81.

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

	13-5-59	6-5-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg		
June (per case of 200 lbs.)	1,471	1,454
60/1 Cupressa Bamberg spot (per lb.)	7.22	7.22
120 Japan (per lb.)	4.75	4.72
150 Japan („)	4.75	4.72
120 Italy („)	5.00	5.00
150 Italy („)	4.68	4.68
Staple fibre yarn—		
40×2 June (per case of 200 lbs.)	608.00	592.00
40×2 Century (per lb.)	3.13	3.12
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern	16.25	16.25
40s Minaxi	25.25	25.06
60s Finlay	65.00	65.00
80s City	66.50	67.75

FURTHER RISE IN CASTORSEED

(From Our Own Correspondent)

BOMBAY, 13*th May*

The oilseeds market continued to rule buoyant during the week under review. Castorseed was exceptionally strong. Groundnut too made considerable gains. Other seeds and oils witnessed sympathetic rise in values on short covering and speculative support. The outlook on the export front was considered bright, despite reports that the Conference Lines had decided to raise freight rates for oil and oilcakes to the U.K. and Continental ports, with effect from 1st July.

The strength in the groundnut section was induced by the restricted arrivals not only in the local market but in upcountry centres. *Vanaspati* manufacturers and crushers continued to lend good support, despite higher prices. Although there was a slight technical reaction in the initial sessions of the week, both the May and August contracts rallied to touch Rs. 204.25 and Rs. 206.25 today, as against Rs. 201.00 and Rs. 204.50 last week-end, respectively. Bold ready which was quoted at Rs. 41.00 last Wednesday, after moving both ways within a narrow range, advanced to Rs. 42.12. Oil ex-mill too was firm, its prices having gone up from Rs. 22.00 to Rs. 22.25.

The castorseed section, as already pointed out, witnessed spectacular rally in prices. The revival of U.S. interest in Indian castor oil is the major influence in the section. It is, however, feared that Brazil will recover its position by September and offer strong competition in the American market. The present acute shortage of castor oil in Brazil, however, is likely to continue for some time more. Castor May and September contracts steadily advanced from Rs. 156.00 and Rs. 171.25 to Rs. 172.87 and Rs. 176.62 yesterday, but declined slightly, owing to technical factors, to Rs. 172.75 and Rs. 176.00 today, respectively. Ready Madras improved from Rs. 32.62 to Rs. 34.12. Oil B.S.S. was higher at Rs. 18.31, as compared with Rs. 17.62 last week.

Linseed and cottonseed followed the pattern set by the other seeds. The reports that Australia would enter the market for linseed oil induced further strength in this section. September contract, which stood at Rs. 34.31 last week-end, after fluctuating between Rs. 34.06 and Rs. 35.06, closed today on a firm note at Rs. 35.50. Bold ready hardened from Rs. 33.12 to Rs. 34.25 and oil from Rs. 16.25 to Rs. 16.87. Cottonseed May and September contracts, which finished last week at Rs. 135.50 and Rs. 137.75, after witnessing minor fluctuations, rose to Rs. 138.25 and Rs. 139.25 today.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	13-5-1959	6-5-1959	29-4-1959
Groundnut	Rs.	Rs.	Rs.
May 1959	204.25	201.00	194.00
August 1959	206.25	204.50	199.00
Bold ready	42.12	41.00	39.75
Coromandel ready	42.62	41.25	40.00
Khandesh quality	42.62	41.25	40.00
Oil ex-mill ready*	22.25	22.00	21.00
Railway receipts*	22.00	21.75	21.00
Castorseed			
May 1959	172.75	156.00	158.62
September 1959	176.00	171.25	164.00
Ready Madras	34.12	32.62	31.25
Ready Kanpur	33.12	31.37	30.00
Oil B.S.S.†	18.31	17.62	16.75
Oil commercial†	18.31	16.69	15.50
Linseed			
May 1959	34.81	33.31	32.69
September 1959	35.50	34.31	33.37
Bold ready	34.25	33.12	32.44
Oil ready†	16.87	16.25	15.75
Cotton seed			
May1959	138.25	135.50	133.25
September 1959	139.25	137.75	133.75
Niger seed			
Kardi seed	24.50	24.00	23.87
	18.50	20.75	20.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

MEDIUM TEAS DEARER

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

COCHIN, 8*th May*

A slightly larger quantity of 800,000 lbs. was on offer in this sale which was held on 5th May 1959. The offerings from all districts showed a further decline in quality and in particular high grown teas had less flavour. The market opened to a good, but irregular, demand. There was useful enquiry for low medium and medium teas which sold well and were irregularly 5 nP dearer. In particular, fannings grades were in good demand. There was less enquiry for good medium brokens and these sold at easier rates and were sometimes difficult to sell. There were a number of withdrawals under this category. However, similar fannings met with keen competition and sold well. Best liquoring high growns continued easier, following quality with broken grades in less demand than last. There was strong demand for whole leaf grades at dearer rates. The quotations are: low medium Re. 1.75 to 1.85; medium Re. 1.85 to Rs. 2.15; good medium Rs. 2.40 to 2.75 and quality Rs. 2.45 to 4.22.

Dust Sale 'I':—A total quantity of 390,000 lbs. were on offer in this sale which was held on 7th May 1959. The offerings consisted of a useful selection and quality in general was well maintained. There was a good general demand for all types of dusts which sold at irregularly dearer rates. Black grainy dusts met with keen enquiry and sold at higher rates. There was strong demand for a selection of C.T.C. dusts and these were considerably dearer.

London Market: *Sale of 4th May 1959*.—Best firm plainer barely steady.

Sale of 5th May 1959.—About steady.

Colombo Market.—Quality declined. Active demand highgrown mediums generally 15 to 20c. dearer. Lowgrowns slightly dearer. Offgrades strong demand firm to dearer, except stalky kinds.

Export Quota.—The market continues to remain quiet with no change in our last week's quotation.

Special Licence 1958-59.—Seller 1 nP with probable buyers at 1 nP.

Current Quota 1959-60.—Seller 8 nP with probable buyers at 5 nP.

Forthcoming Auctions. Sale No. 18 will be held on Tuesday, 12th May 1959 and dust sale 'J' on Thursday, 14th May 1959.

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

"*Sale* 18.—700,000 lbs. Good demand, particularly for low medium and medium teas, which are fully firm. Good mediums and highgrowns irregularly 10 to 20 nP easier. Whole leaf strong."

DUST TEAS IN DEMAND

(From Our Own Correspondent)

CALCUTTA, 12*th May*

Mixed conditions were in evidence in the internal sales held last week, when dusts amounting to 22,106 chests met with a good and general demand. In C.T.Cs, the mediums eased in an irregular trend, but the poorest descriptions of the same category hardened. Good mediums and the best liquoring C.T.Cs eased by 10 nP. Black leaf orthodox teas gave way, but keen competition was in evidence in the smaller kinds. Darjeelings were higher, but the legg-cut teas in an irregular trend eased. The quotations were: best Assam C.T.C. Rs. 2.65 to Rs. 3.05 (nom.), medium Assam C.T.C. Rs. 2.05 to Rs. 2.25, medium Assam grainy Re. 1.70 to Re. 1.74, and medium Dooars Re. 1.74 to Re. 1.78.

Leaf offerings totalled 419 chests, prices of which hardened on good general demand.

Transferable shipping licence was wanted at ¾ nP., while sellers demanded 1¼ nP. Business was done in non-transferable shipping licence at 1 nP, but the price soon eased to ½ nP.

Note was taken here of the fall in demand in last week's sales in London of both North Indian and Ceylonese teas. Buying was more selective than in recent weeks, and prices of the inferior types gave way. The fall in demand in London would indeed seem surprising against the background of the noticeable fall in U.K. tea stocks from 154 million lbs. to 150 million lbs. in the week ended 1st May. However, no such surprise was caused in trade circles here since the fall in demand was attributed to the paucity of quality teas on offer. Bidders in London would naturally wait for the new season's teas.

JUTE GOODS IMPROVE

(From Our Own Correspondent)

CALCUTTA, 12*th May*

Following increased support and Government buying, prices of jute goods made a modest recovery, while, due to reports of timely rains for the new crop, fibre prices were quiet and unchanged during the week under review. There was fair buying for export in goods, and speculators increased their holdings in anticipation of more buying orders. Mills availed of this opportunity to unload as much as they could for forward positions, the near positions in their order books having been completed. The news of a decrease in stocks of goods with mills as on the last day of April was in accordance with market expectations, but when the details were known they were more pleasing than the earlier anticipations. This gave a push to the prevailing uptrend. There was an overall decrease of 1,800 tons. Considered construction-wise, heavy goods recorded the welcome decline of 4,800 tons. The increase of 2,600 tons in hessian was considered of no consequence. For stocks were already too low and there had been ample indications of forthcoming buying support. The increase in hessian was due to the continuation of the process of transferring more sacking looms to hessian manufacture in an attempt to balancing production. Miscellaneous goods increased by 400 tons.

Sentiment in heavy goods was also boosted by the Government order for about 31,000 bales of B. twills for near delivery. Tenders had earlier been invited. This was a good compensation for earlier chillness following reports of Pakistani mills getting orders for cornsacks from overseas. There was also the rumour that Pakistani mills would shortly be increasing working hours in order to cope with the increased demand. Shrewder elements in the market were not prepared to give any credence to these rumours, which, even if partly true, were believed to be exaggerated considerably. Indeed, business was reported here for cornsacks from Australia. It was apparent that even if Pakistan had received orders for cornsacks from Australia, she was unable to meet the demand in full. At this stage, Argentine interest for hessian was reported. There were also enquiries for export to the U.S.S.R. which partly substantiated the earlier report in the market that the Russians had placed an order for a considerable quantity of hessian.

On Tuesday last, mills exhibited an anxiety to sell as much as they could following reports of a Government call for tender for 31,000 bales of B. twills on the previous day. However, offerings increased, and could not be absorbed instantaneously. This caused ready B. twills to give way to Rs. 93.45 from Rs. 93.55. In sympathy, ready hessian 40" 10 oz. also receded to Rs. 39.75 from Rs. 39.90 the earlier day. Buying interest was on the decline. On Wednesday, there was some business done in cornsacks with Australia, and this set in a recovery. Also, the trend in the futures market was steadier. The result was a narrow gain in prices, B. twills being quoted at Rs. 93.60 and hessian 40" 10 oz. at Rs. 39.70. This was followed on the next day by the highly satisfactory announcement of April-end stocks with mills. This caused B. twills to spurt to Rs. 94.30. Hessian 40" 10 oz. at Rs. 40.25 recorded an impressive rise. This was followed by the Government order for B. twills. Although rates fell fractionally on account of profit-taking, the undertone was steadier. B. twills were placed at Rs. 94.25 and hessian 40" 10 oz. at Rs. 40.15. At this stage, business was done in hessian with buyers for Argentine, and some amount of buying was done in the bazar on expectations of Russian interest. Over the week-end B. twills hardened to Rs. 94.35 and hessian 40" 10 oz. to Rs. 40.25. There was covering demand in hessian yesterday, and transactions in the futures market also attracted attention. As a result, hessian 40" 10 oz. at Rs. 40.65 made a further recovery. B. twills continued to advance and touched Rs. 94.50.

Interest in raw jute was slack. For mills had plenty of fibre in stock, adequate enough to see them through for most of this season. Further, reports of good condition of the new crop acted as a disincentive for increasing stocks further. What remained to be marketed was mostly the low quality jute and it seemed improbable that most of it would find its way to mills. Latest quotations for the outstanding 1958-59 crop, May-June delivery, are:

	Middles	*Bottoms*
	Rs.	Rs.
Indian:		
Northern	23.00	20.00
Assam Upper	23.50	20.50
Cuttack	25.00	22.00
Desal	22.50	19.50
Murshidabad	20.75	18.25
Jungli	20.50	18.00
Daissee selected ...	25.00	22.50
Uttar Pradesh ...	20.50	18.00
Daissee mesta ...	21.00	18.50
Bimli f.a.q.	Rs. 18.75	

Pucca bales 1st mark Rs. 160.00 per bale ready.

BASE METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 12*th May*

Base metals were maintained at steady levels during the week under review. The stock position of principal metals was far from satisfactory and the position was expected to continue for some time. Imports were on the high seas or awaiting shipment in foreign ports, but any arrivals in the near future were not scheduled.

The week's star feature was the rise in virgin lead from Rs. 76.75 to Rs. 78. Demand considerably exceeded availability. On the London Metal Exchange, spot lead was fully firm at £70½ and August £71½.

Tin at Rs. 579 held firm ground and, in London, the price was unchanged at £783. International firmness in this metal was attributed to the increased requirements in the United States. Also, consumption in other countries was increasing. It was reported that the producing countries demanded a revision of the export quota of 40 per cent. of production in each country. If this request was allowed, the producing countries, which are members of the International Tin Council will step up exports by about 3,000 tons per year. Recently, about 5,000 tons were disposed of from the buffer stocks in London.

Electrolytic zinc opened at Rs. 106.50 and, after spurting to Rs. 108.75, closed at Rs. 104.50. There was good demand.

Copper scrap continued to be in short supply.

LINSEED ADVANCES

(Messrs. A. Bradley and Co.)

CALCUTTA, 11*th May*

In sympathy with the generally bullish trend in other oilseeds, notably groundnut, castor and mustard, linseed advanced and the tone of the market was distinctly steady. There was keen demand from crushers for both near and forward positions, but, with availability still somewhat scarce, the actual turnover was disappointing. Oilcake sagged further to Rs. 13 with few enquiries. The oil market was steady and there was fairly keen activity, with shippers and stockholders showing interest. Despite premiums asked for June and July, these positions were much in demand. With an improvement in overseas prices, the disparity in Indian quotations had diminished.

The latest available quotations are: Ready-May Rs. 23 and June-July Rs. 23.25 per maund.

WHEAT LEVY SCHEME

(From Our Own Correspondent)

HAPUR, 11*th May*

Steady to firm conditions prevailed in the foodgrains market during past week. Contrary to all expectations, arrivals of new grains in the markets dropped further and, following the imposition of wheat levy scheme by the State Government, wheat arrivals dwindled to almost *nil*. The Government of India has fixed the price for the purchase of different varieties of wheat in the wheat producing States of Punjab, Rajasthan, U.P. and Madhya Pradesh; the prices vary from Rs. 13 to Rs. 15 per maund according to variety. The wheat levy scheme has been put into operation in the States and, in the U.P., wheat stocks have been registered with the traders, out of which 50 per cent. will have to be delivered to the Government at controlled price. Following this, wheat arrivals here and in other centres have gone down considerably and cultivators are not bringing their produce in the market to be sold at prices fixed by the Government, with the result that consumers are finding it difficult to meet their needs at this time when supplies ought to have been plentiful.

Wheat at Hapur recorded a sharp advance during the week. While controlled price was Rs. 13 to Rs. 15 per maund, wheat was not easily available in the open market even at Rs. 19. Daily arrivals, which were gradually increasing before the scheme and were upto 500 to 600 maunds daily, are almost *nil* now. Spurt in prices and non-availability of wheat in the market are reported from various parts of the State.

Rice, however, ruled quiet during the week in the absence of new urges and supply position was reported fair. The latest prevailing prices were: *basmati sela* Rs. 33 to Rs. 35; *mainpuri* Rs. 21.50; *raimunia* Rs. 26.50; *gadda* Rs. 22.50 per maund.

Gram also registered a rise of a rupee per maund on firm Punjab advices and in sympathy with wheat. Barley and *bejhar* continued to record a hardening trend, as arrivals in the market were small. The U.P. Government has to purchase these coarse grains also at Rs. 11.75 for gram and at Rs. 10 for barley and *bejhar*. *Jowar* and *guwar* stayed steady. The week-end prices on Monday were: gram Rs. 13.75; barley Rs. 12.37; *bejhar* Rs. 12.25; *jowar* Rs. 13 to Rs. 15; *guwar* Rs. 15 per maund.

SUGAR

(*Concluded from page* 812)

Some in the sugar trade are inclined to feel that the world prices would move up in the coming months and chances of export business would be brighter. In support of their view, they point to the International Sugar Council's statement that the recent low prices for sugar cannot be justified on normal supply-demand considerations alone and its hope that, once the uncertainty about the Cuban position has been reduced, "prices would start to react to the export cuts" the Council imposed in February 1959. There is, however, another section which is of the opinion that world sugar prices may not go back to 3.15 cents per lb., "unless it is," as the *Financial Times*, London, says, "the result of political factors and the Sugar Council may feel forced to act again, if there has not been any improvement in the market by mid-June." At the moment, the majority of world sugar interests, we are told, is firmly of the view that there will be a sizable surplus this year.

FUTURES TRADING IN "GUR"

A special reference to the futures trading in *gur* was made by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, while inaugurating the Conference of Presidents of recognised forward markets held in Bombay a fortnight ago. Mr. Shastri disclosed that the possibility of granting recognition to the centres for *gur* futures trading was under Government's examination and an official decision would be taken on the issue soon. The Forward Markets Commission has urged immediate grant of recognition to the Chamber of Commerce at Hapur and the Agra Merchants Chamber at Agra and stated that it would be shortly sending its recommendations in respect of other centres. Mr. Shastri complimented the Commission by saying that it had a clear mind on the subject, but stressed that the matter had to be pursued further with the Ministry of Food. Proceeding, he said:

"A reference has already been made to them (the Food Ministry). The Forward Markets Commission naturally fears that, sometimes, a complete ban would lead to widespread illegal trading. However, this matter will be pursued and some decision arrived at. I might also say that I have received representations from different associations for giving recognition to them for futures trading in *gur*. I was impressed with the case of Amritsar when I went there last."

Futures trading in *gur*, as readers are aware, was suspended in all centres by the Government with effect from 12th February 1959. It was done so on the ground that futures trading led to heavy speculation and sharp rise in prices. Its abolition has, however, not served the purpose, as witness the appreciable rise in prices since then. The latest available quotation of Rs. 20.25 per maund for *gur pansara* quality at Hapur is actually higher than the high level of Rs. 18.37 prevailing before futures trading was suspended. The Forward Markets Commission is of the view that a complete ban on futures trading will lead to widespread illegal trading, although the marked rise in *gur* prices has been brought about, to some extent, by firmness of sugar, *gur's* competitor. The imposition of a complete ban on futures trading in *gur* could have been avoided, if the Government had given effect to the Commission's suggestion, made two years ago after a full examination of the position, for applying the Forward Contracts (Regulation) Act to *gur* and for granting recognition to appropriate bodies at Hapur, Meerut, Agra, Muzaffarnagar and Delhi. Mr. Shastri seems to concur with this view, for he said that futures trading in *gur* should be regulated and that, in accordance with the earlier recommendations of the Commission, a limited number of trading bodies must be recognised for the purpose. He emphasised that, "for the recognition of such trading bodies, it is necessary that the Commission should be satisfied about their representative capacity, their proper composition, their financial standing, and the drawing up of suitable rules and by-laws for conducting futures trading."

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 8th May, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	51,75,48,000
(2) Other Governments	16,43,97,000
(b) Banks	68,66,79,000
(c) Others	117,95,46,000
Bills Payable	16,20,57,000
Other Liabilities	45,61,93,000
Rupees	429,64,20,000

ASSETS	Rs.
Notes	11,50,88,000
Rupee Coin	2,38,000
Subsidiary Coin	2,83,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,35,99,000
Balances held abroad*	25,72,69,000
Loans and Advances to Governments†	41,38,60,000
Other Loans and Advances	87,68,11,000
Investments	244,81,29,000
Other Assets	13,11,43,000
Rupees	429,64,20,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 12,25,04,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,50,88,000	
Notes in circulation	1774,72,30,000	
Total Notes issued		1786,23,18,000
Total Liabilities		1786,23,18,000
ASSETS	**Rs.**	**Rs.**
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		129,68,77,000
Government of India Rupee Securities		1360,77,49,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1786,23,18,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	1st May, 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation.	172.37	1751.11	1751.46	1744.31	1619.62
Notes held in Banking Department..	35.05	27.53	28.14	15.42	21.16
Foreign Securities ..	59.50	178.01	178.01	178.01	204.71
Rupee Securities ..	37.39	1350.81	1351.04	1331.25	1187.59
Banking Department					
Deposits of:					
Government of India	14.39	53.28	53.63	60.61	49.65
Other Governments.	..	22.44	32.97	11.84	16.12
Balances held abroad	10.06	25.21	30.68	36.32	58.03
SCHEDULED BANKS					
Demand Liabilities..	134.36	739.95 (21.13)†	777.05 (22.48)†	765.35 (15.82)†	752.69 (18.77)†
Time Liabilities ..	102.24	994 36 (24.90)†	962.55 (24.32)†	939.84 (22.45)†	790.07 (16.00)†
Borrowings from Reserve Bank ..	..	29.11 (10.47)‡	27.20 (9.57)‡	48.69 (11.32)‡	20.93 (18.16)‡
Borrowings from State Bank ..	..	9.13	9.17	14.76	6.89
Cash in India ..	6.70	43.16	44.93	44.71	40.00
Balances with Reserve Bank ..	25.17	81.23	87.97	71.23	98.65
Excess over statutory limits ..	15.52	24.35	29.87	14.17	45.21
Balances with other banks in current account in India..	..	13.82	14.50	14.63	11.98
Money at call and short notice in India ..	..	31.16	37.11	30.09	55.56
Investments (at book value) ..	..	623.67	615.62	611.52	445.05
Advances and bills..	105.9	1021.07	1020.58	1021.12	955.86
STATE BANK					
Deposits ..	87.76	524.27	528.62	532.68	422.20
Investments ..	51.99	301.83	293.87	287.75	190.97
Advances ..	30.35	201.43	203.22	207.34	205.89
Cash ..	14.69	39.24	45 85	29.30	40.38

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R=Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	23rd April 1959	5	4½
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	4.97	5.01
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	23rd April 1959	4½	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3.50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2¾
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	6th Mar., 1959	2½	3
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 8th May, 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		519,63,03,000
Borrowings from Other Banking Companies, Agents, etc.		7,50,00,000
Bills Payable		10,12,29,000
Bills for Collection being Bills Receivable as per contra		1,24,49,000
Acceptances, Endorsements and Other Obligations per contra		1,37,03,000
Other Liabilities (including Inter-Office Adjustments)		4,48,05,000
Total .. Rs.		556,97,39,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,03,15,000
Balances with other Banks		2,96,13,000
Money at Call and Short Notice		2,26,66,000
INVESTMENTS:		
Government and other Trustee Securities	299,85,81,000	
Other Authorised Investments	11,75,85,000	311,61,66,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	191,37,96,000	
Bills Discounted and Purchased	12,82,23,000	204,20,19,000
Bills Receivable being Bills for Collection as per contra		1,24,49,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,37,03,000
Premises less Depreciation		1,22,99,000
Furniture and Fixtures less Depreciation		1,05,08,000
Other Assets (including Inter-Office Adjustments).		10,00,01,000
Total .. Rs.		556,97,39,000

Scheduled Banks*

Statement of Affairs for the week ended 1st May, 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	21,13,17,000
(ii) Other demand liabilities	718,81,53,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	24,90,00,000
(ii) Other time liabilities	969,45,50,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	8,27,53,000
(ii) Time liabilities	85,00,000
Borrowings in India from the Reserve Bank of India‡	29,10,99,000 (10,47,04,000)
Cash in India	43,15,82,000
Balances with the Reserve Bank in India	81,22,67,000
Balances with other banks in current account in India	13,82,47,000
Money at call and short notice in India	31,16,49,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	623,66,98,000
Advances in India	871,35,39,000
Inland Bills purchased and discounted in India	112,48,04,000
Foreign Bills, purchased and discounted in India	37,23,18,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Average rate of allotment Rs.
1959					
17th February	2.00	2.80	2.00	2 559	99.360
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2.00	2.10	2.00	2.625	99.340
10th March	2.00	2.00	2.00	2.680	99.330
17th March	2.00	2.00	2.00	2.720	99.320
24th March	2.00	2.00	2.00	2.760	99.310
31st March	2.00	2.00	2.00	2.760	99.310
7th April	2.00	2.00	2.00	2.780	99.305
14th April	2.00	2.00	2.00	2.780	99.305
22nd April	2.00	2.00	2.00	2.800	99.300
28th April	2.00	2.05	2.00	2.800	99.300
5th May	2.00	2.25	2.00	2.800	99.300
12th May	2.00	2.00	2.00	2.800	99.300
Total amount outstanding	26.00	..	26.00	..	..

State Bank of Pakistan

Statement of Affairs for the week ended 1st May, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	85,82,75,000
(b) Provincial Governments	2,97,30,000
(c) Banks	18,95,46,000
(d) Others	5,51,93,000
Bills Payable	37,79,000
Other Liabilities	15,75,36,000
Rupees	135,40,59,000

ASSETS	Rs.
Notes	14,03,45,000
Rupee Coin	60,000
Subsidiary Coin	38,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	28,45,000
Balances held outside Pakistan*	26,08,16,000
Loans and Advances to Governments	9,45,00,000
Provincial Governments' Debtor Balances	4,34,08,000
Other Loans and Advances	2,67,43,000
Investments	68,63,85,000
Other Assets	9,84,19,000
Rupees	135,40,59,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,03,45,000	
Notes in circulation	339,57,47,000	
Total Notes issued	....	353,60,92,000
Total Liabilities	....	353,60,92,000
ASSETS	**Rs.**	**Rs.**
A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	117,52,65,000
B. Rupee Coin	4,08,40,000	
Government of Pakistan Securities	226,09,81,000	
Internal bills of exchange and other commercial paper	....	230,18,21,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	353,60,92,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.82 per cent.

EXCHANGE RATES

		12th May 1959	Previous week (5-5-1959)
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475.25	475.75
Buyers T.T.	Rs.	472.00	471.75
London on New York	$	2.81[illegible]-2.81[illegible]	2.81[illegible]-2 81[illegible]
London on Paris	Fcs.	13.80½-13.80¾	13.80⅝
London on Berne	Sw. Fcs.	12.17⅞-12.18	12.18⅛-12.18¼
New York on London	$	2.81[illegible]-2.81[illegible]	2.81[illegible]-2.81[illegible]

CLEARING HOUSE RETURNS

Centre	Week ended 8th May, 1959 Number of Cheques	Amount Rs.	Week ended 1st May 1959 Number of Cheques	Amount Rs.
Bombay	3,48,767	75,03,78,000	3,74,936	87,64,59,000
Calcutta	1,84,000	62,92,00,000	1,77,000	63,12,00,000
Madras	94,944	11,43,05,080	90,125	11,68,36,333
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
Jan., 1959	..	..	4,072,000	8,94,45,00,000
Feb., "	..	..	3,821,000	8,28,47,00,000
March "	..	..	4,030,000	9,45,59,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	25th April 1959	18th April 1959	26th April 1958	March 1959	March 1958	Percentage of Increase(+) or Decrease(—) in Mar., 1959 as compared with Mar., 1958	Annual Average 1958	1957
Food Articles	504	112.2	113.0 R	105.7	113.7 R	102.3	+11.1	112.0	106.8
Cereals	192	98.3	97.5	98.0	101.7 R	95.2	+ 6.8	104.7	101.7
Pulses	43	90 5	93.0 R	82.5	113.4 R	77.8	+45.8	94.0	84.5
Fruits and Vegetables	23	122.6	124.2 R	112.5	118.4 R	98.0	+20 8	111.9	116.8
Milk and Ghee	84	113.0	117.9	106.0	106 0	102.8	+ 4.0	106.2	103.8
Edible Oils	47	127.5	125.6 R	122.8	123 3	117.9	+ 4.6	123.2	128.8
Fish, Eggs and Meat	17	106.7	107.9 R	102 3	103.5 R	102.5	+ 1.0	106.9	96.6
Sugar and *Gur*	48	128.1	128.8	112.8	128.2	111.4	+15.1	122.8	104.6
Others	50	149 7	150 6 R	130.0	150 0 R	127.9	+17.3	145.7	132.0
Liquor and Tobacco	21	97.5	97.5 R	93.4	100.3	94.9	+ 5.7	93.7	91.8
Tobacco	—	95 8	95.8	91.7	99.0	93.3	+ 6.1	92.0	90.1
Fuel, Power, Light and Lubricants.	30	115.6	115 6 R	114 9	115.1	114.3	+ 0.7	115.2	111.5
Industrial Raw Materials	155	117.6	116.6	114.3	116.2 R	111.3	+ 4.4	114.8	116.1
Fibres	61	108.7	108 1	112.7	107.9 R	110.2	— 2.1	109.4	119.8
Oilseeds	60	129.8	128.3 R	118.7	127.6	113.0	+12.9	123.6	122.4
Minerals	2	101.4*	101.4*	105.1*	102.9	108.2*	— 4.9	106.9	108.5
Others	32	112.4*	111.5*	109.9	111.2	110.2	+ 0.9	108.9	107.3
Manufacture	290	108 0	108.1 R	107.8	108.2 R	107.6	+ 0.6	108.2	108.0 R
Intermediate Products	41	107.9	108 6	108.8	109 4	106.8	+ 2.4	109.4	108.5 R
Finished Products	249	108.0	108.1 R	107.7	108.0 R	107.7	+ 0.3	108.0	107 9 R
Textiles	147	102.2	102 2 R	105.2	102.1	105.9	— 3.6	104.8	107.9
Cotton	—	110.6*	110.6* R	114.1	111.0*	116.4	— 4.6	113.0	116.8
Jute	—	83.7	83.7	89.0	82.3	86.0	— 4.3	87.7	97.7
Woollen	—	105.2	105.2	103.7	105.9	103.0	+ 2.8	104.9	102.1
Silk and Rayon	—	95.7*	95.7*	92.4*	95.0*	92.5*	+ 2.7	92.5	85.0
Metal Products	12	143.3	143 3	143.0	143.3	143.4	— 0.1	143.1	138.2 R
Chemicals	20	110.4	110.5	99.1	110.4 R	99.3	+11.2	104.0	97.6
Oil Cakes	10	138.8	140.4	117.4	140 1	112.2	+24.9	128.6	114.7
Machinery and Transport Equipment.	31	106.1	106.1	102.8	106.1 R	102.6	+ 3.4	103.2	101.2
Others	30	112.8	113.0	113.3	113.2	112.1	+ 1.0	113.2	107.7
All Commodities	1,000	111.6	111.9 R	107.7	112.2 R	105.4	+ 6.5	111.0	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

UNDER SECRETARY TO GOVT... 18 MAY 1959 PUBLIC DEPARTMENT

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	2nd	81,590†	79,447††	29,721†	24,885††
Wheat	final	29 657	33,580	7,654	9,314
Jowar	final	41 411	40,367	8,056	7,249
Bajra	final	27,905†	27,236††	3,791†	3,522††
Barley	final	7,531	8,726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5 831	1 716	1,715
Small millets	final	11,979	12,230	1,759	1,964
Total cereals	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24 265	4,754	6 264
Tur	final	5,598	5,686	1,396	1,954
Other Kharif pulses§	final	15,506†	15,657††	1,542†	1,390††
Rabi pulses‡	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains..		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,481†	14,876††	4,816†	4,436††
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3 318	4,156	271	384
Total oilseeds..	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,893	4 753	4,735
Jute A.	final	1,827†	1,742††	5,178†	4,052††
Mesta A.	final	726	733	1,211	1,478
Other crops—					
Potato	final	785	707	1,981	1,698
Sugarcane	final	5,021	5,057	64,142R	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	926	1,029	252	294

Source: Ministry of Food and Agriculture. § Excluding Tur. * In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur. A. In thousand bales of 400 lbs. each. † Refers to 1958-59. †† Refers to 1957-58. R.= Revised.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	1958	December 1957	1958
Exports	637,74	570,56	54,22	52,13
Re-exports	5,11	8 40	37	26
Total Exports	642,85	578,96	54,59	52,39
Imports	1025,82	864,18	66,58	85,75
Overall Balance of Trade	—382,97	—285,22	—11,99	—33,36
Exports—				
Tea	123,40	136,54	10,75	14,40
Jute yarns and manufactures	114.87	103,82	8,67	10,09
Cotton yarns and manufactures	68,58	52,63	3,16	5,53
Metallic ores and metal scrap.	49,80	30,35	4,11	2,14
Cotton, raw and waste	18,66	21,20	1,06	1,80
Oils—vegetable, mineral and animal	19,31	12,35	1,42	67
Fruits and vegetables	18,60	21,16	1,45	1,54
Tobacco	12 83	16 29	35	32
Mica	8,67	9,34	73	95
Wool and other animal hair	12,03	9,35	72	75
Gums, resins and lac	8,59	7,16	59	50
Spices	8,43	8,83	77	83
Hides and skins, raw	6,99	7,35	34	89
Imports—				
Machinery of all kinds	232,97	188,92	17,57	13,06
Iron and Steel	146,98	97,80	7,61	7,87
Oils—vegetable, mineral and animal	113,44	80,23	8,95	11,12
Cotton, raw and waste	48,62	30,66	2,17	1,36
Chemicals, drugs and medicines	76,77	65,28	4,25	4,02
Electrical goods and apparatus	61,14	49,04	5,37	3,33
Vehicles (excluding aircraft, ships and boats)	71,85	52,53	4,31	3,67
Fruits and vegetables	21,27	17,43	2,26	2,47
Paper, pasteboard, etc.	13,11	8,26	83	56
Dyes and colours	13,87	8,76	78	64
Spices	2,93	2,84	13	21
Woollen and worsted fabrics	1,31	30	8	2
Cotton fabrics	2,37	1,05	8	9

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During March, 1959	83.3
	Corresponding month. 1958	85.3
	Nine months ended Mar., 1959	786.6
	Corresponding period, 1958	790.9
Stocks	At the end of April, 1959	105.0
	Corresponding month, 1958	97.5
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852.9
	1957-58	832.6
	February, 1958	67.4
	February, 1959	64.2
For Internal Consumption	1956-57	179.0
	1957-58	198.0
	February, 1958	18.4
	February, 1959	21.3
	RAW JUTE	(In 000 bales)
Consumption by Mills	March, 1959	483
	Corresponding month, 1958	495
	Nine months ended Mar., 1959	4,539
	Corresponding period, 1958	4,587
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	8,805.8	7,185.8
1956-57	769	9,877.8	8,103.1
1957-58	834	11,176.9	9,011.1
Nov., 1957	822	930.2	740.5
Dec., "	822	958.7	779.7
Jan., 1958	825	973.6	788.1
Nov., "	811	1,025.4	854.6
Dec., "	811	1,122.5	914 0
Jan., 1959	811	1,156.2	930 2

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source*:—Central Water and Power Commission

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	39	389	52	180
1957-58	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
January 1958	11,792	1,979	1,042	174	81	45	187	21	177	412	32	394	45	161
February "	13,011	2,172	1,123	191	93	49	202	23	194	456	36	435	46	176
March "	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June "	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July "	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August "	5 823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September "	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
October "	8,040	1,542	771	107	46	21	98	12	110	274	19	283	29	72
November "	9,169	1,763	868	121	50	24	125	14	125	311	24	326	35	78
December "	10,460	1,998	972	143	59	27	156	17	136	355	28	375	41	83
January 1959	11,784	2,228	1,083	166	70	30	180	19	151	394	32	422	43	94
February "	13,018	2,431	1,184	186	80	33	201	21	169	433	34	466	45	103

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

INDUSTRIAL PRODUCTION

Industries.	Unit	Jan. to Dec., 1958*	Jan. to Dec., 1957	October, 1958*	November 1958*	December 1958*	December 1957
Major Industries—							
Coal	million tons	42.32	48.50	3.75	3.69	4.15	4.05
Steel (Ingots and Metal for castings)	thousand tons	1,813	1,715	151	156	165	155
Yarn	million lbs.	1,685	1,780	147	134	156	153
Cloth	million yds.	4,927	5,317	422	377	439	438
Cement	million tons	6.07	5 60	0.41	0.46	0.52	0.59
Jute	thousand tons	1,062	1,030	82	87	97	93
Paper and paper boards	tons	253,011	210,132	22,471	21,880	23,149	19,812
Matches§	cases	615,200	578,400	46,700	44,600	55,800	50,300
Sugar	thousand tons	1,957	2,068	18	90	355	358
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	337.82†	250.85	28.34	28.97	—	24.73
Electric lamps	millions	27.64†	33.15	2.40	2.53	—	2.65
Dry cells	millions	168.20	166 56	13 51	15 12	17.20	13.71
Power transformers	k.v.a.	1,037,900†	1,219.200	94,600	79,300	—	114,000
Electric Motors	h.p.	566,500†	469,200	51,200	50,400	—	49,500
Electric fans	Nos.	634,600	524,400	38,200	58,400	66,800	52,300
Radio receivers	Nos.	197,533	190,692	15,308	15,125	19'820	22,706
Storage batteries	Nos.	355,000	324,000	28,000	31,900	37,400	28,500
Copper conductors	tons	6,899†	8,556	502	482	—	640
Winding wires	tons	2,044	1,020	240	224	251	98
Rubber and plastic Ins. cables and flexibles	million yds.	114.50†	103.80	10 53	13.21	—	8.61
Insulators—H.T.	Nos.	681,300†	193,200	80 300	80,800	—	35,700
Insulators—L.T.	million Nos.	4.59†	4.69	0.37	0.36	—	0.44
Diesel engines—Vehicular	Nos.	4,255	3,336	344	385	366	374
Do —Stationary	Nos.	25,782	16,644	2,358	2,454	2,674	1,742
Chemical Industries—							
Salt	million mds.	112.55	98.70	3.46	1.57	3.32	3.61
Caustic soda	tons	51,868†	42,648	5,365	5,024	—	3,981
Soda ash	tons	89,431	91,920	9,078	6,612	9,139	8,311
Chlorine liquid	tons	17,794†	15,696	2,704	1,865	—	1,363
Bleaching powder	tons	6,509	5,340	695	642	580	327
Bichromates	tons	3,143†	3,672	274	218	—	334
Sulphuric acid	tons	206,093†	196,068	18,945	19,685	—	18,548
Superphosphate	tons	153,479†	141,684	13,280	12,450	—	11,530
Non-ferrous Metals—							
Aluminium	tons	7,503†	7,784	698	666	—	631
Antimony	tons	527	502	40	40	38	48
Copper (virgin metal)	tons	7,857	7,848	700	670	720	700
Lead (virgin metal)	tons	3,334	3,174	142	332	418	313
Gold	thousand ozs.	170	179	15	15	14	15
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	204,082	167,484	10,519	16,132	20,265	17,780
Bicycles	Nos.	829,183	790,424	69,669	73,531	—	78,062
Automobiles	Nos.	26,788	31,932	2,704	2,020	2,713	2,497
Cycle tyres and tubes	million Nos.	16.11	14.18	0.93	1 25	1.45	1.21
Motor tyres and tubes	million Nos.	1 95†	1.92	0 14	0 16	0.17	0.16
Cigarettes	million Nos.	27,273†	28,892	2,380	2,433	—	2,250
Plywood—Tea chests	million sq. ft.	79.95†	95.02	6.87	6.44	—	8.18
Plywood—Commercial	million sq. ft.	34.93†	31.64	3.40	2.56	—	2.33
Sheet glass	million sq. ft.	64 57†	54.23	5.91	6.48	—	7.30
‖Woollen manufactures { Worsted Fabrics	million yds.	19.38	15.79	1.47	1.16	1.42	1.63
{ Worsted Yarn	million lbs.	29.47	27.80	2.82	2.36	2.47	2.66
Footwear—Western type (Leather)	million pairs	4.28	4.37	0.29	0.32	0.31	0.43
Footwear—Indigenous type (Leather)	million pairs	3 29	3.04	0.17	0.28	0.29	0.30
Alcohol—Industrial	million Bulk galls.	8.67†	8.56	0.82	0.78	—	0.84
Alcohol—Power Absolute	million Bulk galls.	7.87	10.14	0.57	0.51	—	0.99
General Index—(Base 1951 = 100 Revised)		138 8‡	137 3	144 6	137 6	—	138 9

* Figures are subject to revision month to month. —Not Available. † Upto November only.
‖Includes figures for Jammu and Kashmir. ‡ Average of first eleven months. The general index for November 1957 was 144.2

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base: 1952-53=100]

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58*	105	88	114	126	68	164	109	110	107	92	106	133	108	96	128	95	116	142
1958-59*	105	105	105	126	96	169	113	121	131	93	90	118	117	127	133	87	112	145
Feb., 1958	99*	84	92	109	61	156	105	117	104	95	104	123	102	96	130	88	116	143
March "	100	84	94	110	63	152	107	118	108	93†	103†	120†	103	93	130	86	116	145
April "	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	114	145
May "	106	86	92	111	64	158	115	120	115	89	100	125	110	102	132	88	114	145
June "	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July "	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	145
Aug., "	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept., "	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct., "	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., "	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	145
Dec., "	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145
Jan., 1959	92	125	107	132	121	163	108	121	130	104	101†	112†	112	137	133	85	110	145
Feb., "	92	124	112	133	125	167	109	121	131	105	102	112†	117	142	133	82	111†	145
Mar., "	92	114	110	131	119	157	111	121	132	100	102	114*	121	138	133	82	111†	145

* Provisional. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 392 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 7th May 1959	45,219(J)
	Corresponding week, 1958	22,404(J)
	1st Sept. 1958 to 7th May 1959	1,330,761*
	Corresponding period, 1957-58	1,201,147*
Cotton Exports	Week ended 18th April 1959	6,660
	Corresponding week, 1958	6,472
	1st Sept. to 18th April 1959	271,705
	Corresponding period, 1958	130,554
Mill Consumption (Estimated)	1st Sept. 1958 to 7th May, 1959	881,321
	Corresponding period, 1957-58	900,444
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 7th May, 1959	612,154
	Corresponding date, 1958	715,942
		(Bales of 392 lbs)
Consumption of Cotton—		
Indian	February, 1959	376,105
Foreign	February, 1959	31,580
Indian	Six months ended Feb., 1958-59	2,349,807
Foreign	Six months ended Feb., 1958-59	224,752
Indian	Same Period 1957-58	2,296,661
Foreign	Same Period 1957-58	293,286
Stocks (Mills and Elsewhere)—		
Indian	As on 28th February 1959	1,005,554
Foreign	As on 28th February 1959	67,646
Indian	As on 28th February 1958	1,195,824
Foreign	As on 28th February 1958	162,019

Particulars	From 1st Sept., to 13th April, 1958-59 Bales	From 1st Sept., to 13th April, 1957-58 Bales
From Bombay Cotton Shipments to—		
United Kingdom	6,374	3,970
Continent	18,397	8,174
Hongkong	34,044	3,219
China	6,886	—
Japan	142,643	51,746
U.S.A.	3,293	4,203
Other Countries	2,291	691
Total to all foreign countries	213,928	72,003
Coastal Ports	51,989(a)	54,360(b)
Total	265,917	126,363

Particulars	Details of Period	(Bales of 392 lbs.)
Cotton Exports from Bombay (by sea)	During February, 1959	23,060§
	During February, 1958	15,998
	1st Sept., to 28th Feb., 1959	178,067§
	1st Sept., to 28th Feb., 1958	49,186
Cotton Pressed in India† (In running bales)	Week ended 24th April, 1959	538
	Corresponding week, 1958	79,726
	1st Sept., to 24th April 1958-59	1,918,783
	Corresponding period, 1957-58	3,432,991
Karachi (Pakistan)—		Bales
Receipts	1st Sept., to 23rd April, 1958-59	956,518
	Corresponding period, 1957-58	1,042,344
Exports	1st Sept., to 23rd April 1958-59	517,656
	Corresponding period, 1957-58	443,955

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (a) Upto 28th Feb., 1959. § Includes Zoda and yellow pickings, etc.
— Not Received. A—Adjusted. (b) Upto 31st Mar., 1958.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 2nd May 1959	25th April 1959	4th April 1959	3rd May 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total** ..	**100.7**	**100.7**	**100.7**	**98.9**
2. Government of India	100.5	100.5	100.5	98.6
3. State Government ..	102.4	102.4	102.3	100.5
4. Municipal, Port Trust, etc.	99.8	99.8	99.8	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total** ..	**101.8**	**101.8**	**101.6**	**98.9**
6. Plantations ..	100.0	100.0	99.9	100.0
7. Coal ..	99.6	99.6	99.6	99.6
8. Sugar ..	99.0	99.0	99.0	98.4
9. Cotton Textiles ..	99.2	99.2	99.2	97.3
10. Jute Textiles ..	93.5	93.5	91.6	92.9
11. General Engineering ..	101.8	101.7	101.7	97.7
12. Electricity Generation and Supply ..	96.8	96.8	97.0	96.5
13. Others ..	105.2	105.1	104.9	100.7
PREFERENCE SHARES—ALL INDIA.				
14. **Total** ..	**92.1**	**91.8**	**90.3**	**85.4**
15. Plantations ..	100.7	100.7	99.6	97.5
16. *Mining & Quarrying: Total*@	**89.0**	**89.1**	**87.7**	**84.5**
17. Coal ..	80.8	80.8	80.8	74.2
18. *Processing and Mfg.: Total**	**91.9**	**91.5**	**90.1**	**85.2**
19. Sugar ..	91.7	91.6	90.5	90.5
20. Cotton Textiles ..	79.7	80.3	78.4	79.5
21. Jute Textiles ..	86.1	85.3	82.5	67.6
22. Iron and Steel ..	95.6	95.2	94.2	89.1
23. General Engineering ..	102.0	101.7	100.7	99.4
24. Basic Industrial Chemicals ..	88.5	87.2	87.5	81.9
25. Cement ..	102.4	101.7	101.8	98.0
26. Paper ..	89.1	88.6	87.7	83.7
27. *Other Industries: Total**	**91.0**	**91.0**	**89.0**	**82.7**
28. Electricity Generation and Supply ..	89.0	89.0	88.1	86.4
29. Trading ..	95.5	95.6	90.1	72.3
30. Shipping and Other Transport	93.2	92.7	91.3	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. **Total** ..	**150.0**	**149.1**	**148.3**	**127.4**
32. *Agriculture and Allied Activities: Total**	**158.7**	**157.6**	**159.4**	**142.5**
33. Tea Plantations ..	153.5	153.1	155.0	137.5
34. Coffee Plantations ..	196.7	196.1	196.0	195.8
35. Rubber Plantations ..	163.9	161.5	162.0	142.1
36. *Mining and Quarrying: Total*	**156.4**	**156.6**	**154.3**	**126.1**
37. Coal ..	119.2	120.1	118.2	98.0
38. Other Mining ..	181.9	181.7	179.0	145.4
39. *Processing and Manufacturing: Total* ..	**151.6**	**150.5**	**148.9**	**126.1**
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	**137.9**	**135.8**	**133.2**	**118.8**
41. Sugar ..	173.9	170.5	170.0	156.7
42. Cotton Textiles ..	118.7	116.1	112.9	113.7
43. Jute Textiles ..	96.2	97.3	96.6	62.7
44. Silk and Woollen ..	523.5	515.2	503.9	371.6
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	**175.3**	**174.2**	**173.4**	**136.3**
46. Iron and Steel ..	164.4	163.3	164.8	128.5
47. Transport Equipment ..	238.9	236.0	233.4	183.4
48. Electrical Machinery ..	130.6	129.7	142.4	130.4
49. Machinery other than Transport and Electrical ..	200.4	201.1	194.4	152.0
50. Basic Industrial Chemicals ..	147.1	142.5	137.3	108.6
51. *Processing and Mfg. (Others): Total**	**149.7**	**151.0**	**151.3**	**129.3**
52. Cement ..	133.2	133.9	135.2	125.0
53. Paper ..	205.4	206.4	203.3	161.8
54. *Other Industries: Total**	**117.6**	**116.6**	**118.2**	**105.3**
55. Electricity Generation and Supply ..	92.6	92.4	93.0	90.6
56. Trading ..	99.6	99.1	98.6	79.7
57. Shipping and Other Transport	131.7	129.0	130.8	122.7
58. Construction ..	287.6	280.0	265.4	209.5
59. *Financial: Total* ..	**177.2**	**178.7**	**182.7**	**162.1**
60. Banks ..	198.0	200.1	206.1	181.9
61. Insurance ..	130.0	130.0	128.0	123.0
62. Investment Trusts ..	102.8	103.3	103.3	79.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay ..	151.9	150.1	150.2	129.8
64. Calcutta ..	145.9	146.5	145.7	122.2
65. Madras ..	165.6	163.1	161.2	145.0
66. Delhi ..	175.5	175.0	174.1	150.7

* Including 'Miscellaneous.' † Including' Edible and VegetableOils.
@ Including 'other mining.'

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957 ..	1,155,500	1,073,600	797,500
Do. 31st March, 1958 ..	1,098,300	1,106,800	786,900
Do. 31st March, 1959 ..	1,137,500	1,149,900	884,700
Feb., 1958 ..	87,100	89,200	64,500
Mar., ,, ..	94,800	100,200	71,300
April ,, ..	95,000	100,300	63,000
Feb., 1959 ..	106,800	107,300	84,800
March ,, ..	127,400	123,600	100,700
April ,, ..	130,600	124,200	93,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957 ..	695,156	532,315	441,483
Do. 31st March, 1958 ..	733,945	507,580	410,558
Do. 31st March, 1959 ..	959,933	608,205	496,217
January to March, 1958 ..	199,839	133,563	106,501
January to March, 1959 ..	252,705	176,443	155,607
January, 1959 ..	73,728	43,569	45,698
February ,, ..	83,715	61,987	50,202
March ,, ..	95,262	70,887	59,707
April ,, ..	86,826	61,182	40,151

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man days lost
1956 ..	1,203	715,130	6,992,040
1957 ..	1,248	640,871	4,982,229
July 1958 ..	169	101,137(1)	469,303(1)
August ,, ..	147	72,432(4)	657,836(4)
September ,, ..	151	68,599(7)	499,362(7)
October ,, ..	121	34,445(3)	262,600(3)
November ,, ..	136	34,569(2)	177,574(2)
December ,, ..	139	45,002(7)	199,012(7)
January 1959 ..	146	59,478(8)	303,161(8)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India† ..	'57-'58	392.94	..	10,830	275.6
Pakistan†† ..	'56-'57	83.50	..	2,079	249
Burma ..	1957	20.00	Kyats 4,450	446	223
Ceylon ..	1956	8.38	..	475	567
Japan ..	1957	90.90	Y. 8,252,000	10,915	1,200
Philippines ..	1957	22.60	Ps. 8,799	2,095	927
New Zealand	1957	2.22	£ (N.Z.) 928	1,237	5,570
Australia ..	1957	9.60	£ (A.) 4,678	4,970	5,177
U.K. ..	1957	51.40	£ 17,418	23,220	4,520
U.S.A. ..	1958	174.00	$ 352,400	168,447	9,680
Canada ..	1957	16.60	$ 23,830	11,680	7,035
France ..	1957	44.00	F.Fr.15,680,000	17,880	4,063
W. Germany ..	1957	51.40	Dm. 158,000	18,067	3,513
Italy ..	1957	48.30	Lr. 12,231,000	9,412	1,949
Norway ..	1957	3.49	Kr. 23,290	1,560	4,470
Sweden ..	1957	7.30	Kr. 48,290	4,490	6,150
Netherlands ..	1957	11.00	Grs. 28,240	3,574	3,250
Denmark ..	1957	4.50	Kr. 25,480	1,760	3,910
Switzerland ..	1957	5.10	Sw. Fr 26,900	2,956	5,796

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, October 1958.
† Preliminary estimates (at 1948-49 prices) are based on the sixth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget speech of Pakistan Finance Minister

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average ..	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 ,, ..	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 ..	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 ,, ..	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 ,, ..	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 ,, ..	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 ,, ..	116	395	274	313	98	120	384	124	113	103†	103	123	109	131
October 1957 ..	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November ,, ..	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December ,, ..	113	383	275	328	93	115	375	121	110	100	105	120	109	129
October 1958 ..	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November ,, ..	122	402	292	330	106	124	399	132	120	114	103	128	113	133
December ,, ..	119	398	290	322	101	125	385	133	118	109	99	121	111	133
January 1959 ..	114†	396	301	323	103	127	368†	130	122	107	94	115	109	134
February ,, ..	118†	399	300	326	103†	129	..	127	126	108	94	120	..	134
March ,, ..	..	401	290	320	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1952-53 ..	6,83	3,26	84,17	..	..	113,35	92,03	..	−31,07	25,64	..	..	..	..	146,83	211,93
1953-54 ..	5,91	4,26	104,38	..	..	117,37	106,29	..	−34,20	32,11	..	..	..	..	152,71	252,96
1954-55 ..	4,70	4,99	124,64	..	..	134,94	130,88	7,38	−36,35	37,15	..	..	55	54	177.35	310,29
1955-56 ..	3,76	5,48	144,37	..	..	158,11	167,85	16,38	−37,68	41,25	..	..	45	95	203,53	380,04
1956-57 ..	3,00	6,01	163,68	..	..	176,97	196,50	25,38	−38,82	44,28	..	..	43	1,32	225,88	440.17
1957-58 ..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	−39,73	43,58	588	547	63	1,87	264,32	509.77
1958-59 ..	..	..	..	..	..	..	..	..	..	42,57	635	11,68	67	2,41	..	..
April 1958 ..	2,15	4,65	141,31	6,56	77,99	15,27	214,24	22,85	−39,82	43,47	77	6,15	11	1,9.	22,71	514.78
May ,, ..	2,07	4,55	139,23	5,84	83,82	15,22	212,66	22,58	−39,90	43,37	57	6,72	5	2,01	21,68	517,01
June ,, ..	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	−39,98	43,29	38	7,12	3	2,03	19,95	520,60
July ,, ..	1,96	4,38	135,18	5,94	94,65	16,04	215,13	22,19	−40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug. ,, ..	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	−40,13	43,07	45	8,11	5	2,10	21,10	532,75
September ,, ..	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	−40,22	42,99	41	8,55	5	2,15	20,44	537,82
October ,, ..	1,90	4,16	129,00	7,05	113,30	14,38	218,98	21,69	−40,30	42,91	53	9,05	4	2,17	22,01	543,16
November ,, ..	1,87	4,10	127,15	6,36	119,33	12,52	218,72	21,56	−40,37	42,81	47	9,58	7	2,28	19,42	547,35
December ,, ..	1,83	4,01	125,00	7,84	126,69	14,83	219,06	21,41	−40,44	42,76	51	10,01	6	2,28	23,24	553,05
January 1959 ..	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	−40,52	42,70	57	10,60	5	2,32	24,07	559,17
February ,, ..	1,78	3,87	120,95	9,64	143,14	14,93	219,39	21,13	−40,60	42,62	58	11,14	5	2,36	25,22	566,41
March ,, ..	..	..	..	..	..	..	..	..	..	42,57	65	11,68	6	2,41	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of February, 1959 is rupees two lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.75
3 % Loan	1938-39	116,17,46,000	1963-65	96.65
3 % Loan	1950	30,32,10,000	1964	97.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93.70
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.20
3 % 2nd V. Loan	1945	1,13,65,64,000	1959-61	99.75
2¾% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97.25
2¾% Loan	1946	14,77,48,000	1976	83.25
2¾% Loan	1947	75,86,72,000	1962	96.90
3½% N. P. Bonds	1953	75,29,00,000	1961	100.10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.70
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.50
3½% Loan	1956	87,27,36,000	1962	99.15
3½% N. P. Bonds	1956	63,81,83,000	1967	99.10
3½% Loan	1956	66,63,53,000	1974	98.85
3½% N. P. Bonds (4th Series)	1957	56,99,15,000	1967	100.80
4 % Loan	1957	49,17,27,000	1972	101.70
3½% Loan	1958	58,06,00,000	1963	99.90
3½% Loan	1958	30,00,00,000	1968	98.95
3½% Loan N.P.B.	1958	34,16,76,500	1968	100.60
4 % Loan	1958	49,47,00,000	1973	101.70
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34,000	M.	73.10
3% Loan	1946	2,48,91,37,000	K.	73.50
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100.00
4½% Andhra	1958	5,00,00,000	15th July 1970	101.55
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96.50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98.30
4 % Bombay	1953	5,19,35,000	15th July 1963	100.60
4 % Bombay	1952	8,45,85,000	1st Aug. 1964	100.50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.55
4 % Bombay	1956	7,94,78,000	3rd Sept. 1968	100.25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102.50
4½% Bombay	1958	5,00,00,000	15th July 1970	102.50
4½% Bombay	1958	5,00,00,000	15th July 1971	102.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100.00
4½% Bihar	1958	2,50,00,000	13th Oct. 1970	101.40
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100.15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100.15
3 % Madras	1939	1,23,96,000	21st June 1959	99.70
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99.00
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	99.00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98.95
4 % Madras	1953	10,33,71,000	15th July 1963	100.30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.20
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100.00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100.00
4½% Madras	1958	5,00,00,000	15th July 1970	101.60
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101.50
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99.75
4 % Mysore	1953	3,33,47,000	15th July 1963	100.30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100.00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.00
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101.75
4½% Mysore	1958	5,00,00,000	15th July 1970	101.75
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93.80
3 % M.P.	1950	1,01,45,000	31st July 1960	98.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	100.25
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100.00
4½% M.P.	1958	2,00,00,000	15th July 1970	101.40
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100.20
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100.20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.80
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99.50
2½% U.P.Z.A	1952	41,44,79,000Z	..	51.30
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91.00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98.25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.20
4 % U.P.	1953	5,58,25,000	15th July 1963	100.30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100.00
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100.00
4½% U.P.	1958	7,00,00,000	15th July 1970	101.60
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100.00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101.40
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100.00
4½% Orissa	1958	3,00,00,000	15th July 1970	101.40

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	100.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88,25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.75
76,90,100	4	1915	1975	98.75
1,50,00,000C	3††	1921	1981	82.00
68,02,300C	6¼	1921	1981	144.00N
60,00,000	4½	1931	1991	95.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	92.50
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99.50
1,00,00,000	3	1949	1959	99.50
50,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	98.75
1,00,00,000	3	1950	1960	98.75
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.25
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80.00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000†	3	1947	1977	A
3,00,000†	3	1949	1979	
45,00,000†	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.60N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	101.00
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	95.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	94.00
20,00,000	3	1938	1963-68	90.00
80,00,000	4	1952	1962	99.25
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	100.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99.60
10,00,000	5	1920	1980	113.00N
26,21,500	5	1929	1959	100.50
8,25,00,000	3½	1947	1977	86.50
2,50,00,000	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	93.50
5,00,00,000	4	1952	1964	100.15
2,00,00,000	3½	1951	1961	97.40
1,30,00,000	4	1953	1963	100.15
1,00,00,000†	4	1952	1964	99.50
1,00,00,000†	4	1954	1966	99.50
2,50,00,000	4	1955	1967	100.00
1,50,00,000	4	1956	1968	100.00
2,00,00,000	4½	1957	1969	101.50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
17,64,400	3½	1942	1959	99.00
21,10,000	3½	1942	1972	92.00
16,83,000	3½	1951	1961	98.50
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M Bharat	1953	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.15
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.30
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept 1968	100.00
4½% W Bengal	1958	5,00,00,000	15th July 1970	101.85
4½% Kerala	1958	8,00,00,000	15th July 1970	100.85

ABBREVIATIONS.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. (*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6¼ to 4 per cent. with effect from 1st April, 1935. —Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest. M—At the option of Government after three months notice. K—On September, 1986, or later at option of Government after three months notice. N—Nominal.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901		Mar. Sep.	118.00	100
BREWERIES AND SUGAR						
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5	April ..	85.50	100
Carew & Co. T.F.R.C. ..	8,00,000	1875	6	Mar. Sep.	96.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8	Feb. Aug.	112.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7	July Apr.	6.00	5
¶East India Distilleries T.F.C.	£200,000	1897	7	Jan. July	17.00	£1
Gwalior Sugar T.R.O. ..	6,75,000	1940	7	Dec. ..	62.00	100
Do. (Non-redeem.) ..	5,00,000	1940	7	Dec. ..	62.00	100
Purtabpore Co. T.C.	6,00,000	1922	10	Oct. ..	13.50	10
Ramnugger Cane T.F.C. ..	4,00,000	1935-36	6	Aug. ..	98.00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	65.00	100
South Behar Sugar T. ..	5,00,000	1936	7	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5	Dec. ..	8.50	10
Upper Ganges T.F.C. ..	12,00,000	1932	5	Dec. ..	90.00N	100
Do. T.C.R.O. ..	15,00,000	1946	5	Dec. ..	70.00N	100
Walchandnagar T.F.C. ..	3,50,000	....	7	April May	118.75	100
COAL						
Borrea T.F.C.	4,00,000	1896-97	6½	Oct. Apr.	95.00	100
Burrakur (1st) T.F.C. ..	22,99,800	1901-19	7	Apr. Oct.	104.50xd	100
Do. (2nd) T.C. ..	6,50,000	1946	6	.. ..	6.00	10
Equitable T.F.	4,00,000	1895	6	Mar. Sept.	99.00	100½
Karanpura Collieries T.C. ..	9,89,500	1946	5½	.. ..	55.00	75p.
††Khas Kajora C.	1,93,000	1931	5	Mar. Sept.	9.50N	10
New Beerbhoom T.F.C. ..	2,00,000	1920	7	Jan. July	11.50	10
Ondal T.F.C.	2,00,000	1898-99	6	Apr. Oct.	90.00	100
COTTON						
*Ahmedabad Advance T.F. ..	10,00,000	1939	5	Apr. Oct.	86.00	100
Bangalore C.T.F.	6,00,000	1884	6	Jan. July	110.00	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	9.00	10
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	145.00	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	62.00	100
Bradbury T.F.	14,75,000	1919	7	June Dec.	55.00	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7½	Jan. July	131.00	100
Cambodias C.T.F.	1,00,000	1928	7	Apr. ..	110.00	100
Central India T.F.	60,00,000	1912	5	Apr. Oct.	352.50	495
Century Spg. & Mfg. Co. T. F. R. C.	1,25,00,000	1958	6	Dec. ..	107.75	100
Coimbatore Pioneer C.T.F. ..	1,00,000	1935	6½	June ..	91.75	100
Elgin	11,00,000	1912	8	May Nov.	110.50	10
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	7.50	100
Elphinstone T.	25,00,000	1919	7	May Nov.	65.60	100
Kesoram	20,00,000	1919	7	June Dec.	105.00	100
Khatau Makanji (2nd) T.F. ..	29,92,500	1947	4	Nov. ..	74.00	10
Kothari C.T.F.	18,00,000	1937	6	Dec. ..	9.00	5
Kothari 'B' (Pref.)	6,00,000	..	6	.. ..	10.00N	250
Lakshmi Cotton (Bombay) T. ..	16,00,000	1896	5	.. ..	161.00	100
Morarjee Gocouldas Spg. & Wvg.	17,25,000	1947	4½	Jan. ..	75.00	100
Mysore Spg.	7,45,050	1944	4½	.. ..	28.25	50
National Rayon T.	1,74,64,700	1947	5	.. ..	81.00	100
New Great T.	8,00,000	1913	5½	Mar. ..	130.00	200
Podar Mills	10,00,000	1943	4	Feb. ..	61.50	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr. ..	51.00cd	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	61.00	100
Sholapoor R.	32,00,000	1943	3	.. ..	78.25	100
Svadeshi T.F.	15,00,000	1935	5	Apr. Oct.	92.00	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	77.00	100
Travancore Rayon C.T.F. ..	50,00,000	....	5	May ..	8.95	10
Vasanta (1st) C.T.F. ..	3,00,000	1931	6½	Apr. Oct.	105.00	100
Do. (2nd) C.T.F ..	1,50,000	1938	6	.. ..	95.00	100
Vishnu T.	15,66,500	1908	7	Apr. ..	432.50	500
ELECTRICS						
Andhra Valley Power Supply T. ..	49,34,000	1917	7	May Nov.	1,095.00	1,000
Amalgamated Electric T.F. ..	24,15,000	..	5½	.. ..	91.00	100
Calcutta Electric	19,00,000	1909-11	5(t)	June Dec.	9.75	£1
Poona Electric T.	4,00,000	1935	7	June Dec.	101.00	100
South Madras (1st) C.T.F. ..	22,00,000	1940	5½	Sept. ..	9.60	100
Do. (2nd) C.T.F. ..	8,00,000	1940	5½	Sept. ..	9.25	10
Surat Electric Co. T.F. ..	5,00,000	1939	6½	Apr. ..	111.00	100
Tata Hydro Electric Power T. ..	89,28,000	1907	7	May Nov.	116.25	100
Tata Power T.	86,97,000	1918	7½	May Nov.	1,122.50	1,000
Vellore C.T.	1,25,000	1928	6	Dec. ..	7.05	10
ENGINEERING						
Arthur Butler (Muzafferpore) ..	1,30,000	1916	7	Mar. ..	10.50	10
Burn & Co. Ltd. (1st) ..	13,00,000	1895-98	7	Feb. Aug.	125.00	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.	117.00	101
Indian Iron and Steel Co., Ltd.(T)F.	2,69,95,400	1950	5	Dec. ..	103.00xd	100
Indian Standard Wagon ..	19,66,500	1918	7	June ..	124.00	100
Jessop	20,00,000	1941	5	May Nov.	96.00	100
Kamani Engineering C. ..	15,00,000	..	5	July ..	60.00	100
†††Kumardhubi Engineering ..	12,00,000	1915	4	June Dec.	94.00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5	.. ..	95.50	100
Mahindra & Mahindra R.C. ..	25,00,000	1945	6	May ..	101.00	100
McKenzies (1st)	5,50,000	1907		.. ..	80.00	100
Premier-Construction (1st) T.	10,00,000	..	6½	.. ..	87.50	100
Do. do. (2nd) T.	15,00,000	1936	6½	.. ..	86.25	100
Do. do (3rd) T.	56,25,000	1947	4½	.. ..	6.04	10
Tata Iron and Steel (1st) T. ..	75,00,000	1908	6	Nov. ..	157.00	150
Do. do. (2nd) T.	6,93,81,900	1908	7½	May ..	117.75	100
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	100.00	100
Alexandra	9,00,000	1905	7	Feb. Aug.	97.00	100
Alliance	15,00,000	1895	6	Mar. Sept.	91.00	100
Anglo-India	40,00,000	1917	7	May Nov.	105.00	100
Auckland	10,00,000	1909	5½	May Nov.	83.50	100
Do. (2nd)(j) ..	15,00,000	1945	4½	June Dec.	66.50	100
Bally	20,00,000	1918	7	Apr. Oct.	102.00	100
Barnagore	£200,000	1896	5	May Nov.	39.50	5
Belvedere	7,00,000	1906	7	Jan. July	105.00	100
Birla	23,64,200	1919	7½	June Dec.	88.00	100
Budge-Budge	9,00,000	1894	7	May Nov.	105.00	100
Calcutta	6,00,000	1934	6½	Jan. July	62.00	100
Caledonian	10,00,000	1915	7	June Dec.	105.00	100
Cheviot	10,00,000	1919	7	June Dec.	105.00	100
Chitavalsah	5,00,000	1928	7	Mar. Sept.	103.00	100
Clive (1st Pref.) ..	8,00,000	1900	6	May Nov.	70.50	100
Do. (A) (2nd Pref.) ..	8,00,000	1905	7	May Nov.	78.00	100
Dalhousie	15,00,000	1903-13	7	May Nov.	94.00	100
Delta	5,00,000	1897	5	June Dec.	78.50	100
Empire	10,00,000	1912	7	Feb. Aug.	105.00	100
Fort Gloster	14,00,000	1890-98	7	May Nov.	115.00	100
Do. (2nd Pref.) ..	7,00,000	..	5	.. ..	74.00	100
Fort William	10,00,000	1911	7	May Nov.	115.00	100
Ganges	6,00,000	1916	8	June Dec.	120.00	100
Gourepore	26,50,000	1895-04	6	May Nov.	95.00	100
Hastings	25,00,000	1935	6	Mar. Sept.	96.00	100
Hooghly	11,76,000	1913	10	May Nov.	10.75	10
Howrah	8,75,000	1890	7	May Nov.	105.00	100
Do. (A)	17,50,000	1903-6	7	May Nov.	107.00	100
Hukumchand	40,00,000	1919	7	June Dec.	102.00	100
Kamarhatty	16,00,000	1898-04	6	Feb. Aug.	100.00	100
Kanknarrah	10,00,000	1900	6	Feb. Aug.	90.00	100
JUTE—*Continued.*						
Kelvin	10,00,000	1907	7	Mar. Sept.	106.00	100
Khardah	9,00,000	1895-09	6	May Nov.	89.50	100
Kinnison	15,00,000	1900-13	7	May Nov.	105.00	100
Lansdowne	15,00,000	1905	7	May Nov.	111.00	100
Lawrence (A)	5,00,000	1907	7	May Nov.	95.00	100
Do. (B)	10,00,000	..	5½	Dec. ..	80.00	100
Naihati	7,50,000	1905	7	May Nov.	96.00	100
Do. (2nd) (j) ..	10,00,000	..	4½	June Dec.	65.00	100
National	5,00,000	1917	7	May Nov.	107.00	100
Nellimarla	5,00,000	1939	6	Apr. Oct.	92.00	100
New Central	83,00,000	1915	7	Jan. July	100.00	100
Northbrook	15,00,000	1900	7	May Nov.	72.00	100
Reliance	20,00,000	1906-12	7	May Nov.	73.00	100
Samnuggur	£150,000	1901	6	Feb. Aug.	Sh. 21.50N	1£
Soorah	10,00,000	1920	7	Feb. Aug.	102.00	100
Standard	9,00,000	1895-01	6	May Nov.	100.00	100
Shree Ambica	11,70,000	..	7½	Mar. Sept.	98.00	100
Titaghur	£150,000	1897	6	Feb. Aug.	Sh. 21.50	£1
Union	6,00,000	1901-02	7	May Nov.	100.00	100
Victoria	£150,000	1898	6	Feb. Aug.	Sh.21.50	£1
Waverly	7,50,000	1918	7	Mar. Sept	42.50	5
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship ..	3,00,000	1895	7	Nov. ..	60.00	60
Calcutta Tramways ..	£250,000	1906	5	Apr Oct.	8.75	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5½	Dec. ..	96.00	100
Indian General Nav. & Rly. T.	£244,000	1899	6	Mar. Nov.	69.50	£10
India Steamship (w) ..	25,00,000	1928	5	.. ..	94.00	100
TEA						
Amalnckie Tea	75,000	1902-03	7	May Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900-02	6½	Jan. July	110.00	100
Birpara	1,00,000	1900-03	8	Jan. ..	114.00	100
Choonabhutti	2,00,000	1914	8	Jan. July	110.00	100
Gielle	2,00,000	1894	6	Sept. ..	67.00	100
Hantapara	50,000	1901	8	Jan. ..	114.00	100
Hasimara	3,00,000	1904	7	Mar. ..	110.00	100
Kingsley Golaghat ..	2,40,000	1897	6	Dec. ..	95.00	100
Moheema	3,20,000	1929	6	May Nov.	8.00xd	10
†††New Dooars	2,00,000	1907	6	Jan. July	112.00	100
New Samanbagh	1,00,000	1902	8	Nov. ..	101.00	100
†††Okayti	50,000	1888	7	Dec. ..	90.00	100
Pussimbing	2,05,000	1916	7	Jan. ..	100.00	100
Sonai River	1,00,000	1909	8	May ..	100.00	100
***Tezpore	2,05,000	1922	8	Jan. ..	11.00	100
Tirribannah	1,00,000	1922	10	May Nov.	14.00	100
PLANTING						
Be Be Rubber N.R.C.T. ..	1,43,005	1944	6½	.. ..	3.03	5
Do. R.C.T. ..	2,85,570	1944	6½	.. ..	6.44	10
Cochin Malabar C.T.F. ..	1,13,300	1932	7	June ..	46.70	50
Coffee Lands C.T.F. ..	10,40,600	..	5	.. ..	84.00	100
Coonoor Tea C.T. ..	1,50,000	1926	6	Apr. ..	95.95	100
Cottanad C.T.F.P. ..	1,00,000	1937	7½	Nov. ..	10.75	10
Devon Tea C.T.F. ..	2,00,000	1936	7½	July ..	106.00	100
Highland Produce C.T.F. ..	3,00,000	..	6	July Jan.	9.05	10
Neelamalai C.T.F. ..	18,00,000	1943	5	Jan. July	7.18	10
Nilgiri Tea C.T.F. ..	2,81,250	1942	6½	July ..	4.95	5
Pullangode C.T.F. ..	1,50,000	1943	6	Mar. ..	8.05	10
Teekoy Rubber C.T.F. ..	6,00,000	..	6	Mar. Sept.	7.15	10
T. R. & T. Co. C.T.F. ..	16,00,000	..	6	June Dec.	8.15	10
Waterfalls R.C.T.F ..	5,00,000	1943	6	Nov. ..	9.00	10
MISCELLANEOUS						
Alembic Chemicals (1st) T. ..	5,00,000	..	6½	June ..	86.00	100
Do. do. (2nd) ..	5,00,000	..	5	June ..	85.50	100
Alkali & Chemicals ..	31,00,000	1937	5	Apr. ..	102.00	100
Aluminium Corpn. (1st) ..	20,00,000	1938	6(f)	.. ..	98.00	100
Andhra Cement C.T.F. ..	2,48,800	1937	6	Feb. June	100.00	100
Associated Hotels of India T. ..	21,67,000	1916	7	Mar. Sept.	52.00	100
Bengal Chemicals ..	9,00,000	1925	7½	Aug. ..	12.62	10
Bengal Paper Mill ..	2,00,000	1903	7	Mar. Sept.	55.00	50
Do. "A" ..	4,00,000	1923	7	Mar. Sept.	109.00	100
Do. "B" T. ..	20,00,000	..	6	.. ..	67.00	100
Bengal Timber Trading ..	3,00,000	1896	8	Aug. ..	20.00N	100
Britannia Biscuit ..	15,450	1921	8	Feb. Aug.	15.00	10
British Ceylon Corporation ..	17,50,000	1918	6	Feb. Aug.	8.00N	5
British India Corporation ..	81,00,000	1920	8	Feb. ..	106.50	100
Dalmia Cement (Bharat) ..	61,58,210	1937	6	Sept. ..	9.75	10
Dhrangadhra Chemical Works Ltd.	31,91,900	1956	6	.. ..	94.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5	Dec. ..	88.00	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6½	Apr. ..	118.00	100
General Investment Trust (1st)	1,00,000	1946	5	Feb. Aug.	65.00	100
Do. do. (2nd) T.	1,00,000	..	6	Feb. Aug.	55.00	100
Gillanders Arbuthnot(f) T. ..	25,00,000	..	5	Apr. Oct.	56.00	100
Hindustan Motors T.F.R.C. ..	1,60,67,250	1956	6	Mar. ..	74.50	50
Humayan Properties ..	12,00,000	1933	0	.. ..	8.75	10
India Cement C.T. ..	29,85,000	1946	7½	Oct. ..	93.50	100
Indian Aluminium (g) T. ..	40,00,000	1945	5	June ..	72.00	100
Indo-Burma Petroleum T.C. ..	30,00,000	1921	7	Jan. July	92.50	25
Indian Cable (m) ..	12,87,750	1923	6	June Dec.	31.00	10
India Rubber Mfrs. (n) ..	8,28,000	..	5	Apr. ..	77.00	100
Jardine Henderson T. ..	50,00,000	1946	5½	Dec. ..	60.00	100
Kettlewell and Bullen (1st) T. ..	20,00,000	..	5½	May ..	63.00	100
Do. do. (2nd) ..	10,00,000	..	4	May ..	63.00	100
Kumardhubi Fireclay & Silica	2,00,000	1915	7	June Dec.	66.00N	100
Martin Burn (k) ..	30,00,000	1946	5	Apr. Oct.	102.00	100
McLeod and Co. (1st) T. ..	10,00,000	1930	5	July Jan.	52.50	100
Do. (2nd) ..	40,00,000	1936	5	July Jan.	72.00	100
Metal Box Co. ..	30,00,000	..	6	.. ..	87.00	100
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1903-18	6	Feb. Sept.	96.50	100
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6	June ..	9.00	10
Mysore Lamps R.C.T.F. ..	2,50,000	..	4	Aug. ..	6.50	10
National Tobacco (Old) (p) ..	25,00,000	..	5	Mar. Sept.	74.50	100
Do. do. (New) (q) ..	19,98,000	..	4½	Mar. Sept.	65.00	100
Orient Paper ..	69,83,900	1936	5½	Jan. ..	94.00	100
Do. (2nd) (r) T. ..	60,00,000	..	5½	Apr. Oct.	65.50	100
Rohtas Industries (Old) T. ..	20,00,000	1936	7	Apr. ..	118.00	100
Do. do. (New) ..	85,04,700	..	4½	Apr. ..	62.75	100
*Smith Stanistreet & Co. ..	5,00,000	1920	10	Feb. Aug.	71.00	50
Spencer & Co. "A" C.T. ..	23,20,000	1898	6½	Jan. July	8.50	10
Do. "B" C.T. ..	36,80,000	1922	8½	Jan. July	11.44	10
Standard-Vacuum C. ..	75,00,000	1955	6	June Dec.	101.00	100
Star Paper ..	10,00,000	..	5	Mar. Sept.	70.00xd	100
Tata Chemicals T.F. ..	59,97,000	..	5	June ..	96.30	100
Tata Oil Mills C. ..	29,88,800	1946	4½	July ..	62.50	100
Titagur Paper Mills ..	11,50,000	1899	8	Jan. June	144.00	100
Do. do. (2nd) ..	15,00,000	1934	4½	Jan. July	85.00	100

** These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus profits available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co Ltd

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free
R.O.—Redeemable at option. N.R.—Non-Redeemable. P.—Participating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50,00,000	5,37,500	1,01,25,505	44,03,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.60	2	0.19	0.19			12	Y.
40,00,000	24 00,000	1,40,93,494	78,99,035	17,302	M.	50,596	1,021	B. R. Cotton Mills	18.52	100	*Nil*	*Nil*	*Nil*		8	Y.P.T.
2 50,98,000	3,45,87,968	9,01,44,459	4,42,94,600	50,386	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,006	4,211	Bombay Dyeing & Mfg. Z	63.90	25	2.50*	2.50	2.50	2.50	12	Y.
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	144.50	50	12.50	20.00	15.00	7.50	8	Y.P.
1,22,75,700	3,26,61,468	8,11 07,933	3,12,75,392	9,53,042	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	552 00	100	22.00	22.00	22.00	22.00	12	Y.P.
26,00,000	28,31,920	1,13 36.792	67 79 552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	133.75	100	7.50	12.50*	12.50*	12.50*	8	Y.
28,00,000	26,37,709	90,59 554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	104 00	50	15.00	—	7.50F	5.00	8	Y.
84,00,000	26,36,389	1 12 98,983	69,27,928	—11,15,096	Puranmal Bubna Sons	46,476	928	Edward Textiles	217.00	200	18.00	15.00	15.00		12	Y.
29,98,050	15,72,144	1,31,76,951	81,20,936	....	M.	46,620	886	Elphinstone Spg. & Wvg.	34 00	50	5.00	15.00	*Nil*		12	Y.P.
50,00,000	63,57,852	1,81,16,865	95 84,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	276.00xd	100	20.00	20.00	20.00	16.00	12	Y.
50,00,000	48,52,027	1,00,12,312	64,97,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	207 50	100	15.00	15.00	15.00	15.00	12	Y.
11,84,000 16,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	50,240	1,120	Hindoostan Spg. & Wvg. Mills	4,800.00 992 50	1,000 250	300 00 75.00	325.00 81.25	350.00* 87.50*	350.00 87.50	8	Y.P.
2,50,00,000	56,89,672	4,90,61,819	3,54,00,000	1,29,969	Agarwal & Co.	2,44,512	6,214	India United Mills	8.28 1.12	0 100. 0 1D.	0.94 0.19	0.92 0.18			12	Y.
8,65,000 35,000	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	57,440	1,152	Indian Mfg.	4,350.00 —	1,000 500	300.00 150.00	300 00 150 00	325.00* 162.50*	325.00 162.50	8	Y.P.
59,85,000	47,84 646	3,32,60,641	2 39 44 370	80,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	227 50	100	12.00	10.00	10 00(c)	10 00	6	Y.P.
1,00,00,000	1,04,56,757	3,75,23,474	2,90,25,380	67,775	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	282 00	100	18.00	18.00	18 00	10.00	12	Y.
33.18 800	46 27,870	1.28,83,753	67,99 178	43,271	N. Sirur & Co. Private Ltd.	48,700	644	Modern Mills	40 00	50	8.00*	8.00*	5.00'C'		10	Y.T.
51,75,000	42,39,896	2 75,32,726	2 00.41,588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg. & Wvg.	260.00	100	14.00	15.00	14.00(c)	15.00	6	Y.P.
1,60,63,400	1,42,58 205	10,55,96,105	3,40,00,000	1,23,937	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	307 50	100	12.00	14.00*	14.00		12	Y.P.
24.00,000	22.76,231	82,93,080	48,70,077	—3,04,756	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	100 00	100	10.00	10.00	5.00	*Nil*	12	Y.
30,00,000	7,01,166	109 27,346	63,87,035	—4,83,512	W. H. Brady & Co., Ltd.	49,012	979	New Great Spg. & Wvg.	175 00	100	10.00	10.00	*Nil*	*Nil*	12	Y.P.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	3,59,718	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	165 00	100	10.00	..	12.50F	10.00	8	Y.
40 00,000	45,64,554	53.92.841	25 34,581	1,63 546	Podar Sons Private Ltd.	82,600	930	Podar Mills	169 00	100	12.00*	12.00*	10 00		12	Y.P.
10,00,000	....	23.94,122	18.44.733	—1,10 689	M.	..	..	Sassoon & Alliance Silk Mil	8 00	10	0.50	0.25(c)	*Nil*		12	Y.
37,70,100	1,18,66,143	2,51,80,351	1,49,71,803	5,465	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	51.00xd	10	2.00	2.00	2.00	2.00	12	Y.
80,00,000	44,70,061	1.27,66,700	67,73.552	58,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	179.00	100	12.00	12.00	8.00		12	Y.P.
42 00,000	30,80,473	1,95 86,294	79,84,101	8,089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	188.00	50	10.00	12.00	8.50	8.50	8	Y.
1,09,75,000	2,39,76,402	3,46,68,221	2,04,23,247	1,708	Mafatlal Gagalbhai & Sons	96,956	2,409	Standard Mills	521 00	100	20.00	22.50*	22.50*	20.00	12	Y.P.
1,00,00,000	95,94,067	3,02,49,607	1,59,54,406	29,124	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	237 00	100	12.00	14.00*	9.00	10.00	12	Y.P.
36,00,000	66,03,330	1,59,87,563	1,02,92,715	26,062	James Finlay & Co., Ltd.	40,328	549	Swan Mills	408 75xd	100	25.00	25.00	25.00	25.00	12	Y.
65,57,875	49,27,388	2,40,99,635	91,95,631	17,925	Tata Industries Private Ltd.	70,968	1,788	Tata Mills	38 00	25	4.00	3.50*	2 00	1.50	12	Y.T.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,664	1,212	Western India Spg. & Mfg.	4,475 00	1,000	800.00	800.00	325.00*	325.00	8	Y.P.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	140.00	100	7 00	12.00	5.00	5.00	6	Y.P.T.
15.00,000	98 23,183	1,29,00,836	73.32,228	....	P. M. Hutheesing & Co., Ltd.	42,760	920	Aruna Mills	627 50	100	80.00	25 00	25.00		12	Y.P.
60,00,000	2,86,91,444	2,34,46,771	1,24.21 342	1,27,946	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,120.00	100	35.00*	35.00*	35 00*	28.00 'c'	12	Y.P.
22,00,000	47,41,123	1,22 40,943	77,79,729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	485.00	200	25.00*	30 00*	*Nil*		12	Y.P.
12,00,000	1,40.46 694	99 92,464	67,28,819	726	Lalbhai Dalpatbhai & Co.	87,368	914	Asoka Mills	656 25	100	30.00	30.00	30.00		12	Y.P.
2,06.25 000	2.60,65 170	6,22,25,491	2,74,71.141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,89,120	2,378	Calico	610 50	125	..	30.00	30.00	25.00	8	Y.P.
63,00,000	28,51,630	1,44 37 907	1,02 61,820	20 815	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	480 00	250	80.00	100.00*	25.00*		12	Y.P.
52,00,000	1,17,29,342	1,79,38,243	1,14,51,119	1,21,046	Mafatlal Chandulal & Co., Ltd.	50,428	907	New Shorrock Spg. & Wvg.	973.00	125	35.00	40.00*	30.00	35.00*	12	Y.
15 00,000	64,29,775	69,45,065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	24,840	572	Nutan Mills	400 00	100	20 00	20.00	20 00		12	Y.P.
20,00,000	1,08,87,132	1,07 38.484	66,60,480	105	Lalbhai Dalpatbhai & Co.	31,120	634	Raipur Mfg.	690.00	100	35.00*	35.00*	35.00*		12	Y.P.
48 75,000	28.46.580	1,33,74,914	73.60,111	9,983	M.	33,156	648	Rohit Mills	141 25	100	*Nil*	8.00*	8.00*		12	Y.P.
63,75,900	3,01,44,505	2.32,18,408	1,32,23,150	56,660	Harivallabhdas Kalidas & Co.	94,128	1,790	Shri Ambica Mills	783.50	100	27.00*	30.00*	25.00	30.00*	12	Y.P.
29,25,000	75,75,008	1,12,51,013	77,65,692	23,937	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	497.50	100	25.00	30.00*	20.00	22.00*	12	Y.
35,00,000	38,00,929	28,90,368	90,20,784	23,800	Haridas Achratlal & Co., Ltd.	41,056	789	Vijaya Mills	617.50	500	35.00*	50.50*	40.00*		12	Y.P.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
15,00,000	3,05,455	38,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	6.94	10	0.50	0.60	0.60		12	Y.P.T.
7,11,280 3,00,620	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee, Esq. (Mg. Director)	33,248	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	4.00	*Nil*	8	Y.P.
24,00,000	1,50,000	1,20,71,237	49,68,081	1,17,244	Kettlewell Bullen & Co., Ltd.	42,928	841	Bowreah Cotton Mills	110 00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
19,00,000	24,30,708	1,39.78 961	78 14,165	—1 86,242	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	172 00	100	2.50	6.00	*Nil*		12	Y.T.
50,08,000	7,14,82×	81 32,154	30,32,154	1,32,757	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	9 06	10	*Nil*	0.87	0.50	0.65	12	Y.T.
1,60,00,000	2,29,91,250	,06,62,835	1,40,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	14.00	10	0.87	1.00	0.75		8	Y.P.
O.19,47,750 D.5,00,000	6,97,329	49,45,797	30,61,005	—2,23 455	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	14.50N 3.50N	10 1D	1.00 0.34	1.00 0.26	1.00 0.15	0.50 *Nil*	6	Y.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
11,98,600	2,17,093	45,17,191	21,23,244	....	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00	100	12.50	15.00	12.50	6.00	6	Y.
72,00,000	18,19,271	1,89,74,579	68,27,598	6,322	The Industries (I.F.) Department, Government of Andhra Pradesh	35,752	716	Azam Jahi Mills	52.50	100	8.50(c)	5.00	8.50	*Nil*	9	Y.
1,21,50,000	1,55,24,679	3,69,74,488	2,92,09,368	2,98,409	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	175 00	100	80.00	80.00	10.00'C'	10.00	12	Y.P
85 00,000	74 79 507	1,41 25,225	1 10 21,274	1 04 207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	18 00N	10	3.00	1.50	1.50	0 75	8	Y.
1.78,47,800	3,04,99,160	7,63,67,196	4,50,51,659	1,82,834	Binny & Co. (Madras), Ltd.	1,20,288	2,758	Buckingham & Carnatic	183.00	100	10.00	10.00	10.00	10.00	12	Y.P.T
20,00,000	15,37,935	50 23.440	26,18 048	..	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	9 40	10	0.50	0.50	0 50(c)		12	Y.P.
15 00,000	5,11,500	53,88,579	29 91,389	1,08,342	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	151.00	100	12.00	15.00	20.00	12 50	8	Y.
30,00,000	33,43,336	76,05,650	59 57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Textiles	5.00	5	*Nil*	0.25	0 25	*Nil*‡	12	Y.
9,36,560	5 31 645	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	11 50	10	0.62	0.75	0.90	0 90	8	Y.P.T.
35,97,200	24,15,845	88,08,886	36,22 038	596	R. Bheema Naidu & Co.	34,864	..	Coimbatore Cotton Mills	141.00	100	25.00	25.00	9.00'C'	6.00	12	Y.
18,15,000	7,25,195	89,16,552	24,29,633	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	91 00	100	20.00	12.00			12	Y.P.
20,00,000	18,28,450	80,21,737	44,09,621	599	T. R. N. Naidu & Co.	39,106	..	Coimbatore Pioneer Mills	285 00cd	100	20.00	20.60	20 00		12	Y.P.
20,76,900	5,076	1 37,90 104	88,52,968	—7,29,806	R. G. S. Naidu & Co.	72 188	407	Coimbatore Spg. & Wvg.	61.00	50	8.00	10.00	*Nil*		12	Y.
46,87,500	10,87 622	3,55,43,835	1,51,85,676	—28,54,243	Tata Industries Private Ltd.	75,530	1,707	Central India	106 50	100	8.00	*Nil*	*Nil*	*Nil*	6	Y.P.
26,90,661	19,55,000	1,04,60,142	44,85,815	21,830	R. Hanumanthappa & Son	35,744	300	Davangere Cotton Mills	113.50	100	9.00	9.00	9.00	9.00	8	Y.
3,88,86 225 1,00,563	3,59,53,968	12,81,26,690	7,47,89,631	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	34.62	25 2½	2.25 0.22	2.50 0.25	2.00 0.16	2.00 0.16	6	Y.P.T.
48,58,875	26,75,000	98,47,125	55,14,444	1 204	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	198 00	100	80.00	25 00	10 00'C	10.00	12	Y.
63,00,000	1 05,56 192	1,69.12,424	1,41,93,839	75,631	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	15 12	10	1.00	1.25	1.00		9	Y.P.
48,81,000	40,20,992	1,72,91,953	83,68,207	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	5	Gokak Mills	150 00xd	100	15.00	18.00	8.00	8.00	12	Y.
2,50,00,000	8,75,000	5,73,71,041	1,64,46 856	1,00,48,693	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	18 48	10	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.P
50,00,000	6.94,589	1,59,76,049	1,21,32,273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	50,780	1,356	Indore Malwa United	97 50	100	9.00	11.00	6.00		12	Y.
8,90 000	10,66,553	35,60 221	20,68,005	....	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	70 50	50	10.00	10.00	8.00		12	Y.
15,54,000	15,02,599	57,13,937	33,88,095	7,012	Mr. Bhairuratan Damani (Managing Director)	20,932	512	Jam Shri Ranjitsinghji	1,450 00	1,000	50.00	60.00	40 00		6	Y.
4,63,65,300	3,05 67 516	4,59 43 795	3,29 32 899	3,47 483	Birla Gwalior Private Ltd.	55,324	1,630	Jiyajeerao Cotton	9.76	10	4.00§	0.55	0.35	0.25	8	Y.P.
67,09,800	18,25,000	1,40,72,730	40,50,212	31,924	Kothari & Sons	41 040	800	Kothari Textiles	10 10	10	1.00	1.00	1.00	*Nil*	12	Y.P.
32,00,000	49,95,387	1,08,16,979	1,44,39,237	690	M.	51,098	1,219	Lakhshmi Cotton Mfg.	405 00xd	250	42.50	42 50	15.00	15.00	12	Y.P.
71,00,000	66,85,960	2,25,46,881	1,29,69 687	86 [illegible]	G. K. Naidu & Co.	1,10,800	200	Lakshmi Mills	122.50 61.50	50 25	12.50 6 25	12 50 6.25	10.00 5.00	6 00 3 00	8	Y.
1,75,02,480	3,75,33,193	5,99,75,120	4,17,59,406	—49,07,085	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	29.00	15	3.00	2.62	2.25	*Nil*	12	Y.
12,00,000	3,67,363	29,03,352	18,76,700	213	V. K. Eradi (Chairman)	22,228	100	Malabar Spg. & Wvg.	80.00	200	*Nil*	8.00			12	Y.
60,00 000	69,00 000	66,60,298	47,39,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	397.00	100	35 00	42.50	20.00	20.00	8	Y.
29.80 884	12,88 081	93,11,180	51,89,457	19,733	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	61 00	100	6.00	6.00	*Nil*		12	Y.
94,91,850	21,56 146	1,71,94.769	78,81,528	1,85 008	M.	52 408	952	Model Mills (Nagpur)	97.50	250	7.50(c)	7.50			6	Y.
24.83,500	39,98,562	1 13,65,249	72 49.736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	81 50	50	6 00(c)	9.00*	9.00*	5 00	2	Y.P.
13.61,780	....	29,12,641	17,83,814	3,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6 25N	10	*Nil*	*Nil*	*Nil*		8	Y.
37,23,200	39,29,981	1,73,83,244	67,86,683	....	M.	87,788	902	Osmanshahi Mills	39 00	100	2.50(c)	8.00(c)	*Nil*		9	Y.
4,00,000A 6,00 000B	13,00,000	71,79,976	28,66,277	8,909	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	134 00 182 00	50A 75B	12.00 18.00	15.00 22.50	9 00 13 50		12	Y.P.
15 00 000	....	35,52,644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	46 00	100	4.00(c)	*Nil*	*Nil*		12	Y.
33,62,400A. 16,81,200B.	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	300	Radhakrishna Mills	130 00 63 50	100A 50B	20.00 10.00	20.00 10.00	12 00 6 00		12	Y.
19,38 275	30,53,750	76,37,378	82 62 433	....	B. R. Naidu & Sons	40,296	..	Rajalakshmi Mills	66 00cd	50	10.00	7.50	4 50		12	Y.P.
16 14 300	14 00 000	58 40 288	20 95 406	....	Ramco Agencies Private Ltd.	30,756	..	Rajapalayam Mills	121 50	100	10 00	10 00	12.00	8.00	8	Y.
22,32,300	11,19,000	56,65,412	25,87,551	5,956	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	121.00cd	100	10.00	10.00	10.00	10.00	12	Y.
15,90,000 10 000	2,69,010	3,15.04 564	2,05.50 750	—34,29,635	M.	86,048	2,234	Sholapoor Spg. & Wvg.	422.50 —	1,000 500	*Nil*	*Nil*	*Nil*		8	Y.P
36,69 700	21,91,449	1,05,51,059	61 65,564	37 576	H. N. Pallegar, Esq.	42,924	292	Sri Krishnarajendra Mills	65.00	50	5.00	7.00	7.00	4.50	8	Y.
15,00,000	3,63,33,415	1,06,79,186	80,23,012	30,16,282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	68 00N	10	6.00	6.00	6.00	6.00	8	Y.
17,50 000 O 1,57,50,000 PO	2,36,28,071	5,28 86,193	1.97,31,347	2.64,970	M.	1,12,216	2,098	Swadeshi Cotton (Kanpur)	11.00 11 06	10O. 10P.O.	0.75 1.15	0.75 1.15	0.75 1.15		12	Y.P.
1,00,00 000	60 00 000	3,88 81,893	1,95 13 492	1,78,216	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	20 35cd	10	0.75	1.00	1.00		12	Y.P.T.
13,08,730	8,75,000	20,72,310	14,38,584	71	Mooiji Ramjee & Sons	18,000	..	Trichinopoly Mills	11 05xd	10	0.90	1.12	0 90	0.75	12	Y.
21,00 000	89 86 738	86,30 896	51,76,507	12,000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	222 00cd	100	20.00	20.00	12 00		12	Y.P
32,00,000	8 64,423	1,94,48,153	1,30,02,866	—14,81,997	The Bombay Co. (Private) Ltd.	49,880	1,363	Vishnu Cotton	95.50	100	8.00	8.00	*Nil*	*Nil*	12	Y.P.T.

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

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
71,39,780	6,27,794	1,53,40,852	52,19,911	49,516	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.10	B. 10	1.00*	1 00	1.00		12	Y.P.
59,89,343	36,548	1,57,05,664	21,936	6,415	M.	Ashoka Cement Ltd.	9.08	10	..	..	*Nil*	*Nil*	8	Y.T.
12,71,80,070 6,34,26,150	10,06,76,940	36,32,76,342	12,89,15,052	1,98,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	158.00	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
33,92,587	....	1,23,58,448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8 32	10	0.30	0.60	0.60		12	Y
1,44,10 795 5,00,000	53,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	10.55 2.63	O. 10 D. 1	1.25 0.12	1.25 0.12	1.20 0.12		12	Y.P.T.
1,09,79,135	30,37,736	2,18,27,299	73,38,865	71,092	Essen Private Ltd.	India Cements Ltd.	— 6.03	O. 25 D. 5	1.87 0.37	2.06 0.41	2.06 0.41	2.25 0.45	8	Y.P.
1,50,00,000	1,85,000	6,72,92,670	1,24,70,386	93,276	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.12	10	0.75	1.25	1.25	1.25	3	Y.P.
4,00,00,000	31,43,497	3,25,68,768	1,17,79,528	37,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14 40	10	1.25	1.25	1.50		12	Y.P.
34,20,280	48,94,785	3,55,77,865	1,29,16'661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	152.00	100	8.50	9.00	9.00		12	Y.P.
75,00,000	17,70,000	2,18,91 926	1,54,88,889	18,727	M.	Sone Valley Portland Cement	5.87	5	0.30	0.15	0.30		12	Y.
59,00,000	6,00,000	1,04,84,565	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	9.85cd	10	0.62	0.60	0.60		12	Y.

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
13,50,000	14,90,281	13,05,892	7,13,067	32,820	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	19.88	10	1.00	3.00	1.50	3.50	9	Y.P.
50,50,275	8,45,000	1,20,18,973	35,41 847	20,913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.69	2½	0.25	0.25	0.25		12	Y.
10,00,000	34,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	32.50	10	1.75	0.87	1.75	1.75	8	Y.
£1,871,300	£1,348,400	£2,621,717	£1,593,562	11,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.30	Sh. 2	10.8*d*.*	4.8*d*.	4.32*d*		12	Y.
O.15,00,000 P.5,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	14.19	10	1.00 3.00	*Nil* *Nil*	*Nil* *Nil*		6, 12	H.
6,00,000	4,20,010	10,39,616	6,71,336	6,036	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.70	10	0.75	1.00	1.00*	1.00*	8	Y.
20,00,000	49,23,557	56,51,624	29,17,800	1,42,114	Bird & Co. Private Ltd.	Orissa Minerals	36.19	10	2.00*	1.001	2.00	2.50*	6	Y.
10,50,000	74,07,410	92,16,115	33,74,927	57,690	Killick Industries Ltd.	Shivrajpur Syndicate	100.25	10	3.00*	8.00*	3.00*	8.00*	11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
41,27,700	37,60,000	1,10,24,566	49,60,560	31,063	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	210.00	100	8.00	10.00	12.00		12	Y.P.
62,00,000O 2,47,97,000A	90,34,040	4,45,67,285	73,02,594	1,08,673	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	25.75	10	0.80	0.80	0.80	0.80	9	Y.P.
60,00 000	....	67,15,919	....	1,15,111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	173.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
89,27 800	11 05,700	2,96,61,485	67,85,495	58,686	Lalbhai Sons & Co.	Atul Products Ltd.	332.50	100	5.25	6.00	8.00		12	Y.
48,17,200	48,33,400	1,45,22,658	65,85,060	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	100.00	100	6.00	6.00	6.00	6.00	8	Y.P.T.
21,50,000 42,74,800	63,31,297	1,48,64,534	57,89,609	9,989	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	120.00 —	100 100New	12.00 ..	9.00 4.50	7.50 3.75	6.00 6.00	8	Y.P.
3,46,06,075	....	4,29,69,769	2,38,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	9.45cd	10	*Nil*	*Nil*	*Nil*		12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jal H. Mehta	Kemp & Co.	222 00	200	12.00	15.00	15.00	15.00	8	Y.
40,50,000	16,32,446	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.90	10	0.70	0.75	0.75	0.87½	8	Y.P.T
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10 25	10	0.50	0.50	0.50		8	Y.
6,00 000	4,00,000	7,37 855	4,44,350	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	19.00XR	10	2.00	2.00	2.00		8	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	11.12	5	0.50	1.00	1.00	0.80'C'	6	Y.P.
10,00,000	12,00,954	19,34,602	14,27,276	87,365	M.	Polychem. Ltd.	102.00	50	..	..	..	*Nil*	8	Y.P.
1,39,95,990 56,00,000	17,19,952	4,57,35,637	1,71,43,316	8,730	Tata Industries Private Ltd.	Tata Chemicals	17.36	10	*Nil*	0.75	0.80	0.75	6	Y.P.T.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
8,74,78,305	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	93.20xd	100	5.00	6.50	3.25	6.50	8	Y.T.
72,50,000	14,67,106	1,98,94,397	45,21.447	15,26,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.72	10	0.75	0.75	0.42½	0.85	8	Y.P.
8,02,76,250	76,70,609	9,08,96,522	2,41,70,836	32,105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,147.50	1,000	75.00	75.00	56.25	80.00*	8	Y.P.T.
1,75,00 000	54,34,572	3 30,22,445	77 28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	103.50	100	7.00	7.00	7.00	7.00	8	Y.
7,07,020	99 267	16.08,942	7,53,744	199	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.12	10	0.75	0.62	*Nil*	0.50	8	Y.T.
18,89,000	9.35,696	1 40.77.220	53 14.908	7 836	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	120.00	100	10.00	10.00	2.50	7.50	8	Y.P.T.
60 62,500	25.74 514	1,34 27.302	42 37.719	3,823	Killick Industries Ltd.	Surat Electricity	107.50	100	7.00	..	8.75	7 00	8	Y.P.
2,39,99 575	74,19 097	6 03,96,657	1,61.14 10	23,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	118.25	100	7.50	7.50	5.52	8.00*	8	Y.P.
5,15,85,750	2,13,05,278	16,15,83,754	3,15,30,939	29,701	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,172 50	1,000	75.00	75.00	56.25	80.00*	8	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
19,99,600	44,20,245	1,12,31,458	33,25,328	49,395	MartinBurn Ltd.	Agra Electric Supply Co., Ltd.	144.00	100	10.00	10.00	10.00	10.00	8	Y.T.
8,00,000	14,59,897	50,97,022	18,71,344	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14.50	10	1.00	..	1.25	1.00	3	Y.T.
7,00,000	35,12 989	1,29,85,409	37,39,559	38,395	Martin Burn Ltd.	Benares Electric Light & Power Co.	14 25	10	1.25	..	1.25Z		8	Y.T.
5,91,360	5,95,855	21,28,477	9,59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	7.75	8	0.50	..	0.62Z		8	Y.
£4,262,646	£8,460,286	£30,407,122	£10,881,162	130,008	Harry Burn Esq. (Chairman	Calcutta Electric Supply	14.94	£1	6%	6%	8¼%Z		8	Y.P.T.
6,60,000	5,11,491	28,13,024	8,33,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8 00	10	0.62	..	1.00Z	0.65	8	Y.
43 20,000	16,40,106	98,00,595	33 70,613	8,16,830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	102.00	100	6.00	6.00	6.50	7.00	8	Y.P.
5,34,640	96,514	29,51,444	12,22,358	3,590	Moonna Lall & Sons	Jhansi Electric Supply	6.62	10	0.69	..	0.86Z	0.62½	8	Y.T.
2,49,700	25,37,546	98,31,343	35,83,603	29,425	Martin Burn Ltd.	Jubbulpore Electric Supply	13.00	10	0.91	0.40	0.92	0.92	8	Y.
4,95,000	2,21,374	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.50N	9	0.50	..	1.22Z	0.72	8	Y.
5,82,890	3,35,296	32,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8.25	10	*Nil*	..	1.25Z	1.00	8	Y.
6,99,850	1,83,973	17,34 092	7,83,164	22,321	G. D. Bhagat, Esq.	Muttra Electric Supply	10.75	10	0.60	0.80	0.80	0.80	3	Y.
35,10,478	37,51,063	1,32,14,704	51,65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.50	10	0.75	..	1.25Z	0.75	8	Y.T.
9,10,000	1,93,940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25	10	0.50	*Nil*	*Nil*	0.50	8	Y.
16,80,000	11,63,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuan (Jherriah) Elec. Supply Co.	11.00	10	0.75	..	0.94Z	0.68	3	Y.T.
56,00,000	9,42,467	1,85,49,991	54,65 888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	12.15	10	0.91	0.91	1.28	0.87	8	Y.P.T.
5,99,250	4,67,280	21,09,262	9,36,176	9,038	Martin Burn Ltd.	Upper Ganges Valley Electric Supply	24.25	10	0.94	..	1.25	1.00	8	Y.
5,00,000	6,65,006	25,81,076	8,92,154	32,516	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	18.00	10	1.25	1.25	1.25		8	Y.
56,01,185	65,36,540	3,01,72,909	84,072	83,837	Martin Burn Ltd.	U. P. Electric Supply Co.	132.00	100	10.00	10.00	10.00		8	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.75	10	1.00	1.00	1.60	1.00	8	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
83 42,200	52,31,831	74,21,408	62,82 616	25,010	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	203.00	100	12.50	15.00	12.50		12	Y.
14,99,960	2,67,708	16,61,421	6,38,124	3,552	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	60 00	60	3.00	3.00	3.00	3.00	12	Y.
6,40,000	3,75 000	1,57,259	1,17,027	1,448	M. R. Rao Esq. (General Manager)	Jost's Engineering	71 00	50	4.00	4.00	5.00	5.00	8	Y.
44,96,250	2,57,957	55,59,741	16,71,411	56,266	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	9.80	10	*Nil*	*Nil*	*Nil*		9	Y.P.
50,00,000	15,01,511	44,29,526	20,09,794	25,546	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	24.40	10	1.00	1.00	1.00	1.25	8	Y.P.
1,32,00,000	85,51,182	1,33,44,215	23,12,332	98,681	M.	Mahindra & Mahindra Ltd.	23.48	10	1.00	1.25	1.75	2.20	10	Y.P.
11,00,000	49,774	31,43,786	18,71,575	31,416	P. Jhunjhunwala Esq. (Mg. Director)	McKenzies	73.00	100	*Nil*	*Nil*			7	Y.P.
39 69,895	24,80,000	83,15,927	31,99 497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	18.24	10	*Nil*	*Nil*	1.00	1.20	8	Y.P
22,50 000O. 11,31,250Pr.	1 31,65,556	7,65,574	1,09,239	2,35,441	Walchand & Co. Private Ltd.	Premier Construction	339.00	30	3.50	3.50	10.00	12.00	12	Y.P.
11,56,50,000 11,41,76 610	28,20,43,033	147,05,45,438	42,01,71,546	4,49,802	Tata Industries Private Ltd.	Tata Iron and Steel	191.75 189.00	75old 75new	10.50 ..	10.50 ..	9.50 2.54	8.25 7.56	3	Y.P.
5,00,00,000	65,53,390	16,75,83,296	6,68,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	204.00	100	*Nil*	6.00	8.00	9.00	3	Y.P.T.
2,55,00,000	24,78,951	76,50,491	16,44,492	1,09,108	S. K. Handoo, Esq.	Voltas Ltd.	169.00	100	5.00	9.00	9.00	9.00	8	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	12.75	10	..	..	*Nil*		10	Y.P.T.
50,00,000	19,00,000	1,22,29,219	79,69,445	97,400	Bhartia Co., Ltd.	Bhartia Electric Steel	17.50	10	1.25	1.25	1.25		12	Y.
56,59,790	64,90,721	66,62,747	9,45,919	1,75,170	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	30.44	7	1.75	2.00	3.00	1.25	12	Y.
12,00,000	25,05,000	49,19,444	27,99,444	1,73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34.00	10	1.50	2.00	2.00		12	Y.T.
19,88,670	5,23,347	37,25,250	11,79,769	99,900	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6.81	10	1.00	0.50	0.50	0.50	8	Y.P.T.
40,00,000	39,42,365	83,13,780	37,68,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	13.37	10	1.50	0.60	0.60		12	Y.T.
5,00,000	5,65,004	22,70,144	13,03,817	68,189	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	28 75	10	*Nil*	*Nil*	2.00	2.00	12	Y.
84,00,000	1,99,04 936	4,42,87 207	2 71,68,251	1,30,345	Martin Burn Ltd.	Burn & Co.	450 00	100	15.00	20.00	20.00	20.00	4	Y.T.
2,00,00,000	2,13,01,630	4,44,83,091	1,89,34,508	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	40.62	10	..	2.30	2.00	2.00	12	Y.T.
12,50,000	23,50,000	60,07,710	38,80,350	5,810	Martin Burn Ltd.	Hooghly Docking	115.00	50	6.25	6.25	5.00		12	Y.P.
36,04,590	....	46,81,461	28,61 241	—2,73,694	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	16.81	10	1.00	*Nil*	*Nil*	*Nil*	12	Y.P.
10,36,74,160	18,72,11,475	43,94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	24.64	10	1.00	1.00	1.00	1.00'C'	8	Y.P.
88,98,500	54,64,443	1.09,97,195	64,95,575	42,976	Martin Burn Ltd.	Indian Standard Wagon	103.00	25	6.25	7.50*	7.50*	5.00	8	Y.P.
32,00,000 26,580	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	40.75 19.00N	0.10 0.1	3.00 0.30	3.00 0.30	4.00* 0.40*	4.00* 0.40*	8	Y.
68,62,575	52,15,306	2,84,90,851	96,05,430	1,931	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	200.00	100	12.00	10.00	15.00	12.00	8	Y.P.T.
1,01,99,000	51,82,557	1,72.18,507	62,69,132	51,642	M.	Jessop & Co.	32.12	10	3.00	*Nil*	*Nil*		10	Y.P.
24,23,187	10,05,500	48,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	20.40	10	0.50	0.60	0.90	1.00	3	Y.
18,43,200	54,56,724	72,53,319	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	9.59	3	0.50	0.62	0.45		11	Y.P.Y.
10,50,000	23,78,264	17,13,875	13 52,941	1,35,774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	6.12	2	0.30	0.40	0.40		6	Y.
49,96,000	7,44,675	1,25,33,261	63,79,493	9,10,380	M.	National Iron and Steel Co., Ltd.	8.62	10	0.25	0.62	0.62	0.62	3	Y.P.T.
40,00,000	30,56,944	50,38,480	18,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10	1.50				6	Y.P.
6,00,000	8 16,855	29,83,251	18,00,849	21,638	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.44	4	0.25	0.25	0.40	0.40	3	Y.
1,50,00,000	40,87,211	3,55,99,392	1,47,60,898	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	25.60	10	1.00	1.25	1.50		12	Y.P.T

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
13,50,000	46,99,060	1,33,51,354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	13.00	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	34 00	50	3.00	3.00	3.00		12	Y.
5,15,000	1,84,95,246	12,88,65,607	....	....	R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	201.25	100	25.00				12	Y.
24,00,000	62,91,344	1,26,11,797	....	3,40,686	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.50	10	2.00	2.00	2.00		12	Y.
18,74,940	3,16,61,024	4,00,62,157	....	5,97,428	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	5.20	15	*Nil*	*Nil*	*Nil*		12	Y.
20,00,000	53,99,401	1,56,15,926	....	10,976	M. G. Mody, Esq.	New Great Insurance	21.00	20	1.50	1.50	2.00		12	Y.
1,06 81,590	7,19,81,437	13,20,95,176	....	1,41,431	B. K. Shah, Esq...	New India Assurance	51.50	15	2.50	3.00	3.00	2.001	12	Y.
6,00,000	78,22,32,610	82,01,80,624	....	....	L. S. Vaidyanathan, Esq.	Oriental Life Assurance	4,200.00	200	200.00				12	Y.
32,00,000	65,90,004	1,60,63,502	....	29,354	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	7.03	8	0.50	0.62			12	Y.
5,75,000	67,91,968	42,97,528	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	160 00	25	11.25	11.25	11.25		12	Y.
15,99,270	33 72,513	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	20.52	10	1.25	1.50	1.50		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
35,00,000	86,85,342	89,25,560	36,80,012	1,63,409	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	6.25N	7	1.50	1.50	0.60		12	Y.P.
1,00,00,000	1,44,75,801	94,16,791	49,77,641	1,06,640	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd., A.	26.50	10	4.00*	2.00	2.00	1.001	12	Y.P.
74,07 475	35,88,424	2,22 58,663	1,37,40,954	5,511	Tata Industries Private Ltd.	Tata Oil Mills	53.20	25	2.00	3.00	2.50	2.50	8	Y.P.
6,00,000	9,35,944	2,38,199	1,74,917	70,660	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India), Ltd.	16.37	10	1.09	1.25	1.25	1.50	10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—Dividend is for fifteen months ended 31st March 1957. T—Company has got Debentures.

MISCELLANEOUS COMPANIES—*Continued.*

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	94.50	25	4.69	2.50	3.12	2.00I	12	Y.P.T.
63,00,000	61,52,258	1,94,26,902	33,79,418	29,471	Andrew Yule & Co., Ltd.	India Paper Pulp	24.12	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	19.50	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	36.15	10	1.12	0.62	1.50	1.50	3	Y.P.T.
1,25,49,570	74,23,277	1,35,10,223	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	17.75	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000 A 10,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12.62 12.62	O. 10 A. 10	1.25 1.25	1.05 1.05	0.60 0.60		9	Y.P.
2,18,55,240	51,28,786	3,93,85,536	1,10,56,130	18,794	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.92	10	5.00‡	0.50	0.50	0.65	6	Y.P.
56,00,000A. 56,04,800B. 4,87,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	42.75 42.75 4.25	A. 10 B. 10 P.O. 2½	2.00* 2.00* 0.25	1.12* 1.12* 0.12	2.38* 2.38* 0.24	2.38* 2.38 0.24	3	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
13,99,993	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.56	3	*Nil*	*Nil*	*Nil*		9	Y.
39,25,000 42,00,000	3,44,84,782	5,28,19,225	2,20,41,205	49,888	Wallace & Co	Bombay-Burmah Trading Corpn.	558.00 190.25	Old125 New50	37.50 15.00	40.00 13.75	47.50K 19.00K	22.50 9.00	5	Y.
20,00,000	20,48,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	41.37	10	3.00	3.00	2.75	1.00I	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
14,00,000	16,60,406	43,47,523	32,35,804	59,415	M.	Balrampur Sugar	7.37		0.06	*Nil*	0 25	0.25	6	Y.
12,00,000A. 3,00,000B.	29,80,260	55,40,881	36,82,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	120.00N 11.50N	A. 100 B. 10	10.00 1.00	10.00 1.00			4	Y.T.
19,49,050	9,25,000	33,56,181	25,76,647	66,832	Bangur Bros., Ltd.	Belsund Sugar	12.69xd	7½	0.75	1.00	1.00	1.00	9	Y.
15,00,000	13,08,913	22,66,507	13,89,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	12.00N	10	1.50	1.50	1.50	1.00	6	Y.P.
32,00,000	23,38,522	1,49,71,234	1,02,01,879	11,728	Gladstone Lyall & Co., Ltd.	Carew & Co.	8.44	10	0.25	*Nil*	*Nil*	0.25	6	Y.P.T
30,00,000	63,02,047	1,64,83,531	98,80,069	—22,24,008	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	10.91	10	0.75	0.75	*Nil*	*Nil*	10	Y.P.
18,00,000	33,41,544	85,45,810	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	17.06	10	1.50	1.00	*Nil*	1.00	6	Y.
9,58,252	2,59,762	25,14,158	16,93,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.50N	10	0.50	0.50			8	Y.T.
60,00,000	65,12,000	2,11,44,128	86,21,246	43,249	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	230.00	100	15.00	15.00	15.00	15.00	6	Y.P.
18,00,000	18,01,626	82,23,561	52,13,596	74,885	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	46.00	40	2.25	4.00	7.00	4.00	7	Y.P.
7,89,100	25,86,524	50,24,224	28,80,749	18,295	Cotton Agents Private Ltd.	New India Sugar Mills	26.00	10	2.50	2.50	2.50	2.50	6	Y.P
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5.00	10	0.25	0.37	0.37		5	Y.
13,21,100 38,275	49,91,797	73,75,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	250.00 50.00N	100 25	20.00 5.00	20.00 5.00	20.00 5.00		6	Y.
77,48,500	64,43,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	140.00	100	11.00	11.00	12.50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	12.00	10	0.75	0.75	*Nil*		10	Y.P.
63,59,400	48,84,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	14.31	10	1.50	1.50	1.50		10	Y.
8,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	17.00	10	*Nil*	1.75	1.50		6	Y.P.
11,99,000	16,83,214	47,23,533	25,13,422	—2,20,853	M.	Samastipur Central Sugar	12.25	10	*Nil*	1.75	*Nil*		6	Y.
39,88,800	22,68,560	1,47,99,287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.81	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	32,42,065	14,85,208	—3,03,840	H. K. Ghosh, Esq., and B. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	4.00	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
15,89,000	13,52,481	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
8,00,000	37,71,616	1,55,93,502	86,53,620	24,618	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	2.50	3.00	5.00	5.00	6	Y.P.
16,00,000	9,16,589	33,80,385	27,24,251	29,751	M.	United Provinces Sugar	16.10	10	1.50	0.60	0.75		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
30,00,000	23,00,000	84,58,962	24,22,569	22,096	Rangarao & Co.	Andhra Sugars Ltd.	22.25xd	10	0.60	1.00	1.25	1.50	9	Y.
70,49,650	1,33,26,508	1,53,99,065	1,08,73,700	2,33,214	W. H. Brady & Co., Ltd.	Belapur Company	314.00	50	16.00	16.00	18.00	20.00*	9	Y.
17,50,000	13,19,902	42,58,150	25,46,204	1,21,343	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	24.32	10	1.00	1.50	2.00	2.00	9	Y.P.
37,50,000	16,15,171	76,19,408	50,40,255	31,529	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	30.00	10	2.00	5.00	2.25		9	Y.
29,84,000	50,19,492	1,19,44,328	66,95,463	1,49,743	Parry & Co. Ltd.	Deccan Sugar & Abkhari	12.15	1.50	0.50	0.75	0.72½'C'	0.90	5	Y.P.
£800,000	£1,398,556	£1,861,707	£996,904	£70,816	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	38.75	£1	Sh. 4	Sh. 3	Sh. 3	Sh. 4	9	Y.P.
15,93,900	21,59,383	45,68,562	27,88,312	9,164	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	*Nil*	6.00	10.00	10.00	6	Y.P.
63,97,600	9,09,336	78,60,440	13,77,075	24,812	India Sugar Agencies Private Ltd.	India Sugar and Refineries	13.10cd	10	1.40	1.12	1.00	1.00	9	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.50	10	1.00	0.60	0.60		6	Y.P.
10,52,200O. 2,87,190D.	1,09,50,000	3,37,42,487	51,70,482	83,107	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	140.00cd 140.00cd	O. 100 D. 10	7.50 10.00	7.50 10.00	7.50 10.00	7.50 1.50	6	Y.P.
67,50,000	43,52,607	1,32,16,830	62,39,590	2,98,574	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	215.00	50	..	100.00*	100.00*	17.00*	9	Y.P.
21,79,280	92,78,108	1,57,31,189	96,17,873	1,44,257	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	52.25	10	1.00	2.00	2.00	3.00*	6	Y.
50,00,000	53,21,430	1,16,88,154	67,30,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	167.00	50	2.00	9.00	12.00*	10.00	9	Y
16,59,820	40,00,000	59,42,534	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	20.25	10	[illegible]	2.00	1.50		8	Y.P.T.
20,00,000O. 4,00,000D.	42,95,804	1,18,46,781	62,36,097	72,206	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	131.00 40 00	O. 50 D. 50	[illegible] [illegible]	12.00 0.70	12.00 3.75	12.00 3.75	9	Y.P.T.
30,00,000	23,85,000	65,48,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	12.45	10	0.71	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,17,38,868	2,95,28,114	1,17,67,839	1,73,607	Walchand & Co. Private Ltd.	Walchandnagar Industries	305.00xd	100	18.00	21.00	21.00	21.00	9	Y.P.T.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
20,00,000	99,30,970	1,22,53,916	19,44,277	36,387	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	7.50	7.50	5.00		10	Y.P.
1,00,00,000	27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	12.80	10	5 00	6 00	12.00*		12	Y.
30,00,000 30,00,000	1,98,50,067	5,87,36,543	1,23,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	23.48 16.36	10 5	*Nil* 	1.00 	1.50 	1.80 0.90	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	70.00	£10	Sh. 10	*Nil*	*Nil*		12	Y.P
2,47,50,000	2,83,86,232	15,10,10,777	3,23,97,310	3,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	14 68	10	*Nil*	1.00	1.00	1.00	3	Y.P
11,28,19,293	10,91,45,114	30,05,36,672	6,94,73,743	6,65,069	M.	Scindia Steam Navigation Co.	18.80	20	0.50	1.00	1.25	1.25	6	Y.T.
8,40,800O. 2,10,200P.O.	21,67,472	12,59,963	8,41,760	1,35,400	R. R. Aiyer Esq. (Manager)	Walford Transport Ltd	2.12 1.59	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.14 0.12		12	Y.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
5,57,00,000	1,20,48,754	5,27,61,368	66,48,054	1,35,01,936	S. H. Turner (Chairman)	Hindustan Lever	30.75	10	..	1.25	1.40	1.50	12	Y.
31,07,000	13,46,538	1,14,49,682	72,51,407	67,978	Birla Brothers Private Ltd.	Hind Cycles	111.00	100	10.00	..	12.50F	7.00	3	Y.P.T.
14,93,840	4,61,996	23,87,568	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	42.00	50	2.00	3.00	3.50*	3.00	3	Y.P.
99,99,250	20,21,794	1,27,76,392§§	....	1,92,364†	Premchand Roychand & Sons	Industrial Investment Trust	80.00	100	4.50	5.00	5.50	6.00	12	Y.
1,00,00,000 6,23,625	25,34,707	45,50,246	14,45,332	9,290	K. G. Milne, Esq. (Mg. Director)	Killick Industries	138.50	100	11.00	11.00	11.00	13 00	11	Y.
2,20,26,525	71,19,432	3,90,61,158	1,93,68,002	4,78,891	Aero-Auto Private Ltd.	Premier Automobiles	116.00xd	100	*Nil*	6.00	6.00	4.00	6	Y.T.
26,94,500	24,05,554	65,52,811	16,34,991	48,132	Polson Agencies Private Ltd.	Polson Ltd.	152.00	10	10.00	12.50	[illegible]	10.00	12	Y.P.
2,75,00,000	1,57,27,188	4,42,23,592	1,76,37,418	1,62,793	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	220.00	100	11.00*	11.00*	11.00*	11.00*	12	Y.
45,00,000	59,87,543	11,32,721	5,39,418	84,393	Jehangir P. Patel, Esq. (Chairman)	W. H. Brady & Co., Ltd.	320.00	150	20.00	22.50	[illegible]	25.00	12	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
57,50 000 2,50,000	1,99,56,713	8,81,21,462	36,96,361	2,32,759	J. K. Industries Private, Ltd.	Aluminium Corporation of India Ltd.	14.75 —	O. 10 D. 2½	*Nil* *Nil*	0.50 *Nil*	[illegible] *Nil*		3	Y.P.T.
79,95,653	34,25,000	1 05,40,087	34,37,767	49,715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd.	19.55	10	1.25*	1.25	1 25	1.25	3	Y.
30,00,000	36,31,857	35,74,849	24,59,437	2,39,372	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	18.50	10	2.00*	2.00*	1.20*	1.50	3	Y.
30,00,000	17,57,742	39,32,562	20,88,148	1,97,533	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	16.75	10	1.25*	1.25*	1.25*	1.25*	12	Y
20,00,000	35,94,600	1,05,12,032	39,58,423	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	8.12	10	0.40	1.20	0.50		3	Y.P.T.
1,87,10,000	16,72,758	1,71,81,201	43,09,030	27,608	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	8 95cd cr	5	*Nil*	0 30	[illegible]	0.30	12	Y.
30,01,400	34,59,405	74,46,133	40,46,138	5,00,336	M.	Balmer Lawrie & Co., Ltd.	167.00	100	12.50	15.00	[illegible]	6.00I	12	Y.
12,00,000	19,60,081	34,87,689	28,67,589	2,19,540	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	32.25	10	2.25	2.50	[illegible]	2.50	12	Y.
20,00,000	8,48,877	....	....	14,920	Lovelock & Lewis	Birds Investment Ltd.	15.12	10	1.25	1.00	[illegible]	0.70	9	Y.P.
45,97,020	38,11,814	1,15,02,202	42,92,212	2,18,164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	20.12	10	1.00	1.00	[illegible]	1.20	3	Y.P.T.
3,25,00,000	1,27,72,883	3,51,40,132	2,47,20,776	—11,85,910	M.	British India Corporation Ltd.	5.16	5	*Nil*	0.10	*Nil*		12	Y.P.
5,00,000	2,47,132	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	79.00xdN	100	5.00	6.00	10.00*		6	Y.
1,38,80,000	17,34,264	2,05,94,990§§	....	3,10,583	Andrew Yule & Co. Ltd.	Clive Row Investment	11.37	10	0.56	1.38	0.75	0.75	3	Y.
3,00,00,000	3,95 09,699	8,77,39,859	2,97,56,769	22,46,056	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	33.00	10	1.50	1.50	1.62	1.62	12	Y.P.T.
16,20,630	26,75,014	29,38,961	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	16.00	5	0.56	0.56	..		8	Y.
51,26,000	56,67,666	1,62,31,196§§	....	3,25,471	Bird & Co. Private Ltd.	Eastern Investments Ltd.	142.00	100	9.00	9.00	9.00	9.00	12	Y.P.
14,94,675	....	22,64,862	91,811	5,110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10.10	10	..	..	..		12	Y.P
14 00,000	10,85,000	36,71,773	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	184.00	100	15.00	4.00	12.50	15.00	3	Y.
40,00,000	4,40,000	68,41,943	36,78,212	10,34,574	D. S. Barron Esq. (Chairman)	Godfrey Phillips India Ltd.	20.50N	10	2.00	2.00	1.50	2.00	12	Y.P.
65,00,000	36,00,000	29,50,904	12,41,168	1,46,370	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	12.50	10	1.40	1.60	1.00	1.00	3	Y.P.
30,00,000	15,17,354	83,08,821	36,24,663	74,215	B. P. R. Syndicate	Great Eastern Hotel	250.00N	250	6.25	15.00	15.00		3	Y.
4,96,13,250	13,37,499	5,26,95,200	2,25,43,541	9,36,341	Birla Brothers Private Ltd.	Hindusthan Motors	9.04	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
3,88,05,820	1,30,17,480	9,30,74,123	2,48,87,454	15,25,957	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	21.69	10	0.90	1.00	0.60	0.70	12	Y.P.
1,52,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	31.50	10	1.25*	1.50*	1.50*	1.50*	3	Y.P.T.
3,27,970	6,03,000	16,74,903	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	17.62	10	0.50	0.62			3	Y.P.
2,00,00,000	84,76,626	4,61,56,945	1,85,74,917	6,17,828	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	27.50	10	..	..	1.00	1.00	9	Y.
5,16,00,000	9,06,59,979	10,61,31,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	11.94	10	0.30	0.30	0.70	[illegible]	3	Y
2,50,00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	85.00	100	7.50	7.50	2.50	[illegible]	3	Y.P.
40,00,000O. 5,00,000D.	82,95,072	29,31,775	11,33,490	..	M	McLeod & Co.	202.00 —	O. 100 D.O.10	22.50 1.75	3 00 0 30	12.50 0.75		12	Y.P.
1,45,55,250	1,07,91,546	54,34,935	15,77,645	2,44,633	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29.75	10	1.31*	2.12*	2.12*	2.12*	9	Y.P
1,15,90,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	36.41	10	1.25	1.62	1.75	1.75	3	Y.P.
6,56,250	6,92,500	11,29,650	6,97,362	3,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	19.00	10	0.75	0 90	1.25		3	Y.P.
10,00,000	3,70,000	18,04,172	10,70,792	4,088	M. Malleshayya, Esq. (Chairman)	Mysore Tobacco	14.12	10	1.00	1.50	1.50	1.25	3	Y.
2,00,00,000	88,05,505	2,82,78,743	78,77,684	33,83,463	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	32.75	10	3.25	1.50	1.40	1.40	12	Y.
59,96,000	98 71,172	77,84,523	42,87,426	2,67,636	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	34.62	10	1.50*	2 00*	2.00		3	Y.T.
40,00,000	20 00,600	86 22,809	17,66,013	24,266	Do.	National Rolling & Steel Ropes	14.62	10	0.60	0.60	0.60		6	Y.P.
8,00,000	6,06,006	50 21,760	28,60,528	1,80,892	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	14.94cd —	10 5	.. ..	.. ..	1.00 0.50		12	Y.
79,97,000	68,89,261	1,28,70,061	65,79,351	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	17.00	10	0.80	0.70	0.90		12	Y.P.T.
2,20,00,000	42,21 731	89 43,258	33,40 874	63 842	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	23.00	10	..	..	0.34		12	Y.
2,25,00,000	10,94,424	85,12,939	46,26,988	—32,47,714	M. P. A. Paspatti, Esq.	Rallis India Ltd.	65.75	100	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.P.
2,50,80,000	1,57,90,209	13,84,94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	21.81	10	1.50	1.50		2.00††	3	Y.P.T.
4,73,200 5,13,400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100.00N 50 00N	100 50	.. ..	5.00 2.50	6.00 3.00	6.00 3.00	3	Y.P.
70,00,000	17,66,318	1,67,21,608	34,47,040	66,321	M	Sen-Raleigh Industries	17.48	10	0.60	0.60	0.60		9	Y.P.
40,00,000	89,05,314	1,28,83,302	73,61,372	9,13,245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	20.12	10	1.50	1.50	1.50	1.50	6	Y.P.
75,00,000	21,22,783	71,93,265	11,63,597	3,65,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	19 50	10	1.00	1.00	1.00		12	Y.P.
15,00,000	95,15,371	1,13,44,098	16,55,796	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	17.56	10	1.00	1.25	1.25		12	Y.
9,98,380	5,855	15,56,343	5,95,504	10,268	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.30cd	10	*Nil*	*Nil*	*Nil*	0 40	12	Y.
6,00,000	9,80,100	30,85,103	26,85,097	9,488	Vital Maliya, Esq. (Chairman)	United Breweries	400.00	100	20.00	20 00	20 00	60 00	3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958. † Subject to taxation. Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. K—Includes an additional dividend Rs. 7.00 per old share and Rs. 3.00 per new share.

TEA AND OTHER PLANTING COMPANIES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	30.50N	10	4.75	5.00	1.00	1.50I	12	Y.P.
2 76,500	5,71,500	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea	18 50	10	1.00	2.00			12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	25 00	10	1.00	1.25	0.50		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	25 75	10	1.00	2.50	1.50		12	Y.
5,10 000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co. Ltd.	377	Basmatia	27 25	10	1.50	2.00	1.75		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64 213	National Tea Corporation	579	Bateli	19 25	5	2.50	3.00	1.50		12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co., Ltd.	581	Betjan	26.12	10	2.00	2.50	1.50		12	Y.
33,00,000	15,39,600	73,93,588	30,33,383	3,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	21.31	10	2.00	2.00	1.00		12	Y.
6,00 000	2,50,000	13,10 965	2,81,380	46 960	Octavius Steel & Co., Ltd.	485	Bokakhat	15.00	10	*Nil*	0.50	*Nil*		12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co. Ltd.	450	Bormah Jan Tea	18.06	10	2.00	1.50	*Nil*		12	Y.P.
35,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M	2,884	Brooke Bond	20.94	10	4.75	1.25	1.75		6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	68.00	10	3.00	3.00	2.00		12	Y.
8,40,000	7,77,250	31,03 643	18,55,911	—1,18,361	Jardine Henderson Ltd.	1,156	Dessal & Parbuttia	160 00	100	10.00	10.00	*Nil*		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	23.25	10	2.50	2.50	2.50	0.25I	12	Y.P.
4,68,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	18.44	10	1.00	1.25	2 00		12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	86,146	McLeod & Co., Ltd.	458	Dibrugarh	32 00	10	2.00	3.00	2.50	1.00I	12	Y.P.
4,73,400	6,15,000	15,05,630	6,48 530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	30.50	10	2.00	3.00	3.00	1.00I	12	Y.P.
7,00,620	10,33,300	23 48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Duflaghar	37.12	10	4.00	4.00	3.00	1.50I	12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co., Ltd.	1,166	East India Tea	19.62	10	1.00	1.00	0.50		12	Y.
5,03,760	6,36,175	13,30,198	5,28,000	16,110	M.	407	Gillapukri	29 50	10	3 50	3.00	2.50		12	Y.
6,76,000	4,38,700	19.45 409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	25.00	10	3.00	2.50	2 00		12	Y.
11,02,725	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	17 87	5	1.25	1.62	1.25	0.50I	12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,595	Andrew Yule & Co. Ltd.	476	Hoograjuli	29 00xd	10	0.50	1.50	1.00		12	Y.
8 70,000	13,02,909	25,53,023	13,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	202 00	100	7.50	15.00	12.50		12	Y.
58,56,900	53,85,792	1,63,70,458	54,70,458	91,307	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	12.94	10	1.00	1 00	1.00	1.00	12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutilbari	23 75	10	*Nil*	1.00	1.75		12	Y.
2,40,000	11,30,500	12,75,848	6,72,848	65,988	M.	1,699	Kingsley-Golaghat (Assam)	150.00	100	25.00	25.00			12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	12.00	5	*Nil*	*Nil*	*Nil*		12	Y.P.
6,50,000	10,94,454	12,07,806	3 53 788	392	Duncan Bros. & Co., Ltd.	636	Ledo	19.50	10	1.00	0.75	*Nil*	1.00I	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	24.75	10	1.75	2.00	1.50	1.00I	12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13.25	10	*Nil*	*Nil*			12	Y.P.
O. 1,50,000	8,20,000	9,69,706	5,17,244	67,133	Kettlewell Bullen & Co., Ltd.	410	Mothola	450.00	100	50.00	60.00	40.00		12	Y.
P. 1,75,000 O. 2,00,000	6,93,309	10,96,678	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	28.25 28 75	O. 10 P.O. 10	1.25 1.75	2.00 2.50	1.75 2.25		12	Y.
5,35,000	1,75 000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	13.87	10	1.00	1.50			12	Y.
5,00,000	....	7,72 341	2 90,502	—38,569	Duncan Bros. & Co. Ltd.	801	New Cinnatolliah	116.00	100	*Nil*	*Nil*	*Nil*		12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co. Ltd.	370	Rajgarh	47.31	10	0 25	4.00	2.50		12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	22 12	10	2 50	2 50	1.50		12	Y.
2,49,000	3 86,000	11,48,864	6,60,764	87 974	Williamson Magor & Co. Ltd.	482	Seajuli	30.12	10	1 50	1.50	2..5		12	Y.
5,98,000	12,48 874	15,39,500	4,94,783	78,434	McLeod & Co., Ltd.	495	Teloijan	30 00	10	2 50	3.50	3 00	1.00I	12	Y.P
8,00,000	5,35,127	12,11,400	3 86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45.00N	10	0.75	1.00	1.50		12	Y.
19,82,880	12,75,000	46,07,888	19,46,388	36,041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	18.50	10	1.50	1.25	*Nil*		12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,644	McLeod & Co., Ltd.	1,950	Tyroon	43.50	10	3.00	4.50	3.00		12	Y.P.T.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
3,00,000	....	5,16,444	1,84,445	—1,34,480	M.	862	Arcuttipore	7.00	10	*Nil*	*Nil*			12	Y.
7 00,000	....	7,66,139	1,03,460	—3,49,181	Octavius Steel & Co., Ltd.	649	Eastern Cachar	4.81	10	*Nil*	*Nil*	*Nil*		12	Y.
12,60 000	10,43 149	30,19,522	12,09,051	—1,06,851	Octavius Steel & Co., Ltd.	2,154	Hattikhira	14.00	10	0.75	0.50	*Nil*		12	Y.
8,00,000	1 70,000	6,34 207	2,50 949	1,081	Duncan Bros. & Co., Ltd.	625	Kunchunpore	8.87	10	*Nil*	*Nil*	*Nil*		12	Y.
7,00,000	6,50,000	11 33,080	8 08,080	88,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	101.00	100	15.00	15.00	15.00		12	Y.
2 60 000	3,09,004	9,34,349	2,76,278	—87,588	McLeod & Co., Ltd.	638	Roopacherra	15.50	10	1.50	0.50	*Nil*		12	Y.
5,00,000	10 53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co. Ltd.‡	700	Rungamattee	80.00	50	10.00	10.00	3.75		12	Y.
4,00,000	3,36,980	10,63,284	3,68,708	—31,199	M.	662	Sonai River	9.00	10	*Nil*	*Nil*			12	Y.P.T.

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
2,79,900	1,05,000	3,93,716	74,916	22,108	Williamson Magor & Co., Ltd.	408	Chamong	11.25	10	*Nil*	0.75	*Nil*		12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	488	Dilaram	95 00	100	*Nil*	5.00	*Nil*		12	Y.
2,00,000	2 42,006	7,99 665	2,97,665	—57,639	Davenport & Co., Ltd.	507	Glelle	10 00	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,386	—27,148	Andrew Yule & Co. Ltd.	463	Mim	225.00	100	15.00	10.00	*Nil*		12	Y.
2,99,900	3.89,000	6,22,886	1,89,586	1,01,563	Williamson Magor & Co. Ltd.	690	Nagari Farm	26 25	10	1.50	3.50	2 50	1.00I	12	Y.
1,00,000	1,07,647	4,60,379	2,40,749	1,973	Duncan Bros. & Co., Ltd.	505	Okayti	500 00N	100	*Nil*	*Nil*	*Nil*		12	Y.P.
3,00,000	95,000	6,40,072	2,48,808	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	9 00	10	*Nil*	*Nil*	*Nil*		12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10 00	10	*Nil*	*Nil*			12	Y.P.
1,40,000	5,01,653	4,38,361	1,95,341	10,362	Duncan Bros. & Co. Ltd.	341	Runglee Rungliot	410 00	100	20.00	35.00	25.00		12	Y.
3,00,000	3 06 462	5 65,461	1,82,549	4,401	M.	389	Seeyok	10 87	10	*Nil*	*Nil*	1 00		12	Y.
9,00,000	65,000	11,65 737	2,38 715	7,869	Goenka & Co.	583	Singtom	6 44	10	0 12	0.50	0.50	0.50I	12	Y.P.
3,00 000	3,87,500	7,34,116	3,71,916	1,69,219	Williamson Magor & Co., Ltd.	554	Soom	40 00	10	3.00	4.00	4.00	1.50I	12	Y.
6 25,000	7 73 767	16,47,148	4,38,738	26,923	McLeod & Co. Ltd.	745	Sungma	19.25	10	*Nil*	1.50	0.75	1.00I	12	Y.
8,20,000	8,69,909	7,53,534	2,55 534	54,683	Davenport & Co., Ltd.	718	Testa Valley	21 75	10	1.50	2.50	1.00		12	Y.
8,01,350	2,61,083	16 07,038	3,76,033	—2,94,248	Williamson Magor & Co., Ltd.	1,666	Tukva	10.44	10	*Nil*	*Nil*			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
27,00,000	28,56,500	51,80,345	23,19,586	1,37,198	Andrew Yule & Co., Ltd.	2,540	Banarhat	319.00	100	25.00	40.00	20.00		12	Y.P.
12,00,000	16,25 000	42,61,095	23,93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	21 62	10	3.00	2.00	1 50		12	Y.
9,00,000	17,75,000	21 72,529	11,20,841	13,385	McLeod & Co., Ltd.	1,112	Bhatkawa	25 00	10	2.50	3 00	1.50		12	Y.
9,00,000	14,81,356	25,85 244	8 19,732	47,850	Duncan Bros. & Co., Ltd.	1,381	Birpara	174 00	100	5.00	25 00	7.50		12	Y.P.
6,00,000	8 31,552	13 82,183	4,29,045	18,641	Duncan Bros. & Co., Ltd.	602	Carron	127.00	100	7.50	10.00	5.00		12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co., Ltd.	903	Choonabhutti	268 00	100	20.00	35 00	20.00		12	Y.P.
3,00,000	3,76,102	9 53,074	4,15 527	13,348	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	160 00	100	*Nil*	5 00	*Nil*		12	Y.
1 20,000	2 00,531	4,58 517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	300 00N	100	*Nil*	*Nil*	*Nil*		12	Y.
4,90,000	60,533	9,51,864	2,69,498	3,627	M.	447	Ethelbarrie	12 00	10	1.25	1 00	0.75		12	Y.
7,50,000	5,76,838	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	154 00	100	*Nil*	10 00	*Nil*		12	Y.
33 00,000	34,58,954	64 82 327	20,30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	137.00	100	6.00	7.50	*Nil*		12	Y.P.
32,00,000	55,67 967	65,55,381	50,96,452	3,65,371	Davenport & Co. Ltd.	4,235	Hasimara	25.12	10	1.00	2.25	0.75		12	Y.P.
8,25,000	18,53 650	22,13 183	9,84,183	1,10 677	Davenport & Co., Ltd.	1,452	Huldibari	25 25	10	1.25	2 50	1.25		12	Y.
7,00,000	4,49,831	10,38,684	4,89,134	—62,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	15.25	10	*Nil*	0 60	*Nil*		12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	21 12	10	1.00	2 00	1.50		12	Y.
2,00,000	5,76,240	8,23,168	3,08,827	15,812	M.	578	Manabarrie	70.00N	10	1.00	2 00	1.50		12	Y.
9,60,000	18,69,809	25,11,708	8,55,607	37,054	Duncan Bros. & Co., Ltd.	1 130	Nagaisuree	147.00	100	7 50	15 00	7.50		12	Y.
14,00,000	20,39,898	24,35,562	10,48,172	73,709	Andrew Yule & Co., Ltd.	1,163	New Dooars	305 00	100	25 00	35 00	20 00		12	Y.P.
2,50,000	3.74 080	5,53 613	1 88,281	1 220	Duncan Bros. & Co., Ltd.	348	Phaskowa	135 00	100	*Nil*	7.50	*Nil*		12	Y.
6 00 000	8,00,496	13,67,535	5,98,723	—3,00,938	McLeod & Co., Ltd.	764	Rajabhat	18 62	10	1.25	1.25	*Nil*		12	Y.
7,65,000	13,43,550	25 92,133	13,67 489	28,093	McLeod & Co., Ltd.	1,035	Ranicherra	20 06	10	1.50	2.00	0 50		12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,628	Rydak	32.62	10	5.00	3.00	2.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
8,00 000	7,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	21.50	10	3.00	*Nil*			12	Y.
6 00,000	9 44,551	9,54,785	2,32,849	33,625	Duncan Bros. & Co., Ltd.	584	Dauracherra	9.12	10	2.00	1.50	0.75		12	Y.
4,00 000	7,56,165	10,78,529	3,50,481	1 94,619	M.	1,190	Lackatoorah	18 37	10	3 00				12	Y.
4,00,000	9,00,000	11,60,065	4,82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	22.00	10	6 25	2.00			12	Y.P.
36,00,000	56,34 901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	140 00	100	35.00	10 00§	10.00		12	Y.P.
3,20,000	1,40,000	7,82,985	4,24,185	1,18,279	Shaw Wallace & Co., Ltd.	648	Rajnagar	10.00	10	*Nil*	1.00	1.10		12	Y.
9,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,72	Teliapara	115.00	100	25.00	15.00	6.00		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	6.50	10	0.25	0.50			12	Y.P.T.
2,50 000	4 15 000	4 13 655	2,24 210	35,493	National Tea Corporation	522	Belgachi	30 00	10	10.00	4.00	2.00		12	Y.
13 44,000	11,50,650	26,81,849	9,42 013	81,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	141.00	100	7.50	10.00	7.50		12	Y.
5 00,000	10 53,794	15,91,369	6,14,096	15 882	Duncan Bros. & Co., Ltd.	530	Hansqua	18.44	10	1 00	1.00	1.00		12	Y.
3,00,000	7 64,500	7,61,676	3,29,500	77 698	Davenport & Co., Ltd.	514	New Chumta	38.50	10	1 50	2.50	1.25		12	Y.
2 20,000	3,75,250	13,61,474	5 52,735	33,691	McLeod & Co., Ltd.	549	Tirrihannah	35 00	10	3.00	2.50	3.00		12	Y.P.

SOUTH INDIAN ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
10,98 990	5,36,010	15,84,554	2,70,543	7,689	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber.	21.25	10	2.50*	2.50*	1.75*		3	Y.P.
52,50 000	21,47,000	73 46,387	10,86,204	2,77,391	Kothari & Sons (Ags) Pvt. Ltd.	1 318	Blue Mountain	3.62	2	0 40	0 30	0.25		6	Y.
9,33,400	13 09,262	23 56 197	7,13 191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	4.35	2	0 40	0.20	0 40		3	Y.
3,77,820	12,58,527	21,26,275	1,39,920	22,020	Matheson Bosanquet & Co., Ltd.	302	Coonoor Tea	26 25xd	10	2 50	1.75	2 00	2.00	9	Y.P.
4,00,000	5 50 000	8 21,540	1,78,200	1 205	Parkins Private Ltd.	432	Coorg Tea	5.25	2	1 25	1 50	1.50		3	Y.P.
4,49 630	3 55,370	9,62,073	1,64 495	45 087	Young India Agencies Private Ltd.	450	Devon Tea	18 00	10	2 50*	2 50*	1.75		3	Y.P.
3,50,000	1,22,986	3 52 158	56 452	....	Parkins Private Ltd.	198	Emerald Valley Estates	8 25	5	1 25	0 50	0.30		12	Y.
18,75 000	21 25 000	43 05,347	6 81,655	23,840	Parkins Private Ltd.	1,466	Haileyburia	19 20	10	2.50	2 50	1.50'C'		12	Y.P.T.
6,00 000	7 27 746	13 70 714	2 26,620	76,650	Peirce Leslie & Co., Ltd.	466	Kalasa Tea	4 03	2	1.35	0 92	1.35		3	Y.T.
8,58,538	16,81,066	29,90,356	4,28 233	1,09,363	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	8 55	2	0 40	0.40	0.30	0.30	10	Y.P.
3 00 000	1 43 500	6,76 822	2 05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mlamallay	41.75	25	18 75	6 25	4.50		3	Y.P.
36,00,000	19,31,384	80,13,744	12,04,051	73,274	A. V. Thomas & Co. (India) Ltd.	1,659	Neelamalai	4.75	5	0.87	0 37	0.37	0.37	6	Y.P.
12,00,000	4,90,000	27,04,888	5,01,002	33,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	2 88	2	0 50	0 20	0 40		6	Y.P.
14 06 250	6,95 346	38 09,977	5 17,286	20 656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	8.70	10	1 50	9 62	0.60		3	Y.P.T.
17,00,000	7,84,070	39,20,759	13,11,227	63,350	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	20 40cd	10	3 50	3 75	2.60	1.62½	12	Y.P.
57,94,880	45 46 152	91 59,457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3,459	Periakaramalai	4.29	2	0.90	0 90	0 70		3	Y.P.
12,50,000	13 10 000	30,23 670	2 65,955	744	Parkins Private Ltd.	1,070	Talayar Tea	1 65	2	1 62	1.25	1.00		3	Y.P.
11,25,000	16,53,668	25 52,610	2 35,551	31 923	Parkins Private Ltd.	1,341	Twyford	17.25	10	2 00	2.00	1.50'C'		12	Y.
21 93 280	10 82 217	41 37 876	13 69 874	1,20 125	T. Stanes & Co., Ltd.	1 773	United Nilgiri‡	20.20	10	35.00	2.00	1.77		3	Y.
31,50,000	28,54,311	57,57,727	6,68,638	1,34,481	Kothari Mehta & Co. Pvt. Ltd.	999	Waterfall	4.15	2	0.40	0.30	0.25		6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividends for 1955 is on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
§ Patrakola Tea declared 25 per cent. dividend but paid only 10 per cent. so far. 'C'—On increased Capital. A—Amluckie Tea Co.—Dividend on Rs. 100 paid-up.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

PLANTING ; PRODUCE AND RUBBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd. ..	Balmadies Plantations	3.25	2	0.30	0.21	0.45		5	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	6.20	3	0.45	0.75	0.52	0.30'C'	2	Y.P.
22,50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	24 00	10	1.80	2.50	4.00	2.00	6	Y.P.
71,55,000	57,69,923	1,42,78,181	80,95,427	75,345	R. C. Paterson, Esq.	Consolidated Coffee	22.15	10	2.25	2.00	4.00	2.00	6	Y.P.T.
4,00,000	5,87,423	10,43,962	53,995	8,519	Associated Planters Private Ltd..	Cottanad Plantations ..	16.00	10	1.75*	1.50	1.75		3	Y.P.
18,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd. ..	Highland Produce	12.10	10	2.00	2.00	0.75		12	Y.P.
8,00,000	6,92,899	19,66,900	8,05,819	11,093	A. V. Thomas & Co., Ltd.	Kalpetta Estates	13.30	10	2.75	2.00	2.00	1.00'C'	4	Y.P.
13,50,000	4,55,880	20,40,926	3,38,888	..	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	19.35	10	2.25	3.25	2.25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co., Ltd. ..	Midland Rubber	12.75	10	2.50	2.00	2.00	1.00'C'	3	Y.
3,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Nenmeny Rubber	16.50cd	10	1.50	1.50	0.75		12	Y.P.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd..	Nilambur Rubber Co. ..	15.85	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	23,18,923	46,93,527	15,75,046	4,912	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates ..	5.40	2	0.40	0.20	0.60	0.20	10	Y.P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	17.40	10	2.00	2.50	2.00	2.00	6	Y.P.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd., ..	Savamalai Estates Ltd. ..	4.00cd	2	1.00	1.50	0.30		11	Y.
12,00,000	1,00,000	17,43,035	85,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2.60	2	..	..	..	0.18	3	Y.P.T.
10,00,000	2,74,418	22,50,914	1,70,646	16,692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	7.80	10	0.90	0.90	0.60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	33,399	33,647	A. V. George & Co., Ltd. ..	Thamarapally Rubber ..	29.00cd	10	3.00	3.00	3.00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd.	2.00	1	0.12½	0.12½	0.05		9	Y.T.
6,00,000	46,742	11,45,990	4,92,700	1,299	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	15.60cd	10	3.00	2.00	1.50	1.00	12	Y.
41,00,000	14,20,901	85,55,546	16,43,709	23,941	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7.75cd	10	1.25	0.75	0.40	0.50	12	Y.P.
20,00,000	96,000	31,23,163	8,27,272	9,162	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co. ..	24.50cd	25	4.00	3.00	1.00	1.50	12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd. ..	Udayagiri Rubber Co., Ltd. ..	11.15	10	0.60	0.75	0.60		12	Y.P.
8,80,100	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber ..	26.00	10	2.50	3.50	3.50J	1.25‡	12	Y.P.T.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.90cd	10	2.00	1.25	1.00	0.50	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	12.56	10	0.62	0.25	0.25	0.25	3	Y.P.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	185.00	100	10.00	10.00	10.00		12	Y.P.T.
30,00 000	5,25,000	1,25,15,910	97,60,831	—8,46,190	McLeod & Co., Ltd.	1,264	Alliance	118.00	100	6.00	*Nil*	*Nil*	*Nil*	5	Y.P.
49,20,700	72,21,000	3,09,93,668	2,15,04,087	2,36,742	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India ..	224.00	100	3.50	3.50	7.00	10.00	3	Y.P.
40,00,000	32,60,924	1,49,82,554	63,17,403	8,215	Bird & Co. Private Ltd. ..	810	Auckland	170.00	100	10.00	1.00	*Nil*	5.00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd. ..	959	Bally	200.00	100	3.50	*Nil*	2.00	6.00	3	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman) ..	1,889	Barnagore	141.00	£5	sh. 15	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	26,27,123	97,66,495	53,10,415	6,111	Andrew Yule & Co., Ltd. ..	820	Belvedere	169.00	100	7.50	*Nil*	2.50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	12.06	10	1.12	1.00	*Nil*		6	Y.P.T.
91,26,000	2,26,05,284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd. ..	1,373	Birla	20.94	10	1.00	1.00	1.00	1.00	3	Y.P.
36,00,000	19,35,850	1,17,96,462	70,50,451	33,113	Andrew Yule & Co., Ltd. ..	991	Budge-Budge ..	148.00	100	7.50	*Nil*	*Nil*	5.00	10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg. ..	7.00N	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	26,46,123	84,40,054	46,52,038	35,722	Andrew Yule & Co., Ltd. ..	616	Caledonian	192.50	100	6.50	*Nil*	*Nil*	15.00	11	Y.P.
59,16,400	75,85 462	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd. ..	600	Champdany	133.00	100	10.00	2.00	*Nil*	*Nil*	3	Y.
15,95,000	21,34,670	43,51,524	58,61,109	18,020	Andrew Yule & Co., Ltd. ..	530	Cheviot	214.00	100	10.00	2.00	*Nil*	5.00	11	Y.P.
30,15,000	36,50,000	89,14,415	54,94,361	72,430	McLeod & Co., Ltd.	500	Chitavalsah ..	16.19	10	1.37	0.62½	1.10	1.25	7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	12.75	10	1.25z	0.50	*Nil*	*Nil*	3	Y.P.
31,49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd.	766	Dalhousie	133.00	100	4.00	*Nil*	*Nil*	*Nil*	3	Y.P.T
28,00,000	87,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd. ..	779	Delta	181.00	100	10.00	5.00	*Nil*		11	Y.P.
15,00,000	36,93,850	1,01,87,736	65,99,232	26,123	McLeod & Co., Ltd.	500	Empire	18.37	10	1.25	0.50‡	0.75	1.00	7	Y.P.T
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd.	295.00	100	15.00	10 00	10.00	20.00	3	Y.P.T
21,00,000	18,00,000	1,25,79,765	63,50,852	1,96,479	Bangur Bros., Ltd.	1,014	Fort William ..	23.81	10	20.00	0.75K	1.50	1.50	3	Y.P.T
34,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg. ..	89.00	100	2.50	*Nil*			3,9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39,411	M.	607	General Ind. Society Ltd.	26.75	10	*Nil*	50.00	60.00§		12	Y.T.
24,00,000	32,06,464	2,85,37,322	1,60,44,632	47,269	Macneill & Barry Ltd.	1,394	Gourepore	370.00	100	15.00	2.50	2.50	20.00	3	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	72.00N	100	11.50	5 00	5.00	5.00	3	Y.P.
16,80,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	12.25	10	1.25	*Nil*			3	Y.P.
65,62,500	28,09,105	2,34,85,488	1,24,24,441	82,775	Jardine Henderson Ltd.	1,940	Howrah	24.06	10	0.37	0.25	*Nil*	*Nil*	3	Y.P.T
52,50,000	30,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand ..	21.37	7.50	2.00	2.00	1.50	1.50	3	Y.P.
87,30,000	19,89,967	1,41,58,695	57,84,013	84,575	M.	790	India	15.81	12.50	4.69	4 69	9.37	15.62§	3	Y.
24,00,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	197.00	100	2.50	*Nil*	*Nil*		12	Y.P.T.
'B' 19,20,000								185.00	'B' 100	2.50	*Nil*	*Nil*			
30,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	90 00	100	1.00	*Nil*	*Nil*		12	Y.P.T.
'B' 24,00,000								86.00	'B' 100	1.00	*Nil*	*Nil*			
21,00,000	55,00,000	1,41,36,235	93,87,828	1,18,689	McLeod & Co., Ltd.	703	Kelvin	281.00	100	17.50	5.00‡	9.00	12.50	5	Y.P.
54,00,000	23,39,741	2,00,52,835	1,26,97,897	45,833	Anderson Wright Ltd.	1,530	Khardah	156.00	100	11.00	5.00	8.00	8.00	3	Y.P.
48,00,000	77,32,121	2,38,47,961	1,08,51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	196.00	100	18.00	6.00	*Nil*	5.00	3	Y.P.T.
24,48,000	27,76,883	1,28,67,077	58,39,647	—9,32,635	Bird & Co. Private Ltd.	931	Lansdowne	105.50	100	7.00	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	40,49,600	1,48,98,886	66,75,920	—3,16,201	Bird & Co. Private Ltd.	840	Lawrence	106.00	100	6.00	*Nil*	*Nil*	*Nil*	3	Y.P.T.
31,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	15.37	10	8.75	8.75	5.00	17.50§	3	Y.
29,98,900	34,62,195	1,65,70,565	36,70,690	—13,08,719	M.	315	Naihati	80.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	15,55,000	36,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd. ..	425	Naskarpara ..	12.00	10	1.25	*Nil*			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd. ..	852	National	24.00	10	1.75	0.75	0.75		10	Y.P.
26,25,000	29,19,072	37,73,995	23,34,167	90,769	McLeod & Co., Ltd.	316	Nellimarla Jute ..	15.25	10	1.00	..	0.90	1.00	7	Y.P.T.
85,50,000	2,12,83,190	6,33,25,272	1,19,61,749	3,274	Sahu Jain Ltd.	1,765	New Central†	15.31	10	1.50	1.50		1.50	3	Y.P.
16,79,880	43,38,845	1,35,66,574	61,41,213	—2,43,817	Bird & Co. Private Ltd.	567	Northbrook	19.25	10	1.50	1.50	*Nil*	*Nil*	3	Y.P.T.
66,79,500	17,81,396	2,26,00,780	1,19,72,061	79 151	Macneill & Barry Ltd.	1,092	Nuddea	55 50	50	1.00	*Nil*	*Nil*	2.50	3	Y.P.
24,91,000	22,84,224	76,67,180	53,39,989	20,257	Andrew Yule & Co., Ltd. ..	601	Orient	168.00	100	9.00	2.00	*Nil*	2.50	11	Y.
25,00,000	9,18,798	93,02,573	70,04,073	12,339	McLeod & Co., Ltd.	400	Presidency	6.06	5	0.31	0.20	0.30	0.37½	7	Y.T.
20,00,000	10,324	29,80,939	9 24,705	—7,07,557	Birla Brothers Private Ltd. ..	305	Rameshwara ..	6.81	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	2,00,000	1,24,61,131	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	7.19	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£420,518	£1,474,082	£790,162	£16,532	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	10.55	£1	3%‡1	3%‡1	*Nil*		12	Y.P.
30,00,000	13,14,910	1,21,72,882	85,21,532	48,032	Bagaria More & Co., Ltd. ..	911	Shree Ambica ..	11.50	10	0.50	0.25	0.50		3	Y.P.
14,00,000	11,44,445	71,31,233	50,03,403	69,119	Hindustan Investment Corpn. Ltd	401	Soorah	20.25	10	1.50	1.50	1.50	1.50	12	Y.P.
25,19,600	3,04,087	9,29,724	3,23,203	61,862	Bird & Co. Private Ltd.	650	Standard	118 00xd	100	1.00	*Nil*	*Nil*	5.00	3	Y.P.
£600,000	£334,805	£1,259,274	£693,019	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.37	£1	3%‡1	*Nil*	*Nil*		12	Y.P.
35,98,600	48,33,581	1,05 53,316	42,51,394	56,837	Bird & Co. Private Ltd.	1,326	Union	221.50	100	10.00	1.00	*Nil*	15.00	3	Y.P.T.
£400,000	£247,635	£1,271,988	£541,723	£13,328	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	10.75	£1	3%‡1	3%‡'	3%‡	*Nil*	12	Y.P.
2,50,000	5,20,000	83,13,769	43,35,621	11,735	McLeod & Co., Ltd.	447	Waverley	3.66	1	0.37	*Nil*	*Nil*	*Nil*	5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	25.87	10	1.37	0.50	1.25	1.25	3	Y.
12,00,000	4,49,890	35,13,891	33,46,842	57,344	Jardine Henderson Ltd. ..	Bararee Coke	13.94	10	1.46	1.10	0.37	0.50	3	Y.
4,49,350	88,000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co. ..	Bengal-Bhatdee	5.00N	10	0.62	0.75	0.90		12	Y.
1,00,00,000	1,70,15,634	6,68,04,379	4,55,71,483	10,48,780	Andrew Yule & Co., Ltd. ..	Bengal Coal	309.00	100	35.00*P	17.50	17.50	17.50	10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	10 00N	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries ..	6.62	10	0.62	0.62	0.60		6	Y.P.T.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbararee	6.00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	19.25	10	2.00	1.50	0.75		12	Y.P.
90,92,480	1,73,37,198	4,41,78,128	2,08,53,739	99,142	Bird & Co. Private Ltd. ..	Burrakur	18.25	10	0.62	0.62	0.37	0.87½	12	Y.P.T.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	8.00	10	0.25	0.50	0.50	0.50	3	Y.
8,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend ..	9.50N	10	0.50	0.50			12	Y.
6,00,000	1,49,122	7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churlia	4.16	4	0.06	0 06	0.20		12	Y.
16,00,000	....	54,47,612	31,85,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	10.87	10	*Nil*	*Nil*	*Nil*		12	Y.
£240,000	£273,125	£1,070,637	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	24.00	£1	3.00	2.50	1.50	1.00	4	Y.
29,63,760	93,25,027	4,34,54,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Equitable	31.75	10	1.50	1.50	1.50		12	Y.P.T.
10,00,000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia ..	15.00	10	0.25	0.25			3	Y.
12,00,000	65,000	43,00,791	26,55,359	—6,34,206	Killick Industries Ltd.	Hingir-Rampur ..	19.00	50	2.25	2.25	*Nil*	*Nil*	6	Y.P.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	14.37	10	2.50	1.50	*Nil*		12	Y.
8,50,000	8,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd. ..	Kalapahari	21.00	10	*Nil*	*Nil*	*Nil*	*Nil*	2	Y.
20,00,000	2,87,875	85,11,943	7,18,220	11,229	Bird & Co. Private Ltd.	Karanpura Collieries ..	133.00	100	2.50	5.00	*Nil*	5.00	2	Y.P.
5,00,000	19,66,031	49,73,401	39,04,335	1,68,572	Andrew Yule & Co., Ltd. ..	Katras Jherriah.. ..	75.25	10	4.50	6.50	6.50	6.50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	2.75N	10	0.12	0.19			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd. ..	Lakurka	15 50N	10	0.12	0.12	0.12		4	Y.
7,48,240	2,25,000	13,43,892	9,89,769	55,358	Tantia Brothers Private Ltd. ..	Nazira	8 12	10	0.50	0.50	0.75		12	Y.
17,76,230	19,58,049	1,30,10,149	94,97,263	83,316	Andrew Yule & Co., Ltd. ..	New Beerbhoom ..	20.25	10	1.00	0.75	0.75		10	Y.P.
6,00,000	76,179	83,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd. ..	New Manbhoom ..	13 56	10	*Nil*	*Nil*	0.50	0.50	3	Y.
1,15,000	8,85,824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd. ..	North West	25.00N	10	1.37	1.50	1.50	1.50	3	Y.
1,57,500							21.00N	7.50	1.03	1.12	1.12	1.12		
7,50,000	15,69,648	8,97,666	2,77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	12.00	10	1.00	0.75	0.50		12	Y.P.
8,34,000	91,336	26,29,109	10,56,556	7,674	Deepchand Kishenlall	Parasea	15 00N	10	1.00	0.50	0.50		12	Y.P.T
15,75 000	17,04,800	59,95,210	42,69,210	36,465	Shaw Wallace & Co., Ltd. ..	Pench Valley ..	26.12	10	1.50	0.70	2.00	2.00	3	Y.
23,99,500	28,79,553	1,43,51,995	96,69,839	3,803	B. N. Elias & Co. Private Ltd. ..	Raneegunge	15.94	10	0.62	0.37	0.75	1.00	3	Y.
13,50 000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd. ..	Rewa	18.62	10	2.07	1.50	1.00		12	Y.
37,50,000	37,12,000	95,06,524	26,37,721	21,162	M.	Samla Collieries ..	11.00N	10	1.00	1.25	0.90		12	Y.
2,50,000	1,95,802	13,78,480	12,21,237	21,070	M.	Searsole	5 00N	2.50	0.75				1	Y.
2,80,000	9,25,098	29,24,442	19,99,221	48,188	Andrew Yule & Co., Ltd. ..	Seebpore	27.25	7	2.50	2.25	1.75		12	Y.P.
8,00,000	4,91,081	52,491	28,867	628	F. W. Heilgers & Co. Private Ltd.	Sendra	11.62N	10	0.25	0.25	0.25		12	Y.T.
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	17.70	10	0.75	1.00	1.50		12	Y.T.
17,50,000	10,74,481	43,52,233	18,15,639	14,096	Bird & Co. Private Ltd. ..	South Karanpara ..	13 25	10	0.12	0.35	0.75	0.75	8	Y.
8,00,000	15,61,511	1,69,570	29,510	14,796	F. W. Heilgers & Co. Private Ltd.	Standard	17.50	10	1.00	1.00	1.00	1.25	12	Y.
10,00,000	....	31,92,694	15,43,502	—5,62,907	M.	Talcher	1.62	2.50	*Nil*	*Nil*			9	Y.T.
3,50,000	2,80,000	19,15,700	14,79,400	1,77,952	Williamson Magor & Co., Ltd. ..	Union	14 50	10	*Nil*	*Nil*	0.37		12	Y.
49,98,000	89,284	70,81,423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal ..	6 53	10	0.50	0.50	0 50	0.40	3	Y.
7,00,000	....	58,61,405	27,57,669	—3,49,103	Macneill & Barry Ltd.	West Jamuria ..	8.87	10	*Nil*	*Nil*	*Nil*		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co., Dividend for 1955 is on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17.50 includes an interim dividend of Rs. 7.50 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

SURVEY

(*Concluded from page 803*)

trade who took advantage of the scarcity conditions and made undue profits." Apparently, Mr. Jain overlooks the fact that "scarcity conditions" always lead to higher prices, obeying the inexorable law of supply and demand. If some sections of traders commit malpractices, wisdom lies in trying to mend the system, rather than end it all on a sudden.

The meeting, at the conclusion of its session, made a number of suggestions, for improving the system of agricultural marketing. It held the view that greater competition between private enterprises should be induced at the village level. We are told that the lack of competition at the farm level is the main weakness of the existing marketing systems of this region. This, it was stressed, could be eliminated only by freeing individual farmers from obligations to sell their produce to the trader-creditors. Obviously, this can be done only by ensuring credit to the farmer from well-organised credit institutions. While this is a pragmatic approach, the Government of India has already made up its mind to go ahead with the socialisation of trade in wheat and rice, gradually replacing the private sector in the distributive trade. Many other important agricultural products, however, still remain in private hands. It would be in their self-interest to avoid any anti-social activities.

The meeting drew a distinction between credit for production needed by the farmer and credit for marketing but emphasised that these should be linked by an integrated co-operative system. It was felt that the progress so far achieved in this direction was not very significant. Warehousing of farm products, the meeting maintained, was essential for orderly marketing and for ensuring regular supply of produce both during the peak and lean periods. In India, Central and State Warehousing Corporations have been established and Government capital is being provided for these projects. Receipts given for products stored in the warehouses can be used to obtain short-term loans from the banks.

There is no doubt that quality control of agricultural products is a prerequisite for ensuring healthy trade—both domestic as well as international. In this connection, the meeting felt that the Agricultural Produce (Grading and Marketing) Act 1937 in India and Pakistan might be considered a model for legislation relating to standard grades and contract terms. It also recommended that market news service should be strengthened in countries where it has already been established and should be organised in other countries where it does not exist. The meeting emphasised the need for extension work both at the farm level and in the various markets and recommended the setting up of a marketing wing consisting of a number of qualified "practical" marketing specialists who could ensure that the marketing knowledge was passed on to the extension workers, farmers and traders.

The aforesaid measures, outlined by the meeting, do not, of course, cover any new ground. But they serve to highlight the important problems in the sphere of marketing of primary products.

DEVELOPMENT OF BACKWARD NATIONS

(*Concluded from page 810*)

the very regions which are termed underdeveloped. Asia supplies five-sixths of the world's natural rubber, almost the whole of jute, half its tin as well as substantial quantities of chrome, lead, zinc, copper and bauxite. The oil belt of the world runs through the underdeveloped areas. Moreover, the underdeveloped countries offer the largest potential consumers' market in the world. To give an idea of this potential, the underdeveloped countries today are spending on U.S. goods twice as much as they did after the end of World War II and five times as much as they did in 1938. There is no doubt that as they develop so will their purchasing power and trade with the advanced countries.

But it is not dollars, pounds or marks, as Mr. Hoffman emphasised, that these countries need. It is goods—wheat and other agricultural products, steel, trucks, machine tools, electric instruments, road-building machinery, mining equipment, construction machinery, cement, chemicals, fertilisers, transport equipment and so on. In fact, the "shopping list" of the things needed to break the technical bottlenecks which are holding up the utilisation of potential resources is an endless one. Many of these items, however, can be manufactured out of the unutilised capacities in the advanced nations and supplied to the underdeveloped countries.

Proceeding, Mr. Hoffman said:

"And that leads me right into another point which I hope will correct a common misconception of this economic aid programme. It need not be a giveaway programme. Its basis can be businesslike—in fact, good business. True, aid is going to countries where people are poor, desperately poor, but most of the countries are not inherently poor—they are just underdeveloped. They are underdeveloped because their resources, both physical and human, are not being used to anything like their full potentiality. If the underdeveloped countries are to make the best use of their resources one essential requirement is that they should know what those resources are and have the trained manpower with which to exploit them fully. In this respect much has already been done by the World Bank, by Governments through bilateral and regional programmes and through the United Nations Expanded Programme of Technical Assistance. But much, much more needs to be done. Only as it is done will there be a sound basis for the investment of the necessary billions of capital."

It is to assist this urgent task that the U.N. Special Fund was established. In most of the underdeveloped countries, very little is usually known about the geological base, river flows, soil content or about the possibility of raising agricultural yields by using modern biological techniques etc. By financing investigations of all kinds, the Special Fund hopes to establish new resources and technique with which the people in these countries may increase their production.

The Fund is, however, different from the World Bank, or the U.N. Technical Assistance Programme. The Fund seeks to bring into bankable shape many undertakings which would otherwise have remained only interesting ideas. By providing the finances necessary for surveys, training institutes and technical assistance, it helps to lay the basis for sound investment.

If the pre-investment activities are adequately financed, according to Mr. Hoffman, only one additional organisation is needed to ensure funds for the expanded programme of economic development. That is a multi-national development association such as that proposed by Senator Monroney, a proposal which is now under serious study by the U.S. Administration.

"A multi-nation institute," in the opinion of Mr. Hoffman, "has a distinct advantage over a national institution, because, by the very reason of its being multi-national, it is not subject to national political pressures. It can hold fast to sound investment criteria. This new lending institution, which could supply the long-term financing needed for hospitals, schools, transportation facilities, communication, etc., should work in the closest relationship with the World Bank. It could also serve usefully by providing guidance and leadership for the regional and national development associations which are springing up throughout the world."

ENGINEERING

(*Concluded from page 816*)

four years of its purchase and ten years of its being built, when the normal life of a ship is between 20 and 25 years. It doubts whether the survey carried out before the ships were purchased was thorough and satisfactory. The Committee was informed that supervision over construction of ships ordered by the Corporations from foreign yards had been entrusted to the firm of Lloyd's Register of Shipping, London, and the supervision over the construction of ships being built by Messrs. Hindustan Shipyard had been entrusted to Sir John Biles & Co., London, a firm of naval architects. The total fees charged by Lloyd's Register of Shipping for supervision of the four vessels under construction in Europe is £6,295 and the fees payable to Sir John Biles & Co. for supervision of three ships delivered so far by Hindustan Shipyard (including one of the Ministry of Home Affairs) is approximately £8,700. The Committee is surprised that for supervision of construction in a Government undertaking, the Eastern Shipping Corporation and the Government have had to incur such heavy expenditure. As the Shipyard has also engaged a separate firm of consultants to advise it and to supervise the construction of ships, the Committee doubts if it was necessary for the Corporation to engage another firm for supervision. If, however, it was necessary to have the ships supervised by an independent authority, it feels that the services of the Mercantile Marine Department might have been utilised for the purpose. The Committee does not also appreciate why the cost of supervision of three ships in India should be higher than the cost of supervision of four ships in Europe.

The working of the Hindustan Shipyard has also come in for criticism. It would appear that the Eastern Shipping Corporation did not yet enter into a formal contract with the Hindustan Shipyard with regard to the orders placed on the latter, the reason being that the Yard was not in a position to accept normal conditions which are incorporated in a shipbuilding contract. The Committee regrets that, even after a period of seven years of its working, the Yard is not in a position to accept normal conditions of contract and to adhere to the stipulated dates of delivery. In this connection, the Committee understands that the Japanese shipbuilders employ a unique technique in building vessels which takes only six to eight months to complete a vessel. The Committee feels that the opportunities of learning the Japanese technique should be explored.

A few important suggestions have been made by the Committee for augmenting the cargo carried by Indian ships, in general, and State-owned ships, in particular. The Committee considers it advisable for the Eastern Shipping Corporation to enter into tramp business. It has urged the reconsideration of the rates offered to Indian ships for carrying Government cargo, since, in the shipowners' opinion, the tramp rates on which the Government insists that its cargo should be carried are too low. It urges the Government to expedite the issue of its contemplated directive to the effect that (1) orders for import of stores, equipment, etc., from abroad should ordinarily be on f.o.b. terms and specific provision in this regard should exist in all such contracts; (2) orders for such shipment should preferably be centralised through the I.S.D., London, the I.S.M., Washington, or the Indian Embassies concerned to whom standing instructions have been issued to use Indian ships as far as possible; (3) in the case of c.i.f. contracts, endeavour should be made to include a suitable clause to enable the utilisation of Indian ships for carrying the cargo.

As regards the finances of the two Corporations, the Committee notes that their authorised capital is Rs. 10 crores each and the paid-up capital of the Eastern Shipping Corporation is Rs. 5.50 crores and that of the Western Shipping Corporation Rs. 3.5 crores. The Eastern Shipping Corporation has borrowed Rs. 1.62 crore from the Government, of which the outstanding amount as on 31st March 1958 was Rs. 1.12 crore. During 1957-58, the Eastern and Western Shipping Corporations made a profit of Rs. 4.24 lakhs and Rs. 3.49 lakhs, respectively, as against Rs. 35.12 lakhs and Rs. 20,000 in 1956-57. Since the Western Shipping Corporation has been in existence only for a brief period, the Committee has given more attention to the accounts of the Eastern Shipping Corporation. It notes that its profits are not steady. Also, its gross profit (in 1956-57) was only 13.8 per cent. of its sales, as against 18.9 per cent. for other companies, only 4.2 per cent. of the total capital employed, as against 8.2 per cent. for other companies and only 6.6 per cent. of net worth (paid-up capital plus all reserves other than taxation and depreciation), as against 10.2 per cent. for other companies.

The Committee notes that the Corporation has not contributed for many years any amount to the revenues of the Government. It feels that the "fluctuations in the working results of the Corporation have been too frequent and that the period of eight years is long enough for the public to expect stable results for the Corporation." It suggests that the Corporation might explore the possibilities of improving earnings and reducing its expenses, in order that the net profits may be higher and that a portion thereof might be contributed to the Government's revenues. By way of general observation, the Committee has made the suggestion that, in view of the fact that many of the State undertakings are not yielding profits and might not also be in a position to yield profits due to some of them assuming a social service character, there should be a separate organisation to evaluate the working of such undertakings. It notes that such an organisation has been set up in respect of community development projects. It feels that a similar organisation should be set up to examine industrial and commercial undertakings and that it should not be of an *ad hoc* nature but should be able to undertake examination of each undertaking periodically.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000	1,08,00,000	3,53,958	Allahabad Bank	353.00	100	18.00	18 00	18.00‡	21.00‡	12	Y.P.
14,50,000				176.50	50	9.00	9 00	9 00‡	10 50‡		
1,01,000				105.50xd	100	6.50	8.00	6.00	6.00	6.12	H.
40,78,300	17,56,970	24,205	Andhra Bank	85.27xd	85	4.54	5.59	5.10	5.10		
1,00,00,000	1,59,50,000	3,03,522	Bank of Baroda	103.50	50	6.00‡	7.00	7.00	6.00	12	Y.
25,00,000'B'				51.50	25	..	..	..	1.50		
50,00,000	27,00,000	1,880	Bank of Bikaner	29.25	25	0.87	1.12	1.25	1.25	12	Y.
2,50,00,000	3,10,00,000	12,79,476	Bank of India	134 00	50	8.00	8.00	8.00	8.00	6,12	R.L.Y.
50,00,000'A'				136.75	50'A'	..	..	8.00	8.00		
15,30,375	29,00,000	47,153	Bank of Indore	63.00N	25	3.60	4.00	4.25	4.00	12	Y.
50,00,000	25,50,000	20,356	Bank of Jaipur	45.25	50	2 00	2.50	3.00	Nil	12	Y.
50,00,000	96,70,613	4,70,232	Bank of Mysore	302.00	100	16.00‡	16.00‡	16.00	16.00	12	Y.
35,80,820	51,24,246	37,384	Canara Bank Ltd.	82.00	50	5.00	5.00	5.00	5.00	12	Y.P.
7,50,000	14,40,000	6,716	Canara Banking Corporation Ltd.	72.00	50	5.50‡	5.00‡	5.00‡	5.00‡	12	Y.P.
5,86,580'A'	26,50,000	12,632	Canara Ind. & Bkg. SyndicateLtd.	144.67xr	100'A'	12.50	15.00	15.00	15.00‡	12	Y.
23,287'C'				1.37xr	1'C'	12½%	15%	15%	15%‡		
2,62,11,875	4,04,68,517	17,32,515	Central Bank of India Ltd. ..	54.80	25	3.00	3.50	3.50	3.50	12	R.L.H.
A.52,42,375				56 80	25	3.00	3 50	3.50	3.50		
50,00,000	46,00,000	3,02,015	Devkaran Nanjee Banking Co. ..	53.50	50	2.50	3.00	3.00	3.00	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29.12	5	0.37	1.37	1.06	..	12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank ..	13.50	50	Nil	Nil	Nil	Nil	12	Y.
50,00,000	2,08,000	12,536	Hindustan Mercantile Bank ..	13.25	50	Nil	Nil	Nil	Nil	12	Y.
44,00,000	93,91,884	60,933	Indian Bank	186.00xd	100	12.00‡	13.00	15.00‡	13.00‡	6,12	R.L.H.
22,40,000				150.50xd	80	7.75	9.75	12.00‡	10.40‡		
50,00,000	52,36,660	2,03,141	Indian Overseas Bank	165.00	100	7.50	10.00	10.00	10.00	12	Y.
12,50,000				134.00	50	..	..	..	5.00		
10,00,000	10,50,000	30,428	Pandyan Bank Ltd.	84.00	25	1.87	1.87	1.87	2.50	12	Y.
1,25,00,000	1,27,00,000	4,48,690	Punjab National Bank	22.52xd	10	3.50	4.00	5.00	3.50	12	Y.
5,62,50,000	8,48,50,000	55,73,153	State Bank of India	388.00	100	16.00	16.00	16.00	16.00	12	Y.
1,00,00,000	77,72,000	19,529	Travancore Bank	23.90	25	1.00	1.00	1.25	1.25	12	Y.
60,00,000	43,00,000	1,14,552	Union Bank of India	7.00	5	0.37	0.44	0.44	3.75	12	Y.
2,00,00,000	1,48,00,000	62,093	United Commercial Bank	65.00	50	2.75	3.50	3.75	3.75	12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East‡	£2-10-9	£1	10†	10†	10†	10†	3	Y.
£5,000,000	£5,500,000	£455,019	Chartered Bank	£2-6-6	£1	15†	15†	15†	15†	12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,085,475	Hongkong and Shanghai Banking Corporation	£40‡	H.K.$125	5*	5*	3¾*‡	3*	12	Y.
£27,847,605	£18,000,000	£703,010	Lloyds Bank	£2-7-6	£1	12†	13†	13†	12½'C'	12	Y.
£2,940,000	£2,200,000	£231,407	Mercantile Bank Ltd.	£2-4-3	£1	14†	14†	18¾†	12½†	12	Y.
£2,851,563	£3,168,579	£351,349	National and Grindlays Bank Ltd.	£1-8-0	sh. 12½	15†	15†	15†	15†	12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (i) Interim. * £ per share free of tax. xr—Ex-Right. Z.—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim dividend for 1959 declared. C—On increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	96.00	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage) ..	1941	92.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.25	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	37.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1969 (a)†
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bemal-Nagpur	1937	85.00	15th November .. 1966 (b)
67,04,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.00	1st March .. 1972 (c)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100.50	1st April .. 1967-72
13,71,000	5½	30th June and 31st December	Jayshree Textiles	1949	90.00N	1st January .. 1956-59
39,51,000	5	1st June	Tata Mills	1951	93.25	1st June .. 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd. ..	1950	90.00	31st March .. 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	..	98 50	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co. ..	1940	101.00	1st October .. 1959
12,00,000	4½	30th June and 31st December	Bananes Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
2,32,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.50	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84.00	31st December .. 1970
13,80,000	5	1st January and 1st July	Sijua (Dherhai) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1970 (a)
2,00,000	5½T	31st March and 30th September	South Madras Electric Supply	1939	95 00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93 50	30th September .. 1953-63
47,73,000	5	1st April and 1st October	Tata Power	1940	100.10	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power	..	86.25	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	106.50	1st January .. 1966-71
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97.25	1st July 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	82.00	31st May 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	99.25	1st October .. 1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	97.00	31st December‡ .. 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Acarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90.00	30th June .. 1969
9,00,000	5	31st January and 31st July	Calcutta	1949	86 00	31st July 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	83.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90 00	15th July .. .. 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94 00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd. ..	1949	90 00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd. ..	1939	92.00	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80 00	31st December .. 1964
25,00,000	4	31st March and 30th September	Reliance Jute Mills Co., Ltd. ..	1950	80 00	30th September .. 1963 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95 00	31st March .. 1967
10,00,000	3½	31st January and 31st July	Waverley	1925	80.00	31st July 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
189,362	5	1st April and 1st October		1933	£74.10N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85 00	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	99.25	1st September .. 1963
PLANTING						
11,25,000	6T.F.	31st March and 30th September	Nilgiri Tea]	..	99.50	1st April .. .. 1958-68†
1,27,600	5½T.F.	31st March and 30th September	Teekoy	1944	100.00	31st March 1949-59
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
23,60,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	101.75	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd. ..	1955	101.75	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85.00	1st February .. 1964
19,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd. ..	1938	85.00	1st July 1968
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78.00	15th September .. 1960
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	80.00	 1968
2,04,53,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd. ..	1950	109.00	1st January .. 1973 (a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
15,00,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	83.00	30th September .. 1964
8,89,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes) ..	1946	650.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes) ..	1947	410.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.50N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	101.50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	93.50	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	93 00	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	102 00	1st May .. .. 1968 (c)‡‡
25,00,000	5	30th June	Tata Chemicals Ltd.	1945	99.00N	.. 1955-65

(c) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961. T= Taxable. T.F.—Tax free.

MARKET GOSSIP

(*Concluded from page 799*)

course of his address at the India-U.S. Conference in Washington:

"We agree that India needs economic progress. There is, of course, considerable disagreement as to how other nations may assist and work with the people and Government of India in attaining that progress. The easy answer would be, as far as the United States is concerned, to suggest that we best could assist by expanding what Government does, and I would certainly say here today that our technical assistance programmes, the programmes of loans through the Export-Import Bank and the Development Loan Fund, and other Government programmes certainly should be approved in the minimum amounts which have been requested by the administration. But I would be less than realistic if I were not to point out that, if you were to place exclusive or even primary reliance on Government assistance from the United States in order to attain this economic progress, we would be most unrealistic. And so, I was glad to note that, in the course of this conference, not only will you consider what Government can do, but also how private capital may also be attracted to this area of the world. And I would mention just three advantages that private capital has over Government capital, recognising at the outset that both are necessary and both have their place.

"First, private capital is expensible almost to an unlimited extent, whereas Government capital, in so far as our country, the United States, is concerned, is limited, limited by our own budget and by the considerations which always come up when budget problems are before a country. The second point is that, where private capital is concerned, there is and can be no question of any political influence going with it, and on occasions there is, of course, a question where Government capital is concerned that there might be political implications involved. And the third point is that private capital brings with it the skilled technical assistance which is needed, and without which capital might be wasted.

"These three advantages, I think, are worth mentioning. And I emphasise again that both private and Government capital are necessary. But, in your consideration, develop to the full how private capital can come in, because its greatest advantage is the first one I mentioned, that is, it is expansionable, whereas Government capital is definitely limited."

Here is an excellent exposition of the case for private capital investments in India. An additional argument in favour of foreign private (equity) capital is that it places less burdens on the balance of payments position than Governmental capital, because there are no guaranteed interest payments and, if the climate of confidence is well maintained, the bulk of the profits earned by such capital will be ploughed back for expansion. Such capital would certainly like to work with private enterprise in this country which, as the World Bank President, Mr. Eugene Black, is reported to have said at last London, deserves to be provided with additional incentives. Mr. Black said he believed that more incentives should be given to private investment "both internally and externally." In fine, to belittle the contributions of private enterprise to the Indian economy is certainly not the best way to provide the necessary incentives to it, whether Indian or foreign.

* * * * *

The firmness of the world sugar market noted last week has abated again this week. In fact, the market is currently ruling depressed. Spot Cuban sugar at New York is now quoted at 2.93 cents per lb. (f.o.b. Cuba), as against 3.00 cents to which level it had recovered from the previous low of 2.80 cents. Similarly, sugar at London which had gone up from £25⅞ per ton to £27½ has since dropped to £26⅞.

The fall in prices has occurred, though the fear of Cuba's new Government dumping in the world markets its vast surplus sugar stocks has not materialised. On the contrary, it was reported that Dr. Castro, Cuba's Prime Minister, who was in the U.S. recently, was trying to get its aid to finance the sugar stocks. It was this report which imparted steadiness to the world sugar market last week. If this steadiness has not continued, it is probably due to the report that the Cuban sugar crop in the current year is expected to be above 5.6 million tons, as against 5.2 million tons harvested in 1958. This quantity, though lower than the earlier estimate of 5.8 million tons by 200,000 tons, is considered to be quite heavy and "is bound to weigh on the market, preventing it from rising much further and possibly depressing it once more." There are, however, two factors which may act as a check against a sharp fall in world sugar prices. One, Venezuela and Colombia, once believed by many dealers to be net exporters of sugar, have turned out to be net importers. Two, Argentina has not so far exported its surplus sugar. In addition to these factors, there is the Sugar Council's hope that the reductions in the basic export tonnage of member-countries effected early this year would be sufficient to take care of world surplus production.

Twelve widely-used goods and services can be bought by the average American production worker today with less labour time than in 1953, the National Industrial Conference Board reports. The Board listed the following: a pound of bacon, a refrigerator, a wool suit, a pair of shoes, a house dress, a pair of nylon stockings, a pound of round steak, a pound of coffee, a dozen eggs, ten pounds of potatoes, a gallon of gasoline and a quart of milk.

COMMERCE

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

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FRESH THINKING ON SUGAR NEEDED

THE Government of India's sugar policy has failed again. There has been a sharp rise in values in recent weeks and the consumer is paying a record high price. It is true that, after the swift increase in prices last week, there has been a slight fall, but prices are still too high. The Government has found it necessary to license the wholesale dealers and tighten the controls, short of introducing rationing, which everyone is anxious to avoid. Production has not been keeping pace with the demand. Stocks are so low that some are actually suggesting that India should import sugar from abroad, either as a loan from the International Sugar Council or through outright purchases from the world markets. So from an exporter to an importer of sugar! What a transformation! That this should happen in a planned economy is a striking commentary on the defects in planning.

The sugar that we are referring to here is white sugar. This industry, as readers are aware, is closely regulated by the Government. The creation of additional capacity to manufacture white sugar is determined by the Government. The place, persons and the type of management—whether co-operative or joint-stock company—for new capacity are also prescribed by the Government. The price payable to cane growers is fixed by it. Production is being reserved and marketed as per directions from New Delhi. Even the ex-factory price, which was left to be determined by market forces during the three or four years preceding June 1958, have again been subjected to Government control. The vast majority of sugar manufacturers have readily co-operated with the Government and have even acquiesced in some of its patently wrong policies. They have apparently done so out of a desire to keep the State Trading Corporation out of their way. They were afraid that, once the S.T.C. put its foot into the industry, either as exporter or internal distributor, the sugar industry was as good as nationalised, for it would be the story of the camel and the Arab tent.

Since the commencement of 1959, wholesale prices of sugar have gone up by 10 to 11 per cent. on an average. In Bombay, for instance, small grain has risen from Rs. 103 to Rs. 122 and large grain from Rs. 114 to Rs. 125 per bag of 224 lbs. Of this rise, as much as Rs. 7 and Rs. 9 in small and large grain, respectively, took place in less than a fortnight. Over the year, however, the increase in sugar prices works out to 12 per cent. only. It is thus evident that the recent spurt in prices is of a speculative nature and is not justifiable on moral grounds. But economic laws are no respecter of morals or ethics. It is human nature to make as much money as possible, if circumstances are favourable for doing so. Mere condemnation of speculation by the authorities will be of no avail. Nor will it be of much use if ex-factory and/or wholesale prices alone are regulated by fiats, leaving the retail prices out of control, especially when the excess of supply over demand is small. In a vast country like India, with sugar production concentrated in only a few areas, such piecemeal and partial controls are, as past experience has clearly shown, ineffective. To assume that only the millowners and wholesale merchants are given to profiteering and other malpractices and that the retail distributors are honest people, conscious of their moral obligations to the society they serve, is to indulge in wishful thinking. The recent kerosene muddle in the Bombay State provides clear proof, if any proof were needed, that, given the opportunity, retail merchants too will exploit consumers without any qualms whatever. It is a fashion these days to think of co-operative societies as a desirable alternative to private trade. But they too are not free from such defects. In any case, co-operatives are not available in all parts of India. If controls are to be had, they have to be exercised from top to bottom. Surely, this country has had enough experience of the futility of partial controls. Even total controls have not been a great success. Again, experience shows that such controls bring nothing but contempt for the Administration and the party in power, demoralise the officials and create a new set of vested interests. The Congress Party is fully aware of the unpopularity of total controls and is, therefore, reluctant to resort to them. But, in its attempts to avoid this unpopularity, it is unfair to millowners and wholesale merchants, because partial controls present only these two sections of the business community in an unfavourable light and make them the scapegoats. They give a convenient handle for the politician to turn public opinion against the private sector.

The only effective remedy to keep prices within reasonable limits is a comfortable supply position, as distinct from a small surplus over consumption. The supply of sugar available should be sufficient to cover both consumption and the normal level of stocks with the trade. The mischief starts the moment the level in the pipeline tends to diminish. It is here the Planning and Administrative wings of the Government have been shortsighted, and made a mess of the whole situation. They have failed not only in assessing the demand for white sugar properly but also in adopting appropriate policies that will ensure full utilisation of the new capacity that has been created. The authorities did well in permitting the Deccan and South India to have a larger number of new sugar factories than the rest of the country, for these areas have ideal climatic conditions for producing more sugar per acre. But the benefit of this wisdom has been partially neutralised by giving full play to their co-operative ideal. By earmarking almost all new factories only for co-operatives, they have slowed down the pace of growth in production, reduced the scope for competition and limited the chances for obtaining more sugar per acre through intensive cultivation. A comparative study of achievements in sugarcane cultivation in the plantations of joint-stock companies and in those belonging to co-operative sugar factories will be rewarding. Similarly, in U.P., the major sugar-producing State in India, expansion achieved in existing factories could not be fully utilised during the 1957-58 and 1958-59 seasons, owing to increasing diversion of sugarcane to *khandsari* and *gur* manufacture. The heavy taxation imposed on white sugar has been the main factor responsible for this diversion, as it has reduced the capacity of mills to compete with the cottage units for the available supply of sugarcane. The imposition of an excise duty on *khandsari* in the last budget was a belated and half-hearted attempt. Further, *gur* manufacture is exempt from almost all taxes. It may be noted here that, as against an increase of only 12 per cent. in the wholesale price of white sugar over the year, the price of *gur* has gone up by no less than 31 per cent.

The greatest drawback in the Government's sugar policy lies in the fact that, while white sugar has been subjected to a variety of regulations and a heavy burden of taxation, *gur* has been let scot-free and *khandsari* has been brought under a minimum degree of control only during the last few months. This point will be better appreciated if it is borne in mind that white sugar manufacture is more economical and gainful to the nation than *gur* or *khandsari* and that consumption of white sugar is steadily growing, following increasing urbanisation and the rise in purchasing power. But for the heavy excise duty on white sugar in the last four or five years, the expansion in consumption of this variety would have been more marked than it is. An important point that has not received the recognition it deserves is that, so long as *gur* fetches a high price, there will hardly be adequate incentive to the cane grower to grow better varieties of sugarcane. *Gur* is produced mostly by cane growers themselves. The sizable profit that they get on *gur* leads to inefficient cultivation. It induces them to produce more cane rather than better quality cane. It may be that there are enlightened *ryots* who realise the value of producing more *gur* per acre than cane. But their number must be very small. Thus, even the limited efforts that are being made by the authorities for improving the yield of sugar per acre through development zones, etc., are offset, to some extent, by the inefficiency engendered by the easy money available on *gur*.

Prime Minister Nehru and his colleagues are striving hard to raise the living standards of the Indian masses, more than two-thirds of whom are based on agriculture. We admire their zeal. But it is a pity that they have not yet realised that one of the easiest and quickest ways of bettering the lot of agriculturists is to bring about maximum utilisation of their produce. The peasants in U.P. and Bihar are, perhaps, the poorest and most ignorant in India, because of centuries of *zamindari* rule. The major commercial crop in these areas is sugarcane. If only sugarcane is utilised in a more profitable manner than is being done now—nearly 70 per cent. of cane grown in U.P. is used for *gur* and *khandsari* manufacture—the wealth of the growers and that of the country, in general, can be significantly raised. It may be noted that, if sugarcane is crushed in a factory, the sugar recovered will at least be 25 per cent. more than that in a cottage press. Again, one has only to think of the immense variety of by-products that can be manufactured from sugarcane to realise the heavy loss to the growers and the country. Space does not permit a full discussion of this vital point. Suffice it to say that the by-products include such valuable items as power alcohol, which is finding increasing use as a raw material for plastics and synthetic rubber, paper and newsprint, cattle-feed and wax. In sugarcane, India has a wonderful industrial raw material and it is our misfortune that the authorities in the Centre

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and the States are allowing the bulk of it to go waste. Those who sing in praise of such cottage industries as *gur* and *khandsari* and those who frame and implement economic policies that favour these industries do not realise the grave harm they are doing to the country's economy, in general, and sugarcane growers, in particular. Mr. Nehru is never tired of pleading for dynamic action. But, in the sphere of sugar industry where there is enormous scope for dynamism, there has been nothing but statics. The only dynamism that we have seen in this sphere is in the application of such negative policies as controls and taxation and, above all, in the vituperation against the *entrepreneurs* who have made white sugar manufacture as the second largest processing industry, contributing a large revenue to the Exchequer.

Both the Government and the industry have persisted in their decision to develop export markets for sugar. The statistical position of sugar even last year was not encouraging enough to permit exports. The cost involved, in terms of loss of rupee resources, was also prohibitive. And yet 50,000 tons were sent out of the country and a decision was taken to export 100,000 tons this year. Steps were initiated to ship half of this quantity even when it was clear that the stocks on hand would be barely sufficient to cover three weeks' consumption and that the loss to be incurred would be larger than in the previous year. The Government was also clearly warned of the consequences of its unwise decision, but to no purpose. It is, therefore, difficult to resist the conclusion that the Government attaches more importance to considerations of prestige than to the interests of domestic consumers. The spokesmen of the sugar industry who supported the Government in this policy cannot also escape blame. In their anxiety to be in the good books of the Government and assailed by the unwarranted fear of a surfeit of sugar in the coming years, they did not apparently realise that they were working for the emergence of a situation in which they would be made the scapegoats for the rise in sugar prices and which would be conducive to build up public opinion against them by a section of politicians. If private enterprise is to survive in the present hostile atmosphere, it has to strive hard to carry the public with it and must not do anything that is likely to make the climate even more hostile. This is particularly important to manufacturers of white sugar, for even a small rise in the price of this commodity attracts severe criticism, though a much bigger increase in other commodities goes unnoticed.

Some in the sugar industry have sought to justify the export of sugar on the ground that no sacrifice is too much for earning foreign exchange. It is argued, for instance—*vide* pages 863 and 864 of this issue—that the cost of subsidising exports to the domestic consumer is negligible and that all sugar-exporting countries collect a larger price from the home market to make up for the lower price realised on exports. Such arguments are highly fallacious. In the first place, India has no surplus of sugar for export. Even if the remaining expansion schemes are implemented, there will be no surplus worth the name, having regard to the rising population, growing incomes and the definite preference of consumers for white sugar. Secondly, the loss on exports is not so small as is made out, if one takes into account the revenue which the Exchequer has to miss and if exports are to be of any significant size, not a mere few thousand tons, as has been the case in the last two years. Thirdly, for almost all the major sugar-exporting countries, sugar is a staple foreign exchange earner and they have to export it even if it means some sacrifice to them. This is not so in the case of India. Fourthly, the comparison is not proper, for the production of sugar per acre in these countries is larger than in India. And, fifthly, they are rich enough to afford a subsidy on sugar exports, whereas India is not. The *per capita* incomes and *per capita* consumption of sugar in India are the lowest as compared with the major sugar exporters. Thus, India's *per capita* consumption of white sugar is only 5.1 kilograms, as against 46.1 kg. in Cuba, 54.8 kg. in Australia, 41.4 kg. in Mauritius, 12.1 kg. in the Philippines and 7.8 kg. in Indonesia.

If India is not to keep on muddling in sugar, if adequate supply of clean, healthy sugar at reasonable prices is to be ensured for its growing population, and if the sugarcane resources are to be put to the maximum possible use, there is urgent need for fresh thinking on the subject. Now is the time for it. so that, in the third Plan period at least, sugar may not become a headache. There have been many committees and commissions for other crops and industries but none for sugar. It would be a good thing to have a high-powered independent commission, made up of knowledgeable persons, including a few foreign experts, to go into all the aspects of sugar industry and make suggestions for formulating a sensible, forward-looking sugar policy.

OIL BUSINESS

THE observations made by the Prime Minister at a Press conference on the 14th inst. on the subject of mineral oil clearly show that the Union Minister for Oils, Mr. K. D. Malaviya. fully enjoys his confidence and that the statements made by Mr. Malaviya in Parliament and elsewhere in the first half of last month only reflected Mr. Nehru's mind. It is necessary to make this point, because there are some who are inclined to feel that it is Mr. Malaviya who is forcing the pace of the public sector in the oil business. It seems to us that Mr. Malaviya is merely trying to implement the broad policy prescribed by the Prime Minister. This is borne out further by Mr. Nehru's statements nearly three years ago.

That Mr. Malaviya is quick and energetic in giving firmness to Mr. Nehru's thinking on oil is evident from the way in which he followed up the latter's remarks at the Press conference. Within 24 hours, he himself convened a Press conference, in which he confirmed the Prime Minister's announcements and elucidated them. It is obvious from the statements of both of them that the Government has finally made up its mind on four points: exploration, production, distribution and administration. On the first, this is what Mr. Nehru said:

> "Our broad policy is that we give naturally primary importance to the work (oil exploration) being done under the State auspices, but we do not rule out private prospecting and exploration, etc., and we are prepared to consider such offers. It will depend on the terms of the offer and whether we consider those terms attractive enough, because, remember, India is a big country and there is a vast scope for exploration all over. Naturally, we, as a Government, will continue (oil exploration) in the best fields and work there to our capacity. But we cannot cover the whole of India for a long, long time. We are, therefore, prepared to consider offers (by private parties), subject always to the terms being acceptable."

The Government's desire to take up the job of prospecting and exploration is understandable, in view of the urgency for discovering and producing oil in the country. But it should not reserve to itself a much larger field than it can handle efficiently. Again, its decision to keep the best and promising areas to itself is unlikely to attract efficient foreign prospectors to this country. It would, therefore, be better for the Government to go in partnership with foreign capital to cover the whole country, so that the possibilities of losses and gains may be more equitably shared and the cost may be cheaper. It should not be impossible to introduce suitable conditions in the contract to ensure that the foreign participant does not wilfully neglect his duty or deliberately refrain from making a quick discovery of oil. Such apprehensions do not seem to be warranted, for a foreign prospector does not come here to invest money for no returns. Mr. Malaviya himself has now publicly acknowledged that, if the Stanvac people, under the Indo-Stanvac Programme, have not located oil in the Bengal basin so far, it is not for want of effort; it is a case of bad luck. It is encouraging to hear from him that the Government has not laid down any hard and fast rule and that it would consider each offer for participation from private enterprise on its merit.

On production, no departure is to be made from the present policy. This means that the Government will have a sizable controlling interest in raising and refining the crude. "If we produce our own oil," Mr. Malaviya said, "we will refine it ourselves." The existing three refineries under foreign control and ownership will not be disturbed in any way.

On marketing and distribution, too, the Government has no intention to disturb the existing companies. But it has definitely decided to supplement them by establishing very soon a completely State-owned company. The reasons given by the Government for its decision to enter this complicated and large-capital consuming business are not sufficiently convincing. The main reason is that, having decided to have two refineries of its own, the Government must have its own company to distribute the products of these refineries. But not all manufacturers themselves distribute their products. Apparently, the Government thinks that it must keep to itself the profit on marketing and distribution of oil also. Another reason given is that, as the Government itself is a large consumer of petroleum products, it should secure its requirements through a company owned by itself. It is evidently from this angle that Mr. Malaviya feels that, in due course, the Government-owned company will even directly import finished petroleum products. Mr. Malaviya has, of course, made it clear that the Government company will not confine its activities only to Government agencies. At the same time, he has stated that the Government was hoping to get the co-operation and even collaboration of the private oil companies. This statement is welcome in so far as it goes. While it is to be hoped that a mutually satisfactory understanding will be reached between the Government and these companies, the atmosphere is by no means propitious for it. The Government's whole approach to these companies appears to be based on distrust and suspicion. If this is not so, it is hard to understand why the Government is unwilling to take them at least, if not the public, into confidence in regard to the report of its cost accountant who investigated their working. After all, these companies threw open their books to the Government's investigator and co-operated with him.

While none can say that there will be no room for one more company for marketing oil, the whole issue has to be decided from the point of availability of financial resources and know-how. The Government is not having either of them in plenty and there are many other calls on its resources and time which deserve a higher priority. And, what is more, neither Mr. Nehru nor Mr. Malaviya has given any idea of the resources that would be required by the Government for this marketing business. This also seems to be a case of first committing the country to a particular course of action and working out the cost and other implications later. The Government's spokesmen proclaim when they go to the U.S. that the public sector in India enters only those lines of business which are not within the capacity of the private sector or which have been badly managed by it. We do not think that the decision to establish a wholly Government-owned company to market oil is justifiable on either of these grounds. In any case, the Government has not so far sought to do so. If the Government is anxious that there should be some national participation in the benefits of marketing of oil, the objective can be realised by asking the existing foreign companies to allow Indian private capital to participate in their capital structure and to take more Indians on their technical and managerial staff.

The most welcome of the four decisions announced this week is the one to convert the Oil and Natural Gas Commission into a statutory Commission, with a large degree of autonomy which is necessary for the efficient handling of the highly technical nature of the job. This change will require the consent of Parliament and, pending its approval, the existing Commission will be given additional financial and administrative powers of the Ministry, so that the growing volume of work may be expeditiously carried out. Mr. Nehru has made it clear that neither the Minister in charge of the Corporation nor the Secretary to the Ministry concerned will be its chairman and that the new set-up will be manned and presided over by technical persons rather than purely by administrators. This is undoubtedly a right decision. It is needless to add that, if the objectives in reorganising the Commission are to be achieved, the technical experts chosen to be in charge of it should be highly competent persons, with rich practical experience and capable of judging issues without importing political considerations but strictly on their merits as business propositions. It is easier to state this condition than to fulfil it, as there is a great dearth of such talent in this country.

STOCK EXCHANGE BOOM WEAKENING?

NEW LOANS—EMPLOYEE SHARES—STATE TRADING IN FOODGRAINS—U.S. WHEAT SURPLUS

THURSDAY, 5 P.M.

MARKET GOSSIP

THERE has been a distinct break in the boom on the stock exchanges. The fall in equity values is widespread, though the depth varies. In some of them, the drop is quite substantial, while in the leading speculative counters, in particular, it is only of a modest nature, presumably because the bulls are trying hard to stem the tide. It remains to be seen how long they will be able to hold out, in the face of increasing deliveries and fairly high *badli* charges. Further, the investors appear to have ceased following the professional bulls, as the idea that, at current levels, almost all equities are highly priced is finding ready acceptance. A fortnight ago, one found it hard to sell this idea. Another significant development is sizable profit-taking by investors in blue chips and growth scrips. Such shares as Guest Keen Williams, Dunlops, Indian Oxygens, Alkali Chemicals, National Carbons, Voltas, Gwalior Rayons, Larsen and Toubros, and Ceat Tyres have more sellers than buyers and lost quite a good part of their recent gains. The chemical shares that were greatly fancied till a few days ago have lost their glamour. India Dyestuffs, for instance, have declined by Rs. 85 over the week. There is no mention of Colour-Chems at all now, though they were the rage 15 days ago. Advices from Calcutta and Madras also speak of a marked fall in bullish fervour in the purely investment counters.

Apart from the reaction that usually follows after a sharp rise, the prospect of quite a few new industrial issues being floated in the coming weeks is also a factor responsible for the change in the undertone of share markets. It is already known that the T.I.S.CO. will be raising a little over Rs. 8 crores, probably in August or September. Besides this, a crore and a half worth of 6 per cent., tax-free redeemable cumulative preference shares of Gwalior Rayon is being released to the market by their present holders. Texmaco also proposes to raise new capital in the form of preference shares. The prospectuses of Indian Rayon and Khandelwal Ferro Alloys Ltd. have been published. Baroda Rayon, another new company, will shortly be approaching the market. The West Coast Paper Mill is offering new capital. Then, there will be the usual annual long-term borrowings by the Central and State Governments, not to mention local bodies and financial institutions. In view of all this, the forthcoming slack season for the money market may not offer much comfort to the bulls.

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The short-term money market has begun to show signs that the busy season is petering out. Speculation about the Central Government's borrowing programme has just begun and is bound to gather momentum in the next few days. The Reserve Bank has already given notice of redemption to the holders of 3 per cent. 1959-61. The amount outstanding against this loan is Rs. 113.66 crores. The holders of this loan will, of course, be given the option to convert into the forthcoming new loans. One can, therefore, safely take it for granted that the amount of new loans will be Rs. 200—225 crores. The general expectation in market circles is that, unlike last year, when three types of loans—5 years, 10 years and 15 years—were offered, the Government may issue only two types this year, skipping the short-dated. Since there are no maturities in 1969, the medium-dated loan is bound to be a 10-year issue again. As the yields have gone down over the year, the Government should be able to borrow on more favourable terms than last year. We, therefore, expect that it will offer no more than 3½ per cent. As regards the second type, it is bound to be quite a long-dated loan. With 4 per cent. 1973 issued last year standing at a premium of Re. 1.70 and giving a redemption yield of 3.84 per cent. and a running yield of 3.93 per cent., the authorities have two choices before them: either to reduce the rate of interest and keep the usance unchanged at 15 years or keep the rate unchanged at 4 per cent. and raise the period. Inasmuch as the current yield on a 14-year loan is well over 3.75 per cent. and as it would be inadvisable to make money cheaper than it already is through open-market operations, the best thing to do would be to keep the rate of interest unchanged at 4 per cent. and widen the period to, say, 18 or 20 years. There is, of course, still plenty of time for the authorities to think about the terms, for the money market will take at least a month more to become perceptibly easier.

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The conception of employee-participation in share capital of joint-stock enterprises in India, and given effect to by some leading industrial concerns, is different from that in Western countries, such as the U.K., the U.S. and West Germany. In this country, this is confined to reservation of a portion of a public issue of shares to employees or to distribution of the left-overs after the shares are taken up by the public, whereas, in the advanced countries referred to above, it is more or less linked to the profit-sharing scheme. Thus, whenever the employees participate in the profit of a company and get a bonus, fresh shares are created and offered to employees, so that the bonus amount, instead of being frittered away, can be usefully invested in the shares offered by the company. Such investment not only get the employees, particularly in the low-income group, a good return but also provide them a hedge against inflation. This has an additional advantage from the company's point of view. While making the shareholding more widespread, it finds its capital needs from its own resources.

It is deplorable that no concerted attempt has so far been made by joint-stock companies in India to induce their employees to participate in their share capital. The stock argument given by them is that their workers are not as advanced as their confreres in the U.S. or the U.K. This is not convincing. There is plenty of scope for making an impressive beginning in this social revolution, as there are a large number of big companies that can take the initiative.

To take the example of the Tata Iron and Steel Company just to show the extent of gain that can be achieved. The Company is distributing over a crore of rupees every year by way of bonus to employees. Even if 50 per cent. of this sum is invested in the equity shares of the Company, it can raise each year Rs. 50 lakhs of capital out of its own profit. If these shares are issued to its employees either at face value (Rs. 75 each) or at a suitable concessional price, and if the advantages of the scheme are properly explained to workers, the response is bound to be good.

That the employees' profit-sharing scheme has proved a success in the U.K. is evident from the speech of Sir Alexander Fleck, Chairman of Imperial Chemical Industries Ltd., at the annual general meeting of the Company held in London last week. According to him, no less than 91,014 of the Company's employees qualified for a bonus in respect of 1957 amounting to £5 million gross before personal income-tax. Of the ordinary stock distributed to them, ever since the profit-sharing scheme was introduced, about two-thirds had been retained by the employees at the end of 1958. In this connection, Sir Alexander made the following interesting observation:

> "It is gratifying to realise that, during the years when there have been so many temptations to spend money on other things, by far the greater part of the stock handed over to our employees has been retained as an investment in the Company. This tangible recognition of the community of interests between stockholders and employees in our great enterprise is of considerable significance, and is an added strength to our organisation."

It will be interesting to recall here the main features of the I.C.I. scheme, which was introduced five years ago. Every year, I.C.I. employees, who qualify by length of service, receive bonus representing a percentage of their own earnings and based on the distribution to the shareholders. It is paid not in cash but in the form of shares. These shares are issued to trustees appointed for the purpose. They are not issued at par, but at the market price on the day on which the issue is made. No restrictions are placed on the employees selling their shares whenever they want. Commenting on the I.C.I. scheme, the *Financial Times*, London, writes:

> "After five years, it is very interesting to know how well the scheme has worked. In his Chairman's speech, Sir Alexander Fleck told his shareholders that about two-thirds of the stock issued had in fact been retained by the employees who received it. There may have been a higher proportion of retentions among executives than among the ordinary industrial employees of the Company, but the figure of two-thirds must be considered a satisfactory one, particularly over what is now a substantial period. Members of the main I.C.I. Board are not eligible for the scheme.
>
> "The I.C.I. scheme is one which has aroused a good deal of interest in industry, but has not been widely followed. Its chief merit from the Company's point of view is that it does give the I.C.I. worker a sense that he is a partner in the Company. The I.C.I. employee can hardly feel that his interests are in conflict with those of the shareholders when he is, in fact, a shareholder himself. The number of employees who benefit is now a substantial one and over 91,000 qualified in 1958 in respect of 1957.
>
> "One of the reasons why other companies have not adopted the I.C.I. scheme is that they do not feel it fair to their workers to encourage them to hold shares in the company upon which their employment depends. For most companies—for all small or medium-sized companies and for large companies in highly cyclical industries—this is no doubt the correct view, just as it can be wrong for a firm to invest its pension fund in its own shares. Yet large companies with a strong growth record and a reasonable prospect of further growth need not necessarily take the same stand."

The main object of the scheme, apart from its creating a compulsory saving, to quote our London contemporary "is to create in the mind of the employee the notion that his profit-sharing bonus is a capital sum to be saved and not an income sum to be spent."

The success of the I.C.I. scheme reinforces our contention that the bigger companies in India too should try this experiment. They may issue, if necessary, a separate class of shares, called employee shares, in a smaller denomination, so that even the lowest income group employees can participate in the scheme.

* * *

The first major step in the implementation of the scheme for State trading in foodgrains has been taken by the Central Government. In a communication addressed to the States, the Centre has indicated the measures they should take in order to ensure a fairly uniform approach to the scheme throughout the country. Briefly summed up, the following are the main features of the Central Government's directions:

1. The entire wholesale trade, including the processing industries, should be licensed. The licensees should be required to furnish regular returns of stocks and a periodical check should be exercised over their stocks and accounts with reference to the returns, deterrent action being taken where a malpractice is detected.

2. Sufficient stocks should be acquired from the licensees for distribution through fair price shops at reasonable prices so as to make it difficult for the licensed wholesalers, even in respect of the stocks left with them, and for the retailers who may buy from the licensed dealers to charge higher prices.

3. There should be a strict enforcement of statutory control of wholesale prices, the prices in surplus and deficit districts being so fixed as not to impede the flow of foodgrains from surplus to deficit areas within a zone.

4. Minimum controlled prices for the producer of foodgrains should be fixed, with due attention paid to adequate safeguards for ensuring proper quality standards of foodgrains.

5. Suitable machinery should be established for purchasing direct from the producer at the fixed price, if he is unable to sell his produce at that price to a trader.

6. It is necessary to organise and develop co-operatives which can increasingly handle the marketed surplus of foodgrains; the State Governments are required to submit quarterly reports giving the number of societies at different levels organised for the purpose, as well as the nature and quantities of grains dealt with by them.

It will be seen from the foregoing account that the Central Government is goading the States to take upon themselves a rather very heavy responsibility. Apart from doubts whether all the States are willing to shoulder such heavy responsibility, the administrative apparatus in most States leaves much to be desired. Public memory is not so short as to forget the bitter experience of the control days only a few years ago. By its very nature, the Governmental machinery cannot have, as the Federation of All-India Foodgrains Dealers Association pertinently points out in the course of an interesting study on the production and distribution of foodgrains in India and State trading in foodgrains, that resilience which one would expect from a machinery that has to deal with various factors at various stages, and deal rationally with the different problems involved over all parts of the country. Surely, the State Governments will not be able to ensure a proper adjustment in consumption and supply of foodgrains by price variations as in a free economy.

The one definite consequence of State trading in foodgrains will be that the consumer will have to pay prices very much higher than those prevailing when the normal forces of supply and demand are allowed to operate. This is because of heavy administrative charges which work out to as much as 10 per cent. of the total price of foodgrains paid by the consumer. In its report (1957), the Ashok Mehta Committee has clearly shown how, during the period of controls and rationing, the issue prices of grains sold in ration shops were 12 to 25 per cent. higher than procurement prices. It was not the consumer alone who had to suffer. The Government itself incurred heavy loss in foodgrains trade. According to the Federation, procurement and distribution of foodgrains through official channels resulted in the huge loss of nearly Rs. 46.4 crores per year during the ten-year period of controls and that only in catering to less than 15 per cent. of the population brought under rationing.

The Federation estimates the net amount of money which the Government will have to invest in the scheme of State trading in foodgrains at Rs. 500 crores. This is certainly quite a large sum, especially when the rupee resources required for carrying out the other more important projects are scarce. Why should the Government think in terms of State trading in foodgrains involving investment of such large funds? The answer given is that traders exploit to their advantage even a small shortfall in the supply of foodgrains. But a mere revamping of distribution machinery and its transfer to the State will not solve shortages. The solution to scarcity lies in increased production. Instead of wasting time, money and energy on State trading in foodgrains, what the authorities should do is to concentrate all attention on measures designed to augment output such as provision of irrigation facilities, supply of fertilisers and manures, improved seeds, land reclamation and development, and improved agricultural practices. These are matters of prime importance which, as the Federation says, "are likely to be neglected in chasing the glow-worm of State trading in foodgrains."

The Federation foresees that introduction of State trading in foodgrains at this stage will only result in retarding the progress made in the direction of achieving self-sufficiency in foodgrains. Whether this forecast will fructify or not remains to be seen. But experience so far shows that, whenever bureaucracy intervenes in the working

(*Continued on page 888*)

EQUITIES REACT

HEAVY FALL IN PRICES

(From Our Own Correspondents)

BOMBAY, 21*st May*

THE share market suffered a shake out today and prices dropped precipitously over a wide front. Earlier in the week, equities were a little erratic, but the undertone was bullish, with many counters, under the lead of Tata Steels and Tata Locomotives, touching fresh high levels yesterday. This could not be sustained today, in the face of weaker advices from Calcutta, where equities had taken a downward trend during the last two or three days due to fears of heavy delivery. In addition, a news agency report that it might be necessary to levy heavy taxation to finance the third Plan created a stir in the market. This report said that the projected large size of the next Plan might necessitate fresh taxation to the tune of Rs. 2,000 crores over five years, as against the estimated yield of Rs. 900 crores from additional taxation during the second Plan period. While this suggestion may appear fantastic, the bears seized the opportunity to turn the market in their favour by hammering down some of the vulnerable scrips.

Tata Steel Ordinaries crept up earlier in the week from Rs. 192.75 to Rs. 195. After a setback to Rs. 192.50 on Tuesday, the shares shot up to Rs. 196 yesterday. Today, again they reacted sharply to Rs. 191 and closed at Rs. 192.25. The new shares closed at Rs. 190, after touching a high of Rs. 193. Indian Irons came up from Rs. 24.60 to Rs. 25 before receding to a low of Rs. 24.28 today. The closing was, however, a shade better at Rs. 24.36.

In the textile group, Bombay Dyeings hardened from Rs. 64.30 to Rs. 64.60 early in the week, but, subsequently, they gave way to close at Rs. 63. Despite the sharp fall from yesterday's high of Rs. 551 *ex-div.* to Rs. 537 today, Centurys disclosed a gain of Rs. 2 over the week. A similar rise is noted in Kohinoors at Rs. 278 *ex-div.*, notwithstanding the reaction from the peak of Rs. 293.50 *ex-div.* touched yesterday. Central Indias suffered a loss of Rs. 4 at Rs. 103 and Finlays Rs. 5 at Rs. 270. Gokaks fell by Re. 1 to Rs. 149. Indu Ordinaries by 40 nP to Rs. 7.88 and Indore Malwas by Re. 1.50 to Rs. 97.50. A drop of Rs. 10 was recorded by Khataus at Rs. 220. While Models lost Rs. 2.50 to Rs. 95, Mysore Spinnings moved up by Rs. 3.50 to Rs. 85. Podars shed Rs. 4 to Rs. 163, Shree Niwas Cottons Rs. 7 to Rs. 173, and Simplex Re. 1 to Rs. 187. Standards were placed at Rs. 499 *ex-div.*, which on a *cum-div.* basis showed a loss of Rs. 8 over the week. Svadeshis lost today Rs. 10 at Rs. 228 *ex-div.*, thus wiping out the earlier gain.

Bank shares ruled weak. The loss in value was pronounced in Centrals which declined by Rs. 3.70 to Rs. 51 and their new shares by Re. 1.80 to Rs. 55. Baroda shed Re. 1.50 to Rs. 102.50, Bank of Indias Re. 1 to Rs. 133 and their new shares Rs. 2.25 to Rs. 133.75. United Commercials were done Re. 1 lower at Rs. 64. State Bank of India shares changed hands at Rs. 390.

Among electricity shares, Ahmedabad Electrics disclosed a loss of Re. 1.20 at Rs. 91.80, and Bombay Suburbans fell by Re. 1 to Rs. 103. Tata Hydros were a shade quiet at Rs. 117.75. While Tata Powers were unchanged at Rs. 1,167.50, Andhra Valleys were marked down by Rs. 11.25 to Rs. 1,136.25.

Sugar shares, too, were affected by the general setback. Belapurs dropped over the week Rs. 4.50 to Rs. 308.50. Phaltans moved down by Rs. 6 to Rs. 159.50 and Walchandnagars by Rs. 13.75 to Rs. 290. Maharashtra Sugars recorded a fall of Rs. 9 to Rs. 201.

The downward trend in Associated Cements noted earlier in the week gathered momentum today and the shares closed at Rs. 152.50, with a loss of Rs. 5.25 over the week. Digvijays, however, gained a rupee, despite the decline today from Rs. 158 to Rs. 154. Orissa Cements were lower by 16 nP at Rs. 14.32, Jaipur Udyogs by 12 nP at Rs. 11 and Bagalkots by a similar extent at Rs. 8.20.

After touching a peak of Rs. 299, Alcocks suffered a precipitous fall to Rs. 271; the loss over the week was, however, less at Rs. 19. On keen support induced by reports that the Tata Locomotive and Engineering Company had obtained permission from the Government to increase its production of trucks from its present rate of 7,000 vehicles per annum to 12,000 and that it was likely to undertake production of small cars, the shares of the Company shot up from Rs. 201 to Rs. 214. Today, however, they slipped back to Rs. 205.50 before recovering to Rs. 208. Mahindras lost 40 nP to Rs. 23, notwithstanding the optimistic note struck by the Chairman about the outlook for the Company at the annual meeting held this week. Premier Constructions came down to a low of Rs. 318 before closing at Rs. 326, as against Rs. 341 a week ago. Larsen and Toubros shed 92 nP to Rs. 23.48. In the mining group, Shivrajpurs gave way from Rs. 100 to Rs. 95 and Indian Coppers from Rs. 4.28 to Rs. 4.12.

Shipping shares provided no exception to the general trend. Scindias slipped down from Rs. 18.64 to Rs. 17.92 before recovering to Rs. 18.08. Great Easterns were marked down by 60 nP to Rs. 23.12. In the automobile group, Hindustan Motors shed 80 nP to Rs. 8.24 and Premier Automobiles fell by Rs. 7.50 to Rs. 108.50.

In the miscellaneous group, Bombay Burmahs (old) moved up erratically from Rs. 559 to Rs. 566.50, but in today's reaction they gave way to a low of Rs. 542. The closing was a little better at Rs. 547. National Rayons provided an impressive feature with a rise from Rs. 303.50 to Rs. 316.50, but the gain has almost wiped out today when the shares touched Rs. 304. At the close, there was a mild recovery to Rs. 307. Gwalior Rayons were done 36 nP lower at Rs. 18.24. Chemical shares, too, came under pressure, Tata Chemicals being marked down by 16 nP to Rs. 17.56. Alembics dropped Rs. 9 to Rs. 200, Dhrangadhras Rs. 3 to Rs. 117 and Poly Chem Rs. 2 to Rs. 100. Amar Dyes fell by 11.50 to Rs. 160 and Indian Dyestuffs by Rs. 81.25 to Rs. 630. Tata Oils were Re. 1 lower at Rs. 54. Hindustan Levers changed hands Rs. 2 down at Rs. 29.25. Voltas suffered a drop of Rs. 5.75 to Rs. 162 and Wimcos Rs. 15.50 to Rs. 206.50 *ex-div.*

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Calcutta Stock Exchange

CALCUTTA, 20*th May*

After earlier steadiness, a weakening tendency was in evidence on the Calcutta Stock Exchange during the week under review. This was attributed to lack of incentives and the rather high levels which equity prices had touched in recent weeks. Genuine investors considered the present levels prohibitively high. At these levels, there was no question of purchasing for holding, in view of the increase in the tax burden on the shareholder, effective from the current working period for most companies. The week's recession was indeed fractional, as speculative elements could not afford a marked recession for fear of losses. However, as investors continued to be biding for time and the holding power of speculators declined, a levelling off should come about and the present resistance at higher levels should prove a passing phase. The pressure of delivery of shares also depressed prices a little and the volume of business also dwindled. Enthusiasm over the news of the decision of the Tata Iron and Steel Company, Ltd. for a new issue of shares was restrained, as the issue had not yet been approved by the Government. With the loan programme of the Central and State Governments, which would be announced shortly, there was a tendency on the part of operators to wait.

Sectionwise, excepting for selected features, the general trend in the jute section was downward. Buyers became more cautious, as there were signs of increasing Pakistani competition in goods. While Bally recovered to Rs. 210 from Rs. 200 before closing today at Rs. 208, Anglo-Indias moved from Rs. 232 up to Rs. 235 and closed at Rs. 233. Aucklands were driven down to Rs. 164 from Rs. 170. Howrahs, after giving way to Rs. 24.06, recovered to Rs. 24.37, but again reacted to Rs. 24.06. Birlas closed at Rs. 20.87, as against Rs. 21.12, a week ago. At Rs. 15.69, Megnas carried a net gain of 19 nP over the week. Deltas, for which a dividend of 6 per cent. has been declared for 1958, as against *nil* in 1957, changed hands at Rs. 184 against Rs. 181 previously.

In the engineering section, Indian Irons opened at Rs. 24.22 and steadily rose to Rs. 24.75, when a reaction pushed down the rate to Rs. 25.45. Since then, the rate gained strength and closed higher on balance at Rs. 24.79 after being higher at Rs. 24.95. Guest, Keen, Williams were a shade quiet at Rs. 41. Texmacos touched Rs. 26.10 from Rs. 25.60, but closed at Rs. 25.50. Indian Galvanizings were taken up to Rs. 17.87 from Rs. 16.94 on good prospects. Kumardhubis eased to Rs. 8.87 from Rs. 9.59.

Tea shares were subjected to profit-taking, Brooke Bonds declining to Rs. 20.31 from Rs. 20.87, and Teesta Valley to Rs. 21.50 from Rs. 21.75. Huldibaris encountered business at Rs. 24.25, as against Rs. 25.12 previously, while East Indias moved up to Rs. 20.56 from Rs. 19.62. Bishnaths gained to Rs. 22 from Rs. 21.37, but gave way today to Rs. 21.12 and Hantaparas, after being higher at Rs. 145, receded to Rs. 134. Earlier, Patrakolas advanced to Rs. 150 from Rs. 145, and Tezpores to Rs. 19.37 from Rs. 19.00, but the latter reacted to close at Rs. 18.75.

Earlier, miscellaneous industrials were firm, but, in accord with the general trend, gave way subsequently. Orient Papers dropped from Rs. 36.60 to Rs. 35.60. Indian Coppers were quiet at Rs. 4.22, while Metal Corporations, after gaining to Rs. 14.62 from Rs. 13.44, closed at Rs. 13.69. Alkali and Chemicals receded to Rs. 23.19 from Rs. 25.12 and Indian Oxygens to Rs. 27.75 from Rs. 28.25. Indian Cables were a fraction lower at Rs. 31. Indian Aluminiums were at one time higher at Rs. 21.75, but closed lower at Rs. 21.06, while Metal Boxes hardened to Rs. 37.75 from Rs. 36.62. National Carbons declined to Rs. 30.62 from Rs. 32.97.

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Madras Stock Exchange

MADRAS, 20*th May*

After presenting firm conditions during the major part of the week under review, the Madras Stock Exchange turned quiet today. The earlier firmness was engendered by good investment support, while floating stocks of several scrips were scarce. Values, as a consequence, registered a handsome improvement. Teas and coffees were well favoured. Textiles evoked persistent enquiries, although the enquiries were of a selective nature. Barring a few scrips which ruled easy, the miscellaneous section was active with notable gains in many counters. Today, however, the market developed a sagging tendency, as the buying fervour abated. There was also some profit-taking at higher levels. Sugar shares provided an exception in that they continued to be in the limelight.

In the sugar group, Cauverys advanced by Rs. 2 to Rs. 110. E.I.D's rose by 35 nP to Rs. 39.10. Indias gathered 2 nP to Rs. 13.12 *cum-div.* Travancores hardened by 17 nP to Rs. 12.62. Mysores were fully maintained at Rs. 52.25.

Among tea shares in the planting section, Haileyburias picked up 40 nP to Rs. 19.60. Nonsuch Teas and Parasides strengthened by 25 nP each to Rs. 27.35 and Rs. 22.50 *cum-div.*, respectively. Twyfords gained 15 nP to Rs. 17.40. United Nilgiris put on 20 nP to Rs. 20.30. Balanoors, Chembras and Waterfalls were firm at Rs. 21.25, Rs. 4.35 and Rs. 4.15, respectively. Peermades, however, encountered selling and dropped 65 nP to Rs. 19.75. Among coffees, Anaparais rose by 5 nP to Rs. 4.75. Consolidated Coffees increased by a like amount to Rs. 22.20. Cowcoodys were fully steady at Rs. 7.25. In the rubber group, Rajagiris gathered 5 nP to Rs. 17.45. Highlands changed hands at Rs. 12.10, same as last week. Malankaras were firm at Rs. 19.35, as also Nenmenys at Rs. 17 *cum-div.*, Pullangodes at Rs. 1.83, Thirumbadis at Rs. 2 and Vaikundams at Rs. 26.

A sharp rise of Rs. 12 to Rs. 164 in Premiers was the feature of trading in the textile section. Buckinghams rallied from Rs. 183 to Rs. 185. Cannanores and Radhakrishnas gained Re. 1 each to Rs. 152 and Rs. 131, respectively. Bangalore Woollens hardened by 50 nP to Rs. 175.50 and Cambodias by 45 nP to Rs. 9.85. Maduras, however, fell by 35 nP to Rs. 28.65, owing to deterioration in labour situation in the Mills.

In the miscellaneous section, W. I. Plywoods continued to be well fancied and spurted by Rs. 6 to Rs. 168. Orissa Cements moved up by Rs. 5 to Rs. 14.50 and Rallis by Rs. 3 to Rs. 70. Mysore Chemicals rose by 55 nP to Rs. 10.80. Ashok Leylands gathered 25 nP to Rs. 9.00 and India Cements 5 nP to Rs. 6.03. Mysore Papers were higher by 10 nP at Rs. 20.40. F.A.C.Ts, on the other hand, lost 5 nP to Rs. 9.40 *cum-div.*, Indian Steel Rollings declined by 13 nP to Rs. 15.37.

NEWS IN BRIEF

A MODERN plant to manufacture high-grade industrial alcohol has been installed at Asansol in West Bengal. The plant has an annual capacity of 1.2 million gallons.

The Government of India has decided to import copper from the U.S.S.R. and other steel manufacturing countries on rupee-payment basis through the State Trading Corporation, in order to tide over the scarcity of this metal in the country.

The Government of India has decided to issue supplementary licences for import of tyres and tubes for trucks and bicycles of all sizes during the licensing period April-September 1959. The supplementary licences will be granted to established importers for a value equal to one-fifth of the face value of the basic quota licences issued to them in the current licensing period.

The Punjab Government has submitted to the Centre a memorandum seeking reduction in its total debt liability of Rs. 225 crores, particularly with regard to loans granted for extending irrigation and power projects. Meanwhile, the State Government proposes to impose strict administrative control, in order to prevent large-scale evasion of taxes and accumulation of revenue arrears.

Five thousand village leaders in Patiala district of the Punjab State are being trained to launch a campaign for intensive cultivation of the *kharif* crop. About 3,000 persons have already been trained at 150 camps arranged by the Agriculture Department in the district. One hundred more camps will be organised shortly. Meanwhile, a sum of Rs. 5 lakhs is being distributed among peasants in this district in the form of loans and subsidies for minor irrigation works.

India and Rumania have signed a long-term trade agreement, under which Rumania will supply industrial equipment, mineral oil equipment, electrical material, machine tools, tractors, diesel motors, chemical and pharmaceutical products to India. In return, India will supply iron ore, iron alloys, textiles, raw hides, vegetable oils and coffee. As a result of the new agreement, the volume of trade between the two countries is expected to expand by three times the 1958 level.

The Indo-Iraq trade agreement signed on 20th December 1958 has been ratified by the Governments of the two countries. Under the agreement, which will be valid for one year, the two Governments will accord most favoured-nation-treatment mutually, subject to the existing or future preferences or advantages which either party accords to third countries. They will also seek to expand trade in traditional items such as Iraqui dates and Indian tea, besides introducing new products into their trade.

The Panchet power house of the Damodar Valley Corporation is expected to be commissioned in August 1959. Having an installed capacity of 40,000 kw., the power house will increase the total generating capacity of the D.V.C. power system to 254,000 kw. Work is also in progress for the installation of another generating unit at Bokaro with a capacity of 75,000 kw. In addition, a 150,000-kw. power station at Durgapur and another 125,000-kw. station at Chandrapura—the latter is for meeting the needs of railway electrification—are in hand. These additions would further increase the total generating capacity of the D.V.C. network to 604,000 kw.

The Government of India has decided to continue the present sugarcane price policy during the 1959-60 season also. Accordingly, the basic minimum price for cane payable by vacuum pan factories will be Re. 1.44 per maund for gate delivery and Re. 1.31 for delivery at rail centres. Further, there should be a deferred payment of an amount which may be found due under the formula prescribed by the Centre or under any alternative scheme applied in a State or region by the State Government concerned, with the previous approval of the Centre, for linking the price of cane to that of sugar realised by the factories concerned.

A four-man cotton trade delegation from Tanganyika, led by Mr. C. De. N. Hill, is now in India holding discussions with the representatives of cotton industry and trade on the ways and means of promoting exports of cotton to India. Although cotton production in Tanganyika has gone up markedly in recent years—the current annual rate of output is 200,000 bales—and the quality compares favourably with that of East African *Muwanza* variety, India has not yet made any large-scale purchases of this cotton. The leader of the delegation said in Bombay the other day that his country would buy more Indian cloth provided Indian mills imported its raw cotton.

The advanced management course sponsored by the Standard-Vacuum Oil Company was inaugurated by Mr. Humayun Kabir, Union Minister for Scientific Research and Cultural Affairs, at New Delhi on Monday this week. The course is being conducted by Mr. Louis A. Allen, a noted U.S. management consultant, and is open not only for the Stanvac management personnel but also for top-level industrial personnel from the private and public sectors. The course marks an important phase in the Company's Executive Development Programme, organised more than ten years ago, to prepare the maximum number of managerial staff for positions of higher responsibility within the organisation.

The National Productivity Council of India will be sending seven study teams abroad in specific subjects during the next three months, according to Mr. H. D. Shourie, Executive Director of the Council. Each team will consist of ten persons drawn from management, technicians and workers. The teams will study improved productive techniques in advanced countries. The expenses of this scheme will be met out of the $3.35 million aid granted by the U.S. Government under the T.C.M. programme. Fifteen more teams are expected to be sent abroad next year. Arrangements have also been made to secure the services of twelve U.S. and four I.L.O. experts in the next three or four months. These experts will organise programmes of training and give advice on productivity matters to industries.

A non-official trade delegation under the leadership of Mr. M. H. Hasham Premji, a leading business man of Bombay, has left for Iraq to explore the possibilities of promoting Indian exports. The delegation has been constituted by the Federation of Indian Chambers of Commerce and Industry in consultation with the Government of India. The visit of the delegation will synchronise with the opening of a wholly Indian exhibition, organised by the Government of India, in Baghdad, on 21st May. Consequent on the signing of a new trade agreement between the two countries in December 1958 and the facilities which India is giving to Iraq for the import of dates, a favourable climate has been created for exploring export possibilities in the Iraqi market. The delegation is expected to establish first-hand contacts with Iraqi merchants and importers.

The Select Committee on Rajasthan Land Ceiling Bill has fixed the ceiling area for land at 30 standard acres for a family of five or less than five members. The standard acre is defined as an area capable of yielding ten maunds of wheat a year. In the case of lands under other crops, the acre should be assessed as representing the money value of ten maunds of wheat. The money value of the produce of well-irrigated land should be taken as being equivalent to the money value of the produce of an equal area of unirrigated land. The Committee considers that the provision in the Bill seeking to relate the ceiling to the annual income of Rs. 2,400 to be derived by a family of seven or less than seven is unscientific. The Committee has also revised the principles governing the payment of compensation for lands, which, in its opinion, should be at the market value of land surrendered.

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From Abroad

A new oil well has been struck in the south-east of Fyzabad, Trinidad, with a capacity of 125 barrels of oil a day.

The population of the U.S. on 1st April last was 176.47 million, as against 173.34 million a year before, and 147.13 million on 1st April 1950.

The British Motor Corporation has concluded an agreement with its distributors in Holland for enlarging assembly capacity there to 20,000 cars a year. This is expected to result in higher exports of its cars to the Benelux countries.

The Sudanese Government and the Italian State-owned firm, Agip, have entered into an agreement, under which the firm will acquire oil prospecting rights along the Red Sea coast for 30 years. The profits, if any, will be shared equally between the two parties.

The improvement in British steel production which began in March last continued in April also. The actual output in April averaged 387,300 tons a week, as compared with 362,700 tons in the previous month. Steel furnaces worked to 81 per cent. of capacity, as compared with 76 per cent.

A departmental committee to review the law relating to the protection of industrial designs has been set up by the British Board of Trade. The Committee will examine the desirability of enabling U.K. designs to receive cheap and effective protection in other countries on the basis of reciprocity.

The ratio of costs of motoring in Sweden, including investments in roads, streets, etc., to the gross national product in 1958 is estimated at 12 per cent. At the same time, 8 per cent. of the aggregate private consumption was accounted for by the purchase, operation and maintenance of cars.

Britain, the U.S. and Soviet Russia have signed an agreement with the International Atomic Energy Agency for the supply of nuclear fuels to be used for peaceful purposes. The Agency has now at its disposal 5,100 kilograms of Uranium 235, sufficient to run 10 ordinary reactors or two large industrial reactors for their lifetime.

The assembly of a new gas-turbine supercharged engine of 300 h.p. has been announced by the U.S. Ford Motor Company. Its weight is only one-fourth that of a truck diesel engine of comparable horse-power. Its fuel economy rivals a diesel and is superior to conventional petrol engines under most operating conditions.

A Scottish firm of engineers has received a £500,000 order from the Government of Kuwait for what will be the largest "fresh-water-from-sea-water" plant in the world. The plant consists of two units, each of which will produce 1,000,000 gallons of fresh water a day—the greatest output ever achieved by a single flash distillation unit.

The U.S. Government proposes to construct a two-mile long atom smasher which is expected to advance man's knowledge of high energy physics.

PERSONAL

MR. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation of India, left Bombay on Sunday the 17th inst. for a month's tour of the U.K. and W. Germany.

Mr. V. T. Dehejia, I.C.S., Special Secretary to the Government of Bombay, Political and Services Department, has been appointed Chairman of the Bombay Port Trust *vice* Mr. L. T. Gholap, I.C.S.

Mr. Tenneti Viswanatham, who was Chairman of the Advisory Commission of the Company Law Administration hitherto, has been appointed Chairman of the Coffee Board. He took charge of his new post with effect from the 18th inst.

Mr. Frank de C. Matthews, former Manager of the Bombay Branch of The First National City Bank of New York, has been appointed its Resident Vice-President. He will continue to make his headquarters in Bombay. He is succeeded by Mr. Robert E. Grant as Manager of the Bombay Branch.

Sir John Elliot, former Chairman of London Passenger Transport, has been elected Chairman of Thomas Cook and Sons Ltd. and its subsidiaries with effect from 1st July 1959. He will succeed Mr. Stanley Adams, who is retiring. Mr. Charles Holt, at present Director and General Manager of the Company, will be its Managing Director.

The President has agreed to ask the U.S. Congress to appropriate $100 million for the construction of an electron linear accelerator. The project has been proposed by Stanford University in California and will probably be built there.

The number of unemployed in the U.S. fell more sharply in April than in any month since the recession, the actual decline being 4.335 million to 3.600 million. The proportion of the unemployed to the total labour force declined to 5.3 per cent. The improvement in the employment situation has been due to active hiring in construction and manufacturing, together with seasonal gains in farming.

Factory wages in the U.S. hit an all-time high in April, averaging $89.87 per week. Spendable income after taxes also reached an all-time high in the first quarter of the year, touching an annual rate of $1,823 for each man, woman and child in the U.S. The gross national product—the value of all goods and services—reached a record annual rate of $465,000 million in the same quarter.

The British Board of Trade has approved of the scheme to set up the Commonwealth Unit Trust Fund, sponsored by the A.E.G. group of unit trusts. The Fund is expected to invest in the securities of the main Commonwealth countries and units will be offered for sale to investors in all these countries. It is hoped that the various Commonwealth banks will act as selling agents and furnish investment advice.

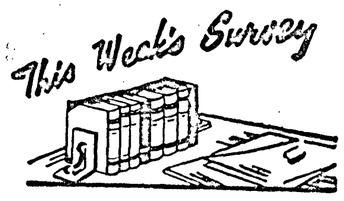
The Swedish Co-operative Union (KF.) has made an agreement with the Soviet co-operative organisation, Centrosojus, under which KF. will deliver shoes, rubber tyres, electric bulbs, textiles and steel manufactures valued at about Kr. 6 million in exchange for oil. Except for the textiles and steel manufactures, the goods will be supplied by enterprises belonging to the Swedish Co-operative movement.

The largest and most modern steel works in Spain, the reversing mill of Empresa Nacional Siderurgica S.A. at Alviles, has gone into production. The major part of the electrical equipment was engineered by the metal industries division of the English Electric Company. The mill, the first twin-drive in Spain, is designed to give an output of up to 1,000,000 tons of blooms a year. The two 3,500-h.p. motors were made at the Stafford works of English Electric.

A non-partisan organisation to popularise aid to underdeveloped countries is proposed to be established in West Germany. The initiative in the project has been taken by Professor Ludwig Erhard, Minister of Economics, who has already sought the co-operation of the representatives of industry, trade unions and the chambers of commerce. Meanwhile, a sum of £100,000 has been set apart for starting a training centre in West Berlin for technicians and others from underdeveloped countries.

The International Rubber Study Group puts the estimate of world consumption of natural and synthetic rubber in 1959 at 3,520,000 long tons. The estimate is based on the assumption that the non-member countries, such as the U.S.S.R., will continue to purchase at higher levels reached in recent years. World supply of natural rubber is expected to be above 1,970,000 tons. The annual production capacity of synthetic rubber in member countries will be of the order of 2,040,000 tons. World production and consumption of natural rubber in 1958 amounted to 1,855,000 tons and 1,995,000 tons, as against 1,902,500 tons and 1,887,500 tons, respectively, in 1957.

The Committee, set up by the French Government in February last to study the reform of the tax structure, has recommended an overall reduction of £150 million in the revenue from income taxes from 1960 onwards, but without any drastic changes in the fiscal system. The reduction is to be achieved by a cut in the proportional tax on private incomes by 2 per cent. per annum and a simplification of the surtax rates to give an average maximum rate of 50 per cent. (over and above the proportional tax). Individual savings would be encouraged by an unearned income allowance of £720 per annum for surtax purposes.



SHARING INDUS BASIN WATERS

IT would appear that, excepting for the establishment of certain "general principles" acceptable to both the Governments of India and Pakistan on the long-drawn-out canal waters dispute, the visit to the two countries of Mr. Eugene R. Black, President of the World Bank, and Mr. William A. B. Iliff, one of the Vice-Presidents of the Bank, has not been much of a success. Mr. Black himself stated at New Delhi just prior to his departure for Karachi on the 16th inst. that "there are some difficult obstacles that remain to be surmounted." Two days earlier, that is, in his monthly Press conference, Mr. Nehru observed: "There is a large number of stiff hurdles yet to be surmounted. Although, essentially, the problem is an encouraging one, it has financial and political aspects as well. Broadly speaking, Mr. Black's proposals are financially very big, rather overwhelming in our thinking, and, secondly, the period for execution of the projects is rather long."

What are the World Bank proposals? Neither Mr. Black nor Mr. Nehru nor any official of either Governments has given an account of these proposals. It is, however, generally understood that the proposals are based on the Bank's plan of 1954 and its *aide memoires* of 1956. The plan envisages division of the Indus Basin waters between the two countries by exclusively reserving the three western rivers, *which carry 80 per cent. of the total waters of the Basin*, for the use of Pakistan and the three eastern rivers for the use of India. It also envisages replacements and storage works as well as development works for both the countries at a total estimated cost of about Rs. 467 crores (£350 million).

Briefly, the "general principles" agreed to by both India and Pakistan, to which Mr. Black has made a reference, are:

1. India should have the right progressively to reduce the historic supplies of water which Pakistan has been getting from this country.

2. The six rivers of the Indus Basin should be divided equally between India and Pakistan for their exclusive use.

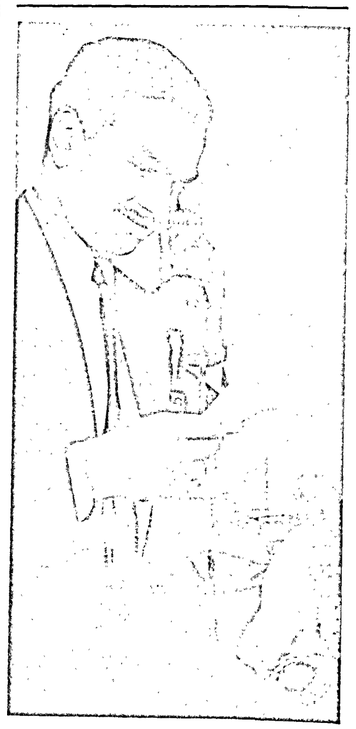
3. All the link canals and other irrigation works necessary to replace the present supply of 10 million acre-feet of water to Pakistan should be located in Pakistan.

The acceptance of the abovementioned principles by the two countries no doubt represents, as Mr. Black said, an important progress towards the settlement of the canal waters dispute. But it is not so much these broad principles as the details of the World Bank plan that have so far defied a solution. The two vital issues are the cost of the projects and the period of construction. There is also the issue of the construction, by Pakistan, of the Mangla Dam in Kashmir territory now under Pakistan occupation. Unless these issues are solved, the canal waters dispute will remain with us.

The Government of Pakistan has announced that it has, for all practical purposes, accepted the World Bank plan and has conveyed to Mr. Black its "willingness to go forward on the basis of this plan." This is only to be expected, considering that the plan, to the extent it can be comprehended from the various reports appearing in the daily Press, eminently suits Pakistan, in that it not only ensures to that country the exclusive use of as much as 80 per cent. of the Indus Basin waters but also holds out prospects of large financial assistance from India and other friendly countries, besides assuring supply of water by India for another ten years beyond 1962 pending the completion of the link canals and other construction works in Pakistan.

So far as India is concerned, however, the sacrifice involved in the acceptance of the World Bank plan is beyond its capacity. When the country is faced with the problem of scarcity of financial resources, how can it be asked to contribute towards the cost of link canals in Pakistan, amounting to a large sum of Rs. 103 crores, in addition to about Rs. 22 crores due by Pakistan for the water supplied all these years since the Partition and which this country is now asked to forgo? It may be noted that the aggregate figure of Rs. 125 crores is more than twice the sum of Rs. 60 crores, suggested initially by the Indian engineers. Even the payment of Rs. 60 crores to Pakistan should, in our view, be adjusted against the large-scale partition debt of Rs. 300 crores—the sum may actually be higher, according to Mr. Morarji Desai—which Pakistan owes India.

Another heavy sacrifice which India is asked to make relates to the supply of water to Pakistan for another ten years beyond 1962. It is most unjust of anyone to expect India to make this sacrifice, for India has given sufficiently long notice to Pakistan to make alternative arrangements. If Pakistan has persisted in ignoring this notice, India cannot be blamed for it. The State of Rajasthan has for long been thirsting for water. Anyone who cares to visit the desert areas in the State will fully appreciate the Central Government's anxiety to divert the waters to these areas in 1962. It is, therefore, highly unreasonable to suggest that India should continue water-supply to Pakistan beyond 1962. Fortunately for Pakistan, the position will not be so bad as its politicians are making out. In the first place, Pakistan has been quietly making arrangements to replace the water that India is entitled, under international law, to use. Secondly, the Government of India itself has been slow in implementing the Bhakra Nangal Project. Indeed, the position is that Pakistani farmers will be better off than their confreres in Rajasthan. By 1962, India is expected to draw only that much water which the Rajasthan canal would take. According to a report, this 425-mile canal will, when completed, draw about 8.0 million acre-feet of water, but, as things stand at present, the full length of the canal may not be completed by 1962. Consequently, some supply, though not the whole of the present 6.5 million acre-feet of water, is considered likely to be made available to Pakistan for some time beyond 1962.



THE SECRET RESERVES OF MR. K. He's going ahead fast, and he's a very busy young man. Every moment of his day is filled with business calls, conferences, important deals. Yet, Mr. K. stays active and alert the whole day through.

For alert Mr. K's Secret

Please see announcement opposite

VT-7698

It is thus evident that Pakistan will have enough time to complete the replacement, storage and development works programme. It is gratifying to hear, in this connection, that the World Bank is trying to enlist financial help for Pakistan to carry out this programme from the highly developed countries in the free world such as the U.S., the U.K., Canada, West Germany and Australia. We wish the World Bank all success in this attempt in the hope that it will facilitate solution of all Indo-Pakistan disputes and lead to amity between the two countries.

The aforesaid two issues apart, India is quite justified in its insistence that the construction of the Mangla Dam in the Azad Kashmir territory now in Pakistan's occupation must await the solution of the Kashmir dispute. In addition to the fact that Pakistan is constructing the Dam in a territory which is legally part of India, its catchment area would, it is feared, inundate more than 200 villages on the Indian side of Kashmir. Although this problem is not directly concerned with the canal waters dispute, Mr. Nehru considers it desirable to discuss all water disputes with the World Bank "in order to prevent trouble in future." The "way out" suggested is that Pakistan can give satisfactory assurances about the Mangla Dam's future and also pay, in the meantime, compensation for the villages which would be submerged in the catchment area. This is, indeed, a very reasonable demand and it costs Pakistan nothing.

TOBACCO

Ever since 1605 when tobacco was brought to Surat by the Portuguese for the first time, its cultivation gradually spread all over the country. Today, India has the distinction of being one of the major tobacco producing countries, next only to the U.S. and China. Out of an annual world production of about 7,500 million lbs. of tobacco, India accounts for about 575 million lbs. or about 13 per cent. The cured virginia tobacco, utilised for the manufacture of cigarettes, is the principal export variety. Besides India, the U.S., Southern Rhodesia, Nyasaland and Canada are the principal competitors of virginia in world markets. In India, the Andhra State is the leading producing centre, accounting, as it does, for about 33 per cent. of the country's total production. In this State is grown about 95 per cent. of India's virginia cigarette tobacco. Tobacco is a valuable foreign exchange earner, for, while consumers of this narcotic stimulant are found all over the world, it is produced only in certain countries. Indeed, India's exports of raw tobacco touched an all-time record in 1958, with their value amounting to Rs. 15 crores, as against about Rs. 12 crores in 1957. The U.K. is the leading importer of Indian tobacco; it bought last year about 44 million lbs. valued at about Rs. 11 crores. In recent years, the U.S.S.R. and China also have been taking substantial quantities of medium and low grades of flue-cured virginia tobacco. Last year, China bought for the first time even top grade flue-cured virginia tobacco of one million lbs.

Although exports of unmanufactured tobacco have made significant headway, the export performance of manufactured tobacco has been none to satisfactory. Their earnings remained more or less stable, at Rs. 160 lakhs. Mr. K. Rangaswami, Chairman of the Tobacco Export Promotion Council, was, therefore, quite pertinent when he remarked at the second annual general meeting of the Council, held at Madras on the 15th inst., that effective steps should be taken to expand the foreign markets for manufactured tobacco such as cigars and cheroots. Indian tobacco products are, according to him, cheaper and yet their exports are not going up. Why is it so? Answering this poser, he said that this was due either to an increasing demand in the home market or to the lack of sufficient incentive to Indian manufacturers or both. World consumption of tobacco is going up, despite warnings by medical bodies that smoking had certain injurious effects. By providing suitable incentives to exporters by effective propaganda and sales promotion and by marketing research it should be possible for India to step up its exports.

As in the case of every other article, the quality of tobacco and tobacco products also should be improved if attempts at stimulating their exports were to yield satisfactory results. The increased production of pale-faced variety of tobacco last year put the traders to difficulties. It is gratifying to find that the Council is making efforts to discourage the production of such varieties. The Council is also trying to dissuade farmers from growing tobacco on unsuitable lands. It has, according to Mr. Rangaswami, supported the proposal for inviting German blenders to India for studying the different qualities of Indian tobacco suitable for West Germany. All these are moves in the right direction.

In the meantime, in response to pressure from the Andhra Government, the Government of India has granted import licences for establishing two cigarette factories at Guntur, which is in the midst of the tobacco growing area. In case these units do not come into operation within the scheduled time, the Central Government, it is said, is prepared to licence the establishment of a State-owned factory at this place. Apparently, the Centre has given its consent because of the insistence of the Andhra Government. The latter has represented to the Centre, to quote Mr. Thimma Reddi, that either the State or the Central Government could set up the factory and sustain it in the initial years by asking the Defence Department to buy all its requirements from this factory. This is a strange economic logic; in effect, it means subsidy to the State-owned factory. The Commerce and Industry Ministry seems to have a different idea on the question of increasing the productive capacity for cigarettes. Actually, Mr. N. Kanungo, Union Minister for Commerce, for instance, has expressed the need for caution in establishing new units. His view is that the existing 16 factories are quite sufficient to cater to the needs of domestic consumption and to add to them would be to create the problem of glut in cigarettes and cigars. It may be noted, in passing, that India's annual capacity (on a single-shift basis) is estimated at 25,000 million cigarettes. It will not be easy to find export outlets for the surplus production, as the world markets are highly competitive. There is no exaggeration in this view, for it has already been shown that India's exports of tobacco products in recent years have been static. The issue of glut apart, it is not understandable why the public sector should think of entering the cigarette manufacturing business, when the private sector has already proved its competence and ability to meet all the requirements of tobacco products.

AUTOMOBILE INDUSTRY

Transportation is the conveyor belt of industry and it assumes, as Mr. K. C. Mahindra, Chairman of Mahindra and Mahindra Ltd., rightly points out (*vide* pages 866 and 867), greater importance as the emphasis on agricultural activity and the drive to produce more of each crop gain momentum. It is, therefore, necessary to see that more attention is paid to the movement factors of such growth in production. Accordingly, one cannot but share the sense of disappointment expressed by Mr. Mahindra at the Railway Minister's implied suggestion to place a curb on the growth of road services, when the latter ascribed the fall in railway freight earnings to the increased competition from road services. Mr. Mahindra expects a shortage of transport to move the target productions of both industry and agriculture at the end of the current Plan period, even after allowing for the completion of the ambitious railway plan and with whatever impetus given to the development of road transport. He, therefore, commends to the attention of the authorities his proposal, made last year, for the development of an extensive road haulage service, which would ensure the production of the requisite volume of trucks and trailers.

While the development of road transport, which is still largely in the hands of the private sector, thus offers good scope, the Defence Ministry's proposal to manufacture certain types of trucks and vehicles for their own requirements is viewed with concern by Mr. Mahindra. Apart from the fact that this move would curtail the activities of the private sector, the grounds on which Mr. Mahindra opposes the Defence Ministry's scheme are: (1) it is in conflict with the Policy resolution of the Ministry of Commerce and Industry which places the automobile industry in the protected category and directs that the manufacturing programmes of several units should be rationalised and speeded up; (2) it will diminish the incentive to private manufacturers to reduce their prices; and (3) the ordnance factories, with their limited capacities, will not be able to achieve production at a lower cost than that of private manufactures.

Mr. Mahindra is of the view that the present high prices of automobiles in the country are not due so much to the high cost of manufacturing as to the Government's curb on imports and its control on distribution and prices of automobiles which have led to a shortage of cars and trucks." There is no cure, where demand out-reaches supply," he went on to add, "except the pumping in of more supply or strictly regimented rationing of available supply." He does not see any solution to this problem, except a bold decision by the Government to import a sizable volume of cars and trucks. It may pertinently be asked whether it is worthwhile wasting valuable foreign exchange on such imports rather than on those items that will lead to an increase in the domestic manufacture of vehicles. But Mr. Mahindra is of the opinion that "this can be amply justified for curing the imbalance which has developed and which threatens to upset the delicate price structure already under severe pressure of inflationary forces."

But surely nothing should be done that would retard the progress that is being made in the programme for the manufacture of the whole vehicle in this country. This is the touchstone on which Mr. Mahindra's suggestion should be tested. The ideal solution to bring down the price of vehicles would be to raise the volume of domestic production and all impediments that stand in its way should be removed.

ONE MORE PAPER MILL

To the chain of twenty factories producing paper, paperboard and newsprint, one more has been added—the West Coast Paper Mills at Dandeli in the North Canara district of Mysore State. The factory was formally inaugurated on Saturday the 16th inst. by Mr. Morarji Desai, Union Finance Minister. Set up at a total capital outlay of Rs. 5 crores, the factory is claimed to be a self-contained unit with a daily capacity of 60 tons of writing, printing and kraft papers, including Manila. Speciality paper such as parchment is expected to be manufactured later. On the Company's rolls there are nearly 6,000 workers, of whom 4,500 are employed in felling the bamboo and transplanting it.

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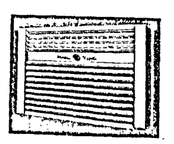

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The Dandeli paper mill project was first conceived in 1955 when Mr. A. D. Chaudhari obtained the original licence from the Government of Bombay and, on 25th July 1955, an agreement was reached between Mr. Chaudhari and the West Coast Paper Mills to launch the project. Constructional activity started in November 1957 and the erection work was taken in hand in January 1958. Within a few months —in November 1958—certain sections of the factory were on trial operation. The unit as a whole was completed recently and trial runs on the two important sections, namely, bleached pulp and soda recovery sections, were made just a week prior to the formal inauguration. The successful implementation of the project must be attributed to (*a*) the vigour and drive of Bangurs and Somanis, (*b*) the encouragement given to the project in the initial stages by Mr. Morarji Desai when he was the Chief Minister of Bombay, (*c*) the active support lent by the Government of Mysore after the transfer of Dandeli town from Bombay State to Mysore State, (*d*) the financial assistance granted by the Industrial Finance Corporation and the Industrial Credit and Investment Corporation, and (*e*) the valuable work—location and preparatory—of Mr. A. K. Collinge, the Canadian paper expert and world-famous industrial engineer.

It is said that the new paper mill is a modern, up-to-date and integrated unit capable of economic and efficient performance. The Company, Mr. G. L. Bangur, the Chairman, revealed in his welcome address read by Mr. N. D. Bangur, had already plans to expand the factory. He stated that the lay-out had been designed in such a way that the expansion cost would be comparatively low. The prospects for expansion are, indeed, very bright, for two reasons. First, the bamboo and timber resources of the Dandeli forest area are so vast that paper production in the factory can be stepped up, as Mr. Morarji Desai stated while inaugurating the factory, threefold. Secondly, the consumption of paper in the country is rapidly rising. Alluding to this, Mr. Desai remarked that the country would need many such factories to make the country self-sufficient in paper.

It may be noted here that the total estimated requirements of paper and paperboard in 1960-61 are put at 350,000 tons. These can be fully met if the installed capacity of the industry comes to 450,000 tons, taking average production at 80 per cent. of capacity. During 1958, the aggregate installed capacity was 268,600 tons (excluding 30,000 tons representing the capacity of the newsprint sector), while actual output was of the order of 250,000 tons. Of this output, printing and writing paper accounted for 155,000 tons, kraft paper for 22,000 tons, other wrapping paper for 16,000 tons, miscellaneous varieties for 7,000 tons and pulp and paperboard for 50,000 tons. Newsprint production was about 2,000 tons.

A PROMISING VENTURE

It is a sad irony that many of the exportable commodities, of which India has had a monopoly or has been a leading supplier to the world markets, have come to face a buyer's market, thanks to the growing competition from other countries. To the rank and file of these commodities belongs manganese ore, of which India is known to have rich deposits. In the absence of sufficient steel producing capacity to absorb the available manganese ore, it has for long been exported in its raw form to countries engaged in steel production, particularly the U.S., Japan, the U.K., Germany and Belgium.

Since the latter half of 1957, the complexion of the trade in manganese ore has changed to the disadvantage of India, due to the recession in the U.S. and increasing competition from South America, Russia and Africa. The reduction in export duty on Indian manganese ore and its subsequent abolition last year have not proved helpful. The price in foreign markets is said to be unremunerative for India, even the high grade ore fetching not more than $30 per ton at present. In the circumstances, increasing the use of manganese ore within the country and exporting it in the form of ferro-manganese, which continues to enjoy a favourable market, provide the only solution. The establishment of units to produce ferro-manganese to feed the growing steel industry of the country, therefore, offers a promising venture. The importance of this industry has, it may be noted, been recognised by the Government of India, as is evident from the high priority assigned to it in the second Five-year Plan. Licences have been granted to about half a dozen industrial units

(*Continued on page 882*)

PROGRAMME FOR FERTILISER PRODUCTION

PLANS FINALISED INVOLVE INVESTMENT OF RS. 103 CRORES

From Our Special Correspondent

NEW DELHI, *19th May*

THE Agricultural Production Team sponsored by the Ford Foundation, it may be recalled, has recommended that "the procurement of fertilisers, and of the means of producing high-analysis fertilisers, must be given a top priority, including necessary foreign exchange."

DELHI LETTER

Although the targets for fertiliser to be made available at the end of the third Plan are described as soundly based, they are, in the opinion of the Team, conservative in relation to need. These targets amount to 1.5 million tons of nitrogen, 750,000 tons of phosphoric acid and 200,000 tons of potash. Whether the current fertiliser production will reach the second Plan targets and whether the desired expansion under the third Plan will take place are by no means certain. Either development would depend largely on the operation of the Government's policy governing encouragement to private parties who may come forward to start fertiliser factories. It is stated, in this connection, that proposals for the setting up of large-sized fertiliser factories in the private sector will be considered by Government on merits, if the parties interested in this development are able to secure the foreign exchange requirements of such projects on terms acceptable to Government. It is also stated that the question of setting up further additional capacity to meet the increasing fertiliser requirements of the country is under the Government's consideration.

At present, the main production units for nitrogenous fertilisers are the Sindri factory and the factory belonging to Fertilizers and Chemicals (Travancore) Limited, Alwaye. Small quantities are also produced by the factory in Belagola (Mysore) and as by-product ammonium sulphate in the steel plants and the coke ovens. The present total installed capacity is 87,000 tons of nitrogen per annum. The total production in 1957 was about 75,900 tons, and in 1958 about 76,800 tons, both in terms of nitrogen. The target capacity for nitrogenous fertilisers fixed by the Planning Commission is 380,000 tons per year by the end of the second Plan. Against this target, it is expected that production will reach about 400,000 tons of nitrogen per year by the end of 1961-62; but this is doubtful.

There are at present 14 factories in the country producing phosphatic fertilisers. All these, except one (the Bihar Government's factory), are in the private sector. The target laid down for the second Plan period is 120,000 tons of P_2O_5. The present capacity is 50,000 tons in terms of P_2O_5. The production of superphosphate during 1957 was 141,678 tons (22,670 tons of P_2O_5) and during 1958 approximately 180,000 tons (28,800 tons of P_2O_5); additional capacity to produce 279,100 tons of superphosphate corresponding to 44,656 tons of P_2O_5 has already been licensed.

The Fertiliser Production Committee constituted in October 1954, it may be recalled, was asked to make recommendations for the creation of additional capacity for nitrogenous fertilisers. The Committee had studied the possibilities of eleven locations besides Nangal before making their recommendations. These are indicated below in order of priority:—

Category I	...	1.	(*a*) Neyveli
		2.	(*b*) Bombay
Category II	...	3.	(*a*) Itarsi
		4.	(*b*) Vijayawada
Category III	...	5.	(*a*) Sawai Madhopur
		6.	(*b*) Hanumangarh
		7.	(*c*) Hathras
		8.	(*d*) Kothagudium
Category IV	...	9.	(*a*) Ramagundam
		10.	(*b*) Durgapur
		11.	(*c*) Sikka

The recommendations of the Fertiliser Production Committee were examined by the Government and it was decided that, in addition to the 60 per cent. expansion of Sindri and the establishment of a 70,000-ton nitrogen plant at Nangal, two more units should be established during the second Plan period in the public sector, one at Rourkela, utilising the hydrogen of the coke oven gases from the steel plant, and the other at Neyveli as part of the lignite project, with production capacities of 80,000 and 70,000 tons of nitrogen per annum, respectively. In addition to these, the Government has recently decided that a fertiliser factory at Bombay should be established based on refinery gases.

An official account of the progress made so far in the setting up of these units in the public sector is also available. First, the Nangal Fertiliser-Heavy Water Project is expected to cost about Rs. 30 crores according to the latest estimates, the total power required being of the order of 164,000 Kw. This power will be obtained from the Bhakra electricity power station. An American firm has been appointed as the technical consultants of the project. Contracts have been given on the basis of global tenders for the supply, erection and commissioning of the electrolysis plant with its accessories and auxiliaries to an Italian firm, fertiliser group of plants to a French firm, electrical equipment with its spares to an English firm and heavy water plant to a German firm. About 75 per cent. of the electrolyser plant has arrived at the factory site. Construction of nitric acid and ammonia plants and fertiliser production plant buildings has made sufficient headway to enable the erection work to start before the middle of this year. When in full production, the Nangal Factory is expected to produce 390,000 tons of nitro-limestone (equivalent to 80,000 tons of nitrogen as against the 70,000 tons only estimated earlier) and 14 to 15 tons of heavy water per annum. The end-product, which will have a nitrogen content of 20.5 per cent., will be ammonium nitrate mixed with powdered limestone to reduce its explosive hazards before making it available for use by the cultivator. The factory is expected to start production during the second quarter of 1960.

Secondly, the Sindri Expansion Scheme to expand Sindri's production by about 60 per cent. at a cost of over Rs. 13 crores, utilising the entire quantity of 10 million c.ft. of gas available daily from the coke oven plant and to make certain other adjustments and modifications, has been completed, and the plants are under commission and trial runs. It may be possible to forecast the probable date by which full production may be expected only after the plants have been run for some time. The target of production of this expansion project as designed is 140,000 metric tons of ammonium sulphate-nitrate (36,400 tons of N2) and 24,500 metric tons of urea (11,260 tons of N2) per year. The Government of India has sanctioned a loan of Rs. 9 crores for the expansion scheme out of which Rs. 6.86 crores have so far been released.

Thirdly, the Fertiliser plant at Rourkela will consist of two main parts: (i) ammonia plant and auxiliaries and (ii) nitric acid and nitro-limestone plant. It has been decided to award the contract for the construction of the nitric acid and nitro-limestone plants of the Fertiliser Factory at Rourkela to Sindri Fertilisers and Chemicals Ltd. at a contract price of Rs. 7.75 crores. It is proposed to award the contract for the ammonia plant and auxiliaries to Messrs. Uhde, West Germany, whose quotation was the lowest acceptable. The terms and conditions of the contract, particularly the deferred payment arrangements, are being finalised. The total cost of the plant is estimated at about Rs. 16 crores. The plant is designed for the production of 580,000 tons per year of nitro-limestone, equivalent to about 120,000 tons of nitrogen per year. This larger capacity is based on the revised assessment of the quantity which could be produced under certain favourable conditions.

Fourthly, the Neyveli Fertiliser Project contemplates the production of fertilisers with a fixed nitrogen content of 70,000 tons per annum in the shape of urea only (152,000 tons of urea per annum) by the total recycle process.

(*Continued on page 882*)

THE AMERICAN GOLD DRAIN

From Our Own Correspondent

LONDON, *15th May*

THE City is taking a special interest in American concern about their gold losses since it is joining in the game of selling gold to worried Americans. The hoarding of gold has long been supposed by Western countries to be an unenlightened activity indulged in only by peasant peoples, and the economist's finger of scorn has often been pointed at India, for example, by way of illustration of what not to do with one's capital wealth. But it seems that, when Americans buy gold, they are "investing" in it rather than hoarding it! They cannot buy gold from the Federal Reserve Banks which have also got the monopoly of the purchase of gold produced in the U.S. but they may buy gold outside. Similarly, London bullion dealers may not sell gold to British citizens in the sterling area but may sell it to persons outside the sterling area, whose sterling will be convertible under present arrangements and they may, of course, sell it direct for other convertible currency.

LONDON LETTER

Arrangements have now been made between one of the leading London bullion brokers, Messrs. Samuel Montagu, and a Canadian bank, the Bank of Nova Scotia, whereby each will issue gold certificates exchangeable against gold bars delivered in either London or Toronto. The certificates issued in London are exchangeable against certificates issued in Canada, though, if there is an arbitrage price difference between the two centres, then there may be a cash transaction for the difference to accompany the exchange of certificates. An American can, therefore, purchase for dollars a gold certificate in London, exchange it for a gold certificate in Toronto and exchange this in turn for gold bars to take home with him.

South Africa is another seller of gold and it is thought that comparable gold certificate arrangements may be made with that country; thus the gold certificate is becoming an international currency in the centres which have gold to sell and whose monetary regulations permit the sale.

But why is there this interest in the purchase of gold by Americans? In the last two years, there have been recurrent fears about the rate of gold drain out of the U.S., coupled with fears of a possible devaluation of the dollar, but the rate of gold outflow this year is a good deal lower than it was a year ago, although, in some weeks, some dramatic figures have appeared. In 1958, the gold loss of the Federal Reserve System was $2,300 million. In 1959, to date it has only been $278 million, but the total Federal Reserve gold stock is still $20,000 million, about the same level as it was at the end of the war. Such a vast stock is more than adequate to cover any likely flights from the dollar. Reasons for the recent outflow of gold undoubtedly stem back to the success of European countries in controlling the development of their own inflations and in making, as Great Britain has done, their balance of payments active.

But, from the Americans' point of view, they see the converse,—that their country is resuming its inflationary progress and the high cost of American goods is making their sales abroad more and more difficult. An obvious illustration is the increasing flow of American tourists to Europe and the Middle East, where they find their dollars go, holidaywise, very much further than at home; and more than ever Americans on this side of the Atlantic are found exclaiming at the cheapness of British and European goods in comparison with the prices they have to pay "back home." An American export drive now seems the logical sequel!—*All Rights Reserved.*

The Liberal Party in the U.K. has made several suggestions designed to encourage wider distribution of private property in the course of a pamphlet published by it recently. The suggestions include, among others, abolition of *ad valorem* stamp duty on share transfers as already obtains for the transfer of Government stocks, substitution of a legacy duty for estate duty so that tax would be levied on the size of the legacy and not on the size of the estate, and changes in the law regarding gifts *inter vivos*.

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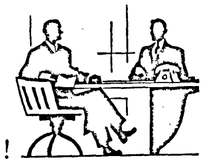

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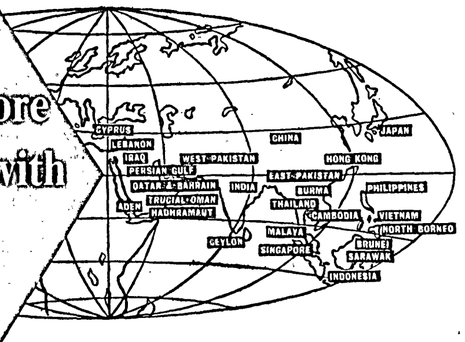

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ADVERTISING BY BANKS IN U.S.

INTENSIVE EFFORTS MADE TO GAIN PUBLIC GOODWILL

By Al. Sathappan
INDIAN BANK LIMITED, MADRAS

IN the United States of America, many types of advertising on all sides attract our attention when we walk on the streets, drive an automobile on the highways, ride a street car, watch television, listen to radio, read newspaper or magazine or open our mail. In addition to these types of advertising, the banks are turning to the "casual publications" such as attractive booklets, pamphlets, brochures and folders, which win the attention and interest of the public. The banks use advertising extensively, with a view to familiarising their customers and the public with the services and the facilities they offer, in order to create a favourable attitude towards the banks. Most of the banks continue to follow a progressive advertising programme which is becoming an increasingly important factor in the development of new business for the bank. Practically all advertising is expected to build institutional goodwill to some degree, but in most cases this may be the primary objective.

The American Bankers' Association helps banks through its advertising department. It supplies information, suggestions and actual aid materials. Approximately 60 per cent. of the country's banks uses its services. The department furnishes newspaper mats, direct mail advertising (blotters, folders, booklets). lobby and window display posters and radio and television aids such as recorded and typewritten spot commercials, ready to appear locally as bank's own exclusive product. The newspaper service includes a "proofs-in-advance" plan for banks seeking to promote a variety of services and numerous special series covering a wide range of banking and trust services. One of the department's highly successful projects has been the special savings campaign on the theme "The Bank is the saver's best friend." "The School Saver," issued three times a year by the department for pupils of 9-14 years, features school savings accounts and a general thrift theme.

Public Support

The banks in the States enjoy public confidence and support. They realise the value of public relations, customer relations and community relations, without which the banks cannot achieve their objects and the business cannot operate successfully. The progressive bank's activity is to build goodwill and bring better public relations. More and more it is now being realised that almost every one of a bank's functions has an active role in any effective scheme for developing a better public attitude towards the bank individually and towards banking and bankers generally. The banks train the personnel intensively, so that it would serve as a real force in bringing about a better atmosphere in which to do banking as they realise that cultivating the goodwill of the customers requires team work and the cooperative effort of every department and every member of the staff. This is because the bank has to sell its service and it is judged not by what it says about it, but how it actually renders it each time to a customer who has any dealings with it. The banks very often revise what they offer in terms of the public's interest. They interpret it in terms of interest that is human and personal. As soon as they revise their plan of service, they call attention to it by means of publicity.

The banks are adding a number of features, in order to make their service efficient and attractive to the customers. One very popular move is the air conditioning of the main banking floors. Others include personal imprinting of cheques for special checking accounts, the establishment of "express" teller lines, and the opening of offices with "drive-in" facilities, and the development of inter-office deposit system. Many city banks have provided parking lot right next door. They keep pace with changing conditions and are alert to the developing requirements of the community they serve. The banks accord very good treatment to their customers in order to keep them in good humour, as a satisfied customer may bring them new customers through his recommendation.

There are other opportunities to build additional goodwill by rendering some service to the customers. The banks offer a good deal of practical management assistance to their customers on a free basis as their interest is strongly in favour of helping small firms to prosper and grow.

The officers and the other members of the staff are trained with the definite end in view of bringing about closer friendlier personal contacts with all types of people in the community round about. The managers and the other senior officers are very popular and friendly with the public. The advertising and publicity departments try to make the bank popular. The public relations department tries to build goodwill and create a favourable attitude in the minds of the public by its activities. The business development department tries to increase the business by aggressive personal contact and direct business development activities. Some banks adopt ultra-aggressive tactics in an endeavour to win for itself a firm acceptance in its community's life.

BANK OF AMERICA

A unique example of what the enterprise and genius of a private individual is capable of doing is provided by the Bank of America National Trust and Savings Association, San Francisco, California. The Bank was founded in 1904 with an initial paid-up capital of $150,000 by Mr. A. P. Giannini, an American-born son of Italian immigrants, as a small neighbourhood bank in San Francisco with the object of putting into practice the founder's belief that every one was entitled to banking service. In less than five and a half decades, it has grown into a world-wide financial institution with resources exceeding $11 billion.

From its inception, the Bank of America has been offering wage earners and small businessmen the same service which wealthy individuals and companies expect and receive from banks. The founder, Mr. A. P. Giannini, introduced many new bank services, such as loans for purchase of house, with rent-like monthly repayments, credit to small business owners based on the borrowers' integrity and prospects, credit and deposit services for all, regardless of the size of their accounts. Mr. Giannini is claimed to be a believer in widespread ownership of stock. In the Bank's early days, the maximum holding by an individual investor was fixed at 100 shares. Today, the Bank of America's stock, which are owned by more than 200,000 shareholders, are said to be the most widely distributed of any U.S. bank stock.

Under the U.S. federal banking regulations, a bank cannot open branches in States other than that in which its head office is situated and some State laws prohibit branch banking. It is, however, not so in California. The Bank of America, therefore, opened a network of branches in California, numbering 638 as on 31st December 1958 and is claimed to be the largest branch banking system in the U.S., spread over 350 cities in California. It provides employment for 23.500 people, offers 55 different services to its customers and the number of accounts on its books run to 7 million. The Bank owes much of its progress in recent years to its present President, Mr. S. Clark Beise, who joined the Bank in 1936. An idea of the extent to which its banking activities have spread is provided by the following passage from a recent article by Mr. George Curran, Vice-President of the Bank:

"For more than 30 years the Bank held first place in backing California agriculture; it was the first bank to extend credit to early-day motion picture producers in Hollywood, and maintains today a special department to handle motion picture and television industry loans at its Los Angeles headquarters. The Bank bought the first instalment of bonds on the world-famous Golden Gate Bridge across the San Francisco Bay when no other financing was available, and its loans to the Southern California aircraft and Northern California shipbuilding industries were of enormous importance in the production of World War II material. In the immediate post-war years. its activities included substantial credit to the fledging electronics industry, now an important part of the California economy and making more Government-insured housing loans to ex-servicemen than any other U.S. financial institution.

"The Bank is pioneering such customer-service innovations as an all-inclusive retail credit plan and pay-roll book-keeping and disbursing for small employers. Ideas for new customer services are formulated, researched and studied by Customer Services Research, a special department within the Bank. In the peaceful application of atomic energy the Bank has arranged with a leading research institution for provision of data on latest development to guide Bank of America officers in making loans and to heighten their advice and counsel to potential borrowers in the atomic power field."

Though a late-comer in the international banking scene—its first branch outside America was opened in London in 1931—the Bank of America has moved ahead considerably in world banking during the post-war years. It now operates two branches in London, four in Japan and one each in Manila, Bangkok and Agana, the capital of the U.S. Western Pacific territory of Guam. It wholly owns a subsidiary called the Bank of America (International). It maintains representatives offices in many countries, including India (at New Delhi). The Bank's representative in India is Mr. M. R. Ahuja, formerly India's Consul-General in San Francisco.

The Bank's services to India include its participation in World Bank Loans to Tata Iron and Steel Company Ltd. (to the extent of $3.5 million) and to the Calcutta Port ($613,000). Its commitments in the $15-million syndicate loan in conjunction with other U.S. commercial banks and the World Bank to Air-India International amount to $2.5 million. It is also extending facilities to its correspondents in India for commercial financing, including deferred payment credits.

The Bank's executive Vice-President, Mr. Russell G. Smith, is the head of the Bank's international banking activities. He is a Director of I.C.I.C. Ltd., Bombay, in which the Bank of America (International) is the only U.S. bank to invest.

PALAI CENTRAL BANK

Established in 1927 as a small village bank with resources just over Rs. 1 lakh, the Palai Central Bank Ltd. (Managing Director: Mr. K. Joseph Augusti, Palai, Kerala) has now grown to be the largest Scheduled bank in the Kerala State, with its total resources as at the end of 1958 exceeding Rs. 9.22 crores, of which deposits account for more than Rs. 8.55 crores. As the Bank's paid-up capital, reserves and deposits have together exceeded Rs. 7.5 crores and continued to be so for the last two years, it has been raised to the status of a B class bank, in terms of the Labour Appellate Tribunal Award as modified by the Government of India.

In keeping with the general trend, the Bank's deposits have grown during 1958 by over Rs. 63 lakhs to Rs. 8.55 crores; its advances have not risen in consonance with the rise in deposits, the increase being of the order of only Rs. 44 lakhs to Rs. 4.67 crores; and its gross income has gone up from Rs. 39.83 lakhs to Rs. 44.38 lakhs, while the net profit has shaded off from Rs. 3.98 lakhs to Rs. 3.68 lakhs. The decline in profit is due to the rise in interest payments, on account of the hardening of interest rates, and working costs, as also to the credit restraints enforced by the Reserve Bank of India. The slight fall in profit has reversed the upward trend noted since 1954, when it had stood at Rs. 2.75 lakhs, after having successively dropped from a high of Rs. 4.72 lakhs earned in 1952. The provision for taxation has been reduced from Rs. 2.01 lakhs to Rs. 2 lakhs, while the transfer to the reserve fund has been raised from Rs. 80,000 to Rs. 1 lakh.

"In view of the reduced profit and the need for strengthening the reserves," the Directors have not recommended any dividend for the year, after having paid 5 per cent. for each of the previous three years. It will be recalled that the Bank had consistently paid a dividend of 6 per cent. from 1939 to 1953 and that too on a growing capital raised during the intervening years. This was, however, pruned to 4 per cent. in 1954, but was enhanced to 5 per cent. in the following year. The Directors' decision to skip over the dividend for 1958 may seem surprising, in view of the fact that the profit for that year is higher than that for either 1955 or 1956. However, they have chosen to toe a conservative line, in view of the rising cost of bank service and the need for strengthening the resources.

The Bank's earning from interest and discount has gone up during the year under review from Rs. 37.25 lakhs to Rs. 40.51 lakhs and commission and exchange from Rs. 1.67 lakh to Rs. 1.76 lakh. The rise in income from these two sources has been offset by an increase in interest paid on deposits and borrowings from Rs. 24.15 lakhs to Rs. 27.07 lakhs and in expenses from Rs. 11.14 lakhs to Rs. 12.78 lakhs. Of the rise in expenses, salaries and allowances and provident fund alone account for Rs. 0.91 lakh, due to the higher emoluments that had to be paid to the staff following the rise in the Bank's status to Class B bank.

The following comparative table gives an idea of the Bank's growth in the last three years:

(In lakhs of rupees)

	As on 31st December			
	1958	1957	1956	1955
Paid-up capital ..	24.00	24.88	27.87	24.85
Reserves ..	15 60	14.00	13.80	13.20
Deposits ..	855.56	7.92.05	7.27.75	6.54.09
Advances ..	466.76	422.85	387.74	354.01
Investments ..	279.48	256.36	258.81	203.85
Cash ..	131.12	131.45	101.72	118.32
Net profit ..	3.68	3.98	3.86	2.05
Dividend ..	Nil	5%	5%	5%
No. of offices ..	23	23	23	23

It will be seen from the table that the Bank's deposits have expanded by over Rs. 2 crores or 30.5 per cent. within the last three years and advances by Rs. 1.12 crore or 31.5 per cent. The ratio of advances to deposits has been maintained at the moderate level of 53 to 54 per cent. and that of the liquid assets at 47 to 49 per cent.

RECENT ECONOMIC TRENDS IN THE U.S.

LESSONS OF THE LATE RECESSION

By C. Canby Balderston
VICE-CHAIRMAN, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

THE cyclical contraction that ended in April of last year was one of the shortest on record. It has been followed by a recovery of classic pattern that has now pushed most of the business indicators through their previous ceilings. Personal income in constant dollars has gone 2½ per cent. beyond its pre-recession high. Real gross national product and industrial production have achieved new records. The trough from which we emerged followed a giant wave of consumer buying capped by plant expansion. Over-capacity and excessive inventories led inexorably to painful correction in the form of recession, with its worries, losses and tribulations.

It is now time to take stock of the residual difficulties that still face us. Three major problems may be summarised in three words: unemployment, prices, and debt.

Unemployment is down from its recession levels, but it continues to plague the mining regions and areas dependent upon heavy industry. The list of cities with one out of eight workers jobless contains the long-suffering coal towns of Scranton, Wilkes-Barre and Huntington. These have been joined by Buffalo, Erie and even Detroit, which had been the epitome of American initiative and mass production know-how. The rate of unemployment 19 months after the last cycle peak is only slightly above comparable experience in 1948-50, but is higher than the 1953-55 experience by about one per cent.

Such a comparison may comfort statisticians but not the families afflicted. Even though further expansion will tend to put the idle to work as overtime fails to meet the demand, an unemployment level of over 4 million beings should lead us to question whether job opportunities would not be greater if some prices were lower.

Competition

As expansion continues, the rising investment demand stemming from industrial research and management initiative will require an increased flow of savings. If we are to remain competitive at home and abroad, we shall need not only capital for implementing technological advance, but competitive prices as well. Competition is, of course, a relative matter. How do our products compare with those made in other countries as to quality, price and promptness of delivery? While we have improved, others may have been improving even more rapidly. Early this year our exports were down one-fifth from early 1957. This decline may be explained, in part, by cyclical developments abroad which reduced foreign demands for our raw materials and finished goods. At the same time, there is clear evidence that our cherished advantage in some types of machinery, as well as in autos and certain other mass-produced items has been diminishing. This is a situation that will not be cured by ignoring it, or by the mere passage of time, or by passing laws. The sole solution lies in keeping our costs (including labour costs) competitive, so that American firms may produce what enough people want, at prices they are willing and able to pay.

Prices were buoyant during the recent decline and subsequent recovery. In the recession, the industrial-price average fell less than one per cent., even though prices of materials slipped considerably. This was similar to the 1953-54 experience. Early last year, however, prices of farm products and foods went up sharply. As a result, the total wholesale price index rose one per cent. during the period of business contraction. Since the turn around in business activity in May 1958, the average of industrial prices has risen 2 per cent. and is now about 1½ per cent. above the previous all-time high. Though there has been unused capacity of human resources and manufacturing plants, industrial prices have risen sooner and faster than in the two previous recoveries when prices did not advance significantly until after output was well above its previous peak. One may ponder the question: have we paid the fee for an adjustment we did not get?

In this Devil's Brew of trouble, containing unemployment and advancing prices, there is also the ingredient of debt. I refer not alone to consumer and to business debt, but to that of local, State and Federal Governments.

In 1958, the growth in consumer instalment debt slackened, but total consumer indebtedness, including residential mortgage credit, still grew by $10.7 billion—a large figure even if less than the $18.9 billion rise in 1955. Practically all of last year's rise was in mortgage debt on family houses which mounted $10.4 billion to a total of $118 billion. Fortunately, this rise in the debt of individuals was more than offset by an increase in their financial assets, and, so 1958 was a year in which consumer saving continued at a high rate. Now, however, both consumer instalment and mortgage debt are rising sharply.

But the governmental debt situation is far different. It is not necessary to detail the plight of State and Local Governments in increasing their revenues. Their troubles are being widely publicised. The Federal Government's spending in excess of its revenue, however, is especially serious, because financing it has been complicated by the attitude of savers towards fixed-income securities in general, and Government Bonds, in particular. Thus, balancing the Federal budget is more than a problem for the Budget Director; it is an evidence of the nation's determination to protect the integrity of the dollar as a store of value. As such. our budget behaviour is watched by the financially sophisticated the world over.

Whereas the Federal Government had a cash surplus of $2.1 billion in fiscal year 1957 and a small deficit of $1.5 billion in fiscal 1958, it is incurring a whopping cash deficit of over $13 billion in the current fiscal year. Federal cash receipts in fiscal 1959 will be about the same as in fiscal 1958, but expenditures will be close to $12 billion larger than in fiscal 1958 and $15 billion larger than in fiscal 1957.

Balancing the Budget

Consequently, the Treasury has been frequently in the market for funds because of fiscal decisions made in the past. The deficit that has to be financed currently is arising out of decisions made a year ago and earlier. For some time in the future we will have to live with the fiscal decisions now being made. We are all aware of the circumstances that have given rise to large national defence expenditures. At the same time, non-military Federal expenditures have also increased, partly as the result of farm price-support programmes, partly as the result of governmental actions taken to offset recession, and partly as the result of such built-in stabilisers as unemployment compensation. Prospects are that, though economic recovery will bring a big increase in receipts next year, expenditures will continue large. The attainment of a balance is precarious, unless positive measures are adopted.

I turn now to certain Federal Reserve problems that are current. A basic function of the System is to supply banks with reserves that will provide the volume of credit that is in keeping with stable economic growth. The objective is to supply neither too much credit nor too little. Monetary policy made credit easy during the period of economic contraction in order to hasten the turn around. Credit continued easy throughout the early recovery period and the money supply expanded very rapidly from February to August. If the money supply be measured by currency and demand deposits, the annual rate of increase (seasonally adjusted) was about 8 per cent. in that brief period. For those who prefer to include time deposits in their definition, the rate of expansion was even more rapid. With vigorous recovery of business in the second half of the year, the Federal Reserve System acted to moderate expansion in the money supply, so that the increase for the

(Continued on page 888)

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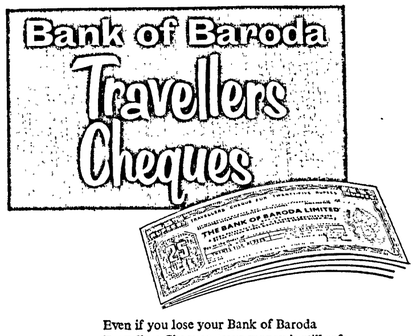

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STEPPING UP COTTON CLOTH EXPORTS

MR. N. H. TATA URGES FULFILMENT OF FIVE CONDITIONS

A RECENT Press despatch from New Delhi avers that the Central Government is contemplating adoption of some fresh measures designed to check the falling trend in cotton textile exports and to lift them up, if possible. One of the measures, it is said, consists of two modifications in the export incentive scheme. These are: (1) upward revision in the quantum of import entitlements granted to mills and exporters in respect of machinery, raw cotton, dyes and chemicals; and (2) adoption of a graduated system for the entitlements related to the increase in exports recorded by particular firms or individuals.

Evidently, the aforesaid move of the Government has been prompted by the continued disquieting performance on the textile export front, notwithstanding the operation of the incentive scheme for several months now. The quantity of mill piecegoods shipped since the beginning of 1959—usually good export months—is said to have been at an annual rate of no more than 549 million yards, as against the estimated actual exports of 558 million yards in 1958 and 831 million yards in 1957. The total exports during the first quarter of 1959 are put at about 137 million yards, which compare unfavourably with 166 million yards and 246 million yards in the corresponding periods of 1958 and 1957, respectively.

The persistence of downward trend in India's cloth exports must be attributed to many factors, apart from the general slackness in the world cotton textile trade itself brought about by the establishment of cotton mills in several traditional textile importing countries and the consequent imposition of import restrictions on textiles to protect their own national industries and conserve foreign exchange. Mention, for instance, may be made of the trebling of import duty on cotton textiles by East Africa, withdrawal of cloth from open general licence by Sudan, extension of most-favoured-nation treatment to Japan by Australia, and intensive competition from China the textile exports of which are heavily backed by State subsidies.

Chinese Competition

The last-mentioned factor is the most important. An idea of the formidable nature of competition offered by China in world textile markets, especially in the Far East, can be had from the following table which gives exports of cotton piecegoods from China and India during the years 1957 and 1958, as compared with 1954:

(In million yards)

To	From India			From China		
	1954	1957	1958	1954	1957	1958*
Hong Kong	15 00	6 32	1.46	8.40	102 25	92.60
Indonesia	32 69	48 40	10 98	4.40	116 68	49 86
Singapore	26 37	15 00	16 84	—	20 71	28 62
Malaya	48 23	31 73	6 16	1.84	23 30	32.24
Ceylon	27 51	13 02	15 89	—	0.17	0 90
Nigeria	50 00	49.00	43 08	—	6.36	4.08
U.K.	124.19	124.95	101.81	—	44.07	79 48
Netherlands ..	N.A.	N.A.	1.98	—	4.41	9.04

— Nil.
* Projected figures on the basis of January-June shipments.
N.A.—Not available.

It will be seen from the above figures that China has succeeded in capturing a fair share of the cloth markets in Hong Kong. Indonesia, Singapore and Malaya. It has also penetrated into Western Europe and Africa. The techniques used by China for achieving this success must be quite familiar to our readers. They are: sales of textiles of comparable quality at cut prices; flexible and favourable terms of supply; short-term and long-term credits to finance exports; and use of the influential business community of Chinese origin which is rapidly rising in size in the South-East Asian countries.

Pointed attention to the growing competition from China in world textile markets was drawn by Mr. N. H. Tata, Chairman of Svadeshi Mills and Tata Mills, when he addressed the annual meetings of the two Companies held at Bombay last week. Mr. Tata said that China had emerged during the last two or three years as the second largest producer of cotton textile fabrics. Until a few years ago, India occupied the second place, with the U.S. as the world's largest producer. India's place had been taken by China now, followed by the U.S.S.R., so that India stood relegated to the fourth place. Quoting a report that China's plan for 1962 envisaged a cloth production of 10,000 million yards, he remarked: "This phenomenal expansion is not unnaturally viewed with considerable apprehension by the cotton industry in other parts of the world."

What Should be Done?

Considering the Chinese textile trade offensive and the other factors responsible for the poor performance on India's textile export front, the question naturally arises as to what should be done to build up and maintain the competitive strength of Indian cloth in world markets. This question was impressively answered by Mr. Naval Tata. Stating that the existing inducements offered under the export incentive scheme were scarely adequate to enable mills to establish themselves as exporters and to withstand international competition, he urged the indispensability of observing the following five conditions:

1. Modernisation and rehabilitation of the industry.
2. Rationalisation of labour.
3. Higher productivity and efficiency of management.
4. Stability in prices of cotton and stores.
5. Adequate incentives to exporters, whenever necessary.

Mr. Tata pointed out that the need of cotton mills in the Bombay region alone for the rehabilitation and modernisation of their plant and machinery was conservatively estimated at Rs. 150 crores spread over the next fifteen years; the outlay would be very much larger if account were taken of the requirements of mills in other centres. He was quite right when he declared that the cotton mill industry, with its present limited resources which were still being drained by the excessively heavy taxation policy of the Government and the ever-mounting costs of production, could not, by itself, execute this mammoth programme of rehabilitation and modernisation, unless the Government gave substantial financial assistance and encouragement. The specific plea which Mr. Tata put forward, namely, liberalisation of the present terms and conditions under which institutions such as the National Industrial Development Corporation and the Industrial Finance Corporation are giving loans, deserves to be considered. It must, of course, be stressed that, while enabling the mills in desperate need for funds to derive the maximum advantage in the quickest possible time, every care should be taken by the managements to see that the financial assistance rendered is utilised properly for implementing the rehabilitation and modernisation programmes.

"THE INDIAN COTTON TEXTILE INDUSTRY" 1957-58 ANNUAL

This *Annual* has been so very popular as a reference book on the cotton textile industry in India and abroad that it needs no fresh introduction. It is edited by Mr. M. P. Gandhi (Address: Nanabhai Mansion, Sir Phirozeshah Mehta Road, Bombay 1. Price: Rs. 6). The latest *Annual*, like its predecessors, gives a fairly detailed account of the different aspects of the industry, including the handloom sector—production and export performance, excise duties, financing of industry and labour. There are two special chapters, one devoted to the analysis of the world cotton textile situation and review of the recent trends in Pakistan's textile industry. Appendix A deals with raw cotton in India and the world, while Appendix B gives the up-to-date list of cotton mills in India and Pakistan, the names and addresses of managing agents, number of looms and spindles, quantity of cotton, consumed, number of persons employed, etc.

In the course of an interesting preface, Mr. M. P. Gandhi, the Editor, has drawn attention to some of the pressing problems confronting the Indian cotton mill industry. He has stressed the importance of applying techniques of productivity drive, quality control, budgetary planning and financial scrutiny and development of right personnel relations. It is through these means, he says, that the industry will be able to go forward to higher levels of production and prosperity.

FURTHER RELIEF TO ART SILK POWERLOOMS

The Union Finance Ministry has announced further tax concessions to the art silk weaving industry, with a view to encouraging higher production in small-scale units. Thus, with effect from the 15th inst., all four-loom units and the first four looms in nine-loom units have been completely exempted from payment of excise duty irrespective of the number of shifts worked, as against only one shift that was allowed by the Finance Minister on 20th April 1959. Again, the compound rates of duty (basic as well as additional) in respect of the first nine looms employed in all units have been reduced. Similar changes are being made in respect of warp knitting machines used in the production of rayon or art silk fabrics.

The latest decision of the Government is a sequel to the representation made by the art silk weaving interests in different parts of the country, especially in Surat. Early this month, about 85 small units in Surat were reported to have put up notices of closure with effect from 1st June 1959. Some protest meetings were also held and it was even said that the weavers were planning to hold demonstrations and stage a tooken strike before Mr. Morarji Desai.

Wool production in Soviet Russia has registered an appreciable expansion in the last decade. The total clip of wool in 1957-58 was 59.8 million lbs. which was twice as large as the clip of 298 million lbs. in 1948. The pre-war average clip was only 220 million lbs. The production target fixed for 1960 is 780 million lbs. The marked expansion in wool output has followed a large increase in sheep population, from 72 million in 1948 to 115 million in 1954, 125 million in 1956 and 134 million in October 1958. The estimated number of sheep at the end of 1960 is put at 179 million. The average yield of wool per sheep is now said to be of the order of 5.5 lbs. In 1956, a Russian Professor of Agriculture had put the fine wool production per sheep at 8-11 lbs.

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SPINNERS DRAW UP NEW SCHEDULES

"BUY BRITISH COTTONS" CAMPAIGN ENDS

From A Special Correspondent

MANCHESTER, *12th May*

A NEW comprehensive set of conditions of sale for cotton and rayon yarns has been drawn up and is to be submitted to the Registrar of Restrictive Trading Agreements, under Section 12 of the Act. This was disclosed by Col. J. B. Whitehead, President of the Yarn Spinners' Association, who told the annual meeting that this was a serious attempt to formulate a basis of contract without bias to either seller or buyer. Full agreement, he said, had been reached between the Yarn Spinners' Association, the Cotton Yarn Doublers' Association and the Rayon Staple Spinners' and Doublers' Association, and the terms would be inspected by their legal advisers before submission to the Registrar. Although the Associations could not, for the time being, recommend their adoption, he urged that individual mills should follow the conditions as set out.

MANCHESTER LETTER

Commenting on the adverse judgment of the Restrictive Practices Court on the price maintenance scheme operated by the Association, which was withdrawn in February, Col. Whitehead said: "The ruthless decision of the Court was unexpected, but, contrary to our original beliefs, it now seems clear from subsequent cases that, under the existing Act and judgments of the Court, no agreement for the control of prices can be expected to survive." The purpose of the Act, he continued, was to protect the public from exploitation. Manufacturers said that the whole of the yarn price reductions, following the withdrawal of the scheme, had been passed on in cloth prices.

No Cheaper Textiles

"Logically, the price of textiles in the shops should have correspondingly fallen, but I have seen no evidence of this up to now," declared Col. Whitehead. "What we have lost, someone else has gained, but, on the evidence before us, the buying public, protected by the Act, has gained far less than the cost to public funds of having this protection thrust upon them."

The Association would continue in existence, Col. Whitehead added, following the obvious desire of the members. The latest cost inquiry was nearing completion and would provide spinners with average conversion costs for the various sections of the trade and should be most useful for comparison purposes. The joint Export Committee would continue to watch over the interests of producers on all matters concerning cotton yarn exports and imports. Spinners, he declared, had experienced "a shocking year." Figures indicating the length of order books at mid-April amounted to only 90 million lbs., as against 107 million lbs., at the same time last year—a drop of almost one-sixth. At the end of January, the order books had fallen to the extremely low level of only 57 million lbs., no doubt due to the final holding off attitude of buyers pending the decision of the Restrictive Practices Court.

On the Government's scheme for scrapping redundant machinery and assisting in re-equipment, Col. Whitehead hoped that every spinner would seriously consider his individual position. A modest reduction in spindles would not materially assist in the solution of the problems of the trade. Only a really drastic scrapping of machinery would bring the spinning potential into line with the immediate and probable future demand.

Compensation Talks Progress

Although owners of Lancashire's 1,000 cotton spinning and weaving mills hinted last week that the trade unions are still asking for too much compensation for operatives who become redundant when mills close down under the Government's £30-million scheme for putting the industry on a sounder basis, hopes rose that a mutually satisfactory settlement, of this vital issue would be reached. The three employers' organisations, the Master Spinners' Federation, the Cotton Spinners' and Manufacturers' Association, and the Condenser and Allied Spinners' Association, met at Manchester to examine in detail the counter-proposals for compensation put forward by the trade unions which have already rejected one offer by the millowners.

No official details have been given, but it is understood that this would have given a maximum compensation payment of around £200, roughly half the amount sought by the unions in their twice rejected claim before the advent of the Government's scheme. After the meeting, Mr. C. Henniker-Heaton, Director of the Master Spinners' Federation, said that the employers' reaction to the unions' counter-proposals would be outlined at a joint meeting on Friday. "We are still very widely apart, but now in the same field," he said. Some progress had been made, but it might be some time before a settlement was reached. Mr. Heaton added that the two sides had come to see each other's point of view. "It is now a question of level. We are talking the same language but there is still a long way to go."

A condition of the Government's offer to contribute £30 million towards the scrapping of surplus machinery and the re-equipment of the remaining mills is that the employers should undertake to compensate the redundant workers. Having thus had their views on compensation unexpectedly upheld, the trade unions are determined to secure what they consider ample payments to their members who lose their jobs even, as they have indicated, at the risk of wrecking the Government scheme.

Publicity Scheme

The Cotton Board's promotional campaign, with the slogan "Buy Britain's Cottons," has now come to an end after being discussed by the sectional organisations of the trade. The full cost of the project was £260,000.

Cotton's place as a fashion fibre, no less than its use in a multitude of industrial and domestic forms, has been firmly fixed in the minds of the public by this programme. Despite adverse comment at times, the money has undoubtedly been well spent. It was, perhaps, unfortunate that the campaign coincided with a period when the Government had introduced measures designed to curb spending power among consumers, but the constant repetition of the advantages offered by the fibre has driven the point home.

Ending of the special promotion levy by the Cotton Board means that the industry's activities in sales promotion and market research are now restricted to what can be financed out of normal revenue, assisted by grants from the American Department of Agriculture and the Cotton Council International. Individual firms will, however, continue to press forward the claims of cotton goods in their own advertising programmes. Everyone engaged in textiles is fully aware of the need to publicise on the widest possible scale the benefits of their products.

Machinery Shipments Higher

One of the consequences arising from the publication of the Government's willingness to subsidise re-equipment of Lancashire mills was a rise in the share values of textile machinery companies. Several of these have lately had a somewhat chequered career and recent financial results have not been exactly encouraging. Their gains will not be immediate, as the modernisation plan is spread over a five-year period, but, in the long run, their prospects must be improved.

In the meantime, there has been some revival in export trade in textile machinery over the first quarter of this year. The volume of plant shipped abroad remains below the comparable level in 1957, but to the end of March was 318,428 cwts., valued at £11,228,572, as against 288,559 cwts., worth £10,228,772, a year ago. India remains the biggest single consumer of British-made textile plant, having taken 28,788 cwts., but shipments have now noticeably dwindled as compared with previous years. In 1958, the first quarter's purchases were 41,575 cwts.

Cotton Prices Turn About

Only a few weeks ago, observers of trends in raw cotton were distinctly bearish in their outlook. The prospect of a bigger American crop and increasing supplies led to the opinion that the long decline in values would still persist. That the slide has been halted and an upturn has followed now requires some explanation.

One of the factors which has been responsible for this change in mood has been the low stocks of the raw material now held in Liverpool and Manchester. A sudden call for supplies on the spot found offerings limited as merchants had had no incentive to build up stocks during the idle months when spinners had been reluctant to do more than make hand-to-mouth purchases. According to reliable sources, existing supplies in Liverpool and Manchester have decreased

(*Continued on page* 864)

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WORLD TRADE IN COTTON FABRICS

INDIA SUFFERS MORE THAN ANY OTHER COUNTRY

IT is common knowledge that world trade in cotton fabrics suffered a marked shrinkage during 1958 from the high level witnessed in 1957 and that this necessitated cuts in production in most of the countries in the free world. What is probably not so well known is that, of all the countries in the free world, India lost more ground than any other. This particular point deserves to be reiterated, because there is a tendency among some of the leaders in this country to draw some comfort on the score that what happened to India's exports of cotton goods was part of a world-wide trend. It would be sheer complacency, if this idea were to prevail and influence policy decisions pertaining to modernisation and rationalisation of production in the mill industry.

How badly India fared in the export of cotton piecegoods last year as compared with the rest of the world is clear from the International Cotton Advisory Committee's review of recent trends in cotton textile trade, published in its March 1959 issue of *Cotton*. World exports of cotton fabrics in 1958 dropped, as compared with 1957, by 12.4 per cent., that is, from 605,000 metric tons to 530,000 metric tons (estimate). The entire reduction was accounted for by the free world. The sharpest reduction, according to this monthly review of the I.C.A.C. (Washington) was suffered by India with its exports off 33 per cent. from 1957 and 25 per cent. from the four-year average 1954-57. It is true that Japanese exports, too, fell but only by 22,000 metric tons or 15 per cent. Further, unlike India, Japan was able to maintain its proportionate share of the world market, thereby proving that it was successful in maintaining its competitive position strong and face even the dumping by Communist China. It may be interesting to note here that, during the past five years, Japan has been able to hold its share in the world trade at between 20 and 25 per cent.

The following comparative table shows at a glance the trend of world exports of cotton fabrics (the totals of 36 exporting countries, including the communist countries):

(In '000 metric tons) *

Country	1954	1955	1956	1957	1958*
United States	71.6	64.2	60.6	65.5	59.8
United Kingdom	70.8	61.6	52.7	50.6	43.8
Continental Western Europe	161.4	143.8	139.3	145.1	130.2
Japan	124.8	111.7	123.0	147.0	125.0
India	89.7	90.6	81.6	99.7	67.0
Hong Kong	18.4	19.7	15.9	22.3	20.2
Other	6.5	7.3	11.1	9.8	11.5
Total free world	543.2	498.9	484.2	540.0	463.5
China	2.0	15.0	32.0	40.0	40.0
Other communist countries*	26.0	24.0	29.5	25.0	26.0
Total	28.0	39.0	61.5	65.0	66.0
World total	571.2	537.9	545.7	605.0	529.5

* Partly estimated.

It will be seen from the above table that exports from Communist China increased from 2,000 metric tons in 1954 to 40,000 metric tons in 1957, but that there was no further increase in 1958. Most of these exports were to Hong Kong, Indonesia, Malaya and Singapore and to other South-East Asian countries. In spite of the fact that total imports of cotton fabrics into the countries of Asia declined substantially in 1958, China, it is interesting to note, maintained its exports into these countries at the high level of 35,000 metric tons achieved in 1957. This it did at the expense of Indian and Japanese exports. An analysis of the regional trade indicates that Chinese exports have cut into Indian exports more than into Japanese. Other communist countries with exportable surpluses of cotton textiles are Hungary, Poland and Bulgaria, but only a negligible quantity of cotton fabrics is shipped by them to the free world.

In Europe, the "historical decline" in exports of cotton cloth from the United Kingdom continued in 1958. The latter's exports now stand at less than 50 per cent. of the post-war high mark of 100,000 metric tons registered in 1949. Principal demand for British cotton fabrics is now concentrated in the Dominions and Crown colonies, but British exports to even these areas are gradually declining. Exports to Australia declined from 13,600 metric tons in 1954 to 7,900 metric tons in 1957. New Zealand is the only country to which British exports have remained steady at around 3,800 metric tons a year.

French exports of cotton cloth declined from 53,800 metric tons in 1954 to 32,900 metric tons in 1956, but have since stabilised around this level. French possessions abroad account for about 90 per cent. of French exports. The principal cause of decline during 1955 and 1956 was the loss of the vast Indo-China market. Exports to this country declined from 13,400 metric tons in 1954 to 2,300 metric tons in 1956.

Discounting cyclical fluctuations, other West European countries have, according to the *Cotton* review, maintained their exports at a fairly stable rate during the past five years. Trade is mainly intra-European.

Exports of cotton fabrics from the United States have been declining since the rehabilitation of the textile industries in Japan and Western Europe. The United States continues to dominate the markets of Canada, Cuba and Venezuela. It has, however, lost considerable ground to Japan in the Philippines with exports to that country gradually declining from 14,400 metric tons in 1954 to 5,400 metric tons in 1958, while Japanese exports rose from 2,800 metric tons in 1954 to 8,000 metric tons in 1958.

Analysing the imports, *Cotton* observes that the United Kingdom, West Germany, the Netherlands and Canada, all substantial producers of cloth, have been taking more and more cotton cloth from other countries. United States imports increased from 7,500 metric tons in 1954 to 18,400 metric tons in 1956. In 1957, United States' imports declined to 12,500 metric tons, due, in part, to the voluntary restrictions imposed on Japanese exports but increased modestly in 1958 to 14,000 metric tons. Imports by Asian countries during 1958 declined by almost 40,000 metric tons, as compared with 1957. The decline was largely accounted for by Indonesia and Hong Kong. Indonesian imports in 1958 declined by almost 50 per cent. Imports into Hong Kong had expanded sharply from 11,800 metric tons in 1954 to 31,200 metric tons in 1957, but declined to 23,900 metric tons in 1958 due to a slackening off in exports. Turkish imports declined from 9,750 metric tons in 1954 to 1,400 metric tons in 1956. With the establishment of national industries, both Pakistani and Turkish imports since 1956 have been running at less than 1,000 metric tons a year. Little data on trade among the communist countries are available but exports from the free world to the communist countries have been of a small magnitude. Conversely, the emergence of mainland China as a major exporter means that the communist countries as a whole are now net exporters of cotton textiles to the rest of the world.

The following table shows the trend of world imports based on the data pertaining to 90 importing countries and territories:

Imports of Cotton Fabrics

(In '000 metric tons)

Country	1958*	1957	1956	1955	1954
Canada	25.0	24.4	22.5	19.7	16.9
United States	14.0	12.5	18.4	13.1	7.5
Other	23.0	23.9	22.0	19.5	20.5
North America	62.0	60.8	62.9	52.3	44.9
Venezuela	7.8	7.7	6.6	5.8	5.4
Other	1.2	1.4	1.6	1.9	3.6
South America	9.0	9.1	8.2	7.7	9.0
United Kingdom	41.0	46.3	34.0	33.3	29.7
F.R. of Germany	15.7	15.4	11.5	13.0	7.8
Netherlands	16.0	17.6	12.6	13.5	10.2
Other Continental Europe	57.3	57.4	47.4	46.2	44.1
Western Europe	130.0	136.7	105.5	105.0	91.8
Indonesia	28.0	57.5	60.5	52.3	58.5
Hong Kong	23.9	31.2	30.5	15.3	11.8
Australia	34.0	30.6	25.3	30.2	33.8
Malaya	17.5	18.8	19.4	19.5	14.9
Other Asia and Oceania	71.6	72.6	69.8	72.7	90.0
Asia and Oceania	175.0	210.7	205.5	190.0	209.0
Africa	156.0	160.0	142.0	162.0	178.0
Total free world	532.0	577.3	524.1	517.0	532.7
Communist countries]	26.0	26.0	26.0	25.0	25.0
World total	558.0	603.3	550.1	542.0	557.7

* Partly estimated.

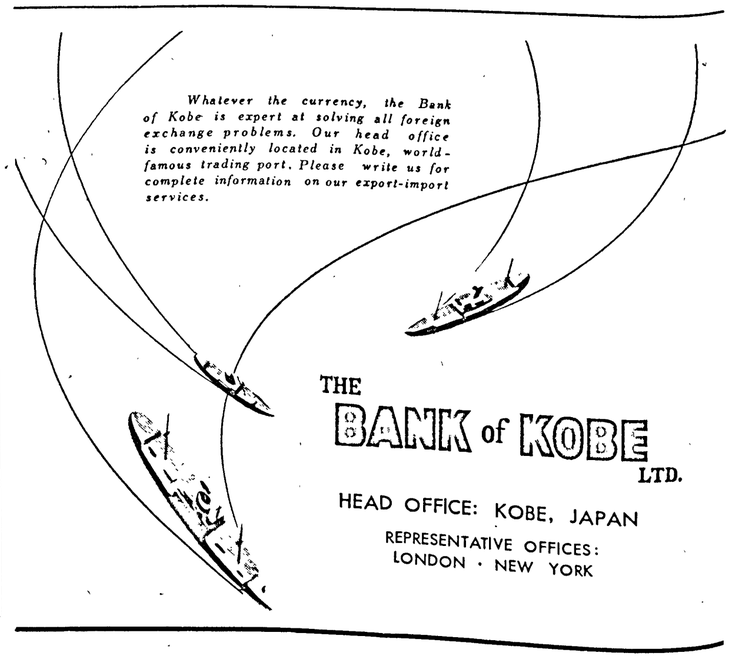
A notable feature of the I.C.A.C's aforesaid review of world trade in cotton fabrics is an assessment of the regional balance of trade. Here is the result of this analysis:

(In '000 metric tons)

Region	1958	1957	1956	1955	1954
North America	—0.5	6.5	—0.4	14.2	29.1
South America	—8.0	—8.1	—7.2	—6.7	—3.0
Western Europe	50.0	59.0	86.5	100.4	149.4
Asia	82.0	99.7	51.0	70.0	65.0
Africa	—150.0	—156.0	—137.8	—159.0	—176.0
Oceania	—42.0	—38.4	—32.0	—37.0	—40.0
Communist bloc	40.0	40.0	32.0	15.0	2.0

The highlights of the regional balance of trade are: (1) The centre of cotton textile industry has been shifting away from Western Europe and the United States towards Asia. (2) Exports and imports are nearly in balance for the continents of North and South America, whereas the net exports from Western Europe are rapidly declining. (3) In contrast, Asia and the communist bloc (China) are becoming increasingly important as net exporters of cotton fabrics, whereas Africa continues to be the largest importer. (4) Many of the less developed countries are moving rapidly in the direction of self-sufficiency in cotton fabrics.

"The pattern of world trade in textiles in the last few years has," says the I.C.A.C's review, "been materially affected by several factors. Among these are balance of payments difficulties in a number of important textile importing countries, the establishment of new industries outside the traditional textile centres, and the tendency to increase the protection afforded against imports in some of the older industrialised countries."



SUGAR IS A MUCH MISUNDERSTOOD INDUSTRY IN INDIA

ITS HANDICAPS ARE NOT CLEARLY REALISED BY CRITICS

By Shyam Sundar Kanoria

THE Indian sugar industry is one little segment of the Indian economy which, along with other aspects of the Indian scene, has become the focus of world attention. I think there is general agreement that we live at one of the great turning points of history. What is happening in India now and will happen within the next few years will decide the fate of Asia and perhaps of the world. Looked at in this light, the sugar industry acquires increased stature and significance. It can make a small, but important contribution towards the industrial development of the country and the success of the experiment in planned economic development. Momentous issues hang on the outcome of this experiment in democratic planning.

It would, perhaps, help to put the matter in proper perspective if I gave some facts and figures relating to the place of the sugar industry in the national economy. If we take into account the value of its output, it is India's second largest industry, the largest being cotton textiles. It now produces approximately two million tons of sugar worth about Rs. 200 crores. Out of this, about Rs. 68 crores go to the Central and State Governments as indirect taxes, sugar being one of the largest contributors to the Central excise duties. Another Rs. 80 crores go to the cane growers in the form of cane price and thus provides the cultivators of cane with purchasing power to buy the necessities of life. In Uttar Pradesh, and to some extent in Bihar, sugarcane is the only cash crop. The productive capital employed in this industry exceeds Rs. 110 crores and employment to a very large number of persons is provided. It being an agricultural industry situated in villages, the rural economy of several States, notably Uttar Pradesh and Bihar, is linked up with the prosperity of this industry. The indirect employment which the industry provides to those engaged in the manufacture of sugar machinery, ancillaries and by-products and in transport and distribution of sugar is very significant. It will thus be observed that the growth, expansion and prosperity of this industry is a matter of vital importance to the entire nation and not only to a handful of millowners. It is the country as a whole that suffers when the sugar industry encounters bad times.

Criticism Baseless

It is rather unfortunate that the contribution of sugar industry to the national economy has not been fully appreciated and the industry has been subjected to ill-informed and baseless criticism. I am particularly sensitive to the charge that the industry has not treated its consumers fairly. If this were true, it would be a grievous fault, for, after all, the ultimate purpose and final justification of the existence of any industry is to cater to the needs of the consumers. But this charge is based entirely on a misconception.

The widespread popular idea that the Indian consumer has to pay an exceptionally high price for sugar is simply not true. A list of prices of sugar in different countries of the world, as published by the International Sugar Council, which must be considered as authoritative reveals that, out of 46 countries, prices of sugar in 34 countries are higher than in India, though the element of taxation is probably the highest in our country. The prices in India are lower than those prevailing in industrially advanced countries such as the United States, France, New Zealand, Canada, West Germany, Japan, etc., in neighbouring countries like Afghanistan, Malaya, Ceylon, Sudan, Syria, Turkey and Pakistan, etc. and even in sugar producing countries like Australia, Formosa, Dominican Republic, Philippines, etc. Most people are not aware of the internal prices of sugar in other countries and are easily misled by the prevailing low prices in the world market. The truth is that the low world prices of sugar are artificial being heavily subsidised by all exporting countries and do not bear any relation either to the cost of production or the internal price of sugar in the country which sells its sugar in the world market at low prices. Thus, for example, Australia sells at about Rs. 16 per maund in the world market while its cost of production is much higher and the internal price is about Rs. 33 per maund. Similarly, Java sells at Rs. 16 while the internal price is Rs. 48 per maund. We should not, therefore, think that prices of sugar in India are higher by comparing them with world prices.

However, since India is a poor country and the purchasing power of the masses is low, the industry would be happy to be able to provide the consumers with cheaper sugar. But, in spite of the great anxiety and willingness of the industry, the cost structure is so rigid that it is almost helpless in the matter.

The controlled price of sugar in North India is at present Rs. 36 per maund, i.e., 95 naye paise per seer. The consumers have to pay slightly more, because sugar has to be transported from the factories to the consuming centres and distributed through wholesalers and retailers who add their costs and profit.

High Cane Prices

Out of the 95 naye paise about 37 naye paise, that is, about 39 per cent. goes to the canegrowers as cane prices. As readers are aware, there is an official minimum price for sugarcane at present Rs. 1.44 per maund which the factories are bound to pay. This cost is, therefore, completely beyond the industry's power to change. The prices of cane per maund are higher than in most other countries, though the quality is poorer. Whereas out of 100 maunds of cane it is possible to get 14.33 maunds of sugar in Australia, 12.25 maunds in Cuba and 11.40 maunds in Java, in India we hardly get 10 maunds. Whereas in other countries the price of cane is fixed on the basis of its quality, in India we have to pay the minimum price of sugarcane irrespective of the quality. It is common knowledge that, inspite of the high cost of cane, there was a serious agitation by the canegrowers in Uttar Pradesh to increase the minimum prices of sugarcane. The Government of India considered their demand to be unjustified and did not agree to increase their price as it would have further pushed up sugar prices. One can sympathise with the desire of the growers to increase their income and purchasing power, but, for this, they must improve their output, as well as quality, of cane per acre and not burden the consumers with their inefficiency. The State Governments who have taken upon themselves the task of development of cane and have imposed cane cess for this purpose should assist the growers in this matter. Then, there are the cane growers co-operative societies, the establishment of which has resulted in the lack of direct contact between the growers and the factories. These co-operative societies are entitled to a handsome commission from the factories and should take concrete measures to improve the yield and quality of cane.

Another 7 per cent. of the cost of sugar manufacture goes to workers as salaries and wages. This is another element over which producers have no control. Wage rates and other amenities are governed by legislation and tribunal awards and nearly every factory carries a load of surplus labour. Wage rates are low by international standards, but, as usually happens in such cases, those who criticise the industry for not paying wages received in other countries conveniently overlook the vital matter of labour productivity. Our wages are low, perhaps, but the labour is not cheap. Whereas in Australia the average production per worker is 144 tons of sugar, in India it is only 11 tons. Thus, the total labour cost per maund of sugar in India is higher than in most other countries.

There is one more big element in the cost of producing sugar over which producers have no control at all. This is indirect taxation of sugar, Central and State, which swallows up 33 naye paise of the rupee spent on sugar by the consumer. Only in the course of the last few years taxation has been increased to the extent of 20 naye paise per seer of sugar. The present excise duty at about 26 naye paise per seer yields a revenue of about Rs. 60 crores to the Government which is equal to about 8 per cent. of the Government of India's revenue budget and to about 20 per cent. of the total excise duties collected by it.

It will thus be seen that, out of the 95 naye paise per seer which goes to the manufacturer, 37 naye paise is paid to the canegrower, 33 naye paise to the Government as indirect taxes and 7 naye paise to the labour, making a total of 77 naye paise or 81 per cent. leaving a balance of only 18 naye paise per seer or 19 per cent. with the producers. From this amount all other manufacturing charges such as stores, chemicals, packing, interest, insurance, overheads etc., have to be met, dividends to shareholders have to be paid, reserves have to be built up for rehabilitation of plant and machinery and the Government gets a further share in the form of income and corporation taxes. What I want to impress upon you is that 81 per cent. of the total cost is completely beyond our control and the room for economy and efficiency is limited only to the balance 19 per cent. If cane growers, labourers and Government, all three of them, insist on their pound of flesh and together account for 81 per cent. of the cost, the industry cannot be expected to hold out any hopes for lowering sugar prices. If only the taxation were not increased by 20 naye paise per seer during the last few years, sugar could have been cheaper by this amount.

So far as our technical efficiency is concerned, it compares well with other sugar producing countries. Reduced overall recovery in 1955-56 which is the yardstick of measuring technical efficiency was 84.15 per cent. in India, as compared with 83.70 per cent. in South Africa, 83.90 per cent. in Mauritius, 83.33 per cent. in Java and 84.15 per cent. in the Philippines. As a member of the sugar delegation of the Government of India to Australia and Indonesia in 1955, I had the opportunity to study the cost of production of these countries and from our report one will find that, in Australia, the manufacturing charges are higher than in India by Re. 1-5 per maund and in Indonesia by Rs. 3 per maund.

Rigid Cost Structure

It will be realised from the foregoing account that the retail prices of sugar in India do not compare unfavourably with those in other countries. If, however, one thinks that these prices are still too high, in view of the low purchasing power of the people of India, the responsibility for this does not lie with the industry and, so long as the manufacturers have to work with the present rigid cost structure, they cannot hold out hopes of supplying consumers with cheaper sugar.

There are reports in the Press that this year the production is lower and there is a shortage of sugar. From an average production of one million tons during the pre-Plan control period, the production more than doubled and increased to 20.26 lakh tons in 1956-57 which was a notable performance, as compared with other industries. In 1957-58, the production was lower at 19.75 lakh tons due to the mushroom growth of *khandsari*. In 1958-59, the production is expected to be only about 19 lakh tons, because of adverse cane crop in West U.P. and further increase in *khandsari* production. The industry is very unhappy at this development, which has created scarcity of sugar in the country. Apart from vagaries of nature which is beyond anybody's control, Government is mainly responsible for lower production this season. Their tax policy encouraged the wasteful process of *khandsari*, as a result of which cane was diverted from sugar to *khandsari*. Because of this, those factories which expanded their capacity at the cost of valuable foreign exchange are not getting even their pre-expansion crush, especially in west U.P. In order to prevent a rise in sugar prices, the Government of India has imposed controls on ex-factory prices in Uttar Pradesh, and North Bihar at Rs. 36 and in Punjab at Rs. 36-8 per maund. There is no control on factories in other regions and prices in other States, especially in the South, are considerably higher. Even in North India, the control is only on the factories for ex-mill prices. Since there is no control at any other stage, the consumer derives no benefit from this control. It appears that the reasons for this control are more political than concern for the interests of consumers.

So far as *khandsari* is concerned, I am aware that, because it is called a cottage industry, there is popular sympathy in its favour. I would like to place certain facts from which

one will be able to judge for oneself whether it is in the national interests to encourage such a wasteful process. Before the recent taxation on *khandsari*, the white sugar industry had to pay Rs. 13.16 as taxes, against *nil* by the *khandsari*. The *khandsaris* were not obliged to pay the minimum price of sugarcane, nor were they subject to the same labour laws as the sugar factories. This encouraged their growth and, though they could get only seven maunds of sugar out of 100 maunds of cane against 10 maunds secured by us, they reaped handsome profits, because of the wide difference on account of taxation. The extra three maunds of sugar out of the 100 maunds of cane which we get while producing white sugar is simply burnt away in the *khandsari* process. This year it is estimated that about three million tons of cane were diverted from sugar to *khandsari*. From this quantity of cane, only 2.1 lakh tons of *khandsari* has been manufactured and the balance 90,000 tons of sugar worth about Rs. 5½ crores, excluding taxes, has simply been wasted.

No Room for Bullock-cart Economy

Whereas *khandsari* has given employment to the extent of about Rs. 3 crores, the Central and State Governments have lost about Rs. 10 crores of revenue which would have come to them as indirect taxes on white sugar and in addition led to unemployment among the sugar factory workers. Probably it would have been worthwhile for the Government to collect its taxes and distribute a part of it freely to those employed in *khandsari* rather than to allow them to waste valuable national resources. If our economy were to be based on *khandsari*, instead of sugar, we would require about one and a half times the land to be under sugarcane. But, unfortunately, even the small duty which the Finance Minister originally proposed on *khandsari* in the 1959-60 budget, was ultimately reduced, because of opposition from interested quarters and politicians whose spirit of *Sarvodaya* appears to be stronger than their sense of economics. We talk so much about vested interests nowadays but I think that the vested interest of the politicians to appease the ignorant voters and retain their political power even to the detriment of national interests and the lack of courage and foresight on their part to guide the country along the right path is doing the greatest harm to the country. We can fulfil the hopes and aspirations of millions of our countrymen to enjoy a richer and fuller life only if we discard the outmoded methods of production and take up the latest scientific techniques which both Russia and the United States are following, even though they believe in different ideologies. During my visit to the United States, Canada and other European countries in 1957 with the Industrial Delegation led by Mr. G. D. Birla, I was convinced that the standard of living of the masses in India cannot be raised without taking advantage of modern technological advances. There is no room for the bullock-cart economy in the jet age or, should I now say, the space age.

Now to say a few words about sugar exports which have become a subject of great controversy. First of all, let me make it clear that I do not advocate exports of sugar by creating shortage at home.

The industry has always tried to advise the Government to keep down exports, whenever there was a danger of a shortage of sugar for internal consumption. It was largely as a result of this pressure that, last year, only 50,000 tons of sugar were exported, as compared with the original target for the year of 1 lakh tons. This year also, we have already suspended sales of sugar for export and have urged the Government to reconsider its decision to export. But, as a long-term measure, I am convinced that exports of sugar are desirable. The objection to sugar export is that sugar can only be exported at a loss. But the loss on exports does not exceed Rs. 11 per maund even when the prices in the international market are as low as they are at present. Practically every country suffers losses when it exports sugar and makes it up by raising internal prices. This is the general pattern of the international sugar trade. In our case, because of a big internal market and comparatively lower quantity of export, the burden on consumers on account of sugar exports is not as heavy as is popularly believed. If we export only 50,000 tons, the loss, being spread over the entire consumption of 20 lakh tons, comes to only ½ naya paisa per seer. As compared with the excise duty of 26 naye paise per seer, this burden of ½ naya pasia does not appear to be so heavy. For this small sacrifice, the nation earns valuable foreign exchange. Sugar exports help us to diversify our export trade which is excessively dependent on the three traditional items of export, namely, jute goods, tea and textiles which contribute more than 50 per cent. of our foreign exchange earnings. Another very important consideration on account of which exports of sugar are necessary is that exports may act as a safety valve to regulate an even flow of sugar for internal consumption. Production of white sugar by its very nature being dependent on the vagaries of nature is subject to wide variations from year to year. In a developing country like ours consumption too is difficult to estimate with any approach to accuracy. The recurring crises of overproduction and underproduction which mark the history of the sugar industry could thus be avoided, if the volume of sugar exports is varied from year to year in such a way as to ensure a balance between supply and demand at home.

Moreover, exports of sugar will enable a rapid expansion of the industry which will be advantageous to us in many other ways. The growth of the industry will accelerate the process of industrialisation of the country, increase the gross national product, provide employment and income to labourers in sugar factories, cane growers, sugar merchants and traders and many others engaged in subsidiary industries. There are also the investors, banks, insurance companies and last but not the least the Government which reaps a rich harvest of tax revenue. If we halt or reverse this growth process, there will be a corresponding contraction in economic activity which must be considered as undesirable.

MANCHESTER LETTER

(*Concluded from page 861*)

until only about 100,000 bales are available, equivalent to a month's supply; three-quarters of these are regarded as expensive or are of lower grades not usually in demand. This tight supply position has been sufficient to cause a distinct rise in the basis. As so often happens, the "snowball" effect of demand forcing up prices and consumers following up price rises has already created a sharp upward trend in business for both the raw material and the finished products.

Some of the change in sentiment can also be attributed to reports of a more encouraging offtake in cotton textile goods in the United States. During the first half of the current cotton season, American cloth prices are said to have moved up considerably and mill margins are higher than at any time in the last two seasons. Some shortages of certain types of fabric for early delivery have even been reported. At the same time, raw cotton consumption in other areas during this period has been relatively low.—*All Rights Reserved.*

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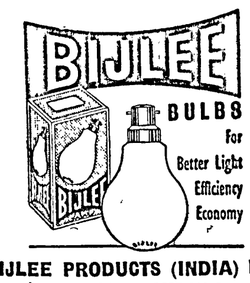

BULBS
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Efficiency
Economy

BIJLEE PRODUCTS (INDIA) LTD.
BYCULLA, BOMBAY 8

NATIONAL AND GRINDLAYS BANK LIMITED
(Amalgamating National Bank of India Ltd. and Grindlays Bank Ltd.)
Incorporated in the United Kingdom — The Liability of Members is Limited.

Bankers to the Government in Aden, Kenya Colony, Zanzibar, Uganda and Somaliland Protectorate.

Subscribed Capital £4,562,500
Paid-up Capital £2,851,563
Reserve Funds £3,168,579

Head Office: 26, Bishopsgate, London, E.C. 2.
London Branch: 54, Parliament Street, S.W. 1.
Travel and Insurance Departments: 13, St. James's Square, S.W. 1.

BRANCHES:

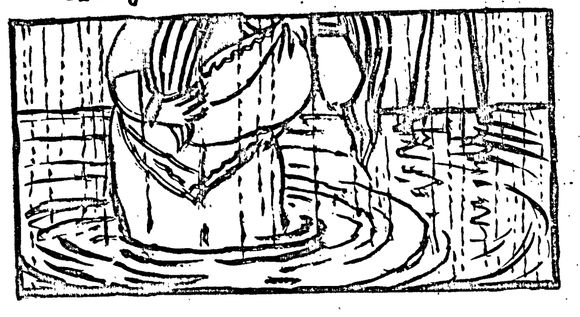
INDIA—
Amritsar
Bangalore
Bombay—
Mahatma Gandhi Rd.
Mint Road
Calcutta—
Netaji Subhas Road
Brabourne Rd.
Chowringhee Road
Church Lane
Cochin
Delhi
Kanpur
Madras—
North Beach Road
Armenian St.
Mount Road
New Delhi—
Connaught Circus
Connaught Place
Simla
Tuticorin
PAKISTAN—
Chittagong—
Sadarghat Rd.
Agrabad Branch
Karachi—
McLeod Road
Bunder Road
Dundas Street
Saddar Branch
Khulna
Lahore—
Bank Square
The Mall
Narayanganj
Peshawar
Quetta
CEYLON—
Colombo—
37/30 York St.
11 York St.
Kandy
Nuwara Eliya
BURMA—
Rangoon
ADEN—
Aden
Little Aden (Sub-Branch to Aden)
Steamer Point, Aden
SOMALILAND PROTECTORATE—
Berbera
Hargeisa
ZANZIBAR ISLAND—
Zanzibar
KENYA—
Eldoret
Embu (Sub-Branch to Fort Hall)
Fort Hall
Kakamega (Sub-Branch to Kisumu)
Karatina (Sub-Branch to Nyeri)
Kericho
Kiambu
(Sub-Branch to Nairobi)
Kisumu
Mombasa—
Treasury Sq.
Kilindini Rd.
Nairobi—
Government Rd.
Delamere Ave.
Industrial Area
River Road
Nandi Hills (Sub-Branch to Eldoret)
Naivasha (Sub-Branch to Nakuru)
Nakuru
Nyeri
Sotik (Sub-Branch to Kericho)
Thika
UGANDA—
Entebbe
Port Portal
Gulu
Jinja
Kampala
Kamuli (Sub-Branch to Jinja)
Masaka
Mbale
Mbarara
Soroti
Tororo
TANGANYIKA TERRITORY—
Bukoba
Dar-es-salaam
Lindi
Mbeya
Mikindani (Sub-Branch to Mtwara)
Moshi
Mtwara
Mwanza
Shinyanga
Tanga
NORTHERN RHODESIA—
Lusaka
Ndola
SOUTHERN RHODESIA—
Bulawayo
Belmont (Sub-Branch to Bulawayo)
Gwelo
Makokoba (Sub-Branch to Bulawayo)
New Highfield (Sub-Branch to Salisbury)
Salisbury
Umtali

Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.
The Bank issues Letters of Credit and Travellers' Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.
The Bank's Head Office undertakes to act as Executor and Trustee in approved cases.
Savings Bank Accounts are opened.

Bombay Offices: Main Office: 90, Mahatma Gandhi Road, Fort, Bombay 1.
Mint Road Branch: Corner of Mint Road and Sir P. M. Road, Bombay 1.

Is your ceiling a wet blanket ...

... are your floors and walls damp?



Certainly there is no need for them to be so. In fact, why live or work under damp, miserable conditions—why allow your property to deteriorate around you? Have it protected from dampness of ceiling, walls and floors, from acid and alkali action, by Shalimar Tar Stp bituminous based protective materials.

Manufactured in India, applied and guaranteed by

Stp
SHALIMAR TAR PRODUCTS (1935) LIMITED
CALCUTTA • DELHI • BOMBAY • LUCKNOW • CHANDIGARH
Agents: The Bombay Company Private Ltd., Madras-1
R. C. Abrol & Co. (Private) Ltd., New Delhi-1

STP 35

MAHINDRA AND MAHINDRA LIMITED

CHAIRMAN, MR. K. C. MAHINDRA, FORESEES FURTHER CAPITAL DEVELOPMENTS IN THE NEAR FUTURE

PLEA FOR GREATER EFFORTS TO IMPROVE TRANSPORT FACILITIES

ADDRESSING the shareholders of Messrs. Mahindra and Mahindra Ltd., at their Thirteenth Annual General Meeting held at the Taj Mahal Hotel, Bombay, on 18th May 1959, Mr. K. C. Mahindra, Chairman, indicated that there would be further capital developments within the ambit of the activities of the Company and its associated groups in the near future. He also referred, among other things, to the transport needs of the country and was apprehensive that, despite the ambitious plan to develop railways and the impetus given to development of road transport, sufficient transport would not be available to move the target productions of both industry and agriculture at the end of the second Five-year Plan. He, therefore, pleaded for greater efforts to improve and enlarge all forms of transport facilities in the country.

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

"I welcome you to the thirteenth annual general meeting of your Company. That in this thirteenth year the Company would report a record level of earnings, is not a concession to any juxtaposition of stars, as perhaps our Hindu shareholders would claim, but it is a reflection of the hard work, selective judgment and constructive enthusiasm of the staff in our various divisions, many of whom are also proud shareholders.

"There was no change in the composition of the Board during the year, but it is sad to note that Raja Maharaj Singh, our respected colleague, ceases to be a Director, for, owing to illness, he does not wish to continue to serve on the Board. To him is due our grateful appreciation for his wise counsels throughout; and we extend to him our best wishes for speedy recovery.

"You have before you a proposal to increase the number of Directors from nine to twelve. In view of the rapid expansion in the activities of the Company, it is desirable that the Board be enlarged; it is also desirable that we continue to receive advice and counsel from men of varied experience in different parts of our country. I hope that you will approve of the proposal and thus extend the area of experience and guidance available for the management of the growing activities of the Company.

Increase in Share Capital

"During the year, the paid-up capital of the Company was increased from Rs. 80 lakhs to Rs. 187 lakhs; the programme for the issue of new capital was smoothly carried out and the support received from our shareholders was indeed gratifying. This large increase in the capital, necessitated by our various projects, enjoins upon the management and the staff the need to expand sales, to enlarge margins of profit through strict vigilance on expenses and ever to maintain a buoyant optimism for the future. The rapidity of expansion has become imperative by growing pressures of planned development. I make no apology for the growth which has enveloped your Company, for I consider it both an essential element of faith as well as consistent with business ideals that there remain in the Managers a continuous look at the future, a persistent glance to the yonder horizons, a corporate philosophy which assumes obligations to support loyally State plans for rapid economic development. In making this general statement I am envisioning further capital developments within the ambit of the activities of your Company and its associated groups in the near future.

"The report of the Directors refers briefly to the proposals for manufacturing one ton 4-wheel drive truck, and David Brown tractors. We expect these schemes to fructify during the year. Your Company is also participating in the expansion of the Otis Elevator Company (India) Ltd.—a company in our associate group which is increasing its capital fourfold and embarking on an ambitious programme for manufacturing various types of lifts required in the country. Few other schemes are under examination.

"The shareholders must have noticed the appropriation this year of a modest sum of Rs. 50,000 towards a research and development fund. This is the beginning of an organised effort to determine, through basic research, the essential adaptability of vehicles and other products to conditions prevailing in our country and through applied experimentation, design and develop something which will suit not merely the operating requirements but cheapen costs in conformity with the low purchasing power of the millions. Sustenance of demand is essential for a programme of growth, and unless the product is within the reach of multiple consumers of moderate means, demand cannot be sustained over the years.

Accounts

"Turning to the accounts, you will notice that additional depreciation, which amounts to about Rs. 2,71,000 over and above the normal permitted under the Income-tax Act regulations, has been provided. This has been done in order to conform to the realities of replacement of some of our fixed assets. A development rebate account appears in the profit and loss account, representing, as stipulated by the Finance Act, 75 per cent. of the amount admissible to the Company for tax reliefs. The provision for taxation for the year is double the amount provided last year, because of the great increase in the gross profits of the Company, being Rs. 71.25 lakhs, as against Rs. 43.10 lakhs last year (before providing for depreciation).

"Reference has been made in the Directors' report to the decline in the volume of turnover in sales and service, from Rs. 24.41 crores to Rs. 17.69 crores. The apparent decline does not give a correct picture, for a substantial quantity of steel imports was arranged through successful bids on tenders which did not require financing. The relative figures are as follows:

(In crores of rupees)

	1957	1958
Sale of steel material purchased and financed ...	18.82	13.65
Sale of steel material (No finance involved)	1.70	7.27

"In view of the changing pattern and incidence of taxation, it is difficult to present a comparable statistical picture of the operating results. It should, however, be gratifying to the shareholders to note that the profit margin on sales and service has more than doubled as compared to the previous year, but the quantum of corporate taxes for the year is also little more than double of what was provided in 1956-57 being Rs. 31.25 lakhs, as against Rs. 15.50 lakhs last year. Nevertheless, the net earnings per equity share have kept pace with increase in the profit margin and considering that the new capital came into service only for one month during the year, the results may be considered highly satisfactory.

Dividend

"As already reported by the Directors, the provisions of Section 23A of the Income-tax Act apply to the Company for this year and accordingly the Directors have recommended payment of a dividend of 22 per cent. per annum (free of tax) on ordinary shares—this percentage must be distributed according to the Act. I do not disguise my reluctance in respect of this dividend, for, at this stage of the Company's development, I feel that cash resources may be conserved to the maximum extent—and particularly in view of our enlarged programme, it is ordinary business prudence to maintain the cash ways and means position in a healthy state. I trust, however, that the shareholders will approve of the dividend recommendations with acclaim and join me in hoping that the future will also bring satisfactory returns.

"Even with increased emphasis on our manufacturing activity and consequent high costs, we have experienced satisfactory results during the last six months of the current year. The application of the American Loan funds towards some of our requirements of both capital goods and current vehicles has resulted in larger allocations and the volume of turnover in the Jeep division shows substantial increase as compared to last year.

"In the Steel Division, we are holding our ground and although orders so far booked indicate a decline in tonnage, this is according to anticipations. Interest is being increasingly diverted to enlarging internal distribution channels. With increasing production of steel in the country, our dependence upon imports will soon diminish and time is opportune for the formulation of a comprehensive policy relating to distribution, controls and prices. The Iron and Steel Controller's organisation, with experience now ranging over both the war and post-war periods, will have garnered sufficient data on the subject and I am sure they will be the first to recognise the technical complexities of steel production and distribution; satisfactory and advance programming of both aspects is a *sine qua non* for effective and maximum yields from the vast amount of capital invested in an industry which is basic for general economic advancement. I make a plea for an early enquiry and decisions in this matter, for hasty judgments and *ad hoc* policy announcements are more likely to retard than improve a rational consumption growth and useful utilisation of both plants and products.

Automobile Industry

"Of interest to the automobile industry several exciting things have happened during the year. The most momentous event was the very comprehensive enquiry into road transport, whose report is now receiving the attention of the Government. In my address to you last year I urged speedy development of an extensive road haulage service and submitted for discussion a proposal to ensure the production of requisite volume of trucks and trailers, on the one side, and the design for financing this development, on the other. Transportation as the conveyor belt of industry assumes greater importance as the emphasis on agricultural activity and the drive to produce more of each crop gain momentum. The movement factor of such growth in production, therefore, needs immediate attention. In this context, it looked rather odd to me that the Railways Ministry would ascribe temporary fall in their earnings to increased competition from road services, implying that a curb be placed on such activities. With the best will in the world and even after completing the very ambitious Railways Plan, which would absorb more than 25 per cent. of the second Plan expenditure and with whatever impetus is given to development of road transport, I remain apprehensive, in that there will not be sufficient transport available to move the target productions of both industry and agriculture at the conclusion of the second Five-year Plan. More detailed efforts are, therefore, necessary in the direction of improving and enlarging transport facilities all round.

Defence Ministry's Decision

"Another event which caused considerable excitement was the decision taken by the Ministry of Defence to commence production of certain types of trucks and vehicles for their own requirements; thereby threatening to curtail the scope of the market for similar vehicles presently being produced in several existing factories. The decision was explained on the ground that the present commercial producers have been very tardy in their programme of manufacture; that their prices are too high; that there was spare plant capacity in the ordnance factories; that the Defence Ministry desired to become self-sufficient in respect of its major requirements. I am not in a position to apprise properly the various comments which have been made on this policy, but would like to draw attention to the apparent lack of co-ordination between the Ministry of Defence and Ministry of Commerce and Industry. The latter regulates and controls the development of the automobile industry and a policy resolution on the subject announced in 1956 took the comprehensive view that the industry was being placed in the 'protected' category and it was desired that the manufacturing programme of the several units should be rationalised and speeded up. The report of the Tariff Commission, submitted in October 1956, which formed the basis for the policy resolution, contains an exhaustive review of the difficulties in respect of manufacture and of demand, of high local costs and relatively large capital needs. The smallness of the demand for motor vehicles engaged the attention of the Tariff Commission and I reckon that the recommendation to co-ordinate civilian and military requirements was made specifically for the purpose of ensuring a larger volume to the producers, which alone can form the base for reduced costs of production. In this context, the decision of the Defence Ministry means subtraction of an important part of the demand from the general volume which, to that extent, will diminish the incentive to lowering of prices. At the same time, it is axiomatic that the ordnance factories with their limited volume will not be able to achieve production at any lower cost level.

"Another event which has exercised enough comment has been the Government intrusions in respect of distribution and prices. The restrictions on imports which the industry began to feel from September 1957 have continued, with the result that fewer and fewer automobiles became available and a black or grey market has developed in this respect. I am glad that this position is not applicable to jeeps and allied vehicles for supplies have been fairly well maintained and distribution channels adequately supervised.

Controls At Wrong Points

"It is a notorious comment that 'Government have a habit of applying controls at wrong points of the supply line or of applying them piecemeal and half-heartedly.' This is as true of automobile regulations as of foodgrain policy. There is no cure where demand outreaches supply, except the pumping in of more supply or strictly regimented rationing of available supply. I do not see any practicable solution to the emergent black market and skyrocketing of prices, except a bold decision by the Government to bring in the country a sizable volume of cars and trucks. This expenditure on foreign exchange can be amply justified for curing the imbalance which has developed and which threatens to upset the delicate price structure already under severe pressure of inflationary forces. The Tariff Commission of 1956 considered this matter of short supply and price controls. They came to this firm conclusion:—

> 'It might appear that in the absence of price controls, the current shortage ... may lead to an excessive rise in prices. We are of the opinion, however, that even this possibility does not justify the present system of price control. . . . It is the shortage which creates opportunities for an excessive rise in prices and the correct remedy is to take measures to relieve the shortage. So long as the shortage persists a system of price control which prevents only the manufacturer from charging excessive prices cannot protect the consumer against exploitation by dealers and middlemen.'

"I commend this conclusion to the Government.

People's Car

"Another event of considerable import to the automobile industry was the announcement of a seven-man committee presided over by Mr. L. K. Jha to examine the possibility of producing a more economic car for the common man, that is, a low cost car within the price range of Rs. 5,000 to Rs. 7,000. It is stated that the Committee will examine various models of such cars that have been developed in different countries and suggest ways and means of manufacturing such a car in India. I welcome this move, as two years ago, I advocated exploration and research toward building a 'people's car.' I hope that the dreams will soon materialise and that the Committee would arrive at the conclusion that something should be done, and done quickly, to produce in the country what a person of small means can afford. You want a vehicle which will go and reasonably go anywhere, a vehicle which will suit the conditions of locomotion and roads available, a vehicle which is simple to operate and easy to service. Cost factor is, of coarse, most important for the people's car as for other vehicles and costs can be brought down only by volume production. There is no other way.

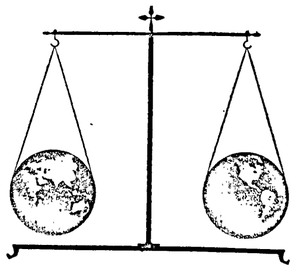
"As a start, the Government may consider licensing the import of, say, 2,000 small cars of approved make whose ultimate manufacture is being designed by the Jha Committee, on condition (*a*) that the retail price must not exceed 5 per cent. over landed cost, and (*b*) that the importer should bring in with each consignment equivalent of 5 per cent. worth of spare parts. The import of 2,000 cars will also help in relieving the pressure on prices of vehicles.

"In addition to the problems of production of a low cost vehicle which will engage the attention of the Jha Committee, I suggest that consideration be given to provide facilities for the present manufacturers to devise ways and means to increase their volume of production. One sure way is to permit them to experiment on different models with various combinations of functional components of the basic vehicle each is producing. I submit this as one of the measures which will reduce the costs of production and enable retail prices to be brought down.

"I have pleasure in reporting that a five-year agreement was signed last week with the union representing the workmen and members of the staff. This was made possible after a very exhaustive joint study and analysis of the various jobs, and through the goodwill and co-operation extended by the representatives of the union. This agreement, I am sure, will provide an incentive to attaining higher productivity.

"This has been a good financial year for the Company. In my opening remarks I have paid tribute to the management and the employees of the Company for the fine results. I am sure they will not rest on their laurels and will continue to give ungrudging service with readiness and enthusiasm and sense of layalty of which you and I should be proud. Join me in saying thank you to them, one and all."

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



In both hemispheres...

. . . there are businessmen, and in both hemispheres there are banks. This is all very well as far as it goes, but contact between east and west is a different matter, and one of great and growing importance. That is where The Hongkong and Shanghai Banking Corporation comes in. Providing a complete banking service throughout south and east Asia, we also enable the businessman in that half of the world to contact his opposite number in the other. In both hemispheres you will receive excellent service from the biggest bank established by the Far East for the Far East.

THE
HONGKONG AND SHANGHAI
BANKING CORPORATION

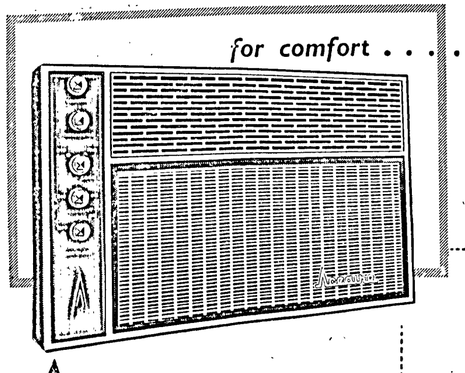
HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

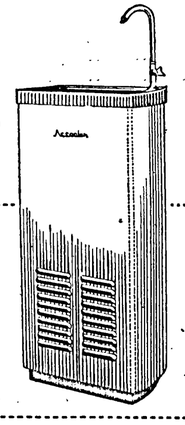
BOMBAY CALCUTTA

Offices in Europe and the United States and throughout the Far East.

for comfort . . . and efficiency



accooler
WATER COOLERS



- Constant supply of hygienically cool water
- Rust-proof cabinet
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Accaire AW-102 (A.C.) DW-102 (D.C.)
WINDOW-TYPE ROOM AIRCONDITIONER

- Low upkeep cost
- Silent operation
- Trouble free service
- One year guarantee

Well-organised Service Dept. at your command

AIR CONDITIONING CORPORATION PRIVATE LTD.

CALCUTTA BOMBAY NEW DELHI

* Bombay Garage Private Ltd., Bombay, Tel: 77121 * Parekh & Modak, Bombay, Tel: 253171 * Bombay Garage (Poona) Private Ltd., Poona, Tel: 3023 * Bakubhai Ambalal Private Ltd. Ahmedabad, Tel: 51001 * Bombay (C. P.) Private Ltd., Nagpur, Tel: 2108 * Bombay Garage (C. P.) Private Ltd., Jabalpur, Tel: 91 * Bombay Garage (Rajkot) Private Ltd., Rajkot Tel: 63 * Obul Reddy (Madras) Private, Madras, Tel: 84830.

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

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

A licence has been obtained from the Central Government for the establishment of this new Industrial Undertaking in Ramtek Tehsil, Dist. Nagpur (Bombay) of which a copy is open to Public Inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence the Government of India do not take any responsibility for the financial soundness of this Undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

A copy of this Prospectus having attached thereto the documents referred to hereafter has been duly delivered for registration to the Registrar of Companies, Bombay, as required by Section 60(2) of the Companies Act 1956.

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

The Subscription List will open at the commencement of Banking Hours on the 30th day of May 1959, and will close at the close of Banking Hours on the 6th June 1959, or later at the discretion of the Directors.

In the event of the Shares being subscribed in full, the Directors reserve the right to close the Subscription List earlier than the 6th June 1959, but not earlier, in any case, than the 3rd June, 1959.

KHANDELWAL FERRO ALLOYS LIMITED

(INCORPORATED UNDER THE COMPANIES ACT 1956)

SHARE CAPITAL

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

Divided into :

(1) 1,50,000 Equity Shares of Rs. 100 each .. .. Rs. 1,50,00,000
(2) 1,00,000 7½ per cent. Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each 1,00,00,000

Rs. 2,50,00,000

ISSUED

(1) 1,00,000 Equity Shares of Rs. 100 each .. .. Rs. 1,00,00,000
(2) 50,000 7½ per cent. Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each 50,00,000

Rs. 1,50,00,000

No Shares will be issued for consideration other than cash.

Out of the above issue of Rs. 1,50,00,000, the following amounts have already been taken up by the Promoters, the Directors and their friends:—

65,063 Equity Shares of Rs. 100 each .. .. Rs. 65,06,300

PRESENT OFFER

The present issue, which is offered for public subscription at par, consists of the balance of Rs. 84,93,700 Capital, as follows :—

(1) 34,937 Equity Shares of Rs. 100 each .. .. Rs. 34,93,700
(2) 50,000 7½ per cent. Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each 50,00,000

Rs. 84,93,700

The entire issue of Preference Shares has been jointly underwritten as under :—

		Rs.
1.	Messrs. Industrial Finance Corporation of India ..	37,50,000
2.	Messrs. P. R. Subramanyam	7,50,000
3.	Shri S. V. Bhavnani	5,00,000
	Rs.	50,00,000

In the opinion of the Directors, the resources of the said Underwriters are sufficient to discharge their respective underwriting obligations.

The amount payable in respect of shares comprising the present offer are as follows :—

	Preference Shares	*Equity Shares*
With application	Rs. 25 per share	Rs. 25 per share
On Allotment	Rs. 25 per share	Rs. 25 per share

The balance of Rs. 50 in respect of each Preference Share shall be payable in such calls as may be determined by the Directors, provided that no call shall exceed the sum of Rs. 25 per share and that prior notice of at least 30 days shall be given in respect of each call and there shall be a minimum interval of one month between any two calls.

The Directors do not propose to call the balance of Rs. 50 on Equity Shares at least for a period of two years.

MINIMUM SUBSCRIPTION AND FINANCIAL REQUIREMENTS

The minimum subscription in respect of the present offer on which the Directors will proceed to allotment is Rs. 50,00,000.

The financial requirements of the Company are comprised of :—

		Rs.
1.	Cost of Land and Building	47,00,000
2.	Cost of Imported Machinery including erection at site	68,00,000
3.	Brokerage, Underwriting Commission and Preliminary expenses	3,00,000
4.	Working Capital	32,00,000
	Total .. Rs.	1,50,00,000

The Refinance Corporation for Industry Private Limited have been pleased to sanction a loan of Rs. 40,00,000 for meeting the immediate requirements of Capital expenditure, through The Chartered Bank after the scheme having been thoroughly scrutinised and found sound both by The Chartered Bank and The Refinance Corporation for Industry Private Limited.

CHAIRMAN

Sir A. RAMASWAMI MUDALIAR, K.C.S.I., D.C.L. (Oxon), Industrialist, India Steamship House, 21, Old Court House Street, Calcutta.

Chairman of: India Steamship Co., Ltd., Calcutta, Lionel Edwards (Private) Ltd., The Indo-Commercial Bank Ltd., Madras, The National Newsprint and Paper Mills Ltd., T.I. Cycles of India Ltd., Madras, National Rolling and Steel Ropes Ltd., Calcutta, The Ashok Leyland Ltd., Madras, The Carborundum Universal Ltd., Madras.

Director of: The Industrial Credit and Investment Corporation of India Ltd., Bombay, The National Insulated Cable Co., Ltd., The Gwalior Rayon Silk Manufacturing (Weaving) Co., Ltd., The National Industrial Development Corporation of India Ltd., Hindustan Motors Ltd., West Bengal Development Corporation, Aluminium Corporation of India Ltd., Calcutta, Guest, Keen, Williams Ltd., Calcutta and National Insurance Co., Ltd., Calcutta.

DIRECTORS

Shri RAMPRASAD KHANDELWAL, J.P., Industrialist, Khandelwal Bhavan, 166, Dr. Dadabhai Naoroji Road, Bombay 1.

Director of: Khandelwals Ltd., London, K. A. Export Corporation, New York, Khandelwal Brothers Private Ltd., Calcutta, Khandelwal Udyog Private Ltd., Khandelwal Industries Private Ltd., Sind Regd. Stockholders Association Private Ltd., Bombay Steel Supplies Private Ltd., Sarvodaya Commercial Corporation Private Ltd.

Shri KAMALNAYAN JAMNALAL BAJAJ, M.P., Industrialist, Bhagwati Bhuvan, Carmichael Road, Bombay 26.

Chairman of: Mukand Iron and Steel Works Ltd., Radio Lamp Works Ltd., Bachhraj Factories Private Ltd., Bachhraj Kheties Private Ltd.

Managing Director of: Bachhraj & Co. Private Ltd.

Director of: Dalmia Cement Ltd., Dalmia Cement (Bharat) Ltd., Delhi Cloth and General Mills Co., Ltd., Ganganagar Sugar Mills Ltd., Hindustan Housing Co., Ltd., Hindustan Sugar Mills Ltd., Jaipur Spinning and Weaving Mills Ltd., Orissa Cement Ltd., Oudh Sugar Mills Ltd., Pulgaon Cotton Mills Ltd., The Punjab National Bank Ltd., Sassoon and Alliance Silk Mills Co., Ltd., Sindhu Resettlement Corporation Ltd., The Sirsilk Ltd.

Shri BEHARILAL KHANDELWAL, Industriallst, 33, Netaji Subhas Road, Calcutta 1.

Director of: Khandelwal Bros. Private Ltd., Calcutta, K. A. Export Corporation, New York, Khandelwals Ltd., London, Frank Ross & Co., Ltd., Calcutta, Khandelwal Udyog Private Ltd., Bombay.

Mr. DAVID STEWART, General Manager (Retd.), The Chartered Bank, London, Trosley, Chislehurst, England.

Shri SHREENATH KHANDELWAL, Industrialist, Khandelwal Bhavan, 166, Dr. Dadabhai Naoroji Road, Bombay 1.

Director of: Khandelwal Laboratories Private Ltd., Khandelwal Mining and Ores Private Limited, and K. A. Export Corporation, New York.

Mr. R. J. EAGLE, A.C.A., Broadmade House, Panton Street, London W-1.

Director of: Studio Holdings Trust Limited, Jack Buchanan Productions Limited, S.T.H. Limited, Anglofilm Limited, Craft Films Limited, Favoured Films Limited, J. Hicks and David Smith Limited, Hicks Smith and Edgar Limited, Transocean Films Limited, G.T. West Film Productions Limited, Steel and Metal Merchants Limited, Mersham Productions Limited, Romana Films Limited, Classic Film Productions Limited, Mark Marvin Productions Limited, Drungswick Manor Limited, Acropolis Limited, Garden House Property Limited, Phyllis Calvert Limited, Romanella Limited, Gem Film Productions Limited, Zelco Limited, Jack Macgowran Limited, Delphi Productions Limited, Lindsay Galloway Limited, Communico Limited and Martin Films Limited.

Shri PREMNATH KHANDELWAL, B.Sc. (Hons.), Bar-at-Law, Industrialist, Khandelwal Bhavan, 166, Dr. Dadabhai Naoroji Road, Bombay 1.

Director of: Khandelwal Udyog Private Ltd., Khandelwal Industries Private Ltd., Khandelwal Laboratories Private Ltd., Khandelwal Mining and Ores Private Ltd.

Mr. H. T. NIBLETTE, Merchant, 15, Park Row, New York 38, N.Y.

MANAGING AGENTS

MESSRS. KHANDELWAL INDUSTRIES PRIVATE LIMITED, "Khandelwal Bhavan," 166, Dr. Dadabhai Naoroji Road, Bombay 1.

GENERAL MANAGER

SHRI K. SADAGOPAN, B.A. (Hons.), I.R.A.S. (Retd.), (formerly Chief Administrative Officer, Integral Coach Factory, Perambur), 67, Mall Road, Kamptee, Dist. Nagpur.

BANKERS TO THE ISSUE

1. THE CHARTERED BANK, Bombay and Branches.
2. THE CENTRAL BANK OF INDIA LTD., Bombay and Branches.
3. THE PUNJAB NATIONAL BANK LTD., Bombay and Branches.
4. THE ALLAHABAD BANK LTD., Bombay and Branches.

LEGAL ADVISERS

MESSRS. MATUBHAI JAMIETRAM AND MADAN, Lentin Chambers, Dalal Street, Bombay 1.

AUDITORS

MESSRS. A. F. FERGUSON & CO., Chartered Accountants, Allahabad Bank Building, Apollo Street, Bombay 1.

MESSRS. S. B. BILLIMORIA & CO., Chartered Accountants, 113, Mahatma Gandhi Road, Bombay 1.

UNDERWRITERS

(1) MESSRS. INDUSTRIAL FINANCE CORPORATION OF INDIA, Parliament Street, New Delhi.

(2) MESSRS. P. R. SUBRAMANYAM, Members, Bombay Stock Exchange, 70A, Stock Exchange Building, Apollo Street, Fort, Bombay 1.

(3) SHRI S. V. BHAVNANI, New Stock Exchange Building, Bombay 1.

REGISTERED OFFICE

"KHANDELWAL BHAVAN," 166, DR. DADABHAI NAOROJI ROAD, BOMBAY 1.

The Company was incorporated on the 7th January, 1958. The Directors have filed with the Registrar of Companies, Bombay, a statement in lieu of Prospectus and received the Certificate for Commencement of business on the 23rd June, 1958.

AUDITORS' REPORT

In accordance with the provisions of clause 24 of Part II of Schedule II of the Companies Act, 1956, we report, that the accounts of Messrs. Khandelwal Ferro Alloys Ltd., have not been made up at any time since the incorporation of the Company.

A. F. FERGUSON & CO.,
S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY:
Dated: 24th April, 1959.

CONSENT

The consent in writing of the Directors, Auditors, Bankers, and Legal Advisers to the Company to act in their respective capacities has been obtained, and has been filed with the Registrar of Companies, Bombay, and none of them has withdrawn the consent given.

RIGHTS OF PREFERENCE SHARES

The Preference Shares shall confer on the holders thereof the right to a fixed cumulative preferential dividend at the rate of 7½ per cent. per annum free of Income-tax on the Capital for the time being paid-up thereon; and also the right in the event of a winding-up to a preferential payment of the paid-up Capital and all arrears of dividend, if any, whether earned, declared or not, upto the commencement of winding-up, in priority to the Equity Shares, but shall not confer any further rights to participate in the profits or assets of the Company.

TERMS OF REDEMPTION OF PREFERENCE SHARES

The Company shall have the right after five years from the date of issue of such preference shares to redeem at par from time to time all the said Preference Shares, or such of them by drawing lots, as the Directors of the Company may from time to time decide after giving six months' previous notice in writing in that behalf addressed to the holders of Preference Shares to be redeemed. All outstanding Preference Shares, if any, shall be redeemed within 10 years from the date of issue.

POWER OF BOARD TO REFUSE REGISTRATION OF TRANSFER

The Board may without assigning any reason, but subject to the right of appeal conferred by Section 111 of the Companies Act, 1956 decline to register any transfer of shares or debentures upon which the Company has a lien, or of shares which are not fully paid-up.

OBJECTS

The main object of the Company is to establish a Plant at Kanhan, Ramtek Tehsil, Dist. Nagpur, Bombay State, for the production of standard grade High Carbon Ferro-Manganese and other Ferro-Alloys complementary to Ferro-Manganese production and such other Products as could be manufactured in the Plant.

The Company's present scheme is to install a plant for the manufacture of Ferro-Manganese with an installed capacity of 30,000 tons per annum.

All the objects of the Company are in law main objects and therefore a copy of the Objects Clause of the Company's Memorandum of Association forms part of this Prospectus.

PROSPECTS

Ferro-Manganese, an indispensable alloy for the manufacture of steel, is produced from Manganese Ore. India has rich deposits of Manganese Ore and is a leading supplier of Manganese Ore to countries engaged in Steel Production, particularly the United States of America, Japan, United Kingdom, Germany and Belgium. India's Manganese trade has so far been confined to the export of raw Manganese Ore only. In the Second Five-Year Plan, Government have recognised the need for developing this industry and have assigned it high priority. Accordingly, licences aggregating to a total capacity of about 160,000 tons have been issued to about half a dozen Industrial Units. Of this capacity, about 60,000 tons would be required for indigenous steel production by the end of the Second Five-Year Plan. The balance capacity 100,000 tons has been sanctioned by Government for purposes of promoting exports and earning valuable foreign exchange, although in due course more and more of the output will be consumed in the country with the increase in indigenous steel production. The Promoters of the Company have considerable experience as Exporters of Manganese Ore and Importers of Steel and have wide contacts in the world markets for Ferro-Manganese.

PLANT AND MACHINERY

The Company has entered into an Agreement for the supply of Plant and Machinery on deferred payment terms with the well-known firm of Messrs. Elektrokemisk A/S, Oslo, Norway, whose several similar plants are successfully running in this country. The suppliers of machinery have also agreed to give technical assistance for the installation and commissioning of the Plant and the training of the Company's personnel. They have also executed a Performance Guarantee for the production of Ferro-Manganese of the required quality and quantity. This agreement and the Performance Guarantee are open for inspection at the Registered Office of the Company during office hours.

The Company has arranged for the guarantee (of deferred payments required by Messrs. Elektrokemisk) to be provided by The Chartered Bank, Bombay.

RAW MATERIALS

With regard to the availability of the Principal Raw Material, viz., Manganese Ore, it may be stated that the site selected, viz., Kanhan, near Nagpur, is situated in the heart of the Manganese Ore Mining Area. According to the Geological Survey Reports of the area, the deposits of Manganese Ore in this area are the largest in the country. The other essential raw material, viz., limestone, is available within a radius of about 20 miles from the plant site. Coke and Coke Breeze are also required for the manufacture of Ferro-Manganese and arrangements are being made to obtain good quality coke from the Coal Controller, Calcutta.

LOCATION

The Plant site at Kanhan is conveniently located 14 miles from Nagpur on the Bombay-Calcutta main line. On one side it is surrounded by the River Kanhan, the other side is the Kanhan Railway Station and on the third side is the Nagpur-Jubbulpore Highway. Therefore it has all the facilities for the transport of raw materials and finished products. Plans are being drawn up for providing railway siding facilities for the economic movement by rail.

LAND

Sufficient land for the construction of the Factory, for the storage of raw materials, provision of internal facilities, water-supply and electric installation and also for the location of staff colony, has been acquired.

ELECTRIC POWER

The Plant will require 15,000 kw. Electricity. Negotiations are in progress with the Bombay State Electricity Board who have agreed to provide the necessary Power Supply. The detailed terms and conditions for the supply are under discussion with the Bombay State Electricity Board, and on the finalisation of the details, the necessary agreement for the electric power supply to the Plant will be drawn up.

PROGRESS OF WORK

The construction work is in full progress. The first consignment of the Plant and machinery consisting of 1,085 packages has also been received at the site. Remaining shipments are due to arrive before September 1959 and the Plant is expected to go into production by early 1960.

SALE OF FERRO-MANGANESE

The Company has entered into an agreement for the sale of the entire output for a period of 7½ years with a minimum guaranteed price for the first 4½ years with one of the biggest Ferro-Manganese dealers in the world. This Agreement is open for inspection at the Registered Office of the Company during office hours.

ESTIMATE OF COST OF PRODUCTION AND PROFITS

Several estimates of Cost of Production of Ferro-Manganese were obtained from reputable Electric Furnace Suppliers, Consulting Engineers, etc. From these estimates taking the highest figure as the cost of production, the profits on a conservative basis are estimated to be in the vicinity of Rs. 50 lakhs per annum on a production of 30,000 tons.

The Company will enjoy the special benefits under the Income-tax Act as regards Development Rebate. In addition, as a new Industrial Undertaking, it will enjoy exemption from income-tax on Profits upto 6 per cent. on the Capital employed for the first five years of the Company's operation.

PRELIMINARY EXPENSES

Preliminary expenses, brokerage and underwriting commission payable by the Company will not exceed Rs. 3,00,000. Actual preliminary expenses upto the date of commencement of business of the Company were paid by the Promoters, Messrs. Khandelwal Brothers Private Limited, and Ramprasad Beharilal and Sons.

BROKERAGE AND UNDERWRITING COMMISSION

Brokerage of 1 per cent. will be paid to recognised Bankers or Brokers on allotments made in respect of applications bearing their stamps. An underwriting commission of 2½ per cent. will be paid to the Underwriters.

APPLICATIONS AND ALLOTMENT OF SHARES

Application for Preference and Equity Shares must be made on the respective forms accompanying this Prospectus, copies of which may be obtained at the Registered Office of the Company and from any office of the Bankers and from Messrs. P. R. Subramanyam and Shri S. V. Bhavnani.

APPLICATIONS MUST BE MADE FOR A MINIMUM OF FIVE SHARES OR A MULTIPLE THEREOF.

Applications must be completed in accordance with the directions contained therein and delivered before the closing of the subscription lists to (1) Khandelwal Ferro Alloys Ltd., Khandelwal Bhavan, 166, Dr. Dadabhai Naoroji Road, Bombay 1; (2) Khandelwal Ferro Alloys Ltd., 63, Mall Road, Kamptee (Dist. Nagpur); (3) Khandelwal Ferro Alloys Ltd., 33, Netaji Subhas Road, Calcutta; (4) Khandelwal Ferro Alloys Ltd., "Hauz Kazi," Delhi 6; (5) The Chartered Bank, Bombay and Branches; (6) The Central Bank of India Ltd., Bombay and Branches; (7) The Punjab National Bank Ltd., Bombay and Branches; (8) The Allahabad Bank Ltd., Bombay and Branches; (9) Messrs. P. R. Subramanyam, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay 1, or (10) Shri S. V. Bhavnani, New Stock Exchange Building, Apollo Street, Fort, Bombay 1.

Where no allotment is made the deposit will be returned in full and where the number of shares allotted is less than the number applied for, the balance deposit will be applied towards the amount remaining payable on the shares allotted and any balance thereafter remaining will be returned. The Directors reserve the right to refuse any application wholly or in part without assigning any reasons. Failure to pay any amount on shares allotted when due will render the previous payment liable to forfeiture.

The shares when issued will be subject to the Memorandum and Articles of Association of the Company, a copy of which can be inspected at the Registered Office of the Company during office hours.

The Share Certificates will be issued within three months of the date of allotment.

Bombay dated 15th May, 1959.

THE MITSUI BANK LIMITED

(INCORPORATED IN JAPAN WITH LIMITED LIABILITY)

BALANCE SHEET OF BOMBAY BRANCH AS AT 31st DECEMBER, 1958

31st December, 1957		CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.	31st December, 1957		PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
Rs.	Rs.				Rs.	Rs.			
20,30,806		1. Capital— Deposit with Reserve Bank of India under Section 11(2) of the Banking Companies Act, 1949	20,97,066.66			3,63,260	1. Cash— In hand and with Reserve Bank of India and State Bank of India (including foreign Currency notes) ..		6,31,495.09
	Nil	2. Reserve Fund and Other Reserves ..		Nil	93,996		2. Balances with other Banks on Current Accounts— (i) In India	2,33,146.93	
43,32,779		3. Deposits and other Accounts— Fixed Deposits	94,97,940.67		25,098	1,19,094	(ii) Outside India	3,501.91	2,36,648.84
Nil		Savings Bank Deposits	Nil		Nil	Nil	3. Money at Call and Short Notice		Nil
60,98,686		Current Accounts, Contingency Accounts, etc.	13,65,052.29				4. Investments (At cost)—		
	1,04,31,465			1,08,62,992.96			(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	5,00,700.00*	
36,00,000		4. Borrowings from other Banking Companies, Agents, etc.— (i) In India	14,00,000.00		Nil		(ii) Shares	Nil	
Nil		(ii) Outside India	Nil		Nil		(iii) Debentures or Bonds	Nil	
	36,00,000			14,00,000.00	Nil		(iv) Other Investments	Nil	
		PARTICULARS— (i) Secured (by bills discounted) ..	Nil		Nil	Nil	(v) Gold	Nil	5,00,700.00
		(ii) Unsecured	14,00,000.00				(* Market value Rs. 5,00,250)		
			14,00,000.00				5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	57,625	5. Bills Payable		14,011.72	97,09,441		(I) Loans, Cash Credits, Overdrafts, etc. Rs. nP.		
		6. Bills for Collection being Bills Receivable as per contra—			Nil		(i) In India .. 1,11,49,939.39		
Nil		(i) Payable in India	Nil		97,09,441		(ii) Outside India Nil	1,11,49,939.39	
Nil	Nil	(ii) Payable outside India	Nil	Nil			(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments): Rs. nP.		
	3,57,720	7. Other Liabilities— Head Office and Branches Outside India		34,20,945.55	37,85,037		(i) Payable in India 55,806.27		
	4,049	Rebate On Bills Discounted		Nil	3,28,179	1,38,22,657	(ii) Payable outside India .. 29,70,462.69	30,26,268.96	1,41,76,208.35
	65,71,019	8. Acceptances, Endorsements and other Obligations per contra		22,29,915.54			PARTICULARS OF ADVANCES—		
1,02,791		9. Profit and Loss Account— Profit for the year (Subject to Taxation)		....	5,52,325		(i) Debts considered good in respect of which the Banking Company is fully secured	5,05,682.57	
					93,92,873		(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security	79,10,100.03	
50,819		LESS—Balance of Loss brought forward		....			(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors..	57,60,425.75	
51,972					38,77,458		(iv) Debts considered doubtful or bad not provided for	Nil	
32,038	19,934	LESS—Profit transferred to London Office		....	Nil	1,38,22,656		1,41,76,208.35	
1,66,70,127		10. Contingent Liabilities— On Outstanding Forward Exchange Contracts .. Rs. 56,36,606.05			Nil		(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons ..	Nil	
		Notes :			Nil		(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents, or in the case of Private Companies, as Members..	Nil	
		(1) No provision has been made for future gratuities to Staff, the liability in respect of which has not been ascertained.			Nil		(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	
		(2) No provision has been made for Taxation since the commencement of the Branch other than the charge this year for advance payments of tax for the assessment years 1958-59 and 1959-60 amounting to Rs. 14,044.17 and tax at source amounting to Rs. 4,852.07 on interest on securities. For the assessment years 1956-57 and 1957-58 the Income-tax Authorities have raised demands aggregating to Rs. 2,02,833.22 against the Branch but these are under appeal.			Nil		(viii) Maximum total amount of advances, including temporary advances granted during the year to Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
					Nil		(ix) Due from Banking Companies ..	Nil	
					Nil		6. Bills Receivable Being Bills for Collection as per contra—		
					Nil		(i) Payable in India	Nil	
						Nil	(ii) Payable outside India	Nil	Nil
							7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		65,71,019
							8. Premises, Less Depreciation		22,29,915.54
									Nil
					66,882		9. Furniture and Fixtures, Less Depreciation— Cost to 31st December, 1957	69,774.92	
					2,893		Additions during the year	46,571.40	
					69,775			1,16,346.32	
					24,522	45,253	LESS—Depreciation written-off to 31st December, 1958	37,437.66	78,908.66
					31,121		10. Other Assets— Stamps, Prepaid Expenses and Rent Deposits		
					89,408		Adjusting Account	12,794.49	
						1,20,529		24,117.64	36,912.13
						Nil	11. Non-Banking Assets acquired in Satisfaction of Claims		Nil
							12. Profit and Loss Account— Balance of Profit as per last Balance Sheet (Subject to Taxation). Rs. nP. 19,933.74		
							ADD—Profit for the year (Subject to Taxation). 54,907.31		
							LESS—Advance Payments of Tax under Section 18A for the Assessment Years 1958-59 and 1959-60.. 14,044.17		
							Tax at source 4,852.07		
							Profit transferred to London Office for the half-years to 30th September, 1958 .. 93,021.97		
								74,841.05	
								1,11,918.21	37,077.16
2,10,41,812		Total .. Rs.		1,79,27,865.77	2,10,41,812		Total .. Rs.		1,79,27,865.77

(Continued in next page)

PRODUCTION OF JUTE GOODS UP

STOCKS WITH MILLS, HOWEVER, DECLINE

THE jute goods market is ruling steady and the middle of last week witnessed a jump in prices of both hessian and sacking, thanks to the speculative activity inspired by the encouraging statistical position of jute goods with mills and reports that Australia was interested in cornsacks, that business in hessian had been concluded with Russia and that Argentina had reappeared as a buyer of low-grade hessian. Much of this rise was, however, wiped out subsequently on selling by mills at higher levels. At the time of writing, ready hessian 40"×10 oz. is being quoted at Rs. 40.40 per 100 yards and ready B. twills at Rs. 94.60 per 100 bags. These rates compare with the high of Rs. 41.20 and Rs. 95.10, respectively, touched last week and Rs. 40.30 and Rs. 94.65 quoted a week ago.

The statistical position of jute goods with mills as at the end of April is somewhat encouraging, in that a rise in production during the month is accompanied by a dwindling of stocks of manufactured goods, though the extent of variation in each case is not very large. The output of jute goods in April aggregated 84,400 tons, as compared with 83,300 tons in March, thus reversing the downward trend in production noted in the previous three months, when it dropped successively from 96,500 tons in December 1958 to 83,300 tons in March. It, however, fell short of the production (88,000 tons) in the corresponding month of 1958 by 3,600 tons, as will be seen from the following table:

(In tons)

	April, 1959	March, 1959	February, 1959	April, 1958
Hessian	38,100	38,100	36,000	30,900
Sacking	37,900	37,200	39,500	50,600
Others	8,400	8,000	7,200	6,500
Total ..	84,400	83,300	83,600	88,000

The increase in production during last month is shared by sacking and miscellaneous constructions, which have gone up by 700 tons to 37,900 tons and by 400 tons to 8,400 tons, respectively while the output of hessian is unchanged to 38,100 tons. Though the hessian production in April is 2,000 tons short of the high of 40.100 tons touched in December last, it represents an increase of 7,200 tons over the year, reflecting the effect of the switchover of the looms from sacking to hessian. This is also borne out by the fall of 12,700 tons in the sacking output over the year. Accordingly, the ratio of hessian output to the total has risen from 35.1 per cent. in April 1958 to 45.1 per cent. in the month under review, while that of sacking has declined from 57.5 per cent. to 44.9 per cent. The production of miscellaneous varieties is at its peak and constitutes 9.9 per cent. of the total, as against 7.4 per cent. a year ago.

The stocks of jute goods with mills as at the end of April show a decline of 1,800 tons, that is, from 106,800 tons to 105,000 tons. This decline is much less than that (4.000 tons) noted at the close of March; nevertheless, with this fall, the declining trend is maintained for the third month in succession. Over the year, the stocks disclose a rise of 7,500 tons, as the following comparative table shows:

Stocks of Jute Goods

(In tons)

	As on 30th Apr., 1959	As on 31st Mar., 1959	As on 28th Feb., 1959	As on 30th Apr., 1958
Hessian	19,600	17,000	15,500	20,400
Sacking	67,800	72,600	79,900	60,200
Others	17,600	17,200	15,400	16,900
Total ..	105,000	106,800	110,800	97,500

Last month's shrinkage has taken the stocks to the lowest level since April 1958. The dwindling of stocks is solely accounted for by sackings, which have gone down by 4,800 tons to 67,800 tons, a level not seen since April last year. At this level, they constitute 64.6 per cent. of the total stocks, as against 67.9 per cent. a month ago and 61.7 per cent. at the close of April 1958. The decline in sacking stocks has to a large extent been offset by the rise of 2,600 tons in stocks of hessian (to 19,600 tons) and of 400 tons in miscellaneous varieties (to 17,600 tons), lifting the former to the highest level since July last and the latter to a fresh peak level. Notwithstanding this increase, the share of hessian stocks in the total, at 18.6 per cent., is less than that a year ago, when it was 20.9 per cent. The stocks of miscellaneous varieties, which had exceeded those of hessian at the end of March, are lower than the latter by 2,000 tons at the close of April.

FORWARD TRADING IN JUTE

The history of forward trading in raw jute and jute goods will take a turn on 1st June next, when forward business will be done on the basis of transferable specific delivery contracts under the auspices of the East India Jute and Hessian Exchange, thus bringing it under the Forward Contracts (Regulation) Act 1952. This is being done with the object of bringing the existing system of trading on the basis of the I.J.M.A. contract forms and the transferable *pucca* delivery order for jute goods by mills under the rules of the only recognised body, namely, the East India Jute and Hessian Exchange.

It will be recalled that futures trading in gunnies and raw jute is being conducted under the auspices of the E.I.J.H.E. with effect from 29th March 1958. The forward business under I.J.M.A. transferable specific delivery contracts was, however, allowed to continue till such time as the necessary by-laws were framed, in order to avoid dislocation of business. The period of exemption was being extended from time to time and the latest extension is due to expire on 31st May. Consequently, as from 1st June, the provisions of Section 15 of the Forward Contracts (Regulation) Act 1952 will apply to all forward contracts. Further, transferable specific delivery contracts in raw jute and gunnies will be illegal with effect from that date, unless they are entered into between, with or through, members of the E.I.J.H.E., Calcutta. The E.I.J.H.E. has framed the necessary by-laws for regulating specific delivery contracts, as also for licensing of brokers. A new chapter has been added in the by-laws to regulate business in *pucca* delivery orders for jute goods by mills as well.

JUTE CULTIVATION IN BURMA

Burma has plans to put some 60.000 acres under the cultivation of jute this year, should the supply of seeds prove sufficient, according to the *Jute Bulletin* of the Indian Central Jute Committee. Of an estimated 30,000 acres planted in 1958, about 15,000 acres are believed to have produced good yields amounting to at least 5,000 tons. The ultimate target is an acreage of 120,000 to yield 40.000 tons of which 24,000 tons will be low grade jute for consumption in the State-owned Burmese mill and the remaining 16,000 tons will be high grade jute suitable for export. On an average, cultivators obtain a net yield of K250 an acre by growing jute, which compares favourably with the present profit rate for paddy.

Experimental growing of jute on the same land as paddy is showing promising results in Burma. The system is to plant jute in April followed by paddy about the beginning of September, planted while the jute is retting. It is hoped that it will be possible to run a three-crop pattern—jute, paddy, beans—in suitable districts.

REGULATION OF JUTE GROWING IN PAKISTAN

A strict control over the growing of raw jute is to be enforced in East Pakistan. In the course of a Press note issued last week by the East Pakistan Government, the jute growers have been warned that jute or mesta sown without licence or in excess of the licensed quota will be destroyed and the cost of destruction will be recovered from the growers. The Government has also warned that contravention of the regulation restricting the sowing of jute will be punishable with imprisonment ranging up to six months or with fine up to Rs. 350 or with both.

The Government has already ordered a plot-to-plot checking of jute and mesta growing lands by the Jute Regulation Section of the Department of Agriculture and farmers have been asked to destroy their excess production before the inspectors come. The Press note added that 14th May was the last day for issue of licences for growing raw jute.

PLANTING BRIEFS

The Government of India has authorised the Tea Board to make an interim release of tea export quota for 1959-60 to the extent of 55 per cent. of the best crop basis of tea estates, pending final notification on export allotment for the year. The first interim release of export quota for the previous year, it may be recalled here, was 50 per cent. (made at the end of May 1958). A further release of 10 per cent. quota was made in mid-June and another 5 per cent. in September, making a total of 65 per cent. till then for 1958-59. This, it may be noted, had already exceeded the export quota (of 63.4 per cent.) for the whole of 1957-58. The larger quota allowed was in line with the Government's policy of increasing exports of all commodities in order to earn the much needed foreign exchange. In January 1959, the Government made a final release of 2 per cent., making a total for the year of 67 per cent. of the best crop basis. This was equivalent to about 494.5 million lbs. as compared with 460.1 million lbs. for the 1957-58 season.

* * * *

Tea production in North-east India during April 1959 (the first month of the 1959-60 season) amounted to 19.8 million lbs., which represents an increase of 3.5 million lbs. over that (16.3 million lbs.) in the corresponding month of 1958.

The South Indian tea output in March 1959 recorded a decline from 15.1 million lbs. (in March 1958) to 10.9 million lbs. This has brought the aggregate production during the first three months of the current year to 29.5 million lbs., as against 33.7 million lbs. in the corresponding period of 1958.

Pakistan produced a crop of 3.2 million lbs. in April (the first month of the current season) which compares favourably with 2.5 million lbs. in April 1958. Ceylon's output in March shows a fall from 37.9 million lbs. to 32.8 million lbs. and this has brought the total crop in the first three months of 1959 down, from 102.6 million lbs. to 100.1 million lbs. Indonesia's output up to the end of February amounted to 15.9 million lbs., as against 16.4 million lbs.

THE MITSUI BANK LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT OF BOMBAY BRANCH FOR THE YEAR ENDED 31st DECEMBER, 1958

Previous Year Rs.	EXPENDITURE	Rs. nP.	Previous Year Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP.
5,34,036	1. Interest paid on Deposits, Borrowings, etc.	6,66,630.47	7,15,598	1. Interest and Discount	7,89,237.37
1,91,749	2. Salaries, Allowances and Provident Fund (including salary and allowance of Manager Rs. 48,045.67) (1957 Rs. 42,383 93)	2,28,861.81	2,93,931	2. Commission, Exchange and Brokerage	3,43,330.85
Nil	3. Directors' and Local Committee Members' Fees and Allowances.. ..	Nil	Nil	3. Rents	Nil
53,352	4. Rent, Taxes, Insurance, Lighting, etc.	43,971.26		4. Net Profit on sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	
977	5. Law Charges	3,054.50	Nil		Nil
16,957	6. Postage, Telegrams and Stamps	26,523.15		5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	
1,500	7. Auditors' Fees	2,400.00	Nil		Nil
14,188	8. Depreciation on and Repairs to Banking Company's Property ..	48,631.53		6. Income from Non-Banking Assets and Profit from sale of or dealing with such Assets	
5,249	9. Stationery, Printing, Advertisement, etc.	16,078.88	Nil		Nil
Nil	10. Loss from sale of or dealing with Non-Banking Assets	Nil	Nil	7. Other Receipts	Nil
87,830	11. Other Expenditure (including bank house furniture written-off Rs. 714.50) (1957 Rs. 25,418.64)	41,509.31			
Nil	12. Loss on revaluation of Investments	Nil			
1,02,791	13. Net Profit (Subject to Taxation)	54,907.31			
10,09,529	Total .. Rs.	11,32,568.22	10,09,529	Total .. Rs.	11,32,568.22

We have audited the foregoing Balance Sheet of the Bombay Branch of the Mitsui Bank Limited, as at the 31st day of December, 1958, and also the foregoing Profit and Loss Account of that Branch of the Bank for the year ended on that date.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the proviso to Sub-sections (1) and (2) of Section 211 and Sub-section (5) of Section 211 and Section 227(5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The Accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:—

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Branch so far as appears from our examination of those books;

(c) the Balance Sheet and Profit and Loss Account of the Bombay Branch of the Bank dealt with by this report are in agreement with the books of account;

(d) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts subject to the notes thereon, give the information required by the Companies Act, 1956, in the manner so required for banking Companies and on such basis the said Balance Sheet, gives a true and fair view of the state of the affairs of the Bombay Branch of the Bank as at 31st December, 1958, and the Profit and Loss Account gives a true and fair view of the profit of the Branch for the year ended upon that date.

BOMBAY, 28th March, 1959.

A. F. FERGUSON & CO.,
Chartered Accountants.

ENERGY PROBLEMS OF UNDERDEVELOPED COUNTRIES

IMPORTANCE OF CAREFUL PLANNING STRESSED

A GOOD index of a country's economic prosperity is provided by the total availability of energy supply, the quantum of its utilisation in relation to industrial and other needs, and the terms on which the energy is made available. Indeed, since energy resources are basic to modern production and transport, they largely affect the standard of living itself. It is, therefore, urgent that energy production must be provided before other investments can become effective. This important point is well brought out by the United Nations Secretary-General in his interesting report on energy development in the underdeveloped countries, submitted to the Economic and Social Council at its twenty-seventh meeting held at Mexico City last month. The report is a useful and comprehensive document. It (*a*) reviews the work already done on general energy problems (resources, requirements, trade and prices), conventional fuels, non-conventional energy and electric power, (*b*) analyses the experience gained and the problems encountered in technical assistance, and (*c*) suggests measures considered appropriate for future work. A brief survey is also made of the work of non-U.N. organisations, in terms of their purposes activities and publications.

At the very outset, the report has sought to stress that development of energy production is a lengthy and capital-intensive process, a process for which careful programming is imperative. A reasonably clear picture, in its opinion, must be obtained, for example, of energy requirements and the pattern of demand for energy—as a consumer good and as a factor of production. The changes that followed from development must also be taken into account. Equally necessary are the survey and appraisal of the potential energy resources, for it is only on the basis of these that long-term energy prospects can be evaluated and guidance for specific investment decisions had. Still other factors to be considered are the relative location of resources and demand and the possibilities for trade. The question of prices, too, has to be examined, since prices regulate the supply-demand relationship and influence the selection and combined use of energy sources.

The report notes that prospecting and exploration of energy resources have not proceeded at the same rate in all regions and that several areas are veritable blank on the energy resources map. Geological mapping and mineral fuel prospecting have just begun or are to begin in most underdeveloped regions, while they constitute a continuous process in many countries. Pointed attention has been drawn to the need for introducing more economic analysis into the work of geologists and engineers. This is only as it should be. For how else can mapping and prospecting be directed towards the more economically promising areas and discoveries realistically evaluated in terms of economic development possibilities? What is more, constant progress in methods of exploration and utilisation of conventional and non-conventional resources of energy makes it necessary periodically to reappraise energy reserves.

Viewed thus, the report has done well to suggest that, with the help of a panel of experts and co-operation of world organisations such as the World Power Conference, an effort may usefully be made by the United Nations to develop methods for the economic appraisal of energy resources on a comparable international basis. As an integral part of this step, the recommended principles may be applied in a preliminary presentation of selected energy resources data. An appraisal of world energy resources would subsequently be prepared, with the understanding that it would be revised periodically, say, every five years, in order to incorporate new data and/or new energy resources.

The report has also drawn pointed attention to the need for analysing long-term costs and prices of fuel and power in a number of selected countries with different energy resources conditions and different levels of energy consumption. The importance of such an analysis lies in the fact that costs and prices influence greatly the relative roles of various fuels and power sources. Further, they have a considerable impact on international fuel trade and the orientation of capital investment.

There are several issues pertaining to energy development in the underdeveloped countries which have received either no attention or only negligible attention. The more important of these as listed in the report are: development of remote energy resources in places with inadequate transport facilities; means of satisfying energy requirements where demand is small or widely dispersed; ratio of investments in energy producing and utilising plants in various circumstances or patterns of industrialisation; foreign exchange expenditures entailed at various stages of energy development in countries not manufacturing their own equipment. It is disquieting to learn from the report that the officials responsible for energy development in the less developed countries and the experts called upon to advise them on specific matters lack the economic guidance needed to help them integrate engineering plans into the context of existing economic development conditions.

The report has certainly struck a note of realism when it urges that one appropriate way for the U.N. to help attack the problem of filling the aforesaid gap is the convening of seminars on economic aspects of energy development in which officials of such ministries as public works, power, development and economy would participate. Explaining how the seminars should be conducted, the report observes:

"The success of such seminars naturally depends very largely upon adequate preparation. The latter might be entrusted to the Bureau of Economic Affairs which, in co-operation with the regional offices, would prepare systematic outlines and background papers based, *inter alia*, on experience in technical assistance. The papers thus prepared might in due course be given a wider distribution among still other officials in underdeveloped countries carrying important responsibilities involving the problems in question. Such systematic papers would, in addition, serve as useful material in guiding and briefing technical assistance experts, who usually go forth from industrial countries to advise on technical matters but inevitably have to take the special economic problems of underdeveloped countries into account.

"It is suggested that, in the first instance, emphasis be placed on the economics of electrification in underdeveloped countries. Among the items which the agenda of a first seminar might include are the following: comparative overall capital and operating costs of different electricity producing systems; means of lowering capital costs in electrification; electrification and foreign exchange costs; structure of power consumption and load factor; electricity tariffs; developmental effects of electrification; and organisation of the electric power industry."

The organisation of seminars in the way suggested above will undoubtedly go a long way towards enabling many underdeveloped countries to chalk out suitable plans for the production and utilisation of energy resources. In particular, the results of the seminar will smoothen the work at various levels on energy supply, appraisal, statistics and related problems which "leaves much to be desired" at present. Besides conducting seminars, the U.N. should, as the report rightly urges, undertake a comprehensive survey of the technical assistance rendered by various bodies in the field of energy. Such a survey will not only facilitate co-ordination in the early stages of related energy projects in the underdeveloped countries but also encourage further co-operation.

(*Concluded from next column*)

harbour in three stages, the annual cargo handling capacity being one million tons, two million tons and three million tons, respectively. Even if a deep-sea harbour is developed at Tuticorin, small steamers and lighters, it is suggested, should be loaded and unloaded at the existing wharves and piers and no separate provision need be made for this type of traffic.

The utility of the Council's report would have been greater had it included a rough estimate of the probable capital outlay on the project in the three stages of development. The Council, however, considers that, as a result of the development of the deep-sea harbour, the port of Tuticorin will have an approximate gross income of Rs. 80 lakhs—Rs. 1 crore on one million tons of cargo (at the rate of Rs. 9.81 per ton on an average), not to speak of the financial advantages to the Central Government in the shape of higher exports to foreign countries, quick turnround of ships and avoidance of congestion at Indian ports.

DEEP-SEA HARBOUR AT TUTICORIN

RESEARCH BODY SUPPORTS THE PROPOSAL

THE definite prospects of a marked increase in the volume of exports and imports justify a decision to construct a deep-sea harbour at Tuticorin, now a minor port on the east coast of India in Madras State. This is the view which that well-known independent research body of New Delhi, the National Council of Applied Economic Research (Director-General: Dr. P. S. Lokanathan), has expressed in the report* drawn up by it after a survey of the potentialities of this port. The survey was in response to the request made by the Port Trust of Tuticorin.

Tuticorin has for a number of years earned the distinction of standing first among the intermediate and minor ports of India in respect of the annual volume of traffic handled. The total tonnage that actually passed through the port during 1957-58 was of the order of 700,000. The Council expects that this tonnage would expand to 1.2 million in the next five or six years, as against the Port's present maximum capacity to handle with difficulty 800,000 tons by means of lighters and other facilities. Of the estimated tonnage, exports account for 615 000 tons and imports for 585,000 tons. These estimates are based on the following anticipations:

In order to meet the requirements of cement factories and increased rail movements, additional quantities of coal will have to be imported through Tuticorin. The imports will rise from 200,000 tons at present to 400,000 tons at the end of six years.

With the enlarged production of 400,000 tons of cement at Thalaiyuthu and likely output of 200,000 tons at Sattur, cement exports through Tuticorin will be at least 175,000 tons.

Besides the movement of 150,000 tons of salt to West Bengal and Nepal, another 50,000 tons will be marketed in foreign countries, making a total of 200,000 tons for shipment.

The present volume of trade between India and Ceylon will be higher by 35,000 tons at 90,000 tons.

The existing volume of imported foodgrains and fertilisers (about 35,000 tons and 25,000 tons per annum, respectively) will continue.

There will be a substantial rise in the volume of traffic in raw cotton and exports of cotton yarn, piecegoods and cotton waste.

General cargo exported and imported through Tuticorin to and from Europe, America and South-East Asia amounts to 65,000 tons per annum. If Tuticorin is developed as a deep-sea harbour, a part of the cargo now handled at other Indian ports as well as transhipment cargo will pass through this port.

Other Benefits

Apart from coping with the future increase of traffic, the construction of a deep-sea harbour at Tuticorin will, the Council opines, facilitate various other kinds of new traffic that will materialise. Special mention is made of the port's potential future traffic provided by oils— petroleum, diesel, kerosene and fuel oils. The present consumption of these oils in the hinterland of Tuticorin is put at 150,000 tons which will increase at least by 10 per cent. every year. Moreover, a large quantity of bunkers will be required for steamers calling at the port. After ten years, it may not be possible to discharge the entire oil supplies through the existing major ports on account of heavy enhanced demand for oil all over the country. Again, the trade and the general public in the hinterland of Tuticorin will benefit, when oil will be sold at least As. 2 (12 nP) per gallon cheaper, which should be possible if it is discharged at Tuticorin.

Mention is also made of the demand for handling transhipment cargo arising from extreme congestion at other ports; possibilities of effecting large-scale shipments by the S.T.C. through Tuticorin; prospects for exports of ilmenite ores found in the immediate neighbourhood of Tuticorin, as well as of large quantities of iron, steel and other hardware; and general improvement in the volume of seaborne traffic consequent on the increased living standards of the South Indian people.

If some of the aforesaid developments materialise with the opening of a deep-sea harbour, the Council feels, Tuticorin may be called upon to handle a traffic of two million tons per annum in the course of the next ten years and possibly three million tons in the next twenty years. Accordingly, the Council has suggested the phasing of the construction of deep-sea

(*Continued in previous column*)

**Traffic Survey of the Port of Tuticorin. Asia Publishing House, Contractor Building, Nicol Road, Ballard Estate, Bombay 1. Price: Rs. 5.*

NEW PRODUCTS AND PROCESSES

New Air-powered Pumps

TWO new pumps produced by a North of England engineering company are claimed to be the smallest and lightest air-power-operated portable pumps in the world. The claim is based on a performance comparison basis. The development of the new pumps has resulted from experience gained in the design of portable equipment for coal-mines, and the manufacturers say that the new pumps can be useful in work being done by contractors, civil engineers, public-works authorities, and builders everywhere. The new pumps provide instantaneous starting and built-in silencers. They are simple in design and of robust construction. According to the makers, Blagdon-Durham Ltd., of Framwellgate Works, Durham City, the pumps are completely foolproof and exceptionally long-lasting and have unrivalled output performance in relations to air consumption.

Versatile Engine Using Cheap Fuel

Local supplies of wood, groundnut shells, cotton stripping, elephant grass, and industrial and agricultural waste can be used as fuel to provide steam power at negligible cost from a portable engine demonstrated in Britain for the first time recently. Unskilled operators will be able to manage the engine and raise steam in a matter of minutes with complete safety and minimum attention, E. Reader and Sons Ltd., Phœnix Engine Works, Cremorne Street, Nottingham, England, the manufacturers, claim. Over three years in development, the robust but relatively compact steam generator should prove ideal for use in the remote areas of the world where productive power is required for development purposes. Uses visualised for it include irrigation and other pumping duties, electricity for small workshops and tropical bungalows (10,000 gallons of water could be discharged an hour while about 3 kw. was provided for power and lighting), timber cutting by chain or circular saw, and corn milling.

A New Plastic

A new plastic, Delrin, which is said to be the first with strength properties approaching those of the non-ferrous metals, is to be put into commercial production in mid-1959 by Du Pont. It is a polymer of formaldehyde, developed for use in fields now dominated by die-cast metals. Over 75 per cent. of its potential applications are expected to involve replacement of steel, brass, aluminium and zinc. It is described as extremely rigid without being brittle, tough and yet as resilient as spring steel, and 20 per cent. lighter than magnesium. It can be fabricated by conventional methods on standard plastics processing equipment at mass-production rates and can be screwed, nailed, sawed, drilled, machined, painted, metallised and printed. It will sell initially at 95 cents per pound, subject to reduction as production volume increases. It is expected to lead to finished products costing less than those made of zinc or aluminium. Field tests are said to indicate that the new material would be useful in automobile instrument clusters, carburettor parts, gears, bearings, bushings, door handles and window cranks; in moving parts of clocks, cameras, home appliances, firearms and business machines. It could also be used in components of industrial equipment: in pipe, shower heads, faucet bodies and other plumbing fixtures; and in consumer products ranging from fishing reels to zippers, combs and aerosol bottles.

Automatic Hide Curing System

An automated system for curing hides which is said to require only two days instead of the usual 30 to 60 days has been developed by the International Shoe Company which reports that it is offering it to packers in the interest of maintaining a flow of quality leather to its shoe-making plants. The automated method, it is claimed, can be installed even by a small packer at a total cost of $8,000 or slightly less, and permits use of a curing process in which hides are washed, sterilised and salted in four hours. After 24 to 48 hours of draining, the hides are then ready either for shipment, or storage under conditions similar to storage of meat. Among advantages to packers claimed for the process are reduced inventory of hides, reduced space requirements, and elimination of putrefaction. The new process, it is claimed, should help to stabilise the value of hides by permitting them to be stored without rotting. With former curing methods, packers frequently had to sell hides cheaply to avoid loss from rot.

New Lens for the Partially Blind

With the aid of a new and unique kind of eyeglass, which has lenses similar to the ones used in lighthouses, many thousands of partially blind persons may be able to see again. The lens has already been used successfully by 281 patients. Dr. William Feinbloom of the Optometric Centre in New York City described the new lens recently to a meeting of optometrists, saying that it has a magnification range of from 300 to 2,000 per cent. The lens is made of clear transparent plastic. Its upper sector is a multiple lens system of eight optical surfaces that produce 300 per cent. magnification. The lower sector is a multiple lens system that produces up to 2,000 per cent. magnification for reading. The centre section provides a 120 degrees angle of vision for middle distance sight for use while walking or similar activity where intense magnification is not required. By using the new glasses, it is said, many persons with partial blindness associated with diabetes, cataracts and high myopia have been able to resume many of their normal activities.

All dressed up and nowhere to go...

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Not quite. There's a local festival.

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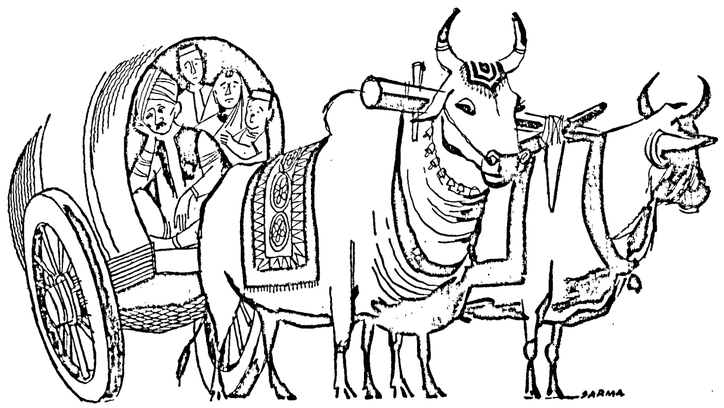

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WOMEN IN INDUSTRY

SOME SPECIAL PROBLEMS

By Dr. J. N. Mongia
UNIVERSITY OF PUNJAB

WORKING women are distinguished from all other industrial workers not by the arbitrary action of those who study their problems but by distinctive attitudes and actions of modern society, including employers, other workers, and women workers themselves. The simple fact is that women workers are generally regarded as a distinctive group in present-day society, as is evidenced by the extensive special legislation affecting their employment. This fact justifies special consideration of female workers and of the effects they exert upon the whole production process.

It has been said that the group of female workers is effectively distinguished from male workers by numerous current attitudes. The most important of them may be described as follows: (1) Western civilisation has until recently assumed that women might work but that their proper occupations were those of the home rather than the factory or the market. Even in recent years, women are frequently regarded as unusual rather than usual in the industrial structure. (2) Particularly because working women have seldom been economically independent, employers have tended to develop an attitude that depreciates the services of women workers. They are often regarded as cheap, easily controlled labour, as distinguished from more expensive and less docile male employees. (3) Many women workers regard themselves as inherently inferior and subordinate to men and thus consider their lesser positions inevitable. They know, in many cases, that they are 'extras,' that they are in industry but not of it, that their status is temporary. Their own conception of their position thus sets them apart from male workers and is probably as effective in achieving this end as is any other condition. (4) There is a rather distinct feeling of competition and opposition on the part of the male workers towards women in industry. It is unquestionably heightened in the industrial situation by the general belief on the part of male workers that women are unfair competitors, that they tend to injure working conditions in industry and to displace men. Overt manifestations of this current attitude are observable in opposition to the admission of women to membership in trade unions.

These current attitudes have left their mark upon the situation in which women workers are employed. Attitudes of the public, for instance, are reflected in legal limitations upon hours and conditions under which women are permitted to work. These characteristics of employers are shown in women's lower wages and in frequent harsh and arbitrary treatment accorded to female employees.

Role of Women

As men, women have always worked. In primitive societies, women workers performed almost as numerous and as varied tasks as did men, although some specialisation early appeared. Generally, this early division of labour was based primarily upon sex differences, and women found household tasks, cooking, the preparation of clothing, and the tending of agricultural patches delegated to them, because they were kept at home by their more intimate relationships with children. In the agricultural stage, this division of labour became more fixed, and the appearance of a class of independent male artisans encouraged its acceptance as customary and proper. Thus, early women workers were not directly competitive with males.

With the coming of factories, this situation was changed, for it was found that women workers were frequently as useful and efficient in certain types of factory production as were the more experienced male artisans of the older handicraft system. While a large proportion of women among labouring classes has continued to perform domestic duties, changes begun by the Industrial Revolution continued in the further development of women workers in manufacturing activities. The fact that women's earnings appeared necessary to the maintenance of working-class families in the early factory period, coupled with the current *laissez-faire* philosophy, forced the conclusion that there was little that anyone could do to prevent women's participation in industrial life or to improve the conditions of such participation.

As the economic status of workers improved in the nineteenth century, however, social approval for industrial employment of women waned somewhat, and it became customary to regard women in industry as socially undesirable and, on the whole, unnecessary. The idea of women's proper function as the home-maker was revived. Older, chivalrous philosophies again appeared; women were replaced upon their former industrial, social and moral pedestals; and their innocence and ignorance were once more made a matter of social idealism.

However, numerous social changes have encouraged their increasing participation since that time. Thus, the expanding use of machinery has continued the levelling process noted as one of the earliest effects of the Industrial Revolution so that women workers have become increasingly valuable in industry. As greater power has been placed at the disposal of each worker, the need for physical strength has lessened accordingly, and the numerous tasks that formerly required brawn, no longer place a premium upon this characteristic. Again, numerous tasks formerly performed in the home have been taken over by factories, laundries and other commercial establishments. Finally, women have been given, in recent years, increasing opportunities for training in successful participation in industry and business management which they have amply availed themselves and made use of.

Feminine Reactions

It must be conceded, however, that a woman's life in a factory is both hard and rough. From this, some have drawn the conclusion, though somewhat hastily, that a factory is no place for a woman, and that the employment of women should be abolished. Even if one wished to take such a step, perhaps it would be impracticable. It should be borne in mind that apart from the fact that women are specially suitable for certain types of jobs, practically two-thirds of women who work in factories do so because they have to, in order to live. In some of the highly industralised countries, the proportion of women with children to support who are single, widowed, divorced, separated or deserted by their husbands is very high. Also, in a working class household, where the husband is a labourer, or a semi-skilled worker, his wife has to work in order to supplement her husband's income and make both ends meet. It is, therefore, impossible to speak lightly about abolishing the employment of women in factories, however good one's intentions may be.

It is also most likely that women themselves will not want this to happen, for there is another factor which must be taken due note of. In recent times, a great upheaval has occurred in the role and place of women in society. There is considerable evidence of the efforts made by the women to enter more fully into the life of society and this tendency, far from diminishing, seems to be gaining in strength. The working woman has not had to fight for a place in industry. Moreover, she has gradually taken her place at the side of man in a number of fields, not excluding politics.

Various Problems

The employment of women in factories is by no means a simple phenomenon. It creates a number of problems some of which are urgently in need of solution when it is borne in mind that home life, the education of children, and the whole moral well-being of the working class depend, in the last resort, on the atmosphere created by the woman worker and the kind of home she makes. The question naturally arises as to whether factory life enables a woman to live and to fulfil herself. If not, what are the basic conditions needed to allow her to do so properly? Are progress and evolution favourable to such a development?

There are numerous questions of social policy that arise out of the employment of women. The most frequently mentioned and the first such problem to awaken popular concern involves the health of women workers and that of their children. A second considers possible effects of employment upon women's morals; and a third involves the effects of employment of women on normal family life.

It appears rather certain that some types of employment are especially unsuitable to the health of women workers. There is reason to believe that their distinctive physical characteristics make them particularly susceptible to certain industrial hazards by which men are much less affected and it is likely, also, that the dangers to subsequent offspring are much greater where women are exposed.

Aside from the fact that women workers may themselves find certain types of employment particularly hazardous, there is the further problem of possible effects of employment upon the health of future generations. Employment of mothers may affect the health of children in many ways. It may occasion a run-down physical condition that shows itself in undernourished infants and in their susceptibility to numerous complaints. It may prevent any actual mothering of children. Evidence of the existence of these hazards is conclusive. Infant mortality rates for children of working women are distinctly higher than those of other children.

A second social problem arising out of employment of women involves possible effects of employment upon morality. Early reformers who attacked objectionable features of the factory system were much impressed by the possibility that industrial employment might cause a general relaxation of moral restraints. A similar problem now arises out of the comparatively low wages of many working women.

One of the more generally recognised social problems is the effect of women's increasing employment upon family life. There are several ways in which the industrial employment of women operates to preclude normal family life. It prevents or encourages postponement of marriage. It appears certain that many women, when they have the opportunity, prefer to secure and retain commercial and industrial positions and the independence thus assured rather than to become dependent upon the earning power of a husband. And, the evidence of the social disorganisation this choice occasions is not difficult to discover. It appears in excessive labour turnover and in general restlessness and instability wherever large numbers of unmarried workers are congregated.

Where women who are employed marry and continue employment, the social consequences may be at least as serious. Industrial workers whose wives are also employed may find no more opportunity for a satisfactory home life than their unmarried fellows. The comparative economic independence of women leads to a less serious evaluation of marital bonds and probably makes divorce more frequent.

Unhappy Homes

Thus, it will seem that making a success of her private and family life is a formidable problem for a working woman. Unfortunately, the kind of high pressure existence she is often forced to lead in the modern world is hardly conducive to the relaxed outlook needed to create a quiet and tranquil home. The factory worker lives on her nerves and sometimes they give way; even when they do not, the result is a tenseness that has a disastrous effect on her husband and children, who look to her for love and affection. This explains why there are so many unhappy homes which in course of time split up completely. When this happens, the woman finds herself alone, facing a bleak future in which she has nothing to give and nothing to receive.

There are numerous economic effects of women's entry into and increasing participation in industry, several of which may be regarded as representing serious social problems.

There is, for instance, the widespread belief that increasing numbers of women workers have forced equal numbers of men out of employment. Growing numbers of working women have increased the total gainfully employed and the proportion of the population that is so occupied. They have contributed to a growing physical volume of production and have caused an increase in the *per capita* productivity of our population. On the other hand, it is evident that, in numerous specific situations, women have taken the places of men, and the latter have been forced to seek employment elsewhere.

At the same time, the more general participation of women has aided in raising living standards by reducing the number of dependents per wage earner or, looked at from another angle, by increasing the number of income receivers per family.

The effect of the more general employment of women that is of most concern to many workers is its tendency, in certain markets, to reduce wage rates. This effect results largely from the fact that the supply of feminine labour is much more elastic than that of male workers. The tendency of women workers to appear in increased numbers at critical economic periods has been frequently noted and is one of the most important aspects of the elasticity of supply that characterises this type of labour. Many women seek employment outside the home only when the earning power of someone—husband, father or brother—upon which they depend is reduced or removed. It is natural, of course, that this condition should frequently appear during times of depression when many other wage earners are similarly affected. In such cases, working women tend to reduce wage rates and to expand employment. In so doing, they may displace males and reduce the marginal productivity and wage rates of labour generally in the markets they invade, but they do, on the other hand, tend to increase employment and encourage business revival, because they offer an opportunity for profitable operations.

It must be recognised, however, that society as a whole gains materially from the work of women in industry and business, just as it gains from any other increase in total productivity. More production permits greater consumption and is reflected in higher material living standards. Hence, efforts to force women workers out of employment on the grounds that there is not work enough for all, that they are taking employment from heads of families, deserve careful critical scrutiny. Generally, their original impetus comes from some groups whose selfish interests stand to gain, rather than from any socially minded source.

Economic Position

The fact that women have entered industry primarily in response to an increased demand for labour should not, however, lead one to the erroneous conclusion that their wages have approximated those of adult males or that their bargaining position has been strong. Indeed, practically all studies show that women's wages are between one-third and one-half lower than those of male workers. The differences in remuneration as between the sexes are, of course, a reflection of the characteristics of women as an economic group. Thus, to the question as to why women's wages, generally speaking, are lower than those of men, the answer is not simple but complex. Among the major ones, the following may be noted.

It is a matter of common knowledge that the average working life of women is shorter than that of male workers, that a large number of them are young and inexperienced persons, and that the consciousness of the impermanence of the individual in industry—despite the permanence and increasing importance of the group—affects profoundly their attitudes and their economic status. Such workers are weak bargainers and frequently their value from the productivity point of view is less than that of male workers.

Employees generally have contended that the output of women, when doing the same work as men, is appreciably less, and there is evidence to support their contention. In part, the low wages of women are to be regarded as a consequence of the fact that they are compelled to enter occupations having a low value output, owing to the more limited range of occupations open to appreciable numbers of them. They are also partly due to the relatively lower output of women, as compared with men, in the same occupations. Also, the women workers are more difficult to organise than men, their tasks require less skill and industrial training and competitions for job is consequently keen among them, with the result that they do not expect wages comparable to those of male employees.

Another fact explaining the low wages of women workers is their relative immobility. Living with the family in many cases, they tend to accept work in the home community rather than to go where better-paying jobs are available.

Moreover, the extreme elasticity of the supply of female labour, in comparison with that of masculine labour, is a factor keeping the wages of women from rising. Often only a slight monetary inducement is necessary to get women to abandon non-industrial home-work and sell their services in factories, etc. Special circumstances, such as the loss of employment by the family's chief breadwinner, may cause women workers to enter industry for whatever they can get.

The general indifference of women workers toward organisation is a matter of common knowledge. Several factors account for the lethargy of women in organising for economic protection and improvement. Not expecting to remain wage earners permanently, they do not take the long-run viewpoint of their position necessary before immediate individual interests can be subordinated to the interests of the group. "The linking of the woman to her home has undoubtedly secured the perpetuation of the family, but it has at the same time created a state of introversion, an interest in her immediate surroundings and herself, which forms a real obstacle to any attempts at trade-union organisation when the woman enters the individual field."*

Finally, in an enumeration of the factors determining the economic status of women workers, mention should be made again of the fact that a great many, living with their families, do not have needs as great as the majority of adult males. Some of those who live at home, have less needs and are willing to work for relatively lower wages. However, in the majority of cases, it is safe to say, their participation in industrial life is due to the insecure economic position of the family. All members have to be supported somehow, and when the father's earnings are insufficient, the family must sell all of its available labour at the market rate. It is in this fact, more than in anything else, that the explanation of the willingness of home-dwelling women to accept very low wages is to be found.

The Future

The woman factory worker of today, who has no vocational training and is, therefore, greatly handicapped as compared with the male semi-skilled worker, is bound to view the future with misgivings. That women have rendered noteworthy service to the industry which was the first one to call women workers is indisputable. But techniques have changed and increasingly advanced machinery, soon to be followed by automation, is replacing and will continue to replace the jobs performed by women factory workers. This has made the future of women industrial workers doubtful. Will efforts be made to make the necessary adjustments?

While the twentieth century has witnessed an improvement in the status of women, it also threatens to reduce millions of women workers to hunger, unemployment and despair. Will the factory women workers, who pioneered the employment of women and are now, in a sense, responsible for the rise in their status throughout the world, be thrown on the scrap-heap in the world of tomorrow?

The employment of women in industry, on which opinions vary according to background, circumstances and viewpoint, confronts the mind and conscience of humanity with a number of serious problems. As a sociological fact, it is, perhaps, one of the most important human issues of the present time. It is not, of course, new, but its results have only unfolded by gradual stages and we now find ourselves confronted with a threefold economic, social and moral problem. Industrial progress and, above all, the future of humanity demand that we should squarely face the far-reaching issue of the status, future and destiny of women, particularly of the women in industry, in the world of tomorrow.—*All Rights Reserved.*

*Theresa Wolfson, *The Woman Worker and the Trade Unions*, page 26.

(*Concluded from next column*)

due as much to careful control as to better rates. Similarly, in the United States, though, as I have said, there have been rate increases there too, the partial recovery shown in 1958, which I believe will continue, reflects to a great extent the strenuous supervision which has been given to all aspects of our operations. We have, for instance, managed in this branch, without, I am sure, impairing the very high standard of service which we provide, to reduce the ratio of our expenses to our premium income steadily but appreciably during recent years. At the same time, our chief concern there, as in Canada, is by the most careful underwriting to maintain, and indeed to improve, the quality of the business on our books. Lastly, we have in both countries set ourselves conservative standards for reserving for our outstanding claims, and have followed an investment policy that has been a constant source of strength."

THE EMPLOYERS' LIABILITY ASSURANCE CORP. LTD.

CHAIRMAN'S STATEMENT

IN the course of his annual statement circulated to the shareholders, Viscount Knollys, Chairman of the Employers' Liability Assurance Corporation Ltd., observes that the Directors are confident that the U.S. and Canada present a vast area of great potentialities and that British insurance can continue to find ample scope for building up business of good quality and showing, in the long run, a reasonable degree of profit.

The following are extracts from Viscount Knollys' statement:

"The total premiums written by the four companies that comprise our group were £41,956,236. This is £3,523,863, or 9.2 per cent., more than they wrote in 1957. All classes of business have gone ahead, but rate increases on motor business in the United States made up a good part of the extra volume written in 1958, and so did the progress of our policy of expanding our fire portfolio there and in other parts of the world. Our trading result for the year, after an underwriting loss of £444,548, was a profit, after taxation, of £381,682, and your Directors recommend the payment of a final dividend of 3s. per share, making, with the interim dividend of 2s. 6d. per share, a total of 5s. 6d. per share for the year, which is the same as last year. We have accordingly provided for the total net cost of this dividend, which comes to £327,500. This leaves the amount of our carry forward at £1,290,377, which is somewhat larger than the amount at which it stood at the end of 1957. The total of our share capital and published reserves now stands at £8,375,994.

"The amount provided for taxation in the profit and loss account is abnormally high in proportion to the profit on which it is charged. This is mainly because the addition to our unexpired risk reserve for 1958 was unusually large, and when this is so, the formula which we have to use in computing our liability to tax operates against us.

"You may remember that, last year, I said that I could offer no great hopes of any rapid improvement in conditions in the insurance market of North America. I am glad to be able to tell you that in Canada the loss we suffered in 1957 was replaced by a good profit for 1958. In the United States, however, my fears were realised and we could not make enough improvement to finish without an underwriting loss, though it was not so severe as that in the previous year.

"We write a great deal of our business in these two countries, and, as I have told you in previous years, your Board is confident that they still present a vast area of great potentialities. Here, British insurance can continue to find ample scope in which to make steady, but satisfactory, progress in building up business of good enough quality to show, in the long run, a reasonable degree of profit. From time to time, both countries have gone through bad phases so far as insurance is concerned, and without any doubt the last two years have been exceedingly difficult for us and others who do business in North America.

"There are two basic ingredients for insurance business to be successful. The first is that rates of premium must be economic and must keep pace with claims experience. The second is that managements must be realistic and progressive. Rates in the United States have generally been increased during the last two years, though some are still well below a satisfactory level, and in many cases the rise has been too little and has come too late. In the State of New York, for instance, increases in rates for third party motor business, which has been compulsory since 1957, have at last been granted, but the amount of them is well below what the companies asked for. They have been made effective from 1st April 1959, and this means that very little of the benefit of them will be felt this year. Moreover, they have come at the end of a period of some eighteen months, in which rates, which were already inadequate, remained so, because the litigation over increases requested for 1958 has been so long protracted that, in fact, no increase was ever granted for that year.

"Turning now to our management in these two branches, I can assure you that steps have been, and are being, taken to cope with the grave difficulties with which we have been faced. The improvement which I have mentioned in our Canada Branch has been

(*Continued in previous column*)

WORLD SOCIAL STATISTICS

POPULATION—CONSUMPTION—HOUSING—RADIOS

WORLD population has increased at an annual rate of 1.6 per cent. since 1950; deaths of infants under one year per thousand births have drastically fallen in the last decade. The proportion of private consumption expenditure devoted to rent has been greatly reduced in many countries since 1938. In the less-developed countries, the commonest type of dwelling consists of one to two rooms, while, in six countries—Australia, Canada, Netherlands, New Zealand, United Kingdom and the United States—dwelling of over five rooms comprise half or more of all dwellings. In the majority of countries, the number of medical doctors has increased. It is estimated that there were 64 million television sets in use in the world at the end of 1957 of which 50 million of these were in North America. These are among the facts and figures revealed in statistics in social and cultural fields contained in the 1958 issue of the *U.N. Statistical Yearbook* published a few weeks ago.

This tenth issue of the *U.N. Statistical Yearbook** was prepared by the Statistical Office of the United Nations with the active co-operation of the statistical authorities of some 150 countries and territories and with the assistance of the United Nations specialised agencies and other inter-governmental bodies. The 187 tables of this bilingual (English and French) volume also include international statistics on economic and financial subjects, generally covering the immediate pre-war period, 1938; and some seven most recent years.

World Population

The population of the world was estimated to have been about 2,795 million in mid-1957, as compared with 2,493 million in 1950, an annual rate of increase of 1.6 per cent. World population is estimated to have been 2,246 million in 1940, 2,013 million in 1930 and 1,810 million in 1920.

Asia (excluding U.S.S.R.), with an annual rate of increase close to the world rate, is the continent with the largest population, accounting for almost 56 per cent. of the world total in mid-1957. Europe (excluding U.S.S.R.), with the lowest annual rate of increase (0.7 per cent.), is the most densely populated continent, while Oceania, with the highest rate of increase (2.2 per cent.), is the least densely populated. The population between 1953 and 1957 declined in a very few areas, notably East Germany, at an annual average rate of 0.9 per cent., East Berlin 1.3 per cent. and Ireland 0.5 per cent.

The continental distribution of the estimated mid-1957 population and the corresponding population density and annual rate of increase were as follows:

	Population (in millions)	*Density per sq. km.*†	*Annual rate of increase* 1950-57 %
World ...	2,795	21	1.6
Africa ...	225	7	1.8
America (North and South) ...	381	9	2.1
Asia‡ ...	1,556	57	1.8
Europe‡ ...	414	84	0.7
Oceania ...	15.4	2	2.2

† 1 square kilometre=0.386 square miles.
‡ Excluding U.S.S.R.

Infant Mortality Rates

The table on infant mortality rates (i.e., number of deaths of infants under one year per 1,000 live births) is limited to some 90 countries and territories for which complete or virtually complete registration data exist. During the last decade (1957 compared to 1948), these rates, which largely reflect levels of health and living conditions, have shown a sizable reduction in all areas of the world.

Among the countries with the highest rates in 1948, the infant mortality rate in 1957 declined from 186.2 to 75.1 in Mauritius; from 147.0 to 117.2 in Chile; from 142.7 to 82.1 in Rumania; from 117.4 to 100.5 in Guatemala; from 111.1 to 76.9 in Poland and from 100.4 to 87.0 in El Salvador.

For several countries, there was an increase in rates in 1957 over the previous year when the low rate of the decade had been reported (rates for 1956 in parenthesis): Mauritius 75.1 (66.0); British Honduras 92.4 (69.0); El Salvador 87.0 (70.3); Chile 117.2 (112.3); Czechoslovakia 33.4 (31.4); Finland 27.9 (25.4); Hungary 63.1 (58.8); Italy 49.8 (48.8); Luxembourg 38.6 (36.8); Poland 76.9 (70.7); Spain 53.7 (51.7); Yugoslavia 101.7 (98.3).

Among the new record low rates in 1957 (rates for 1948 in parenthesis) were the Netherlands 17.2 (29.3); Sweden 17.4 (23.2); Australia 21.4 (27.8); Switzerland 22.9 (35.9); the United Kingdom 23.9 (36.0) and New Zealand 24.3 (27.5).

Private Consumption Expenditure

To the table on *Private Consumption Expenditure* a column has been added in the 1958 *Yearbook* giving the value of private consumption expenditure in per cent. of gross national product at market prices. In the latest year shown (generally 1957 or 1956), the per cent. of G.N.P. ranged from 58 per cent. to 60 per cent. in Japan, Luxembourg, Netherlands, Finland and Sweden and was highest at 86 per cent. in Ghana, South Korea and Puerto Rico. Yugoslavia, whose value refers only to expenditure on material goods and productive services and is not strictly comparable to other countries shown, had a per cent. of gross material product of 54.

Expenditure for food constitutes the largest item of consumers' private expenditure in all the 30 countries listed. In the less advanced countries included in the table it accounted for roughly half of the total expenditure in the latest year shown (generally 1957 or 1956)—57 per cent. in Ghana and in the Republic of Korea, 50 per cent. in Honduras and in Ceylon, 49 per cent. in Ecuador, and the combined expenditure on food and the item "tobacco and beverages" represented 71 per cent. of total private consumption in Nigeria (1950). India is not covered in this table.

Among European countries, expenditure on food ranged from 29 to 34 per cent. in Sweden, Norway, the United Kingdom, Belgium, the Netherlands and Luxembourg; it was somewhat higher (35 to 36 per cent.) in Austria, France and Ireland, and reached 40 per cent. in Finland and 46 per cent. in Italy. In Denmark, the combined expenditure on food, tobacco and beverages was only 27 per cent. of total consumers' private expenditure.

Expenditure on food averaged around a quarter of total private consumption expenditure in the three largely self-sufficient food-producing countries listed: 23 per cent. in Canada, 25 per cent. in Australia, 24 per cent. in the United States.

Due to rent control, the proportion of private consumption expenditure devoted to rent has been drastically reduced in many countries since pre-war (1938); for example, it has fallen by about three-quarters in Italy, by one half in Ireland and Norway, and by a quarter in Sweden and the United Kingdom. In the latest year shown, it ranged from only 3 to 6 per cent. of total private consumption expenditure in France, Austria and Denmark. The decline since pre-war years was much less marked in Canada and the United States where, as compared with 1938, the proportion devoted to rent fell only from 16 to 15 per cent. in Canada and from 14 to 13 per cent. in the United States.

In most countries in the table, clothing is the item accounting for the major expenditure after food; it exceeded rent in all countries listed except Belgium, Canada, the Dominican Republic, Panama, Peru, Puerto Rico and the United States, and tobacco and beverages in all except Ireland, Panama and the United Kingdom. Expenditure on tobacco and beverages is shown as exceeding or equalling expenditure on rent in all countries for which data are shown except Belgium, Canada, Chile, Ecuador, Israel, South Korea, Panama, Peru and the United States.

International Levels of Food Supplies

The *Yearbook* provides data, at the retail level, on *per capita* supplies of foodstuffs, protein and calories in some 40 countries. The latest data given (generally for the split year 1956-57 or 1957-58) show that over 3,000 calories *per capita* were available daily in the following countries (arranged in alphabetical order: Australia, Canada, Denmark, Finland, Iceland, Ireland, New Zealand, Norway, Switzerland, United Kingdom and the United States.

Other countries having between 3,000 and 2,880 calories available daily *per capita* were: West Germany, Uruguay, Argentina, Sweden, Belgium, Luxembourg, Austria, France, Netherlands and Israel.

At the other end of the scale, there were less than 2,000 calories available daily *per capita* in India and the Philippines and less than 2,300 in Ceylon, Honduras, Japan and Pakistan, although the situation improved slightly over the previous period shown for most of these countries.

In Europe, annual *per capita* meat supplies have steadily recovered to equal or surpass the pre-war average in all countries given except Denmark, Greece and Norway. However, Denmark, the largest pre-war consumer of meat, fell short of the pre-war average by only 3 per cent.

The latest data available show milk supplies (measured in fat and protein 1956-57) were below the pre-war level in all 16 European countries listed, except Portugal, and of potatoes in all except Denmark, Greece, Iceland (1950-51), Italy, Portugal and the United Kingdom.

Annual *per capita* supplies of meat were over 100 kilos in Argentina, Uruguay, Australia and New Zealand while they amounted to 2 kilos in India, 3 kilos in Ceylon and 4 kilos in Japan and Pakistan. Among the low-meat-consuming countries, *per capita* supplies of cereals (flour and milled rice equivalents) were high, attaining 185-200 kilos in Egypt, Turkey and Yugoslavia, around 150 kilos (double the corresponding figures for Canada and the United States) in Greece, Japan and Pakistan, and 125-130 kilos in Ceylon, India, the Philippines and Portugal.

There were less than 60 grams of protein *per capita* per day available for five countries for which current figures are available; Ceylon, Pakistan, Philippines, Honduras and India. On the other hand, there were available over 100 grams *per capita* per day for France, Iceland and New Zealand.

Housing Conditions

The *Statistical Yearbook* provides data on the number, size and equipment of existing dwellings, in urban and rural areas, in some 60 countries and territories and on the density of population in almost 40 countries. Data for the following countries and territories have been added to this issue of the *Yearbook*: Canal Zone, Cuba, Dominican Republic, Ecuador, El Salvador, Greenland, Guam, Luxembourg, New Guinea, Nauru, Papua, Portuguese India. No data pertaining to India and Pakistan are, however, given.

From the latest post-war census data given, the commonest type of dwelling in the less developed countries is composed of one to two rooms (including kitchen). In British Guiana 90 per cent. of the dwellings were composed of one to two rooms, 86 per cent. in Paraguay, 85 per cent. in El Salvador (urban areas), 83 per cent. in Ecuador, 82 per cent. in Greenland (private dwellings) and Panama, 76 per cent. in Ceylon, 75 per cent. in Haiti (Port-au-Prince), 74 per cent. in Mauritius, 72 per cent. in Nicaragua, 69 per cent. in Guatemala (urban areas), 63 per cent. in Argentina, 56 per cent. in Egypt, 53 per cent. in the Dominican Republic, 51 per cent. in Chile and Portuguese India.

In Europe 57 per cent. of the dwellings in Finland had one to two rooms, 68 per cent. in Greece and, not counting the kitchen as a room, 80 per cent. in Yugoslavia (urban areas). On the other hand, dwellings of over five rooms constituted half or more of all dwellings in Australia, Canada, the Netherlands, New Zealand, the United Kingdom and the United States.

Overcrowding is measured by density of occupation (number of persons per room), and it is stated that dwellings are generally considered to be overcrowded when there are more than 1.5 person (United States) or 2 persons (Europe) per room. The census data show that there were two persons or more in over 93 per cent. of the dwellings in Paraguay, in 78 per cent. of the dwellings in British Guiana, in 75 per cent. (urban areas) and over 89 per cent. (rural areas) of the dwellings in Greenland.

At the other end of the scale, the proportion of dwellings with 1.5 or less persons per room ranged from 89 to 96 per cent. in the following countries: Australia, Canada, Denmark, the Netherlands, New Zealand, Norway, Switzerland, the United Kingdom and the United States.

Book Production

The table on book production shows the number of titles of books, pamphlets and other non-periodicals, including re-editions, published in over 60 countries and broken down into the ten subject groups of the Universal Decimal Classification. In 1957, Japan published 25,299 titles, the United Kingdom 20,719 titles, India 19,832 titles, the German Federal Republic 15,710 titles, and France 11,917 titles. The figures given for the United States (13,142 titles in 1957) relate only to books published by the book trade, thereby omitting large segments of book production such as official, university and church publications, etc. In 1956, the U.S.S.R. published 59,530 titles, of which 31,616 were placed on the market and the rest distributed free.

The breakdown by subject matter shows that, in 1957, the greatest number of works on *philosophy* were published in Japan, on *religion* in India and on *pure science* in the United Kingdom. There were no 1957 figures for U.S.S.R. but, in 1956, it published the greatest number of books on both *pure* and *applied sciences*.

Another useful set of data provided by the *Yearbook* relates to the production of newsprint, the total and *per capita* consumption of newsprint in some 80 countries and the number and circulation of newspapers in more than 130 countries.

Over the last decade, the world production of newsprint has increased from 7,530 thousand metric tons (1 metric ton=0.9842 long ton=1.1028 short tons) in 1948 to 12,150 thousand metric tons in 1957 or an increase of 61 per cent.

In Canada, the chief producer of newsprint, the output rose from 4,520 thousand metric tons in 1948 to 5,803 thousand metric tons in 1957, an increase of 28 per cent. The United States, the second largest producer of newsprint, had an output of 794 thousand metric tons in 1948 and 1,630 thousand metric tons in 1957, an increase of 105 per cent. Production in Japan rose by 450 per cent., in the United Kingdom by 119 per cent. and in Finland by 97 per cent. between 1948 and 1957.

In 1957, the United States accounted for 50 per cent. of all newsprint consumed in the world and the United Kingdom, the second largest consumer, 8 per cent. However, consumption in the United States in 1957 was 3 per cent. less than in 1956 and consumption in the United Kingdom was 6 per cent. greater for the same period. The *per capita* consumption of newsprint in 1957 was highest in the United States with 36 kilos (1 kilo=2.2046 lbs.), followed by New Zealand (28 kilos), Australia (27 kilos), Canada (25 kilos), Sweden (25 kilos) and the United Kingdom (20 kilos). The *per capita* consumption for the first four countries was less in 1957 than 1956, and, for the last two countries, somewhat higher (5 per cent.-6 per cent.). Total consumption of newsprint in India went up from 52,000 metric tons, being the average for 1947-50, to 83,400 metric tons in 1956, but was lower at 78,700 tons in 1957. The *per capita* consumption, however, remained practically unchanged at 0.2 kilo.

Radio and Television

Tables in the *Statistical Yearbook* show the number of radio broadcasting stations in more than 100 countries or territories and of television broadcasting stations in 30 countries, as well as the number of radio (wireless) and television sets in use (or licensed) in some 165 and 50 countries respectively.

According to the estimated totals, about 335 million radio sets, including loudspeakers attached to radio redistribution systems, were in use in 1957. Of these, 168 million were in North America (150 million in the United States alone), with more than a third—120 million—in Europe (including U.S.S.R.). The U.S.S.R. reported 29.6 million sets in 1956, of which 22.2 million were radio redistribution (wired) loudspeakers. It is estimated that, in 1957, for every 1,000 inhabitants there were 672 radios in North America, 229 in Oceania, 194 in Europe (including U.S.S.R.), 98 in South America, 17 in Asia (excluding U.S.S.R.), 16 in Africa, and 120 in the world as a whole. The corresponding figure for India alone is 64 radios.

The *Yearbook* estimates that there were 64 million television sets in use at the end of 1957, with 50 million in North America, 12.3 million in Europe (including U.S.S.R.), 700,000 each in Asia (excluding U.S.S.R.) and South America, and a few thousand in Africa and Oceania. The number of television sets per 1,000 inhabitants was put at 198 in North America, 20 in Europe (including U.S.S.R.), and five in South America. Between the end of 1951 and 1957, the number of television sets in the United States rose from 15.8 million to 47 million and in the United Kingdom (licences issued) from 1.16 million to 7.76 million. These two countries accounted for 86 per cent. of the world's televisions set at the end of 1957. The countries with the next largest number of television receivers were: Canada 2,730,000; U.S.S.R. 1,324,000; West Germany 1,220,000; France 683,000; Italy 674,000; Japan 650,000; Brazil 350,000; Cuba 300,000; and Mexico 300,000.

*The *Statistical Yearbook* 1958, 612 pages, is available clothbound at $8 and paperbound at $6.50 or the equivalent in other currencies at sales agents for U.N. publications throughout the world.

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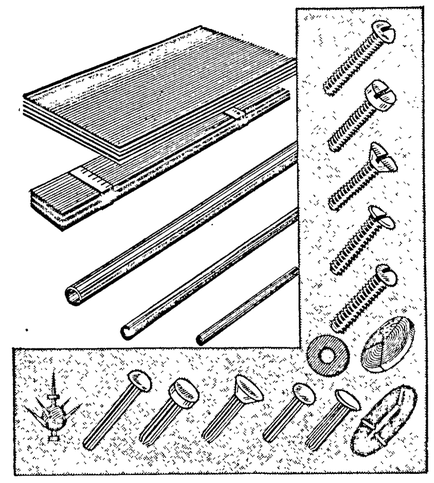

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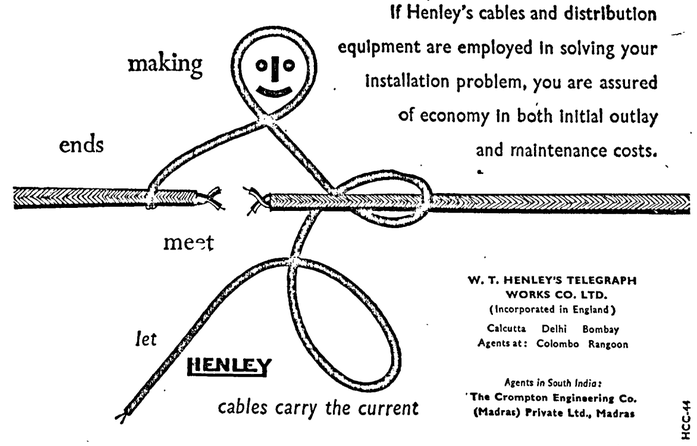

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GWALIOR RAYON EARNS BUMPER PROFIT

MARKED IMPROVEMENT IN FINANCIAL POSITION

THE recent spurt in the value of ordinary shares of the Gwalior Rayon Silk Manufacturing (Weaving) Company, Ltd. (Managing Agents: Birla Gwalior Private Ltd., Gwalior), from Rs. 16.04 early in April to a peak of Rs. 19.04 two weeks back—its present market price is, however, lower at Rs. 18.56—was inspired by the news that the Directors of the Company had recommended the payment of all arrears of preference dividend up to the end of March 1959 and the distribution of a final dividend of 50 nP per share on the ordinary capital, making a total maiden dividend of Re. 1 per share or 10 per cent. for the year. The payment of preference dividends up to the end of 1958-59 and the ordinary dividend for the year ended 31st March 1959 requires no less than Rs. 88.89 lakhs. The distribution of such a large sum has been rendered possible by the bumper profit earned in 1958-59 and the encouraging performance during the current year so far.

The Company has earned a gross profit of Rs. 251.55 lakhs, as compared with Rs. 68.02 lakhs in 1957-58, thus reversing the downward trend noted in the previous two years when the profit declined successively from Rs. 101.26 lakhs for 1955-56. A sum of Rs. 11.95 lakhs has been provided for Managing Agents' commission. This includes a sum of Rs. 1.06 lakh relating to the previous year. The aforesaid provision for managing agency commission has been arrived at on the basis of 5 per cent. of the net profit. The Company had applied for an increase in the managing agency commission to 10 per cent. with effect from 1st March 1958. The Government of India has, however, agreed to allow a commission of only 5 per cent. (subject to a minimum of Rs. 50,000) on completion of certain formalities. Pending finalisation of the question with the Government, the Company has made a provision at the rate of 5 per cent. only.

The Directors have made a large provision of Rs. 204.44 lakhs for depreciation, and of Rs. 14.75 lakhs for taxation, pending the decision on the legal proceedings taken by the Company in respect of its right about depreciation and taxation. Last year, it may be noted, only a sum of Rs. 32.50 lakhs had been set aside for depreciation, representing the normal and extra shift allowance for that year. After making the above allocations, the net profit for the year under review shows a decline from Rs. 34.81 lakhs to Rs. 20.41 lakhs. After adding to it the sum of Rs. 100.49 lakhs brought in from the previous year, the Directors have transferred Rs. 59.60 lakhs to the development rebate reserve, as against Rs. 3.75 lakhs last year.

In view of the improved results of the Company for the year under review, the Directors paid in August last an interim dividend of 50 nP per share on ordinary shares. This was done without clearing even a part of the arrears of preference dividend. Such a step was, no doubt, an unorthodox one, but, as the preference shareholders had given their consent to keep in abeyance their right to dividend, it was not illegal. In any case, the Directors have now decided to clear off all arrears of preference dividend. The profit available for distribution, however, permits payment of such arrears up to the calendar year 1954 only in addition to the final dividend of 50 nP per share on the ordinary shares. They have, therefore, declared dividend on the preference shares for the remaining period (up to the end of March 1959) out of the profit for the current year (1959-60). This also appears to be an unusual practice. But the Directors must have had good reason for resorting to it. They must have been confident that the current level of earnings are such as to permit the payment of preference arrears as well as the dividends for 1959-60, in addition to earmarking a sizable amount to reserves.

The encouraging results of the Company for 1957-58 are due to the curb on imports of foreign staple fibre and the substantial improvement in the demand for indigenous fibre during 1958. This enabled the Company to utilise the capacity rendered idle by the large imports of fibre during 1956 and 1957. It may be noted here that, in 1957-58, the average production of staple fibre was only 23.3 tons per day, as against its capacity of 1,700 tons per month or 56.6 tons per day. On this basis and on what the Directors say in their latest report, the production in 1958-59 must have been double that in the previous year. There are reports in the market that, in the current year, the Company has been producing a little over 60 tons of staple fibre per day.

The higher production and better marketing conditions are reflected in (a) the rise in sale proceeds (gross) from Rs. 3.71 crores to Rs. 8.37 crores, (b) the consumption of raw materials from Rs. 2.35 crores to Rs. 3.71 crores, and (c) the fall in stocks of finished goods and goods in process by nearly half, from Rs. 89.74 lakhs to Rs. 41.40 lakhs.

The experiments on the Company's pilot plant for the manufacture of rayon grade woodpulp are said to have proved successful and a team of technicians will shortly be proceeding abroad for taking necessary steps to install a wood-pulp plant with a production capacity of 100 tons per day.

During the year under review, the Company received consent for the issue of 50,000 new preference shares of Rs. 100 each carrying 6 per cent. tax-free dividend. Up to the end of the year under review, only 763 new preference shares had been issued. The Company's application for converting the dividend on the old preference shares from 6 per cent. taxable to 6 per cent. tax-free has been granted with effect from 29th September 1958. All preference shares are cumulative and redeemable.

The paid-up capital as on 31st March 1959 stands at Rs. 400.76 lakhs (Rs. 150.76 lakhs in preference and Rs. 250 lakhs in ordinary shares) and this is supplemented by reserves and surplus aggregating Rs. 75.98 lakhs. The additional capital expenditure incurred during the year under review comes to Rs. 49.24 lakhs, bringing the total gross value of the fixed assets at the end of the year to Rs. 620.30 lakhs. As against this, the aggregate provision for depreciation is Rs. 368.54 lakhs, of which the contribution from the profit for the year under review alone is, as already said, Rs. 204.44 lakhs. Consequently, the net block is no more than Rs. 251.76 lakhs. The current liabilities and provisions aggregating Rs. 145.22 lakhs are covered by a very large margin by current assets of the value of Rs. 370.20 lakhs, of which cash balances alone account for Rs. 111.49 lakhs.

To sum up, the excellent results for 1958-59 have greatly helped to tone up the Company's financial position. The fixed assets have been well written down. The reserves and surplus are equal to about 30 per cent. of equity capital. All preference dividend arrears have been wiped out and the borrowings from banks amounting to Rs. 108 lakhs have been liquidated.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 18.56 *cum-div.* (final: 50 nP per share). On an *ex-div.* basis and at the current rate of dividend the yield on the shares works out to 5.5 per cent. per annum, free of income-tax.

THE SOUTH INDIA
INSURANCE CO., LTD.
Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS

Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

VICTORIA MILLS LTD.

DIVIDEND WELL MAINTAINED

FOR the fourth year in succession the distribution on the ordinary shares of the Victoria Mills Ltd. (Managing Agents: Mangaldas Mehta & Co. Private Ltd., Bombay) is being maintained at 20 per cent., made up of a dividend of 15 per cent. and a cash bonus of 5 per cent.; the latest year for which this distribution is to be made is the one ended 31st December 1958. It is further gratifying to find that, while dividend for 1957 had to be paid out of the dividend equalisation reserve, that for the year under review has been earned out of the profit for the year, thanks to a notable improvement in earnings.

The gross profit for 1958 shows a rise of Rs. 3.68 lakhs to Rs. 14.17 lakhs, in refreshing contrast to the setback suffered in 1957. Notwithstanding this increase, it falls short of the profit for 1956 by Rs. 6.91 lakhs and, barring the 1957 figure, it is the lowest since 1949. Though the improvement in profit is thus small, it is in refreshing contrast to the experience of many other leading units and should be considered satisfactory in the face of adverse trading conditions which prevailed during the year. No doubt, the heavy burden of excise duty was reduced twice during the year, thus giving relief to medium and coarse medium varieties. It, however, took some time for the effect of this relief to be reflected in the improvement in cloth trade. Further, the relief in excise duty was offset, to some extent, by the higher wage bill (particularly owing to the steep rise in rates of dearness allowance), interest charges and cost of colours and chemicals.

The provision for depreciation has been reduced from Rs. 7.29 lakhs to Rs. 5.03 lakhs, while that for tax liability has been raised from Rs. 45,000 to Rs. 3.60 lakhs, leaving a net profit of Rs. 4.64 lakhs, which represents an increase of Rs. 2.40 lakhs, or more than 100 per cent. over that for 1957. While the transfer to the development and rehabilitation reserve has been pruned from Rs. 1.74 lakh to Rs. 0.43 lakh, a sum of Rs. 1.28 lakh has been utilised to create the statutory development rebate reserve.

The salient features of the Company's profit and loss accounts for the past four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds (gross)	2,10.07	2,02.02	2,03.84	2,05.12
Closing stocks	33.04	31.96	33.35	9.83
Cotton consumed	84.66	80 03	88.65	81.56
Expenses	1,16.67	1,04.45	1,04.18	97.73
Gross profit	14.17	10.40	21.08	10.13
Managing Agents' commission.	0.91	0.50	1.75	6.08
Provision for—				
Depreciation	5.03	7.29	7.07	8.50
Taxation	3.60	0 45	2.50	3.00
Net profit	4.64	2.24	9.76	1.55
To reserves	1.71	1.74	3.25	..
„ provision for "set on" bonus	..	..	3.00	..
Transfer from reserve	..	3.52	..	..
Dividends—				
4 per cent. preference ..	0.32	0.32	0.32	0.32
Ordinary	3.20 (20%)*	3.20 (20%)*	3.20 (20%)*	3.20 (20%)*
Carry forward	0.28	0.67	0.49	0.57

* Includes a cash bonus of 5 per cent.

The increase of Rs. 8.05 lakhs in sale proceeds is accompanied by a saving of Rs. 5.27 lakhs in the cost of cotton consumed. The bulk of this benefit has been offset by the rise of Rs. 12.22 lakhs in expenses, of which cost of stores, colours, chemicals and spares accounts for Rs. 7 lakhs and wages, dearness allowance and gratuity for Rs. 5.05 lakhs.

The Company's financial position is encouraging. Its reserves and surplus at Rs. 62.08 lakhs are more than two and a half times the paid-up capital amounting to Rs. 24 lakhs. The capital is made up of 16,000 ordinary shares of Rs. 100 each and 32,000 cumulative redeemable 4 per cent. tax-free preference shares of Rs. 25 each. There has been an addition of Rs. 8.80 lakhs to the gross block during the year; this is on top of Rs. 7.99 lakhs spent in 1957. This brings the value of the gross block up to the end of the year under review to Rs. 97.18 lakhs, on which the depreciation provided so far amounts to Rs. 59.32 lakhs. The net value of the block account is thus no more than Rs. 37.86 lakhs. The current assets aggregate Rs. 105.32 lakhs, which far exceed the current liabilities and provisions totalling Rs. 57.10 lakhs (including Rs. 27.39 lakhs representing unsecured loans).

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 287.50 *cum-div.* On an *ex-div.* basis, they provide a yield of 7.5 per cent. per annum, free of income-tax.

ASHOK LEYLAND'S PROFIT RISES SHARPLY

FURTHER CAPITAL TO BE RAISED

ADDRESSING the shareholders of Ashok Leyland Ltd. (Managing Director: Mr. A. E. L. Collins, Ennore, Madras) at their annual general meeting a year ago—on 26th May 1958, to be precise—Dr. A. Ramaswamy Mudaliar, Chairman of the Company, had stated that sales of "Comet" chassis produced by the Company had increased steadily and that there was every indication that this trend would continue. He went on to add that the shareholders could look forward to 1958 as being an outstanding year in the Company's history both in regard to sales and progress of manufacturing programme. That this confidence was not misplaced is borne out by the Directors' report and accounts of the Company for the year ended 31st December 1958. Thus, the Directors observe that "the implementation of the manufacturing programme continued to be maintained satisfactorily and, as at the end of 1958, components representing approximately 45 per cent. (net deletion) of the c.i.f. value of a complete chassis were being manufactured at the Ennore factory." The percentage value of the chassis made in India, however, is short of the figure (55 per cent.) indicated by the Chairman.

The sale proceeds (gross) have gone up by over Rs. 70 lakhs to a peak of Rs. 5.01 crores, and, in the course of the last three years, these have advanced by Rs. 3.50 crores. The gross profit, too, has recorded an impressive rise of Rs. 15.22 lakhs in 1958 (or 60 per cent.) to Rs. 40.66 lakhs. That the Company's programme of phased manufacturing has yielded good results is evident from the fact that its gross profit four years back (that is for 1955) was only Rs. 3.22 lakhs. In consonance with the progress of the manufacturing activity, the provision for depreciation has been raised substantially from Rs. 6.99 lakhs (in 1957) to Rs. 12.66 lakhs. The provision for taxation has been increased from Rs. 3.50 lakhs to Rs. 8.09 lakhs, so that the increase in net profit amounting to Rs. 19.91 lakhs, is of the order of Rs. 4.96 lakhs.

Out of the net profit, the Directors have created a development rebate reserve with Rs. 8.73 lakhs, but have not added anything to the general reserve, which had received Rs. 5 lakhs last year. The distribution to shareholders is unchanged at 6 per cent. per annum, free of income-tax, but this is on a higher capital.

The following comparative table gives an idea of the Company's march since 1955:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds (gross)	5,01.49	4,30.69	2,89.05	1,50.95
Other income	4.68	4.50	2.80	5.23
Closing stocks of vehicles, finished components and work-in-progress	43.97	29.58	26.09	31.84
Consumption of raw materials, spares, stores, etc.	4,44.83	3,81.51	2,56.25	1,41.30
Other expenses	35.02	31.18	18.34	10.65
Gross profit	40.66	25.44	12.11	3.22
Provision for—				
Depreciation	12.66	6.99	3.55	1.43
Taxation	8.09	3.50	2.55	1.19
Net profit	19.91	14.95	6.01	0.60
Excess provision written back. .	0.02	..	3.12	..
To provision for sale tax ..	..	6.07	..	..
„ reserves	8.73	5.00	1.50	..
„ bonus to employees ..	1.25	0.78	0.30	..
Dividend	10.29 (6%)	6.45 (6%)	3.97 (6%)	..
Carry forward	0.28	0.61	3.97	0.02

The progress of manufacturing programme is reflected in the rise of Rs. 63 lakhs in consumption of raw materials and of about Rs. 4 lakhs in other expenses.

The Company's authorised capital was raised in May 1958 from Rs. 2 crores to Rs. 3.25 crores, made up of 6,500,000 shares of Rs. 5 each. The subscribed and paid-up capital, as at the close of December 1958, was Rs. 1.87 crore, but this has since gone up to Rs. 2 crores. The balance of the authorised capital, namely, Rs. 1.25 crore (2,500,000 shares of Rs. 5 each at par) is offered to shareholders now. The additional capital is for financing further expansion of the Company's manufacturing activity. The Company, it will be recalled, has a programme to increase the production of "Comet" chassis to 3,000 units per annum and to manufacture Leyland "Tiger" and "Titan" chassis.

The Company has yet to build its reserves; these aggregate only Rs. 17 lakhs as at the end of 1958. Thanks to the additional capital expenditure to the tune of Rs. 71.59 lakhs during the year under review, the gross block stands at Rs. 171.81 lakhs, on which the depreciation provided so far aggregates Rs. 43.09 lakhs. The current liabilities and provisions (including bank loans to the extent of Rs. 40.44 lakhs) at Rs. 129.54 lakhs are more than adequately covered by current assets amounting to Rs. 204.92 lakhs.

For some time past, the Rs. 5 fully paid-up shares of the Company have been fancied well by investors and have crept up from Rs. 5.80 at the beginning of 1959 to the current level of Rs. 8.95 which includes the dividend for 1958 and the rights for the new issue. Over the past 12 months, they have more than doubled themselves in value, having gone up from Rs. 4.13 *cum-div.* On an *ex-div.* basis and at the current rate of dividend, the shares provide a yield of 3.47 per cent. per annum, free of income-tax. On ex-right basis and assuming that the dividend would be maintained on the increased capital, the yield works out to a little over 4 per cent.

BURMAH OIL COMPANY

Operations in the new oil areas of upper Assam continued during 1958 "at the pace required to reach the production target by the time the two refineries of the Government of India are due to come on stream," says the Chairman of the Burmah Oil Company, Ltd., Mr. W. E. Eadie, in the annual statement circulated with the accounts. It is understood, the statement adds these two refineries—one at Gauhati, Assam, and the other at Barauni, Bihar—will be ready to receive crude oil in April 1961 and April 1962, respectively. Discussions about the provision of finance for building a pipeline from the oilfields to these refineries are now taking place with the Government of India, the report adds, noting that the Company has undertaken to provide up to £10 million for its construction.

Sales of petroleum products through Burmah Oil's subsidiary and associated companies in India were, overall, 4.5 per cent. greater in 1958 than in the previous year, the report notes. This was despite a reduction in the trade in kerosene and motor spirit.

Discussing oilfield operations in India, the report notes that, while efforts to find fresh reserves in the Digboi field have so far had no success, development went ahead successfully in the Nahorkatiya, Hugrijan, and Moran areas. Of the 12 wells drilled, 10 were oil producers. Up to the end of 1958, says the report, the number of wells drilled in these areas was 48, of which 36 were oil producers. Estimates of the reserves continue to indicate a production potential of 2,500,000 tons of crude oil yearly from these three areas. Excellent drilling speeds were maintained, says the Burmah Oil report, and Nahorkatiya well No. 38 was completed at 10,335 ft. in just over 18 days.

Training schemes for nationals of the Asian countries in which Burmah Oil operates, the report adds, are showing satisfactory results. Increasing attention has been paid to widening the experience of the Company's Asian staff by visits to operations in other parts of the world and by training in Britain.

PREMIER CONSTRUCTION COMPANY

The Directors of the Premier Construction Company, Ltd., are reported to have taken no decision on the question of the reorganisation of the Company's capital structure at their meeting on Thursday last week. The scheme pertaining to the conversion of promoters' shares into ordinary shares and the issue of bonus shares by capitalising the reserves appears to have been considered by the Board, following the recent informal discussions between the management and representatives of the Company's shareholders. It is believed that it will take some more time before the Directors could reach a decision, as several questions concerning the scheme will have to be fully considered by them.

THE
UNITED COMMERCIAL BANK
LIMITED
Head Office : CALCUTTA

Authorised Capital	Rs.	8,00,00,000
Subscribed Capital	Rs.	4,00,00,000
Paid-up Capital ...	Rs.	2,00,00,000
Reserve Fund ...	Rs.	1,48,00,000
Working Funds (31·12·58) ... Over	Rs.	114,00,00,000

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AGENTS THROUGHOUT THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*

COMPANY MEETINGS AND DIVIDENDS

VICTORIA MILLS LTD. Annual General Meeting, Bombay, 28th May 1959. Dividend: Rs. 20.00 per share (includes a bonus of Rs. 5.00 per share), payable from 15th June 1959. Transfer books remain closed from 15th to 28th May 1959, both days inclusive.

INDIAN GALVANIZING CO. (1926) LTD. Annual General Meeting, Calcutta, 29th May 1959. Dividend: *Nil.* Transfer books remain closed from 19th to 29th May 1959, both days inclusive.

DEORIA SUGAR MILLS LTD. Annual General Meeting, Calcutta, 30th May 1959. Transfer books remain closed from 21st to 30th May 1959, both days inclusive.

SIRSILK LTD. Annual General Meeting, Somajiguda, Hyderabad-Deccan, 30th May 1959. Dividend: *Nil.* Transfer books remain closed from 16th to 30th May 1959, both days inclusive.

TROPICAL PLANTATIONS LTD. Annual General Meeting, Kottayam, Kerala State, 1st June 1959. Dividend: Re. 1.50 per share. Transfer books will remain closed from 26th May to 1st June 1959, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 4th June 1959. Dividend: Rs. 7.50 per share (includes interim dividend of Rs. 2.50 per share). Transfer books remain closed from 21st May to 4th June 1959, both days inclusive.

DELTA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 4th June 1959. Dividend: Rs. 6.00 per share (includes interim dividend of Rs. 2.00 per share). Transfer books remain closed from 21st May to 4th June 1959, both days inclusive.

ARVIND MILLS LTD. Annual General Meeting, Ahmedabad, 5th June 1959. Dividend: Rs. 28.00 per share.

INVESTMENT CORPORATION OF INDIA LTD. Annual General Meeting, Bombay, 5th June 1959. Dividend: Rs. 6.50 per ordinary share, payable on and after 6th June 1959. Transfer books will remain closed from 25th May to 5th June 1959, both days inclusive.

ARUNA MILLS LTD. Annual General Meeting, Ahmedabad, 6th June 1959. Dividend: Rs. 25.00 per share.

UNITED FLOUR MILLS CO., LTD. Annual General Meeting, Calcutta, 8th June 1959. Dividend: Rs. 3.75 per share (includes interim dividend of Rs. 2.25 per share). Transfer books will remain closed from 1st to 8th June 1959, both days inclusive.

KRISHNA INDUSTRIAL CORPORATION LTD. Annual General Meeting, Madras, 8th June 1959. Dividend: Re. 1.00 per share or 10 per cent. Transfer books will remain closed from 1st to 8th June 1959, both days inclusive.

SIVANANDHA MILLS LTD. Annual General Meeting, Coimbatore, 10th June 1959. Dividend: Re. 1.50 per share or 15 per cent. Transfer books will remain closed from 27th May to 10th June 1959, both days inclusive.

NEW BEERBHOOM COAL CO., LTD. Annual General Meeting, Calcutta, 11th June 1959. Dividend: Re. 1.00 per share, (includes interim dividend of 40 nP per share). Transfer books will remain closed from 28th May to 11th June 1959, both days inclusive.

GWALIOR RAYON SILK MANUFACTURING (WEAVING) CO., LTD. Annual General Meeting, Birlagram, Nagda, 16th June 1959. Dividend: Re. 1.00 per share (includes interim dividend of 50 nP per share). Transfer books will remain closed from 25th May to 16th June 1959, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Annual General Meeting, Bombay, 25th June 1959. Dividend: Rs. 14.00 per share, payable on and from 26th June 1959. Transfer books remain closed from 11th May to 9th June 1959, both days inclusive.

FERTILISERS AND CHEMICAL, TRAVANCORE LTD. Annual General Meeting, Eloor, Alwaye, 15th July 1959. Dividend: 4 per cent. or Re. 0.40 per share, payable on and after 15th August 1959. Transfer books will remain closed from 6th to 15th July 1959, both days inclusive.

BENGAL PAPER MILLS CO., LTD. Final dividend of 14 per cent. on the ordinary shares, for the year ended 31st December 1958.

PULLICAR MILLS LTD. Dividend of 6 per cent. or Rs. 6.00 per share, for the year ended 31st December 1958. Transfer books will remain closed from 3rd to 17th June 1959, both days inclusive.

TRAVANCORE CEMENTS LTD. Dividend of 6 per cent. or Re. 0.60 per share, for the year ended 31st December 1958. Transfer books will remain closed from 20th June to 10th July 1959, both days inclusive.

COMPANY REGISTRATIONS

H. K. INDUSTRIES PRIVATE LTD. (First Director: Mr. W. R. Gupta.) Business: Manufacturers, importers and exporters of all kinds of railway equipment etc. Authorised capital: Rs. 25,00,000. Private company. Address: 87, Nagdevi Cross Lane, Bombay 3.

UNITED DYCHEM INDUSTRIES PRIVATE LTD. (First Director: Mr. A. W. Rane.) Business: Manufacturers of dyes, colours, synthetic dyestuffs, etc. Authorised capital: Rs. 5,00,000. Private company. Registered office of the company will be situated in the State of Bombay.

SYNOPSES OF COMPANY REPORTS

Sirsilk Ltd.

THE directors of the above Company (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta) present the audited accounts of the Company for the year ended 30th September, 1958.

The profit and loss account after providing a sum of Rs. 15,18,551 (Rs. 14,68,978) being interest on loans, Rs. 10,00,000 (*nil*) towards depreciation, Rs. 2,00,000 (*nil*) towards provision for contingencies, Rs. 8,332 (*nil*) towards preliminary expenses, Rs. 38,571 (*nil*) for prospecting and investigation and Rs. 2,89,985 (*nil*) towards brokerage on shares, shows a surplus of Rs. 5,00,540 (Rs. 49,292) which has been adjusted against the loss brought forward. Only a part provision for depreciation could be made on account of inadequacy of profits.

During the year under review, the production of yarn and fabrics almost reached to its full capacity as a result of the steps taken by the management in improving the working and efficiency of the various plants, by effecting repairs and renovations of the chemicals and cellulose and Acetate sections of the Factory.

As already reported, an application was made to the Government of India for fixation of fair selling price of yarn produced by the Company. The Government of India after examining Company's cost of production have permitted an increase in the selling price of yarn by 10 annas per lb. only, which is much less than that requested for. This increase was effected in the month of June 1958, i.e., only three months prior to the closing of the financial year under review. This has resulted in a slight improvement in the financial results of the Company. On further representations by the Company the Government of India referred the matter of fixation of fair price of the yarn to the Tariff Commission, who have gone into the question. It is expected that the Commission would take a fair view in the matter and thus help the Company in improving its working results for the current year.

During the year under report the cost of raw materials, chemicals and stores materials, etc., have recorded a further rise. According to the new Budget proposals of the Government of India, the duty on art silk fabrics is being raised from 6 pies per square yard to 6 naye paise.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,02,00,755	Gross block	5,70,33,081
Liabilities	4,44,57,678	*Less*—Depreciation ...	10,00,000
Share money adjustment account ...	9,283	Net block ...	5,60,33,081
		Stock-in-trade	58,54,727
		Stores and spare parts	36,50,094
		Debts, deposits and advances ...	59,77,563
		Investments	21,250
		Cash ...	13,19,935
		Loss ...	18,10,066
Rs.	7,46,66,716	Rs.	7,46,66,716

Tropical Plantations Ltd.

The directors of the above Company (Managing Director: Mr. P. T. Thomas, Kottayam) submit the audited accounts of the Company for the year ended 31st December 1958.

Acreage.—The area under tea is 500 acres and that under rubber is 2,170.86 acres. Pepper, arecanuts, etc., take up 153.99 acres. Cardamoms cover 25 acres. The area under coffee plantations is 180.34 acres. Teak and other tree plantations comprise 126.71 acres.

Crops and prices.—During the year under review there was a general strike throughout the plantations in Kerala, which lasted a few weeks and it affected the Company's estates also to an appreciable extent. But for that regrettable strike and the general go-slow attitude of the labour, the crops of both tea and rubber would have been remarkably higher.

In August last, unusually heavy rains caused serious damage in the Company's rubber estates, especially Vengathanam Estate, where landslides occurred—causing heavy loss by the destruction of rubber trees, damages to roads, bridges, etc. Owing to the gradual deterioration in the health and yield of the palms, the whole coconut area has been planted with rubber.

Tea.—During the year 5,61,670 (4,75,367) lbs. of tea [1,123 (955) lbs. per acre] was harvested at an all-in-cost of Re. 1.18 (Re. 1.41) per lb. and the average price realised is Re. 1.44 (Re. 1.48) per lb.

Rubber.—The total crop harvested during the year is 5,91,889 (5,74,196) [350 (336) lbs. per acre]. The all-in-cost per lb. is Re. 1.02 (Re. 1.10) and the average price realised is Re. 1.49 (Re. 1.50).

After charging depreciation and after providing for taxation, the net profit of the Company for the year amounts to Rs. 1,88,995 (Rs. 95,880). This, together with Rs. 167 (Rs. 66,287) brought forward from the previous year, aggregates to Rs. 1,89,162 (Rs. 1,62,167). Out of this, the directors have transferred Rs. 60 000 (Rs. 36,000) to reserve for development leaving a balance of Rs. 1,29,162 (Rs. 80,167 after providing Rs. 46,000 for previous year's taxation) available for distribution. The directors recommend payment of a dividend of 6 (4) per cent. [Re. 1.50 (Re. 1.00) per share], free of income-tax and agricultural tax absorbing Rs. 1,20,000 (Rs. 80,000) and to carry forward the balance of Rs. 9,162 (Rs. 167) to 1959 accounts.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Gross block	31,23,164
Reserves ...	96,000	*Less*—Depreciation ...	8,27,273
Provision for taxation ...	1,95,119		
Liabilities ...	3,75,603	Net block	22,95,891
Profit ...	9,162	Stock-in-trade	1,48,363
		Stores, spare parts and loose tools, etc. ...	67,547
		Loans and advances ...	12,421
		Cash ...	1,51,662
Rs.	26,75,884	Rs.	26,75,884

Kirlampudi Sugar Mills Ltd.

The directors of the above Company [Managing Agents: Messrs. Kubera Sugar, Managers (Private) Ltd., Madras] present the audited accounts of the Company for the year ended 30th June 1958.

Crushing for 1957-58 season commenced on 26th November 1957 and closed on 13th June 1958. 1,51,044.25 tons of cane were crushed at a recovery of 8.68 per cent., yielding 13,095.1 tons of sugar. The quality of cane delivered to the Factory deteriorated considerably from the middle of March 1958, and the Mills' crushing season had to be prolonged to June 1958 in order to take up all the cane that was offered. Steps have now been taken to restrict the quantity of cane crushed, so that the season is not prolonged into the dry hot months of May and June when the sugar content in cane falls down appreciably and the Mills' working is uneconomical. The results of season 1958-59 appear to be good.

The excise duty on sugar was further raised from Rs. 225 per ton to Rs. 291.20 per ton from 14th December 1957 and cane cess was also raised from Rs. 3 per ton to Rs. 5 per ton of cane crushed with effect from 1st November 1957. These imposts took away most of the profits of the Company. Cane cess alone accounted for a reduction of the Company's profit by Rs. 3 lakhs.

Capital expenditure on plant and machinery to the extent of Rs. 12.53 lakhs incurred in the previous years and this year upto 15th November 1957 (the date on which the new units were put into commission) was brought into account, and this expenditure balances the plant to crush upto 900 tons of cane per day.

This year's working has resulted in a profit of Rs. 6,24,485 (Rs. 7,48,302) and after providing Rs. 4,02,822 (Rs. 3,45,480) for depreciation on the assets, the net profit earned for the year is Rs. 2,21,653 (Rs. 4,02,822). This profit of Rs. 2,21,653 (Rs. 4,02,822) has to be set apart for debenture sinking fund as per the Trust deeds.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,96,700	Gross block	72,59,099
Debentures	34,00,000	*Less*—Depreciation ...	26,57,302
Reserves ...	16,49,251		
Liabilities ...	90,83,374	Net block ...	46,01,797
		Other assets	1,060
		Stock-in-trade	62,41,627
		Stores, spare parts and loose tools	4,34,562
		Stock of paddy	2,000
		Debts, deposits and advances ...	3,49,076
		Investments	20,25,241
		Cash ...	2,54,199
		Loss ...	20,19,763
Rs.	1,59,29,325	Rs.	1,59,29,325

United Flour Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th November 1958.

The Company's profit for the year is Rs. 4,75,072 (Rs. 5,81,293). And after providing taxation on profits for the year of Rs. 2,73,442 (Rs. 4,03,640), there remains a balance of Rs. 2,01,630 (Rs. 1,77,653). To this amount is to be added provision for development reserve no longer required Rs. 3,370 (*nil*) and amount brought forward from the previous year of Rs. 22,031 (Rs. 17,273) making a total of Rs. 2,27,031 (Rs. 2,25,401 including Rs. 30,475 being provision for taxation no longer required.

Out of this the directors have declared an interim dividend of 22½ (25) per cent. (already paid) absorbing Rs. 1,12,500 (Rs. 1,25,000) and they now recommend a dividend of 15 (15) per cent. payable without any deduction for income-tax paid by the Company absorbing Rs. 75,000 (Rs. 75.000) leaving a balance of Rs. 39,531 (Rs. 25,401). After deducting transfer to development rebate reserve of Rs. 20,186 (Rs. 3,370) there is a credit balance to be carried forward of Rs. 19,345 (Rs. 22,031).

Trading Conditions.—The prices of wheat products continued to be controlled, and the Government of India remained the only source of supply for wheat, which on the whole was received quite regularly throughout the year. There was keen demand for the Company's products, enabling production to be maintained at a high level.

In addition to supplies being made available to Government nominated fair price shops, the Company's products reached the public through a large number of retail shops throughout Calcutta and this arrangement is still in force.

Production during the year was 5,86,613 maunds as compared with 5,52,344 maunds during the year ended 30th November 1957.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Gross block	8,06,727
Reserves ...	6,00,186	*Less*—Depreciation ...	5,28,386
Provision for taxation ...	2,75,000		
Liabilities ...	6,56,606	Net block ...	2,78,341
Profit ...	19,345	Expenditure in progress	35,180
		Stock of wheat, flour, etc. ...	5,88,783
		Stores ...	39,639
		Debts, deposits and advances ...	9,46,858
		Investments	18,046
		Cash ...	1,44,290
Rs.	20,51,137	Rs.	20,51,137

Travancore Rubbers, Ltd.

The directors of the above Company (Managing Director: Mr. Eapen Thomas, Kottayam) submit the audited accounts of the Company for the year ended 31st December 1958.

Acreage.—The area under rubber is 1,203.25 acres. Coconut gardens comprise 32.60 acres and the acreage under pepper is 104.75.

Crop and prices.—The crop harvested during the year amounted to 4,82,401 (4,17,379) pounds rubber i.e., 421 (364) lbs. per acre and the all-in cost of production was Re. 1.22 (Re. 1.01) per lb. which includes the cost of spraying the whole area. The average price realised was Re. 1.46 (Re. 1.47). Rubber production in the estates suffered a heavy set back due to the strikes by the rival trade unions with wilful obstruction and violence against those who were willing to work, during the best part of the tapping season, which lasted for about a month.

After charging depreciation and after providing Rs. 54,000 (Rs. 77,500) for taxation and a bonus of 2 (2) months' basic salary to the staff, the net profit of the year is Rs. 73,023 (Rs. 93,984). This together with Rs. 1,271 (Rs. 2,286) brought forward from previous year aggregates to Rs. 74,299 (Rs. 96,270). The directors recommend that the available total of Rs. 74,299 (Rs. 96,270) be apportioned as under:—

To pay a dividend of 10 (15) per cent. absorbing Rs. 60,000 (Rs. 90,000), to transfer to reserve for capital expenditure Rs. 13,000 (Rs. 5,000) and to carry forward to next year's accounts Rs. 1,299 (Rs. 1,270).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block ...	11,45,900
Reserves ...	46,742	*Less*—Depreciation ...	4,92,700
Provision for taxation ...	1,22,949		
Liabilities ...	1,85,730	Net block ...	6,53,290
Profit ...	1,298	Stock-in-trade	1,34,424
		Stores and spare ...	21,227
		Nursery ...	5,066
		Loans and advances ...	18,636
		Cash	1,24,076
Rs.	9,56,719	Rs.	9,56,719

Ceat Tyres of India Ltd.

The directors of the above Company (Chairman: Mr. A. D. Shroff, Bombay) submit the first audited accounts of the Company for the year ended 31st December 1958.

The Company's issue of 1,15,000 ordinary shares of Rs. 100 each was fully subscribed, out of which 68,850 ordinary shares were subscribed by CEAT S.p.A. of Turin, Italy, to finance the cost of capital goods to be imported.

The site for the proposed factory initially suggested by the Government at Kalyan was subsequently selected, with Government's approval, in Bhandup, owing to the better facilities afforded by such location. The land was obtained under the Land Acquisition Act through the Government of Bombay and possession was entered into on 20th December 1958.

The licence for import of capital goods obtained at the initial stage had to be amended during the year, as several items which were formerly available locally, had also to be imported. The directors have now pleasure in informing the members that the Company has been able to obtain the licence for all the machinery and equipment required.

The directors report satisfactory progress of the factory construction, and expect the Company to go into production by the beginning of 1960. This would mean a remarkable achievement, even though there has been a delay of six months on the programme initially contemplated, in view of the fact that the Company was confronted with several difficulties during the year.

The Company intends to manufacture tyres and tubes of the same quality and standard as the world reputed CEAT tyres. A licence of the value of Rs. 10 lakhs for giant tyres was obtained to test these tyres on Indian roads. The directors report that the market has reacted favourably to the performance of these tyres. In order to complete the appraisal, the Company has applied for a further licence.

After providing for depreciation and taxation, a profit of Rs. 27,205 for the year has been carried over. This profit has resulted entirely from the sale of imported tyres and tubes.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	57,47,750	Gross block ...	6,10,061
Provision for taxation ...	30,000	*Less*—Depreciation ...	2,892
Liabilities ...	2,92,801		
Profit ...	27,205	Net block ...	6,07,169
		Building materials ...	2,35 522
		Unerected machinery	2,667
		Stocks ...	1,575
		Debts, deposits and advances ...	7,83,631
		Cash	41,74,730
		Miscellaneous expenses and losses ...	2,92,462
Rs.	60,97,756	Rs.	60,97,756

Associated Stone Industries (Kotah) Ltd.

The directors of the above Company (Managing Agents: Rajputana Mining Agencies Private Ltd., Ramganjmandi) submitted the audited accounts of the Company for the year ended 30th September 1958.

The working of the company has been very satisfactory, the sales of all kinds of stones being the highest of all years, since the inception of the company. The sales of rough stone was 1,18,34,692 square feet as against 93,66,212 square feet of last year; that of polished and re-polished machine cut stone was 14,03,477 square feet as against 10,23,621 square feet of last year and that of sand and *Madana Stone* was 11,52,748 square feet as against 10,10,227 square feet of last year.

The working during the year has resulted in a profit of Rs. 11,14,977 (Rs. 5,49,022) after allowing depreciation of Rs. 98,113 (Rs. 1,20,456) on the assets and after making the provisions for development rebate of Rs. 15,491 (*nil*) and for bonus to staff and labourers, gratuity and provision for wealth tax, etc. The total profits after adding the brought forward profit of the previous year and the amount recovered from managing agents for excess payment of commission for 1956-57 amount to Rs. 24,02,329 (Rs. 16,46,740). Out of this during the year, the directors have, on 1st May 1958, declared an interim dividend of Rs. 2,77,500 (Rs. 1,27,500) on 1,85,000 (85,000) ordinary shares at Re. 1.50 (Re. 1.50) per share. A sum of Rs. 5,00,000 has been appropriated towards the conversion of deferred shares into ordinary shares and a sum of Rs. 11,35,000 (*nil*) has been transferred to general reserve fund. The directors have made the following appropriations in the accounts out of the balance of Rs. 4,89,829 (Rs. 13,35,240 after paying Rs. 1,84,000 as dividend on deferred shares at Re. 1-13-6 per share).

To provision for charity and donations Rs. 25,000 (Rs. 15,000), to provision for bad and doubtful debts Rs. 25,000 (*nil*), to provision for doubtful advances to labourers Rs. 25,000 (Rs. 25,000), to provision for proposed dividend at 6 per cent. (free of tax) on 2,000 cumulative preference shares absorbing Rs. 12,000 (Rs. 12,000) and to provision for proposed final dividend on ordinary shares at Rs. 2 (*nil*) per share (free of tax) absorbing Rs. 3,70,000 (*nil*) leaving a balance of Rs. 32,829 (Rs. 12,83,240) to be carried forward.

The uncompleted flooring job works have been taken at the book value in the accounts and no profit or loss has been ascertained on such uncompleted jobs as at the date of balance sheet.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,50,000	Gross block	13.05,892
Reserves ...	14,90,281	*Less*—Depreciation ...	7,13,067
Liabilities ...	11,87,973		
Profit ...	32,829	Net block ...	5,92,825
		Stock-in-trade	10,60,596
		Stores, etc. ...	1,37,446
		Work-in-progress ...	1,98.135
		Debts, deposits and advances ...	15.95,675
		Investments ...	92.854
		Cash ...	11,43.552
Rs.	47,61,083	Rs.	47,61.083

Indian Galvanizing Co. (1926) Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie and Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1958.

The loss for the year after crediting items relating to previous years and after providing for depreciation, was Rs. 11,31,207 (profit of Rs. 3,49,237). From this is deducted the balance brought forward from 1957 Rs. 4,22,513 (Rs. 90,223) leaving a debit balance of Rs. 7,08,694 (credit of Rs. 4,39,460). The Board has transferred the balance of general reserve amounting to Rs. 4,35,000 (*nil*) to profit and loss account leaving a debit balance on the latter of Rs. 2,73,694 (credit of Rs. 4,22,513 after paying a dividend of 6 per cent. on cumulative preference shares amounting to Rs. 16,947) to be carried forward.

Operations.—In spite of the difficulties in obtaining supplies of steel the Bombay factory continued to operate satisfactorily. The overall loss for the year was occasioned by the closure of the Calcutta factory and the consequential liability for retrenchment compensation. The Board is unable to recommend any dividend on either the ordinary shares or the preference shares.

An Agreement is proposed to be entered into with Industrial Containers Ltd. for the acquisition of certain assets of the Calcutta factory and one is proposed to be entered into with Steel Containers Ltd. for the acquisition of the business of the Company's Bombay factory. Manufacturing Licences have now been received from the Central Government under the Industries (Development and Regulation) Act, 1951 for each of these new Companies, and after the necessary Resolutions are passed, Agreements will be executed and the formal acquisition will then take place.

A licence has not yet been obtained for the manufacture of "Hopes" windows and doors, as the terms of foreign collaboration are still under negotiation with the Central Government.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,77,040	Gross block ...	46,81.461
Liabilities ...	19,75.473	*Less*—Depreciation ...	28.61 241
		Net block ...	18,20,220
		Stocks ...	23.43,878
		Stores, spare parts and loose tools	2.18,118
		Goods-in-transit ...	8,895
		Debts, deposits and advances ...	11,24,983
		Investments	12,743
		Cash ...	1,49,982
		Loss	2.73 694
Rs.	59.52,513	Rs.	59,52,513

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

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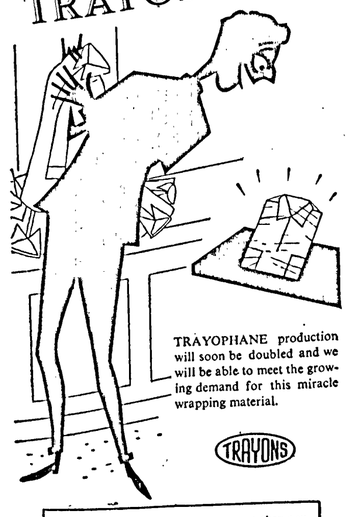

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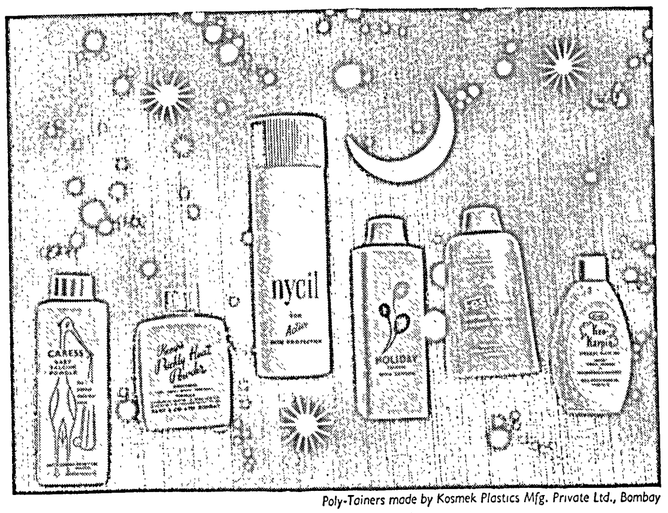
TR-559a



Poly-Tainers made by Kosmek Plastics Mfg. Private Ltd., Bombay

It looks better, sells faster in a container made from 'ALKATHENE'

Gay and attractive packs made from 'Alkathene' add to the sales appeal of these products. 'Alkathene' is non-contaminating, hygienic and virtually unbreakable.

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IPC 34

Notices

THE OSMANSHAHI MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-sixth Annual General Meeting of the Shareholders of the Osmanshahi Mills Limited will be held at the Registered Office of the Company at 269/270, John's Lane, Gunfoundry, Hyderabad, on Friday the 19th day of June 1959, at 3-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 30th September 1958.
2. To appoint a Director in place of Khan Bahadur C. B. Taraporvala, who retires by rotation under Clause No. 101 of the Company's Articles of Association and is eligible for re-appointment and has offered himself for re-election.
3. To appoint a Director in place of Shri Pannalal Bansilal Pitty, who retires by rotation under Clause No. 101 of the Company's Articles of Association and is eligible for re-appointment but has intimated that he does not seek re-election.
4. To appoint a Director in place of Dr. M. N. Desai, who retires by rotation under Clause No. 101 of the Company's Articles of Association and is eligible for re-appointment and has offered himself for re-election.
5. To appoint a Director in place of Shri P. K. Namjoshi, who has been co-opted by the Board as a Director of the Company under Clause No. 93 of the Company's Articles of Association and who will hold office as a Director only up to the date of the next Annual General Meeting of the Company, and in respect of whose re-appointment notice under Section 257 of the Companies Act, 1956, is received by the Company.
6. To appoint Auditors for the current year and fix their remuneration.
7. To consider and, if thought fit, to pass the following resolutions which will be proposed as Special Resolutions:—
   (a) "*RESOLVED that, subject to the approval of the Central Government, the maximum number of Directors of the Company permissible to be appointed under its Articles of Association be increased from ten to twelve (inclusive of ex-officio Directors and Debenture Directors, if any), and that accordingly Article 89 of the Articles of Association of the Company be altered by substituting the word 'twelve' for the word 'ten' therein.*"
   (b) "*RESOLVED that Clause VI of the Memorandum of Association of the Company be and the same is hereby deleted.*"
   (c) "*RESOLVED that the Articles of Association of the Company be altered as follows:—*
      (i) *That in Article 1 the following definition of the word "Agents" be inserted:—*

      "Agents" shall mean the Managing Agent of the Company."

      (ii) *That the following Article be substituted as Article 91 in place of the existing Article 91:—*

      "91. The Managing Agent shall be entitled to have and to appoint two of its nominees as the Directors of the Company in case the total number of the Directors of the Company exceeds five and to have and appoint one of its nominees as a Director of the Company in case the total number of the Directors of the Company does not exceed five. The said nominees and their successors in office appointed under this clause shall be called ex-officio Directors. The Managing Agent may, at any time, remove any Director so appointed by it, and appoint another Director in his place or in the place of a Director so appointed who resigns or otherwise vacates his office or ceases to be a Director. An ex-officio Director shall not require any qualification and shall be entitled to hold office unless requested to retire by the Managing Agent and accordingly he shall not be bound to retire by rotation or be subject to the relevant Articles of Association of the Company with regard to the retirement of Directors by rotation. An ex-officio Director may at any time by notice in writing to the Company resign his office. One of such ex-officio Directors shall be the Chairman of the Board of Directors. The right of appointment or removal of an ex-officio Director shall not be affected or determined by any change in the name and/or constitution of the Managing Agent or its successors in office."

      (iii) *That the following Article be substituted as Article 120 in place of the existing Article 120:—*

      "Bansilal Bisesardas Private Limited has been appointed the Managing Agent of the Company (herein called 'the Agents') upon the terms mentioned in the Agreement dated the 14th day of April 1958 between it and the Company, a copy of which is hereto annexed."
8. To consider, and if thought fit, to pass *the following Resolution:—*

   "*RESOLVED that the Authorised Capital of the Company be and the same is hereby increased to Rupees One Crore and Twenty-five lakhs divided into 1,25,000 Ordinary (Equity) shares of Rs. 100 each.*"

An Explanatory Statement in respect of the above items 5, 7(a), 7(b), 7(c) and 8 is hereto annexed.

The Transfer Books of the Company will be closed from 25th May 1959 to 19th June 1959 both days inclusive.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

By Order of the Board,

For THE OSMANSHAHI MILLS LIMITED,
For BANSILAL BISESARDAS PRIVATE LTD.,

K. B. DAGA,
Director,
Managing Agents.

HYDERABAD-DECCAN, 11*th April*, 1959.

Note: The relative Explanatory Statement pursuant to Section 173 of the Companies Act 1956 in respect of the above item of business has been posted to each Shareholder individually to his last given address.

SURVEY

(*Concluded from page 855*)

for an aggregate capacity of 160,000 tons, of which 60,000 tons would be required for indigenous steel production by the end of the current Plan period. The balance of 100,000 tons has been sanctioned for the purpose of export, though, in due course, the requirements of India itself will exceed 60,000 tons.

One of the units which has received a licence is the Khandelwal Ferro Alloys Ltd., belonging to the House of Khandelwal. The Company proposes to set up a plant with an installed capacity of 30,000 tons, which is nearly 20 per cent. of the total capacity sanctioned for all the six units. This Company has some special advantages, indicating that the success of this venture is assured. In the first instance, the promoters have considerable experience as exporters of manganese ore and importers of steel and have wide contacts in world markets for ferro-manganese. A Norwegian firm has agreed to supply the necessary plant and machinery on deferred payment terms, to provide technical assistance for installing and commissioning the plant and to train the Company's personnel. It has also executed a performance guarantee for production of ferro-manganese of the required quality and quantity. The factory will be situated at Kanhan, near Nagpur, which is the heart of the manganese ore mining area, with rich deposits of ore, where limestone, the other essential raw material, is easily available, and which is conveniently located from the point of view of transport, water-supply and electricity.

Another most important advantage which the Company enjoys is that it has entered into an agreement with one of the biggest ferro-manganese dealers in the world for sale of the Company's entire output for a period of 7½ years with a minimum guaranteed price for the first 4½ years.

The construction work at the factory premises is said to be in full swing and part of the plant and machinery has already been received. The remaining shipments are expected to be received before September this year. Addressing a Press Conference on Saturday last week, Mr. Ramprasad Khandelwal, a Director and one of the promoters, said that the first of the two furnaces, with a capacity of 15,000 tons each, would go into production early in 1960 and the second by the end of 1960 or early in 1961, depending upon the availability of power. He added that provision had been made to set up six furnaces.

The terms of the Company's public issue of capital were referred to in our last issue and are contained in the announcement published on pages 868 and 869 of this issue. The success of the issue seems to be assured, in that the entire preference issue has been underwritten. Incidentally, it may be noted, this is the first preference issue to be underwritten by the Industrial Finance Corporation. The Company has been granted a loan of Rs. 40 lakhs by the Refinance Corporation for Industry Ltd., through the Chartered Bank, the first loan to be given by the Corporation since its inception. Evidently, the scheme must have been scrutinised thoroughly and found satisfactory by the two institutions.

DELHI LETTER

(*Concluded from page 856*)

About half a million tons of lignite per annum will be utilised for this scheme. Global tenders invited for the manufacture, supply and erection, where necessary, of plant and machinery needed for all the different parts of the scheme are now under scrutiny. Firm orders for the supply and erection of all plant and machinery are expected to be placed shortly. The project is expected to cost about Rs. 20 crores and commercial production of urea is expected to commence in March 1962.

Fifthly, a proposal to establish a fertiliser factory at Bombay, utilising the gases available from the oil refineries at Trombay, has also been under the active consideration of the Government. A comprehensive study of the various aspects of the project has just been completed. The scheme has been approved by the Government, in principle, subject to negotiations for the price of the gas with the oil companies proving satisfactory. The scheme, when implemented, will produce 90,000 tons of nitrogen per year partly in the form of urea and partly as complex fertilisers (nitrophosphate). The project is estimated to cost about Rs. 24 crores. The construction of the factory will take about three years.

As for the third Plan period, the Government of India has recently set up a Technical Committee for preparing preliminary reports on the scope for establishment of fertiliser factories at a number of suitable sites. The terms of reference of the Committee are:

1. Preparation of preliminary reports to help in deciding the establishment of fertiliser factories at (i) Vijayawada/Kothagudium, (ii) Rajasthan, (iii) Itarsi, (iv) Durgapur (based on coke oven gases) and such other sites as may be referred to the Committee, with a view to determining the types and quantities of fertiliser that can most suitably be produced at the various sites, having regard to the facilities available at these places and the pattern of production indicated by the Department of Agriculture for the third Plan period, and also the order of capital cost likely to be involved and the probable cost of production. The Committee, it is expected, will complete its work and submit its report within a period of six months. The target suggested by the Food and Agriculture Ministry for the Third Plan will mean an increase of fertiliser production from about 80,000 tons in 1958-59 to 1,500,000 tons in 1965-66 in terms of nitrogen alone. If this target is accepted by the Committee, it alone will involve a total investment outlay of not less than Rs. 400 crores till 1965. Besides this, substantial investment will be required for the phosphatic and potassic part of the fertiliser programme.

MONEY LESS STRINGENT

(*From Our Own Correspondent*)

BOMBAY, 20*th May*

Conditions in the short-term money market are somewhat less stringent. During the last few days, funds have started returning from the interior, but the flow is not yet on such a scale as to relieve the pressure to a marked extent. As the latest Reserve Bank statement indicates, banks have reduced their borrowings considerably and have even increased their balances with the Reserve Bank. Banks are no doubt still borrowers in the market, but, in inter-bank dealings, the Exchange and big Indian banks are not prepared to pay more than 3½ per cent. on call money, whereas they were paying till last week up to 3¾ per cent. The rate among the smaller banks is, however, unchanged at 3¾ per cent. House money at seven days' notice continues to fetch 3¾ per cent., while short-term deposits are being offered at 3½ to 4 per cent., as against 3¾ to 4 per cent. last week.

The Treasury Bill discount rate is again unchanged at 2.800 per cent. per annum. The offerings at yesterday's sale amounted to Rs. 2.40 crores, as against Rs. 2 crores invited. Presumably, in view of the fact that conditions in the money market have not shown definite easiness, the authorities have not raised the Treasury Bill amount for next week from Rs. 2 crores. Indeed, as the Central Government will be entering the capital market some time next month for raising long-term loans, there is no likelihood of the amount being raised in the succeeding weeks either. There were no sales of intermediate bills last week also, but they have not been suspended.

The Reserve Bank of India statement for the week ended 15th May 1959 shows a contraction of Rs. 8.74 crores in notes in circulation and a rise of Rs. 8.46 crores in total notes held in the Banking Department. There has been no change in foreign securities, but balances held abroad have resumed their decline with a fall of Rs. 1.11 crore. This brings the total foreign assets down to Rs. 202.62 crores. While the Central Government's deposits are up by Rs. 1.21 crore, those of other Governments have dwindled by Rs. 6.71 crores. Deposits of banks are higher by Rs. 3.65 crores, while loans and advances other than to Governments show a sizable fall of Rs. 12.89 crores, of which advances to Scheduled banks against usance bills account for Rs. 4.06 crores.

A fall of Rs. 8.23 crores in demand deposits is disclosed by the Scheduled banks' statement for the week ended 8th May 1959, but this is partly made good by the rise of Rs. 2.15 crores in time deposits. Of the net decline of Rs. 6.08 crores, the State Bank of India accounts for Rs. 4.64 crores. Borrowings from the Reserve Bank have gone up by Rs. 11.43 crores, the share of the State Bank alone being Rs. 7.50 crores. Advances have risen by Rs. 8.13 crores, including Rs. 2.79 crores on account of the State Bank, while bills purchased and discounted are lower by Rs. 1.93 crore, which is solely accounted for by the State Bank. A rise of Rs. 9.89 crores in the latter's investment portfolio has raised the total investments of all banks by Rs. 9.95 crores. Cash in hand and balances with the Reserve Bank have together dwindled by Rs. 15.24 crores, the whole of which is accounted for by the State Bank.

Barring a slight demand in short-dated securities, with the resultant hardening of prices by 5 nP, the Gilt-edged market has not shown any livelihood. Conditions continue to be extremely dull and the volume of business has not enlarged. With the L.I.C. out of the field, State loans are lifeless. In refreshing contrast to the sustained fall noted in previous weeks, there has been a rise of 5 nP in 3 per cent. 1986 Conversion Loan at Rs. 73.55. 2½ per cent. 1961 has hardened by 5 nP to Rs. 97.30 and 3 per cent. 1963-65 by a like extent to Rs. 96.70. 3½ per cent. 1963 and 1965 have each gone up by 5 nP to Rs. 99.95 and Rs. 99.55, respectively. Among the long-dated issues, while 3 per cent. 1970-75 is up by 10 nP at Rs. 91.30, 4 per cent. 1973 has shed 5 nP to Rs. 101.65.

In consonance with the slight weakening of sterling abroad, the rupee also is ruling a little quiet in terms of the U.S. dollar. Banks' selling rate for ready dollars has gone up from Rs. 475.25 to Rs. 475.75 per $100 and their buying rate from Rs. 472 to Rs. 472.25 per $100. In New York, spot sterling has declined from $2.81.9/16-2.81⅛ to $2.81⅛-2.81.7/16 and three months' forward from $2.81.7/32-2.81.9/32 to $2.81.5/32-2.81.7/32.

TANNED HIDES FIRM

(*From Our Own Correspondent*)

MADRAS, 18*th May*

Tanned hides ruled firm during the week while cow calf and buff calf were quiet. U.K. demand was mostly for top marks in cow hides and all marks in lower grades. Importers' efforts to bid the market down did not materialise.

E.I. tanned goat skins were a shade easy and sheep firm.

In the London public sales which commenced on the 4th inst., buyers were highly discriminating. Tanned goat skins advanced by 2s. to 2s. 6d. per lb. and sheep by 2s. to 3s. per lb. on prime tannages and the best parcels were sold.

LINSEED STEADY

(*Messrs. A. Bradley & Co.*)

CALCUTTA, 18*th May*

Steady conditions prevailed in the linseed market throughout the week. With keen demand and shortage of supplies, seeds advanced by 50 nP to 75 nP per maund. Owing to better prices obtainable at the centres, despatches were poor and there was little response to the improved demand from crushers. Despite lower prices, there were few enquiries for oilcakes. Local buyers were uninterested, and overseas prices declined further. The oil market was very active. With keen enquiries from local buyers and sellers rather hesitant prices advanced by about Rs. 2.50 per maund. A fair turnover was reported with buyers chiefly interested in forward positions. As a result of the present advance, Indian quotations are entirely out of parity with overseas prices.

The latest quotations are: Ready May Rs. 23.62 and June-July Rs. 23.75 per maund.

BULLION STRONG

(*From Our Own Correspondent*)

BOMBAY, 20*th May*

The downward trend noted in the bullion market last week continued during the first two days of the week under review, abated on Saturday and yielded place to a moderately bullish trend in the subsequent days. There was persistent bear-covering which found offerings scarce. Spot houses were keen buyers of both gold and silver. Values, as a result, recorded a rise. This trend was accelerated as the week progressed by the seizure of 1,500 tolas of contraband gold from the shop of a leading bullion merchant in the city by customs officials, firm Calcutta advices, continued improvement in offtake and buying against option transaction. Towards the close of today, however, values tended to move down on account of profit-taking. Nevertheless, the closing rates were higher than those on Wednesday last week.

In the gold section, May settlement, after declining from Rs. 118-9 to Rs. 115-14, recovered gradually to Rs. 121-6 today before finishing at Rs. 120-4. June settlement, which had receded to Rs. 115-2 on the opening day, as against Rs. 117 at the close of last week, improved in the course of the week to touch Rs. 119-8 today. Towards the close, it was weak at Rs. 117-10, owing to heavy profit-taking. August settlement stood at Rs. 116.15 today, as against Rs. 116-6 last week-end.

The backwardation rate (*budli* in favour of the bulls) also widened considerably from Re. 1-9 last week to Rs. 2-10 today, indicating the strong hold of bulls in this settlement which will be maturing on Friday the 23rd inst. The bulls, of course, had to continue depositing a margin of Rs. 25 per tola throughout the week, since the backwardation rate was over a rupee. The backwardation rate for June settlement was also higher, albeit by only an anna, at As. 11. With regard to July settlement, since the closing rate of Rs. 115-5 on Thursday the 14th inst., was lower by more than Rs. 5 as compared with the starting rate, a margin of Rs. 7 per tola became operative on bears.

Ready gold began at Rs. 117-15, as against Rs. 118-9, and, after declining to Rs. 116-4 the same day, moved up thereafter by stages and touched Rs. 121-10 today before closing at Rs. 120-12. The net gain over the week is Rs. 2-3. The daily average arrivals and offtake of gold were 4,000 tolas and 4,500 tolas, respectively. The floating stocks of gold are estimated at 15,000 tolas.

May settlement in silver improved from the low level of Rs. 191-2 on Friday to Rs. 197-4, but finished easy at Rs. 195-11. June settlement advanced from Rs. 190-15 at the end of last week to Rs. 193-2 today before closing at Rs. 191-11. Over the week, July settlement gained As. 5 to Rs. 190-8; at one time today, it saw a high of Rs. 191-9.

The backwardation charge for May settlement, which had narrowed down from Rs. 3-10 to Rs. 2-8 last week, widened markedly again during the week under review and stood at as high as Rs. 4 today. The margin of Rs. 2,500 per bar on open bull position in the settlement continued to be in force throughout the week. The backwardation rate for June settlement exceeded a rupee on Monday and rose further to Re. 1-3 today, so that margin at the rate of Rs. 1,000 per bar became effective on bulls in this settlement. With July settlement closing on Thursday the 14th inst., Rs. 7 lower than the starting rate, a margin of Rs. 500 per bar became operative on bears.

Ready silver encountered selling early in the week and fell from Rs. 194 to Rs. 191-14. Subsequently, a recovery ensued and the rate touched Rs. 196-10 today before finishing at Rs. 195-3. The net gain over the week is Re. 1-3. The daily average arrivals of silver were 10 bars, while the offtake was 20 bars per day. The floating stocks of silver are reported to be around 400 bars.

There was no change in ready and forward silver in the London bullion market which stood at 79¼d. and 78¾d. per ounce, respectively. Silver in New York also was unchanged at 91.375 cents per ounce. Ready gold in London, after firming up from 249s. 6¼d. to 249s. 7¾d., eased to 249s. 6¾d. induced by strength of the pound sterling *vis-a-vis* the dollar. The latest available dollar rate of gold in London is $35.14.

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

	20-5-59	Highest	Lowest	13-5-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	120 12	121 10	116 4	118 9
Forward*	120 4	121 6	115 14	118 9
Sovereign	77 12	77 12	77 0	77 2
SILVER				
Ready (.999 fine Mint) ..	195 3	196 10	191 14	194 0
Forward†	195 11	197 4	191 2	193 7
	19-5-59	—	—	12-5-59
London Silver Ready ..	79¼d.	—	—	79¼d.
London Forward	78¾d.	—	—	78¾d.
London Gold	249s. 6¾d.	249s. 7¾d.	249s. 6¼d.	249s. 6¼d.
New York Silver	91.375c.	..	..	91.375c.

* 23rd May settlement. † 25th May settlement.

COTTON FUTURES FINISH BETTER

(*From Our Own Correspondent*)

BOMBAY, 20*th May*

After ruling easy during the major part of the week under review, the futures section of the cotton market showed a distinctly hardening tendency today. The earlier easiness was due to rumours regarding cotton import quota—this was, in fact, announced yesterday—and even the small tenders against the maturing contract, that is, I.C.C. Moglai Jarilla May 1959, were ignored. The total quantity actually tendered so far is put at no more than 3,500 bales. Selling by some Ahmedabad operators and unencouraging advices from other commodity markets also engendered some weakness. Today, the market put on a cheerful appearance, despite the release of import quota of 240,000 bales to be channelled through textile export entitlement schemes, because prices had gone down earlier in expectation of this development. The factors which influenced the operators favourably were reports of higher offtake in piecegoods and strong spot advices. Not only were the previous losses completely made good but today's closing rates were higher than those at the end of last week.

I.C.C. Moglai Jarilla May 1959 opened the week at Rs. 694.50, as against Rs. 695.25, and gradually receded to touch Rs. 689.50 on Saturday. Thereafter, it recovered to Rs. 699 today before finishing at Rs. 698.50. The net gain over the week is Rs. 3.25. August 1959 delivery declined from Rs. 708 to Rs. 701.25 yesterday, but improved to Rs. 709 today. The trend of prices of the two contracts during the week is indicated below:

(In rupees per candy of 784 lbs.)

20-5-59	*High*	*Low*	13-5-59
I.C.C. Moglai Jarilla			
May 1959 ...	698.50	699.00	689.50	695.25
August 1959 ...	709.00	709.25	701.25	708.00

In the spot section, prices registered a handsome improvement during the week. Berar Jarilla elicited good mill buying and rallied from Rs. 690 to Rs. 730 per candy. Khandesh quality was also well favoured, the quotation spurting by Rs. 20 to Rs. 890. Laxmi was fully maintained at Rs. 1,050.

Among exportable styles, Bengal *Deshi* attracted the attention of shippers and advanced by Rs. 25 to Rs. 720. This variety was reported to have elicited fresh enquiries from abroad, especially from Japan. The other exportable styles, however, continued to rule quiet.

Activity in foreign cotton was subdued till today when the Government of India announced the import quota. The quota amounts to 240,000 bales, bringing the aggregate release for the whole season to 600,000 bales. The imports will, however, be effected through the textile export entitlement schemes announced from time to time. It is expected that the total entitlement licences in the first quarter of 1959 cover about 100,000 bales of cotton. The licences will be issued "within the next couple of weeks and will provide for imports from different sources". A proposal for advance imports of a small quantity of raw cotton which can be supplied against entitlement on the basis of performance in the second quarter is under consideration. Meanwhile, the authorities hope that it will be possible for the textile industry to augment exports of textiles substantially. The entitlement for the second quarter is expected to work out to a larger figure.

Cotton traders are awaiting the outcome of the discussions now being held by the four-member Tanganyika cotton trade delegation in Bombay with the representatives of cotton and mill interests, as well as with the Government of India officials. The object of the delegation's visit is to explore the possibility of selling a sizable quantity of Tanganyika cotton to India.

The Karachi cotton futures market remained closed throughout the week under review, as the Karachi Cotton Association banned fresh trading in May and July contracts with effect from the 10th inst. The spot section continued to rule subdued, with limited turnover and narrow fluctuations in prices.

A firm trend was in evidence in the Alexandria futures market. Buying support was quite sustained, thanks to renewed hopes of enlarged demand from overseas countries following the recent upward revision in discount rate on Egyptian cotton from 27.75 to 32.50 per cent. Traders noted the distinct improvement in exports of cotton so far during the 1958-59 season, the quantity actually shipped in the first eight months ended April 1959 being 855,775 bales (of 730 lbs. each), as against 655,300 bales in the corresponding period of 1957-58. It was reported that the entire current season's crop of 1,327,000 bales would be fully utilised by the anticipated seasonal exports and domestic consumption, so that the carryover into the new season would be about unchanged from the stocks of 271,000 bales brought into the season.

The latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets relating to previous week's closing rates, are:

Karnak: May 74.10 (72.50); July 74.05 (72.55). *Ashmouni*: June 69.20 (65.80); August 68.00 (64.85).

The Liverpool cotton futures market ruled irregular during the week. Thus, near deliveries showed a hardening tendency, while distant positions came in for selling and suffered losses. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: May-June 22.85; July-August 22.74; October-November 21.75; December-January 21.50.

American cotton mixed growth contract: May-June 23.75; July-August 23.15; October-November 22.20; December-January 21.55.

Sudan Lambert seed contract: May-June, July-August and September-October 26.75.

Easy conditions prevailed in the New York cotton futures market. There was scattered liquidation in old crop July, together with hedge selling in the nearer crop months and profit-taking in the distants. Traders were generally inclined to await further new crop developments.

On the 13th inst., the U.S. Agriculture Department announced the export sale of 33,648 bales of Government-owned cotton at 28.48 cents per lb., basis middling inch. Based on the official schedule of premia and discounts applicable to the 1959 cotton crop, the purchase price (under choice A programme) and loan rate (under choice B programme) for middling one inch cotton at average location will be 34.10 cents and 28.40 cents per lb., respectively. The current loan rate, it may be noted here, is as high as 35.08 cents. The Commodity Credit Corporation will offer its owned stocks in the coming season for sale at minimum 110 per cent. of the choice B loan rate, that is, 31.24 cents per pound. Beginning from October this year, the prices will be higher by carrying charges which are 10 cent points for that month and 15 cent points monthly for period beyond till the end of the season. The export subsidy has been announced at 8 cents per pound. Assuming that the domestic market value will be around the C.C.C. sale price, then for Middling one inch at average location an approximate export price of 23.24 cents would appear to be indicated. Under the C.C.C. export sales programme for the current season, recent average price at average location accepted for Middling one inch cotton was 28.51 cents per pound.

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

(In cents per lb.)

	19-5-59	12-5-59	5-5-59
Spot	36.25	36.25	36.25
July	34.70	35.09	34.96
October	32.78	32.87	32.77
December	32.71	32.77	32.68

MARGIN EXEMPTION FOR CASTOR OIL EXPORTS

(From Our Own Correspondent)

BOMBAY, 20*th May*

In a bid to promote exports of castor oil, the Forward Markets Commission announced, on Monday, the 18th inst., margin exemptions on open long positions held as hedge against commitments in respect of castor oil exports. Against one ton of castor oil sold for export, exporters have been permitted to hedge forward sales to the extent of 10 candies, without depositing margin. The scheme, introduced as an "experimental measure," is designed to enable genuine exporters to cover their export commitments on the futures markets without having to go to banks for credit to make the heavy margins payable at higher levels of prices. Despite this measure, both castorseed and castor oil recorded a fall in prices.

The final official estimate of castorseed for 1958-59 was published this week. The area and production of crop for the current year is placed at 1,193,000 acres and 111,000 tons as against the partially revised estimate of 1,184,000 acres and 89,000 tons in 1957-58. The present estimate shows an increase of 9,000 acres or 0.8 per cent. in area and 22,000 tons or 24.7 per cent. in production, over the last year. The increase in current year's area is accounted for mainly by Bombay and is due probably to favourable climatic conditions at the time of sowing. The substantial increase in current year's production occurred mainly in Andhra Pradesh and Bombay and is attributed partly to increase in area and partly to higher yield per acre as a result of favourable seasonal conditions during the growing period of the crop. The all-India per-acre yield in the current year works out to 208 pounds, as against 168 pounds in 1957-58, showing an increase of over 24 per cent.

The spectacular rally in prices in the oilseeds market, witnessed during the last three weeks, has come to a halt. The initial sessions during the week ruled distinctly firm; but the market gave way not long before on heavy bull liquidation. This trend was aided further by the gradually improving supply position.

Although *vanaspati* manufacturers and crushers lent good support to the groundnut section, there was a sharp setback, thanks mainly to heavy arrivals from Saurashtra and other places. Even the report that Communist countries would eventually turn to India for groundnut oil failed to enthuse the market. The nervous bulls liquidated their stocks. Groundnut May and August contracts, which had closed last week on a steady note at Rs. 204.25 and Rs. 206.25, respectively, improved to Rs. 204.75 and Rs. 207.25, respectively; subsequently, they eased to wind up the week today at Rs. 200.50 and Rs. 202.50. Bold ready after fluctuating between Rs. 42-12 and Rs. 40.50, finished today at Rs. 42.00. Oil ex-mill ready also depicted a declining trend, having fallen from Rs. 22.25 last Wednesday to Rs. 22.00 today.

The buoyancy in the castorseed section was arrested during the week under review. The U.S. seems to have adopted a wait and watch attitude towards buying Indian castor oil. The rapid rise in prices in India has naturally discouraged importers in the U.S. In these circumstances, the exemption of margin on exports of castor oil too made hardly any impression on the market. Castorseed May and September contracts suffered a severe setback and wound up the week at Rs. 168.12 and Rs. 172.37, respectively, as against Rs. 172.75 and Rs. 176.00, a week ago. Ready Madras declined from Rs. 34.12 last week-end to Rs. 33.12 today, and oil B.S.S. from Rs. 18.31 to Rs. 17.62.

Linseed and cottonseed witnessed sympathetic movements. Larger arrivals further dampened the linseed section. Buying support was also lacking. Linseed May contract which stood at Rs. 34.62 last week-end moved within a narrow range and finished today at Rs. 34.19. Bold ready lost 50 nP to close at Rs. 33.75 today. Linseed oil was, however, at Rs. 16.50 today, as against Rs. 16.87 last Wednesday. Cottonseed September contract fell by Rs. 3 to Rs. 136.25 on Monday. It recovered later to end the week at Rs. 16.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	20-5-1959	13-5-1959	6-5-1959
	Rs.	Rs.	Rs.
Groundnut			
May 1959	200.50	204.25	201.00
August 1959	202 50	206.25	204.50
Bold ready	42.00	42.12	41.00
Coromandel ready	42.25	42.62	41.25
Khandesh quality	42.25	42.62	41.25
Oil ex-mill ready*	22.00	22.25	22.00
Railway receipts*	21.87	22.00	21.75
Castorseed			
May 1959	168.12	172.75	156 00
September 1959	172.37	176.00	171.25
Ready Madras	33.12	34.12	32 62
Ready Kanpur	31.69	33.12	31.37
Oil B.S.S.†	17 62	18.31	17 62
Oil commercial†	16.75	18.31	16.69
Linseed			
May 1959	34.19	34 81	33.81
September 1959	34.87	35.50	34.81
Bold ready	33 75	34.25	33.12
Oil ready†	16 50	16.87	16.25
Cotton seed			
May 1959	—	138.25	135.50
September 1959	—	139.25	137.75
Niger seed	31.25	13.50	30.75
Kardi seed	24 00	24.50	24.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR DECLINES

(From Our Own Correspondents)

BOMBAY, 20*th May*

There was a decline in sugar prices during the week, due to stern official warning, slackness in spot demand and profit-taking at the high levels touched in the past fortnight. Arrivals of sugar by rail into the market were also quite large, being 17,810 bags, as against 13,030 bags in the previous week.

Small grain sugar fell by Rs. 2 to Rs. 120 per bag. Medium grain shed a like amount to Rs. 121-123. Large grain was quoted at Rs. 124-125, as against Rs. 125-129.

Apropos the Central Government's directive on the issue of licensing wholesale sugar dealers, the State's Minister for Civil Supplies is reported to be busy collecting statistical data and considering appropriate steps to prevent undue rise in sugar prices. Sugar traders are wondering as to how the licensing scheme of wholesale dealers will, in fact, operate. To quote one of them: "In view of the fact that there is no control over ex-mill prices in this part of the country and considering that several co-operative factories sell their sugar to many parties on tender basis at varied prices in different zones on different days, it is not clear how the margin of wholesalers will be fixed." It is, however, generally believed that both the mills and the traders will be more cautious in dealing with the next release of free market sugar which is expected to be announced before the month is out.

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HAPUR, 18*th May*

Sugar prices continued to be steady to firm during the past week and special release of 5,000 tons for U.P. failed to bring down prices, as supplies in the market were restricted and reports of delay in acceptance of tenders still persisted. The partial control on ex-factory prices of sugar in Punjab, U.P. and North Bihar has failed miserably and prices in important markets are being quoted at a premium of about Rs. 4.25 per maund over the controlled rates. The system of allotment of sugar by tender has also not benefited the consumers, as most of the allottees are earning undue profits on their allotment. There has been no control on sugar prices in other States where also factories are making huge profits and some trade interests have suggested that, as the Government has no proper distributing machinery for the commodity, the entire business of sugar may be left open to the trade and sufficient releases may be made to bring down prices. On the other hand, due to encouraging demand from consumers and trade, due to summer and marriage season, there is reported to be a hoarding tendency, prompted by reports of lower output this year and fears of scarcity in the lean months of August and September.

The Government of India has advised the State Governments to license wholesale dealers in sugar to check the rising trend and the U.P. Government is opening fair-price shops of sugar to meet that end. Most of the mills in this area have exhausted their released quota and are not quoting sugar prices. Sugar prices ruled steady in the Muzaffarnagar market where demand was reported brisk from consuming areas coupled with paucity of stocks with the mills against free sale quota. Prices further shot up and were quoted at a premium ranging from Rs. 4.25 to Rs. 4.62 a maund over the controlled price.

A regular tussle was witnessed in the Kanpur market during the past week, as following good demand prices tried to go up, while Government machinery was actively at work to curb the rising tendency by accepting more of tenders and rush supplies of sugar in the market. Spot prices have dropped from peak levels and fair-price shops are being opened.

Khandsari prices recorded further gains during the week, in sympathy with firmness in crystal sugar and brisk demand. Production was on a low ebb and the latest prices are: *kandsari desi* inferior Rs. 34 to Rs. 36, superior Rs. 37 to Rs. 38.50, Lallawali and Maheshwari Rs. 38.75 a maund.

Gur prices recorded sharp gains during the week, due to good demand for dry quality which is still reaching the market at an average of 300 maunds daily, out of the stocks retained by producers. *Kotha* dry-wet quality is also in demand and local stocks are running down and is now put at about 86,000 maunds. The Government of India has announced the price of cane for the 1959-60 season which is to remain unchanged at Re. 1.31 to Re. 1.44 per maund. The latest prices of *gur* here are: *pansera* Rs. 21 to Rs. 22 and *shakker* Rs. 22.50 per maund.

Gur prices also improved in the Muzaffarnagar market due to good outside demand. Daily arrivals averaged 4,000 to 5,000 maunds and the prices are: *Chaku* dry Rs. 22.75 to Rs. 24, *kotha* dry-wet Rs. 22.50 to Rs. 23, *ladu* Rs. 21 to Rs. 22, *pansera* Rs. 21 to Rs. 21.50, *shakker dara* Rs. 21.50 to Rs. 22, *masala* Rs. 25 to Rs. 26 per maund.

Trading in *gur* futures has not yet been sanctioned by the Government in any centre.

BLACK PEPPER DULL

(Messrs. Parekh & Co.)

BOMBAY, 20*th May*

The last three weeks proved a tame affair for Malabar black pepper, there being small fluctuations in the prices. New York continued to be out of mraket, there being pressure of sizable arrivals from Lampong. Spot in New York moved between $0.24¼ and $0.25¼. Singapore was reported to be fairly steady as far as black pepper was concerned, while white showed downward trend under pressure of arrivals from Mentok and Sarawak and for lack of foreign demand. Ready ungarbled at Cochin moved between Rs. 645 and Rs. 670, and Tellicherry from Rs. 690 to Rs. 715.

Business on the forward ring was slow and thin, as speculators preferred to await new incentives and for want of hedging orders from Bombay, where business in specific delivery remained closed. July delivery at Cochin showed a fractional fluctuation. Despite very poor inquiries from overseas, Malabar black showed remarkably steady undertone, which itself denotes that the technical position of the market is sound. The future, however, depends upon the foreign demand. Even small enquiries from either the U.S. or U.S.S.R. are likely to push up the prices, as holdings with the growers and the second-hands are limited. Black pepper at Singapore is also very steady, as arrivals from Lampong are few and far between. As a result the holders are not showing any anxiety to liquidate. The crop prospects as far as Lampong and Sarawak are concerned are reported to be not so rosy. Ready pepper at Bombay is moving between Rs. 90 and Rs. 95. New arrivals are small for want of replacing parity. Local traders are unwilling to build up stock when hedging facilities are not available in the local market.

HIGH GROWN TEAS DEARER

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

COCHIN, 15*th May*

A total quantity of 700,000 lbs. were offered in sale No. 18, which was held on 12th May 1959. Quality showed little change from the previous sale and there were still some useful teas catalogued. The market opened to a good demand which was maintained throughout the sale. Low medium and medium teas met with keen enquiry and were fully firm—in particular fannings grades were well supported. Good mediums and high growns met with only fair demand and these sold at irregularly 10 to 20 nP below last rates. Demand for whole leaf grades continued and these were stronger and dearer. The quotations were: Low medium Re. 1.75 to Re. 1.85; medium Re. 1.90 to Rs. 2.15; good medium Rs. 2.35 to Rs. 2.65 and quality Rs. 2.40 to Rs. 3.77.

Dust Sale 'J':—Just over 400,000 lbs. were offered in this sale, which was held on 14th May 1959. A useful selection of dusts were catalogued. There was a good general demand for all descriptions, though there was some irregularity in prices and these were occasionally easier. Black grainy dusts met a keen enquiry and sold at dearer rates. C.T.C. dusts sold well but prices were slightly below last.

London Market: *Sale of 11th May* 1959.—Generally firm to dearer, except thin stalky kinds.

Sale of 12th May 1959.—No change.

Colombo Market: *Sale of 11th May* 1959.—Strong demand. Dimbula Dickoya brokens lower, following quality. UVA sorts and mediums about 15c. dearer. Lowgrowns steady.

Sale of 12th May 1959.—Liquoring dusts lower, following quality. Other offgrades strong demand at firm rates.

Calcutta Market: *Export*.—No sale.

Internal.—21,500 packages dust. Strong general demand. Orthodox up to 4 nP dearer. Powdery types sold well. Best C.T.C. 10 nP easier. Plainer varieties irregularly easier.

Export Quota.—The market has been rather quiet and inactive this week and practically no business has been registered. There is a nominal quotation in special licence at 1 nP seller with probable buyers.

Current Quota.—There are sellers at 6 nP with no buyers.

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

"*Sale No.* 19:—700,000 lbs. Good demand, except for highgrowns which are unwanted. Low medium and mediums fully firm. Good medium 10 to 20 nP easier."

EXPORT SALES IN NEW TEA CROP BEGIN

(From Our Own Correspondent)

CALCUTTA, 19*th May*

An export sale was held yesterday when new season's teas were offered. The offerings were Darjeelings only in 14,205 packages. As expected, there was good demand, and the keenest attention was paid to teas possessing useful flavour.

On the eve of the new season, the Tea Board announced an interim release of export quota for 1959-60 to the extent of 55 per cent. of the crop basis.

Transferable quota changed hands at 1½ nP before declining to ½ nP with no sellers at this rate. Non-transferable quota was offered at ½ nP, but buyers were prepared to respond at ¼ nP only. New season's quota did not change hands.

Although there was good general demand during the internal sales held last week, when dusts on offer amounted to 21,595 chests, conditions were irregular. In medium C.T.Cs, powdery kinds received fair attention and prices advanced, but the few liquoring C.T.Cs gave way by 10 nP. The smaller types also sagged. Orthodox teas rose by 4 nP. Legg-cut Dooars were firm at previous rates. The few Darjeelings on offer eased in an irregular trend. The quotations, exclusive of excise duty, were: best Assam C.T.C. Rs. 2.60 to Rs. 2.95, medium Assam C.T.C. Rs. 2.05 to Rs. 2.20, medium Assam grainy Re. 1.74 to Re. 1.78, and medium Dooars Re. 1.78 to Re. 1.82.

Leaf on offer amounting to 451 chests met an irregular market.

Tea shipments in 1958-59 were higher than in the previous year, and there was an increase in internal consumption too. India's internal consumption in 1958-59 is believed to have exceeded 240 million lbs., which should be the remainder of the crop after deducting exports. Hence, it is reasonable to presume that the carryover to the new season would not exceed the carryover to the 1958-59 season. Such an analysis indicates a good beginning for the 1959-60 season.

However, a rosy picture cannot be drawn for common teas. Export prospects for these teas are indeed bleak, as China and East Africa continue to expand their acreage. Advantage for East African teas is the lower cost of production than in India. Pakistan is also increasing acreage under tea. Under a Government edict, the gardens there would be statutorily obliged to increase acreage by 3 per cent. every year. The intention is to raise output to 80 million lbs. a year. Production in 1958-59 was only 57 million lbs. Up till now competition from Pakistan in foreign markets has been insignificant, but with increased production and the need to earn more foreign exchange, that country must be able to sell more abroad.

India has also to face severe competition from Ceylon in common teas. Recently, the export duty on the poor quality teas has been reduced in Ceylon, and appeals have been made to the Government of India for lowering the fiscal burden on common teas. If this is not heeded, there is the fear if adequate money can be left for replanting. Replanting is highly essential. With the increasing trend in internal consumption, it is necessary to increase production of common teas in the years to come, although for the immediate present there is no fear of production of these teas falling below demand.

Regarding quality teas, the prospects are indeed bright. Stocks in London have been falling in recent weeks, and the early auctions of the new season should witness a buoyancy in demand.

RAW JUTE FIRM

(From Our Own Correspondent)

CALCUTTA, 19*th May*

There was moderate activity in both the jute goods and fibre markets during the week under review. Earlier in the week, there was a fair amount of covering for ready goods in the futures market. This generated speculative enthusiasm, and soon rates touched the highest levels for the week. There was profit-taking at this stage, and the week's gains could not be maintained. The report that U.S. consumption of burlap in April fell to 74.3 million yards from 82.7 million yards was not seriously taken note of in the market, in view of the buying interest shown by Russia and Argentina. At the end of March, stocks of finished goods with mills amounted to 106,800 tons, and adding production for the month of April amounting to 84,401 tons, the total supplies aggregated 191,201 tons. Stocks at the end of April being 105,000 tons, demand was for 86,201 tons which was higher than production. It was such an analysis in the market which prevented a reaction following news that production in April increased to 84,401 tons from 83,301 tons.

Fibre prices were firm. This was due to the decline in arrivals, and reports of the possibility of a lower crop in Pakistan. It has been known here that Pakistan has been taking measures for the prevention of a glut in fibre supplies. In the current season, the excess supplies in Pakistan have been really a major problem for the authorities, and even now distress reports continue coming from jute districts. It is not, therefore, surprising that the Pakistani Government has warned jute growers not to grow more jute or mesta in excess of the licensed acreage. If excess is discovered, the same will be destroyed, the grower concerned having to meet the cost of destruction. There was a report coming from Dacca that the Pakistan Government's insistence on cultivators to buy from Government godowns a bag of fertiliser at Rs. 7 before licence for jute cultivation was issued had already contributed to diminished sowing in this year. There were farmers among prospective licensees who could not afford this extra cost for output. Further, it was stated that fertilisers in summer was injurious to the plants. These factors led to firm prices in Pakistan during the week. Meanwhile, reports of satisfactory condition of the crop in India continued. The weather was dry for most part of the week, and rains were needed. The heat wave was again in evidence. There was the fear that if the present drought continued, arrivals of the new crop would be delayed. However, since mills were believed to have large quantities of the fibre in their godowns, no disturbance to the manufacturing programme would be caused.

Meanwhile, cultivators in Bihar have expressed anxiety whether last year's experience of low prices would be repeated in the new season. It was thought here that this would be improbable because of the continuation of the export policy. In the 1958-59 season, only after a glut in supplies had taken prices down to dangerously low levels and in an alarming way, the Government announced the limited export scheme. An interesting report of the week under review from Pakistan was that experiments conducted there and abroad had shown that fine quality paper could be produced from jute stocks, which are at present being disposed of as fuel.

On Tuesday last, B. twills reached the highest level of the week at Rs. 95.10, following good covering business done in ready goods in the futures market. Hessian 40" 10 oz. spurted to Rs. 41.20 from Rs. 40.65. Fair interest was shown for the inferior quality of hessian on behalf of the Argentine, and in heavy goods Australia showed renewed interest in cornsacks. On Wednesday, however, B. twills eased to Rs. 94.85 on profit-taking, and hessian 40" 10 oz. moved down to Rs. 41.05 in sympathy. At low levels, fresh business was not put through, and apart from some speculative transactions there was not much doing on Thursday. B. twills weakened to Rs. 94.50 and hessian 40" 10 oz. to Rs. 40.85. Even at this stage, foreign buying was not done, and B. twills, therefore, eased further to Rs. 94.30 on Friday and hessian 40" 10 oz. to Rs. 40.60. However, raw jute prices were fully firm, and the goods market derived support from this. Over the week-end, B. twills recovered to Rs. 94.65 and hessian 40" 10 oz. to Rs. 40.65. Yesterday, prices for the ready goods declined as the demand for such goods had been fully met. Hessian 40" 10 oz. quoted at Rs. 40.45 and B. twills at Rs. 94.35. Forward delivery goods received more attention.

Raw jute prices, after being quiet, exhibited a firm tendency, following reports of lower arrivals. The latest quotations for the outstanding 1958-59 crop, May-June delivery, are:

	Middles Rs.	*Bottoms* Rs.
Indian:		
Northern	23.00	20.00
Assam Upper	23.75	20.75
Cuttack	25.00	22.00
Desal	22.50	19.00
Murshidabad	21.00	18.50
Jungli	20.75	18.25
Daissee selected	25.00	22.50
Uttar Pradesh	20.75	18.25
Daissee mesta	21.25	18.75
Bimli f.a.q.	Rs. 18.75	

Pucca bales 1st marks—Rs. 160.00 per bale ready.

WHEAT TRADE COMES TO A STANDSTILL

(From Our Own Correspondent)

HAPUR, 18*th May*

Steady to firm conditions continued to prevail in foodgrain prices during the past week. Following the implementation of the wheat levy scheme by the State Government, according to which 50 per cent. of wheat arrivals are to be sold to the Government at the controlled price of Rs. 13 to Rs. 15 per maund, wheat arrivals here and in all other assembling centres have nearly stopped and trading in wheat has come to a standstill. The cultivators are holding their produce and consumers are finding it difficult to meet their requirements. The Government is also not in a position to buy wheat and while the Government blames the trade for this unhappy state of affairs at current harvesting time, the traders assert that, if the Government had not imposed these restrictions, wheat prices which had recorded heavy fall and were quoted at Rs. 15 to Rs. 16 per maund would have gone down further and enabled the Government to make adequate purchases.

Wheat prices at Hapur recorded sharp gains in the past few days and wheat was not available in the open market even up to Rs. 20 per maund. Arrivals which had improved to an average of 500 to 600 maunds daily before the implementation of the wheat levy scheme, have dwindled to almost *nil* and whatever small quantity reaches the market and escapes the eyes of the Government marketing staff is purchased by consumers at fancy prices. Bullish trend in wheat prices has also affected price movements of all other grains.

Rice prices ruled quietly steady, thanks to better supply position. The State Government's procurement operations are reported to be satisfactory and latest prices here are: *basmati sela* Rs. 33 to Rs. 35, *raimunia* Rs. 26.50, *mainpuri* Rs. 21.50 and *gadda* Rs. 22.50 a maund.

After early sharp gains to touch the highest level of the week at Rs. 14.25 per maund, gram prices eased fractionally in the week-end, thanks to easy advices from Punjab and better arrivals from outside. Prices of other coarse grains also tended to fall in the week-end. The latest prevailing prices on Monday (in rupees per maund) were: gram 13.75, barley 13.25, *bejhar* 13.12, *jowar* 13 to 15, *bajra* 13.50 to 15.50 and *guwar* 15.50.

Pulses recorded a hardening trend for most part of the week, but prices ruled quietly easy in the week-end, due to fall in demand at higher levels. Peas attracted good support as grain and pulses and arrivals averaged 1,200 to 1,500 maunds daily. *Arhar* prices spurted to touch new heights in mid-session on brisk demand for *dal*, but prices in the week-end were quoted slightly lower than the peak. Arrivals averaged 500 maunds daily and total arrivals of peas and *arhar* here from the beginning of the season were: 80,000 and 13,000 maunds, as against the corresponding figures last year at 99,000 and 32,000 maunds, respectively. The latest prices and stocks of pulses here are: peas *dara* Rs. 13.25, farm Rs. 14 to Rs. 15, peas *dal* Rs. 15, *arhar* Rs. 18.12, *arhar dal* Rs. 22 to Rs. 23, *urd* Rs. 19.25, *moong* Rs. 21 to Rs. 23, *massor* Rs. 14 to Rs. 18 a maund; stocks peas 31 *khatties* and *arhar* 10 *khatties*.

The establishment of an expert committee to advise the Government of India on the food situation, particularly on the price structure of foodgrains, was suggested by a deputation of the Federation of All-India Foodgrain Dealers which met the Prime Minister at New Delhi on the 17th inst. The other suggestions put forward covered abolition or readjustment of the existing zonal system, in order to adjust prices and availability of foodgrains in different areas so as to ensure fair prices to both producers and consumers.

METALS GIVE WAY

(From Our Own Correspondent)

CALCUTTA, 19*th May*

Contrary to the trend on the London Metal Exchange and in the New York and Singapore markets, metals at Calcutta gave way during the week under review. This was due to prices here having gone up too high in recent weeks. The higher levels could not be sustained, since they were not in comparison with replacement costs.

Tin opened at Rs. 578 and sagged to Rs. 576.50. On the London Metal Exchange, spot metal hardened from £783 to £784½ per ton. In New York, the price at 11.65 cents per lb. recorded a fractional advance. Locally, stocks of tin were in abundance and consumer demand was only for meeting day-to-day needs. There was no hurry to cover needs, as note was taken of the Union Commerce and Industry Minister, Mr. L. B. Sastri's statement that no shortage in imported raw materials would be allowed to be felt by the industry, and that, if need be, the Finance Ministry would be approached for increased allotment of foreign exchange in this regard in the current licensing period ending September.

Lead closed lower at Rs. 75.50, as against the opening of Rs. 77, with Indian lead quoting at Rs. 73 and scrap at Rs. 70. On the other hand, in London, spot metal gained to £71½ from £70½ per ton.

Zinc at Rs. 98.50 disclosed a loss of Rs. 1.50 in the absence of demand, while on the L. M. E., the spot metal moved up from £76½ to £77½.

In contrast with the above trend, there was good demand for copper scrap here, with utensil scrap being quoted at Rs. 232, as against Rs. 225 a week earlier. In London, spot copper moved up from £230½ to £233½, following good demand from New York.

Notice

THE BENGAL PAPER MILL COMPANY, LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the Company the following final dividends for the year ended 31st December, 1958:—

Ordinary Shares	14%
Cumulative Preference Shares ...	3½%
'A' Cumulative Preference Shares ...	3½%
'B' Cumulative Redeemable Preference Shares (subject to deduction of Indian Income Tax)	3%

By Order of the Board,

BALMER LAWRIE & Co., LTD.,

D. MANSON,

Secretary,

Secretaries & Treasurers.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 13*th May*, 1959.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 15th May, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	52,96,93,000
(2) Other Governments	9,72,78,000
(b) Banks	72,31,97,000
(c) Others	118,71,58,000
Bills Payable	16,93,89,000
Other Liabilities	51,61,60,000
Rupees ..	435,28,75,000

ASSETS	Rs.
Notes	19,96,91,000
Rupee Coin	2,23,000
Subsidiary Coin	2,97,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	14,34,77,000
Balances held abroad*	24,61,29,000
Loans and Advances to Governments†	43,52,50,000
Other Loans and Advances	74,79,49,000
Investments	244,82,72,000
Other Assets	13,15,87,000
Rupee ..	435,28,75,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 8,19,04,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	19,96,91,000	
Notes in circulation	1765,97,94,000	
Total Notes issued		1785,94,85,000
Total Liabilities		1785,94,85,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India ..	117,76,03,000	
(b) Held outside India ..	....	
Foreign Securities	178,00,89,000	
Total of A ..		295,76,92,000
B. Rupee Coin		129,40,44,000
Government of India Rupee Securities		1360,77,49,000
Internal Bills of Exchange and other commercial paper ..		....
Total Assets ..		1785,94,85,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	8th May, 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation.	172.87	1774.72	1751.11	1764.48	1629.96
Notes held in Banking Department..	35 05	11 51	27.53	14.22	9.36
Foreign Securities ..	59 50	178 01	178.01	178 01	184.83
Rupee Securities ..	37.39	1360.77	1350.81	1351.26	1207.47
Banking Department					
Deposits of:					
Government of India	14.39	51.75	53.28	49.59	53.29
Other Governments.	..	16 44	22.44	7.50	15.73
Balances held abroad	10.06	25.73	25.21	35.93	73.63
SCHEDULED BANKS					
Demand Liabilities..	134.36	731.78 (21.19)†	739 95 (21.13)†	762.72 (19.64)†	751.07 (19.87)†
Time Liabilities ..	102.24	996 18 (24.57)†	994.36 (24.90)†	946.60 (22.49)†	790 14 (16.24)†
Borrowings from Reserve Bank ..	..	40 54 (12.25)‡	29.11 (10.47)‡	40.33 (11.32)‡	18.64 (17.10)‡
Borrowings from State Bank ..	..	9.86	9.13	13.13	6.65
Cash in India ..	6.70	41.79	43.16	41.82	40.43
Balances with Reserve Bank ..	25.17	67.36	81.23	91.07	107.50
Excess over statutory limits ..	15.52	10.85	24.35	34.00	54.15
Balances with other banks in current account in India..	..	14.15	13.82	14.57	12.57
Money at call and short notice in India	..	31.56	31.16	34.64	58.73
Investments (at book value) ..	..	633.62	623.67	607.75	425.05
Advances and bills..	105.9	1027.26	1021.07	1020.34	948.55
STATE BANK					
Deposits	87.76	519 63	524.27	525.03	418.28
Investments ..	51.99	311.62	301.83	284 84	171.19
Advances	30 35	204 20	201.43	207.33	204.66
Cash	14 69	23 99	39 24	48.94	54.30

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	23rd April 1959	5	4½
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	.. ..	5.16	5.30
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador ..	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	23rd April 1959	4½	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3 50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands ..	21st Jan., 1959	3	2¾
New Zealand ..	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines ..	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa ..	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland ..	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom ..	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	6th Mar., 1959	2½	3
West Germany ..	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 15th May, 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		519,27,15,000
Borrowings from Other Banking Companies, Agents, etc.		5,00,00,000
Bills Payable		10,52,74,000
Bills for Collection being Bills Receivable as per contra		1,33,27,000
Acceptances, Endorsements and Other Obligations per contra		1,37,93,000
Other Liabilities (including Inter-Office Adjustments)		4,97,08,000
Total .. Rs.		555,10,67,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		26,31,25,000
Balances with other Banks		2,90,03,000
Money at Call and Short Notice		2,20,00,000
INVESTMENTS:		
Government and other Trustee Securities	292,17,79,000	
Other Authorised Investments ..	11,40,85,000	303,58,64,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	188,88,72,000	
Bills Discounted and Purchased..	12,79,68,000	201,68,40,000
Bills Receivable being Bills for Collection as per contra		1,33,27,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		1,37,93,000
Premises less Depreciation		1,22,48,000
Furniture and Fixtures less Depreciation ..		1,04,33,000
Other Assets (including Inter-Office Adjustments).		13,44,34,000
Total .. Rs.		555,10,67,000

Scheduled Banks*

Statement of Affairs for the week ended 8th May, 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	21,19,39,000
(ii) Other demand liabilities	710,58,85,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	24,57,25,000
(ii) Other time liabilities	971,60,66,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	9,06,37,000
(ii) Time liabilities	80,00,000
Borrowings in India from the Reserve Bank of India‡	40,53,84,000 (12,25,04,000)
Cash in India	41,78,73,000
Balances with the Reserve Bank in India ..	67,35,52,000
Balances with other banks in current account in India	14,14,96,000
Money at call and short notice in India ..	31,56,41,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	633,62,30,000
Advances in India	879,48,23,000
Inland Bills purchased and discounted in India ..	112,74,60,000
Foreign Bills, purchased and discounted in India..	35,03,25,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Average rate of allotment Rs.
1959					
24th February ..	2.00	2.40	2.00	2.592	99.350
3rd March ..	2.00	2.10	2.00	2.625	99.340
10th March ..	2.00	2.00	2.00	2.680	99.330
17th March ..	2.00	2.00	2.00	2 720	99.320
24th March ..	2.00	2 00	2 00	2.760	99.310
31st March ..	2.00	2.00	2.00	2.760	99.310
7th April ..	2.00	2 00	2.00	2.780	99 305
14th April ..	2.00	2.00	2.00	2.780	99 305
22nd April ..	2 00	2 00	2 00	2.800	99.300
28th April ..	2.00	2.05	2.00	2 800	99.300
5th May ..	2.00	2.25	2.00	2.800	99.300
12th May ..	2.00	2.00	2.00	2.800	99.300
19th May ..	2.00	2.40	2.00	2.800	99.300
Total amount outstanding ..	26.00	..	26.00	..	..

State Bank of Pakistan

Statement of Affairs for the week ended 8th May, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	82,08,32,000
(b) Provincial Governments	2,96,18,000
(c) Banks	20,65,98,000
(d) Others	5,49 25 000
Bills Payable	51.92,000
Other Liabilities	12,54,60,000
Rupees ..	131,16,25,000

ASSETS	Rs.
Notes	10,78,23,000
Rupee Coin	47,000
Subsidiary Coin	31,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	29,89,000
Balances held outside Pakistan*	26,17,65,000
Loans and Advances to Governments ..	9,45,00,000
Provincial Governments' Debtor Balances ..	4.64,33,000
Other Loans and Advances	2,26,68,000
Investments	67,85,97,000
Other Assets	9,67,72,000
Rupees ..	131,16,25,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,78,23,000	
Notes in circulation	342,69,88,000	
Total Notes issued	....	353,48,11,000
Total Liabilities ..	....	353,48,11,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion ..	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	117,52,65,000
B. Rupee Coin	3,95,59,000	
Government of Pakistan Securities	226,09,81,000	
Internal bills of exchange and other commercial paper	....	230,05,40,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets ..	....	353,48,11,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.83 per cent.

EXCHANGE RATES

		19th May 1959	Previous week (12-5-1959)
Bombay on London—			
Sellers T.T. D.D. Spot ..	s.	1-5$\frac{31}{32}$	1-5$\frac{31}{32}$
Sellers T.T. D.D. upto six months ..	s.	1-5$\frac{31}{32}$	1-5$\frac{31}{32}$
Buyers T.T. spot to nine months ..	s.	1-6$\frac{1}{16}$	1-6$\frac{1}{16}$
Buyers T.T. 10 to 12 months ..	s.	1-6$\frac{1}{8}$	1-6$\frac{1}{8}$
Bombay on New York—			
Sellers T.T. D.D. ..	Rs.	475 25	475 25
Buyers T.T. ..	Rs.	472 00	472 00
London on New York ..	$	2 81$\frac{5}{8}$-2 81$\frac{3}{16}$	2.81$\frac{5}{8}$-2 81$\frac{11}{16}$
London on Paris ..	Fcs.	13 80¼-13 80½	13.80¼-13.80½
London on Berne ..	Sw. Fcs.	12 15¾-12 16¼	12 17¾-12 18
New York on London ..	$	2.81$\frac{5}{8}$-2.81$\frac{3}{16}$	2.81$\frac{5}{8}$-2.81$\frac{11}{16}$

CLEARING HOUSE RETURNS

Centre	Week ended 15th May, 1959 Number of Cheques	Amount Rs.	Week ended 8th May 1959 Number of Cheques	Amount Rs.
Bombay ..	3,14,937	72,88,55,000	3,48,767	75,03,78,000
Calcutta ..	1,81,000	56,60,00,000	1,84,000	62,92,00,000
Madras ..	90,294	10,54,47,887	91,944	11,43,05,080
All Centres—				
1956-57 ..	..	..	40,008,000	87,24,35,00,000
1957-58 ..	..	..	41,672,000	89,54,80,00,000
1958-59 ..	..	..	45,172,000	97,67,12,00,000
Jan., 1959 ..	..	..	4,072,000	8,94,45,00,000
Feb., "	..	..	3,821,000	8,28,47,00,000
March "	..	..	4,030,000	9,45,59,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	2nd May, 1959	25th April 1959	3rd May 1958	March 1959	March 1958	Percentage of Increase (+) or Decrease (—) in Mar., 1959 as compared with Mar., 1958	Annual Average 1958	1957
Food Articles ..	504	113.0	112 1 R	105.8	113.7 R	102 3	+11.1	112 0	106 8
Cereals ..	192	97 5	98 2 R	97.9	101 7 R	95 2	+ 6 8	104 7	101.7
Pulses ..	43	90.5	90 3 R	81.4	113 4 R	77 8	+45 8	94 0	84 5
Fruits and Vegetables	23	123.1	122.6	113.6	118 4 R	98 0	+20 8	111 9	116 8
Milk and Ghee ..	84	114.5	113 0	105.5	106 9	102 8	+ 4 0	106 2	103 8
Edible Oils ..	47	129.2	127.3 R	121.4	123 3	117 9	+ 4 6	123 2	128 3
Fish, Eggs and Meat	17	104.9	107.4 R	105.7	103 5 R	102 5	+ 1 0	106 9	96 6
Sugar and *Gur* ..	48	129.7	128.1	112.8*	128 2	111 4	+15 1	122 8	104 6
Others ..	50	156 4	149 8 R	131.9	150 0 R	127 9	+17 3	145.7	132 0
Liquor and Tobacco	21	98 2	97 5	92.1	100 3	94 9	+ 5 7	93.7	91 8
Tobacco ..	—	96 6	95 8	90.3	99 0	93 3	+ 6 1	92 0	90 1
Fuel, Power, Light and Lubricants.	30	115 5	115 5 R	114 2	115 1	114 3	+ 0 7	115 2	111 5
Industrial Raw Materials	155	118 1	117.7 R	114 3	116 2 R	111 3	+ 4 4	114 8	118.1
Fibres ..	61	109 1	108 7	112 8	107 9 R	110 2	— 2 1	109 4	119 8
Oilseeds ..	60	130 8	129.8	118.8	127 6	113 0	+12 9	123 6	122 4
Minerals ..	2	100 6	101.4*	105 1*	102 9	108 2*	— 4.9	106 9	108 5
Others ..	32	112.8	112 8 R	109.2	111 2	110 2	+ 0 9	108 9	107 8
Manufactures ..	290	108 1	108 0	107.8	108 2 R	107 6	+ 0 6	108 2	108 0 R
Intermediate Products	41	108 2	107.9	108.5	109 4	106 8	+ 2.4	109 4	108 5 R
Finished Products	249	108 0	108 0	107.7	108 0 R	107 7	+ 0 3	108 0	107 9 R
Textiles ..	147	102.3	102 2	104.9	102 1	105 9	— 3 6	104 8	107.9
Cotton ..	—	110 6*	110 6*	113.4	111 0*	116 4	— 4 6	113 0	116 8
Jute ..	—	84.2	83.7	89.4	82 3	86 0	— 4.3	87.7	97.7
Woollen ..	—	105 2	105 2	103.7	105 9	103.0	+ 2 8	104 9	102 1
Silk and Rayon ..	—	95.7*	95.7*	92.4*	95.0*	92.5*	+ 2.7	92.5	85 0
Metal Products ..	12	143 3	143.3	143.0	143.3	143 4	— 0.1	143 1	138 2 R
Chemicals ..	20	110.4	110.4	99.1	110.4 R	99 3	+11.2	104 0	97.6
Oil Cakes ..	10	138 8*	138 8	113.2	140 1	112 2	+24 9	128 6	114.7
Machinery and Transport Equipment.	31	106 1	106.1	102.8	106.1 R	102 6	+ 3 4	103 2	101.2
Others ..	30	112.8	112.8	114.8	113 2	112.1	+ 1.0	113 2	107.7
All Commodities ..	1,000	112.1	111.6	107.7	112.2 R	105.4	+ 6 5	111.0	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949 = 100)	Bombay Base June (1934 = 100)	Ahmedabad Base July (1927 = 100)	Sholapur Base January (1928 = 100)	Kanpur Base (1949 = 100)	Nagpur Base (1949 = 100)	Calcutta Base August (1939 = 100)	Madras City Base (1949 = 100)	Delhi Base (1949 = 100)	Ajmer Base (1949 = 100)	Gauhati Base (1949 = 100)	Jamshedpur Base (1949 = 100)	Jabalpur Base (1949 = 100)	Bangalore Base 1949 = 100)
1952 Average ..	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 " ..	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 " ..	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 " ..	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 " ..	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 " ..	116	395	274	313	98	120	384	124	113	103†	103	123	109	131
October 1957 ..	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November " ..	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December " ..	113	383	275	328	93	115	375	121	110	100	105	120	109	129
October 1958 ..	122	405	290	333	108	122	406	130	119	113	105	130	113	132
November " ..	122	402	292	330	106	124	399	132	120	114	103	128	113	133
December " ..	119	398	290	322	101	125	385	133	118	109	99	121	111	133
January 1959 ..	114†	396	301	323	103	127	368†	130	122	107	94	115	109	134
February " ..	118†	399	300	326	103†	129	..	127	126	108	94	120	..	134
March " ..	..	401	290	320	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Out standings	10-Year National Plan Certificates D Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	Out standings	Total Receipts	Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,93
1953-54	5,91	4,26	104 38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252 96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177 35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	212 91	23,11	—39,73	43,58	588	547	63	1 87	264,32	509,77
1958-59	..	..	..	..	..	..	..	..	..	42,57	635	11,68	67	2,41	..	..
April 1958	2,15	4,65	141,31	6,56	77,99	15.27	214 24	22,85	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May "	2,07	4,55	139,23	5,84	83,82	15 22	212,66	22,58	—39,90	43,37	57	6,72	5	2,01	21,68	517,01
June "	2,01	4,47	137,44	5,03	88,80	14,51	218,05	22,39	—39,98	43,29	38	7 12	3	2,03	19,95	520,60
July "	1,96	4,38	135,18	5,94	94,65	16 04	215,13	22,19	—40 06	43,17	47	7,63	5	2,07	22.49	526,36
Aug. "	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532,75
September "	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537 82
October "	1,90	4.16	129,00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9,05	4	2,17	22,01	543,16
November "	1,87	4,10	127,15	6,36	119,33	12,52	218,72	21,56	—40,37	42,81	47	9,58	7	2,23	19,42	547,35
December "	1,83	4,01	125,00	7,84	126 69	14,83	219-06	21,41	—40,44	42,76	51	10,01	6	2,28	23,24	553,05
January 1959	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,52	42,70	57	10,60	5	2,32	24,07	559.17
February "	1,78	3,87	120,95	9,64	143,14	14,03	219,39	21,13	—40,60	42,62	58	11,14	5	2,36	25,22	566,41
March "	..	..	..	..	..	..	..	..	..	42,57	65	11,68	6	2,41	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of February, 1959 is rupees two lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.75
3 % Loan	1938-39	116,17,46,000	1963-65	96.70
3 % Loan	1950	30,32,10,000	1964	97 00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93.70
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.30
3 % 2nd V. Loan	1945	1,13,65 64,000	1959-61	99.75
2¾% Loan	1946	45,63,07,000	1960	99.00
2¾% Loan	1946	57,00,69,000	1961	97 30
2¾% Loan	1946	14,77,48,000	1976	83 25
2¾% Loan	1947	75,86,72 000	1962	96 90
3½% N. P. Bonds	1953	75,29,00,000	1961	100 10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.70
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99 55
3½% Loan	1956	87,27,36,000	1962	99 15
3½% N. P. Bonds	1956	63,81,83,000	1967	99.10
3½% Loan	1956	66,63,53,000	1974	98.85
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100 80
4 % Loan	1957	49,17,27,000	1972	101 70
3½% Loan	1958	58,06,00,000	1963	99 95
3¾% Loan	1958	80,00,00,000	1968	98 95
3¾% Loan N.P.B.	1958	84,16,76,500	1968	100 60
4 % Loan	1958	49,47,00,000	1973	101.65
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34 000	M.	73.10
3% Loan	1946	2,48,91,37,000	K.	73.55
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100 00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100 00
4½% Andhra	1958	5,00,00,000	15th July 1970	101 55
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96 50
3 % Bombay	1950	2,83,50,000	31st July 1960	99 00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 60
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.55
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100 25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102 50
4½% Bombay	1958	5,00,00,000	15th July 1970	102 50
4½% Bombay	1958	5,00,00,000	15th July 1971	102 50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100 00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50,00,000	13th Oct. 1970	101 40
3½% Cochin	1936	80,00,000	1st June 1956-61	98 00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 15
3 % Madras	1939	1,23,96,000	21st June 1959	99 70
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99 00
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97 75
3 % Madras	1950	4,38,25,400	31st July 1960	99.00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98.95
4 % Madras	1953	10,33,71,000	15th July 1963	100 30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 20
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100 00
4½% Madras	1958	5,00,00,000	15th July 1970	101 60
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101 50
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99 75
4 % Mysore	1953	3,33,47,000	15th July 1963	100 30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100 00
4 % Mysore	1957	3,33,78,000	16th Sept. 1969	101 75
4½% Mysore	1958	5,00,00,000	15th July 1970	101 75
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 80
3 % M.P.	1950	1,01,45,000	31st July 1960	98 60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
4 % M.P.	1953	1,10,18,000	15th July 1963	100 25
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100 00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100 00
4½% M.P.	1958	2,00,00,000	15th July 1970	101 40
4 % Saurashtra	1955	8,61,65,500	1st Sept. 1967	100 20
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100 20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99 80
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99 50
2½% U.P.Z.A	1952	41,44,79,000Z	..	51.50
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98 80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97 75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100 20
4 % U.P.	1953	5,58,25,000	15th July 1963	100 30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100 00
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100 00
4½% U.P.	1958	7,00,00,000	15th July 1970	101 60
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100 00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101 40
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100 00
4½% Orissa	1958	3,00,00,000	15th July 1970	101.40

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 36,50,000	4	1904	1964	100.00
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00 000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88 25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24.58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,24,800	4	1914	1974	Rs. 98.75
76,90,100	4	1915	1975	98 75
1,50,00,000C	3††	1921	1981	82 00
68,02,300C	6½	1921	1981	144 00N
60,00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	92.50
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2¾	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99.50
1,00,00,000	3	1949	1959	99.50
50,00,000C	3	1950	1980	82 00
1,00,00,000	3	1950	1960	98.75
1,00,00,000	3	1950	1960	98 75
50,00,000	3½	1951	1981	81 75
1,50,00,000	3½	1953	1961	99.25
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97 25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99 50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs. 28,48,275	3½	1947	1977	Rs. A
9,88,000f	3	1947	1977	
8,00,000f	3	1949	1979	
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs. 100.00
30,00,000	4	1901	1961	97.75 N
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
80,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	97.50 N
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs. 25,00,000	5½	1929	1959	Rs. 101 00
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	95.00
80 00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	94.00
20,00,000	3	1938	1963-68	90 00
80,00,000	4	1952	1962	99 25
1,02,00,000	4	1956	1968	99 25
75,00,000	4½	1958	1968	100.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 20,00,000	4	1913-18	1974	Rs. 99 60
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	100.50
8,25,00,000	3½	1947	1977	86 50
2,50,00,000	3½	1949	1979	86 50
4,00,00,000	3½	1950	1965	93 50
5,00,00,000	4	1952	1964	100 15
2,00 00 000	3¾	1951	1966	97.40
1,80,00,000	4	1953	1963	100.15
1,00,00,000†	4	1952	1964	99.50
1,00,00,000†	4	1954	1966	99 50
2,50,00,000	4	1955	1967	100 00
1,50,00,000	4	1956	1968	100.00
2,00,00,000	4½	1957	1969	101 50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs. 10,00,000	5½	1932	1962	Rs. 108 00
83,91,000	3½	1925	1965	95 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1968	90 00
17,64,400	3½	1942	1959	99 00
21,10,000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	98 50
66,88,000	3¾	1951	1966	98 50
87,36,000	4	1952	1962	99 75
72,50,000	4½	1954	1979	100 00
2,22,72,000	4	1955	1985	—
73,86 000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs. 15,00,000	3½	1951	1961	Rs. 107.00N
15,00,000	3¾	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100 25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.15
4 % W. Bengal	1953	3,60,23 000	15th July 1963	100.30
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100 00
4 % W. Bengal	1956	7,11,46,000	3rd Sept 1968	100 00
4½% W Bengal	1958	5,00,00,000	15th July 1970	101.85
4½% Kerala	1958	3 00,00,000	15th July 1970	100 85

ABBREVIATIONS. N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.
—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months notice. K—On September, 1936, or later at option of Government after three months notice.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 21st May, 1959.

	Closing quotations 14-5-1959	High	Low	Closing quotations 21-5-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	140.00	145.00	140.00	145 00
Apollo (2)	1.56	1 56	1.50	1.52
Bombay Dyeing (25)..	64.30	64 60	63 00	63 00
Bradbury (50) ..	144 50	146 50	144.50	145 00
Central India (100) ..	107 00	106 00	103 00	103.00
Century Mills (100) ..	549 00	554.00	533 50	537 00xd
Edward Textile (200)..	217 00	220 00	217 00	220 00
Elphinstone (50) ..	34 50	40 50	34.50	40 00
Finlay (100)	275.00	276 00	268 00	270.00
Gokak (100)	150 00	152 00	148.00	149.00
Ind. Untd. Defd. (1)..	1.10	1 10	1.02	1.02
Ind. Untd. Ord. (10)..	8 28	8 36	7.88	7.88
Indore Malwa (100) ..	99 00	102 00	97.50	97.50
Khatau (100) ..	230.00	228.75	220.00	220.00
Kohinoor (100) ..	282 00	293.50	272.50	278 00xd
Lakshmi (250) ..	405 00	—	—	405.00
Minerva Mills (100) ..	61.00	—	—	61.00
Model Nagpur (250) ..	97.50	97.50	95 00	95.00
Morarji (100)	257 00	260 00	259 00	259 00
Mysore (50)	81.50	87.50	83 00	85 00
National Rayons (100).	303.50	316 50	299 00	307.00
New City (100) ..	104.00	112 00	109.00	112.00
New Great (100) ..	174 00	174.50	174.00	174 00
Phœnix (100) ..	165 00	165 00	156.25	156.25
Podar Mills (100) ..	167 00	173 00	161.00	163.00
Sassoon Silk (10) ..	8 00	8 24	8 00	8 24
Sassoon Spg. (10) ..	51.00xd	51.50	51.00	51.00
Sholapur (1,000) ..	422.50	—	—	422.50
Shrinivas (100) ..	180.00	182 00	171.00	173.00
Simplex (50)	188 00	190 00	187.00	187.00
Standard (100) ..	527.00	537 00	498 00	499 00xd
Svadeshi (100) ..	238 00	247 50	224.00	228 00xd
Swan (100)	408.75xd	415 00	408.75	410 00
Tata Mill (25) ..	39 00	40 00	34.50	34.75xd
Vishnu (100)	110 00	110.50	105.00	110 50
Western India (1,000).	4,475.00	—	—	4,475.00
BANKS				
Bank of India (50) ..	134.00	134.00	133.00	133.00
Do. (New) (50) ..	136 00	136 00	133.75	133 75
Bank of Baroda (50)..	104 00	104 00	102.50	102.50
Central (25)	54.70	54.70	51.00	51.00
Central 'A' (25) ..	56 80	57.00	55 00	55 00
Dena Bank (50) ..	52.70	52 80	52.50	52 80
Punjab National (10)..	22 52	22.76	22.60	22.64
Union Bank (5) ..	7.00	7.00	6.92	6 92
United Com. (50) ..	65.00	65.00	64.00	64.00
ELECTRIC COS.				
Ahmedabad (100) ..	93.00	92.80	91.60	91.80
Amalgamated (10) ..	10.72	10.76	10.72	10.76
Andhra Valley (1,000).	1,147.50	1,147.50	1,136 25	1,136 25
Bom. Sub. El. (100) ..	104.00	103.50	102.00	103.00
Surat (100) ..	107.50	—	—	107.50
Tata Hydro (100) ..	118.00	118.00	117.00	117.75
Tata Power (1,000) ..	1,167.50	1,172.50	1,165.00	1,167.50
INSURANCE COS.				
British India (10) ..	14.20	14.44	14.40	14.44
Empire of India (100)..	201.25	—	—	201.25
Ind. Mercantile (20) ..	42.00	42.50	42.00	42.50
Jupiter (15)	5.64	5.64	5.56	5.60
New India (15) ..	51.30	51.50	51.00	51.30
Vulcan (10)	20.52	—	—	20.52
STEEL COS.				
Ind. Iron (10) ..	24.60	25.00	24.28	24.36
Tata Steel Ord. (75) ..	192.75	196.00	191.00	192.25
SUGAR COS.				
Belapur (50)	313.00	314.00	308.50	308.50
Bhopal (10)	24.32	—	—	24 32
Changdeo (12.50) ..	30 00	—	—	30 00
Phaltan (50)	165.50	165.00	159.50	159 50
Walchand Ind. (100)..	303.75	302.50	290.00	290.00
CEMENT COS.				
Associated Cts. (100)..	157.75	157.75	151.50	152.50
Digvijay (100) ..	153.00	160.75	152.00	154.00
MISCELLANEOUS				
Alcock Ashdown (100).	290.00	299.00	271.00	271.00
Bom. Burmah (125) ..	559 00	566.50	542.00	547.00
Do. (New) (50) ..	192 50	192.00	190 00	191.25
Br. B. Petrol (4 sh.) ..	1.88	1.90	1.76	1.78
Br. I. Corpn. (5) ..	5.12	5.12	5.04	5 08
Hindustan Lever (10)..	31.25	31.00	29.25	29.25
Hindusthan Motors(10)	9 04	9.00	8.24	8.24
Indian Copper (2 sh.)..	4 28	4.26	4.10	4.12
Ind. Inv. Tr. (100) ..	80 00	—	—	80 00
Killicks (100) ..	139 00	139.50	138.00	139 50
Larsen & Toubro (10)..	24.40	24.44	23.48	23 48
Polson (100)	152.00	—	—	152 00
Pre. Automobiles (100)	116.00	117.00	108 50	108 50
Premier Con. (80) ..	341.00	341.00	318.00	326 00
Scindia (20)	18.64	18.68	17 92	18 08
G. E. Shipping (10) ..	23.72	23.72	23 12	23 12
Shivrajpur (10) ..	100 50	100 00	95.00	95 00
Sirpur Paper (10) ..	13 84	13 92	13.04	13.04xd
Tata Chemicals (10) ..	17.72	18.16	17.56	17.56
Tata Locomotive (100).	204.00	214.00	200.50	208.00
Tata Oil (25)	53.20	56.00	53.50	54.00
Voltas (100)	169.00	175.00	160.50	162.00
W. I. Match (100) ..	220.00	233.00	206.50	206.50xd

GOVERNMENT SECURITIES	14-5-1959 Rs.	Gross Yield Earlier Redemption	Later Redemption	21-5-1959 Rs.
2½% 1961	97.25	—	3.81	97.30
2¾% 1960	99.00	—	3.58	99.05
2¾% 1962	96.90	—	3.70	96.90
2¾% 1976	83.20	—	4.08	83 20
3 % 1959-61 2nd Vict.	99.70	3.84	3.10	99.75
3 % 1964	97.05	—	3.60	97 00
3 % 1963-65 ..	96.65	3.82	3.53	96.70
3 % 1966-68 ..	93.70	3.98	3.80	93.70
3 % 1970-75 1st Dev.	91.15	3.97	3.71	91.30
3 % 1986 Con. Loan..	73.60	—	4.07*	73.70
4 % 1960-70 ..	100.75	3.48	3.92	100.75
3½% 1961 N.P. Bonds.	100 10	—	3.47	100.10
3½% 1964 N.P. Loan..	99.70	—	3.56	99.70
3½% 1965 N.P. Bonds.	99 50	—	3.58	99.55
3½% 1962	99.15	—	3.50	99.15
3½% 1967 N.P. Bonds.	99.10	—	3.63	99.10
3¾% 1974	98.85	—	3.84	98.85
3¾% 1967 N.P. Bonds.	100.80	—	3.65	100.80
4 % 1972 Loan ..	101.70	—	3.83	101.70
3½% 1968	98.95	—	3.64	98 95
3½% 1963 N.P. Bonds.	99.90	—	3.51	99.95
3¾% 1968 N.P. Bonds.	100 60	—	3.68	100.60
4 % 1973 Loan ..	101.65	—	3.85	101.65

BRITISH GOVERNMENT SECURITIES

	Closing quotations 12-5-1959 £			Closing quotation 19-5-1959 £
2½% Brit. Consols. ..	50$\frac{11}{16}$	—	—	51$\frac{11}{16}$
3 % Savings Bonds 1965-75 ..	76$\frac{1}{16}$	—	—	76½
3 % War Loan 1955-59	100$\frac{1}{16}$	—	—	100$\frac{1}{16}$
3½% War Loan ..	65$\frac{11}{16}$	—	—	66$\frac{1}{16}$
4 % Victory Bonds 1976	95$\frac{11}{16}$	—	—	96¾
4 % Funding 1960-90.	90$\frac{11}{16}$	—	—	91$\frac{1}{16}$

*Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

RECENT ECONOMIC TRENDS IN THE U.S.

(*Concluded from page 859*)

entire year 1958 was about 4 per cent. Was this sharp counter-recession increase of the appropriate amount? Or did it exceed the needs for stable growth?

Another problem faced by the System is to help achieve and maintain a proper relation between the total of demands on the capital markets and the total flow of saving. If these capital needs cannot be met out of voluntary savings and if an increase in the money supply under such circumstances would be inflationary, a monetary policy geared to sustainable growth must be restrictive and some would-be borrowers must be disappointed.

Some Lessons

It is illuminating to ponder recent history, in order to distill from it whatever lessons it may teach us. Take business capital expenditures. In the year 1955, we enjoyed an extraordinarily high level of consumer expenditures for automobiles, for housing, and for many durable goods. Business men, encouraged by these strong demands, stepped up their capital expenditures, partly because they were projecting these demands into the future. The record level of outlays for fixed capital helped sustain economic activity in 1956 and much of 1957, even though consumer spending for durables and housing had receded sharply. Then business men in many industries decided their capacity was great enough to match foreseeable demand—sometimes even greater. They cut back their expansion programmes. The consequent falling off of business capital expenditures in 1957 was clearly a major factor in the recession.

By the same token, the inventory policies that had seemed appropriate in the light of peak business activity were found by the fall of 1957 to be out of keeping with existing needs. And so there began a period of rapid inventory liquidation. Query: Is the present rate of inventory accumulation sustainable?

Many of the currently prevailing prices and wage rates also represent decisions made some time ago. We are not sure of the extent to which the inflexibility of industrial prices during the recession represented lags in the price and wage determining process. But price rises during a recession are certainly no help in fostering recovery.

Inflation An Evil

Diluting the purchasing power of the dollar does not provide permanent employment opportunities. Persistent depreciation in the value of the dollar does injure those who must live on fixed incomes. But the protection of the purchasing power of the dollar goes beyond the important consideration of equity for such individuals. For one thing, inflation diverts business energy into speculation and away from the increasing of output and of productivity. We know that hyperinflation is disruptive to the productive process; even small doses of inflation are inconsistent with well-maintained productive activity.

Per capita growth is largely dependent upon technological advances bolstered by sufficient capital to take advantage of them. It is a mistake to equate economic growth with governmental spending. We must ask ourselves: What kinds of growth are most beneficial? What kinds of governmental spending are conducive to stable growth and what kinds are detrimental?

I should observe, in passing, that G.N.P. (Gross National Product) is too limited a measure of a country's progress and of its ability to satisfy human wants to serve as the sole basis for comparing our country with other countries that operate under entirely different rules. The dollar value of G.N.P. may rise while living standards fall or while job-creating activity declines. Furthermore, material goals are only one aspect of our way of life. In the economic sphere, however, what is it we desire to be able to produce in greater quantity? Is it more missiles, or more perfume? More plant capacity, or more schools and roads, or more farm crops? More producer goods, or more consumer goods and services? In our economy, of course, the majority of these decisions are made in the market place. The role of Government, however, has been progressively widened.

Government spending will not enhance the savings required to provide the tools and other capital equipment needed. Spending dictated by pressure groups will scarcely achieve the changes needed for real and sustainable growth—in fact, it may impede such changes. Economic growth has been associated with the shifting of resources, human and material, to new industries and from less productive industries and occupations to those of higher productivity. A major example of changes in patterns of resource utilisation is the continued shift of farm workers and land to urban uses. The shifting of resources nonetheless may exact temporarily a price in unemployment. In New England, it is only in recent years that the decline of the textile industry has been offset by the emergence of the electronic and other new industries.

Bank Credit and Growth

Healthy growth of the economy can be attained only by a close gearing of bank credit expansion with that of the economy generally. Such growth requires that the central banking system provide enough but not too much money to achieve and maintain balanced growth without inflation. Recent historical research of the National Bureau of Economic Research shows that, while growth rates have fluctuated considerably in the short run, the growth process, if measured by decades, has been remarkably durable. Except for the decade containing the Great Depression, we have had appreciable growth during every decade for the last 70 years. A highly significant point brought out by this research is that growth was strong during the period of falling prices which came in the last third of the nineteenth century; and that growth was rapid during the decade of the 1920's when prices were fairly stable. This evidence suggests that price stability and rapid growth are quite compatible. The essential point is that *per capita* growth depends to a considerable extent on greater productivity. Productivity, in turn, depends on the existence of a flexible economic system, one ready to use advanced technology.

The decision-making process needs guideposts. It needs to be governed by some general view as to our ultimate goals; what we think worthwhile and are willing to strive for. National economic objectives permeate the decision-making process. As long as our citizens deal with general objectives, there is very little dispute. Everyone wants the country's standard of living to continue to rise. Prosperity and adequate job opportunities are goals that all agree upon, and so sustainable growth without inflation is high among our accepted objectives. Political and economic freedom are American hallmarks.

Wisdom and Restraint

The freedom to make private economic decisions is not only consistent with our system of economic and governmental organisation; it is one of the basic human values that we prize. But freedom can be preserved only so long as it is accompanied by wisdom and restraint. Moreover, our freedom does not include freedom from the consequences of natural economic law. Each time we elect to spend, we must figure out how the bill will be paid.

In homespun language, "There is no such thing as a free lunch." Government cannot give to some citizens what it does not take from others. A nation cannot spend more than it earns through production. The goods we enjoy have to be produced by someone's sweat and by someone's saving. Intemperate and unwise decisions could squander our resources, magnificent as they are. But, if our decisions are prudent and balanced, and if we assess correctly our nation's capacity to grow and prosper, we should enjoy the great bounty that it can produce. It would be tragic if inept financial husbandry were to injure a future that appears to be so rich in promise and in hope.

MARKET GOSSIP

(*Concluded from page 851*)

of industries and trade, the result is a mess and less progress than could be legitimately expected. Sugar, jute, coal and cotton textiles are striking examples of such retarded progress. It, therefore, requires an extraordinary degree of optimism to feel that this sorry state of affairs will not be repeated in the sphere of foodgrains production.

• • • •

It is no secret that the U.S. Government's policy of domestic price support and piling up wheat stocks, in order to assure the American farmer a good living and a fair share of the national income, has proved very costly and the Government has become greatly concerned about it. That something effective should be done about the surplus wheat is the view of the Administration. According to President Eisenhower, the wheat surplus is the "most critical situation of all." The country has now in stock two and a half times its annual consumption. By the end of next month, the U.S. would have invested no less than $3,500 million in stocking the wheat surplus, involving a recurring cost of about $250 million per annum to store this wheat, all these at the taxpayers' cost. What makes the situation more grave than it appears is the Agriculture Department's forecast of a winter wheat crop of about 1,000 million bushels, on top of a harvest of 250 million bushels of spring wheat still to be added.

Under the U.S. law, the deadline set for taking suitable legislative action either for giving a fresh lease to this "thoroughly discredited programme" or for enunciating a new policy was 15th May. In January last itself, the President had recommended that an urgent legislation be passed, but this has not been done so far. Meanwhile, the Congress passed a joint resolution on the 12th inst., giving the Secretary of Agriculture, Mr. Benson, time till 1st June to proclaim marketing quotas and national allotments for wheat out of the 1960 crop, the seeding of which will begin this autumn for winter wheat.

In the course of a message to the Congress last week, the President made a strong plea for a revision of the U.S. domestic wheat price support and crop control programme and said: "The Congress should use this added time to enact a realistic and constructive legislation that will effectively avert the impending disaster in wheat."

The main obstacle in the way of revision of the U.S. wheat policy is the opposition by some Congressmen, both Republicans and Democrats, to Mr. Benson's suggestion for a reduction in the present high support price. In fact, for some months past, the Agricultural Committees of both the Houses have considered a number of Bills on this subject, but they have not been able to arrive at a solution which is at once acceptable to both Democrats and Republicans.

• • • •

While the deadlock over the question of establishing a free trade area in Western Europe continues, thanks to the fundamental differences of opinion between the six Common Market countries and the eleven others, a fresh move is afoot to set up a smaller seven-member free trade area comprising Britain, Norway, Sweden, Denmark, Switzerland, Austria and Portugal. The initiative in this matter has been taken by Sweden. Preliminary discussions on the proposal have already been held among the Government officials of these countries and the discussions are expected to be resumed early next month, followed by a Conference of Ministers before the start of the summer holiday season. It is believed by economic observers in Britain that, after the discussions are over, the proposal will be ratified by the Parliaments of the countries concerned and the area will be brought into being by the end of the year, unless, of course, negotiations on the larger 17-member European Economic Association are resumed.

Details of the proposal envisaging the formation of the proposed free trade area are not available. It is, however, gathered that the proposal provides for "loose" institutions with provisions for complaints and procedures for cases in which one or other of the participants considers itself to be unfairly damaged. With regard to tariffs, two alternative solutions are suggested. First, the member-countries can reduce tariffs by equal annual instalments of 20 per cent. over five years. Secondly, tariffs can be eliminated altogether from the start over a wide field, permitting each country to dismantle the remaining tariffs over a number of years; the vulnerable industries may be afforded protection during the transitional period by allowing the members a certain percentage of total imports on which the reduction of tariffs would proceed at a reasonably leisurely rate.

If the aforesaid free trade area comes into effect, there will be two customs blocs in Western Europe—one comprising the six Common Market nations already functioning and the other consisting, as already said, of seven members. The number of W. European countries left out of the two blocs will thus be four. They are Greece, Iceland, Ireland and Turkey.

JET SILENCERS

A "hush-hush house" of a new Swedish design that reduces the 125 decibel roar of the Caravelle jet engines to a "whisper" of some 30 decibels has been taken into use by the Scandinavian Airlines System at the Stockholm-Bromma airport. Representing a novel departure in anti-noise hangar design, the house is a steel and concrete structure enclosing the tail part of the aircraft whose engines are to be test-run for overhaul. Two 20-ton sliding gates with pneumatic rubber lining provide an effective seal round the fuselage. The silencer installation consists of intake and exhaust silencers and extra silencers for the secondary cooling air. They were designed by the Stockholm firm Rostfria Andersson, the stainless steel product specialists belonging to the Johnson group of industries, on the basis of acoustic principles laid down by the Gothenburg engineer Stig Ingemansson. All silencers are of screw type except the low-frequency stage of the exhaust silencer which has been designed as a double-walled resonator. The "hush-hush house" has cost Kr. 750,000, about $145,000. The present type is suitable for all aircraft with the jet engines mounted on the fuselage. The new device is said to have attracted great interest among experts all over the world.

OIL-RESISTANT GLOVES

A new range of industrial gloves and gauntlets made from Hycar, a nitrile rubber highly resistant to oils, is being produced by the Dunlop Rubber Company, Ltd., General Rubber Goods Division, Cambridge Street, Manchester. These gloves are especially resistant to petroleum products, vegetable and animal fats, oils, alcohols, glycols, and many common solvents. They have many advantages over other types normally used for resisting solvents, in that they give longer service, greater flexibility, and do not harden after use. The Hycar gloves and gauntlets are made in one weight only, in sizes 9, 10 and 11.

COMMERCE

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

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EXPORT-IMPORT BANK CREDIT

A LITTLE discussed problem is the non-utilisation of the credit given by the U.S. Government through its Export-Import Bank. It is about a year and half since India was allotted a credit of $150 million. Although details are not available, it is well known that not even 7 per cent. of this credit has been utilised so far. It was left to the Government of India to decide how this amount should be used. It reserved two-thirds or $100 million for the public sector, leaving the balance—$50 million—for the private sector. According to one report, the public sector has absorbed only $5 million and the private sector even less. The Export-Import Bank proposes to send one of its representatives, Mr. Sidney Sherwood, to New Delhi to find out the reasons for this slow use of its credit and to facilitate speedier absorption. Meanwhile, the inability of India to avail itself of this facility, even in the face of an acute scarcity of foreign exchange, has been quoted against it by some of the U.S. politicians who are opposed to stepping up foreign aid. The problem certainly deserves to be carefully examined and the visit of Mr. Sherwood will be helpful for this purpose.

The extremely slow rate of absorption of Export-Import Bank credit is in striking contrast to the rapidity with which the loan given by the Development Loan Fund (D.L.F.) has been exhausted. There are quite a few reasons for this phenomenon. The D.L.F. loan is expendable not only in the U.S. but anywhere else in the world, whereas the Export-Import Bank credit can be spent only in the U.S. In effect, therefore, the dollar obtained through the D.L.F. is convertible, but not the dollar through the Ex-Imp Bank. And, as readers are aware, the dollar buys more outside the U.S. than inside. Here is the chief explanation for the phenomenon. It is true that, by special arrangements with Conference Lines, the shipping freight rates from America to India have been reduced. There is also considerable force in the contention that U.S. plant and machinery are superior in quality to those of Western Europe and elsewhere, and that, therefore, their ultimate price is quite competitive. Nevertheless, the fact remains that neither the public sector nor the private sector has shown any great enthusiasm for drawing on the Ex-Imp Bank credit. The coal industry in the private sector, for instance, has frankly expressed its inability to avail itself of this credit facility for the very reason that coal machinery in the U.S. is costlier than elsewhere.

Another reason for the thoroughly unsatisfactory progress in the utilisation of the Ex-Imp Bank credit is the alleged red-tapism in the public sector. It is pointed out that the machinery and procedure for processing applications for loans are cumbersome and time-consuming. The India Supply Mission is said to be slow in these matters. The Secretariat in New Delhi itself is no better. Further, purchases for the public sector are to be made on the basis of world market prices ascertained through global tenders. It should, however, be possible to remove this handicap through proper co-ordination of the activities of the Ministries concerned. Instead of trying to buy at the lowest world price, the Government may decide to buy at the lowest price in the U.S. consistent with quality and schedule of delivery dates. After all, the Ex-Imp Bank loans are for a long period of 15 years and the additional cost involved may be worked off during this period by more efficient management of the enterprises financed by them. If the problem is looked at from the point of view of the necessity for expeditious implementation of development projects, so that more and more employment opportunities can be created for the swelling ranks of unemployed, the authorities might not be deterred by the high cost of American machinery. Again, the public sector is buying plant and machinery from several parts of the world. It can equalise the cost of American equipments by pooling them with those bought elsewhere in the same way as the low-cost Indian steel is pooled with the high cost imported steel. This is largely a question of book adjustment, for which the projects under the public sector are eminently suitable. Too much preoccupation with cost is not good. The country has to get on with the job of development and solving the problem of unemployment.

There are four principal causes for the lack of interest among the private sector in the Ex-Imp Bank credit. First, the high cost of American machinery is, as already stated, a greater impediment to this sector than to the public sector. Secondly, the Central Government has been refusing to give the private sector the benefit of long-term credit it obtains from the Ex-Imp Bank. Thirdly, a large number of industries in the private sector had rushed to cover their requirements of foreign exchange by booking their orders for equipment in the first two years of the second Plan and are, therefore, not in need of the facility arranged with the Ex-Imp Bank. And, fourthly, the Government is reluctant to permit the use of this facility for projects for which American machinery are suitable even pricewise but which either do not enjoy a high priority in the Plan or are not included at all in it.

Now, how are these difficulties to be overcome? It is not desirable to compel an industrialist to buy American machinery at a cost higher than the world price. He can, however, be induced to go in for them by providing some incentives. An incentive which the Government could surely offer without any loss to itself is the benefit of 15-year credit. At present, the Government is insisting that an industrialist, who wishes to buy American machinery under the Ex-Imp Bank credit, should pay cash down, so that it can strengthen the rupee resources at its command. This insistence is not in keeping with the spirit of accommodation given by the Ex-Imp Bank, for the Government is trying to convert the facility obtained from the foreign bank into ready cash at home. It wants to have the cake and eat it at the same time. The industrialists are, therefore, justified in asking the Government to permit the use of Ex-Imp Bank credit more or less on the same terms at which it receives it. It is pertinent to note, in this connection, that, as the Bank has allotted to the Indian Government a lump sum credit, it will not entertain applications for credit from individual units, at any rate not so long as this line of credit is not used up. Accordingly, an industrialist is perforce compelled to get Ex-Imp Bank facility only through the Government of India. The latter, however, is entitled to have adequate safeguards for any possible failure of the industrialist to honour his commitments when they fall due.

The desirability or otherwise of extending a direct incentive to industrialists to buy American machinery with the help of Ex-Imp Bank loan may also be carefully considered. If it is in the national interest to see an industry established at an early date, some form of rebate or subsidy may be allowed to the *entrepreneur* who comes forward to put up that industry with costly American equipment. There is a precedence in support of this suggestion in the distribution of foodgrains obtained from the U.S. under P.L. 480. There is, of course, a fundamental difference between Ex-Imp Bank loan and P.L. 480, in that, while the former is a hard loan, repayable in dollars and carrying a high rate of interest of no less than 5 per cent., the latter is a soft loan, repayable in rupees, with a certain element of subsidy. It can also be argued that the Government cannot be expected to give machinery that high rating which it accords to food. But, at the same time, it must not be forgotten that provision of employment is no less important than supplying foodgrains and that, since the Government is already having the benefit of large counterpart funds, it need not mind transferring a part of it for subsidising, in a suitable form, the import of high-priced U.S. machinery at least for those industries which are a must.

There are undoubtedly good grounds for not allowing the Ex-Imp Bank credit facility for establishing industries not included in the Plan or which are not essential. The Ex-Imp Bank credit is by no means cheap and there is no point in adding to the external debt of India for creating production facilities which the country can do without or wait for better times. Nevertheless, it would be better if each project brought to the Government for permission were examined on its merit, instead of being summarily dismissed. The primary problem before the country is provision of *gainful* employment and, if some of the projects can help reduce this problem, there is no reason why they should not be encouraged to utilise the Ex-Imp Bank credit. If this is not done and if, at the same time, the projects included in the Plan do not fructify, the employment opportunities, which are already below the original target in the Plan, will shrink further. It would, therefore, be a good thing to have a certain degree of elasticity in these matters.

Experience during the past one year clearly shows that it would be easier and cheaper for India if the U.S. credit were in dollars that could be spent anywhere in the world. It must, however, be recognised at the same time that the U.S. cannot go on doing this without any limit. Already its gold reserves are declining at a pace which must be causing its authorities some concern. A *via media* must be found, whereby Ex-Imp Bank credits could be put to profitable use through a third country, which needs dollars to be spent in the U.S. and could supply India's requirements of industrial equipment. The feasibility of such a triangular arrangement may be examined by the authorities in India and the United States.

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TAKE WORKERS INTO CONFIDENCE

NEVER in the industrial history of the country was the need for enlisting the support and co-operation of workers in the operation of industries more urgent than it is today. The urgency arises not only from the immediate national need for maintaining a continuous and rising flow of output but also from the longer-term objective of preserving free enterprise. For, at a time when even the basic philosophy of free enterprise is frowned upon and its citadels are facing a mighty political assault, if the managements of private industry fail to carry workers with them by trying all reasonable methods consistent with sound economic principles, their future is certainly bleak. How can this be done? The answer is obviously simple in theory, but not so its actual translation into practice, because it requires a degree of imagination and foresight and a readiness to break away from outmoded traditions. It demands from the employers a willingness to take workers into confidence, to impress upon them that they have a stake in the organisation they work and that their interests are not separable from those of investors. Even if they are made to realise that their future is closely tied up with the economic soundness of the enterprise concerned, they will feel that they have a stake in it and be prepared to defend it only if they are sure that they will not only get due rewards for their labour, but, as partners in production, will also be allowed a share in the profits. If employers in this country and those who cherish the value of freedom succeed in creating among the workers a sense of partnership that will be lacking in State-owned enterprises, they will certainly have built up the most effective defence for free enterprise. In fact, in countries where free enterprise is most firmly established, such as the U.S., the U.K. and West Germany, the workers are not only its strongest bulwark against communist attack, but they are, as one of the principal beneficiaries, its most enthusiastic supporters.

There are many ways for creating an abiding interest among the workers in their concerns and thereby get their co-operation and support. The two that come readily to the mind are: first, workers should be enabled to have an insight into the working of the undertaking, so that the mystery surrounding its operations is cleared, and, second, they should be associated with management, albeit only in regard to those matters in which their interests are directly involved. While some attention is being devoted to the latter, the former seems to be relatively neglected.

Employers should not find any difficulty in supplying workers data about the working of their concerns. They are, of course, not expected to reveal all information, especially those which are liable to be taken advantage of by competitors in the field. They are not, for instance, expected to divulge the position regarding sales, orders and costs, or about their plans for expansion until they are finalised, or the results of the research they are conducting. But there is a large mass of information which involves no such risks and which can be safely released. In fact, there are some companies even in this country, reputed for cordial labour-management relations, which give such information to workers. The Tata Iron and Steel Company, Jamshedpur, and the Indian Aluminium Company, Calcutta, are two instances in point. These two undertakings were selected for case studies in labour-management relations by the Union Labour Ministry. In the Indian Aluminium Company, there is a system of information sharing. A fair amount of information is passed across to the Union and the employees in formal negotiating sessions and joint committee meetings through announcement of a routine nature and by informal exchanges. The data on profits, sales orders, costs, etc., are, however, not supplied to the Union. In the T.I.S.Co., the Chairman issues an annual report to the workers which reviews the Company's working every year and explains its prospects and future plans of expansion, modernisation, etc. If any worker is interested, he can even obtain a copy of the balance-sheet and annual report given to the shareholders. This attitude of the management has certainly had beneficial results and the conclusion of the case study is that "labour-management consultation and co-operation are working to the advantage of both parties and have yielded dividends to both. Labour has been assured job security and a fair deal in regard to remuneration and conditions of work. High morale among the employees and industrial peace have been the main gains of management."

The good that such simple things can do to employer-employee relations has not yet been sufficiently realised by the vast majority of employers in this country. The recent experience in this regard of the Kannan Devan Planters' Association of Kerala should be an eye-opener to all. According to Mr. J. B. Soutar, Chairman of the Association, the experiment of releasing information on the finances of companies has yielded encouraging results. Characterising this as a development of great promise, he says:

"Until quite recently, we were very chary about releasing balance-sheets, profit and loss accounts, and details of the financial background of companies. This policy has now been abandoned, and I think that the benefit has been immeasurable. The Association's representatives on Government committees and other bodies concerned with negotiations on labour matters are in a position to produce and to argue from a tremendous amount of factual data. A case in point was the Committee which the Kerala State Government set up to examine the wage structure on plantations and to endeavour to work out a long-term settlement of the bonus problem. Companies were asked to answer a comprehensive questionnaire and the response was very gratifying. It is admitted that the Union representatives found it embarrassing to have to try to make an appreciation of the capacity of the industry to pay from the mass of information which was presented to them. . . ."

Having thus realised the value of this experiment, Mr. Soutar says that his Association would continue this process of giving information to workers and do its utmost to clear the atmosphere of mystery about its operations which cause misunderstanding and suspicion. Emphasising the need for supplying such information, he averred:

"I would go so far as to say that our future depends on the extent to which we can convince public opinion in the widest sense of the worth of our enterprise to the community. If we cannot show to our own workers that we are giving them a square deal, there is little hope for our activities in any larger sphere."

We are, indeed, delighted to find that a leading planter and a large employer like Mr. Soutar has so frankly recognised the point of view which this journal has been urging all along. We have no doubt that soon more employers will concur with this stand. There is, therefore, no reason for concern about the warning of Mr. Nanda that the Government may resort to compulsion, if need be, to ensure that a certain minimum information about the working of an industry was made available to workers. The employers should readily volunteer to comply with this requirement and make it unnecessary for the Government to exercise any compulsion. Mr. Nanda was certainly right in maintaining that workers and the community had a right to know how any unit in an industry was working. It is gratifying to hear from him that he was prepared to make this requirement obligatory on undertakings in the public sector also.

FORESTRY

FORESTRY and silviculture have a vital role to play in an expanding economy. Forests are the chief source of timber, which subserve the requirements of a wide range of industries, constructional activity, communications and defence. Besides, they provide grazing and fodder. They also serve to prevent soil erosion. Thus, every advance in economic growth and industrialisation will make increasing demand for forest resources. It may be noted that the continued industrial wood requirements of Europe and North America rose from 351 million to 551 million cubic metres, or by 57 per cent., between 1913 and 1956. World industrial consumption of wood during the post-war years went up far more rapidly, that is, from 589 million to 917 million cubic metres between 1946 and 1956. No less important is the fact that economically advanced countries have attained the highest *per capita* consumption of wood. India's *per capita* consumption of round wood is as low as 1.4 c.ft., as compared with 58 c.ft. in the U.S.A. Similarly, the *per capita* consumption of pulp products in India is only 1.6 lb., as against 78 lbs. in the U.K. Now on the threshold of economic development, India can ill-afford to overlook the potential assets lying embedded in its forests and the need for following a scientific policy of afforestation and preservation. Because of past neglect and thoughtless felling of trees, there has been considerable depletion of India's forests and what is left now is by no means adequate. According to official data, India's forests cover 281,000 sq. miles or 22 per cent. of the total land surface. In other words, the *per capita* forest area in India is no more than 0.2 hectares (1 hectare=about 2.5 acres), which compares unfavourably with 3.5 hectares in the U.S.S.R. and 1.8 hectares in the U.S.A. The actual position in India may be worse than that indicated by the figure mentioned here, because, in several cases, the density of forests in land shown in the official records is very poor indeed and the data published do not reflect the vandalism committed in several parts of the country following abolition of *zamindaris, jagirdaris* and *inamdaris*.

When viewed against this background, it seems appropriate that the Central Board of Forestry, which met at Pachmarhi, Madhya Pradesh, a fortnight back (from the 14th to the 16th inst.), should have given serious thought to outlining an integrated policy for the preservation and development of forestry in the country. Although about a fifth of India's geographical area is under forests, they are unevenly distributed. Further, their productivity is low. It is estimated that productivity of Indian forests per acre per annum is 2.5 c.ft., whereas it is 57 c.ft. in France, 37 in Japan and 18 in the U.S. These facts and figures are sufficient to indicate the imperative need for accelerating the tempo of development of forestry in India—both intensively and extensively. Dr. Punjabrao Deshmukh, Union Minister for Agriculture, who inaugurated the aforesaid meeting, rightly called for efforts to increase the acreage under forests to 33.3 per cent. of the total land area. This was no more than a reiteration of the targets laid down by the Forest Policy Resolution in 1952. In the last six or seven years, however, pretty little has been done to realise this object, notwithstanding the fanfare with which *vanamahotsava* was launched. This serious failure on the part of the much boosted public sector is an instance of tall talk and poor achievement.

Undaunted by this failure, the Central Board of Forestry has chalked out a very ambitious scheme to be included in the third Plan. It has suggested a Plan outlay of Rs. 116.9 crores for forestry, as compared with Rs. 9.6 crores in the first Plan and Rs. 27 crores in the second Plan. Out of this, a sum of Rs. 50 crores is proposed to be set apart for the development of farm forestry in dry zone areas, with a view to improving wastelands. The scheme is to be worked out with the aid of community development personnel. Another provision of Rs. 3 crores is made for "nature conservation." The meeting decided that a trained forest ranger should be appointed in each national extension block for implementing the forest extension programme. It is estimated that as many as 5,000 officers, with specialised training for at least one year, will be required for this purpose. Another decision taken was that deforestation should be strictly regulated, by evoking special legislation if necessary. India already has three research stations for doing regional research on forests. The meeting decided to establish a fourth one at Madhya Pradesh. This decision is to be welcomed, since there is enormous scope for research in India on the question of preserving the health of forests, logging and extraction of woods, conservation and seasoning of timber, and discovering new ways of improving the utility of timber.

A sensible forest policy should provide for a judicious exploitation of the matured trees and for replantation. Unlike mineral wealth, forest wealth constitutes renewable assets. It can be inexhaustible, provided "large-scale compensatory plantation and regeneration operations are continuously in force to replace the trees that are removed." Again, while forests should be protected against indiscriminate felling, it would be a waste of land to allow our forests to be covered with inferior species of trees of little or no use. Equally wasteful it would be not to make use of the trees, which, if allowed to stand for a much longer time than necessary, deteriorate in quality. All these points have to be borne in mind in evolving and implementing conservation methods.

Forestry is not a simple science and art. The fact that it is a State subject makes the problems more complicated for this country. In view of this and also of the great importance of forests to the economy of the country, it would be desirable to have a Forestry Commission, as suggested by Mr. J. Banerji, I.F.S., in an article to the *Statesman* last week. Such a Commission could be entrusted with the task of seeing that the plans for the development of forests are effectively implemented all over the country.

RIPPLES IN THE BULL MARKET

BANKING AND MONEY—MORE CONTROL ON SUGAR

THURSDAY, 5 P.M.

THERE has been further evidence of ripples in the bull market in shares. There are minuses and pluses in the list, but the former dominate the latter. The bulls are trying to keep the ring under their control by pushing up the popular counters, but they seem to be meeting with stiff resistance. The "growth" shares of companies operating in the field of engineering, chemicals, automobiles and road transport are still retreating, though slowly. Cotton textile scrips have been most prominent this week on exaggerated reports of the prospects for the mill industry. Stocks of cotton manufacturers have, of course, fallen to more manageable levels, but this outcome is the result of lower production and distress selling by mills. It does not necessarily mean that mill profits, in general, have improved to such an extent as to enable the companies to declare dividends that will give a yield of 5.5 to 6 per cent. per annum at the current market value of their shares. First class mills like Bombay Dyeing, Century and Standard may be doing better than the rest. It is, however, doubtful whether even these would be able to pay the aforesaid dividends, having regard to the new system of company taxation. Operators are proceeding on the assumption that, as the stocks of cloth have been worked down, the mills will soon be able to raise their selling prices and improve their profit margins. This is quite possible, but, perhaps, not to the extent expected by them. Higher prices for cloth, let it be noted, will attract consumer resistance. An important point that is missed by the operators in their calculation is the fact that Indian cotton, as is the case with Indian labour, is no longer cheap.

MARKET GOSSIP

With discussions on the third Five-year Plan tending to increase, the share markets are in for a period of psychological jitters. Last week, there was a report that a calculation of resources for the next Plan showed that additional taxation to the tune of Rs. 2,000 crores would be required. Today, there are reports that a large number of papers on the various aspects of the Plan will be read and discussed at the meeting of the A-I.C.C. Planning Sub-Committee at Ooty from 30th May to 5th June. It would be advisable for one to be prepared for some shocking reports on the implications of socialism to savings and wealth.

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At a time when frequent demands are being made by a section of politicians for nationalisation of banking, Mr. C. D. Deshmukh, a former Finance Minister and Governor of the Reserve Bank of India, did well in cautioning the country against conceding them. At a Press conference in New Delhi on the 26th inst., he observed that nationalisation of banks would not yield any additional resources for financing the third Plan. He reiterated the well-known fact that the Reserve Bank possessed enough powers of control and regulation to enable it to take care of the monetary sector and to tune it to meet the requirements of the development plans. He apprehended the danger of an inexperienced Government not using the nationalised institutions in an appropriate manner. Even if the extent of interference by the Government were not large, there might be, he thought, temptations for using these institutions for providing jobs to the "favourites" of the party in power. Surely, Mr. Deshmukh should know what he is talking about, having nationalised life insurance and fathered the L.I.C. There is not an iota of exaggeration in what he said. How we wish this wisdom had dawned on him before making life insurance a monolithic monopoly of the State!

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The declaration of "high" rates of dividends by the leading Indian banks, ranging from 14 per cent. to 21 per cent., has caught the eyes of those in high circles and is being quoted as an argument in favour of nationalisation of banks, though, on many occasions Ministers of the Government of India have ruled out the possibility and practicability of such a step. It is not, however, easily realised that these high rates of dividends are paid on a low capital base. Even those who ought to know better and are professors of economics have used this false argument in their case for nationalisation of banks. Anyway, the scope for such criticisms could have been minimised, if banks had taken steps to increase their capital by issuing right shares, so that their "own" funds could bear a more reasonable relationship with their deposits which have grown by more than 50 per cent. within the last two years alone. A perusal of the Reserve Bank's latest report on the *Trend and Progress of Banking* shows that the "own" funds (paid-up capital and reserves) of all Scheduled banks have risen by no more than Rs. 8.1 crores, as against an increase of Rs. 218.6 crores in their net deposits, thus bringing down their ratio to deposits from 6.2 per cent. at the end of 1956 to 4.8 per cent. About three-fourths of this expansion in "own" funds was accounted for by a rise of Rs. 5.7 crores in reserves.

The ratio of "own" funds to deposits of Indian banks is not far higher than that of banks in the U.K. till recently. In the case of most British banks, at the end of 1958, it was 2 to 3 per cent. which was lower than it had ever been before. In order to bring the "own" funds more closely to deposits, leading British banks have lately been raising their capital by a rights issue, accompanied, in some cases, by a bonus issue. The lead in this direction was given by the Midland Bank which, in February last, made a rights issue of one share for every eight held at 40s. per share, that is at a premium of 20s. per share. This was accompanied by a free scrip issue in the ratio of 1 : 3, both these issues raising the paid-up capital from £16.16 million to £23.56 million. This has raised the ratio of the Bank's capital and reserves from 2.1 to 2.4 per cent. This was followed by Lloyds Bank in March by a rights issue amounting to £13.05 million in the ratio of 1:4, thus lifting the ratio of "own" funds to gross deposits from 3.6 per cent. to 4.6 per cent. The latest to fall in line among the "Big Seven" is the District Bank which proposes to raise new capital by a rights issue. This leaves out only the Westminster Bank (among the "Big Seven") in the field. Among the bumper issues to be made so far is one by Barclays Bank, which has announced a one-for-five rights issue amounting to £11.12 million. This will be followed by a bonus issue also in the ratio of 1:5, bringing down the published reserves from £21 million to £19.89 million. These two issues will increase the issued capital of Barclays from £28.58 million to £40.81 million, thus making the Bank the most heavily capitalised one in the U.K. The increased capital along with the reserves will bear a ratio of 4.06 per cent. to deposits, as against 3.32 per cent. before.

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During the past one year, banks in the U.K. have come to enjoy freedom from many of the controls which had been imposed from time to time in the last two decades. They are, however, not completely free from official direction as to their lending operations. The powers of control are "enshrined" in the three Acts of Parliament, namely, the Bank of England Act, the Borrowing (Control and Guarantees) Act and the Exchange Control Act. The question whether the still existing restraints on the freedom of bankers are necessary even in the middle of the twentieth century was discussed by Lord Monckton, Chairman of the Midland Bank, in the course of his presidential address to the Institute of Bankers, London, last week. "As bankers," he said, "we are naturally reluctant to admit the necessity of official regulation, direction or request in the conduct of our business. If, however, we look at the matter objectively, I think, we shall find less reason to resent restrictions upon our freedom that spring from the accepted needs of current circumstances."

The financial needs and transactions of the Government are far larger than before the war, as also relatively to those of the private sector. Consequently, control on banks on the same pattern as in pre-war days is inadequate. Lord Monckton, therefore, said that banks might have to become accustomed to restraints upon their freedom of operation which would have been bitterly resented by their forebears. He did not, however, express precisely what form of control was desirable. Nevertheless, he drew the attention of the Radcliffe Committee, which is yet to submit its report, to four problems that confront the bankers in their operations. They are: (1) the incidental consequence of severe direct credit controls in restricting the scope for healthy competition and enterprise among the banks; (2) the reaction of those affected by the control to find still unregulated means of obtaining the goods and services denied to them and the possibility of bank credit restriction being offset by a diversion of financing arrangements into channels of supply not readily susceptible to control; (3) difficulty of integrating or harmonising the various controls and organs of control; and (4) some of the instruments of monetary regulation in the hands of public departments which are subject to political control. In making a reference to the last problem, Lord Monckton did not impute a low standard of economic objectivity in administering these controls. What he meant was that the administration of controls was always suspect, unless its objectivity could be made manifest.

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The recent decision of the major commercial banks in New York to raise their prime rate on business loans (for four to six months) from 4 per cent. to 4½ per cent. has given rise to speculation in the U.S. whether the Federal Reserve discount rates also would be stepped up before long. The increase in prime rate was preceded by the decision of major commercial banks in Chicago to increase their interest rates for savings bank deposits from 2 per cent.—a rate which they have been paying since the middle of 1956—to 3 per cent., the legal maximum permitted by the Federal Reserve Board for national banks. The higher rate on time deposits will be effective from 1st July next.

The spurt in prime lending rate of U.S. commercial banks has so far been delayed by the slackness in demand for commercial bank credit, but the recent pressure on demand for credit has forced banks to raise their lending rates. The hardening of interest rates on Government securities, with short-term bills now selling at well over 3 per cent. and longer maturities at more than 4 per cent., has added to the pressure on New York banks. The banks have also made a move to get the Federal Reserve Board's approval for an increase in the present ceiling of 3 per cent. on the foreign time deposits, a rate which is considered unrealistic as compared with the yields on other similar investments. In the wake of the rise in prime rate, the other interest rates have also hardened.

An increase in Federal Reserve discount rates is considered most likely, because of the wide gap between the current Federal discount rate of 3 per cent. and the prime rate. This expectation is based on past experience. For the Federal Reserve Board in Washington had not in the past delayed for long its authorisation to member-banks to step up their discount rates when there was such a wide margin between the discount rates and the open market rates. An increase to the peak level of 3½ per cent. in the discount rate is not ruled out and is, in fact, considered to be consistent with the Reserve Board's policy of tightening credit gradually as the recovery in the economy is gaining momentum. The last occasion when the Federal Reserve discount rates were revised was in March last; they were raised from 2½ per cent. to 3 per cent. There was a similar rise in November 1958 from 2 per cent. Another reason for the possibility of an upward revision in interest rates in the U.S. is that it will check the current flow of gold from the U.S., as foreign banks will be more inclined to keep their funds in the form of cash, instead of purchasing gold.

The upward trend in interest rates is not confined to the U.S. alone. In Canada, the Bank rate has just touched a new peak of 5.30 per cent., which compares with the all-time low of 1.12 per cent. reached only ten months ago—in August 1958. Though the changes in Canadian Bank rate are not comparable with those in other countries—it is automatically fixed every week at ¼ per cent. above the 91-day Treasury Bill rate—they provide a true guide to the underlying conditions in the money market. The interest rates in Canada have been generally following the trend in the U.S. Nevertheless, the Treasury Bill rates in Canada are now nearly 2 per cent. higher than those in the U.S.

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About ten months ago—*Commerce* dated 2nd August 1958—we observed in these columns that it would not be surprising if sugar became a commodity subject to full-fledged control, from the producer to the consumer. Unfortunately, it looks as though this forecast will prove correct, for the Central Government has taken one more firm step towards the mire of controls. Just yesterday, it announced its decision to requisition the entire sugar production of mills and to allocate the same directly, according to the needs of the situation. The reserved quota for direct allocation hitherto was only 25 per cent. of the season's output. This means that the freedom for the mills to get higher prices by fair or foul means is practically gone. They cannot be masters of their stocks.

The Government announced two other decisions:

1. To maintain the ex-factory prices of North Indian sugar at the existing levels, namely, Rs. 36 per maund for U.P. and North Bihar mills and Rs. 36.50 for mills in the Punjab, till a fresh review is made after the Tariff Commission submits its report; and

2. to release for internal sale 50 per cent. of the frozen export quota of 50,000 tons, confining the total exports to the remaining 25,000 tons, of which 7,500 tons have already been exported; this small export quota is considered necessary for maintaining existing contacts with overseas markets.

The aforesaid decisions, coming as they do close on the heels of Sugar Dealers Licensing Orders issued by the State Governments, the large release of 190,000 tons for sale in the free market, and the Union Food Minister's stern warning against any unwarranted rise in prices given when the Chairman of the Indian Sugar Mills Association met him at New Delhi on Monday this week, signify a fresh bid on the part of the authorities to ensure supplies of sugar to consumers at a "reasonable" price. It is true that, during the last few days, sugar prices have fallen perceptibly from the dizzy heights touched a fortnight ago. Small grain sugar is now quoted in Bombay City at Rs. 113.50—114.50 per bag, as against Rs. 122 on the 13th inst. Similarly, medium and large grains are lower at Rs. 115—118 and Rs. 119—124, as against Rs. 123—124 and Rs. 125—129, respectively.

Two pertinent questions arise now: Will the downward trend in sugar prices persist in the coming weeks? Will the steps which have so far been taken enable the consumer to get sugar at fair prices? The supply position of sugar, as is explained at some length on page 904 of this issue, is rather tight. Excluding the frozen export stocks of 25,000 tons and the latest "free" release of 190,000 tons, the stocks currently held with mills aggregate no more than 943,000 tons. The crushing operations have come to an end and there are still full five months left for the ensuing season to begin. On the basis of the trend of despatches so far, the closing stocks of sugar with mills at the end of the current season (that is, 31st October 1959) will be very negligible. One estimate places the total of these stocks at only 75,000 tons, representing less than a fortnight's consumption requirements. This is undoubtedly a very uncomfortable position for the buyers.

Now to come to the next question, namely, whether the measures so far taken are adequate to prevent consumers being squeezed in the coming months. It must be noted that, while the sugar mills have been put in a straight-jacket and the scope for their taking a premium over the controlled price has been practically eliminated, there is no price control on wholesale merchants. The busy season is, of course, over and the slack season is well on the way. Accordingly, in the monsoon months, there may not be any appreciable spurt in prices. No merchant would like to hoard during the wet season. But, after the rains are over and the festival months begin, there is every possibility of prices looking up again. That will be the trying period for the consumer. The four months September to December will be the most difficult period for him and the room for exploitation by wholesalers and retailers will be fairly large, if not enormous. It remains to be seen what the Government will do when such a situation arises.

SHARE MARKET EASY

PRICES FALL FURTHER

(From Our Own Correspondents)

BOMBAY, *28th May*

BARRING a few select textile, engineering and miscellaneous scrips which were well supported, the share market ruled easy. Transactions put through were on a reduced scale, with values moving generally downward. For operators were hesitant to enter into fresh commitments either way, as they preferred to await the results of the seven-day seminar commencing at Ootacamund on the 30th inst., under the auspices of the All-India Congress Committee. At this seminar, it is said, several papers on various aspects of planning will be read, the contributors of papers including, among others, Mr. U. N. Dhebar, Dr. V. K. R. V. Rao, Mr. C. D. Deshmukh, Mr. G. L. Nanda, Dr. B. N. Ganguli and Mr. C. Subramaniam. Although no final decisions may be taken on the views expressed by these persons, market circles feel that the trend of discussion may form the basis for formulating the third Five-year Plan.

Meanwhile, several rumours were suddenly put into circulation yesterday, when there was heavy liquidation and bear-selling. One rumour had it that dividends would be controlled. Another claimed that steel retention prices would be reduced. A third said that the Government might not agree to the T.I.S.Co's proposal to issue new ordinary shares at par. Equity values, as a consequence, suffered a setback. Some select textile scrips, however, managed to hold their heads high, thanks to the announcement of further concessions in the textile export promotion scheme. A few engineering and miscellaneous shares were also fully steady on hopes of better working results.

Tata Steel Ordinaries opened the week at Rs. 192.50, as against Rs. 192.25, and receded to Rs. 189.75 on Monday. After recovering to Rs. 193.50 in the subsequent two sessions, they came down to Rs. 188.50 today before finishing at Rs. 190.25. The net loss over the week was Rs. 2. The new shares declined by a like amount to Rs. 188. Indian Irons retreated in the course of the week from Rs. 24.36 to Rs. 24.24.

Among textiles, Khataus encountered selling and fell by Rs. 6.25 to Rs. 213.75. Finlays dropped Rs. 4 to Rs. 266. Central Indias and Simplex shed Rs. 3 each to Rs. 100 and Rs. 184, respectively. Mysores lost Rs. 2.50 to Rs. 82.50, Morarjis Re. 1.50 to Rs. 257.50 and Svadeshis 75 nP to Rs. 227.25. Gokaks were quiet at Rs. 149. Podars, however, spurted by Rs. 13 to Rs. 176 on excellent buying support induced by the decision of the directors to maintain the dividend for the year 1958 at Rs. 10 *plus* a special bonus of Rs. 8 per ordinary share. Centurys were also well favoured, the quotation rising by Rs. 7 to Rs. 544. Standards put on Rs. 4 to Rs. 503 and Shree Niwas Rs. 2 to Rs. 175. Bombay Dyeings hardened from Rs. 63 last week-end to Rs. 64.70 yesterday. They opened at Rs. 63.60 today and, after easing to Rs. 63.30, recovered to close at Rs. 64.40. The net gain over the week was Re. 1.40. Kohinoors gathered Re. 1.25 to Rs. 279.25, after being still higher at Rs. 286 yesterday.

Electricity shares were dull. Andhra Valleys shed Re. 1.25 to Rs. 1,135. Bombay Suburbans declined by 50 nP to Rs. 102.50, Tata Hydros by 25 nP to Rs. 117.50 and Ahmedabads by 10 nP to Rs. 91.70. But Tata Powers picked up Rs. 2.50 to Rs. 1,170 on special support.

Sugar scrips were subjected to some selling pressure, following the latest move of the Central Government to requisition the entire production of mills for direct allocations. Belapurs, which stood at Rs. 308.50 last week, came down to Rs. 299 on Monday. After improving to Rs. 305 yesterday, they again receded today to Rs. 294.50, though they finished a little higher at Rs. 295.50. Over the week, Phaltans fell by Rs. 4.50 to Rs. 155 and Walchandnagars by Rs. 3.75 to Rs. 286.25. Bhopals proved an exception, in that they recorded a rise of 12 nP to Rs. 23.44.

Associated Cements ruled firm during the major part of the week, the quotation advancing from Rs. 152.50 to Rs. 155.25 yesterday. Today, however, they came in for selling and declined to Rs. 151.75, before finishing at Rs. 152.50. Digvijays stood at Rs. 154 today, same as last week. Orissas gathered 24 nP to Rs. 14.56, while Jaipur Udyogs receded from Rs. 11 to Rs. 10.76.

In the engineering group, Premier Constructions dropped Rs. 3 to Rs. 323. Alcock Ashdowns, which had slumped by Rs. 19 to Rs. 271 last week, staged a recovery this week, the closing rate today being Rs. 273. Mahindras gathered Re. 1.60 to Rs. 22.40 *ex-div.*, Tata Locomotives Re. 1.50 to Rs. 209.50 and Larsen and Toubros 12 nP to Rs. 23.60. Among mining shares, Shivrajpurs fell by Rs. 9 to Rs. 86, following the Chairman's statement at the annual meeting that the results of the Company for the current year could not possibly be as good as those in the preceding year. Indian Coppers were unchanged at Rs. 4.12.

Automobile shares showed a hardening tendency. Premier Automobiles picked up Re. 1.50 to Rs. 110. Hindustan Motors improved by 24 nP to Rs. 8.48. Among shippings, Scindias shed 8 nP to Rs. 18, while Great Easterns were quiet at Rs. 23.12.

A further sharp fall of Rs. 12 to Rs. 535 in the quotation for Bombay Burmahs characterised the trading in the miscellaneous section. At one time today, the rate was as low as Rs. 528. Alembic Chemicals receded by Rs. 7 to Rs. 193, Polychems by Rs. 3 to Rs. 97, Dhrangadhras by Rs. 2 to Rs. 115 and West Coast Papers by Re. 1.50 to Rs. 138.50. Hindustan Levers were unaltered at Rs. 29.25. Indian Dyestuffs, however, advanced by Rs. 5 to Rs. 685. Tata Oils hardened by Rs. 2.20 to Rs. 56.20, Wimcos by Re. 1.50 to Rs. 208 and Voltas by Re. 1.25 to Rs. 63.25. National Rayons rose by 50 nP to Rs. 307.50. Gwalior Rayons put on 28 nP to Rs. 18.52. Tata Chemicals were higher by 40 nP at Rs. 17.96.

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The ordinary shares of Gwalior Rayon are expected to be included in the forward list of the Bombay Stock Exchange in the very near future.

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Calcutta Stock Exchange

CALCUTTA, *27th May*

Equities on the Calcutta Stock Exchange suffered a shake-out during the week under review. This is not surprising because it was becoming only too well evident that the uptrend since the Budget had been too fast and persistent and that attempts by those interested to maintain the higher levels could not continue when the genuine buyers preferred to be on a holiday. It was against this background that the report that the third Plan would require a colossal sum of Rs. 11,000 crores and that the Finance Minister would extract an additional sum of Rs. 2,000 crores by way of taxes from the much-maligned private sector circulated. The stage was thus set to cry halt to the resistance for a show-down by speculative holders, and the fear of more taxes was taken as an excuse for a corrective reaction. It was realised that the higher levels had no relation to yield consideration even after adding growth prospects. The genuine investor could not even now be attracted to enter the market, since he was doubtful if he could continue to get the present rate of return even after changes to company taxation became effective from next year.

In this circumstance, not all offerings met with buyers, who were reserved and cautious. It was, however, felt in some circles that, with a better technical position, shares would attract increased interest. For, if the third Plan envisaged the investment of a colossal amount, it was presumed that there should be a colossal increase in industrial activity, leading to increased returns to the investor despite higher taxes. It will be recalled in this connection that the American Trade Mission, which visited Calcutta recently, had stated that taxation in India was as high as in the U.S., but that the difference between the two countries was that one was in need of foreign capital, but the other was flowing it out. In the circumstances, the possibility of any increase in direct taxes was considered to be remote; it might as well be the increase would be in indirect taxes and broadbasing of the excise duties. Market circles are, therefore, keenly awaiting the outcome of the seminar to be held in Ootacamund under the auspices of the A.-I.C.C. from Saturday next when the problems relating to the remaining period of the second Plan and to the third Plan are expected to be discussed.

Jutes were devoid of enthusiasm, following doubts if working results would be as satisfactory as in the last accounting period, in view of keen Pakistan competition in jute goods. Howrahs drifted to Rs. 23.12 from Rs. 24.06. At Rs. 85, Ganges disclosed a loss of Rs. 3. Birlas receded to Rs. 20.12 from Rs. 20.87, and Nationals from Rs. 24.25 to Rs. 23.75. Agarparas were quiet at Rs. 12.44. Megnas changed hands at Rs. 15.44 against Rs. 15.50 previously, while Cheviots were lifted to Rs. 217 from Rs. 214.

The silence in New Delhi over the recommendations of the Coal Price Revision Committee and the delay in granting higher prices retarded sentiment in coals, and a shrinkage in the volume of business was recorded. Bengals after giving way to Rs. 307 from Rs. 308 staged a recovery and gained to Rs. 311 to again fall to Rs. 308. East Indians toppled down to Rs. 23.75 from Rs. 25.50 and Burrakurs to Rs. 17.50 from Rs. 18.12. Equitables at Rs. 31.75 were lower by 37 nP, while Western Bengals fluctuated between Rs. 6.31 and Rs. 6.09. Khatras Jherriahs changed hands at Rs. 73.25 against Rs. 75.25 previously, while South Karanpuras after falling to Rs. 12.81 recovered to Rs. 13.

Despite the announcement of export incentives, cotton textiles, in common with other sections, trod a dull path, with Elgin Mills being pushed down to Rs. 14.50 from Rs. 15.

Teas shared the general trend, despite the general belief that the prospects for the new season were bright. Brooke Bonds earlier changed hands at Rs. 20.31, but gradually derived strength to improve to Rs. 20.94. The closing was again lower at Rs. 20.56. Hantaparas had buyers at Rs. 132 against Rs. 134 earlier, Gungarams declined to Rs. 155 from Rs. 158 previously. Methonis were pushed down to Rs. 24.75 from Rs. 24.87 and Dibrugarhs to Rs. 33.25 from Rs. 34.12.

Among engineerings, Indian Galvanizings continued to advance to touch a high of Rs. 18.31 from Rs. 17.87. Indian Irons were subjected to renewed offerings. The scrip opened at Rs. 24.75 and after realising Rs. 24.82 declined to Rs. 24.18. On the other hand, Jessop & Cos. staged a recovery to Rs. 31 from Rs. 30.25.

The downtrend in evidence in the miscellaneous section is portrayed in the following table:

		Week's		
		Opening	*Closing*	*Loss*
		Rs.	Rs.	Rs.
Indian Coppers	...	4.24	4.09	0.15
Alkali & Chemicals	...	23.50	22.62	0.88
India Steamships	...	14.75	14.12	0.43
Dunlop Rubbers	...	32.12	31.50	0.62
Metal Boxes	...	37.37	37.25	0.12
Indian Aluminium	...	21.31	20.32	0.99
National Pipes	...	19.37	17.37	2.00
Rallis	...	70.25	68.25	2.00
Hindustan Motors	...	8.87	8.69	0.18
Martin Burn	...	29.50	28.12	1.38

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Madras Stock Exchange

MADRAS, *27th May*

A distinctly easy trend was in evidence on the Madras Stock Exchange during the week under review. The sentiment of operators was adversely affected by reports suggesting the possibility of the Government raising by way of fresh taxation as much as Rs. 2,000 crores to finance the third Five-year Plan, as against the estimated yield of Rs. 900 crores in the second Plan. Excepting a few scrips which elicited investment support, fresh buying was lacking. Sugar shares were neglected, in contrast to the sustained buoyancy noted in the past few weeks. Tea shares encountered selling, thanks to estimates of lower production released by many companies. Rubbers and coffees were featureless, with restricted turnover. The textile section was subdued, despite liberalisation of the export incentive scheme for textiles. Miscellaneous industrials also ruled easy in sympathy with the general trend.

In the sugar group, Cauverys suffered a loss of Re. 1 over the week to close today at Rs. 119. Travancores dropped 40 nP to Rs. 12.20, and E.I.Ds 35 nP to Rs. 38.75. Mysores were dull at Rs. 52.25, as also United Breweries at Rs. 400. Indias were done at Rs. 12.10 *ex-div.*, as against Rs. 13.12 *cum-div.*

A feature of today's trading in the planting section was the inclusion in the list of the Exchange of two new shares, Ossoor Estates and Wartyhully Estates. Brisk business was in evidence in both the scrips, the closing rates being Rs. 3.61 and Rs. 3.60, respectively. Among tea shares, Peermades fell by 75 nP to touch Rs. 19. Kil Kotagiris receded by 23 nP to Rs. 8.30 and Waterfalls by 8 nP to Rs. 4.05. Chembras and Kalasas lost 5 nP each to Rs. 4.30 and Rs. 3.97. Nonsuch Teas, Balamoors and Twyfords were dull at Rs. 27.36, Rs. 21.25 and Rs. 17.40, respectively. United Nilgiris, however, improved by 10 nP to touch Rs. 20.40. Hailleyburias gained 5 nP to Rs. 19.65. In the coffee group, Coffee Lands eased by 25 nP to Rs. 24. Cowcoodys shed 5 nP to Rs. 7.20. Anaparais were unchanged at Rs. 4.75. Among rubbers, Midlands were marked down by 25 nP to Rs. 12.25. Thirumbadis lost 4 nP to Re. 1.86. Malankaras were quietly steady at Rs. 19.35, Rajagiris at Rs. 17.45 and Vaikundams at Rs. 26.

In the textile section, Maduras declined further by Re. 1.15 to Rs. 26.85, due to continued labour troubles. Rajalakshmis and Cannanores receded by Re. 1 each, the former to Rs. 64.50 *cum-div.* and the latter to Rs. 151. Bangalore Woollens dropped 50 nP to Rs. 175. Cambodias decreased by 5 nP to Rs. 9.80. Coimbatore Cottons were unchanged at Rs. 141, Premiers at Rs. 164 and Radhakrishnas at Rs. 131.

Among miscellaneous industrials, only a few scrips showed any sign of improvement. Rallis receded by Re. 1.75 to Rs. 68.25. F.A.C.Ts gave way from Rs. 9.40 to Rs. 9 *cum-div.* Mysore Papers declined by 30 nP to Rs. 20.10, Mettur Chemicals by 10 nP to Rs. 12.75 and Dalmia Cements by 5 nP to Rs. 10.50. Orissa Cements eased by 15 nP to Rs. 14.35, and Spencers by 10 nP to Rs. 20.35. Andhra Cements was quiet at Rs. 10.10, India Cements at Rs. 6.08, Indian Steel Rollings at Rs. 15.37, Mysore Chemicals at Rs. 10.80 and Travancore Cements at Rs. 9.85. Ashok Leylands were done at Rs. 7.20 *ex-div.*, as against Rs. 9 *cum-div. cum-right.* Western India Plywoods, however, met with renewed buying support and spurted by Rs. 2.50 to Rs. 170.50. Standard Motors gathered 25 nP to Rs. 14.25.

COMPANY MEETING TELEVISED

The first televised shareholder meeting in Germany's history was just offered to 1,250 share and proxy-holders of the Bayer Works in Leverkusen, one of the I.G.-Farben successors. The share and proxy-holders present at the meeting represented 76 per cent. of the Company's 660 million D.M. share capital, the largest share capital of an individual company in W. Germany's industry. Altogether, the Company has 155,000 shareholders, about three shareholders to every employee.

To permit everybody to follow the proceedings of the annual meeting in the main conference room, the Company had installed a closed circuit in adjacent rooms. In order to promote the shareholders' understanding of technical innovations, the Company also showed them a live T.V. cast from a 10 miles distant, affiliated mineral oil-processing plant.

NEWS IN BRIEF

THE next session of the Lok Sabha will commence on 3rd August 1959.

A "Trade Unions in the U.S." exhibition, jointly sponsored by the Bombay Labour Welfare Board and the U.S. Information Service, commenced in the city on Monday this week.

The Government of Madras has launched an intensive survey of the bamboo areas of the State, with a view to assessing the availability of bamboo for industrial purposes such as manufacture of paper and rayon grade pulp.

The Finance Minister of Pakistan, Mr. A. Shoaib, has accepted the invitation from the Union Finance Minister, Mr. Morarji Desai, to visit New Delhi for talks on outstanding financial problems between the two countries. He is expected to be in India by the middle of July next.

The U.S.S.R. will help India to develop its oil industry by sending equipment and highly qualified oil experts. An assurance to this effect was given by Mr. P. Y. Antropov, Soviet Minister for Geology and Mineral Resources, who was on a short visit to India. During his stay in the country, he visited a number of prospective oil-bearing regions.

The Ford Foundation has granted $155,539 (about Rs. 8 lakhs) to the Municipal Corporation of Delhi for initiating six pilot projects in urban community development. Each project will cover about 250 families, organised into *vikas mandals*. The *mandals* will study local problems and suggest ways and means of solving them on a self-help basis, with the minimum dependence on external assistance in the initial stages.

India has agreed to buy 350,000 tons of rice from Burma during 1959-60. An agreement laying down the price to be paid for this rice is expected to be signed shortly. The five-year Indo-Burmese rice agreement provides for the purchase of two million tons of Burmese rice over a five-year period from 1956-57 to 1960-61. The price per ton stipulated for the first three years was £34, £33, and £32, respectively. The price for the last two years was left to be settled for future negotiations between the two countries.

The Bharat Electronics, Bangalore, has concluded a ten-year technical collaboration agreement with Philips of Holland for the manufacture of radio receiver valves. The Company proposes to manufacture all types of receiving valves required by the broadcast receiver industry, besides special quality valves used in defence electronics equipments. Philips have agreed not only to give the requisite technical assistance for implementing the scheme but also to provide facilities for training Indian personnel in its works at Holland.

The validity of the trade agreement between India and China, concluded in 1954, has been extended till the end of 1959. The total value of trade between the two countries in 1957 and 1958 amounted to Rs. 8.6 crores and Rs. 8.7 crores, respectively. In 1957, imports from China to India were Rs. 4.9 crores, as against exports worth Rs. 3.7 crores. Imports during 1958 amounted to Rs. 5.3 crores, as against exports of Rs. 3.4 crores. The main items of imports from China were newsprint, chemicals, steel, cassia and raw silk, while the important among the Indian exports to China were tobacco, raw cotton, shellac and jute manufactures.

The Heavy Industries Plan Committee of the U.P. Government has initiated a survey to assess the State's mineral resources for exploitation during the third Five-year Plan period. A preliminary survey report presented to the Committee by Dr. Krishna Mohan, Director of Geology and Mining, U.P., has revealed the presence of iron ore in Naini Tal, Garhwal, Mirzapur and a few other districts, coal at Singrauli, copper ore in Garhwal and Almora, limestone deposit suitable for the cement industry in Dehra Dun and about three million tons of good quality of fire-clay, which can be utilised for the manufacture of refractory bricks, cement, crockery, sanitaryware and insulators, in Mirzapur district.

The possibility of establishing a raw film plant and a factory to produce rayon pulp from bamboo in India with Japanese co-operation is expected to be explored by the Union Minister for Industry, Mr. Manubhai Shah, during his ensuing visit to Japan in the middle of June. It is said that the Minister will hold discussions with two leading Japanese firms, namely, Fuji Films and Kokuaku Pulps. The earlier proposal to set up a raw film factory in collaboration with Agfa, East Germany, is said to have been dropped, owing to the inability of this firm to supply the required equipment in time. Mr. Shah is also expected to make a special study of the methods of financing and developing small-scale industries in Japan, besides seeking technical aid from Japanese interests for the establishment of such new industries in India as watches, sheet glass, cameras and binoculars.

A plea to stop imports of raw jute cuttings from Pakistan has been put forward by the Bharat Jute Sellers' Association, Calcutta, in a communication addressed to the Secretary to the Union Commerce and Industry Ministry. According to the Association, a portion of daisee jute should be allowed for export immediately, as foreign buyers are keen on purchasing this quality even at a premium. Growers in the daisee areas hold stocks twice as large as usual this time of the year and buyers are scarce in the country even at discounted prices, although daisee is superior to mesta. Apart from daisee, the inflow of other jute to mofussil markets has not shown any marked reduction, indicating the obvious position that rural areas still have a good portion of their crop to be moved out for consumption. Mill consumption, it is pointed out, has also diminished, of late, as a result of the further and recent sealing of loomage.

A British-made airfield control radar, claimed to work in any weather in which flying is possible, is to be installed shortly at the Madras airport. This type of approach and landing aid (Decca 424) has been in use at the Dum Dum airport, Calcutta, for the past two years. It is a high definition plan position indicator approach system, incorporating an advanced form of variable polarisation to suppress rain echoes. The operator is able to "tune out" rain. The cost of the equipment is estimated at £12,000-20,000. The equipment—an advance on the original system produced in 1953—provides extremely accurate approach information, with fully duplicated transmitters, receivers and displays. It also has a good measure of all-round surveillance, enabling aircraft in circuit to be motioned and traffic to be controlled before the final approach. Some 80 of these radar sets are in use at airports throughout the world.

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From Abroad

A seven-man official delegation of Pakistan has gone to Kuala Lumpur to negotiate a trade agreement with the Federation of Malaya.

Pakistan is understood to have entered into a barter deal with the U.S.S.R., under which it will import 50,000 tons of Russian cement in exchange for jute.

The negotiations for the possible merger of two leading U.K. companies, namely, Standard Motors and Rovers, which commenced in March last, have been discontinued, as no agreement could be reached.

The number of unemployed in Canada in the middle of April 1959 was lower at 445,000 as compared with 525,000 a month before and 522,000 a year before. This is about 7.3 per cent. of the total labour force estimated at 6.1 million.

With a view to conserving foreign exchange, the Government of Pakistan has imposed restrictions on the use of petroleum products. All organisations have been asked to lower their consumption by 10 per cent. The annual value of imports of petroleum products is of the order of Rs. 22 crores.

A Polish trade delegation, headed by the Deputy Minister of Internal Trade, Mr. Edvard Schneider, has arrived in Belgrade, in order to acquaint itself with the organisation of Yugoslav trade. The Polish delegation thus returns the visit paid recently to Poland by a Yugoslav trade delegation.

More passenger cars than ever before were in service in the U.S. in 1958. Passenger car registrations aggregated 56,870,684, an increase of 1.7 per cent. from the year before. With trucks and buses included, registrations were 68,299,408 or 1,168,337 more than in 1957. The number of trucks in use was 11,158,561. There were 270,163 buses.

An exhibition, entitled "India, Germany's Economic Partner," sponsored by the German-Indian Society at Stuttgart, West Germany, was inaugurated on the 23rd inst. The primary object of the exhibition is to promote mutual economic and commercial relations and to further the scope for marketing India-made goods in W. Germany.

Total outlay on advertising in the U.K. in 1958 aggregated £375 million, equivalent to 2.5 per cent. of all consumer expenditure. In the first three months of 1959, advertising expenditure was running at the rate of £400 million per annum, keeping pace with the 4 per cent. increase in the value of retail sales.

Ford Motors of the U.S. has decided to acquire 75 per cent. of the capital stock of the Canadian Ford Motor Company, in which it is already holding 27.5 per cent. This it proposes to do by taking up a maximum of 775,628 shares of A class (non-voting) and 30,208 shares of B class (voting) at $188 per share which is nearly 30 per cent. above the closing price on the American Stock Exchange on 20th May 1959.

The Nepal Government is considering a proposal to nationalise the year-old Royal Nepal Airlines Corporation. The Corporation was floated with Government assistance. It has only one plane of its own, purchased by the Government, and another hired from India. Nepal is planning to establish a well-equipped civil aviation system within the next three years, with assistance from the U.S. and India.

The automobile industry in the U.K. set up an all-time production record in April last, when the average weekly output rose by 25 per cent., as compared with the average for the previous six months. Exports of automobiles which account for half the total production also registered a notable increase due mainly to heavy shipments to North America.

Hong Kong exported about 40 million square yards of cotton piecegoods to the U.K., during the first quarter of the current year. Of this quantity, allocated quota shipments accounted for 20.2 million square yards, free quota for 7.7 million square yards, finished piecegoods for 82,030 yards, yarn dyed piecegoods for 587,977 yards and made-up goods for 10.5 million yards.

The view that West Germany will certainly give financial assistance to the second stage of the Aswan High Dam Project has been expressed by the three-member goodwill mission of the W. German Bandestag (Lower House), currently in the United Arab Republic (U.A.R.) Professor Erhard, W. German Economics Minister, is expected to visit Cairo towards the end of this year in this connection.

Almost four out of ten West German televiewers are production workers, according to a poll by a W. German Broadcasting Company. Of all televiewers, office employees account for 26 per cent., self-employed for 20 per cent., liberal professions for 9 per cent., civil servants for 6 per cent. and farmers for 1 per cent. The total of registered television sets in W. Germany as on 1st April this year was 2,534,000.

The value of exports from West Germany during the first quarter of 1959 aggregated DM 12,200 million, representing an increase of 5 per cent., as compared with the corresponding period last year. Imports were higher by 3.7 per cent. at DM 10,500 million. The rise in the volume of exports and imports was more than that in their values, since average import prices were lower by 6 per cent. and export prices by 3 per cent. during the period under review.

The Government of Pakistan has decided to set up an Economic Council, with the President as its Chairman and consisting of the Ministers of Finance, Industries and Commerce and the Governors of East and West Pakistan to ensure the balanced development of all parts of Pakistan. It has also decided to constitute a Cabinet Economic Committee, with the Finance Minister as Chairman, to direct and supervise the implementation of economic projects sanctioned by the Cabinet.

Advertising outlays in West Germany have almost trebled in the last five years. The total expenditure on advertising in 1958 stood at DM 1,670 million, an increase of 11.5 per cent. over the previous year. The percentage share of the different media of advertisement was 59 for newspapers, 33.3 for periodicals, 2.5 for radio, 8 for television and 4 for posters. Of the total advertisement outlay in periodicals, 45.5 per cent. was spent for consumer goods, 27 per cent. for durable goods, 25.4 per cent. for investment goods and 2.1 per cent. for services.

Wage and salary earners bought three out of four newly registered cars in W. Germany during the 12 months ended July 1958. In mid-1958, 2.77 million private cars (466,100 more than in mid-1957) were registered (without W. Berlin and the Saar), of which 41 per cent. was driven by wage and salary earners. About 477,900 private cars (17.3 per cent. of total) now belong to production workers. While the number of motor-bikes belonging to production workers doubled from 1952 to mid-1957 (total 1,489,000), it fell by some 90,000 from mid-1957 to mid-1958 in favour of the four-wheeled car.

PERSONAL

MR. S. Y. Krishnaswamy, I.C.S. (retired), has been appointed Adviser for Agricultural Planning to the Kerala Government.

Mr. P. Y. Antropov, Soviet Minister for Geology and Mineral Resources, left India for Moscow on the 21st inst., after a week-long tour of this country.

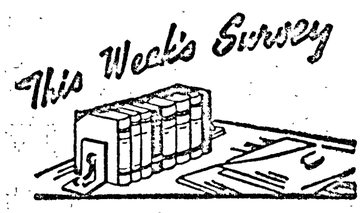
Mr. P. P. Agarwal, I.C.S., Joint Secretary to the Planning Commission, has taken over charge as Joint Secretary to the Ministry of Irrigation and Power *vice* Mr. Kshetrapal.

Mr. Madanmohan R. Ruia, leader of the eight-member goodwill trade delegation sponsored by the Federation of Indian Chambers of Commerce and Industry, returned to Bombay from Rome on Monday the 25th inst., after a two-month tour of the U.S., the U.K., W. Europe, Japan and Hong Kong.

Mr. Abdur Rashid Ibrahim, formerly Financial Adviser to the Finance Ministry, Government of Pakistan, has been appointed Deputy Executive Secretary of the U.N. Economic Commission for Asia and the Far East (E.C.A.F.E.) in place of Mr. U. Nyun who has assumed charge as the Executive Secretary.

Mr. Gulzarilal Nanda, Union Minister for Labour, Planning and Employment, will lead the Indian delegation to the forty-third session of the International Labour Conference to be held at Geneva from 3rd to 25th June 1959. The other members of the delegation are Messrs. V. V. Dravid, Arvind N. Mafatlal, and G. D. Ambekar.

Mr. Henry R. Labouisse has been appointed a Consultant on the staff of the World Bank. He will take up his duties next month. Mr. Labouisse was formerly chief of the Special Mission to France for the Economic Co-operation Administration and its successor agencies and at the same time Minister for Economic Affairs in the U.S. embassy in Paris. From 1954 until last year, he was the Director of the U.N. Relief and Works Agency for Palestine Refugees.



UNEMPLOYMENT

THE serious unemployment problem that has been confronting this country is showing no sign of easing. On the contrary, it is tending to assume unmanageable proportions. In fact, the employment situation and the prospects for the immediate future, as described by Mr. G. L. Nanda, Union Minister for Labour Employment and Planning, in the course of his address to the first meeting of the Central Committee on Employment held at New Delhi on Monday, are dismal indeed. Mr. Nanda preferred to speak out the truth, however unpalatable it might be. He said that, at the beginning of the third Plan in 1961, India would have a larger back log of unemployment of 7 million than at the beginning of the second Plan when it was only 5.5 million. The original employment target of 8 million under the second Plan had to be reduced to 6.5 million, because, within one year of its operation, the second Plan came up against heavy odds both in respect of external finance and in the matter of adequate resources for development within the country. Other problems too accentuated the difficulty. Production in primary sectors could not rise up to the level of requirements and price levels, particularly of agricultural commodities, took an upward trend. The rise in prices would itself have curtailed the physical targets and, therefore, the employment potential of the Plan, even if the original size had been maintained. The size of the plan outlay had to be cut down to Rs. 4,500 crores in the middle of last year. The target for employment generation had, therefore, to be reduced from 8 million to 6.5 million. Mr. Nanda was doubtful whether even the reduced target of 6.5 million jobs would be achieved. It is estimated that, during the first three years of the Plan, employment generation has been of the order of one million jobs per annum. It is unlikely that the balance of 3.5 million jobs would be created in the current and the next year, unless a miracle were to happen.

The Minister candidly admitted that, judging from experience, it would be too optimistic to expect that the third Plan could, even at its best, succeed in wiping out the problem of unemployment totally. The difficulties are many. The third Plan has to carry the heavy backlog of unemployment of about 1.5 million more and many more will enter the labour force during 1961-66 as compared with the previous five years. The most conservative estimate places new entrants to the labour market at 14 million during the third Plan. Together with the 7 million remaining unemployed at the beginning of 1961, total employment seekers during the third Plan will be as many as 21 million, which is nearly equal to three times the population of Sweden (7.3 million in 1958).

Surely, the third Plan, however big it might conceivably be, cannot be expected to create employment opportunities of this magnitude. The goal, according to Mr. Nanda, is sought to be fixed at a lower level, that is, to create employment opportunities sufficient to absorb new entrants in the labour field. It is not realistic, he conceded, to expect, in the normal way, to attain a level of employment higher than this.

A disquieting feature of the unemployment situation is the large number of educated unemployed. The output of educational institutions is increasing rapidly and the pace of economic development is not fast enough to provide in sufficient numbers the kind of jobs the educated persons seek. The problem of educated unemployed is, therefore, increasing in size year after year. The problem is difficult enough as it is. The Minister, therefore, emphasised that every effort should be made to see that there was no further aggravation of unemployment in the coming years. In this connection, he suggested that, considering the magnitude of the problem, there was need to explore unorthodox ways of enlarging the scope of productive employment in the country for the many who could not be absorbed in the normal pattern of employment opportunities created through Plan investments and the regular agency of the market. It is true, as he pointed out, that there are enough tasks of economic utility to be performed and plenty of natural resources remaining to be utilised for this purpose. But he did not say how precisely this could be done. It is not clear what exactly he meant by saying "unorthodox ways."

To add to this problem of unemployment is the problem of underemployment, especially in rural areas. According to a recent report of the National Sample Survey, 28 per cent. of the gainfully employed rural population had work for less than 28 hours a week. In the country as a whole, according to Prof. P. C. Mahalanobis, there were 20 million people who had only an hour's work a day and 45 million people with less than four hour's work a day. An idea of the magnitude of investments that will be required to solve the problem can be had from a note prepared by the Union Ministry of Labour and Employment for discussion at the meeting of the Central Committee. According to the calculations contained in the note, to tackle the problem of unemployment in both the agricultural and non-agricultural sectors, an investment of Rs. 43,000 crores in the next 15 years, covering three Five-year Plans, will be necessary.

DEVELOPMENT OF MADRAS STATE

The broad lines of economic strategy that planners in Madras should adopt in the coming years to generate a cumulative growth process in the State's economy were impressively indicated by Dr. P. S. Lokanathan, Director-General, National Council of Applied Economic Research, New Delhi, while addressing the third quarterly meeting of the Southern India Chamber of Commerce at Madras last week. Development of engineering industries, Dr. Lokanathan declared, was the key to this strategy and zonal action the appropriate approach to it. To quote him: "At any rate, the engineering phase of development is inevitable for taking the economy into a self-generating growth process. Hence, it has to be nurtured regardless of all other considerations. The progress already achieved by Madras in this direction is significant enough to demand a concentrated effort in the shape of an immediate and direct stimulus."

These observations, though they were addressed to Madras, apply with equal force to the other Southern States, namely, Andhra Pradesh, Kerala and Mysore, as well. But the question is whether, in the present context of things, any ambitious programme of developing engineering industries can be successfully launched in these States. There is, for instance, a scarcity of natural resources like fuel, coal and coke and raw materials like iron and steel. There is also the chronic transport bottleneck.

An account of how these handicaps have adversely affected the engineering industries in Madras State was given by Dr. Lokanathan. It is seen therefrom that the long haulage of heavy raw materials from distant parts of the country have not only enhanced the cost of production but also created a shortage of raw materials, with the result that a great deal of capacity of even the existing engineering industries remains unutilised. The value added to manufacture in this sector is less than that in certain other States, notwithstanding the high skill of Madras workmen. Firms in the South experience great difficulty in obtaining prompt delivery of machinery spare parts and similar items, and even minor breakdowns of equipment put machines out of order for weeks. Consequently, the great majority of engineering concerns in Madras produce only 60 or 70 per cent. of plant capacity. Under-utilisation of capacity is the most pressing problem of the State. The raw material shortage has aggravated the flow of working capital to the industry and has often stunted industrial units to below economic sizes.

Despite the aforesaid handicaps, why has Dr. Lokanathan advocated such high priority to the development of engineering industries in the State? Here is his explanation: "The solution to the chronic shortage (of raw materials) does not lie in the abandonment of the engineering industries or in the adoption of a slower rate of growth on the ground that they are locationally unsuitable. This will be not only a counsel of despair but also reversing the very historic pattern of development towards progress." In his considered opinion, the engineering and chemical industries have the largest capital-absorptive capacity all over the world, and Madras has both market and skilled labour, the two decesive factors in the development of engineering industries.

Dr. Lokanathan felt that the problem of fuel in Madras was well on its way to a solution in a big way since the "fabulous" discovery of the Neyveli lignite which, he said, would be the spearhead of the third phase of the State's industrial development. In this connection, he mentioned that coal was twice or thrice as costly in Madras as it was in Northern India. Another spearhead of development, he added, lay in the exploitation of the marine resources around Tuticorin. In particular, he suggested the establishment of a factory for the recovery of valuable chemicals from bitterns now thrown into the sea.

The learned economist drew pointed attention to the need for strengthening the agricultural base for industrialisation and expanding the power resources. The desideratum can be met through extension of double-cropping to at least 12 per cent. from the present low level of 8.4 per cent. of the irrigated area. The percentage of double-cropping land in the State is very small as compared with 12.7 for all-India, 25 for Bihar, 27 for the Punjab and 24 for the U.P. The assessment of power potential as made by Dr. Lokanathan reveals that, though Madras is the third among the States of India in overall power production, second in hydro-electric development and first in rural electrification, the demand for power has been fast overtaking generating capacity. The total of this demand is expected to reach by 1970 one million kw., that is, double the hydro-capacity of the State. Lignite-based power can produce 20,000 kw. only or perhaps a little more later. For the rest, the State has to lean heavily either on the power potential of the neighbouring States or on the development of atomic installation. It is in this connection that Dr. Lokanathan observed that the ready source of atomic energy available in the monazite sand in Kanyakumari district was a consideration important enough to weigh the decision in favour of an atomic plant of 200 or 500 M.W. capacity somewhere in Madras. It may be noted here that the Madras Government has already urged the Centre to establish an atomic power station in the State.

The implementation of the economic development programme on the lines suggested by Dr. Lokanathan will entail a large capital outlay, amounting to an aggregate of Rs. 1 000 crores (including Rs. 300-350 crores for the expansion of existing industries and establishment of new ones), during the third and fourth Five-year Plan periods. On this basis, the annual rate of investments expenditure will have to be Rs. 100 crores, as against the yearly average of Rs. 28.17 crores incurred in the first Plan and Rs. 34.61 crores provided for the second Plan.

It is somewhat doubtful whether the funds required to meet such large-scale expenditure can be raised. But Dr. Lokanathan asserts that only an investment of this size can bring about a self-sustaining growth process in the economy of Madras. We wish the doctor had given a rough idea as to how the financial resources required could be raised. One of the principal ways of finding the funds is to encourage both indigenous and foreign private enterprise to establish industries. The Madras Government would be well advised to follow a realistic policy, under which it can offer suitable incentives for attracting capital and entrepreneurial skill to the State. It can even explore the possibility of getting American or British private capital for establishing nuclear power plants. A special feature of Madras State is the large investment of private savings in agriculture mainly in the form of loans and mortgages. These funds will gradually gravitate into industries, as progress is made in providing agriculture with cheap credit through State-sponsored institutions and in implementing the various land reforms. The pace of this movement of savings from agriculture to industry can be speeded up by making investments in industries more attractive. Since the economic policies of the Centre are not favourable for private investment, the Madras Government must request the Centre to modify its policies.

MORE ON SHARING INDUS WATERS

Since we wrote on the issue of sharing Indus Basin waters in these columns last week, there have been indications pointing to the possibility of a settlement between India and Pakistan, unless, of course, the latter country develops an intransigent attitude once again. The World Bank President and his deputy would appear to have already gathered support from the friendly countries to finance the

$1,000-million replacement-storage-development works programme. Of this amount, India's contribution is said to be about $200 million (about Rs. 96 crores). The World Bank itself expects to lend about $110 million to Pakistan and hopes to secure grants to the extent of $70 million from three Commonwealth countries, Britain, Canada and Australia, and $35 million from the U.S. The balance to be found is $585 million. Observers at New Delhi feel that the only country that could meet this sum is the U.S. Whether that country would agree to provide this amount even as a loan remains to be seen.

The reported willingness on the part of India to contribute such a huge sum as Rs. 96 crores, besides forgoing Rs. 22 crores due from Pakistan for the water supplied all these years, is taken as an indication of its anxiety to secure a peaceful settlement of a dispute which has plagued its relations with Pakistan for more than a decade. While this anxiety is understandable, it must be reiterated that, considering the none too happy foreign exchange position, India should, instead of paying its entire contribution in free foreign exchange as is reported in a section of the Press, pay it partly in the form of goods such as cement and mostly in the form of debts which Pakistan owes India.

The $1,000 million that will be raised by way of loans and grants, according to the World Bank proposal believed to have been accepted by the two countries, will be placed at the disposal of an Indus Basin Development Commission. This Commission, we are told, will consist of representatives of the Indian and Pakistan Governments and the World Bank. The functions assigned to the Commission will be: (1) to formulate the construction work programme for each year of the transitional period and regulate the supply of water to Pakistan and the withdrawal by India, (2) to ensure that the work progresses according to a strict time schedule, and (3) to frame the annual financial budget for the work to be done.

The proposed Commission can be established only after India and Pakistan have signed a final, "definite" agreement. It is reported that there are still two outstanding issues of the dispute to be thrashed out further. These relate to India's contribution towards the cost of the project and the interim period during which India has to allow Pakistan to draw water from its resources. This is expected to be done in the tripartite conference of India, Pakistan and the World Bank which is likely to be held at London in the middle of July next. After these issues are satisfactorily solved, the World Bank will convene, probably in Washington, another tripartite conference to draw up a water treaty. The drafting of such a treaty, there is no doubt, will take a fairly long time, for the legal and irrigation experts "will have to wrestle with the details for many weeks." The draft treaty will then have to be referred to the respective Governments before it is signed and may have to be ratified by Parliament. It is to be hoped that the forthcoming discussions between India and Pakistan will be fruitful and bring about what is appropriately called "the end of a dismal chapter" in the history of Indo-Pakistan relations. In conclusion, a word of praise is due to the officials of the World Bank who have patiently sought to promote a settlement of this complicated problem.

TELECOMMUNICATIONS IN ASIA

Four recommendations designed to accelerate progress in the implementation of the telecommunications programme in Asian countries were made by the E.C.A.F.E. Working Party of Telecommunication Experts after the end of the one-week session at Tokyo on the 11th inst. The recommendations, which the Party wanted the Inland Transport and Communications Committee to consider, covered: (1) special efforts by all the E.C.A.F.E. countries to speed up the development of all types of telecommunication services, more especially those having a direct effect on the development of commerce, industry and transport; (2) convening of regional conferences; (3) participation of E.C.A.F.E. countries in the work of the International Telecommunications Union (I.T.U.) to the fullest possible extent; and (4) continued co-operation of the E.C.A.F.E. and the I.T.U. in promoting the development of telecommunications.

The meeting of the Working Party was attended by about 100 representatives from 25 countries and territories. In his opening address, Mr. Yutaka Terao, Japanese Minister of Posts and Telecommunications, described the speed of progress in the telecommunications technology as "really amazing" and pointed out that its utilisation had come to exercise a far-reaching importance on the development of industries, expansion of economic activities, promotion of community life and elevation of cultural level. He urged that the problems of telecommunication development in South-East Asia should be examined in the light of these developments. How imperative is this aspect will be evident from the fact that the development of telecommunication facilities in this region has lagged behind the achievements of the industrially advanced countries of the world. The statistical data furnished by Mr. M. S. Ahmad, Chief of the E.C.A.F.E. Transport and Communications Division, in the course of his opening statement, reveal that, aside from Japan, the number of telephones per 100 inhabitants in the region as a whole varied from 1.65 in Hong Kong to 0.03 in Pakistan, as against 30.60 in the U.S., 23.18 in Canada and 11.69 in the U.K. The total number of telephones in service in India at the end of 1958, it may be noted, was 376,000. On this basis and taking the population as 395.44 million, the number of telephones per 100 persons will work out to 0.09.

The principal obstacles hampering the rapid pace of development of telecommunication facilities in the E.C.A.F.E. region, we are told, are severe financial limitations, general shortage of adequately trained personnel, lack of equipment due to the absence of indigenous production in most countries, and dependence on foreign sources for the supply of equipment. Mr. Ahmad stressed the importance of finding financial means to develop an adequate system of telecommunication facilities in order to meet current and future requirements and the need for making available the services of a sufficient number of trained personnel to operate modern telecommunication equipment, as well as to maintain it, so that improved techniques may be economically introduced to ensure efficient working of telecommunication systems. It seems desirable, as he said, to give "at a very early stage," some consideration to the possibility of administration of certain items of equipment to help the supplying countries to meet the urgent needs; one possible method of achieving a degree of standardisation on a regional basis will be to ensure a freer exchange of information and pooling of knowledge and experience.

INDUSTRIAL RESEARCH

In the scheme of industrial research, the Council of Scientific and Industrial Research holds a key place. It is the principal agency for promoting, guiding and co-ordinating scientific and industrial research in national laboratories, universities and other institutes. The Council, which was established in 1942, has now been in existence for 17 years. In every field of development there are pressing problems which require scientific study and investigation. To cope with the increasing research needs, the Council has vastly expanded its scope and operations in recent years. This is reflected in its greatly increased budget. For instance, during the three years ended March 1959, that is, the first three years of the second Plan, the Council was provided with Rs. 15.50 crores for new development projects and Rs. 9.75 crores for continuing the schemes initiated during the First Plan period.

In the last three years, the Council has geared the research programmes of the national laboratories to industrial development and planning. This period has also been one of considerable growth and development, both

(*Continued on page 897*)

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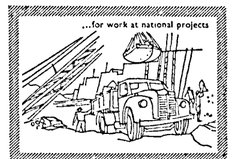

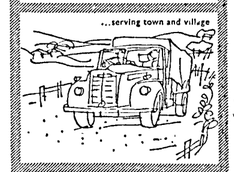

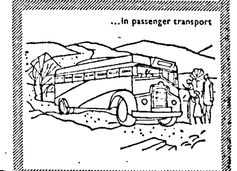

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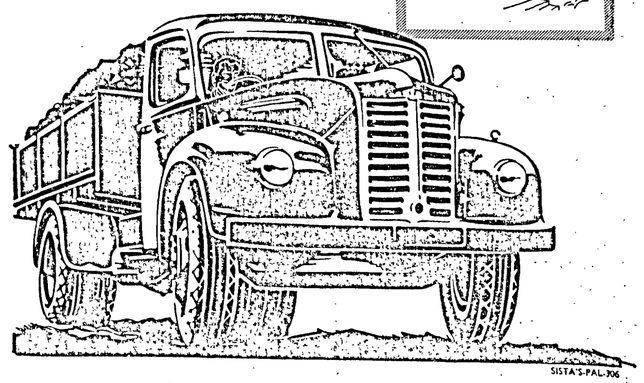

CONTACT YOUR NEAREST DEALERS

AMERICAN LETTER

GOOD FALL IN UNEMPLOYMENT

GOLD FLOW IS NO THREAT TO DOLLAR

From Our Special Correspondent

NEW YORK, *20th May*

THERE is much pointing with pride and viewing with alarm these days in the United States. In the first category falls the rise in corporate earnings and dividends as well as the rise in employment.

Official figures, released a few days ago, show a greater rise in employment and a greater decline in unemployment than is usually the case in April. Increases occurred in agriculture, construction and in some hard goods industries. Employment gained more than one million, while unemployment dropped to about 3,625,000. In April 1958, the unemployed numbered 5.1 million.

Building activity also continues at a record pace. The dollar volume of construction put into place during April rose to a new high of $4,200 million, thus exceeding the $3,800 million record set in March.

Troublesome aspects are the stubborn Soviet attitude over Berlin, coupled with the obvious threat of war. On the economic front, the United States Treasury's recent refinancing was somewhat less than a success. About 31 per cent. of the holders of maturing securities demanded cash rather than new issues. This was the second highest attrition in recent fiscal operations.

While this represents no real threat to the Federal Budget, it is significant just the same. Of equal significance is the continual loss of gold by the United States. It amounts to about $2,000 million in the last twelve months, or to a little less than 10 per cent. of monetary gold stocks, as reported weekly by the Federal Reserve Banks.

Mr. Per Jacobson, Managing Director of the International Monetary Fund, said that the recent outflow of gold from the United States "represents a warning about the trend of costs and prices." He added, "I do not think the U.S. gold outflow represents any threat to the dollar. With the U.S. possessing more than half the world's gold stock, it would be absurd to say this."

In the international perspective, the redistribution of gold is, of course, salutary for all those of us who can remember the days of dollar and gold shortages which impeded world trade.

In this connection, it may be interesting to note that an increasing number of new and old U.S. investment companies are including in their portfolios other than U.S. securities. The reasons are that the rise in productivity in other industrial countries is greater, the returns are better because of lower costs and prices and a better relationship between the two factors.

The so-called "hard money" policies of the Federal Reserve system which have achieved a near-stable cost-of-living level, are being attacked again in Congress and by labour leaders. Certain Senators denounce these policies, because "goods and services are not in short supply now, have not been and are unlikely to be for some time."

Labour, not the rank and file, but the leaders, argues simply that more dollars in the hands of their membership assures continued prosperity for the country as a whole. The shortsightedness of the argument is that, if a disproportionate part of operating profits is syphoned off into one single cost factor, the others have to suffer. Because of this, modernisation of plant has become increasingly difficult.

Owing to inflation and technological developments, the dollar that buys machinery has deteriorated much faster than the household dollar. Since 1940, equipment and machinery costs have trebled, generally speaking. This is not taken into account either by labour or the U.S. taxing authorities.

Unlike India, which has the most enlightened laws on depreciation allowances of any country in the world, U.S. laws permit merely write-offs on the original dollar cost of machinery and equipment at the average rate of 4 to 5 per cent. a year, unless exceptions can be proved.

So far as India-U.S. relations are concerned, "India Our Friend," said a headline in the *Overseas Press Bulletin* of 16th May. It referred to remarks which were made by former Governor of New York, Averell Harriman, before the Club's members after his return from a trip around the world.

"I find India one of the most important allies we have and India is not neutral," was the gist of Mr. Harriman's talk. Mr. Harriman during his extended stay in India had four long talks with Prime Minister Nehru.

The people of India, he said, value their freedom and "they will not let China or anyone else overcome their independence." Other Harriman quotes were, "anyone fighting for individual liberties is triply our friend—and that's Nehru—India's policy is not pro-West, but is pro-India and that means they are our friends." Economic aid to India is a sound investment, he suggested, "and, besides, we have no alternative, for, if anything happened to India, the whole South-East Asian and African structures would collapse."

Strong voices for aid to India were also heard at a meeting of the Committee for International Economic Growth. Both Vice-President Nixon and Senator John F. Kennedy joined in this plea. This is a fairly interesting combination, since both men may be heading the Republican and Democratic Presidential tickets next year.

Mr. Nixon said private capital, as well as U.S. Government money, should be put to work in India. He added that where private money enters India, there is no question of political implications.

Senator Kennedy's main point was "it is not enough that we participate on a cash basis for temporary relief. We must be willing to join with other Western nations in a serious long-term programme of long-term loans, backed up by technical and agricultural assistance, designed to enable India to overtake the challenge of Communist China."

In U.S. home affairs, perhaps the most talked about subject is the almost certain steel strike. Negotiations for a new labour-management contract are now two weeks old. Insiders of management who have attended the last five negotiations for contract renewals which resulted in as many strikes, since the end of the war, told me privately the atmosphere this time is the most bitter of them all.

Steelworkers' President MacDonald is bent upon getting the biggest benefits yet for his membership, and the management is equally determined not to give in to such fantastic demands. No wonder, the expectation still is for a long and bitter steel strike, commencing from 1st July.—*All Rights Reserved.*

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LONDON LETTER

MORE DOLLAR TROUBLE

From Our Own Correspondent

LONDON, *22nd May*

THE London *Times* this week published a survey from a special correspondent in New York, analysing the movement of America's gold losses of $1,700 million over the past year. This American gold loss has accounted for half the increase in the gold and dollar holdings of the whole of the rest of the world, but, physically, the greater part of this gold loss, amounting to 1,400 tons has only moved from the custody of the U.S. Treasury to that of the Federal Reserve Bank in New York and we are told that the U.S. Treasury has still got 9,000 tons of gold left.

But the effect of this gold loss has been to provide a stick whereby protection-conscious American business interests can beat the State Department and the Department of Commerce in any attempts they make towards a more liberal attitude to European and Commonwealth imports. Now the counterpart to these American business fears has been oddly enough the fears of British businessmen that their businesses were being bought from under their feet by American capital. After all, a part of the gold loss is due, not to a soft balance of payments, but to an active investment policy, both Government and private. All countries have, in the past years, and particularly in the past twelve months, been steadily increasing their overseas investment. In the case of the United Kingdom, investment is a two-way traffic with British private investors putting about £200 million a year into Commonwealth and colonial countries, in particular, and, on the other hand, British shares are attracting American investment in this country. But, if Americans are to invest in Britain and in Europe (attracted undoubtedly to some extent by the thought that, if they cannot ship goods into Europe, at least they can claim an interest in the European production of these same goods), then, over the long-term, America must have an export surplus.

Part of the American trouble as seen by City eyes here is their very high cost level at present rates of exchange. High American costs make their goods unattractive to British buyers, quite apart from currency controls, and equally they make British goods attractive purchases for Americans. In short, it is becoming increasingly clear that the dollar is overvalued.

However odd the concept of an overvalued dollar may be, this must not obscure the general reasoning, in such circumstances, that devaluation may be necessary. When the suggestion is made that America should raise her price for gold, the intention is that the dollar should be devalued, not only in terms of gold but in terms of world currencies. America would be doing no more than every other country in the world has done since the war and by a relatively small devaluation make her goods easy to sell and discourage the sales of British goods in the United States which are causing such concern among the so-called tough businessmen of the Eastern States and the Middle West.

But, both here in the City and in America, there is a school of thought which is so wedded to the idea of non-discrimination and freedom at all costs (provided the freedom does not extend to the abolition of American tariffs) that they would rather see American dollar difficulties solved by giving a further helping hand to distressed American exporters. This helping hand would consist of removing all restrictions by Britain and other European countries on dollar purchases. The removal of restrictions on the movement of goods is an experiment which businessmen would consider is surely being carried too far, when a Europe, which is only just beginning to develop active trade balances, is compelled to open its arms even wider to American imports, while American discrimination against Britain, Europe and Commonwealth imports continues unchecked.

The question of devaluation is one for America herself to decide. The question of trade discrimination is one which Britain, on her own behalf and that of the Commonwealth, can well discuss now with the United States on the basis of an easement of restrictions. Such discussions would have far more sense at the present time, when Europe can afford such easement, than they made when put forward from time to time in recent years when America was a very aggressive seller and Europe a weak buyer.—*All Rights Reserved.*

SURVEY

(*Concluded from page 895*)

organisationally and in terms of achievements. Of the major changes brought about in the structure of the national laboratories, the most important are the constitution of executive committees for each and a fair amount of delegation of administrative powers to the institutions themselves. This has enabled the Council to concentrate its attention on policy-making. Another development has been the organisation of an effective industrial liaison. An Industrial Liaison Officer at the Centre and four regional officers have been appointed to facilitate a two-way traffic in consultation and advice between the industry and the research laboratories. Similar contracts have been built up with Central Ministries of Commerce and Industry, Steel Mines and Fuel and Works, Housing and Supply.

Among the new institutes started by the Council during the three-year period mention may be made of the mechanical engineering research institute at Durgapur, the public health engineering research institute at Nagpur and the national æronautical research laboratory at Bangalore. The Council has also organised research centres at Poona, Bangalore, Kanpur and Kerala for work on essential oils. A research centre has also been set up at Kanpur for undertaking work on gas turbines.

An idea of the work of the research laboratories and institutes can be had from the fact that the number of scientific workers recruited during the three-year period under review was 2,000, and the number of research papers published 1,200. The number of patents filed, which stood at 50 in 1955, had increased to 72 in 1958. The number of foreign patents also increased from five in 1957 to 23 in 1958. Out of the total 575 patentable inventions developed by the Council, as many as 207 were developed during the period 1956-59. Out of the 113 patents filed between April 1957 and December 1958, 58 were licensed out. It is gratifying to hear that as many as 35 processes have been leased out to industry, of which six are said to be under profitable production. It is estimated that the value of output from the processes which are to be leased out during 1959-60 would be over one crore of rupees and those to be leased out during 1960-61 over Rs. 2.5 crores.

In addition to conducting research, the national laboratories have also undertaken surveys of raw materials and resources which are of basic importance to industrial development. A new of these are the survey of coal resources, survey of raw materials for glass and ceramic industry and foundry sand for the metallurgical industry. The Council has also endeavoured to impress upon the laboratories the importance of user interests and so orient their research programmes that their fruits may become useful to ultimate users.

A section of informed public opinion in this country, however, is still not impressed with what the Council has done. This section holds the view that the return on the vast sums of money spent on research is not adequate and that a large part of the investment has gone down the drain. But the Council may feel encouraged by the testimonial given by Dr. Wallace R. Brode, a distinguished American scientist and Science Adviser to the U.S. Secretary of State. He said the other day in Bombay that the laboratories in India were better equipped than any he had seen in other parts of the world, including his country.

The Union Government has decided to set up a Working Group to make definite recommendations on the ways and means of ensuring efficient development of co-operative farming in the country. The Group will have a prominent person in public life as its Chairman. The members will include a representative each of the Reserve Bank of India, the Planning Commission, the Department of Community Development and the Department of Co-operation in the Centre, a Development Commissioner and a State Registrar of Co-operative Societies. Amongst the non-officials in the Group will be one member of Parliament and a person connected with co-operative farming. The Group will visit the different parts of the country to study successful experiences, as also the problems encountered in the field. It will review the work done, the methods adopted and the techniques evolved in co-operative farming. It will have to make specific suggestions, particularly with regard to types and methods of organisation and financial as well as administrative requirements for a country-wide programme.

Offer for Sale of 1,00,000 6% (Free of Income-tax) Redeemable Cumulative Preference Shares
Fully Paid-up (Series 'A') of Rs. 100/- each
OF

THE GWALIOR RAYON SILK MFG. (WVG.) CO., LTD.

Redeemable on 31st March 1972
Entire Offer underwritten
Offer opens on 1st June 1959 and will close on 15th June 1959 unless closed earlier

1. We, the JIYAJEERAO COTTON MILLS LTD., GWALIOR and SUTLEJ COTTON MILLS LTD., AMRITSAR, being shareholders of the Gwalior Rayon Silk Mfg. (Wvg.) Co., Ltd., offer for sale at par 1,00,000 6 per cent. (Free of Income-tax) Redeemable Cumulative Preference Shares (Series 'A') of Rs. 100/- each fully paid-up of the said company. An application will be made by the said company to the authorities of the Bombay Stock Exchange for listing these shares.

2. The shares will be redeemed by the said company on 31st March 1972.

3. The dividend on these shares upto and inclusive of the period ended 31st March 1959 has been declared and paid by the company. The buyer will be entitled to the dividend on these shares from 1st April 1959.

4. The company has its registered office at Birlagram, Nagda (W. Railway).

5. The Managing Agents are: The Birla Gwalior Private Ltd.

6. The Authorised capital of the company is Rs. 6 crores divided into 3,50,000 Ordinary shares of Rs. 10/- each and 1,50,000 series 'A' 6% (Free of Income-tax) Redeemable Cumulative Preference shares of Rs. 100/- each and 1,00,000 series 'B' 6% (Free of Income-tax) Redeemable Cumulative Preference shares of Rs. 100/- each.

7. The Subscribed and Paid-up capital of the company is:

As on 31st March 1959.

25,00,000 Ordinary shares of Rs. 10/- each,
1,50,000 Series 'A' 6% (Free of Income-tax) Redeemable Cumulative Preference shares of Rs. 100/- each,
763 Series 'B' 6% (Free of Income-tax) Redeemable Cumulative Preference shares of Rs. 100/- each.

8. The company carries on the business of manufacture of staple fibre at Nagda and is the only company of its kind at present manufacturing staple fibre in this country. The present capacity and production is about 55 tons of staple fibre per day. The company's Weaving division at Gwalior carries on manufacture of quality rayon fabrics which are widely known in this country.

9. According to the Balance Sheet for the year ended 31st March 1959 recently published by the company, the Gross block is Rs. 6,20,30,185/-.

	Rs.
Less: Depreciation provided upto 31st March 1959	3,68,54,000
Nett Block as on 31st March 1959 will be	2,51,76,185

SYNOPSIS OF THE BALANCE SHEET

THE GWALIOR RAYON SILK MFG. (WVG.) CO., LTD.

Position upto 31st March 1959

LIABILITIES	*In thousands* Rs.	Rs.	ASSETS	Rs.	*In thousands* Rs.
Paid-up Capital:			**Block:**		
25,00,000 Ordinary Shares of Rs. 10 each	2,50,00		Gross Block	6,20,30	
1,50,000 6% (Income-tax free) Preference shares of Rs. 100 each—'A' class	1,50,00		*Less:* Depreciation	3,68,54	
					2,51,76
763 6% (Income-tax free) Preference shares of Rs. 100 each—'B' class	76		**Investments**		45
		4,00,76	**Stocks and Stores**		1,74,38
Reserve and Surplus:			**Loans and Advances**		83,87
Development Reserve	63,35		**Cash and Bank Balances**		1,11,49
Profit and Loss Account	12,63				
		75,98			
Loans		3,33			
Other Liabilities Including Creditors and Provisions		1,41,88			
		6,21,95			6,21,95

10. The entire offer has been underwritten by the Bank of Baroda Ltd., and the United Commercial Bank Ltd. and some prominent brokers.

11. A brokerage of 1 per cent. will be paid out of the commission of 2 per cent. payable to the underwriters on acceptances of applications which bear stamps of Bankers and Brokers of recognised Stock Exchanges.

12. Applications for shares which should be for 5 or in multiples of 5, must be in prescribed form accompanied by remittance of Rs. 100 per share applied for and will be received in the office of the Bank of Baroda Ltd., Apollo Street, Fort, Bombay, and in the office of United Commercial Bank Ltd., Petit Building, Dadabhoy Naoroji Road, Fort, Bombay, during office hours from 1st June 1959 to 15th June 1959. If, however, the offer made is fully subscribed, the list will be closed earlier, but not earlier than the close of the office hours on 3rd June 1959. Application forms may be obtained from the above-named two Banks.

13. The purchaser will have to bear the cost of having the shares transferred to his name including the registration fee.

14. On the application being accepted, the shares together with the transfer form duly executed by the transferor will be delivered by the Bank to the applicant on his surrendering the receipt duly discharged. In case of up-country applicants, the shares with the transfer deeds will be posted by registered post on the applicant sending to the Bank the application receipt duly discharged. If an application is not accepted, the application money will be refunded to the applicant without interest, before 30th June 1959.

Application forms may be obtained from the following:—

1. Bank of Baroda Ltd., Apollo Street, Fort, Bombay.
2. United Commercial Bank Ltd., Petit Building, Dadabhoy Naoroji Road, Fort, Bombay.
3. Industrial Investment Trust Ltd., 61, Apollo Street, Bombay.
4. Batlivala and Karani, Union Bank Building, Dalal Street, Fort, Bombay.
5. Chimanlal J. Dalal & Co., Stock Exchange New Building, Dalal Street, Bombay.
6. Devkaran Nanjee & Co., Devkaran Nanjee Building, Horniman Circle, Fort, Bombay.
7. Kantilal Pratapshi, Stock Exchange New Building, Bombay.
8. M. M. Loyalka, Agakhan Building, Dalal Street, Bombay.
9. Narottam B. Javeri, 35, Stock Exchange New Building, Apollo Street, Bombay.
10. Navalchand T. Shah & Co., 102, Stock Exchange, Dalal Street, Bombay.
11. Rasiklal Maneklal & Co., Stock Exchange Old Building, Dalal Street, Bombay.
12. S. A. Deshpande & Co., Old Stock Exchange Building, Dalal Street, Bombay.

Dated the 23rd May 1959.

JIYAJEERAO COTTON MILLS LTD,
SUTLEJ COTTON MILLS LTD.

TREND AND PROGRESS OF BANKING

RESERVE BANK CALLS FOR GREATER EFFORTS TO SPREAD BANKING HABIT

THE urgency of more determined efforts on the part of banks to stimulate the banking habit over a wider region and by reaching down to the lower income groups is stressed by the Reserve Bank of India in its latest Annual Report on the *Trend and Progress of Banking in India during the year* 1958 submitted to the Government under Section 36(2) of the Banking Companies Act. "It is for banks now," the Report goes on to add, "to show greater initiative and resourcefulness in extending the benefits to all people. In a period of rapid economic development, banks should not only widen their network of branches but adapt their operations to the growing requirements of the community. A quicker and cheaper banking service will bring its own reward in the growth of economic activity and scale of bank operations."

Though the Report admits that the growth of banking habit has been gathering momentum to some extend and that a significant number of small income earners, particularly in the semi-urban areas, have been inclined to save, in the form of bank accounts or postal deposits, it is of the view that banking services should be widespread, because it has been found that a "major portion of the new incomes generated by developmental expenditure throughout the economy has not found its way into the organised banking system." It is significant to note, in this connection, that, notwithstanding the substantial accretion during the last two years, the bank deposits have hardly registered any significant increase in those States where some major Plan projects have been undertaken involving substantial expenditures on wages and growth in complementary economic activity. In other words, the Reserve Bank implies that banks have taken no active steps to mobilise savings in these areas.

Personal Loan Scheme

That the banks are in a position to extend their field of activity and have the adaptability to changing circumstances is evident from the introduction of the personal loan scheme by a few banks. Opinion on this scheme differs. Some bankers are sceptical about its success in the present context, when consumer goods are in short supply, and are of the view that it will only lead to inflationary pressures. The Reserve Bank of India, however, lends a qualified support to the scheme, and utters a note of caution against financing goods that are in short supply. Thus, the Report says:

"The scheme may assist to some extent the development of banking habit, in so far as new customers with low incomes, who would not have otherwise come to banks, would be attracted to them because of the facility. This is an interesting development in our banking system, but it requires to be watched carefully. Wisely administered and with due restraint, the scheme has useful potentialities, in that it will enable people, such as salaried classes, to acquire relatively durable articles, e.g., bicycles, radio sets, furniture and sewing machines, and pay for them gradually in the form of instalments which, in the absence of this facility, they might not be able to afford. This would particularly help people in the middle or low-income groups to own useful articles and thereby improve their standard of living to some extent, and at the same time, encourage increased production in lines for which scope may exist, with beneficial results to the economy. Banks, however, would have to proceed cautiously with this type of financing and avoid financing goods in short supply, as that would lead to an aggravation of inflationary pressures."

Describing Indian banking in 1958, as one of "steady growth with stability," the Report says that, during last year, there was a relatively large accretion to deposit resources of banks in relation to credit extended by them. This was only a continuation of the trend noted in 1957, thus easing the extreme monetary stringency experienced in the first year of the second Plan period. Taking the three-year period as a whole, it is seen that the deposits of Scheduled banks have increased by no less than 55 per cent., while their total advances have risen by only about 40 per cent., thus providing the banks with a high degree of liquidity. The excess liquidity has not, however, called for any action on the part of the Reserve Bank, as a large proportion of it has been diverted to investment in Government securities. Whether this trend will continue or not is a matter which, according to the Reserve Bank, "would bear closer scrutiny."

Referring to the impact of the major developments in the Indian economy on the banking system during 1958, the report points out that the large expansion in deposits was due to the accumulation of investment resources by business firms with the banking system, as a result of the sluggishness in private capital investment, which, in turn, is attributed to severe restrictions on imports. Over the year as a whole, net deposits of all banks (Scheduled and non-Scheduled) rose by Rs. 215.2 crores to a peak of Rs. 1,561.8 crores, as against an increase of Rs. 221.5 crores in 1957. The most important factors which contributed to this growth were: (1) the deposit of the U.S. counterpart funds, (2) the inclusion of five more banks in the Second Schedule to the Reserve Bank of India Act, (3) the growth of banking habit engendered by the larger incomes as a result of the large developmental outlay, and (4) the expansion of branch banking.

As evidence of the growth of banking habit, the Reserve Bank report points out that, excluding P.L. 480 funds, "the rate of deposits expansion has been the greatest since 1955 in centres with a population of 50,000 and less, as against a smaller rise in the larger centres. Even on the basis of absolute figures, the increase in deposits in the smaller centres represented over a fourth of total deposit expansion." This is also borne out by the fact that, over the same period, the number of savings deposit accounts, which are mainly all personal accounts, have shown an increase of about 20 per cent.

A feature of the expansion in deposits during 1958 was the record rise of about Rs. 227.7 crores in time deposits of Scheduled banks. Though this is partly the result of a shift from demand deposits, as indicated by their decline (of Rs. 9.2 crores), for the first time in the last three years, it is also "indicative of a satisfactory growth of savings through the banking system."

Another noteworthy feature of the increase in net deposits of all banks is that it was confined entirely to Scheduled banks whose deposits rose by Rs. 218.6 crores. Again, out of this increase, 96.1 per cent. was accounted for by larger Scheduled banks (that is, those with deposits of Rs. 25 crores and over each), three banks each with deposits of Rs. 100 crores and over alone obtaining as much as 56.6 per cent. of the increase. Deposits of non-Scheduled banks, however, declined by Rs. 3.4 crores to Rs. 45.7 crores. This was partly due to the inclusion of five of the larger non-Scheduled banks in the category of Scheduled banks.

Bank Credit

The slowing down of economic activity in the private sector is reflected in the smaller pace of increase in bank credit. Thus, over the year, the total advances of Scheduled banks rose by only Rs. 11.1 crores (to Rs. 830.6 crores), as compared with an increase of Rs. 74.6 crores in 1957 and Rs. 151.3 crores in 1956. Another reason for the slower pace of increase in bank credit was the credit restriction imposed by the Reserve Bank in order to prevent speculative use of bank finance. As in the case of deposits, the expansion in bank credit was confined to the larger Scheduled banks, each with deposits of Rs. 25 crores and over. Thus, these banks accounted for an increase of Rs. 18.2 crores, while those with deposits less than Rs. 25 crores showed a contraction of Rs. 7.1 crores. A noteworthy feature of the trend of bank credit over the whole year was that it was generally steady, unlike in the previous year, when it rose in the first half and tapered off thereafter. Thus, the expansion of bank credit in the busy season of 1957-58, at Rs. 90 crores, was very much smaller than that (Rs. 148 crores) in the corresponding season of 1956-57. "This moderate seasonal expansion was of significance," the Report adds, "in that it had been preceded by a seasonal contraction of credit by Rs. 33 crores and was followed by a much greater contraction of credit by Rs. 119 crores." This is taken as evidence of the fact that, "by and large, bank credit was not a factor making for inflationary pressures in the economy during the year."

Despite the lower level of bank credit in the aggregate, as also to particular sectors, the credit policy of the Reserve Bank continued to be one of restraint and vigilance, especially in view of the underlying inflationary trends in the economy. On the whole, the Bank's credit policy, though restrictive in its general tenor, continued to assist the flow of bank credit to essential sectors of the economy. This is borne out by the purpose-wise break-down figures of advances. Thus, industrial credit of Scheduled banks upto the end of October 1958 showed a further increase of Rs. 14.4 crores over the year to Rs. 398.1 crores. This was no doubt very much smaller than that (Rs. 78.2 crores) recorded in the corresponding period of 1956-57, but its share in the total Scheduled bank credit rose from 43.6 per cent. at the end of October 1957 to 47.9 per cent. The share of commercial advances, however, declined from 42.7 per cent. to 37.6 per cent. and this was mainly responsible for the fall in Scheduled bank credit from Rs. 880.6 crores at the close of October 1957 to Rs. 831.5 crores a year later.

Investments

Thanks to the improvement in liquidity, banks were able to increase their investment portfolio by Rs. 206.2 crores during the year under review. This was the sharpest rise noted in recent years. Of this increase, Government securities alone accounted for Rs. 202.3 crores. The share of the State Bank of India in the increase in investments of all banks was particularly large, as a result of the investment of the U.S. counterpart funds in gilt-edged securities. A group-wise analysis of bank investments shows that the increase was shared by all the groups, though, as is only to be expected, banks with deposits of Rs. 100 crores and over accounted for the largest proportion, namely, 60.5 per cent. of the increase in Scheduled banks' investment in Government securities. This was followed by banks in the second group (each with deposits of Rs. 25 crores to Rs. 100 crores) with 30 per cent. The share of banks with deposits of less than Rs. 25 crores was 9.5 per cent.

Branch Banking

On the organisational side, as stated earlier, there was an expansion in branch banking. Though the new branches of the State Bank of India constituted the largest number opened by any single institution, the progress of branch expansion by other banks, according to the Reserve Bank Report, was also encouraging. The total number of offices of all classes of banks rose by 241 to 4,616. There was a net increase of 354 in Scheduled banks' offices, of which 86 offices were of the five non-Scheduled banks which were raised to the status of Scheduled banks. The actual number of new offices opened was 283, including 105 relating to the State Bank of India. Existing offices closed aggregated 15. The number of offices of non-Scheduled banks declined by 113; apart from the 86 offices mentioned above, 72 existing offices were closed, while 45 new offices were opened. The regional distribution of new offices opened during the year shows that 67 were in Bombay, 64 in Madras, 35 in Mysore, 23 in Kerala, 21 in Andhra and 30 in Delhi. West Bengal accounted for 18, U.P. and Rajasthan for 12 each, the Punjab for 13 and the other areas for the balance. Of the total number of offices opened, as many as 88 were in places where there were no banking offices at all earlier. Of the 87 offices closed during the year, Kerala accounted for the largest number, namely, 37, including 32 non-Scheduled banks.

Indian Banks Abroad

The number of Indian banks operating abroad and their foreign offices declined by one each to 27 and 103, respectively. The fall was, however, confined to Pakistan; this was in continuation of the post-partition trend. One of the Scheduled banks opened an office in Malaya. The overall business of Indian banks abroad, the Reserve Bank Report says, showed a slight improvement over that in 1957, though the trend was not uniform in all countries. There was a setback in business in the U.K., Japan and Thailand, but this was more than made good by the expansion in British East Africa, Aden, Ceylon and Hong Kong. The combined liabilities of Indian banks abroad stood at Rs. 96.3 crores at the end of 1958, representing an increase of 4.4 per cent. Deposits rose from Rs. 65.5 crores to Rs. 70.4 crores, with time deposits alone accounting for a rise of Rs. 3.8 crores. There was a slight increase in advances from Rs. 43.5 crores to Rs. 44.3 crores, which formed slightly less than 50 per cent. of the total assets abroad. While investments, wholly held in Government securities, rose by Rs. 2.2 crores to Rs. 24.6 crores, cash resources declined by almost a like amount.

GOLD FLOW FROM THE UNITED STATES

IS IT A DESIRABLE THING?

By Edwin L. Dale, Jr.
WASHINGTON BUREAU OF "NEW YORK TIMES"

THE United States last year lost a record total of $2,300 million of its large stock of gold to foreign countries. In the first quarter of this year, the outflow slowed to a trickle—only $92 million in the three months. Then in April and the first week of May the outflow picked up sharply again, totalling $186 million for the five weeks. This has caused renewed discussion of the gold situation.

What is the role of gold in the money systems of the world?

Ever since the days of the Greeks and Romans, men have deemed gold an acceptable "medium of exchange" for other goods and services. That is, a man would always accept gold as "good" money, because he knew he could buy other goods and services with it. As the expansion of commerce gradually required the use of paper money, Governments always used gold or, in some cases, silver, as backing for the paper money. The gold standard simply meant that a holder of paper money could turn it in at any time for gold, in an amount equal to the value of the paper money as decided by the Government. This is no longer true. Since 1934, a holder of a dollar has been unable to turn it in for gold. He is not allowed to hold gold, except in such forms as jewellery. The United States and the rest of the world are now off the gold standard.

What then is the present role of gold?

Its present function is to settle international accounts between nations. The world's gold, except for private hoarding in nations, such as France and India, is all held by the world's treasuries and central banks. Each nation continues to fix a gold par value of its currency (in the United States, the dollar is worth .888761 grams of gold, which means $35 an ounce). Thus, balances owing from one nation to another can be converted into a quantity of gold and payments made by a transfer of gold. Typically, a nation that exports more than it imports, first builds up holdings of foreign currencies. If it builds up dollars, it can then go to the United States Treasury and convert the dollars into gold at $35 an ounce. If it is short of dollars it can sell gold to the Treasury and get $35 for each ounce sold. This is the mechanism for settling international accounts.

What is the world gold supply?

Altogether, there is about $39,900 million worth of gold (at $35 an ounce) in the central banks and treasuries of the world, excluding the Communist countries. This total rises by nearly $1.000 million a year from new gold production, most of which flows into Government stocks. Of the $39,000 million, $20,250 million is held by the United States, more than all the rest of the non-Communist world put together.

How did the United States get so much?

The great bulk of it flowed to the United States during the depression years. It flowed here, because the United States was running a large and persistent surplus in its transactions with the rest of the world. These transactions include exports and imports, but are by no means limited to them. For example, if a Frenchman buys stocks on the New York Stock Exchange, or simply transfers some of his money to a bank in New York for safe keeping, that counts the same as an export in the total United States balance of payments. It is a United States receipt. A disbursement of dollars in Germany by the United States Army there counts the same as an import. It is a United States payment. Foreign aid, investment by United States business abroad, payment for shipping—these and other elements enter the total balance.

In the thirties a combination of forces, including a large export surplus by the United States and a large flow of "scare" money from Europe to New York, led to a huge surplus each year in the total United States balance of payments. Foreign countries used up any surplus dollars they had and then had to sell gold to the Treasury to get more. Thus, the United States gold stock rose, from $4,226 million in 1932 to $22,042 million in 1940.

World War II brought a temporary reversal. For special reasons, the United States ran a deficit in its payments and some gold flowed out. But the end of the war found the United States, with its economic machinery intact, running a heavy surplus again. The gold stock rose to its peak in 1949, when the United States held $24,600 million, and the rest of the world had to get along on the obviously inadequate total of $10.500 million.

What happened in the post-war period?

Since 1949, though the point is not generally realised, the United States has persistently run a deficit in its balance of payments with the rest of the world. Foreign countries have been net earners of dollars almost every year since that time. For the most part, they simply allowed dollar balances to build up in New York banks, investing part of them in short-term securities, such as Treasury bills to earn a little interest. But from time to time a nation with ample dollar balances would convert some of them to gold. Thus, the United States gold stock declined from $24,600 million at the end of 1949 to $22,800 million at the end of 1957. This was universally considered a healthy and desirable trend. It meant that the rest of the world's reserves of gold and dollars were slowly building up.

Why the big outflow of gold recently?

In 1958, the outflow of gold from the United States suddenly accelerated. There were two reasons. The first was that the United States not only ran a balance-of-payments deficit with the rest of the world but also ran an unusually big one. Exports were off sharply, for a number of special seasons, while imports fell very little. Low interest rates in New York prompted foreign Governments and private companies to float a post-war record amount of new stocks and bonds in the United States, sparking an overflow of dollars as they were paid for. Other elements in the balance were unchanged or worked against the United States. The second reason was that in 1958. in contrast with most earlier years, foreign countries decided to convert the bulk of their added supplies of dollars into gold. The United States deficit was about $3,300 million and foreign countries converted $2,300 million of this into gold.

They did so, in part, because the dollar working balances of many nations had already been built up far enough and, in part, because the big dollar earners last year were European nations that traditionally hold most of their reserves in gold. Britain's gold holdings rose $1,250 million last year, Holland's by $300 million Belgium's by $350 million and Italy's by $600 million. As a result, there was the largest gold outflow on record. The United States stock fell to $20,600 million at year-end.

To most people in the international financial world this was nothing to get alarmed about. It was more of the same desirable thing —a move toward a more even distribution of the world's reserves. But many of these same men began to wonder for the first time about the problem of a chronic deficit in the United States balance of payments that, over the long run, could exhaust even the huge United States stock of gold. The continuation of the gold outflow this year, slow for the first three months and then a big jump in April, has kept this sort of concern alive.

If the deficit and gold outflow continue, what can be done about it?

The United States could impose barriers on imports, widely regarded as the least desirable solution. It could cut out foreign aid, but that is a two-edged sword, because the great bulk of the aid dollars finance United States exports. That is, a cut in aid on the outflow side would be matched by a nearly equivalent cut in exports on the inflow side. In the end, presumably, it would devalue the dollar by raising the gold price, but this idea brings shudders to practically everyone who contemplates it.

By all odds, the favourite solution is a programme of anti-inflation policies. This would lower export prices, thus augmenting exports. The same policies, involving higher interest rates, would bring more foreign money into the United States and make foreign borrowers look to non-United States money markets. The combination might solve the balance-of-payments problem. In the meantime, the problem has not yet become pressing, with the gold stock at a comfortable $20,255 million as of Wednesday, 6th May 1959.—*Copyright by the New York Times Company.*

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Manager
Bombay Office

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Office at Calcutta Representative at Delhi

MITSUI BANK LTD.

A setback in profit from Rs. 1,02,791 to Rs. 54,907 is disclosed by the audited accounts of the only branch in India of the Mitsui Bank Ltd. for the year ended 31st December 1958. Though the fall in profit is in consonance with the general trend of bank earnings, it is in distinct contrast to the gradual improvement noted in its own earnings in the previous two years. In the first seven months of its operation in this country (that is, from 28th May to 31st December 1955), the Bank had sustained a loss of Rs. 1.03 lakh in its banking operations. In addition, it had a loss of Rs. 1.67 lakh on sale of investments, making a total loss of Rs. 2.70 lakhs. In 1956, however, the Bank earned a small profit of Rs. 29,412, but this was more than wiped out by a loss of Rs. 88,312 on sale of investments, leaving a deficit of Rs. 58,900. In the following year (1957), the Bank turned the corner and earned a profit of Rs. 1,02,791. With this, the Bank wiped out a loss of Rs. 50,819 brought in from 1956 and transferred Rs. 32,038 to its London office, leaving a surplus of Rs. 19,934.

This surplus brought in from 1957, together with the profit of Rs. 54.907 earned in 1958, makes available Rs. 74,841 for disposal. Out of this, the Directors have made a provision of Rs. 18,896 for taxation and transferred Rs. 1,11,918 to the London office, thus bringing in a loss of Rs. 37,077 to the current year.

The Bank's income from interest and discount shows a rise from Rs. 7.16 lakhs to Rs. 7.89 lakhs and that from commission and exchange from Rs. 2.94 lakhs to Rs. 3.43 lakhs. The larger income from these two sources has been more than offset by the increase in interest paid from Rs. 5.33 lakhs to Rs. 6.67 lakhs, by a slightly larger outgo in expenses (at Rs. 3.62 lakhs) and a higher provision for depreciation on the Bank's fixed assets.

The Bank's deposits in India, as at the end of the year, have gone up by Rs. 4.32 lakhs to Rs. 108.63 lakhs. This is accompanied by a rise of Rs. 3.53 lakhs to Rs. 141.76 lakhs in advances. Investments stand at Rs. 5.01 lakhs, as against nil a year ago, and cash balances have risen by Rs. 3.86 lakhs to Rs. 8.68 lakhs.

W. German post-war private investments abroad increased by some DM 81 million during the first quarter of the current year and aggregated DM 2,300 million on 1st April. More than half of the total (DM 1,165 million) was in America, DM 830 million in Europe, DM 148 million in Africa and DM 156 million in Asian countries and Australia. From 1952 to March 1959, basic iron and steel industries accounted for the biggest investment outlays abroad (DM 333.4 million), followed by chemicals and pharmaceuticals (DM 253.7 million), electrotechnical industry (DM 225.2 million), banking and investment and holding corporations (DM 180 million), the machine building industry (DM 141.2 million) and automotive industry (DM 120 million).

TEXTILES EXPORT PROMOTION SCHEME MODIFIED

MR. SHASTRI URGES PROPER MAINTENANCE OF MILLS' EQUIPMENT

THE rumours current for some time regarding modifications in the cotton textiles export promotion scheme have proved correct. The Government of India has announced its decision to raise, with effect from the ensuing quarter (July-September 1959), the quantum of import entitlements for certain coal-tar dyes, textile chemicals and gums to exporters of mill textiles from one to two per cent. of the *f.o.b.* value of grey cloth or dyed or processed cloth. It has also announced liberalisation of the procedure governing entitlement to foreign cotton. This, too, will come into force on 1st July next. The details of the two modifications are as follows:

Dyes and chemicals: The registered processors of cloth, whether in bond or duty-paid, will be given import licences equal to 4 per cent. of the *f.o.b.* value of exports of dyed or processed cloth. The mills and exporters will be entitled to import licences equal in value to 2 per cent. of the *f.o.b.* value of grey, dyed or processed cloth exported. The entitlement percentage in respect of yarn exports will be two for mills in respect of grey yarn, two for registered yarn processors in respect of processed yarn and two for exporters in respect of grey or processed yarn. Any party who performs more than one of the functions of manufacturing, processing and exporting will be entitled to claim licences equal to those admissible under the respective categories, whether manufacturer or processor or exporter. Licences will be granted only once a quarter on the basis of exports effected in the preceding quarter.

Cotton: The mills which export cloth, yarn or both will continue to be entitled to 66 2/3 per cent. of the *f.o.b.* value of such exports for the purpose of importing cotton. The percentage will, however, be the full value of the entitlement with regard to exports of fine and superfine cloth and yarn of counts 66s and above, provided it is shown to the satisfaction of the Textile Commissioner that such exported cloth is produced out of the foreign cotton imported by the mill. In other cases, it will be 20 per cent. of the value of entitlement, as against the present 10 per cent. The upcountry mills located at a distance of over 200 miles but less than 400 miles from the ports of Bombay, Madras and Calcutta may import and retain for their own use 22 per cent. of the value of the entitlement. The entitlement is fixed higher at 25 per cent. in the case of other mofussil mills located at distance of more than 400 miles. If, for any reason, the mills do not desire to retain this cotton, they will get a premium of 20 per cent. of the value of such cotton which will then be allotted by the Textile Commissioner to other mills. The Commissioner will also decide from time to time the benefit which the exporting mills will get against the entitlement cotton released for allocation to actual user mills.

Millowners' Plea Conceded

The import entitlement for cotton, it will be recalled, was reduced in February last from 15 per cent. valid for the six months ended December 1958 to 10 per cent. for the first two quarters of 1959. The reduction was criticised by several millowners as being unjust. In fact, the millowners wanted the entitlement to be raised to 20 per cent. The plea was endorsed by the Cotton Textiles Consultative Board at its meeting held at New Delhi on 23rd April 1959. The plea has now been conceded by the Central Government. Another demand of millowners conceded, albeit partly, relates to the upward revision of the premium at which the mills importing cotton against textile exports can sell to other mills from 10 per cent. to 20 per cent. A section of millowners, however, feels that even the premium of 20 per cent. is not adequate. This view is based on the ground that the exporting mills, which are mostly coarse and medium units, have to buy Indian cotton at high prices and utilise this for making cloth for export, but whatever they earn by way of import entitlement for cotton has to be given to other mills which are fine and superfine units at a mere 20 per cent. margin of profit. The equivalent varieties of Indian cotton, it is pointed out, are priced anywhere from 50 to 60 per cent. higher than the imported cotton, so that the fine and superfine mills will have a further advantage: they will be assured of foreign cotton, it is argued, at considerably lower prices, namely today's import level of prices *plus* 20 per cent.

While the aforesaid decisions will be welcomed by trade and the mills in the spirit of something is better than nothing, the question arises as to whether they will be sufficient to check the downward trend in cotton textile exports, let alone to bring about any perceptible improvement from the current low level. Competition in world textile markets is becoming keener and keener, especially from Communist China, Japan, Hongkong and Pakistan and that at a time when several countries which used to import textiles from India and others are setting up their own cotton mills. Incentives of aforesaid nature will be of limited value for overcoming the obstacle of competition. In fact, they only delude the authorities and tend to cover the basic weaknesses in the industry, in particular, and the economy, in general. At best, they are palliatives and, as all palliatives, they will cease yielding any appreciable result after some time, unless the potency of the palliatives increased from time to time by further concessions. The fact that concessions given last year have now been found inadequate and have had to be broadened only confirms this view. But, obviously, there is a limit upto which this can be done.

Equipment Maintenance

If India is to weather the increasing competition in world markets, it is of the utmost importance that the quality of textiles must be improved, prices lowered and delivery made in time. All this will be possible, if the productive equipment of mills is maintained well, if there is close collaboration between the millowners and the exporters, if the workers do their work consciously and endeavour to increase the output per man, and if the cost of raw material is competitive. There is little recognition of the last point among the authorities. Today, the bulk of the varieties of Indian cotton costs more than the comparable varieties in foreign markets. It would have been possible for Indian mills to put up with this handicap and yet offer its goods at competitive prices had they been given freedom to re-equip themselves with up-to-date machinery. The country is now paying through its nose for the short-sighted policies of the Government.

There is, of course, no point in crying over spilt milk. But the lessons of experience have to be brought home, if costly mistakes are not to be repeated. Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, certainly struck a note of realism when he urged, while inaugurating the All-India Textile Conference at Bangalore on Sunday this week, joint efforts on the part of (1) management, technicians and labour to ensure the maintenance of mills in good condition and (2) millowners and traders to boost exports. Mr. Shastri considered it a social crime for any management to permit a productive unit to go waste. But no management will resort to such a course, unless it is compelled by circumstances beyond its control, for the management has a far greater stake in the mills than either the Government—the sleeping partner—or the workers. The factors responsible for the continued closure of many mills or for the curtailment of operations include, among others, old and outmoded nature of equipment, excessive labour demands and heavy tax incidence.

Automatic Looms

Until recently, the authorities had not permitted the mill sector to modernise its equipment and rationalise production methods. It was only a few months ago that the Government allowed installation of 2,500 automatic looms per year during the three years beginning from 1959 to 1961, in replacement of ordinary looms, besides, the scheme for installing 3,000 automatic looms on condition that the entire production on such looms will be exported. The results of this relaxation in the Government's policy will take some years, even assuming that it will be promptly availed of by the mills. Even this change, it must be said, constitutes only a modest beginning, considering the marked leeway still to be covered. At present, automatic looms in India are no more than 7 per cent. of the total looms in place, as against as much as 100 per cent. in the U.S. and 67 per cent. in Japan. Further, automatic looms alone do not provide the answer. Their introduction has to be balanced by suitable strengthening of all the preparatory machinery, right from the spindles to the finishing equipment. Consequently, the financial requirements of rehabilitation of the cotton mill industry are, as Mr. Shastri himself admitted, very large. It will be recalled that the Bombay Cotton Textile Industry (Rehabilitation) Enquiry Commission has estimated the rehabilitation requirements of mills in Greater Bombay alone over the fifteen years at Rs. 105 crores (Rs. 66 crores for machinery and Rs. 39 crores for buildings). Greater Bombay accounts for only 30 per cent. of the total cloth production in the mill sector and a good number of them have already spent large sums in improving their plant and machinery. Since the problem of modernisation and rehabilitation is so vast and urgent, the Government should, as Mr. K. Srinivasan, President of the Textile Association of India, rightly declared, give all possible facilities to enable the mills to modernise the plants.

Industry's Position

In his speech, Mr. Shastri claimed that there had been "a definite and positive improvement" in the position of the cotton mill industry. In support of this claim, he pointed to the drop in the stocks lying with mills from 660,000 bales (of 1,500 yards each) at the end of 1957 to 582,000 bales a year later (end of 1958) and further to 406 000 bales (216,000 bales unsold stocks and 190,000 bales sold but not lifted stocks) in the middle of May 1959. As regards unsold stocks, Mr. Shastri said that the monthly averages, which had been of the order of 292,000 bales in 1953 and 284,000 bales in 1954, came down in 1955 and 1956, when there was an apparent shortage of cloth, and, at the present level, the stocks were very much lower than the average monthly production of over 270,000 bales. In this connection, Mr. Shastri said:

"There is no doubt that the improved position is partly due to the fact that production is run at a lower level. But production is not abnormally low. The loomage of the mill industry has been stable for the last six years. During 1955, which was more or less a normal year, the production of cloth was only 5,094 million yards. The spurt to the level of 5,300 million yards during 1956 and 1957 was somewhat abnormal and the pattern of production has undergone a change. While there have been wide fluctuations in the production of cloth, the actual demand seems to have been remarkably steady. If deliveries of mill cloth for civil consumption are taken as a better index of sales at the retail end, the deliveries for civil market during 1957 were 4,083 million yards, while, during 1958, it was 4,391 million yards. There is a rise in the deliveries of cloth from the handloom and the powerloom sectors as well. Any anticipated increase in the demand in the internal market can be easily met. Hence I see no cause for the repetition of the 1956 phenomenon, when, under the continued pressure of demand, cloth prices steadily increased."

It seems to us that Mr. Shastri is rather too assertive here. It is quite possible that, unless new capacity of the industry increases perceptibly, a shortage of cloth may occur again in a year or two. It must, however, be stressed that the improvement in mill deliveries of cloth for internal consumption, to which Mr. Shastri has referred, has been due largely to the forced sales at lower prices made by several mills with a view to avoiding the high cost of storing cloth, not to speak of the pressure on godown space. Reports from the cloth markets show that, despite a revival of demand, there has been little or no increase in the ex-mill prices. This only shows that hitherto the mills have been anxious to get rid of their stocks. How else can one explain the continued fall in the production of mill cloth? The total quantity that actually came off the looms during the first four months of 1959 was no more than 1,637 million yards, as against 1,643 million yards and 1,836 million yards produced in the corresponding periods of 1958 and 1957, respectively. Surely, it would be unwise as a matter of larger economic policy even to lose temporarily the inflation-containing power of a plentiful supply of clothing.

Be that as it may, Mr. Shastri gave an account of the official survey work of cotton mills. The review reveals that the Survey Wing of the Textile Commissioner's Organisation has so far examined 150 units, of which 67 are in connection with the applications for loans from the National Industrial Development Corporation. Sixty-eight surveys have been carried out at the instance of various Central Ministries, the State Governments and the Industrial Finance Corporation, and 15 surveys at the request of the mills themselves. These surveys cover good mills and bad ones. It would be useful if the results of these surveys were made available to the public, so that there might be a better understanding of the industry's position.

ESTIMATES OF EXCESS CAPACITY IN COTTON INDUSTRY

AGREEMENT REACHED ON RETRENCHMENT COMPENSATION

From A Special Correspondent

MANCHESTER, *20th May*

THE major issue in the cotton industry, and likely to remain so for a considerable time, is the far-reaching plan for reorganising the industry. The Government White Paper on the reorganisation scheme, while leaving many details unanswered, at least shed some light on the extent to which the industry could contract if all the expendable machinery were removed. Figures contained in the report showed that, out of some 24 million "mule equivalent spindles" in running mills, some eight million were idle in April and others were only partly used. The Master Cotton Spinners estimate the full extent of excess capacity at about 12 million mule equivalent spindles.

MANCHESTER LETTER

The doublers estimate their excess at about 60 per cent. and the condenser spinners estimate theirs at about 10 per cent. Weaving capacity should, according to the industry, be reduced from 240,000 looms, which were in place in running mills in February, to 170,000 looms. Re-equipment of the remaining spinning capacity is estimated by the industry to cost about £40 million; of the doubling section about £8 million; and of weaving between £30 and £45 million. The finishing section proposes to eliminate surplus capacity and reorganise what is left rather than to re-equip. The White Paper says nothing about the basis of compensation for scrapped machinery.

No Detailed Arrangements Yet

Lord Rochdale, Chairman of the Cotton Board, said in Manchester that everyone recognised that the industry must work with maximum speed in carrying through the reorganisation. Speaking shortly after publication of the White Paper, he emphasised that the task of working out details of the scheme was only just beginning. The White Paper did not set out to provide an answer to all questions but merely to amplify and reinforce the statement which the President of the Board of Trade, Sir David Eccles, made in the House of Commons on 23rd April.

The work which it would be possible to undertake in the next month or two would be of a tentative nature, because nothing could be finalised until the Bill became an Act of Parliament and legislation was completed. Detailed arrangements would not come to light until orders were laid under the Bill in both Houses of Parliament. Lord Rochdale spoke of "quite a degree of misunderstanding" in some quarters about these detailed arrangements. There was a belief that these had crystallised into actual schemes, but this was not the case.

It was not possible at this stage to say how many workers might be affected by the closing down of mills. It would all depend upon the number of mills which decided to take advantage of the opportunity to close down and, at this stage, there were so many imponderables that it was quite impossible to make a forecast of the number of workers who would be affected. "It is a voluntary operation. There is no compulsion on any mill to close down."

Mr. A. G. B. Burney, a senior partner in the firm of chartered accountants appointed by the Board of Trade to advise, attended the Press conference in connection with the Government's proposals. He said that, until the details of the scheme had been worked out, it was impossible to say how acceptable they were going to be to individual sections of the cotton industry.

Workers' Compensation

A condition of the Government's offer to help the industry is that the redundant workers should be compensated and agreement between employers and trade unions was reached this week on a scheme, based on age and wages. Payments are linked to a sliding scale, ranging from one week's pay for a 21-year-old worker to 30 weeks for a worker aged 65 or over. The average age of cotton workers at the present time is around 43 and the compensation scale for workers in this age group is nine weeks. Compensation of about £400 can be expected by some key men in their sixties, but, on the basis of average age and average earnings throughout the industry—just short of £8 a week—the average compensation payment will be around £72.

A Working Party of employers and union officials is being set up to work out details of the agreement. One of the questions to be settled is the length of service a worker must have spent in the industry before he can qualify for compensation. Other points to be cleared up is whether compensation payments will be subject to income-tax and also whether a redundant worker drawing compensation can also receive unemployment benefit. It is believed that, in both cases, the official ruling will be favourable to the worker.

A fresh plea to the Government to steer new industries to Lancashire to provide work for cotton workers who become idle as the industry contracts was made by the 60,000-strong Weavers' Amalgamation—the biggest of the cotton unions. "It will take many years to re-equip the weaving industry with modern looms, working three shifts," said the Association in its annual report. "Meantime, more mills will close, leaving workers to seek alternative employment. This throws up a social problem from which the Government ought not to abdicate. It is bad enough that they should leave cotton textiles defenceless against the onslaught of Asiatic competition, but it is unforgivable that they should leave cotton folk without alternative work of any kind."

The report said that, if the Government believed that cotton workers should transfer to other industries, it was a Government responsibility to see there were other industries to which they could transfer. "An 'orderly contraction' of the industry will be terribly disorderly to those who lose their jobs without hope of finding others."

A smaller, more efficient industry, said the report, would in the long-term be able to pay better wages and give better conditions. With fewer young people entering the mills and the older workers retiring, the labour force would find its own level. Proceeding, the report observed: "We would rather see a smaller industry capable of paying good wages than a big industry maintained because of low wages. But we cannot play any enthusiastic part in helping to transform our industry unless the human beings involved are considered equally as much as the machines and capital. While we are ready and willing to play our part, we shall not be parties to any ideas which might forget them, while remembering everything else."—*All Rights Reserved.*

(*Concluded from next column*)

Independent peasants are also under attack. By forcing them into co-operatives, the share of privately used arable land will be down to one half of the farmland in 1960. While the craftsmen had been able to remain almost fully independent until the end of 1957, they are now being coerced into co-operatives which already account for 10 per cent. of all handicraft workers in the Zone. Nor do the Communists spare the small shop-owners and retail dealers who are degraded to mere employees of the State-run wholesale business.

In the meantime, production and trade of the countries within the Soviet orbit are subject to Moscow's long-term requirements through long-range plans establishing target figures for many years ahead. The domestic needs of the Zone have therefore only very low priority. It is the Plan that counts and not the needs of the human beings; thus the population is bearing the brunt of this new kind of economic imperialism. Each month, some 12,000 to 16,000 people, equalling the population of a medium-sized city, still flee from the Soviet Zone to the Federal Republic which attracts people from beyond the Iron Curtain like an economic magnet.

NOTES FROM WEST GERMANY

EXPANSION SLOWS DOWN

(From A Correspondent)

COLOGNE, *20th May*

OVERALL economic expansion in the Federal Republic has slowed down. The annual rate of increase of industrial production, for instance, has fallen from 14 per cent. eight years ago to three per cent. now. While a part of this slowdown certainly reflects the return to normal economic growth, there are also some clouds appearing on the horizon. Economic expansion is not evenly spread any more. There are some industries still basking in the sun of prosperity, such as automobiles, electrical appliances, the building trades and some other mass consumption industries. On the other side of the ledger, there are quite a few industries which have actual sales problems, connected with unused capacities and unemployment. Outstanding among the weaker industries are coal mining, steel production and textiles which together account for 1.9 million workers, more than one-fourth of the industrial labour force.

The coal mines are trying hard to reduce their pit-head stocks of unsold coal. Working hours underground have been cut from 43 to 40, with the trade unions even consenting to temporarily forgo full wage compensation in order to prevent mining costs from mounting. Steel plants are still suffering from lack of orders, although the situation has now improved somewhat. The textile and the garment industries have been particularly hit by weak sales and, at the same time, by strong foreign competition promoted by the Federal Republic's trade liberalisation policy. Competition in the textile field is often unfair, leaving German industry no chance to react with price cuts matching the foreign offer, because such cuts would involve substantial wage reductions for its own workers which, of course, are fully out of the question.

In terms of the development of production and sales of the various W. German industries, there are large disparities. Such disparities, in turn, have caused a certain sensitiveness of the overall W. German economic set-up. An added apprehension because of this sensitiveness is caused by the disparities in the progress towards the liberalisation of foreign trade. While the Federal Republic has long since adopted a low-tariff policy and a policy designed to liberalise her imports to the fullest possible extent still consistent with her vital national economic requirements, it is somewhat disappointing to see that other nations have not yet progressed that far and that fast. While German industry continues to support world-wide liberalisation of trade wholeheartedly, it thinks that now something should be done to harmonise the national steps towards this goal and to eliminate, by common consent, the more severe distortions of competition, so that the nations which have already made the biggest strides towards free trade are no longer penalised.

Economic Imperialism

The rulers of the Soviet Zone of Occupation in Germany have recently announced the targets of their new Seven-year Plan for the 1959-65 period. The plan makes it crystal clear that its foremost aim is to speed up both the "Sovietisation" of the German areas since 1945 under Moscow's control as well as their forced integration into the Soviet orbit. Though these aims have been pursued by the Communists ever since the end of World War II, their implementation has undoubtedly been stressed since about a year ago.

Whereas a "triangle of freedom" composed of personal and political freedom and of free enterprise marks life in the W. German Federal Republic, life in the Soviet Zone is under the dictatorship of economic planning and exploitation. With utter disregard of its geographical, historical and social background, the economy of the Soviet Zone of Germany was and is forcibly geared to the requirements of the Red bloc. The Soviet Military Authorities, in ordering wholesale confiscation of private property after the end of World War II, gave the green light to a wave of nationalisation measures which has not abated since. Privately owned factories accounted for only 12 per cent. of industrial production in 1957. In 1958, their share had shrunk to 8 per cent., and it will be further reduced to a bare 5 per cent. by the end of this year.

(*Continued in previous column*)

COTTONSEED OIL INDUSTRY

RECOMMENDATIONS FOR ITS DEVELOPMENT

BARRING two suggestions, namely, that excise duty on cottonseed oil should not be levied for another five years and that the export duty of 30 per cent. *ad valorem* on first-cut lint, which was abolished early in 1958, should not be re-imposed for another five years, the Government of India has accepted all the other major recommendations of the *Ad Hoc* Committee on development of cottonseed oil industry. The Committee, which was set up in October 1957, was asked to examine the problems of cottonseed oil industry and recommended measures for its speedy development.

The Committee has recommended a plan for the development of the industry in two stages and suggested a production target of 70,000 tons per year. The first stage envisages the production of 60,000 tons of cottonseed oil by the existing and licensed units and by establishing nine additional units, each with a capacity of 12,000 tons of cottonseed per annum. Of the nine units, two, it is suggested, should be set up in Madras, two in Madhya Pradesh and four in the Punjab and one in Rajasthan. In the second stage, a production of 70,000 tons of oil is to be achieved by setting up five more units of similar capacity, one in Madhya Pradesh and four in the Punjab.

The Committee holds that there is full justification for increasing the foreign exchange expenditure of Rs. 1.6 crore for the immediate development of the industry. It feels that special efforts may be necessary to develop cottonseed oil industry on modern lines in the Punjab.

The Committee has made certain suggestions for increasing the production of cottonseed oil. It has suggested that for this purpose first preference should be given to existing oil mills and *vanaspati* factories. New units, according to it, should be encouraged only if existing units do not take to cottonseed crushing expeditiously.

The Committee is of the view that, while every encouragement should be given to the organisation of the industry on co-operative lines, existing oil mills, *vanaspati* factories and new *entrepreneurs* should not be prevented or discouraged from setting up cottonseed oil mills on modern lines at approved locations. The Government, however, holds a different view. It considers that co-operatives should receive preference in the matter of granting licences for setting up of cottonseed oil mills and that every encouragement should be given to them for this purpose. The Government would specify for the purpose of implementing this policy areas or States which would be reserved for the development of the industry on co-operative basis. Even in areas not so reserved, licences to private *entrepreneurs* will be issued only when there is no prospect of a co-operative coming forward to take up cottonseed crushing within a reasonable period.

Apart from direct encouragement to production, the Committee has also suggested certain fiscal measures designed to give the necessary incentive for the crushing of cottonseed and the consumption of cottonseed oil as a cooking medium and in the manufacture of *vanaspati*. They are: (1) that the State Governments should waive the sales tax levy on cottonseed and exempt cottonseed which is used as cattle feed from payment of sales tax and (2) that the State Governments should advise local bodies to consider the abolition of octroi duty on cottonseed.

It has also been suggested that the Reserve Bank of India should be asked to advise all Scheduled Banks to consider the question of advancing loans on cottonseed and cottonseed products. The State Financial Corporations should also be instructed to accord a high priority to cottonseed oil industry in the scheme of assistance to private industrialists. Some of the other recommendations of the Committee are that production of balanced ration for cattle composed of decorticated cottonseed cake, hulls, rice bran, grain, etc., should be undertaken on a large-scale and that intensive propaganda for popularising cottonseed cake should be launched. It has also expressed the view that production of undecorticated cottonseed cake need not be discouraged. It has, however, stressed that delinting of seed should be done in all cases. As an animal feed stuff undecorticated cake could replace the whole seed more readily than decorticated cake in the initial stages.

Alluding to problems of research, the Committee has pointed out that investigational work on cottonseed and cottonseed products should be co-ordinated by the Council of Scientific and Industrial Research. The Committee has stressed the need for active steps to extend the cultivation of the fuzzy variety of cottonseed in different regions of the country. It has also held that the linter industry should be organised on the basis of production of first-cut and second-cut as the latter is the most suitable raw material for high grade chemical cotton essential for the manufacture of plastics, rayon, films, explosives, etc.

The Government has accepted these recommendations and will soon take steps to implement them. The recommendations pertaining to States will be brought to the notice of the State Governments concerned, wherever necessary, for implementation. The proposals that no excise duty on cottonseed oil should be levied for another five years and that the export duty on first-cut linters, which was abolished in 1958, should not be reimposed for another five years, were, as noted earlier, not accepted. The reason given is that the Government could not give any such assurance. But, if this is all the explanation, there is nothing in it. The Government ought to have given reasons why it could not accept the suggestions of a Committee which had made a detailed study of the situation. There is nothing basically wrong with these two suggestions. Since it is a well-known fact that the growth of cottonseed oil industry will result in greater utilisation of a raw material by avoiding the waste that is going on now, and thereby add to the wealth of the country, it would be eminently desirable to encourage the growth of this industry by offering the types of incentives advocated by the Committee.

TANGANYIKA COTTON DELEGATION

The Government of India has agreed to consider a suggestion made by the Tanganyika Lint and Seed Marketing Board delegation, that a portion of the recently announced cotton import quota might be reserved in such a way as would enable Tanganyika exporters to ship their cotton to India in September-October next.

Disclosing this, Mr. C. De N. Hill, leader of the delegation told a Press Conference in Bombay this week, that this suggestion was made on behalf of the delegation by him to the Union Commerce and Industry Minister, Mr. Lal Bahadur Shastri. Mr. Hill said that Tanganyika produced enough quantity of cotton of stapling 1-1/16 inches and above. In fact, 75 per cent. of the cotton crop of 170,000 bales this year was of this variety of cotton.

India, he said, had a favourable balance of trade with Tanganyika which was a leading market for Indian textiles in East Africa. It is mainly because of lack of information about Tanganyika cotton that Indian spinners preferred other varieties of cotton. The delegation, he added, had been able to remove several misunderstandings in regard to Tanganyika cotton.

The four-man delegation which arrived here on 17th May left for Tanganyika on Friday.

The Government of India has extended the shipment period for the import of 140,000 bales of raw cotton stapling 1-1/16 inches and above but below 1-3/16 inches from all areas from the end of May to 30th June 1959.

The import of this quota was authorised by the Government on 13th December 1958.

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MILL CONSUMPTION OF COTTON

TREND DURING FIRST HALF OF CURRENT SEASON

FIGURES relating to mill consumption of Indian raw cotton during the first six months of the current season, namely, 1st September 1958 to 28th February 1959, indicate that consumption has been running at a higher rate than in the corresponding period of the previous season. Thus, Indian mills consumed 2,349,807 bales of cotton of 400 lbs. each during the six-month period ended 28th February 1959, as against 2,296,661 bales during the same period last season. Consumption of foreign cotton, in contrast, has registered a decline. It was 224,752 bales, as against 293,286 bales in the corresponding period of the previous year. The total consumption of both foreign and Indian cotton was, therefore, a shade less at 2,574,559 bales, as compared with 2,589,947 bales in the corresponding period of the 1957-58 season. The average monthly consumption of Indian cotton during the period was about 391,630 bales, as against 382,780 bales in the same period last season. The average monthly consumption of foreign cotton, on the other hand, was lower at 37,460 bales, as against 48,880 bales in the same period last season.

The higher rate of mill consumption of Indian cotton was due to shortage of foreign cotton and some improvement in the offtake of coarse and medium count cloth. But the fall in total consumption shows that all was still not well with the mill industry.

As a result of the higher rate of consumption, stocks of indigenous cotton with mills have been considerably reduced. Thus, the period of availability of stocks with mills at the end of February was 2-3/5 months, as against 3½ months at the same time last season.

Consumption of foreign cotton, as already noted, has been running at a lower rate. Stocks with mills were also very limited as mills could not freely replenish them due to stringent restrictions on imports. The period of availability of stocks with mills at the end of February was 1-4/5 months, as against 3½ months at the end of February 1958.

Variety-wise breakdown of foreign cotton consumed by mills shows that East African cotton accounted for the largest share in the total consumption, followed by Americans, Egyptians and Sudans. The following table gives a comparison of foreign cotton consumed during the first half of 1958-59 with that in the same period last season:

(In bales of 400 lbs.)

Description	Consumption during	
	Sept. 1958 to Feb. 1959	Sept. 1957 to Feb. 1958
East African	88,247	78,385
United States of America	40,383	131,915
Total Egyptian cotton	44,525	38,849
Sudan Egyptians	44,349	87,462
Peruvians	502	4,340
Sudan American	276	46
Russian	58	..
Mexico	..	61
Belgian Congo	..	821
Other foreign cotton	700	2,605
Total foreign cotton ..	224,752	293,286

If the trend of consumption during the first half is maintained during the rest of the season, the total consumption of cotton during the entire season may well aggregate 5.14 million bales, of which the share of Indian cotton will be of the order of 4.7 million bales, as against 4.43 million bales consumed in the whole of the 1957-58 season. This is almost the same as the expected crop for the current season, the latest estimate of it being no more than 4.7 million bales. This undoubtedly explains the sustained firmness of Indian cotton in both the spot and futures sections of the market.

I.C.A.C. MEETING

Mexico City has been selected as the Venue for the 1960 meeting of the International Cotton Advisory Committee. Before adjourning the 18th plenary session held at Washington the Committee unanimously accepted the invitation extended by Dr. Julian Saenz, the Mexican delegate, to meet in the Mexican capital next May. The exact dates for the meeting would be determined later by the group's standing committee.

United States cotton policies came under fire at the final meeting. A resolution adopted at the meeting stated: "In the opinion of most delegates the uncertainty arising from existing Government cotton export programmes seriously affects the stability of international cotton markets and tends to reduce cotton trade and consumption."

Men and Oil . . . 8

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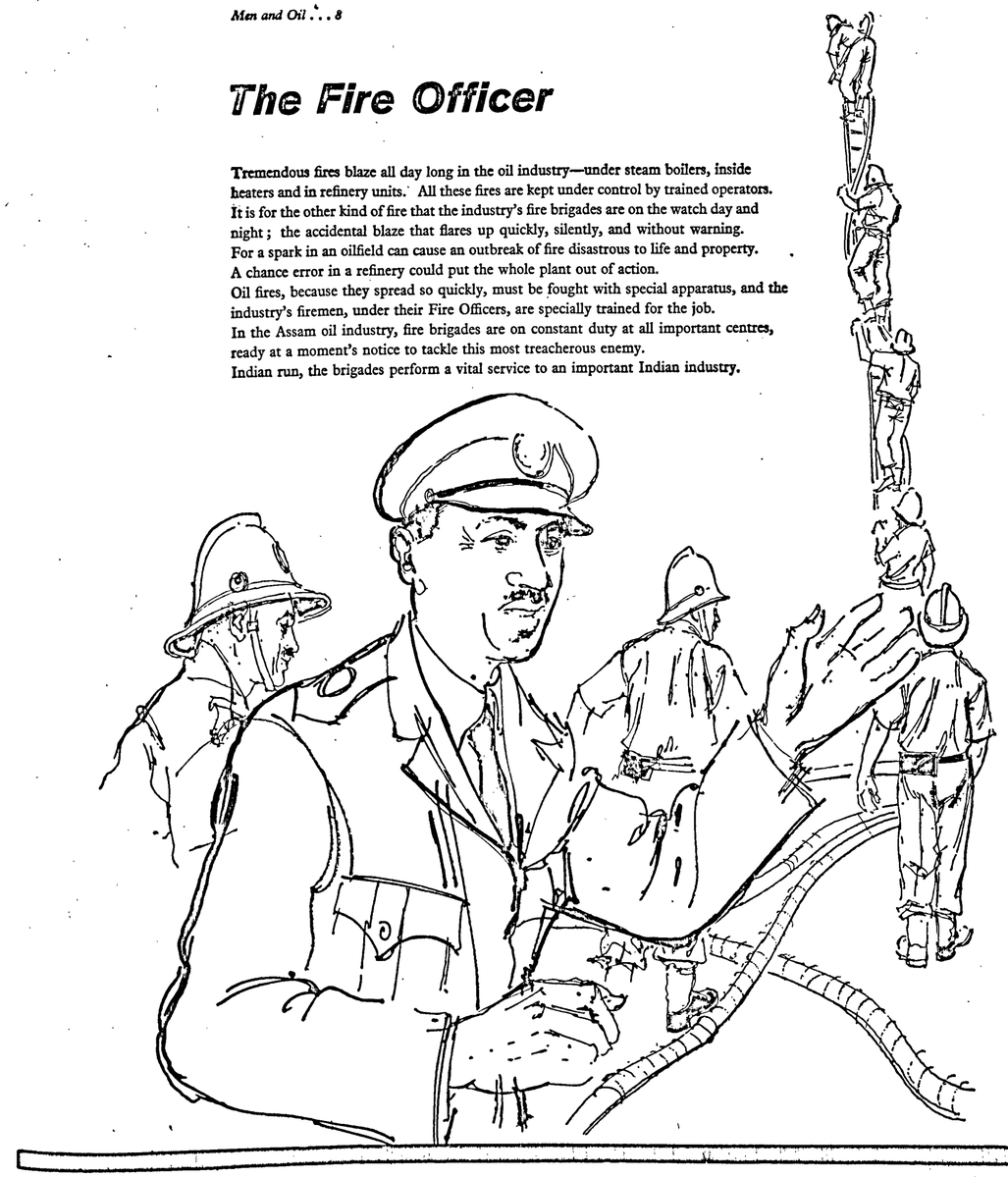

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SUGARCANE PRICES FOR NEXT SEASON

STATUTORY MINIMUM UNCHANGED—GROWERS TO GET SHARE IN SUGAR PROFITS

AS was briefly stated in this journal last week, the Government of India has decided to continue the present sugarcane price policy during the ensuing season, that is, November 1959-October 1960, also. Accordingly, the basic minimum price for cane payable by vacuum pan sugar factories will be Re. 1.44 per maund for gate delivery and Re. 1.31 for delivery at rail centres. Further, there would be a deferred payment of an amount which may be found due under the formula prescribed by the Centre or under any alternative scheme applied in a State or region by the Government concerned, with the previous approval of the Centre, for linking the price of cane to that of sugar realised by the factories.

The Government's decision to continue the present basic minimum price for cane, notwithstanding the persistent agitation of cane growers for an increase in price, strongly backed by politicians not excluding the members of the Congress Party, reflects its determination to hold the price line. It is true that this minimum price has been in force since the 1953-54 season, and that, during the period of five to six years, prices of commodities in general have gone up by eleven per cent. But it must be remembered that, first, the minimum price for sugarcane was fixed in 1953-54 on a very liberal scale, secondly, it suffered no fall when other commodities declined in value in 1954-55, and, thirdly, in addition to the minimum, the growers have been receiving a share in the prices realised by the factories. Nowhere in the world, with the exception, perhaps, of Japan, is the price of sugarcane so high as it is in India. Indeed, one wonders if any other agricultural commodity pays the cultivator as much as sugarcane does. To take the position in Uttar Pradesh, the State where the cane growers have allowed themselves to be a victim of pressure tactics adopted by politicians. One acre of land devoted to the cultivation of cane gives the farmer, on an average, a monetary yield of Rs. 400 in the form of cane price on the basis of existing statutory minimum. This monetary yield is much more than what is obtained by the farmer from other food crops. The yield comes to just Rs. 95 from *jowar*, Rs. 112 (controlled price) and Rs. 152 (open market price) from wheat, and Rs. 236 from rice.

Price Quite Profitable

It is the continued high monetary yield from sugarcane thus that has been responsible for the marked expansion in the acreage under the crop in recent years, particularly in areas supplying cane to sugar mills. The official final estimate of the sugarcane crop for the season 1957-58 puts the total acreage in the U.P. at 3,017,000 acres, as against 1,973,000 acres in 1953-54. The area under cane in the current season is believed to be still higher, probably at 3,098,000 acres. Surely, if the price offered for cane had not been very profitable, the growers would not have devoted such a large area to the cultivation of sugarcane.

Even the existing minimum price for cane is regarded as too high, accounting as it does for nearly 60 per cent. of the cost of producing sugar. The heavy incidence of the cost of cane is due to the low sucrose content of sugarcane and, so long as price is fixed only on the basis of quantity, irrespective of quality considerations, the grower has no incentive to improve the sugar content in the cane. This fact and the fixation of the minimum price at a fairly high level ensure full protection to the cane producers. Any further upward revision in cane price will have two disquieting consequences. First, there will be a diversion of large areas now under food crops to the cultivation of sugarcane. Secondly, the cost of sugar will go higher still, thereby penalising the consumer.

If the cultivators are to derive a larger monetary yield, they must put forth their best to grow from the given bit of land a larger crop of cane with richer sucrose-content. After all, it may be noted, the price fixed for the cane is just the minimum and it is always open to sugar factories to give a higher price, if they want to, which can be achieved only by growing and supplying superior varieties of cane and not by frequent agitations for higher price. This is the most sensible approach to sugarcane prices. It is deplorable that the Government of India has decided to continue the system of deferred payment of cane price, which in effect means a share to the grower in the profits of mills, even though he will not have in any way contributed to the improvement in the mills' profit. We do not say that the Government is unaware of this defect. It is quite conscious of it. But practical considerations and political exigencies make it difficult for the Government to follow a scientific policy. While these difficulties cannot be lightly ignored, the Government could have at least related the payment of an extra price for regular delivery of cane to the factories. It is needless to reiterate that, so long as the cane grower is assured of not only a statutory minimum price but also a share in the sugar mills' profit, there is no incentive for him to raise the efficiency of cane culture. He simply does not bother to grow cane which gives a higher yield of sugar per acre.

Alternative Schemes

It is, however, gratifying that the Government has excluded from the purview of its policy the States of Bombay, Andhra and Madras where the State Governments concerned have applied alternative schemes with the approval of the Centre. In the Bombay-Deccan, for instance, the Government of Bombay has been following a policy of fixing a higher minimum price for cane supplied to sugar mills by private cultivators. The price fixed for the ensuing season (1959-60) is Re. 1.72 per maund (or Rs. 47 per ton), which is higher than Re. 1.69 (Rs. 46) paid in the current season (1958-59). It is also higher than the all-India minimum price of Re. 1.37 per maund (Rs. 37.29 per ton). The price of Re. 1.72 is the minimum every factory has agreed to pay and does not affect any contracts for higher price, if any, made by the factories with cane growers. It may be noted, in passing, that, in the Bombay-Deccan, the bulk of the cane required by the factories is grown in their own plantations, so that the quantity of outside cane bought by them is not large. In the Madras and Andhra States, the payment for sugarcane is based on the "S.I.S.M.A." formula evolved by the South Indian Sugar Mills Association. Under this formula, the price of cane payable by a factory is determined roughly on the basis of both quantity and quality. Thus, the cane price is calculated on the net amount realised by individual factories from the sale of sugar and on the average recovery obtained by the individual factories of the whole crop for the whole season. This scheme is by no means perfect, but it is a little better than the one followed in U.P., Bihar and other parts of North India.

SUGAR DEALERS LICENSING ORDERS

Almost all State Governments have now issued sugar dealers licensing orders in pursuance of the directive received from the Central Government. Under these orders, which will come into force with effect from 1st June 1959, no dealer who is engaged in the business of purchase, sale or storage for sale of any variety of sugar containing more than 90 per cent. sucrose in quantity exceeding 137 maunds at a time can carry on business as a dealer except under and in accordance with the terms and conditions of a licence issued in this behalf by the licensing authority. Any person who stores more than 137 maunds of sugar at any one time shall, unless the contrary is proved, be deemed to store it for the purpose of sale. A separate licence will be required by a dealer for each place of business. The licensed dealers will have to submit to the licensing authority concerned a true return in the prescribed form of stocks, receipts and deliveries of sugar every fortnight, so as to reach the authority within five days after the close of the fortnight.

In the Bombay State, there will be two licensing authorities—the Controller of Foodgrains Distribution, Bombay, in the case of sugar dealers in Greater Bombay and the Collectors and Additional Collectors of respective districts in the case of dealers elsewhere in the State. The licence fee is fixed at Rs. 5 for the issue, Rs. 2 for the renewal thereof and Rs. 10 for a duplicate licence.

The mere licensing of sugar dealers will not, however, succeed in checking a further rise in sugar prices, except that it may, to some extent, discourage hoarding of stocks. For the supply position of sugar is not so comfortable as to leave sizable closing stocks with the mills at the end of the current season. On the basis of the production and stock figures for the first six months of the season, the total of these stocks are expected to be no more than 100,000 tons, as the following table shows:

Sugar Balance Sheet

(In thousand tons)

	1958-59	1957-58	1956-57	1955-56
Opening stocks	336	435	533	543
Production	1,000	1,979	2,029	1,865
Imports	Nil	Nil	Nil	05
Exports	10*	36	144	Nil
Total supply	2,186	2,378	2,418	2,473
Offtake for internal consumption	2,092†	2,042	1,983	1,940
Closing stocks	94	330	435	533

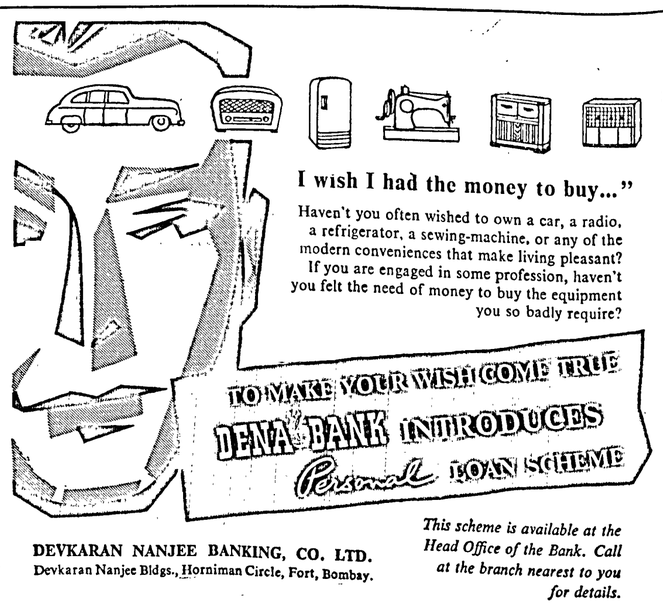
* Estimated actual shipment. Quota released is 50,000 tons.
† On the basis of offtake during the six months November 1958-April 1959.

Sugar production during the month of April 1959 was 173,000 tons, as against 197,000 tons in April 1958. The total production during the six months 1st November 1958 to 30th April 1959 was 1.87 million tons, as compared with 1.97 million tons in the corresponding period of 1957-58.

The offtake of sugar from factories during April 1959 was 184,000 tons, bringing the total production in the aforesaid period to 1,046,000 tons. The corresponding figures for 1957-58 were 183,000 tons and 992,000 tons, respectively.

The closing stocks of sugar with mills at the end of April last aggregated 1,157,000 tons, as against 1,349,000 tons a year before.

The Government of India has released 190,000 tons of sugar for sale. This quantity is appreciably higher than that released last month, namely, 140,000 tons. In the case of sugar factories situated in U.P., North Bihar and the Punjab, sales are to be effected at prices not higher than the ex-factory price fixed by the Government of India on 22nd December, 1958.



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PROBLEMS OF TEA INDUSTRY

TEA BOARD CHAIRMAN DEFENDS EXPORT DUTY

MUCH familiar ground was covered by Mr. T. Kanoria, the outgoing Chairman of the Tea Association of India, in his address at the third annual meeting of the Association held at Calcutta on Friday the 22nd inst., when he reiterated the tea industry's case for further relief and aid from the Government. This does not, however, minimise the importance or the validity of Mr. Kanoria's arguments for restoring the competitive capacity of Indian tea abroad. For the fundamental problem of the industry is the large proportion of common tea it produces at a cost much higher than that incurred by producers of this variety elsewhere in the world and at a cost not much less than that of its own production of quality teas. No doubt, the industry has received some fiscal reliefs by way of a reduction in export and excise duties and its overall performance during the past year has been fairly good, but the growers continue to feel that adequate relief has not been given to common teas.

India's production of tea in 1958 grew to 711.4 million lbs. from 680.6 million lbs. in the previous year, thus exceeding the target of output fixed for the second Five-year Plan. Its exports, too, were encouraging, having gone up by 13.7 per cent., that is, from 442.6 million lbs. to 503.4 million lbs., though they were second only to the record level (523.6 million lbs.) reached in 1956. Sales to all the main tea consuming countries increased, except to the Irish Republic, where they actually declined. The total export earnings from tea during 1958 amounted to Rs. 135.96 crores, representing an increase of Rs. 12.57 crores over those in 1957. Mr. Kanoria, however, pointed out that there was no reason for any complacency over this performance, for the world output of tea was increasing, without any corresponding rise in consumption, so that the supply was outstripping demand at a widening pace. If this trend were to continue, he felt, it would have adverse repercussions on the industry as a whole. As the largest producer of common teas, Indian tea industry would be more easily vulnerable to them. Mr. Kanoria, therefore, said that it was desirable to revive the International Tea Agreement, as mere voluntary crop regulation would not in any way solve the problem. He wanted India to take active steps to see that the agreement was revived and ensure that the major tea producing countries were parties to it.

Referring to the problem of common teas, Mr. Kanoria drew attention to the increasing competition from other countries, particularly from East Africa and, more recently, from China. Exports from East Africa had gone up by 26 per cent. (from 65.9 million lbs. in 1957 to 83 million lbs.) in 1958. China supplied about 10 million lbs. to the U.K. last year. There was a tenfold increase last year in Chinese exports of tea to Egypt. Both China and East Africa are expected to raise their output and sell their teas at competitive prices. While acknowledging the concessions given by the Government of India by way of reduction in export and excise duties, Mr. Kanoria said that they had been "inadequate to improve the overall position of our common teas." His main ground on which further relief for common teas is sought is that "there is little possibility of reducing the cost of production of these teas." Mr. Kanoria suggested that the pros and cons of the tea export duty, as also the West Bengal entry tax and Assam road tax, should be re-examined. He reminded the authorities that the abolition of the latter two levies had been recommended by the Plantation Enquiry Commission.

Mr. Kanoria felt that the prospects of pushing up tea exports to the U.S.S.R. were bright. While its consumption is estimated at 123 million lbs., its own production is said to be of the order of only 71.5 million lbs., the balance being met by imports, mainly from China and India. The Tea Association Chairman said that it was desirable that efforts be made at Government level to increase our exports to Russia, as the Russian economy was controlled by the State.

While the output of tea is increasing, the prospects for exploring new markets for absorption of the surplus tea are, as already stated, not bright. It is obviously necessary, therefore, that internal consumption should be encouraged. In this connection, Mr. Kanoria suggested that, instead of opening tea centres in cities where tea was already popular, less expensive arrangements should be made for the supply of liquid tea from quality teas and vigorous propaganda should be made in areas where consumption of tea was low or *nil*.

Another problem of tea growers to which Mr. Kanoria referred is the difficulty in obtaining loans to finance the harvesting and movement of crop. In North India, for instance, the harvesting begins in April and a sizable crop starts moving out from June only. More than 60 per cent. of the expenditure for the season has to be incurred in the preceding period. The finance for all this, as Mr. Kanoria pointed out, has to be obtained in advance, mostly from banks by hypothecation of the crop. The agricultural nature of the industry introduces an element of uncertainty as to the ultimate result and, as such, the planters experience difficulty in obtaining the necessary finance. Over and above this, the industry requires finance for replantation of estates and modernisation of factories, as also for providing housing and other amenities to workers. No doubt the State Governments are giving loans to small planters for housing, but the industry does not enjoy the benefit of subsidy offered to other industries. In view of the agricultural-*cum*-industrial nature of the industry, no assistance is available to it from the Industrial Finance Corporation or other Governmental financing agencies. As a result of the representations made by the planters, the Government of India is considering the question of setting up a Tea Guarantee Fund on the initiative of the Tea Board. Welcoming this proposal, Mr. Kanoria requested the Tea Board to see that the scheme came into being at an early date.

Another topic to which Mr. Kanoria made a reference related to the supply of sulphate of ammonia, the main fertiliser for tea plants. The supply has been curtailed to 50 per cent. of the industry's requirement, on account of a drastic cut in imports. The use of substitutes like urea, ammonium sulphate nitrate, etc., to quote Mr. Kanoria, has been found to be unsuitable to the North Indian tea estates, on account of their hygroscopic nature. In fact, the use of substitutes, it is feared, will affect the quality of the crop. In view of the need for improving the quality of tea, Mr. Kanoria pleaded that the industry's requirement of sulphate of ammonia should be met in full, even if it be at some cost of foreign exchange, and the Tea Board should make arrangements for the supply and equitable distribution of fertilisers, particularly sulphate of ammonia.

Answering some of the points raised by Mr. Kanoria, Mr. A. B. Chatterjee, Chairman of the Tea Board, who inaugurated the meeting, said that an international agreement on tea was no doubt necessary, but he personally felt that the time was inopportune for countries to come to such an agreement. In the absence of any details, it is difficult to see how Mr. Chatterjee came to this conclusion. Referring to the plea for further fiscal reliefs, the Tea Board Chairman said that he was yet to be convinced how a reduction in export duty on common tea would promote its sale abroad and that the steps already taken in this direction by the Government were substantial. He asked the critics to remember that the Government required resources for the development of the country. He saw no objection to taxing a commodity like tea which was in general demand as money was required to implement the development plan. This is a familiar argument in support of the Government's fiscal policies but is the least convincing. There is a limit up to which resources for financing the Plan can be raised through taxation on an export commodity such as tea. Neither the Government nor the industry has any control over the world markets, the trend of which is determined by the law of supply and demand. There is ample evidence to show that tea is having a buyers' market. To subject Indian tea to heavy export taxation is to extend the protective umbrella to its competitors, young and old alike. If this policy is persisted in, a time may come when a reduction in, or even abolition of, export duty will fail to have any beneficial effect. No doubt, the industry has done well during the past season, but to defend the continuance of tax burden on the industry on this ground is a bit shortsighted. The whole position should be judged from a long-term point of view, especially when the trend of world output is upward and consumption is not keeping pace with it. A further relief when the going is good will surely help the industry to secure a firm footing in world markets and the shortfall in tax revenue will be more than made good by larger exports and bigger foreign exchange earnings.

The Tea Board Chairman confirmed that the scheme for "Tea Guarantee Fund" was actually ready and was with the Government. He added that the Tea Board was also studying a scheme for replanting tea bushes. He expected to send the scheme to the Union Government shortly.

RUSSIAN PURCHASES OF RUBBER

Russia purchased 24,806 tons of rubber from Malaya during April. This represented nearly 23 per cent. of the total quantity of rubber exported during the month and was the largest quantity ever shipped to the Soviet Union in any month. Thus, Russia was the best customer for Malaya's rubber for the second consecutive month. Purchases in March aggregated 20,810 tons. During the first four months of 1959 shipments to Russia aggregated 72,223 tons, representing 18.4 per cent. of the total exports. The U.K. purchased 50,782 tons during the same period. The U.S. offtake was 56,148 tons and that of Japan 37,708 tons.

Rubber industrial circles in the Malayan Federation are said to be interested in Western Australia, where a project has been launched to grow high yielding Guayule rubber, capable of producing 10 million lbs. from 10,000-acre units per annum. According to a spokesman of the Rubber Producers' Council in Kuala Lumpur, it is not unduly concerned over this development, as by the time Australia was in a position to produce new rubber on a large commercial scale the world rubber demand would also have increased.

MEXICAN COFFEE

The Latin American Coffee Convention, drawn up recently, in substitution of the agreement subscribed to earlier in Mexico, has fixed an export quota of 1.33 million bags for Mexican coffee. At the current prices (U.S. $24 to $28 per quintal) the income from coffee exports is estimated to be of the order of 117.7 million dollars, since it appears to be feasible to find a market for the entire quota. Exports of coffee from Mexico during 1958 amounted to 78,478 metric tons, quoted at between U.S. $16 and $20 per quintal. In the current year, exports are expected to reach the figure of 79,800 metric tons at the price fixed in the Latin American Coffee Convention. As a result of unfavourable weather conditions, the present crop will be smaller than that of last year, but this will be made good by the substantially larger income from coffee trade. In addition, domestic consumption of coffee is said to have increased very considerably in Mexico. In 1957, the internal market consumed only 250,000 bags, but the present demand sets that figure at 425,000. Local consumption is almost certain to increase even more, if the Mexican consumer is provided a pure product at a reasonable price as a result of current efforts to investigate and eliminate the practice of coffee adulteration.

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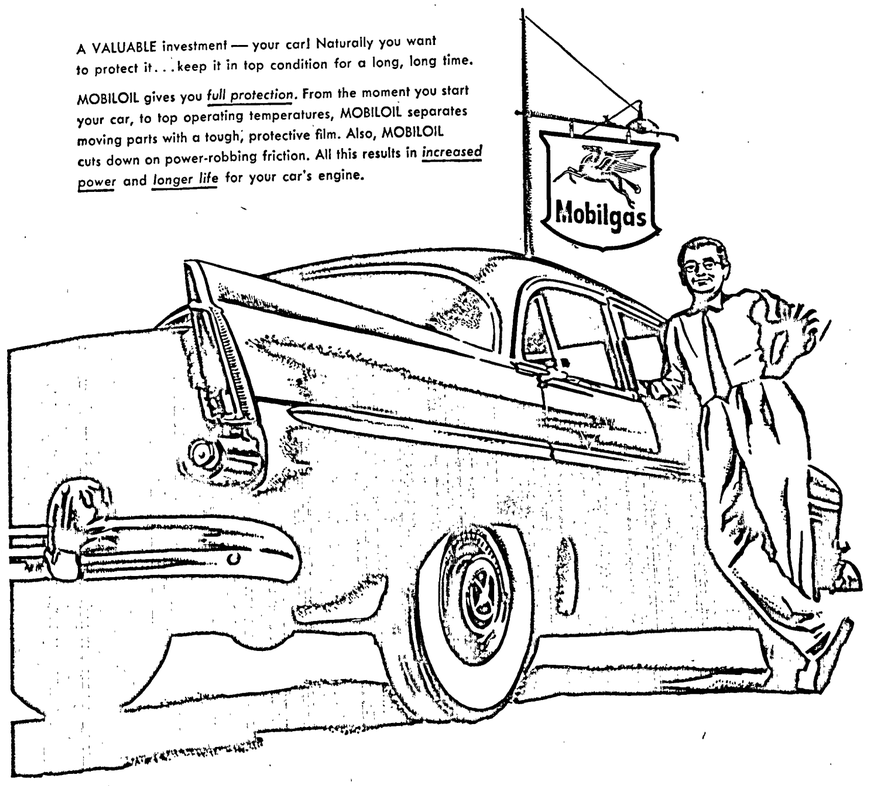

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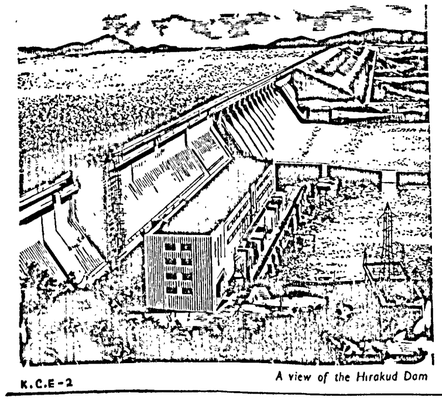

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K.C.E-2 A view of the Hirakud Dam

SCIENTIFIC RESEARCH IN INDIA

CONSIDERABLE PROGRESS MADE, BUT STILL MUCH BEHIND EVEN CHINA

By G. N. Das

[The author, an Indian anthropologist, here reviews the progress of science in modern India and its impact on society. Like several other scientists, he advocates "the breakdown of the traditional and self-contradictory distinction between the Sciences of Man and the Sciences of Nature; for all sciences rest on nature."—Ed.]

ANCIENT India made great contributions to astronomy, mathematics, metallurgy, medicine and other fields of scientific endeavour. But, in latter ages, this activity came to a standstill, because Indians did not keep up that vigorous spirit of enquiry, observation and experimentation which form the life-blood of science.

The mother of science in modern India is the Asiatic Society in Calcutta which was established by Sir William Jones in 1784 "for inquiry into the History, civil and natural, the Antiquities, Arts, Sciences and Literature of Asia." However, research and teaching of science were in a very unsatisfactory level till about the beginnings of this century. Today, the picture has completely changed and India can boast of 20 national laboratories under the Council of Industrial and Scientific Research, about 88 research institutes and centres, 54 scientific and technological associations and departments for science teaching and research in 37 universities.

The premier scientific societies and academies are the National Institute of Sciences, the Indian Science Congress Association, the Indian Association for the Cultivation of Science, the Indian Academy of Sciences and the National Academy of Sciences (India). The Council of Scientific and Industrial Research, which was established by the Government in 1942 as an autonomous body, has done much for the promotion and co-ordination of scientific and industrial research, for the establishment and management of scientific laboratories and institutes and for the collection and dissemination of scientific information.

National Laboratories and Natural Sciences

The national laboratories are engaged in fundamental research as well as in applied work dealing with the practical problems of industry and with subsidiary activities like research for the maintenance of standards. As remarked by Professor Humayun Kabir, the Union Minister for Scientific Research and Cultural Affairs, though one cannot lay down a time-table for science, yet, in both pure and applied research, the output of the national laboratories has been quite promising. Almost every laboratory can lay claim to one or two striking achievements and is trying to make new things from indigenous instead of imported materials.

A solar cooker has been developed by the National Physical Laboratory and the use of solar energy for refrigeration is being experimented upon. Silver mica capacitors of great use to the radio industry have also been fashioned by the same Laboratory.

Work at the Central Building Research Institute, Roorkee, has shown that it is possible to manufacture bricks of good quality from black cotton soil and has led to the development of a hand-operated machine for making bricks at the rate of 2,000 per day. The Institute has also developed a wash having silicone for waterproofing mud walls and a foaming agent for foam concrete which will economise the use of cement. Mention should, in addition, be made of the processess evolved here for the use of local building materials in constructing buildings at a reduced cost.

The Central Road Research Institute, Delhi, has been carrying on studies to stabilise black cotton soil and thus make road-making cheaper.

The Central Electrical Laboratory in Karaikudi has prepared a process for making cuprous oxide for the manufacture of underwater paints.

Coal deposits have been recently discovered in Madhya Pradesh. Bihar and the Garo Hills and they show that our coal reserves are greater than what has been estimated recently. Moreover, researches undertaken by the Council of Scientific and Industrial Research indicate that we can blend weekly coking coal with good coking coal and upgrade the coal by washing and thus greatly augment our coking coal resources which are so essential for the steel industry. Further, the Fuel Research Institute at Jealgora is studying the preparation of insecticides from coal. A smokeless solid fuel for domestic use has been developed through the recovery of by-products and this appears to be superior to soft coke now sold in the market.

The National Metallurgical Laboratory, Jamshedpur, has evolved a method for making stainless steel by using manganese in the place of nickel. It has been shown that fosterite and sillimanite, of which there are abundant deposits, can be used more and more for the manufacture of refractories. Methods for upgrading manganese ores, chromite, wolfram, pyrites, etc., have also been studied with fruitful results.

The National Chemical Laboratory, Poona, has demonstrated that tobacco waste, of which about 28 million lbs. are available, can be used to manufacture a powerful insecticide for agricultural spraying, called nicotine sulphate.

The Central Leather Research Institute, Madras, has found methods for improving raw hides and skins, for better tanning and for producing leather auxiliaries and industrial leather. It has discovered 15 indigenous materials to substitute wattle bark in leather tanning.

Since the inauguration of the second Plan. the glass industry has made much progress in the manufacture of safety glass, glass shells, rods and tubings for electrical purposes and containers for penicillin and vaccine. Foam glass which is used in refrigeration and construction industries is being made from local materials by the Central Glass and Ceramic Research Institute, Calcutta. It is also giving attention to sun goggles, optical glass, signal glass, methods for testing the quality of glass containers, low melting resistant glasses, etc. A process has been developed under which the popular red bangles can be made without the use of the imported, scarce and costly colouring agent called selenium. There is every reason to hope that, if the present tempo of research is maintained, India will soon equal the achievement of other developed countries in the field of ceramic industries which may be classified into: (i) white ware comprising translucent china, extra-light fine earthenware dinner sets, porcelain domestic crockery, etc.; (ii) heavy clay industries, consisting of building bricks, roofing tiles, sewage pipes and sanitary equipment; and (iii) refractories like fire-bricks, etc., used in the making of industrial furnaces.

That poor and coarse articles can be turned into nutritious food has been proved by the Central Food Technological Research Institute at Mysore. Here means have been evolved for making a macaroni product which exceeds rice in its nutritive value from such a common tuber as tapioca. A multi-purpose food, an Indian version of the American MPF, the twentieth century loaves and fishes, has been developed at the Institute. It consists of a mixture of 70 parts of processed groundnut flour and 30 parts of roasted Bengal gram flour together with minerals and synthetic vitamins and is a valuable food supplement for relieving malnutrition. "The seasoned variety can be cooked as a savoury dish like *Uppma* or incorporated in various preparations used in the daily diet such as *dal*, vegetable, and different kinds of savoury snacks. The unseasoned variety can be made into a porridge with milk or skim milk or cooked as *halva* and can also be added to bland preparations, thus raising the nutritive value of the dishes to which it is added. One ounce of this food, costing about half an anna, will provide substantial amounts of protein, vitamins and minerals to the Indian diet which is deficient in these essential nutrients."

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ALL INDUSTRIAL CHEMICALS

The Government of India has set up a separate organisation for research and development of defence science and about 50 scientists are now engaged in this work. This is a welcome move, for even a peace-loving nation has to depend upon science and technology for its defence and national survival.

Advanced work in nuclear energy is going on in the three important industrial countries of Asia—Japan, India and China. Both India and Japan have declared that they will not manufacture nuclear weapons and will not use them under any circumstances. India is going ahead in research on atomic energy for peaceful purposes and is far in advance of several Asian countries in this respect. She has an Air Monitoring Division which measures the radio-activity of air, water and food and has found that airborne radio-activity is on the increase. One hundred and twenty-five geologists and 62 physicists are now busy prospecting for atomic minerals. The latest report of the Atomic Energy Department shows rapid progress in the production of isotopes and radio chemicals. Of the three experimental reactors, the "Apsara" went into operation on 4th August 1956 and the Zero Energy Reactor may be ready in June 1959. With the establishment of the Canada-India reactor during the middle of 1960, India would possess one of the best isotope producers in the world. It has further been stated that it is possible to start the first atomic power station by 1964. The cost of power from it may be about 2.6 nP per unit, which is lower than the cost of electricity generated for thermal stations.

Agricultural Research

It is a matter for regret that India, which is largely an agricultural country, has an annual shortage of about two to three million tons of foodgrains. Recent research has proved that the application of radio-active fertilisers does not increase crop growth. But the ionizing radiation which radio-isotopes "emit is capable of inducing heritable changes in plants, and so plant breeders have in them a relatively inexpensive and readily available tool for enlarging the variation available to them. Lastly, the sterilising effects of radio-active substances on biological material offer great promise for the food preservation industry and for pest control."

The Indian Council of Agricultural Research which was set up in 1929 has carried out an immense amount of research on various problems of agriculture. Scientific selection and breeding have enabled the development of better strains of millets and cereals, like high-yielding rice and rust-resistant wheat, well adapted to conditions obtaining in different parts of the country The sugarcane evolved in Coimbatore has become world-famous. In jute India has almost become self-sufficient and cotton has registered considerable improvement. Problems relating to animal husbandry like breeding disease control. nutrition, etc., of livestock, are being actively tackled. A Central Fisheries Research Station for marine fish has been set up at Mandapam and another for fresh-water fish in Calcutta and researches are being carried on here and elsewhere to assess the country's resources of fish. A Central Soil Conservation Board, with several centres devoted to research and training, is applying itself to soil conservation. Extension work with the object of applying the results of research to farming is being vigorously attended to by the Indian Council of Agricultural Research. Its annual report for 1957-58 points out that, in the case of paddy, green manure gives the highest yield (31.77 maunds an acre), while fertilisers give only 27.21 maunds.

Irrigation Research

India, having as it does "the largest and most extensive canal irrigation system in the world," has 14 irrigation research stations, the work of which is co-ordinated by the Central Board of Irrigation and Power. As stated by Professor M. S. Thacker, Director, Council of Scientific and Industrial Research, they study "the laws governing the flow of water in channels, the transportation of suspended solids by flowing water, the sub-soil flow, the analysis of stresses in complicated structural members and massive structures like dams and weirs, the theory and technique of model experiments to get at the behaviour in prototype, the durability and characteristics of the various materials of construction for different engineering works and a number of other problems on the solution of which depend the correct design and economical construction of the major engineering works."

The meteorological services of India are organised by the Meteorological Department of the Government of India. This department and the Atmospheric Research Committee of the Council of Scientific and Industrial Research have been studying rain and cloud physics, medium-range forecasting, meteorological aspects of flood control, arid zone research, methods for developing meteorological, seismological and allied instruments, etc.

Medical Research

Since independence, medical research has been considerably expanded in range and scope, with the object of advancing the health and well-being of the nation. The activities of the Indian Council of Medical Research are mainly aimed at developing teaching and research in medical colleges and universities, at problems of environmental sanitation and control of communicable diseases, the study of indigenous drugs, improving the standards of nutrition and discovering methods of family planning through the study of human reproduction.

Thanks to its efforts, the control of malaria, filariasis, leprosy, tuberculosis, plague and virus diseases like small-pox and rabies, has become possible, and our knowledge of diseases like kala-azar, typhus and the anæmias and toxæmias of pregnancy has made considerable progress. The study of dietary habits has shown that "using iodized salt in our food would control goitre, that avoidance of eating *lathyrus sativus*, popularly called *kesari dhal*, would prevent lathyrism and that the eating of parboiled rice instead of polished rice by people who are chiefly rice-eaters would help in increasing the supply of B vitamins and thus prevent the occurrence of beriberi."

The Central Drug Research Institute, Lucknow, has obtained gratifying results in its efforts to prepare a drug from a plant to cure certain types of leucoderma and another drug from a plant called *kundru* to cure diabetes. In the latter case, the diabetes of 80 per cent. of rats used in experiments has been cured and the sugar content of others has been definitely brought down. Rauwolfia has been world famous for its use in hypertension, but "what is more important is the still unknown secrets of this plant, its utility in insanity, schizophrenia and other nervous disorders." All this is being investigated.

In addition to the researches described above, including those patronised by the Council of Scientific and Industrial Research, the Indian Council of Agricultural Research and the Indian Council of Medical Research, several governmental agencies like the Ministries of the Government of India in charge of Scientific Research, Industry, etc., and the departments concerned with scientific surveys. like the Geological Survey, etc., have increased their activities, while research societies under the joint sponsorship of several industries like the Research Association of the Ahmedabad Textile Industry, have conducted investigations of considerable national importance on questions like productivity, efficiency, etc.

For the popularisation of science, Government has set up 18 *Vigyan Mandirs*, which are centres of scientific education with cultural centres attached to them wherever possible. By the end of the second Plan period, there will be 90 *Vigyan Mandirs* all over the country and it is hoped that they will train the villagers in scientific methods in so far as they apply to their problems. It is intended to supplement them by science clubs meant for adults, school children and teachers, by lectures on popular scientific subjects and by publications on popular science.

In March 1958, in what has been hailed as a charter for scientists. the Government of India laid down that "the aims of their scientific policy will be: (i) to foster, promote and sustain, by all appropriate means, the cultivation of science and scientific research in all its aspects—pure, applied and educational; (ii) to ensure an adequate supply, within the country, of research scientists of the highest quality and to recognise their work as an important component of the strength of the nation; (iii) to encourage and initiate, with all possible speed, programmes for the training of scientific and technical personnel on a scale adequate to fulfil the country's needs in science and education, agriculture and industry, and defence; (iv) to ensure that the creative talent of men and women is encouraged and finds full scope in scientific activity; (v) to encourage individual initiative for the acquisition and dissemination of knowledge and for the discovery of new knowledge in an atmosphere of academic freedom; and (vi) in general, to secure for the people of the country all benefits that can accrue from the acquisition and application of scientific knowledge."

Despite the considerable progress in recent years, much still remains to be done to enable science in India to come into its own. As remarked by Professor P. C. Mahalanobis. the U.K., the U.S. and the U.S.S.R. "have the highest *per capita* income, energy, steel and expenditure on research. China is way behind but has already outstripped India in all items, although only a few years ago China was less developed than India. Expenditure on research is Rs. 65 crores in China as compared with Rs. 6 crores in India, or more than ten times higher. As a fraction of national income, China spends 0.4 per cent. which is seven times higher than the Indian figure of 0.06 per cent. The per person expenditure in China is Re. 1.1 per year which is again seven times higher than the Indian expenditure of Re.0.15 per year. In 1943, Dr. J. C. Ghosh, in his presidential address to the National Institute, had raised the slogan of 'one per cent. of the national income per year for scientific research.' The three advanced countries are spending nearly twice as much at present; and China has almost achieved half the target while, after 15 years, India has gone only one-sixteenth of the way." Nevertheless. the fact remains that scientific research has increased considerably in this country, a suitable climate for it has been created and it is being used more and more in planning for the economic and industrial growth of the nation.

With the advance of science and technology and the development of the scientific outlook in India, a new order of society will be ushered in and many of her ancient ideals and social and cultural institutions are bound to be modified or even uprooted. While this development is to be welcomed, it is necessary to ensure that those eternal moral and spiritual values which alone are conducive to the fullest expression of human personality and the growth of democratic life, are not undermined.

NEW PRODUCTS AND PROCESSES

Peaceful Use of Atomic Products

THE so-called "tracer" operations comprise the most widespread present use of radioisotopes, the extremely valuable peaceful products of atomic energy that have added a "new dimension" to progress in medicine, agriculture and industry. Radioisotopes are ordinary chemical elements that have been made radioactive in a nuclear reactor. In tracer operations, minute quantities of radioisotopes are introduced into various objects or substances, and their movements are then traced, or followed, by the use of radiation detection instruments.

The overall growth of radioisotope uses is increasing very rapidly. An indication of this can be seen in the fact that, in the United States alone, some 2,000 medical institutions and physicians, 1,500 industrial firms, and 250 universities now use radioisotopes.

Some examples of how radioisotopes are used as tracers are: *Medicine*: (1) Exact location of brain tumours, enabling surgeons to remove tumours with greater precision; (2) diagnosis of thyroid diseases through having the patient drink a harmless "isotope cocktail," then photographing the thyroid as the isotope concentrates in it; (3) measuring rate of blood flow and finding arterial constrictions through injecting isotopes into the blood stream. *Agriculture*: (1) Fertiliser studies which show that fertiliser can be just as effective when applied through the leaves as through roots; (2) pioneer work on exactly how livestock and poultry feeds affect animals, leading to improved meat, milk and egg production; (3) studies of how insecticides and weed killers work, permitting development of more effective varieties. *Biology*: Radioisotopes are making possible for the first time a look into the mystery of photosynthesis, the process by which plants convert solar energy into food. In the past two years much new information has been gained through the use of radioactive isotopes of carbon, phosphorous and other elements. *Industry*: (1) Tracing of oil flow in pipelines by adding radioisotopes to the oil; (2) studies of wear of bearings, tyres, etc.; (3) detection of leaks in pipes carrying water or other liquids.

Simple Calculator

A very rapid and simple form of calculator for use in business or scientific calculations which was originally developed in Switzerland is now to be made available in the U.K. The complete unit is easily portable and non-mechanical. It operates on the "card index" principle. The unit depends on the use of 99 tables, each of which is marked with a pre-fix number tab which indicates the horizontal—from side to side—prefix number of each table. Each table also has a series of vertical columns of numbers ranging from 1 to 99. The horizontal figures, or multiplicands, have either three, or four digits. The operation of the device when demonstrated was certainly far quicker than a slide rule—and more accurate—and at the same time proved capable of undertaking calculations accurately that could not be undertaken at all with a slide rule. Typical examples are specialised engineering calculations and others concerning rocket research into outer space. At the same time calculations into complex banking sums could be undertaken within a minute or two-certainly faster than with a mechanical hand-operated calculator, once the system was learnt. The unit, which packs inside a carrying bag and costs only £25, is to be bought by a number of large U.K. corporations.

Ford's New Gas Turbine

A new gas turbine supercharged engine of 300 h.p. has been developed by the U.S. Ford Motor Company. Its weight is only one-fourth that of a truck diesel engine of comparable horsepower while its fuel economy rivals a diesel and is superior to conventional petrol engines under most operating conditions. It has been under development for 2½ years. According to Mr. B. T. Howes, Associate Director of Engineering Research and Advanced Product Study, the design team had deliberately by-passed many conventional approaches. Maximum fuel economy was attained in a range of 25 to 100 per cent. of power, he revealed. The Ford 704 weighs 650 lbs. installed, complete with all accessories built into it and requiring only the addition of electrical power and fuel. A diesel truck engine of comparable horsepower weighs about 2,700 lbs. The "package" size is 38 inches long, 29 inches wide and 28 inches high. A wide variety of fuels can be used—unleaded gasoline, kerosene, jet engine fuel (JP4) or light diesel fuel—and no warm-up period is required. Ford expects to be testing the new engines in vehicles before the end of the year.

Plastic Golf Club

When a golfer is "off his game" the cause may be damp atmosphere rather than a temporary loss of skill! Tests have proved that moisture absorbed from the air causes distortion and keeps changing the face angle of any wooden golf club head. Even one degree of misalignment can make a perfectly stroked ball veer off 40 feet in a 225-yard drive. A new kind of golf club which eliminates such distortion developed by Anchor Chemical Company, Ltd., will be shown at the International Plastics Exhibition at Olympia, London, in June. Made from a new plastic so tough that it can be used for cartridge and shell cases, these heads are entirely moisture-proof and their shape never varies, no matter how soggy the atmosphere! They are more durable than wood yet give the same "feel" and "click." Moulded plastic golf club heads are said to have another advantage—everyone is exactly alike, whereas conventional clubs vary with the natural characteristics of the wood. Other applications for this remarkably rugged plastic include roller and ice skates, shoe heels, safety helmets and covers for motor mowers.

Electronic Computer

An electronic analysing recorder under development in the Surrey factories of Microcell Ltd. will help the British Transport Commission in its railway modernisation programme—by testing the A.C. electrification works and obtaining design information for use with future A.C. electrification. Based on the computer principle, the analysing recorder is intended to save the thousands of man-hours which would be involved if the information were obtained by observers watching instrument dials and noting down the results on paper. Instead, all information covering an experimental section of track will be automatically recorded in a form which can be assimilated later by computers, thus enabling the various phenomena to be predicted when the present railways are converted from steam and diesel traction to the overhead electrification system.

Leak Detector

A gas leak detector unit which is said to be five times more sensitive than previous units of similar design has been developed by the Consolidated Electrodynamics Corporation of California, U.S.A. The operation of the device depends on the use of a special valve which is fitted between the manifold and the diffusion pump. This valve can be set—when open, or closed—by means of two adjustable stops. The detector is said to be capable of recording gas leaks occurring at the rate of 2×10^{-3} atmospheres cubic centimetres per second. The unit, which is mobile, has a visual indicator to locate leaks and to determine their leakage rate. An audible alarm is also fitted to enable the operator to locate leaks while he is concentrating on probing the suspected area.

Refrigerator That Hangs on a Wall

A refrigerator that takes up little room yet gives plenty of storage space has been designed by a British firm, Pressed Steel Company, Ltd., Cowley, Oxford, after years of research. It is designed chiefly to meet the needs of housewives with small kitchens, one-room flats, and smaller houses. A novel, space-saving feature of this refrigerator is that it can be hung on the wall. Alternatively, it can be used as a normal floor-standing model, with a right- or left-hand door, and it can be slipped under the draining-board, placed in a corner, fitted into a kitchen unit, or even stood on a table. It has enough shelf space for about a week's supply of perishable foodstuffs for the average family.

New Type of Generator

A potential method of lighting whole cities with small, efficient generators which would operate by shooting electrons and ions through a magnetic field has been described by a Republic Aviation Corporation scientist in a paper delivered to the American Physical Society. By forcing an electrically conducting plasma (a gas broken into electrons and ions) through a strong magnetic field, efficiencies as high as any known power generation method can be obtained, it is claimed.

ASSESSMENT FOR INCOME TAXATION

TOO MUCH STRESS ON THE REVENUE POINT OF VIEW

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

THE present tax personnel is so wedded to the "revenue point of view"—the view which yields more taxes—still more taxes, that they hardly notice how severely they react on the assessee's mind so as to make him cry in anguish: "Providence giveth, And the tax collector, taketh it all away."

I am giving in this article a few instances of actual cases which show how 'bad will,' not goodwill, is created between the taxpayer and taxgatherer.

Registration of Firms

A partnership was refused registration by the Income Tax Officer on the ground that profit and losses had not been apportioned according to the terms of partnership deed. Briefly, the facts of the case were as follows:

'X,' a firm of managing agency, consisted of A, B, C and D, with each partner sharing equally. 'D' retired from the firm on 15th December 1954. There was a net loss of Rs. 24,000 and odd, which the partners divided equally, instead of striking a balance as on 15th December 1954, dividing the loss upto that date equally among the four and from 16th December 1954 to 31st December 1954 equally among the three. The firm was registered for many years and, therefore, was genuine. Yet, because of a slight difference in apportionment of shares of loss, the whole partnership was treated as an unregistered firm. The parties agreed to readjust the difference, which was hardly a few hundred rupees, if the registration were to be refused. But the authorities would not heed. And Income Tax Officer and Appellate Assistant Commissioner, even the Tribunal, rejected the appeal. This is a clear instance of how the "revenue point of view" is made to prevail against the view of natural justice and fairness.

Managing Agents' Commission

Assesses were the managing agents of 'X' mills, entitled to a monthly allowance of Rs. 1,000 *plus* 10 per cent. on the net profits. In the year of account, namely, the calendar year 1951, the mills made no profit and, therefore, all that the assessee was entitled to receive was a sum of Rs. 12,000. It was found as a fact that this amount was not received by the assessee in that year, though the amount did accrue to the assessee. The Department sought to tax this for the assessment year 1952-53. The assessee contested and said that, since they maintained their books on cash basis and not on the mercantile basis, this amount may not be liable to tax in the year 1951. The Income Tax Officer accepted the method of assessee's accounting to be cash, but he invoked the proviso to Section 13, on the ground that the method adopted does not show true profits. He, therefore, converted the cash basis into mercantile and taxed the sum. And, strange to say, both the Appellate Assistant Commissioner and the Tribunal confirmed the Income Tax Officer's assessment. It was left to the High Court to set right the injustice of the case.

It held: "If the assessee maintained his accounts on cash basis and if they were entitled to do so, then it is clear that if this amount accrued to the assessee in the year of account was not received by him, the amount could not be assessed to tax."

I ask: could such a case have reached the stage of a High Court reference to understand the mere elementary principle of law? But it did, for the personnel of the Income Tax Office are concerned more with the "revenue point of view" than with the need for doing justice, not only in the letter of the law, but also in spirit.

Grossing Up Dividends

Dividend in a case was not grossed up for the assessment year 1956-57, on the ground that the Company declaring the dividend had made no assessable profits. A sum of Rs. 24,600 received by the assessee could not be grossed up, because there was no rate applicable to the Company and grossing up had to be done at the rate applicable to the Company during the year the Company had paid, credited or distributed profits. Here, admittedly, no tax was payable, as there was no assessable income. That was so, in spite of the fact that, if there were no assessable profits, the dividend must be deemed to have been declared out of the Company's past taxed profits. The Central Board of Revenue, after the amendment of Section 16(2) in 1956, had clearly issued instructions that, where dividends are declared out of past profits, grossing up must be allowed, although, during the accounting year, the Company had no assessable profit. The assessee's protest that this view was contrary to the Central Board of Revenue's circular was not heeded, for, by the time the case came up before the Tribunal, some Kerala High Court judgment held the view that the Department's stand was correct. What is the use of the circular and instruction of so high a body as the Central Board of Revenue, if they are flouted with such impunity? And, above all, why did the Central Board of Revenue allow a case to go forward to the High Court in Kerala, when its own considered view was that grossing up of dividend in such case was justified? One can read through the lines, namely, it suits the "revenue point of view."

Bonus To Employees

In the case of a mill company, bonus to employee was provided in the accounts, but not paid. The Income Tax Officer disallowed it, on the ground that it was a provision, not a charge, as it was not adjusted in the accounts. Next year, when the claim was renewed, it was turned down, on the facile ground that it was not incurred in the year of account. So, the assessee did not get the deduction in the year it was provided, nor in the year it was paid. Thus, an intolerable situation was created by the I.T.O. and it could not be rectified, until the matter went to the High Court and the Department invited the following stricture from the judges:

"We have often wondered why Income Tax Authorities in a matter such as this where deduction is obviously a permissible deduction under the Act raise disputes as to the year in which the deduction should be allowed . . . one should have thought that the Department had not frittered away its energies in fighting matters of this kind. But, obviously, judging from the references that come up to us every now and then, the Department appears to delight in raising points of this character which do not affect the taxability of the assessee or the tax that the Department is likely to collect from him whether in one year or the other."

Bad Debt

An honest businessman takes the view that a particular debt becomes irrecoverable in a particular year and on that basis he claims deduction. It takes a long time before the ultimate decision is given by the Tribunal. In this case, we are dealing with the assessment year 1944-45, the year of account is 1943-44, and the decision of the Tribunal is given in 1955, and it is ultimately held by the Tribunal that the debt did not become a bad debt in the year in question. Now, what is the businessmen to do? He cannot claim this in the next year, because the assessment of that year had been completed long ago. Therefore, the businessman finds himself in this extraordinary predicament where, though there is a genuine debt and though that debt had become irrecoverable and he had never received it, he can never claim that bad debt as a deduction, because of a strange interpretation of the law by the Income Tax Officer. The businessman was thus compelled to seek justice from the High Court. And here is what the Court said on the subject:

"We strongly wish to urge upon the Government and the Taxing Authority the necessity of some provision in law, whereby it would be open to Income Tax Officer, if the debt is held to be irrecoverable in a particular year, to permit a deduction in some later year in which the Income Tax Officer finds that the debt, in fact, became irrecoverable. As the position stands now, the Tax Department is in an extremely happy position. All that they hold is that a debt becomes irrecoverable in a particular year. That is a finding of fact. That finding of fact cannot be successfully assailed and, having come to that conclusion that they can comfortably sit back in their chair and refuse to give any relief to the assessee, because they know that the assessee cannot claim in any subsequent year, as the assessment for subsequent year has already been concluded. If the taxing department should be strict and severe with business people who seek to evade payment of tax, they should be equally considerate to those business people who honestly claim deduction to which they are entitled in law."

Even if the High Court is moved by such spectacles of hardship, what about the hardship of a number of poor, dumb, small assessees, who cannot afford the luxury of appeals and High Court references? They must just bear and grin. Is it?

Section 23A Companies

A company is incorporated as a public company on the condition that its shares are freely transferable. Now there are several public companies with a clause in their Articles of Association that Directors may refuse to register a share transfer without giving any reason. A tribunal judgment has held that such a restriction even by a public company renders the Company liable to the provisions of compulsory distribution under Section 23A(1), meaning that such company is not a company in which the public are substantially interested even though in actual practice its shares may be widely held. Now should the Department have taken advantage of a safety clause in the Articles of Association to bring into the net of taxation such purely public companies with numerous and widely spread holding? The fact of the public being substantially interested is not denied. But the Department says that the shares, though freely otherwise transferable, must be technically held not to be so freely transferable because of the aforesaid restriction. Does not this also prove that, in the ultimate analysis, not the justice or equity, but "revenue point of view" prevails?

In another case, a company had reduced its capital under a scheme of reduction by writing down certain capital assets. When the question came up before the Income Tax Officer to determine whether the Company attracts 100 per cent. distribution provision, it was argued that, in comparing, as the law requires, paid-up capital *plus* shareholders' loan capital with either the reserve or the actual cost of fixed assets, the Department must take paid-up capital at the figure before reduction, on the ground that paid-up capital, by the process of adjustment in the books, does not become any the less paid-up capital. In support of this contention it was pointed out that, notwithstanding that capital assets may have been reduced or written off, one has to take, for purpose of comparison, their actual cost. Similarly, the factor of paid-up capital must be taken at the original figure and not at the reduced figure. Goodwill that was paid for by the company and written off out of profits subsequently was thus claimed as part of fixed assets at original cost. Since the Income Tax Officer could not resist the claim for reinstatement of goodwill in computation, he sought ingeniously to argue that, if the claim is pressed, he will augment the reserve by a similar amount on the ground that, but for writing off the goodwill, the profits would have increased the reserve. Paid-up capital, he held, must be capital as reduced in the balance-sheet. Now can one contest the view that the Department has ingenious ideas to snatch taxes as the assessees have ideas to evade? Can one build up goodwill and public confidence on the basis of interpreting the law from the point of view of revenue? Not only the assessee must be done justice. but he must feel that justice is being done. And I dare say one cannot attain the millennium by purely legalistic view, which defeats, if not kills, the spirit of law.

Speculation Loss

A person suffers in one year a speculation loss. This is segregated for purpose of Section 24(1) set off. The tax is levied on the other sources of income. Next year, he makes a speculation profit. Is the last year's loss permitted to be carried forward and set off first under speculation profit? No, indeed. Such losses are first processed under Section 24(1). that is, speculation profit is absorbed first by losses in non-speculation business and, if there is a balance left, it may then be eligible to receive the right of a set off. Can logic be more cock-eyed than this? But that is exactly what it is. Is this not sufficient to prove that it is the "revenue viewpoint" that inspires the Tax Department in their dealing with the public?

To give another actual instance. A cotton trader purchased forward 500 American bales for March delivery. At the time when the shipment arrived, the person was in financial difficulties. He, therefore, took delivery of 400 bales and he settled the balance of 100 bales by paying the difference. The loss incurred on 100 bales was disallowed as speculation loss. Why? Because it was a transaction supported by no deliveries. But was it speculation? The assessee argued that 500 bales contract was one inseparable contract and, therefore, unless you hold that the contract for 100 bales is separable, you cannot say it was a contract intended to be a contract where deliveries were not contemplated. Here is a contract, which, on account of partial fulfilment, attracts damages. The Income Tax Officer does not challenge the *bona fide* nature of the contract for 500 bales for delivery. And yet he holds that the 100 bales transaction was speculative. Why? Perhaps because that suits better the prevalent "revenue point of view." It any way yields larger revenue.

Advance Payment

To take another actual case. A mill company made an estimate. By the time the last instalment was due, it paid an instalment large enough not only to make up for previous instalment, deficiencies, but more than the tax ultimately found due upon assessment. The Department levied penal interest for short payment in the previous instalments as per the estimate. The assessee argued that, notwithstanding the previous short estimate, if it had chosen to put in a revised estimate, no penal interest would be due. What else has the assessee done by paying large enough final instalment? If penal interest could be condoned in one case, it could be condoned in the other. But the Department did not listen, for the "revenue point of view" must ultimately prevail and, strange to say, it did prevail. The Commissioner of Income Tax who reviewed the case gave some relief, but would not admit the justice of the claim for complete exemption. If the Department had interpreted the law for once in the spirit of the section and not in the letter of the law, it would have built goodwill.

Under Section 18A(3), an assessee who has not hitherto been assessed shall, before the 15th day of March in each financial year, make an estimate. If he fails to make an estimate, penalty and penal interest may be levied. In one case, a Government contractor, an estimate was not made, because there was one inseparable contract, spread over a period of five to seven years, the profit on which could not be ascertained. The Department, however, made an assessment on certain basis showing profit for each year. Now the Income Tax Officer passed an order on 28th February 1959, that is, before the final date the assessee could make an estimate, but he is careful to hold it back. He does not deliver it before the expiry of the last date for making an estimate. Now he has issued notice to show cause why penal interest and penalty should not be levied. The assessee contends that, inasmuch as the assessment order has been passed before the date the final instalment is due, the assessee had no obligation to make an estimate. It was the obligation of the Income Tax Officer to serve him with notice of payment of advance tax based on the last completed assessment. The assessee seems to be right—but did he succeed? Oh, no! How can he, when the "revenue viewpoint" stares him in the face?

Stock Valuation

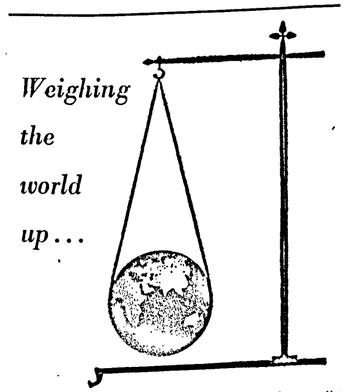
In a case there was a *bona fide* mistake made by the assessee in including stocks that were on the premises but were not billed. As the goods were on the spot, they passed through the inventory as stock-on-hand. When the relevant invoice was received, they passed through the purchases in the next year. When the mistake was detected by the assessee, he wrote to the Income Tax Officer explaining the fact of overassessment in the previous year and said that either the old assessment should be revised or the subsequent assessment should be reduced by the inclusion of last year's purchases—an eminently reasonable request. The Income Tax Officer agreed that the mistake was genuine, but wondered how last year's purchases could be allowed as admissible deduction this year. "How can I revise," he asked, "last year's assessment completed long ago, since you did not file an appeal?" The assessee said that if he had a mind to be fair, he could do it, for this was purely a question of mistake apparent on the records filed for the two years. But the Officer would not agree, not until the Commissioner of Income Tax intervened to set the matter right. Must the case have gone to the Commissioner of Income Tax? Could it not have been settled at the level of Income Tax Officer? But who these days will take the risk of giving a relief to an assessee when so many superiors are watching his work and pulling him up sometimes (or is it often!) by the ears? Surely, the goodwill with the public cannot be built on such foundation of sands. Can it?

These days there is a risk, even in accommodating friends in the matter of encashment of their cheques through your bank account and paying them cash by drawing self-cheques. A person, carrying on commission agency business, paid into his bank account a cheque, of his friend, for Rs. 34,250. Next day, he withdrew it by self-cheque Rs. 34,000. The explanation that he had accommodated a friend would not wash before the Income Tax Officer nor as usual before the Appellate Assistant Commissioner. They came to the conclusion that this was profit from dabbling in the share market. He deposited these profits in his account and then withdrew it by a self-cheque. If it were a genuine accommodation as the assessee tried to make out, argues the Income Tax Officer, he would certainly have issued a cheque in favour of the friend or he should have refused to encash it. The Appellate Assistant Commissioner says: "if securing cash against cheque was the only objective, he could have done through the firm's account rather than through somebody else." And strange that such 'lame' argument passed muster even with the judicial tribunal. They went a step further and pronounced it as a shady transaction. It is impossible, they said, that the assessee had no interest in the transaction.

It was left to their Lordship of the High Court to throw out the utterly unsupportable case of the Department, by this pertinent observation:

"Counsel for the Revenue was unable to point out to their Lordship any evidence on which the conclusion reached by the Tribunal could be found. On the materials brought on record before him, it was not possible to reach that conclusion nor was there evidence at all on the record which could go to support that inference."

Here is a case where the Department, obviously keeping in mind the "revenue point of view," wanted, on unpermissible surmises and conjectures, to raise an assessment. Can you build goodwill with the taxpaying public by such scant regard for law of evidence? It is true that such *modus operandi* is sometimes resorted to by tax-dodgers, and Income-tax Officers have to be wary and eagle-eyed. But it does not necessarily mean that the honest and the dishonest assessees should all be herded together and driven by the same stick. "Let ten guilty persons escape, but let not one innocent person suffer" is the ideal principle of justice. Let the Department live up to this ideal and goodwill will come in abundance and with goodwill, taxes too.—*All Rights Reserved.*



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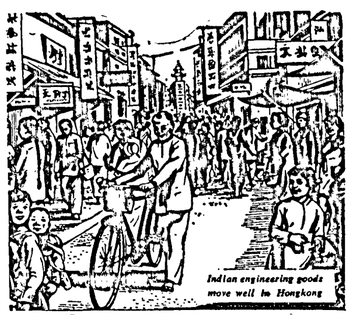

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EMPLOYMENT IN U.S.

Sixty-five million Americans had jobs in April, 1959, an all-time record. The employment figures, announced in a joint statement by the Commerce and Labour Departments, also disclosed that the number of unemployed dropped by 700,000 to 3.6 million. The total number of Americans employed rose 1.2 million last month. The changes reflected better-than-seasonal gains attributed in part to pickups in construction and durable goods manufacturing. It was the second monthly drop in the rate of unemployment in the labour force. During the winter months the seasonally adjusted rate of the unemployed was six per cent. It dropped to 5.8 per cent. in March and is now 5.3 per cent.

Total non-agricultural employment, including the self-employed, domestics and family workers, totalled 59.2 million in mid-April. Manufacturing jobs rose about 30,000 to a total of 16 million. This was in contrast to a usual decline in April. Durable goods employment jumped up by 75,000, largely because of gains in steel and other metals and machinery industries.

The report said substantial job gains in building and highway construction was one of the chief factors in improved employment conditions. Increases for both the factory work-week and in earnings were also reflected in the report. The manufacturing work-week of 40.3 hours was about two hours above April a year ago and weekly earnings increased 63 cents over March to reach a record of $89.87 per week for the average industrial worker. This was about $9 more than in April a year ago.

CODE FOR GENERAL INSURERS

FRESH REVISION PROPOSED

IN spite of the best intentions that inspired its initiation, the Code of Conduct for general insurers does not seem to have been much of a success. The general feeling among insurers is that, barring the payment of premium in advance on the assumption of risks, the Code has failed to achieve any of its objectives. In an atmosphere of keen competition between a large number of companies in a relatively restricted market, many units seem to have found strict adherence to the provisions of the Code none too tempting. Consequently, practices and precedents which run counter to the spirit of the Code have continued to persist in one form or another.

There are some who believe that the primary reason for the failure of the Code is the perpetuation of the institution of inspectors even under the revised Code. Those who hold this view strongly feel that this exotic institution, said to be transplanted to this country from Britain, is not suited to the conditions here. They point out as a solution that, from the nucleus of the fairly large numbers of highly experienced agents, a new pattern of organisation broadly representing a happy compromise between the British Inspectorate system and the American general agency system should be evolved. While opinions may differ as to the wisdom and desirability of this suggestion it appears that failure of the Code is due partly to the defects inherent in it and partly to the peculiar pattern and limitations of the insurance market in the country.

Revised Code

The Code, it may be recalled, was evolved in 1952 and adopted by general insurers in the country as a self-imposed discipline aimed at eliminating the undesirable practices of the trade, setting up standards and putting their own house in order. Many changes and modifications were effected in the Code, in order to remedy the defects that were exposed in the course of its actual working. In view of the growing feeling that the Code had, by and large failed to produce the desired results, the Executive Committee of the General Insurance Council reviewed the whole position and a revised Code of Conduct was brought into operation on 1st January 1957. The revised Code has been in force for more than two years now and the general impression among insurers is that the situation has not improved much.

The Executive Committee had for some time past under considerations modification of the provisions of Part 4 of the Code of Conduct concerning the appointment of salaried field workers and the forms of applications and statements connected therewith. A complete redraft of these regulations and supporting forms was adopted by the Committee and forwarded, along with supplementary rulings and interpretations of the provisions of the revised regulations, to all insurers. The Executive Committee appointed in March last a sub-committee "to take stock of the present position in general insurance industry and recommend on the future course." The Sub-committee is expected to review, among other things, the working of the revised Code during the last two years and suggest, if found necessary, further modifications in the Code. It will meet representatives of various insurance interests receive representations and views from them and will submit its report some time towards the end of July next.

Suggested Changes

The Indian Insurance Companies' Association has appointed a five-man sub-committee to meet the Sub-committee of the Executive Committee. While the points to be pressed before the Sub-committee have yet to be finalised, it is understood that the majority of the committee is of the view that (1) while the system of inspectors may be inherently good, it has been greatly abused in actual practice and it should, therefore, be abolished, (2) the payment of commission to agents should be on a graded scale, companies being divided for this purpose into four categories according to the size of their net premium and a certain amount of weightage being allowed in favour of small and medium sized companies *vis-a-vis* big insurers when fixing commission slabs and (3) the existing provisions under Rule 17E under which the quantum of management expenses permissible to companies is determined in relation to their gross premium income written direct in India, is found to be unscientific and inequitable and that the position should, therefore, be reviewed in order that a new formula, based possibly on net premium income which is more rational and equitable, should be devised. The committee of the Association, we learn, will meet the Sub-committee towards the end of this month.

EMPLOYERS' LIABILITY ASSURANCE

The progress of four companies that constitute the Employers' Liability Assurance Corporation Ltd., London (General Manager: C. E. Keysell), in respect of new business written in recent years, is reflected in the steady improvement in the premium income from all classes of business during the five-period 1954-58. From £29.25 million in 1954, premiums in all the departments combined, namely, fire, motor, accident and general, marine and life, improved to £34.60 million in 1956 and £38.43 million in 1957. This upward trend, was fully maintained in 1958 as the audited accounts for the year ended 31st December 1958 indicate, also, with premium income rising to £41.96 million, representing an increase of 9.2 per cent, over the previous year and as much as about 44 per cent. over the 1954 figure.

All the departments shared in the increase, but a good part of it was accounted for by motor business in the U.S. where there has been a welcome increase in premium rates. Premium income in the fire, motor, accident and general, marine and life departments increased from £5.1 million, £13.60 million, £15.79 million, £0.50 and £3.44 million in 1957 to £6.13 million, £15.17 million, £16.42 million, £0.55 million and £3.68 million, respectively, in 1958, making a total of £41.96 million.

The following table indicates the trend of growth of premium income during the period 1954-58:

(In £ '000)

	1954	1955	1956	1957	1958
Fire	3,194	3,008	4,779	5,110	6,129
Motor	10,536	11,115	11,887	13,592	15,172
Accident and General	12,757	13,593	14,400	15,789	16,421
Marine	411	441	488	502	551
Life	2,352	2,927	2,982	3,439	3,683
Total ..	29,250	32,074	34,596	38,432	41,956

Despite the increase in premium income, the Corporation suffered, during the year, an underwriting loss of £444,548, thanks to the adverse claims experience. But it may be noted that the loss was considerably lower than the deficit in the previous year which was as much as £1,303,063. By careful controls and strenuous supervision of all aspects of operation, the Corporation's trading result for the year has turned out to be a profit, after taxation, of £381,682. The Directors have decided to maintain the dividend at 5s. 6d. per share.

Receipts of the Corporation in respect of interest, dividend, and rents during the year amounted to £1,493,950 which, together with life profits to the tune of £87,493 from the Clerical, Medical and General Life Assurance Society amounted to £1,581,443. This, after making good the underwriting loss of £444,548 and deducting staff pensions and expenses not charged to other accounts to the tune of £442,108, leaves a surplus of £694,787. Out of this, £313,105 has been earmarked as the net provisions for taxation, leaving a net balance, after taxation, of £381,682 which together with £1,236,195 brought forward from last year's account, makes a total of £1,617,877. The dividend of 5s. 6d. per share, comprising the interim dividend of 2s. 6d. declared in November 1958 and a final dividend of 3s., absorbs £327,500 leaving a balance of £1,290,377 to be carried forward.

The Corporation has total assets exceeding £62 million and its capital, reserves and carry forward aggregate £8.37 million.

COST OF SOCIAL SECURITY

The period after the Second World War witnessed an unprecedented growth of social security systems throughout the world. As the social security operations acquired greater and greater importance in the economies of the different countries, considerable interest developed in the financial aspects of social security and its repercussions on national economy. The International Labour Office, in recognition of this fact and as part of its task of compiling, analysing and making internationally available information on activities in the social and labour field, undertook a series of inquiries regarding the cost of social security in its various member-States. The publication under reference (*The Cost of Social Security* 1949-54: Published by the I.L.O., Geneva. Pages: 201. Price $3 or 18 shillings) is the third work on this subject since World War II.

The first inquiry covered the year 1949; the second dealt with the period 1950-51 but for comparative purposes it included also the data for 1949. The third inquiry covered the period 1949-54, and has two fundamental objectives. First, to present a consolidated statement of the financial operations of all the social security schemes existing in the individual countries falling within the scope of the inquiry, second, to compare the distribution of the charges of social security between the different sources of revenue and the economic incidence of social security in the different countries and to determine the trends in social security costs during the period covered by the inquiry.

The publication falls into two parts, Part I dealing with basic tables and Part II with comparative tables. The former contains an analysis of receipts (by sources) and expenditures of each of the 32 countries for the latest year covered, namely, 1954. The latter presents data regarding total receipts of and expenditure on social security schemes in each of the 32 countries from 1949 to 1954. Data relating to eleven countries, which supplied only rudimentary information, have been presented separately in appendices.

RECORD SAVINGS THROUGH LIFE INSURANCE IN U.K.

A record total net new savings of £366 million were channelled through life insurance in Britain last year. This was made up of £200 million in the ordinary branch and £66 million in the industrial branch. Approximately £32 million of the total was accounted for by business transacted overseas by British companies.

These figures are arrived at by adding the total premiums paid in 1958 to the interest earned on invested funds and deducting all payments, e.g., claims, annuity payments and expenses. In other words, they represent the increase in total funds held by the life offices against their future liabilities to policyholders and are thus a fair measure of new net savings arising from life assurance.

The comparable figure for 1957 was £334 million (ordinary branch £272 million, industrial branch £62 million). The total invested funds held by the life offices at the end of 1958 amounted to well over £4,500 million.

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TREND OF FOREIGN TRADE IN 1958

BOTH EXPORTS AND IMPORTS DECLINE

THERE was a distinct setback in India's foreign trade in 1958. Exports fell by 11 per cent., from Rs. 643 crores in 1957 to Rs. 579 crores in 1958. Similarly, imports dropped by 17.6 per cent., that is, from Rs. 1,026 crores to Rs. 864 crores. These figures are based on the returns of the Department of Commercial Intelligence and Statistics, Government of India, published in the *Monthly Statistics of Foreign Trade of India.* To take another indicator, the index of exports (1952-53=100) declined from 119 in 1957 to about 107 during the first 11 months of the year; and that of imports fell more sharply from 156 to about 120. The decline in imports was due to the sustained restrictive import policy pursued by the Government, with a view to stopping the heavy drain on foreign exchange resources. Its favourable effect on the balance of payments position would have been much more pronounced but for the lag in exports. It may be recalled that the annual target for exports during the period of the second Plan was originally laid down at Rs. 593 crores—a very modest target indeed, as compared with Rs. 596 crores in 1955. Subsequently, however, the Export Promotion Committee (1957), constituted by the Government of India, revised this figure upwards to Rs. 700—750 crores. The actual performance last year fell short of even the original modest target. Here is an instance to show how unrealistic the authorities are in laying down targets.

Exports

India had to fight against heavy odds last year—both in the internal and international spheres. The year opened on a note of anxiety and uncertainty, with the U.S. and some countries of W. Europe, which are India's leading customers, passing through one of the worst post-war business recessions. The situation, however, changed for the better in the latter half of the year. The implementation of the Rome Treaty on 1st January 1958, which seeks to establish a Common Market of the six in W. Europe (France, Germany, Italy and the Benelux countries), was another source of headache for this country, as it was feared that this regional trade bloc would have an adverse effect on India's exports, though, in the past year as such, it could not have had any marked impact, since the Common Market began to function only late that year. The other factors which inhibited India's exports were the decline in commodity prices, the rapid development of synthetic substitutes as industrial raw materials, the restriction on imports in some of the customer countries which had also suffered a fall in their exports, and, above all, stiff competition from China and Hong Kong for cotton textiles and from Pakistan for jute goods. At home, the situation was none too satisfactory. While there was hardly any improvement in the general level of production, the increased tempo of development and the consequent rise in incomes led to a growing pressure on domestic supplies and rise in prices. This development, coupled with a shortfall in the production of agricultural raw materials, reduced the competitive capacity of Indian manufactures.

A feature of India's trade last year was a perceptible improvement in its balance of payments position, in refreshing contrast to the strain experienced in 1957. This was due partly to the sizable help received from foreign countries and largely to the sharp fall in private imports, particularly in iron and steel, plant and machinery, drugs and medicines, and industrial raw materials. This decline was sharp enough to offset the increase in Government imports and a lower surplus on invisibles. The current account deficit, after taking credit for various official grants, narrowed down from Rs. 452 crores in 1957 to Rs. 355 crores in 1958. The downward trend in foreign exchange reserves which had been almost continuous since 1956 was arrested, and slightly reversed, since October 1958. The reserves (including gold coin and bullion) stood at Rs. 344 crores at the end of last year, as against Rs. 330 crores at the end of October and Rs. 448 crores a year before. The following table shows at a glance India's external payments position in 1958, as compared with that in 1957:

(Rs. crores)

	Total	
	1958	1957
Imports *c.i.f.*		
(*a*) Private	541.5	737.8
(*b*) Government	503.0	478.7
Total imports	1,044.5	1,216.5
Exports *f.o.b.*	565.1	622.0*
Trade balance	—479.4	—594.5
Official donations	+ 39.8	+ 37.2
Other invisibles (net)	+ 84.8	+105.4
Current account (net)	—354.8	—451.9
Errors and omissions	— 8.2	— 16.8
Official loans	+183.2	+ 95.8
Other capital transactions (net) ..	+ 75.4	+137.7
Movement in foreign exchange reserves ..	—104.4	—235.2

* Exclusive of transactions relating to repatriation of lend-lease silver of Rs. 74.4 crores.

N.B.—The above table has been compiled from the *Reserve Bank of India Bulletin.* The Reserve Bank takes the figures from Exchange Control records. Even the import and export trade figures differ considerably from those of the D.G.C.I. & S.

It will be seen from the above table that both donations and loans from abroad in 1958 were higher than in 1957, the increase in the latter being quite marked.

A commodity-wise and country-wise analysis of trends in trade during the last two years is given in the accompanying tables. Tea is by far the leading export commodity in India, accounting as it did for about Rs. 137 crores in 1958, as against Rs. 123 crores in 1957. This is about 25 per cent. of the total value of India's exports. Owing to the weakening demand in the U.K. for tea following recession India's tea exports to that country did not fare well in the first half of the year. The trend was reversed in the second half of the year, on account of the general economic recovery in the U.K., the depletion of stocks in London and, to a certain extent, on the lower levels of tea exports from Ceylon. Moreover, the adjustments in excise and export duties with a view to stimulating exports must have also helped the recovery. There was fairly good demand for Indian tea from the U.S.S.R. and a few West Asian countries.

In contrast, India's exports of jute goods and cotton textiles among manufactured goods, and manganese oil and vegetable oils among raw materials, were unsatisfactory. Exports of jute goods fetched Rs. 125.2 crores, a fall of about Rs. 20 crores as compared with 1957. The value of cotton goods exports fell from Rs. 82.3 crores to Rs. 62.2 crores over the year.

The exports of non-ferrous metal ores fell by Rs. 16 crores to Rs. 19 crores. Iron ore and scrap exports were lower by Rs. 3 crores at Rs. 11 crores. The recession in the steel industry, larger exports by the U.S.S.R. and the intensity of competition from sources situated near areas of consumption combined to restrict the scope of Indian exports of ores, especially manganese.

Mixed trends were evident in agricultural products. Tobacco was a bright spot with its exports touching Rs. 16 crores, as compared with Rs. 13 crores in 1957. Coffee and raw cotton too gave a good account of themselves in overseas markets. The most unsatisfactory performance was in the exports of vegetable oils, particularly of castor oil and cottonseed oil; their earnings slumped from Rs. 11 crores to Rs. 7 crores.

The contribution of industrial products to export earnings continued to be relatively small in the year under review. The total value of exports of chemicals was lower at Rs. 4 crores in 1958, as against Rs. 6 crores in 1957. Some improvement in exports, however, was evident in the case of fruit products, woollen fabrics, silk fabrics, hydraulic break fluid, bicycle accessories, electric fans, steel furniture, scientific and surgical instruments, air-conditioning sets, rice and flour machinery, centrifugal pumps, sewing machines, water-fittings, electric batteries and umbrella fittings.

Imports

The downward trend in imports was shared, among others, by iron and steel, machinery and industrial raw materials. The spectacular fall in the import of iron and steel from Rs. 147 crores in 1957 to Rs. 97 crores last year is attributed to the fact that the large part of the requirements of the three steel projects in the public sector had been imported in 1956 and 1957. The fall in the industrial raw materials, in particular, affected adversely the expansion in many vital industries. Imports of non-ferrous metal and scrap went down by Rs. 12 crores to Rs. 99 crores. The imports of raw cotton fell from Rs. 49 crores to Rs. 31 crores, and those of jute from Rs. 7 crores to Rs. 3 crores. Similarly, imports of petroleum and petroleum products moved down from Rs. 108 crores to Rs. 76 crores. Imports of other raw materials too suffered a setback except perhaps those of fertilisers, which amounted to Rs. 8 crores in 1958, as against Rs. 4 crores in the previous year.

There was a fall in the imports of consumer goods as well, barring those of foodgrains, which went up from Rs. 55 crores to Rs. 148 crores.* Most of the other consumption goods

*These figures are very much out of line with those given by the Reserve Bank of India, which actually show a different trend. According to the latter, food imports showed a reduction of Rs. 30 crores to Rs. 133.5 crores, in contrast to the sharp rise of Rs. 95 crores witnessed in 1957. Again, the quantum of imports of foodgrains, according to the *Agricultural Situation in India*, was 3,168,883 tons in 1958, as against 3,544,342 tons in 1957.

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witnessed varying degrees of decline in their imports. These include condensed or dried milk, fruits and edible oils, medicines and pharmaceuticals, paper and paper board, standard textile fabrics, sanitary and other fittings. Not only imports of industrial raw materials and consumer goods, but those of some items of machinery too suffered. Thus the value of imports of machinery and transport equipment aggregated Rs. 248 crores in 1958, as against Rs. 309 crores in 1957.

A country-wise analysis of India's trade is given in Table II. From this, it will be seen that the U.K. and the U.S. continued to be India's major trading partners. Together they accounted for 45 per cent. of India's exports in 1958, as against 40 per cent. in 1957. The proportion of imports from these two countries, however, remained unchanged at about 40 per cent. of the total. Naturally, both these countries accounted for the bulk of the decline recorded in respect of imports. India's imports from the U.K. were lower at Rs. 169 crores in 1958, as against Rs. 239 crores in 1957; and those from the U.S. were Rs. 161 crores as against Rs. 170 crores. India's shipments to the U.K., however, registered a small increase from Rs. 161 crores to Rs. 166 crores, but those to the U.S. declined sharply from Rs. 132 crores to Rs. 93 crores. There was also a marked fall in India's exports to Japan, Australia, Singapore and France. The U.S.S.R., on the contrary, increased its imports of Indian goods from Rs. 18 crores to Rs. 23 crores. Small increases were also noted in the offtake by some other countries such as Canada, Ceylon, New Zealand, and Nigeria. While imports into India from W. Germany, Japan and Iran registered a perceptible decline, those from Burma and Saudi Arabia increased. Moderate increases in imports took place from Australia, Canada, Kenya and Sudan. Taking the Commonwealth countries as a whole, their purchases from India were higher by Rs. 3 crores at Rs. 294 crores. Their supplies to this country, however, were lower by about Rs. 60 crores at Rs. 294 crores.

ELECTRIC FAN INDUSTRY

Some of the light engineering industries have recently been making steady progress. They have increased production and are making an earnest bid to step up exports. Electrical fan industry is one of them. It attained a record production of 632,000 units in 1958, as against 520,000 units in 1957 and 239,000 units in 1954. At this rate of growth, the industry, it is expected, will be able to attain the target laid down in the second Plan, namely, 9 million units. The installed capacity of the industry by the end of last year stood at 765,600 units, as compared with 402,000 in 1957 and 303,600 in 1954. Along with raising production the industry has paid attention to improve quality as well. Quality-wise too, the progress has been satisfactory. It is claimed by the domestic manufacturers that they are producing one of the finest ceiling fans in the world and that they have been able to compete with established brands from other countries. Small wonder then that it has been able to raise the total value of exports from Rs. 9.52 lakhs in 1954 to Rs. 18.15 lakhs in 1957 and Rs. 23.24 lakhs in 1958. India is exporting ceiling fans to about 36 countries, mainly in Asia and Africa. And what is more, as Mr. I. Sukumar observed in his presidential speech at the eleventh annual general meeting of the Fan Makers Association of India held at Calcutta on the 21st inst., there are good prospects for developing the existing and other markets, provided a more determined and purposeful effort is made. Mr. Sukumar is confident that exports of table and pedestal fans also, besides ceiling fans which have already secured a name, will be possible, if manufacturers effect improvements in design and finish.

In distinct contrast to most of the industries in India, the electric fans industry has only a limited range, if any, of grievances. With the commissioning of two steel plants in the public sector, the supply position of pig iron has definitely improved; this is bound to ease further in future. There is no reason to be concerned over the supply of steel either. Moreover, fan producers are in a position to dispense with imports of vital raw materials such as enamelled winding wires, for they are available in the country in plenty. Condensers are also expected to be manufactured within the country shortly. Mr. Sukumar, however, wants the producers to be assured of regular supply and equal distribution of these two raw materials.

Although the industry is thus well in the saddle making steady progress, no effort should be spared to keep pace with its confreres in the advanced countries, where technological changes are taking place rapidly. This calls for development and adoption of new techniques of production and improvement of quality consistent with consumer preferences. Mr. Sukumar has done well to stress that fans have to be competitively designed and mass-produced with the best of technique available. He is of the view that the Government should encourage the manufacturers to change their old methods of fabrication and adopt modern methods by allowing imports of special machine tools for the purpose. For instance, pressure die casting technique, which has been in vogue in Western countries for more than 50 years as the basis of mass production, is yet not known in India. There is thus an urgent need for encouraging the formation of such die casting foundries as feeders to fan industry in the country.

TABLE I
India's Foreign Trade
(Commoditywise Statistics)
(In lakhs of rupees)

Commodities	Exports (including re-exports)		Imports	
	1958	1957	1958	1957
I. Food, Beverages and Tobacco				
Live animals for food, meat and dairy products	119	112	701	1,197
Fish	579	446	206	227
Wheat	..	..	10,285	3,475
Rice	8	2	4,403	1,990
Other cereals, etc.	12	7	215	375
Fruits and vegetables	2,129	1,860	1,743	2,127
Sugar	370	1,290	2	90
Coffee	718	773	..	2
Tea	13,654	12,340	9	23
Spices	893	850	284	293
Tobacco and its products	1,631	1,285	140	139
Total (including others) I	20,893	19,220	18,057	9,814
II. Inedible Crude Materials (except Fuels)				
Hides and skins	735	699	133	120
Oilseeds, nuts and kernels	36	17	1,048	1,214
Crude rubber	..	2	422	420
Wood	178	183	283	302
Pulp and waste paper	..	..	382	416
Silk	10	33	25	75
Wool	925	1,293	1,108	1,298
Cotton	2,120	1,866	3,066	4,862
Jute	..	..	339	720
Other vegetable fibres	214	267	64	74
Synthetic fibres	11	13	8	*201
Textile wastes and rags	21	63	..	..
Crude fertilisers and minerals except coal, petroleum and precious stones	1,191	1,162	667	872
Iron ore	999	1,178	2	3
Iron and steel scrap	163	246	22	59
Non-ferrous metal ores	1,863	3,538	67	20
Non-ferrous metal scraps	9	20	99	229
Crude animal and vegetable materials	1,732	1,864	294	834
Total II	10,219	12,463	8,009	11,217
III. Mineral Fuels, Lubricants, etc.				
Coal, coke, etc.	558	534	9	6
Crude petroleum	..	..	1,554	2,976
Petroleum products	411	662	6,030	7,776
Total III	969	1,203	7,593	10,758
IV. Animal and Vegetable Oils and Fats				
Animal oils	2	..	43	59
Vegetable oils	745	1,142	384	521
Processed oils and fats	77	127	12	12
Total IV	824	1,269	439	592
V. Chemicals				
Chemical elements and compounds	49	64	2,844	2,916
Coal-tar, dyestuff and indigo	6	4	670	1,089
Dyeing and tanning materials	18	23	100	123
Paints and varnishes	11	12	106	175
Medicines and pharmaceuticals	89	103	1,021	1,639
Essential oils and perfumes, cosmetics and soaps	252	327	116	234
Fertilisers, manufactured	..	..	821	422
Explosives	..	..	298	277
Miscellaneous chemicals	17	26	546	797
Total V	442	559	6,523	7,677

TABLE I—*Contd.*
India's Foreign Trade
(Commoditywise Statistics)
(In lakhs of rupees)

Commodities	Exports (including re-exports)		Imports	
	1958	1957	1958	1957
VI. Manufactured Goods				
Leather	1,836	2,175	46	86
Rubber manufactures	22	15	191	333
Paper and paperboard, etc.	73	91	826	1,311
Textile yarn and thread	1,203	978	1,391	1,915
Standard cotton fabrics	4,846	6,519	105	237
Other standard textile fabrics	6,970	6,004	129	250
Special textile fabrics	133	139	69	109
Made-up textile articles (other than clothing)	4,616	5,829	10	26
Floor coverings and tapestries	888	885	1	3
Lime, cement, etc.	41	51	83	393
Clay and refractory construction materials	42	49	333	379
Glass and glassware	21	22	58	85
Silver, platinum, precious stones, pearls, jewellery and ornaments	1,255	4,016	83	119
Iron and steel	90	37	9,780	14,693
Copper	4	3	1,353	1,794
Nickel	..	2	61	65
Aluminium	1	2	600	801
Lead	..	2	229	220
Zinc	2	2	612	723
Tin	..	1	479	484
Miscellaneous non-ferrous metals	..	..	42	45
Ordnance	..	..	402	1,853
Other manufactures	158	196	1,521	2,254
Total VI (including others)	21,945	27,243	18,637	28,654
VII. Machinery and Transport Equipment				
Power generating machinery (other than electric)	23	25	2,508	2,607
Agricultural machinery	2	2	69	65
Tractors (other than steam)	..	3	381	551
Office machinery	..	3	90	260
Metal working machinery	1	3	2,647	2,115
Mining, construction and other industrial machinery	89	123	8,238	11,585
Electric machinery	46	54	4,004	6,114
Railway vehicles	..	..	2,957	3,074
Road motor vehicles	11	20	2,162	3,735
Other road vehicles	2	2	134	326
Aircraft	176	130	621	390
Ships and boats	2	3	74	55
Total VII	355	371	24,840	30,878
VIII. Miscellaneous Manufactures				
Sanitary and other fittings	9	12	56	217
Furniture and fixtures	39	29	4	13
Travel goods, handbags, etc.	52	62	1	2
Clothing	102	122	5	24
Footwear	214	276	..	..
Scientific and medical instruments	5	8	516	619
Photographic and cinematographic supplies	..	1	271	375
Exposed cinematographic films	96	121	32	45
Watches and clocks	..	..	35	326
Musical instruments, etc.	13	16	23	67
Printed matter	87	110	191	166
Other manufactured articles	240	225	562	399
Total VIII	866	995	1,697	2,255
IX. Miscellaneous Transactions and Commodities				
Postal packages	618	348	196	336
Live animals (not for food)	72	138	3	10
Returned goods and special transaction	409	472	419	390
Total IX	1,099	958	618	736
Grand Total	57,898	64,284	86,418	102,582

TABLE II
India's Foreign Trade
(Countrywise Statistics)
(In crores of rupees)

Countries	Exports		Imports	
	1958	1957	1958	1957
I. Commonwealth Countries				
U.K.	166.29	161.02	168.53	238.50
Other Commonwealth countries in Europe	0.50	0.54	1.38	0.03
Aden	7.30	6.33	0.75	0.84
Kuwait and Bahrein Islands	6.94	5.88	11.16	7.24
Pakistan	7.16	6.77	6.28	13.41
Ceylon	20.11	17.04	4.30	5.76
Singapore	10.44	9.08	9.20	12.67
Malaya	4.00	4.14	10.70	14.19
Hongkong	5.42	5.62	0.88	1.20
Other Commonwealth countries in Asia	1.27	1.19	0.06	1.92
Ghana	1.00	1.44	0.43	0.02
Nigeria	6.89	6.30	0.54	..
Rhodesia	0.93	2.11	8.37	7.70
Zanzibar and Pemba	0.88	0.62	2.38	2.38
Kenya	4.75	4.79	11.50	9.35
Tanganyika	2.40	3.60	2.88	3.17
Other Commonwealth countries in Africa	3.31	3.87	3.44	2.02
Canada	14.54	13.92	34.66	13.58
Other Commonwealth countries in America	1.31	1.50	0.03	..
Australia	21.43	24.68	13.32	16.41
New Zealand	5.67	6.24	1.15	2.35
Other Commonwealth countries	0.90	0.64	..	0.04
Total	293.84	291.12	293.83	362.76
II. Foreign Countries (Non-Communist)				
Finland	0.34	0.24	0.19	2.84
Sweden	1.55	1.68	0.90	11.92
Norway	1.14	0.69	0.34	4.90
Denmark	4.73	5.79	..	0.09
W. Germany	2.04	2.01	3.33	4.38
Netherlands	14.82	16.09	93.95	122.82
Belgium	0.79	8.45	9.82	12.98
France	4.64	6.58	16.59	21.94
Switzerland	7.21	10.20	16.96	28.69
Italy	0.81	1.23	0.68	17.81
Austria	5.52	7.31	22.37	30.39
Turkey	0.20	..	2.14	4.78
Other Non-Communist countries in Europe	2.04	3.18	0.01	0.05
Syria	1.49	1.04	1.72	3.20
Saudi Arabia	1.51	1.09	0.01	0.01
Iraq	4.03	3.34	19.67	14.02
Iran	1.48	2.86	2.14	2.31
Afghanistan	5.84	6.15	33.07	55.40
Burma	3.29	1.83	5.00	4.04
Indonesia	7.54	9.39	45.54	13.19
Thailand	2.87	5.71	3.31	3.81
South Viet Nam	2.43	3.61	0.45	0.56
Cambodia	1.74	0.97	0.22	..
Philippines	0.66	0.88	..	..
Japan	0.99	1.34	0.19	0.20
Other Non-Communist countries in Asia	25.85	30.32	39.66	54.42
Egypt	0.90	2.08	1.05	1.88
Sudan	8.52	11.34	6.24	10.68
Belgian Congo	7.16	10.15	7.49	7.80
Mozambique	0.13	0.18	1.19	1.92
Ethiopia	0.98	0.81	5.74	6.86
Other countries in Africa	2.36	4.27	..	..
U.S.	3.24	3.50	0.37	0.27
Cuba	93.08	131.87	161.46	170.32
Uruguay	6.45	6.52	..	0.17
Argentina	0.62	1.29	..	0.10
Chile	9.25	9.82	0.02	0.05
Peru	0.97	0.80	0.17	0.49
Other countries in America	0.87	1.35	0.19	1.41
Countries in Oceania	1.77	2.32	2.02	1.14
	0.03	0.05	..	0.42
Total II	248.03	324.30	516.70	619.16
III. Foreign Countries (Communist)				
U.S.S.R.	23.31	17.53	2.71	22.68
Poland	0.92	1.15	2.26	4.88
East Germany	0.72	1.35	1.09	0.71
Hungary	0.61	0.29	0.02	0.77
Czechoslovakia	3.93	3.76	6.49	6.15
Yugoslavia	0.97	0.79	2.25	2.43
Bulgaria	0.07	0.07	0.07	0.13
Rumania	0.52	0.52	0.40	0.52
North Viet Nam	0.25	0.29	1.16	..
China	3.42	3.69	5.28	4.86
Total III	34.72	29.41	22.33	43.13
Grand Total III (including others)	578.98	642.84	864.18	1025.82

NATIONAL RAYON'S RESULTS IMPRESSIVE

SATISFACTORY AGREEMENT CONCLUDED ON TYRE CORD PROJECT

THE recommendation of the Directors of the National Rayon Corporation Ltd. to maintain the dividend on ordinary shares for the year ended 31st December 1958 at 14 per cent. per annum, a rate which had been paid for the previous two years, announced some six weeks back, was viewed with some disappointment in the market. For it was generally expected that the Company would easily pay a higher dividend, as it was known that it had done exceedingly well during the past year and that its profit would show a distinct improvement. The full details of the Company's accounts, now available, confirm the latter impression, as witness the expansion of about Rs. 1 crore in sale proceeds and the rise of over Rs. 59 lakhs in gross profit. If, however, the Directors have not chosen to enhance the dividend level, it is because the net profit (after providing for depreciation and taxation) is actually lower than that for 1957. What is more, it is the lowest since 1952.

With a rise of Rs. 59.14 lakhs during 1958, the gross profit has touched the record level of Rs. 209.62 lakhs. A provision of Rs. 16.01 lakhs has been made for managing agency commission (subject to adjustment) as against Rs. 10.89 lakhs in the previous year. This provision has been made, according to the Directors, at the rate of 10 per cent. of the net profit in conformity with the provisions of Sections 349 and 350 of the Companies Act 1956, as was done in the previous year. Some doubt, however, seems to exist about the precise method of arriving at the net profit for the purpose of calculating managing agency commission. The Company is seeking legal advice on this point and, in the light of such advice, the managing agency commission will be suitably adjusted.

The provision for depreciation has been raised substantially from Rs. 75 lakhs to Rs. 92 lakhs and that for taxation from Rs. 12 lakhs to Rs. 55 lakhs. These leave a net profit of Rs. 46.61 lakhs, which represents a fall of Rs. 5.98 lakhs from that for 1957 and of Rs. 11.72 lakhs from the net profit for 1956. The net profit would have been much less if the whole of the estimated tax liability for the year had been met out of the profit. For the tax liability comes to Rs. 70 lakhs. This has been provided for fully by setting aside Rs. 55 lakhs from the year's profit and by drawing the balance of Rs. 15 lakhs from the deferred taxation reserve. No amount has been set aside to general reserve, which had received Rs. 13.35 lakhs last year, but a sum of Rs. 3.25 lakhs has been utilised to create a development rebate reserve. As in the previous three years, the debenture redemption reserve gets Rs. 10 lakhs. The gratuity reserve receives Rs. 3 lakhs, the same as last year.

The following comparative table shows the progress of the Company since 1955:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	6,37.11	5,37.48	4,22.38	3,42.50
Stocks of yarn and goods-in-process	49.71	38.17	22.32	16.08
Raw materials consumed	1,44.77	1,69.89	1,17.58	1,03.22
Expenses	2,96.51	2,35.13	1,58.88	1,30.03
Gross profit	2,09.62	1,50.43	1,56.29	1,15.26
Managing Agents' commission	16.01	10.89	10.35	6.97
Provision for—Depreciation	92.00	75.00	60.00	50.00
Taxation	55.00	12.00	26.61	..
Net profit	46.61	52.59	58.33	58.29
Excess provisions written back	0.04	0.62	..	..
Debenture issue expenses written off	..	..	..	4.16
To reserves	13.25	23.35	27.00	25.00
,, gratuity fund	3.00	3.00	2.00	2.00
Dividends—				
5 per cent. preference	5.97*	8.64*	6.43*	8.71
Ordinary	24.69† (D. 14%)	22.49 (D. 14%)	22.50 (D. 12% + B. 2%)	19.02 (D. 12%)
Carry forward	0.97	1.24	5.52	5.12

* Less tax.
† Includes proportionate dividend on new shares.

The figure of cost of raw materials consumed in 1958 is not comparable with that relating to 1957, as certain expenses in respect of manufacturing caustic soda and other chemicals are not included in that. On the contrary, they are debited to the respective heads. The sale proceeds for 1958 include sales of these chemicals also.

The Company's rayon yarn, sulphuric acid and carbon disulphide plants worked to full capacity during the year, except for a brief period of a week or so of enforced shut-down due to heavy and unprecedented floods. The caustic soda chlorine plant, which was commissioned by about the end of 1957, could not be worked to its capacity during 1958. It is, however, gratifying to hear that the teething troubles experienced earlier have been got over and the plant is now working satisfactorily. The Company's tyre cord manufacturing scheme could not make much progress during the year under review, due to certain factors beyond the control of the Company. After protracted negotiations with the Consultants, who were to provide the technical know-how, a satisfactory agreement has recently been signed with them.

The estimated cost of the tyre cord plant is Rs. 3 crores, for which the Company has been able to arrange dollar credits to the tune of Rs. 1.20 crore. A sum of Rs. 80 lakhs will be found from the Company's internal resources and the balance is to be met out of the new capital issue made last year. The Company, it may be noted, issued 80,500 ordinary shares of Rs. 100 each at a premium of Rs. 25 each. These shares rank for dividend from 1st January 1958 on the amounts for the time being called up and paid. At the end of 1958, only Rs. 80 per share had been called, on which calls unpaid amounted to Rs. 1.09 lakh, so that the total paid-up capital stood at Rs. 398.17 lakhs. Subsequently, the balance of Rs. 20 per share was also called. Now the entire new issue has been fully paid, except for a small sum of Rs. 42,675.

The reserves and surplus as at the end of 1958 (including the share premium) aggregate Rs. 167.69 lakhs. Thanks to the new issue of capital, the Company has been able to reduce its borrowings (other than the debenture loan of Rs. 1.50 crore) from Rs. 160.79 lakhs to Rs. 3.81 lakhs. The other current liabilities and provisions aggregate Rs. 189.51 lakhs. There has been an addition of Rs. 55.46 lakhs to the block capital during the year, besides works under construction amounting to Rs. 34.91 lakhs, bringing the total value of the gross block to Rs. 10.94 crores. The depreciation provided so far comes to Rs. 4.32 crores, so that the net value of the block account is Rs. 6.62 crores. The other assets aggregating Rs. 247.30 lakhs far exceed the current liabilities and provisions.

The current market value of the Company's Rs. 100 fully paid-up shares is Rs. 307.50 *cum-div.* A year ago, they had stood at Rs. 232.50. At the *ex-div.* rate, the yield on the shares works out to 4.8 per cent. per annum, free of income-tax.

NATIONAL CARBON

1959 marks the Silver Jubilee year of the National Carbon Company (India) Ltd. During the two and a half decades of its history, the growth of the Company has been phenomenal. It started with a small plant capable of assembling, with the aid of imported parts, six million flashlight cells per annum, whereas now it operates two battery plants which are capable of manufacturing over 142 million dry cells per year of various types, including the well-known "Mini-Max" flat cell. In addition, it operates a plant for processing manganese ore, a strip mill for alloying and processing of zinc and a new plant at Lucknow capable of manufacturing up to six million flashlight cases a year. What is more, a good part of the raw materials used and practically all the component parts are of indigenous origin.

The following statistics given by the Chairman of the Company, Mr. J. R. Galloway, in his statement at the annual general meeting of the Company held a few days ago, provide further proof of the Company's growth during the past quarter of a century:

		From	*To*
Gross sales	Rs.	7,65,000	6,05,00,000
Fixed assets	Rs.	5,34,000	2,34,00,000
Personnel employed	No.	406	2,540
Annual wage bill	Rs.	75,000	92,00,000
Annual tax bill	Rs.	17,900	86,14,600

The Company has under construction at Trombay a plant for the manufacture of organic chemicals and polyethylene resin at a cost of about Rs. 4.5 crores. It is expected to be completed during the latter part of 1960. When in full production, the combined output of chemicals and plastics will, according to the Chairman, come to about 15 million lbs. per annum, having a net sale value of over Rs. 2 crores. The Company's products to be manufactured, such as butyl alcohol, butyl acetate, acetic acid, etc., are basic chemicals required for manufacturing paints, dyestuffs and pharmaceuticals, including antibiotics. The use of polyethylene in India is increasing rapidly, particularly for industrial applications, and the Trombay plant of the Company will produce six million lbs. of polyethylene per annum, thus paving the way for India's self-sufficiency in this important plastic.

KAMANI ENGINEERING RETURNS TO DIVIDEND LIST

After a lapse of five years, the ordinary shares of the Kamani Engineering Corporation Ltd. (Managing Agents: Messrs. Kamani Brothers Private Ltd., Bombay) have returned to the dividend list, following the Directors' recommendation to make a modest distribution of 5 per cent. for the year ended 30th September 1958. The latest dividend is double that paid on the previous occasion, namely, 2½ per cent. for the year 1951-52. This follows a distinct improvement in the working of the Company, as reflected in the marked rise in earnings. The turnover of manufactured articles (in terms of value), at Rs. 1.58 crore, is 78 per cent. more than that in the previous year. Agency business rose by about 65 per cent. to Rs. 1.27 crore. The gross profit, which had gone up from Rs. 4.59 lakhs to Rs. 6.74 lakhs in 1956-57, has jumped up to a record high of Rs. 15.52 lakhs in the year under review.

In addition to depreciation amounting to Rs. 3.38 lakhs provided for, in respect of the year under review, the Directors have utilised Rs. 3.63 lakhs to wipe out all arrears of depreciation in full. The provision for taxation has been raised from Rs. 25,000 to Rs. 4.05 lakhs, leaving a net profit of Rs. 3.26 lakhs, as against Rs. 2.50 lakhs for 1956-57. While no provision has been made for doubtful debts (for which a sum of Rs. 25,000 had been set aside last year), the Directors have transferred Rs. 24,603 to the development rebate reserve and Rs. 25,000 to the general reserve, both of which had not received anything last year.

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

	For the year ended 30th September			
	1958	1957	1956	1955
Sale proceeds	2,84.76	1,66.19	1,65.40	2,34.02
Closing stocks	17.03	23.66	16.08	18.82
Other income	7.44	13.43	8.87	6.67
Raw materials consumed	90.88	40.42	25.44	2,27.28
Other expenses	1,79.16	1,40.04	1,41.51	
Gross profit	15.52	6.74	4.59	5.66
Managing Agents' remuneration	1.20	0.50	0.16	0.24
Provision for—Depreciation	7.01	3.49	2.90	2.21
Taxation	4.05	0.25	..	..
Net profit	3.26	2.50	..	3.21
To reserves and funds	0.90	0.65	0.50	0.50
Dividends— 5½ per cent. preference	0.56	1.65*	0.82†	1.65‡
Ordinary	2.25 (6%)	..	..	..
Carry forward	0.11	0.56	0.37	0.16

* For the years 1955-56 and 1956-57.
† For the year 1954-55.
‡ For the years 1952-53 and 1953-54.

The "other income" shown in the above table includes Rs. 6.61 lakhs received during the year under review as commission from a foreign principal, as against Rs. 12.77 lakhs in 1956-57. No credit has been taken for the sum of about Rs. 5.95 lakhs received as a result of settlement which was arrived at since the close of the year under review and this represents income which would have accrued over a period of years.

The manufactured products and erection services undertaken by the Company are mainly for the national projects under the Five-year Plan. Even after reaching the record level of production, the Company is said to have a considerable surplus production capacity available. For utilising this, the Company is making efforts to secure more orders and to procure the required steel which is in short supply. Export possibilities are also being explored. In order to utilise the existing surplus capacity, new machinery has been ordered to balance certain operations to reduce the cost of production and diversify the production.

The Company, which has pioneered the design, precision, fabrication and "hot dip" galvanising and erection of transmission line towers in India, continues to maintain the lead. In the field of designing, the Company has the distinction of developing, for the first time in India, extra high tension transmission towers for 220 K.V. double circuit line. These have been successfully fabricated and tested.

The Company's paid-up capital, at Rs. 59.98 lakhs, is made up of 449,625 ordinary shares of Rs. 10 each and 15,000 5½ per cent. (less tax) cumulative redeemable preference shares of Rs. 100 each. The preference shares are redeemable at any time after 6th May 1950 at a premium of Rs. 5 each. The reserves and surplus are very low at Rs. 3.25 lakhs. The gross block of the value of Rs. 56.91 lakhs stands written down to Rs. 33.59 lakhs, the depreciation provided so far being of the order of Rs. 23.33 lakhs. The other assets aggregating Rs. 173.19 lakhs exceed the current liabilities and provisions, at Rs. 143.56 lakhs, by a comfortable margin. The assets include those at Lahore of the value of Rs. 7.53 lakhs. The Lahore branch of the Company ceased to operate in 1946-47. The net assets at Lahore continue to be shown, as in previous years, at values at which they had stood on 30th September 1947, in the absence of proper records.

The Rs. 10 paid-up ordinary shares of the Company are being quoted at Rs. 9.72 *cum-div.* On an *ex-div.* basis and at the current rate of dividend, the shares give a yield of 5.4 per cent. per annum, free of income-tax.

SYNOPSES OF COMPANY REPORTS

Sivanandha Mills Ltd.

THE directors of the above Company (Managing Agents: Messrs. S. R. P. Ponnuswamy Chetty & Sons, Coimbatore) present the audited accounts of the Company for the year ended 31st December 1958.

The working of the Mill during the year was satisfactory. The Mills had to go in for Indian cotton also during the year since the allotment of Foreign Cotton was utterly inadequate.

The Mill was running with an installed capacity of 25,088 spindles. The average number of spindles worked during the year was 21,396 which would have been more but for the power cut during the period from 15th January 1958 to 30th June 1958 ranging from 25 per cent. to 75 per cent. Six sets of combing equipments ordered for from Switzerland were received and installed during the year. The machinery required for installation of 6,272 spindles sanctioned under the normal expansion scheme has been ordered for and these will be installed during 1959.

In spite of increased expenditure in wages and dearness allowance on account of the rise in the cost of living index, working of generators etc., it will be noted that after deducting all working expenses, interest and providing Rs. 5,77,600 (Rs. 5,04,872) for depreciation on the assets of the Company, the year's working resulted in a net profit of Rs. 4,65,817 (Rs. 1,63,282). Adding to this Rs. 4,266 (Rs. 4,498) being the balance of profit of last year, there is a sum of Rs. 4,70,083 (Rs. 1,43,531 after paying donations amounting to Rs. 24,249) available which, the directors recommend, may be appropriated as follows:—

To pay a dividend at 15 (12) per cent. per annum, for the year 1958 absorbing Rs. 1,49,966 (Rs. 1,19,937) and to set apart for provision for taxes Rs. 3,17,000 (Rs. 8,000) leaving a balance to be carried forward of Rs. 3,117 (Rs. 15,594).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,99,713	Gross block	51,57,412
Reserves ...	6,43,782	*Less*—Depreciation ...	25,99,155
Provision for taxes ...	3,17,000		
Liabilities ...	27,38,171	Net block ...	25,58,257
Profit and loss account ...	3,118	Stock-in-trade	10,80,328
		Stores and spare parts	37,659
		Debts, deposits and advances ...	4,21,971
		Investments	2,15,050
		Cash ...	3,88,519
Rs.	47,01,784	Rs.	47,01,784

Cheviot Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th November 1958.

The accounts, after charging all expenses and writing back provision against sales tax in respect of previous years, show a profit of Rs. 1,83,601 (loss of Rs. 82,708) of which short provision for taxation in the previous years requires Rs. 20,800 (*nil*), leaving a net profit of Rs. 1,62,801 (loss of Rs. 82,708) from which the directors have transferred to development rebate reserve Rs. 888 (*nil*) leaving a balance of Rs. 1,61,913 (Rs. 67,292 after transferring Rs. 70,000 from dividend equalisation reserve and Rs. 80,000 from general reserve). To this is added the balance brought forward from the last year of Rs. 5,857 (Rs. 8,565) making a total available for distribution of Rs. 1,67,770 (Rs. 75,857). From this amount the directors recommend payment of dividends on preference shares at Rs. 7.00 (Rs. 7.00) per share absorbing Rs. 70,000 (Rs. 70,000) and on ordinary shares at Rs. 5.00 (*nil*) per share absorbing Rs. 79,750 (*nil*) leaving a balance to be carried forward of Rs. 18,020 (Rs. 5,857).

Wealth tax for the year is estimated to amount to Rs. 22,500 and this has been provided for by transfer of this sum from general reserve.

In accordance with the working time agreement of the Indian Jute Mills Association the Company's mill worked 48 hours per week with 12½ per cent. of the total looms sealed during the period to which the accounts pertain. From the 2nd March 1959, a further 1½ per cent. of the looms have been sealed.

As shareholders were advised in February 1959, the directors of the Company, in conjunction with the directors of other Jute Mill Companies under the managing agency of Andrew Yule & Co., Ltd., are examining proposals for closer integration of their operations. This matter is still under consideration.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,95,000	Gross block	83,51,524
Reserves ...	21,34,670	*Less*—Depreciation ...	58,61,109
Provision for taxation ...	19,357		
Provision for wealth tax	22,970	Net block ...	24,90,415
Liabilities ...	7,87,866	Stock-in-trade	16,00,277
Profit and loss account ...	18,020	Stores, spare parts and loose tools	7,20,387
		Work-in-progress ...	2,19,266
		Debts, deposits and advances ...	4,57,572
		Investments	85,126
		Cash ...	4,840
Rs	55,77,883	Rs.	55,77,883

Hooghly Docking & Engineering Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1958.

General: The value of work billed during the year amounted to Rs. 81,83,506 against Rs. 1,43,27,800 in the year 1957 and the gross profit earned in the year under review was Rs. 6,59,829 against Rs. 8,64,560 in the previous year. Work-in-progress at the end of the year was Rs. 74,42,886 against Rs. 46,14,416 at the beginning. The entire property of the Company has been in good order and repair throughout the period.

After charging all expenses including depreciation and writing back to revenue an excess provision of Rs. 1,12,853 (*nil*) against sales tax made in the earlier years, the net profits for the year amounted to Rs. 4,76,404 (Rs. 4,60,028 to which has been added the balance brought forward from the previous year of Rs. 5,810 (Rs. 13,963) making a total of Rs. 4,82,214 (Rs. 4,73,991). Out of this amount there has been provided for income-tax Rs. 2,70,000 (Rs. 2,55,000), for wealth tax Rs. 21,000 (Rs. 38,181) and for statutory development rebate reserve Rs. 7,000 (*nil*) leaving a balance available for distribution of Rs. 1,84,214 (Rs. 1,80,810). The directors recommend that this balance be disposed of as follows:—

By payment of a dividend of 10 (10) per cent. free of tax absorbing Rs. 1,25,000 (Rs. 1,25,000), by transfer to development reserve Rs. 50,000 (Rs. 50,000) and by carrying forward the balance of Rs. 9,214 (Rs. 5,810).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Gross block	60,24,546
Reserves ...	24,07,000	*Less*—Depreciation ...	39,12,107
Provision for taxation ...	5,48,714		
		Net block ...	21,12,439
Provision for sales tax ...	6,11,307	Work-in-progress ...	18,32,724
Liabilities ...	52,14,556	Stores and spare parts	11,95,428
Profit and loss account ...	9,214	Debts, deposits and advances ...	48,63,391
		Cash ...	36,809
Rs.	1,00,40,791	Rs.	1,00,40,791

New Beerbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October 1958.

The accounts show a profit, after charging all expenses, of Rs. 7,32,929 (Rs. 5,03,195) of which taxation provision requires Rs. 4,90,000 (Rs. 2,40,000) leaving a balance of Rs. 2,42,929 (Rs. 2,63,195). The balance brought forward from last year was Rs. 83,316 (Rs. 53,598) making a total available for appropriation of Rs. 3,26,245 (Rs. 3,16,793). The directors have transferred to development rebate reserve Rs. 48,034 (Rs. 36,209 to capital reserve and Rs. 50,051 to bad and doubtful debts) leaving a balance of Rs. 2,78,211 (Rs. 2,30,533). The interim dividends at 3½ per cent. on preference shares absorbed Rs. 7,000 (Rs. 7,000) and at 40 (37) nP per ordinary share absorbed Rs. 71,049 (Rs. 65,721). The directors now recommend final dividends at 3½ per cent. on preference shares absorbing Rs. 7,000 (Rs. 7,000) and at 60 (38) nP per ordinary share absorbing Rs. 1,06,574 (Rs. 67,496), leaving a balance to be carried forward of Rs. 86,588 (Rs. 83,316). Wealth tax in respect of the year, estimated at Rs. 24,000, has been provided for by transfer from capital reserve.

Raisings for the year totalled 6,21,721 tons compared with 5,30,672 tons in the previous year and 4,48,242 tons in the year ended 31st October, 1956. Despatches amounted to 6,26,445 tons as compared with 5,29,938 tons and 4,55,573 tons in the two previous years.

The new sandstowing arrangements at Victoria and Victoria West collieries have now been completed and this has resulted in increased output of Selected "A" grade coking coal, particularly at the latter colliery. Raisings have also increased substantially at New Kendah colliery where arrangements are being made to work the Dobrana Seam in addition to the Topsi Seam.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,76,230	Gross block	1,40,15,207
Reserves ...	19,89,613	*Less*—Depreciation ...	97,89,286
Provision for taxation ...	5,62,848		
Provision for wealth tax	46,910	Net block ...	42,25,921
Liabilities ...	46,24,590	Stock of coal	1,08,211
Profit and loss account ...	86,588	Stores and spare parts	11,34,356
		Debts, deposits and advances ...	36,31,252
		Investments	4,447
		Cash ...	1,82,592
Rs.	92,86,779	Rs.	92,86,779

Sendra Coal Co., Ltd.

The directors of the above Company (Chairman: Mr. D. L. V. Rowe, Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

Colliery:—The directors are pleased to report that the buyers have continued to pay the sums promised on completion of documents and four of the five annual instalments towards the purchase price have now been received. The last instalments of Rs. 1,30,000 is due to be received on 31st December 1959.

Karanpura Mining Syndicate.—During the year ended 31st December 1958, 1,80,082 (1,88,747) tons of coal were raised and 1,80,627 (1,88,067) tons were despatched. The managing contractor continues to raise and sell coal from Religara colliery and this arrangement continues to work satisfactorily.

The profit and loss account after providing for all charges and making provision of Rs. 16,619 (Rs. 29,032) for taxation and Rs. 4,110 (Rs. 8,450) for wealth tax shows a loss of Rs. 5,273 (Rs. 2,465). From this amount is deducted the balance brought forward from the previous year of Rs. 628 (Rs. 5,166) and the amount transferred from general reserve of Rs. 5,000 (Rs. 15,000) leaving a balance of Rs. 355 (Rs. 628 after transferring Rs. 2,927 from reserve for taxation and paying a dividend 2½ per cent. per annum absorbing Rs. 20,000) which the directors propose to carry forward.

Accounts in brief are as under:

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Gross block	52,491
Reserves ...	4,86,289	*Less*—Depreciation ...	28,867
Provision for taxation ...	21,023		
		Net block ...	23,624
Provision for wealth tax	8,267	Debts, deposits and advances ...	1,86,962
Liabilities ...	25,314	Investments	1,75,088
Profit ...	355	Cash ...	9,55,574
Rs.	13,41,248	Rs.	13,41,248

Rajnagar Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The Company's profit for the year is Rs. 2,11,339 (Rs. 94,452). And after providing for taxation on profits for the year amounting to Rs. 1,51,233 (Rs. 73,763), there is a balance of Rs. 60,106 (Rs. 20,689) to which is to be added amount brought forward from the previous year of Rs. 1,18,279 (Rs. 1,66,870) making a total of Rs. 1,78,385 (Rs. 1,87,559). After deducting provision for taxation for previous years amounting to Rs. 34,118 (Rs. 34,080), there remains an available balance of Rs. 1,44,267 (Rs. 1,53,479). Out of this, the directors have transferred to development rebate reserve Rs. 2,990 (*nil*), leaving a credit balance to be carried forward of Rs. 1,41,277 (Rs. 1,18,279 after paying a dividend of 11 per cent. absorbing Rs. 35,200). It will be observed that a sum of Rs. 34,118 has been provided in respect of taxation for previous years. The directors deemed it expedient to make this provision in view of pending appeals against assessments made in Pakistan which may or may not succeed.

No remittances have been received from Pakistan since the date of the last report despite the best efforts to obtain sanction from the State Bank of Pakistan for the transfer of past profits to India. Representations on this subject are still continuing.

In the meantime no funds are available in India and the directors regret that they are unable to recommend payment of a dividend.

The total crop harvested during the year was 5,818 maunds as compared to 4,701 maunds in 1957. The average sale price realised for season 1958 was Rs. 2.18 compared with 1957 average of Re. 1.97 per lb.

The area under tea is 668 acres. The garden remains in good order.

The estimates for 1959 provide for production of a crop of 5,000 maunds at a total cost on revenue account of Rs. 7,37,736.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,20,000	Gross block	8,09,965
Reserves ...	1,42,990	*Less*—Depreciation ...	4,32,665
Provision for taxation ...	2,86,000		
Liabilities ...	3,52,541	Net block ...	3,77,300
Profit ...	1,41,277	Stock of tea	2,17,509
		Stores and spare parts	1,21,761
		Debts, deposits and advances ...	1,86,743
		Investments	1,007
		Cash ...	3,38,488
Rs.	12,42,808	Rs.	12,42,808

Travancore Ogale Glass Mfg. Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Ogale Bros. (Private) Ltd., Alwaye] submit the audited accounts of the Company for the year ended 31st December 1958.

During the year under Report, there was improvement in the turnover and the sales exceeded Rs. 10½ lakhs. The Company was able to earn a net profit of Rs. 57,700 (Rs. 40,556) after providing for all working expenses, depreciation, wealth tax, etc. After setting off the carried over loss of Rs. 7,432 (Rs. 47,988) there is a balance of Rs. 50,268 (debit of Rs. 7,432) available for disposal.

The supply position of raw materials is rather difficult. The Company has to find finance for its

expansion programme. In the circumstances, the Board proposes to recommend a dividend of four (*nil*) per cent. and the balance profit to be carried forward to next year's accounts.

Reference was made in last year's report to the awards made by the Industrial Tribunal in respect of the demands of workers and staff members which would have imposed heavy burdens on the Company. Writ petitions for quashing the awards filed before the High Court were allowed *in toto*. The Company has now entered into long term agreements with the employees. It is hoped this will ensure peace in the industry.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,98,380	Gross block	15,56,343
Provision for furnace repairs ...	5,855	*Less*—Depreciation ...	5,95,504
Provision for wealth tax	3,000	Net block ...	9,60,839
Liabilities ...	4,55,817	Other assets	2,13,518
Profit	10,268	Stock-in-trade	10,000
		Raw materials ...	42,817
		Goods-in-transit ...	6,559
		Debts, deposits and advances ...	96,009
		Cash ...	1,43,578
Rs.	14,73,320	Rs.	14,73,320

Caledonian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th November 1958.

The accounts, after charging all expenses and writing back provision against sales tax in respect of previous years, show a profit of Rs. 5,27,082 (loss of Rs. 50,051) from which the Directors have transferred to general reserve Rs. 1,50,000 (*nil*) and to development rebate reserve Rs. 1,889 (*nil*) leaving a balance of Rs. 3,75,193 (debit of Rs. 50,051). To this is added the balance brought forward from the last year of Rs. 529 (Rs. 20,580) making a total available for distribution of Rs. 3,75,722 (Rs. 70,529 after transferring Rs. 1,00,000 from general reserve). An interim dividend was declared on 1st December 1958, on ordinary shares at Rs. 3.00 (*nil*) per share absorbing Rs. 54,000 (*nil*). The directors now recommend payment of final dividends on preference shares at Rs. 7.00 (Rs. 7.00) per share absorbing Rs. 70,000 (Rs. 70,000) and on ordinary shares at Rs. 12.00 (*nil*) per share absorbing Rs. 2,16,000 (*nil*) leaving a balance to be carried forward of Rs. 35,722 (Rs. 529). Wealth tax for the year is estimated to amount to Rs. 27,000 and this has been provided for by transfer of this sum from investment realisation surplus.

In accordance with the working time agreement of the Indian Jute Mills Association the mill worked 48 hours per week with 12½ per cent. of the total looms sealed during the period to which the accounts pertain. From the 2nd March 1959, a further 1½ per cent. of the looms have been sealed.

As shareholders were advised in February 1959, the directors of the Company, in conjunction with the directors of other Jute Mill Companies under the managing agency of Andrew Yule & Co., Ltd., are examining proposals for closer integration of the'r operations. This matter is still under consideration.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,00,000	Gross block	84,40,054
Reserves ...	26,46,123	*Less*—Depreciation ...	46,52,038
Provision for wealth tax	27,485	Net block ...	37,88,016
Liabilities ...	15,22,592	Stock-in-trade	20,28,783
Profit ...	35,722	Stores and loose tools	6,22,993
		Work-in-progress ...	1,82,145
		Debts, deposits and advances ...	3,45,595
		Investments	64,388
Rs.	70,31,922	Rs.	70,31,922

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

(*Concluded from next column*)

pany has introduced, with effect from 5th February this year, three-shift working. The three shifts have been working successfully to the maximum extent permitted by available power supply. "Until the introduction of power drive, which is one of the features of the proposed modernisation scheme," the Chairman says in his statement circulated to the shareholders, "and until also additional supply of power can be obtained, it is not possible further to increase production and a portion of the mill's productive capacity must perforce remain idle." The Chairman, however, hopes that the position will be rectified within a year from now.

ANGLO-FRENCH TEXTILES

DIVIDEND MAINTAINED

THE Chairman of Anglo-French Textiles Ltd., Mr. T. Rogers, in his statement to shareholders last year, stated that he was not without hopes that, during 1958, the Company could operate at a profit, despite the difficult times through which the textile industry was passing, but he made it clear that he could not hold out much hope that the profit would be substantial. That this expectation has come true is borne out by the audited accounts of the Company (situated in Pondicherry) for the year ended 31st December 1958. The Company has earned a gross profit of Rs. 6.82 lakhs during the year under review, which, as compared with that (Rs. 12.86 lakhs) for 1957, shows a fall of Rs. 6.04 lakhs. "This position, though revealing," the Chairman says in his latest statement, "is not fully symptomatic of the seriousness of the situation which confronted the cotton textile industry in India during the year, particularly those units which, like your Company, were producing principally coarse and medium varieties."

The net profit, however, shows, a relatively smaller setback, having dropped from Rs. 6.73 lakhs to Rs. 5.14 lakhs, on account of the lower provisions for depreciation and taxation. No amount has been set aside for reserves, but the dividend is unchanged at 6 per cent., as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds (gross)	2,13.78	2,07.19	1,46.26	58.43
Closing stocks	32.75	40.28	33.36	18.24
Cotton consumed	1,12.38	1,19.30	85.30	31.30
Other expenses	87.86	83.58	77.53	30.79
Gross profit (+) or loss (—) ..	+6.82	+12.86	—1.43	+1.38
Managing Agency commission ..	0.07	0.71	..	..
Provision for—				
Depreciation	1.46	4.16	..	..
Taxation	0.15	1.26	0.03	0.12
Net profit	+5.14	+6.73	—1.46	+1.26
Provision for bonus	1.63	1.57	..	0.25
Preliminary expenses, etc., written off	0.51	..	..	..
Dividends—				
6 per cent. preference ..	1.08	2.16	..	1.08
Ordinary	1.80	1.80	..	..
	(6%)	(6%)		
Carry forward	0.12	0.15	—1.46	0.12

The Company's production of yarn shows a slight fall from 9.38 million lbs. of an average count of 15.97 to 9.29 million lbs. of an average count of 16.09, while the output of cloth rose from 17.51 million yards to 19.42 million yards. Sales of yarn (in terms of value), however, improved from Rs. 47.86 lakhs to Rs. 56.13 lakhs, while those of cloth were a little lower at Rs. 155.73 lakhs, as compared with Rs. 156.98 lakhs in 1957. but the aggregate sales of cloth and yarn show an increase from Rs. 204.84 lakhs to Rs. 211.86 lakhs. In consonance with the general trend of textile exports, the Company's exports of cloth and yarn also dropped from Rs. 121.44 lakhs to Rs. 118.17 lakhs.

During the year under review, the Company received a further distribution of capital amounting to Rs. 5.65 lakhs from the liquidator of the Company's subsidiary, the Anglo-French Textile Company, Ltd., which went into voluntary liquidation in August 1955. This has further reduced the cost to the Company of the fixed assets taken over from the liquidator in 1956 and, in view of this, the Directors have not considered it necessary to provide any depreciation for 1958 on these assets, though depreciation on subsequent additions has been fully provided for the year.

The Company has been sanctioned a loan of Rs. 40 lakhs by the National Industrial Development Corporation for modernisation of its plant. But, as the legal formalities have not yet been completed, on account of the complicated nature of the laws in Pondicherry, it has not been able to utilise the loan and implement the modernisation programme. While every attempt is being made to expedite the matter, the Company has, in the meantime, made additions to the plant and machinery to the tune of over Rs. 6 lakhs during the year under review, as part of the modernisation programme.

The Company has no reserves at all to supplement the paid-up capital of Rs. 48 lakhs. The current liabilities amount to Rs. 71.59 lakhs. The gross block of the value of Rs. 32.25 lakhs stands written down at Rs. 26.63 lakhs. The current assets aggregate Rs. 93.08 lakhs, exceeding the current liabilities by Rs. 21.51 lakhs.

In addition to the programme of modernisation to reduce manufacturing costs, the Com-

(*Continued in previous column*)

COMPANY MEETINGS AND DIVIDENDS

RAJNAGAR TEA CO., LTD. Annual General Meeting, Calcutta, 4th June 1959. Dividend: *Nil*. Transfer books remain closed from 26th May to 4th June 1959, both days inclusive.

RAIPUR MANUFACTURING CO., LTD. Annual General Meeting, Ahmedabad, 5th June 1959. Dividend: Rs. 25.00 per share.

ANGLO-FRENCH TEXTILES LTD. Annual General Meeting, Pondicherry, 8th June 1959. Dividend: Rs. 6.00 per share, free of French Indian income-tax. Transfer books remain closed from 18th May to 8th June 1959, both days inclusive.

UNITED FLOUR MILLS CO., LTD. Annual General Meeting, Calcutta, 8th June 1959. Dividend: Rs. 3.75 per share (includes interim dividend of Rs. 2.25 per share). Transfer books will remain closed from 1st to 8th June 1959, both days inclusive.

KRISHNA INDUSTRIAL CORPORATION LTD. Annual General Meeting, Madras, 8th June 1959. Dividend: Re. 1.00 per share or 10 per cent. Transfer books will remain closed from 1st to 8th June 1959, both days inclusive.

SIVANANDHA MILLS LTD. Annual General Meeting, Coimbatore, 10th June 1959. Dividend: Re. 1.50 per share or 15 per cent. Transfer books remain closed from 27th May to 10th June 1959, both days inclusive.

NAIHATI JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 11th June 1959. Dividend: *Nil*. Transfer books remain closed from 29th May to 11th June 1959, both days inclusive.

KAMANI ENGINEERING CORPORATION LTD. Annual General Meeting, Bombay, 11th June 1959. Dividend: 5 per cent. or Re. 0.50 per share, payable on and from 22nd June 1959. Transfer books remain closed from 21st May to 11th June 1959, both days inclusive.

NEW BEERBHOOM COAL CO., LTD. Annual General Meeting, Calcutta, 11th June 1959. Dividend: Re. 1.00 per share, (includes interim dividend of 40 nP per share). Transfer books remain closed from 28th May to 11th June 1959, both days inclusive.

SENDRA COAL CO., LTD. Annual General Meeting, Calcutta, 12th June 1959. Dividend: *Nil*. Transfer books remain closed from 29th May to 12th June 1959, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 15th June 1959. Dividend: Re. 1.00 per share (final). Transfer books will remain closed from 1st to 15th June 1959, both days inclusive.

HOOGHLY DOCKING AND ENGINEERING CO., LTD. Annual General Meeting, Calcutta, 15th June 1959. Dividend: 10 per cent. or Rs. 5.00 per share. Transfer books will remain closed from 6th to 15th June 1959, both days inclusive.

GWALIOR RAYON SILK MANUFACTURING (WEAVING) CO., LTD. Annual General Meeting, Birlagram, Nagda, 16th June 1959. Dividend: Re. 1.00 per share (includes interim dividend of 50 nP per share). Transfer books remain closed from 25th May to 16th June 1959, both days inclusive.

OSMANSHAHI MILLS LTD. Annual General Meeting, Hyderabad, 19th June 1959. Dividend: *Nil*. Transfer books remain closed from 25th May to 19th June 1959, both days inclusive.

VIJAYA MILLS CO., LTD. Annual General Meeting, Ahmedabad, 22nd June 1959. Dividend: Rs. 40.00 per share (includes bonus of Rs. 5.00 per share), free of income-tax, payable from 29th June 1959. Transfer books remain closed from 18th May to 7th June 1959, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Annual General Meeting, Bombay, 25th June 1959. Dividend: Rs. 14.00 per share, payable on and from 26th June 1959. Transfer books remain closed from 11th May to 9th June 1959, both days inclusive.

FERTILISERS AND CHEMICAL, TRAVANCORE LTD. Annual General Meeting, Eloor, Alwaye, 15th July 1959. Dividend: 4 per cent. or Re. 0.40 per share, payable on and after 15th August 1959. Transfer books will remain closed from 6th to 15th July 1959, both days inclusive.

HOARE MILLER & CO., LTD. Interim dividend of Re. 0.50 per share, for the year ended 31st December 1958, payable on or after 29th May 1959.

BENGAL ASSAM STEAMSHIP CO., LTD. Dividend of Rs. 6.00 per share, for the year ended 31st October 1958.

HUKUMCHAND JUTE MILLS CO., LTD. Interim dividend of Rs. 3.50 per share, free of income-tax, for the year ended 31st March 1959, payable after 13th June 1959. Transfer books will remain closed from 6th to 13th June 1959, both days inclusive.

BENGAL PAPER MILLS CO., LTD. Final dividend of 14 per cent. on the ordinary shares, for the year ended 31st December 1958.

PULLICAR MILLS LTD. Dividend of 6 per cent. or Rs. 6.00 per share, for the year ended 31st December 1958. Transfer books will remain closed from 3rd to 17th June 1959, both days inclusive.

TRAVANCORE CEMENTS LTD. Dividend of 6 per cent. or Re. 0.60 per share, for the year ended 31st December 1958. Transfer books will remain closed from 20th June to 10th July 1959, both days inclusive.

FINANCE AND PRIVATE INVESTMENT

VIEWS OF U.S. TRADE MISSION

[A seven-man U.S. Trade Mission, headed by Mr. Paul H. Brent, toured Eastern India (West Bengal, Bihar, Orissa and Assam) for nine weeks, studying economic conditions and prospects for establishing industries. It visited 14 cities, met 34 business groups consisting of nearly 3,000 persons and held a Trade Information Centre in the U.S. Small Industries Exhibition in Calcutta. The Mission's objective was to explore ways and means of developing a larger two-way trade between India and the U.S., as well as an accelerated flow of U.S. private capital investment in India. The Mission's tour lasted from 14th February to 18th April 1959. The preliminary impressions of the Mission were surveyed on page 678 of our issue dated 25th April. The full text of the Mission's final report, received in this country this week, makes interesting reading, containing as it does several suggestions of importance to Indian business men, banks, and the Government. We are publishing on this page an extract from the Report dealing with finance and taxation aspects. Another extract pertaining to trade and investment opportunities is published on page 931.—ED.]

THE Indian Government is maintaining a flexible policy in its treatment of applications from foreign investors to participate with Indian nationals in new enterprises. Despite statements which appear frequently in the Indian Press about the growth of the socialist system in the country, it is quite evident that the field for private sector investment is increasing. The record of American firms operating in India has been favourable. Reasonable profits comparing favourably with U.S. rates can be earned and transferred in dollars. U.S. investment has gone up from 84 million dollars in 1954 to an estimated 225 million dollars in 1958. The Mission encountered representatives of various U.S. firms surveying the market and possibility of manufacturing in India. Tax rates are high, however, in comparison to other countries, including other Asian countries, and necessity for more favourable tax treatment was emphasised in order to meet more attractive situations prevailing elsewhere.

The draft of an Indo-U.S. agreement for the avoidance of double taxation is now in its final stages prior to consideration for ratification. Such a double taxation agreement should be a considerable incentive to new investment. The Mission hopes that both countries will proceed with ratification of the agreement. In addition, investment guaranty insurance is available against non-convertibility of earnings and capital. Discussions are in process for expanded coverage under this guaranty insurance similar to that in effect in other countries. If guaranty insurance coverage were expanded and a new commercial treaty negotiated it should have a salutary effect in attracting more favourable thinking by American businessmen on possibilities of joint venture with Indian firms.

Vast Scope

Licensing agreements are approved by the Indian Government and even royalty agreements, depending upon the product, are acceptable, although the Indian Government does prefer actual capital investment with technical know-how. While there is a general policy in the Government furthering the role of the public sector in certain basic or reserved industries, Prime Minister Nehru has declared officially the country's desire to have foreign private investment participate in India's economic development and has indicated that the needs of the country are so great that private enterprise will have an important role to play in satisfying them. It is significant that many prominent Indian business leaders share this same point of view regarding the future of the private sector.

Other points discussed relate to the necessity for India to compete in the world's capital markets for foreign investment and the necessity for prompt executive action in approval of projects. The story of India's expanding opportunities must be more widely told in order to attract foreign enterprise to come to India on a long-term basis in order to accelerate the pace of economic development. Constant efforts were urged by the Mission to improve the investment climate in India, so that overseas capital would flow into the country in increasing amounts. It was clearly stated on various occasions that U.S. private capital will come to those countries offering the most favourable investment conditions with a real opportunity at the same time to contribute to the country's development.

Banking and Finance

The financial policies and procedures of Indian banks and finance companies were discussed with Government officials, commercial bankers, investment bankers, manufacturers, and tradesmen. There is a great need for more adequate credit facilities, particularly for moderate and small industries and the service industries, in order to facilitate the rapid growth of the country as scheduled in the Five-year Plans.

A programme of public information should be launched in India regarding the importance of credit to the economy of the country and its place in community and industrial development.

There is need for a credit association supported by banks and industries for quick clearance of credit information. This association could also assist in the educational programme through group meetings and seminars as done in the United States.

Tax Structure

Some revision in India's tax structure might be made to encourage further investment without diminishing the net revenue accruing to the Government, as an expanding economy with greater employment and higher productivity would soon offset such concessions through a consistently larger volume of business and permanent investment. The Government of India has made tax concessions for various types of heavy industries which have the effect of encouraging foreign investment. A comprehensive study of taxation and foreign investment has been made by the National Council on Applied Economic Research which makes specific recommendations designed to further encourage foreign investment. These recommendations, if adopted, could well serve to stimulate some of the moderate-sized American companies to venture into the Indian market and collaborate with local manufacturers.

Under Section 15c of the Indian Income Tax Act, new industrial enterprises are granted exemption from both income-tax and super-tax on profits up to 6 per cent. of the capital employed. This concession is applicable for five assessment years from the commencement of production. During the first five years of operation, a new company usually incurs many exceptional and sometimes unforeseen operating expenses, many of which are non-recurring. The result is that many companies do not show a profit during these formative years and in fact show operating losses.

The National Council on Applied Economic Research has recommended the Act be modified so that unused tax concessions could be carried forward to be applied against profits that might be made during the next three-year period of the industrial undertaking; in the same manner that operating losses, development rebates, and depreciation allowances are now permitted to be carried forward.

Rapid Growth

Since it is the policy of many American firms operating overseas to re-invest their earnings in their expanding branch plants or subsidiaries, they capitalise their surplus and frequently declare stock dividends rather than deplete working capital needed to maintain their growth and expansion. The payment of stock dividends has been a common practice in the United States for many years and has assisted a great many companies to finance their rapid growth.

Many countries overseas have benefited substantially by attracting American business and private investment of equity capital. This is of great benefit to the host country, as it is more flexible and is of a Government nature. Such investments do not require any regular periodic payments for amortization, and they are usually quite permanent, especially if the investment climate continues to be favourable. Foreign private investment does not create the same problems and difficulties associated with fixed foreign-exchange-repayment obligations, and this inflow of new capital can help materially to offset balance of payment deficits.

Some sort of a sound financial plan should be formulated by the Government finance corporations and the commercial banks so that their present lending policies can be liberalised to provide the money necessary not only to increase productivity but to finance distribution of finished goods to the ultimate consumer.

The counterpart rupees built up in India by the United States under its Public Law 480 programme have not been as effectively utilised as they might. These large sums should be distributed more widely so that they will find their way into the bloodstream of the country and be actively utilised for the development of small and moderate-sized industries.

At the present time the commercial banks process development loans and make the advance on their own responsibility and at their own risk in case of eventual loss. It is manifestly unfair to expect commercial banks to make venture capital loans and extend term credits to new and untried industries utilising depositors' money for which they are trustees and responsible for repayment on demand. The State Bank of India permits the commercial banks to rediscount these loans in order to maintain liquidity, but this is not enough.

The Mission recommends that some sound plan be worked out by the Government authorities and the banks whereby certain types of venture capital and developmental loans of benefit to the economy of India and consistent with its Five-year Plans be processed and made through the usual commercial bank channels on a guaranteed basis. Some sort of a programme could be worked out so that banks making such approved advances would be provided with counterpart rupees for possibly 90 per cent. of the loan and guaranteed against loss for this amount. The bank itself should advance a minimum of 10 per cent. of the amount at its own risk and thus continue to have a real interest in the advance and its ultimate repayment.

Credit Insurance

An alternate plan might be to establish a National Credit Insurance Corporation supported by counterpart rupees to insure the banks, at a nominal charge, against loss of principal and interest on approved credits.

The first plan would be more effective in actually putting the rupee funds to work and would produce quicker results.

Many businessmen have complained about the length of time required to get their loan applications processed. It is imperative, therefore, that a simple, efficient process be established to have such loans approved with a minimum delay. These development loans using U.S. counterpart rupees should be made available to Indian companies and to the branches or subsidiaries of American companies established in India.

A recurrent experience of the members of the Mission was the apparent lack of information on the part of many Indian medium and small-sized firms regarding the areas of the economy requiring new investment. Repeatedly, business visitors asked the members for their own opinions as to the industries that they should enter and how financial assistance could be obtained. More vigorous efforts should be made either by the Government or by the chambers of commerce, or perhaps by both acting jointly, to supply more information to the small businessmen regarding the kinds of products that are in short supply in India and the facilities offered by Indian Government and banks to firms willing to undertake their production.

The post-war recessions have cost the U.S. about $40,000 million with 'a disturbing impact' on underdeveloped countries, according to the latest world economic report of the United Nations. In the U.K., industrial production has been almost at a standstill since 1955 and the true dimensions of the world trade boom from 1955 to 1957 were modest. In 1957-58 alone, the decline in commodity prices, coupled with the inching up of prices of manufactures, led to a loss of more than $2,000 million to the primary producing countries. The sensitivity of commodity markets was enough to reduce prices and export earnings of the underdeveloped countries by 8 per cent., over the year July 1957 to June 1958.

A draft convention relating to atom risks insurance has been drawn up by the European Commission for the approval of the Common Market countries. The convention seeks to enable all nuclear risks in the six Euratom countries to be covered upto $100 million. It supplements the O.E.E.C. convention which lays down a minimum of $5 million for the insurance cover to be provided by the operator of any nuclear reactor. The O.E.E.C. convention, it is suggested, should be binding on all parties, but there must be extra cover for the risks involved. If the damage from any accident exceeds $100 million, the Euratom draft envisages a joint cover undertaking by the signatory Governments.

GILT-EDGED LOOKS UP

(From Our Own Correspondent)

BOMBAY, *27th May*

The stringency in the short-term money market has eased a little more this week, thanks to the growing pace of return of funds to banks and the gradual fall in demand for fresh bank credit. This is borne out by a further accretion to banks' deposits with the Reserve Bank and the reduction of their borrowings from the latter. Banks are nevertheless, borrowers in the market and the rates offered by them show no decline. Thus, inter-bank call money is still being taken up at 3½ per cent. by the Exchange banks and big Indian banks and at 3½ to 3¾ per cent. by the smaller banks. House money at seven days' notice is quoted at 3¾ per cent. and short-term deposits at 3½ to 4 per cent. per annum, depending on the period.

After remaining steady at 2.800 per cent. for five successive weeks, the discount rate on Government of India Treasury Bills has dropped to 2.790 per cent. per annum this week. The amount offered at Rs. 2.15 crores was, however, less than that in the previous week, when it aggregated Rs. 2.40 crores, as against an invitation for Rs. 2 crores in both the weeks. Tenders for next week are unchanged at Rs. 2 crores. Though there were again no sales of Intermediate Treasury Bills last week, they are being offered this week at Rs. 99.321 per cent., as against Rs. 99.316 per cent. last week. This will mean a fall in the discount rate from 2.736 per cent. per annum to 2.716 per cent.

A further contraction of Rs. 13.63 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 22nd May 1959. Notes held in the Banking Department are also lower by Rs. 1.14 crore, so that the decline in total notes issued is of the order of Rs. 14.78 crores. This is covered by a fall of Rs. 15 crores in rupee securities and a small rise of Rs. 22 lakhs in rupee coin. There is no change in foreign securities. The balances held abroad continue to decline, though the extent of drop in the week under review is only fractional at Rs. 32 lakhs. There has been a rise of Rs. 1.43 crore in Central Government's deposits, of Rs. 8.07 crores in other Governments' deposits and of Rs. 8.08 crores in deposits of banks. Loans and advances to Governments have declined by Rs. 10.91 crores and other loans and advances by Rs. 7.94 crores. Of the latter, advances to scheduled banks against usance bills account for Rs. 1.67 crore.

The Scheduled banks' statement for the week ended 15th May 1959 discloses a rise of Rs. 3.41 crores in demand deposits and of Rs. 3.11 crores in time deposits. Inter-bank borrowings too have gone up by Rs. 4.66 crores, while borrowings from the Reserve Bank have dwindled by Rs. 14.16 crores. Advances have declined by Rs. 4.57 crores, of which the State Bank of India accounts for Rs. 2.49 crores. Bills purchased and discounted are also lower by Rs. 1.41 crore. There has been a drop of Rs. 8.31 crores in investments, but cash and balances with the Reserve Bank have enlarged by Rs. 3.05 crores and money at call and short notice by Rs. 3.51 crores.

The gilt-edged market is steady, with a rise in the values of a number of issues ranging from 5 to 20 nP. The slight relaxation in credit stringency has brought about a revival of demand from institutions. More than the actual buying, the withdrawal of sellers from the market and scarcity of stocks in some counters have hardened sentiment. 3 per cent. 1986 Conversion Loan has buyers 20 nP higher at Rs. 73.75. 3 per cent. 1970-75 has picked up 10 nP to Rs. 91.40. 3 per cent. 1966-68 has gathered 20 nP to Rs. 93.90. While 3 per cent. 1964 is well maintained at Rs. 97, 3 per cent. 1963-65 has gained 15 nP to Rs. 96.85, part of which is due to voucher hunting. 3 per cent. 1959-61, which is due to mature, has hardened by 5 nP to Rs. 99.80. 2¾ per cent. 1962 is 5 nP better at Rs. 96.95. 2¾ per cent. 1960 has risen by 10 nP to Rs. 99.10 and 2½ per cent. 1961 by 5 nP to Rs. 97.35. 3½ per cent. 1964 and 1965 is marked up by 5 nP each to Rs. 99.75 and Rs. 99.60, respectively. A similar rise is noted in 3½ per cent. 1968 at Rs. 99.

Sterling has been moving erratically. Spot sterling in New York rose from $2.81.7/32-2.81.9/32 to $2.81.11/32-2.81.13/32 on Friday last, but this gain has been nearly wiped out subsequently, the quotation having dropped to $2.81¼-2.81.5/16. After moving up from $2.80.31/32-2.81.1/32 to $2.81.1/16-2.81⅛, three months' forward has fallen to $2.81-2.81.1/16. This trend is, however, reflected only in the banks' buying rate for U.S. dollars in India, which has been moving between Rs. 472.50 and Rs. 472.25 per $100. Banks' selling rate for ready dollars is, however, unchanged at Rs. 475.75 per $100.

LINSEED EASY

(Messrs. A. Bradley and Co.)

CALCUTTA, *25th May*

Although linseed has eased somewhat, the recession has been purely nominal and a generally firm undertone still prevails. Following some improvement in supplies, the daily turnover has increased, with crushers fully absorbing sellers offers. Oilcake prices have registered a further fall, but fresh export sales are still unworkable at buyers indications overseas. With a small decline in the price of oil, there has been renewed activity in the market and shippers have done business for early delivery against a recent sale to Australia. Interest from local buyers has continued for forward deliveries which are quoted at a premium of Re. 1 to Re. 1.50 per maund.

The latest quotations are Ready May Rs. 23.25 and June-July Rs. 23.62 per maund.

BULLION SPURTS AGAIN

(From Our Own Correspondent)

BOMBAY, *27th May*

There are strong rumours in the bullion market that the Forward Markets Commission will bring futures trading in both gold and silver under its control with effect from Monday, 1st June 1959. It is expected that the transactions in the existing nearby settlements—that is, 22nd June for gold and 23rd June for silver—will be squared up at the closing rates for ready deliveries as on Saturday the 30th inst., with corresponding adjustments for the July settlements. This expectation has imparted considerable strength to the market, since the spot rates for the two metals are at a substantial premium over those for the June settlements, to the extent of Rs. 3-12 in the case of gold and Rs. 4 in respect of silver.

The yellow metal ruled firm throughout the week, while silver was distinctly subdued in the first two sessions, but picked up strength thereafter. The persistent firmness of gold was due to sustained demand from spot houses and small arrivals. Silver suffered a setback on Thursday and Friday, owing to fears of Tibetan coin imports and renewed offerings by Calcutta and Delhi operators. The subsequent sessions, however, witnessed a marked recovery induced by enlarged offtake and spurt in gold. Not only were the earlier losses completely made up but today's closing rates were higher than those at the end of last week.

May settlement in gold went off the board at Rs. 121-12 on the 23rd inst., as against Rs. 120-4 on Wednesday last and Rs. 118-2 at which business in this delivery commenced on 18th March. June settlement rallied in the course of the week from Rs. 117-10 to Rs. 120 today, before finishing at Rs. 119-7. July settlement advanced from Rs. 116-15 to Rs. 118-1 today, after being higher at Rs. 118-5. The backwardation rate (*budli* in favour of the bulls) for June settlement widened from As. 11 last week-end to Re. 1-2 yesterday. Since the rate was more than a rupee, the bulls in this settlement were required to pay a higher margin of Rs. 25 per tola, as against Rs. 10 previously. Notwithstanding the enhanced margin, the backwardation rate widened further today and stood at Re. 1-6.

Ready gold met with good buying support and spurted over the week by Rs. 2-7 to Rs. 123-3; at one time today, it was higher at Rs. 123-12. The daily average arrivals of gold were 2,600 tolas, while the offtake was 3,400 tolas per day. The floating stocks of gold are reported to be around 15,000 tolas.

In the silver section, May settlement went off the board at Rs. 193-12-6 on the 25th inst. This rate compares with the last week's closing quotation of Rs. 195-11 and the starting rate of Rs. 198-14 when business in the settlement commenced on 21st March. June settlement opened the week at Rs. 191-5, as against Rs. 191-11, and, after declining to Rs. 189-13 on Friday, recovered subsequently to touch Rs. 192-5 today, before closing at Rs. 191-12. July settlement stood at Rs. 190-4, as against Rs. 190-8; at one time on Friday, it saw a low of Rs. 189-1. The backwardation rate for June settlement widened from As. 12 on Friday to Re. 1 on Tuesday, obliging the mills to pay a margin of Rs. 1,000 per bar. The backwardation rate today was wider still at Re. 1-8.

Ready silver declined from Rs. 195-3 to Rs. 192-9 on the 22nd inst., but recovered subsequently and touched a high of Rs. 196-5 today. Towards the close, it was a shade easy at Rs. 195-12. The daily average arrivals and offtake of silver were 14 bars and 13 bars, respectively. The floating stocks of silver are estimated at 400 bars.

Ready silver in the London bullion market was unchanged at 79¼d. per ounce, while forward silver eased from 78¾d. to 78¾d. Silver in New York was unaltered this week too at 91.375 cents per ounce. Ready gold in London firmed up from 249s. 6¾d. to 249s. 9d. early in the week, but moved down to 249s. 7¾d. later, due to weakness of the pound sterling *vis-a-vis* the dollar. The latest available dollar rate for gold in London is $35.12½.

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

	27-5-59	Highest	Lowest	20-5-59
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	123 3	123 12	120 7	120 12
Forward*	119 7	120 0	116 15	117 10
Sovereign	78 0	78 0	77 12	77 12
SILVER				
Ready (.999 fine Mint) ..	195 12	196 15	192 9	195 3
Forward†	191 12	192 5	189 13	191 11
	26-5-59	—	—	19-5-59
London Silver Ready ..	79¼d.	—	—	79¼d.
London Forward	78¾d.	78¾d.	78¾d.	78¾d.
London Gold	249s. 7¾d.	249s. 9d.	249s. 7¾d.	249s. 6¾d.
New York Silver	91.375c.	..	..	91.375c.

* 22nd June settlement. † 23rd June settlement.

JARILLA MAY MATURES

(From Our Own Correspondent)

BOMBAY, *27th May*

A notable development of the week was the expiry on Monday of the Jarilla May contract at Rs. 702. The contract, which commenced its career on 5th February at Rs. 676.50, after declining to the lowest level of Rs. 651 on 26th February improved to touch a high of Rs. 706 on the 22nd inst. prior to its expiry. Total tenders against the contract aggregated 4,750 bales comprising 4,350 bales Laxmi A, 300 bales Cambodia, 50 bales Laxmi B and 50 bales Jaydhar A.

With the exit of the May contract trading interest was concentrated on the other running contract, namely, I.C.C. Jarilla August which, however failed to improve. On the contrary, it staged a decline. The announcement of an import quota for 240,000 bales of cotton seemed to have induced a feeling among the operators that mills, which were forced to rely increasingly on superior Indian cotton for their raw materials requirements, would now be in a position to replenish their stocks by imports and that the pressure of demand for indigenous growths might ease. This consideration, coupled with lower advices from the spot market, induced a slightly downward trend. There was, however, a recovery on Monday, thanks to higher upcountry advices, encouraging news from the cloth market and the firmness in seeds. The trend gathered momentum in kerb trading yesterday, the market having been officially closed. A fully steady trend was witnessed today.

I.C.C. Moglai Jarilla May commenced the week at Rs. 699, as against the previous day's closing of Rs. 698.50 and, after rising to Rs. 706 on Saturday, declined to finish at Rs. 702 on Monday.

I.C.C. Moglai Jarilla August opened the week lower at Rs. 707, against Rs. 709 and receded to Rs. 702 on Saturday. It recovered to Rs. 704.25 on Monday and further to Rs. 707 yesterday. Commencing today's session at Rs. 707.25 the contract improved to Rs. 708.25 before closing at Rs. 707.25.

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

(In rupees per candy of 784 lbs.)

I.C.C. Moglai Jarilla	27-5-59	*High*	*Low*	20-5-59
May 1959	*702	706	699	698.50
August 1959 ...	707.25	708.50	702	709

*On 25th May 1959.

In the spot section, there was a slowing down of mill activity in indigenous cotton as attention was focussed on foreign growth. Popular styles were in moderate demand. Stockholders were, however, inclined to hold on in anticipation of a renewal of mill buying towards the end of the season. Prices did not record any marked decline.

Marketing of cotton is almost over in the Broach-Surat regions. It is expected to come to a close in a fortnight in Gujerat and Saurashtra. The season in the Southern region will be over by about the middle of next month.

Export demand was brisk. Most exportable varieties met with enquiries. Bengal *Deshi* was well favoured and its quotation improved. Kala and Wagad varieties also evoked interest.

Foreign cotton was the centre of attraction. Following the announcement of the quota, mills were keen buyers of permissible varieties. Sizable business was put through in East African cotton. 2,000 bales of Busoga were purchased by a prominent mill group at Rs. 1,285 per candy c.i.f. for June-July shipment.

The shipping period for the import of 140,000 bales of cotton of stapling 1-1/16" and above but below 1-3/16", permission for which was given in December last, has been extended from the end of May to 30th June 1959.

The latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri are given below:

Bengal *Deshi* 735; Berar Jarilla 725; Khandesh 880; Laxmi 1,035.

The future section of the Karachi cotton market continued to remain closed. Listless conditions prevailed in the spot market. Export interest was low, while mill activity was confined mostly to covering immediate requirements.

Cotton futures in Alexandria receded during the week. The export demand, which followed in the wake of the recent raising of the discount rate, slackened. New crop progress report was encouraging. The market was lacking in support. Values tended to look down. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's closing:

Karnak: 74.38 (74.10); July 72.95 (74.05).
Ashmouni: June 68.28 (69.20); August 67.10 (68.00).

Cotton futures values in Liverpool recorded handsome gains during the week. Trading was active on improved trade buying in distant months and firm mill support to near months. Sudan contracts ruled quiet and values were unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract:—May-June 23; July-August 22.81. *Sudan*:—May-June, July-August and September-October 26.75.

New York cotton futures market suffered a setback during the week, thanks to fairly large Commission House liquidation and selling by New Orleans interest. The main influencing factor was the growing concern in the Congress over the high cost of the price support and loan programmes. The report that the Senate had approved of a ceiling on price support for farm product aggravated selling. The majority of traders were inclined to

discount the efforts being made in Washington to put through legislation designed to quicken the movement of surplus agricultural commodities into export channels.

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

(In cents per lb.)

	26-5-59	19-5-59	12-5-59
Spot	36.25	36.25	36.25
July	34.67	34.70	35.09
October	32.58	32.78	32.87
December	32.55	32.71	32.77

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 27*th May*

The yarn market presented an easy trend during the fortnight under review. Art silk yarns encountered selling on fears of heavy arrivals of yarn imported under the export promotion scheme. The fears followed the Central Government's announcement regarding the constitution of a committee to scrutinise pending applications for import licences for yarn under the scheme which was suspended on 6th March last. The statement of the Finance Minister at Surat this week that he was engaged at present in finding a solution to counter certain devices adopted by some art silk manufacturers to escape payment of taxation also acted as a damper. In sympathy with art silk yarns and owing to discouraging reports from consuming centres such as Surat, Punjab and West Bengal, staple fibre yarns also came in for selling. Cotton yarns, however, were generally well supported, thanks to enquiries from hosiery goods manufacturers. The local mills were reported to have sold fine and superfine counts for forward delivery up to September-October 1959.

The Government of India, as already stated, has set up a committee to scrutinise pending applications for import licences for art silk yarn under the export promotion scheme. Under the scheme, which was suspended on 6th March 1959, licences for the import of art silk yarn were being issued to exporters of Indian art silk fabrics, *saris*, garments, hosiery and other art silk manufactures. The Committee, now appointed, will scrutinise applications which were submitted to the port licensing authorities up to 6th March and which were not finally disposed of. Applications in respect of which a partial relief was given for want of ceiling or for production of further documents by the applicants or for the verification of values, etc., will also be treated as pending applications. The Government has also decided that exporters who had completed all the formalities connected with the export of the goods and had also earned the foreign exchange before 6th March 1959, and were otherwise eligible to apply for import licences under the scheme before its suspension may submit their applications for import licences to the port licensing authorities concerned before the 31st inst. Any applications for import licences already submitted by exporters fulfilling the above conditions to the port licensing authorities after 6th March 1959, will also be considered by the Committee.

In the art silk yarn section, Cupressa Bamberg yarn (60 x 1) encountered selling and fell from Rs. 1,471 to Rs. 1,448 per case of 200 lbs. Spot yarn lost 3 nP to Rs. 7.19 per lb. 150 Japan dropped 7 nP to Rs. 4.68. 120 Japan receded by 5 nP to Rs. 4.70. 150 Italy declined by 6 nP to Rs. 4.62 and 120 Italy by 3 nP to Rs. 4.97. Among indigenous yarns, National Rayons 120 bright cones 1st grade retreated by 12 nP to Rs. 4.50. 150 bright cones 1st grade was quiet at Rs. 4.28.

Staple fibre yarn (40 x 2) June delivery moved down from Rs. 608 to Rs. 598. August position was dull at Rs. 605 today. Spot (40 x 2) Centurys fell by 16 nP to Rs. 2.97. Citys decreased by 12 nP to Rs. 3. Kohinoors shed 6 nP to Rs. 3.22. Among foreign yarns (80 x 2), Paramounts suffered a loss of 19 nP, today's closing rate being Rs. 7. Fujis were dull at Rs. 7.16.

Among cotton yarns, ten counts Podars advanced by 6 nP to Rs. 12.25. Moderns were firm at Rs. 13.25. Twenty counts Moderns picked up 25 nP to Rs. 16.50. Among 40s, Minaxis strengthened by 12 nP to Rs. 25.37. Moderns were fully maintained at Rs. 26. Sixty counts Raghuvamshis hardened by 50 nP to Rs. 57. Among 80s, Mahendras rose by 50 nP to Rs. 71.50. Finlays were firm at Rs. 81. Citys, however, were lower at Rs. 65 today, as against Rs. 66.50 a fortnight before.

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

	27-5-59	13-5-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg		
June (per case of 200 lbs.)	1,448	1,471
60/1 Cupressa Bamberg spot (per lb.)	7.19	7.22
120 Japan (per lb.)	4.70	4.75
150 Japan (per lb.)	4.68	4.75
120 Italy (per lb.)	4.97	5.00
150 Italy (per lb.)	4.62	4.68
Staple fibre yarn—		
40 x 2 June (per case of 200 lbs.)	598.00	608.00
40 x 2 Century (per lb.)	2.97	3.13
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.25	12.19
20s Modern	16.50	16.25
40s Minaxi	25.37	25.25
60s Raghuvanshi	57.00	56.50
80s Finlay	81.00	81.00

CASTOR AND GROUNDNUT EASE

(From Our Own Correspondent)

BOMBAY, 27*th May*

The oilseeds market ruled easy during the week under review. The major oilseeds suffered a serious setback on heavy bull liquidation and bear selling. An improvement in the supply position of groundnuts brought down their values. The castorseed section, too, gave way, owing to continued lack of response from the U.S. to Indian offers of castor oil. Linseed, however, was quietly steady. Similarly, cottonseed also looked up slightly.

The groundnut section encountered heavy selling pressure, particularly on account of the large arrivals of supplies which had remained hoarded in Saurashtra for some time past. This tended to ease the acute shortage felt in the groundnut section for weeks together. The possibility of a precipitous fall in their values is, however, ruled out; for there is still good buying support from *vanaspati* manufacturers and crushers. Their stocks are said to be fast getting exhausted. The larger arrivals had the immediate effect of bringing down the price. Thus, groundnut August 1959 contracts, which stood at Rs. 202.50 last Wednesday, reacted subsequently to close today at Rs. 198.00, after witnessing minor fluctuations. Bold ready lost 50 nP over the week to close at Rs. 41.50. Oil ex-mill fell from Rs. 22.00 to Rs. 21.87; but it recovered at the end of the week to touch Rs. 22.

The castorseed section, as already said, reacted. The absence of any revival in the U.S. demand for castor oil acted as a damper. Export advices were far and few between. Shippers have turned out to be cautious buyers. Large arrivals from all the principal producing centres, namely, Gujerat, Hyderabad and Bihar, further aggravated the decline. Castorseed May and September contracts, which wound up last week at Rs. 168.12 and Rs. 172.37, respectively, reacted on Saturday to Rs. 163.37 and Rs. 167.62. These contracts later recouped to close today at Rs. 165.50 and Rs. 169.75. Ready Madras dropped 37 nP when it finished today at Rs. 32.75. Oil B.S.S. was lower by 6 nP at Rs. 17.56.

Linseed, in contrast, managed to hold its ground. The hope that Australia would enter the Indian market for linseed oil shortly led to a notable improvement in prices. Shippers were covering in oil against previous commitments and in anticipation of export business. Linseed September, which had closed last week at Rs. 34.87, fluctuated between Rs. 33.62 and Rs. 34.62, and ended today on a subdued note at Rs. 34.44. Bold ready advanced by 25 nP to Rs. 33.50. Linseed oil, however, receded by 25 nP to Rs. 16.25.

Cottonseed also improved on speculative support. September contract rose from Rs. 137 at Rs. 137.25 at close today, after moving within a narrow range during the week under review.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	27-5-1959	13-5-1959	20-5-1959
Groundnut	Rs.	Rs.	Rs.
May 1959	—	200.50	204.25
August 1959	198.00	202.50	206.25
Bold ready	41.50	42.00	42.12
Coromandel ready	41.75	42.25	42.62
Khandesh quality	41.75	42.25	42.62
Oil ex-mill ready*	22.00	22.00	22.25
Railway receipts*	21.75	21.87	22.00
Castorseed			
May 1959	165.50	168.12	172.75
September 1959	169.75	172.37	176.00
Ready Madras	32.75	33.12	34.12
Ready Kanpur	31.37	31.69	33.12
Oil B.S.S.†	17.56	17.62	18.31
Oil commercial†	16.75	16.75	18.31
Linseed			
May 1959	34.25	34.19	34.81
September 1959	34.44	34.87	35.50
Bold ready	33.50	33.75	34.25
Oil ready†	16.25	16.50	16.87
Cotton seed			
May 1959	137.50	—	138.25
September 1959	137.25	137.00	139.25
Niger seed	32.25	31.25	13.50
Kardi seed	24.75	24.00	24.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 500 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR BEARISH

(From Our Own Correspondents)

BOMBAY, 27*th May*

The sugar market ruled distinctly bearish during the week under review, with a sharp drop in values. Selling was quite pronounced, thanks to the stern warning against any unwarranted rise in prices given by the Union Food and Agriculture Minister. The issue of Sugar Dealers Licensing Orders by State Governments, the large release of 150,000 tons, and the fall of Rs. 5 per bag in ex-mill quotations for Bombay-Deccan sugar also imparted weakness to the market. Arrivals of sugar by rail were, of course, smaller, being 10,620 bales, as against 17,810 bags, but this had no effect on the market.

Small grain sugar slumped by Rs. 5.50 to Rs. 114.50-115.50 per bag. Medium grain fell by Rs. 5 to Rs. 116-118. Large grain receded from Rs. 124-125 to Rs. 119-127.

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HAPUR, 25*th May*

Steady to firm conditions continued to prevail in the sugar market during the week under review, due to paucity of stocks left out of the release for free sale by the Government. Last week-end, the Government released 190,000 tons for sale which was appreciably higher than the quantity released in April. But latest release sugar is not yet available in the market. The Government of India is, however, reported to be taking important steps, besides the licensing of wholesale sugar dealers in various States, to curb the continuing rise in sugar prices. Of these, the most important is the imposition of control on the wholesale and even retail prices of sugar. Further, the Government is likely to announce that there will be no export of sugar this year in order to have sufficient supplies for the country's requirements.

Sugar production in the country by end of April 1959 was 1.87 million tons, as against 1.91 million tons in the corresponding period of last season and the total despatches from factories during the first six months of the season 1958-59 were 1.05 million tons, as against 992,000 tons in the corresponding period of last year and closing stocks on 30th April 1959 was 1.16 million tons, as against 1.35 million tons on the same date of last season.

Mills having exhausted their last released quota, mill delivery prices were not quoted in the Muzaffarnagar market. The undertone, however, continued to be firm as a result of good demand from consuming areas. Unofficial quotations of sugar were at a premium of Rs. 4.25 to Rs. 4.50 per maund over the controlled prices. Preponderance of buyers accounted for firm conditions in sugar prices in Kanpur market during the past week and, while spot prices moved between Rs. 110 and Rs. 112 per bag, *ex-mill* delivery section was devoid of notable activity. Reactions to the latest release for free sale are not yet available.

Khandsari prices continued steady to firm during the week, in sympathy with crystal prices, coupled with brisk demand for summer and marriage season. Production of *khandsari* on galawayat account is yet to begin and prevailing prices are: superior quality Rs. 37 to Rs. 40, inferior quality Rs. 35 to Rs. 37 per maund.

Gur prices continued quietly steady during the week and arrivals out of stocks retained by producers were at an average of 300 to 400 maunds daily and outside demand for dry quality was fairly heavy. *Kotha* dry-wet stocks are also running down and is now put at 79,000 maunds, the corresponding figure last year being 135,000 maunds and 87,500 maunds in 1957. Total arrivals of *gur* during the season were about 650,000 maunds, as against 395,000 maunds in 1958 and 467,000 maunds in 1957. Condition of the standing cane crop for next season is reported to be fairly good as no pests were reported. Prevailing prices of *gur* dry now are: *Pansera* Rs. 21.50 to Rs. 22.50, as against Rs. 16.50 on this date last year and Rs. 12 per maund on this date in 1957.

Gur chaku prices also ruled steady in the Muzaffarnagar market during the past week, due to good demand from Gujerat and Madhya Pradesh. Arrivals averaged about 2,000 maunds daily. The latest prevailing prices are: *pansera* Rs. 22 to Rs. 22.50, *shakker dara* Rs. 23 to Rs. 24 per maund.

Trading in *gur* futures has not yet been sanctioned here or in any other market in the country.

HIDES ARRIVALS SMALL

(From Our Own Correspondent)

BOMBAY, 25*th May*

Arrivals of E.I. tanned cow hides are on usual scale, while those of cow calf and buff calf are small. Shippers are not active in the local market, because stockists are quoting fantastic prices. As U.K. inquiries have been patchy, it is expected that the stockists will revise their selling limits to more reasonable levels. Importers in U.K. are interested in top marks cow hides at full prices, but are quoting 2d. less for other standards. There has been no fresh buying at abnormal prices for shipments to East European ports; and U.K. importers do not expect prices to return to the levels ruling in March 1959. The market may be said to be steady all-round, and importers are likely to adjust themselves to the new conditions.

In the tanned skins section, there are more inquiries for tanned goat skins 8/9 lbs., some demand for 5½/6 lbs. and poor call for heavier weights. Semi-prime sheep skins are firm, but middle class weak. Arrivals of common sorts are negligible. The raw markets rule steady, due to the all-round buying of E.I. tanners.

GOOD DEMAND FOR TEA

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

COCHIN, 22*nd May*

Just over 700,000 pounds of tea were offered in sale No. 19 held on the 19th inst. The offerings showed a further seasonal decline in quality. The market opened to a good demand, with the exception of high grown brokens which were neglected. There was, however, a fair enquiry for similar fannings at lower rates than last. There was useful enquiry for low medium and medium teas which were fully firm and, in this category, buyers showed particular interest in fannings grades. But good medium brokens were irregularly easier by 10 to 20 nP, although similar fannings did not suffer the same decline. Whole leaf grades, particularly flowery pekoes, were well supported. The quotations were: Low medium Re. 1.80 to 1.90; Medium Rs. 1.95 to 2.15; Good medium Rs. 2.20 to 2.50; Quality Rs 2.30 to 3.04.

Approximately 300,000 pounds were offered in dust sale K held on the 21st inst. There was good demand for all descriptions at slightly lower rates than last. Prices for all types were generally easier by 5 nP, with the exception of best liquoring dusts which were steady. A small selection of C.T.C. dusts met with useful support, but sold at slightly easier rates.

London Market.—There was no sale this week.

Colombo Market: Sale of 18th May 1959.—Strong demand. Dimbula Dickoya brokens lower by 15-20 cents. Following quality mediums irregular. Lowgrowns firm. The *ad valorem* sales tax now passed in Parliament and Senate is likely to become effective from 1st June next. *Sale of 19th May* 1959: Less demand. Blackleaf fannings and dusts lower by 10-15 cents, all other kinds were dearer on active demand, particularly liquoring fannings and dusts which were substantially dearer.

Calcutta Market: Export.—14,200 chests. Darjeeling best met with good but selective demand. The remainer met with only fair demand, with a fair number of withdrawals towards the close. *Internal*: 21,800 chests. Less general demand. Orthodox easier by 2 nP. Medium C.T.Cs irregular and often easier. Few best C.T.C. easier.

Export Quota.—The Government of India has announced an interim release of 55 per cent. of 1959-60 season's quota. The news of this release has not affected the market and the market still remains quiet. However, there is a nominal quotation of sellers at 6 nP, with no buyers.

Special Licence.—The market continues to rule rather quiet and no business has been registered last week. At present, there are sellers at 1 nP, with no buyers.

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

"At Sale No. 20, held on the 25th inst., 800,000 lbs. were offered. Demand was good but at easier rates. Low medium and medium brokens were easier by 5-10 nP, as also good medium brokens by 10-15 nP. All fannings ruled irregularly easier by 5 nP. High growns evoked poor demand at much reduced rates."

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 25*th May*

Steady conditions continued to prevail in the foodgrains market during the week, as despite Government efforts *rabi* grain arrivals have not at all improved. On the other hand, overall production of foodgrains in U.P. has touched new heights. The product on figures of both *khariff* and *rabi* crops come to about 13.1 million tons, which is an increase of about 2.3 million tons over last year's yield. The U.P. State Government has claimed that wheat arrivals in markets which had come to a standstill after implementation of new wheat levy scheme, are now gradually increasing, but trade circles dispute this claim.

Although the Government purchase price of wheat is fixed at Rs. 13 to Rs. 15 per maund, wheat is hardly available in the market even at Rs. 19 to Rs. 20 per maund. Consumers are finding it difficult to meet their requirements and the Government too is not in a position to purchase wheat here. Pressure of sales of wheat through fair-price shops is increasing. The U.P. State Food Minister has stated that there will be no change in the control price of wheat and levy scheme will be continued throughout the year.

Rice prices recorded modest gains last week in sympathy with the wheat prices. The State Government is opening fair-price shops to sell rice in some east U.P. districts to check the rising trend in prices. The State Government's rice levy scheme is, however, progressing well. So far, about 74,000 tons have already been procured and this figure is expected to cross the 100,000-ton mark next month, as against a target of 150,000 tons for the whole year. Gram and other coarse grain prices were steady during the week, although heavy quantity of gram is reaching here from Punjab side. Barley and *bejhar* supply position continues to be tight in face of good consumers demand, and *jowar* and *guwar* prices were unchanged. Last week-end prices (in rupees per maund) were: rice *basmati sela* 33 to 36, *mainpuri* 22.50 *raimunia* 27, *gadda* 22.50, gram 13.75, barley 13.25, *bejhar* 13, *jowar* 13.50 to 15.25 *bajra* 14 to 16, *guwar* 15.75.

Peas prices continued steady due to good demand from east U.P. and Bihar and with arrivals averaging 1,500 to 2,000 maunds daily, local peas stock is put at 34 *khatties*, as against 185 *khatties* on the corresponding date of last year and 57 *khatties* in 1957. Total arrivals of peas from the beginning of the current season were 88,000 maunds, as against 105,000 maunds in the corresponding period of last year. *Arhar* prices were quiet and arrivals averaged 600 to 700 maunds and local stock is put at 15 *khatties*, as against 131 *khatties* on the corresponding date last year. Prices of other pulses were steady to be quoted on Monday at: peas *dara* Rs. 13.12 to Rs. 13.25, farm Rs. 14 to Rs. 14.75, peas *dal* Rs. 15.12, *arhar* Rs. 18.12 to Rs. 18.25, *arhar dal* Rs. 22.25 to Rs. 23, *urd* Rs. 19.25, *moong* Rs. 20 to Rs. 23, *massoor* Rs. 14 to Rs. 18 per maund.

Industrial production in Yugoslavia in the first quarter of 1959 increased by 10 per cent., as compared with the same period last year. The greatest increase in production was seen in electric equipment industry—by 31 per cent. In the chemical industry the increase was 25 per cent., printing industry 18, timber industry 17, building materials industry 15, electric energy 13, oil production 10, ferrous metallurgy 9, coal production 8, metal industry 11, textile industry 7 and in the leather and footwear industry 6 per cent.

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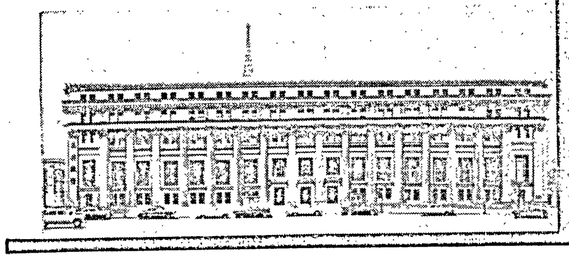

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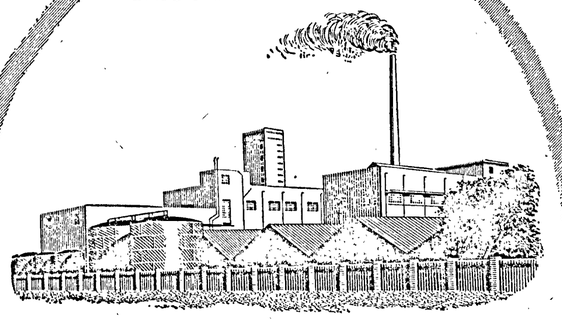

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MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 22nd May, 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	54,40,10,000
(2) Other Governments	17,79,40,000
(b) Banks	80,39,72,000
(c) Others	118,32,93,000
Bills Payable	19,65,68,000
Other Liabilities	52,14,98,000
Rupees	455,72,81,000

Assets	Rs.
Notes	18,82,63,000
Rupee Coin	3,17,000
Subsidiary Coin	3,17,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	10,73,95,000
Balances held abroad*	24,29,66,000
Loans and Advances to Governments†	32,61,76,000
Other Loans and Advances	66,85,00,000
Investments	289,16,93,000
Other Assets	13,16,54,000
Rupees	455,72,81,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 6,52,04,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	18,82,63,000	
Notes in circulation	1752,34,55,000	
Total Notes issued		1771,17,18,000
Total Liabilities		1771,17,18,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		129,62,77,000
Government of India Rupee Securities		1345,77,49,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1771,17,18,000

State Bank of India

Statement of Affairs for the week ended 22nd May, 1959

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		525,04,34,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		10,34,08,000
Bills for Collection being Bills Receivable as per contra		1,36,53,000
Acceptances, Endorsements and Other Obligations per contra		1,46,19,000
Other Liabilities (including Inter-Office Adjustments)		5,24,28,000
Total .. Rs.		556,07,92,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		28,47,32,000
Balances with other Banks		2,52,65,000
Money at Call and Short Notice		2,46,67,000
Investments:		
Government and other Trustee Securities	292,13,73,000	
Other Authorised Investments	11,40,85,000	303,54,58,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	185,67,20,000	
Bills Discounted and Purchased	13,82,56,000	199,49,76,000
Bills Receivable being Bills for Collection as per contra		1,36,53,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,46,19,000
Premises less Depreciation		1,22,53,000
Furniture and Fixtures less Depreciation		1,05,21,000
Other Assets (including Inter-Office Adjustments)		14,46,48,000
Total .. Rs.		556,07,92,000

State Bank of Pakistan

Statement of Affairs for the week ended 15th May, 1959

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	78,30,00,000
(b) Provincial Governments	3,63,74,000
(c) Banks	24,48,26,000
(d) Others	4,88 12,000
Bills Payable	38,79,000
Other Liabilities	13,98,27,000
Rupees	131,67,70,000

Assets	Rs.
Notes	12,95,91,000
Rupee Coin	68,000
Subsidiary Coin	43,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	30,00,000
Balances held outside Pakistan*	27,39,60,000
Loans and Advances to Governments	9,45,00,000
Provincial Governments' Debtor Balances	2,22,18,000
Other Loans and Advances	1,89,23,000
Investments	67,85,97,000
Other Assets	9,58,70,000
Rupees	131,67,70,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	12,95,91,000	
Notes in circulation	340,95,89,000	
Total Notes issued	....	353,91,80,000
Total Liabilities	....	353,91,80,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion	23,37,59,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	117,82,89,000
B. Rupee Coin	4,13,27,000	
Government of Pakistan Securities	226,00,58,000	
Internal bills of exchange and other commercial paper	....	230,13,85,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	353,91,80,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.88 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 15th May, 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	24,69,75,000
(ii) Other demand liabilities	714,00,16,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	25,73,36,000
(ii) Other time liabilities	974,71,30,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	8,60,84,000
(ii) Time liabilities	80,00,000
Borrowings in India from the Reserve Bank of India‡	26,37,39,000 (12,25,04,000)
Cash in India	43,92,39,000
Balances with the Reserve Bank in India	68,27,12,000
Balances with other banks in current account in India	13,84,92,000
Money at call and short notice in India	35,07,37,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	625,31,12,000
Advances in India	874,91,31,000
Inland Bills purchased and discounted in India	111,08,16,000
Foreign Bills, purchased and discounted in India	35,28,31,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	15th May, 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1765.98	1774.72	1765.18	1614.83
Notes held in Banking Department	35.05	19.97	11 51	13.53	24.65
Foreign Securities	59.50	178 01	178 01	178.01	209.68
Rupee Securities	37.89	1360.77	1360.77	1351.10	1182.62
Banking Department					
Deposits of:					
Government of India	14.89	52.97	51.75	49.62	75.07
Other Governments	..	9.73	16 44	24 71	13.69
Balances held abroad	10.06	24.61	25.73	32.86	42.84
SCHEDULED BANKS					
Demand Liabilities	134.36	738.70 (24.70)†	731.78 (21.19)†	772.77 (19.13)†	743.44 (17.35)†
Time Liabilities	102.24	1000 45 (26.73)†	996.18 (24.57)†	953 90 (24.04)†	785 32 (16.08)†
Borrowings from Reserve Bank	..	26.37 (8.19)‡	40 54 (12.25)‡	33.10 (9.64)‡	31.86 (26.32)‡
Borrowings from State Bank	..	9 41	9.86	12.56	6.46
Cash in India	6.70	43.92	41.79	44.63	39.36
Balances with Reserve Bank	25.17	68.27	67.36	73.29	68 00
Excess over statutory limits	15.52	11.33	10.85	15.58	15.12
Balances with other banks in current account in India	..	13.85	14.15	14.87	11.87
Money at call and short notice in India	..	35.07	31.56	35.62	51.54
Investments (at book value)	..	625.31	633.62	614 12	438.66
Advances and bills	105.9	1021.28	1027.26	1023.44	941.87
STATE BANK					
Deposits	87.76	519.27	519.63	524.92	417.66
Investments	51.99	303.59	311.62	291.89	171.04
Advances	30.35	201.68	204 20	208.01	201.17
Cash	14.69	29.21	23 99	32.75	27.32

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R = Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	23rd April 1959	5	4½
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	5.16	5.30
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	23rd April 1959	4½	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3.50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	6th Mar., 1959	2½	3
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Average rate of allotment Rs.
1959					
24th February	2.00	2.40	2.00	2.592	99.350
3rd March	2.00	2.10	2.00	2.625	99.340
10th March	2.00	2.00	2.00	2.680	99.330
17th March	2.00	2.00	2.00	2.720	99.320
24th March	2.00	2 00	2.00	2.760	99.310
31st March	2.00	2 00	2.00	2.760	99.310
7th April	2.00	2 00	2.00	2.780	99 305
14th April	2 00	2 00	2.00	2.780	99.305
22nd April	2.00	2 00	2.00	2.800	99 300
28th April	2.00	2 05	2.00	2 800	99.300
5th May	2.00	2.25	2.00	2.800	99.300
12th May	2 00	2.00	2.00	2 800	99.300
19th May	2.00	2.40	2.00	2.800	99.300
Total amount outstanding	26.00	..	26.00	..	..

EXCHANGE RATES

		20th May 1959	Previous week (12-5-1959)
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 15/16	1-5 15/16
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475.50	475.25
Buyers T.T.	Rs.	472.50	472.00
London on New York	$	2.81¼-2 81 5/16	2.81¼-2.81 5/16
London on Paris	Fcs.	13 81¼-13.81½	13 80¼-13.80½
London on Berne	Sw. Fcs.	12.14¾-12 15 1/20	12.15¾-12 16¼
New York on London	$	2.81¼-2.81 5/16	2.81¼-2.81 5/16

CLEARING HOUSE RETURNS

Centre	Week ended 22nd May, 1959 Number of Cheques	Amount Rs.	Week ended 15th May 1959 Number of Cheques	Amount Rs.
Bombay	3,42,861	77,39,72,000	3,14,937	72,88,55,000
Calcutta	1,75,000	67,52,00,000	1,81,000	56,60,00,000
Madras	86,333	10,41,78,344	90,204	10,54,47,887
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
Jan., 1959	..	..	4,072,000	8,94,45,00,000
Feb., "	..	..	3,821,000	8,28,47,00,000
March "	..	..	4,030,000	9,45,59,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	9th May 1959	2nd May, 1959	10th May 1958	March 1959	March 1958	Percentage of Increase (+) or Decrease (—) in Mar., 1959 as compared with Mar., 1958	Annual Average 1958	1957
Food Articles	504	115.4	113.3R	108.4	113.7R	102 3	+11.1	112.0	108.8
Cereals	192	97.8	97.5	98.4	101.7R	95.2	+6.8	104.7	101.7
Pulses	43	92.3	90.2R	81.2	113.4R	77.8	+45.8	94.0	84.5
Fruits and Vegetables	23	126.6	126.1R	111.6	118 4R	98 0	+20 8	111.9	116.8
Milk and Ghee	84	118.1	114.4R	107.9	106 9	102.8	+4.0	106.2	103.8
Edible Oils	47	130.6	128.9R	120.3	123 3	117.9	+4.6	123.2	128.3
Fish, Eggs and Meat	17	104.0	104.5R	104.2	103 5R	102.5	+1.0	106.9	96.6
Sugar and *Gur*	48	142.0	132.1R	115.8	128.2	111.4	+15.1	122.8	104.6
Others	50	156.6	156.5R	132.1	150 0R	127.9	+17.3	145.7	132.0
Liquor and Tobacco	21	99 0	98 1R	92.1	100.3	84 9	+5.7	93.7	91.8
Tobacco	—	97 4	96 5R	90.3	99 0	93.3	+6.1	92.0	90.1
Fuel, Power, Light and Lubricants	30	115 6	115 5	114.2	115 1	114.3	+0.7	115.2	111.5
Industrial Raw Materials	155	119.0	118 1	113.2	116 2R	111.3	+4 4	114.8	118.1
Fibres	61	108 9	109.0R	110.7	107.9R	110.2	—2.1	109.4	119.8
Oilseeds	60	133.3	130.8	117.8	127.6	113 0	+12.9	123.6	122.4
Minerals	2	100.6*	100.6	107.3	102.9	108.2*	—4.9	106.9	108.5
Others	32	112.7*	112.8	109 8	111.2	110.2	+0 9	108.9	107.3
Manufacture	290	108 0	108 1	107.7	108 2R	107 6	+0 6	108.2	108.0R
Intermediate Products	41	107.8	108 2	108 4	109 4	106 8	+2.4	109.4	108.5R
Finished Products	249	108.0	108 0	107.5	108.0R	107.7	+0.3	108 0	107 9R
Textiles	147	102.3	102.3	104.5	102.1	105.9	—3.6	104.3	107.9
Cotton	—	110.6*	110.6*	113.4	111.0*	116.4	—4.6	113.0	116.8
Jute	—	84.3	84.2	87.8	82.3	86.0	—4.3	87.7	97.7
Woollen	—	104.2	104.2R	104.9	105.9	103.0	+2.8	104.9	102.1
Silk and Rayon	—	95.5*	95 5*R	92.4*	95.0*	92.5*	+2.7	92.5	85.0
Metal Products	12	143.3	143 3	143.0	143.3	143.4	—0.1	143.1	138.2R
Chemicals	20	110.4	110.4	99.4	110.4R	99.3	+11.2	104.0	97.6
Oil Cakes	10	138.6*	138.8*	119.3	140.1	112.2	+24.9	128.6	114.7
Machinery and Transport Equipment	31	106.1	106.1	102.8	106.1R	102.6	+3.4	103.2	101.2
Others	30	112.9	112.9R	114.8	113.2	112.1	+1.0	113.2	107.7
All Commodities	1,000	113.5	112.3R	107.8	112.2R	105.4	+6.5	111.0	108.7

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

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	2nd	81,590†	79,447††	29,721†	24,885††
Wheat	final	29 657	33,580	7,654	9,314
Jowar	final	41 411	40,367	8,056	7,249
Bajra	final	27,905†	27,236††	3,791†	3,522††
Barley	final	7,531	8 726	2,175	2 827
Maize	final	10,314†	9,819††	2,990†	3,036††
Ragi	final	5,897	5 831	1 716	1.715
Small millets	final	11,979	12,230	1 759	1,964
Total cereals	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24 265	4,754	6 264
Tur	final	5,598	5,686	1,396	1,954
Other Kharif pulses§	final	15,506†	15,657††	1,542†	1,390††
Rabi pulses‡	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,481†	14,876††	4,816†	4,436††
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3 318	4,156	271	384
Total oilseeds	final	30,418	30 778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,893	4 753	4,735
Jute A.	final	1 827†	1,742††	5,178†	4,052††
Mesta A.	final	851†	764††	1,581†	1,291††
Other crops—					
Potato	final	785	707	1,981	1,698
Sugarcane	final	5,021	5 057	64,142R	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	231†	231††	26†	27††
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	926	1,029	252	294

Source: Ministry of Food and Agriculture. § Excluding Tur. * In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur. A. In thousand bales of 400 lbs. each. † Refers to 1958-59. †† Refers to 1957-58. R.= Revised.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	1958	January 1958	1959
Exports	637 74	570,56	54,22	52,13
Re-exports	5,11	8 40	37	26
Total Exports	642,85	578,96	54,59	52,39
Imports	1025,82	864,18	66,58	85,75
Overall Balance of Trade	—382,97	—285,22	—11,99	—33,36
Exports—				
Tea	123,40	136,54	11,14	9,01
Jute yarns and manufactures	114,87	103,82	7,69	8,21
Cotton yarns and manufactures	68,58	52 63	5,56	4,52
Metallic ores and metal scrap	49,80	30,35	3,54	2,85
Cotton, raw and waste	18,66	21,20	1,33	1,91
Oils—vegetable, mineral and animal	19,31	12,35	2,00	57
Fruits and vegetables	18 60	21,16	1,29	1,67
Tobacco	12 83	16 29	38	11
Mica	8,67	9,34	59	76
Wool and other animal hair	12,93	9,35	70	85
Gums, resins and lac	8,59	7,16	72	55
Spices	8,43	8,83	1,12	76
Hides and skins, raw	6,99	7,35	43	87
Imports—				
Machinery of all kinds	232,97	188,92	21,98	18,12
Iron and Steel	146,98	97,80	9,61	6,70
Oils—vegetable, mineral and animal	113,44	80,23	6,22	6,82
Chemicals, drugs and medicines	76,77	65,28	5,20	5,16
Electrical goods and apparatus	61,14	49,04	4,53	4,35
Vehicles (excluding aircraft, ships and boats)	71,35	52,53	3,11	5,40
Fruits and vegetables	21 27	17,43	2 28	1.95
Cotton raw and waste	48,62	30,66	3,79	1,29
Paper, pasteboard, etc.	13,11	8,26	63	65
Dyes and colours	13,87	8,76	59	79
Spices	2,93	2,84	26	36
Woollen and worsted fabrics	1,31	30	5	2
Cotton fabrics	2,37	1,05	11	12

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1959	84.4
	Corresponding month, 1958	88.0
	Ten months ended April, 1959	871.0
	Corresponding period, 1958	878 9
Stocks	At the end of April, 1959	105 0
	Corresponding month, 1958	97.5
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852 9
	1957-58	832 6
	March, 1958	65.5
	March, 1959	64.6
For Internal Consumption	1956-57	179 0
	1957-58	198 0
	March, 1958	20.5
	March, 1959	22.2
	RAW JUTE	(In 000 bales)
Consumption by Mills	April, 1959	490
	Corresponding month, 1958	510
	Ten months ended April, 1959	5,039
	Corresponding period, 1958	5.114
	1956-57	6 072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1955-56	715	8,805.8	7,185 8
1956-57	769	9,877 8	8,103 1
1957-58	834	11,176.9	9,011.1
Nov., 1957	822	930 2	740 5
Dec., "	822	958.7	779.7
Jan., 1958	825	973.6	788 1
Nov., "	811	1,025 4	854 6
Dec., "	811	1,122 5	914 0
Jan., 1959	811	1,156 2	930 2

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source:*—Central Water and Power Commission

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	38	389	52	180
1957-58	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
January 1958	11,792	1,979	1,042	174	81	45	187	21	177	412	32	394	45	161
February "	13,011	2,172	1,123	191	93	49	202	23	194	456	36	435	46	176
March "	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June "	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July "	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August "	5 823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September "	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
October "	8,040	1,542	771	107	46	21	98	12	110	274	19	283	29	72
November "	9,169	1,763	868	121	50	24	125	14	125	311	24	326	35	78
December "	10,460	1,998	972	143	59	27	156	17	136	355	28	375	41	83
January 1959	11,784	2,228	1,083	166	70	30	180	19	151	394	32	422	43	94
February "	13,018	2,431	1,184	186	80	33	201	21	169	433	34	466	45	103

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

INDUSTRIAL PRODUCTION

Industries.	Unit	1958	1957	November 1958	December 1958	January 1959*	January 1958
Major Industries—							
Coal	million tons	45.32	43 50	3.69	4.15	4.09	3 95
Steel (Ingots and Metal for castings)	thousand tons	1,813	1,715	156	165	154	165
Yarn	million lbs.	1,685	1,780	134	156	151	149
Cloth	million yds.	4,927	5,317	377	439	430	437
Cement	million tons	6 07	5 60	0.46	0.52	0.40	0.59
Jute	thousand tons	1,062	1,030	87	97	92	98
Paper and paper boards	thousand tons	253	210	22	23	23	21
Matches§	cases	614 400	578,400	45,100	52,200	52,000	49,700
Sugar	thousand tons	1,957†	2,068	90	355	—	430
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	376 01	250 85	28.99	38.17	—	39 98
Electric lamps	millions	30.42	33 15	2.53	2 83	—	2 61
Dry cells	millions	168 24	166 56	15.12	17 18	14.80	13 18
Power transformers	k.v.a.	1,128,000	1,219,200	79,300	90,100	—	101,300
Electric Motors	h.p.	624,000	469,200	50,300	57,000	—	45 000
Electric fans	Nos.	636,000	524,400	58,300	68 000	58,700	51,100
Radio receivers	Nos.	198,108	190,692	15,125	20,394	—	16 188
Storage batteries	Nos.	355,200	324,000	31,900	37,800	—	23,900
Copper conductors	tons	7,296	8,556	482	398	—	594
Winding wires	tons	2,112	1,020	224	316	—	106
Rubber and plastic Ins. cables and flexibles	million yds.	126.60	103 80	12 19	13.06	—	10 33
Insulators—H.T.	Nos.	746,400	193,200	82,000	63,600	—	0.48
Insulators—L.T.	million Nos.	5 00	4 69	0 38	0 35	—	241
Diesel engines—Vehicular	Nos.	4,260	3,336	385	366	487	2,055
Do —Stationary	Nos.	25,860	16,644	2,454	2,756	—	—
Chemical Industries—							
Salt	million mds.	112 55	98 70	1.57	3 32	—	3 56
Caustic soda	tons	57,192	42,648	5,024	5,319	5,166	4,082
Soda ash	tons	89,436	91,920	6,612	9,139	9,375	8,651
Chlorine liquid	tons	19 824	15,696	1,865	2,029	1,700	1,295
Bleaching powder	tons	6 504	5,340	642	580	539	519
Bichromates	tons	3,444	3,672	218	304	—	239
Sulphuric acid	tons	226,016	196,068	19,685	20,926	—	16,987
Superphosphate	tons	166,800	141,684	12,450	13,323	—	11,420
Non-ferrous Metals—							
Aluminium	tons	8 182	7,784	666	678	—	703
Antimony	tons	527	502	40	38	15	30
Copper (virgin metal)	tons	7,858	7,848	670	720	587	302
Lead (virgin metal)	tons	3,335	3,174	332	418	—	275
Gold	thousand ozs.	170	179	15	14	10	15
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	205,320	167,484	16 132	21,509	—	17,092
Bicycles	Nos.	912,624	790,424	73 531	83,445	—	81,200
Automobiles	Nos.	26,796	31,932	2,020	2,713	2,992	2,636
Cycle tyres and tubes	million Nos.	16 11	14 18	1.25	1 45	1 53	1 47
Motor tyres and tubes	million Nos.	1 95	1 92	0 16	0 17	0.17	0 18
Cigarettes	million Nos.	29,836	28,892	2,433	2,625	—	2,250
Plywood—Tea chests	million sq. ft.	87 50	95 02	6 53	7 47	—	7 64
Plywood—Commercial	million sq. ft.	37 68	31 64	2 56	2 74	—	3 54
Sheet glass	million sq. ft.	72 11	54 23	6 48	7.18	—	7 37
§Woollen manufactures: Worsted Fabrics	million yds.	19 38	15 79	1 16	1 42	1.09	1 55
Worsted Yarn	million lbs.	29 47	27 80	2 36	2 47	2 24	2 27
Footwear—Western type (Leather)	million pairs	4 28	4 37	0 32	0 31	0 39	0 43
Footwear—Indigenous type (Leather)	million pairs	3 29	3 04	0 28	0 29	0.31	0 29
Alcohol—Industrial	million Bulk galls.	9 67	8 56	0 84	0 93	—	0 88
Alcohol—Power Absolute	million Bulk galls.	8 51	10 14	0 51	0 63	—	0 95
Railway Wagons	Nos.	13,512	16,956	686	865	—	1,565
General Index—(Base 1951 = 100 Revised)		139 4	137 3	137.8	144.9	—	147 7

* Figures are subject to revision month to month. —Not Available. † Upto November only.
§ Includes figures for Jammu and Kashmir.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53 = 100)

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	101	95	100	80	111	126	111	97	116	95	116	131
1957-58*	105	88	114	126	68	164	109	110	107	92	106	133	108	96	128	95	116	142
1958-59*	105	105	105	126	96	169	113	121	131	93	99	118	117	127	133	87	112	145
Feb., 1958	99*	84	92	109	61	156	105	117	104	95	104	123	102	96	130	88	116	148
March "	100	84	94	110	63	152	107	118	108	93†	103†	120†	103	93	130	86	116	145
April "	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	114	145
May "	106	86	92	111	64	158	115	120	115	89	100	125	110	102	132	88	114	145
June "	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July "	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	145
Aug., "	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept., "	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct., "	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., "	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	145
Dec., "	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145
Jan., 1959	92	125	107	132	121	163	108	121	130	104	101†	112†	112	137	133	85	110	145
Feb., "	92	124	112	133	125	167	109	121	131	105	102	112†	117	142	133	82	111†	145
Mar., "	92	114	110	131	119	157	111	121	132	100	102	114*	121	138	133	82	111†	145

* Provisional. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 392 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 21st May 1959	47,139(J)
	Corresponding week 1958	29,468(J)
	1st Sept. 1958 to 21st May 1959	1,469,682*
	Corresponding period, 1957-58	1,278,267
Cotton Exports	Week ended 2nd May 1959	777
	Corresponding week 1958	18,480
	1st Sept. to 2nd May 1959	291,946
	Corresponding period 1958	170,826
Mill Consumption (Estimated)	1st Sept. 1958 to 21st May, 1959	925,981
	Corresponding period, 1957-58	931,315
Stock (with exporters, dealers and mills' in Bombay (Estimated))	On 21st May, 1959	677,020
	Corresponding date, 1958	723,378
		(Bales of 392 lbs)
Consumption of Cotton— Indian	February, 1959	376,105
Foreign	February, 1959	31,580
Indian	Six months ended Feb., 1958-59	2,349,807
Foreign	Six months ended Feb., 1958-59	224,752
Indian	Same Period 1957-58	2,296,661
Foreign	Same Period 1957-58	293,286
Stocks (Mills and Elsewhere)— Indian	As on 28th February 1959	1,005,554
Foreign	As on 28th February 1959	67,646
Indian	As on 28th February 1958	1,195,824
Foreign	As on 28th February 1958	162,019

Particulars	From 1st Sept., to 6th May, 1958-59 Bales	From 1st Sept., to 6th May, 1957-58 Bales
From Bombay Cotton Shipments to—		
United Kingdom	6,930	6,998
Continent	19 149	13,184
Hongkong	34,947	3,529
China	6,886	—
Japan	155,150	84,832
U.S.A.	4,108	6,124
Other Countries	2,391	741
Total to all foreign countries	229,561	115,408
Coastal Ports	66,086(a)	64,629(b)
Total	295,647	126,363

Particulars	Period	Quantity
Cotton Exports from Bombay (by sea)		(Bales of 392 lbs.)
	During February, 1959	23,060§
	During February, 1958	15,998
	1st Sept., to 28th Feb., 1959	178,067§
	1st Sept., to 28th Feb., 1958	49,186
Cotton Pressed in India† (In running bales)	Week ended 15th May 1959	—
	Corresponding week 1958	75,612
	1st Sept. to 15th May 1958-59	2,467,387
	Corresponding period, 1957-58	3,712,013
Karachi (Pakistan)— Receipts		Bales
	1st Sept. to 14th May 1958-59	968,445
	Corresponding period, 1957-58	1,063,756
Exports	1st Sept., to 14th May 1958-59	558,446
	Corresponding period 1957-58	496,789

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road (a) Upto 31st Mar., 1959. § Includes Zoda and yellow pickings etc
— Not Received A—Adjusted. (b) Upto 30th April 1958

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 16th May 1959	9th May 1959	18th April 1959	17th May 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	**100 7**	**100 7**	**100 7**	**98 9**
2. Government of India	100 5	100 5	100 5	98 7
3. State Government	102 4	102 4	102.4	100 6
4. Municipal, Port Trust, etc.	99 8	99 8	99 8	98 9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA				
5. **Total**	**101 9**	**101 9**	**101 8**	**99 0**
6. Plantations	100 0	100 0	99 9	100 0
7. Coal	99 6	99 6	99 6	99 6
8. Sugar	99 0	99 0	99 0	98 4
9. Cotton Textiles	99 2	99 2	99 2	97 4
10. Jute Textiles	93 8	93 5	93 5	92 9
11. General Engineering	101.8	101 8	101.7	97.7
12. Electricity Generation and Supply	96 8	96 8	96 9	96 5
13. Others	105 2	105 2	105.1	100.9
PREFERENCE SHARES—ALL INDIA.				
14. **Total**	**92.2**	**92 1**	**91 2**	**85 3**
15. Plantations	101 0	100 9	100 0	97 3
16. *Mining & Quarrying: Total*@	**89 2**	**89 1**	**88 4**	**84 3**
17. Coal	80 8	80 8	80 8	73 8
18. *Processing and Mfg.: Total**	**92 1**	**91 9**	**91 0**	**85 0**
19. Sugar	91 6	91 6	90 9	90 2
20. Cotton Textiles	81 1	80 3	79 2	78 8
21. Jute Textiles	86 9	86 8	84 3	67 9
22. Iron and Steel	94.5	94 5	95 2	88 4
23. General Engineering	102 1	102 1	101 5	99 2
24. Basic Industrial Chemicals	90 0	88 9	87 1	83 4
25. Cement	105 5	105.7	101 7	98 2
26. Paper	89 8	89 6	88 3	84 3
27. *Other Industries: Total**	**90 9**	**91 0**	**90 0**	**83 1**
28. Electricity Generation and Supply	88 7	88 8	89 0	86 2
29. Trading	95 5	95 4	91 7	73 4
30. Shipping and Other Transport	95 2	95 2	92 7	84 9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. **Total**	**151 8**	**151 6**	**149 0**	**127 3**
32. *Agriculture and Allied Activities: Total**	**167 2**	**164 9**	**157 5**	**142 2**
33. Tea Plantations	163 6	160 8	153 1	137 6
34. Coffee Plantations	195 8	196 0	195 8	195 9
35. Rubber Plantations	163 8	163 4	160 9	139 4
36. *Mining and Quarrying: Total*	**154 5**	**156 4**	**157.1**	**125 8**
37. Coal	118 9	119 3	121 0	98 0
38. Other Mining	178 9	181 9	181.8	144 8
39. *Processing and Manufacturing: Total*	**153.7**	**153 4**	**150 3**	**126.1**
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†	**140.5**	**140 1**	**135 0**	**118 6**
41. Sugar	173 5	174 6	170 3	155 3
42. Cotton Textiles	122 0	120.7	114.7	112 6
43. Jute Textiles	94 5	95 3	98 2	63 6
44. Silk and Woollen	549.2	550.2	506 8	378.7
45. *Processing and Mfg (Metals, Chemicals, etc.): Total**	**178 1**	**177 5**	**174 3**	**136 2**
46. Iron and Steel	168.8	168 1	163 8	127 7
47. Transport Equipment	238.7	239 0	236 8	183.7
48. Electrical Machinery	130.6	131.0	136 4	132.2
49. Machinery other than Transport and Electrical	200.8	200 9	199 4	151.8
50. Basic Industrial Chemicals	152.4	150.1	141.6	107 4
51. *Processing and Mfg. (Others): Total**	**148.9**	**149 4**	**152 2**	**130.2**
52. Cement	135 1	134.8	134 5	124 2
53. Paper	200 5	201 9	208.7	166 4
54. *Other Industries: Total**	**117.6**	**118.0**	**116 2**	**105 1**
55. Electricity Generation and Supply	91.7	91.9	92 4	90 2
56. Trading	96.7	98 9	99 4	79 5
57. Shipping and Other Transport	132 5	133.4	130 0	122 0
58. Construction	304.2	297.6	269 7	209 6
59. *Financial: Total*	**176.0**	**176 0**	**179 0**	**162 2**
60. Banks	197 3	197 1	200 5	181.6
61. Insurance	126 9	127.6	130 0	125 6
62. Investment Trusts	101.7	102 2	102.7	77.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	155 6	155 1	149.7	129 5
64. Calcutta	146 0	146 2	147.0	123.0
65. Madras	166 7	165.6	161.5	142 8
66. Delhi	175 9	177.1	175 8	149.8

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.
@ Including 'other mining.'

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,300	1,106,800	786,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Feb., 1958	87,100	89,200	64,500
Mar., "	94 800	100,200	71,300
April "	95 000	100,300	63,000
Feb., 1959	106,800	107,300	84,800
March "	127,400	123,600	100,700
April "	130,600	124,200	93,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532 315	441 483
Do. 31st March 1958	733,945	507 580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
January to March, 1958	199,839	133,563	106,501
January to March, 1959	252,705	176,443	155,607
January, 1959	73,728	43,569	45,698
February "	83,715	61,987	50,202
March "	95,262	70,887	59,707
April "	86,826	61,182	40,151

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man days lost
1956	1,203	715,130	6,992,040
1957	1 248	640,871	4,982,229
August 1958	147	72,432(4)	657,836(4)
September "	151	68,599(7)	499,382(7)
October "	121	84,445(3)	262 600(3)
November "	136	84,560(2)	177 574(2)
December "	139	45,002(7)	199,012(7)
January 1959	152	60,114(8)	306,998(8)
February "	93	33,990(2)	271,253(2)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income In millions		In terms of rupee (Crores)	*Per capita* Income (Rs)
India†	'57-'58	392 94		..	10,830	275 6
Pakistan††	'56-'57	83 50		..	2,079	249
Burma	1957	20.90	Kyats	4,450	446	223
Ceylon	1956	8.38		..	475	567
Japan	1957	90 90	Y.	8,252,000	10,915	1,200
Philippines	1957	22 60	Ps.	8,799	2,095	927
New Zealand	1957	2 22	£ (N.Z.)	928	1,237	5,570
Australia	1957	9.60	£ (A.)	4,678	4,970	5,177
U.K.	1957	51 40	£	17,418	23,220	4,520
U.S.A.	1958	174 00	$	352,400	168,447	9,680
Canada	1957	16 60	$	23,830	11,680	7,035
France	1957	44 00	F.Fr.	15,680,000	17,880	4,063
W. Germany	1957	51 40	Dm.	158,000	18,057	3 513
Italy	1957	48 80	Lr.	12,231 000	9,412	1,949
Norway	1957	3 49	Kr.	23,290	1,560	4,470
Sweden	1957	7.30	Kr.	48,290	4,490	6,150
Netherlands	1957	11 00	Grs.	28,240	3,574	3,250
Denmark	1957	4 50	Kr.	25,480	1,760	3 910
Switzerland	1957	5 10	Sw. Fr	26 900	2,956	5,796

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

Source: *International Financial Statistics*, October 1958.

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

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

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalor
	(1949=100)	Base June (1934=100)	Base July (1927=100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August (1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base 1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	93	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 "	116	395	274	313	98	120	384	124	113	103†	103	123	109	131
October 1957	113	374	260	339	96	114	375	116	113	99	105	120	107	129
November "	114	383	265	344	96	114	378	121	112	102	106	122	109	129
December "	113	383	275	328	93	115	375	121	110	100	105	120	109	129
October 1958	123	405	290	333	108	122	406	130	119	113	105	130	113	132
November "	122	402	292	330	106	124	399	132	120	114	103	128	113	133
December "	119	398	290	322	101	125	385	133	118	109	99	121	111	133
January 1959	117	396	301	323	103	127	368†	130	122	107	94	115	109	134
February "	118†	399	300	326	103†	129	..	127	126	108	94	120	110	134
March "	..	401	290	320	..	..	..	..	126	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates: 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C: Receipts	Outstandings	Post Office Savings Bank Deposits: Receipts	Outstandings	10-Year National Plan Certificates D: Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F: Outstandings	4% C: Receipts	4% C: Outstandings	15-Year Annuity Certificates G: Receipts	Outstandings	Total: Receipts	Outstandings H
1952-53	6,83	3 26	84,17	..	..	113,35	92,03	..	—31 07	25,64	..	..	..	..	146,83	211 93
1953-54	5,91	4,26	104 33	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152 71	252 96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177 35	310 29
1955-56	3,76	5,48	144 37	..	..	158,11	167,85	16,38	—37 68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163 68	..	..	176,97	196,50	25 38	—38,82	44 28	..	..	43	1 32	225,88	440 17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213 91	23,11	—39,73	43 58	588	547	63	1 87	264.32	509 77
1958-59	..	..	..	..	..	..	..	..	..	42 57	635	11,68	67	2,41	..	..
April 1958	2,15	4,65	141,31	6,56	77,99	15 27	214 24	22 85	—39 82	43,47	77	6,15	11	1,..	22,71	514 78
May "	2 07	4 55	139 23	5,84	83,82	15 22	212,66	22 58	—39 90	43,37	57	6 72	5	2 01	21 68	517 01
June "	2 01	4,47	137,44	5 03	88,80	14,51	213,05	22 39	—39 98	43,29	38	7 12	3	2 03	19 95	520 60
July "	1,96	4,38	135 18	5,94	94 65	16 04	215,13	22 19	—40 06	43,17	47	7,63	5	2,07	22 49	526 36
Aug. "	1 94	4 30	133,28	6,20	100,72	14,40	217,21	22 02	—40 13	43,07	45	8,11	5	2 10	21,10	532 75
September "	1 92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537 82
October "	1,90	4 16	129 00	7,05	113,30	14,38	218,98	21,69	—40,30	42,91	53	9 05	4	2,17	22 01	543,16
November "	1,87	4,10	127,15	6,36	119,33	12,52	218,72	21,56	—40,37	42,81	47	9,58	7	2,23	19,42	547 35
December "	1,83	4,01	125,00	7,84	126 69	14,83	219,06	21,41	—40,44	42,76	51	10,01	6	2,28	23 24	553,05
January 1959	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21 27	—40,52	42,70	57	10,60	5	2,32	24,07	559 17
February "	1,78	3,87	120 95	9,64	143,14	14,93	219,39	21,13	—40,60	42,62	58	11,14	5	2,36	25,22	566,41
March "	..	..	..	..	..	..	..	..	..	42,57	65	11 68	6	2,41	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of February, 1959 is rupees two lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.75
3 % Loan	1938-39	116,17,46,000	1963-65	96.85
3 % Loan	1950	30,32,10,000	1964	97 00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93 90
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.40
3 % 2nd V. Loan	1945	1,13,65 64,000	1959-61	99.80
2¾% Loan	1946	45,63,07,000	1960	99.10
2¾% Loan	1946	57,00,69,000	1961	97 35
2¾% Loan	1946	14,77,48,000	1976	83.25
2¾% Loan	1947	75,86,72 000	1962	96.95
3½% N. P. Bonds	1953	75,29,00,000	1961	100 10
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.75
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99 60
3½% Loan	1956	87,27,36,000	1962	99 15
3½% N. P. Bonds	1956	63,81,83,000	1967	99 10
3¾% Loan	1956	66,63,53,000	1974	98.85
3¾% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100 80
4 % Loan	1957	49,17,27,000	1972	101 70
3½% Loan	1958	58,06,00,000	1963	99 00
3½% Loan	1958	30,00,00,000	1968	98 95
3¾% Loan N.P.B.	1958	34,16,76,500	1968	100 60
4 % Loan	1958	49,47,00,000	1973	101.65
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34 000	M.	73.10
3% Loan	1946	2,48,91,37,000	K.	73.75
STATE LOANS				
4 % Andhra	1955	5,00 16,000	1st Sept. 1967	100 00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100 00
4½% Andhra	1958	5,00,00,000	15th July 1970	101 55
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96 50
3 % Bombay	1950	2,83,50,000	31st July 1960	99 00
3½% Bombay	1951	2,87,53 000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 60
4 % Bombay	1952	3,45 85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100 55
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100 25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102 50
4½% Bombay	1958	5,00,00,000	15th July 1970	102 50
4½% Bombay	1958	5,00,00,000	15th July 1971	102 50
4 % Bihar	1955	1,54 02,000	1st Sept. 1967	100 00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50 00 000	13th Oct. 1970	101 40
3½% Cochin	1936	80,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94 12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 15
3 % Madras	1939	1,23,96,000	21st June 1959	99 70
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99 00
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97 75
3 % Madras	1950	4,38,25,400	31st July 1960	99 00
3½% Madras	1951	3,01,49,300	17th Sept 1962	98 95
4 % Madras	1953	10,33,71,000	15th July 1963	100 30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 25
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100 00
4½% Madras	1958	5,00,00,000	15th July 1970	101 60
4 % Mysore(*f*)	1933	2,95 85,200	1st Dec. 1953-63	101 50
3 % Mysore(*f*)	1936	5,99,73 000	30th Apr. 1956-61	99 75
4 % Mysore	1953	8,33,47,000	15th July 1963	100 30
4 % Mysore	1955	8,54,94,000	1st Sept. 1967	100 00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100 00
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101 75
4½% Mysore	1958	5,00,00,000	15th July 1970	101 75
3 % M P.	1948	2,03,28,800	15th Sept. 1964	93 80
3 % M P.	1950	1,01,45 000	31st July 1960	98 70
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 20
4 % M.P.	1953	1,10,18 000	15th July 1963	100 20
4 % M.P.	1955	1,63 12,000	1st Sept. 1967	100 00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100 00
4½% M P.	1958	2,00,00,000	15th July 1970	101 40
4 % Saurashtra	1955	3,61,65 500	1st Sept. 1967	100 20
4 % Saurashtra	1956	2,74 84,600	3rd Sept. 1968	100 20
4% Trav Cochin	1953	3.25,61,000	15th July 1963	99 80
4% Trav Cochin	1956	2,22,08 000	3rd Sept. 1968	99 50
2¾% U P.Z.A	1952	41,44,79,000Z	..	51 85
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91.25
3 % U P.	1945	2,17,06,000	14th Sept. 1960	98 80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97 75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 35
4 % U.P.	1952	5,89 14,000	1st Aug. 1964	100 20
4 % U.P.	1953	5,58,25 000	15th July 1963	100 30
4 % U.P.	1955	9 39,16,000	1st Sept. 1967	100 00
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100 00
4½% U P.	1958	7,00,00,000	15th July 1970	101 60
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100 00
4½% Rajasthan	1958	2,50 00,000	15th July 1970	101 40
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100 00
4½% Orissa	1958	3,00,00,000	15th July 1970	101.45

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	100.00 (1964–1973)
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00 000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88 25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	D (1960–1971)
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24 58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48.04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98 75
76,90,100	4	1915	1975	98 75
1,50,00,000C	3†††	1921	1981	82 00
68,02,300C	6½	1921	1981	144 00N
60 00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	99 00
25,00 000	3	1938	1963-68	92 50
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74 00
50,00,000	2¾	1947	1977	79 50
50,00,000	3	1948	1978	83 75
50,00,000	3	1949	1959	99 50
1,00,00,000	3	1949	1959	99 50
50,00,000C	3	1950	1980	82 00
1,00,00,000	3	1950	1960	98 75
1,00,00,000	3	1950	1960	98 75
50,00,000	3	1951	1981	81 75
1,50,00,000	3½	1953	1961	99 25
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97 50
90,00,000	4	1955	1985	97 25
77,00,000	4	1956	1986	97 25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99 50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£802,600	5	1923	1953-83	£80 00
£901 000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A (1977–1984)
9 88,000‡f	3	1947	1977	
8,00,000‡f	3	1949	1979	
45,00,000‡t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	97.75 N (1961–1968)
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
80,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	97 50 N (1972–1976)
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	115.00N
25,00,000	5	1926	1956 86	98.00N
25,00,000	4	1927	1961-70	
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	101 00
50 00 000	4	1934	1964	99 25
35,00,000	3½	1935	1965	96 00
80 00 000	3	1936	1966	91 00
50,00 000	3	1937	1962	94 50
20 00,000	3	1938	1963 68	91 00
80,00,000	4	1952	1962	99.75
1,02,00,000	4	1956	1968	99 25
75,00,000	4½	1958	1968	100.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99 60
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	100 50
8,25,00,000	3½	1947	1977	86 50
2,50,00,000	3½	1949	1979	86 50
4 00,00,000	3½	1950	1965	93 50
5,00,00,000	4	1952	1984	100 15
2,00 00 000	3½	1951	1966	97 40
1,30,00,000	4	1953	1963	100 15
1,00,00 000†	4	1952	1964	99 50
1,00,00,000†	4	1954	1966	99 50
2,50,00,000	4	1955	1967	100 00
1,50,00 000	4	1956	1968	100 00
2,00,00 000	4½	1957	1969	101 50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	108 00
83,91,000	3½	1925	1965	95 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1968	99 00
17,64,400	3½	1942	1959	92 00
21,10 000	3½	1942	1972	98 50
16,33,000	3½	1951	1961	98 50
66,88,000	3½	1951	1966	99 75
87,36,000	4	1952	1962	100 00
72 50 000	4½	1954	1979	
2,22,72 000	4	1955	1985	100 50
73,86 000	4½	1958	1968	
1,67,32,000	4½	1958	1970	
MADRAS				
Rs.				Rs.
15,00 000	3½	1951	1961	107 00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M Bharat	1953	1,04,77,000	15th July 1963	100 25
4 % M Bharat	1956	1,11 26,000	3rd Sept. 1968	100 00
3½% W. Bengal	1951	1,75 00 000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100 25
4 % W. Bengal	1953	8,60,23 000	15th July 1963	100 35
4 % W. Bengal	1955	7 58,72 000	1st Sept. 1967	100 00
4 % W. Bengal	1956	7,11 46,000	3rd Sept 1968	100 00
4½% W Bengal	1958	5,00 00,000	15th July 1970	101 85
4½% Kerala	1958	3 00,00,000	15th July 1970	100 85

ABBREVIATIONS. N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955.
—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months' notice. K—On September, 1986, or later at option of Government after three months' notice.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901		Mar.	Sep.	118.00	100
BREWERIES AND SUGAR							
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec.	..	70.00	100
Bhopal Sugar T F.C.	12,50,000	1937	5	April	..	85.50	100
Carew & Co. T F.R.C.	8,00,000	1875	6	Mar.	Sep.	96.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905–24	8	Feb.	Aug.	107.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7	July	Apr.	6.00	5
¶East India Distilleries T.F.C.	£200,000	1897	7	Jan.	July	17.25	£1
Gwalior Sugar T.R.O.	6,75,000	1940	7	Dec.	..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec.	..	62.00	100
Purtabpore Co. T.C.	6,00,000	1922	10	Oct.	..	13.50	10
Ramnugger Cane T.F.C.	4,00,000	1933–36	6	Aug.	..	98.00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	64 00	100
South Behar Sugar T.	5,00,000	1936	7	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5	Dec.	..	8.50	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec.	..	90.00N	100
Do. T.C.R.O.	15,00,000	1946	5	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	7	April	May	118.75	100
COAL							
Borrea T.F.C.	4,00,000	1896–97	6½	Oct.	Apr.	95.00	100
Burrakur (1st) T.F.C.	22,99,800	1901–19	7	Apr.	Oct.	104.50xd	100
Do. (2nd) T.C.	4,50,000	1946	6	..	..	6.62	10
Equitable T.F.	4,00,000	1895	6	Mar.	Sept.	99.00	100½
Karanpura Collieries T.C.	9,89,500	1946	5½	..	..	55.00	75p.
‡‡Khas Kajora C.	1,93,000	1931	5	Mar.	Sept.	9.50N	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan.	July	11.50	10
Ondal T.F.C.	2,00,000	1898–99	6	Apr.	Oct.	90.00	100
COTTON							
Ahmedabad Advance T.F.	10,00,000	1939	5	Apr.	Oct.	89.00	100
Bangalore C.T.F.	6,00,000	1884	6	Jan.	July	110.00	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	9.00	10
Bowreah 'A'	6,00,000	1900	8	Feb.	Aug.	145.00	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	62.00	100
Bradbury T.F.	14,75,000	1919	7	June	Dec.	55.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7½	Jan.	July	131.00	100
Cambodias C.T.F.	1,00,000	1928	7	Apr.	..	110.00	100
Central India T.F.	50,00,000	1912	5	Apr.	Oct.	351.25	495
Century Spg. & Mfg. Co. T. F. R. C.	1,25,00,000	1958	6	Dec.	..	106.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1935	6½	June	..	91.75	100
Elgin	11,00,000	1912	8	May	Nov.	110 50	10
Do. 'B' Pref.	4,20,000	1943	5	July	Jan.	7.50	100
Elphinstone T.	25,00,000	1919	7	May	Nov.	67.00	100
Kesoram	20,00,000	1919	7	June	Dec.	105.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4	Nov.	..	74.00	10
Kothari C.T.F.	18,00,000	1937	6	Dec.	..	9 00	5
Kothari 'B' (Pref.)	6,00,000	..	6	..	..	10.00N	250
Lakshmi Cotton (Bombay) T.	16,00,000	1896	5	..	..	161 00	100
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	Jan.	..	75.00	100
Mysore Spg.	7,45,050	1944	4½	..	..	28.25	50
National Rayon T.	1,74,64,700	1947	5	..	..	80 30	100
New Great T.	8,00,000	1913	5½	Mar.	..	130 00	200
Podar Mills	10,00,000	1943	4	Feb.	..	61.50	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr.	..	51 00cd	50
Shree Niwas Cotton	4,80,000	1944	4	..	..	61.00	100
Sholapur R.	32,00,000	1943	3	..	..	78.25	100
Svadeshi T.F.	15,00,000	1935	5	Apr.	Oct.	87.30	100
Swadeshi (Kanpur)	35,00,000	1927	6	June	..	77 00	100
Travancore Rayon C.T.F.	50,00,000	..**	5	May	..	8 95	10
Vasanta (1st) C.T.F.	8 00,000	1931	6½	Apr.	Oct.	105 00	100
Do. (2nd) C.T.F	1,50,000	1938	6	..	..	95 00	100
Vishnu T.	15,66,500	1908	7	Apr.	..	432.50	500
ELECTRICS							
Andhra Valley Power Supply T.	40 84,000	1917	7	May	Nov.	1,095.00	1,000
Amalgamated Electric T.F.	24,15,000	..	5½	..	..	91.00	100
Calcutta Electric	19,00,000	1909–11	5(t)	June	Dec.	9.62	£1
Poona Electric T.	4,00,000	1935	7	June	Dec.	101 00	100
South Madras (1st) C.T.F.	22,00,000	1940	5½	Sept.	ec.	9.75	100
Do. (2nd) C.T.F.	8,00,000	1940	5½			9 25	10
Surat Electric Co. T.F.	5,00,000	1939	6½	Apr.	..	111 00	100
Tata Hydro Electric Power T.	89,28,000	1907	7	May	Nov.	116 00	100
Tata Power T.	86,97,000	1918	7½	May	Nov.	1,130 00	1,000
Vellore C.T.	1,25 000	1928	6	Dec.	..	7.05	10
ENGINEERING							
Arthur Butler (Muzafferpore)	1,30,000	1919	7	Mar.	..	10.50	10
Burn & Co. Ltd. (1st)	13,00,000	1895–98	7	Feb.	Aug.	125.00	100
Do. (2nd)	15,00,000	1902	6	Feb.	Aug.	117 00	101
Indian Iron and Steel Co., Ltd. T.F.	2,60,95,400	1950	5	Dec.	..	103.75	100
Indian Standard Wagon	19,66,500	1918	7	June	..	124 00	100
Jessop	20,00,000	1941	5	May	Nov.	96 00	100
Kamani Engineering C.	15,00,000	1945	5	July	..	60 00	100
†††Kumardhubi Engineering	12,00,000	1915	4	June	Dec.	94.00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946–47–51	5	..	..	97.00	100
Mahindra & Mahindra R.C.	25,00,000	1945	6	May	..	100 00xd	100
McKenzies (1st)	5,50,000	1907		..	..	80.00	100
Premier-Construction (1st) T.	10,00,000	..	6½	..	..	84.00xd	100
Do. do. (2nd) T.	15,00,000	1936	6½	..	..	82 50xd	100
Do. do (3rd) T.	56,25,000	1947	4½	..	..	5.76xd	10
Tata Iron and Steel (1st) T.	75,00,000	1908	6	Nov.	..	157.25	150
Do. do. (2nd) T.	6,93,81,900	1908	7½	May	..	119.75	100
JUTE							
Agarpara	10,00,000	1927	7	Jan.	July	100.00	100
Alexandra	9,00,000	1905	7	Feb.	Aug.	97 00	100
Alliance	15,00,000	1895	6	Mar.	Sept.	92.00	100
Anglo-India	40,00,000	1917	7	May	Nov.	105 00	100
Auckland	10 00,000	1909	5½	May	Nov.	83.50	100
Do. (2nd)(j)	15,00,000	1945	4½	June	Dec.	66.50	100
Bally	20,00,000	1918	7	Apr.	Oct.	102.00	100
Barnagore	£200,000	1896	5	May	Nov.	39.25	5
Belvedere	7,00,000	1906	7	Jan.	July	105.00	100
Birla	23,64,200	1919	7½	June	Dec.	88 00	100
Budge-Budge	9,00,000	1894	7	May	Nov.	105 00	100
Calcutta	6,00,000	1934	6½	Jan.	July	62.00	100
Caledonian	10,00,000	1915	7	June	Dec.	105 00	100
Cheviot	10,00,000	1919	7	June	Dec.	105 00	100
Chitavalsah	5,00,000	1928	7	Mar.	Sept.	103 00	100
Clive (1st Pref.)	8,00,000	1900	6	May	Nov.	70 50	100
Do. (A) (2nd Pref.)	8,00,000	1905	7	May	Nov.	78 00	100
Dalhousie	15,00,000	1903–13	7	May	Nov.	94.00	100
Delta	5,00,000	1897	5	June	Dec.	78 50	100
Empire	10,00,000	1912	7	Feb.	Aug.	105 00	100
Fort Gloster	14,00,000	1890–98	7	May	Nov.	115.00	100
Do. (2nd Pref.)	7,00,000	..	5	..	..	78 00	100
Fort William	10,00,000	1911	7	May	Nov.	115 00	100
Ganges	6,00,000	1916	8	June	Dec.	120 00	100
Gourepore	26,50,000	1895–04	6	May	Nov.	96.50	100
Hastings	25,00,000	1935	6	Mar.	Sept.	96 00	100
Hooghly	11,76,000	1913	10	May	Nov.	10 75	10
Howrah	8,75,000	1890	7	May	Nov.	105 00	100
Do. (A)	17,50,000	1903–6	7	May	Nov.	107 00	100
Hukumchand	40 00,000	1919	7	June	Dec.	102 00	100
Kamarhatty	16,00,000	1898–04	6	Feb.	Aug.	95.50	100
Kanknarrah	10,00,000	1900	6	Feb.	Aug.	85.00	100
JUTE—*Continued.*							
Kelvin	10,00,000	1907	7	Mar.	Sept.	106.00	100
Khardah	9,00,000	1895–09	6	May	Nov.	89.50	100
Kinnison	15,00,000	1900–13	7	May	Nov.	105.00	100
Lansdowne	15,00,000	1905	7	May	Nov.	111.00	100
Lawrence (A)	5,00,000	1907	7	May	Nov.	95.00	100
Do. (B)	10,00,000	..	5½	Dec.	..	80.00	100
Naihati	7,50,000	1905	7	May	Nov.	96.00	100
Do. (2nd) (j)	10,00,000	..	4½	June	Dec.	66.00	100
National	5,00,000	1917	7	May	Nov.	107.00	100
Nellimarla	5,00,000	1939	6	Apr.	Oct.	89.50	100
New Central	83,00,000	1915	7	Jan.	July	100.00	100
Northbrook	15,00,000	1900	½	May	Nov.	72.00	100
Reliance	20,00,000	1906–12	7	May	Nov.	73 00	100
Samnuggur	£150,000	1901	6	Feb.	Aug.	Sh. 21.50N	1£
Soorah	10,00,000	1920	7	Feb.	Aug.	102.00	100
Standard	9,00,000	1895–01	6	May	Nov.	100.00	100
Shree Ambica	11,70,000	..	7½	Mar.	Sept.	98.00	100
Titaghur	£150,000	1897	6	Feb.	Aug.	Sh. 21 50	£1
Union	6,00,000	1901–02	7	May	Nov.	100.00	100
Victoria	£150,000	1898	6	Feb.	Aug.	Sh.21.50	£1
Waverly	7,50,000	1918	7	Mar.	Sept	42.50	5
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship	3,00,000	1895	7	Nov.	..	60.00	60
Calcutta Tramways	£250,000	1906	5	Apr	Oct.	8.75	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5½	Dec.	..	97.00	100
Indian General Nav. & Rly. T.	£244,000	1899	6	Mar.	Nov.	69.50	£10
India Steamship (w)	25,00,000	1928	5	.	..	94.00	100
TEA							
Amluckie Tea	75,000	1902–03	7	May	Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900–02	6½	Jan.	July	110.00	100
Birpara	1,00,000	1900–03	8	Jan.	..	114.00	100
Choonabhutti	2,00,000	1914	8	Jan.	July	110 00	100
Gielle	2,00,000	1894	6	Sept.	..	67.00	100
Hantapara	50,000	1901	8	Jan.	..	114.00	100
Hasimara	3,00,000	1904	7	Mar.	..	111.00	100
Kingsley Golaghat	2,40,000	1897	6	Dec.	..	95.00	100
Moheema	3,20,000	1929	6	May	Nov.	8.00	10
†††New Dooars	2,00,000	1907	6	Jan.	July	112 00	100
New Samanbagh	1,00,000	1903	8	Nov.	..	101.00	100
†††Okayti	50,000	1888	7	Dec.	..	90 00	100
Pussimbing	2,05,000	1916	7	Jan.	..	100 00	100
Sonai River	1,00,000	1909	8	May	..	100 00	100
***Tezpore	2,05,000	1932	8	Jan.	..	10.44	100
Tirribannah	1,00,000	1922	10	May	Nov.	14.00	100
PLANTING							
Be Be Rubber N.R.C.T.	1,43,005	1944	6½	..	..	3.03	5
Do. R.C.T.	2,85,570	1944	6½	..	..	6.44	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June	..	46.70	50
Coffee Lands C.T.F.	10,40,600	..	5	..	..	84.00	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr.	..	95 95	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov.	..	10 75	10
Devon Tea C.T.F.	2,00,000	1936	7½	July	..	106 00	100
Highland Produce C.T.F.	3,00,000	..	6	July	Jan.	9.05	10
Neelamalai C.T.F.	18,00,000	1943	5	Jan.	July	7.18	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July	..	5.03	5
Pullangode C.T.F.	1,50,000	1943	6	Mar.	..	8.05	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar.	Sept.	7.15	10
T. R. & T. Co. C.T.F.	16,00,000	..	6	June	Dec.	8.15	10
Waterfalls R.C.T.F	5,00,000	1943	6	Nov.	..	9.00	10
MISCELLANEOUS							
Alembic Chemicals (1st) T.	5,00,000	..	6½	June	..	85.50	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5	June	..	85 50	100
Alkali & Chemicals	31,00,000	1937	5	Apr.	..	102.00	100
Aluminium Corpn. (1st)	20,00,000	1938	6(f)	..	..	98.00	100
Andhra Cement C.T.F.	2,48,800	1937	6	Feb.	June	100 00	100
Associated Hotels of India T.	21,67,000	1916	7	Mar.	Sept.	54.00	100
Bengal Chemicals	9,00,000	1925	7½	Aug.	..	12 62	10
Bengal Paper Mill	2,00,000	1903	7	Mar.	Sept.	55 00	50
Do. "A"	4 00,000	1928	7	Mar.	Sept.	109 00	100
Do. "B" T.	20,00,000	..	6	..	..	67.00	100
Bengal Timber Trading	3,00,000	1896	8	Aug.	..	20.00N	100
Britannia Biscuit	15,450	1921	8	Feb.	Aug.	15.00	10
British Ceylon Corporation	17,50,000	1918	6	Feb.	Aug.	8.00N	5
British India Corporation	81,00,000	1920	8	Feb.	..	105.00	100
Dalmia Cement (Bharat)	61,58,210	1937	6	Sept.	..	9.75	10
Dhrangadhra Chemical Works Ltd.	81,91,900	1956	6	..	..	94.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5	Dec.	..	90.50	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6§	Apr.	..	118 00	100
General Investment Trust (1st)	1,00,000	1946	5	Feb.	Aug.	65.00	100
Do. do. (2nd) T.	1,00,000	..	6	Feb.	Aug.	55.00	100
Gillanders Arbuthnot(f) T.	25,00,000	..	5	Apr.	Oct.	56 00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6	Mar.	..	75.00	50
Humayan Properties	12,00,000	1933	6	..	..	8 75	10
India Cement C.T.	29,85,000	1946	7½	Oct.	..	93 00	100
Indian Aluminium (g) T.	40,00,000	1945	5	June	..	66 00	100
Indo-Burma Petroleum T.C.	50 00,000	1921	7	Jan.	July	92 50	33
Indian Cable (m)	12,87,750	1923	6	June	Dec.	31 00	10
India Rubber Mfrs. (n)	8,28,000	..	5	Apr.	..	77 00	100
Jardine Henderson T.	50,00,000	1946	5½	Dec.	..	60 00	100
Kettlewell and Bullen (1st) T.	20,00,000	..	5½	May	..	63 00	100
Do. do. (2nd)	10,00,000	..	4	May	..	63 00	100
Kumardhubi Fireclay & Silica	2,00,000	1915	7	June	Dec.	66 00N	100
Martin Burn (k)	30,00,000	1946	5	Apr.	Oct.	100.50	100
McLeod and Co. (1st) T.	10,00,000	1930	5	July	Jan.	52.50	100
Do. (2nd)	40,00,000	1936	5	July	Jan.	72 00	100
Metal Box Co.	30 00,000	..	6	..	..	87.00	100
Mettur Chemicals (Old) C.T.F.	20 00,000	1903–18	6	Feb.	Sept.	99.00	100
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6	June	..	9 00	10
Mysore Lamps R.C.T.F.	2,50,000	..	4	Aug.	..	6 50	10
National Tobacco (Old) (p)	25 00,000	..	5	Mar.	Sept.	77.50	100
Do. do. (New) (q)	19,98,000	..	4½	Mar.	Sept.	65 00	100
Orient Paper	69 88,900	1936	5½	Jan.	..	94 00	100
Do. (2nd) (r) T.	60,00,000	..	5½	Apr.	Oct.	65.50	100
Rohtas Industries (Old) T.	20,00,000	1936	7	Apr.	..	116 00	100
Do. do. (New)	85,04,700	..	4½	Apr.	..	62 00	100
†Smith Stanistreet & Co.	5 00,000	1920	10	Feb.	Aug.	71.00	50
Spencer & Co. "A" C.T.	23 20,000	1898	6½	Jan.	July	8 50	10
Do. "B" C.T.	36,80,000	1922	8½	Jan.	July	11 50	10
Standard-Vacuum C.	75,00,000	1955	6	June	Dec.	101 50	100
Star Paper	10,00,000	..	5	Mar.	Sept.	70 00xd	100
Tata Chemicals T.F.	59,97 000	..	5	June	..	96 50	100
Tata Oil Mills C.	29,88 800	1946	4½	July	..	62 50	100
Titagur Paper Mills	11,50,000	1899	8	Jan.	June	144 00	100
Do. do. (2nd)	15,00,000	1934	4½	Jan.	July	85.00	100

**These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus profits available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free.

R.O.—Redeemable at option. N.B.—Non-Redeemable. P—Participating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months, notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redee-mable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50.00.000	5,37,500	1,01,25,505	44,03,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.32	2	0.19	0.19			12	Y.
40,00,000	24 90,000	1,40 93,494	78,99 035	17,302	M.	50,596	1,021	B. R. Cotton Mills	18.52	100	*Nil*	*Nil*	*Nil*		8	Y.P.T
2 50,93 000	3,45,87,968	9,01 44 459	4,42,94,600	50,386	Nowrosjee Wadia & Sons (Pvt.) Ltd	2,23,006	4,211	Bombay Dyeing & Mfg. Z	63 70	25	2.50*	2.50	2.50	2.50	12	Y.
10,00 000	36 04,615	71 89,139	45 08 521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	145 00	50	12 50	20 00	15.00	7.50	8	Y.P.
1,22,75,700	3,26,61,468	8,11 07,933	3,12,75,392	9,53,042	Birla Brothers Private Ltd.	1,26 752	2,752	Century Spg. & Mfg.	538 50xd	100	22 00	22 00	22.00	22 00	12	Y P.
26,00,000	28,31 920	1 18 36 792	67 79 552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	133 75	100	7 50	12.50*	12 50*	12.50*	8	Y.
28,00,000	26.37 709	90,59,554	54,08.586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	104 25	50	15 00	—	7 50F	5.00	8	Y.
34 00,000	26,36,389	1 12 98,983	69,27,928	—11,15 096	Puranmal Bubna Sons	46,476	928	Edward Textiles	220 00	200	18 00	15 00	15 00		12	Y.
29 98 050	15 72 144	1,31,76 951	81,20,93f	....	M.	46,620	886	Elphinstone Spg. & Wvg.	38 00	50	5 00	15 00	*Nil*		12	Y.P.
50 00,000	63 57,852	1,81,16,865	95 84,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	270 00	100	20 00	20 00	20 00	16.00	12	Y.
50,00,000	48,52,027	1,00,12,312	64,97,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	207 50	100	15 00	15 00	15.00	15.00	12	Y.
11,84,000 16,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	50,240	1,120	Hindoostan Spg. & Wvg. Mills	4 800 00 992.50	1,000 250	300 00 75 00	325 00 81 25	350 00* 87.50*	350 00 87.50	8	Y.P.
2,50,00,000	56,89,672	4,90,61,819	3,54,00,000	1,29,969	Agarwa' & Co.	2,44,512	6,214	India United Mills	7.06 1 04	0 100. 0 1D.	0 94 0 19	0 92 0 18			12	Y.
8,65,000 85,000	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	57,440	1,152	Indian Mfg.	4,350 00 —	1,000 500	300 00 150 00	300 00 150 00	825.00* 162 50*	825 00 162 5	8	Y.P.
59 85,000	47,84 646	3 32 60 641	2 39 44 370	30,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	220 00	100	12 00	10 00	10 00(c)	10 00	6	Y.P.
1,00,00,000	1,04,56,757	3,75,23,474	2,90,25,380	67,775	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	237 00	100	18 00	18 00	18 00	10 00	12	Y.
46,47,350	30,04,414	1,41 23,500	70,57,174	31,558	N. Sirur & Co. Private Ltd.	48,700	644	Modern Mills	40 00	50	8 00*	8 00*	5 00'C'	3.00	10	Y.T.
51 75 000	42,39.896	2 75 32,726	2 00 41 588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg. & Wvg.	257.50	100	14.00	15.00	14.00(c)	15 00	6	Y.P.
1,60,62,600 64,40,000	1,66,72,400	10,94,32,348	4,32,00,000	97,190	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	306.00	100	12 00	14 00*	14.00	14 00 11.20	12	Y.P.T.
24 00,000	22 76,231	82,93,090	48 70,077	—3,04,756	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	106 00	100	10 00	10 00	5 00	*Nil*	12	Y.
30,00,000	7,01,166	109 27,346	63,37 035	—4,43,512	W. H. Brady & Co., Ltd.	49,012	979	New Great Spg. & Wvg.	172 00	100	10 00	10.00	*Nil*	*Nil*	12	Y.P.
48,00 000	55 51,580	1.69 40,494	1,08,77 159	3,59 718	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	142 50	100	10 00	..	12 50F	10 00	8	Y.
40 00,000	45,64,554	53 92 841	25 34 581	1,63 546	Podar Sons Private Ltd.	32,600	930	Podar Mills	175 00	100	12 00*	12.00*	10 00		12	Y.P.
10,00,000	..	23 94 122	18 44 733	—1 10 689	M.	..	..	Sassoon & Alliance Silk Mil	8 24	10	0 50	0 25(c)	*Nil*		12	Y.
37,70,100	1,18,66,143	2,51,80,351	1,49,71,803	5,465	M. G. Investment Corp. Private Ltd	96,488	2,127	Sassoon Spg. & Wvg.	49 00	10	2 00	2 00	2 00	2 00	12	Y.
80 00,000	46 03,455	1 47 58,656	70 66 050	25 207	Marwar Textiles Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	175 50	100	12 00	12 00	8 00	10.00	12	Y.P.
42 00 000	30,80 478	1 95 86,294	79,84 101	8 089	Forbes F Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	183 50	50	10 00	12 00	8 50	8 50	8	Y.
1,09,75 000	2,39 76,402	3,46,68,221	2,04 23,247	1,708	Mafatlal Gagalbhai & Sons	96,956	2,409	Standard Mills	505 00xd	100	20 00	22 50*	22 50*	20 00	12	Y.P.
1,00,00,000	95,94,067	3,02,49,607	1,59,54,406	29,124	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	228 00xd	100	12 00	14 00*	9 00	10 00	12	Y.P.
36 00 000	66,03,330	1,59,87,553	1,02,92 715	26 062	James Finlay & Co., Ltd.	40 328	549	Swan Mills	410 00xd	100	25 00	25 00	25 00	25 00	12	Y.
65,57,875	49,27,388	2,40,99,635	91,95,631	17,925	Tata Industries Private Ltd.	70,968	1,788	Tata Mills	85 50xd	25	4 00	3 50*	2 00	1 50	12	Y T.
16,00,000	61,80,857	97,18,091	59,31,903	27,690	Mangaldas Mehta & Co. Private Ltd.	50,056	958	Victoria Mills Ltd.	287 50	100	20.00*	20 00*	20.00*	20.00*	12	Y.P.
[illegible]	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,664	1,212	Western India Spg. & Mfg.	4,475.00	1,000	800.00	800.00	825.00*	825.00	12	Y.P.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
40,00,000	27,78 612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	145 00	100	7 00	12.00	5.00	5 00	6	Y.P.T.
15,00,000	1,02,99,525	1,39,02,837	79,95,503	....	P M Hutheesing & Co., Ltd.	44,220	920	Aruna Mills	630 00	100	80.00	25 00	25 00	25 00	12	Y.P.
60,00,000	2,86,91,444	2,34,46,771	1,24 21 342	1,27,946	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,096.00	100	85 00*	85.00*	35 00*	28 00 'C'	12	Y.P.
22,00 000	47 41 123	1,22 40,943	77 79 729	1.04 815	Manekaidas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	485 00	200	25 00*	30 00*	*Nil*		12	Y.P.
12 00,000	1,40 46 694	99 92 464	67,28 819	728	Lalbhai Dalpatbhai & Co.	37,868	914	Asoka Mills	686 25	100	80.00	80.00	30 00		12	Y.P.
2,06 25 000	2 60 65 170	6 22 25 491	2 74 71 141	9,28,539	Karamchand Premchand Pvt Ltd.	1,89,120	2,378	Calico	597 50	125	..	80.00	30 00	25.00	8	Y.P.
68 00 000	28 51 630	1,44 37 907	1,02 61 820	20 815	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	480 00	250	80 00	100 00*	25 00*		12	Y.P.
52,00,000	1,17,29,342	1,79,38,243	1,14,51,119	1,21,046	Mafatlal Chandulal & Co., Ltd.	50,428	907	New Shorrock Spg. & Wvg.	957 00	125	85.00	40 00*	30 00	35.00*	12	Y.
15 00 000	64 29 77	69 45 065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	24,840	572	Nutan Mills	395 00	100	20 00	20 00	20 00		12	Y.P.
30,00,000	96,05,783	1,21,02,433	71,71,030	499	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	702 50	100	85 00*	85.00*	35 00*	25.00 'C'	12	Y.P.
48 75 000	28 46 580	1 33 74 914	73 60 111	9 988	M.	33,156	618	Rohit Mills	134 25	100	*Nil*	8 00*	8 00*		12	Y.P.
63,75 000	3,01,44,505	2,32,18,408	1,32,23,150	56,660	Harivallabhdas Kalidas & Co.	94,128	1,790	Shri Ambica Mills	778.00	100	27.00*	80.00*	25.00	30.00*	12	Y.P.
29,25,000	75,75,008	1,12,51,013	77,65,692	23,937	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	86,648	720	Shorrock Spg. & Mfg.	497 50	100	25.00	30.60*	20.00	22 00*	12	Y.
35,00,000	39,43,859	1,34,94,632	92,66,120	25,810	Haridas Achratlal & Co., Ltd.	41,056	780	Vijaya Mills	617.50	500	35.00*	50.50*	40.00*	40.00*	12	Y.P.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
15,00,000	3,05,455	38,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd.	13,044	856	Basanti Cotton Mills	6.25	10	0.50	0.60	0.60		12	Y.P.T.
7 11 280 3,00,620	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee Esq. (Mg Director)	33,248	935	Bengal Luxmi Cotton Mill	35 00N	40	4.00	4.00	4.00	*Nil*	8	Y.P.
24,00 000	1,50,000	1,20 71,237	49 68 051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,928	841	Bowreah Cotton Mills	110 00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
19 00,000	24,30,708	1 39 78 961	73 14 165	—1 86 242	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	168 00	100	2.50	6.00	*Nil*		12	Y.T.
50,08,000	7,14,82-	81 32,154	30,32 154	1,32,757	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	8 75	10	*Nil*	0 37	0.50	0.65	12	Y.T.
1,60,00,000	2,13,45,526	4,06,00,565	1,38,72,244	5,212	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	14 62	10	0.87	1 00	0 75	0 25	8	Y.P.
O.19,47,750 D.5,00,000	6,97,329	49,45,797	30,61,005	—2,23 455	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	14 50N 3.50N	10 1D	1.00 0.34	1.00 0.26	1.00 0.15	0.50 *Nil*	6	Y.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Deprecia-tion Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
30,00,000	....	44,50,440	5,61,731	12,298	Best & Co. (Pondicherry) Pvt. Ltd.	44,386	1,001	Anglo-French Textiles Ltd.	89.50cd	100	*Nil*	*Nil*	6.00	6 00	12	Y.P.
11,08,600	2,17,093	45,17,191	21,23,244	....	[illegible] & Co	24,800	..	Asher Textiles Ltd.	217.00	100	12.50	15.00	12.50	6.00	6	Y.
72,00,000	18,19,271	1,89,74,579	68,27,598	6,322	The Industries (I.F.) Department, Government of Andhra Pradesh	35,752	716	Azam Jahi Mills	51.00	100	8.50(c)	5.00	3.50	*Nil*	9	Y.
1,21,50,000	1,55,24,679	3,69,74,488	2,92,09,368	2,98,409	Binny & Co (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	175 00	100	80.00	80.00	10.00'C	10 00	12	Y.P
85 00 000	74 79 507	1 41 25 225	1 10 21 274	1 04 207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	18.00N	10	3 00	1.50	1.50	0 75	8	Y
1,78,47,800	3,04,99,160	7,63 67,196	4,50,51,659	1,82,834	Binny & Co. (Madras), Ltd.	1,20 288	2,758	Buckingham & Carnatic	185 00	100	10 00	10 00	10.00	10.00	12	Y.P.T.
20,00 000	15 37,935	50 23 440	26 18 048	..	Peirce, Leslie & Co., Ltd.	37 536	4	Cambodia Mills	9 80	10	0 50	0 50	0 50(c)		12	Y.P.
15 00,000	5 11,540	53 88 579	29 91,380	1,08,342	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	151 00	100	12 00	15 00	20 00	12 50	8	Y.
80 00 000	33,43,336	76,05,650	59 57,015	11 053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Textiles	5 00	5	*Nil*	0 25	0 25	*Nil*‡	12	Y.
9,36 560	5 31 645	60,81 289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	81 200	..	Cauvery Spg & Wvg Mills Ltd	11 70	10	0 62	0 75	0 90	0 90	8	Y.P.T.
35,97,200	24,15,845	88,98,386	36,22 038	596	R. Bheema Naidu & Co.	34 864	..	Coimbatore Cotton Mills	141 00	100	25 00	25 00	9.00'C'	6.00	12	Y.
18,15 000	7,25,195	89,16,552	24,29 633	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	91 00	100	20 00	12.00			12	Y.P.
20 00 000	18 28,450	80,21,737	44,69 621	599	T. R. N. Naidu & Co.	39,106	..	Coimbatore Pioneer Mills	285 00cd	100	20.00	20 60	20 00		12	Y.P.
20,76 900	5 076	1 37,90 104	88,52 968	—7 29 806	R. G. S. Naidu & Co.	72 188	407	Coimbatore Spg. & Wvg.	59 00	50	8 00	10 00	*Nil*		12	Y.
46,87,500	10,87 622	3,55,43,835	1,51,85,676	—28,54,243	Tata Industries Private Ltd.	75,530	1,707	Central India	100 00	100	8.00	*Nil*	*Nil*	*Nil*	6	Y.P.
26,90 661	19,55,000	1,04 60 142	44 85 815	21 830	R. Hanumanthappa & Son	35,744	800	Davangere Cotton Mills	113 50	100	9 00	9.00	9 00	9 00	8	Y.
3,38 36 225 1,00,563	3,59,53,968	12,81,26,690	7,47,89,631	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	34 53	25 2½	2 25 0.22	2 50 0 25	2 00 0.16	2 00 0 16	6	Y.P.T.
48,58,875	26,75,000	98,47,125	55,14,444	1 204	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	197 50	100	30 00	25 00	10.00'C	10.00	12	Y.
63,00,000	1 05 56 192	1 69 12,424	1,41,93 839	75,531	Begg, Sutherland & Co. Private Ltd.	48 452	1,198	Elgin Mills	14 50	10	1.00	1 25	1.00		9	Y.P.
48,81 000	40,20,992	1,72,91,953	83 68,207	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	5	Gokak Mills	149 00	100	15 00	13.00	8.00	8.00	12	Y.
2 50 00 000	63,35,000	6,20,30,185	3,68,54,000	12,62,955	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	18 76	10	*Nil*	*Nil*	*Nil*	*Nil*-N	8	Y.P
50,00 000	6 94 589	1,59,76 049	1 21 32 273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	50,780	1,356	Indore Malwa United	97 00	100	9 00	11 00	6.00		12	Y.
8,90 000	10 66 553	35 60 221	20,68,005	....	G. V. Naidu & Co., Ltd	23.784	..	Janardana Mills	70 50	50	10.00	10.00	3.00		12	Y.
15,54,000	15,02,599	57,18,937	33 88 096	7,012	Mr. Bhairuratan Damani (Managing Director)	20,932	512	Jam Shri Ranjitsinghji	1,450 00	1,000	50 00	60 00	40 00		6	Y.
4,63 65 300	3,05 67 516	4,59 43 795	3 29 82 809	3,47 483	Birla Gwalior Private Ltd.	55,324	1,630	Jiyajeerao Cotton	9 76	10	4 00§	0 55	0 35	0 25	8	Y.P.
67,09,800	18,25,000	1,40,72,730	40,50,212	31,924	Kothari & Sons	41 040	800	Kothari Textiles	9.95	10	1 00	1 00	1 00	*Nil*	12	Y.P.
32,00,000	49,95,387	1,98,16,979	1,44,39,237	690	M.	51,098	1,219	Lakhshmi Cotton Mfg.	425 00	250	42 50	42 50	15.00	15.00	12	Y.P.
71,00,000	66 85,960	2,25,46,381	1,29 69 687	86,371	G. K. Naidu & Co.	1,10,800	200	Lakshmi Mills	124 00 62 00	50 25	12 50 6 25	12 50 6 25	10 00 5 00	6 00 3 00	8	Y.
1,75,02,480	3,75,33,193	5,99,75,120	4,17,59,406	—49,07,085	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	26 85	15	3 00	2 62	2.25	*Nil*	12	Y.
12,00,000	3,67,363	29 03,852	18,76,700	213	V. K. Eradi (Chairman)	22,228	100	Malabar Spg & Wvg.	80 00	200	*Nil*	8 00			12	Y.
60 00 000	69,00 000	66 60,298	47 59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25 656	603	Mettur Industries Ltd.	398 00	100	35 00	42 50	20.00	20.00	8	Y.
29 80 884	12,88 081	93,11,180	51,89,457	19 788	N. Sirur & Co. Private Ltd	39,896	704	Minerva Mills	61 00	100	6 00	6 00	*Nil*		12	Y.
94,91,850	21 56 146	1,71,94 769	78,81,528	1,85 008	M.	52 408	952	Model Mills (Nagpur)	95 00	250	7 50(c)	7 50			6	Y.
24 83,500	39 98 562	1 13 65 249	72 49 736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	85 00	50	6 00(c)	9 00*	9.00*	5 00	2	Y.P.
18 61 780	..	29 12,641	17 83,314	8,966	K Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6 25N	10	*Nil*	*Nil*	*Nil*		8	Y.
87,23 500	29,30,563	1,76 86,675	67.86,683	—10,70,571	Bansilal Bisesardas Pvt. Ltd.	87,788	902	Osmanshahi Mills	39 50	100	2 50(c)	3 00(c)	*Nil*	*Nil*	9	Y.
4,00 000A 6,00 000B	13,00,000	71,79,976	28 66,277	8,909	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	134 00cd 190 00cd	50A 75B	12 00 18 00	15 00 22 50	9 00 13 50		12	Y.P.
15,00 000	....	35,52 644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27 980	..	Pankaja Mills Ltd.	50 50	100	4 00(c)	*Nil*	*Nil*		12	Y.
33,62,400A. 16 81,200B.	31.21 189	1,06 11,851	58,39,265	3 877	A. G. Gurusamy Naidu & Co.	59,264	300	Radhakrishna Mills	131 00 64 50	100A 50B	20 00 10 00	20 00 10 00	12 00 6 00		12	Y.
30,00,000	26,88,606	89,13,907	37,47,058	—1,89,711	B. R. Naidu & Sons	40,296	..	Rajalakshmi Mills	64 50cd	50	10 00	7 50	4 50	3.00'C'	12	Y.F.
16 14 300	14 00 000	58 40 280	20 95 40	...	Ramco Agencies Private Ltd.	30,756	..	Rajapalayam Mills	121 50	100	10 00	10 00	12 00	8 00	8	Y.
22,32,300	11,19,000	56,65,412	25,87,551	5,956	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	121 00cd	100	10 00	10 00	10 00	10.00	12	Y.
15 00 000 10 000	2,69 01..	3 15 04 564	2,05 50 75	—34,29,635	M.	86,048	2,234	Sholapoor Spg. & Wvg.	422 50 —	1,000 500	*Nil*	*Nil*	*Nil*		8	Y.P
10,00,000	6,43,782	51,57,412	25,99,155	3,118	S. R. P. Ponnuswamy Chetty & Sons	25,088	..	Sivanandha Mills Ltd	17,00cd		1.20	1.20	1.20	1.50	12	Y.
36 09 700	21 91 449	1,05 51,059	61 65,564	87 576	D B. Viswambhariah Esq (Mg Director)	42,924	316	Sri Krishnarajendra Mills	68 00	50	5 00	7 00	7 00	4 50	8	Y.
15,00 000	8 63,33 415	1 06,79,186	80 23,012	30,16,282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	68 00N	10	6 00	6 00	6 00	6 00	8	Y.
17 50 000 O 1,57 50,000 PO	2,36,28,071	5,28 86,193	1 97,31,347	2 64 970	M.	1,12,216	2,098	Swadeshi Cotton (Kanpur)	11 00 10 81	100 10P.O.	0 75 1 15	0 75 1 15	0 75 1 15		12	Y.P.
1,00 00 000	60 00 000	3 88 81 393	1,95 13 492	1,78 216	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	21 27cd	10	0 75	1 00	1 00		12	Y.P.T.
13,98,730	8,75,000	20,72,310	14,38,584	71	Mooiji Ramjee & Sons	18,000	..	Trichinopoly Mills	11 05	10	0 90	1 12	0 90	0.73	12	Y.
21 00 000	89 86 738	86 30 896	61 76 507	12,000	R. K. Chetty & Brothers	44.424	270	Vasanta Mills	222 00cd	100	20 00	20 00	12 00		12	Y F
32,00 000	8 64,423	1,94,48,153	1,30,02,866	—14,81,997	The Bombay Co. (Private) Ltd.	49,880	1,363	Vishnu Cotton	110 50	100	8 00	8 00	*Nil*	*Nil*	12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
Z.—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. § On old capital. ‡ For nine months ended 31st December 1957. 'C'—On Increased Capital.
N= Gwalior Rayon—Dividend for the year ended 31st March 1959 is Re. 1.00 per Share.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
71,39,780	6,27,794	1,53,40,852	52,19,911	49,516	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.10	B. 10	1.00*	1 00	1.00		12	Y.P.
59,89,343	36,548	1,57,05,664	21,936	6,415	M.	Ashoka Cement Ltd.	8 83	10	..	..	*Nil*	*Nil*	3	Y.T.
12,71,80,070 6,34,26,150	10,06,76,940	36,32,76,342	12,89,15,052	1,98,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	153.00	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
83,92,587	....	1,23,58 448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.20	10	0.30	0.60	0.60		12	Y
1,44,10 795 5,00,000	53 35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	10.50 2 63	O. 10 D. 1	1.25 0.12	1.25 0.12	1.20 0.12		12	Y.P.T.
1,09,79,135	30,37,736	2,18,27 299	73,38 865	71.092	Essen Private Ltd.	India Cements Ltd.	— 6 03	O. 25 D. 5	1.87 0 37	2.06 0.41	2.06 0.41	2.25 0.45	3	Y.P.
1 50,00,000	1,85,000	6,72,92,670	1,24,70,386	93,276	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10.76	10	0.75	1.25	1.25	1.25	3	Y.P.
1 00 00,000	81 43,497	8,25,68,.68	1.17,.9,528	37,55 949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14 48	10	1 25	1 25	1.50		12	Y.P.
1,34,20,200	48,94,785	3,35,77,865	1,29,16'661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	154 50	100	8.50	9 00	9.00		12	Y.P.
75,00 000	17,70,000	2 18 91 926	1,54,88 889	18 727	M.	Sone Valley Portland Cement	5.87	5	0.30	0 15	0.30		12	Y.
30,00,000	6,00,000	1,04,84,565	43,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	9.85cd	10	0.62	0.60	0.60		12	Y.

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
18,50,000	14 90 231	13 05,892	7.13 067	32,829	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	19.88	10	1.00	3.00	1.50	3.50	9	Y.P.
50,50 275	8 45 006	1,20 18 973	35 41 847	20 913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.62	2½	0.25	0.25	0.25		12	Y.
10,00,000	84,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	32.50	10	1.75	0.87	1.75	1.75	3	Y.
£1 371,300	£1,348,400	£2,621,717	£1,593,562	11,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.10	Sh. 2	10.8d.*	4.8d.	4.32d		12	Y.
O.15,00,000 F.5,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	14.19	10	1.00 3.00	*Nil* *Nil*	*Nil* *Nil*		6, 12	H.
6 00,000	4 29 010	10,39,616	6,71,336	6,036	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	14.20	10	0.75	1.00	1.00*	1.00*	3	Y.
20,00,000	49,23,557	56,51,624	29,17,800	1,42,114	Bird & Co. Private Ltd.	Orissa Minerals	36.50	10	2.00*	1.00‡	2.00	2.50*	6	Y.
10,50,000	74,07,410	92,16 115	33,74,927	57,690	Killick Industries Ltd.	Shivrajpur Syndicate	90.00	10	8.00*	8.00*	8.00*	8.00*	11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
41,27,700	37,60,000	1,10,24,566	49,60,560	31,063	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	195.00	100	8.00	10.00	12.00		12	Y.P.
62,00,000O 2,47,97,000A	90,34,040	4,45,67,285	73,02,594	1,08,673	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	22.37	10	0.80	0.80	0.80	0.80	9	Y.P.
60 00,000	....	67,15,919	....	1,15 111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	160.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
1,89,27 800	11 05,700	2,96,61,485	67,85,495	58,686	Lalbhai Sons & Co.	Atul Products Ltd.	327.50	100	5.25	6.00	8 00		12	Y
48,17,200	48,38,400	1,45,22,658	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	102.00	100	6.00	6.00	6.00	6.00	3	Y.P.T.
21,50,000 42,74,800	63,31,297	1,48,64,534	57,89,669	9,989	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	115.00 —	100 100New	12.00 ..	9.00 4 50	7.50 3.75	6 00 6.00	3	Y.P.
3,46,06,075	....	4,29,69 769	2,38,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	9.06cd	10	*Nil*	*Nil*	*Nil*		12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jal H. Mehta	Kemp & Co.	225 00	200	12.00	15 00	15.00	15.00	3	Y.
40,50,000	16,32,446	1,12 61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12 85	10	0.70	0 75	0.75	0 87½	3	Y.P.T
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10 80	10	0.50	0.50	0.50		3	Y.
6,00 000	4,00,000	7,87 855	4,44,350	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	19 00XR	10	2.00	2.00	2.00		3	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	11.25	5	0.50	1.00	1.00	0.80'C'	6	Y.P.
10,00,000	12,00,954	19,34 602	14,27,276	87,365	M.	Polychem. Ltd.	99.50	50	..	..	..	*Nil*	3	Y.P.
1,39,95,990 56,00,000	17,19,952	4,57,35,637	1,71,48,316	3,736	Tata Industries Private Ltd.	Tata Chemicals	17.60	10	*Nil*	0.75	0.80	0.75	6	Y.P.T.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
6,74,78,395	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	91.80	100	5.00	6.50	3.25	6 50	3	Y.T.
72,50,000	14,67,106	1,98 94 397	45,21.447	15,26,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.76	10	0.75	0.75	0.42½	0.85	3	Y.P.
3,02,76,250	76 70,609	9 08 96 522	2,41,70,836	82 105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,135 00	1,000	75.00	75.00	56.25	80.00*	3	Y.P.T.
1,75,00 000	54,34 572	3 30 22,445	77 28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	102.25	100	7.00	7.00	7.00	7 00	3	Y.
7,07,020	99 267	16 08,942	7 53,744	199	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.12	10	0.75	0.62	*Nil*	0 50	3	Y.T.
18,89,000	9 35 596	1 40 77 220	53 14 908	7 836	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	120.00	100	10.00	10.00	2 50	7 50	3	Y.P.T.
60 62 500	25 74 514	1 34 27 302	42 37 719	3,828	Killick Industries Ltd.	Surat Electricity	107.25	100	7.00	..	8.75	7 00	3	Y.P.
2,39,99 575	74,19 097	6 63,96,657	1,61,14 10	28,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	117.25	100	7.50	7.50	5.62	8.00*	3	Y.P.
5,15,85,750	2,13,05,278	16,15,83,754	3,15,30,939	29,701	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,171 25	1,000	75.00	75.00	56.25	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
19,99,600	44,20,246	1,12,31,458	33,25,328	49,395	MartinBurn Ltd.	Agra Electric Supply Co., Ltd.	144.00	100	10.00	10.00	10.00	10.00	3	Y.T.
8,00,000	14,59 897	50,97,022	18,71,544	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14 50	10	1.00	..	1.25	1.00	3	Y.T.
17,00,000	40,15,771	1,33,22,707	40,12,140	41,291	Martin Burn Ltd.	Benares Electric Light & Power Co.	14 25	10	1.25	..	1 25	1.00	3	Y.T.
5,91,380	5 95,855	21,28,477	9,59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	7.75	8	0.50	..	0 62Z		3	Y.
£4,262,616	£0,051,862	£31,675,211	£11,724,713	£110,341	Harry Burn Esq. (Chairman	Calcutta Electric Supply	14 94	£1	6%	..	8½%Z	7%	3	Y.P.T.
6,00,000	5,11,491	28,13,024	8,33,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8 00	10	0 62	..	1.00Z	0 65	3	Y.
43,20,000	16,40 106	98,00 595	33 79,613	8 16,830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	102 00	100	6 00	6.00	6.50	7 00	3	Y.P.
5,34,640	96,514	29,51,444	12,22,358	3,590	Moonna Lall & Sons	Jhansi Electric Supply	6 62	10	0 69	..	0 86Z	0 62½	3	Y.T.
2,49,700	25 37,540	98 31,343	35,83 663	29 425	Martin Burn Ltd.	Jubbulpore Electric Supply	12 87	10	0.91	0.40	0.92	0.92	3	Y.
4,95,000	2,21,374	12,36,011	6 02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.50N	9	0.50	..	1 22Z	0.72	3	Y.
5,82,300	3,35,296	32,18,465	11,47,495	39,081	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8.25	10	*Nil*	..	1 25Z	1.00	3	Y.
6,99,850	1,83 973	17,84 092	7,83 164	22,321	G. D. Bhagat, Esq.	Muttra Electric Supply	10.75	10	0.60	0.80	0.80	0 80	3	Y.
35,10,478	87 51,068	1 32,14,704	51 65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	11 87	10	0 75	..	1 25Z	0.75	3	Y.T.
9,10,000	1,93 940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25	10	0 50	*Nil*	*Nil*	0.50	3	Y.
16,80,000	11,63,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	11 00	10	0 75	..	0.94Z	0 68	3	Y.T.
56 00,000	9,42 467	1,85 49 941	54,65 888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	12 10	10	0 91	0.91	1.28	0 87	3	Y.P.T.
5,99,250	4 67 280	21 09 262	9,36 176	9,038	Martin Burn Ltd.	Upper Ganges Valley Electric Supply	24 25	10	0.94	..	1.25	1.00	3	Y.
5,00,000	7,10,006	30,55,008	9,86,492	34,395	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	18.00	10	1 25	1 25	1.25	1 25	3	Y.
56,00,000	70,88,309	3,23,02,947	1,28,96,968	82,797	Martin Burn Ltd.	U. P. Electric Supply Co.	139.50	100	10.00	10.00	10.00	0.50	3	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.75	10	1.00	1.00	1.00	1.00	3	Y.P

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
33 42,200	52,31,831	74,21,408	62,82 616	25,010	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	272.00	100	12.50	15.00	12.50		12	Y.
14,99,960	2,67 708	16,61,421	6,38 124	3,552	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	60 00	60	3.00	3.00	3.00	3.00	12	Y.
6 40 000	3 75 000	1,57 259	1,17 027	1,448	M. R. Rao Esq. (General Manager)	Jost's Engineering	71 00	50	4 00	4 00	5.00	5 00	3	Y.
44,96,250	3,13,291	50,91,406	23,32,632	11,374	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	9 72	10	*Nil*	*Nil*	*Nil*	0.50	9	Y.P.
50,00 000	15 01,511	44 29,526	20 09 7 4	25,546	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	23 80	10	1.00	1.00	1.00	1.25	3	Y.P.
1,32,00,000	35 51 182	1,33,44,215	23,12,332	98,681	M.	Mahindra & Mahindra Ltd.	20 68xd	10	1.00	1.25	1.75	2.20	10	Y.P.
11,00,000	1,98,034	37,30,884	22,13,147	5,012	P. Jhunjhunwala Esq. (Mg. Director)	McKenzies	78 00	100	*Nil*	*Nil*	*Nil*	*Nil*	7	Y.P
39 69 895	24 80 000	83,15 927	31 99 497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	18.23	10	*Nil*	*Nil*	1.00	1 20	3	Y.P
22,50 000O. 1,31,250Pr.	1 31 65,556	7,65 574	1,09 239	2,35,444	Walchand & Co. Private Ltd.	Premier Construction	319 00	30	8.50	8.50	10.00	12.00	12	Y.P.
11 56 50 000 11,41,76 610	23,26,43,033	147,05,45,433	42,01,71,546	4,49,862	Tata Industries Private Ltd.	Tata Iron and Steel	189.75 183 00	75old 75new	10.50 ..	10.50 ..	9.50 2.54	8.25 7.56	3	Y.P.
5,00,00,000	65,53,390	16,75 33 296	6,68,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	207.50	100	*Nil*	6.00	8.00	9.00	3	Y.P.T.
2,55,00,000	24,78,951	76,50,491	16,44,492	1,09,108	S. K. Handoo, Esq.	Voltas Ltd.	162.00	100	5.00	9.00	9.00	9.00	8	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	12.75	10	*Nil*	*Nil*	*Nil*		10	Y.P.T.
50,00,000	19,00,060	1 22.29 219	79,69,445	97,400	Bhartia Co., Ltd.	Bhartia Electric Steel	17.94	10	1.25	1.25	1.25		12	Y.
56,59,790	64,90,721	66,62,747	9,45,919	1,75,170	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	30.44	7	1.75	2.00	3 00	1.25	12	Y.
12,00,000	25,05,000	49,19,444	27,99,444	1 73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34 00	10	1.50	2 00	2.00		12	Y.T.
19,88,670	5,23,347	87,25,250	11,79 769	99,900	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6 81	10	1.00	0 50	0.50	0.50	3	Y.P.T.
40 00 000	39,42 365	83,13,780	87,68,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	13 12	10	1.50	0.60	0.60		12	Y.T.
5,00,000	5,65,064	22,70,144	13 03,817	68,189	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	27.75	10	*Nil*	*Nil*	2.00	2.00	12	Y.
84,00,000	1 99 04 936	4 42,87 297	2 71 68 251	1,30,345	Martin Burn Ltd.	Burn & Co.	412 00	100	15.00	20 00	20.00	20.00	4	Y.T.
2,00,00,000	2,13 04,630	4 44 83 991	1,89 34 508	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	40 19	10	..	2 30	2 00	2.00	12	Y.T.
12,50,000	24,07,000	60,24,546	39,12,107	9,214	Martin Burn Ltd.	Hooghly Docking	115 00	50	6.25	6.25	5 00	5.00	12	Y.P.
36,94 590	....	46 81 461	28 61 241	—2,73,694	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	18 31	10	1 00	*Nil*	*Nil*	*Nil*	12	Y.P.
10,86,74,160	18,72,11,475	43 94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	24 16	10	1.00	1.00	1.00	1.00 C'	3	Y.P.
38,98,500	54,64,443	1,09,07,195	64,95,575	42 976	Martin Burn Ltd.	Indian Standard Wagon	103 00	25	6 25	7.50*	7 50*	5.06	3	Y.P.
82,00,000 26,580	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	39 12 19.00N	0.10 0.1	3.00 0.30	3.00 0.30	4 00* 0.40*	4.00* 0.40*	3	Y.
68,62,575	52,15 306	2 84 90 851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	205.00	100	12 00	10 00	15.00	12.00	3	Y.P.T.
1,01,99,000	51 82 557	1,72 18 507	62,69 132	51 642	M.	Jessop & Co.	31.12	10	3 00	*Nil*	*Nil*		10	Y.P.
24,23,187	10,05,500	48,80 671	20,65,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines Ltd.	20 40	10	0 50	0 60	0.90	1.00	3	Y.
18,43 200	54,56,724	72,53,319	26 62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	8.75	3	0 50	0 62	0.45		11	Y.P.T.
10,50,000	23,78,264	17,13 875	13 52,941	1.85 774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	6 10	2	0 30	0.40	0.40		6	Y
49,06,000	7,44,675	1,25,33,261	68,79,493	9,10,380	M.	National Iron and Steel Co., Ltd.	7.87	10	0 25	0.62	0.62	0.62	3	Y.P.T.
40,00 000	30,56,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8 44N	10	1 50				6	Y.P.
6,00,000	8 16,855	29,83,251	18,00,849	21 633	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.44	4	0.25	0.25	0.40	0.40	3	Y.
1,50,00,000	40,87,211	3,55,99,392	1,47,60,898	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	25.25	10	1.00	1.25	1.50		12	Y.P.T

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
13 50,000	46,99,060	1,33,51 354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	13.00	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	33 50	50	3.00	3.00	3.00		12	Y.
5,15,000	1,84,95,246	12,38,65,607	....		R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	201.25	100	25 00				12	Y.
24 00,000	62,91 344	1,26 11,797	....	3,40 686	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25 00	10	2.00	2.00	2 00		12	Y.
18,74,940	3,30,83,259	4,29,34,163	....	6,54,134	M. J. Rao, Esq (Administrator)	Jupiter General Insurance	5.60	15	*Nil*	*Nil*	*Nil*		12	Y.
20,00,000	53 99 401	1 56 15 926	....	10 976	M. G. Mody, Esq.	New Great Insurance	21.00	20	1.50	1.50	2.00		12	Y.
1,06 81,390	7,19 81 437	13,20,95,176	....	1,41,481	B. K. Shah, Esq.	New India Assurance	51.40	15	2 50	3.00	3.00	2.00‡	12	Y.
6 00 000	78,22 32,610	82,01,80,624	....	....	L. S. Vaidyanathan, Esq.	Oriental Life Assurance	4,200.00	200	200.00				12	Y.
32,00,000	65,90,0 4	1,60,63,502	....	29,354	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	7.56	8	0.50	0.62	0.62		12	Y.
5 75,000	67,91,968	42,97,528	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	157 50	25	11.25	11.25	11.25		12	Y.
15,99,270	38 72,513	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	20.52	10	1.25	1.50	1.50		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
35,00,000	86,85,342	80,25,560	36,80,012	1,63,409	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	6.25N	7	1.50	1.50	0.60		12	Y.P.
1,00,00,000	1,56,75,763	99,60,109	51,30,823	3,28,739	Steel Brothers & Co. Ltd.	Indo-Burma Petroleum Co. Ltd. A.	26 12	10	4 00*	2.00	2.00	2.00	12	Y.P.
79,07,475	35,88,424	2,22,58,663	1,37,40,056	5,511	Tata Industries Private Ltd.	Tata Oil Mills	55 00	25	2.00	3.00	2.50	2 50	3	Y.P.
6,00,000	9,35,944	2,38,199	1,74,917	70,660	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India), Ltd.	16.75	10	1.09	1 25	1.25	1.50	10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—Dividend is for fifteen months ended 31st March 1957. T—Company has got Debentures.

MISCELLANEOUS COMPANIES—*Continued.*

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	94.50	25	4.69	2.50	3.12	2.00i	12	Y.P.T.
63,00,000	61,52,258	1,94,26,902	88,79,418	29,471	Andrew Yule & Co., Ltd.	India Paper Pulp	22.12	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	20.10	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	35.50	10	1.12	0.62	1.50	1.50	3	Y.P.T.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	16.87	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000 'A'10,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12.62 12.62	O. 10 A. 10	1.25 1.25	1.05 1.05	0.60 0.60		9	Y.P.
2,18,55,240	51,23,786	3,93,85,536	1,10,56,130	18,794	Birla Brothers Private Ltd.	Sirpur Paper Mills	12.80	10	5.00‡	0 50	0.50	0.65	6	Y.P.
56,00,000A. 56,04,800B. 4,87,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	41.37 41.37 4.25	A. 10 B. 10 P.O. 2½	2.00* 2.00* 0.25	1.12* 1.12* 0.12	2.38* 2.38* 0.24	2.38* 2.38 0.24	3	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
13,99,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.56	3	*Nil*	*Nil*	*Nil*		9	Y.
39,25,000 42,00,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corpn.	535.00 182.00	Old125 New50	37.50 15.00	40 00 13.75	47.50K 19.00K	22.50 9.00	5	Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	40.50	10	3.00	3.00	2.75	1.00i	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
14,00,000	16,60,406	43,47,523	32,35,804	59,415	M.	Balrampur Sugar	7.25	10	0.06	*Nil*	0.25	0.25	6	Y.
12,00,000A. 3,00,000B.	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	120 00N 11.50N	A.100 B. 10	10.00 1.00	10.00 1.00			4	Y.T.
19,49,050	9,25,000	33,56,131	25,76,647	66,832	Bangur Bros., Ltd.	Belsund Sugar	12.81	7½	0.75	1.00	1.00	1.00	9	Y.
15,00,000	13,08,913	22,66,507	13,89,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	12.00N	10	1.50	1.50	1.50	1.00	6	Y.P.
32,00,000	23,38,522	1,49,71,234	1,02,01,879	11,728	Gladstone Lyall & Co., Ltd.	Carew & Co.	9.37	10	0.25	*Nil*	*Nil*	0.25	6	Y.P.T.
30,00,000	63,02,047	1,64,83,531	98,80,069	—22,24,008	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	10.87	10	0.75	0.75	*Nil*	*Nil*	10	Y.P.
18,00,000	38,41,544	85,45,310	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	17.00	10	1.50	1.00	*Nil*	1.00	6	Y.
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.50N	10	0 50	0.50			8	Y.T.
60,00,000	65,12,000	2,11,44,128	86,21,246	43,249	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	230.00	100	15 00	15.00	15.00	15.00	6	Y.P.
18,00,000	13,01,626	82,28,561	52,18,596	74,885	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	47.00	40	2.25	4 00	7.00	4.00	7	Y.P.
7,89,100	25,36,524	50,24,224	28,80,749	18,295	Cotton Agents Private Ltd.	New India Sugar Mills	26.00	10	2.50	2.50	2.50	2.50	6	Y.P.
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5.00	10	0.25	0.37	0.37		5	Y.
13,21,100 38,275	49,91,797	73,75,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	240.00 50.00N	100 25	20 00 5.00	20 00 5.00	20 00 5.00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	142.00	100	11.00	11.00	12 50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	12.00	10	0.75	0.75	*Nil*		10	Y.P.
63,59,400	48,34,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	13.56	10	1.50	1.50	1.50		10	Y.
8,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	17.00	10	*Nil*	1.75	1.50		6	Y.P.
11,99,000	16,33,214	47,23,533	25,18,422	—2,20,853	M.	Samastipur Central Sugar	12.56	10	*Nil*	1.75	*Nil*		6	Y.
39,88,800	22,68,560	1,47,99,287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.81	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	32,42,065	14,85,208	—3,03,840	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4.00	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
8,00,000	37,71,616	1,55,93,502	86,53,620	24,618	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	2.50	3.00	5.00	5.00	6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.	United Provinces Sugar	16.81	10	1.50	0.60	0.75		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
30,00,000	23,00,000	84,58,962	24,22,569	22,096	Rangarao & Co.	Andhra Sugars Ltd.	22.52	10	0.60	1.00	1.25	1.50	9	Y.
70,49,650	1,33,26,508	1,53,99,065	1,08,78,700	2,88,214	W. H. Brady & Co., Ltd.	Belapur Company	302 00	50	16.00	16.00	18 00	20.00*	9	Y.
17,50,000	13,19,902	42,58,150	25,46,204	1,21,343	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	23.74	10	1.00	1.50	2.00	2.00	9	Y.P.
37,50,000	16,15,171	76,19,408	50,40,255	31,529		Shree Changdeo Sugar	30 00	12 50	2.00	5.00	2 25		9	Y.
39,84,000	50,19,492	1,19,44,328	66,95,463	1,49,743	Parry & Co., Ltd.	Deccan Sugar & Abkhari	12.30	5	0.50	0.75	0.72½'C'	0.90	5	Y.P.
£800,000	£1,398,556	£1,861,707	£996,904	£70,816	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	38.75	£1	Sh. 4	Sh. 3	Sh. 3	Sh. 4	9	Y.P.
15,93,900	21,59,383	45,68,562	27,88,312	9,164	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80 00	100	*Nil*	6.00	10.00	10 00	6	Y.P.
63,97,600	9,09,336	78,60,440	13,77,075	24,812	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.10xd	10	1.40	1.12	1.00	1.00	9	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd.	Jaypore Sugar	15.75	10	1.00	0.60	0.60		6	Y.P.
10,52,200O. 2,87,190D.	1,09,50,000	3,37,42,487	51,70,482	83,107	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	132.50xd 138.50xd	O.100 D. 10	7.50 10.00	7.50 10 00	7.50 10.00	7.50 1.50	6	Y.P.
67,50,000	43,52,607	1,32,16,830	62,39,590	2,98,574	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	190.00	50	..	100 00*	100 00*	17.00*	9	Y.P.
21,79,280	92,73,108	1,57,31,189	96,17,873	1,44,257	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	52.25	10	2.00	2 00	2.00	3.00*	6	Y.
50,00,000	53,21,430	1,16,88,154	67,30,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	157.00	50	8 00	9.00	12 00*	10.00	9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	18.87	10	2.00	2.00	1.50		8	Y.P.T.
20,00,000O. 4,00,000D.	42,95,804	1,18,46,781	62,36,097	72,206	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	134.00 40.00	O. 50 D. 50	9.00 0.70	12.00 0.70	12.00 3.75	12.00 3.75	9	Y.P.T.
30,00,000	23,85,000	65,43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	12.25	10	0.75	1.00	1.00	1.00	7	Y.P.
[illegible],01,00,000	1,17,38,868	2,95,28,114	1,17,67,839	1,73,607	Walchand & Co. Private Ltd.	Walchandnagar Industries	287.50	100	18.00	21.00	21.00	21.00	9	Y.P.T.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
20,00,000	99,30,970	1,22,58,916	19,44,277	36,387	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	7.50	7.50	5 00		10	Y.P.
1,00,00,000	1,27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	12.72	10	5.00	6.00	12 00*		12	Y.
60,00,000 30,00,000	1,98,50,067	5,87,36,543	1,23,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	23.12 16.36	10 5	*Nil*	1.00	1.50	1.80 0.90	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	60.00	£10	Sh. 10	*Nil*	*Nil*		12	Y.P.
2,47,50,000	2,83,86,232	15,10,10,777	3,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	14.24	10	*Nil*	1.00	1.00	1.00	3	Y.P.
11,28,19,293	10,91,45,114	30,05,36,672	6,94,73,743	6,65,069	M.	Scindia Steam Navigation Co.	18.00	20	0.50	1.00	1.25	1.25	6	Y.T.
8,40,800O. 2,10,200P.O.	21,67,472	12,59,963	8,41,760	1,35,400	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	2.00 1.62	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.14 0.12		12	Y.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
5,57,00,000	1,20,48,754	5,27,61,368	66,48,054	1,35,01,936	S. H. Turner (Chairman)	Hindustan Lever	29.30	10	..	1.25	1.40	1.50	12	Y.
31,07,000	13,46,538	1,14,49,682	72,51,407	67,978	Birla Brothers Private Ltd.	Hind Cycles	108.50	100	10 00	..	12.50F	7.00	3	Y.P.T.
14,98,840	4,61,996	33,87,568	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	42.00	50	2.00	3.00	8 50*	3.00	3	Y.P.
99,99,250	20,21,794	1,27,76,392§§	....	1,92,364†	Premchand Roychand & Sons	Industrial Investment Trust	80.00	100	4.50	5.00	5.50	6.00	12	Y.
1,00,00,000 6,23,625	25,34,707	45,50,246	14,45,332	9,290	K. G. Milne, Esq. (Mg. Director)	Killick Industries	139.00	100	11.00	11.00	11.00	13.00	11	Y.
2,20,26,525	71,19,432	3,90,61,158	1,93,68,002	4,78,891	Aero-Auto Private Ltd.	Premier Automobiles	110.50xd	100	*Nil*	6 00	6.00	4.00	6	Y.T.
26,94,500	24,05,554	65,62,811	16,34,991	48,132	Polson Agencies Private Ltd.	Polson Ltd.	142.00xd	10	10 00	12.50	10 00	10 00	12	Y.P.
2,75,00,000	1,57,27,188	4,42,23,592	1,76,37,418	1,62,793	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	207.00xd	100	11.00*	11 00*	11.00*	11.00*	12	Y.
45,00,000	59,87,543	11,32,721	5,39,418	84,398	Jehangir P. Patel, Esq. (Chairman)	W. H. Brady & Co., Ltd.	323.75	150	20.00	22.50	25.00	25.00	12	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
57,50,000 2,50,000	1,99,56,713	3,81,21,462	36,96,361	2,33,759	J. K. Industries Private, Ltd.	Aluminium Corporation of India Ltd.	14.62 —	O. 10 D. 2½	*Nil* *Nil*	0.50 *Nil*	0.90 *Nil*		3	Y.P.T.
79,95,653	34,25,000	1,05,40,087	34,37,767	49,715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd.	19.75	10	1.25*	1.25	1.25	1.25	3	Y.
30,00,000	36,31,857	35,74,849	24,59,437	2,39,372	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	18.81	10	2.00*	2 00*	1.80*	1.50	8	Y.
30,00,000	17,57,742	39,32,562	20,88,148	1,97,533	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	16.75	10	1.25*	1.25*	1.25*	1.25*	12	Y.
20,00,000	35,94,600	1,05,12,033	39,58,423	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	8.50	10	0 40	1.20	0 60		3	Y.P.T.
1,87,10,000	16,72,758	1,71,81,201	43,09,030	27,608	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.22xd xr	5	*Nil*	0 30	0.30	0.30	12	Y.
30,01,400	84,59,405	74,46,138	40,46,138	5,00,886	M.	Balmer Lawrie & Co., Ltd.	162.00	100	12.50	15 00	12.50	5.00i	12	Y.
12,00,000	19,60,081	34,87,689	28,67,589	2,19,540	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	33.00xd	10	2.25	2.50	2.50	2.50	12	Y.
20,00,000	8,48,877	....	....	14,920	Lovelock & Lewis	Birds Investment Ltd.	14.75	10	1.25	1.00	0.50	0.70	9	Y.P.
45,97,020	38,11,814	1,15,02,202	42,92,212	2,18,164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	20.25	10	1.00	1.00	1.00	1.20	3	Y.P.T.
3,25,00,000	1,27,72,883	3,51,40,132	2,47,20,776	—11,35,910	M.	British India Corporation Ltd.	5 08	5	*Nil*	0.10	*Nil*		12	Y.P.
5,00,000	2,47,132	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	79.00xd N	100	5 00	6.00	10 00*		6	Y.
1,88,80,000	17,34,264	2,05,94,990§§	....	8,10,588	Andrew Yule & Co., Ltd.	Clive Row Investment	11.19	10	0.56	1.38	0.75	0.75	3	Y.
3,00,00,000	3,95,09,699	8,77,39,859	2,97,56,769	22,46,056	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	31.56	10	1.50	1.50	1.62	1.62	12	Y.P.T.
16,20,630	26,75,014	29,38,961	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	16.62	5	0.56	0.56	..	..	8	Y.
51,26,000	56,67,666	1,62,31,196§§	....	3,25,471	Bird & Co. Private Ltd.	Eastern Investments Ltd.	134 00	100	9.00	9.00	9.00	9.00	12	Y.P.
14,94,675	....	22,64,862	91,811	5,110	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	10.10	10	..	..	..		12	Y.P.
14,00,000	10,35,000	36,71,778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	185.00	100	15.00	4.00	12.00	15.00	3	Y.
40,00,000	4,40,000	68,41,943	36,78,212	10,34,574	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	21.50N	10	2 00	2.00	1.50	2.00	12	Y.P.
65,00,000	36,00,000	29,50,904	12,41,168	1,46,370	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	12.31	10	1.40	1.60	1.00	1.00	3	Y.P.
30,00,000	15,17,354	83,08,821	36,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	250.00N	250	6 25	15 00	15.00		3	Y.
4,96,13,250	13,37,499	5,26,95,200	2,25,48,541	9,38,841	Birla Brothers Private Ltd.	Hindustan Motors	8.48	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
3,88,05,820	1,30,17,480	9,30,74,123	2,48,87,454	15,25,957	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	20.56	10	0 90	1.00	0.60	0.70	12	Y.P.
1,52,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	30.62	10	1.25*	1.50*	1.50*	1.50*	8	Y.P.T.
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	17.37	10	0.50	0.62			3	Y.P.
2,00,00,000	84,76,626	4,61,56,945	1,85,74,917	6,17,828	R. G. C. Stephenson, Esq. (Mg. Director)									
5,16,00,000	9,06,59,979	10,61,31,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Indian Oxygen Ltd.	27.25	10	..	..	1.00	1.00	9	Y.
2,50,00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Imperial Tobacco Co. of India Ltd.	11.81	10	0.30	0.30	0 70	0.70	3	Y.
						Jardine Henderson	82 00	100	7.50	7.50	2.50	2.50	3	Y.P.
40,00,000O. 5,00,000D.	82,95,072	29,31,775	11,33,490	....	M.	McLeod & Co.	205.00 —	O. 100 D.O.10	22.50 1.75	8.00 0.30	12.50 0.75		12	Y.P.
1,45,55,250	1,07,91,546	54,34,935	15,77,645	2,44,633	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	27.87	10	1.81*	2.12*	2.12*	2.12*	9	Y.P.
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	37.25	10	1.25	1.62	1.75	1.75	3	Y.P.
6,56,250	6,92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	22.00	10	0.75	0.90	1.25		3	Y.P.
10,00,000	3,70,000	18,04,172	10,70,792	4,088	M. Malleshayya, Esq. (Chairman)	Mysore Tobacco	14.12	10	1.00	1.50	1.50	1.25	3	Y.
2,00,00,000	88,05,505	2,82,78,743	78,77,684	33,83,463	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	30.00	10	3.25	1.50	1.40	1.40	12	Y.
59,97,500	1,15,26,172	96,32,982	44,82,913	60,556	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	33.87	10	1.50*	2.00*	2.00	2.00	3	Y.T.
40,00,000	25,10,600	83,49,539	22,23,144	23,120	Do.	National Rolling & Steel Ropes	14.75	10	0.60	0.60	0.60	1.00	6	Y.P.
8,00,000	6,00,000	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	14.19cd —	10 5	.. ..	.. ..	1.00 0.50		12	Y.
79,97,000	68,89,261	1,25,70,061	65,79,351	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	16.69	10	0.80	0.70	0.90		12	Y.P.T.
2,20,00,000	42,21,731	89,43,258	33,40,874	63,842	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	21.69	10	..	..	0 34		12	Y.
2,25,00,000	10,94,424	85,12,939	46,26,988	—32,47,714	M. P. A. Paspatti, Esq.	Rallis India Ltd.	69.50	100	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.P.
2,50,80,000	1,57,90,209	13,84,94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	21.94	10	1.50	1.50		2.00††	3	Y.P.T.
4,73,200 5,13,400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100.00N 50.00N	100 50	.. ..	5 00 2.50	6.00 3.00	6.00 3.00	3	Y.P.
70,00,000	17,66,318	1,67,21,608	34,47,040	66,321	M.	Sen-Raleigh Industries	17.48	10	0.60	0.60	0.60		9	Y.P.
40,00,000	89,05,314	1,28,83,302	73,61,372	9,13,245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	20.50	10	1.50	1.50	1.50	1.50	6	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3,65,425	S. M. Smith, Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	17.62	10	1.00	1.00	1.00		12	Y.P.
15,00,000	95,15,571	1,13,44,098	16,55,796	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	17.28	10	1.00	1.25	1.25		12	Y.
9,98,380	5,855	15,56,343	5,95,504	10,268	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.50cd	10	*Nil*	*Nil*	*Nil*	0.40	12	Y.
6,00,000	9,80,100	30,85,103	26,85,097	9,488	Vital Mallya, Esq. (Chairman)	United Breweries	400 00	100	0.00	20 00	20 00	60 00	3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. J.—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958. † Subject to taxation.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. K.—Includes an additional dividend Rs. 7.00 per old share and Rs. 3.00 per new share.

TEA AND OTHER PLANTING COMPANIES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	30.50N	10	19.00A	5.00	1.00	1.50i	12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	456	Ananda (Assam) Tea	18.50	10	1.00	2.00	1.00		12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	25.00	10	1.00	1.25	0.50		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	26.12	10	1.00	2.50	1.50		12	Y.
5,10,000	12,33,171	13,89,143	5,88,737	44,923	Andrew Yule & Co., Ltd.	377	Basmatia	27.25	10	1.50	2.00	1.75		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	19.25	5	2.50	3.00	1.50		12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co., Ltd.	581	Betjan	25.37	10	2.00	2.50	1.50		12	Y.
33,00,000	15,39,600	73,93,588	30,33,388	3,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	20.50	10	2.00	2.00	1.00		12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	15.00	10	*Nil*	0.50	*Nil*		12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co., Ltd.	450	Bermah Jan Tea	18.81	10	2.00	1.50	*Nil*		12	Y.P
35,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M.	2,884	Brooke Bond	20.87	10	4.75	1.25	1.75		6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	68.00	10	3.00	3.00	2.00		12	Y.
8,40,000	7,77,250	31,03,643	18,55,911	—1,18,361	Jardine Henderson Ltd.	1,156	Dessai & Parbuttia	160.00	100	10.00	10.00	*Nil*		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	23.25	10	2.50	2.50	2.50	0.25i	12	Y.P.
4,68,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	18.44	10	1.00	1.25	2.00		12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	36,146	McLeod & Co., Ltd.	458	Dibrugarh	33.25	10	2.00	3.00	2.50	1.00i	12	Y.P.
4,73,400	6,15,000	15,05,630	6,48,530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	33.50	10	2.00	3.00	3.00	1.00i	12	Y.P.
7,00,620	10,33,300	23,48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Duflaghur	37.12	10	4.00	4.00	3.00	1.50i	12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co., Ltd.	1,166	East India Tea	21.00	10	1.00	1.00	0.50		12	Y.
5,03,760	6,36,175	13,30,198	5,28,090	16,110	M.	407	Gillapukri	29.50	10	3.50	3.00	2.50		12	Y.
6,76,000	4,38,700	19,45,409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	25.00	10	3.00	2.50	2.00		12	Y.
11,02,725	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	18.94	5	1.25	1.62	1.25	0.50i	12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,595	Andrew Yule & Co., Ltd.	476	Hoograjuli	29.00xd	10	0.50	1.50	1.00		12	Y.
8,70,000	13,02,909	25,53,023	18,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Heolangooree	202.00	100	7.50	15.00	12.50		12	Y.
58,56,900	53,85,792	1,63,70,458	54,70,458	91,307	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	12.75	10	1.00	1.00	1.00	1.00	12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutlibari	24.56	10	*Nil*	1.00	1.75		12	Y.
2,40,000	11,30,500	12,75,848	6,72,848	65,988	M.	1,699	Kingsley-Golaghat (Assam)	150.00	100	25.00	25.00			12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Ketamullai Tea	11.87	5	*Nil*	*Nil*	*Nil*		12	Y.P.
6,50,000	10,94,454	12,07,806	8 53,788	892	Duncan Bros. & Co., Ltd.	636	Ledo	19.50	10	1.00	0.75	*Nil*	1.00i	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	24.75	10	1.75	2.00	1.50	1.00i	12	Y.
4,80,000	80,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13.25	10	*Nil*	*Nil*			12	Y.P.
O. 1,50,000	8,20,000	9,69,706	5,17,244	67,133	Kettlewell Bullen & Co., Ltd.	410	Mothola	450.00	100	50.00	60.00	40.00		12	Y.
P. 1,75,000 O. 2,00,000	6,98,309	10,96,673	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	29.12 28.75	O. 10 P.O. 10	1.25 1.75	2.00 2.50	1.75 2.25		12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	13.87	10	1.00	1.50			12	Y.
5,00,000	....	7,72,341	2.90,502	—38,569	Duncan Bros. & Co., Ltd.	801	New Cinnatolliah	116.00	100	*Nil*	*Nil*	*Nil*		12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co. Ltd.	370	Rajgarh	47.31	10	0.25	4.00	2.50		12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	22.12	10	2.50	2.50	1.50		12	Y.
2,49,000	3,86,000	11,48,864	6,60,764	87,974	Williamson Magor & Co. Ltd.	482	Seajuli	30.12	10	1.50	1.50	2.25		12	Y.
5,98,000	12,43,874	15,39,500	4,94,783	78,434	McLeod & Co., Ltd.	495	Teloijan	32.12	10	2.50	3.50	3.00	1.00i	12	Y.P
8,00,000	5,35,127	12,11,400	3,86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45.00N	10	0.75	1.00	1.50		12	Y.
19,82,880	12,75,000	46,07,888	19,46,388	36,041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	18.31	10	1.50	1.25	*Nil*		12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,644	McLeod & Co., Ltd.	1,950	Tyroon	43.50	10	3.00	4.50	3.00		12	Y.P.T.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
3,00,000	....	5,16,444	1,88,505	—2,43,041	M.	862	Arcuttipore	7.00	10	*Nil*	*Nil*	*Nil*		12	Y.
7,00,000	....	7,66,139	1,03,460	—3,49,181	Octavius Steel & Co., Ltd.	649	Eastern Cachar	4.81	10	*Nil*	*Nil*	*Nil*		12	Y.
12,60,000	10,43,149	30,19,522	12,69,051	—1,06,851	Octavius Steel & Co., Ltd.	2,154	Hattikhira	14.00	10	0.75	0.50	*Nil*		12	Y.
8,00,000	1,70,000	6,34 207	2,50 949	1,081	Duncan Bros. & Co., Ltd.	625	Kunchunpore	8.87	10	*Nil*	*Nil*	*Nil*		12	Y.
7,00,000	6,50,000	11 33,080	3,08,080	88,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	101.00	100	15.00	15.00	15.00		12	Y.
2 60,000	3,09,004	9,34,849	2,76,278	—87,588	McLeod & Co., Ltd.	638	Roopacherra	15.50	10	1.50	0.50	*Nil*		12	Y.
5,00,000	10,53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co. Ltd.	700	Rungamattee	78.00	50	10.00	10.00	3.75		12	Y.
4,00,000	3,36,980	10,08,284	3,68,708	—31,199	M.	662	Sonai River	9.12	10	*Nil*	*Nil*			12	Y.P.T.

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
2,79,900	1,05,000	3,98,716	74,916	22,108	Williamson Magor & Co., Ltd.	408	Chamong	11.25	10	*Nil*	0.75	*Nil*		12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	488	Dilaram	95.00	100	*Nil*	5.00	*Nil*		12	Y.
2,00,000	2.42,096	7,99,665	2,97,605	—57,639	Davenport & Co., Ltd.	507	Gielle	11.37	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,386	—27,148	Andrew Yule & Co., Ltd.	463	Mim	225.00	100	15.00	10.00	*Nil*		12	Y.
2,99,900	3,89,000	6,22,886	1,89,586	1,01,563	Williamson Magor & Co., Ltd.	690	Nagari Farm	26.25	10	1.50	3.50	2.50	1.00i	12	Y.
1,00,000	1,07,647	4,60,379	2,40,749	1,973	Duncan Bros. & Co., Ltd.	505	Okayti	500.00N	100	*Nil*	*Nil*	*Nil*		12	Y.P.
3,00,000	95,000	6,40,073	2,48,808	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	9.00	10	*Nil*	*Nil*	*Nil*		12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10.00	10	*Nil*	*Nil*			12	Y.P.
1,40,000	5,01,658	4,38,361	1,95,341	10,362	Duncan Bros. & Co. Ltd.	341	Runglee Rungliot	410 00	100	20.00	35.00	25.00		12	Y.
3,00,000	3,06,462	5,55,461	1,82,549	4,401	M.	389	Seeyok	12.50	10	*Nil*	*Nil*	1.00		12	Y.
9,00,000	65,000	11,65,787	2,38,715	7,369	Goenka & Co.	583	Singtom	5.50	10	0.12	0.50	0.50	0.50i	12	Y.P.
3,00,000	3,87,500	7,34,116	3,71,916	1,69,219	Williamson Magor & Co., Ltd.	554	Soom	40.00	10	3.00	4.00	4.00	1.50i	12	Y.
6,25,000	7,73,767	16,47,148	4,38,738	26,923	McLeod & Co., Ltd.	745	Sungma	19.69	10	*Nil*	1.50	0.75	1.00i	12	Y.
3,20,000	3,69,909	7,53,584	2,55,534	54,633	Davenport & Co., Ltd.	718	Testa Valley	21 50	10	1.50	2.50	1.00		12	Y.
6,01,350	2,61,083	16 07,038	3,76,038	—2,94,248	Williamson Magor & Co., Ltd.	1,666	Tukva	11.00	10	*Nil*	*Nil*			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
27,00,000	28,56,500	51,80,345	23,19,586	1,37,198	Andrew Yule & Co., Ltd.	2,540	Banarhat	309.00	100	25.00	40.00	20.00		12	Y.P.
12,00,000	16,25,000	42,61,095	23,93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	23.12	10	3.00	2.00	1.50		12	Y.
9,00,000	17,75,000	21,72,529	11,20,841	13,385	McLeod & Co., Ltd.	1,112	Bhatkawa	24.87	10	2.50	3.00	1.50		12	Y.
9,00,000	14,81,356	25,85,244	8,19,732	47,850	Duncan Bros. & Co., Ltd.	1,381	Birpara	170.00	100	5.00	25.00	7.50		12	Y.P.
6,00,000	8,31,552	13,82,183	4,20,045	18,641	Duncan Bros. & Co., Ltd.	602	Carron	127.00	100	7.50	10.00	5.00		12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co., Ltd.	908	Choonabhutti	268.00	100	20.00	35.00	20.00		12	Y.P.
3,00,000	8,76,102	9,53,074	4,15,527	13,848	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	160.00	100	*Nil*	5.00	*Nil*		12	Y.
1 20,000	2 00,531	4,58,517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	300.00N	100	*Nil*	*Nil*	*Nil*		12	Y.
4,00,000	60,538	9,51,864	2,69,498	3,627	M.	447	Ethelbarrie	12.00	10	1.25	1.00	0.75		12	Y.
7,50,000	5,76,833	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	155.00	100	*Nil*	10.00	*Nil*		12	Y.
80 00,000	34,58,954	64,82,327	20,30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	135.00	100	6.00	7.50	*Nil*		12	Y.P.
82,00,000	55,67,967	05,55,381	50,96,452	3,65,371	Davenport & Co., Ltd.	4,235	Hasimara	25.12	10	1.00	2.25	0.75		12	Y.P.
8,25,000	18,53,650	22,13,183	9,84,183	1,10,677	Davenport & Co., Ltd.	1,452	Huldibari	24.25	10	1.25	2.50	1.25		12	Y.
7,00,000	4,49,831	10,38,684	4,89,134	—62,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	15.25	10	*Nil*	0.60	*Nil*		12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	20.31	10	1.00	2.00	1.50		12	Y.
2,00,000	5,76,240	8,23,163	3,08,827	15,812	M.	578	Manabarrie	70.00N	10	1.00	2.00	1.50		12	Y.
9,60,000	18,69,809	25,11,708	8,55,607	37,054	Duncan Bros. & Co., Ltd.	1,130	Nagaisuree	147.00	100	7.50	15.00	7.50		12	Y.
14,00,000	20,39,898	24,35,562	10,48,172	73,709	Andrew Yule & Co., Ltd.	1,163	New Dooars	305.00	100	25.00	35.00	20.00		12	Y.P.
2,50,000	3,74,080	5,53,613	1,88,281	1,220	Duncan Bros. & Co., Ltd.	348	Phaskowa	133 00	100	*Nil*	7.50	*Nil*		12	Y.
6 00,000	8,00,496	18,67,535	5,98,723	—3,00,938	McLeod & Co., Ltd.	764	Rajabhat	18.25	10	1.25	1.25	*Nil*		12	Y.
7,65,000	13,43,550	25,92,138	13,07,489	28,093	McLeod & Co., Ltd.	1,035	Ranicherra	20.06	10	1.50	2.00	0.50		12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,628	Rydak	32.62	10	5.00	3.00	3.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
8,00,000	7,95,000	10,81,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	21.50	10	3.00	*Nil*			12	Y.
6,00,000	9,44,551	9,54,785	2,82,849	33,025	Duncan Bros. & Co., Ltd.	584	Dauracherra	9.12	10	2.00	1.50	0.75		12	Y.
4,00,000	7,56,165	10,78,529	3,50,481	1 94,619	M.	1,190	Lackatoorah	18.37	10	3.00				12	Y.
4,00,000	9,00,000	11,60,065	4,82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	20 50	10	6.25	2.00			12	Y.P.
36,00,000	56,34,901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	149.00	100	35.00	10.00	10.00		12	Y.P.
3,20,000	1,42,990	8,09,065	4,32,665	1,41,277	Shaw Wallace & Co., Ltd.	668	Rajnagar	10.00	10	*Nil*	1.00	1.10	*Nil*	12	Y.
9,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,72	Teliapara	115.00	100	25.00	15.00	6.00		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	6.50	10	0.25	0.50			12	Y.P.T.
2,50,000	4,15,000	4 13 655	2,24,210	35,493	National Tea Corporation	522	Belgachi	30.00	10	10.00	4.00	2.00		12	Y.
13 44,000	11,50,650	26,81,849	9,42,013	81,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	155.00	100	7.50	10.00	7.50		12	Y.
5,00,000	10 53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	530	Hansqua	18.44	10	1.00	1.00	1.00		12	Y.
8,00,000	7.64,500	7,61,676	3,29,500	77,698	Davenport & Co., Ltd.	514	New Chumta	38.50	10	1.50	2.50	1.25		12	Y.
2 20,000	3,75,250	13,61,474	5.52,735	33,691	McLeod & Co., Ltd.	549	Tirrihannah	35 00	10	3.00	2.50	3.00		12	Y.P.

SOUTH INDIAN ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1955	1956	1957	1958	Accounts Closed	Reference
10,98,990	5,36,010	15,84,554	2,70,543	7,689	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	21.25	10	2.50*	2.50*	1.75*		3	Y.P.
52,50,000	21,47,000	73,46,387	10,86,204	2,77,391	Kothari & Sons (Ags.) Pvt. Ltd.	1 318	Blue Mountain	3.55	2	0.40	0.30	0.25		6	Y.
9,83,400	13,09,262	23,56,197	7,13,191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	4.30	2	0.40	0.20	0.40		3	Y.
3,77,820	12,58,527	21,26,275	1,30,920	22,020	Matheson Bosanquet & Co., Ltd.	302	Coonoor Tea	26.25	10	2.50	1.75	2.00	2.00	9	Y.P.
4,00,000	5 50,000	8 21,540	1,78,200	1,205	Parkins Private Ltd.	432	Coorg Tea	5.20	2	1.25	1.50	1.50		3	Y.P.
4,49,630	8 55,370	9,62,073	1,64,495	45 087	Young India Agencies Private Ltd.	450	Devon Tea	18.00	10	2.50*	2.50*	1.75		3	Y.P.
3,50,000	1,22,986	3,52,158	56,452	....	Parkins Private Ltd.	198	Emerald Valley Estates	8.25	5	1.25	0.50	0.30		12	Y.
18,75,000	21,25 000	43 05,347	6,81,655	23,940	Parkins Private Ltd.	1,466	Halleyburia	19.65	10	2.50	2.50	1.50'C'		12	Y.P.T.
6,00,000	7 27,746	13,70,714	2,26,620	76,650	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.00	2	1.35	0.92	1.35		3	Y.T.
8,58,538	16,81,066	29,90,356	4,28,233	1,00,363	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	8.25	2	0.40	0.40	0.30	0.30	10	Y.P.
8 00 000	1 43,500	6,76,822	2,05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mianallay	41.75	25	13.75	6.25	4.50		3	Y.P.
36,00,000	19,31,384	80,13,744	12,04,051	78,274	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	4.45	5	0.87	0.87	0.37	0.37	6	Y.P.
12,00,000	4,90,000	27,04,888	5,01,002	33,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	2.85	2	0.50	0.20	0.40		6	Y.P.
14 06,250	6,95,846	36,09,977	5,17,286	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	8.70	10	1.50	9.62	0.60		3	Y.P.T.
17,00,000	7,84,070	39,20,759	13,11,227	63,350	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	19.50xd	10	3.50	3.75	2.60	1.62½	12	Y.P.
57,94,880	45,46,152	91,59,457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3,459	Periakaramalai	4.22	2	0.90	0.90	0.70		3	Y.P.
12,50,000	13,10 000	30,23 670	2 65,955	744	Parkins Private Ltd.	1,070	Talayar Tea	1.65	2	1.62	1.25	1.00		3	Y.P.
11,25,000	16,53,668	25,52,610	2,85,551	31,923	Parkins Private Ltd.	1,341	Twyford	17.40	10	2.00	2.00	1.50'C'		12	Y.
21 98 280	10,82,217	41,87,876	13,69,874	1,20,125	T. Stanes & Co., Ltd.	1 773	United Nilgiri‡	20.40	10	35 00	2.00	1.77		3	Y.
31,50,000	28,54,311	57,57,727	6,68,638	1,34,481	Kothari Mehta & Co. Pvt. Ltd.	990	Waterfall	4 05	2	0.40	0.30	0.25		6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividends for 1955 is on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
'C'—On increased Capital. A—Amluckie Tea Co.—Dividend for 1955 is Shares of Rs. 100 paid-up.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
					PLANTING ; PRODUCE AND RUBBER									
8,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.25	2	0.30	0.21	0.45		5	Y.P.
26 91,279	17,00,000	56,38,212	6 78,584	29,944	Peirce, Leslie & Co., Ltd.	Cochin Malabar	6 35	3	0.45	0.75	0 52	0.30'C'	2	Y.P.
22,50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	24.10	10	1.80	2.50	4.00	2.00	6	Y.P.
71,55,000	57,69,923	1,42 78,181	30,95,427	75,345	R. C. Paterson, Esq.	Consolidated Coffee	22 00	10	2.25	2 00	4 00	2.00	6	Y.P.
4,00,000	5,87,423	10,43 962	53,995	8,519	Associated Planters Private Ltd.	Cottanad Plantations	16 25	10	1.75*	1.50	1.75		3	Y.P.T.
18,00,000	9,30,543	29 08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd.	Highland Produce	13.50cd	10	2.00	2 00	0 75		12	Y.P.
8,00,000	6,92,899	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	13.30	10	2 75	2 00	2 00	1.00'C'	4	Y.P.
13,50,000	4,55,880	20,40,926	3,38,888	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber	19 35	10	2.25	3.25	2 25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co., Ltd.	Midland Rubber	12 25	10	2.50	2 00	2 00	1.00'C'	3	Y.
8,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd.	Nenmeny Rubber	16.75cd	10	1.50	1 50	0 75		12	Y.P.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	15 85	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	23,18,923	46,93,527	15,75,046	4,912	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5.15	2	0.40	0 20	0 60	0.20	10	Y.P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	17 45	10	2.00	2.50	2 00	2.00	6	Y P.
5,50,170	4,00 000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd.,	Savamalai Estates Ltd.	3.95cd	2	1.00	1.50	0.30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2.60	2	..	..	..	0.18	3	Y.P.T.
10,00,000	2,74 418	22,50,914	1,70,646	16,692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	7 60	10	0 90	0.90	0.60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	83,647	A. V. George & Co., Ltd.	Thamarapally Rubber	29 50cd	10	3.00	3.00	3 00		12	Y.P.
9.15,300	4,00,000	22,40,057	1,37,435	23 927	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	1.90	1	0 12½	0 12½	0 05		9	Y.T.
6,00,000	46,742	11,45,990	4,92,700	1,299	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	15 45cd	10	3 00	2 00	1 50	1.00	12	Y.
41,00,000	14,20,901	85,55,546	16,43,709	23,941	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7.15xd	10	1.25	0.75	0.40	0.50	12	Y.P.
20,00,000	96,000	31,23,163	8,27,272	9,162	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	24 50cd	25	4 00	3.00	1 00	1.50	12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd.	Udayagiri Rubber Co., Ltd.	11.15cd	10	0 60	0.75	0 60		12	Y.P.
8,80,100	5,90,669	9 56,500	27,217	872	M.	Vaikundam (Travancore) Rubber	26.00	10	2.50	3.50	3.50J	1.251	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.22xd	10	2.00	1.25	1.00	0.50	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd.	879	Agarpara	12.44	10	0 62	0.25	0.25	0.25	3	Y.P.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66 651	McLeod & Co., Ltd.	456	Alexandra	185 00	100	10 00	10 00	10 00		12	Y.P.T.
30 00 000	5,25,000	1,25,15,910	97,60,831	—8,46,190	McLeod & Co., Ltd.	1,264	Alliance	117 00	100	6 00	*Nil*	*Nil*	*Nil*	5	Y.P.
49.20 700	72,21,000	3,09,93,668	2,15,04,087	2,36,742	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	232 00	100	3 50	3.50	7.00	10 00	3	Y.P.
40,00,000	82,60,924	1,49,82,554	63,17,403	8,215	Bird & Co Private Ltd	810	Auckland	165 00	100	10.00	1.00	*Nil*	5.00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd.	959	Bally	207 00	100	3 50	*Nil*	2 00	6.00	3	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman)	1,889	Barnagore	136 00	£5	sh. 15	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	28,98,408	97,77,435	64 82,559	16,240	Andrew Yule & Co., Ltd.	820	Belvedere	172 00	100	7.50	*Nil*	2.50	7.50	12	Y.P.
45 00,000	29,71,745	58,94,091	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	12 06	10	1.12	1.00	*Nil*		6	Y.P.T.
91,26,000	2,26 05 284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd.	1,373	Birla	20 12	10	1 00	1.00	1.00	1.00	3	Y.P.
36,00,000	19,35,850	1,17,96,462	70,59,451	33,113	Andrew Yule & Co., Ltd.	991	Budge-Budge	143 00	100	7.50	*Nil*	*Nil*	5 00	10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg.	7 00N	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	26,46,123	84,40,054	46,52,038	35,722	Andrew Yule & Co., Ltd.	616	Caledonian	192 50	100	6.50	*Nil*	*Nil*	15 00	11	Y.P.
59 16,400	75.85 462	2,31,96,782	1.27,96,666	—5,45,989	James Finlay & Co., Ltd.	600	Champdany	133 00	100	10 00	2 00	*Nil*	*Nil*	3	Y.
15,95,000	21,34,670	43,51,524	58,61,109	18,020	Andrew Yule & Co., Ltd.	530	Cheviot	217 00	100	10.00	2.00	*Nil*	5.00	11	Y.P.
30,15,000	36,50,000	89,14,415	54,94,361	72,430	McLeod & Co., Ltd.	500	Chitavalsah	15.56	10	1.37	0 621	1.10	1.25	7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	11 50	10	1 25z	0 50	*Nil*	*Nil*	3	Y.P.
31.49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd.	766	Dalhousie	130 00	100	4.00	*Nil*	*Nil*	*Nil*	3	Y.P.T.
28.00,000	38,58,170	1,03,58,008	50,83,895	6,792	Andrew Yule & Co., Ltd.	779	Delta	182 00	100	10.00	5 00	*Nil*	6 00	11	Y.P.
15 00,000	36,93,850	1,01,87,736	65,99,232	26,123	McLeod & Co., Ltd.	500	Empire	18.37	10	1.25	0.501	0.75	1.00	7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	295 00	100	15.00	10 00	10.00	20.00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	63,50,862	1,06,479	Bangur Bros., Ltd.	1,014	Fort William	23 81	10	20 00	0.75K	1.50	1.50	3	Y.P.T.
84,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	86 00	100	2 50	*Nil*			3,9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39,411	M.	607	General Ind. Society Ltd.	26 75	10	*Nil*	50 00	60 00§		12	Y.T.
24,00,000	82,06,464	2,35,37,322	1,60,44,632	47 269	Macneill & Barry Ltd.	1,394	Gourepore	366.00	100	15.00	2.50	2.50	20.00	3	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	72 00N	100	11.50	5 00	5.00	5.00	3	Y.P.
16,30.000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	12 25	10	1.25	*Nil*			3	Y P.
65,62,500	28,09,105	2 34,85,488	1,24,24,441	82,775	Jardine Henderson Ltd.	1,940	Howrah	23 50	10	0.37	0.25	*Nil*	*Nil*	3	Y
52,50,000	80,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand	21 37	7.50	2.00	2 00	1.50	1.50	3	Y.
87,80 000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	16 00	12.50	4.69	4.69	9.37	15.62§	3	Y.
24.00.000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	196 00	100	2.50	*Nil*	*Nil*		12	Y.P.T.
'B'19,20,000								191 00	'B' 100	2.50	*Nil*	*Nil*			
30,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	87 00	100	1.00	*Nil*	*Nil*		12	Y.P.T
'B'24,00,000								79 00	'B' 100	1.00	*Nil*	*Nil*			
21,00 000	55,00,000	1,41,36,235	93,87,828	1,18,689	McLeod & Co., Ltd.	703	Kelvin	281 00	100	17.50	5.001	9 00	12.50	5	Y.P.
54,00,000	23,39,741	2 00,52,835	1,26 97,897	45,833	Anderson Wright Ltd.	1,530	Khardah	156.00	100	11.00	5.00	8 00	8.00	3	Y.P.
48,00 000	77,32 121	2,38,47,961	1,08 51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	196 00	100	18.00	6 00	*Nil*	5.00	3	Y.P.T.
24,48 000	27,76,883	1,28,67,077	58,39,647	—9,32 635	Bird & Co. Private Ltd.	931	Lansdowne	105 50	100	7.00	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	40,49,600	1,48,98,886	66,75 920	—3,16,201	Bird & Co. Private Ltd.	840	Lawrence	106 00	100	6 00	*Nil*	*Nil*	*Nil*	3	Y.P.T.
81,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	15 44	10	3.75	3.75	5.00	17.50§	3	Y.
29,98,900	84,62,195	1,65,70,565	86,70,690	—13,08,719	M.	315	Naihati	80 00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	15,55,000	86,02,650	21,34,087	—1,65,266	Howrah Trading Co., Ltd.	425	Naskarpara	12 00	10	1.25	*Nil*			10	Y.T.
35,00,000	39,51,326	48,49 737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	24 00	10	1.75	0.75	0.75		10	Y.P.
26,25,000	29,19,072	37,73,995	23,34,167	90,769	McLeod & Co., Ltd.	316	Nellimarla Jute	13 37	10	1.00	..	0.90	1.00	7	Y.P.T.
35,50,000	2,12,83,190	6,33,25,272	1,19,61,749	3,274	Sahu Jain Ltd.	1,765	New Central†	15 19	10	1.50	1.50		1 50	3	Y.P.
16,79,880	43,38,845	1,35,66 574	61,41,213	—2,43,817	Bird & Co. Private Ltd.	567	Northbrook	19 25	10	1.50	1.50	*Nil*	*Nil*	3	Y.P.T.
66,79,500	17,81,396	2,26,00 780	1.19,72 061	79 151	Macneill & Barry Ltd.	1,092	Nuddea	56 50	50	1.00	*Nil*	*Nil*	2.50	3	Y.P.
24,91,000	22,84,224	76,67,180	53,30,989	20,257	Andrew Yule & Co., Ltd.	601	Orient	167 00	100	9 00	2.00	*Nil*	2 50	11	Y.
25,00,000	9,18,798	93,02,573	70,04,073	12,339	McLeod & Co., Ltd.	400	Presidency	5.78	5	0 31	0 20	0.30	0 37½	7	Y.T.
20,00,000	10,324	29 80,939	9 24 705	—7 07,557	Birla Brothers Private Ltd.	305	Rameshwara	6.81	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	2,00,000	1,24,61,131	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	7.44	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£420,518	£1,474 082	£790,162	£16,532	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	10.55	£1	3%‡1	3%‡1	*Nil*		12	Y.P.
80,00 000	13,14,910	1,21,72,882	85,21 532	48,032	Bagaria More & Co., Ltd.	911	Shree Ambica	11 50	10	0.50	0.25	0.50		3	Y.P.
14,00,000	11,44,445	71,31,233	50,03,403	69,119	Hindustan Investment Corpn. Ltd	401	Soorah	18 75	10	1.50	1.50	1.50	1.50	12	Y.P.
25,19,600	8 04,087	9,29,724	3,23,203	61,862	Bird & Co. Private Ltd.	650	Standard	118 00xd	100	1.00	*Nil*	*Nil*	5.00	3	Y.P.
£600,000	£334,805	£1,259,274	£693,019	£17,569	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9 37	£1	3%‡1	*Nil*	*Nil*		12	Y.P
35,98,600	48,33,581	1,05,53,316	42,51,394	56,837	Bird & Co. Private Ltd.	1,326	Union	209 00	100	10 00	1 00	*Nil*	15.00	3	Y P.T.
£400,000	£247,635	£1,271,988	£541,723	£13,328	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	10 75	£1	3%‡1	3%‡	3%‡	*Nil*	12	Y.P.
2,50,000	5,20,000	83,13,769	43,35,621	11,735	McLeod & Co., Ltd.	447	Waverley	3.66	1	0.37	*Nil*	*Nil*	*Nil*	5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	26 50	10	1.37	0.50	1.25	1.25	3	Y.
12,00,000	4,49,890	35,13,891	33,46 842	57,344	Jardine Henderson Ltd.	Bararee Coke	13.31	10	1.46	1.10	0 37	0.50	3	Y.
4.49 350	88 000	9,25,102	5,60,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	5 00N	10	0.62	0.75	0 90		12	Y.
1,00,00,000	1,70,15,634	6,68,04,379	4,55,71,483	10,48,780	Andrew Yule & Co., Ltd.	Bengal Coal	308 00	100	35 00*P	17 50	17 50	17.50	10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	10 00N	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	6.56	10	0 62	0 62	0.60		6	Y.P.T.
7,15,000	10,15,172	49,80,946	34 84,101	—4,92,536	M.	Bhulanbararee	6.00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	19 25	10	2.00	1.50	0.75		12	Y P.
90,92,480	1,73,37,198	4,41,78,128	2,08 53 739	99 142	Bird & Co. Private Ltd.	Burrakur	17.50	10	0.62	0.62	0.37	0.87½	12	Y P.T.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	7.53	10	0.25	0.50	0.50	0.50	3	Y.
8,00,000	12,90,590	49,56,445	33,71,353	23,820	M.	Central Kurkend	9 50N	10	0 50	0 50			12	Y.
6,00,000	1,49,122	7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churlia	3.84	4	0.06	0 06	0 20		12	Y.
16,00,000	....	54,47,612	31,85,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	10 37	10	*Nil*	*Nil*	*Nil*		12	Y.
£240,000	£273,125	£1,070,637	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	23 75	£1	3.00	2.50	1.50	1.00	4	Y.
29,63,760	93,25,027	4,34,54,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Equitable	81 75	10	1.50	1.50	1.50		12	Y.P.T.
10,00 000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	15 25	10	0.25	0.25			3	Y.
12,00,000	65,000	43,00,791	26,55,359	—6,34,206	Killick Industries Ltd.	Hingir-Rampur	19 00	50	2.25	2 25	*Nil*	*Nil*	6	Y.P.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	14.37	10	2.50	1.50	*Nil*		12	Y.
3,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	21 00	10	*Nil*	*Nil*	*Nil*	*Nil*	2	Y.
20,00,000	2,87,375	35,11,943	7,18,220	11,229	Bird & Co. Private Ltd.	Karanpura Collieries	133 00	100	2 50	5 00	*Nil*	5.00	2	Y.P.
5,00,000	19,66,031	49,73,401	39,04,335	1,68 572	Andrew Yule & Co., Ltd.	Katras Jherriah	75 00	10	4 50	6.50	6.50	6.50	1	Y.
11,00,240	68,356	16,80,967	10,94,163	13 871	H. V. Low & Co. (Private) Ltd.	Kuardi	2.75N	10	0.12	0.19			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	18.00	10	0.12	0 12	0.12		4	Y.
7,48 240	2 25 000	13,43,392	9,89,769	55 358	Tantia Brothers Private Ltd.	Nazira	8 12	10	0 50	0 50	0.75		12	Y.
17,76,230	19 89,613	1,40,15 207	97,89 286	86,588	Andrew Yule & Co., Ltd.	New Beerbhoom	20 62	10	1.00	0 75	0.75	1.00	10	Y.P.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	13 56	10	*Nil*	*Nil*	0.50	0.50	3	Y.
1,15 000	8,85 824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd.	North West	25 00N	10	1.37	1.50	1.50	1.50	3	Y.
1,57,500							21.00N	7.50	1.03	1.12	1.12	1.12		
7,50,000	15,69,648	3,97,666	2 77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	12.00	10	1.00	0.75	0 50		12	Y.P.
8,34,000	91,336	26,29,109	10,56,556	7,674	Deepchand Kishenlall	Parasea	15 00N	10	1.00	0.50	0.50		12	Y.P.T.
15 75 000	17,04 800	59 95,210	42 69,210	36 465	Shaw Wallace & Co., Ltd.	Pench Valley	26 12	10	1.50	0 70	2.00	2.00	3	Y.
23,09,500	28,79,558	1,43,51,995	96,69,839	3,803	B. N. Elias & Co. Private Ltd.	Raneegunge	15 94	10	0.62	0.37	0.75	1.00	3	Y.
13,50 000	6,38,365	42,17 417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	18 19	10	2.07	1.50	1.00		12	Y.
37,60 000	37,12,000	95 06 524	26,87 721	21,162	M.	Samla Collieries	11.00N	10	1.00	1.25	0 90		12	Y.
2,50,000	60,000	14 29 670	12,57 285	8 302	M.	Searsole	5 00N	2.50	0.75	0.37	0.12		1	Y.
2,80 000	9 25 098	29,24,442	19,99,221	48,188	Andrew Yule & Co., Ltd.	Seebpore	27.25	7	2.50	2.25	1.75		12	Y.P.
8 00,000	4 86 289	52,491	28,867	355	D. L. V. Rowe, Esq., (Chairman)	Sendra	11.62N	10	0.25	0.25	0.25	*Nil*	12	Y.
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	17.65	10	0.75	1.00	1.50		12	Y.T.
17,50,000	10,74,491	43,52,233	18,15,639	14,096	Bird & Co. Private Ltd.	South Karanpara	13 00	10	0.12	0.85	0.75	0.75	8	Y.
8,00,000	15,61,511	1,69,570	29,510	14,796	F. W. Heilgers & Co. Private Ltd.	Standard	17.75	10	1.00	1 00	1.00	1.25	12	Y.
10 00,000	....	31,92 694	15 43,502	—5,62 907	M.	Talcher	1.62	2.50	*Nil*	*Nil*			9	Y.T.
3,50,000	2,80 000	19,15 700	14 79,400	1,77 952	Williamson Magor & Co., Ltd.	Union	14.12	10	*Nil*	*Nil*	0.37		12	Y.
49,98 000	89,284	70,81,423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal	6 25	10	0 50	0 50	0 50	0.40	3	Y.
7,00,000	....	58,61,405	27,57,669	—3,49,103	Macneill & Barry Ltd.	West Jamuria	8.87	10	*Nil*	*Nil*	*Nil*		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co. Dividend for 1955 is on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17.50 includes an interim dividend of Rs. 7.50 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

SCOPE FOR INDO-AMERICAN ECONOMIC COLLABORATION

U.S. TRADE MISSION'S FINDINGS OPTIMISTIC

INDIA offers a rich field for collaboration between Indian and American enterprise. It is a growing economy spearheaded by the second Five-year Plan with emphasis on industrialisation. Other European and Asiatic competitors are rapidly entering the market, often-times with complete, well-designed plants quoted or delivered at competitive prices and even prices below comparable American offers. Price competition was often cited as a barrier to more sales of U.S. products. India is moving so rapidly that it is imperative for American business to survey the opportunities immediately before the competitors obtain a long-term foothold through supply of their machinery with consequent flow of maintenance parts. There are many opportunities for participation with Indian firms in joint venture or licensing agreements in the manufacture of a variety of products and for the utilisation of certain American engineering skills.

Electric Power

Everywhere in eastern India, there is power rationing and power shortage with a few possible exceptions. To develop industry at any place there must be adequate power at reasonable prices. India needs electric power in excess of the demand for commerce and industry. This requires more long-range planning and development of both hydro and thermal generating stations. Certainly much progress has already been made in this field.

Agriculture

In all the four States agriculture is very important, and offers opportunities for the manufacture of simple agricultural machinery which can be hand-propelled, drawn by draught animals, or powered with small, simple engines. Under present methods of production, India's agriculture is inadequate to supply India's food needs. On all sides there is clear evidence of the need for increasing productivity and income through the use of more modern techniques and implements. Increased use of natural and manufactured fertilisers is vital. India is apparently not ready for mechanised farming as known in the United States, since most of the land is held in small parcels or even in small tenant status. Proper storage and transportation facilities, however, would avoid spoilage and loss of needed farm products. Financing is a problem for the Indian farmer, but the Government is considering ways for overcoming this obstacle. Improvement in agricultural methods provides also the opportunity for American firms to collaborate with Indian firms in the manufacture of the many successful small farm machinery so common to our country. As India's agricultural productivity increases, the standard of living for the 80 per cent. of the people who now depend upon the land will improve—in turn creating a market for consumer durable goods for a population of 380 million people which challenges the foresight of the Indian and overseas producers.

Machine Tool and Die Industry

The production of sheet steel is rapidly expanding and provides an opportunity to design many commodities for production as metal stampings. Metal stampings offer opportunities for low cost mass production, which should be directed towards the farm market. A host of products needed to improve farm operations, such as rakes, picks, hoes, shovels, spades, pitch forks, wheel barrows, steel ploughshares and harrows, storage bins, screening, and metal containers, all are ideal products to be produced by the stamping industry. Furthermore, the stamping industry can be organised on a small unit basis, which is seriously needed for the Indian economy. There is great need for all kinds of industry in India, but those industries manufacturing products to help increase the farm income are needed most of all.

The foreign exchange shortage requires a thorough study whereby the least dollars spent for equipment will cover the largest production area. To enable the small industries to equip and tool-up quickly, it would therefore be wise to spend the "short dollars" in equipping machine tool plants, since their machines can reproduce themselves. It is necessary to organise tool and die shops equipped with engineering and production planning departments to manufacture special tooling, with priority for machine tools, so that these shops can begin to produce the special tooling and dies for small industries. The small industrial plants can easily co-ordinate welding, assembling, and finishing into their operations. Small industries cannot progress without special tooling.

Increasing the farm income of India will rapidly radiate into all segments of the economy. The increased demand for supplies and equipment of all types, utensils, household appliances, and consumer goods, will require more industrial plants, thereby increasing buying power and creating an endless cycle of expansion.

India's economy should attract some energetic, enthusiastic tool engineers from the United States; it offers excellent opportunity for investment in the tool and die industry. The importance of the special tool shops in the expanding economy of the United States indicates the need for this industry in India.

Sub-contracting of individual parts to smaller plants can develop into an excellent supporting service. Most smaller plants can produce parts at lower cost than large plants because of greater flexibility and lower overhead costs. Ultimately, the smaller plants can develop and contract sub-assemblies and component parts, thereby creating an integral operation with the larger plants. The special tool and die shops quite frequently evolve into this type of operation.

Under present Indian import controls, a more rapid increase of productivity in the manufacturing area has been deterred by lack of raw materials, such as tool and alloy steels as well as other types of steel. Vital repair parts for foreign-made equipment that cannot be made by Indian firms for lack of technical know-how are short or unavailable. This has resulted in immobilising valuable production equipment, particularly in coal mining and heavy construction industries.

While most Indian businessmen are aware of the fact that more employment can be created by labour-saving machines or increased production equipment, much needs to be done to correct the impression that the use of machines means reduction of total manpower needs. The Indian Government has made progress in its efforts to develop a greater understanding of the relationship of new machinery and improved techniques to enhanced employment opportunities. The relative immobility of labour in India for various reasons does make the impact of a new labour-displacing machine much greater in an Indian community than in the United States. It is necessary, however, that quantity and quality production at low cost and unit profit be established if the standard of living, the purchasing power of the individual, and the national economy are to be improved and increased.

Technical Skills and Productivity

There is a need for trained skilled mechanics and technical engineers. The training of youth through apprenticeship plant employment should be encouraged and extensively developed through engineering associations, unions, universities, commercial and industrial organisations, and Government agencies.

The Indian worker can be trained to a high degree of skill for industrial production. Considerable progress has already been achieved in this direction through the Indian Institute of Technology at Kharagpur, West Bengal, which is patterned after the Massachusetts Institute of Technology, and lesser schools devoted to technological training. A tremendous pool of labour is available for training and production work to man the new enterprises needed by India. Productivity at present does not compare to U.S. standards, but with proper training methods instituted, productivity can be greatly improved. This was observed by the mission in visits to various plants jointly owned by Indian and foreign owners producing a quality of products equivalent to our best. The basic resource of labour is plentiful in India and needs only guidance and training.

There is a tremendous field for collaboration between American engineering concerns and Indian consulting engineers in furnishing complete plant layouts of machinery, know-how of machine operations, and techniques of various types of manufacturing enterprises, such as foundries, machine shops, screw and bolt production, nail production, steel fabricating plants, tool and die shops, plywood, cardboard, and paper box mills, and fertiliser and chemical plants. Much can be accomplished by American engineering companies and engineering associations working with recognised Indian consulting engineers in the fields of mechanical, electrical, civil, and hydraulic engineering. Possibly this collaboration might best be worked out through the national associations of the various engineering societies in each country.

Consulting Work

There is great need for and lack of sufficient consulting engineering service in India. Good qualified men have been met, but they are not getting contracts nor doing enough consulting work. To help solve this problem and to point out its importance, the mission proposed a series of seminars to be held at suitable colleges or universities where consultants and consulting engineers could get information and inspiration to do a better job. The seminars could be held quarterly for two-week periods with enrollees paying for dormitory room and board and the school or Government arranging for a top-notch faculty. The U.S. Technical Co-operation Mission could probably assist with talent.

The importance of low cost quantity production based on technical knowledge of the machines and products is recognised quite generally by businessmen in the private sector and among technical Government officials. The mission believes that such quantity production cannot be accomplished unless training of skilled manpower in the tool and die field accompanies the development of steel mills, power projects, and irrigation, and general industrial progress.

Opportunities for Joint Ventures

Every American businessman, when considering an Indian proposal or project, must be prepared to appraise thoroughly the specific situation. Real care should be used to avoid automatically letting assumptions and patterns which have been generally followed in their business apply to appraisals made on Indian projects. There is no question but that India can wisely use technical assistance and joint venture arrangements with American firms. There is no doubt that a great many Indian firms can properly handle these relationships. The mission emphasised to Indian business men the necessity for developing all pertinent facts, statistics and market data in presenting their proposals to American business firms in order to insure consideration.

A great many American products should be and can be on the Indian market. A very large part of the 380 million population can be expected to be reached with products that have a useful purpose in India. In addition, India can be the base for manufacturing and supply of other Asian markets. American industry must be aware that these opportunities will not be available to them for ever. European and Asian interests are extremely active in establishing themselves. It is believed that the only reason they have exceeded American activity is because American manufacturers are not yet aware of the potential opportunities for their products in India. American firms should consider seriously well developed proposals presented to them by Indian firms for operations in India.

Personal Guidance

It is not going to be easy to do business in India for a considerable length of time. Materials are in short supply; markets are undeveloped. The ability to make decisions quickly and reasonably accurate needs to be developed. Apathy that results in avoidable delays, deterioration of quality, and loss of confidence must be constantly guarded against. It is necessary to provide personal guidance in actual operations and to train and encourage Indian partners in learning to follow many common practices that make the American economy work.

Although there are many problems in doing business in India at this time, there are ways to do it extensively and properly. Manufacturing in India for the Indian market should be a basic goal. Many good Indian firms with ample Indian capital and management ability are willing to consider joint ventures and collaboration agreement on a basis that they would not otherwise grant except for the dollar exchange problem. Technical assistance, special tooling, product reputation, and the thousand and one management needs in producing and distributing a specific product can often be the American contribution to good joint ventures.

The mission, through its many individual discussions, discovered favourable opportunities for joint ventures for the production of many products including the following:

Air compressors, automobile accessories and parts, bearings, brick-making machinery, chemicals and pharmaceuticals, coal mining machinery, coal-tar dyestuffs, composition board, dairy processing equipment, electrical appliances, electric lighting equipment, electric motors, electrical porcelain goods, electric service meters and switches, gas engines, gears and hoists, hand and power tools, industrial adhesives, industrial paints, machinery and spare parts of various types, manganese, metal and paper containers, mica, molasses, nails, bolts and nuts, paper, paper pulp, pipe fittings, plywood, railway equipment, scientific apparatus, shrimp processing, springs, stainless steel products, and wire products.

Summary

Comparatively, India is a land little known to American business—it has been an independent country for only 12 years. For most Americans, it is almost the other side of the world, and yet here is a country of 380 million people favourably disposed towards the United States, eager to absorb American technology and anxious to enlarge its trade and financial relationships with the U.S. This trade mission has observed in its many discussions and individual consultations with business men that there is a great desire to improve the business structure of the country. Many small firms are eagerly seeking new lines to manufacture. In most cases, these kinds of firms may not be attractive to American business, but there are many medium-sized and well financed organisations which offer real opportunities for collaboration with American business. Our technological progress is recognised, and there is a keen desire for American-type products.

The mission talked with numerous business men concerning export to the U.S. of various basic products such as manganese, mica, jute, tea and other primary food products. All of these commodities are subject to international competition and, therefore, India needs to closely analyse the prices of its export products and also the problem of maintaining consistent quality. Producers in these fields could develop with the Government some sound inspection system upon which acceptable certificates can be issued. The Export Councils offer the means for strengthening India's export drive and the mission encourages these efforts.

American business has a real opportunity to participate with Indian business men in the building of a strong economy which may well be the rallying point for other nations in Asia in the critical battle for improving the standard of living and strengthening the free world countries.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000	1,08,00,000	3,53,958	Allahabad Bank	353.00	100	18.00	18.00	18.00‡	21.00‡	12	Y.P.
14,50,000				177.00	50	9.00	9.00	9.00‡	10.50‡		
1,01,000	17,56,970	24,205	Andhra Bank	105.50xd	100	6.50	8.00	6.00	6.00	6.12	H.
40,78,300				85.27xd	85	4.54	5.59	5.10	5.10		
1,00,00,000	1,59,50,000	3,03,522	Bank of Baroda	103.00	50	6.00‡	7.00	7.00	6.00	12	Y.
25,00,000'B'				50.00	25	..	..	..	1.50		
50,00,000	27,00,000	1,880	Bank of Bikaner	30.25	25	0.87	1.12	1.25	1.25	12	Y.
2,50,00,000	3,10,00,000	12,79,476	Bank of India	132.25	50	8.00	8.00	8.00	8.00	6.12	R.L.Y.
50,00,000'A'				133.75	50'A'	..	..	8.00	8.00		
15,30,375	29,00,000	47,153	Bank of Indore	63.00N	25	3.50	4.00	4.25	4.00	12	Y.
50,00,000	25,50,000	20,356	Bank of Jaipur	45.25	50	2.00	2.50	3.00	Nil	12	Y.
50,00,000	96,70,613	4,70,232	Bank of Mysore	300.00	100	16.00‡	16.00‡	16.00	16.00	12	Y.
35,80,820	51,24,246	37,384	Canara Bank Ltd.	82.00	50	5.00	5.00	5.00	5.00	12	Y.P.
7,50,000	14,40,000	6,716	Canara Banking Corporation Ltd.	72.00	50	5.50‡	5.00‡	5.00‡	5.00‡	12	Y.P.
5,86,580'A'	26,50,000	12,632	Canara Ind. & Bkg. Syndicate Ltd.	144.67xr	100'A'	12.50	15.00	15.00	15.00‡	12	Y.
23,787'C'				1.37xr	1'C'	12½%	15%	15%	15%‡		
2,62,11,875	4,04,68,517	17,32,515	Central Bank of India Ltd. ..	53.00	25	3.00	3.50	3.50	3.50	12	R.L.Y.
A.52,42,375				56.00	25	3.00	3.50	3.50	3.50		
50,00,000	46,00,000	3,02,015	Devkaran Nanjee Banking Co. ..	51.50	50	2.50	3.00	3.00	3.00	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29.12	5	0 37	1.37	1.06		12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank ..	13.00	50	Nil	Nil	Nil	Nil	12	Y.
50,00,000	2,08,000	12,536	Hindustan Mercantile Bank ..	13.75	50	Nil	Nil	Nil	Nil	12	Y.
44,00,000	98,91,884	60,933	Indian Bank	186.00	100	12.00‡	13.00	15.00‡	13.00‡	6.12	R.L.Y.
22,40,000				151.00	80	7.75	9.75	12.00‡	10.40‡		
50,00,000	52,36,660	2,03,141	Indian Overseas Bank	166.00	100	7.50	10.00	10.00	10.00	12	Y.
12,50,000				135.00	50	..	..	..	5.00		
10,00,000	10,50,000	30,428	Pandyan Bank Ltd.	34.00	25	1.87	1.87	1.87	2.50	12	Y.
1,25,00,000	1,27,00,000	4,48,690	Punjab National Bank—K ..	22.48	10	3.50	4.00	5.00	2.00	12	Y.
5,62,50,000	8,48,50,000	55,73,153	State Bank of India	388.75	100	16.00	16.00	16.00	16.00	12	Y.
1,00,00,000	27,72,000	19,529	Travancore Bank	24.00	25	1.00	1.00	1.25	1.25	12	Y.
60,00,000	43,00,000	1,14,552	Union Bank of India	7.00	5	0.37	0.44	0.44	3.75	12	Y.
2,00,00,000	1,48,00,000	62,098	United Commercial Bank ..	62.50	50	2.75	3.50	3.75	3.75	12	H.
2,68,03,596	80,80,000	1,81,542	United Bank of India	4.65xd	10	0.30	0.30	0.30	0.30	12	R.L.Y.
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East§.	£2-8-9	£1	10†	10†	10†	10†	3	Y.
£5,000,000	£5,500,000	£455,019	Chartered Bank	£2-6-6	£1	15†	15†	15†	15†	12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,085,475	Hongkong and Shanghai Banking Corporation	£49⅞	H.K.$125	5*	5*	3½*Z	3*	12	Y.
£27,847,605	£18,000,000	£703,010	Lloyds Bank	£2-9-6	£1	12†	13†	13†	12½'C'	12	Y.
£2,940,000	£2,200,000	£231,407	Mercantile Bank Ltd.	£2-4-3	£1	14†	14†	18¾†	12½†	12	Y.
£2,851,563	£3,168,579	£351,349	National and Grindlays Bank Ltd.	£1-8-6	sh. 12½	15†	15†	15†	15†	12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (i) Interim. * £ per share free of tax. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim dividend for 1959 declared. C—On increased Capital.
K—Punjab National Bank—Dividends for 1955 to 1957 are on shares of Rs. 25 each.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June ..	Carew & Co.	1933	96.00	1st June 1963
4,00,000	5½	1st March and 18th September ..	Carew & Co. (2nd mortgage) ..	1941	92.00	28th February .. 1960
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	100.25	27th December .. 1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	94.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October ..	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December ..	Burrakur Coal Co.	1947	37.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100.00	14th December .. 1969 (a)‡
			COTTON			
7,00,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85.00	30th April 1964
4,00,000	6	10th May and 10th November ..	Bengal-Nagpur	1897	85.00	15th November .. 1966 (b)
67,94,000	5T	1st April and 1st October ..	Buckingham and Carnatic ..	1952	100.00	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October ..	Gokak Mills	1957	100.50	1st April 1967-72
13,71,000	5½	30th June and 31st December ..	Jayshree Textiles	1949	90 00N	1st January .. 1956-59
39,51,000	5	1st June	Tata Mills	1951	93.25	1st June 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September ..	Agra Electric Supply Co., Ltd. ..	1950	90.00	31st March .. 1965 (a)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..	..	98 50	14th June .. 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	101.00	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
2,32,89,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd	1950	98.50	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd. ..	1945	84.00	31st December .. 1970
13,80,000	5	1st January and 1st July ..	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½T	31st March and 30th September ..	South Madras Electric Supply ..	1939	95.00	1st April 1959-61
1,00,000	5T	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	93.50	30th September .. 1953-63
47,73,000	5	1st April and 1st October ..	Tata Power	1940	100.10	1st July 1970
2,50,00,000	4	1st April and 1st October ..	Tata Power	..	86.25	15th September .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July ..	Guest, Keen, Williams Ltd. ..	1958	106.50	1st January .. 1966-71
29,18,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1942	97.25	1st July 1957-62
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd. ..	1946	82.00	31st May 1971
3,00,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	99.25	1st October .. 1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd. ..	1950	97.00	31st December .. 1960 (a)
			JUTE			
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	77.00	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1945	90.00	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	86.00	31st July 1959
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September ..	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July ..	Empire	1951	90.00	15th July .. .. 1966 (a)
30,00,000	5½	31st March and 30th September ..	Howrah Mills Co., Ltd.	1955	94.00	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December ..	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1939	92.00	14th May 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	80 00	31st December .. 1964
25,00,000	5	31st March and 30th September ..	Reliance Jute Mills Co., Ltd. ..	1950	80.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December ..	Union	1937	95.00	31st March .. 1967
10,00,000	3½	31st January and 31st July ..	Waverley	1925	80.00	31st July 1966
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
180,362	5	1st April and 1st October ..	Calcutta Tramways	1933	£74.10N	
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway	1945	85 00	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway ..	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	99.25	1st September .. 1963
			PLANTING			
10,00,000	6T.F.	31st March and 30th September ..	Nilgiri Tea	..	100.00	1st April .. .. 1958-68†
6,00,000	6T.F.	1st January and 1st July ..	Kailas Rubber Co., Ltd.	1955	100.00	1st July 1959-63
			MISCELLANEOUS			
10,00,000	4	1st January and 1st July ..	Aluminium Corporation of India Ltd. ..	1948	92.00	31st December .. 1965
23,60,000	4½	1st January and 1st July ..	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	102.00	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	101.75	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	85.00	1st February .. 1964
19,29,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	82.00	1st July 1986
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	78 00	15th September .. 1960
1,00,00,000	6½	31st March and 30th September ..	Dalmia Cement (Bharat) Ltd. ..	1946	80 00	 1966
2,04,55,000	6½	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	109.00	1st January .. 1973 (a)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	101 50	30th June .. 1969 (a)‡
15,00,000	5T	2nd January and 2nd July ..	Mettur Chemical Industries ..	1949	83.00	30th September .. 1964
8,89,500	4	31st March and 30th September ..	Martin Burn Ltd. (Convertible Notes) ..	1946	650 00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes) ..	1947	410.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	85.50N	1st April 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1955	101.50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	93.50	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	93 00	31st December .. 1959
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd. ..	1944	95.00	15th July 1966
30,00,000	6	16th Feb. and 16th August ..	Shree Gopal Paper Mills Ltd. ..	1955	96.00	16th February .. 1961(a)
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	102.00	1st May .. .. 1968 (a)‡‡
25,00,000	5	30th June	Tata Chemicals Ltd.	1945	99 00N	.. 1955-65

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice.
†† Option to repay at par on 6 months' notice, on or after 1st January 1961. T= Taxable. T.F.—Tax free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 28th May, 1959.

	Closing quotations 21-5-1959	High	Low	Closing quotations 28-5-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	145.00	145.00	140.00	140 00
Apollo (2)	1.52	1.52	1.28	1.52
Bombay Dyeing (25) ..	63 00	64.40	62.90	64 40
Bradbury (50) ..	145.00	—	—	145.00
Central India (100) ..	103.00	103.00	99.50	100 00
Century Mills (100) ..	537.00xd	550.00	535.50	544 00
Edward Textile (200) ..	220 00	—	—	220 00
Elphinstone (50) ..	40.00	39.00	38.00	38 00
Finlay (100)	270.00	270.00	265.00	266 00
Gokak (100)	149.00	149.50	146.00	149.00
Ind. Untd. Defd. (1) ..	1.02	1.04	1.00	1.02
Ind. Untd. Ord. (10) ..	7.88	8.08	7.88	7.92
Indore Malwa (100) ..	97.50	98.00	96.00	98.00
Khatau (100) ..	220.00	225.00	212.50	213.75
Kohinoor (100) ..	278.00xd	286.00	272.00	279.25
Lakshmi (250) ..	405.00	425.00	405.00	425.00
Minerva Mills (100) ..	61.00	—	—	61.00
Model Nagpur (250) ..	95.00	—	—	95.00
Morarji (100)	259.00	259.00	254.50	257.50
Mysore (50)	85.00	85.00	82.50	82.50
National Rayons (100).	307.00	313.00	302.50	307.50
New City (100) ..	112.00	109.00	106.00	106.00
New Great (100) ..	174.00	174.00	172.00	172.00
Phœnix (100) ..	156.25	156.25	140.00	140.00
Podar Mills (100) ..	163.00	186.00	165.00	176.00
Sassoon Silk (10) ..	8.24	—	—	8.24
Sassoon Spg. (10) ..	51.00	51.00	49.00	49.00
Sholapur (1,000) ..	422.50	—	—	422.50
Shrinivas (100) ..	173.00	175.50	172.00	175.00
Simplex (50)	187.00	187.00	183.50	184.00
Standard (100) ..	499.00xd	509.00	498.00	503.00
Svadeshi (100) ..	228.00xd	234.00	223.00	227.25
Swan (100)	410 00	—	—	410 00
Tata Mill (25) ..	34.75xd	36.25	34.75	35 00
Vishnu (100)	110 50	—	—	110.50
Western India (1,000).	4,475.00	—	—	4,475.00
BANKS				
Bank of India (50) ..	133.00	133.00	132.25	132.25
Do. (New) (50) ..	133.75	—	—	133.75
Bank of Baroda (50) ..	102.50	103.00	102.25	102.25
Central (25)	51.00	53.50	51.00	53.00
Central 'A' (25) ..	55.00	56.00	55.00	56.00
Dena Bank (50) ..	52.80	—	—	52.80
Punjab National (10) ..	22.64	22.60	22.48	22.48
Union Bank (5) ..	6.92	7.04	6.96	7.00
United Com. (50) ..	64 00	64.00	62 00	62 00
ELECTRIC COS.				
Ahmedabad (100) ..	91.80	92.00	91.30	91.70
Amalgamated (10) ..	10.76	—	—	10.76
Andhra Valley (1,000).	1,136.25	1,136.25	1,130.00	1,135.00
Bom. Sub. El. (100) ..	103.00	102.50	102.00	102 50
Surat (100)	107.50	107.50	107.00	107.25
Tata Hydro (100) ..	117.75	117.50	117.00	117.50
Tata Power (1,000) ..	1,167.50	1,175.00	1,167.50	1,170 00
INSURANCE COS.				
British India (10) ..	14.44	—	—	14.44
Empire of India (100).	201.25	—	—	201 25
Ind. Mercantile (20) ..	42.50	—	—	42.50
Jupiter (15)	5.60	—	—	5.60
New India (15) ..	51.30	51.60	51.00	51.40
Vulcan (10)	20.52	—	—	20 5[illegible]
STEEL COS.				
Ind. Iron (10) ..	24.36	24.48	24.00	24 24
Tata Steel Ord. (75) ..	192.25	193.50	188.50	190 25
SUGAR COS.				
Belapur (50)	308.50	309.00	294.50	295.50
Bhopal (10)	24.32	24.32	23.44	23.44
Changdeo (12.50) ..	30.00	—	—	30.00
Phaltan (50)	159.50	160 00	153.00	155.00
Walchand Ind. (100) ..	290.00	291.25	285.00	286 25
CEMENT COS.				
Associated Cts. (100) ..	152.50	155.25	151.75	152.50
Digvijay (100) ..	154.00	155.50	151.00	154 00
MISCELLANEOUS				
Alcock Ashdown (100).	271.00	281.00	268.00	273 00
Bom. Burmah (125) ..	547.00	550.00	528.00	535 00
Do. (New) (50) ..	191.25	191.25	181.25	182 00
Br. B. Petrol (4 sh.) ..	1.78	1.80	1.74	1 76
Br. I. Corpn. (5) ..	5 08	5.08	4.50	4 72
Hindustan Lever (10) ..	29.25	29.50	29.00	29 25
Hindusthan Motors (10)	8.24	8.80	8.00	8 4[illegible]
Indian Copper (2 sh.) ..	4.12	4.16	4.06	4.12
Ind. Inv. Tr. (100) ..	80 00	—	—	80 00
Killicks (100) ..	139.50	139.50	138.50	139 00
Larsen & Toubro (10).	23.48	23.80	23.38	23.60
Mahindra & Mahindra (10) ..	23.00	23.08	20 40	20 40xd
Polson (100)	152 00	—	—	152 00
Pre. Automobiles (100)	108.50	112.50	108.50	110 00
Premier Con. (80) ..	326.00	333.00	316.00	323 00
Scindia (20)	18.08	18.28	17.88	18 00
G. E. Shipping (10) ..	23.12	—	—	23 12
Shivrajpur (10) ..	95.00	96.00	83.00	86 00
Sirpur Paper (10) ..	13.04xd	13.00	12.56	12 72
Tata Chemicals (10) ..	17.56	18.04	17.48	17.96
Tata Locomotive (100).	208 00	216.00	205 00	209.50
Tata Oil (25)	54 00	57.00	54.00	56.20
Voltas (100)	162 00	165.75	160.50	163 25
W. I. Match (100) ..	206 50xd	210.50	205.50	208 00

GOVERNMENT SECURITIES	21-5-1959 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	28-5-1959 Rs.
2½% 1961	97.30	—	3.76	97 [illegible]
2¾% 1960	99.05	—	3.55	99 15
2¾% 1962	96.90	—	3.67	97 00
2¾% 1976	83.20	—	4.08	83 20
3 % 1959-61 2nd Vict.	99.75	4.07	3.94	99 00
3 % 1964	97.00	—	3.60	97.00
3 % 1963-65 ..	96.70	3.80	3.51	96 80
3 % 1966-68 ..	93.70	3.98	3.77	93 90
3 % 1970-75 1st Dev.	91.30	3.94	3.71	91 40
3 % 1986 Con. Loan ..	73.70	—	4.07*	73.80
4 % 1960-70 ..	100.75	3.48	3.92	100 75
3½% 1961 N.P. Bonds.	100.10	—	3.47	100 10
3½% 1964 N.P. Loan ..	99.70	—	3.55	99 80
3½% 1965 N.P. Bonds.	99.55	—	3.57	99 60
3½% 1962	99.15	—	3.50	99.15
3½% 1967 N.P. Bonds.	99.10	—	3 63	99 10
3¾% 1974	98.85	—	3.84	98 85
3¾% 1967 N.P. Bonds.	100.80	—	3.65	100 80
4 % 1972 Loan ..	101.70	—	3.83	101.70
3½% 1968	98.95	—	3 64	98 95
3½% 1963 N.P. Bonds.	99.95	—	3.51	99 95
3¾% 1968 N.P. Bonds.	100 60	—	3 68	100 60
4 % 1973 Loan ..	101.65	—	3 85	101 65

BRITISH GOVERNMENT SECURITIES

	Closing quotation 19-5-1959 £			Closing quotation 25-5-1959 £
2½% Brit. Consols. ..	51[illegible]	—	—	51[illegible]
3 % Savings Bonds 1965-75	76¼	—	—	76[illegible]
3 % War Loan 1955-59	100 1/16	—	—	100
3½% War Loan ..	66 1/16	—	—	65[illegible]
4 % Victory Bonds 1976	96¾	—	—	96[illegible]
4 % Funding 1960-90.	91 1/16	—	—	90[illegible]

*Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

COMMERCE

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

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IDEOLOGY STILL DOMINATES PLANNING

REPORTS from Ootacamund on the seminar organised by the Planning Sub-committee of the All-India Congress Committee on the third Plan now on the anvil are lacking in clarity. This is apparently due to the discussions being held *in camera*. From the public speeches of Prime Minister Nehru and such other reports as have appeared in the daily Press, however, it seems to us that the ideological approach to the Plan has changed little. If anything, it has received further reinforcement. It also appears that the Congress Party's thinking on the subject is confused and contradictory. Much precious time is being wasted on issues on which a decision has already been taken, with the result that uncertainty about the future has deepened. An atmosphere of this sort is hardly conducive to the rapid economic growth which everyone desires.

In his inaugural address to the A.-I.C.C. Seminar, Mr. Nehru spoke in general terms. A refreshing feature of this address was his emphasis on practical approach based on existing realities and limitations. He conceded that there was a limit beyond which people could not be forced to sacrifice. He wanted the planners to remember that there should be no setback to production, even temporary setback, as a result of the change-over from the existing system. He made it clear that there could be no approach either to a socialist society or to any other advanced society without first making certain material progress, that they should think in practical terms and not in emotional terms, and that they should come to grips with immediate problems and face them. He deplored the present tendency for always theorising and saying idealistic things. Many other statements of this nature could be picked out from Mr. Nehru's addresses. But their abundance does not necessarily mean that Mr. Nehru himself has become realistic. There are passages in the very same speeches which show that he has not changed a bit. His adverse reactions to the sensible observations made by Rajaji and Mr. M. R. Masani at Bangalore are sufficient proof, if any proof were needed, of this fact. His reiteration of the Nagpur resolution on land ceilings, cooperative joint-farming, and State trading in foodgrains reveals that he does not contemplate any departure from it and that he stands unconvinced by all the arguments against these steps. Another indication of no change in his attitude is his reaffirmation that the public sector is any day superior to the private sector.

A few days ago, it was stated by both Mr. U. N. Dhebar, the erstwhile Congress President, and Mrs. Indira Gandhi, the present President, that the time had come for defining the socialism of the Congress Party. But Mr. Nehru has, once again, stated that he is deliberately not making any precise definition of socialist pattern of society. He said at Ooty: "We must not be too rigid in our outlook. At any rate, we are not; I am not. We are constantly experimenting what to do and what not to do. I consider myself a socialist, but I am not bound down by any dogma. I want the basic characteristics of socialism to fit into conditions in India. I should change any step if it proves harmful and is not fitting with Indian conditions. So, we proceed without any rigidity, without any religious, economic or social dogmas." It is, of course, a good virtue to have an open mind. But flexibility should not mean indecision. Nor should it mean adjustments in policy and practices only in one direction. Unfortunately, Mr. Nehru thinks that one is dynamic only if one moves towards the left. While he is continuously preaching to others to move with the times, he himself does not do so. He does not seem to realise that his economic thinking is out of date and that even Russia is beginning to realise the value of incentive, individual initiative and enterprise. Mr. Adlai Stevenson, who paid a visit to Russia last year, discovered that a Soviet construction chief made about $18,000 a year (Rs. 86,400) and paid taxes amounting to about 6 per cent. of his income.

Mr. Nehru is blindly repeating that co-operation is the only way out. He considers it as the essence of modern life and that, if a person did not understand it, he lived in some other century and not in the middle of the twentieth century. His faith in the co-operative movement as the panacea for all ills is pathetic. He wants to try co-operatives in agriculture after every democratic country has tried and given it up as a useless substitute for individual effort. He talks of success of co-operatives in some States of India such as Madras and Bombay, but forgets that even the limited success of these societies has been at the expense of taxpayers and that too in spheres other than joint-farming. While co-operatives are exempt from taxation, a joint-stock company, which is also a form of co-operative system, is compelled to pay heavy taxes. If co-operatives were to dominate the economic scene, there would be a heavy fall in tax revenue, without any corresponding reduction in expenditure. It is pertinent to recall here that no estimate of the financial implications of the Nagpur resolution has been made at all, as though money is of no consequence.

A special team has been appointed by the A.-I.C.C. Seminar to report on the implications of the socialist pattern of society. Another team has been asked to examine the changes to be made in the institutional pattern, in order to achieve better results under the third Plan. The assumption here is that the existing pattern is not suitable. Such an assumption is untenable, for, if the second Plan got into difficulty and had to be cut, it was because of factors other than the pattern of the society. The planners are, therefore, simply wasting their time in trying to evolve a new pattern. This country has already chosen its basic pattern of life, namely, democracy. There is a limit within which economic life can be remodelled to suit the pace of development, without upsetting this basic pattern. That limit has already been crossed, without any significant rise in the rate of development. If anything, the economic growth has been well below the optimum rate.

The prerequisites for a development plan are capital, trained manpower and plentiful supply of raw materials. Accordingly, what is required now is concentration of effort on finding these prerequisites and not its dispersal in ideological pursuits. It is, of course, necessary to carry the people in implementing the development plans and, as the vast majority of people are have-nots, this is an extremely difficult task indeed. But the powers-that-be are seriously mistaken, if they think that the only way to win the support of the masses is to rouse their jealousy against the haves and try to appease it by imposing redistributory taxes on the haves, by placing a ceiling on incomes, and by introducing restrictions on the number of enterprises that one can establish. In a country like India, the economic potentialities of which have not been fully developed yet, such a policy of abolishing "income inequalities" may help the party in power to remain in power, albeit for some years, but will not bring any sustained tangible benefit to the have-nots, for the amount of wealth available for distribution among them is negligible. On the contrary, this policy may do more harm than good, because it deals a double blow to the real ingredients of economic progress and rising living standards. Explaining this point, the June *Monthly Letter* of the National City Bank of New York observes as follows:

"Sharply progressive taxes penalise the productive and cripple accumulation of capital for risky ventures, while welfare programmes make more remote the tie between a person's income and what he contributes to society. Individual responsibility and the will to work are undermined and people become increasingly dependent on a paternal Government.

"Loss of opportunity takes the zest out of life for those who, in other circumstances, might have built great enterprises and made great gifts. Government meanwhile accumulates more and more dependents, removed from the labour force. The growing tax burdens shift inexorably towards the same masses the socialist State is intended to help. In the end, everyone is poorer than he would have been, if rare and gifted individuals had been stimulated to go ahead and seek out new and better ways to produce and satisfy human needs and wants."

We would like the planners and the politicians in this country to ponder these pertinent observations on the implications of socialism. Mr. Nehru and his colleagues are never tired of telling the people not to look to the Government for everything they want but to help themselves. They blame business men for asking the Government to give them loans at cheap rates of interest and protection against competition. Little do they seem to realise that this advice conflicts with their desire to establish a socialist society, under which the State will buy and sell even such things as foodgrains, sugar, cement, and drugs. It is strange that most of our politicians should think that, if an individual is in business, he is capable of swindling the public, but, once he enters politics or joins the bureaucracy, he becomes an angel.

The Prime Minister has stated many times in the past that it is neither desirable nor feasible to fix a ceiling on incomes. And yet one of the issues that are being seriously discussed at Ootacamund pertains to this very subject. It is said that the sub-committee on

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wages, income, price and profit policy has recommended that salaries should not be permitted to exceed Rs. 2,000 per month. Is it not a waste of time, energy and taxpayers' money to reopen closed issues? Is the flexibility of Mr. Nehru's socialism meant to cover such diversions? It is agreed by almost everyone that it will not be possible for India to achieve rapid economic development without the help of foreign capital, as its resources are insufficient. It is also obvious that the bulk of external assistance has to come from the free world and anyone who has closely followed the thinking on this subject in that part of the world will admit that the stress there is more and more on private capital and that even Governmental loans will come in substantial sums only if the receiving countries follow appropriate economic policies that will ensure the vigorous functioning of private enterprise. The discussions at Ootacamund show that our policy-makers are completely oblivious of this requirement. Otherwise, would they put forward such fantastic proposals as a ceiling on salaries and further penalisation of unearned incomes? It may, of course, be that they are under the impression that, in view of India's strategic importance in the present international political situation, the Western countries are bound to come to the help of India, irrespective of the type of economic policies and programmes it follows. If so, they seem to be taking too much for granted.

L.I.C.-MUNDHRA DEAL

AN unsavoury episode has come to an unsatisfactory end. It is a sorry state of affairs that, despite two judicial enquiries, supplemented by a departmental scrutiny, the truth behind the misuse of a little over Rs. 1.25 crore belonging to the Life Insurance Corporation has not been discovered. There are no satisfactory answers yet to two vital questions: Who decided that the shares of the Mundhra concerns held by Mr. Mundhra should be bought? Why was such a decision taken? It is astonishing that no one connected with these transactions maintained any written record to establish the source of authority for these transactions. Why did not such experienced senior civilians like Mr. H. M. Patel keep any notes? He knew very well that he was being asked, accepting for the moment his contention, to carry out a decision, which even a person with the slightest acquaintance of share markets and the affairs of Mr. Mundhra would consider as strange and unsound. As one who had been closely associated with the Government's decision to nationalise life insurance and had laboured hard to bring the L.I.C. into existence, he must have been fully aware that the funds of the L.I.C. were not meant to be used for this purpose. Why then did he not advise his Minister, if the latter had asked him to go ahead with the deal, against such a course? He should have at least taken sufficient precaution to secure his position by getting the directive from the Minister in writing, instead of relying on oral instructions. His explanations on these questions are absolutely unconvincing. It is obvious that he had erred badly and, if the public is still not satisfied with his *bona fides*, he has only to thank himself. Even the Government, it may be noted, has given him only a qualified discharge by conceding that there is some force in the arguments of the only dissenting member of the Union Public Service Commission who came to the unambiguous conclusion that "the charges against Mr. Patel are proved" and that he should be compulsorily retired.

The stand of Mr. T. T. Krishnamachari is also unconvincing. And this has strengthened the position of Mr. Patel to a considerable extent. It is evident from all that has been stated in the enquiries that Mr. Krishnamachari was quite aware of what was being done with the funds of the L.I.C. and that a large sum had been invested in the shares of Mundhra concerns. Mr. Krishnamachari was no stranger to the business world. Both as Commerce and Industry Minister and Finance Minister he was taking active interest in the developments in this sphere and was keeping abreast of them. He knew that the affairs of Mr. Mundhra and his companies were not in a healthy state. He had even known the existence of spurious shares on the market and cautioned Mr. Patel against them. Why did he not prevent the deal from going through? Even if it was too late for him to do so, he should have at least taken Mr. Patel to task for having put through a deal of questionable merit. The fact that he did not do so clearly undermines his plea of innocence. If, therefore, many people are inclined to think that his responsibility is more than constitutional, he too has to blame himself.

Poor Mr. Kamat has been censured by all the enquiry commissions. In his case, no inconvenient questions were involved and those who were asked to judge his conduct had no complicated issues to solve. He himself frankly admitted, even before the Chagla Commission, that he had merely carried out the directives of Mr. Patel. By this, he meant that he did not care to exercise his rights and duties as the Chairman of the Life Insurance Corporation. The faith that he placed in his superior and his chief executive (Mr. L. S. Vaidyanathan) has let him down badly. As for Mr. Vaidyanathan, the less said the better. That he should have allowed the deal with Mr. Mundhra to go through was a betrayal of trust. He is an expert on insurance and knows the trusteeship character of this business. His knowledge of share markets and of the principles to be followed for investing life funds is unquestionable. And yet what did he do? He quietly acquiesced in this dubious transaction and, in putting it through, did not even take the usual precautions to see that everything was in order. He failed to stand by the policyholder. No wonder that neither the Chagla Commission nor the Vivian Bose Board of Enquiry had any difficulty in fixing the charges of negligence and undue haste against him. It remains to be seen what action the Board of the L.I.C. takes against him, having already permitted him to resign and retire.

The Government of India has done all it can in this matter. It did not try to evade its responsibilities. The very fact that it referred the whole question to be examined by two judicial bodies and submitted their findings to the Union Public Service Commission for its recommendations is sufficient to show that it had nothing to hide nor did it want to prevent the truth from coming out. The inference of the Bose Board that there must have been a political *quid pro quo* for supporting Mr. Mundhra does not appeal to commonsense. But both the Bose Board and the Chagla Commission are right when they say that the real truth could not be found out and that those who could have helped them to find it were shirking their responsibility and withholding facts. In the light of this irrefutable conclusion, the Government was very unwise in playing the role of the final arbitrator. Its assertion that the initiative for the purchase of Mundhra shares did not emanate from Mr. T. T. Krishnamachari, which is not supported by either of the judicial enquiries and is definitely contrary to the findings of the majority of the U.P.S.C., is surely neither prudent nor just. It has given no reasons for arriving at this conclusion.

The best thing to do now is to bury the whole episode and let bygones be bygones. No useful purpose will be served by keeping the episode alive. The country will have gained something, if the lessons of this affair are ever borne in mind. Of these lessons, three are important. First, the Ministers should refrain from giving orally policy directives or vital decisions of the nature under discussion to their Secretaries. Nor should their Secretaries receive them except in writing; they should not in any case fail to maintain proper notes. The adoption of this procedure will not in any way impede the work of Administration or lead to a lowering of its efficiency. Secondly, all officers should discharge their duties in the light of their responsibility to the public. If they have reasons to feel that any instructions given by their superiors are not in the interests of the public, they should bring it to the notice of their superiors in appropriate manner, leaving the final decision to their sense of responsibility. Where, of course, they strongly feel that the ultimate decision of their superiors is wrong, they could either go to higher authorities or resign in order to focus public opinion on the issue. If only Mr. L. S. Vaidyanathan had done so in the L.I.C.-Mundhra deal, he would have earned the admiration of the public. And, thirdly, it is undesirable for the Government to nationalise undertakings in the private sector or to take on too many business responsibilities. By doing so, it is needlessly exposing itself to charges of corruption and scandalous allegations which are liable to bring it down in the estimation of the public.

A UNIQUE AWARD

IT is a truism to say that the ends of social justice will not be met if, in disputes between management and workers, industrial tribunals and law courts are swayed more by the niceties of civil law than by considerations of equity and fairness. It is also equally true that, if the scales are heavily weighed in favour of workers, it amounts to virtual denial of justice to employers. There is no exaggeration in saying that labour, especially industrial labour, is a much-pampered section of the community in this country. The Government's paternal attitude towards industrial labour and its undue obsession with safeguarding workers' interests have not always had a healthy influence on industrial relations in this country. The Government's stand in respect of industrial disputes has sometimes given rise to the impression that its policy is conditioned by the assumption that labour is always the oppressed and management the oppressor.

One consequence of this cock-eyed view is that many flagrant violations of industrial law by workers and their unions have been overlooked. The award of the arbitrators in the dispute between Rohtas Industries Ltd. and the Ashoka Cement Ltd. of Dalmianagar and their workmen is a clear indication that labour is not always more sinned against than sinning, and that it too can be guilty. It also clearly establishes the sound principle that violations of law, whoever is responsible for them, should not go unpunished. The award in this case is that about 7,000 workmen of these two companies should pay compensation to the managements concerned for going on an illegal strike in 1957. This is a unique award, in that this is the first time in India that workmen have been asked to pay compensation to the management for committing breach of law. The arbitrators deserve to be complimented, for they have shown a high sense of duty and moral courage and upheld the principle mentioned at the outset.

The facts of the case are: The workers of the aforesaid two companies went on strike on 3rd September 1957, even when their claim for bonus was before the labour tribunal for adjudication. The strike was thus illegal. But the workers persisted and did not call it off until 3rd October 1957, following an agreement between the workers' union and the management. The workers wanted wages and salaries for the strike period, but the management not only refused this demand but claimed compensation for the losses it had suffered. Finally, the union and the management agreed to submit this dispute to arbitration. Mr. J. N. Majumdar and Mr. R. C. Mitter, the arbitrators—both are former High Court Judges and former members of the Labour Appellate Tribunal—held that the workmen were not entitled to wages and salaries for the strike period. On the contrary, they felt that the management was entitled to compensation, assessed at Rs. 6.90 lakhs for Rohtas Industries Ltd. and Rs. 80,000 for Ashoka Cement Ltd., from workers who participated in the strike.

This is a fair award and should be an eye-opener to the militant trade unions in this country which are prone to stampede the workers into strikes at the slightest provocation. It should serve to impress upon them that they cannot go on doing so with impunity.

SHARES IGNORE SHOCKS FROM OOTY

U.S. BANK RATE—COTTON POLICY—PAPER INDUSTRY—LITTLE FREE TRADE AREA

THURSDAY, 5 P.M.

ALTHOUGH the trend of discussions in the A.-I.C.C. Seminar at Ooty is by no means encouraging to investors in the private sector, the share markets have so far shown no signs of undue anxiety. The fall in prices in the initial days of the week has been made good to some extent and the trend at the time of writing is quietly steady. It looks as though the market is in strong hands, the weak bulls having cleared out. The downward trend in cash scrips seems to have been arrested. Some of them have reached levels at which the yields are not unattractive, having regard to their growth potentialities. That investors are prepared to wait for even two or three years is evident from the good response to the capital issues of both the new companies, namely, Indian Rayon and Khandelwal Ferro Alloys. The offers made by them have been oversubscribed. This development is particularly heartening, in that the new issues came on the market at a time when the bullish sentiment had been greatly undermined.

MARKET GOSSIP

Besides the shocks that are being given by the policymakers of the Congress Party, an uncertain factor worrying the share market is whether the Government will give permission to the T.I.S.Co. to raise new capital on the lines proposed by the Board. There are some who feel that, while the Government may not object to the issue of preference shares, it is likely to insist on the ordinary shares being issued at a premium. The doubt is confined only to a minority, as the majority feels that the Company's management would not have convened the shareholders' meeting for passing the necessary resolutions without an informal understanding with the Government on this issue.

The stringency in the money market is steadily yielding place to comfortable conditions, with lenders over. The Central Government's borrowing programme is expected to be implemented next month, probably from 15th July, if not from 1st July.

The early arrival of the monsoon has cold-douched the enthusiasm of bulls in the commodity markets. This is purely a psychological reaction, for the statistical position of commodities will remain unaffected until the new crop comes on the market after five or six months.

* * * *

The expectations of an increase in the U.S. Federal discount rate, referred to in these columns last week, have materialised. The Federal Reserve Board in Washington has authorised five of the Reserve Banks, including New York, to raise their discount rates by a straight ½ per cent. to 3½ per cent., with effect from 20th May. With this rise, the U.S. discount rate has been restored to the peak level set in August 1957 during the boom period and is double the rate which prevailed at this time last year.

An increase in the discount rate came to be regarded as a certainty when the commercial banks stepped up their prime rates charged to leading corporate borrowers from 4 to 4½ per cent. on 18th May. Other interest rates also were raised, thus creating a wide gap between the market rates and the federal rate. The increase also reflects the growing tightness in the U.S. money market. It is taken as an indication of the move towards greater restraint on the growth of money and credit. It may be noted, in this connection, that the Federal Reserve Board does not normally increase the discount rate when Treasury financing operations are in progress. If it has done so this time, it means that the Central banking authority in the U.S. has been viewing with anxiety the growing momentum of inflationary forces generated by large-scale deficit financing resorted to as an anti-recession measure. Financial circles in the U.S. expect that the upward trend in interest rates will continue as the tightness in money grows. This does not necessarily mean that a further rise in Federal discount rate can be expected in the near future. For it is already at the post-war high for the second time within two years.

While the rise in the discount rate is a continuation of the Federal Board's anti-inflationary policy followed since late last summer, when it started stepping up the discount rate from the low of 1½ per cent., it has the incidental advantage of being a deterrent to the persistent drain on U.S. gold stocks. The general rise in short-term rates may not have any effect on the trade position immediately, but it offers an incentive to overseas Central banks to retain their balances in dollars rather than convert them into gold. The policy of high interest rates in the U.S. has raised cost of overseas borrowings in the U.S. capital market. The World Bank, for instance, has already stepped up its lending rate to as high as 6 per cent. per annum for 15 to 25 years.

One immediate effect of the hardening of interest rates in the U.S. is the fall in the value of sterling in terms of the dollar. With the short-term interest rates in New York looking more attractive, there has been a tendency for liquid funds to move across the Atlantic from Britain and Continental countries. But this is not the only factor which has brought about a pressure on sterling. There are other seasonal causes. Basically, the position of sterling is strong and Britain has already made further liberalisation of imports from the U.S. and Canada. Both the balance of trade and the terms of trade continue to be in favour of Britain.

* * * *

Some details of the discussions at the eighth plenary meeting of the International Cotton Advisory Committee held at Washington from 14th to 22nd May have just reached us. They show that, as was generally expected, the U.S. cotton export policy came in for sharp criticism at the Conference. Delegates representing cotton manufacturing and exporting countries voiced serious concern over the impact of the flexible export subsidy programme of the U.S., sought assurances from that country that nothing would be done which would undermine the stability of cotton prices, and appealed to the U.S. to define, in quantitative terms, what the Department of Agriculture precisely meant by the so-called "fair and historical" share of American cotton in world markets. Spokesmen of the host country, on their part, reassured the visitors that the U.S. would take the utmost care to see that world prices were not disrupted and promised that it would consult other countries regarding its price policy and afford opportunity for exchange of views. Nevertheless, the delegates seem to have left the Conference room with the same apprehensions and doubts which they had when they entered it, although the reassurances by the U.S. spokesmen ought to have made them feel less intensely about them. This inference is justified from the final resolution adopted at the meeting which read: "In the opinion of most delegates, the uncertainty arising from existing Government export programmes seriously affects the stability of international cotton markets and tends to reduce cotton trade and consumption."

Presenting the views of the International Federation of Cotton and Allied Textile Industries, Manchester, which represents the interests of raw cotton consumers comprising two-thirds of the world's total cotton spindles and looms and consuming more than 80 per cent. of all the raw cotton that moves in international trade, Dr. W. T. Kroese, its President, stated that the desire of the cotton textile industry to achieve conditions of more stable and sustained prosperity depended to a large extent for its success on the stability of raw cotton supplies and prices. He pointed out that the U.S. had a great responsibility in ensuring stability in prices, because, as the leader of the world cotton economy, every regulation adopted by it had a particularly strong international impact. Dr. Kroese drew pointed attention to what he called the "psychological effect of a small, seemingly unimportant sentence" in the recent announcement of the U.S. Government in which it was said that the rate of the export subsidy might be adjusted from time to time during the coming year. It was precisely this factor of the possibility of a periodical review of the subsidy, he emphasised, which created uncertainty within the industry and trade. The reassurances given by the U.S. that no drastic action would be taken, he said, did not remove the uncertainty. Nor did they contribute to stability. He, therefore, felt that an early announcement of the amount of subsidy to be valid for a definite period, that is, the coming cotton year, would help to restore confidence.

Dr. Kroese disputed the theory of "fair and historical share" of American cotton in the world market. According to him, in view of the structural changes that had come over the textile industries of the world, this U.S. concept of the fair and historical share in the world market had to be given clear consideration.

Another aspect of the problem to which the President of the Federation referred was the effect of the two-price system. Under this, he pointed out, spinners could not cover their risks in the normal way. He urged the U.S. to take further steps to speed up the programme of arriving at a one-price system and to facilitate the proper working of futures markets, so as to enable spinners to cover their risks.

In addition to relative price stability, the actual level of cotton prices, Dr. Kroese pointed out, was also a determining factor for any increase in cotton consumption, especially in the face of competition from man-made fibres. The ultimate aim of all cotton growers, shippers, spinners and manufacturers alike, he emphasised, consisted of an increase in consumption. If this could be achieved—maintaining cotton competitive in price and quality and stimulating consumption through joint efforts of consumers and producers were essential for this purpose—many of the problems of cotton would vanish.

It must have, indeed, been a hard job for Mr. Marvin McClain, the U.S. Assistant Secretary for Agriculture, to vindicate his country's policies. But his defence, reinforced as it was by the experience of the past three years, was as effective as could possibly be. He observed that there was nothing new in the U.S. announcement that the export subsidy was subject to change. His country's policies were always subject to changes, if developing circumstances indicated a need for revision. He stressed that such changes as the U.S. made during the past three years had actually resulted in increasing its export price. Experience during this period clearly indicated, according to him, the continuing desire of the U.S. Government to implement its policies in such a manner as to avoid injury to the traditional competitive position of friendly countries and disruption of world markets. The U.S., he added, shared the interest of other countries in maintaining prices at reasonable levels.

Referring to the demand for a definition, in terms of bales, of the "fair and historical share," Mr. McClain said:

"The term 'fair historical share' is naturally a general and flexible concept. We believe that it is a variable dependent, to a large extent, upon total world trade. It would be unrealistic to attempt to fix an absolute bale figure as the fair historical share of the world market for United States cotton. In 1956-57, we exported 7.6 million bales, without causing any decline in prices, while other exporting countries were able to sell all of their export availabilities. The United States exported 5.7 million bales in 1957-58 without seriously interfering with the exports of other producing countries. On the other hand, our exports during the current season will probably be less than three million bales; and, if we attempted to force five million bales into the market this season, world prices would probably be seriously disrupted. It is, therefore, obvious that periods of good demand should be permitted to offset periods of weak demand.

"For these reasons, it does not appear feasible for the United States to announce a firm bale figure to be exported from the United States in any given period. If that figure could be exceeded without interfering with the normal exports of other countries, it would be unwise for the United States to embargo exports when they reached such a figure. On the other hand, in a period when the export of such a quantity would cause serious disruption to world prices, the United States certainly would not attempt to force the announced quantity into the export market."

The problems of national policies having international impact are easy to comprehend but difficult to solve. It is obvious from the aforesaid observations of Mr. McClain that the U.S. has shown commendable awareness of the genuine difficulties of other countries and has endeavoured to adjust its policies to avoid hardships to them. Its past actions and the assurances given for the future leave little room for doubt that it will continue to do so. On the whole, the latest meeting of the International Cotton Advisory Committee has enabled an exchange of views and a better appreciation of each other's point of view. This is no mean achievement.

* * * *

The paper industry is making steady progress and recently one more unit was added to the list of manufacturers. The production of paper and paper boards set up a fresh record of 253,000 tons in 1958, having risen from 210,000 tons in 1957 and 193,404 tons in 1956. Its present installed capacity is 268,800 tons per annum, whereas the target of capacity to be achieved by the end of the second Five-year Plan is 450,000 tons and that of production is 350,000 tons. In view of the foreign exchange difficulties, it is generally expected that the capacity target may not be achieved. On the basis of the schemes now in progress, the industry's capacity is likely to reach 410,000 tons. Even if this is achieved, it should be possible for the industry to reach the production target of 350,000 tons by the end of 1960-61. But this is subject to one condition, namely, that the industry gets a fair price for its products, a price that would allow a fair return to investors and provide adequate internal resources for rehabilitation of the existing plant and machinery and for future expansion.

The Tariff Commission is at present engaged in enquiring into this question. It is to be hoped that the Commission will pay some thought to the points made by Mr. I. A. Macpherson, Chairman of the Indian Paper Makers' Association, in his address to the annual meeting of the Association, *vide* page 963. Mr. Macpherson has asked for a "proper extra" in the price to be fixed by the Commission for lightweight papers to provide "adequate coverage and incentive" for production of this variety, the demand for which is mounting up, but which most of the units are not equipped to manufacture. The manufacture of lightweight papers is said to result in a heavy loss to the industry.

He is of the view that price fixation should not apply to special qualities of paper, the production of which forms a small percentage of the total output. His reasons for seeking exemption of the specialities are not unconvincing. There is a genuine demand for these special varieties and mills have to experiment continuously and produce them to satisfy this demand. Unlike normal varieties of paper, there cannot be any standardised specifications for special qualities, as the particular characteristics to be imparted to the paper will vary according to the customer's requirements and the use to which they are put. Mr. Macpherson, therefore, avers that it will not be wise to bracket these with normal varieties of writing and printing papers for the purpose of price fixation.

The revision of railway freight structure in October last has proved to be a mixed blessing to the paper industry. For, as Mr. Macpherson points out, while the wagon-load scales have been somewhat favourable for finished papers, the increase in freight on raw materials used by paper mills will add to their cost structure. Another burden on the industry will be the transit tax on bamboo from Orissa, which supplies the bulk of the large mills' requirements of bamboo. The Select Committee has recommended a ceiling rate of Rs. 2 per 100 bamboos. The industry has made representations to the Government of Orissa for a substantial reduction in, if not the abolition of, the tax.

While on the subject of bamboo, which is the only raw material which can sustain the existing units and their expansion until other alternative

(*Continued on page 971*)

CAUTIOUS TRADING IN SHARE MARKET

UNDERTONE SUBDUED

(From Our Own Correspondents)

BOMBAY, *4th June*

WITH all eyes turned towards Arronmore Palace at Ootacamund, the venue of the A.-I.C.C. Seminar on planning, the share market was in a hesitant mood during the week under review. The final outcome of the deliberations (which will come to an end tomorrow) after the Congress Planning Body had considered the reports of its various sub-committees, is being keenly awaited. The sub-committees are reported to have made several suggestions for raising the resources for the third Plan, namely, imposition of additional taxes to the tune of Rs. 1,500 to 2,000 crores, extension of State trading to selected commodities, including certain items of the export and import trade, enhancement of land revenue, levy of a surcharge on commercial crops, fixation of a ceiling on salaries at a maximum of Rs. 2,000 per month, with overall income range not exceeding the ratio 1 : 20, taxation of unearned incomes and speculative profits, operation of public enterprise on a profit basis and diversion of these profits to further development, etc. Meanwhile, the market chose to toe a cautious line. Price fluctuations were confined to a narrow range, but the underlying trend was downward. Over the week, equities suffered modest losses over a wide front.

Sectionwise, Tata Steel Ordinaries drifted down from Rs. 190.25 to a low of Rs. 186.25 on Tuesday this week. In the last two days, there was a partial recovery on short-covering to Rs. 188.50, despite reports of a further fall in the Company's output during May. The production of pig iron has dropped from 130,600 tons in April to 128,800 tons and that of steel ingots from 124,200 tons to 116,400 tons. The saleable steel output, which had fallen from 100,700 tons in March to 93,300 tons in the following month, has declined further to 91,400 tons last month. Indian Irons reacted from Rs. 24.24 to Rs. 23.76, but recovered to touch today Rs. 24.28. The closing was, however, a shade lower at Rs. 24.12. The fear of this scrip being deleted from the Stock Exchange list has gone, following the Company's acceptance of the new listing regulations. The Company's production performance during May is encouraging. The fall of 19,556 tons in the output of saleable steel noted in April has been made good to some extent by the rise of 9,319 tons (to 49,470 tons) in May. Pig iron output has gone up from 86,826 tons to 94,105 tons, while steel ingots show a fall from 61,182 tons to 57,483 tons.

Despite the recent announcement of export incentives, textiles gave way. Bombay Dyeings came to the limelight on the opening day of the current settlement, that is, Monday, with a jump from Rs. 63.60 touched on Friday last to Rs. 65. Subsequently, however, the shares lost ground rapidly to Rs. 63.50 today and closed at Rs. 64. Centurys moved down from Rs. 544 to Rs. 529.50, but this loss was largely made good when they finished today at Rs. 540. Kohinoors moved erratically between Rs. 280.50 and Rs. 271.50 before closing at Rs. 277, the loss over the week being Rs. 2.25. Central Indias lost Rs. 2 to Rs. 98, Gokaks Re. 1 to Rs. 148, Morarjees Rs. 2.50 to Rs. 255 and Shree Niwas Cottons Rs. 4 to Rs. 171. Standards shed no less than Rs. 13 to Rs. 490 and Swans Rs. 30 to Rs. 380, while Svadeshis provided an exception with a rise of Rs. 2.25 to Rs. 229.50.

Bank shares presented a quiet front. Barodas were a fraction lower at Rs. 102. Centrals lost 70 nP to Rs. 52.30 and their new shares 20 nP to Rs. 55.80. Bank of Indias were marked down by Re. 1.25 to Rs. 131 and their new shares by Rs. 2.25 to Rs. 131.50. Punjab Nationals were done 24 nP lower at Rs. 22.24 and United Commercials changed hands Re. 1 lower at Rs. 61.

Trading in the insurance section was highlighted by a spurt in New Indias, the old shares gaining Rs. 4.60 to Rs. 56 and the new shares Rs. 5 to Rs. 57. Indian Mercantiles were done at the self-same rate of Rs. 42.50. All-India Generals, however, disclosed a loss of 40 nP at Rs. 2.

Electricity shares were generally steady and business in select counters was done at higher rates. Ahmedabad Electrics were picked up 22 nP higher at Rs. 92 and Bombay Suburbans 50 nP better at Rs. 103. Tata Hydros gained a fraction to Rs. 117.75. Tata Powers were, however, a shade lower at Rs. 1,168.75 and Andhra Valleys declined by Rs. 10 to Rs. 1,125.

Sugar shares maintained their downward trend, Belapurs losing Rs. 2.50 to Rs. 293. Notwithstanding an improvement today, Phaltans closed on balance with a loss of Re. 1 at Rs. 154. Walchandnagars moved down by Rs. 3.75 to Rs. 282.50. Cement shares were listless. Associated Cements moved a bit erratically between Rs. 151 and Rs. 154.75 before closing at Rs. 153.25. Digvijays lost on balance Re. 1.50 to Rs. 152.50, while Orissa Cements gained 12 nP to Rs. 14.68.

In the engineering section, Alcock Ashdowns were done Rs. 4 lower at Rs. 269. The gross profit of the Company for 1958 shows a fall from Rs. 11.21 lakhs to Rs. 7.19 lakhs. Tata Locomotives failed to sustain the upward trend noted for some weeks past. There was heavy selling pressure in this counter on rumours that the dividend might not be more than Rs. 9 per share. Consequently, they dropped from Rs. 209.50 to a low of Rs. 197.50 on Tuesday. Subsequently, however, they regained some ground to touch Rs. 204.50, but the closing was again lower at Rs. 202.50. Premier Constructions disclosed a loss of Rs. 7 at Rs. 304 *ex-div.* Larsen and Toubros were listed *ex-right* and closed at Rs. 21.24, as against Rs. 23.60 *cum-right* a week ago. Mahindras shed 52 nP to Rs. 19.88. In the mining group, Shivrajpurs were done at Rs. 80 *ex-div.*, which on a *cum-div.* basis represented a gain of Rs. 2 over the week. Indian Coppers were quiet at Rs. 4.06.

Among shippings, Scindias gave way from Rs. 18 to Rs. 17.24 before gaining ground to Rs. 17.84 at the close. There was a sudden dip in Great Easterns from Rs. 23.12 to Rs. 21.96. Their new shares too dropped from Rs. 16.36 to Rs. 14.92. Bharat Lines were done 24 nP lower at Rs. 12.48. In the automobile group, Hindustan Motors were steady, gaining 16 nP to Rs. 8.64, while Premier Automobiles softened from Rs. 110 to Rs. 108.25.

Miscellaneous industrials did not show any variation from the general trend. Bombay Burmahs (old) fell from Rs. 535 to Rs. 516 before improving to Rs. 528.50 today. At the close, they shaded off to Rs. 525.50. National Rayons were subjected to pressure earlier in the week, the shares dropping from Rs. 307.50 to Rs. 301. This was, however, more than made good subsequently when they recovered to close at Rs. 309. Gwalior Rayons gained on balance 12 nP to Rs. 18.64. Chemical shares attracted some attention. Tata Chemicals were picked up 36 nP higher at Rs. 18.32. Alembic Chemicals spurted from Rs. 193 to Rs. 200, following the announcement that the Company proposed to issue 20,000 new ordinary shares of Rs. 100 each to the existing shareholders in the ratio of one share for every four. The Company has obtained sanction for the issue. Tata Oils were 80 nP higher at Rs. 57, while Voltas were marked down by Rs. 3.25 to Rs. 160 and Wimcos by Rs. 4.50 to Rs. 203.50. Ceat Tyres were in demand and rose by Rs. 5.50 to Rs. 144.

There was selective buying in preference shares at hardening rates. Tata Steel 1st Preference (6 per cent. taxable) were done Rs. 2.75 higher at Rs. 160. National Rayons (5 per cent. taxable) rose by 30 nP to Rs. 80.50. Premier Constructions 1st Preference (6½ per cent. taxable) improved by Rs. 2 to Rs. 86. Central Indias (5 per cent. tax-free) were a shade better at Rs. 352.

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Calcutta Stock Exchange

CALCUTTA, *3rd June*

The shake-out in equities noted last week continued to make further inroads into prices on the Calcutta Stock Exchange during the week under review also, and indications are that it has not spent its full force. Throughout the week, the movement was downward and speculative holders, who had acquired at the rise in recent months, rushed to unload whenever possible in an attempt to reduce losses and/or be content with taking whatever profits that current levels permitted. Meanwhile, genuine investors continued to keep off the market, and were content in paying attention to the new issues of shares. The Government loan programme is anticipated in the near future, after which a series of new joint stock issues is expected to follow. Investors are, therefore, keeping apart their funds. As a result, the stock market was devoid of outside support in a noticeable way, and thus there was no stabilising influence. Nervous unloading without buyers in some cases paved the way for the depression. Rumours from Bombay about proposals to introduce margins on forward transactions in the listed scrips and to increase levies on indirect gains had their full play in a market which was devoid of genuine investment.

As in other sections, jutes suffered a shrinkage in the volume of business, and a weaker goods market depressed prices further. Nationals were forced down to Rs. 21.50 from Rs. 23.75. Chitavalsahs were extremely quiet at Rs. 14.94, as against Rs. 15.56 previously. The announcement of 5 per cent. dividend for Kamarhatty fell below expectations and that explained the fall in this scrip to Rs. 200 from Rs. 202 previously. Belvederes were unchanged at Rs. 173, while Birlas recovered to Rs. 20.31 from Rs. 20.06.

The delay in New Delhi's decision over the industry's claim for price increase subdued coal shares. From Rs. 6.25, Western Bengals gave way to Rs. 5.91. Central Indias finished at Rs. 7.41 after opening at Rs. 7.53. Bengals were hammered down to Rs. 305 from Rs. 310, while Khatras Jherriahs at Rs. 75.25 recorded a fractional improvement of 25 nP.

In the engineering section, Indian Irons were subjected to selling pressure following uncertainty about the scrip being continued to be permitted in the forward list on the Bombay Exchange. However, it was announced later in the week that the difficulties in this regard had been overcome, the Company having agreed to accept the listing regulations of the Exchange. Indian Irons opened at Rs. 24.24 and after being better at Rs. 24.40 for a time gave way to Rs. 23.84. The finish was, however, at Rs. 23.96. Indian Galvanizings were able to resist the general trend and hardened to Rs. 19 from Rs. 18.25, while Texmacos were quiet at Rs. 25.40.

Sugars searched lower levels induced by profit-taking following official measures to arrest the rise in prices of the commodity. Belsunds changed hands at Rs. 12.31, as against Rs. 12.81 previously. Carews were quiet at Rs. 8.87, as against Rs. 9.37 earlier.

Teas were neglected on reports of rising output and keener competition by improved African teas. Sungmas, in the Darjeeling group, fell to Rs. 19.25 from Rs. 19.69. Banarnats at Rs. 304 disclosed a loss of Rs. 6, while Tezpores, after being lower at Rs. 18.25, recovered to Rs. 18.62. East Indians were quiet at Rs. 20.87, as were Hantaparas at Rs. 132.

Miscellaneous industrials recorded lower levels. Indian Coppers were quiet at Rs. 4.07, as against Rs. 4.12 earlier. Metal Corporations gave way to Rs. 13.87 from Rs. 14.06. India Steamships receded to Rs. 14.09 from Rs. 14.44. Orient Papers opened at Rs. 35.60 and closed higher at Rs. 35.70, while Indian Cables lost to Rs. 30.19 from Rs. 30.62. Dunlops were steady at Rs. 31.37. Indian Aluminiums realised Rs. 20.19, as against Rs. 20.69.

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Madras Stock Exchange

MADRAS, *3rd June*

Barring a few select scrips, which met with some investment support, equities on the Madras Stock Exchange continued to drift lower during the week under review also, thanks to such rumours as official control over dividends of companies and tax on unearned incomes. Many operators were inclined to liquidate their holdings, but fresh buying enquiries were lacking, for many preferred to await a clear picture of the proceedings of the A.-I.C.C. Seminar at Ooty and the suggestions emerging thereat. Consequently, transactions actually put through were restricted. Tea shares encountered selling on reports of continued lower production in several estates. In sympathy, rubbers and coffees ruled easy. Textiles were subdued, as also sugar and miscellaneous industrials.

Among the sugar shares, Cauverys dropped Rs. 3 to Rs. 106. E.I.Ds receded by Rs. 2.50 to Rs. 33.25. Deccans were quoted lower at Rs. 11.80, as against Rs. 12.35 on Wednesday last. Travancores lost 45 nP to Rs. 11.75. Indias, Mysores and United Breweries were dull at Rs. 12.10, Rs. 52.25, and Rs. 400 respectively.

In the planting section, United Nilgiri Teas shed 30 nP to Rs. 20.10 and Twyford 28 nP to Rs. 17.12. Hailleyburias declined by 5 nP to Rs. 19.60. Chembras eased by 4 nP to Rs. 4.26. Balanoors were quiet at Rs. 21.25, as also Kalasas at Rs. 3.97, Kil Kotagiris at Rs. 8.50 and Nonsuch Teas at Rs. 27.35. The newly introduced shares, namely, Ossoors and Wartyhullys, however, elicited good support. The former improved by 12 nP to Rs. 3.73 and the latter by 7 nP to Rs. 3.67. Among coffees, Coffee Lands decreased by 25 nP to Rs. 23.75. Cowcoodys retreated by 20 nP at Rs. 7.00. Anaparais were neglected at Rs. 4.75. Among rubbers, Kailas lost 5 nP to Rs. 5.10. Thirumbadis lost by 4 nP to Rs. 1.92. Malankaras were dull at Rs. 19.35 and Rajgiris at Rs. 17.45. Highlands and Vaikundams, however, rose by 50 nP each to Rs. 14 and Rs. 26.50, respectively.

In the textile section Cannanores were dull at Rs. 151, Coimbatore Cottons at Rs. 141, Pioneers at Rs. 285 and Dhanalakshmis at Rs. 197.50. Vasanas were quoted at Rs. 210 *ex-div.*, as against Rs. 222 *cum-div.* Radhakrishnas dropped Re. 1 to Rs. 130. Maduras suffered a further setback, the quotation declining by 67 nP to Rs. 26.18. Rajalakshmis and Virudhunagars lost 50 nP each at Rs. 64.00 and Rs. 39.00 respectively. Metturs, on the other hand, provided a bright spot and rallied from Rs. 398 to Rs. 402.50. Buckinghams gained a rupee to Rs. 187. Cambodias gathered 10 nP to Rs. 9.90.

Among miscellaneous industrials, F.A.C.Ts fell by 60 nP to Rs. 8.40. Mettur Chemicals receded by 5 nP to Rs. 2.50. Mysore Chemicals lost a like amount to Rs. 10.55. Ashok Leylands shed 15 nP to Rs. 7.05. Dalmia Cements, India Cements and Indian Steel Rollings were all a shade lower at Rs. 10.60, Rs. 6.03 and Rs. 15.35, respectively. Western India Plywoods were done at Rs. 170.50, same as last week. Standard Motors provided an exception in that they were bid higher by 50 nP at Rs. 14.75. Orissa Cements were also well favoured and advanced by 40 nP to Rs. 14.75. Rallis strengthened by 25 nP to Rs. 68.50. Mysore Papers picked up 15 nP to Rs. 20.35.

I.I.S.CO. AND INDIAN COPPER ACCEPT LISTING RULES

The Indian Iron and Steel Co., Ltd., in the course of a statement, says that in view of the decision of the Government of India that there should be one uniform listing agreement for all the Stock Exchanges of India, it has agreed to accept the listing regulations of the Bombay Stock Exchange. This Company and the Indian Copper Corporation Ltd. are reported to have informed the Bombay Stock Exchange authorities of their decision to comply with their requirements. Earlier, it was reported that Indian Iron and Indian Copper might be delisted from the Bombay Stock Exchange, because these two companies "had declined to comply with certain listing regulations of the Stock Exchange."

KHANDELWAL FERRO ALLOYS LTD.

The public issue of 34,937 equity shares and 50,000 7½ per cent. tax-free redeemable cumulative preference shares of Khandelwal Ferro Alloys Limited has been oversubscribed. Consequently, the list which was opened on 30th May 1959 was closed immediately on completion of the minimum stipulated period on the 3rd June 1959.

NEWS IN BRIEF

THE three steel towns of Bhilai, Rourkela and Durgapur will be linked by double railway lines under an expansion programme drawn up by the South Eastern Railway.

A grain storage research and training institute has been opened at Hapur by the Central Government. The Institute, the first of its kind in India, offers two courses—one lasting for two weeks and the other eight weeks—relating to the methods of inspection and preservation of foodgrains on scientific lines.

An exhibition of "industrial design today in America and India," sponsored by the Museum of Modern Art, New York, at the request of the Union Ministry of Commerce and Industry, will be on show at Madras from the 10th to 30th inst. It seeks to focus attention of both consumers and manufacturers in India on some trends and examples of industrial design in the Western world.

India made record shipments of animal feeding stuffs to the U.K. during the first four months of this year, the actual value of shipments being £4,973,000—more than three times that for the corresponding months of 1958. The shipments for the whole of last year only reached a value of a little more than £6 million. Exports of oilseed cake and meal mainly from groundnuts accounted for £4,833,000. During the first four months of this year, India also exported to the U.K. £404,000 worth of oilseeds, oilnuts and oil kernels, as against just £6,000 in the corresponding months of 1958.

The representatives of coal industry and the workers have agreed that the coal award of 1956, which gave a wage increase to workers, should continue to be in force till 25th May 1960, subject to any modifications that may be made either by agreement between the parties concerned or through arbitration. Issues on which there is no agreement will be referred to an arbitrator. Meanwhile, both employers and workers have agreed not to give notice of termination of the award. Although the period of the award actually expired on 25th May, the award itself does not automatically lapse until terminated by the parties concerned. It was agreed that outstanding issues relating to the coal award should be discussed by the sub-committee of the Tripartite Industrial Committee on coal mining at a meeting to be held in Calcutta on the 9th and 10th inst. The issues which are not settled at the meeting will be referred to an arbitrator, who will be requested to give his decision within 45 days.

The U.P. Government has estimated the cost of implementing its proposed scheme for consolidation of holdings in the State at Rs. 11 per acre, half of which will be realised from tenants. An extra charge of 75 nP per acre will be recovered from tenure holders of areas in which the rectangular system of consolidation has been adopted. Hitherto, they were paying Re. 1.50 per acre as a tentative first instalment. The Government has also decided to realise the cost of land obtained for common purposes from all tenure holders of a particular area irrespective of whether their holdings are affected or not. Of the Rs. 11 per acre, the Centre will pay 25 per cent., the State Government 25 per cent. and the tenant the remaining 50 per cent. The expenditure incurred by the State is likely to be partly compensated by increase in land revenue and by correction of consolidation into rectangular holdings. The Government has decided to introduce this system as far as possible in new areas.

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From Abroad

The U.K. Iron and Steel Board has reduced by an average of 2 per cent. the price of steel purchased in lots of 10 tons or more.

World consumption of wool in the first quarter of 1959 was about 6 per cent. higher than in the corresponding quarter of 1958, according to the Commonwealth Economic Committee.

The number of unemployed merchandise ships laid up in the U.K. ports rose further, though at a slower pace, during April to 255 with a gross tonnage of 1.44 million. Of the total laid up tonnage, oil tankers accounted for 384,992 tons.

The Indonesian Government proposes to set up a three-man Committee in London to promote sales of its agricultural products in Europe. The Committee will make recommendations on the posting of trade commissioners in the European capitals.

France's first "heavy franc" bank notes will be put into circulation next month. The complete changeover from the present franc to the new currency will be completed by 1st February 1961. The first notes under the new currency will be of 100, 50 and 10 "heavy franc" values equivalent to 10,000, 5,000 and 1,000 present francs, respectively.

For the first time since September 1958, the number of registered unemployed in the U.K. fell below half a million, 481,000 to be precise, in the middle of May last. This number represented 2.2 per cent. of the working population. The fall in unemployment during the month was 50,000, in contrast to an increase of 4,000 in the corresponding month last year.

The terms and conditions relating to the proposed U.S. loan of $135 million to the Euratom of the Common Market countries have been finalised at Brussels. An agreement to this effect had already been signed in November last. The loan will finance a part of the $215 million nuclear research programme outlined in the Euratom Treaty, including the creation of a six-nation research centre.

The Stock Exchange in Frankfurt, W. Germany, has commenced trading in Imperial Chemical Industries stock, the first British stock to be introduced in the Exchange. It is expected that other British stocks will follow. Many investors are reported to have turned to foreign stocks with the object of avoiding the narrowness of the market. There has been brisk trading in Dutch and Italian stocks as well as Austrian, French and U.S. shares.

The largest Dutch company, N. V. Philips Gloeilampenfabriekan, has agreed to introduce a 45-hour five-day week, with effect from May 1962 at the latest. The decision is a sequel to a three-year collective agreement entered into with the employees. The engineering industry has already made such an announcement. The 48-hour week is the standard week in Holland. In view of the latest moves of industries, the Government is expected to consider the possibility of introducing a shorter week.

The National Planning Council of Ceylon has suggested to the Government not to effect any immediate further nationalisation, but favoured its spreading out progressively over ten years or more. The other suggestions put forward by the Council are: (1) the Government should give first preference in regard to the shares of rupee companies; (2) there should be progressive Ceylonisation of companies at management level; (3) sterling companies should be gradually converted into rupee companies; and (4) compensation should be paid to all nationalised undertakings.

A group of Colombian economists is now in Europe for the purpose of finding new markets for the country's coffee, the basic export product of the country. It has full power to make trade agreements with Western European and Middle Eastern countries. The new trade agreements will permit payment for coffee in currencies other than the dollar. Likewise, merchandise imported by Colombia under these agreements will be paid for in Colombian pesos. This will be the first time Colombia agrees to receive payment for its coffee in currencies other than the dollar.

A Japanese company, Arabian Oil, proposes to commence oil drilling operations near the Neutral Zone in the marine area of the Persian Gulf. The Company succeeded in getting the concession for prospecting last year against intense competition. Under the terms accepted by the Company, 57 per cent. of the net income from any oil found in the Kuwaiti half of the marine area will go to the Government of Kuwait and 56 per cent. of the income from oil in the other half to the Saudi Arabian Government. The terms are for a period of 44½ years, but the Kuwait Government may terminate the agreement if no oil is found by the end of 1962.

India is among the 48 countries participating in the fifth World Petroleum Congress now in session at New York. The session is said to be the world's largest international oil meeting, with about 5,000 oilmen attending it. The basic objective of the meeting is presentation and discussion of 300 scientific and operational reports detailing world-wide research designed to find quicker and more direct ways of locating new oil fields, of developing more efficient production methods, of improving petroleum products, and of expediting transportation of crude and processed oil. For the first time, a complete session of the programme is devoted to the way in which atomic energy is being put to work for the oil industry.

PERSONAL

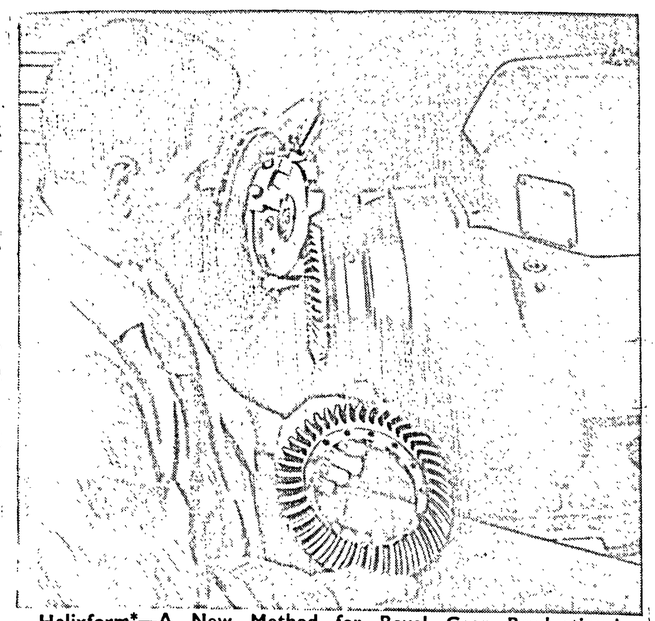
MR. Madan Mohan R. Ruia, a leading industrialist of Bombay, and Mr. N. R. Patel, have been elected President and Chairman of the Commerce Graduates Association, Bombay, for the year 1959-60.

Mrs. Sumati Morarjee, Managing Director, Scindia Steam Navigation Company, Ltd., left for London on 31st May for a short tour of the U.K. and the Continent.

Mr. K. R. Damle, I.C.S., Secretary for Agriculture, Government of India, will represent India at the Food and Agriculture Organisation Council session commencing at Rome on the 15th inst.

Dr. H. J. Bhabha, Chairman of the Atomic Energy Commission, left for Vienna to attend a meeting of the Scientific Advisory Committee of the International Atomic Energy Agency which commenced there on the 4th inst.

Mr. Gulzarilal Nanda, Union Minister for Labour and leader of the Indian delegation to the I.L.O. Conference which commenced at Geneva on the 3rd inst., left New Delhi last week-end. Before returning to India he will visit Yugoslavia, West Germany, Denmark and the U.K.



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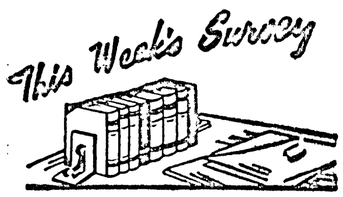


FINANCE MINISTER ON TAXATION

IT is gratifying to hear, once again, from Mr. Morarji Desai, Union Finance Minister, that he is quite willing to consider the revised scheme of corporation taxation and provide relief where needed. Replying to an address presented by the Indian Chamber of Commerce at Coimbatore on Friday last week, Mr. Desai said that, as the result of experience gained during the current year, he would consider what could be done about the difficulties arising from the change in the taxation of companies. In particular, his statement that "if additional revenue means more hardship to companies from which this revenue comes, naturally, this is an argument which will be considered" should allay the fears that the new system, due to be enforced in the fiscal year 1960-61, is intended to collect more revenue from the corporate sector. Few will, of course, disagree with Mr. Desai when he said that, if revenues came from companies which continued to prosper, the contribution to the country, on whose prosperity the companies depended, was quite justified. But what everyone should wish is that the contribution a prospering company is asked to make must leave a reasonable margin to remunerate the shareholders and be commensurate with the expanding resources requirements of the company concerned.

Mr. Desai was not convinced by the argument that more revenues could accrue to the Government as a result of the revised company tax scheme. It is to be hoped that Mr. Desai's words will prove correct. The several analyses of the scheme made so far by tax experts, however, have clearly brought out the fact that most companies, and consequently, their shareholders, will be adversely affected, in that, as a result of the 45 per cent. non-refundable tax, most of the companies will not be in a position to make up to shareholders the loss incurred through withdrawal of "grossing."

Alluding to the question of sharing the tax burden, the Finance Minister observed that greater effort should be made by those who could afford to bear the burden and, yet, the burden had been borne more by those who could not bear it. In this connection, he said: "A large section of the population is poor and, yet. it pays a great deal through indirect taxation and even through some direct taxation. Even an ordinary agriculturist who owns three acres of land pays taxes. The number of excisable articles is increasing day by day, and they are consumed more by the poor than by the rich. But they have got to do this, because everybody has to contribute if the nation is to advance." While the increasing reliance on excises for a large part of the additional taxation raised by the Government is justified, it must be emphasised that there is need for exercising utmost care in choosing the commodities for the purpose of excise levy. The new sources for excises should be such as would not add to the cost of living to any significant extent or make the cost structure of industries more rigid. There is also the need for reducing the heavy incidence of excise on articles which are essentials of life such as sugar, cloth and vegetable oils. Incidentally, more items can be transferred from the States' sales tax list to the Central excise list. For excise duty in the place of sales tax, as Mr. Desai said, is a better method even from the point of view of States, and also easier of recovery, besides being less liable to evasion.

While on the question of sharing the burden of taxation, a brief reference may be made to the remarks of Mr. C. D. Deshmukh, a former Union Finance Minister and now Chairman of the University Grants Commission. at a Press conference at New Delhi the other day. Mr. Deshmukh averred: "To the extent to which resources might come from the one per cent. (capitalist) class, well and good, but, to the extent to which it does not come, it has to come from the 99 per cent. This question has to be squarely faced, though political courage is still not evident." This is certainly a correct assessment of the whole issue of taxation which the planners will do well to bear in mind while formulating the third Five-year Plan.

To revert to Mr. Desai's speech. He touched on the size of the third Plan and pointed out that the actual size would depend on many considerations. Mr. Desai certainly struck a note of realism when he observed that the two chief considerations would be the "concrete" requirements of the country and the resources that could be mobilised both internally and externally. Surely, the mistake of overestimation of resources committed while drafting the second Plan should be avoided. It is needless to add that, but for the Government's preoccupation with physical planning and its unwillingness to let the country face the realities of the resources position, the Plan would not have been surrounded by great confusion. Readers will recall that no sooner two years had elapsed after the second Plan had been launched than the Planning Commission came out with an appraisal of the Plan (May 1958). The assessment of resources made in this appraisal differed considerably from the original targets. Within four months thereafter, there emerged a reappraisal which gave an entirely different sets of figures relating to resources. All this confusion could be safely avoided if the planners were to make a fairly reasonable assessment of the resources *in sight* and to so fix the size of the third Plan as to fit in with the availability of such resources.

The aforesaid aspect has to be stressed for three reasons. One, the country is no longer in a position to enjoy the cushion of large sterling balances which came in so handy all these years. Two, the scope for large additional taxation, particularly direct taxation, is limited. Three, a heavy dose of deficit financing cannot be resorted to, since the inflationary pressures generated by the implementation of the first and second Five-year Plans have already caused great hardship to the masses.

HANDLOOM INDUSTRY

The production of handloom cloth is believed to be currently running at an annual rate of nearly 1,950 million yards, as against the actual output of 1,798 million yards in 1958, 1,643 million yards in 1957 and 805 million yards in 1950. Such an encouraging performance has been due not to any material improvement in the structure of the handloom industry but to the artificial props given by the Governments, Central and State. The props include complete tax holiday, rebate on sales of handloom cloth, and liberal loans and grants amounting to several crores of rupees, in addition to reservation of markets in certain fields *vis-a-vis* the mill sector and assurance of adequate and regular yarn supplies.

All these measures. though they have succeeded in giving a boost to handloom cloth output, cannot be expected to offer an effective, lasting solution to the problem of low manufacturing efficiency and high production cost. For the equipment of handloom industry is outmoded and, unless it is mechanised through introduction of power, production is bound to be uneconomic, necessitating continuance of the abovementioned props for all time. This is the basic issue involved, and not formation of more and more co-operatives by weavers, as Mr. Morarji Desai declared in his reply to the memorandum submitted by the Southern India Millowners Association during his visit to Coimbatore last week. Mr. Desai said:

> "Since the handloom industry is disorganised, greater effort is needed to bring it into the co-operative fold. If the Government fails to distinguish between the weavers in the co-operative sector and those outside, it will be a signal for breaking up the co-operative unions which are already there. The industrialists should form more and more co-operatives and thus push up the sales of handloom fabrics which have no rivals in the foreign countries."

The co-operatives can, of course, render some useful work in the direction of supplying the needs of the weavers and marketing their products. But they cannot provide a cure for the basic weaknesses of the handloom industry. Further, although there is a fairly large number of co-operative handloom societies, the way in which many of them are working has not been quite satisfactory. Several instances are on record that the societies have misappropriated the loans and grants received under the handloom industry development schemes, thereby forcing the lending banks to write off the debts. As Mr. Desai himself frankly admitted, "the subsidy given to handlooms has been greatly misused." If the co-operative societies are to be effective agencies for the promotion of development activity in the handloom sector, it is imperative that they are manned by persons known for their integrity and knowledge and that the resources position of the societies should be sufficiently strong to meet all the working capital requirements of their weaver-members. Equally imperative is the need for these societies availing themselves of commercial credit from financing agencies and not depend on official concessional credit. If this is done, the funds so released from the cess fund can be utilised for other developmental activities of the handloom industry, or, if these funds are not required, the cess on mill cloth can be abolished or at least reduced.

EVALUATION OF CO-OPERATIVE SOCIETIES

The Programme Evaluation Organisation of the Planning Commission, in its report on the working of large and small co-operative societies, has made a critical assessment of the comparative performance of each. The full text of the report has not yet reached us. But even from a summary of it in the daily Press it is clear that, while the defects and merits of these societies, as revealed by their actual working, have been brought out and certain caustic remarks on the effects of Government intervention in the affairs of the societies have been made, the Organisation has not expressed itself definitely in favour of either. There are only three plausible explanations for this shyness of the P.E.O. to give a clear verdict. First, the working of both these types of societies revealed more defects than merits, making it politically inconvenient for the investigators to pronounce a definite verdict. Second, since the issue of small *versus* large societies has not yet outgrown the stage of controversy, the P.E.O. must have considered it prudent not to add fuel to the fire. Third, the P.E.O. was, perhaps, not required to pronounce on the superiority of either. Anyway, it has provided enough material to enable impartial observers to form their own judgment.

The evaluation report contains a wealth of factual data collected through a firsthand study of the working of the societies. Two independent inquiries were conducted. The first concerned societies in areas outside the Reserve Bank's pilot projects. Under this, a total of 33 large and 84 small societies in 18 blocks were surveyed. The second inquiry related to the working of the integrated credit and marketing scheme in two areas in Khandesh and Broach selected by the Reserve Bank for its pilot projects and an area in Kolhapur which the State Co-operative Bank had selected for a similar experiment.

The report on the first inquiry points out that, in respect of coverage, the performance of both types of societies was poor. Not even a fourth of the households under their jurisdiction have yet been covered. Only in one block (Morsi in Bombay) have both large and small societies achieved complete coverage. On the other hand, some societies in other areas include only 10 per cent. of the total households. None of the two types of societies was able to show a better record than the other. In other words, large societies have not reached a greater number of smaller cultivators than the small. In fact, small cultivators constituted a smaller proportion of the membership of large societies than of small ones. It is true that the large societies attracted more landless labourers. But it should be borne in mind that the term "landless labourers" included. in some cases, members who were well off and who do not resort to borrowing. In both societies, fewer small cultivators could secure loans. Large societies had a better record in respect of "overdues" while in respect of repayment of loans smaller societies showed better results.

The report brings to light many malpractices prevailing in both types of societies. The larger ones, according to it, tend to be dominated by the "headquarters villages" and, in a number of instances, big and medium landlords dominate the committees and, in a few, either moneylenders or moneylenders-*cum*-landlords occupy positions of power and indulge in manipulated operations. Taking a highly critical view of the general practice followed by the State Governments of giving their nominees on the board of directors of large societies the right to appeal to them against the decisions of the general body of members or the board, the report comments: "Commonsense and experience would suggest that such powers of intervention, wherever they are given, never remain on the statute books only; they tend to be put into use and come in the way of the co-operatives developing into people's institutions."

A study of the administration of the societies revealed that, although large societies have more talent to draw upon for the offices of president and secretary, the proportion of those who seemed to become semi-permanent is as high in large societies as in small ones. The basis on which the societies determine credit limits to members has also been criticised. Right in land continues to remain the most important consideration in setting the maximum credit limit. Only in a few cases, it has been found, is credit limit related to the crop produced. Even in these. little attention is paid to the cost of cultivation or the productive requirements of the borrower. In none of the societies was credit linked with marketing. Discrimination in favour of landlords against tenants has also been found to persist in both small and large societies.

Supervision of societies, it has been found, is lax and inspection perfunctory. Though local supervisory committees have been recommended for large societies, only three centres out of fourteen have reported the existence of such committees. An encouraging feature, however, is that only nine per cent. of the large and five per cent. of the small societies report that there has been no auditing.

The report makes a comparative study of the finances of the societies. Large societies are organised on the basis of limited ability, while, in a majority of small societies, the individual member's liability is unlimited. The average large society has a membership of 418 persons and covers 11 villages, while the average small society has 64 members and covers two villages. The former has a share capital of Rs. 14,232 and the latter Rs. 1,921. Although both large and small societies depend largely on help from outside, the small ones receive this help entirely in the form of interest-bearing loans from central banks, whereas large societies get considerable help in the form of State contributions to their share capital. The large societies have about six times as much money as the small and they loan a higher proportion of it. This is ascribed to Government participation in the share capital and the selection from the small societies of the better ones for amalgamation or expansion. The report comes to the conclusion that in "pure business terms" the large societies have a better chance of paying their way than the small.

DEVELOPMENT OF OILSEEDS

In any scheme of agricultural planning in India, it is necessary to provide a prominent place for oilseeds. In recent months, there has been a spectacular rise in the prices of oilseeds and oils, due to the growing demand for oilseeds for consumption as food, for industrial uses and for exports and the failure of production to keep pace with it. The total production of oilseeds was about 5.9 million tons in 1957-58. as against about 6.2 million tons a year before. Complete figures are not available for the 1958-59 season, but the preliminary estimates for groundnut (4.81 million tons, as against 4.43 million tons in 1957-58) and castorseed show that the short-fall experienced in the previous season would be more than made good. If in spite of this improvement prices are ruling higher, it is because of the marked increase in demand. Raising the production of oilseeds is, therefore, an urgent problem. Unless concerted efforts are made to initiate intensive and extensive cultivation, it is doubtful whether the target of 7.5 million tons envisaged in the second Plan will be achieved by 1960-61. Viewed thus, the Central Supervisory Committee for Planned Production of Oilseeds in India which met at Bangalore on 29th and 30th May, did well in deciding to initiate a drive for boosting production of oilseeds in the remaining two years of the Plan. There are also signs that the Government has recognised, though belatedly, the crucial importance of promoting production of this commercial crop. Indeed. many of the schemes received its serious consideration only last year—the third year of the second Plan. A scheme for development of oilseeds jointly financed by the Central and State Governments on a 50:50 basis is already in force. Besides, the Indian Central Oilseeds Committee is financing many other programmes in 11 States. The impact of these programmes, we are told, would be felt from 1959-60 onwards.

On the basis of these programmes. the Supervisory Committee is optimistic of realising the second Plan targets in time. The Committee, therefore, straightaway started considering the country's requirements of oilseeds in the third Plan period. It is reported to have discussed at length the working paper on this question. The Committee is also reported to have considered the proposed target of nine million tons to be achieved in 1965-66, the final year of the third Plan. Its conclusion on this target is not known. Whatever its decision, the target is by no means unduly high from the point of view of India's requirements. If anything, it seems to be on the low side. But whether it can be reached is another question. If appropriate incentives and facilities were provided and administrative bottlenecks were removed, it should be possible for this country to raise nine million tons of oilseeds in another seven years.

The Supervisory Committee has made the following recommendations for the consideration of State and Central Governments:

1. A Committee should be appointed in each State to plan and review the oilseeds production against the targets fixed.

2. As large areas of land will become available for growing oilseeds when the irrigation projects now under execution are completed, the Union Government should constitute a committee to assess the total area available for irrigating various crops and the share to be assigned for different oilseed crops.

3. A portion of the foreign exchange earned from the export of oilcakes should be earmarked for the import of fertilisers.

The first two recommendations are pertinent, while the third is not sound. If foreign exchange obtained through all staple exports were to be earmarked for specific purposes, the exchange available for other urgent purposes would be automatically reduced. Such reservations in a planned economy make nonsense of planning.

BANK PROFITS IN 1958

An analysis of the earnings and expenses of twenty-five larger Indian Scheduled banks (each with deposits of Rs. 5 crores and above) for the year 1958, made by the Reserve Bank of India in its latest annual report on *Trend and Progress of Banking*, shows that, for the first time, the rising trend in net profits noticed since 1953 suffered a reversal last year. This was largely due to a greater rise in expenses than in gross earnings of banks. Thus, whereas their aggregate gross earnings, largely made up of interest and discount, rose by Rs. 10.7 crores over the year to Rs. 64.4 crores, their total expenses were up by Rs. 11.3 crores at Rs. 56.5 crores, as will be seen from the following comparative table relating to the last four years:

(In crores of rupees)

	1958	1957	1956	1955
Gross income	64.4	53.7	44.0	37.0
(1) Interest and discount	51.4	41.0	32.9	28.1
(2) Other Income ...	13.0	12.7	11.1	8.9
Total expenses	56.5	45.2	36.3	31.0
(1) Interest paid ...	28.3	20.6	14.5	11.2
(2) Establishment expenses	21.2	18.3	16.2	14.9
(3) Other expenses ...	7.0	6.3	5.6	4.9
Net profits	7.9	8.5	7.7	6.0

Of the increase in expenses, as much as Rs. 7.7 crores was on account of interest payments on deposits (and borrowings) which banks had accepted at higher rates of interest to augment their resources. This increased burden of interest payment, as the Reserve Bank points out, was not, however, fully compensated for by the rise in bank earnings, as the demand for bank advances slowed down, owing to factors explained in these columns last week. The cumulative effect of these factors was a narrowing down of the margin between banks' borrowing and lending rates and consequently the net profits declined from Rs. 8.5 crores to Rs. 7.9 crores.

(*Concluded from next column*)

going for a union. on the same lines as the Common Market, with the "Little Six"—Norway, Sweden, Denmark, Austria, Switzerland and Portugal. Throwing Britain in with the "Little Six" accounts for under 30 per cent. of Europe's internal trade, as against about 70 per cent. inside the Common Market. Moreover, the "Little Six" and Britain, not having a common and all-embracing frontier, would have to operate a little differently. The idea is that they would set a common tariff between each other, but each would retain their own tariffs against the rest of the world. Each country's controlling all its own imports would ensure that there was no abuse of entrepot trade from the outside world by passing it into this little free trade area through the lowest tariff country. But, in respect of trade between the Scandinavian countries and Britain, which is already well established on international lines—and incidentally whether Britain would hardly gain by having to lower her tariffs—the whole scheme seems slightly artificial.—*All Rights Reserved.*

MORE IMPORTS FROM DOLLAR AREA

AN ARTIFICIAL GROUPING

(From Our Own Correspondent)

LONDON, *29th May*

LONDON LETTER

NO news is good news. The lack of excitement on the external economic front these weeks is evidence of Britain's quiet stability. But, even without excitement, things are going on. And, on the auspicious side, one can record this week the decision to allow increased imports from the dollar area. At the Montreal Conference in the autumn, the President of the Board of Trade said that Britain was aiming to permit larger imports of machinery and certain manufactured chemical goods from the United States. At that time, 60 per cent. of Britain's dollar imports were free and the additional freedom raised the liberalised trade group to 73 per cent. The President then foreshadowed a start in trading imports from the dollar area of consumer goods and the remaining foodstuffs. The order was to be: "First, we should remove the controls on as wide a range of consumer goods and foodstuffs as we could. Secondly, we should establish increased quotas for items where, in our judgment, the cost of total liberalisation might be greater than we could afford at that time. The next stage would be progressively to increase these quotas until the items were completely free. Thirdly, there would remain a limited number of items presenting special difficulties . . . exactly what we shall be able to do and when, will depend on certain well-known conditions."

The well-known conditions were an expansion of world trade and freedom from inflation at home. These conditions have been fulfilled this year and thus a start on a more liberal import policy is practical. Broadly, what is happening is that, on a substantial group of items, imports from America are being treated exactly the same way as imports from Western European countries, and, on a secondary group of items, quotas are being retained on goods which are freely imported from Western Europe. These semi-restricted goods include textiles and clothing, pharmaceutical products, cheap literature, meat, fish and canned fruits.

The Board of Trade does not expect much addition to Britain's import bill, since all the goods which are affected can already be imported freely from Western Europe, there is no shortage of supply and importers will merely be free to decide whether to switch away from Europe to America, if it pays them. The only risk that Britain takes is that we may spend more in dollars instead of in Western European currencies, but, since we made Western European currencies convertible into gold and dollars in December last, there is no risk in practice. On the other hand, Britain's sources of supply have become more competitive.

A Record

Politically, the move is very well-timed. The United Kingdom exports to the dollar area have increased 6½ times since the end of the war—and the U.S. is now our most important single export market at a total of £273 million in 1958—while current exports are running over a third higher. Moreover, the U.K. is now able to boast that it has a favourable balance of trade with the U.S. for the first time for over 100 years. In April, British exports to the U.S. totalled £36 million *f.o.b.* and imports were only £27 million *c.i.f.* The true surplus on an *f.o.b.* basis on both sides is, therefore, higher, and for the first four months of the year combined there is a favourable balance.

And, of course, this sort of move, which in effect costs the country nothing, is an ideal way of combating American traders' pressure for more protection for the American market—when, of course, the real trouble is excessive domestic costs.

Going with the Little Six

Less worthwhile news, although interesting, is the Board of Trade's and the Treasury's efforts to rescue something out of the collapse of the Free Trade Area negotiations. There are ten W. European countries outside the Common Market, and Turkey and Greece are not well placed to combine with others, so Britain is

(*Continued in previous column*)

TREND OF COMMODITY PRICES AND ITS IMPACT ON PRIMARY PRODUCERS

U.N. ADVICE TO DEVELOPED COUNTRIES

WHILE recovery from recent economic setbacks has been encouraging—especially in the United States as compared with other industrial countries—it has not yet advanced as much as warranted by available idle resources of labour and equipment. The problem of inflation continued to be the dominant source of concern during the recovery, as it had been prior to the recession. "Fear of a long-term threat of inflation has not only influenced anti-recession policy but may also be coming to have an important bearing on long-term growth." Thus, the *World Economic Survey*, 1958, Part I, comments on the recent world-wide recession and recovery. The Survey was published in New York on 25th May, 1959 by the United Nations. Together with Part II, due to be released in about two weeks, it will serve as the main background document for discussion of the world economic situation at the forthcoming session of the Economic and Social Council in Geneva. Part I contains a study of international commodity problems and policies, while Part II will analyse current developments in the world economy as well as the outlook for 1959.

The following are the more important points contained in the general introduction and the study of commodity problems and policies:

1. The recent recession was world-wide in character. Unlike the two preceding post-war recessions, the recent downturn in the United States was accompanied by a slackening of production in other industrial countries.

2. One of the most serious aspects of the recent setback was its impact on the underdeveloped countries. Their export earnings declined 7 to 8 per cent. from mid-1957 to mid-1958. Together with the inching up of industrial prices, this represented a loss in import capacity equivalent to about six years' lending to the underdeveloped countries by the International Bank for Reconstruction and Development at 1956-57 rates.

3. Because of their dependence on exports of primary commodities, the underdeveloped countries are faced with slow, long-term growth in their export receipts. While world manufacturing output rose by 146 per cent. between 1928 and 1955-57, exports of the underdeveloped countries grew by only 53 per cent. and, if petroleum is excluded, by only 23 per cent.

4. Liberalisation, on a selective basis, of protective and price-support policies by the industrial countries is likely to yield substantial benefits to some of the underdeveloped countries.

5. In the centrally planned economies, scarcities of major primary commodities have been a persistent feature of most post-war years.

Demand Fails to Keep Pace with Production

The Survey states that, in contrast to the two preceding post-war recessions, no special factors of major significance can account for the downturn in the United States economic activity in 1957-58. Nor were they present in the virtual standstill in total West European production in the course of 1958. These setbacks can be explained only by failure in the growth of demand to keep pace with the mounting capacity to produce.

While the three post-war recessions have been of short duration, it would be unwise, the Survey states, to assume that these have set a pattern for future recessions. Automatic stabilisers such as progressive tax systems. social security and farm price-support programmes have considerably strengthened the industrial economies. But these stabilisers can only slow down a rate of decline; they cannot in themselves initiate an upturn. So long as the underlying market forces continue to push private investment and consumption upwards, recessions may be mild and short. But, in the absence of adequate effective demand making for a sustained and cumulative upturn, vigorous Government intervention may be necessary, not only in the field of monetary policy, but also in the fiscal areas.

The Survey notes that mounting concern over inflation has not only influenced anti-recession policy but may also come to have important effects on long-term growth. But at the same time, it points out that it would be wrong to minimise the dangers of inflation. "Crawling deflation" has its dangers no less than creeping inflation. Idle resources of labour and equipment involve social losses which are no less than the losses caused by inflation.

The Survey recalls that, in the United States, even in the peak quarter of 1957, the volume of industrial production did not exceed the pre-recession peak level of 1953 by more than 6 per cent. Although the rate of growth has generally been higher in other industrial countries, it has been quite modest in a number of them, notably in the United Kingdom.

Recession Affects Primary Produce

The Survey observes that a most serious aspect of the industrial recession was its impact on markets for primary products, particularly since it came at a time when available supplies in these markets were being appreciably expanded. The consequent decline in primary product prices, together with the continued inching up of industrial prices, represented a loss of over $2 billion in both the real income and the capacity to import of primary producing countries in 1957-58.

Nor are the longer-run export prospects of the primary-producing countries more encouraging. These depend largely on the growth in demand of the industrial countries; but demand of the industrial countries for primary products entering international trade has lagged considerably behind the growth of their income and output.

In contrast to the lag in import demand of industrial countries, the import demand of most underdeveloped countries has tended to exceed the growth of their domestic output. For, in most of these countries, economic development has necessitated a large expansion in imports, particularly of capital equipment. In face of the slow growth in their exports earnings, however, the expansion in imports has led to increased balance of payments difficulties. It is this conflict which threatens to jeopardise the possibility of attaining or sustaining adequate rates of economic growth in the primary-producing countries.

The Survey remarks that the developed countries could help materially if they were prepared to moderate the degree of protection they grant to domestic primary production, or were to lower the high rates of taxation which have been traditionally imposed on a number of primary commodities such as coffee, tea and tobacco. At the same time, it adds, progress is bound to be disappointingly slow in the absence of adequate support from the entire world community. It needs only to be realised, the Survey points out, that, on a *per capita* basis, the present level of total international aid amounts to only $5 per annum for the contributing countries and no more than $2 for the receiving areas.

The International Monetary Fund has played an increasingly important role in recent years in helping Governments to cope with short-term balance of payments difficulties, but, the Survey points out, the Fund's activities have a marginal, rather than central, bearing on the problem of commodity instability. "If the problem of commodity instability, came to be viewed not in a narrow context of price haggling between producer and consumer interests, but in the perspective of the need to place economic development on a more stable footing," the Survey concludes, "there can be little question but that solutions could be found for many of today's apparent insolubles."

Trade in Primary Commodities

The Survey notes that, while the volume of trade in primary commodities expanded with rising world income and output between 1928 and 1955-57, its growth was much slower. The growth in trade was in fact confined entirely to the post-war period. Over the thirty-year period ending in 1957, the export volume of the less developed primary-producing countries rose less than two-fifths as much as world manufacturing output. Even this, however, exaggerates the expansion in trade of most countries, since by far the largest growth took place in crude petroleum.

Underlying the lag in trade of primary commodities has been the persistent tendency of demand for these commodities to grow less rapidly than economic activity in the industrial countries. While the quantity of food demanded grows with rising levels of real income, the increase in *per capita* demand tends to be less than proportionate to the advance in incomes in the industrial countries which already enjoy high income levels. Other factors are the growing use of synthetic raw materials and the rapid growth since the war of those industries which consume less raw materials. Furthermore, considerable economies have been achieved in the utilisation of some materials through the introduction of new processes. Reinforcing these patterns of consumption has been the increased self-sufficiency in many commodities achieved by industrial countries, particularly in West Europe.

Increases in the prices of primary products relative to manufactures have made for less of a lag in the purchasing power of primary product exports than in the volume of exports. The purchasing power of exports of the less developed countries has nevertheless lagged considerably behind the growth of world manufacturing output. Thus, if petroleum is excluded, the increase in their external purchasing power was only two-fifths of the expansion in manufacturing activity between 1928 and 1955-57.

Instability in primary commodity markets has also been a continuous post-war problem. The value of trade in most individual commodities, on the average, can be expected to be 12 per cent. greater or smaller from year to year solely on account of short-run changes in market conditions. The instability in value of trade has diminished appreciably for some commodities since the period between the wars, but, for others, there has been little or no improvement. While the average year-to-year fluctuation in price fell from 16 per cent. in the inter-war period to 11 per cent. in the post-war years, the degree of instability in trade volume experienced no improvement, averaging about 8 per cent., as in the earlier period.

Both the long-term trends and the short-period instability in trade of primary commodities have profoundly affected the growth and stability of the underdeveloped countries, since investment in these countries is heavily dependent upon their ability to finance imported supplies of capital equipment. Not only have the trends in export earnings set limits to the expansion of domestic investment, but fluctuations in these earnings have also necessitated periodic cuts in investment activity.

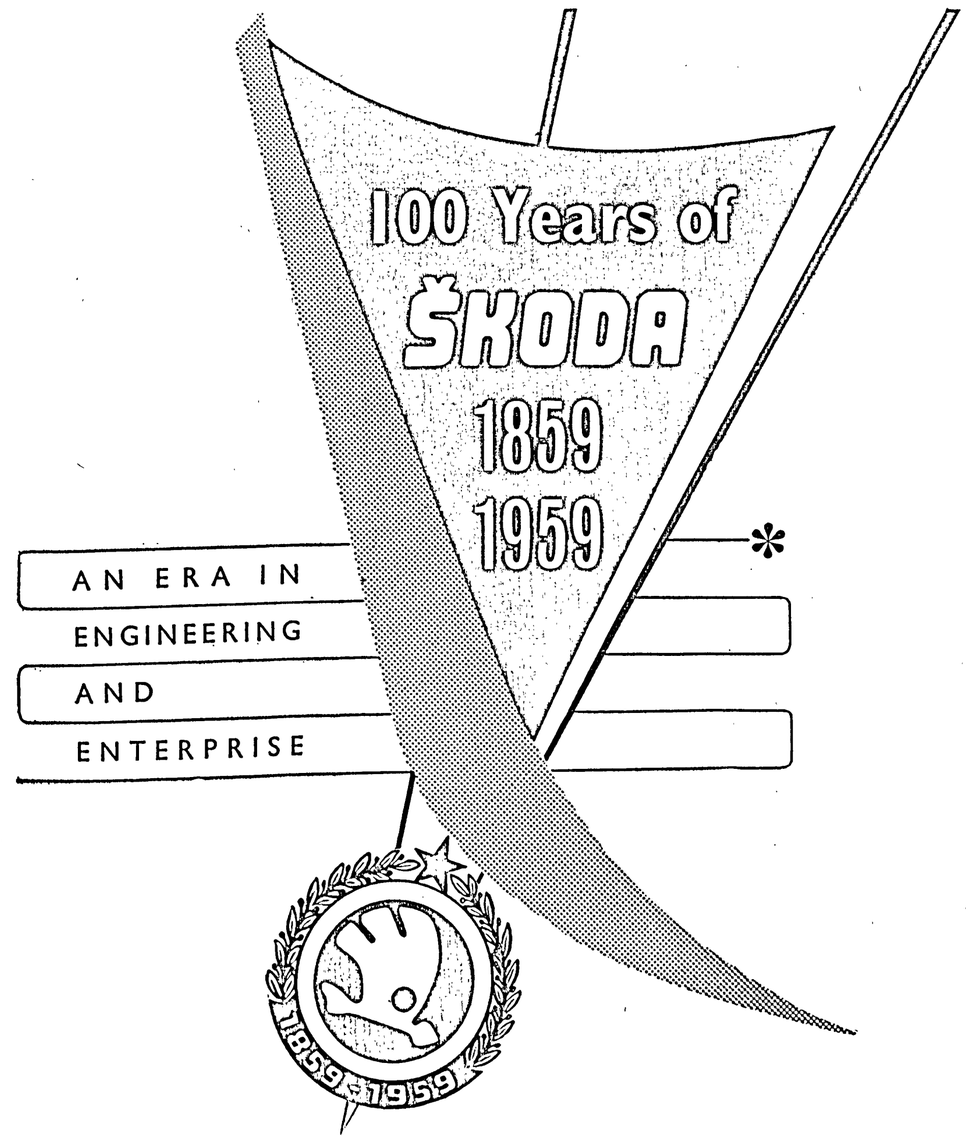
National Commodity Problems

The Survey then goes on to highlight the divergent attitude of the industrial countries, on the one hand, and the primary-producing countries, on the other, toward both the long-term commodity problem and commodity market instability, and attributes this to the fundamental difference in the role of the primary-producing sector. It finds that the impact of protective and price-support policies adopted in the industrial countries has hampered the growth of primary product imports, especially in West Europe, and increased the export availability of certain agricultural products in the United States. Many of the restrictions on West European agricultural imports from outside the Continent affects products chiefly exported by other high-income countries. Among the policies affecting the primary exports of underdeveloped countries are those seeking to protect the domestic production of sugar and the high revenue taxation imposed on imported non-alcoholic beverages.

As for the United States, the Survey finds that agricultural support policies have been such as to provide no check to the rapid expansion of output in consequence of the rise in productivity, and this has led to the emergence of massive exportable supplies and the accumulation of heavy surpluses. The Survey notes that, in recent years, mineral policies in the United States have also become more concerned with the protection of domestic producers and have resulted in the introduction of import restrictions. As with European policies, the impact on the trade of underdeveloped primary-producing countries is probably less than on that of other high-income countries. Moreover, the export disposals of the United States have in many cases been of significant benefit to the recipient countries which are invariably low-income countries. A notable contribution towards alleviating the severity of the commodity problem as it confronts low-income countries is considered possible by the Survey, if the industrial countries were to reduce protection of agricultural and mineral products on a selective basis.

The Survey then describes the policy responses of Governments in primary-producing

(Continued on page 972)



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FOREIGN PRIVATE INVESTMENTS IN UNDERDEVELOPED COUNTRIES

TREND UPWARD—LATIN AMERICA FAVOURED MOST

PROSPECTS for a greater flow of private capital to under-developed areas and for a greater contribution of this capital to economic development appear better than ever before, but the situation is still "very uneven" and some countries remain unable to attract any form of private investment in significant amounts, a new United Nations study indicates. The study also shows, among other things, that:

(1) "The most significant development of recent years" is the fact that western European countries are again becoming important suppliers of private capital.

(2) In Africa and Asia, the needs remain "particularly great" and the inflow of private long-term capital "particularly small." Latin America is the most favoured by private investors, but they contribute little in countries of lowest income in that region.

(3) Legislative measures designed to attract more foreign investors have "multiplied" in underdeveloped countries in the past few years.

The study, entitled *The International Flow of Private Capital*, 1956-58, was released towards the close of last week by the United Nations as background documentation for discussion of the question of economic development of underdeveloped countries at the Economic and Social Council's session at Geneva opening on 30th June 1959.

The study notes that, in the four years 1955-58, the total outflow from the main capital-exporting countries (including retained profits of foreign branches and subsidiaries) appears to have exceeded $17 billion, with a peak of $5.7 billion recorded for the single year 1957. This is more than three times the total outflow of approximately $5 billion in the five years 1924-28, and it indicates that, in spite of the decline in the purchasing power of the dollar since then, the outflow of private capital is now considerably higher.

The outflow of long-term private capital to low-income, underdeveloped countries, however, appears to have averaged no more than $2 billion a year during the period 1955-58, approximating the flow of Government grants and loans to the underdeveloped world. The geographic distribution of official and private imports of long-term capital taken together is less uneven than that of the two flows considered separately. Thus, while the net inflow of long-term private capital into Latin America was only slightly under $1.5 billion in 1957, the region's net receipts of long-term *official* capital amounted only to some $130 million. On the other hand, 10 low-income countries of Asia, which received less than $100 million of private long-term capital, had a new inflow of more than $600 million in official long-term capital and grants.

Outflow 1947-58 Listed

A table in the report shows gross outflow of private long-term capital from the main capital-supplying countries in the period 1947-58. It indicates that private capital from the United States rose from $1,185,000,000 in 1947 to a peak of $3,920,000,000 in 1957. Other figures for 1957 are: United Kingdom, $755,000,000; total for Continental Western Europe $1,025,000,000; grand total $5,700,000,000.

Another table shows the geographic distribution of United States private long-term investments, 1953-58. It indicates that U.S. investments in high-income countries reached a peak of $1,246,000,000 in 1958. At the same time, such investments in low-income countries reached $844,000,000, of which slightly more than half was in Latin America. During the period 1953-57, the United States direct investments abroad (net outflow of new funds *plus* retained profits) have been about 10 times as great, on the average, as the net outflow of United States portfolio capital (new issues minus redemptions). Direct investments, it may be noted, imply control by the investor of an enterprise abroad, while portfolio investments imply purchase of foreign securities.

Foreign direct investments in the Western Hemisphere at the present time consists mainly of United States investments in Canada and Latin America. Most of this capital has gone into petroleum, chiefly in Venezuela and the Caribbean. Investment in manufacturing was concentrated in the three countries with the largest markets, namely, Argentina, Brazil and Mexico. Most of the British investment also was in oil. More than half of German private direct investment abroad has been in the Western Hemisphere, concentrating in the iron and steel, chemical, and machinery industries.

Nearly one-fifth of total outstanding United States direct investments at the end of 1957 was in Europe, concentrated in the United Kingdom, France and the Federal Republic of Germany. These investments, the report states, "practically doubled in value between 1952 and 1957." No estimate can be made of total intra-European direct investments.

The chief attraction for foreign investment in most of Africa is the existence of large mineral deposits. The importance of French private investments in oil development in Africa has been rising in recent years, as the French Government has been reducing its share in the financing of this industry. Direct investment in the Belgian Congo is concentrated in the mining of copper, cobalt, tin and manganese. The development of gold and copper mines has attracted much foreign capital to Southern Africa, mainly from the United Kingdom and the United States.

In recent years, the Middle East has continued to attract foreign private capital, practically all of it for investment in petroleum exploration and extraction.

Foreign direct investment in India, according to the report, was traditionally concentrated in plantations, trading and transport, but, in recent years, investment in manufacturing, including petroleum refining, has become more important. Most of the foreign controlled enterprises in Japan are owned by the U.S. investors, who have increased their investments nearly ten-fold since 1950, when they were only $19 million.

The United Kingdom remains "by far the most important investor in Australia," accounting for over 75 per cent. of outstanding direct overseas holdings in 1957.

Portfolio Investments

Portfolio investments have shown a considerable increase of late. The contrast, however, persists between the post-war period, characterised by the predominance of direct investments, and the times before the First World War, when the public floating of Government bonds in leading capital markets represented the major international investment activity. In the United States, a substantial increase in floating of foreign securities began in 1956. In that year, new issues amounted to $457 million; in 1957, they rose to nearly $600 million, and the rise continued in 1958. More than half of the United States foreign portfolio is accounted for by Canadian securities. While Latin America is the region in which United States companies concentrate their direct investments, Latin American issues represent a steadily decreasing proportion of United States holdings of foreign dollar bonds.

In the United Kingdom, from the very low level of the immediate post-war years, capital issues on overseas account rose to more than £50 million in 1950. Since then, they have continued to grow and, after reaching an exceptional level of almost £80 million in 1954, they have reverted to an annual average of £60 million in recent years. Foreign issues on the United Kingdom capital market now represent approximately 20 per cent. of the domestic issues.

The study remarks that, in addition to direct investments by *ent-epreneurs* and purchases of foreign bonds and shares by individuals or institutions, the credit extended by banks makes a significant contribution to the international flow of private capital. In recent years, this contribution has assumed "increased importance," mainly on account of the participation of commercial banks in loans of the International Bank for Reconstruction and Development and the United States Import-Export Bank, as well on account of the export credits and other medium-term and short-term credit advanced by commercial banks. It is interesting to find from the U.N. study that, in recent years, private banks have done far more for underdeveloped countries than merely to facilitate their current trade. By participating in direct foreign investments, as well as by supplementing official loans, "they have somewhat obviated the inability of low-income countries and their enterprises to float issues on international capital markets." The study avers in conclusion that greater availability of credit from official and private institutions has bred confidence in the credit-worthiness of the underdeveloped countries, thereby improving their capacity to attract foreign equity capital.

RATE OF INTEREST ON WORLD BANK LOANS UP

In the past two weeks, the World Bank granted three loans for an aggregate sum of $85.45 million to three different countries, namely, Honduras, Colombia and Iran, for periods ranging from 15 years to 25 years. A feature of these loans is that all of them carry a uniform rate of interest of 6 per cent. per annum (including the usual commission of 1 per cent.), which represents an increase of ½ per cent. over those lent till recently. Even the loan of $25 million granted to the Koyna hydro-electric power project in India and that of $20 million to the Southern Italy Development Fund granted towards the close of April last carried only 5¾ per cent. per annum. Of the three loans, the first two are for development of hydro-electric power and the third to Iran is for road development.

The loan to Honduras amounts to $1.45 million, in which the Bank of America and the National Bank of Washington (D.C.) are participating, without the World Bank's guarantee, to the extent of $123,000 representing the first three maturities which fall due between 1st September 1962 and 1st September 1963. It is for a period of 15 years and is guaranteed by the Government of Honduras. The total cost of the power project, which will raise the capacity from 7,100 to 9,600 kilowatts, is estimated at $1.78 million and the World Bank loan will cover the foreign exchange cost of it.

A loan of $12 million for a similar purpose has been given to Colombia, which will provide 96,000 kilowatts of additional generating capacity to some towns in West Central Colombia. The Grace National Bank of New York is participating in the loan, without the World Bank's guarantee, to the extent of $100,000, representing part of the first maturity which falls due on 15th February 1963. The total cost of the project is the equivalent of $19.35 million and the World Bank loan will cover the foreign exchange requirements. The loan is for a term of 25 years and guaranteed by the Government of Colombia. Amortisation begins on 15th February 1963.

The loan to Iran granted last week is to the tune of $72 million for construction and improvement of roads included in Iran's second Five-year Development Plan. This is the largest loan given by the Bank so far for a road development project. Four private American banks, namely, the Bank of America, the Chase Manhattan Bank, the First National City Bank of New York and Irving Trust Company, are providing $12 million out of the loan, which is for a period of 17 years. The amortisation will begin on 1st May 1961.

This is the second loan granted by the World Bank to Iran, the previous one being for $75 million given in January 1957 to provide interim financing for development projects in the initial years of Iran's second seven-year Development Plan. The road development project of Iran will cost $185 million in Iranian rials and foreign exchange, the foreign exchange requirements and a small part of the local currency costs of which will be covered by the latest World Bank loan.

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The U.S. Export-Import Bank has decided to grant two credits, together amounting to about 1,200 million lire (about £686,000), to be equally shared between two Italian firms. The credit will be utilised for the establishment of a carbon black plant and for the expansion of the manufacture of telecommunication equipments. The credits are to be made available out of the proceeds realised from the sale of U.S. farm surpluses to Italy which have been set aside for investment in Italian enterprises.

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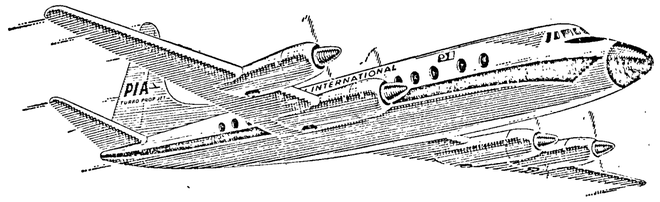

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MILL WORKERS AND RATIONALISATION

MADURA MILLS' EPISODE

IT is, indeed, regrettable that a section of cotton mill workers in India should continue to take a shortsighted attitude on the issue of rationalisation, which, as is widely admitted the world over, is the only feasible solution to the problem of high production cost and low quality of textile goods. How else can one explain the forced suspension of operations in the Madura Mills group of companies, Madurai, Madras State, with effect from 18th May 1959? The suspension has been due to the workers striking work by refusing to carry out their allotted duties. Here is what the management of the Mills says in the notice put up by it: "As a result of workers striking work in both the old and the new Mills by refusing to carry out their allotted duty, production has been brought to a forced stoppage, and it is impossible to run the Mills. In the circumstances, work in the Mills will be resumed only when, in the management's opinion, sufficient satisfactory assurances have been received that the workers are willing to work in accordance with the notice dated 24th April 1959 (increasing the workload for certain categories), to ensure an adequate flow of production."

The main contention of the Madura Mills management has been that certain workloads implemented in the Coimbatore Mills should be accepted as standard workloads and be implemented in Madura Mills, local adjustments being made, where necessary, in view of the different conditions that may be prevailing in a particular unit or shop. The labour is, however, "definitely unwilling to accept the new workloads." This attitude is certainly unreasonable. The workloads, it will be recalled, were recommended as far back as 1947 by the Standardisation Committee on the Textile Industry appointed by the Madras Government on which labour was adequately represented. These loads being higher than those prevailing in the State, the Committee itself made certain interim recommendations which were implemented by almost all the mills, particularly in the Coimbatore area.

Revised Workloads Not Heavy

The revised workloads introduced by the management of the Madura Mills are said to be the barest minimum necessary to put the mills on an even keel. The workloads concern only a few categories of workers numbering in all about 4,000 out of the 22,000 in all the three units of the Mills—Madurai, Ambasamudram and Tuticorin—and rovers, spinners, reelers, etc., are not affected by the change. Even these 4,000 workers are now asked only to work such workloads as are well within their capacity to perform and which are, to a larger extent, based on the standards obtaining in other mills as far back as from 1948, that is, before the Coimbatore and other mills had modernised. In fact, higher workloads than these obtain in some mills. Since the Madura Mills pay a full night allowance and, in a few categories, an enhanced basic average, it is imperative, as the management rightly says, that the number of operatives per 1,000 spindles be brought in line with the Mills' competitors.

Further, the management has notified departmentally that any permanent worker found surplus by reason of only the revised workload will, in the meantime, be granted special leave with wages for a few days, in order to make the changeover smooth and to remove any hardship to the workers concerned. As regards workers who are moved to occupations earning lower wages, the individuals will meanwhile be allowed the benefit of higher pay already drawn by them. The management has also notified that the workers—numbering nearly 1,300—rendered surplus as a result of the introduction of new workloads will be absorbed in other departments without prejudice.

It is thus evident that the adoption of the revised workloads in the Madura Mills will not at all result in any retrenchment or diminution in the wages of employees. Why then should workers oppose the move? Evidently, they have been influenced by the politicians who dominate the trade unions. The workers of the Madura Mills must remember that continued closure of the Mills will not be in the interests of either themselves or the management or the country as a whole, because such closure involves loss of wages to workers and reduction in return on investment to shareholders, not to speak of the loss of revenue to the Governments—Central and State. Indeed, the Madura Mills suffered a heavy loss of well over half a crore of rupees in 1958 and the shareholders, who were regularly receiving, a dividend of 20 to 17½ per cent., had to forgo their dividend. The market value of the Company's shares (Rs. 15 paid-up) has slumped to about Rs. 26, which is just half of the level prevailing three years ago. The shareholders have thus lost heavily both ways. The workers should realise that they are inflicting on themselves and the shareholders serious financial injury. It is a pity that trade union leaders should misguide the workers by making wrong statements and false promises. If they are really anxious to serve the cause of labour, they must recognise all this and induce the workers of the Madura Mills to accept the revised workloads, instead of putting forward such a fantastic suggestion as the one made by Mr. B. T. Randive, a Communist leader, namely, taking over of the Madura Mills by the Madras Government, as if the latter has nothing else to do. This is an absurd suggestion, for it amounts to asking the Government to take sides in the dispute. Nowhere in a democratic country does the Government take possession of a manufacturing unit just because of a dispute between workers and management.

The Government of Madras, especially the Minister for Labour, Mr. R. Venkataraman, has been making efforts to bring about a settlement, but these have not proved sucessful. In the course of a Press note issued on 16th May 1959, the Government said:

". . . Having due regard to the history of adjudications of disputes in these mills for over a decade, the Government are not hopeful of the issues moving forward to a settlement by a further reference to adjudication on an issue of this nature relating to workloads. As the parties, namely, management and the labour unions, are not prepared to move from the respective stands they have taken, the Government deeply regret that all their efforts over the past one year to secure an amicable settlement have proved fruitless. The Government wish to make it clear that its good offices will be always available, if both parties seek it at any stage of the dispute."

In the aforesaid circumstances, there is nothing that one can do, except to hope that the workers will realise their mistake in good time and return to work. A strike does no good to anybody.

(Concluded from next column)

should rise nearer to the level obtaining in Japan and other industrially advanced countries; when this was achieved, there would be less difficulty to meet the demands for higher wages. He dismissed as untenable the argument that higher workload would create unemployment and said: "India, not realising its human potential, is the only country that is wasting it. If a lakh or two out of a population of 400 million are additionally employed in textiles, it is not going to solve our great problem of employment. Does not the question of employing more hands and paying higher wages depend upon the capacity to bear the burden of such measures? The survival of the mother is vital to the life of the child."

Mr. Chettiar no doubt conceded that workers were entitled to a living wage, besides housing and other amenities, but asked: May not the Government that employs more men than the industry be the first to set an example? This is certainly an interesting poser. The figures cited by him reveal that, in the Madras State, a police constable, who must have a certain minimum standard of education and a high sense of public service and who has to face risks of all sorts, is paid only a basic salary of Rs. 25 and a dearness allowance of Rs. 31 per month, whereas a sweeper in a textile mill gets a basic salary of Rs. 30 and a dearness allowance of Rs. 58. Exclaiming "What a difference!", he asked: "If the Government that mints money and prints paper notes cannot disburse higher wages to its employees, how can a sinking industry be expected to afford it? Yet, the textiles are made to pay the highest wages obtaining in India. What a double standard!". While the textile industry is not a sinking industry as Mr. Chettiar described it to be, there is no doubt that the powers-that-be have two policies, one for workers in the public sector and another for workers in the private sector.

WAGE AND WORKLOAD IN COTTON INDUSTRY

EQUITABLE PROPORTION URGED

THE sponsors of the All-India Textile Association's sixteenth annual conference at Bangalore last week must be congratulated for having arranged a special discussion on time and motion study in relation to workload and wages in the cotton textile industry. Although the importance of the study has been emphasised for quite a long time now, the progress actually achieved in the direction has not been much. A proper appreciation of the study, as Mr. Karumuttu Thiagarajan Chettiar, a prominent millowner of Madura, aptly stated in his presidential speech at the section meeting, is of the utmost importance to a country that is in the progress of rapid industrialisation; if the textile industry is to survive, it should be enabled to manufacture goods at a standard cost.

How urgent is this need will be evident from the fact that the proportion of wage bill to the total production cost of mills is too large, being as much as 32 per cent., next only to that of raw material which accounts for 50 per cent. Mr. Chettiar attributed this high proportion not only to want of scientific fixation of workload and wages but also to the "fond attachment to ancient machinery which remained housed in time-honoured buildings." Urging that the machinery in mills is centuries old and calls for gradual, if not immediate, replacement, Mr. Chettiar observed:

"With the introduction of the Super-high-draft in spinning and of automatic looms, the antique ring frames with their unwanted and costly array of roving, intermediate and slubbing frames, as well as the ordinary looms, will readily provide valuable metal for modern foundries.

"It is a pitiable plight that India should persist in copying machinery of antiquated forms and installing them in new factories! Vain attempts are being made to rejuvenate at great cost old machinery. Is this not an expensive game, leading only to a self-inflicted suicidal tragedy?

"Are we not wasting time, energy, capital and labour by processing clean staple fibres through blow room and cards (intended only for impure cotton), instead of spinning their filament straight-away from ring frames as is being successfully done in France? When characteristically crude equipments and methods prevail in India, how can any amount of time and motion study be of any avail to our industry? Is it not up to the Government of India to afford facilities to modernise the industry and to bring it up to the level of excellence in other countries?"

Defects in Mills' Layout

Drawing pointed attention to the defects in building and layout of mills, Mr. Chettiar candidly remarked:

"Many old buildings are also quite unsuitable, with insufficiency of light, air and moving space, last being due to the cramming of machinery. Tons and tons of superfluous steel could be removed from old mills without disturbing their working. You will find a 12 x 6 girder of 44 lbs. a foot for the bottom chord of a truss, instead of a 3 x 2 angle of 4.25 pounds a foot. Some mills remind one of the Howrah bridge with their elaborate heavy steel fabrications!

"It is uncommon to find new buildings coming up even today, unscientifically conceived, with no care for orientation, the builders of which seem to be in blissful ignorance. Instead of designing them so as to let in light through northern windows, these have been placed on the south, east and west just to make the structure face a road! It is not realised how efficiency suffers from exposure to the direct rays of the sun both in the forenoon and the afternoon. From the standpoint of working convenience, a terraced building or a hall without pillars seems to be ideal. All these and other considerations are indirectly related to this subject of discussion here.

"Modern research institutions should help industry along scientific lines. When it is not forthcoming, it may be due to the paucity of personnel endowed with keen intellect, wide imagination and devoted aptitude for the difficult work of research."

Mr. Chettiar's object in referring to these defects was to stress the fact that environmental and psychological factors contribute to a reduction or an increase in workload, with reactions on output and wages.

Any impartial observer of trends in countries such as Japan and the U.S. where the textile industry has attained a high level of efficiency will fully appreciate the force of these observations of Mr. Chettiar, as also his statement that there is need for a just and equitable proportion between wage and workload. Unless such a proportion is ensured, one cannot expect a reasonable return on investment to which the millowners look forward and higher wages sought by labour. In the considered opinion of Mr. Chettiar, workload in the cotton industry

(Continued in previous column)

REORGANISATION OF TEXTILE INDUSTRY

COTTON BOARD CHAIRMAN STRESSES VOLUNTARY NATURE OF THE SCHEME

From A Special Correspondent

MANCHESTER, *26th May*

IT seems that a few more weeks will have to elapse before the vital details of the various schemes for reorganising the different sections of the cotton trade are made public. The Government White Paper gave glimpses of what is to be expected, but the compensation payments on which so much hinges are still being negotiated within the different branches. Until they are established, the extent of the response from interested parties cannot be gauged. A full-scale re-equipment programme covering the various branches would involve expenditure of nearly £100 million. This is in addition to the £100 million already spent since the war in capital equipment in the spinning and weaving sections. If such an extensive programme is carried through, the Government would contribute some £25 million towards the cost.

MANCHESTER LETTER

An important clause in the White Paper stipulates that the Board of Trade, advised by the Cotton Board, will decide after the closing date for redundancy in each section whether the amount of surplus capacity to be eliminated is sufficient to justify the Government grant towards modernisation and re-equipment. Only if this approval is given will millowners get the 25 per cent. subsidy for their new plant.

Under the terms of the plan, it is not proposed that the Cotton Board should purchase redundant machinery or assume the responsibility for disposing of it. Compensation payment will only be given in exchange for an undertaking that the plant will be physically scrapped. The Cotton Board will have powers to see that the provisions of such an undertaking are duly carried out.

The textile machinery manufacturers have assured the Board of Trade that they should have little difficulty in meeting reasonably phased demands from the mills for re-equipment. There is, incidentally, no stipulation that the machinery should be British-made. Although the majority will be purchased in this country, the firms concerned will retain their freedom to buy plant best suited to their needs from any source they like.

Compulsory Levy

Lord Rochdale, Cotton Board Chairman, among others, has stressed the voluntary nature of the scheme. No mill will be forced to close down, nor will owners be forced to scrap machinery. The incentive will be provided partly by the compensation payment, but also by the fact that the remaining plant will be subject to a compulsory levy based on terms laid down by individual sections. The uneconomic producer will, in this way, become even less competitive.

The one surprise contained in the White Paper was the short time suggested between the introduction of a sectional scheme and the final date for registering redundant plant. Only a month is likely to be allowed, but it has been explained that the compensation details will be available as soon as the schemes are submitted as an Order before Parliament. In this way managements will have sufficient time to decide their policy before the time limit expires.

Any assessment of the labour likely to be displaced by this reorganisation must depend on the response from the industry. Although it must be assumed that the number of mule spindles in operation will be sharply curtailed, there is the possibility that the more efficient use of machinery in other branches will not necessarily involve any big reduction in manpower. Over the past twelve months, it must be remembered, the available labour force in spinning and weaving alone has fallen by about 35,000. The White Paper comments: "If the present proposals are carried out, the large majority of those now employed in the industry will gain increased security in their jobs."

Exports in April

No striking change occurred in the appearance of Lancashire's overseas trade position last month. Cotton cloth imports once more exceeded comparable shipments by a clear margin, widening the adverse balance over the first four months of the year to a marked degree. In mitigation of this constant reiteration of glum tidings, it must be reported that exports of cotton yarn and fabric were the highest since November. Against this, cloth imports rose as compared with both the previous month and last year.

By the end of April, cotton cloth shipments had aggregated 110,831,000 square yards and imports amounted to 160,906,000 square yards, of which grey cloth accounted for 136,796,000 square yards. Comparative figures a year ago were exports of 147,640,000 square yards and arrivals of 139,875,000 square yards, including 122,914,000 square yards of loom-state fabric. Cotton yarn exports in April exceeded 2,000,000 lbs. for the first time since January. Imports aggregated 1,693,773 lbs., so that, after four months of 1959, the position is that arrivals at 7,968,323 lbs. are still 100,000 lbs. higher than shipments.

Earnings from all types of cotton goods so far this year have amounted to £20,904,259, as against £27,255,240 in the first four months of 1958. The cost of imports has been £13,775,566, as against £11,528,002.

Meanwhile, the first quarter's production totals have been issued by the Cotton Board. They show that single yarn output was over 40 million lbs. lower than in 1958, the comparative figures being 183,250,000 lbs., as against 224,240,000 lbs. The fall in cotton yarn production alone was almost 35 million lbs. Cloth output declined by more than 100 million yards at 472,820,000 yards, as against 579,530,000 yards. Roughly 85 million yards of this loss were in cotton fabrics.

Although the reduction in available manpower in spinning and weaving has slackened during the past month or two, the decrease in March still amounted to nearly 1,500. At the beginning of April, the labour force stood at 203,540, as against 207,990 at the end of last year. Twelve months previously, the number of operatives on the books was 235,750.

European Cotton Survey

Introducing a new statistical survey, covering European cotton markets, the International Federation of Cotton and Allied Textile Industries says that the need has lately been felt for an improvement in compiling this information and adapting it to changing conditions. The coming into effect of the European Economic Community has made such efforts increasingly essential.

Cotton spindleage in place in Europe declined in all categories in 1957, but the number of active spindles showed hardly any change. Available spindles decreased by 2.4 per cent., while those active amounted to 86 per cent of those in place. It is significant that Common Market countries increased their active spindleage from 18,035,000 to 18,348,000.

In the second quarter of 1958, spindle activity declined in all sections by 13 per cent. as compared with the same period in the previous year. Spindle hours worked per active spindle were at a high point of 817 in the first quarter of 1957, a figure which declined gradually to 687 in the second quarter of last year.

While cotton looms in place declined by 31,411 during 1957, the number of active looms decreased by only 15,375 in this period. In the weaving section, as in spinning, the Common Market countries on the whole showed a higher degree of activity than the rest of Europe.

Yarn production was lower in the first two quarters of last year than in the same period of 1957, ranging from a fall of 4 per cent. in cotton yarns to 7 per cent. in mixture yarns. In the first half of 1958, there was an average drop of 5 per cent. in cloth production in all European countries. Rayon filament fabric showed the sharpest decline, being 18 per cent. down, but mixture cloths increased by 13 per cent. in production. The Common Market countries, states the Federation, again made a better showing than the other European countries, including the United Kingdom.—*All Rights Reserved.*

NEW COTTON STRAIN

A scheme for the multiplication and distribution of C.J. 73 (Sanjay) cotton in the Saurashtra region has been sanctioned by the Bombay Government for one year ending February next in the first instance. The scheme will cost about Rs. 69,000. The improved strain of cotton called "Pratap" was first introduced in the Mathio tract of Saurashtra region in 1953-54 and the scheme was in operation till February last. Later, it was discovered that the new strain, namely, C.J. 73 (Sanjay) evolved by crossing Kanpur 520 and Jarilla cottons was superior in all respects to "Pratap" strain.

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AN ADVERSE SEASON FOR RAW COTTON

OUTPUT HIGHER—OFFTAKE AND PRICES LOWER

WITH hardly two months left for the new 1959-60 world cotton season to start, the time would appear to be appropriate to look back upon what has transpired in the current season. Statistically speaking, the present season marks a turning point in the world cotton situation. By the beginning of the season, stocks had fallen to their lowest level since 1953 and, since then, production and disappearance have been roughly in balance. The liquidation of cotton surpluses has thus been brought to an end. The prospects as at present are, however, for a build-up of stocks in the next season, thanks to the relaxation of acreage controls in the U.S. and a possible increase in production.

How did raw cotton fare in the present season? According to the annual review of the world cotton situation, published in the latest monthly review of the International Cotton Advisory Committee, Washington, the 1958-59 season has been an adverse one for cotton. This verdict is borne out by the fact that prices have fallen to their lowest levels in recent years, consumption has continued to decline in many countries, while, intensified by the prevailing uncertainty over the future trend of cotton prices, there has been a further marked contraction in international trade. The net result of all these, according to the review, is that producers and consumers alike have been faced with insuperable difficulties as far as cotton is concerned. Declining prices have adversely affected the financial resources of many producing countries, while there is a growing concern over what is likely to happen in the future. The textile recession in rayon as well as cotton has materially affected incomes and employment in the textile industries of Western Europe and Japan. Ultimately, this may tend to determine investment in these countries.

The 1958-59 season started with a carryover of 18.4 million, which was 2 million bales lower than that at the beginning of the previous season. The continued decline in U.S. stocks during the last season was accompanied by a noticeable build-up in stocks in other producing countries. In most cases, however, the increase was quite modest, but substantial increments were noticed in Mexico and Egypt. Sudan was the only real exception, as stocks in this country declined sharply.

Free world production of cotton this season was 1.2 million bales higher at 29 million bales of 478 lbs. The U.S. share in the rise was 500,000 bales, while 700,000 bales were accounted for by other free world countries. With five million acres in the Soil Bank programme and harvested acreage in the U.S. the smallest since mid-1870s, it seemed that there would be every possibility of a further reduction in stocks this season, despite the expected increase in production in other countries and the less favourable outlook for consumption. The situation was changed, however, when the national average yield in the U.S. rose to nearly a bale per acre. This was over 50 lbs. higher than the 1955-56 record and more than offset the reduction in acreage with the result that production actually increased by half million bales.

Record Acreage

Elsewhere in the free world, acreage set a new record this season. There were marked increases in Mexico, Brazil, the Sudan and Uganda, with smaller increases in the U.A.R. and Turkey. This occurred at a time of generally falling cotton prices, proving once again that, up to a certain point, cotton production may be relatively inelastic during a downswing. Average yield increased only fractionally, though there were wide differences in respect of individual countries. Aggregate production outside the United States set a new record of 17.5 million bales which can be mainly attributed to acreage expansion. The increase was entirely in the extra-long staple group; production of Upland types may have declined fractionally. Supply outside the United States during the current season is presently estimated at 27.2 million bales, with the increase of 1.4 million bales over last season's figure about evenly divided between the addition to stocks and the increment to production.

While production was higher, consumption in the free world countries as a whole showed a decline from 28.5 million bales in 1957-58 to 27.9 million bales during this season. Consumption in the U.S. was higher, but the rise was offset by the decline elsewhere, so that world consumption showed a net decline of 600,000 bales. Higher consumption in the U.S. was due to the improvement in the textile situation. After a prolonged recession, which lasted for over two years and which carried consumption to its lowest level for the entire post-war period, the textile situation in this country has shown a marked improvement this season. Nevertheless, manufacturers have shown a certain caution in respect of inventory policy, and, in terms of cotton consumption, the increase is likely to be limited to 300,000 or 400,000 bales. Consumption in Canada is now running significantly ahead of that a year ago and some increase is in prospect for the full season. Continuing the trend initiated last season, cotton consumption in Western Europe is expected to show a marked decline this season. To some extent, this can be attributed to cyclical factors. Overproduction in 1956-57 and the early months of 1957-58 amplified the degree of adjustment necessary when once the climate of demand changed and the situation has been further aggravated by the uncertainty surrounding cotton prices. Declining exports of yarn and cloth and continuing high level of imports are other factors in the unfavourable textile situation in these countries. Competition from foreign imports is responsible for the growth in protectionist sentiment recently.

Apart from cyclical factors, it has long been recognised that there is considerable excess capacity in the Western European textile industry which has adversely affected operating efficiency and weakened Europe's competitive position in world markets. In the light of the experience of past few years, however, plans are afoot towards rationalisation in many countries to put the industry on a firmer footing in the future. Nearly every country in Western Europe has been affected by the textile recession. Cotton consumption in the United Kingdom showed a decline of over 20 per cent. and this country is now second to the Federal Republic of Germany.

Elsewhere in Western Europe, consumption in many instances is at, or near, its lows for the post-war period and even below pre-war level in some cases. Portugal, Greece and perhaps Spain are the only exceptions to the general trend. Indications are that, at the present rate, consumption in Western Europe this season will decline to 6.6 million bales, as compared with 7.5 million bales, last season. Cotton yarn output continues to be under control in Japan and various other measures have been taken to alleviate the textile situation, including the freezing of surplus yarn stocks and buffer stock purchases of cotton cloth. The present curtailment rates will continue in effect during the second quarter of 1959 and, on this basis, consumption during the whole season will decline to around 2.2 million bales, the lowest level since 1954-55 and about 650,000 bales lower than the 1956-57 peak.

In India, the decline in cotton textile exports has been offset by increased domestic demand and consumption is expected to be on a par with that of last season.

The following comparative table gives the supply and distribution of cotton during the three seasons 1956-57, 1957-58 and 1958-59.

(In million bales)

	1958-59*	1957-58	1956-57
Opening Stocks—			
United States	8.7	11.4	14.5
Other net exporters	3.8	3.0	2.6
Net importers†	5.9	6.0	5.0
Total	18.4	20.4	22.1
Production—			
United States	11.5	11.0	13.0
Other countries	17.5	16.8	15.9
Total	29.0	27.8	28.9
Total Supply	47.4	48.2	51.0
Consumption—			
United States	8.3	8.0	8.6
Other countries	19.6	20.5	21.0
Total	27.9	28.5	29.6
Net exports to Communist countries	1.0	1.3	0.7
Destroyed	0.2	0.1	0.3
Total disappearance	29.1	29.9	30.6
End-Season Stocks	18.3	18.4	20.4
Exports—			
United States	2.7	5.7	7.6
Other countries	7.8	6.9	6.7
Total	10.5	12 6	14.3

*Estimated. † Including India and afloat.

Reflecting the decline in cotton consumption and some apprehension over cotton prices, international trade has fallen to the lowest level for many years. Of the total decline of more than two million bales, over one million is attributed to lower consumption and the balance to spinners' long position which is a clear indication of the adverse effect on cotton price of price instability.

In the U.S., with prices remaining uncompetitive, despite a 6.5 cent subsidy, exports are likely to aggregate 2.7 million bales or less than half of last season's figure. The decline in U.S. exports exceeds the total reduction in free world trade and it follows, therefore, that, in the aggregate, exports from other countries will have increased.

Export Availability

With a much large carryover and record production, export availabilities outside the U.S. have increased to over 9 million bales this season. Trade has been highly competitive, but exports from many countries have increased and total exports are presently expected to be between 7.5 and 8.0 million bales, as compared with less than 7 million bales in each of the two previous seasons. Despite this relatively good performance, however, there may be a further increase in carryover in these countries on 1st August 1959. Also, export earnings will be much lower than last season by reason of sharply reduced cotton prices which has contributed to deterioration in the balance of payments position of primary producing countries recently.

By contrast, the strengthening in reserves in Western Europe was accompanied by a movement towards currency convertibility and prompted further trade liberalisation measures. Japan, too, has added materially to its reserves over the past year. It may be said, therefore, that discrimination in cotton purchases due to currency factors is now less obvious than in earlier years.

Prices in the United States, particularly the higher grades, have remained below the support level this season and, consequently, a record proportion of the 1958 crop has been placed in the Government loan. Limited free supplies in the U.S. are expected to have some effect on domestic prices towards the end of the season and prices have already recovered from their February levels. The support level for 1958 Upland cotton, Middling 1-inch staple, was 35.08 cents per pound, as compared with 32.31 cents in 1957-58. The C.C.C. export sales price for this quality has averaged around 28.50 cents. Prices in other markets have declined sharply this season and most medium staples are now selling at prices ranging from 5 to 7 cents under the level prevailing at the beginning of the season. Under pressure from a record supply, however, the most serious decline has occurred in the extra-long staple group where prices have fallen by up to 30 per cent. The substantial premia which these cottons normally command have thus been virtually eliminated.

Result of Fall in Prices

As a result of the fall in prices, many countries have been forced to continue their price support operations to ensure adequate remuneration to producers. Reduction in export prices of cotton manufactures to meet foreign competition has been accomplished by various methods, such as preferential exchange rate for cotton, discounts on cotton exports, direct subsidies, and bilateral trade agreements all of which, in effect, amount to dual price systems. Export taxes have been reduced in a number of countries which have helped to cushion producers from the full effects of the decline in prices.

The experience of the season surely holds out certain lessons for the future. The difficulties experienced during the period amply demonstrate the dangers of unilateral action on the part of producing nations and highlight the need for greater co-operation in planning for the future. Competition, intense as it is, and the volatile nature of the textile trade are gradually bringing home to manufacturers of cotton the inevitability of structural changes in the textile industry and the need for rationalisation.

RAISING EFFICIENCY OF SUGAR INDUSTRY

INDIA CAN LEARN MUCH FROM AUSTRALIA

CONSIDERING the continuously rising population, the changes in the dietetic habits of people and the increase in purchasing power as a result of national development plans, consumption of white sugar in India is bound to expand considerably in the coming years as compared with the present annual rate of about 2.05 to 2.10 million tons. It is, therefore, necessary to take energetic steps from now alone to raise the level of efficiency in all the branches of sugar industry and its capacity. The problems confronting the industry are quite varied and complex. One of the ways of finding the right solutions for them is to make a detailed study of the ways in which other cane-sugar producing countries have tackled similar problems and achieved notable progress. Australia is one such country from which India can learn much.

Australia is the world's eight largest sugar producing and fifth biggest exporting country. The average annual production is about 1.2 million tons (1.4 million tons in 1958) approximately valued at £A58 million, of which a little more than half is exported, according to an interesting article published in the London, *Financial Times* supplement on Australia. The sugar industry in this advanced country in the South consists of three sectors—the cane farmers, the sugar mills in the cane-growing districts, and the sugar refineries usually in or near the main centres of production. The sugarcane crop is limited only by the market outlets for it and, in order to cope with the situation, the industry has become one of the most highly organised in Australia.

Productivity of Cane Farms

There are about 9,000 sugarcane farms, averaging 50 acres each, which supply cane to 34 crushing mills. Fourteen of these farms are owned co-operativcly by the farmers, seven by the Colonial Sugar Refining Company and the rest by various other firms. The productivity of the cane farms is very high. The average yield of cane per acre comes to as much as 25 tons and recovery to 15.14 per cent. The average comparative figures for India are 12.73 tons and 10 per cent., respectively. The sugarcane grown in Australia is claimed to be the sweetest in the world, the sugar per acre averaging nearly 3.50 tons, as against 1.26 ton in India.

The high efficiency attained in the cultivation of sugarcane is attributed to the incentive of personal ownership, high degree of mechanisation, specialisation (few Australian cane farmers grow other crops), and the readiness with which farmers adopt new ideas from the technical advisory services. This quality must be attributed to the high degree of literacy among the farmers. It is said that machines are used for almost every operation on the farms—ploughing, planting, fertilising, cultivating and assisting with the harvest. There are about three tractors for every two farms.

While no restrictions exist on the growing of sugarcane, control on production in Queensland, which accounts for 90 per cent. of the total sugar output of Australia, is exercised through a system of assigning cane lands within any mill area to that mill. The grower must deliver his cane only to that mill and the mill must accept delivery if the cane is of the required minimum standard quality. New areas for cane cultivation will not be assigned unless the mill situated there can both manufacture and market the additional sugar. This system of control is operated by the Central Sugarcane Prices Board.

The next stage, that is, raw sugar production, is regulated by allotting each mill a "peak" figure up to which payment will be made at ruling prices. A mill may, of course, produce sugar beyond its "peak," but the disposal of this excess output will be dependent on markets beyond the aggregates of the "peaks" or upon shortfalls in other mills. The sugar produced over the "peak" may—and generally does—fetch a lower price than the other sugar.

Since as far back as 1900, Queensland has maintained sugarcane research centres. There is a bureau in Brisbane and four fully equipped experimental stations with sub-centres in the producing areas. The finance required for meeting the expenditure on research is raised by means of a levy on every ton of cane delivered to the sugar mills, such being borne equally by the grower and the miller. The Queensland Government also contributes to this fund, while the Commonwealth Government makes grants for specific projects such as research in harvesting and mechanisation. In India, it may be noted, the State Governments collect every year crores of rupees from sugar factories through the imposition of a cess on the cane used for making white sugar. The proceeds of the cess are utilised not only for cane development work but also for wide and varied purposes other than cane development. The cane grower does not contribute anything in return for the benefits he obtains as a result of development and research work.

Sugar Marketing

The Australian sugar marketing system has also special features. All raw sugar produced in Australia is purchased and marketed by the Queensland Sugar Board. The raw sugar will be refined in the refineries—there are four refineries in Australia—which act as the Board's agents. Marketing of sugar is regulated under a series of agreements between the Australian Government and the Queensland Government. The latest agreement made in 1956 will run until 1961. The agreement ensures protection to the sugar industry against sugar from "cheap labour" countries. This is done through an embargo on sugar imports. In return, the Queensland Government undertakes to control production; to acquire all raw sugar produced; to make sugar and sugar products available for sale in Australia at prices specified in the agreement; to pay export rebates on the sugar content of manufactured goods containing sugar; to assist the manufactured fruits industry by contributing to the Fruit Industry Sugar Concession Committee; and to accept responsibility for any loss arising from the export of sugar from Australia.

Since the import embargo gives the Australian sugar a monopoly of the domestic market, some controls over prices is found essential. The domestic price is specified at the commencement of the agreement, but may be varied later according to production, cost movements, etc.

Overseas marketing of sugar is governed by the British Commonwealth Sugar Agreement (B.C.S.A.) and the International Sugar Agreement (I.S.A.). These agreements together give Australia an export quota of 632,000 tons for 1959 and 650,000 tons a year for 1960 and 1961. Under the B.C.S.A., half the Australian quota is sold to the U.K. at a negotiated price and the remainder at world price *plus* preference. The Australian quota may be increased, if supply from other Commonwealth producers fall short. In recent years, Australia has developed profitable markets for sugar in Eastern countries, notably Japan. New Zealand and Canada are other good customers.

About half the raw sugar produced is consumed at home. The *per capita* consumption in Australia is the highest in the world. In 1957, it was 54.8 kilograms (0.45 kg=1 lb.), as against 5.1 kg. in India, 51.5 kg. in the U.K., 42.6 kg. in the U.S., 46.1 kg. in Cuba, 54 kg. in Denmark and 46.3 kg. in the Netherlands. This high consumption, it is said, "is an index of low-priced refined sugar and of high average income per head (as much as Rs. 5,117 per annum), combined with a comparatively even spread of income."

The high level of efficiency in the Australian sugar industry is due not a little to the efforts of the designers and manufacturers of milling equipment who have supplied by far the greater part of the plant at present in use in Australia. The Associated Engineering Manufacturers of Australia is a firm formed in 1955 with Government support to gain export business in sugar milling plant (and other engineering products). This Company has supplied sugar machinery to India, Mauritius, South Africa and the Philippines.

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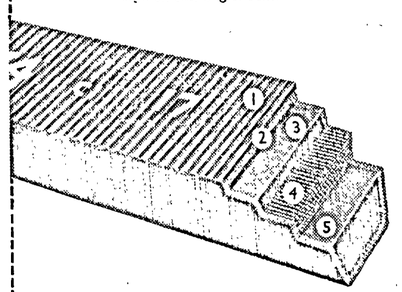

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LARGER ALLOCATION OF COFFEE FOR EXPORT

ROBUSTA CROP AT A RECORD LEVEL

THE Coffee Board has, at its forty-seventh meeting held at Bangalore on 28th May 1959, decided to allocate a quantity of 10,000 tons of plantation coffee from the 1959-60 season for export, subject to the availability of stocks. This represents an increase of 1,850 tons over the revised quantity (8,150 tons) recommended by the Marketing Committee out of the 1958-59 crop—the original allocation from the current crop being 8,406 tons. The allocations from other varieties have not been announced. The larger allocation of plantation coffee from the next crop has been made with a view to earning more foreign exchange and also to making available quality coffee in foreign countries. Although the hopes of harvesting a bumper crop of 50,000 tons of coffee during the 1959-60 season have receded due to the delay in the seasonal showers, the next crop is expected to be higher than the current season's crop.

Addressing the Board meeting earlier, Mr. Tenneti Viswanathan, the newly appointed Chairman, in his maiden speech, stressed the need for increasing production and raising its quality. While striving to give the domestic consumer the quantity he required in better quality, Mr. Viswanathan said that, by increasing production, it should be possible to capture the attention of world markets. This statement does not sound convincing. It is not clear how a mere increase in production or the necessity to earn foreign exchange is sufficient to bring about an increase in exports. It is the ability of Indian coffee to compete effectively in world markets that will ensure exports. World market conditions have changed in favour of buyers and the price of Indian coffee is above world parity. In these circumstances, it will be pretty difficult to step up exports of coffee, unless special incentives are offered.

The Coffee Board, in pursuance of its scheme of developing coffee industry sanctioned by the Government of India in 1956, has provided for intensive cultivation of 14,000 acres of land already under coffee and for bringing fresh land under coffee to the extent of 23,700 acres. In addition, it has undertaken a survey of the Agency tracts in Andhra and Orissa, at the request of the respective State Governments, to assess their suitability for cultivation. The hilly tracts in West Bengal and Assam have shown promise of vegetative growth of coffee, but the possibility of production on a commercial scale has yet to be established.

The latest estimate of the 1958-59 crop, as revised by the Coffee Marketing Committee, is 45,430 tons, made up of 19,050 tons of Plantation, 7,020 tons of Arabica Cherry and 19,360 tons of Robusta, as against the previous estimate of 44,810 tons, consisting of 27,895 tons of Arabica and 16,915 tons of Robusta. The current season's Robusta crop is said to be the highest on record, the previous best being 14,710 tons picked in 1957-58. In view of the revised estimate, which places the Arabica variety at a lower level and the Robusta higher, the Marketing Committee has recommended a slight reduction in export allocation of Plantation coffee and an increase in Robusta, the quantities recommended being 8,150 tons of Plantation (as against 8,406 previously recommended), 3,332 tons of Arabica Cherry (3,327 tons) and 5,505 tons of Robusta (2,761 tons), the total of all varieties being 16,987 tons, as compared with 14 281 tons exported out of the 1957-58 crop and 15,472 tons out of the 1956-57 crop. Out of this allocation, 9,322 tons (8,146 tons of Plantation, 786 tons of Arabica Cherry and 390 tons of Robusta) have been sold for export up to the end of May, the corresponding figure for the previous year being 5,499 tons. This includes 1,600 tons sold to the German Democratic Republic, 600 tons to the U.S.S.R., 300 tons sent to London for sale on consignment basis and 80 tons sent to London under the quality control programme.

The internal offtake also shows an encouraging trend. The releases to the internal market from January up to May 1959 amount to 12,687 tons, as compared with 10,619 tons in the corresponding period of 1958. The total internal consumption during the current year is expected to exceed 30,000 tons, as against an offtake of 27,570 tons in 1958, 26,620 tons in 1957 and 24.189 tons in 1956.

The payment to growers on their deliveries to the 1958-59 pool amounted to Rs. 2.30 per point and the final payment is proposed to be made during the current month. The total pool payment for the 1957-58 season was Rs. 2.81 per point. Loan assistance under the Coffee Development Plan has been availed of by 207 applicants to the tune of Rs. 10.81 lakhs.

To revert to the decisions of the Coffee Board. In addition to allocating larger quantity of Plantation coffee for export out of the 1959-60 crop, the Board, with a view to improving the quality of coffee delivered at the pool, has accepted the recommendation of the Coffee Quality Committee to make certain deterrent deductions, in the payments to be made on coffee delivered under-dried to the pool by the planters. The Board has accepted, in principle, the constitution of a wage board for plantations, but has recommended to the Government that regional as well as production committees should be appointed, instead of a single wage board for the whole of the country for all the plantation crops.

NEW USES FOR BRAZIL'S "EXPURGO" COFFEE

Tin Pan Alley long ago informed the world that, "there's an awful lot of coffee in Brazil." At times, there's even more. This fact has kept many a Brazilian official awake at night—not from drinking the coffee, but from trying to decide what to do with the surplus. In the years of good crops, the coffee surplus is held off the market by the Government on the recommendation of the Brazilian Coffee Institute (B.C.I.) as a measure to prevent the depression of world coffee prices. The reserve built up can also serve as a buffer for poor crop years. However, the stored surplus had grown to 12.5 million 60-kilogram bags (820,000 tons) by last fall—about six months' normal production. This is too much to hold for lean years, and the costs for warehousing were mounting. Naturally, also, beans held too long in storage deteriorate somewhat.

To reduce the surplus and to forestall wastage, the B.C.I. has lately been withdrawing the poorest 10 per cent., labelled "expurgo" grade coffee. This has been offered to industry within the country to make whatever non-beverage use of the beans it could. Except for the extraction of small amounts of oil for use in soap and salad oil, expurgo coffee has served no useful purpose.

In December last, at the B.C.I's invitation, Dr. R. M. Silverstein, senior organic chemist of the Physical Sciences Division of the Standford Research Institute and S. A. Cogswell, senior chemical technologist of the Economics Research Division, made a trip to Brazil to study the situation. The B.C.I. officials hoped for some simple method of extracting caffeine—which amounts to about 0.8 per cent. of the beans—and oil from expurgo coffee. They also hoped to find some commercial applications for the residue. Their research resulted in a process that converted the beans to caffeine, oil, and a meal.

The process begins with the flaking of the green coffee beans into particles less than two millimetres thick. Then, by using non-corrosive hot benzol, the caffeine and oil are extracted together. They are then separated from each other and refined. Caffeine can be sold in world markets for use in drugs and soft drinks. Brazil has a shortage of edible oils, hence the oil extracted from the expurgo coffee should find a ready domestic market. Meal containing about 16 per cent. protein remains after the extraction. After this is steamed to remove the benzol, it is expected to be suitable for animal feed.

Investigators who worked on the project anticipate that the process may be scaled up to commercial size for use in existing extraction plants in Brazil. A pilot-plant run was set up for the process on 31st December, and at present the results of the plant's operation are being evaluated. The overall result of the new process is to transform bags of expurgo coffee—a low grade that is a burden to store—into products having many times the value of the original beans.

Brazil has declared that, only on condition that its position as main coffee supplier of the world be taken into account, will it sign future agreements on the exportation of coffee. During the last seven months, Brazil has recovered its traditional share of world exportation and its shipments for the present coffee year will amount to 17 million bags, that is, several millions over the 1957-58 season. These figures form the basis upon which any future system of assignments would have to be calculated. The present stability in the price of coffee is in large part due to the great effort exercised by Brazil to buy up excess production internally.

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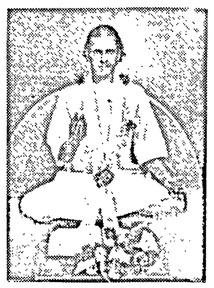

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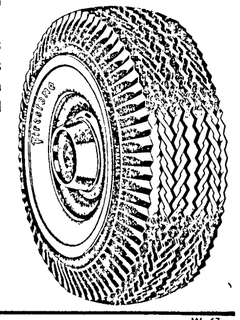

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EARNINGS OF FACTORY WORKERS

INCREASE OF FOUR PER CENT. IN 1957

DESPITE their many limitations, statistics of *per capita* average earnings of factory workers compiled on the basis of the data received under the Payment of Wages Act, 1936, from the various States and Union territories, serve at least to indicate the broad trend of the movement of factory workers' wages from year to year. But, in drawing conclusions from them, one has to be very circumspect, because the returns themselves do not often contain all the relevant data nor is their quality such as to reflect a precise picture. Further, not all factories covered by the Act furnish their primary returns to the State authorities, even though it is a statutory obligation. Consequently, the consolidated returns submitted by the States relate to factories giving the data only and not to all factories covered under the Act. The proportion of factories not submitting returns varies from year to year. Thus, in 1957, the latest year for which figures are available, of the 21,558 factories covered under the Act (excluding Railway workshops and seasonal industries) returns were submitted by only 15,014. In 1956, only 14,219 factories out of a total of 19,679 factories covered under the Act submitted returns. This shortfall, it may be noted, vitiates to some extent the comparability of the available statistics.

In addition to this, the method of computation of the average annual earnings from the data contained in the returns is, inevitably, such as not to reveal the correct position. To illustrate, the average daily employment for an industry is derived by summing up such figures (obtained by dividing the aggregate number of attendances during the year by the number of working days) reported by individual units belonging to that industry. In order to arrive at the average annual *per capita* earnings, the total gross wage bill of an industry is divided by the corresponding average daily employment. The average annual earnings thus derived are obviously subject to the variations in the number of working days and contain an element of error in any comparison made on the basis of these figures. To eliminate the effects of variations in the number of working days, figures of average daily *per capita* earnings can be derived by dividing the gross wage bill by the corresponding total man-days worked. But there are difficulties even here.

Subject to all the limitations of the statistics indicated above, *per capita* annual earnings, taking all the States and Union territories together, according to an analysis of the trend of earning of factory workers in 1957 contained in a recent issue of the *Indian Labour Gazette*, advanced from Rs. 1,186.8 in 1956 to Rs. 1,233.9 in 1957, representing a rise of about 4 per cent. This conclusion is based on the data supplied by 70 per cent. of the factories covered under the Act which furnished returns during 1957, as against 72 per cent. during 1956. The coverage was particularly poor in Madhya Pradesh and Rajasthan during both the years, though there was some improvement in the position during 1957, as compared with earlier years.

A state-wise analysis of figures of earnings reveals that the States in which an appreciable rise in *per capita* average annual earnings was recorded between the two years were Andhra Pradesh, Assam, Madhya Pradesh, Rajasthan and Mysore. The following table gives the State-wise breakdown of earnings during 1957 and 1956:

Average Annual Earnings of Factory Workers—State-wise

States	1957		1956	
	Average daily employment	Average *per capita* annual earnings	Average daily employment	Average *per capita* annual earnings
		Rs.		Rs.
Andhra Pradesh ..	46,862	1,030.8	46,086	949.9*
Assam	8,946	1,833.6	9,128	1,525 9
Bihar	1,07,842	1,299.2	1,06,514	1,235.6
Bombay	7,25,808	1,452.4	7,37,864	1,414.8
Kerala	44,627	805.0	63,502	735.9
Madhya Pradesh ..	59,804	1,138.7	81,242	982.4
Madras	2,41,987	978.9	2,06,045	950 1
Mysore	11,117	967.3	25,718	852.5
Orissa	15,659	956.8	13,771	948.5
Punjab	52,210	955.3	41,006	991.0
Rajasthan ..	13,497	907.1	16,258	769 6
Uttar Pradesh ..	1,72,708	1,077.5	1,69,005	1,014.1
West Bengal	5,37,146	1,173.6	5,37,752	1,141.6
Andaman and Nicobar Islands ..	2,808	657.1	3,787	688.3
Delhi	46,903	1,493.4	44,857	1,466.9
Tripura	61	933.0	111	854.3
Total ..	20,87,845	1,233.9	20,43,636	1,186.8*

* Revised.

Note.—The above figures do not cover railway workshops (the returns in respect of which are not collected by State Authorities) and the seasonal group of industries consisting of food beverages, tobacco and gins and presses.

Industry-wise, increases in average annual earnings were recorded by the majority of industry group. The chief among the industries showing a rise in earnings were footwear and other wearing apparel, furniture and fixtures, printing, publishing and other allied industries, paper and paper products, leather and leather products, chemicals and chemical products, products of petroleum and coal, machinery, electrical as well as non-electrical, electricity, gas and steam, water and sanitary services, recreation and personal services. Average annual earnings in the textile industry taken as a whole was more or less unchanged, those in non-metallic mineral products registered only a minor rise, while earnings in industries such as wood and cork, rubber and rubber products, basic metal, and transport and transport equipment showed a decline. The following table illustrates the position:

Average Annual Earnings of Factory Workers—Industry-wise

(In rupees)

	1957	1956	1955
INDUSTRY GROUPS			
Textiles	1,243.3	1,244.5	1,191.3
Footwear, other wearing apparel ..	1,308.1	1,093.1	1,101.3
Wood and cork except furniture ..	726.8	762.2	670.0
Furniture and fixtures	958.6	716.0	681.0
Paper and paper products	1,157.6	1,030.4	1,062.5
Printing, publishing, etc.	1,217.5	1,188.6	1,152.1
Leather and leather products	889.8	756.6	836.6
Rubber and rubber products	1,497.2	1,501.7	1,388.4
Chemicals and chemical products ..	1,147.3	980.9	957.2
Products of petroleum and coal ..	1,900.3	1,688.2	1,492.9
Non-metallic mineral products	835.3	833.3	781.5
Basic metal industries	1,463.2	1,487.9	1,673.4
Metal products (except machinery and transport equipment)	1,145.4	1,119.5	1,048.2
Machinery (except electrical) ..	1,189.3	1,136.2	1,100.4
Electrical machinery, apparatus, etc. ..	1,437.9	1,314.4	1,340.0
Transport and transport equipment ..	1,481.5	1,509.1	1,439.6
Electricity, gas and steam	1,591.8	1,455 1	1,371.7
Water and sanitary services	1,147.5	1,115.9	1,041.4
Recreation services	1,302.0	1,227.4	1,037.0
Personal services	488.4	405.2	362.8

Note.—The footnote given under the above table applies to this table also.

The breakdown of *per capita* average annual earnings during 1957 into the various components shows that basic wages and cash allowances (including dearness allowances) constituted about 53 per cent. and 39.4 per cent. respectively of average annual earnings for all the States. Of the remaining 7.6 per cent., bonus accounted for 5.6 per cent., money value of concessions 1.6 per cent. and arrears 0.4 per cent. The share of bonus in average annual earnings was comparatively high in Assam (13.3 per cent.), Bihar (12.6 per cent.) and Andhra Pradesh (9.4 per cent.) and the share of money value of concessions was comparatively high in Assam (10.8 per cent.), Madras (8.9 per cent.) and Bihar (4.7 per cent.).

Average daily earnings, taking all the States together, ranged from Re. 1.35 in processes allied to agriculture to Rs. 6.29 in products of petroleum and coal, the overall average for all industries together being Rs. 3.67. In Bombay, the range was from Re. 1.60 in the tobacco industry to Rs. 6.85 in products of petroleum and coal, with an overall average of Rs. 4.54; in Madras, from Re. 0.63 in food to Rs. 5.60 in electricity, gas and steam with an overall average of Rs. 2.61, in Kerala from Re. 1.27 in food to Rs. 6.89 in products of petroleum and coal with an overall average of Rs. 2.11, in Rajasthan from Re. 0.60 in food to Rs. 5.44 in electricity, gas and steam, with an overall average of Rs. 2.53, in Delhi from Rs. 2.52 in rubber and rubber products and non-metallic mineral products to Rs. 6.68 in products of petroleum and coal, with an overall average of Rs. 4.89; in Orissa from Re. 1.28 in personal services to Rs. 5.27 in machinery, except electrical machinery, with an overall average of Rs. 2.78.

These statistics, it may be noted, give at best only rough indications for inter-State and inter-industry differentials in the level of earnings.

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CHAIRMAN, MR. A. N. HAKSAR, NOT OPTIMISTIC ABOUT CURRENT YEAR'S OUTLOOK

ADDRESSING the shareholders of the Shivrajpur Syndicate Ltd., at their Annual General Meeting held at Bombay on 27th May 1959, Mr. A. N. Haksar, Chairman, said that it was difficult to assess the future prospects with any degree of accuracy, owing to the various hurdles with which the industry was at present confronted. "On the facts known to me," he added, "I feel, I must warn you that the current year cannot possibly be as good as the year under review."

The following are extracts from Mr. Haksar's speech:

"GENTLEMEN,

"You will have seen from the report that the total output during the year under review amounted to 91,626 tons, as against 92,748 tons in the previous year; while shipments and sales totalled 91,462 tons, as compared with 114,337 tons in 1956-57. The depression in the manganese ore trade continued throughout the year and there was practically no demand for low grade ore. Consequently, with a view to reducing expenditure, steps were taken to practise economy wherever possible, certain labour also being retrenched in August 1958.

"While the immediate cause of the general decline in exports may have been due to the recession in the U.S. steel industry, subsequent events have proved that the intrinsic cause for the poor demand for Indian ores is the tremendous headway which Brazilian manganese ore has made in that country in recent years. Brazil has more than gained at India's expense, increasing her share of total American exports from about 8 per cent. just three years ago to something like 56 per cent. at present.

Competition From Brazil

"Some of the major factors that have contributed to this change are the competitive prices of Brazilian ore, low sea freight rates, and the export subsidy offered by the Brazilian Government in the form of bonus payments in local currency on dollar earnings of exporters. This competition has seriously affected the Indian trade, and while the Government, recognising the need to step up exports, rather belatedly abolished export duty on all grades of manganese ore with effect from 24th November 1958, it has failed so far to afford other relief measures. For example, it has been suggested that the enhanced railway freight rates brought into force from 1st October 1958, as well as the present royalty rates should be reduced forthwith, but despite assurances by the authorities of some expected relief in this connection, no official announcement has yet been made. Further, it is essential that the Government should ease all burdens on production, such as allowing liberal import of essential machinery and spares, which would avoid the present long delays and procedural difficulties. I feel, they should permit manganese exporters to retain some portion of their foreign exchange earnings for this purpose.

"From the accounts, you will see that the net profit of Rs. 8,69,932 is lower by Rs. 2,63,106 than in 1957. A sum of Rs. 2,75,000 has been debited this year to profit and loss account and credited to development rebate reserve as required under the Indian Income-tax Act. The debit balance of Rs. 2,72,590 in development account appearing in the balance-sheet since 1956 has been written off after withdrawing an equivalent amount from mine development and prospecting reserve, and a sum of Rs. 3,00,000 has been set aside to equalisation of dividends reserve. After effecting the above appropriations, your Directors have recommended a dividend of Rs. 5 per share and a bonus of Rs. 3 per share, both free of income-tax, for the year.

Prospects

"Owing to the various hurdles with which the industry is at present confronted, it is difficult to assess the future prospects with any degree of accuracy. Over the last few months American steel production has been steadily rising and is currently running at approximately 90 per cent. of its present capacity; but, despite this sharply improved steel output, there is virtually no demand for ore in the U.S.A., due mainly to the fact that there are large accumulated stocks of manganese ore, as well as ferro-manganese. There is also good reason to believe that consumers are reluctant to pile up further stocks, due to the threatened steel strike in the States in the coming autumn. Moreover, the trade is deeply concerned over a possible setback to this country's manganese ore exports as a result of Russia, probably the world's largest producer, entering the world market as a supplier of this strategic mineral; since it is reported that she is trying to interest U.S.A. consumers in large quantities of both manganese and ferro-manganese. Russia has also delivered substantially into Japan, thus jeopardising another traditional market. As I stated last year, it should always be appreciated that the fortunes of the trade are largely dependent upon the world steel industry, which accounts for the consumption of about 95 per cent. of the manganese ore output, mainly in the production of ordinary carbon steel. It may interest you to know that, if by 1970 steel production reaches the levels forecast, Western demand for manganese ore for metallurgical use could grow to 9.3 million long tons of an average 46 per cent. as now being used, as compared with 6 million long tons estimated to have been consumed in 1957.

Blanket Control On Export

"Although the Government's notification dated 29th January 1959 liberalising the export policy for manganese ore raised genuine hope that the trade would be permitted to secure bulk business on a long-term basis, the subsequent clarification issued by the Joint Chief Controller of Imports and Exports, Bombay, on the 17th March 1959, has considerably altered this view. While in the earlier notification, exporters were advised to proceed with their plans for contracting bulk orders with foreign buyers on a long-term basis regardless of the Government's future export policy, the latest notice now seeks to restrict the trade, in so far that before firm price commitments are made, the approval of the Export Trade Controller must be sought; who, in turn, must obtain clearance from the headquarters of the State Trading Corporation. It is, therefore, felt that the recent notification is tantamount to a blanket control on the export of manganese ore.

"As has been stated in the Press to subject an exportable commodity like manganese, which is facing keen foreign competition, to a rigorous control on price, movements and delivery, and this at a time when the need for augmenting foreign exchange earning is most urgent, is, to put it mildly, most unwise. This move appears illogical and amounts to a creation of a monopoly, for which I can see no good reason. Apart from disrupting the existing trade channels, the Government's latest notification is bound to affect exports adversely; which, as I have just stated, is all the more regrettable at a time when the country is facing a severe foreign exchange shortage. Nevertheless, an encouraging factor is the growing realisation on the part of the authorities, that the trade has genuine local difficulties to contend with, but even so, as in the case of the removal of export duty, there is always a tendency on the part of the Government to treat all representations in a dilatory manner, which is most unfortunate.

Indo-U.S. Barter Deal

"As you are probably aware, after considerable delay, agreement on the much discussed Indian manganese/U.S. wheat barter deal was finally reached at the beginning of March 1959, although little is known at present about the detailed conditions agreed upon by the respective Governments. This deal, although welcome, has not had any significant effect so far on the country's manganese ore export trade. On the other hand, this is a method of trade, which I feel is likely to increase in future years and thus should prove beneficial to the manganese industry as a whole. Your Company have concluded contracts with their regular overseas buyers to the extent of 17,500 tons in relation to barter deals, which we hope may be the forerunner of increased business. However, the present position cannot be viewed with any degree of complacency, conditions being what they are, and for this reason, as already reported, certain steps have been taken by the Company to ensure maximum economies in the workings of the mines, which I hope will begin to show results shortly. Finally, on the facts known to me, I feel, I must warn you that the current year cannot possibly be as good as the year under review."

Note: This does not purport to be the proceedings of the general meeting which is being sent separately to shareholders.

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COMMERCE EDUCATION IN INDIA

NEED FOR REFORM URGENT

By Prof. S. S. Jhanwar

COMMERCE Education in our country has come in for a good deal of criticism. This should serve to make us clear about its nature and objects, about its courses and methods of teaching, about the liaison between commerce colleges and commercial professional institutes, on the one hand, and between commerce colleges and business houses, on the other, as also about its role in providing the nation with suitable personnel to man her growing industries and commerce.

Commerce education, as all other specialised types of education, should, however, also bear in mind the main principles of general education. The units of a federation should be governed by the general laws of the federal authority. We would, therefore, do well to ask ourselves here a few questions. (1) What is the aim of education in general. (2) What is the objective of commerce education. And (3) how should we impart commerce education, so that this inner circle of commerce education efficiently renders its due service within and in keeping with the outer circle of general education. While attempting to answer these questions, we shall come across many problems and we may also have something to say about students, teachers, teaching methods, co-operation and active contact between our commerce colleges and industrial establishments, etc.

Aim of Education

Education is—we should always remember—an integrated life-long process. In the true sense of the word, every one of us should remain a student throughout our life. Actually, it is stated that a pupil gets a fourth of his education from his teacher, another fourth by his own intellectual effort, a third fourth from his fellow students and the rest in course of time through life and experience. Thus, attempts should ever be made to gain practical knowledge and acquire realistic training. All this must have a central purpose and that, to my mind, should be to make a man (or woman) really a man (or woman)—humane, courageous and useful as also balanced, liberal and progressive. This is variously described and the aim of education is said to develop the whole personality of a man or to make him an integrated and well-developed being or to make him a charactered social entity. This main aim of education should never be lost sight of, whether we are dealing with liberal, professional or technical education. After all, scientists and engineers all through their life will remain human beings and will have to deal with human beings and to do things, ultimately, for human beings. They must, of necessity, be human beings first. This applies equally to managers, salesmen and accountants.

Education and Social Order

Education is also imparted and obtained, keeping in view the social order. We have laid down our objectives in our Constitution as Democracy, Justice, Liberty, Equality and Fraternity and all our activities—including education—should conform to and promote these objectives. For achieving these ends, thereby establishing a socialist pattern of society, we have adopted the medium of planning. Our plans and planning should, as they do, include the planning of commerce education. Our plans endeavour to expand our industries, trade and commerce, with a view to raising our purchasing power so that ultimately our welfare and happiness may grow. Under the first Plan, Rs. 179 crores (i.e., 7.6 per cent.) were provided for industries and mining, out of the earlier total estimate of Rs. 2,356 crores on the whole Plan. In the second Plan, out of Rs. 4,800 crores. a sum of Rs. 890 crores (i.e., 18.5 per cent.) is earmarked for industries and mining. And now that we have begun to think about the third Plan (with yet larger outlays on industries), we can understand that the Plan expenditures are rising in geometric progression. From Rs. 2,400 crores to Rs. 4,800 crores and then to Rs. 9,600 crores (or more) in the third Plan clearly indicate this trend. All these developments in this sector of the economy will be complemented and supplemented with almost equal efforts and outlays in the private sector. These figures and activities should present a very encouraging picture to our commerce graduates. Not only will this sector require the services of commerce graduates but the other sectors, both in the public and private fields like transport, communications, social services, agriculture, community development, irrigation and power and taxation departments will also need and utilise the abilities and training of our commerce students.

Object of Commerce Education

We are now confronted with the problem: What is expected of us in commerce education at the universities? What does society want a B.Com. or an M.Com. to know and to be? What, so to say, is the object of commerce education? Is it just a general or liberal education like the Arts studies or is it professional and purposeful? Those subjects that generally train the emotions and the spirit may be included in the broad term "liberal education." Literature, philosophy and social studies are examples of such education. Training of emotions and inculcation of values should form part of all types of education; liberal education will, however, produce artists and thinkers for the society. But the community requires various categories of people. Commerce education is not liberal education in the sense in which Arts education is. We do not study history of philosophy here, nor do we study literature and fine arts. Thus, we do not plumb here the deeds of the past rulers or the meaning of life nor do we soar high in the skies. In commerce education, we talk of the earth and deal with concrete realistic problems facing the economy and the industry. Stenotyping, accounts, income-tax, statistics, public finance, costing methods, business administration, commercial law, banking, transport, etc., do not provide us with liberal education as such but they provide us with specialised knowledge of different operations and performances pertaining or incidental to industry and commerce. These courses also enable our students independently to take to industry and commerce—in their various forms and facets—or to serve as secretarial or managerial staff at such establishments.

Commerce education, *inter alia,* provides us with the knowledge of the working of the different forces affecting the economy and the factors that bring about its development and growth. Thus, both theoretical and practical knowledge is attempted to be imparted here. After acquiring this education, a student is better equipped to face the actual problems of commerce and economics. He can then better analyse the facts of the situations that may present themselves to him and find a way out. His intellect has been made sharper, his capacity to think enriched and developed. Thus, a commerce graduate is more suitable for occupying any job or handling any situation in the field of commerce and economics than a purely arts graduate. This is so even today, when the education that is imparted to him is rather theoretical.

We must now pay some more thought to the subject. We need not only thinkers and analysers of economic and commercial situations, but we also need properly trained persons to assume responsibilities for actual jobs and practical duties. Here then we are led to the irresistible conclusion that commerce education should provide both theoretical and practical training and that it ought to become purposeful and professional. Theoretical principles are taught and studied in technical education also, but more emphasis is laid here on practical work and experiments and on the solution of 'problems.' Commerce education should also adopt these methods and practical bias should be given to commerce studies. Commerce education, then, is not liberal education, but professional, purposeful and practical education. It prepares us both for the business of living as also for business life.

Co-ordination

As stated earlier, commerce education should not lose sight of the main principles of education. An accountant or a manager, a statistician or a salesman ought to be a human being first and so the creation of values and the development of character should ever be borne in mind. Here, the teachers and the university and the Government authorities have a sacred responsibility. If this duty is duly discharged, much of the corruption that we find in the public and private sectors will gradually disappear. Once we are clear about the role of commerce education within the orbit of general education and consistent with our goal of a socialist pattern of society, we may proceed to frame suitable courses of studies and methods of teaching, etc. Here, again, the different subjects taught should be properly integrated and a teacher teaching and a student studying, say, economic development of India or corporation finance or public finance or company law or even accounts, should clearly know why he is teaching or learning it and how it is related to and integrated with the other subjects and with the entire course and how this entire course is integrated with overall education and how this educational sector is a vital limb of our socialist society organism and of planning. Only then will there be proper teaching and proper learning. "If intellectual fragmentation and anarchy are to be avoided," to quote the report of the University Education Commission, "the student must acquire a frame of reference which will give meaning and direction to his college work as he moves from class to class to study different subjects. The different studies should be treated as parts of a whole. There must be an intellectual integration of his varied knowledge." This also applies—and with greater force—to the teacher. This may need changes in courses, in teaching practices and the teacher's outlook and in the general atmosphere of colleges and universities. We will have to bring these about, if we are to do justice to ourselves and to the tasks entrusted to us.

Commerce education thus is very important and the Government, the university and the industry should soon realise this. Only when we equip it to provide the expanding economy with persons who have had integrated and practical training for actual jobs and responsibilities that the developing industries, trade and commerce and other sectors will be able to get suitable personnel to rotate the wheels of industry and steer the ships of trade and commerce.

Teaching Methods

What should be the courses for commerce education, how to make them practical?. These questions will now arise. Three-year degree course has now been accepted by all in our country and, in my view, during these three years, education should be imparted in the following subjects to a student preparing for the B.Com. degree: English (including "commercial English"), planning in India, business methods, industrial organisation, banking, public finance, economic development of India, accounts (including cost accounts), income-tax, auditing, commercial law, statistics, trade and transport and principles of economics. Whether Hindi essay should also be compulsorily taught throughout the country is a moot point here. Hindi must, of course, be taught to everyone as a compulsory subject at the higher secondary stage. The subjects listed above are very nearly the same as are being taught for this degree at present by many Indian universities, but now the contents will have to be modified and practical bias imported. Planning should, of course, be added as a compulsory subject, in view of its well established importance. Commercial geography may not now find a place in the degree course and may be completed at the higher secondary stage. Co-operation and labour problems should relatively be given more attention and this may be done by laying larger stress on these aspects in the "Economic development of India" paper.

Of course, I need not go here into a detailed working of the courses. A few—only a very few like stenotyping, salesmanship, insurance, etc.—papers may be included in the "optional" category and, excepting these, all the other subjects should be compulsorily taught. The contents and sphere of the subjects so taught will have to be wider and deeper and their study will have to be supplemented with practical training and field work. While lecturing, the teachers may kindly bear this in mind, while taking examples to make their points clear they should take such examples which may inculcate better values among the students, lead to integrated growth of their personality and foster their practical outlook. Besides seminars and tutorials, there should be questions and answers in the class as these discussions not only make the subject clearer but also enable the teacher to know his students better. A teacher is not to be a neutral organ of speech, but a medium of living contact between himself and his students. Then there is need for surveys and field work, for the statistical laboratory and for the demonstration and use of modern office appliances, etc. Further, we should have in every commerce college (department), a very well equipped museum which should possess all up-to-date information and objects pertaining to the various matters dealt with in the courses. Students will be expected to enrich the museum. The present position regarding reference journals and libraries will also have to be improved. Extension lectures and talks by business executives should also be arranged. Gradually, better traditions will thus be built up and the present atmosphere of tolerating commerce studies and somehow doing the work will be changed. Only when one takes real joy in one's work that one can do it well. I can well understand the argument that, when commerce education is accorded proper importance and when it is accepted by all as purposeful and useful, our students and teachers will be able to put their heart in the work. Yet, I submit that, in order to see that such recognition is given, we all have to play our part well. If commerce education is worth imparting, it is worth imparting well.

So Many Holidays: National Loss

I propose now to offer a new suggestion. Our commerce classes meet only for about 120 days in 365 days of a year. So many holidays entail national loss. I suggest that our colleges and classes should meet for at least 200 days in a year. I know that teachers require time for examination and evaluation work, for rest and for research studies, but 165 days should be enough for all these. Are we not prepared to work even for 56 per cent. of the year? In other countries, we do not find so many work days lost—especially in a planned and developing economy and where such practical or technical courses are concerned. The sooner we willingly realise this, the better. If this is agreed, we will get 80 additional working days every year. A part of these may be utilised in more intensive and extensive studies and the remainder (every Saturday) may be utilised as indicated below.

Planned Practical Training

Commerce studies have a bearing mainly on industries, banks, insurance companies, transport, labour, trade including *mandies* and exchanges, accounts (including cost accounts), collection and interpretation of data, Governmental budgeting, and sales and income-taxes. These activities are, or work in their connection is, carried on in specialised institutions, establishments or offices. Some 30 Saturdays will be available to us during the 200 working days proposed. On Saturdays, there may be no lecture periods. Instead, for the full duration of the lecture periods, the class (in suitable batches) will visit (with a teacher) these institutions, establishments and offices and every student will maintain a diary ('practical' register) wherein the working of the institution, establishment or office visited will be recorded and the talks between the management or the organiser and the class will also be mentioned. Suggestions, if any, on the working of these mills and establishments may also be offered by the students. These diaries, etc., will then be examined and evaluated. Thus will practical training be initiated and a valuable liaison set up between the commerce colleges and the industry, etc. Even during the course of such visits, promising students may actually be picked up by the management. Thus, the students will be able to widen their mental horizon and to have a peep into the practical working of such establishments. During the course of three years, the students will be able to visit about 90 such establishments and concerns or intensively study some 30 of them. In this manner, our students will get real and practical training, as they will face, study and deal with actual problems in the factories, etc., which will, for the time being, assume the role of laboratories for them. Such practical training should, of course, be properly correlated with class lectures and the entire scheme of work should be an organic and integral whole. These studies will then be comparable to scientific studies. The students will have to work harder and more written work will also become necessary. They will then really be better fitted to take up actual jobs. This is bound to be mutually advantageous—both to the establishments and to the students. To these visits may be added certain surveys or field work, including collection of primary data, the study of a problem ('project'), assisting in actual audit work, in the filing of a return and in the discussion of a municipal budget, etc. All this can be worked out and a purposeful course carved.

Co-operation Required

Certainly, all this will require proper appreciation by, and active co-operation of, industry, other establishments and organisations, the university, the Government and such other bodies. It is expected that this will be forthcoming. This will also entail larger strain on the teacher and will require more efficiency from him. Service conditions and the status of the teachers shall have to be greatly improved, so that proper persons are attracted to this line and they are able to work with all their heart.

In my view, only those students who had offered "commerce" for their higher secondary examination should be entitled to join the first degree course in "commerce." Surely, the study of "commerce" at the higher secondary stage will also need to be improved. And, while admitting students to the graduate class, selection should be made and admissions should be based on merit. Up to the higher secondary stage, education may be for the many, but higher education should be meant for the selected deserving ones. The classes should be small, so that standards may be raised, discipline and quality improved and, above all, there may be individual attention and closer contacts between the teacher and the taught. As I visualise it, the first degree course should give broadbased education in many commerce subjects, coupled with practical training, so that this graduate is fit to take up a job in the second grade like that of a junior salesman, assistant manager, superintendent, assistant accountant, deputy revenue officer, chief stenotypist, etc. After this, admission to M.Com. class should be yet more restricted and only those who have passed the B.Com. examination in the second division should be admitted to the M.Com. class. Otherwise, as we see at present, many of these students, who have no interest in their subject and who are not mentally equipped to profit by higher studies, only waste their time and money and in the end fall a prey to frustration. It is better that they leave their studies after B.Com. to enter the business of life. For those who will ultimately join the M.Com. class, one of the following four specialised courses should be offered. In "commerce" today about 35 papers are taught and these can well be grouped in four departments. In my view, these departments should be (1) commerce and industries, (2) business administration and law, (3) applied economics and finance and (4) income-tax and accounts departments. Science studies, as we know, comprise the departments of physics, chemistry, mathematics, zoology and botany, etc., and persons secure the Master's degree in science by specialising in chemistry or in physics or in mathematics, etc. Similarly, we should have the abovementioned four departments in the Faculty of Commerce. For M.Com. degree a person may join any one of the four departments. There should be eight papers in each of these four subjects or branches (departments). We shall then have persons with Master's degree in Commerce, who have specialised in business administration and law or in income-tax and accounts or in applied economics and finance, etc. There should be very intensive, specialised and advanced study of these subjects at the M.Com. level. Here also practical training—intensive practical training—shall be given and the entire studies shall be related to real problems and factual requirements and conditions.

Regrouping

This brings us to certain administrative problems and to necessary changes on the administrative plank. I am convinced that these four departments should very soon be created in every college teaching commerce and each department should be placed under a Professor (where post-graduate teaching in the departmental subject takes place) or a Reader (where the departmental subject is taught upto the B.Com. standard). Only thus would due importance be given to commerce education. I am glad to state here that my suggestion that the Commerce Faculty should comprise four full-fledged departments has, after due consideration, been accepted by the Vikram University Faculty of Commerce at its meeting held on the 9th February 1959.

I may also suggest here how the different papers should be grouped (or what papers should be taught) in the four departments. This and many other things remain to be done by our universities and Governments. The grouping may somewhat be as follows:

I. *Commerce and Industries Department*: 1. Organisation and Finance of Industries (M.Com.)—two papers; 2. Industrial Organisation (B.Com.); 3. Statistics (M.Com.); 4. Statistics and Applied Statistics (M.Com.)—two papers; 5. Corporation Finance (M.Com.); 6. International Trade and Fiscal Policy (M.Com.); 7. Labour Problems, Industrial Relations and Industrial Psychology (M.Com.); and 8. Organisation of Markets including Sales Promotion, Exporting and Trade Commissions. (M.Com.)

II. *Business Administration and Law Department*: 1. Business Management and Economic Administration (M.Com.)—two papers; 2. Personnel Administration (M.Com.); 3. Company Law and Management and Secretarial Work (M.Com.)—three papers; 4. Industrial Law (M.Com.); 5. Commercial Law (B.Com.); 6. Secretarial Practice (B.Com.); 7. Actuarial Science and Insurance (B.Com.); 8. Insurance in India (M.Com.); 9. Business Organisation (B.Com.); 10. Stenotyping (B.Com.); and 11. "Commercial English" (B.Com.).

III. *Applied Economics and Finance Department*: 1. Advanced Business Economics and Principles of Economics (M.Com. and B.Com.); 2. Currency and Banking, Advanced Banking and Banking and Foreign Exchange (B.Com. and M.Com.); 3. Transport (B.Com. and M.Com.); 4. Co-operation (B.Com. and M.Com.); 5. Rural Economics (M.Com.); 6. Economic Development of India and of other countries (B.Com. and M. Com.); 7. Economic Planning (B.Com.); 8. Principles of

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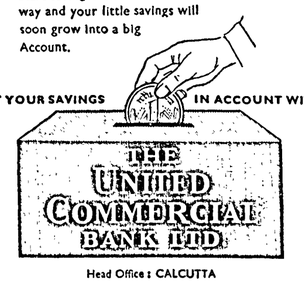

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Planning and Planning in India and other countries (M.Com.)—two papers; 9. Public Finance (B.Com.); 10. Public Finance including Economic Activities of the State, State Enterprises and their Management and Municipal Finance (M.Com.) —two papers; 11. Principles and History of Economic Growth (M.Com.); and 12. Economic and Commercial Essays [English and—wherever agreed—Hindi (B.Com.).]

IV. *Income-tax and Accounts Department*: 1. Cost Accounts (M.Com.)—two papers; 2. Advanced Accounts (B.Com.); 3. Advanced Accounts including Corporations, Banks, Insurance Companies and Actuarial Work, Government, Municipal and Double Accounts (M.Com.)—three papers; 4. Auditing (B.Com. and M.Com.); and 5. Income-tax, Estate Duty, Excise Duty and other Taxation Laws and Accounts (M.Com.)—three papers.

Special Committee

It is heartening to note that commerce education has now attracted the keen attention of the Union Government. The Minister for Scientific Research and Cultural Affairs, in his capacity as Chairman of the All-India Council for Technical Education, has appointed a special committee for commerce education, under the chairmanship of Dr. V. K. R. V. Rao, Vice-Chancellor of the University of Delhi, to "enquire into and report on the present position of commerce education in India in all its aspects and suggest measures for its reorganisation and improvement, so that a sound and reasonably uniform system of commerce education suited to the needs and resources of our developing economy may be provided for the whole country." We have been imparting commerce education in some form or other for the last more than 50 years* and for some time there has been a demand for an enquiry into commerce education, so that it may be reoriented and, as far as possible, made uniform throughout the country. The Special Committee's Report will, therefore, be eagerly awaited. It will, however, take them some months to complete the work. Meanwhile, with a view to helping the committee in its work, we should think about and discuss this subject thoroughly. The present article is a humble attempt in this direction.

The very fact that the Special Committee has been appointed indicates that commerce education is to be practical and purposive. We have to prepare ourselves for making it really so. The University Education Commission also recommended practical bias to be given to our studies and advised that commerce students should do practical work as well.

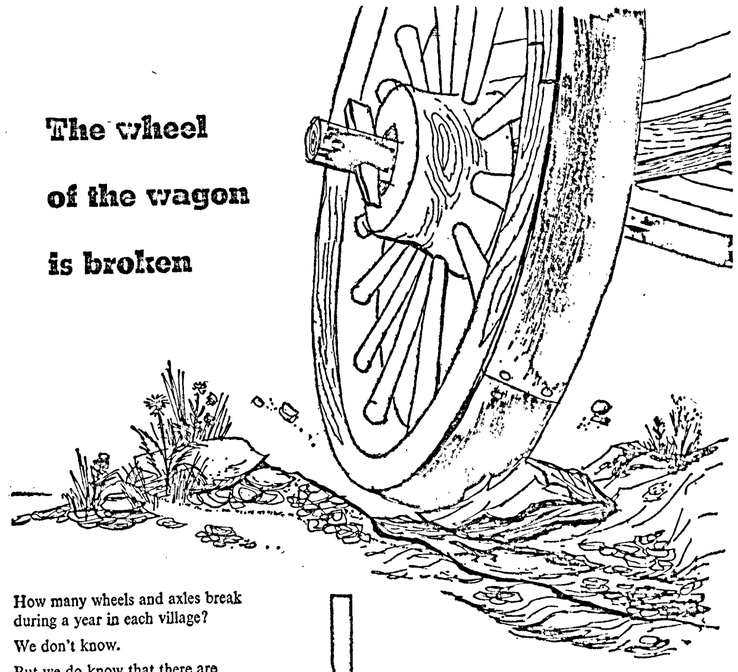
We will also be required to establish and develop proper relationship between our commerce studies and the professional training imparted (or examinations held) by some institutes like the Chartered Accountants. Once commerce education is rationalised and given its due importance, these matters can easily be settled. Probably, in course of time, the M.Com. degree in Accounts and Income-tax may be considered equal to the Chartered Accountants' Examination. A M.Sc. in Statistics is even today comparable to one who passes the examination of the Indian Statistical Institute, Calcutta. Actually, the main function of such institutes should be to develop methodology, carry out experiments, surveys and research and to publish learned papers and journals. In any case, liaison between these institutes and commerce colleges can certainly be gradually established.

A Word of Caution

A word of caution here may not be out of place. Let us not go away with the impression that, after the advocated practical training, our graduates or M.Coms will be fit immediately to take up important practical jobs. No. It may yet be necessary for them to acquire further training in the particular office or establishment that they join and here the "intra-organisational" or departmental training will be given to them to acclimatise them with the particular atmosphere and needs of the individual industrial house or organisation. At Tatas, the new graduates in engineering (which, all will agree, is a highly practical course) are not immediately entrusted with actual operational responsibilities. What Sir J. J. Ghandy, Director-in-Charge of the T.I.S.Co., says, in this connection, is well worth quoting: "It will be necessary that all technicians above supervisory levels should have training for at least a year or more before they are entrusted with actual operational responsibilities." Further, "management training is a continuous process that should cover the entire management cadre in an industry. The neglect of such training indeed carries a price which few organisations can afford in the competitive conditions of today." Equally imperative is the need for executive training both through external and internal resources. Some of the bigger organisations in the country have already made intra-organisational arrangements to train their supervisors." Then, of course, for training for yet higher executive posts, we have the Administrative Staff College, Hyderabad. Thus, our new commerce graduates and post-graduates, with their realistic studies and practical bias, will immediately be able to take up some types of jobs (or start a business or an industrial unit on their own). But, for slightly higher jobs, they will be better equipped to profit by the in-factory training in the industries or other organisations and for yet higher jobs they will, after they have served for some years on responsible posts, be given further training and, ultimately, they can have the benefit of joining the Administrative Staff College, Hyderabad, for equipping themselves with the necessary knowledge, insight and personnel administration techniques for the highest executive posts that the country may have to offer. For all these and at all these stages, our new commerce students should—as they are bound to—be the most suitable persons. We have to bear this in mind and prepare our students accordingly. Our commerce students will also be required for the Industrial Management Pool and the Economic Administration Service. The country faces not only the problem of technical personnel but also the problem of managerial, secretarial, commercial and executive personnel. Commerce education, on right lines, can solve the latter problem.

Commerce education has been growing in importance and dimensions. Out of 31 Indian universities, 25 provide commerce education. In 1956, about 60,000 students were pursuing commerce education at the university level. In the same year, the universities awarded commerce degrees to about 10,000 pupils. The numbers have since increased. We want now the quality and contents to be improved and bettered. Let everyone of us do our bit in increasing the importance and worth of commerce education, so that there emerges an adequate supply of properly trained personnel for managerial, commercial, secretarial and business administration duties in our expanding private and public sectors. Let these personnel also be inculcated with moral values, so that our planning really becomes successful—productive of requisite social welfare!

*Shri M. L. Tannan's article "Banking Education in India" in the *Commerce Annual Review Number*, 1957, gives an interesting account of the early history of our commerce education.



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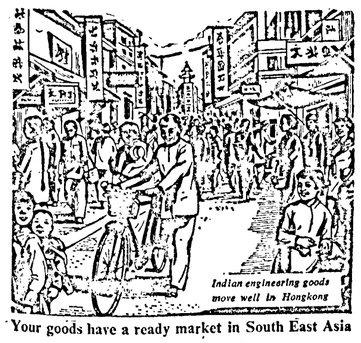

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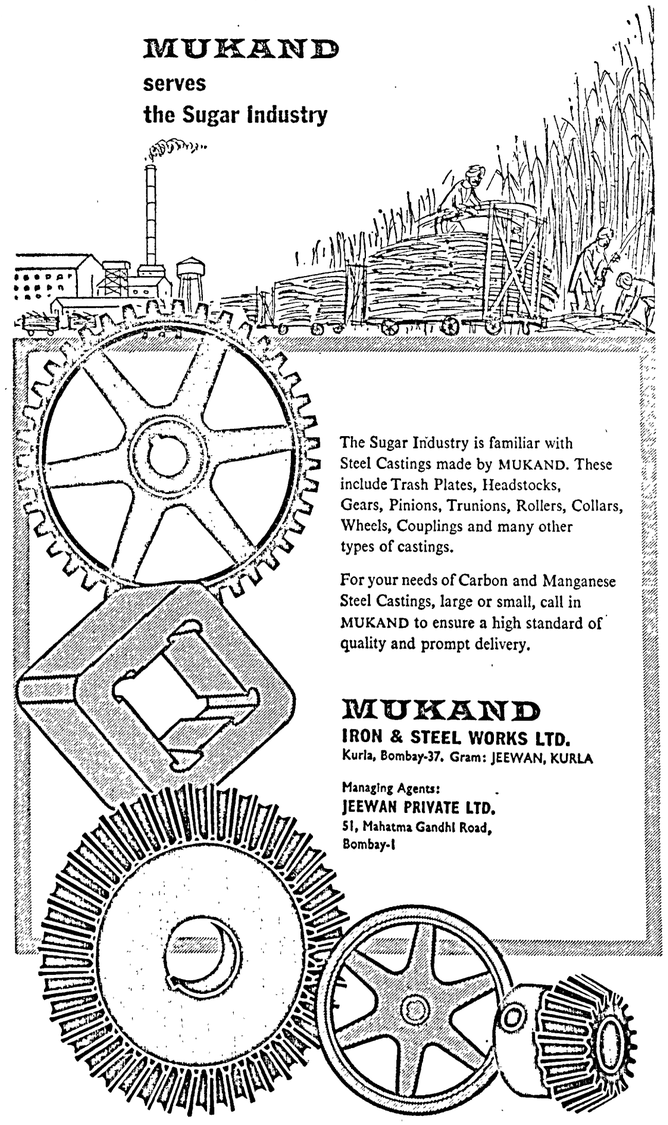

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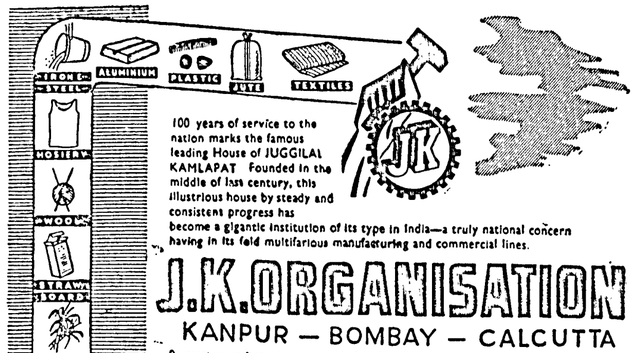

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PETROLEUM INDUSTRY COMPLETES HUNDRED YEARS

WIDE MEASURE OF INTERNATIONAL CO-OPERATION

FITTINGLY, this month's Fifth World Petroleum Congress is being held in New York so as to mark the hundredth birthday of the oil industry in the U.S.A. Oil had been produced at other places before Colonel Drake found oil at Titusville, Pennsylvania, some 350 miles west of New York, on 27th August 1859. But few would contest the claim that this was the genesis of the modern oil industry and the first significant step towards establishing an industry destined to make available a major new source of energy.

Today, it is difficult for a middle-aged westerner to conceive what kind of world his grandfather or great-grandfather lived in—possibly an urban society, yet without any motor vehicles, no oil-burning machinery of any kind, no mineral lubricants, no bitumen-surfaced roads. A visit to some not very remote parts of southern Europe, Latin America, Africa, the Middle East or Far East will readily provide food for his imagination. Much more difficult to bring to mind—and the historians do not help us a great deal here—are the many changes that have occurred down the years in the climate of business and the day-to-day conditions in which we work.

Indeed, change is the evident factor whenever one tries to cast the mind back. Yet we are always in danger of attaching an undue sense of permanency to the present and to that with which we are familar. We insist on believing that past rates of growth of oil consumption will apply in the future, that today's pattern of supply and trade will continue, and that the political-social relations that have proved so fruitful in the West must perforce be the desideratum for the rest of the world. Nevertheless, though unforeseen and unforeseeable change often makes forecasts wrong, there is a sameness in some of the problems that have continually recurred through the industry's life. The tendency to excess production seems to be a chronic trouble often curbed only by accident; unbalanced demand for the various products is a continuing challenge to sales and research staffs; and more and more in evidence is the desire on the part of Governments to exert influence upon any oil operations within their country.

Change and Continuity

A glance back to events within one lifetime will serve to reveal this combination of change and continuity that characterises the oil business. For instance, for a few years round the turn of the century, Russia became the biggest crude producing country. But, from 1902 onwards, Russian production ceased to rise and did not regain its then level of output for 25 years. And the historic Lucas gusher at Spindletop in Texas in 1901 restored the U.S.A. to its erstwhile position as the biggest producer, a position it has continued to hold ever since. Until the Second World War, the U.S.A. was also the world's largest oil exporter, but it has yielded its place to Venezuela and is now by far the biggest importer. For many years, Russian (and to a lesser extent Rumanian) oil played a leading role in the world's markets, only to be eclipsed and now to reappear. And we may recall that, during 1918-27, Mexico was second only to the United States in crude production and a major supplier to the world market. As far back as 1921, Mexico produced 193 million barrels, a higher rate than has yet been achieved in Western Canada. Today's biggest exporting country, Venezuela, did not begin to produce until 1917, and the second largest, Kuwait, until 1946.

It is a striking fact, however, that any country which has once become an oil producer is still an oil producer today. And in very few countries, indeed, where there is now significant production—say, one million tons or more—is today's output lower than in the past. (Only in Hungary and Mexico is production now lower, but, in both, it is now rising.) Some producing areas within countries, of course, have fallen below their previous peaks, as, for example, in the United States, the Appalachian region and California. Today, the Middle East offers very big scope for future expansion and holds two-thirds of the world's reserves. Yet it has come to the fore only in the post-war years. And even a few years ago, the idea that there might be oil in the Sahara was still regarded as a pleasant dream.

Kerosine and Fuel Oil

By contrast with the kaleidoscopic history of world production, the major areas of consumption have throughout been much the same, that is, the industrialised countries. Even in the heyday of the kerosine lamp, Europe was the biggest oil-importing region, as it still is today. Kerosine now accounts for only six per cent. of world consumption, but, when the industry had already passed its half-centenary, kerosine still accounted for over twenty per cent. of all oil consumption, as indeed it still does now in some of the underdeveloped regions. Kerosine displaced whale and vegetable oils for lighting—and the "coal oil" produced in Scotland by James Young—and was itself displaced later by gas and electricity, only to be now finding fresh markets where these competing fuels are abundant. Fuel oil has displaced coal for some uses, and is now being displaced in some areas by natural gas. Oil has become a new raw material for the chemical industry. And in almost every sector of energy consumption, there is a continuing process of substitution between oil and other forms of energy or between different petroleum products.

Of all the agents of change affecting the oil industry, technology is by far the most important. Above all, the application of the internal combustion engine to road transport has been perhaps the most potent agent of development of our age. It has opened the way for markets for motor fuel, which now account for one-third of the industry's trade. It is the development of the various uses of the internal combustion engine, the devising of techniques and equipment for burning oil fuels, and the finding of ways of best applying hundreds of petroleum by-products which have made the continuous big growth of oil demand possible. And the counterpart is the use of many sciences and the application of many technologies in finding and producing oil, and in refining and transporting it. Lending itself so well to the use of new knowledge and skills, it is little wonder the oil industry has itself become a large provider of this new knowledge and skill, and one of the most capital-intensive, and one of the most competitive, industries of our day.

Abundance of Supplies

Those who 100 years ago celebrated the discovery at Titusville could hardly have dreamed that they were witnessing the birth of a world-wide industry on today's scale. And we may well reflect on the complex human motives and efforts that have brought forth the world's present abundance of oil supplies. But in all this, too, there is a change. There are more and more entities in the oil business and, in more and more countries, local oil industries are being developed. Oil resources are more widely spread than was formerly thought and local skills are growing quickly. Yet the very nature of the industry always calls for a wide measure of international co-operation, whether in the exchange of ideas, information and experience, in the buying and selling of equipment and know-how, in the provision of capital and services, or in the supply of crude oil and products to fit in with each country's needs.

Happily, it can be said that, among the oilmen of all countries, there is a basically co-operative attitude, whatever their nationality, creed or race. Without it, this month's Congress could not have been held. Like its highly successful predecessors, it will not only bring new knowledge; it is certain also to promote, among the six or seven thousand oilmen attending from over 50 countries, that spirit of *camaraderie* and appreciation of mutual interest which has contributed so much to the industry's progress, and success.—*By special arrangement with Petroleum Press Service.*

Some Salient Dates in the International Oil Industry, 1859-1959

1859 First oil discovered by drilling in U.S.A. at Titusville, Penn.

1861 First cargo of oil (kerosine) shipped from U.S.A. across the Atlantic, in wooden barrels to the U.K.

1885 Daimler produces his first motor car.

1890 *World production exceeds 100 million metric tons.*

1892 First loaded tanker passes through the Suez Canal.

1893 Exports begin from Indonesia.

1894 First successful solely oil-burning merchant vessel.

1897 Pipeline built from Baku to Batum for export of oil.

1907 Full partnership of Royal Dutch and Shell Transport begins.

1911 Standard Oil Company dissolved by U.S. Supreme Court into 34 separate companies.

1912 First sizable ocean-going diesel ship.

1913 Exports begin from Iran.

1917 Production and exports begin in Venezuela. All private oil properties in Russia confiscated.

1921 Mexico's production reached its peak of some 29 million tons.

1928 U.S. oil companies secure participation in Turkish Petroleum (later Iraq Petroleum).

1929 *World production exceeds 200 million metric tons.*

1930 East Texas field discovered.

1932 Pro-rationing Act becomes law in Texas.

1934 Exports begin from Northern Iraq by pipeline to the Mediterranean.

1937 Catalytic cracking (Houdry) first used commercially.

1938 Foreign oil properties in Mexico nationalised.

1939 Exports begin from Saudi Arabia.

1946 Exports begin from Kuwait.

1947 *World production exceeds 400 million metric tons.*

Discovery of Leduc field in Alberta.

1948 Foreign oil properties in Rumania confiscated.

1949 Platforming (catalytic reforming) first commercially used.

1950 Exports begin through Tapline from Saudi Arabia to the Mediterranean.

1951 Anglo-Iranian's properties in Iran nationalised.

1954 International Consortium begins operations in Iran.

1956 *World production exceeds 800 million metric tons.*

1957 Western Europe's consumption exceeds 100 million metric tons.

Suez Canal nationalised, passage blocked.

1958 *World production exceeds 900 million metric tons* of which U.S.A., 327 million; Middle East, 215 million; Venezuela, 138 million; U.S.S.R., 113 million; all other countries 112 million.

WORLD TANKER SURPLUS

There will be a shortage in the aggregate world supply of oil tankers in 1963, or possibly earlier, in distinct contrast to the substantial surplus at present. This is the forecast of the Iino Kaiun Kaisha, a leading Japanese Shipping Company. The anticipated deficit in 1963 is put at over 2.52 million deadweight tons, as against the surplus of 4.8 million tons in 1959 and 5.30 million tons in 1960. The forecast is based on the following grounds:

1. The world demand for oil in the next 4½ years will rise at an annual rate of 6 per cent.

2. All oil tankers of 25 years' age or over, as well as about 30 per cent. of the 10.75 million tons of war-built tankers constructed between 1943 and 1945, will be scrapped in the next 4½ years; the scrapping will account for nearly 7.5 million tons, representing about 12½ per cent. of the existing world fleet.

3. The scheduled deliveries of new tankers during the next few years are: 7 million tons in 1959, 6 million tons in 1960, 5 million tons in 1961, 4½ million tons in 1962 and 4 million tons in 1963.

4. Cancellation of existing orders by 1963 will aggregate 1,859,000 tons, on the basis of a cancellation or concession to dry-cargo vessels of 20 per cent. of orders placed by independent owners.

Taking all these factors into consideration, the Iino Kalun Kaisha estimates the total world tanker fleet by the end of 1963 at 71.3 million tons, which represents an increase of 13.0 million tons as compared with the present tonnage of 58.3 million. The trend of tanker employment during 1959 and in the next four years is given below:

(In T-2 equivalents*)

	1959	1960	1961	1962	1963
Supply	3,604	3,918	4,132	4,338	4,501
Demand	3,313	3,599	3,910	4,295	4,713
Of which: Ocean-going tankers	2,650	2,879	3,128	3,436	3,770
Coastal tankers	663	720	782	859	943
Surplus or deficit	+291	+319	+222	+ 43	—152

* The T-2 was a general-purpose-size war-built tanker of 16,600 deadweight tons.

NEW PRODUCTS AND PROCESSES

New Use for Cashewnut Shell Liquid

A PROCESS for the manufacture of cation exchange resins from cashewnut shell liquid has been developed at the National Chemical Laboratory, Poona. Large quantities of soft water are required for boilers, textile processing departments, air-conditioning units, ice plants and various other industrial purposes. Natural water contains salts in varying quantities which have to be removed to render water soft. Various materials have been used for water softening and a comparatively recent development is the use of ion exchange resins. In addition to the use of natural zeolites, synthetic resins of various types are being commercially manufactured in foreign countries for use as a water softening agent. Only one type of resin, namely, Carbion, is so far being produced in India for water softening. Now a process for the manufacture of cation exchange resin from cashewnut shell liquid has been developed. The resin can be used both in the sodium form and hydrogen form. In sodium form it can be used in place of zeolites for softening water for boilers and air-conditioning units under certain conditions. In the hydrogen form it can be used in combination with anion-exchange resins for demineralisation of solutions. Economics of the manufacturing procedure has been studied on a pilot plant capable of handling 75 lbs. of cashewnut shell liquid per batch. The equipment and accessories for the two processes are simple and can be easily fabricated locally. Raw materials, except formalin, are available from indigenous sources.

Novel Stove

A novel form of stove for burning either coke or coal has been developed by a Swedish combustion expert. Experiments with the stove are said to have shown that it can achieve combustion percentages of the order of 99.9 per cent. The stove utilises a new type of combustion principle and further investigations into its method of operation and production are currently being carried out in London. At the same time production plans for a prototype unit are being developed in Dublin, Eire. Full details of the method of operation of the stove are being withheld from the public at present, but certain patents have been taken out, and commercial development of the stove is now being carried forward. The stove is said to be both cheap to build and to operate.

Telescope to Probe Age of Universe

Studies made with the 200-inch Hale telescope on Mount Palomar in California have made possible "a more realistic concept of the size and age of the universe," according to a recent report of the California Institute of Technology. The latest estimate of the age of the universe now ranges from 7,000,000,000 to 13,000,000,000 years, according to Dr. Allan S. Sandage of the Palomar Observatory. Geologists of today base their estimates on the decay of radioactive elements in rocks and meteorities. In doing this, they use a method made possible by development of peaceful uses of atomic energy.

Portable Irrigation System

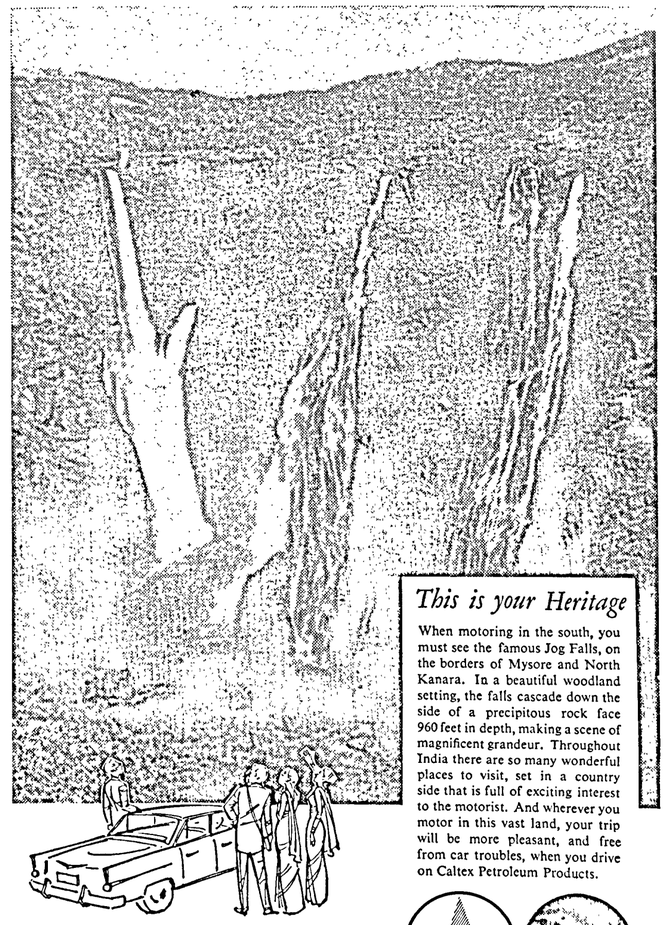
A portable irrigation system, which can be assembled in a few minutes without any tools, has been developed by a British engineer at Evesham, the heart of Britain's market-gardening area. A 200-yard section is sufficient to water three-quarters of an acre and will deliver the equivalent of one inch of rain in four hours. So much interest is said to have been shown in the system—the "Waterboy"—that a first consignment has already been sent to Salisbury (Federation of Rhodesia and Nyasaland). The new watering system has several interesting features, the most important of which is a patented coupling which locks a section of pipe together in a waterproof joint at the flick of a lever. The most striking feature is the precision-built oscillator unit, which automatically moves the water pipes back and forth so that there is an even distribution of water over the whole area. The non-rusting "Waterboy" unit is powered by a tractor-driven pump.

Flame-proof Coal Drill

The hazard of frictional sparking with light alloys on drilling machines has been eliminated by the introduction of a new flame-proof coal drill to be shown at the forthcoming Underground Users Machinery Manufacturers' Exhibition at Olympia, London. The coal drill, developed by a British firm, Victor Products (Wallsend) Ltd., Wallsend, Northumberland, to eliminate the hazards of conventional drill-case materials, has all external parts made from ferrous material containing no aluminium, magnesium, or any other substance even remotely likely to cause an ignition or explosion from a frictional spark. The overall weight is 33 lbs., 10 lbs. less than the standard 50-cycle aluminium coal drill.

New Packaging Material for Fragile Products

A new packaging material for fragile equipment, described as possessing all the useful properties of rubberised hair, has been announced by a British firm, Xetal Products Ltd., Speke Hall Road, Liverpool. Some of its advantages, according to the manufacturers, are that it is virtually unaffected by climatic conditions, is inert to most oils and solvents, has very good aging properties, and does not stain silver. It is much harder than rubberised hair at comparable densities. Made with a new synthetic adhesive, the material was produced after consultations with the British Government about the developing of a cheaper and more efficient means of shielding fragile products against the blows and shocks of land, sea, and air travel. It has already been used extensively for Government contracts involving delivery of electronic and radio apparatus and other delicate equipment.



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ANGLO-SOVIET TRADE AGREEMENT

BOTH CONSUMER AND CAPITAL GOODS COVERED

IN a world split by political squabbles, one way of fostering goodwill and restoring confidence among nations is to promote commercial relations between the countries of differing ideologies. Viewed from this point of view, the five-year bilateral trade agreement between the U.K. and the U.S.S.R. is most welcome. It is also welcome for the reason that, if it leads to a strengthening of the economies of both Britain and Russia, it will indirectly help India, too. The spade-work for the agreement was done during the recent visit of Mr. Macmillan, British Prime Minister, to Moscow. Russia, too, has been keen on developing its trade with Britain. There were detailed trade discussions between the representatives of the two countries for about 10 days, culminating in the signing of the trade pact on 24th May 1959, which would come into force from 1st July.

The agreement is designed primarily to construct a basis on which it would be possible, with goodwill on both sides, to expand Anglo-Soviet trade. The two Governments anticipate a considerable increase in the trade in both directions. Increased sales are expected in the U.K. of traditional and other Soviet goods, including grain, timber and timber products, wood-pulp, manganese ore, asbestos, ferro-alloys, non-ferrous metals, mineral fertilisers, and flex. It is also expected that substantial orders will be placed by Soviet trading organisations for British goods, including equipment for the chemical industry (especially for the manufacture of synthetic fibres and synthetic materials); equipment for the pulp and paper industry; forging; stamping, and casting equipment; metal-working machine tools; equipment for the electrotechnical and cable industry; equipment and instruments for the automation of production processes; pumping, compression, and refrigerator equipment; equipment for sugar-beet factories and other types of equipment for the food industry; equipment for the building industry; light industry, and other branches of industry; as well as industrial products and raw materials customarily bought from U.K. firms.

Exchange of Consumer Goods

Another feature of the pact is that it stipulates, for the first time, an agreed exchange of consumers goods between the two countries. In the first year of the agreement, additional quotas will be granted to the tune of £2 million in each direction, including quotas for new categories of goods. Exports from the Union of Soviet Socialist Republics will include motor cars, cameras, watches, musical instruments, hand-knotted carpets, medicines, toys, handicrafts, tinned crab, matches, vodka, wines and brandies. Exports from the United Kingdom will include motor vehicles; textile manufactures, including cotton textiles, ready-made clothing, knitwear, and hosiery; footwear; floor covering; machine-made carpets; leather goods; medicines; photographic materials; sports goods; musical instruments; toys; cured herring and white-fish.

Although the agreement covers a period of five years, provision has been made for an annual re-examination of its working. Both the Governments will meet once in every year in London and Moscow alternatively and take stock of the experiences, with a view to improving mutual trade relations. The pact also provides for exchange of information among the organisations and business concerns of both the countries. The two Governments will enter into talks, not later than the first half of 1960, for the conclusion of a treaty of commerce and navigation to replace the temporary commercial agreement of 1934. It is stated that Russia has agreed to do nothing that will disrupt the present price pattern in the U.K. by way of dumping Soviet goods. The anti-dumping laws in the U.K. will be applicable to offending Soviet goods, if any, as in the case of goods from other countries.

Observers in London are hopeful that there will be a perceptible improvement in the trade between the two countries even in the first year. Although no definite figures have been worked out, Sir David Eccles, President of the U.K. Board of Trade and the leader of the mission which negotiated the deal at Moscow, said that the imports of Soviet goods would rise from about £57 million last year to about £80 million in the current year. While it was impossible for him to predict Russian purchases of British goods, he was confident that last year's figure of about £25 to 30 million of direct exports to the U.S.S.R. "will go up all right." Proceeding, he observed that care had been taken to prevent commonwealth trade from being injured by the new agreement.

No Provision for Credit

Comments in the British Press suggest that Russia was keen on getting sizable credit from the U.K. Government to finance large purchases of British-made capital goods and also in selling its surplus oil, but that it has not succeeded in realising these objectives. According to London advices, it had been made clear to the U.S.S.R. that the U.K. would not be granting Government credit to cover Soviet purchases, and that the U.K. Government feels that the members of the Commonwealth, particularly the underdeveloped countries, have a prior claim for British credit. This is, of course, the unanimous verdict of the British Press as well. Nevertheless, the U.K. will help the U.S.S.R. to get commercial credit through the Export Credits Guarantee Department. It may be noted that the E.C.G.D. does not advance credit but only provides insurance facilities on a strictly commercial basis. This enables the exporter in Britain to get credit from his bank. In this way, Russia can manage to raise a sizable amount of commercial bank credit in the U.K.

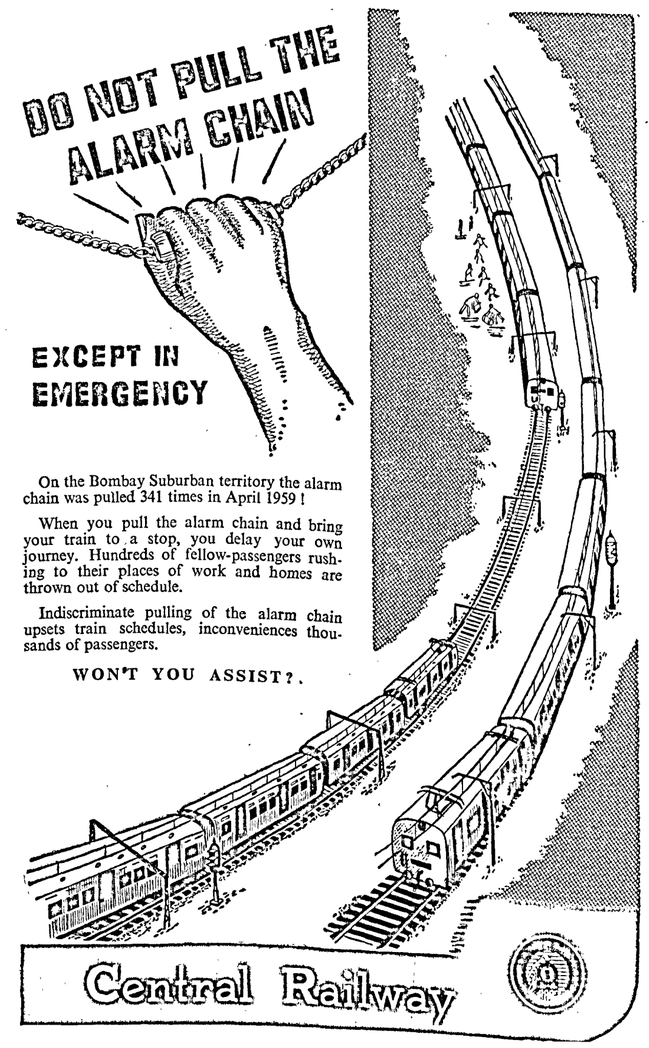
Russia might have been disappointed in not being able to get credit facilities and sell oil to Britain. But it has other reasons to feel satisfied with the outcome. In the first place, it has realised the long-cherished object of entering into a bilateral trade agreement with the U.K. —one of the few W. European countries without a trade agreement with it till now. This has great propaganda value, especially as the U.S. has been consistently refusing to conclude a similar agreement with Russia. Secondly, there has been a growing realisation in the U.S.S.R. of the need for concentrating attention on producing consumer goods. A major part of its imports from the U.K. will be either consumer goods or machinery for making them. These imports will have the additional advantage of serving Russia's Seven-year Plan. Again, Russia has still not ruled out the possibility of getting sizable credit from the U.K. It is believed that, in course of time, the E.C.G.D. will accommodate Russia in some form or other. It is significant that Sir David has stated that the British Government would watch how Soviet credit requirements developed.

U.K's Reaction

British industry and trade are said to be happy over the outcome. Britain has been striving hard to find new outlets for a wide range of its manufactures in order to utilise its surplus industrial capacity and to maintain a high level of employment. The representatives of automobiles, cotton and other textiles seem to share the view that there is good scope for promoting the sale of their goods in Russia.

Commenting on the prospects for exports of British goods to Russia, Sir David Eccles stated that Lancashire might get a "foot in the door" in Russian trade. Exports of textiles would be on a small scale in the initial stages, but quotas could be reviewed every year to make neces-

(Continued on page 970)



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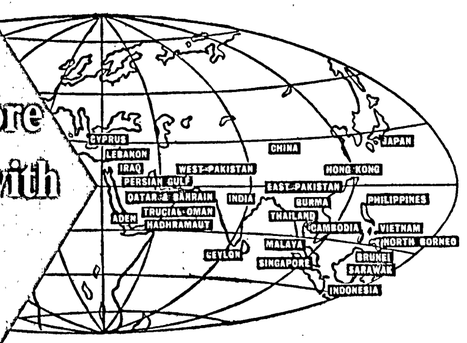

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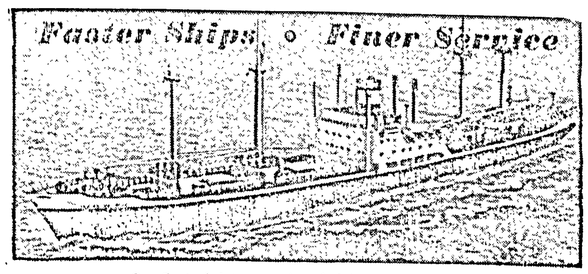

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8 JUN 1959

TRAVANCORE RAYONS' RESULTS HEARTENING

PROFIT AT A RECORD LEVEL—EXPANSION PROGRAMME IN FULL SWING

THE performance of Travancore Rayons Ltd. (Managing Agents: Messrs. Emcete and Sons (Travancore) Private Ltd., Rayonpuram, Kerala State) during the year ended 31st December 1958 has been impressive. The Company's production, sales and profit have all gone up substantially to touch new high levels, with the result that it has been able not only to strengthen its financial position by retaining as much as 66 per cent. of its net profit in business but also enhance the dividend level on ordinary shares from 10 per cent. to 12½ per cent.

The output of rayon yarn and cellulose film reached 9.24 million lbs. during the year under review, representing an increase of 3.73 million lbs. over the year, thus more than making good the setback noted in the previous year, when production fell from 7.07 million lbs. to 5.51 million lbs. Both rayon yarn and cellulose film have contributed to the increase in production. There was, no doubt, an addition of 1.8 tons per day in the capacity of rayon yarn production. No less a favourable factor to the larger production during the year was the satisfactory supply position of raw materials. The Directors record with gratitude the Government of India's assistance through the necessary licences for import of raw materials, in spite of foreign exchange difficulties, in order to maintain continuous production. Though there was some delay in getting the licences, production went on satisfactorily.

The sale proceeds show an increase from Rs. 2.55 crores to Rs. 3.28 crores. The gross profit has gone up by nearly 64 per cent., that is from Rs. 60.25 lakhs to a peak of Rs. 98.64 lakhs, in refreshing contrast to the fall of Rs. 10.11 lakhs noted in 1957 from the previous record of Rs. 70.36 lakhs, thus reflecting the full effect of the Company's expansion programmes. The managing agency remuneration takes up Rs. 6.66 lakhs, as against Rs. 3.01 lakhs for 1957. The provision for depreciation has been raised from Rs. 34.55 lakhs to Rs. 37.39 lakhs. With this, the unabsorbed depreciation has been wiped off and, for the first time, the Company's profit has become taxable with effect from the year under review. The Directors have not, however, made any provision for this liability out of the year's earnings. They propose to meet this out of the deferred taxation reserve built up in earlier years and now standing at Rs. 30 lakhs.

The net profit for the year under review amounts to Rs. 53.51 lakhs, as compared with Rs. 21.64 lakhs for 1957. Thanks to the substantial rise in net profit, the Directors have stepped up the transfer to the general reserve from Rs. 10 lakhs to Rs. 30 lakhs and have also created a development rebate reserve, with an allocation of Rs. 5.80 lakhs, and a gratuity reserve with Rs. 1 lakh. The distribution on ordinary shares is being raised to 12½ per cent. per annum from 10 per cent. paid for each of the previous two years. The Company, it will be recalled, began remunerating its shareholders in 1953 with a maiden dividend of 5 per cent. Since then it has successively raised the return to them, except last year when it was unchanged at 10 per cent.

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

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	3,28.29	2,55.50	1,93.60	1,95.43
Closing stocks	18 29	18.03	61.22	25.76
Raw materials consumed ..	1,05 29	67.98	80 39	71.62
Excise duty	14.70	9 07	..	..
Other expenses	1,11.05	75 87	70 03	62.57
Gross profit	98 64	60 25	70 36	56.43
Managing Agents' remuneration	6.66	3.01	3.57	2.45
Provision for—				
Depreciation	37.39	34.55	34.29	27.08
Taxation	1.08*	1 05*	..	..
Net profit	53.51	21 64	32.50	26.90
To reserves	35.80	10 00	20.00	14.00
,, gratuity reserve ..	1.00	..	..	..
,, donation	1.50	..	..	1.50
Dividends—				
5 per cent. preference ..	2.50	2.50	2 50	2 50
Ordinary	12 50 (12½%)	10 00 (10%)	10 00 (10%)	7 50 (7½%)
Carry forward	1 98	1.78	2.64	2 64

* Wealth tax only.

With the substantial improvement in its earnings, the Company's financial position has become quite comfortable. Its paid-up capital is unchanged at Rs. 1.50 crore ever since its inception, despite the vast expansion it has made during the period. The reserves and surplus stand at the impressive level of Rs. 19 lakhs. The borrowings from banks, which had stood at Rs. 32.49 lakhs as at the close of 1957, have been completely repaid and those from the Kerala State Government have been reduced from Rs. 27.50 lakhs to Rs. 15 lakhs. The other liabilities and provisions aggregate Rs. 47.26 lakhs. The additions to gross block during the year under review were Rs. 31.61 lakhs, of which plant and machinery alone account for Rs. 30.62 lakhs. The gross value of the block account as at the end of 1958 is Rs. 417.25 lakhs, on which depreciation provided so far amounts to Rs. 230.18 lakhs, so that the net block stands at Rs. 187.07 lakhs. The other assets aggregating Rs. 142.11 lakhs exceed the current liabilities and provisions by Rs. 61.85 lakhs. Even after the substantial reduction in borrowings, the cash balances as at the end of the year amount to Rs. 54.32 lakhs, which are readily available to meet the expansion costs, tax payments, dividends, etc.

The Company raised its installed capacity of rayon yarn during the year, by 1.8 ton per day by installing six spinning machines, bringing the total capacity to 8.6 tons per day. It is proposed to increase it by another five tons and the matter is under correspondence with the Government of India for the necessary permission. The Company has received permission to set up a plant for producing cellulose film with a capacity of about 2,000 tons per annum. The plant is expected to go into production by the middle of next year. Besides, a sulphuric acid plant, with a daily capacity of 50 tons, has been received at site and is now in process of erection. It will be commissioned by August this year. The second moisture-proofing plant is due to be shipped now and production in this section is expected to commence before the end of this year. When the expansion schemes are completed, the Company will be one of the largest manufacturers and exporters of cellulose products in India.

In view of the good outlook, the shares of the Company (Rs. 10 paid up) have been ruling steady at Rs. 21.22 *cum-div.*, despite the general setback in the share market during the last few days. At the beginning of the year, they had stood at Rs. 16 and a year ago at Rs. 14.10. On an *ex-div.* basis and at the current rate of dividend, the shares provide a yield of 6.3 per cent. per annum.

NATIONAL RUBBER MANUFACTURERS LTD.

The first full year of working of the National Rubber Manufacturers Ltd. (Managing Director: Mr. K. N. Mookerjee, Calcutta), namely, the one ended 31st December 1958, after it was converted into a public limited concern in November 1957, proved to be one of progress in production and sales. Thanks to the coming into production towards the end of 1957 of some of the new plant and machinery under the expansion programme launched during the year, the Company's output recorded an increase and its sales (in terms of value) rose by 24 per cent. over that in 1957, that is, from Rs. 1.32 crore to Rs. 1.63 crore. The profit, however, has not kept pace with the increase in turnover. On the contrary, it is a shade lower, the gross profit having fallen from Rs. 7.19 lakhs to Rs. 6.86 lakhs. This was due to the rising cost of production, particularly under the heads of raw materials, stores and maintenance, and reduction in the selling prices of certain products on account of competitive market conditions. While the gross profit has fallen only fractionally, its ratio to sales has declined from 5.4 per cent. to 4.2 per cent.

In contrast the net profit is a shade better at Rs. 3.95 lakhs, as compared with Rs. 3.46 lakhs earned in 1957, mainly on account of the lower provision for taxation, which has been reduced from Rs. 1.53 lakh to Rs. 48,463. This is made up of Rs. 35,000 towards wealth tax for 1958 and Rs. 13,463 towards adjustment of short provisions for previous years, the corresponding allocations made last year being Rs. 22,000 and Rs. 1,062, respectively. No provision for income-tax has been made in respect of 1958, while a sum of Rs. 1.30 lakh had been set aside a year ago. This is evidently due to the rebate which the Company is entitled to on its expansion scheme. After raising the provision for depreciation from Rs. 2.20 lakhs to Rs. 2.43 lakhs, the Directors have credited Rs. 3.22 lakhs to the development rebate reserve. Following this, they have had to draw Rs. 2 lakhs from the dividend equalisation fund (which was set up two years ago with a similar allocation) to pay a dividend of 6 per cent. on the increased ordinary capital of Rs. 50 lakhs (less calls in arrears), raised by calling up the uncalled liability on the new shares. The dividend rate for 1957 was 10 per cent. Although it is lower for 1958, the amount taken up is a shade larger.

The following comparative table shows the Company's progress in the last two years:

(In lakhs of rupees)

	For the year ended 31st December		
	1958	1957	1956
Sale proceeds (net)	1,63.46	1,32.17	1,09.93
Closing stocks of finished goods and work-in-progress	44.26	27.13	21.43
Raw materials, stores and spares consumed	1,14.42	84.68	78.20
Other expenses	60.81	47.43	33.29
Gross profit	6.86	7.19	6.80
Provisions for—			
Depreciation	2.43	2.20	1.81
Taxation	0.48	1.53	1.50
Net profit	3.95	3.46	3.49
Excess provision for taxes written back	..	..	0.57
Transfer from reserves	2.00	..	..
To reserves	3.22	..	2.00
Dividends—			
6 per cent. preference	0.57	0.02	..
Ordinary	2.99 (6%)	2.99 (10%)	1.60 (20%)
Carry forward	0.97	1.80	1.27

With the increase during 1958, the average annual sales turnover of the Company for the four years 1955 to 1958 reached Rs. 1.27 crore, having nearly doubled itself from that of Rs. 66 lakhs for the previous four years, reflecting the progressive expansion in the Company's activities. The Directors expect the sales turnover to increase to Rs. 2 crores during the current year and to the target of Rs. 3 crores in 1960. As was indicated earlier, cost of raw materials, stores and spares has gone up nearly Rs. 30 lakhs. Among the other expenses, freight and transport charges show a rise of Rs. 1.93 lakh, customs duty Rs. 2.37 lakhs, excise duty nearly Rs. 2 lakhs, salaries, wages, etc., Rs. 4 lakhs and miscellaneous expenses Rs. 1.10 lakh.

The Company's paid-up capital of Rs. 59.35 lakhs is supplemented by reserves and surplus amounting to Rs. 8.19 lakhs. The outstanding unsecured loans at the end of 1957 (Rs. 7.02 lakhs) have been repaid, while secured borrowings from banks and the West Bengal Financial Corporation have increased from Rs. 36.59 lakhs to Rs. 55.35 lakhs. The other current liabilities and provisions stand at Rs. 29.82 lakhs. An additional capital expenditure of Rs. 22.37 lakhs was incurred during the year under review; this represented 44.5 per cent. of the total expenditure up to the end of 1957 and more than 100 per cent. of their net value as at the close of the year. The gross block at the end of 1958, at Rs. 72.59 lakhs, stands written down to Rs. 41.55 lakhs. The other assets aggregate Rs. 111.16 lakhs, exceeding the current liabilities and provisions by Rs. 30.99 lakhs.

Substantial progress was achieved during the year in implementing the Company's latest phase of expansion programme. The bulk of the plant and machinery ordered was received and partly installed. The expansion of installed capacity, in respect of products like cycle tyres, industrial V-belts and fans belts, was fully achieved. The production of cycle tubes has now been taken in hand and additional capacity will be installed during 1959 for the manufacture of substantial quantities of transmission and conveyor belting.

OSMANSHAHI SUFFERS LOSS AGAIN

For the second year in succession the Osmanshahi Mills Ltd. (Managing Agents: Messrs. Bansilal Bisesardas Private Ltd., Hyderabad) has suffered a sizable loss and has had to draw on the reserves to wipe it out. The accounts of the Company for the year ended 30th September 1958 show a loss of Rs. 10.26 lakhs, on top of a deficit of Rs. 8.55 lakhs in 1956-57. The loss for the year under review has been arrived at after taking into account a profit of Rs. 1.66 lakh earned on sale of shares of the Azam Jahi Mills Ltd. held by the Company, so that the actual loss on trading is as much as Rs. 11.92 lakhs. The Directors have added a sum of Rs. 45,000 to the development rebate reserve, raising the net loss, subject to provision for depreciation, to Rs. 10.71 lakhs. The Directors have, as already mentioned, drawn a like sum from the general reserve to cover the loss, the aggregate sum drawn in the last two years for this purpose being Rs. 19.13 lakhs. In view of the heavy loss, the Company has not been able to provide anything for depreciation this year also, the accumulated arrears of depreciation up to the end of September 1958 being Rs. 65.29 lakhs, excluding initial depreciation amounting to Rs. 19.40 lakhs. It has also had to skip over the dividend for the second year in succession.

The adverse results for the year under review are not surprising, in view of the uneconomic working of the industry as a whole and particularly when the Company had already had a lean period in 1957. The Directors regret that they could not do any better than what the accounts show.

Following the withdrawal of a sum of Rs. 10.71 lakhs, the reserves and surplus of the Company stand at Rs. 29.31 lakhs, as against a paid-up capital of Rs. 87.23 lakhs. Borrowings from banks have been reduced from Rs. 77.42 lakhs to Rs. 59.56 lakhs, but other liabilities and provisions, at Rs. 22.94 lakhs, are higher by Rs. 4.02 lakhs. The gross block of the value of Rs. 176.87 lakhs has been written down to Rs. 109 lakhs, the depreciation provided so far being no more than Rs. 67.87 lakhs. The other assets amounting to Rs. 90.04 lakhs more than adequately cover the current liabilities and provisions.

The Directors have considered it desirable and necessary, in the interests of the Company, to effect considerable renovation and modernisation of the old machinery of the mills. The cost of renovation and modernisation is estimated at Rs. 12 lakhs. In addition to the finance required for this purpose, the Company is in need of Rs. 1 lakh being the erection charges of new machinery and Rs. 12 lakhs as working capital. The aggregate sum of Rs. 25 lakhs is proposed to be borrowed against the issue of debentures of the value of Rs. 100 each, carrying interest at the rate of 7½ per cent. per annum, secured by a first mortgage of the fixed assets of the Company. The debentures are redeemable after five years. The debenture holders will have the option to convert their debentures into ordinary shares in the ratio of one share for each debenture, after giving three months' notice. In order to provide for the exigency of all the debentures being converted into ordinary shares, the authorised capital of the Company is being sought to be raised from Rs. 1 crore to Rs. 1.25 crore. Negotiations are going on for getting the debentures underwritten. The Company has no debenture capital at present.

Messrs. Bansilal Bisesardas Private Ltd. took over the managing agency of the Company with effect from 9th May 1958 from the Industries (I.F.) Department, Government of Hyderabad, which had to relinquish the office, as the mill came within the State of Bombay following the reorganisation of States.

MODERN MILLS LTD.

The extremely difficult conditions in cloth trade, particularly in coarse and medium varieties during 1957-58, have had an adverse effect on the earnings of the Modern Mills Ltd. (Managing Agents: Messrs. N. Sirur & Co. Private Ltd., Bombay) for the year ended 31st October 1958. The bulk of the Company's products is of the coarse and medium category which had to be sold at unremunerative prices. The effect of this development is fully reflected in gross profit which has dropped to Rs. 5.03 lakhs from Rs. 8.65 lakhs, to which level it had declined in 1956-57 from Rs. 18.54 lakhs earned in 1955-56. Thus, within a short span of two years, the Company's profit has dwindled by 70 per cent., taking it to the lowest level since 1952-53.

After providing for Managing Agents' remuneration of Rs. 44,525 (as against Rs. 53,577 for 1957), for depreciation Rs. 3.37 lakhs (Rs. 3.37 lakhs) and for taxation—wealth tax—Rs. 42,545 (Rs. 44,145), the net profit for the year comes to a mere Rs. 79,217, as compared with Rs. 4.30 lakhs for the previous year and Rs. 12.08 lakhs for 1955-56. This is supplemented by drawing Rs. 3.50 lakhs from general reserve and Rs. 1.65 lakh from machinery rehabilitation reserve and writing back Rs. 11,743 being the excess provision for taxation made in previous years. The Directors have added Rs. 1.20 lakh (Rs. 1.09 lakh) to the gratuity reserve and Rs. 2.19 lakhs to the development rebate reserve (*nil*). They have also recommended a dividend of Rs. 3 per share (of Rs. 50 each) or 6 per cent. on the enhanced capital of Rs. 46.47 lakhs, raised during the year by capitalising Rs. 13.28 lakhs out of the share premium account and issue of two shares for every five. The dividend for the previous year was 10 per cent. paid on a paid-up capital of Rs. 33.19 lakhs. On the old capital, the distribution of 1957-58 represents a dividend of 8.4 per cent.

The paid-up capital of the Company, at Rs. 46.47 lakhs, raised by the issue of bonus shares, as stated above, is supplemented by reserves and surplus amounting to Rs. 30.36 lakhs. These include a sum of Rs. 2.80 lakhs being the balance on share premium account. The Company has spent Rs. 13.37 lakhs on additions to the block account, bringing the total cost to Rs. 141.23 lakhs. The depreciation provided so far is almost 50 per cent., at Rs. 70.57 lakhs, so that the book value of the fixed assets is no more than Rs. 70.66 lakhs. The other assets aggregate Rs. 99.98 lakhs, as against which the current liabilities and provisions amount to Rs. 71.26 lakhs. The Company has also a debenture loan of Rs. 12 lakhs secured by fixed assets.

The Company is one of those very few, if any, which had long ago introduced in its capital structure the class of shares, called employee shares, which we had commended in our issue dated 23rd May 1959 (*vide* page 851). The number of such shares is only 4,500 and their face value is no more than Re. 1 each, as against Rs. 50 each of the ordinary shares. It must, however, be noted that these shares so far remain unissued.

FIAT MOTORS

Fiat S.p.A. Turin (Italy), the world-famous producers of Fiat cars, earned a profit of 16,631,218,276 lire in 1958. The Directors have declared for the year a dividend of 80 lire per share. The main features of the Company's achievements in 1958 are:

(1) 341,252 cars and commercial vehicles (315,029 cars) were produced, that is, 35,132 more than in 1957; (2) 16,315 farm and industrial tractors were turned out, half of which were exported; (3) 650,000 tons of ingot steel were produced; and (4) total sales aggregated 373,000 million lire (23,000 million lire more than in 1957); (5) 145,500 cars were exported (an increase of 34,000 over the preceding year) to 112 markets in every continent, the total value of exports being 113,000 million lire (18,000 million lire more than in 1957).

Fiat employs at present 80,000 people, including 61,512 factory workers.

The production of Fiat cars is at a high European level, at present about 1,600 units a day. Sales of Fiat models 500, 600, 1100, 1200 are steadily growing in Italy and abroad. The Company recently introduced the new 1800 (also available with a 2100 c.c. engine) at the Geneva Motor Show. Fiat's aviation production is developing under the sign of the success of the "G 91" jet aeroplane, winner of the N.A.T.O. competition.

NOTES FROM WEST GERMANY

CONCENTRATION OF ECONOMIC POWER

(From A Correspondent)

COLOGNE, *29th May*

THE top level grouping of independent business men in West Germany devotes its annual meeting this week to such issues as economic concentration and economic power in a free enterprise economy as well as to the discussion of measures for the promotion of small and medium-sized enterprises. Known as the A.S.U. (Arbeitsgemeinschaft Selbstandiger Unternehmer), this grouping now has some 1,000 members who simultaneously own and manage their mostly small or medium-sized companies. The A.S.U. is not an employers' association engaging, for instance, in collective bargaining. Instead, it serves its members as a respected platform for opinions on important matters of economic and social policy.

Industrial concentration is an old-timer among the economic and political issues in many countries. The problem itself is widely recognised by German business of all sizes. Nobody disagrees on the necessity and the desirability—from many points of view—of maintaining and developing a sound business structure embracing healthy small and medium-sized businesses. The system of free enterprise is working—basically—for a natural division of labour between "Big" and "Small," as can be seen in all free societies. There is a necessity for large enterprises, of course, and also for many mergers. But the very development of larger firms usually gives birth to quite a few small and medium-sized firms, serving either as very able and specialised suppliers, or as similarly specialised processors, not to speak of the wealth of independent firms developing in "tertiary industry," such as trade, wholesaling, and the service industries in general.

The problem deserves careful investigation, of course, particularly since the Common Market in Europe will speed up the process of specialisation. But the example of the U.S. market clearly shows the unchanged importance of small or medium-sized businesses, acting as indispensable suppliers or as processors, in close interaction with larger firms. It should not be denied, however, that unfavourable influences upon small business may result from such obstacles as discriminatory tax systems. Full agreement exists, therefore, on the necessity of adjusting the W. German tax structure, in order to eliminate all possible obstacles to an "equal start for everybody."

In the final analysis, there cannot be one-sided growth, either of "Big" or of "Small" alone. Mutual growth rather than one-sided and artificial growth or retardation is at stake in all free societies. Mutual growth must unite business of all sizes in a common stand against the real threat of our time, the ruthless concentration of economic power in the Communist orbit aiming at world domination.

* * * * *

Denationalisation plans for the Volkswagen Works are being closely studied by the West German Government. The Volkswagen Works are, it is said, the third State-owned enterprise to be "privatised" by the issue of people's shares, patterned after the successful "Preussag" scheme. The second enterprise on the denationalisation list will be the Federal Republic's VIAG concern, owning, among others, aluminium works and power plants. The VIAG's present capital stock amounts to 200 million DM. It is planned to increase this stock to a total of 400 million DM, of which 100 million DM would be offered to the public this year by selling "people's shares."

W. Germany's precision instruments and optical goods industry shipped goods worth 233 million DM abroad during first quarter of this year, representing an increase of one per cent. over the shipments. Imports of precision instruments and optical goods, however, went up by 13 per cent. to 31 million DM. Bestseller of the industry were cameras totalling 80 million DM (73 million in first quarter of 1958), followed by precision instruments: 50 million DM (59 million), and watches: 46 million (50 million). Precision instruments had the lead in imports (10 million DM, as against 7 million the year before), followed by watches (9 million DM, down 2 million DM) and optical goods without cameras (7 million DM, up 2 million DM).

COMPANY MEETINGS AND DIVIDENDS

TRAVANCORE RAYONS LTD. Annual General Meeting, Rayonpuram, Kerala State, 18th June 1959. Dividend: 12½ per cent. or Re. 1.25 per share. Transfer books remain closed from 26th May to 20th June 1959, both days inclusive.

OSMANSHAHI MILLS LTD. Annual General Meeting, Hyderabad, 19th June 1959. Dividend: *Nil*. Transfer books remain closed from 25th May to 19th June 1959, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting, Bombay, 22nd June 1959. Dividend: Rs. 10.00 per share, payable on and after 22nd June 1959. Transfer books remain closed from 2nd to 22nd June 1959, both days inclusive.

KUNCHUNPORE TEA CO., LTD. Annual General Meeting, Calcutta, 23rd June 1959. Dividend: *Nil*. Transfer books will remain closed from 16th to 23rd June 1959, both days inclusive.

OKAYTI TEA CO., LTD. Annual General Meeting, Calcutta, 24th June 1959. Dividend: Rs. 32.50 per share. Transfer books will remain closed from 17th to 24th June 1959 both days inclusive.

RUNGLEE RUNGLIOT TEA CO., LTD. Annual General Meeting, Calcutta, 24th June 1959. Dividend: Rs. 30.00 per share. Transfer books will remain closed from 17th to 24th June 1959, both days inclusive.

JEWANLAL (1929) LTD. Annual General Meeting, Calcutta, 25th June 1959. Dividend: *Nil*. Transfer books will remain closed from 18th to 25th June 1959, both days inclusive.

NATIONAL RUBBER MANUFACTURERS LTD. Annual General Meeting, Calcutta, 26th June 1959. Dividend: 6 per cent. or Re. 0.60 per share. Transfer books will remain closed from 15th June to 4th July 1959, both days inclusive.

BRUSHWARE LTD. Annual General Meeting, Kanpur, U.P., 26th June 1959. Dividend: Re. 0.50 per share.

PICKERS LTD. Annual General Meeting, Ahmedabad, 27th June 1959. Transfer books will remain closed from 12th to 27th June 1959, both days inclusive.

SAVAMALAI ESTATES LTD. Annual General Meeting, Calicut, Kerala State, 4th July 1959. Dividend: 12½ per cent. or Re. 0.25 per share. Transfer books will remain closed from 27th June to 4th July 1959, both days inclusive.

TEXTILE MACHINERY CORPORATION LTD. Annual General Meeting, Belgharia, 24-Parganas, West Bengal, 7th July 1959. Dividend: Re. 1.50 per share, free of income-tax. Transfer books will remain closed from 23rd June to 7th July 1959, both days inclusive.

SEN-RALEIGH INDUSTRIES OF INDIA LTD. Dividend of 6 per cent. on the ordinary shares, or Re. 0.60 per share, for the year ended 30th September 1958. Transfer books will remain closed from 15th to 29th June 1959, both days inclusive.

SRI BALASUBRAMANIA MILLS LTD. Dividend of 10 per cent. or Rs. 4.00 per ordinary share and Rs. 7.00 per share on 'B' ordinary shares, for the year ended 31st December 1958. Transfer books remain closed from 4th to 18th June 1959, both days inclusive.

SRI RAMAKRISHNA MILLS (COIMBATORE) LTD. Dividend of 16 per cent. or Rs. 16.00 per share, for the year ended 31st March 1959.

BANGALORE PRINTING AND PUBLISHING CO., LTD. Dividend of 10 per cent. or Re. 1.00 per share, for the year ended 31st December 1958. Transfer books will remain closed from 15th to 27th June 1959, both days inclusive.

HIGHLAND PRODUCE CO., LTD. Dividend of 15 per cent. or Re. 1.50 per share, for the year ended 31st December 1958.

PODAR MILLS LTD. Dividend of Rs. 18.00 per share (includes a special bonus of Rs. 8.00 per share), for the year ended 31st December 1958. Transfer books will remain closed from 23rd June to 16th July 1959, both days inclusive.

JYOTI LTD., (BARODA). Dividend of Rs. 12.00 per share, for the year 1958, payable on and from 16th July 1959. Transfer books will remain closed from 19th to 29th June 1959, both days inclusive.

NEW GREAT INSURANCE CO. OF INDIA LTD. Dividend of Rs. 2.00 per share, free of income-tax, for the year ended 31st December 1958. Transfer books will remain closed from 25th June to 11th July 1959, both days inclusive.

COMPANY REGISTRATIONS

GLOBE THEATRES PRIVATE LTD. (First Director: Mr. K. A. Kooka). Business: Management of theatres, music hall, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Capitol Cinema Building, Victoria Terminus, Fort, Bombay.

MEHTA LEONARDT PENS PRIVATE LTD. (First Director: Mr. Ramnath Mehta). Business: Manufacture of steel pens, stationeries of all types, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Registered office of the Company will be situated in the State of Bombay.

TECHNI-GLASS PRIVATE LTD. (First Director: Mr. B. Tolasingh). Business: Manufacture of all kinds of glass products. Authorised capital: Rs. 5,00,000. Private company. Address: Kasturi Buildings, Jamshedji Tata Road, Bombay-1.

SHANTI LEENA PRIVATE LTD. (First Director: Shrimati Shantibai Chandrakant Khatau). Business: Importers, exporters, manufacturers and dealers in merchandise goods, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 6, Laxmi Buildings, Ballard Road, Bombay.

GUEST, KEEN, WILLIAMS, LIMITED

MANAGING DIRECTOR, MR. WILLIAMS, REVIEWS PROGRESS

CAUTIOUS OPTIMISM ABOUT CURRENT YEAR'S RESULTS

THE Twenty-ninth Annual Meeting of Guest, Keen, Williams, Limited was held at Calcutta on 29th May 1959. In the course of the annual statement to the shareholders circulated on the occasion, Mr. H. M. L. Williams, Managing Director of the Company, said that the profit-earning contribution of the new units of the Company, which were expected to go into production before the end of the current year, to this year's trading results was not likely to be large, but, he added, unless unforeseen circumstances occur, the year's results could be expected to show "some valuable consolidation and pave the way for real improvement twelve months from now."

The following is the full text of Mr. Williams' statement:

"GENTLEMEN,

"The Directors' report and statement of accounts have been circulated and I propose, with your permission, that they be taken as read. Before proceeding with the formal business of the meeting I would like to review some of the more important events which have affected your Company during the last trading year and since our last annual general meeting.

"It is with regret that I report the retirement from the Board of Mr. K. C. Mahindra. Your Company has been fortunate in enjoying the benefit of Mr. Mahindra's advice ever since 1956 when he joined the Board. He now leaves us due to the many other pressing calls on his services, and I would like to place on record my appreciation of his assistance; his understanding and experience of modern business problems have been of great help to the Board and of inestimable value to the Company. The vacancy created by Mr. K. C. Mahindra's retirement, it is proposed, shall be filled by the appointment to the Board of Mr. S. L. Dass, who has signified his willingness to accept office.

Full-time Directors

"In the notice of the meeting you will read that it is intended to elect to the Board two more full-time Directors. The explanatory statement accompanying the notice sets out the reasons for these appointments; in view of the expanding nature of the Company's business and to cater for impending retirement, I commend to you the need for these appointments.

"Trading in 1958 generally followed the upward trend of the previous years, but due to the shortage of foreign exchange supplies of imported steel were again insufficient and irregular, resulting in some of the production units not being worked to their full potential.

"Although the income of the Company in 1958 was about 13 per cent. higher than in the previous year, profits have not been maintained at the same level. The rising trend in manufacturing expenses and salaries and wages, already evidenced in 1957, continued throughout 1958; the increase of salaries and wages alone was 13 per cent. of the 1957 figures. The surplus before taxation is lower than that of 1957, but I would point out that this fall is due, to a great extent, to higher financing charges by way of debenture interest and overdraft interest. On a smaller surplus the provision for taxation is greater than that of 1957, because of the withdrawal in 1958 of additional depreciation allowances for tax purposes.

Operating Results

"The total earnings for the 53 weeks ended 3rd January 1959 amounted to Rs. 10,37,98,977, as compared with Rs. 9,18,58,837 for the previous year and the surplus before taxation dropped from Rs. 1,41,13,317 to Rs. 1,30,19,406. From the surplus, taxation for the period under review has absorbed Rs. 74,20,000 which is Rs. 2,20,000 higher than in 1957; included in the provision for 1958 is Rs. 2,41,000 for wealth tax. I have already mentioned in this report the effect on taxation of the additional depreciation allowance having been discontinued, but I would like to advise shareholders in this context that the reduction in tax allowances for depreciation will enable them to obtain 100 per cent. tax relief on any dividends declared out of 1958 profits, because the total tax allowances available will not exceed the provision in the accounts.

Appropriations

"The Directors' report clearly sets out the various appropriations which have been made. Two new items which appear are the expenses of Rs. 7,14,264 incurred in connection with the issue of debentures and the statutory transfer to development rebate reserve of Rs. 8,42,291. Having paid an interim dividend of 80 naye paise per share without any deduction for tax, your Directors now recommend a final dividend of Rs. 1.20 per share without any deduction for tax and they also recommend that the balance of the available surplus amounting to Rs. 1,35,600 be transferred to general reserve.

Balance-sheet

"Considerable progress has been made during 1958 towards the implementation of the Company's development schemes, as can be seen from the figures shown in the balance-sheet under fixed capital expenditure. Whilst actual additions to fixed assets during the year amounted to Rs. 57,70,489, the expenditure incurred on development projects still to be completed was very substantial and at 3rd January 1959 totalled Rs. 2,51,14,914.

"You will observe that, in spite of having issued Rs. 1,50,00,000 6½ per cent. 1966-71 debenture-stock, the Company had a bank overdraft at 3rd January 1959 amounting to Rs. 1,15,72,610, an increase of Rs. 23,02,345 over the previous year-end. This position is to be expected, in view of the large sums of money spent during the year on the development schemes and for general rehabilitation. I think, it is only fair to tell shareholders that this demand on the Company's liquid resources is likely to continue until such time as benefits can be derived from the various development schemes, now in the course of completion. Last year, I referred to the problems of book debts outstanding, and I am now pleased to report to you a general improvement in the position during 1958.

"The Directors, being of the opinion that it would be in the interests of the Company to increase the issued share capital, an application was made last year to the Controller of Capital Issues for his consent to a bonus share issue, the intention being to liquidate the share premium account and make an immediate issue of three new shares for ten existing shares. Unfortunately, the reply to this application specifically precluded the issue of shares from the share premium account. More recently, under the 1959 Finance Act, issues from share premium accounts have been subjected to tax at the rate of 30 per cent., and the Directors, therefore, do not consider it to be in the interests of the Company to recommend the issue of bonus shares at the present time.

Production

"Bhandup Works, where wood screws and all the smaller sized fastenings are made, is of necessity dependent upon imports for steel supplies and suffered a very serious drop in production for five months when the Works was forced by raw material shortage into short-time working. Since the end of the year, imported steel has again become available and this Works is gradually being brought back to full-scale operation.

"At Calcutta Works, the steel melting furnace and the rolling mills once again operated at record capacity and played their full part in supplying the manufacturing departments. The railway switch and crossing section, although planned for considerably greater production than in 1957, was unfortunately prevented from reaching its targets, because of serious deficiencies in supplies of steel normally available from indigenous sources. The bolt and nut works, although showing a rise in despatches, was another section which fell short of expectations in the production of fish bolts for the railways, solely due to insufficient supplies of steel. Of the other manufacturing sections, the change-over in steel sleeper production was completed and since the end of the year production has been firmly established. The section making railway track fittings was the only one where a fall in demand was experienced and, although this has continued into the early months of 1959, it is not expected to be permanent.

"A problem which affects your Company, as many others, is the continual rise in production costs. Earlier in this review, I have mentioned the rise in wages and salaries of the Company's employees; such increase is to be welcomed as a sign of improved benefits to those who work in your interests, but unless this increase is accompanied by a corresponding increase in production, inflation occurs and after a short space of time the greater emoluments to employees are of no benefit to them and do not raise their standard of living. Other rising costs are noticeable in nearly every purchase of stores and equipment, or essential raw materials and outside services. All this is a very distressing feature for a company which is in a competitive market and in an industry striving to take its place in serving the country's internal needs, and is furthermore being exhorted to produce for the export market.

Agency Department

"Your Company represents a number of the leading overseas manufacturers of plant and equipment, and the demand for these imported products continued to rise during 1958, due to the general industrial expansion of the country. The business we obtained was not, however, at an equivalent level, due to very severe competition and to increasing import restrictions. In addition to the traditional competition from countries like Germany and Japan, we are now faced with a steady penetration of the Indian market from Eastern European and Asian countries, which we do not represent, and whose goods are often supplied under barter agreements providing for payment in rupees, thus eliminating for them the difficulty of obtaining import licences. In spite of this, the invoiced sales and commissions for 1958 totalled Rs. 25,94,667, and the value of outstanding orders at the end of 1958 exceeded the value at the beginning of the year by Rs. 12,18,743. Electrical stud welding is included in the Agency Department results for 1958, but this enterprise, which started from a small beginning as a fully imported business, is now being changed over to indigenous manufacture and shows promise of substantially increased sales.

Development and Future Prospects

"The management of your Company is fully aware of the need for improving efficiency, and has under continual study ways and means of introducing improved manufacturing techniques and making more economical use of materials and equipment. The solutions to these problems are not to be found overnight, they are matters needing constant vigilance and the realisation of everyone that the prosperity of our Company and the industry depends on putting to the greatest possible use all our resources of manpower, machines and money.

"The Company now has very considerable sums of money at stake in new developments. In January 1959, the second steel melting furnace was brought into full-scale production and before the end of this year we expect to bring into production the new nut making plant, the first stage of the steel road wheel plant and a substantial part of the new rolling mills. These new units can be expected to have their teething troubles, in the case of wheels, not the least of which may be the supply of raw material. Their profit-earning contribution to the 1959 trading year is not, therefore, likely to be very large, but unless unforeseen circumstances occur, the current year's results can be expected to show some valuable consolidation and pave the way for real improvement twelve months from now.

"I would also draw your attention to the circular letter informing shareholders of the proposal to acquire the share capital of Sankey Electrical Stampings Private Ltd. This proposal is to be considered by shareholders at an extraordinary general meeting later today and, if adopted, will result in your Company having

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INDIAN PAPER MAKERS ASSOCIATION

CONSUMPTION OF PAPER OUTPACES RISING PRODUCTION

MR. I. A. MACPHERSON REVIEWS SOME PROBLEMS OF THE INDUSTRY

THE Annual General Meeting of the Indian Paper Makers Association was held at Calcutta on 1st June 1959. The following is the full text of the speech of the Chairman, Mr. I. A. Macpherson, which was read, in his unavoidable absence, by Mr. M. L. Zutshi, Vice-Chairman of the Association:

"As I shall be proceeding to the U.K. on home leave at the end of March, I regret, I am unable to address the meeting of the Association, but Mr. M. L. Zutshi, Vice-Chairman of the Association, has kindly consented to read my speech on my behalf and I should like to extend a cordial welcome to our guests to this annual general meeting of the Indian Paper Makers Association.

"The annual report for the year 1958 has been circulated to members for them to study before this meeting.

"The year 1958, like the previous year, has been one of very steady progress and one new unit, namely, the West Coast Paper Mill, came into production in October. The final figures of production will perhaps show that the paper industry has produced nearly 2½ lakh tons of finished paper and this was certainly an achievement and would prove beyond doubt how sincere the efforts have been in the paper industry to fulfil their obligations under the second Five-year Plan. As hitherto, the valuable advice to the industry readily available from the Paper Development Wing of the Ministry of Commerce and Industry is always fully appreciated.

Tariff Commission's Enquiry

"In September last year, the Government of India authorised the Tariff Commission to carry out an enquiry into paper and paper board prices. The Commission sent out a detailed questionnaire to the Association as also to individual mills. The Association, jointly with the Indian Paper Mills Association, submitted a memorandum to the Commission setting out their views on various important aspects of the price fixation, particularly in regard to what they considered a fair return on capital employed and a suitable allowance for the rehabilitation of plant, machinery and equipment installed in the mills. I have, no doubt, that the Commission will consider the views of the industry and ensure that the price structure recommended would be such as would allow a fair return to the shareholders and also provide adequate internal finances for rehabilitation of the existing plant, machinery and equipment and future expansion to meet the growing demand for paper and board.

"In all, eight mills were selected for purposes of cost investigation. The members of the Commission visited some of the units in different parts of the country. The Association pointed out to the Commission that the units selected for cost investigation did not represent a fair cross section of the industry and, at the suggestion of the Commission, some of the non-selected mills submitted to the Commission data regarding their cost of production. I hope that the Commission would also go very carefully into this cost data and take it into consideration while fixing a fair price for paper and board.

"I do not consider it necessary to refer in this address to all the points which came up for discussion at Bombay during the Tariff Commission hearings. I would, however, like to touch on a few points which are of common interest to the industry and the consumer.

Manufacture of Light Weight Papers

"Of late, there has been an increase in demand for the supply of light weight papers. Unfortunately, most of the existing units are not really equipped to manufacture normal varieties of writing and printing papers of low weights. Consequently, manufacture of light weight papers results in considerable loss of production and unusual wear and tear of the machinery. If, therefore, the industry is to be called upon to manufacture light weight papers on a large scale, adequate coverage and incentive in the shape of a proper extra should be provided and I have no doubt the Commission would give their most sympathetic consideration to this.

"While we have been hearing a lot about the high prices of paper, it is generally overlooked that State and Central taxes, like excise, sales tax and octroi, account for a big slice of the price structure. I would like to take this opportunity of suggesting that there should be a reduction in the excise duty on paper and, if possible, a total removal of sales tax on a consumer commodity like paper which is needed for the spread of literacy and education in the country.

Specialities

"It is only proper that due consideration is given to the requirements of a class of selective users who need 'special qualities' of paper. I do appreciate that the present needs of the country demand production of ordinary varieties in large quantities, but one can hardly overlook the fact that the requirements of selective users who in the past were depending on imported specialities have now to be met from out of indigenous production. It is, therefore, a welcome sign that mills should be continuously experimenting and producing special types of paper to meet the genuine demand that exists in the country today for these varieties. In this connection, one thing I would like to emphasise is that, unlike normal varieties of paper, there cannot be any standardised specifications for special qualities as the particular characteristics to be imparted to paper will have to vary according to the customer's requirements and the use to which the paper is to be put. That being so, it would in my opinion be most inadvisable to bracket these along with normal varieties of writing and printing papers for the purpose of price fixation, as it will put a halt to the recent healthy trend to produce special papers for the specialised jobs. The production of these superior varieties after all represents a very small percentage of the total production of the country and anyway the manufacture thereof will always be guided by demand and supply. Accordingly, I am of the view that price fixation should not apply to these varieties.

"With regard to paper sales, there has been no change in prices since the Chairman's speech last year.

"One point of interest during the past year has been that certain institutions, particularly some of the larger university bodies, have been unwilling to accept any limitation in their supplies, and even in cases where they have received a tonnage equivalent to their 1957 offtake, they have still endeavoured to obtain further supplies for their own consumption.

Consumption Rising

"It is appreciated by the mills that consumption in this country is steadily increasing, particularly among educational bodies. If the demand from such bodies cannot be met in full, it is not a subject of criticism for the mills, provided that each mill does meet the equivalent of its 1957 commitments. Obviously, the mills must try to meet the increasing demand, but at the same time self-help and some degree of economy must be effected by those parties using large quantities of paper.

"During the meeting this year between the Government and the paper industry concerning the new rate contract, agreement was reached for part of the new year's allocation to be supplied by each mill at existing rates. The balance allocation is expected to be supplied at Tariff Commission rates following a further meeting between Government and the industry.

"Whilst the overall Government offtake from industry this year may be considered as reasonable when compared with previous years' offtake, there is no doubt that the Government does require an increased tonnage of the essential printings and writings. It is anticipated that at least 35 per cent. of each mill's capacity of such qualities will be required by the Government.

"It has been agreed that under no circumstances will text book papers be indented for under the rate contract, but in our opinion the question should be asked whether or not the present contract between the Government and industry covers too wide a scope. No longer are we required under the contract to supply paper solely for administrative purposes. Advertisements, brochures, encyclopædias, etc., are all legitimate requirements under the present contract.

"Paper production is increasing yearly in this country and Government offtake is increasing likewise in terms of tonnage. Whilst increased civil consumption of paper is a healthy sign of progress, it is by no means certain that a similar increase in consumption on the part of a country's Government is a like indication of a healthy state of affairs.

Freight Rate

"In October of last year, the Railway Minister announced the introduction of the revised freight structure on Indian railways, which in the case of various raw materials used by the paper mills increased the railway freight payable thereon. On finished paper the wagonload scales are somewhat favourable, but the increase on the raw material freight will add to the cost structure of the paper mills and particulars have already been furnished to the Tariff Commission. The shortfall in the expectation of earnings in the Railway Budget this year would appear to indicate that in many cases the maximum point of freight realisation has been reached and the Railway Ministry must give adequate incentive for the carriage of consignments to continue on the railways at the expected level.

"In addition to the foregoing, the Government of Orissa appointed a Select Committee on the proposed transit taxation on bamboo from Orissa, which supplies the bulk of its bamboo requirements to the larger paper mills in India and we cannot understand why this Select Committee has recommended a ceiling tax of Rs. 2 per 100 bamboos. I feel most strongly that the Government should pay greater attention to the impact on the industry of measures which they enforce to increase revenue and it should be appreciated that often Government action has been responsible for the increase in the cost of production. Adequate representations have been submitted to the Government of Orissa and we sincerely hope that this proposed taxation on bamboo will be substantially reduced, if not waived altogether.

Bamboo Resources

"Bamboo, as we are all aware, is the industry's main raw material and to all intents and purposes and until other alternative raw materials can be developed, is the only raw material which can sustain the existing industry and its present expansion. Whilst bamboo resources of the country may be vast, proper assessment to meet economic exploitation within reasonable working distance from the existing units is still to be made. It seems a great pity that some States still allow preference to the paper industry within their limits in the form of leases, etc., completely disregarding that the paper production in India should be taken as a whole and not on the basis of a State. The increase in outturn of bamboo from areas worked by long-term lease holders should make it perfectly clear that it is in the interests of State Governments to grant long-term leases to paper mills and in this matter all paper mills should receive equal treatment from the States concerned.

"I consider that the planting of bamboo should form a special part of Government's forestation scheme and this matter should be gone into very seriously.

"At this stage, I would like once again to refer to the electricity duty paid by mills in West Bengal with effect from 1st February 1958, which is a very heavy burden on the industry and increased the cost of paper by approximately Rs. 21 per ton. Since 1st April 1958, raw materials have increased by approximately Rs. 5 per ton of paper, stores chemicals and coal around Rs. 49.5 per ton of paper and labour in the region of Rs. 26 per ton of paper.

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Notices

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

AN EXTRAORDINARY GENERAL MEETING of THE TATA IRON AND STEEL COMPANY, LIMITED, will be held on Thursday, the 25th June, 1959, at 4-30 p.m. (S.T.) at the Registered Office of the Company, Bombay House, 24, Bruce Street, Fort, Bombay, to transact the following business:—

To consider and, if thought fit, to pass the following resolutions as Special Resolutions:—

I. "The capital of the Company be increased from Rs. 30,86,22,100 divided into 50,000 6% cumulative Preference Shares of Rs. 150 each, 700,000 7½% cumulative Second Preference Shares of Rs. 100 each and 3,081,628 Ordinary Shares of Rs. 75 each to Rs. 39,25.00,000 divided into 50,000 6% cumulative Preference Shares of Rs. 150 each, 700,000 7½% cumulative Second Preference Shares of Rs. 100 each, 375,000 7½% cumulative "A" Second Preference Shares of Rs. 100 each and 3,700,000 Ordinary Shares of Rs. 75 each by the creation of 375,000 7½% cumulative "A" Second Preference Shares of Rs. 100 each and 618,372 new Ordinary Shares of Rs. 75 each, and that the conditions of the Memorandum of Association of the Company shall be altered accordingly."

II. "Subject to the consent of the Controller of Capital Issues being obtained and the conditions that may be prescribed by the terms of such consent the said new Ordinary Shares of Rs. 75 each and the said "A" Second Preference Shares of Rs. 100 each shall be issued upon the following terms and conditions and subject to the following rights:—

(a) 613,933 new Ordinary Shares shall be issued and offered in the first instance to the holders of the existing Ordinary Shares on the Register of Members of the Company on such date as may be fixed by the Directors (with the right to renounce in favour of a person or persons approved by the Directors) in the ratio of one new Ordinary Share for every five existing Ordinary Shares held by such holders respectively.

(b) 371,909 "A" Second Preference Shares shall be issued and offered in the first instance to the holders of the existing Preference and Second Preference Shares on the Register of Members of the Company on such date as may be fixed by the Directors (with the right to renounce in favour of a person or persons approved by the Directors) in the ratio of one "A" Second Preference Share for every two Preference or two Second Preference Shares or one Preference Share and one Second Preference Share held by such holders respectively.

(c) The offer of the said new Ordinary Shares and "A" Second Preference Shares shall be made by notice specifying the number of shares, which each holder of existing Ordinary and/or Preference and/or Second Preference Shares shall be entitled to apply for and take up, wholly or in part, and limiting a time within which the offer if not accepted will be deemed to have been declined, with liberty to the Directors from time to time to extend the time for acceptance as aforesaid either generally or in respect of any particular holder or holders.

(d) In the event of any holder of existing Ordinary Shares holding less than five Ordinary Shares or a number which is not a multiple of five on the aforesaid date, one coupon each for one-fifth of a new Ordinary Share shall be issued to him for each existing ordinary share comprised in a holding of less than five shares or for each share in excess of a holding of five or a multiple of five shares. Any five of such coupons, if presented not later than a date to be fixed by the Directors which may be extended from time to time at the discretion of the Directors, either generally or in respect of any particular case or cases, together with the application form shown on the reverse thereof duly filled in and signed and together with the sum of Rs. 75 shall confer the right upon the person presenting the same and making such payment to the allotment of one new Ordinary Share subject to the right of the Directors of the Company in their absolute discretion to reject without assigning any reason such application and to refuse any such allotment to any person (other than a holder of existing Ordinary Shares of the Company) presenting such coupons and application form who is not approved by them. If the coupons are not presented with the necessary application and payment for allotment of new Ordinary Shares on or before the date fixed by the Directors or within such extended date as the Directors may fix, the Directors may dispose of the rights conferred by such coupons or any of them in such manner as the Directors may in their absolute discretion think fit. The coupons will not carry any right to dividend and shall be negotiable by delivery.

(e) In the event of any holder of existing Preference and/or Second Preference Shares holding on the aforesaid date only one Preference or one Second Preference Share, or a number of such shares which in the aggregate is not a multiple of two, one coupon each for one-half of a "A" Second Preference Share shall be issued to him for the odd existing Preference and/or Second Preference Share held by him. Any two of such coupons if presented not later than a date to be fixed by the Directors which may be extended from time to time at the discretion of the Directors either generally or in respect of any particular case or cases, together with the application form shown on the reverse thereof duly filled in and signed and together with the sum of Rs. 100 shall confer the right upon the person presenting the same and making such payment to the allotment of one "A" Second Preference Share subject to the right of the Directors of the Company in their absolute discretion to reject without assigning any reason such application and to refuse any such allotment to any person (other than a holder of existing Preference or Second Preference Shares of the Company) presenting such coupons and application form who is not approved by them. If the coupons are not presented with the necessary application and payment for allotment of "A" Second Preference Shares on or before the date fixed by the Directors or within such extended date as the Directors may fix, the Directors may dispose of the rights conferred by such coupons or any of them in such manner as the Directors may in their absolute discretion think fit. The coupons will not carry any right to dividend and shall be negotiable by delivery.

(f) The full amount of Rs. 75 per each new Ordinary Share and Rs. 100 per each "A" Second Preference Share shall be payable to the Company on application for such new Ordinary and "A" Second Preference Shares as aforesaid respectively.

(g) The new Ordinary Shares shall not confer on the holders thereof the right to any dividend declared at or prior to the Annual General Meeting to be held in the year 1959, but shall entitle such holders to rank as from the date or dates of allotments thereof to all dividends declared after such meeting in proportion to the capital for the time being and from time to time paid up on such shares and such shares shall for all other purposes rank *pari passu* with the existing Ordinary Shares of the Company.

(h) The "A" Second Preference Shares shall confer on the holders thereof the right to a fixed cumulative preferential dividend at the rate of 7½% per annum on the capital for the time being paid up on such shares and shall rank (save as hereinafter provided) in all respects *pari passu* with the existing Second Preference Shares of the Company without any difference or distinction between the two classes of shares and subject to the right of the holders of the existing Preference Shares of the Company shall rank in a winding-up both as regards capital and dividends up to the commencement of the winding-up, whether declared or not, in priority to the Ordinary Shares of the Company and shall not confer any further right to participate in profits or surplus assets provided that

(A) The "A" Second Preference Shares shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided by Section 87(2) of the Companies Act, 1956, that is to say:—

(a) Subject to the provisions of the Companies Act, 1956 and save as provided in sub-para (b) of this paragraph, every such holder shall in respect of the "A" Second Preference Shares held by him have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his "A" Second Preference Shares.

Explanation: Any resolution for winding-up the Company or for the repayment or reduction of its share capital shall be deemed directly to affect the rights attached to the "A" Second Preference Shares within the meaning of this paragraph.

(b) Subject as aforesaid, every such holder shall, in respect of the "A" Second Preference Shares held by him, be entitled to vote on every resolution placed before the Company at any meeting, if the dividend due on such capital or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting.

Explanation: For the purposes of this sub-paragraph, dividend shall be deemed to be due on "A" Second Preference Shares in respect of any period, whether a dividend has been declared by the Company on such shares for such period or not on the expiry of fifteen days after the date fixed for the Annual General Meeting of the Company in respect of the year to which the dividend relates or on the expiry of nine months after the close of such year, whichever is earlier.

(c) Where the holder of any "A" Second Preference Share has a right to vote on any resolution in accordance with the provisions hereof, his voting right on a poll as the holder of such "A" Second Preference Share shall, subject to the provisions of Section 89 and sub-section (2) of Section 92 of the Companies Act, 1956, be in the same proportion as the capital paid up in respect of such "A" Second Preference Shares bears to the total paid up Ordinary capital of the Company.

(B) The "A" Second Preference Shares shall not confer on the holders thereof the right to any dividend declared at or prior to the Annual General Meeting of the Company to be held in the year 1959, but thereafter shall entitle such holders to rank for dividend as from the date or dates of allotment thereof respectively *pari passu* and rateably with the existing Second Preference Shares of the Company in proportion to the capital, from time to time and for the time being, paid up on such "A" Second Preference Shares.

(i) The Directors shall be authorised and empowered, subject to the consent of the Controller of Capital Issues being obtained and the conditions that may be prescribed by the terms of such consent, to dispose of and allot any of the new Ordinary Shares and "A" Second Preference Shares remaining undisposed of (including the new Ordinary and "A" Second Preference Shares not taken up by the holders of the existing Ordinary, Preference and Second Preference Shares) out of the 618,372 new Ordinary and 375,000 "A" Second Preference Shares to such persons, whether shareholders of the Company or not, as the Directors may think fit, at a price that shall not be less than the par value in regard to the "A" Second Preference Shares and at such price or prices as the Directors shall consider fair and reasonable in respect of the new Ordinary Shares.

(j) The certificates in respect of the new Ordinary and "A" Second Preference Shares shall be completed and be ready for delivery within nine months after the last allotment thereof respectively.

(k) For the purpose of giving effect of this resolution the Directors be and are hereby authorised to prescribe the forms of application and renunciation and other documents in respect of such new Ordinary and "A" Second Preference Shares and to give such other directions as may be necessary or desirable and settle any questions or difficulties whatsoever (including any question or difficulty that may arise in regard to the issue and allotment of the new Ordinary and "A" Second Preference Shares, or in connection with any deceased or insolvent shareholder or any shareholder suffering from any disability) as they may think fit.

III. "The Articles of Association of the Company be altered in the manner following:—

(i) The following Article shall be substituted for Article 4 of the Articles of Association of the Company:—

"4. The present capital of the Company is Rs. 39,25,00,000 divided into 50,000 6% cumulative Preference Shares of Rs. 150 each, 700,000 7½% cumulative Second Preference Shares of Rs. 100 each, 375,000 7½% cumulative "A" Second Preference Shares of Rs. 100 each and 3,700,000 Ordinary Shares of Rs. 75 each."

(ii) The following Article shall be substituted for Article 5 of the Articles of Association:—

"5. The 700,000 Second Preference Shares of Rs. 100 each and 375,000 "A" Second Preference Shares of Rs. 100 each shall rank for dividend and otherwise next after the existing Preference Shares of the Company and confer on the holders thereof as between the two classes *pari passu* and without any difference or distinction, the right to a fixed cumulative preferential dividend at the rate of 7½% per annum on the capital for the time being paid-up on such Second Preference and "A" Second Preference Shares respectively and subject only to the right of the holders of the existing Preference Shares of the Company shall rank in a winding-up, both as regards capital and dividends, up to the commencement of the winding-up, whether declared or not (as between the two classes of shares *pari passu* and without any difference or distinction) in priority to the Ordinary Shares of the Company and shall not confer any further right to participate in profits or surplus assets.

Provided that the "A" Second Preference Shares shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided by Section 87(2) of the Companies Act, 1956, that is to say:—

(a) Subject to the provisions of the Companies Act, 1956 and save as provided in clause (b) of this sub-clause, every such holder shall in respect of the "A" Second Preference Shares held by him have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his "A" Second Preference Shares.

Explanation: Any resolution for winding-up the Company or for the repayment or reduction of its share capital shall be deemed directly to affect the rights attached to the "A" Second Preference Shares within the meaning of this clause.

(b) Subject as aforesaid, every such holder shall, in respect of the "A" Second Preference Shares held by him, be entitled to vote on every resolution placed before the Company at any meeting, if the dividend due on such capital or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting.

Explanation: For the purpose of this clause, dividend shall be deemed to be due on "A" Second Preference Shares in respect of any period whether a dividend has been declared by the Company on such shares for such period or not, on the expiry of fifteen days after the date fixed for the Annual General Meeting of the Company in respect of the year to which the dividend relates or on the expiry of nine months after the close of such year, whichever is earlier.

(c) Where the holder of any "A" Second Preference Share has a right to vote on any resolution in accordance with the provisions hereof, his voting right on a poll as the holder of such "A" Second Preference Share shall, subject to the provisions of Section 89 and sub-section (2) of Section 92 of the Companies Act, 1956, be in the same proportion as the capital paid up in respect of such "A" Second Preference Share bears to the total paid up ordinary capital of the Company."

(iii) The following clause shall be added as sub-clause (d) of Clause (2) of Article 99:—

"(d) In respect of every "A" Second Preference Share, his voting right shall be as provided in the proviso to Article 5."

(iv) The following Article shall be substituted for Article 175:—

"175. Subject to the provisions of these Articles and the terms of the Scheme of Arrangement sanctioned by the Court for conversion of the former Deferred Shares of the Company into Ordinary shares, the profits of the Company which it shall, from time to time, be determined to divide in respect of any year or other period shall be applied first in paying the fixed cumulative preferential dividends at the rate of six per cent. per annum on the capital paid up on the Preference Shares to the close of such year or other period, and secondly in paying the fixed cumulative preferential dividends at the rate of 7½ per cent. per annum of capital paid up on the Second Preference Shares and the "A" Second Preference Shares respectively (as between the two classes of shares *pari passu* and without any difference or distinction) to the close of such year or other period, and the balance of such profits shall be divisible among the holders of Ordinary Shares in proportion to the amount of capital paid up on the shares held by them respectively to the close of such year or other period

Provided always that any capital paid up on a share during the period in respect of which a dividend is declared, shall, unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital, from time to time paid up during such period on such share."

IV. "The Company hereby reappoints Tata Industries Private Ltd. as Managing Agents of the Company as and from the 16th day of August 1960 for the period at the remuneration and upon the terms, provisions and conditions set out in the draft agreement (with such modification, if any, as may be agreed to at this meeting) proposed to be entered into between the Company of the first part, Tata Industries Private Ltd. of the second part and Tata Sons Private Ltd. (as guarantors for the observance and performance of the terms and conditions of the said agreement by Tata Industries Private Ltd. as Managing Agents) of the third part and which draft agreement is placed before this meeting and for the purpose of identification subscribed by the Chairman thereof, with power to the Directors of the Company, subject to the provisions of the Companies Act, 1956, to vary or alter such of the terms, provisions and conditions of the said draft agreement before execution as shall not have the effect of increasing the remuneration of the Managing Agents and as may be agreed to between the Central Government and the Directors of the Company acting on its behalf."

Note:—(a) The Relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Resolutions I, II, III, and IV above are annexed hereto.

(b) *A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in respect of himself and the proxy need not be a member.*

By Order of the Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
J. D. CHOKSI,
Director.

BOMBAY, *29th May*, 1959.

THE BANKURA DAMODAR RIVER RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE fifty-second Annual General Meeting of the Members of the Bankura Damodar River Railway Company, Ltd., will be held at No. 3, Netaji Subhas Road, Calcutta-1, the Registered Office of the Company, on Friday, the 26th Day of June, 1959, at 4-10 p.m., for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March, 1958, the Balance Sheet as at that date, and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. G. D. Jatia, the Director retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution:—
"That Mr. C. Hockley be and is hereby appointed a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation."

The Share Transfer Books of the Company will be closed from 12th June, 1959 to 26th June, 1959, both days inclusive.

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

By Order of the Board,
MCLEOD & CO. LTD.,
C. L. BAJORIA,
Director,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *28th May* 1959.

Note.—Payment of the proposed Dividend, if declared, will be made on receipt of the balance subsidy from the Government of India only to those members whose names are registered in the Books of the Company on 26th June, 1959 or to their Mandatees.

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

EXPLANATORY STATEMENT

Mr. C. Hockley who was appointed by the Board as an Additional Director in November, 1958, vacates office at this Annual General Meeting under Article 113 of the Company's Articles of Association and Section 260 of the Companies Act, 1956. The resolution set out in item No. 5 of the above Notice is intended to effect the appointment of Mr. Hockley as a Director of the Company liable to retirement by rotation.

THE AHMADPUR KATWA RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE fifty-first Annual General Meeting of the Members of the Ahmadpur Katwa Railway Company, Ltd., will be held at No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday, the 26th day of June, 1959, at 4 p.m., for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March, 1958, the Balance Sheet as at that date, and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. G. D. Jatia, the Director retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution:—

"That Mr. C. Hockley be and is hereby appointed a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation."

The Share Transfer Books of the Company will be closed from 12th June, 1959 to 26th June, 1959, both days inclusive.

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

By Order of the Board,
McLEOD & Co. LTD.,
C. L. BAJORIA,
Director,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *28th May*, 1959.

Note.—Payment of the proposed Dividend, if declared, will be made on receipt of the balance subsidy from the Government of India only to those members whose names are registered in the Books of the Company on 26th June, 1959 or to their Mandatees.

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

EXPLANATORY STATEMENT

Mr. C. Hockley who was appointed by the Board as an Additional Director in November, 1958, vacates office at this Annual General Meeting under Article 113 of the Company's Articles of Association and Section 260 of the Companies Act, 1956. The resolution set out in item No. 5 of the above Notice is intended to effect the appointment of Mr. Hockley as a Director of the Company liable to retirement by rotation.

THE BURDWAN-CUTWA RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE fifty-second Annual General Meeting of the Members of the Burdwan-Cutwa Railway Company, Ltd., will be held at No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday, the 26th day of June, 1959, at 4-05 p.m., for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March, 1958, the Balance Sheet as at the date, and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. G. D. Jatia, the Director retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution:—

"That Mr. C. Hockley be and is hereby appointed a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation."

The Share Transfer Books of the Company will be closed from 12th June, 1959 to 26th June, 1959, both days inclusive.

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

By Order of the Board,
McLEOD & Co. LTD.,
C. L. BAJORIA,
Director,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *28th May* 1959.

Note.—Payment of the proposed Dividend, if declared, will be made on receipt of the balance subsidy from the Government of India only to those members whose names are registered in the Books of the Company on the 26th June, 1959 or to their Mandatees.

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

EXPLANATORY STATEMENT

Mr. C. Hockley who was appointed by the Board as an Additional Director in November, 1958, vacates office at this Annual General Meeting under Article 113 of the Company's Articles of Association and Section 260 of the Companies Act, 1956. The resolution set out in item No. 5 of the above Notice is intended to effect the appointment of Mr. Hockley as a Director of the Company liable to retirement by rotation.

DUNBAR MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office, No. 21 Strand Road, Calcutta-1, on Monday the 29th June, 1959, at 3 p.m., for the following purposes:—

(1) To receive the Report of the Directors and to pass the audited accounts for the year ended 31st December, 1958.

(2) To elect a Director.

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

(4) To transact any other ordinary business of the Annual General Meeting.

The Share Transfer Books of the Company will be closed from the 22nd June to 29th June, 1959, both days inclusive.

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

CALCUTTA, *26th May*, 1959.

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

BOWREAH COTTON MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office, No. 21 Strand Road, Calcutta-1, on Monday the 29th June, 1959, at 3-10 p.m., for the following purposes:—

(1) To receive the Report of the Directors and to pass the audited accounts for the year ended 31st December, 1958.

(2) To elect a Director.

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

(4) To transact any other business of the Annual General Meeting.

The Share Transfer Books of the Company will be closed from the 22nd June to 29th June 1959, both days inclusive.

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

CALCUTTA, *26th May*, 1959.

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

KANKNARRAH COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Fiftieth Annual General Meeting of Members will be held at the Registered Office of the Company, 4, Clive Row, Calcutta, at 11-30 a.m., on Friday, the 10th July, 1959, for the following purposes:—

(1) To receive and consider the Audited Accounts for the year ended 31st December, 1958, and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To appoint a Director in place of one retiring.

(3) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from the 6th July, to the 10th July, 1959, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
I. F. MORRISS,
Acting Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, *29th May*, 1959.

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

KAMARHATTY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Sixtieth Annual General Meeting of Members will be held at the Registered Office of the Company, 4, Clive Row, Calcutta, at 11 a.m., on Friday the 10th July, 1959, for the following purposes:—

(1) To receive and consider the Audited Accounts for the year ended 31st December, 1958, and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To declare Dividends.

(3) To appoint a Director in place of one retiring.

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

The Share Transfer Books of the Company will be closed from the 1st July, to the 10th July, 1959, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
I. F. MORRISS,
Acting Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, *29th May*, 1959.

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

Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 10th day of July, 1959, or to their Mandatees.

FOR SALE

Valuable Coffee Estates in Shevaroys—Stanmore, Brook Lands and Moulvie Estates, the property of Messrs. Short Bros. (Private) Ltd. Planted area 513 acres of Arabica coffee. Reserve land 339.53 acres. Crop estimate for season 1959-60—150/165 tons. Price required Rs. 12 lakhs or near offer. No brokers.

For particulars and conditions of sale apply to:

Messrs. KING AND PARTRIDGE
Solicitors
"Regal House," McLean Street, Madras-1.

BENGAL POTTERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE 47th Annual General Meeting of the Bengal Potteries Limited will be held at the registered office of the Company, 45 Tangra Road, Calcutta, on Tuesday the 23rd June 1959, at 3-30 p.m., to transact the following items of business:—

1. To receive and adopt the Directors' Report, the Audited Balance Sheet and the Profit and Loss Account for the year ended 31st December 1958.
2. To declare a Dividend.
3. To elect Directors in place of those retiring and in connection therewith to consider and if thought fit to pass the following resolutions, which will be proposed as Special Resolutions:—

(a) Whereas Lala Shri Dhar, a Director of the Company, is also a member of Madan Mohan Lall Shri Ram & Co. Private Ltd., one of the partners of Bharat Ram Bhagat & Co., the Managing Agents of the Company, and is also a member of Bharat Ram Charat Ram & Co. Private Ltd., a partner of Messrs. Allied Distributors & Co., the selling agents of the Company AND WHEREAS it can be deemed that the said Madan Mohan Lall Shri Ram & Co. Private Ltd., and Bharat Ram Charat Ram & Co. Private Ltd., are private companies holding offices of profit under the company AND WHEREAS Lala Shri Dhar is one of the Directors who retires from office at this general meeting by rotation.

"RESOLVED that Lala Shri Dhar be and he is hereby re-elected a Director of the Company."

(b) WHEREAS Maharaj Kumar Somendra Chandra Nandy is the sole proprietor of Maharaja Cossimbazar China Clay Mines and is a partner of Rajmahal Quartz-Sand and Kaolin Co. AND WHEREAS the said Maharaja Cossimbazar China Clay Mines and Rajmahal Quartz-Sand and Kaolin Co., supply a part of the requirements of China Clay of the Company and as such it can be deemed that the said Maharaj Kumar Somendra Chandra Nandy holds an office of profit under the company AND WHEREAS the said Maharaj Kumar Somendra Chandra Nandy is one of the Directors who retires from office at this general meeting by rotation.

"RESOLVED that Maharaj Kumar Somendra Chandra Nandy be and he is hereby re-elected a Director of the Company."

4. To appoint Auditors for the current year and to fix their remuneration.
5. To consider and if thought fit to pass the following resolution which will be proposed as a Special Resolution:—

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

6. To consider and if thought fit to pass the following resolution which will be proposed as a Special Resolution:—

"RESOLVED that the draft agreement expressed to be made between the Company of the One Part and Bharat Ram Bhagat & Co., the present Managing Agents of the Company of the Other Part relating to the re-appointment of the said Bharat Ram Bhagat & Co. as Managing Agents of the Company for a fresh term of 10 years commencing from the 16th day of August 1960, laid before the meeting and signed by the Chairman of the meeting for the purpose of identification be and the same is hereby approved and that subject to the approval of the Central Government the said Messrs. Bharat Ram Bhagat & Co. be and they are hereby re-appointed Managing Agents of the Company for a fresh term of 10 years commencing from the 16th August 1960 at the remuneration and upon the terms and conditions contained in the said draft agreement with such modifications thereof as the Central Government in according such approval may impose and the Directors of the Company are hereby authorised, after such approval of the Central Government is obtained, to complete the said agreement with such modifications if any as may be imposed by the Central Government in according such approval."

Explanatory Statements Under Section 173(2) of the Companies Act 1956

Item No. 3(a) of the Agenda

Special notice under Section 261 of the Companies Act 1956 was received by the Company on the 23rd of May 1959 of the Special Resolution set out under this item of the Agenda from three of its members. The material facts have been stated in the Resolution itself.

Item No. 3(b) of the Agenda

Special notice under Section 261 of the Companies Act 1956 was received by the Company on the 23rd May 1959 of the Special Resolution set out under this item of the Agenda from three of its members. The material facts have been stated in the Resolution itself.

Re: Item No. 5 of the Agenda

The Company has a cash credit account with the Punjab National Bank Ltd., Bhowanipore Branch.

In view of the provisions of Section 293(1)(d) of the Companies Act 1956, which provides that consent of the Company in General Meeting is required, to authorise the Board of Directors to borrow moneys where the moneys, so to be borrowed, together with the moneys already borrowed by the Company apart from temporary loans obtained from the Company's bankers, in the ordinary course of business will exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, the said Bank desires that this resolution should be passed as a Special Resolution.

Re: Item No. 6 of the Agenda

By an agreement dated the First day of July 1955 Messrs. Bharat Ram Bhagat & Co., a co-partnership firm (of which Madan Mohan Lall Shri Ram & Co. Private Ltd., and M. G. Bhagat & Sons Private Ltd., are partners) were appointed Managing Agents of the Company for a period of 10 years commencing from the 1st day of July 1955.

The Companies Act of 1956 came into operation after such appointment and by Section 330 of that Act it has been provided that where a company has a managing agent at the commencement of the said Act the term of such managing agency shall expire on the 15th day of August 1960 unless before that date the managing agent is re-appointed for a fresh term according to the provisions contained in the said Act.

Although under the provisions of the said agreement dated the first day of July 1955 Messrs. Bharat Ram Bhagat & Co. are to continue as Managing Agents until the 30th day of June 1965, in view of the provisions of Section 330, the managing agency will expire on the 15th August 1960.

Your Directors think that the affairs of the Company have been managed very successfully by its present Managing Agents and it is in the interest of the Company that the said Messrs. Bharat Ram Bhagat & Co. should be re-appointed Managing Agents of the Company for a fresh term of 10 years from the 16th day of August 1960.

Under Section 326 of the Act such re-appointment is to be made by the Company in General Meeting and approval of the Central Government thereof is required to be obtained.

Sir Shri Ram and Lala Shri Dhar, Directors of the Company, are members of Madan Mohan Lall Shri Ram & Co. Private Ltd., a partner of Bharat Ram Bhagat & Co., the Managing Agents of the Company and Mr. M. G. Bhagat a Director of the Company is a member and Director of M. G. Bhagat & Sons Private Ltd., the other partner of Bhagat Ram Bhagat & Co.

The draft agreement referred to in the resolution set out in item No. 6 of the Agenda can be inspected at 45 Tangra Road, Calcutta, the registered office of the Company on any working day during usual business hours.

The Share Transfer Register of the Company will be closed from 15th June to 11th July 1959 both days inclusive.

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

By Order of the Board of Directors,
BHARAT RAM BHAGAT & CO.,
Managing Agents.

45, TANGRA ROAD,
CALCUTTA, *28th May*, 1959.

THE ELGIN MILLS COMPANY, LTD.

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from the 13th to 29th June, 1959, both days inclusive.

By Order of the Board,
Per Pro BEGG, SUTHERLAND & Co. PRIVATE LIMITED.
R. P. MATHUR,
Secretary,
Managing Agents.

KANPUR, U.P., *29th May*, 1959.

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS
(Railway Board)

Indian Railways' Requirements of Electrical Signalling Equipment

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to obtain from established or prospective and reliable manufacturers supply of Block Instruments, Signalling Cables, Lever Locks and Circuit Controllers, Point Machines and Detectors, Relays, Repeaters, Route Indicators, Colourlight and Shunt Signals, Signal Machines, Reversers and other Electrical Signalling Equipment.

2. The relevant tender documents are obtainable from the Research Design and Standardisation Organisation, Baroda House, Annexe, New Delhi, and the Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London W.3, on payment of Rs. 10 each. Drawings and specifications will also be available from the two sources mentioned above on additional payment.

3. Quotations should reach the undersigned:

(i) Not later than 31.7.59 for items as per List No. 10,

(ii) Not later than 17.8.59 for items as per List Nos. 1 and 11,

(iii) Not later than 31.8.59 for items as per List Nos. 2 and 6,

(iv) Not later than 14.9.59 for items as per List Nos. 4 and 5; and

(v) Not later than 30.9.59 for items as per List Nos. 3. 7, 8 and 9.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
State Entry Road,
New Delhi.

MONEY MORE COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 3rd *June*

A further drop, for the second week in succession, in the Treasury Bill discount rate from 2.790 per cent. to 2.780 per cent. per annum gives an indication of the present state of the short-term money market. With the increasing pace of return of funds to banks, as shown by the rise in their deposits and the consequent reduction in their borrowings from the Reserve Bank, conditions have become a little more comfortable than in the previous week. In the inter-bank call money section, there are more lenders than borrowers, but the rate of interest is generally unchanged at 3½ per cent. among the Exchange banks and big Indian banks. Some stray transactions are reported to have been done even at 3¼ per cent. The rate among the smaller Indian banks is unchanged at 3½ to 3¾ per cent. House money at seven days' notice is still being quoted at 3¾ per cent. and short-term deposits for one to six months at 3½ to 4 per cent.

The amount offered at this week's Treasury Bill sales was Rs. 2.40 crores, as against Rs. 2.15 crores last week. Tenders at Rs. 99.305 were allotted approximately 93 per cent. Lower tenders were rejected. Tenders for next week are unchanged at Rs. 2 crores. There were no sales of Intermediate Bills in the week ended 30th May 1959, but these are being continued this week.

There has been a contraction of Rs. 13.69 crores in notes in circulation during the week ended 29th May 1959, thus bringing the aggregate decline in the past three weeks to Rs. 36.07 crores. Foreign securities are unchanged at Rs. 178.01 crores, but balances held abroad have fallen by Rs. 3.29 crores to Rs. 21.00 crores, bringing the total foreign reserves down to Rs. 199.01 crores. Deposits of the Central Government show a rise of Rs. 17.34 crores, but those of other Governments have declined by Rs. 1.83 crore and of banks by Rs. 6.55 crores. Loans and advances to Governments are up by Rs. 1.48 crore, while other loans and advances are lower by Rs. 5.70 crores. Of this fall, advances to Scheduled banks against usance bills alone account for Rs. 3.19 crores.

With a rise of Rs. 13.38 crores during the week ended 22nd May 1959, the Scheduled banks' deposits (net) have crossed the Rs. 1,700 crore-mark to stand at Rs. 1,702.10 crores. Demand deposits have risen by Rs. 8.44 crores to Rs. 722.44 crores and time deposits by Rs. 4.94 crores to Rs. 979.66 crores. Borrowings from the Reserve Bank stand reduced by Rs. 8.39 crores and those from the State Bank by Rs. 1.34 crore. Advances have declined by Rs. 4.84 crores, while bills purchased and discounted have risen by Rs. 2.64 crores. Cash balances are also higher by Rs. 7.13 crores.

The Gilt-edged market continues to rule steady. Thanks to the more comfortable conditions in the money market, institutional demand for securities is picking up and there has been a further marking up in prices of some short and short-medium dated loans. The volume of business, however, has not gone up on account of shortage of scrips and absence of sellers, 3 per cent. 1986 Conversion Loan is unchanged at Rs. 73.75 and 3 per cent. 1970-75 at Rs. 91.40. 3 per cent. 1966-68 has added another 10 nP. to Rs. 94, while 3 per cent. 1964 shows no change at Rs. 97. 3 per cent. 1963-65 is being quoted at Rs. 96.80 *ex*-voucher, as against Rs. 96.85 *cum*-voucher. 3 per cent. 1959-61 has maintained its ground at Rs. 99.80. 2½ per cent. 1962 and 1960 each gained 5 nP to Rs. 97 and Rs. 99.15, respectively, and 2½ per cent. 1961 staged a similar rise to Rs. 97.40. Among the 3½ per cent. loans 1964 has hardened by 5 nP to Rs. 99.80.

There have been no worthwhile variations in State loans.

Sterling was a little subdued in terms of the dollar, though the trend was two-sided. Thus, spot sterling declined from $2.81\frac{1}{2}$-2.81.5/16 to $2.81.3/32$ before gaining some ground to 281.22c.-281.25c. Three months forward, however, closed a fraction higher at 281.06c.-281.09c., as against $2.81-2.81.1/16$.

KIPS QUIET

(From Our Own Correspondent)

MADRAS, 1st *June*

Kips were a shade quiet. Importers were trying to buy E.I. tanned cow hides lower grades at 2*d.* below asking prices. Sellers were not keen to book orders ahead, in view of the low raw stock position with the tanners. Prices would appear to have got stabilised and importers seemed to have adjusted themselves to the new conditions and were hopeful of doing steady business shortly. Top marks ruled exceptionally firm, while other standards suffered small declines. Arrivals were small and clearances good. Inland demand for low grade kips was poor and prices declined to some extent, especially on light weights.

The tanned goat market was weak, due to meagre orders for shipment, though the tanners had well sold ahead. Tanned sheep semi-primes ruled firm, while middle class was quiet. Stocks arriving from tanneries were small.

LINSEED IRREGULAR

(Messrs. A. Bradley and Co.)

CALCUTTA, 1st *June*

The linseed market ruled irregular during the week under review. Lowest levels were reached early in the week at around Rs. 23.12 for ready and at Rs. 23.62 for forward delivery, but, subsequently, prices advanced to Rs. 23.50 and Rs. 23.87, respectively, turning easier again towards the close. Arrivals on the whole improved, and increased offers from upcountry were readily consumed by local crushers. The oilcake market improved, following enquiries from shippers, but the price of £33 10*s.* at which export business was last done was somewhat below the present local parity. The oil market was active. With jobbers unloading or settling their May holdings, ready price declined. Forward prices, however, remained firm, with sellers reserved. A fresh enquiry for 550 tons from Australia, for specific shipment from Bombay, did not affect the local market.

The latest quotations are: May-June Rs. 23.37 and July-August Rs. 23.75 per maund.

BULLION EASY

(From Our Own Correspondent)

BOMBAY, 3rd *June*

The rumour that the Forward Markets Commission would bring futures trading in both gold and silver under its control with effect from the 1st inst., referred to in these columns last week, have not yet materialised. Enquiries made subsequently show that no final official decision has yet been taken in the matter. It will be recalled that, as far back as 1957, the Commission had recommended the application of the Forward Contracts Regulation Act to bullion, but the Union Government had decided to maintain the *status quo* for the time being.

Both silver and gold suffered a distinct setback during the week under review, thanks to nervous liquidation by bulls who had gone long on the expectation that transactions in existing nearby settlements—that is, 22nd June for gold and 23rd June for silver—would be squared up at the closing rates for ready deliveries as on 30th May. There was also some selling on reports of an increase in the inflow of contraband gold. The general undertone of the market was easy.

In the gold section, June settlement moved down from Rs. 119-7 at the close of last week to Rs. 117-10 on Monday and, after recovering to Rs. 118-10 today, eased to Rs. 118-6-6 towards the close. Over the week, July settlement declined by Re. 1-0-6 to Rs. 117-0-6, after being lower still at Rs. 116-11-6 on Monday. As the backwardation rate (*budli* in favour of the bulls) for June settlement was more than a rupee throughout the week—it stood at Re. 1-6 today, same as last week—the bulls in this settlement continued to pay the higher margin of Rs. 25 per tola, as against Rs. 10 applicable when the *budli* is less than a rupee.

Ready gold came in for selling and fell from Rs. 123-3 to Rs. 118-14 on the 1st inst. After recovering to Rs. 120-1 today, it finished lower at Rs. 119-13-6. The net loss over the week was Rs. 3-5-9. The daily average arrivals and offtake of gold were 3,200 tolas and 2,500 tolas, respectively. The floating stocks of gold are estimated at 15,000 tolas.

June settlement in silver began the week at Rs. 191-13, as against Rs. 191-12, and gradually rose to touch Rs. 194-3 on Saturday. Thereafter, it receded to Rs. 192-4-6 before finishing today at Rs. 192-10. July settlement, after improving from Rs. 190-4 to Rs. 193-2, declined to Rs. 191-8-6 today. Towards the close, it was better at Rs. 191-15. The backwardation rate for June settlement, which stood at more than a rupee in the first two sessions of the week, narrowed down subsequently and stood at As. 11 today, so that the bulls in this settlement were no longer required to pay the margin of Rs. 1,000 per bar.

Ready silver ruled firm in the first three sessions, the quotation advancing from Rs. 195-12 to Rs. 197-15 on Saturday. In the following sessions, however, it was subjected to selling pressure and retreated to Rs. 194-4-6 today before closing at Rs. 194-10. Not only were the initial gains completely erased but today's closing rate was lower than last week's rate by Re. 1-2. The daily average arrivals of silver were 14 bars, while the offtake was 13 bars. The floating stocks of silver are reported to be around 350 bars.

For the first time since 9th April 1959, ready silver in the London bullion market fell from 79¼*d.* to 78⅞*d.* per ounce on 28th May and further to 78¼*d.* yesterday. Forward silver also declined in the course of the week from 78⅝*d.* to 78¼*d.* Silver in New York was unchanged at 91.375 cents per ounce. Ready gold in London, which moved down from 249*s.* 7½*d.* to 249*s.* 6¼*d.* early in the week, recovered subsequently to 249*s.* 8¼*d.* following firmness of the pound sterling *vis-a-vis* the dollar. The latest available dollar rate for gold in London is $35.09½-35.11½, as against $35.12½ a week before.

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

	3-6-59	Highest	Lowest	27-5-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.995 fine Mint)	119 13½	122 15	118 14	123 3
Forward*	118 6½	119 8	117 10	119 7
Sovereign	78 4	78 4	78 0	78 0
SILVER				
Ready (.996 fine Mint) ..	194 10	197 15	194 4½	195 12
Forward†	192 10	194 3	191 10	191 12
	2-6-59			26-5-59
London Silver Ready ..	78¼*d.*	78½*d.*	78¼*d.*	79¼*d.*
London Forward	78¼*d.*	78⅝*d.*	78¼*d.*	78⅝*d.*
London Gold	249*s.* 8¼*d.*	249*s.* 8½*d.*	249*s.* 6¼*d.*	249*s.* 7¼*d.*
New York Silver	91.375c.	..	..	91.375c.

* 22nd June settlement. † 23rd June settlement.

COTTON RECEDES

(From Our Own Correspondent)

BOMBAY, 3rd *June*

The cotton futures market, which ruled distinctly firm till Saturday, suffered a setback on Monday, with prices taking a downward course. The downward trend gathered momentum in subsequent sessions and persisted till the close today. The earlier firmness was due to large-scale speculative support and good investment buying. Traders felt that the present shortage of quality cotton might persist until at least the arrival of new crop. They took note of the recent liberal import quota. But the general feeling was that, with imports of cotton linked to exports of cloth, obtaining the necessary supplies was a process involving considerable delay and that good quality cotton would, therefore continue to be in keen demand. This conclusion was borne out by the sustained firmness of the spot market. This imparted further strength to the market. The firmness of cottonseed was another helpful factor. Under pressure of persistent buying values spurted, notwithstanding fears that the F.M.C. might intervene. The August contract firmed up to touch the highest level of its career so far, namely, Rs. 712.75 on Saturday.

On Monday, however, as noted earlier, there was a reaction in prices following selling by upcountry interests and news of a sharp break in prices in Ahmedabad. Report of welcome showers in some of the leading cotton tracts accelerated the downward trend. Over the week, future values showed a net decline of Rs. 2.75.

I.C.C. Jarilla August opened at Rs. 708, as against the previous day's close of Rs. 707.25, and steadily rose to quote at Rs. 712.75 on Saturday. The contract dropped from that level to Rs. 708 on Monday and still lower to Rs. 705.25 yesterday. Commencing today at Rs. 704.75, it improved fractionally, receded to Rs. 703.50 and recovered to close at Rs. 704.50.

In the spot section, mill demand was brisk early in the week but, towards the close, it slackened. Nevertheless, staple varieties continued to attract attention and their prices were well maintained. Among the chief varieties which received the attention of spinners were Digvijay, Laxmi, Jaydhar, Kala and Wagad. The announcement of the details of the import quota does not appear to have had any appreciable effect on prices, though a slackening of interest in Jaydhar, Laxmi and other longer-staple cotton was noticed.

Export demand was fairly good early in the week. Shippers covered sizable quantities of Bengal *Deshi* and Kala against previous export commitments. Prices, consequently, hardened. Japan was also interested in these cottons. Towards the end of the week, however, foreign demand dried up and prices tended to ease.

The much-awaited details of the import quota of 100,000 bales, announced on 19th May, have been published. The quota, as usual, is divided into two parts. One is for 60,000 bales of cotton stappling 1.3/16" and above and the other for 40,000 bales of cotton stapling 1.1/16" and above but below 1.3/16". The imports under both these categories are allowed under the export incentive scheme. Giving details, the trade notice issued by the Joint Chief Controller of Imports and Exports adds that, subject to the staple length stipulation, the cotton may be imported from any country. Import licences issued will be valid for shipment upto the end of August 1959 in the case of the 60,000 bales of cotton stapling 1.3/16" and above and in the case of the 40,000 bales of cotton stapling 1.1/16" and above but below 1.3/16", the licences will be valid upto 15th October 1959.

The quantity will be distributed on the basis which was adopted for import under the export incentive scheme. The Textile Commission will issue allotment letters to actual users, namely, mills on the basis of the information already furnished by them herebefore in their applications made under previous announcements in respect of import of cotton.

The announcement has been received by importers with a sigh of relief. They have noted with satisfaction the allocation of 60 per cent. of the quota for cotton of staple length 1.3/16" and above, especially because Egypt, whose cotton falls under this category, has raised the discount rate offered to India from 32½ per cent. to 35 per cent. provided payment is made in rupees under 'B' account and shipment is effected before August, thereby making Egyptian growths cheaper to Indian mills than comparable Sudan cotton by about Rs. 100 per candy.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri: Bengal *Deshi* 725, Berar Jarilla 715, Khandesh 870, Laxmi 1,000, Jaydhar 920.

No trading was done in cotton futures in Karachi as the futures market continued to be closed. In the spot section, moderate spinner interest was evident. Export demand was reported to be better. The latest available spot quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistani cotton prevailing at Karachi is given below:

Sind *Deshi* 82; Punjab *Deshi* 71; 4F Punjab Roller 69; S.G. 71; 4F Punjab Roller 69; S.G. 71; L.S.S. Punjab Roller 73; S.G. 74; N.T.R.G. 71-8; S.G. 75-8; 289F Punjab Roller 73; S.G. 78.

A mixed trend was witnessed in the Alexandria cotton futures market during the week. While the longer staple Karnak contract advanced on speculative support prompted by good export demand, the medium staple Ashmouni contracts eased. Trading in new crop contracts commenced on 23rd May. Karnak new crop November opened at 72-90 tallaris and Ashmouni new crop October started at 65.10 tallaris. The new crop positions have ruled steady.

It has been officially announced that the marketing policy for the new Egyptian cotton crop would be on the same basis as for the current season. The Government has undertaken to buy all new crop cottons at the minimum support price which is unchanged from that of the present season. Discounts for export sales for current and old crop stocks will be continued at 32½ per cent. but for the new crop the discount will be 30 per cent. This is subject to revision every week. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's closing quotations:

Karnak: July 73.95 (72.95); November 73.70.

Ashmouni: June 67.55 (68.28); August 67.00 (67.10).

Steady conditions prevailed in the Liverpool cotton futures market during the week. Trading was dull, consisting mainly of inter-month switchings. The near position attracted short covering. Business in other positions remained generally quiet with light hedging off setting trade support. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: July-August 23.50; October-November 21.35; December-January 21.55.

American cotton mixed growth contract: July-August 23.75; October-November 21.95; December-January 21.35.

Sudan: July-August, September-October, November-December 26.75.

Cotton futures in New York depicted a divergent trend. While the near delivery declined, the more forward positions improved on Commission House buying which followed as a natural reaction to the recent fall. Over the week, while the nearby July receded, others registered a small gain.

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

(In cents per lb.)

	2-6-59	26-5-59	19-5-59
Spot	36.25	36.25	36.25
July	34.65	34.67	34.70
October	32.61	32.58	32.78
December	32.59	32.55	32.71

SUGAR MOVES UP

(From Our Own Correspondents)

BOMBAY, 3rd *June*

There was a rise in sugar prices during the week under review, in contrast to the sharp drop noted last week. The rise followed active pre-monsoon demand from the interior and an increase of a rupee per bag in the ex-mill quotations for sugar in the Bombay-Deccan area. Arrivals of sugar by rail into the market also continued to be poor, being just 5,000 bags, as against 10,620 bags in the previous week and 17,810 bags in the week preceding it.

Large grain sugar spurted by Rs. 2 to Rs. 121—127 per bag. Medium grain put on a like amount to Rs. 118—120. Small grain rallied from Rs. 114.50—115.50 to Rs. 115—117.

The Secretary to the Union Food Ministry, Mr. B. B. Ghosh, and another top official in the Ministry, Mr. K. B. Jain, were in the City on the 1st inst. with a view to studying the sugar situation. They held discussions with the representatives of sugar industry and trade, as well as with the State's Civil Supplies Minister. Mr. Ghosh is understood to have warned the trade and industry against any attempts to rig up prices. He has made it clear that, if the warning is not heeded, the Government will requisition the entire sugar stocks from the mills and distribute them to licence holders. This warning, however, had no effect on the sugar market.

Meanwhile, it is said that the Deccan Sugar Factories Association has submitted to the Food Ministry a tentative scheme to despatch at least 7,000-8,000 tons of sugar to Bombay City at a price not exceeding Rs. 40 per maund (Rs. 110 per bag) f.o.r. Wadi Bunder. Since the price falls within the "fair price" idea of the Government, the scheme is expected to be approved and come into operation within a fortnight. The sugar traders have requested the authorities not to disrupt the normal trade channels in any scheme of distribution envisaged by the Government.

* * * *

HAPUR, 1st *June*

The sugar market continued to rule firm during the week. In order to check this rising trend, the Government of India has decided that the entire production of sugar mills would be at the disposal of the Government for direct allocation, as against 25 per cent. hitherto. The control prices for U.P., Punjab and North Bihar, however, remain unchanged. Fifty per cent. of the earlier frozen stock of 50,000 tons for export is now to be released for internal sales. A heavy release of 190,000 tons as monthly quota has been made for free sale, but, as yet, prices here have not gone down. But reports from Delhi indicate that, following the imposition of ban on exports of sugar from Delhi, prices there fell sharply. Crushing operations in all mills have almost come to a close. Prices here continued unchanged at Rs. 115 to Rs. 116 per bag and, in retail, sugar was being sold at Re. 1.09 per *seer*.

Sugar was steady in the Muzaffarnagar market. The Government's decision to control distribution of sugar did not affect the sentiment. Certain mills were reported to have sold sugar during the week at a premium ranging between Rs. 3.50 and Rs. 5.25 per maund over the controlled prices fixed by the Government.

Sugar at Kanpur ruled quiet. As the traders preferred to watch the reactions of the latest official policy, they did not enter into commitments either way.

Khandsari continued to rule steady in sympathy with crystal prices and good seasonal demand. Prevailing prices were: superior Rs. 37 to Rs. 39; inferior Rs. 35 to Rs. 37 a maund.

Following a fall in ready demand, *gur* sought lower levels during the week. Arrivals from rural areas also dropped to an average of 200 maunds and local stock was put at 72,000 maunds. The condition of the standing cane crop is reported to be fair, but rains are now needed. Prevailing prices here were: *pansera* dry Rs. 22; *kotha* dry-wet Rs. 21.25; *shakker* Rs. 23.

Gur also eased fractionally in the Muzaffarnagar market, due to lack of buying interest. Want of support from Rajasthan accounted for sagging tendency in prices of *shakker*. The week-end prices were: *Gur chaku* Rs. 21.50 to Rs. 22.50; *Kotha* dry-wet Rs. 21; *ladu* Rs. 20 to Rs. 20.50; *rusket khurpapar* Rs. 14 to Rs. 15; *rusket ladu* Rs. 14 to Rs. 16; *shakker dara* Rs. 21 to Rs. 23; *masala* Rs. 25 to Rs. 27 per maund.

Forward trading in *gur* still remains suspended.

YARNS EASY AGAIN

(From Our Own Correspondent)

BOMBAY, 3rd *June*

The easy trend noted in the yarn market last week gathered further momentum during the week under review, with values continuing to move down. Selling pressure in art silk yarns persisted practically throughout the week. This was due to fears of heavy arrivals of imported yarns in the coming months. The fears were based on rumours that the Central Government would soon announce its decision on the export promotion scheme for fabrics. There would have been a more marked drop in prices but for encouraging advices from consuming centres and firmness of nylon yarns. Staple fibre yarns also suffered a setback, owing to pressure of sales, though reduced, by several South Indian mills. Cotton yarns ruled dull on reports that a few mills in Ahmedabad had sold for export to Rangoon some quantity at lower rates.

Business in Cupressa Bamberg yarn (60 x 1) August contract, with the new packing of 100 kilograms (220 lbs.), as against the old packing of 200 lbs., commenced at Rs. 1,600 on Monday, the 1st inst. The contract stood lower at Rs. 1,588 today. June contract was hammered down from Rs. 1,448 to Rs. 1,416 per case of 200 lbs. Spot Cupressa declined by 10 nP to Rs. 7.09. 120 Italy fell by 22 nP to Rs. 4-75. 150 Italy dropped 6 nP to Rs. 4.56. 120 Japan was quiet at Rs. 4.70, while 150 Japan gathered 2 nP to Rs. 4.70. Among indigenous yarns, National Rayons 120 bright cones 1st grade eased by 8 nP to Rs. 4.42. 150 bright cones 1st grade shed 3 nP to Rs. 4.25.

In the staple fibre yarn section, 40 x 2 June contract receded from Rs. 598 to Rs. 591 and August contract from Rs. 605 to Rs. 598. Spot Kohinoors were dull at Rs. 3.22. Centurys, however, were well supported, the rate advancing by 17 nP to Rs. 3.14. Citys were also better by 9 nP at Rs. 3.09. Among foreign yarns (80 x 2), Paramounts lost 6 nP to Rs. 6.94, but Fujis picked up 9 nP to Rs. 7.25.

Cotton yarns, as already stated, were dull. Ten counts Podars decreased by 13 nP to Rs. 12.12. Moderns, however, spurted by 25 nP to Rs. 13.50. Twenty counts Moderns were unchanged at Rs. 16.50, as also forty counts Minaxis at Rs. 25.37 and Moderns at Rs. 26. Among 60s, Raghuvamshis gained 50 nP to Rs. 57.50. Eighty counts Mahendras and Finlays were quiet at Rs. 71.50 and Rs. 81, respectively. Citys, on the other hand, met with good buying support and rose by a rupee to Rs. 66.

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

	3-6-59	27-5-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg June (200 lbs.) ..	1,416	1,448
60/1 Cupressa Bamberg August (100 Kg.) ..	1,588	—
60/1 Cupressa Bamberg spot (per lb.) ..	7.09	7.19
120 Japan (per lb.)	4.70	4.70
150 Japan (per lb.)	4.70	4.68
120 Italy (per lb.)	4.75	4.97
150 Italy (per lb.)	4.56	4.62
Staple fibre yarn—		
40 x 2 June (per case of 200 lbs.)	591 00	598.00
40 x 2 August (")	5 98	6 05
40 x 2 Century (per lb.)	3.14	2.97
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12 12	12.25
20s Modern	16 50	16.50
40s Minaxi	25 37	25.37
60s Raghuvanshi	57 50	57.00
80s Finlay	81 00	81.00

OILSEEDS DECLINE

(From Our Own Correspondent)

BOMBAY, 3rd *June*

As a measure of export promotion, the Forward Markets Commission has exempted from the operation of margin, open long positions in groundnuts and linseed held as a hedge against commitments in respect of groundnut oil and linseed oil exports. This measure is designed to enable exporters to cover their commitments on the futures market without having to make heavy payments by way of margin at higher levels. Similar exemption, it may be noted, had been granted to castor oil two weeks ago.

After an early firmness, the oilseeds market turned easy at the close of the week. The closing prices of groundnut and groundnut oil were a shade higher than a week ago. The prices of castor, linseed and cottonseed, however, declined perceptibly.

The strength of the groundnut section during the initial sessions was induced by good export enquiries for oil and oilcake. Rumania is said to have bought large quantities of oil. The exporters anticipate further business from countries of the Communist bloc. There are now better prospects for exports to the U.K. and the Continent as well. But the early onset of the monsoon disheartened the bulls as it was interpreted as a harbinger of larger production in the next season. The psychological climate thus turned in favour of the bears towards the close. There was a wave of profit-taking by bulls which brought the values down by the close of the week. Groundnut August contract which closed last week at Rs. 198.00 advanced to Rs. 203.50 on Saturday, but later gave way to close today on a quiet note at Rs. 199.25. In the face of continued paucity of stocks, bold ready, however, hardened from Rs. 41.50 to Rs. 42.75, after moving within a narrow range. But oil ex-mill dropped 25 nP over the week to close at Rs. 21.75.

The castorseed section eased due to a lull in the export demand and heavy arrivals of seeds from producing centres. It is expected that the U.S. will shortly enter the market for oil. The weakness in the ready section also had a dampening effect on futures. Castor September 1959 closed today at Rs. 166.12, as compared with Rs. 169.75 a week ago. Ready Madras eased from Rs. 32.75 to Rs. 32.00, and oil B.S.S. from Rs. 17.56 to Rs. 17.25.

The linseed section was featureless. September contract, which wound up last week at Rs. 34.56, after an initial firmness, lost ground and touched Rs. 34.25 today. Cottonseeds, too, gave way in sympathy with the cotton market, with September contract moving down by Rs. 3.50 to Rs. 134.00 over the week.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	3-6-1959	27-5-1959	13-5-1959
Groundnut	Rs.	Rs.	Rs.
August 1959	199 25	198.00	205 50
Bold ready	42 75	41.50	42.00
Coromandel ready	43 00	41 75	42.25
Khandesh quality	43 00	41.75	42.25
Oil ex-mill ready*	21 75	22 00	23 00
Railway receipts*	21.62	21.75	21.87
Castorseed			
September 1959	166 12	169 75	172.37
Ready Madras	32 00	32.75	33 12
Ready Kanpur	30 50	31.37	31 69
Oil B.S.S.†	17.25	17.56	17 62
Oil commercial†	16.50	16.75	16.75
Linseed			
September 1959	34.25	34 44	34.87
Bold ready	33 25	33.50	33 75
Oil ready†	15.75	16.25	16.50
Cotton seed			
September 1959	134 00	137.25	137.00
Niger seed	32 00	32.25	31.25
Kardi seed	24.50	24.75	24.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

BLACK PEPPER QUIET

(Messrs. Parekh and Co.)

BOMBAY, 3rd *June*

Malabar black pepper ruled quiet during the fortnight under review for want of foreign demand, as most of the pepper dealers in the U.S.A. were away in California to attend the Annual Spice Traders Convention. The yearly convention usually serves the purpose of a platform where every spice dealer discusses the statistical position and the future of the commodities he is interested in. The lot of buying and selling among members is also done at the time of the Convention. This year, very little business was transacted because the U.S.A. market remained overburdened with unsold supply of Lampong from Singapore and grinders worked from hand to mouth.

Alleppey moved narrowly between Rs. 650 and Rs. 625, while garbled at Cochin from Rs. 110 and Rs. 113. Forward was neglected for lack of new development. The highest paid August delivery was Rs. 117, the lowest being Rs. 114. Calicut was comparatively softer, the highest and the lowest being Rs. 690 and Rs. 670, respectively.

Throughout the fortnight, Singapore ruled quiet, but steady at St. $80, while a small fall was noticed in white, highest and lowest being $140 and $136, respectively.

New York spot was neglected at $0.24½, owing to preoccupation of dealers at the yearly Convention. May shipment was quiet at $0.25. There being no replacing parity, offers from the producing countries were restricted. Stockholders at Singapore and the growers in India are firmly inclined, as they are expecting higher prices in the near future. Exporters are fearing to go short, as replacing is very difficult because sellers are unwilling to part with stock.

The future of pepper depends upon the prospects of the coming crop of Lampong and the

political situation at Singapore, Djakarta and in Kerala which at present appears uncertain.

Ready pepper is normally quoted at Rs. 89-Rs. 93.

TEA PRICES LOWER

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

COCHIN, *29th May*

A total quantity of 800,000 lbs. was offered in Sale No. 20, which was held on 26th May 1959. The offerings from all districts showed a further seasonal decline in quality. The sale opened to a good demand, although prices were easier for all descriptions. Low medium and medium brokens met with useful enquiry, but were easier by 5 to 10 nP. There was useful demand for good medium brokens, although these sold at 10 to 15 nP lower than last. All fannings grades were well supported at irregularly 5 nP below last rates. There was poor demand for highgrowns and these were considerably easier with many withdrawals. There was a useful enquiry for whole leaf grades at easier rates. The quotations were: low medium Re. 1.70 to 1.85; medium Re. 1.85 to Rs. 2.05; good medium Rs. 2.15 to 2.40; and quality Rs. 2.20 to 2.94.

Dust Sale 'L'.—350,000 lbs. were offered in this sale which was held on 28th May 1959. There was a fair demand, but prices were generally easier for all descriptions. Low mediums were easier by 5 to 10 nP. Better descriptions declined further and sold 15 to 20 nP below last rates. Black grainy types met with only a fair enquiry and were considerably easier and there was lack of export demand for these types. There was a poor demand for C.T.C. dusts and in particular milled C.T.C. dusts were difficult to sell.

London Market: Sale of 25th May 1959.—Best Assams strong to dearer. Others unchanged, except for light liquoring which were irregular and easier.

Sale of 26th May 1959.—Irregular but good demand. Some B.O.Ps dearer.

Colombo Market: Sale of 25th May 1959.—Strong demand highgrown brokens 20 to 30c. lower, following quality. Mediums declined 10 to 15 c. Lowgrowns steady.

Sale of 26th May 1959.—Offgrades active demand. Generally dearer.

Calcutta Market: Export.—No sale this week.

Internal.—22,816 packages dust. Met fair demand. Orthodox 4 nP to sometimes 6 nP easier. Medium Assam C.T.C. 6 to 10 nP easier. Best C.T.C. 10 to 15 nP easier.

Export Quota 1959-60.—The market continues to remain quiet with last business being done at 5 nP.

Special Licence 1958-59.—A small business was transacted this week at ¾ nP. At the time of writing there are large Sellers at ½ nP with buyers being scarce.

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

"*Sale* 21.—1.25 million lbs. Fair demand, weakening towards the close. Low mediums and mediums 10 to 15 nP easier. Good mediums 15 to 20 nP. Highgrowns limited demand. Fannings grades better demand than brokens."

DEMAND FOR EXPORT TEAS POOR

(From Our Own Correspondent)

CALCUTTA, *2nd June*

In the export sales held yesterday, offerings amounted to 11,104 packages. Following a decline in quality, demand was poor. Prices eased and withdrawals were heavy.

The new season's export right was quoted at 4 nP with no business passing, while in the outstanding export quota for 1958-59 the transferable special licence realised 1½ nP. There was no business in non-transferable shipping licence but it was quoted at 1½ nP.

It was noted that, in London, tea stocks on 22nd May were as low as 137 million lbs., as against 142 million lbs. in the preceding week. As soon as the new season's sales started in full swing and quality showed improvement, it is expected that buying for shipment to the United Kingdom for replenishment of stocks would improve and continue for some weeks together.

Dusts on offer during last week's internal sales amounting to 22,784 chests met with poor demand, and prices, therefore, declined. Generally, prices eased by 4 to 6 nP. Legg-cut Dooars eased by 4 nP. The best C.T.Cs had buyers at prices which were 15 nP below valuations. The medium C.T.Cs which were lower by 6 nP at opening were down by 10 nP as the sale progressed. The quotations, exclusive of excise duty, were: best Assam C.T.C. Rs. 2.50 to Rs. 2.80 (nominal), medium Assam C.T.C. Re. 1.90 to Rs. 2.10, medium Dooars Re. 1.72 to Re. 1.76 and medium Assam grainy dust Re. 1.68 to Re. 1.72.

Leaf on offer amounting to 224 chests met with good demand at hardening rates.

Transferable export quota changed hands at ½ nP and non-transferable export quota at ½ nP. New season's quota was on demand at 5 nP with no sellers.

HESSIAN ADVANCES

(From Our Own Correspondent)

CALCUTTA, *2nd June*

Prices of hessian added gains during the week under review, while those of sacking goods fluctuated within narrow limits as genuine business passing was confined to small quantities. Fibre prices eased fractionally, following satisfactory pre-monsoon showers in areas where the plants require rains. In view of this, the earlier forecast of a higher crop in this season, surpassing the bumper of 1958-59, could be affirmed. On account of lack of rains, sowings could not be completed in several districts in Orissa and Bihar and in Murshidabad. Last week's rains were much helpful, and highly satisfactory reports continued to emanate from the jute districts in North Bengal and Assam.

An outstanding event of the week under review was the commencement from yesterday of regulation of trading in transferable specific delivery contracts in raw jute and jute goods, by the East India Jute and Hessian Exchange Ltd. A *communique* issued by the Union Commerce Ministry on 31st May declared that such contracts, unless put through the Exchange, would be illegal. It would be remembered that Section 15 of the Forward Contracts (Regulation) Act 1952 became operative for jute and jute goods as from March of last year, and the E.I.J.H.E., which was recognised, was given time to complete all preliminaries before it could take up the transferable specific delivery contracts. The formalities having been completed, the regulation came into effect yesterday. However, with a view not to dislocating trade, contracts entered into before 1st June will be exempted from the purview of the regulation by the E.I.J.H.E. It was also announced that the export contracts in raw jute and goods would continue to be put through as at present, that is, outside the scope of the regulating provision of the Forward Contracts (Regulation) Act.

A feature of trading during the week under review was the steadiness in hessian constructions following good overseas enquiries. As regards, shipping, May was a completely satisfactory month for hessian, and the stocks are expected to dip further. With the expectation of commencement of buying by Argentina and the United States in this month, the stock figures as at the end of May were awaited with interest. On Tuesday last, ready hessian 40" 10 oz. was unchanged but steady at Rs. 41, but business passing was small. Ready B. twills, however, fell to Rs. 93.85 from Rs. 94.30, following the setback in raw jute prices due to heavy pre-monsoonish showers. On Wednesday, scattered sales were reported, which were, however, insufficient to maintain prices. Thus, B. twills eased to Rs. 93.65 and hessian 40" 10 oz. to Rs. 40.95. At this stage, there were reports of further rains from jute districts, which adversely affected the fibre market. The result was that on Thursday prices sagged further, B. twills being quoted at Rs. 93.20 and hessian 40" 10 oz. at Rs. 40.75. Although on Friday, only small business was put through with buyers for export, prices firmed up, following keen activity in futures. B. twills gained to Rs. 93.45 and hessian 40" 10 oz. to Rs. 40.80. Ready goods derived support, and hessian 40" 10 oz. at Rs. 41.12 reached the highest level of the week. B. twills firmed up to Rs. 93.75. Yesterday, hessian 40" 10 oz. hardened to Rs. 41.20 while B. twills declined to Rs. 93.35.

Expectations of a higher crop in this year following heavy rains were heightened, and fibre prices gave way in the week. Northern bottoms eased to Rs. 20 from Rs. 20.50 and Assam bottoms to Rs. 20.50 from Rs. 21. Daiseee was, however, unchanged at Rs. 23. Mills showed only little interest, and as such there were not enough buying to absorb offerings. There were instances of small lots changing hands at cheaper rates. New crop did not attract interest, as buyers anticipated that prices for the same should be lower than present when the crop actually reached the market.

In the Narayanganj (Pakistani) market, fibre prices were firm to steady. Sellers were reserved and were not prepared to consider discounted offers. Arrivals from the interior were about 10,000 maunds per day. The quality of fibre was not good. Jat white B. bottoms were unchanged at Rs. 24-8, as were Tossa C. bottoms at Rs. 27. In the *pucca* bales group, the quotations were: Dacca Tossa 4 £135, Dacca Tossa 5 £111, mill firsts £110, output tossa 2/3rd £88, NC cuttings £50, MC £29, and export lightnings £80, all per ton c.i.f. the Continent and the United Kingdom.

METALS RECEDE FURTHER

(From Our Own Correspondent)

CALCUTTA, *2nd June*

A further decline in prices was the feature of trading in the metal market during the week under review. This followed a fall in demand, as well as weaker advices from the New York, London and the Far Eastern markets. The Union Commerce and Industry Minister, Mr. Lal Bahadur Sastri's reiteration that no industry would suffer for lack of raw materials and that a higher quota was being planned during the year also imparted weakness. On the London Metal Exchange, spot copper opened at £241½ and at one time was as low as £238½ but closed at £240¾. The subsequent steadiness in London was attributed to fair absorption on European account. New York followed a similar trend, since spot closed at 32.25 cents per lb. after being lower at 32.00 cents, as against the opening of 32.72 cents. Locally, demand for copper scrap suffered a setback, following lack of interest by small consumers whose requirements had been met earlier by the State Trading Corporation.

Tin at Rs. 565 disclosed a loss of Rs. 4. Demand was insignificant as compared to stocks, but buyers were reserved in anticipation of further easiness. On the other hand, in London and New York, steadiness was in evidence. In these centres, the anticipation was an increase in export quota of producing countries. In London, spot tin closed at £785, as against £784½ earlier.

Electrolytic zinc was at one time as low as Rs. 95.75, as against the opening rate of Rs. 97.50 but closed at Rs. 96. The fall would have been more pronounced if the stockists had not been more nervous, as they anticipated emergence of demand in the near future. For the stock position could not be considered comfortable. In London, spot zinc was earlier in the week at £78¾, but soon gave way to £78¼, following selling pressure.

Lead closed here at Rs. 73, after opening at Rs. 74. In London, the loss at £70 was 10s.

WHEAT STEADY

(From Our Own Correspondent)

HAPUR, *1st June*

A divergent trend prevailed in the foodgrains market during the week. Thus, while wheat continued to rule steady, due to poor arrivals and paucity of stocks, gram and other coarse grains drifted lower. Wheat arrivals, which had picked up just after the harvest, dropped sharply following the imposition of wheat levy scheme by the State Government early in May, under which the trade is to surrender half of its purchases to the Government at controlled price of Rs. 13 to Rs. 15 per maund according to quality. Although the agriculturist is now free to sell half his arrivals to consumers at market rates and the other half to the Government at controlled rates, the stalemate continues and wheat arrivals are almost nil, with the result that neither Government purchases are possible nor is consumers demand met. The State Government, however, has declared that the wheat levy scheme will continue for the whole of the year at the prices fixed and producers have been advised to bring their produce to the market before the rains set in.

Wheat at Hapur was steady in the open market to be quoted at Rs. 18.50 to Rs. 20 per maund. Whatever small quantity reached the market, it was picked up privately by consumers at higher prices. Facing shortage of wheat in the market, the consumers are now running to villages for their requirements.

Rice continued steady. The State Government is reported to have procured about 50 per cent. out of its target of 150,000 tons to be procured during the year. Rice advanced in some east U.P. markets and State Government is opening fair-price shops for sale of rice there to check this rising trend.

Gram was reaching here in heavy quantities from the Punjab and prices eased slightly, due to better supply position. Barley and *bejhar* also ruled quiet. The U.P. State Government has increased the purchase price of gram from Rs. 11.75 to Rs. 12.50 and that of barley and *bejhar* from Rs. 10 to Rs. 11 per maund. As prices were higher than those fixed by the Government, no purchases could be made on Government account. *Jowar* and *guwar* attracted good demand for seed purposes. Week-end prices (in rupees per maund) were: Rice *sela basmati* 33 to 36; *mainpuri* 22.25; *raimunia* 27; *gadda* 22.25; gram 13.50; barley 13; *bejhar* 12.75 to 13.12; *jowar* 13.50 to 15.50; *guwar* 13 to 15; *bajra* 14 to 16.

With modest arrivals—at an average of 1,000 maunds daily—and slack outside demand, peas stocks were gradually increasing and were put at 39 *khatties* of about 800 maunds each. Arrivals averaged 1,200 to 1,500 maunds daily and prices eased slightly during the week. Demand for *arhar dal* was still brisk and *arhar* arrivals averaged 500 to 600 maunds daily and prices were steady. Other pulses were quiet. The latest prices on Monday (in rupees per maund) were: peas *dara* 12.75; farm 13.50 to 14.50; peas *dal* 15.25; *arhar* 18; *arhar dal* 22 to 23; *urd* 19.25; *moong* 20.50 to 22.50; massor 15.50 to 19.

COMMERCE AND INDUSTRY

(Concluded from page 958)

sary adjustments. He also discounted the fear that domestic cars would be hit by Soviet competition. He said that there were many other things, besides cars, which Russia had to sell in the British market within the £2 million quota. Although there is a clause in the Government which permits Russia to sell its machinery in Britain, the British machinery makers do not appear to be upset by it, apparently because they believe that this clause will remain a dead letter. Commentators in the British Press say that it will not be easy for Russia to sell its machinery in Britain. In any case, in the initial years of the agreement, the trade in machinery will be one-way traffic, from the U.K. to the U.S.S.R. Indeed, the latter has already placed large orders with British companies.

INDIA'S FOREIGN TRADE

India's exports were lower at Rs. 135.46 crores during the first quarter of 1959, as against Rs. 143.37 crores during the same period last year. Imports, too, declined by about Rs. 11 crores to Rs. 191.98 crores. Consequently, India's adverse balance of trade narrowed down from Rs. 59.45 crores to Rs. 56.52 crores.

In the month of March 1959—the latest month for which figures are available—the adverse balance of trade was of the order of Rs. 18.43 crores, as compared with Rs. 23.88 crores in March 1958, according to the provisional figures of India's foreign trade by all routes, that is, sea, air and land, on private and Government accounts, published by the Department of Commercial Intelligence and Statistics, Calcutta. Exports (including re-exports) of merchandise amounted to Rs. 47.22 crores, as against Rs. 46.68 crores in March 1958. Similarly, imports receded from Rs. 70.56 crores to Rs. 65.61 crores.

MARKET GOSSIP

(Concluded from page 935)

raw materials are developed, Mr. Macpherson deplores the policy of some State Governments in showing preference to mills within their States in the form of leases, etc., completely disregarding the fact that production of paper should go up all over India and not on a State-wise basis. He, therefore, suggests that paper mills should be given long-term leases by the States and that all paper mills should receive equal treatment in this respect. This is, indeed, a reasonable request.

* * * *

As was mentioned in these columns a fortnight ago, discussions on the possibility of forming a "Little Free Trade Area" were resumed at Stockholm, Sweden, on Monday this week, when a working party of officials from Britain and six other non-Common Market countries (Norway, Sweden, Denmark, Switzerland, Austria and Portugal) commenced its "secret" meeting. The discussions must be on the basis of the report of Mr. Hubert de Besche, a Swedish Foreign Ministry official, circulated to the delegates in advance. The contents of the report are not known, but it is gathered that the report sums up the attitudes of the seven different countries and the scope for reducing trade barriers in the area. Before finalising his report, Mr. Besche visited all the countries concerned, gathering information from Governments. On the first day of the meeting, the Working Party is believed to have unanimously agreed that the most important thing was to hold together the 17 countries of the O.E.E.C. and not to split Western Europe's economy.

The chief edifice on which the idea of Little Free Trade Area is built is described thus: From the start, all the seven countries must accept the full obligations of membership of an organisation providing for the removal of barriers to trade among them in a manner consistent with the development of world-wide multilateral trade and the provisions of the G.A.T.T. Whatever may be the final state of the idea, the future course of Commonwealth trade relations will naturally undergo a change. The British Government, however, has again given the assurance that "Commonwealth interests will, as usual, be kept fully in mind." The Commonwealth Governments, says an announcement made by the U.K. Treasury, will be kept informed of what happens at Stockholm.

The anxiety of the majority of the seven countries to go ahead with the Little Free Trade Area plan has been prompted, it is said, by three considerations. First, there is no immediate chance of a successful resumption of negotiations on an O.E.E.C.-wide basis, at any rate until the French Government changes its attitude; it is only such a change that can make resumption of negotiations possible. Secondly, if and when negotiations are resumed, they may well move more smoothly between the two blocs than between the Common Market as a whole and individual "outsiders." Thirdly, when the Little Free Trade Area functions resulting in an improvement in the trade between its members, business men inside the Six will come to realise the need for a European solution and will bring pressure to bear on their Governments.

It is thus apparent that, although the seven non-C.M. nations mean business, they are still quite earnest about the establishment of a multilateral association among all the 17 countries of Western Europe. This is further evident from the following *communique* issued by Britain, the predominant partner in the Little Free Trade Area:

"In accepting the present invitation from the Swedish Government, the British Government has been moved by the belief that, if such an association of countries outside the Community (of Six) can be created, it will not only be valuable in itself but also make possible a new approach to European economic co-operation. It will be possible, once it is formed, to negotiate with the Community of Six and other O.E.E.C. members (some of whom will have special problems calling for special treatment), in order to remove trade barriers and so establish a multilateral association embracing all members of O.E.E.C., as has been the British Government's aim throughout."

Among the seven countries covered by the Little Free Trade Area scheme, Portugal, it is said, will have to make the heaviest sacrifice as a result of the reduction in tariffs. For this country has the highest tariff, the proceeds from which account for as much as a quarter of its total revenue. The average tariff level (per cent.) in the remaining six countries is: Austria and the U.K. 22½; Norway 17½; Sweden 10; Switzerland 5-6; Denmark 5.

The reactions of London City to the proposed scheme are mixed. Some, for instance, feel that the formation of the area will help British exports of iron and steel products, metal manufactures, machinery, motor vehicles and chemicals to the six other members of the Area which are at present importing these goods largely from West Germany. According to one estimate, the value of British exports to the six countries under reference will increase by £100-200 million in course of time. There is, however, another section which is rather sceptical about the benefits. This section fears that several industries will no longer enjoy the protection through imposition of quotas. The industries specially mentioned are motor car, optical and scientific instruments, sports goods and toys, cutlery and glassware, paper manufactures, watches and clocks, and dyestuffs. This section also fears that there will be increased competition for British paper manufacturers from Scandinavia, larger sales of Swedish ball bearings and some special alloy steels, and higher sales of certain Austrian and Swiss machine tools, in addition to concessions on fish products to Norway and guarantees to Denmark regarding agricultural exports, especially bacon.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 29th May, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	71,74,12,000
(2) Other Governments	15,95,87,000
(b) Banks	73,84,69,000
(c) Others	119,25,32,000
Bills Payable	15,87,55,000
Other Liabilities	51,91,97,000
Rupees	461,59,52,000

ASSETS	Rs.
Notes	32,86,75,000
Rupee Coin	1,90,000
Subsidiary Coin	2,63,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	10,30,08,000
Balances held abroad*	21,00,24,000
Loans and Advances to Governments†	34,09,52,000
Other Loans and Advances	61,14,66,000
Investments	288,69,92,000
Other Assets	13,43,82,000
Rupees	461,59,52,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 3,32,94,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	32,86,75,000	
Notes in circulation	1738,65,01,000	
Total Notes issued		1771,51,76,000
Total Liabilities		1771,51,76,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		129,97,35,000
Government of India Rupee Securities		1345,77,49,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1771,51,76,000

State Bank of India

Statement of Affairs for the week ended 29th May, 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		527,93,53,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		10,19,62,000
Bills for Collection being Bills Receivable as per contra		1,67,63,000
Acceptances, Endorsements and Other Obligations per contra		1,46,20,000
Other Liabilities (including Inter-Office Adjustments)		5,47,02,000
Total .. Rs.		559,36,50,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		26,45,73,000
Balances with other Banks		2,59,54,000
Money at Call and Short Notice		2,46,67,000
INVESTMENTS:		
Government and other Trustee Securities	302,41,71,000	
Other Authorised Investments	11,40,85,000	
		313,82,56,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	184,20,34,000	
Bills Discounted and Purchased	13,95,04,000	
		198,15,38,000
Bills Receivable being Bills for Collection as per contra		1,67,63,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,46,20,000
Premises less Depreciation		1,23,01,000
Furniture and Fixtures less Depreciation		1,06,36,000
Other Assets (including Inter-Office Adjustments)		10,43,42,000
Total .. Rs.		559,36,50,000

Scheduled Banks*

Statement of Affairs for the week ended 22nd May, 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	24,23,12,000
(ii) Other demand liabilities	722,44,13,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	26,36,04,000
(ii) Other time liabilities	979,65,80,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	7,26,97,000
(ii) Time liabilities	80,00,000
Borrowings in India from the Reserve Bank of India‡	17,98,44,000 (6,52,04,000)
Cash in India	43,72,56,000
Balances with the Reserve Bank in India	75,59,68,000
Balances with other banks in current account in India	13,78,03,000
Money at call and short notice in India	35,42,79,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	624,90,52,000
Advances in India	870,07,36,000
Inland Bills purchased and discounted in India	111,99,98,000
Foreign Bills, purchased and discounted in India	37,00,27,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	22nd May, 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation.	172.87	1752 35	1765.98	1751.46	1598.69
Notes held in Banking Department	35 05	18.83	19.97	28.14	26.48
Foreign Securities	59.50	178.01	178.01	178.01	209.68
Rupee Securities	87.89	1345.77	1360.77	1351.04	1167.62
Banking Department					
Deposits of:					
Government of India	14.39	54.40	52.97	53.63	76.06
Other Governments.	..	17.79	9 73	32.97	16.49
Balances held abroad	10.06	24.30	24.61	30.68	38.40
SCHEDULED BANKS					
Demand Liabilities	134.36	746.67 (24.23)†	738.70 (24.70)†	777.05 (22.48)†	740.10 (15.72)†
Time Liabilities	102.24	1006 02 (26.36)†	1000.45 (26.73)†	962.55 (24.32)†	793.08 (16.49)†
Borrowings from Reserve Bank	..	17.98 (6.52)‡	26.37 (8.19)‡	27.20 (9.57)‡	21.16 (20.03)‡
Borrowings from State Bank	..	8.07	9.41	9.17	5.80
Cash in India	6.70	43.73	43.92	44.93	38.17
Balances with Reserve Bank	25.17	75.60	68.27	87.97	69 43
Excess over statutory limits	15.52	18.15	11.33	29.87	16.57
Balances with other banks in current account in India	..	13.78	13.85	14.50	11.75
Money at call and short notice in India	..	35.43	35.07	37.11	55.98
Investments (at book value)	..	624.91	625.31	615 62	439.84
Advances and bills	105.9	1019.08	1021.28	1020.58	933.78
STATE BANK					
Deposits	87.76	525.04	519.27	528.62	416.21
Investments	51.99	303.55	303.59	293.87	170.93
Advances	80.85	199.50	201.68	203.22	198.67
Cash	14.69	31 00	29.21	45.85	26.79

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R = Revised.
‡ Borrowings against usance bills and promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Average rate of allotment Rs.
1959					
10th March	2.00	2.00	2.00	2.680	99.330
17th March	2.00	2.00	2.00	2.720	99.320
24th March	2.00	2.00	2.00	2.760	99.310
31st March	2.00	2.00	2.00	2.760	99.310
7th April	2.00	2.00	2.00	2.780	99.305
14th April	2.00	2.00	2.00	2.780	99.305
22nd April	2.00	2.00	2.00	2.800	99.300
28th April	2.00	2.05	2.00	2.800	99.300
5th May	2.00	2.25	2.00	2.800	99.300
12th May	2.00	2.00	2.00	2.800	99.300
19th May	2.00	2.40	2.00	2.800	99.300
26th May	2.00	2.15	2.00	2.790	99.300
2nd June	2.00	2.40	2.00	2.780	99.305
Total amount outstanding	26.00	..	26.00	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	16th May 1959	9th May, 1959	17th May 1958	April 1959	April 1958	Percentage of Increase (+) or Decrease (—) in April 1959 as compared with April 1958	Annual Average 1958	Annual Average 1957
Food Articles	504	117.2	115.4	106.7	113.1	105.2	+ 7 5	112.0	106.8
Cereals	192	99.0	98.0 R	99.4	99.0	97.2	+ 2.0	104.7	101.7
Pulses	48	96.7	92.4 R	82.0	96.2	82 4	+17.0	94.0	84.5
Fruits and Vegetables	23	127 0	125.5 R	113.2	121.6	108 0	+12.6	111.9	116.8
Milk and Ghee	84	116 5	118.1	106.1	115 0	105 2	+ 9 3	106.2	103.8
Edible Oils	47	132.2	130.5 R	121.2	125 6	122 8	+ 2.3	123.2	128.3
Fish, Eggs and Meat	17	107.0	105 3 R	105.0	106.9	102.3	+ 4.5	106.9	96.6
Sugar and *Gur*	48	149.5	142.0	115.9	128.0	113 5	+12.7	122.8	104.6
Others	50	159.6	156.1 R	132.6	150.8	130 7	+15.3	145.7	132.0
Liquor and Tobacco	21	99 0	99.0	92.1	97.5	93 4	+ 4 3	93.7	91.8
Tobacco	—	97 4	97.4	90.3	95.8	91.7	+ 4 3	92.0	90.1
Fuel, Power, Light and Lubricants	30	115 8	115 6	114.1	115.6	115 0	+ 0 5	115.2	111.6
Industrial Raw Materials	155	120 2	118.8 R	113.3	116.2	114 2	+ 1.7	114.8	118.1
Fibres	61	109 2	108 9	110.5	108 0	112 1	— 3 5	109.4	119.8
Oilseeds	60	135 9	133.3	117.9	127.4	118 7	+ 7.3	123.6	122.4
Minerals	2	103 6	100.6*	107.3*	101 4*	106.2	— 4 5	106.9	103.5
Others	32	112.7*	112.7*	110 2	111 6	110.2	+ 1.2	108.9	107.8
Manufacture	290	108 5	108 0	107 8	108.1	107 7	+ 0.3	108.2	108.0 R
Intermediate Products	41	108 5	107.8	107 6	108 4	108 9	— 0 4	109.4	108.5 R
Finished Products	249	108 5	108.0	107.8	108.1	107 6	+ 0 7	108.0	107 9 R
Textiles	147	103 0	102.3	104.9	102 3	105 2	— 2 8	104.3	107.9
Cotton	—	111.6*	110.6*	113.7	110 8*	114 4	— 3 2	113.0	116 8
Jute	—	84 9	84.3	88.8	83 6	88 1	— 5 4	87.7	97.7
Woollen	—	104.2	104.2	104.9	105 2	103 7	+ 1.4	104.9	102.1
Silk and Rayon	—	95.5*	95.5*	92.0*	95.7*	92 8*	+ 3.1	92.5	85.0
Metal Products	12	143 3	143.3	143.0	143.3	143 0	—	143.1	133.2 R
Chemicals	20	110.6	110.4	99.4	110.6	99 0	+11.7	104.0	97.6
Oil Cakes	10	138 9	138.6*	121.1	139.2	116 9	+19 0	128.6	114.7
Machinery and Transport Equipment	31	106.1	106.1	102.8	106 1	102 8	+ 3.2	103.2	101.2
Others	30	112.9	112.9	114.5	112 9	112 6	—	113.2	107.7
All Commodities	1,000	114.7	113.4 R	108.0	111.9	107.4	+ 4.2	111.0	108.7

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

TREND OF COMMODITY PRICES

(*Concluded from page 940*)

countries to the long-term aspect of commodity problems, as well as the measures they have adopted to deal with the problem of short-term instability in primary commodity markets. A few countries, still in the early stages of economic development, have succeeded in expanding their primary exports. But this development, the Survey points out, has frequently implied a rising share of the world market for these countries at the expense of other primary-producing countries. In a number of countries, the drive to industrialise has been the main concern in the belief that the scope for continued expansion of primary exports is severely limited. The Survey notes that their experience has served to illustrate the difficulties surrounding this line of policy, difficulties that are not likely to be overcome until such time as their export structure has been diversified to include manufactures.

Almost without exception, says the Survey, primary-producing countries have adopted policies designed to increase the domestic output of goods which replace imports. While in many countries it has been possible to achieve a greater degree of self-sufficiency in basic foodstuffs, experience indicates that a net displacement of manufactured imports through the growth of domestic industry is extremely difficult to achieve.

Among the national policies that have been adopted to remove or alleviate the harmful consequences of excessive short-term commodity fluctuations, relatively few have sought to influence the world market for a particular commodity, and among these, some have succeeded for brief periods, but at some cost, in achieving favourable terms for their primary exports. The limited scope for such intervention in the world market, however, has impelled many countries to fall back on various policies seeking to insulate the domestic economy from the impact of external fluctuations. A few countries have adopted policy instruments which proved effective in stabilisation, but most, remarks the Survey, appeared not to regard the objective of stabilisation as important enough to warrant comprehensive control over the export sector.

The Survey concludes, more generally, that, while there is clearly much scope for industrial countries to adopt less restrictive commodity import policies, and for underdeveloped countries, by their own efforts, to reduce their vulnerability to the commodity problem, there are serious limitations, even under the best conditions, on what any one country can accomplish for itself, acting alone.

International Commodity Policies

Since the commodity problem imposes on a large number of underdeveloped countries severe limitations on economic growth, and since national measures for dealing with this problem are entirely inadequate, there is, according to the Survey, a valid case for an international commodity policy. However, "international policy, in the context of sovereign nations and conflicting national interests, is in essence a policy arrived at among nations rather than above nations. There is, therefore, a strong tendency to gravitate to the compromise solution. ... What is seriously objectionable tends to be weeded out, but the final product often suffers from lack of vigour." The chief accomplishment of post-war international commodity arrangements is found in an area of little controversy—the provision of a useful forum for airing views, in promoting better information and research and in confronting national policies with international requirements.

"In more formal approaches to international commodity arrangements, the degree of success," to quote the Survey, "is more limited. ... The chief accomplishment here is the emergency of a set of new principles." One of them is that of equal representation, in the establishment of commodity agreements, of producers and consumers. Another is that international agreements should, as far as possible, be consistent with a rational allocation of resources and the bringing about of orderly adjustment with the aid of the market mechanism.

The Survey makes a detailed analysis of the advantages and disadvantages of various operating principles of major international commodity agreements actually in force. It comes to the conclusion that, within limits, post-war international commodity arrangements have provided stabilising mechanisms, while carefully avoiding the serious difficulties of restrictionism experienced before the war. It should not be thought, however, that existing arrangements are capable of meeting all contingencies in a dynamic world. The Survey, therefore, suggests flexible and perhaps combined use of various mechanisms, and warns against undue reliance on rigid automatic rules of control. It adds that, if Governments are not content with the scope of current activities in dealing with the commodity problem, a bolder and perhaps more comprehensive approach beyond the commodity-by-commodity approach may be indicated. Among the various proposals examined, those for increasing international liquidity, especially of exporters of primary commodities, for multi-commodity insurance and for surplus disposal appear to be of particular interest.

Centrally-planned Economies

In the centrally-planned economies, a major feature of post-war experience has been the persistent scarcity of most primary commodities. In part, the reason for this is in the heavy emphasis placed upon industrial development in economic plans. Investment in primary production was accordingly severely restricted. The Survey, however, points out that, despite the central planning and allocation of resources, prices of primary commodities also influenced the demand-supply situation. While very high rates of growth of industrial production were achieved during the post-war period by all centrally-planned economies, expansion of agriculture was very moderate as a whole. This expansion of farm output was slow for foodstuffs though more substantial for other agricultural raw materials. The expansion of mining output also lagged behind the expansion of manufacturing in all centrally-planned countries, but this lag was moderate, unlike that of agriculture.

Important steps were taken in almost all these countries after 1953 to correct the defects inherent in the prevailing pricing system. The reforms were generally framed to align relative prices more closely with relative costs. Most important, agricultural prices were considerably increased. The increase in prices paid to agricultural producers in all European centrally-planned economies resulted, after 1953, in a recovery of the terms of trade between agricultural primary commodities and goods purchased by the peasants. The new long-term plans of economic development adopted during the past three years provide for very substantial increases in output and trade of primary commodities. For most commodities the rates of expansion set in these new plans are higher in relation to planned increases in manufacturing than in the past, and the growing importance of the Soviet Union as the main supplier of raw materials was one of the reasons which prompted several East European countries to synchronise their national plans with the new seven-year plan of the Soviet Union.

GUEST, KEEN, WILLIAMS, LIMITED

(*Concluded from page 962*)

an interest in the electrical industry, which investment will form another source of income. Bearing in mind the present and future development potential of the electrical industry, such investment can be expected to show a good return.

"On the subject of taxation, the provisions of the 1959 Finance Act removing the excess dividend tax and the wealth tax on companies are most acceptable and the simplification of the tax structure will, I think, be acknowledged as a welcome reform. It is to be hoped that future taxation measures will facilitate capital formation and from time to time enable a developing industrial company, without being penalised, to expand its capital structure commensurate with the needs of its physical development. This is a subject requiring early attention if those keen to assist in the country's development are not to be discouraged. Furthermore, overseas sources of both technical assistance and financial credit could, I believe, be encouraged towards greater participation in India, if the present measures of inter-corporate taxation and taxation of foreign shareholders could be made less of a disincentive.

Training

"Under this heading, I am pleased to tell you that the Company's second candidate to the Administrative Staff College at Henley in England satisfactorily completed his course of management training. Four graduate engineers are at present undergoing training in England. Twelve other employees have during the past year been sent abroad for various kinds of specialised training in connection with technical sales or production, or with operation of the new plant now being installed here. The assistance and co-operation which we receive from Guest, Keen, and Nettlefolds Ltd. in arranging overseas training of all kinds for our employees is invaluable. This service is greatly helping the Company to build up its management and technical strength to meet the administrative needs of the present and the future. At both Calcutta and Bhandup Works, the various apprenticeship and special training courses under the personal supervision of the senior management are working well.

Acknowledgment

"The last year has not been a particularly easy one, there have been a number of difficulties to overcome in looking after your interests, but no one is more conscious than I am of the splendid team spirit which exists within the Company and as a result of which these difficulties have been surmounted. I would like to thank personally, and on your behalf, the staff and all those employees who have contributed by their loyalty, enthusiasm and keenness to make the year 1958 a successful one."

INDIAN PAPER MAKERS ASSOCIATION

(*Concluded from page 963*)

This, it will be seen, is an all-round very substantial increase, with no decreases whatsoever in any material, and the present trend is still inclined to be on the upward grade both for indigenous and imported material. The supply of materials generally during the year have shown an improvement, but sodium sulphate is still very difficult to procure locally and is one of those items that until the Government of Rajasthan are able to supply mills with their requirements it will be necessary to import this commodity which in itself requires a considerable amount of foreign exchange.

Labour Relations

"I would now like to say a few words in respect of labour relations during the past year. In the sphere of labour-management relations, the past year appeared to be one of sustained progress. Statistics showed that, except in the case of a few industries, there had been fewer strikes and lockouts in the country, as a whole, and in West Bengal, in particular, resulting in less number of man-days lost than in the previous year. This heartening trend bids fair to a brighter future for the country's industrial progress.

"The Government has been exhorting everyone to be productivity-conscious by a systematic inoculation of a constructive attitude. What is primarily required is a sense of keen competition based on devotion to work carefully fostered at all levels. Employers, workers and State and Central Governments who are now committed to a number of 'don'ts' in the field of industrial relations are likely to work out in the next few months a series of 'dos' to ensure lasting industrial peace and increased production. Proceeding from the largely negative code of discipline prohibiting strikes, violence, go-slow by workers and lock-outs and victimisation—we are told that a code of efficiency and welfare is to be evolved shortly. Let us hope this will commit the worker to give his best and willingly to increase production in every way.

"Far too often we are faced with demands from trade unions for increase in wages out of all proportion to the increase in production contributed by labour. It is to be hoped that trade unionism in this country will be guided by loftier motives than has been in the recent past. The leaders of trade unions should restrain themselves from using their position to self-gain and instead endeavour to guide and train followers, so that they may become conscious of their correct role in industry and thereby become useful citizens of the country.

"Before closing, I would like to congratulate the Government on the general improvement in the movement of wagons of raw materials, with one exception, that is, the movement of sabai grass from certain areas in Orissa and Bihar, which is chiefly due to the re-laying of narrow-gauge sections with heavier rails, shortage of locomotives and narrow-gauge wagons, dislocation due to the Rourkela Steel Works, etc., but the fact remains that sabai grass is a valuable and much needed commodity and should be moved as expeditiously as possible, as it is highly inflammable and deteriorates rapidly in the rains."

COMMERCE

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

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Commerce
A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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MUDDLED THINKING IN A.-I.C.C. SEMINAR

AN official summary of the recommendations of the All-India Congress Committee's week-long Seminar on the third Plan was released shortly after our comments on Mr. Nehru's inaugural speech, and the discussions that followed, in these columns last week. This statement has not rendered any of our comments irrelevant or inappropriate. Nevertheless, it is necessary critically to analyse the Seminar's suggestions, as there is every reason to feel that they will greatly influence the drafting of the third Plan and the policies to be followed by the Government for implementing the Plan. It would not, indeed, be surprising, if a beginning were made with the policies even before the commencement of the third Plan on the plea that it is necessary to prepare the ground well in advance.

Appropriately enough, the *communique* begins with the basic approach to the third Plan. There is nothing new in what the Seminar says on this subject. It is said that, "while the solution of the problem of poverty and backwardness lies in the rapid growth of industry, giving rise to increasing production and widening opportunities of employment, this would be possible only if there were to be a simultaneous increase in agricultural production. The key to the improvement in agricultural production in India is a steady increase in the yields per acre achieved through intensification and diversification of agriculture." The Seminar feels that "intensification of agricultural production, on the one side, and expansion of the basic capital goods industries, on the other, should receive the highest importance in the Plan." There will be general agreement with this broad approach, which has already characterised the second Plan. It is now agreed by all that, for a vast country like India with its teeming population, a strong agricultural base is a prerequisite for large-scale modern industrialisation. That it is also possible to have such a base is evident from the achievements of the U.S. and Russia, as well as from the attempts that are being made by China.

As for the basic capital goods industries mentioned above, there is room for difference of opinion on the extent of emphasis to be placed on such industries and their types. The approach to this subject should be practical and not sentimental. It has to be reconciled with the need for obtaining a sizable rate of return necessary for augmenting the resources required for financing a progressively rising rate of development. The heavy industries need large amounts of capital, adequate supply of highly qualified and experienced engineers, and a large army of technicians. They take time to yield a return on the capital invested. But they are the mother of other industries and, without them, there can be no large-scale industrialisation of the order this country has in view. The issue is thus a complicated one and has to be decided by experts, who have to strike a balance of competing claims on the resources available. It will involve much thought and discussion not only between the experts in the Planning Commission but also with some of the foreign countries, the co-operation of which is necessary for implementing the Plan.

The Seminar has also laid stress on small and cottage industries, with a view to achieving a balanced distribution and fuller utilisation of the productive potential of the mass of idle or semi-idle people. The growth of these industries is to be promoted in rural areas and small towns, preferably on co-operative lines. There can be no difference of opinion on this proposal. The system of industrial estates is already in operation in several parts of the country and many useful lessons can be learnt from its working for furthering gainful small and cottage industries. The Seminar has rightly drawn the attention of Governments to the need for training personnel in adequate numbers and quality. It is very refreshing to find that the Seminar has suggested that "the rural orientation of the Plan should not be conceived in such a way as might hinder the growth of our economy" and that "the use of power and improved techniques must be encouraged, wherever it is feasible to do so." If this suggestion means anything, it is that the policy so far followed for sustaining and stimulating the growth of certain types of cottage industries such as handlooms, *ambar charkas*, oil *ghanis*, hand-pounding of paddy, *gur* and *khandsari*, and cottage matches must be modified on lines suggested by this journal from time to time. It also means that modernisation of most of the small and cottage industries should be encouraged and not opposed, as is being done by some at present. One of the proposals of the Seminar in regard to these industries is, however, not very clear. It is that there should be a definite price policy for the products of these industries. Does this mean that there should be a support price for these products, as has often been suggested for agricultural produce? The economic implications of such a policy have to be carefully worked out before a beginning is made in this direction.

A welcome suggestion of the Seminar is that idle and semi-idle manpower in rural areas must be harnessed for the development of rural areas. There is plenty of scope for utilisation of such manpower. It can be used in the construction of houses, roads, bridges, irrigation canals and channels, in soil conservation, afforestation, maintenance of sources of irrigation in villages, and similar jobs. If these tasks are to be carried out economically, the level of wages and amenities should not be fixed high. The Seminar is, therefore, right in saying that some kind of special employment projects of a productive character should be provided at whatever wage rates are practicable. This question, it is needless to add, has to be viewed in the spirit of something is better than nothing.

It now looks as though the size of the next Plan, in terms of finance, will be Rs. 10,000 crores. The Seminar, too, has given its blessings to this figure and the Prime Minister has come to the conclusion that this size is not beyond the limits of practicability. This figure has apparently been chosen on the assumption that the *per capita* national income should be raised at least by 6 per cent. per annum, but it is not exactly clear how the resources are going to be found. Nor is it clear how the authors of this figure have arrived at the conclusion that an investment of Rs. 10,000 crores in five years

will yield a 30 per cent. increase in the *per capita* income, making allowance for the rise in population. What are the industries to be started? Who is going to manage them? How much of the proposed investment is for agriculture and how much for basic services? How much is going to be spent on social welfare measures? Unless clear answers to these questions are available, it is not possible to comment on the investment target of Rs. 10,000 crores. But, if the discussions on socio-economic policies at the Ooty Seminar and elsewhere are any indication of the shape of things to come, an investment of this large order does not seem to be a practical proposition. It is proposed that two-thirds of the suggested amount be invested in the public sector and only the balance in the private sector. It is suggested that high priority should be given to heavy capital goods industries, that, by way of incentive to hard work, people should be allowed to have an adequate supply of food, clothing and other consumer goods, that primary and secondary education should be free to the children of low-income group and that these children should be given free lunch. These proposals imply that a sizable part of the investment will go in consumption and in consumer goods industries. At the same time, it is suggested that indirect taxes should be raised substantially in order to find a good part of the additional resources required for financing the Plan. These are surely contradictory objectives, on the proper balancing of which will depend whether or not a plan of Rs. 10,000 crores will be feasible.

On the question of prices, profits, wages and income, the Seminar's conclusions are not startling. The view that, in a planned economy, prices cannot be left to be determined by market forces and that it is necessary to ensure stability of prices through State trading, controls, buffer stocks, fair-price shops, etc., has been reiterated. This view has been stated and re-stated numerous times ever since India attained Independence. Efforts have also been made to give effect to it. And yet prices have risen and today the rupee buys less than it did a decade ago. The only consolation that one can have is that things could have been worse. It is idle to expect that an annual investment of Rs. 2,000 crores on an average, representing about 20 per cent. of national income, could be made without generating inflationary pressures and that such pressures could be suppressed through controls. Nevertheless, controls are necessary and have to be endured as a lesser evil; without them, the position would become intolerable. Only, the controls must be enforced diligently and honestly. These conditions do not necessarily mean that the State itself should undertake the functions of marketing and distribution. If the responsibility implied in controls is to be minimised, production of food, cloth and houses should be kept up. It would be infinitely better if the authorities bestowed more thought and attention on these positive steps for keeping prices stable than on the negative means of controls and State trading.

For some months past, planners in this country have been saying with commendable frankness that the commercial enterprises in the public sector should make substantial profits, in order to augment the resources available for this sector, and the principle "no-profit-no loss" should be abandoned. The realisation of the value of profits by those who have condemned profit-motive as anti-social is an encouraging development. If it had dawned on them ten years ago, there would have been a marked increase in the resources available for the public sector and the heavy erosion of capital that has taken place could have been avoided. It is, however, to be hoped that this realisation will not be conveniently forgotten when determining the prices and profits policy for enterprises in the private sector and that, in applying the new principle to the public sector, the interests of consumers will not be ignored. In their anxiety to raise resources, the authorities may be tempted to allow the pendulum to swing too far to the other side and copy the practice of authoritarian countries where State monopolies are used as a machinery for extracting resources from the public and for restraining consumption of articles that are in short supply. There should be suitable checks to prevent this from happening.

The main features of the wage policy favoured by the Seminar are: there should be a national wage and salaries policy applicable to both the public and private sectors. Wages should be related to productivity. There should be a definite maximum for salaries, subject to exceptions in the case of personnel with specialised qualifications. Profits, after deduction of all necessary payments, including normal remuneration, are intended not only for the benefit of those working in the concern but also for the society as a whole. Such profits must, therefore, also be utilised for financing development schemes in the interests of the society. This policy is good in part and revolutionary in some respects. Even that portion which sounds good is not easy to implement. It is, of course, desirable to link wages to productivity, but its application in all industries is not feasible. This does not mean that it should not be tried in as many industries as possible. Again, the suggestion that a part of the surplus profit should be utilised for the benefit of the public is perfectly sound. In effect, it means that the distribution of bonus to workers should not be extravagant, as is now being ordered by some of the adjudicators. As the State is already taking away more than 50 per cent. by way of taxation in the case of joint-stock companies and much more in the case of partnerships, private limited companies, and closely-held companies, there is, however, no justification for it to try and take away a part of the surplus profit also. This surplus, after deducting the labour's share, should be used by the companies for expansion and for reducing the costs through modernisation and research. It is undesirable to fix a ceiling on salaries, as it will impair efficiency and discourage enterprise. A negative approach of this nature is not conducive to the emergence of dynamic leadership in the economic sphere. It will hamper the healthy growth of entrepreneureal skill, without which there cannot be any worthwhile dispersal of economic power. There will also be practical difficulties in implementing the ceiling on salaries. And, above all, it will result in too much interference by the State, gross discrimination between salaried employees and further whittling down of the democratic rights of individuals.

After advocating a ceiling on salaries and other urban incomes, the Seminar seriously suggests that profits in both the public and private sectors should be linked to efficiency. Elaborating this point, it says:

> "Norms of productivity should be set up for different industries on the basis of a sample survey of different concerns in each industry and the targets formulated. Concerns fulfilling or exceeding the norms deserve special recognition, while those that fail to do so require to be censured. The same procedure should also be applied to enterprises in the public sector. A socialist society has to be more efficient in its economy than a capitalist society and it is, therefore, that the Seminar places so much emphasis on efficiency and productivity."

The Seminar has followed up this suggestion with two more proposals. One, "special taxation should be levied on unearned, functionless, speculative and windfall incomes. In particular, increments in urban land values should be subjected to this taxation." Two, "positive steps should be taken to bring about a substantial reduction in the existing disparities of income and wealth, in both rural and urban sectors of the national economy." In the context in which this idea has been put forward, "positive steps" here do not mean levelling up the have-nots but levelling down the haves.

To sum up in simple language, the planners who participated in the Seminar want efficiency in production, honesty of purpose and single-minded devotion to the job. They also want the people to spend less and save more for the future. At the same time, they are advocating, in the name of social welfare, confiscatory types of taxation which penalise efficiency, honesty, hard work, and thrift, that is, those very qualities which they want to encourage. The contradictions in these objectives are so apparent that they can be made only by idealists with their feet not on the ground, or by muddle-headed thinkers, or by political opportunists, or, of course, by a combination of all the three types. There are, however, many in this country and elsewhere who admire this kind of planning and objectives, because they believe in the art of tactics and statesmanship. They consider the contradictions as constituting the carrot for the donkey of have-nots, without whose votes no political party can be in power in India. Time alone can show whether this type of statesmanship will succeed.

THE TEN PILLARS OF ECONOMIC WISDOM

[In view of the discussions that have taken place at Ootacamund under the auspices of the Congress Party for establishing a "democratic socialist society," the description of the ten pillars of economic wisdom by the American Economic Foundation, New York, is of topical importance. We, therefore, make no apology for highlighting them on our editorial page. Our planners and politicians in power are welcome to profit by the incisive thinking that must have preceded the preparation of these points. But we are not confident that they will do so. The points will, however, help the public to judge the socialist economic policies of the Congress Party on right lines.—ED.]

1. Nothing in our material world can come from nowhere or go nowhere, nor can it be free; everything in our economic life has a source, a destination, and a cost that must be paid.

2. Government is never a source of goods. Everything produced is produced by the people, and everything that Government gives to the people, it must first take from the people.

3. The only valuable money that Government has to spend is that money taxed or borrowed out of the people's earnings. When Government decides to spend more than it has thus received, that extra unearned money is created out of thin air, through the banks, and, when spent, takes on value only by reducing the value of all money, savings and insurance.

4. In our modern exchange economy, all pay-roll and employment come from customers, and the only worthwhile job security is customer security; if there are no customers, there can be no pay-roll and no jobs.

5. Customer security can be achieved by the worker only when the 'boss' is allowed, by the worker, to do the things that win and hold customers. Job security, therefore, is a partnership problem that can be solved only in a spirit of mutual understanding.

6. Because wages are the principal cost of everything, widespread wage increases, without corresponding increases in production, simply increase the cost of everybody's living.

7. The greatest good for the greatest number means, in its material sense, the greatest goods for the greatest number, which in turn, means the greatest productivity per worker.

8. All productivity is based on three factors: (a) natural resources, whose form, place and condition are changed by the expenditure of (b) human energy, both muscular and mental, with the aid of (c) tools.

9. Tools are the only one of these three factors that man can increase, and tools come into being in a free society only when there is a reward for the temporary self-denial that people must practise, in order to channel part of their earnings away from purchases that produce immediate comfort and pleasure, and into new tools of production. Proper payment for the use of tools is essential to their creation.

10. The productivity of the tools—that is, the efficiency of the human energy applied in connection with their use—is highest in a competitive society, in which the economic decisions are made by millions of progress-seeking individuals, rather than in a State-planned society, in which those decisions are made by a handful of all-powerful people, regardless of how well-meaning, unselfish, sincere, and intelligent those people may be.

T.I.S.CO. NEW ISSUE NOT AT PAR?

BANKING TRENDS—SHIPPING CONFERENCE IN U.S.

COMMODITY MARKETS

THURSDAY, 5 P.M.

MARKET GOSSIP

WILL the Tata Iron and Steel Company, Ltd. receive permission for issuing its proposed ordinary capital at par? This question is uppermost in the minds of speculators in the share market. The doubt was there last week itself, but it was not as widespread as it is now. In fact, none cared to entertain it, when we raised the point in our issue of 4th April 1959, presumably because of the strong assurance given by the Vice-Chairman of the Company at the last annual meeting of its shareholders that the Directors would not agree to the new shares being issued at par. This statement had led many to infer that there must have been some informal understanding between the Company and the Government on this question.

If more people than before are now having doubts on this issue, there are good reasons for it. First, many in the market have come to know that, though the extraordinary general meeting of the Company for getting the shareholders' approval for the issue of new shares is only two weeks ahead, the management has so far not received the Government's sanction and that a spokesman of the Company will shortly be proceeding to New Delhi to discuss the question. Secondly, it is reported that the Government itself has not yet come to any decision. And, thirdly, in an overbought market, with bulls in a defensive mood, doubts of this nature find more listeners than they usually do when bulls are aggressive and confident.

Our own information, according to reliable sources, is that the Finance and the Commerce and Industry Ministries are studying the question in consultation with their advisers. The Secretariat is credited with the view that the Company should be asked to collect a premium on the new issue as was done on the previous occasion. The Government's advisers also are said to have given their support to this view.

As stated in our issue of 4th April, the main reason for companies abandoning the time-honoured practice of issuing new shares at a premium is the Government's punitive tax policy, especially the 30 per cent. tax on bonus shares and its extension to capitalisation of share premiums also. If the Government wants companies to resume this practice, then it should amend its fiscal policy by withdrawing the tax on capitallsation of reserves and premium on shares.

The Secretariat is reported to be contending that, if a company does not want to continue a policy considered as sound merely because of the aforesaid taxation, it amounts to tax avoidance to which the Government should not be a party. It is also not convinced, so we understand, that the fact that permission was given to several well-established companies to issue new shares at par after the compulsion exercised on the T.I.S.Co., I.I.S.Co. and A.C.C. in the past is a sufficient argument for the extension of that policy to the T.I.S.Co. In any case, the departure is regarded as a mistake and there is no reason why it should not be rectified. It may be noted here that it was after Mr. T. T. Krishnamachari became the Finance Minister this departure was made.

In the light of this background, will Mr. Morarji Desai and Mr. Lal Bahadur Shastri overrule the views of their departments and let the T.I.S.Co. issue new ordinary shares at par? One has to wait and see. Meanwhile, it can be confidently stated that the Company's spokesman who is proceeding to New Delhi to place its case before the Ministers and the officials will not find his task easy.

* * * *

It is now four weeks since the pull on the short-term money market has been on the wane, the volume of bank credit having recorded a fall of Rs. 15.81 crores from the peak of Rs. 1,027.26 crores touched on 8th May to Rs. 1,011.45 crores on 29th May, the latest date for which figures are available. During this period, Scheduled banks' deposits have risen by Rs. 24.61 crores to a record of Rs. 1,706.81 crores and this has enabled them to reduce their borrowings from the Reserve Bank by Rs. 30.02 crores. While their investments do not reveal any worthwhile addition, their cash balances and money at call and short notice stand strengthened by Rs. 11.40 crores.

Now that the busy season is over, it would be appropriate to analyse the variations in Scheduled banks' data during the last two busy seasons. The end of April is usually said to mark the close of the busy season, but this year it had prolonged by a few days. Since the peak of bank advances was touched on 8th May, we have taken this date, for the purpose of the analysis, as the end of the busy season. Between the end of October last and 8th May, Scheduled banks' deposits went up by nearly Rs. 105 crores, as against over Rs. 146 crores in the corresponding period of 1957-58, as will be seen from the table published at the bottom of this page. The slower pace of expansion in deposits this season is mainly accounted for by time deposits, which have risen by only Rs. 83.5 crores, as compared with Rs. 142.5 crores in the 1957-58 season. Demand deposits show an increase of Rs. 21.4 crores, which is nearly six times that in the 1957-58 busy season. In other words, a greater use of funds was made this season than in the previous year, notwithstanding the import restrictions. This is due to an increase in agricultural production during the 1958-59 season as well as in the production of several industries. The increase in economic activity is further indicated by the larger pace of expansion in bank credit; this has gone up by nearly Rs. 188.5 crores, that is more than double the rise in the 1957-58 busy season. The larger credit expansion has been met by increasing the borrowings from the Reserve Bank by over Rs. 38 crores (in the 1957-58 season, there was a reduction of about Rs. 6 crores in this portfolio) and by reducing the cash balances by more than Rs. 53 crores. There has, however, been an addition of over Rs. 15 crores to the investment portfolio. In the corresponding season of the previous year, Scheduled banks' cash balances had risen by over Rs. 10 crores and investments in Government securities by Rs. 21 crores.

It may also be noted that the rise (Rs. 43 crores) in State Bank's deposits in the 1958-59 busy season is only Rs. 5 crores less than in the 1957-58 season and the expansion in advances is more or less the same as in the last busy season. This means that the major beneficiaries of the rise in bank credit in the 1958-59 season have been the other Scheduled banks. The increase of Rs. 15 crores in the investments of Scheduled banks as a whole is solely due to the rise of Rs. 43 crores (as against Rs. 7 crores in the 1957-58 season) in the State Bank's holdings. It is thus apparent that the other Scheduled banks must have reduced their investments in Gilt-edged securities by about Rs. 28 crores. Of the drop of Rs. 53 crores in cash balances of all Scheduled banks, State Bank accounts for nearly Rs. 33 crores.

Notwithstanding the increase of Rs. 79 crores over the year to a peak of Rs. 1,027 crores in advances, the credit ratio as on 8th May is lower than that a year before. This is due to the substantially larger rise (Rs. 177 crores) in deposits. Consequent on the addition of Rs. 208 crores in investments between 9th May 1958 and 8th May this year, which is much larger than that in deposits, the ratio of investments to deposits has risen from 28.2 per cent. to 37.7 per cent.

An analysis of the latest position of Scheduled banks (as on 28th May 1959) shows that their deposits (net) have gone up over the year by more than Rs. 200 crores to Rs. 1,706.8 crores. As against this, the rise in advances, at Rs. 1,011.45 crores, is of the order of only Rs. 88 crores, thereby bringing down the credit ratio from 61.3 per cent. to 59.3 per cent. Investments stand at Rs. 635.10 crores, representing an increase of Rs. 157 crores over the year. At this level, they constitute 37.2 per cent. of the deposits, as against 31.7 per cent. a year before. Cash balances have dwindled by Rs. 14.26 crores to Rs. 166.23 crores, but this is solely accounted for by money at call and short notice which has been reduced from Rs. 55.09 crores to Rs. 39.06 crores.

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Now in session at Washington is a closed door ten-nation inter-Governmental conference on shipping affairs which began on Monday this week and is due to end tomorrow. The participating countries are the U.S. and nine West European powers—the U.K., Belgium, Denmark, France, W. Germany, Italy, the Netherlands, Norway and Sweden. The discussions at the conference are on the U.S. policies and laws resulting in what are called "three evils": (1) Flag discrimination in the form of cargo preference laws under which at least 50 per cent. of all cargoes financed by the U.S. Government or shipped under the foreign aid programme should be carried in U.S. vessels; (2) subsidies for the building and operation of ships which otherwise cannot compete; and (3) official approval to U.S. shipowners operating under tax-free flags of convenience. Out of the estimated world tonnage of 125 million at present, nearly 17 million tons are believed to have been registered under tax-free flags of convenience.

The aforesaid U.S. policies and laws have been severely criticised by British and Continental shipowners as having damaged the interests of the traditional maritime nations. Attention is particularly drawn to the reduced level of sea-borne trade which "has helped to produce a huge and growing surplus of ships" in many countries. In the U.K. ports alone, as many as 255 merchant vessels aggregating 1,439,038 gross tons, were laid up at the beginning of last month. It is said that several shipping companies in the U.K. and the Continent, including some having the most modern and efficient vessels, are finding it difficult to meet operating costs and depreciation requirements.

The U.S. Government, however, seems to attribute the shipping slump not to its policies but to the surplus of tonnage throughout the world. Whatever may be the factors responsible for the shipping slump, it is pointed out, the U.S. Administration will not agree to change its attitude towards flags of convenience. At best, the Administration is expected to yield a little on flag discrimination and subsidy policies. Before taking any final decision, the Administration has to consult the domestic shipping interests who are already complaining that their share of carriage of U.S. trade has declined since 1956. These interests have been assured by the State Department that the Washington talks with European representatives are informal and do not represent negotiations.

* * * *

A significant development in the world economic situation during the first half of the current year is the sustained economic recovery of the Western world. The recent rise in world commodity prices is an indication of this general movement towards better economic conditions as also of the optimism regarding the future. Reflecting the improvement, the *Financial Times* index of sensitive world commodity prices shows a strident advance. Although, up to the middle of February, the increase in commodity prices was of a marginal nature—just over one per cent.—the upward trend gathered momentum since then. The *Financial Times* index (base: 1st July 1952=100), which stood at 78.95 at the end of December, rose to 80.20 by the end of February, ascended to 82.06 by the end of March and still further to 84.10 by the end of April. At the end of May, it stood at 84.04.

A welcome feature of the rise in prices is that it has not only been consistent but also not confined to a few commodities. The upswing is shared by almost all the major commodities. Another feature is that, comparatively, the industrial commodities benefited more from the recovery in economic activity than the agricultural commodities, barring a few exceptions. Rubber, copper, tin, wool, etc., have recorded substantial gains. The major agricultural commodities still seem to be weighed down by the heavy surplus in the U.S. where the principal crops are still in excess of demand.

To the primary producing countries, in particular, the rise in commodity prices, however small, is a desirable development, because it will surely go to increase their export earnings, help correct the imbalance in their trade and improve their buying power of essential capital goods. These countries were among the worst hit by the recession, as commodity prices fall faster in a recession. According to a U.N. estimate, published in our last issue, during the one year ended mid-1958, export earnings of primary producing countries fell by 7 to 8 per cent. Their balance of trade position was further adversely affected by a rise in prices of manufactures. These two factors together have been responsible for a drop in their import capacity equivalent to about six years' loan by the World Bank.

So far in the current year, primary producers have benefited from the rise in commodity prices only to a limited extent for two reasons. In the first place, a part of the demand arising from the revival of economic activity has been met from accumulated stocks in the consuming countries. This is particularly true of wool and tin. Secondly, there has hardly been any fall in the price of manufactured goods, so that the terms of trade are still running against the underdeveloped countries.

Although commodity markets are still maintaining a steady undertone, there has, of late, been a tendency for prices to stop rising and for the price curve to flatten out. Reflecting this development, the *Financial Times* index, as on the 5th inst., has dropped to 83.50. This lull is attributed to seasonal factors and is not regarded as an indication of a reversal of the basic trend. Market observers consider the current slackness as a passing phase and the general expectation is that, with the economic recovery in the West continuing, the short-term prospects are for a rise rather than a fall in commodity prices.

Commodity prices in India, especially raw cotton and oilseeds prices, have been distinctly firm so far during the year. The strength of cotton has been due mainly to the tight supply position. As a result of the progressive decline in crop estimates, which currently stand at about 4.85 million bales, as compared with 5.4 million bales estimated at the beginning of the season, operators felt that there would not be enough cotton to cover the requirements of mills, especially as consumption was showing signs of recovery. Even today, the feeling is that, if the current trend of consumption were maintained, the 1958-59

(*Continued in next page*)

Amounts shown are in crores of rupees	Busy Season, 1958-59			Busy Season, 1957-58			Share of State Bank in Seasonal Variation	
	As on		Change	As on		Change		
	8-5-1959	31-10-1958		9-5-1958	1-11-1957		1958-59	1957-58
Demand deposits (net)	710.59	689.20	+ 21.39	731.20	727.44	+ 3.76	..	..
Time deposits (net)	971 61	888.10	+ 83.51	773.91	631.39	+142.52	..	..
Total deposits (net)	1,682 20	1,577.30	+104.90	1,505.11	1,358.83	+146.28	+ 43.34	+ 48.46
Borrowings from Reserve Bank	40.54	2.26	+ 38.28	18.64	24.52	— 5.88	+ 7.50	..
Total advances (credit)	1,027 26	838 85	+188.41	948.55	855 01	+ 93.54	+ 42 14	+ 43.57
Investments in Government securities	633.62	618.43	+ 15.19	425.05	403 85	+ 21.20	+ 42.73	+ 6.03
Total cash (including money at call)	154 85	208 25	— 53.40	219 23	208 99	+ 10.24	— 32.70	— 2.07
Ratio to deposits of—	%	%		%	%			
Advances	61 07	53.18	..	63.02	62.92	..	..	..
Investments	37.67	39.21	..	28.24	29.72	..	..	..
Cash	9.21	13.19	..	14.55	15.38	..	..	..

N.B.:—8th May 1959 has been chosen as the end of season 1958-59 because the level of advances touched the peak. Thereafter, there has been a decline in bank credit. In 1957-58, the peak was touched on 2nd May 1957.

EQUITIES HESITANT

BOMBAY BURMAHS, HOWEVER, SPURT

(From Our Own Correspondents)

BOMBAY, 11*th June*

THE share market was indecisive during the week under review and the main speculative counters moved irregularly within a narrow range. The conclusions of the A.-I.C.C. Seminar, released at the end of the deliberations in the course of a Press statement, did not cause any jitters in the market. The main points of the suggestions which are of interest to share markets are: (1) the public sector is to be continuously expanded with appropriate machinery for the regulation and control of large-scale units of production which remain in private hands; (2) the expansion of organised private sector should be subject to regulation in the light of socialist objectives; (3) private initiative is to be channelled as far as possible into small-scale and cottage industries and co-operative enterprise, subject to necessary safeguards; (4) foreign exchange is to be economised by utilising as much as possible indigenous materials and locally available design, construction and manufacturing capacity; (5) prices are to be regulated in social interests; (6) wages must be related to productivity; (7) unearned, functionless, speculative and windfall incomes, and, in particular, the rise in ruban land values, are to be subjected to special taxation and (8) existing disparities in income and wealth are to be reduced.

The share market would appear to have given no thought to the implications of these suggestions. If it has chosen to do so, it is probably because it must have thought that, with nearly two more years to go for the third Plan to commence, there was time enough to bother about them and that, in any case, they were only proposals with no certainty that the Government would implement them. Of more immediate importance is the uncertainty regarding the price at which the new issue of the Tata Iron and Steel Company, Ltd., is to be made. This, coupled with the heavy load of Indian Iron shares out of the recent sale by Dalhouse Holdings, as also of Tata Locomotives, proved to be a drag on the market. There were, however, a few bright futures, as, for instance, Bombay Burmahs, National Rayons, Premier Constructions and Shivrajpurs in the forward section and Alembic, Amar Dyes, Ceat Tyres and Indian Dyestuffs in the cash section. Selective scrips in the preference share list also came into favour.

Sectionwise, Tata Steel Ordinaries shaded off early in the week from Rs. 188.50 to Rs. 187, but soon rallied to touch Rs. 192.75 on Tuesday. In the last two days, however, uncertainty regarding the issue price of the right shares gained ground and the shares dipped to close today at Rs. 189. The new shares gained over the week Re. 1.25 to Rs. 187.25. Indian Irons moved between Rs. 23.84 and Rs. 24.16 before closing at Rs. 23.92, the loss over the week being 20 nP.

In the textile section, Bombay Dyeings came up to Rs. 64.60, but gave way towards the close to Rs. 63.80. After an early relapse from Rs. 540 to Rs. 533.50, Centurys spurted to Rs. 551.50, only to react to Rs. 543 at the close. Kohinoors finished with a loss of Rs. 3.50 at Rs. 273.50. Central Indias were unchanged at Rs. 98 and Finlays at Rs. 266, while Indu Ordinaries shed 28 nP to Rs. 7.68. Khataus picked up Rs. 2.50 to Rs. 216.25. New Greats receded from Rs. 172 to Rs. 167 today before gaining ground to Rs. 171 at the close. While Simplex suffered a loss of Rs. 3 at Rs. 177, Shree Niwas Cottons advanced by Rs. 3 to Rs. 174, Standards by Rs. 11 to Rs. 501 and Svadeshis by Rs. 3 to Rs. 232.50.

Bank shares were steady with fractional gains. Barodas rose by 50 nP to Rs. 102.50, Centrals by 80 nP to Rs. 53.10 and their new shares by 20 nP to Rs. 56. Bank of Indias were done higher at Rs. 131.25 and Punjab Nationals at Rs. 22.64. United Commercials were maintained at Rs. 61.

Barring a dip in Ahmedabad Electrics and Surat Electrics, which declined from Rs. 92 to Rs. 90.90, and from Rs. 107.25 to Rs.105.50, respectively, electricity shares ruled steady. Bombay Suburbans were slightly marked up to Rs. 103.75. Tata Hydros gathered Re. 1.25 to Rs 119, Tata Powers Rs. 2.50 to Rs. 1,171.25 and Andhra Valleys Rs. 5 to Rs. 1,130.

Sugar shares presented a mixed pattern. While Belapurs were subdued at Rs. 292.50, after touching Rs. 295, Phaltans disclosed a gain of Rs. 3 to Rs. 157. Walchandnagars were marked up by Rs. 8.75 to Rs. 291.25 and Maharashtras by Rs. 15 to Rs. 208. Cements were featureless, Associated Cements moving between Rs. 154.50 and Rs. 152.50 before finishing at the latter level. Digvijays were unchanged at Rs. 152.50, while Orissas gained 32 nP to Rs. 15 and Jaipur Udyogs 16 nP to Rs. 10.84.

In the engineering group, Alcocks were a dull, but steady, feature at Rs. 269. Tata Locomotives retreated early in the week from Rs. 202.50 to Rs. 197.75, but soon rallied to touch Rs. 206.75 on Tuesday. Subsequently, however, they gave way to close at Rs. 203. Premier Constructions were a strong feature with a rise of Rs. 7.50 at Rs. 311.50. Larsen and Toubros hardened from Rs. 21.24 to Rs. 22.08 but reacted to close at Rs. 21.80, following the announcement that the Company proposes only to maintain the dividend for the year ended March 1959 at 12½ per cent. Mahindras were a shade quiet at Rs. 19.80, while Voltas rallied from Rs. 160 to Rs. 170. Among mining shares, Shivrajpurs shaped well, with a rise of Rs. 4 to Rs. 84. Indian Coppers were just steady at Rs. 4.08.

Scindias were listless. After an early rise from Rs. 17.84 to Rs. 17.96, they relapsed to Rs. 17.48 at the close. Great Easterns, which were marked down heavily last week, recovered from Rs. 21.96 to Rs. 22.52. Premier Automobiles were steady at Rs. 109 and Hindustan Motors at Rs. 8.68.

Bombay Burmahs provided the highlight of the miscellaneous section, on reports that the Company was contemplating the entry into a new venture. The old shares jumped up from Rs. 525.50 to Rs. 552 today, before closing at Rs. 544. Their partly paid-ups were, however, featureless at Rs. 182.50. National Rayons attracted considerable attention and rose from Rs. 309 to Rs. 319.75. The closing was, however, lower at Rs. 317.25. Gwalior Rayons were in good demand and rose by Re. 1.80 to Rs. 20.44. Tata Chemicals were a shade better at Rs. 18.44 and their new shares gained 24 nP to Rs. 17.24. Alembics had business Rs. 10 higher at Rs. 210. Amar Dyes hardened by Rs. 10.50 to Rs. 170.50 and Indian Dyestuffs by Rs. 77.50 to Rs. 762.50. Dhrangadhras provided an exception with a drop of Rs. 3.50 to Rs. 111.50. Tata Oils rose by 50 nP to Rs. 57.50 and Hindustan Levers by Re. 1 to Rs. 30.25. Killick Industries were steady at Rs. 139.50, while Wimcos improved by Re. 1.25 to Rs. 204.75, West Coast Papers by Rs. 2 to Rs. 139, W. H. Brady by Re. 1.25 to Rs. 325 and Greaves Cottons by Rs. 2 to Rs. 131.

In the preference share group, Tata Chemicals were done Re. 1.50 higher at Rs. 98. Premier Constructions 1st preference gained Re. 1 to Rs. 87 and their 2nd preference put on Rs. 2 to Rs. 85. Indian Irons changed hands a fraction lower at Rs. 103 and Tata Hydros Rs. 2 lower at Rs. 115.50.

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Madras Stock Exchange

MADRAS, 10*th June*

The Madras Stock Exchange ruled quiet during the week under review. The various suggestions put forward at the A.-I.C.C. Seminar at Ooty withdrew a large part of investment support which was in evidence in recent weeks. In particular, the fixation of the third Plan outlay at Rs. 10,000 crores was considered to involve imposition of a heavier tax burden on companies and individuals. The operators noted the special emphasis laid on appropriate controls and regulation of large-scale units of production in the private sector, as well as on checking monopoly profits and unearned incomes. Tea shares encountered selling on reports of lower prices at the recent auctions. In sympathy, coffees and rubbers ruled easy. Textiles lacked support, thanks to slackness in offtake of yarn and piecegoods. Miscellaneous industrials were dull. Transactions put through were limited, with values moving narrowly. Sugar shares, however, provided an exception in that they elicited buying enquiries and tended to move up.

In the sugar section, United Breweries advanced by Rs. 5 to Rs. 405. Cauverys hardened by a rupee to Rs. 107. E.I.Ds picked up 75 nP to Rs. 37. Deccan Sugars rallied from Rs. 11.80 to Rs. 12.30, following the announcement of an interim dividend of Rs. 7½ per cent. (taxable) for the year ended 31st May 1959, as against the interim dividend of 5 per cent. paid in the previous year. Travancores gained 25 nP to Rs. 11.95.

Among tea shares, Kalasas dropped 12 nP to Rs. 3.85. Kil Kotagiris shed 10 nP to Rs. 8.20. Chembras were a shade lower at Rs. 4.27. Balanoors, Haileyburias and Twyfords were on offer at Rs. 21.00, Rs. 19.60 and Rs. 17.12, respectively. Nonsuch Teas, however, were well fancied and rose by 40 nP to Rs. 26.75. United Nilgiris gathered 15 nP to Rs. 20.25. In the coffee group, Cowcoodys lost 20 nP to touch Rs. 6.80. Anaparais eased by 5 nP to Rs. 4.70. Coffee Lands were neglected at Rs. 23.75. But Consolidated Coffees improved by 15 nP to Rs. 21.85. Ossoors gained 2 nP to Rs. 3.75 and Wartybullys 2 nP to Rs. 3.75. Among rubbers, Malankaras fell by 35 nP to Rs. 19. Highlands were subdued at Rs. 14 as also Rajagiris at Rs. 17.45, Thirumbadis at Re. 1.92 and Vaikundams at Rs. 26.50.

In the textile section, Buckinghams, Cannanores, and Coimbatore Cottons eased by a rupee each to Rs. 186, Rs. 150 and Rs. 142, respectively. Metturs shed Rs. 50 nP to Rs. 402. Virudhunagars lost 25 nP to Rs. 39.25. Dhanalakshmis, Premiers, Trichinopolys, Vasantas and Venkateshas were dull at Rs. 197.50, Rs. 164, Rs. 11.05, Rs. 210 and Rs. 117, respectively. Coimbatore Pioneers, however, met with good buying support and advanced by Rs. 5 to Rs. 290 *cum-div*. Bangalore Woollens improved by Rs. 2 to Rs. 177.

In the miscellaneous section, F.A.C.Ts were lower by 45 nP at Rs. 8.85. Andhra Cements, Mysore Papers and Orissa Cements shed 10 nP each to Rs. 10.20, Rs. 20.25 and Rs. 14.85, respectively. Ashok Leylands lost 5 nP to Rs. 7. Indian Cements and Indian Steel Rollings were a shade lower, the former at Rs. 6.05 and the latter at Rs. 15.34. Dalmia Cements were dull at Rs. 10.60, Mettur Chemicals at Rs. 12.50 and Mysore Chemicals at Rs. 10.55.

MARKET GOSSIP

(Concluded from previous page)

cotton crop would only be barely sufficient to meet it. Apart from the downward revision of indigenous cotton production, the restrictive import policy also helped prices to remain firm. Export demand for cotton, though none too encouraging, was still better than in the last season and shipments so far during this season have been at a higher rate. It is true that the recent import quota has improved the supply position. This is reflected, to some extent, in the recession in prices during the last few days. Further, a section of speculators has made much of the onset of monsoon a few days earlier than last year. It is surprising that the market memory is so short that it has forgotten how a 5.4 million bale crop estimated at the height of the monsoon finally turned out to be no more than 4.8 million bales. Some in the market, therefore, feel that this is only a temporary phenomenon. The tight supply position is expected to assert itself soon.

Oilseeds, as already noted, have also shown steady upward trend. Groundnut, in particular, has displayed sustained strength since the turn of the year. Although the crop is said to be slightly higher, demand from crushers and manufacturers has been rising. In spite of stringent restrictions imposed by the Forward Markets Commission to curb the rise in prices, the trend has been firm almost throughout the first five months. The setback during the past few days is attributed to unfavourable weather in Western India and withdrawal of *vanaspati* manufacturers from the market in anticipation of a seasonal fall in prices. It is also expected to be short-lived, as demand prospects are bright.

Castorseed, too, has been in fine form, thanks to export interest. It has gained by the reverses suffered by the crop in Brazil, one of India's principal competitors. The United States, which did not purchase a single ton of castor oil from this country last year, has reappeared as a buyer. The difficulty of getting supplies from Brazil seems to have prompted the U.S. to turn to India.

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An important meeting of the International Sugar Council is scheduled to be held at London on Tuesday next week. The one question that is uppermost in the minds of everybody is: What further action will the Council decide to take, in order to stabilise the world sugar market which continues to rule depressed? The cut of 17½ per cent. in the basic export tonnages of the Sugar Agreement's member-countries, imposed by the Council in February last, has so far failed to bring about any recovery in sugar prices. Even the removal of the risk of Cuba releasing its surplus stock of nearly a million tons of sugar, following its ratification of the Agreement on 29th May—the last date for the signatures of countries joining the Agreement was 1st June 1959—has not had any effect. On the contrary, there has been a further fall in prices. Cuban raw sugar is now quoted in the New York market at 2.87 cents per lb. (f.o.b. Cuba), as against 2.96 cents on 22nd May 1959 and 3.67 cents early this year. The latest available quotation for spot sugar in London is £26½ (Rs. 352) per ton, as against £27¼ (Rs. 363) and £32 (Rs. 427) on the aforesaid dates, respectively.

The currently ruling price of Cuban raw sugar at New York, namely, 2.87 cents per lb., is well below the Sugar Agreement's minimum of 3.15 cents. Even the prices of sugar for 1960 delivery have sagged lately. Indeed, it looks as though the sugar market would be in a fairly prolonged spell of low prices. To quote a report from London:

"The buyers are taking supplies on a hand-to-mouth basis. There is a continued lag to Cuban sales and, as it happens in a declining market, this tendency has brought down the prices further. It is stated that, under similar circumstances, Cuba would previously take some effective measures by reducing its quota, etc., so that the declining trend in the market might be checked. But nothing of this nature has been heard by this time."

In view of the persistent weakness of sugar, trade circles in London are inclined to feel that sugar supplies will again be curtailed at the forthcoming meeting of the Council. They, of course, admit that "there is a distinct limit to what can be done under the terms of the Sugar Agreement itself, but much broader action could presumably be taken, if the Council gave its unanimous consent." It is not possible to anticipate the Council's decision. For much will depend on the attitude of Cuba, which has, as already stated, ratified the Agreement. Cuba is now practically the sole supplier of sugar in the world market, since a good deal of sugar has already been sold by the other larger producing countries. Sugar production in Cuba up to 15th May was 5.3 million tons and it is expected to reach 5.6 million tons by the time all the mills have completed grinding.

Meanwhile, the Cuban President, Dr. Fidel Castro, has formulated a new agrarian reform one of the primary objectives of which is to prohibit large holdings of land. If this reform were to be implemented successfully, future production of sugar in Cuba might be considerably affected. The reform, it is said, falls heavily on the American companies which together own more than a million acres of land and produce a third of the total sugar in Cuba every year. The assets of the companies would be expropriated with very inadequate compensation if the law is put into effect as it stands. This has naturally caused much resentment in the U.S. which imports far more sugar from Cuba than from any other foreign country. For 1959, the U.S. has fixed the consumption quota at 9.20 million tons. Of this, Cuba alone will be accounting for 3.06 million tons. If the Cuban law reform is implemented, the U.S. domestic sugar producers are likely to urge the Administration to reduce the Cuban sugar quota drastically.

NEWS IN BRIEF

THE Centre has decided to allow drawback of customs duty paid on imported materials used in the manufacture of aluminium cables and conductors and plastic sequins.

A five-man committee has been appointed by the Union Government to inquire into the problems of the leather and footwear industry in the country and to suggest methods for its development.

A farmers' bank with a share capital of Rs. 20 crores is proposed to be set up by the Central Government for giving credit and other facilities to peasants, according to Dr. Punjabrao Deshmukh, Minister for Agriculture.

The Punjab Government has banned the manufacture of edible oils from groundnut, mustard and til seeds by power-driven crushing mills, except with the permission of the district licensing authorities.

In view of the acute power shortage in Assam, the State Government proposes to fix the outlay on power development in the third Five-year Plan higher at Rs. 15 crores, as against Rs. 4 crores in the second Plan.

The Hapur Chamber of Commerce has been recognised by the Government of India to conduct forward trading in *gur* for three years, subject to directions given by the Forward Markets Commission.

Restrictions on movement of wheat products from the Northern Zone to the Southern Zone as well as from Bombay and Madhya Pradesh States to Rajasthan have been withdrawn. Restrictions on exports of wheat and their products from Greater Bombay, however, will continue.

In a bid to regulate exports of raw goat skins on a quota basis, the Government of India has decided to permit established traders to ship up to 100 per cent. of their best year's exports during the three calendar years 1956, 1957 and 1958. The measure will be enforced with effect from the 15th inst.

The number of tourists visiting India has risen sixfold to 92,000 in 1958, as compared with 1951, the foreign exchange earned improving from Rs. 7.7 crores to Rs. 20 crores. Tourist traffic is expected to double in the next five years, as a result of the development of jet air service and organised promotional efforts.

The farmers of 20 selected villages in each of the 10 National Extension Service blocks in Mysore will be given as much loans as they require for augmenting agricultural production. These loans will be granted exclusively through co-operative societies on condition that the farmers should sell their produce only through co-operative marketing societies.

The Bihar Sales Tax Act, 1959, which will come into force from 1st July next, will replace the existing single-point sales tax by a composite system of taxation, as recommended by the Taxation Enquiry Commission. The present Act provides for a general sales tax of ¼ per cent. at each stage of sale and also a special sales tax of 3 per cent. on higher taxable turnover.

The Madhya Pradesh Government has drawn up a comprehensive programme to bring the entire rural population in the State under the co-operative movement by the end of the third Plan. The programme seeks to establish 21,000 new village co-operative societies, and convert the existing 22,000 societies, mostly catering to credit, into service co-operatives.

The desirability of encouraging the use of pneumatic tyres by bullock carts will be discussed at the forthcoming meeting of the Transport Development Council at New Delhi. Out of the 10 mill on bullock carts in the country, only those carts which ply on *pucca* roads are proposed to be encouraged to give up the traditional wooden wheels and take to rubber tyres.

Soviet experts have prepared the technical project report on the establishment of a big factory to manufacture machines and equipment for a steel mill with a capacity equal to that of the Bhilai Steel Plant. The report will be submitted to the Government of India shortly. Meanwhile, the Government is examining a project for a mining equipment works prepared by the Russian experts.

A thirty-member Iron and Steel Advisory Council is expected to be set up by the Union Government shortly to advise on matters relating to production programmes, distribution and transport as well as imports and exports of steel. The Council will be represented by steel producers, consumers and trade associations and will have as its chairman the Minister for Steel, Mines and Fuel.

The Government of India is considering a proposal to amend the Employees' Provident Fund Act in such a way as to relate the contribution to the provident fund to the cumulative total emoluments, including, besides basic salary and dearness allowance, all other payments such as night allowance, incentive and other bonuses, retainer allowance, and leave compensation allowance. At present, contribution is made on the total of basic pay and dearness allowance only.

The first all-India electric multiple coach unit manufactured by Messrs. Jessop & Co., Ltd., Calcutta, has been handed over to the Union Railway Ministry. This is the first of the 34 units, for which the Government has placed orders with the firm. Of these, sixteen will be used in the suburban services of Calcutta and the rest in Bombay. Each unit will have three coaches and will take in 290 passengers—26 first class seats, 212 third class seats and a separate compartment to accommodate 52 ladies.

The fruit and vegetable producers of Bardoli, Surat, have set up a Co-operative Shipping Society with a share capital of Rs. 5 lakhs, with the object of promoting exports from Bombay State to Middle East countries. The Government of Bombay will contribute Rs. 2 lakhs towards the share capital of the Society. The Central Government has agreed to advance a loan of Rs. 10 lakhs to the Society for the purchase of two vessels with cold storage facilities—one of 350 tons and the other of about 200 tons.

With a view to ensuring expeditious movement of increased freight traffic, especially to steel works, the South Eastern Railway has decided to introduce special goods trains carrying a total freight of 5,000 tons each, over 2½ times the load of the existing ones. Three diesel engines will pull the train which will have two brake-vans. The engines and brake-vans will be provided with wireless sets for communication between the driver and the guard to ensure co-ordinated control over the train in heavy graded sections.

The possibilities of setting up a tan extract factory at Bhatgar in Poona District have been explored by the Forest Department of the Bombay Government. It is estimated that the reserved forests of Government in this district will give annually about 4,500 tons of *hirda* (the chebulic myrabolan), which can be supplemented by supplies from private *malki* forests estimated at about 2,500 tons annually. These supplies of *hirda* are said to be adequate to feed a 7-8 tons capacity tan extract or powder plant.

A part of the Rs. 50-crore co-axial telecommunications development scheme has been completed with the laying of a direct underground cable between Agra and Delhi. Calls can now be directly made between the two cities without the help of the local exchanges. Similar direct cables are being installed in Bombay-Agra, Agra-Kanpur, and Lucknow-Calcutta routes. When these projects are completed, it will be possible for 960 circuits to be operated simultaneously and at least four times more trunk calls can be made within a given period.

Joint ventures for the establishment and operation of new industrial projects have been proposed by three firms in India to business men in the U.S., according to the U.S. Commerce Department's Foreign Commerce Bureau. Investment in the form of equity capital, machinery and technical know-how is sought for a variety of industries. The Conduit Industries of Panipat (Punjab) is seeking equity capital investment and machinery for expansion of plant facilities. The Bombay firm of Messrs. McKenzies Ltd. is seeking participation of U.S. firms to extend its activities in paper products, chemicals and pharmaceuticals. Machinery and technical assistance for the manufacture of portable typewriters, copying machines, postal franking machines and addressographs, in return for active management participation and a share in the enterprise, is sought by Messrs. Teekayess and Sons, manufacturers of typewriter replacement parts.

* * * *

From Abroad

The International Civil Aviation Organisation (I.C.A.O.) will commence a four-week session at San Diego, California, on the 16th inst.

The number of unemployed in W. Germany in May 1959 was 320,800 (representing 1.6 per cent. of the registered labour force), the lowest level touched since the end of the Second World War.

The Government of New Zealand has decided to grant additional import licences to cover goods worth £20 million during the current licensing year. This brings the official estimate of private imports for the year to £230 million.

The West German Parliament Upper House has approved of Government proposals to raise the country's quota in the I.M.F. to $787.5 million and its share of the World Bank's capital to $1,050 million. The quotas of both at present are $330 million.

The employment situation in the six European Common Market countries has worsened in the past one year, particularly in Belgium and, to a lesser extent, in the Netherlands and France. This is revealed in a report prepared by the Secretariat of the European Economic Community (E.E.C.).

British Guiana is now seeking financial assistance from the U.K. for its development programmes. A three-man delegation, consisting of Sir Patrick Renison, Governor, Mr. Cheddi Jagan, Minister of Trade and Industries, and the Financial Secretary of the territory, is expected to visit the U.K. shortly.

The U.S.S.R. claims to have designed the world's largest blast furnace. The 2,700-cubic metre furnace will produce about 5,000 tons pig iron daily. The country is also constructing a hydraulic station, said to be the biggest in the world, at Bratsk, Siberia, with a capacity of 4.5 million kw.

PERSONAL

MR. H. K. P. Wood, Chairman of the International Wool Secretariat, has resigned. The resignation will be effective from the 30th inst.

Mr R. K. Birla, Chairman, Federation of Woollen Manufacturers of India, left Bombay last week on a two-month business tour of the U.K., Continent and the U.S.S.R.

Mr. D. P. Karmarkar, Union Minister for Health, returned to India on Tuesday last after attending the annual conference of the World Health Organisation held at Geneva recently.

Mr. Pravinchandra V. Ghandhi, Managing Director, Devkaran Nanjee Banking Co., Ltd., has been elected representative of the Indian Merchants' Chamber in the Senate of the Bombay University.

Mr. D. S. Savkar, Economic Adviser to the Reserve Bank of India, has been appointed Director of the Asian Department of the International Monetary Fund. Mr. Savkar left for Washington on Tuesday this week to take up his new assignment.

Italy has announced further liberalisation in imports from the dollar area, particularly those on finished industrial goods, machine spare parts, apparatus, semi-finished products and raw materials. This latest measure raises to over 80 per cent. the goods which may be freely imported from the dollar area.

Under the new award of the Australian Arbitration Commission, the basic average wage of a worker has been raised by 15s. to £A13 16s. a week. The benefit of the rise will be derived by about two-thirds of the country's three million employees, the total annual national wage bill increasing by about £A50 million.

A plea for equalisation of taxes and other fiscal burdens throughout the European Common Market as a means to ensure fair competition has been put forward by the Cloth Makers Association in West Germany. The Common Market Commission proposes to approach, the member-countries shortly to negotiate on this point.

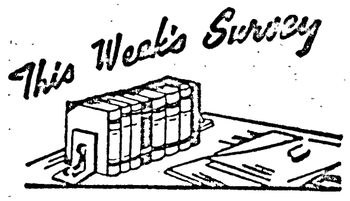
The view that the U.K. electrical industry must attract an adequate share of the nations' development capital, if the country is to survive as a leading industrial power, was expressed by Mr. A. N. Irens, Chairman of the South Western Electricity Board, in the course of his speech at the eleventh British Electrical Power Convention held at Torquay on the 3rd inst. Mr. Irens said that, at present, only about 8 per cent. of the nation's annual capital investment was devoted to the development of power supplies.

The first U.S. public demonstration of a new electronic "sky-writing" radar system that keeps tabs on fastest jet and conventional aircraft flights was made at Washington recently. The "sky-writer," a combination of the most advanced radar and television techniques, presents a continuous flight path of aircraft showing the plane's direction, speed and position simultaneously. When in use, the system is expected to help ground controllers speed the flow of fair traffic between American cities.

There may be a 100 per cent. increase in the amount of petroleum recovered from U.S. oil wells through the use of fluid injection methods, according to research scientists who participated in the Fifth World Petroleum Congress held at New York last week. Two-thirds of the oil found in the U.S. cannot be produced by primary drilling methods but can be recovered only through fluid injection processes. The scientists predict that, over the next 50 years, these methods may yield an additional 85,000 million barrels of oil, the same quantity that is expected to be obtained through ordinary recovery methods.

Seven small Dutch plantation companies, formerly operating in Indonesia, have jointly founded the *Cultur Mij Transatlantica N.V.* in Amsterdam with nominal capital of Fls. 2.25 million (£212,000). The new company proposes to concentrate its activities in South America. Some of these seven companies already possess a combined 36 per cent. interest in a banana and cocoa estate in Ecuador. Plans are being worked out at present for starting a tea-processing plant in Argentina. With the formation of the new company, the shareholders of the original seven companies have been asked to convert their shares into Transatlantic units on the basis of the intrinsic value of original shares, which are substantially higher than market values.

The Government of Ghana has accepted the recommendations regarding the modification of the existing company law, contained in a recent interim report submitted by Prof. L. C. B. Gower, Professor of Commercial Law, the University of London. The recommendations are: (1) The minimum number of persons required to form a company should be reduced from seven to two. This is designed to restrict the breakdown of the business assets in the country on the death of the owner. (2) The Registrar General should be empowered to make changes in the name of any company, if it is found misleading or undesirable. (3) The existing upper limit of £30 on registration fees should be abolished and replaced by a fee of ¼ per cent. of authorised capital. If a company advertises its capital without giving details of authorised, issued and paid-up capital, it must be considered as an offence. This suggestion is designed to discourage companies from announcing inflated figures of authorised capital.



ADJUDICATION OF DISPUTES

IF justice delayed is justice denied, a judicial system which inevitably involves long delays in disposal of cases stands condemned on that score alone. The large number of industrial disputes pending before law courts has been a subject of much comment of late. The number of cases going up in appeal to the Supreme Court increased to such an extent in recent years that the Law Commission felt constrained to draw attention to it in its report. It observed:

"The situation created by these large number of appeals causes concern in two respects. It has the natural effect of clogging the work of the Supreme Court. The graver aspect, however, of the matter is that labour matters are being thrust upon a court which has not the means or materials for adequately informing itself about the different aspects of the questions which arise in these appeals and therefore finds it difficult to do adequate justice. Equally grave are the delays caused by these appeals in the disposal of industrial matters which essentially need speedy disposal."

Many suggestions have been put forward from various quarters to improve the situation, some seeking to supplement the present system and others to supplant it altogether. For instance, it has been proposed that a separate Bench should be created in the Supreme Court for hearing appeals in industrial disputes. The State Government of Madhya Pradesh, on the other hand, has suggested that, at the forthcoming Indian Labour Conference, consideration should be given to the question of replacing the labour courts and industrial Tribunals by arbitration boards consisting of representatives of employers and workers selected out of panels maintained by the Government, the Chairmen of these boards being independent persons with a judicial background. In effect, this proposal means the substitution of adjudication by compulsory arbitration.

To these and a number of other suggestions and proposals have now been added the views of Prof. J. H. Richardson, an I.L.O. expert on industrial relations. Prof. Richardson, who has been working with the Union Ministry of Labour for about six months, in his report has laid down the basic principles that should govern reference of disputes for adjudication and the machinery for it.

In Prof. Richardson's opinion, the number of disputes referred to adjudication during the last ten years was seriously excessive, resulting in overloading the tribunals with more work than they could handle and causing heavy expenditure and often long delays. There are many factors responsible for this situation. These are: changing economic and industrial conditions, inadequacy of principles for settling disputes, inexperience of conciliation officers and a tendency, resulting largely from fear of strikes and lockouts, to refer disputes to adjudication whenever settlements are not reached by conciliation.

The Government has wide discretion in deciding whether or not to refer a dispute to adjudication. The desirability of limiting such reference is now being gradually realised. According to Prof. Richardson, in establishing guiding principles for this purpose, a distinction should be drawn between (1) disputes arising out of existing legislation, agreements, awards and other defined conditions and (2) disputes arising from demands for new conditions which may require consideration of economic factors affecting an undertaking, a whole industry or even the economy of the country. Disputes belonging to the first category usually affect only individual workers or small groups of workers and should, according to him, be rarely referred to protracted adjudication procedures. He suggests that Labour Commissioners should be empowered to give binding decisions in such cases or be authorised to appoint competent impartial persons to make decisions.

Disputes belonging to the second category can broadly be of two types, namely, those involving a large number of workers in vital industries and those affecting fewer workers in industries in which strikes or lockouts would not have severe dislocating effects on the economy. Adjudication, says Prof. Richardson, should be reserved mainly for disputes of the former kind, while, in the latter, the parties should be left to reach settlements by further negotiation, or further conciliation or arbitration. In any event, Prof. Richardson asserts, adjudication should be much more sparingly used than in the past and only when there is no further scope for conciliation.

Four kinds of disputes are listed by the learned Professor as deserving reference to adjudication. They are: (1) Those in which stoppages of work would seriously injure the economy of the country, including the progress of the Government's development plans, (2) those in which stoppages of work would inflict serious hardship on the community, particularly by interruption of essential public utility services or of food and other necessary supplies, (3) those which would be likely to involve serious danger to the maintenance of law and order, and (4) those which raise important issues of principle or where there seems to be a *prima facie* case of victimisation or other unfair labour practices or injustice.

The I.L.O. expert maintains that reference to adjudication should normally be withheld where there has been resort to illegal strike or lockout, unless the strike or lockout is terminated. He also mentions a few other kinds of disputes which he thinks are unsuitable for adjudication. Prof. Richardson emphasises that what is more important than the principles suggested by him for general guidance is the attitude of the Governments towards adjudication. A drastic reduction in the number of disputes referred for adjudication will depend not only on the establishment of principles for reference or non-reference but the way they are applied in practice. The Government and the officers concerned, he suggests, should endeavour persistently to reduce adjudication to a minimum.

It is as regards the machinery for adjudication of disputes that Prof. Richardson makes his most notable suggestion. He maintains that, except in strictly judicial issues, reference of industrial disputes to the High Courts and Supreme Court is unsatisfactory. These courts, he admits, are highly competent to deal with technical legal aspects of disputes, but in many industrial disputes, he points out, the issues are not primarily legal and cannot be effectively determined on judicial lines. They involve such economic considerations as capacity of the industry, standards of living, workloads, intricate relations between production and pay, and the balance of power between the parties in the dispute. Obviously, these matters cannot be settled by the ordinary principles, precedents and processes of courts of law. In the practical application of such principles and concepts as 'social justice,' 'fair wage,' etc., he rightly maintains, a legalistic approach has not only no special value but may even be distinctly harmful. He points out that, in order to deal adequately with such problems, there is need for tribunals consisting of people who combine a sound knowledge of law and procedures with a comprehensive understanding of economic problems and industrial and labour conditions.

There are considerable disadvantages, in the present machinery for industrial relations which is mainly *ad hoc* without permanence and continuity. To remedy these defects, Prof. Richardson has suggested that a permanent court of industrial arbitration and adjudication should be established for adjudication of industrial disputes of national importance. The court should consist of a president and four other members of the highest legal standing appointed from among persons who have a special interest in industrial and labour questions. The members should have, according to the distinguished adviser, continuity of service and security of tenure and have status and prestige similar to those of judges of the Supreme Court. The court could be assisted by assessors, and should also have the services of highly qualified economists and accountants. By its permanence the court would progressively accumulate the specialised experience necessary for dealing with industrial disputes. Appeals to the Supreme Court should be rare and only on legal issues strictly defined.

Such a court, Prof. Richardson points out, would resemble, in some respects, the Australian Commonwealth Court and the Industrial Court of the U.K. which for many years have been effective in the settlement of industrial disputes. He feels that the establishment of such a court is essential for purposes of co-ordination and would enable a body of principles to be established which would progressively facilitate the settlement of disputes throughout the country. Its scope could include the public and private sectors, except in cases where other arrangements are considered more appropriate.

The aforesaid suggestions will receive the consideration of the forthcoming session of the Indian Labour Conference. Its decisions thereon will surely be awaited with interest.

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RESOURCES FOR THIRD PLAN

In his speech at the third Five-year Plan Seminar of Professors associated with Planning forum in colleges and universities of Bombay State, held at Poona on Sunday last, Dr. Jivraj N. Mehta, Finance Minister of Bombay, declared that "sizable" fresh taxation might become necessary even to balance the revenue account and to take up a larger programme in the Plan period. In support of this view, Dr. Mehta mentioned two important factors. First, with the drawing down of foreign exchange resources, the present level of prices and the rising costs of administration, there is little scope for deficit financing, unless food production is increased substantially and prices register a downward trend. Secondly, the current surpluses on revenue account will definitely diminish, as several schemes involving revenue expenditure in the second Plan, the various institutions established and services organised will form part of the normal budget in the third Plan period, or, to use the accepted terminology, will become "committed expenditure."

Few will dispute the force of Dr. Mehta's contention. But what every one will ask is this: What exactly are the possibilities of raising "sizable" fresh taxation? The load of taxation heaped on companies and individuals is already sufficiently heavy. Indeed, in several cases, the tax burden has adversely affected the finances of companies, resulting in the operation of the law of diminishing returns. Any further increase in these taxes will only make matters worse and adversely affect the scope for expanding employment in the private sector. Who will have the incentive to save and invest in industry, if there is no assurance of a reasonable rate of return? There is thus hardly any scope for additional direct taxation. On the contrary, the need of the hour is a relief in this taxation.

One alternative is to place greater reliance on indirect taxation. There are some sources, as, for example, the salt duty, which could be usefully tapped. Only the party in power should shed its political sentiment. An energetic effort should also be made to mobilise resources in the rural areas. The rural communities which derive direct benefits from the Plan ought to make contributions commensurate with the benefits derived. Dr. Jivraj Mehta did well to stress this aspect. He observed:

"The estimates of national income show that nearly half the output arises in the agricultural and allied sector. On the other hand, only 13 per cent. of the total tax revenue in the State (of Bombay) comes from land revenue receipts. Vast changes have taken place in land tenures and tenancy laws. Facilities for canal irrigation, soil conservation measures, improved seeds, manures and fertilisers, and measures for improving agriculture, veterinary services and allied activities in the rural sector have been extended. The gradual expansion of the Community Development Programme in the rural areas has helped monetisation of the rural area."

The Finance Minister then went on to add optimistically that the scope for mobilising

rural savings would definitely be greater and gave the following reasons for it:

The entire rural population would be brought under the Community Development Programme. There would be a significant growth of village and small industries. A marked rise in agricultural output is expected following the increased use of water resources that will be made available by the completion of the various irrigation works. Finally, the introduction of co-operatives and *panchayats* would strengthen the saving habits of rural people and help divert their savings into productive channels.

All these reasons are sound on paper but whether they will fructify and, if so, to what extent, are questions to which it is not easy to provide categorical answers. Much will depend on the level of prices, the cost of living and the new consumption habits that are being inculcated among the people. It is obvious that, if prices and cost of living go up further, the purchasing power of the rupee will go down and the margin available for saving will diminish.

The Finance Minister of Bombay referred to the preliminary estimate of the third Plan outlay of Rs. 10,000 crores—Rs. 7,000 crores in the public sector and Rs. 3,000 crores in the private sector. This outlay, it is said, assumes an incremental net output-investment ratio of 1:45 and has been calculated on certain other assumptions: (1) annual rise of 2 per cent. in population in the next ten years; (2) yearly increase of 6 per cent. in *per capita* income, the aggregate national income in 1965-66 being placed at Rs. 17,000 crores (at 1957-58 prices); (3) improvement at the rate of 5 per cent. per year in agricultural output; and (4) absorption in gainful employment of all the additional population seeking employment on entering the working age during the third Plan.

The sum of Rs. 7,000 crores tentatively allocated to the public sector would appear to be unduly large, considering the existing and future capacity of this sector to raise resources. It would certainly be prudent to keep the size of the Plan within manageable limits. To finalise a big Plan unrelated to resources and then to cut it will, as Dr. M. H. Gopal, Professor of Economics, Ford Foundation Unit, University of Madras, has pertinently remarked in the course of an interesting article contributed to *The Pioneer* of Lucknow, spell confusion and imbalance in investment. If, however, the planners still feel that the total outlay of Rs. 10,000 crores should not be revised, they must at least increase the scope for the private sector and raise its share of the total investment. Emphasising this aspect, Dr. Gopal says:

"If the approach to the public and private sectors controversy can be less doctrinaire and more realistic, the size of the total national investment, that is, the Plan, need not be reduced. Only the relative roles of the public and private sectors would be modified. Perhaps, at a later stage, the fourth or the fifth Plan, when the resources the State could raise would be adequate, the public-private sector controversy might be reassessed. But, for the next few years, it would definitely be unrealistic for the State to plan for a large public sector when it cannot raise the resources and deny a larger opportunity for a service to the private sector if and when it can do the job. Such a policy would retard expansion by reducing the aggregate investment and, at the same time, lead to resource difficulties in the public sector."

There is no exaggeration whatever in Dr. Gopal's statement that the private sector can do the job, given the opportunity and a more favourable economic and fiscal climate.

To revert to Dr. Mehta's speech. He considered it to be a fair estimate to assume that the Bombay State would have an "implementing capacity" for a Plan of much more than Rs. 500 crores in the third Plan period. This figure represents a rise of Rs. 150 crores as compared with the second Plan's outlay of Rs. 350.28 crores. Dr. Mehta's assumption is by no means extravagant. If anything, it is quite reasonable, considering that the rate of growth of Plan expenditure in the State has gone up from Rs. 47 crores in 1956-57 to Rs. 90 crores in 1959-60 (budget). The crucial question, however, is whether it will be able to raise the necessary resources. Like most of the State Governments, Bombay has shown a marked reluctance to collect more revenue from the rural areas.

The main recommendations of the Poona Seminar may now be briefly recorded. These are:

Borrowing is perferable to imposing additional taxation on rural areas. But, if borrowing does not yield adequate results, more resources will have to be raised through taxation.

A cess similar to the one on sugarcane may be levied on all other cash crops.

In order to popularise small savings in rural areas, facilities for encashment of national savings certificates should be improved.

Gold hoarded by the people should be made over to the Government on condition that it would be returned to them after 10 years.

The funds belonging to religious institutions should be utilised for financing specific development projects in rural areas.

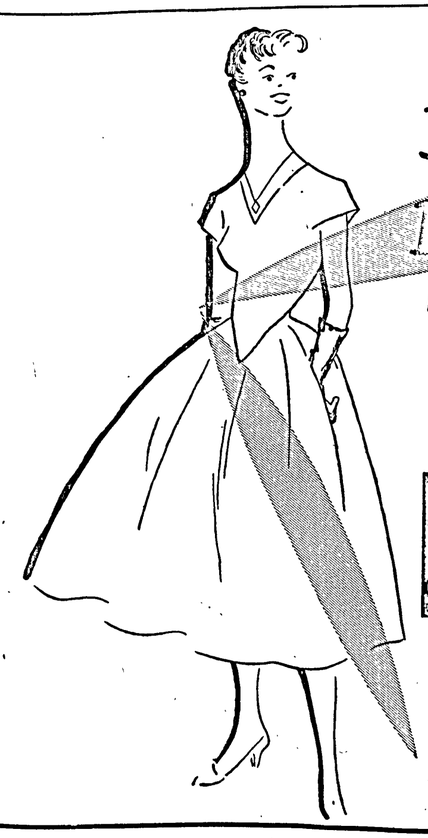
Labour co-operatives could be tried in order to utilise the under-employed and unemployed labour.

U.N. TECHNICAL ASSISTANCE

The U.N. Technical Assistance Board's claim in its latest annual report that "what started as technical assistance has proved to be technical co-operation on a world-wide scale" is fully justified. Since its authorisation for the first time in 1950, the Technical Assistance Programme of the U.N. and related agencies has been increasingly adapted well to the needs of countries seeking help in the development of their economic and human resources. As many as 140 countries have received aid; 8,000 experts have served on assignments in the field of technical assistance; and 14,000 students and Government officials have been enabled to obtain advanced training abroad. The fields in which aid has been given include industry, handicrafts, agriculture, education, vocational training, health, housing, social development, civil aviation, telecommunications, development of water and other resources, weather services, governmental organisation, statistical services, and (beginning from 1959) atomic energy.

The success of the U.N. Technical Assistance Programme would surely not have been possible but for the voluntary financial support and other measures of assistance given by the Governments of member-countries. The total estimated contribution of 85 Governments as at the end of the current calendar year is put at $235 million. During 1958 alone, the contributions aggregated over $31.30 million. As for 1959, however, the contributions and the carry-over in funds are both expected to be less, so that the Board has felt it prudent to reduce field planning targets for 1960 by 5 per cent. The reduction is, indeed, unfortunate especially in the present context when most of the under-developed countries are experiencing a critical shortage of foreign exchange with which they could secure technical know-how for the implementation of their plans to raise the standard of living of the masses. The economically more prosperous countries of the West, which have gained tremendously from the fall in prices of primary produce, can doubtless afford to step up their contributions. The Board is

(*Continued on page 1015*)



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AMERICAN LETTER

ECONOMIC RECOVERY EXCEEDS EXPECTATIONS

WEAKNESS OF DOLLAR REFLECTS THE STRENGTH OF WESTERN EUROPE

From Our Special Correspondent

NEW YORK, *2nd June*

MR. John Foster Dulles, the late Secretary of State of the United States, accomplished a good deal after his demise. The only Foreign Ministers' meeting in recent years which he did not attend, broke up for his funeral at Washington.

The event produced an unscheduled meeting of the "big" Foreign Ministers with President Eisenhower which may have produced more results than any formal conclave held heretofore. The presence of Soviet Foreign Minister Gromyko, a bitter opponent of Mr. Dulles on many occasions, was a great surprise.

There was no agenda at that impromptu meeting at the White House, but Mr. Dulles' spirit was present. President Eisenhower made it plain that, without a workable formula arrived at by the Foreign Ministers, there was no point in a "summit" meeting which appears to be the great goal of Nikita Khrushchev.

It was also surprising to public opinion here that the Foreign Ministers returned to Geneva in the same airplane, a U.S. Army transport plane, at the suggestion of President Eisenhower. The report was they have had a "useful meeting aloft."

Mr. Dulles was not an easy person to know. He was cold, as many attorneys are. He knew his law. He knew human nature. He did not compromise, unless it was necessary. Nobody disputed his courage and his integrity. He was opposed and, even, hated by many when he was alive for risking war and for his many opinions and prejudices. But the way he took his fatal illness and the many discomforts which went with it in the last few years silenced his enemies.

With all his good points and all his faults, Mr. John Foster Dulles was an amazing person. At the age, when other people take it easy and retire, he thought nothing of flying to the Orient at the drop of a hat and go to London two days later. In between, he spent week-ends in a primitive shack "just thinking." So much for Mr. Dulles who was a phenomenon in contemporary American life.

In High Spirits

Mr. Dulles' death has not changed the fact that Berlin remains a grave danger spot. But the average man in the street is really not too much concerned with that at the moment. The spring and summer season have lifted spirits. The recovery from the recession has been much better than expected.

Personal income is above the pre-recession highs. People, again, are going into debt, because they believe the future is secure. The population increase is greater than expected and building and construction are booming.

Manufacturers' sales broke their pre-recession record as well in April, with the largest monthly increase of the recovery period. Sales in April were $30,200 million, as compared with $29,100 million in March. The volume of new orders received also showed a big gain and hit a new peak level of about $31,000 million, up $800 million from March. Orders for both durable and non-durable goods, including automobiles, rose.

Construction contract awards in April 1959 were 31 per cent. higher than in April 1958. A particularly encouraging development was an increase in contracts for schools and factories, two categories of non-residential building which had been lagging previously.

Along with recovery, a certain amount of credit stringency has been developing. Interest rates resumed their upward trend in April and May. The prime loan rate of commercial banks moved up from 4 to 4½ per cent. Also, the Federal Reserve Board approved of an increase from 3 to 3½ per cent. in the discount rates of the various regional central banks.

Pressure on the money supply was particularly strong in the mortgage and retail credit markets. These developments, as usual, were followed and accompanied by some Congressional condemnations of the hard money school and the Federal Reserve System. There were also the usual observations from the academic world. Mr. Milton Friedman, Economist of the University of Chicago, for example, told the Congressional Joint Economic Committee that the ideal policy for the Federal Reserve would be to increase the money supply automatically and mechanically at a constant rate "month in and month out" and "year in and year out"—regardless of business conditions. He said that the history of the U.S. since the Civil War has demonstrated that changes in the money supply were the main cause of both slumps and inflationary booms. Naturally, he criticised the operations of the Federal Reserve System which has ultimate control over the money supply.

Another interesting comment on a timely topic came from Mr. Edward M. Bernstein, a former Research Director of the U.S. Treasury and of the International Monetary Fund. "The time has come," he said, "to correct a persistent deficit in the U.S. balance of payments before the dollar becomes a 'weak' currency."

The "apparent weakness" of the U.S. dollar, Mr. Bernstein said, "does not arise from an impairment of the international economic position of the United States, but from restoration of the naturally strong economic position of other areas, particularly Western Europe." He urged greatly reduced aid and expenditures for Western Europe, larger U.S. and foreign aid for underdeveloped countries, and a moderate growth of reserves for all great trading countries.

Foreign Trade

The U.S. foreign trade picture shapes up as follows:

Exports in April totalled $1,500 million slightly higher than in March, but still 4 per cent. less than in April 1958. The gain between March and April 1959 was due, to a large degree, to a $44-million increase in the shipment of military goods.

Commercial exports in April were still substantially below the comparative figure for April 1958. For the first four months, exports from the U.S. ran 5 per cent. below the level of a year ago.

Imports, on the other hand, are likely to rise. This refers particularly to consumer goods for sale in department and speciality stores. The projected boost over 1958, for the year as a whole, is given at, at least, 10 per cent. This is the consensus of leading retail buying organisations.

More buyers have been sent abroad this year than ever before and, judging by the reported destinations of them, an upsurge of buying activity in Far Eastern markets appears to be in the offing, including, to a certain extent India.

The response to such goods has been quite good. The heart of the consumer market in the U.S. comprises seven out of ten families, with incomes between $3,000 and $15,000 a year. These people are doing well and in good years are spending about 94 per cent. of their income, after taxes, consistently, and are saving about 6 per cent.—*All Rights Reserved.*

The U.S. Government has warned textile importers that mandatory import controls will be imposed if cotton apparel shipments from Hong Kong continue to go up at the present rate. It has asked the importers to diversify and moderate their purchases, in order to prevent over-concentration on certain imports such as shirts, pyjamas and some women's garments.

President Eisenhower has asked the U.S. Congress to enact legislation permitting an increase in the statutory public debt limit, as well as measures to make Government bond issues more attractive to investors by paying higher interest rates. He has recommended that the permanent public debt limit be raised by $13,000 million to $288,000 million so as to provide "a leeway which is essential to protect the Government in case of unforeseen emergencies and to provide necessary flexibility in debt management operations."

LONDON LETTER

OF INTEREST TO PUBLISHERS

(From Our Own Correspondent)

LONDON, *5th June*

LONG ago, the National Press of this country insured itself against printing disputes by being its own printers as well as publishers and having special service agreements with the unions concerned. It thus made certain that the Press would not be at the mercy of another industry which it could not control. Not so the weekly Press, who are publishers only and rely upon printers to get their written word to the public. The country is being forcibly reminded of that since the beginning of this week when the printing workers began a policy of non-co-operation with their employers. The results are being seen in a slowing down of the output of the printing presses, journals are delayed in reaching the public and in another fortnight there is a threat of a complete stoppage in the industry. If the threat is fulfilled, only the National Press will keep going and it is rumoured that even that Press may be in difficulties for its special supplies of ink!

For some time, the printing unions have been claiming a 40-hour week, together with substantial wage increases. The Master Printers would not accept the proposals, nor did they make any counter-offer until a week ago, when they went part-way towards the unions' claim; but even their offer was made subject to agreement within the industry to increase output per head by increasing efficiency. But the unions' retort was that they would not sit down with the Master Printers to consider increasing efficiency until their wage and hour claims had been met.

Therefore, once again, as a result of inefficiency in handling an incipient conflict, an industry is on the verge of stoppage. The first move was taken by the unions, who refused to work overtime and, in short, began their policy of non-co-operation. The Master Printers have decided that this is tantamount to a policy of go-slow and justifies them in imposing a lock-out. At the moment of reporting, it is not, therefore, a strike which is incipient, but a lock-out—to be followed by a struggle of attrition, which, while it endures, will deprive the public of its periodical reading.

A Bloomer!

Not of direct economic significance but of great political significance is this week's other item of publishing news—the disclosure by *The Times*' relatively new Political Correspondent of the thoughts in some quarters of the Government that the Foreign Secretary might be dispensed with. It has been generally put about that the story was a bloomer on the part of *The Times*' Editor, but the manner in which *The Times* came to print the story, the top position being given to it in the Monday edition, confirms the view that *The Times* knew what it was about when it published. It is a bloomer only in the sense that the publication in fact had a boomerang effect and may have confirmed the Foreign Secretary's position rather than weakened it. But the interesting question remains—who launched the attack? Sir Winston Churchill's son has come out with unqualified condemnation of the Home Secretary, who, ever since this Government was formed, has been regarded as representing an opposing party within the Party. In any event, *The Times* has made no reference at all to the Government's denial of any move for the Foreign Secretary, and the Government for its part has made no direct reference at all to *The Times*. Each side has decided not to join battle and there the matter rests for the time being.—*All Rights Reserved.*

A new Anglo-American company, Nuclear Equipment, has been formed with head office at Watford in the U.K., to specialise in the design, manufacture and marketing of remote-controlled nuclear handling apparatus. The formation of the company is the result of an agreement reached between Savage and Parsons (Watford) and General Mills Inc. (Minnesota, U.S.). It will maintain close contact with nuclear establishments throughout the world, barring the U.S. The Company will be concerned with mechanical and powered manipulators, reactor fuel loading and unloading system, reactor maintenance systems, and other types of handling apparatus and ancillary protective equipment. Its major markets are expected to be the countries of the British Commonwealth and Western Europe.

PUBLIC AND PRIVATE SECTORS

CHALLENGE TO BUSINESS MEN

By Henry Ford II

PRESIDENT, FORD MOTOR COMPANY

I BELIEVE in the private-enterprise system. I believe it can go on giving us the great benefits of economic and social progress it has given us in the past. I believe in it not because I think it is divinely ordained, but because it works better than any other system yet devised.

It works because it effectively harnesses aggressive human drives to broadly constructive purposes. It works because it provides incentives that seem to stimulate masses of people to vigorous effort and a constant restless search for greater efficiency.

But I recognise also that the private-enterprise system is not really a system at all. What we have is a loose and tremendously varied array of public and private enterprises, held together by the cohesive force of certain underlying principles—free incentive and a degree of freedom of choice and action established by law and custom. We have three to four million centres of initiative in this country *versus* one in Russia.

Again, I recognise, as all of us must, that, as our society has grown more complex, Government has had to play an ever greater role, direct and indirect, in our economy. Realistically, over the years ahead that trend is not likely to be reversed.

Our problem as business men is not to dig in our heels and resist any and all kinds of governmental activity. Our problem is to try to see to it that Government does the right kind of things, that it avoids those measures that are economically harmful—the subsidies that perpetuate marginal industries and marginal agriculture, or that try to sustain marginal industrial areas, for example—and that it provides more of the services and facilities that promote genuinely worthwhile economic purposes without shackling economic freedom.

In that context, I would like to suggest several general areas of action that I believe hold great potential for a new productive explosion in the American economy.

First, I would suggest an attack by all elements of our society on the existing barriers to increasing productivity in industry, agriculture and services. Let's try harder to get rid of the psychology that locks people into marginal jobs and obsolescent skills.

Second, I would suggest that we make possible greatly increased business-capital investment by permitting business profits to share reasonably in our economic growth, and by wiser taxation, particularly in terms of more realistic and faster depreciation allowances for writing off plant and equipment and encouraging the building of new.

Third, we must try to stimulate greater consumption of goods and services. The way to do this effectively is to intensify sharply our development of new or greatly improved products. Industry must utilise much better the latent creativity of the people it employs, and venture more in introducing new products.

Fourth, we should use the resources of industry and Government more effectively to maintain high and stable levels of employment and income.

I think we would all agree that the one, single factor in the private-enterprise economy that leads to great political pressures toward the welfare State is its cyclical nature and its need for mobility within the work force.

While we can minimise cycles in the free-enterprise economy, there is no way of eliminating them entirely. Buying habits change. Excessive inventories of certain goods accumulate from time to time. Plants shut down and people are laid off from work. At times, whole industries become obsolete, and their employees are forced to find new jobs and learn new skills.

Again, technological advances in industry and agriculture displace people from farms, from factories, from special labour skills.

All of these things create worry, unhappiness and economic problems for the people involved. Ultimately, they turn to the State to solve their problems.

Now, the fact is that a remarkable and wonderful thing has been happening in our country. In the post-war period, there has been a great increase in non-farm and non-industrial employment—in the government, in education and other social services, in recreation and tourism, in business services.

A whole new and greatly varied world of opportunity has opened for millions of Americans. Because of this change in type of employment, most people went right on working through the post-war recessions.

We ought to be concentrating hard on accelerating this trend by increasing greatly the educational opportunities open to our whole populace. We should be upgrading people and skills at the fastest rate possible. We need better-educated people in vast numbers throughout our society.

I am sure many things can be done to help people meet technological and economic change more readily. Today there are many public and private measures that protect people against the excessive economic hardship that was common in an earlier day. But there is a certain inflexibility in many of these measures. They tend sometimes to tie people to skills that are no longer in demand and often to hold them in communities where the jobs they held no longer exist. Business in general has not given the earnest attention it might to the solution of this problem and its own stake in that solution.

I would like to see business and industry give serious and systematic thought to finding ways in which both private and public resources can be used more intelligently to stabilise employment and income in ways consistent with broad, national growth in productive efficiency.

I know that, in American management, there are many men with the broad vision and the sense of social justice needed to break through the barriers that block the fullest development and growth of our society. I think that the talent, the imagination and the sound, practical judgment of business men must be marshalled more effectively to attack these problems.

The American business system has created a great reserve of national wealth, out of which we have already established an unheard-of degree of security and prosperity for the American home. We have shored it up with broad public and private social measures—measures which, in themselves, have strengthened our economy and have contributed to our prosperity.

It follows that we business men should not allow "label thinking" to scare us away from examining fairly and without fear all future means which, consistent with economic and political freedom, will enhance our future prosperity and security as a nation, and to encourage people to accept willingly the marginal uncertainties characteristic of any system where initiative is not centered in the Government.

[*Excerpts from Mr. Ford's address to the students attending the Yale University lecture series.*]

OBSOLESCENCE COSTS MONEY

Not so long ago a poll was made by *Dun's Review and Modern Industry* (U.S.) on the relationship of obsolescence to productivity. It asked and answered two questions:

"When is a machine obsolete?" Answer: When it won't earn its keep, certainly, and perhaps also when a new machine would provide more profit in the long run.

"When is management obsolete?" Answer: When it stands still, or even walks backward in self-justification and refuses to face up to present and future requirements.

The survey covered 367 manufacturing companies in 44 key industrial areas in the U.S. One-fourth of the concerns reported operating at less than 65 per cent. of capacity. For this group, it was indicated that modernisation would reduce costs by 6.5 per cent.

The poll produced new evidence of the importance of constant modernisation in this age of rapid engineering advances, in order to survive. It also showed that, if obsolescence remains unchecked by replacement with modern tools of production, the result is almost inevitably a decline in earnings which, eventually, may lead to the failure of the enterprise.

A broad poll of industry, undertaken by the Economics Department of McGraw Hill, showed that out of a $300 billion capital investment in plant and machinery by all manufacturing concerns in the U.S., about one-third, or $100 billion was considered obsolete by its owners.

Notices

THE MODERN MILLS LIMITED

NOTICE OF 18th DIVIDEND

NOTICE IS HEREBY GIVEN THAT A DIVIDEND of Rs. 3 per share of Rs. 50 for the year ended 31st October 1958, sanctioned by the Shareholders at the Twenty-fifth Annual General Meeting held on the 9th June 1959, is made payable at the State Bank of India, Bombay, on and after Monday the 22nd June 1959 to those Shareholders whose names stood on the Register of Members on the 12th May 1959. The dividend warrants are made negotiable at par at the State Bank of India, Bangalore.

By Order of the Board,
N. SIRUR & Co. PRIVATE LTD.,
Managing Agents,
N. D. SIRUR,
Managing Director.

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, *9th June* 1959.

THE EQUITABLE COAL CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of this Company will remain closed from the 24th June to 7th July, 1959, both days inclusive.

By Order of the Board,
MACNEILL & BARRY, LIMITED,
J. B. CRAIG,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA-1, *3rd June*, 1959.

THE EQUITABLE COAL CO., LTD.

NOTICE IS HEREBY GIVEN THAT THE payment of Interest for the period from 1st January to 30th June, 1959, on the 5½ per cent. Registered Debenture Stock 1963/68 of the Company will be made to those Stockholders whose names appear on the Company's Register on the 30th June, 1959 or in accordance with their instructions.

For THE EQUITABLE COAL CO., LTD.,
Per Pro MACNEILL & BARRY LTD.
J. W. N. BALDOCK,
Managing Agents

2, FAIRLIE PLACE,
CALCUTTA-1, *8th June*, 1959.

THE HIGHLAND PRODUCE CO., LTD.

(Incorporated in Travancore, Kerala)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-third Annual General Meeting of the Company will be held at the Registered Office at Beach Road, Alleppey, on Monday the 29th of June, 1959, at 11.30 a.m., to transact the ordinary business as set out in the notice attached to the Balance Sheet which is being forwarded to the members.

The Share Transfer Books of the Company will remain closed from 23rd to 29th June 1959 (both days inclusive), during which period no transfer of shares will be registered.

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

By Order of the Board,
A. V. THOMAS & CO., LTD.,
Managing Agents.

ALLEPPEY, *1st June* 1959.

Note:—The Directors have (1) declared the second half-yearly dividend at 6 per cent. per annum on Preference Shares for 1958 and (2) recommended a dividend of 15 per cent. on Equity Shares for 1958, and the same, if approved by the General Body, will be paid to the respective members registered in the books of the Company on 29th June 1959.

CO-OPERATIVE MOVEMENT IN INDIA

GENERAL PROGRESS MAINTAINED—PROFIT MARGIN NOT ENCOURAGING

THE Co-operative Movement in India is 55 years old, having been started in 1904 mainly for providing credit "to all those who had the skill and will to work but had no means to acquire the wherewithals." Notwithstanding two world wars and one world-wide depression, the co-operatives have not only found a place in the society but have become the idol of the Congress Party. The progress has been significant since independence and this has been well maintained during the year ended 30th June 1958. The number of societies, which had gone up from an average of 159,185 for the five years ended June 1950 to 244,769 in 1956-57, has grown further to 257,824 in the year under review. The membership of primary societies has increased during the year from 19.37 million to 21.46 million, while the average for the five years ended 1949-50 had stood at 10.73 million. The working capital of the co-operative stands at Rs. 696.45 crores as at the end of 1957-58, having risen from Rs. 567.67 crores a year before and the average of Rs. 188.73 crores for the five years to 1949-50.

A very comprehensive picture of the progress of the co-operatives during the year ended 30th June 1958 is provided by the *Statistical Statements Relating to Co-operative Movement in India*, published by the Agricultural Credit Department of the Reserve Bank of India. The data given in the publication show that, at the end of the year under review, the number of co-operative societies per 100,000 inhabitants was 64.69, as against 62.4 a year before, and the number of members of primary societies per 1,000 inhabitants has risen from 49.4 to 53.93. On the basis of a population of 397.37 million (as against 392.27 million at the end of 1956-57) and assuming that an average family comprises five members, it is estimated that about 107.5 million or nearly 27 per cent. of the population was being served by co-operatives, as compared with 25 per cent. at the beginning of the year.

Another test by which the progress of the co-operative movement should be judged is the number of societies which go into liquidation each year. From this point of view also, the picture is a little encouraging, in that the number of societies brought to liquidation during the year shows a decline from 2,258 to 2,081. The accounts of 1,627 societies were finally wound-up, as against 1,670 in 1956-57. The value of assets realised and liabilities paid off during the year amounted to Rs. 38.91 lakhs and Rs. 39.25 lakhs, as against Rs. 64.46 lakhs and Rs. 49.37 lakhs, respectively, in the previous year.

Profit Position Not Happy

While there was a general improvement in the progress of co-operative societies during 1957-58, the position in regard to the number of societies of various types earning profits and the volume of profits made by them is not happy. As many as 151,309 societies earned a total profit of Rs. 13.30 crores in 1957-58, as against Rs. 12.98 crores earned by 139,994 societies. The number of societies which have suffered a loss has gone up from 40,800 to 56,407, though the extent of loss has declined slightly from Rs. 4.40 crores to Rs. 4.22 crores. The increase in profit has not been uniform as between different types of societies.

Credit societies form the bulk of the co-operative societies and fall into two broad classifications, namely, short-term and long-term. The structure of co-operative credit or banking is composed of (1) primary credit societies—agricultural and non-agricultural, (2) Central co-operative banks and (3) State co-operative banks. These three classes of societies provide short-term and medium-term credits to the whole movement, while the long-term needs are met by Central land mortgage banks and primary land mortgage banks.

To analyse briefly the progress of each of these classes of credit societies. Agricultural credit societies, being the base of the co-operative credit structure, constitute the most important sector of the co-operative movement. At the end of the year under review, there were 166,543 agricultural societies (constituting 64.9 per cent. of the total number of societies) with a membership of 10.22 million, as compared with 161,510 societies with a membership of 9.12 million a year before. A State-wise distribution shows that U.P. had the largest number of agricultural credit societies with 44,060, Bombay and Madhya Pradesh being next in order with 18,354 and 16,750 societies, respectively. The working capital of all agricultural societies shows a rise of Rs. 35.45 crores to Rs. 133.75 crores, of which borrowings from State or Central co-operative banks alone accounted for Rs. 78.42 crores, or for very nearly 60 per cent. Deposits constituted no more than Rs. 8.63 crores or a mere 6 per cent. Loans advanced by these societies have gone up substantially from Rs. 67.33 crores to Rs. 96.08 crores, raising the total outstandings at the end of the year from Rs. 76.82 crores to Rs. 107.10 crores. There has been a slight fall in overdues from 22 per cent. to 21.3 per cent. The rate of interest charged on loans by small agricultural credit societies varied from 4¼ to 12½ per cent. and that by large-sized societies from 3¼ to 12½ per cent.

Non-agricultural Societies

The non-agricultural credit societies, comprising urban banks, employees' credit societies and other special types of credit societies, also showed some progress, with their number rising from 10,150 to 10430 during the year and their membership increasing from 3.24 million to 3.67 million. Their working capital amounted to Rs. 102.53 crores at the end of 1957-58, as against Rs. 100.41 crores a year before. The paid-up capital and reserves (or owned funds) of these societies aggregated Rs. 34.58 crores, representing an increase of Rs. 4.26 crores over the year. Their deposits have, however, declined from Rs. 64.59 crores to Rs. 60.73 crores, Bombay and West Bengal accounting for 58 per cent. of the total deposits. This has been made good to some extent by an increase in borrowings from Rs. 5.50 crores to Rs. 7.21 crores. Loans advanced by them during the year amounted to Rs. 87.34 crores, as against Rs. 82.07 crores in the previous year. Loans outstanding at the end of the year stood at Rs. 79.33 crores, with overdues forming 8.3 per cent. of this amount, the corresponding figures for 1956-57 being Rs. 74.99 crores and 8.2 per cent.

There was a decline in the number of State co-operative banks from 23 to 21. This is in pursuance of the policy of amalgamation of apex banks in some States, so as to reduce their number to one in every State. Their membership also dropped from 33,440 to 32,181. The declining trend in the number of Central co-operative banks and banking unions noted in previous years continued during the year under review also, with a further fall from 451 to 418, on account of the merger of smaller banks with adjacent larger banks. Their membership also dwindled from 311,000 to 293,000.

The following comparative table shows the resources of working capital of State co-operative banks and Central co-operative banks and the disposition of funds during the last two years:

(In crores of rupees)

	State Co-operative Banks		Central Co-operative Banks	
	As on 30-6-1958	As on 30-6-1957	As on 30-6-1958	As on 30-6-1957
Working capital	109.14	79.54	147 00	110.26
Owned funds	11.93	8.78	24.99	18.45
Deposits	45.45	35.39	66.88	68.43
Borrowings from:				
Government	5.80	6.10	3.65	2.85
Reserve Bank	44 08	25.76	45.23	27.54
Other sources	1.82	0.42	6 39	2.94
Advances made during the year	219.09	123.71	159.87	100.80
Loans outstanding	74.73	49 62	100.09	71.90
Overdues	5.50	4.10	11.88	9.34
Ratio of overdues to outstanding	7.4%	8 3%	12%	13%
Investments	25.30	19.06	28.53	29 05
Cash balances	9.26	8.60	17.42	13.12

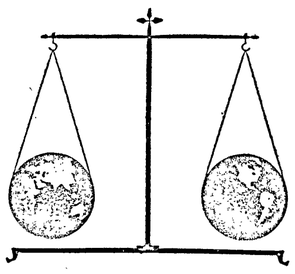
It will be noted that, in the case of State co-operative banks, the owned funds have gone up by 35.9 per cent. and deposits by 18.4 per cent. Of the total advances made during the year, short-term credit amounted to Rs. 217.54 crores. Of the total investments, at the end of the year, as much as Rs. 18.53 crores or over 73 per cent. consisted of Government and other trustee securities. The highest and lowest rates of interest paid by the State co-operative banks on fixed deposits during the year were 4½ per cent. and 1½ per cent., respectively. The rate of interest charged by them on their advances to co-operative societies varied from 1 to 6½ per cent. and that to individuals from 2½ to 9 per cent.

Overdues

The overdues of advances granted by Central co-operative banks were high, the position being worse in Jammu and Kashmir, where the ratio of overdues to outstandings was as high as 75 per cent. The position in Bihar and West Bengal was also not happy, where it was over 45 per cent. at the end of 1957-58. The usual rate of interest charged by the banks to societies on their advances varied from 2½ to 9¼ per cent., the highest being charged in West Bengal on medium-term loans for agricultural and other purposes.

There were 15 Central land mortgage banks at the end of the year under review, with a paid-up capital of Rs. 2.26 crores and reserves of Rs. 72 lakhs. Their working capital, amounting to Rs. 25.88 crores, was mainly provided by debentures floated by them on the guarantee of the respective State Governments, the outstanding amount of such debentures at the end of the year being Rs. 20.48 crores, as against Rs. 16.95 crores a year before. The banks advanced during the year Rs. 4.62 crores, as compared with Rs. 3.80 crores in 1956-57 and the outstandings rose from Rs. 14.94 crores to Rs. 19.82 crores.

A perusal of the statistics relating to assistance given by State Governments to different types of co-operative institutions by way of contribution to their share capital shows that such assistance rose from Rs. 7.74 crores to as much as Rs. 16.49 crores as on 30th June 1958. Of this amount, Rs. 6.05 crores or 36.2 per cent. (as against Rs. 3.28 crores or 4.2 per cent.) were given to primary agricultural societies, Rs. 3.21 crores (Rs. 1.26 crores) to Central co-operative banks and Rs. 4 crores (Rs. 2.20 crores) to State co-operative banks.



In both hemispheres. . .

. . . there are businessmen, and in both hemispheres there are banks. This is all very well as far as it goes, but contact between east and west is a different matter, and one of great and growing importance. That is where The Hongkong and Shanghai Banking Corporation comes in. Providing a complete banking service throughout south and east Asia, we also enable the businessman in that half of the world to contact his opposite number in the other. In both hemispheres you will receive excellent service from the biggest bank established by the Far East for the Far East.

THE
HONGKONG AND SHANGHAI
BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

BOMBAY CALCUTTA

Offices in Europe and the United States and throughout the Far East.

U.N. SPECIAL FUND

The first operational programme of the U.N. Special Fund covering 13 projects in 10 countries and involving a total expenditure of $7.5 million was unanimously approved by the Governing Council of the Fund at its second session held in Washington last week. The projects are intended to aid the "integrated technical, economic and social development of the less developed countries."

The Fund, it may be recalled, was established last October with Mr. Paul Hoffman as Managing Director. It is designed to accelerate the economic development of the less developed countries and new capital investments of all types by creating conditions which will make such investments either feasible or more effective. The types of projects it will finance include surveys of natural resources, research and training programmes for the development of technological skills and demonstration, including pilot projects.

The Fund received 75 requests for aid from Governments involving finances aggregating $81 million up to 10th April 1959. Out of this, only 13 were selected for inclusion in the first operational programme. Of the 75 requests received, the largest proportion were for water power and irrigation surveys, agricultural, fishing, forestry and soil surveys and technical training. Others included university, higher technological projects, geological and mining surveys and support for research institute. The development projects included in the first operational programme and their cost, given in brackets, are:

Power survey in Argentina ($250,000), Central American Research Institute for Industry ($900,000), survey of Volta River flood plain in Ghana ($303,000), pilot project in groundwater development in Greece ($245,000), general development survey in Guinea ($400,000), industrial instructors' training institute for India ($860,000), pilot project for watershed management in Israel ($200,000), management training programme in Poland ($700,000), investigation of silting in the Bangkok port channel ($600,000), Middle East technical university ($500,000), Pilot tile drainage project in U.A.R. ($300,000), soil survey from aerial photographs in U.A.R. ($265,000) and vocational training in Yugoslavia ($905,000).

For each approved project an "executing agency" is named subject to the conclusion of an agreement with the Managing Director of the Fund. The U.N. will be the executing agency for the Central American research institute and the general development survey in Guinea. The agencies for other projects are: World Bank for the Argentine power study and the Bangkok channel, the International Labour Organisation for the training centre in Poland, instructors' training centre in India and the vocational instructors' training in Yugoslavia, F.A.O. for the soil survey and the pilot project for drainage of land in U.A.R., flood plain survey in Ghana, pilot project in water development in Greece, and the pilot project in watershed management in Israel, and the U.N.E.S.C.O. for the Middle East technical university in Turkey.

It is noteworthy that doubts were expressed when the Fund was established whether it would be easy to find enough useful economic projects in the first year of operation to absorb the $27 million made available to the Fund during the year. This fear has proved to be entirely unfounded. In fact, the problem has turned out to be one of finding necessary funds for all the sound projects for which the Fund is approached for help.

COMMONWEALTH DEVELOPMENT FINANCE COMPANY

The Government of India is reported to have decided to invest a substantial sum in the Commonwealth Development Finance Company, which proposes to double its authorised capital from £15 million to £30 million, by creating 15 million new shares of £1 each. The extent of its subscription is, however, not known, but any large investment by India will prove beneficial to this country, in that it might bring back a substantially larger assistance from that company. It will be recalled, in this connection, that the C.D.F.C. has so far made two loans to India, one for Rs. 30 lakhs to Indian Oxygen Ltd. for its expansion programme and the other for Rs. 19 lakhs to the Industrial Credit and Investment Corporation.

Formed in 1953, with official backing, to provide funds for development of Commonwealth countries, particularly for financing projects of private enterprise, the C.D.F.C. has the support of a number of large industrial and commercial concerns, as well as the Bank of England. At the Commonwealth Conference held at Montreal last year, it was unanimously decided to strengthen the resources of the Company, as it was felt that the C.D.F.C. had a more positive role to play in the development of the underdeveloped areas of the Commonwealth of Nations. Accordingly, in March last, the Company issued invitations to large industrial and commercial companies to become shareholders of the concern. The response to this appeal is said to have been encouraging. As many as 76 large companies have agreed to subscribe for 5.03 million 'A' ordinary shares of £1 each. In addition, 16 of the existing shareholders of 'A' shares have applied for 980,000 shares, making 6.01 million new 'A' shares. The Bank of England, which at present holds 6.75 million 'B' ordinary shares of £1 each, has informed the Company that it would, along with certain subscribers in the Commonwealth countries, apply for 4.99 million new 'B' shares. This will bring the total issued capital of the Company to £26 million.

It is, however, not proposed to call the entire value of the new shares. A sum of 2s. will be called on each new 'A' share and 10s. per 'B' share, which will yield £3.10 million. This will be utilised to reduce the Company's present indebtedness to banks. The uncalled portion of the new issued capital will provide substantial additional cover for borrowings. In addition to the issue of fresh capital, the Company proposes to raise loan capital on a long-term basis. The institution will thus have ample resources at its disposal for increasing the volume of its investments in Commonwealth countries.

DEVELOPMENT SAVINGS BANK

Apropos our comment on the Development Savings Bank (*vide Commerce* dated 2nd May 1959, page 723), Mr. C. Loganathan, author of the plan, in a communication addressed to us, observes, *inter alia*, as follows:

"I wish to refer you to the last paragraph of your comment. The Government will have the following powers. Section 8(iv) provides for the appointment of a Director by the Prime Minister with the power to vote in addition to the Secretary to the Treasury and the Secretary to the Planning Council who will have no power to vote. Section 9 provides that only the nominated Director and such other Directors as shall have been approved previously in writing by the Prime Minister shall be eligible for election as Chairman or Deputy Chairman. Section 48 provides that the appointment of the chief executive of the Development Savings Bank shall not be made without the prior approval of the Prime Minister. Section 55(1) provides that the Prime Minister may, from time to time, appoint the Auditor-General or other auditor as he thinks fit to examine and report to him on the accounts and affairs of the bank and at the cost and expense of the bank. Section 97(i) provides that the investment of moneys in the 'Tax Rebate Fund' shall not be made without the approval of the Minister of Finance. A similar provision is applicable to the 'Public (Taxpayers') Voluntary Savings Fund.' Section 105 under 'Foreign Gifts Capital Fund' provides that the investment of moneys in this fund cannot be dealt with without the approval of the Minister of Finance. There are other provisions which give certain powers to the Prime Minister.

"I am sure that no Government with any intelligence and which is committed to the preservation of a democratic political structure can argue that democracy can function in a country where the State owns fully or substantially the means of production. In other words, any Government which is committed to the preservation of democracy is, *ipso facto*, committed to the preservation of a private sector representative of cross-sections of the people. Such a Government cannot legitimately expect to control the institution which is the subject of my proposal."

We regret the omission in the article of a reference to the provision in the draft Bill for the appointment of a Director by the Prime Minister, with the power to vote, in addition to the Secretary to the Treasury and the Secretary to the Planning Council, who will have no power to vote and the further provision that only the nominated Director and such other Directors as shall have been approved previously in writing by the Prime Minister shall be eligible for election as Chairman or Deputy Chairman. But our conclusion that the scheme is unworkable in practice was arrived at after taking into account these provisions and also others mentioned in the first para quoted above. If the Government were to exercise these powers—and there is little reason and no precedent to suppose that they will only remain in the Statute Book—the Development Savings Bank will in practice turn out to be nothing more than a completely State-owned enterprise. Mr. Loganathan's assertion that the State "cannot legitimately expect to control the institution" is pure wishful thinking. And, if it does, the whole thesis of his plan falls to the ground.—ED.

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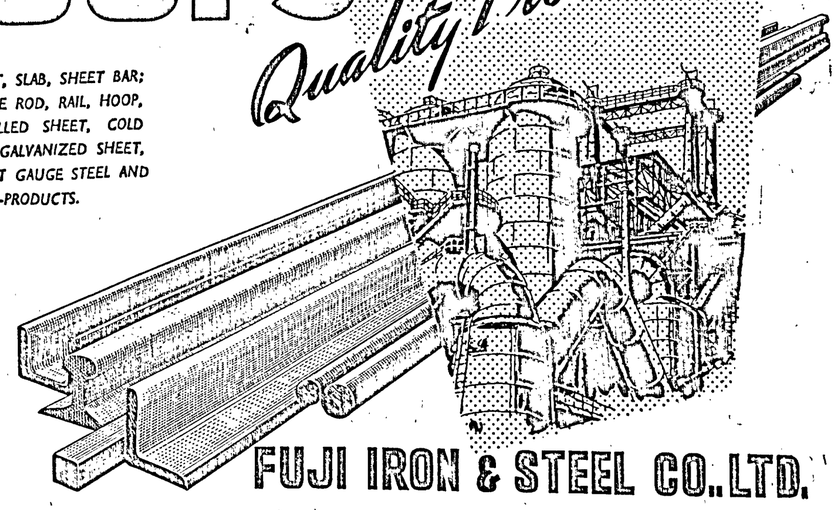

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COTTON TEXTILE EXPORTS TO BRITAIN

TALKS ON "CEILING" PROVE INCONCLUSIVE AGAIN

ONCE again, the talks between the representatives of the Indian and British cotton textile industries about fixing a ceiling on Indian textile exports to the U.K. have proved inconclusive. It would appear that these representatives met in London last week. India was represented at the talks by Mr. Kasturbhai Lalbhai, Chairman of the Indian Cotton Mills Federation, and Mr. Neville N. Wadia, Chairman of the Cotton Textile Export Promotion Council. Lord Rochdale, Chairman of the Cotton Board, and Sir Cuthbert Clegg, the Vice-President of the Cotton Spinners' and Manufacturers' Association, represented the British textile industry. The inconclusive nature of the talks is attributed to divergence of opinion between the two sides. The Indian interests wanted an upward revision in the original export ceiling of 140 million yards in proportion to that given to Hong Kong. But the British interests were not prepared to concede this demand.

Under the "understanding" provisionally reached in June 1958, it will be recalled, the ceiling for India and Pakistan had been fixed at 140 million yards and 35 million yards. This informal understanding was for a period of three years and subject to the condition that a similar arrangement would be made with Hong Kong. At that time, Hong Kong was very vehemently opposed to the whole move. Later, it yielded to pressure from Lancashire. It would appear that, initially, the ceiling negotiated with Hong Kong was for a period of three years, with a progressively rising quota per year. According to British sources, the quota was 150-160 million yards, 165-175 million yards and 175-185 million yards in the first, second and third years of the agreement, respectively. After patient negotiations and with the assistance of the Governments of Britain and Hong Kong, a final agreement was reached with the millowners in this tiny Colony and signed on 30th December 1958. According to the agreement, the ceiling was fixed at 164 million yards, comprising 115 million yards of piecegoods, 3 million yards of yarn dyed-cloth and 46 million yards of made-up goods. This figure was far in excess of India's expectations and it was clear even then that Lancashire's understanding with India would not hold good and that there would have to be fresh negotiations. Hence the talks in London last week. An important point that requires to be noted here is that the ceilings for Hong Kong and Pakistan were well above the actual exports from these countries to Britain during 1957—amounting to 102 million yards from Hong Kong and 6 million yards from Pakistan—while the ceiling for India at 140 million yards was higher by just one million yards.

India's Point of View

It is not known what arguments were put forward by Mr. Kasturbhai Lalbhai and Mr. Neville Wadia. But it is generally presumed that they must have been on the following lines:

The ceiling figure for Hong Kong is much higher than that mentioned during the 'understanding' reached in June 1958. It is also far in excess of the Island's actual exports in the two years preceding 1958. In allocating quotas to India and Hong Kong, no account has been taken of their respective productive capacity. Since the quota for this tiny island with a relatively small capacity is so generously fixed at 164 million yards, there should be a corresponding upward revision in the ceiling on exports of cotton goods from India.

Although the Lancashire textile interests have not accepted India's point of view, they are nevertheless reported to be quite anxious to reach a settlement with it as early as possible. Official circles in Britain also, it is said, are equally desirous of a settlement. Moving the Cotton Industry Bill in the House of Commons for second reading on the 4th inst., Sir David Eccles, President of the Board of Trade, pointed out that the conclusion of an agreed limitation on imports from Hong Kong and the prospect of similar limitation on imports from India and Pakistan created a favourable situation for reorganisation of the industry on a definite basis. In this connection, Sir David said:

"....It is inevitable that the rest of the world should turn to textiles and, as a result of the growing competition from overseas, Lancashire has lost a very large part of its huge export markets. Then, on top of this, recently, textiles produced in other countries of the Commonwealth have entered the British market on a large scale. These imports are admitted free of duty as a part of the Commonwealth policy which has served us so well. But we very fully understand that this policy has brought great trouble on the cotton industry in this country, and we think it right that the Government should see whether it can offer effective help to prevent too violent a dislocation as a result of this overriding Commonwealth policy on duty-free imports.

"The blows have fallen on Lancashire so rapidly and in such continuous succession that it has never seemed possible, as I understand it, to pause and take stock and to face up to all those readjustments which are called for by such drastic changes in the market conditions. But now at last, an opportunity occurs."

Immediately after his return from London to Bombay on Sunday this week, Mr. Kasturbhai Lalbhai is reported to have told Press men at the airport that the talks were inconclusive and would be resumed later. Barring this brief statement, he made no comment nor gave any explanation. For some inexplicable reason, the spokesmen of the Indian cotton mill industry have all along fought shy of taking the public into confidence on this subject. There is, however, no doubt that they are as keen as their confreres in Lancashire to have an understanding, provided it is reasonable to India. As practical business men, they do not want to force the hands of the British Government to take action by refusing to negotiate with their opposite side.

U.K. Cotton Industry Reorganisation

Meanwhile, the British cotton industry has taken up a far-reaching plan for reorganisation, with large-scale Government help. The successful implementation of this plan will doubtless be more than sufficient to ensure adequate protection to it against any undue competition from other countries. The plan, to quote the London *Times*, "is designed to assist in this transformation, to help in making the industry capable of meeting the competition within the Commonwealth where voluntary restraints on imports from low-wage countries are lifted."

The persistent complaint of Lancashire millowners that the difficult conditions in the British cotton industry are due to competition from duty-free imports from Commonwealth countries is a gross exaggeration, as is borne out by the official White Paper on the reorganisation scheme. This document brings out the fact that the British cotton industry is suffering from excess capacity. The full extent of the excess capacity is estimated at as much as 12 million mule equivalent spindles and 70,000 looms. The doublers estimate their excess at about 60 per cent. and the condenser spinners estimate theirs at 10 per cent.

Realistic Approach

The details of the reorganisation plan have been published in some of our earlier issues. It is, therefore, unnecessary to refer to them again. Suffice it to say that the plan is an admirable example showing how the authorities in Britain are realistic in their approach to the problems of the industry. The plan costs the U.K. Government something like £30 million over the next five years, the aggregate outlay on the full-scale re-equipment programme covering all the branches being put at £100 million. The amount will be spent (1) to pay two-thirds of the cost of removing the industry's surplus capacity and (2) to share one-third of the cost of modernising existing machinery and of providing new machinery.

The second reading of the Cotton Industry Bill in the House of Commons took place on the 4th inst. It is significant that it was not opposed by the Labour Party. In his remarks, Sir David Eccles stated that there were encouraging signs of a new confidence in the Lancashire industry and of greatly improved prospects for expansion. Even before the Bill has become an Act, the Government is considering some alterations in the Bill "to match suitable arrangements within the industry." Among these alterations, mention is made of the grouping in sections of the industry for the purpose of dealing with reorganisation, with a view to meeting the particular wishes of the finishers; elimination of tax liability on compensation; and retaining for workers displaced but compensated their entitlement to unemployment benefit.

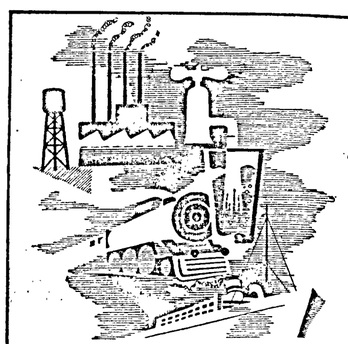
The U.K. cotton industry reorganisation plan, according to reports in the British Press, has elicited widespread co-operation and support from all sections—the Government, the millowners, the workers and the public. Here is an instance which should provide an object lesson to the cotton mill industry, its workers and the Government in this country. All the three of them must realise that, once the Lancashire mills are reorganised and placed on a sound footing, they will turn out to be formidable competitors not only in their domestic markets but also in export markets.

WORLD FIBRE CONSUMPTION

The free world is now consuming more fibres —cotton, wool and man-made fibres—than it did some years ago. The aggregate consumption during 1958 was 42.8 million bales, which, though it was much less than the 46.1 million bales (of 478 lbs. each) consumed in 1957, compares very favourably with the consumption of 36.7 million bales in 1950. The average rate of increase in consumption during the period 1950 to 1958 comes to 2.78 per cent.; it has exceeded the growth of population—1.64 per cent. every year—but has lagged behind the growth of 4.95 per cent. in industrial production, according to the International Cotton Advisory Committee, Washington. The *per capita* consumption of the principal fibres in 1956-58 was 11.6 lbs., as against 10.7 lbs. in 1950. Over the same period (1950-58), cotton consumption in the Communist bloc countries has gone up by 7.5 million bales to 15.3 million bales and that of wool and man-made fibres by more than a million bales each.

Out of the 42.80 million bales of fibres consumed in the free world during 1958, cotton accounted for 27.99 million bales (or 65.4 per cent.), rayon and acetate for 8.46 million bales (20 per cent.), wool for 4.23 million bales (10 per cent.), and other man-made fibres for 2.12 million bales (5 per cent.). The total consumption of fibres in the Communist bloc during 1958 was 18.7 million bales, representing a rise of 2.2 million bales as compared with the previous year. The major portion—amounting to 15.3 million bales or 82 per cent.—was accounted for by cotton. The percentage share of rayon and acetate was 10, other man-made fibres 1 and wool 7.

Hardly any new capacity for producing rayon yarn is said to be now being added in most countries, barring some additions in Spain, Japan and India, as well as in the U.S.S.R. The rayon industry is generally operating far below existing capacity. Instead, more and more interest is being concentrated on the newer man-made fibres, including nylon, terylene, the acrylic fibres and others. It is estimated that, by the end of 1959, world capacity for producing these fibres will have been increased to 3.4 million bales, as compared with 2.5 million bales in March 1958, with the bulk of the expansion being in the U.S., the U.K. and Japan.



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TREND OF TEXTILE WORKERS' EARNINGS

LITTLE FREE TRADE AREA MAY REDUCE PRICES OF MAN-MADE FIBRES

From A Special Correspondent

MANCHESTER, *2nd June*

EARNINGS of workers employed in manufacturing industries throughout the United Kingdom as a whole continue the upward trend which has never been halted since the end of the war. According to the latest figures issued by the Ministry of Labour, average wage rates in October last year were £10 17*s.* 4*d.*, an increase of 3*s.* 2*d.* per week on the corresponding figure in April last and nearly 5*s.* a week above the October 1957 level.

MANCHESTER LETTER

The rate of increase has slackened a little during the past year or so as a result of the amount of short-time being worked in particular industries. Cotton and other allied textile trades were partly responsible for this development and, for the second time in successive six-monthly periods, the average earnings of all cotton operatives have shown a fall.

As the following table indicates, the decline in earnings was far less noticeable in October than six months previously; the latest returns are only a few coppers below the average earlier in 1958:

	Men (over 21)	Youths (under 21)	Women (over 18)	Girls (under 18)	All workers
	s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*
Cotton spinning					
April 1957 ..	208 6	126 4	129 4	104 10	154 1
October 1957 ..	219 0	129 2	136 0	109 4	162 2
April 1958 ..	209 4	121 7	131 6	104 3	155 3
October 1958 ..	205 0	120 1	129 11	105 3	153 9
Cotton weaving					
April 1957 ..	210 1	112 1	135 11	102 10	159 5
October 1957 ..	220 7	119 4	142 6	103 5	167 5
April 1958 ..	219 2	114 10	141 9	102 2	166 1
October 1958 ..	218 2	118 1	142 9	106 3	167 7
Total cotton					
April 1957 ..	209 2	121 10	132 2	104 2	156 4
October 1957 ..	220 1	126 0	138 9	107 3	164 5
April 1958 ..	218 8	119 5	135 11	103 6	160 1
October 1958 ..	210 7	119 5	135 3	105 7	159 6
Rayon weaving					
April 1957 ..	222 9	104 9	134 4	95 10	169 1
October 1957 ..	235 2	110 10	144 0	99 6	178 11
April 1958 ..	229 6	108 2	141 10	96 11	175 11
October 1958 ..	230 7	113 10	144 6	99 9	178 6
Textile finishing					
April 1957 ..	227 7	111 8	118 11	86 1	191 2
October 1957 ..	231 0	113 6	120 5	89 9	193 11
April 1958 ..	229 8	113 8	121 0	89 7	192 7
October 1958 ..	235 2	116 2	125 4	93 6	197 11

Once again, the spinning section has been chiefly affected, male workers, in particular, finding their earnings very substantially reduced as compared with the peak of October 1957, when the average almost touched £11 a week. In weaving, the average wage has actually increased to the highest level ever, the predominantly female labour being responsible for this development. The average wage of girls under 18 has, in fact, risen to a level nearly 3*s.* above the previous peak. In textile finishing also, wage rates are now higher than ever before. The average payment to men, at £11 15*s.* 2*d.*, represents a sharp advance over the half-year.

Further curtailment of output brought a shorter working week. The survey showed the average hours worked throughout the cotton industry at 42.6 weekly, as against 43.0 in April 1958. The weaving figure was 43.3 hours, as against 43.4, and spinning 42.1, as against 42.7. Longer hours were worked in textile finishing, the average being 47.2 per week, as against 46.7 in April 1958.

European Free Trade

Fresh negotiations to establish trading communities in Europe on a basis in which the United Kingdom can join have turned the spotlight once more on the effect of the existing Common Market, set up at the beginning of this year between Belgium, Germany, France, Italy, Luxembourg and the Netherlands. Customs duties between these countries are to be gradually reduced over the next decade or so and, eventually, there will be complete free trade within the area.

An assessment of how this revolutionary idea may affect the cotton trade has lately been given by Mr. Mario Ludwig, Director of the Manchester-based International Cotton Federation, in a contribution to an American journal. Essentially, he says, the purpose of the new Common Market community is to create a larger market. The free trade principle should assist increased productivity, reduce costs of output, promote a diversion of labour among the countries concerned and generally raise the standard of living of the populations.

Currency in the Common Market countries will gradually become fully convertible. Restrictions on raw material supplies will be removed and the cotton mills within the community will be able to buy raw cotton or man-made fibres from wherever they wish. This means that the market will be much more competitive, not only as to price and quality but also in respect of the services rendered by growers and merchants.

The impact of the Common Market, says Mr. Ludwig, is likely to have a pronounced effect on the supply of man-made fibres, as, in four of the member countries, there are strong and efficient industries producing synthetics of all types. So far, not all Continental spinners have had equally easy access to such supplies and the creation of a bigger market may result in a reduction in prices for man-made fibres, thus having an influence on the ratio of fibre consumption within Europe.

American Cotton Price Policy

Like many other observers, Mr. Ludwig believes that the American Government should abolish the two-price scheme for cotton. He urges the United States Administration to keep in step with the evolution in Europe and adopt a realistic and progressive cotton price and export policy.

Nor is this view held only in the centres where cotton as a fibre is spun and woven. A joint statement lately released by the Presidents of the New York and New Orleans Cotton Exchanges made a dramatic appeal to the leaders of the American Cotton Shippers' Association at their annual convention. "You are well aware that current legislation has had such grave effects on our futures markets that the volume of business now being transacted makes the proper functioning of the markets most difficult," they declared.

"As a result, the markets are unable at times to offer the industry the complete services and facilities for which they were intended and which were so readily and constantly available in the past." For this loss of efficiency, raw cotton traders are unanimous in blaming the two-price scheme. The possibility of sudden changes in subsidy rates at the stroke of a pen is a factor which is bound to create uncertainty in any sphere of activity.

The New Orleans Cotton Exchange has recently set aside $15,000 towards a fund to establish more permanent contact between the raw cotton trade and administrators in Washington. The object is to create industry-wide representation in the capital to supersede the individual approach.

More Textile Diversification

Proposals to enable William Pickles Ltd., the big Manchester textile group, to diversify its interests to include the business of canning, packing and preserving were approved by shareholders at a special meeting in Manchester last week. The Directors had already announced that they were contemplating the acquisition of a private company carrying on business as fruit and vegetable canners. Special resolutions altering the memorandum of association of the company were necessary before this new venture could be undertaken.

Mr. William Pickles, the Chairman, answering a shareholder, said that the business in which the Company was interested had from its inception made profits. It was controlled by two fine men and, when absorbed in the group, continuity of management would be maintained.

A Disappointing Feature

One of the disappointing features of recent export trade in cotton fabrics from this country has been the gradual decline in shipments to several Commonwealth areas which have for long been the mainstay of overseas activity, particularly in the post-war period. Although several of these regions still absorb the major quantity of Lancashire exports, there are few territories where rivalry is not increasing, usually to the detriment of British products.

A report has lately been released giving the findings of a delegation specially sent by the Indian Cotton Textiles Export Promotion Council to a number of countries in Africa. Ways and means are suggested in this document for the Indian mills to improve their sales to these markets. The countries involved are in British East Africa, Mauritius, the Belgian Congo, and the Federation of Rhodesia and Nyasaland.

Several of the suggestions put forward have figured in similar reports made both officially and unofficially in respect of British textile exports. The problem of shrinking world markets is one which deeply affects all the leading exporting countries; the only real solution is to raise living standards and encourage higher overall consumption of textiles.—*All Rights Reserved.*

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OUTLOOK FOR WORLD COTTON

HIGHER CONSUMPTION AND LARGER EXPORTS IN PROSPECT

THE main developments in world cotton during the current season past drawing to a close, as analysed by the International Cotton Advisory Committee, Washington, were outlined in these columns last week. It would be appropriate to follow up this review with an analysis of the prospects for the new season as assessed by the Secretariat of the Committee. It was noted last week that, despite higher production, the current season was an unfavourable one for world cotton in general, thanks to lower prices, declining consumption and a marked contraction in international trade. The prospects for the new season, however, are regarded as less unfavourable. Although stocks at the beginning of the next season will be approximately at the same level as a year ago and aggregate free world production will, in all probability, be significantly higher, present indications are that consumption will show an improvement and that exports will be higher.

The aggregate level of stocks at the beginning of the next season is not expected to show any change, but there are likely to be significant changes in the distribution of stocks. In view of the reduction in consumption this season and the uncertainty concerning prices, purchases by importing countries have been on a hand-to-mouth basis. Carryover stocks in net importing countries at the end of this season are, therefore, expected to decline by over a million bales to their lowest level for many years. Conversely, stocks in the net exporting countries will rise by an equivalent amount. A part of the increase will be in the U.S. where stocks on 1st August are expected to exceed nine million bales, as compared with 8.7 million bales a year ago. Of this, the C.C.C. holdings are expected to be over 7 million bales and free stocks the smallest for many years. A further increase is in prospect for other producing countries and stocks will be at their highest level since 1953. The surplus is likely to be concentrated in only a few countries, however, and will be largely in the extra-long staple group.

Production and Supply

Production during the next season, as noted earlier, is likely to be higher. The basic acreage allotment for the 1959-60 season in the U.S. is set at 16.3 million acres, but the harvested acreage, after allowing for abandonment, is expected to fall short of 16 million acres, as compared with 11.9 million acres in the present season. As regards yield, more extensive cultivation will tend to lower the yield per acre and also much of the acreage returned to cultivation from the Soil Bank may be in lower yielding areas. It is fairly certain, however, that, with anything like normal yields, the U.S. production potential in 1959-60 is much greater than the 11.5 million bales harvested during the present season. This, together with the increase in end-season carryover, should assure a significant increase in supply in the U.S.

Elsewhere, however, aggregate cotton acreage is expected to be lower next season. In Mexico, Egypt, Greece and probably Central America, it is expected to be substantially lower. In many countries, however, the growth in the relative importance of the domestic market for cotton offers a strong incentive to maintain cotton production irrespective of any adverse developments in the world cotton economy. Also, the opportunities for crop substitution may be more limited than is generally supposed and, in any event, cotton is likely to remain an important source of foreign exchange to many countries. Taking all the factors, therefore, the reduction in acreage outside the U.S. may turn out to be quite limited and, assuming normal yields, production will remain at a relatively high level. Any reduction in production will be offset by larger carryover stocks with the result that no major variation in supplies is in prospect.

Consumption

There are several factors which point to the possibility of an increase in consumption. In the U.S., the general expectation is that the recovery in cotton textile production will continue. The upswing during the present season has been held in check by the prospect of lower cotton prices next season which has led manufacturers to follow a conservative policy with regard to yarn and cloth inventories. There has been some increase in textile prices and mill margins have improved. Lower cotton prices and an increase in rayon prices should improve cotton's competitive position. Important, too, is the improvement in the general economy of late which is a key factor in the outlook for cotton textiles. The inventory situation is encouraging which suggests that the improvement in retail sales recently will be felt more strongly at the mill level than heretofore. All this would indicate the probability of a further increase in cotton consumption next season.

In Western Europe, according to the Secretariat, a key factor in any recovery in cotton consumption is the general economic situation. According to the Economic Commission for Europe, a renewed, although moderate, upturn has already started in many countries. The easing of restrictions on money and credit has been complemented by increased public expenditure while the improvement in most countries' foreign exchange reserves has led to greater liberalisation of trade. Nevertheless, there is need generally for more forceful action in promoting more rapid economic expansion in the future.

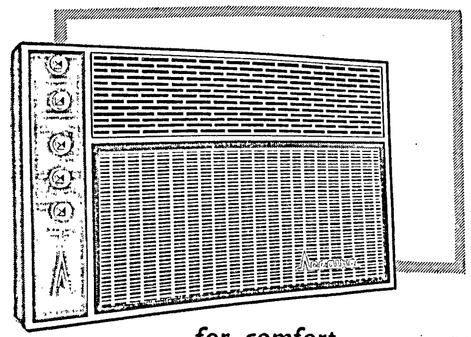
As far as the textile industry itself is concerned, it is pointed out, the bugbear of high inventories ought to have been alleviated somewhat by the present reduction in textile production so that the industry may now be better able to profit from any improvement in retail demand. In many countries, there are beginnings of a more determined effort to increase the operating efficiency of the textile industry and Governments have shown a greater disposition to help in any programme of rationalisation.

Stability of Prices

There is little doubt that stability of cotton prices would contribute much to the improvement in textile production in Western Europe and, indeed, in the world in general. Textile producers, who, for the most part, operate on relatively small profit margins, are extremely sensitive to abrupt and arbitrary changes in raw material prices. Much depends on whether recent developments affecting prices will contribute to greater stability. If this can be achieved, the outlook for cotton textiles in Western Europe may be more favourable and there may be room for cautious optimism in the future at least as regards domestic demand. Difficulties are still likely to be experienced in the textile export field, however, due to the competition from the Far East, but intensive measures are being taken to protect the domestic market from the adverse effects of foreign imports.

The maintenance, of a high level of consumption in India in the face of a marked decline in exports, says the review, highlights the importance of domestic demand in any predictions concerning the future. Consumption prospects, therefore, are intimately related to general economic development and here there appears to be some doubt as to whether the present rate of economic growth can be sustained in the immediate future. Consumption is also dependent, to a considerable extent, on indigenous supplies of raw cotton and any increase in production would be favourable to consumption prospects. Export incentive schemes for cotton

(Continued on page 1015)



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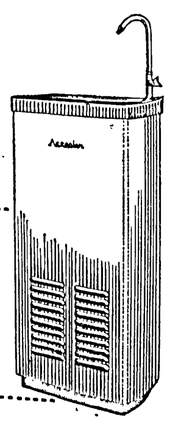

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CONSUMPTION PATTERN OF DIFFERENT SWEETENING AGENTS

SHIFT IN PREFERENCE FROM "GUR" TO SUGAR

WITH the improvement in the standard of living of the masses following the implementation of Five-year Plans, the spread of urban ideas in rural areas, and the increase in consumption of soft beverages such as tea, coffee and cool drinks, the consumption pattern of the three sweetening agents—sugar, *gur* and *khandsari*—has undergone a distinct change. The change is a continuous shift from *gur* to white sugar. Thus, the *per capita* consumption of *gur* during the season 1957-58 was just 17 lbs., as against nearly 21 lbs. in 1950-51 (the base year of the first Plan), whereas that of white sugar was markedly higher at 11.7 lbs., as against 6.7 lbs. No estimate of the *per capita* consumption of *khandsari* is available. On the basis of the quantity produced in 1957-58, namely, 225,000 tons, and taking the population as 392.94 million, the figure works out to 1.2 lb., that for 1950-51 being 0.8 lb. The improvement must be attributed not to the increase in consumer preference for *khandsari* but to the artificial rise in its production induced by the complete tax exemption hitherto enjoyed by this commodity.

The downward trend in the *per capita* consumption of *gur* in recent years has occurred despite the fact that the prices of *gur* continue to be relatively lower, while those of white sugar have gone up substantially as a result of the imposition of a heavy tax burden. It is a well-known fact now that, on every rupee spent on sugar by a consumer, Central and State Government taxes together account for as much as 33 naye paise, or 33 per cent. of the total price of sugar. But for such an enormous tax burden, the *per capita* consumption of sugar would have definitely increased more appreciably and that of *gur* fallen steeper. The consumers of *gur*, as readers are aware, do not pay any tax at all, nor do those engaged in the manufacture of this commodity.

Trend of Production

In view of the steadily growing preference of consumers for sugar *vis-a-vis gur*, it is not surprising that production of this sugar substitute has generally tended to move down. White sugar and *khandsari* production, however, has shown a tendency to expand. The following table indicates the trend of sugar, *gur* and *khandsari* output since 1950-51:

(In thousand tons)

	Sugar	*Gur*	*Khandsari*
1950-51	1,100	3,132	125
1951-52	1,493	3,109	100
1952-53	1,314	2,877	90
1953-54	1,001	2,402	95
1954-55	1,590	2,714	150
1955-56	1,865	3,154	100
1956-57	2,029	3,262	180
1957-58	1,970	3,056	225
1957-58 (estimate)	1,900	3,130	225
Percentage rise or fall over the eight-year period	+73%	−0.06%	+80%

It will be seen from the above figures that *gur* production suffered a setback during 1957-58, as compared with the previous season, the actual extent of the fall being 206,000 tons or 6.3 per cent. The decline was due to diversion of sugarcane to *khandsari* manufacture, brought about by the high level of *khandsari* prices. The production of *khandsari* during 1957-58 was 225,000 tons (equal to 375,000 tons in terms of *gur*), as against 180,000 tons (equal to 300,000 tons of *gur*). An idea of the production of *gur* and *khandsari* (combined) in the different States during the seasons 1956-57 and 1957-58 can be had from the statement below; break-down figures for the two commodities are not available.

(In tons)

State	1957-58	1956-57
Uttar Pradesh	1,598,636	1,801,398
Punjab	477,412	387,682
Bombay	314,728	282,642
Andhra Pradesh	264,378	294,434
Mysore	211,822	229,566
Madras	206,120	202,868
Madhya Pradesh	73,450	94,522
Assam	72,068	56,148
Orissa	68,838	68,638
West Bengal	65,330	88,746
Rajasthan	44,398	38,484
Other States	33,756	16,799
All-India	3,430,936	3,561,923

The foregoing table shows that Uttar Pradesh accounts for the major portion of the *gur-khandsari* produced in the country, the actual share in the total being nearly 47 per cent. The three other large producing States are the Punjab, Bombay and Andhra Pradesh, the percentage share being 14, 9 and 8, respectively. Although Bihar ranks as the sixth biggest sugarcane growing State in India, the production of *gur-khandsari* is negligible. The estimated output in 1957-58 is placed at no more than 20,000 tons. This is evidently due to the fact that the cultivators find it more profitable to supply their cane to sugar factories than to utilise the same for manufacturing *gur* or *khandsari*.

Gur Exports

No control is exercised on prices and distribution of *gur* and *khandsari*, except for the regulation on forward trading in the two commodities. The Government of India has allowed export of *gur* since 1955. During the calendar year 1958, *gur* exports aggregated 37,942 tons, the total foreign exchange earned being Rs. 153.28 lakhs. The most important customer for Indian *gur* is Ceylon; the actual purchase made by this country in 1958 was 30,597 tons valued at Rs. 128.49 lakhs. The other important customers are Malaya, Singapore and Aden.

The development programme for *gur* and *khandsari* industry drawn up under the second Five-year Plan provides for a total capital outlay of Rs. 7 crores. The details of the programme as mentioned by the Planning Commission are as follows:

Gur: Efforts will be focussed on the technical side, on the introduction of power-driven crushers, and the improvement of pans and furnaces, as well as on the formation of *gur* producers co-operatives, with a view to dealing with the problems of improving the keeping capacity of *gur*, proper storage, packing and standardisation of quality.

Khandsari: Efforts will be directed mainly to research and improvement of technique. The possibility of adopting the vacuum pan process on a decentralised basis for the manufacture of *khandsari* will be investigated.

Although more than three years have elapsed since the second Plan commenced, no indications are available as to the progress made in the implementation of the programme. One would want to know how much money has already been spent and how far the improvement envisaged in the programme has been effected. In conclusion, it must be said that the processes of *gur* and *khandsari* manufacture involve considerable wastage. The yield of marketable sugar in these industries is as much as 25 per cent. less than that in the vacuum from sugar factories. Viewed thus and considering the expanding demand for white sugar, the planners will do well to lay greater stress on the need for augmenting white sugar output than on encouraging *gur* and *khandsari* industries.

CO-OPERATIVE SUGAR FACTORIES

Twenty per cent. of the total production of sugar in the country will be handled by the co-operative sector by the end of the second Five-year Plan, according to an official Press note. During the 1957-58 crushing season, 14 co-operative sugar factories produced nearly 150,000 tons, representing about 7.5 per cent. of the total estimated production of sugar in the country. Since the beginning of the first Plan, 38 co-operative sugar factories have been licensed under the Industries (Development and Regulation) Act of 1951. Of these, 21 have gone into production, seven of them during the current season only. Six factories are under installation. The bulk of the machinery for these factories was imported from abroad involving considerable foreign exchange. Machinery for the remaining units is being fabricated by two consortiums of sugar plant manufacturers, which import the minimum essential components or items which cannot be secured or manufactured locally. According to present arrangements, machinery for four factories is to be delivered by the end of 1960 and to another seven by the end of 1961.

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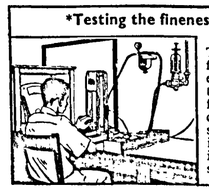

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REHABILITATION OF RUBBER PLANTATIONS

POOR RESPONSE TO BOARD'S SCHEME

THE rubber growing industry in India is the youngest of the three major plantation crops. Although it had its beginning at the turn of the present century, no considerable planting had commenced until 1912 and, again, only since 1924, the advantage of its economy by planting with high-yielding strains of rubber plants was recognised. During the war, the acute shortage of raw rubber led to heavy exploitation of the existing stands and the post-war years saw the necessity for undertaking a rehabilitation programme. Various proposals were made for large-scale assisted rehabilitation of the industry, but the fall in rubber prices after the war did not encourage planters to undertake replanting. The result is that production is now lagging considerably behind growing consumption and the widening gap is being filled by imports.

The output of rubber during 1958 aggregated 25,373 tons, while consumption stood at 38,000 tons. The shortage had to be met by importing 15,000 tons of natural and synthetic rubber at a cost of Rs. 8 crores. The acute foreign exchange position also underlines the need for increasing production on a much larger scale and this can be done only by implementing a scheme of rehabilitation. The trend of consumption is forging ahead and rubber goods manufacturers expect the demand to go up to 150,000 tons by 1970 and 350,000 tons by 1980. If this demand is to be met from indigenous production, India will have to put 600,000 acres of land under rubber cultivation, besides replanting 200,000 acres out of the existing 280,000 acres.

Inherent Defects

There are some inherent defects in the rubber planting industry, which have to be taken note of in evolving a scheme of rehabilitation. As much as 59.73 per cent. of the planted acreage (in 1957) represents small holdings and the balance of 40.27 per cent. large holdings, the percentages having varied from 39.46 and 60.54, respectively, in 1950. In other words, there has been a gradual fragmentation of large holdings into smaller ones. Secondly, the yield is very low, the average being about 310 lbs. per acre, but nearly 60 per cent. of the acreage yields are no more than 200 lbs. per acre. Thirdly, there is a wide difference between the productivity per acre of small holdings and that of larger ones. Fourthly, there is a gulf of difference in quality and standards of production between the small grower and large estate owner.

Any plan for rehabilitation and development of rubber plantations should fulfil three essential requirements. The country's rubber shortage should be made up within the shortest possible time, the productive efficiency should rise and the grower should be given sufficient inducement to cut down the existing trees and replace them with high-yielding ones. The replanting scheme now on hand does not seem to have evoked encouraging response from growers. In the circumstances, the United Planters' Association of Southern India has done well in preparing and submitting its own scheme for rehabilitation of rubber plantations for the consideration of the Government of India and the Rubber Board.

Growers' Attitude

The study note, containing the scheme, represents the growers' attitude to the development of rubber and is in two parts. The first part traces the history of replantation in India, gives a brief note on the progress of rehabilitation schemes in Ceylon and Malaya, makes a comparative study of the salient features of the schemes in these two countries, as well as of that in India, and analyses the probable causes for the slow progress of the scheme in this country. Part II gives a detailed account of the U.P.A.S.I.'s own plan. It is proposed to confine this article to Part I of the U.P.A.S.I.'s study note, leaving its plan to be reviewed in the next issue.

Though the history of replantation of rubber can be traced back to 1924, it was mainly individualistic in character, each grower's programme being usually determined by the extent to which he could replant without suffering a marked loss of income and the availability of suitable planting material and other essential supplies. The first concerted effort towards a plan on an industry-wide scale was made in 1948, when the Indian Rubber Board prepared a scheme. The most important suggestions contained in the scheme were incorporated, in a slightly modified form, in the report of the Development Committee for the Rubber Plantation Industry, appointed by the Government of India in June 1950. The main features of the Development Committee's scheme are:

It envisaged replanting or new planting of 6,000 acres per annum beginning with 1952 and 8,000 acres from 1957, completing the programme by 1967, covering a total acreage of 120,000 in 16 years. At Rs. 500 per acre in subsidy, the scheme entailed a cost of Rs. 6 crores. Consequent on the implementation of this scheme, production was estimated to increase from 16,348 tons in 1952 to 25,590 tons by 1967, rising thereafter to 33,090 tons in 1970 and to over 50,000 tons by 1980.

Problem Was Entirely Different

At the time the Development Committee took up the question the problem was not of the same nature as it is now. For, as the U.P.A.S.I. points out, the Committee's attention centred mainly on the low yield per acre and the problem of raising it to an economic level. It was not confronted with the task of raising the production substantially to meet the growing demand which was soon to appear. The replanting scheme was considered by the then Tariff Board in 1951, as also by the Government of India, but the latter did not take any action for five years. In 1956, it approved of a modified scheme which was put into effect as from the beginning of 1957. This scheme provided for the grant of a subsidy at varying rates for the replanting of rubber on 70,000 acres in ten years or at the annual rate of 7,000 acres. It offered a differential rate of assistance to growers. Ten months after it was launched, the response from the growers was found by the Rubber Board Chairman to be not up to expectation. "It was clear," the U.P.A.S.I.'s note says, "that the subsidy offered was not capable of attracting either small or large growers to replant even on the limited scale envisaged under the modified plan." From the experience gained in the last two years, the note concludes that (*a*) the target was wholly inadequate to meet the increasing demand for raw rubber now or in future and (*b*) even this small plan was beyond fulfilment. In view of the poor response from the growers, the scheme was again revised in 1958.

During 1957, subsidy was granted to cover 1,441.58 acres belonging to small growers and 1,330.04 acres of large growers, making a total of 2,771.62 acres and involving an outlay of Rs. 4.60 lakhs. Permits have been issued to replant 5,656.58 acres in 1958 and 3,190.91 acres in 1959. "Assuming that the 1958 and 1959 permits correspond to actual replanting carried out," the U.P.A.S.I.'s note says, "the performance is 50 per cent. of the minimum expectation under the scheme."

Unrealistic Scheme

The trends of actual planting, production, consumption and estimated demand during the last few years, according to the U.P.A.S.I., demonstrate the following facts:

(*a*) the rate of replanting was considerably lower than the modest plan targets;

(*b*) the plan targets were fixed considerably below replacement requirements in terms of age of stands or productivity;

(*c*) the progress of consumption was several times the rate of annual increase in production; and

(*d*) the projected demand, allowing for some exaggeration, is likely to exceed production prospects by about 30,000 tons, even if the present Plan is fully carried out.

"The inescapable conclusion," the note adds, "is that the rehabilitation plan has not been conceived on a scale realistically linked to the unfolding needs of a developing economy."

In this connection, the note draws attention to the progress of rehabilitation in other rubber producing countries, particularly Ceylon and Malaya. The replanting scheme of Ceylon began in 1953 and that of Malaya in 1951, but the implementation of the latter commenced in earnest only in 1953. Up to the end of March last (since the scheme began) 114,000 acres have been replanted in Ceylon, representing 17 per cent. of the total stand of 660,000 acres in that island. The first overall target for small holders in Malaya (with holdings of and below 100 acres) was fixed at 500,000 acres to be completed in seven years from 1953 to 1959. The total planted area in Malaya in 1951 was 3,555,346 acres and small holdings covered 1,571,486 acres (or 44 per cent. of the total). The scheme thus involved the replacement of 31½ per cent. of small holding rubber. During the first five years of the scheme (that is, up to the end of 1957), 454,900 acres were replanted and 94,700 acres were brought under new planting. In 1958, on the recommendation of the Rubber Producers' Council, the Malayan Legislative Council approved of a scheme of planting one million acres on new land.

Main Features of the Schemes

The organisational features of the schemes in Malaya and Ceylon and the details of the financial as well as technical assistance given to planters are as follows:

In both countries, replanting has been placed under an authority separate from the statutory bodies responsible for the collection of cess, research, marketing, statistics, etc. In Ceylon, the rubber replanting subsidy scheme has been set up under Act No. 36 of 1953. The Malayan scheme has been operating under the Rubber Industry (Replanting) Board. The Malayan Scheme is divided into two parts, one being "estate" replanting and the other for "small holders" and the administration of the latter placed under a Chief Replanting Officer after it was directly managed for a time by the Agricultural Department of Federated Malaya. A similar distinction in the organisational set-up has not been made in Ceylon, but the scheme

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is worked separately for small growers and large growers under the Rubber Controller. The Malayan scheme is supervised by replanting officers in each State or district assisted by field staff for inspection and advisory service. In Ceylon, inspection is carried out through a panel of visiting agents drawn from among senior planters.

Apart from financial assistance, technical help is rendered by the Rubber Research Institutes in both countries and by the field staff in Malaya and inspecting staff in Ceylon. A large number of stores and supplies of a critical nature are made available at cost and concession to small holders in Malaya and Ceylon.

The rates of subsidy offered to growers in India, Malaya and Ceylon are:

Categories of holdings	*India**	*Malaya*	*Ceylon*
	Rs.	Rs.	Rs.
Below 10 acres	400	960	1,000
100 acres and below ...	350	870	900
Above 100 acres ...	275	625	700

* Figures are only approximate as rates are worked on a slab system.

The Malayan scheme is financed under the Rubber Industry (Replanting) Fund Ordinance 1952. The Ceylon scheme is financed from a fund created out of the surplus price realised from the Rubber Commissioner's trading with China, from a cess and from a special annual grant of Rs. 15 million offered by China for Rubber Rehabilitation. The Indian scheme is financed by a cess and the difference between the landed cost of imported rubber and the controlled internal price.

Causes for Slow Progress

The U.P.A.S.I. note then goes on to analyse the causes adversely affecting the progress of the Indian scheme. The most important of these are: administrative and organisational defects, absence of research assistance and paucity of financial assistance. Referring to the last mentioned factor, the U.P.A.S.I. says:

"The financial assistance offered for replanting was the lowest in India. For the average small planter the total outlay on replanting is considerably in excess of the assistance he might obtain even allowing that he is prepared to lose his current income from the standing trees. The cost of replanting has increased very substantially since 1951 when the Tariff Board estimated it to be Rs. 1,200 per acre. The Plantation Inquiry Commission estimated the replanting cost to be Rs. 1,400 excluding the cost of land (*vide* P.I.C. Report Chapter XI, para 26). Taking the more favourably placed holding as the sample, the present-day cost of replanting is upward of Rs. 1,500."

The table below provides comparative figures of loss which a 50-acre grower would suffer on his replanting account.

	1959
	Rs.
Cost of replanting 10½ acres in 7-year period at Rs. 1,500 per acre	15,750
Realisation from subsidy at Rs. 300 per acre	3,150
Loss from replanting	12,600

The rehabilitation is financed out of the proceeds of (1) the rehabilitation allowance of Rs. 4.44 (Rs. 6.82 *minus* tax Rs. 2.38) per 100 lbs. incorporated in the price structure, (2) the cess of Rs. 6.25 per 100 lbs. collected by the Rubber Board and (3) the receipts from manufacturers on their imports of rubber when the price of imported rubber is lower than the internal controlled price. While fixing the rehabilitation allowance at Rs. 6.82 per 100 lbs., the Tariff Board provided an element of Rs. 2.38 for tax in Travancore-Cochin State. Since then, the rate of tax is said to have increased, leaving a much smaller allowance for actual rehabilitation.

Sources of Funds in Malaya and Ceylon

The resources for rehabilitation in Malaya and Ceylon are provided by:

**Malaya.*—(*a*) Grant from F.M. Government; (*b*) Rehabilitation cess on exported rubber; (*c*) Special replanting cess on exports; and (*d*) Contribution to administrative expenditure from Government.

Ceylon.—(*a*) Appropriation from the Rubber Commission's trading profits; (b) Replanting cess; (c) Special China grant; and (d) Government grant.

The Malayan Rubber Replanting Fund accumulation exceeded $100 million at the end of 1957. The annual replanting budget has averaged $20 million in the last three years and the total estimated cost of replanting programme is approximately Rs. 45 crores.

Income into the Ceylon Rubber Subsidy Fund was Rs. 2,63,21,492.99 in 1956 and Rs. 2,06,85,015.18 in 1957, the expenditure being an average of Rs. 1.99 crore per annum for the two years.

The main defects of the method of financing rehabilitation adopted in India, according to the U.P.A.S.I., are:

1. There is no clear-cut replanting fund and, therefore, the intention in the utilisation of the cess is liable to be confused.

2. The financial sanction required in thousands of individual replanting projects over a vast area cannot be satisfactorily handled by an official responsible for the administration of a statutory board charged with several other functions.

3. The control exercised by the Central Government is not defined or clear in the matter of replanting finance. In view of its overriding powers over the Board, the manner in which allocations for replanting are made and the control exercised over replanting finance is not known.

4. The need to secure properly grants and loans in a manner conforming with normal Government practices is slowing down the processing of applications from the time they are submitted to the time they are disposed of.

5. Placing the responsibility on the administrative head of the Board for all financial sanctions involved in a large development programme is defective unless by background and training he has the necessary experience of and self-assurance in handling such funds.

Another important factor which stands in the way of replanting is the inadequate price paid to rubber growers. The Indian controlled price is, no doubt, currently above the world price by about Rs. 25 per 100 lbs. and the manufacturers of rubber goods carry a part of the burden of the protected price. The U.P.A.S.I. note, however, points out that the price of rubber cannot be judged in isolation from that of other commodities in India. While the general index number of wholesale prices (base August 1939=100) has gone up to 437 for the week ended 24th January 1959, that of rubber has risen to no more than 359.

There are 50,000 growers scattered over a wide area and the rehabilitation of an industry involving such a large number of growers requires vigorous leadership and a live-line contact with the producers. The experience of the past three years has forced the U.P.A.S.I. to conclude that such a leadership does not appear to have come from the Rubber Board.

*Malayan "Rubber Fund" is a separate fund created from levying 1 ct. per lb. of rubber exported and is used for financing (*a*) the Rubber Research Institute, (*b*) the British Rubber Producers' Research Association, and (c) the British Rubber Development Board.

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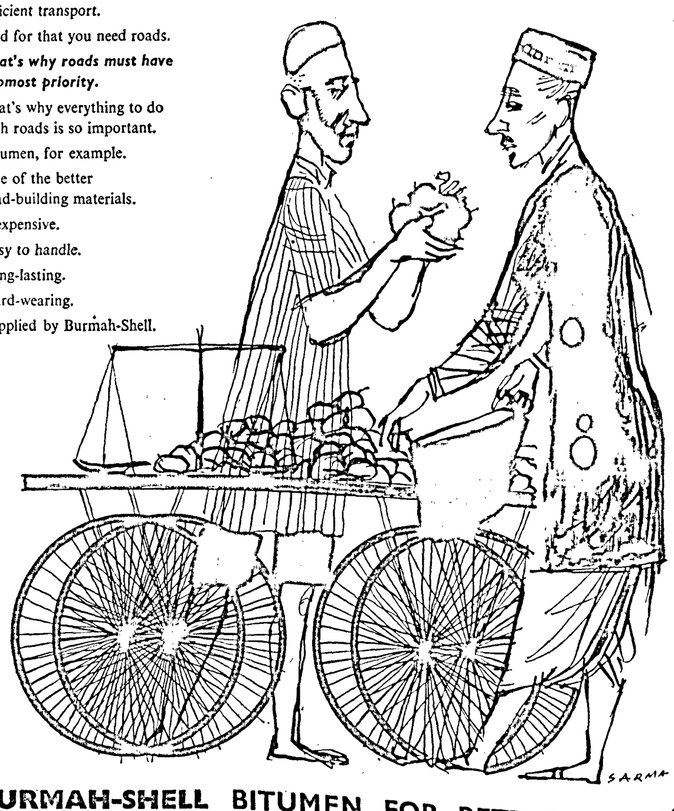

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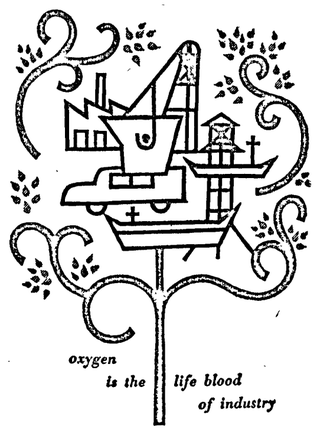

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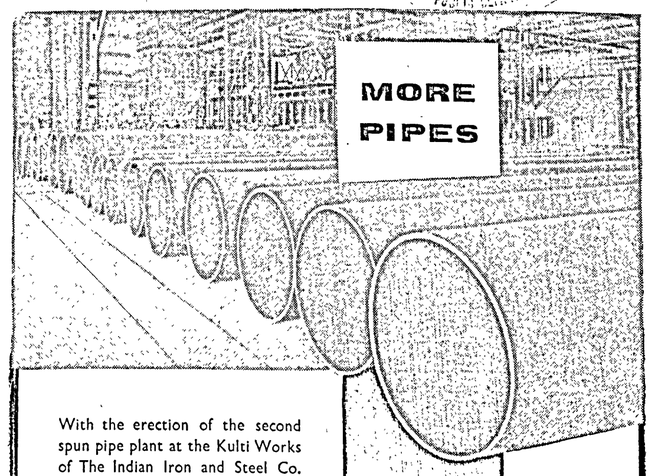

With the erection of the second spun pipe plant at the Kulti Works of The Indian Iron and Steel Co. Ltd. the production of spun iron pipes will increase from 60,000 to 150,000 tons per year. This additional tonnage will save India Rs. 8 crores annually in foreign exchange. The output of the plant will help to satisfy India's growing demands for pipe mains. Employing the latest techniques, this unit is the first to produce 16" to 27" diameter spun iron pipes in the country.

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PROBLEMS OF JET AVIATION

SWITZERLAND AND SCANDINAVIA JOIN HANDS

THE jet aircraft have firmly established their place in the field of civil aviation. It is now just a little over six months since the Pan American World Airways introduced Boeing 707, the biggest jet plane so far, in the transcontinental routes. The B.O.A.C. quickly followed the Pan American by putting Comet 4, a slightly smaller jet, suitable for medium distance, into its world-wide service. Then came Air France with a similar jet plane known as Caravelle. The T.W.A. (Transworld Airlines) has already introduced medium-distance jet aircraft for its domestic services. Air-India International is scheduled to receive and put into service Boeing 707 early next year. Reports on the working of the jet aircraft that are already under operation are highly satisfactory and encouraging. Aviation experts confidently assert that the memory of the disaster that overtook the first three Comets. the first jet planes to be tried on a commercial scale, need not cause any misgivings among the public and that the present-day jets are safer than any other aircraft so far produced. The jet aircraft are, however, very expensive and raise several problems. An idea of these can be had from the following extract from the *Business News Survey* of the Swiss Bank Corporation. It will also be noted from this article how small countries such as Switzerland, Sweden, Norway and Denmark are tackling the problems in a co-operative spirit:

"1959 is destined to mark the advent of a revolutionary transformation in commercial aviation whereby highspeed jet planes will put all other existing types of aircraft out of service, because none but jets will be able to compete. Jet planes are not only nearly twice as fast as the swiftest of all other types now in service. They are also safer, if only because free from the ceaseless vibration that impairs the reliability of the highly sensitive instruments of navigation.

Everyone Wants Jet

This momentous changeover from the age of piston-engined to that of jet planes will involve the investment of capital on a scale so vast that, at first, it seemed as though few small countries would be able to finance the purchase of new commercial air fleets, the installation of new ground equipment, the maintenance of repair shops and stocks of spares at many crucial points and the training of far more pilots and personnel, unless the transition could be spread over a very long period.

But all hopes of that suddenly vanished in October 1955, when Pan American Airways abruptly announced that orders had been placed for no fewer than 45 large jet planes of the Boeing 707 and DC-8 types at a total cost of more than 250 million dollars, for delivery in 1959 and 1960.

All at once, everybody in the U.S.A. wanted to "fly jet." Demand for jet travel now far exceeds anything expected. Only those lines able to offer travel by jet-planes will be able to attract passengers, especially if—as seems possible—fares by jet planes will not be higher than by others. At all events, Pan American Airways will be providing such service for at least a whole year before most of the competing lines.

At the time Pan American Airways made its amazing announcement, the most efficient airplane type in long-distance passenger service was: DC-7 compound motor 13,600 h.p. machine, speed 530 km/h. of 9.2 tons useful load, range about 5,900 kms., costing each about 11 million Swiss francs, a type most competent experts believed incapable of further technical improvement. Whereas the new DC-8 jet 24,000 h.p. has a speed of 900 km/h. a useful load of 13.7 tons—enough for carrying up to 150 passengers—range, when fully loaded, 6,800 kms., able to cross the Atlantic from Zurich to New York non-stop in 8-9 hours and from New York to Zurich in 7-8 hours, weather conditions in this direction being much more favourable. This machine costs about 35 million Swiss francs.

So great are the advantages of the new machines that all other airways in the world felt impelled to place orders immediately for equally efficient jet planes. That meant that, within a period of four years, a total of about 500 jets and 400 turbo-propeller planes costing altogether about 2,800 million dollars would have to be put into service. Even at this gigantic figure, the carrying capacity of the airlines of the world would only be about the same as now, although the number of machines would be less, because the velocity of the jets would be higher and their individual carrying capacity greater. But, if the popularity of air travel goes on increasing, still more jets would have to be provided.

Demand for investment capital on such a scale in such a short space of time, needed to transform only one single sector of the economy, would tax the capital markets of the world to the utmost, especially in small countries.

Swissair made a start by ordering three long-distance DC-8 jets for transatlantic passenger service at a total cost of 100 million Swiss francs, delivery 1960. The significance of this step for a small country like Switzerland becomes evident from the fact that, in 1955, the entire nominal capital of Swissair was only 14 million francs. Early in 1956, the capital was raised to 42 million francs by the issue of new shares, that is, an increase of capital by an amount only slightly more than a single DC-8 long-distance jet costs now.

To modernise its air fleet, Swissair raised another 30 million francs late in 1956 by the issue of bonds. Early in 1958, Swissair raised its capital a second time to a total of 63 million francs. So that in 2½ years, the total demands of Swissair on the Swiss capital market aggregated 79 million francs. The aim now is to raise the capital of Swissair in the near future to a total of 105 million francs and to supplement that by new bond issues amounting altogether to 117 million Swiss francs.

Perhaps these expectations are optimistic. Undeniably, the demands of Swissair would put a strain on the Swiss capital market. If successful, the total capital then at the disposal of Swissair would seem still barely enough when it is considered that the three DC-8 jets now on order will cost alone more than 100 million Swiss francs. To meet the unknown demands for capital in the uncertain future, draconic economy in the use of investment capital is an imperative necessity.

Air Travel Outstrips Sea

Problems of exactly the same kind will have to be solved by all other European countries determined to keep a share in the business of providing world-wide air travel. Beyond all doubt, the expansion of air travel and air transport will continue. In 1958, for the first time, more passengers crossed the Atlantic by air than by sea. To meet increasing demand for air travel all over the world, all airlines will have to provide more ground organisation equipment, more repair shops, larger stocks of spares, more pilots, more trained personnel and more air terminals.

Very naturally, the question was asked whether substantial economies might not be achieved if the airlines of some of the smaller countries worked together, co-ordinating their activities without, however, relinquishing all their independence or surrendering their individuality. How to do that was the problem.

In Zurich, on 6th October 1958, Swissair and the Scandinavian Airlines System—SAS—signed an Agreement, unique of its kind, for technical co-operation whereby both Airlines would be able to acquire "complete" jet-plane fleets, coordinate certain ground organisation activities, economise investment capital, split maintenance work and cut running costs. By the mutual exchange of experience, air fleets and equipment would be more efficiently utilised. By training personnel jointly, efficiency would be brought to a peak. By installing the same cockpit and kitchen equipment, the same planes could be used by both lines.

This agreement was possible because friendly discussions of common problems had been going on for a number of years and because technically both Swissair and SAS were at the same peak level of achievement. With the advent of the age of the jet-plane, both airlines felt impelled to co-operate. One reason for that was that experience had shown that, to provide competitive service on a world-wide scale, commercial air fleets must consist of three types of jets, namely:

1. Immense planes carrying up to 150 passengers for transatlantic and other very long-distance flights, where large numbers of passengers are travelling continuously.

2. Medium-sized jets carrying about 85 passengers with range of about 5,000 kms., suitable for services to South America, the Far East and South Africa where the demand for passenger service is still not so great as to the U.S.A., and

3. Smaller planes carrying about 70 passengers with a range of about 2,400 miles for certain European and Middle East services.

Before the proposal to co-operate had taken definite shape, Swissair and SAS had decided independently that the most suitable type for transatlantic service was the Douglas DC-8, carrying 150 passengers with a range of 6,800 kms. when fully loaded and a useful load of 15.7 tons. This is the type favoured by Pan American Airways. Both companies had placed orders for DC-8s for delivery in 1960. For medium-distance flights, SAS has decided for the Caravelle type of jet, made by the Societe Nationale de Constructions Aeronautiques Sud-Aviation at Toulouse, considered best for short journeys up to 2.350 kms., having a useful load of 8.3 tons, a maximum speed of 900 km/h and carrying about 70 passengers. This is believed to be the machine best suited for certain European and Middle East lines. SAS had ordered 16 Caravelles and obtained an option on another 9, but still needed a suitable type of jet for its services to South America, the Far East and South Africa. For these, the DC-8s are too large and the Caravelles too small to be economic.

Lease to SAS

For its short-range European services, Swissair has hitherto used chiefly 2-motor Convair 440s. For services up to 5,000 kms., Swissair decided to install Convair 880 4-jet machines, now being developed in San Diego for the General Dynamics Corporation. These jets have a range up to 6,000 kms., fly at an average altitude of 9,000 m., develop a speed of 950 km/h like the DC-8s, carry a useful load of 11.2 tons. Considering that this would be the ideal machine for its services to South America, the Far East and South Africa, Swissair ordered five machines for delivery in 1960.

To provide Swissair with the jets needed for its short-distance services and SAS with the jets needed for its medium-distance services, without either airline having to invest more capital, was the main purpose of the Agreement of 6th October 1958. Swissair is to lease to SAS, for a period of four years, two of the five Convair 880s to be delivered in 1960 while SAS is to lease to Swissair for a period four years four of the 16 Caravelles received in 1960.

Moreover, Swissair will provide maintenance in Switzerland for the Convair 880s rented by SAS and SAS will provide maintenance in Sweden for the four Caravelles rented by Swissair. Besides that, SAS will provide maintenance for the three DC-8s ordered by Swissair for delivery in 1960. Swissair and SAS have agreed that the jets now on order will all be identically equipped—so as to be interchangeable—and to split the work of maintenance.

By this arrangement, both Swissair and SAS will save a substantial amount of investment capital, both will be able to use their maintenance equipment to the maximum advantage, both Swissair and SAS will be fully competitive in the new jet age opening in 1960, both have DC-8s for very long-distance lines. Both have Convair 880s for other long-distance services, both have Caravelles for medium and short-distance runs."

Air Union

It would be interesting to record here, by way of a footnote to the aforesaid article, the latest developments in Western Europe. Following the advent of the Common Market, efforts are being made to form an organisation called "Air Union" by the airlines of the six countries, with a view to sharing the traffic and effecting economies. Full details of the scheme are not available, but it would appear that the traffic with the overseas territories are to be outside the share-out. This understanding, however, has induced the K.L.M. to withdraw from the pool, as it has no lucrative internal traffic. Nevertheless, the value of the agreement is regarded as quite substantial, as it is expected to yield sizable economy in the replacement of the airlines' fleets which will invariably be with jet aircraft. It is felt that the members of the Air Union will find scope for big savings by

(*Continued on page 1015*)

PLANS FOR DEVELOPING DRUG INDUSTRY

AGREEMENT WITH RUSSIA MARKS A SIGNIFICANT STEP

THE latest Indo-Soviet Agreement covering an 80-million rouble credit for the building of State establishments to manufacture a variety of medicines and surgical instruments should go a long way towards developing this country's pharmaceutical industry. This is to be expected in the context of the present unsatisfactory state of this industry. Although the indigenous production of pharmaceuticals in India is estimated to exceed Rs. 35 crores a year, the industry is still dependent on the import of diverse basic drugs and basic and intermediate chemicals. The fact that, in most instances, only the final stages of processing have been undertaken in India means that the Indian pharmaceutical industry does not secure adequate saving of foreign exchange. From the point of view of prices to consumers also, the cost of imported intermediates becomes a major factor. With a view, therefore, to establishing these industries on a sound footing, arrangements have already been ensured to recover the full quantities of benzene, toluene, naphthalene, etc., at each of the coke ovens attached to the steel plants, as these form the most basic raw materials of the drugs and dyes industries and the lack of which had prevented their development so long. Steps have also been taken to foster the setting up of increasingly larger and more economic units for the basic heavy chemicals like sulphuric acid, caustic soda, chlorine, ammonia, etc., as their prices also contribute to determine the economics of the drugs and dyes industries.

In the field of pharmaceuticals, based on an assessment of the demand for drugs prepared independently by different agencies from time to time, such as the Pharmaceutical Enquiry Committee, the Development Council for Drugs and Pharmaceuticals, the Planning Commission, the team of Russian experts which was invited for this purpose in 1956 and the Indian team deputed to the U.S.S.R. for a study of their pharmaceutical industry, a tentative programme capable of being implemented in the most effective manner by 1960-61 was prepared by a Study Group of representatives of the different Ministries of the Government of India especially set up for this purpose. The targets recommended by the Russian experts are given alongside the targets suggested by the Study Group in the statement accompanying this article. The Study Group has accepted, in most cases, the overall need for larger production recommended by the Russian experts; but taking into consideration the several limitations in regard to financing of schemes for setting up production as well as for the subsequent distribution of the same to the needy, during the Second Plan period and immediately thereafter, the Study Group has recommended that the Russian targets could be reached over a slightly longer period of time.

The U.S.S.R. team in their report recommended the expansion of antibiotics production at Pimpri, besides the establishment of three new plants, namely, (*a*) an antibiotics plant, (*b*) a chemical pharmaceuticals plant for synthetic drugs and vitamins, and (*c*) a special plant for the manufacture of intermediates. In addition, they recommended the desirability of establishing (i) indigenous manufacture of medical instruments and appliances, (ii) the establishment of facilities to produce endocrines at a slaughter house, and (iii) the development of Indian production of alkaloids and other plant products along with facilities for research and investigations on them. Estimates of capital cost were given for expansion of Pimpri as well as for (*a*), (*b*) and (*c*) but not for (i), (ii) and (iii); these were Rs. 3.5 crores, Rs. 8.5 crores, Rs. 11 crores and Rs. 11.5 crores, respectively. The experts recommended that there should be a first stage in the case of (*c*) at which production would be roughly two-thirds of the full capacity and this step would reduce the capital cost to Rs. 8.5 crores. The report did not state the foreign exchange element in each of these figures; it was suggested that much of the equipment might be fabricated in India, provided this branch of the engineering industry was developed in the meantime.

The recommendations of the Soviet Experts were examined in detail in consultation with the Planning Commission and the approval of the Cabinet was obtained in January 1958 to an approach being made to the U.S.S.R. Government through the Indian Ambassador in Moscow for (i) financial aid for the drug projects on the same pattern as had been negotiated for the heavy machinery and other plants, and (ii) sending out a team of Soviet Experts to prepare preliminary project reports and to discuss other details. The U.S.S.R. Government agreed to provide technical and financial assistance upto 80 million roubles for the development of these projects and sent a second team of Soviet Experts in the latter half of 1958. This Soviet team submitted its recommendations to the Government on 14th October 1958. According to its recommendations, the following projects have been proposed to be established:

1. A very large antibiotics plant to produce not only a large quantity of penicillin but also streptomycin, tetracyclin and new antibiotics.

2. A synthetic drugs plant to produce a large number of sulpha drugs, anti-tubercular drugs, analgesics and antipyretics and a number of vitamins, and equipped also to produce special intermediates required for their manufacture.

3. A medicinal plants laboratory and factory to produce a large number of important drugs from medicinal plants.

4. A unit for the manufacture of glandular products, such as insulin, A.C.T.H., pituitrin.

5. A workshop for the manufacture of most of the important types of surgical instruments required in large numbers.

The total capital investment, excluding the investment on land, township and working capital, on the five drug units mentioned above have been indicated to be about Rs. 28.7 crores. The details of the cost of plant and machinery imported from abroad or to be fabricated locally from local as well as imported materials of construction and the cost of buildings and other facilities are still to be worked out.

A committee has been set up under the Planning Commission to examine the question of location of the different drug units recommended in the report of the U.S.S.R. Drug Team and formulate their proposals for the consideration of Government. This Committee will submit its report after about three months. It is also stated that negotiations are in hand to produce items like sulpha drugs, P.A.S. (Anti-T.B.), salicylic acid, aspirin, sodium salicylate, phenacetin and a number of vitamins in collaboration with Bayer, Merck Sharp and Dohme, etc. These are besides the proposal to set up a plant for intermediates with Bayer/A.C.N.A. and a unit for setting up manufacture of synthetic hormones in collaboration with Merck Sharp and Dohme of the United States.

Drug Targets

S. No.	Name of the drugs	Unit	Target fixed by Russian Experts	Target set by Study Group 1960-61	Capacity achieved or already approved
	ANTIBIOTICS				
1	Penicillin	Mill. M/U.	100	40	40
2	Streptomycin	Tons	90	45	20
3	Tetracyclin	"	40	20	12
4	Chloramphenicol ..	"	10	10	Exceeds 10 tons
	SYNTHETIC DRUGS				
5	Sulpha drugs (all varieties) ..	"	1,000	750	500
6	P.A.S. (Anti-T.B.) ..	"	300	300	36-48
7	I.N.H. (Anti-T.B.) ..	"	50	50	23
8	Chloroquin (Anti-malarial)	"	30	20	2
9	Premasquin (Anti-malarial)	"	1	1	*Nil*
10	Iodo-chloro and Di-iodohydroxyquinoline (Anti-dysentery) ..	"	50	50	50-75
11	D.D.S. (Anti-leprosy) ..	"	15	15	7-5
12	Chloroform	"	75	75	..
13	Procain hydrochloride..	"	50	50	Exceeds 50 tons
14	Luminal (barbiturates)	"	10	10	..
15	Salicylic acid	"	600	600	300-400
16	Aspirin	"	400	400	100
17	Sodium salicylate ..	"	200	400	200-300
18	Phenacetin	"	200	200	20
19	Nikethamide	"	10	10	10
20	Diltrazine (Hatrazan) ..	"	10	10	..
21	Dextran	Mill. litres	0.5	0.5	..
	VITAMINS				
22	Vitamin B-1	Tons	15	15	..
23	Riboflavin (B-2) ..	"	2	2	..
24	Vitamin D-2	"	1	1	..
25	Vitamin C (Ascorbic acid)	"	50	50	..
26	Vitamin B-6	"	0.5	0.5	..
27	Vitamin B-12	Kg.	3	3	1.2
28	Nicotinic acid and amide	Tons	15	15	15
29	Vitamin A	"	10	10	20
	GLANDULAR PRODUCTS				
30	ACTH	1,000 units	8,500	8,500	..
31	Prolactine	"	50	50	..
32	Pituitary, posterior ..	Kg.	26	26	..
33	Insulin	M.U.	88	88	..
34	Lipocaine	1,000 units	18,500	18,500	..
35	Cortine	"	200	200	..
36	Pepsin Medical ..	Tons	10	10	..

NEW PRODUCTS AND PROCESSES

Robot Lawn-mower

BEFORE long, it may be possible to sit back in the shade and let a robot mow the lawn. A British firm (Messrs. H. C. Webb & Co. Ltd., Tame Road, Witton, Birmingham 6) has developed and produced the first radio-controlled lawn-mower shown to the public for the first time at the Chelsea Flower Show at the end of May. The chief task was to make a lawn-mower chassis that could turn by its own effort. By using an entirely new concept of lawn-mower design, the firm produced a machine which can wheel and turn like a circus horse. The mower, an experimental model not yet available to the public, travels at nearly 2 m.p.h., has a 14 in. cutting width, and makes 60 clips to the yard. Effective range of the radio control is up to a mile.

Sulphur from Oil Products

A £2,000,000 hydrodesulphurizer plant for the removal of sulphur from petroleum products is being built at Shell Haven, in the Thames estuary, by Shell International Petroleum Company Ltd., No. 1 Kingsway, London, W. C. 2. Gas oil to be desulphurized is contacted with hydrogen and made to trickle over a special catalyst. The hydrogen, which will be drawn from a "platformer unit" at Shell Haven, converts the sulphur compounds into hydrogen sulphide, which will be processed to make some 20 tons of pure liquid sulphur a day.

New Potato Harvester

A new and ingenious potato harvester which will work in the wettest conditions is now in production by Messrs. Massey-Ferguson, Coventry, Warwickshire, England. It is a trailer unit, developed from an idea originally evolved at the National Institute of Agricultural Engineering. Fast-wearing parts such as conveyor chains are eliminated completely, and the harvester is silent in operation. The operating staff is small—one to tie the bags and two to four for sorting—yet the machine can harvest between one-and-a-half and three acres a day, according to conditions. The harvester can be used behind almost any tractor. It handles the crop with extreme gentleness, and once the protective soil covering is removed the potatoes are protected from damage by the use of rubber parts. Specially designed cleaning devices enable the machine to work even in the most improbable conditions. Few adjustments are necessary, and the machine absorbs only about 5 h.p. when in work. An indicator connected to the nearside wheel enables the operator to keep an accurate check on the digging depth. The wheels can be latched in the "raised" position during transport.

Plant for Man-made Timber

A new £250,000 plant for producing man-made timber has been opened at Weybridge, Surrey (Britain). The new factory will make wood-chip board, which is produced from processed industrial wood waste—wood shavings and chips or forest thinnings—bound together with a synthetic resin under heat and pressure. The new plant has one press capable of curing 10 boards at a time. It is completely automatic and specially constructed for chipboard manufacture. The finished product is used in the building, furniture, and other wood-consuming industries. The manufacturers, Messrs. Airscrew Company and Jicwood Ltd., Weybridge, Surrey, say that wood-chip board's advantages over natural timber include negligible shrinkage and swelling, freedom from Knots and other defects, improved resistance to flame spread, and higher resistance to vermin and fungoid growth.

High-speed Teleprinter

A new teleprinter, claimed to be smaller, lighter, and simpler than any comparable machine in commercial production anywhere in the world, has been developed by a British firm, Messrs. Creed & Co., Ltd., Telegraph House, Croydon, Surrey. It is capable of sustained operation at 100 words a minute—a 50 per cent. advance over the present international standard. It will also function at 60 words a minute (standard U.S. speed) and 66 words a minute (standard European and international speed). As it is unaffected by vibration and tilting, it can also operate in ships or aircraft.

Machine for Testing Tablets

A machine which can be used, it is claimed, to test three basic factors of pharmaceutical tablet performance has been developed in Germany. The machine can determine the disintegration period of tablets, and of granulates in tablet form and also pills, according to its makers. At the same time it can test the time required to dissolve soluble tablets and test their abrasion resistance, or friability. It can also be used to produce experimental coatings for tablets and pills. The operation of the machine depends on a geared motor with a condenser, a timer, a special push-button switch and a "gallows" to which the detachable testing units are attached. These detachable units include an immersion bath capable of holding a testing fluid, a fixture with four test tubes and special units for determining the dissolving period of tablets formulated to make clear solutions, and two systems for testing abrasion resistance.

ANNUAL MEETING OF ASHOK LEYLAND LTD.

INCREASED DEMAND FOR COMMERCIAL VEHICLES OFFERS A BRIGHT FUTURE

DR. A. RAMASWAMI MUDALIAR'S REVIEW

THE Tenth Annual General Meeting of Ashok Leyland Ltd. was held at Madras on 22nd May 1959. Addressing the shareholders on the occasion, Dr. A. Ramaswami Mudaliar, Chairman, said that the greatly increased demand for commercial vehicles, in general, and for the 'Comet,' in particular, offered a bright future, if the Company could continue to make satisfactory progress with its manufacturing programmes and make its output of chassis equal to the demand for them.

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

"LADIES AND GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the tenth annual general meeting of your Company.

"The Directors' report, audited balance-sheet and profit and loss account for the year ended 31st December 1958 have been circulated to you and, with your permission, I shall take them as read.

Progress in 1958

"During the year we continued to make steady progress in our twin objectives of continuously increasing the Indian content of the commercial vehicle chassis we produce and, at the same time, so improving the sale of our products that our revenue shall keep pace with expenditure. The latter must necessarily increase as buildings continue to be constructed, plant and machinery is installed in them and labour to operate the machines recruited. Your Directors were pleased to find that the financial result of these endeavours during 1958 justified their recommending the payment of a dividend at the rate of 6 per cent. per annum, free of income-tax.

Further Expansion

"I have referred to the continuous expenditure on buildings, plant and machinery. The phased manufacturing programmes in which we are engaged require that your factory shall continue to expand for some considerable time. We have to provide not only for a substantial increase in the output of 'Comet' chassis but also for the addition of other models to our range of products. We, therefore, applied in 1957 for Government's approval to the inclusion of the Leyland 'Tiger' and 'Titan' chassis in our manufacturing activities; and we received a licence to do so in March 1958. During the year we applied for a licence to produce the industrial versions of the three Leyland diesel engines which are now included in our manufacturing range.

"Part of the 1958 achievement was the completion of practically all of the first phase of our building construction. It is, therefore, appropriate to review the financial implication of this work. When the manufacturing programme was commenced in 1956, it was immediately obvious that buildings then in existence, which covered about three acres, would be inadequate. Plans were made to add a total of 125,000 square feet as the first phase of a long-term building programme. This first phase has been completed at a total cost of Rs. 29.03 lakhs; and of this amount Rs. 21.22 lakhs was spent in 1958. During the year plant and machinery to a total value of Rs. 46.55 lakhs were installed, bringing the total for the three years 1956 to 1958 inclusive to Rs. 101.5 lakhs.

"The completion of the first phase of a building programme and the installation of plant and machinery as workshops became available to house it, does not mean that we can slacken in our endeavours. On the contrary, we must redouble our efforts to ensure that by the end of 1960 we achieve our objective of making the 'Comet' chassis including its engine and also the '600' and '680' type engines, which are alternative power units in the 'Titan' and 'Tiger' chassis, not less than 75 per cent. Indian in content. This remains a formidable task in relation to the amount of foreign exchange available for allotment to the automobile industry.

"It is unfortunate that at the time when the demand for our products has increased so greatly that we ought to increase our output of chassis threefold, the foreign exchange made available to us for the import of raw materials and components made it impossible to do so. Nevertheless, as the figures in the Directors' report indicate, a substantial improvement in the sales volume took place. It must be our constant endeavour in the future so to progress with manufacture that we shall be able to meet the full demand for our products, making output from the factory keep pace with our sales, so that all those who desire to operate Leyland vehicles may be satisfied. I am certain that there is increasing recognition by the Government of India that if the country's urgent need for road transport vehicles is to be met, automobile manufacturers should be allotted adequate foreign exchange for such raw materials, components and finished materials as must be imported at this stage of the country's development. There is a practical limit at this stage to the increase in production which can be secured by reduction of foreign content per chassis produced, with a given amount of foreign exchange. Beyond that limit the only solution to meeting a rapidly increasing demand for motor vehicles is to increase the foreign exchange allotments to manufacturers.

Engine Production

"Another important development in 1958 was the beginning of engine production in your factory. It will probably be the end of 1959 before the 'Comet' engine can be considered made in India, but 1958 saw the installation of all the plant and equipment needed for the manufacture of the cylinder head and most of that required for the cylinder block. Recruitment of labour and supervisory staff to provide for the efficient operation of the machine tools and other equipment has presented some difficulties. Men competent to do such highly skilled work are not readily available. It has, therefore, been necessary to augment training schemes and to take other steps to ensure a supply of skilled workmen. We hope the results of these actions will bear fruit in 1959 and onwards.

High Quality Castings

"Reference to the beginning of engine manufacture brings to mind the very important issue of the production of the high quality iron castings for the cylinder blocks and heads. If these were to be machined only, the castings being imported indefinitely, the nett saving in foreign exchange would not be appreciable. Your Directors, therefore, decided to request Messrs. Leyland Motors, who include in their group the West Yorkshire Foundries, well-known specialists in the production of high quality castings for the automobile and other industries, to advise them on this important question. In December 1958 Mr. W. West, Chairman of West Yorkshire Foundries and Vice-Chairman of Leyland Motors, visited India and, as a result of this visit a proposal has been submitted to the Government for the erection at Ennore of a modern foundry capable of producing all types of quality castings required by the automobile industry. We confidently expect that the Government will be pleased to approve this scheme.

Axle Weight the Basis

"Last year, I referred to difficulties experienced by your Company on account of restrictions on the gross laden weights of motor vehicles. Some States have removed restrictions which hamper the sale of 'Comet' goods vehicles, which are designed for twelve tons gross vehicle weight. But there are still a majority of States in which this vehicle cannot be utilised with its full load capacity as a carrier of goods. Moreover, the habit continues of making restrictions on gross weights instead of on axle weights, although the latter, being a more scientific basis, was proposed by the Indian Roads Congress long ago. We shall continue our efforts to secure the removal of these difficulties.

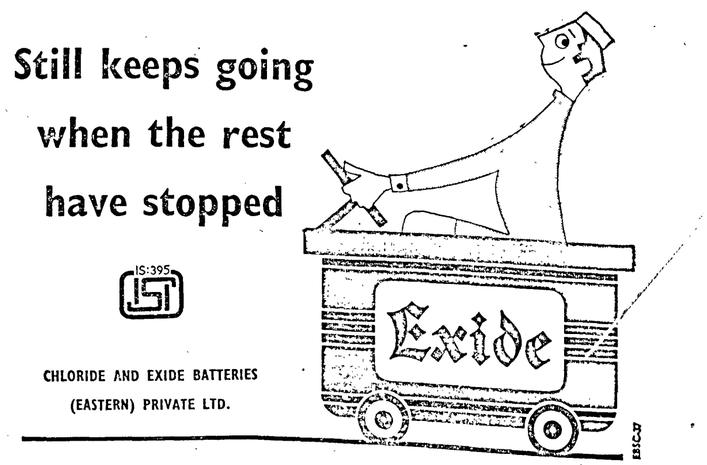
"Looking forward, much remains to be done, but we shall strive to achieve our goals. The greatly increased demand for commercial vehicles, in general, and for the 'Comet,' in particular, offers a bright future if we can continue to make satisfactory progress with our manufacturing programmes, and make our output of chassis equal to the demand for them. This involves the courage to continue with our rapid capital development in regard to buildings and equipment, confident that we can increase our resources to meet the inevitable and continuous rise in expenditure.

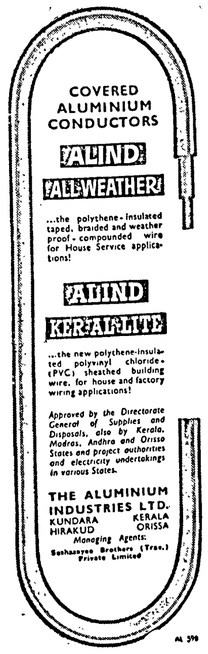
Thanks

"Once again I must express our gratitude to Messrs. Leyland Motors who have assisted us to the maximum possible extent. I am sure it will be your wish that I shall convey to Sir Henry Spurrier, Mr. W. West and Mr. D. G. Stokes our thanks for their personal help and guidance. I should also like to compliment the executives and staff and all the employees of the Company for their good work and loyal service throughout the year."

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

A new direct-reduction process, said to produce steel from iron ore in a single step, has been developed in the U.S. Although few details have been released, the process is said to employ a special alloying compound which, when mixed with iron ore in a furnace, turns out a finished steel ingot in an hour. It is claimed that the direct reduction system recovers 80 per cent. or more of available iron in an ore without use of scrap and coke, at a saving of about $20 per ton over usual processes, and produces a steel with high tensile strength, good ductility, and good resistance to high temperatures, corrosion and oxidation.





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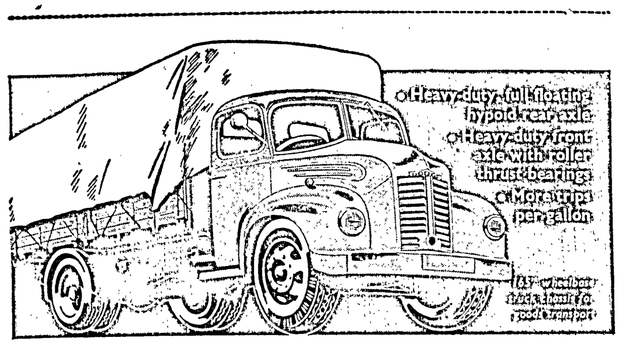

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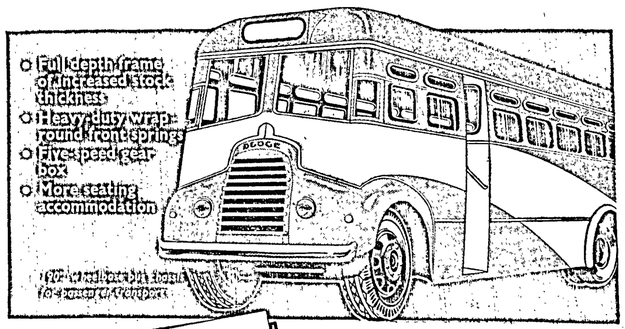

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I.L.O. COMPLETES FORTY YEARS

INDIA'S ASSOCIATION WITH IT HAS BEEN FRUITFUL

THIS month, the International Labour Organisation is celebrating its fortieth anniversary. This world-wide organisation of workers, employers and Governments has not only outlived its parent body, the League of Nations, but has also during the past forty eventful years, so grown in stature, scope and influence that it is today the most successful specialised agency of the U.N., having as many as eighty countries as members. Its powerful voice is exerting influence in all international discussions of social and economic questions. Its conventions and recommendations are highly respected by almost all its member-countries. It is an instrument for formulating international labour legislation and a living organism sworn to further social justice throughout the world.

The one name that stands out from all others as one looks back upon the chequered history of the I.L.O. is that of Mr. Albert Thomas, its first Director, but for whose foresight and creative leadership the story of the I.L.O. would perhaps have been a different one. Even as early as the beginning of this century, he sensed the stirrings of a new age in a troubled world, although it took a pretty long time for his view to prevail, namely, that the I.L.O., with its uniquely representational character, could offer the prospect for securing effective progress towards it.

Five months after the Peace Conference gave approval to the provision written into the Versailles Treaty for the creation of an institution entrusted with the task of formulating and supervising the application of international labour legislation in April 1919, the I.L.O. held its first conference in Washington. In selecting Mr. Albert Thomas as the first Director, the Governing Body made a choice which was to have profound influence on the future of the I.L.O. For, he took upon himself as though it was his personal mission to see that the I.L.O. proved a success and made its mark on the social and economic order. He boldly insisted that the I.L.O. had rights that must be respected. He claimed that it was entitled to intervene in all international discussions which might have social repercussions.

From 1920-32, the formative period, the I.L.O. pressed with vigour the task of elaborating international labour legislation with such energy that the body of decisions adopted by the Conference began to take on the dimensions of a comprehensive international code. And the conviction steadily grew in strength among member-countries that the I.L.O.'s activities were of direct interest to each one of them, however special or isolated its own particular problems might appear. Organised labour too, which at the beginning was sceptical about the value of the I.L.O. and had insisted that the Peace Conference should itself lay down labour standards, began to revise its opinion and co-operate with it.

A Vision Realised

As Mr. Edward Phelan, a former Director-General of the I.L.O., observes, when Mr. Albert Thomas died in 1932, the vision of what the I.L.O. might become was well on the way to realisation. For, to quote his own words:

"It succeeded in setting up standards for conditions in agriculture where trade unions were weak and, indeed, often non-existent, through its representation on the Mandates Commission, it secured active consideration for labour conditions in the mandated territories, it incited greatly increased activity concerning labour problems in colonies and possessions, it made its voice heard in international discussions on economic issues, its existence led to the formation of trade unions for the first time in some countries, while, in others, it secured for them recognition and a status not hitherto accorded. As the possibilities inherent in such achievement began to be understood, organised labour gave the I.L.O. its wholehearted support."

The I.L.O. faced one of the most trying periods in its history when World War II broke out. The war affected every country on the globe and Governments everywhere were faced with the problems arising out of the dislocation of world trade. Consequently, they could not give any great attention to the I.L.O. But it kept itself alive, carrying on a kind of information service and reminding member Governments that it still existed. But, as the War came to a close and the question of laying lasting foundations for peace came to the fore, the I.L.O. found itself not only coming into its own, but taking on an added significance and importance. To quote Mr. Phelan again:

"A wave of opinion began to sweep throughout the free world. Voices were heard on every side not only from workers' organisations but from heads of Governments, religious authorities of all creeds and political leaders of all parties demanding that, in the construction of the post-war world, social objectives must be given a predominant place. Here, coming to the surface with striking unanimity, was the movement for social justice the first stirrings of which Albert Thomas had sensed twenty years before. It was evident that the practical attainment of such objectives would require both national and international action. The I.L.O. was admirably constituted to co-ordinate the one and promote the other. Not only was it equipped with the necessary technical knowledge but it was the only international organisation of a general character of which the U.S. was a member. Would it be used? Weakened as it was, could it muster the will and the strength to claim its place. The answer was given, when on 27th October 1941, some two hundred delegates and advisers from thirty-five of its member-States assembled in New York. The final sitting was held in the White House, in Washington, where President Roosevelt gave his approval to its decision and the assurance of his support. Thus revitalised and encouraged, the Organisation was able to overcome the material difficulties created by the war conditions and hold a series of representative meetings which culminated in the conference held in Philadelphia in 1944. The Conference formulated in clear terms the social principles that should guide post-war policy and asserted the right of the I.L.O. to examine and draw attention to the social repercussions of any action taken by other international institutions. These decisions were embodied in the Declaration of Philadelphia, a document which President Roosevelt enthusiastically hailed as *summing up the aspirations of an epoch.*"

New Problems and Challenges

In 1946, by an agreement, the I.L.O. became one of the specialised agencies of the U.N. The agreement recognised that the sphere of action of the I.L.O. was the one defined in its revised constitution. Thus, with increased strength and with a deeper sense than ever of the importance of its mission, the I.L.O. has had to consider how best that mission could be carried on. But, in the post-war period, the I.L.O. found itself having to work in an entirely different socio-economic setting. The birth of new industries and the introduction of new processes in industries previously existing required revision and extension of the International Labour Code. The I.L.O. could certainly draw on its past experience to meet the new situation, but there were other changes in the world of a more profound character that presented new problems and challenges and offered new fields of opportunity. An indication of the role the I.L.O. has to play in the changed and changing world can be had from the following words of Mr. David A. Morse, I.L.O.'s present Director-General.

"The problem is not merely to draft laws but to deal with the manifold process of change within a society itself. Economic development is, indeed, inseparable from social change. Social measures are needed to make economic development effective, to stimulate the aptitudes and to provide the security needed for any effort dependent upon human co-operation; and economic change generates social consequences which may take the destructive forms of disorder and violence unless they are anticipated and properly prepared for. Action, to be effective, must grow out of the complex realities of each country; and the I.L.O. whose responsibility it is to keep these social and human factors to the forefront of concern in public policy, must, therefore, endeavour to bring its action ever closer to these national realities.

"The social problems of the industrial countries also arise today in more complex forms. Economic and political interdependence has become embodied in a variety of new institutions. Economic co-operation requires a corresponding growth of co-operation in social matters. The social problems are specific ones: to harmonise social changes between different countries, to co-ordinate social security for workers migrating between countries, to certify recognised skills of the workers concerned, to provide for co-operation between national employment services and so forth. These specific problems can only be effectively solved through an understanding of the individual features of the situation in which they arise.

"Since the problems with which the I.L.O. deals have thus become more varied, its methods of action for dealing with them are, in consequence, more varied than they were during the early years when most of the Organisation's work was conceived as leading to the formulation of international standards for working conditions.

"Practical methods of solving manpower problems, establishing efficient labour and social security administration, raising productivity in industry and handicrafts, promoting labour-management co-operation, workers' education and management training now account for an important part of the I.L.O.'s programme.

"No one method of action or combination of methods will suffice. The problems are too various and the situations too dissimilar. The I.L.O. must dispose of a wide range of methods and must ever be ready to try out new ones, so that its work may always be adapted to current needs in the continuing process of development and change in society and its institutions."

How the I.L.O. has responded to these challenges and adapted itself to the new situations is too recent to be termed history. It has, according to Mr. Phelan, achieved three things. It has (1) created a common social consciousness, (2) exerted a profound influence on political structure and development and (3) contributed to a new social order.

"Charter of Liberty"

The conventions and recommendations of the I.L.O. have had a profound effect on the life and destiny of the working class. The I.L.O. has adopted 111 conventions and a like number of recommendations which together is known as the International Labour Code. The Code is a "Charter of Liberty" for Labour and sets out minimum standards that should prevail throughout the world. It covers a wide field of social and labour policy: freedom of association and the right to organise, protection of wages, equal pay for work of equal value; hours of work, rest periods, industrial health, safety and welfare, protection of women and young workers, etc. Out of the 111 conventions, 92 have received sufficient number of ratifications to bring them into force.

Technical assistance has never been an unimportant part of the activities of the I.L.O., nor is it of recent origin. It has been a regular and important part of its activities from its early days. But it was after the Expanded Programme of Technical Assistance (E.P.T.A.) of the U.N. and the Specialised Agencies was launched in 1950 that the movement for technical assistance gained the magnitude, depth and variety that it has come to possess now. As a participant in this programme, the scope of I.L.O.'s activities, roughly speaking, extends over the fields of man-power, including employment organisation, vocational training and migration, co-operation and handicrafts, productivity, labour standards and their application, wages, industrial relations social security, labour statistics and problems relating to special categories of workers such as indigenous labour and maritime workers. In 1958 an expenditure of $3.4 million was incurred by the I.L.O. under the E.P.T.A. There were 174 experts working at the end of the year. The number of fellowships, worker-trainee grants and study grants awarded for advanced study was 288. Besides, equipment worth $368,575 was also supplied to underdeveloped countries. Since 1950, the I.L.O. sent 750 experts on technical assistance missions to more than 50 countries. Since 1953, nearly 1,200 received training abroad.

India—An Active Member

As one of the founder-members, India has a record of forty years of active association with the I.L.O. Whether in the sphere of following international standards faithfully, participating in the work of the International Labour Conference, Industrial Committees or Seminars and Working Parties or international give-and-take in the sphere of technical assistance, India has been one of the most active members of the I.L.O., taking keen interest in the work of the Organisation. It is, therefore, in the fitness of things that the Government has decided to issue a special postage stamp to commemorate the fortieth anniversary of the I.L.O. Equally appropriate is the selection of the famous sculpture "Triumph of Labour" by D. P. Roy Chowdhury as the main motif of the stamp's design. It may be noted here that this is the first time that India has issued a stamp to honour an international organisation.

India's association with the I.L.O. has been a fruitful one, for it has considerably benefited from the I.L.O.'s world-wide technical assistance programme. It has received technical assistance from the I.L.O. ever since the Expanded Programme of Technical Assistance was inaugurated in 1950. In 1951, the I.L.O. concluded a basic agreement with the Government of India for the provision of technical assistance which had been followed by an annual series of technical assistance projects. Among the projects for which the I.L.O. offered

(*Continued on page* 1015)

FOURTEENTH SESSION OF G.A.T.T.

U.S. PLEA FOR ABOLITION OF DISCRIMINATORY IMPORT RESTRICTIONS

THE free flow of world trade had been hampered during the inter-war years by a medley of tariff barriers and import restrictions. The General Agreements on Tariffs and Trade (G.A.T.T.), ever since its inception about a decade ago, has consistently been endeavouring to eliminate this intricate pattern of widespread trade discrimination and usher in an era of multilateral trading system. Its pace of progress might be slow. Nevertheless, it has proved beyond doubt that it is sufficiently dynamic to deal with the problem of reducing the impediments to world trade. It has seen to it that the nations competing for a share in world markets do not resort to the restrictive practices that were in vogue in the thirties. Small wonder then that an increasing number of nations is anxious to be members of the G.A.T.T. Thus, the fourteenth session of the Contracting Parties of the G.A.T.T. which commenced at Geneva on 11th May 1959 examined the requests for accession to the Agreement from Israel and Poland. Yugoslavia has also expressed its desire to associate itself with the proceedings of the G.A.T.T. Apart from its growing appeal, the G.A.T.T. Secretariat has reason to feel gratified with the revival of the upward trend in world trade after the 1957-58 recession. Another welcome development is the restoration of external convertibility to a number of West European currencies at the beginning of the year. This development, to quote Mr. Fernando Garcia-Oldini, Chairman of the Contracting Parties, "provides both a reason and an opportunity for further progress in the elimination of import restrictions and, in particular, of their discriminatory application."

In fact, since the statement of Mr. Fernando Garcia-Oldini, Britain, France and Italy have relaxed their restrictions on imports from the dollar area. These developments are bound to strengthen the bond of international co-operation in the field of commercial policies, as envisaged by the G.A.T.T. There is, however, hardly any room for complacency as far as the work of the G.A.T.T. is concerned. The formation of regional trade blocs, such as the Common Market of the Six in W. Europe, now in force, and the proposed one for Latin America, is bound to affect the course and progress of international trade. The objectives of these moves for regional collaboration and co-operation are, of course, claimed to be progressive and in consonance with the need for expanding world trade. But there is no doubt that a large number of countries is apprehensive that these may ultimately turn out to be another form of restrictive trade practice, inconsistent with the ideals of the G.A.T.T. Negotiations, however, have already been initiated between the Contracting Parties and the representatives of the C. M. to iron out the differences. Extensive consultations have also been held between W. Germany and a number of Contracting Parties affected by import restrictions imposed by that country. The G.A.T.T. Chairman was optimistic about the outcome of these talks. Much ground has been covered in clearing complaints from member-countries on such technical questions as subsidies, State trading and dumping during the inter-sessional period. This form of quiet consultation between the members concerned has been useful, though the achievements have been unspectacular.

Major Problem

The major structural problem that confronts the Contracting Parties continues to be the deterioration in the terms of trade of the primary producing countries. Referring to this question, the Chairman observed, in the course of his opening address to the plenary session, as follows:

"The repercussions of the decline in the prices of primary commodities will still be felt for some time in some underdeveloped countries which once again have suffered a decline in their meagre currency resources and serious balance-of-payments difficulties. At the same time, industrial countries have benefited from this fall in prices and, as a result, the effects of the recession were not felt so severely and their balance-of-payments position has improved. However, it does not seem that the resulting advantages for industrialised countries have as yet been reflected in any appreciable increase in their foreign investments in underdeveloped countries such as could contribute to a restoration of a balance in their economies which had been jeopardised by the unfavourable evolution of world economic conditions, and could promote their industrialisation and assist them in their difficult fight against inflation."

Although the investments of industrialised countries in the underdeveloped countries have not been sufficient to make good the setback suffered by the latter, the measures taken by many West European countries to establish convertibility of their currencies have made, according to spokesmen of Western countries, a significant contribution to the expansion of world trade. The currencies used to finance world trade are now generally convertible into one another for non-residents at official rates of exchange. The convertibility measures have been applied to current transactions, including trade and, in some cases, extended to the capital sector also. Mr. W. T. M. Beale, Chairman of the U.S. delegation to the plenary session, gave a brief account of the benefits that accrued to world trade from the introduction of convertibility. "Inconvertibility and the trade restrictions that accompany it are," he said, "costly obstacles to the economic allocation of resources, both nationally and internationally, and hence to economic growth and standards of living." Giving a few practical illustrations of the significance of convertibility of W. European currencies, Mr. Beale observed:

"Today, any country that earns sterling, for instance, is free to use it for financing its imports from any supplier in the world. Today, countries include in their published accounts of gold and convertible currency holdings their balances in the newly-convertible currencies, such as the French franc and the deutsche mark. Today, a merchant in South America, Asia, or Africa who buys goods, whether in Europe or elsewhere, for Belgian francs, Italian lire, or Austrian schillings pays in currency, that is, in fact, as usable as dollar currency.

"In the new situation, the effect on Chile's or Norway's balance-of-payments position and monetary reserves of a given amount of foreign exchange expenditure is the same, whether the money is spent in Canada or Denmark. Similarly, the effect of a given amount of foreign exchange income is the same, whether it is received from the Dominican Republic or India. Thus, we note that Brazil no longer has separate exchange auctions for the dollar and the so-called ACL currencies but has a combined auction where dollars and the European convertible currencies are traded on the same basis. In short, the broad establishment of external convertibility has generally removed the substantive distinction that existed for two decades between the currencies of the dollar countries and the currencies of other countries and thus has ended the relevance of this distinction to trade policy and to the appraisal of balance-of-payments and exchange reserve positions."

Western World Strong

Mr. Beale then went on to give some data to show how strong the Western world outside the U.S. has become. In the nine years from 1950 to 1958, the rest of the free world had increased its gold and dollar balances by almost $14 billion, or an average of about $1.5 billion per annum through transactions with the U.S. alone. Other transactions, including new gold production, had brought another $4 billion, raising the total to $18 billion.

The most important point made by Mr. Beale was that the time had come for the rest of the free world to free their restrictions on imports of dollar goods. Tracing the circumstances in which Article XIV of G.A.T.T., permitting a Contracting Party to deviate from the rule of non-discrimination in regard to imports, came to be incorporated, he observed:

"The character of the rules in the General Agreement governing the discriminatory application of quantitative restrictions reflects the extraordinary balance-of-payments problems and shortages of monetary reserves that many countries experienced after the war. Few currencies were convertible when the General Agreement was negotiated; and, of course, supplies of convertible means of payment were short. In these circumstances, had the General Agreement required absolute adherence to the rule of non-discrimination, many countries might have found it necessary to limit their imports according to standards dictated by the availability of their least plentiful means of payment. In other words, Article XIV was written to take account of peculiar balance-of-payment situations arising out of the inconvertibility of currencies and to allow for discriminatory import policies based on the proposition that, in the circumstances, increased imports from some suppliers would not endanger slender monetary reserves to the extent that imports from others might. The various formulas found in the Article were all designed with this end in mind."

Mr. Beale, however, maintained that "the advent of convertibility has refuted whatever financial logic may have been found in trade discrimination." He made a fervent plea to the industrially developed countries to abolish all kinds of discriminatory import restrictions. Elaborating this point further, he said:

"Convertibility should mean the rapid removal of the inequalities that have proved costly both to the countries whose export interests have felt the sharper edge of import restrictions and to the countries which have considered it necessary to apply import restrictions in a discriminatory way. May I repeat what the United States delegations to the meetings of the Contracting Parties have said many times; all import restrictions carry some economic cost, but discriminatory import restrictions are likely to be especially costly since they tend to divert from cheap sources to expensive ones the purchase of whatever volume of imports is permitted. Countries with the greatest need for foreign exchange—including the less developed countries, a number of which continue to have overall balance-of-payments difficulties—are least able to afford the extra costs that discriminatory import restrictions entail."

He was, of course, quite aware of the quick action taken by some of the countries to reduce restrictions on import of dollar goods. His plea, therefore, pertained to the abolition of the remaining restrictions. As already stated, Britain, France and Italy have made further relaxations which only go to show that Mr. Beale's plea was perfectly justified.

It may be mentioned, in passing, that, under the Articles of G.A.T.T., underdeveloped countries have certain privileges in regard to application of quantitative restrictions on imports. They can use this control not only on balance of payments considerations but also on the ground of protecting their nascent industries. Mr. Beale's reference applied only to the developed countries.

Japanese Grievance

A feature of G.A.T.T. has been the tardy treatment accorded to Japan. Some Western countries, headed by Britain, have been refusing to extend to Japan the full privileges that are extended by one Contracting Party to another. This is due to their distrust of Japanese business practices born of their pre-war unhappy experience of price-cutting and dumping by Japan. As many as thirteen countries have not yet withdrawn the application of Article XXXV against Japan. There is some truth in the statement of Mr. Ichiro Kawasaki, leader of the Japanese delegation, that "the fact that my country, alone of all other Contracting Parties, is still subject to the discriminatory treatment, clearly runs counter to the generally expressed desire for liberalisation of trade." It may be noted here that India waived the application of Article XXXV in respect of Japan last year and extended to it most-favoured-nation treatment. This was undoubtedly the right thing to do and we have no doubts that the Japanese appreciated this gesture of friendliness.

Japan has now arranged bilateral talks with some Governments such as Austria and Haiti. These talks, we are told, have made satisfactory progress. In this connection, an objective study of Japan's position recently made by Mr. Roy Harrod, the famous British economist, strengthens the Japanese claim for equal treatment. To quote Mr. Harrod:

"The first tendency of other industrial countries is to regard Japan as a rival, even a dangerous one. This is particularly so since her wage structure may allow her to do severe price undercutting. But more and more it becomes plain that it is incumbent upon us to look at the problems of each separate country in relation to the whole world's economy. Within this world picture, we should favour the continued expansion of Japan. If the European increase is less great in the coming period this will be because her need to that extent is satisfied. But the increase of imports that Japan needs will continue to be very great. Thus, Japan could make a substantial contribution to sustaining the growth of underdeveloped countries. The corollary of this is that we should favour an expansion of Japanese exports. In an expanding world, there is probably room for a rising level of exports from all the mature countries, reckoning Japan as one of them."

There is really no justification to deny Japan the privileges of full membership. Misgivings based on past experience under a situation which does not exist do not constitute sufficient reason for doing so. In any case, they are not conducive to building up international co-operation. The Contracting Parties have now agreed to meet in Tokyo this autumn and this will provide them with an opportunity

(*Continued on page* 1005)

FURTHER DROP IN PROFIT OF INDIAN STANDARD WAGON

SHORTAGE OF STEEL AFFECTS PRODUCTION

A DROP of Rs. 5.34 lakhs to Rs. 59.34 lakhs in gross profit is disclosed by the accounts of the Indian Standard Wagon Company Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) for the year ended 31st March 1959. This is on top of a decline, for the first time since 1949-50, of Rs. 6.04 lakhs (from Rs. 70.72 lakhs to Rs. 64.68 lakhs) suffered in the previous year. The further setback in the earnings of the Company was due to a fall in turnover, caused by "enforced restriction of work during the year under review, owing to shortage of steel for wagon building, as well as delay on the part of the Railway Board in finalising and releasing the design of BOBS wagons." There has no doubt been a saving for the Company in the incentive bonus payable on the lower output, but the management would not have certainly wished for it, for the restriction of work was beyond its control and it "caused grave dissatisfaction to the workers and led to a deterioration in labour relations."

The provision for depreciation has been slightly raised from Rs. 3.18 lakhs to Rs. 3.38 lakhs, while that for taxation has been reduced from Rs. 26 lakhs to Rs. 24.64 lakhs. After making these essential provisions and setting aside Rs. 4.98 lakhs (as against Rs. 5.55 lakhs for 1957-58) for managing agency commission, the net profit at Rs. 26.34 lakhs shows a decline of Rs. 3.61 lakhs. Notwithstanding the lower profit, the allocations to shareholders' reserves have been raised from Rs. 7.58 lakhs to Rs. 10.61 lakhs. This sum is made up of Rs. 3.38 lakhs (Rs. 75,000) to general development reserve, Rs. 1.23 lakh (Rs. 9,528) to development rebate reserve, Rs. 5 lakhs (Rs. 5.74 lakhs) to plant replacement reserve and Rs. 1 lakh (same as in the previous year) to general reserve. The provisions for labour welfare have, however, been reduced from Rs. 11.99 lakhs to Rs. 6.61 lakhs. The distribution to ordinary shareholders is unchanged at 20 per cent. on the present capital, raised in December 1957 by the capitalisation of Rs. 19.49 lakhs.

The following table compares the salient features of the Company's profit and loss accounts for the last four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1959	1958	1957	1956
Sale proceeds	5,80.41	6,31.67	3,82.56	4,49.37
Departmental orders and Items used in works..	30 85	23.23	28.61	32.31
Work-in-progress ..	1,62.69	2,89.72	3,03.37	2,87.82
Raw materials and stores and spares consumed	2,85.72	3,66.62	2,83.36	3,13.35
All other expenses	1,43.88	1,38.24	1,34.90	1,29 40
Gross profit	59.34	64.68	70.72	53.19
Managing Agents' commission	4.98	5.55	6.22	5.19
Provision for—				
Depreciation	3.38	3.18	2 82	1.83
Taxation	24.64	26.00	35.20	17.80
Net profit	26.34	29.95	26.48	28 37
To reserves	10.61	7.58	7.25	10 37
To provision for profit-sharing, bonus, gratuity, housing, etc.	6.61	11.99	10.82	10.10
To tax contingencies	..	1.00	1.20	0 80
Dividends—				
7% preference	1.38	1.38	1.38	1.38
Ordinary	7.80 (20%)	7.80 (20%)	5 85 (D.25% +15.5%)	5.85 (D.25% +15.5%)
Carry forward	0.37	0.43	0.24	0.24

The decline in the Company's output during the year under review is reflected in the drop of Rs. 51.26 lakhs in sales, Rs. 1.27 crore in work-in-progress and of Rs. 1.01 crore in raw materials, stores and spares consumed. There has, however, been a rise of Rs. 5.64 lakhs in other expenses, despite a decline of Rs. 1.73 lakh in salaries, wages and bonus.

The Company's balance-sheet as on 31st March 1959 discloses a highly satisfactory financial position. The Company has been making substantial capital expenditures during the last few years. In keeping with this policy of gradual expansion of its capacity as well as modernisation of the existing plant and machinery, the Company has spent a sum of Rs. 11.32 lakhs during the year under review and further capital work-in-progress of the value of Rs. 9.34 lakhs was on hand at the close of the year. The gross value of the block capital at the end of March last (other than capital work-in-progress) is Rs. 111.72 lakhs, which has been written down to a book value of Rs. 43.38 lakhs. The current assets amount to Rs. 544.81 lakhs, as against which current liabilities and provisions aggregate Rs. 487.74 lakhs. The total net assets of the value of Rs. 109.79 lakhs are represented by a paid-up capital of Rs. 59.34 lakhs and reserves and surplus aggregating Rs. 50.45 lakhs.

The Company has been depending mainly on imported steel for its wagon-building activities, and the supply position in this regard is far from satisfactory due to foreign exchange difficulties. The Directors point out, in their latest report, that "the planning of imports of steel to produce, with indigenous supplies, the matched stocks which must be available to carry out a wagon building programme is the responsibility of the Government and is accordingly a matter entirely outside the control of the Company." They regretfully advise the shareholders that "the steel position continues to be unsatisfactory and to be the cause of concern, as to its possible adverse effect on output during the current year." The long-term outlook for the Company should, however, be regarded as bright, for the indigenous steel supplies are expected to improve both variety-wise and quantity-wise, when the steel plants in the public sector come into production and the full effects of the expansion programmes of the two producers in the private sector are felt.

The Rs. 25 fully paid-up shares of the Company are being currently quoted at Rs. 94 *cum-div.* On an *ex-div.* basis, the shares offer a yield of 5.6 per cent. per annum, free of income-tax. A year ago they were standing at Rs. 98.

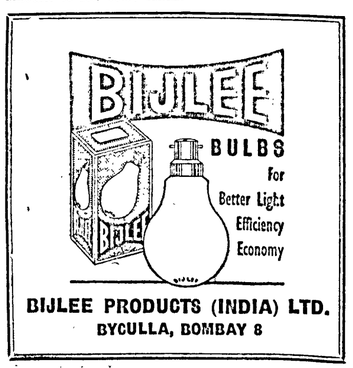
JEEWANLAL (1929) LTD.

The sharp rise in raw material prices accompanied by an increase in wage bill without a corresponding increase in selling prices of finished products, keen competition from other manufacturers and the basic change in the Government's import policy owing to foreign exchange difficulties, have all cumulatively affected the earnings of Jeewanlal (1929) Ltd. (Managing Director: Mr. Himchand K. Shah, Calcutta) for the year ended 31st December 1958. The gross profit has declined from Rs. 9.01 lakhs (in 1957) to Rs. 5.43 lakhs, thus more than offsetting the improvement noted last year, when the profit had gone up from Rs. 6.86 lakhs to Rs. 9.01 lakhs. The provision for depreciation has, however, been raised from Rs. 1.31 lakh to Rs. 1.47 lakh, as also that for taxation (after adjustment in respect of previous years) from Rs. 40,892 to Rs. 44,987. These leave a net profit of Rs. 3.52 lakhs, as against Rs. 7.29 lakhs for 1957.

In view of the lower profit, the Directors have not been able to set aside anything to the reserve for replacement of fixed capital assets or towards reserve prescribed by the Controller of Capital Issues in 1951 as a condition precedent to payment of dividends to shareholders. The Directors have, however, utilised the net profit to reduce further the accumulated losses, leaving a deficit of only Rs. 1.70 lakh still to be wiped out. In the circumstances, the distribution to the shareholders has had to be skipped over again, for the seventh year in succession.

The sales of the Company show a slight increase from Rs. 225.54 lakhs to Rs. 228.70 lakhs, but this has been more than offset by the rise in cost of sales from Rs. 202.71 lakhs to Rs. 209.89 lakhs. Other expenses are, however, a shade lower at Rs. 14.93 lakhs, as compared with Rs. 15.49 lakhs in 1957.

The balance-sheet of the Company as on 31st December 1958 shows that the reserves of the Company are at a low level, being no more than Rs. 6.30 lakhs, due to the persistent losses suffered by it, while the paid-up capital stands at Rs. 72 lakhs, half of which represents bonus issue. The gross block of the value of Rs. 38.88 lakhs has been written down to Rs. 12.56 lakhs. The current assets aggregate Rs. 132.61 lakhs, including book debts to the extent of Rs. 40.04 lakhs, as against which current liabilities and provisions amount to Rs. 66.87 lakhs.



BHARTIA ELECTRIC STEEL EARNS LESS

NEW SCHEME OF ARRANGEMENT PROPOSED

RECURRENT shortages of billets, with its consequent adverse effect on production and sales, have been mainly responsible for the setback in the earnings of the Bhartia Electric Steel Company, Ltd. (Managing Agents: Messrs. Bhartia Company, Ltd., Calcutta), for the year ended 31st December 1958. The Company's gross profit has dropped from the record level of Rs. 43.72 lakhs in 1957 to Rs. 35.54 lakhs. This is the first time since 1953 that the profit has suffered a reversal, after having gone up successively from Rs. 19.74 lakhs in 1953 to Rs. 43.72 lakhs in 1957.

The Company has two works, one at Khardah and the other at Ballygunge. The shortage of billets affected the production at the Khardah works, as also the overall output and sales of the Company. The Company's output of liquid steel declined from 16,260 tons to 15,063 tons, steel castings from 5,562 tons to 4,847 tons and rods and bars from 22,263 tons to 17,625 tons. The fall in production of wagons and coaches during 1958, as a result of the very critical supply position of steel, affected the demand for steel castings. Consequently, the aggregate sales of the Company (in terms of value) dropped by nearly Rs. 14 lakhs to Rs. 192.45 lakhs.

The net profit is, however, better at Rs. 12.64 lakhs, as compared with that of Rs. 10.25 lakhs for the previous year, consequent on the lower provisions for Managing Agents' commission, depreciation and taxation. The provision for depreciation, in particular, has been reduced substantially from Rs. 15 lakhs to Rs. 6 lakhs, in view of the fact that additional depreciation would not be available from the year under review onwards. The provision for taxation has been reduced by Rs. 1 lakh to Rs. 14 lakhs. Out of the net profit of Rs. 12.64 lakhs, the Directors have transferred to the general reserve Rs. 5 lakhs, as against Rs. 4 lakhs added last year, and have created a development rebate reserve with Rs. 1.82 lakhs. The distribution to the shareholders is unchanged at 12½ per cent. for the fourth year in succession, after having been raised to that level in 1955 from 10 per cent. paid for 1954 and 7½ per cent. for each of the two preceding years, all on the present capital of Rs. 50 lakhs, to which level it was raised in April 1952 by the capitalisation of Rs. 12.50 lakhs.

The following comparative table shows the progress of the Company since 1955:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	1,92.45	2,06.23	1,84.28	1,29.46
Closing stocks of finished goods and work-in-progress ..	30.70	31.86	16.59	23.47
Raw materials consumed ..	62.63	87.86	58.58	35.90
Other expenses	93.59	90.65	84.21	73.15
Gross profit	35.54	43.72	35.13	23.36
Managing Agents' commission..	2.90	3.48	6.86	4.69
Provision for—				
Depreciation	6.00	15.00	15.00	7.00
Taxation	14.00	15.00	10.00	3.50
Net profit	12.64	10.25	3.27	8.17
To reserves	6.82	4.00	..	..
Dividend	6 25 (12½%)	6.25 (12½%)	6 25 (12½%)	6.25 (12½%)
Carry forward	0.54	0.07	0.08	3.00

Out of the issued and paid-up capital of Rs. 50 lakhs, as much as Rs. 30 lakhs have been found from internal resources by the capitalisation of reserves. Even after such a large transfer to the capital, the reserves and surplus as at the end of 1958 stand at Rs. 39.15 lakhs. The Company has been making substantial capital expenditure during the last few years, the expenditure in 1957 and 1958 being Rs. 15.02 lakhs and Rs. 18.17 lakhs, respectively, bringing the gross value of the block account to Rs. 133.20 lakhs. The depreciation provided so far is Rs. 85.27 lakhs, so that the net value of the block account stands at Rs. 52.93 lakhs. The current assets, amounting to Rs. 111.49 lakhs, exceed the current liabilities and provisions, at Rs. 80.80 lakhs, by no less than Rs. 30.69 lakhs.

The Company was formed in 1928, for the purpose of taking over the business of Hukumchand Electrical Steel Works. Until 1941, the Company was known as Hukumchand Electric Steel Company, Ltd. In the same year, another company, by name British India Iron and Steel Company, was amalgamated with the Bhartia Electric Steel Company, Ltd. Since then, the latter has grown substantially, particularly during the last few years. As already stated, the Company has two works, one at Ballygunge and the other at Khardah, but the two are engaged in production of totally different types of articles. The first produces steel ingots and steel castings, while the other is purely a re-rolling plant and, apart from the very meagre supply of steel ingots from Ballygunge, the Khardah factory has to depend mostly on supplies of billets from outside sources. Except for the supply of nearly 400 tons of ingots per month from Ballygunge to Khardah which may also, in course of time, cease as the production of steel castings increases, the activities of the two works are entirely independent of each other.

The changes in the design and types of wagons proposed by the Railway Board, which will replace the currently used buffers by centre buffer couplers, and the use of roller bearing axle boxes on the Indian railways necessitate a change in the type of steel castings manufactured by the Company at its Ballygunge works. The Company has entered into provisional technical collaboration and patent right licensing agreements with two American firms of repute for the manufacture of centre buffer couplers. The manufacture of new types of steel castings requires large investment in new plant, equipment and facilities.

The Khardah factory is capable of re-rolling about 10,000 tons per month of rods and bars. This capacity has not so far been utilised fully on account of shortage of billets. The supply position of billets has, however, now improved and with better prospect of the supplies increasing in the years to come, the Directors feel that a greater percentage of capacity will be utilised. This will necessarily call for a larger working capital even after providing for reasonable bank credit. The Company has obtained permission for raising debenture capital to the tune of Rs. 25 lakhs. It has, however, now come out with a comprehensive scheme of arrangement involving issue of capital and the running of the two works under different companies. In view of the diverse nature of the activities of the works, the Directors find that the running of these two separate plants under the same Company creates difficulties and the Company as a whole has to suffer. The scheme of arrangement is as follows:

1. Additional finance of the order of Rs. 50 lakhs by the issue of equity shares will be raised as early as possible.

2. The two works will function under different companies.

3. If another company is formed, it will be for taking over the rolling mill works at Khardah and the capital to be raised, as referred to earlier, will be raised by the said new company.

4. The offer of capital of the proposed new rolling mill company will, in the first instance, be made to the shareholders of this company at par and in proportion to their holdings in this company with liberty to renounce their right in favour of any other person.

5. The fixed assets of the Khardah works will be sold to the new company at their written down book value and the stocks of stores, raw materials and finished goods will be transferred at the purchase price or controlled price whichever is higher.

6. All the contractual obligations of the Company regarding Khardah works in respect of stores, machinery, plant, raw materials and finished products will be transferred to the new company.

Following arbitration by the Government of West Bengal on the demands of workers for higher wages, more amenities, etc., the Company's wage bill has gone up by Rs. 4 lakhs per annum, with effect from 6th December 1958. The result of this increase on profit will be felt in the current year.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 17.62 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 7.6 per cent. per annum.

COOPER ENGINEERING LTD.

The Directors of Cooper Engineering Limited have decided to increase the Company's paid-up capital by the issue of 20,000 ordinary shares of Rs. 100 each. Announcing this in the course of a circular, the Company says that the additional capital is for the purpose of financing the further expansion schemes in hand. In addition to increasing the production of diesel engines, it is proposed to convert all the present models into the new Ricardo combustion system which reduces operation costs for the customer due to its higher efficiency.

The Company has been engaged in the manufacture of various types of machine tools for a long time. Since recently, however, greater attention has been paid to increasing the production of shaping machines. Furthermore, the Machine Tools Directorate of the Government of India has advised the Company to take up the manufacture of planing and slotting machines for which the Company has received the necessary licences. Arrangements have been concluded with the Industrial Credit and Investment Corporation of India, Ltd., for the underwriting of this issue.

KAMANI ENGINEERING CORPORATION LTD.

MR. R. H. KAMANI OPTIMISTIC ABOUT OUTLOOK

SPEAKING to the shareholders at the Thirteenth Annual General Meeting of Kamani Engineering Corporation Ltd, held at Bombay on 11th June 1959, Mr. R. H. Kamani, Chairman, observed as follows:

"GENTLEMEN,

"I have great pleasure in welcoming you all on behalf of my fellow Directors to this thirteenth annual general meeting of the Company. Before I proceed further with my speech, I would ask you to join me in paying our humble and respectful tribute to the memory of the late Shri M. G. Purohit, Director of the Company.

"The Directors' report and the audited profit and loss account and the balance-sheet for the year ended 30th September 1958 have been in your hands for some time and, with your permission, I shall take them as read. I do not think that the essential fact revealed from the accounts will be lost sight of by you—that our working for the year under review has resulted in a profit four and a half times higher than the previous year. Each activity of the Company has shown improvements, in spite of a number of difficulties, such as shortage of steel supplies, or import restrictions due to foreign exchange stringency.

"You will agree with me that the working of the Company has been satisfactory during the year under review. This has been largely possible, because of the increased turnover of our two principal activities, viz., manufacture and erection of transmission line towers and other structurals, as well as the sale of the agency products. In May 1958, a record level of production of 1,000 tons per month has been achieved. This production is maintained on an average and there is a fair possibility that this would still rise.

"In spite of the limitation of the foreign exchange and the curtailment of the second Five-year Plan, our agency activity has also continued to improve.

"We had many important projects on hand, specially the transmission line connecting Korba power station to Bhilai steel plant. The bulk of the work was carried out during the year and some of the projects have since been completed; most of them ahead of the scheduled dates. Work is in progress on the other important projects like Koyna. During the year, we have received more orders for supply and erection of transmission lines.

"One of the important factors which has been responsible for the improved working and for better possibilities in the future, is that the Government policy, to which reference was made in my last year's speech, under which fabricated transmission line tower material was being imported, has since been revised, for which I am grateful to the Government. While the Government policy is now more helpful to the indigenous transmission line tower manufacturing industry, yet the continued difficulty of foreign exchange restricts the import of steel, which is the basic raw material for your Company, as well as all the engineering industry. The difficulty with regard to steel is likely to ease in view of the improved import of steel from abroad as well as the likely start of the indigenous steel plants. In view of this, we can look to the future with confidence.

"While already there is surplus capacity, I have noted with regret that further capacity is being licensed and certain proposals are being considered for putting up a plant in the private and public sectors. This fact has been brought to the notice of the concerned authorities and I hope that due consideration will be given to this matter.

"In order to contribute our humble share in the earning of foreign exchange, the Company has set up an export department to explore the possibility of export.

"The achievement of the Company speaks for the good effort put in by the workers and the staff of the Company. The long tradition of cordial relationship has been maintained and their efforts are continuing to improve. I sincerely thank one and all for their sincerity and loyalty to the Company."

COMPANY MEETINGS AND DIVIDENDS

BENGAL POTTERIES LTD. Annual General Meeting, Calcutta, 23rd June 1959. Transfer books will remain closed from 15th June to 11th July 1959, both days inclusive.

SEEBPORE COAL CO., LTD. Annual General Meeting, Calcutta, 25th June 1959. Dividend: Re. 1.75 per share. Transfer books will remain closed from 15th to 25th June 1959, both days inclusive.

AHMADPUR KATWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 26th June 1959. Transfer books remain closed from 12th to 26th June 1959, both days inclusive.

BURDWAN-CUTWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 26th June 1959. Transfer books remain closed from 12th to 26th June 1959, both days inclusive.

BANKURA DAMODAR RIVER RAILWAY CO., LTD. Annual General Meeting, Calcutta, 26th June 1959. Transfer books remain closed from 12th to 26th June 1959, both days inclusive.

INDIAN STANDARD WAGON CO., LTD. Annual General Meeting, Calcutta, 26th June 1959. Transfer books will remain closed from 17th to 26th June 1959, both days inclusive.

ALCOCK, ASHDOWN & CO., LTD. Annual General Meeting, Bombay, 26th June 1959. Dividend: Rs. 12.50 per share, payable on and after 3rd July 1959. Transfer books remain closed from 2nd to 16th June 1959, both days inclusive.

SHREE GOPAL PAPER MILLS LTD. Annual General Meeting, Calcutta, 27th June 1959. Transfer books will remain closed from 17th to 27th June 1959, both days inclusive.

CALCUTTA GAS CO. (PROPRIETARY) LTD. Annual General Meeting, Calcutta, 29th June 1959. Transfer books will remain closed from 22nd to 29th June 1959, both days inclusive.

SEN-RALEIGH INDUSTRIES OF INDIA LTD. Annual General Meeting, Calcutta, 29th June 1959. Dividend: 6 per cent. or Re. 0.60 per share. Transfer books will remain closed from 15th to 29th June 1959, both days inclusive.

HIGHLAND PRODUCE CO., LTD. Annual General Meeting, Alleppey, Kerala State, 29th June 1959. Dividend: 15 per cent. or Re. 1.50 per share. Transfer books will remain closed from 23rd to 29th June 1959, both days inclusive.

DUNBAR MILLS LTD. Annual General Meeting, Calcutta, 29th June 1959. Dividend: *Nil*. Transfer books will remain closed from 22nd to 29th June 1959, both days inclusive.

ELGIN MILLS LTD. Annual General Meeting, Kanpur, U.P., 29th June 1959. Dividend: Re. 0.75 per share. Transfer books will remain closed from 13th to 29th June 1959, both days inclusive.

JYOTI LTD. Annual General Meeting, Baroda, 29th June 1959. Dividend: 12 per cent. or Rs. 12.00 per share, payable on or after 16th July 1959. Transfer books will remain closed from 19th to 29th June 1959, both days inclusive.

BOWREAH COTTON MILLS CO., LTD. Annual General Meeting, Calcutta, 29th June 1959. Dividend: *Nil*. Transfer books will remain closed from 22nd to 29th June 1959, both days inclusive.

HARINAGAR SUGAR MILLS LTD. Annual General Meeting, Bombay, 30th June 1959. Transfer books will remain closed from 23rd June to 7th July 1959, both days inclusive.

POOBONG TEA CO., LTD. Annual General Meeting, Calcutta, 3rd July 1959. Dividend: *Nil*. Transfer books will remain closed from 24th June to 3rd July 1959, both days inclusive.

BHARTIA ELECTRIC STEEL CO., LTD. Annual General Meeting, Calcutta, 7th July 1959. Dividend: Re. 1.25 per share. Transfer books will remain closed from 23rd June to 7th July 1959, both days inclusive.

KAMARHATTY CO., LTD. Annual General Meeting, Calcutta, 10th July 1959. Transfer books will remain closed from 1st to 10th July 1959, both days inclusive.

KANKNARRAH CO., LTD. Annual General Meeting, Calcutta, 10th July 1959. Dividend: *Nil*. Transfer books will remain closed from 6th to 10th July 1959, both days inclusive.

RADIO AND ELECTRICALS LTD. Annual General Meeting, Madras, 10th July 1959. Dividend: 7½ per cent. Transfer books will remain closed from 27th June to 10th July 1959, both days inclusive.

NEW GREAT INSURANCE CO. OF INDIA LTD. Annual General Meeting, Baroda, 11th July 1959. Dividend: Rs. 2.00 per share. Transfer books will remain closed from 25th June to 11th July 1959, both days inclusive.

BISRA STONE LIME CO., LTD. Interim dividend of 87 nP per ordinary share, for the year ended 31st March 1959. Transfer books will remain closed from 15th to 29th June 1959, both days inclusive.

COMPANY REGISTRATIONS

PIARELAL AND SONS PRIVATE LTD. (First Director: Mr. Piarelal Talwar.) Business: Importers, exporters and stockists of all kinds of irons, steel products etc. Authorised capital: Rs. 50,00,000. Private company. Address: 6, Mirza Street, Bombay.

STEEL GUILD PRIVATE LTD. (First Director: Mr. B. O. Valia.) Business: Iron founders, mechanical engineers, etc. Authorised capital: Rs 50,00,000. Private company. Registered office of the company will be situated in the State of Bombay.

SUMANI PRIVATE LTD. (First Director: Shrimati Manibai Lalitkumar Khatau.) Business: Importers, exporters, manufacturers and dealers in merchandise goods etc. Authorised capital: Rs. 5,00,000. Private company. Address: 6, Laxmi Buildings, Ballard Road, Bombay.

SYNOPSES OF COMPANY REPORTS

Arvind Mills Ltd.

THE directors of the above Company (Managing Agents: Messrs. Narottam Lalbhai and Co., Ahmedabad) present the audited accounts of the Company for the year ended 31st December 1958.

The profit for the year after providing Rs. 17,61,276 (Rs. 18,54,118) for depreciation and development rebate and Rs. 47,00,000 (Rs. 33.60,000) for tax provision amounts to Rs. 18,61,954 (Rs. 14.89,807). The interim dividend at Rs. 12.50 (Rs. 12.50) on 60,000 (40,000) ordinary shares for the year 1958 absorbed Rs. 7,50,000 (Rs. 5,00,000) leaving a balance of Rs. 11,11,954 (Rs. 9.89,807). Adding thereto the balance brought forward from the previous year's account of Rs. 28.706 (Rs. 21.163 including Rs. 6,339 being surplus of preference share dividend account of 1956) there is a total amount of Rs. 11,40,660 (Rs. 10,11,420). From this amount the directors recommend payment of dividends as follows:

To the payment of the final dividend of Rs. 15.50 (Rs. 22.50 including a bonus of Rs. 10.00 per share) per ordinary share, income-tax free, on 60,000 (40,000) ordinary shares for the year ended 31st December 1958 absorbing Rs. 9,30.000 (Rs. 9,00,000); to the payment of a dividend on 5,250 5 per cent. cumulative preference shares for the year ended 31st December 1958 (less income-tax) absorbing Rs. 17,981 (Rs. 17,981); to the payment of a dividend on 10,500 4½ per cent. cumulative preference shares for the year ended 31st December 1958 (less income-tax) absorbing Rs. 32,367 (Rs. 32,367); to the payment of a dividend on 5,250 4½ per cent. 'B' class redeemable cumulative preference shares for the year ended 31st December 1958 (less income-tax) absorbing Rs. 16,183 (Rs. 16,183) and to the payment of a dividend on 5,250 4½ per cent. 'C' class redeemable cumulative preference shares for the year ended 31st December 1958 (less income-tax) absorbing Rs. 16,183 (Rs. 16,183) leaving to be carried forward to next year's account Rs. 1,27,946 (Rs. 28,706).

During the year under review, the one factor which has contributed for satisfactory results is cheaper cotton. If this factor had not so operated, the results would not have been as favourable because of a steep rise in the wages and the prices of stores and chemicals.

The Government revised the scale of excise duties three times during the year and it was hoped that these measures would help the revival of the demand and the industry would be able to turn the corner. Unfortunately, owing to rising food prices, these expectations have failed to materialise. The burden of the excise duties, however, is much higher than the levels of 1955-56 though the cloth prices have dropped to pre-1955 levels.

The country has been passing through difficult times particularly in reference to the availability of the foreign exchange, with the result that foreign cotton has been scarce and the Company was forced to rely on Indian Cotton in order to keep the mills working.

The Company had ordered the Spinning and Weaving Machinery for which the Government of India had given the licence last year. Orders have been placed for the machinery and it is expected that the additional plant will go into production sometime by the middle of 1960.

Further progress was made on the mills' reorganisation and renovation programme during the year. A sum of Rs. 15,41,552 was spent on extension of buildings and installation of new machinery and equipment.

The installed capacity of the mills is 62,448 ring spindles, 3,964 doubling spindles and 1,216 looms with complete dyeing, bleaching and printing plants.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	86,25,000	Gross block	2,34,46,771
Reserves ...	2,86,91,444	*Less*—Depreciation ...	1,24,21,342
Provision for taxation ...	45,17,552		
Liabilities ...	47,39,091	Net block ...	1,10,25,429
Profit ...	1,27,946	Stock-in-trade	51.81,737
		Stores, etc.	29,15,087
		Debts, deposits and advances ...	73,42,574
		Investments	1,17,82,527
		Cash ...	84,53,619
Rs.	4,67,01,033	Rs.	4,67,01,033

Binod Mills Co., Ltd.

The directors of the above Company (President: Mr. Lalchand B. Sethi, Indore) present the audited accounts of the Company for the year ended 31st December 1958.

The profit before charging depreciation and bonus (if any) amounts to Rs. 9,11,806 (Rs. 8,19,095). To this is added the net credits relating to previous years of Rs. 17.987 (*nil*) making a total of Rs. 9.29,793 (Rs. 8.19.095). The provision for depreciation amounts to Rs. 7.97.266 (Rs. 6.84,352) leaving a balance of Rs. 1,32,527 (Rs. 1,34,743). Adding to this the balance brought forward from the previous year of Rs. 82.676 (Rs. 1,07.933) there is left an amount of Rs. 2,15,203 (Rs. 2,42,676). To this is added the amount transferred from general reserve of.

This amount is part of Rs. 6.00,000 provided for taxation from out of the taxed undistributed profits for 1956, and transferred to general reserve in 1957 on being found surplus to requirements Rs. 4.00,000 (Rs. 3,00,000 transferred from dividend equalisation fund) making a total of Rs. 6,15,203 (Rs. 4,42,676 after transferring to investment reserve Rs. 1,00,000). The directors have transferred to development rebate reserve Rs. 2,31,272 (*nil*) leaving an available balance for disposal of Rs. 3,83,931 (Rs. 4,42,676). Out of this sum, the directors recommend the declaration of a dividend at Rs. 6 (Rs. 6) per share, free of income-tax, absorbing Rs. 3,60,000 (Rs. 3,60,000) leaving to be carried forward Rs. 23,931 (Rs. 82,676).

Taxation: Income-tax assessments have been completed for the Company's accounting years upto and including 1953. Appeals against some of the completed assessments have not yet been heard. The provision for taxation as at 31st December 1958 stands at Rs. 4.69,415. The Company has made advance payments under Sections 18A and 23 (b) amounting to Rs. 6,75,277. The Company is liable to wealth tax for the accounting years 1956, 1957 and 1958, this liability being estimated at approximately Rs. 1,60,000. Looking to the carryover of losses and unabsorbed depreciation of past years, the directors are of the opinion that even after meeting the liability in respect of wealth tax, the balance on the provision for taxation account will be adequate to meet the Company's income-tax liabilities in respect of all accounting periods upto the balance-sheet date.

As reported last year, the Cotton Textile Loan Advisory Committee has now recommended the grant of a loan of Rs. 13,38,029 to the Company by the National Industrial Development Corporation on the security of the fixed assets of the Binod Mills Unit. The matter is under consideration.

Working Results: As reported last year, the unfavourable conditions in the cloth market prevailed throughout the year and the Mills were unable to liquidate the huge stocks of cloth bales continuously held in stock. The Company experienced financial stringency with the result that it could not take advantage of the lower rates of cotton in the beginning of the season. However when compared with the working results of the previous year, the Company's working during the year under report was satisfactory.

Home Markets: The cloth market continued to be in a depressed state during the year. The demand for coarse and medium cloth in particular was very slack, and it resulted in huge accumulation of stocks. The directors feel that amongst other reasons, the most important one responsible for the slack demand, has been the changing tastes of consumers. Now-a-days there is greater demand for more processed and better finished goods. The directors have under consideration a plan to install machinery to meet the requirements of the time.

Export Markets: During the year under report, 31,55,113 yds., of cloth was sold in export market by the Company of the total value of Rs. 15.17,688. As reported last year, in spite of best efforts, export sales could not be increased. However, due to the recent introduction of some Cotton Textile Export Promotion Incentives Schemes, the Company have so far sold in 1959 31,00,000 yds. in export, and further efforts are being made to increase export sales, the benefit of which would be derived in the form of import of cotton, dyes and chemicals, and machinery.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	41,30,000	Gross block	1,31,55,296
Reserves ...	39,43,859	*Less*—Depreciation ...	90,97,861
Provision for taxation ...	9,84,972		
Liabilities ...	83,49,274	Net block ...	40,57,435
Profit ...	25,810	Other assets	1,71,077
		Stock-in-trade ...	50,29,795
		Stores, etc.	15,20,964
		Debts, deposits and advances ...	62,93,501
		Investments	1,49,923
		Cash ...	2,11,220
Rs.	1,74,33,915	Rs.	1,74,33,915

Rajalakshmi Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. B. Rangaswamy Naidu and Co., Uppilipalayam) present the audited accounts of the Company for the year ended 31st December 1958.

After deducting all working expenses and interest and providing Rs. 4,84,626 (Rs. 3,60,992) as depreciation, the year's working has ended in a net loss of Rs. 1,12,878 (profit of Rs. 1,88,328). Out of the income-tax paid for the year 1955, a refund of Rs. 9,354 was received in the year and credited to the profit and loss account. The following further expenses have been incurred in the year of account: Donations and charities Rs. 7,724 (Rs. 2,043), Wealth tax for the years 1956 and 1957 Rs. 47,316 and bonus paid for the year 1956 in excess of the provision made for that purpose Rs. 31,647. After taking into account the said receipt and disbursements, there is a sum of Rs. 1,89,711 (credit of Rs. 1,91,355 including the balance of Rs. 5,070 brought forward from 1956. From this dividend absorbed Rs. 1,49,141 and transfer to machinery replacement reserve Rs. 41,914) to the debit of the profit and loss account. The directors recommend to carry forward the said loss to next year. The directors are recommending the declaration of a tax-free dividend of 6¼ (6¼) per cent. from profits to the preference shareholders, and a tax-free dividend of 6 (9) per cent. from profits to the equity shareholders. An amount of Rs. 1,77,433, the sum required for the payment of such dividends has been appropriated from the dividend equalisation reserve.

Power cut for an appreciable long period, high prices of cotton, low prices of yarn, non-availability in sufficient quantities of foreign cotton and non-availability of staple fibre in sufficient quantities have all contributed to the poor results of the year of account.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	60,00,000	Gross block	1,88,91,451
Reserves ...	40,78,743	*Less*—Depreciation ...	97,18,741
Provision for taxation ...	4,69,415		
Liabilities	1,37,85,224	Net block ...	91,72,710
Profit ...	23,931	Stock-in-trade ...	87,65,770
		Stores, etc.	17,39,897
		Debts, deposits and advances ...	33,05,037
		Investments	12,08,163
		Cash ...	1,65,736
Rs.	2,43,57,313	Rs.	2,43,57,313

Vijaya Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Haridas Achratlal & Co., Ltd., Ahmedabad) present the audited accounts of the Company for the year ended 31st December 1958.

During the year under report, the Company has made a gross profit of Rs. 15,77,315 (Rs. 12,12,567). Deducting therefrom managing agents' remuneration of Rs. 81,612 (Rs. 72,585), provision for depreciation on machinery and buildings Rs. 4.83,307 (Rs. 7,10.304), development rebate Rs. 1,65,358 (Rs. 2,00,824), taxation provision (including provision for wealth tax) Rs. 4,71,000 (Rs. 1,50,000) and donations Rs. 31,928 (Rs. 27,417) there remains a balance of Rs. 3,44,110 (Rs. 78.854). To this is added last year's balance brought forward of Rs. 23,300 (Rs. 59,446) making a total of Rs. 3,67,410 (Rs. 1,38,300). The directors recommend to appropriate above sum as under:—

To dividend (income-tax free) for the year, on 3,500 2nd cumulative preference shares of Rs. 100 each at 4 per cent. absorbing Rs. 14.000 (Rs. 14,000 by transfer from general reserve), to dividend (subject to income-tax) for the year, on 2,800, 3rd redeemable cumulative preference shares of Rs. 100 each at 4½ per cent. absorbing Rs. 12,600 (Rs. 12.600 by transfer from general reserve), to dividend (income-tax free) for the year, on 7,000 ordinary shares of Rs. 500 each at Rs. 35 (Rs. 35) +Rs. 5 (Rs. 5) as bonus totalling Rs. 40 (Rs. 40) per share, absorbing Rs. 2,80,000 (Rs. 2.80,000 by transfer from general reserve), to gratuity reserve Rs. 25,000 (*nil*) and to charity account Rs. 10,000, leaving a balance of Rs. 25,810 (Rs. 23,300 after placing Rs. 1,00,000 to general reserve fund Rs. 5,000 to doubtful debt reserve fund and Rs. 10,000 to charity account. The dividends for 1957 were paid out of a sum of Rs. 3,06,600 transferred from the general reserve fund) to be carried forward to next year's account. It will be observed that a sum of Rs. 1,24,019 equal to 75 per cent. of the total development rebate of Rs. 1,65,358 has been transferred to development rebate reserve as per the provisions of the Income-tax Act and balance of Rs. 41,339 equal to 25 per cent. of the total sum, has been transferred to development and rehabilitation reserve account as per past practice. No provision for additional depreciation has been made in the total depreciation provided for the year under report as the period for allowing the same has not been extended by the Finance Act, 1959.

The Company has made the provision of bonus for the year 1958 in the expenditure, according to the past practice, even though there is no bonus pact in existence.

During the year under report the cost of production had gone up due to increase in dearness allowance and prices of colours and chemicals used in the manufacture and also of fuel, whereas the prices realised in the sales of cloth were low in view of the depressing conditions of the market during June to December 1958, in comparison with the cost of production. Due to these factors the working of the Company was adversely affected.

During the year there is an addition of Rs. 8,42,697 in the fixed capital expenditure of the Company. This expenditure includes mainly the cost of 81 *Texmaco* plain looms, chainless cloth mercerising machine, caustic recovery plant and *Cezoma* rewinding machine, etc.

The mill has worked for 2 shifts during the year. There are, in the mills, 41,056 ring spindles and 780 looms along with necessary processing machinery.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,00,000	Gross block	1,39,02,837
Reserves ...	1,02,99,525	*Less*—Depreciation ...	79,95,503
Provision for taxation ...	1,35,000		
Liabilities ...	65,54,158	Net block ...	59,07,334
		Stock-in-trade	64,44,357
		Stores, etc. ...	14,54,104
		Debts, deposits and advances ...	47,47,150
		Investments	7,28,184
		Cash ...	2,07,554
Rs.	1.94,88,683	Rs.	1,94,88,683

Tide Water Oil Co. (India), Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October 1958.

The accounts show a profit after charging all expenses, of Rs. 2,17,272 (Rs. 2,76,256) of which provision for taxation requires Rs. 1,23,000 (Rs. 1,70,000) leaving a balance of Rs. 94,272 (Rs. 1,06,256). With the balance brought forward from last year of Rs. 68,892 (Rs. 57,636) there is a total amount available for appropriation of Rs. 1,63,164 (Rs. 1,63,892). The directors have transferred to development rebate reserve Rs. 2,504 (*nil*) and paid an interim dividend of 50 (50) naye Paise per share absorbing Rs. 30,000 (Rs. 30.000). The directors now recommend payment of a final dividend of Re. 1.00 (Re. 0.75) per share amounting to Rs. 60,000 (Rs. 45,000) leaving a balance to be carried forward of Rs. 70,660 (Rs. 68,892 after providing Rs. 20,000 for bad and doubtful debts) Rs. 8,060 (Rs. 11.500) has been provided for wealth tax by a transfer of this amount from special reserve.

The Company has had a satisfactory year in spite of the present restrictions on the issue of import licences for lubricating oils and greases. With India's present shortage of foreign exchange, it is not possible to obtain licences for all requirements, and the Company's prospects mainly depend on the Government's future licensing policy.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block ...	2,38,199
Reserves ...	9,35,944	*Less*—Depreciation ...	1,74,917
Provision for taxation ...	1,03,693		
Provision for wealth tax ...	6,400	Net block ...	63,282
Liabilities ...	39,73,898	Goodwill ...	2,00,000
Profit ...	70,660	Stock-in-trade	30,98,543
		Debts, deposits and advances ...	19,85,607
		Investments ...	2,166
		Cash	3,40,997
Rs.	56,90,595	Rs.	56,90,595

Belvedere Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts, after charging all expenses and writing back provision against sales tax in respect of previous years show a profit of Rs. 6,29,414 (Rs. 59,388) of which provision for taxation including Rs. 18,500 in respect of previous years requires Rs. 58.000 (*nil*) leaving a net profit of Rs. 5,71,414 (Rs. 59.388). From this amount the directors have transferred to general reserve Rs. 3,00,000 (*nil*) and to development rebate reserve Rs. 2.285 (*nil*) leaving a balance of Rs. 2,69,129 (Rs. 59,388). The balance brought forward from the last year was Rs. 6,111 (Rs. 1,330) making a total available for distribution of Rs. 2,75,240 (Rs. 1,25,111) including Rs. 64,393 being provision against anticipated loss on jute for the previous year written back). An interim dividend was declared on 1st December 1958, on ordinary shares at Rs. 2.50 (*nil*) per share which absorbed Rs. 70,000 (*nil*). The directors now recommend payment of final dividends on preference shares at Rs. 7.00 (Rs. 7.00) per share absorbing Rs. 49.000 (Rs. 49,000) and on ordinary shares at Rs. 5.00 (Rs. 2.50) per share absorbing Rs. 1,40,000 (Rs. 70,000) leaving a balance to be carried forward of Rs. 16,240 (Rs. 6,111). Wealth tax for the year is estimated to amount to Rs. 31,000 (Rs. 29,000) and this has been provided for by transfer of this sum from general reserve.

In accordance with the working time agreement of the Indian Jute Mills Association the mill worked 48 hours per week with 12½ per cent. of the total looms sealed during the period to which the accounts pertain. From the 2nd March 1959, a further 1½ per cent. of the looms have been sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Gross block	97,77,435
Reserves ...	28,98,408	*Less*—Depreciation ...	54.82,559
Provision for taxation ...	55,384		
Provision for wealth tax	31,162	Net block ...	42,94,876
Liabilities ...	24,76,462	Stock-in-trade	25,71,329
Profit ...	16,240	Stores, etc. ...	10,70,467
		Work-in-progress ...	2,52,717
		Debts, deposits and advances ...	6,85,116
		Investments	74,728
		Cash ...	28,423
Rs.	89,77,656	Rs.	89,77,656

Indo-Burma Petroleum Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Steel Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The profit for the year, after charging items relating to previous years and providing for depreciation, was Rs. 50,39,616 (Rs. 53,50,967) to which must be added the balance of Rs. 1,06,640 (Rs. 67,682) brought forward from 1957 and a sum of Rs. 15,92.379 (*nil*) which has been transferred from taxation provision account. This past provision has been freed as a result of the completion during the year of a considerable number of outstanding assessments in India and Pakistan dating back to the year 1948-49 and of the successful conclusion of substantial taxation appeals. The resulting total Rs. 67,38.635 (Rs. 55,07,213 including Rs. 88,564 being provision for legal expenses written back) is reduced to Rs. 25,68,489 (Rs. 23,55,578) by the following:—To provision for the current year's taxation Rs. 31,26,862 (Rs. 30.43,054), to provision for terminal gratuities to local staff Rs. 5,00,000 (*nil*), to net transfer to development rebate reserve Rs. 43.294 (Rs. 1,08,581) and to transfer to general reserve Rs. 5,00,000 (*nil*). The usual dividends on preference shares have absorbed Rs. 2,39,750 (Rs. 2,48,938) (net), while the Interim dividend of Re. 1 (Re. 1) per share which was paid on the ordinary share capital on 28th November 1958. accounted for a further Rs. 10,00,000 (Rs. 10,00,000). The directors recommend payment of a final dividend of Re. 1 (Re. 1) per share on the ordinary share capital which will absorb Rs. 10,00,000 (Rs. 10,00,000) and that the sum of Rs. 3,28,739 (Rs. 1,06,640) be carried forward to 1959.

Sales of products in India and Pakistan showed a small decline as compared with 1957, but improved in Burma. Restrictions on the sale of kerosene in India were unavoidably imposed by Government during the second half of 1958, but these restrictions have since been relaxed.

The margin of profit on sales in India was lower as a result of The Mineral Oils (Additional Duties of Excise and Customs) Act 1958.

The test well being drilled in Lancashire to which reference was made in last years report has still to reach the estimated completion depth.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50.00.000	Gross block	99,60,109
Reserves ...	1,50,18,285	*Less*—Depreciation ...	51,30.823
Provision for taxation	35.49.080		
Liabilities	1,09.23.352	Net block ...	48.29.286
Profit ...	3,28,739	Stock-in-trade	14,04,603
		Stores, loose tools, etc.	13,59,890
		Debts, deposits and advances ...	74.70.060
		Investments	2.43.02.003
		Cash ...	54,53.614
Rs.	4,48,19,456	Rs.	4,48,19,456

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

FOR SALE

Valuable Coffee Estates in Shevaroys—Stanmore, Brook Lands and Moulvie Estates, the property of Messrs. Short Bros. (Private) Ltd. Planted area 513 acres of Arabica coffee. Reserve land 339.53 acres. Crop estimate for season 1959-60—150/165 tons. Price required Rs. 12 lakhs or near offer. No brokers.

For particulars and conditions of sale apply to:

Messrs. KING AND PARTRIDGE

Solicitors

"Regal House," McLean Street, Madras-1.

Notices

THE KATAKHAL-LALA BAZAR RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-eighth Annual General Meeting of the Members of The Katakhal-Lala Bazar Railway Company, Limited, will be held at No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 29th day of June 1959, at 4-05 p.m., for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1958, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. O. N. Goenka, the Director retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution:—

"That Mr. C. Hockley be and is hereby appointed a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation."

The Share Transfer Books of the Company will be closed from 15th June 1959 to 29th June 1959, both days inclusive.

By Order of the Board,

McLEOD & Co., LTD.,

C. L. BAJORIA,
Director,
Secretaries and Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA-1, *5th June* 1959.

Note:—1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.

2. Payment of the proposed Dividend, if declared, will be made on or after 20th July 1959 only to those members whose names are registered in the Books of the Company on 29th June 1959, or to their Mandatees.

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

EXPLANATORY STATEMENT

Mr. C. Hockley who was appointed by the Board as an Additional Director in November 1958, vacates office at this Annual General Meeting under Article 113 of the Company's Articles of Association and Section 260 of the Companies Act, 1956. The resolution set out in item No. 5 of the above Notice is intended to effect the appointment of Mr. Hockley as a Director of the Company liable to retirement by rotation.

THE INDO-BURMA PETROLEUM COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Preference Register of Members of the Company will be closed from the 22nd June 1959 to 1st July 1959, both days inclusive, for the purpose of payment of the dividend for the half-year ending 30th June 1959 on the 2nd July 1959.

By Order of the Board,
STEEL BROTHERS & COMPANY LTD.,
Managing Agents.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA, *6th June*, 1959.

Notices

SHREE GOPAL PAPER MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Next Annual General Meeting of the Shareholders of the Company will be held at its registered office at 12, India Exchange Place, Calcutta on 27th June 1959, at 11 a.m., to transact the following business. Your presence in the meeting is requested.

AGENDA

1. To receive the Directors' Report and to pass the audited accounts of the Company for the year ended 31st December, 1958.
2. To declare Dividends.
3. To elect Directors in place of those who retire.

   Messrs. H. P. Poddar and R. P. Agrawal, Directors of the Company being longest in office, retire by rotation, and being eligible offer themselves for re-election. S. B. Mohan Singh and Shri R. S. Khemka who were co-opted on the Board of Directors of the Company on 14th August 1958 also retire under Section 260 of the Companies Act and being eligible offer themselves for election.
4. To appoint Auditors and to fix their remuneration.

   The present Auditors, Messrs. Price, Waterhouse, Peat & Co., retire and are eligible for re-appointment.
5. *Special Business*:—

   To consider and if thought fit to pass the following resolutions with or without modification as Special Resolutions:—

   (*a*) "That pursuant to Section 314 of the Companies Act 1956 the Company hereby consents to Dewan Dina Nath who is proposed to be nominated on the Board of the Company by the Managing Agents, continuing to hold an Office of Profit as a Director of the Company."

   (*b*) "That the Directors of the Company be and they are hereby authorised to take on rent such portion or portions of premises No. 25, Brabourne Road, Calcutta, belonging to Messrs. Indian City Properties Ltd. as may be necessary for the purposes of the Company either exclusively or in common with one or more of their allied companies on the terms and conditions as to rent and air-conditioning levy as set out in the explanatory notes hereto according to the areas occupied exclusively and in case of areas occupied in common as above, such proportion of rents and air-conditioning levy payable for the area so occupied as the Directors of the Company may agree with the said other companies from time to time."

   (*c*) "That the contracts between the Company and the Managing Agents for the purchase and sale of the following shares at the rates noted against their names be and are hereby approved and confirmed:—

PURCHASES

Name of the Share	*No. of shares*	*Purchase rate*	*Date of purchase*
Karamchand Thapar and Bros. (Coal Sales) Ltd.	1,000	Rs. 106	31st January, 1958.

SALES

Name of the Share	*No. of Shares*	*Sale rate*	*Date of sale*
United Collieries Ltd...	8,000	Rs. 10	18th March, 1958."

6. To transact any other business that under the Articles may be transacted at the Annual General Meeting.

Note: (i) The Share Transfer Books of the Company will be closed from the 17th to 27th June, 1959, both days inclusive.

(ii) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy who need not be a member to attend and vote instead of himself.

(iii) The Explanatory notes of the above resolutions have been sent to the shareholders along with the notice of the Meeting. It can be inspected at the Registered Office of the Company at 12, India Exchange Place, Calcutta, during usual office hours on any working day.

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

CALCUTTA, *2nd June*, 1959.

THE KALIGHAT-FALTA RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fiftieth Annual General Meeting of the Members of the Kalighat-Falta Railway Co., Ltd., will be held at 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 29th June 1959, at 4-00 p.m. for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1958, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. T. K. Basu, the Director retiring by rotation at the Meeting.
3. To appoint Auditors and fix their remuneration.

   AS SPECIAL BUSINESS
4. To consider and, if thought fit, to pass the following resolution:—

   "That Mr. C. Hockley be and is hereby appointed a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation."

The Share Transfer Books of the Company will be closed from 15th June 1959 to 29th June 1959, both days inclusive.

By Order of the Board,
THE KALIGHAT-FALTA RAILWAY CO., LTD.,
J. R. HOLLANDER,
Director.

3, NETAJI SUBHAS ROAD,
CALCUTTA-1, *3rd June* 1959.

Note:—A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.

EXPLANATORY STATEMENT

Mr. C. Hockley who was appointed by the Board as an Additional Director in November, 1958, vacates office at this Annual General Meeting under Article 113 of the Company's Articles of Association and Section 260 of the Companies Act, 1956. The resolution set out in item No. 4 of the above Notice is intended to effect the appointment of Mr. Hockley as a Director of the Company liable to retirement by rotation.

HERCULES INSURANCE COMPANY LIMITED

(*Incorporated in India*)

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH ANNUAL GENERAL MEETING of the Hercules Insurance Company Limited will be held at the Registered Office, 16, Hare Street, Calcutta, on Friday the 10th July 1959, at 4 p.m., for the purpose of:

1. Considering the Accounts, Balance Sheet and the Reports of the Board of Directors and Auditors for the year ended 31st December, 1958.
2. Declaring a Dividend.
3. Appointing Directors in the place of those retiring. And, in this connection, notice is hereby given that Special Notices as defined in Section 190 of the Companies Act, 1956, have been received by the Company under Section 281 of that Act to move the following resolutions at the meeting.

   "That Sir Badridas Goenka, the Chairman of the Company, who has attained the age of 75 years and is retiring at this meeting, be and he is hereby re-appointed a Director of the Company and the age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to him."

   "That Rai Bahadur Moongtu Lall Tapuriah, a Director who has attained the age of 72 years and is retiring at this meeting, be and he is hereby re-appointed a Director of the Company and the age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to him."
4. Appointing Auditors and fixing their remuneration.

   AS SPECIAL BUSINESS
5. Sanctioning the payment of Rs. 32,150 to the Directors as their fees for services rendered during the year ended 31st December, 1958.

The Share Transfer Books will be closed from the 1st July to the 10th July 1959, inclusive.

By Order of the Board,
E. K. SRINIVASAN,
Managing Director.

CALCUTTA, *5th June*, 1959.

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

2. The dividend when declared will be paid only to those shareholders whose names appear on the Company's Register as on the 10th July 1959.

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

Item 3.—Sir Badridas Goenka has been connected with the Company almost from its inception, first as a Director then as Chairman and your Directors recommend that the Company should continue to have the benefit of Sir Badridas' long experience and guidance which have been of great value to the Company by his re-appointment as a Director.

No other Director is interested in this resolution.

Rai Bahadur Moongtu Lall Tapuriah has been a Director of the Company since 1938. His long experience has been of great value and the Directors recommend that the Company should continue to have the benefit of his advice by his re-appointment as a Director.

No other Director is interested in this resolution.

Item 5.—Under Section 309(1) of the Companies Act, 1956, shareholders' sanction is necessary for payment of fees to the Directors. The sum of Rs. 32,150 is computed on the same scale as in previous years, namely:

	Rs.
At Rs. 200 p.m. per Director for 12 Directors of whom Mr. Lokumal Kishinchand was up to 24th April, 1958	27,150
Extra for the Chairman and Deputy Chairman at Rs. 2,000 each per annum	4,000
Extra for Investment Committee constituted by the Chairman and Deputy Chairman at Rs. 500 each per annum	1,000
Total ...	32,150

The Directors are interested only to the extent of the fees receivable by each.

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED

(*Incorporated in India*)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 30th June 1959, to the registered holders as at that date, half-yearly interest due on the Preference shares at the rate of 6 per cent. per annum.

Preference Share Transfer Books will be closed from 26th June to 30th June 1959, both days inclusive.

By Order of the Board,
ASPINWALL & Co. (TRAVANCORE) LTD.,
V. C. THOMAS,
Managing Agents.

ALLEPPEY, *6th June* 1959.

GILT-EDGED FIRM

(*From Our Own Correspondent*)

BOMBAY, *10th June*

Conditions in the short-term money market have become still more comfortable than a week ago, thanks to the gradual falling off in demand for bank credit and the return of funds that had been lent by them. Banks are, therefore, less keen on borrowing fresh money from the market. In the inter-bank section, lenders continue to predominate, with business in call money going on at the lower rate of 3½ per cent. among the Exchange banks and big Indian banks. Some banks are, however, unwilling to lend at less than 3½ per cent. The rate among the smaller Indian banks has declined from 3½-3¾ per cent. to 3½ per cent. House money at seven days' notice is being quoted at the self-same rate of 3¾ per cent. and short-term deposits for one to six months at 3½ to 4 per cent.

The response to Treasury Bill sales, however, continues to be lukewarm, the amount offered this week being no more than Rs. 2.37 crores, as against Rs. 2 crores called for. Tenders at Rs. 99.305 were allotted about 84 per cent. Lower tenders were rejected. The average rate of accepted tenders was unchanged at 2.780 per cent. per annum, to which level it had declined last week from 2.790 per cent. Tenders for next week are unchanged at Rs. 2 crores. There were no sales of Intermediate Bills during the week ended 6th June. But they will be offered this week at the same rate of 99.321 per cent. as in the previous week.

After a break of three weeks, the Reserve Bank of India statement for the week ended 5th June 1959 shows an expansion of Rs. 16.78 crores in notes in circulation. Notes held in the Banking Department are lower by Rs. 18.93 crores, the resulting drop of Rs. 2.15 crores in total notes issued is covered by a corresponding fall in rupee coin. Foreign securities are again unchanged, but there has been a further drain of Rs. 1.09 crore in balances held abroad, bringing the total foreign exchange reserves down to Rs. 197.92 crores. Deposits of the Central Government have declined by Rs. 18.70 crores and those of other Governments by Rs 2.78 crores. Loans and advances to Governments are also lower by Rs. 1.87 crore, while other loans and advances show a rise of Rs. 2.06 crores. Investments have been enlarged by Rs. 9.62 crores, but Government Treasury Bills purchased have declined by Rs. 9.55 crores.

The Scheduled Banks' statement for the week ended 29th May 1959 discloses a fall of Rs. 1.67 crore in demand deposits and an increase of Rs. 6.38 crores in time deposits. Inter-bank borrowings, too, have gone up by Rs. 4.38 crores, while borrowings from the Reserve Bank are lower by Rs. 7.47 crores. There has been a further drop of Rs. 5.20 crores in advances and of Rs. 2.42 crores in bills purchased and discounted. The recent improvement in Gilt-edged securities, thanks to institutional support, is reflected in the rise of Rs. 10.19 crores in banks' investments. There has been a contraction of Rs. 5.58 crores in cash balances and an increase of Rs. 3.63 crores in money at call and short notice.

With only a fortnight to go for the announcement of the terms of the new Central Government loans, the Reserve Bank has started grooming the market. Today, it stopped sales of four loans, namely, 3½ per cent. 1967, 3½ per cent. 1968, 3½ per cent. 1974 and 4 per cent. 1972. This, together with the institutional demand for short and medium dated loans, has pushed up prices of securities all-round, the extent of rise ranging from 5 nP to 10 nP. The volume of business done is not commensurate with the demand, in view of scarcity of stocks and paucity of sellers. 4 per cent. and 4½ per cent. State loans are also in demand, but business is small.

3 per cent. 1986 Conversion Loan is being maintained at Rs. 73.75, while 3 per cent. 1970-75 has hardened by 10 nP to Rs. 91.50. A similar rise is noted in 3 per cent. 1966-68 at Rs. 94.10, in 3 per cent. 1963-65 at Rs. 96.90 and in 3 per cent. 1959-61 at Rs. 99.90. 2½ per cent. 1960 is marked up by 5 nP to Rs. 99.20 and 2½ per cent. 1961 by 10 nP to Rs. 97.50. 3½ per cent. 1962 has gathered 10 nP to Rs. 99.25 and 3½ per cent. 1961 5 nP to Rs. 100.15. 3¼ per cent. 1963 and 1964 have each risen by 5 nP to Rs. 100 and Rs. 99.85, respectively. 3¼ per cent. 1965 has advanced by 10 nP to Rs. 99.70. Following the stopping of sales by the Reserve Bank, 3½ per cent. 1967 has shot up today by 10 nP to Rs. 99.20 and 3½ per cent. 1968 to Rs 99.10. 3½ per cent. 1974 is up by 5 nP at Rs. 98.90 and 4 per cent. 1973 by 5 nP at Rs. 101.60.

There has been a slight weakening of the rupee in terms of the U.S. dollar, in consonance with the trend of sterling abroad. Banks' selling rate of ready dollars has gone up from Rs. 475.75 to Rs. 476 per $100 and their buying rate from Rs. 472.50 to Rs. 472.75 per $100. In New York, spot sterling has declined from 281.22-281.25 cents to 281.15-281.18 cents and three months' forward after an earlier improvement from 281.06-281.09 cents to 281.18-281.22 cents, has dipped to 281.07-281.10 cents.

OFFTAKE OF HIDES SLOW

(*From Our Own Correspondent*)

MADRAS, *8th June*

There was no change in the hides and skins market during the week under review. Owing to staggered inquiries for shipment business, prices were slightly weak. Sellers were making offers on a liberal scale which was not conducive to keep the market steady. Arrivals were small and offtake by shippers slow on account of the local prices being higher than those ruling for shipment. There were several bales of inferior fifths cow at low prices to the U.K.

The tanned goat skins ruled quiet and middle class sheep skins weak.

Shipments during May 1959 were: To the U.K.: 3166 bales tanned cow hides, 355 tanned cow calf, 22 tanned buff hides, 306 tanned buff calf, 491 tanned goat and 492 tanned sheep skins; to the Continent: 23 bales tanned cow hides, 53 tanned cow calf, 146 tanned buff calf, 608 tanned goat and 321 tanned sheep skins; to the U.S.A.: 69 bales tanned cow hides, 9 tanned cow calf skins, 134 tanned buff hides, 344 tanned buff calf, 162 tanned goat and 4 tanned sheep skins; to Japan: 2 bales tanned goat skins and 245 tanned sheep skins.

BULLION QUIETLY STEADY

(*From Our Own Correspondent*)

BOMBAY, *10th June*

The bullion market depicted a distinctly easy trend during the first three sessions of the week under review, but picked up strength on Monday which persisted yesterday and today also, except that there was a slight reaction towards the close. The earlier easiness was due to rumours that imports of silver coins from Tibet would be resumed, reports of large arrivals of contraband gold, and unhelpful advices from Delhi and Calcutta. Consequently, selling ensued and both the metals suffered a setback. The second half of the week witnessed a distinct recovery induced by bull support and short-covering. The market opened today on a firm note, but developed a sagging tendency later. As compared with last week's closing rates, forward settlements in both gold and silver, as well as spot gold were higher as at the close today, while spot silver was lower by As. 12. The undertone of the market at the time of writing is quietly steady.

One of the suggestions made at the third Five-year Plan seminar of professors associated with planning forums in colleges and universities of Bombay State held at Poona this week related to gold hoarded by people. The opinion expressed was that gold hoards should be deposited with the Government on condition that it would be returned to them after ten years. This suggestion, however, did not have any effect on the market.

June settlement in gold encountered selling and moved down from Rs. 118-6-6 to Rs. 117-2 on Monday. Thereafter, it recovered to touch Rs. 119-3 today before finishing at Rs. 119. July settlement, after declining from Rs. 117-0-6 to Rs. 115-14, rose to Rs. 117-7, but closed easy at Rs. 117-4. Throughout the week, bulls in the June settlement continued to pay a margin of Rs. 25 per tola, since the backwardation rate (*budli* in favour of bulls) for this settlement was more than a rupee; it stood at Re. 1-12 today, as against Re. 1-6 last week.

Ready gold receded from Rs. 119-13-6 to Rs. 118-2 on the 8th inst. After recovering subsequently to Rs. 120-7, it finished lower at Rs. 120-4 today. The daily average arrivals of gold were 3,800 tolas, while the offtake was 3,000 tolas. The floating stocks are reported to be around 15,000 tolas.

In the silver section, June settlement opened the week at Rs. 192-3, as against Rs. 192-10, and declined to Rs. 191-0 on Saturday. It gradually recovered thereafter to touch Rs. 193-5 early today, but sagged to Rs. 192-14 towards the close. July settlement, which stood at Rs. 191-15 at the close of last week, eased in the first three sessions to Rs. 190-3. It, however, moved up in the later sessions and saw Rs. 192-7 today before finishing at Rs. 191-15. The backwardation rate for June settlement, which had narrowed down from Re. 1 to As. 11 last week, widened again this week and stood at As. 15 today.

Ready silver came in for selling and retreated from Rs. 194-10 to Rs. 192 on the 6th inst. It recovered subsequently to Rs. 194-5 today, but finished easy at Rs. 193-14. The daily average arrivals and offtake of silver were 15 bars and 11 bars, respectively. The floating stocks are estimated at 400 bars.

Ready and forward silver in the London bullion market were both unchanged throughout the week, at 78½d. and 78¾d. per ounce, respectively. Silver in New York was also unaltered at 91.375 cents per ounce. Ready gold hardened from 249s. 8½d. to 249s. 9½d. per ounce, owing to continued easier trend of the pound sterling *vis-a-vis* the dollar. The latest available dollar rate for gold in London is $35.11-$35.13, as against $35.09½-$35.11½ a week before.

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

	10-6-59	Highest	Lowest	3-6-59
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	120 4	120 7	118 2	119 13½
Forward*	119 0	119 3	117 2	118 6½
Sovereign	78 0	78 4	78 0	78 4
SILVER				
Ready (.996 fine Mint) ..	193 14	194 5	192 0	194 10
Forward†	192 14	193 5	191 0	192 10
	9-6-59			2-6-59
London Silver Ready ..	78¼d.	..	..	78¼d.
London Forward	78¼d.	..	..	78¼d.
London Gold	249s. 9½d.	249s. 9½d.	249s. 8d.	249s. 8½d.
New York Silver ..	91.375c.	..	..	91.375c.

* 22nd June settlement. † 23rd June settlement.

COTTON FUTURES TURN BEARISH

(*From Our Own Correspondent*)

BOMBAY, *10th June*

The downward trend in cotton futures noted towards the close of last week gathered further momentum during the week under review. In fact, there was a thorough change in the market sentiment which turned distinctly bearish. This was market, favourable rain in the growing regions mainly due to a pronounced easiness in the spot and sharp break in cotton values in Ahmedabad. These factors touched off a wave of bull liquidation. Leading spot houses and Akola and Ahmedabad operators also sold heavily. Values consequently suffered a sharp setback. News from the piecegoods market indicating a slackening of business, thanks to the start of the rainy season and the prospects of larger imports of cotton, following the recent liberal quota, imparted further weakness to the market. Even the tight supply position of cotton and considerations of delay, which is inevitable in importing cotton, failed to have any effect on the market. Cotton futures succumbed to heavy selling and lost as much as Rs. 17 per candy over the week.

I.C.C. Jarilla August opened the week on Thursday at Rs. 701.75, as against the previous close of Rs. 704.50 and reacted to Rs. 692.75 towards the close of the day. It steadily declined in subsequent sessions to touch the level of Rs. 688.75 yesterday. Commencing today's session at Rs. 688 the contract improved fractionally to Rs. 688.50 before receding to finish at Rs. 687.25.

In the spot section, mills, having covered a good part of their requirements, were keeping off the market. Obviously none will take the risk of buying in a declining market. The sharp break in prices towards the tail end of the season unnerved mills, especially those which had purchased cotton at higher prices in the past few weeks. Nevertheless, they comforted themselves that this was a passing phase and that the tight supply position would soon assert itself. Most of the buyers adopted a wait-and-watch attitude. Needy mills, however, took advantage of the fall in prices and purchased such popular varieties as Laxmi, Jaydhar, Vijay, Berar and Kalyan.

Export demand for cotton was less keen than in the previous week and prices generally came down. Top quality Bengals continued to be in short supply and available lots commanded handsome premium. Other exportable varieties were neglected.

There was a revival of interest in Sudan cotton and substantial quantities were booked by many prominent Bombay and Ahmedabad mill groups. Sudan XG45 was done at Rs. 1,330 for June-July shipment and XG25 at Rs. 1,380. Some Ahmedabad mills were interested in U.S. growths and business was put through in California G.M.1 5/32" at prices ranging from Rs. 1,150-1,165. East African and Tanganyikan cotton also attracted attention. B.P. 52 was done at Rs 1,320-1,335. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 715; Berar Jarilla 700; Khandesh 850; Laxmi 990; Jaydhar 900.

Conditions in the Karachi cotton market remained practically unchanged from last week. In the absence of any new development trading interest was low. Transactions were few and far between. Prices remained virtually unchanged at last week's levels.

The final estimate of Pakistan's cotton for the present season puts the crop at 1,540,000 bales (of 392 lbs.), as against 1,666,000 bales last season. The acreage under cotton this season declined by about 7 per cent. as compared with last season. Inadequate and irregular supplies of canal waters at the time of sowing in West Pakistan were said to be the main reason for the drop in production.

Firm conditions prevailed in the Alexandria cotton futures market during the week. Nearby and distant positions of both the long-staple Karnak and medium-staple Ashmouni advanced. The strength of the market is attributed to the raising of the export price discount on old crop to 35 per cent. Spot values also hardened. Foreign demand, consequently, tended to fall off. The following are the latest available quotation—in tallaris per lb.—from Alexandria, the figures in brackets being last weeks closings:

Karnak: July 75.30 (73.95) November 74.45 (73.70). *Ashmouni*: June 68.75 (67.55) August 67.45 (67.00). New crop is reported to be developing satisfactorily although in lower Egypt, it is a bit late. Irrigation water is said to be adequate and weather favourable.

A divergent trend was witnessed in the Liverpool cotton futures market during the week. While the old crop months were a shade easy, on mill hedging, and lower New York advices, new crop attracted speculative support from the commission houses. Sudan cotton contracts in Liverpool were weak, thanks to lower Khartoum advices. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: July-August 23.30; October-November 21.45; December-January 21.30; March-April 21.25.

American cotton mixed growth contract: July-August 23.30; October-November 22.05; December-January 21.55; March-April 21.55.

Sudan: July-August, September-October; November-December 27.50.

In quiet and featureless trading cotton futures showed a sagging tendency in New York. Traders were generally inclined to await Washington developments on farm legislation seeking to put a ceiling on price support loans. Old crop July

managed to attract some buying, thanks to the steady decrease in certified cotton stocks and the higher price realised on exports sales by the C.C.C. Scattered trade support for nearby October and December was not sufficient to absorb hedge selling in these positions.

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

(In cents per lb.)

	9-6-59	2-6-59	26-5-59
Spot	36.20	36.25	36.25
July	34.84	34.65	34.67
October	32.48	32.61	32.58
December	32.52	32.59	32.55

SUGAR BEARISH

(From Our Own Correspondents)

BOMBAY, 10*th June*

The sugar market ruled bearish during the week under review, with prices moving downward. Traders were inclined to believe that there would not be any undue rise in sugar values in Bombay City during the coming festival days. In fact, some feel that prices may actually be lower than at present. This view is based on unconfirmed rumours that the Central Government has almost finalised a scheme for ensuring an equitable distribution of sugar to consumers in Greater Bombay and the scheme is expected to come into force sometime next week. It will be recalled that, last week, Mr. B. B. Ghosh, Secretary to the Union Food Ministry, and Mr. K. B. Jain, another top official in the Ministry, were in the City to study the sugar situation. The salient features of the scheme are:

The Union Food Ministry will ask the Government of Bombay to ban exports of sugar from the municipal limits of Greater Bombay.

The co-operative factories in the State will be directed to despatch to the City about 3,200 tons of sugar which will be distributed by the Government to over 5,000 Grain Dealers' Federation and co-operative consumers' societies in the City for being sold at a price not exceeding Re. 1.05 per *seer* (2 lbs.).

The joint-stock company sugar mills will be made to despatch to the City every month at least 3 per cent. of their annual output; they will be specially asked to see that the sugar reaches the consumer at Re. 1.05 per *seer*.

Arrivals of sugar by rail into the City during the week were quite large. They aggregated 14,120 bags, as against 5,900 bags in the previous week.

Over the week, large grain sugar fell by Rs. 3 to Rs. 119-124 per bag. Medium grain dropped Rs. 2 to Rs. 116-118. Small grain was done at Rs. 115, as against Rs. 115-117.

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HAPUR, 8*th June*

After bullish activity in the past several weeks, sugar prices eased slightly during the week under review, thanks to revision in the official sugar policy under which the entire production of sugar is at Government's disposal for direct allotment. Sentiment was also affected by larger free sale quota. Wholesale sugar trade here is being licensed and arrangements are being made to sell sugar at controlled prices. Sugar eased here by about Rs. 3 per bag to Rs. 112 per bag but were still higher than the controlled prices.

Steady to firm conditions were witnessed in the Muzaffarnagar sugar markets, due to good demand from consuming centres. Business was done for Punjab and Rajasthan and only few mills were sellers in the market and the prices there were still at a premium of Rs. 3.75 to Rs. 5 a maund over the controlled prices fixed by the Government. The latest prevailing prices there were:—Bijnore D29 Rs. 39-12; Lhaksar B29 Rs. 41-10; Mansurpur C29 Rs. 41-6; Dhampur D29 Rs. 40; Rohana B29 Rs. 41-10; Sakoti D29 Rs. 40-12.

Sugar hardened further in the Kanpur market on renewed demand. The prevailing prices, ex-mill, were Rs. 38 to Rs. 41 per maund and spot prices Rs. 114-8 per bag.

Khandsari ruled quiet, as demand slackened slightly. The prevailing prices were: *khandsari* superior Rs. 37 to Rs. 40; inferior Rs. 35 to Rs. 37.

Ready *gur* ruled quiet during the week. Arrivals out of stocks retained by producers are still very heavy at an average of 500 maunds, which are being readily lifted for outside despatch and local stocks of *kotha* dry-wet quality are also fast dwindling and are now put at 68,000 maunds, the corresponding figure last year being 130.000 maunds. The condition of the cane crop is reported to be fair, but much would depend on the coming rainy season. The prevailing prices were: *pansera* Rs. 21 to Rs. 21.37, *shakker* Rs 22.50 a maund.

Gur improved towards the week-end in the Muzaffarnagar market on Gujerat support. Daily arrivals still averaged about 1,000 maunds and local stock was put at 300,000 maunds, as against only 80.000 maunds a year before. Total arrivals of *gur* and *shakker* in the Muzaffarnagar market during the season were about 1,550,000 maunds this year, as against 940,000 maunds last year. The latest prevailing prices were:—*Chaku* Rs. 22.50 to Rs. 23; *kotha* wet-dry Rs. 21.50 to Rs. 22; *ladu* Rs. 21.50 to Rs. 22; *rusket khurpapar* Rs. 14.50 to Rs. 15; *ladu* Rs. 15 to Rs. 16; *shakker dara* Rs. 21 to Rs. 23; *masala* Rs. 25 to Rs. 27.

Forward trading in *gur* will be resumed at Hapur and Agra in the near future.

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 10*th June*

Easy conditions continued to prevail in the yarn market during the week under review. Art silk yarns came in for some selling induced by renewed fears of heavy arrivals of imported yarn in the next few weeks against past purchases made under the old export promotion scheme for art silk fabrics. Traders are disappointed at the delay in the Government of India announcing the modified scheme, although more than a fortnight has elapsed since the Union Minister for Commerce and Industry revealed at Bangalore that the Government "is preparing a modified scheme; this is almost ready and it will not take a long time." In sympathy with art silk yans and owing to unsatisfactory reports from consuming centres, staple fibre yarns also encountered selling. Cotton yarns ruled dull in the absence of any encouraging development. Some scarcity was, however, felt in counts such as 26s and 32s due to the continuation of strike in the Madura Mills in South India, with the result that the prices of these counts tended to look up.

Imports of art silk yarn into Bombay Port during the month of May 1959 aggregated over 3.80 million lbs. Imports of synthetic yarn were 246,233 lbs. and staple fibre yarn 82,384 lbs. During the same month, exports of cotton yarn from Bombay Port amounted to 518,675 lbs.

Cupressa Bamberg yarn (60 x 1) June contract receded from Rs. 1,416 to Rs. 1,412 per bale of 200 lbs. August contract (new packing of 100 kilograms (220 lbs.)) dropped Rs. 6 to Rs. 1,582. Spot Cupressa eased by 6 nP to Rs. 7.03. 150 Japan declined by 5 nP to Rs. 4.65. 120 Japan was a shade better at Rs. 4.71. 120 Italy was well supported and hardened by 6 nP to Rs. 4.81. 150 Italy gathered 3 nP to Rs. 4.59. Among indigenous yarns, National Rayons 150 bright cones 1st grade shed 3 nP to Rs. 4.22, while 120 bright cones 1st grade moved up from Rs. 4.42 to Rs. 4.58.

Staple fibre yarn (40 x 2) June contract suffered a loss of Rs. 3 to Rs. 598. August contract was quiet at Rs. 598. Spot Citys eased by 2 nP to Rs. 3.07 and Centurys by 1 nP to Rs. 3.13. Foreign yarns (80 x 2) Paramounts were unchanged at Rs. 6.94, as also Fujis at Rs. 7.25.

In the cotton yarn section, Podars were dull at Rs. 12.12. Moderns, however, elicited special buying enquiries and picked up 25 nP to Rs. 13.75. Twenty counts Moderns were unchanged at Rs. 16.50. Thirty counts Moderns were keenly bid at Rs. 20.50. Forty counts Moderns dropped 25 nP to Rs. 26.75, but Minaxis spurted by 38 nP to Rs. 25.75. Sixty counts were unchanged, Raghuvamshis being quoted at Rs. 57.50 and Finlays at Rs. 64. Among 80s, Mahendras and Finlays stood at Rs. 71.50 and Rs. 81, respectively, same as last week. Citys met with some support and gained 50 nP to Rs. 66.50.

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

	10-6-59	3-6-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg June (200 lbs.) ..	1,412	1,418
60/1 Cupressa Bamberg August (100 Kg.) ..	1,582	1,588
60/1 Cupressa Bamberg spot (per lb.) ..	7.03	7.09
120 Japan (per lb.)	4 71	4.70
150 Japan (per lb.)	4.65	4.70
120 Italy (per lb.)	4.81	4.75
150 Italy (per lb.)	4.59	4.56
Staple fibre yarn—		
40 x 2 June (per case of 200 lbs.)	583.00	591.00
40 x 2 August (,,)	598.00	598.00
40 x 2 Century (per lb.)	3.13	3.14
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12 12	12 12
20s Modern	16.50	16.50
40s Minaxi	25.75	25.37
60s Raghuvamshi	64.00	57.50
80s Finlay	81.00	81.00

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 10*th June*

Barring groundnut, which ruled more or less steady, the oilseeds market presented a distinctly easy trend during the week under review. Towards the close, the market, however, showed a tendency to recover from the initial setback suffered during the beginning of the week. Indeed, all the sections put up a cheerful appearance yesterday, though they reacted once again today. Groundnut, at any rate, was able to maintain a firm trend, mainly because of the tight supply position in the spot section. The *vanaspati* manufacturers and crushers lent good support even at higher levels. Export demand, too, was fairly good. Castor, in contrast to groundnut, gave way. Shippers turned hesitant, as the U.S. is said to be not interested in commercial oil at prices higher than 14 cents. Substantial arrivals of castorseeds from Gujerat, Kanpur and Bihar further aggravated the decline. Linseed and cottonseed were featureless.

The tight statistical position and report of enquiries for oil from the communist countries enabled the groundnut section to hold its own. The values would have gone higher but for the fear that large-scale hoarding might take place following the early onset of monsoon. Groundnut August contract, which wound up last week at Rs. 199.25, rallied to Rs. 201.25 yesterday, after an initial fall. It, however, closed lower at Rs. 200 today. Bold ready improved from Rs. 42.75 to Rs. 43. Oil ex-mill closed today higher at Rs. 22.00, as compared with Rs. 21.75 a week ago.

As already said, the castorseed section toed a different line. September contract, which closed at Rs. 166.12 last week, fluctuated between Rs. 163.00 and Rs. 165.87, with a bearish undertone, and closed today at Rs. 164.50. Ready Madras lost 38 nP to finish at Rs. 31.62. Oil B.S.S. dropped 12 nP to touch Rs. 17.12.

Linseed lacked support. There were no signs of overseas enquiries for oil. The September contract, which had closed last week at Rs. 34.25, finished today on a quiet note at Rs. 34.06, after moving both ways within a narrow groove during the week under review. Bold ready receded by 38 nP to Rs. 32.87 and oil by 6 nP to Rs. 15.69.

Similarly, the cottonseed section was also dull. The sharp setback in the cotton market did not have any perceptible effect on this section. September contract sagged from Rs. 134 to Rs. 131.50 on Friday. Subsequently, it improved a little to close today at Rs. 133.75.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	10-6-1959	3-6-1959	27-5-1959
	Rs.	Rs.	Rs.
Groundnut			
August 1959	200 00	199 25	198.00
Bold ready	43 00	42 75	41.50
Coromandel ready	43.25	43 00	41.75
Khandesh quality	43 25	43 00	41.75
Oil ex-mill ready*	22.00	21.75	22 00
Railway receipts*	21.87	21.62	21.75
Castorseed			
September 1959	164.50	166 12	169 75
Ready Madras	31 62	32 00	32.75
Ready Kanpur	30 44	30 50	31.37
Oil B.S.S.†	17.12	17.25	17.56
Oil commercial†	16.31	16.50	16.75
Linseed			
September 1959	34 06	34 25	34.44
Bold ready	32 87	33 25	33.50
Oil ready†	15 69	15.75	16 25
Cotton seed			
September 1959	133.75	134 00	137.25
Niger seed	31.75	32 00	32.25
Kardi seed	24.25	24.50	24.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SETBACK IN TEA

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

COCHIN, 5*th June*

A larger quantity of 1.25 million pounds was offered in Sale No. 21, which was held on 2nd inst. Teas offered in this sale showed a further seasonal decline, particularly amongst the low grown teas. Most of the high grown teas were light in cup and lacking quality. The market opened to a fair demand, but weakened as the sale progressed. Prices were generally easier for all descriptions. Low medium and mediums were easier by 10 to 15 nP. Good mediums met with only a fair enquiry and sold at 15 to 20 nP below last rates. Fannings grades, however, met with better support than broken grades. There was a useful enquiry for clean black fannings which were firm. High grown teas continued to meet with poor support and were much easier—in particular broken grades under this category were difficult to sell and there were heavy withdrawals. A small quantity of tippy teas sold well at dearer rates. The quotations were: low medium Re. 1.65 to Re. 1.80; medium Re. 1.75 to Re. 1.90; good medium Rs. 2.00 to Rs. 2.15 and quality Rs. 2.10 to Rs. 2.70.

Dust Sale 'M':—450,000 lbs. were offered in this sale which was held on 4th inst. There was a good demand for all descriptions at easier rates. Medium dusts met with a useful enquiry and sold at 5 nP below last rates. Low medium and better descriptions were easier by 5 to 10 nP. There was a renewal of demand for black export-able types, but these shared in the market drop. C.T.C. dusts met a better enquiry at slightly lower rates.

London Market: Sale of 1st June 1959.—Quiet opening, fully firm later.

Sale of 2nd June 1959.—Good demand. Best irregular.

Colombo Market: Sale of 1st June 1959.—Opened good demand, weakened progressively thereafter, consequently full benefit of 35c. reduction in export duty largely discounted by quality decline and weaker demand. Highgrown and medium prices up 10 to 15c. Lowgrowns 20 to 25c. dearer.

Sale of 2nd June 1959.—Offgrades strong demand. Prices generally advanced full 35c. reduction expired duty. Useful liquoring, fannings and dusts particularly advanced greater amounts.

Calcutta Market: Export.—10,000 chests Darjeeling sale B. Fair but selective demand weakening towards close with some withdrawals.

Internal.—Fair demand 21,236 chests on offer. Market opened up to 4 to 6 nP easier. Medium C.T.C. irregularly 10 nP easier. Best C.T.C. neglected.

Export Quota 1959-60.—The market is quiet with sellers at 4 nP and no buyers.

Special Licence 1958-59.—The Government of India has extended the period of validity of 1958-59 special licence up to 30th June 1959. This news has brought some activity in the market and special licence moved up to 1½ nP and a large quantity of business was transacted at this price. However, at present the market has eased and business has gone through at ¾ nP.

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

"*Sale* 22:—1,700,000 lbs. Fair demand, weakening towards the close. Low mediums and mediums 10 to 15 nP easier. Good mediums 15 to 20 nP. Highgrown brokens neglected. All fannings continue in good demand."

POOR DEMAND FOR NEW SEASON'S TEA

(From Our Own Correspondent)

CALCUTTA, 9*th June*

The new season's first regular export sale was held yesterday. Contrary to earlier optimism springing from the fact that the 1958 crop had been exhausted much earlier than usual, fully easy conditions were in evidence. Prices gave way, and in several cases they were so much below valuations, as withdrawals were heavy. The quality of the offerings was poor. Naturally, therefore, buyers on behalf of Great Britain paid only little attention.

Offerings during yesterday's sale No. 1 amounted to 31,703 chests. As stated, demand was poor and prices gave way on a wide front. Legg-cut teas eased by 30 to 40 nP below valuations leading to heavy withdrawals. The few bright liquoring teas from the Cachar and the Dooars received attention of buyers, but prices were 20 to 30 nP below brokers' valuations. Here again, there were withdrawals. Assam teas of orthodox manufacture were extremely quiet, bright liquoring C.T.C. teas sagging by 40 nP. Whole leaf grades had buyers at rates which were 20 to 30 nP lower. Darjeelings also shared in the decline, following a decline in quality. The price in this variety was lower by 30 nP. There were no quotations, as sales were restricted to only very few representative teas.

Transferable special export licence changed hands at ¼ nP. The same price was realised in non-transferable shipping licence. In export rights 1959-60 business was done at 3 nP.

The Government of India has announced the extension till 30th June of the period of validity of special export licences issued during 1959. Note was also taken of the good demand during last week's sales in London, where in a mixed sale of several growth including North Indian, prices were well maintained.

During last week's internal sales held here, dusts on offer amounting to 21,156 chests met with fair demand at easier rates. Best C.T.Cs received no attention, and a portion of medium C.T.Cs was withdrawn even after the price had declined by 10 nP. Orthodox teas eased by 6 nP. The quotations, excluding excise duty, were: medium Assam C.T.C. Re. 1.80 to Rs. 2.05, best Assam C.T.C.—not quoted, medium Assam grainy Re. 1.64 to Re. 1.70, and medium Dooars Re. 1.68 to Re. 1.72.

Business was done in transferable special export licence at 1 nP, while there were no buyers for non-transferable shipping licence which was on offer at ¾ nP. There was no business in 1959-60 export rights, the price of which was firm at 4 nP against the offer of 3 nP by buyers.

About 14,000 chests would be on offer tomorrow in Chittagong during this season's first internal sale in Pakistan.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 9*th June*

There was good business done in hessian and sacking constructions against both export and bazar-covering, and, as a result, steadier conditions were in evidence in the jute goods market during the week under review. In raw jute also, prices, though improved only fractionally, were fully steady, and there was a visible increase in the business done with mills. Reports of good condition of the crop continued to be forthcoming from most jute districts, and there were again widespread rains. The monsoon is now expected to break out in this part of the country within a day or two. These pre-monsoonish showers as experienced in the last two weeks have done immense good to the standing crops, and such abundance of rain in May has been a rare experience in recent years. The monsoon is itself heralding much earlier than last year. These factors have only confirmed earlier expectations of a higher crop, and during this week mills showed greater interest in new crop.

However, not much business could be put through in the new crop, in view of a dispute over the contract form for transferable specific delivery in both raw jute and jute goods introduced from 1st June by the East India Jute and Hessian Exchange. Up to 31st May these contracts had been transacted through the Indian Jute Mills' Association, but from 1st June the E.I.J.H.E. is the only authorised agency through whom these contracts could be done. The new form is practically the form which was in use by the I.J.M.A., but some minor changes have been made. According to the new form, mills can reject the fibre if moisture content is 4 per cent. or more, as against 3 per cent. in the form in use up to 31st May. Most Indian mills have accepted the new form, and have done business in this week. However, mills in the membership of the I.J.M.A. have yet to come to a decision on the clause increasing the moisture content. However, it was noted here that the 4 per cent. is in accord with the contract for *pucca* bales as in vogue with the London Jute Association. In view of this, it is likely that the I.J.M.A. mills will soon resume business under the new contract.

By and large, it was noted that more and more business was developing in the goods section, and figures relating to stock were keenly awaited. Buyers on behalf of the United States made a beginning by entering the market and showed interest in specialities. Subsequently, business was put through and the prices paid were high, in view of shortage in these goods. China was in the market for ready B. twills and some business was reported. Following this, prices of heavy goods registered marked improvement which was, however, checked by profit-taking. There was covering business done in several other sacking constructions. Despite all these, the trade was getting worried at the rate of production, which was more than what could be absorbed. Viewed thus, there was the feeling in trade circles that mills should transfer more sacking looms to hessian.

On Tuesday last, there were reports of a forthcoming tender by the Government. This was soon followed by business with Chinese buyers. There were also overseas enquiries for hessian. In addition, fair activity was reported in the futures market. The cumulative result was the gain in the price of ready B. twills to Rs. 93.55 from Rs. 93.35, and ready hessian 40" 10 oz. to Rs. 41.30 from Rs. 41.20. On Wednesday, B. twills jumped by a rupee to Rs. 94.40 following some interest shown by overseas buyers leading to covering business. In sympathy, hessian 40" 10 oz. hardened to Rs. 41.35. This was soon followed by more business in sacking goods on Thursday. China was a principal buyer in B. twills and Cuban twills. The closing price on that day was Rs. 94.75 for B. twills, but the uptrend had been checked earlier by profit-taking. In fact, by closing time hessian 40" 10 oz. had receded to Rs. 41.35. At this stage, activity in the futures market was bearish, but there was covering business done in Cubans and green heavy Cees. B. twills were unchanged at Rs. 94.75 on Friday with hessian 40" 10 oz. moving down fractionally to Rs. 41.30. Covering business over the week-end was substantial, and nearly most constructions in heavy goods were involved. B. twills gained to Rs. 95.20 and hessian 40" 10 oz. to Rs. 41.35. Earlier yesterday, conditions were steady following the announcement of May-end stock figures of goods with mills. Although hessian increased by 1,800 tons, sacking registered a welcome fall by 6,800 tons. Miscellaneous goods were lower by 1,000 tons. The news of the overall decrease by 6,000 tons did not have full play in quotations, since there were rumours of a move by mills to unseal a portion of looms. With the result, B. twills declined to Rs. 94.80 and hessian 40" 10 oz. to Rs. 41.

The improvement in the gunny market was reflected in fibre prices. Daisee bottoms improved to Rs. 23 from Rs. 22.75, and northern bottoms to Rs. 20.25 from Rs. 20, both old crop for June-July delivery. Response by mills to offers was satisfactory. New crop offers could not be finalised in several instances, in view of dispute over some clauses in the new contract form for forward deliveries. The quotations for the outstanding 1958-59 crop against June-July delivery are as follows:

	Middles	Bottoms
Indian:	Rs.	Rs.
Northern	23.25	20.25
Assam Upper ...	24.00	21.00
Cuttack	25.00	22.00
Desal	22.50	19.50
Murshidabad	21.00	18.50
Jungli	21.00	18.50
Daissee selected ...	25.50	23.00
Uttar Pradesh ...	21.00	18.50
Daissee mesta ...	21.50	19.00
Bimli f.a.q.	Rs. 19.00	

WORLD TIN EXPORT QUOTA RAISED

(From Our Own Correspondent)

CALCUTTA, 9*th June*

The feature of trading in the metal market during the week under review was the modest recovery in electrolytic zinc, following good demand. Tin, however, suffered a setback, thanks to fairly satisfactory stock position. Copper scrap also declined not because of any improvement in the stock position but due to the availability of permits to consumers from the State Trading Corporation. Lead, though unchanged, was firm.

From Rs. 225, utensils scrap eased to Rs. 220, and, at Rs. 235 per cwt., clean wire scrap recorded a similar recession. There was hardly any scrap available, but the decline was the result of considerable improvement in virgin copper stocks with the S.T.C. and quicker release of supplies to permit-holders.

On the London Metal Exchange (L.M.E.), spot copper opened at £240½, and, by Saturday last, gradually declined to £236½. The decline followed reports hinting at the possibility of imminent sales of metals from the U.S. stockpiles, particularly copper. Over the week-end, these reports were denied at Washington. The earlier rumours had also depressed the price in New York. Although these reports were denied by officials at Washington, on the 5th, the price at £236½ on the next day was lower by £2½ per ton as compared with 5th June.

Tin opened at Rs. 565 per cwt. and gradually lost to Rs. 560, while, on the L.M.E., the price improved to £787 per ton from £785½. The later improvement occurred despite the decision of the International Tin Council to increase the producing countries' export quota by 2,000 tons to 25,000 tons in the quarter ending September. The increase in quota is considered insignificant as compared to the rise in industrial activity in consuming countries, and, as a result, the anticipation is that the increase would be absorbed without creating any glut in supplies in importing countries. World consumption of tin has shown an increase and, if this trend continues, it is believed that the spare output capacity in the mines will be put to use. Further, in the event of an undue rise in prices, the Buffer Stock Manager will release periodical quantities from his stocks which stood at 23,000 tons. Note is also taken of the announcement following the meeting of the Council at Copenhagen that the U.K. will be releasing about 2,500 tons from its stockpile through the Buffer Stock Manager. There is also the announcement that the U.S.S.R. has agreed with the Council to regulate its tin sales in the six months to December next.

Electrolytic zinc AZ improved from Rs. 96.25 to Rs. 98 per cwt., owing to good demand. There was a further improvement in the stock position following imports by the S.T.C. On the L.M.E., the price fell to £76¾ from £77¾ per ton. Virgin lead was firm here at Rs. 73 per cwt., although business passing was negligible. Stocks were comfortable. In London, the price fell from £70½ to £69¾ per ton.

WHEAT STEADY, RICE QUIET

(From Our Own Correspondent)

HAPUR, 8*th June*

Steady conditions continued to prevail in the foodgrains market during the week under review. Despite the State Government's persuasion, arrivals of *rabi* grains were meagre and non-arrivals of wheat in markets have created crisis in the different markets of the State and the chances of early arrivals of wheat do not appear to be bright. While the U.P. Government is determined to go forward with its levy scheme for the next one year at controlled prices, the cultivators are reluctant to bring their produce into market, anticipating better prices later. The State Food Minister has claimed that the hostility of the trading community has been overcome through a series of measures taken recently. Till the end of May, the State Government had procured 76,000 tons of rice, 6,000 tons of wheat and about 5,000 tons of coarse grains. The Government aims at purchasing 50,000 tons of coarse grains from open market and, for this purpose, it has recently enhanced the procurement price of gram from Rs. 11.75 to Rs. 12.50 and of barley from Rs. 10 to Rs. 11 a maund, but, as the prevailing prices are still higher, no purchases on Government account have been made here.

Wheat at Hapur continued to rule steady in the open market to be quoted now at Rs. 18.50 to Rs. 20 per maund, as against the Government purchase price of Rs. 13 to Rs. 15 per maund. Wheat is not openly reaching the market, but daily arrivals—at an average of 50 to 100 maunds—are being lifted in private by consumers at prices higher than the Government purchasing prices. The Government purchases were almost *nil*.

Rice ruled quiet during the week, thanks to better supply position. The prevailing prices on Monday were *basmati sela* Rs. 33 to Rs. 36; *mainpuri* Rs. 22.37; *raimunia* Rs. 27; *gadda* Rs. 22.50 per maund.

Gram continued to reach here from the Punjab in fairly heavy quantity and prices ruled quiet, due to slack demand in the face of increasing stocks. Barley and *bejhar* were mostly unchanged, while *guwar* and *jowar* were steady with good demand for seed purposes. The week-end prevailing prices (in rupees per maund) were:—gram 13.62; barley 13; *bejhar* 12.50 to 13.12; *jowar* 13.50 to 15.50; *guwar* white 15.50; black 12; *bajra* 14 to 15.50.

Peas ruled quietly steady during the week. Arrivals averaged 1,000 to 1,500 maunds daily and local stocks aggregated 41 *khatties*. *Arhar* attracted good demand from grinders for *dal* and improved fractionally during the week. Arrivals averaged 500 maunds and local stock was 22 *khatties*. The latest prevailing prices (in rupees per maund) were:—peas *dara* 12.62; farm 13.25 to 14; peas *dal* 14.12; *arhar* 18.37; *arhar dal* 22.50 to 23.50; *urd* 19.25; *moong* 20.50 to 22.50; *massoor* 15.25 to 19.25.

LINSEED DECLINES

(*Messrs. A. Bradley & Co.*)

CALCUTTA, 8*th June*

A reaction appears to have set in the linseed market. Prices have continued to decline during the week, following improved offers from upcountry centres. Crushers on the whole are rather hesitant, showing interest only at lower prices. The daily turnover is fair. The oilcake market is dull and little fresh business has been reported, with £33 offered unsuccessfully for export. There has been a decline of about Re. 1 in the oil market, mainly for early delivery, and prices for forward delivery have also eased slightly. The undertone is quiet, with only meagre local enquiries.

The latest available quotations are: Ready-June Rs. 22.87 and July-August Rs. 23.37 per maund.

COMMERCE AND INDUSTRY

(*Concluded from page* 997)

to come in close contact with the economic and commercial life of Japan and to view its plea in proper light.

The Contracting Parties have decided to convene a tariff conference commencing in 1960. The scope of this conference will be to cover (*a*) negotiations among Contracting Parties for new concessions; (*b*) re-negotiations with the member-States of the European Common Market with regard to adjustments to be made in the Common Tariff to make up for changes in rates bound under the G.A.T.T., (*c*) any re-negotiations of concessions in the existing schedules which Governments intend to undertake before the end of the current three-year period of firm validity and (*d*) negotiations with countries invited to negotiate in order to facilitate their accession to the G.A.T.T. The proposed conference will be held in two phases. The first phase, scheduled to last up to the end of 1960, will be concerned with the negotiations on the first two of the aforesaid items. Negotiations relating to the two other items will be held during the second phase, opening in January 1961. This tariff conference is expected to strengthen and stabilise further the foundations of the G.A.T.T. as an effective instrument for realising the cherished hope of a multilateral trading system.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 5th June, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,04,36,000
(2) Other Governments	13,17,22,000
(b) Banks	74,01,71,000
(c) Others	119 91 86,000
Bills Payable	16,10,26,000
Other Liabilities	52 57,97,000
Rupees	441,83,48,000

ASSETS	Rs.
Notes	13,93,25,000
Rupee Coin	1,99,000
Subsidiary Coin	2,86,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	74,99,000
Balances held abroad*	19 91,38,000
Loans and Advances to Governments†	32,22,34,000
Other Loans and Advances	63 20 45,000
Investments	298 32 34,000
Other Assets	13,43,88,000
Rupees	441,83,48,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 3,81,04,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,93,25,000	
Notes in circulation	1755,42,97,000	
Total Notes issued		1769,36 22 000
Total Liabilities		1769,36,22,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		127,82 68,000
Government of India Rupee Securities		1345,76,62,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1769,36,22,000

State Bank of India

Statement of Affairs for the week ended 5th June 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		523,32,62,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		10,14,05,000
Bills for Collection being Bills Receivable as per contra		1,61,22,000
Acceptances, Endorsements and Other Obligations per contra		1,43,29,000
Other Liabilities (including Inter-Office Adjustments)		5,90,72,000
Total Rs.		555,04,40,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		25,61,41,000
Balances with other Banks		2,55,70,000
Money at Call and Short Notice		2,60,00,000
INVESTMENTS:		
Government and other Trustee Securities	302,33 95,000	
Other Authorised Investments	10,46,00,000	312,79,95,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	180 85,29,000	
Bills Discounted and Purchased	13,56,01,000	194,41,30,000
Bills Receivable being Bills for Collection as per contra		1,61,22,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,43 29,000
Premises less Depreciation		1,23 00,000
Furniture and Fixtures less Depreciation		1,06 83,000
Other Assets (including Inter-Office Adjustments)		11,71,70,000
Total Rs.		555,04,40,000

State Bank of Pakistan

Statement of Affairs for the week ended 29th May, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	85,12,16,000
(b) Provincial Governments	3,48,01,000
(c) Banks	28,59,23,000
(d) Others	4,93,89,000
Bills Payable	43,54,000
Other Liabilities	14,26,80,000
Rupees	142,83,63,000

ASSETS	Rs.
Notes	13,09,93,000
Rupee Coin	70,000
Subsidiary Coin	41,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	30,00,000
Balances held outside Pakistan*	28,92,04,000
Loans and Advances to Governments	9,45,00,000
Provincial Governments' Debtor Balances	9,38,33,000
Other Loans and Advances	2,07,98,000
Investments	70 16,63,000
Other Assets	9,42,56,000
Rupees	142,83,63,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,09 93,000	
Notes in circulation	338,27,77,000	
Total Notes issued	....	351,37,75,000
Total Liabilities	....	351,37,75,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion	23,37,59,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	117,82,89,000
B. Rupee Coin	4,64,22,000	
Government of Pakistan Securities	223,00,58,000	
Internal bills of exchange and other commercial paper	....	227,64,80,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	351,37,75,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 35 13 per cent.

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept. 1939 (pre-war)	29th May, 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1738.65	1752 35	1751.11	1587.78
Notes held in Banking Department	35.05	32 87	18 83	27.53	27 87
Foreign Securities	59.50	178 01	178 01	178 01	209 68
Rupee Securities	37.39	1345.77	1345.77	1350 81	1157.62
Banking Department					
Deposits of:					
Government of India	14.39	71.74	54.40	53 28	59 12
Other Governments	..	15.96	17.79	22.44	19 98
Balances held abroad	10.06	21.00	24.30	25.21	32.75
SCHEDULED BANKS					
Demand Liabilities	134.36	749.19 (28.42)†	746 67 (24 23)†	739.95 (21.13)†	746.49 (17 36)†
Time Liabilities	102.24	1012 59 (26.55)	1006 02 (26 36)†	994.36 (24 90)†	793 04 (15 91)†
Borrowings from Reserve Bank	..	10 52 (3.33)‡	17 98 (6.52)‡	29.11 (10.47)‡	16 07 (14.05)‡
Borrowings from State Bank	..	8 82	8 07	9.13	5 99
Cash in India	6.70	44.32	43.73	43.16	38.96
Balances with Reserve Bank	25.17	69.42	75.60	81.23	74 50
Excess over statutory limits	15.52	11.71	18.15	24.35	21.32
Balances with other banks in current account in India	..	13.45	13.78	13.82	11.97
Money at call and short notice in India	..	39.06	35.43	31.16	55.09
Investments (at book value)	..	635.10	624.91	623.67	478 05
Advances and bills	105.9	1011.46	1019.08	1021.07	923.51
STATE BANK					
Deposits	87.76	527.94	525 04	524.27	420 52
Investments	51 99	313.83	303 55	301.83	206 56
Advances	80 35	198.15	190 50	201.43	194.77
Cash	14.69	29.05	31 00	39.24	29.24

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	23rd April 1959	5	4½
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	.. .. ..	5.30	5.15
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	23rd April 1959	4½	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3.50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	29th May 1959	3	3½§
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.
§ Pertains to five of the Federal Reserve Banks.

Scheduled Banks*

Statement of Affairs for the week ended 29th May, 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	23 41,59,000
(ii) Other demand liabilities	720,77,06,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	26,55,30,000
(ii) Other time liabilities	986,03,53,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	8,27,13,000
(ii) Time liabilities	55,00,000
Borrowings in India from the Reserve Bank of India‡	10 51,74,000 (3,32,94,000)
Cash in India	44 32,12,000
Balances with the Reserve Bank in India	69,42,04,000
Balances with other banks in current account in India	13,45,37,000
Money at call and short notice in India	39,05,86,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	635,10,11,000
Advances in India	864,87,44,000
Inland Bills purchased and discounted in India	110,02,93,000
Foreign Bills, purchased and discounted in India	36,55,22,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Average rate of allotment Rs.
1959					
17th March	2.00	2.00	2.00	2.720	99.320
24th March	2.00	2.00	2.00	2 760	99 310
31st March	2.00	2 00	2.00	2.760	99.310
7th April	2.00	2 00	2.00	2.780	99 305
14th April	2.00	2 00	2 00	2 780	99.305
22nd April	2.00	2 00	2 00	2.800	99.300
28th April	2 00	2 05	2 00	2.800	99.300
5th May	2 00	2 25	2 00	2 800	99 300
12th May	2.00	2 00	2 00	2 800	99.300
19th May	2.00	2 40	2.00	2 800	99 300
26th May	2.00	2.15	2 00	2.790	99 300
2nd June	2 00	2.40	2.00	2.780	99.305
9th June	2 00	2.87	2.00	2.780	99.305
Total amount outstanding	26.00	..	26.00	..	..

EXCHANGE RATES

		8th June 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 15/16	1-5 15/16
Sellers T.T. D.D. upto six months	s	1-5 15/16	1-5 15/16
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 mouths	s.	1-6 1/8	1-6 1/8
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476 00	475.75
Buyers T.T.	Rs.	472.50	472 75
London on New York	$	2 8122-2 8124	2 8120-2 8122
London on Paris	Fcs	13 781-13.784	13 781-13.784
London on Berne	Sw. Fcs	12 1310-12 1320	12 1410-12 1425
New York on London	$	2 8121-2.8125	2.8120-2.8123

CLEARING HOUSE RETURNS

Centre	Week ended 5th June 1959 Number of Cheques	Amount Rs.	Week ended 29th May 1959 Number of Cheques	Amount Rs.
Bombay	3,19,143	68,79,07,000	3,34,629	74,90,40,000
Calcutta	1,73,006	70,42,00,000	1,71,000	57 03,00,000
Madras	86,676	11,57,33,765	57,840	10,64 34,876
All Centres—				
1956-57	—	..	40,008,000	37,24,35,00,000
1957-58	—	..	41,672,000	89,54,80,00,000
1958-59	..	—	45,172,000	97,67,12,00,000
Feb., 1959	..	—	3,821 000	8,28,47,00,000
March "	..	..	4,030,000	9,45,59,00,000
April "	..	..	4 128,000	9,23,19,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	23rd May 1959	16th May, 1959	24th May 1958	April 1959	April 1958	Percentage of Increase (+) or Decrease (—) in April 1959 as compared with April 1958	Financial year Average 1958-59	1957-58
Food Articles	504	117 2	117.3 R	108 3	113.1	105 2	+ 7 5	115.2	106.4
Cereals	192	99 5	99 1 R	100 4	99 0	97 2	+ 2 0	106 8	100 9
Pulses	43	97 3	96 9	83 2	96 2	82 4	+17 0	103 9	82.4
Fruits and Vegetables	23	127 8	125 3 R	112 4	121.6	103 0	+12 6	117.0	113.6
Milk and Ghee	84	115 8	116 9 R	109 7	115 0	105 2	+ 9 3	107 3	104 8
Edible Oils	47	131.4	132 2	120 6	125 6	122 8	+ 2 3	124.3	125 5
Fish, Eggs and Meat	17	107 1	107 7 R	105 1	106 9	102 3	+ 4 5	108.4	98 0
Sugar and *Gur*	48	149 9	149 5	119 2	128 0	113 5	+12 7	127.2	103.1
Others	50	158 5	159 6	134 6	150 8	130 7	+15 3	151.3	131 3
Liquor and Tobacco	21	100 3	99.0	92 1	97 5	93 4	+ 4 3	95.4	94 0
Tobacco	—	98 8	97.4	90 3	95 8	91.7	+ 4 3	93 8	92.3
Fuel, Power, Light and Lubricants	30	116 4	116 5 R	115 5	115 6	115 0	+ 0 5	115.4	113 4
Industrial Raw Materials	155	120 0	120 1 R	113 2	116 2	114 2	+ 1 7	115 6	116 5
Fibres	61	109 7	109 2	109 4	108 0	112 1	— 8 5	108 0	117.5
Oilseeds	60	135 0	135 7 R	118 7	127.4	118 7	+ 7 3	127 0	120.4
Minerals	2	103 6	103 6	107 3	101 4*	106.2	— 4 5	106 0	108.4
Others	32	112 5*	112.7*	110 4	111 6	110 2	+ 1 2	109.2	107.7
Manufacture	290	108 4	108 3 R	107 6	108 1	107 7	+ 0 3	108 1	103 2
Intermediate Products	41	108 8	108 5	107 9	108 4	108 9	— 0 4	110 3	107.3
Finished Products	249	108 3	108 3 R	107 5	108 1	107 6	+ 0 7	108.0	108 2
Textiles	147	103 0	103 0	104.5	102.3	105 2	— 2 8	103.2	107.3
Cotton	—	111.6*	111 6*	113 6	110 8*	114 4	— 3.2	111.7	116.2
Jute	—	84.8	84 9	87.2	83.6	88 1	— 5 4	86.5	95.2
Woollen	—	104.2	104 2	104.9	105.2	103 7	+ 1.4	105 6	102 9
Silk and Rayon	—	95.5*	95.5*	92 0	95.7*	92 8*	+ 3.1	93 2	85.7
Metal Products	12	143.3	143 8	143.0	143 3	143 0	—	143.1	141.2
Chemicals	20	107 5	107 5 R	99 1	110 6	99 0	+11.7	106 8	98 4
Oil Cakes	10	140 4	138 9	121.8	139 2	116 9	+19 0	136.0	114 8
Machinery and Transport Equipment	81	106.1	106.1	102.9	106.1	102 8	+ 3.2	103 8	101.7
Others	80	112.9	112.9	114.3	112 9	112.6	—	113.7	110.0
All Commodities	1,000	114 7	114.7 R	108.7	111.9	107.4	+ 4.2	112 9	108.4

NOTE: — Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group Index. R—Revised.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1958-59	1957-58	(In thousand tons) 1958-59	1957-58
Cereals—					
Rice	final	81,590	79 447	29,721	24,885
Wheat	final	....	29,657	....	7,654
Jowar	final	....	41,411	....	8,056
Bajra	final	27,905	27,236	3,791	3,522
Barley	final	....	7,531	....	2,175
Maize	final	10,314	9,819	2,990	3,036
Ragi	final	....	5,897	....	1,716
Small millets	final	....	11,979	....	1,759
Total cereals	final	....	212,977	....	52,803
Pulses—					
Gram	final	....	22,405	....	4,754
Tur	final	....	5,593	....	1,396
Other Kharif pulses§	final	15,506	15,657	1,542	1,390
Rabi pulses‡	final	....	10,820	....	1,665
Total pulses	final	....	54,480	....	9,205
Total foodgrains		....	267,457	....	62,008
Oilseeds—					
Groundnut	final	14,481	14,876	4,816	4,436
Castorseed	final	1,193	1,184	111	89
Sesamum	final	....	5,268	....	363
Rape and Mustard	final	....	6,050	....	905
Linseed	final	....	3,318	....	271
Total oilseeds	final	....	30,696	....	6,064
Fibres—					
Cotton*	final	....	20,158	....	4,753
Jute A.	final	1,827	1,742	5,178	4,052
Mesta A.	final	851	764	1,581	1,291
Other crops—					
Potato	final	....	785	....	1,981
Sugarcane	final	....	5,021	....	64,142 R
Ginger (Dry)	final	....	39	....	14
Pepper (Black)	final	231	231	26	27
Chillies (Dry)	final	....	1,534	....	355
Tobacco	final	....	926	....	252

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. R.= Revised.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	1958	Two months ended February 1958	1959
Exports	637 74	570,56	94,60	87,62
Re-exports	5,11	8 40	2,09	62
Total Exports	642,85	578,96	96,69	88,24
Imports	1025,82	864,18	132,26	126,37
Overall Balance of Trade	—382,97	—285,22	—35,57	—38,13
Exports—				
Tea	123,40	136,54	19,36	14,84
Jute yarns and manufactures	114,87	103,82	16,18	17,11
Cotton yarns and manufactures	68,58	52,63	10,03	9,01
Metallic ores and metal scrap.	49,80	30,35	6,85	5,60
Cotton, raw and waste	18,66	21,20	2,37	3,26
Oils—vegetable, mineral and animal	19,31	12,35	3,38	1,88
Fruits and vegetables	18 60	21,16	2 78	3,54
Tobacco	12 83	16 29	1,12	75
Mica	8,67	9,34	1,35	1,52
Wool and other animal hair	12,93	9,35	1,38	1,75
Gums, resins and lac	8,59	7,16	1,48	1,29
Spices	8,43	8,83	1,84	1.34
Hides and skins, raw	6,99	7,35	90	1,70
Imports—				
Machinery of all kinds	232,97	188,92	37,88	31,07
Iron and Steel	146,98	97,80	18,42	14,70
Oils—vegetable, mineral and animal	113,44	80,23	13,28	10 51
Chemicals, drugs and medicines	76,77	65,28	10,12	10,70
Electrical goods and apparatus	61,14	49,04	9,27	7,85
Vehicles (excluding aircraft, ships and boats)	71,35	52,53	6,70	8,86
Fruits and vegetables	21 27	17,43	4,11	3 57
Cotton raw and waste	48,62	30,66	5,89	3,33
Paper, pasteboard, etc.	13,11	8,26	1,33	1,15
Dyes and colours	13,87	8,76	1,12	1,45
Spices	2,93	2,84	37	74
Woollen and worsted fabrics	1,31	30	8	3
Cotton fabrics	2,37	1,05	20	21

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1959	84.4
	Corresponding month, 1958	88.0
	Ten months ended April, 1959	871.0
	Corresponding period, 1958	878.9
Stocks	At the end of May, 1959	99.4
	Corresponding month, 1958	112.1
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852.9
	1957-58	832.6
	April, 1958	65 9
	April, 1959	65.6
For Internal Consumption	1956-57	179.0
	1957-58	198 0
	April, 1958	18.0
	April, 1959	19.5
	RAW JUTE	(In 000 bales)
Consumption by Mills	April, 1959	490
	Corresponding month, 1958	510
	Ten months ended April, 1959	5,039
	Corresponding period, 1958	5.114
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	8,805.8	7,185.8
1956-57	769	9,877 8	8,103.1
1957-58	834	11,176.9	9,011.1
Dec., 1957	822	953.7	779.7
Jan., 1958	825	973.6	788.1
Feb., "	823	919.7	748 2
Dec., "	811	1,122 5	914 0
Jan., 1959	811	1,156.2	930 2
Feb., "	811	1,074.6	888.5

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period. *Source:*—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13 586	2,265	1,023	219	108	58	207	24	196	427	30	389	52	180
1957-58	14 314	2,389	1,229	214	105	52	219	25	213	503	39	476	47	194
1958-59	14,365	2,655	1,296	206	92	36	221	23	184	483	36	514	46	113
February 1958	12 988	2,172	1,126	191	94	49	203	23	194	454	36	435	46	176
March "	14,314	2,389	1,229	214	105	52	219	25	213	503	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May "	2,439	431	234	40	18	7	28	4	31	88	5	78	4	27
June "	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July "	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August "	5 823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September "	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
January 1959	11,784	2,228	1,083	166	70	30	180	19	151	394	32	422	43	94
February "	13,018	2,431	1,184	186	80	33	201	21	169	433	34	466	45	103
March "	14,365	2,655	1,296	206	92	36	221	23	184	483	36	514	46	113

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

INDUSTRIAL PRODUCTION

Industries.		1958	1957	November 1958	December 1958	January 1959*	January 1958
Major Industries—							
Coal	million tons	45.32	43.50	3.69	4.15	4.09	3.95
Steel (Ingots and Metal for castings)	thousand tons	1,813	1,715	156	165	154	165
Yarn	million lbs.	1,685	1,780	134	156	151	149
Cloth	million yds.	4,927	5,317	377	439	430	437
Cement	million tons	6 07	5 60	0.46	0.52	0.40	0.59
Jute	thousand tons	1,062	1,030	87	97	92	98
Paper and paper boards	thousand tons	253	210	22	23	23	21
Matches§	cases	614,400	578,400	45,100	52,200	52,000	49,700
Sugar	thousand tons	1,957†	2,068	90	355	—	430
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	376 01	250 85	28.99	38.17	—	39.98
Electric lamps	millions	30.42	33 15	2.53	2 83	—	2.61
Dry cells	millions	168.24	166 56	15 12	17.18	14.80	13 18
Power transformers	k.v.a.	1,128,000	1,219.200	79 300	90,100	—	101,300
Electric Motors	h.p.	624,000	469,200	50,300	57,000	—	45,000
Electric fans	Nos.	636,000	524,400	53,300	68 000	58,700	51,100
Radio receivers	Nos.	198,108	190,692	15 125	20,394	—	16 188
Storage batteries	Nos.	355,200	324,000	31,900	37,800	—	23,900
Copper conductors	tons	7,296	8,556	482	398	—	594
Winding wires	tons	2,112	1,020	224	316	—	106
Rubber and plastic Ins. cables and flexibles	million yds.	126.60	103 80	12 19	13.06	—	10 33
Insulators—H.T.	Nos.	746,400	193,200	82,000	63,600	—	0.48
Insulators—L.T.	million Nos.	5 00	4 69	0 38	0 35	—	241
Diesel engines—Vehicular	Nos.	4,260	3,336	385	366	487	2,055
Do —Stationary	Nos.	25,860	16,644	2,454	2,756	—	—
Chemical Industries—							
Salt	million mds.	112 55	98 70	1.57	3 32	—	3.56
Caustic soda	tons	57,192	42,648	5,024	5,319	5,166	4,082
Soda ash	tons	89,436	91,920	6,612	9,139	9,375	8,651
Chlorine liquid	tons	19 824	15,696	1,865	2,029	1,700	1,295
Bleaching powder	tons	6 504	5,340	642	580	539	519
Bichromates	tons	3,444	3,672	218	304	—	239
Sulphuric acid	tons	226,016	196,068	19,685	20,926	—	16,987
Superphosphate	tons	166,800	141,684	12,450	13,323	—	11,420
Non-ferrous Metals—							
Aluminium	tons	8 182	7,784	666	678	—	703
Antimony	tons	527	502	40	38	15	30
Copper (virgin metal)	tons	7,853	7,848	670	720	587	302
Lead (virgin metal)	tons	3,335	3,174	332	418	—	275
Gold	thousand ozs.	170	179	15	14	10	15
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	205,320	167,484	16 132	21,509	—	17,092
Bicycles	Nos.	912,624	790,424	73.531	83,445	—	81,200
Automobiles	Nos.	26,796	31,932	2,020	2,713	2,992	2,636
Cycle tyres and tubes	million Nos.	16 11	14 18	1.25	1 45	1.53	1 47
Motor tyres and tubes	million Nos.	1 95	1 92	0 16	0 17	0.17	0 18
Cigarettes	million Nos.	29,836	28,892	2,433	2,625	—	2,250
Plywood—Tea chests	million sq. ft.	87 50	95 02	6 53	7.47	—	7 64
Plywood—Commercial	million sq. ft.	37 68	31.64	2 56	2 74	—	3 54
Sheet glass	million sq. ft.	72 11	54 23	6 48	7.18	—	7.37
§Woollen manufactures — Worsted Fabrics	million yds.	19 38	15 79	1 16	1.42	1.09	1.55
§Woollen manufactures — Worsted Yarn	million lbs.	29 47	27 80	2 36	2.47	2.24	2 27
Footwear—Western type (Leather)	million pairs	4.28	4 37	0 32	0 31	0.39	0 43
Footwear—Indigenous type (Leather)	million pairs	3 29	3 04	0 28	0 29	0.31	0 29
Alcohol—Industrial	million Bulk galls.	9.67	8.56	0 84	0 98	—	0 88
Alcohol—Power Absolute	million Bulk galls.	8 51	10 14	0 51	0 63	—	0 95
Railway Wagons	Nos.	13,512	16,956	686	865	—	1,565
General Index—(Base 1951 = 100 Revised)		139.4	137 3	137.8	144 9	—	147.7

* Figures are subject to revision month to month. —Not Available. † Upto November only.
§ Includes figures for Jammu and Kashmir.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53 = 100)

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	116
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	96	128	95	116	142
1958-59	105	105	105	126	96	169	113	121	131	93	99	118	117	127	133	87	112	145
March 1958	100	84	94	110	63	152	107	118	108	93†	103†	120†	103	93	130	86	116	145
April "	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	114	145
May "	106	86	92	111	64	158	115	120	115	89	100	125	110	102	132	88	114	145
June "	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July "	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	145
Aug., "	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept., "	118	105	108	131	95	177	113	121	144	88	99	118	132	130	135	87	112	145
Oct., "	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., "	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	145
Dec., "	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145
Jan., 1959	92	125	107	132	121	163	108	121	130	104	101†	112†	112	137	133	85	110	145
Feb., "	92	124	112	133	125	167	109	121	131	105	102	112†	117	142	133	82	111†	145
Mar., "	92	114	110	131	119	157	111	121	132	100	102	114*	121	138	133	82	111†	145
April "	95	101	108	125	85	151	124	121	132	96	102	114	122	142	133	84	111	145

* Provisional. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 392 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 4th June 1959	50,884(J)
	Corresponding week, 1958	35,581(J)
	1st Sept. 1958 to 4th June 1959	1,617,407*
	Corresponding period, 1957-58	1,407,885*
Cotton Exports	Week ended 16th May 1959	3,808‡
	Corresponding week, 1958	19,612‡
	1st Sept. to 16th May 1958-59	320,546
	Corresponding period 1957-58	190,438
Mill Consumption (Estimated)	1st Sept. 1958 to 4th June 1959	958,379
	Corresponding period, 1957-58	976,365
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 4th June 1959	745,118
	Corresponding date, 1958	762,222
Consumption of Cotton— Indian	March 1959	380,193
Foreign	March 1959	34,294
Indian	Seven months ended Feb., 1958-59	2,730,000
Foreign	Seven months ended Feb., 1958-59	259,046
Indian	Same Period 1957-58	2,650,949
Foreign	Same Period 1957-58	340,929
Stocks (Mills and Elsewhere)— Indian	As on 31st March 1959	1,163,663
Foreign	As on 31st March 1959	74,314
Indian	As on 31st March 1958	1,298,235
Foreign	As on 31st March 1958	147,089

Particulars	From 1st Sept., to 12th May, 1958-59 Bales	From 1st Sept., to 12th May, 1957-58 Bales
From Bombay Cotton Shipments to—		
United Kingdom	6,930	7,710
Continent	19 149	13,980
Hongkong	35,197	3,529
China	6,886	—
Japan	157,766	87,504
U.S.A.	4,308	6,873
Other Countries	2,491	741
Total to all foreign countries	232,727	120,346
Coastal Ports	66,086(a)	64,629(b)
Total	298,813	184,975

Particulars	Period	(Bales of 392 lbs.)
Cotton Exports from Bombay (by sea)	During March 1959	27,056§
	During March 1958	10,438
	1st Sept., to 28th Mar., 1959	205,123§
	1st Sept., to 28th Mar., 1958	59,624
Cotton Pressed in India† (In running bales)	Week ended 22nd May 1959	—
	Corresponding week, 1958	69,399
	1st Sept., to 22nd May 1958-59	2,929,920
	Corresponding period, 1957-58	3,781,412
Karachi (Pakistan)— Receipts		Bales
	1st Sept., to 21st May 1958-59	972,495
	Corresponding period, 1957-58	1,068,951
Exports	1st Sept., to 21st May 1958-59	562,701
	Corresponding period, 1957-58	518,786

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (a) Upto 31st Mar., 1959. § Includes Zoda and yellow pickings, etc.
— Not Received. ‡ From 12th to 16th May A—Adjusted. (b) Upto 30th April 1958.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 30th May 1959	23rd May 1959	2nd May 1959	31st May 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	**100.7**	**100.7**	**100.7**	**98.9**
2. Government of India	100.5	100.5	100.5	98.7
3. State Government ..	102.3	102.4	102.4	100.6
4. Municipal, Port Trust, etc. ..	99.8	99.8	99.8	98.8
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total**	**101.8**	**101.8**	**101.8**	**99.1**
6. Plantations	100.0	100.0	100.0	100.0
7. Coal	100 0	99.7	99.6	99.6
8. Sugar	99.0	99.0	99.0	98.6
9. Cotton Textiles ..	99 2	99.2	99.2	97.9
10. Jute Textiles ..	94 0	93.8	93.5	92.9
11. General Engineering ..	101.9	101.8	101.8	97.7
12. Electricity Generation and Supply	96 8	96.8	96.8	96.5
13. Others	105.0	105.1	105.2	101 0
PREFERENCE SHARES—ALL INDIA.				
14. **Total**	**92.2**	**92.3**	**92.1**	**85.4**
15. Plantations	101.1	101.2	100.7	97 2
16. *Mining & Quarrying: Total*@	**89.3**	**89.2**	**89 0**	**84.7**
17. Coal	80.8	80.8	80.8	73.8
18. *Processing and Mfg.: Total**	**92.0**	**92.2**	**91.9**	**85.0**
19. Sugar	91.4	91.3	91.7	90.1
20. Cotton Textiles ..	80.5	81.0	79.7	78.4
21. Jute Textiles ..	86.7	86.8	86.1	68.1
22. Iron and Steel ..	94.9	95.1	95.6	88.4
23. General Engineering ..	102.2	102.1	102.0	99.3
24. Basic Industrial Chemicals ..	90.1	90.0	88.5	83.5
25. Cement	104.5	104.9	102.4	97.9
26. Paper	89.8	89.7	89.1	84.5
27. *Other Industries: Total** ..	**91.1**	**90.9**	**91.0**	**83.5**
28. Electricity Generation and Supply	88.8	88.7	89.0	86 6
29. Trading	96 0	95.6	95.5	73.9
30. Shipping and Other Transport	95.2	95.2	93.2	85.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. **Total**	**149.4**	**151.4**	**150.0**	**127.3**
32. *Agriculture and Allied Activities: Total**	**165.4**	**167.3**	**158.7**	**142.1**
33. Tea Plantations	162.4	163.8	153.5	137.9
34. Coffee Plantations ..	194.6	196.1	196.7	195.2
35. Rubber Plantations ..	161.6	163.2	163.9	137.3
36. *Mining and Quarrying: Total*	**150.3**	**153.4**	**156.4**	**124.8**
37. Coal	117.1	118.7	119.2	98.3
38. Other Mining	173.1	177.1	181.9	142.9
39. *Processing and Manufacturing: Total*	**151.4**	**153.4**	**151.6**	**126.0**
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	**138.5**	**140 4**	**137.9**	**118.3**
41. Sugar	168.4	172.0	173.9	154.9
42. Cotton Textiles ..	119.8	121.7	118.7	111.0
43. Jute Textiles ..	93.0	94.3	96.2	66.9
44. Silk and Woollen ..	553.0	555.2	523.5	384.5
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total** ..	**174.7**	**177.7**	**175.3**	**135.9**
46. Iron and Steel ..	167.1	170.0	164.4	126.3
47. Transport Equipment ..	228.8	232.4	238.9	187.4
48. Electrical Machinery ..	126.8	128.6	130 6	135.7
49. Machinery other than Transport and Electrical ..	195.8	200 0	200 4	151.5
50. Basic Industrial Chemicals ..	151.6	152.5	147.1	107 5
51. *Processing and Mfg. (Others): Total**	**147.1**	**148.0**	**149.7**	**131.1**
52. Cement	134.5	135.4	133.2	122.5
53. Paper	195.1	196.4	205.4	172.5
54. *Other Industries: Total**	**115.5**	**117.1**	**117.6**	**105 2**
55. Electricity Generation and Supply	91.1	91.3	92 6	90.0
56. Trading	94.8	96.3	99.6	81.0
57. Shipping and Other Transport	129.8	132.3	131.7	121.6
58. Construction	295.1	302.6	287.6	204.3
59. *Financial: Total* ..	**173.1**	**174.5**	**177.2**	**163.3**
60. Banks	193.6	195.1	198.0	182.8
61. Insurance	127.0	127.7	130.0	127.4
62. Investment Trusts ..	99.7	101.7	102.8	76.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	152.6	155.2	151.9	128.5
64. Calcutta	143.5	145.2	145.9	123.9
65. Madras	166.3	167.2	165.6	142.6
66. Delhi	171.9	173.4	175.5	149.3

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.
@ Including 'other mining.'

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957 ..	1,155,500	1,073,600	797,500
Do. 31st March, 1958 ..	1,098,300	1,106,800	786,900
Do. 31st March, 1959 ..	1,137,500	1,149,900	884,700
Mar., 1958	94,800	100,200	71,300
April ,, ...	95,000	100,300	63,000
May ,, ...	57,400	52,900	28,500
March 1959	127,400	123,600	100,700
April ,, ...	130,600	124,200	93,300
May ,, ...	128,800	116,400	91,400
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957 ..	695,156	532,315	441 483
Do. 31st March, 1958 ..	733,945	507,580	410,558
Do. 31st March, 1959 ..	959,933	608,205	496,217
January to March, 1958 ..	199,839	133,563	106,501
January to March, 1959 ..	252,705	176,443	155,607
January, 1959	73,728	43,569	45,698
February ,, ...	83,715	61,987	50,202
March ,, ...	95,262	70,887	59,707
April ,, ...	86,826	61,182	40,151
May ,, ...	94,105	57,483	49,470

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,992,040
1957	1,248	640,871	4,982,229
August 1958 ..	147	72,432(4)	657,836(4)
September ,, ..	151	68,599(7)	499,362(7)
October ,, ..	121	84,445(3)	262,600(3)
November ,, ..	136	34,569(2)	177 574(2)
December ,, ..	139	45,002(7)	199,012(7)
January 1959 ..	152	60,114(8)	306,998(8)
February ,, ..	93	33,990(2)	271,253(2)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income In millions	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India† ..	'57-'58	392.94	..	10,830	275.6
Pakistan†† ..	'56-'57	83.50	..	2,079	249
Burma ..	1957	20.90	Kyats 4,450	446	223
Ceylon ..	1955	8.38	..	475	567
Japan ..	1957	90.90	Y. 8,252,000	10,915	1,200
Philippines ..	1957	22.60	Ps. 8,799	2,095	927
New Zealand	1957	2.22	£ (N.Z.) 928	1,237	5,570
Australia ..	1957	9.60	£ (A.) 4,678	4,970	5,177
U.K. ..	1957	51.40	£ 17,418	23,220	4,520
U.S.A. ..	1958	174.00	$ 352,400	168,447	9,680
Canada ..	1957	16.60	$ 23,830	11,680	7,035
France ..	1957	44.00	F.Fr.15,680,000	17,880	4,063
W. Germany.	1957	51.40	Dm. 158,000	18,057	3,513
Italy ..	1957	48.80	Lr. 12,231,000	9,412	1,949
Norway ..	1957	3.49	Kr. 23,290	1,560	4,470
Sweden ..	1957	7.30	Kr. 48,290	4,490	6,150
Netherlands..	1957	11.00	Grs. 28,240	3,574	3,250
Denmark ..	1957	4.50	Kr. 25,480	1,760	3,910
Switzerland .	1957	5.10	Sw Fr 26,900	2,956	5,796

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, October 1958.
† Preliminary estimates (at 1948-49 prices) are based on the sixth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalor Base (1949=100)
1952 Average ..	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 ,, ..	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 ,,	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 ,,	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 ,, ..	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 ,, ..	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 ,, ..	116	395	274	313	98	120	384	124	113	103	103	123	109	131
January 1958 ..	111	382	254	320	91	115	363	120	109	96	103	120	107	130
February ,, ..	110	380	248	297	89	115	364	120	108	95	102	118	105	130
March ,, ..	110	381	253	293	89	115	368	119	108	96	102	119	105	128
April ,, ..	111	389	261	295	91	116	368	119	107	96	100	118	106	128
May ,, ..	113	387	263	295	93	117	371	120	108	97	101	119	107	129
June ,, ..	116	395	273	307	98	117	378	121	111	101	103	120	113	130
January 1959 ..	117	396	301	323	103	127	368†	130	122	107	94	115	109	134
February ,, ..	118†	399	300	326	103	129	..	127	126	108	94	120	110	134
March ,, ..	117†	401	290	320	99	129	..	127	126	105	95	121	..	135
April ,, ..	..	400	296	313	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Out standings	10-Year National Plan Certificates D Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	Outstandings	15-Year Annuity Certificates G Receipts	Out standings	Total Receipts	Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,93
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252,96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213 91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958-59	1,73	3,79	119,11	87,11	152,48	182,82	226,92	21,01	—40,69	42,57	635	11,68	67	2,41	277,01	581,75
April 1958 ..	2,15	4,65	141,31	6,56	77,99	15,27	214,24	22,85	—39,82	43,47	77	6,15	11	1,07	22,71	514,78
May ,, ..	2,07	4,55	139,23	5,84	83,82	15,22	212,66	22,58	—39,90	43,37	57	6,72	5	2,01	21,68	517,01
June ,, ..	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7,12	3	2,03	19,95	520,60
July ,, ..	1,96	4,38	135,18	5,94	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug. ,, ..	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40.13	43,07	45	8,11	5	2,10	21,10	532,75
January 1959 ..	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,52	42,70	57	10,60	5	2,32	24,07	559,17
February ,, ..	1,78	3,87	120,95	9,64	143,14	14,93	219,39	21,13	—40,60	42,62	58	11,14	5	2,36	25,22	566,41
March ,, ..	1,73	3,79	119,11	11,66	152,48	22,29	226,92	21,01	—40,69	42,57	65	11,68	6	2,41	34,68	581,75
April ,, ..	..	..	..	..	..	..	..	..	..	42,49	63	12,26	11	2,50	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of March, 1959 is rupees three lakhs. 10 Year Cumulative Time Deposits commenced from 2nd Jan., 1959 and the outstandings at the end of March 1959 is rupees two lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.75
3 % Loan	1938-39	116,17,46,000	1963-65	96.90
3 % Loan	1950	30,32,10,000	1964	97.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	94.10
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.50
3 % 2nd V. Loan	1945	1,13,65 64,000	1959-61	99.90
2¾% Loan	1946	45,63,07,000	1960	99.20
2¾% Loan	1946	57,00,69,000	1961	97.50
2¾% Loan	1946	14,77,48,000	1976	83.25
2¾% Loan	1947	75,86,72,000	1962	97.00
3½% N. P. Bonds	1953	75,29,00,000	1961	100.15
3½% N. P. Loan	1954	1,58,17,90,000	1964	99.85
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.70
3½% Loan	1956	87,27,36,000	1962	99.25
3½% N. P. Bonds	1956	63,81,83,000	1967	99.20
3½% Loan	1956	66,63,53,000	1974	98.90
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.85
4 % Loan	1957	49,17,27,000	1972	101.70
3½% Loan	1958	58,06,00,000	1963	100.00
3½% Loan	1958	30,00,00,000	1968	99.10
3½% Loan N.P.B.	1958	34,16,76,500	1968	100.65
4 % Loan	1958	49,47,00,000	1973	101.60
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34.000	M.	73.10
3% Loan	1946	2,48,91,37,000	K.	73.75
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100.00
4½% Andhra	1958	5,00,00,000	15th July 1970	101.50
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96.50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98.30
4 % Bombay	1953	5,19,35,000	15th July 1963	100.60
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100.50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100.25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102.50
4½% Bombay	1958	5,00,00,000	15th July 1970	102.50
4½% Bombay	1958	5,00,00,000	15th July 1971	102.30
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50,00,000	13th Oct. 1970	101.40
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100.15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100.15
3 % Madras	1939	1,23,96,000	21st June 1959	99.70
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99.00
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	99.00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98.95
4 % Madras	1953	10,83,71,000	15th July 1963	100.30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.25
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100.10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100.10
4½% Madras	1958	5,00,00,000	15th July 1970	101.70
4 % Mysore(*f*)	1933	2,95,85,200	1st Dec. 1953-63	101.50
3 % Mysore(*f*)	1936	5,99,73,000	30th Apr. 1956-61	99.75
4 % Mysore	1953	3,33,47,000	15th July 1963	100.30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100.10
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.10
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101.75
4½% Mysore	1958	5,00,00,000	15th July 1970	101.75
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 80
3 % M.P.	1950	1,01,45,000	31st July 1960	98 60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	100.25
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100.00
4½% M.P.	1958	2,00,00,000	15th July 1970	101.40
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100.20
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100.20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.80
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99.60
2½% U.P.Z.A	1952	41,44,79,000Z	..	52 40
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98.25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.25
4 % U.P.	1953	5,58,25,000	15th July 1963	100.30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100.10
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100.10
4½% U.P.	1958	7,00,00,000	15th July 1970	101.60
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100.00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101.45
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100.00
4½% Orissa	1958	3,00,00,000	15th July 1970	101.45

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	100.00 (1964–1973)
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88,25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	D (1915*–1941)
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.75
76,90,100	4	1915	1975	98.75
1,50,00,000C	3††	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
60,00,000	4½	1931	1991	95.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	92.50
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99.50
1,00,00,000	3	1949	1959	99.50
50,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	98.75
1,00,00,000	3	1950	1960	98.75
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.25
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A (1947–1954)
9,88,000†	3	1947	1977	
8,00,000†	3	1949	1979	
45,00,000†	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	97.75 N (1961–1968)
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	97.50 N (1972–1976)
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.00
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	101.00
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
80,00,000	3	1936	1966	91.00
50,00,000	3	1937	1962	94.50
20,00,000	3	1938	1963-68	91.00
80,00,000	4	1952	1962	99.75
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	100.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99 85
10,00,000	5	1920	1980	113.00N
26,21,500	5	1929	1959	100.50
8,25,00,000	3½	1947	1977	86.50
2,50,00,000	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	93.50
5,00,00,000	4	1952	1964	100.15
2,00,00,000	3½	1951	1961	97.40
1,30,00,000	4	1953	1963	100.15
1,00,00,000†	4	1952	1964	99.75
1,00,00,000†	4	1954	1966	99.75
2,50,00,000	4	1955	1967	100.05
1,50,00,000	4	1956	1968	100.05
2,00,00,000	4½	1957	1969	101.50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs				Rs.
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1968	90.00
17,64,400	3½	1942	1959	99.00
21,10,000	3½	1942	1972	92.00
16,33,000	3½	1951	1961	98.50
66,88,000	3½	1951	1966	98 50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100 00
2,22,72,000	4	1955	1985	—
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100 25
4 % W. Bengal	1953	8,60,23,000	15th July 1963	100.30
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100.10
4 % W. Bengal	1956	7,11,46,000	3rd Sept 1968	100.10
4½% W. Bengal	1958	5,00,00,000	15th July 1970	101.70
4½% Kerala	1958	3,00,00,000	15th July 1970	100.90

ABBREVIATIONS.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.
—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months' notice. K—On September, 1936, or later at option of Government after three months' notice. N—Nominal.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901		Mar. Sep.	115.00	100
BREWERIES AND SUGAR						
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec. ..	70.00	100
Bhopal Sugar T F.C.	12,50,000	1937	5	April ..	85.50	100
Carew & Co. T F.R.C. ..	8,00,000	1875	6	Mar. Sep.	96.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905–24	8	Feb. Aug.	107.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7	July Apr.	6 00	5
¶East India Distilleries T.F.C. ..	£200,000	1897	7	Jan. July	17 25	£1
Gwalior Sugar T.R.O. ..	6,75,000	1940	7	Dec. ..	62 00	100
Do. (Non-redeem.) ..	5,00,000	1940	7	Dec. ..	62.00	100
Purtabpore Co. T.C.	6,00,000	1922	10	Oct. ..	12 00	10
Ramnugger Cane T.F.C. ..	4,00,000	1933–36	6	Aug. ..	98 00	100
Ravalgaon Sugar	20.00,000	1943	5½	Oct. Apr.	66 00	100
South Behar Sugar T. ..	5 00 000	1936	7	Oct. ..	20 00N	100
Travancore C.T.F.	15,00,000	1946	5	Dec. ..	8 60	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec. ..	90.00N	100
Do. T.C.R.O.	15,00,000	1946	5	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	••••	7	Apri May	118.75	100
COAL						
Borrea T.F.C.	4,00,000	1896–97	6½	Oct. Apr.	95.00	100
Burrakur (1st) T.F.C.	22,99,800	1901–19	7	Apr. Oct.	104.50xd	100
Do. (2nd) T.C.	4,50,000	1946	6	•• ••	7.00	10
Equitable T.F.	4,00,000	1895	6	Mar. Sept.	99.00	100¼
Karanpura Collieries T.C. ..	9,89,500	1946	5½	.. ..	55 00	75p.
††Khas Kajora C.	1,93,000	1931	5	Mar. Sept.	9.50N	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan. July	11.50	10
Ondal T.F.C.	2,00,000	1898–99	6	Apr. Oct.	90.00	100
COTTON						
Ahmedabad Advance T.F. ..	10,00,000	1939	5	Apr. Oct.	82 00	100
Bangalore C.T.F.	6,00 000	1884	6	Jan. July	110 00cd	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	9 00	10
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	145.00	100
Do. 'B'	6,00,000	1900	7	Feb. Aux.	62 00	100
Bradbury T.F.	14,75,000	1919	7	June Dec.	55 00	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7¼	Jan. July	131 00	100
Cambodias C.T.F.	1,00,000	1928	7	Apr. ..	110 00	100
Central India T F.	50,00,000	1912	5	Apr. Oct.	352 00	495
Century Spg. & Mfg. Co. T. F. R. C.	1,25,00,000	1958	6	Dec. ..	104 50	100
Coimbatore Pioneer C.T.F. ..	1,00,000	1935	6½	June ..	91.75	100
Elgin	11,00,000	1912	8	May Nov.	110 50	10
Do 'B' Pref.	4,20,000	1943	5	July Jan.	7 35	100
Elphinstone T.	25,00,000	1919	7	May Nov.	66 00	100
Kesoram	20,00,000	1919	7	June Dec.	105 00	100
Khatau Makanji (2nd) T.F. ..	29,92,500	1947	4	Nov. ..	74 00	10
Kothari C.T.F.	18,00,000	1937	6	Dec. ..	9 00	5
Kothari 'B' (Pref.)	6,00,000		6	.. ..	10 00N	250
Lakshmi Cotton (Bombay) T. ..	16,00,000	1896	5	.. ..	159 50	100
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	Jan. ..	75 00	100
Mysore Spg.	7,45,050	1944	4½	.. ..	28 25	50
National Rayon T.	1,74 64,700	1947	5	.. ..	81 00	100
New Great T.	8,00,000	1913	5½	Mar. ..	122 50	200
Podar Mills	10,00,000	1943	4	Feb. ..	61.50	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr. ..	51 00cd	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	61.00	100
Sholapoor R.	32,00,000	1943	3	.. ..	78 25	100
Swadeshi T.F.	15,00,000	1935	5	Apr. Oct.	87.30	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	77 00	100
Travancore Rayon C.T.F. ..	50,00,000	....	5	May ..	8 95cd	10
Vasanta (1st) C.T.F.	3 00,000	1931	6½	Apr. Oct.	105 00	100
Do. (2nd) C.T.F	1,50 000	1938	6	.. ..	95 00	100
Vishnu T.	15,66,500	1908	7	Apr. ..	432.50	500
ELECTRICS						
Andhra Valley Power Supply T. ..	49 34,000	1917	7	May Nov.	1,095.00	1,000
Amalgamated Electric T.F. ..	24,15,000	..	5½	.. ..	91.00	100
Calcutta Electric	19,00,000	1909-11	5(t)	June Dec.	9.75	£1
Poona Electric T.	4,00,000	1935	7	June Dec.	101.00	100
South Madras (1st) C T.F. ..	22,00,000	1940	5½	Sept. do.	9.75	100
Do. (2nd) C.T.F. ..	8 00,000	1940	5½		9 25	10
Surat Electric Co. T F. ..	5,00,000	1939	6½	Apr. ..	111 00	100
Tata Hydro Electric Power T. ..	89,28,000	1907	7	May Nov.	117 00	100
Tata Power T.	86,97,000	1918	7½	May Nov.	1,130 00	1,000
Vellore C.T.	1,25 000	1928	6	Dec. ..	7.05	10
ENGINEERING						
Arthur Butler (Muzafferpore) ..	1,30,000	1916	7	Mar. ..	10.50	10
Burn & Co. Ltd. (1st)	13,00,000	1895–98	7	Feb. Aug.	125 50	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.	117 00	101
Indian Iron and Steel Co., Ltd. T.F. ..	2,69 95,400	1950	5	Dec. ..	102.25	100
Indian Standard Wagon ..	19,66,500	1918	7	June ..	124.00	100
Jessop	20,00,000	1941	5	May Nov.	96 00	100
Kamani Engineering C. ..	15,00,000	1945	5	July ..	60 00	100
†††Kumardhubi Engineering ..	12,00,000	1915	4	June Dec.	94 00N	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946-47-51	5	.. ..	98 00	100
Mahindra & Mahindra R.C. ..	25,00,000	1945	6	May ..	100 00xd	100
McKenzies (1st)	5 50,000	1907		.. ..	80.00	100
Premier Construction (1st) T. ..	10,00,000	..	6½	.. ..	87 00	100
Do. do. (2nd) T. ..	15,00,000	1936	6½	.. ..	85.00	100
Do. do (3rd) T. ..	56,25,000	1947	4½	.. ..	5.76xd	10
Tata Iron and Steel (1st) T. ..	75,00,000	1908	6	Nov. ..	160 00	150
Do. do. (2nd) T. ..	6,93,81,900	1908	7½	May ..	117.00	100
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	100.00	100
Alexandra	9,00,000	1905	7	Feb. Aug.	97.00	100
Alliance	15,00,000	1895	6	Mar. Sept.	92 00	100
Anglo-India	40,00,000	1917	7	May Nov.	110 00	100
Auckland	10,00,000	1909	5½	May Nov.	83 50	100
Do. (2nd)(j)	15,00,000	1945	4½	June Dec.	66.50	100
Bally	20,00,000	1918	7	Apr. Oct.	106.00	100
Barnagore	£200,000	1896	5	May Nov.	39.25	5
Belvedere	7,00,000	1906	7	Jan. July	103.00	100
Birla	23,64,200	1919	7½	June Dec.	88 00	100
Budge-Budge	9,00,000	1894	7	May Nov.	105 00	100
Calcutta	6,00,000	1934	6½	Jan. July	62 00	100
Caledonian	10,00,000	1915	7	June Dec.	105.00	100
Cheviot	10,00,000	1919	7	June Dec.	105.00	100
Chitavalsah	5,00,000	1928	7	Mar. Sept.	103.00	100
Clive (1st Pref.)	8,00,000	1900	6	May Nov.	70.50	100
Do. (A) (2nd Pref.) ..	8,00,000	1905	7	May Nov.	78.00	100
Dalhousie¶	15,00,000	1903–13	7	May Nov.	97.00	100
Delta	5,00,000	1897	5	June Dec.	73.50	100
Empire	10,00,000	1912	7	Feb. Aug.	105.00	100
Fort Gloster	14,00,000	1890–98	7	May Nov.	115.00	100
Do. (2nd Pref.) ..	7 00 000	••	5	•• ••	78.00	100
Fort William	10,00,000	1911	7	May Nov.	115.00	100
Ganges	6,00,000	1916	8	June Dec.	120.00	100
Gourepore	26,50,000	1895–04	6	May Nov.	96.50	100
Hastings	25,00,000	1935	6	Mar. Sept.	96 00	100
Hooghly	11,76,000	1913	10	May Nov.	10.75	10
Howrah	8.75,000	1890	7	May Nov.	107.00	100
Do. (A)	17,50,000	1903–6	7	May Nov.	107.00	100
Hukumchand	40 00,000	1919	7	June Dec.	102 00	100
Kamarhatty	16,00,000	1898–04	6	Feb. Aug.	95.50	100
Kanknarrah	10,00,000	1900	6	Feb. Aug.	85.00	100

**These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus profits available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued.*						
Kelvin	10,00,000	1907	7	Mar. Sept.	105.00	100
Khardah	9,00,000	1895–09	6	May Nov.	89.50	100
Kinnison	15,00,000	1900–13	7	May Nov.	105 00	100
Lansdowne	15,00,000	1905	7	May Nov.	108 50	100
Lawrence (A)	5,00,000	1907	7	May Nov.	95.00	100
Do. (B)	10,00,000	..	5½	Dec. ..	80.00	100
Naihati	7,50,000	1905	7	May Nov.	96 00	100
Do. (2nd)(j)	10,00,000	..	4½	June Dec.	66.00	100
National	5,00,000	1917	7	May Nov.	107.00	100
Nellimarla	5,00,000	1939	6	Apr. Oct.	89.50	100
New Central	83,00,000	1915	7	Jan. July	100.00	100
Northbrook	15,00,000	1900	½	May Nov.	72.00	100
Reliance	20,00,000	1906–12	7	May Nov.	82.00	100
Samnuggur	£150,000	1901	6	Feb. Aug.	Sh. 21 50N	1£
Soorah	10,00,000	1920	7	Feb. Aug.	102.00	100
Standard	9,00,000	1895–01	6	May Nov.	100.00	100
Shree Ambica	11,70,000	..	7½	Mar. Sept.	98 00	100
Titaghur	£150,000	1897	6	Feb. Aug.	Sh. 21 50	£1
Union	6,00,000	1901–02	7	May Nov.	100.00	100
Victoria	£150,000	1898	6	Feb. Aug.	Sh.21.50	£1
Waverly	7,50,000	1918	7	Mar. Sept	42.50	5
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship	3,00,000	1895	7	Nov. ..	60.00	60
Calcutta Tramways	£250,000	1906	5	Apr Oct.	8.75	£1
Great Eastern Shipping T.F.R.C. ..	25,00,000	1948	5½	Dec. ..	97.00	100
Indian General Nav. & Rly. T. ..	£244,000	1899	6	Mar. Nov.	69.50	£10
India Steamship (w)	25,00,000	1928	5	• ••	94.00	100
TEA						
Amluckie Tea	75,000	1902–03	7	May Nov.	42.25	10
†††Banarhat Tea	4,00,000	1900–02	6½	Jan. July	110.00	100
Birpara	1,00,000	1900–03	8	Jan. ..	114.00	100
Choonabhutti	2,00,000	1914	8	Jan. July	110 00	100
Gielle	2,00,000	1894	6	Sept. ..	67 00	100
Hantapara	50,000	1901	8	Jan. ..	114 00	100
Hasimara	3,00,000	1904	7	Mar. ..	111.00	100
Kingsley Golaghat	2,40,000	1897	6	Dec. ..	95.00	100
Moheema	3,20,000	1929	6	May Nov.	8.00	10
†††New Dooars	2,00,000	1907	6	Jan. July	112.00	100
New Samanbagh	1,00,000	1903	8	Nov. ..	101.00	100
†††Okayti	50,000	1888	7	Dec. ..	100 00	100
Pussimbing	2,05,000	1916	7	Jan. ..	100 00	100
Sonai River	1,00,000	1909	8	May ..	100 00	100
***Tezpore	2,05,000	1932	8	Jan. ..	10.44	100
Tirribannah	1,00,000	1922	10	May Nov.	14.00	100
PLANTING						
Be Be Rubber N.R.C.T.	1,43,005	1944	6½	.. ..	3.03	5
Do. R.C.T.	2,85,570	1944	6½	.. ..	6.44	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June ..	50.00cd	50
Coffee Lands C.T.F.	10,40,600	..	5	.. ..	84.00	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr. ..	95 95	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov. ..	10.75	10
Devon Tea C.T.F.	2,00,000	1936	7½	July ..	106 00cd	100
Highland Produce C.T.F. ..	3,00,000	..	6	July Jan.	8 75	10
Neelamalai C.T.F.	18,00,000	1943	5	Jan. July	7.18	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July ..	5.03	5
Pullangode C.T.F.	1,50,000	1943	6	Mar. ..	8 65	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar. Sept.	7.15	10
T. R. & T. Co. C.T.F.	16,00,000	..	6	June Dec.	8.15	10
Waterfalls R.C.T.F	5,00,000	1943	6	Nov. ..	9.00	10
MISCELLANEOUS						
Alembic Chemicals (1st) T. ..	5,00,000	..	6½	June ..	86 00	100
Do. do. (2nd) T.F.R.C. ..	5,00,000	..	5	June ..	85 50	100
Alkali & Chemicals	31,00 000	1937	5	Apr. ..	103 00	100
Aluminium Corpn. (1st) ..	20,00 000	1938	6(f)	.. ..	98 00	100
Andhra Cement C.T.F. ..	2,48,800	1937	6	Feb. June	103 00	100
Associated Hotels of India T. ..	21 67,000	1916	7	Mar. Sept.	54 00	100
Bengal Chemicals	9,00,000	1925	7½	Aug. ..	13.12	10
Bengal Paper Mill	2,00,000	1903	7	Mar. Sept.	55 00	50
Do. "A"	4 00,000	1928	7	Mar. Sept.	109.00	100
Do. "B" T. ..	20,00,000	..	6	.. ..	67.00	100
Bengal Timber Trading ..	3,00,000	1896	8	Aug. ..	20.00N	100
Britannia Biscuit	15,450	1921	8	Feb. Aug.	15 00	10
British Ceylon Corporation ..	17,50,000	1918	6	Feb. Aug.	8 00N	5
British India Corporation ..	81,00,000	1920	8	Feb. ..	103 25	100
Dalmia Cement (Bharat) ..	61,58,210	1937	6	Sept. ..	9 37	10
Dhrangadhra Chemical Works Ltd. ..	31,91,000	1956	6	.. ..	88.00	100
Shree Digvijay Cement T.F R.C. ..	79,93,875	1944	5	Dec. ..	90.50	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6§	Apr. ..	118.00	100
General Investment Trust (1st) ..	1,00,000	1946	5	Feb. Aug.	65.00	100
Do. do. (2nd) T. ..	1,00,000	..	6	Feb. Aug.	55.00	100
Gillanders Arbuthnot (f) T. ..	25,00,000	..	5	Apr. Oct.	56 00	100
Hindustan Motors T.F.R.C. ..	1 60,67,250	1956	6	Mar. ..	73 50	50
Humayan Properties	12,00,000	1933	6	.. ..	8.75	10
India Cement C.T.	29,85,000	1946	7½	Oct. ..	93.00	100
Indian Aluminium (g) T. ..	40,00,000	1945	5	June ..	66 00	100
Indo-Burma Petroleum T.C. ..	50 00,000	1921	7	Jan. July	92 00	83
Indian Cable (m)	12,87,750	1923	6	June Dec.	31.00	10
India Rubber Mfrs. (n) ..	8,28,000	..	5	Apr. ..	77.00	100
Jardine Henderson T. ..	50,00,000	1946	5½	Dec. ..	60.00	100
Kettlewell and Bullen (1st) T. ..	20,00,000	..	5½	May ..	63.00	100
Do. do. (2nd) ..	10,00,000	..	4	May ..	63.00	100
Kumardhubi Fireclay & Silica ..	2,00,000	1915	7	June Dec.	66 00N	100
Martin Burn (k)	30,00,000	1946	5	Apr. Oct.	102 50	100
McLeod and Co. (1st) T. ..	10,00,000	1930	5	July Jan.	52.50	100
Do. (2nd) ..	40,00,000	1936	5	July Jan.	72 00	100
Metal Box Co.	30,00,000	..	6	.. ..	87.00	100
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1903–18	6	Feb. Sept.	99 50	100
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6	June ..	9 00	10
Mysore Lamps R.C.T.F. ..	2,50,000	..	4	Aug. ..	6 50	10
National Tobacco (Old) (p) ..	25 00 000	..	5	Mar. Sept.	77.50	100
Do. do. (New) (q) ..	19,98 000	..	4½	Mar. Sept.	65 00	100
Orient Paper	69 88 900	1936	5½	Jan. ..	94 00	100
Do. (2nd) (r) T. ..	60,00,000	..	5½	Apr. Oct.	65.50	100
Rohtas Industries (Old) T. ..	20,00,000	1936	7	Apr. ..	116 00	100
Do. do. (New) ..	85,04,700	..	4½	Apr. ..	62 00	100
†Smith Stanistreet & Co. ..	5,00 000	1920	10	Feb. Aug.	71.00	50
Spencer & Co. "A" C.T. ..	23,20,000	1898	6½	Jan. July	8.50	10
Do. "B" C.T. ..	36,80,000	1922	8½	Jan. July	11 50	10
Standard-Vacuum C.	75,00,000	1955	6	June Dec.	101.60	100
Star Paper	10,00,000	..	5	Mar. Sept.	70 00xd	100
Tata Chemicals T.F.	59,97 000	..	5	June ..	98.00	100
Tata Oil Mills C.	29,88 800	1946	4½	July ..	62 50	100
Titagur Paper Mills	11,50,000	1899	8	Jan. June	144.00	100
Do. do. 2nd) ..	15,00,000	1934	4½	Jan. July	85.00	100

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free.

R.O.—Redeemable at option. N.B.—Non-Redeemable. P—Partipating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months, notice (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50,00,000	5,37,500	67,62,245	10,40,080	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.26	2	0.19	0.19	Nil		12	Y.
48,00,000	24 00,000	1,40 93,494	78,99,035	17,302	M.	50,506	1,021	B. R. Cotton Mills	18.52	100	Nil	Nil	Nil		8	Y.P.T
2 50,98 000	3,45,87,968	9,01 44 459	4,42,94,600	50,386	Nowrosjee Wadia & Sons (Pvt.) Ltd	2,23,006	4,211	Bombay Dyeing & Mfg. Z	64 20	25	2.50*	2.50	2.50	2.50	12	Y.
10,00 000	36,04,615	71 89,139	45 08 521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	144 50	50	12.50	20 00	15.00	7.50	8	Y.P.
1,22,75,700	3,26,61,468	8,11 07,933	3,12,75,392	9,53,042	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	550 00	100	22 00	22.00	22.00	22 00	12	Y.P.
26,00,000	28,31,920	1 18 36 792	67 79 552	58 223	Cowasjee Jehangir & Co., Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	128 00	100	7.50	12.50*	12 50*	12 50*	8	Y.
28,00,000	26,37 709	90,59,554	54 08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	100 00	50	15.00	—	7 50F	5.00	3	Y.
34 00,000	26,36,389	1 12 98,983	69,27,928	—11,15 096	Puranmal Bubna Sons	46,476	928	Edward Textiles	220 00	200	18.00	15.00	15 00		12	Y.
29,98 050	15,72 144	1 31,76,951	81,20,938	....	M.	46,620	886	Elphinstone Spg. & Wvg.	35 00	50	5 00	15 00	Nil		12	Y.P.
50 00,000	63 57,852	1,81,16,865	95 84,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	266.00	100	20 00	20 00	20 00	16.00	12	Y.
50,00,000	43,52,027	1,00,12,312	64,97,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	207 50	100	15 00	15 00	15.00	15 00	12	Y.
11,84,000 / 16,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	50,240	1,120	Hindoostan Spg. & Wvg. Mills	4 800 00 / 992 50	1,000 / 250	300 00 / 75.00	325 00 / 81.25	350 00* / 87.50*	350 00 / 87.50	3	Y.P.
2,50,00,000	55,18,800	4,90,61,319	3,54,00,000	1,29,969	Agarwal & Co.	2,44,512	6,214	India United Mills	7.76 / 1 00	0 10O. / 0 1D.	0 94 / 0 19	0 92 / 0.18	Nil / Nil		12	Y.
8,65,000 / 85,000	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	57,440	1,152	Indian Mfg.	2,100.00XR / —	1,000 / 500	300.00 / 150 00	300 00 / 150 00	325.00* / 162 50*	325 00 / 162 50	8	Y.P.
59,85,000	47,84 646	8 32 60 641	2 39 44 370	80,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	218 75	100	12 00	10 00	10 00(c)	10 00	6	Y.P.
1,00,00,000	1,04,56,757	3,75,23,474	2,90,25,380	67,775	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	273 00	100	18 00	18 00	18 00	10.00	12	Y.
46,47,350	30 04,414	1,41 23 500	70,57,174	31,558	N. Sirur & Co. Private Ltd.	48,700	644	Modern Mills	46 00	50	8.00*	8.00*	5.00'C'	3.00	10	Y.T.
51.75 000	42,39 896	2 75 32,726	2 00,41 588	21,663	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg.& Wvg.	256.00	100	14.00	15.00	14.00(c)	15 00	6	Y.P.
1,60,62,600 / 64,40,000	1,66,72,400	10,94,32,348	4,32,00,000	97,190	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	318.00	100	12.00	14.00*	14.00	14 00 / 11.20	12	Y.P.T.
24.00,000	22 76,221	82,93,050	48 70,077	—3,04,756	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	106 00	100	10.00	10 00	5.00	Nil	12	Y.
30,00,000	7,01,166	109 27,346	63 37,035	—4,83,512	W. H. Brady & Co., Ltd.	49,012	979	New Great Spg. & Wvg.	167 00	100	10 00	10.00	Nil	Nil	12	Y.P.
48,00,000	55,51,580	1,69 40,404	1,08,77,159	3,59 718	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	145 00	100	10 00	..	12.50F	10 00	8	Y.
40 00,000	45,64,554	53 92 841	25 34.581	1,63 546	Podar Sons Private Ltd.	82,600	930	Podar Mills	174 00	100	12.00*	12.00*	10 00		12	Y.P.
10.00,000	....	23 94.122	18 44 733	—1,10 689	M.	..	..	Sassoon & Alliance Silk Mil	8 24	10	0.50	0.25(c)	Nil		12	Y.
37,70,100	1,18,66,143	2,51,80,351	1,49,71,803	5,465	M. G. Investment Corp. Private Ltd	96,488	2,127	Sassoon Spg. & Wvg.	49 00	10	2.00	2.00	2.00	2 00	12	Y.
80.00,000	46 03,455	1 47 58,656	70 66 050	25 207	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	174 00	100	12 00	12.00	8.00	10.00	12	Y.P.
42 00,000	80,80 478	1,95 86,294	79,84 101	8 089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	177 50	50	10 00	12 00	8 50	8 50	8	Y.
1,09,75,000	2,39 76,402	3,46,68,221	2,04 23,247	1,708	Mafatlal Gagalbhai & Sons	96,956	2,409	Standard Mills	501 00	100	20 00	22 50*	22 50*	20 00	12	Y.P.
1,00,00,000	95,94,067	3,02,49,607	1,59,54,406	29,124	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	233 00	100	12.00	14 00*	9 00	10 00	12	Y.P.
36,00 000	66,03,330	1 59,87,553	1,02,92,715	26 062	James Finlay & Co., Ltd.	40,328	549	Swan Mills	380 00xd	100	25 00	25 00	25 00	25 00	12	Y.
65,57,875	49,27,388	2,40,99,635	91,95,631	17,925	Tata Industries Private Ltd.	70,968	1,788	Tata Mills	34 50	25	4.00	3.50*	2 00	1 50	12	Y.T.
16,00,000	61,80,857	97,18,091	59,31,903	27,690	Mangaldas Mehta & Co. Private Ltd.	50,056	958	Victoria Mills Ltd.	287.50	100	20.00*	20 00*	20 00*	20 00*	12	Y.P.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,664	1,212	Western India Spg. & Mfg.	4,475 00	1,000	300.00	300.00	325.00*	325.00	12	Y.P.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	140 00	100	7 00	12.00	5.00	5.00	6	Y.P.T.
15,00,000	1,02,99,525	1,39,02,837	79,95 503	....	P. M. Hutheesing & Co., Ltd.	44,220	920	Aruna Mills	630 00	100	80.00	25 00	25.00	25 00	12	Y.P.
60,00,000	2,86,91,444	2,34,46,771	1,24 21 342	1,27,946	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,070 00	100	35.00*	35.00*	35.00*	28.00 'C'	12	Y.P.
22,00 000	47 41 123	1 22 40 943	77 79 729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	485 00	200	25.00*	30 00*	Nil		12	Y.P.
20,00,000	1 31,57,252	1,17,23,154	70,40,009	957	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	686 25	100	30.00	80.00	30.00	20 00 'C'	12	Y.P.
2,06 25 000	2 60 65 176	6 22 25 491	2 74 71 141	9,28 589	Karamchand Premchand Pvt Ltd.	1,39,120	2,378	Calico	614 50	125	..	30.00	30.00	25.00	8	Y.P.
63,00,000	27,83,258	1,47,84,607	1,06,56 148	2,082	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	480 00	250	80.00	100.00*	25.00*	27.00*	12	Y.P.
52,00,000	1,17,29,342	1,79,38,243	1,14,51,119	1,21,046	Mafatlal Chandulal & Co., Ltd.	50,428	907	New Shorrock Spg. & Wvg.	982.00	125	85.00	40.00*	30.00	35.00*	12	Y.
15 00.000	64 29,775	69,45 065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	24,840	572	Nutan Mills	395.00	100	20.00	20.00	20 00		12	Y.P.
30,00,000	96,05,783	1,21,92,433	71,71,030	499	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	702 50	100	85.00*	35.00*	35 00*	25.00 'C'	12	Y.P.
48 75 000	28 46 580	1 33 74 914	73 60,111	9 988	M.	33,156	648	Rohit Mills	138 75	100	Nil	8.00*	8 00*		12	Y.P.
63,75,900	3,01,44,505	2,32,18,408	1,32,23,150	56,660	Harivallabhdas Kalidas & Co.	94,128	1,790	Shri Ambica Mills	785.50	100	27.00*	30.00*	25.00	30.00*	12	Y.P.
29,25,000	75,75,008	1,12,51,013	77,65,692	23,937	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	497 50	100	25.00	30.00*	20.00	22 00*	12	Y.
35,00,000	39,43,859	1,34,94,632	92,66,120	25,810	Haridas Achratlal & Co., Ltd.	41,056	780	Vijaya Mills	617.50	500	85.00*	50.50*	40.00*	40.00*	12	Y.P.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
15,00,000	3,05,455	38,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd.	13,044	856	Basanti Cotton Mills	6.75	10	0.50	0.60	0 60		12	Y.P.T.
7,11,280 / 3,00,620	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee Esq. (Mg. Director)	33,248	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	4.00	Nil	8	Y.P.
24,00,000	1,14,529	1,20,17,488	47,02,846	—35,408	Kettlewell Bullen & Co., Ltd.	42,928	841	Bowreah Cotton Mills	110 00	100	Nil	Nil	Nil	Nil	12	Y.P.
19,00,000	26,19,816	1,42,94,130	70,89,172	11,835	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	166 00	100	2.50	6.00	Nil	Nil	12	Y.T.
50,08,000	7,14,82-	81 32,154	30,32 154	1,32,757	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	8.62	10	Nil	0.87	9.50	0 65	12	Y.T.
1,60,00,000	2,13,45,526	4,06,00,505	1,38,72,244	5,212	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	14.69	10	0.87	1.00	0 75	0 25	8	Y.P.
O.19,47,750 / D.5,00,000	6,97,329	49,45,797	30,61,005	—2,23 455	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	14 69N / 4.00N	10 / 1D	1.00 / 0.34	1.00 / 0.26	1.00 / 0.15	0 50 / Nil	6	Y.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
30,00,000	....	44,50,440	5,61,731	12,298	Best & Co. (Pondicherry) Pvt. Ltd.	44,386	1,001	Anglo-French Textiles Ltd.	82.00xd	100	Nil	Nil	6.00	6 00	12	Y.P.
11,98,600	2,17,093	45,17,191	21,23,244	....	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00	100	12.50	15.00	12.50	6.00	6	Y.
72,00,000	18,19,271	1,89,74,579	68,27,598	6,322	The Industries (I.F.) Department, Government of Andhra Pradesh	25,752	716	Azam Jahi Mills	50.50	100	8.50(c)	5.00	8.50	Nil	9	Y.
1,21,50,000	1,55,24,679	3,69,74,488	2,92,09,368	2,98,409	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	177.00	100	30.00	30.00	10.00'C'	10.00	12	Y.P
35 00 000	74 79 507	1 41 25 225	1 10 21 274	1 04 207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	18 00N	10	3.00	1.50	1.50	0 75	8	Y
1,78,47,800	3,04,99,160	7,63 67,196	4,50,51,659	1,82,834	Binny & Co. (Madras), Ltd.	1,20 288	2,758	Buckingham & Carnatic	187 00	100	10.00	10 00	10.00	10.00	12	Y.P.T
20,00 000	15 37,935	50 23 440	26 18 048	..	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	9 80	10	0 50	0.50	0 50(c)		12	Y.P.
15 00,000	5,11,550	53 88 579	29 91 389	1,08,342	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	150 00	100	12.00	15.00	20.00	12 50	8	Y.
30,00,000	33,43,336	76,05,450	59 57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Text'les	5.00	5	Nil	0.25	0 25	Nil‡	12	Y.
9,36,560	5 81 645	60,81 289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	11 70	10	0.62	0.75	0.90	0 90	8	Y.P.T.
35,97,200	24,15,845	88,98,386	36,22 038	506	R. Bheema Naidu & Co.	34,864	..	Coimbatore Cotton Mills	142 00	100	25.00	25.00	9.00'C'	6.00	12	Y.
18,15,000	7,25,195	89,16,552	24,29,633	....	T. A. R. Chettiar Sons & Co.	25,840	100	Coimbatore Murugan Mills	91.00	100	20.00	12.00			12	Y.P.
20 00,000	13,28,450	80,21,737	44,09,621	599	T. R. N. Naidu & Co.	39,106	..	Coimbatore Pioneer Mills	290 00cd	100	20.00	20.00	20.00		12	Y.P.
20,76,900	5,076	1 37,90 104	88,52 968	—7,29,806	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	58 00	50	8.00	10.00	Nil		12	Y.
46,87,500	10 87 622	3,55,43,835	1,51,85,676	—28,54,243	Tata Industries Private Ltd.	75,530	1,707	Central India	98.00	100	3.00	Nil	Nil	Nil	6	Y.P.
26,90,661	19,55,000	1,04,60,142	44,85,815	21,830	R. Hanumanthappa & Son	35,744	300	Davangere Cotton Mills	113.50	100	9.00	9.00	9 00	9.00	8	Y.
3,38,36 225 / 1,00,563	3,59,53,968	12,81,26,690	7,47,89,631	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	34.50	25 / 2½	2.25 / 0.22	2.50 / 0.25	2.00 / 0.16	2 00 / 0.16	6	Y.P.T.
48,58,875	26,75,000	98,47,125	55,14 444	1 204	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	197.50	100	30.00	25.00	10.00'C	10 00	12	Y.
63,00,000	1,08,20,021	1,73,56,243	1,48,68,839	65,112	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	13.62	10	1.00	1.25	1.00	0.75	9	Y.P.
48,81,000	40,20,992	1,72,91,953	83 68,207	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	5	Gokak Mills	147.00	100	15 00	13.00	8.00	8.00	12	Y.
2 50.00,000	63,35,000	6,20,30,185	3,68,54,000	12,62,955	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	20.48	10	Nil	Nil	Nil	Nil-N	8	Y.P
50,00 000	6 94,589	1,59,76,049	1,21 32,273	—11,77,284	K. L. Seksaria, Esq. (Chairman)	50,780	1,356	Indore Malwa United	95 00	100	9.00	11.00	6.00		12	Y.
8,90 000	10,66,553	35 60 221	20,68,005	....	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	70.50	50	10.00	10.00	8.00		12	Y.
15,54,000	15,02,599	57,13,937	33 88,095	7,012	Mr. Bhairuratan Damani (Managing Director)	20,932	512	Jam Shri Ranjitsinghji	1,450 00	1,000	50.00	60.00	40 00		6	Y.
4,63,65,300	3,05 67 516	4,59 43 795	3 29 32 899	3,47 483	Birla Gwalior Private Ltd.	55,324	1,630	Jiyajeerao Cotton	9 76	10	4.00§	0.55	0.85	0.25	8	Y.P.
67,09,800	18,25,000	1,40,72,730	40,50,212	31,924	Kothari & Sons	41 040	800	Kothari Textiles	9 95	10	1.00	1.00	1.00	Nil	12	Y.P.
32,00,000	49,95,387	1,98,16,979	1,44,39,237	690	M.	51,098	1,219	Lakhshmi Cotton Mfg.	415 00	250	42.50	42 50	15.00	15.00	12	Y.P.
71,00,000	66 85,960	2,26,46,381	1,29 69,687	86,370	G. K. Naidu & Co.	1,10,800	200	Lakshmi Mills	123 00 / 62 00	50 / 25	12.50 / 6 25	12.50 / 6.25	10.00 / 5.00	6 00 / 8 00	8	Y.
1,75,02,480	3,75,33,193	5,99,75,120	4,17,59,406	—49,07,085	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	27.10	15	3.00	2 62	2.25	Nil	12	Y.
12,00,000	3,67,363	29.03,352	18,76,700	213	V. K. Eradi (Chairman)	22,228	100	Malabar Spg. & Wvg.	80 00	200	Nil	8.00			12	Y.
60,00 000	69,00 000	66,60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25 656	603	Mettur Industries Ltd.	402 00	100	85.00	42.50	20.00	20.00	8	Y.
29 80,884	12,88 081	93,11,180	51,89,457	19,789	N. Sirur & Co. Private Ltd	39,896	704	Minerva Mills	61 00	100	6.00	6.00	Nil		12	Y.
94,91,850	21,56 146	1,71,94,769	78,81,528	1,85 008	M.	52 408	952	Model Mills (Nagpur)	95 00	250	7.50(c)	7.50			6	Y.
24,83,500	39,98,562	1 13.65 249	72 49,736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	82 50	50	6.00(c)	9.00*	9.00*	5 00	2	Y.P.
13,61,780	....	29,12,641	17,83,814	8,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6 25N	10	Nil	Nil	Nil		8	Y.
87,23 500	29,30,563	1,76 86,675	67,86,683	—10,70,571	Bansilal Bisesardas Pvt. Ltd.	87,788	902	Osmanshahi Mills	41 00	100	2.50(c)	8.00(c)	Nil	Nil	9	Y.
4,00 000A / 6,00 000B	13,00,000	71,79,976	28,66,277	8,109	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	134 00cd / 190 00cd	50A / 75B	12.00 / 18.00	15.00 / 22.50	9 00 / 13 50		12	Y.P.
15,00,000	....	35,52 644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	50 50	100	4.00(c)	Nil	Nil		12	Y.
33,62,400A. / 16 81,200B.	31,21,189	1,06 11,851	58,39,265	3 877	A. G. Gurusamy Naidu & Co.	59,264	300	Radhakrishna Mills	127.00 / 64 50	100A / 50B	20.00 / 10.00	20.00 / 10.00	12 00 / 6 00		12	Y.
30,00,000	26,88,606	89,13,907	37,47,058	—1,89,711	B. R. Naidu & Sons	40,206	..	Rajalakshmi Mills	61 75xd	50	10.00	7.50	4.50	3.00'C'	12	Y.P.
16 14 300	14 00 000	58 40 286	20 95 406	....	Ramco Agencies Private Ltd.	30,750	..	Rajapalayam Mills	121 50	100	10 00	10 00	12.00	8 00	8	Y.
22,32,300	11,19,000	56,65,412	25,87,551	5,956	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	122 50cd	100	10.00	10.00	10.00	10.00	12	Y.
15,90,000 / 10 000	2,69,016	3.15 04 564	2,05 50 756	—34,29,635	M.	86,048	2,234	Sholapoor Spg. & Wvg.	422.50 / —	1,000 / 500	Nil	Nil	Nil		8	Y.P
10,00,000	6,43,782	51,57,412	25,99,155	3,118	S. R. P. Ponnuswamy Chetty & Sons	25,088	..	Sivanandha Mills Ltd	17,00cd	50	1.20	1.20	1.20	1.50	12	Y.
36 69 700	21 91 449	1,05,61,059	61 65,564	87 576	D.B. Viswambhariah Esq (Mg Director)	42,924	316	Sri Krishnarajendra Mills	73 00	10	5.00	7.00	7.00	4.50	8	Y.
15,00,000	3,63,33,415	1,06,79,186	80,23,012	80,16,282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	68 00N		6.00	6.00	6 00	6.00	8	Y.
17,50 000 O / 1,57,50,000 PO	2,36,28,071	5,28,86,193	1 97,31,347	2 64 970	M.	1,12,216	2,098	Swadeshi Cotton (Kanpur)	11 00 / 10 81	10O. / 10P.O	0.75 / 1 15	0.75 / 1.15	0.75 / 1 15		12	Y.P.
1,00,00,000	96,80,000	4,17,24,293	2,30,16,981	1,97,892	Fmcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	21 90cd	10	0.75	1.00	1 00	1.25	12	Y.P.T
13,98,730	8,75,000	20,72,310	14,38,584	71	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11 05	10	0 90	1.12	0 90	0 75	12	Y.
21,00,000	38,84,274	87,72,466	55,03,212	....	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	210.00xd	100	20 00	20 00	12 00	12 00	12	Y.P
32,00,000	8 64,423	1,94,48,153	1,30,02,866	—14,81,997	The Bombay Co. (Private) Ltd.	49,880	1,363	Vishnu Cotton	100 00	100	8.00	8.00	Nil	Nil	12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
Z.—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. § On old capital. ‡ For nine months ended 31st December 1957.
N= Gwalior Rayon—Dividend for the year ended 31st March 1959 is Re. 1.00 per Share. 'C'—On increased Capital.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
71,39,780	6,27,794	1,53,40,852	52,19,911	49,516	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.20	B. 10	1.00*	1 00	1.00		12	Y.P.
59,89,343	36,548	1,57,05,664	21,936	6,415	M.	Ashoka Cement Ltd.	8 80	10	..	..	Nil	Nil	8	Y.T.
12,71,80,070 / 6,34,26,150	10,06,76,940	36,32,76,342	12,89,15,052	1,98,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	153.00	100	10.00	10.00	9.00	8.50'C'	7	Y.T.
83,92,587	...	1,23,58 448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.16	10	0.30	0.60	0.60		12	Y
1,44,10 795 / 5,00,000	53 35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	10 65 / 2.63	O. 10 / D. 1	1.25 / 0.12	1.25 / 0.12	1.20 / 0.12		12	Y.P.T.
1,09,79,135	30,37,736	2,18,27,299	73,38 865	71,092	Essen Private Ltd.	India Cements Ltd.	— / 6.03	O. 25 / D. 5	1.87 / 0 37	2.06 / 0.41	2.06 / 0.41	2.25 / 0.45	3	Y.P.
1 50,00,000	1,85,000	6,72,92,670	1,24,70,386	93,276	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10 84	10	0.75	1.25	1.25	1.25	3	Y.P.
1 00,00,000	81 43,497	3,25,68,768	1,17,49,528	37,55 949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.83	10	1.25	1.25	1.50		12	Y.P.
1,34,20,200	48,94,785	3,55,77,865	1,29,16 661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	152 75	100	8 50	9 00	9.00		12	Y.P.
75 00 000	17,70,000	2 18 91 926	1,54,88 889	18 727	M.	Sone Valley Portland Cement	6.19	5	0.30	0 15	0.30		12	Y.
50,00,000	6,00,000	1,04,84,565	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	9.85cd	10	0.62	0.60	0.60		12	Y.

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
18,50,000	14 90 281	13 05,892	7,13 067	32,829	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	20.24	10	1.00	3.00	1.50	3.50	9	Y.P.
50,50,275	8 45 006	1,20 18,973	35 41 847	20 913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.56	2½	0.25	0.25	0.25		12	Y.
10,00,000	34,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	32 00	10	1.75	0.87	1.75	1.75	8	Y.
£1,371,300	£1,348,400	£2,621,717	£1,593,562	£1,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.08	Sh. 2	10 8d.*	4.8d.	4.32d		12	Y.
O.15,00,000 / P.5,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	12.25	10	1.00 / 3.00	Nil / Nil	Nil / Nil		6, 12	H.
6,00,000	4,29,010	10,39,616	6,71,336	6,036	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13 80	10	0.75	1.00	1.00*	1.00*	8	Y
20,00,000	49,23,557	56,51,624	29,17,800	1,42,114	Bird & Co. Private Ltd.	Orissa Minerals	37.12	10	2.00*	1.00‡	2.00	2.50*	6	Y.
10,50,000	74,07,410	92,16 115	33,74,927	57,690	Killick Industries Ltd.	Shivrajpur Syndicate	85 00xd	10	8.00*	8.00*	8.00*	8.00*	11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
41,27,700	37,60,000	1,10,24,566	49,60,560	31,068	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co	208.00	100	8.00	10.00	12.00		12	Y.P.
62,00,0000 / 2,47,97,000A	90,34,010	4,45,67,285	73,02,594	1,08,673	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	22.69	10	0.80	0.80	0.80	0.80	9	Y.P.
60,00,000	....	67,15,919	....	1,15 111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	170.50	100	Nil	Nil	Nil		12	Y.P.
89,27 800	11 05,700	2,96,61,485	67,85,495	58,686	Lalbhai Sons & Co.	Atul Products Ltd.	364.75	100	5.25	6.00	8.00		12	Y.
48,17,200	48,38,400	1,45,22,658	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	101.00	100	6.00	6.00	6.00	6.00	8	Y.P.T.
21,50,000 / 42,74,800	63,31,297	1,43,64,534	57,89 669	9,980	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	111.50 / —	100 / 100New	12.00 / ..	9.00 / 4 50	7.50 / 3.75	6 00 / 6.00	8	Y.P.
3,46,06,075	....	4,29,69,769	2,38,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	8.75cd	10	Nil	Nil	Nil		12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jal H. Mehta	Kemp & Co.	225 00	200	12.00	15.00	15.00	15.00	8	Y.
40,50,000	16,32,446	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.60	10	0.70	0.75	0.75	0 87½	8	Y.P.T
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.55	10	0.50	0.50	0.50		8	Y.
8,00,000	4,00,000	7,37 855	4,44,350	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	19.00	10	2.00	2.00	2.00		8	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	11.15	5	0.50	1.00	1.00	0.80'C'	6	Y.P.
10,00,000	12,00,954	19,34,602	14,27,276	87,365	M.	Polychem. Ltd.	96.00	50	..	..	..	Nil	8	Y.P.
1,89,95,990 / 56,00,000	17,19,952	4,57,35,637	1,71,48,316	8,736	Tata Industries Private Ltd.	Tata Chemicals	18.52	10	Nil	0.75	0.80	0.75	6	Y.P.T.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
8,74,78,395	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	91.20	100	5.00	6.50	3.25	6 50	3	Y.T.
72,50,000	14,67,106	1,98,94 397	45 21 447	15,26,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.76	10	0.75	0.75	0.42½	0.85	3	Y.P.
3,02,76,250	76 70,609	9.08 96 522	2,41,70,886	32,105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,130 00	1,000	75.00	75.00	56.25	80.00*	3	Y.P.T.
1,75,00 000	54,34 572	3 30 22,415	77 28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	103.75	100	7.00	7.00	7.00	7 00	3	Y.
7,07,020	99 267	16 08,942	7 53,744	199	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.12	10	0.75	0.62	Nil	0 50	3	Y.T.
18,89,000	9.35 596	1 40 77 220	53 14,908	7 836	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	127.00	100	10.00	10.00	2 50	7 50	3	Y.P.T.
60 62 500	25,74 514	1 34 27 302	42 37 719	3,823	Killick Industries Ltd.	Surat Electricity	106 50	100	7.00	..	8.75	7 00	3	Y.P.
2 39,99 575	74,19 097	6 63,96 657	1,61 14 10	24,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	118 25	100	7.50	7.50	5.52	8.00*	3	Y.P.
5,15,35,750	2.13,05,278	16,15,83,754	3,15.30,939	29,701	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,171.25	1,000	75.00	75.00	56.25	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
19,99,600	44,20,245	1,12,31,458	33,25,328	49,395	MartinBurn Ltd.	Agra Electric Supply Co., Ltd.	144.00	100	10.00	10.00	10.00	10.00	8	Y.T.
8,00,000	14,59,897	50,97,022	18,71,544	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14 50	10	1.00	..	1.25	1.00	3	Y.T.
17,00,000	40,15,771	1,33,22,707	40,12,140	41,291	Martin Burn Ltd.	Benares Electric Light & Power Co.	14 25	10	1.25	..	1.25	1.00	8	Y.T.
5,91,380	5.95,855	21.28,477	9.59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	7.75	8	0.50	..	0 62Z		8	Y.
£4,262,646	£9,051,862	£31,675,211	£11,724,713	£119,311	Harry Burn Esq. (Chairman)	Calcutta Electric Supply	15.00	£1	6%	..	8½%Z	7%	8	Y.P.T.
6,60,000	5,11,491	28,13,024	8,33,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8 00	10	0.62	..	1.00Z	0.65	8	Y.
48 20,000	16,40 106	98,00 595	33 79,613	8 16,830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	102.00	100	6 00	6.00	6.50	7 00	8	Y.P.
5,84,640	96,514	29,51,444	12,22,358	3,590	Moonna Lall & Sons	Jhansi Electric Supply	6.62	10	0 69	..	0.86Z	0 62½	3	Y.T.
2,49,700	25,37,546	98 31,343	35 83 665	29,425	Martin Burn Ltd.	Jubbulpore Electric Supply	13.16	10	0.91	0.40	0.92	0.92	8	Y.
4,95,000	2,21,374	12,36,011	6.02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	6.37	9	0.50	..	1.22Z	0.72	8	Y.
5,82,890	3,35,296	32,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8 25	10	Nil	..	1.25Z	1.00	8	Y.
6,99,850	1,83 973	17,84 092	7,83 164	22,321	G. D. Bhagat, Esq.	Muttra Electric Supply	10.75	10	0 60	0.80	0.80	0 80	3	Y.
35,10,478	87 51,068	1,32,14,704	51 65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.87	10	0.75	..	1.25Z	0.75	8	Y.T.
9,10,000	1,93 940	9,80,989	5 10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25	10	0 50	Nil	Nil	0.50	8	Y.
16,80,000	11,63,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	11.00	10	0 75	..	0.94Z	0 68	8	Y.T.
56 00,000	9,42,407	1,85,49 991	54,65 888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	12 10	10	0 91	0.91	1.28	0 87	8	Y.P.T.
5,99,250	4 67 280	21,09 262	9,38 176	9,038	Martin Burn Ltd.	Upper Ganges Valley Electric Supply	22 50	10	0.94	..	1.25	1.00	8	Y.
5,00,000	7,10,006	30,55,008	9,86,492	34,395	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	18.00	10	1.25	1.25	1.25	1.25	8	Y.
56,00 000	70,88,309	3,23,02,947	1,23,96,968	82,797	Martin Burn Ltd.	U. P. Electric Supply Co.	139.50	100	10.00	10.00	10.00	0.50	8	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.75	10	1.00	1.00	1.00	1.00	8	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
83 42,200	52,31,831	74,21,408	62,82 616	25,010	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	270.00	100	12.50	15.00	12.50		12	Y.
14,99,960	2,67,708	16,61,421	6,38 124	3,552	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	60 00	60	3.00	3.00	3.00	3.00	12	Y.
6 40,000	8,75 000	1,57,259	1,17 027	1,448	M. R. Rao Esq. (General Manager)	Jost's Engineering	71 00	50	4.00	4.00	5.00	5 00	3	Y.
44,90,250	3,13,291	56,91,406	23,32,632	11,374	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	9 72	10	Nil	Nil	Nil	0.50	9	Y.P
50,00,000	15 01,511	44 29,826	20 09,714	25,646	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	22 00XR	10	1.00	1.00	1.00	1 25	3	Y.P.
1,32,00,000	35 51 182	1,33,41,215	23,12,332	98,681	M.	Mahindra & Mahindra Ltd.	19.80	10	1.00	1.25	1.75	2.20	10	Y.P
11,00,000	1,98,034	37,30,884	22,13,147	5,012	P. Jhunjhunwala Esq. (Mg. Director)	McKenzies	78 00	100	Nil	Nil	Nil	Nil	7	Y.P
39 69 895	24,80 000	83,15,927	31 99 497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	18.04	10	Nil	Nil	1.00	1.20	3	Y.P
22,50 000O. / 1,31,250Pr.	1 31 65,556	7,65 574	1,09,239	2,35,444	Walchand & Co. Private Ltd.	Premier Construction	315.00	30	8.50	8.50	10.00	12.00	12	Y.P.
1,56,60,000 / 1,41,76 610	28,26 43,033	147,05,45,438	42,01,71,546	4,49,862	Tata Industries Private Ltd.	Tata Iron and Steel	190.75 / 183.25	75old / 75new	10.50 / ..	10.50 / ..	9.50 / 2.54	8.25 / 7.56	3	Y.P.
5,00,00,000	65,53,390	16,75,33 296	6,68,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive	204 00	100	Nil	6.00	8.00	9.00	3	Y.P.T.
2,55,00,000	24,78,951	76,50,491	16,44,492	1,09,108	S. K. Handoo, Esq.	Voltas Ltd.	170.00	100	5.00	9.00	9.00	9.00	8	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
6,00,000	34.571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	12.75	10	Nil	Nil	Nil		10	Y.P.T.
50,00,000	21,82,549	1,38,19,982	85,27,333	53,806	Bhartia Co., Ltd.	Bhartia Electric Steel	16.56	10	1.25	1.25	1.25	1.25	12	Y.
56,59,790	64,90,721	66,62,747	9,45,919	1,75,170	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	28.44	7	1.75	2.00	3 00	1.25	12	Y.
12,00,000	25,05,000	49,19,444	27,09,444	1,73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34.00	10	1.50	2.00	2 00		12	Y.T.
19,88,670	5,23,347	37,25,250	11,79,769	99,900	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6.00	10	1.00	0.50	0.50	0.50	8	Y.P.T.
40,00 000	39,42,365	83,13,780	37,68,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	13 00	10	1.50	0.60	0.60		12	Y.T.
5,00,000	5,65,064	22,70,144	13,03,817	63,189	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	27.75	10	Nil	Nil	2.00	2.00	12	Y.
84,00,000	1 99 04 936	4,42,87 297	2 71,68 251	1,30,345	Martin Burn Ltd.	Burn & Co.	433.00	100	15.00	20.00	20.00	20.00	4	Y.T.
2,00,00,000	2,13 04,630	4 44 83 991	1,89 34 508	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	38.25	10	..	2.30	2.00	2.00	12	Y.T.
12,50,000	24,07,000	60,24,546	39,12,107	9,214	Martin Burn Ltd.	Hooghly Docking	115 00	50	6.25	6.25	5.00	5.00	12	Y.P.
86,94,590	....	46,81,461	28 61 241	—2,73,694	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	18 87	10	1.00	Nil	Nil	Nil	12	Y.P.
10,36,74,160	18,72,11,475	43 94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	24 00	10	1.00	1.00	1.00	1.00 C'	8	Y.P.
38,98,500	50,07,246	1,11,72,454	68,34,127	37,450	Martin Burn Ltd.	Indian Standard Wagon	93 00	25	6.25	7.50*	7.50*	5.00	8	Y.P.
82,00 000 / 26,580	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	33.00 / 19.00N	0.10 / 0.1	3.00 / 0.30	3.00 / 0.30	4.00* / 0.40*	4.00* / 0.40*	8	Y.
68,62,575	52,15,306	2 84,90,851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	208.00	100	12.00	10 00	15.00	12.00	8	Y.P.T.
1,01,99,000	51,82 557	1,72 18,507	62,69 132	51 642	M.	Jessop & Co.	31 00	10	3.00	Nil	Nil		10	Y.P.
24,23,187	10,05,500	43,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	19 76	10	0.50	0.60	0.90	1.00	3	Y.
18 43,200	54,56,724	72,53,319	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	8.62	3	0 50	0.62	0.45		11	Y.P.T
10,50,000	23,78,264	17,13,875	13 52,941	1,35 774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	6.19	2	0 30	0.40	0.40		6	Y.
49,06,000	7,44,675	1,25,33,261	68,79,493	9,10,380	M.	National Iron and Steel Co., Ltd.	7.87	10	0.25	0.62	0.62	0.62	3	Y.P.T.
40,00,000	30,56,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8 44N	10	1.50				6	Y.P.
6,00,000	8 16,855	29,83,251	18,00,849	21 633	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.44	4	0.25	0.25	0.40	0.40	3	Y.
1,50,00,000	40,87,211	3,55,99,392	1,47,60,893	53,854	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	25.60	10	1.00	1.25	1.50		12	Y.P.T

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
13,50,000	46,99,060	1,33,51,354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	13.00	5	1.00	1.00	1.00		12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	33 50	50	3.00	3.00	3.00		12	Y.
5,15,000	1,84,95,246	12,38,65,607	....		R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	201.25	100	25.00				12	Y.
24,00,000	62,91,344	1,26,11,707	....	3 40 686	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25 75	10	2.00	2.00	2.00		12	Y.
18,74,940	3,30 83,259	4,29,34,168	....	6,54,184	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	5 60	15	Nil	Nil	Nil		12	Y.
20,00,000	53,99,401	1,56,15 926	....	10 976	M. G. Mody, Esq.	New Great Insurance	23 52	20	1.50	1.50	2.00		12	Y.
3,06,81,590	7,19,81,437	13,20,95,176	....	1,41,481	B. K. Shah, Esq.	New India Assurance	53.50	15	2.50	3.00	3 00	2.00‡	12	Y.
32,00,000	65,90,064	1,60,63,502	....	29,354	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	7 00	8	0.50	0.62	0.62		12	Y.
5,75,000	67,91,968	42,97,523	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	158 00	25	11.25	11.25	11.25		12	Y.
15,99,270	38,72,513	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	20.72	10	1.25	1.50	1.50		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
35,00,000	86,85,342	89,25,560	36,80,012	1,63,409	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	6.25N	7	1.50	1.50	0.60		12	Y.P.
90,00,000	1,50,18,285	99,60,109	51,30,823	3,23,739	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co. Ltd. A.	25 50	10	4.00*	2.00	2.00	2.00	12	Y.P.
79,07,475	35,88,424	2,22,58,663	1,37,40,056	5,511	Tata Industries Private Ltd.	Tata Oil Mills	57 00	25	2.00	3.00	2.50	2 50	8	Y.P.
6,00,000	9,35,944	2,38,199	1,74,917	70,660	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India), Ltd.	16.75	10	1.09	1.25	1.25	1.50	10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. A.—I. B. Petrol—Shares of Rs. 40 were sub-divided into shares of Rs. 10 each in September 1955.
Z.—Dividend is for fifteen months ended 31st March 1957. T—Company has got Debentures.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
PAPER														
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	94.00	25	4.69	2.50	3.12	2.00i	12	Y.P.T.
63,00,000	61,52,258	1,94,26,902	88,79,418	29,471	Andrew Yule & Co., Ltd.	India Paper Pulp	21.87	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	20.25	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	35.75	10	1.12	0.62	1.50	1.50	3	Y.P.T.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	17.94	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000 *A'10,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	11.50 11.50	O. 10 A. 10	1.25 1.25	1.05 1.05	0.60 0.60		9	Y.P.
2,18,55,240	51,23,786	3,93,85,536	1,10,56,130	18,794	Birla Brothers Private Ltd.	Sirpur Paper Mills	12.88	10	5.00‡	0.50	0.50	0.65	6	Y.P.
56,00,000A. 56,04,800B. 4,87,500P.O.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	41.75 41.75 4.25	A. 10 B. 10 P.O. 2½	2.00* 2.00* 0.25	1.12* 1.12* 0.12	2.38* 2.38* 0.24	2.38* 2.38 0.24	3	Y.P.
SAW MILLS AND TIMBER														
13,99,998	22,88,839	32,70,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.25	3	*Nil*	*Nil*	*Nil*		9	Y.
39,25,000 42,00,000	3,44,84,732	5,28,19,225	2,20,41,205	49,883	Wallace & Co.	Bombay-Burmah Trading Corpn.	543.50 180.00	Old125 New50	37.50 15.00	40.00 13.75	47.50K 19.00K	22.50 9.00	5	Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	40.62	10	3.00	3.00	2.75	1.00i	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	16,60,406	43,47,523	32,35,804	59,415	M.	Balrampur Sugar	7.12		0.06	*Nil*	0.25	0.25	6	Y.
12,00,000A. 3,00,000B.	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	120.00N 11.50N	A.100 B. 10	10.00 1.00	10.00 1.00			4	Y.T.
19,49,050	9,25,000	33,56,131	25,76,647	66,832	Bangur Bros., Ltd.	Belsund Sugar	12.94	7½	0.75	1.00	1.00	1.00	9	Y.
15,00,000	13,08,913	22,66,507	13,89,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	12.00N	10	1.50	1.50	1.50	1.00	6	Y.P.
32,00,000	23,38,522	1,49,71,234	1,02,01,879	11,728	Gladstone Lyall & Co., Ltd.	Carew & Co.	8.87	10	0.25	*Nil*	*Nil*	0.25	6	Y.P.T.
30,00,000	63,02,047	1,64,83,531	98,80,069	—22,24,008	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	11.25	10	0.75	0.75	*Nil*	*Nil*	10	Y.P.
18,00,000	38,41,544	85,45,310	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	15.50	10	1.50	1.00	*Nil*	1.00	6	Y.
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.50N	10	0.50	0.50			8	Y.T.
60,00,000	65,12,000	2,11,44,128	86,21,246	43,249	Bachraj & Co. Private Ltd	Hindusthan Sugar Mills	230.00	100	15.00	15.00	15.00	15.00	6	Y.P.
18,00,000	13,01,626	82,28,561	52,18,596	74,885	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	47.00	40	2.25	4.00	7.00	4.00	7	Y.P.
7,89,100	25,36,524	50,24,224	28,80,749	18,295	Cotton Agents Private Ltd.	New India Sugar Mills	26.00	10	2.50	2.50	2.50	2.50	6	Y.P.
11,00,000	4,52,841	49,08,886	29,20,520	3,047	K. C. Thapar & Bros. Private Ltd.	New Savan	5.00	10	0.25	0.37	0.37	0.25	5	Y.
13,21,100 38,275	49,91,797	73,75,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	240.00 50.00N	100 25	20.00 5.00	20.00 5.00	20.00 5.00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	142.00	100	11.00	11.00	12.50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	12.00	10	0.75	0.75	*Nil*		10	Y.P.
63,59,400	48,34,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar	14.06	10	1.50	1.50	1.50		10	Y.
8,00,000	6,30,752	29,26,300	23,93,295	1,403	M.	Ryam Sugar	17.00	10	*Nil*	1.75	1.50	1.50	6	Y.P.
11,99,000	16,33,214	47,23,533	25,18,422	—2,20,853	M.	Samastipur Central Sugar	13.25	10	*Nil*	1.75	*Nil*		6	Y.
39,88,800	22,68,560	1,47,99,287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.00	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	32,42,065	14,85,208	—3,03,840	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	3.25	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
8,00,000	37,71,616	1,55,93,502	86,53,620	24,618	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	2.50	3.00	5.00	5.00	6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.	United Provinces Sugar	16.25	10	1.50	0.60	0.75		9	Y.
Other Centres														
20,00,000	23,00,000	84,58,962	24,22,569	22,096	Rangarao & Co.	Andhra Sugars Ltd.	22.52	10	0.60	1.00	1.25	1.50	9	Y.
70,49,650	1,33,26,508	1,53,99,065	1,08,78,700	2,88,214	W. H. Brady & Co., Ltd.	Belapur Company	293.50	50	16.00	16.00	18.00	20.00*	9	Y.
17,50,000	13,19,902	42,58,150	25,46,204	1,21,343	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd	Bhopal Sugar Industries Ltd.	23.20	10	1.00	1.50	2.00	2.00	9	Y.P.
37,50,000	16,15,171	76,19,408	50,40,255	31,529		Shree Changdeo Sugar	30.00	12.50	2.00	5.00	2.25		9	Y.
39,84,000	50,19,492	1,19,44,328	60,95,463	1,49,743	Parry & Co., Ltd.	Deccan Sugar & Abkhari	12.30cd	5	0.50	0.75	0.72½'C'	0.90	5	Y.P.
£800,000	£1,398,556	£1,861,707	£996,904	£70,816	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	36.75	£1	Sh. 4	Sh. 3	Sh. 3	Sh. 4	9	Y.P.
15,93,900	21,59,383	45,68,562	27,88,312	9,164	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	*Nil*	6.00	10.00	10.00	6	Y.P.
63,97,600	9,09,336	78,60,440	13,77,075	24,812	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.00	10	1.40	1.12	1.00	1.00	9	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd.	Jaypore Sugar	15.75	10	1.00	0.60	0.60		6	Y.P.
10,52,200O. 2,87,190D.	1,09,50,000	3,37,42,487	51,70,482	83,107	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	140.00 140.00	O.100 D. 10	7.50 10.00	7.50 10.00	7.50 10.00	7.50 1.50	6	Y.P.
67,50,000	43,52,607	1,32,16,830	62,39,590	2,98,574	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	200.00	50	..	100.00*	100.00*	17.00*	9	Y.P.
21,79,280	92,73,108	1,57,31,189	96,17,873	1,41,257	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	52.25	10	2.00	2.00	2.00	3.00*	6	Y.
50,00,000	53,21,430	1,16,88,154	67,30,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	158.00	50	8.00	9.00	12.00*	10.00	9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	19.12	10	2.00	2.00	1.50		8	Y.P.T.
20,00,000O. 4,00,000D.	42,05,804	1,18,46,781	62,36,097	72,206	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	125.00 40.00	O. 50 D. 50	9.00 0.70	12.00 0.70	12.00 3.75	12.00 3.75	9	Y.P.T.
30,00,000	23,85,000	65,43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	11.95	10	0.75	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,17,38,868	2,95,28,114	1,17,67,839	1,73,607	Walchand & Co. Private Ltd.	Walchandnagar Industries	202.50	100	18.00	21.00	21.00	21.00	9	Y.P.T.
TRANSPORT														
20,00,000	99,30,970	1,22,58,916	19,44,277	36,387	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	7.50	7.50	5.00		10	Y.P.
1,00,00,000	1,27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	12.40	10	5.00	6.00	12.00*		12	Y.
60,00,000 30,00,000	1,98,50,067	5,87,36,543	1,23,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	22.52 14.92	10 5	*Nil*	1.00	1.50	1.80 0.90	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	59.50	£10	Sh. 10	*Nil*	*Nil*		12	Y.P.
2,47,50,000	2,83,86,232	15,10,10,777	3,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	14.04	10	*Nil*	1.00	1.00	1.00	3	Y.P.
11,28,19,293	10,91,45,114	30,05,36,672	6,94,73,743	6,65,069	M.	Scindia Steam Navigation Co.	17.52	20	0.50	1.00	1.25	1.25	6	Y.T.
8,40,800O. 2,10,200P.O.	21,67,472	12,59,963	8,41,760	1,35,400	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	2.00 1.59	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.14 0.12		12	Y.
UNCLASSIFIED (Bombay)														
5,57,00,000	1,20,48,754	5,27,61,268	66,48,054	1,35,01,036	S. H. Turner (Chairman)	Hindustan Lever	30.00	10	..	1.25	1.40	1.50	12	Y.
31,07,000	13,46,538	1,14,49,082	72,51,407	67,978	Birla Brothers Private Ltd.	Hind Cycles	104.00	100	10.00	..	12.50F	7.00	3	Y.P.T.
14,98,840	4,61,996	33,87,568	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	40.00	50	2.00	3.00	3.50*	3.00	3	Y.P.
99,99,250	20,21,794	1,27,76,392§§	....	1,92,364†	Premchand Roychand & Sons	Industrial Investment Trust	77.00	100	4.50	5.00	5.50	6.00	12	Y.
1,00,00,000 6,23,625	25,34,707	45,50,240	14,45,332	9,290	K. G. Milne, Esq. (Mg. Director)	Killick Industries	139.50	100	11.00	11.00	11.00	13.00	11	Y.
2,20,26,525	71,19,432	3,90,61,158	1,93,68,002	4,78,891	Aero-Auto Private Ltd.	Premier Automobiles	109.50	100	*Nil*	6.00	6.00	4.00	6	Y.T.
26,91,500	24,05,554	65,52,811	16,34,991	48,132	Polson Agencies Private Ltd.	Polson Ltd.	138.00	10	10.00	12.50	10.00	10.00	12	Y.P.
2,75,00,000	1,57,27,188	4,42,23,592	1,76,37,418	1,62,793	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	204.50	100	11.00*	11.00*	11.00*	11.00*	12	Y.
45,00,000	59,87,543	11,32,721	5,39,418	84,398	Jehangir P. Patel, Esq. (Chairman)	W. H. Brady & Co., Ltd.	323.75	150	20.00	22.50	25.00	25.00	12	Y.
Other Centres														
57,50,000 2,50,000	1,99,56,713	3,81,21,462	36,96,361	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	14.31 —	O. 10 D. 2½	*Nil* *Nil*	0.50 *Nil*	0.90 *Nil*		3	Y.P.T.
79,95,653	34,25,000	1,05,40,087	34,37,767	49,715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd.	20.10	10	1.25*	1.25	1.25	1.25	3	Y.
30,00,000	36,31,857	35,74,849	24,59,437	2,39,372	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	18.37	10	2.00*	2.00*	1.80*	1.50	8	Y.
30,00,000	17,57,742	39,32,562	20,88,148	1,97,533	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	16.50	10	1.25*	1.25*	1.25*	1.25*	12	Y.
20,00,000	35,94,600	1,05,12,033	39,58,423	3,29,986	Oberoi Hotels (India) Private Ltd	Associated Hotels of India	8.00	10	0.40	1.20	0.60		3	Y.P.T.
3,13,10,000	16,72,758	1,71,81,201	43,09,030	27,608	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	6.95xd xr	5	*Nil*	0.30	0.30	0.30	12	Y.
30,01,400	84,59,405	74,46,138	40,46,138	5,00,886	M.	Balmer Lawrie & Co., Ltd.	163.00	100	12.50	15.00	12.50	5.00i	12	Y.
12,00,000	19,60,081	34,87,689	28,67,589	2,19,540	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	33.00	10	2.25	2.50	2.50	2.50	12	Y.
20,00,000	8,48,877	....	....	14,920	Lovelock & Lewis	Birds Investment Ltd.	14.75	10	1.25	1.00	0.50	0.70	9	Y.P.
45,97,020	38,11,814	1,15,02,202	42,92,212	2,18,164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	20.75	10	1.00	1.00	1.00	1.20	3	Y.P.T.
3,25,00,000	1,27,72,883	3,51,40,132	2,47,20,776	—11,35,910	M.	British India Corporation Ltd.	4.70	5	*Nil*	0.10	*Nil*		12	Y.P.
5,00,000	2,47,132	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	79.00xd N	100	5.00	6.00	10.00*		6	Y.
1,88,80,000	17,34,264	2,05,94,990§§	....	8,10,588	Andrew Yule & Co., Ltd.	Clive Row Investment	10.00	10	0.56	1.38	0.75	0.75	3	Y.
3,00,00,000	3,95,09,699	8,77,39,859	2,97,56,769	22,46,056	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	32.00	10	1.50	1.50	1.62	1.62	12	Y.P.T.
16,20,630	56,26,391	43,40,889	19,18,152	26,195	Mr. K. G. Khanna	Dyer Meakin Breweries	16.31	5	0.56	0.56	0.60	0.75	8	Y.
51,26,000	56,67,666	1,62,31,196§§	....	3,25,471	Bird & Co. Private Ltd.	Eastern Investments Ltd.	134.00	100	9.00	9.00	9.00	9.00	12	Y.P.
14,94,675	....	22,64,862	91,811	5,110	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	11.00	10	..	..	..		12	Y.P.
14,00,000	10,35,000	36,71,778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	185.00	100	15.00	4.00	12.00	15.00	3	Y.
40,00,000	4,40,000	68,41,943	36,78,212	10,34,574	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	21.50N	10	2.00	2.00	1.50	2.00	12	Y.P.
65,00,000	36,00,000	29,50,904	12,41,168	1,46,370	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	12.75	10	1.40	1.60	1.00	1.00	3	Y.P.
30,00,000	15,17,354	83,08,821	36,24,683	74,215	B. P. R. Syndicate	Great Eastern Hotel	250.00N	250	6.25	15.00	15.00		3	Y.
4,96,13,250	13,37,499	5,26,95,200	2,25,48,541	9,38,841	Birla Brothers Private Ltd.	Hindustan Motors	8.76	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
3,88,05,820	1,30,17,480	9,30,74,123	2,48,87,454	15,25,957	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	20.56	10	0.90	1.00	0.60	0.70	12	Y.P.
1,52,89,220	1,50,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	30.50	10	1.25*	1.50*	1.50*	1.50*	3	Y.P.T.
8,27,970	6,14,570	17,46,166	10,03,558	97,031	M.	Indian Rubber Manufacturers	17.00	10	0.50	0.62	0.62		3	Y.P.
2,00,00,000	84,76,626	4,61,56,945	1,85,74,917	6,17,828	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	26.50	10	..	..	1.00	1.00	9	Y.
5,16,00,000	9,06,59,979	10,61,31,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	11.75	10	0.30	0.30	0.70	0.70	3	Y.
2,50,00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	81.00	100	7.50	7.50	2.50	2.50	3	Y.P.
40,00,000O. 5,00,000D.	82,95,072	29,31,775	11,33,490	....	M.	McLeod & Co.	205.00 —	O. 100 D.O.10	22.50 1.75	8.00 0.30	12.50 0.75		12	Y.P.
1,45,55,250	1,07,91,546	54,34,935	15,77,645	2,44,633	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	27.37	10	1.81*	2.12*	2.12*	2.12*	9	Y.P.
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	41.00	10	1.25	1.62	1.75	1.75	3	Y.P.
6,56,250	6,92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	21.25	10	0.75	0.90	1.25		3	Y.P.
10,00,000	3,70,000	18,04,172	10,70,792	4,088	M. Malleshayya, Esq. (Chairman)	Mysore Tobacco	14.12	10	1.00	1.50	1.50	1.25	3	Y.
2,00,00,000	88,05,505	2,82,78,743	78,77,684	33,83,463	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	32.75	10	3.25	1.50	1.40	1.40	12	Y.
59,97,500	1,15,26,172	96,32,982	44,82,913	60,556	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	33.25	10	1.50*	2.00*	2.00	2.00	3	Y.T.
40,00,000	25,10,600	83,49,539	22,23,144	23,120	Do.	National Rolling & Steel Ropes	15.00	10	0.60	0.60	0.60	1.00	6	Y.P.
49,90,400	7,21,860	72,58,541	31,03,186	96,706	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	13.97cd	10	..	..	1.00	0.60'C'	12	Y.
79,07,000	68,89,261	1,25,70,061	65,79,351	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	15.56	10	0.80	0.70	0.90		12	Y.P.T.
2,20,00,000	42,21,731	89,43,258	33,40,874	63,842	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	20.62	10	..	..	0.34		12	Y.
2,25,00,000	10,94,424	85,12,939	46,26,988	—32,47,714	M. P. A. Paspatti, Esq.	Rallis India Ltd.	64.50	100	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.P.
2,50,80,000	1,57,90,209	13,84,94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	22.12	10	1.50	1.50		2.00††	3	Y.P.T.
4,73,200 5,13,400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100.00N 50.00N	100 50	.. ..	5.00 2.50	6.00 3.00	6.00 3.00	3	Y.P.
70,00,000	17,66,318	1,67,21,608	34,47,040	66,321	M.	Sen-Raleigh Industries	17.00cd	10	0.60	0.60	0.60		9	Y.P.
40,00,000	89,05,314	1,28,83,302	73,61,372	9,13,245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	20.25	10	1.50	1.50	1.50	1.50	6	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3,65,425	S. M. Smith, Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	17.81	10	1.00	1.00	1.00		12	Y.P.
15,00,000	95,15,571	1,13,44,098	16,55,796	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	17.00	10	1.00	1.25	1.25		12	Y.
9,98,380	5,855	15,56,343	5,95,504	10,268	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.50cd	10	*Nil*	*Nil*	*Nil*	0.40	12	Y.
6,00,000	9,80,100	30,85,103	26,85,097	9,488	Vital Mallya, Esq. (Chairman)	United Breweries	405.00	100	0.00	20.00	20.00	60.00	3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. J.—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958. † Subject to taxation.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. K.—Includes an additional dividend Rs. 7.00 per old share and Rs. 3.00 per new share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	32.00N	10	19.00A	5.00	1.00	1.50i	12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	456	Ananda (Assam) Tea	19.00	10	1.00	2.00	1.00		12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	25.00	10	1.00	1.25	0.50		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	25.00	10	1.00	2.50	1.50		12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co., Ltd.	377	Basmatia	26.50	10	1.50	2.00	1.75		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	19.75	5	2.50	3.00	1.50		12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co., Ltd.	581	Betjan	25.87	10	2.00	2.50	1.50		12	Y.
83,00,000	15,39,600	73,93,588	30,33,388	8,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	20.31	10	2.00	2.00	1.00		12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	15.00	10	*Nil*	0.50	*Nil*		12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co., Ltd.	450	Bormah Jan Tea	18.00	10	2.00	1.50	*Nil*		12	Y.P
85,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M.	2,884	Brooke Bond	20.37	10	4.75	1.25	1.75		6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	63.00	10	3.00	3.00	2.00		12	Y.
8,40,000	7,77,250	31,03,643	18,55,911	—1,18,361	Jardine Henderson Ltd.	1,156	Dessai & Parbuttia	152.00	100	10.00	10.00	*Nil*		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	24.00	10	2.50	2.50	2.50	0.25i	12	Y.P.
4,68,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	18.44	10	1.00	1.25	2.00		12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	36,146	McLeod & Co., Ltd.	458	Dibrugarh	33.56	10	2.00	3.00	2.50	1.00i	12	Y.P.
4,73,400	6,15,000	15,05,630	6,48,530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	33.00	10	2.00	3.00	3.00	1.00i	12	Y.P.
7,00,620	10,33,300	23,48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Duflaghur	37.50	10	4.00	4.00	3.00	1.50i	12	Y.
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Magor & Co., Ltd.	1,166	East India Tea	20.87	10	1.00	1.00	0.50		12	Y.
5,03,760	6,36,175	13,30,198	5,28,090	16,110	M.	407	Gillapukri	29.00	10	3.50	3.00	2.50		12	Y.
6,76,000	4,38,700	19,45,409	9,05,109	1,05,022	Williamson Magor & Co., Ltd.	546	Gohpur	24.50	10	3.00	2.50	2.00		12	Y.
11,02,725	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	17.75	5	1.25	1.62	1.25	0.50i	12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,595	Andrew Yule & Co., Ltd.	476	Hoograjuli	29.50	10	0.50	1.50	1.00		12	Y.
8,70,000	13,02,909	25,53,023	13,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	200.00	100	7.50	15.00	12.50		12	Y.
58,56,900	53,85,792	1,63,70,458	54,70,458	91,307	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	12.50	10	1.00	1.00	1.00	1.00	12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutilbari	24.50	10	*Nil*	1.00	1.75		12	Y.
2,40,000	11,30,500	12,75,848	6,72,848	65,988	M.	1,699	Kingsley-Golaghat (Assam)	157.00	100	25.00	25.00			12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	12.00	5	*Nil*	*Nil*	*Nil*		12	Y.P.
6,50,000	10,94,454	12,07,806	3,53,788	392	Duncan Bros. & Co., Ltd.	636	Ledo	18.50	10	1.00	0.75	*Nil*	1.00i	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	24.25	10	1.75	2.00	1.50	1.00i	12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13.25	10	*Nil*	*Nil*			12	Y.P.
O. 1,50,000	8,20,000	9,69,706	5,17,244	67,133	Kettlewell Bullen & Co., Ltd.	410	Mothola	460.00	100	50.00	60.00	40.00		12	Y.
P. 1,75,000 O. 2,00,000	6,08,309	10,96,673	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	29.50 29.00	O. 10 P.O. 10	1.25 1.75	2.00 2.50	1.75 2.25		12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	14.12	10	1.00	1.50			12	Y.
5,00,000	....	7,72,341	2,90,502	—38,569	Duncan Bros. & Co., Ltd.	801	New Cinnatolliah	112.00	100	*Nil*	*Nil*	*Nil*		12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co. Ltd.	370	Rajgarh	45.50	10	0.25	4.00	2.50		12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	21.75	10	2.50	2.50	1.50		12	Y.
2,49,000	8,86,000	11,48,864	6,60,764	87,974	Williamson Magor & Co. Ltd.	482	Seajuli	28.75	10	1.50	1.50	2.25		12	Y.
5,98,000	12,48,874	15,39,500	4,94,783	78,434	McLeod & Co., Ltd.	405	Teloijan	31.75	10	2.50	3.50	3.00	1.00i	12	Y.P
8,00,000	5,35,127	12,11,400	3,86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45.00N	10	0.75	1.00	1.50		12	Y.
19,82,880	12,75,000	46,07,888	19,46,388	36,041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	18.50	10	1.50	1.25	*Nil*		12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,644	McLeod & Co., Ltd.	1,050	Tyroon	44.50	10	3.00	4.50	3.00		12	Y.P.T.
CACHAR															
8,00,000	....	5,16,444	1,88,505	—2,43,041	M.	862	Arcuttipore	7.00	10	*Nil*	*Nil*	*Nil*		12	Y.
7,00,000	....	7,66,139	1,03,460	—3,49,181	Octavius Steel & Co., Ltd.	649	Eastern Cachar	4.37	10	*Nil*	*Nil*	*Nil*		12	Y.
12,60,000	10,43,149	30,19,522	12,69,051	—1,06,851	Octavius Steel & Co., Ltd.	2,154	Hattikhira	13.25	10	0.75	0.50	*Nil*		12	Y.
3,60,000	1,10,000	6,48,924	2,68,020	3,889	Duncan Bros. & Co., Ltd.	629	Kunchunpore	8.75	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
7,00,000	6,50,000	11,33,080	3,08,080	88,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	105.00	100	15.00	15.00	15.00		12	Y.
2,60,000	3,09,004	9,34,349	2,76,278	—87,588	McLeod & Co., Ltd.	638	Roopacherra	15.00	10	1.50	0.50	*Nil*		12	Y.
5,00,000	10,53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co. Ltd.	700	Rungamattee	76.00	50	10.00	10.00	3.75		12	Y.
4,00,000	3,36,980	10,68,284	3,68,708	—31,199	M.	662	Sonai River	9.25	10	*Nil*	*Nil*			12	Y.P.T.
DARJEELING															
2,79,900	1,05,000	3,98,716	74,916	22,108	Williamson Magor & Co., Ltd.	408	Chamong	11.00	10	*Nil*	0.75	*Nil*		12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	488	Dilaram	95.00	100	*Nil*	5.00	*Nil*		12	Y.
2,00,000	2,42,096	7,99,665	2,97,665	—57,639	Davenport & Co., Ltd.	507	Gielle	11.69	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,386	—27,148	Andrew Yule & Co., Ltd.	463	Mim	250.00	100	15.00	10.00	*Nil*		12	Y.
2,99,900	3,89,000	6,22,886	1,89,586	1,01,563	Williamson Magor & Co., Ltd.	690	Nagari Farm	26.25	10	1.50	3.50	2.50	1.00i	12	Y.
1,00,000	1,11,500	4,70,736	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	500.00N	100	*Nil*	*Nil*	*Nil*	32.50	12	Y.P.
8,00,000	95,000	6,40,072	2,48,808	3,694	Duncan Bros. & Co., Ltd.	500	Poobong	8.25	10	*Nil*	*Nil*	*Nil*		12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10.00	10	*Nil*	*Nil*			12	Y.P.
1,40,000	5,01,000	4,43,690	2,07,285	23,523	Duncan Bros. & Co. Ltd.	341	Runglee Rungliot	400.00	100	20.00	35.00	25.00	30.00	12	Y.
8,00,000	3,06,462	5,55,461	1,82,549	4,401	M.	389	Seeyok	12.25	10	*Nil*	*Nil*	1.00		12	Y.
9,00,000	65,000	11,65,737	2,38,715	7,369	Goenka & Co.	583	Singtom	6.12	10	0.12	0.50	0.50	0.50i	12	Y.P.
8,00,000	3,87,500	7,84,116	3,71,916	1,69,219	Williamson Magor & Co., Ltd.	554	Soom	40.00	10	3.00	4.00	4.00	1.50i	12	Y.
6,25,000	7,73,767	16,47,148	4,38,738	26,923	McLeod & Co., Ltd.	745	Sungma	19.25	10	*Nil*	1.50	0.75	1.00i	12	Y.
8,20,000	8,69,909	7,53,534	2,55,534	54,633	Davenport & Co., Ltd.	718	Testa Valley	20.00	10	1.50	2.50	1.00		12	Y.
8,01,350	2,61,083	16,07,038	3,76,038	—2,94,248	Williamson Magor & Co., Ltd.	1,666	Tukva	10.94	10	*Nil*	*Nil*			12	Y.
DOOARS															
27,00,000	28,56,560	81,80,345	23,19,586	1,37,198	Andrew Yule & Co., Ltd.	2,540	Banarhat	306.00	100	25.00	40.00	20.00		12	Y.P.
12,00,000	16,25,000	42,61,095	23,93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	21.75	10	3.00	2.00	1.50		12	Y.
9,00,000	17,75,000	21,72,529	11,20,841	13,385	McLeod & Co., Ltd.	1,112	Bhatkawa	23.75	10	2.50	3.00	1.50		12	Y.
9,00,000	14,81,356	25,85,244	8,19,732	47,850	Duncan Bros. & Co., Ltd.	1,381	Birpara	168.00	100	5.00	25.00	7.50		12	Y.P.
6,00,000	8,31,552	13,82,183	4,29,045	18,641	Duncan Bros. & Co., Ltd.	602	Carron	130.00	100	7.50	10.00	5.00		12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co., Ltd.	903	Choonabhutti	270.00	100	20.00	35.00	20.00		12	Y.P.
3,00,000	3,76,102	9,53,074	4,15,527	13,348	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	160.00	100	*Nil*	5.00	*Nil*		12	Y.
1,20,000	2,00,531	4,58,517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	300.00N	100	*Nil*	*Nil*	*Nil*		12	Y.
4,90,000	60,538	9,51,864	2,69,498	3,627	M.	447	Ethelbarrie	12.31	10	1.25	1.00	0.75		12	Y.
7,50,000	5,76,838	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	155.00	100	*Nil*	10.00	*Nil*		12	Y.
30,00,000	34,58,954	64,82,327	20,30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	125.00	100	6.00	7.50	*Nil*		12	Y.P.
32,00,000	55,67,967	65,55,381	50,96,452	3,65,371	Davenport & Co., Ltd.	4,235	Hasimara	23.19	10	1.00	2.25	0.75		12	Y.P.
8,25,000	18,53,650	22,13,183	9,84,183	1,10,677	Davenport & Co., Ltd.	1,452	Huldibari	23.75	10	1.25	2.50	1.25		12	Y.
7,00,000	4,49,831	10,38,684	4,89,134	—62,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	15.50	10	*Nil*	0.60	*Nil*		12	Y.
9,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	20.75	10	1.00	2.00	1.50		12	Y.
2,00,000	5,76,240	8,23,168	3,08,827	15,812	M.	578	Manabarrie	70.00N	10	1.00	2.00	1.50		12	Y.
9,60,000	18,69,809	25,11,708	8,55,607	37,054	Duncan Bros. & Co., Ltd.	1,130	Nagaisuree	143.00	100	7.50	15.00	7.50		12	Y.
14,00,000	20,39,898	24,35,562	10,48,172	73,709	Andrew Yule & Co., Ltd.	1,163	New Dooars	302.00	100	25.00	35.00	20.00		12	Y.P.
2,50,000	3,74,080	5,53,613	1,88,281	1,220	Duncan Bros. & Co., Ltd.	348	Phaskowa	134.00	100	*Nil*	7.50	*Nil*		12	Y.
6,00,000	8,00,496	13,67,535	5,98,723	—3,00,938	McLeod & Co., Ltd.	764	Rajabhat	18.00	10	1.25	1.25	*Nil*		12	Y.
7,65,000	13,43,550	25,92,138	13,67,489	28,093	McLeod & Co., Ltd.	1,035	Ranicherra	19.87	10	1.50	2.00	0.50		12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,628	Rydak	33.00	10	5.00	3.00	2.00		12	Y.
SYLHET															
8,00,000	7,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	20.50	10	3.00	*Nil*			12	Y.
6,00,000	9,44,551	9,54,735	2,32,849	33,625	Duncan Bros. & Co., Ltd.	584	Dauracherra	9.00	10	2.00	1.50	0.75		12	Y.
4,00,000	7,56,165	10,78,529	3,50,481	1,94,619	M.	1,190	Lackatoorah	19.00	10	3.00				12	Y.
4,00,000	9,00,000	11,60,065	4,82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	20.50	10	6.25	2.00			12	Y.P.
36,00,000	56,34,901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	140.00	100	35.00	10.00	10.00		12	Y.P.
3,20,000	1,42,990	8,00,965	4,32,665	1,41,277	Shaw Wallace & Co., Ltd.	668	Rajnagar	10.00	10	*Nil*	1.00	1.10	*Nil*	12	Y.
9,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,72	Teliapara	115.00	100	25.00	15.00	6.00		12	Y.
TERAI															
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	6.50	10	0.25	0.50			12	Y.P.T.
2,50,000	4,15,000	4,13,655	2,24,210	35,493	National Tea Corporation	522	Belgachi	30.00	10	10.00	4.00	2.00		12	Y.
13,44,000	11,50,650	26,81,849	9,42,013	81,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	155.00	100	7.50	10.00	7.50		12	Y.
5,00,000	10,53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	530	Hansqua	17.81	10	1.00	1.00	1.00		12	Y.
3,00,000	7,64,500	7,61,676	3,29,500	77,698	Davenport & Co., Ltd.	514	New Chumta	88.50	10	1.50	2.50	1.25		12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	33,691	McLeod & Co., Ltd.	549	Tirrihannah	40.00	10	3.00	2.50	3.00		12	Y.P.
SOUTH INDIAN ESTATES															
10,98,990	5,36,010	15,84,554	2,70,043	7,689	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	21.00cd	10	2.50*	2.50*	1.75*		3	Y.P.
52,50,000	21,47,000	73,46,387	10,86,204	2,77,391	Kothari & Sons (Ags.) Pvt. Ltd.	1,318	Blue Mountain	3.43	2	0.40	0.30	0.25		6	Y.
9,33,400	13,09,262	23,56,197	7,13,191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	4.23	2	0.40	0.20	0.40		3	Y.
3,77,820	12,58,527	21,26,275	1,30,920	22,020	Matheson Bosanquet & Co., Ltd.	392	Coonoor Tea	26.50	10	2.50	1.75	2.00	2.00	9	Y.P.
4,00,000	5,50,000	8,21,540	1,78,200	1,205	Parkins Private Ltd.	432	Coorg Tea	5.10	2	1.25	1.50	1.50		3	Y.P.
4,49,630	8,55,370	9,62,073	1,64,495	45,087	Young India Agencies Private Ltd.	450	Devon Tea	18.00cd	10	2.50*	2.50*	1.75		3	Y.P.
3,50,000	1,22,986	3,52,158	56,452	....	Parkins Private Ltd.	198	Emerald Valley Estates	8.25	5	1.25	0.50	0.30		12	Y.
18,75,000	21,25,000	43,05,347	6,81,655	28,840	Parkins Private Ltd.	1,466	Halleyburia	19.60	10	2.50	2.50	1.50'C'		12	Y.P.T.
6,00,000	7,27,746	13,70,714	2,26,620	76,650	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	3.85	2	1.35	0.92	1.35		3	Y.T.
8,58,538	16,81,066	29,90,356	4,28,233	1,09,363	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	8.20	2	0.40	0.40	0.30	0.30	10	Y.P.
3,00,000	1,43,500	6,76,822	2,05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mianallay	41.75	25	18.75	6.25	4.50		3	Y.P.
36,00,000	19,31,384	80,13,744	12,04,051	78,274	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	4.25	5	0.87	0.37	0.37	0.37	6	Y.P.
12,00,000	4,90,000	27,04,888	5,01,002	33,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	2.75	2	0.50	0.20	0.40		6	Y.P.
14,06,250	6,95,346	38,09,977	5,17,286	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	8.70	10	1.50	9.62	0.60		3	Y.P.T.
17,00,000	7,84,070	30,20,759	13,11,227	63,350	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	19.35	10	3.50	3.75	2.60	1.62½	12	Y.P.
57,94,880	45,46,152	91,59,457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3,459	Periakaramalai	4.15	2	0.90	0.90	0.70		3	Y.P.
13,50,000	18,10,000	30,23,670	2,65,955	744	Parkins Private Ltd.	1,070	Talayar Tea	1.58	2	1.62	1.25	1.00		3	Y.P.
11,25,000	16,53,668	25,52,610	2,35,551	31,923	Parkins Private Ltd.	1,341	Twyford	17.12	10	2.00	2.00	1.50'C'		12	Y.
21,98,280	10,82,217	41,37,876	13,69,874	1,20,125	T. Stanes & Co., Ltd.	1,773	United Nilgiri‡	20.10	10	35.00	2.00	1.77		3	Y.
31,50,000	28,54,311	57,57,727	6,68,638	1,34,481	Kothari Mehta & Co. Pvt. Ltd.	999	Waterfall	3.97	2	0.40	0.30	0.25		6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividend for 1955 is on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
'C'—On increased Capital. A—Amluckie Tea Co.—Dividend for 1955 is Shares of Rs. 100 paid-up.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.25	2	0.30	0.21	0.45		5	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd.	Cochin Malabar	6.33	3	0.45	0.75	0.52	0.30'C'	2	Y.P.
22,50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	23.75	10	1.80	2.50	4.00	2.00	6	Y.P.
71,55,000	57,69,923	1,42,78,181	30,95,427	75,345	R. C. Paterson, Esq.	Consolidated Coffee	21.85	10	2.25	2.00	4.00	2.00	6	Y.P.
4,00,000	5,87,423	10,43,962	53,995	8,519	Associated Planters Private Ltd.	Cottanad Plantations	16.25	10	1.75*	1.50	1.75		3	Y.P.T.
18,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd.	Highland Produce	14.00cd	10	2.00	2.00	0.75		12	Y.P.
8,00,000	6,92,899	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	13.05	10	2.75	2.00	2.00	1.00'C'	4	Y.P.
13,50,000	4,55,880	20,40,926	3,38,888	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber	19.00	10	2.25	3.25	2.25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co., Ltd.	Midland Rubber	11.95	10	2.50	2.00	2.00	1.00'C'	3	Y.
3,85,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd.	Nenmeny Rubber	16.75cd	10	1.50	1.50	0.75		12	Y.P.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	15.85	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	23,18,923	46,93,527	15,75,046	4,912	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5.22	2	0.40	0.20	0.60	0.20	10	Y.P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	17.45	10	2.00	2.50	2.00	2.00	6	Y.P.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	3.87cd	2	1.00	1.50	0.30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2.65	2	..	..	..	0.18	3	Y.P.T.
10,00,000	2,74,418	22,50,914	1,70,646	16,692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	7.50	10	0.90	0.90	0.60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd.	Thamarapally Rubber	29.50cd	10	3.00	3.00	3.00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	1.92	1	0.12½	0.12½	0.05		9	Y.T.
6,00,000	46,742	11,45,990	4,92,700	1,299	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	15.45cd	10	3.00	2.00	1.50	1.00	12	Y.
41,00,000	14,20,901	85,55,546	16,43,709	23,941	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7.10	10	1.25	0.75	0.40	0.50	12	Y.P.
20,00,000	96,000	31,23,163	8,27,272	9,162	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	24.50cd	25	4.00	3.00	1.00	1.50	12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd.	Udayagiri Rubber Co., Ltd.	11.15cd	10	0.60	0.75	0.60		12	Y.P.
8,80,100	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber	26.50	10	2.50	3.50	3.50J	1.25‡	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.22	10	2.00	1.25	1.00	0.50	3	Y.P.T.

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

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd.	879	Agarpara	12.62	10	0.62	0.25	0.25	0.25	3	Y.P.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	200.00	100	10.00	10.00	10.00		12	Y.P.T.
30,00,000	5,25,000	1,25,15,910	97,60,831	—8,46,190	McLeod & Co., Ltd.	1,264	Alliance	127.00	100	6.00	*Nil*	*Nil*	*Nil*	5	Y.P.
49,20,700	72,21,000	3,09,93,668	2,15,04,087	2,36,742	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	237.00	100	3.50	3.50	7.00	10.00	3	Y.P.
40,00,000	32,60,924	1,49,82,554	63,17,403	3,215	Bird & Co. Private Ltd.	810	Auckland	176.00	100	10.00	1.00	*Nil*	5.00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd.	959	Bally	209.00	100	3.50	*Nil*	2.00	6.00	3	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman)	1,889	Barnagore	144.00	£5	sh. 15	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	28,98,408	97,77,435	64,82,559	16,240	Andrew Yule & Co., Ltd.	820	Belvedere	166.00	100	7.50	*Nil*	2.50	7.50	12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	12.25	10	1.12	1.00	*Nil*		6	Y.P.T.
91,26,000	2,26,05,284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd.	1,373	Birla	21.19	10	1.00	1.00	1.00	1.00	3	Y.P.
36,00,000	19,35,850	1,17,96,462	70,59,451	33,113	Andrew Yule & Co., Ltd.	991	Budge-Budge	140.50	100	7.50	*Nil*	*Nil*	5.00	10	Y.P.
7,47,880	....	44,88,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg.	7.00N	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	26,46,123	84,40,054	46,52,038	35,722	Andrew Yule & Co., Ltd.	616	Caledonian	188.00xd	100	6.50	*Nil*	*Nil*	15.00	11	Y.P.
59,16,400	75,85,462	2,81,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd.	600	Champdany	122.00	100	10.00	2.00	*Nil*	*Nil*	3	Y.
15,95,000	21,34,670	43,51,524	58,61,109	18,020	Andrew Yule & Co., Ltd.	530	Cheviot	221.00	100	10.00	2.00	*Nil*	5.00	11	Y.P.
30,15,000	36,50,000	89,14,415	54,94,361	72,430	McLeod & Co., Ltd.	500	Chitavalsah	15.44	10	1.87	0.62½	1.10	1.25	7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	12.31	10	1.25x	0.50	*Nil*	*Nil*	3	Y.P.
31,49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd.	766	Dalhousie	138.00	100	4.00	*Nil*	*Nil*	*Nil*	3	Y.P.T.
28,00,000	38,58,170	1,03,58,008	50,83,895	6,792	Andrew Yule & Co., Ltd.	779	Delta	180.00	100	10.00	5.00	*Nil*	6.00	11	Y.P.
15,00,000	36,93,850	1,01,87,736	65,99,232	26,123	McLeod & Co., Ltd.	500	Empire	17.81	10	1.25	0.50‡	0.75	1.00	7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	308.00	100	15.00	10.00	10.00	20.00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	63,50,852	1,96,479	Bangur Bros., Ltd.	1,014	Fort William	23.00	10	20.00	0.75K	1.50	1.50	3	Y.P.T.
34,82,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	82.50	100	2.50	*Nil*			3, 9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39,411	M.	607	General Ind. Society Ltd.	27.50	10	*Nil*	50.00	60.00§		12	Y.T.
24,00,000	32,06,464	2,35,37,322	1,60,44,632	47,269	Macneill & Barry Ltd.	1,394	Gourepore	386.00	100	15.00	2.50	2.50	20.00	3	Y.P.
40,00,000	65,68,233	1,82,87,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	99.00	100	11.50	5.00	5.00	5.00	3	Y.P.
16,80,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	13.00	10	1.25	*Nil*			3	Y.P.
65,62,500	28,09,105	2,34,85,488	1,24,24,441	32,775	Jardine Henderson Ltd.	1,940	Howrah	23.62	10	0.37	0.25	*Nil*	*Nil*	3	Y.P.T.
52,50,000	30,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand	20.75	7.50	2.00	2.00	1.50	1.50	3	Y.P.
37,30,000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	15.81	12.50	4.69	4.69	9.37	15.62§	3	Y.
24,00,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	202.00	100	2.50	*Nil*	*Nil*		12	Y.P.T
'B'19,20,000								191.50	'B' 100	2.50	*Nil*	*Nil*			
30,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	94.00	100	1.00	*Nil*	*Nil*		12	Y.P.T
'B'24,00,000								84.00	'B' 100	1.00	*Nil*	*Nil*			
21,00,000	55,00,000	1,41,36,235	93,87,828	1,18,689	McLeod & Co., Ltd.	703	Kelvin	180.00	100	17.50	5.00‡	9.00	12.50	5	Y.P.
54,00,000	23,39,741	2,00,52,885	1,26,97,897	45,833	Anderson Wright Ltd.	1,530	Khardah	185.00	100	11.00	5.00	8.00	8.00	3	Y.P.
48,00,000	77,32,121	2,88,47,961	1,08,51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	184.00	100	18.00	6.00	*Nil*	5.00	3	Y.P.T.
24,48,000	27,76,883	1,28,67,077	58,39,647	—9,32,635	Bird & Co. Private Ltd.	931	Lansdowne	127.00	100	7.00	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	40,49,600	1,48,98,886	66,75,920	—3,16,201	Bird & Co. Private Ltd.	840	Lawrence	109.00	100	6.00	*Nil*	*Nil*	*Nil*	3	Y.P.T.
31,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	15.75	10	3.75	3.75	5.00	17.50§	3	Y.
29,98,900	34,62,195	1,65,70,565	36,70,690	—13,08,719	M.	315	Naihati	76.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	15,55,000	86,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd.	425	Naskarpara	11.50	10	1.25	*Nil*			10	Y.T.
35,00,000	89,51,826	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	22.37	10	1.75	0.75	0.75		10	Y.P.
26,25,000	29,19,072	87,78,995	23,84,167	90,769	McLeod & Co., Ltd.	316	Nellimarla Jute	13.12	10	1.00	..	0.90	1.00	7	Y.P.T.
35,50,000	2,12,83,190	6,83,25,272	1,19,61,749	3,274	Sahu Jain Ltd.	1,765	New Central†	16.44	10	1.50	1.50		1.50	3	Y.P.
16,79,880	43,38,845	1,85,66,574	61,41,213	—2,43,817	Bird & Co. Private Ltd.	567	Northbrook	19.37	10	1.50	1.50	*Nil*	*Nil*	3	Y.P.T.
66,79,500	17,81,396	2,26,00,780	1,19,72,061	79,151	Macneill & Barry Ltd.	1,092	Nuddea	61.25	50	1.00	*Nil*	*Nil*	2.50	3	Y.P.
24,91,000	22,84,224	76,67,180	53,39,989	20,257	Andrew Yule & Co., Ltd.	601	Orient	170.00	100	9.00	2.00	*Nil*	2.50	11	Y.
25,00,000	9,18,793	93,02,573	70,04,073	12,339	McLeod & Co., Ltd.	400	Presidency	5.94	5	0.31	0.20	0.30	0.87½	7	Y.T.
20,00,000	10,324	29,80,939	9,24,705	—7,07,557	Birla Brothers Private Ltd.	305	Rameshwara	6.44	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	2,00,000	1,24,61,181	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	7.25	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£402,265	£1,477,132	£800,162	£41,990	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	10.62	£1	3%†‡	3%†‡	*Nil*	5%‡	12	Y.P.
30,00,000	13,14,910	1,21,72,882	95,21,532	48,032	Bagaria More & Co., Ltd.	911	Shree Ambica	10.50xdN	10	0.50	0.25	0.50		3	Y.P.
14,00,000	11,44,445	71,81,233	50,03,403	69,119	Hindustan Investment Corpn. Ltd	401	Soorah	18.50	10	1.50	1.50	1.50	1.50	12	Y.P.
25,19,600	8,04,087	9,29,724	3,23,203	61,862	Bird & Co. Private Ltd.	650	Standard	118.00xd	100	1.00	*Nil*	*Nil*	5.00	3	Y.P.
£600,000	£336,778	£1,263,067	£703,019	£29,248	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.37	£1	3%†‡	*Nil*	*Nil*	3%‡	12	Y.P.
35,98,600	48,33,581	1,05,53,316	42,51,394	56,837	Bird & Co. Private Ltd.	1,326	Union	212.00	100	10.00	1.00	*Nil*	15.00	3	Y.P.T.
£400,000	£248,618	£1,276,339	£551,723	£35,105	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	10.50	£1	3%†‡	3%†‡	3%‡	5%‡	12	Y.P.
2,50,000	5,20,000	83,13,769	43,35,621	11,735	McLeod & Co., Ltd.	447	Waverley	3.25	1	0.37	*Nil*	*Nil*	*Nil*	5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,680	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	25.75	10	1.37	0.50	1.25	1.25	3	Y.
12,00,000	4,49,890	35,18,891	33,46,842	57,844	Jardine Henderson Ltd.	Bararee Coke	13.12	10	1.46	1.10	0.37	0.50	3	Y.
4,49,850	88,000	9,25,102	5,69,530	1,817	Kalyanji Mavji & Co.	Bengal-Bhatdee	6.00N	10	0.62	0.75	0.90		12	Y.
1,00,00,000	1,70,15,634	6,68,04,379	4,55,71,483	10,48,780	Andrew Yule & Co., Ltd.	Bengal Coal	305.00	100	35.00*P	17.50	17.50	17.50	10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,30,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	9.90N	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	6.62	10	0.62	0.62	0.60		6	Y.P.T.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbararee	8.00N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	18.69	10	2.00	1.50	0.75		12	Y.P.
90,92,480	1,73,37,198	4,41,78,128	2,08,53,739	99,142	Bird & Co. Private Ltd.	Burrakur	17.25	10	0.62	0.62	0.37	0.87½	12	Y.P.T.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	7.56	10	0.25	0.50	0.50	0.50	3	Y.
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	10.25	10	0.50	0.50			12	Y.
6,00,000	1,49,122	7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churlia	3.75	4	0.06	0.06	0.20		12	Y.
16,00,000	....	54,47,612	31,85,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	10.37	10	*Nil*	*Nil*	*Nil*		12	Y.
£240,000	£273,125	£1,070,637	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	23.25	£1	3.00	2.50	1.50	1.00	4	Y.
29,63,760	93,25,027	4,34,54,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Equitable	32.00	10	1.50	1.50	1.50		12	Y.P.T.
10,00,000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	13.75N	10	0.25	0.25			3	Y.
12,00,000	65,000	43,00,791	26,55,359	—6,34,206	Killick Industries Ltd.	Hingir-Rampur	19.20	50	2.25	2.25	*Nil*	*Nil*	6	Y.P.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	14.31	10	2.50	1.50	*Nil*		12	Y.
8,50,000	8,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	21.00	10	*Nil*	*Nil*	*Nil*	*Nil*	2	Y.
20,00,000	2,87,875	85,11,943	7,18,220	11,229	Bird & Co. Private Ltd.	Karanpura Collieries	120.00	100	2.50	5.00	*Nil*	5.00	2	Y.P.
5,00,000	19,66,031	49,73,401	39,04,335	1,68,572	Andrew Yule & Co., Ltd.	Katras Jherriah	74.50	10	4.50	6.50	6.50	6.50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	2.75N	10	0.12	0.19			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	8,568	H. V. Low & Co. (Private) Ltd.	Lakurka	18.50	10	0.12	0.12	0.12		4	Y.
7,48,240	2,25,000	13,43,392	9,89,769	55,358	Tantia Brothers Private Ltd.	Nazira	7.25	10	0.50	0.50	0.75		12	Y.
17,76,230	19,89,613	1,40,15,207	97,89,286	86,688	Andrew Yule & Co., Ltd.	New Beerbhoom	20.00	10	1.00	0.75	0.75	1.00	10	Y.P.
6,00,000	76,179	38,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	13.62	10	*Nil*	*Nil*	0.50	0.50	8	Y.
1,15,000	3,85,824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd.	North West	25.00N	10	1.37	1.50	1.50	1.50	8	Y.
1,57,500							20.50N	7.50	1.03	1.12	1.12	1.12		
7,50,000	15,69,648	3,97,666	2,77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	12.00	10	1.00	0.75	0.50		12	Y.P.
8,34,000	91,336	26,29,109	10,56,556	7,674	Deepchand Kishenlall	Parasea	14.50	10	1.00	0.50	0.50		12	Y.P.T.
15,75,000	17,04,800	59,95,210	42,69,210	36,465	Shaw Wallace & Co., Ltd.	Pench Valley	25.00	10	1.50	0.70	2.00	2.00	3	Y.
23,99,500	28,79,558	1,43,51,995	96,69,839	3,803	B. N. Elias & Co. Private Ltd.	Raneegunge	15.75	10	0.62	0.37	0.75	1.00	3	Y.
13,50,000	6,38,385	42,17,417	32,81,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	18.25	10	2.07	1.50	1.00		12	Y.
37,50,000	37,12,000	95,06,524	26,37,721	21,162	M.	Samla Collieries	11.50N	10	1.00	1.25	0.90		12	Y.
2,50,000	60,000	14,29,679	12,57,285	8,302	M.	Searsole	5.00N	2.50	0.75	0.37	0.12		1	Y.
2,50,000	9,63,442	29,63,206	20,19,618	43,951	Andrew Yule & Co., Ltd.	Seebpore	27.00	7	2.50	2.25	1.75	1.75	12	Y.P.
8,00,000	4,86,269	52,491	28,867	355	D. L. V. Rowe, Esq., (Chairman)	Sendra	12.25	10	0.25	0.25	0.25	*Nil*	12	Y.
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	17.65	10	0.75	1.00	1.50		12	Y.T.
17,50,000	10,74,481	43,52,233	18,15,639	14,096	Bird & Co. Private Ltd.	South Karanpara	12.37	10	0.12	0.35	0.75	0.75	8	Y.
8,00,000	15,61,511	1,69,570	29,510	14,796	F. W. Heilgers & Co. Private Ltd.	Standard	18.00	10	1.00	1.00	1.00	1.25	12	Y.
10,00,000	....	31,92,694	15,48,502	—5,62,907	M.	Talcher	1.62	2.50	*Nil*	*Nil*			9	Y.T.
3,50,000	2,80,000	19,15,700	14,79,400	1,77,952	Williamson Magor & Co., Ltd.	Union	14.12	10	*Nil*	*Nil*	0.37		12	Y.
49,98,000	89,284	70,81,423	27,21,423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal	6.03	10	0.50	0.50	0.50	0.40	3	Y.
7,00,000	....	58,61,405	27,57,669	—3,49,108	Macneill & Barry Ltd.	West Jamuria	7.12	10	*Nil*	*Nil*	*Nil*		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (x) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co. Dividend for 1955 is on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17.50 includes an interim dividend of Rs. 7.50 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

SURVEY

(*Concluded from page* 979)

confident that, over the next few years, the financial resources of the programme will rise to the level of $50 million a year.

It must be said to the credit of the U.N. and related agencies that they have endeavoured to co-ordinate their technical assistance projects with the aid offered by various Governments or non-Governmental organisations. What is more, there is now a trend away from programming technical assistance in piecemeal fashion, the projects being increasingly fitted into broader long-range national development plans. A notable feature has been the service rendered by the 34 resident representatives with field officers, supplemented by three liaison officers, who are now co-ordinating operations and providing administrative support for well over 90 per cent. of the field programme.

While the contributions made by the U.N. Technical Assistance Programme are quite valuable, the programme has still to go a long way towards the removal of a serious obstacle in the way of economical advancement of underdeveloped countries. Such is the gap in the availability of technical know-how. As the T.A. Board report itself frankly admits, no more than a beginning has been made and a formidable task lies ahead. To quote it: "For years to come, the spectacle of poverty, hunger, disease, ignorance and social misery are likely to remain a challenge to the creative energies of nations and to their capacity for co-operation through international institutions. These evils will not yield readily to the forces which have so far been mobilised against them. This conquest calls for even greater national effort in the developing countries themselves and for an international effort involving a new order of magnitude of financial support."

Viewed thus, it is gratifying that arrangements have been made for practical co-operation between the Technical Assistance Board and the U.N. Special Fund at all levels. The combined financial resources now at the disposal of the Fund and the Board may fall short of what is needed to cover the most urgent, immediate and well-defined requirements in their present fields of activity. Nevertheless, the two agencies, together with the proposed U.N. scheme to supplement activities in the field of public administration, may be expected to respond more vigorously to requests for assistance in all technical fields and, in doing so, "to bring to bear the technical knowledge and experience of almost every part of the world."

COTTON

(*Concluded from page* 986)

textiles have recently been initiated but their effects are difficult to assess in view of the highly competitive state of the textile trade.

Situation in Japan

There has been some improvement in the textile situation in Japan but so far restrictions on yarn and cloth production have met with only limited success in reducing inventories. Hopes for any recovery in textile production in 1959 are based on signs of improved business activity at home and abroad. Much will depend on how successful Japan is in meeting competition, particularly from mainland China, in export markets. There is a general feeling that the bottom of the recession has now been reached but observers are cautious on the question of whether any marked upturn in textile production can be expected in the near future. Apart from cyclical factors, the basic problem of overcapacity in the Japanese textile industry has still to be resolved. The Committee on General Textile Policy, set up last October, is alert to the dangers of unrestricted production and has recommended the scrapping or storage of redundant capacity as a means of achieving structural balance within the textile industry. The textile export picture for 1959 is perhaps more encouraging since Japan is now processing American cotton under triangular arrangements. Also, Japan may now be better organised to meet Chinese competition. Japan tentatively plans to import 2.2 million bales of cotton during the 1959-60 fiscal year which would seem to indicate that little change in cotton consumption is presently expected next season.

Trade prospects for world cotton during the next season are also promising. There appears to be every reason to expect a rise in exports. A part of the requirements of importing countries during the 1958-59 season, over a million bales, came out of stocks. This means that, other things being equal, imports would have to increase by close to this amount to maintain even the reduced rate of consumption in the current season. Any increase over and above this amount, however, will depend on the ending of the textile recession and the achievement of a greater degree of price stability than has been achieved during the last twelve months.

An increase in total trade would be desirable in order to lessen the impact of substantially increased exports from the U.S. on the economies of other producing countries. There is no doubt that the U.S. intends to recover its fair share of the world market next season and remain fully competitive with other growths. At least five million bales is the generally accepted interpretation of what constitutes "a fair share" which would mean almost doubling the present season's exports.

An unpredictable element in the situation, however, is how much cotton the Communist countries will take. This question is of vital importance for any assessment of trade prospects. These countries currently account for an import of over a million bales per year and any significant deviation from this amount could easily alter the view mentioned at the outset of this article.

ENGINEERING

(*Concluded from page* 992)

cutting out "reduplication" and by concentrating on one or two types of aircraft. The agreement between Swissair and the SAS described in the above article will surely provide them with a valuable example to follow. It remains to be seen whether the proposed Little Free Trade Area, in the formation of which Britain is taking the lead, will, when it succeeds, result in a link up between the B.O.A.C., Swissair and the SAS on lines similar to the Air Union. For the present, London has vigorously denied any thought of such an approach.

N.B.—For the convenience of readers, we give below the equivalents of the units that figure in the above article:

1.609344 kilometre=1 mile

1 metre=3.282 feet

1 Swiss franc=0.98 rupee or 98 naye paise

AIR-INDIA INTERNATIONAL

Air-India International has just completed eleven years of international operations. It made its debut in the field of international air transport on 8th June 1948, with its weekly service to London. Today it serves 26 cities in Europe, Asia, Africa and Australia. Nearly 100,000 passengers flew last year over Air-India's network of 24,893 unduplicated route miles aboard its 10 Super-G Constellations.

On 14th August, 1958, Air-India International inaugurated its new service from Delhi to Moscow via Tashkent. This was an event of significance, as it opened up a new route pattern between Europe and the East. A third service to Tokyo was introduced on 7th October 1958 and a second service to Djakarta on 11th October 1958. A new weekly all-cargo service between Bombay and London was another significant development of the past year.

The first intercontinental Boeing 707 jetliner ordered for B.O.A.C.'s trans-Atlantic jet fleet took to the air on its maiden flight last week at Renton municipal airport, U.S.A. Powered by four Rolls Royce Conway by-pass engines, the jetliner was airborne in less than 3,000 feet. The first of a fleet of 15 Boeing Intercontinentals for B.O.A.C., this aircraft will be delivered to the airline later this year following extensive flight tests and crew training.

LABOUR

(*Concluded from page* 996)

assistance, mention may be made of the following:

(1) Expansion of the vocational training programme of the Directorate General of Resettlement and Employment.

(2) Training scheme for apprentices.

(3) Pilot project in Delhi for collecting employment market information.

(4) Scheme of occupational information, vocational guidance, employment counselling and youth employment service.

(5) Training-within-industry. By 1956, about 10,000 industrial supervisors were given T.W.I. training.

(6) The work of I.L.O's productivity missions led to the creation of all-round interest in productivity and the eventual establishment of the National Productivity Centre in 1956 and the National Productivity Council in 1958.

(7) Help in vocational rehabilitation of disabled.

Besides these the I.L.O. also sent a team of experts in 1952 to advise the Government of India on the organisation of the Employees' State Insurance Scheme, provided in 1953 an expert to explore the possibilities of developing alternative employment for plantation workers during slack seasons and participated in an unemployment and underemployment survey now under progress. More recently, it also sent Prof. J. H. Richardson, an expert on industrial relations, to advise the Government on labour-management relations and also supplied much needed equipment to the industrial training centres and the Central Labour Institute.

With a proud record of solid achievement behind it, the I.L.O. looks to the future confident that it will be able to meet the new challenges and opportunities that lie ahead. New industrial and social problems are constantly emerging and their solution calls for fresh approaches. They have been emerging at an increasingly quicker pace, mainly because of technological progress, and, it is certain that they will arise at an even faster rate in the coming years. Realising its responsibility, the I.L.O. is vigorously addressing itself to the problems originating from such technological changes as introduction of automation and atomic energy in industry. In 1957, the Director-General presented a report on the impact of automation and other technological advances on social and labour policy.

Notices

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS

(Railway Board)

Indian Railways' Requirements of Electrical Signalling Equipment

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to obtain from established or prospective and reliable manufacturers supply of Block Instruments, Signalling Cables, Lever Locks and Circuit Controllers, Point Machines and Detectors, Relays, Repeaters, Route Indicators, Colourlight and Shunt Signals, Signal Machines, Reversers and other Electrical Signalling Equipment.

2. The relevant tender documents are obtainable from the Research Design and Standardisation Organisation, Baroda House, Annexe, New Delhi, and the Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London W. 3, on payment of Rs. 10 each. Drawings and specifications will also be available from the two sources mentioned above on additional payment.

3. Quotations should reach the undersigned:

(i) Not later than 31.7.59 for items as per List No. 10,

(ii) Not later than 17.8.59 for items as per List Nos. 1 and 11,

(iii) Not later than 31.8.59 for items as per List Nos. 2 and 6,

(iv) Not later than 14.9.59 for items as per List Nos. 4 and 5; and

(v) Not later than 30.9.59 for items as per List Nos. 3, 7, 8 and 9.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
State Entry Road,
New Delhi.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(*Incorporated in England*)

NOTICE IS HEREBY GIVEN THAT THE Preference Shares Transfer Books will be closed from the 17th to 30th June, 1959 (both days inclusive), for the preparation of Dividend Warrants in respect of the Interim Dividend of 2½ per cent. less Income-tax, payable on the 1st July, 1959, on account of the profits for the year ending 31st December, 1959.

By Order of the Board,

R. W. TURNBULL,
Agent.

P4, MISSION ROW EXTENSION,
CALCUTTA-1, 2nd *June*, 1959.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000 14,50,000	1,08,00,000	3,53,958	Allahabad Bank	353.00 176.00	100 50	18.00 9.00	18.00 9.00	18.00‡ 9.00‡	18.00‡ 9.00‡	12	Y.P.
1,01,000 40,78,300	17,56,970	24,205	Andhra Bank	105.50 85.27	100 85	6.50 4.54	8.00 5.59	6.00 5.10	6.00 5.10	6.12	H.
1,00,00,000 25,00,000'B'	1,59,50,000	3,03,522	Bank of Baroda	102.00 50.00	50 25	6.00‡ ..	7.00 ..	7.00 ..	6.00 1.50	12	Y.
50,00,000	27,00,000	1,880	Bank of Bikaner	30.19	25	0.87	1.12	1.25	1.25	12	Y.
2,50,00,000 50,00,000'A'	3,10,00,000	12,79,476	Bank of India	131.50 133.50	50 50'A'	8.00 ..	8.00 ..	8.00 8.00	8.00 8.00	6,12	R.L.Y.
15,30,375	20,00,000	47,153	Bank of Indore	63.00N	25	3.50	4.00	4.25	4.00	12	Y.
50,00,000	25,50,000	20,356	Bank of Jaipur	45.00	50	2.00	2.50	3.00	Nil	12	Y.
50,00,000	96,70,613	4,70,232	Bank of Mysore	300.00	100	16.00‡	16.00‡	16.00	16.00	12	Y.P.
35,80,820	51,24,246	37,384	Canara Bank Ltd.	82.00	50	5.00	5.00	5.00	5.00	12	Y.P.
7,50,000	14,40,000	6,716	Canara Banking Corporation Ltd.	72.00	50	5.50‡	5.00‡	5.00‡	5.00‡	12	Y.P.
5,86,580'A' 23,787'C'	26,50,000	12,632	Canara Ind. & Bkg. Syndicate Ltd.	144.67xr 1.37xr	100'A' 1'C'	12.50 12½%	15.00 15%	15.00 15%	15.00‡ 15%‡	12	Y.
2,62,11,875 A.52,42,375	4,04,68,517	17,32,515	Central Bank of India Ltd. ..	53.50 56.00	25 25	3.00 3.00	3.50 3.50	3.50 3.50	3.50 3.50	12	R.L.Y.
50,00,000	46,00,000	3,02,015	Devkaran Nanjee Banking Co. ..	51.50	50	2.50	3.00	3.00	3.00	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29.12	5	0.37	1.37	1.06		12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank ..	13.00	50	Nil	Nil	Nil	Nil	12	Y.
50,00,000	2,08,000	12,536	Hindustan Mercantile Bank ..	13.75	50	Nil	Nil	Nil	Nil	12	Y.
44,00,000 22,40,000	98,91,884	60,933	Indian Bank	186.00 150.50	100 80	12.00‡ 7.75	13.00 9.75	15.00‡ 12.00‡	13.00‡ 10.40‡	6,12	R.L.Y.
50,00,000 12,50,000	52,36,660	2,03,141	Indian Overseas Bank	165.00 135.00	100 50	7.50 ..	10.00 ..	10.00 ..	10.00 5.00	12	Y.
10,00,000	10,50,000	30,428	Pandyan Bank Ltd.	36.00	25	1.87	1.87	1.87	2.50	12	Y.
1,25,00,000	1,27,00,000	4,48,690	Punjab National Bank—K ..	22.24	10	3.50	4.00	5.00	2.00	12	Y.
5,62,50,000	8,48,50,000	55,73,153	State Bank of India	388.75	100	16.00	16.00	16.00	16.00	12	Y.
1,00,00,000	27,72,000	19,529	Travancore Bank	23.25	25	1.00	1.00	1.25	1.25	12	Y.
60,00,000	43,00,000	1,14,552	Union Bank of India	6.92	5	0.37	0.44	0.44	3.75	12	Y.
2,00,00,000	1,48,00,000	62,098	United Commercial Bank ..	60.50	50	2.75	3.50	3.75	3.75	12	H.
2,68,03,596	80,80,000	1,81,542	United Bank of India	4.68	10	0.30	0.30	0.30	0.30	12	R.L.Y.
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East§	£2-7-8xd	£1	10†	10†	10†	10†	3	Y.
£5,000,000	£5,500,000	£455,019	Chartered Bank	£2-8-0	£1	15†	15†	15†	15†	12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,085,475	Hongkong and Shanghai Banking Corporation	£50	H.K.$125	5*	5*	3⅛*Z	3*	12	Y.
£27,847,605	£18,000,000	£703,010	Lloyds Bank	£2-9-3	£1	12†	13†	13†	12½'C'	12	Y.
£2,940,000	£2,200,000	£231,407	Mercantile Bank Ltd.	£2-4-3	£1	14†	14†	18¾†	12½†	12	Y.
£2,851,563	£3,168,579	£351,349	National and Grindlays Bank Ltd.	£1-8-3	sh. 12½	15†	15†	15†	15†	12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (i) Interim. * £ per share free of tax. xr—Ex-Right. Z.—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim dividend for 1959 declared. C—On increased Capital. K—Punjab National Bank—Dividends for 1955 to 1957 are on shares of Rs. 25 each.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June ..	Carew & Co.	1933	96.00	1st June 1963
4,00,000	5½	1st March and 18th September ..	Carew & Co. (2nd mortgage)	1941	92.00	28th February .. 1960
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	100.25	27th December .. 1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	94.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October ..	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December ..	Burrakur Coal Co.	1947	87.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100.00	14th December .. 1969 (a)‡
			COTTON			
7,00,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85.00	30th April 1964
4,00,000	6	10th May and 10th November ..	Bengal-Nagpur	1897	85.00	15th November .. 1966 (b)
67,94,000	5T	1st April and 1st October ..	Buckingham and Carnatic	1952	100.00	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October ..	Gokak Mills	1957	100.50	1st April 1967-72
13,71,000	5½	30th June and 31st December ..	Jayshree Textiles	1949	90.00N	1st January .. 1956-59
39,51,000	5	1st June	Tata Mills	1951	93.25	1st June 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September ..	Agra Electric Supply Co., Ltd.	1950	90.00	31st March .. 1965 (a)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd.	..	98.50	14th June .. 1960
98,23,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	101.50	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
2,32,89,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	98.50	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd. ..	1945	84.00	31st December .. 1970
13,80,000	5	1st January and 1st July ..	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½T	31st March and 30th September ..	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October ..	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st April and 1st October ..	Tata Power	1940	100.10	1st July 1970
2,50,00,000	4	1st April and 1st October ..	Tata Power	..	86.25	15th September .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July ..	Guest, Keen, Williams Ltd.	1958	106.50	1st January .. 1966-71
29,18,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer)	1942	98.50	1st July 1957-62
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd. ..	1946	82.00	31st May 1971
8,00,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	99.25	1st October .. 1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd. ..	1950	97.00	31st December .. 1960 (a)
			JUTE			
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	77.00	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1945	90.00	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	86.00	31st July 1959
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September ..	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July ..	Empire	1951	90.00	15th July .. .. 1968 (a)
30,00,000	5½	31st March and 30th September ..	Howrah Mills Co., Ltd.	1955	94.00	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December ..	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1939	92.00	14th May 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1945	80.00	31st December .. 1964
25,00,000	5	31st March and 30th September ..	Reliance Jute Mills Co., Ltd.	1950	80.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December ..	Union	1937	95.00	31st March .. 1967
10,00,000	3½	31st January and 31st July ..	Waverley	1925	80.00	31st July 1966
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
189,362	5	1st April and 1st October ..	Calcutta Tramways	1933	£74.10N	
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway ..	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	99.25	1st September .. 1963
			PLANTING			
10,00,000	6T.F.	31st March and 30th September ..	Nilgiri Tea	..	100.00	1st April .. .. 1958-68†
6,00,000	6T.F.	1st January and 1st July ..	Kailas Rubber Co., Ltd.	1955	100.00	1st July 1959-63
			MISCELLANEOUS			
10,00,000	4	1st January and 1st July ..	Aluminium Corporation of India Ltd. ..	1948	92.00	31st December .. 1965
23,60,000	4½	1st January and 1st July ..	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	102.00	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	101.75	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	85.00	1st February .. 1964
19,29,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	82.00	1st July 1986
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	78.00	15th September .. 1960
1,00,00,000	6½	31st March and 30th September ..	Dalmia Cement (Bharat) Ltd. ..	1946	80.00	 1966
2,04,55,000	6½	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	109.00	1st January .. 1973 (a)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
15,00,000	5T	2nd January and 2nd July ..	Mettur Chemical Industries	1949	83.00	30th September .. 1964
8,89,500	4	31st March and 30th September ..	Martin Burn Ltd. (Convertible Notes) ..	1946	650.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes) ..	1947	410.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	85.50N	1st April 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1955	101.50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	93.50	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	93.00	31st December .. 1959
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd. ..	1944	95.00	15th July 1966
30,00,000	6	16th Feb. and 16th August ..	Shree Gopal Paper Mills Ltd. ..	1955	96.00	16th February .. 1961(a)
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	102.25	1st May .. .. 1968 (a)‡‡
25,00,000	5	30th June	Tata Chemicals Ltd.	1945	98.25	.. 1955-65

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961. T= Taxable. T.F.—Tax free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th June 1959.

	Closing quotations 4-6-1959	High	Low	Closing quotations 11-6-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	140.00	—	—	140.00
Apollo (2)	1.24	1.28	1.24	1.26
Bombay Dyeing (25) ..	64.00	64.60	63.40	63.80
Bradbury (50) ..	144.00	144.50	144.00	144.50
Central India (100) ..	98.00	99.00	96.00	98.00
Century Mills (100) ..	540.00	551.50	533.50	543.00
Edward Textile (200) ..	220.00	—	—	220.00
Elphinstone (50) ..	35.00	—	—	35.00
Finlay (100)	266.00	266.00	265.00	266.00
Gokak (100)	148.00	148.00	147.00	147.00
Ind. Untd. Defd. (1) ..	1.00	1.02	0.98	0.98
Ind. Untd. Ord. (10) ..	7.96	7.96	7.68	7.68
Indore Malwa (100) ..	97.00	95.00	92.00	95.00
Khatau (100) ..	213.75	218.75	215.00	218.25
Kohinoor (100) ..	277.00	279.00	272.50	273.50
Lakshmi (250) ..	415.00	—	—	415.00
Minerva Mills (100) ..	61.00	—	—	61.00
Model Nagpur (250) ..	95.00	95.00	85.00	85.00
Morarji (100)	255.00	259.00	255.00	255.00
Mysore (50)	82.50	—	—	82.50
National Rayons (100).	309.00	319.75	306.50	317.25
New City (100) ..	106.00	—	—	106.00
New Great (100) ..	172.00	172.00	167.00	171.00
Phœnix (100) ..	142.50	146.25	145.00	145.00
Podar Mills (100) ..	175.00	176.50	173.00	174.00
Sassoon Silk (10) ..	8.24	—	—	8.24
Sassoon Spg. (10) ..	49.00	49.50	49.00	49.50
Sholapur (1,000) ..	422.50	—	—	422.50
Shrinivas (100) ..	171.00	175.00	170.00	174.00
Simplex (50)	180.00	180.00	175.00	177.00
Standard (100) ..	490.00	503.00	488.00	501.00
Svadeshi (100) ..	229.50	236.00	227.00	232.50
Swan (100)	380.00	380.00	375.00	380.00
Tata Mill (25) ..	34.50	35.00	34.25	34.25
Vishnu (100)	100.00	—	—	100.00
Western India (1,000).	4,475.00	—	—	4,475.00
BANKS				
Bank of India (50) ..	131.00	132.00	131.00	131.25
Do. (New) (50) ..	131.50	133.50	133.00	133.50
Bank of Baroda (50) ..	102.00	103.00	102.00	102.50
Central (25)	52.30	53.50	52.20	53.10
Central 'A' (25) ..	55.80	56.00	55.20	56.00
Dena Bank (50) ..	52.80	—	—	52.80
Punjab National (10) ..	22.24	22.64	22.24	22.64
Union Bank (5) ..	6.92	6.92	6.88	6.92
United Com. (50) ..	61.00	61.00	60.20	61.00
ELECTRIC COS.				
Ahmedabad (100) ..	92.00	92.00	90.50	90.90
Amalgamated (10) ..	10.76	10.84	10.76	10.84
Andhra Valley (1,000).	1,125.00	1,132.50	1,125.00	1,130.00
Bom. Sub. El. (100) ..	103.00	103.75	103.50	103.75
Surat (100)	107.25	107.00	105.50	105.50
Tata Hydro (100) ..	117.25	119.00	117.25	119.00
Tata Power (1,000) ..	1,168.75	1,177.50	1,167.50	1,171.25
INSURANCE COS.				
British India (10) ..	14.44	—	—	14.44
Empire of India (100)..	201.25	—	—	201.25
Ind. Mercantile (20) ..	42.50	43.25	42.50	43.00
Jupiter (15)	5.60	—	—	5.60
New India (15) ..	56.00	59.00	56.00	58.00
Vulcan (10)	20.52	20.76	20.52	20.76
STEEL COS.				
Ind. Iron (10) ..	24.12	24.16	23.88	23.92
Mukand Iron (10) ..	17.48	18.12	17.56	18.12
Tata Steel Ord. (75) ..	188.50	192.75	187.00	189.00
SUGAR COS.				
Belapur (50)	293.00	295.00	292.00	292.50
Bhopal (10)	23.36	23.36	23.04	23.20
Changdeo (12.50) ..	30.00	—	—	30.00
Phaltan (50)	154.00	159.50	154.50	157.00
Walchand Ind. (100)..	282.50	292.50	280.00	291.25
CEMENT COS.				
Associated Cts. (100)..	153.25	154.50	152.50	152.50
Digvijay (100) ..	152.50	153.50	152.00	152.50
MISCELLANEOUS				
Alcock Ashdown (100).	269.00	271.50	269.00	269.00
Bom. Burmah (125) ..	525.50	552.00	518.50	544.00
Do. (New) (50) ..	182.00	182.50	180.00	182.50
Br. B. Petrol (4 sh.) ..	1.74	1.76	1.72	1.76
Br. I. Corpn. (5) ..	4.70	—	—	4.70
Hindustan Lever (10)..	29.25	30.25	29.25	30.25
Hindusthan Motors (10)	8.64	8.88	8.56	8.68
Indian Copper (2 sh.)..	4.06	4.14	4.04	4.08
Ind. Inv. Tr. (100) ..	75.00	77.00	75.00	77.00
Killicks (100) ..	139.00	139.50	139.00	139.50
Larsen & Toubro (10)..	21.24xr	22.16	21.32	21.80
Mahindra & Mahindra (10) ..	19.88	19.92	19.76	19.80
Polson (100)	152.00	140.00	138.00	139.00
Pre. Automobiles (100)	108.25	111.00	107.50	109.00
Premier Con. (80) ..	304.00xd	318.00	299.00	311.50
Scindia (20)	17.84	17.96	17.44	17.48
G. E. Shipping (10) ..	21.96	22.52	21.96	22.52
Shivrajpur (10) ..	80.00xd	86.00	77.50	84.00
Sirpur Paper (10) ..	12.52	12.96	12.52	12.84
Tata Chemicals (10) ..	18.32	18.64	18.20	18.44
Tata Locomotive (100).	202.50	206.75	197.75	203.00
Tata Oil (25)	57.00	59.50	57.00	57.50
Voltas (100)	160.00	172.00	159.00	170.00
W. I. Match (100) ..	203.50	206.00	202.50	204.75

GOVERNMENT SECURITIES	4-6-1959 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	11-6-1959 Rs.
2½% 1961	97.40	—	3.76	97.40
2½% 1960	99.20	—	3.47	99.20
2½% 1962	97.10	—	3.64	97.10
2½% 1976	83.20	—	4.08	83.20
3% 1959-61 2nd Vict.	99.80	—	4.08	99.80
3% 1964	97.00	—	3.60	97.00
3% 1963-65 ..	96.80	3.78	3.51	96.80
3% 1966-68 ..	94.00	3.93	3.74	94.10
3% 1970-75 1st Dev.	91.40	3.94	3.70	91.50
3% 1986 Con. Loan..	73.75	—	4.07*	73.75
4% 1960-70 ..	100.80	3.13	3.91	100.80
3½% 1961 N.P. Bonds.	100.15	—	3.44	100.15
3½% 1964 N.P. Loan..	99.80	—	3.54	99.85
3½% 1965 N.P. Bonds.	99.65	—	3.55	99.75
3½% 1962	99.20	—	3.51	99.25
3½% 1967 N.P. Bonds.	99.10	—	3.61	99.20
3½% 1974	98.85	—	3.85	98.90
3½% 1967 N.P. Bonds.	100.80	—	3.65	100.80
4% 1972 Loan ..	101.70	—	3.83	101.70
3½% 1968	99.00	—	3.62	99.05
3½% 1963 N.P. Bonds.	99.95	—	3.51	99.95
3½% 1968 N.P. Bonds.	100.60	—	3.63	100.60
4% 1973 Loan ..	101.60	—	3.86	101.60

BRITISH GOVERNMENT SECURITIES

	Closing quotation 29-5-1959 £			Closing quotation 5-6-1959 £
2½% Brit. Consols. ..	51 5/16	—	—	51⅝xd
3% Savings Bonds 1965-75 ..	75 13/16	—	—	76 3/16
3% War Loan 1955-59	100⅛	—	—	100 3/16
3½% War Loan ..	65⅛	—	—	65 13/16
4% Victory Bonds 1976	96¼	—	—	96⅜
4% Funding 1960-90.	90⅝	—	—	90 13/16

*Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

COMMERCE

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

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MANAGEMENT OF STATE UNDERTAKINGS

THE form of management of State-owned commercial undertakings and their relationship with the Government, on the one hand, and Parliament, on the other, are two issues on which there has been endless debate in this country during the past six or seven years, that is, ever since the public sector began to engage itself in industrial and trading ventures on a large scale. It is true that similar problems exist in other countries, especially in the U.K., the parliamentary system of which India has adopted. But, in India, the problems are more complex, as the number and variety of State-owned undertakings even now are greater than in the U.K., with the prospect of further large growth in the coming years. They are made more difficult by the absence of an adequate number of trained and experienced administrators. The nature of the problems is such that there can be no final solution to them satisfactory to all. As the country gains more and more experience, better methods may be evolved. Meanwhile, periodical study of the issues will throw fresh light and point to the directions in which improvements could be effected. It is needless to add that, if this objective is to be served, those who are engaged in each successive enquiry should have an unbiased outlook and be prepared to learn from past experience, even when it does not confirm the soundness of the basic official policies.

It is now generally accepted that it is better to let Government ventures take the form of joint-stock companies, with the President of the Indian Union being the sole shareholder. The stricture made by the former Auditor-General that such companies constitute a fraud on the Constitution has been ignored as an untenable contention. Indeed, even the worst critic of the public sector does not subscribe to this view. Recognising the convenience of this system, special provisions were made in the new Companies Act enacted in 1955-56. Incidentally, for some inexplicable reason, this system has so far been followed only in regard to the enterprises of the Union Government and not in regard to those launched by the State Governments. It would doubtless be advantageous to convert the commercial enterprises of State Governments also into joint-stock companies wholly owned by them.

The question as to how these companies and corporations such as the L.I.C. and the State Bank of India, brought into existence through specific legislation, are to be administered is still one on which there is considerable difference of opinion. Equally unsolved is the question of appropriate form of control over these companies by the Government and Parliament. The issues came to the fore again by the remarks made by the Chagla Commission early in 1958 on the autonomy of the L.I.C. The Congress Party took up the matter and the Prime Minister, as the leader of the Party in Parliament, appointed a sub-committee, with Mr. V. K. Krishna Menon (Defence Minister) as the chairman, to study and report on the question of parliamentary supervision over statutory corporations and other State-owned bodies. It is now stated that this sub-committee has finalised its report. A fairly sizable summary of its recommendations has also found its way into the daily Press, though the report itself has not been made public. From this account it appears to us that the Committee has made a thorough study of the problem and that some of its key proposals differ from the suggestions made by the Estimates Committee four years ago and also from those put forward by the latter this year in regard to the two State-owned shipping companies. The learned American economist, Prof. Galbraith, has also made his contribution to the subject in a report covering several aspects of the public sector, including the question of profit. For the purpose of convenience, we propose to confine ourselves here only to the recommendations of the Krishna Menon Committee, leaving those of Prof. Galbraith to be dealt with in a subsequent issue.

It has been recognised for long that the Estimates and Public Accounts Committees of Parliament would not be able to exercise sufficient and timely check on the working of Government departments as well as that of the State enterprises and that it would be desirable to have another committee for supervising these enterprises. Both Mr. C. D. Deshmukh, a former Finance Minister, and the late Speaker Mr. G. V. Mavlankar, had lent their support to this view. In its sixteenth report (*vide Commerce* dated 8th October 1955, page 685), the Estimates Committee put forward certain suggestions which, when viewed now, do not appear to be wholly satisfactory. It had recommended (*a*) the abolition of the present system of management by a board of directors as unsuitable and their replacement by a full-time managing director or a board of managing directors (of two or three members, with a chairman) depending upon the size and nature of the undertaking, (*b*) direct responsibility of this small board or the managing director to the Minister concerned in the matter of broad questions of policy, and (*c*) the board or the managing director to be assisted by an advisory body consisting of members of Parliament and local legislatures, representatives of consumers and some experienced business men. The last suggestion means a conglomeration of varying, if not conflicting, interests and it is not surprising that this recommendation did not receive the support of either Parliament or the Government.

The recommendations of the Krishna Menon Committee are an improvement over the aforesaid proposals. In the first place, it wants to secure parliamentary control over Government concerns through a third committee made up of only members of Parliament, something very similar to the Estimates Committee and the Public Accounts Committee but with a difference. While taking over the present functions of these two committees in relation to the State-owned concerns only, the Third Committee will not be a fault-finding body or a super-board of management. It will, we are told, perform a more constructive function, but it is not clear in what way. To quote the agency report on this point:

> "The purpose of setting up of a third committee would be defeated, if it is imbued with the idea that it is a fault-finding body or that it is a super-board of management. At the same time, there can be no fettering of the judgment of this committee and the expression of its views in good parliamentary tradition. Being a responsible parliamentary committee, it would bear in mind that any public expressions of views, intended to correct errors or to provide greater incentives in respect of any concern or all of them, are not of such a character as would have the opposite result of lowering the concern in public estimation or affect the credit of the country abroad."

The above quotation casts certain unwarranted aspersions on the two parliamentary committees which have done excellent work. It amounts to saying that they did not know how to expose the faults of Government-owned concerns without discrediting them in the eyes of the public. We do not see, nor does the above report tell us, how exactly this objective could be achieved. If a Government concern is found to have committed faults and if the faults are brought to the notice of the public, it is bound to evoke adverse criticism from the opposition leaders and wide publicity. The only way to stop such publicity is to hide the truth from the public or to whitewash the whole thing. Surely, a responsible parliamentary committee cannot do any such thing. But if this is what the Third Committee will do, it is better *not* to have it, whatever may be the other advantages. In a democracy, no Government concern can be screened from the searching eyes of the public, the Press and Parliament.

The Krishna Menon Committee's suggestions on the board of directors of Government concerns have many new features. The board, it says, should be compact and consist of only full-time salaried directors. Neither business men nor public men, whether they are in Parliament or outside, should be on the board. The chairman and managing director should be whole-time officials of the company and the other directors, including a financial expert, should be drawn from among the senior executives. Wherever possible, a representative of labour should be included in the board, but it is not stated whether he, too, will be only from the company's labour force or a trade union leader who may be an outsider. Membership of boards, the Committee avers, should not be sinecures. "It would not mean," to quote the news agency report, "that a business man, civil servant, or legislator, having considerable experience and genuinely severing his connections with business and other activities and with no encumbrances of any kind, cannot be appointed to such boards. But it would be inadvisable to appoint to boards men with power but without responsibility or of divided loyalties." The chairmanship of a Government concern, the Committee is further reported to have stated, should not be looked upon as a berth for a retiring civil servant nor should others be appointed to this post as a part of reward for any services rendered to a political party.

The Committee should be congratulated on the highly idealistic approach it has made to the problem, but it is doubtful whether the observance of its conditions will be practicable. If the concerns to be owned and managed by the State were only a few, it might be possible to have boards on the lines suggested by it. But the number of Government concerns is quite large and is expected to proliferate in the third

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Plan period. From where will the Government find the necessary top personnel free from all the encumbrances and disqualifications prescribed by the Committee? In effect, the Committee's suggestions boil down to this, namely, that the public sector should go slow and restrict the industrial, financial and trading ventures it wishes to have to the availability of managerial personnel of the type defined by the Committee. Will the Congress Party be content with such a prospect?

At one time this journal felt that honest and experienced business men should be actively associated with the Government-owned undertakings, so that these concerns might have the benefit of their advice and grow on sound lines. But events in more recent years have necessitated a revision of this view. After studying the working of the two State-owned shipping corporations managed by a board of directors consisting of only officials, the Estimates Committee came to the conclusion three months ago that it would be advisable to associate non-official business men on the boards of these companies. To us this suggestion is not convincing, for the simple reason that, when business men were associated with these concerns earlier, they showed no better progress. Apparently, a combination of officials and non-officials to run Government-owned concerns is not an ideal one, for it is not conducive to a high sense of responsibility among them. There are, of course, exceptions, as in the case of Air-India International, but one swallow does not make a summer. Further, as the captains of Indian industry have failed to win the admiration of the party-in-power and its chief, there is little point in their being actively associated with the management of State-owned enterprises. And, finally, no business man will volunteer to join the boards of such enterprises, if the condition that he should give up all his business interests is insisted upon.

If the boards of Government companies are to consist of only full-time officials of the respective companies, their complexion will be different. They will be boards of management and not those of directors. And, if the chairman of the board is to be guided not by the majority view, when there is a difference of opinion, but by the final verdict of the Minister concerned and if he is vested with overriding powers in regard to matters of day-to-day administration, the whole show will become, in actual practice, a one-man affair, for the other members of the board, being subordinates of the chairman or the managing director, will hardly bother to assert their views. Much, of course, will depend upon the personality, integrity, and efficiency of the Minister concerned. If the Minister is strong and knowledgeable, he will be the real master of all the companies under him, whatever may be the autonomous character of the corporations. If the Minister is weak and has no idea of commercial business, his adviser and/or the chiefs of the undertakings will be the virtual bosses. Experience of Government concerns so far shows that there will always be room for abuse of power and resources, whether a Minister is strong or weak.

The real question is how to instil a keen sense of responsibility and drive into the persons who are in charge of Government concerns. In the joint-stock companies in the private sector, the top person (or a group of persons) has a real stake of considerable magnitude in the form of his savings. If he were to manage his concerns inefficiently, he would lose not only his income but also his capital. If he were to work hard and show more profit, his income and capital alike would appreciate which in turn would induce him to work harder and produce more. In the case of a person who is in charge of a Government concern, his salary is assured, as also his annual promotion and retirement benefits. He gets nothing more, if he puts in hard work and earns bumper profit, excepting, perhaps, some kind of appreciation on paper or a medal from the President. Only a few will be tempted by these rewards. The vast majority of managers will have no real stake, unless, of course, their salary and other emoluments are fixed at high levels which have some proportion to the size of the responsibility they are asked to undertake. But the Congress Party and the Prime Minister are suggesting that there should be a reduction even in the existing scales of salaries which are none too generous. The only other factor that would make the managers of Government companies to exert their best and show successful results is the fear of severe summary punishment, but a democratic country cannot follow this method.

SWATANTRA PARTY

THE move to form a new political party, known as the Swatantra Party, has rightly attracted country-wide attention. This itself suggests that the Party meets a genuine need in India's political life. Apart from the fact that it will be guided by that elder statesman, Mr. C. Rajagopalachari, who is now a respected institution, besides being a sage political thinker, the Party derives its inspiration from a philosophy which is bound to have a great appeal to all true democrats. And it also starts off without any odium which might attach to a splinter group of an established political party. With an independent philosophy and outlook of its own, based upon freedom, initiative and enterprise, the Swatantra Party may be expected to gather under its banner men of true wisdom and courage, with a sincere desire to serve the country and its people on practical lines. The interest which this move has evoked suggests that it has a future brighter than what its critics might foresee for it.

In several quarters, the new Party has been hailed as a much-needed corrective to the Congress. But it is much more than that. It gives a concrete political shape to the deep-seated aspiration of man—his love of freedom in all its essential manifestations, including intellectual and professional freedom. In one sense, the new Party is in the best traditions of the Congress. It must be remembered that the Congress won its position through its uncompromising opposition to foreign rule, while the new Party is similarly opposed to another form of tyranny, which flows from the deification of the State. Perhaps, the Congress could itself have turned into a party representing what the Swatantra seeks to achieve. But it has failed to do so. After playing its historic role by winning the country's independence, it found itself saddled with the very different task of running the Government. In the last few years, it has ruled well, though not always wisely. Its record, unimpeachable as it is in several respects, particularly in giving the country a stability which India's neighbours have sought in vain, has been marred by policies and programmes which are the result of its conscious desire to model itself on the parties opposed to it and to the economic thinking of a leader based on an alien, outmoded philosophy which he honestly seems to believe is the most progressive in the world. In the process of adjusting itself to the opposition, which is chiefly leftist and to its leader's line of thinking, it has lost something of its original self. The opposition parties, flattered by this sincere imitation, have been largely content to let the Congress play its role. The result is that no genuine ideological difference now separates the Congress from its opposition. Again, while the Congress has been intolerant of rightist opposition, however moderately it might be expressed, its left-wing political rivals have often been surprised, if not shocked, by the speed and vigour with which it has carried out extreme socialist policies such as the nationalisation of life insurance, levy of punitive taxation on the rich and upper middle classes and the move to place a ceiling on incomes.

The Swatantra Party stands for a certain historical continuity in India's political life. As Mr. Jayaprakash Narayan, whose blessings the new party has been able to get, pointed out, in his address at a meeting held in Bombay, Gandhiji believed that a Government which governed the least was the best, but today the trend was in the opposite direction. He added: "The State is taking more and more functions and there is all over the country, more so in rural areas, a state of inertia and people look to the Government for doing things which they could do themselves.... After independence, there has been a decline in voluntary activities and, if the trend continues, people will become an inert mass and that will be an end of democracy in this country. The final guarantee of democracy is the capacity of the people to look after themselves and this capacity can come only through private initiative and enterprise." Mr. M. R. Masani, who has taken considerable initiative in the formation of the Party, observed that there was a spiritual and moral vacuum in Indian politics and the country faced "moral crisis," as a result of ten years of Congress rule. The task before the new Party is not only to convince the people of the existence of the crisis but to make them see how it could be directly traced to excessive reliance on State apparatus for carrying out all economic and welfare activities.

Although the Party has not yet issued its manifesto which will be finalised at its first session, scheduled to be held at Ahmedabad on 1st August next, its spokesmen have made some attempt at defining the Party's objectives. A memorandum, issued by its sponsors from Madras—the Party will at present function from 19, Race Course, Bangalore—emphasises that moral obligation, rather than State action, should form the basis of welfare activity. In agriculture, increased production, it is stated, is best attained through the continuance of the self-employed peasant-proprietor, who stands for initiative and freedom and is interested in obtaining the highest yield from the land. In industry, the Party believes in the "encouragement of the incentive for higher production and expansion which are obtained by competitive enterprise, with adequate safeguards against excessive and unreasonable prices, profits and dividends where the competition itself does not secure these ends." It stands "for the restriction of State enterprise to heavy industries to supplement private enterprise in that field and to such national services as railways and the starting of pioneer industries where private initiative is difficult." It is opposed to "expansion of bureaucratic services which involves the bringing into being a 'state-ism', with a hierarchy of officials made to do work which is best done privately and independently, and an unproductive waste of national resources."

Further light has been thrown on the Party's objectives by Rajaji in his various speeches and by Prof. N. G. Ranga who has chosen to leave the Congress after several decades of devoted service in the cause of the country's peasantry. Rajaji contrasted the philosophy of *swatantra* (freedom and dependence on one's own efforts), for which the Party stood, with the philosophy of *paratantra* (dependence on others), on which was based socialism, with its emphasis on State regulation and control. He warned that there was a threat of confiscation of *swatantra* from citizens by a gradual process. The new Party, he said, claimed that social justice and social welfare could be attained without depriving individuals of *swatantra*. At a Press conference, held in New Delhi, Prof. Ranga averred that the Party favoured the concept of trusteeship in relation to wealth. He stressed that the Party would oppose co-operative farming, as it would turn peasants into wage-earners on their land, but not service co-operatives.

Among the other specific issues it would sponsor is the restoration of the original provisions of the Constitution in respect of freedom of property, trade, employment and compensation for the acquisition of property. It is also against "unlimited borrowings" by the Government and opposed to the way in which internal resources are raised for the Plan, for a continuation of this process would make "section after section of our society to become bankrupt and so frustrated that it will become unproductive and inefficient." It should thus be clear that the Party will oppose State monopoly in all its forms and regimentation of the lives of citizens. It will also help restore rural-urban balance by giving a fillip to agricultural operations. While the value of co-operation is not denied, it will oppose compulsion in any shape or form.

There is, however, no denying the fact that the new Party will have an uphill task in the first few years. For one thing, the other political parties in the field have had the advantage of an early start. Secondly, though the country has learnt to appreciate the value of freedom from foreign rule, it is yet to be taught to shun the measures designed to restrict individual liberty and the evils arising from large-scale extension of State enterprises, and excessive taxation. Thirdly, the business community has been run down in the eyes of the public to such an extent by the Congress and other opposition parties that it is a hard task to popularise an economic philosophy which seems to favour them most. But there are some encouraging signs. There is a widespread feeling that the State cannot always do things well and that, in any case, it cannot do everything. Further, the new Party has the advantage of an appeal which is directed towards something elemental in man—his love of freedom. By persistent educational effort, the Party may still succeed in winning for itself a growing body of adherents, especially the educated young men to whom neither the Congress Party nor the Communists offer any attraction. To the extent it succeeds in spreading the gospel of freedom, initiative and enterprise, it will, besides making an effective contribution to India's political life and shaping its destiny, render a distinct service to the cause of democracy and freedom in the world. The birth of the new Party has thus a significance, far transcending the national frontiers to which its activities have necessarily to be restricted.

SHARE MARKETS DISTINCTLY FIRM

CLIMATE FOR PRIVATE SECTOR—EXPORT CREDIT INSURANCE—WESTERN SHIPPING TALKS

WEDNESDAY, 5 P.M.

THE hesitant tone noted in share markets last week has yielded place to a firm trend. Despite intermittent profit-taking, the speculative counters have regained their poise, though not their steam. The hopes of the bears that, as equities have moved up to unduly high levels, there is bound to be a sharp and sustained reaction, have not fully materialised. On the contrary, to their dismay, several "cash" shares, which had recently retreated from the peak levels established in the first half of last month, have resumed their upward trend. Notable among them are chemical and dye shares and a large number of miscellaneous industrials belonging to the growth variety, such as Dunlop, National Carbon, Indian Aluminium, Indian Oxygen, Alkali Chemical, E.I.D. and Gwalior Rayon. Jute, tea and cotton mill shares have also been moving up on satisfactory reports about the offtake of their manufactures. There is a feeling in market circles that these old industries of India will fare distinctly better in the current year. Exports of jute manufactures and tea are expected to register further improvement in the second half of 1959, thanks to the marked recovery in economic conditions in the U.S. and Western Europe. Exports of Indian cloth, however, are still not encouraging, but the domestic demand is picking up. Stocks of cloth with mills have fallen appreciably, due to good clearance in the second quarter. At the time of writing, the trend of cloth and yarn markets is rather subdued. This is only natural, as the monsoon months constitute the slack season. But, after the rains, the offtake is expected to improve and with that the prices of cloth too. Textile shares have already started discounting this prospect. With the production of steel increasing, the demand for cement also may be expected to improve in the coming months. Consequently, cement shares have got over their sluggishness and are gradually edging forward.

MARKET GOSSIP

The share markets have not taken seriously the discussions at Ooty on the implications of the socialist pattern of society and on the approach to the third Plan. Nor have they paid any attention to the happenings in Kerala, where there has been a mass movement to get the Communists out of office, resulting in a number of police firings and a fair degree of violence and disturbance to peace. In fact, scrips of industries in Kerala, such as Aluminium Industries and Travancore Rayon, have been ruling firm. Evidently, encouraging reports about the working of industries, the continuing inflationary pressure, the commencement of easy money conditions and the anxiety of the authorities to keep interest rates on the low side have all helped the share markets to overlook the developments on the domestic political front and the distressing reports about the food situation in West Bengal, notwithstanding a record (estimated) output of 73 million tons of foodgrains in the current (1958-59) crop year.

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Reports from New Delhi and inside information about what went on in the closed sessions of the Ooty Seminar clearly suggest that the Congress Party's views on the private sector is hardening. It would appear that certain forces are at work to place even more restrictions on the private sector through the Company Law Amendment Bill now referred to a Joint Select Committee. They are trying to exploit to the maximum extent possible Mr. Nehru's pronounced dislike for concentration of economic power in a few hands. The original object in deciding to amend the Company Law, passed only 39 months ago, was to remove the practical difficulties arising from the defective wording of several sections and excessive controls and regulations. Now advantage is sought to be taken of this opportunity to give effect to some of the new concepts of socialist ideals of the Congress Party, which, as everyone knows, is more leftist at present than they were in 1955-56. If the powers-that-be succeed in their attempts—there is no reason why they should not—joint-stock company management in the private sector will become more complicated than it already is and this in turn will tend to retard the growth of the private sector.

Another report claims that Russia and East European countries are also trying to exploit the socialist policies of the Government of India and the determination of Mr. Nehru to give high priority to the public sector not only for such basic heavy industries as iron and steel and manufacture of power machinery, fertilisers and locomotives, but also for other machine-building industries, metals, fuels, chemicals and drugs. In pursuance of Mr. Khrushchev's clever policy of peaceful economic penetration of underdeveloped countries, Russia and the industrially advanced East European nations have been offering to the Government of India attractive schemes of assistance for establishing these industries. The official delegation to these countries, led by Sardar Swaran Singh, which recently returned from Moscow, has brought with it many proposals. With these offers on hand and with the known predilections of the Government for the public sector, the private sector will probably be at a greater disadvantage in the third Plan than in the second. The Central Government's economic philosophy, policies and programmes are thus greatly helpful to Mr. Khrushchev in implementing his programme for economic penetration. Mr. Nehru must doubtless be aware that the Western world has already taken note of this development in the cold war and that it is anxious to counter it, as witness the various statements made at the recently concluded six-day 14-nation Atlantic Congress held in London to celebrate N.A.T.O.'s first ten years. Almost everyone who spoke at this Congress emphasised the need for stepping up economic aid to the underdeveloped countries and for forming an organisation to co-ordinate the West's economic aid to these regions. Mr. Nehru is undoubtedly in a strong position to have his way in getting aid from the West for expanding the public sector. He has a large number of influential supporters in the U.S. who have already endorsed his policy pertaining to the public sector. There are thus strong indications that the private sector will be allotted only a modest role in the third Plan.

There are some signs, according to observers in New Delhi, that Mr. T. T. Krishnamachari, for whom Mr. Nehru has great admiration, may return to power before the year is out. The only remaining hurdle in his way is the debate in Parliament on the L.I.C-Mundhra episode. The House is expected to take up the issue during the monsoon session and with that this unpleasant incident may go into oblivion. This will happen just at the time the third Plan will begin to take definite shape and the Prime Minister may summon the aid of T.T.K. for this purpose, especially for raising the resources. The chances are that T.T.K. may be appointed as Minister for Planning or Economic Affairs. Much, of course, will depend on T.T.K.'s leanings; at present, he is said to be not very keen on re-entering public life. But he is unlikely to decline the Prime Minister's invitation, if and when it comes.

The inside information on the Ooty Seminar is that Dr. V. K. R. V. Rao, supported by Mr. C. D. Deshmukh, played a prominent part in establishing a strong case for earmarking almost all the major industries for the public sector and for a stricter control over the remaining activities of the private sector engaged in trade and industry. One or two invitees to the Seminar who chose to espouse the cause of the private sector were literally heckled and made to eat humble pie by the exuberant socialist Vice-Chancellor of the Delhi University. The general impression is that, in the preparation of the third Plan, the impress of Dr. Rao will be greater than that of Prof. Mahalanobis in the second Plan.

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The terms of the two new loans of the Government of India and their timing are in keeping with our expectations. The total amount sought to be raised is, however, less than that anticipated in these columns (refer page 851 *Commerce* dated 23rd May 1959). Thus, only a sum of Rs. 175 crores is proposed to be raised, as against Rs. 200-225 crores expected. There are only two issues, a medium-dated (10 years) loan and a pretty long-dated (20 years) loan. No amount has been specified for each of them, so that it is not possible to measure the response to each in terms, of oversubscription or undersubscription. The Government has reserved to itself the right to retain subscriptions upto 10 per cent. in excess of the sum of Rs. 175 crores. Consequently, if there are over-subscriptions, the total issue could be upto Rs. 192.50 crores. But the chances of this happening are slender.

The details of the two new issues are:

3½ per cent. 1969 at Rs. 98.85, giving a redemption yield of 3.64 per cent. and a running yield of 3.54 per cent. per annum.

4 per cent. 1979 at par, both the redemption and running yield being the same, namely, 4 per cent. per annum.

The terms of the aforesaid loans are more favourable to the Government than those it offered last year. For a ten-year loan, it is offering the same return that it gave for a five-year loan last year; in fact, the redemption yield is a little less, considering that it was 3.78 per cent., as compared with only 3.64 per cent. that can be had now. Again, the ten-year loan issued last year fetched a redemption yield of 3.81 per cent. and a running yield of 3.77 per cent., whereas the corresponding yields on the 10-year loan just announced are 3.64 and 3.54 per cent., respectively. Further, the Government gave 4 per cent. interest for a 15-year loan last year; today, it is offering that rate for a 20-year loan only. Last year, the Government raised (in the first attempt) through all the three issues a sum of Rs. 135 crores, of which conversion facilities covered a sum of about Rs. 21 crores only, the corresponding figures for this year being Rs. 175 crores and Rs. 120 crores, respectively.

These comparisons show to what extent money has become cheaper over the year. The main explanations for this fall in interest rates at a time when the demand for domestic savings is greater than the supply are three: deficit financing, P.L. 480 funds and restraints on investments by the private sector.

Subscriptions to the new loans can be both in cash and conversion of two maturing loans: 3 per cent. Second Victory Loan 1959-61 and 2½ per cent. Hyderabad Loan 1954-59. The amount outstanding against these two loans are Rs. 113 crores and Rs. 7 crores, respectively, so that cash portion covers Rs. 55 crores, that is, only one half of that a year ago. But not all the outstanding amount of 3 per cent. 1959-61 loan is likely to be converted into the new loan, though this may be the case in regard to the Hyderabad State loan for which the Centre assumed responsibility under the States Reorganisation Scheme. The major portion of 1959-61 loan must have already come into the possession of the Reserve Bank, as a result of its open market operations. A part of it may be held by the Exchange banks. As these banks generally do not invest in loans other than the short-dateds, they may not elect to convert their holdings in the 1959-61 loan. They may prefer to reinvest the proceeds of this loan when redeemed in cash in the existing short-dateds that can be had from the market.

One can, of course, safely say that the loans will be fully subscribed, for anything that is left over by the banks, the L.I.C., the provident funds and other investors will be taken up by the Reserve Bank. The response from the banks other than the State Bank is unlikely to be on the same scale as last year, for their surplus funds are not that large. The State Bank will, of course, be the largest investor, because of the P.L. 480 funds deposited with it. The L.I.C. and the provident funds will go in for the high-yielding long-dated loan, but their total contributions may at best be Rs. 30 crores. Naturally, the Reserve Bank will take up the unsubscribed balance and will gradually liquidate it in the open market whenever conditions are favourable.

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The Hague was this year's venue for the annual conference of the Union of International Credit Insurers, known as the Berne Union. The conference, which lasted from the 5th to 12th inst., coincided with the twenty-fifth anniversary of the Union. It was attended by delegates from Austria, Belgium, Canada, Denmark, France, W. Germany, Israel, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, the U.K. and the U.S. It is said that delegates from India, Australia and South Africa could not attend. The World Bank and the Italian National Insurance Institute were represented by observers. As was customary, the conference renewed the member organisations' business experience during the past twelve months, discussed common problems of export credit insurance and guarantee techniques, the terms of payment appropriate to particular classes of goods and the economic outlook in the various countries.

It may be recalled that last year's conference at Venice took place at a time when the newly introduced credit insurance facilities in W. Germany was the subject of much adverse comment in certain quarters as tantamount to initiating a credit race. It was found after an exchange of views at the conference that part of the misunderstanding was due to inadequate explanation of the true nature of the operation and the differences in terminology used in Germany and other countries. The misunderstanding was cleared and the W. German delegate gave the assurance that W. Germany had no intention of initiating a race in the field of export credit terms.

The need for avoiding a credit rate war was stressed at this year's conference also. In a statement issued after the meeting, the conference expressed the hope that the pattern of trading conditions could be maintained without the stress and distortions which would result from a credit race. The terms of payment for the various classes of goods eligible for export credit insurance were discussed by the conference. It was agreed that, in conformity with the principle that the terms of payment for insured export transactions should not differ from those usual in the trades concerned, the Union should keep all member organisations currently informed of normal commercial practice by maintaining a system of continuous consultation and exchange of experience. The object of this procedure is to avoid situations in which individual credit insurers could place their exporters in a more favourable competitive position than those in other countries by agreeing to cover abnormal terms of payment. Normal commercial standards were defined as those involving a credit period not exceeding six months for consumer goods, a somewhat longer period for durable consumer goods and light equipment, and not exceeding five years for heavy capital equipment. Reasonable commercial practice, it was emphasised, called for adequate down-payment before shipments in all cases where medium credits were covered.

This decision cannot but have a mixed reception in this country. As exporters, the decision is welcome to countries like India where export credit insurance is still in its infancy and which is not therefore in a position to compete with rich insurers in such developed countries as the U.K. and West Germany by giving the same credit terms to its exporters as are offered by them. But, as importers of capital goods whose needs in this respect are both large and urgent and whose purchasing power is strictly limited, India and other underdeveloped countries cannot be happy over the limitation of the period of coverage on credit for heavy capital goods to five years. Surely, the situation obtaining at present is quite different from the time when this limit was proposed. The conference should have taken into consideration this aspect of the question and allowed a longer period, say, 10 to 12 years, for credits against capital goods. It seems to have been obsessed more by the anxiety to avoid what it calls a "credit race" than by consideration of the needs of underdeveloped regions. It is needless to add that relaxation of this restriction would certainly be in their own long-term interest, what with Russia and East European countries willing to offer 12-year credits.

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The ten-nation inter-Governmental conference on shipping affairs, referred to in these columns last week, concluded a day earlier than was scheduled—on Thursday the 11th inst., instead of on Friday. No concrete suggestion emerged from the discussions at the conference, barring the agreement on the setting up of a "continuing machinery" to look into mutual problems. This was only to b-

(*Continued on page 1052*) J1

EQUITIES RECOVER

FURTHER RISE IN BURMAHS

(From Our Own Correspondents)

BOMBAY, 17*th June*

THIS week's review of the Bombay Stock Exchange covers only three trading days. On Saturday last, the market remained closed as usual for fortnightly settlement. On Monday, there was no business on account of the death of a member. This issue goes to press a day earlier on account of the public holiday tomorrow for *Bakri-Id*.

During this short week, the market displayed a steady tone with a recovery in prices which was somewhat marked in several counters, such as Bombay Burmahs, National Rayons, Centurys, Kohinoors, Svadeshis, Premier Automobiles, Premier Constructions and Dyestuff companies. Even Tata Ordinaries revived, despite the fact that there was no indication about the Government's reply to the Company's application for issue of right shares at par. The market would appear to have taken it for granted that the issue would only be at par. The report from Calcutta early in the week that one of the two new blast furnaces at Burnpur of the Indian Iron and Steel Company had to be closed, as its cooler plate had burnt out and that it would be two weeks before the furnace started working again, does not seem to have affected the shares. On the contrary, the scrips, which had been subdued for some time past, staged a revival on strong speculative buying engendered by the general firmness of jute and several well-known, popular miscellaneous scrips. Secondly, the heavy load of floating stocks in this counter is reported to have been considerably reduced.

Sectionwise, Tata Ordinaries advanced from Rs. 189 to Rs. 193.25, but towards the close they shaded off to Rs. 191.75. Their new shares staged a gain of Rs. 3.25 to Rs. 190.50. Indian Irons gained ground from Rs. 23.92 to Rs. 24.52 before closing at Rs. 24.36.

Textile shares were taken up at hardening rates. Bombay Dyeings touched a peak of Rs. 65.30 before finishing at Rs. 64.80, representing a rise of Re. 1 over the week. Centurys moved up from Rs. 543 to Rs. 558, but at the close they shed a part of the gain to Rs. 551. Kohinoors were prominent with a rise of Rs. 11 over the week at Rs. 284.50, the highest level touched during the week being Rs. 287. Central Indias put on a rupee to Rs. 99, while Finlays were lower by Rs. 2 at Rs. 264. Khataus moved up by Rs. 5 to Rs. 221.25, but Simplex provided a notable exception with a drop of Rs. 4 to Rs. 173. A marked rise of Rs. 17 to Rs. 518 is noted in Standards and of Rs. 11 to Rs. 243.50 in Svadeshis.

In the engineering and mining group, Alcock Ashdowns attracted attention and gained by Rs. 2 to Rs. 271. Tata Locomotives recovered from Rs. 203 to a high of Rs. 211, but finished lower at Rs. 208. Premier Constructions were prominent with a rise of Rs. 9.50 to Rs. 321. Larsen and Toubros were marked up by 48 nP to Rs. 22.28 and Mahindras by 84 nP to Rs. 20.64. Cooper Engineerings continued to be in the limelight and added Rs. 6 to Rs. 136.50. Their rights were bid Rs. 7 higher at Rs. 19. Voltas made an impressive rise of Rs. 6 to Rs. 176. Shivrajpurs were unchanged over the week at Rs. 84, while Indian Coppers were a shade better at Rs. 4.12.

Interest in Scindias revived, pushing up the scrips from Rs. 17.48 to Rs. 17.96 before profit-taking erased a part of the gain. The closing was done at Rs. 17.72. Great Easterns were, however, a shade lower at Rs. 22.44. Premier Automobiles were in good demand and rose by Rs. 6.50 to Rs. 115.50. Hindustan Motors were taken 16 nP higher at Rs. 8.84.

Bombay Burmahs again made an impressive rally with a sharp jump from Rs. 544 to Rs. 566. The closing was done at Rs. 551. Their new shares too advanced by Rs. 2.50 to Rs. 185. National Rayons rallied from Rs. 317.25 to Rs. 328 before closing at Rs. 325. Gwalior Rayons were placed at Rs. 20.68 *ex-div.* (dividend 50 nP) which on a *cum-div.* basis, represents a rise of 74 nP over the week. Tata Chemicals picked up 28 nP to Rs. 18.72. Proximity of dividend announcement attracted attention in Tata Oils, pushing up the shares by Rs. 5.30 to Rs. 62.80. On the announcement of a rights issue in the ratio of one share for three (subject to Government sanction), Amar Dyes jumped up by Rs. 7.50 to Rs. 178. Indian Dyestuffs soared high from Rs. 762.50 to Rs. 850. West Coast Papers shot up by Rs. 6 to Rs. 145. The Company proposes to issue additional capital to the tune of Rs. 80 lakhs.

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Calcutta Stock Exchange

CALCUTTA, 15*th June*

Although the volume of business put through on the Calcutta Stock Exchange during the week under review remained low, there was a revival of interest in the more popular counters in all the sections, on interested buying. There were signs of revival of genuine buying, and it is felt that activity would continue to be restricted in view of the new Government loans for Rs. 175 crores. Institutional investors like the L.I.C. were naturally keeping away from the market in view of the Government loans. A temporary setback in sentiment was caused in speculative Indian Irons earlier in the week following the complete damage to the cooler plate of one of the new blast furnaces, thereby restricting production by 1,000 tons per day. However, it was soon known that the furnace would be commissioned within two weeks. The substantial reduction in stocks of jute goods and the gradual uptrend in prices of jute goods imparted a stabilising influence not only to jutes but other sections as well. Corporate results announced this week were so encouraging that there was an expansion in the number of transactions on investment account. However, investors were cautious, and extended only considered support.

Sectionwise, as the week progressed, there was brisk trading in jutes, and details of the more important gains are:

	Week's Opening Rs.	Closing Rs.	Gain Rs.
Anglo-India	238	247	+ 9.00
Bally	208	230	+22.00
Baranagore	143	150	+ 7.00
Kinnison	184	175	+ 9.00
Budge Budge	140.50	148	+ 7.50
Howrah	23.75	24.06	+ 0.31
Auckland	176	181	+ 5.00
Birla	21.06	21.94	+ 0.88
Champadany	126.00	130	+ 4.00
Nuddea	60.75	63.50	+ 2.75
New Central	16.37	16.81	+ 0.44

Coals hardly came in for a few transactions, in the absence of incentives. At Rs. 303, Bengals eased by Re. 1, while Burrakurs were extremely quiet at Rs. 17.31. South Karanpuras receded to Rs. 12.25 from Rs. 12.37, and Equitables to Rs. 31.62 from Rs. 32, while Western Bengals were an exception for the improvement to Rs. 6.12 from Rs. 6.03.

Firm spots were provided in the engineering section. Jay Engineerings, at Rs. 211, added a visible gain. Texmacos forged ahead to Rs. 25.85 from Rs. 25.35. The demand for Indian Galvanizings was unsatisfied and the week's gain at Rs. 20.62 amounted to Re. 1.62. At Rs. 31.25, Jessop & Cos. were fractionally better, while Indian St. Wagons were fractionally better at Rs. 93, as against Rs. 94 previously. Indian Irons closed firm at Rs. 25.25 after opening at Rs. 24.10 and moving down to Rs. 23.95.

Several features were recorded in the miscellaneous section. Indian Oxygens made a smart recovery to Rs. 27.37 from Rs. 26. Indian Aluminiums rose steadily to Rs. 21.75 from Rs. 20.56, while National Carbons, at Rs. 35, made a further addition on unsatisfied demand. Metal Boxes touched a further high of Rs. 42.62, the week's gain being Rs. 2.62. Dunlop Rubbers hardened to Rs. 33.37 from Rs. 32.37, and Indian Cables at Rs. 31.50 from Rs. 30.31. Another strong feature was Titaghur Papers, which on interested buying were lifted to Rs. 43.37 from Rs. 42.12. Orient Papers at Rs. 36 added 25 nP, and earlier in the week Orissa Minerals were better at Rs. 37.50. Balmer Lawries spurted to Rs. 174 from Rs. 164.

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Madras Stock Exchange

MADRAS, 16*th June*

A steady trend prevailed on the Madras Stock Exchange during the week under review. The steadiness was aided by fresh investment support at lower levels touched by many scrips

(*Continued on page* 1052)

Bonus announcement

The Life Insurance Corporation has pleasure in announcing the results of the First Valuation of its Assets and Liabilities as at 31st December 1957. The valuation covers all policies issued by the Life Insurance Corporation as well as those issued by the erstwhile insurers whose assets and liabilities have vested in the Corporation. These comprise 56,83,414 policies assuring a sum of Rs. 1472,81,31,684 including bonuses and 11,539 annuities for Rs. 72,80,120 per annum. The valuation discloses a gross profit of Rs. 33.04 crores.

The Life Insurance Corporation Act vests the Corporation with the power to classify policies for the purpose of declaring differential bonuses wherever necessary. The Corporation has formulated a provisional scheme of differential bonus and has grouped the policies issued by the different insurers into 7 Groups for the purpose of declaring differential rates of bonus according to the financial strength of the insurer concerned.

PAYMENT OF BONUS : Pending finalisation of the scheme of differential bonuses, bonus at the rates given in the table below would be payable only in respect of policies becoming claim by death or maturity after the date of valuation and before the final scheme of differential bonus is approved by Government The Corporation hopes to work out this final scheme of differential bonus shortly and get Government's approval to the same. As soon as the scheme is finalised and Government's approval is obtained, bonus according to that scheme would vest in the policies. It is expected that the rates of differential bonus finally declared would not differ materially from the rates now declared on policies becoming claims by death or maturity.

The rates of bonus applicable to the various Groups are given in the following table :

GROUP	Rates of Bonus per annum per thousand Sum Assured : Endowment Rs.	Whole Life Rs.
1. Special Group	.. 16.80	21.00
2. Group I	.. 14.00	17.50
3. Group II	.. 11.20	14.00
4. Group III	.. 8.40	10.50
5. Group IV	.. 5.60	7.00
6. Group V	.. Nil	Nil

In addition, there is a Miscellaneous Group of policies which will be dealt with in a special manner in view of the different methods of distribution of profits adopted by the old insurers concerned. Detailed information giving names of the insurers included in each Group will appear in Leading Newspapers on June 20th, 21st and 22nd.

Life Insurance Corporation of India

NEWS IN BRIEF

THE Geological Survey of India has so far discovered an estimated reserve of 430 million tons of iron ore in Andhra Pradesh.

The Small Industries Service Institute, Government of India, has opened in Bombay a foundry sand testing and mechanical testing centre.

The Government of India has entrusted the responsibility for the export of sea salt to the State Trading Corporation of India with effect from the 12th inst.

The Tariff Commission has taken up for consideration the question of continuance of protection to the diesel fuel injection equipment industry after the close of the current calendar year.

The Union Defence Ministry's programme to undertake manufacture of military trucks in ordnance factories, in collaboration with Messrs. M.A.N. of W. Germany, will be formally inaugurated by Prime Minister Nehru at Jabbalpur tomorrow.

In response to the request made by the Government of India, the Japanese Government has decided to send a delegation of experts on small- and medium-scale industries to advise the Government on the ways and means of accelerating the progress of these industries.

The Government of Bombay has rejected the offer of the Life Insurance Corporation of India to give a loan of Rs. 2 crores for housing Government employees, on the score that the rate of interest charged by the Corporation at 5 per cent. per annum is high.

Negotiations for increasing frequency of shipping services between the Indian and Russian ports will be held between the representatives of the two Governments at Moscow shortly. Mr. Nagendra Singh, Director-General of Shipping and Joint Secretary in the Ministry of Transport, is expected to leave for Moscow on the 25th inst.

The Madhya Pradesh Government proposes to fix the ceiling on land holdings between 40 and 50 acres of "standard land." A piece of land will be considered as "standard," if it has irrigation facilities throughout the year. Legislation to this effect will be introduced in the ensuing session of the State Vidhan Sabha.

A high-powered committee to suggest the co-ordinated development of road, rail and inland waterway and coastal traffic is expected to be constituted by the Government of India within a month. Originally, it was intended that such a committee should only consider the ways of ensuring co-ordination between road and rail transport.

The enumeration work for the next Census will begin in February 1961 and end by March. Data to be collected will cover, among other things, land, industry, business, trade, profession, service, agricultural labour and cultivation. Information will also be sought about the marital status of a person, his or her birthplace, mother tongue, education and place of work.

A proposal covering manufacture in India of a people's car priced around Rs. 6,000 to Rs. 7,000 is likely to be put forward to the Government of India on behalf of the Skoda Works, a leading Czechoslovakian engineering enterprise. It is said that Czechoslovakia is prepared to share with India its technical know-how in the field of engineering, but there is little likelihood of it investing capital in India.

One-anna and half-anna coins of nickel-brass composition (yellow in colour) will cease to be legal tender with effect from 1st January 1960. The coins will, however, be accepted from the public till 30th June 1960 at all offices of the Reserve Bank of India, all agency banks of the Reserve Bank conducting Government business and all Government treasuries and sub-treasuries in payment of Government dues as well as for exchange. They will also be accepted at all railway offices and post offices but in payment of dues only.

The total value of minerals (excluding petroleum and minerals prescribed under the Atomic Energy Act) produced in India rose from Rs. 127.3 crores in 1957 to Rs. 131.0 crores in 1958, the quantity index (base 1951=100) moving up from 123.6 to 125.5. The production of coal alone in 1958 accounted for Rs. 86.6 crores, the quantity actually produced being 46.1 million metric tons. The production of other minerals (in terms of metric tons) was: copper ore 411,000; ilmenite 314,000; iron ore 6 million; limestone 10.3 million; manganese ore 1.2 million; mica (crude) 31,802; and salt 4.2 million. The output of gold was 5,288 kilograms.

The Government of Bombay has sanctioned a pilot milk scheme for Rajkot at an estimated cost of Rs. 1.48 lakh for the current year. The milk conservation project, undertaken by the former Saurashtra Government with the assistance of the U.N. International Children's Emergency Fund, envisaged production of milk powder, provision of processed liquid milk for the city of Rajkot, and distribution of low fat fluid milk or skim milk powder to mothers and children. The U.N.I.C.E.F. project will require a large quantity of milk the collection and transport of which will have to be built up. It has, therefore, been considered necessary to implement the pilot milk supply scheme till the above project starts. Simultaneously, an amount of Rs. 3 lakhs has also been sanctioned towards the purchase of milk and milk produce for the scheme.

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From Abroad

At no time after 1955 had France enjoyed a favourable balance of trade as it did in May 1959. The balance was to the tune of £10 million, exports aggregating £115 million and imports £105 million.

The Indonesian Government has decreed the nationalisation of six Dutch trading companies in the country. According to Government spokesmen, compensation will be paid in accordance with the Nationalisation Act.

Six associations, representing cotton industry in Hong Kong, have asked for a revision of the existing system of allocating quota for exports to the U.K. The Hong Kong Government proposes to make a detailed re-examination of the quota system.

Population in the U.S. reached 176,665,000 on 1st May last. This was an increase of 25,500,000 —about 16.9 per cent.—since the last decennial census taken in April 1950. It also represents a 3 million increase, or about 1.8 per cent. over 1st May 1958.

The L. M. Ericsson Telephone Company, Stockholm, has entered into an agreement with a Swiss consortium of banks, headed by Schweizerischer Bankverein, for an 18-year, 4½ per cent. bond loan of Swiss Frs. 45 million. The loan was issued on the Swiss market on 5th June.

China and Ceylon have signed a trade protocol for 1959 and contracts for rubber-rice transactions. The protocol envisages an exchange of goods worth Rs. 12.5 crores each way. Under the rubber-rice deal, China will buy 30,000 metric tons of rubber from Ceylon in exchange for 230,000 metric tons of rice.

The Japanese Supreme Council on Export Trade, a body jointly organised by the Government and the export industries, has set the export target for the current financial year ending March 1960 at $3,130 million (payments basis) which represents an increase of 14 per cent., as compared with the actual exports of $2,728 million in 1958-59.

U.S. business expenditures on new plants and equipment are expected to amount to $32.500 million in 1959, as compared with $30.500 million last year, according to the latest U.S. Government survey. This total is somewhat higher than the amount anticipated by business for 1959 in the initial survey reported three months ago.

Last year, the Federal Republic imported 155,000 metric tons of coffee for its 50 million people, the highest post-war coffee import figure and about as much as the former German Reich imported in 1936 for its some 70 million inhabitants. *Per capita* annual consumption of coffee rose from 4.4 lbs. in 1936 to 5.6 lbs. in 1958.

There was a further fall in unemployment in the U.S. during May 1959. The ratio of persons unemployed to the total labour force fell to 4.9 per cent., the lowest for the first time since November 1957. The rate of fall in unemployment was 12 times higher than the normal seasonal change. With this fall, the number of persons employed in May was higher by over a million at 66 million, a record for this time of the year.

A Special Economic Policy Board, with Mr. Dag Hammarskjoeld, U. N. Secretary-General, as Chairman, has been set up to streamline the handling of requests from various Governments for economic and other aids. Mr. C. V. Narasimhan, Under-Secretary for Political Affairs, has been appointed the Executive Member of the Board and to act as the deputy whenever the Chairman is absent.

The Government of Pakistan has approved of a scheme prepared by the Planning Commission to establish a steel plant near Kalabagh in Multan District, where good quality iron ore deposits are reported to have been located. The scheme was recommended by Mr. Lee Austin, consultant to the World Bank, who visited Pakistan three months ago. The proposed plant is expected to have an initial production capacity of 50,000 to 60,000 tons per annum and cost about Rs. 17 crores.

A loan of $5 million to help the expansion of an Egyptian fertiliser company, Societe Egyptienne D'Engrais et D'Industries Chimiques, was signed at the Export-Import Bank of Washington. The First National City Bank of New York is participating in the $5 million credit to the extent of approximately $1.5 million by purchasing the first three maturities for its own account. The Egyptian plant, built at Suez between 1948 and 1950, had been provided with equipment under earlier Export-Import Bank credits of about $7.2 million. The credit has been repaid in full.

The keel-laying ceremony of the *Dreadnought*, the U.K.'s first atom-powered submarine, was performed at the Vickers-Armstrong yard on the 12th inst. Although the nuclear unit and machinery for the *Dreadnought* is supplied by the U.S. Westinghouse Electric Corporation under an agreement between that Company and Rolls-Royce, its hull and armaments will be British. Unofficial estimates put the cost of the submarine at about £20 million. The U.K. proposes to commission for service at least eight nuclear-powered submarines by 1969 at a cost of about £120 million.

West Germany has offered Pakistan financial assistance of 170 million marks for various development projects, including a scheme for a suburban railway in Karachi, according to Lt.-Gen. Azzam Khan, Pakistan's Rehabilitation Minister, who has recently returned from a two-month tour of Germany, Austria, Turkey and Greece. Sweden has agreed to finance the setting up of two technical training institutes in Pakistan. An Austrian delegation of industrialists will visit Pakistan shortly to study the possibility of Austrian investment in that country.

The Belgian Congo's second Ten-year Plan, called the "Productivity Scheme," is scheduled to commence next year and will involve a total outlay of £412 million, as against £350 million in the first Plan, now in its final year. Out of the total outlay, £60 million will be set apart for the development of agriculture, as compared with £22 million in the current Plan. The country seeks to become a large supplier of agricultural products such as fruits, coffee and vegetable oils to the countries of the European Common Market. Provision for transport and communications is put at £157 million.

The United Arab Republic Government has entered into an agreement with two Italian concerns, Montubi and Dalmine, for the construction of a £E1.6 million oil port at Suez, with a total capacity to unload two 65,000-ton tankers simultaneously. A pipeline will link the port with the Suez refinery. Along with the construction of the pipeline, the Italians will dig a canal to carry sea water to refrigerate the Suez refinery. The U.A.R. will meet the cost of the project, partly by supplying cotton worth £E640,000 and partly through payment of cash instalments spread over six years.

Japanese camera makers have introduced a great number of new models during the first three months of this year—30 or an average of one new model every three days. Though much cheaper in price, these new models are equipped with features similar to those found in the costly ones, such as a built-in synchronised rangefinder and a very fast lens. Market research studies have revealed that the average buyer who has 50,000 yen to spare, prefers to buy a TV set or a 8 mm. movie camera, instead of a high-grade camera. Hence the rush to put out cheaper cameras. Japan has an average of one camera for every three families. About 100 firms are engaged in camera manufacture, the total value of their production in 1958 being 9,200 million yen.

The Commonwealth Motoring Conference has now been constituted as a permanent body, with the Duke of Edinburgh as patron. This was in accordance with the decision taken at the meeting of 59 delegates, representing six million motorists from the Commonwealth countries, including India, held at London last week. The main object of the organisation is to ensure reciprocal motoring services throughout the Commonwealth. The Automobile Association and the Royal Automobile Club of Britain, which jointly arranged the Conference, have agreed to maintain a permanent secretariat at London to provide to all accredited motoring organisations information of general interest on such matters as membership services, trends in international touring, road safety, technical and engineering services, and the role of motoring organisations in national road development plans.

PERSONAL

DR. Ajit Mazoomder, I.A.S., Director of Industries, Bihar, has been appointed Jute Commissioner, Government of India.

Mr. U. N. Mahida, Chairman, Bombay State Electricity Board, left for France last week to study the electrical engineering industries there.

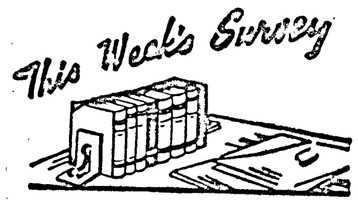
Mr. D. M. Desai, Managing Director, Hindco Lighting Industries Private Ltd., Bombay, left on a business tour of Europe, East Africa and West Asian countries.

Dr. Frans Goffart has been appointed Ambassador Extraordinary and Plenipotentiary of Belgium in India, in place of Count Geoffroy d'Aspermont Lynden.

Mr. Kasturbhai Lalbhai and Mr. Krishnaraj M. D. Thackersey have been re-elected Chairman and Vice-Chairman, respectively, of the Indian Cotton Mills' Federation for the year 1959-60.

Messrs. Parsram Parumal, Sevantilal Menek-lal and Indraji T. Parekh have been elected President, Vice-President and Honorary Secretary, respectively, of the Bombay Sugar Merchants Association for the current year.

Mr. C. V. Mariwala, Chairman of the Bombay Oilseed Crushers' Association, has been nominated by the Government of India on the Indian Central Committee as a representative of the power oilseeds crushing industry for a period of three years commencing from April 1959.



FOODGRAINS OUTPUT

FIGURES of foodgrain production continue to evoke interest. Mr. Nehru told pressmen at New Delhi last week that the output of foodgrains in the 1958-59 crop year had gone up to 73 million tons, as against 62 million tons in 1957-58, a rise of 11 million tons or 18 per cent. This is a large increase, almost too good to be true. It is to be hoped that the figures are not highly inflated. If they reflect better coverage, the previous year's figures too should be suitably corrected. Apparently, a substantial part of the increase in output, shown by the 1958-59 output, is accounted for by cereals, the output of which has increased from 52.88 million tons to 61 million tons. Between 1957-58 and 1958-59, rice output is reported to have gone up from 24.8 million tons to 30 million tons, wheat output from 7.7 million tons to 9.7 million tons and other cereals from 20.3 million tons to 21.3 million tons. On the basis of the total foodgrain production figures for 1958-59, it can be inferred that the output of pulses in the year under review must be of the order of 12 million tons which represents an increase of 2.8 million tons over the 1957-58 figure. Of this increase, gram alone shows a rise of 1.9 million tons, from 4.9 million tons in 1957-58 to 6.8 million tons in 1958-59. By any standard, this is a substantial increase.

It is little comfort to know that foodgrain output has increased so long as the reported increase is not reflected in prices. It is true that prices of some foodgrains have declined in the first four months of the current year. But they are still well above the levels at which they stood early last year. Thus, the index number of foodgrain prices (Base: 1952-53=100) was 113.1 in April 1959, as against 116.0 in January last and 105.2 in April 1958; the corresponding index numbers for cereals are 99.0, 107.0 and 97.2.

The following table shows the trend of wholesale prices of the principal foodgrains:

(Base: 1952-53=100)

	Rice	Wheat	Jowar	Bajra	Gram
April 1959	95	101	108	125	85
January 1959 ..	92	125	107	132	121
April 1958	103	85	94	111	65
Average for					
1958-59	105	105	105	126	96
1957-58	105	88	114	126	68
1956-57	97	88	123	122	71

It may be noted here that, in 1956-57, the production of foodgrains amounted to 68.7 million tons, so that the increase in prices in 1957-58 could be attributed to a fall of 6.7 million tons in production. But, 1958-59, not only has the whole of this fall been made good, but there is, on the Prime Minister's showing, an increase of 4.3 million tons. And yet the price levels in 1958-59, as will be seen from the annual averages for the principal grains, are markedly higher than in 1956-57, particularly in the case of rice, wheat and gram.

These figures suggest that the increase in foodgrain output, even if it is in fact as large as is made out by official figures, has not been sufficiently large to stimulate a fall in prices. Perhaps, the output figures have erred on the high side or the demand is increasing at too fast a rate. Presumably, both factors lie at the basis of the high foodgrain price situation that has continued to confront the country for sometime now.

By no means the least intractable aspect of the problem of foodgrains is its orderly distribution. Zonal arrangements, credit control regulations and curbs on use of cereals in short supply are the methods which have been tried. But these have ensured neither adequate and equitable supply nor reasonable prices. Nor has the Government's proposal to buy up two million tons of rice for reserve stock purposes—it has already bought 1.1 to 1.2 million tons—been of much avail, though one would expect that the knowledge that the Government has reserve stocks would induce traders to keep their prices down. If anything, the Government's purchases have only had the effect of fanning the price rise, as they have resulted in a depletion of marketable surplus.

In view of the fact that increased production has not resulted in any significant fall in prices, it is worth investigating whether farmers are withholding stocks in their possession. In such an event, no State trading scheme can function successfully. If the food situation were to deteriorate further—it is already bad in all conscience—either a completely free market or total procurement and rationing may be the only alternative solutions to rely upon. Both these are desperate remedies. The effective solution lies in stepping up production further. The Government should give up all those policies that act as deterrents to larger production and concentrate its efforts on positive steps.

Meanwhile, the Government will do well to take swift measures to relieve shortages in regions where they appear. From all accounts, W. Bengal is an area of acute shortage. Even if one makes allowance for the political colour which the situation in that State is taking, there is substantial evidence to show that the food supply in that State is inadequate and distribution (in the hands of the State Government) has been ill-organised. The Central Government's representatives and the State's officials are now engaged in a study of the problem with a view to assessing the nature and quantum of assistance the State will need. It is to be hoped that this examination will be completed early enough and appropriate remedies adopted without delay. Clearly, this is not the time to waste ink and paper on working out elaborate long-term schemes. What is needed is prompt action to relieve shortage and effective measures to ensure that the supplies reach the consumers for whom they are obviously meant.

A SWEEPING ALLEGATION

A rather uncharitable and sweeping allegation against the cotton mill industry was made by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, while inaugurating the Delhi Productivity Council last week. The main reason for India's failure to compete with Japan, Hong Kong and other countries in cloth exports, Mr. Shastri declared, was the "wholly unsatisfactory" management in the textile industry and "unsatisfactory" labour relations. Elaborating this contention, he added:

"An investigation into the affairs of certain textile mills has revealed that there should have been no difficulty in running them efficiently but for mismanagement. It is a great discredit to those responsible for their working. I am soon going to institute an inquiry into the affairs of some other mills. The Chartered Accountants should be more careful while auditing the accounts of the mills. They should have more powers than merely looking into the balance-sheets prepared by the managements of the mills. Their services should be properly utilised in having better management and checking frauds."

Neither the occasion nor the time chosen was appropriate for making such a sweeping statement. There may be—in fact, there are—a few "black sheep" among cotton mills which are either utterly inefficient or have been pursuing dubious policies with a view to profiteering at the expense of consumers and shareholders. But to say that "wholly unsatisfactory" management in the industry is one of the main causes for the low level of exports is clearly a gross exaggeration. Any impartial observer of trends in the textile economy the world over will admit that the setback to Indian textile exports in recent years has been brought about by a number of factors, among which the following stand out prominently:

Shrinkage in the volume of world textile trade, due to development of indigenous industry in countries which were formerly importing cloth from outside.

Emergence of Communist countries as suppliers of piecegoods to countries which were normally drawing supplies from the free world.

Competition from cheap rayon goods manufactured in Japan and other countries.

Withdrawal of preferential or privileged treatment hitherto enjoyed by India in certain territories.

Barter arrangements entered into by some of these territories with other countries whereby the latter are assured of fixed quotas which have worked to the detriment of India.

Upward revision in export duties on goods of Indian origin in certain territories.

The aforesaid developments, though they are disquieting from India's point of view, would not have mattered so much if only the powers-that-be in this country had, instead of following a halting and half-hearted textile policy based on ideological considerations, adopted a rational approach to the problem of modernisation and rationalisation of the industry. How else can one explain such policies as those governing labour conditions, installation of automatic looms, continued retention of control—quantitative and qualitative—on production of certain varieties of cloth, and heavy tax burden (direct and indirect)? It is these factors, and not mismanagement, which have largely impaired the competitive capacity of the Indian mill industry. Surely, foreign markets, as the Indian Cotton Mills' Federation rightly points out in its reply to Mr. Shastri's statement, cannot be expected to buy goods of indifferent quality when better ones are so readily available from other competing countries.

The Federation is certainly justified in saying that, besides the disability caused by outmoded equipment in many cotton mills, there has been a sharp increase in the cost of production due to the rise in the price of raw material and labour. The average amount of dearness allowance (for 26 working days in a month) paid to a worker in Bombay City in April this year was Rs. 83.75, as against the average of Rs. 81.58 for the whole of 1958, Rs. 73.99 for 1957, Rs. 68.75 for 1956 and Rs. 64.75 for 1955. Without much regard for mounting costs, the Government, according to the Federation, has saddled the industry with employees' provident fund, State insurance, retrenchment and lay-off compensation, leave with wages, etc. In fact, the lowest paid *mazdoor* in a mill in Bombay or Ahmedabad receives a cash pay of Rs. 110 per month *plus* bonus and other benefits, making a total of over Rs. 135, which is more than what many clerks in Government service receive. Again, during the last two years, the industry has had to face the difficulty arising from a sharp increase in the price of Indian cotton in the face of a substantial decline in the price of foreign cotton available to India's competitors.

Viewed thus, there is no exaggeration whatever in the remark of the Federation that the industry has now reached a stage when its production costs are among the highest in the world. The Minister, as it avers, ought to have known that the main reason for the fall in exports is the large disparity between the cost and selling price of cloth for export which is mainly produced out of Indian cotton. To quote it: "The Committee regret that he (Mr. Shastri) should have chosen instead to attribute the fall in exports to what he has been pleased to call 'unsatisfactory management' in the textile industry. It is quite likely that, as in all other industries both in the public and private sectors, a few of the 511 units in the cotton mill industry suffer from mismanagement. The Committee, however, fail to understand how this has any bearing on the fall in exports and how it can furnish any justification for the Minister's specious generalisation."

Considering that competition in world textile trade is becoming keener and keener every day, there is supreme urgency for adopting energetic steps designed to enable the mill industry to compete on equal terms with its rivals in foreign markets. The Federation has done well to reiterate the industry's long-neglected appeal to Government to help it in modernising its equipment and reducing its costs. It is only such help and encouragement that would bring definite results and not "cavalier criticism" as the one made by Mr. Shastri.

Incidentally, a point which is often conveniently ignored by Ministers and officials is that the existence of some badly managed mills is the result of inefficiency and serious lapses on the part of the Government. It is common knowledge that the Government has enormous powers under various Acts to eliminate the black sheep and to throw out those who are mismanaging the mills. Why has it not exercised these powers promptly and thoroughly? It has conducted several investigations and enquiries, but how many black sheep have been brought to book and how many bad managements asked to quit? Again, who helped Mr. Mundhra in his nefarious game of building up an industrial empire, including quite a few cotton mills? Why was so much leniency shown to him, until the game was called off by a member of Parliament?

OIL EXPLORATION

The search for oil in this country has so far been more vigorous than fruitful. Nor is this entirely unexpected, for the risk element in oil exploration is known to be high. This should serve to emphasise the need for intensifying the drive for the search for that elusive commodity. The chief economic justification for an intensified exploration is that India has to import nearly 90 per cent. of its oil requirements, estimated at some six million tons. With the increase in living standards and progress of industrialisation, oil requirements will go up. They are now going up at 7 per cent. each year and, by 1965, they could swell to 10 million tons. And, if the gap between supply and demand is to be bridged, more oil should be found, the only alternative being heavy foreign exchange expenditure on imported oil.

Apart from the oilfields in Assam, the only region where encouraging evidence of oil has been found is Cambay. But it is still to be established that the oil in the region is commercially profitable. Besides Cambay, the Government is carrying on its search in several other centres. In the private sector, the Standard-Vacuum Oil Company (Stanvac) is engaged in the search for oil in the Bengal basin. Clearly, more effort is needed and more extensive search operations conducted before oil is located and exploited. In this connection, Mr. O. R. Underhill, Manager, Standard-Vacuum Oil Company, Calcutta, rightly suggested that, if large quantities of oil were to be found in a short time, exploration must be carried out intensively and by many separate and independent organisations fully equipped with funds, experience and knowledge. Addressing the Rotary Club at Calcutta, he said that there were now two organisations actively searching for oil in India: Stanvac and the Union Government. The Assam Oil Company, as far as he knew, was no longer searching for new fields. This was perhaps due to the fact that it had not been given the required licences. Mr. Underhill averred that, if the terms were made more attractive, "many internationally known private organisations would join in the search for oil in India to help close the existing gap and simultaneously to save the country a large amount of foreign exchange." He rightly held that the terms must be made sufficiently attractive to make the "tremendous gamble" worthwhile. Surely, the search for oil is economically too important to be sacrificed at the altar of ultra-nationalism or ideological considerations which can often be traced to vague fears of foreign capital. These fears are unworthy of a country of India's international status.

TOURISM

It is not known what precisely were the compulsions behind the drawing up of a programme by the Tourist Development Council, the highest advisory body on tourism, at its three-day session at Mount Abu which, it is said, would give "a new orientation" to tourism in this country. It is also not clear as to what exactly had happened to make the principles followed in formulating schemes under the second Plan "outdated and invalid." If what was meant was only greater emphasis on the development of home tourism, which the Council recommended, it was merely indulging in rhetoric. The recommendations of the Council on the principles to guide and plan for tourism in the third Five-year Plan are said to be directed to the creation of an integrated programme in which the promotion of tourism could be part of an overall development of the national economy. Does this mean that tourism, about whose potentialities as foreign exchange earners the authorities have been waxing eloquent all these years, was till now looked upon as something to be dealt with outside the framework of the Plan?

Be that as it may, what is required is not rhetorical flourishes nor built-in radicalism in policies, but earnest and vigorous effort to implement programmes and schemes already adopted. These observations are certainly not intended to discourage fresh thinking on ways of promoting tourism; nor should they be taken as adverse reflections on the recommendations of the Tourist Development Council many of which are sound in principle. They are only meant to underline the need for concrete action.

The Council has done well in stressing the need for adequate prerequisites for stimulating the flow of tourist traffic. For instance, there is the problem of finding suitable accommodation for the large number of foreigners, especially of the middle-income group, who may visit this country consequent on the advent of the jet age. It is a mistake to think that foreign tourists are all millionaires or that they are rich enough to be able to afford expensive luxuries. The growing trend in world tourist traffic is that more and more people of the middle-income group want to spend their holiday abroad. An indication of this is probably to be found in the increase in the number of tourists and the income from them. For instance, while the number of tourists visiting India has increased six-fold in the past eight years, the foreign exchange earned has increased hardly three-fold. This may be due to the fact that the *per capita* spending of tourists has been less and less year after year.

The Council's recommendations regarding financial investment in hotel industry deserve consideration. It welcomed the decision of the Union Ministry of Finance and the Planning Commission to give priority to the scheme to enable the hotel industry to obtain loans from the Industrial Finance Corporation and urged that steps should also be taken to enable those hotels which were not public limited companies and the requirements of which were limited and which, therefore, could not go to the I.F.C. for loans to get loans from State Financial Corporations.

The Council also made certain recommendations regarding the steps to be taken to safeguard tourists against anti-social traders, who, by their dishonest practices, brought a bad name to the country. It was decided that a list of approved shops should be prepared on the basis of contracts involving deposit of security and providing for penalty in cash for breach of conditions on which approval was given. One of these conditions should be, it was suggested, that shops should display price tags on all goods. It was also suggested that, for the time being, the scheme should be started on an experimental basis and should apply to shops dealing in certain selected categories of goods.

The Council has rightly emphasised the need for removing unnecessary difficulties in the way of foreign tourists getting liquor permits. Its suggestions that Indian missions and tourist offices abroad should be allowed to issue permits to intending tourists and that permits issued by one State Government should be made valid in another State on a reciprocal basis are worth serious consideration. Surely, we should not allow our welfare fads to irritate and inconvenience foreign tourists who visit this country not to undergo a practical course in personal morals but to enjoy their holiday.

The emphasis laid by the Council on the development of home tourism is appropriate. As it points out, home tourism will not merely foster better sense of unity among the people of different regions of the country but also stimulate the development of the internal economy. Even more important is its indirect assistance to foreign tourism. Inadequacy of internal transport service, as the Council recognised, is a great impediment to home tourism. The Council, therefore, felt that an integrated plan should be prepared not only for tourist publicity but also for the development of tourist facilities, especially expansion of tourist accommodation facilities and internal transport service. It suggested that the railway, civil aviation and road transport authorities should take into account the requirements of the tourist industry in their plans. Expansion of railways and civil aviation capacity and removal of curbs on road transport, the Council felt, were essential elements in the development of tourism. Of the suggestions made by the Council in this regard, the most important is that a single-point tax should replace the multi-point tax on motor vehicles.

PRODUCTIVITY

Dr. P. S. Lokanathan, Director-General of the National Productivity Council, was surely not making an apology for the vigorous publicity campaign now being undertaken to promote productivity consciousness in this country, when he observed that the lack of proper attitude was the basic factor that hampered productivity in India. Inaugurating a two-day symposium on productivity the other day at Bangalore, Dr. Lokanathan pointed out that, if there were the proper climate and the urge towards higher productivity, there would be no difficulty in finding out the techniques for achieving it.

Apart from underlining the importance of higher productivity for reaching the social and economic goals set before the country, some of Dr. Lokanathan's observations should also serve to dispel the suspicion and distrust with which the attempts for ensuring higher productivity is looked upon. The fear among the workers that increased productivity meant unemployment, he pointed out, was groundless, especially in the context of the large Plan investments.

The learned Doctor was right in maintaining that the responsibility for increasing productivity rested, to a large extent, on the management, for, only when the management was sound would labour productivity increase. Co-operation of labour, as he pointed out, is essential for increasing productivity. In order to ensure this, it is important that workers should be convinced that they would have a fair share in the benefits of productivity. They should also be assured that higher productivity would not involve bigger workloads for them, without commensurate increase in benefits.

Incentives have an important role to play in increasing productivity and Dr. Lokanathan did well to point out the relationship between the two and the role played by incentives in obtaining high productivity in the U.S.A. and the U.S.S.R. Increases as a result of incentives to productivity, he added, were due to motivations, desires and feelings on the part of workers and others. In the Soviet Union, with a communist economy, strong motivations such as more benefits for those who worked harder and fulfilled more than the targets laid for them were in operation. In the U.S.A., too, where there was a free enterprise economy, the fact that workers could increase their earnings by putting in more efforts was a strong motivating force.

In India, the absence of such strong motives and the tussle between the private and public sectors seem to have vitiated the entire picture. Dr. Lokanathan, therefore, warned that the sooner the distinction between the private and public sectors was abolished the better it would be in the interests of providing incentives for higher productivity. He did not rule out the role of non-monetary incentives in increasing productivity. On the other hand, according to him, good industrial relations, association of labour in management, etc., contributed to higher productivity by fostering a sense of belonging and partnership in workers.

OIL PIPELINE

The Commonwealth Relations Office in London has announced that the British Government will make available a sum of £3 million (Rs. 4 crores) to help finance the construction of a pipeline to transport crude oil from the Nahorkatya oilfields in Assam State to the two refineries to be set up in the public sector—one at Gauhati in Assam and the other at Barauni in Bihar. The payment of this sum will be in the form of a loan made by the U.K. Export Credit Guarantee Department, bearing a rate of interest equal to that at which the British Government borrows *plus* a management charge of ¼ per cent. The loan will supplement the credit of £20 million (about Rs. 26.7 crores) provided by the Burmah Oil Company Ltd., under the Oil India Limited Promotion Agreement. The total amount will be repayable over 15 years.

Although the U.K. Government's participation in providing the finance for the oil pipeline is limited to just £3 million, it is nevertheless considered to be quite significant. It is pointed out, for instance, that the participation will help Burmah Oil to raise the necessary funds. An additional advantage referred to is that at least £3 million worth of the pipes and other equipment needed will be purchased in Britain.

Oil India Limited, it will be recalled, was incorporated as a rupee company on 18th February 1959 in accordance with the agreement executed on 14th January 1958 by the Government of India with the Burmah Oil and its subsidiary, the Assam Oil Company, Ltd. The object of the Company is to undertake "the exploration and production of petroleum and crude oil (including natural gas) and for arranging for the construction in two stages and operation of a pipeline and other related facilities as the Company may consider necessary for the transport of the crude oil from the oilfields to the two refineries." The Government of India's participation in this joint venture is to the extent of 33⅓ per cent., the initial authorised capital of the Company being Rs. 50 crores.

Of the two refineries, the capacity of the Barauni refinery (Bihar) will be a crude throughput of about 2 million tons per annum and that of Gauhati refinery (Assam) is 750 000 tons. The Rumanian Government has offered a long-term credit of Rs. 5.2 crores, being the total value (estimated) of the supplies to be made and technical and other services to be rendered by it for the Barauni refinery. The Gauhati refinery will be set up with Soviet aid. The two refineries are expected to be completed not until 1961 and 1962-63, respectively. The powers to control and manage the refineries vest with the India Refineries Limited, a wholly Government-owned and managed Company, set up with an authorised capital of Rs. 30 crores.

OUTLOOK FOR TEA INDUSTRY

MAIN HOPE LIES IN RAISING HOME DEMAND

THE marketing season 1959-60 for North-east Indian tea has begun on a subdued note. The demand has been only moderate. There have been heavy withdrawals and prices of all grades are below valuations. Though it is too early to say anything worthwhile on the probable trend of prices during the rest of the season, it is significant to note that, contrary to general expectations, the production in North-east India during the first two months of the season (April and May) has dropped below that in the corresponding period of 1958, that is, from 55.1 million lbs. to 53.9 million lbs. This is solely accounted for by the output in May, when it declined from 38.7 million lbs. to 34.1 million lbs., thus more than offsetting the rise of 3.4 million lbs. noted in April. This setback in North-east Indian output is attributed to unfavourable weather conditions. This has also affected the quality of the tea. Latest reports from growing areas, however, indicate that the prospects have improved. It is quite possible that this shortfall in production may be made good in the current month.

The decline in production is not confined to North-east India alone. It is stated that the output of the major tea producing countries up to the end of May has fallen by 18.2 million lbs. below that in the corresponding period of 1958. This is in contrast to the small surplus of 1.9 million lbs. disclosed at the end of April. The drought conditions in Ceylon and South India are said to be largely responsible for checking the supply position. In April (the latest month for which break-up figures for these two producing areas are available), Ceylon produced no more than 39.4 million lbs., as against 47 million lbs. in the corresponding month of 1958, bringing the aggregate production in the first four months of the year to 139.6 million lbs., representing a fall of 10 million lbs. over the year. South Indian output up to the end of April shows a drastic decline from 53.15 million lbs. to 39.13 million lbs. The production in British East Africa in the first three months of the year is, however, up by 4.6 million lbs., at 24.7 million lbs.

While the actual production figures of major producers of tea so far indicate a setback, the U.S. Department of Agriculture has forecast an excess of 14 million lbs. in output during the current year over that for 1958. World Production last year, according to it, was 1,654 million lbs., an increase of 4.5 per cent. over that in 1957. As already stated, it is too early to foresee the outlook for the industry during the current year, as the output of tea is not the only factor which shapes the fortunes of the industry. There are so many other factors, such as quality of output, prices fetched at auctions, which in turn depend on production as well as quality, the gap between the cost of production and prices realised at auctions, the trend of consumption, competition from other producing countries and from other beverages, etc.

It is gratifying to note from Messrs. J. Thomas and Co.'s annual report on the Calcutta Tea Market for the season 1958-59 that India, as a whole, is now producing better manufactured tea than ever before. However, the prices Indian tea is able to command in the world markets, especially for the commoner descriptions, in competition with other producing countries, are, in many cases, too low to cover even the cost of production. Thus, Messrs. Thomas and Co. observe:

"Whereas, only as recently as in 1953, many estates in the Dooars and Cachar, and probably in some parts of Assam Valley, were able to land their tea in Calcutta at about Re. 1 per lb., today any tea selling below Re. 1.55 or Re. 1.60 is almost certainly incurring a loss. Although the heavy taxation imposed on Indian tea, which has been largely responsible for increasing the production costs so substantially, may bring ample revenue to the Central and State Governments, there is a very real danger that these taxes may be strangling the country's consumption on which the whole future of the Indian tea industry must depend."

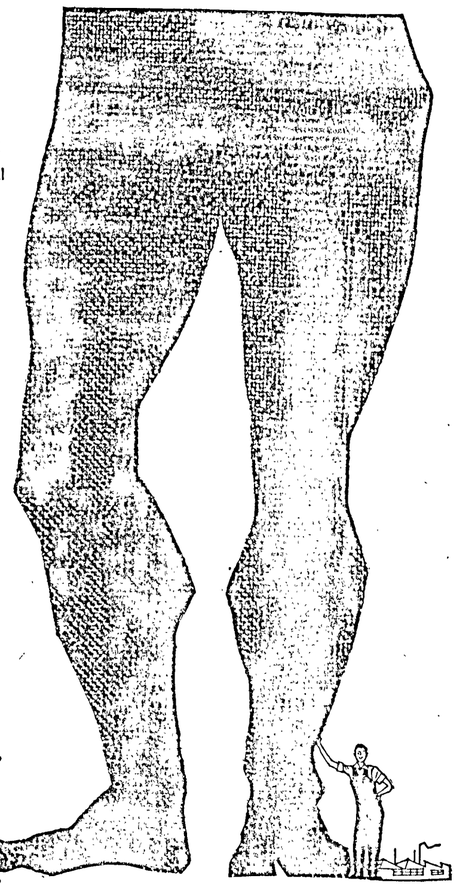
A price of less than Re. 1.50 per lb. for common tea, no doubt, offers an incentive for increased internal consumption. If the price stays at that level for long, the internal consumption will go up markedly. Experience has proved that during the years when the price of common tea ruled below Re. 1.50, the consumption has risen by 20 to 30 million lbs. In fact, tea drinking in the countries of production continues to rise and in India alone the consumption is said to have expanded by nearly 50 million lbs. over the past three years. In Pakistan, too, the internal demand for tea is rising and, if this trend is maintained in the years to come, it will go a long way towards absorbing the increase in production. The long-term outlook for tea, therefore, depends to a large extent on the internal consumption of producing countries, particularly India. In this respect, India has the greatest advantage over its rival producers, with the exception, perhaps, of Africa and China. It is, therefore, necessary to foster and encourage by all possible means internal consumption. Emphasising this point, Messrs. Thomas and Co. say:

"To increase consumption, a greater amount of good quality teas at reasonable prices must be made available, but this can only be done at present at a loss to the producers. It is the ability to afford good tea that increases the public's desire to drink more and a strict control of the quality of goods sold *ex*-factory in the same manner as in the Calcutta market must, therefore, be ensured. Inferior and residual tea sold *ex*-garden through unreliable agents only too often finds its way by the back door to the Indian consumer, sometimes in an adulterated condition, which takes potential demand away from the well-made, though more expensive, teas."

Although the results of the 1958 season have brought little profit to producers of plain tea, prices have on the whole been fairly stable. All the old season's tea is said to have been absorbed and there are no stocks of tea left unsold, at any rate, on the Calcutta market. Another encouraging trend is the steady decline in the stocks in the U.K. While a few weeks ago, no one was able to foresee whether tea prices would even be maintained at the current levels during the 1959 season, a sense of optimism would appear to have come to prevail and traders anticipate "a good demand in the coming months for all teas at reasonably satisfactory prices to the producers."

In assessing the long-term prospects for Indian tea, the main bearish factor which has to be taken into account is the increasing competition from other countries. Exports from East Africa continue to rise, the shipments to Britain having gone up from 49.6 million lbs. in 1957 to 51.9 million lbs. in 1958. It is also stated that the expansion of area under tea in East Africa has been rising at the rate of 4,000 acres per annum, bringing the total area at the end of 1958 to 100,000 acres. It is estimated that Kenya and Tanganyika between them may outpace South India in a few years' time as the planted acres come into bearing. The African

(*Continued on page* 1052)



India is the giant among the countries manufacturing jute products. With a capital of about Rs. 100 crores and employing more than 3,50,000 workers, our jute industry accounts for over 50% of the world's total production. This 'golden fibre'—our best dollar earner—brings in annually Rs. 125 crores in foreign exchange. Playing a significant part in the development of this major industry is Texmaco, pioneers in many fields of engineering in India. Aided by the world's best know-how of its technical collaborators, Fairbairn Lawson Combe Barbour Ltd., of England, Texmaco, today, is equipped to manufacture and supply the complete range of jute mill machinery, made to international standards.

AT THE FEET OF THE GIANT

TEXMACO

serves India's basic Industries

TXC-53

TURNING THE CORNER?

(From Our Own Correspondent)

LONDON, 12*th June*

THE Federation of British Industries has just published the results of their four-monthly questionnaire to about 700 industrial firms typical of the whole range of British industry. This is the questionnaire which was evolved at the beginning of last year to get a direct impression from business men of how they were doing, in the belief that such an impression would more accurately convey the true state of the pattern than an attempt to do figure sums on unreliable data.

LONDON LETTER

Thus, the leading question is as simple as "Do you feel more or less optimistic about the general business situation than you did four months ago?" Now, four months ago, half the firms said that they felt exactly the same about things as previously, about a third said they felt better about things, and 15 per cent. said they did not feel as good. This time only about a third of the firms registered no change and practically 60 per cent. feel more optimistic and only 4 per cent. less optimistic than four months ago. This feeling of optimism is too broadly based, too positive, to do other than indicate a very real trend in the progress of the economy.

And, when it comes to output, 46 per cent. record their output *up* on what it was in February and only 12 per cent. record it down. Similarly, half as many firms again report that their order books are lengthening as those reporting that they are shortening, and as many as half of all the firms say that new orders coming in are higher than they were in February. Equally on export orders, the ratio of firms reporting that export orders are higher is half as many again as those reporting that they are lower.

Work in progress is up and stocks of raw materials are down, while stocks of finished goods overall show little change. All these figures show not only a substantial improvement, but a change in *trend* as compared with four months ago, when, for instance, firms reporting improved export orders were fewer than those reporting a decline. We can expect that, as these trends continue, so the pressure on raw material stocks will increase and the repercussions on industrial recovery will become widespread.

On the labour side, a quarter of the firms report that their operatives are working more hours per week than four months ago and only 10 per cent. that they are working less. A similar sort of improvement is shown in the numbers employed. On the other hand, costs per unit of output are rising for more firms than they are falling for others, and, at the same time, selling prices are rising for only 9 per cent. of the firms and falling for 26 per cent. It is thus not surprising to find that profit margins are rising for only 11 per cent. of the firms and falling for four times as many. In short, business is improving but profits are declining.

The City Press appears to assume that the decline in profits is an unfortunate result of the rise in costs and the fall in selling prices, but is it not truer to assume that it is the cut in prices and in profit margins which has materially contributed to the improvement in business? The disquieting feature remains of costs per unit of output tending to rise. One must, nevertheless, note on this point that those close to industry are not too seriously concerned about that type of answer, on the same principle that farmers are never heard to say that the weather is good or that they are doing well. It is, perhaps, too much to hope that, at a time when pressure from unions to shorter hours and raise wages is either there or just round the corner, business firms should admit that their costs are going down or their profit margins are going up!

More reliable and more significant is the data on utilisation of capacity. Sixty per cent. of the firms questioned report that their level of output is below capacity, but that is a better proportion than the 79 per cent. that so reported in February. Moreover, of all the firms working below capacity, more reported that the unused capacity was going down than those that feared that it was going up. All in all, the picture is a good one and the main question mark overhanging business is whether this upward trend could be continuously maintained.—*All Rights Reserved.*

GOVERNMENT OF INDIA

3½ PER CENT. BONDS 1969. ISSUE PRICE Rs. 98·85 PER Rs. 100 (NOMINAL). REPAYABLE ON 1st JULY 1969

4 PER CENT. LOAN 1979. ISSUE PRICE Rs. 100 PER Rs. 100 (NOMINAL). REPAYABLE ON 1st JULY 1979

Subscriptions to the above bonds and loan will be received simultaneously and will be limited to a total of Rs. 175 crores (approximately). Subscriptions may be in the form of (i) cash/cheque or (ii) securities of the 3 per cent. Second Victory Loan 1959-61 or 2½ per cent. Hyderabad Loan 1954-59, which will be accepted for conversion at the following rates :—

3 per cent. Second Victory Loan 1959-61	**Rs. 100 for Rs. 100 (Nominal).**
2½ per cent. Hyderabad Loan 1954-59	**Rs. 85·50 for Rs. 85·71 or O.S. Rs. 100 (Nominal).**

Interest will be paid on the 3 per cent. Second Victory Loan 1959-61 and 2½ per cent. Hyderabad Loan 1954-59 tendered for conversion upto 30th June 1959 inclusive.

The new bonds and loan will bear interest from 1st July 1959. Interest will be payable half-yearly on 1st January and 1st July.

Subscription lists will open on 1st July 1959 and close on 3rd July 1959 or earlier without notice.

Applications for the bonds and loan will be received at :—

(a) Offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, Madras, Nagpur and New Delhi;

(b) Branches of the State Bank of India at other places in India, except at the places mentioned in (c) and (d) below;

(c) Branches of the State Bank of Hyderabad conducting Government business and those at Nagarjunasagar and Sailu; and

(d) Branches of the Bank of Mysore Ltd., in the State of Mysore except at Bangalore.

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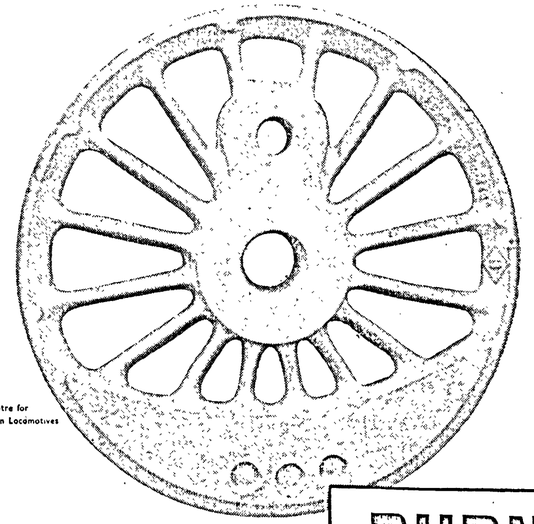
STEELCASTINGS



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SOME THOUGHTS ON INDUSTRIAL BANKING

By J. M. Lobo Prabhu, I.C.S. (Retired)

[Publication of contributed articles does not necessarily mean that the Editor agrees with, or holds himself responsible for, the views expressed by the authors. In the case of this article, in particular, we wish to make it clear that we do not agree with some of the author's suggestions, especially with his views on Government loans. We, however, endorse his conclusion on the Government's economic policies.—ED.]

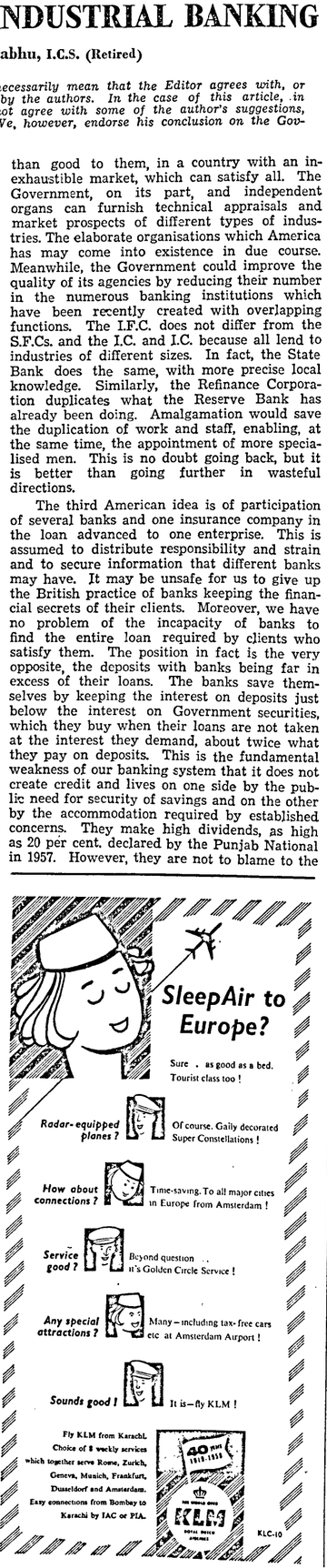
THE recent seminar on Industrial Banking, at which sixteen Indian banking experts who had toured the U.S.A. last year to study the American system participated, has contributed little to change the stagnant condition of cur industry and banking. From the sixteen papers read, four ideas emerged. First, banks should buy bonds and shares of first class companies. There is nothing in law to prevent them from doing this except the proportion of Government securities and cash to total deposits fixed by the Reserve Bank of India Act. If shares are allowed to replace securities, investment in Government loans will be seriously affected. This development may not be unwelcome, if Government can obtain credit, not through securities which bear interest but through printed money which does not. This is a large question which may require immediate examination, as the Public Debt of the Government of India is past the Rs. 4,300-crore mark and that of the States, the Rs. 1,800-crore mark. The Reserve Bank and the State Bank hold about one-fourth of these securities and the rest are held by Scheduled banks, the Life Insurance Corporation and individuals to whom printed currency can represent the same security. The idea of loans was to absorb new currency and hold down inflation. A new and better curb on inflation has just been created in the power to acquire stocks of grain, which by holding the food line, eliminates what has been the most inflationary factor. This is an opportunity to reduce public debt on the one hand and to stimulate investment, on the other. There are two possible courses. The first is for the Government to purchase its own securities with printed money, which the public must either save, in which case Government gets credit without interest or must invest in industries, or spend on consumer goods, which will increase capital and employment on the one hand and consumption and welfare, on the other. This may appear like over-simplification but cannot be controverted in essentials. The process of liquidation, of course, has to be gradual to avoid pyschological reactions. The other course is to offer investment to the public in nationalised industries, in at least half of the total of Rs. 4,000 crores of interest yielding assets. This will not only secure money for the third Plan but by introducing private interest make the nationalised enterprises contribute more than the Rs. 37 crores they contributed in 1958-59. Thus, fundamental changes are possible in the public finance of India and these have to be considered before the small question of allowing banks to invest in industrial securities.

The second American idea discussed was of relating bank advances to the prospects and not the assets of an enterprise. In discussion, it was found that there was no difference between our banks and the American banks in respect of the security sought, because a loan everywhere for industrial purposes creates assets which furnish the collateral necessary. The real difference which was missed was that, on the basis of these assets, American banks are prepared to back new processes, while our banks stick to tried lines. The speculative element accepted by American banks is verified by an elaborate structure of institutions and procedures, which we do not have. An American banker was described as "about one-fifth accountant, two-fifths lawyer, three-fifths political economist and four-fifths gentleman and scholar—total ten-fifths—double size; any smaller person may be a pawn-broker or promoter, not a banker." The question is whether we have either the men or the industries for such enterprise banking. Barring a few exceptions, our bankers are never better than accountants and our industries are only enterprising if they are backed by Government or foreign associates. Bankers in Government-owned banks are mere cogs in a giant wheel, while those in private banks are at the mercy of their Directors and shareholders. The problem is of enlarging their responsibilities, on the one hand, and of changing the perspectives of their employers, on the other. It is the task of industries, individually or jointly, to establish their own prospects. The secrecy which is maintained by most enterprises does more harm than good to them, in a country with an inexhaustible market, which can satisfy all. The Government, on its part, and independent organs can furnish technical appraisals and market prospects of different types of industries. The elaborate organisations which America has may come into existence in due course. Meanwhile, the Government could improve the quality of its agencies by reducing their number in the numerous banking institutions which have been recently created with overlapping functions. The I.F.C. does not differ from the S.F.Cs. and the I.C. and I.C. because all lend to industries of different sizes. In fact, the State Bank does the same, with more precise local knowledge. Similarly, the Refinance Corporation duplicates what the Reserve Bank has already been doing. Amalgamation would save the duplication of work and staff, enabling, at the same time, the appointment of more specialised men. This is no doubt going back, but it is better than going further in wasteful directions.

The third American idea is of participation of several banks and one insurance company in the loan advanced to one enterprise. This is assumed to distribute responsibility and strain and to secure information that different banks may have. It may be unsafe for us to give up the British practice of banks keeping the financial secrets of their clients. Moreover, we have no problem of the incapacity of banks to find the entire loan required by clients who satisfy them. The position in fact is the very opposite, the deposits with banks being far in excess of their loans. The banks save themselves by keeping the interest on deposits just below the interest on Government securities, which they buy when their loans are not taken at the interest they demand, about twice what they pay on deposits. This is the fundamental weakness of our banking system that it does not create credit and lives on one side by the public need for security of savings and on the other by the accommodation required by established concerns. They make high dividends, as high as 20 per cent. declared by the Punjab National in 1957. However, they are not to blame to the extent the Government itself has destroyed the industrial potential by labour legislation, taxation and nationalisation and State trading. The Government has to retrace its policies by relating wages to productivity and taxation to the expansion of industry. Nationalisation disengages capital and labour and places a burden on the Government, which it can discharge only with more taxation which causes further regression. The Reserve Bank and the Tariff Commission have in the circumstances the responsibility to make the Government conscious of the attritive effect of their policies on the economy, in general, and on banking, in particular.

The fourth idea that was discussed was that Government should underwrite loans, in order to give banks more confidence in new enterprises. This seems unnecessary, when Government institutions have themselves funds which are not being taken. In any case, the underwriting will add delay, to save which loans are sought from banks and not from the Government.

Our bankers have not much to learn from the U.S.A. but our Government has to learn a great deal. Banking is a reflection of trade and industry, which depend on the purchasing power of the people. Taxes and loans impound purchasing power in consequence of which, production is priced down and reduced. Since 1953, the revenue of the Central Government has been raised from Rs. 394 crores to Rs. 720 crores, while the National Income has only gone up from Rs. 10,030 crores to Rs. 10,830 crores. During the same period, the Public Debt in India has risen from Rs. 2 899 crores to Rs. 4,800 crores. This is apart from the taxes and loans of the States which have also risen. There is no doubt that the Government has taken from the public far more than the increase in earnings, which is inevitably at the cost of industry and trade. To the extent that the increased taxes and loans have been applied to the nationalisation of trade and industry, Government has also taken away employment of both labour and private capital. The return on nationalised industries, barely one per cent., cannot compare with that on private enterprise, nor is it self-generative. The fall in revenues, already evident in customs and income taxes and railway earnings, will necessitate increased taxation, thus starting a vicious circle, the end of which can only be economic collapse. The Government has, therefore, to defreeze its socialistic ideas, if the people are not to lose even what little they have. There should be a complete let up on loans, excessive taxation and nationalisation, a beginning being made to reintroduce private partnership in State enterprises. The communists may not like this, but is it not true that no one wants the country to be run by them? To the extent to which industry and trade are warmed back to life, banking will play a more progressive part.



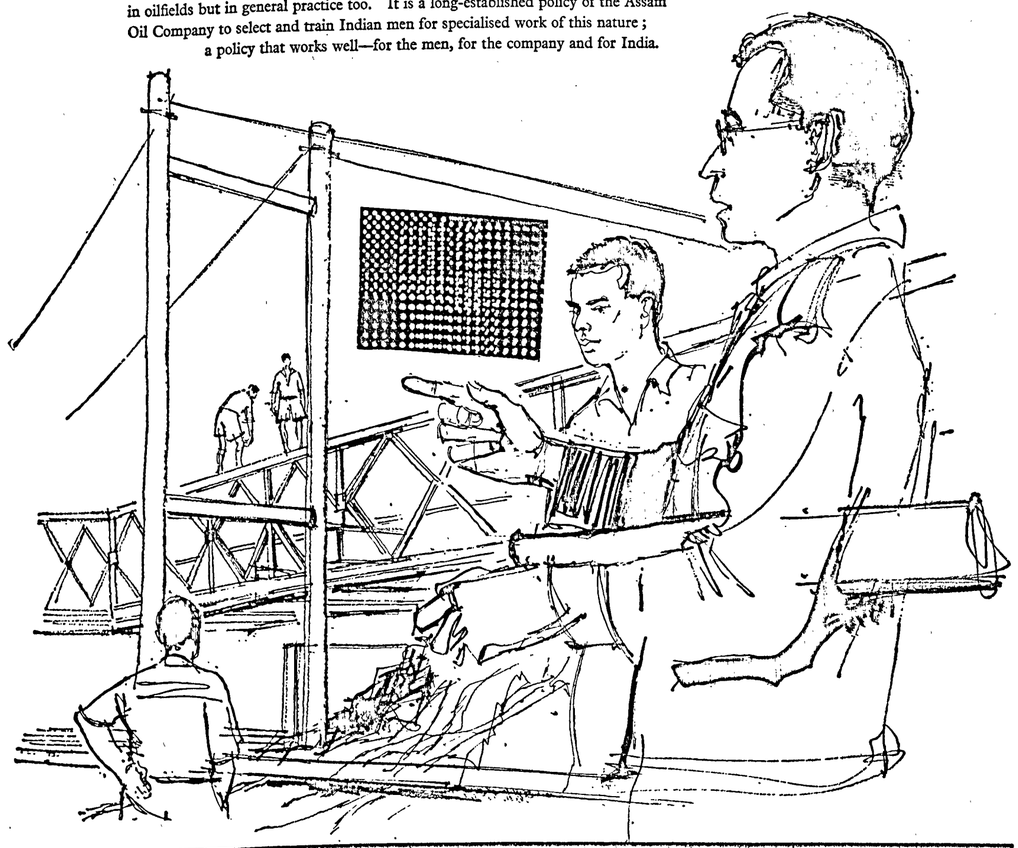
LOWERING OF BANK CREDIT

The Governor of the Reserve Bank, Mr. H. V. R. Iengar, has called on banks in the country to bring about a "significant reduction" of credit during the current slack season. In a communication to all Scheduled banks issued on Monday this week, he says that, on a review of the relevant figures and taking into account the need for some net expansion to cater to the requirements of an expanding economy, he considers that during the current slack season a contraction "at least of Rs. 100 crores" will be desirable. The reduction in the last slack season was Rs. 118 crores. The communication draws attention to the fact that the net expansion of bank credit in the 1958-59 busy season has been "the highest on record," despite the Reserve Bank Governor's communication to banks last February in which he drew their attention to the abnormally high rate of credit expansion this season. Thus, the credit expansion in the busy season (November-April) for the last four years were: 1955-56 (Rs. 165 crores); 1956-57 (Rs. 148 crores); 1957-58 (Rs. 89 crores) and 1958-59 (Rs. 182 crores).

It adds that the expansion of credit has to be considered, in particular, against the trend in commodity prices. "Notwithstanding the substantial increase in food production in the year 1958-59, foodgrain prices, after going down for some time, have shown a tendency to rise again. The wholesale index of food prices now is about 8 per cent. higher than at this time last year and the general wholesale index some 5½ per cent. higher." To the extent credit has been expanded for industrial production (including maintenance of stocks of raw material at reasonable levels) it is fully justified. But it does not appear from such information as is available to the Reserve Bank that the expansion that has taken place can be fully justified on these grounds. The Governor considers that the contraction of Rs. 100 crores in bank credit should be feasible, without any particular strain, either on the banks or their constituents. This, according to him, still leaves the level of Scheduled bank credit at the end of the slack season more than ten per cent. above the level a year earlier. "This reduction", he adds, "would enable banks to meet their credit requirements of the next busy season without much strain and without large-scale resort to the Reserve Bank."

The Field Engineer

Long before the oil drillers move in to start a new well, the Field Engineer is on the scene. One of his first tasks is to build roads and bridges to the new location so that the mass of drilling equipment and machinery can be brought safely to the site. He surveys the land for a suitable plot to take the derrick foundations, marks the route for pipe lines, and arranges water supplies, electricity and housing for the workers and the drilling operations. After his bulldozers and excavators have finally rolled away (perhaps to start all over again at a new location), he supervises the erection of the drilling engines, pumps, tankage and piping, and maintains them in first-class operating order during the period of drilling. For the Field Engineer is concerned with all engineering aspects of the oil search outside the drilling operation itself.
The men who do this work possess a great deal of varied engineering experience, not only in oilfields but in general practice too. It is a long-established policy of the Assam Oil Company to select and train Indian men for specialised work of this nature; a policy that works well—for the men, for the company and for India.



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MARKETING PLANS FOR COTTON

U.S. AND MEXICO JOINTLY TO SPONSOR STUDY GROUP

A BRIEF reference was made in one of our previous issues (*vide Commerce* dated 6th June 1959, page 935) to the statement of Mr. Marvin McClain, U.S. Assistant Secretary for Agriculture, that his Government was anxious to implement its cotton policies in such a manner as to avoid injury to the traditional competitive position of friendly countries and to avoid disruption of world market prices. Reference was also made to his assurance that the U.S. would consult, from time to time, individual exporting countries on general policy governing its future export programmes which could affect their economies. Commenting on these we held that these assurances should be taken as sufficient guarantee that the U.S. would not take any measures which would disrupt world markets and endanger the economic stability of other cotton exporting countries. It is, indeed, heartening to hear now that the U.S. has agreed to join Mexico in sponsoring a new cotton study group comprising twelve countries to exchange information about marketing plans. The other members of the group are Brazil, El Salvador, Greece, Guatemala, Nicaragua, Pakistan, Peru, Sudan, Turkey and the U.A.R. It will be seen that almost all the important cctton exporting countries in the free world have been included in the group. India's omission will no doubt be noted with regret in this country, but, as its exports are small, there is no reason for complaint.

Mexico deserves credit not only for inducing the U.S. to co-operate with it in sponsoring the study group but also for vigorously advocating measures to ensure stability in cotton prices. It was largely due to the initiative of cotton circles in Mexico that the Inter-American Cotton Federation (F.I.D.A.) was established in March last in Mexico City, with the object of finding out, on a regional basis, the best ways of ensuring stable prices for cotton in international markets. The founding members of this Federation are: Columbia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Peru. Other Latin American countries are also expected to join it.

At the second meeting of the Board of Directors of the F.I.D.A. held in Mexico City in April last under the chairmanship of Mr. Julian Rodriguez Adame, Mexican Secretary of Agriculture, the delegates of the eight Latin American countries unanimously agreed to join their efforts in defence of the interest of cotton farmers in their respective countries, the economy of which had been "seriously endangered by the instability of international cotton prices." In the opinion of these delegates, both producing and consuming countries would benefit from the elimination of the "disorder reigning since 1957 in the cotton trade." The continuation of the present conditions, according to them, constituted "a grave danger for many Latin American countries facing a possibility of further sizable decline in their revenues from cotton exports."

International Price Agreement

In the aforesaid meeting, it was agreed in principle that the Inter-American Cotton Federation should press for negotiating an international cotton stabilisation agreement based on export quotas and minimum prices following the general lines of the International Sugar Agreement. The Federation held that minimum export prices should be set at such levels as would protect the production cost of Latin American cotton growers and guarantee reasonable profits commensurate with their efforts.

The Federation cited the conclusions of a study of world cotton prospects recently made by the U.N. Economic Commission for Latin America entitled *"Recent Tendencies and Probable Evolution of the World Cotton Market, 1946-1965"* to strengthen the argument of Latin American cotton circles for an international cotton agreement. The study revealed that the present supply-demand disequilibrium in cotton markets is due both to the expansion of cotton output in the less developed regions of the world in the post-war period and to the relative stagnation of cotton consumption in the more developed countries as a consequence partly of substitution of artificial fibres for cotton. The study estimates that, during the coming decade, world supply and demand for cotton will grow at a rate between 2.25 and 2.75 per cent. annually. It makes it clear that no stability in world cotton markets can be achieved without joint action on the part of producing and consuming nations. In case such co-operation were to be successfully established, cotton prices during the next decade would fluctuate between 24 and 30 cents per lb. Otherwise, the study maintains, a further serious fall in cotton prices would occur to the detriment of all producing countries.

Institute To Study Cotton Problems

It is gratifying to note that the Federation is not satisfied with taking a negative attitude towards the cotton problems of its member countries. It does not rest content with criticising U.S. cotton policies or fighting for stability in prices but is itself initiating measures to solve the problems on a regional basis. It has, for instance, decided to establish without delay an Inter-American Cotton Institute which will devote itself to the task of improving cotton cultivation techniques in the region and of extending technical assistance to member countries.

The charter of the Federation provides for co-operation in all the aspects of cotton production and processing, especially in the elaboration of programmes aimed at increasing domestic consumption of that commodity in the member countries. The F.I.D.A. will provide the interested Governments and producer organisations with information and statistics on world cotton output and distribution, will study and encourage the opening of new international markets for cotton produced by the member countries, will investigate problems related to production costs, processing and manufacturing, storage, transport and cotton insurance systems in the region, will analyse marketing systems and techniques in use in international trade, import regulations, tariffs and other taxes restricting cotton trade.

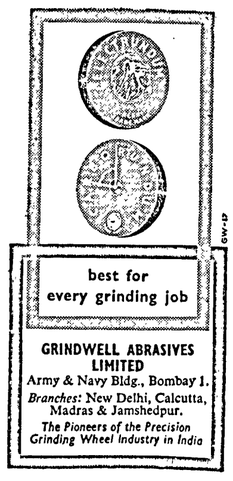
It has also been agreed to appoint a group of experts in Washington as a liaison body between the Federation and the U.S. Government and the International Cotton Advisory Committee.

COTTON INDUSTRY IN PAKISTAN

Judging from the trend of consumption of cotton by mills in Pakistan, the cotton textile industry in that country would appear to be growing rapidly. In the past ten years, cotton consumption by Pakistan mills has increased tremendously. In 1949, for instance, mills in Pakistan consumed approximately 70,967 bales (of 400 lbs). The rate of consumption has been steadily advancing from year to year since then. Total consumption aggregated 146,534 bales in 1951, 184,000 bales in 1952, 323,444 bales in 1953. It almost doubled in 1954 to 601,391 bales, as compared with the previous year, rising still higher to 861,679 bales in 1955 and further to 941,938 bales in 1957.

During the current season, namely 1958-59, mill purchases of cotton are estimated at no less than 1.1 million bales. It is noteworthy that while the industry in this country is languishing, and many units are closing down, Pakistan mills are working to their full capacity, thanks to encouraging domestic and foreign demand. Many mills concluded transactions for large quantities of yarn and cloth mostly with Far Eastern countries and also to some extent, with Western countries. The textile export incentive scheme was another helpful factor. Since the introduction of this scheme, roughly Rs. 8 crores worth of yarn and cloth have been sold abroad.

This growth in mill consumption of cotton, which is a reflection of the progress of the mill industry, has considerably changed the distribution pattern of Pakistan cotton. The total supply in 1958-59 is estimated at 1,655,000 bales comprising a crop of 1,475,000 bales and a carryover of 180,000 bales. Of this, mill purchases are expected to be 1,100,000 bales, export sales registered with the State Bank of Pakistan upto 15th May were 359,000 bales. These exclude 77,000 bales sold but not shipped at the beginning of the season. This leaves 119,000 bales available for export till 31st August 1959. As compared with this, the pattern in 1950 was: out of a total production of 1,290,000 bales, hardly 100,000 bales were consumed within the country the rest being exported. Thus, the dependence of Pakistan on export markets has been greatly minimised.



SOVIET COTTONS

A new variety of cotton is said to have been developed by Uzbek plant breeders for the Ferghana Valley, which is often subject to strong winds. It resists drought, develops well on salinated soils, and its fibre is 20 per cent. longer than the fibre of old varieties. Over the recent period the Uzbek plant breeders have created, it is claimed, more than 20 valuable varieties of cotton, the yields of which exceed those of the old ones and ripen one or two weeks earlier.

According to estimates by specialists, thanks to the application of new varieties and advanced agricultural methods, in 1964 Uzbekistan will produce 3.8 million tons of raw cotton—as much as the whole of the Soviet Union did in 1950.

Another report from U.S.S.R. says that Soviet scientists have succeeded in breeding several varieties of colour cotton, bearing different colours—green, light and dark blue, yellow and brown.

To obtain colour cotton it is possible to try and improve the wild-growing varieties, some of which have a weak colour. But as that will take too much time, Soviet scientists decided to obtain colour cotton from the ordinary cultivated varieties. It is noticed that pale coloured bolls appear sometimes on cotton bushes. Taking the plants which bore such bolls as initial material for their experiments Uzbek and Turkmen scientists carefully picked out the plants and crossed them in the course of many years. Within a few generations the colour of the fibre, barely noticeable at first, became stronger, and, ultimately, the results exceeded all expectations.

Recently the first fabrics were made of the new cotton varieties, which are said to have drawn favourable comments from experts.

ALLOCATION OF IMPORT QUOTA FOR WOOL

A new formula for the allocation of import quotas for wool tops, in place of the existing system based on consumption of imported raw material in different units during the year 1956-57, has been suggested by the Federation of Woollen Manufacturers of India. The formula lays down that 50 per cent. of the total ceiling for imported raw materials for the woollen industry should be distributed between worsted and woollen spindles in the ratio of 4:3. In working out the quota for woollen spindles, it is suggested that 25 per cent. of the installed capacity be reduced, because they are said to be fed on indigenous wool or shoddy, the other half of the ceiling being distributed on the basis of past certified consumption of imported raw materials in value as submitted by the industry, after due verification. The Federation has also pointed out that these allocations must be separate from import licences issued as export promotion incentives.

In view of the keen interest in Sudan cotton by the mills in India, the following table indicating the supply and distribution position of Sudan cotton for the current (1958-59) season is of topical importance:

(In bales of 420 lbs.)

	Supply	Offtake	Balance
Sakels:			
Old crop carryover—			
S.G.B.	60,517	60,517	..
Gash	6,823	6,823	..
New crop estimate—			
S.G.B.	175,000	71,826	103,174
Gash	7,000	..	7,000
	249,340	139,166	110,174
Lambert:			
Old crop carryover—			
S.G.B.	104,251	104,251	..
Gash	16,124	16,124	..
Privates	33,368	33,368	..
New crop estimate—			
S.G.B.	207,500	28,520	178,980
Gash	6,500	..	6,500
Privates	180,000	160,000	20,000
Tokar	11,500	7,000	4,500
	559,243	349,263	209,980
Total Sakel and Lambert ..	808,583	488,429	320,154
American seed (NUBA):			
Old crops carryover	38,149	38,149	..
New crop estimate	45,000	2,400	42,600
	83,149	40,549	42,600
Grand Total	891,732	528,978	362,754

PARLIAMENT DEBATES COTTON BILL

CONCERN OVER REGULATION ON PURCHASES OF JAPANESE CLOTH FOR RESHIPMENT

From A Special Correspondent

MANCHESTER, *9th June*

PARLIAMENTARY passions were not allowed to interfere unduly with the second reading of the Cotton Bill, which aims at providing legislation to cover the forthcoming reorganisation plans for the Lancashire cotton industry. Although the representatives of the opposing parties aired their customary objections to each other's policies, it was apparent that the general opinion was held that some chance must be given to the trade to adapt itself to changing conditions.

MANCHESTER LETTER

The debate did not provide the long-awaited information about the extent of compensation to be offered for redundant plant, but a remark by the President of the Board of Trade had a vital significance. "There are two technical points on compensation," he said. "We see no reason why these payments should attract income-tax. Among the matters which the two parties are considering is whether their agreement can be framed in such a way so as not to prejudice the entitlement to unemployment benefit of those concerned."

This comment apparently related to the compensation for displaced workers, but it equally may have an important bearing on the question of tax in relation to the compensation for redundant machinery. Upon the decision of the Treasury in this connection much depends, as sufficient incentive must be offered to ensure that enough machinery is scrapped to make the scheme effective.

It was also made perfectly clear during the debate that any plant registered as surplus under the proposals would be broken up as soon as possible. One speaker went so far as to suggest a clause being inserted in the Bill to the effect that any disused cotton mill which was not put to alternative industrial use within a brief and specified time should be demolished, the site cleared, and a new factory built.

Cotton Growing Trends

The effect of technical changes in demand on the growth of particular types of cotton fibre is mentioned in the Annual Report of the Empire Cotton Growing Corporation, commenting on the progressively narrowing differentials between output of short, long and extra-long staples. To some extent, the report says, this has been due to the price support given to American type cotton by the United States Government, but the introduction of drip-dry garments has also played a notable part.

Some of the territories formerly specialising in the production of fine long-stapled cotton, which provided the basis for the doubled yarn used in top quality shirtings, have now reconsidered their growing policy. The switch to American type cotton, now in greater demand, has made the Sudan and Aden, for example, look to the advisability of producing, at least on part of the area under cultivation, shorter staple types giving a higher yield.

In common with other crops, as quality improves yields tend to fall and the various Departments of Agriculture in Commonwealth countries which decide on the types to be grown must balance price and yield in making their decision. The report adds: "They are in the unenviable position of having to make their choice not on prices now being paid but on what they expect price levels to be in the future, as it takes many years to introduce new varieties over large areas."

New Crop Prospects

In general, Commonwealth cotton crops during the 1958-59 season are likely to show an increase on the previous twelve months. In Uganda, the acreage of 2,000,000 was the largest ever planted to cotton and the production estimate of 410,000 bales compares with a crop of 351,000 bales last season. Early indications in Tanganyika point to yet another record crop and seed issues in parts of Nyasaland were slightly higher than last season. In contrast, growing conditions in Nigeria affected the yield and the total export crop is unlikely to exceed 170,000 bales, a drop of 70,000 bales on the previous season's record.

Output of cotton in the Sudan suffered a severe setback in 1957-58. but, in the new season, prospects are considered much more favourable. The report indicates a good chance of setting up a fresh record. A smaller acreage, however, has been planted in Aden and a considerable reduction has occurred in the area under cultivation to cotton in the West Indies.

Price Rise

Terylene yarn prices have been raised by up to 9d. per lb.—the first change since October 1955. Users were notified by Imperial Chemical Industries Ltd. that 50 denier yarn was 6d. per lb. dearer at 150*d*. A rise of 9*d*. per lb. took place in 75 denier yarn at 136*d*. and 100 denier yarn was advanced 5*d*. to 140*d*. Recent strong demand for Terylene yarn has caused considerable difficulty in obtaining the finer deniers.

Japanese Cloth Imports

Lancashire importers of Japanese cloth are somewhat concerned at the regulations covering the purchase of such goods for reshipment abroad. The arrangements governing the use of Japanese cotton and rayon grey cloth for re-export after processing in the United Kingdom have been discussed by the Council of the Cotton and Rayon Merchants' Association.

At the meeting, it was stated that conditions had changed since the system was originally adopted when supplies in Lancashire were below the requirements of customers. The view was expressed that British exporters were being unduly handicapped by the restriction on the markets to which the finished cloth could be shipped. The Council decided to re-examine the whole question of "permitted markets" and that a report should be considered at a later date.

Faulty Cloth Complaints

Wide variations in the quality of grey cloth being delivered by some Lancashire manufacturers were reported at several recent meetings of the Grey Cloth Executive of the Cotton and Rayon Merchants' Association. It was stated that faulty fabrics had been received even in cases where the cloth was manufactured to clearly defined quality standards. The variations, it was felt, arose mainly from defects in the control of the process of weaving and to a lesser extent from inconsistency in cloth inspection.

During the discussions, the efforts of the Cotton Board's Productivity Centre were widely praised and it was felt that some manufacturers could gain appreciably from using the facilities offered by the Centre. Specialised operative training schemes for weaving mills had been introduced, enabling firms to train their labour force in the use of the most effective working methods. Considerable work had also been done in connection with the control of cloth quality including the systematic control of the inspection process.

Busy Share Market

During the past six months, there have been sharp and irregular movements in the prices quoted for a number of cotton textile shares on the Stock Exchanges. The general buoyancy of share markets has had its due effect on the value of such equities, but there have been individual instances where special circumstances have been at work.

The number of actual bids for control of public companies devoted to spinning, weaving and textile merchanting has been relatively few. but there have been constant rumours about such projects. This has led to sustained activity in the shares of some of the concerns quoted in the comparative list of prices shown below:

Company	1958	1959			1959	
	31st Dec.	High		Low	4th June	
	s. d.	*s.*	*d.*	*s. d.*	*s.*	*d.*
Tootal (£1)	25	35	6	24 6	31	6
Joshua Hoyle (2s.)	1	3	1¼	5½	3	1¼
Lancs. Cotton Corpn. (£1) ..	39	48	3	35	44	00
Horrockses, Crewdson (£1) ..	32	40	0	26	38	00
Boardman Marden (1s.) ..	1	3	6¼	1	3	3
Birtwistle and Leigh (5s.) ..	2	4	0¼	2	3	6
Calico Printers Ass. (£1) ..	37	48	0	37	48	00
Clegg and Orr (£1)	17	22	0	18	22	00
Eng. Sew. Cotton (£1) ..	24	34	0	25	34	00
Fine Spinners (£1)	20	25	0	18	24	00
Richard Haworth (5s.) ..	1	2	3	1	2	9
A. & S. Henry (£1)	39	54	7½	35	54	3
J. and N. Philips (£1) (c) ..	27	52	9	27	45	0
Royton Tex. Corpn. (4s.) (b) ..	2	4	6	2	4	3
J. F. and H. Roberts (£1) (c) ..	15	22	9	16	22	9
Waterside Mill (1s.)	1	3	2	10 1	3	2 7½
David Whitehead (1s.) ..	1	3	2	3½ 1	3	2 3

In all the cases mentioned above, the share value now is in excess of that ruling at the end of last year and some show a substantial improvement. Favourable results announced by companies, such as Boardman Marden Ltd. and Richard Haworth & Co. Ltd., offer some justi-

(*Continued on page* 1052)

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REHABILITATION OF RUBBER PLANTATIONS

U.P.A.S.I. SUBMITS A SCHEME

LAST week, a detailed reference was made to the rehabilitation plans of the rubber plantation industry and the progress of the one under implementation. It was pointed out therein that the Rubber Board's scheme has had poor response from the planters. A brief analysis was also made of the drawbacks of the scheme. As was stated last week, the U.P.A.S.I. has submitted a study note on the subject to the Government of India, in which it has given a detailed account of its own scheme for the consideration of the Government and the Rubber Board. The U.P.A.S.I. has also suggested some organisational and administrative changes in the management of the replanting scheme. It is now proposed to refer to these aspects of the U.P.A.S.I.'s note.

In drawing up a plan for replanting, two basic considerations are to be borne in mind. They are: (1) the country's rubber shortage should be made up within the shortest possible time; and (2) the productive efficiency of the industry should rise. In this connection, the U.P.A.S.I. points out that, both in volume and speed, the development programme should match that of the manufacturing industry. It, however, adds that "too prolonged a programme will defeat its own purpose; so will a volume of replacement too small for the purpose in view." The rate of demand growth is so far ahead of the rate of production that the 1957 replanting scheme of the Rubber Board is wholly inadequate. "Assuming that the target is achieved by 1967," the U.P.A.S.I. adds, "the replacement rate will fall short of needed replacement by at least 5,000 acres, assuming that only the least productive, and not the whole stand of unselected rubber, should be replaced."

It is estimated that, at the beginning of 1960, there would be about 220,000 acres of unselected seedling rubber, of which slightly below 56,000 acres belong to the 40-year and over group. At the rate of replanting 17,000 acres per annum, the entire 56,000 acres belonging to the 40-year old group would have been replanted by 1966, leaving over 100,000 acres of ordinary unselected stand. The U.P.A.S.I. has, therefore, suggested that a scheme of replanting at the rate of 17,000 acres per annum should be undertaken over a period of seven years 1960 to 1966. In short, the U.P.A.S.I. scheme compresses the replanting period to seven years by increasing the annual rate of replantation from 7,000 to 17,000 acres. It also envisages a programme of new planting at the rate of 10,000 acres per annum. The following table provides an estimate of the total tappable acreage, the area cut down for replanting each year and the total production from the remaining acreage on the basis of an estimated yield:

Year	Total tappable acreage	Area to be replanted: Progressive total	Actual tappable acreage	Yield per acre lbs.	Production (in tons)
1960 ..	173,600	17,000	156,600	350	24,469
1961 ..	176,650	34,000	148,969	370	24,607
1962 ..	207,250	51,000	151,967	390	26,459
1963 ..	234,350	68,000	158,350	410	28,984
1964 ..	262,000	85,000	159,184	430	30,558
1965 ..	280,000	102,000	167,184	450	33,586
1966 ..	300,000	119,000	175,184	480	37,539
1967 ..	310,000	..	192,184	520	44,614
1968 ..	320,000	..	209,184	560	52,296
1969 ..	330,000	..	226,184	600	60,585
1970 ..	340,000	..	243,184	700	73,995

The U.P.A.S.I. has included another table in its note giving an estimate of yield after 1966, when new planted and replanted acreage of the plan period comes into bearing, and yield on that basis up to 1970, in order to provide a prospective view of rubber output in India:

Year	New planting each year	New planting tappable acreage	Yield per acre lbs.	Production (in tons)	Production from old and new planted area (in tons)
1960 ..	10,000	..	..	..	..
1961 ..	10,000	..	..	..	..
1962 ..	10,000	..	..	..	..
1963 ..	10,000	..	..	..	..
1964 ..	10,000	..	..	..	..
1965 ..	10,000	..	..	..	..
1966 ..	10,000	..	..	..	..
1967 ..	..	10,000	520	2,321	46,935
1968 ..	..	10,000	560	5,000	57,296
1969 ..	..	10,000	600	8,036	68,621
1970 ..	..	10,000	700	12,500	88,495

It will thus be seen that, under the U.P.A.S.I. scheme, the output of rubber will increase by more than 50 per cent. from 24,469 tons in 1960 to 37,539 tons in 1966 when replanting is undertaken at the rate of 17,000 acres per annum and, with the coming into bearing of 10,000 acres of new planted area after 1966, the production in 1970 will be more than 3.5 times that in 1960.

The U.P.A.S.I. note emphasises that it is an essential part of its suggested scheme that replanting should be dealt with in an integrated manner with clear and precise arrangement governing resources, programme, administration and responsibility. In this connection, it observes:

"Section 98(2) of the Rubber Act provides for a Pool Fund which is to finance exclusively the rehabilitation of small growers. This distinction has not helped the small growers in any manner and goes against the purpose of wholesale replanting the whole industry is called upon to undertake. While the small grower's effort should be supported in every possible way, from the point of view of efficient administration, a single replanting fund should be created from the proceeds of the cess and the income from the difference in the price of imported rubber and internal controlled price. This scheme should contain two additional safeguards in the interest of achieving the fulfilment of the Plan and providing adequate weightage to the small grower. They are: (1) a ratio should be adopted in favour of small growers in the matter of apportioning the total permissible replanting acreage in the Plan, and (2) the scheme should have a time limit and the unutilised replanting permits should be redistributed among those who are willing to fulfil the extra quota in the year following the one for which permits were issued."

The following table gives the estimated income from the cess of Rs. 6.25 per 100 lbs. and the probable earning into the pool fund from imports at an average difference in price of Rs. 25 per 100 lbs:

Year	Crop Tons	Cess Lakhs of Rs.	Import Tons	Pool income Lakhs of Rs.
1960	24,469	34.26	25,000	1,40.00
1961	24,607	34.45	28,000	1,56.80
1962	26,459	37.04	32,000	1,79.20
1963	28,984	40.58	35,000	1,96.00
1964	30,558	42.78	38,000	2,12.80
1965	33,586	47.02	42,000	2,35.20
1966	37,539	52.55	45,000	2,52.00
		2,88.68		13,72 00

The total income from these two sources, without taking into account the unexpended balance in the pool fund and cess as on 1st January 1960, thus comes to Rs. 16.61 crores. The probable accumulation on the basis of estimated imports and production trends besides actuals up to 1960 is over Rs. 3 crores. The total foreseeable income from known and determinable sources is, therefore, Rs. 19.6 crores during the Rubber Plan period. In order to maintain the resources, application and identity clear, the U.P.A.S.I. suggests that the proceeds from the cess and imported rubber should be directly deposited into a replanting fund.

Having found the resources, the next question is: What is the quantum and method of assistance to be given to the growers, so as to evoke sufficient response from them to cut down their trees and wait for eight years for an income? Discussing this problem, the U.P.A.S.I. makes the following suggestion:

"From the experience of Malaya and Ceylon it is clear that, while the quantum of subsidy should be in favour of the small grower, the balance of advantage should not be so pronounced as to result in the fragmentation of otherwise economically viable estates. Secondly, since 60 per cent. of the low yielding acreage fall under small holdings, the replanting acreage allotted to the two categories of growers should provide some weightage to small growers. Thirdly, the organisation of extension service should be pronouncedly oriented towards the small grower problems.

"The financial assistance scheme envisages three categories of holdings and a differential scale sufficient to reduce the loss entailed by replanting but not enough to cause any violent movement from one category to another. The most reasonable rates within the means visible are:

Replanting Subsidy per acre

Instalments	*Growers with holdings of* *Upto 10 acres*	*Above 10 acres and below 100 acres*	*100 acres and above*
	Rs.	Rs.	Rs.
1st	400	400	400
2nd	200	200	200
3rd	100	75	50
4th	100	75	50
5th	100	75	50
6th	100	75	50
Total ..	1,000	900	800

"In 1957, about 36 per cent. of the total rubber acreage was in holdings of 10 acres and under. All investigations have pointed to the fact that a large proportion of this acreage is unsuitable for planting and should never have been placed under rubber. It is, however, in the best interests of the country and the industry that, where the rubber stands on unsuitable land and the grower is recommended to cut out the rubber and put that land under any other suitable crop, a subsidy to assist him to do so should be provided, as in Malaya and in Ceylon. For this purpose a subsidy of Rs. 500 per acre may be offered to any grower and the category that needs it most are the growers of holdings below 10 acres.

"The small growers of rubber in both Malaya and Ceylon are those with holdings of less than 100 acres but above 10 acres. The same qualification should be adopted in India. In that case, this class of holdings occupies at present 24 per cent. of the rubber acreage. Those owning 10 acres and less form 36 per cent. The remaining 40 per cent. is in holdings of 100 acres and above. The proportion of the three categories for the purpose of subsidy should be 4 : 2.5 : 3.5 for petty holdings (upto 10 acres), small holdings and estates, respectively. When the total applications are processed for assistance this ratio should be adopted. On a 17,000-acre replanting, it would mean:

6,800 acres	For petty holdings.
4,450 ,, ...	For small holdings.
5,750 ,, ...	For estates.
17,000 acres	

"The same ratio should apply in the case of assisted new planting. On the above basis, the financial outlay on replanting subsidy would be Rs. 10.78 crores or Rs. 1.54 crore per annum. It might be lower if unsuitable land now under rubber can be weeded out and growers induced to plant substitute crops at the rate of subsidy proposed for the purpose."

The United Planters' Association also suggests that subsidy should be given, though at a lower rate, for new planting. Its reasons are as follows:

"Licences for planting over 50,000 acres were issued during 1958 and from this it would appear that new planting would require no assistance. The utilisation of unsuitable land or planting material and the adoption of sub-standard cultivation cannot be prevented so long as the Board's role is confined to that of a licence-issuing authority. Growers planting newly must be helped in as many ways as possible to use high yielding planting material and to resort to sound cultivation and management. It would be a national waste by allowing the small cultivators to put their land under poor yielders which will sooner or later have to be uprooted and replanted, presumably under a subsidy scheme. Such waste can be avoided at a much smaller cost by providing a lower rate of subsidy for new planting. A small subsidy to growers using high yielding clones and saturation publicity to let all growers recognise the waste of putting land under poor yielders is, therefore, to be recommended. A rate of subsidy at Rs. 500 per acre in six instalments of Rs. 200, Rs. 100, and Rs. 50 for four years thereafter may be paid to those who seek to plant newly. Subsidy shall be paid only when the replanting authority is satisfied that the standards prescribed in the selection of planting material, land, and cultivation and management are followed."

It will be observed from the foregoing that the total subsidy to be given for replanting will come to Rs. 10.58 crores and that for new planting at the rate of 10 000 acres per annum for seven years Rs. 3.50 crores, making a total cost of Rs. 14.08 crores, as against a probable income of Rs. 19.5 crores to the rehabilitation fund.

For implementing a vigorous rehabilitation programme, the U.P.A.S.I. advocates a more powerful organisation, capable of acting with energy and determination until the task is fulfilled. This organisation, it adds, should be capable of carrying out its work without constant reference to other authorities on matters falling within its sphere and it should be fully in control of the entire development programme and its fund. In other words, it is of the view that the present Board is unsuited for carrying through a rapid development programme. It is, therefore, suggested that a separate development board, on the lines of that in Malaya and Ceylon, or in the alternative a development directorate, should be set up. The object of entrusting development programme to an almost independent department is to relieve the Rubber Board of its responsibility for conducting a campaign which is outside its principal preoccupation and competence. The main functions of the directorate outlined by the U.P.A.S.I. are:

(*a*) To provide direction and control to the effort; (*b*) to bring technical knowledge to the grower to the point of replanting and thereafter; (*c*) to speed his application for grants and other assistance to the point of action; (*d*) to maintain a careful check on the progress of work in the field and in the processing of application; (*e*) to collect full data on development for measurement of progress and public information; (*f*) to bring critical supplies more easily available to the grower; (*g*) to help and advise the grower and keep him informed of the total progress; and (*h*) to undertake a well-directed and organised publicity to keep the need for replanting in public view.

It is further suggested that the Development Directorate should function in an area of direct and constant interest to rubber growers.

BUSINESS OBJECTIVES AND SURVIVAL NEEDS—I

AIM AT MINIMUM PROFIT AND MAXIMUM PUBLIC SATISFACTION

By Peter F. Drucker*

THE literature of business management, confined to a few "how to do" books only fifty years ago, has grown beyond any one man's capacity even to catalogue it. Professional education for business has become the largest and most rapidly growing field of professional education in this country (the U.S.) and is growing rapidly in all other countries in the free world. It also has created in the advanced post-graduate education for experienced, mature, and successful executives—perhaps first undertaken in systematic form at the University of Chicago—the only really new educational concept in a hundred and fifty years.

Yet so far we have little in the way of a "discipline" of business enterprise, little in the way of an organised, systematic body of knowledge, with its own theory, its own concepts, and its own methodology of hypothesis, analysis and verification.

The absence of an adequate theory of business enterprise is not just an "academic" concern; on the contrary, it underlies four major problems central to business as well as to a free-enterprise society.

One is the obvious inability of the layman to understand modern business enterprise and its behaviour. What goes on, and why, "at the top" or "on the fourteenth floor" of the large corporation—the central economic and one of the central social institutions of modern industrial society—is as much of a mystery to the "outsider" as the magician's sleight of hand is to the small boy in the audience. And the "outsiders" include not only those truly outside business enterprise. They include workers and shareholders; they include many professionally trained men in the business—the engineers or chemists, for instance—indeed, they include a good many management people themselves: supervisors, junior executives, functional managers. They may accept what "top management" does, but they accept on faith rather than by reason of knowledge and understanding. Yet such understanding is needed for the success of the individual business as well as for the survival of industrial society and of the free-enterprise system.

A Real Threat

One of the real threats is the all-but-universal resistance to profit in such a system, the all-but-universal (but totally fallacious) belief that socialism—or any other ism—can operate an industrial economy without the "rake-off" of profit, and the all-but-universal concern lest profit be too high. That the danger in a dynamic, industrial economy is that profit may be too low to permit the risks of innovation, growth, and expansion—that, indeed, there may be no such thing as "profit" but only provision for the costs of the future—very few people understand.

This ignorance has resisted all attempt at education; this resistance to profits has proved impervious to all propaganda or appeals, even to the attempts at "profit sharing."

The only thing capable of creating understanding of the essential and necessary function of profit in an expanding, risk-taking, industrial economy is an understanding of business enterprise. And that for all without personal, immediate experience in the general management of a business can come only through a general "model" of business enterprise, that is, through the general theory of a systematic discipline.

The second problem is the lack of any bridge of understanding between the "macro-economics" of an economy and the "micro-economics" of the most important actor in this economy, the business enterprise. The only "micro-economic" concept to be found in economic theory today is that of "profit maximisation." To make it fit the actual, observable behaviour of business enterprise, however, economists have had to bend, stretch, and qualify it until it has lost all meaning and all usefulness. It has become as complicated as the "epicycles" with which pre-Copernican astronomers tried to save the geocentric view of the universe: "profit maximisation" may mean shortrun, immediate revenue or long-range basic profitability of wealth-producing resources; it may have to be qualified by a host of unpredictables such as managerial power drives, union pressures, technology, etc.; and it completely fails even then to account for business behaviour in a growing economy. It does not enable the economist to predict business reaction to public policy any more; to the governmental policy-maker business reaction is as "irrational" as Government policy, by and large, seems to the business man.

But, in modern industrial society, we must be able to "translate" easily from public policy to business behaviour and back again. The policy-maker must be able to assess the impact of public policy on business behaviour; and the business man—especially in the large enterprise—must be able to assess the impact of his decisions and actions on the "macro-economy." "Profit-maximisation" does not enable us to do either, as this paper intends to show, primarily because it fails to understand the role and function of profit.

A Specialised Profession

The third area in which the absence of a genuine theory of business enterprise creates very real problems is that of the internal integration of the organisation. The management literature is full of discussions of the "problem of the specialist" who sees only his own functional area or of the "problem of the scientist in business" who resents the demand that he subordinate his knowledge to business ends. Yet we will be getting ever more specialised; we will, of necessity, employ more and more highly trained "professionals." Each of those must be dedicated to his specialty; yet each must share a common vision and common goals and must voluntarily engage in a common effort. To bring this about is already the most time- and energy-consuming job of management, certainly in our big businesses, and no one I know claims to be able to do it successfully.

Twenty years ago, it was still possible to see a business as a mechanical assemblage of "functions." Today we know that, when we talk of a "business," the "functions" simply do not exist. There is only business profit, business risk, business product, business investment, and business customer. The functions are irrelevant to any one of them. And yet it is equally obvious, if we look at the business, that the work has to be done by people who specialise, because nobody can know enough even to know all there is to be known about one of the major functions today—they are growing too fast. It is already asking a great deal of a good man to be a good functional man, and, in some areas, it is rapidly becoming almost too much to ask of a man. How, then, do we transmute functional knowledge and functional contribution into general direction and general results? The ability of big business—but even of many small ones—to survive depends on our ability to solve this problem.

The final problem—also a symptom both of the lack of discipline and of the need for it—is of course the business man's own attitude toward "theory." When he says, "this is theoretical," he, by and large, still means: "this is irrelevant." Whether managing a business enterprise could or should be a "science" (and one's answer to this question depends primarily on how one defines the word "science"), we need to be able to consider theory the foundation for good practice. We would have no modern doctors, unless medicine (without itself being a "science" in any strict sense of the word) considered the life-sciences and their theories the foundation of good practice. Without such a foundation in a discipline of business enterprise, we cannot make valid general statements, cannot therefore predict the outcome of actions or decisions, and can judge them only by hindsight and by their results—when it is too late to do anything. All we can have at the time of decision would be "hunches," "hopes," and "opinions," and, considering the dependence of modern society on business enterprise and the impact of managerial decisions, this is not good enough.

Without such a discipline we could also neither teach nor learn, let alone work systematically on the improvement of our knowledge and of our performance as managers of a business. Yet the need both for managers and for constant improvement of their knowledge and performance is so tremendous, quantitatively as well as qualitatively, that we simply cannot depend on the "natural selection" of a handful of "geniuses."

The need for a systematic discipline of business enterprise is particularly pressing in the underdeveloped growth countries of the world. Their ability to develop themselves will depend, above all, on their ability rapidly to develop men capable of managing business enterprise, that is, on the availability of a discipline that can be taught and can be learned. If all that is available to them is development through experience, they will almost inevitably be pushed toward some form of collectivism. For, however wasteful all collectivism is of economic resources, however destructive it is of freedom, dignity, and happiness, it economises the managerial resource through its concentration of entrepreneurial and managerial decisions in the hands of a few "planners" at the top.

Discipline of Business Enterprise

We are still a long way from a genuine "discipline" of business enterprise. But there is emerging today a foundation of knowledge and understanding. It is being created in some of our large companies and in some of our universities. In some places, the starting point is economics, in some marketing, in some the administrative process, in others such new methodologies as operations research and synthesis or long-range planning. But what all these approaches, regardless of starting point or terminology, have in common is that they start out with the question: What are the survival needs of business enterprise? What, in other words, does it have to be, to do, to achieve—to exist at all? For each of these "needs" there has, then, to be an "objective."

It may be said that this approach goes back to the pioneering work on business objectives that was done at the Bell Telephone System under the presidency of Theodore Vail a full forty years ago. Certainly, that was the first time the management of a large business enterprise refused to accept the old, glib statement, "The objective of a business is to make a profit," and asked instead, "On what will our survival as a privately owned business depend?" The practical effectiveness of the seemingly so obvious and simple approach is proved by the survival, unique in developed countries, of privately-owned telecommunications in the United States and Canada. A main reason for this was certainly the "survival objective" Vail set for the Bell System: "Public satisfaction with our service." Yet, though proved in practice, this remained, until recently, an isolated example. And it probably had to remain such until, within the last generation, the biologists developed the approach to understanding of "systems" by means of defining "essential survival functions."

General Objectives

"Survival objectives" are general; they must be the same in general for each and every business. Yet they are also specific; different performance and different results would be needed in each objective area for any particular business. And every individual business will also need its own specific balance between them at any given time.

The concept of survival objectives thus fulfils the first requirement of a genuine "theory"—that it be both formal and yet concretely applicable, that is, "practical." Survival objectives are also "objective" both as to their nature and as to the specific requirements in a given situation. They do not depend on "opinion" or "hunch." Yet—and that is essential—they do not "determine" entrepreneurial or managerial decisions; they are not (as is so much of traditional economics or of contemporary be-

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haviour al science) an attempt to substitute formulas for risk-taking decision or responsible judgment. They attempt rather to establish the foundation for decision and judgment, to make what is the specific task of *entrepreneur* and manager possible, effective, and rational, and to make it understandable and understood.

We have reached the stage where we know the "functions" of a business enterprise, with "function" being used the way the biologist talks about "procreation" as a "function" essential for the perpetuation of a living species.

There are *five such "survival functions"* of business enterprise. Together they define the areas in which each business, to survive, has to reach a standard of performance and produce results above a minimum level. They are also the areas affected by every business decision and, in turn, affecting every business result. Together these five areas of "survival objectives" describe therefore (operationally) the "nature of business enterprise."

1. The enterprise needs, first, a *human organisation designed for joint performance* and capable of perpetuating itself.

It is an assemblage not of brick and mortar but of people. These people must work as individuals; they cannot work any other way. Yet they must voluntarily work for a common result and must, therefore, be organised for joint performance. The first requirement of business is, therefore, that there be an effective human organisation.

Human Attitude

But business must also be capable of perpetuating itself as a human organisation, if only because all the things we decide every day—if, indeed, we are managers—take for their operation more time than the good Lord has allotted us. We are not making a single decision the end of which we are likely to see while still working. How many managerial decisions will be liquidated within twenty years, will have disappeared, unless they are totally foolish decisions? Most of the decisions we make take five years before they even begin to have an impact; this is the short range of a decision. And then they take ten or fifteen years before (at the very earliest) they are liquidated, have ceased to be effective, and, therefore, have ceased to have to be reasonably right.

This means that the enterprise as a human organisation has to be able to perpetuate itself. It has to be able to survive the life-span of any one man.

2. The second survival objective arises from the fact that the enterprise exists in *society and economy*. In business schools and business thinking, we often tend to assume that the business enterprise exists by itself in a vacuum. We look at it from the inside. But the business enterprise is a creature of society and economy. If there is one thing we do know, it is that society and/or economy can put any business out of existence overnight—nothing is simpler. The enterprise exists on sufferance and exists only as long as society and economy believe that it does a job and a necessary, a useful, and a productive one.

I am not talking here of "public relations"; they are only one means. I am not talking of something that concerns only the giants. And I am not talking of "socialism." Even if the free-enterprise system survives, individual businesses and industries within it may be—and of course often have been—restricted, penalised, or even put out of business very fast by social or political action such as taxes or zoning laws, municipal ordinances or federal regulation, and so forth. Anticipation of social climate and economic policy, on the one hand, and organised behaviour to create what business needs to survive in respect to both are therefore genuine survival needs of each business at all times. They have to be considered in every action and have to be "factored" into every business decision.

Equally, the business is a creature of the economy and at the mercy of changes in it—in population and income, ways of life and spending patterns, expectations and values. Again here is need for objectives which anticipate so as to enable the business to adapt and which at the same time aim at creating the most favourable conditions.

3. Then, of course, there is the area of the specific purpose of business, of its contribution. The purpose is certainly to *supply an economic good and service*. This is the only reason why business exists. We would not suffer this complicated, difficult, and controversial institution, except for the fact that we have not found any better way of supplying economic goods and services productively, economically, and efficiently. So, as far as we know, no better way exists. But that is its only justification, its only purpose.

4. There is another purpose characteristic which I would, so to speak, call the nature of the beast; namely, that this all happens in a *changing* economy and a *changing* technology. Indeed, in the business enterprise we have the first institution which is designed to produce change. All human institutions since the dawn of prehistory or earlier had always been designed to prevent change—all of them: family, government, church, army. Change has always been a catastrophic threat to human security. But, in the business enterprise, we have an institution that is designed to create change. This is a very novel thing. Incidentally, it is one of the basic reasons for the complexity and difficulty of the institution.

This means not only that business must be able to adapt to change—that would be nothing very new. It means that every business, to survive, must strive to *innovate*. And innovation, that is, purposeful, organised action to bring about the new, is as important in the social field—the ways, methods, and organisation of business, its marketing and market, its financial and personnel management, and so on—as it is in the technological areas of product and process.

Research

In the U.S., industrial research expenditures have risen from a scant one-tenth of 1 per cent. of national income to 1½ or 2 per cent. in less than thirty years. The bulk of this increase has come in the last ten years; this means that the impact in the form of major technological changes is still ahead of us. The speed of change in non-technological innovation, for instance, in distribution channels, has been equally great. Yet many businesses are still not even geared to adaptation to change; and only a mere handful are geared to innovation—and then primarily in the technological areas. Here lies therefore a great need for a valid theory of business enterprise but also a great opportunity for contribution.

5. Finally, there is an absolute requirement of survival, namely, that of *profitability*, for the very simple reason that everything I have said so far spells out *risk*. Everything I have said so far says that it is the purpose, the nature, and the necessity of this institution to take risks, to create risks. *And risks are genuine costs.* They are as genuine a cost as any the accountant can put his finger on. The only difference is that, until the future has become past, we do not know how big a cost; but they *are* costs. Unless we provide for costs, we are going to destroy capital. Unless we provide for loss, which is another way of saying for future cost, we are going to destroy wealth. Unless we provide for risk, we are going to destroy capacity to produce. And, therefore, a minimum profitability, adequate to the risks which we, by necessity, assume and create, is an absolute condition of survival not only for the enterprise but for society.

This says three things. First, the need for profitability is objective. It is of the nature of business enterprise and as such is independent of the motives of the business man or of the structure of the "system." If we had archangels running businesses (who, by definition, are deeply disinterested in the profit motive), they would have to make a profit and would have to watch profitability just as eagerly, just as assiduously, just as faithfully, just as responsibly, as the most greedy wheeler-dealer or as the most convincedly Marxist commissar in Russia.

Second, profit is not the *"entrepreneur's* share" and the "reward" to one "factor of production." It does not rank on a par with the other "shares," such as that of "labour," for instance, but above them. It is not a claim *against* the enterprise but the claim *of* the enterprise—without which it cannot survive. How the profits are distributed and to whom is of great political importance; but, for the undertaking of the needs and behaviour of a business, it is largely irrelevant.

Profit

Finally, "profit maximisation" is the wrong concept, whether it be interpreted to mean short-range or long-range profits or a balance of the two. The relevant question is, "What minimum does the business need?" not "What maximum can it make?" This "survival minimum" will, incidentally, be found to exceed present "maxima" in many cases. This, at least, has been my experience in most companies where a conscious attempt to think through the risks of the business has been attempted.

Here are five dimensions; and each of these five is a genuine view of the whole business enterprise. It is a human organisation, and we can look upon it only in that aspect, as does our human relations literature. We can look at it from its existence in society and economy, which is what the economist does. This is a perfectly valid, but it is a one-sided view.

We can, similarly, look at the enterprise only from the point of view of its goods and services. Innovation and change are yet another dimension, and profitability is yet another. These are all genuine true aspects of the same being. But only if we have all five of them in front of us do we have a theory of business enterprise on which practice can be built.

For managing a business enterprise means making decisions, every one of which depends on both needs and opportunities in each of these five areas and, in turn, affects performance and results in each.

(To be concluded)

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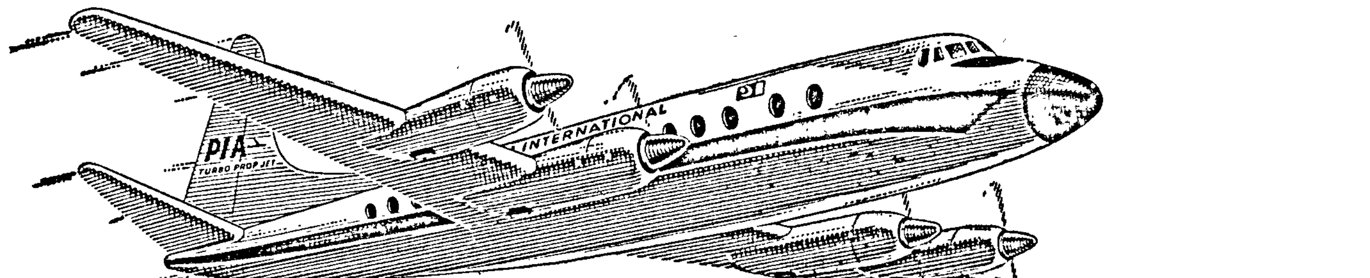

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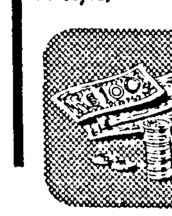

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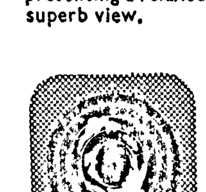
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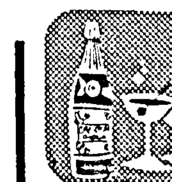
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ANNUAL MEETING OF ATUL PRODUCTS LTD.

MR. KASTURBHAI LALBHAI'S SPEECH

EXTENSION OF ACTIVITIES UNDER DISCUSSION

THE Directors of Atul Products Ltd. are discussing with foreign collaborators some schemes for extension of the Company's activities and have also presented to the Government of India an integrated scheme for the manufacture of a wide range of intermediates, both for pharmaceuticals and dyes. Disclosing this at the Eleventh Annual General Meeting of the Company held in Ahmedabad on 8th June 1959, Mr. Kasturbhai Lalbhai, Chairman, cautioned the shareholders that it would be a long time before the schemes were ready for implementation.

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

"GENTLEMEN,

"The Directors' report, the statement of account and other papers relating to the working of the Company during the year 1958 have been circulated to you and they have been in your hands for some time. So, if you will kindly agree, we will take them as read for the purpose of this meeting.

"You will please see from the statement of accounts that the Company has maintained its progress. The sales for this year are Rs. 2,89,51,998, as against the sales of the last year and are higher by Rs. 17,65,662. The profits for the year also show a corresponding increase, the profit subject to depreciation being Rs. 53,29,143, as against a similar figure of Rs. 51,27,924 for the last year. Out of this amount a provision of Rs. 17,82,943 has been made for depreciation for the year. Also a provision of Rs. 7,00,000 for development rebate reserve and a provision of Rs. 1,25,000 for wealth tax for the year 1958 have been made. So, this leaves a disposable income in the hands of the Company of Rs. 27,21,200. If you will please refer to the Directors' report, you will find the recommendations made by them in respect of this amount.

Selling Prices Unchanged

"As stated last year, the Company had maintained an unchanged level of sales prices for its products throughout the year 1957. The same policy was continued in the year 1958 and the Company charged all throughout the year the same prices that were prevalent in 1957. The Company took this course, in spite of the fact that the market prices for several dyes offered by the Company registered wide upward fluctuations during the year as a reflection of the foreign exchange situation and increasing import restrictions. I am satisfied that, on the whole, the course that we followed was a wise one and has been of considerable help in maintaining a basic stability in the dyes market. I should add that the production of the Company was going up, and even with the controlled prices, the Company would have had better profits than shown in the accounts of the year. But, as you know, there was a strike in the Company's factory from the month of May 1958. It is perhaps no use now to discuss the impropriety of the strike or the course that it took; it is sufficient to say that due to it, the Company had to forgo a part of the planned increase in production. Besides this, on account of the difficulties connected with the foreign exchange, the position in respect of the supply of raw materials was also not happy during the year.

Import Policy

"The Government was not in a position to help us to increase the production and also there were so many delays in securing import licences that it was difficult even to maintain a proper level of production. Many other concerns also had similar experience during the year, and the difficulties experienced by established manufacturers on this account have already been brought to the attention of the Government. So, I will not dilate on this point, but only say that, so far as established manufacturers are concerned, there should be some stable and definite policy governing the import of raw materials. As it is, all the time there is a feeling of uncertainty about the quantities of raw materials that would be permitted to be imported and, consequently, the quantities of goods that will be manufactured. During periods of inflation, markets become even otherwise unstable. But such uncertainty, however, aggravates these conditions still further.

"You will be glad to know that the work of construction and erection of Atic Scheme II is now completed and the plant has started working from the month of April 1959. This plant will be manufacturing 315,000 lbs. per month of the blues, blacks, browns and other shades of vat dyes and now Atic Industries Private Limited will be able to offer to the market a fairly complete range of vat dyes and some solubilised vats. Phosphorus Trichloride plant of the Company has also started working; this plant has been installed primarily to supply our own requirements and it will be some time before we will be able to find a market for the excess production. Part of the equipment for a sulphuric acid plant is on site and the plant will go into production before the end of this year. Negotiations for the purchase of a caustic soda plant are still going on; I expect that everything connected with this plant will be finalised within a couple of months and it may be that the plant will get into production by the third quarter of the year 1960. We have also arranged for a loan from the Industrial Credit and Investment Corporation of India Limited for the purchase of a plant to manufacture an important raw material used in the manufacture of Naphthols. It is expected that this plant will get into production by the first quarter of 1961.

Expansion Schemes

"Some of you would perhaps like to see a more rapid expansion of the activities of the Company. Your Board is also of a similar mind and is already discussing some further schemes of expansion. It is the intention of the Board to have a joint company with Ciba and undertake the manufacture of a new line of production. The Board has also persuaded the American Cyanamid Company to expand their present activities in this country and allow us to participate in the same. The Board has once again presented to the Government an integrated scheme for the manufacture of a wide range of intermediates, both for pharmaceuticals and dyes. So, altogether, the Board has been striving for an extensive and ambitious programme of expansion.

"It should, however, be appreciated that a number of steps have to be taken before a project can be ready for implementation and these steps involve both delays and uncertainties. This is particularly so in our case because, although conjointly they go to complete a pattern, the plants that we propose are independent units and require more prolonged and careful consideration on our parts as well as on the Government's part. Besides this difficulty, there is also the difficulty of the availability of foreign exchange. As I mentioned earlier, we have in the case of one project secured foreign exchange loan from the Industrial Credit and Investment Corporation of India Limited. We have also secured foreign exchange from the Import-Export Bank Loan for another project. But in these cases the amount of foreign exchange involved was comparatively small. We will be requiring, however, a much larger amount for the projects I have just mentioned. On the other hand, the implementation of these projects is essential for us and useful for the economy of the country, and I hope we will be able to persuade the Government to give us the necessary foreign exchange. As you can appreciate, however, this is also a cause for a certain amount of delay in implementing the projects.

Preliminary Work

"I believe, I should also bring to your notice certain other things that we will have to do before or with the major programme of expansion that we undertake in the future. We will have to increase our supplies of water, power and steam. For the first we will have to construct another dam and steps for the same are already being taken. For the other two, we are negotiating with the Bombay State Electricity Board for purchasing some power from them and also negotiating with the Government to permit us to put up another power plant of our own.

"We will also be needing to enlarge the residential colony. We have a large piece of property which is fairly well developed with roads, lights and water supplies. We have by now constructed nearly 200 well designed houses for the staff. But we do not have any extensive arrangement of housing for the workers. Now, in view of our growing activities and those of Atic and Lederle, it is proposed to build about 250 detached cottage type houses for the workmen.

Labour Amenities

"We have also to increase the amenities that go with the industrial township. The Company has a large open-air theatre and playfields. But we have to provide club houses both for the workers and the staff. We have at present one primary school where free tuition and uniforms are given to the children. It is felt that consideration will have to be given to the provision for secondary education. The Company has encouraged the establishment of an arts and science college at Bulsar and would like to see that some of the chemists of the factory take benefit thereof for higher studies.

"We have at present basic facilities for medical service and relief. There are two qualified medical officers and the necessary subordinate staff who treat workers and their families. Periodical screening and examination of the workers have also been introduced. Regarding indoor medical facilities, at present there is an arrangement made with a private hospital. But it is the intention of the Board to have a hospital on the site itself where all these services could be provided. All this again is a fairly extensive programme. But, the Board hopes to complete it along with the programme of expansion."

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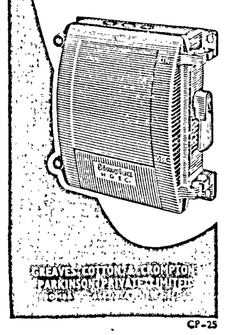

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INVESTMENT IN EQUITIES

BRITISH INSURANCE COMPANY'S NOVEL SCHEME

IN his report to the 1959 session of the International Labour Conference, Mr. David A. Morse, Director-General of the I.L.O., quotes a "prominent banker" who remarked: "We seem to have reached the economist's hell on earth: inflation and unemployment." This statement sums up the current paradox existing in most part of the world where there is growing unemployment in the midst of inflationary pressures. Of the two evils, namely, inflation and unemployment, the former is, doubtless, the more pernicious in its effects. For inflation, like pregnancy, is difficult to control after a certain stage and, unlike unemployment, it leaves no section of the community unaffected, engulfing employed, unemployed, pensioners, all in its sweep. But no one is harmed more by inflation than the small man with fixed or sluggish income, whether in business or in service. These people form the majority in the world.

The search for hedges against inflation is now more vigorous in most industrialised countries of the West by reason of the growing feeling that, with the mounting volume of unproductive Government expenditure, inflation has come to stay as a permanent feature of modern economy. Investment in equities has for long been considered an effective hedge against inflation. This is because the value of industrial assets, which the equities represent rises with increases in prices. Consequently, their earning power and dividends too go up along with the price of the products. In most countries, equities are now rated better investments than Government bonds.

Unit Investment Trusts

Investment knowledge and advice are, however, highly technical subjects and selection of sound investments is something for which laymen are not ordinarily competent. In order to provide investment advice and help to the small investors, what are known as Unit Investment Trusts have been established in many Western countries. For instance, a couple of months ago, several European banks joined together to form a European Unit Trust called "Eurunion."

The broad principles on which the Unit Investment Trusts work have been described by Mr. B. T. Thakur, the former General Manager of the United Commercial Bank, in an article to *The Banker*. To quote him:

"A few respectable and honest investors and industrialists combine together and decide upon pooling together some of their diversified investments. They prepare a list of shares specifying their names and respective numbers. All these shares are collectively called a unit of investment. A number of these units are created in the first instance, each unit having the same composition of shares and their respective numbers. Suppose such a unit is made up of 20 of A shares, 10 of B shares, 5 of C shares and so on, and the market value of all these shares comprising the unit is, say, Rs. 50,000. As this unit, is too big for investment by ordinary people, it is divided into, say, 5,000 sub-units and offered for sale to small investors at, say, Rs. 10 per sub-unit. Anyone undertaking this type of investment service naturally arranges through participation, option and arrangement to have a large number of such units to be divided into thousands of sub-units before interesting the general public in group investments. Some of these sub-units will be taken by those who have agreed to give their shares in a pool. Others will be sold to the public. From the proceeds of sale will be made payment to those who have sold their shares to the pool. To meet expenses of pooling, placing and administration, there is a small difference between the price at which shares are bought for the pool and that taken into account in determining the price at which the units or sub-units are offered for sale.

"To give a sense of liquidity and security to the holders of these sub-units of investment, each purchaser gets a certificate showing the number of sub-units he holds and the composition of the unit of investment. He has interest in all the shares comprising the unit to the extent of the number of sub-units he holds. These certificates can be sold at any time the investor wants to convert them into cash. For temporary needs, they can be pledged to banks and money borrowed on their security. And for the safety of the assets a trust deed is registered, under which all the shares comprised in the units floated are kept with a respectable bank as a Trustee. The holder of the certificate should thus feel safe from possible fraudulent acts of individual custodians tampering with investments behind his savings.

"The people who start Investment Trusts usually form a joint-stock company whose business will be to manage the trust. The capital of the company need not be large. The shares are not left with such managing company but only with the trustee bank. For the role of such a trustee one of the topmost banks is selected. The managing company's main function is to carry on ordinary administrative work and to work as a jobber in buying and selling the certificates of the trust, so that the holder has fullest liquidity in converting them into cash. Expenses for the work done by such a company comes from the small difference between the buying and selling prices of the sub-units in the Investment Trust."

The main advantage of this scheme is that, since the management of the investments is in the hands of good and honest experts and the safety of the investments is guaranteed by the trustee bank, the dangers in equity investment to which an ordinary person is generally exposed are eliminated. No good bank will agree to be a trustee unless it is satisfied that there is nothing fraudulent in it. Added to this there are the advantages of liquidity and marketability. These together go to make the scheme attractive to small investors.

Buying Shares with Insurance Policy

A new and ingenious scheme, somewhat akin to the one described above, has been invented by two London insurance brokers in conjunction with the London and Manchester Assurance Company. This scheme enables those with an income of £1,500 or more a year to buy shares on a loan repayable by means of an endowment policy. Its salient features, as outlined in the *Financial Times*, London, are as follows:

"The applicant takes out an endowment policy payable after a certain number of years or on previous death and the amount assured is immediately advanced by the life office for investment in eligible securities. These securities must be chosen from a list comprising 160 investment trusts, eight unit trusts and Government stock with a maximum life of less than ten years; the list is subject to revision.

"A cash sum equal to one-third of the loan must be deposited with the life office, and this too will be available for investment in eligible securities. In the case of applicants already owning securities, these may be deposited in place of cash if they are of a calibre acceptable to the life office.

"The maximum loan which may be made is £10,000 or one year's income of the applicant, whichever is smaller. The endowment policy must be for a maximum of 20 years and must, in any case, run out before the applicant reaches the age of 65, unless he can show that his income will continue beyond that date. The life office will have the right to insist on a medical examination, but this may not always be necessary in the case of applicants under 55 when a sum of less than £2,000 is involved.

"Dividends on his investments will be paid to the policyholder from the outset, but the investments themselves will be registered in the name of the life office jointly with his own and will be held as security by the life office with a blank transfer form. Change of investments will be possible only with the permission of the life office and must involve no change in its security and no cost to it. The advance may be paid off at any time on payment of a redemption charge of six months' interest.

"The interest charged on the loan will be at a fixed rate of 6 per cent. This can be offset against income-tax and surtax like any other interest payment, and the premium paid will rank for ordinary life assurance relief against income-tax—2/5ths of the premium at 7*s.* 9*d.* subject to a statutory limit. When the policy matures or in case of previous death, all the securities are released."

In fine, the aforesaid scheme is akin to taking a loan from an insurer for building or buying a house.

The prudent man has been always eager to safeguard the value of his savings. Hoarding of gold and silver is still a popular method. If the vast majority of people in this country with limited means but from whose small savings should come the bulk of the necessary funds for the country's development should shake off their old habit and come forward to put their money to productive purpose, they should not only be taught the value of investments in their own interest and that of the country but also be shown the way of doing so. Schemes like those described above have much scope in India for harnessing the savings of the large number of small savers and channelling them into productive investments.

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INSURANCE AND THE ST. LAWRENCE SEAWAY

The building of the St. Lawrence Seaway which will eventually enable ships of up to 10,000 tons to travel from the Atlantic to the heart of the American and Canadian Middle West has involved insurers in numerous novel problems. Commenting on the British insurers' role in insuring risks connected with the Seaway, the *Review* of London observes:

"The British insurance market has already played an important part in providing the insurance all-risks covers needed by the contractors who built the dams and canals and other installations which make up the £160-millions channel. Some substantial sums of money were paid out under those covers. The Seaway will be operated jointly by Canadian and United States Government Agencies who will carry their own risks.

"The British marine insurance market has been concerned with the assessment of the risks involved in the 200-mile sea voyage 'west of Montreal' into the Great Lakes. These risks necessitate an additional premium and a scale of additional premiums is now in operation.

"Existing British marine insurance business on the Lakes has come mainly from two classes of ships—the lake steamers known as 'lakers' which up to now have been confined by their size to sailing on the Great Lakes, and the much smaller canal boats called 'canallers' which have been using the old 14-ft.-deep canal between Montreal and the Lakes.

"The Seaway now replaces that 14-ft. canal with a dredged channel 27 ft. deep and the 21 existing locks have been replaced by seven new ones nearly three times their length and twice their breadth. This means that lakers can now travel from the Lakes down to Montreal and may in time take away all the business from the canallers.

"The British market regards the Seaway as a novel risk, involving inland hazards which are not met on the Panama and Suez canals. The Seaway runs from Montreal to Lake Ontario through a complicated narrow channel, and underwriters hope that every ship using it will carry radar. There is also the risk of collision to be considered —particularly the danger of fog in the St. Lawrence Gulf and the Lakes. The difference in height between the two ends of the Seaway is 225 ft. and this means that there will be locks to cope with. The question of pilotage is now being considered by the Canadian and United States authorities and agreement has not yet been reached. But it is likely that pilotage will be compulsory for all non-Canadian and non-United States vessels.

"The first year of operation of the Seaway will be something of an experiment for no one knows how many ocean-going ships will take their own cargoes straight through the Seaway into the Lakes and how many will find it more economic to transfer their cargoes into lakers at Montreal. It is thought that ships carrying packaged freight may prefer to make the voyage themselves while ships carrying bulk cargoes like grain, ore and coal which can be easily handled with modern equipment will make use of the lakers. One thing is certain—that Montreal will expand considerably as a port. A five-year development plan is now under way there and other ports on the St. Lawrence Gulf will be enlarged, creating fresh demands for warehouses and the services of private utility companies."

CHEAPER EXPORT CREDIT INSURANCE

Export credit insurance in Britain is much cheaper today than it was three years ago. Disclosing this, Mr. R. A. Dickson, Director of the General Division of the British Export Credit Guarantee Department (E.C.G.D.), told a recent meeting of the London Chamber of Commerce that, over the past three years, premium rate for a fuller form of cover had been reduced by around 20 per cent. From 1st May this year, policyholders of three years' standing have been offered, on renewal of their policies, a further 5 per cent. rebate on premiums if they took out a new three-year policy in the place of the existing 12-month policy. The new three-year policy would relieve both the exporter and the Department of considerable paper work on the renewal of policies.

Referring to a proposed new scheme under which branch managers would be able to underwrite limits on individual buyers without the present need to refer to E.C.G.D.'s central records, Mr. Dickson said that the new system was being introduced progressively from June next, starting with 31,000 names covering E.C.G.D.'s ten largest markets. Cover on the individual buyer, he pointed out, was a fundamental and recurring operation in the short-term type of business and it was a most important step forward to bring this facility to the exporters' doorstep.

The E.C.G.D.'s local offices in London handled business worth £264 million in 1958-59, which is about 48 per cent. of all U.K. insured business, as compared with 40 per cent. a year ago. In the last financial year, the Department paid over £5 million in claims to London policyholders.

NEW PRODUCTS AND PROCESSES

Polyethylene Yarn for Rope-making

A NEW high-tenacity polyethylene yarn for manufacturing rope and cordage is now in full production at the Coventry works of British Celanese. Known as Courlene X3, the new yarn spun from Rigidex high-density polyethylene supplied by British Resin Products. Courlene X3 yarn is claimed to have several important advantages over conventional materials used in rope manufacture. It has a low specific gravity and ropes made from it are very light in weight. Ropes made from Courlene X3 are said to be very strong and to have good abrasion resistance, these characteristics being maintained over temperatures ranging from minus 70 degrees C. to plus 100 degrees C. The ropes do not absorb moisture, are unaffected by chemicals, oils and greases and are available in a range of colours. Because of the low density of the yarn, ropes made from it for marine use are buoyant and float in both fresh and salt water. They are thus more easily retrieved from the water and are less likely to foul propellers. Rope made from Courlene X3 is available from the Gourock Ropework Company and Lancashire Hill Rope and Twine Company.

Transistorised Buoy

The flashing lights on navigation buoys in harbours can be controlled by means of a vibrator system with no moving parts and very small power requirements by means of a new system which has been developed in the U.K. by the National Research Development Corporation. The operation of the system depends on the use of special free-running multi-vibrators and bi-stable multivibrators linked to a series of switches and amplifiers. The new system, for which a British patent application has been made, was developed by Trinity House in collaboration with the National Research Development Corporation. It uses considerably less power to operate than the conventional motor-driven flashers at present in use and could be adapted, it is claimed, for controlling other navigational aids which are intermittently operated, such as main lights in lighthouses and light vessels, and for fog signals.

Pill for Sunburn Sufferers

University of Pennsylvania medical researchers have announced the discovery of a new compound called Triamcinalone which has had a high degree of effectiveness in tests in relieving the pain accompanying severe sunburn. The university medical specialists said that in tests involving 14 persons with severe sunburn the compound, which is taken as a pill, brought most of the group complete relief from pain, chills and fever within 24 hours. The new compound is related to cortisone, the drug used in the treatment of arthritis and other inflammatory diseases.

Drug to Dissolve Blood Clots

The Ortho Pharmaceutical Corporation reports of the U.S. that it has developed a new drug called Actase for use in dissolving blood clots. The firm, a subsidiary of Johnson and Johnson, Company, says that the new drug may be used to dissolve clots blocking blood vessels leading to the arms and legs, a condition which can lead to gangrene, and also clots which have suddenly blocked arteries leading to the lung, a condition known as pulmonary embolism, which can be fatal.

Enzyme for Eye Cataract

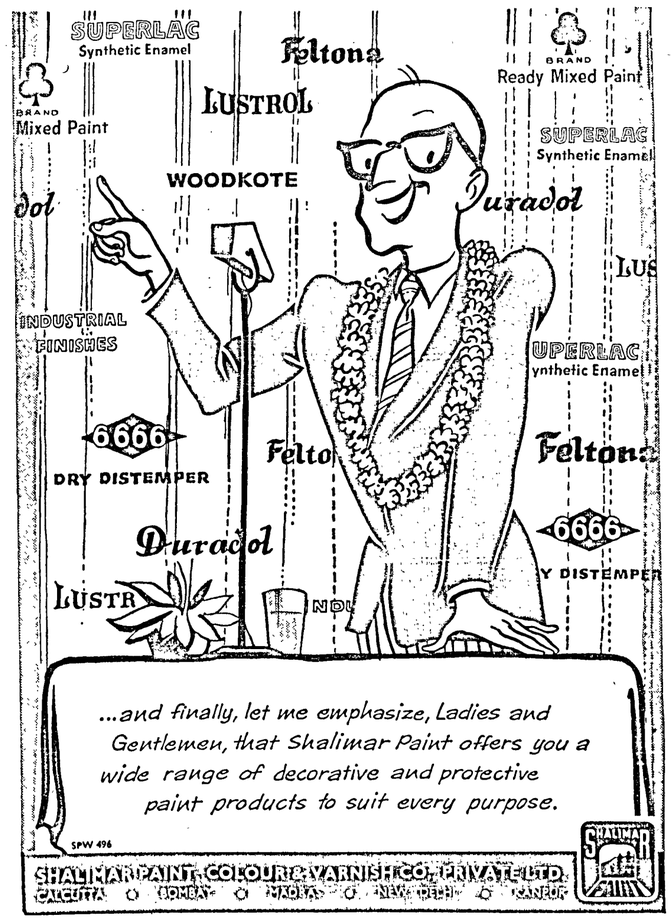
An enzyme compound substance that loosens cataracts of the eye so that they may be lifted out without risk of damaging the eye has been reported by the Armour Pharmaceutical Company, U.S. Cataracts are cloudy growths which cover the lens of the eye, impairing or blocking out vision. The Company said its new compound, called Alpha Chymar, safely softens and weakens the bands which hold the eye lens in place. The lens then disengages itself from a membrane, allowing the cataract to be lifted out.

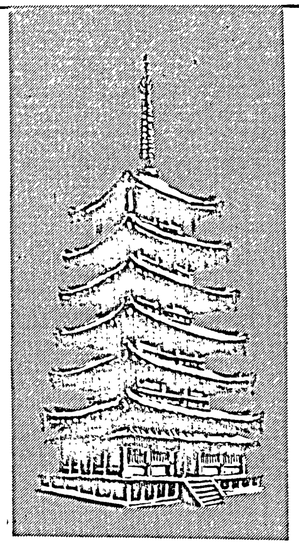
Porous Plastic

A porous plastic material said to have many possible uses is now being manufactured by Pritchett & Gold and E.P.S. Company, Dagenite Works, Dagenham Dock, Essex, U.K. Produced from high-density polyethylene, the material, called Vyon, is said to have already been found suitable for applications in air and liquid filtration and air "fluidised" powder conveying. Although Vyon is tough and flexible, it is also light and can be machined, welded and drilled. It is available in sheets up to 32 inches by 32 inches and from 0.03 inch to 0.2 inch in thickness and, say the makers, because of the ease with which it can be formed and welded these sheets can be used to fabricate items of a wide variety of shapes including tubes from ½ inch diameter. The permeability of Vyon is varied in manufacture to suit the particular application. Maximum permeability obtainable is said to be of the order of 50 cubic feet per minute per square foot with air at 0.25 lb. per square inch for a sheet ¼ inch thick.

New Radiator

A heating radiator of new design has been announced by Ideal Boilers and Radiators, Ideal House, Great Marlborough Street, London, W. 1. Called the Neoline, it consists of cast iron sections which can be made up to any length required. No matter how long, the radiator presents an unbroken line, top and bottom, and its appearance is of a single panel. The surface is fluted, forming vertical waterways of a simple and regular pattern and giving a wide angle of radiation. The radiator is available in three heights—18, 24 and 30 inches, the width of each section being 16 inches.





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TRENDS IN MANGANESE TRADE

S.T.C. HAS BROUGHT NO NET GAIN—COMPETITION FROM BRAZIL AND RUSSIA KEEN

THE drastic fall in the export of manganese ore in 1958 has been the central theme of three recent important pronouncements from the public and private sectors of our economy, that is, by the S.T.C. in its second annual report, by Mr. G. L. Bansal, Secretary-General to the Federation of Chambers of Commerce and Industry, in his letter to Mr. K. B. Lall, and, finally, by Mr. A. N. Haksar at the annual meeting of the shareholders of Shivrajpur Syndicate. At the beginning of 1958, it appeared that manganese trade was in for a crisis and, in the next few months that followed, the overseas markets, on which India depends for the sale of manganese, were hardly showing any interest in the offers made to them. The trade figures reveal a sharp fall in India's exports of manganese from 1.72 million tons in 1957 to 0.96 million tons in 1958, that is, a decline of nearly 50 per cent. This fall in offtake has forced a large number of mines to close down, while making others to curtail their output. As many as 127 mines, according to an official Press note, ceased operations in 1958-59.

A certain amount of fluctuation in India's production of manganese is inevitable, as the fortunes of the industry depend on world demand which itself varies from year to year. During the boom period in 1927, India's production of manganese was over one million tons and, in the depression that followed, it slumped to 250,000 tons. With the recovery of world trade, production increased to 750,000 tons in 1935-36 and to a million tons in 1937. During the war years, production fell year by year to a mere 200,000 tons in 1945, but, subsequently, with post-war reconstruction of Europe and the expansion of the American economy, it began to climb up to 1.5 million tons in 1951, round about which level it stayed put till 1957. But it fell sharply to 1.2 million tons in 1958.

There are several causes for the recent decline in manganese exports. They are quite complex and interwoven, but it is possible to isolate the chief ones, as Mr. Haksar has done. Broadly speaking, the decline in exports is due to three factors: (1) recent cyclical developments in the economies of Western countries, (2) Government's policy, and (3) fundamental changes which have taken place in world production and trade of manganese ore.

Dominant Influence of the U.S.

In order to appreciate the impact of cyclical forces, it should be borne in mind that manganese is essentially an export commodity, and internal consumption still constitutes only a small fraction of production. Though there has been a sizable growth in domestic offtake from about 50,000 tons in the pre-war years to a little above 200,000 tons in recent times, the major part of the output is still exported. Of this portion, the largest share is taken by the U.S., followed by Japan and other European countries including the U.K. The following statement gives the area-wise destination of India's exports of manganese ore to some of the important consumers over the past eight years:

(In '000 tons)

Year	U.S.A.	Japan	U.K.	France	W. Germany
1951 ..	480.6	168.9	101.8	31.6	139.0
1952 ..	930.6	30.7	139.5	45.5	148.1
1953 ..	1,099.9	104.9	158.6	66.0	96.0
1954 ..	642.4	87.8	150.0	66.2	54.6
1955 ..	612.9	95.5	108.4	149.7	29.3
1956 ..	598.0	201.5	112.6	129.1	47.2
1957 ..	791.8	103.5	126.2	212.3	73.1
1958 ..	378.9	113.3	79.6	110.1	46.2

It is, therefore, quite logical that changes in American economy should influence our manganese trade, especially when such changes affect the steel industry where manganese is used as a vital raw material. This is what precisely happened during the recent American recession, which affected the steel mills by early 1958. As a result of this, the U.S. steel industry reduced its intake of manganese ore and dug into its inventories, which had been built up for a higher production schedule. The U.S. monthly import figure of manganese from all countries given below shows the impact of the recession during January to October 1958, as compared with the average import of 258,000 tons for 1957:

U.S. imports, Manganese 35% and above

(In thousand tons)

Monthly average for 1957	258
January	326
February	225
March	254
April	224
May	204
June	187
July	200
August	145
September	210
October	158

Although recession in the U.S. was of a short duration, it was enough to weaken the market. The c.i.f. price of manganese 46/48 per cent., which disclosed a nominal range between $1.1 to $1.12 per long ton at the beginning of 1957, fell to $0.915 to $0.965 per long ton in late 1958. Steel production is now about 95 per cent. of capacity and, with this upturn, it can hopefully be expected the demand for manganese ore would revive, after the old stocks are exhausted, though it must be pointed out that, if the steel strike comes off this month on the expiry of the three-year wage contract, steel recovery would take a longer time to influence the manganese market.

Position in the U.K.

In the U.K., the impact of the recession was much less severe than in the U.S. In fact, it took the form of a de-stocking crisis, emanating from apprehensions of a very serious depression. Throughout 1957, the U.K.'s steel production was on the average well above 95 per cent. capacity. In 1958, when the decline set in, output fell from 93 per cent. of capacity in the first quarter to 75 per cent. in the last. Its impact on prices of manganese is shown below:

Manganese 46/48% per long ton c.i.f.

27-1-1958	108*d.*—113*d.*
3-3-1958	106*d.*—112*d.*
12-4-1958	100*d.*—112*d.*
26-5-1958	95*d.*—88*d.*
17-9-1958	84*d.*— 88*d.*
2-1-1959	77*d.**
10-3-1959	75*d.**
28-3-1959	70*d.**

* After abolition of export duty.

Government's Policy

As regards Government policy, it is very difficult to understand some of the important measures which have been taken in recent years, for, on the face of it, they are glaringly at variance with the basic objective of earning maximum foreign exchange to finance our Plans. Logically, in consonance with this aim, one would have expected the Government to initiate such steps as would lead to an expansion in their exports. But the enforcement of the new measures has acted as disincentives to trade.

First in the order of importance is the introduction of export control on minerals in 1956 through a system of quotas. These quotas were given to mine-owners, previous exporters and the S.T.C. Quotas for mine-owners were given on the annual average of the quantities of ores on which royalty was actually paid, excluding supplies to domestic consumption, during the calendar years 1953, 1954 and 1955. Mine-owners who had not renewed their leases after 31st December 1955, were disqualified, but they could, if they wished, export their material through quota-holders or through the S.T.C. The other category comprised the exporters who were given quotas on the annual average of the quantities of ores shipped by them in the basic period, i.e., 1953, 1954 and 1955. The effect of this rule was to wipe out newcomers to the field, however good their overseas connections and trading prospects were, and in their place was substituted the S.T.C., apparently on the theory that what the newcomers could do, the S.T.C. could do better.

The Government's decision to subject manganese ore exports to quota system suffers from a fundamental defect. The system of quotas belongs to the species of such measures as tariffs and exchange controls which are restrictive rather than expansive in character. They are resorted to by countries for protecting their industries, with the full realisation that, though undesirable, they are necessary at least so long as circumstances do not permit a return to free trade or near free trade conditions. But in India the quota system was introduced primarily to bring the S.T.C. into the scene and for giving it a good start. But, in doing so, the Government upset the chances of India getting a fair share in the world consumption of manganese which exporters free from controls would have striven to do. The Government thus ignored the need for earning as much foreign exchange as possible, in order to implement an ideological programme, namely, to bring the public sector into export business.

S.T.C.'s Achievements

It is not very clear what has been the *net* advantage in projecting the S.T.C. into the mineral trade, especially into the manganese trade, if "net" is taken to mean traditional exports *plus* what the trade could have exported without quota restrictions. The exports made by the S.T.C. have been based on sales arrangements with regular exporters such as the Central Provinces Manganese Ore, Shivrajpur and Sandur. If these sales *plus* those routed through the S.T.C. are deducted from its export figures, the net tonnage attributable to the S.T.C.'s own efforts is certainly not impressive. While it is true that the S.T.C. has concluded certain barter deals, it cannot be said that these have made any significant impression on our export trade. The overall performance during 1958 certainly does not bear this out. On the other hand, the operations of the S.T.C. may well be said to have had no encouraging results. To cite one example, mention may be made of the Sales Promotion Committee which it sponsored last year. The Committee settled the floor price of manganese ore for different grades, below which sales were not to be made. The floor prices on the average were higher than offerings from competitors. In fixing the floor prices, the S.T.C. apparently proceeded on two assumptions: first, that the demand for manganese ore is inelastic and, second, it is possible to influence production through the operation of the price mechanism. There can be no other explanation for pegging prices higher in a buyers' market. Unfortunately, facts do not support either of these assumptions.

Export Duty

Another Governmental measure that weakened the position of Indian manganese in the overseas markets was the imposition of export duty on manganese ore in August 1956 at the following rates:

Manganese 38/40%	Rs. 10.00 per ton.
Manganese 40/44%	Rs. 20.00 "
Manganese 44% and above ..	Rs. 30.00 "

The deleterious effect of the duty was at once seen in foreign markets, where it represented an impost of 45 shillings or $6.30 per ton of high grade material. It is said that the duty had the positive side of contributing Rs. 8 crores revenue to the Exchequer, but it must not be forgotten that it has helped India's competitors to strengthen their foothold in its traditional markets. It is true that the duty was

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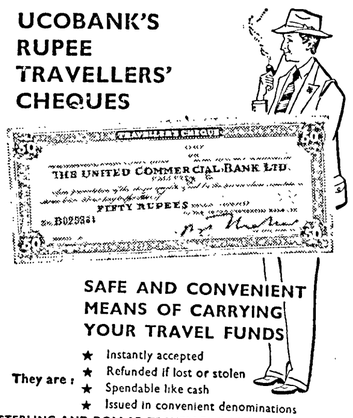

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abolished on 25th November 1958, but much damage had been done by then.

The third measure that adversely affected Indian manganese was the enhancement of railway freight from 1st October 1958. Here is a cross section of increases from some of the important mining centres to Bombay.

	Increase	
Nagpur to Bombay	40%	to Rs. 33.75 per ton.
Dolad to Bombay	35%	to Rs. 23.95 ,,
Londa to Bombay	31%	to Rs. 26.95 ,,

Incidentally, there has been lack of co-ordination between the Railway Ministry and the Commerce and Industry Ministry. Thus, while the latter Ministry had exempted manganese ore of low grade (below 38 per cent. content) from export duty, in order to encourage exports of low grade, the aforesaid increase in railway freights was made applicable to all types of ores. Thus, the encouragement given to low grade ore was nullified by the enhancement of freight rate. So long as the enhanced freight rates remain, it is worthwhile for producers and shippers to handle only high grade material rather than the low grade ore for the freight on both is the same.

If the setback in India's exports of manganese was due only to the recession in world trade and defects in Government policy, there would not be cause for undue pessimism. For both the factors are capable of improvement. Economic conditions in the U.S. and Western Europe have already tended to improve. Even the Government has, of late, been inclined to modify its policy. Thus, the Government has set up a Sales Promotion Council to advise it on stepping up production and exports of manganese ore. It has permitted mine-owners and shippers to enter into long-term contracts extending over a period of three years and has assured them that, in the event of a change in policy, they would not be deprived of their export and movement quotas. These steps, together with the abolition of the export duty in November last, suggest that the Government is prepared to learn from experience, though it is unwilling to change its basic policy of having its finger in the pie and of monopolising the major portion of it for itself.

Fundamental Changes

What gives rise to serious concern among the producers and shippers of manganese is the emergence of a new situation, developments of a more fundamental nature in the world trade of manganese. It would be best to set out the main facts, if only to bring the problem to its true focus.

America was and still is India's largest consumer of manganese ore, though India had not been its chief supplier before the war. This position was held by Russia, which emerged as a large-scale exporter of manganese ore in 1929, supplanting India from its leading position. From then on till the Second World War, it was the largest supplier to the U.S. There was disruption of Russia's trade during the war years, but, in 1947, it again became the leading supplier. The estrangement of political relations between the U.S. and the U.S.S.R., consequent on the cold war, however, altered that position. One result of this was the embargo placed by the U.S. on the export of strategic and critical materials to the U.S.S.R. which was followed by retaliatory measures by the latter. In 1948, the U.S.S.R. informed the U.S. that future shipments of manganese ore would be reduced to token quantities.

The Russian notification came at a time when stocks of manganese ore were at a very low level with the steel industry in the U.S. and the sudden stoppage posed a very serious problem both to the industry and the rearmament programme. Action was taken at a very high level, when, at the direction of President Truman, a high level inter-departmental Manganese Co-ordination Committee was set up and Mr. Jame Boyd, Director of the Bureau of Mines, became the Chairman of the Committee. The Committee inaugurated a world-wide programme to increase the supplies of this highly strategic commodity for consumption as well as stockpiling.

Brazil Comes Up

In consonance with this programme, the U.S. steel producers and the U.S. Government turned their attention to Brazil, which, during previous years, had been one of the important suppliers of manganese to the U.S., though its supplies were smaller in quantity as compared with India or the U.S.S.R. During these years, production of manganese in Brazil was largely confined to the deposits in Morro de Mira and Minas Gerias or in Bahia. But large reserves were located in remote areas in the State of Mato Gresso, near the Bolivian border, containing high grade manganese ore, and in Serra de Neview district in Amapa, estimated at more than 10 million tons. Investment by the Bethlehem Steel Corporation, supplemented by credits from the World Bank and Export-Import Bank, together with purchase arrangements with the General Service Administration, enabled the Amapa mines to come into production in 1957. Amapa has already produced nearly a million tons of high grade ore.

Following the example of the Bethlehem Steel, the U.S. Steel Corporation also began to explore the possibilities of developing manganese mines in Brazil. Negotiations from the Export-Import Bank for a 30 million dollar credit to assist in this development did not mature, due to the Brazilian Government withholding the approval of the project, but, subsequently, arrangements were made in 1957 "with the Brazilian holder of the mining concession in cooperation with the Bank of Brazil." Production in this area was scheduled to begin early in 1958 at the rate of 50,000 tons per year.

It may be mentioned here that the new Brazilian ores enjoy certain advantages over the Indian ores. First, these ores are of an unusually high quality. The Urucum deposits, for instance, are estimated to contain on the average Mn 45.6 per cent. and Fe 11.1 per cent, and Amapa Mn 36-48 per cent. and Fe 5.96 per cent. As compared with these, the Indian manganese has higher Fe content, which impurity reduces its quality. Secondly, Brazilian ores enjoy an advantage on freight, which, so far as India is concerned, is the Achilles' heel of the manganese trade. During the Suez crisis, the high freight rate had very severe repercussions and it is doubtful whether India could tide over another maritime crisis of the Suez magnitude.

Brazil has now established itself as a serious competitor to India in manganese trade, and threatens to outpace it, at least in the American market. It will be significant to note that, recently, the Brazilian Government announced a subsidy of 10 per cent. on manganese exports. India is precluded from taking any such action under the G.A.T.T. agreement. The effect of Brazilian competition on India's share in the U.S. market is shown below:

1958	*Imports into the U.S.* Short tons	*Share of* Brazil %	India %
January	326,064	24	39
February	224,980	29	34
April	224,045	24	17
May	204,944	31	27
June	187,523	20	11
August	145,500	28	29
September	210,411	16	17
October	157,609	30	10

Besides the emergence of Brazil as a rival to India, there has been a significant shift in Russian exports to the European and Japanese markets during the last few years, as a result of which India's sales to these areas have diminished. This is the result of the determined efforts made by the U.S.S.R. to push the sale of manganese ore through various arrangements in these markets ranging from trade agreements to barter deals.

The cold war can, therefore, be said to have given rise to the emergence of Brazilian competition in the U.S. market and the Russian competition in Europe and Japan. A series of trade agreements were concluded in 1958 between Russia, West Germany, France and Sweden, Italy and Japan. It is true that India has also concluded trade agreements with some of these countries, but the distinguishing factor is the preformance made or expected to be made with great certainty by Russia as compared with India.

Thrusts by Russia

In concrete terms, the thrusts made by the U.S.S.R. in some European countries are of great interest to Indian manganese trade. The U.K., for instance, has been one of India's traditional markets, to which substantial quantities are annually exported, ranging in the inter-war period from 150,000 tons to 250,000 tons. After the setback during the war years, India's exports to the U.K. revived and continued to increase from 1951 till the emergence of Russian competition in 1954 and from then on there has been a steady decline, except for a small increase (but smaller as compared with the U.S.S.R.) in 1957. The following table compared India's exports to the U.K. with those of the U.S.S.R. and Ghana:

(In thousand tons)

Year	*U.S.S.R.*	*India*	*Ghana*
1951	..	105	217
1952	..	140	204
1953	..	157	198
1954	126	130	139
1955	118	108	122
1956	146	113	136
1957	179	121	..

Russian competition has been even more effective in other European countries in which till recently India held a stronger position. This is particularly so in regard to West Germany, France and Norway.

It will also be interesting to note in this connection that both India and Russia have been competing in barters. Recently, a wheat-manganese ore barter deal was signed between the S.T.C. and the Commodity Credit Corporation of the U.S. involving 150,000 tons of manganese. Again, in a barter deal with France, 10,000 tons of manganese are to be exchanged for stainless steel. The Russians have concluded a barter deal with Japan for exchanging 9,000 tons of manganese ore with 1,300 silicon sheets and another 9,000 tons manganese against Japanese wire ropes.

Some structural changes have taken place in European trade and industry, with the formation of the European Common Market as a logical development of the European Coal and Steel Community. The repercussions of the merger of the Six—France, Belgium, West Germany, Italy, Luxembourg and Holland—on Indian manganese are not clear, though there is a possibility of some discrimination against Indian manganese ore in favour of ores from Belgian Congo and Morocco, both of which will enjoy a preferential tariff, being associated to the European Common Market as overseas territories.

A consideration of the immediate, as well as long-term, factors in world trade of manganese ore point to a gloomy picture for Indian manganese ore. This at any rate is the general feeling in trade circles today. More evidence of tangible results than a mere revival of economic activity in the western world is required to enable the traders to take a cheerful view of the future.

Long-term Outlook

There is, however, no cause for any undue pessimism. Going down to fundamentals, India has the largest reserves of manganese ore next to Russia and, uptil now, no adequate substitute has been found to displace manganese as a vital raw material for the steel industry. There is then the heartening prospect of steel output in Western countries and India going up further. It is Mr. Haksar's assumption that, if steel production reaches the targets forecast for 1970, the demand for manganese ore from the Western world will rise to 9.3 million tons from 6 million tons in 1957. But, in order to take advantage of this prospective increase in demand, it is pre-eminently desirable to put our house in order. During the representations made by the trade to the Government at various levels, the officials have pointed out that the trade and industry, aside from insisting on reduction of royalties and railway freight, have not come forward with constructive suggestions. This is surely too much to ask. The onus is on the Government now, since it has already occupied the "commanding heights" in the ore trade. If leadership is to come, it has, therefore, to be from the Government. The latter has to realise that it has taken on its shoulders the burden of developing the export trade in manganese ore. If it fails in discharging this heavy responsibility, it cannot blame the trade, in particular, and the private sector, in general.

The International Atomic Energy has issued a directory of power reactors now in operation or under construction in the various parts of the world. Directories of other types of reactors are being prepared. The directory presents important details of various power projects to help those interested in the peaceful uses of atomic energy either at the technical or management level. It includes 36 power reactor projects, 15 in the U.S., eight in the U.K., four each in France, and the Soviet Union, and one each in Belgium, Canada, Czechoslovakia, German Federal Republic and Sweden. All information in the directory is provided or reviewed by authorities in the countries concerned, and can, therefore, be considered as the best available today. It is planned to issue periodical supplements to keep the directory up-to-date.

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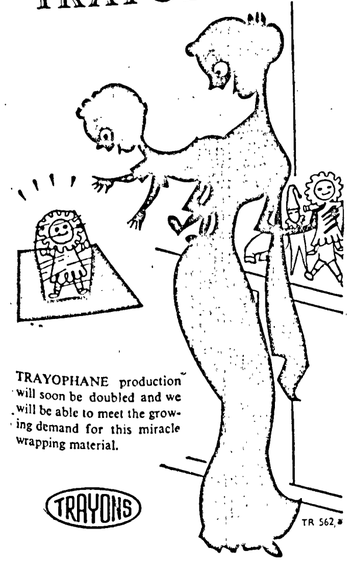

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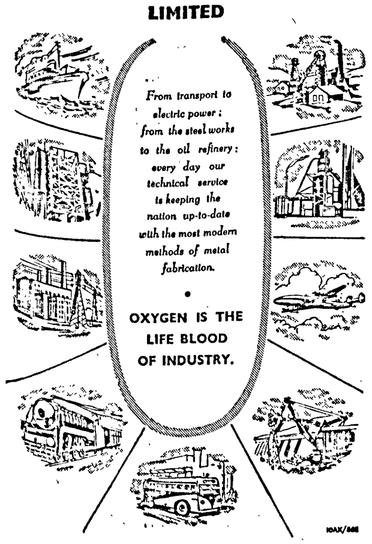

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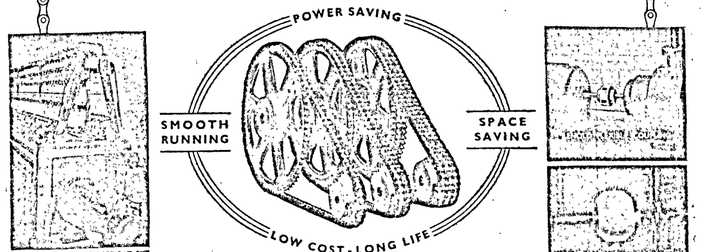

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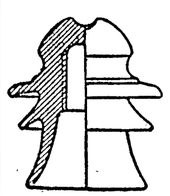

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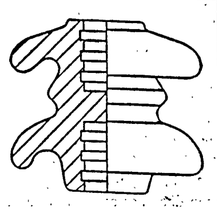

DIVIDEND OF INDIAN WOOD PRODUCTS CUT AGAIN

FINANCES SOUND—OUTLOOK LESS PROMISING

FOR the second year in succession, the Directors of the Indian Wood Products Company Ltd. (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) have recommended a cut in dividend by a lowering of the final distribution, the latest year for which this is to be done is the one ended 30th September 1958. Last year, the distribution was pruned from 30 per cent. paid in respect of each of the years 1954-55 and 1955-56 to 27½ per cent. by a reduction in the final from 20 per cent. to 17½ per cent. They have now recommended a further cut in the final dividend for 1957-58 to 15 per cent., thus making a total distribution of 25 per cent. for the year. This brings the dividend level back to that paid for 1952-53, on the present capital raised in March 1953 by the capitalisation of Rs. 5 lakhs from the reserves.

The lowering of the dividend for the year under review, however, is not in keeping with the trend of profit of the Company. For the gross profit is a shade higher at Rs. 16.66 lakhs, as compared with that of Rs. 16.45 lakhs earned in 1956-57 and of Rs. 16.48 lakhs in 1955-56. Similarly, the net profit, too, is a shade better at Rs. 5.35 lakhs, as against Rs. 4.84 lakhs for the preceding year. It will be interesting to note here that, despite the setback in the gross profit for 1955-56 from that for the preceding year, and a larger decline in net profit, the Directors had maintained the dividend at 30 per cent. for that year. This they did by drawing a small sum from the previous year's surplus. Subsequently, however, there has been no further recession in either gross profit or net profit of the Company. On the contrary, the net profit for either 1956-57, at Rs. 4.84 lakhs, or for 1957-58, at Rs. 5.35 lakhs, is better than that for 1955-56. If, however, the Directors have chosen to be on the cautious side and pruned the dividend for each of the last two years, it must be because of the heavy burden of super-tax on excess dividends. Secondly, the net profits for these years do not fully cover a 30 per cent. dividend. Thirdly, the outlook for the Company, at least for the current year, does not appear to be encouraging.

The distribution for the year under review is being done without any addition to the reserves, except for a small allocation of Rs. 7,325 to the development rebate reserve. In fact, no addition has been made to the general reserve for the last three years, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 30th September			
	1958	1957	1956	1955
Sale proceeds	49.58	46.16	41.81	41.81
Cost of manufacturing ..	30.36	27.29	22.88	20.39
Other expenses	2.81	2.95	2.52	1.33
Gross profit	16.66	16.45	16.48	20.24
Managing Agents' remuneration	1.63	1.58	1.07	2.13
Provision for—				
Depreciation	0.93	0.80	0.73	0.82
Taxation	8.75	9.23	9.99	7.31
Net profit	5.35	4.84	4.68	9.97
To reserves	0.07	..	..	3.00
Dividend..	5.00 (25%)	5.50 (27½%)	6.00 (30%)	6.00 (30%)
Carry forward	1.00	0.78	1.45	2.77

The sales show an improvement, thanks to the steady demand for the Company's products. But the rise in sales has been nearly offset by the increase in cost of manufacturing, solely due to the rise in extraction expenses in respect of khairwood from Rs. 16.28 lakhs to Rs. 21.81 lakhs.

The Company's latest balance-sheet shows a sound financial position. The paid-up capital of Rs. 20 lakhs, of which Rs. 8 lakhs has been raised by way of capitalisation of reserves, is supplemented by reserves and surplus aggregating Rs. 21.56 lakhs. The gross value of the block account is Rs. 21.45 lakhs, while its book value is no more than Rs. 4.75 lakhs, the total depreciation provided so far being Rs. 16.70 lakhs. The current assets amounting to Rs. 54.06 lakhs, including stocks of khairwood and manufactured goods of the value of Rs. 40.37 lakhs, are more than four times the current liabilities and provisions at Rs. 17.25 lakhs.

The outlook for the Company for the current year does not appear to be encouraging, as will be seen from the following extract from the Directors' report for the year under review:

"Recently, however, several new katha factories have gone into production and competition in this product has become more intense. Also, since the close of the year under review, there has been a noticeable decline in our cutch exports to the United Kingdom and the Continent, partly due to increased competition from the Far East and partly to less consumer demand from the fishing industry for cutch as a preservative. These factors, coupled with the fact that the price of khair trees is continually being raised by the State Government concerned, lead us to take a cautious view of the prospects for the ensuing year."

In view of the excellent financial position of the Company, its Rs. 10 paid-up shares command a substantial premium, the current market value being Rs. 40.62 *cum-div* (final). On an *ex-div.* basis and at the current rate of dividend, the yield on the shares works out to 6.4 per cent. per annum, free of income-tax.

SIRPUR PAPER TO ACQUIRE SIRSILK

The Directors of the Sirpur Paper Mills Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd.) have decided, subject to the sanction of the Controller of Capital Issues and the approval of the shareholders, to acquire Sirsilk Ltd., a Company under the same management, by purchasing the existing issued equity shares of the latter in consideration for the equity shares of the Sirpur Paper Mills to be issued out of the latter's unissued capital. In pursuance of this decision, they have offered to issue 628,492 equity shares of Rs. 10 each of Sirpur Paper in the ratio of two shares for every three equity shares of Sirsilk held as on 31st July 1959. The new shares will rank for dividend that may be declared for the year ending June 1960 and onwards. The Directors consider that it is in the best interest of both the Companies that Sirsilk should become the subsidiary of Sirpur Paper.

The authorised capital of Sirpur Paper as on 30th June 1958 is Rs. 8.85 crores, made up of 5.85 million ordinary shares of Rs. 10 each and 300,000 preference shares of Rs. 100 each. The issued capital is Rs. 2.91 crores, consisting of 2.20 million ordinary shares of Rs. 10 each and 70,926 6 per cent. preference shares. Out of the 1.2 million ordinary shares of Rs. 10 each issued by Sirsilk Ltd., 942,726 shares have been subscribed and paid-up. With the acquisition of these shares, the issued ordinary capital of Sirpur Paper will go up to Rs. 2.83 crores and the paid-up ordinary capital to Rs. 2.81 crores.

METAL BOX TO OFFER RIGHT SHARES

The Directors of the Metal Box Company of India Ltd. have decided to issue, with the sanction of the Controller of Capital Issues, which has been received, new ordinary shares to the existing shareholders in the ratio of two shares for every five now held by them. The rights issue, which will be made at par, will bring an additional capital of Rs. 46 lakhs. This will be used partly to finance the Company's modernisation and expansion programme and partly to reduce its borrowings. The Calcutta factory is being modernised and the old equipment, it is stated, will be used for producing diversified industrial components. A new factory will be set up in Delhi.

(Concluded from next column)

nary share. This is supplemented by reserves and surplus aggregating Rs. 36.84 lakhs. The outstanding secured loans, amounting to Rs. 22.03 lakhs as at the end of 1957, have all been wiped out, except a small sum of Rs. 90,180, while unsecured loans have gone up over the year from Rs. 16.94 lakhs to Rs. 18.91 lakhs. The other current liabilities and provisions stand reduced from Rs. 16.68 lakhs to Rs. 13.80 lakhs. The gross block, at Rs. 87.72 lakhs, has been written down to a book value of Rs. 32.69 lakhs. The current assets amounting to Rs. 63.27 lakhs cover the current liabilities and provisions by a large margin.

The Company has subscribed to the capital of the South India Viscose Ltd. to the extent of 3,000 shares of Rs. 100 each, on which a sum of Rs. 40 per share has been called and paid up. The Directors feel that this investment is in the general interests of the Company, as it will ensure the steady supply of a good measure of the Company's requirements of staple fibre at reasonable prices.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 210 *ex-div.*, at which rate and at the current rate of dividend, the yield works out to 5.7 per cent. per annum, free of income-tax.

VASANTA MILLS' PROFIT DOWN

DIVIDEND, HOWEVER, MAINTAINED

A FALL of Rs. 4.16 lakhs to Rs. 8.09 lakhs in gross profit is disclosed by the audited accounts of the Vasanta Mills Ltd. (Managing Agents: Messrs. R. K. Shanmukham Chetty and Bros., Coimbatore) for the year ended 31st December 1958. This is on top of a decline of Rs. 11.84 lakhs suffered in 1957, thus bringing the gross profit to nearly a third of that (Rs. 24.09 lakhs) earned in 1956 and to the lowest level since 1947. The setback in profit for the second year in succession is not surprising and only bears out the fears expressed by the Directors last year that the impact of several deterrent factors on the textile industry, in general, had tended to make the outlook uncertain.

The factors that have cumulatively contributed to the adverse results of the year under review are: (1) the decline in cloth prices to uneconomic levels; (2) prolonged labour trouble in the works of the Company's processors at Mettupalayam, accentuating the accumulations of grey cloth stocks and thus resulting in the blocking up of a sizable portion of useful working capital; (3) the high prices of Indian cotton and difficulties of obtaining them at ceiling prices having rendered the maintenance of a reasonable profit margin almost impossible; (4) a rise in operational cost due to addition to wage bill; and (5) a severe cut in power supply impeding the Company's efforts to obtain capacity production.

The decline in gross profit has resulted in a cut in Managing Agents' remuneration and provisions for depreciation and taxation. The net profit, after making these essential provisions, at Rs. 1.67 lakh, is less than 50 per cent. of that (Rs. 3.98 lakhs) for 1957. The Directors have set aside a small sum of Rs. 31,000 to the development rebate reserve, which had received Rs. 1.37 lakh out of the profit for 1957. This latter sum has now been transferred to the dividend equalisation reserve, as it was found that the creation of the development rebate reserve during the previous year was not statutorily necessary for the Company's claim of depreciation for that year. The balance of profit for 1958 available for appropriation is not enough, after paying the preference dividend, to cover even half the ordinary dividend paid for 1957. Nevertheless, the Directors have maintained the distribution at 12 per cent. per annum, to which level it had been reduced last year from 20 per cent. paid for each of the years 1955 and 1956. The shortfall in the amount required to repeat this dividend, after taking into account the small surplus from 1957, is made good by drawing Rs. 1.33 lakh from the dividend equalisation reserve. Probably, this is the first time in many years that the Directors have had to draw on the reserves to maintain the distribution to shareholders.

The progress of the Company's working in recent years is fully borne out by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	1,71.52	1,73.81	1,73.99	1,61.59
Closing stocks	20.41	30.23	18.97	12.93
Cotton, staple fibre and yarn consumed	1,06.26	1,20.40	1,09.55	1,02.15
Other expenses	49.56	52.82	46.80	40.62
Gross profit	8.09	12.25	24.09	18.53
Managing Agents' commission..	0.50	0.86	2.22	1.60
Provision for—				
Depreciation	3.57	4.70	7.00	4.63
Taxation	2.35	2.72	6.50	5.00
Net profit	1.67	3.98	8.37	7.25
To reserves	0.31	1.37	4.00	2.50
Transfer from reserves ..	1.33	..	..	..
Dividends—				
Preference	0.28	0.28	0.28	0.28
Ordinary	2.52 (12%)	2.52 (12%)	4.20 (20%)	4.20 (20%)
Carry forward	..	0.12	0.44	0.56

The trend of cost of cotton, staple fibre and yarn consumed and other expenses indicates that the Company's output must have been substantially lower. Sales, however, show only a small decline; this must have been due to the reduction in closing stocks of manufactured goods.

The Company's financial position, as seen from the latest balance-sheet, is quite satisfactory. The paid-up capital, at Rs. 25.50 lakhs, has remained unchanged since 1947, when it was raised from Rs. 11.50 lakhs by the capitalisation of Rs. 14 lakhs and the issue of bonus ordinary shares in the ratio of two shares for one ordi-

(Continued in previous column)

Points From the Chair

Outlook for Jute Industry

"ANOTHER factor of importance is that India, for the first time since partition, produced as much jute as she consumed and, from the financial point of view, market conditions were more favourable to the mills than they have been for a number of years. I am optimistic that the industry has turned the corner and that we can look forward to a continuance of these more favourable conditions. The Department of Agriculture of the Government of India and the Departments of Agriculture in the jute growing States are to be warmly congratulated on the results of their perseverance and constructive efforts to increase the weight of the jute crop. I understand that endeavours will now be made to improve the quality of the fibre."

—SIR JAMES JONES,
James Finlay & Co., Ltd.

International Tea Agreement

"There are only two means by which matters can be rectified at short notice and they are the renewal of the International Tea Agreement with the fixation of export ceilings for each country of production and the complete removal of all export duties. Both require Government action, and quite apart from the fact that the Governments concerned are unlikely to be willing to forgo the revenue involved in the latter expedient, it is by no means certain that even the entire elimination of duties would be sufficient to bridge the gap between costs and receipts in some cases. It would certainly not be a permanent remedy as it would provide no safeguard against a further falling away in the market. Regulation of exports, on the other hand, has all the virtues as, by this means, the industry can, without pain to the national exchequers of the countries concerned, be nursed through the period required to introduce the long-term cure, an appreciable increase of world consumption, an increase sufficient not only to absorb the further increase in production which can be expected in the coming years."

SIR JAMES JONES,
Consolidated Tea and Lands Co., Ltd.

International Tin Agreement

"It has become apparent that the provisions of the Agreement relating to the operations of the Buffer Stock Manager are far too rigid, in that they have obliged him to offer to buy tin at a publicised floor price thus rendering him vulnerable in his market operations. But what is of more importance is that the past year has shown a serious weakness in the Agreement, in so far as producing countries who are not participating in the Agreement have been maintained by the substantial financial support, and by the very severe curtailment of the exports of the producing countries who are parties to the Agreement. It has been demonstrated that, without the unequivocal adherence of Russia and the People's Republic of China, the present or any similar scheme cannot be anything but dangerous to the highest degree. Further, if these countries did purport to join in an International Tin Agreement, it is conjectural whether they would afford the necessary facilities for any international check designed to establish whether or not the provisions of the Agreement were being carried out."

E. D. SHEARN,
Malayan Chamber of Mines, London.

Prospects for Manganese Ore

"So far as we are concerned, I do not think that it can be anticipated that the demand for manganese ore will increase very much until stocks at consumers' works have been reduced and this will probably take some considerable time. Since the war the manganese ore industry has been in a fortunate position—steel production has steadily increased whilst there has been a shortage of manganese ore. This shortage was accentuated in our own particular case by the non-availability of sufficient railway wagons to move our ore to ports. During the past year this situation has changed, steel production has fallen; new deposits are now in operation and, consequently, there has been ample supply of manganese ore. I think the above summarises the present situation and sounds rather doleful, but all businesses have their ups and downs and I am confident that steel production will, over the years, continue to expand and that there will be a full demand for our ore, which has a world-wide reputation. The Company has adequate financial resources for its requirements, our mines are in good shape, and we are working in close collaboration with the authorities in India. They and we are most anxious to increase the export of ore and I have no doubt that, although deliveries so far this year have been rather moderate, these will gradually pick up as the steel industry recovers. It will, however, I think, require a little patience."

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

Incoming orders of the Federal German Republic's industry continue rising. From March to April this year, the total order book index went up by 11 per cent., as against an average seasonal setback of 4 per cent. in the five preceding years. From April last year to the same month this year, orders hiked by 26 per cent. The leader in this trend was the consumer goods industry (up 43 per cent.), followed by the investment goods industry (up 23 per cent.) and basic materials (up 21 per cent). Orders from abroad were 22 per cent. above the April 1958 level.

COMPANY MEETINGS AND DIVIDENDS

INDIAN WOOD PRODUCTS CO., LTD. Annual General Meeting, Calcutta, 29th June 1959. Dividend: Rs. 2.50 per share (includes interim dividend of Re. 1.00 per share. Transfer books remain closed from 19th to 29th June 1959, both days inclusive.

A. V. THOMAS & CO., LTD. Annual General Meeting, Alleppey, 29th June 1959. Dividend: 25 per cent. Transfer books will remain closed from 23rd to 29th June 1959, both days inclusive.

KALIGHAT-FALTA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 29th June 1959. Dividend: Transfer books remain closed from 15th to 29th June 1959, both days inclusive.

SAMASTIPUR CENTRAL SUGAR CO., LTD. Annual General Meeting, Calcutta, 29th June 1959. Transfer books will remain closed from 22nd to 29th June 1959, both days inclusive.

GANGANAGAR SUGAR MILLS LTD. Annual General Meeting, Jaipur, 29th June 1959. Transfer books will remain closed from 26th June to 14th July 1959, both days inclusive.

TUNGABHADRA INDUSTRIES LTD. Annual General Meeting, Calcutta, 29th June 1959. Dividend: *Nil.*

ORIENT ENGINEERING AND COMMERCIAL CO., LTD. Annual General Meeting, Calcutta, 29th June 1959. Transfer books remain closed from 20th to 29th June 1959, both days inclusive.

BOWREAH COTTON MILLS CO., LTD. Annual General Meeting, Calcutta, 29th June 1959. Dividend: *Nil.* Transfer books will remain closed from 22nd to 29th June 1959, both days inclusive.

DUNBAR MILLS LTD. Annual General Meeting, Calcutta, 29th June 1959. Dividend: *Nil.* Transfer books will remain closed from 22nd to 29th June 1959, both days inclusive.

ELGIN MILLS LTD. Annual General Meeting, Kanpur, U.P., 29th June 1959. Dividend: Re. 0.75 per share. Transfer books remain closed from 13th to 29th June 1959, both days inclusive.

TRAVANCORE CEMENTS LTD. Annual General Meeting, Nattakam, Kottayam, 10th July 1959. Dividend: 6 per cent. or Re. 0.60 per share. Transfer books remain closed from 20th June to 10th July 1959, both days inclusive.

PODAR MILLS LTD. Annual General Meeting, Bombay, 10th July 1959. Dividend: Rs. 18.00 per share (includes bonus), payable on and after 11th July 1959. Transfer books will remain closed from 23rd June to 10th July 1959, both days inclusive.

HERCULES INSURANCE COMPANY, LTD. Annual General Meeting, Calcutta, 10th July 1959. Transfer books will remain closed from 1st to 10th July 1959, both days inclusive.

SHREE SHAKTI MILLS LTD. Annual General Meeting, Bombay, 11th July 1959. Dividend: Rs. 6.00 per share (includes interim dividend of Rs. 5.00 per share). The final dividend is payable on or after the 13th July 1959. Transfer books will remain closed from 23rd June to 11th July 1959, both days inclusive.

METAL BOX CO. OF INDIA LTD. Annual General Meeting, Calcutta, 16th July 1959. Dividend: 17½ per cent. free of tax (includes interim dividend 6¼ per cent.).

MANAR ESTATES LTD. Dividend of 5 per cent. or Re. 0.10 per share, for the year ended 31st March 1959. Transfer books will remain closed from 26th June to 5th July 1959, both days inclusive.

BALANOOR TEA AND RUBBER COMPANY, LTD. Dividend of 15 per cent. or Re. 1.50 per share, for the year ended 31st March 1959. Transfer books will remain closed from 30th June to 6th July 1959, both days inclusive.

DEVON TEA AND PRODUCE CO., LTD. Dividend of 15 per cent. or Re. 1.50 per share, for the year ended 31st March 1959. Transfer books will remain closed from 30th June to 6th July 1959, both days inclusive.

PULLANGODE RUBBER AND PRODUCE CO., LTD. Dividend of 5 per cent. for the year ended 31st March 1959.

DECCAN SUGAR AND ABKHARI CO., LTD. Interim dividend of 7½ per cent. or Re. 0.37 per share, on the ordinary shares, for the year ended 31st May 1959. Transfer books will remain closed from 23rd June to 1st July 1959, both days inclusive.

RADHAKRISHNA MILLS LTD. Dividend of Rs. 6.00 per share, on ordinary shares of Rs. 100 each, dividend of Rs. 3.00 per share, on 'B' ordinary shares and Re. 1.50 per share, on 'C' ordinary shares, for the year ended 31st December 1958. Transfer books will remain closed from 21st July to 6th August 1959, both days inclusive.

COMPANY REGISTRATIONS

SPRIAX MARSHAL PRIVATE LTD. (First Director: Mr. J. N. Marshall.) Business: Iron founders, steam, mechanical and electrical engineers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Bombay-Poona, opposite Milestone No. 106, near Pimpri, Poona.

CHANDAN METAL PRODUCTS PRIVATE LTD. (First Director: Mr. C. M. Patel.) Business: Furniture makers, products of all kinds made of metal, wood, etc. Authorised capital: Rs. 25,00,000. Private company. Registered office of the Company will be situated in the State of Bombay.

DIXIE PRODUCTS PRIVATE LTD. (First Director: Mr. D. C. Chinai.) Business: Manufacture of flash welded chains, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 5A, Vulcan Insurance Building, Veer Nariman Road, Bombay-1.

NOTES FROM WEST GERMANY

COMPROMISE AT G.A.T.T. MEETING

(From A Correspondent)

COLOGNE, *12th June*

THE solution found by this year's Fourteenth G.A.T.T. Conference in Geneva for the problem of further liberalisation of W. German imports is a realistic compromise. It takes into account both the principles of G.A.T.T. and the fact that the Federal Republic has already a good and clean record of sizable import concessions granted unilaterally to its trading partners in the world. To achieve this compromise, the Federal Republic has made a very substantial contribution by conceding further liberalisation of its imports. Though, in the industrial field, present W. German import restrictions already are of relatively very small size and range, the number of industrial positions not yet fully liberalised will be further reduced from some 330 now to 166 by the end of a three years' standstill period agreed upon in Geneva. ("Protected" agricultural positions will be down from some 400 to 177.)

Undoubtedly, the new liberalisation moves, of which a large part will become effective on 1st July 1959, already put a heavy burden on the W. German industries affected, especially on those which have suffered from war destructions and post-war dismantling. Industries not yet under the full impact of 100 per cent. liberalisation *vis-a-vis* all G.A.T.T. partners include some parts of the textile, ceramics, optical and toys industries. In these fields, the question of whether and how import liberalisations already in force *vis-a-vis* O.E.E.C. partners should be extended to the other G.A.T.T. partners will be dealt with in bilateral talks between the Federal Republic and the interested countries.

When putting the just agreed compromise into proper perspective, three points should not be overlooked:

First, for G.A.T.T., the problem of the Federal Republic's import liberalisation was a problem of paramount importance: for the first time during the duration of the G.A.T.T. agreement one of its members heavily engaged in world trade could no longer avail itself of the only argument the G.A.T.T. Treaty provides for justifying the maintenance of import-quotas: a deficit in the balance of payments. The Federal Republic, in fact, through sound economic and monetary policies, has no such deficit. Only the United States has once been in a comparable position: when entering G.A.T.T., the U.S. had no balance of payments difficulties. Even so, the U.S. later managed to be granted an indefinite waiver for a large part of its agricultural imports.

Second, the Federal Republic already is a low-tariff country with little or no protection against unfair competition. It has lowered its import duties unilaterally and has generously opened its import doors to goods from abroad. During the last four years, for instance, overall W. German imports have increased by some two-thirds, while imports of final manufactured products increased a full two and a half times. It looks as if these important steps in the interest of free international trade have not always and everywhere been fully noticed abroad.

Third, free trade should be fair and mutual trade. While the Federal Republic has made very generous concessions in recent years, its exports partially encounter prohibitive import duties and trade barriers as high as ever. Here again, it looks as if the principle of mutuality which should govern international tariff and liberalisation policies has not always been honoured.

Wages in West Germany have risen faster than productivity. Production per man (wage and salary workers) increased by 41 per cent. from 1950 to 1958, while gross pay per man rose by 69.5 per cent. In recent years, there was a marked slow-down of productivity rises. Rates of increase were down to 2.1 per cent. in 1956-57 and picked up only slightly to 2.7 per cent. in 1957-58. Gross pay per man, however, rose 4.3 per cent. (1956-57) and 6.2 per cent. (1957-58).

West Germany's chemical industry spent 10 million DM in 1958 to promote science and research. Company research and development programmes, as well as specially earmarked funds for research projects, are not included in this sum. One-third of the total expenditure went into the assistance fund of the chemical industry promoting better schooling and university education as well as chemical scientific publications.

SYNOPSES OF COMPANY REPORTS

Jyoti Ltd.

THE directors of the above Company (Chairman: Mr. Nanu B. Amin, Baroda) submit the audited accounts of the Company for the year ended 31st December 1958.

The net profit for the year after providing for Rs. 2,51,216 (Rs. 1,67,311) by way of depreciation and also after charging Rs. 1,62,852 (Rs. 57,528) by way of development rebate is Rs. 11,68,288 (Rs. 10,82,670) from which a provision for taxation of Rs. 6,30,000 (Rs. 6,00,000) has been made. The balance left is Rs. 5,38,288 (Rs. 4,82,670) to which should be added a sum of Rs. 31,105 (Rs. 23,870) being the balance brought forward from last year making a total of Rs. 5,69,393 (Rs. 5,06,540) which the directors recommend should be dealt with as follows:—

To transfer to general reserve Rs. 1,42,472 (Rs. 46,818), to transfer to gratuity fund Rs. 50,000 (Rs. 50,000), to payment of dividend for the year ended 31st December 1958 at the rate of 12 (12 per cent. on old capital) per annum, free of income-tax absorbing Rs. 3,03,535 (Rs. 2,28,617), to transfer to rehabilitation reserve Rs. 50,000 (Rs. 1,50,000) and to reserve for doubtful debts Rs. 20,000 (*nil*) leaving a balance to be carried forward to next year's account of Rs. 3,386 (Rs. 31,105).

With the transfer of Rs. 50,000 to the gratuity reserve this year the total reserve comes to Rs. 1,75,000; it is proposed to continue making allocations annually to build up the necessary fund for the purpose.

The sales of the Company's products crossed 1 crore mark, increasing from Rs. 91.67 lakhs in 1957 to Rs. 110.58 lakhs in the year under report.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Gross block	43,60,233
Reserves ...	14,31,527	*Less*—Depreciation ...	15,31,953
Provision for taxation ...	12,55,375		28,28,280
Liabilities ...	37,81,608	Net block	
Profit ...	3,386	*Plus* net appreciation on revaluation	7,48,675
			35,76,955
		Stock-in-trade	34,95,433
		Stores ...	96,548
		Debts, deposits and advances ...	21,38,383
		Investments	1,54,793
		Cash ...	9,779
Rs.	94,71,896	Rs.	94,71,896

Elgin Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Private Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th September 1958.

The results for the year, after making the usual provisions for depreciation and taxation, show a profit of Rs. 8,21,081 (Rs. 19,35,777), to which has been added the amount brought forward from the previous year of Rs. 75,531 (Rs. 78,754) making a total of Rs. 8,96,612 (Rs. 20,14,531). From this amount has been deducted the following amount:—To rehabilitation reserve [including reserve for development rebate Rs. 2,14,000 (Rs. 2,52,217)] Rs. 2,50,000 (Rs. 3,00,000) leaving at credit of profit and loss account Rs. 6,46,612 (Rs. 8,14,531 after transferring Rs. 9,00,000 to general reserve). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend on the preference shares of 8 per cent. per annum for the year ended 30th September 1958 absorbing Rs. 88,000 (Rs. 88,000), in payment of a dividend on the 'B' preference shares of 5 per cent. per annum, free of income-tax, for the year ended 30th September 1958 absorbing Rs. 21,000 (Rs. 21,000) and in payment of a dividend at the rate of Re. 0.75 (Re. 1.00) per share for the year ended 30th September 1958, on the vendors and ordinary shares absorbing Rs. 4,72,500 (Rs. 6,30,000) leaving to be carried forward to next account Rs. 65,112 (Rs. 75,531).

The results for the year under review reflect the extremely difficult trading conditions in which the entire Indian cotton textiles industry has been working, and in the circumstances may be considered not unsatisfactory. Since the close of the financial year under review, trading conditions have somewhat improved. Measures have also been taken by Government to encourage exports by the industry. It remains to be seen whether they are adequate to achieve the desired results, but as a substantial part of the Company's production is exported, the trading results for the current year are expected to show an improvement on those for the year ended 30th September 1958.

A sum of Rs. 2,50,000 out of the profits for the year under review has been transferred to rehabilitation reserve in pursuance of the Board's policy as stated in last year's report to conserve the Company's resources for maintaining the Company's plant and machinery in a high state of efficiency. A sum of Rs. 5 lakhs has been transferred from rehabilitation reserve to capital reserve in respect of expenditure incurred during the year. It will be observed that the present commitments of the Company on account of capital expenditure are estimated at Rs. 2 lakhs. In view of the need to maintain the Company's competitive power at a high level in market conditions which require increasing diversification of production, the directors have under constant review the purchase of new plant and machinery. A provision of Rs. 3,50,000 has been made in the accounts for gratuity to workers.

As reported to the shareholders last year, the trading results of the Company's subsidiaries in Bombay were adversely affected by the abnormally unfavourable trading conditions which developed into a crisis for the cotton textiles industry following the heavy increases in excise duty enforced from 1st September 1956. The provision of fresh capital for those Companies of which Shri Haridas Mundhra continued to be the chairman, represented by the calling-up of uncalled share capital aggregating Rs. 20 lakhs (referred to in last year's report), did not suffice to restore their financial stability. The directors sought offers for the Company's shareholdings in the subsidiaries, but no acceptable offer was received. The Company accordingly raised no objection to the sale by Calico Processors Ltd. of the block assets of that Company, and they were disposed of during the year. The Company has in consequence recovered the loan of Rs. 10 lakhs previously advanced to it. There being no prospect of improvement in the affairs of Shree Madhav Mills Ltd., the Company has submitted an application, which is before the Bombay High Court, for the liquidation of Shree Madhav Mills Ltd.

The directors estimate that a heavy loss will be sustained by the Company on the investments in the Bombay subsidiaries, which had been made at the instance of Shri H. D. Mundhra. In view of the expected heavy loss the directors have deemed it prudent to create a reserve of Rs. 85 lakhs by transfers from capital reserve and general reserve to investment reserve. In the meantime they continue, in consultation with solicitors, to take all possible action to minimise the loss which may ultimately fall on the Company.

The sum of Rs. 1,00,000 included in the item of Rs. 3,83,513 shown under loans and advances and considered as doubtful refers to an advance made under suspicious circumstances. The whole matter is sub judice being the subject matter of a pending criminal case. Full recovery of the secured loan of Rs. 20 lakhs from a subsidiary is dependent on realisation of sufficient funds and sale of the security.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	78,20,000	Gross block	1,73,56,243
Reserves ...	1,08,20,021	*Less*—Depreciation ...	1,48,68,839
Provision for taxation ...	10,25,023		
Liabilities ...	1,09,47,545	Net block	24,87,404
Profit ...	65,112	Work-in-progress ...	20,579
		Stock-in-trade ...	1,26,89,820
		Stores and spare parts	9,90,940
		Debts, deposits and advances ...	53,15,572
		Investments	86,48,666
		Cash ...	5,24,720
Rs.	3,06,77,701	Rs.	3,06,77,701

Dunbar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show, without providing for depreciation a profit of Rs. 2,74,958 (loss of Rs. 5,65,158) to which has to be added the amount transferred from general reserve Rs. 80,000 (*nil*), making a total of Rs. 3,54,958 (debit of Rs. 5,65,158). From this amount has to be deducted the debit balance brought forward from previous account of Rs. 1,86,409 (credit of Rs. 3,50,335), provision for development rebate reserve fund Rs. 82,700 (*nil*) and workers bonus for the year 1955 Rs. 74,014 leaving a credit balance of Rs. 11,835 (debit of Rs. 1,86,241 after transferring Rs. 28,581 from reserve for taxation), which the directors recommend should be carried forward to the next account.

The period under review has been very difficult for cotton textile industry in general and the mills of West Bengal in particular. The duty on consumption of electricity imposed by the Government of West Bengal has brought an additional liability on the Company of over rupees one lakh per annum.

Further, the findings of the Tribunal appointed by the Government of West Bengal to review the case of the cotton textile industry as a whole, came into effect from 10th July 1958 according to which, there has been an increase of Rs. 8 in the basic wage and Rs. 2.50 in dearness allowance per worker without any corresponding increase, in the productivity.

During the period under review a sum of Rs. 20,48,464 which is 22.16 per cent. of the total sale value of the mills' cloth for the year, was paid by the Company as excise duty.

Since the close of the financial year the quantum of offtake of cloth in the country has shown some improvement and it is hoped that the situation in the industry will further improve in the near future.

Depreciation for the year as well as in respect of the previous years could not be provided because of inadequacy of profits.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,00,000	Gross block	1,42,94,130
Debentures	25,00,000	*Less*—Depreciation ...	70,89,172
Reserves ...	26,19,816		
Liabilities ...	97,07,444	Net block	72,04,958
Profit ...	11,835	Block-in-progress ...	39,069
		Stock-in-trade	57,91,443
		Stores, etc.	16,26,231
		Debts, deposits and advances ...	18,80,365
		Investments	57,576
		Cash ...	89,101
		Debenture issue expenses ...	50,352
Rs.	1,67,39,095	Rs.	1,67,39,095

Bowreah Cotton Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show after incorporating the loss of Rs. 1,84,835 on sale of fixed assets and without providing for depreciation a loss of Rs. 1,52,652 (profit of Rs. 1,16,501) from which has to be reduced the credit balance brought forward from the last account of Rs. 1,17,244 (Rs. 743) leaving a debit balance of Rs. 35,408 (credit of Rs. 1,17,244) which the directors recommend should be carried forward to the next account.

The period under review has been very difficult for cotton textile industry in general and the mills of West Bengal in particular. The duty on consumption of electricity imposed by the Government of West Bengal has brought an additional liability on the Company of over Rs. 1 lakh per annum.

During the period under review a sum of Rs. 37,38,570 which is 24.87 per cent. of the total sale value of the mills' cloth for the year, was paid by the Company as excise duty.

In order to meet the increasing cost of production it has been proposed to modernise the spinning and preparatory departments by the installation of new machinery and by conversion of some of the existing machinery to high draft systems, for which orders have been placed.

Depreciation for the year as well as in respect of the previous years could not be provided because of inadequacy of profits.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,00,000	Gross block	1,20,17,488
Reserves*	1,14,529	*Less*—Depreciation ...	47,02,846
Liabilities ...	1,43,27,608		
		Net block	73,14,642
		Stock-in-trade	70,53,137
		Stores, etc.	16,62,707
		Debts, deposits and advances ...	17,69,927
		Investments	52,603
		Cash ...	1,66,309
		Debenture issue expenses	22,812
Rs.	1,80,42,137	Rs.	1,80,42,137

*Reserves are shown after deducting a sum of Rs. 35,408, being the debit balance in the profit and loss account.

Basanti Cotton Mills Ltd.

The directors of the above Company (Managing Agents: The Calcutta Agency Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The total sales inclusive of excise duty during the year had been for Rs. 83,34,246, against Rs. 74,18,365 of the previous year. The Company, however, could earn gross profit of only Rs. 3,54,099 against Rs. 7,12,525 of the previous year.

The working result of this year has been much affected due to imposition of heavy excise duty towards the end of the previous year which could not be fully recovered from the market, and payment of increased wages as per award of the Second Tribunal since July 1958. As a result of the imposition of such high excise duty and payment of increased wages the profit of this year has been affected adversely. The directors in the circumstances have to be very cautious and to conserve cash resources of the Company to meet future emergencies.

The net profit for the year together with the profit brought forward from the previous year and refund of taxes on account of excess provision made for the year 1955, 1956 and 1957 aggregate Rs. 1,87,868 (Rs. 4,73,605). Out of this amount the development rebate of Rs. 12,586 (*nil*) and provisions made for wealth-tax Rs. 12,500 (Rs. 12,500) and income-tax Rs. 15,000 (Rs. 2,10,000) being deducted, the balance available amounts to Rs. 1,47,782 (Rs. 2,51,105). The directors recommend that this amount be utilised as follows: To payment of dividend at 5 (6) per cent. [50 (60) nP per share] tax-free on 1,50,000 ordinary shares absorbing Rs. 75,000 (Rs. 90,000) and to payment of dividend at 6¼ (6¼) per cent. [62.5 (62.5) nP per share] tax-free on 50,000 cumulative preference shares absorbing Rs. 31,250 (Rs. 31,250) leaving a balance to be carried forward of Rs. 41,532 (Rs. 1,14,855 after transferring Rs. 15,000 to general reserve).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Gross block	39,15,585
Debentures	7,00,000	*Less*—Depreciation ...	25,08,902
Reserves ...	3,15,002		
Provision for taxation ...	15,000	Net block	14,06,683
Provision for wealth tax	12,493	Stock-in-trade	22,26,322
Liabilities ...	23,02,543	Stores, etc.	3,66,728
Profit ...	41,532	Other assets	3,040
		Debts, deposits and advances ...	1,24,256
		Investments	11,60,244
		Cash ...	99,297
Rs.	53,86,570	Rs.	53,86,570

Runglee Rungliot Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a profit of Rs. 98,364 (Rs. 31,512). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 18,653 (*nil*) from depreciation reserve and a transfer of Rs. 18,000 (*nil*) to building and machinery reserve, there is a balance at the credit of the profit and loss account amounting to Rs. 65,523 (Rs. 45,362). The directors recommend that a dividend of 30 (25) per cent. be declared at the annual general meeting, leaving Rs. 23,523 (Rs. 10,362) to be carried forward.

Tea crop was 1,96,080 lbs. as compared with 1,56,960 lbs. in 1957. The average selling price realised was Rs. 3.45 per lb. as against Rs. 3.49 per lb. in the previous year. Planted area remains at 341 acres. Estimates for 1959 provide for a crop of 1,76,000 lbs. at an outlay of Rs. 5,51,760, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,40,000	Gross block ...	4,43,690
Reserves ...	5,01,000	*Less*—Depreciation ...	2,07,285
Provision for taxation ...	1,61,389		
Liabilities ...	1,03,774	Net block ...	2,36,405
Profit ...	23,522	Stock-in-trade	1,64,659
		Stores and supplies ...	45,615
		Debts, deposits and advances	53,512
		Investments ...	2,25,146
		Cash	2,04,349
Rs.	9,29,686	Rs.	9,29,686

Okayti Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts disclose a working profit of Rs. 2,44,534 (Rs. 1,930). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 35,147 (*nil*) from depreciation reserve, there is a balance at credit of that account amounting to Rs. 1,95,044 (Rs. 11,973) of which the directors have transferred Rs. 37,500 (*nil*) to hail reserve, Rs. 50,000 (Rs. 10,000) to revenue reserve, Rs. 50,000 (*nil*) to buildings and machinery reserve and Rs. 1,500 (*nil*) to development rebate reserve. The directors recommend that dividends on preference shares at 7 per cent. for seasons 1956, 1957 and 1958 and a dividend of 32½ (*nil*) per cent. on ordinary shares for season 1958 be declared at the annual general meeting, leaving Rs. 13,044 (Rs. 1,973) to be carried forward.

Tea crop was 1,79,694 lbs. as compared with 1,49,376 lbs. in 1957. Unfavourable climatic conditions, hail damage and the ravages of pests and blights are estimated to have resulted in the loss of 8,000 lbs., 9,000 lbs. and 12,000 lbs. made tea respectively. The average selling price was Rs. 4.80 per lb. as against Rs. 3.90 per lb. in the previous year. Planted area remains at 505 acres.

Estimates for 1959 provide for a crop of 1,80,000 lbs. at an outlay of Rs. 6,32,244 including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,000	Gross block ...	4,70,736
Reserves ...	2,11,500	*Less*—Depreciation ...	2,49,237
Provision for taxation ...	88,126		
Liabilities ...	1,48,648	Net block ...	2,21,499
Profit ...	13,044	Stock-in-trade	76,668
		Stores and supplies ...	34,323
		Debts, deposits and advances	39,279
		Cash	2,39,544
Rs.	6,11,318	Rs.	6,11,318

Highland Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) submit the audited accounts of the Company for the year ended 31st December 1958.

Crop—Tea	Estimate, 1958	Crop secured 1958	Crop secured 1957
Pasupparai	Lbs. 4,50,000	Lbs. 5,06,500	Lbs. 5,04,600
Carady Goody	6,80,000	7,05,200	7,06,400
Total ..	11,30,000	12,71,700	12,11,000

DUNLOP RUBBER COMPANY LIMITED

RECORD TURNOVER—CHAIRMAN'S REVIEW

THE Sixtieth Annual General Meeting of the Dunlop Rubber Company, Ltd., was held in London on 8th June 1959.

Mr. G. E. Beharrell, Chairman, in the course of his speech, said: "In 1958, the volume of goods sold by the Group increased by about 7 per cent. and turnover by 5 per cent. to a record total of £243 million. Profit margins, however, were adversely affected by price reductions and wage increases which were only partly offset by lower commodity prices. Our earnings also suffered quite a considerable reduction in terms of sterling by the depreciation of local currencies in France and Brazil: otherwise, our profit figures would have established a record. On the other hand, a small reduction in our profit before tax has been more than offset by the substantially lower taxation charge under various heads which are referred to in the Directors' report. The Group profit after tax is the highest so far achieved.

"Following the more realistic profits tax basis introduced in 1958 your Board welcomes the relief given by the Chancellor this year in reducing the standard rate of income-tax and reintroducing investment allowances. The latter, of course, are of benefit only in the future. We appreciate these taxation reliefs, not only because they help your Company but also because we hope they mark the beginning of the end of high taxation following the last war and will lead to further expansion of the country's economy.

Operations in United Kingdom

"Although our turnover in the United Kingdom has shown a satisfactory increase of 7 per cent., the actual profit from the United Kingdom section of our activities was lower than in 1957. This may have surprised many of you in view of the high level of activity of the British motor car industry. Perhaps, I might clarify what effect this has on your Company. Our sales of car tyres to the British vehicle manufacturers are of great importance to us. Original equipment business, however, in general is highly competitive and margins are low, so the direct contribution to profit, even with the industry itself active, is relatively small. We have established the productive capacity with corresponding overheads to cater for the greater part of this business in the United Kingdom, and so, whilst profits in times of great activity are not large, losses in times of reduced activity can be serious, as was the case in the year 1956.

"It is also appropriate, in connection with 1958, to mention that whilst the motor car industry was buoyant the commercial vehicle and cycle industries were passing through a period of reduced activity. Consequently, on balance there was little change in our total original equipment business in comparison with 1957.

"Before leaving our United Kingdom affairs, and in particular our profit position, there is one further matter to which I would like to refer, namely, the technical and development work which the United Kingdom organisation carries out on behalf of the Group. Naturally, we receive useful contributions from our overseas subsidiary companies for this work, but these contributions fall far short of the actual cost to the parent Company. Last year, the Group spent almost £2½ million under the heading of research and development. In addition, there were heavy initial production costs in connection with new products, all of which were borne by the home side of the business.

"I have already made reference to the effect of changes in exchange rates on profits expressed in sterling, but even allowing for this the overall picture of our overseas activities for the year was most encouraging. Turnover and profit were both higher and a greater proportion of the Group profit was contributed from this source.

Capital Expenditure

"Group capital expenditure during 1958 totalled £13 million, £4 million of which was in the United Kingdom and £9 million overseas. The new factories in France, India and Rhodesia largely account for the increased overseas expenditure compared with 1957. The capital expenditure of £4 million in the United Kingdom is still high and it must not be stinted for the sake of overseas interests. It is vital for us to modernise plant and equipment if we are to remain competitive.

"I should like, on your behalf, to express appreciation and thanks to all employees—management, staff and operatives—whose combined efforts have contributed so much to the success of the Company during the past year. The accumulated knowledge and experience of all these employees is of inestimable value to the Company.

"The Company takes pride in its reputation for good employee relations and for considering each employee as an individual person. This is an intangible asset we all work to safeguard. It has been built up over many years and has in some measure been due to the adoption of joint consultation at all levels as a necessary part of management in a highly competitive business."

The report and accounts were adopted.

The total tea crop of 12,71,700 lbs. harvested during the year against 11,30,000 lbs. estimated is satisfactory which, in comparison with last year's crop is more by 60,700 lbs. The f.o.b. cost for the year was Re. 1.28 per lb. as against the estimated figure of Re. 1.22 and the all-in-cost was Re. 1.54 per lb. as against last year's figure of Re. 1.42. The net average sale price realised was Re. 1.83 per lb. as against Re. 1.72 for last year. The increase in cost is due to the increase in wages, staff emoluments, etc., and the better prices realised have to some extent compensated for the increase in costs of production.

Cardamom.—The quantity of cardamom harvested during the year amounted to 11,146 lbs. as against 8,121 lbs. in the previous year. The cost of production for the year was maintained at the previous year's figure of Rs. 5.11 per lb. and the average sale price realised was Rs. 7.43 per lb. as against Rs. 8.43 for 1957.

The net profit for the year amounted to Rs. 2,60,875 (Rs. 1,64,438) after providing for depreciation on buildings, machinery, etc., and after reserving a sum of Rs. 3,500 (*nil*) towards development rebate and a sum of Rs. 2,30,000 (Rs. 2,45,000) for income-tax. This profit, together with the amount brought forward from previous year of Rs. 48,584 (Rs. 37,146) makes a total of Rs. 3,09,458 (Rs. 2,01,584). Out of this, a sum of Rs. 9,000 (Rs. 9,000) towards first half-yearly preference dividend for 1958 has already been paid, and a sum of Rs. 9,000 (Rs. 9,000) has been provided for payment of second half-yearly preference dividend for 1958, leaving a balance of Rs. 2,91,458 (Rs. 1,83,584) available for distribution which the directors recommend be disposed of as under:—

To payment of a dividend of 15 (7½) per cent. for 1958 on equity shares absorbing Rs. 2,70,000 (Rs. 1,35,000) and to carry forward Rs. 21,458 (Rs. 48,584).

Estimates for 1959 provide for a tea crop of 11,30,000 pounds (4,50,000 pounds from Pasuparai Estates and 6,80,000 pounds from Carady Goody Estates) and 11,000 pounds of cardamom from Carady Goody Estates.

General.—The prices fetched by the Company's teas in auctions at Cochin have been better than what they were last year. As quality teas fetch better prices at present, special attention is being paid in turning out improved quality of tea at the factories. This accounts partially for the improved prices obtained for the Company's teas during the year. The estates of the Company have been regularly visited and are reported to be in excellent order and condition.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Gross block	30,13,231
Reserves ...	9,34,043	*Less*—Depreciation ...	6,39,976
Provision for taxation ...	2,68,823		
Liabilities ...	4,74,551	Net block	23,73,255
Profit ...	21,458	Stock-in-trade	2,37,014
		Stores and spares ...	1,06,341
		Estate nurseries ...	57,589
		Debts, deposits and advances ...	2,19,534
		Investments	4,15,625
		Cash ...	3,89,517
Rs.	37,98,875	Rs.	37,98,875

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

Notices

STATE BANK OF INDIA

NOTICE

WITH REFERENCE TO THE NOTICE OF the 6th May 1959 issued in terms of Regulation 29(2) of the State Bank of India General Regulations regarding the holding of a Local Meeting of the shareholders of the State Bank of India on the Branch Register of shareholders at the Bombay Local Head Office of the Bank for the sole purpose of electing a person to be a Member of the Local Board at Bombay in pursuance of Regulation 48 of the State Bank of India General Regulations, 1955, in place of Shri Jehangir P. Patel, a Member of the Local Board, whose term of office will expire on the 30th June 1959, NOTICE IS HEREBY GIVEN that I have accepted as valid the nomination proposing the name of Shri Jehangir P. Patel of 6 Veer Nariman Road, Fort, Bombay, as a candidate for election as a Member of the Local Board of the State Bank of India at Bombay. The said nomination being the only valid nomination received, Shri Jehangir P. Patel shall be deemed to be elected a Member of the Local Board of the Bank at the said Local Meeting of the shareholders proposed to be held on the 24th June 1959, which Meeting in terms of Regulation 40(1) of the said General Regulations now stands cancelled.

N. A. KRISHNAN,
Secretary and Treasurer,
State Bank of India,
Bombay.

BOMBAY, 10*th June*, 1959.

THE METAL BOX COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-sixth Annual General Meeting of the Company will be held at the Registered Office, 59C Chowringhee Road, Calcutta, on Thursday the 16th day of July 1959, at 12.30 p.m., for the following purposes:

1. To receive and consider the Statement of Accounts for the year ended 31st March 1959 and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To elect Directors.

   Special Notice of intention to propose the re-election of Mr. K. C. Mahindra, who is 65 years of age, has been received.
4. To appoint a Chairman of the Directors.
5. To appoint and fix the remuneration of the Auditors.
6. To transact any other ordinary business of the Company.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.

NOTICE is hereby also given that the Ordinary Share Register of the Company will be closed from the 1st to the 16th July 1959, both days inclusive.

By Order of the Board,
F. P. GILBERT,
Secretary.

59C, CHOWRINGHEE ROAD,
CALCUTTA, 18*th June*, 1959.

AMAR DYE-CHEM LIMITED, BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifth Annual General Meeting of the Company will be held at the registered office of the Company at Rang Udyan, Sitladevi Temple Road, Mahim, Bombay, 16, on Thursday the 16th day of July, 1959 at 4 p.m. (I.S.T.), to receive and adopt Directors' Report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year that ended on 31st December, 1958, to declare dividends as recommended on 6 per cent. (tax-free) redeemable cumulative Preference Shares in the Company and to transact the ordinary and special business mentioned in the notice accompanying the Fifth Annual Report, as forwarded to the members of the Company at their respective registered addresses.

The explanatory statement required under Section 173 of the Companies Act 1956 in respect of different Resolutions to be placed before the meeting have also been appended to the Notice accompanying the said report.

By the Order of the Board of Directors,
for AMAR DYE-CHEM LIMITED,
for AMRITLAL & CO. PR. LTD.,
A. K. DOSHI,
Managing Director,
Managing Agents.

BOMBAY, 14*th May*, 1959.

N.B.—(*a*) A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(*b*) The Transfer Books of the Company will be closed from Wednesday the 1st day of July, 1959 to Thursday the 16th day of July, 1959 both days inclusive.

(*c*) The dividends on Preference Shares if sanctioned will be made payable at the Chartered Bank, 25 Mahatma Gandhi Road, Fort, Bombay, 1, on and after Monday the 20th July, 1959, to those Preference Shareholders whose names stand on the Register on 16th July, 1959, to whom dividend warrants will be posted.

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

THE BOARD OF DIRECTORS OF THE Company has decided to recommend to the forthcoming Annual General Meeting, the payment of the following dividends:

Dividend of 7½ per cent. for 1954.
Dividend of 10 per cent. for 1956.
Final Dividend of 2½ per cent. for 1956.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, 9*th June*, 1959.

BALMER LAWRIE AND COMPANY LIMITED

THE BOARD OF DIRECTORS OF THE Company has decided to recommend to the forthcoming Annual General Meeting, the payment of a Final Dividend of 15 per cent. for the year ended 31st December, 1958.

By Order of the Board,
D. MANSON,
Secretary.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 9*th June*, 1959.

FOR PATIENTS

Last year, Health Minister, Shri Kannamwar opened the first official seminar to treat patients without medicine by Reciprocathy. Thousands of patients suffering from various ailments took advantage. Early next month, the 28th seminar starts. Accommodation being limited, patients have to write in advance.

(A book sponsored by us, "Death of Disease" by Bhide, with a preface by Shri Morarji Desai and foreword by Dr. Deshmukh, M.D., is ready for sale at Rs. 7.50 nP inclusive of postage.)

Patients desirous of taking advantage may write for details immediately to avoid disappointment.

NEW PHILOSOPHY TRUST
Reciprocathy, 26, Nikadwari Lane
BOMBAY 4

THE BOMBAY FIRE & GENERAL INSURANCE COMPANY, LIMITED

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH ORDINARY GENERAL MEETING of the shareholders of the Company will be held at the Registered Office of the Company, Henley House, Graham Road, Ballard Estate, Bombay, on THURSDAY, THE 16TH JULY 1959, at 3 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Revenue Accounts, Profit and Loss Account, Profit and Loss Appropriation Account and Balance Sheet for the year ended 31st December 1958.
2. To sanction the declaration of a Dividend.
3. To elect Directors in place of Mr. M. A. Fazalbhoy, Mr. Pallonji Shapoorji Mistry and Mr. S. Ramanathan who retire under Article 145 of the Articles of Association of the Company and offer themselves for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will remain closed from 10th July 1959 to the 16th July 1959 (both days inclusive).

A member entitled to attend and vote at the General Meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself. The proxy need not be a member of the Company.

By Order of the Board,
K. K. DASTUR,
Manager.

BOMBAY, 11*th June* 1959.

N.B.—The Dividend when sanctioned at the General Meeting will be paid on or after the 20th July 1959, to those shareholders whose names stand on the Company's Registers on the 16th July 1959.

THE BANK OF INDIA LIMITED BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books and Register of Members of the Bank of India Limited will be closed from Monday, the 6th July, 1959, to Saturday, the 25th July, 1959 (both days inclusive).

The Dividend will be payable on and after Monday, the 3rd August, 1959.

By Order of the Board of Directors,
T. R. LALWANI,
General Manager.

BOMBAY, 15*th June*, 1959.

FOR SALE

Valuable Coffee Estates in Shevaroys—Stanmore, Brook Lands and Moulvie Estates, the property of Messrs. Short Bros. (Private) Ltd. Planted area 513 acres of Arabica coffee. Reserve land 339.53 acres. Crop estimate for season 1959-60—150/165 tons. Price required Rs. 12 lakhs or near offer. No brokers.

For particulars and conditions of sale apply to:
Messrs. KING AND PARTRIDGE
Solicitors
"Regal House," McLean Street, Madras-1.

MISCELLANEOUS STATISTICAL INFORMATION

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 6th June 1959	30th May 1959	9th May 1959	7th June 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 7	100 7	100.7	98 0
2. Government of India	100 6	100 5	100.5	98 8
3. State Government	102 3	102 3	102.4	100 6
4. Municipal, Port Trust, etc.	99 8	99 8	99.8	98.8
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101 8	101 8	101 9	99.1
6. Plantations	100 0	100 0	100 0	100 0
7. Coal	100 0	100.0	99 6	99 6
8. Sugar	99 0	99.0	99 0	99 0
9. Cotton Textiles	99 2	99 2	99 2	97.9
10. Jute Textiles	94 0	94 0	93.5	92.9
11. General Engineering	101.8	101.9	101.8	97.7
12. Electricity Generation and Supply	96 8	96 8	96 8	96.5
13. Others	105 0	105 0	105.2	101.1
PREFERENCE SHARES—ALL INDIA.				
14. Total	92 0	92.2	92.1	85 3
15. Plantations	101 2	101 1	100 9	97 2
16. *Mining & Quarrying: Total*@	89 2	89 3	89 1	85 7
17. Coal	80 8	80 8	80 8	75 7
18. *Processing and Mfg.: Total**	91.7	92 0	91 9	84 9
19. Sugar	91 6	91.4	91 6	88 7
20. Cotton Textiles	80 3	80 5	80 3	78 3
21. Jute Textiles	87 1	86 7	86.8	68 3
22. Iron and Steel	94 0	94 9	94 5	88 8
23. General Engineering	102 5	102 2	102 1	99 3
24. Basic Industrial Chemicals	90.1	90 1	88 9	83 5
25. Cement	104.6	104 5	105 7	97 9
26. Paper	89 8	89 8	89 6	84 5
27. *Other Industries: Total**	91.3	91.1	91.0	83 5
28. Electricity Generation and Supply	89 2	88 8	88 8	86 6
29. Trading	96 1	96 0	95 4	74.1
30. Shipping and Other Transport	95.2	95 2	93.2	85.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	148.4	149.4	151.6	128.5
32. *Agriculture and Allied Activities: Total**	163 9	165.4	164 9	143 6
33. Tea Plantations	161.1	162.4	160 8	139 4
34. Coffee Plantations	193 4	194 6	196.0	196 6
35. Rubber Plantations	160 5	161 6	163 4	138 6
36. *Mining and Quarrying: Total*	148 5	150.3	156 4	125.1
37. Coal	116 4	117 1	119 3	98.3
38. Other Mining	170.5	173.1	181.9	143.5
39. *Processing and Manufacturing: Total*	150.3	151.4	153.4	127.3
40. *Processing and Mfg. (Foodstuffs, Textiles etc.): Total*†*	137 7	138 5	140.1	118 8
41. Sugar	166 0	168 4	174.6	154.7
42. Cotton Textiles	118 8	119.8	120.7	110 4
43. Jute Textiles	92 5	93 0	95 3	67.0
44. Silk and Woollen	555.3	553.0	550.2	400.2
45. *Processing and Mfg (Metals Chemicals, etc.): Total**	173 0	174 7	177 5	137.4
46. Iron and Steel	165 8	167.1	168 1	127.7
47. Transport Equipment	228 5	228 8	230 0	190 3
48. Electrical Machinery	125.9	126.8	131 0	136.8
49. Machinery other than Transport and Electrical	192 1	195.8	200 9	153.1
50. Basic Industrial Chemicals	150 1	151.6	150 1	108 0
51. *Processing and Mfg. (Others): Total**	146.1	147.1	149 4	134.3
52. Cement	134 4	134.5	134 8	124 0
53. Paper	193 8	195 1	201.9	180 5
54. *Other Industries: Total**	114.9	115.5	118 0	106.1
55. Electricity Generation and Supply	91.2	91.1	91 0	90.1
56. Trading	95 4	94 8	98 9	82.1
57. Shipping and Other Transport	128 2	129 8	133 4	123 0
58. Construction	283 7	295.1	297 6	208 3
59. *Financial: Total*	172 9	173.1	176 0	164 5
60. Banks	193 1	193 6	197.1	184.6
61. Insurance	128 5	127.0	127.6	127.3
62. Investment Trusts	98 6	99.7	102.2	75.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	151 0	152.6	155.1	130 8
64. Calcutta	142 8	143 5	146 2	124.9
65. Madras	165.4	166 3	165.6	142.7
66. Delhi	172 0	171 9	177 1	150 0

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils' @ Including 'other mining.'

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,008,300	1,106 800	786,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Mar., 1958	94,800	100,200	71,300
April „	95,000	100 300	63,000
May „	57,400	52,900	23,500
March 1959	127,400	123,600	100,700
April „	130,600	124,200	93,300
May „	128,800	116,400	91,400
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	605,156	532,315	441 483
Do. 31st March, 1958	733,945	507 580	410,558
Do. 31st March, 1959	950,933	608,205	496,217
January to March, 1958	199,830	133,563	106,501
January to March, 1959	252,705	176,443	155,607
January, 1959	73,728	43,569	45,698
February „	83,715	61,987	50,202
March „	95,262	70,887	59,707
April „	86,820	61 182	40,151
May „	94,105	57,483	49,470

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,092,040
1957	1 248	640,871	4,982,229
August 1958	147	72,432(4)	657,836(4)
September „	151	68,599(7)	499,362(7)
October „	121	84,445(3)	262,600(3)
November „	136	84,569(2)	177 574(2)
December „	139	45,002(7)	199,012(7)
January 1959	152	60,114(8)	306,998(8)
February „	93	33,990(2)	271,253(2)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income In millions	In terms of rupees (Crores)	*Per capita* Income (Rs.)
India†	'57-'58	392 94	..	10,830	275 6
Pakistan††	'56-'57	83.50	..	2,079	249
Burma	1957	20 90	Kyats 4,450	446	223
Ceylon	1955	8.38	..	475	567
Japan	1957	90 90	Y. 8,252,000	10,915	1,200
Philippines	1957	22 60	Ps. 8,799	2,095	927
New Zealand	1957	2.22	£ (N.Z.) 928	1,237	5,570
Australia	1957	9.60	£ (A.) 4,678	4,970	5,177
U.K.	1957	51 40	£ 17,418	23,220	4,520
U.S.A.	1958	174.00	$ 352,400	168,447	9,680
Canada	1957	16.60	$ 23,830	11,680	7,035
France	1957	44.00	F.Fr.15,680,000	17,880	4,063
W. Germany	1957	51.40	Dm. 158,000	18,057	3,513
Italy	1957	48 30	Lr. 12,231 000	9,412	1,949
Norway	1957	3 49	Kr. 23,290	1,560	4,470
Sweden	1957	7.80	Kr. 48,290	4,490	6,150
Netherlands	1957	11 00	Grs. 28,240	3,574	8,250
Denmark	1957	4.50	Kr. 25,480	1,700	8,910
Switzerland	1957	5 10	Sw. Fr. 26 900	2,956	5,796

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a yea[r] including net income from abroad. Source: *International Financial Statistics*, October 1958.
† Preliminary estimates (at 1948-49 prices) are based on the sixth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 „	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 „	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 „	96	338	217	246	78	96	321	99	99	83	87	98	88	108
1956 „	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 „	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 „	116	395	274	313	98	120	384	124	113	103	103	123	109	131
January 1958	111	382	254	320	91	115	368	120	109	96	103	120	107	130
February „	110	380	248	297	89	115	364	120	108	95	102	118	105	130
March „	110	381	253	293	89	115	368	119	108	96	102	119	105	128
April „	111	389	261	295	91	116	368	119	107	96	100	118	106	128
May „	113	387	263	295	93	117	371	120	108	97	101	119	107	129
June „	116	395	273	307	98	117	378	121	111	101	103	120	113	130
January 1959	117	396	301	323	103	127	368†	130	122	107	94	115	109	134
February „	118	399	300	326	103	129	364	127	126	108	94	120	110	134
March „	117	401	290	320	99	129	364	127	126	105	95	121	..	135
April „	117†	400	296	313	..	..	..	..	..	101	95	121	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year NPSC C Outstandings	Post Office Savings Bank Deposits Receipts	PO Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity G Outstandings	Total Receipts	Total Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,93
1953-54	5,91	4,26	104 38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252,96
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143 45	71,45	71,43	179 86	213 91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509 77
1958-59	1,73	3,79	119,11	87,11	152,48	182,82	226,92	21,01	—40,69	42.57	635	11,68	67	2,41	277,01	581,75
April 1958	2,15	4,65	141,31	6,66	77,99	15 27	214.24	22,85	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May „	2.07	4.55	139,23	5,84	83,82	15,22	212,66	22,58	—39,90	43,87	57	6,72	5	2,01	21,68	517,01
June „	2,01	4,47	137,44	5.03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7,12	3	2,03	19,95	520,60
July „	1,96	4,38	135,18	5,94	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug. „	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532,75
January 1959	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21.27	—40,52	42,70	57	10,60	5	2,32	24,07	559,17
February „	1,78	3,87	120 95	9,64	143,14	14.93	219,39	21,13	—40,60	42,02	58	11,14	5	2,36	25,22	566,41
March „	1,73	3,79	119,11	11,66	152,48	22,29	226,92	21,01	—40,69	42,57	65	11 68	6	2,41	34,68	581,75
April „	..	..	..	..	..	..	..	..	..	42,49	63	12,26	11	2,50	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of March, 1959 is rupees three lakhs. 10 Year Cumulative Time Deposits commenced from 2nd Jan., 1959 and the outstandings at the end of March 1959 is rupees two lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.75
3 % Loan	1938-39	116,17,46,000	1963-65	96.90
3 % Loan	1950	30,32,10,000	1964	97.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	94 25
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.55
3 % 2nd V. Loan	1945	1,13,65 64,000	1959-61	99 90
2½% Loan	1946	45,63,07,000	1960	99.20
2½% Loan	1946	57,00,69,000	1961	97.60
2½% Loan	1946	14,77,48,000	1976	83.25
2½% Loan	1947	75,86,72 000	1962	97.15
3½% N. P. Bonds	1953	75,29,00,000	1961	100.15
3½% N. P. Loan	1954	1,58,17,90,000	1964	100.00
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.75
3½% Loan	1956	87,27,36,000	1962	99 25
3½% N. P. Bonds	1956	63,81,83,000	1967	99 35
3½% Loan	1956	66,63,53,000	1974	99.00
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.85
4 % Loan	1957	49,17,27,000	1972	101.70
3½% Loan	1958	58,06,00,000	1963	100 05
3½% Loan	1958	80,00,00,000	1968	99 20
3½% Loan N.P.B.	1958	34,16,76,500	1968	100.65
4 % Loan	1958	49.47,00,000	1973	101.60
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34 000	M.	73.10
3% Loan	1946	2,48,91,37,000	K.	73.70
STATE LOANS				
4 % Andhra	1955	5,00 16,000	1st Sept. 1967	100 00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100 00
4½% Andhra	1958	5,00,00,000	15th July 1970	101 60
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96.50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 60
4 % Bombay	1952	3,45 85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100 50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100 25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102 40
4½% Bombay	1958	5,00,00,000	15th July 1970	102.30
4½% Bombay	1958	5,00,00,000	15th July 1971	102.30
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50 00,000	13th Oct. 1970	101 40
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 15
3 % Madras	1939	1,23,06,000	21st June 1959	99 70
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99 00
2½% Madras	1946	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	99.00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98.05
4 % Madras	1953	10,33,71,000	15th July 1963	100 30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 25
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100.10
4½% Madras	1958	5,00,00,000	15th July 1970	101 80
4 % Mysore(*f*)	1933	2,95,85,200	1st Dec. 1953-63	101.50
3 % Mysore(*f*)	1936	5,99,73,000	30th Apr. 1956-61	99.75
4 % Mysore	1953	3,33,47,000	15th July 1963	100.30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 10
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100 10
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101.75
4½% Mysore	1958	5,00,00,000	15th July 1970	101 75
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 80
3 % M P.	1950	1,01,45,000	31st July 1960	98 60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
4 % M.P.	1953	1,10,18,000	15th July 1963	100 25
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100 00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100 00
4½% M.P.	1958	2,00,00,000	15th July 1970	101 40
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100 20
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100 20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99 80
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99 60
2½% U.P.Z.A	1952	41,44,79,000Z	..	52 35
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
2½% U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100 25
4 % U.P.	1953	5,58,25 000	15th July 1963	100 30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100 10
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100 10
4½% U.P.	1958	7,00,00,000	15th July 1970	101 80
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100 00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101 45
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100 00
4½% Orissa	1958	3,00,00,000	15th July 1970	101.45

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	100.00
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88 25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24.58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48.04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.75
76,90,100	4	1915	1975	98.75
1,50,00,000C	3††	1921	1981	82 00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	99 00
25,00,000	3	1938	1963-68	92 50
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	99 65
1,00,00,000	3	1949	1959	99 65
50,00,000C	3	1950	1980	82 00
1,00,00,000	3	1950	1960	99 00
1,00,00,000	3	1950	1960	99.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£802,600	5	1923	1953-83	£80 00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,88,000‡f	3	1947	1977	
3,00,000‡f	3	1949	1979	
45,00,000‡t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
80,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
80,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25.00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	100.50
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30 00,000	3	1936	1966	91.00
50,00,000	3	1937	1962	94.50
20,00,000	3	1938	1963-68	91.00
80,00,000	4	1952	1962	99.75
1,02,00,000	4	1956	1968	99 25
75,00,000	4½	1958	1968	100.75

MUNICIPAL LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99 85
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	100.50
8,25,00,000	3½	1947	1977	86.50
2,50,00,000	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	93.50
5,00,00,000	4	1952	1964	100.15
2,00 00 000	3½	1951	1966	97.40
1,30,00,000	4	1953	1963	100.15
1,00,00 000†	4	1952	1964	99 85
1,00,00,000†	4	1954	1966	99 85
2,50,00,000	4	1955	1967	100 05
1,50,00,000	4	1956	1968	100.05
2,00,00,000	4½	1957	1969	101.50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
17,64,400	3½	1942	1959	99.25
21,10,000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	98.50
66,88,000	3½	1951	1966	98 50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72 000	4	1955	1985	—
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.25
4 % W. Bengal	1953	3,60,23.000	15th July 1963	100.30
4 % W. Bengal	1955	7,58,72.000	1st Sept. 1967	100.10
4 % W. Bengal	1956	7,11.46,000	3rd Sept 1968	100.10
4½% W. Bengal	1958	5,00.00,000	15th July 1970	101.80
4½% Kerala	1958	3,00,00,000	15th July 1970	100.00

ABBREVIATIONS.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. N—Nominal.
(*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6¼ to 4 per cent. with effect from 1st April, 1935.
—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months' notice. K—On September, 1936, or later at option of Government after three months' notice.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

Reserve Bank of India

Statement of Affairs for the week ended 5th June, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,04,36,000
(2) Other Governments	13,17,32,000
(b) Banks	74,01,71,000
(c) Others	119,91,86,000
Bills Payable	16,10,26,000
Other Liabilities	52,57,97,000
Rupees	441,83,48,000

ASSETS	Rs.
Notes	13,93,25,000
Rupee Coin	1,99,000
Subsidiary Coin	2,86,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	74,99,000
Balances held abroad*	19,91,38,000
Loans and Advances to Governments†	32,22,34,000
Other Loans and Advances	63,20,45,000
Investments	298,32,34,000
Other Assets	13,43,88,000
Rupees	441,83,48,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The Item "Other Loans and Advances" includes Rs. 3,81,04,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,93,25,000	
Notes in circulation	1755,42,97,000	
Total Notes issued		1769,36,22,000
Total Liabilities		1769,36,22,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		127,82,68,000
Government of India Rupee Securities		1345,76,62,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1769,36,22,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	5th June, 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1755.43	1738.65	1774.72	1608.59
Notes held in Banking Department	35 05	13.93	32.87	11.51	15.11
Foreign Securities	59 50	178 01	178.01	178.01	209.68
Rupee Securities	37.39	1345.77	1345.77	1360.77	1167.56
Banking Department					
Deposits of:					
Government of India	14.39	53 04	71.74	51.75	50.36
Other Governments	..	13.17	15.96	16.44	13 91
Balances held abroad	10.06	19.91	21.00	25.73	29.91
SCHEDULED BANKS					
Demand Liabilities	134.36	738 62 (25 70)†	749.19 (28.42)†	731.78 (21.19)†	748.49 (20 98)†
Time Liabilities	102.24	1014 62 (27.31)†	1012 59 (26.55)	996.18 (24.57)†	792.15 (24.44)†
Borrowings from Reserve Bank	..	9 52 (3.81)‡	10 52 (3.33)‡	40.54 (12.25)‡	17.29 (16.16)‡
Borrowings from State Bank	..	7.47	8.82	9 86	5.59
Cash in India	6.70	43.10	44.32	41.79	39.20
Balances with Reserve Bank	25.17	71.47	69.42	67.36	74 47
Excess over statutory limits	15.52	14.25	11.71	10.85	21.21
Balances with other banks in current account in India	..	13.65	13.45	14.15	11.65
Money at call and short notice in India	..	37.98	39.06	31.56	54.36
Investments (at book value)	..	634.54	635.10	633.62	483.76
Advances and bills	105.9	1006.03	1011.46	1027.26	920.54
STATE BANK					
Deposits	87.76	523 33	527.94	519.63	419.39
Investments	51.99	312.80	313 83	311.62	206.57
Advances	30.35	194.41	198.15	204.20	192.97
Cash	14.69	28 17	29.05	23.99	25.32

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	23rd April 1959	5	4½
Belgium	7th Jan., 1959	3.50	3.25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	.. .. ..	5.15	5.33
Ceylon	11th June 1954	3	2.50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	23rd April 1959	4½	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June, 1958	4	3.50
Japan	Feb., 1959	7.30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	29th May 1959	3	3½§
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.
§ Pertains to 10 of the Federa Reserve Banks.

State Bank of India

Statement of Affairs for the week ended 5th June 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		523,32,62,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		10,14,05,000
Bills for Collection being Bills Receivable as per contra		1,61,22,000
Acceptances, Endorsements and Other Obligations per contra		1,43,29,000
Other Liabilities (including Inter-Office Adjustments)		5,90,72,000
Total Rs.		555,04,40,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		25,61,41,000
Balances with other Banks		2,55,70,000
Money at Call and Short Notice		2,60,00,000
INVESTMENTS:		
Government and other Trustee Securities	302,33,95,000	
Other Authorised Investments	10,46,00,000	312,79,95,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	180,85,29,000	
Bills Discounted and Purchased	13,56,01,000	194,41,30,000
Bills Receivable being Bills for Collection as per contra		1,61,22,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,43,29,000
Premises less Depreciation		1,23,00,000
Furniture and Fixtures less Depreciation		1,06,83,000
Other Assets (including Inter-Office Adjustments)		11,71,70,000
Total Rs.		555,04,40,000

Scheduled Banks*

Statement of Affairs for the week ended 5th June, 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	25,70,15,000
(ii) Other demand liabilities	712,92,00,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	27,30,91,000
(ii) Other time liabilities	987,31,17,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	7,31,98,000
(ii) Time liabilities	15,00,000
Borrowings in India from the Reserve Bank of India‡	9,52,14,000 (3,81,04,000)
Cash in India	43,09,59,000
Balances with the Reserve Bank in India	71,47,14,000
Balances with other banks in current account in India	13,65,39,000
Money at call and short notice in India	37,97,71,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	634,54,10,000
Advances in India	862,13,92,000
Inland Bills purchased and discounted in India	108,96,35,000
Foreign Bills, purchased and discounted in India	34,92,96,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Average rate of allotment Rs.
1959					
24th March	2.00	2.00	2.00	2.760	99 310
31st March	2.00	2 00	2.00	2.760	99.310
7th April	2 00	2 00	2.00	2.780	99 305
14th April	2.00	2 00	2.00	2.780	99.305
22nd April	2 00	2 00	2.00	2.800	99.300
28th April	2.00	2 05	2 00	2.800	99.300
5th May	2.00	2 25	2.00	2 800	99 300
12th May	2.00	2.00	2.00	2.800	99.300
19th May	2.00	2.40	2.00	2 800	99 300
26th May	2.00	2.15	2 00	2.790	99 300
2nd June	2 00	2.40	2.00	2.780	99 305
9th June	2.00	2.37	2 00	2.780	99 305
10th to 13th June*	0.07	—	0 07	—	—
16th June	2.00	2.56	2.00	2.764	99.310
Total amount outstanding	26.07	..	26.07	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 29th May, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	85,12,16,000
(b) Provincial Governments	3,48,01,000
(c) Banks	23,59,23,000
(d) Others	4,93,89,000
Bills Payable	43,54,000
Other Liabilities	14,26,80,000
Rupees	142,83,63,000

ASSETS	Rs.
Notes	13,09,98,000
Rupee Coin	70,000
Subsidiary Coin	41,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	30,00,000
Balances held outside Pakistan*	28,92,04,000
Loans and Advances to Governments	9,45,00,000
Provincial Governments' Debtor Balances	9,38,33,000
Other Loans and Advances	2,07,98,000
Investments	70,16,63,000
Other Assets	9,42,56,000
Rupees	142,83,63,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,09,98,000	
Notes in circulation	338,27,77,000	
Total Notes issued	....	351,37,75,000
Total Liabilities	....	351,37,75,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion	23,37,59,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	117,82,89,000
B. Rupee Coin	4,64,22,000	
Government of Pakistan Securities	223,00,58,000	
Internal bills of exchange and other commercial paper	....	227,64,80,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	351,37,75,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 35.13 per cent.

EXCHANGE RATES

		15th June 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 61/64	1-5 61/64
Sellers T.T. D.D. upto six months	s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476.00	476.00
Buyers T.T.	Rs.	472 50	472 50
London on New York	$	2.8124 2 8126	2.8122-2 8124
London on Paris	Fcs.	13 78½-13.78¾	13.78¼-13.78½
London on Berne	Sw. Fcs.	12 12⅜-12.12¼	12.1310-12.1320
New York on London	$	2.8124-2 8128	2.8121-2.8125

CLEARING HOUSE RETURNS

Centre	Week ended 12th June 1959 Number of Cheques	Amount Rs.	Week ended 5th June 1959 Number of Cheques	Amount Rs.
Bombay	3,31,951	71,16,77,000	3,19,143	68,79,07,000
Calcutta	1,67,000	54,53,00,000	1,73,000	70,42,00,000
Madras	88,909	9,75,22,544	86,676	11,57,33,765
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
Feb., 1959	..	..	3,821,000	8,28,47,00,000
March	..	..	4,030,000	9,45,59,00,000
April	..	..	4 128,000	9,23 19 00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	23rd May 1959	16th May, 1959	24th May 1958	April 1959	April 1958	Percentage of Increase (+) or Decrease (—) in April 1959 as compared with April 1958	Financial year Average 1958-59	1957-58
Food Articles	504	117.2	117.3 R	108.3	113.1	105 2	+ 7 5	115.2	106.4
Cereals	192	99.5	99 1 R	100.4	99.0	97.2	+ 1.9	106.8	100 9
Pulses	43	97.3	96 9	83.2	96.2	82.4	+16.7	103.9	82 4
Fruits and Vegetables	23	127 8	125 3 R	112.4	121.6	108 0	+12.6	117.0	113 6
Milk and Ghee	84	115 8	116 9 R	109 7	115 0	105.2	+ 9 3	107.3	104.8
Edible Oils	47	131.4	132 2	120.6	125 6	122 8	+ 2 3	124.3	125.5
Fish, Eggs and Meat	17	107.1	107.7 R	105.1	106.9	102 3	+ 4.5	108.4	98 0
Sugar and *Gur*	48	149 9	149.5	119.2	128.0	113 5	+12 8	127.2	108.1
Others	50	158 5	159.6	134 6	150 8	130.7	+15.4	151.3	131.3
Liquor and Tobacco	21	100 3	99.0	92.1	97.5	93 4	+ 4 4	95.4	94 0
Tobacco	—	98 8	97.4	90.3	95.8	91.7	+ 4 5	93 8	92 3
Fuel, Power, Light and Lubricants	30	116 4	116 5 R	115.5	116.2	114.8	+ 1.2	115.4	113 4
Industrial Raw Materials	155	120 0	120 1 R	113.2	116 2	114 2	+ 1.8	115.8	116 5
Fibres	61	109.7	109 2	109.4	108 0	112.1	— 3.7	108.0	117.5
Oilseeds	60	135 0	135 7 R	118.7	127.4	118 7	+ 7.3	127.0	120.4
Minerals	2	103.6	103 6	107 3	101 4*	106 2	— 4.5	106 0	108.4
Others	32	112 5*	112 7*	110.4	111.7	110 2	+ 1.4	109.2	107.7
Manufacture	290	108 4	108 3 R	107 6	108 0	107 7	+ 0 3	108.1	108 2
Intermediate Products	41	108 8	108 5	107 9	108 4	108 9	— 0.5	110.3	107.3
Finished Products	249	108.3	108 3 R	107.5	108 0	107 6	+ 0.4	108.0	108 2
Textiles	147	103.0	103 0	104 5	102.2	105 2	— 2.9	103.2	107.3
Cotton	—	111.6*	111 6*	113 6	110 8*	114 4	— 3 1	111.7	116.2
Jute	—	84.8	84 9	87.2	83.6	88.1	— 5.1	86.5	95.2
Woollen	—	104.2	104 2	104.9	104 2	103 7	+ 0.5	105.6	102.9
Silk and Rayon	—	95.5*	95 5*	92 0	95.7*	92.8*	+ 3.1	93.2	85.7
Metal Products	12	143.3	143 3	143.0	143.3	143.0	+ 0.3	143.1	141.2
Chemicals	20	107.5	107 5 R	99.1	109.4	99 0	+10 5	106.8	98.4
Oil Cakes	10	140 4	138 9	121.8	139.2	116 9	+19.1	136.0	114.8
Machinery and Transport Equipment	31	106.1	106.1	102.9	106.1	102.8	+ 3.2	103.8	101.7
Others	30	112.9	112.9	114.3	112.9	112.6	+ 0.3	113.7	110.0
All Commodities	1,000	114 7	114.7 R	108.7	111.9	107.4	+ 4.2	112.9	108.4

NOTE:— Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group Index. R—Revised.

CENTRAL LOAN ANNOUNCED

(From Our Own Correspondent)

BOMBAY, 17*th June*

The outstanding development of the week under review is the announcement of the terms of the Central Government's borrowing programme. The Government proposes to issue two loans, one a medium-dated—3½ per cent. 1969—and the other a long-dated—4 per cent. 1979—for an aggregate sum of Rs. 175 crores. The issue price of the former is Rs. 98.85, while the latter will be issued at par. Subscriptions to the loans, the list for which will open on 1st July, may be in the form of cash or of securities of 3 per cent. 1959-61 or 2½ per cent. Hyderabad loan 1954-59. These securities will be accepted at Rs. 100 per Rs. 100 (nominal) of the securities tendered in the case of 3 per cent. 1959-61 and at Rs. 85.50 per Rs. 85.71 or O.S. Rs. 100 (nominal) in the case of 2½ per cent. Hyderabad loan. The outstanding amounts of the two loans offered for conversion are Rs. 113.65 crores and Rs. 7 crores, respectively. The Government retains the right to accept subscriptions up to 10 per cent. in excess of Rs. 175 crores. If the total subscriptions exceed Rs. 192.50 crores, partial allotment will be made to subscribers in cash.

Both the issues are expected to have a good reception, now that the conditions in the short-term money market have perceptibly eased, indicating that the slack season is on. There are few borrowers in the market and inter-bank call money rate has declined further. There are lenders at 3 per cent. among the Exchange banks and big Indian banks and at 3¼ to 3½ per cent. among the smaller banks. House money at seven days' notice is, however, unchanged at 3⅞ per cent. and short-term deposits at 3½ to 4 per cent. for one to six months.

The Treasury Bill rate, too, has declined, after a lapse of two weeks, from 2.780 per cent. to 2.764 per cent. per annum. The amount offered at this week's sale was Rs. 2.56 crores, as against Rs. 2.37 crores last week. Tenders at Rs. 99.310 were accepted in full and those at Rs. 99.305 were allotted about 42 per cent. Tenders for next week are unchanged at Rs. 2 crores. After a pretty long interval Intermediate Treasury Bills met with some response during the week ended 13th June when their sales amounted to Rs. 7 lakhs at Rs. 99.321 per cent. These bills will be sold this week at Rs. 99.326 per cent.

The Reserve Bank of India statement for the week ended 12th June 1959 discloses a small contraction of Rs. 1.64 crores in notes in circulation. Notes held in the Banking Department are higher by Rs. 1.94 crores. There is no change in foreign securities, but balances held abroad continue to fall, the drop during the week under review being Rs. 1.90 crores, bringing the total foreign assets down to Rs. 196.02 crores. Deposits of the Central Government are only a shade lower, while those of other Governments and banks show a fall of Rs. 3.24 crores and Rs. 1.34 crores, respectively. Loans and advances other than to Governments have declined by Rs. 3.44 crores, of which advances to Scheduled banks account for no more than Rs. 31 lakhs.

A fall of Rs. 7.85 crores in demand deposits is disclosed by the Scheduled banks' statement for the week ended 5th June 1959. Time deposits have, however, gone up by Rs. 1.28 crores. Inter-bank borrowings are lower by Rs. 1.95 crores, borrowings from the Reserve Bank by Rs. 1 crore and those from the State Bank by Rs. 1.35 crores. There has been a further reduction in bank credit, advances having fallen by Rs. 2.73 crores and bills purchased and discounted by Rs. 2.69 crores. Cash balances are a shade higher, but money at call and short notice have declined by Rs. 1.08 crores.

The Gilt-edged market is ruling firm with an all-round improvement in prices, ranging from 5 nP to 20 nP. The announcement of the new loan terms, which are more favourable than the yields available on comparable issues in the existing list, has not, however, disturbed the market. Banks are keen buyers of short- and medium-dated issues, but sellers are reserved. The scarcity of stocks is also accentuating the upward trend in prices. 3 per cent.1936 Conversion Loan is a shade quiet at Rs. 73.70, while 3 per cent. 1970-75 has picked up 10 nP to Rs. 91.60. 3 per cent. 1966-68 has gone up by 20 nP to Rs. 94.30, 3 per cent. 1964 by 10 nP to Rs. 97.10 after payment of interest and 3 per cent. 1963-65 by 5 nP to Rs. 96.95. 2¾ per cent. 1962 has gathered 15 nP to Rs. 97.15 and 2½ per cent. 1961 10 nP to Rs. 97.60. 3½ per cent. 1961 and 1963 are each up by 5 nP to Rs. 100.20 and Rs. 100.05, respectively. 3½ per cent. 1964 has shot up by 15 nP to Rs. 100, 3½ per cent. 1965 by 10 nP to Rs. 99.80, 3½ per cent. 1967 by 15 nP to Rs. 99.35 and 3½ per cent. 1968 by 10 nP to Rs. 99.20. 3¾ per cent. 1974 has hardened by 10 nP to Rs. 99. 4 per cent. loans are stagnant. Among State loans, 4½ per cent. issues are in demand, but very little business is being done. However 4½ per cent. 1970 West Bengal has improved by 20 nP to Rs. 101.90, Madras by 10 nP to Rs. 101.80. Andhra by 10 nP to Rs. 101.60 and U.P. by 20 nP to Rs. 101.80.

There has been a slight hardening of the rupee in terms of the dollar, in consonance with the trend of sterling abroad. Banks' selling rate for U.S. ready dollar has dropped from Rs. 476 to Rs. 475.75 per $100 and their buying rate from Rs. 472.75 to Rs. 472.50 per $100. In New York, spot sterling has gained from 281.15-281.18 to 281.23-281.26 cents. Three months' forward has, however, shaded off from 281.07-281.10 to 281-281.04 cents.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, 17*th June*

Firm conditions prevailed in the bullion market during the major part of the week under review. Both gold and silver revoked good enquiries from speculators as well as spot houses, while fresh offerings were on a small scale. Bull operators from Calcutta were reported to have been consistent buyers in silver. There would have been a more marked rise in gold but for reports of inflow of some contraband metal.

In the gold section, June settlement was exceptionally firm, reflecting the determination of the bull group to ask for actual delivery when the settlement runs out on Monday next. It opened at Rs. 118-15, as against Rs. 119, and forged ahead in the course of the week to Rs. 121-10 today before finishing at Rs. 121-2-6. July settlement rallied from Rs. 117-4 to Rs. 118-6-6, the highest level touched being Rs. 118-10. The backwardation rate (*budli* in favour of bulls) for June settlement widened from Re. 1-12 at the close of last week to Rs. 2-6 yesterday, notwithstanding the continuance of the margin of Rs. 25 per tola which the bulls had to pay. Business in August settlement commenced at Rs. 117-13 today. After receding to Rs. 117-9, it recovered to Rs. 117-11-6 at the close.

Ready gold met with good support and advanced from Rs. 120-4 to Rs. 121-4 today. Subsequently, however, there was some selling which brought down the quotation to Rs. 121-0-6. The daily average arrivals and offtake of gold were 4,400 tolas and 3,300 tolas, respectively. The floating stocks are estimated at 20,000 tolas.

June settlement in silver, which stood at Rs. 192-14 last week, gradually moved up to touch a high of Rs. 195-12 yesterday. At this level, profit-taking set in and the rate declined to Rs. 195 today. The net gain over the week was Rs. 2-2-0. July settlement spurted from Rs. 191-15 to Rs. 194-14 yesterday. Today, however, it receded to Rs. 194-1. The backwardation rate for June settlement increased from As. 15 to Re. 1-3 on Saturday, so that the bulls in this settlement were required to pay a margin at the rate of Rs. 1,000 per bar. In the subsequent sessions, however, the backwardation rate slided back and stood at As. 15 today. August settlement was quoted at Rs. 193-4 today, as against Rs. 194-5 at which business in this contract commenced yesterday.

Ready silver improved from Rs. 193-14 last week to Rs. 196-1 on Saturday. After declining to Rs. 194-5 on Monday, it recovered to Rs. 195-14 yesterday. Opening at Rs. 195-3 to-day, it finished lower at Rs. 195-1. The daily average arrivals of silver were 18 bars, while the offtake was 14 bars. The floating stocks are reported to be around 400 bars.

Both ready and forward silver in the London bullion market suffered a setback during the week; the former receded from 78½*d.* to 78⅛*d.* per ounce and the latter from 78⅛*d.* to 77¾*d.* Silver in New York was unchanged this week too at 91.375 cents per ounce. Ready gold in London, after rising from 249*s.* 9½*d.* to 249*s.* 10*d.* early in the week, eased to 249*s.* 8¾*d.* yesterday. The decline was due to firmness of the forward sterling *vis-a-vis* the dollar. The latest available dollar rate for gold in London is $35.11-$35.13, same as last week.

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

	17-6-59	Highest	Lowest	10-6-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	121 0½	121 4	119 6	120 4
Forward*	121 2½	121 10	118 14½	119 0
Sovereign	78 4	..	..	78 0
SILVER				
Ready (.996 fine Mint)	195 1	195 14	193 15	193 14
Forward†	195 0	195 12	192 15	192 14
	16-6-59			9-6-59
London Silver Ready	78⅛*d.*	..	..	78½*d.*
London Forward	77¾*d.*	..	..	78⅛*d.*
London Gold	249*s.* 8¾*d.*	249*s.* 10*d.*	249*s.* 8¾*d.*	249*s.* 9½*d.*
New York Silver	91.375c.	..	..	91.375c.

* 22nd June settlement. † 23rd June settlement.

NOSTTIK OVERSEAS ENTERPRISES

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Are interested to represent manufacturers and/or sole exporters of all kinds of textiles, crockeries, cutleries, iron goods, leather goods, sports goods, cement, household goods, office equipments, ornamental goods, rain equipments, grocery goods, beverage, alcoholic drinks and children's toys. We are also importers of those products as enumerated above, and free valid samples for effective showroom display should accompany all offers to us. Also looking for Commission Agents in any country to cater for our interests by negotiating on our behalf.

COTTON FUTURES DOWN

(From Our Own Correspondent)

BOMBAY, 17*th June*

Barring a brief spell of firmness, which persisted for hardly two days, namely, Saturday and Monday, the cotton futures market continued to rule depressed. It is true that selling pressure was less intense than in the previous week but the market was still in the grip of bears. The prospect of much larger import of foreign cotton, and the likelihood of a fall in demand for cloth in the rainy season, a slackening of mill activity seemed to have encouraged bears to tighten their grip. Upcountry operators, in particular, were mentioned as persistent sellers. The firmness witnessed on Saturday and Monday was induced by the delay in the onset of the monsoon and better spot advices. But it proved short-lived. Cotton futures succumbed to heavy selling yesterday. Today, after an initial firmness, the contract again met with selling with the Jarilla contract dropping to the lowest level of its career, namely, Rs. 682.

I.C.C. Moglai Jarilla August opened the week at Rs. 687, as against the previous close of Rs. 687.25 and, after declining to Rs. 684.50 on Friday, improved to Rs. 689.75 on Monday. The contract reacted to Rs. 683.25 yesterday. Commencing today's session at Rs. 684.25, the contract gathered Rs. 2.50 before receding to Rs. 682.25 at close.

The spot market at Sewri seemed to have ignored, to some extent, the developments in futures. It put on a better appearance than the futures. Although there was a slackness of mill demand due to the drop in futures values, needy mills were covering their immediate requirements. Spinner interest was noted for Vijay, Digvijay, Wagad, Kala, Kalyan Co.2. Southern mills were particularly interested in 197/3 and Wagad.

Export demands are none too encouraging. Prices, however, ruled steady. Bengals continued to evoke moderate inquiries. The U.K., the Continent and Hong Kong were interested in yellow pickings.

Demand for Sudan cotton was brisk early in the week-end. Substantial business was done mainly in medium to higher S. grades. The uncertainty regarding the discount rate prompted mills to keep off from Egyptian varieties. According to earlier reports, the Government of India was not willing to allow payment for Egyptian cotton in transferable currencies under 'B' account while Egypt was prepared to give a discount of 35 per cent. only if payment was made under this account. It was therefore thought that business in Egyptian cotton was possible only in terms of the special Indo-Egyptian rupee payment agreement under which only 15 per cent. discount was available. Indian mill buyers considered this unattractive *vis-a-vis* cheaper Sudan cotton. The uncertainty was, however, over on news that Egypt was prepared to offer 35 per cent. discount on cotton sold against payment in rupees. Mill buying in Egyptian cotton consequently revived with a corresponding fall in interest in Sudan.

Contrary to earlier reports, it is now understood that U.S. cotton is also eligible for import under the recent import quota covering 40,000 bales of stapling 1-1/16" and above but below 1-3/16".

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 700; Berar Jarilla 700; Khandesh 840; Laxmi 980; Jaydhar 900.

The Karachi cotton futures market continued to remain closed. In the spot section, values ruled fully steady. Spinner demand was moderate and export interest normal. Exports of cotton from Karachi from the beginning of this season till 28th May aggregated 571,662 bales, as against 533,598 bales in the same period last season. Japan accounted for the bulk of this quantity, as much as 241,293 bales, as against 183,615 bales in the same period.

The Alexandria cotton futures market depicted a mixed trend during the week. While the long-staple Karnak contracts scored handsome gains on good support influenced by firm spot advices and export demand, the medium-staple Ashmouni contracts eased, thanks to lack of outside interest. In the spot market, longer staple cotton prices were firm and offerings by shippers limited, reflecting scarcity of stocks. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's closing quotations:

Karnak: July 76.70 (73 30); November 75.95 (74.45). *Ashmouni*: June 68.46 (68.75); August 67.60 (67.45).

Sudan cotton prices in Khartoum hardened further. More recent biddings are said to have tended to reflect a scramble for cotton, thanks to Indian mill interest following the recent quota release. The Sudan Exporters' Association is reported to have proposed to the Gezira Board that the number of auctions held weekly be reduced from four to two. It would appear that the restricted rate of additions to the auction list due to the time taken in sampling has prompted this proposal.

Cotton futures in Liverpool moved erratically during the week in slow dealings characterised by inter-month switchings with small trade buying offsetting Commission House liquidation. Values moved either way with a larger number of positions showing losses, over the week, than gains. Sudan contracts, however, were firm on higher Khartoum advices. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one-inch staple contract: July-August 23.25; October-November 21.60; December-January 21.30; March-April 21.10.

American cotton mixed growth contract: July-August 23.25; October-November 22.00; December-January 21.50; March-April 21.20.

Sudan: July-August, September-October, November-December 28.00.

Cotton futures in New York eased during the week, presumably reflecting the reaction of the market to the Senate's approval of legislation which includes, among other things, provision for fixing a limit on price support loans to any individual farmer or farm at $50,000. Differences with the measure passed by the House of Representatives, the lower house, it is said, will be worked out at a conference. This limitation on price support loans will be effective from the 1960-61 season.

The Commodity Credit Corporation has sold a further quantity of 28,155 bales under the current export sales programme C-11, making the total figure for the season thus far 2,332,025 bales. The average price accepted for Middling one inch cotton at average location was 28.50 cents per lb. which is 9 points higher than that realised at the previous sale. Total registrations under the payment-in-kind programme for the current season thus far aggregate 305,844 bales.

It is reported that the Department of Agriculture has reduced their estimate of exports this season to 2.8 million bales from the previous prediction of 3 million bales. The estimate of domestic consumption has been increased from 8.5 million bales to 8.7 million bales.

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

(In cents per lb.)

	16-6-59	9-6-59	2-6-59
Spot	36.10	36.20	36.25
July	34.78	34.84	34.65
October	32.35	32.48	32.61
December	32.42	32.52	32.59

S.T.C. TO IMPORT ART SILK YARN

(From Our Own Correspondent)

BOMBAY, 17*th June*

Both the art silk weaving mills and the yarn traders are greatly intrigued at the report that the State Trading Corporation has made arrangements for the supply of viscose rayon yarn from East Germany, Hungary and Egypt. The Corporation has appointed three authorised agents to facilitate purchases according to the requirements of importers—Artex Agencies, 354, Kalbadevi Road, Bombay 2, for East Germany; Hugo Wachsmann (India) Ltd., Fern House, Colaba, Bombay 1, for Hungary; and Central Supply Company, Bharucha Building, Bombay 2, for Egypt. The prospective importers are required to get in touch with the authorised agents and book orders for their requirements against 24 per cent. of their quota licence with them direct. The payment terms in the contract thus entered into should specify that the payment for the art silk yarn, whether through letter of-credit, payment against shipping documents or otherwise, will be made in Indian rupees in the special rupee account. For imports from East Germany, payment will be made in rupees in accordance with the existing trade agreement; for imports from Hungary, payment will be made in rupees in the special Account 'A' maintined by the Hungarian Chamber of Commerce with the State Bank of India, New Delhi, while for imports from Egypt, payments will be made in rupees into the special Account 'H' of the National Bank of Egypt maintained by the S.T.C. with the State Bank of India, New Delhi.

The aforesaid news has greatly disappointed the yarn dealers who fear that the move "is nothing but a beginning to hand over the entire imports of art silk yarns to the S.T.C. in course of time." The Bombay Yarn Merchants Association and Exchange Ltd. is understood to have made a strong protest to the Government of India.

Despite the S.T.C's arrangements as mentioned above, art silk yarns ruled distinctly firm with a handsome rise in prices. The firmness was engendered by the feeling that the prices of yarn supplied by East Germany, Hungary and Egypt would be higher than those currently prevailing in the country. In sympathy with art silk, staple fibre yarns also ruled firm. The reports that a few South Indian mills had sold some quantities at lower prices had no effect. Cotton yarns were dull with irregular fluctuations in prices.

Cupressa Bamberg yarn (60 x 2) June contract rallied from Rs. 1,412 to Rs. 1,439 per case of 200 lbs. August contract (new packing of 100 kilograms or 220 lbs.) jumped up by Rs. 36 to Rs. 1,618. Spot Cupressa spurted by 22 nP to Rs. 7.25. 120 Italy hardened by 9 nP to Rs. 4.90. 150 Japan gathered 2 nP to Rs. 4.67. 120 Japan gained a naya paisa to Rs. 4.72. 15 Italy, however, declined by 3 nP to Rs. 4.56. Among indigenous yarns, National Rayons 120 bright cones 1st grade strengthened by 4 nP to Rs. 4.62. 150 bright cones 1st grade rose by 2 nP to Rs. 4.24.

Staple fibre yarn (40 x 2) June contract advanced by Rs. 10 to Rs. 598. August contract picked up Rs. 11 to Rs. 609. Spot Kohinoors improved by 9 nP to Rs. 3.34. Citys put on 3 nP to Rs. 3.10. Among imported yarns (80 x 2), Paramounts increased by 6 nP to Rs. 7, but Fujis lost 3 nP to Rs. 7.22.

In the cotton yarn section, ten counts Moderns were quiet at Rs. 13.75 and Podars at Rs. 12.12. Twenty counts Moderns rose by 25 nP to Rs. 16.75 and thirty counts Maduras by 62 nP to Rs. 21.12. Among 40s, Minaxis dropped 38 nP to Rs. 25.37, while Moderns gathered 25 nP to Rs. 26. Sixty counts were dull, Raghuvamshis being quoted at Rs. 57.50 and Finlays at Rs. 64. Eighty counts Mahendras were unchanged at Rs. 71.50, as also Finlays at Rs. 81 and Citys at Rs. 66.50.

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

	17-6-59	10-6-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg June (200 lbs.) ..	1,439	1,412
60/1 Cupressa Bamberg August (100 Kg.) ..	1,618	1,582
60/1 Cupressa Bamberg spot (per lb.) ..	7.25	7.03
120 Japan (per lb.)	4.72	4 71
150 Japan (per lb.)	4.67	4.65
120 Italy (per lb.)	4.90	4.81
150 Italy (per lb.)	4.56	4.59
Staple fibre yarn—		
40 x 2 June (per case of 200 lbs.)	598.00	588.00
40 x 2 August ( )	609.00	598.00
40 x 2 Kohinoor (per lb.)	3.34	3.25
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12 12	12 12
20s Modern	16.75	16.50
40s Minaxi	25.37	25.75
60s Raghuvamshi	64.00	64.00
80s Finlay	81.00	81.00

OILSEEDS LOWER

(From Our Own Correspondent)

BOMBAY, 17*th June*

Easy conditions continued to prevail in the oilseeds market during the week under review, thanks mainly to comfortable supply position and lack of overseas enquiries for oils and seeds. The volume of business transacted during the week was relatively small. After an initial setback, the market staged a notable recovery by the middle of the week. It, however, lost ground once again today, on nervous bull liquidation and profit-taking.

The groundnut section, which had put up a cheerful appearance for sometime past on persistent paucity of ready material, gave way during this week. On reports of favourable weather in one of the major producing areas, namely, Hyderabad, some of the leading dealers are said to have been dishoarding their stocks of seeds. This has gone a long way to make good the lower arrivals of seeds from upcountry centres. Moreover, traders tended to be cautious in view of the opening of the new contract in the near future. In these conditions, groundnut August contract, which wound up last week at Rs. 200, closed today lower at Rs. 199.50, after fluctuating between Rs. 199 and Rs. 200.75. Bold ready touched the closing level of last week at Rs. 43.00, after remaining subdued for the major part of the week. Oil ex-mill was unchanged at Rs. 22.00.

A sharp reaction was witnessed in the castor-seed section. This was mainly due to the absence of foreign advices for castor oil. The prospective U.S. buyer prefer to wait and watch the situation. Enquiries for oil from Communist countries and the U.K. were also discouraging. Large inflow of castorseeds from the major producing centres aggravated the fall in values. September contract, which stood at Rs. 164.50 last week-end, lost ground subsequently to finish at Rs. 162.37. Ready Madras lost 37 nP at Rs. 31.25. Oil B.S.S. receded from Rs. 17.12 to Rs. 16.87.

Linseed moved in sympathy with other sections. It was featureless and lacked fresh support. Linseed September contract closed today at Rs. 33.81, as against Rs. 34.06 last Wednesday. Bold ready, however, improved by 12 nP to Rs. 33 and oil by 6 nP to Rs. 15.75. Cottonseed was dull, mainly on account of the setback suffered by cotton, September contract, which closed last week at Rs. 133.75, eased to Rs. 133, after moving within a narrow range.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	17-6-1959	10-6-1959	3-6-1959
Groundnut	Rs.	Rs.	Rs.
August 1959	199 50	200 00	199.25
Bold ready	43.50	43.00	42 75
Coromandel ready	43 25	43 25	43.00
Khandesh quality	43.25	43.25	43.00
Oil ex-mill ready*	22 00	22.00	21.75
Railway receipts*	21.81	21.87	21.62
Castorseed			
September 1959	162.37	164.50	166.12
Ready Madras	31.25	31.62	32 00
Ready Kanpur	30 00	30.44	30.50
Oil B.S.S.†	16.87	17.12	17.25
Oil commercial†	16.12	16.31	16.50
Linseed			
September 1959	33.81	34.06	34.25
Bold ready	33 00	32.87	33 25
Oil ready†	15.75	15.69	15.75
Cotton seed			
September 1959	133 00	133.75	134.00
Niger seed	31.75	31 75	32.00
Kardi seed	24.25	24.25	24.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR RALLIES

(From Our Own Correspondents)

BOMBAY, 17*th June*

There was a good rally in the sugar market during the week under review. This followed the sizable pre-monsoon demand for sugar from Saurashtra, Gujerat and the Southern areas. At the same time, the floating free sale stocks of sugar in the State were reported to be limited. Arrivals of sugar by rail into the city were meagre, being no more than 5,912 bags, as against 14,120 bags in the previous week.

Large grain sugar firmed up by Rs. 4 to Rs. 122—128 per bag. Medium grain advanced by Rs. 3 to Rs. 119—121. Small grain spurted by a like amount to Rs. 118.

The Government of Bombay is reported to have requested the Union Food Ministry to inform it about the arrangements which the Ministry proposes to make for supplying sugar to different areas in the State where the sugar mills with their limited free stocks are not able to meet the demand. It is understood that a full-fledged scheme prepared by the Ministry will be announced along with the next free sale release not later than the 27th of this month. Meanwhile, the representatives of the Deccan Sugar Factories Association, the co-operative factories in the State and the trade met the State's Civil Supplies Minister, Mr. Kazi, separately this week. Enquiries made in sugar circles reveal that the Association has agreed to sell D-29 grade sugar at Rs. 105 per bag ex-mill with corresponding price differentials for other grades as laid down in the I.S.S. Price Differential Chart. On their part, the co-operative sugar mills have given the assurance that they would supply their sugar for distribution to consumers through the Grain Dealers' Federation and the co-operative consumer societies. The sugar dealers have expressed their willingness to take up the work of distribution at a very small margin of profit.

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HAPUR, 15*th June*

After an early slight fall following the change in Government's sugar policy, sugar has recorded a firm trend and touched new high levels for some qualities in mill delivery section. Wholesale trade in sugar is to be licensed, but the delay in the issue of sugar licences under the State Government's Sugar Licensing Orders has also imparted strength to the market. Arrangements, however, have been made at some places to supply sugar at controlled prices, but the uptrend is perfectly bullish.

Sugar spurted by Rs. 2 to Rs. 2.50 per maund in the Muzaffarnagar market during the week and were quoted at Rs. 5.62 to Rs. 7.50 per maund higher than the controlled prices fixed by the Government. There was good bull support from Punjab and Rajasthan. The latest prevailing prices were:—crystal spot delivery Shamli D29 Rs. 36.75; Deoband D29 Rs. 38.25; wholesale mill delivery controlled B29 Rs. 37.12; C29 Rs. 36.37; D29 Rs. 36; market quotations f.o.r. mill stations Meerut D29 Rs. 42.75; Lhaksar B29 Rs. 43.62; Dhampur D29 Rs. 42; Amroha D29 Rs. 41.62; Bijnore D29 Rs. 41.62; Saharanpur D29 Rs. 43.25; Mansurpur C29 Rs. 43 87; Dauarala C29 Rs. 43.37.

Sugar in the Kanpur market also recorded a hardening trend during the week, as supplies were restricted.

Khandsari ruled quietly steady to be quoted now at:—superior Rs. 37 to Rs. 39.50 and inferior Rs. 35 to Rs. 37 a maund.

Ready *gur* ruled quietly steady. Daily arrivals continued at an average of 500 maunds, as producers who had retained their stocks uptill now for better prices were rushing their supplies to the market before the onset of the monsoon. Total arrivals of *gur* during the season were above 650.000 maunds, as against about 400,000 maunds last year and local stock was put at 65,000 maunds. Condition of the new cane crop was reported to be fair, but much would depend on the coming rainy season. The prevailing prices were:—*pansera* Rs. 21 to Rs. 21.27; *shakker* Rs. 22.50 per maund.

Ready *gur* was quiet in the Muzaffarnagar market, due to want of outside support. Local stock was about 300,000 maunds. *Shakker* prices improved slightly, due to good demand from Rajasthan and Gujerat.

Future trading in *gur* has been sanctioned here by the Central Government and will soon start under new regulations laid down by the Forward Markets Commission.

MORE JUTE LOOMS UNSEALED

(From Our Own Correspondent)

CALCUTTA, 16*th June*

Following good buying support, active conditions were in evidence in the jute markets during the week under review. Prices of both jute goods and fibre added gains. Two outstanding events of the week which influenced the market were the decision by the Indian Jute Mills Association to unseal 1½ per cent. of the total loomage with effect from the 22nd inst. and the shipping of 1,350 tons of raw jute to the U.S.S.R., for the first time in one decade, by the State Trading Corporation. In recent months, hessian stocks have been progressively decreasing, and it is becoming clear that unless production of this construction is increased, an acute shortage would develop. For the Argentine is expected to show greater interest and accelerate purchases which would total 70.000 tons within the next few months. There have been indications of an increase in American interest too. Argentina has had a good farm output this year, and trade circles have no doubt that that country will purchase a greater quantity of hessian this year than last year. No doubt, burlap stocks in the United States are high at about 287 million yards, equivalent to about 3½ months' consumption. However, there are sufficient indications of American interest for imminent purchases against replenishment of stocks.

At the end of May, hessian stocks, although increased by 1,800 tons to 21.400 tons, following the transfer of more sacking looms to hessian manufacture in the month, represented only half a month's production. Trade circles are naturally worried about shortage, if the expected orders from Argentina and the United States materialise. The unsealing of looms by 1½ per cent. is only expected to increase production by 1,500 tons a month. That this is considered paltry and insignificant by market circles is evident from the fact that, despite the move to raise production, prices have hardened this week. In recent weeks, the position of sacking has shown a progressive improvement, and the transfer of looms, coupled with increased buying for foreign consumption, has reduced stocks with mills to a reasonable level. At the end of May, stocks of sacking declined by 6,800 tons to 61,400 tons, which was about six weeks' production. Gradually, more and more orders are being received for sacking goods, and opinion in trade circles suggests that the method of increasing hessian production at the cost of sacking can no longer be adopted. This is the background against which mills have decided to unseal 1½ per cent. of the looms, bringing the percentage of looms that would remain yet closed to 12½, the position which existed prior to 1st March. Trade circles thought that the increase in production by 1,500 tons would not leave any mark on stocks, and that it was imperative that more looms should be unsealed. Evidently, the step of the I.J.M.A. is a guarded one, and it is anxious to avoid any sharp reaction in the market. In this view, trade circles expect a further announcement of unsealing of looms after the position is considered anew on publication of the June-end stocks.

The other development, namely, shipment of raw jute to the Soviet Union, was noted with interest. A further shipment would follow soon. This development is important inasmuch as India wants to increase its exports of raw jute in view of the domestic surplus. Reports from jute districts in Assam and Bengal indicated alternate rains and sunshine this week, and these have done immense good to the plants. Fibre prices this week hardened in sympathy with the goods market. Business passing was restricted, as the bigger group of mills, who are members of the Indian Jute Mills Association, would not accept the new transferable specific delivery contract form as introduced by the East Indian Jute and Hessian Exchange from 1st June. These mills insist, as already reported in these columns, the moisture content clause in the form should be 3 per cent. instead of 4 per cent. It transpires that when the new form was being drawn up, the objection of the I.J.M.A. was not accepted by the contract sub-committee.

Ready B. twills remained unchanged but steady at Rs. 94.80 on Tuesday last, while ready hessian 40" 10 oz. hardened to Rs. 41.05 from Rs. 41. There was some buying in cornsacks for export to Australia. The next day, the I.J.M.A. decision to unseal 1½ per cent. of the looms was announced. This did not have any bearish effect, as the trade was expecting a higher percentage. Thereafter, B. twills spurted to Rs. 95.50 and hessian 40" 10 oz. to Rs. 41.20. Covering business in sacking goods was moderate. There was also keen activity in the futures market. On Thursday, there was profit-taking but soon after B. twills regained to Rs. 95.50. Hessian 40" 10 oz. was steady at Rs. 41.20. Covering business soon followed to take B. twills up to Rs. 95.70 on Friday. Hessian 40" 10 oz. was depressed at Rs. 41.15, following the news of lower consumption of burlap in the United States in the month of April. When the actual figures were, however, analysed, the market was prepared to shake off the earlier disappointment. For, U.S. consumption in May, although at 70.5 million yards, was lower by 3.8 million yards compared to April, were higher by 5.5 million yards compared to May 1958. Stocks at the end of May, however, increased to 287.2 million yards from 279.7 million yards. This news was soon followed by the report that May shipments of hessian to Argentina would be effected soon, as permission had been received. Over the week-end, therefore, there was no surprise when hessian 40" 10 oz. gained to Rs. 41.40. B. twills were shown covering interest, and the price rose to Rs. 96.25. Fully steady conditions were in evidence yesterday. Keener enthusiasm followed the news of higher production in May, despite which May-end stocks showed a substantial decline. B. twills jumped up to Rs. 96.85 and hessian 40" 10 oz. to Rs. 41.45.

BLACK PEPPER QUIET

(Messrs. Parekh and Co.)

BOMBAY, 17*th June*

Malabar black pepper ruled quiet with narrow fluctuations during the fortnight under review. Alleppey spot moved between Rs. 631½ and Rs. 643½. Business at Cochin proved thin, owing to political trouble in Kerala. Turnover on the forward ring was also very much restricted. July delivery fluctuated between Rs. 113 and Rs. 115, and August between Rs. 114 and Rs. 116, with both buyers and sellers reserved. Calicut was fairly steady at Rs. 690.

New York is firm buyer at $0.24½, but India is reserved seller, as arrivals on all the terminal markets are small. Dealers in the U.S. are replenishing their stock off and on for the seasonal period, but their tempo of buying is not so as to excite the market. They are buying hand to mouth.

Singapore is reported to be offering New York Lampong pepper at a competitive price. But the quantity offered is restricted, as holders there are expecting higher price after a month or so when the crop position of Lampong will be clearer. Black pepper in Singapore is firmly held, while white is quiet but steady, as growers are unwilling to press sales. The traders in general are eagerly awaiting the first estimate of new crop from Lampong which, according to the present indication from knowledgeable source, is likely to be small.

Some development of demand in ready is seen both in Malabar and at Bombay. The local prices for ready improved by about Rs. 5, owing to better inquiries. Stock in Bombay is reported to be not more than 3,500 bags.

The steep fall in the value of Indonesian rupiahs and the policy of the Government to squeeze the Chinese traders out of business have resulted in panic, as most of the Chinese merchants are liquidating their holding and acquiring foreign exchange, notably Malayan dollars, at any price in order to transfer their assets to Singapore or Hong Kong. Pepper growers in Indonesia, therefore, are likely to keep their money in produce rather than in paper currency.

Ready pepper in Bombay is quoted at Rs. 89 per Bengal maund.

POOR DEMAND FOR TEAS

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

COCHIN, 12*th June*

Offerings in Sale No. 22, which was held on 9th June 1959, totalled approximately 1.7 million pounds. Quality showed a further decline and a large weight of rush teas were on offer. The market opened to a fair demand, but eased towards the close of the sale. Prices were irregularly easier for all descriptions—in particular, broken grades suffered more than fannings grades. Low mediums and mediums met with a fair enquiry and sold at a decline of 10 to 15 nP. There was only a selective demand for good mediums which were easier by 15 to 20 nP. High grown brokens were neglected by the buyers and there were heavy withdrawals under this category. However, similar fannings met with a better support and are quoted about steady. The quotations were: low medium Re. 1.50 to 1.70; medium Re. 1.65 to 1.80; good medium Re. 1.85 to Rs. 2.05 and quality Re. 1.90 to Rs. 2.60.

Dust Sale 'N'.—700,000 lbs. were offered in this sale which was held on 11th June 1959. There was a good demand for most descriptions at irregularly easier rates. A number of rush production dusts of poor appearance were on offer. Low mediums and medium types declined by 15 to 20 nP according to quality. Milled dusts and poorer sorts met with only a fair demand and sold at considerably easier rates. There was a useful support for black grainy types which were firm. C.T.C. dusts sold well at slightly easier rates.

London Market: Sale of 8th June 1959.—Little irregular, but generally firm.

Sale of 9th June 1959.—Best firm, plain tending lower.

Colombo Market: Sale of 8th June 1959.—Quality generally plain. Good demand. Small selection. Best available quality firm, other high-grown substantially lower, following quality. Medium brokens declined 15 to 20c; plain fannings down 30 to 40c; lowgrown Gulf types 5c. dearer; others 5c. lower.

Sale of 9th June 1959.—Powdery dusts and stalky broken mixeds lower. Others strong demand, particularly useful liquorings, fannings, and dusts fully firm to dearer.

Calcutta Market: Export.—31.500 chests. First sale new season poor demand. Some bright liquoring first flush teas Dooars Cachar sold at considerable drop. Buyers appear hesitant to establish 1959 market. Calcutta, consequently heavy withdrawals.

Internal.—16,200 chests only. Fair demand at easier rates. Orthodox 4 to 6 nP easier with poorest up to 10 nP easier. Medium C.T.C. irregular. Few best C.T.Cs good demand.

Export Quota 1959-60.—The market remains quiet with last business done at 3 nP and the quotation remains unchanged.

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

"*Sale No.* 23.—2 million lbs. Useful demand at lower rates. Low medium and medium teas 5 to 10 nP easier with some withdrawals. Good mediums 5 nP lower. Best liquoring irregularly easier."

TEA DULL

(From Our Own Correspondent)

CALCUTTA, 16*th June*

Dull conditions prevailed during last week's internal sales. It was felt that quality must improve for a change in demand. A similar trend was also in evidence in yesterday's sales held in Mincing Lane, where North India offerings amounted to about 16,000 packages and the good liquorings met with a good market and the poorer qualities eased. The report of lower North Indian production in May following unfavourable weather had little effect in sentiment here.

Dusts on offer in last week's internal sales amounted to 18,106 chests. Prices registered a further recession, although there was a fair general demand. The best liquoring teas among C.T.Cs gave way, and at one time were as low as 10 nP below last rates. The better liquorings also declined, while medium C.T.Cs were irregular. Orthodox teas had buyers at rates which were 4 to 6 nP below last rates, while the poor kinds in this variety eased by 10 nP. An irregular trend was recorded in legg-cut Dooars, with prices on the decline. A similar trend was in evidence in Darjeelings. The quotations, exclusive of excise duty, were: best Assam C.T.C.—unquotable, medium Assam C.T.C. Re. 1.80 to Rs. 2.05, medium Assam grainy Re. 1.60 to Re. 1.64 and medium Dooars Re. 1.62 to Re. 1.68.

Leaf on offer was only 98 chests.

Export rights for 1958-59 changed hands at 3 nP, and special export transferable licence at ¼ nP. Non-transferable shipping licence was available at ½ nP, but there were no buyers.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 15*th June*

Quiet conditions prevailed in the foodgrains market during the week under review. Arrivals of *rabi* grains are still meagre, but the U.P. State Government has tightened its wheat procurement operations by extending the Wheat Levy Order to commission agents also who will now be required to sell 50 per cent. of the wheat stocks coming into their possession in any manner to the Government at fixed prices.

Wheat at Hapur ruled unchanged at Rs. 18 to Rs. 20 per maund in the open market, as against the Government purchase price at Rs. 13 to Rs. 15 a maund. Wheat was not openly reaching the market here and daily arrivals at an average of 50 to 100 maunds were being lifted in private by consumers at fancy prices.

Rice continued to rule steady. The U.P. Government has decided to make rice available at fair-price shops in the urban areas of eleven more districts. The Central Government's procurement plans for rice are working satisfactorily and about 1.2 million tons of rice and paddy have already been obtained, as against the target of 2.0 million tons. The latest prevailing prices of rice are:—*sela basmati* Rs. 33 to Rs. 36; *mainpuri* Rs. 22.50; *raimunia* Rs. 27; *gadda* Rs. 22.50 a maund.

Gram registered a fractional fall during the week, thanks to heavy arrivals from Punjab and a bumper crop in the country. Gram production in 1958-59 has touched a new height of 6.826,000 tons, representing an increase of 37.1 per cent. over last year and 27.1 per cent. over the average production of last five years. Barley production in the country in 1958-59 was also heavy at 2,640,000 tons, an increase of 18 per cent. over last year. Barley and *bejhar* sought lower levels, while *jowar* and *guwar* were unchanged, as demand was reported to be fair for seed purposes. The week-end prevailing prices (in rupees per maund) were:—gram 13.25; barley 12.75; *bejhar* 12.25 to 12.87; *jowar* 13.75 to 16; *guwar* black 12, white 15.37.

Good demand from O.T.R. destinations, coupled with easy loading facilities, accounted for quietly steady conditions in peas during the week. Local arrivals were at an average of 750 to 1,000 maunds daily and local stock was put at 42 *khatties*, as against 193 *khatties* a year before. The week-end prices (in rupees per maund) were:—Peas *dara* 12.87; farm white quality 13.40 to 14.50; peas *dal* 14.37; *arhar* 17.25 to 17.50; *arhar dal* 22 to 23; *urd* 19.25; *moong* 20.50 to 22.50; *massoor* 15 to 19.25.

The sowings of *kharif* maize crop has begun in some areas, while large-scale sowings will commence with the onset of monsoon, which is expected here in the first week of July.

COPPER POLICY CHANGED

(From Our Own Correspondent)

CALCUTTA, 16*th June*

Easier conditions were in evidence in the metal market during the week under review, following a seasonal decline in interest shown by consumers. Market circles expressed dissatisfaction at the change in the official copper policy to the effect that the Government would deduct quantities permitted to scheduled industries from the stocks held by the State Trading Corporation. These stocks were originally meant for non-scheduled industries and, in view of the delay in the issue of import licences to scheduled industries, the Government diverted a portion of the S.T.C. stocks to the scheduled industries. The market and trade circles asked whether the delay in the issue of import licences to scheduled industries aimed at the extension of the activities of the S.T.C. in the import trade! Meanwhile, the S.T.C. continued to release copper to small consumers. Consequently, copper wire clean scrap declined by Rs. 3 to Rs. 232. On the London Metal Exchange, copper opened at £237 and eased to £236½, as the possibility of an imminent release from the American stockpile receded. Towards the week-end, the rate toppled down further to £232½ per ton. In New York, the price for July declined from 31.15 cents to 30.06 cents per lb. The movement was irregular.

Tin opened here at Rs. 559 and, after declining to Rs. 558.50, moved up to Rs. 560 before closing at Rs. 559. Consumers were not interested to enter into any big commitments, in view of good stock position with them as well as in the market and the possibility of a decline in the price. On the L.M.E., spot metal recovered to £788, after falling from £787½ to £785¼. In the Far Eastern markets, a definite uptrend was in evidence. The price for July in New York rose gradually to 102.50 cents per lb. from 101.00 cents.

Electrolytic zinc improved fractionally from Rs. 98 to Rs. 98.25, following weakening stock position. The demand was mostly speculative since the S.T.C. had enough metal to distribute to consumers through the permit system. In London, zinc opened at £77½ and improved to £77¾. After declining to £77, it closed better at £77⅜. There was also a fractional improvement in the price at New York.

Lead declined from Rs. 73 to Rs. 72, in view of higher stocks. Apart from an official enquiry, there was nothing else worthwhile mentioning. In London, the closing price at £69 per ton registered a loss of 10s., while, in New York, in an irregular movement, a fractional rise was reported.

HIDES ARRIVALS LARGE

(From Our Own Correspondent)

MADRAS, 15*th June*

Arrivals of E.I. tanned cow hides and buff hides were somewhat larger than in previous week, while those of cow calf and buff calf were small. U.K. buying seemed to be on a hand-to-mouth basis, as the importers' intake was only selective. Top class goods were in good demand at unchanged levels. Other marks, however, were wanted only at lower prices. Inquiries for cow hides all weights from the East European countries were in the air, and these firmed up the market to some extent, despite the fact that no business was actually booked.

Tanned goats, as well as semi-prime and medium sheep, were steady. Inquiries for shipment were small.

MARKET GOSSIP

(*Concluded from page 1019*)

expected, considering the divergence of opinion between the U.S., on the one side, and the nine West European countries (the U.K., Belgium, Denmark, France, West Germany, Italy, the Netherlands, Norway and Sweden), on the other, over the three U.S. practices complained of, namely, flag discrimination, subsidisation and tax-free flags of convenience. Although the U.S. Government representatives gave a "very sympathetic" hearing to the West European allegation that the aforesaid practices had been harmful to the interests of traditional maritime nations, they were reported to have pointed out that these practices were essential to give protection (or give a privileged position) to U.S. shipping. This argument was based on three grounds. First, the greater part of U.S. shipping is non-competitive, owing to high wage rates. Secondly, international shipping freight rates have slumped the world over. Thirdly, there is a growing surplus of international shipping.

The conflict of interest between the U.S. and the West European nations is thus "straightforward and largely irreconcilable." It will be interesting to know how the "continuing machinery" proposed to be set up will bring about a solution acceptable to both sides. Some in Britain are inclined to feel that the U.S. Administration might ultimately be persuaded to modify its attitude towards flags of convenience which, it is said, are just as much unfair competition to U.S. flag carriers as to anyone else. But it is considered highly doubtful if the Administration would agree to give up protection and support to its shipping, for it is American shipping that is suffering most from the impact of world shipping recession.

Meanwhile, a section of shipping quarters in the U.S. has bitterly criticised Britain and the Continental countries as having launched an "out-and-out attack" aimed at destroying the American merchant marine. This criticism has evoked regret in European shipping circles. Sir Nicholas Cayzer, President of the Chamber of Shipping, United Kingdom, declares, for instance, that the aforesaid criticism is absolutely incorrect. The European representatives, he observes, had made it clear that they had asked for talks not because of the current shipping depression but because of the long-term defects of policies under discussion. Sir Nicholas has also disputed the U.S. contention that the Anglo-Soviet trade agreement contains discriminatory provisions for U.K. and Soviet shipping by quoting the relevant paragraph in the agreement which says: "The U.K. Government and the Government of the Soviet Union agree to continue to allow ships of both countries to participate in the trade between the two countries and to follow the principle of free and fair competition in international shipping." Sir Nicholas argues that there could be no scope for discrimination where there is a clear provision for free and fair competition.

ROUND THE EXCHANGES

(*Concluded from page 1020*)

in the past fortnight. In the planting section, rubber shares were well favoured on hopes of a reasonable upward revision in the price of rubber. Buying enquiries in the tea group were selective, such being confined to high-grown tea companies' scrips. In sympathy with rubber and teas, coffee shares were generally held firm. Business put through in the textile section was restricted, with values moving narrowly, thanks to absence of encouraging reports regarding domestic and overseas offtake in piecegoods and yarn. Trading in the miscellaneous section was characterised by good support to cement shares which tended to move up.

In the sugar section, EIDs improved from Rs. 37 to Rs. 37.50. Travancores were higher by 5 nP at Rs. 12.00. Cauverys were firm at Rs. 107, as also Indias at Rs. 12 and Mysores at Rs. 12.00. Deccans, however, shed 8 nP to Rs. 12.22 for want of follow-up support.

Among tea shares, United Nilgiris advanced by 20 nP to Rs. 20.45. Chembras gained 3 nP to Rs. 4.30. Haileyburias were fully maintained at Rs. 19.60, Kil Kotagiris at Rs. 8 20 and Nonsuch Teas at Rs. 26.75. Balanoors, however, encountered selling and eased by 50 nP to Rs. 20.50. Twyfords shed 12 nP to Rs. 17.00. In the coffee group, Consolidated Coffees evoked enlarged enquiries and hardened by 65 nP to Rs. 22.50. Coffee Lands picked up 25 nP to Rs. 24.00. Anapara's changed hands at Rs. 4.70, same as last week. Among rubbers, Malankaras attracted good attention of operators, the quotation spurting by 25 nP to Rs. 19.25. Midlands strengthened by 10 nP to Rs. 12.05. Rajagiris gathered 5 nP to Rs. 17.50. Thirumbadis gained 2 nP to Re. 1.94. Vaikundams, however, declined by 10 nP to Rs. 26.40.

In the textile section, Radhakrishnas dropped Rs. 5 to Rs. 122. Virudhunagars receded by 25 nP to Rs. 39. Several other scrips were dull, with no variation in prices.

Among miscellaneous industrials, Orissa Cements improved by 30 nP to Rs. 15.15, Mettur Chemicals and F.A.C.Ts gained 10 nP each to Rs. 12 60 and Rs. 8.95, respectively. India Cements moved up from Rs. 6.05 to Rs. 6.12. Andhra Cements were fully steady at Rs. 10.20, Dalmia Cements at Rs. 10 60, Mysore Chemicals at Rs. 10.55. Mysore Papers at Rs. 20.25, Spencers at Rs. 20.25 and Travancore Cements at Rs. 9 85. But Western India Plywoods came in for selling and lost 50 nP to Rs. 170. Standard Motors receded by 10 nP to Rs. 14.75 and Indian Steel Rollings by 9 nP to Rs. 15.25. Ashok Leylands shed 5 nP to Rs. 6.95.

OUTLOOK FOR TEA INDUSTRY

(*Concluded from page 1024*)

production rose from 73 million lbs. to over 80 million lbs. in 1958 and the average price realised last year in London auctions was 2d. per lb. more than that in 1957.

The next country of importance is China, which has announced a three-year plan to step up its exports to 200 million lbs. by 1962. Production and shipments from Ceylon show no signs of flagging, while Pakistan has fixed a minimum export allotment of 20 million lbs. per annum. The effect of increased competition may, according to Messrs. Thomas and Co., be offset, to a certain extent, by the increasing internal consumption and the expanding trade which India has developed with Communist countries. It is, however, not clear to what extent one can rely on these countries, because they are bound to give preference to China which, as already stated, wants to sell more tea. Another encouraging factor is the ability of the U.K. to maintain larger stocks than in recent years. This augurs well for the future and "this alone should be a stabilising influence on the market for the coming months."

Discussing the outlook for the current season, Messrs. Thomas and Co. observe:

"We consider the prospects for the opening sales in Calcutta to be bright and early teas, especially those with useful quality from all districts, should meet with a strong market. Fine plucking and careful manufacture by any method must pay a handsome dividend and the best teas may well **realise prices comparable** with some of the highest in recent years. However, when the bulk of plain teas are being offered, the finance available to the buyers may control the prices more noticeably than heretofore. After a strong start, **the minimum price on the Calcutta** market may be eventually pegged in the region of Re. 1.55-Re. 1.60 as in 1958. The internal operators are unlikely to allow the market to fall below this level, which, although uneconomic, does at any rate give a target for common tea producers to aim at when endeavouring to lower their costs."

A more long-term outlook depends, among others, on the assistance which the Government gives not only to the plain tea producer but also to all producers in India, so as to make Indian tea more competitive in the world markets. It is only on the basis of a reduced cost that India can, in the face of increasing competition, expect to hold on to its present export trade.

There are, however, two basic *malaise* from which producers of tea not only in India but in other countries as well are suffering, namely, (1) the excess of supply over demand, despite the rising trend of consumption, and (2) the gap between costs and prices realised. According to Sir James Jones, Chairman of James Finlay and Co., Ltd. and Consolidated Tea and Lands Company Ltd., there are only two means by which matters can be rectified at short notice. They are: (1) the renewal of International Tea Agreement with fixation of export ceilings for each country of production and (2) the complete removal of export duties. Both these steps, he says, require action by Governments and, quite apart from the fact that the Governments are unlikely to be willing to forgo the revenue involved in the latter expedient, it is by no means certain whether the entire elimination of duties would be sufficient to bridge the gap between costs and receipts in some cases. Sir James does not, however, consider this step as a permanent remedy, as it does not provide a safeguard against a further fall in prices. The only other solution is the regulation of exports. Commending this step, Sir James says:

"Regulation of exports, on the other hand, has all the virtues as, by this means, the industry can, without pain to the national exchequers of the countries concerned, be nursed through the period required to introduce the long-term cure, an appreciable increase of world consumption, an increase sufficient not only to absorb present production but to absorb the further increases in production which can be expected in the coming years. I am at a loss to understand the reluctance of the Governments concerned to renew an agreement which has been effective in the past, requires the introduction of no new unfamiliar machinery and which, with reasonable goodwill, can quickly do all that is needed to restore equilibrium and a degree of confidence for all concerned."

The majority of newcomers are not enthusiastic about international control. This is understandable, because they do not face any difficulty as India, Pakistan or Ceylon does. Naturally any mechanism which hampers the unfettered growth of their production and exports is looked upon with scepticism.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 17th June, 1959.

	Closing quotations 11-6-1959	High	Low	Closing quotations 17-6-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	140 00	140 00	138 00	138 00
Apollo (2)	1 26	1 30	1 26	1 28
Bombay Dyeing (25)	63 80	65 30	63 50	64 80
Bradbury (50)	144 50	—	—	144 50
Central India (100)	98 00	99 00	96 50	99 00
Century Mills (100)	543 00	558 00	540 00	551 00
Edward Textile (200)	220 00	—	—	220 00
Elphinstone (50)	35 00	—	—	35.00
Finlay (100)	266 00	266 00	262 00	264 00
Gokak (100)	147 00	—	—	147 00
Ind. Untd. Deld. (1)	0 98	1 00	0 96	0 98
Ind. Untd. Ord. (10)	7 68	7 72	7 56	7 60
Indore Malwa (100)	95 00	96 00	88 00	88 00
Khatau (100)	216 25	221 25	216 25	221 25
Kohinoor (100)	273 50	287 00	272 00	284 50
Lakshmi (250)	415 00	—	—	415 00
Minerva Mills (100)	61 00	—	—	61 00
Model Nagpur (250)	85 00	79 00	78 00	79 00
Morarji (100)	255 00	255 00	254 00	255 00
Mysore (50)	82 50	82 50	81 50	82 00
National Rayons (100)	317 25	328 00	310 00	325 00
New City (100)	106 00	—	—	106 00
New Great (100)	171 00	172 00	170 00	172 00
Phoenix (100)	145 00	—	—	145 00
Podar Mills (100)	174 00	172 50	171 00	172 00
Sassoon Silk (10)	8 24	—	—	8 24
Sassoon Spg. (10)	49 50	50 00	49 50	50 00
Sholapur (1 000)	422.50	430 00	422 50	430 00
Shrinivas (100)	174 00	175 50	174 00	175 00
Simplex (50)	177 00	178 00	169 50	173 00
Standard (100)	501 00	520 00	500 00	518 00
Swadeshi (100)	232 50	245 50	230 50	243 50
Swan (100)	380 00	380 00	375 00	380 00
Tata Mill (25)	34 25	35 00	34 25	34 50
Vishnu (100)	100 00	—	—	100 00
Western India (1,000)	4,475.00	—	—	4,475 00
BANKS				
Bank of India (50)	131.25	131.25	130 50	130 50
Do. (New) (50)	133 50	133 50	133 00	134 00
Bank of Baroda (50)	102 50	—	—	102 75
Central (25)	53.10	53 50	53 00	53 50
Central 'A' (25)	56 00	55 80	55 50	55 80
Dena Bank (50)	52 80	52 80	52 20	52 50
Punjab National (10)	22 64	22 64	22 44	22 48
Union Bank (5)	6 92	6 92	6 88	6 88
United Com. (50)	61.00	62.00	61.00	61.50
ELECTRIC COS.				
Ahmedabad (100)	90 00	92 20	90 20	92 20
Amalgamated (10)	10 84	10 84	10 80	10 80
Andhra Valley (1,000)	1,130 00	1,132 50	1,125 00	1,132 50
Bom. Sub. El. (100)	103.75	104 00	103 50	103 75
Surat (100)	105 50	—	—	105 50
Tata Hydro (100)	119 00	119 00	117 00	117 50
Tata Power (1,000)	1,171.25	1,176.25	1,170.00	1,172.50
INSURANCE COS.				
British India (10)	14 44	—	—	14 41
Empire of India (100)	201 25	—	—	201 25
Ind. Mercantile (20)	43 00	—	—	43 00
Jupiter (15)	5 60	—	—	5 60
New India (15)	56 00	56.50	55.70	56 50
Vulcan (10)	20.76	—	—	20.76
STEEL COS.				
Ind. Iron (10)	23.92	24.52	23 80	24.36
Mukand Iron (10)	18.12	18.28	18 00	18 20
Tata Steel Ord. (75)	189.00	193.25	188.00	191.75
SUGAR COS.				
Belapur (50)	292.50	296 00	292.00	295 00
Bhopal (10)	23.20	—	—	23 20
Chandeo (12.50)	30.40	—	—	30 00
Phaltan (50)	157.00	162 00	158 00	160 75
Walchand Ind. (100)	291.25	295.00	290.00	293.75
CEMENT COS.				
Associated Cts. (100)	152.50	155.25	151.50	154 00
Digvijay (100)	152.50	153.50	152.50	153.00
MISCELLANEOUS				
Alcock Ashdown (100)	269 00	272.50	268 00	271 00
Bom. Burmah (125)	544 00	566 00	540 00	561 00
Do. (New) (50)	182 50	185 00	182 50	185 00
Br. El. Pol (4 sh.)	1.76	1 78	1.72	1.76
Br. I. Corpn. (5)	4 70	4 70	4 12	4 12
Hindustan Lever (10)	30 25	30 25	29 75	30 00
Hindusthan Motors (10)	8 68	8 88	7 84	7 84
Indian Copper (2 sh.)	4 08	4.18	4 04	4 12
Ind. Inv. Tr. (100)	77 00	—	—	77 00
Killick (100)	139 50	—	—	139 50
Larsen & Toubro (10)	21 80	22.36	21.84	22.28
Mahindra & Mahindra (10)	19 80	20 64	19 84	20 64
Polson (100)	139 00	—	—	139 00
Pre. Automobiles (100)	109 00	117 00	108 00	115 50
Premier Con. (30)	311 50	325 00	310 00	321 00
Scindia (20)	17 48	17 96	17 44	17 72
G. E. Shipping (10)	22 52	22 44	22 40	22 44
Shivrajpur (10)	84 00	86 50	83 00	84 00
Sirpur Paper (10)	12 84	13 20	12 92	13 12
Tata Chemicals (10)	18 44	18 76	18 28	18 72
Tata Locomotive (100)	203 00	211 00	203 00	208 00
Tata Oil (25)	57.50	64 00	58 00	62 80
Voltas (100)	170 00	179 50	170 00	176 00
W. I. Match (100)	204.75	206 75	204.00	206 25

MANCHESTER LETTER

(*Concluded from page 1029*)

fication for the rises, but speculative interest has certainly forced up other quotations from time to time. Among those companies which have been subject to rumours of one sort and another are Horrockses, Crewdson & Co. Ltd., Joshua Hoyle & Sons Ltd., and Tootal Ltd. Bursts of activity in the shares of such groups have surprised and bewildered the management and have caused concern in the board rooms.

In considering the figures quoted in the table it should be mentioned that (*a*) the capital of J. F. and H. Roberts Ltd. has been doubled since the end of last year and the 1958 price has been adjusted accordingly; (*b*) the directors of Royton Textile Corporation Ltd. have received an offer of 3*s.* 6*d.* per 4*s.* share from the Franco-British and General Trust, which was not recommended, but have indicated that an approach from a firm of investment bankers may eventually result in a further offer exceeding 4*s.* per share; and (*c*) a bid made by Henry Ansbacher & Co., on behalf of undisclosed clients, of 52*s.* 6*d.* per £1 share in J. and N. Philips & Co. Ltd., has been made unconditional.—*All Rights Reserved.*

COMMERCE

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

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CAN GOVERNMENT CONCERNS REALLY BE AUTONOMOUS?

IN our last issue, we examined some aspects of the recommendations of the Krishna Menon Committee on management of State undertakings. We propose to continue the discussion of this subject in two more articles, as there are at least three more aspects of it to be covered. One of them pertains to the relationship between the management of State undertakings and the Government. We shall deal with this aspect this week, reserving the other two aspects, namely, public participation in State undertakings and their pricing policy for the final article. The relationship between the Government and its concerns is a much talked of subject at present and the question posed is to what extent a Government concern should be autonomous, that is, free from ministerial interference. An allied question is the status of the chief of such concerns *vis-a-vis* the Secretary of the ministry concerned. Both are very pertinent, in the light of happenings in the Life Insurance Corporation leading to its investment in the shares of Mundhra concerns.

The Krishna Menon Committee (K.M.C., for short), it must be said to its credit, has faced these two issues squarely. The chairman of a Government company, as it rightly points out, should be treated by the Minister concerned on a par with the Secretary of his ministry. In actual practice, the Secretary may be handling everything himself and advising the Minister. But the chairman of each Government concern must be answerable to the Minister. He must have direct access to the Minister and discuss with him all the important issues. This will necessarily mean that the Minister must be experienced, knowledgeable, and capable of taking correct decisions. He will, of course, seek and receive the advice of his Secretaries on the proposals put forward by the chairmen of Government companies under his charge, but he should be able to sift the good from the bad. At every stage of discussions on all important issues, the chairmen of companies should be asked to participate. All this means that, if the public sector in trade and industry is to grow and function efficiently and if the bureaucrats are not to become all-powerful, the calibre of Ministers must be of an extraordinarily high order. Further, the Minister himself should take an active interest in what goes on in his companies.

It is misleading to talk in terms of autonomy for Government concerns, because, in practice, there can be no autonomy for such concerns. The policy of autonomy has been tried in some cases, as, for instance, the Damodar Valley Corporation, but has been found wanting. The Government invests money in these concerns and is answerable to Parliament. It has to show good results to the public, if it is to be returned to power. In a democracy, no party can hope to be in charge of Government for all time, except by its good deeds. The Government is, therefore, bound to interfere, in the good sense of the term, with the working of its concerns. What is, however, really important is the type of interference. If the Minister-in-charge interferes in regard to too many details and with the day-to-day working of companies, he will unnecessarily be cold-douching the enthusiasm of the officials of companies to do things on their own initiative. But this is true of any concern, whether it is in the private or the public sector. After selecting the right type of persons to manage the concerns, the chief must give them sufficient freedom to work and show results according to their own light. All that the chief has to do is to see that his executives are carrying out the broad policies laid down by him, that the assets of his concerns are being maintained in good condition, that his workers are treated fairly and humanly, that his managers do not bring a bad name to his concerns and that his investments yield satisfactory returns according to norms decided after a careful consideration of all the aspects. He need interfere only when something or other goes wrong.

These are elementary principles of good management and one may be surprised, when one comes to think of it, that there should be so much discussion on the subject. The necessity has arisen because of mistakes made in the administration of some Government concerns, particularly the L.I.C. When crores of rupees are involved, the responsibility on the officers managing these corporations for a salary of two or three thousand rupees per month is, indeed, onerous. And it is the duty of the Ministers concerned to lighten their task and burden by assuming full responsibility and by giving them proper guidance. This they cannot do, unless the Ministers themselves take an active interest in the affairs of concerns under their charge.

Having thus outlined the appropriate conditions of relationship between the Minister and the managements of concerns under his control, let us see what the K.M.C. has to say on this subject. Here is the relevant quotation:

"A Minister has an overall responsibility to Parliament, even in respect of the companies, and he cannot divest himself of it. The relationship between a Minister and the chairman cannot be formalised and must develop when one gains the confidence of the other. It is open to a Minister to issue 'directives', directions, suggestions or warnings or make any other intervention or give guidance that he in his competence and estimation of his public duties feels he has to. No specific issues can be laid down on which a Minister may not give guidance. Only Government, in the exercise of its responsibility, can make such a decision and lay down a procedure. The fact that a Minister can give guidance does not mean that there can be day-to-day interference. But on all matters of importance, and where the chairman acts according to the guidance he receives, he would be well advised to reduce communications to writing and inform the Minister of his understanding of the guidance.

"While the Minister's view or directions can be communicated by his secretariat to a company, the civil servant should be precluded from issuing orders to the chairman or managing director on their own or in the implementation of ministerial policy. The Minister's orders should be invariably taken and it should not be made into a mere formality."

It is needless to add that the K.M.C.'s observations are broadly in line with our views. To talk of autonomy for Government concerns is meaningless. The politicians who form the Government must assume full responsibility for the results of Government concerns; credit or discredit goes to them. No attempt should be made to split hairs, as is being done by the Prime Minister in regard to Mr. T. T. Krishnamachari's responsibility in the case of L.I.C.'s investments in Mundhra concerns. The distinction that is sought to be made between constitutional responsibility and direct responsibility is fictitious and unwarranted. If it is maintained, it will lead to demoralisation among the officials which in turn will tell on the progress and efficiency of State undertakings.

CONSUMER GOODS

IN the welter of confusion caused by the somewhat ideological discussions on planning which took place at the dizzy heights of Ootacamund, one is apt to miss some of the fundamental features of the Indian economic situation. This may seem trite to say. But the chief justification for saying it is that similar mistakes have been committed in the past. Thus, the modest increase in agricultural production which took place in the first Five-year Plan induced much complacency in the minds of legislators and planners who felt that, in the second Plan, greater importance must be attached to industry than to agriculture. But the shortage of food in the last three years has compelled the authorities to put first things first, to recognise that India's predominant occupation, agriculture, must continue to receive high priority. Although the manner in which agriculture is sought to be reorganised has justly come in for criticism, there is no doubt that the re-discovery of the importance of agriculture is a commendable feature of the current economic thinking in this country.

It would be an equally grave error to ignore another important aspect of the country's economy, the production of consumer goods. And yet, there is a danger that, in the understandable emphasis on capital goods, heavy machinery and machinery-making plants, the significance of consumer goods may get out of the economic focus. It cannot be too strongly reiterated that, in an underdeveloped country like India, the manufacture of consumer goods is not merely a substantial source of employment but also a potentially effective weapon in all anti-inflationary battles. If the swift increase in national income, now envisaged in the third Plan, is not to result in inflationary pressures, it is necessary that the country's markets are well stocked with consumer

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goods which should help absorb the increasingly higher levels of purchasing power with the people. It is not inconceivable that the implementation of the Rs. 10,000-crore third Plan will inject large doses of purchasing power into the country. Recent statistics show that manufacturing enterprises continue to make an important contribution to national income. Between 1948-49 and 1957-58, the net national output at 1948-49 prices rose from Rs. 86.5 abja (abja=Rs. 100 crores) to Rs. 108.3 abja, while the share of the mining, manufacturing and small enterprises rose from Rs. 14.8 abja to Rs. 18.8 abja. What is necessary is that the rate of increase in the output of enterprises manufacturing consumer goods should be not only maintained but considerably expanded. Further, it should not be deemed a sufficiently satisfactory development if the capital goods and heavy industries alone are allowed to be developed. At the present stage of India's development, capital goods manufacture carries greater dangers of surplus production than the manufacture of consumer goods. While the former is certainly essential for laying the basis of the country's economy, the latter cannot be neglected if there is to be a balanced economic growth. The W. German Minister, Dr. Erhard, rightly emphasised, when he was in India last year, that purchasing power must first be created in the country and goods must be produced which people want. It is only in a totalitarian country that consumers can be starved of the goods they need, in order to make the State produce the goods which it feels must have the first priority. Democratic planning implies much greater consideration for popular demands for goods and services.

It is, therefore, gratifying to note that attempts are being made in some quarters to assess the pattern of demand for consumer goods. Some five years ago, the National Sample Survey initiated what is perhaps the first authoritative investigation into average overall household expenditure. Some light on the pattern of demand for consumer goods was thrown by this survey. A few leading advertising agencies have, in response to the requests from their clients, also made some *ad hoc* investigations, but no great statistical validity can be attached to many of these investigations. Further, the benefits of such research are not available to the entire country. From this point of view, a statistically satisfying document is the report entitled, *Demand Forecasts for Consumer Goods**, published by the National Council of Applied Economic Research (Director-General: Dr. P. S. Lokanathan). The report embodies the findings of a research project, sponsored by Messrs. Hindustan Lever Ltd., on the prospects of India's demand for toilet soap, washing soap, milk, ghee, butter, *vanaspati* and other milk products over the next five years or so. The aim of the report, it is stated, has been mainly to try to determine a certain range of magnitudes for the possible increases in the consumption of the commodities, the demand pattern of which has been investigated. Since consumption of a commodity over a period of time is affected by changes in tastes and habits, trend coefficient has also been taken into account. On the assumption that price elasticities and trend coefficient remain stable, an attempt has been made to estimate the probable variation in the consumption of a commodity in the light of a given shift in the level of income.

The broad conclusions of the survey in respect of soap and *vanaspati* are easily summarised. The income elasticity of demand for washing soap has maintained a range between 2 and 4; it cannot possibly drop below 2.5 in the next five or ten years. For toilet soap, the income elasticity of demand, it is stated, will probably remain in the range of 1 to 2. If it is assumed that the national income of India in 1961 will be about 20 per cent. higher than the 1956 level, it is then likely that the increase in washing soap consumption will be in the range of 50 to 60 per cent. above the 1956 figures, bringing the total consumption to between 310,000 tons and 331,000 tons. If the increase in national income is of the order of 25 per cent., the increase in the consumption of washing soap should be 60 to 70 per cent., bringing the total consumption to between 331,000 tons and 351,000 tons. A 30-per cent. increase in national income will raise the consumption of washing soap to 372,000 tons or 80 per cent. In the case of toilet soap, if the national income increases by 25 per cent., its consumption will go up by 40 to 50 per cent. to between 47,000 tons and 50,000 tons by 1961. A 30-per cent. increase in national income will result in toilet soap consumption going up by 50 to 60 per cent. to about 53,000 tons.

As regards *vanaspati*, the Planning Commission envisages an increase in production from 270,000 tons to 400,000 tons over the second Plan period; domestic consumption is expected to go up from 255,000 tons to 375,000 tons. The report, however, feels that it is likely that the overall increase will be of the order of 60 per cent. to 70 per cent. in the consumption of *vanaspati* during the second Plan period, amounting to between 409,000 tons and 434,000 tons. This estimate, which is subject to a 20 per cent. margin of error either way, is based on a consideration of three factors: (1) "induced" increase in consumption because of a rise in national income, (2) "transferred" increase in consumption because of a spill-over of demand from milk and milk products, and (3) "autonomous" increase resulting from secular changes in people's tastes and habits. Broadly speaking, as a result of the first factor, a 25 per cent. increase in national income will result in a similar increase in the consumption of *vanaspati*; the second factor will add 15 to 20 per cent. to the base-year consumption and the third factor about 20 per cent., making in all some 60 to 70 per cent. increase in consumption of *vanaspati*.

The value of the report lies in its attempt to evolve a suitable method for forecasting demand for consumer goods. The authors confess that no precise degree of accuracy can be attached to the present estimate. They add: "Even in a stable economy, where variations in consumer taste and behaviour over a period are generally expected to conform to some predictable patterns, attempts at forecasting demand are often vitiated by statistical difficulties." They go on to point out how in India, where basic data are crude and sketchy and current developments in income growth, rise in consumption and changes in people's tastes and habits represent a sharp break with the immediate past, the possibility of wide margins of error is still greater. Dr. Lokanathan, in his preface to the report, expresses the same sentiment. He observes that, "owing to lack of sufficiently reliable data and the changing consumption patterns in a developing economy like ours, it is quite possible that demand forecasts prepared with the application of available techniques, which have been evolved to suit situations in developed industrial economies, may not yield highly precise and firm results." Nevertheless, it is to be hoped that the publication of the report, which is a pioneering effort in the field, will help stimulate methodological research in the sphere of forecasting trends in demand for consumer goods which are of vital significance to the progress of Indian economy.

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WEST BENGAL'S FOOD CRISIS

IN no other part of the country has the food situation been worse than in West Bengal. The prices of rice, the staple diet of the people, have soared high and the Government has been compelled to withdraw its price control order. The hope has been expressed that the freedom now accorded to the foodgrain markets will result in freer flow of stocks and eventually result in lower prices. Meanwhile, those consumers who cannot afford to buy from the open market will continue to receive their requirements of rice from fair price shops. While this latest decision is certainly based on a realistic appraisal of trends, there is no doubt that much external assistance will be needed before the situation corrects itself under the impact of normal forces of supply and demand. In other words, much will depend on how much, and how soon will the Central Government give the State by way of rice stocks.

Although the State Government will be—and is being—criticised for its inept handling of the food situation and inadequate appreciation of the problem of shortage, it is difficult not to agree that the Government could not have foreseen the present deterioration in the food position. Among the measures it has taken so far, one is most commendable. It has placed 10 million people under the modified rationing system, as against 4.2 million covered this time last year. In the Calcutta industrial areas alone, nearly 4.2 million have been brought under the system. Despite these measures, the State has been caught in a crisis which threatens to create an explosive political situation. While nobody can have any sympathy for people who wish to make political capital out of an admittedly difficult food position, it is not clear how the Government could have allowed the situation to deteriorate for so long without realising the consequences of this dangerous drift.

It would appear that, since the price control order was issued at the beginning of the current year, there has been a steadily increasing pressure on the available supplies. Although between January and May this year, the Government distributed, through its modified rationing system, 180,000 tons of rice, as against 53,000 tons in the corresponding period last year—increased distribution was made possible because of liberal assistance from the Centre—the prices in the open market in the last few weeks have risen to levels beyond the purchasing power of the middle- and low-income groups. In the open market, the prices of rice are in the neighbourhood of Rs. 28 to 32 per maund, and certain finer varieties of rice are ruling at between Rs. 35 and 40 per maund. No wonder, some starvation deaths and much suffering from semi-starvation conditions continue to be reported from the interior. Clearly, the situation brooks no delay. And it is of the utmost importance that, even before the situation is studied in all its entirety and satisfactory solution is found, rice stocks are rushed to the deficit pockets in West Bengal.

No long-term solution to Bengal's rice problem can be found by ignoring a few of the more important features of the State's food situation. In the first place, it must be recognised that the State is deficit in food supply. Although the present situation can be partly attributed to the failure of the crop in certain districts, the fact remains that the State has necessarily to depend upon external supply for feeding its growing population. Efforts must be made to arrive at a fairly reliable estimate of the State's food deficit. In the absence of such an estimate, the Central Government would find it extremely difficult to respond to sudden calls for assistance. No distinction can, of course, be made as between those who consume finer varieties and those who consume the coarser varieties. The fact is that rice, unlike several other foodgrains, consists of a large number of varieties. And, in a period of shortage, it is virtually impossible to assure qualitative satisfaction to all consumers.

Secondly, some serious re-thinking is called for in respect of such controls as zonal arrangements and purchases by State Governments for stockpiling. It has been argued that zonal restrictions have been chiefly responsible for the emergence of deficit pockets. Assuming that this is an exaggerated allegation and that zonal arrangements cannot be dispensed with, the authorities will do well to find out how best the zones can be reorganised or linked together, so that each zone is reasonably self-sufficient in food supply. Further, in predominantly deficit States, it is particularly necessary that great care should be taken to see that price control, procurement and rationing, if they should be maintained at all, are so organised that they do not interfere with production and distribution.

W. Bengal's Chief Minister, Dr. B. C. Roy, has confessed that "it has not been possible to sustain the price level fixed by the Government and the efforts to enforce the price control have not been successful, resulting in stocks going underground." Even if one makes allowance for defective administration, it should be clear that no price control measure is a good substitute for increased supplies which could be ensured only through larger production, supplemented by liberal imports to make up the deficit. It must not be forgotten that, when the excess of supply over demand is not sufficient to cover the normal stocking requirements, State intervention only serves to aggravate the position, for it leads to a scare among consumers and consequent hoarding by them. It is when consumers start hoarding that black markets of the worst type not easily amenable to Government control flourish. In such a situation, the supply required to restore normalcy will probably have to be twice as much as consumption. Governments must, therefore, think carefully before deciding to interfere with the market mechanism in an essential article like foodgrains. If this lesson learnt during the post-war years of rationing and controls has faded away, the latest events in West Bengal should serve to refresh the memory of the powers-that-be.

RESOLUTION ON T.I.S.CO.'S NEW CAPITAL DEFERRED

BANKS' LENDING POLICY—WORLD SUGAR COUNCIL

THURSDAY, 5 P.M.

ALTHOUGH there has been no appreciable rise in the value of speculative counters, the bulls on the Stock Exchanges are holding out with optimism. They do not seem to be increasing their commitments to any significant extent, but, at the same time, they are not yielding any ground to the bears. As mentioned in these columns last week, the talk of "full socialism" by the policy-makers of the Congress Party has not frightened the bulls or the investors. They all feel that the socialist flood is still far away. The formation of the Swatantra Party and the country-wide, if not world-wide, recognition it has received have engendered a feeling in the minds of some operators that the Congress Party will go slow in implementing its extremist measures of expropriatory nature. This may be nothing more than a hope, with slender chances of materialisation. Considering the continued emphasis on co-operative farming by the Prime Minister, this seems to be not a hope but wishful thinking.

MARKET GOSSIP

Be that as it may, shrewd operators are of the view that the Congress Party may not introduce any drastic economic reforms until after the general elections in 1962, though it may keep harping on them. Accordingly, it will be premature, they contend, for one to take a pessimistic view of the outlook for equities. It is, of course, true that the share markets began to slump six months before the last general elections in 1957. To the question whether a similar trend will not take place even a year in advance of the next elections, their answer is on these lines: In 1957, the Congress Party had no opposition from the right and a voter, who disliked the Congress because of its leftist policies and dubious ideologies, had really no choice. He had only two alternatives, either to keep quiet, without exercising his franchise, or to vote for the Communists, which would be still worse. In either case, the Communists benefited. But, in the next elections, if the Swatantra Party is well organised and puts up good candidates, he will have a real choice. The next elections are, therefore, likely to be lively and encourage a larger number of people to participate in voting than on the previous occasion. This realisation by the Congress Party may induce it to be at least tactful and less provocative to business men and the middle class.

It remains to be seen to what extent the aforesaid reading will be borne out by events.

Some indication may be had from the forthcoming meeting of the representatives of the Federation of Chambers of Commerce and Industry with the Prime Minister. At this meeting, attempts will be made to ascertain the place that will be allotted to the private sector in the next Plan and get elucidation on some of the views expressed at the Ooty seminar. But we would not be surprised if the Prime Minister were to say nothing more than a few sweet words in favour of the private sector which, in practical terms, might mean nothing. The Prime Minister has a knack of being delightfully vague.

* * * *

Attempts made by several shareholders of the Tata Iron and Steel Company, Ltd., at their extraordinary general meeting held today, to know how the Government's mind was working on the Company's application to the Controller of Capital Issues for permission to raise additional capital failed to yield any tangible results. Mr. J. D. Choksi, who presided over the meeting, parried all the questioners on this vital question. He merely read out the Government's formal reply which said, in effect, that the Company's application was receiving consideration and that the Government would give its reply by about the end of August. The shareholders already knew about this reply, as it had found a place in the commercial section of this morning papers. Luckily for Mr. Choksi, the questioners were not sharp. None of them asked him whether the Company had found it necessary to submit its case to the Government against the issue of equity shares at a premium and, if so, what it was. Any way, the consensus of opinion is that there is some hitch between the Government and the Company on the terms of new issue and that the main point of dispute must be on the question whether the Company should be allowed to issue the ordinary shares at par.

It is obvious from the postponement of the consideration of all the resolutions relating to the proposed issue of new capital to the date of the annual general meeting of the Company, fixed for Wednesday, 2nd September 1959, that the Board of Directors (and, of course, the shareholders also) do not want to raise ordinary capital at other than par. When some shareholders asked as to what the Directors would do if the Government insisted on the issue being offered at a premium as on the previous occasion, Mr. Choksi promptly replied that the present scheme would be dropped and other ways and means of finding the finance required by the Company would be explored. Time alone can tell whether he was wise in taking such a categorical stand, for, in these days of comprehensive controls, the Government has the final say. This is more so in the case of such large companies as the T.I.S.Co.

Some shareholders appear to be under the impression that the Government is delaying its permission to the T.I.S.Co.'s new issue, with a view to facilitating its own borrowing programme and that of the State Governments. This impression is incorrect, for the Central Government must be aware that the Company's own programme is such that it would materialise only long after all the borrowings of the public sector are over and that, in any case, these borrowings would not be upset by the T.I.S.Co.'s plan for additional capital. The real cause, according to our information, is the difference of opinion between the Government and the Company on the terms of the issue. Other secondary causes must be the preoccupation of the Finance Minister with more urgent affairs and inadequate time allowed by the Company for receiving the Government's permission. Mr. Choksi disclosed that the Company had sent its application to the Government on 16th May 1959. Surely, less than 40 days are hardly sufficient for the Government to dispose of an application involving a large issue such as this.

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There has been a sudden influx of funds in the short-term money market. Inter-bank call money has slumped from 3-3½ per cent. to 1½-1¾ per cent. Although money is being accumulated by the various types of institutional investors for subscribing to the Central Government's new loans and will be withdrawn on 1st July when the list opens, money market observers feel that the banks will still be left with large surplus funds. They are, therefore, of the opinion that the response to the new loans from the banks will be greater than was anticipated last week.

The increase that is now taking place in the resources of banks, coupled with the Reserve Bank's directive to member-banks last week that they should strive to bring down their loans and advances and bills purchased and discounted by at least Rs. 100 crores during the current slack season, are likely to give a fresh impetus to the desire of banks to lower the ceiling on interest rates on deposits under the inter-bank agreement. It will be recalled that the sub-committee of the Indian Banks' Association in charge of this arrangement decided in April last to take up this subject for consideration in July.

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Till recently, British banking has been known for its conservative practices, approximating more closely to the text-book concept of banking than to the systems prevailing across the Channel or the Atlantic. When their confreres elsewhere were venturing into fresh fields and pastures new, the banks of Lombard Street, under the watchful eyes of the Old Lady of Threadneedle Street, refrained from such "unorthodox" practices. But times have changed and British banks too with it. And the change has been rather rapid in the last twelve months. Traditional lending maxims no longer command the implicit respect they used to receive. It is an old maxim of banking wisdom that bank funds, by their very nature, could only be lent for short-term. Some of the more recent refinements in lending practices such as medium-term export finance, hire-purchase loans, etc., are outside the functions of banking as described in the standard British text-books so far.

Honouring tradition as they do in all other walks of life, British bankers seem to prefer to have new practices in the old garb. But there are some among them who want the spade to be called and known as a spade. Mr. W. R. Ballantyne, General Manager of the Royal Bank of Scotland, seems to be one such. When he suggested, in his presidential address to the Institute of Bankers of Scotland last week, that the British banking system should formalise its "surreptitious" entry into the long-term lending business, he was in fact calling for recognition of a system which already existed in practice. It is well known that British banks have already departed to an important extent from their traditional practice of short-term lending. Mr. Ballantyne called for a formal recognition of this deviation so that banks could derive the maximum benefit out of it.

All banks, according to him, now knew that there were overdrafts in their books which would be needed for more than a year and would be automatically renewed, unless there was a drastic deterioration in the borrower's position. It was normal, Mr. Ballantyne pointed out, for the cost of a loan to bear some relation to its term but, at present, it was possible for a borrower to obtain what was virtually a medium-term loan from a bank at short-term rates. Surely, he emphasised, when overdrafts were offered as substitutes for more permanent forms of finance, it was a mistake to call all overdrafts as essentially short-term by nature, although technically they might be so. The text-book theory, he said, was a reflection of banking practice at a time when the growth and nature of savings were such as to encourage banks to confine themselves only to the provision of working capital for industry. Conditions now had changed and so too the practice of lending. Accordingly, he suggested that the banks should carry the process a step further and offer openly, as was commonly done abroad, to lend for terms longer than had been usual in the past. Such a step, he averred, need not offend the canons of liquidity. He, however, advised the banks to take to the new practice only gradually. It would also be necessary to confine such long-term lending to a definite and not too large proportion of deposits. The seeking of deposits on a fixed-term basis, he then went on to say, could be more readily considered once a market in term loans had been established.

The foregoing observations of Mr. Ballantyne apply to banks in India too, as they are still steeped in British practices and traditions. So long as banks do not recognise this deviation in their lending practice and formalise it, they themselves stand to lose on two counts. First, many industrial concerns, when they take overdrafts or short-term loans, actually borrow for a longer period, since they invariably renew these arrangements or at least the bulk of them. If only these loans were indicated as term loans, the banks could charge a higher rate of interest. Second, banks are losing a certain amount of business which would otherwise have come to them had they made it known that they too lend for long terms.

The reactions of Mr. Ballantyne's colleagues in the British banking fraternity to his suggestion are not known. But, commenting on it, "Lombard," the well-known columnist of the *Financial Times*, London, observes that, provided certain conditions are satisfied, there is a great deal to be said for formalising the entry of banks into long-term lending both from the viewpoint of banks themselves and that of the public in general. To quote him:

"The banks, for their part, can probably earn rather more on their long-term lendings if such operations are designated as such. Long-term rates are usually a little higher than short-term ones even in these flexible monetary policy days. And more long-term lending business would clearly come the banking system's way if it were known that it would extend it a warm welcome. From the borrower's viewpoint, the additional expense of borrowing 'long' would often be regarded as a price well worth paying for the greater sense of security that a formal arrangement would provide."

The proposal, however, has certain disadvantages too. Drawing attention to these, "Lombard" says:

"Wider formal participation by the banks in the work of providing permanent capital could have adverse effect on their other customers. For it clearly cannot be assumed that the banks will always have unlimited resources at their disposal. And the necessity to enforce a credit squeeze would mean pressing very heavily on the ordinary borrower, if they had a substantial proportion of their money tied up in advances that could not be recalled. If they are going to do their best by the 'borrowing public' as a whole, therefore, the banks ought to aim at restricting their long-term lending to projects that cannot be as easily financed in other ways—and some of the long-term loans supplied by banks to industrial enterprises during the past year or two could have been obtained with no great difficulty from other sources."

Discussing the implications of term-lending to deposits from the point of view of liquidity, "Lombard" observes that, though public confidence in banks is high and it will not bother overmuch by a slight reduction in liquidity, it would be advisable for them to build up a "term deposits" system also.

* * * *

The outcome of the three-day session of the International Sugar Council, which ended at London on Thursday the 18th inst., is along the lines anticipated. The Council merely decided to cut the 1959 export quotas of the principal exporting members of the Sugar Agreement to 80 per cent. of the basic tonnages allotted early this year. The effective reduction is, however, only 2½ per cent., since the quotas had already been cut to 92½ per cent. in February and a further 10 per cent. was being withheld under a voluntary retention plan also instituted in the same month. The quota of other members with export tonnages below 50,000 tons has been lowered to 90 per cent. The total cuts now announced are the maximum allowed under the Sugar Agreement.

The effective reduction of 2½ per cent. in the basic sugar export tonnages of the principal member-countries represents just 150,000 tons. This is considered to be too small to make any significant difference to sugar prices. In fact, there has been a further fall in prices in world markets, after the Council's decisions were made known. Cuban raw sugar at New York now stands at 2.78 cents per lb. (f.o.b. Cuba), as against 2.87 cents before the Council commenced its session. Spot sugar in London has gone down from £26¾ (Rs. 352) per ton to £25¾ (Rs. 343).

The decline in prices is actually due to the continued uncertainty over the future behaviour of the revolutionary Government of Cuba which, it is said, can at any time abandon the Sugar Agreement and release its surplus stocks on to the world market. The total of the stocks is reported to be quite considerable. Cuban sugar sales to date are one million tons behind last year's at the same time. The current season's sugar output is estimated at 5 8 million tons and there are at least 600,000 tons surplus from last year.

The uncertainty about the future Cuban sugar policy has not been removed by the deliberations of the Sugar Council. Consequently, the mere 2½ per cent. cut in world market supply may not improve the demand for sugar "which," to quote a latest report from London, "has been on a hand-to-mouth basis for sometime." The Sugar Council would have shown its effectiveness if it had accepted the suggestion put forward by some sugar interests for obtaining the unanimous consent of members to a further drastic cut in export tonnages outside the terms of the Agreement. But the Council feels that the supplies available in 1959 to the free market and the market's requirements

(*Continued on next page*)

SHARE MARKET QUIETLY STEADY

SELECTIVE BUYING IN TEXTILES AND SUGARS

(From Our Own Correspondents)

BOMBAY, *25th June*

THE share market ruled quietly steady during the major part of the week under review. The operators were generally hesitant to make fresh purchases, as they preferred to await the emergence of a clearer picture of the approach to the third Five-year Plan. Early in the week, the sentiment of the market was shaken by reports suggesting possibilities of enhanced taxes and more controls being imposed on companies in the light of proposals put forward by some economists with a socialist bent of mind. The Prime Minister's statement while inaugurating the Defence Ministry's truck-manufacturing project at Jabalpur on Sunday that the public sector would certainly grow and that the private sector should learn efficiency from it only confirmed the misgivings of the share market about the socialism of the Congress Party. Uncertainty about the terms of the new issue of the Tata Iron and Steel Company, Ltd. was another factor restraining the bulls. There was, however, some selective buying in textiles, automobiles, sugar and a few miscellaneous counters. Just before the close the market showed a distinctly steadier trend, presumably due to bear covering and some bull support. Even the news that the Government had delayed its decision on the terms of the T.I.S.Co.'s new issue had no pronounced adverse effect on the trend of the market.

In the steel section, Tata Ordinaries encountered selling on rumuors of lower dividend and premium on new issue and declined from Rs. 191.75 to Rs. 187.25 on Tuesday. Thereafter, they improved and touched Rs. 190.75 today before finishing at Rs. 190. The net loss over the week is Re. 1.75. New shares were quoted today at Rs. 188.50, as against Rs. 190.50 a week ago. The Controller of Capital Issues has informed the management of the Company that the Government's decision with regard to the sanction for the proposed issue of capital by the Company will be communicated by about the end of August. This news has had no effect on the market. Indian Irons eased from Rs. 24.36 to Rs. 24.04 on the 23rd inst., but recovered subsequently to Rs. 24.32 today. Towards the close, they were quiet at Rs. 24.24. The net loss over the week is 12 nP.

Textiles ruled steady, thanks to reports of a further reduction in stocks lying with mills following good domestic offtake. Central Indias met with good support and rallied from Rs. 99 to Rs. 105. Svadeshis and Tata Mills spurted by Rs. 5.50 each to Rs. 249 and Rs. 40, respectively. New Greats advanced by Rs. 4 to Rs. 176. Indores gathered a like amount to Rs. 92. Elphinstones, Morarjis and Podars rose by a rupee each to Rs. 36, Rs. 256 and Rs. 173, respectively. Bombay Dyeings improved from Rs. 64.80 to Rs. 66 today before closing at Rs. 65.70. Centurys first declined from Rs. 553 to Rs. 541.50, but quickly recovered to close at Rs. 551.50, after touching a high of Rs. 554. It was reported that the Company's scheme to raise the productive capacity of the rayon plant from 12 to 18 tons per day had been sanctioned by the Government. Kohinoors fluctuated between Rs. 280 and Rs. 287 and closed at Rs. 285. Edwards were fully maintained at Rs. 219.20, as also Gokaks at Rs. 147, India Uniteds at Rs. 7.60 and Osmans at Rs. 38. Khataus, however, were subjected to selling pressure and fell by Rs. 25 to Rs. 246.25. Swans dropped Rs. 10 to Rs. 370. Standards receded by Rs. 6 to Rs. 512, Finlays by Rs. 4 to Rs. 260 and Simplex by Rs. 2 to Rs. 171. Shree Niwas were quiet at Rs. 175, notwithstanding the Chairman's statement at the annual meeting held on Monday that the modernisation programme had enabled the Company to diversify its production and go in for better and finer varieties of textiles progressively.

Among sugar shares, Walchandnagars evoked excellent demand and jumped up by Rs. 33.75 to Rs. 327.50. Belapurs, which had gone down early in the week from Rs. 295 to Rs. 290.50, hardened to Rs. 303.50 today. Bhopals gained 80 nP to Rs. 24. Changdeos, however, fell by Rs. 2.50 to Rs. 27.50. Phaltans eased by 75 nP to Rs. 160.

In the cement group, Associated Cements receded from Rs. 154 to Rs. 151.75. Dalmias shed 4 nP to Rs. 10.56. But Digvijays picked up Re. 1.50 to Rs. 154.50. Orissas gathered 16 nP to Rs. 15.52.

Bank shares encountered selling and drifted lower. Bank of Indias declined by a rupee to Rs. 129.50, 'A' shares being quoted at Rs. 132, as against Rs. 133. Centrals and Jaipurs lost 80 nP each to Rs. 55 and Rs. 42.50, respectively. Punjab Nationals shed 24 nP to Rs. 22.24 and Unions 20 nP to Rs. 6.68. Barodas were quiet at Rs. 102.75. United Commercials, however, gained 30 nP to Rs. 61.80.

In the electricity group, Andhra Valleys lost Rs. 2.50 to Re. 1,130. Tata Hydros eased by 50 nP to Rs. 117 and Ahmedabad Electrics by 20 nP to Rs. 92. Tata Powers, however, picked up Rs. 5 to Rs. 1,177.50. Bombay Suburbans gathered 25 nP to Rs. 104.

Engineering shares attracted the good attention of operators. Premier Constructions firmed up by Rs. 15.50 to Rs. 336.50. Voltas strengthened by Rs. 6 to Rs. 182 and Coopers by Rs. 5 to Rs. 141.50. Mahindras were in keen demand and rose by Re. 1.68 to Rs. 22.32. Larsen and Toubros put on 44 nP to Rs. 22.72. Alcock Ashdowns declined by a rupee to Rs. 270 for lack of follow-up support. Mining shares ruled easy. Shivrajpurs dropped a rupee to Rs. 83. Indian Coppers shed 2 nP to Rs. 4.10.

Automobile shares were well favoured. Premiers rising by Rs. 2 to Rs. 117.50 and Hindustan Motors by 62 nP to Rs. 9.52. Tata Locomotives moved irregularly between Rs. 208 and Rs. 204.50 in the initial days of the week, remained steady at about Rs. 209 later and finally jumped up to finish at Rs. 211.50. Among shipping shares, Great Easterns improved by 16 nP to Rs. 22.60, while Scindias declined by 12 nP to Rs. 17.60.

A sharp rise of Rs. 65 to Rs. 915 in Indian Dyestuffs characterised the trading in the miscellaneous section. W. H. Bradys spurted by Rs. 33.75 to Rs. 360. National Rayons strengthened by Rs. 7 to Rs. 332. Tata Oils hardened by Rs. 2.70 to Rs. 65.50. West Coast Papers, however, came in for selling and fell by Rs. 15 to Rs. 130. Bombay Burmahs dropped Rs. 10.50 to Rs. 550.50. Amar Dyes declined by Rs. 4 to Rs. 174, Wimcos by Rs. 2.25 to Rs. 204, Hindustan Levers by 40 nP to Rs. 29.60 and B.I.Cs by 30 nP to Rs. 4.40. Gwalior Rayons were done at Rs. 20.16, as against Rs. 19.64 a week ago. At one time, they had gone up to Rs. 20.50 *ex-div.* Killicks eased by Re. 1 to Rs. 138.50.

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Calcutta Stock Exchange

CALCUTTA, *23rd June*

Greater support at lower levels led to steadier conditions on the Calcutta Stock Exchange during the week under review, equities recorded a handsome recovery on a broad front. The recent shake-out had reduced prices to more reasonable levels so as to make investment buying attractive, measured by the yardstick of yield consideration. First class equities met with unsatisfied demand and, here and there, shortage of scrips was felt, in view of large parcels having found their way to the hands of institutional investors, who, unlike ordinary investors, were not inclined to book profits for lack of any alternative scope for investment. During the week, there was again encouraging corporate news, which earlier led to conditions akin to buoyancy. Profit-taking soon followed and, despite narrow movements at one time, the week's closing levels were higher on balance. The cash subscription to the Central loans being well within the capacity of the capital market, the diversion of funds from shares, if any, would prove only temporary. The good state of the share market suggested that there would be no shortage of funds for the forthcoming issues. It was, however, felt that the Reserve Bank's directive to Scheduled banks to curb credit expansion would affect the flow of funds for speculative purposes.

Sectionwise, jutes boomed with activity, following improved statistical position of goods, increased business for export, and encouraging crop reports. Textile received more attention and the impetus was given by the gradual decline in cloth stocks with mills. On the other hand, coals, after being fully steady earlier, moved behind the front line on New Delhi report which apprehended further delay in the Government coming to a decision in regard to increasing coal prices. Teas also plod on infirm grounds, as, so far, tea auctions have been far from encouraging, and nothing is being heard about West Bengal and Assam Governments abolishing the entry tax on tea. Miscellaneous shares accounted for several features following investment support.

Jutes maintained the upward trend on expectations of improved working results in the current accounting period, springing from good overseas enquiries for goods. From Rs. 185, Deltas jumped up to Rs. 192. Baranagores rose to Rs. 156 from Rs. 144 to close at Rs. 153. Howrahs were fractionally higher at Rs. 24.37, as were Agarparas at Rs. 13.12. New Centrals touched Rs. 17, as against Rs. 16.81 earlier. Nellimarlas met with good demand and, at Rs. 14.87, were higher by more than one point. Champdanies were higher at Rs. 137 before closing at Rs. 132.50, while Fort Glosters (New) were dealt with at Rs. 244, as against Rs. 247 earlier. Nationals closed at Rs. 23.50 after being higher at Rs. 24, as against the opening of Rs. 23. The shares that receded included Ballys at Rs. 221, Anglo-Indias at Rs. 248, Ganges at Rs. 84 and Indias at Rs. 15.94.

Among engineerings, Kumardhubis were lifted up from Rs. 8.62 to Rs. 9.31 following news of the forthcoming issue of ordinary rights in the proportion of one to two existing shares. Profit-taking intervened to take the scrip down to Rs. 8.25. Texmacos at one time hardened to Rs. 25.87 from Rs. 25.80 to close at Rs. 25.65. At Rs. 22.50, Indian Galvanizings touched a new high. Indian Irons closed lower at Rs. 24.25, after opening at Rs. 24.34 and rising to Rs. 24.87.

Trading in miscellaneous industrials was cheerful. National Carbons were raised to as high as Rs. 37.50 to close at Rs. 35. National Cables met with good support to improve to Rs. 34.62 from Rs. 33.50. Hindustan Motors were pushed up to Rs. 9.40 from Rs. 8.75. National Pipes at Rs. 18.37 gained one point to close at Rs. 18.19. Britannia Biscuits had buyers at the fractionally improved rate of Rs. 21.87. Philips at Rs. 23.56 were for some time better but closed at Rs. 23.31. Balmer Lawries at Rs. 184 added one point, following increased dividend of 15 per cent. for 1958, as against 12½ per cent. for 1957. Rohtas Industries closed higher at Rs. 22.87, while India Steamships were quiet at Rs. 14.12. Indian Coppers after being higher at Rs. 4.16, closed at Rs. 4.10. Carew & Cos. continued to advance and touched a high of Rs. 11.25. Orient Papers closed at Rs. 36.80, after advancing from Rs. 36.05 to Rs. 37.55.

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Madras Stock Exchange

MADRAS, *24th June*

The steady trend noted on the Madras Stock Exchange last week gathered further momentum during the week under review. The sugar section was particularly active, thanks to good investment buying. Textiles were well supported on reports of an appreciable fall in stocks of cloth and yarn with mills. Trading in the tea group was characterised by firmness of shares of high-grown tea estates. There would have been a more marked rise in prices but for the continued easiness of tea prices due to the inflow of rush crop. Coffee shares moved narrowly in the earlier sessions but picked up strength towards the close. Rubber shares ruled steady. In the miscellaneous section, buying enquiry was selective.

Among sugars, United Breweries attracted excellent attention of operators and forged ahead from Rs. 417 to Rs. 435. E.I.Ds rallied 75 nP to Rs. 38.25. Travancores and Deccans gained 5 nP each to Rs. 12.05 and Rs. 12.27, respectively.

In the tea group, Haileyburias improved by 30 nP to Rs. 19.90. Kalasas picked up 8 nP to Rs. 3.90. Kil Kotagiris rose by 3 nP to Rs. 8.23. Chembras gained 2 nP to Rs. 4.28. Balanoors were firm at Rs. 20.50 and Nonsuch Teas at Rs. 26.75. United Nilgiris, however, shed 15 nP to Rs. 20.30. Twyfords eased by 10 nP to Rs. 16.90. Among coffees, Consolidated Coffees met with good demand and hardened by 35 np. to Rs. 22.15. Cowcoodys strengthened by 5 nP to Rs. 6.80. Anaparais put on 2 nP to Rs. 4.72. Coffee Lands were steady at Rs. 24. Among rubbers Rajagiris recorded a rise of 25 nP to Rs. 17.75. Malankaras were unchanged at Rs. 19.25, Thirumbadis at Re. 1.94 and Vaikundams at Rs. 26.40.

In the textile section, Coimbatore Pioneers provided a bright spot, the quotation climbing up by Rs. 5 to Rs. 275. Venkatesas gathered Rs. 2 to Rs. 119. Premiers were higher by Re. 1.50 at Rs. 165.50. Virudhunagars and Cannanores hardened by a rupee each to Rs. 40 and Rs. 151, respectively. Maduras rose by 30 nP to Rs. 27.60. Bangalore Woollens were unchanged at Rs. 177, Buckinghams at Rs. 186 and Coimbatore Cottons at Rs. 142. Dhanalakshmis were done at Rs. 197.50, Radhakrishnas at Rs. 122, Trichinopolys at Rs. 11.05 and Vasantas at Rs. 210. These rates were the same as those prevailing a week ago. Metturs, however, sagged from Rs. 402 to Rs. 400 *cum-div.*, notwithstanding the declaration of a higher dividend of 25 per cent. for the year 1958, as against 20 per cent. for 1957.

In the miscellaneous section, Western India Plywoods spurted by Rs. 2.50 to Rs. 172.50. Standard Motors were marked up by 50 nP to Rs. 15.25. Orissa Cements hardened by 40 nP to Rs. 15.55. Mysore Papers were higher by 20 nP at Rs. 20.45. Mettur Chemicals increased by 10 nP to Rs. 12.70. India Cements gathered 8 nP to Rs. 6.20. Andhra Cements and Travancore Cements were steady, the former at Rs. 10.20 and the latter at Rs. 9.85.

(Concluded from previous page)

would now be roughly in balance. The estimate of supply is placed at 5.6 million tons (including sugar from countries which are not members of the Agreement), while the demand is put at about 5.46 million tons (this is said to be the minimum). Stating that the Sugar Council does not share the alarmist view of the sugar situation presented by the U.K. Press, Mr. Eric Roll, the Council's Executive Director, observes:

"The Agreement has been in force for only six months and, during this period, it has had to contend with exceptional circumstances. One obstacle had been that the effective participation of a number of countries had not been certain. The world sugar market has become demoralised and, once it is in such a state, it takes time to recover confidence. The statistical situation is much more favourable than market values suggest."

It is difficult to say whether the expectation of the Sugar Council will prove correct. This much, however, can be said: The effectiveness of the role which the Council plays in regulating the world sugar market is limited by the small quantity under its control, namely, about 6.0 million tons, as against the estimated aggregate world output of 50.61 million tons (raw value) in 1958-59. The quantity of sugar that is left out of the Council's purview thus comes to as much as 45 million tons, the whole of which consists of (1) sugar produced under tariff protection for consumption within the countries themselves and (2) sugar purchased under bilateral agreements between closely associated countries such as the Commonwealth Sugar Agreement. Under this Agreement, it will be recalled, Britain buys sugar from Australia, British Guinea and other Commonwealth countries at prices well above the world market level.

There is, therefore, no exaggeration whatever in the statement of the *Financial Times*, London, that the weakness of the Sugar Agreement is "fundamental." As it rightly avers, because the world market is really no more than a marginal market, demand and, therefore, prices on it are highly sensitive even to relatively small increases in supplies under special arrangements.

NEWS IN BRIEF

THE question of continuing protection to the P.F. moulding powder and buttons sector of the plastics industry beyond 31st December 1959 has been taken up for consideration by the Tariff Commission.

A coal-bearing region extending over an area of 13 sq. miles in Bankura District, W. Bengal, has been located by the Geological Survey of India. So far, four seams of coal have been established in this area. A new deposit of coal, estimated at over 5.26 million tons, has also been located near Ondal.

The first building of the proposed steel plant at Bokaro was formally inaugurated on the 20th inst. It will be used to store tools and equipment. The Bokaro plant, which will be India's fourth steel plant, is expected to be manufactured mostly by the Hatia (Ranchi) heavy machinery plant, yet to be established.

The Central Government has decided, in consultation with the Coal Mines Provident Fund Board of Trustees, to maintain the rate of interest on accumulations during the year 1959-60 at the previous year's level of 3½ per cent. The total of accumulations as at the end of March 1959 stood at Rs. 16.64 crores, the number of colliery workers subscribing to the fund being 344,000.

The Government of India has approved of a scheme to establish a Rs. 1.35-crore sugar factory at Aska in Orissa State. The Industrial Finance Corporation has been requested to sanction a loan of Rs. 75 lakhs. The State Government proposes to invest Rs. 25 lakhs. The State Bank has also been requested to contribute Rs. 20 lakhs.

The Geological Survey of India has recorded occurrence of limestone in the various parts of Madras State. The total of the reserves assessed amounts to 2.0 million tons in the coral reefs of Ramanathapuram and Tirunelveli coast, over 4.63 million tons in Sattur and Arupukottai taluks in Ramanathapuram district, 5 million tons and 2 million tons in Rameswaram island and in the South Arcot district, respectively.

Work on the establishment of the Rs. 4.38-crore Dugda Coal Washery, designed to supply washed Jharia coal to Bhilai and Rourkela, has been commenced. The washery is expected to be commissioned towards the end of 1960. It is being put up by a U.S. firm in accordance with an agreement entered into with the Government of India. The foreign exchange component of the total cost amounting to Rs. 2.7 crores will be met from the credit extended by the U.S. Export-Import Bank.

The management of the Dhunraj Mills, a private-owned textile mill in Bombay, which has stopped working for the last one year, is proposed to be taken over by the State Government as an unemployment relief measure. As a result of the closure of the mills, about 2,000 workers had been thrown out of jobs. This is the third textile mill in the State to be taken over by the Government, the other two being the Narsinghgirji Mills and Seksaria Mills.

A scheme to set up a wrist watch plant either in Poona or in Bangalore by a Bombay firm has been approved by the Government of India. A group of French firms will provide the technical know-how and participate in the equity capital of the Indian company, on a 50-50 basis, which will cover the entire foreign exchange cost of the plant. The proposal plant is expected to produce about 300,000 to 350,000 watches per annum on a single-shift basis.

The number of family planning clinics established in different States upto the end of April 1959 is 811, of which 550 are in the rural areas and 261 in the urban areas. So far, about 4.1 million persons have been educated in family planning methods and 874,000 have been given advice. The number of sterilisation operations conducted was 5,815 in 1956, 11,244 in 1957, 18,559 in 1958 and 1,460 during January-April 1959. About 2,359 persons were trained in family planning upto the end of April 1959 at different training centres.

Enterprising private milk processors and distributors, who will collect milk from small producers and process and distribute it to consumers at places where Government milk schemes are not operating, will be given financial assistance by the Government of Bombay for technical staff, equipment and apparatus. The maximum amount of loan that can be sanctioned to a particular party is Rs. 5,000. The loan will carry interest at 6 per cent. per annum and will be recovered in five annual instalments.

The Small Industries Service Institutes at Bombay, New Delhi, Calcutta and Madras have so far conducted about seventy market surveys. These surveys cover a wide range of products, such as plastics, surgery instruments, builders' hardware, electric transformers, fruit and vegetable products, cutlery and cosmetics. The main objects of the surveys are to determine the potential markets for goods produced in small units and to enable the producers to establish contacts with important wholesale and retail dealers.

The Kerala Government has decided to set up a State Trading Corporation to import raw cashewnuts from Africa and other countries and to distribute the same equitably among the cashew factories, besides providing them with credit facilities against adequate security for purchasing raw nuts and marketing processed kernels. The Corporation will be a private limited concern, with an authorised capital of Rs. 1 crore. The paid-up capital is put at Rs. 30 lakhs, of which 51 per cent. will be held by the State Government and the remaining 49 per cent. by the cashew factory owners.

Many schemes for setting up ancillary units under the National Small Industries Corporation have reached a fairly advanced stage. Four units are to be set up at Kalyani in West Bengal as ancillaries to Sen-Raleigh Industries for the manufacture of lugs, cranks, handle-bar-grips and rear light covers. India Cycles Ltd., Calcutta, has entered into an arrangement with a small unit for purchasing their requirements of cycle handlebar knobs. Three small-scale units are to be developed as ancillaries for the needs of Hindustan Machine Tools at Bangalore. An ancillary unit to supply motor-car radiators to Premier Automobiles of Bombay is also being established.

The Union Ministry of Works, Housing and Supply has sanctioned 126 slum clearance projects, since the inception of the slump clearance scheme up to the end of May 1959. The schemes involve construction of 19,653 tenements and provision of 11,731 open developed plots. The total cost of all the schemes is estimated at Rs. 953.42 lakhs. Of the schemes sanctioned, 1,158 tenements were completed and 1,484 open developed plots of land provided up to the end of March this year, and another 4,818 tenements were under construction and 602 plots in the process of being developed. A sum of Rs. 219.11 lakhs was distributed to the State Governments for the implementation of the schemes up to the end of March 1959.

A co-operative society with young men as members is being set up by the West Bengal Government to run the road transport services between Calcutta and industrial areas, including Asansol, in order to relieve educated unemployment in the State. To begin with, the proposed society will run 10 lorries. The scheme, if it is found successful, is proposed to be extended to other parts of the State. Each society will consist of 50 young men, who will invest Rs. 1,000 each to be paid in instalments. The Central Government will grant a loan of Rs. 3 lakhs to each society. The members will work as drivers, mechanics and clerks. The State Transport Directorate has made arrangements to provide technical training for the members, who will receive stipends for the period of their training. The Union Government has already suggested the adoption of similar schemes in Delhi, Bombay, Madras and Kerala.

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From Abroad

Iraq has ceased to be a member of the sterling area with effect from the 23rd inst.

The U.S. Senate has passed a Bill seeking to freeze support prices for U.S. tobacco for the next five years.

A Japanese trade delegation has arrived in Australia to conduct talks in connection with the revision of the Trade Treaty between the two countries.

The U.S.S.R. is considering a proposal to re-enter the Australian wool market. A Russian trade representative is expected to be stationed in Australia for this purpose.

The number of motor vehicles produced in West Germany during the first five months of 1959 was higher at 678,846, as against 619,459 in the corresponding period last year.

The Dutch Government has asked its Social Economic Council, an official tripartite advisory body, to report on the possibility of instituting a statutory minimum wage throughout the country.

The Government of West Germany proposes to change the State-owned Volkswagen automobiles plant into a private corporation and to bring in legislation to permit the sale of "People's shares" in the corporation.

World production and consumption of wheat and coarse grains in 1958-59 are being maintained at record levels, according to the F.A.O. Committee on Commodity Problems. The carryover stocks are also expected to be of record dimensions.

Pakistan will revise its custom tariff structure from the next financial year beginning from 1st July. The new rates will be on the lines of the Brussels Customs Co-operation Council, of which Pakistan is a member. It is also proposed to rationalise tariff duties.

The Japanese steel industry has planned to raise its total imports of iron ore from 7.58 million tons in 1958-59 to 10.3 million tons in 1959-60. This move, it is said, will enable the steel mills to expand their output of pig iron from 6.96 million tons to 8.6 million tons.

The U.S. spent a record $2,140 million on foreign travel in 1958, or 10 per cent. more than in 1957. Another record in the number of U.S. tourists going overseas and their expenditures is expected this year. Rising personal incomes in the U.S. were credited for making more money available for recreational travel.

Industrial production in the U.S. during May 1959 was 4 per cent. above the early 1957 pre-recession peak. The production index (base 1947-49=100) for May stood at 152, as against 150 (revised) for April. Since the end of 1958, the index has gained 10 points, representing an advance of 7 per cent.

The liability limits of the British Export Credits Guarantee Department is proposed to be raised by £400 million to £1,400 million, according to a new Government Bill. Actual and contingent liabilities taken together are now approaching the current limits and the Bill follows the past practice of the Department to seek increases as and when necessary.

A U.K. consortium, Rustyfa, has won a £7.5-million contract for the design and supply of machinery and equipment for a large tyre factory in Rumania. The proposed factory will produce annually one million tyres and tubes for trucks, buses and passenger cars, 500,000 tyres and tubes for motor cycles and scooters, and 1.5 million tyres and tubes for bicycles.

The aggregate world requirements of petroleum products rose by 6 per cent. during 1958, as compared with the previous year, while actual output expanded by no more than 3 per cent. The increase in reserves, although it was much greater than that in output, was less than in recent years. The Middle East and Caribbean areas between them accounted for about 85 per cent. of the total world exports of oil.

The largest Italian financial institution for medium and long-term industrial credit, *the Instituto Mobilaire Italiano*, has been granted a loan of $25 million by three U.S. banks, namely, Bankers Trust Company, Chemical Corn Exchange Bank and the Hanover Bank. The loan will be used for financing the expansion programmes of the Italian Line, a shipping concern, and *Societa Finanziaria sider urgica* (Finsider), a large Italian steel group.

The pay cheques of the U.S. factory workers and the dollar purchasing power of their earnings hit new all-time highs in May, despite a 0.1 per cent. increase in the consumer price index (base 1947-49=100) to 124, a new high. The consumer price index reflects the cost of housing, apparel, medical and personal service. Spendable weekly earnings—after deduction of federal income and social security taxes—averaged $81.03 for factory workers with three dependents and $73.49 for single workers.

Malaya imported from China goods worth $(M)37 million in the first quarter of 1959, as compared with $(M)44 million in the previous quarter and $(M)43 million in the corresponding quarter last year. The imports included foodstuffs, sundry goods, bicycles and sewing machines. The fall in imports is attributed to suspension of Chinese credit facilities granted to Malayan importers, upward revision in the prices of several exportable items effected by the Government of China and reduction in the surplus available for export.

The view that solicitors are a "better accident risk" than the ordinary rank and file was expressed recently by Sir Thomas Lund, Secretary of the British Law Society, while commenting on the Society's motor insurance scheme, which provides for premiums about 20-25 per cent. below those offered by the ordinary tariff companies. This scheme is being worked through a Lloyd's motor syndicate. He gave four reasons for this favoured treatment: solicitors use cars less frequently than others, they are cautious drivers; they automatically get names of witnesses when they are in an accident; and there is a sporting chance that they put in a strictly accurate claim.

PERSONAL

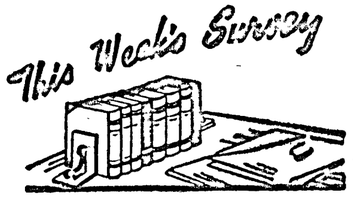
MR. K. L. Dalal, First Secretary to the Indian Embassy at Washington, arrived in Bombay last week-end. His next assignment is expected to be at Rangoon.

Mr. D. N. Gadi, till recently Bombay District Manager of Caltex, left for New York on the 23rd inst., to undergo the Caltex Special Management Training which will last for a year.

Mr. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation, who had been to Western Europe first and then to the U.S. to negotiate a 10-million dollar loan from the World Bank, returned to Bombay on Monday the 22nd inst.

Mr. M. Mallaraj Urs, Director of Agriculture, Government of Mysore, has been appointed Chairman and Managing Director of the Mysore Tobacco Company Ltd., Bangalore, *vice* Mr. Malleshayya, I.A.S., who has been appointed State Commissioner for Transport.

Mr. K. B. Mathur, Member (Transportation), Railway Board, left New Delhi for Washington on the 17th inst., for negotiations with the World Bank regarding further loan assistance for the Indian railways. On his way back, he is expected to visit the U.K., France and W. Germany, in connection with the development of the Heavy Electrical Industries, Bhopal, of which he is the Chairman.



DEFENCE VEHICLES

IN pursuance of its well-known decision to make its own automobiles, the Union Defence Ministry is utilising its Gun Carriage Factory, Jabalpur, to turn out three-ton military vehicles, the first of which rolled out of the assembly line this week. The new project, which is being undertaken in technical collaboration with the German manufacturers, M.A.N., envisages the manufacture of trucks with a multi-fuel engine. At present, the new trucks will be fitted with 30 per cent. indigenous components and this proportion is expected to increase to 90 per cent. in the fifth year of production. The surplus capacity in the Government-owned factories will be pressed into service for the project. Thus, the Machine Tool Prototype Factory at Ambarnath will produce transfer cases and thereby make a significant contribution to the manufacture of indigenous components. Road springs for the vehicle will be made by the Ordnance Factory at Kanpur. Plans, it is stated, have also been taken in hand for the manufacture of components of the multi-fuel engine. It is proposed to establish the engine assembly line at Kanpur; the casting will be done at the ordnance factory at Muradnagar. By the middle of 1960, substantial progress is expected to be made in the manufacture of axle components which is also being initiated at present.

Two features of the project deserve notice. In the first place, though no firm figure has been mentioned so far, it is claimed that the trucks produced by the ordnance factories will cost less than those manufactured in the private sector and result in a considerable saving to the defence budget. It is not known how this will be accomplished, considering that, at least in the early years, production will necessarily be low, so that costs will inevitably be high. Secondly, the new type of trucks cannot possibly command country-wide spares service which is bound to restrict their capacity for quick manœuvre. This may well be an additional and, in times of emergency, a very heavy price which the Ministry has to pay, in order to earn the dubious distinction of manufacturing its own vehicles. All is fair in love and war. And in the ideological war, in which the Ministry has joined, nothing need be regarded as unfair.

MARKET RESEARCH FOR COTTON TEXTILES

Goods cannot command the favour of consumers for long, unless they are so fashioned as to suit the changing tastes and preferences of consumers. The method generally employed to ascertain the likes, habits and tastes of consumers is market research. It involves collection of data which reveal present trends and indicates the probable future pattern of demand. In most progressive manufacturing concerns, decisions regarding the improvement of existing products, the development of new ones, adoption of new selling methods and the application of new advertising techniques, are not taken on impulse nor haphazardly, but in the light of intimate knowledge of market conditions provided by market research.

In the case of goods which have effective substitutes to compete for the consumer's purse, market research, together with effective sales promotion, are particularly essential. How important these twin sales methods are for an industry like the cotton textile industry is illustrated by the recent trends in world textile manufacture. In countries like the U.S., the U.K. and West Germany, the position of cotton textiles as the leading clothing material of the world is being effectively challenged by fabrics made of man-made fibres. The latter, aided by the modern developments in textile technology and the refinements in sales promotion, have succeeded in carving out a sizable market for themselves at the cost of cotton. The fact that they continue to oust cotton is reflected in the latter's declining share in world fibre consumption which in 1958 was only 65 per cent. of the total.

Cotton manufacturers seem to have realised the gravity and implications of this threat. In many countries, programmes for market research, sales promotion and publicity for cotton have been already initiated. In the U.S., the National Cotton Council spends $1.4 million annually to stimulate demand for cotton. In addition to this, the cotton textile industry and the Department of Agriculture jointly supply another one million dollars through the Cotton Council International to cotton industry organisations in Europe and Japan. These amounts, large in themselves, are not heavy in relation to the expenditure incurred by manufacturers of other competing fibres which is five to ten times more.

In India, although it is one of the biggest producers of cotton textiles, few attempts would appear to have been made, either on an industry level or individual unit level, to study scientifically the shifts and trends in consumer preferences. Probably, the need for market research is not as acutely felt in this country as in others, since the competing fibres have not yet developed to a stage when they pose a serious challenge to cotton. It is unwise, however, to think that this position will continue unchanged for long. Moreover, market research will enable manufacturers to plan their production policies and programmes to suit market conditions. The criticism that the problem of unsold stocks would not have assumed the serious proportion it did recently had the mills in this country patterned their production in the light of consumer preference is not without substance.

Viewed in this light, the agreement concluded recently between the Cotton Textile Fund Committee of India and the Cotton Council International of U.S.A. for conducting market research for cotton textiles in India is a step in the right direction. The object of the agreement is to maintain and develop market outlets for cotton textiles through a programme of economic and market research. Under the agreement, which will remain in force till March 1961, the Cotton Council International will train such personnel of the Committee as may be designated by it in techniques of market research and will also bear 50 per cent. of the cost of the research programmes which include, among other things, studies of elasticity of demand for textile products in general and cotton textiles in particular and also shifts in patterns of demand for different varieties on the basis of income and area.

While welcoming this agreement, we would like to suggest that market research should be made a permanent feature of the sales promotion activities of mills in this country. This could be done by the individual mills as also on an industry basis, with all the units comprising the industry joining together to sponsor collective programmes. At first, the market surveys could be confined to urban areas and, in due course, their scope could be extended to cover rural areas as well.

CHINESE AGRICULTURE

The much-publicised claims for Chinese agriculture have apparently availed the people of China nothing. Food shortages have been officially admitted. Agricultural policy has come in for re-examination and criticism. The official Communist Party newspaper, *People's Daily*, has warned that, under existing conditions, China's agricultural output would remain uneven. It has called for extension of the area under such crops as rice, fodder and oilseeds. It wants the rest of the world to believe that the official plans for reducing sown areas as acreage yields increased—widely publicised last year—were a long-term project.

Although the new Chinese Government is known to have improved its statistical administration, it is not clear how far statistics in a country of China's size, population and educational and economic backwardness are reliable. In 1958, the authorities claimed that they had virtually doubled the foodgrain crop to 375 million tons and that the target set for the current year was even higher at 525 million tons. Presumably, the figures were inflated and meant for propaganda abroad, for a strident increase in production cannot be accompanied by acute shortages. It is true that China has reported bad weather conditions in several wheat growing areas which must have adversely affected production this year. But bad weather cannot possibly explain all the shortage. In any case, it only serves to show that good weather, rather than any wise agricultural policy, was responsible for bumper crops in the recent past.

Another possible explanation for agricultural shortages is that China is diverting a good part of its agricultural produce in barter deals with foreign countries, including the Soviet bloc, in an effort to meet its import requirements for both defence and economic development. Very little authentic information is available about the price China is paying for getting equipment, know-how and industrial raw materials from Russia and Eastern Europe. The official party can never be expected to undertake an objective examination of its agricultural policy which is an ill-assorted mixture of enforced co-operative agriculture, collectivised cultivation and communes-dominated farming. That country must continue to suffer from all the disadvantages of an agricultural policy which is directed and enforced by a few men at the top.

All this is not to suggest that Chinese Agriculture can have no lessons for other Asian countries. Only, they need not be sought in Chinese co-operativisation or in their communes. There are elements in Chinese agriculture which deserve emulation. But they are to be found chiefly in the application of science to agriculture and in the average Chinese peasants' devotion to the soil. The Indian team (Chairman: Mr. Mahavir Prasad, Irrigation Adviser to the Union Ministry of Food and Agriculture), which visited China recently, has pointed out, in its report, how China has made good progress in the expansion of irrigation through the maximum utilisation of local resources. Chinese cultivators, it is stated, are alive to the "fertility of the silt" that is carried by the rivers and take great pains to carry the silt from the rivers and ponds to their farms. The delegation was also impressed with the tempo of soil conservation work in China. Further, the shortage of technical personnel has been made good by introducing a short-period training in all middle schools.

China claims that it has achieved considerable progress because of its agricultural charter, consisting of an eight-point programme—irrigation, use of manures and fertilisers, deep ploughing and improvement of soil, seed selection and seed breeding, close planting, plant protection and control of plant diseases and pests, reform of tools and farm management. Clearly, none of these points is new to agricultural experts in India. Nor does the implementation of the programme call for reorganisation of Indian agriculture on co-operative lines. It should be possible to carry out a similar programme in India through education and propaganda, supported by enlightened agricultural extension services and adequate credit facilities.

ADMINISTRATIVE ECONOMY

One of the essential prerequisites for the successful implementation of a country's economic development plan is public co-operation. Such co-operation will be forthcoming in abundant measure only if the people are assured that the resources raised by the Government will be utilised with economy and efficiency and that there will be no wastage. The experience of the last few years of planning in India has revealed the existence of considerable wastage of public funds, due partly to inefficiency and partly to the adoption of wrong economic policies and priorities. This is reflected, to some extent, in the rising trend of expenditure on civil administration. The percentage share of this item in the total revenue expenditure of the Union Government (1959-60 budget estimate) is as high as 26.56, as against 20.27 in 1955-56 and 13.90 in 1950-51 (revised estimate). The rise has been particularly marked since 1955-56 as is evident from the following figures:

(In crores of rupees)

	1959-60 (*Budget*)	1955-56 (*Actual*)	1950-51 (*Revised*)
Total expenditure	839.18	403.87	379.28
Of which Civil administration	222.73	94.07	52.75

Although a large part of the rise in civil administration expenditure has been due to the enlarged outlay on developmental and social services, the increase in the number of persons employed—from 450,000 in 1955 to 495,000 in November 1958—and the annual accrual of increments to employees, there is nevertheless no denying that the rise in expenditure is "out of proportion to the increase in the tempo of development" and "tends to outstrip the actual implementation of Plan projects and certainly outstrips their fruition." The trend is rather disquieting and must be checked at the earliest, so that public money is not misapplied and maximum results are obtained from the money spent. There is need for firm action by all the Central Ministries. This is precisely what is reported to have been urged by the Central Economy Board of the Government of India (Chairman: Mr. Vishnu Sahay, I.C.S., Secretary to the Cabinet).

The Board has rightly urged all Ministries to take up a detailed examination of their specific departmental activities, in order to find out better methods of work that would lead to fresh economies. Evidently, the Board has been prompted by the insufficient attention paid to such kind of examination; the internal economy committees of the different Ministries have so far devoted themselves largely to the task of screening demands for additional staff or for other items of expenditure. According to it, improvements in work methods lead to a reduction in staff strength or at least avoid further addition to the staff. The studies undertaken by the special reorganisation unit of the Finance Ministry have shown that, in the departments examined by the unit, economies to the extent of 15 to 20 per cent. of the existing expenditure can be achieved through adoption of better methods of work. The Board has asked this unit to complete the examination of the Ministries and their principal administrative offices within the next two or three years.

Meanwhile, the Board has suggested that the Ministries may themselves undertake a programme of studies in such selected sectors of their organisations as are likely to yield quick results. This is a valuable suggestion. Instead of waiting till the Finance Ministry's special reorganisation unit completes its examination and submits recommendations, each Ministry can make suitable arrangements to review the activities of the various operational agencies, in order to find out where exactly the scope for economy in expenditure lies and how it can be enforced. For this purpose, the internal economy committee of each Ministry should, as the Board has suggested, prepare, in the first instance, a programme of work for about three months beginning from 1st July 1959 and the results of such studies, as also the economies achieved, can be communicated, from time to time, to the Board. Indeed, the whole administrative set-up at the Centre and in the States should participate in the movement for economy. Every department must formulate and adopt, on a uniform basis, methods of organisation, procedure and programming for spending money. In particular, it should introduce an appropriate system of cost control and internal efficiency audit. It is only by such measures that the enormous funds raised as taxes and levies year after year by Governments can be spent wisely and efficiently, with least amount of wastage.

SHARING INDUS WATERS

It looks as though the efforts of the President and other officials of the World Bank to bring about an amicable settlement of that long-drawn-out Indo-Pakistan dispute, namely, sharing of Indus Basin waters, will succeed, though the chances of failure have not yet completely disappeared. Speaking at a seminar of financial journalists at Washington last week, Mr. Eugene R. Black, the World Bank President, stated that the Bank's plan had been accepted, in general principle, and added: "I found nothing but goodwill. There are controversial details in the scheme, of course, but I am confident these can be worked out." In this connection, Mr. Black gave some details of the progress made so far, and these are summarised below:

Britain, the U.S., Australia and Canada have agreed in principle to provide a part of the funds required for implementing the developmental project estimated to cost $1,000 million (Rs. 476 crores); legislative action is, however, still necessary to supply the money.

There is a possibility that New Zealand will also meet a part of the expenditure.

The World Bank expects to set up and administer an Indus Valley Fund into which all contributions will be made. The Bank will also participate, but, at this stage, it is not possible to say to what extent.

The next step is a meeting in London in August 1959 between Indian and Pakistan representatives and the World Bank. At this meeting, an attempt will be made to draw up a water treaty. "We feel," to quote Mr. Black, "we can get agreement on this." As soon as a water treaty is signed, the work will be started.

It will be evident from the foregoing account that the signing of a water treaty between India and Pakistan will be the first major concrete step in the implementation of the Indus Basin development programme. The basis for working out the treaty will naturally be the World Bank plan. Although details of the plan have still not been officially announced, it is known to envisage a division of waters, so that supplies from the three western-most rivers—the Indus, Jhelum and Chenab—will go to Pakistan and India will get the other tributaries—Ravi, Beas and Sutlej. While the upper reaches of most of the rivers lie in Indian territory, they flow through Pakistan and empty into the Arabian sea near Karachi. The Bank's plan involves substantial development projects for irrigation, water storage and power.

An important question which has to be finally settled, apart from the proposed water treaty, relates to the contribution that India has to make towards the cost of replacement works in Pakistan, consisting of a reservoir and a network of canals to replace the ten million acre-feet of water which India has been supplying to Pakistan in the past. In the course of a *communique* issued on the 9th inst., the Union Ministry of Irrigation and Power disclosed that the World Bank had reached an agreement in principle with the Government of India on the amount of financial contribution to be made by India. The *communique*, however, did not specify the actual amount. Whatever may be the amount, India must insist on the linking of its financial commitment at least partly to debt adjustments with Pakistan. Although twelve years have elapsed since the partition, Pakistan has not cared to pay anything towards the debt of Rs. 300 crores it owes India or even the interest charges. Taking the average rate of interest as 3½ per cent. per annum, the amount due from Pakistan by way of interest alone will work out to be sufficiently large, so large, indeed, as to cover the whole of India's contribution to the Indus Basin development programme.

When Pakistan has been consistently adopting an intransigent attitude on every aspect of Indo-Pakistan relations, it is rather surprising to hear from Mr. Nehru (*vide* his Press conference at New Delhi on the 10th inst.) that India's contribution to the cost of replacement canals in Pakistan could not be linked to debt adjustments, since the financial terms about the canal waters issue were "quite separate." The Government of India should at least see that the contribution it is asked to make will not impose a heavy strain on the financial, particularly foreign exchange, resources which are none too plentiful and will continue to be so in the next few years. A heavy strain on India could be avoided to some extent at least, if India were to insist on two things. First, a large part of the contribution should be in the form of supply of construction materials such as steel and cement, as well as provision of technical personnel for the construction work. Secondly, India should not be asked to undertake commitments which involves expenditure in foreign exchange.

DEVELOPMENT OF ROADS

As production expands both in agriculture and industry, the pressure on all types of transport system is bound to increase. In a vast country such as India, the development of all means of transport, in general, and road transport, in particular, is all the more essential not only to meet the increasing traffic in goods and passengers, but to provide a link between the rural and urban areas. The different systems of transport are, however, complementary rather than competitive. What is needed is a co-ordinated expansion of rail, road, inland waterways and coastal shipping. With this object in view, the Central Government proposes to set up a high-powered advisory committee of experts. Whatever the findings of this expert body, it is certain that the development of roads will continue to occupy an important place in any programme designed to ensure expansion of transport and communications. The signal contribution of macadamised roads to the industrial development of Western countries is an instance in point.

The new development scheme for roads drawn up by the Government of India, seeking to raise the total length of roads from 379,000 miles to 675,000 miles in twenty years from the commencement of the third Plan, is, therefore, welcome. The broad outlines of the scheme were disclosed by Mr. S. K. Patil, Union Minister for Transport and Communications, in a recent broadcast over All-India Radio, on the subject of the development of roads in the second Plan. The broad objectives of the Plan, Mr. Patil observed, would be to bring every village in a "developed" area within four miles of a metalled road and one and a half miles of non-metalled road. The villages in semi-developed areas will have access to a metalled road within a distance of less than eight miles and to any road within three miles. The Plan envisaging the extension of roads annually by about 33,700 miles cannot be termed too ambitious, in view of the growing demands on this mode of transport, but one has doubts about its practicability, having regard to the current rate of progress in this sphere. While the construction of new roads deserves serious consideration, one is appalled at the miserable condition of the many existing roads in the country. Equal emphasis should, therefore, be laid on the upkeep of these roads, as also on the provision of missing links and bridges.

The development of roads has received some momentum under the first and second Plans. At the beginning of the first Plan, India had 97,546 miles of metalled roads and about 151,000 miles of unmetalled roads. During the first Plan, about 24,000 miles of new surface roads and about 44,000 miles of low type roads were added. The original outlay on roads envisaged in the Plan was subsequently raised by 23 per cent. to Rs. 135 crores. The total allotment in the second Plan is higher at Rs. 246 crores, in addition to Rs. 25 crores provided from the Central Road Fund.

Reviewing the progress of development of roads during the two years of the second Plan, Mr. Patil pointed out that work was completed on the construction of about 300 miles of missing links, by-passes and diversions, 19 major bridges, improvement and asphalting of 1,700 miles and widening of 550 miles to two-lane carriageway. By the end of the second Plan, it is expected, work will be completed in respect of the construction of further 400 miles of missing links, by-passes and diversions, 21 major bridges and the improvement of 1,800 miles of roads.

Efforts are also being made under the Plan to increase the number of motor vehicles with the object of expanding motor transport. The results achieved so far have, however, fallen short of the original targets. The average annual production of commercial vehicles during the three years of the second Plan was lower at 15,000 units, as against the original target of 30,000. According to Mr. Patil, acute shortage of foreign exchange is one of the major factors that accounted for this shortfall. Although the original target has not been realised, the number of goods vehicles now plying in the country has gone up to about 130,000, an increase of 50 per cent. as compared with 1956. During the same period, the load carried by these vehicles has gone up by about 150 per cent. This has come about, Mr. Patil said, by better utilisation and greater loading capacity of the newly produced vehicles. Although he advocated the further development of road transport, he rightly stressed that it must be planned and fully co-ordinated with that of rail transport. Apart from these functional adjustments, appropriate co-ordination of administration and organisation is essential among the various agencies associated with the development of road transport in the country, namely, the Central Government, State Governments, district boards and local authorities.

EXPLORATION FOR SULPHUR

The Base Metal Unit of the Geological Survey of India has decided to undertake a detailed exploration for sulphur in Bihar and Mysore States. This follows the encouraging results obtained in the course of a preliminary survey already completed. At present, production of sulphur in India is negligible. No deposits of native sulphur have yet been discovered in this country, but the ores of base metals—copper, zinc and lead—are found mostly in the form of sulphides and large amounts of sulphur is released as a by-product in their treatment in metallurgical works, which could be collected. When the development of base metals gathers momentum, the production of sulphur is, therefore, expected to go up.

The consumption of sulphur is regarded as a barometer of economic progress, since it has a wide range of industrial uses. In the form of sulphuric acid, it is used in the manufacture of fertilisers, petroleum refining, iron and steel, non-ferrous industries, chemical industries, paints and pigments, rayons and cellulose films, explosives and textiles. As sulphur dioxide, it has a vital use in paper industry. Sulphur is also needed for vulcanising rubber goods, in acid-proof cements and as an important insecticide. Small wonder then that India's imports of sulphur rose to Rs. 3.03 crores in 1957, from Rs. 1.21 crore in 1951. Last year its imports were, however, lower at about Rs. 2 crores. This was due to a deliberate policy of restriction, necessitated by shortage of foreign exchange. With an increasing tempo of development, the industrial demand for sulphur is bound to increase. A detailed survey and exploration of domestic sources of sulphur is, therefore, worth all the trouble and expense.

UTILISATION OF IDLE MANPOWER

ADOPTION OF "UNORTHODOX" METHODS INEVITABLE

From Our Special Correspondent

NEW DELHI, 24*th June*

DELHI LETTER

MANPOWER is one of the most valuable assets of any country. But in India the waste of manpower resources through unemployment and underemployment is colossal. Consider in monetary terms the waste involved in millions of able-bodied people remaining idle and the magnitude of the waste becomes obvious. It might appear a strange paradox that manpower, our largest economic asset, when viewed in terms of power, is also our largest liability, for a vast army of people with no work to do has to be fed, clothed and housed. This state of affair spells danger to the stability of any society.

Now that ways and means of raising resources for the third Plan are being carefully considered, the question of the rational utilisation of the manpower resources has naturally attracted the attention of planners. It is certain that the third Plan, however ambitious it may be, cannot create an additional 21 million jobs which will be required to absorb the number of unemployed at the beginning of the third Plan and the new entrants to the labour field during the Plan period. Employment policy would, therefore, appear to have been forced to be on the defensive, that is, it will be aimed at preventing the situation from deteriorating further.

Addressing the first meeting of the Central Committee on Employment held last month in New Delhi, Mr. G. L. Nanda, Union Minister for Labour, Planning and Employment, observed that, considering the magnitude of the problem and the virtual impossibility of absorbing the unemployed in the normal pattern of employment opportunities through Plan investments, there was need for exploring 'unorthodox' ways of enlarging the scope for productive employment in the country. Some of the suggestions being put forward to the Planning Commission in connection with the preparation of the third Plan belong perhaps to this class of 'unorthodox' methods. One such suggestion is for utilisation of an estimated 20 million rural unemployed and underemployed labour force for productive work in villages on wages below market levels but sufficient to cover the basic minimum needs. This suggestion is based on the view that the resources for the third Plan should be mobilised not merely in financial terms but also in terms of human material which is at present either not utilised at all or, at best, underutilised.

Full utilisation of manpower in rural areas, it is suggested, should be achieved by the following ways:

(1) Primarily through expansion of normal employment opportunities in rural areas, ensuring that the investment pattern provides a proper balance between capital-intensive and labour-intensive schemes of development; (2) useful work for the local community which is mainly of a productive character but is partly also capable of providing urgently needed amenities; (3) special arrangements for the output of goods and services the people need but which are not marketable in the ordinary way; and (4) organised voluntary service.

The second method, it is maintained, provides the largest scope for expansion of employment, for, under it come a variety of programmes such as irrigation, reclamation of waste land, afforestation, work on community lands and other projects all of which might add to production and incomes directly. To pay normal wages for such work, it is stated, is impossible. It is also recognised that, if wages are not sufficient to cover at least the minimum requirements, adequate labour would not be forthcoming. Assuming a daily wage of twelve annas per day for 300 days, the annual wage bill for the estimated 20 million rural unemployed and underemployed, it is estimated, will be Rs. 450 crores. Together with the expenses of organisation, employment and training, the total amount involved will be about Rs. 500 crores.

The local village community should be able to meet the whole of this cost, if effective use is made of its labour for productive purposes. Payments, it is suggested, could be made in kind by taking collections from families which would benefit from such work. It is also suggested that, of the Plan investment projects, those essentially local in character, benefiting mainly local people, should be given priority and that estimates should be made of the extent to which these projects could make productive use of local labour. It is maintained that, while this labour content might not form a major portion of the investment outlay, it would be a significant figure. One estimate puts such labour contribution at Rs. 1,000 crores during the third Plan period.

The suggestion to utilise unemployed labour for productive purposes at a wage below normal but sufficient to cover minimum requirements, has a threefold advantage. First, it will help cut down the financial cost of the Plan and reduce directly the pressure on monetary resources. Secondly, it will provide some work for those who are unemployed and enable those who are underemployed to earn an extra income. Thirdly, and most important, it will help build up the much-needed social overheads of production at a considerably lower cost than would otherwise be possible.

What is, however, required for the implementation of the programme is the right type of leadership in villages and proper guidance and financial help. The Government's role should be to stimulate local enthusiasm and initiative and, once this is achieved, it should gradually withdraw itself from the scene, leaving it to develop into a people's movement for a better life. These fine principles embodied in the Community Development Programmes have, however, not been effectively put into practice. Unfortunately, they have not met with the success one would wish it had. The defect lies not in the principles but in the methods adopted. Voluntary labour for such purposes, if forthcoming in adequate quantities, is all to the good. If not, we do not find anything wrong in using even an element of compulsion to set local labour to work on socially useful projects, provided, of course, it does not amount to "forced labour."

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TRADE FIGURES HIGHLY ENCOURAGING

TERMS OF TRADE STILL FAVOURABLE

(From Our Own Correspondent)

LONDON, 20*th June*

LONDON LETTER

"A HANDSOME surplus"—in these words the British Board of Trade describes the outcome of the country's overseas trading in May, taking invisible items into account. It is, indeed, a remarkable performance, for, on the straight balance of imports *c.i.f.* and exports *f.o.b.*, the adverse balance is only just over £1 million.

But what is interesting is that the good results for May are not haphazard—they are the development and perhaps the culmination of a trade picture extending back to the beginning of the year and represent success in the export field with a reluctance to build up imported stocks. For the first quarter of the year, imports averaged £313 million per month. When the April figure went to £349 million, there was a natural fear that recovery in Britain was bringing with it import expansion. The fear was premature, for May imports were back again to £311 million, the two months together being 7 per cent. up on 1958. The five months average now becomes £319 million—only 4 per cent. up on 1958. For a year of recovery, this is not bad—especially as the volume of imports has risen considerably more and the country is still benefiting from falling import prices. April import prices (the latest available) were 3 per cent. below those at the end of 1958. These domestically advantageous conditions cannot be expected to last, but they have given this country a longer spell of substantially active balance than it had reason to expect a few months ago.

Imports represent only half the picture. Exports have stood up far better than was anticipated (Britain's competitive power has, perhaps, been underestimated) and—without the handicap of falling prices—have improved, thanks to the demand of the North American market for British cars. Who would have anticipated a few years ago that British vehicle exports to the U.S.A. would prove a major prop of the balance of payments!

For the first three months, exports averaged £263½ million *plus* £10½ million of re-exports—a total of £274 million, giving an adverse balance of £39 million. In April, exports, without re-exports, soared to £296 million (*f.o.b.*, of course) and in May they increased to a new record of over £299 million. For the two months together, the average is 9 per cent. over that for a year ago and the average for the nine months has been brought up to £277 million, or 2 per cent. over last year's figures. Allowing again for re-exports at a steady £10½ million, the adverse balance for the five months January-May is just about £31 million which represents no more than £8½ million on the record favourable figures of last year. In short, with nearly half of 1959 flowing away, the adverse visible balance is only running some 2½ per cent. worse than in the previous year which saw a record overall balance and substantial gold inflow. These figures are an adequate explanation of the strength of sterling.

Looking ahead, it is obvious that imports must go up as domestic stocking requirements rise, but the terms of trade are as favourable as ever and this country has got a flying start in the "recovery race" one of whose notable features is so usually a boom in home demand and a slump in the balance of payments.

One of the results of this strength of trade may be to help the "Outer Seven" negotiations. Britain is able (at least before the Government meet the farmers) to look more kindly on a freedom which will ultimately increase the competitive power of European agricultural products (notably from Denmark) in the home market. This was the rock which originally punctured the British Common Market talks and, by now, time and the trade balance will have eroded it. The latest reports of the negotiations in Stockholm are favourable.—*All Rights Reserved.*

AMERICAN LETTER

IMPLICATIONS OF PROPOSED STEEL STRIKE

NEW BOOM IN THE OFFING—IMPORTS FROM EAST MAY RISE

From Our Special Correspondent

NEW YORK, 18*th June*

WHILE economic recovery from the recession has been rapid in the United States, setbacks are to be expected in the second half of the year. A strike has been voted by the United Steel Workers to begin on 1st July. The strike is likely to be long and bitter. The final outcome in steel will influence settlements in other industries. Few steel users will be hurt for a month. But many consumers will be in trouble after six weeks. An eight-week walkout, which is a distinct possibility, would probably force mass shutdowns in many industries.

This time-table represents current steel industry projections. By 30th June, steel consumers will have 21 million tons in stock. But this pile would be four million tons less than on the eve of the 1956 strike. Boom sales for immediate use have reduced the expected inventory build-up.

Steel production has been abnormally high. Lately, it has been running at better than 94 per cent. of capacity. If there is no strike, it may easily drop to between 60 and 70 per cent. of capacity.

Granted that a walkout would result in wage boosts, the implications are inflationary. As John Virden, Chairman of Eaton Manufacturing Company, put it, "higher wages are invariably passed on to the consumer in the form of higher prices."

Another implication may be gathered from a statement by Continental Oil Company, which has a big expansion programme under way. It said that any substantial boost in steel prices "would cause us to reappraise our plans."

Aluminium Too?

Meanwhile, the Reynolds Metal Company, the second largest aluminium producer in the U.S., has boosted its output to 100 per cent. of capacity, against 89 per cent. in May. The labour contracts of the major aluminium concerns expire on 31st July and there is hedge buying against a possible strike in that industry, too.

Railroad labour-management contracts also run out this year. Managements are proposing pay-cuts to get the carriers back on their feet, while the unions are demanding raises, naturally. What is characteristic this year is the stiffening of management attitude in the fight against inflation.

Labour negotiations this year are the most bitter since the end of the war. The name-calling has reached a new low. One factor which is arousing management to a stiffer attitude is the constant loss of foreign markets.

Recent foreign trade patterns have both happy and unhappy connections. Happy, because there is no longer a serious dollar and gold shortage outside of the U.S. Unhappy, because the U.S. is losing gradually some of its world markets to newly built and rebuilt highly industrialised nations. Imports to the U.S. are rising.

U.S. exports are falling. Shipments of coal and petroleum products to Western Europe and Latin America have slumped badly. Sales of metals and metal manufactures declined and exports of raw cotton were sharply lower. U.S. 1958 exports of $17,858 million compare with $20,850 million in 1957.

New Boom

Meanwhile, the U.S. is running into a new boom. Construction activity, for example, is at the highest ever. Consumers have been spending freely. Retail sales, at $18,000 million in April, were up 9 per cent. from 1958.

New private home starts are now running at an annual rate of 1,435,000. This compares with a 1955-57 high of 1,414,000 and a 1957-58 low of 967,000. The unexpectedly growing population and high city rents are the main supporting factors in this area.

On the other hand, prices have shown remarkable stability. For the past ten months, the consumer price index has held within a range of 0.2 per cent. This has been the longest period of stability since the index was started in 1913.

There were several other major developments on the financial scene. In a special message to Congress, President Eisenhower asked for a removal of the 4¼ per cent. interest rate ceiling on Treasury bonds maturing in more than five years and of the 3¼ per cent. ceiling on savings bonds.

An additional White House request was to increase the Federal debt ceiling to $295,000 million until 30th June 1960 and to establish a permanent limit of $288,000 million. These proposals will be debated for a long time, no doubt.

Proponents of these measures say that their enactment is necessary to put the financial house of the U.S. in order. This school of thought also holds that the above three legislative limits have been made obsolete by the economic expansion and strains of the post-war era.

In the opposing camp are some politicians, including members of Congress, who view the trend towards higher ceilings with alarm. Out of ignorance and otherwise, they suggest that this can be of benefit only to the "money-lenders" and Wall Street in its broadest connotation. After all the shouting is over, the views of the President are likely to prevail.

Consumer Demand

A rather interesting survey was made the other day by *The Journal of Commerce*. It found that imports of consumer goods for sale in U.S. department and speciality stores are likely to rise at least 10 per cent. over 1958.

This was the consensus of leading retail buying organisations. More buyers have been sent abroad this year than ever before. Judging by the reported destinations of these buyers, an upsurge of buying activity in Far Eastern markets seems to be in the offing. It should benefit Indian exporters as well.

The core of the American consumer market is comprised of seven out of ten American families with incomes between $3,000 and $15,000 a year. These people mean high sales to retailers and industry.

Statistics show that, for this group, the relationship between income and expenditures has been remarkably stable. They spend about 94 per cent. of their earnings, after taxes, and they save about 6 per cent.

Finally, it may be of interest to readers in India that the next few weeks will see an intensified secrutiny of the U.S. foreign aid programme. The protectionist group maintains, as before, that much damage is being done to American industry by foreign aid which has built up other countries. These are now competing quite successfully with the U.S. all over the world.

There are also advocates of more flexible foreign lending. One of them is Senator Fulbright, Chairman of the Senate Foreign Relations Committee. He is asking President Eisenhower to back a drive which would put the Development Loan Fund on a five-year basis and enable it to draw its funds directly from the Treasury. This would mean by-passing Congressional Appropriations Committees.—*All Rights Reserved.*

NEW USES FOR NYLON IN INDUSTRY

Recent developments in nylon overalls and protective clothing have just been made known. Following the widespread success of four-ounce plain weave continuous filament nylon fabric, introduced by British Nylon Spinners Ltd., new and promising nylon fabrics are beginning to appear, including garments made from lightweight proofed nylon fabrics. Proofed nylon is claimed to have many advantages for protective clothing. It is tremendously tough and durable and has an amazingly high tear strength but is light in weight, so that made-up garments are relatively easy and comfortable to wear.

The scope of nylon for this type of clothing has been greatly increased by the recent introduction of 70 and 140 denier high tenacity yarns. Hitherto the finest high tenacity nylon has been 210 denier; the finer yarns made it possible to produce proofed cloths which are even lighter in weight.

Nylon industrial gloves, already widely used for product protection—a growing need in modern industry—are being adopted more extensively for wearer protection. They have an exceedingly long life, as a result of nylon's resistance to abrasion. Many are thinner and lighter in weight as well as tougher, so that they are easier to wear; the stability of nylon makes it possible to use knitted fabrics more extensively and thus to improve design, fit and comfort.

Another new all-nylon glove is knitted from spun nylon, instead of being wrought from nylon fabric. This is excellent for outdoor workers, since it provides good protection against cold as well as against rough or sharp articles.

New ideas in gloves designed for product protection include an ultra-light weight style made from polyurethane-proofed nylon, designed for use by workers handling articles which are excessively sensitive to finger marking or corrosion by sweat such as transistors and cathode ray tubes.

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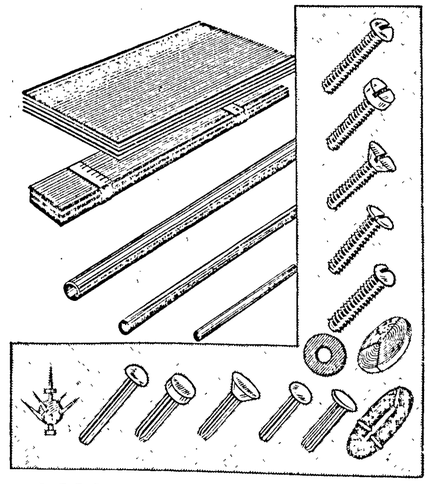

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A NEW ECONOMIC ERA FOR THE U.S.

DOLLAR SHORTAGE ENDS—WHY GOLD OUTFLOW?—WHAT ARE THE REMEDIES?

By George S. Moore

EXECUTIVE VICE-PRESIDENT, FIRST NATIONAL CITY BANK OF NEW YORK

[The continuing outflow of gold from the U.S. and the fall in the U.S. gold reserves to a little over $20,000 million—the lowest level to be seen since 1940—mark the beginning of a new phase in the economic situation in the free world. It has far-reaching implications for the United States as well as for other countries. India is deeply interested in the basic economic trends in the U.S., for a strong and healthy United States is a vital necessity for its own economic progress on democratic lines. We must, therefore, have a correct understanding of what is happening in that country, which has helped us in the last eight years through loans and grants to the tune of Rs. 700 crores and from which further large-scale aid is expected. The article on this page is very valuable for such an understanding, for it provides a vivid picture of the state of affairs in the U.S. We have adapted it from a recent address of the author, Mr. George S. Moore, at the World Trade Dinner at Milwaukee, Wisconsin. It will be seen therefrom that, though the U.S. has a surplus on trade account, its balance of payments position is adverse and that this is solely due to the large-scale military and economic assistance to the rest of the free world. The remedies suggested by Mr. Moore reveal that he is a highly enlightened banker, conscious of the international obligations of the U.S. They show that, while the U.S. itself has to adopt certain self-disciplinary measures, the developed countries in the West and Japan in the East, which have regained and redoubled their strength with the help of the U.S., have certain duties to perform and obligations to fulfil. Mr. Moore is opposed to revival of protectionism in the U.S. as a means to safeguard the dollar, and to any restrictions on imports into his country. He does not advocate any reduction in the help to underdeveloped countries, a point which will be highly appreciated in this country.—ED.]

THE United States of America has come to the end of an era. I shall call it the dollar shortage era. During that period, American policies were designed to reconstruct the Western world and build the kind of world trade and financial structure in which we want to live. I think the U.S. can take great satisfaction from its part in building this world. We began the job after the war with such programmes as U.N.R.R.A. and the Marshall Plan and have continued right down to the present day with other forms of foreign aid. There has also been an increased flow of private American capital and tourist expenditures. In the trade field, we have continued the Reciprocal Trade Programme, with its steady reduction of our tariffs and the consequent stimulus to our imports. These and other factors have supplied the world with a growing volume of dollars. In fact, many people do not realise it, but the fact remains that, year after year in this decade, with only one or two exceptions, the U.S. has been running a substantial deficit in its balance of payments. It has in this way made a great contribution to restoration of more normal international trade and financial relations. Western Europe and Japan have been rebuilt and their productive capacity has been restored. The most important signal of success was the restoration of convertibility of the principal European currencies at the end of 1958.

Reserves Adequate

The end of the dollar shortage era really means that the principal countries of Western Europe, *plus* Japan, have now had their desire for international liquidity satisfied. By and large, these countries feel that their reserves today are adequate. Even the British, whose need for reserves is greater than that of some other countries because they must run a world currency also, feel more comfortable and have not been deterred by a shortage of reserves from taking a number of expansionary measures to combat their recent recession.

As for the dollar shortage of the developing countries, I submit that their desire for liquidity can never really be satisfied, at least not in our generation. Their needs and their urge to develop are so strong that they will tend to use any dollars with which they are supplied.

The ending of the dollar shortage era in 1958 came with unusually dramatic swiftness. During that era, American exports had it all their own way, principally because we were often the only source of supply for many goods. This was brought out in a striking fashion as recently as 1957, when U.S. exports soared to the record-breaking level of $19.5 billion, largely because the Suez Canal was closed and there were major crop failures in some of the countries of Western Europe, all in a period of boom. In 1958, however, U.S. exports steadily declined as the situation returned to normal, so the export figure for the year as a whole was only $16.3 billion. We began to feel acutely the competition of Europe and Japan in a world situation that in several respects could hardly have been more favourable for our competitors. First, their productive capacity, due to the combination of our aid and their own remarkably vigorous and well directed efforts, had been more than fully restored. Second, the boom in Europe was tapering off during that year, so that more and more of Europe's capacity could be diverted from domestic needs to export. Third, a tapering off of the European boom resulted in a decline of inventories, so that the volume of Europe's imports, including imports from the United States, tended to fall. And, finally, world commodity prices fell, so that Europe and Japan were able to get the reduced volume of imported materials at considerably cheaper prices. In fact, as export prices were maintained in the face of falling import prices, the terms of trade, (that is, the spread between these) of many of the countries of Western Europe improved on the order of 10 to 12 per cent.

Financial Position Improves

The net result of these factors was a marked improvement in the international financial position of Western Europe and Japan. Western Europe alone gained a total of about 3.6 billion in dollar and gold reserves during the year and thus absorbed practically the whole of the dollars that the U.S. supplied the world during that year. The primary producing countries, plagued by lower prices and reduced export volume, were not able to add to their reserves at all. The Western European countries converted a large part of their increased dollar reserves into gold—$2.3 billion of it in fact. It was not so much that these countries had lost confidence in the dollar; it was simply that most of them were gold holding countries by tradition, so that, as their reserves grew, they automatically converted their newly acquired dollars into gold. To some extent this development is continuing in 1959, so the U.S. is still suffering gold losses to Europe and Japan, though at a markedly reduced rate.

The finishing touches are in the process of being put on the international structure that the U.S. has been trying to build by the increase of 50 per cent. in the quotas in the International Monetary Fund and the International Bank for Reconstruction and Development. This increase in quotas will help all countries, developed and underdeveloped alike, but they also represent, in effect, an additional line of credit on the resources of the United States.

One final point about the competitiveness of Europe: 1959 has brought the Common Market. The six nations of this market have about the same population as the United States, although their gross national product is only about 40 per cent. of ours. It has been growing twice as fast and is likely to continue to grow at a relatively faster pace than in the U.S., at least for a time. Over the years immediately ahead, the Common Market will not only become a great free trade area corresponding roughly to the United States, but there are good prospects that the rest of the countries of Europe as well will be tied into this area in some way or other. These reduced barriers to trade will strengthen Western Europe immeasurably and thereby the whole of the free world. These peoples are striving for many things Americans already have. They are able, resourceful and hard-working. There is no good reason why they cannot have what they are striving for, nor will this be a bad thing. It is creating a strong social and economic unit to work side by side with the U.S. in the struggle for freedom and peace. Europe has now reached the point in its recovery and strength when it can and should assume a greater share of the burdens that the U.S. has carried so largely by itself since the end of the war.

What do these developments in Europe mean for the American exporter? They mean increased competition in contrast to the era of the dollar shortage, when many of our exports were virtually alone in the field. More and more, we, Americans, shall have to face stiff competition from the factories of Europe and Japan. This is the kind of world that we have tried to build. We must now learn to live with it. Not only do we have to adjust to the new situation, the Europeans, too, must adjust to it. Most of them still discriminate against American goods, in spite of the fact that the coming of convertibility has removed the financial basis for such discrimination. This means that traders who come into possession of convertible currencies may nevertheless be prevented from buying in the United States by direct import restrictions or quotas imposed upon United States goods by the country of their residence. Some of the European countries have relaxed their quantitative restrictions but others, in particular the United Kingdom and France, have lagged behind.

And so we must face the fact that European developments in the last year and a half have not given much help to our direct trade with Europe. Many American companies are meeting the situation with manufacturing facilities already located in Europe or within the Common Market area. Many others are exploring the possibilities. While the basic concept is to substitute local manufacture for exports from this country, this is not always the case. Often the productive facilities provide only partial manufacture and assembly and include the use of component parts to be exported from the United States. Also, the resident company often facilitates our export sale of other products not included in the foreign manufacturing programme.

I should like to have you think for a moment of the significance, for American industry and labour, of this movement of American capital to Europe. As long as our capital can move freely to foreign countries—and it would clearly be a denial of the system for which we stand and of the key role of the dollar in the world to place any impediments against it—it can be used to employ resources abroad rather than at home. In other words, while it is entirely consistent with our world position to be an exporter of capital, we cannot let our costs at home get so far out of line that our capital exports are simply resulting in the employment of foreign rather than American labour. This is an aspect of the competitiveness of our costs that many able leaders both in business and in labour may sometimes forget.

It is still not entirely clear as to how fundamentally the competitive position of our exports has been affected. In manufactured goods, our exports are still more than double our imports and we continue to be far and away the world's largest exporter of manufactures. But there has been slippage. In 1958, our exports of manufactured goods were only 2.4 times our imports, as against 3.2 times in 1956 and 3.4 times in 1954. The decline last year in our exports of manufactured goods is all the more significant, because industry was seeking foreign orders to compensate for slackened sales at home. But Western Europe and Japan were more successful than we were in maintaining the exports of manufactures. I need only cite automobiles as a case in point.

Exports

During the second half of 1958, the U.S. exported 10 per cent. less manufactured goods than during the first half of 1957, a period during which world trade in manufactures reached an all-time peak. At the same time, according to preliminary data, Germany increased its exports of manufactures by 14 per cent. and Japan by 6 per cent.; the United Kingdom's exports dropped 4 per cent. and France, on the whole, maintained its position. Italy and the Netherlands increased their exports of manufactures, Belgium, Luxembourg and Canada lost ground, while Sweden and Switzerland more or less held their positions. The net result was that the reduction in world total exports of manufactures was accounted for principally by the fall in U.S. sales. Thus, our share in total world exports of manufactures slipped to 24 per cent. in the second half of 1958 from 26 per cent. during the first half of 1957. Germany, on the other hand, displaced the United Kingdom last year as the world's second largest exporter; its share rose from 17 to 19 per cent. The share of the United Kingdom remains steady at 18 per

(*Continued on page* 1101)

PROGRESS OF AUSTRIA'S EXPERIMENT IN "PEOPLE'S SHARES"

RESULTS SO FAR ENCOURAGING

TO many Austrians, the expression "people's shares" at first meant little more than any other of the numerous political and economic catch-phrases current during the immediate post-war years; and, if there were not too many enquiries as to the precise meaning of this newly coined phrase, it was because things like shares, dividends, and stock exchange prices seemed so very remote from the everyday problems of the years of post-war reconstruction.

Gradually, however, the expression "people's shares" began to gain currency; every year the sponsors of the scheme went ahead with their plans for putting their ideas into practice, and the public really started to take notice when announcements of new issues began to be followed within a few hours by notifications that the issue was already oversubscribed. After all, they thought, there must be something worth looking into about a scheme which produces such a widespread response. And so the expression "people's shares" gradually became a household word in Austria, and other countries began to take an interest in the idea as well: early in 1959, Western Germany decided to follow Austria's example and introduce people's shares.

A Link Between Capital and the Working Man

What, technically speaking, are people's shares? Theoretically, they are an issue of ordinary shares in accordance with the Austrian Share-Capital Act; but to many of the issues (up to the present at any rate) far-reaching privileges have been attached. Yet, when one considers the social and economic significance of this experimental scheme which has been entirely built up within the framework of a social system based on the freedom of the individual, these privileges are seen to be completely justified; for the aim of people's shares is nothing less than to constitute a bridge between the working classes, on the one hand, and the means of production, that is, capital, whether private or State-owned, on the other.

Although the proportion of investors among the middle income-groups is much smaller in Austria than in other Western Europe or North American countries, in no other country has it been possible to make shareholding available to such wide sections of the community as the issue of people's shares has done, and is increasingly doing, in Austria. The workers and employees in any undertaking are now in a position to supplement their regular wages by a share in the increased profits, or in the expansion of the means of production, on which their livelihood depends.

Two aims had constantly to be kept in view, if this experiment in national economy were to be a success. First, every effort had to be made to reach those sections of the community who had not hitherto had an opportunity of sampling the working of the capitalist system; and, secondly, those responsible for the issue of people's shares had to take pains to ensure that the available shares were distributed as widely as possible among the sections of the population subscribing to them.

Between State Control and Private Enterprise

The realisation of this scheme was bound to involve two distinct economic fields, the authority of the State, which would constitute a guarantee that the realisation of the scheme would not mean any deviation from the basic ideals, and private enterprise, which is subject to no control save that of ordinary market practice, and which would have to bear the whole brunt of opening up new possibilities of free investment.

Nationalisation, in the Austrian version, has already established certain principles for successful co-operation between State control and private enterprise. For more than ten years, a number of industrial concerns and financial establishments have been going their own individual ways, on the lines of private enterprise, even though, in actual fact, their sole shareholder is the Austrian State. Shares in banks and firms which have become State property, either under the Nationalisation Act or as part of the properties returned by the Allies after the Second World War, have been handed over to one of the big banks already under State control, with instructions that they be put on the market in the form of people's shares. The particular Ministry concerned with people's shares does no more than provide the bank in charge of the issue with a basic plan on which the quota allocations and price quotations of the shares are to be based; apart from this, the banks have a completely free hand to co-operate with private financial organisations in issuing the shares on private enterprise lines.

The next stage is for financial organisations in all parts of Austria to submit their lists of subscribers to the big bank in charge of the issue, which then apportions the allocations in accordance with the basic plan provided by the Ministry. As far as the actual procedure of subscription is concerned, the local banks, savings banks, etc., are given a completely free hand; the Ministry merely recommends that the principle of the widest distribution possible, down to the smallest country parish, be constantly kept in view.

The first issue of people's shares in Austria was the 1957 issue of the private shares of the two principal Austrian banks which had become State property under the Nationalisation Act of 1946. The next issues consisted entirely of issues made by firms which had been included in the list of former German property and were now reverting to private ownership. (By "former German property" is meant assets or property of the former German "Reich" which were taken over by the Allies at the end of the war and handed back to Austria, after the conclusion of the State Treaty in return for an appropriate payment by Austria.)

A Typical People's Shares Issue

The issue of people's shares to effect the return to private enterprise of business classified as former German property followed a definite pattern which may be taken as typical of an Austrian people's share issue. About 20 per cent. of the total capital (on an average about 20 million schillings) was apportioned to an issue of people's shares, the remainder being taken up by one or more large private shareholders. The people's shares were allocated as follows: ten to twenty per cent. were reserved for the staff of the firm in question, while the remainder were open to public subscription (including in some cases a definite quota specifically reserved for one of the Austrian provinces). The people's shares were offered at 1,100 to 1,200 schillings for a nominal value of 1,000 schillings (less frequently at 110 schillings for a nominal value of 100 schillings). They were

(*Continued on page* 1065)

2 9 JUN 1959

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DEVELOPMENT OF HANDLOOM INDUSTRY

MECHANISATION, THE REAL SOLUTION

MR. Lal Bahadur Shastri, Union Minister for Commerce and Industry, certainly struck a note of realism when he declared at the thirteenth meeting of the All-India Handloom Board, held in the City last week-end, that, if the handloom industry was gradually made to stand on its own feet, it would be a red-letter day for it and for the textile industry as a whole. The Handloom Board and the handloom industry, he said, were now in a stage where they could take some risk. And Mr. Shastri made it clear that no progress was possible unless some risk was taken.

No other sector of India's industrial economy has received from the State so many artificial props as the handloom industry. The props include not merely complete exemption from payment of any tax, rebate on sales of handloom cloth, albeit when sold only through the co-operatives, liberal loans and grants amounting to several crores of rupees, and assurance of adequate and regular supplies of yarn but also the exclusive production monopoly in certain types of manufactures *vis-a-vis* the mills. It is true that all these props have led to a perceptible improvement in handloom cloth production—from an annual output rate of 1,200 million yards in 1953 to nearly 1,900 million yards at present—but they have not solved the basic problems of the industry, namely, low manufacturing efficiency and high production cost. If anything, they have only helped to cover the economic weaknesses of the handlooms. The average production per handloom is now being maintained at just a little over 800 yards per annum or less than three yards per day. Mr. Shastri did well to draw special attention to this low output per loom and observed:

"It (the production per loom) is no doubt on the increase, but, clearly, there is scope for increasing it still further, and it is only then that a weaver will be able to get an appreciable return from his handloom. Hard and efficient work is the key to the situation and the handloom weavers, who, I know, already work hard, will have to work harder still. The higher the production, the greater would be the resources of the handloom industry, and it can thus widen its scope and make further development in different directions."

Use of Power

We wish Mr. Shastri had gone a step further and explained how production per weaver could be raised. Surely, he does not expect the handloom weaver to work longer hours than he does now. If that is what he means, he is condemning the weaver to hard labour and drudgery. It is common knowledge that hard work by handloom weaver, while it is of great value, cannot by itself bring about higher output of cloth. For the capacity of the weaver to produce is limited to a large extent by the muscle power which he has to use for operating the loom. What is urgently required, in addition to conscientious work by weavers, is mechanisation of weaving operations through the introduction of power. It is here that the power-that-be are at fault. They have not done all that lies in their power to modernise the handlooms and to equip such looms with electric energy.

Three Things Must Be Done

Some attempts have been made in a few States to encourage such mechanisation, but the progress actually achieved has been very halting, thanks to the pressure exercised by certain groups which have been actively opposing introduction of powerlooms. The public needs to be reminded, in this connection, that certain State Governments have actually refused to implement the Union Government's scheme for modernisation of handlooms. The Handloom Board itself has done nothing to discourage this unhealthy trend. On the contrary, the Government of India, which fathered this Board, has nominated to the Board certain persons who are interested in seeing that the handloom weaver does not enjoy the benefits of mechanisation and in perpetuating the use of nothing but muscle power for the operation of looms. These self-styled leaders of handloom industry, who are not weavers themselves but only middlemen, are simply exploiting the ignorance of weavers by presenting an exaggerated picture of the evils of mechanisation. It is, therefore, needless to add that, if the Government of India is earnest about making the handloom industry stand on its own feet, it must do three things. One, the grant of loans and grants should be linked, except in special cases, to the use of power for running the looms. Two, a time limit must be fixed after which the handloom industry should no longer enjoy the aforesaid artificial props. Three, the fixed and working capital requirements of the industry must be provided strictly on business considerations and not in the form of cheap loans never to be returned.

It is gratifying that Mr. Shastri would appear to have been in broad agreement with the second step. At any rate, he was convinced that the present rebate system would not really strengthen the handloom industry, so long as the Government continued to help it through external assistance. Mr. Shastri said:

"There is a difference of opinion over priority being given to rebate or to assistance for developmental purposes. It has been represented by some that they will be prepared to give up grant or loans for developmental needs and would prefer getting as much as they can towards rebate. However, one must consider if we should not gradually reduce the payment of rebate. Once we reduce gradually and ultimately abolish it, the importance of developmental activities in the handloom sector will automatically become so apparent and obvious. However, it is time that we thought of reducing the present quantum of rebate. Government have decided to reduce the special rebate from 6 nP to 4 nP, and the period for which this special rebate will be given has also been reduced to the Handloom Week and one additional week only. If there is a uniform reduction, it will be beneficial for the handloom industry. Different rates in different States might perhaps create complications. I hope the Handloom Board will give serious thought to this matter. Government have also been considering reducing the rebate that is being given at the wholesalers' level. There has been a suggestion that it should be abolished. In any case, Government have now decided to reduce it from 6 nP to 3 nP."

The handloom interests may not like the reduction in rebate now announced. But it must be stressed that such a reduction and eventual abolition will compel the weavers to pay more attention to the need for augmenting production of better quality cloth at lower prices.

An Important Issue

An important issue on which Mr. Shastri touched was whether the State Governments should be allowed to spend beyond the quota that is allotted to them out of the cess funds. He told these Governments in clear-cut terms that it would not be possible for the Centre to provide additional funds for this purpose from its revenues, although he revealed that he would not come in the way of their spending a larger sum if they could find it from their own resources. He, of course, emphasised that "this matter should really be considered fully when we know what our scope of expansion and target would be in the context of the third Five-year Plan."

Mr. Shastri also touched on co-operation in the handloom industry. What he said on this subject is revealing and should be quoted in full:

"You know very well that only half the industry is in the co-operative sector. I am surprised to see that the weaver who is not in the co-operative sector is able to compete easily with you and has almost monopolised the export trade of handloom fabrics. And mind you, they do not get any financial assistance for development purposes nor do they get any rebate. We have recently given certain facilities for import of dyes and chemicals, etc., to them. I would no doubt like it very much that they should all come under the umbrella of the co-operative system. However, there can be no cumpulsion."

We commend the frankness of Mr. Shastri in admitting that the handloom co-operatives have not done so well as those who are outside the co-operative field. We hope that he will bring this point to the notice of the Prime Minister and other members of the Planning Commission who are swearing by co-operation as a panacea for all the economic ills of the country.

It is thus apparent that handloom weavers, if they are left free, can definitely put in their best to improve their trade. On their part, the authorities can give them greater facilities for import of dyes, chemicals, etc., required by them. This does not mean that there is no need for service co-operatives and provision of credit facilities on reasonable terms. These are necessary and have undoubtedly kept down the evils of middlemen. The Handloom Board can also assist the weavers more actively than at present. It is encouraging to hear that the Board's Weavers' Service Centre (formerly called Design Centre) has done very useful work and that the Board has drawn up schemes covering all aspects of organisation, finance, productivity efficiency and marketing. And Mr. Shastri did well in giving an appreciative pat on the backs of all those who are responsible for this type of positive assistance to handloom weavers, for it will encourage them to work even more enthusiastically than they have done so far.

CLOTH AND YARN PRODUCTION

The production of cotton mill piecegoods during the month of May 1959 aggregated 404 million yards (provisional), as against 407 million yards in the previous month and 421 million yards in May 1958. The total quantity of cloth woven in the first five months of 1959 was 2,038 million yards, which compares a little unfavourably with the 2,063 million yards produced in the corresponding period of 1958 and 2,290 million yards in that of 1957.

Cotton yarn output during May 1959 was also lower at 136 million lbs., as against 140 million lbs. in April 1959 and 139 million lbs. in May 1958. The total production in the five months ended May 1959 was, of course, higher at 705 million lbs., that in the same period of 1958 being 693 million lbs.

The following table gives the month-by-month trend of cloth and yarn output during the first five months of 1959 and 1958:

	Cloth (million yards)		Yarn (million lbs.)	
	1959	1958	1959	1958
January	430.09	436.53	150.55	148.70
February	391.75	391.45	136.66	132.80
March	405.78	405.56	141.46	138.48
April	406.86	407.77	139.86	134.07
May	404.00*	421.25	136.00*	133.70
Total ..	2,038.48	2,062.56	704.53	692.81

* Provisional estimates only.

Owing to the downward trend in the production of cloth thus and due to higher offtake for domestic consumption, there has been a distinct improvement in stock position. The total quantity of cloth with mills at the end of May 1959 was 567 million yards, the lowest since October 1956, as against over 873 million yards and 757 million yards at the end of 1958 and May 1958, respectively. The reduction in stocks is accounted for by both unsold stocks and stocks sold but not taken delivery of. The unsold stocks at the end of May aggregated 299 million yards, as against 494 million yards and 462 million yards at the end of the aforesaid periods, respectively. Similarly, stocks sold and not taken delivery of stood lower at 268 million yards, as against 379 million yards and 295 million yards.

ANNUAL REPORT OF MILLOWNERS' ASSOCIATION, BOMBAY

Like its predecessors, the latest Annual Report of the Millowners' Association, Bombay, that covering the calendar year 1958, is a very useful document. It gives an exhaustive account of the recent developments on the textile front and the views of the Association on the wide and varied problems that confronted the industry. Part I of the Report contains an interesting foreword in which are highlighted the main trends in the mill sector. In particular, attention has been drawn to the prolonged crisis in the mill industry, the nation's premier organised enterprise, resulting in a fall in production, large accumulation of stocks and an increase in the number of idle mills. The Association urges that effective measures should be taken to help the industry to recover its normal stability. "Great progress," it says, "can be made towards overcoming the difficulties of the industry by giving full weight to the recommendations which the Board (Cotton Textile Consultative Board) might make from time to time pertaining to the industry."

Part II of the Report covers the proceedings of the Association's annual meeting held on 16th April 1959 and reproduces the budget speech of the Union Finance Minister. There are also several tables—numbering 32 in all—depicting the position regarding the spindles and looms in India, the U.S., the U.K., W. Germany, Japan and China; the progress of the mill sector in India; raw cotton consumption and prices; trend of yarn and cloth output; exports of textiles; direct and indirect taxes paid by the mills. Three separate tables are included to show the progress of Japanese cotton mills during the last 22 years. Also incorporated in this part are rules and regulations governing sales of textiles for domestic consumption and export.

RAYON PLANT AT VERAVAL

The foundation-stone of the new rayon plant of the Indian Rayon Corporation at Veraval, about 200 miles west of Bombay, was laid on Sunday this week by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry. Speaking on the occasion, Mr. Shastri pointed out that India could not import rayon yarn for long and emphasised the need for producing within the country its raw material, namely, rayon pulp. He disclosed, in this connection, that the Government of India would be granting a licence for the establishment of a rayon plant in Baroda and permitting another factory to double its production capacity.

The Veraval rayon factory is being set up at a total cost of Rs. 3·50 crores in collaboration with the well-known firms of the U.S., Messrs. Von Kohorn International Corporation and the Financial and Development Fund, Inc. In the beginning, the factory will have a productive capacity of five tons per day which will be augmented to 10 tons per day in the second stage. Trial production is expected to commence by September 1960 and full production by the end of 1960. The number of persons to be employed direct is put at 1,000.

A PERIOD OF DECISION FOR TEXTILE INDUSTRY

IMPORTANCE OF "FULL MODERNISATION"

From A Special Correspondent

MANCHESTER, *16th June*

MANCHESTER LETTER

A DRASTIC programme of concentration of production in the mills of Crosses and Heatons Ltd., the Bolton spinning combine, was outlined at the annual meeting. Mr. George Hargreaves, the Chairman, told shareholders that, provided the Government redundancy compensation was sufficiently attractive, the group would concentrate output in three or four units among the eleven mills now in operation. The combine owns 14 factories, of which two are already closed and another is to be shut when current orders are completed.

"The future policy of the Company will be to take the fullest advantage of the redundancy scheme," Mr. Hargreaves said. "Our aim is to run full-time in the remaining units after our concentration has been completed."

Shareholders were critical of the group's trading loss of £316,486, as against a profit in the previous year of £133,643. Mr. Hargreaves said that stock had been valued at the bottom of the market and that an improvement had occurred since the end of the financial year on 31st March. Stock losses amounted to £250,000, due to causes absolutely beyond the control of the Directors. "So long as the futures markets cannot function satisfactorily and so long as Governments continue to interfere in raw cotton price levels, we cannot cover our yarn contracts," he explained.

In all branches making the finer qualities of yarn, business had very definitely improved since the end of March, he assured the meeting. One of the major causes of the recession had been the change-over to drip-dry garments. The mills of the group had been adapted to the spinning of yarns of 60's counts and above, but the average in Bolton was now 42⅛'s counts and in Leigh 30's.

Indian Cloth Exports

Comment on the length of the negotiations, now taking place between British and Indian cotton textile interests to establish a basis for future shipments of cloth to the United Kingdom, was made at the annual meeting of the Cotton and Rayon Merchants' Association. Mr. J. S. T. Hawke, the Chairman, described the negotiations which had gone on between British and Hong Kong textile leaders last year resulting in the agreement to limit arrivals of Hong Kong cloth over the next three years. "India is not very inclined now towards their earlier figure agreed at 140 million square yards," he continued, "and it is taking a long time to get any new figure settled. That an arrangement will eventually be come to and also with Pakistan I have no doubt, as, without some reasonable guarantee in this field, it is difficult to see how the proposed reorganisation scheme in Lancashire can go forward with the necessary confidence."

The position in Hong Kong had changed enormously since February when the agreement formally started, Mr. Hawke pointed out. The best mills in the Colony had long order books with the United States and the local finishing works were working to capacity. Although the present agreement was only operative for three years, many things could happen during that period, including the probability of the Hong Kong industry increasing in size still further which might make the next voluntary agreement on the present basis difficult to renew.

"Jungle Warfare" A Mistake?

The leaders of the merchant converters were among those who were most critical of the price regulation arrangements in the spinning and doubling section, but even they now appear a little surprised by the ruthlessness of the Restrictive Practices Court. "Some of us would have liked a less sweeping decision, such as a stop-loss floor level in the spinning industry," commented Mr. Hawke. Looking ahead, however, he visualised a time when all the spinners would be in a few groups, following the steady consolidation of the mills, which would eventually have the same effect as already applies in the man-made fibres branch.

Second thoughts on this very controversial topic made the merchants' Chairman comment: "It is all very well to lay down that jungle warfare is a splendid thing in trade, but, if conditions are not made reasonably propitious, where is the risk money coming from to forge ahead with the modern machinery and techniques which are essential if the industry is to survive?" Mr. Hawke stressed that prosperous workers are prosperous consumers; the more of them there are in the country the better for all—producers, finishers and distributors.

Keep Patents Secret

Optimistic views on export prospects are rarely found nowadays. Shipments of cotton and rayon piecegoods have declined by 20 per cent. in the past two years. Assessing the outlook, Mr. Hawke said: "The less Imperial Preference we have, the greater demand there is going to be by our exporters for cheap foreign grey cloth as a raw material for their converting activities. There will always be specialities in which Lancashire can lead the world, but let us hope that, when we patent something better than the existing resin finishes in the future, this secret will be kept for the benefit of our people until the patents run out."

On the potentiality of the Chinese textile industry, Mr. Hawke said that the outlook was "truly alarming." The shortage of raw cotton had reduced output in recent years, but a producing industry already as big as Japan's could raise very substantially the amount of cotton goods available for export. In the past two years, over 400 million square yards of Chinese cloth had been shipped to Indonesia, Hong Kong and Malaya alone.

A warning that the textile industry of the future will not be a comfortable place for firms which have not fully modernised their mills has been given by the Rayon Weaving Association. In its annual report, the Association, commenting on the reorganisation plan for the industry, said that the next few months would be a period of decision—"and probably a fairly short period"—for firms either to take their compensation and close down or to stay. "If they decide to stay, it will be in an industry which may not be a comfortable one for firms which have not thoroughly re-equipped, and there will be no further chance of compensation for those who cannot stay the pace."

On the other hand, the report added, prospects were distinctly encouraging for those firms that had re-equipped or were prepared to modernise and could operate at a high level of efficiency. "There is every chance of the industry getting on to a sound and stable basis at last," the Association declared. According to the report, 77 firms engaged in rayon weaving have closed down in the past four years, putting more than 10,000 looms out of action.

Cotton Conference

Raw cotton experts from overseas are to attend a conference sponsored by the Liverpool Cotton Association at which the textile mills' raw material needs in the future will be assessed. Mr. James Littlewood, Chairman of the Empire Cotton Growing Corporation, said at the annual meeting at Manchester that the conference would be held in July between representatives of producers and consumers to discuss the probable future demand for different growths. All the Corporation's plant breeders who would be home on leave at the time would attend.

"It is hoped that the conference will result in even closer co-operation than before between the grower and the spinners," said Mr. Littlewood. Raw cotton production in the eight territories in which the Corporation is interested fell sharply in the year 1957-58 to 1,096,310 bales—a reduction of 340,000 bales. This was the lowest crop for five years and was due entirely to the exceptionally unfavourable season in the Sudan. The annual report commented: "Preliminary indications are that the recession in 1957-58 will prove only temporary and that the crops for 1958-59 from the eight territories will reach 1½ million bales. This, if achieved, will prove a new record."

Lord Derby the President, told the meeting of his visit to Africa earlier this year to see at firsthand the Corporation's work in Uganda. Discussing the setting up ten years ago of the research station at Namulonge, he said. "It is not just a conglomeration of laboratories and field plots, but a research farm with the emphasis on good farming as well as pure research. I am sure that it will continue to be indispensable not only to Uganda but also to cotton growing in general for many years to come."

Lancashire "Ginger Group"

The setting up of a Central Textile Action Committee was decided on by representatives of millowners and trade unions from 19 Lancashire cotton districts at a meeting at Manchester Town Hall last week. An agreed statement issued afterwards by Mr. R. W. Hill, Assistant Secretary of the Rochdale Weavers' Association, said: "We are of opinion that the Government scheme for the industry is merely a starting point. We propose to go into further details regarding organisation and action at our next meeting."

The meeting was called on the initiative of the Rochdale Cotton Crisis Action Committee, which has been pressing for a central body. Trade leaders took the view that the new Central Action Committee intended to operate as a "ginger group." A Cotton Board spokesman said that the Committee had no official links with the Board.—*All Rights Reserved.*

(*Concluded from page* 1063)

bearer shares, whereas the shares taken up by the large shareholders were registered shares.

In order to ensure the widest possible distribution of people's shares, the banks responsible for their issue were recommended to limit each subscriber to one share only. In recent years, many of the firms issuing people's shares have had to set a limit to the period during which the subscription lists can remain open, as, within a few days, there have sometimes been five times as many applicants as shares.

In order to enable employees in the lower income-groups to secure people's shares in the firms with which they are employed, special concessions have been introduced for subscribers to the quota of people's shares reserved for the staff. Employees of the Voith Engineering Works at St. Poelten, for instance, can spread payment over a period of three years; the instalments they pay depend on what they can afford, and they lose none of the dividends or voting rights to which they are entitled. Most of the issues of people's shares by firms which have reverted to private enterprise carry considerable concessions, such as a substantially reduced purchase price and a preference dividend of 5 to 6 per cent. with full voting rights. The chief shareholder in one of the first firms to introduce the people's shares scheme, with a view to giving applicants a guarantee of security, offered to buy them back at any time at their purchase price; an offer which as it happened was never taken up, for, by the end of the year, not a single people's share of the 1,400 issued already by this firm had been offered for sale.

Between March 1958 and April 1959, six firms from the list of those classified as former German property switched over to private enterprise by means of issues of people's shares to a total of 36.1 million schillings. One of them, the chocolate and confectionery firm of Tivoli in Vienna (formerly the Vienna branch of Stollwerck Bros.), made a capital issue of 10 million schillings, entirely in the form of people's shares; 26 per cent. for the staff quota, 20 per cent. for public subscription through the banks and other financial organisations.

In the near future, two more firms are due to switch over to private enterprise by this means, thus bringing the total amount of capital issued in the form of people's shares up to 43 million schillings. This represents approximately one quarter of the 173 million schillings total capital of the eight firms from the list of former German property which have so far made issues of people's shares.

What happens to people's shares once they have been taken up by the applicant is at present not easy to determine. Various indications, however, point to the conclusion that, owing to the small number of shares permitted to any one single individual, they will be regarded not as a speculative investment but as a long-term investment for savings.

INDIA'S FOREIGN TRADE IN COTTON

EXPORTS HIGHER, IMPORTS DECLINE

FIGURES relating to exports of cotton during the first nine months of the current season, that is, from 1st September 1958 to end of May 1959, indicate that, although exports are none too encouraging, they are running at a rate higher than in the same period last season. Thus, exports during the nine-month period aggregated 288,771 bales (of 392 lbs.), as against 174,978 bales shipped in the same period last season. This is in contrast to the world trend. Free world exports during the present season have shrunk considerably and are expected to reach a low point for the last decade, namely, 10.5 million bales, as compared with 12.6 million bales in the 1957-58 season and 14.3 million bales in 1956-57.

The following table gives the destination-wise break-down of exports of cotton from India:

Exports of Indian Cotton

(From 1st September 1958 to 30th May 1959)

(In bales of 392 lbs.)

Countries	1958-59	1957-58
Japan	199,135	130,121
Hong Kong	40,276	4,129
Continent	25,686	20,291
United Kingdom	8,131	9,842
China	6,886	..
United States	6,045	10,072
Other countries	2,612	921
Total ..	288,771	174,978

As will be seen from the above table, Japan accounted for the lion's share of exports, its purchases amounting to as much as 199,135 bales, as against 130,121 bales in the same period last year. Hong Kong ranked as the second largest buyer, its share aggregating 40,276 bales, as against a mere 4,129 bales in the same period last season.

Although foreign demand was slack and buying slow in the early part of the season, there was brisk demand from Japan for Bengals since the turn of the year and a virtual scramble for superior Bengals last month, supplies of which were limited. Inferior Bengal *Deshi*, Yellow pickings and Zoda cotton were also in moderate demand.

Export quotas for cotton released so far in the season aggregate 500,000 bales, comprising cotton stapling ¾" and 50,000 bales of below 250,000 bales of Bengal *Deshi*, 200,000 bales of ¾". Of this, the earlier quota for 250,000 bales has been completely used up. Out of the last quota for 250,000 bales released in November last, comprising 100,000 bales of Bengals, 100,000 bales of cotton stapling ¾" and 50,000 bales of below ¾", sales licensed or registered upto the end of May aggregated 54,929 bales consisting of 39,487 bales of Bengals, 12,008 bales of cotton stapling ¾" and 3,434 bales of below ¾" cotton. Of the quotas reserved for co-operatives only 250 bales of Bengal have so far been utilised.

Considering the progress of shipments so far, it is unlikely that the entire quota of 500,000 bales will be utilised this season. Exports during the entire season are estimated to aggregate no more than 350,000 bales. This compares with 291,800 bales exported during the whole of last season. Higher exports during the season were due to early commencement of quotas, reduction in export duty from Rs. 50 to Rs. 25 per bale and better export demand as compared with last season. Exports would have been better still had it not been for the higher prices of Indian cotton *vis-a-vis* comparable foreign growths and the sluggishness of world trade in cotton piecegoods.

Imports of cotton, in contrast, have been running at a rate slightly lower than in the past season. Thus, actual imports of foreign cotton from 1st September 1958 till end of May 1959 amounted to 306,446 bales, as against 311,869 bales during the same period last season. Total quantity allowed for imports for the entire season, including the quota for 240,000 bales released in May last, aggregate 600,000 bales. Of this, actual arrivals till the end of May were only a little more than 50 per cent. of the quota. Since the announcement of the last quota, there has been a brisk demand from Indian mill buyers for foreign cotton. Nevertheless, it remains to be seen whether the entire quota will be utilised before the season runs out. The following table gives the country-wise break-down:

Imports of Foreign Cotton

(From 1st September 1958 to 30th May 1959)

(In bales of 329 lbs.)

Description	1958-59	1957-58
East African	149,136	82,990
Sudan	58,848	60,952
American	48,830	129,299
Egypt	45,369	38,318
Pakistan	6	..
Other varieties	4,257	10
Total ..	306,446	311,569

It is clear from the above table that East African cotton represents the largest share in our imports, with Sudan and American cotton occupying the second and third places. It is noteworthy that, whereas import of East African cotton is only slightly less than twice the quantity imported during the same period last season, import of U.S. cotton has declined to almost one-third.

COTTON CALIBRATION STANDARDS EXPANDED

A proposed expansion of the cotton calibration standards was approved by the International Cotton Calibration Standards Committee at its meeting in Washington held on 28th and 29th May 1959. The expansion would add two calibration standards of fine cotton and one of very coarse fibres. The present programme includes three American upland cottons for calibrating test instruments—one of which is Micronaire, which tests for fineness, and the other is the Pressley test for fibre strength.

The Committee accepted a bale of Barbadense-type cotton, which has long, fine fibre, and recommended that the Cotton Division of the Agricultural Marketing Service, U.S. Department of Agriculture, U.S.D.A., obtain a bale of immature Barbadense-type cotton and also a bale of very coarse Asiatic type cotton. These finer and coarser cottons added to the calibration standards of upland cottons now used will provide six calibration standards which will cover the full range of the Micronaire scale.

The Committee will also make available, through U.S.D.A., special check test cottons to be used by the American Cotton Shippers and the International Federation of Cotton and Allied Textile Industries for determining accuracy of the testing of laboratories desiring to be designated as arbitration laboratories in international trade.

Since this programme was started in 1956 a total of 1,751 calibration cotton samples have been distributed to 320 laboratories throughout the world. The number of laboratories taking part in the Micronaire Check Test Programme has increased from 110 to 187. Participation in the Pressley Strength Testing Programme has increased similarly.

In the check testing programme samples are sent to participating laboratories twice each year. The laboratories are asked to test the samples and report their results to the U.S. Department of Agriculture which compares their results with those obtained in five laboratories designated by the sponsoring organisations. These organisations are the International Federation of Cotton and Allied Textile Industries, the American Cotton Manufacturers' Institute, the American Cotton Shippers' Association, the National Cotton Council, and the United States Department of Agriculture.

Agreement was also reached by the Committee on a proposal by its Chairman, Dr. Burt Johnson, to adopt the International Standards Organisation's test methods as soon as they are approved. The test methods now used are those recommended by the American Society of Testing Materials.

The International Cotton Calibration Standards Committee was formed in 1956 to furnish standard calibration cotton and to promote uniformity of testing methods for cotton fibre testing instruments used in commercial practice in cotton laboratories throughout the world. The programme is operated by the Cotton Division, Agricultural Marketing Service, U.S. Department of Agriculture, under policies established by the International Cotton Calibration Standards Committee.

ALL-INDIA FOURTH ESTIMATE OF COTTON

The all-India fourth estimate of cotton for the 1958-59 season puts the area under cotton at 19,350,000 acres as against 19,426,000 acres in the corresponding estimate of the previous season and the final estimate of 20,158,000 acres. The area under cotton during the current season thus shows a decline of 76,000 acres or 0.4 per cent. This estimate relates generally to the period upto the end of January 1959. Till then, the condition of the crop was reported to be, on the whole, satisfactory. The following table gives the variety-wise and staplelength-wise distribution of the acreage.

	1958-59	1957-58
Area (in thousand acres)	19,350	19,426
By trade description :		
Bengals	1,153	1,004
Americans	3,325	3,338
Jarilla (including Virnar and 197/3) ..	3,493	3,392
H. 420 (including Verum 91 and others)	701	702
Oomras	1,389	1,597
Hyderabad Gaorani	1,088	1,071
Malvi	1,115	1,085
Broach Vijay	1,461	1,386
Surti-Suyog	774	781
Dholleras	2,184	2,135
Southerns	2,617	2,827
Comillas	62	63
Total ..	19,350	19,426
Staple length-wise :		
Long staple	6,781	6,812
Medium staple	9,392	9,311
Short staple	3,177	3,303
Total ..	19,350	19,426

State-wise break-down of the area under cotton shows that the decrease in cotton acreage in the current season is confined mainly to Andhra Pradesh, Mysore and the Punjab. This is attributed to unfavourable weather conditions at the sowing time. The decrease in area in these States has, however, been considerably offset by the increase recorded in Bombay, Madhya Pradesh and Rajasthan. Variety-wise, the decline in acreage has occurred mainly in respect of Oomras and Southern varieties, whereas increases have occurred in the medium-staple varieties.

This estimate does not cover the entire area under the crop during the 1958-59 season. Past experience has shown that the area at the fourth estimate forms roughly 95 per cent. of the acreage finally reported.

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WORKING RESULTS *at a glance*

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STATEMENT OF ACCOUNTS AS ON 31-12-1958

LIABILITIES

(i)	Paid up Capital.	Rs.	1,25,00,000
(ii)	Reserve Fund and other Reserves.	Rs.	1,27,00,000
(iii)	Deposits.	Rs.	1,29,19,53,210
(iv)	Other Liabilities (including contra items such as Bills for Collection and Acceptances, endorsements and other obligations).	Rs.	32,43,64,779
		Total :— Rs.	1,64,15,17,989

ASSETS

(i)	Cash and Balances with Bankers.	Rs.	13,01,77,278
(ii)	Investments :		
	(a) Investment in G. P. Notes, Municipal Loans, Shares and Debentures guaranteed by the Central and State Governments. Rs. 61,19,98,641		
	(b) Other Investments. Rs 1,34,06,123	Rs.	62,54,04,764
(iii)	Loans and Advances.	Rs.	66,76,22,635
(iv)	Other Assets (including contra items such as Bills Receivable being Bills for Collection and constituent liabilities for acceptance, endorsements and other obligations).	Rs.	21,83,13,312
		Total :— Rs.	1,64,15,17,989

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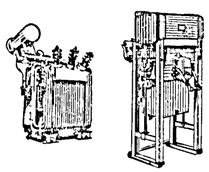

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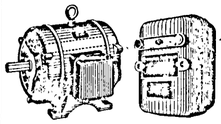

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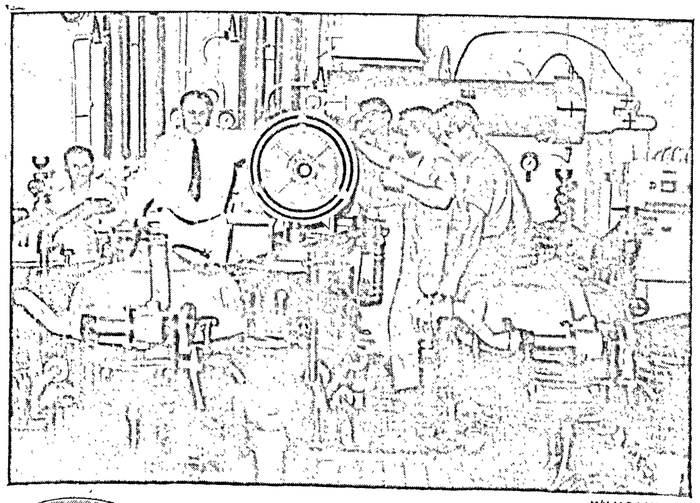

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U.P. SUGAR TRIPARTITE CONFERENCE

BONUS QUESTION TO BE REFERRED TO A SPECIAL COMMITTEE

AN amicable arrangement has been reached between the Uttar Pradesh sugar millowners, the workers and the State Government representatives in regard to the bonus to be paid to the workers for the 1958-59 season, following discussions at the U.P. Sugar Tripartite Conference held at Ranikhet recently. The Conference covered the various problems of sugar industry and the talks, it is reported, were marked by a spirit of accommodation, the representatives of both the millowners and the workers appreciating each other's points of view. Due credit must be given to Dr. Sampurnanand, Chief Minister of Uttar Pradesh and President of the Conference, who it was that tried his best throughout the deliberations to drive home the fact that the need for maintaining industrial peace in the State's sugar economy was of vital urgency.

One of the important decisions taken at the Conference related to the question of bonus to sugar factory workers for the crushing season 1958-59. It was unanimously agreed to set up, as had been done in previous years, a special committee consisting of the spokesmen of both management and labour to formulate an interim basis for payment till the final decision was taken by the Wage Board for Sugar Industry. A seventeen-man committee with the Labour Commissioner as Chairman, it will be recalled, was set up in August 1958 to find out an agreed basis for fixing the quantum of bonus for the season 1957-58. On the basis of the recommendations put forward by the Committee, the U.P. Government issued an order asking the vacuum-pan sugar mills in the State to pay bonus to all employees who drew their salaries and wages during the season in proportion to their earnings, subject to a maximum of three months' total wages. The order provided for an adjustment of any interim or advance bonus paid to a workman by any amount if that was in excess of the amount payable under the order. It, of course, accorded to factories the right of representation to seek exemption from the payment of their share of bonus on account of loss or meagre profit margin; the representations were required to be made before 15th February 1959 to a sub-committee set up under the chairmanship of the Labour Commissioner.

There are at present 56,000 workers employed in the 68 sugar mills in Uttar Pradesh. Assuming that the special committee to be appointed to go into the question of bonus will adopt the same basis for calculation of bonus as that adopted by the previous committee, the aggregate amount of bonus to be disbursed for the 1958-59 season will be of the order of Rs. 56 lakhs.

Interim Relief

Although the U.P. Government issued the sugar bonus order in February last, some mills have still not paid the bonus, even after their grounds for exemption have been thoroughly examined. A few units have also not yet implemented the recommendation of the Wage Board to give an interim relief to workers. Dr. Sampurnanand did well to urge the factories to pay the bonus and to implement the Wage Board's recommendation of their own accord without waiting for the Government to step into the matter; this, he said, should be done before the start of the next season (1959-60). The Conference agreed to have a necessary directive issued by the State Government under Section 3 of the U.P. Industrial Disputes Act to those mills which had not yet given the interim relief. In his concluding remarks, Dr. Sampurnanand announced that such a directive would be issued.

In the course of his speech, the U.P. Chief Minister called upon the sugar millowners not to go in appeal to higher judicial courts against the decisions of industrial tribunals and labour courts, unless some major principles were involved. He advised them to form a strong committee of their own to select such cases. While this is a sound piece of advice, it must be emphasised that much depends on the attitude of labour. If the workers develop a rational, co-operative outlook instead of allowing themselves to be swayed hither and thither by politicians, harmonious labour-management relations can certainly be ensured in the sugar industry.

The sugar mill workers must realise the aforesaid fact and also recognise that, if their earnings are to improve, it is imperative that their productivity should go up. The average quantity of sugar produced per worker in India is very low, being just 11 tons, as against as much as 144 tons in Australia. The number of persons employed in sugar factories is much larger than in other countries and thus the total labour cost is markedly higher than elsewhere. The cost is especially high in Uttar Pradesh and Bihar. The number of leave days and holidays allowed to sugar factory workers in U.P. is larger than in other parts of the world, as well as in other States of India.

Other Topics Discussed

During the discussions at the Ranikhet Tripartite Conference, the representatives of millowners pleaded for the removal of control on sugar prices and imposition of restrictions on *khandsari* manufacture. The main causes for the soaring prices of sugar, they said, were lower sugar output following diversion of cane supplies to production of *khandsari*, low recovery per cent. of sugar in cane and Central Government's sugar policy. Further, the representatives emphasised the need for taking into consideration the financial position of individual mills for fixing their bonus quantum, welcomed the Chief Minister's suggestion for minimising litigation and promised liberal help towards the construction of a holiday home for sugar mill workers at Ranikhet. The labour spokesmen, on their part, pointed out that, for industrial peace, it was essential for millowners to abide by the decisions of the bonus committee, tribunals and labour courts. They also wanted uniformity of wages for workers employed in sugar distilleries.

In his speech, Dr. Sampurnanand merely stressed the necessity for checking unholy competition between the *khandsari* and sugar industries, especially in the areas reserved for mills. But he did not indicate what concrete measures his Government would take in this direction. Unless such measures are taken, the *khandsari* producers will continue to enjoy undue advantages over the sugar mills for the available supplies of cane. For they enjoy a distinct tax advantage over the sugar mills, the advantage of excise duty alone being to the extent of Rs. 5.67 per cwt. in respect of *khandsari* produced with the aid of sulphitation plant and Rs. 4.41 per cwt. in the case of that produced without such aid.

CO-OPERATIVE SUGAR MILL IN U.P.

The Central Government has granted a licence for the establishment of a co-operative sugar factory at Sarsawa in the Saharanpur District of Uttar Pradesh. The total estimated cost of erecting the factory is put at Rs. 1.20 crore, of which plant and machinery account for Rs. 95 lakhs, the balance being the share of land (Rs. 50,000), building (Rs. 21.50 lakhs) and stores (Rs. 3.00 lakhs). About 25 per cent. of the cost—Rs. 30 lakhs, to be precise—is expected to be raised from cane growers. The State Government and the co-operative institutions will contribute Rs. 15 lakhs each. The remaining amount of Rs. 60 lakhs will be received as loan from the Industrial Finance Corporation of India.

In view of the difficulties of foreign exchange, imports, etc., the sponsors of the factory proposed to purchase a good second-hand plant from a firm in West Bengal, but the deal could not be put through. The Central Government has since intimated that plant for the factory will be supplied by the Sugar Plant Manufacturing Consortium which will fabricate the machinery by importing the minimum essential items of equipment and component parts. Efforts are being made to get the plant as early as possible.

Saharanpur in U.P. occupies an important place in the sugar economy of the State. About 175,000 acres of land are under cane cultivation, with an aggregate annual yield of 55 million maunds. Half of this quantity is supplied to sugar mills and the rest is diverted to production of *gur* and *khandsari*. The factory now being set up is said to cover 400 villages, with a cane area of 15,000 acres.

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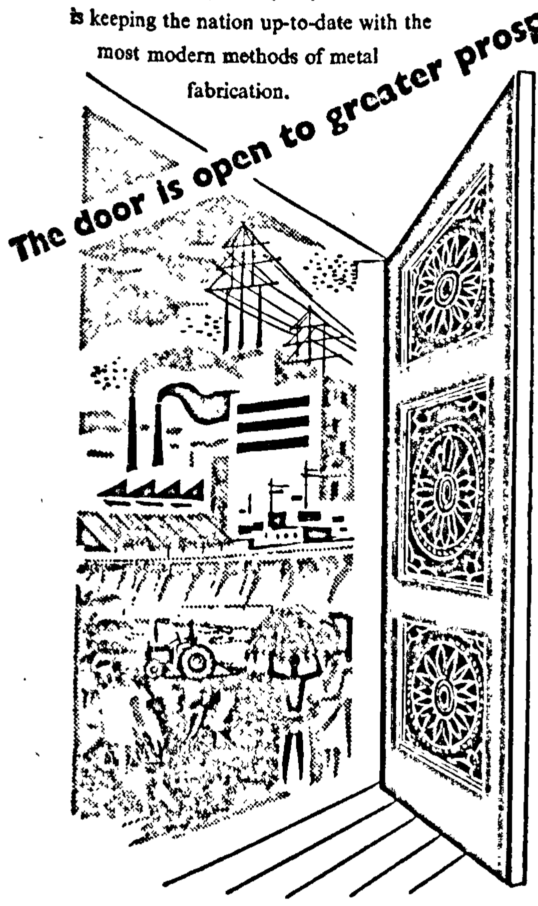

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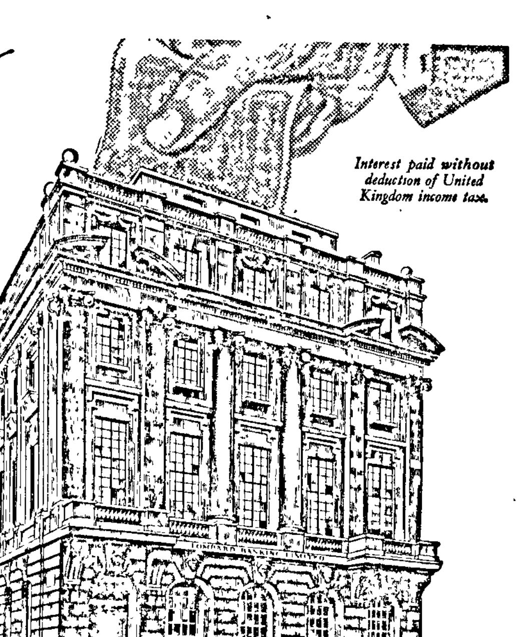

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MORE JUTE LOOMS UNSEALED

MOVE TO MEET PROSPECTIVE EXPANSION IN OVERSEAS DEMAND

FROM Monday this week, that is the 22nd inst., all member-mills of the Indian Jute Mills Association have been working with only 12½ per cent. of their looms sealed, as against 14 per cent. till the end of last week. This follows the latest decision of the I.J.M.A. to unseal 1½ per cent. of the total loomage, apparently because of the improvement in the statistical position of manufactured goods. This is the first change in the proportion of sealed looms since 2nd March, when the I.J.M.A. sealed 1½ per cent. of the looms, raising the idle loomage to 14 per cent. of the total complement. This step was on top of the I.J.M.A.'s action on 14th February, freezing the accumulated loom-hours of the jute mills under the Working Time Agreement. Also, the Association had withdrawn the minimum prices of jute goods fixed by it in February. These steps were intended to restore stability to the gunny market by reducing the excessive stocks of heavy goods. The Association has now restored the cut in the proportion of working looms made in March last.

During the last three months, since the I.J.M.A. sealed 1½ per cent. of the looms, the statistical position of mills has, no doubt, improved, with a sizable reduction in stocks of gunnies. But this improvement does not seem to be the result of the sealing of looms which was intended to reduce production. Instead of declining, the output has been going up, having risen from 83,600 tons in February to 86,800 tons in May. The effect of the increase in the idle looms has been offset by the increase in the number of hours worked. Thus, in February last the working hours were 192 and they rose to 206 in May. At the same time, the stocks with mills have dwindled successively from 113,800 tons at the end of January last to 99,400 tons, despite the increase in output of mills. It will thus be seen that the improvement in the statistical position of mills has been mainly due to larger offtake. If the I.J.M.A. has released more looms, despite the increase in output, it is because the stocks of both hessian and sacking are considered to be too low to meet any sudden increase in foreign demand without upsetting price stability. On the basis of the output of mills last month, the unsealing of 1½ per cent. of the looms will mean an increase in production of 1,500 tons per month.

Prices Steady

Be that as it may, the decision to reduce the number of idle looms, announced on the 10th inst., has not been greeted by the jute goods market bearishly. The firm trend in prices which set in with the announcement of lower stock figures has been maintained, as the consensus of opinion in the market is that the proportion of unsealing is too meagre to make any significant difference. It is even considered likely by some that a further unsealing of looms will be announced next month. This view is based on expectations that the recent trend of orders from overseas, which have been of a substantial nature, would be maintained. The price of B. twills (for the nearest delivery) stands now at Rs. 97.05 per 100 bags, as compared with Rs. 94.80 just before the announcement of the stock figures, and hessian 40" x 10 oz at Rs. 42.75 per 100 yards, having risen from Rs. 41.05 on the 8th inst.

Stocks

The stocks of gunnies with mills have declined during the month of May by 6,000 tons to 99,400 tons, thus maintaining the downward trend for the fourth month in succession. The aggregate decline in the past four months is 14,400 tons. The decline in May has been mainly due to the fall of 6,800 tons in sacking and of 1,000 tons in miscellaneous varieties. Hessian stocks have, in contrast, risen by 1,800 tons, as will be seen from the following table:

(In tons)

	As on 31st May, 1959	As on 30th April, 1959	As on 31st Mar., 1959	As on 31st May, 1958
Hessian	21,400	19,600	17,000	25,000
Sacking	61,400	68,200	72,600	71,800
Others	16,600	17,600	17,200	15,300
Total ..	99,400	105,400	106,800	112,100

With the rise of 1,800 tons in May, hessian stocks have gone up by 5,900 tons in the last three months, that is, from 15,500 tons at the end of February last to 21,400 tons at the close of last month. This is due to the rising trend of production, as a result of the switch-over of some looms from sacking to hessian production. Consequently, the proportion of hessian to total stocks has risen from 14.8 per cent. at the end of January this year to 21.5 per cent. last month, while that of sacking has declined from 72.7 per cent. to 61.8 per cent. in the same period. Notwithstanding the accumulation of 5,900 tons in the past three months, the present hessian stocks represent only a little more than half a month's production and are considered too low to meet the possible expansion in offtake from Argentina, on account of the bigger agricultural crop in that country. Though the stocks of burlap in the U.S. are high at 287 million yards and may adversely affect to some extent the offtake from that country, it is expected to buy regularly from India for the purpose of replenishing its stocks. Over the year, as will be seen from the table above, the hessian stocks are lower by 3,600 tons.

The stocks of sacking have successfully declined from 82,700 tons at the end of January to 61,400 tons. They are now equivalent to over six weeks' output and are considered to be no more a source of concern.

For the first time since August 1958, the stocks of miscellaneous goods have shown a decline.

Production

The production of gunnies during May has gone up by 2,400 tons to 86,800 tons, the highest level since January last. This increase is shared by hessian which has risen by 1,600 tons (to 39,700 tons) and miscellaneous goods which account for 800 tons (at 9,200 tons). The output of sacking is unchanged at 37,900 tons, as the following comparative table shows:

(In tons)

	May, 1959	April, 1959	March, 1959	May, 1958
Hessian	39,700	38,100	38,100	34,200
Sacking	37,900	37,900	37,200	53,700
Others	9,200	8,400	8,000	7,000
Total ..	86,800	84,400	83,300	94,900

For the third month in succession, the production of hessian has exceeded that of sacking and the gap between the two has considerably widened during the month under review. Over the year, the total production of jute goods shows a decline of 8,100 tons.

Despatches of gunnies from mills during the first four months of 1959 make encouraging reading, having gone up to 345,100 tons from 331,200 tons in the corresponding period of 1958. It must, however, be noted that the bulk of this rise is accounted for by internal consumption which has improved from 76,800 tons to 87,000 tons. Despatches for export purpose have risen from 254,400 tons to 258,100 tons only.

STALEMATE IN RAW JUTE T.S.D. CONTRACT

It is now over three weeks since the regulation of trading in transferable specific delivery contracts in raw jute and jute goods under the auspices of the East India Jute and Hessian Exchange Ltd. came into force, but not much business is being done, in view of the dispute over the new contract form introduced for this purpose with effect from 1st June. Though the new form is claimed to be more or less the same as was in use till the end of May under the auspices of the Indian Jute Mills Association, some minor changes are said to have been introduced. One of such changes is in respect of the moisture content of the fibre. Under the old form, the moisture content was limited to 3 per cent. and mills could reject the fibre if the moisture exceeded this limit. The new contract form has, however, raised this limit to 4 per cent. It is stated that the 4 per cent. limit is in accordance with the contract for *pucca* bales in vogue with the London Jute Association. Some of the mills in India are said to have accepted the new contract form, but the member-mills of the I.J.M.A. are opposed to any change in the limit of moisture content. Efforts to bring about a settlement of the dispute have so far (up to the time of writing) proved fruitless.

The grounds on which the I.J.M.A. has based its objection to the increase in moisture allowance are:

(1) "Such an attempt to relax standards of quality is contrary to the best interests of the jute industry and of the whole country. It comes at a time when the Government of India with the full support of the I.J.M.A. is endeavouring to improve the quality of Indian jute and of the manufactured article. These ends will not be served by a measure which allows jute sellers greater latitude in their standards.

(2) "It is a fundamental requirement of the trade in raw jute that the goods shall be in sound, dry, storing condition and the moisture allowance of 3 per cent. which has been in force for very many years is the most that the fibre can bear and still remains storable without losing its spinning properties. This 3 per cent. by long experience has been found to be the limit up to which experts in the trade can judge a parcel of jute to be of acceptable moisture content; at that limit there begins a marginal area of doubt as to the storability of the fibres, and excessive moisture becomes increasingly evident with each addition to the percentage. This aspect of the matter is of particular importance under present-day conditions, as the mills are being compelled to carry large stocks of jute in order to maintain jute prices. The growers' interests are, therefore, affected also."

It is stated that the sellers' associations were prepared to stick to the original moisture allowance of 3 per cent., provided the mills agreed to the introduction of "invoicing back" at the market price. This proposal was made even when the new contract form was being drafted, but was rejected by both the I.J.M.A. and the East India Jute and Hessian Exchange. It was only after this suggestion was rejected that the sellers asked for a higher moisture allowance, as a sort of compensation. Some of the mills are said to be willing to buy raw jute under the old I.J.M.A. contract on C.O.D. terms under non-transferable documents. This arrangement does not infringe the new regulations. Others have accepted the new contract on condition that any changes that are later on made would be deemed to have been incorporated in the contract. While the latter may be acceptable to sellers, very few are prepared to do business under the former terms, as this will involve heavy financial burden when the weight of the new crop comes on in the next few months.

VERSATILITY OF JUTE

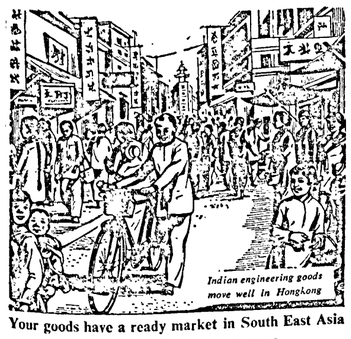
It is over a hundred years since the Scottish jute-makers gave the world a new industry when they pioneered machine-spinning of the Bengal-grown fibre and they are still maintaining their ingenuity and enterprise. In the city of Dundee—site of one of the most close-packed industries in the world—the jute-makers continue to reach new peaks of efficiency and quality production to keep their old-established industry in the forefront of textile progress. This has been possible because of a modernisation plan in which the installation of new machinery and the use of modern management methods and scientific research have all played a part.

The results have been dramatic. The output per worker has soared well above the average rate of increase for manufacturing industry in the United Kingdom during the past 10 years. A new wage structure based on scientific work-measurement has been evolved with the help of the trade unions. Research activities have resulted in new and better ways of processing jute and extending the range of its end-uses. Other novel features include schemes of inter-firm comparisons on productivity and accident-frequency rates. These schemes act as a stimulus to both management and employees.

Something of this progress will be reflected in the exhibit of Jute Industries Ltd. at the Scottish Industries Exhibition to be held at Kelvin Hall, Glasgow, from 3rd to 19th September. This Company is the largest jute concern in Britain, and has made a big contribution to the progress of the industry. Jute Industries Ltd. will take the floor at the exhibition in more senses than one, for more than half the company's output is taken up by floor-covering industries at home and overseas.

Jute serves these industries as the all-purpose base and stabiliser of carpets, linoleum, and underlays. Also on view will be stainless yarns and fabric, so important with the increasing use of man-made fibres for surfacing tufted and woven carpets on a jute base. Another section will show rugs, squares, and stair-carpeting made entirely of jute, in striking designs and styling.

Of particular interest to oversea visitors will be a model of the Company's Douglasfield Mill, claimed to be the most up-to-date jute-spinning plant in the world. From this mill alone, enough jute yarn is spun every year to go round the earth nearly 600 times. It is one of the Company's 12 factories in and around Dundee. Interest in the Jute Industries Ltd. exhibit will be heightened by the versatility of jute, whose other end-uses are legion. As a tough and rugged textile, it is needed by other manufacturers to do many jobs at low cost. Not only is it made into the well-known sack for carrying a wide range of commodities but it is a semi-raw material used by the mining, building, upholstery, cordage, cable, tailoring, chemical, motor car, and agricultural industries. Jute can also be blended with other fibres for use in the furnishing field, and examples of attractive mixed fabrics will be shown. Research and development work on the combining of jute with plastics offers new possibilities for the future.



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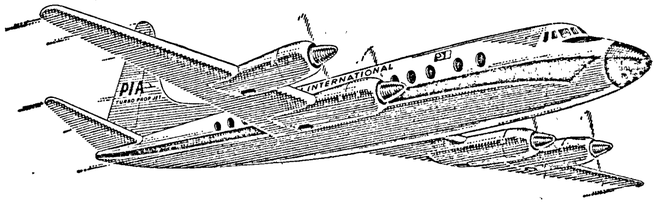

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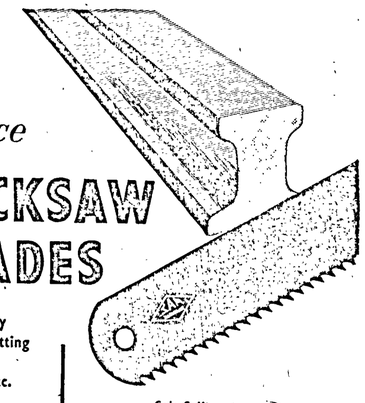

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UTILISATION OF SOLAR ENERGY

RECENT EXPERIMENTAL RESEARCH SURVEYED

MAN'S search for new sources of energy, almost as old as human civilisation, is a continuing process. Since the last war, however, it has gained considerable momentum. For it is now widely recognised that world resources of petroleum and coal which now provide some of the chief sources of energy, are not inexhaustible. In fact, at the current and prospective rates of their utilisation, they might be either exhausted sooner than feared formerly or become insufficient to meet the growing demand for energy. It is estimated that at present for every calorie obtained from food in the U.S., a little more than a calorie from fossil fuel is put into the production of food. Such is the effect of mechanisation of farms in recent decades. This has led to an intensified search for newer sources of energy, particularly to renewable, as distinguished from exhaustible, sources of energy. Among the attempts made to press into man's service new sources of energy, mention must be made of the utilisation of solar energy and atomic energy. Experimental research in this field has been comprehensively surveyed in the pamphlet, *Solar and Atomic Energy*, published by the Bureau of Business and Economic Research, University of Maryland (U.S.). Of these two new sources of energy, the facts relating to the development and utilisation of atomic energy are sufficiently well known. But what is relatively less well known is that attempts are being made, though at present with less spectacular results, to utilise solar energy for human needs.

Quantity

The basic characteristics of solar energy include its enormous quantity, low concentration at the earth's surface, and variability at a given location. The intensity of solar radiation outside the earth's atmosphere at mean solar distance, it is stated, is 7.15 British thermal units per square foot per minute or seven-tenths of a ton of bituminous coal per acre per hour. The report of the U.S. President's Materials Policy Commission of 1952 estimates that the sun's input to the U.S. energy system in 1947 was the equivalent of 1,300 million tons of bituminous coal and suggests that the supply of solar energy is about 1,500 times the 1950 energy requirements. It may be mentioned here that the earth's atmosphere absorbs about 20 per cent. of the sun's radiation, leaving 80 per cent. of it to reach the earth's surface. The quantum of solar energy also varies with the rotation of the earth (which brings changes of day and night), movement of the earth around the sun (which brings changes in the distance between the earth and the sun) and changes in the weather causing differences in the filtration and absorption of solar radiation.

Surveying the contemporary investigations in the sphere of application of solar radiation, the pamphlet points out that in agriculture, there are frost-prevention and ground-warming activities as well as the employment of solar energy to irrigate fields with demineralised water. Closely related are significant research efforts in photosynthesis covering the biological and chemical aspects of the production of foods, drugs and synthetic materials for human consumption. In housing developments are heating, cooling, natural lighting, heat conductivity, insulation, and control of other effects. Equipment and methods are available for direct cooking. For desaltation of saline water, evaporators and stills are functioning in various parts of the world. Costs of production, as experience is gained, may become competitive with standard water-supply procedures in certain American localities, including the processing of brackish water. Evaporation by the sun's heat for the production of salt is an ancient accomplishment. The reverse process of preventing evaporation, particularly of water from land surfaces and from inland bodies of water, is under study. The whole field of weather control and amelioration is related to meteorology and microclimatology, and the nature of human shelter and activities, including deleterious effects of sunlight. In the field of optics are many problems of light transmission, emission, absorption, and reflection. Engineers and manufacturers are devising evaporators, stills, furnaces, heaters, pumps, storage facilities, batteries, and other devices for using solar energy, and many important inventions are now recorded.

At present, solar hot-water heaters, the heat pump and solar-heating and air-conditioning systems are in production and use. It may be recalled here that India has made some contribution towards the research in this field, in that it has devised a solar cooker of about one square metre which reflects enough heat on a sunny day to cook a meal. But its application on a commercial scale has so far not succeeded. It therefore still remains an invention in the experimental stage. In other countries, a heat pump has been designed to collect heat at a low temperature from the earth, well water or the air, and to deliver at higher temperature. It may be used in winter for heating and in summer for air-conditioning.

A solar heating installation has been found serviceable technically for entire structures. In prospect are economical long-term heat storage facilities which may carry over from summers to winters, if present efforts are productive. Efficiency is measured in the relation of the solar energy units striking the collector and the quantity of energy the collector passes into the house. The efficiency of a solar collector for space heating is high when the collector temperature is low; the efficiency is high also if the solar radiation is high. Experiments continue with new materials and equipment. Two general devices are basic to experiments in heat storage, one relying upon specific heat effects, the other upon a chemical-physical change of state. In the former procedure, water or other substances having thermal capacity absorb energy as the temperature rises and release the energy as the temperature falls. The latter procedure makes use of the heat absorbed and released when solids are melted, and then reversely when this liquid is solidified.

Sun-heated House

Among the practical achievements in the application of solar energy, mention may be made of a sun-heated house which has been completed in Lexington, Massachusetts, by a team of engineers of the Massachusetts Institute of Technology, after 20 years of solar energy research. Solar houses have been the objective of research in several other centres in the U.S. The Edison Institute of New York has developed heat storage elements and containers for storage media. The U.S. Army is operating a large solar furnace capable of producing temperatures up to 5000° F. at Natick, Massachusetts. At Princeton, the Curriss-Wright Corporation and New York University have established a joint research programme as well as separate projects.

The New York University is also building its "Sun Court and Solar Laboratory" which will offer solar research facilities. The Sun Court includes a solar-heated house swimming pool, solar furnaces, batteries, stills, driers, cooking equipment, radios and food processing equipment. Westinghouse engineers, according to the U.S. President's Materials Policy Commission, look to the day when much of our lighting will come from special phosphor powders in paints and wall papers; phosphors are substances that can absorb radiant energy and re-radiate it after a lapse of time. The Commission observes: "If we could develop a phosphor that would radiate at night from 1 to 5 per cent. of the light it received by day, our lighting load, which amounts to about 5 per cent. of the total energy system, could be carried directly by the sun." Other possibilities, which the Commission says are still in the early stages of development, are: (1) solar power from photo-voltaic cells, (2) production of energy in oxidation-reduction systems (3) photo-chemical decomposition of water, (4) storage of heat in crystal lattices, and (5) non-biological photosynthesis.

The chief advantages of solar energy, as compared with atomic energy, are that the former has no critical mass, no health hazards (except sunburn) and no waste products to dispose of. Large areas of solar collectors, involving machinery, glass and concrete, are, of course, required for the utilisation of solar energy. And the costs are high. But experiments with new plastics are stated to be encouraging. As with all new discoveries and their applications, experience in the utilisation of solar energy may well bring with it simplification of equipment and reduction in costs.

WORLD STEEL OUTPUT

SLIGHT DECLINE IN 1958

THE year 1958 proved to be a year of recession for world steel industry. Output fell in many of the steel producing countries of the free world. The net result of the fall in various countries was that world steel production declined from 287 million tons in 1957 to 268 million tons in 1958. The decline in output took place entirely in the free world, where production fell from 216 million tons to 187 million tons. In the Soviet bloc, however, there was a slight improvement from 71 million tons to 81 million tons.

The following table gives the production of steel in the chief producing countries in 1958 and 1957:

	(In million tons) 1958	1957
U.S.	76	101
U.K.	20	22
E.C.S.C.	57	59
Other W. Europe	8	8
Japan	12	12
Commonwealth (excluding U.K.)	10	11
Latin America, etc.	4	3
Free world	187	216
Soviet bloc	81	71
World	268	287

Commenting on the fall in output of steel, the *Steel Review*, published by the British Iron and Steel Federation, points out that the "immediate causes of the fall in output lay in the decline or stagnation of industrial activity in the U.S. and W. Europe, aggravated by the widespread reduction of consumers' stocks of steel." It adds: "In the United States, for example, it is estimated that half the drastic decline in the steel industry's operating rate was attributable to the run-down of the consumers' steel stocks." The continued upward surge of output in 1958 in the Soviet bloc, it is stated, "stands out in contrast to the declines registered elsewhere and this group of countries increased its share of world output from 25 to 30 per cent."

A notable feature of the world steel situation is that the *per capita* steel consumption in the U.S. continues to be very high. In 1957, it was as high as 1,244 lbs., as against 896 lbs. in W. Germany, 828 lbs. in the U.K., 658 lbs. in Belgium-Luxemburg, 507 lbs. in France and the Saar, 307 lbs. in Italy and 317 lbs. in Japan. The *per capita* steel consumption in the U.S.S.R. is, however, only less than 50 per cent. of that in the U.S., it was only 543 lbs. in 1957. Czechoslovakia has a higher level of *per capita* steel consumption than the U.S.S.R.; in 1957, it was no less than 792 lbs.

The U.S.S.R. is determined to overtake the American level of consumption in many fields. In view of the fact that its present level of consumption is only less than one-half of that in the U.S., the achievement of Russia's objective will certainly imply a very rapid improvement in production. But the rate of expansion of steel output in the U.S.S.R., according to the *Steel Review*, is likely to be slower in the next seven years than it has been over the past decade. The Russian target of 86 to 91 million tons of steel by 1965 involves an annual rate of increase of 6½ to 7½ per cent., as compared with 11 per cent. in the period 1948 to 1958. Output in the European satellite countries is similarly likely to increase at a lower rate. China, however, is aiming at a considerable rise in steel output. Summarising the outlook for steel in communist countries, the journal observes that, while the steel output in the Soviet bloc has shown greater rates of increase, it is possible that, like the free world, the Soviet bloc is entering a period of consolidation, with expansion rates below the level of the past decade.

EUROPEAN STEEL PRODUCTION

During the first quarter of 1959, steel production continued at a lower level than a year ago in Western Europe, but there was a spectacular recovery of the U.S., says the latest issue of the *Quarterly Bulletin of Steel Statistics for Europe*, published by the Secretariat of the U.N. Economic Commission for Europe (E.C.E.). In Western Europe, steel output in the first three months of 1959 at 21.2 million tons remained 2 million tons or 8.6 per cent. below the corresponding period in 1958, the report states. Steel output in the E.C.S.C. countries as a whole decreased in the first quarter of 1959 by 1.2 million tons or 8 per cent. as compared with the first quarter of 1958. In the individual community countries the production falls were: Western Germany, 14 per cent., Belgium and Italy 7 per cent., France 5 per cent. and Saar 2 per cent. During the same period steel production continued to increase in the case

(*Continued on page 1088*)

NEW PRODUCTS AND PROCESSES

Fire-Resistant Plastic

A WAY to build fire-resistant characteristics into plastics was recently described by Mr. W. A. Skinner, an organic chemist at Stanford Research Institute, California, in a paper delivered before the American Chemical Society. Mr. Skinner's paper reported on the successful synthesis of a highly-chlorinated monomer, which in turn was polymerized into the plastic material, polytrichloropropene—a material that will not burn and that has a high melting point. Perhaps more significant than the development of a new plastic, however, is the fact that the monomer can be structured into common plastics such as polyethylene and polyvinylacetate, adding to these polymers the property of flame-resistance.

Chemists see possible first uses for the monomer in building flame-resistant characteristics into water-based paints. They see other applications for defence purposes, particularly in airframe manufacture. The possibility exists that the monomer may co-polymerise with many other synthetic materials. If it will combine with butadiene, for instance, a flame-resistant rubber could be made for tyres or electric wire coatings. Fabrics, drapery materials, and wrapping materials may also be made flame-resistant.

The combustion resistance of materials containing the chlorinated monomer will be permanent. Other fire-proofing methods often require a coating or some other additive to the object's surface. These can be chipped away, worn away, washed away, or otherwise lost. But the new method of co-polymerising makes the flame-proof molecules an integral part of the polymer chain.

Quick Floor Repairing Compound

Inconvenience arising from closed factory entrances, exits, trucking aisles, loading yards, and banks, while floors are being repaired is a feature of most manufacturing establishments. A compound, called Rockbound Instanto, is claimed by its distributors, J. H. Sankey and Son, of Britain, to reduce the time taken to repair a floor because it can be applied immediately to potholes and ruts in concrete, cobbles, stones, or wood flooring and will effect a permanent repair. Traffic can pass over the damaged spot as soon as the material has been laid. First, loose dirt or concrete is removed from the pothole and any traces of oil or grease are washed away with a cleansing compound. Sides of the hole should then be chipped down by roughly 0.5 in. to provide a firm vertical edge against which the repairing material can lie and the hole is then primed with one coat of Rockbound primer. Allowing a few minutes for the primer coating to become tacky the material is then tipped from the bag into the hole and rammed firmly down until it is compressed to about 50 per cent. of its original volume. The repair is then complete and the patch can be used immediately. For floors that are badly damaged Rockbound can be used as a carpet laid to a minimum thickness of 0.5 in. After initial ramming it is recommended that the floor be consolidated with a heavy roller, which will also remove any ramming marks. The bottom of an extensive pothole may be filled with small pieces of brick or hardcore to within 1.5 in. of the top. Before filling in with Rockbound Instanto all loose pieces of hardcore should be primed with Rockbound primer.

Automatic Desk Calculator

An advanced type of desk calculating machine is shortly to be placed on the market by the firm of Sumlock of the United Kingdom, a subsidiary of Control Systems. It is a development of the key-driven type of machine and is equipped with direct registration, storage registration for addition and subtraction, and a multiplication register. The multiplier unit is said to be the outstanding feature, reducing the number of "digitations" or key depressions which the operator would have to make on a conventional machine. By means of the multiplier control, decimal or sterling multiplication may be made in a remarkably short time by a trained operator. Sumlock has 22 training centres in the British Isles, where clerical staff may receive instruction in the use of Sumlock calculators, including the new model, which is known as the Sumlomatic.

Easy-to-dye Textile Fibre

A modified form of nytril fibre, known as Darvan, which is easier to dye, has been developed, in the U.S. The fibre is being used in deep pile coats, sweaters and men's suits. The modified form is claimed to be a considerable technical improvement and is expected to stimulate use of the fibre by fashion designers to produce luxury fabric creations in deeper, darker hues than previously possible.

A new type of nylon fabric made from textured filament yarns has been developed and is said to provide opacity without weight, improved handling quality and a softness hitherto not attained in tricot fabrics. The fabric also is said to take up body moisture through evaporation, eliminating the clammy feeling often associated with tricot.

Apparatus for Treatment of Heart Diseases

A biostimulator of cardiac activity has been designed at the Moscow Research Institute of Experimental Surgical Apparatuses and Instruments. This apparatus is based on the use of biocurrents of the sound heart for stimulating the lowered activity of the heart of another organism or even for restoring it if it has just stopped beating. Experiments with the first model of the apparatus have established that a dog's heart can be made to beat in the rhythm of the human heart, that is, a set rhythm had been "imposed" upon the heart of the experimental animal. Experiments have also shown that biocurrents amplified by means of special facilities can also be tape-recorded (after amplification) for future use. According to Prof. Mikhail Ananyev, the Institute's Director, biostimulators will be applied together with other means for the treatment of some acute cardiac diseases. Prof. Ananyev expressed confidence that the design of the biostimulator of cardiac activity was only a first step. Since biocurrents could be taken from many internal organs it is quite possible that in the near future biocurrents of the brain, the stomach, the intestine and other organs will be tape-recorded.

Rubber "Sandwiches" to Counter Road Shock

Rubber "sandwiches" between slabs of concrete are to be installed on an experimental stretch of the Baltimore-Harrisburg Expressway now under construction. The installation will mark the first highway use of a new 13-inch-wide rubber expansion joint developed to eliminate the "rhythmic road shock" that motorists encounter on many highways. Its accordion-like structure is designed so that the top of the joint is said to remain level with the road surface regardless of temperature-caused expansion and contraction of the concrete. Five sets of the joints are to be tried. Each set will extend completely across each lane of the dual highway, and will be mechanically anchored in the concrete for a watertight seal. A bridge also will be cushioned at both ends by the joints.

Drilling Equipment for Foundation Work

A British-designed-and-built machine which can burrow 80 ft. into the ground in a few hours to create foundations able to carry loads of up to 2,000 tons was demonstrated at a construction site in central London recently. The equipment utilises a conventional mobile excavator as a "prime mover" or power source. Attached to the excavator is a boom which supports the auger—a cork-screw-like device used to draw earth from the ground as a cork is drawn from a bottle. Speeds of more than 20 ft. per hour can be achieved by the machine when sinking shafts in clay—and no linings are necessary. The new drilling equipment has been built after study in the field of oil-drilling methods and civil-engineering construction throughout the world.

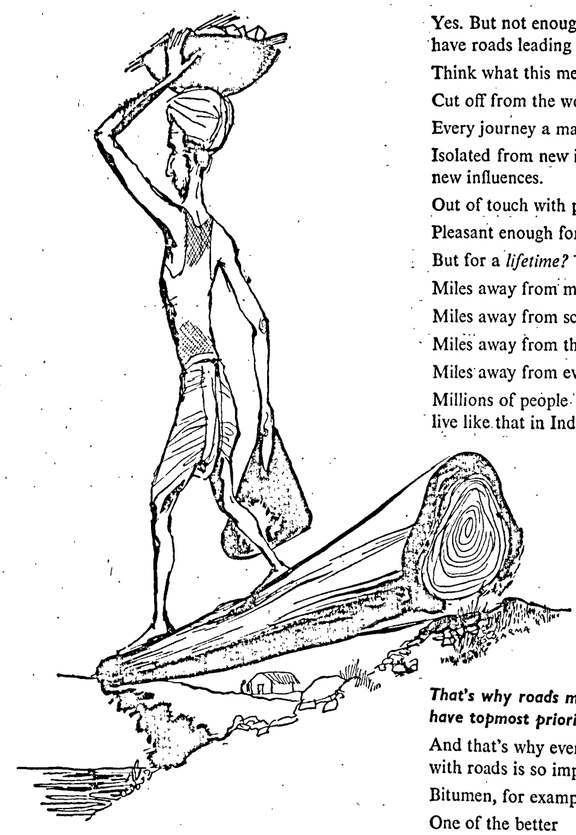
Porous Plastic for Industry and Surgery

A new porous plastic material with many possible uses is being manufactured by a British firm, Pritchett and Gold and E.P.S. Co. Ltd. Produced from high-density polyethylene, the new material, Vyon, has already found applications in air and liquid filtrations and air fluidized powder conveying. As it is naturally water-repellent, it is an excellent material for use as an aeration pad, its non-absorbency making it difficult to clog. The advantages in using Vyon for filtering are that it is light and strong and, therefore, easy to transport and manipulate. The material is easily fabricated, is machineable and can be welded and drilled; it is also easily engineered and fitted into plant and equipment. Important uses have been found for Vyon in surgery—as flail arms for paralysed patients, and as orthopædic splints. While providing a firm yet flexible support for the limb, it allows air to reach the skin. The material is inexpensive and has chemical resistance to a wide range of aqueous solutions. Vyon is being shown at the International Plastics Exhibition in London.

Adhesive for Foam Rubber

A new adhesive for the bonding of natural and synthetic foam, suitable for use in the upholstering of railway carriages, coaches, and aircraft as well as the manufacture of mattresses, cushions, and pillows is now being produced by Dunlop Rubber Company, Chester Road, Birmingham. It is a white adhesive comprising plasticized synthetic rubbers in a blend of non-toxic solvents, and gives a particularly strong and flexible bond.

All roads lead to home



Yes. But not enough homes
have roads leading to *them.*
Think what this means.
Cut off from the world outside.
Every journey a major undertaking.
Isolated from new ideas...
new influences.
Out of touch with progress.
Pleasant enough for a holiday.
But for a *lifetime?*
Miles away from medical aid.
Miles away from school.
Miles away from the nearest market.
Miles away from everywhere.
Millions of people
live like that in India. Today.

That's why roads must have topmost priority

And that's why everything to do
with roads is so important.
Bitumen, for example.
One of the better
road-building materials.
Inexpensive. Easy to handle.
Long-lasting. Hard-wearing.
Supplied by Burmah-Shell.

Burmah-Shell Bitumen is more than an important material—it's a service. Burmah-Shell make available skilled engineers, whose job it is to assist in the construction of roads. Good roads. Cheaper roads.

BURMAH-SHELL BITUMEN CAN BE SUPPLIED IN BULK. THIS IMPORTANT DEVELOPMENT, PIONEERED BY BURMAH-SHELL, SAVES VITAL STEEL BECAUSE IT MAKES DRUMS UNNECESSARY. BULK BITUMEN IS PARTICULARLY SUITABLE FOR MECHANIZED ROAD CONSTRUCTION—AND IT IS MUCH CHEAPER IN ITS INITIAL COST.

BURMAH-SHELL
BITUMEN
FOR BETTER ROADS

THE TRAVANCORE RAYONS LIMITED

EXPANSION PROGRAMMES BEING IMPLEMENTED ACCORDING TO SCHEDULE

MR. AR. RAMANATHAN URGES EXPEDITIOUS ISSUE OF LICENCES

A PLEA to the Government to expedite issue of import licences for spare parts and raw materials so as to ensure elimination of idle productive capacity in the rayon industry was put forward by Mr. AR. Ramanathan, Chairman of the Travancore Rayons Ltd., in the course of his speech at the Company's Thirteenth Annual General Meeting held at Rayonpuram, Kerala, on Wednesday, 24th June 1959. Mr. Ramanathan pointed out that the expansion programmes of the Company were being implemented according to schedule. He disclosed that orders for a third cellulose film plant and a second moisture-proofing plant had already been placed on suitable long-term deferred payments credit basis. He also disclosed that the Company was installing a sulphuric acid plant—this has almost been erected—and was planning to raise the installed capacity of the rayon yarn manufacturing plant to 13.6 tons a day.

The following is the full text of Mr. Ramanathan's speech at the Annual Meeting:

"DEAR SHAREHOLDERS,

"I am very happy to extend to you all a cordial welcome at this thirteenth ordinary annual general meeting of your Company. The report and accounts having been circulated to you well in advance, I hope I have your kind permission to take them as read.

"The working for the year 1958 has yielded a gross profit of about rupees one crore. After paying excise duty of Rs. 14,70,358 and providing Rs. 37,39,462 for depreciation, Rs. 5,80,000 for development rebate reserve, Rs. 6,50,000 for bonus for 1958, the net profit has amounted to Rs. 46,19,675. With the sum of Rs. 1,78,215 brought forward from the previous year, the total net profit amounts to Rs. 47,97,891. Your Directors have recommended distribution of this amount as follows:

		Rs.
Transfer to general reserve ...	...	30,00,000
Do. gratuity reserves	...	1,00,000
Dividend on preference shares	...	2,50,000
Do. equity shares ..	...	12,50,000
Total ...	Rs.	46,00,000

"The balance of Rs. 1,97,891 is to be carried forward.

Financial Position

"For the first time since its inception, the Company's profits have become taxable. The various additional and initial depreciation allowances, which your Company was granted in accordance with the provisions of the Income-tax Act, were, all along, absorbing our profits, leaving no taxable profit so far. However, in the year under review, the unabsorbed depreciation allowances have been wiped off completely. It is proposed to meet the taxation under reference from the deferred taxation reserve of Rs. 30,00,000, already provided for. With a view to strengthening the position of the Company further, your Directors have also thought it prudent to transfer from the profits of the year a substantial amount of Rs. 30 lakhs (as against Rs. 10 lakhs last year) to the general reserve, raising the same to Rs. 60,00,000.

"We have received a few representations from the shareholders stating that the increase of dividend to 12½ per cent. is not proportionate to the increase in the profits of the Company and requesting that enhanced dividend should be given. Although your Directors also felt that the dividend should be increased to 15 per cent., which you richly deserve, yet, in view of the fact that heavy taxation liability, which has arisen this year, has to be met from the available funds of the Company, a cautious policy in payment of dividend has been followed. Further, with the expansion schemes we have now on hand in the year 1959, a fairly large portion as cash payment has to be met. However, I hope that, in the coming years, your patience will bear fruit.

"It is a matter for gratification that your Company's production, sales and profit have all gone up sizably, touching new levels. The output of rayon and cellulose film reached a peak of 9.24 million pounds. This has been enabled by continuous and steady production throughout the year and by the fact that the capacity for rayon yarn was stepped up by 1.8 tons a day with the addition of six more spinning machines. The sales of both the articles were also keeping pace with the increased production. The increasing tempo of economic activity all round, the resultant higher standard of living and the restrictions on imports, imposed by the acute shortage of foreign exchange—all these helped the Company with a ready market. The sale proceeds show an increase of Rs. 73 lakhs, equivalent to about 28 per cent. over the previous year. The full effects of the Company's expansion programmes, completed earlier, were reflected only during the year under review.

"As your Directors have stated in their report, your Company endeavoured its utmost to meet the consumer demands in every way, maintaining, at the same time, stable price levels. In order to prevent any possible profiteering by speculators, the ruling prices were publicised off and on, and the consumers were requested to contact the Company direct in case of any difficulty. I am glad that the Government have been watching the situation vigilantly and laying down from time to time procedures for equitable distribution of the products. It is regrettable that, in spite of all these, there are forces at work which indulge in unsocial activities by cornering stocks and extracting exorbitant prices from the consumers. Such appears to be the case in regard to our cellulose film. We have taken care strictly to instruct all our distributors not only to adhere uniformly to the selling rates fixed by the Company but also to do their best to curb effectively profiteering by dealers and others whenever it comes to their notice. I hope that such an unhealthy situation will soon cease.

Expansion Programmes

"The expansion programmes of your Company are going on according to schedule. Permission from the Central Government has been received for setting up a third cellulose film plant, with a capacity of about 2,000 tons per year. Orders for machinery have been placed already. This plant is expected to go into production by the middle of 1960. When this plant goes into production, our output of cellulose film will be doubled and it would not only be possible to meet the increasing internal needs of the country but also cater to the export markets of the East to some extent. We would then be able to serve the country in yet another way, namely, by earning for it some of the much needed foreign exchange through exports. The demand for our moisture-proof cellulose film is quite encouraging and the improvements we have been able to achieve in the quality of this variety of film has increased its popularity. To meet the developing demand, a second moisture-proofing plant has been ordered. This plant is expected to be commissioned by the end of this year. I am glad to tell you that suitable long-term deferred-payments-credit has been obtained in accordance with the policy laid down by the Government.

"With a view to lessening, as far as possible, our dependence on outside sources for our essential raw materials, your Directors have thought it worthwhile to put up our own sulphuric acid plant. This plant, with the minimum economic capacity of 50 tons a day, has already been almost erected and production is likely to start by the end of August. Any surplus after meeting our needs will be available for meeting the needs of other industries who may require it. Regarding rayon yarn also, we are in correspondence regarding suitable financing terms and when these are obtained, orders will be placed for spinning machines of capacity 5 tons a day, increasing the installed capacity for rayon to 13.6 tons a day. We also propose installing a plant for manufacturing rayon grade pulp from cotton linters. Licence is awaited from the Government.

"I am glad to acknowledge that the policy of the State and Central Governments continue to be helpful. As I have already stated, the imports of rayon yarn and cellulose film have perforce been stricty restricted, owing to the acute shortage of foreign exchange. Despite such difficult foreign exchange position, the Government of India have been good enough to grant us the necessary licence for imports of spare parts and raw materials to keep the industry going smoothly. I would only plead for some expedition in the issue of licences to enable elimination of idle capacity and maintenance of maximum production.

Labour

"Now I turn to our relationship with labour. Although the year under review passed off without any undue interruption in production, there has been a number of minor disputes by individual sections in the factory. The original dispute, which was referred to adjudication in 1957, was settled by mutual negotiation, and an agreement was reached covering a period upto the end of 1961. But, in spite of all the generous benefits extended to the employees of the Company and in spite of the Code of Conduct and Discipline agreed upon after a good deal of discussions and deliberations, and in spite of the Central and State Governments' pronounced sympathy for labour, I am sorry to say that, in some instances, the attitude of labour is somewhat irresponsible, with the result that both the quality and the quantity of our production are not up to standards and expectations. For the last two or three months, the attitude of labour has been very distressing. Every difference or dispute is sought to be got settled by forthright stay-in-strikes. These are resorted to with great impunity and utter disregard of all canons of industrial law.

"Unless the Central and State Governments make it clear that no quarter whatever will be given to those indulging in illegal and unfair strikes and intimidation, the consequences are likely to be disastrous. I would commend, once again, for the kind attention of the Central and State Governments, the four points which I indicated in my speech last year, namely, abolition of strikes and favouring only arbitration and adjudication, building up of non-political trade unions from among the industrial workers themselves, recognition of only one union for each industrial unit, and inclusion of continuous-process-industries under 'public utility' concerns under the Industrial Disputes Act. While I will go all out for protecting the legitimate interests of labour and for improving their lot in every way, I would strongly urge that there should be no compromise on the issue of discipline, because indiscipline in industry, as in other walks of life, can only lead to inefficiency and loss of production and, ultimately, to economic and national degradation. I am sorry if I have expressed myself a bit too strongly on this matter, but I would hardly have been true to my feelings had I not done so.

"I now take pleasure in moving that the Directors' report, balance-sheet and profit and loss account for 1958 be approved and adopted."

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

NEW SCHEME FOR ART SILK EXPORT

Addressing the All-India Handloom Board meeting in Bombay on Saturday last, the Union Minister for Commerce and Industry announced that the Government had prepared a revised scheme which was just being introduced. The salient features of the scheme are as follows:

Every consignment of rayon fabrics will be inspected by the Textile Commissioner's organisation at the principal ports, the composition of the consignment will be examined and the value thereof will be assessed by the inspecting agencies, and each variety of fabric shall be subject to a ceiling f.o.b. value. On the value estimated of the total consignment, a licence for the import of rayon yarn will be given at 100 per cent. of such value. The benefits of the scheme will be confined only to the manufacturers of rayon fabrics and neither the licences nor the yarn imported thereon will be transferable. It is intended that the manufacturer should get this benefit only for running additional shifts of his own looms. The idea is that, while encouraging exports, the scheme should work in such a way that it enables the industry to run its normal number of shifts.

The import policy for art silk yarn for the current half year will be the same as that for the last half year.

Notices

THE ALEMBIC CHEMICAL WORKS COMPANY, LIMITED, BARODA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-second Ordinary General Meeting of the shareholders of the Alembic Chemical Works Company Ltd. will be held at the Office of the Company at Baroda (Alembic Road, Industrial Area) on Thursday the 30th July 1959, at 3-30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1958.
2. To declare Dividends.
3. To elect a Director in place of Dr. Indubhai B. Amin who retires by rotation but offers himself for re-election and to consider and, if thought fit to pass the following Special Resolution of which special notice as required by Section 261 of the Companies Act 1956 has been received by the Company:—

   "Resolved that Dr. Indubhai B. Amin, an Associate of the Managing Agents of the Company who retires by rotation, be and is hereby re-elected a Director of the Company."

   Explanatory Note: Dr. Indubhai B. Amin who retires by rotation from Office as a Director of the Company is an associate of Messrs. Bhailal Amin and Sons (Private) Ltd., the Managing Agents of the Company, and accordingly to comply with the requirements of Section 261 of the Companies Act, 1956 it is necessary to have Special Resolution for his re-election.
4. To elect a Director in place of Dr. K. T. Gajjar who has attained the age of 67 years and who retires from Office by rotation but offers himself for re-election. For his re-election passing of the following resolution will be also necessary of which special notice under Section 281 of the Companies Act 1956 has been received by the Company:

   "Resolved that pursuant to the provisions of Section 281 and other relevant provisions, if any, of the Companies Act 1956, Dr. K. T. Gajjar who has attained the age of 67 years and who retires from Office by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit prescribed for Directors under Section 280 of the said Act shall not apply to him."

   Explanatory Note: Dr. K. T. Gajjar, who has attained the age of 67 years, retires by rotation but is eligible for re-appointment and he offers himself for re-election. A special notice under Section 281 of the Companies Act 1956 has been received by the Company from a shareholder of his intention to move the above resolution for his re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

Special Business

6. To pass the following resolution with or without modifications as an Ordinary Resolution:—

   "Resolved that the finished goods, stores, electric power supplied and charges for services rendered by the Company to the Alembic Glass Industries Ltd. and sale of land to the said Company during the year ended 31st December 1958 as detailed below be and are hereby confirmed:—

	Rs.	nP
Stores, etc.	1,06,530	72
Finished goods ...	11,811	21
Services rendered ...	1,08,296	30
Electric power and distribution charges, gas, etc.	6,67,454	56
Work of capital nature and repairs and moulds	33,275	66
Land 7A. 20G. 108 Sq. yds. under S. Nos. 989/1, 989/2 भ, 988, 986/1, 1083, 1081, 1079, 1076/2, 1070/1, 999, 993/1 अ, 993/2 अ and 994/1	38,435	00

   Further resolved that the finished goods and stores supplied to the Company by the Alembic Glass Industries Ltd., and purchase of land from the said Company during the year ended 31st December 1958 as detailed below be and are hereby confirmed:

	Rs.	nP
Finished goods	18,35,106	97
Stores	18,325	56
Land 2A. 17G. 83 Sq. yds. under S. Nos. 1071, 1072 and 989	12,685	00

   Explanatory Note: Mr. R. B. Amin, Dr. I. B. Amin and Dr. M. J. Shah, Directors of this Company, are Directors of the Alembic Glass Industries Ltd., and Dr. K. T. Gajjar, Mr. N. B. Amin and Mr. D. B. Amin, Directors of this Company, are members of the Alembic Glass Industries Ltd., and therefore all the Directors of this Company being interested the above transactions require confirmation of the shareholders at their Ordinary General Meeting.

Note: Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

The Transfer Books of the Company will remain closed for the purpose of payment of Dividends from Friday the 24th July 1959 to Thursday the 30th July 1959 (both days inclusive).

By Order of the Board,

FOR BHAILAL AMIN & SONS (PRIVATE) LTD.,
Managing Agents,
RAMAN B. AMIN,
Director.

BARODA, *17th June* 1959.

Note: The Dividends when sanctioned will be made payable at the Bank of Baroda Ltd., on or after the 14th August 1959 to those shareholders whose names stand on the Register of the Company on the 30th July 1959 and to whom the Dividend Warrants will be posted.

Shareholders are requested to notify, at once, any change of address.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Annual General Meeting of the Shareholders will be held at 11 a.m., on Monday the 20th July 1959 at the Registered Office of the Company at Fort Cochin to transact the following business.

1. To receive and adopt the audited accounts and Balance Sheet for the year ended 31st March 1959 and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors.

   Note: (a) As Mr. D. A. French is an employee of the Managing Agents, Messrs. Aspinwall & Co. Ltd., a Special Resolution of the Company is necessary for his re-election. Special Notice of the following Special Resolution for his re-election as required by Section 261 is hereby given:

   "Resolved that Mr. D. A. French, an employee of Messrs. Aspinwall & Co. Ltd., Managing Agents of this Company be and is hereby re-elected as a Director of the Company."

   (b) Mr. R. M. Saywell, the other retiring Director, is now 70 years of age. Special Notice has been received and is given of the following resolution proposed to be moved:—

   "Resolved that Mr. R. M. Saywell, who has attained the age of 70 years and who retires by rotation be and is hereby reappointed a Director of this Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act, 1956 shall not apply to him."
4. To appoint Auditors.
5. To transact the following Special business, namely:—

   To consider and if thought fit to pass the following Resolution with or without modification:

   "Resolved that subject to the approval of the Central Government, Messrs. Aspinwall & Co. Ltd. be and are hereby re-appointed Managing Agents of the Company for a further period of 10 years as from 1st April 1959, on the following revised remuneration, namely, a commission of 10 (ten) per cent. of the Annual nett profits of the Company with a minimum commission of Rs. 15,000 per annum and upon the terms and conditions mentioned in the draft Managing Agency Agreement produced before this Meeting and signed by the Chairman for identification, which is hereby approved, and that the Directors be and are hereby authorised to execute the agreement on behalf of the Company with the Managing Agents in terms of the said draft agreement, but with such modifications if any as may be suggested by the Central Government."

The relative Explanatory Statements pursuant to Section 173 of the Companies Act 1956, in respect of the Special business under Items 3 and 5 set out above are being posted to all Members.

The Transfer Books and Register of Members of the Company will remain closed from 4th July 1959 to 22nd July 1959 (both days inclusive).

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

By Order of the Board,

THE PULLANGODE RUBBER & PRODUCE CO., LTD.,
Per Pro. ASPINWALL & CO., LTD.,
V. P. THOMAS,
Managing Agents.

FORT COCHIN, *20th June*, 1959.

SHAW WALLACE AND COMPANY LIMITED

DIVIDEND ON PREFERENCE SHARES

THE DIRECTORS HAVE DECLARED AN Interim Dividend of 3 per cent. less Income Tax, on the Company's Preference Shares in respect of the year 1959, payable to Members whose names appear in the Preference Share Register on the 15th July 1959. Warrants will be posted on or after that date to the addresses or in accordance with the instructions, recorded in the Company's books.

The Transfer Register of the Preference Shares will be closed from the 8th to the 15th July 1959, both days inclusive.

By Order of the Board,

SHAW WALLACE & COMPANY LIMITED,
D. A. HOUGHTON,
Calcutta Director & Secretary.

4, BANKSHALL STREET,
CALCUTTA, *16th June*, 1959.

BURN AND COMPANY LIMITED

NOTICE

THE BOARD OF DIRECTORS HAS SANCtioned payment of dividends on the 6 per cent. and 7 per cent. Tax-free Preference Shares in the Company for the half-year from 1st January, 1959 to 30th June, 1959, in accordance with the provisions of Section 9(iv) of the Finance Act 1959. Payment will be made after deduction of tax at the prescribed rates on or after the 10th July 1959, to those Preference Shareholders who are registered as such on the 30th June, 1959, or in accordance with their instructions.

By Order of the Board,

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

12, MISSION ROW,
CALCUTTA, *24th June*, 1959.

NATIONAL RUBBER MANUFACTURERS LIMITED

CHAIRMAN, MR. K. N. MOOKERJEE'S SPEECH

PLEA FOR VIGOROUS EXPORT DRIVE

ADDRESSING the Thirteenth Annual General Meeting of the National Rubber Manufacturers Limited, held in Calcutta on 26th June 1959, Mr. K. N. Mookerjee, Chairman, observed that the Company had already embarked upon a programme of exports. The response received so far appeared to be quite encouraging. The Company also proposed to export substantial quantities of cycle tyres. While pleading for a vigorous export drive by all rubber goods manufacturers. Mr. Mookerjee requested the Government to provide certain facilities, such as drawback of customs duty and rebate of excise duty on raw materials and components used in the manufacture of export commodities.

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

"GENTLEMEN,

"I extend to you all a hearty welcome to the thirteenth annual general meeting of your Company. The Directors' report and the audited accounts for the year ended 31st December, 1958 have been in your hands for some time now and, with your permission, I take them as read.

Accounts

"The accounts for 1958 indicate that the steadily rising trend of sales over the past few years has been maintained, reaching the level of Rs. 1,63,45,653 in 1958. The net margin of profit, however, is lower for reasons stated in the Directors' report. For an expanding and developing Company like yours this is not an unusual phenomenon. When the resources of an organisation are fully harnessed and substantially concentrated in executing major expansion of its activities, normal working is to a large extent handicapped, so that the expected results are difficult to be achieved. In this context, the actual results for the year under review must be regarded as quite encouraging. It is anticipated that an appreciable increase in sales and a rise in net profits will be achieved in the coming years.

Progress of Expansion

"Road and rail transport have been expanding considerably in recent years with a consequent rise in the demand for certain products of your Company, like cycle tyres and tubes and rubber fittings for railways and automobiles. Besides, the overall progress of industrialisation, particularly the expansion of major industries like steel, coal, etc., has substantially enlarged the scope for the production of conveyor and transmission belting, V-belts and other mechanical rubber products in which your Company specialises.

"You have noticed from the Directors' report that the Company made satisfactory progress in the matter of implementation of its expansion schemes so planned as to fit in with the general trend of industrialisation indicated above. The latest model automatic cycle tyre making unit installed by the Company will go into production shortly and will turn out cycle tyres of an entirely new design.

"Manufacture of cycle tubes has also commenced and is likely to increase considerably during this year. It gives me great pleasure to inform you that your Company is now the largest single producer of hoses and beltings in India and that further expansion in these lines is contemplated. Another belt press has been ordered to meet the rapidly growing demand for belting, particularly conveyor belting. Production by this unit is likely to commence by the end of 1959.

"Your Company has made outstanding progress over the last ten years, as will be evident from the fact that sales increased by more than 400 per cent. from Rs. 31.75 lakhs in 1948 to Rs. 163.45 lakhs in 1958. Taking raw rubber consumption as an index of progress of the rubber manufacturing industry as a whole in India, the percentage of increase was slightly more than 92 per cent., as raw rubber consumption has risen from 19,719 tons in 1948 to 38,052 tons in 1958. The achievement of your Company is, therefore, specially encouraging against the background of overall progress of the rubber manufacturing industry as a whole.

Loan from I.F.C.

"The Industrial Finance Corporation of India has sanctioned a loan of Rs. 35 lakhs to your Company to finance the capital expenditure envisaged under its expansion programme. Out of this, the earlier loan from the West Bengal Financial Corporation has been repaid. I hope, you will join me in acknowledging our sincere thanks to both the Corporations for the valuable help they have extended to your Company.

Capacity and Demand

"At present, practically all the items made of rubber are produced in this country which is self-sufficient in respect of most of these products. Rather, the manufacturing capacity for certain items is likely to be appreciably higher than the potential demand for many years ahead. To take an instance, while the demand for cycle tyres and tubes in 1960 is estimated at 160 lakhs Nos. each, the total manufacturing capacity already existing and/or licensed at the end of 1958 was 180.60 and 188.50 lakhs Nos., respectively. Evidently, capacity licensed by the Government is such as to enable the manufacturing units to meet the country's full requirement at any stage. Actual production in 1958 was appreciably lower than the installed capacity, and it now appears that the demand will not reach even the estimated figure of 160 lakhs in 1960, so that a substantial portion of manufacturing capacity is likely to remain idle unless a determined export drive is undertaken by the manufacturers with all possible help from the Government. This is also true of many other items.

"In view of the large expansion in the production capacity for cycle tyres as already implemented by your Company and other manufacturing units in this country, the attention of the Government has been drawn to the necessity of enforcing rigid control on the import of cycle tyres. At this stage, when the manufacturing units have already set a production programme commensurate with rising internal demand, import of cycle tyres cannot but seriously affect the indigenous industry with resultant adverse effects on economy of the country, in general, and employment potential, in particular. Besides, such imports would be inconsistent with the present policy of maximum conservation and earning of foreign exchange resources.

Export Promotion

"Every expanding industry in India, like the one represented by your Company, should seriously think of export of its products, after meeting internal demand with the object of making full use of its installed capacity as well as earning valuable foreign exchange. It is, however, unfortunate that the value of export of Indian rubber products which reached the level of Rs. 176.20 lakhs in 1953-54 steadily declined thereafter and was worth only about Rs. 14.55 lakhs in 1957 and Rs. 15.71 lakhs in 1958. Evidently, the rubber industry has the potential to enhance its exports and to become a large foreign exchange earner. The Rubber Panel of the Chemicals and Allied Products Export Promotion Council has tentatively suggested a target of Rs. 156.59 lakhs for export of Indian rubber products in 1959-60 including, *inter alia*, some important items manufactured by your Company, which has already embarked upon a programme of exports. The response received so far appears to be quite encouraging, as your Company has been able to export some new items to neighbouring countries for the first time. In particular, your Company has already indicated to the Government, through the Chemicals and Allied Products Export Promotion Council, its intention to export substantial, quantities of cycle tyres. It is expected that an all-out effort will be made in developing the export market in the coming years.

"The main difficulties standing in the way of export of Indian rubber products, as analysed by the aforesaid Rubber Panel, are irregular supply of some raw materials and inadequate import licences for others, uneconomic shipping freight, higher cost of indigenous rubber and unfavourable competition in export markets. It is high time that all rubber manufacturers launched a vigorous export drive in collaboration with the Export Promotion Council and the Government. It is also necessary to extend to rubber products the facilities of drawback of custom duty and rebate of excise duty on raw materials/components used in the manufacture of export commodities.

Raw Materials

"Although the supply position with regard to raw materials was generally satisfactory during 1958, there was an increase in the cost of materials and stores. Besides, the position of raw rubber has been steadily deteriorating. While consumption by the manufacturing industry increased, indigenous production of rubber lagged behind with the result that the gap between offtake by the industry and output of the plantations has been widening. The actual deficit in 1958 was of the order of 13,722 tons, representing about 37 per cent. of the total rubber consumption of that year, while the gap is reported to have been more than 50 per cent. of consumption during the first quarter of 1959. Selling prices for Indian rubber are controlled by the Government of India, the statutory prices were enhanced five times between March 1951 and August 1955, the net increase in price since 1950 being about 72 per cent. These prices include a cess for raising funds for rehabilitation, replanting and development of rubber plantations and also for securing higher yield per acre, with a view to raising production in order to meet the ever-growing demand for rubber. Besides, consumers of rubber are obliged to pay to the Rubber Board large sums of money, covering the difference between the high Indian controlled rates and lower prices of imported rubber. It is indeed regrettable that the substantial amounts collected from rubber manufacturers every year have not yet been utilised for the purpose intended, to any great extent. During the first two years of the adoption of a replanting scheme, that is, 1957 and 1958, only 6,520 acres were replanted against the target of 14,000 acres; the yield per acre is also very poor, being only 270 lbs. In this context, it is rather deplorable that there is a fresh move by planters for a further increase in the controlled prices of rubber; this question has already been referred to the Tariff Commission, although the Government have admitted that 'the rehabilitation element which was included in the prices fixed for raw rubber has not been utilised adequately by the producers.' There seems to be no limit to the tendency of increasing raw rubber prices, although the plantation industry failed to expand rubber production sufficiently, in spite of Government protection enjoyed since 1947, at the cost of the manufacturing industry. It is interesting to note that possibilities of extension of rubber cultivation in the Andaman and Nicobar Islands are being examined by the Government. In my opinion, every effort should be made to encourage rubber cultivation in these islands in order to meet the acute shortage of the commodity in the country and to help the speedy rehabilitation and economy of the islands.

Synthetic Rubber Plant

"The proposed scheme for the manufacture of synthetic rubber in India to meet the deficit of indigenous rubber production, though planned some years ago, has so far made little progress due, *inter alia*, to paucity of foreign exchange. Meanwhile, the country has been incurring heavy foreign exchange commitments on account of imports of natural and synthetic rubber which amounted to 11,878 tons and 3,523 tons, respectively, in 1958, valued at more than Rs. 4 crores. The situation is thus paradoxical. It is, however, gratifying to learn that the Government of India have approved the scheme for setting up in the public sector the proposed synthetic rubber plant at Bareilly, in Uttar Pradesh, with a very large capacity at an estimated cost of Rs. 30 crores and that its construction is likely to commence during the remaining period of the second Five-year Plan. This project should be given topmost priority.

"Equally vital is the question of manufacture in India of certain important compounding ingredients for rubber thereby effecting substantial saving of foreign exchange on account

(*Continued on page* 1101)

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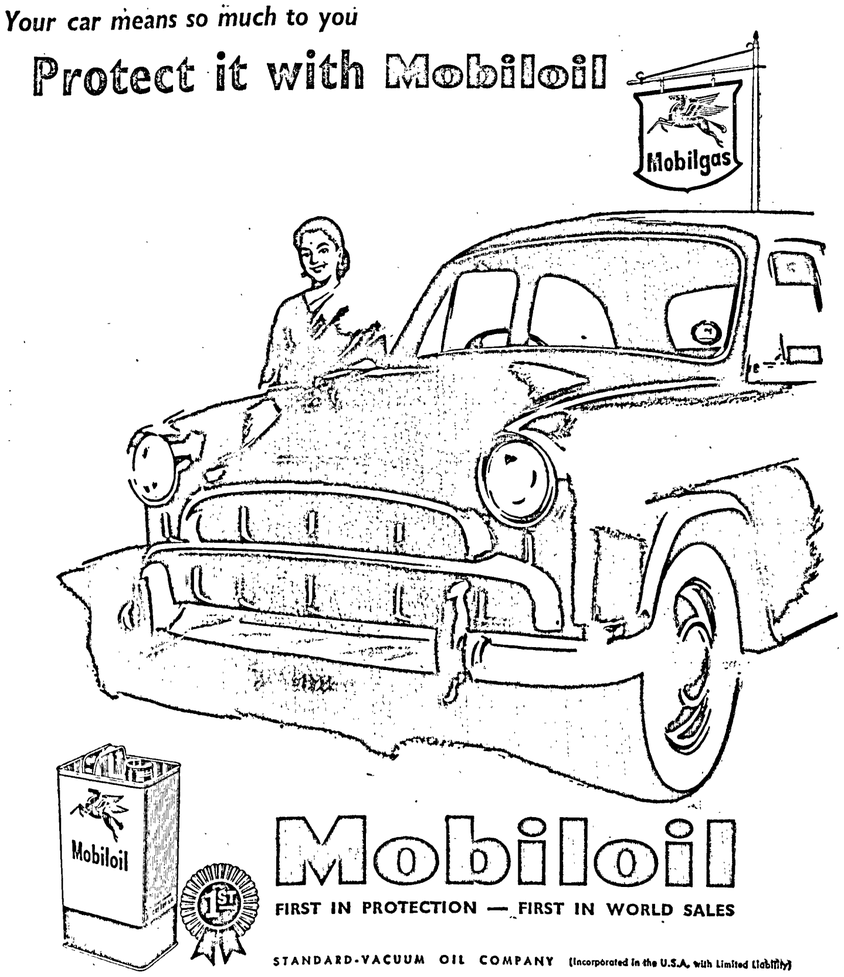

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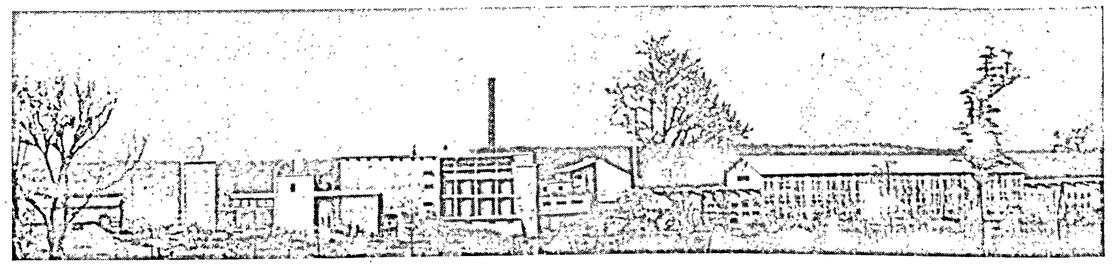

THE WEST COAST PAPER MILLS LTD. | **A SUPPLEMENT TO COMMERCE**

THE INAUGURATION

MAY 16, 1959, was a red-letter day in the history of the Paper Mills. The Union Finance Minister, Hon'ble Shri Morarji Desai, took a special plane from Bombay *en route* to Dandeli. Accompanying him were Shri G. D. Somani, M.P., a Director of the Company, prominent members of the Indian Parliament and leading industrialists from Bombay. Shri Desai and the party were met at Belgaum airport amongst others by Shri N. D. Bangur and Shri B. D. Somani.

The auspicious ceremony was held in a specially erected *shamiana*. Speaking on the occasion, Shri Desai exhorted Indian industrialists to manufacture machinery and spare parts of the industries within the country itself. India could never find a place amongst the foremost nations unless she was self-sufficient in the manufacture of heavy machineries. He was happy that the establishment of this project would bring prosperity to the people of the area. He hoped that the Mills would enlarge itself and help to curtail the imports of paper in India. He briefly narrated the inception of the Company and hoped that many more such units will be established in the country.

Earlier, welcoming the chief guest and other distinguished invitees, Shri N. D. Bangur traced the history of the Company, which incidentally was the only completely new project during the Second Five-year Plan of the country. Shri Bangur drew the attention of the authorities to the question of improvement of roads commensurate with the growing needs of the area, provision for adequate housing facilities for the workers and implementation of the township scheme. He hoped that the progressive State of Mysore would continue to assist and bless the Company.

Hon'ble Shri K. F. Patil, Mysore's Minister for Forests and Agriculture, said that Dandeli had become an important industrial centre of the State. He was happy that the bamboo of the area, considered hithertofore a "nuisance," has now been utilised to give the much needed commodity—Paper. Shri Patil dwelt at length upon the various advantages of Dandeli as a site and described the measures undertaken to develop the area including the Government housing scheme for industrial labour. He wished the Paper Factory and the region all prosperity and good luck.

Shri G. D. Somani, M.P., who has been associated with the venture since the inception, delivered the thanksgiving speech. He was grateful that such prominent people, apart from Hon'ble Shri Desai, had made it possible to attend the function in so remote a place. Shri Somani was confident that the new industry would bring about progress and prosperity in the area.

Shri Joachim Alva, Member of Parliament, said it was the most up-to-date and modern Paper Factory in the East and compares very favourably with such units in Europe.

The invitees which included Shri R. R. Diwakar; Mysore's Deputy Finance Minister, Shri Shamsuddin; Secretary, Agriculture and Forest Department, Shri Beerappa; the Conservator of Forests and the D.F.O.; Shri H. C. Dasappa, M.P., Chairman, Estimates Committee of Parliament; Dr. A. Krishnaswamy, M.P.; Shri S. R. Damani, M.P.; Shri C. R. Basappa, M.P.; Swami Sambudhanand, Chairman, Ramkrishna Mission, Bombay; Shri N. D. Sahukar, Chairman of the All-India Manufacturers' Organisation; members of contemporary Dandeli industries and other important personalities of the area, were later conducted round the factory. They were very much impressed by the latest design of the plant and the modern layout of the factory.

The messages from various people were read out by Shri B. D. Somani earlier. They included a special message from Shri Lal Bahadur Shastri, Union Minister for Commerce and Industry.

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WEST COAST PAPER MILLS GOES INTO PRODUCTION

Mr. N. D. Bangur's Welcome Speech at Inaugural Function

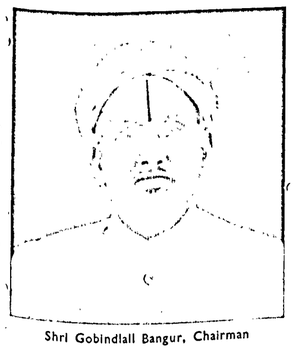
Inadequate Railway Facilities Still a Handicap

THE West Coast Paper Mills Limited at Dandeli was formally inaugurated by Mr. Morarji Desai, Union Finance Minister. Welcoming the Minister and other guests on the occasion, Mr. N. D. Bangur, Director of the Company, observed as follows:

"HON'BLE SHRI MORARJIBHAI AND FRIENDS,

"I have great pleasure in offering, on behalf of our Chairman, Shri G. L. Bangur, and other Directors of the Company and also on my own behalf, a very hearty and cordial welcome to the chief guest, Shri Morarji Desai, Finance Minister, Government of India, who has been kind enough to accept our invitation to perform the opening ceremony of this new paper project established by the West Coast Paper Mills, Limited. It is, indeed, a matter of great privilege to us that you, sir, should have agreed to come to such an out-of-the-way place, in spite of the heavy pressure of your multifarious engagements, and I cannot express in words our feelings of joy and encouragement on this happy occasion. I have no doubt that your visit for this function has been and will always remain a source of great inspiration to us all.

"I take this opportunity of also welcoming in our midst Shri K. F. Patil, Minister for Food



Shri Gobindlall Bangur, Chairman

and Agriculture, and Shri Shamsuddin, Deputy Minister for Finance, Government of Mysore, Shri R. R. Diwakar, Chairman, Gandhi Smarak Nidhi, Hon'ble Members of Parliament and all other guests who have been kind enough to respond to our invitation and have graced the occasion by their presence.

"Although certain sections of this giant project had begun trial operations by the end of last year, all the sections of the unit have been completed only recently and, indeed, the trials on the two important sections, viz., bleached pulp and soda recovery sections, have been made just a week ago and hence all the departments of the factory will be in commission and regular production only today after the formal inauguration.

First Conceived in 1950

"This paper mill, as a matter of fact, was first conceived by the Government of Bombay inviting *entrepreneurs* in 1950 to exploit the rich treasure house of bamboo and timber at Dandeli. The proximity of Kali-Nadi and power from Jog Karnatak Grid and some other favourable features and potentialities of this area decided the issue of the mills being located here, in spite of several other difficulties. When the agreement was sent to the Bombay Government for ratification, there was some unexpected difficulty, and but for the prompt and favourable decision given by the Government of Bombay, of which you, sir, at that time, were the Chief Minister, the scheme could not have materialised. We have, therefore, all the more reason to be gratified that the project which took shape directly as a result of your kind support and patronage, should now be formally inaugurated by your goodself.

"Dandeli, which used to be just a dot on the industrial map of India till recently, has now, with this new paper mill and the factories for ferro-manganese and plywood manufacture, secured the pride of third largest industrial town in the State of Mysore.

"At the very outset, I should like to emphasise that the establishment of this paper mill is the result of hard and sincere work of thousands of persons working ceaselessly under trying conditions of health and habitation. The question of adequate housing for a large number of officers, technicians and workers engaged in the task of constructing this project was the first serious handicap under which the management had to start the construction work of the factory and then to increase the tempo of the work progressively. As a matter of fact, the actual work of construction began only about the end of 1956, but priority had to be given to providing at least the minimum accommodation to our staff and workers.

Railway Facilities

"The lack of adequate railway facilities has continued to cause us great hardship. This small strip of Alnaver-Dandeli section still belongs to the Forest Department of the Government of Mysore and, although representations have been made from time to time, the Railway Board have still not seen their way to take up this line, which alone can ensure proper transport facilities. While the Railway Board, as I have said earlier, have yet to take over the Alnaver-Dandeli line, I must acknowledge the full co-operation and the valuable assistance that they have given in meeting the special transport requirements of numerous packages of plant and machinery from the ports of Bombay and Madras.

"Another difficulty that I would like to mention is the poor condition of roads and, in view of the very heavy monsoon which continues, generally, for four to five months in the year, it has really been an uphill task for the

Shri G. D. Somani, M.P., Director

management to keep the tempo of work going under the trying conditions with continuous downpour of rain throughout the day and night, making the surrounding roads completely impassable.

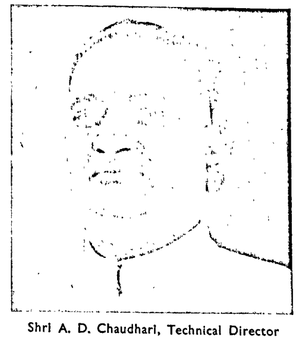
Rising Cost of Project

"The estimated cost of the mill is as high as Rs. 5 crores as a result of spiralling expenses due to the rise in the cost of man and material and increase in respect of duties and in the price of imported machineries which were beyond the control of the management.

"We are very much thankful to the two credit institutions, that is, the Industrial Finance Corporation of India and the Industrial Credit and Investment Corporation, for the very valuable assistance that they have given to this Company.

Task Ahead

"We are very much obliged to the Government of Bombay who gave us this opportunity to implement this project and since the reorganisation of States, for the very valuable assistance and support which the Government of Mysore have given us from time to time. There are, of course, a number of problems still to be solved, if the full potentialities of this developing area are to be exploited to increase the wealth of the country, and I have full confidence that the progressive State of Mysore will continue to give such assistance and facilities in various directions which will lead to a rapid development of the resources of this area. I may draw attention, particularly,



Shri A. D. Chaudhari, Technical Director

to the question of improvement of roads commensurate with the growing needs, implementation of the township scheme as recommended by the Dandeli Township Committee and the

ADDITIONAL CAPITAL BEING OFFERED

The present capital structure of the Company is 1,00,000 *Ordinary Shares of Rs.* 100 *each and* 60,000 6 *per cent. (free-of-tax) Cumulative Preference Shares of Rs.* 100 *each. The Company has decided to raise fresh capital to the tune of Rs.* 80,00,000 *divided into* 50,000 *Ordinary Shares of Rs.* 100 *each and* 30,000 6 *per cent. (free-of-tax) Cumulative Preference Shares of Rs.* 100 *each. The new issue has been offered at par to the existing shareholders of each category in the proportion of one new share for every two existing shares of each category.*

The new capital is being raised meet with the commitments of def payment liability in 1959 *and ter bank borrowings which were ar meet the increased capital c Project.*

adequate supply of power for the growing industrial units.

Fruitful Role of Mysore Government

"The progressive Government of Mysore has played no mean a role in bringing up the new project at Dandeli. The Company acknowledges the goodwill and co-operation of the Government from time to time in dealing with the multifarious problems attendant upon a rapidly increasing industrial activity.

"Dandeli has been fortunate to find a place in the itinerary of the Mysore Governor, past Chief Ministers, Forest and Agriculture Minister, Shri K. F. Patil; Minister for Law, Labour and Local Self-Government, Shri T. Subramanya; Chairman, Housing Board, and Secretaries, beside other prominent personalities of the area.

"The Government's scheme for Industrial Housing Colony is well in hand. Work is proceeding to build about 400 quarters for the labour which will obviate the accommodation difficulties to a considerable extent.

"Dandeli has the pride of becoming the third largest industrial centre in the whole State and hopes to receive the continued support of the Mysore Government. The Hon'ble Shri B. D. Jatti is himself keenly seized of the various problems facing the industries and the area is thus assured of progress and prosperity.

"No epitome of the affairs would be complete without recording the valuable assistance rendered by the Forest and Agriculture Departments, the Chief Conservator of Forest's Office at Bangalore, the Conservator's Office at Belgaum, District Forest Officer's Office at Dharwar and the Forest Department at Dandeli.

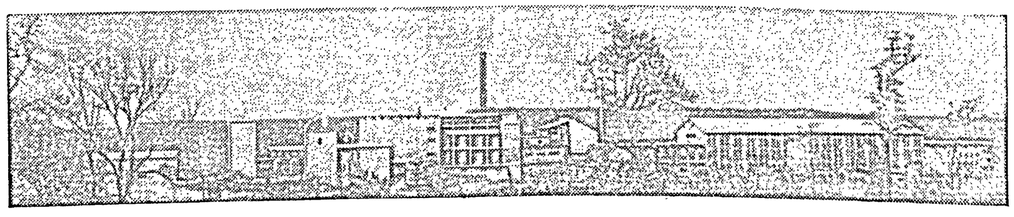
"Now, as I close, sir, I thank you again for your kind visit to the mill and request you to declare it open."

A WELL-PLANNED PLANT IN IDEAL SURROUNDINGS . . .

"I am very glad to mention here that this a beautiful well-planned factory in ideal surroundings with raw materials, water, power and all other facilities on the site. I hope the factory quadruples itself soon, adds pulp plant and also manufactures rayon grade pulp so much needed for our country. I am sure, with the vigour and drive of Messrs. Bangurs and Somanis for establishing such a huge project in this remote forest, the North Kanara District as a whole will greatly benefit by easing the acute unemployment position and will also assist our country to a very great extent by earning foreign exchange."

(Extract from remarks of Shri Manubhai Shah during his visit to the factory on 30-31st December 1958.)

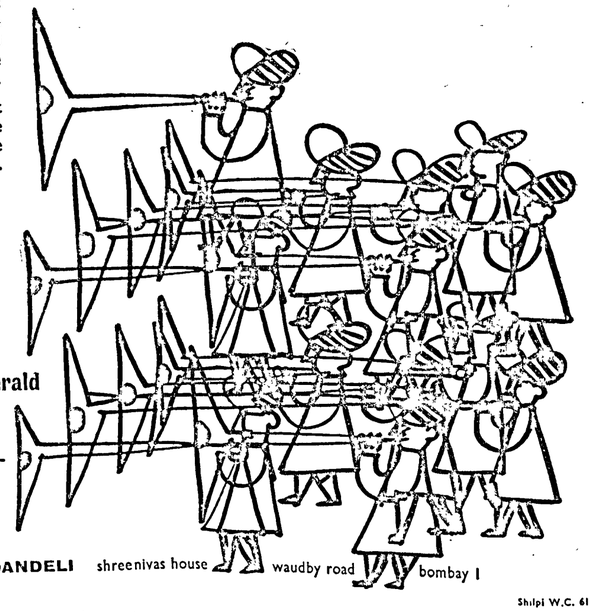
Shri Morarji Desai opening the main gate of the factory during the inaugural ceremony.



The West Coast Paper Mills are pleased to announce the inauguration of their up-to-date factory at Dandeli by Shri Morarji Desai, the Hon'ble Finance Minister of India.

The factory with its modern plant and many automatic devices marks the beginning of another chapter in the industrial development of Mysore State.

this clarion call comes to herald good news for you—



is the keynote of

'EST COAST PAPER MILLS LTD., DANDELI shreenivas house waudby road bombay 1

Shilpi W.C. 613

The West Coast Paper Mills

Despite Heavy Odds, Start Is Made In Record Time

THE West Coast Paper Mills Ltd., situated at Dandeli, is the only completely new integrated unit for the manufacture of pulp and paper that has come up in the Second Five-year Plan period. Since his return from West Germany where he studied Paper Technology, it was Shri Achyut Choudhari's dream to start a paper mill at Dandeli. Almost 30 years later, this dream became a reality. The project was conceived in 1955, orders were placed in 1956. Construction work was started towards the end of November 1957, and the erection work taken on hand in January 1958.

Dandeli was chosen as a mill site for several important reasons. The most important of these, of course, is the availability of raw material. The North Kanara districts abound in a most luxuriant growth of bamboo, which is used in the manufacture of pulp.

Experts agree that bamboo equivalent to 60,000 tons of finished paper per annum can be drawn from these forests.

Apart from this fact, Dandeli has a good water supply from the Kali River, and motive power-supply from the Jog Karnatak Electric Grid Supply. Situated on the boundary of two of the most industrialised States of India—Bombay and Mysore—Dandeli is fortunately placed and this is expected to facilitate a comprehensive marketing system.

The policy of the West Coast Paper Mills Ltd. was to install the most modern machinery available and to import only such machinery as was not available or could not be indigenously manufactured in India.

In simple words, this is how the mill operates: bamboo, stacked in a 70-acre yard, is brought to the mill, where it is first washed in water tanks. The washed bamboo is then crushed or chipped in multi-knife chippers and sieved to separate the oversize chips and dust. Oversize chips are then reduced to smaller size. The sieved chips are taken to the digester, where they are "cooked" with a solution containing caustic soda and sodium sulphide. The resultant pulp is then taken out of the digester. After washing and further screening, the unbleached pulp is ready for use.

The cooking of the chips is done in four 80 cu.m. capacity digesters by the well-known sulphate process. Instrumentation in this section permits of ease of operation and maintenance of the efficiency and uniform quality of the pulp. In addition, the cooking section is supplemented with the latest heat recovery system to enable the recovery of heat escaping in the form of steam and to produce hot water to be used in the pulp mill itself.

The unbleached pulp is not white—it is used for the manufacture of kraft paper and wrapping paper. The unbleached pulp is bleached when writing and printing papers are to be manufactured.

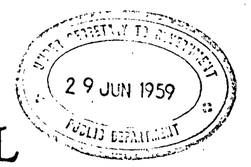
The bleached pulp is beaten on a Hollander beater to make the fibres suitable for bonding on the paper machine. The modern trend is to use some type of refiners where this becomes a continuous process. When the pulp is beaten to the desired degree, addition of the required chemicals is made.

The mill has installed two high-speed paper machines of the latest design for a production of 60/65 tons per 24 hours. The paper which comes out from these, is slit in width on two reeling and slitting machines which are operated by electrical and pneumatic controls. It is finished by hand by skilled finishers and then reamed and packed for despatch.

There are several varieties of paper, like rag paper, drawing paper, ledger paper, bank-note paper, filter paper, tissue-paper, wrapping-paper, blotting-paper, writing and printing paper, cheque paper, kraft-paper, art-paper and newsprint. But these can be grouped under four heads:

1. Writing and printing paper.
2. Newsprint.
3. Kraft and wrapping papers.
4. Speciality papers.

At the West Coast Paper Mills Ltd.



the PULP MILL designed, built and erected by

Messrs. J. M. VOITH G.m.b.H.

produces 60 tons of bleached bamboo pulp every day

The Pulp Mill of the West Coast Paper Mills, designed, built and erected by VOITH, has been supplied through Larsen & Toubro Limited. This modern pulp mill will produce 60 tons of bleached bamboo pulp every day.

VOITH plants for the pulp and paper making industry, famous the world over, range from machines for the treatment or processing of raw materials to the making of the finished product.

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LT. 9169

The West Coast Paper Mills Ltd. will mainly manufacture writing and printing papers and kraft paper, including Manila. It is expected that speciality paper such as parchment will be manufactured later.

Dandeli today presents a varied picture. Its population is as mixed as in any industrial city in India—Punjabis, Rajasthanis, Mahrattas, Kannadigas, Malayalis and Andhras work happily together at the mill site.

On the Company's fleet, directly or indirectly there are nearly 6,000 officers and men, of whom, 4,500 are employed in felling the bamboo and transplanting it.

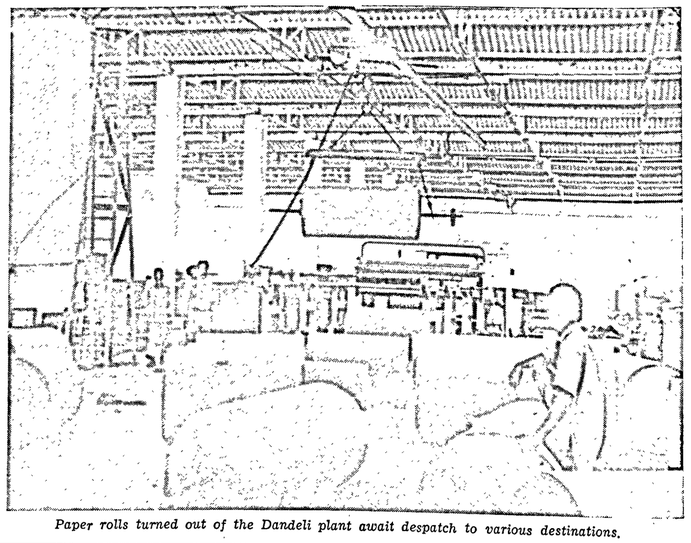
Into the construction work itself, has gone 15,000 tons of cement, 3,500 tons of steel and an as yet uncomputed amount of timber. Today, 150 cartmen can be seen driving their bullock carts along the ankle deep dusty roads with their loads of cut bamboo every day. Factory hands are awakened by the factory whistle which blows several times during the day and night, as men change shifts. And as the sun sets on a Kanara horizon, myriads of lights dazzle the darkening night, as the yelling of the wild jackal comes to be heard from far away.

No account of the West Coast Paper Mills would be complete without an expression of thanks and appreciation to Mr. H. K. Collinge without whose valuable assistance the specification of the plant and the modern layout of the factory would have been impossible.

Again, the valuable contribution of the Government of Bombay, especially that of Shri Morarji Desai, Shri Jivraj Mehta, Shri Y. B. Chavan and the contribution of the Government of Mysore are gratefully appreciated.

Finally, a word in explanation of the increase in capital outlay. There are several reasons for this huge increase. First, the layout was changed so as to have easy expansion from 60 to 90 tons per day. The quotations were submitted in 1955 and the orders were finalised in 1956. By this time the prices had already risen because of increase in cost of labour and material. Again, there was an increase in import duties and the excise duties of cement and steel in the 1957 budget, the machinery suppliers had also increased their prices according to the escalator clause. Above all, the delay of about six months in the completion of the project resulted in an enormous addition to the capital outlay.

The West Coast Paper Mills, Dandeli, should help not only in the production of paper, but also in providing employment and raising the standards of living in this district apart from saving valuable foreign exchange.



Paper rolls turned out of the Dandeli plant await despatch to various destinations.

"Evidence of Enterprise and Initiative"

"I am glad to visit this Factory, whose conception and construction are evidence of the enterprise and initiative of Shri G. D. Somani and his colleagues. The industry seems to be eminently suitable for this area; it will utilize the raw materials available, create new avenues of employment, help the development of several trades and small industries and open up the country. I desire to convey my best wishes for the efficient and progressive working of this Factory."

(Extract from remarks of Shri G. L. Mehta, Chairman, the Industrial Credit and Investment Corporation of India, Ltd., made during his visit to Dandeli on 30/31st December, 1958.)

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Supplement to COMMERCE dated 27th June 1959

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DANDELI

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We have pleasure in introducing our Directors:

Shri Gobindlall Bangur (Chairman)
Shri Purushottamdass Bangur
Shri Ramnath A. Podar
Shri Maneklal Premchand
Shri G. D. Somani, M.P.
Shri P. C. Malhotra (I.F.C. Nominee)
Shri Murarji J. Vaidya
Shri A. D. Chaudhari (Technical)
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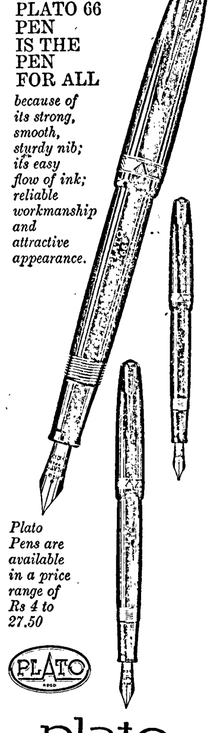

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Manufacturers of
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COMPANY LAW AMENDMENT BILL, 1959

DRAFTING IMPERFECT—SASTRI COMMITTEE NOT FOLLOWED IN FULL

By F. R. Ginwalla, B.A., LL.B.

THE world cannot exist peaceably with great wealth and great poverty side by side. Social control and regulation of human conduct and behaviour are as much an essential precondition of stable and progressive growth and development in the corporate sector as any other sphere of social life. The Companies Act 1956 is a landmark in the history of company legislation in our country, inasmuch as it was enacted keeping in view the social and economic needs of the country. Soon after, as a result of the experience of the working of the companies in accordance with the present legislation, many of its shortcomings were brought to light and with a view to remedying them, the Government of India constituted on 15th May 1957, the Companies Act Amendment Committee, under the chairmanship of a former judge of the Madras High Court. The report of this Committee, popularly known as the Sastri Committee, was placed before both Houses of Parliament in December 1957. The Bill for amending the Act was introduced in the Lok Sabha on 1st May 1959, and is now before the Joint Select Committee of both the Houses of Parliament. The Joint Select Committee consists of 45 members, thirty from the Lower House, the Lok Sabha and fifteen from the Upper House, the Rajya Sabha.

The Bill, as it stands, has created a feeling that many of its provisions are in such abstract and emotional language that they become operationally meaningless, if they could at all be put to practice. Its obscurities and ambiguous draftsmanship have attracted wide notice, because the hasty nature of some of our legislative output in the post-independence era has not taken long to become known. The first touch of practical application was sufficient to expose the defects. It is a tragic fact that the existing Act, which is the outcome of a prolonged and detailed consideration both inside and outside Parliament, has been proposed to be amended after it has been in force only for about a year. Company Law in India has come to a stage where every thinking man is bound to feel that it would be disastrous for the nation, if the Act, which is an instrument of the economic policy, failed to achieve its objectives.

Basic Confusion

I think it is necessary to warn the reader at the outset about certain basic confusion that appears to prevail in the proposed legislation. To start with, there are numerous inconsistencies between the proposed amendments as included in the Bill and the notes on clauses of the Bill purporting to explain briefly the reasons for the proposed amendments. The plain reading of the Bill, in the context of the notes on its clauses, indicates that the notes on the clauses do not give the true and fair picture of the proposed amendments. My own view is that the notes on clauses are likely to cause confusion in the minds of the legislators rather than assist them in having a clear understanding of the social and economic forces the Bill seeks to regulate. It will be relevant to mention that notes on clauses give reference to various paragraphs of the Sastri Committee's Report, but do not tell the reader which particular clause in the Bill is wholly or partially based on the recommendation of the Sastri Committee or which particular recommendation of the Sastri Committee has been entirely dropped or modified partly in the light of the experience of the working of the Act gained since the submission of the Committee's Report and partly by the views expressed on the Committee's Report by chambers of commerce, other bodies and individuals. It may be argued that notes on clauses are intended to explain briefly the reasons for the proposed amendments and therefore they need not be worded in a language which is too technical or too detailed. Since it is the province of the politicians to discuss and determine what is best for the public good, and of the legislature to provide for it by proper enactments, it is the duty of the draftsman to see that the notes on clauses of the Bill are prepared in a manner which give a true and fair picture of the proposed amendments.

But the deficiencies of human language are such that, even if all written instruments were prepared carefully by persons skilled in the use of words, one would still find their meaning often liable to be questioned or encountering difficulties in their practical application. It is true that the legislature is not always expected to foresee every possible result that may ensue from unguarded use of some words, but, surely, the legislature cannot be excused, if it does not indicate its intention with reasonable certainty and clarity. It ought to be more careful in choosing the words of its enactment by which it desires to bring about a change in the society.

The Court of Justice cannot aid the legislature's defective phrasing of the statute; it has nothing to do with the reasonableness or unreasonableness of a provision of a statute, except so far as it may help it in interpreting what the legislature has said. It is not concerned with the question whether the policy which the Statute embodies is wise or unwise, or whether it leads to consequences just or unjust, beneficial or mischievous.

Lord Halsbury was right, when he opined more than a quarter of a century ago, that the worst person to construe a Statute is the person who is responsible for its drafting. The success of any legislative measure depends largely upon the skill of the draftsman. It would be a serious matter, if the Statute were reduced to a nullity by the draftsman's unskilfulness or ignorance of law.

A draftsman has to keep his vigilant eye on the track of public policy enunciated by the State. The policy might be right or wrong. It is his duty to choose such words as would not make the policy underlying the Statute meaningless.

The expression "public policy" is vague and unsatisfactory and we are aware of the warnings that have been repeatedly uttered by eminent judges that it is a ground much too unstable upon which to rest the judgment of the Court in the interpretation of Statutes.

Testing Points

One would like to ask how the proposed legislative measure overcomes the defects and deficiencies in the existing Act and creates a favourable climate so indispensable to the growth of corporate enterprise in the country. The answer to this lies yet in the womb of time and one cannot anticipate the verdict of history. Nevertheless, a reader who desires to study the Companies (Amendment) Bill, 1959 dispassionately for himself will have to consider it from the following points:

(1) Whether the Bill is largely based on the recommendations of the Sastri Committee?

(2) Whether the Bill departs from the recommendation of the Sastri Committee? If so, to what extent?

(3) Whether the Bill makes a satisfactory approach to the recommendations of the Sastri Committee?

(4) Whether the case-law developed in England after the enactment of the Companies Act 1948 has been taken into consideration while drafting the Bill?

(5) Whether the case-law on the Companies Act, 1956 has been taken into consideration while drafting the Bill?

(6) How far the Bill attempts to bring certain provisions of the existing Act in line with other enactments?

(7) Whether the clauses of the Bill as worded

(a) overcome practical difficulties experienced in the course of the working of the existing Act?

(b) clarify or remove drafting defects and obscurities?

(c) ensure the better fulfilment of the purposes underlying the existing Act and remove lacunæ in its provisions?

(8) Whether any attempt has been made in the Bill to realise that, as in other matters of life so also in law, a happy compromise is better than an extreme attitude?

(9) Whether the Bill, to some extent, reflects the trends of prevalent public opinion?

Sastri Committee

Points (1) and (2) may be conveniently discussed together. The Report of the Sastri Committee is divided into 209 paragraphs. Out of these, 170 paragraphs discuss the amendments to the Companies Act 1956. If the recommendations of the Sastri Committee listed in Appendix II to its Report are compared with the amendments as suggested in the Bill, it will be seen that the Bill has dropped the recommendations contained in nearly 42 paragraphs of the Report. Thus, approximately, 25 per cent. of the Sastri Committee's recommendations has been ignored. The recommendations contained in the remaining 128 paragraphs of the Report seem to have been accepted wholly or partially and at times with substantial modifications. Apart from this, the Bill seeks to introduce several new provisions of a far-reaching effect like those contained in Sections 43A, 197A, and 372. Thus, the Bill gives us a different picture of the shape of law to come. And we shall have to wait anxiously till it goes through the Joint Select Committee and finally Parliament.

It is relevant to mention here that the recommendations of the Sastri Committee being strictly within the terms of reference, any reassessment of considerations of general, economic or social policy underlying the Act was outside the ambit of the enquiry. As against this, it may be argued that the State has always the power to recommend changes in the Bill on matters of major policy. But it is to be remembered that corporate enterprise and democracy are interdependent and that it is the function of the State that plays a major role in the country's economic development to adjust the law in a manner which would induce the corporate enterprise to work with greater zeal for the industrial and economic progress of the country than it has done so far.

Need for Careful Check

Now I will deal with point (3). I have very carefully studied the provisions of the existing Companies Act in the context of the draft amendments suggested by the Sastri Committee. It has to be remembered that the Sastri Committee recommended changes as far as possible in the form of draft of new sections or amendments to the existing ones, in the hope that they might be of some assistance to Parliamentary draftsmen. A careful study of the Bill in the context of the Sastri Committee's Report will reveal that only in a few cases the changes suggested by the Sastri Committee have been accepted without modification and that, in a large number of cases, the changes suggested by the Committee in the form of drafts have been wholly or partially modified or substituted by new ones. The shortcomings of the Sastri Committee's Report have been discussed threadbare after its publication and no serious attempt appears to have been made to overcome these shortcomings. Even where an effort is made to improve upon the drafts suggested by the Sastri Committee, many drafting errors have crept in and they will remain until such time as a judicial interpretation leads to their detection. It is, therefore, imperative that clauses of the Bill should be thoroughly checked.

English Law

Now to take up points (4) and (5). There are approximately 345 sections in the Act which have a direct bearing on the English Companies Act 1948. Although the decisions of Courts in England are not binding on Indian Courts, they demand great weight and respectful consideration in construing analogous provisions in the existing Indian Act. In England, the Company law has reached its culminating point and, had the framers of the existing Act kept in mind the trend of the English case-law, many pitfalls might have been avoided. Even now, no attempt has been made by the framers of the Bill to avail themselves of the benefit of the English case-law. We have followed in the footsteps of the English Act but we have miserably failed in appreciating the continuous growth of case-law in England.

Case-laws Ignored

In India, the Company Law, which has as its background the cautious experimentation of Parliament, has to be nursed by case-law. The case-law does not represent an oasis which emerged overnight out of an arid desert by the waving of a magic wand. It represents a consistent and continuous growth. Much ground is, therefore, still unexplored and will remain so until the Courts have had an opportunity of deciding the doubtful and disputed issues. The Bill, to some extent, attempts to clarify the existing law in accordance with the judgments of several High Courts and at the same time it seeks to take away the effect of some of the judicial pronouncements made after 1st April, 1956 when the Act came into force. But anyone who has his eye on the development of case-law under the existing Act will find that the whole of the case-law under the Act has not been sufficiently explored. By way of an illustration, I may refer here to a case reported in A.I.R. 1958 Madras on page 34. In that case, Section 470 of the Companies Act came up for consideration before the Madras High Court and it was held that it had no power to make an order for payment against a contributory in respect of moneys due for calls made prior to the winding up. This was on account of an anomaly in the drafting of Section 469(1). The Sastri Committee has discussed this case on page 101 of the Report. The case appeared in Law Reports after the publication of the Sastri Committee's Report. In order to remove an obvious anomaly, the Committee suggested an amendment of Section 469(1) by substituting the words "made in pursuance of Section 470 of this Act" for the words "in pursuance of this Act." I understand that the decision of the Madras High Court has been followed by other High Courts as well. It is the province of the judge to expound the law and his judgment takes precedence over text writers, even though they may be of acknowledged authority. I have illustrated this case with a view to pointing out that there is a great need to explore thoroughly the case-law on the present Act before finalising the Bill.

Now I will come to point (6) which will be of some interest to legislators, too. Here it may be said that due weight has been given to the recommendations of the Sastri Committee. For instance, it was suggested by the Sastri Committee that, while Sections 531 and 533 provide for cases of fraudulent preference, there is no provision in the existing Act in respect of voluntary transfers dealt with under Section 55 of the Presidency-towns Insolvency Act and Section 53 of the Provincial Insolvency Act. The Bill introduces a new Section 531A and supplies the omission. The language of the proposed section as compared with the draft suggested by the Sastri Committee shows that the draftsman of the Bill has carefully applied his mind while modifying the draft suggested by the Sastri Committee. Similarly, upon the recommendation of the Sastri Committee, the Bill seeks to widen the scope of Section 477 on the lines of Section 36 of the Presidency-towns insolvency Act, so that the Court may also direct the persons who on examination may admit their indebtedness to the company to pay to the liquidator such amounts as the court may think fit.

Opportunity has been taken to suggest an amendment to Section 530 which relates to preferential payment. The proposed amendment is desirable, as it provides that compensation that may be due to workmen under the provisions of Chapter VA of the Industrial Disputes Act, 1947, should be included within the scope of the term "wages" for purposes of Section 530(1)(b). It may be observed here that this omission had escaped the notice of the Sastri Committee.

Drafting Error

The proposed proviso to Section 154(1), pertaining to closure of register of members, is not happily worded. The amendment was suggested by the Sastri Committee, so as to bring Section 154 in line with Section 27 of the Securities Contracts (Regulation) Act, 1956, which requires a transferee to lodge the security and other documents with the Company within 15 days of the date on which the dividend becomes due. The draftsman is obviously in error in using the words "dividends are declared" which occur at the end of the proviso. Section 27 of the Securities Contracts (Regulation) Act, 1956 refers to the date on which dividend becomes "due." The note on clause 38 of the Bill, however, correctly indicates the effect of the proposed amendment. This is a typical example to show how the provisions in the Bill are at variance with the notes on clauses.

Section 632 relates to powers of a Court to require a limited company to give security for costs, if there are reasons to believe that the plaintiff company will be unable to pay the costs of the defendant, if he is successful in his defence. It is open to a defendant to apply to the Court under this section or under Order XXV, Rule 1 of the Code of Civil Procedure, 1908, as amended by Act No. LXVI of 1956, which provides, *inter alia*, that the Court shall make an order for security of costs when it appears that a plaintiff is residing out of India and does not possess any sufficient immovable property within India other than the property in suit. A practical difficulty might arise in this way. Suppose company X incorporated in New Zealand has established a place of business in India in 1959 but has no sufficient immovable property in India. The company X sues Y for a breach of contract. It is open to the defendant to make an application for an order as to security for costs either under Section 632 of the existing Act or under Order XXV, Rule 1 of the Code of Civil Procedure. Under the same set of circumstances, the powers under the Companies Act are discretionary, whereas they are obligatory under the Civil Procedure Code. This inconsistency should have been removed.

Point (7) involves some controversial questions. As already stated, the Bill has dropped nearly 25 per cent. of the Sastri Committee's recommendations and has accepted the remainder with or without modifications. Opportunity has been taken to introduce new provisions having far-reaching implications and involving questions of interpretation. Thus, the problem is made more poignant. Those who are concerned with the task of divising the Companies Act as the best means of building India's economy will have to ponder seriously the Company Law Reform with a clear understanding of the social and economic forces which the Act seeks to regulate.

I shall now attempt to show some of the shortcomings in the Bill, in order to distil from them whatever lessons they may teach. I think it is reasonable to expect that these lessons might serve as guide-posts in our attempt to assess the Bill.

Section 433 relates to circumstances in which a Company may be wound-up. A Court may pass a winding-up order, if it is proved to its satisfaction that a company is unable to pay its debts. Section 434 requires that a company must be indebted in a sum exceeding Rs. 500. A creditor has a remedy to apply to a court for winding-up a company and his remedy by way of a suit is not barred. I venture to suggest that this pecuniary limit is too low. This limit was originally laid down in the 1913 Act and was not revised when the 1956 Act was enacted after about 43 years. It has perhaps not been realised that the existing pecuniary limit has been the cause of vexatious litigation. I would like to stress the need of a suitable provision on lines of Section 37 of the Banking Companies Act which is intended to assist a banking company which is temporarily in financial difficulties. Now, it might be argued that the question of a banking company is altogether on a different footing and that nowhere in the world a company other than a banking company has been given such a concession. What I wish to emphasise is that this suggestion should be examined in the context of the conditions prevailing in the country and a solution, with proper safeguards, should be evolved.

Foreign Company

There is another section in the Act which puts a foreign company to considerable hardship. This is Section 599. This section confers a civil disability upon a foreign company not complying with the provisions of Part XI of the Act and prevents it from bringing any suit, claiming any set-off, making any counter-claim or instituting any legal proceeding in respect of any contract, dealing or transaction entered into by it, until it complies with the provisions of Part XI of the Act. In some respects this section is analogous to Section 69 of the Indian Partnership Act. Legal opinion is sharply divided on the point whether the compliance with the provisions of Part XI of the Companies Act 1956 is a condition precedent to the institution of any legal proceedings by a foreign company. The difficulty with Section 599 begins while meeting the contention of the defendant that a foreign company has not complied with the requirements of Part XI. Under this Part, a foreign company is required to file the documents both with the Registrar of Companies in whose jurisdiction it carries on business and the Registrar of Companies having jurisdiction over New Delhi. It may happen that neither of these Registrars is in a position to certify that a foreign company in question has carried out the requirements of Part XI. It may also happen that, by the time the requisite certificate as aforesaid is obtained, the money claimed may get time-barred. The hardship created by this section should be viewed in the context of the present participation of foreign investments in India and the imperative need for such investments. The attention of the Sastri Committee was pointedly drawn to this hardship but it seems that it has left this point to judicial interpretation in due course.

The statement that the amendments to the Companies Act as proposed in the Bill include those of a clarificatory nature, designed to remove drafting defects and obscurities which have caused difficulty in the interpretation of the Statute, cannot be wholly substantiated. Time and experience alone will tell us to what extent this claim can be substantiated. It is a matter of common knowledge that the provisions of the existing Act which seem to hamper the functioning of joint-stock enterprises and the growth of industries in the country are looked with disfavour and criticised vehemently by the spokesmen of the private sector. On the other hand, the modifications and changes brought in by the new enactment in the Indian Company Law with a view to putting down the abuses noticed in the 1913 Act and promoting the development of the Indian companies on sound, healthy and progressive lines have been generally welcomed. The experience in the actual working of the Act created a feeling in the business community that it sadly lacked in creating a favourable climate so indispensible for the growth and development of joint-stock companies in India. The critics of the existing enactment had voiced their feelings before the Sastri Committee. The latter has, to some extent, attempted to furnish solutions to several problems mainly relating to the interpretation of obscure and ambiguous provisions of the Act.

Hardships Will Continue

There are, of course, shortcomings in the Committee's Report, but this is understandable as the time allowed to the Committee was too short for a complete overhaul. We have in our country no particular authority, either administrative or legal, to give us any precise and unambiguous directions on complicated and at times equivocal provisions of the Act and those who run the management of companies have to work under the constant threat of being brought within the mischief of nearly 164 penal provisions of the Act. It cannot, however, be denied that the Bill will mitigate to some extent the hardships and annoyance at present being felt by *enterpreneurs* and those in charge of company managements. But I have a feeling that, even after the Act is amended and the provisions modified, difficulties of another type might arise. Let me give you a few illustrations.

The Bill suggests a new clause (11) for the existing clause in Section 2 and includes the court of a Presidency Magistrate as having jurisdiction to try an offence against the Act. The reference to a court of a Presidency Magistrate has been omitted in the proposed Section 234A which relates to seizure of documents by Registrar and also in similar Section 240A which relates to seizure of documents by inspector. One fails to understand why jurisdiction under the foregoing sections has been given to criminal courts. These sections are no less serious in nature than Section 627 which gives exclusive jurisdiction to the High Court to make an order for production and inspection of books where offence is suspected to have been committed. There is yet another point which seems to have escaped the notice of the draftsman. In proceedings under Section 234A or 240A it cannot be said that the officer concerned has a personal knowledge of the facts relating to a case. In my view the words "has reason to believe" occurring in the proposed Sections 234A and 240A should be substituted by the words "has reasonable grounds to believe."

Definition of "Relative"

A new Section 6 has been proposed in place of the existing section which defines the meaning of the term "relative." It provides that "Two persons shall be deemed to be 'relatives' if, and only if:—

(a) they are members of a Hindu undivided family; or

(b) they are husband and wife; or

(c) they are related to each other in the manner indicated in Schedule IA."

The Schedule IA under the proposed Section 6(c) enumerates 59 persons, as against 81 persons standing in different degrees of relationship under the existing Section 6. Now, if one carefully scrutinises the list of persons referred to in the Schedule, he will find that there is a possibility of further curtailing the number. It does not stand to reason why husband's father and wife's father are separately enumerated in the schedule. The husband's father and wife's father should have been put together under one heading, namely, "Husband's father or wife's father." Thus it is possible to include items 29

o 34, as well as item 36, in items 22 to 28 and educe the total number of persons as relatives rom 59 to 52.

Issue of Duplicates

Section 84 relates to certificate of shares. The Bill suggests amendment of this section so as to prevent fraudulent issue of duplicate shares. The proposed amendment provides that no duplicate of a certificate shall be issued to any member, unless the original certificate issued to him is (1) proved to the satisfaction of the company to have been lost or destroyed, or (2) is defaced and surrendered to the company. The contravention of the section as proposed to be amended is made an offence punishable with fine which may extend to Rs. 1,000. This amendment may cause undue hardship to shareholders who are in real need of a duplicate having lost the original. For in view of the penal provision, a company may hesitate to say that it is satisfied with the explanation given by the shareholder. On the other hand, it may not be possible for a member to satisfy a company beyond certain reasonable limit. The proposed amendment should lay down the procedure as is done in several sections of the Act and should exempt a company and its officers if the prescribed procedure is correctly followed.

Again, it may be pointed out that the word "Company" occurring in the proposed sub-section 2(*a*) of Section 84 may be construed to mean that no duplicate certificate shall be issued, unless it is proved to the satisfaction of the Company at its ordinary general meeting that the original has been lost or destroyed. This is not the idea underlying the proposed section. In order to give a clear meaning to the section the draftsman should have used the words "board of directors" for the word "company" so as to bring out the meaning that the loss or destruction of the original certificate should be proved to the satisfaction of the board of directors.

One would like to pause and think about the utility of the proposed Section 197A on the Statute Book. It is true that the object of the section is to avoid needless expenses. The principle underlying the section is good. But the question remains as to how it will reconcile with the managerial efficiency of the corporate form of enterprise in the country. It is difficult to attempt to answer this.

Opinion is divided on the legal effect of Section 197A. One view is that the application of this section could be avoided by naming a manager as a commercial manager. The other view is that this is not possible under the section if it is read in the context of Section 2(24) which defines the expression "manager." The meaning of the section would have been more clear if the draftsman had added the words "by whatever name called" after the word "manager."

There is no penal cause attached to this section probably on account of the proposed Section 629A which provides penalty where no specific penalty is provided elsewhere in the Act.

Advisory Commission

Section 411 of the existing Act provides that it shall be the duty of the Advisory Commission to enquire into and advise the Central Government on all applications made to it under the sections specified in clause (*b*). Clause (*b*) of the foregoing section includes applications under Sections 408 and 409. The Bill seeks to amend Section 411, so as to take away Sections 408 and 409 from the purview of the Advisory Commission and enable Government to dispose of applications received by it under the sections without referring them as a matter of routine to the Advisory Commission. The note on this clause, which is not very happily worded, states that the proposed amendment seeks to enable Government to dispose of frivolous applications received under Sections 408 and 409 and makes it clear that it is not necessary to consult the Commission even before the issue of interim orders. Logically, it would be difficult to accept an argument justifying the proposed amendment which reduces the scope of the work of the Statutory Commission, whose object is to maintain flexibility in administration and effective regulation of company's affairs.

The proposed Section 624A states, *inter alia*, that company prosecutors appointed under the Act shall have all the powers and privileges of public prosecutors appointed by State Governments under Section 492 of the Code of Criminal Procedure, 1898. One would do well to read this section in the context of Financial Memorandum on page 123 of the Bill which states that "A decision in this regard is without prejudice to the right to use the State prosecution machinery in bigger company law cases or where offences under the criminal law are involved and does not detract from the constitutional liability of the State in handling criminal cases." The proposed section implements the recommendation of the Sastri Committee. It has to be realised that public prosecutors are appointed by the State from eminent and experienced members of the Bar. Company prosecutors, therefore, cannot be placed on the same footing as that of public prosecutors appointed under the Code. The powers and privileges of public prosecutors include power under Section 494 to withdraw prosecution. It is desirable that Company prosecutors should not be permitted to exercise this power without reference to the Central Government or the Regional Director concerned. As against this, it is said that, as a matter of convention, public prosecutors do not exercise their power to withdraw prosecutions without reference to the State Government and that this convention will continue to be followed by company prosecutors. Nevertheless, I see no reason why the powers of company prosecutors should not be precisely defined in the Act.

Now to take up the remaining points, (8) and (9). It has to be realised that, as in matters of life so also in law, a happy compromise is better than an extreme attitude. It is evident from the Sastri Committee's Report that it has attempted to observe this principle so far as it could within the narrow limits of the terms of reference. The Bill seems to have gone a little further in this direction by modifying several recommendations of the Sastri Committee in the light of the views expressed by chambers of commerce and others. It is to be hoped that the Joint Select Committee will make a further attempt in this direction. Even if business men are puzzled and irritated by the letter of the law, they respect its spirit.

Loopholes

It is truism to say that the Bill reflects, to an appreciable extent, the prevalent trends of public opinion and attempts to ensure efficient and honest management of companies and check unfair business methods and anti-social activities. It is in consonance with the trend of public opinion in that an attempt has been made in the Bill to tighten up the penal provisions of the Act and make the offenders feel that, by courting punishment, they are not absolved from the performance of their statutory duties.

It may be easy to be cynically amused at the process of amending this complicated piece of legislation. Loopholes may be plugged but others will come up; and multiply repeatedly. Law may be tightened, yet experts would tell business men how to get around it. This reminds me of what Kahlil Gibran, the noted poet and philosopher, said:

"Then a lawyer said; but what of our Laws, Master?

And he answered: You delight in laying down laws, yet you delight more in breaking them, like children playing by the ocean, who build sand-towers with constancy and then destroy them with laughter."

In the modern world, both life and business have become complicated and therefore laws are bound to be complicated. But laws must be intelligible to citizens. Parliament cannot be unmindful of the real state of law.

It is to be hoped that the Joint Select Committee will perform its formidable task after careful consideration of the oral evidence and written memoranda submitted by various organisations and individuals. A few sittings of the Joint Select Committee at places like Bombay, Calcutta and Madras will be welcome to those who desire to give oral evidence.*

* The Joint Select Committee has power to summon witnesses. In England, the Committee cannot meet outside the precincts of Parliament. The same practice is being followed in India, but the Committee may hold its sittings elsewhere with the permission of the Speaker.

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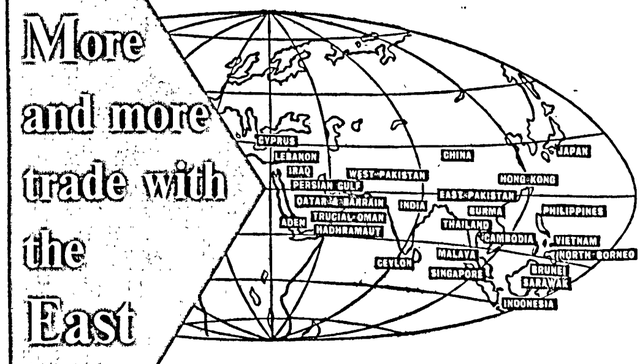

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BUSINESS OBJECTIVES AND SURVIVAL NEEDS—II

PRECISE CONCEPT OF THESE IS VITAL TO ENSURE CONTINUED EXISTENCE

By Peter F. Drucker

MANAGING a business enterprise means making decisions, every one of which depends on both needs and opportunities in each of the five areas described in these columns last week and, in turn, affects performance and results in each.

The first conclusion from this is that every business needs objectives—explicit or not—in each of these five areas, for malfunction in any one of these endangers the entire business. And failure in any one area destroys the entire business—no matter how well it does in the other four areas. Yet these are not interdependent but autonomous areas.

Here, then, is the first task of a discipline of business enterprise: to develop clear concepts and usable measurements to set objectives and to measure performance in each of these five areas.

The job is certainly a big one—and a long one. There is no area as yet where we can really define the objectives, let alone measure results. Even in respect to profitability, we have, despite great recent advances in managerial economics, figures for the past rather than measurements that relate current or expected profitability to the specific future risks and needs. In the other areas, we do not even have that, by and large. And in some—the effectiveness of the human organisation, the public standing in economy and society, or the area of innovation—we may, for a long time to come, perhaps forever, have to be content with qualitative appraisal making possible judgment. Even this would be tremendous progress.

A second conclusion is hardly less important: *no one simple objective is "the" objective of a business; no one single yardstick "the" measure of performances, prospects, and results of a business; no one single area "the" most important area.*

Dangerous Oversimplification

Indeed, the most dangerous oversimplification of business enterprise may well be that of the "one yardstick," whether "return on investment," "market standing," "product leadership," or what have you. At their best, these measure performance in one genuine survival area. But malfunction or failure in any one area is not counterbalanced by performance in any other area, just as a sturdy respiratory or circulatory system will not save an animal if its digestive or nervous system collapses. Success, like failure, in business enterprise is *multidimensional*.

This, however, brings out another important need: a rational and systematic approach to the *selection and balance among objectives* so as best to provide for survival and growth of the enterprise. These can be called the "ethics" of business enterprise, in so far as ethics is the discipline that deals with rational value choices among means to ends. It can also be the "strategy" of entrepreneurship. Neither "ethics" nor "strategy" is capable of being absolutely determined, yet neither can be absolutely arbitrary. We need a discipline here that encompasses both the "typical" decision which adapts to circumstances and "plays" the averages of statistical probability, and the innovating, "unique event" of entrepreneurial vision and courage breaking with precedent and trends and creating new ones—and there are already some first beginnings of such a discipline of entrepreneurship. But such a discipline can never be more than theory of composition is to the musical composer or theory of strategy to the military leader: a safeguard against oversight, an appraisal of risks, and, above all, a stimulant to independence and innovation.

Almost by definition the demands of different survival objectives pull in different directions at least for any one time period. And it is axiomatic that the resources even of the wealthiest business, or even of the richest country, never cover in full all demands in all areas; there is never so much that there has to be no allocation. Higher profitability can thus be achieved only by taking a risk in market standing, in product leadership, or in tomorrow's human organisation, and *vice versa*. Which of these risks the enterprise can take, which it cannot take, and what it cannot afford not to take—these risk-taking, value-decisions between goals in one area *versus* goals in others, and between goals in one area today *versus* goals in others tomorrow, is a specific job of the *entrepreneur*. This decision itself will remain a "judgment," that is, a matter of human values, appraisal of the situation, weighing of alternatives, and balancing of risks. But an understanding of survival objectives and their requirements can supply both the rational foundation for the decision itself and the rational criteria for the analysis and appraisal of entrepreneurial performance.

Budgeting Process

The final conclusion is that we need a new approach to the process in which we make our value decisions between different objective areas—the budgeting process. And in particular do we need a real understanding of that part of the budget that deals with the expenses that express these decisions, that is, the "managed" and "capital" expenditure.

Commonly today, budgeting is conceived as a "financial" process. But it is only the notation that is financial; the decisions are entrepreneurial. Commonly today, "managed" expenditures and "capital" expenditures are considered quite separate. But the distinction is an accounting (and tax) fiction and misleading; both commit scarce resources to an uncertain future; both are, economically speaking, "capital" expenditures. And they, too, have to express the same basic decisions on survival objectives to be viable. Finally, today, most of our attention in the "operating budget" is given, as a rule, to other than the "managed" expenses, especially to the "variable" expenses, for that is where, historically, most money was spent. But, no matter how large or small the sums, it is in our decisions on the "managed" expenses that we decide on the future of the enterprise.

Indeed, we have little control over what the accountant calls "variable" expenses—the expenses which relate directly to units of production and are fixed by a certain way of doing things. We can change them, but not fast. We can change a relationship between units of production and labour costs (which we, with a certain irony, still consider "variable expenses" despite the fringe benefits). But, within any time period, these expenses can only be kept at a norm and cannot be changed. This is, of course, even more true for the expenses in respect to the decisions of the past, our "fixed" expenses. We cannot make them undone at all, whether these are capital expenses or taxes or what-have-you. They are beyond our control.

In the middle, however, are the expenses for the future which express our risk-taking value choices: the "capital expenses" and the "managed expenses." Here are the expenses on facilities and equipment, on research and merchandising, on product development and people development, on management and organisation. This managed expense budget is the area in which we really make our decisions on our objectives. (That, incidentally, is why I dislike accounting ratios in that area so very much, because they try to substitute the history of the dead past for the making of the prosperous future.)

We make decisions in this process in two respects. First, what do we allocate people for? For the money in the budget is really people. What do we allocate people, and energy, and efforts to? To what objectives? We have to make choices, as we cannot do everything.

And, second, what is the time scale? How do we, in other words, *balance* expenditures for long-term permanent efforts against any decision with immediate impact? The one shows results only in the remote future, if at all. The development of people (a fifteen-year job), the effectiveness of which is untested and unmeasurable, is, for instance, a decision on faith over the long range. The other may show results immediately. To slight the one, however, might, in the long range, debilitate the business and weaken it. And, yet, there are certain real short-term needs that have to be met in the business—in the present as well as in the future.

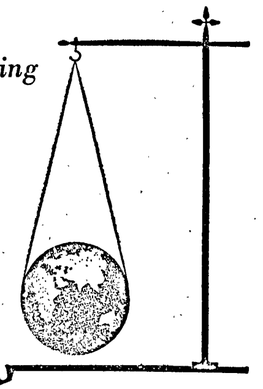
Discipline of Business

Until we develop a clear understanding of basic survival objectives and some yardsticks for the decisions and choices in each area, budgeting will not become a rational exercise of responsible judgment; it will retain some of the "hunch" character that it now has. But our experience has shown that the concept of survival objectives alone can greatly improve both the quality and effectiveness of the process and the understanding of what is being decided. Indeed, it gives us, we are learning, an effective tool for the integration of functional work and specialised efforts and especially for creating a common understanding throughout the organisation and common measurements of contribution and performance.

The approach to a discipline of business enterprise through an analysis of survival objectives is still a very new and a very crude one. Yet it is already proving itself a unifying concept, simply because it is the first *general* theory of the business enterprise we have had so far. It is not yet a very refined, a very elegant, let alone a very *precise*, theory. Any physicist or mathematician would say: This is not a theory; this is still only rhetoric. But at least, while maybe only in rhetoric, we are talking about something real. For the first time, we are no longer in the situation in which theory is irrelevant, if not an impediment, and in which practice has to be untheoretical, which means cannot be taught, cannot be learned, and cannot be conveyed, as one can only convey the general.

This should thus be one of the "breakthrough" areas; and twenty years hence this might well have become the *central* concept around which we can organise the mixture of knowledge, ignorance, and experience, of prejudices, insights, and skills, which we call "management" today.

Weighing the world up . . .



. . . even just from a financial point of view, is a pretty big operation. It requires a very extensive knowledge and understanding of business conditions. It requires an organisation like The Hongkong and Shanghai Banking Corporation. The biggest bank established by the Far East for the Far East provides a banking service not only in South and East Asia—which is our primary concern—but has offices in Europe and America as well, surveying the whole of the business world, considering, weighing up.

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FIRST VALUATION REPORT OF L.I.C.

OVER RS. 27 CRORES RESERVED AS BONUS FOR POLICYHOLDERS

THE results of the first actuarial investigation into the financial condition of the business of the Life Insurance Corporation of India, including a valuation of the liabilities of the Corporation as at 31st December 1957, in accordance with the provisions of Section 26 of the Life Insurance Corporation Act 1956, have been published. The valuation discloses a profit of Rs. 33.04 crores. Out of this, after making provision for income-tax, a sum of Rs. 27.56 crores, amounting to 95 per cent. of the net profits, has been reserved for distribution among policyholders and the balance of Rs. 1.45 crore, representing five per cent. of the net profits, has been allocated to the Government of India in conformity with the provisions of the L.I.C. Act.

The valuation is in respect of the policies issued by 245 insurers the controlled business of which was taken over by the Corporation and the policies issued by the Corporation since the Appointed Day, that is, 1st September 1956, which were in force on 31st December 1957. These consisted of 5,683,414 policies, assuring a sum of Rs. 1,472.8 crores, including bonuses, and 11,539 annuities for Rs. 72.80 lakhs per annum.

Income and Outgo

The consolidated statement of the income and outgo of (1) the insurers for the periods from the respective dates of their last valuation to 31st August 1956 and (2) the Corporation for the sixteen-month period ended 31st December 1957 reveals the following picture:

(In crores of rupees)

Income:	
Premium (first year's)	37.59
Premiums (renewal)	164.73
Single premium and consideration for annuities	1.14
Interest, dividends and rent	44.13
Other receipts	1.00
Contribution from Central Government in respect of Insolvent companies	0.70
Total	249.34
Outgo:	
Claims by death	18.21
Claims by maturity	45.00
Annuities	1.11
Surrenders	11.85
Expenses of management	62.00
Depreciation of investment and transfer to investment reserve	9.47
Miscellaneous	4.29
Transfer to shareholders' reserve and dividend	0.59
Divestment of assets and compensation (as per section 35 (2) and (3) and sections 7 and 8 of the Life Insurance Act)	11.89
Total	164.44
Increase in Life Fund (excess of income over outgo)]	84.90

The valuation report points out that, since full and accurate data are not available, it has not been possible to make an investigation into the mortality experience during the inter-valuation period. However, the Indian Life Assurance Offices Association had, for the purpose of a combined mortality investigation, collected data covering the experience of 34 insurers which, among themselves, accounted for about 80 per cent. of the total business. An investigation into this experience, which relates to the years 1953 and 1954, showed that, during that period, the actual deaths were about 45 per cent. of those expected on the basis of the Oriental (1925-35) Ultimate Mortality Table. An inquiry was also made into the mortality experience for the year 1957 of a few of the big units which had contributed data for the proposed combined mortality investigation. A comparison between the experience for the years 1953 and 1954, on the one hand, and that for the year 1957, on the other, indicates a further improvement in mortality.

The gross rate of interest earned on investments during the period 1st January 1956 to 31st August 1956 was 4.13 per cent., while that earned during the period 1st September 1956 to 31st December 1957 was 4.58 per cent. The net rates of interest earned during the periods were 3.75 per cent. and 3.74 per cent., respectively. The renewal expense ratio during the period 1st January 1956 to 31st August 1956 was 20.90 per cent. which declined to 15.89 per cent. during the period 1st September 1956 to 31st December 1957.

Basis of Valuation

The basis adopted for the valuation is: for mortality, Oriental (1925-36) Ultimate Mortality Table and rate of interest at 3½ per cent. Provision for expenses and profits has been calculated at 20 per cent. of the office premium in case of with-profits policies and 16 per cent. of office premium in the case of without-profits policies. Additional reserve for expenses and profits: in respect of limited payment and paid-up policies an additional provision for expenses and profits after cessation of premiums at the rate of Rs. 5 per thousand sum assured per annum on with-profits policies and Re. 1 per thousand sum assured per annum on without-profits policies.

Commenting on the basis adopted for valuation, the report makes three observations. First, the adoption of the Oriental (1925-35) Ultimate Mortality Table provides a substantial margin which constitutes a source of sizable profits in future. Secondly, the net rate of interest earned during each of the periods, namely, 1st January 1956 to 31st August 1956 and 1st September 1956 to 31st December 1957, is practically unchanged at 3¾ per cent. The adoption of a rate of interest of 3½ per cent. in the valuation is, therefore, an adequate margin for future profits. Thirdly, the renewal expense ratios during the periods 1st January 1956 to 31st August 1956 and 1st September 1956 to 31st December 1957 were 20.90 per cent. and 15.89 per cent. respectively. These figures by themselves do not serve as a measure of probable future experience, in view of the fact that, during the formative stages, the entire cost structure of the Corporation was in a state of flux. The Corporation is, we are told, taking steps to bring down the expense ratio and a provision for expenses at 16 per cent. of the office premium is considered more than adequate. The specific provision for future profits of 4 per cent. of the office premium in the case of with-profits policies together with the margins in mortality and interest bases, should, it is maintained, provide an adequate overall margin for future profits.

The valuation shows a surplus of Rs. 27.04 crores arrived at by deducting the liability of Rs. 383.37 crores from the Life Fund of Rs. 410.41 crores. This surplus, the actuary is satisfied, represents a fair measure of the trading profits during the inter-valuation period. To this has been added Rs. 6 crores being the credit for a portion of the tax deducted at source, making a total gross profit of Rs. 33.04 crores. Tax liability on this is estimated at Rs. 4.03 crores. The net profit, therefore, works out to Rs. 29.01 crores.

Allocation of Surplus

Section 28 of the Life Insurance Corporation Act 1956 requires that not less than 95 per cent. of the surplus has to be allocated to or reserved for policyholders and the remainder may be utilised for such purposes and in such manner as the Central Government may determine. Accordingly, the minimum amount that has to be allocated to policyholders and, in consequence, the maximum amount that can be allocated to Government would be Rs. 27.56 crores and Rs. 1.45 crore, respectively. The policyholders' share of Rs. 27.56 crores is sufficient to declare a reversionary bonus at the rates of (1) Rs. 14 per sum assured per annum on with-profits Endowment Assurance policies and (2) Rs. 17.50 per thousand sum assured per annum on with-profits Whole Life Assurances on policies issued by the Corporation and by its predecessors (insurers) after 19th January 1956 and at proportionate rates on the insurance policies issued on or before this date.

Differential Bonus

The profits allocated to policyholders, as a result of an actuarial valuation, represent the share in the profits of the holders of with-profits policies *as a whole*. The question naturally arises as to how these profits should be distributed amongst *individual* policyholders. A system of distribution of profits amongst individual policyholders can lay claim to being a good system if it is equitable and also practicable. The system of uniform reversionary bonuses generally adopted by insurers in this country in the past answered well the requirements of a good system of distribution of profits. Allocation of profits amongst individual policyholders, therefore, did not present for the various insurers a complicated problem. For the Corporation, however, the problem bristles with complications. That with-profits policies issued by a particular insurer prior to the date on which Government took over the controlled business of insurers as a first step towards nationalisation should *inter se* qualify for a uniform rate of bonus is easy to see; that all with-profits policies issued, whether by the insurers during the interim period Government was in management, or since the Corporation was established should, as a group, be entitled to bonus at a uniform rate should also be evident. But, as between policies taken over from one insurer and those taken over from another insurer or those issued by the Corporation, equity demands that the rates of bonus applicable to the various groups should reflect their respective contributions to the profits disclosed at the valuation or, in other words, their respective financial strength. This is the principle which has found recognition in Section 49(2)(k) of the Life Insurance Corporation Act which provides that the Corporation may make regulations for the classification of policies for the purpose of declaring differential bonuses, that is, bonuses at different rates on policies of different insurers. The Corporation has been engaged for a long time in evolving a scheme of differential bonuses which would ensure an equitable distribution of the profits amongst policyholders. A final scheme is yet to be evolved but a tentative scheme has been prepared.

Bonus Indices

In accordance with that scheme, the Corporation has classified the policies taken over from the insurers and those issued by the Corporation into six groups. The first group is a Special Group covering most of the foreign insurers and some Indian insurers, with exceptionally strong financial reserves. The next group is Group I which includes policies by the Corporation and policies issued by all insurers between 19th January 1956 and 1st September 1956. Each group has been allotted what is called a bonus index. The bonus indices for the six groups are 1.2, 1.0, 0.8, 0.6, 0.4 and *nil*. These indices give the relative proportions of the rates of bonus which policies in the respective group would qualify for. In addition, there is a miscellaneous group which would be dealt with in a special manner, in view of the different methods of distribution of profits adopted by units comprising this group.

On the basis of the tentative scheme of differential bonuses, the policyholders' share of profit of Rs. 27.56 crores would be adequate to provide reversionary bonuses at the rates mentioned in the table which follows. The table also gives for each group the percentage of the total policies included in that group:

	Rates of bonus per annum per thousand of sum assured		Percentage of policies in the group to total policies
	Whole life	Endowment	
	Rs.	Rs.	
Special Group	21.0	16.8	32
Group I	17.5	14.0	49
Group II	14.0	11.2	9
Group III	10.5	8.4	4
Group IV	7.0	5.6	3
Group V	*Nil*	*Nil*	3
			100

In constructing the bonus indices, the premium rate and the financial position of the companies were taken into consideration. The special group, with the highest bonus, comprises policies issued by such companies as Oriental, Sun Life, Commercial Union, Gresham, Norwich Union, Pearl and Mysore State Insurance Department. Group I comprises policies issued by the Corporation and policies issued by such companies as New India, Bombay Mutual, Empire of India, Hindustan Co-operative, Indian Mercantile, Lakshmi, United India. A comparison of the bonus on the endowment policies of private insurers declared at their last valuation with that payable as per the Corporation's first valuation shows that the latter is higher in respect of policies of 67 insurers, less in respect of policies of 75 insurers, same in respect of policies of 89 insurers. It may be noted here that with-profit endowment policies account for as much as 80 per cent. of the total business. The figures in respect of 14 insurers are not comparable.

The following table illustrates the position:

Group	Number of Insurers			
	More than at the last valuation	Less than at last valuation	Equal to last valuation	Not comparable
Special	4	7	*Nil*	4
I	8	20	2	1
II	19	15	*Nil*	1
III	15	11	*Nil*	1
IV	21	15	*Nil*	*Nil*
V	..	7	84	7
	67	75	86+3*	14

* Miscellaneous.

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ECONOMIC DEVELOPMENT IN TURKEY

NEW STABILISATION PROGRAMME AIMS AT REMOVING INFLATIONARY PRESSURE

TURKEY is one of the seventeen members of the Organisation for European Economic Co-operation (O.E.E.C.). Unlike most of its confreres in the Western European community, it is industrially backward. Probably, this difference in the level of economic development is one of the important reasons why Turkey has been excluded from the intra-regional trade blocs in W. Europe, namely, the Common Market of the Six and the proposed Little Free Trade Area of the Seven. Turkey, which covers an area of 296,500 sq. miles and has a population of about 26 million, has agriculture as its predominant industry. It accounts for about 44 per cent. of the gross national product and for 80 per cent. of exports. About 70 per cent. of the population depend on land for their livelihood.

The post-war years have witnessed in Turkey, as in the case of other less developed countries all over the world, intense efforts to fight poverty and secure a higher standard of living for its people. The rapidly increasing investments led to severe stresses and strains in the economy. The cost of living rose by about 14 per cent. in 1957 and by 8 per cent. in the first half of 1958, thanks to growing pressures of domestic demand. The Government resorted to strict measures of price controls to check inflationary pressure, but in vain. By the compulsory application of "cost plus profit" formula, the Government tried to exert complete control of profit margins. The controlled prices were well below the level necessary to stimulate production. Some of the industrial goods, such as textiles, produced by State enterprises, and some foodstuffs by the Government Meat and Fish Agency, were sold below cost at prices involving considerable operational losses. These factors led to a distortion of price patterns, which affected adversely not only internal prices but those of exports and imports. The cost of living, instead of falling, continued to go up, despite strict official control.

The New Scheme

The Government seems to have at last been convinced that the root of inflation lies deeper and that price controls would create more problems than those sought to be solved by these measures. Thus, the Turkish Government introduced in August 1958 a new economic stabilisation programme after close consultations with the O.E.E.C. and the I.M.F. This programme, according to the latest annual survey of economic conditions in Turkey (1958), prepared by the Secretariat of the O.E.E.C., seeks to re-establish internal and external equilibrium and to lay the basis of sound future expansion, "by establishing a more realistic rate of exchange and a freer system of trade by allowing the price mechanism to play its role in drawing resources into the right direction and by eliminating inflationary pressures from the economy." Under the new scheme, price controls on all except a few agricultural products have been abolished. The remaining restrictions are proposed to be eliminated in due course. Besides, the effective rate of exchange of the Turkish lira has been reduced considerably.

The inflationary pressure in Turkey's economy, obviously, has been generated by the increasing tempo of development. The country's national income increased at an annual average rate of 7.8 per cent. between 1950-57; this rate, however, had been subject to wide fluctuations from year to year, thanks to the dependence of the economy on agriculture and on imports. During the seven-year period under reference, real income *per capita*, however, increased by only 25.4 per cent., or 3.63 per cent. per annum. Turkey still remains one of the member-countries of the O.E.E.C. with the lowest *per capita* income.

As already pointed out, agriculture is the principal source of national income, being directly responsible for the income of about three-quarters of the population. The index of production of agricultural products—cereals, pulses, tobacco, cotton lint and other agricultural crops—stood higher at 188 in 1957 (base 1950 =100), as against 151 in 1952. Their exports aggregated TL.813.5 million in 1957, as against TL.674.3 million in 1952. Agricultural production improved to higher levels in 1957. The production, particularly of cereals and cotton, increased rapidly in 1958, but that of tobacco declined appreciably. Although Turkey imported U.S. wheat during the last four years, it is expected that, in the current year, substantial exports would be possible. In the beginning of this year, exportable stocks of wheat amounted to 416,000 tons and those of tobacco, the major export commodity, to 67,000 tons. That there is good scope for promoting agricultural production through adoption of better techniques is borne out by the fact that the average wheat yields from the well-managed State farms are about 28 per cent. above the national average. Besides extending price support for agricultural products by paying subsidies to farmers, the Government supports agricultural development by special grants of credit for mechanisation and the purchase of fertilisers and through the expansion of cultivated area by the introduction of controlled irrigation.

Mining, although its share in the total production is small, accounts for about 12 per cent. of total exports. Output of mines more than doubled between 1950 and 1958. Coal, lignite and iron ore are the bases for a number of domestic industries, whereas chrome ore and copper constitute the more important export products. It may be noted that, in order to attract foreign capital into mining, a law was passed in 1957 permitting some foreign investment and providing for the repayment of the invested capital from export proceeds.

Industries

Production in the industrial sector rose by about 50 per cent. between 1950 and 1956. The development of such industries as sugar, textiles, cement, rubber products as well as iron and steel, was particularly spectacular. The cement, sugar, and cotton textile industries are now capable of meeting the entire domestic demand. About half of total industrial production comes from Government-controlled plants. These are generally better equipped and more modern than private establishments. The development of industries has been much hampered, particularly since 1957, by the shortage of imported raw materials and spare parts. The shortage of raw materials and equipment is indicated by the fact that imports of industrial raw materials fell from $153 million in 1952 to $99 million in 1956, and remained at about this level in 1957 and 1958; imports of machinery and equipment in 1957 and 1958 were 30 per cent. below the 1956 level.

The Government-controlled industrial enterprises account for about 60 per cent. of total investments in the country. These enterprises cover a wide range of industries, especially textiles and sugar, and mining. They have contributed towards excess pressures of demand by running operational deficits of the order of TL.245 million in 1956 and TL.203 million in 1957. Under the stabilisation programme, the State-controlled enterprises have raised the selling prices of their products in order to meet current expenditures exclusively from current receipts. In passing, it may be noted that the stabilisation programme has also provided for the establishment of an Economic Co-ordination Board, with a dependent investment committee which co-ordinates the investment activity of the public and private sectors and assigns appropriate priorities to the various projects. The Committee is also empowered to decide the total level of investments that could be financed from non-inflationary domestic and foreign sources.

Monetary Controls

Other appropriate measures are also being devised, under the new stabilisation programme, to remove inflationary pressures by ensuring monetary controls and budgetary balance. Internal credit restrictions, together with the gradual abolition of price controls, have led to some useful changes in the pattern of prices. There has been a sizable expansion of credits both from the Central Bank and the commercial banks—by about 20 to 28 per cent. during the last three years. Out of the expansion of credit in 1957 and the first half of 1958, about 70 per cent. consisted of advances to State enterprises, a considerable part of which was used to finance investment, especially in mining and construction. The total money supply increased by 25 per cent. to TL.5,613 million in 1956 and further by 32 per cent. to TL.7,397 million in 1957. The rate of increase remained at this level in the first half of 1958; but since the implementation of the stabilisation programme, between June and October 1958, the money supply has been reduced by 2.4 per cent. Absolute credit ceilings have been imposed under the new scheme, which restricts new loans from the Central Bank to the public sector to TL.400 million. The maximum permissible credit expansion in commercial banks has also been limited to TL.200 million above the level on 1st July 1958.

The inflationary pressures were aggravated by the foreign exchange difficulties. Imports had to be severely restricted to reduce a continuing trade deficit against the background of increasing shortage of foreign exchange. The U.S. as well as private and official foreign loans did not cover deficits. As the O.E.E.C. Survey points out, the failure of Turkey's exports to increase in step with the increase in national product has been one of the reasons for Turkey's external difficulties. Agricultural products account for about 80 per cent. of Turkey's exports. Bad weather conditions successively in 1954, 1955 and 1956, thus, meant sharp fluctuations in export earnings. Besides, the growing population and increase in *per capita* income have reduced the exportable surplus, particularly of cereals and cotton. The declining commodity prices and fall in foreign demand for mining products also led to serious foreign exchange difficulties. The obligation to pay heavy foreign commercial debts already committed still continues to baffle the Government. At any rate, the foreign exchange crisis is expected to be eased by the introduction last year of an effective devaluation and simplification of the previous trade and payments system under the new stabilisation programme. In its Survey, the O.E.E.C. advocates a vigorous export drive to boost foreign exchange earnings. It also strikes a note of warning that a gradual return to the liberalisation of trade should, as far as possible, follow any improvement in the balance of payments.

LITTLE FREE TRADE AREA

What is described as a "package plan" for the formation of an "Outer Seven Free Trade Area"—another name for the Little Free Trade Area—has been worked out by the working party of officials from Britain and six other non-Common Market countries (Austria, Denmark, Norway, Portugal, Sweden and Switzerland) which met at Stockholm from the 1st to 13th inst. The details of the plan are kept confidential, but a rough idea of it is available from a Stockholm report.

As a first step, the industrial tariff of the "Seven" will be reduced by 20 per cent. on 1st July 1960, to catch up the six-nation Common Market lead; subsequently, the tariffs will be lowered and eventually eliminated over a ten-year period, the abolition being approximately parallel to, but somewhat faster than in the case of, the Six.

Quantitative restrictions on industrial products will be done away with, and rules will be laid down to ensure fair competition and to identify the origin of goods.

There will be a special agreement on agriculture, following bilateral talks between interested countries.

Fish and other marine products are to be treated separately from agriculture and proposals for a special agreement on them have been made.

The trading association will have no supra-national authority, but there will be a steering board and a small secretariat.

The plan has already been submitted to the Governments of the seven countries concerned. A ministerial meeting will be held at Stockholm by about the middle of next month to consider the report and decide on it. Whatever may be the final shape of the plan, renewed hopes are expressed—the plan itself clearly emphasises it—that the formation of the "Outer Seven Free Trade Area" will help promote negotiations for a wider European settlement within the O.E.E.C. framework. It is for the Common Market countries now to come forward with positive alternative proposals for such a settlement. This aspect was stressed by Mr. Reginald Maudling, the U.K. Paymaster-General at The Hague the other day. He said: "While there have been no dramatic developments, it is clear that the present situation throws a considerable strain on the O.E.E.C. and on European economic unity. There is a widespread feeling in the United Kingdom that our trade with our friends in the Netherlands and in the other countries of the Six is now seriously threatened. This is a development which must give cause for concern to all of us who believe in the cause of European unity."

Incidentally, Mr. Maudling alluded to the suggestion for negotiation between the U.K. and the Commonwealth and the C.M. He did admit that the Commonwealth had a great interest in trade with Europe and reiterated that the U.K. was hoping to see this trade develop and that the Commonwealth Governments were kept in close touch with all the negotiations. Nevertheless, he felt that the suggestion did not present any practical solution. In support of this view, Mr. Maudling said:

"The Commonwealth is a group of indepen-

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TEXMACO MAINTAINS GOOD PROGRESS

OUTPUT AND SALES REACH NEW HIGH LEVELS

THE year ended 31st December 1958 has proved to be another period of expansion in production and sales for the Textile Machinery Corporation Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Belgharia, 24-Paraganas, West Bengal). In terms of value, the Company's output rose by over Rs. 1 crore to cross, for the first time in its history, the Rs. 6-crore mark and its sales grew by Rs. 1.3 crore to a peak of Rs. 5.84 crores, thus maintaining the upward trend noted for some years past. The gross profit is over Rs. 1 crore for the second year in succession, to stand at Rs. 109.34 lakhs, which, however, is a shade lower than the record level of Rs. 110.61 lakhs touched in 1957. The drop in profit is, no doubt, insignificant, but it is in distinct contrast to the sustained increase noted in the past few years and is due to the sharp rise in the cost of raw materials and stores and spares consumed, as well as in other expenses.

The provision for depreciation has been reduced from Rs. 36.28 lakhs to Rs. 24.50 lakhs, but the saving on this account has been nearly offset by the increase in the provision for taxation from Rs. 30.51 lakhs to Rs. 41 lakhs (including a sum of Rs. 3 lakhs for wealth tax), so that the net profit, at Rs. 35.41 lakhs, is more or less the same as that for the previous year. There has been a slight cut in the addition to the reserves from Rs. 12 lakhs to Rs. 11.40 lakhs. While the transfer to the general reserve has been raised from Rs. 5 lakhs to Rs. 6 lakhs, the allocation to the development reserve is reduced from Rs. 7 lakhs to Rs. 4.90 lakhs. The dividend on ordinary shares is to be maintained at 15 per cent., to which level it had been stepped up last year from 12½ per cent. paid for 1956 and 10 per cent. for each of the two preceding years.

The salient features of the Company's financial results for the last four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	5,83 84	4,53 36	3,68.47	2,34.27
Other income	6.65	10.77	7.92	3.14
Closing stocks	1,15 99	82.22	56 54	47.00
Raw materials consumed ..	1,94.78	1,35 48	96 53	66.41
Stores and spares consumed ..	1,76 41	1,23.19	1,17.02	77.95
Other expenses	1,43.74	1,20 53	93 87	63.72
Gross profit	1,09 34	1,10 61	78 97	68 21
Managing Agents' remuneration	8.43	8 09	6.58	4.55
Provision for—				
Depreciation	24.50	36 28	21.21	20 00
Taxation	41.00	30.51	20 00	11 00
Net profit	35.41	35.73	31.18	22 66
To reserves and provisions ..	11.40	12.00	11.00	15.14
Dividends—				
Preference	1.68	1.68	1.68	1.77
Ordinary	22 50 (15%)	22.50 (15%)	18.75 (12½%)	6 00 (10%)
Carry forward	0.37	0.54	0.99	1.23

As stated earlier, the rise of Rs. 1.30 crore in sale proceeds has been offset by an increase of over Rs. 59 lakhs in raw materials consumed, Rs. 53 lakhs in stores and spares consumed and of Rs. 23 lakhs in other expenses. The main items which have contributed to the rise in "other expenses" and the extent of their contributions are: (1) power and fuel, Rs. 2.22 lakhs; (2) salaries, wages and bonus, Rs. 8.94 lakhs; and (3) selling expenses, Rs. 4.39 lakhs.

The Company's activities vary from manufacture of textile machinery to production of railway wagons, sugar mill plant, water-tube boilers and loco boilers; besides, it has a steel foundry. Referring to the activities of these branches during the year under review and the prospects they hold for the future, the Directors observe:

"The cotton textile industry, which is finding it difficult to solve the problem of rehabilitation for shortage of funds, has a strong case for assistance from the N.I.D.C. in the form of credit facilities on an adequate scale. It is heartening to note that the Government has recently indicated that the N.I.D.C. has streamlined its procedure for extending credit facilities to needy industries. Besides, foreign manufacturers too have recently started extending facilities of deferred payment terms for purchase of machinery to most of the industries. In line with this trend, the Company has also decided to offer these facilities to cotton mills. Some of the leading banks have agreed to finance this deferred credit facility and we have been able to book a large number of orders for ring frames and carding engines on this basis during the latter part of the year under review. It is confidently hoped that this division will show improved results during the current year. Efforts to diversify production of cotton textile machinery have been actively pursued. The Company has completed a prototype each of the U.D. ring frame and drawing frame, while completion of a prototype of the Simplex frame is well under way. It is hoped that mass production of these machines would commence during the current year.

"The collaboration agreement with Messrs. H. W. Ward & Co., Ltd., for manufacture of Capstan lathes has been approved by the Government of India. We have already taken up the planning work in hand and expect to start manufacture of the indigenous components during this year.

"Wagon production was maintained at a satisfactory level. Production of metre-gauge coaching underframes has also commenced and is progressing satisfactorily. The Railway Board has placed an order for new BOX type wagons. Planning for this is already in an advanced stage and we expect to start production against this order by the latter part of this year. The manufacture of radial crest gates for the Panchet Hill Dam Project of the Damodar Valley Corporation has been completed and erection work at site is nearing completion. Work on the production of a complete sugar mill plant for Andhra Pradesh was maintained at a satisfactory level and this job too is nearing completion.

"Your Company has joined a sugar consortium consisting, besides itself, of Messrs. Walchandnagar Industries Ltd. and Indian Sugar and General Engineering Corporation Ltd. The consortium was sponsored at the suggestion of the Government of India for manufacture of complete sugar plants for co-operative sugar mills to be set up in various States. Negotiations for booking orders for the complete sugar mill plants are progressing and we hope to get a substantial share of such orders for our sugar mill machinery division. Execution of the order from the Bhilai steel project has been maintained at a satisfactory level and the order is nearing completion. Work on the water-tube boilers and YP.YG loco boilers has been taken up in hand and we hope to achieve a satisfactory level of production this year. A chronic difficulty which the industry has been facing is the overall shortage of steel in the country and this is affecting the timely execution of the various orders.

"The steel foundry division continued to maintain its output. The levy of the heavy electricity duty by the West Bengal Government has increased the cost of production to a considerable extent. It is to be hoped that the West Bengal Government would see its way to modify the levy for the benefit of steel furnaces.

"We have secured an order for 48 jute spinning frames from a leading jute mill. Supplies have already commenced and we hope to complete the order within this year."

The paid-up capital of the Company at Rs. 190 lakhs is supplemented by reserves and surplus amounting to Rs. 51.21 lakhs. In addition to the debenture loan of Rs. 40 lakhs (redeemable at the end of 1960), the borrowings from banks and other sources come to Rs. 68.33 lakhs. The Company has made substantial additions to the block account in the last few years. In consonance with this trend, it has added Rs. 36.91 lakhs to this account during the year under review, bringing the gross value of the block account to Rs. 390.33 lakhs. The depreciation provided so far is Rs. 171.91 lakhs, so that the net value stands at Rs. 218.42 lakhs. The current assets aggregate Rs. 531.80 lakhs, which more than adequately cover the current liabilities and provisions at Rs. 469.01 lakhs.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 26 *cum-div.*, having risen from Rs. 22.12 at the beginning of the year and Rs. 18.80 a year ago. On the *ex-div.* basis, they give a yield of 6.1 per cent. per annum, free of income-tax.

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including the implementation of various new manufacturing schemes. Stocks of imported goods-in-trade were maintained at an almost unchanged level. Replacement of these stocks is difficult, but the Company's future sales will comprise an increasing element of indigenously manufactured goods and the Directors are hopeful of the Company's ability to maintain sales at a satisfactory level."

The Directors have decided to increase the Company's paid-up capital further to Rs. 95 lakhs by an issue of 200,000 equity shares of Rs. 10 each at par. The new shares will be offered to the existing shareholders in the ratio of one share for every three shares. Consent for this issue has already been obtained from the Controller of Capital Issues. It is expected that the notice of offer of right shares to the existing shareholders will be sent out early in August this year.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 22.60 *cum-div.* *ex-right*, as against Rs. 16.40 at the beginning of the year and Rs. 16.56 a year ago. On an *ex-div.* basis they offer a yield of 5.85 per cent. per annum, free of income-tax.

LARSEN AND TOUBRO FARES WELL

RECORD PROFIT REPORTED

NOTWITHSTANDING a substantial fall in sales of imported machinery due to foreign exchange difficulties, the profit of Larsen and Toubro Limited (Managing Agents: L. & T. Management Private Ltd., Bombay) for the year ended 31st March 1959 has recorded an impressive rise. The gross profit has gone up from Rs. 27.98 lakhs earned in 1957-58 to a fresh record high of Rs. 36.06 lakhs. This has been due to larger income from the Company's manufacturing and servicing activities and the substantial saving on purchases of imported goods. With this rise, the Company's gross profit has nearly doubled itself within a short period of three years, that is, from Rs. 18.48 lakhs in 1955-56 to Rs. 36.06 lakhs.

The net profit, too, has improved from Rs. 9.83 lakhs to Rs. 11.26 lakhs, but the rise is much less than that noted in the previous year. This is explained by the larger statutory provisions for depreciation and taxation, the former having been stepped up from Rs. 3.73 lakhs to Rs. 5.10 lakhs and the latter from Rs. 12 lakhs to Rs. 16.60 lakhs. It will be interesting to note here that, while the gross profit of the Company has increased by a little over 95 per cent. in three years, the provision for tax liability has gone up by 150 per cent. After writing back Rs. 36,764 being the excess provision for taxes made in previous years, the Directors have maintained the transfer to dividend equalisation reserve at Rs. 1 lakh and that to the general reserve at Rs. 2 lakhs. They have also added Rs. 97,780 to the development rebate, as against Rs. 68,511 a year ago and have set aside Rs. 32,093 (*nil*) to the bad and doubtful debts reserve. The dividend on ordinary shares is being maintained at 12½ per cent., to which level it had been raised last year from 10 per cent. It is, however, on a higher capital raised in December 1958 by a rights issue of 100,000 shares of Rs. 10 each. The new shares are entitled to the dividend for a period of four months ended March 1959.

The following comparative table shows the Company's progress since 1956:

(In lakhs of rupees)

	For the year ended 31st March			
	1959	1958	1957	1956
Proceeds of sales, servicing, etc.	2,78.25	3,03.29	3,27.14	2,79.96
Other income	13 33	12.81	13.45	11.63
Gross profit	2,55.53	3,78.12	4,04.73	3,15.64
Managing Agents' commission	36.06	27.98	19.80	18.48
Provision for—	3.10	2.42	1.80	1.62
Depreciation	5.10	3.73	2.58	2.25
Taxation	16.60	12.00	9 40	6.03
Net profit	11.26	9 83	5.99	7.98
Excess provisions written back	0.57	2.20	1.12	1.50
Expenses of the previous years written off	..	1.83	0.07	1.07
To reserves	4.30	3.68	1.58	4.00
Dividends—				
5 per cent. preference ..	0.75	0 75	0.75	0 75
Ordinary	6 67 (12½%)	5.78 (12½%)	4.12 (10%)	3 62 (10%)
Carry forward	0.37	0.29	0.27	0.29

The Company's sales have dwindled from the record level of Rs. 376.03 lakhs to Rs. 261.37 lakhs and contract charges from Rs. 11.15 lakhs to Rs. 3.90 lakhs, while servicing and service charges have more than doubled themselves from Rs. 6.11 lakhs to Rs. 12.98 lakhs. Purchases of trading goods show a fall from Rs. 201.32 lakhs to Rs. 150.92 lakhs.

With the issue of right shares in December last, the Company's paid-up capital stands raised to Rs. 75 lakhs. This is supplemented by reserves and surplus aggregating Rs. 19.36 lakhs. There has been an addition of Rs. 13.82 lakhs to the gross block during the year. This is on top of a capital expenditure of Rs. 12.10 lakhs in 1957-58 and of Rs. 8.11 lakhs in 1956-57, bringing the aggregate value upto the end of the year under review to Rs. 56.44 lakhs. This has been written down to Rs. 32.03 lakhs. The current assets amounting to Rs. 238.51 lakhs exceed the current liabilities and provisions by a large margin of Rs. 62.15 lakhs.

Though the Company's business in imported goods has been affected by foreign exchange difficulties, it is gratifying to note from the Directors' latest report that the output from the Company's workshops at Powai is steadily increasing. The workshops, according to them, have substantial orders under execution and are being worked to full capacity. They add: "Further expansion of the manufacturing facilities at Powai is in progress, so as to take care of the increasing demands on the workshops,

(Continued in previous column)

PROFIT OF SEN-RALEIGH DWINDLES

COMPANY TO BORROW MORE FROM I.F.C.

THE serious foreign exchange shortage has affected many an industry dependent upon imported raw materials or spare parts. The cycle manufacturing industry is one of them. A typical example is provided by the Sen-Raleigh Industries of India Ltd., Calcutta. During the year ended 30th September 1958, the Company's production was of an intermittent nature, owing to irregular and inadequate supply of raw materials. This, coupled with the higher labour and overheads due to sporadic working and the cost of heavy borrowings to finance the expansion plans on hand, has meant lower earnings, the gross profit having fallen from the record high of Rs. 23.17 lakhs earned in 1956-57 to Rs. 19.57 lakhs in the year under review. This is the first time after the Company commenced its manufacturing activity that the profit has taken a downward trend.

The net profit, too, has suffered a setback from Rs. 15.28 lakhs to Rs. 10.66 lakhs, the lowest level since 1953-54, after raising the provision for depreciation from Rs. 7.26 lakhs to Rs. 8.29 lakhs. No provision has been made for income-tax, such being not considered necessary as yet. As in the previous two years, the wealth tax liability has been provided for. The transfer to reserves for repayment of loan has been raised from Rs. 2 lakhs to Rs. 2.75 lakhs. The dividend on ordinary shares is being maintained at 6 per cent. per annum, free of income-tax.

The progress of the Company's working since 1954-55 is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th September			
	1958	1957	1956	1955
Sale proceeds	2,12.85	1,96.58	1,65.77	1,13.60
Closing stocks	34.41	30.12	23.62	17.45
Raw materials consumed ..	1,10.23	1,10.49	1,02.73	81.03
Other expenses	70.12	61.16	50.52	28.09
Gross profit	19.57	23.17	21.12	16.75
Provision for—				
Depreciation	8.29	7.26	6.76	5.03
Taxation	0.62	0.63	0 45	..
Net profit	10.66	15.28	13.91	11.07
Tax refund and excess provision written back	0.01	0.37	..	..
Agency commission adjusted ..	..	1.90	..	..
To reserves	5.20	7.85	9.10	0.50
Dividends—				
5 per cent. preference ..	1.50	1.46	1.27	1.15
Ordinary	4 20 (6%)	4.06 (6%)	3.45 (6%)	3.13 (4%)
Carry forward	0.43	0.06	0.29	0.21

The demand for the Company's products is said to continue unabated. The slight increase in sales is again mainly accounted for by component parts, which, however, "left practically no margin to the Company in this period, as the component prices were rationalised only towards the close of the year." Explaining the difficulty which the Company had to undergo due to shortage of raw materials and its plans to overcome it, the Directors observe in their latest report:

"When the raw material problem arose during the year, plans for the expansion had already reached the stage where it was not possible to defer them and, as part of the scheme was to replace import of components by production of new items, your Directors considered it advisable to arrange finance for the expansion through further borrowing in the expectation that the difficulty was temporary and would be overcome in the near future. An application has already been preferred to the Industrial Finance Corporation for a further loan of Rs. 30 lakhs.

"To recover its position, the Company would need to concentrate on added bicycle production using indigenous raw materials wherever possible and on an increase in its production of friction parts, as the Government policy for import licensing in the bicycle industry now allows imports of raw materials to feed the plant at the level of 1957 production for all products and, only in the case of friction parts, is material released for full installed capacity.

"Steps have already been taken by the Company to locate indigenous sources for supply of suitable steel and other materials to augment imports and whilst deliveries are long and not always steady, these supplies are now helping to record some increases in production. The ancillary industries sponsored by the Company also began deliveries in 1938 and all but one are now regular suppliers. All these arrangements have allowed the Company to bring its component import down to below Rs. 2.00 per bicycle."

The Company has, according to the Directors, not yet fully overcome the effects of disruption in production. In fact, there are still periodic failures in supply. Production is, however, showing a "healthy upward trend in all sections of the factory and, if the raw material position improves, the Company is well set to implement the expansion fully."

The Company's balance-sheet as on 30th September 1958 shows that it is somewhat heavily indebted to banks and the I.F.C. and that its current expansion programme is being financed mainly by borrowings. During the year under review, the Company had made an additional capital expenditure to the tune of Rs. 76.89 lakhs. This is on top of a sum of Rs. 29.24 lakhs spent in 1956-57. In addition to increasing its borrowings (all secured) from Rs. 93.70 lakhs to Rs. 114.41 lakhs, the Company has, as stated already, applied for a loan of Rs. 30 lakhs from the I.F.C. The gross value of the block account is Rs. 233.89 lakhs and the book value Rs. 191.23 lakhs, the depreciation provided being no more than Rs. 42.66 lakhs. The current assets aggregate Rs. 144.95 lakhs, as against which the total current liabilities and provisions (including secured loans mentioned above) amount to Rs. 212.66 lakhs. The paid-up capital is unchanged at Rs. 1 crore and is supplemented by reserves and surplus amounting to Rs. 23.52 lakhs.

The Company's Rs. 10 fully paid-up shares have long been stagnant at Rs. 17.48, but this price includes now a dividend of 60 nP for the year 1957-58. On an *ex-div.* basis, the yield on the shares works out to 3.5 per cent. per annum, free of income-tax.

TRAVANCORE OGALE GLASS MANUFACTURING COMPANY, LTD.

SPEECH OF MR. S. C. KARAYALAR

THE Annual General Meeting of the Travancore Ogale Glass Manufacturing Company, Ltd., was held at Manjummel, Alwaye, on 12th June 1959. In the absence of Mr. S. Chattanatha Karayalar, M.P., Chairman of the Company, his speech was read by Mr. K. V. Mathew, Director, who presided over the meeting. The following are extracts from Mr. Chattanatha Karayalar's speech:

"For private enterprises such as ours, it is the profits we make and the dividends the shareholders receive which determine whether or not the Company's working is successful and attract capital so very necessary for the development and expansion of the industry.

"There is ever rising demand for capital all over. Demand for capital arises not only on account of the basic expenditure but also for the ancillary expenditure, such as the provision for labour welfare, safety and hygiene, transport, elaborate office machinery to cope with the increasing controls, regulations and taxes by the Government that is taking a larger and larger share of the total expenditure.

"In the Welfare State today, much emphasis is being placed on security for the individual, for his sickness, old age, even idleness, but for those who invest, there is no security and the return on the capital invested is hardly attractive. The industries have to depend more and more on institutional finance which is claiming its full share of high interest rate. If private investment is to be encouraged and the flow of risk capital increased, I think it worthwhile repeating my suggestion made last year that it is time that a minimum dividend is assured and allowed as a revenue expenditure before arriving at the distributable profit.

"In these days of scarcity and high prices of essential materials, it is of utmost importance that maximum good use is made of the available resources and no wastage is tolerated in any form. In other words, every effort should be made to maintain productivity at the highest level. It is a national duty. I am glad to observe that there are signs of awareness on the part of labour that production is important and their prosperity is linked with that of industry.

"I wish to reiterate that it is the national economic policy to improve the standard of living of the people steadily and this can be achieved only by maximising production of goods, particularly industrial production. This should be the endeavour of the nation as a whole and the major burden falls on the industrial workers who have to put their shoulders to the wheel and strain every nerve to achieve positive results. I am happy that there is growing awareness of this responsibility on all sides and that this will be reflected in all-round production in the coming years."

COMPANY MEETINGS AND DIVIDENDS

SAMASTIPUR CENTRAL SUGAR CO., LTD. Annual General Meeting, Calcutta, 29th June 1959. Dividend: Re. 0.25 per share. Transfer books remain closed from 22nd to 29th June 1959, both days inclusive.

BENGAL-NAGPUR COAL COMPANY, LTD. Annual General Meeting, Calcutta, 2nd July 1959. Dividend: *Nil*. Transfer books remain closed from 22nd June to 2nd July 1959, both days inclusive.

POOBONG TEA CO., LTD. Annual General Meeting, Calcutta, 3rd July 1959. Dividend: *Nil*. Transfer books remain closed from 24th June to 3rd July 1959, both days inclusive.

BENGAL ASSAM STEAMSHIP COMPANY, LTD. Annual General Meeting, Calcutta, 7th July 1959. Dividend: Rs. 6.00 per share. Transfer books remain closed from 24th June to 7th July 1959, both days inclusive.

RADIO AND ELECTRICALS LTD. Annual General Meeting, Madras, 10th July 1959. Dividend: 7½ per cent. or Re. 0.37½ per share. Transfer books remain closed from 27th June to 10th July 1959, both days inclusive.

TRAVANCORE CEMENTS LTD. Annual General Meeting, Kottayam, Kerala State, 10th July 1959. Dividend: 6 per cent. or Re. 0.60 per share. Transfer books remain closed from 20th June to 10th July 1959, both days inclusive.

JAGATJIT COTTON TEXTILES LTD. Annual General Meeting, Calcutta, 10th July 1959. Transfer books will remain closed from 29th June to 10th July 1959, both days inclusive.

KAMARHATTY CO., LTD. Annual General Meeting, Calcutta, 10th July 1959. Dividend: Rs. 5.00 per ordinary share and Rs. 5.00 per "B" ordinary share. Transfer books will remain closed from 1st to 10th July 1959, both days inclusive.

KANKNARRAH CO., LTD. Annual General Meeting, Calcutta, 10th July 1959. Dividend: *Nil*. Transfer books will remain closed from 6th to 10th July 1959, both days inclusive.

PODAR MILLS LTD. Annual General Meeting, Bombay, 10th July 1959. Dividend: Rs. 18.00 per share (includes bonus), payable on and after 11th July 1959. Transfer books remain closed from 23rd June to 10th July 1959, both days inclusive.

HERCULES INSURANCE COMPANY, LTD. Annual General Meeting, Calcutta, 10th July 1959. Dividend: Rs. 2.00 per share. Transfer books will remain closed from 1st to 10th July 1959, both days inclusive.

SHREE SHAKTI MILLS LTD. Annual General Meeting, Bombay, 11th July 1959. Dividend: Rs. 6.00 per share (includes interim dividend of Rs. 5.00 per share). The final dividend is payable on or after the 13th July 1959. Transfer books remain closed from 23rd June to 11th July 1959, both days inclusive.

METAL BOX CO. OF INDIA LTD. Annual General Meeting, Calcutta, 16th July 1959. Dividend: 17½ per cent. free of tax (includes interim dividend 6¼ per cent.). Transfer books will remain closed from 1st to 16th July 1959, both days inclusive.

AMAR DYE-CHEM LTD. Annual General Meeting, Bombay, 16th July 1959. Dividend: *Nil*. Transfer books will remain closed from 1st to 16th July 1959, both days inclusive.

SRI RAMAKRISHNA MILLS (COIMBATORE) LTD. Annual General Meeting, Ganapathy, Coimbatore, 16th July 1959. Dividend: 16 per cent. or Rs. 16.00 per share. Transfer books will remain closed from 3rd to 16th July 1959, both days inclusive.

LARSEN AND TOUBRO LTD. Annual General Meeting, Bombay, 20th July 1959. Dividend: Re. 1.25 per share, payable on or after 27th July 1959. Transfer books remain closed from 19th June to 16th July 1959, both days inclusive.

TESTEELS LTD. Annual General Meeting, Bombay, 20th July 1959. Transfer books will remain closed from 10th to 30th July 1959, both days inclusive.

EAGLE ROLLING MILLS LTD. Annual General Meeting, Calcutta, 25th July 1959. Transfer books will remain closed from 14th to 25th July 1959, both days inclusive.

COORG TEA CO., LTD. Dividend of 20 per cent. or Re. 0.40 per share, for the year ended 31st March 1959. Transfer books will remain closed from 15th to 25th July 1959, both days inclusive.

METTUR INDUSTRIES LTD. Dividend of 25 per cent. or Rs. 25.00 per share, for the year ended 31st March 1959. Transfer books remain closed from 27th June to 15th July 1959, both days inclusive.

BENGAL JUTE MILLS CO., LTD. Dividend of Re. 0.50 per share, for the year ended 30th June 1958.

RELIANCE FIREBRICK AND POTTERY COMPANY, LTD. Dividend of Rs. 4.00 per share, for the year ended 28th February 1958.

COMPANY REGISTRATIONS

TRADE FIELD PRIVATE LTD. (First Director: Mr. B. A. Bachooalli). Business: Common agents and indentors. Authorised capital: Rs. 5,00 000. Private company. Address: 125, Kalyan Building, Sardar Vallabhbhai Patel Road, Bombay.

SYNCOMA LABORATORIES PRIVATE LTD. (First Director: Mr. S. K. V. Walavalkar.) Business: Manufacture, extricate and refine essential oils. Authorised capital: Rs. 5,00,000. Private company. Registered office of the company will be situated in the State of Bombay.

JAYA KRISHNA PRIVATE LTD. (First Director: Shrimati Jayabhai Laxmidas Khatau.) Business: Importers and exporters. Authorised capital: Rs. 5,00.000. Private company. Address: 6, Laxmi Buildings, Ballard Road, Bombay.

SYNOPSES OF COMPANY REPORTS

Radio and Electricals Ltd.

THE directors of the above Company (Managing Director: Mr. A. V. Raghava Rao, Madras) present the audited accounts of the Company for the year ended 31st December 1958.

The working of the Company for the year after providing a sum of Rs. 59,641 (Rs. 67,458) towards depreciation and Rs. 16,000 (Rs. 30,000) for bonus to employees and after setting aside a sum of Rs. 76,405 (Rs. 96,426) towards taxation, resulted in a net profit of Rs. 84,896 (Rs. 1,42,426) to which has been added a sum of Rs. 13,768 (Rs. 27,840) brought forward from 1957 which sum includes of Rs. 3,499 (Rs. 5,695) being excess provision of bonus for 1957 making a total of Rs. 98,664 (Rs. 1,70,266). The directors propose to transfer a sum of Rs. 25,000 (*nil*) from the general reserve to the profit and loss accounts and make the following appropriations:

To reserve for development rebate Rs. 8,606 (Rs. 25,000 to general reserve), to pay a dividend of 7½ (9) per cent. free of income-tax absorbing Rs. 1,12,500 (Rs. 1,34,997) and to carry forward the balance of Rs. 2,558 (Rs. 10,269).

During the year under review there has been a fall in the total sales of transformers and air break switches. This is mainly due to the large number of manufacturers in the field and the resulting keen competition. For want of firm orders and due to paucity of raw materials, the directors have been forced to close down the air break switch department with effect from 1st May 1959.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Gross block	8,39,731
Reserves ...	1,09,431	*Less*—Depreciation ...	2,90,134
Provision for taxation ...	86,000		
Liabilities ...	18,14,076	Net block ...	5,49,597
Profit ...	2,558	Stock-in-trade	21,94,147
		Loose tools	9,000
		Debts, deposits and advances ...	7,40,880
		Investments ...	11,080
		Cash ...	7,361
Rs.	35,12,065	Rs.	35,12,065

Bengal Assam Steamship Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October 1958.

The accounts, after charging all expenses, show a profit of Rs. 4,73,540 (Rs. 47,367), of which taxation provision requires Rs. 2,80,000 (*nil*). The balance brought forward from last year was Rs. 36,387 (Rs. 1,10,020), making a total available for distribution of Rs. 2,29,927 (Rs. 1,57,387). The directors now recommend payment of dividends on preference shares at 7 per cent. per annum absorbing Rs. 21,000 (Rs. 21,000) and on ordinary shares at Rs. 6 (Rs. 5) per share absorbing Rs. 1,20,000 (Rs. 1,00,000) leaving a balance to be carried forward of Rs. 88,927 (Rs. 36,387).

The amount of jute exported to India from Pakistan was again less than in previous years, and the Company's income from this source suffered accordingly. During the year 67,068 tons of coal were carried from Calcutta to East Pakistan, a tonnage slightly less than that carried in 1957. For the first time in the history of the Company, however, freight income was supplemented by earnings on cargo carried to and from Assam with the result that gross freight receipts were higher than in 1957.

At the time of the directors' report last year, the first flotilla was loading cargo for Assam. Since then a number of flotillas have travelled to Assam and back; the venture has been successful and the Company's entry into the Assam trade is established. For operational purposes the Company is acting in conjunction with the Indian Shipping Co., Ltd., so far as Assam is concerned; by this combined operation, it is possible for both Companies to provide shippers with a better service than would otherwise be the case. Assam traffic will become the main business of the Company, but it is necessary to comment that the lower river levels in Assam affect the rate of turn round of the fleet. The next few years are bound to be difficult for the Company as the Assam trade route is highly competitive.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,00,000	Gross block	1 22,58,916
Reserves ...	99,30,970	*Less*—Depreciation ...	20,71,765
Provision for taxation ...	1,25,755		
Liabilities ...	*16,95,469*	Net block	1,01,87,151
Profit ...	88,927	Stores ...	25,951
		Debts, deposits and advances ...	8,40,825
		Investments	2,56,166
		Cash ...	28,31,028
Rs.	1,41,41,121	Rs.	1,41,41,121

Bengal-Nagpur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a profit, after charging all expenses, of Rs. 33,306. The debit balance brought forward from the previous year was Rs. 1,39,041 leaving a debit balance to be carried forward of Rs. 1,05,735.

Raisings from the 15 seam quarry during the year amounted to 5,592 tons and despatches totalled 5,329 tons. Raisings from this quarry have increased since the period under review. Preparations for stowing in No. 10 seam are continuing, although there has been some difficulty in obtaining *import licences for the limited items of plant* which have to be imported.

Permission having been received to work 5, 6 and 7 seams in the rise area of the Bhuggutdih property, a start has been made with this project and it is hoped that raisings will be at a material level by the end of the current year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,25,000	Gross block	24,41,502
Reserves* ...	4,09,833	*Less*—Depreciation ...	22,16,745
Provision for taxation ...	303		
Liabilities ...	1,25,081	Net block ...	2,24,757
		Debts, deposits and advances, etc.	85,748
		Investments	3,56,273
		Cash ...	93,444
Rs.	7,60,222	Rs.	7,60,222

*Reserves are shown after deducting *Rs. 1,05,735 being* the debit balance in the profit and loss account.

Travancore Cements Ltd.

The directors of the above Company (Managing Agents: Essel Private Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts for the year 1958 show a profit of Rs. 5,83,192 (Rs. 5,18,136) to which has to be added the amount brought forward from 1957 of Rs. 3,24,681 (Rs. 7,08,101) making a total of Rs. 9,07,873 (Rs. 12,26,237). From this amount the directors have transferred to reserve for taxation Rs. 3,00,000 (Rs. 6,01,556) and to reserve for contingencies Rs. 40,000 (*nil*) leaving an available balance of Rs. 5,67,873 (Rs. 6,24,681). The directors now recommend the payment of a dividend at 6 (6) per cent. per annum (free of income-tax) for the year 1958 which will absorb Rs. 3,00,000 (Rs. 3,00,000) leaving to be carried forward to next year Rs. 2,67,873 (Rs. 3,24,681).

In their last report the directors had stated that the matter of fixing fair price of cement was before the Tariff Commission appointed by the Government of India. The directors are glad to inform that on the recommendations of the Tariff Commission, the Government of India have fixed the ex-works price as Rs. 80.50 per ton loose with *effect from 1st July 1958*, which is Rs. 7.50 per ton more than the previous rate. This new rate will be in force for three years.

White Cement Scheme.—All the erection works of the white cement plant have been completed and trial runs have been started on 5th May 1959. The regular commercial production of white cement will be started within about a fortnight.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs
Capital ...	50,00,000	Gross block	1,05,03,900
Reserves ...	9,41,423	*Less*—Depreciation ...	52,37,585
Liabilities ...	53,30,735		
Profit ...	2,67,873	Net block	52,66,315
		Expenditure in-progress	29,08,359
		Stores, etc	21,15,289
		Stock of cement ...	4,11,141
		Loose tools	66,137
		Raw materials ...	41,337
		Debts, deposits and advances ..	4,49,643
		Investments	25,333
		Cash ..	2,56,477
Rs.	1,15,40,031	Rs.	1,15,40,031

Shree Shakti Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Podar Sons Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1958.

The profit for the year [after providing for bonus Rs. 2,50,000, managing agents' commission Rs. 54,613 (Rs. 6,223) and depreciation Rs. 10,00,000 (Rs. 4,00,000)] amounts to Rs. 1,89,473 (Rs. 3,91,710) to which is added the balance brought forward from last year of Rs. 4,548 (Rs. 7,256), making a total of Rs. 1,94,021 (Rs. 3,98,966). Deducting therefrom the amount transferred to development rebate reserve of Rs. 40,000 (*nil*), provision for wealth tax Rs. 15,000 *(nil) and shortfall in additional amount* paid to preference shareholders for the year 1956 Rs. 6,144 (Rs. 27,591) there is a balance to be carried forward to next year of Rs. 1,32,877 (Rs. 4,548 after transferring Rs. 2,16,827 to investment reserve fund and after paying a dividend of Rs. 6.00 per ordinary share absorbing Rs. 90,000 and Rs. 60,000 as dividend on preference shares). A sum of Rs. 75,000 (free of income-tax) has been paid as interim dividend for the year 1958 on ordinary shares, and a sum of Rs. 30,000 has been paid as interim dividend on 6 per cent. (free of income-tax) redeemable cumulative preference shares out of taxed profits of the past years by drawing a sum of Rs. 1,05,000 from the reserve fund. The directors recommend payment of the following dividends for the year ended 31st December 1958, out of the taxed profits of the past years credited to reserve fund.

Final dividend on 10,000 6 per cent. (free of income-tax) redeemable cumulative preference shares at Rs. 3 per share, free of income-tax absorbing Rs. 30,000 and final dividend on 15,000 ordinary shares at Re. 1 per share [making a total of Rs. 6 (Rs. 6) per share for the year] free of income-tax absorbing Rs. 15,000.

The directors have transferred a sum of Rs. 50,000 from the dividend equalisation fund and *a sum of Rs. 40,000* from provision for taxation to the preference shares dividend equalisation fund, which makes a total of Rs. 1,20,000 to the credit of the *preference shares dividend equalisation* fund.

Considering the trend of the working results of the art silk industry in general, the directors consider the working of the Company during the year under review as satisfactory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Gross block	73,21,635
Reserves ...	6,33,703	*Less*—Depreciation ...	32,19,762
Provision for taxation ...	15,000		
Liabilities ...	1,34,90,263	Net block	41,01 873
Profit ...	1,32,877	Stock-in-trade	74,06,238
		Stores and spare parts	9,54,271
		Other assets	2,946
		Debts, deposits and advances ...	41,82,459
		Investments	21,202
		Cash ..	1,02,854
Rs.	1,67,71,843	Rs.	1,67,71,843

Calcutta Gas Co., (Proprietary) Ltd.

The directors of the above Company (Secretaries: Messrs. Soorajmull Nagarmull, Calcutta) submit the audited accounts of the Company for the year ended the 30th September 1958.

The accounts show a profit of Rs. 8,71,003 (Rs. 8,11,251) which together with a sum of Rs. 36,656 (Rs. 33,430) brought forward from the last year gives a profit of Rs. 9,07,659 (Rs. 8,44,681). A sum of Rs. 5,87,658 being the dividend pertaining to the Company from the subsidiary Company for the year ending 30th June 1957 (free of tax) on the holding of shares has been taken credit of in the accounts of the Company. A sum of Rs. 3,18,000 (Rs. 3,59,000) for taxation and Rs. 6,000 (Rs. 11,000) for wealth tax have been provided in the accounts leaving a profit of Rs. 5,83,660 (Rs. 4,74,681) which the directors recommend to be disbursed as follows:—

To payment of a dividend on 30,000 (taxable) redeemable preference shares for the year ended 30th September 1958 at 5½ per cent. (less income-tax) absorbing Rs. 1,13,025 (Rs. 1,13,025), to payment of a dividend at 5 (5) per cent. on 6,50,000 "A" and "B" ordinary shares for the year ended 30th September 1958 (free of tax) absorbing Rs. 3,25,000 (Rs. 3,25,000), to write off brokerage and commission *Rs. 50,000 (nil)* and to carry forward Rs. 95,635 (Rs. 36,656).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	95,00,000	Gross block	1,042
Debentures ...	30,00,000	*Less*—Depreciation ...	782
Reserves ..	1,00,000		
Provision for taxation ...	6,12,445	Net block ...	260
Liabilities ...	21,87,564	Debts, deposits and advances ...	29,14,317
Profit ...	95,635	Investments	1,16,15,599
		Cash ...	9,15,468
		Brokerage and commission	50,000
Rs.	1,54,95,644	Rs.	1,54,95,644

Coimbatore Pioneer Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. T. R. Narayanaswamy Naidu & Co., Coimbatore) submit the audited accounts of the Company for the year ended 31st December 1958.

The year's working has resulted in a profit of Rs. 10,88,679 (Rs. 7,64,785) after providing Rs. 1,41,775 (Rs. 1,28,450) for development rebate on the new machineries erected and commissioned to work during the year, and writing off the normal and shift depreciation at income-tax rates amounting to Rs. 5,05,293 (Rs. 8,78,869). During the year under report the company has paid the balance of four months bonus payable to employees as per the award of the Industrial Tribunal for the year 1956, and also five months bonus to the employees for the year 1957. The aggregate of bonuses paid during the year amounts to Rs. 3,93,207. Adding to the net profit, the balance of Rs. 599 (Rs. 13,314) brought forward from the previous year a sum of Rs. 10,89,279 (Rs. 10,98,099 after including Rs. 3,20,000 transferred from contingency reserve) is available for disposal which the directors recommend to be disposed of as under:

To proposed provision for taxes Rs. 6,75,000 *(Rs. 5,76,000)*, 6½ per cent. (tax free) dividend on cumulative preference shares Rs. 6,500 *(Rs. 6,500)*, proposed dividend on equity shares tax free at 20 (20) per cent. Rs. 4,00,000 (Rs. 4,00,000) and balance to be carried forward to the next year Rs. 7,779 (Rs. 599 after providing Rs. 1,00,000 to contingency reserve and Rs. 15,000 for donation to political party fund).

The mill at Peelamedu has worked in multiple shifts for 304 days with an installed capacity of 27,226 ring spindles spinning 40s, 60s, 80s, and 100s yarn. The existing old spindles are being changed over with A-500 casablancas High Draft System.

The 'B' Mills at Perianaickenpalayam has worked in double shift for 304 days with an installed capacity of 11,880 ring spindles spinning 20s and 26s cotton and staple fibre yarn. The construction of reeling shed—*Creche—Canteen—Compound* wall is to be taken up during this year.

During the year under report, there was power-cut between the months January 1958 to end of June 1958 ranging from 25 per cent. to 75 per cent. The generators installed in the mills were fully used during the said period to supplement hydro-current.

There were fluctuations in the cotton and yarn markets during the year, and the Company had also its share of difficulties in the movement of yarn. Due to introduction of allotment system for the import of foreign cotton, required quantity of foreign cotton was not allotted by the Government and as such the Company had to purchase Indian cotton for spinning 40s and 60s counts of yarn at Peelamedu Mills.

The directors are glad to report that in the circumstances, the profit earned by the Company have been satisfactory. The relations with the labour have been very cordial throughout the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Gross block	88,45,800
Reserves ...	19,70,225	*Less*—Depreciation ...	49,14,914
Provision for taxation ...	10,44,366	Net block ...	39,30,886
Liabilities ...	55,28,294	Stock-in-trade	22,27,926
Profit ...	7,779	Stores and spares ...	2,64,326
		Debts, deposits and advances ...	16,58,556
		Investments ...	24,09,773
		Cash ...	1,59,197
Rs.	1,06,50,664	Rs.	1,06,50,664

Ahmadpur-Katwa Railway Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

Capital.—The total capital outlay on final heads remains the same as at the close of the previous year, viz., Rs. 20,64,730. The capital subscribed by the shareholders, amounts to Rs. 17,24,000 and the gross capital outlay, inclusive of suspense heads to Rs. 20,65,116, the balance being met by means of temporary loans from the Government of India and also from revenue account.

Revenue.—The gross earnings for the year amounted to Rs. 5,73,995 while the working expenses totalled Rs. 6,27,739 as compared with Rs. 5,52,308 and Rs. 5,20,877 respectively for the previous year. The net loss of Rs. 53,744 have been carried to net revenue account. Under this account after including shares transfer fees and allowing interest payable on the loan from Government and other charges there is a deficit of Rs. 64,479 which together with the amount required for guaranteed interest at 3½ per cent. per annum on share capital calls for a total subsidy of Rs. 1,24,819 in terms of the Agreement with the Government of India. Thus after meeting the deficit from the Government subsidy the net profit comes to Rs. 60,340, but after providing Rs. 35,575 for taxation (which includes wealth tax of Rs. 4,500) a balance of Rs. 24,765 only is available. The directors therefore recommend payment of a dividend at the rate of Rs. 2.25 nP per cent. per annum (less income-tax) which will require Rs. 26,571 the deficit of Rs. 1,806 being met from reserve.

Working Expenses.—Compared with the previous year the total working expense show a net increase of Rs. 1,06,862 which is *mainly* due to repairs to flood damaged bridges, increased cost of stores, renewal of sleepers, higher cost and consumption of coal, as also loss on foodstuff.

Coaching.—The receipts under this head amounted to Rs. 4,55,567 for the carriage of 10,41,647 passengers as compared with Rs. 4,30,081 and 9,65,598 passengers for the previous year.

Goods.—Earnings form this source totalled Rs. 1,13,828 for 9,33,828 maunds of goods as against Rs. 1,01,948 for 8,42,066 maunds for the previous year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,24,000	Fixed assets	16,35,476
Reserves ...	4,944	Stores ...	386
Provision for taxation ...	9,223	Debts, deposits and advances ...	1,28,239
Liabilities	8,75,821	Investments	2,75,402
		Cash ...	1,45,231
		Miscellaneous expenditure and losses	4,29,254
Rs.	26,13,988	Rs.	26,13,988

Seebpore Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a profit, after charging all expenses, of Rs. 3,40,607 (Rs. 3,15,988) of which taxation provision requires Rs. 2,10,000 (Rs. 2,10,000) leaving a balance of Rs. 1,30,607 (Rs. 1,05,988). With the balance brought forward from last year of Rs. 48,188 (Rs. 52,200) there is a total amount available for appropriation of Rs. 1,78,795 (Rs. 1,58,188). The directors have transferred to *development rebate reserve* Rs. 2,526 *(nil)*, to capital reserve Rs. 12,318 (nil) and to general reserve Rs. 30,000 (Rs. 20,000) leaving a balance of Rs. 1,33,951 (Rs. 1,38,188). The following interim dividends were paid on 24th November 1958: At Rs. 2.50 per preference share absorbing Rs. 10,000 (Rs. 10,000) and at Re. 0.75 (Re. 0.75) per ordinary share absorbing Rs. 30,000 (Rs. 30,000). The directors now recommend payment of final dividends at Rs. 2.50 per preference share absorbing Rs. 10,000 (Rs. 10,000) and at Re. 1.00 (Re. 1.00) per ordinary share absorbing Rs. 40,000 (Rs. 40,000) leaving a balance to be carried forward of Rs. 43,951 (Rs. 48,188).

Wealth tax in respect of the year ended 31st December 1958, is estimated to amount to Rs. 6,500, and this has been provided for by transfer from capital reserve.

Raisings for the year were 77,909 tons as compared with 78,937 tons in the previous year, whilst despatches totalled 80,894 tons as against 76,326 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,80,000	Gross block	29,63,206
Reserves ...	9,63,442	*Less*—Depreciation ...	20,19,618
Provision for wealth tax	13,062		
Provision for taxation ...	5,73,445	Net block ...	9,43,588
Liabilities ...	4,10,718	Stock of coal	27,392
Profit ...	43,931	Stores and spare parts	93,694
		Debts, deposits and advances ...	10,86,876
		Investments ...	3,26,814
		Cash ...	2,06,284
Rs.	26,84,648	Rs.	26,84,648

Raipur Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Lalbhai Dalpatbhai & Co., Ahmedabad) present the audited accounts of the Company for the year ended 31st December 1958.

The profit for the year [after providing Rs. 8,74,910 (Rs. 7,87,018) for depreciation and statutory development rebate reserve and Rs. 12,00,000 (Rs. *9,26,000*) for tax provision] amounts to Rs. 96,394 (Rs. 30,910).

To this is added last year's balance brought forward of Rs. 105 (Rs. 1,77,073) and amount transferred from reserve fund of Rs. 6,84,825 (Rs. 2,90,584) making a total of Rs. 7,81,324 (Rs. 7,30,930 including Rs. 1,30,000 transferred from dividend equalisation fund; Rs. 1,00,000 transferred from contingency fund and Rs. 2,363 being surplus from preference dividend account). The interim dividend on the 30,000 (20,000) ordinary shares for the year 1958 at Rs. 12.50 (Rs. 12.50) absorbed Rs. 3,75,000 (Rs. 2,50,000) leaving a balance of Rs. 4,06,324 (Rs. 4,80,930). The directors recommend the payment of a final dividend of Rs. 12.50 (Rs. 22.50 including bonus of Rs. 10.00 per share) per ordinary share, income-tax free, on 30,000 *(20,000)* ordinary shares for the year ended 31st December 1958 absorbing Rs. 3,75,000 (Rs. 4,50,000), to the payment of a dividend on 5,000 4½ per cent. cumulative preference shares for the year ended 31st December 1958 (less income-tax) absorbing Rs. 15,412 (Rs. 15,412) and to the payment of a dividend on 5,000 4½ per cent. 'B' class redeemable cumulative preference shares for the year ended 31st December 1958 (less income-tax) absorbing Rs. 15,413 (Rs. 15,413) leaving to be carried forward to next year's account Rs. 499 (Rs. 105).

During the year under review, the one factor which has contributed for satisfactory results is cheaper cotton. If this factor had not so operated, *the results would not have been as favourable* because of a steep rise in the wages and the prices of stores and chemicals.

The country has been passing through difficult times particularly in reference to the availability of the foreign exchange, with the result that foreign cotton has been scarce and the Company was forced to rely on Indian cotton in order to keep the mills working.

The installed capacity of the mills is 31,120 ring spindles, 1,708 doubling spindles and 640 looms with complete dyeing and bleaching plants.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Gross block	1,21,92,433
Reserves ...	96,05,783	*Less*—Depreciation ...	71,71,030
Provision for taxation ...	34,54,258		
Liabilities ...	59,00,524	Net block ...	50,21,403
Profit and loss account ...	499	Stock-in-trade	62,95,357
		Stores, etc. ...	11,31,342
		Debts, deposits and advances ...	54,20,291
		Investments	49,51,115
		Cash ...	1,41,556
Rs.	2,29,61,064	Rs.	2,29,61,064

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

Notices

PUBLIC AUCTION

THE MACHINERY OF THE PATIALA Banaspati and Allied Products Company Limited (In Liquidation) will be auctioned on the 13th August 1959 at 10 a.m. at Doraha. The Terms and Conditions are as follows:

1. Reserve Price Rs. 2 lacs.
2. Sale will be subject to the confirmation of the High Court.
3. 25 per cent. of the bid will have to be deposited immediately on the fall of the hammer and the balance of 75 per cent. will have to be paid within one month of the communication of the sanction by the High Court. On failure to pay the balance amount within the time prescribed the deposit of 25 per cent. will be forfeited.
4. The purchaser shall remove the machinery, etc., within the three months of the confirmation of the sale by the High Court at his own cost. In default the purchaser shall have to pay Rs. 300 per mensem on account of rent and other expenses for the period he does not remove the machinery.

The machinery can be inspected by the intending purchasers at Doraha at their own expense.

BANK OF PATIALA,
Official Liquidators of the Patiala Banaspati & Allied Products Company Limited (In Liquidation), Patiala.

BALMER LAWRIE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Monday, the 13th July, 1959, at noon, to consider the Accounts of the Company for the year ended 31st December, 1958, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 24th June, 1959 to 13th July, 1959, both days inclusive.

By Order of the Board,
D. MANSON,
Secretary.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *17th June*, 1959.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

THE MYSORE SPINNING AND MANUFACTURING COMPANY LIMITED

NOTICE

THE TRANSFER BOOK OF THE ABOVE Company will remain closed from Saturday the 18th July 1959 to Friday the 24th July 1959 (both days inclusive), in connection with the issue of 9,934 Ordinary Shares of Rs. 50 each at par to those Shareholders whose names stand on the Register of Members of the Company on the 18th July 1959 in the proportion of one such Ordinary Share for every five Ordinary Shares held by them as on that date.

By Order of the Board,
N. SIRUR & Co. PRIVATE LTD.,
Managing Agents,
N. D. SIRUR,
Managing Director.

TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, *16th June* 1959.

NATIONAL RAYON CORPORATION LIMITED

TWELFTH ANNUAL GENERAL MEETING

SPEECH OF THE CHAIRMAN, MR. KASTURBHAI LALBHAI

THE view that there is considerable scope for expansion of rayon industry and that this can be achieved in the shortest possible time by permitting the existing plants to expand was expressed by Mr. Kasturbhai Lalbhai, Chairman of the National Rayon Corporation Ltd., while addressing the Twelfth Annual General Meeting of the Company held at Bombay on Thursday, 25th June, 1959. In support of this view, the Chairman pointed to the continuing increase in the demand for rayon yarn, as a result of curtailment of imports and improvement in *per capita* consumption of rayon fabrics following the rise in population. He felt that the domestic demand for rayon yarn would be substantially higher by the end of the third Five-year Plan.

The full text of the Chairman's speech is reproduced below.

"GENTLEMEN,

"I have great pleasure in welcoming you this afternoon and presenting to you for adoption the twelfth Directors' report and the audited statements of accounts for the year ended 31st December 1958. I do not think you would wish these read as they have been in your hands for quite some time now.

"The amount of Rs. 44,63,247 stated as available for appropriation in the Directors' report has to be increased by a sum of Rs. 5,70,901 as already explained to you in the circular letter dated 22nd May 1959. The circumstances under which this additional sum has become available for appropriation have also been explained and I do not think I need cover the ground again. I believe the amended recommendations will also have your approval.

Larger Production

"The total turnover for the accounting year was higher by about a crore of rupees than the corresponding figure of the preceding year. The higher production of rayon yarn, sulphuric acid and carbon disulphide, a slightly better return for the rayon yarn sold and the additional availability for sale of the by-products, such as hydrochloric acid and chlorine, of the caustic soda chlorine plant, were principally responsible for this higher turnover. On the expenses side, the total cost of raw materials stands at a figure considerably lower than that of last year, which apparently looks anomalous in the light of the higher production. This, as explained by the auditors in their note, is due to the expenses for manufacturing of caustic soda and other chemicals being debited to the respective heads and not to the raw materials account. Consequently, the corresponding figures of the previous year are not comparable. The caustic soda manufactured at the Company's plant constituted a major portion of the total consumption of this chemical in the main rayon plant, but only the cost of salt used in the manufacture of the said caustic soda, which is negligible, has gone to the debit of the raw materials account. The cost of fuel, power, labour, etc., has been debited to the respective heads. This aspect, together with the lower cost of some of the other raw materials and greater efficiency, mainly accounts for the lower figure.

Expenses

"The amount of salaries, wages and bonus paid for the year is up by about 30 per cent. This increase is principally due to the extra staff and labour engaged for operating the additional capacity of the rayon, sulphuric and carbon disulphide plants and also payment to the staff and labour employed on the caustic soda plant, together with half a month's extra bonus paid to all the employees of the Company for the year 1958, as compared to the year 1957.

"The distribution expenses in the accounts appear to have increased by more than 100 per cent., which, however, is not a fact. There has been some increase in the expenses due to larger sales and also to the additional expenses the Company had to incur for forwarding chlorine, hydrochloric acid and other by-products of the caustic soda plant. However, a major portion of the increase is because of the changed mode of charging and invoicing the sales of rayon yarn and the Company's other products outside Bombay. Till October, all the selling prices of the Company were fixed on f.o.r. Bombay basis, and forwarding charges incurred were recovered from the upcountry customers. Since October, however, the Company started charging the upcountry customers on f.o.r. destination basis, correspondingly increasing the price of yarn and other products to the extent of the forwarding charges. The additional amount thus received is reflected in the sales turnover, whereas the forwarding charges incurred for such upcountry customers have gone to inflate the distributing expenses.

Outlook for Rayon Yarn

"The market for rayon yarn continues to be good and it appears the position is likely to continue for quite a few years to come as a result of the curtailment of imports for conserving foreign exchange. On the other hand, the demand for rayon yarn is increasing day by day, possibly due to higher *per capita* consumption of rayon fabrics and to the increase in the population of the country. I believe that by the end of the third five-year Plan, that is, by the end of 1966, the country's demand for rayon yarn is likely to increase substantially. In my opinion, therefore, there is considerable scope for expansion of the rayon industry and this can be achieved in the shortest possible time by permitting the existing plants to expand.

"You must be aware of the new proposals contained in the Finance Act whereby from next year the shareholders will not be entitled to get credit for the income-tax paid by the Company to the Government. The additional amount required for giving equivalent benefits to the equity shareholders is almost equal to the reduction in income-tax and corporation tax, as also the savings due to the abolition of excess dividend tax and wealth tax. As far as our Company is concerned, therefore, the change in the system of corporate taxation does not very much affect us. As far as the new tax measures are concerned, I wish the Government had followed the good lead and abolished the tax on issue of bonus shares also which was placed on the statute as a corollary to the excess dividend tax, which now stands cancelled.

"As already referred to in the Directors' report, the tyre cord scheme of the Company was held up for quite some time due to certain difficulties beyond our control. It has been possible for the Company to have this matter straightened out and I am glad to inform you that we are going ahead with our project to implement this tyre cord scheme. Our top technicians would shortly proceed to U.S.A. to confer with the consultants over there for finalising the bills of materials, etc., and it is expected that, if everything goes according to schedule, we will be in production on the proposed tyre cord plant sometime in 1961. The total cost of the plant is expected to be in the neighbourhood of Rs. 3 crores, out of which an amount of about Rs. 1.2 crores would be available by way of credit under deferred terms payment.

"A few months back, workers in one of the rayon factories were reported to have struck work without giving notice, completely paralysing the operation of the plant. Such lightning strikes affect the working of chemical plants and much more so of plants which have a continuous and uninterrupted working. In a rayon plant, especially a lightning strike, not only involves loss of production for the period the workers abstain from working, but creates problems if some persons are not available for draining off of certain chemicals which, if allowed to remain in the system, would choke up the pipes, valves, etc., clearance of which alone would take considerably long periods. Representations have, therefore, been made to the Government to amend suitably the Industrial Disputes Act and make it compulsory for the workers in chemical industry like ours to give sufficient notice before they go on strike. We hope the Government would accede to our request.

Housing for Labour

"You will also be pleased to note that, while we are engaged in the expansion of our productive capacity year by year, we have been equally conscious of the requirements of our labour and staff also. The number of houses provided for the workers and staff as on date is 673. We have also recently sanctioned a scheme for constructing 377 tenements at a total cost of about Rs. 30 lakhs. The township at the plant is equipped with amenities such as continuous water-supply, underground drainage, electricity and enough open space and other facilities for outdoor and indoor games.

"I take this opportunity of expressing my appreciation of the very good work done by the workers and the staff, technical and non-technical alike, whose efficiency, loyalty and co-operation have contributed in no small measure to the satisfactory working of the Company.

"With these few words, I commend the report and the statements of accounts for adoption and propose the following resolution:—

Resolution

'The Twelfth Annual Report and the Statements of Accounts for the year ended the 31st December 1958, be and they are hereby adopted.'

"Thank you, gentlemen."

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

THE
BANK OF NAGPUR LTD.

Head Office:
217, Kingsway, Nagpur

Chairman:
SETH NARSINGDAS FATECHAND MOR.

Founded by:
LATE SETH JAMNALAL BAJAJ
at the Instance of Mahatma Gandhi at Wardha

Oldest Scheduled Bank of VIDHARBHA

BRANCHES IN BOMBAY STATE

1. Amravati.	8. Pulgaon.
2. Arvi.	9. Nagpur-Sitabuldi.
3. Chanda.	
4. Dhamangaon.	10. Wardha.
5. Gondia.	11. Warora.
6. Hinganghat.	12. Wani.
7. Nagpur City.	13. Yeotmal.

BRANCHES IN MADHYA PRADESH

1. Durg.	2. Rajnandgaon.

All types of Banking business transacted.

DEPOSITS RECEIVED AT ATTRACTIVE RATES.

S. N. BHOOT, B.Com.,
General Manager (Offg.).

ENGINEERING

(*Concluded from page 1072*)

of the Netherlands while steel output in Luxembourg remained practically unchanged. In the U.K., steel output in the first quarter of 1959 with 4.7 million tons was over 850 thousand tons or 15 per cent. below the corresponding production in 1958. However, there has been a marked upward trend in recent weeks. In fact, the improvement in U.K. steel production began in March 1959 and continued during April, when the weekly average output was only 5 per cent. below that of April 1958. According to the Iron and Steel Board, the steel furnace capacity used in April 1959, which was approaching 82 per cent., increased by about 6 per cent. as compared with the previous month. In Eastern Europe steel output continued to increase during the first three months of 1959, the report says. In U.S.S.R., there was an increase of 1.2 million tons or 9 per cent. as compared with the first quarter of 1958. Production increases during the same period in Poland and Czechoslovakia amounted to 10 per cent.

During the first quarter of 1959, the U.S. steel output with 27.7 million tons was over 10 million tons higher as compared with the corresponding period of 1958 and represents an annual rate of production of over 110 million tons. This would be 5 million tons more as at present existing record steel production attained in 1955.

MONEY PLENTIFUL

(From Our Own Correspondent)

BOMBAY, 24th *June*

Extremely easy conditions prevails in the short-term money market. There has been a precipitous fall in the inter-bank call money rate, followed by a modest recession in term money rates also. The return of funds that usually takes place during the slack season has been heavier than expected, with the result that the banks are confronted with a large surplus of funds with no immediate outlet for them. In the inter-bank section, there are hardly any borrowers and the rate has slumped to 2 per cent. for renewals and 1½ per cent. for fresh money. Some business was reported today even at 1½ per cent. The rate offered by the small banks, however, is higher by ¼ per cent., as usual. These rates compare with 3 per cent. a week ago and 3½ per cent. to 3¾ per cent. a month ago.

In the term money section, house money at seven days' notice fetches no more than 3¼ to 3½ per cent., with banks being very reluctant to accept these deposits. The rate quoted is mostly for renewal of funds held by their esteemed clients. One to six months deposits are norminally quoted at 3½ to 4 per cent.

The response to Treasury Bills offered this week, however, does not reflect the extremely easy money conditions described above. This is not surprising, because, with the list for the new loans of the Government of India due to open on 1st July, institutional investors must be conserving their funds for the new loans. The amount offered was no more than Rs. 2 crores, the same as that invited. This suggests that the offer must have come from special sources, in order to keep the Treasury Bill market going. The average rate of accepted tenders is, however, a shade lower at 2.760 per cent., as compared with 2.764 per cent. per annum a week ago. The sales of these bills are being continued next week also, the amount invited being unchanged at Rs. 2 crores. For the second week in succession, i.e., between 17th June and 20th June 1959, Rs. 7 lakhs worth of intermediate Treasury Bills were sold. This amount also is the same as that in the previous week. Naturally these bills also are being offered in the coming week, i.e., from 24th June 1959 to 4th July 1959, the rate being at 99.326 per cent.

The Reserve Bank's statement for the week ended 19th June 1959 reveals a fall of Rs. 16 crores in notes in circulation and a rise of Rs. 16.86 crores in the notes held in the Banking Department. Consequently, the total notes issued is up by only Rs. 86 lakhs. There is no change in foreign securities, but balances held abroad have fallen by Rs. 2.39 crores, so that the total foreign exchange reserves of India have shrunk to Rs. 193.61 crores. The Central Government deposits are lower by Rs. 2.74 crores at Rs. 49.89 crores, while those of other Governments are higher by Rs. 8.36 crores at Rs. 18.29 crores. Reflecting the growth in the resources of banks, their deposits with the Reserve Bank have improved by Rs. 7.21 crores to very nearly Rs. 80 crores and their borrowings from the Bank are slightly lower. There are no other significant changes in the statement under analysis.

The latest available statement of the Scheduled banks is that for the week ended 12th June 1959, which, as compared with that for the previous week, discloses an all-round rise in deposits, the share of demand and time deposits being Rs. 9.13 crores and Rs. 2.89 crores, respectively. Borrowings from the Reserve Bank have fallen from Rs. 9.52 crores to Rs. 4.95 crores. Advances are practically unchanged at Rs. 861 crores, but bills purchased and discounted have declined by Rs. 3.25 crores to Rs. 105.71 crores. Investments reveal a negligible rise, while total cash balances are down by Rs. 2 crores. Money at call and short notice, however, has gone up by Rs. 1.73 crore.

The gilt-edged market was firm, with values moving up by 5 to 20 nP during the week under review. The turnover, however, was small, as sellers were reserved. While the Reserve Bank was not a seller in any of the loans, it was prepared to buy short-dated loans, with maturity from 1959-61 to 1962. As the rates offered by the Bank for these loans were, however, a few naye paise below those quoted in the market, no worthwhile business was done with the Bank in these securities. So for all practical purposes the Reserve Bank was out of the market.

Among Central Government loans, a gain of 20 nP has taken place in 2½ per cent. 1961 and 2½ per cent. 1960, as these loans were in demand from those institutional investors which are unlikely to convert their 3 per cent. 1959-61 into the new loans. Another loan to register a significant rise was 3¾ per cent. 1974, the rise over the week being 15 nP. This apparently is the effect of the terms for the new long-dated loan which are relatively more in favour of the borrower. While the loans maturing eight to nine years from now are unchanged, those of a shorter duration have recorded a gain of 5 nP.

Some activity was noted in the 4½ per cent. 1970 loans of Madras, Andhra, Uttar Pradesh, Madhya Pradesh, Bihar, Orissa, Mysore and Rajasthan; as a result, their values have gone up by 5 to 10 nP.

In the foreign exchange section, there has hardly been any change over the week in the rupee-dollar rate. The banks' selling rate for ready T.T. is Rs. 475.75 for $100 and their buying rate Rs. 472.50. Canadian dollars appreciated by Re. 1.50, from Rs. 497.50 to Rs. 499.00 per $100 for banks' selling and from Rs. 490.00 to Rs. 491.50 for banks' buying. Sterling was a shade higher in New York at 281.29-281.32 cents per £ for spot and at 281.10-281.13 cents for three months' forward.

BULLION EASY

(From Our Own Correspondent)

BOMBAY, 24th *June*

The firm trend noted in the bullion market last week abated during the week under review. In fact, the market ruled distinctly easy throughout the week, except yesterday when there was a slight recovery. Arrivals of both gold and silver were quite large, while offtake was not much. Early in the week, the white metal encountered selling induced by reports of import duty having been paid on Tibetan coins. Yesterday, silver showed a hardening tendency, owing to speculative demand from Calcutta. In sympathy with this metal and on Press reports from London speculating on the prospects of a devaluation of the U.S. dollar, gold also evoked fresh buying. Today, again, the metal was easy, as follow-up support was not forthcoming.

The only outstanding feature of the week was the strong grip the bulls had over the maturing settlement. They mulcted the bears to the extent of Rs. 2-15 per tola for carrying forward their sales.

June settlement in gold went off the board on Monday the 22nd inst. when it stood at Rs. 120-8, as against Rs. 121-2-6 at the close of last week. Business in this contract had commenced on 27th March at Rs. 117-4-6. July contract moved down from Rs. 118-6-6 to Rs. 117-6 on Monday and, after recovering to Rs. 118-4-6 today, sagged to close at Rs. 117-7-6. The backwardation rate (*budli* in favour of bulls) for June settlement widened considerably from As. 15 on Wednesday last to Rs. 2-15 on Monday this week. August contract receded in the course of the week from Rs. 117-11-6 to Rs. 116-14-6.

Ready gold came in for selling and declined from Rs. 121-0-6 to Rs. 119-12 on the 20th inst. Thereafter, it improved and touched Rs. 120.12 yesterday. Today, however, it fell to Rs. 119-10 before recovering to Rs. 119-10-6. The daily average arrivals of gold were 4,200 tolas, while the offtake was 2,400 tolas. The floating stocks of gold are reported to be around 20,000 tolas.

In the silver section, June settlement ran out yesterday at Rs. 194-1, as against Rs. 195 last week-end and Rs. 198-15 at which business in this settlement commenced on 26th March. July settlement retreated from Rs. 194-1 to Rs. 193-2 on Monday, but recovered subsequently to Rs. 194-4 today before finishing at Rs. 194. The backwardation rate for June settlement was just As. 2 yesterday, that a week ago being Rs. 15. August settlement, after declining from Rs. 193-4 to Rs. 192-12, improved to Rs. 193-10 today. Towards the close, it was easy at Rs. 193-5.

Ready silver slided back from Rs. 195-1 to Rs. 193-2 on Monday. After recovering to Rs. 194-4 today, it finished lower at Rs. 194. The daily average arrivals and offtake of silver were 13 bars and 9 bars, respectively. The floating stocks of silver are estimated at 500 bars.

Ready and forward silver in the London bullion market were both unchanged during the week, the former at 78¼*d.* per ounce and the latter at 77¾*d.* Silver in New York, too, was unaltered at 91.375 cents per ounce. Ready gold in London, after easing from 249*s.* 8¾*d.* to 249*s.* 8¼*d.*, recovered to 249*s.* 8¾*d.* The latest available dollar rate for gold in London is $35.11½-$35.13½, as against $35.11-$35.13 a week before.

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

	24-6-59	Highest	Lowest	17-6-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	119 10½	121 0	119 10	121 0½
Forward*	117 7½	118 6	117 6	118 6½
Sovereign	78 4	..	..	78 4
SILVER				
Ready (.996 fine Mint) ..	194 0	195 6	193 1	195 1
Forward†	194 0	194 10	193 1	194 1
	21-6-59			10-6-59
London Silver Ready	78¼d.	.. ..	..	78¼d.
London Forward	78¼d.	.. ..	..	77¾d.
London Gold	249*s.* 8¾*d.*	249*s.* 8¼*d.*	249*s.* 8¼*d.*	249*s.* 8¼*d.*
New York Silver	91.375c.	..	..	91.375c.

* 21st July settlement. † 22nd July settlement.

TRADING IN KIPS RESTRICTED

(From Our Own Correspondent)

MADRAS, 23rd *June*

Trading in the kip market was restricted, due to *Bakri Id* holidays. Inquiries from U.K. were small—mostly for low grades ordinary marks at less money or all grades top qualities at unchanged prices. There was no buying of kips from East European countries and sellers were likely to quote more workable prices shortly to enable a steady flow in U.K. buying. It was reported that U.K. buyers had recognised that leather would have to be sold at higher prices.

The tanned sheep skins market ruled quiet. There were more inquiries for lightweight goat, but poor demand for heavies. Mediums were moving steadily.

In the June London public auctions which commence on the 29th inst., 40,000 pieces of tanned goat skins and 220,000 sheep skins will be available for sale. It is likely that prices of goat skins will rule firm.

NEW CROP FUTURES TRADING IN COTTON

(From Our Own Correspondent)

BOMBAY, 24th *June*

A notable development of the week is the commencement of trading in new crop cotton futures contract, I.C.C. Moglai Jarilla March 1960, on the 22nd inst. The new hedge contract is similar in all respects to the existing one except that the minimum tolerance for cotton tenderable under it has been raised from 23/32" to 24/32". This, it is felt, will induce traders to tender better quality cotton which will indirectly influence farmers to grow longer staple cotton. The change in the hedge contract has been generally welcomed by the trade.

The first deal in the new contract was struck on the 22nd inst. at Rs. 672.25, Rs. 11.25 below the quotation for the Jarilla August contract. The contract attracted good support initially and improved to Rs. 674.50 but declined at close to Rs. 673.75. Its subsequent course was downward, in keeping with the trend of movement of the Jarilla August contract. It finished at Rs. 663.25 today which is Rs. 10.50 below the opening day's closing quotation.

The August contract, as noted, continued to rule depressed. On persistent liquidation and upcountry selling, values suffered a further sharp setback. The slowing down of activity in the spot section and the pre-monsoon slackness in the piecegoods market accelerated the downward trend of prices. Even reports that the current season's crop will not be much in excess of actual mill consumption and the possibility of smaller aggregate stocks with mills at the end of the season failed to impart strength to the market.

I.C.C. Moglai Jarilla opened the week on Friday at Rs. 681.50, as against the previous close of Rs. 682.25, and after fluctuating to either side of this level, declined to Rs. 677.00 yesterday. Commencing today higher at Rs. 678, the contract spurted to Rs. 686 but again slumped to Rs. 675, but closed fractionally higher at Rs. 675.25. The net loss over the week was Rs. 7. The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	24-6-59	*High*	*Low*	17-6-59
Jarilla				
August 1959 ...	675.25	688.25	675	682.25
March 1959 ...	663.25	674	663	673.75*

* On 22-6-59.

Activity in the spot market was restricted. Trading interest was low and turnover small. Needy mills covered immediate requirement which helped prices to remain more or less steady. Some of the varieties which attracted attention of mills were Kalyan, Co2, Jaydhar, Kala, etc.

Export demand from Japan for Bengals was well maintained. But volume of business reported was small due, probably, to paucity of stocks. Kala and Wagad also evoked inquiries.

Interest in foreign cotton was only moderate. Some business was reported in Sudan G5S and XG2S, XG4S, etc. BP.52 was traded at Rs. 1,340 c.i.f. for July shipment. Californian G.M.1-5/32" was also in demand. Business in Egyptian cotton is at a standstill in view of the uncertainty regarding the discount rates. Egypt is understood to have agreed to offer India also the export price discount of 35 per cent. for current crop and 30 per cent. for new crop for payment in rupees. Brisk demand for Egyptian cotton is expected as soon as announcement to this effect is made from this end and the uncertainty removed.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 695; Berar Jarilla 700; Khandesh 830; Vijay 965; Laxmi 970; Jaydhar 900.

Quietly steady conditions prevailed in the Karachi cotton market during the week. The futures section continued to remain closed. The spot market reported moderate activity. Prices ruled practically unchanged at last week's levels. Export inquiries were few and far between. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton at Karachi: Sind *Deshi* 82-8; Punjab *Deshi* 71-8; 4F Punjab Roller 70-8; S.G. 72-8; L.S.S. Punjab Roller 73-8; S.G. 74-8; N.T. Roller 73; S.G. 78; 289F Punjab Roller 73; S.G. 78-8.

Easy conditions prevailed in the Alexandria cotton futures market during the week. The easiness was attributed to uncertainties regarding the discount rate which are said to have affected export demand from countries like India. The news that a new tax of 0.2 per cent. will be levied on all exports (including cotton) and imports into U.A.R. would also appear to have adversely affected the market.

Export sales from the beginning of the present season till the end of May aggregated 938,029 bales (of 720 lbs.) while actual shipments till 10th May aggregated 779,537 bales.

The following are the latest available quotations—in tallaries per lb.—from Alexandria:

Karnak: July 76.50; November 76.10. *Ashmouni*: June 69.95; August 68.75.

Cotton futures values in Liverpool declined during the week. Trading was slow throughout most part of the week. Values drifted lower on scattered liquidation and small mill hedging. Sudan contracts were quiet in the absence of any new development in Khartoum but values ruled steady. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contracts: July-August 23.20; October-November 21.55; December-January 21.15; March-April 21.10.

American cotton mixed growth contracts: July-August 23.10; October-November 22.00; December-January 21.50; March-April 21.15.

Sudan: July-August, September-October, November-December 28.00.

Quiet conditions prevailed in the New York cotton futures market during the week, reflecting the sluggishness characteristic of the fag end of the season. Uncertainty as to how the new export subsidy will work when it becomes effective from 1st August next and doubts about possible Washington moves on cotton legislation induced hesitancy among operators. Values showed a sagging tendency.

The Department of Agriculture has announced that U.S. farmers who planted cotton in excess of their 1959 marketing quotas would have to pay penalty rates on marketing from their extra plantings. These penalty rates would be 19.1 cents per pound on upland cotton and 40.9 cents per pound on long-staple cotton.

A further sale of 18,839 bales of U.S. Government-owned cotton at 29.49 cents per lb. basis middling inch cotton, has been announced. At the previous sale of this cotton on 3rd June 28,155 bales of upland cotton were sold for export at 28.50 cents per lb.

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

(In cents per lb.)

	23-6-59	16-6-59	9-6-59
Spot	36.00	36.10	36.20
July	34.64	34.78	34.84
October	32.39	32.35	32.48
December	32.44	32.42	32.52

EXPORT PROMOTION SCHEME FOR ART SILK FABRICS

(From Our Own Correspondent)

BOMBAY, 24th June

Two important decisions of import to the art silk textile interests have been announced by the Government of India this week. These relate to the revised export promotion scheme for art silk fabrics and the policy governing yarn imports during the current half year (April-September 1959). The details of the two decisions are given below:

Export promotion scheme: With effect from 1st July 1959, the manufacturers of art silk fabrics and *saris* will be granted licences for import of art silk yarn upto 100 per cent. of the value of such fabrics and *saris* exported as assessed by the office of the Textile Commissioner. There will be compulsory pre-shipment examination of such goods meant for export by the office of the Textile Commissioner at Bombay, Calcutta and Madras ports. A schedule of minimum standards of the goods will be prepared by the office of the Textile Commissioner to which all exports should conform. Exporters, including manufacturer-exporters of art silk fabrics and *saris* and processors of art silk yarn, will be granted import licences for permissible types of coal-tar dyes and textile chemicals to the extent of 2 per cent. of the value of exports assessed. The Government has also accepted the recommendations of the Development Council for the Art Silk Industry for the formation of a corporation to promote exports of art silk fabrics.

Import policy: The policy is the same as that followed in the previous licensing period. Accordingly, artificial silk yarn and thread will be licensed to established importers on a quota of five per cent. Application from actual users will also be entertained *ad hoc* against a ceiling. The last date for submission of applications for licences by both actual users and established importers will be 7th August 1959. The established importers should apply to the licensing authorities at the ports, while applications from actual users will be entertained only by the Joint Chief Controller of Imports, Bombay.

The revised export promotion scheme for art silk fabrics was expected to result in enlarged demand for yarn from weaving units. Consequently, some fresh buying ensued and art silk yarn prices registered a handsome improvement. Staple fibre yarns also met with good support on reports from consuming centres, especially Surat, Bhagalpur and Ludhiana that offtake was quite encouraging. Cotton yarns ruled steady. Coarse counts were specially favoured.

Cupressa Bamberg yarn (60 x 2) August contract forged ahead from Rs. 1,618 to Rs. 1,651 (new packing of 100 kilograms or 220 lbs.). June contract spurted by Rs. 21 to Rs. 1,460 per case of 200 lbs. Spot Cupressa firmed up by 12 nP to Rs. 7.37 per lb. 120 Italy advanced by 10 nP to Rs. 5. 150 Italy gathered 6 nP to Rs. 4.62. 150 Japan hardened by 9 nP to Rs. 4.76 and 120 Japan by 6 nP to Rs. 4.78. Among indegenous yarns, National Rayons 150 bright cones 1st grade put on 10 nP to Rs 4.34. 120 bright cones 1st grade rose by 8 nP to Rs. 4.70.

Staple fibre yarn (40 x 2) June contract climbed up by Rs. 22 to Rs. 620. August contract rallied from Rs. 609 to Rs. 629. Spot Citys strengthened by 24 nP to Rs. 3.34. Kohinoors recorded a rise of 16 nP to Rs. 3.50. Centurys were firm at Rs. 3.44. Deals in imported yarns (80 x 2) were put through at higher levels, Fujis advancing by 28 nP to Rs. 7.50 and Paramounts by 25 nP to Rs. 7.25.

In the cotton yarn section, Podars picked up 50 nP to Rs. 12.62. Moderns were fully maintained at Rs. 13.75. Twenty counts Hinds and Moderns were unchanged at Rs. 16.62 and Rs. 16.75, respectively. Thirty counts Maduras, eased by 12 nP to Rs. 21. Among 40s, Moderns were fully steady at Rs. 26, as also Minaxis at Rs. 25.37. Sixty counts Raghuvamshis and Finlays were unaltered, the former at Rs. 57.50 and the latter at Rs. 64. Eighty counts Mahendras improved by 50 nP to Rs. 72. Finlays were firm at Rs. 81. Citys, however, shed 50 nP to Rs. 66.

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

	24-6-59	17-6-59
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bamberg June (200 lbs.) ..	1,460	1,439
60/1 Cupressa Bamberg August (100 Kg.) ..	1,651	1,618
60/1 Cupressa Bamberg spot (per lb.) ..	7.37	7.25
120 Japan (per lb.)	4.78	4.72
150 Japan (per lb.)	4.76	4.67
120 Italy (per lb.)	5.00	4.90
150 Italy (per lb.)	4.62	4.56
Staple fibre yarn—		
40 x 2 June (per case of 200 lbs.)	620.00	598.00
40 x 2 August (.. ..	629.00	609.00
40 x 2 Kohinoor (per lb.)	3.50	3.34
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.62	12.12
20s Modern	16.75	16.75
30 Madura	21.00	21.12
40s Minaxi	25.37	25.37
60s Raghuvamshi	57.50	57.50
80s Finlay	81.00	81.00

* * * *

The Government of India has accepted the recommendation of the Tariff Commission regarding the prices of acetate rayon yarn produced by Sirsilk Mills Ltd., Sirpur, Andhra Pradesh. Accordingly, the fair selling prices of acetate coned and hanked yarn ("A" grade) range from Rs. 4.51 to Rs. 4.67 per lb. for 300 deniers, from Rs. 4.82 to Rs. 4.95 per lb. for 150 deniers and from Rs. 5.07 to Rs. 5.19 for 120 deniers. These prices are f.o.r. Bombay and include excise duty and selling commission. The two other recommendations of the Commission accepted by the Government are: (1) The Andhra Pradesh Government may be requested to consider sympathetically the representation made by the Company for the reduction in the price of power alcohol and to reconsider the policy regarding payment of gallonage fee on alcohol consumed by the Company; (2) the Company should be allowed to use acetate yarn from its own production for working 480 looms on a two-shift basis. A number of steps has also been suggested for the reconstruction of the capital structure of the Company and the Commission has expressed the view that, after this is done, a review of the case may be undertaken to ascertain what further assistance is required to ensure the smooth working of the Company

OILSEEDS GIVE WAY

(From Our Own Correspondent)

BOMBAY, 24th June

The oilseeds market remained subdued during the week under review. With the monsoon fast approaching, bulls turned nervous. The prices of oils and seeds in general drifted to lower levels, except perhaps cottonseeds. There was a notable setback in the volume of business done. The groundnut section was particularly dull in the absence of any sizable fresh support at higher levels. The spot groundnuts, however, were quietly steady on account of the limited offerings coupled with fairly good demand. The castorseed section continued to be weak, as the export front gave no room for optimism. Besides, there was mounting pressure of arrivals. Linseed, in sympathy, lost ground. In contrast, cottonseed depicted a cheerful appearance, its pace being mainly dictated by the Akola and Ahmedabad trading interests.

Selling pressure was in evidence in the groundnut section from the very beginning of the week. This would have been much more pronounced but for the support lent by crushers and *vanaspathi* manufacturers. Heavy bull liquidations and profit-taking at the close of the week pushed down the values considerably. August contract, which wound up last week at Rs. 199.50, eased to Rs. 196.50 today, after fluctuating in a narrow groove with a bearish undertone. Bold ready fell from Rs. 43.00 to Rs. 41.87 yesterday. It however, improved to last week's closing level today. Oil ex-mill was steady at Rs. 22.00.

Dull conditions prevailed in the castorseed section. In the face of lower foreign prices of castor oil, local shippers became cautious buyers. Export advices from the U.S.A., the Continent and the countries of the Communist bloc continued to be unsatisfactory. Substantial offerings of ready material acted as a damper. September contract which closed last week at Rs. 162.37 reacted to finish today at Rs. 160.12. Ready Madras and Oil B.S.S. closed today at the last week's level of Rs. 31.25 and Rs. 16.87, respectively.

Linseed, in sympathy with other seeds, depicted easy trends. It lacked fresh support. There was hardly any encouraging advices from abroad. Traders, however, have not ruled out the possibility of foreign advices for oil from Australia and some communist countries. September contract which stood at Rs. 33.81 last week-end, gave way and closed today on a weak note at Rs. 33.31. Bold ready closed today lower at Rs. 32.75, as against Rs. 33.00 last Wednesday. Oil lost 12 nP when it finished today at Rs. 15.62.

Cottonseed, unlike other seeds, presented cheerful conditions. Although the cotton market depicted depressed conditions, cottonseed improved to higher levels. This was mainly the result of good speculative support it received at the hands of leading trading interests. September contract improved from Rs. 133.00 last Wednesday to Rs. 134.75 on the following day and, after remaining steady for some time, reacted to Rs. 133.75 today.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	24-6-1959	17-6-1959	10-6-1959
	Rs.	Rs.	Rs.
Groundnut			
August 1959	196.50	199.50	200.00
Bold ready	43.00	43.50	43.00
Coromandel ready	43.00	43.25	43.25
Khandesh quality	43.00	43.25	43.25
Oil ex-mill ready*	22.00	22.00	22.00
Railway receipts*	21.56	21.81	21.87
Castorseed			
September 1959	160.12	162.37	164.50
Ready Madras	31.25	31.25	31.62
Ready Kanpur	30.00	30.00	30.44
Oil B.S.S.†	16.87	16.87	17.12
Oil commercial†	16.10	16.12	16.31
Linseed			
September 1959	33.31	33.81	34.06
Bold ready	32.75	33.00	32.87
Oil ready†	15.62	15.75	15.69
Cotton seed			
September 1959	133.75	133.00	133.75
Niger seed	31.75	31.75	31.75
Kardi seed	25.50	24.25	24.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR FIRM AGAIN

(From Our Own Correspondents)

BOMBAY, 24th June

The sugar market continued to rule distinctly firm during the week under review and prices showed a further hardening tendency. Demand for ready sugar was persistent and the increased arrivals by rail were readily absorbed. The total of these arrivals during the week was 17,379 bags, as against just 5,912 bags last week. Even reports that the Food Ministry had issued the normal monthly release of 165,000 tons had no effect.

Large grain sugar rose by a rupee to Rs. 122-129 per bag. Small grain gained 50 nP to Rs. 118.50. Medium grain was fully maintained at Rs. 119-121.

It is understood that the State Governments are being informed by the Union Food Ministry of the steps they should take to ensure adequate supplies of sugar at reasonable prices. The Punjab Government, according to Press reports, has already announced its decision to take over the distribution of sugar throughout the State with immediate effect. Trade circles fear that the other State Governments also will announce similar decisions shortly.

Sugar production during the month of May 1959 was 32,000 tons, bringing the total production so far to 1,904,000 tons, as against 52,000 tons in May 1958 and 1,963,000 tons upto 31st May 1958 for the season 1957-58. Offtake of sugar from factories during May 1959 was 183,000 tons as against 182,000 tons in May 1958. The total despatches from factories during the first seven months of the season 1958-59 were 1,229,000 tons, those in the corresponding period last season being 1,174,000 tons. The total closing stocks of sugar with factories as on 31st May 1959 amounted to 1,003,000 tons, as against 1,212,000 tons on the same date last season.

* * * *

HAPUR, 22nd June

Steady to firm conditions prevailed in the sugar market during the week under review. Supply position was so weak that crystal sugar was not available in the market even at Re. 1.25 per maund. Wholesale mill delivery prices registered a sharp advance of about Rs. 10 per bag to be quoted now at Rs. 125 per bag. The Union Government issued an additional quota of 5,000 tons for U.P. which would be sold in urban areas at controlled prices.

Sugar continued to rule steady to firm in the Muzaffarnagar market, owing to brisk demand from Punjab. Prices spurted further by Rs. 3 per maund, the week-end quotations showing a premium of Rs. 7.25 to Rs. 8.50 per maund above the controlled prices. The latest prevailing prices were: Crystal spot delivery New Shamli D29 Rs. 36.75; Khatauli C29 Rs. 38.87; retail D29 94 nP a *seer*; wholesale mill delivery controlled D29 Rs. 36, E29 Rs. 35.81; market quotations: Bijnore D29 Rs. 43.75; Sharanpur D29 Rs. 46.50; Amroha D29 Rs. 44.25; Simbhauli E29 Rs. 45.81.

Sugar hardened further on increased demand in the Kanpur market. The latest prevailing prices were; Rs. 113-8 to Rs. 114 per bag; ex-mill per maund Rs. 39 to Rs. 43.

Khandsari also registered an advance of about Re. 1.50 per maund during the week in line with the bullish trend of crystal sugar and good demand. The prevailing prices were: superior Rs. 38 to Rs. 41; inferior Rs. 36 to Rs. 38 per maund.

Ready *gur* ruled quietly steady during the week, due to good outside demand for dry quality. Arrivals from rural areas dropped to an average of 200 maunds daily which were lifted for outside destinations. Dry-wet *kotha* stock was also running down and was now put at 60,000 maunds. The condition of the standing cane crop was said to be good, but rains were badly needed. Prevailing prices were: *gur pansera* Rs. 21 to Rs. 21.50; *shakker* Rs. 22.50 a maund.

Gur also improved slightly in the Muzaffarnagar market where arrivals were at an average of 500 maunds. Prevailing prices were: *Chaku* Rs. 23.25 to Rs. 23.75; *kotha* mixed dry-wet Rs. 21.50; *rusket khurpa* Rs. 14 to Rs. 14.50; *ladu* Rs. 14 to Rs. 14.50; *shakker dara* Rs. 22 to Rs. 23.50; *masala* Rs. 25 to Rs. 27 per maund.

TEAS IRREGULARLY EASIER

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

COCHIN, 19th June

Sale No. 23, was held on the 16th inst. when quantity of tea offered was two million lbs. The bulk of teas offered comprised rush production and, consequently, were plain and disappointing. There was useful demand, but prices were irregularly easier for all descriptions. Low mediums and mediums declined by 5 to 10 nP. However, these types were well supported by internal buyers at lower rates. Good mediums met with useful enquiry and sold at slightly easier rates than last. Fannings grades continued to meet with better enquiry, due mainly to export demand. Highgrowns were sold at easier rates following quality. Whole leaf grades were firm and well-made types under this category met with good competition and were dearer. Tippy teas sold well but only at much easier rates.

The quotations were: Low medium Re. 1.45 to 1.55; medium Re. 1.59 to 1.70; good medium Rs. 1.80 to 2.05; and quality Rs. 1.80 to 2.57.

A total quantity of 700,000 pounds were offered in dust sale "O" held yesterday. Offerings included a high proportion of rush production teas, which were rather disappointing. There was good demand, but prices were easier for everything with the exception of highgrowns which were firm. Low medium and medium types were easier by 10 to 15 nP. There was better enquiry for milled dusts, though these were sold at lower rates than last. C.T.C. dusts were sold at about last week's rate. Black exportable dusts were barely steady.

London Market: *Sale of 15th June* 1959.—firm on last week except for lighter liquorings which tended easier.

Sale of 16th June 1959.—Irregular, slightly easier.

Colombo Market: *Sale of 15th June* 1959.—Quality plain market opened. Dimbula Dickoya sorts irregularly lower, following quality. Later, demand improved for best available broken which closed dearer, particularly B.O.P.F. Medium brokens and plain B.O.P.F. declined by 10-15 cents. Useful liquoring B.O.P.F. up by 20-30 cents. All lowgrowns dearer by 3-5 cents.

Sale of 16th June 1959.—Good demand. Useful liquoring fannings and dusts fully firm. Other sorts slightly lower following quality.

Calcutta Market.—There was no sale.

Export Quota 1959-60.—The market has continued to remain quiet with our last business being done at 3 nP. At the time of writing, there are sellers at 3 nP, with probable buyers at this price.

Special Licence 1958-59.—The market has been very quiet and practically no business has gone through. However, there is a nominal quotation of 3-4 nP seller with no buyers.

LINSEED DULL

(Messrs. A. Bradley & Co.)

CALCUTTA, 22nd June

Dull conditions prevailed in the linseed market during the week. Although prices showed some weakness, trading was limited. Local seeds transactions were virtually at a standstill, owing to the introduction of an amended contract form by the East India Oil Millers' Association, certain clauses of which were unacceptable to the seeds merchants. With an improvement in U.K. oilcake prices to £34, local prices improved slightly and fair business was reported. The oil market was inactive and the tone remained quiet. Very little business was reported, with buyers showing little interest.

The latest available quotations are: Ready-June Rs. 22.75 and July-August Rs. 23.12 per maund.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 22nd June

Quiet conditions were witnessed in the foodgrains market during the week. The supply position of *rabi* grains was reported to be slightly better. As a step further to increase supplies in the market, the U.P. Government has decided that roller mills in the State would be prohibited from buying wheat in the open market and would be supplied the imported stuff instead. The flour from that imported wheat would be brought by Government for distribution through fair-price shops. Although wheat arrivals here were still meagre, but the State Government was said to have purchased 15,000 tons of wheat and the Government hoped that agriculturists would have to bring their produce in the market soon or later.

Wheat at Hapur recorded a modest decline to be quoted towards the week-end at Rs. 17.75 to Rs. 19.25 per maund. Although arrivals in the open market were small, wheat was reaching at an average of 100 maunds daily which was being lifted by consumers.

Rice continued to rule steady. The week-end rates were: *sela basmati* Rs. 33 to Rs. 36; *mainpuri* Rs. 23; *raimunia* Rs. 27; *gadda* Rs. 22.50 per maund.

Gram ruled quiet during the week. Gram was reaching here from Punjab, but gram *dal* was being moved to various destinations in Madhya Pradesh. Barley and *bejhar* were quiet, despite small arrivals. For reports of bumper crop in the country had a dampening effect. *Jowar* and *guwar* were steady, in view of good demand. Maize sowings are in full swing, but good maize seed is not available in the market even at higher prices. Quotations (in rupees per maund) towards the week-end were: gram 13.37; barley 12.62; *bejhar* 12.37 to 12.75; *jowar* 14 to 16; *guwar* white 15.25; black 12; maize seed Rs. 25 a maund.

Peas was attracting good demand from Bihar and other O.T.R. destinations and prices improved fractionally during the week. Arrivals were poor, the average being 300 to 400 maunds and local stock was put at 42 *khatties*. Demand for *arhar* was slack and stockists alone were purchasers in the market. Daily arrivals averaged 150 to 200 maunds and local stock was 27 *khatties*. Other pulses stayed quietly steady. The week-end prices (in rupees per maund) were: peas *dara* 13.25; peas *dal* 14.25; peas farm quality 13.75 to 14.25; *arhar* 17.25; *arhar dal* 21.50 to 22.50; *urd* 19.25; *moong* 21 to 23; *massor* small 14.75 and bold 19.

COMMERCE AND INDUSTRY

(Concluded from page 1083)

dent countries. They can only negotiate satisfactorily as a group if they have a common interest and, in these problems, I do not think there is such a common interest. In so far as there is one, it does not make for agreement between the Commonwealth and the community—rather to the contrary. A European free trade area could be founded on the common desire of the community and the United Kingdom to have freedom of trade in industrial products while continuing some protection for their agriculture. But the countries of the Commonwealth are really interested in the opposite. They wish to protect their growing industries and to have the maximum freedom of trade for their agricultural products. Finally, I do not believe that anyone can produce within the framework of the General Agreement on Tariffs and Trade, which is of such importance to all trading nations, an association between the Commonwealth and the community of the type that is often discussed. The problem is a fundamental one of European economic relations and must be treated as such. We have, therefore, rejected these two suggestions. We are pursuing the possibility of a free trade area among seven European countries. The reasons are simple. We still believe that, in the long run, something akin to a free trade area is the right solution for Western Europe. We wish to see a multilateral, non-discriminatory association between the six and the rest."

How far and to what extent the hopes expressed by Mr. Maudling, and believed to have been shared by the other six countries, will be fulfilled, time alone can show. Meanwhile, there are doubts whether the Little Free Trade Area will materialise as is now conceived. Already Denmark has expressed a desire to be excused. It is said that, mainly on account of the importance of its agricultural exports to West Germany, Denmark is not very enthusiastic about the plan. It fears that the plan involves the risk of a trade war in Europe. The Danish Prime Minister, Mr. H. C. Hansen, stated at London during his recent visit that "I think we should avoid that risk. Denmark would not like to find herself in a trade war between European countries which, in every other respect, worked together." Unless these fears are removed, there would appear to be no chance of Denmark joining the "Outer Seven Free Trade Area."

The greater part of British industry is definitely in favour of the plan for the creation of a Free Trade Area of the Seven. This is indicated in the statement issued by the Grand Council of the Federation of the British Industries after its meeting held at London on the 17th inst. According to the statement, only a few industries oppose the project outright "because of the consequences they foresee for themselves." These industries include: Paper and board; timber, wood-wool and wood-working machine tools; cotton spinning; jute; hard fibre cordage; mats and matting; hand tools; and china clay. Industry as a whole, the statement says, is anxious to avoid the division into Europe into two unfriendly camps. The search for a European-wide solution must be pursued. A majority of British industry is either actively in favour or prepared to acquiesce in the Little Free Trade Area plan, because it believes that it will facilitate ultimate agreement with the Common Market. Quite apart from this general consideration, a substantial section of this majority sees merit in the free trade scheme on strictly economic grounds. The Grand Council, therefore, will "support H.M. Government in a policy of seeking to conclude a Free Trade Area with the others of the Outer Seven, on the basis that every effort should be made to give it a form which will as far as possible assist the negotiation of an acceptable association with the Six."

For this reason also, the industry supports the plan for tariff reductions at more or less the same speed as inside the Common Market drawn up at Stockholm. Failing an agreement with the Six, a majority would probably want to see trade barriers eliminated at a faster rate.

The Grand Council points out that the final attitude of quite a number of industries will depend on the detailed provisions of any agreement which is reached among the Seven, particularly in regard to rules of origin, export subsidies, restrictive practices, access to raw materials and dumping. The interests of "restrictive" industries will have to be taken into account. Hence the need for the Government to consult with individual industries and trade associations is stressed. And the responsibility of the Government to ensure that British industry should not be at a disadvantage because of taxation or general domestic policies is emphasised.

Finally, the Grand Council expresses both its view that the continuation of the Imperial preference system is of vital importance and its expectation that the Government's policy is based on this premise.

Notices

BRIDGE AND ROOF COMPANY, (INDIA) LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the seventy-fifth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Monday, the 13th July, 1959, at 11.45 a.m., to consider the Accounts of the Company for the year ended 31st December, 1958, and to transact other ordinary business and the under-noted special business.

SPECIAL BUSINESS

NOTICE is also hereby given of the following Resolution which will be proposed as a Special Resolution:—

"That the following contract between the Company and The Bengal Paper Mill Company, Ltd., an Associate (as defined by Section 2(4) of the Companies Act, 1956) of Balmer Lawrie & Co. Ltd., the Company's Managing Agents, a draft whereof has for the purpose of identification been subscribed by the Chairman of this Meeting be and the same is hereby approved and the Directors are hereby authorised to execute the said Agreement on behalf of the Company with all convenient despatch:

for sales of such goods and services in connection with fabrication and erection of structural steelwork and buildings and other services in which the Company regularly trades or does business and which the Associate may require for the purpose of its business, payment for such sales being due within one month from the date of the supply of such goods or the supply or rendering of such services:

it being a term of the above contract that the prices at which transactions take place shall be at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 29th June, 1959 to 15th July, 1959, both days inclusive.

By Order of the Board,

BALMER LAWRIE & Co. LTD.,

D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 10th *June* 1959.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

THE BOARD OF DIRECTORS OF THE Company has decided to recommend to the forthcoming Annual General Meeting, the payment of the following dividends:

Dividend of 7½ per cent. for 1954.

Dividend of 10 per cent. for 1955.

Final Dividend of 2½ per cent. for 1958.

By Order of the Board,

BALMER LAWRIE & Co., LTD.,

D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 9th *June*, 1959.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 19th June, 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	49,81,63,000
(2) Other Governments	18,29,32,000
(b) Banks	79,88,39,000
(c) Others	119,71,72,000
Bills Payable	18,80 84,000
Other Liabilities	54,06,80,000
Rupees	453,58,70 000

ASSETS	Rs.
Notes	32,72,96,000
Rupee Coin	1,62,000
Subsidiary Coin	3,08,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	48,53,000
Balances held abroad*	15,61,80,000
Loans and Advances to Governments†	27,18,12,000
Other Loans and Advances	61,70 10,000
Investments	302,34,63,000
Other Assets	13,47,86,000
Rupees	453,58,70,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 3,45,68,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	32,72 96,000	
Notes in circulation	1737,78,51,000	
Total Notes Issued		1770,51,47,000
Total Liabilities		1770,51,47,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	178,00,89,000	
Total of A		295,76,92,000
B. Rupee Coin		128,99,95,000
Government of India Rupee Securities		1345,74,60,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1770,51,47,000

State Bank of India

Statement of Affairs for the week ended 19th June 1959

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,00,00,000
Deposits and Other Accounts		530,73,75,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		10,09,04,000
Bills for Collection being Bills Receivable as per contra		2,25,46,000
Acceptances, Endorsements and Other Obligations per contra		1,43,71,000
Other Liabilities (including Inter-Office Adjustments)		6,13,22,000
Total .. Rs.		563,27,68,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		29,72,69,000
Balances with other Banks		2,33,77,000
Money at Call and Short Notice		2,13,33,000
INVESTMENTS:		
Government and other Trustee Securities	301,70 88,000	
Other Authorised Investments	10,26,31,000	
		311,97,19,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	180 99,70,000	
Bills Discounted and Purchased	13,12,31,000	
		194,12,01,000
Bills Receivable being Bills for Collection as per contra		2,25,46,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,43,71,000
Premises less Depreciation		1,23,04,000
Furniture and Fixtures less Depreciation		1,08,38,000
Other Assets (including Inter-Office Adjustments)		16,98,10,000
Total .. Rs.		563,27,68,000

Scheduled Banks*

Statement of Affairs for the week ended 12th June, 1959

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	28,01,04 000
(ii) Other demand liabilities	722,05,11,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	27,51,96,000
(ii) Other time liabilities	990,20,74,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	6,73,09,000
(ii) Time liabilities	15,00,000
Borrowings in India from the Reserve Bank of India‡	4,95 24,000 (3,50,34,000)
Cash in India	44,74.58,000
Balances with the Reserve Bank in India	67,81,60,000
Balances with other banks in current account in India	13,44,96,000
Money at call and short notice in India	39,70,42,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	634,80,99,000
Advances in India	861,41,01,000
Inland Bills purchased and discounted in India	105,71,21 000
Foreign Bills, purchased and discounted in India	33,99,99,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in bracket represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 12th June 1959

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00 00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	77,02,53,000
(b) Provincial Governments	2 62 39,000
(c) Banks	21,04 18 000
(d) Others	4,90 11,000
Bills Payable	33,09,000
Other Liabilities	13,63,95,000
Rupees	125,56,25,000

ASSETS	Rs.
Notes	7,50,78,000
Rupee Coin	71,000
Subsidiary Coin	46,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	23,79,000
Balances held outside Pakistan*	30,64,82,000
Loans and Advances to Governments	5,46,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	2,07,88,000
Investments	70,12,48,000
Other Assets	9,44,33,000
Rupees	125,56,25,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,50,78,000	
Notes in circulation	343,60,55,000	
Total Notes Issued	....	351,11,33,000
Total Liabilities	....	351,11,33,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion	23,37,59,000	
Silver Bullion	....	
Approved Foreign Exchange	51,43,69,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
		117,82,89,000
B. Rupee Coin	4,37,80,000	
Government of Pakistan Securities	223,00,58,000	
Internal bills of exchange and other commercial paper	....	
		227,38,38,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	351,11,33,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 35.16 per cent.

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	12th June, 1959	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1753.79	1755 43	1765.98	1604 98
Notes held in Banking Department	35 05	15 87	13 93	19 97	19 01
Foreign Securities	59 50	178.01	178 01	178 01	209 68
Rupee Securities	87.89	1345.76	1345.77	1360.77	1167.56
Banking Department					
Deposits of:					
Government of India	14.89	52 56	53 04	52 97	51 42
Other Governments	..	9 93	13 17	9 73	13 36
Balances held abroad	10.06	18.01	19.91	24 61	23 61
SCHEDULED BANKS					
Demand Liabilities	184.86	750 06 (28 01)†	738 62 (25 70)†	738 70 (24 70)†	747 49 (26 41)†
Time Liabilities	102.24	1,017 73 (27 52)†	1014 62 (27.31)	1000 45 (26 73)†	797.73 (26 97)†
Borrowings from Reserve Bank	..	4 95 (3 50)‡	9 52 (3 81)‡	26 37 (8.19)‡	15 44 (14 46)‡
Borrowings from State Bank	..	6 88	7.47	9 41	5.30
Cash in India	6.70	44 75	43.10	43.92	38.87
Balances with Reserve Bank	25.17	67.82	71.47	68 27	77 48
Excess over statutory limits	15.52	9 96	14 25	11.33	24.15
Balances with other banks in current account in India	..	13 45	13.65	13.85	12 05
Money at call and short notice in India	..	39.70	37 98	35 07	56 00
Investments (at book value)	..	634.81	634 54	625 31	484 83
Advances and bills	105.9	1001 12	1006 03	1021 28	912 67
STATE BANK					
Deposits	87 76	526.22	523.33	519 27	420 74
Investments	51 99	312 50	312 80	303 59	206 77
Advances	80 35	193 81	194 41	201 68	189 99
Cash	14 69	25 88	28 17	29 21	27 78

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * *Figures are provisional* R = Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3 50	6
Austria	23rd April 1959	5	4½
Belgium	7th Jan., 1959	3 50	3 25
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	.. .. ..	5.15	5 33
Ceylon	11th June 1954	3	2 50
Chile	Feb., 1957	4½	6
Denmark	15th Aug., 1958	5	4½
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	8	4
Finland	20th April, 1956	5	6½
France	23rd April 1959	4½	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4½	4½
Italy	7th June 1958	4	3 50
Japan	Feb., 1959	7 30	6.935
Mexico	4th June, 1942	4	4½
Netherlands	21st Jan., 1959	3	2¾
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2 50	3 50
Pakistan	14th Jan., 1959	3	4
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	..	2
South Africa	5th Jan, 1959	4½	4
Sweden	3rd May, 1958	5	4½
Switzerland	26th Feb., 1959	2½	2
Thailand	Feb., 1945		7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	29th May 1959	3	3½§
West Germany	9th Jan., 1959	3	2¾

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.
§ Pertains to 10 of the Federal Reserve Banks.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Average rate of allotment Rs.
1959					
31st March	2.00	2 00	2 00	2.760	99 310
7th April	2 00	2 00	2 00	2 780	99 305
14th April	2 00	2 00	2 00	2 780	99 305
22nd April	2 00	2 00	2 00	2 800	99 300
28th April	2 00	2 05	2 00	2 800	99 300
5th May	2 00	2 25	2 00	2 800	99 300
12th May	2.00	2 00	2 00	2 800	99 300
19th May	2 00	2 40	2 00	2 800	99 300
26th May	2.00	2 15	2 00	2.790	99 300
2nd June	2 00	2 40	2 00	2 780	99 305
9th June	2 00	2 37	2 00	2.780	99 305
10th to 13th June*	0 07	—	0 07	—	—
16th June	2 00	2.56	2 00	2.764	99 310
17th to 20th June*	0 07	—	0 07	—	—
23rd June	2 00	2.00	2 00	2.760	99.310
Total amount outstanding	26 14		26 14		

* Intermediate Treasury Bills sold.

EXCHANGE RATES

		22nd June 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475 75	476 00
Buyers T.T.	Rs.	472 50	472 50
London on New York	$	2 8128 2 8129	2 8124-2 8126
London on Paris	Fcs.	13 79½-13 80½	13 78½-13 78½
London on Berne	Sw. Fcs.	12 11½-12 12½	12 12½-12 12½
New York on London	$	2 8129-2 8132	2 8124-2 8128

CLEARING HOUSE RETURNS

Centre	Week ended 19th June 1959 Number of Cheques	Amount Rs.	Week ended 12th June 1959 Number of Cheques	Amount Rs.
Bombay	2,91,241	67,43,28,000	3,31,951	71,16,77,000
Calcutta	1,51,000	57,71,00,000	1,67,000	54 53,00,000
Madras	79,887	9,84,43,438	88,909	9,75,22,544
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,672,000	89,54 80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
Feb., 1959	..	..	3,821,000	8,28,47,00,000
March "	●	●	4,030,000	9,45,59,00,000
April "	..	..	4,128,000	9,23,19,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	6th June 1959	30th May 1959	7th June 1958	April 1959	April 1958	Percentage of Increase (+) or Decrease (—) in April 1959 as compared with April 1958	Financial year Average 1958-59	1957-58
Food Articles	504	116 6	116 8 R	110 1	113.1	105 2	+ 7 5	115.2	108.4
Cereals	192	100 8	100 3	103 4	99 0	97 2	+ 1.9	106 8	100.9
Pulses	43	97 2	97 0 R	89 2	96.2	82 4	+16.7	103 9	82 4
Fruits and Vegetables	23	129 3	125 3 R	108 1	121 6	108 0	+12 6	117.0	113 6
Milk and Ghee	84	109 6	114 4	111 7	115 0	105 2	+ 9 3	107.3	104.8
Edible Oils	47	132 0	131.4 R	120 8	125 6	122 8	+ 2 3	124.3	125 5
Fish, Eggs and Meat	17	106 6	106 7 R	107 3	106 9	102 3	+ 4 5	108.4	98.0
Sugar and *Gur*	48	149 5	148 5	122 5	128 0	113 5	+12 8	127.2	108 1
Others	60	157.1*	156 3 R	131.1	150 8	130 7	+15 4	151.3	131 3
Liquor and Tobacco	21	96 8	96 5	91.8	97 5	93 4	+ 4 4	95.4	94 0
Tobacco	—	95 1	94 8	90.9	95 8	91 7	+ 4 5	93 8	92 3
Fuel, Power, Light and Lubricants	30	116 4	116 4	115.7	116 2	114 8	+ 1 2	115.4	113 4
Industrial Raw Materials	155	120 2	120 2 R	114.4	116 2	114 2	+ 1 8	115 6	116 5
Fibres	61	109 4	109 4	110 1	108 0	112 1	— 3 7	108 0	117 5
Oilseeds	60	135 7	135 8	121 0	127 4	118 7	+ 7 3	127 0	120 4
Minerals	2	103 6*	103 6*	107 3*	101 4*	106 2	— 4 5	106 0	108 4
Others	32	112.6*	112 6 R	110 7*	111 7	110 2	+ 1 4	109 2	107 7
Manufacture	290	108 9	108 8 R	107 7	108 0	107 7	+ 0 3	108 1	108 2
Intermediate Products	41	108 2	108 6 R	103 8	108 4	108 9	— 0 5	110 3	107 3
Finished Products	249	109 0	108 9 R	107 6	108 0	107 6	+ 0 4	108 0	108 2
Textiles	147	104 2	104 0 R	104 2	102 2	105 2	— 2 9	103 2	107 3
Cotton	—	113 2*	113 2* R	113 7	110 8*	114 4	— 3 1	111 7	116 2
Jute	—	85.7	84 7	86 6	83 6	88 1	— 5 1	86 5	95 2
Woollen	—	104 2	104 2	105 9	104 2	103 7	+ 0 5	105 6	102 9
Silk and Rayon	—	95 5*	95 5*	90 3*	95 7*	92 8*	+ 3 1	93 2	85 7
Metal Products	12	143 3	143.3	143 0	143 3	143 0	+ 0 3	143 1	141 2
Chemicals	20	106 4	106 4 R	101 3	109 4	99 0	+10 5	106 8	98 4
Oil Cakes	10	142 2	141 2*	134 3	139 2	116 9	+19 1	136 0	114 8
Machinery and Transport Equipment	81	106 0	106 1	103 0	106 1	102 8	+ 3 2	103 8	101 7
Others	30	113 2	113 2	113 5	112 9	112 6	+ 0 3	113.7	110 0
All Commodities	1,000	114 5	114 6	109 9	111 9	107 4	+ 4 2	112 9	108 4

NOTE: — Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at the group index. R—Revised.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1958-59	1957-58	(In thousand tons) 1958-59	1957-58
Cereals—					
Rice	final	81,590	79,447	29,721	24,885
Wheat	final	....	29,657	....	7,654
Jowar	final	42,608	42,203	8,689	8,246
Bajra	final	27,905	27,236	3,791	3,522
Barley	final	8,164	7,549	2,640	2,238
Maize	final	10,314	9,819	2,990	3,036
Ragi	final	....	5,897	....	1,716
Small millets	final	....	11,979	....	1,759
Total cereals	final	....	213,787	....	53,056
Pulses—					
Gram	final	....	22,405	....	4,754
Tur	final	....	5,598	....	1,396
Other Kharif pulses§	final	15,506	15,657	1,542	1,390
Rabi pulses‡	final	....	10,820	....	1,665
Total pulses	final	....	54,480	....	9,205
Total foodgrains		....	268,267	....	62,261
Oilseeds—					
Groundnut	final	14,481	14,876	4,816	4,436
Castorseed	final	1,193	1,184	111	89
Sesamum	final	5,332	5,171	493	354
Rape and Mustard	final	....	6,050	....	905
Linseed	final	....	3,318	....	271
Total oilseeds	final	....	30,509	....	6,055
Fibres—					
Cotton*	final	....	20,158	....	4,753
Jute A.	final	1,827	1,742	5,178	4,052
Mesta A.	final	851	764	1,581	1,291
Other crops—					
Potato	final	....	785	....	1,981
Sugarcane	final	....	5,021	....	64,142 R
Ginger (Dry)	final	....	39	....	14
Pepper (Black)	final	231	231	26	27
Chillies (Dry)	final	....	1,534	....	355
Tobacco	final	....	926	....	252

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. R.= Revised.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	1958	Two months ended February 1958	1959
Exports	637,74	570,56	94,60	87,62
Re-exports	5,11	8,40	2,09	62
Total Exports	642,85	578,96	96,69	88,24
Imports	1025,82	864,18	132,26	126,37
Overall Balance of Trade	—382,97	—285,22	—35,57	—38,13
Exports—				
Tea	123,40	136,54	19,36	14,84
Jute yarns and manufactures	114,87	103,82	16,18	17,11
Cotton yarns and manufactures	68,58	52,63	10,03	9,01
Metallic ores and metal scrap	49,80	30,35	6,85	5,60
Cotton, raw and waste	18,66	21,20	2,37	3,26
Oils—vegetable, mineral and animal	19,31	12,35	3,38	1,88
Fruits and vegetables	18 60	21,16	2,78	3,54
Tobacco	12 83	16,29	1,12	75
Mica	8,67	9,34	1,35	1,52
Wool and other animal hair	12,93	9,35	1,38	1,75
Gums, resins and lac	8,59	7,16	1,48	1,29
Spices	8,43	8,83	1,84	1,34
Hides and skins, raw	6,99	7,35	90	1,70
Imports—				
Machinery of all kinds	232,97	188,92	37,88	31,07
Iron and Steel	146,98	97,80	18,42	14,70
Oils—vegetable, mineral and animal	118,44	80,23	13,28	10.51
Chemicals, drugs and medicines	76,77	65,28	10,12	10,70
Electrical goods and apparatus	61,14	49,04	9,27	7,85
Vehicles (excluding aircraft, ships and boats)	71,35	52,53	6,70	8,86
Fruits and vegetables	21,27	17,43	4,11	3,57
Cotton, raw and waste	48,62	30,66	5,89	3,33
Paper, pasteboard, etc.	13,11	8,26	1,33	1,15
Dyes and colours	13,87	8,76	1,12	1,45
Spices	2,93	2,84	37	74
Woollen and worsted fabrics	1,31	30	8	3
Cotton fabrics	2,37	1,05	20	21

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During May, 1959	86.8
	Corresponding month, 1958	94 9
	Eleven months ended May, 1959	957.8
	Corresponding period, 1958	973 8
Stocks	At the end of May, 1959	99.4
	Corresponding month, 1958	112.1
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852.9
	1957-58	832.6
	April, 1958	65.9
	April, 1959	65.6
For Internal Consumption	1956-57	179.0
	1957-58	198 0
	April, 1958	18.0
	April, 1959	19.5
	RAW JUTE	(In 000 bales)
Consumption by Mills	May, 1959	503
	Corresponding month, 1958	550
	Eleven months ended May, 1959	5,542
	Corresponding period, 1958	5,664
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	8,805.8	7,185 8
1956-57	769	9,877.8	8,103 1
1957-58	834	11,176.9	9,011.1
Dec., 1957	822	958.7	779.7
Jan., 1958	825	973 6	788.1
Feb., "	828	919.7	748.2
Dec., "	811	1,122 5	914.0
Jan., 1959	811	1,156 2	930 2
Feb., "	811	1,074 6	888.5

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period. *Source:*—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13.586	2,265	1,023	219	108	58	207	24	196	427	30	389	52	180
1957-58	14,314	2,389	1,229	214	105	52	219	25	213	503	39	476	47	194
1958-59	14,365	2,655	1,296	206	92	36	221	23	184	483	36	514	46	113
February 1958	12,988	2,172	1,126	191	94	49	203	23	194	454	36	435	46	176
March "	14,314	2,389	1,229	214	105	52	219	25	213	503	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June "	3,541	628	355	56	25	9	36	5	46	127	7	112	7	33
July "	4,677	847	471	71	31	12	46	7	63	164	10	154	12	43
August "	5 823	1,077	581	83	37	15	58	8	77	202	12	200	17	55
September	6,928	1,308	671	95	41	18	75	10	95	241	15	240	23	65
January 1959	11,784	2,228	1,083	166	70	30	180	19	151	394	32	422	43	94
February "	13,018	2,431	1,184	186	80	33	201	21	169	433	34	466	45	103
March "	14,365	2,655	1,296	206	92	36	221	23	184	483	36	514	46	113

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

INDUSTRIAL PRODUCTION

Industries.		1958	1957	January 1959*	February 1959*	March 1959*	February 1958
Major Industries—							
Coal	million tons	45.32	43.50	4.09	3.94	—	3.71
Steel (Ingots and Metal for castings)	thousand tons	1,813	1,715	154	182	—	146
Yarn	million lbs.	1,685	1,780	151	137	—	133
Cloth	million yds.	4,927	5,317	430	392	—	391
Cement	million tons	6 07	5.60	0 50	0.50	0.59	0.49
Jute	thousand tons	1,062	1,030	92	84	83	85
Paper and paper boards	thousand tons	253	210	23	22	—	18
Matches§	cases	614,400	578,400	47,500	51,500	—	46,700
Sugar	thousand tons	1,957	2,068	445	411	367	412
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	376.01	250.85	14.36	—	—	35.93
Electric lamps	millions	30.42	33.15	2.68	2.68	2.90	2.56
Dry cells	millions	168.24	166 56	14.94	14.94	13.68	12.96
Power transformers	k.v.a.	1,128,000	1,219.200	100,000	—	—	97,100
Electric Motors	h.p.	624,000	469,200	54,600	50,400	—	45,100
Electric fans	Nos.	636,000	524,400	62,400	50,900	—	50,700
Radio receivers	Nos.	198,108	190,692	14,384	—	—	14,653
Storage batteries	Nos.	355,200	324,000	32,700	32,600	32,600	27,800
Copper conductors	tons	7,296	8,556	297	—	—	598
Winding wires	tons	2,112	1,020	241	232	—	110
Rubber and plastic Ins. cables and flexibles	million yds.	126.60	103 80	15.74	—	—	7.73
Insulators—H.T.	Nos.	746,400	193,200	77,900	—	—	34,100
Insulators—L.T.	million Nos.	5.00	4.69	0.28	—	—	0.42
Diesel engines—Vehicular	Nos.	4,260	3,336	487	598	636	293
Do —Stationary	Nos.	25,860	16,644	2,427	2,343	—	1,956
Chemical Industries—							
Salt	million mds.	112.55	98.70	1.78	4.16	—	6.69
Caustic soda	tons	57,192	42,648	5,179	—	—	3,771
Soda ash	tons	89,436	91,920	9,375	7,989	8,422	7,981
Chlorine liquid	tons	19,824	15,696	1,782	—	—	1,275
Bleaching powder	tons	6,504	5,340	539	475	583	505
Bichromates	tons	3,444	3,672	306	—	—	304
Sulphuric acid	tons	226,016	196,068	20,000	—	—	17,919
Superphosphate	tons	166,800	141,684	14,683	—	—	11,374
Non-ferrous Metals—							
Aluminium	tons	8 182	7,784	805	1,429	—	626
Antimony	tons	527	502	15	—	—	40
Copper (virgin metal)	tons	7,858	7,848	587	466	677	655
Lead (virgin metal)	tons	3,335	3,174	392	347	410	288
Gold	thousand ozs.	170	179	10	14	15	15
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	205,320	167,484	19,000	—	—	15,910
Bicycles	Nos.	912,624	790,424	75,233	—	—	82,145
Automobiles	Nos.	26,796	31,932	2,992	2,339	2,676	2,230
Cycle tyres and tubes	million Nos.	16 11	14 18	1.63	1 53	1.52	1.26
Motor tyres and tubes	million Nos.	1 95	1.92	0 17	0.17	0.18	0.14
Cigarettes	million Nos.	29,836	28,892	2,614	—	—	2,265
Plywood—Tea chests	million sq. ft.	87.50	95.02	8 58	—	—	7.09
Plywood—Commercial	million sq. ft.	37 68	31.64	3.11	—	—	2.91
Sheet glass	million sq. ft.	72 11	54.23	8.75	—	—	6 55
§Woollen manufactures — Worsted Fabrics	million yds.	19 38	15.79	1 09	0.97	1.02	1.37
§Woollen manufactures — Worsted Yarn	million lbs.	20.47	27.80	2 24	2.16	2.02	2 19
Footwear—Western type (Leather)	million pairs	4.28	4.37	0.39	0.35	0.34	0 36
Footwear—Indigenous type (Leather)	million pairs	3 29	3 04	0.31	0.32	0.33	0 27
Alcohol—Industrial	million Bulk galls.	9.67	8.56	0 96	—	—	0.75
Alcohol—Power Absolute	million Bulk galls.	8.51	10 14	0 70	—	—	0 01
Railway Wagons	Nos.	13,512	16,956	490	—	—	1,462
General Index—(Base 1951 = 100 Revised)		139 4	137 3	151.3	—	—	137 9

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base · 1952-53 = 100,

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	96	102	112	82	114	100	102	107	118
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	119
1956-57	97	88	123	122	71	165	101	95	100	89	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	96	128	95	116	142
1958-59	105	105	105	126	96	169	113	121	131	93	99	118	117	127	133	87	112	145
March 1958	100	84	94	110	63	152	107	118	108	93†	103†	120†	103	93	130	86	116	145
April "	103	85	94	111	65	158	110	118	111	91	102	126	107	97	130	88	114	145
May "	106	86	92	111	64	158	115	120	115	89	100	125	110	102	132	88	114	145
June "	111	93	100	123	74	171	121	119	128	89†	100	123	114	112	135	86	113	145
July "	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	88	110	145
Aug., "	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145
Sept., "	118	105	108	131	95	177	113	121	144	83	99	118	132	130	135	87	112	145
Oct., "	115	109	107	127	103	181	116	121	145	90	96†	113†	128	132	134	88	112†	145
Nov., "	108	112	105	127	107	173	109	121	132	94	94	110	112	140	133	88	111†	145
Dec., "	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	133	85	111†	145
Jan., 1959	92	125	107	132	121	163	108	121	130	104	101†	112†	112	137	133	85	110	145
Feb., "	92	124	112	133	125	167	109	121	131	105	102	112†	117	142	133	82	111†	145
Mar., "	92	114	110	131	119	157	111	121	132	100	102	114*	121	138	133	82	111†	145
April "	95	101	108	125	85	151	124	121	132	96	102	114	122	142	133	84	111	145

* Provisional. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 392 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 18th June 1959	26,318(J)
	Corresponding week, 1958	20,081(J)
	1st Sept. 1958 to 18th June 1959	1,703,410*
	Corresponding period, 1957-58	1,529,482*
Cotton Exports	Week ended 29th May 1959	3,878‡
	Corresponding week, 1958	7,738‡
	1st Sept. to 29th May 1958-59	328,290
	Corresponding period 1957-58	210,635
Mill Consumption (Estimated)	1st Sept. 1958 to 18th June 1959	995,822A
	Corresponding period, 1957-58	1,023,183
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 18th June 1959	775,481
	Corresponding date. 1958	798,084
Consumption of Cotton—		
Indian	April 1959	382,238
Foreign	April 1959	36,225
Indian	Eight months ended April 1958-59	3,112,238
Foreign	Eight months ended April 1958-59	295,271
Indian	Same Period 1957-58	2,999,692
Foreign	Same Period 1957-58	383,863
Stocks (Mills and Elsewhere)—		
Indian	As on 30th April 1959	1,323,667
Foreign	As on 30th April 1959	93,129
Indian	As on 30th April 1958	1,324,811
Foreign	As on 30th April 1958	139,817

Particulars	From 1st Sept., to 3rd June, 1958-59 Bales	From 1st Sept., to 3rd June, 1957-58 Bales
From Bombay Cotton Shipments to—		
United Kingdom	7,017	7,882
Continent	21 232	16,487
Hongkong	36,296	4,129
China	6,886	—
Japan	166,081	109,582
U.S.A.	4,687	7,393
Other Countries	2,736	741
Total to all foreign countries	244,935	146,214
Coastal Ports	83,355(a)	74,829(b)
Total	328,290	221,043

Particulars	Period	(Bales of 392 lbs.)
Cotton Exports from Bombay (by sea)	During March 1959	27,056§
	During March 1958	10,438
	1st Sept., to 28th Mar., 1959	205,123§
	1st Sept., to 28th Mar., 1958	59,624
Cotton Pressed in India† (In running bales)	Week ended 12th June 1959	—
	Corresponding week, 1958	43,578
	1st Sept., to 12th June 1958-59	3,375,210
	Corresponding period, 1957-58	3,963,643
Karachi (Pakistan)—		Bales
Receipts	1st Sept. to 11th June 1958-59	977,778
	Corresponding period, 1957-58	1,083,2..
Exports	1st Sept., to 11th June 1958-59	58..91
	Corresponding period, 1957-58	..,215

(J) By Rail and Sea. — Not Received. † Incomplete. ‡ From 24th to 29th May. * By Rail, Sea and Road. (a) Upto 31st May, 1959. A—Adjusted. § Includes Zoda and yellow pickings, etc. (b) Upto 31st May 1958.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 13th June 1959	6th June 1959	16th May 1959	14th June 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total** ..	**100.8**	**100.7**	**100.7**	**99.1**
2. Government of India	100.6	100.6	100.5	98.9
3. State Government ..	102 3	102.3	102.4	100.6
4. Municipal, Port Trust, etc.	99.8	99.8	99.8	98.8
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total** ..	**101.8**	**101.8**	**101.9**	**99.1**
6. Plantations ..	100.0	100.0	100.0	100.0
7. Coal ..	100.0	100.0	99 6	99.6
8. Sugar ..	99.0	99.0	99.0	99.0
9. Cotton Textiles	99.2	99.2	99.2	97.9
10. Jute Textiles	94.0	94.0	93.8	92.9
11. General Engineering	101.8	101.8	101.8	97.8
12. Electricity Generation and Supply ..	96 8	96.8	96 8	96.5
13. Others	105.1	105.0	105.2	101.0
PREFERENCE SHARES—ALL INDIA.				
14. **Total** ..	**92.0**	**92.0**	**92.2**	**85.3**
15. Plantations ..	101.1	101.2	101.0	97 2
16. *Mining & Quarrying: Total*@	**89.6**	**89 2**	**89 2**	**85.7**
17. Coal ..	81.3	80 8	80 8	75.5
18. *Processing and Mfg.: Total**	**91.7**	**91.7**	**92.1**	**84 9**
19. Sugar ..	92.3	91.6	91.6	88.7
20. Cotton Textiles	79.9	80.3	81.1	78.5
21. Jute Textiles	87.7	87.1	86.9	68 6
22. Iron and Steel	93 4	94 0	94.5	88.8
23. General Engineering	102.6	102.5	102.1	99.3
24. Basic Industrial Chemicals	88.8	90.1	90 0	83 5
25. Cement ..	104.4	104.6	105.5	96.3
26. Paper ..	89 8	89.8	89 8	84 5
27. *Other Industries: Total**	**91.3**	**91.3**	**90.9**	**83.7**
28. Electricity Generation and Supply ..	89.2	89.2	88.7	86 9
29. Trading ..	96 0	96.1	95 5	74.1
30. Shipping and Other Transport	95.2	95.2	95.2	85.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. **Total** ..	**149.4**	**148.4**	**151.8**	**129.8**
32. *Agriculture and Allied Activities: Total**	**164.0**	**163.9**	**167.2**	**145 0**
33. Tea Plantations	160.4	161.1	163 6	141.0
34. Coffee Plantations	193.7	193.4	195.8	197.7
35. Rubber Plantations ..	160 4	160.5	163 8	140.7
36. *Mining and Quarrying: Total*	**149.0**	**148.5**	**154 5**	**127.3**
37. Coal ..	115 3	116.4	118.9	98.2
38. Other Mining	172.1	170.5	178.9	147.2
39. *Processing and Manufacturing: Total* ..	**151.6**	**150.3**	**153.7**	**128.7**
40. *Processing and Mfg. (Foodstuffs, Textiles etc.): Total*†	**139 3**	**137.7**	**140.5**	**119.9**
41. Sugar ..	167 9	166.0	173 5	156.4
42. Cotton Textiles	118.6	118.8	122.0	111.3
43. Jute Textiles ..	93.2	92.5	94.5	67.4
44. Silk and Woollen	585.3	555.3	549.2	404.0
45. *Processing and Mfg. (Metals Chemicals, etc.): Total** ..	**174.1**	**173 0**	**178.1**	**138.1**
46. Iron and Steel	166.7	165.8	168 8	128.0
47. Transport Equipment	231.0	228.5	238.7	191.0
48. Electrical Machinery	126.4	125.9	130 6	137.7
49. Machinery other than Transport and Electrical	192.4	192.1	200 8	154.7
50. Basic Industrial Chemicals ..	150.4	150.1	152.4	108 6
51. *Processing and Mfg. (Others): Total**	**147.1**	**146.1**	**148.9**	**137.8**
52. Cement	134.9	134.4	135 1	128.6
53. Paper ..	195.9	193.8	200.5	182.9
54. *Other Industries: Total**	**115.5**	**114.9**	**117.6**	**106.4**
55. Electricity Generation and Supply ..	91.3	91.2	91.7	90.3
56. Trading	97.9	95.4	96.7	82.3
57. Shipping and Other Transport	128 8	128.2	132 5	125.4
58. Construction ..	288.9	283.7	304.2	211.9
59. *Financial: Total*	**172.9**	**172.9**	**176 0**	**165.7**
60. Banks ..	192.5	193.1	197 3	186.4
61. Insurance	131.4	128 5	126 9	127.0
62. Investment Trusts ..	97.0	98 6	101.7	75.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	152.8	151.0	155.6	132 0
64. Calcutta	143.0	142.8	146.0	125.8
65. Madras	165.7	165.4	166 7	143.8
66. Delhi ..	172.9	172 0	175.9	151.9

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils
@ Including 'other mining.'

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957 ..	1,155,500	1,073,600	797,500
Do. 31st March, 1958 ..	1,098,300	1,106,800	786,900
Do. 31st March, 1959 ..	1,137,500	1,149,900	884,700
Mar., 1958 ..	94,800	100,200	71,300
April „ ..	95,000	100,300	63,000
May „ ..	57,400	52,900	28,500
March 1959 ..	127,400	123,600	100,700
April „ ..	130,600	124,200	93,300
May „ ..	128,800	116,400	91,400
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957 ..	695,156	532,315	441 483
Do. 31st March, 1958 ..	733,945	507,580	410,558
Do. 31st March, 1959 ..	959,933	608,205	496,217
January to March, 1958 ..	199,839	133,563	106,501
January to March, 1959 ..	252,705	176,443	155,607
January, 1959 ..	73,728	43,569	45,698
February „ ..	83,715	61,987	50,202
March „ ..	95,262	70,887	59,707
April „ ..	86,826	61,182	40,151
May „ ..	94,105	57,483	49,470

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1956 ..	1,203	715,130	6,992,040
1957 ..	1 248	640,871	4,982,229
August 1958 ..	147	72,432(4)	657,836(4)
September „ ..	151	68,699(7)	499,362(7)
October „ ..	121	34,445(3)	262,600(3)
November „ ..	136	34,569(2)	177 574(2)
December „ ..	139	45,002(7)	199,012(7)
January 1959 ..	152	60,114(8)	306,998(8)
February „ ..	93	33,990(2)	271,253(2)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevent information is not available.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India† ..	'57-'58	392.94	..	10,830	275.6
Pakistan†† ..	'56-'57	83.50	..	2,079	249
Burma ..	1957	20.90	Kyats 4,450	446	223
Ceylon ..	1955	8.88	..	475	567
Japan ..	1957	90.90	Y. 8,252,000	10,915	1,200
Philippines ..	1957	22.60	Ps. 8,799	2,095	927
New Zealand	1957	2.22	£ (N.Z.) 928	1,237	5,570
Australia ..	1957	9.60	£ (A.) 4,678	4,970	5,177
U.K. ..	1957	51.40	£ 17,418	23,220	4,520
U.S.A. ..	1958	174.00	$ 352,400	168,447	9,680
Canada ..	1957	16 60	$ 23,830	11,680	7,035
France ..	1957	44.00	F.Fr.15,680,000	17,880	4,063
W. Germany.	1957	51.40	Dm. 158,000	18,057	3,513
Italy ..	1957	48.30	Lr. 12,231,000	9,412	1,949
Norway ..	1957	3.49	Kr. 23,290	1,560	4,470
Sweden ..	1957	7.30	Kr. 48,290	4,490	6,150
Netherlands..	1957	11.00	Grs. 28,240	3,574	3,250
Denmark ..	1957	4.50	Kr. 25,480	1,760	3,910
Switzerland .	1957	5 10	Sw. Fr 26,900	2,956	5,796

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, October 1958.
† Preliminary estimates (at 1948-49 prices) are based on the sixth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
	(1949=100)	Base June (1934=100)	Base July (1927=100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August (1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)
1952 Average ..	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 „ ..	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 „ ..	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 „ ..	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 „ ..	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 „ ..	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 „ ..	116	395	274	313	98	120	384	124	113	103	103	123	109	131
January 1958 ..	111	382	254	320	91	115	368	120	109	96	103	120	107	130
February „ ..	110	380	248	297	89	115	364	120	108	95	102	118	105	130
March „ ..	110	381	253	293	89	115	368	119	108	96	102	119	105	128
April „ ..	111	389	261	295	91	116	368	119	107	96	100	118	106	128
May „ ..	113	387	263	295	93	117	371	120	108	97	101	119	107	129
June „ ..	116	395	273	307	98	117	378	121	111	101	103	120	113	130
January 1959 ..	117	396	301	323	103	127	368†	130	122	107	94	115	109	134
February „ ..	118	399	300	326	103	129	364	127	126	108	94	120	110	134
March „ ..	117	401	290	320	99	129	364	127	126	105	95	121	..	135
April „ ..	117†	400	296	313	..	..	..	..	..	101	95	121	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates: 5-Year A Out-standings	7-Year B Out-standings	12-Year B Out-standings	12-Year National Plan Savings Certificates C: Re-ceipts	Out-standings	Post Office Savings Bank Deposits: Re-ceipts	Out standings	10-Year National Plan Certificates D: Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates: 3½% F Out-standings	4% C Re-ceipts	4% C Out-standings	15-Year Annuity Certificates G: Re-ceipts	Out standings	Total: Re-ceipts	Out-standings H
1952-53 ..	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,93
1953-54 ..	5,91	4,26	104,38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	252 96
1954-55 ..	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177 35	310,29
1955-56 ..	3,76	5,48	144,37	..	..	158,11	167,85	16,88	—37,68	41,25	..	..	45	95	203,53	340 04
1956-57 ..	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—33,82	44,28	..	..	43	1,32	225,88	440,17
1957-58 ..	2,22	4,73	143,45	71,45	71,43	179 86	213 91	23,11	—39,73	43,58	588	547	63	1 87	264 32	509 77
1958-59 ..	1,73	3,79	119,11	87,11	152,48	182,82	226,92	21,01	—40,69	42,57	635	11,68	67	2,41	277,01	581,75
April 1958 ..	2,15	4,05	141,31	6,56	77,99	15 27	214,24	22,85	—39,82	43,47	77	6,15	11	[illegible]	22,71	514 78
May „ ..	2,07	4 55	139,23	5,84	83,82	15,22	212,66	22,58	—39.90	43,37	57	6,72	5	2,01	21,68	517,01
June „ ..	2 01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7,12	3	2,03	19,95	520,60
July „ ..	1,96	4,38	135,18	5,94	94,65	16,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug. „ ..	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532,75
January 1959 ..	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,52	42,70	57	10,60	5	2,32	24,07	559,17
February „ ..	1.78	3,87	120,95	9,64	143,14	14,93	219,39	21,13	—40,60	42,62	58	11,14	5	2,36	25,22	566,41
March „ ..	1,73	3,79	119,11	11,66	152,48	22,29	226,92	21,01	—40,69	42,57	65	11,68	6	2,41	34,08	581,75
April „ ..	..	..	..	..	..	..	..	..	..	42,49	63	12,26	11	2,50	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of March, 1959 is rupees three lakhs. 10 Year Cumulative Time Deposits commenced from 2nd Jan., 1959 and the outstandings at the end of March 1959 is rupees two lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.70
3 % Loan	1938-39	116,17,46,000	1963-65	97 00
3 % Loan	1950	30,32,10,000	1964	97.10
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	94.35
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91.60
3 % 2nd V. Loan	1945	1,13,65 64,000	1959-61	99.95
2¾% Loan	1946	45,63,07,000	1960	99 40
2¾% Loan	1946	57,00,69,000	1961	97 80
2¾% Loan	1946	14,77,48,000	1976	83.25
2¾% Loan	1947	75,86,72 000	1962	97.20
3½% N. P. Bonds	1953	75,29,00,000	1961	100 20
3½% N. P. Loan	1954	1,58,17,90,000	1964	100 00
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99 90
3½% Loan	1956	87,27,36,000	1962	99 30
3¾% N. P. Bonds	1956	63,81,83,000	1967	99.40
3¾% Loan	1956	66,63,53,000	1974	99.15
3¾% N. P. Bonds (4th Series)	1957	56,99,15,000	1967	100.85
4 % Loan	1957	49,17,27,000	1972	101.70
3½% Loan	1958	58,06,00,000	1963	100 05
3¾% Loan	1958	80,00,00,000	1968	99.20
3¾% Loan N.P.B.	1958	84,16,76,500	1968	100.65
4 % Loan	1958	49,47,00,000	1973	101.60
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34 000	M.	73.20
3% Loan	1946	2,48,91,37,000	K.	73.70
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100 00
4½% Andhra	1958	5,00,00,000	15th July 1970	101.80
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	96.50
3 % Bombay	1950	2,83,50,000	31st July 1960	99.00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98.30
4 % Bombay	1953	5,19,35,000	15th July 1963	100.60
4 % Bombay	1952	3,45 85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100 25
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102.40
4½% Bombay	1958	5,00,00,000	15th July 1970	102.30
4½% Bombay	1958	5,00,00,000	15th July 1971	102.30
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,50 00,000	13th Oct. 1970	101.40
3½% Cochin	1936	30,00,000	1st June 1956-61	98.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100.15
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100.15
3 % Madras	1939	1,23,90,000	21st June 1959	99.70
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99 00
2¾% Madras	1946	3,31,77,200	1st Sept. 1961	97.75
3 % Madras	1950	4,38,25,400	31st July 1960	99.00
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98 95
4 % Madras	1953	10,33,71,000	15th July 1963	100 30
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 25
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100.10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100.10
4½% Madras	1958	5,00,00,000	15th July 1970	101.80
4 % Mysore(*f*)	1933	2,95,85,200	1st Dec. 1953-63	101.50
3 % Mysore(*f*)	1936	5,99,73,000	30th Apr. 1956-61	99.75
4 % Mysore	1953	3,33,47,000	15th July 1963	100.30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100.10
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.10
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	101.75
4½% Mysore	1958	5,00,00,000	15th July 1970	101.75
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 80
3 % M.P.	1950	1,01,45,000	31st July 1960	98 60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	100.25
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100.00
4½% M.P.	1958	2,00,00,000	15th July 1970	101.40
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	100.20
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	100.20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.80
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	99.60
2½% U.P.Z.A	1952	41,44,79,000Z	..	52.35
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
2¾% U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98.25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.25
4 % U.P.	1953	5,58,25,000	15th July 1963	100.30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	100.10
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	100.10
4½% U.P.	1958	7,00,00,000	15th July 1970	101 80
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100.00
4½% Rajasthan	1958	2,50,00,000	15th July 1970	101.45
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100.00
4½% Orissa	1958	3,00,00,000	15th July 1970	101.45

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
86,50,000	4	1904	1964	100.00 (1964–1973)
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35 876	4	1913*	1960	D
80,00,000	4	1913	1974	100.00
88,25,000	4	1914	1975	100.00
10,00,000	4	1915*	1960	D (1960–1971)
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.75
76,90,100	4	1915	1975	98.75
1,50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	95 00
60,00,000	3½	1935	1965	99 00
25,00.000	3	1938	1963-68	92.50
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83 75
50,00,000	3	1949	1959	99 65
1,00,00,000	3	1949	1959	99.65
50,00,000C	3	1950	1980	82 00
1,00,00,000	3	1950	1960	99 00
1,00,00,000	3	1950	1960	99.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99 50
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1923	1953-83	£80 00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A (1977–1984)
9,88,000(f)	3	1947	1977	
8,00,000(f)	3	1949	1979	
45,00,000(t)	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	97.75 N (1961–1968)
80,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1972	97.50 N (1972–1976)
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	100.50
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
80,00,000	3	1936	1966	91.00
50,00,000	3	1937	1962	94.50
20,00,000	3	1938	1963-68	91.00
80,00,000	4	1952	1962	99.75
1,02,00,000	4	1956	1968	99 25
75,00,000	4½	1958	1968	100.75

MUNICIPAL LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99 85
10,00,000	5	1920	1980	113 00N
26,21,500	5	1929	1959	100.50
8,25,00,000	3½	1947	1977	86.50
2,50,00,000	3½	1949	1979	86 50
4,00,00,000	3½	1950	1965	93 50
5,00,00,000	4	1952	1964	100.15
2,00,00,000	3½	1951	1966	97.40
1,30,00,000	4	1953	1963	100.15
1,00,00,000†	4	1952	1964	99 85
1,00,00,000†	4	1954	1966	99 85
2,50,00,000	4	1955	1967	100 05
1,50,00,000	4	1956	1968	100 05
2,00,00,000	4½	1957	1969	101.50
400,00,000	4½	1958	1970	101.50
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	108 00
33,91,000	3½	1925	1965	95 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1968	90 00
17,64,400	3½	1942	1959	99.25
21,10,000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	98.50
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	—
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.25
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.30
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100.10
4 % W. Bengal	1956	7,11,46,000	3rd Sept 1968	100.10
4½% W. Bengal	1958	5,00,00,000	15th July 1970	101.80
4½% Kerala	1958	3,00,00,000	15th July 1970	100.90

ABBREVIATIONS. N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.
—Interest free to first 12 years. t—Interest free for first 7 years. Z—Ex six instalments but inclusive of accrued interest.
M—At the option of Government after three months' notice. K—On September, 1936, or later at option of Government after three months' notice.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C. ..	15,00,000	1901		Mar.	Sep.	114.00	100
BREWERIES AND SUGAR							
Bharat Sugar T.R.C. ..	5,00,000	1931	5	Dec.	..	70.00	100
Bhopal Sugar T.F.C. ..	12,50,000	1937	5	April	..	85.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6	Mar.	Sep.	86.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8	Feb.	Aug.	107.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7	July	Apr.	6.00	5
¶East India Distilleries T.F.C.	£200,000	1897	7	Jan.	July	17.25cd	£1
Gwalior Sugar T.R.O.	6,75,000	1940	7	Dec.	..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec.	..	62.00	100
Purtabpore Co. T.C.	6,00,000	1922	10	Oct.	..	12.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6	Aug.	..	98.00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	66 00	100
South Behar Sugar T.	5,00,000	1936	7	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5	Dec.	..	8.60	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec.	..	90.00N	100
Do. T.C.R.O.	15,00,000	1946	5	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	7	April	May	118.75	100
COAL							
Borrea T.F.C. ..	4,00,000	1896-97	6½	Oct.	Apr.	95.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-19	7	Apr.	Oct.	104.50xd	100
Do. (2nd) T.C. ..	4,50,000	1946	6	..	..	5.25	10
Equitable T.F. ..	4,00,000	1895	6	Mar.	Sept.	99.00	100†
Karanpura Collieries T.C.	9,89,500	1946	5½	..	..	55.00	75p.
††Khas Kajora C.	1,93,000	1931	5	Mar.	Sept.	9.50N	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan.	July	11.50	10
Ondal T.F.C. ..	2,00,000	1898-99	6	Apr.	Oct.	90 00	100
COTTON							
Ahmedabad Advance T.F.	10,00,000	1939	5	Apr.	Oct.	85.00	100
Bangalore C.T.F.	6,00,000	1884	6	Jan.	July	110.00cd	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	9.00	10
Bowreah 'A'	6,00,000	1900	8	Feb.	Aug.	145.00	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	62.00	100
Bradbury T.F.	14,75,000	1919	7	June	Dec.	54.60	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7½	Jan.	July	131.00cd	100
Cambodias C.T.F.	1,00,000	1928	7	Apr.	..	110.00cd	100
Central India T.F.	50,00,000	1912	5	Apr.	Oct.	358.75	495
Century Spg. & Mfg. Co. T. F. R. C.	1,25,00,000	1958	6	Dec.	..	106.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1935	6½	June	..	91.75	100
Elgin	11,00,000	1912	8	May	Nov.	110.50	10
Do. 'B' Pref.	4,20,000	1943	5	July	Jan.	7.35	100
Elphinstone T.	25,00,000	1919	7	May	Nov.	66.00	100
Kesoram	20,00,000	1919	7	June	Dec.	105.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4	Nov.	..	74.00	10
Kothari C.T.F.	18,00,000	1937	6	Dec.	..	9.20	5
Kothari 'B' (Pref.)	6,00,000	..	6	..	..	10.00N	250
Lakshmi Cotton (Bombay) T.	16,00,000	1896	5	..	..	159.50	100
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	Jan.	..	75 00	100
Mysore Spg.	7,45,050	1944	4½	..	..	26.50	50
National Rayon T.	1,74,64,700	1947	5	..	..	81.00	100
New Great T.	8,00,000	1913	5½	Mar.	..	122.50	200
Podar Mills	10,00,000	1943	4	Feb.	..	61.50	100
Rajalakshmi C.T.F.	2,00,000	1932	6½	Apr.	..	49.75xd	50
Shree Niwas Cotton	4,80,000	1944	4	..	..	61.00	100
Sholapur R.	32,00,000	1943	3	..	..	78.25	100
Svadeshi T.F.	15,00,000	1935	5	Apr.	Oct.	87.30	100
Swadeshi (Kanpur)	35,00,000	1927	6	June	..	77.00	100
Travancore Rayon C.T.F.	50,00,000	....	5	May	..	8.95cd	10
Vasanta (1st) C.T.F.	8 00,000	1931	6½	Apr.	Oct.	105.00	100
Do. (2nd) C.T.F	1,50,000	1938	6	..	..	95.00	100
Vishnu T.	15,66,500	1908	7	Apr.	..	432.50	500
ELECTRICS							
Andhra Valley Power Supply T.	40 34,000	1917	7	May	Nov.	1,100 00	1,000
Amalgamated Electric T.F.	24,15,000	..	5½	..	..	92.00	100
Calcutta Electric	19,00,000	1909-11	5(t)	June	Dec.	9.80	£1
Poona Electric T.	4,00,000	1935	7	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5½	Sept.	ec.	10.25	100
Do. (2nd) C.T.F.	8,00,000	1940	5½			9.25	10
Surat Electric Co. T.F.	5,00,000	1939	6½	Apr.	..	111.00	100
Tata Hydro Electric Power T.	89,28,000	1907	7	May	Nov.	116.25	100
Tata Power T.	86,97,000	1918	7½	May	Nov.	1,130.00	1,000
Vellore C.T.	1,25 000	1928	6	Dec.	..	7.05	10
ENGINEERING							
Arthur Butler (Muzafferpore)	1,30,000	1919	7	Mar.	..	10.50	10
Burn & Co. Ltd. (1st)	13,00,000	1895-98	7	Feb.	Aug.	125.50	100
Do. (2nd)	15,00,000	1902	6	Feb.	Aug.	118.00	101
Indian Iron and Steel Co., Ltd. T.F.	2,69,95,400	1950	5	Dec.	..	102.00	100
Indian Standard Wagon	19,66,500	1918	7	June	..	125.00	100
Jessop	20,00,000	1941	5	May	Nov.	97.00	100
Kamani Engineering C.	15,00,000	1945	5	July	..	60.00	100
†††Kumardhubi Engineering	12,00,000	1915	4	June	Dec.	95.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5	..	..	97.00	100
Mahindra & Mahindra R.C.	25,00,000	1945	6	May	..	101.00	100
McKenzies (1st)	5,50,000	1907		..	..	80.00	100
Premier-Construction (1st) T.	10,00,000	..	6½	..	..	87.00	100
Do. do. (2nd) T.	15,00,000	1936	6½	..	..	86.00	100
Do. do (3rd) T.	56,25,000	1947	4½	..	..	5.76	10
Tata Iron and Steel (1st) T.	75,00,000	1908	6	Nov.	..	160.00	150
Do. do. (2nd) T.	6,93,81,900	1908	7½	May	..	115.25	100
JUTE							
Agarpara	10,00,000	1927	7	Jan.	July	100.00	100
Alexandra	9,00,000	1905	7	Feb.	Aug.	97.00	100
Alliance	15,00,000	1895	6	Mar.	Sept.	92.00	100
Anglo-India	40,00,000	1917	7	May	Nov.	111.00	100
Auckland	10,00,000	1909	5½	May	Nov.	83.50	100
Do. (2nd)(j)	15,00,000	1945	4½	June	Dec.	66.50	100
Bally	20,00,000	1918	7	Apr.	Oct.	106.00	100
Barnagore	£200,000	1896	5	May	Nov.	89.25	5
Belvedere	7,00,000	1906	7	Jan.	July	103.00	100
Birla	23,64,200	1919	7½	June	Dec.	89.00	100
Budge-Budge	9,00,000	1894	7	May	Nov.	107.00	100
Calcutta	6,00,000	1934	6½	Jan.	July	62.00	100
Caledonian	10,00,000	1915	7	June	Dec.	105.00	100
Cheviot	10,00,000	1919	7	June	Dec.	105.00	100
Chitavalsah	5,00,000	1928	7	Mar.	Sept.	103.00	100
Clive (1st Pref.)	8,00,000	1900	6	May	Nov.	70.50	100
Do. (A) (2nd Pref.)	8,00,000	1905	7	May	Nov.	78.00	100
Dalhousie	15,00,000	1903-13	7	May	Nov.	97.00	100
Delta	5,00,000	1897	5	June	Dec.	78.50	100
Empire	10,00,000	1912	7	Feb.	Aug.	101.00	100
Fort Gloster	14,00,000	1890-98	7	May	Nov.	120.00	100
Do. (2nd Pref.)	7,00,000	..	5	..	..	74.00	100
Fort William	10,00,000	1911	7	May	Nov.	115.00	100
Ganges	6,00,000	1916	8	June	Dec.	120.00	100
Gourepore	26,50,000	1895-04	6	May	Nov.	99.00	100
Hastings	25,00,000	1935	6	Mar.	Sept.	95 50	100
Hooghly	11,76,000	1913	10	May	Nov.	10.75	10
Howrah	8,75,000	1890	7	May	Nov.	107.00	100
Do. (A)	17,50,000	1903-6	7	May	Nov.	107.00	100
Hukumchand	40 00,000	1919	7	June	Dec.	102.00	100
Kamarhatty	16,00,000	1898-04	6	Feb.	Aug.	95.50	100
Kanknarrah	10,00,000	1900	6	Feb.	Aug.	85.00	100

**These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

¶ These carry the right to cumulative dividend of 7 per cent. and any surplus profits available after 10 per cent. of ordinary capital.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued.*							
Kelvin	10,00,000	1907	7	Mar.	Sept.	105.00	100
Khardah	9,00,000	1895-09	6	May	Nov.	93.00	100
Kinnison	15,00,000	1900-13	7	May	Nov.	105.00	100
Lansdowne	15,00,000	1905	7	May	Nov.	108.50	100
Lawrence (A)	5,00,000	1907	7	May	Nov.	105.50	100
Do. (B)	10,00,000	..	5½	Dec.	..	80.00	100
Naihati	7,50,000	1905	7	May	Nov.	96.00	100
Do. (2nd) (j)	10,00,000	..	4½	June	Dec.	66.00	100
National	5,00,000	1917	7	May	Nov.	107.00	100
Nellimarla	5,00,000	1939	6	Apr.	Oct.	89.50	100
New Central	83,00,000	1915	7	Jan.	July	100.00	100
Northbrook	15,00,000	1900	[illegible]	May	Nov.	72.00	100
Reliance	20,00,000	1906-12	7	May	Nov.	81.00	100
Samnuggur	£150,000	1901	6	Feb.	Aug.	Sh. 21.50N	1£
Soorah	10,00,000	1920	7	Feb.	Aug.	102.00	100
Standard	9,00,000	1895-01	6	May	Nov.	100.00	100
Shree Ambica	11,70,000	..	7½	Mar.	Sept.	98.00	100
Titaghur	£150,000	1897	6	Feb.	Aug.	Sh. 21.50	£1
Union	6,00,000	1901-02	7	May	Nov.	108.00	100
Victoria	£150,000	1898	6	Feb.	Aug.	Sh.21.50	£1
Waverly	7,50,000	1918	7	Mar.	Sept.	42.50	5
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship	3,00,000	1895	7	Nov.	..	61.00	60
Calcutta Tramways	£250,000	1906	5	Apr	Oct.	8.75	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5½	Dec.	..	97.00	100
Indian General Nav. & Rly. T.	£244,000	1899	6	Mar.	Nov.	70.00	£10
India Steamship (w) ..	25,00,000	1928	5	..	..	95.00	100
TEA							
Amluckie Tea ..	75,000	1902-03	7	May	Nov.	41.00	10
†††Banarhat Tea	4,00,000	1900-02	6½	Jan.	July	111.00	100
Birpara	1,00,000	1900-03	8	Jan.	..	114.00	100
Choonabhutti ..	2,00,000	1914	8	Jan.	July	111 00	100
Gielle	2,00,000	1894	6	Sept.	..	67.00	100
Hantapara	50,000	1901	8	Jan.	..	115.00	100
Hasimara	3,00,000	1904	7	Mar.	..	111.00	100
Kingsley Golaghat	2,40,000	1897	6	Dec.	..	95.00	100
Moheema	3,20,000	1929	6	May	Nov.	8.12	10
†††New Dooars	2,00,000	1907	3	Jan.	July	112.00	100
New Samanbagh	1,00,000	1903	8	Nov.	..	101.00	100
†††Okayti	50,000	1888	7	Dec.	..	105 00	100
Pussimbing	2,05,000	1916	7	Jan.	..	100.00	100
Sonai River	1,00,000	1909	8	May	..	100.00	100
***Tezpore	2,05,000	1932	8	Jan.	..	11.00	100
Tirribannah	1,00,000	1922	10	May	Nov.	14.00	100
PLANTING							
Be Be Rubber N.R.C.T.	1,43,005	1944	6½	..	..	3.03	5
Do. R.C.T.	2,85,570	1944	6½	..	..	6.44	10
Cochin Malabar C.T.F.	1,13,300	1932	7	June	..	53.00cd	50
Coffee Lands C.T.F. ..	10,40,600	..	5	..	..	84.00cd	100
Coonoor Tea C.T.	1,50,000	1926	6	Apr.	..	95 95	100
Cottanad C.T.F.P.	1,00,000	1937	7½	Nov.	..	10.75	10
Devon Tea C.T.F.	2,00,000	1936	7½	July	..	106 00cd	100
Highland Produce C.T.F.	3,00,000	..	6	July	Jan.	8.75cd	10
Neelamalai C.T.F.	18,00,000	1943	5	Jan.	July	7.18	10
Nilgiri Tea C.T.F.	2,81,250	1942	6½	July	..	5.03	5
Pullangode C.T.F.	1,50,000	1943	6	Mar.	..	8.65	10
Teekoy Rubber C.T.F.	6,00,000	..	6	Mar.	Sept.	7.15	10
T. R. & T. Co. C.T.F.	16,00,000	..	6	June	Dec.	8.15cd	10
Waterfalls R.C.T.F	5,00,000	1943	6	Nov.	..	9.00	10
MISCELLANEOUS							
Alembic Chemicals (1st) T.	5,00,000	..	6½	June	..	86.00	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5	June	..	85.50	100
Alkali & Chemicals	31,00,000	1937	5	Apr.	..	102.00	100
Aluminium Corpn. (1st)	20,00,000	1938	6(f)	..	..	97.50	100
Andhra Cement C.T.F.	2,48,800	1937	6	Feb.	June	104 50	100
Associated Hotels of India T.	21,67,000	1916	7	Mar.	Sept.	54.00	100
Bengal Chemicals	9,00,000	1925	7½	Aug.	..	13.12	10
Bengal Paper Mill	2,00,000	1903	7	Mar.	Sept.	55.00	50
Do. "A"	4,00,000	1928	7	Mar.	Sept.	109.00	100
Do. "B" T.	20,00,000	..	6	..	..	67.00	100
Bengal Timber Trading	3,00,000	1896	8	Aug.	..	20.00N	100
Britannia Biscuit	15,450	1921	8	Feb.	Aug.	15.00	10
British Ceylon Corporation	17,50,000	1918	6	Feb.	Aug.	8.00N	5
British India Corporation	81,00,000	1920	8	Feb.	..	106.00	100
Dalmia Cement (Bharat)	61,58,210	1937	6	Sept.	..	9.70	10
Dhrangadhra Chemical Works Ltd.	31,91,900	1956	6	..	..	91.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5	Dec.	..	93.50	100
Dunlop Rubber Co. (India), Ltd. (1st)	30,00,000	1926	6§	Apr.	..	118.00	100
General Investment Trust (1st)	1,00,000	1946	5	Feb.	Aug.	65.00	100
Do. do. (2nd) T.	1,00,000	..	6	Feb.	Aug.	55.00	100
Gillanders Arbuthnot(f) T.	25,00,000	..	5	Apr.	Oct.	56.00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6	Mar.	..	76.00	50
Humayan Properties	12,00,000	1933	6	..	..	8.75	10
India Cement C.T.	29,85,000	1946	7½	Oct.	..	93.00	100
Indian Aluminium (g) T.	40,00,000	1945	5	June	..	68.50	100
Indo-Burma Petroleum T.C.	50,00,000	1921	7	Jan.	July	92.50	88
Indian Cable (m)	12,87,750	1923	6	June	Dec.	31.00	10
India Rubber Mfrs. (n)	8,28,000	..	5	Apr.	..	77.00	100
Jardine Henderson T.	50,00,000	1946	5½	Dec.	..	60.00	100
Kettlewell and Bullen (1st) T.	20,00,000	..	5½	May	..	63.00	100
Do. do. (2nd)	10,00,000	..	4	May	..	63.00	100
Kumardhubi Fireclay & Silica	2,00,000	1915	7	June	Dec.	66.00N	100
Martin Burn (k)	30,00,000	1946	5	Apr.	Oct.	100.00	100
McLeod and Co. (1st) T.	10,00,000	1930	5	July	Jan.	52.50	100
Do. (2nd)	40,00,000	1936	5	July	Jan.	74 00	100
Metal Box Co.	30,00,000	..	6	..	..	87.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6	Feb.	Sept.	99.50	100
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6	June	..	9 00	10
Mysore Lamps R.C.T.F.	2,50,000	..	4	Aug.	..	6.70	10
National Tobacco (Old) (p)	25,00,000	..	5	Mar.	Sept.	77.50	100
Do. do. (New) (q)	19,98,000	..	4½	Mar.	Sept.	65.00	100
Orient Paper	69,88,900	1936	5½	Jan.	..	94.00	100
Do. (2nd) (r) T.	60,00,000	..	5½	Apr.	Oct.	65.50	100
Rohtas Industries (Old) T.	20,00,000	1936	7	Apr.	..	119.00	100
Do. do. (New)	85,04,700	..	4½	Apr.	..	64.00	100
†Smith Stanistreet & Co.	5,00,000	1920	10	Feb.	Aug.	71.00	50
Spencer & Co. "A" C.T.	23,20,000	1898	6½	Jan.	July	8.50	10
Do. "B" C.T.	86,80,000	1922	8½	Jan.	July	11.60	10
Standard-Vacuum C.	75,00,000	1955	6	June	Dec.	101.50	100
Star Paper	10,00,000	..	5	Mar.	Sept.	70 00xd	100
Tata Chemicals T.F.	59,97,000	..	5	June	..	99.00	100
Tata Oil Mills C.	29,88,800	1946	4½	July	..	62.00	100
Titagur Paper Mills	11,50,000	1899	8	Jan.	June	138 00	100
Do. do. (2nd)	15,00,000	1934	4½	Jan.	July	86.00	100

T—Taxable. C—Cumulative. R—Redeemable. T.F.—Tax-free.

R.O.—Redeemable at option. N.B.—Non-Redeemable. P—Partipating.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months, notice (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend 1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	Accounts Closed	Reference
50,00,000	5,37,500	67,62,245	10,40,080	4,58,855	Rajputana Text. (Agencies) Pvt.Ltd.	56,468	898	Apollo Mills	1.40	2	0.19	*Nil*			12	Y.
40,00,000	24,00,000	1,40,93,494	78,99,035	17,302	M.	50,596	1,021	B. R. Cotton Mills	18.52	100	*Nil*	*Nil*			3	Y.P.T.
2,50,98,000	3,45,87,968	9,01,44,459	4,42,94,600	50,386	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,006	4,211	Bombay Dyeing & Mfg. Z	64.80	25	2.50	2.50	2.50		12	Y.
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	144.50	50	20.00	15.00	7.50		3	Y.P.
1,22,75,700	3,26,61,468	8,11,07,933	3,12,75,392	9,53,042	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	548.00	100	22.00	22.00	22.00		12	Y.P.
26,00,000	28,31,920	1,13,36,792	67,79,552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	128.00	100	12.50*	12 50*	12.50*		3	Y.
28,00,000	26,37,709	90,59,554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	100.00	50	—	7.50F	5.00		3	Y.
34,00,000	26,36,389	1,12,98,983	69,27,928	—11,15,096	Puranmal Bubna Sons	46,476	928	Edward Textiles	220.00	200	15.00	15.00			12	Y.
29,98,050	15,72,144	1,31,76,951	81,20,935	....	M.	46,620	886	Elphinstone Spg. & Wvg.	35.00	50	15.00	*Nil*			12	Y.P.
50,00,000	63,57,852	1,81,16,865	95,84,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	258.00	100	20 00	20.00	16.00		12	Y.
50,00,000	48,52,027	1,00,12,312	64,97,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	207.50	100	15.00	15.00	15.00		12	Y.
11,84,000 16,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	50,240	1,120	Hindoostan Spg.& Wvg. Mills	4,800.00 992.50	1,000 250	325.00 81.25	350.00* 87.50*	350.00 87.50		3	Y.P.
2,50,00,000	55,18,800	4,90,61,319	3,54,00,000	1,29,969	Agarwal & Co.	2,44,512	6,214	India United Mills	7.56 0 98	0 100. 0 1D.	0.92 0.18	*Nil* *Nil*			12	Y.
8,65,000 35,000	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	57,440	1,152	Indian Mfg.	2,100.00XR —	1,000 500	300.00 150.00	325.00* 162.50*	325.00 162.50		3	Y.P.
59,85,000	47,84,646	3,32,60,641	2,39,44,370	30,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	240.00	100	10.00	10 00(c)	10.00		6	Y.P.
1,00,00,000	1,04,56,757	3,75,23,474	2,90,25,380	67,775	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	286.50	100	18.00	18.00	10.00		12	Y.
46,47,350	30,04,414	1,41,23,500	70,57,174	31,558	N. Sirur & Co. Private Ltd.	48,700	644	Modern Mills	45.50	50	8.00*	5.00'C'	3.00		10	Y.T.
51,75,000	42,39,896	2,75,32,726	2,00,41,588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg. &Wvg.	256.00	100	15.00	14.00(c)	15.00		6	Y.P.
1,60,62,600 64,40,000	1,66,72,400	10,94,32,348	4,32,00,000	97,190	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	333.25	100	14.00*	14.00	14.00 11.20		12	Y.P.T.
24,00,000	22,76,231	82,93,080	48,70,077	—3,04,756	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	95 00	100	10.00	5.00	*Nil*		12	Y.
30,00,000	7,01,166	1,09,27,346	63,37,035	—4,83,512	W. H. Brady & Co. Ltd.	49,012	979	New Great Spg. & Wvg.	172.00	100	10.00	*Nil*	*Nil*		12	Y.P.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	3,59,718	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	145.00	100	..	12.50F	10.00		3	Y.
40,00,000	40,79,554	76,33,108	27,15,672	20,271	Podar Sons Private Ltd.	32,600	930	Podar Mills	172.00	100	12.00*	10 00	18.00*(c)		12	Y.P.
10,00,000	....	23,94,122	18,44,733	—1,10,689	M.	..	..	Sassoon & Alliance Silk Mill	8.24	10	0.25(c)	*Nil*			12	Y.
87,70,100	1,18,66,143	2,51,80,351	1,49,71,803	5,465	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	49.75	10	2.00	2.00	2.00		12	Y.
80,00,000	46,03,455	1,47,58,656	70,66,050	25,207	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	175.00	100	12.00	8 00	10.00		12	Y.P.
42,00,000	30,80,473	1,95,86,294	79,84,101	8,089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	171.00	50	12.00	8.50	8.50		3	Y.
1,09,75,000	2,39,76,402	3,46,68,221	2,04,23,247	1,708	Mafatlal Gagalbhai & Sons	96,956	2,409	Standard Mills	508.00	100	22.50*	22.50*	20.00		12	Y.P.
1,00,00,000	95,94,067	3,02,49,607	1,59,54,406	29,124	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	253.25	100	14.00*	9.00	10.00		12	Y.P.
36,00,000	66,03,330	1,59,87,553	1,02,92,715	26,062	James Finlay & Co., Ltd.	40,328	549	Swan Mills	370.00	100	25.00	25.00	25.00		12	Y.
65,57,875	49,27,388	2,40,99,635	91,95,631	17,925	Tata Industries Private Ltd.	70,968	1,788	Tata Mills	42.00	25	3.50*	2.00	1.50		12	Y.T.
16,00,000	61,80,857	97,18,091	59,31,903	27,690	Mangaldas Mehta & Co. Private Ltd.	50,056	958	Victoria Mills Ltd.	287.50	100	20.00*	20.00*	20.00*		12	Y.P.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,664	1,212	Western India Spg. & Mfg.	4,475.00	1,000	300.00	325.00*	325.00		12	Y.P.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	137.00	100	12.00	5.00	5.00		6	Y.P.T.
15,00,000	1,02,99,525	1,39,02,837	79,95,503	....	P. M. Hutheesing & Co., Ltd.	44,220	920	Aruna Mills	630.00	100	25.00	25.00	25.00		12	Y.P.
60,00,000	2,86,91,444	2,34,46,771	1,24,21,342	1,27,946	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,060.00	100	35.00*	35.00*	28.00'c'		12	Y.P.
22,00,000	47,41,123	1,22,40,943	77,79,729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	485.00	200	30 00*	*Nil*			12	Y.P.
20,00,000	1,31,57,252	1,17,23,154	70,40,009	957	Lalbhai Dalpatbhai & Co.	37,308	915	Asoka Mills	655.00	100	30.00	30.00	20.00'C'		12	Y.P.
2,06,25,000	2,60,65,170	6,22,25,491	2,74,71,141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,39,120	2,378	Calico	593.50	125	30.00	30.00	25.00		3	Y.P.
63,00,000	27,83,258	1,47,84,607	1,06,56,148	2,092	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	480.00	250	100.00*	25.00*	27.00*		12	Y.P.
52,00,000	1,17,29,342	1,79,38,243	1,14,51,119	1,21,046	Mafatlal Chandulal & Co., Ltd.	50,428	907	New Shorrock Spg. & Wvg.	991.00	125	40.00*	30.00	35.00*		12	Y.
15,00,000	64,29,775	69,45,065	35,66,652	....	Jagabhai Bhogilal Nanavaty & Co.	24,840	572	Nutan Mills	400.00	100	20.00	20.00			12	Y.P.
30,00,000	96,00,783	1,21,92,433	71,71,030	499	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	660.00xd	100	35.00*	35.00*	25.00'C'		12	Y.P.
48,75,000	28,46,580	1,33,74,914	73,60,111	9,983	M.	33,156	648	Rohit Mills	137.50	100	8.00*	8.00*			12	Y.P.
63,75,000	3,01,44,505	2,32,18,408	1,32,23,150	56,660	Harivallabhdas Kalidas & Co.	94,128	1,790	Shri Ambica Mills	803.50	100	30.00*	25.00	30.00*		12	Y.P.
29,25,000	75,75,008	1,12,51,013	77,65,692	23,937	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	497.50	100	30.00*	20.00	22.00*		12	Y.
35,00,000	39,43,859	1,34,94,632	92,66,120	25,810	Haridas Achratlal & Co. Ltd.	41,056	780	Vijaya Mills	617.50	500	50.50*	40.00*	40.00*		12	Y.P.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
15,00,000	3,15,002	39,15,585	25,08,902	41,532	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	6.25xd	10	0.60	0.60	0.50		12	Y.P.T.
7,11,280 3,00,620	3,63,200	63,50,977	59,15,024	22,143	D. N. Bhattacharjee, Esq. (Mg. Director)	33,243	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	*Nil*		3	Y.P.
24,00,000	1,14,529	1,20,17,488	47,02,846	—35,408	Kettlewell Bullen & Co., Ltd.	42,928	841	Bowreah Cotton Mills	110.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
19,00,000	26,19,816	1,42,94,130	70,89,172	11,835	Kettlewell Bullen & Co. Ltd.	42,944	518	Dunbar Mills	162.00	100	6.00	*Nil*	*Nil*		12	Y.T.
50,08,000	7,14,828	81,32,154	30,32,154	1,32,757	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	8.94	10	0.37	0.50	0.65		12	Y.T.
1,60,00,000	2,13,45,526	4,06,00,565	1,38,72,244	5,212	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	14.69	10	1.00	0.75	0.25		3	Y.P.
O.19,47,750 D.5,00,000	6,97,329	49,45,797	80,61,005	—2,23,455	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	14.50N 4.00N	10 1D	1.00 0.26	1.00 0.15	0.50 *Nil*		6	Y.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
30,00,600	....	44,50,440	5,61,731	12,298	Best & Co. (Pondicherry) Pvt. Ltd.	44,386	1,001	Anglo-French Textiles Ltd.	82.00	100	*Nil*	6.00	6.00		12	Y.P.
11,98,600	2,17,093	45,17,191	21,23,244	....	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00	100	15.00	12.50	6.00		6	Y.
72,00,000	18,19,271	1,89,74,579	68,27,598	6,322	The Industries (I.F.) Department, Government of Andhra Pradesh	35,752	716	Azam Jahi Mills	51.50	100	5.00	3.50	*Nil*		9	Y.
1,21,50,000	1,55,24,679	3,69,74,488	2,92,09,368	2,98,409	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	177.00	100	30.00	10.00'C'	10.00		12	Y.P.
35,00,000	74,79,507	1,41,25,225	1,10,21,274	1,04,207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	18.00N	10	1.50	1.50	0.75		3	Y.
1,78,47,800	3,04,99,160	7,63,67,196	4,50,51,659	1,82,834	Binny & Co. (Madras), Ltd.	120,288	2,758	Buckingham & Carnatic	186.00	100	10.00	10.00	10.00		12	Y.P.T.
20,00,000	15,37,935	50,23,440	26,18,048	....	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	9.90	10	0.50	0.50(c)			12	Y.P.
15,00,000	5,11,500	53,88,579	29,91,389	1,08,342	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	150.00cd	100	15.00	20 00	12.50		3	Y.
30,00,000	33,43,336	76,05,050	59,57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Textiles	4.25	5	0.25	0.25	*Nil*‡		12	Y.
9,36,560	5,31,645	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	12.25cd	10	0.75	0 90	0 90		3	Y.P.T.
35,97,200	24,15,845	88,98,386	36,22,038	596	R. Bheema Naidu & Co.	34,864	..	Coimbatore Cotton Mills	142.00	100	25.00	9.00'C'	6.00		12	Y.‡
18,15,000	7,25,195	39,16,552	24,29,633	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	91.00	100	12.00				12	Y.P.
20,00,000	19,70,225	88,45,800	49,14,914	7,779	T. R. N. Naidu & Co.	39,106	..	Coimbatore Pioneer Mills	275.00xd	100	20.00	20.00	20.00		12	Y.P.
20,76,900	5,076	1,37,90,104	83,52,968	—7,29,806	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	56.00	50	10 00	*Nil*			12	Y.
46,87,500	10,87,622	3,55,43,835	1,51,85,678	—28,54,243	Tata Industries Private Ltd.	75,530	1,707	Central India	105.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
26,90,661	19,55,000	1,04,60,142	44,85,815	21,830	R. Hanumanthappa & Son	35,744	300	Davangere Cotton Mills	113.50	100	9.00	9.00	9.00		3	Y.
3,38,36,225 1,00,563	8,59,53,968	12,81,26,690	7,47,89,631	4,80,599	B. R. Charat Ram & Co. Private Ltd	1,16,636	2,333	Delhi Cloth & General Mills	34.25	25 2½	2.50 0.25	2.00 0.16	2.00 0.16		6	Y.P.T.
48,58,875	26,75,000	98,47,125	55,14,444	1,204	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	197.50	100	25.00	10.00'C'	10.00		12	Y.
63,00,000	1,08,20,021	1,73,56,243	1,48,68,839	65,112	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	14.37	10	1.25	1.00	0.75		9	Y.P.
48,81,000	40,20,992	1,72,91,653	83,68,207	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	5	Gokak Mills	146.00	100	13 00	8 00	8.00		12	Y.
2,50,00,000	63,35,000	6,20,30,185	3,68,54,000	12,62,955	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	20.24	10	*Nil*	*Nil*	*Nil*		3	Y.P.
50,00,000	6,94,589	1,59,76,049	1,21,32,273	—11,77,234	K. L. Seksaria, Esq. (Chairman)	50,780	1,356	Indore Malwa United	91.00	100	11.00	6.00		1.00	12	Y.
8,90,000	10,66,553	35,60,221	20,68,005	....	G. V. Naidu & Co. Ltd.	23,784	..	Janardana Mills	70 50	50	10.00	3.00			12	Y.
15,54,000	15,02,599	57,13,937	33,88,095	7,012	Mr. Bhairuratan Damani (Managing Director)	20,932	512	Jam Shri Ranjitsinghji	1,450.00	1,000	60.00	40.00			6	Y.
4,63,65,300	3,05,67,516	4,59,43,795	3,29,32,899	3,47,483	Birla Gwalior Private Ltd.	55,324	1,630	Jiyajeerao Cotton	9.76	10	0.55	0.35	0 25		3	Y.P.
67,09,800	18,25,000	1,40,72,730	40,50,212	31,924	Kothari & Sons	41,040	300	Kothari Textiles	9.90	10	1.00	1.00	*Nil*		12	Y.P.
32,00,000	49,95,387	1,98,16,979	1,44,39,237	690	M.	51,098	1,219	Lakshmi Cotton Mfg.	410.00	250	42.50	15.00	15.00		12	Y.P.
71,00,000	66,85,960	2,25,46,381	1,29,69,687	86,370	G. K. Naidu & Co.	1,10,800	200	Lakshmi Mills	124.00 62.00	50 25	12.50 6.25	10.00 5.00	6.00 3.00		3	Y.
1,75,02,480	3,75,33,193	5,99,75,120	4,17,59,406	—49,07,085	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	27.60	15	2.62	2.25	*Nil*		12	Y.
60,00,000	29,52,000	68,13,971	49,51,979	12,406	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	402.00cd	100	42.50	20.00	20.00	25.00	3	Y.
29,80,884	12,88,081	93,11,180	51,89,457	19,733	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	61.00	100	6 00	*Nil*			12	Y.
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	79.00	250	7.50				6	Y.
24,83,500	39,98,562	1,13,65,249	72,49,736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	82.00	50	9 00*	9.00*	5 00		2	Y.P.
13,81,780	....	29,12,641	17,83,314	3,966	K. Tipperudriah (Chairman)	6,000	..	Mysore Spun Silk Mills	6.25N	10	*Nil*	*Nil*			3	Y.
87,23,500	29,30,563	1,76,86,675	67,86,683	—10,70,571	Bansilal Bisesardas Pvt. Ltd.	87,788	902	Osmanshahi Mills	38.00	100	3.00(c)	*Nil*	*Nil*		9	Y.
4,00,000A 6,00,000B	13,00,000	71,79,976	28,66,277	8,909	Bhaghyalakshmi & Co.	45,600	..	Palani Andavar Mills	134.00cd 190.00cd	50A 75B	15.00 22.50	9.00 13.50			12	Y.P.
15,00,000	....	35,52,644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	55.00	100	*Nil*	*Nil*			12	Y.
33,62,400A. 16,81,200B.	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	300	Radhakrishna Mills	122.00cd 64.50cd	100A 50B	20.00 10.00	12.00 6.00			12	Y.
30,00,000	26,88,606	89,13,907	37,47,058	—1,89,711	B. R. Naidu & Sons	40,296	..	Rajalakshmi Mills	62.00	50	7.50	4.50	3.00'C'		12	Y.P.
16,14,300	14,00,000	58,40,286	20,95,405	....	Ramco Agencies Private Ltd.	30,756	..	Rajapalayam Mills	121.50	100	10.00	12.00	8.00		3	Y.
22,32,300	11,19,000	56,65,412	25,87,551	5,956	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	112.50xd	100	10.00	10.00	10.00		12	Y.
15,90,000 10,000	2,69,010	3,15,04,564	2,05,50,756	—34,29,635	M.	86,048	2,234	Sholapoor Spg. & Wvg.	430.00 —	1,000 500	*Nil*	*Nil*			3	Y.P.
10,00,000	6,43,782	51,57,412	25,99,155	3,113	S. R. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd.	15.50xd	50	1.20	1.20	1.50		12	Y.
36,69,700	21,91,449	1,05,51,059	61,65,564	37,576	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	316	Sri Krishnarajendra Mills	73.00	10	7.00	7.00	4.50	2.00i	3	Y.
15,00,000	3,63,33,415	1,06,79,186	80,23,012	30,16,282	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	67.00N	100.	6.00	6.00	6.00		3	Y.
17,50,000 O 1,57,50,000 PO	2,36,28,071	5,28,86,193	1,97,31,347	2,61,970	M.	1,12,216	2,098	Swadeshi Cotton (Kanpur)	11.00 10 81	10P.O.	0.75 1.13	0.75 1.15			12	Y.P.
1,00,00,000	96,80,000	4,17,24,293	2,30,16,981	1,97,892	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	22.10xd	10	1.00	1.00	1.25		12	Y.P.T.
13,98,730	8,75,000	20,72,310	14,38,584	71	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.05	10	1.12	0.90	0.75		12	Y.
21,00,000	38,84,274	87,72,466	55,03,212	....	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	210.00	100	20.00	12.00	12.00		12	Y.P.
32,00,000	8,64,423	1,64,48,153	1,30,02,866	—14,81,997	The Bombay Co. (Private) Ltd.	40,880	1,363	Vishnu Cotton	100 00	100	8.00	*Nil*	*Nil*		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
Z. Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. ‡ For nine months ended 31st December 1957. 'C'—On Increased Capital.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	Accounts Closed	Reference
71,39,780	6,27,794	1,53,40,852	52,19,911	49,516	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.20	B. 10	1 00	1.00			12	Y.P.
59,89,343	36,548	1,57,05,664	21,936	6,415	M.	Ashoka Cement Ltd.	8 68	10	..	*Nil*	*Nil*		3	Y.T.
2,71,80,070 6,34,26,150	10,06,76,940	36,32,76,342	12,89,15,052	1,98,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	152.50	100	10.00	9.00	8.50'C'		7	Y.T.
83,92,587	....	1,23,58 448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.16	10	0.60	0.60			12	Y
1,44,10,795 5,00,000	53,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	10.55 2.63	O. 10 D. 1	1.25 0.12	1.20 0.12			12	Y.P.T.
1,46,27,385	30,37,736	2,18,27,299	73,38 865	71,092	Essen Private Ltd.	India Cements Ltd.	6.20cd	5	0.41	0.41	0.45	0.20cd	3	Y.P.
1,50,00,000	1,85,000	6,72,92,670	1,24,70,386	93,276	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.20	10	1.25	1.25	1.25		3	Y.P.
1,00,00,000	31,43,497	3,25,63,768	1,17,79,528	37,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	15.52	10	1.25	1.50			12	Y.P.
1,34,20,200	48,94,785	3,55,77,865	1,29,16 661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	155.00	100	9.00	9.60			12	Y.P.
75,00,000	17,70,000	2,18,91 926	1,54,83,889	18,727	M.	Sone Valley Portland Cement	6.03	5	0.15	0.30			12	Y.
50,00,000	9,41,423	1,05,03,900	52,37,585	2,67,873	Essel (Private) Ltd.	Travancore Cements Ltd.	9.85cd	10	0.60	0.60	0.60		12	Y.

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
18,50,000	14,90,231	13,05,892	7,13,067	32,829	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	20.24	10	3.00	1.50	3.50		9	Y.P.
60,50,275	8,45,006	1,20,18,973	35,41,847	20,913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.62	2½	0.25	0.25			12	Y.
10,00,000	34,05,833	68,82,558	36,38,162	12,629	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	32.62	10	0.87	1.75	1.75		3	Y.
£1,871,300	£1,348,400	£2,621,717	£1,593,562	11,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.03	Sh. 2	4.8d.	4.32d			12	Y.
O.15,00,000 P.5,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	12.69	10	*Nil* *Nil*	*Nil* *Nil*			6, 12	H.
6,00,000	4,29,010	10,39,616	6,71,336	6,036	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.80	10	1.00	1.00*	1.00*		3	Y.
20,00,000	49,23,557	56,51,624	29,17,800	1,42,114	Bird & Co. Private Ltd.	Orissa Minerals	37.62	10	1.00i	2.00	2.50*		6	Y.
10,50,000	74,07,410	92,16,115	33,74,927	57,690	Killick Industries Ltd.	Shivrajpur Syndicate	82.00	10	8.00*	8.00*	8.00*		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
41,27,700	37,60,000	1,10,24,566	49,60,560	31,003	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co	209.00	100	10.00	12.00			12	Y.P.
62,00,000O 47,97,000A	90,34,040	4,45,67,283	73,02,594	1 03,673	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	23 94	10	0.80	0.80	0.80		9	Y.P.
60,00,000	1,10,451	74,07,828	11,27,427	30,180	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	177.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
,89,27,800	11,05,700	2,96,61,485	67,85,495	53,636	Lalbhai Sons & Co.	Atul Products Ltd.	331.50	100	6.00	8.00			12	Y.
48,17,200	43,38,400	1,45,22,658	65,85,066	13,00,664	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	101.00	100	6.00	6.00	6.00		3	Y.P.T.
21,50,000 42,74,800	63,31,297	1,48,64,534	57,89,669	9,980	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	113.00 —	100 100New	9.00 4.50	7.50 3.75	6 00 6.00		3	Y.P.
8,46,06,075	....	4,29,69,769	2,38,20,365	7,08,211	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	8.87cd	10	*Nil*	*Nil*			12	Y.
12,00,000	6,23,983	25,97,593	13,03,860	26,435	Jal H. Mehta	Kemp & Co.	230.00	200	15.00	15.00	15.00		3	Y.
40,50,000	16,32,446	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.70	10	0.75	0.75	0 87½		3	Y.P.T
24,81,220	6,70,009	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.60	10	0.50	0.50			3	Y.
8,00,000	4,00,000	7,37,855	4,44,350	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	19.00	10	2.00	2.00			3	Y.P.
15,00,000	13,06,999	20,04,902	14,47,983	87,455	C. A. Buxton	Smith Stanistreet & Co.	11.44	5	1.00	1.00	0.80'C'		6	Y.P.
10,00,000	12,00,954	19,34,602	14,27,276	87,365	M.	Polychem. Ltd.	97.00	50	..	..	*Nil*		3	Y.P.
1,89,95,990 50,00,000	17,19,952	4,57,35,637	1,71,43,316	3,736	Tata Industries Private Ltd.	Tata Chemicals	18.64	10	0.75	0.80	0.75		6	Y.P.T.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
6,74,73,395	78,99,565	13,89,89,259	3,13,33,227	857	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	92.00	100	6.50	8.25	6 50		3	Y.T.
72,50,000	14,67,106	1,98,94,397	45,21,447	15,26,326†	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.88	10	0.75	0.42½	0.85		3	Y.P.
8,02,76,250	76,70,609	9,08,96,522	2,41,70,836	82,105	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,130.00	1,000	75.00	56.25	80.00*		3	Y.P.T.
1,75,00 000	54,34 572	3 30,22,445	77,28 771	452	Killick Industries Ltd.	Bombay Suburban Electric Supply	104.50	100	7.00	7.00	7.00		3	Y.
7,07,020	99 267	16,08,942	7,53,744	199	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.12	10	0.63	*Nil*	0.50		3	Y.T.
18,89,000	9,35,596	1,40,77,220	53,14,908	7,836	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	120.00	100	10.00	2.50	7.50		3	Y.P.T
60,62,500	25,74,514	1,34 27,302	42,37,719	3,828	Killick Industries Ltd.	Surat Electricity	104.00	100	..	8.75	7.00		3	Y.P.
2,39,99,575	74,19 097	6 63,96,657	1,61,14 10	28,951	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	117.00	100	7.50	5.52	8.00*		3	Y.P.
5,15,35,750	2,13,05,278	16,15,83,754	3,15,30,93?	29,701	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,130.00	1,000	75.00	56.25	80.00*		3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
19,99,600	44,20,245	1,12,31,458	33,25,328	49,395	MartinBurn Ltd.	Agra Electric Supply Co., Ltd.	141.00	100	10.00	10.00	10.00		3	Y.T.
8,00,000	14,59,897	50,97,022	18,71,544	16,812	Martin Burn Ltd.	Bareilly Electric Supply	14.50	10	..	1.25	1.00		3	Y.T.
17,00,000	40,15,771	1,33,22,707	40,12,140	41,291	Martin Burn Ltd.	Benares Electric Light & Power Co.	14.25	10	..	1.25	1.00		3	Y.T.
5,91,360	6,95,855	21,28,477	9,59,684	58,197	Octavius Steel & Co. Ltd.	Bhagalpur Electric Supply	7.75	8	..	0.62Z			3	Y.
£4,262,616	£9,051,862	£31,075,211	£11,724,713	£110,341	Harry Burn Esq. (Chairman	Calcutta Electric Supply	15.00	£1	..	8¼%Z	7%		3	Y.P.T.
6,00,000	5,11,491	28,13,024	8,33,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.00	10	..	1.00Z	0.65		3	Y.
43,20,000	16,40,106	98,00,595	33,79,613	8,16,830	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	102.00	100	6.00	6.50	7.00		3	Y.P.
5,34,640	96,514	29,51,444	12,22,358	3,590	Moonna Lall & Sons	Jhansi Electric Supply	6.62	10	..	0.86Z	0.62½		3	Y.T.
2,49,700	25,37,546	98,31,843	35,83,665	29,425	Martin Burn Ltd.	Jubbulpore Electric Supply	13.00	10	0.40	0.92	0.92		3	Y.
4,95,000	2,21,374	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.34	9	..	1.22Z	0.72		3	Y.
5,82,800	8,35,296	32,18,465	11,47,495	39,001	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8.25	10	..	1.25Z	1.00		3	Y.
6,90,850	1,83,973	17,84,092	7,83,164	22,321	G. D. Bhagat, Esq.	Muttra Electric Supply	10.50	10	0.80	0.80	0.80		3	Y.
35,10,478	37,51,063	1,32,14,704	51,65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	11.87	10	..	1.25Z	0.75		3	Y.T.
9,10,000	1,93,940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8.25	10	*Nil*	*Nil*	0.50		3	Y.
16,80,000	11,63,747	79,62,083	50,24,986	717	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	11.00	10	..	0.94Z	0.63		3	Y.T.
56,00,000	9,42,467	1,85,49,991	54,65,888	10,955	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	12.40	10	0.91	1.28	0.87		3	Y.P.T.
5,99,250	4,67,280	21,00,262	9,36,176	9,033	Martin Burn Ltd.	Upper Ganges Valley Electric Supply.	22.50	10	..	1.25	1.00		3	Y.
5,00,000	7,10,006	30,55,008	9,86,492	34,395	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	18.00	10	1.25	1.25	1.25		3	Y.
56,00,000	70,88,309	3,23,02,947	1,28,96,068	82,797	Martin Burn Ltd.	U. P. Electric Supply Co.	137.00	100	10.00	10.00	0.50		3	Y.T.
4,00,000	7,51,747	33,03,944	8,61,891	2,25,577	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.75	10	1.00	1.00	1.00		3	Y.P

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
83,42,200	52,81,831	74,21,408	62,82,616	25,010	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	271.00	100	15.00	12.50			12	Y.
14,99,060	2,67,708	16,61,421	6,38,124	3,552	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	80.00N	60	3.00	3.00	3.00		12	Y.
6,40,000	8,75,000	1,57,259	1,17,027	1,448	M. R. Rao Esq. (General Manager)	Jost's Engineering	71.00	50	4.00	5.00	5.00		3	Y.
44,96,250	3,13,291	58,91,406	23,32,632	11,374	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	8.60xd	10	*Nil*	*Nil*	0.50		9	Y.P.
60,00,000	18,99,291	56,44,071	24,41,086	37,211	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	22.56XR	10	1.00	1.00	1.25	1 5	3	Y.P.
1,32,00,000	35,51,182	1,33,44,215	23,12,332	98,681	M.	Mahindra & Mahindra Ltd.	22.40	10	1.25	1.75	2.20		10	Y.P.
11,00,000	1,98,034	37,30,884	22,13,147	5,012	P. Jhunjhunwala Esq. (Mg. Director)	McKenzies	78.00	100	*Nil*	*Nil*	*Nil*		7	Y.P.
89,69,895	24,80,000	83,15,927	81,99,497	59,101	Jeewan Private Ltd.	Mukand Iron & Steel	18.28	10	*Nil*	1.00	1.20		3	Y.P.
72,50 000O. 1,31,250Pr.	1 31,65,556	7,65,574	1,09,239	2,35,444	Walchand & Co. Private Ltd.	Premier Construction	327.50	30	8.50	10.00	12.00		12	Y.P.
11,56,50,000 11,41,76,610	28,26,43,033	147,05,45,433	42,01,71,546	4,49,862	Tata Industries Private Ltd.	Tata Iron and Steel	188.75 187.50	75old 75new	10.50 ..	9.50 2.54	8.25 7.56		3	Y.P.
6,00,00,000	65,53,390	16,75,33,206	6,68,32,890	1,76,036	Tata Industries Private Ltd.	Tata Locomotive.	200.00	100	6.00	8.00	9.00		3	Y.P.T.
2,55,00,000	24,78,951	76,50,491	16,44,492	1,09,108	S. K. Handoo, Esq.	Voltas Ltd.	181.50	100	9.00	9.00	9.00		3	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	13.00	10	*Nil*	*Nil*			10	Y.P.T.
50,00,000	21,82,549	1,38,19,982	85,27,333	53,806	Bhartia Co., Ltd.	Bhartia Electric Steel	17.00	10	1.25	1.25	1.25		12	Y.
56,59,790	64,90,721	66,62,747	9,45,919	1,75,170	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	28.75	7	2.00	3.00	1.25		12	Y.
12,00,000	25,05,000	49,19,444	27,09,444	1,73,321	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	34.00	10	2.00	2.00			12	Y.T.
19,88,670	5,23,347	37,25,250	11,79,769	99,900	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	6.00	10	0.50	0.50	0.50		3	Y.P.T.
40,00,000	39,42,805	83,13,780	37,68,347	1,97,710	McLeod & Co., Ltd.	Britannia Engineering	13.00	10	0.60	0.60			12	Y.T.
5,00,000	5,65,064	22,70,144	13,03,817	63,189	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	28.31	10	*Nil*	2.00	2.00		12	Y.
84,00,000	1,99,04,936	4,42,87,297	2 71,63,251	1,30,345	Martin Burn Ltd.	Burn & Co.	439.00	100	20.00	20.00	20.00		4	Y.T.
2,00,00,000	2,13,04,630	4,44,83,991	1,89,34,503	....	H. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	39.50	10	2.30	2.00	2.00		12	Y.T.
12,50,000	24,07,000	60,24,546	39,12,107	9,214	Martin Burn Ltd.	Hooghly Docking	113.00	50	6.25	5.00	5.00		12	Y.P.
36,91,500	....	46,81,461	28,61,241	—2,73,604	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	22.31	10	*Nil*	*Nil*	*Nil*		12	Y.P.
10,36,74 160	18,72,11,475	43,94,57,967	10,27,74,198	9,94,375	Martin Burn Ltd.	Indian Iron and Steel	24.24	10	1.00	1.00	1.00'C'		3	Y.P.
34,98,500	50,07,240	1,11,72,454	63,34,127	37,450	Martin Burn Ltd.	Indian Standard Wagon	94.50	25	7.50*	7.50*	5.00	5.00	3	Y.P.
32,00,000 26,580	3,11,02,206	2,15,50,769	1,37,16,227	14,95,361	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	36.00 19.00N	0.10 0.1	3.00 0.30	4.00* 0.40*	4.00* 0.40*		3	Y.
68,62,575	52,15,306	2,84,90,851	96,05,430	1,981	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	211.00	100	10.00	15.00	12.00		3	Y.P.T.
1,01,99,000	51,82,557	1,72,18,507	62,69,132	51,612	M.	Jessop & Co.	31.10	10	*Nil*	*Nil*			10	Y.P.
24,23,187	10,05,500	48,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi).	Kirloskar Oil Engines, Ltd.	19.76	10	0.60	0.90	1.00		3	Y.
18,43,200	54,56,724	72,53,319	26,62,252	22,949	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	8.50	3	0.62	0.45			11	Y.P.T.
10,50,000	23,78,264	17,13,875	13,52,941	1,35,774	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	6.50	2	0.40	0.40			6	Y.
49,96,000	7,44,675	1,25,33,261	63,79,493	9,10,380	M.	National Iron and Steel Co., Ltd.	8.25	10	0.62	0.62	0.62		3	Y.P.T.
40,00,000	30,56,944	60,88,480	18,59,471	9,638	S. R. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10					6	Y.P.
6,00,000	8,16,855	29,83,251	18,00,849	21 638	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.44	4	0.25	0.40	0.40		3	Y.
1,50,00,000	52,27,211	3,90,32,535	1,71,90,933	36,726	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	25.55	10	1.25	1.50	1.50		12	Y.P.T

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
13,50,000	46,99,060	1,33,51,354	....	1,13,250	K. G. McLeod, Esq.	Concord of India	13.00	5	1.00	1.00			12	Y.
10,00,000	8,10,575	26,59,924	....	36,729†	M.	Devkaran Nanjee Insurance	34 25	50	3.00	3.00			12	Y.
5,15,000	1,84,95,246	12,38,65,607	....		R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	201.25	100					12	Y.
24,00,000	62,91,344	1,26,11,707	....	3,40,686	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	26.00	10	2.00	2.00			12	Y.
18,74,940	3,30,83,259	4,29,34,168	....	6,54,184	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	5.60	15	*Nil*	*Nil*			12	Y.
20,00,000	53,99,401	1,56,15,926	....	10,976	M. G. Mody, Esq.	New Great Insurance	23.48	20	1.50	2.00			12	Y.
1,06,81,500 33,60,535	7,55,20,902	13,09,08,428	....	1,22,147	B. K. Shah, Esq (Mg. Director).	New India Assurance Co., Ltd.	56.50 60.20	15 15 New	3.00	3.00	4.00 4.00		12	Y.
32,00,000	65,00,064	1,60,63,502	....	29,354	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	7.06	3	0.62	0.62			12	Y.
5,75,000	67,91,968	42,97,528	....	51,175	J. D. K. Brown, Esq.	Triton Insurance	158.00	25	11.25	11.25			12	Y.
15,99,270	38,72,513	1,03,12,953	....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	21.00	10	1.50	1.50			12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
35,00,000	86,85,342	89,39,928	37,24,382	3,488	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	6.25N	7	1.50	0.60	*Nil*		12	Y.P.
1,00,00,000	1,50,18,285	99,60,109	51,30,823	3,23,739	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co. Ltd.	24.62	10	2.00	2.00	2.00		12	Y.P.
79,07,475	35,88,424	2,22,58,663	1,37,40,056	5,511	Tata Industries Private Ltd.	Tata Oil Mills	65.20	25	3.00	2.50	2.50		3	Y.P.
6,00,000	9,35,044	2,38,199	1,74,917	70,660	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India), Ltd.	16.75	10	1.25	1.25	1.50		10	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. ‡ Less Income-tax. Z.—Dividend is for fifteen months ended 31st March 1957. T—Company has got Debentures.

MISCELLANEOUS COMPANIES—Continued.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	96.00	25	4.69	2.50	3.12	2.00I	12	Y.P.T.
63,00,000	61,52,258	1,94,26,902	88,79,418	29,471	Andrew Yule & Co., Ltd.	India Paper Pulp	22.50	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	20.55	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd.	Orient Paper	36.60	10	1.12	0.62	1.50	1.50	3	Y.P.T.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	18.06	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000 A10,00,000	9,19,123	74,75,136	39,88,407	20,483	Bajoria & Co.	Star Paper Mills	10.87 10.87	O. 10 A. 10	1.25 1.25	1.05 1.05	0.60 0.60	0.60 0.60	9	Y.P.
2,18,55,240	51,23,786	3,93,85,536	1,10,56,130	18,794	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.28	10	5.00‡	0.50	0.50	0.65	6	Y.P.
56,00,000A. 56,04,800B. 4,87,500P.O.	3,85,66,722	6,68,99,634	3,73,32,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	44.37 44.37 4.25	A. 10 B. 10 P.O. 2½	2.00* 2.00* 0.25	1.12* 1.12* 0.12	2.38* 2.38* 0.24	2.38* 2.38 0.24	3	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
13,99,998	22,88,839	82,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.44	3	Nil	†Nil	Nil		9	Y.
89,25,000 42,00,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corpn.	548.00 186.25	Old125 New50	37.50 15.00	40.00 13.75	47.50K 19.00K	22.50 9.00	5	Y.
20,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	40.25	10	3.00	3.00	2.75	2.50	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
14,00,000	16,60,406	43,47,523	32,35,804	59,415	M.	Balrampur Sugar	7.25		0.06	Nil	0.25	0.25	6	Y.
12,00,000A. 8,00,000B.	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	120.00N 11.50N	A.100 B. 10	10.00 1.00	10.00 1.00			4	Y.T.
19,49,050	9,25,000	33,56,131	25,76,647	66,832	Bangur Bros., Ltd.	Belsund Sugar	13.00	7½	0.75	1.00	1.00	1.00	9	Y.
15,00,000	13,08,913	22,66,507	13,89,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	12.75	10	1.50	1.50	1.50	1.00	6	Y.P.
82,00,000	23,38,522	1,49,71,234	1,02,01,879	11,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	10.81	10	0.25	Nil	Nil	0.25	6	Y.P.T.
80,00,000	63,02,047	1,64,83,531	98,80,069	—22,24,008	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	11.31	10	0.75	0.75	Nil	Nil	10	Y.P.
18,00,000	38,41,544	85,45,310	62,25,089	6,822	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	15.62	10	1.50	1.00	Nil	1.00	6	Y.
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.50N	10	0.50	0.50			8	Y.T.
60,00,000	65,12,000	2,11,44,128	86,21,246	43,249	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	230.00	100	15.00	15.00	15.00	15.00	6	Y.P.
18,00,000	13,01,626	82,28,561	52,18,596	74,885	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	47.00	40	2.25	4.00	7.00	4.00	7	Y.P.
7,89,100	25,36,524	50,24,224	28,80,749	18,295	Cotton Agents Private Ltd.	New India Sugar Mills	26.00	10	2.50	2.50	2.50	2.50	6	Y.P.
11,00,000	4,52,841	49,08,886	29,20,520	3,047	K. C. Thapar & Bros. Private Ltd.	New Savan	4.12	10	0.25	0.37	0.37	0.25	5	Y.
13,21,100 38,275	49,91,797	73,75,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	240.00 50.00N	100 25	20.00 5.00	20.00 5.00	20.00 5.00		6	Y.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	142.00	100	11.00	11.00	12.50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	12.25	10	0.75	0.75	Nil		10	Y.P.
63,59,400	48,34,090	81,89,788	81,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	13.75	10	1.50	1.50	1.50		10	Y.
8,00,000	6,30,752	29,26,300	23,93,295	1,403	M.	Ryam Sugar	17.00	10	Nil	1.75	1.50	1.50	6	Y.P.
11,99,000	16,33,214	47,23,533	25,18,422	—2,20,853	M.	Samastipur Central Sugar	12.81	10	Nil	1.75	Nil		6	Y.
89,88,800	22,68,560	1,47,99,287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.00	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	82,42,065	14,85,208	—8,03,840	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.12	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	13,52,431	35,59,550	20,58,859	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
8,00,000	37,71,616	1,55,93,502	86,53,620	24,618	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	2.50	3.00	5.00	5.00	6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.	United Provinces Sugar	16.75	10	1.50	0.60	0.75		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
30,00,000	23,00,000	84,58,962	24,22,569	22,096	Rangarao & Co.	Andhra Sugars Ltd.	22.52	10	0.60	1.00	1.25	1.50	9	Y.
70,49,650	1,33,26,508	1,53,99,065	1,08,78,700	2,88,214	W. H. Brady & Co., Ltd.	Belapur Company	293.50	50	16.00	16.00	18.00	20.00*	9	Y.
17,50,000	13,19,902	42,58,150	25,46,204	1,21,343	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	23.56	10	1.00	1.50	2.00	2.00	9	Y.P.
87,50,000	16,15,171	76,19,408	50,40,255	31,529		Shree Changdeo Sugar	27.00	12.50	2.00	5.00	2.25		9	Y.
89,84,000	60,19,492	1,19,44,328	66,95,463	1,49,743	Parry & Co., Ltd.	Deccan Sugar & Abkhari	12.27cd	5	0.50	0.75	0.72½'C'	0.90	5	Y.P.
£800,000	£1,398,556	£1,861,707	£996,904	£70,816	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	38.25	£1	Sh. 4	Sh. 3	Sh. 3	Sh. 4	9	Y.P.
15,93,900	21,59,383	45,68,562	27,88,312	9,164	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	Nil	6.00	10.00	10.00	6	Y.P.
63,97,600	9,09,336	78,60,440	13,77,075	24,812	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.00	10	1.40	1.12	1.00	1.00	9	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd.	Jaypore Sugar	15.75	10	1.00	0.60	0.60		6	Y.P.
10,52,200O. 2,87,190D.	1,09,50,000	3,37,42,487	51,70,482	83,107	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	140.00 140.00	O.100 D. 10	7.50 10.00	7.50 10.00	7.50 10.00	7.50 1.50	6	Y.P.
67,50,000	43,52,607	1,32,16,830	62,39,590	2,98,574	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	206.25	50	..	100.00*	100.00*	17.00*	9	Y.P.
21,79,280	92,73,108	1,57,31,189	96,17,873	1,44,257	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	51.25	10	2.00	2.00	2.00	8.00*	6	Y.
50,00,000	53,21,430	1,16,88,154	67,30,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	158.00	50	8.00	9.00	12.00*	10.00	9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	19.12	10	2.00	2.00	1.50		8	Y.P.T.
20,00,000O. 4,00,000D.	42,95,804	1,18,46,781	62,36,097	72,206	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	130.00 40.00	O. 50 D. 50	9.00 0.70	12.00 0.70	12.00 3.75	12.00 3.75	9	Y.P.T.
30,00,000	23,85,000	65,43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	12.05	10	0.75	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,17,39,868	2,95,28,114	1,17,67,639	1,73,607	Walchand & Co. Private Ltd.	Walchandnagar Industries	311.25	100	18.00	21.00	21.00	21.00	9	Y.P.T.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
20,00,000	99,30,970	1,22,58,916	20,71,765	88,927	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	7.50	7.50	5.00	6.00	10	Y.P.
1,00,00,000	1,27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	11.52	10	5.00	6.00	12.00*		12	Y.
60,00,000 30,00,000	1,98,50,067	5,87,36,643	1,23,12,203	1,54,433	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	22.60 14.92	10 5	Nil	1.00	1.50	1.80 0.90	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	64.50	£10	Sh. 10	Nil	Nil		12	Y.P.
2,47,50,000	2,83,86,232	15,10,10,777	3,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	14.08	10	Nil	1.00	1.00	1.00	3	Y.P.
11,28,19,298	10,91,45,114	30,05,36,672	6,94,73,743	6,65,069	M.	Scindia Steam Navigation Co.	17.60	20	0.50	1.00	1.25	1.25	6	Y.T.
8,40,800O. 2,10,200P.O.	21,67,472	12,59,963	8,41,760	1,35,400	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	2.00 1.59	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.14 0.12		12	Y.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
5,57,00,000	1,20,48,754	5,27,61,868	66,48,054	1,35,01,986	S. H. Turner (Chairman)	Hindustan Lever	29.60	10	..	1.25	1.40	1.50	12	Y.
31,07,000	13,46,538	1,14,49,682	72,51,407	67,978	Birla Brothers Private Ltd.	Hind Cycles	103.00	100	10.00	..	12.50F	7.00	3	Y.P.T.
14,98,840	4,61,996	33,87,568	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	40.00	50	2.00	3.00	3.50*	3.00	3	Y.P.
99,99,250	20,21,794	1,27,76,392§§	....	1,92,364†	Premchand Roychand & Sons	Industrial Investment Trust	77.00	100	4.50	5.00	5.50	6.00	12	Y.
1,00,00,000 6,23,625	25,34,707	45,50,246	14,45,332	9,290	K. G. Milne, Esq. (Mg. Director)	Killick Industries	138.50	100	11.00	11.00	11.00	13.00	11	Y.
2,20,26,525	71,19,432	3,90,61,158	1,93,68,002	4,78,891	Aero-Auto Private Ltd.	Premier Automobiles	119.00	100	Nil	6.00	6.00	4.00	6	Y.T.
26 94,500	24,05,554	65,52,811	16,34,991	48,132	Polson Agencies Private Ltd.	Polson Ltd.	136.00	10	10.00	12.50	10.00	10.00	12	Y.P.
2,75,00,000	1,57,27,188	4,42,23,592	1,76,37,418	1,62,793	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	204.50	100	11.00*	11.00*	11.00*	11.00*	12	Y.
45,00,000	59,87,543	11,32,721	5,39,418	84,398	Jehangir P. Patel, Esq. (Chairman)	W. H. Brady & Co., Ltd.	326.25	150	20.00	22.50	25.00	25.00	12	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
57,50,000 2,50,000	1,09,56,713	3,81,21,462	36,96,361	2,33,759	J. K. Industries Private, Ltd.	Aluminium Corporation of India Ltd.	14.50 —	O. 10 D. 2½	Nil Nil	0.50 Nil	0.90 Nil		3	Y.P.T.
79,95,653	34,25,000	1,05,40,087	34,37,767	49,715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd.	21.25	10	1.25*	1.25	1.25	1.25	3	Y.
30,00,000	36,31,857	35,74,849	24,59,437	2,39,372	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	18.37	10	2.00*	2.00*	1.80*	1.50	8	Y.
30,00,000	17,57,742	39,32,562	20,88,143	1,07,533	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	16.50	10	1.25*	1.25*	1.25*	1.25*	12	Y.
20,00,000	35,94,600	1,05,12,033	39,58,423	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	8.00	10	0.40	1.20	0.60		3	Y.P.T.
3,13,10,000	16,72,758	1,71,81,201	43,09,030	27,608	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	6.95	5	Nil	0 30	0 30	0.30	12	Y.
30,01,400	84,59,405	74,46,138	40,46,138	5,00,886	M.	Balmer Lawrie & Co., Ltd.	184.50	100	12.50	15 00	12.50	5.00I	12	Y.
12,00,000	19,60,081	34,87,689	28,67,589	2,19,540	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	35.50	10	2.25	2.50	2.50	2.50	12	Y.
20,00,000	8,48,877	....		14,920	Lovelock & Lewis	Birds Investment Ltd.	14.69	10	1.25	1.00	0.50	0.70	9	Y.P.
45,97,020	88,11,814	1,15,02,202	42,92,212	2,18,164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	23.12	10	1.00	1.00	1.00	1.20	3	Y.P.T.
8,25,00,000	1,27,72,883	8,51,40,132	2,47,20,776	—11,35,910	M.	British India Corporation Ltd.	4.68	5	Nil	0.10	Nil		12	Y.P.
57,50,000	....	8,48,250	2,892	27,205	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	157.00	75	..	..	..	Nil	12	Y.
5,00,000	2,47,132	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	79.00xd N	100	5.00	6.00	10.00*		6	Y.
1,88,80,000	17,34,264	2,05,94,990§§	....	8,10,588	Andrew Yule & Co., Ltd.	Clive Row Investment	9 94	10	0.56	1.38	0.75	0.75	3	Y.
3,00,00,000	3,95,09,699	8,77,39,859	2,97,56,769	22,46,056	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	33.50	10	1.50	1.50	1.62	1.62	12	Y.P.T.
16,20,630	56,26,391	43,40,889	19,18,152	26,195	Mr. K. G. Khanna	Dyer Meakin Breweries	16.75	5	0.56	0.56	0.60	0.75	8	Y.
51,26,000	56,67,666	1,62,31,190§§	....	8,25,471	Bird & Co. Private Ltd.	Eastern Investments Ltd.	137.00	100	9.00	9.00	9.00	9.00	12	Y.P.
14,94,675	....	22,64,862	91,811	5,110	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	11.75	10	..	..	..		12	Y.P.
14,00,000	10,85,000	36,71,778	20,74,054	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	202 00	100	15.00	4.00	12.00	15.00	3	Y.
40,00,000	4,40,000	68,41,943	36,78,212	10,34,574	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	20.00xdN	10	2.00	2.00	1.50	2.00	12	Y.P.
65,00,000	36,00,000	29,50,904	12,41,168	1,46,370	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	12.56	10	1.40	1.60	1.00	1.00	3	Y.P.
30,00,000	15,17,354	83,08,821	36,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	250.00N	250	6.25	15 00	15.00		3	Y.
4,96,13,250	13,37,499	5,26,95,200	2,25,48,541	9,38,841	Birla Brothers Private Ltd.	Hindusthan Motors	9.52	10	Nil	Nil	Nil	Nil	3	Y.P.
3,88,05,820	1,30,17,480	9,30,74,123	2,48,87,454	15,25,957	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	21.44	10	0.90	1.00	0.60	0.70	12	Y.P.
1,62,89,220	1,59,00,000	2,56,09,150	1,03,47,239	41,30,205	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	31.19	10	1.25*	1.50*	1.50*	1.50*	3	Y.P.T.
8,27,970	6,14,570	17,46,166	10,03,558	97,031	M.	Indian Rubber Manufacturers	17.00	10	0.50	0.62	0.62		3	Y.P.
2,00,00,000	84,76,626	4,61,56,945	1,85,74,917	6,17,828	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	28.87	10	..	..	1.00	1.00	9	Y.
5,16,00,000	9,06,59,979	10,61,31,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	12.00	10	0.30	0.30	0.70	0.70	3	Y.
2,50,00,000	69,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	82.00	100	7.50	7.50	2.50	2.50	3	Y.P.
40,00,000O. 5,00,000D.	82,95,072	20,31,775	11,33,490	....	M.	McLeod & Co.	210.00 —	O. 100 D.O.10	22.50 1.75	8.00 0.30	12 50 0.75		12	Y.P.
1,45,55,250	1,07,91,546	54,34,935	15,77,645	2,44,633	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28.75	10	1.81*	2.12*	2.12*	2.12*	9	Y.P.
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	44.00	10	1.25	1.62	1.75	1.75	3	Y.P.
6,56,250	6,92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	21.25	10	0.75	0.90	1.25		3	Y.P.
10,00,000	3,70,000	18,04,172	10,70,792	4,088	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	14.37	10	1.00	1.50	1.50	1.25	3	Y.
2,00,00,000	88,05,505	2,82,78,743	78,77,684	33,63,463	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	35.00	10	3.25	1.50	1.40	1.40	12	Y.
59,97,500	1,15,26,172	96,32,982	44,82,913	60,556	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co.	34.62	10	1.50*	2.00*	2.00	2.00	3	Y.T.
40,00,000	25,10,000	83,49,530	22,23,144	23,120	Do.	National Rolling & Steel Ropes	15.62	10	0.60	0.60	0.60	1.00	6	Y.P.
49,90,400	7,21,860	72,58,541	31,03,186	96,706	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	14.50cd	10	..	..	1.00	0.60'C'	12	Y.
79,97,000	68,89,201	1,25,70,061	65,79,351	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	17.37	10	0.80	0.70	0.90		12	Y.P.T.
2,20,00,000	42,21,731	89,43,258	33,40,874	63,842	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	23.25	10	..	..	0 34		12	Y.
2,25,00,000	10,94,424	85,12,939	46,26,988	—32,47,714	M. P. A. Paspatti, Esq.	Rallis India Ltd.	65.75	100	Nil	Nil	Nil	Nil	8	Y.P.
2,50,80,000	1,57,90,209	13,84,94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Rohtas Industries	22.87	10	1.50	1.50		2.00††	3	Y.P.T.
4,73,200 5,13,400	1,13,295	30,83,514	8,64,403	40,297	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100.00N 50.00N	100 50	.. ..	5.00 2.50	6.00 3.00	6.00 3.00	3	Y.P.
70,00,000	23,09,081	2,33,89,219	42,65,765	43,141	M.	Sen-Raleigh Industries	17.00cd	10	0.60	0.60	0.60	0.60	9	Y.P.
40,00,000	89,05,314	1,28,83,302	73,61,372	9,13,245	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	20.25cd	10	1.50	1.50	1.50	1.50	6	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3,65,425	S. M. Smith, Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	19 87	10	1.00	1.00	1.00		12	Y.P.
15,00,000	95,15,571	1,13,44,098	16,55,796	3,212	J. K. Agents Private Ltd.	Straw Products Ltd.	17.00	10	1.00	1.25	1.25		12	Y.
9,98,380	5,855	15,56,343	5,95,504	10,268	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.50cd	10	Nil	Nil	Nil	0.40	12	Y.
6,00,000	9,80,100	30,85,103	26,85,097	9,488	Vital Maliva, Esq. (Chairman)	United Breweries	425 00	100	0 00	20 00	20 00	60 00	3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. J.—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958. † Subject to taxation.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. K.—Includes an additional dividend Rs. 7.00 per old share and Rs. 3.00 per new share.]

TEA AND OTHER PLANTING COMPANIES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	32.00N	10	19.00A	5.00	1.00	1.50I	12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	456	Ananda (Assam) Tea	19.00	10	1.00	2.00	1.00		12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	460	Ananda Bag	25.00	10	1.00	1.25	0.50		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	25.00	10	1.00	2.50	1.50		12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co., Ltd.	377	Basmatia	26.50	10	1.50	2.00	1.75		12	Y.
4,95,900	3,59,210	14,69,973	9,25,973	64 213	National Tea Corporation	579	Bateli	19.75	5	2.50	3.00	1.50		12	Y.
6,40,000	8,40,000	11,69,588	4,11,989	1,12,913	Gillanders Arbuthnot & Co., Ltd.	581	Betjan	25.87	10	2.00	2.50	1.50		12	Y.
33,00,000	15,39,600	73,93,588	30,33,388	3,19,900	Williamson Magor & Co., Ltd.	3,967	Bishnauth	19.81	10	2.00	2.00	1.00		12	Y.
6,00,000	2,50,000	13,10,965	2,81,330	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	15.00	10	Nil	0.50	Nil		12	Y.
7,50,000	6,16,032	10,84,128	3,57,291	—1,11,518	McLeod & Co. Ltd.	450	Bormah Jan Tea	18.00	10	2.00	1.50	Nil		12	Y.P.
35,00,000	15,33,395	81,87,373	29,08,381	5,44,800	M.	2,884	Brooke Bond	19.87	10	4.75	1.25	1.75		6	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	68.00	10	3.00	3.00	2.00		12	Y.
8,40,000	7,77,250	31,03,643	18,55,911	—1,18,361	Jardine Henderson Ltd.	1,156	Dessal & Parbuttia	150.00	100	10.00	10.00	Nil		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	24.25	10	2.50	2.50	2.50	0.25I	12	Y.P.
4,68,970	4,58,000	12,48,763	4,64,779	24,897	M.	646	Dhunseri	18.44	10	1.00	1.25	2.00		12	Y.
4,50,000	9,75,000	11,35,651	3,08,766	36,146	McLeod & Co., Ltd.	458	Dibrugarh	33.56	10	2.00	3.00	2.50	1.00I	12	Y.P.
4,73,400	6,15,000	15,05,630	6,48,530	1,36,734	Williamson Magor & Co., Ltd.	632	Dimakusi	33.37	10	2.00	3.00	3.00	1.00I	12	Y.P.
7,00,620	10,33,300	23,48,336	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	615	Duflaghur	37.50	10	4.00	4.00	3.00	1.50I	12	Y.
10,00,000	7,86,277	29,79,027	11,61,727	1,07,293	Williamson Magor & Co., Ltd.	1,166	East India Tea	20.87	10	1.00	1.00	0.50		12	Y.
5,03,760	6,36,175	13,30,198	5,28,090	16,110	M.	407	Gillapukri	29.00	10	3.50	3.00	2.50		12	Y.
6,76,000	4,38,700	19,45 409	9,05,109	1,05,622	Williamson Magor & Co., Ltd.	546	Gohpur	24.50	10	3.00	2.50	2.00		12	Y.
11,02,725	20,32,810	42,29,083	10,39,875	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	17.87	5	1.25	1.62	1.25	0.50I	12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,595	Andrew Yule & Co., Ltd.	476	Hoograjuli	29.50	10	0.50	1.50	1.00		12	Y.
8,70,000	13,02,909	25,53,023	18,51,044	75,281	Andrew Yule & Co., Ltd.	1,340	Hoolungooree	200.00	100	7.50	15.00	12.50		12	Y.
58,56,900	53,85,792	1,63,70,458	54,70,458	91,307	Birla Brothers Private Ltd.	4 900	Jay Shree Tea Gardens	12.37	10	1.00	1.00	1.00	1.00	12	Y.P.
8,00,000	7,35,000	16,10,603	4,48,996	51,971	Gillanders Arbuthnot & Co., Ltd.	882	Jutlibari	24.50	10	Nil	1.00	1.75		12	Y.
2,40,000	11,30,500	12,75,848	6,72,848	65,988	M.	1,699	Kingsley-Golaghat (Assam)	157.00	100	25.00	25.00			12	Y.P.
1,80,000	40,000	23,63,873	2,63,604	—2,63,641	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	12.00	5	Nil	Nil	Nil		12	Y.P.
6,50,000	10,94,454	12,07,806	8 53,788	392	Duncan Bros. & Co., Ltd.	636	Ledo	18.50	10	1.00	0.75	Nil	1.00I	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	24.25	10	1.75	2.00	1.50	1.00I	12	Y.
4,80,000	80,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	13.25	10	Nil	Nil			12	Y.P.
O. 1,50,000	8,20,000	9,69,706	5,17,244	67,133	Kettlewell Bullen & Co., Ltd.	410	Mothola	460.00	100	50.00	60.00	40.00		12	Y.
P. 1,75,000 O. 2,00,000	6,98,309	10,96,678	6,08,120	40,086	Andrew Yule & Co., Ltd	364	Murphulani	29.50 29.00	O. 10 P.O. 10	1.25 1.75	2.00 2.50	1.75 2.25		12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	14.12	10	1.00	1.50			12	Y.
5,00,000	....	7,72,341	2,90,502	—38,569	Duncan Bros. & Co., Ltd.	801	New Cinnatolliah	112.00	100	Nil	Nil	Nil		12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	41,480	Andrew Yule & Co. Ltd.	870	Rajgarh	45.50	10	0.25	4.00	2.50		12	Y.
9,00,000	2,55,006	28,86,606	10,88,094	21,823	M.	958	Sapoi	21.75	10	2.50	2.50	1.50		12	Y.
2,49,000	3,86,000	11,48,864	6,60,764	87,974	Williamson Magor & Co. Ltd.	482	Seajuli	28.37	10	1.50	1.50	2.25		12	Y.
5,98,000	12,48,874	15,39,500	4,94,783	78,434	McLeod & Co., Ltd.	495	Teloijan	31.75	10	2.50	3.50	3.00	1.00I	12	Y.P.
8,00,000	5,35,127	12,11,400	3 86,341	48,618	Gillanders Arbuthnot & Co., Ltd.	496	Tengpani	45.00N	10	0.75	1.00	1.50		12	Y.
19,82,880	12,75,000	46,07,888	19,46,388	36,041	Shaw Wallace & Co., Ltd.	2,222	Tezpore	18.50	10	1.50	1.25	Nil		12	Y.
5,20,000	21,50,250	33,37,954	14,35,604	36,644	McLeod & Co., Ltd.	1 950	Tyroon	44.50	10	3.00	4.50	3.00		12	Y.P.T.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
8,00,000	....	5,16,444	1,88,505	—2,43,041	M.	862	Arcuttipore	7.00	10	Nil	Nil	Nil		12	Y.
7,00,000	....	7,06,139	1,03,460	—3,49,181	Octavius Steel & Co., Ltd.	649	Eastern Cachar	3.50	10	Nil	Nil	Nil		12	Y.
12,60,000	10,43,149	30,19,522	12,69,051	—1,06,851	Octavius Steel & Co., Ltd.	2,154	Hattikhira	13.25	10	0.75	0.50	Nil		12	Y.
3,60,000	1,10,000	6,48,924	2,68,020	3,889	Duncan Bros. & Co., Ltd.	629	Kunchunpore	8.75	10	Nil	Nil	Nil	Nil	12	Y.
7,00,000	6,50,000	11 33,080	3 08,080	88,302	R. L. Nopany, Esq.	1,379	North-Western Cachar	105.00	100	15.00	15.00	15.00		12	Y.
2,60,000	3,09,004	9,34,349	2,76,278	—87,588	McLeod & Co., Ltd.	638	Roopacherra	15.00	10	1.50	0.50	Nil		12	Y.
5,00,000	10 63,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	700	Rungamattee	76.00	50	10.00	10.00	8.75		12	Y.
4,00,000	8,36,980	10,68,284	3,68,708	—31,199	M.	662	Sonai River	9.25	10	Nil	Nil			12	Y.P.T.

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
2,79,900	1,05,000	3,98,716	74,916	22,108	Williamson Magor & Co., Ltd.	408	Chamong	11.00	10	Nil	0.75	Nil		12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	488	Dilaram	95.00	100	Nil	5.00	Nil		12	Y.
2,00,000	2 42,096	7,99,663	2,97,665	—57,639	Davenport & Co., Ltd.	507	Gielle	11.69	10	Nil	Nil	Nil		12	Y.P.
1,59,000	3,23,091	4,56,947	2,07,386	—27,148	Andrew Yule & Co., Ltd.	463	Mim	250.00	100	15.00	10.00	Nil		12	Y.
2,99,900	3,89,000	6,22,886	1,89,586	1,01,563	Williamson Magor & Co. Ltd.	690	Nagari Farm	26.25	10	1.50	8.50	2.50	1.00I	12	Y.
1,00,000	1,11,500	4,70,736	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	500.00N	100	Nil	Nil	Nil	32.50	12	Y.P.
3,00,000	3,500	6,12,426	2,40,910	—14,564	Duncan Bros. & Co., Ltd.	500	Poobong	8.25	10	Nil	Nil	Nil	Nil	12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	10.00	10	Nil	Nil			12	Y.P.
1,40,000	5,01,000	4,43,690	2,07,285	23,523	Duncan Bros. & Co. Ltd.	341	Runglee Rungliot	400.00	100	20.00	35.00	25.00	30.00	12	Y.
8,00,000	3,06,462	5,55,461	1,82,549	4,401	M.	889	Seeyok	12.25	10	Nil	Nil	1.00		12	Y.
9,00,000	65,000	11,65,737	2,38,715	7,369	Goenka & Co.	583	Singtom	6.12	10	0.12	0.50	0.50	0.50I	12	Y.P.
3,00,000	3,87,500	7,34,116	3,71,916	1,69,219	Williamson Magor & Co., Ltd.	554	Soom	40.00	10	3.00	4.00	4.00	1.50I	12	Y.
6,25,000	7,73,767	16,47,148	4,38,738	26,923	McLeod & Co., Ltd.	745	Sungma	19.12	10	Nil	1.50	0.75	1.00I	12	Y.
3,20,000	8,69,909	7,53,534	2,55,534	54,633	Davenport & Co., Ltd.	718	Testa Valley	20.00	10	1.50	2.50	1.00		12	Y.
8,01,350	2,61,083	16.07,038	3,76,038	—2,94,248	Williamson Magor & Co., Ltd.	1 666	Tukva	10.94	10	Nil	Nil			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
27,00,000	28,56,560	51,80,345	23,19,586	1,37,198	Andrew Yule & Co., Ltd.	2,540	Banarhat	303.00	100	25.00	40.00	20.00		12	Y.P.
12,00,000	16,25,000	42,61,095	23,93,727	85,562	Jardine Henderson Ltd.	989	Baradighi	22.87	10	3.00	2.00	1.50		12	Y.
9,00,000	17,75,000	21,72,529	11,20,841	13,385	McLeod & Co., Ltd.	1,112	Bhatkawa	23.75	10	2.50	3.00	1.50		12	Y.
9,00,000	14,81,356	25,85,244	8,19,732	47,850	Duncan Bros. & Co., Ltd.	1,381	Birpara	168.00	100	5.00	25.00	7.50		12	Y.P.
6,00,000	8,31,552	13,82,183	4,29,045	18,641	Duncan Bros. & Co., Ltd.	602	Carron	130.00	100	7.50	10.00	5.00		12	Y.
9,00,000	12,81,081	19,46,021	8,82,450	1,17,584	Andrew Yule & Co., Ltd.	903	Choonabhutti	270.00	100	20.00	35.00	20.00		12	Y.P.
3,60,000	8,76,102	9,53,074	4,15,527	13,348	Duncan Bros. & Co., Ltd.	500	Ellenbarrie	160.00	100	Nil	5.00	Nil		12	Y.
1,20,000	2 00,531	4,58,517	2,70,556	—63,469	Andrew Yule & Co., Ltd.	265	Engo	300.00N	100	Nil	Nil	Nil		12	Y.
4,90,000	60,538	9,51,864	2,69,498	3,627	M	447	Ethelbarrie	12.31	10	1.25	1.00	0.75		12	Y.
7,50,000	5,76,838	18,58,835	10,53,777	—43,162	Gillanders Arbuthnot & Co., Ltd.	1,138	Gairkhata	155.00	100	Nil	10.00	Nil		12	Y.
36,00,000	84,58,954	64,82,327	20,30,572	1,16,092	Duncan Bros. & Co., Ltd.	2,481	Hantapara	120.00	100	6.00	7.50	Nil		12	Y.P.
32,00,000	55,67,967	65,65,381	50,96,452	3,65,371	Davenport & Co., Ltd.	4,235	Hasimara	23.00	10	1.00	2.25	0.75		12	Y.P.
8,25,000	18,53,650	22,13,183	9,84,183	1,10,677	Davenport & Co., Ltd.	1,452	Huldibari	23.75	10	1.25	2.50	1.25		12	Y.
7,00,000	4,49,831	10,38,684	4,89,134	—62,442	Andrew Yule & Co., Ltd.	607	Jaybirpa (Dooars)	15.50	10	Nil	0.60	Nil		12	Y.
8,00,000	16,21,615	21,72,434	6,44,202	51,265	Duncan Bros. & Co., Ltd.	937	Killcott	20.25	10	1.00	2.00	1.50		12	Y.
2,00,000	5,76,240	8,23,168	3,08,827	15,812	M.	578	Manabarrie	70.00N	10	1.00	2.00	1.50		12	Y.
9,60,000	18,69,809	25,11,708	8,55,607	37,054	Duncan Bros. & Co., Ltd.	1,130	Nagaisuree	141.00	100	7.50	15.00	7.50		12	Y.
14,00,000	20,39,898	24,35,562	10,48,172	73,709	Andrew Yule & Co., Ltd.	1,163	New Dooars	302.00	100	25.00	35.00	20.00		12	Y.P.
2,50,000	3,74 080	5,53 613	1 88,281	1 220	Duncan Bros. & Co., Ltd.	348	Phaskowa	134.00	100	Nil	7.50	Nil		12	Y.
6 00,000	8,00,496	13,67,535	5,98,723	—3,00,938	McLeod & Co., Ltd.	764	Rajabhat	18.00	10	1.25	1.25	Nil		12	Y.
7,65,000	13,43,550	25 92,138	13,67,489	28,093	McLeod & Co., Ltd.	1,035	Ranicherra	19.87	10	1.50	2.00	0.50		12	Y.
14,92,800	26,84,600	55,29,983	31,23,891	49,715	Jardine Henderson Ltd.	1,628	Rydak	32.87	10	5.00	3.00	2.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
8,00,000	7,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	20.50	10	3.00	Nil			12	Y.
6,00,000	9,44,551	9,54,785	2,32,849	83,625	Duncan Bros. & Co., Ltd.	584	Dauracherra	9.00	10	2.00	1.50	0.75		12	Y.
4,00,000	7,56,165	10,78,529	3,50,481	1 94,619	M.	1,190	Lackatoorah	19.00	10	3.00				12	Y.
4,00,000	9,00,000	11,60,065	4,82,064	99,037	Shaw Wallace & Co., Ltd.	984	New Samanbagh	19.31	10	6.25	2.00			12	Y.P.
36,00,000	56,34,901	62,79,684	24,44,223	1,47,310	Duncan Bros. & Co., Ltd.	4,151	Patrakola	136.00	100	35.00	10.00	10.00		12	Y.P.
3,20,000	1,42,990	8,09,965	4,32,665	1,41,277	Shaw Wallace & Co., Ltd.	668	Rajnagar	10.00	10	Nil	1.00	1.10	Nil	12	Y.
9,00,000	20,73,827	19,20,187	6,18,208	37,499	Duncan Bros. & Co., Ltd.	11,72	Teliapara	115.00	100	25.00	15.00	6.00		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	6.50	10	0.25	0.50			12	Y.P.T.
2,50,000	4,15,000	4 13 655	2,24,210	35,493	National Tea Corporation	522	Belgachi	30.00	10	10.00	4.00	2.00		12	Y.
13 44,000	11,50,650	26,81,849	9,42 013	81,263	Duncan Bros. & Co., Ltd.	1,603	Gungaram	155.00	100	7.50	10.00	7.50		12	Y.
5,00,000	10 53,794	15,91,369	6,14,096	15,882	Duncan Bros. & Co., Ltd.	530	Hansqua	18.75	10	1.00	1.00	1.00		12	Y.
3,00,000	7 64,500	7,61,676	3,29,500	77,698	Davenport & Co., Ltd.	514	New Chumta	88.50	10	1.50	2.50	1.25		12	Y.
2,20,000	3,75,250	13,61,474	5.52,735	33,691	McLeod & Co., Ltd.	549	Tirrihannah	40.00	10	3.00	2.50	3.00		12	Y.P.

SOUTH INDIAN ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
10,98 990	5,36,010	15,84,554	2,70,543	7,689	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	20.50cd	10	2.50*	2.50*	1.75*		3	Y.P.
52,50,000	21,47,000	73,46,337	10,86,204	2,77,391	Kothari & Sons (Ags.) Pvt. Ltd.	1,318	Blue Mountain	3.53	2	0.40	0.30	0.25		6	Y.
9,83,400	13,09,262	23,56,197	7,13,191	75,291	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	4.28	2	0.40	0.20	0.40		3	Y.
3,77,820	12,58,527	21,26,275	1,39,920	22,020	Matheson Bosanquet & Co., Ltd.	392	Coonoor Tea	26.50	10	2.50	1.75	2.00	2.00	9	Y.P.
4,00,000	5 50,000	8,21,540	1,78,200	1 205	Parkins Private Ltd.	432	Coorg Tea	5.10cd	2	1.25	1.50	1.50		3	Y.P.
4,49,630	8 55,370	9,62,073	1,64,495	45 087	Young India Agencies Private Ltd.	450	Devon Tea	18.00cd	10	2.50*	2.50*	1.75		3	Y.P.
8,50,000	1,22,986	3,52,158	56,452	....	Parkins Private Ltd.	198	Emerald Valley Estates	8.25	5	1.25	0.50	0.30		12	Y.
18,75,000	21,25 000	43 05,347	6,81,655	28,840	Parkins Private Ltd.	1,466	Haileyburia	19.85	10	2.50	2.50	1.50'C'		12	Y.P.T.
6,00,000	7 27,746	13,70,714	2,26,620	76,650	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	3.90	2	1.35	0.92	1.35		3	Y.T.
8,58,538	16,81,066	29,90,356	4,28,233	1,09,363	Peirce, Leslie & Co., Ltd.	706	Kil Kotagiri Tea	8.20	2	0.40	0.40	0.30	0.30	10	Y.P.
8 00 000	1 43,500	6,76,822	2,05,071	3,872	Hapon Thomas, Esq. (Mg. Director)	524	Mlamallay	41.75	25	18.75	6.25	4.50		3	Y.P.
36,00,000	19,31,384	80,13,744	12,04,051	78,274	A. V. Thomas & Co., (India) Ltd.	1,659	Neelamalai	4.15	5	0.87	0.37	0.37	0.37	6	Y.P.
12,00,000	4,90,000	27,04,888	5,01,002	83,439	A. V. Thomas & Co., Ltd.	679	Nelliampathy	2.67	2	0.50	0.20	0.40		6	Y.P.
14 06,250	6,95,346	38,09,977	5,17,286	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	8.50	10	1.50	9.62	0.60		3	Y.P.T.
17,00,000	7,84,070	39,20,759	13,11,227	63,350	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	19.35	10	3.50	3.75	2.60	1.62½	12	Y.P.
57,94,880	45,46,152	91,59,457	25,94,414	1,22,173	Peirce, Leslie & Co., Ltd.	3,459	Periakaramalai	4.10	2	0.90	0.90	0.70		3	Y.P.
12,50,000	13,10 000	30,23 670	2 65,955	744	Parkins Private Ltd.	1,070	Talayar Tea	1.53	2	1.62	1.25	1.00		3	Y.P.
11,25,000	16,53,668	25,52,610	2,85,551	31,923	Parkins Private Ltd.	1,341	Twyford	16.90	10	2.00	2.00	1.50'C'		12	Y.
21 [illegible] 280	10,82,217	41,37 876	13,69,874	1,20,125	T. Stanes & Co., Ltd.	1 773	United Nilgiri‡	20.30	10	35.00	2.00	1.77		3	Y.
31,50,000	28,54,311	57,37,727	6,68,638	1,34,481	Kothari Mehta & Co. Pvt. Ltd.	999	Waterfall	3.97	2	0.40	0.30	0.25		6	Y.P.

* Includes bonus. M.—Managed by Board of Directors. ‡ United Nilgiri Tea—Dividend for 1955 is on shares of Rs. 100, which were sub-divided into shares of Rs. 10 each.
'C'—On increased Capital. A—Amluckie Tea Co.—Dividend for 1955 is Shares of Rs. 100 paid-up.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.		
					PLANTING; PRODUCE AND RUBBER									
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.25	2	0.30	0.21	0.45		5	Y.P.
26 91,279	17 00,000	56,38,212	6 78,584	29,944	Peirce, Leslie & Co., Ltd.	Cochin Malabar	6 43	3	0.45	0 75	0.52	0.30'C'	2	Y.P.
22 50,000	28,00,000	45,95,649	9,51,056	1,52,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	24.00	10	1.80	2.50	4.00	2 00	6	Y.P.
71,55,000	57,69,923	1,42 78,181	30,95,427	75,345	R. C. Paterson, Esq.	Consolidated Coffee	22.35	10	2.25	2.00	4 00	2.00	6	Y.P.
4,00,000	5,87,423	10,43 962	53,995	8 519	Associated Planters Private Ltd.	Cottanad Plantations	16 25	10	1.75*	1 50	1.75		3	Y.P.T.
18,00,000	9,34,043	30,13,231	6,39,976	21,458	A. V. Thomas & Co., Ltd.	Highland Produce	13 65cd	10	2.00	2 00	0 75	1.50	12	Y.P.
8,00,000	6,92,899	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	13.05	10	2 75	2 00	2 00	1.00'C'	4	Y.P.
13,50,000	4,55,880	20,40 926	3,38 889	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber	19.25	10	2 25	3 25	2 25	1.70'C'	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	2,531	A. V. Thomas & Co., Ltd.	Midland Rubber	12 00	10	2 50	2 00	2 00	1.00'C'	3	Y.
8,35,000	4,06 000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd.	Nenmeny Rubber	16.50cd	10	1 50	1 50	0 75		12	Y.P.
2 00,000	8,06,500	9.44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	15.85	10	1 50	1 50	1 50		12	Y.P.T.
19,45,980	23,18,923	46,93,527	15,75,046	4,912	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5.42	2	0 40	0 20	0 60	0.20	10	Y.P.T.
13,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	17.75	10	2 00	2 50	2 00	2.00	6	Y.P.
6,50,170	4,00 000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd.,	Savamalai Estates Ltd.	4.10cd	2	1.00	1.50	0.30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2 65cd	2	..	..	..	0.18	3	Y.P.T.
10,00,000	2,74 418	22,50,914	1,70,646	16,692	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	7 70	10	0 90	0 90	0 60	0.60	3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd.	Thamarapally Rubber	29 50cd	10	3 00	3 00	3 00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23 927	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	1 94	1	0 12½	0 12½	0 05		9	Y.T.
6,00,000	46,742	11,45 990	4,92,700	1,209	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	14.45xd	10	3 00	2 00	1 50	1.00	12	Y.
41,00,000	14,20,901	85,55,546	16,43,709	23,941	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	6 90	10	1.25	0 75	0 40	0 50	12	Y.P.
20,00,000	96,000	31,23,163	8,27,272	9,162	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	24 00cd	25	4 00	3 00	1 00	1.50	12	Y.
2 20 000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd.	Udayagiri Rubber Co., Ltd.	11.15cd	10	0 60	0 75	0.60		12	Y.P.
8,80,100	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber	26.40	10	2 50	3 50	3.50J	1.25‡	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.22	10	2.00	1.25	1.00	0.50	3	Y.P.T.

J—Final dividend of Rs. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. nP.	Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.		
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd.	879	Agarpara	12.81	10	0.62	0.25	0.25	0.25	3	Y.P.T.
6,00,000	10 81,600	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	200 00	100	10 00	10 00	10 00		12	Y.P.T.
30,00 000	5,25,000	1,25,15,910	97,60,831	—8,46,190	McLeod & Co., Ltd.	1,264	Alliance	132 50	100	6.00	Nil	Nil	Nil	5	Y.P.
49,20 700	72,21,000	3,09,93,668	2,15,04,087	2,36,742	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	244 00	100	3 50	3.50	7.00	10 00	3	Y.P.
40,00,000	32,60,924	1,49,82,554	63,17,403	8,215	Bird & Co Private Ltd	810	Auckland	180 00	100	10 00	1.00	Nil	5 00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,56,861	1,18,223	Birla Brothers Private Ltd.	959	Bally	221.00	100	8 50	Nil	2 00	6 00	3	Y.P.
£2,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman)	1,889	Barnagore	152 50	£5	sh. 15	Nil	Nil	Nil	3	Y.P.
28,00,000	28,98,408	97,77,435	64 82,559	16,240	Andrew Yule & Co., Ltd.	820	Belvedere	181 00	100	7.50	Nil	2.50	7.50	12	Y.P.
45,00,000	29,71,745	58,94,991	85,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	12 25	10	1.12	1.00	Nil		6	Y.P.T.
91,26,000	2,26 05,284	4,09,60,115	1,66,74,107	24,155	Birla Brothers Private Ltd.	1,373	Birla	21 62	10	1.00	1.00	1.00	1.00	3	Y.P.
36,00,000	19,35,850	1,17,96,462	70,59,451	33,113	Andrew Yule & Co., Ltd.	991	Budge-Budge	145 00	100	7.50	Nil	Nil	5.00	10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg.	7 00N	10	Nil	Nil			12	Y.P.T.
18,00,000	26,46,123	84,40,054	46,52,038	35,722	Andrew Yule & Co., Ltd.	616	Caledonian	185 00	100	6 50	Nil	Nil	15 00	11	Y.P.
59 16,400	75,85 462	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd.	600	Champdany	132 50	100	10 00	2 00	Nil	Nil	3	Y.
15,95,000	21,34,670	43,51,524	58,61 109	18,020	Andrew Yule & Co., Ltd.	530	Cheviot	221 00	100	10 00	2 00	Nil	5 00	11	Y.P.
30,15,000	36,50,000	89,14,415	54,94,361	72,430	McLeod & Co., Ltd.	500	Chitavalsah	16 25	10	1.37	0 62½	1.10	1.25	7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd	969	Clive	12 62	10	1 25z	0 50	Nil	Nil	3	Y.P.
31,49,200	45,61,566	1,39,75,669	56,08,218	—12,92,367	Bird & Co. Private Ltd.	766	Dalhousie	134.00	100	4 00	Nil	Nil	Nil	3	Y.P.T.
28,00,000	38,58,170	1,03,58,008	50,83,895	6,792	Andrew Yule & Co., Ltd.	779	Delta	192.00	100	10 00	5 00	Nil	6 00	11	Y.P.
15 00,000	36,93,850	1,01,87,736	65,99,232	26,123	McLeod & Co., Ltd.	500	Empire	18.25	10	1.25	0.50‡	0.75	1.00	7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	812.00	100	15 00	10 00	10 00	20 00	3	Y.P.T.
21,00,000	18,00,000	1,25,79 765	63,50,862	1,96,479	Bangur Bros., Ltd.	1,014	Fort William	23 00	10	20 00	0.75K	1.50	1.50	3	Y.P.T.
34,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	84 00	100	2 50	Nil			3, 9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39 411	M.	607	General Ind. Society Ltd.	27 50	10	Nil	50 00	60 00§		12	Y.T.
24,00,000	32,06,464	2,35,37,322	1,60,44,632	47 269	Macneill & Barry Ltd.	1,394	Gourepore	306.00	100	15 00	2.50	2 50	20 00	3	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	99 00	100	11.50	5 00	5.00	5.00	3	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	13.00	10	1 25	Nil			3	Y.P.
65,62,500	28,09,105	2 34,85,488	1,24,24,441	32,775	Jardine Henderson Ltd.	1,940	Howrah	24 19	10	0 37	0 25	Nil	Nil	3	Y.P.T.
52,50,000	30,53,764	2,98,52,016	1,09,462	....	Ramdutt Ramkissendas	2,272	Hukumchand	21 50	7.50	2 00	2.00	1.50	1 50	3	Y.P.
87,80 000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	16 06	12 50	4.69	4 69	9.37	15 62‡	3	Y.
24,00 000 'B'19,20,000	21,11,227	1,97,71,840	1,24,02,441	2,520	Jardine Henderson Ltd.	1,797	Kamarhatty	203 00 197 00	100 'B' 100	2 50 2 50	Nil Nil	Nil Nil	5 00 5 00	12	Y.P.T.
30,00,000 'B'24,00,000	9,86,279	1,75,62,659	1,05,04,210	—31,78,147	Jardine Henderson Ltd.	1,527	Kanknarrah	93 00 79 00	100 'B' 100	1.00 1.00	Nil Nil	Nil Nil	Nil Nil	12	Y.P.T.
21,00 000	55,00,000	1,41,36,235	93,67,628	1,18,689	McLeod & Co., Ltd.	703	Kelvin	195 00	100	17.50	5.00‡	9 00	12.50	5	Y.P.
54,00,000	23,39,741	2 00,52,835	1,26,97,897	45,833	Anderson Wright Ltd.	1,530	Khardah	169 00	100	11 00	5 00	8 00	8 00	3	Y.P.
48,00 000	77,32 121	2,38,47,961	1,08 51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	192.00	100	18 00	6 00	Nil	5.00	3	Y.P.T.
24,48 000	27,76,883	1,28 67,077	58,39,647	—9,32,635	Bird & Co. Private Ltd.	931	Lansdowne	127 00	100	7.00	Nil	Nil	Nil	3	Y.T.
28,00,000	40,49,600	1,48,98,886	66,75,920	—3,16,201	Bird & Co. Private Ltd.	840	Lawrence	109 00	100	6 00	Nil	Nil	Nil	3	Y.P.T.
31,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	16 06	10	3.75	3.75	5.00	17.50‡	3	Y.
29,98,900	34 62,195	1,65,70,565	86,70,690	—13,08,719	M.	815	Naihati	75 00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	15,55,000	36,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd.	425	Naskarpara	11.50	10	1.25	Nil			10	Y.T.
35,00,000	39,51,326	48,49 737	12,81,373	19,604	Andrew Yule & Co., Ltd.	852	National	23 50	10	1.75	0.75	0.75		10	Y.P.
26,25,000	29,19,072	37,73,995	23,34,167	90,769	McLeod & Co., Ltd.	316	Nellimarla Jute	14 62	10	1.00	..	0.90	1.00	7	Y.P.T.
85,50,000	2,12,83,190	6,33,25,272	1,19,61,749	8,274	Sahu Jain Ltd.	1,765	New Central†	16 94	10	1.50	1.50	..	1 50	3	Y.P.
16,79,680	43,38,845	1,35,66,574	61,41,213	—2,43,817	Bird & Co. Private Ltd.	567	Northbrook	20 00	10	1.50	1 50	Nil	Nil	3	Y.P.T.
66,79,500	17 81,396	2,26,00 780	1,19,72 061	79 151	Macneill & Barry Ltd.	1,002	Nuddea	63 00	50	1.00	Nil	Nil	2 50	3	Y.P.
24,91,000	22,84,224	76,67,180	53,39,989	20,257	Andrew Yule & Co., Ltd.	601	Orient	166 50	100	9 00	2 00	Nil	2 50	11	Y.
25,00,000	9,18,798	93,02,573	70,04,073	12,839	McLeod & Co., Ltd.	400	Presidency	6 44	5	0.31	0 20	0 30	0 87‡	7	Y.T.
20,00,000	10,324	29 80,939	9 24,705	—7 07,557	Birla Brothers Private Ltd.	305	Rameshwara	6.50	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	2,00 000	1,24,61,131	66 63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	7.37	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£462 265	£1 477 132	£800,162	£41,990	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	10 62	£1	3%‡	3%‡	Nil	5%‡	12	Y.P.
30,00,000	13,14,910	1,21,72,882	85,21,532	48,032	Bagaria More & Co., Ltd.	911	Shree Ambica	12 50	10	0.50	0 25	0 50		3	Y.P.
14,00,000	11,44,445	71,31,233	50,03,403	69,119	Hindustan Investment Corpn. Ltd	401	Soorah	19 25	10	1.50	1.50	1 50	1.50	12	Y.P.
25,19 600	8 04,087	9,29,724	3,23,203	61,862	Bird & Co. Private Ltd.	650	Standard	118 00xd	100	1 00	Nil	Nil	5 00	3	Y.P.
£600,000	£336,778	£1,263 067	£,703,019	£29,248	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9 37	£1	3%‡	Nil	Nil	3%‡	12	Y.P.
35,98,600	48,33 581	1,05 53,316	42,51,394	56,837	Bird & Co. Private Ltd.	1,326	Union	223 00	100	10 00	1.00	Nil	16 00	3	Y.P.T.
£400,000	£248,618	£1,276,339	£561,723	£,85,105	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	10 50	£1	3%‡	3%‡*	3%‡	5%‡	12	Y.P.
2,50,000	5,20,000	83,13,769	43,35,621	11,735	McLeod & Co., Ltd.	447	Waverley	3.25	1	0.37	Nil	Nil	Nil	5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Ordinary Share				Accounts closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.		
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	25 19	10	1.37	0.50	1.25	1.25	8	Y
12,00,000	4,49,890	35,13,891	33,46 842	57,344	Jardine Henderson Ltd.	Bararee Coke	13 12	10	1.46	1.10	0 37	0.60	3	Y
4,49,350	88 000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	6 00N	10	0 62	0 75	0 90		12	Y
1,00,00,000	1,70,15,634	6,68,04,379	4,55,71,483	10,48,780	Andrew Yule & Co., Ltd.	Bengal Coal	302 00	100	35 00*P	17 50	17 50	17 50	10	Y.
2,25,000	4,09,838	24,41,502	22,16,745	—1,05,735	Andrew Yule & Co., Ltd.	Bengal-Nagpur	9 90N	10	Nil	Nil	Nil	Nil	12	Y
40,00,000	10 28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	6 25	10	0 62	0 62	0.60		6	Y.P
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbararee	8 00N	10	Nil	Nil			12	Y
7,50,000	24,60,150	46,69,896	27 71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	18 69	10	2 00	1.50	0 75		12	Y.
99 92 480	1,73,37,198	4,41,78,128	2,08 53,739	99 142	Bird & Co. Private Ltd.	Burrakur	17.12	10	0 62	0 62	0.87	0.87‡	12	Y
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	7.75	10	0 25	0 50	0.50	0.60	3	Y.
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	10 25	10	0 50	0 50			12	Y.
6,00,000	1,49,122	‡ 7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churlia	3 50	4	0 06	0 06	0 20		12	Y.
16,00,000	....	57,45,962	32,76,326	—28,095	Macneill & Barry Ltd.	Dhemo Main	10 37	10	Nil	Nil	Nil	Nil	12	Y.
£240,000	£273 125	£1,070 637	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	23 25	£1	3.00	2 50	1.50	1.00	4	Y.P.
29,63,750	1,02,32,676	4,59 53,374	3,22,76,059	38,005	Macneill & Barry Ltd.	Equitable	31 75	10	1.50	1.50	1.50	1.50	12	Y.
10,00 000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	13 25	10	0 25	0 25			3	Y.P
12,00,000	65,000	43,00,791	26,55,359	—6,34,206	Killick Industries Ltd.	Hingir-Rampur	19 20	50	2 25	2 25	Nil	Nil	6	Y.
8,00,000	2,50,000	24,57,868	19 66,774	163	Macneill & Barry Ltd.	Hurriladih	14.31	10	2 50	1 50	Nil		12	Y.
3,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	21 00	10	Nil	Nil	Nil	Nil	2	Y.P.
20,00,000	2,87,375	85,11,943	7,18,220	11,229	Bird & Co. Private Ltd.	Karanpura Collieries	114 50	100	2 50	5.00	Nil	5 00	2	Y.
5,00,000	19,66,031	49,73 401	39,04,335	1,68 572	Andrew Yule & Co., Ltd.	Katras Jherriah	74 50	10	4.50	6.50	6.50	6.50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	13 871	H. V. Low & Co. (Private) Ltd.	Kuardi	2.75N	10	0 12	0 19			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	8,568	H. V. Low & Co. (Private) Ltd.	Lakurka	18 50	10	0.12	0 12	0.12		4	Y.
7,48 240	2 25 000	13,43,892	9,89,769	55,358	Tantia Brothers Private Ltd.	Nazira	7 25	10	0 50	0 50	0.75		12	Y.
17,76,230	19 69 613	1,40,15,207	97,89 286	66,583	Andrew Yule & Co., Ltd.	New Beerbhoom	20 00	10	1 00	0 75	0 75	1.00	10	Y
6,00 000	76,179	83,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	13 87	10	Nil	Nil	0.50	0.50	8	Y
1,15 000 1,57,500	3,85,824	13,05,939	9,24,131	25,543	Andrew Yule & Co., Ltd.	North West	25 00N 20 50N	10 7.50	1.37 1.03	1.50 1.12	1 50 1.12	1.50 1.12	8	Y.
7,60,000	15,69 648	8,97,666	2 77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	12 00	10	1.00	0 75	0 50		12	Y.P
8,84,000	91,336	26,29,109	10,56,556	7,674	Deepchand Kishenlall	Parasea	14 50	10	1 00	0.50	0 50		12	Y
15,75 000	17 04 800	59 95,210	42 69,210	36 465	Shaw Wallace & Co., Ltd.	Pench Valley	25 03	10	1 50	0.70	2 00	2.00	8	Y
23,99,500	28,79 558	1,43,51,995	96,69,839	3,803	B. N. Elias & Co. Private Ltd.	Raneegunge	16 75	10	0 62	0 37	0 75	1.00	3	Y
13,50 000	6 38,885	42 17 417	82,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	18 12	10	2 07	1 50	1.00		12	Y
37,50 000	37,12 000	95,06 524	26,37 721	21 162	M.	Samla Collieries	11 50N	10	1 00	1 25	0 90		12	Y
2,50,000	60,000	14 29 679	12,57 285	8 302	M.	Searsole	6 00N	2.50	0.75	0 37	0 12		1	Y
2,50,000	9,63,442	29,63,206	20,19,618	43,951	Andrew Yule & Co., Ltd.	Seebpore	27 00	7	2 50	2 25	1.75	1.75	12	Y
8,00,000	4,86,289	52,491	28 867	355	D. L. V. Rowe, Esq., (Chairman)	Sendra	12 25	10	0.25	0.25	0.25	Nil	12	
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	....	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	17.65	10	0.75	1.00	1.50		12	Y.
17,50,000	10,74,481	43,52,223	18,15,639	14,096	Bird & Co. Private Ltd.	South Karanpara	12 37	10	0.12	0 35	0.75	0.75	8	Y
8,00 000	15,61,511	1,69,570	29 510	14 796	F. W. Heilgers & Co. Private Ltd.	Standard	18 00	10	1 00	1 00	1.00	1.25	12	Y.
10,00,000	....	31,92 694	15 43,502	—5,62 907	M.	Talcher	1 62	2.50	Nil	Nil			9	Y
3,50,000	2,80 000	19,15 700	14 79,400	1,77 952	Williamson Magor & Co., Ltd.	Union	14.12	10	Nil	Nil	0 37		12	Y
49,98 000	89,284	70 81,423	27 21 423	7,951	Hindustan Investment Corpn. Ltd.	Western Bengal	6 06	10	0 50	0 50	0 50	0.40	8	Y
7,00,000	....	59,74 151	29,16,909	—4,85,709	Macneill & Barry Ltd.	West Jamuria	7.12	10	Nil	Nil	Nil	Nil	12	

M—Managed by the Board of Directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co., has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co. Dividend for 1955 is on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17.50 includes an interim dividend of Rs. 7.50 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

NATIONAL RUBBER MANUFACTURERS LTD.

(*Concluded from page* 1076)

of imports of these items at present. The value of imports of certain important rubber chemicals including carbon black, tyre cord, rubber chemicals, etc., amounted to about Rs. 4.5 crores in 1958. The current estimated consumption of carbon black is approximately 10,000 tons and of accelerators and anti-oxidants 600/700 tons annually. These figures are likely to increase considerably in coming years with the rise in rubber consumption. It is encouraging to note that certain schemes are under consideration in this respect. Apart from the interest shown by an American firm in establishing a carbon black plant in India under the auspices of the National Industrial Development Corporation, a team of Rumanian experts visited this country in 1958 for a fresh project survey and their recommendations are awaited. A few proposals for the manufacture of rubber chemicals in the private sector are also reported to have been approved. Active steps should be taken to finalise and implement these projects.

Import Policy

"Import licensing policy for raw materials has been somewhat liberalised during the current period, that is, April to September, 1959. Besides, a new system of licensing on a long-term basis in respect of raw materials/components for certain specific industries has been introduced; this is expected to facilitate better production planning and is likely to result in a larger level of output in future years. So far as the rubber industry is concerned, only the tyre section has been included in the long-term licensing scheme. I feel that this benefit should be extended to other sectors of the rubber products industry with immediate effect.

Research

"The Indian Rubber Manufacturers' Research Association, referred to in my last year's speech, has made considerable progress during the past year in finalising its organisational and administrative set-up and is expected to commence research work in collaboration with the National Chemical Laboratory, Poona, at the earliest possible opportunity. The services to be rendered by the Association are likely to be significant for the rubber industry, in general, and smaller units, in particular, as they are unable to maintain their own research establishments.

Labour Relations

"I am glad to say that labour relations were very satisfactory throughout 1958 and full co-operation of all categories of employees was extended to the management in achieving higher levels of production envisaged by the Company's expansion plans. In fact, the productivity agreement with the workers' Union mentioned by me last year worked very well.

Thanks

"Before I come to the formal business of this meeting I sincerely thank all of you who have taken the trouble of coming here today and other shareholders, the officers, staff and workers and also the dealers and customers of the Company for their valuable co-operation and active support readily extended. I also take this opportunity of expressing our sincereest thanks to Messrs. Goodyear Tyre and Rubber Company of India Private Limited for the ungrudging help and co-operation extended to your Company during 1958."

INSURANCE

(*Concluded from page* 1082)

The policyholders of some of the first class Indian and foreign insurers get only lower bonus. Thus, the Oriental declared a simple reversionary bonus of Rs. 22½ per rupees thousand sum assured on Whole Life and Rs. 18 per rupees thousand sum assured on Endowment Assurance, whereas, as per the Corporation's valuation, its policyholders get only Rs. 21 on Whole Life and Rs. 16.8 on Endowment Assurances. This is also the case in regard to the policyholders of such foreign companies as Norwich Union. While policyholders of Norwich got Rs. 23 and Rs. 18 on Whole Life and Endowment Assurances, respectively, in 1955, they are now entitled only to Rs. 21 and Rs. 16.8 as per the Corporation's valuation. At the same time, policyholders of 22 companies, which had not declared any bonus at last valuation, will get bonus as per the Corporation's valuation.

While the profits made are sufficient to declare reversionary bonuses at the above rates, the Corporation cannot, the report points out, at this stage make a final declaration of reversionary bonuses, since the scheme of differential bonuses evolved by the Corporation is, as mentioned earlier, a tentative scheme. However, with a view to avoiding hardship in the case of policies which become claims by death or maturity, the Corporation has decided to pay on such policies bonuses at the above rates. As soon as the scheme of differential bonuses is finalised and approved by the Government, the Corporation will proceed to allocate bonuses to all the with-profits policyholders and send intimation to each of the policyholders. It is, however, expected that the final classification of differential bonuses would not materially differ from the one tentatively adopted. In other words, the rates of reversionary bonuses finally declared for the different groups would not vary materially from the above rates.

EXPORT CREDIT INSURANCE

A Bill to increase by £400 million the liability limits of the British Government's Export Credits Guarantee Department (E.C.G.D.) has been introduced in the House of Commons by Sir David Eccles, the President of the Board of Trade. The need to increase in this way the limit of export credits guarantee liability reflects the expansion in the business of the Guarantee Department. It does not arise from any big expected increase in any one market, nor is it in any way connected with the recent Anglo-Soviet trade agreement. Actual and contingent liabilities of the E.C.G.D. taken together, are now approaching the current limits, and the Bill follows the past practice of the department in seeking increases as and when necessary. Previous increases authorised were in 1952 and 1957.

The present limit on "commercial" business insuring British exporters against bad debts is £750 million. On this sum, the department has already assumed liabilities of the order of £719 million.

The present limit on "national interest" business consisting mainly of loans to intending exporters, as well as special credit insurance guarantees is £250 million. Here, outstanding liabilities already amount to about £172 million.

The new Bill provides for the limit on "commercial" business to be raised to £1,000 million and the limit of "national interest" business to be raised to £400 million.

BANKING

(*Concluded from page* 1062)

cent., after having fallen continuously during preceding years.

The U.S. still has the biggest stake in manufacturing goods for export. Its competitive power has been based on heavy capital investment, the efficiencies of large-scale production, a highly skilled labour force, and technical leadership, so that its goods have been able to compete abroad, despite the highest wage costs in the world. Hourly wages in manufacturing in the U.S. are three times as high as in the United Kingdom and almost four times as high as in Germany. It is true that wages have been rising abroad as well as here, but the significant fact is that, with our help, Western Europe and Japan have reconstructed their industries and installed the most modern labour-saving equipment. As they have expanded their markets, they too have been able to take advantage of the economies of large-scale production, so that they have steadily whittled away the U.S. advantage. During the dollar shortage era, lower productivity and insufficient capacity abroad, together with the faster pace of inflation in some countries, made it possible for us to maintain our prices without it affecting our exports. But this is a matter of the past.

Now that we have come to the end of the dollar shortage era, what are the consequences for the foreign trade of the U.S.?

Until quite recently, U.S. merchandise exports were running well ahead of merchandise imports. In 1958, our exports were almost $16.3 billion, with imports at about $13 billion, leaving a comfortable export surplus of $3.3 billion. On the other hand, we had a $4½ billion export surplus in 1956, and, for reasons that I have already mentioned, a whopping $6 billion export surplus in 1957.

The trade figures for the first quarter of 1959 are disturbing. On the basis of figures for the first quarter, with March figures estimated, it looks as though our exports for 1959 will only be $15 billion, as against the $16.3 billion of 1958. Instead of increasing as many had expected, merchandise exports for the first quarter of 1959 will probably run about $400 million less than for the fourth quarter of 1958 which would be about equal to the figure for the smallest quarter last year.

On the other hand, merchandise imports, estimated at $3 billion for the first quarter of this year, are up $100 million from those of the previous quarter and up $500 million from those of the first quarter of 1958. While our exports seem to have lost their buoyancy, our imports are characteristically rising once again, as business improvement has continued during recent months. The rise in industrial production which is one of the most significant indices of our recovery, may be expected to continue, supported as it is by the growing volume of unfilled orders and general confidence in the business outlook. Under these conditions, imports are likely to increase and, on an annual basis, may well reach $14 billion or about $1 billion over 1958.

If our exports and imports do in fact follow the trend indicated by these first quarter figures, our export surplus this year will shrink to only about $1 billion.

The steady surpluses in the balance of trade of the U.S. lead many people to the comfortable conclusion that its balance of payments also is in surplus. As I have already pointed out, this is not true. Our invisibles, including foreign aid, capital exports on both Government and private account, tourist expenditures, and payments for other services such as shipping and insurance, have been far larger than foreigners needed to cover the excess of their purchases of goods and services from the United States, as well as their other payments in the U.S. Last year alone, the cash deficit in our balance of payments was of the order of $3.4 billion. In other words, we provided foreigners with many more dollars than they used here. During this decade of the '50s, we have been net suppliers of dollars to foreigners at the rate of almost $2 billion a year. From 1950 through 1958, they were, therefore, able to add to their gold and dollar holdings $13.7 billion, as a result of their transactions with the United States. Unless the present trends are reversed, they could acquire as much as $3 billion additional this year.

I did not intend to be a prophet of gloom. I have abundant faith in the resilience and dynamism of the American economy and in the resourcefulness of our business leaders. We are still far ahead. It is just that we Americans have to get used to some new competitors. There are already indications in the figures that, while our competitors are doing well against some of our older products, we are expanding our exports of newer products. Technologically, we have a good lead in many fields. Our friends abroad must still come to us for many things. This means that the character of our exports, "our export mix," may well gradually change. Some industries and firms will be hurt, but others will be able to make strong gains in export markets.

Greater Strain on Resources

In addition, as I pointed out earlier, conditions over the past year or so could hardly have been more favourable for Western Europe and Japan. But many of these factors are changing. Certainly, Europe's terms of trade can no longer be expected to improve and they may well worsen, as recovery all over the world strengthens commodity prices. The United States' position should be helped as Europe swings from a period of inventory liquidation to one of accumulation. As the European and Japanese economies resume their expansion, there will be a greater strain on their resources, with a consequent weakening of their export capabilities. The productivity of American industry has surged forward rapidly since the beginning of our recession. And our competitive position will be helped, of course, as discrimination is removed against American goods.

In other words, some of the temporary factors that brought the end of the dollar shortage era to us with such a shock may now tend to change or disappear. On the other hand, some underlying factors still remain, so that we have entered a new era, one of competition among countries with convertible currencies. This should be gratifying. This is what we have wanted all along; but it brings with it the need for disciplines to which the Americans have not been accustomed.

I should like to point out that our principal competitors have accepted those disciplines. You all know about the striking cases of Germany, Italy, Austria and Japan—countries that have rebuilt their productive capacity and raised their standards of living rapidly in this post-war period, while following sound monetary and fiscal policies. I can add many other countries to the list, including Switzerland, Belgium and the Netherlands, for example. The United Kingdom was slower to accept these disciplines, but the

MacMillan Government made the great decision when it took the Thorneycroft measures of September 1957. And it is significant that sterling has been growing stronger ever since. At the end of 1958, the French finally did it under General deGaulle, with the result that the French franc, after decades of almost steady depreciation, has once again become a sound currency. France has gained reserves steadily and rapidly this year and the French authorities are so confident that they have decided to introduce the so-called "heavy" franc, a franc that is intended to be stable.

The question that now arises is this: Are the Americans ready to accept these disciplines themselves? As I read the speeches and writings of some of our creeping inflationists, I begin to wonder. Creeping inflationists, I find, are very fuzzy and evasive about the effects of their policies on the international position of the dollar. For myself, I do not see how anyone—after taking a look at the American trade and balance of payments picture as I have tried to present it here—can conclude that a policy of creeping inflation is good for the United States, much less for the world as a whole.

We Americans have to face the fact that there has been a basic change. Never before in this post-war period, have we had to look so closely at our balance of payments position nor take it into account as a major factor determining our domestic monetary and fiscal policies. Our competitors are quite accustomed to this and they have now learned to react swiftly and sharply, when they have balance of payments difficulties. Our reactions, on the other hand, have tended to be slow, because the American people have not yet awakened to the full implications of our balance of payments deficits. This is not consistent with our responsibility for a currency that has become the world's principal standard of value and the largest repository of its foreign exchange reserves.

Conclusions

What are the implications for the U.S. of this new era of competition among convertible currencies? The answers are not easy, but when we recognise the urgency of the problem, we are at least on the road to a solution.

First. We must militantly fight for economic stability at home, simply because our vital self-interest demands this stability. There is no other way. It would be foolhardy on our part, having done so much to build progress and stability abroad, to throw it all away, because we do not have the self-discipline to live in the kind of world we have helped create. This is the reason we must support President Eisenhower and Secretary Anderson in their fight for a balanced budget, and a surplus budget, if possible, and the Federal Reserve System in its courageous moves to maintain stability. There is no question but that a budget deficit in present circumstances lowers our resistance to inflationary trends.

Let not the Americans forget that the world has its eye on the dollar more than on any other currency. I took a round-the-world trip last fall. Everywhere I went, there were questions about the position of the dollar. And no wonder. Foreigners held some $15 billion in official short-term balances with us. This is the measure of the world's confidence in the stability and value of our dollar. We have increasingly become the banker for the world. We must merit that confidence.

For this reason, we cannot afford to be too complacent about the gold outflow. The outflow has resumed recently and is certain to continue this year, partly because of the underlying international payments situation and partly because of the gold payments that will have to be made to the International Monetary Fund later in the year in connection with the 50 per cent. increase in Fund quotas. The United States alone will have to make a payment of $344 million in gold. The extent to which other countries will use their dollars to buy gold from us to make their payments to the Fund is unknown. It is well for all of us to know and anticipate these facts about the gold outflow, so that we can put it into proper perspective. While we should not be complacent, I do not want to be an alarmist either. I was impressed recently by what a world authority on this subject had to say at the American Bankers Association Monetary Conference in London. Mr. Per Jacobsson, Managing Director of the International Monetary Fund, stated that the gold outflow "represents a warning about the trend of costs and prices" in the United States but he stated further: "I do not think the U.S. gold outflow represents any real threat to the dollar. With the U.S.A. possessing more than half the world gold stock, it would be absurd to say this." I am hopeful about the reaction of the American people. I am told that recent reports from the grass roots areas of our country have been encouraging, that people are worried about inflation and writing to their Congressmen.

Second. We shall have to take a close look at the international financial burdens that we have carried so largely alone since the war. These burdens are broadly of two kinds: defence, and aid and economic assistance to developing foreign countries. These programmes must go on. It is essential for our security that we continue our military establishments abroad and our military assistance to our allies. Some of this aid is in the form of military hardware that by going to friendly countries actually reduces our defence burden at home. Another part of the aid goes to strengthen the economies of our allies and still another part helps us to dispose of our surplus farm products. While these programmes are necessary, we must be increasingly careful that every defence dollar and every aid dollar is well spent. At the same time, the growing strength of Western Europe and even of Japan indicates clearly that it is time for our allies to begin to shoulder a larger share of these burdens. I feel we are also right in our insistence that the developing countries too should demonstrate that, along with our aid, they are at the same time ready and willing to help themselves. This is a long-term job—far far longer than the reconstruction of Western Europe—but it is a job that must be done.

Third. We must not be tempted to solve our balance of payments problem by a reversion to a highly protectionist policy. To do so would make it impossible for us to press our European allies to liberalise further their restrictions against imports from the United States. Fortunately, the main lines of our trade policy were pretty well resolved when Congress last year renewed the Reciprocal Trade Programme until 1961. Any reversal of this policy would only bring retaliation and start a movement away from the more liberal trade policies that have done so much to stimulate the growth of world trade in the last few years.

Actually, it would be difficult for us to reduce our imports substantially even if we tried. Two-fifths are for raw materials not available domestically or needed to supplement inadequate domestic supplies. Of the remainder, a large part consists of foodstuffs most of which cannot be grown domestically.

Fourth. We should encourage Congress to pass the pending legislation embodied in the Boggs Bill, which provides incentives for American private investment abroad. This investment is the urgent need of many of the developing countries. In the long run, it should help take some of these problems off the back of our Government. This will not only help the budget, but each dollar of foreign private investment accompanied by our know-how is often worth several dollars of aid or credit to the recipient countries. For that reason a sound increase in our private foreign investment would not necessarily worsen the balance of payments problem that is foremost in my mind. Often our capital contribution is made in the form of machinery or other exports, anyway. Furthermore, in the long run, these investments should earn a good return and experience has shown that our industrialised friends usually become better customers, because their higher standard of living increases the demands for the things we have for sale.

Fifth and finally. We can help by explaining these cold facts of our changed world economic position to our friends, neighbours, employees, to all with whom we come into contact.

Economic achievements in Europe and elsewhere place new obligations on American economic statesmanship. The world is still largely dependent on the maintenance of the economic soundness and strength of the United States. The challenge to us is to keep our goods competitive price-wise in international markets and to bring our foreign payments into balance. Government, industry, and labour have equal responsibilities in meeting this cost challenge. The U.S. leadership in the world depends on the success of its endeavours to secure economic growth and stability. The whole world would regard any weakness in the dollar as a signal that America is losing the cold war.

[*N.B.*—Since this article was prepared by the author, Britain and France have relaxed the restrictions on imports of U.S. goods, including some consumer goods.—ED.]

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange, during the week ended 25th June, 1959.

	Closing quotations 17-6-1959	High	Low	Closing quotations 25-6-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	138.00	138.00	137.00	137.00
Apollo (2)	1.28	1.40	1.26	1.32
Bombay Dyeing (25)	64.80	66.00	63.70	65.70
Bradbury (50)	144.50	—	—	144.50
Central India (100)	99.00	105.50	98.00	105.00
Century Mills (100)	551.00	554.50	541.50	551.50
Edward Textile (200)	220.00	220.00	219.00	220.00
Elphinstone (50)	35.00	36.00	35.00	36.00
Finlay (100)	264.00	261.00	258.00	260.00
Gokak (100)	147.00	148.00	146.00	147.00
Ind. Untd. Defd. (1)	0.98	1.00	0.96	0.98
Ind. Untd. Ord. (10)	7.60	7.60	7.40	7.60
Indore Malwa (100)	88.00	92.00	87.50	92.00
Khatau (100)	221.25	246.25	222.50	246.25
Kohinoor (100)	284.50	288.00	280.00	285.00
Lakshmi (250)	415.00	415.00	410.00	410.00
Minerva Mills (100)	61.00	—	—	61.00
Model Nagpur (250)	70.00	—	—	70.00
Morarji (100)	255.00	257.00	251.00	256.00
Mysore (50)	82.00	—	—	82.00
National Rayons (100)	325.00	334.00	320.00	332.00
New City (100)	106.00	106.00	95.00	95.00
New Great (100)	172.00	176.00	171.00	176.00
Phœnix (100)	145.00	145.00	142.00	142.50
Podar Mills (100)	172.00	173.00	171.50	173.00
Sassoon Silk (10)	8.24	—	—	8.24
Sassoon Spg. (10)	50.00	50.00	49.50	49.75
Sholapur (1,000)	430.00	—	—	430.00
Shrinivas (100)	175.00	176.00	174.00	175.00
Simplex (50)	173.00	172.50	169.50	171.00
Standard (100)	518.00	519.00	507.00	512.00
Svadeshi (100)	243.50	251.00	239.00	249.00
Swan (100)	380.00	380.00	370.00	370.00
Tata Mill (25)	34.50	42.00	34.00	40.00
Vishnu (100)	100.00	—	—	100.00
Western India (1,000)	4,475.00	—	—	4,475.00
BANKS				
Bank of India (50)	130.50	130.50	129.50	129.50
Do. (New) (50)	133.00	133.00	132.00	132.00
Bank of Baroda (50)	102.75	102.75	102.00	102.75
Central (25)	53.50	53.20	52.70	53.00
Central 'A' (25)	55.80	55.80	55.00	55.00
Dena Bank (50)	52.50	52.50	52.30	52.30
Punjab National (10)	22.48	22.40	22.24	22.24
Union Bank (5)	6.88	6.84	6.68	6.68
United Com. (50)	61.50	62.00	61.20	61.80
ELECTRIC COS.				
Ahmedabad (100)	92.20	92.20	91.50	92.00
Amalgamated (10)	10.80	10.88	10.80	10.88
Andhra Valley (1,000)	1,132.50	1,132.50	1,127.50	1,130.00
Bom. Sub. El. (100)	103.75	104.50	104.00	104.00
Surat (100)	105.50	105.50	104.00	104.00
Tata Hydro (100)	117.50	118.50	117.00	117.00
Tata Power (1,000)	1,172.50	1,180.00	1,170.00	1,177.50
INSURANCE COS.				
British India (10)	14.44	—	—	14.52
Empire of India (100)	201.25	—	—	201.25
Ind. Mercantile (20)	43.00	—	—	43.00
Jupiter (15)	5.60	—	—	5.60
New India (15)	56.50	57.50	56.30	57.30
Vulcan (10)	20.76	21.00	20.76	21.00
STEEL COS.				
Ind. Iron (10)	24.36	24.48	24.04	24.24
Mukand Iron (10)	18.20	18.44	18.24	18.40
Tata Steel Ord. (75)	191.75	192.50	187.25	190.00
SUGAR COS.				
Belapur (50)	295.00	304.00	293.00	303.50
Bhopal (10)	23.20	24.00	23.52	24.00
Changdeo (12.50)	30.00	30.00	27.50	27.50
Phaltan (50)	160.75	161.00	155.00	160.00
Walchand Ind. (100)	203.75	327.50	205.00	827.50
CEMENT COS.				
Associated Cts. (100)	154.00	154.00	151.50	151.75
Digvijay (100)	153.00	155.50	152.50	151.50
MISCELLANEOUS				
Alcock Ashdown (100)	271.00	272.50	266.00	270.00
Bom. Burmah (125)	561.00	565.00	542.00	550.50
Do. (New) (50)	185.00	188.75	185.00	188.75
Br. B. Petrol (4 sh.)	1.76	1.74	1.64	1.66
Br. I. Corpn. (5)	4.12	—	—	4.68
Hindustan Lever (10)	30.00	30.25	29.60	29.60
Hindusthan Motors (10)	7.84	9.60	8.92	9.52
Indian Copper (2 sh.)	4.70	4.16	4.04	4.10
Ind. Inv. Tr. (100)	77.00	—	—	77.00
Killicks (100)	139.50	139.75	138.50	138.50
Larsen & Toubro (10)	22.28	22.80	22.48	22.72
Mahindra & Mahindra (10)	20.64	23.24	21.00	22.32
Polson (100)	139.00	139.00	[illegible]	136.00
Pre. Automobiles (100)	115.50	119.00	113.50	117.50
Premier Con. (80)	821.00	[illegible]	308.50	336.50
Scindia (20)	17.73	17.84	17.52	17.60
G. E. Shipping (10)	22.[illegible]44	—	—	22.60
Shivrajpur (10)	84.00	85.00	81.50	83.00
Sirpur Paper (10)	13.12	13.44	13.00	13.00
Tata Chemicals (10)	18.72	18.84	18.30	18.64
Tata Locomotive (100)	208.00	212.00	204.50	211.50
Tata Oil (25)	62.80	67.00	62.00	65.50
Voltas (100)	176.00	183.00	174.00	182.00
W. I. Match (100)	206.25	206.50	204.00	204.00

GOVERNMENT SECURITIES	17-6-1959	Gross Yield		25-6-1959
	Rs.	Earlier Redemption	Later Redemption	Rs.
2¾% 1961	97.50	—	3.65	97.75
2¾% 1960	99.20	—	3.47	99.30
2¾% 1962	97.10	—	3.64	97.10
2¾% 1976	83.20	—	4.08	83.20
3 % 1959-61 2nd Vict.	99.95	—	3.35	99.95
3 % 1964	97.00	—	3.58	97.10
3 % 1963-65	96.95	—	3.47	96.95
3 % 1966-68	94.30	3.74	3.71	94.80
3 % 1970-75 1st Dev.	91.60	3.89	3.60	91.60
3 % 1986 Con. Loan	73.70	3.92	4.07*	73.70
4 % 1960-70	100.75	—	3.92	100.75
3½% 1961 N.P. Bonds	100.20	3.38	3.43	100.20
3½% 1964 N.P. Loan	100.00	—	3.50	100.00
3½% 1965 N.P. Bonds	99.80	—	3.53	99.85
3½% 1962	99.25	—	3.50	99.30
3½% 1967 N.P. Bonds	99.40	—	3.58	99.40
3½% 1974	99.05	—	3.83	99.05
3¾% 1967 N.P. Bonds	100.85	—	3.62	100.85
4 % 1972 Loan	101.75	—	3.84	101.70
2¾% 1968	99.10	—	3.61	99.10
3½% 1963 N.P. Bonds	100.15	—	3.47	100.10
3¾% 1968 N.P. Bonds	100.60	—	3.68	100.60
4 % 1973 Loan	101.60	—	3.50	101.60

BRITISH GOVERNMENT SECURITIES

	Closing quotation 12-6-1959 £			Closing quotation 19-6-19[illegible] £
2½% Brit. Consols	51⅞xd	—	—	52[illegible]
3 % Savings Bonds 1965-75	76⅝	—	—	76[illegible]
3 % War Loan 1955-59	100⅛	—	—	100[illegible]
3½% War Loan	65¾	—	—	66[illegible]
4 % Victory Bonds 1976	96¾	—	—	96¾xd
4 % Funding 1960-90	90⅞	—	—	90⅞

*Current Income x.d.—Ex-dividend. x.r.—Ex-Right.